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Social Media Trends Briefing

February 2009

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Published February 2009

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1. Introduction

Econsultancy's trends briefing about Social Media contains information about market trends and statistics relating to this fast-evolving topic.

The information within this briefing is collated from a range of sources including:

- Econsultancy conferences, supplier showcases and roundtables
- Third-party events
- Research carried out by Econsultancy and other organizations

The purpose of Econsultancy's trend briefings (which are free to download) is to provide information relating to the latest trends, best practice, challenges and opportunities across a wide range of digital marketing and e-commerce topics.

<http://econsultancy.com/reports/briefings>

Other Econsultancy reports and content:

Online PR industry Benchmarking Report

<http://econsultancy.com/reports/online-pr-industry-benchmarking-report>

Online PR Trends Briefing January 2009

<http://econsultancy.com/reports/online-pr-trends-briefing-january-2009>

Innovation Report

<http://econsultancy.com/reports/innovation-report>

Online Reputation and Buzz Monitoring Buyer's Guide 2008

<http://econsultancy.com/reports/online-reputation-and-buzz-monitoring-buyer-s-guide-2008>

Online Customer Engagement Report 2009

<http://econsultancy.com/reports/online-customer-engagement-report-2009>

Online Measurement & Strategy Report 2008

<http://econsultancy.com/reports/online-measurement-and-strategy-report-2008>

Web Analytics Buyer's Guide 2008

<http://econsultancy.com/reports/web-analytics-buyer-s-guide-2008>

Online PR & Social Media Training courses:

<http://econsultancy.com/training/courses/online-pr>



2. About Econsultancy

Econsultancy is the leading source of independent advice and insight on digital marketing and ecommerce.

Our reports, events, online resources and training programs help a community of over 75,000 registered marketers make better decisions, build business cases, find the best suppliers, look smart in meetings and accelerate their careers.

Econsultancy is an [award-winning online publisher of reports](#) covering best practice, user experience benchmarking, market data and supplier selection aimed at internet professionals that want practical advice on all aspects of ebusiness.

Econsultancy also operates a highly popular [training](#) division, used by some of the world's most prominent brands for staff education, both in-house and via public courses. We provide training across all areas of digital marketing and at all levels from one-day courses to diplomas to Masters in Digital Marketing.

In addition, we host more than 100 events a year, such as The Online Marketing Masterclass, regular Supplier Showcases and Roundtables, an annual Future of Digital Marketing event, Digital Cream and a range of social events.

The [Econsultancy](#) site now attracts 175,000 unique users per month where they access research, read the blog and take part in discussions in the forums. And as a portal to the digital marketing community, Econsultancy members can also link up with other members and digital suppliers through our directories, as well as find a new job or new digital talent using the job listings.

Some of Econsultancy's client-side members include: Google, Yahoo, MSN, MySpace, BBC, BT, Shell, Vodafone, Yell.com, Dell, Oxfam, Virgin Atlantic, TUI, Barclays, Carphone Warehouse, IPC Media, Deloitte, T-Mobile and Estée Lauder.

[Join Econsultancy](#) today to learn what's happening in digital marketing – and what works.

Call us to find out more on +44 (0)20 7681 4052 or [contact us online](#).

If you would like to know more about corporate membership and our roundtables then please contact us on +44 207 681 4053 or peter.abraham@econsultancy.com.

2.1. Contact

If you have any comments or queries about this briefing then please contact aliya.zaidi@econsultancy.com.

2.2. Training

Econsultancy also operates a highly popular [training](#) division, used by some of the world's most prominent brands for staff education, both in-house and via public courses. We provide training across all areas of digital marketing and at all levels from one-day courses to diplomas to Masters in Digital Marketing.

