



# Knowledge and Social Networking

New Business through Business and Social Networks

**June 2010**

# Knowledge and Social Networks

## Creating New Business from Expanding Online Networks

### **The importance of knowledge and social networks to the modern organisation**

Some people disregard knowledge and social web networks as a temporary fad for those with too much online time on their hands. However, there is no ignoring the pervading nature and global reach of social media such as SMS, YouTube, Twitter and Facebook. There are around 150 active knowledge and social network sites globally, with more being created each day, and each site has groups of millions of members and contributors. Expansion of the most popular sites has been rapid and exponential, and many already influence people's opinions in vast numbers. With 29 million members by the end of 2009 Twitter has directly influenced the Iran election and put an unknown author at the top of the best sellers list, whilst a Facebook campaign has created the UK Xmas No.1.

Here are a few facts about knowledge and social networks that explain the current interest and focus on them:

- 57% of online users globally have joined a social network, 55% upload photos and 83% watch video clips.
- Facebook, the largest social network, now has 350 million members, up from 120 million in 2008.
- Linked In, the largest and most successful business knowledge network, has 53 million members globally.
- There are 300 million blogs globally, with 73% of web users reading blogs and 45% starting their own

### **Definition of social networks and why they have expanded rapidly and globally**

Social networking has gone on almost as long as societies themselves have existed. However, the unparalleled potential of the internet to promote connections is now being fully recognised and exploited, through web based groups established for this very purpose. Social networks are vast, covering every conceivable area of social and leisure interest, opinion and business thought, providing access to all types of written, aural and visual media.

Social media sites are the fastest growing web category, doubling in traffic in 2008/9. Social networking is about expanding your business or social contacts by making connections through individuals, posing both opportunities and challenges to businesses. Whilst some individuals only use social networks at home, social networks such as Facebook have come under increasing scrutiny to prevent users spending too much or any time on them at work, leading to Facebook and other social network site access being permanently 'blocked' in some organisations.

The draconian action by organisations banning access to these type of sites somewhat misses the point. The potentially addictive nature of social networks has highly positive elements, if used in the right way. Humans have a natural trend to want to make contact with others that share their interests or opinions. Social networks have a disproportionate impact as they expand exponentially and globally. This is based on a 'six degrees of separation' concept, which means any two people usually make contact through a chain of no more than five intermediaries.

Social networking establishes interconnected web based communities and personal networks that help people make global contact in areas of personal interest that they would be unable to contact in almost any other way, and with users that they would be unlikely to have 'met' otherwise. The principle is simple, with individuals joining one of the social networking sites and invite people they know to join as well. Those people invite their contacts to join, who in turn invite their contacts to join, and the process repeats for each person.

## Knowledge and business networks – definition and differences

Knowledge and business networks are slightly more complex to define, as they are often thought of as a group of functional experts contributing in a structured way on a clearly defined and specific topic or project. Knowledge networks are often comprised of groups of people across multiple locations accessing central information, for example through an employee intranet or via interconnected groups of academics, all contributing to a project with a central goal, budget and time frame. In the wider web world this highly structured and focused definition does not apply as readily, with users simply joining the knowledge groups that interest them and freely giving their thoughts and opinions on topics, often without moderation and even with limited accuracy in some cases.

An example of a web knowledge network is a blog on a specific topic of which Twitter is a 'microblog'. Blogs inevitably require all online contributors to have great self-discipline, to avoid the blog becoming clogged with spurious or irrelevant information and potential knowledge overload. A disadvantage of some Blogs is they rely for their content to a major extent on the people who have the most time and interest to contribute to the blog, and not necessarily those who have the most expertise or who's opinion is most sought.

Business networks can deal with general or specific areas of business needs and networking requirements. Linked In is probably the best known of the successful business networks, and is an interconnected network of experienced professionals from around the world, with 53 million members representing 170 industries in 200 countries.

Whilst many individuals have used Linked In to link their past and present business contacts that they have met throughout their business career, there is also an increasing interest in the thousands on Linked In groups that have been created. These groups usually cover a specific area of business such as recruitment, technology or functional roles like marketing or project management. Groups provide members with emails about relevant topics, and offer online seminars, briefings or associated business events linked to their areas of interest.