Information about our Online PR and Social Media training courses is available here:

<http://econsultancy.com/training/courses/online-pr>

training@e-consultancy.com, 0207 681 4122



3. Market Trends

- The Web is becoming increasingly fragmented as content becomes distributed.
 - Many websites now include some social elements, whether they be sharing links with friends, posting articles on Delicious, digg, or StumbleUpon, or wider integration with other third-party social networks such as Facebook.
- More marketers recognize the opportunities for developing closer relationships with their customers and building trust and advocacy through social media.
- Social networking exploded during 2007 and 2008. In 2009, companies are focusing more on social media monetization opportunities.
- As social media establishes itself as a marketing discipline, there is greater emphasis on measurement and tracking. Metrics better enable marketers to benchmark success.
- Online video-sharing sites continue to thrive. Video services such as Hulu demonstrate that consumers are open to viewing advertising in between clips over traditional formats such as pre-roll.
 - Google just launched the ad auction model on YouTube.
- Microblogging continues to flourish as more companies and well-known individuals market themselves online.
- Social media's power was demonstrated during the race to the White House with an unprecedented number of users expressing their political leanings through YouTube, Facebook and Twitter, among other new media channels.
 - Immediately prior to President Barack Obama's [inauguration](#), Facebook counted 4,000 status updates per hour. Twitter experienced five times the normal number of tweets per second.
 - Obama has [embraced](#) new media. Whitehouse.gov features a blog, RSS feeds and an email newsletters. The arrival of the first “internet President” is an exciting new development.

3.1. Social media news and marketplace developments

- Social media start-ups continue to attract funding and VC money, despite financial doom and gloom and recessionary fears.
- Twitter is reportedly on the brink of [integrating search](#) into its home page. The ability to easily find relevant information is thought to be a potential route for companies to monetize the microblogging service.
- At the end of 2008, European business social network Xing acquired New York-based social median, for a reported \$7.5 million.
- In October 2008, financial services blog Bankaholic was purchased by financial information portal BankRate for \$14.9 million.
- In 2008, AOL bought Bebo for \$850 million as part of its international expansion strategy. AOL also acquired social networking site SocialThing in 2008 in a \$10 million deal.
- In July 2008, Twitter acquired search utility Summize. Tech gossip blog Silicon Alley Insider valued the acquisition at an estimated \$15 million.
- With mobile social networking predicted to be the “next big thing,” Vodafone acquired mobile social networking tool Zyb in early 2008, in a €31.5 million deal.

4. Best practices

4.1. Rules of engagement

- Social media allows the market to be more customer-led, increasing the ease of communication with and between key stakeholders.
- A growing number of companies are incorporating social channels into their online strategy, although it's worthwhile remembering the industry is relatively immature. Best practices in this area are still emerging and evolving.
 - The next step for companies already involved in social media campaigns is measurement in terms of business value and demonstrating tangible return on investment.
 - Many organizations monitor the online conversation, although fewer have launched social media initiatives of their own.
- Companies need to take greater steps to fill the gap between where their brand is positioned online and where conversations are actually taking place.
 - Online marketing is increasingly about approaching the customer using channels they are familiar with, rather than merely increasing traffic to your own website.
 - Companies “need to go where the conversation is”.
- [Gartner's Twitter account](#) has been cited as a best practice example . Gartner's aim is to facilitate dialogue between key analysts and customers, and therefore make the customer experience a lot more interactive.
- Who is the best person to manage social media channels? Allowing customers to engage with more senior employee increases levels of authenticity and trust, and enables the brand to build greater authority and influence.
- Privacy is a key consideration. Companies must achieve a balance between defending their public image and protecting intellectual property by restricting the amount of information they disclose in the public domain.
- If companies ensure they are actively involved in the online community it makes it easier to tap into relevant networks and allows them to foresee potential opportunities for collaboration and co-creation.

4.2. Metrics and measurement

- CPA (cost-per-action/ cost-per-acquisition) is the key measurement metric that drives digital marketing, but other metrics relate specifically to social media marketing.
 - Bear in mind there is no a single, universal metric for social media. Measurement must be tailored to the individual channel.
- Social media campaigns often have objectives other than increasing traffic or improving search results and Google rankings.
 - Other important objectives may include improving online reputation, amplifying word-of-mouth, and increasing influence or authority about a particular subject.
 - These “soft” objectives may be more difficult to measure and track, but they're nevertheless equally important.
- Applying traditional marketing metrics to social media may be an effective strategy for measurement.
- Metrics to measure online are available. The dilemma lies in understanding which are the most effective and useful metrics to track.

- Marketers must recognize social media's role as a constituent part of a wider campaign and adopt a multi-channel approach.
 - Many marketers still work in silos. There must be wider integration across multiple marketing disciplines in order to drive more effective measurement of social media.
- [MeasurementCamp](#)¹ is the first movement designed to create a set of Open Source resources to measure social media communications online and offline.

4.3. Buzz monitoring strategies

- Prior to implementing a social media campaign, an important prerequisite for digital marketers is initially to listen to the conversation and monitor online buzz and reputation.
- Social media provides a lucrative opportunity for large brands to present a “human” face for the company; it facilitates a dialogue between the customer and the brand that otherwise might not take place.
 - Personally responding to individual customers immediately increases credibility and authenticity.
 - Consumers can be surprised their comments and tweets are being monitored. It's important to consider this can have both positive and negative effects.
 - Companies must develop an understanding of the appropriate time and manner in which to respond to avoid being perceived as a corporate Big Brother.
- Twitter facilitates monitoring feedback from early adopters and key influential stakeholders. Using Twitter to find relevant company information is rumoured to be a potential monetization opportunity for the service.
- Although there are many free and paid-for buzz monitoring solutions, human resources are needed to interpret the data and gain meaningful, actionable insights.

4.4. Identifying influencers

- Social media strategists need to use new channels to try to reach the so-called one-percenters, and identify their behaviour.
 - The term refers to hard-core fans of the brand, the principle value creators in a community. Research has shown approximately 1% of the online community create content, 10% are contributors, while the vast majority (90%) merely consume the content.
 - Once the early adopters are involved in the brand, it is important to monitor the adoption lifecycle and the one-percenters' impact on mass marketing.

The “one-percenters”

“It would appear that small groups of people often turn out to be the principal value creators of a democratized community. Over time, the work [of the one-percenters] fuels widespread interaction that engages the non-participating community and attracts new ones. If continually nurtured, the community can become a self-sustaining generator of content and value.”

Ben McConnell, co-author of the ‘Church of the Customer’ blog

- Companies can identify influencers by analyzing a range of different media, such as monitoring ratings and reviews and online communities and forums.
 - “Influentials” refers to those key stakeholders who can instigate a change in other customers' behavior of. It's all about empowering customers, rather than adopting a top-down approach from the organization.