The screenshot shows the LinkedIn interface for an event titled "The Digital Marketing Briefing". The event details are as follows:

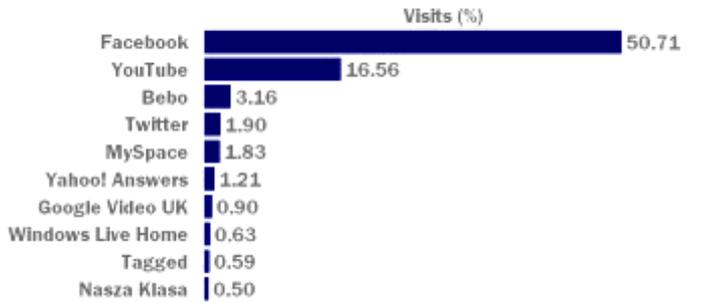
Starts:	Wednesday March 17, 2010, 07:00AM
Ends:	Wednesday March 17, 2010, 07:00PM
Event Type:	Other
Location:	IET 2 Savoy Place London, GREATER LONDON WC2R 0BL GB
Price:	
Website:	<a href="http://www.digitalmarketingbriefing.co.uk">http://www.digitalmarketingbriefing.co.uk</a>
Industry:	marketing and advertising
Keywords:	Richmond Events, digital marketing, london briefing new business
Intended For:	Digital Agencies, Digital Budget Holders
Organization:	Richmond Events

Below the details, there is a description: "This event is a strategic business forum in the world of Digital Marketing. Helping both brand owners and digital agencies." At the bottom of the event card, there are buttons for "Recommend", "Share", and "Report".

## The most important knowledge and social networks

### Top social networking sites: UK

Facebook tops the social network list with half of all visits in UK, Oct 09



www.DigitalStrategyConsulting.com

Source: Hitwise, Oct 09

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Over the last two years the top online network has consistently been Facebook with over 350 million active users.

Whilst there is no other online network that looks likely to demote Facebook from its top spot, it is interesting that microblog Twitter has grown from just 1 million to over 29 million users globally in the last 12 months, despite its 140 character 'tweet' limit.

**October 2009 figures. Data does not include business network Linked In and blog site Blogger.**

In the broader business world, the picture of the most popular online network sites looks a little different:



With its rapidly increasing number of users, Twitter has gained dominance in under 12 months, with Linked In the most popular online business network.

It is not just PC based networks that are important to focus on in an increasingly mobile economy. By the year 2013, 43% of global mobile internet users (607.5 million people worldwide) will be accessing social networks from their mobile devices, according to a new report from [eMarketer](#).

The report reveals mobile and social as emerging channels that are helping drive the adoption of each other. Social networking is one of the primary ways mobile users communicate with each other, and is one of the most significant drivers of internet usage on mobile devices. In fact, by 2013 they estimate mobile social networkers will account for 45% of the total mobile internet user population.



## Assessing the best knowledge and social networks to attract new business

To market your organisation, products and services effectively, the first stage is to decide which business and social networks your prospective customers are likely to be reading, registered with and contributing to. This will ensure that their interests and views will match the content and tone of your networking communications.

By monitoring networks daily for subjects and points of view that individuals in your organisation can add value to, the minute you see a suitable topic or comment you can contribute to opinions and review articles and links to raise your profile with potential new business prospects reading and contributing to the comment in question.

Whilst the right types of networks offer a low cost way of reaching hundreds of thousands of future target customers, their downside is that it is extremely difficult to target exactly the contacts you want. This is why a networking strategy needs to coordinate and run in tandem with your core marketing communication strategy.

At every point in working out a chosen network strategy you need to be conscious of the fact that, unlike traditional marketing media, social and knowledge networks are powered through peer to peer distribution by individuals rather than organisations. This means that the vast majority of network content is created based on user interests, not what someone wants to sell them. This understanding also needs to be reflected at all times in the language you use and the way that you communicate with your network media contacts.