¹ <http://measurementcamp.wikidot.com/events>

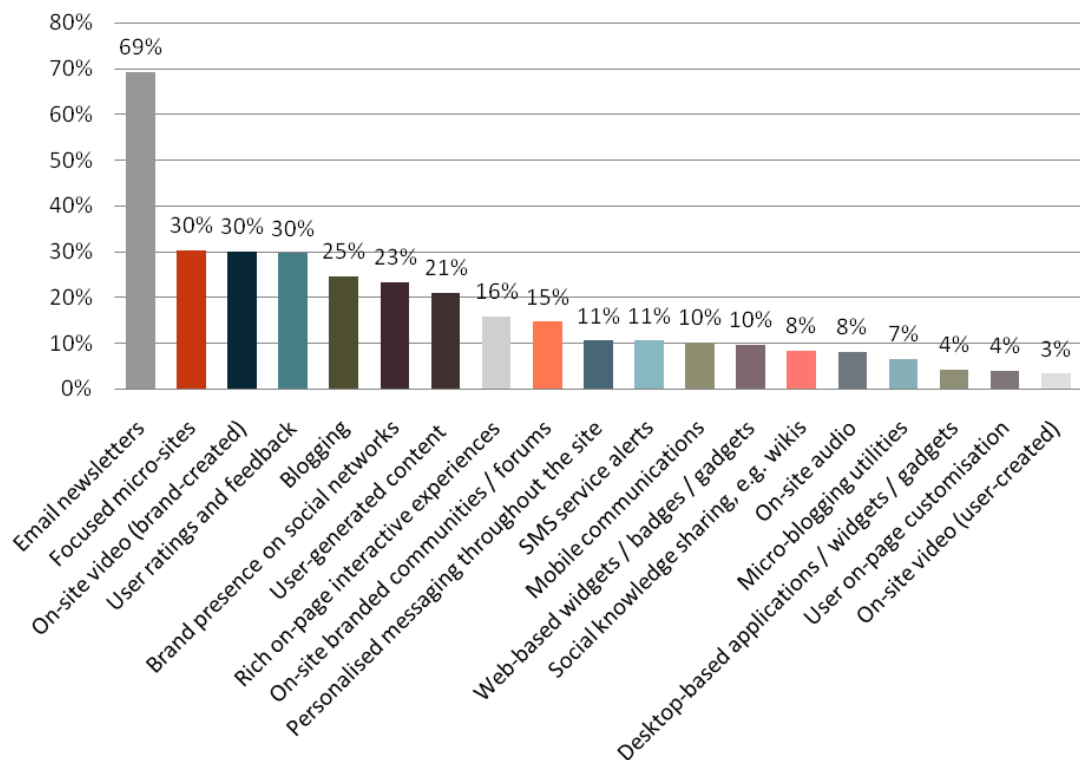


- It is important to make a clear distinction between different types of influencers and to recognize *influence* is different from *authority*.
 - Individuals with large volumes of Twitter followers can be considered “influential” as their messages can have widespread reach. This does not necessarily mean they are “authoritative.”
 - Authority relates to changing opinions and attitudes, rather than widespread dissemination of a particular message.
- Influentials can create both positive and negative effects – it is important to recognize the impact that detractors can also have on your brand.

5. Statistics

- According to the Econsultancy / cScape **Customer Engagement Report 2009**, 23% of company respondents report improvement in engagement through *brand presence on social networks*, while 7% of companies report improvement through **Twitter**.
 - Other notable channels demonstrating tangible improvements in engagement include **blogging** (25%), **UGC** (21%), and **widgets** (10%).

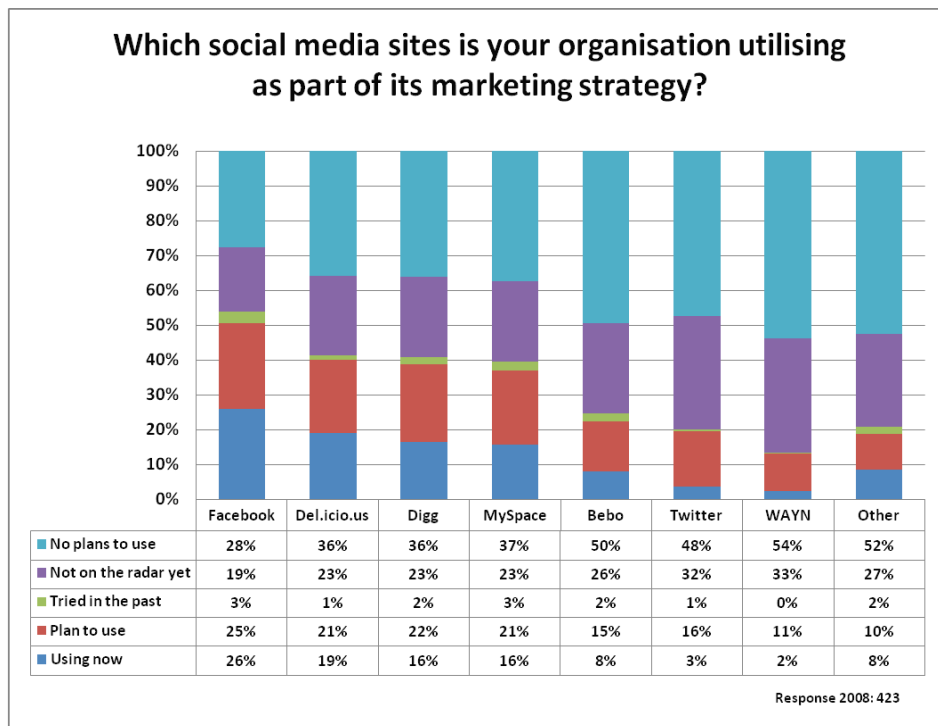
Have any of the following resulted in a tangible improvement in your organization's online customer engagement?