Knowledge and social networks offer both individuals and organisations an opportunity to raise their profile and increase awareness of their organisation, aims, products and services and time based activities such as events and offers. There is a primary difference with online networks versus normal business communications and marketing media – they are created by individuals whose secondary focus is the needs of the organisation they work for. All of the most successful knowledge and social media campaigns have borne this in mind, capitalising on the personal knowledge, styles and skills of individuals, combined with the viral and one-to-many nature of online networks to gain awareness and, hopefully, a desired action as a result of their online network messages.

Get your network focus, media strategy and communications right and, with the nature of peer to peer networks and network volume and value, you can potentially reach a high volume of new customers at low cost.

## Using your staff to establish the online networks that fit your organisation best

According to a recent survey by HR specialist Ixia, there is no better time to make the most of staff, your most valuable asset. Whilst 85% of those surveyed felt their organisation was likely to be impacted by the recession, 82% felt emotionally engaged with their organisation and willing to do whatever it takes to help them succeed.

A direct way of establishing and selecting the best knowledge and social networks for your organisation is through structured research using a selection of your own staff, combined with a clear network strategy and staff mentoring and monitoring processes. Whilst it is estimated that at least 32 hours per month from your staff will be required to make each network campaign a success (SMMIR 2009), if you choose the alternative of one of the increasing number of specialist online network agencies, costs can quickly run into many thousands of pounds.

For many organisations, the first foray into online networking is to nominate internal experts to join and contribute to selected networking forums and blogs. The key is spotting network topics and stories where your expertise and opinion are relevant, and contributing at the right time to multiply your success rates.

Business networks are a great place to start, such as Linked In, plus sites like Twitter that give 'listed' status to contributors, classified against specific interest topics.



There is also a highly important secondary benefit in involving your staff directly in web network marketing. As the majority of employees are staying with their current organisations in turbulent times, online networking is an ideal opportunity to help maintain staff retention by asking for their support and hard work to help you through, including helping new business ideas like making online networking a success through their contributions.

By engaging relevant staff to help in business and social networking, you can both increase your market awareness and promote and protect your reputation, delivering new business efficiencies and creating new integrated online marketing campaigns for your long term benefit.



Sustainable social and knowledge networks can build online relationships within your organisation that can outlast the current recession, to generate new business over the long term. As long as your message and brand presence is in synergy with social media users' own requirements and personal views, the end result is positive engagement and real time involvement with your target audience, both of which are closely allied to intention to purchase.

If you make it easy, through well chosen social media, for people who are interested in your products, services and comments to connect and interact with your staff on a daily basis, employees and message recipients and contributors alike will become more involved and 'care' about your message or brand over time.

## How your organisation can benefit from online business and social networks

The most relevant factors why online networks are important, aspects not yet fully appreciated, are not just their influence on both individual's attitudes, but their effect on online consumer and business purchasing decisions:

■ 47% said networking sites influence their decision to buy particular brands or services (MarketTools).
■ 33% of social networking site users engage in product research before making a purchasing decision.
■ 91% say consumer reviews are their No. 1 aid to influencing buying decisions (JC Williams Group).
■ 87% trust friend recommendations over a critic's review, with 3 X more users trusting peers Vs adverts.
■ 26% of respondents changed their minds about their purchasing due to social network content.

By regularly monitoring and contributing to the most popular networks business areas and topics of interest you wish to educate potential clients on, this allows you to be seen as an important market leader and subject matter expert. Whilst this may not immediately influence awareness or sales in the short term, the long term effect of all the individual contributions of staff within your organisation should lead to new business and better relationships.

Contributing to suitable knowledge and social networks is effective viral marketing, taking advantage of networks of influence among contacts and potential customers to achieve changes in behaviour inexpensively. With only one in ten new products and services launched being commercially successful, social networks can also be 'mined' for information about attitudes and behaviour, helping new products to have a greater chance of success.

## The marketing and commercial advantages of online networks

Organisations of all types can immediately benefit from online networks in one of four key ways shown below.

New market entrants or those with low public awareness would benefit from (1) and (2). Those with a defined partner marketing strategy would benefit from (3), and commercial organisations would benefit from (2) and (4).