Source: Econsultancy / cScape Customer Engagement Report 2009

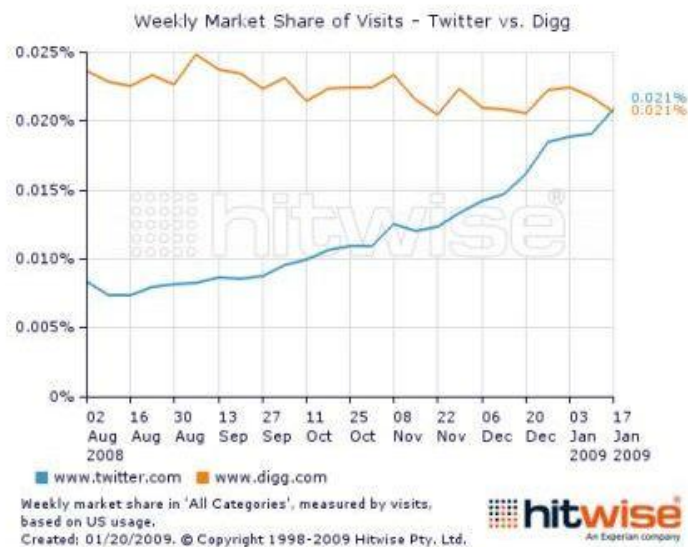
- Avenue A/Razorfish's recently published Feed report surveyed "connected consumers".
 - Of these connected consumers, 28% use Twitter.
 - 52% regularly use RSS feeds, while 41% make use of tag clouds.
 - 55% use desktop widgets, and a further use widgets on sites such as Facebook or iGoogle.
 - Video has been a star this year as usage has hit the mainstream. 52% of connected consumers have uploaded videos with some frequency.
 - 72% have shared videos with their peers.
 - 68% of consumers say that they participate in more than one social network.
 - Somewhat surprisingly, 40% say they have made a purchase based on advertising through a social network.

- More than half of companies surveyed either use Facebook as part of their marketing strategy (26%), or plan to utilize this social networking site (25%). [Econsultancy / Guava]



Source: Econsultancy / Guava UK Search Engine Marketing Report 2008

- Recently released Hitwise data [suggests](#) Twitter has caught up with digg in terms of site usage.



For more statistics on Blogging, UGC, Social Networks, etc. see Econsultancy's Internet Statistics Compendium.

<http://econsultancy.com/reports/internet-statistics-compendium-december-2008>

6. Resources and White Papers

Online PR Industry Benchmarking Report

<http://econsultancy.com/reports/online-pr-industry-benchmarking-report>

Online Reputation and Buzz Monitoring Buyer's Guide

<http://econsultancy.com/reports/online-reputation-and-buzz-monitoring-buyer-s-guide-2008>

Econsultancy / cScape Customer Engagement Report 2009

<http://econsultancy.com/reports/online-customer-engagement-report-2009>

Measuring social media - a minefield without metrics

[Econsultancy blog]

<http://econsultancy.com/blog/2519-measuring-social-media-a-minefield-without-metrics>

Online Reputation and Buzz Monitoring Buyer's Guide

<http://econsultancy.com/reports/online-reputation-and-buzz-monitoring-buyer-s-guide-2008>

The Inauguration of Barack Obama by the numbers

[Econsultancy blog]

<http://econsultancy.com/blog/3170-the-inauguration-of-barack-obama-by-the-numbers>

MeasurementCamp

<http://measurementcamp.wikidot.com/events>

FEED: The Avenue A Razorfish Customer Experience Report 2008

<http://feed.razorfish.com/publication/?m=2587&l=1>

Universal McCann Social Media Tracker 2008

http://www.universalmccann.com/Assets/wave_3_20080403093750.pdf

Social Commerce Report 2007

<http://econsultancy.com/reports/social-commerce-report-2007>

The Guardian – Social Networking

<http://www.guardian.co.uk/technology/socialnetworking>

Nixon McInnes Blog

<http://www.nixonmcinnes.co.uk/knowledge/>

Ian Jindal's PPT at Econsultancy 2008 Future of Digital Marketing event.

<http://www.ianjindal.com/speaking-at-the-future-of-digital-marketing-e-consultancy-june-2008-london/>

Econsultancy Social Media Monetization Case Study – Slideshare PPT

<http://www.slideshare.net/econsultancy/e-consultancy-social-media-monetisation-case-study-442177>