Whilst 88% of executives and marketing professionals are currently engaging in some form of network marketing, it is true that 72% have been participating for a few months or less, with many only using Twitter and Linked In.

Many initial online network marketing activities have been experimental due to their recent nature but, already, those that have participated in them have seen clear benefits in awareness, traffic, partnerships and leads, helping to reduce their overall marketing spend due to their inexpensive nature.



Figures: Social Media Marketing Report 2009

## Adapting your marketing strategy to include knowledge and social networks

All business and social networks involve complex, organic online conversations and the power to define and control brands is increasingly shifting from organisations and businesses to individuals and communities.

Mitch Matthews, former Head of Marketing at Microsoft summed it up saying: ***"The old model was informing, persuading and reminding. The new model is demonstrating, involving and empowering."***

The obvious question most organisations then ask is "how can web networks be used effectively for commercial purposes?" In answering this, it is relevant to look at the way in which consumers behave online.

How people are influenced online in their purchase decisions and forming their opinions	
■	70% of all purchase decisions of all types are based on recommendation by a friend or colleague.
■	A third of all blog content is currently about products and brands, so a 'sales' precedent is already set.
■	20% of all Tweets are brand, product or service related, often with links for further information or interest.
■	Twitter has already influenced major areas of life such as elections and the music charts.

Shar VanBoskirk, Vice President at Forrester Research, predicts that by 2014 interactive marketing will near £35 billion and represent 21% of all marketing spend, a clear reason for a recent decline in traditional marketing and why current marketing professionals are increasingly investing in interactive marketing efforts. This leads to the obvious conclusion that whilst online networks may be evolving and changing rapidly, it is impossible for any organisation to ignore their influence on customer purchasing decisions and views on topics.

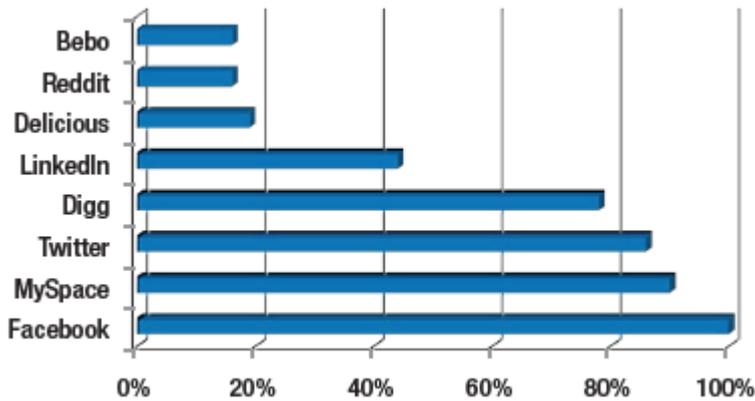
## Using online networking to improve the reach and response of email campaigns

Most organisations already send some form of email communication, whether direct to B2C current and target customers or B2B to target partners and businesses. Whilst almost 90% of businesses of over 10 employees send emails designed to increase sales, Symantec estimate that 90% of emails people receive are SPAM. Partly for this reason, email marketing has been perceived by many organisations as the poor relation of website and SEO marketing, online advertising and direct sales efforts.

With email response rates dropping into single figures for many B2B campaigns over the last two years, increasing email response rates is a critical part of the success of most organisation's marketing strategies. The recent addition of social networking site links to standard B2B emails has had interesting effects. Social and business networks offer a new way of directly improving email response rates, with links to business and social networking sites being common with B2C emails and becoming an increasingly part of B2B emails.

Factors influencing increasing use of social and knowledge network links in email marketing	
■	Shared emails evaluated for a Silverpop study delivered an average increase in reach of 24 percent.
■	Social sharing already achieves click-through rates many times that of forward-to-a-friend functionality.
■	On average, social sharing leads to an additional 1 percent of opens in B2B and B2C email campaigns.
■	In most cases, the last click on a shared email message occurs about seven days after the initial share.

## Percentage of social emails in which links to social networks were included



Source: 2009 Silverpop survey of 562 email messages containing links to social networking sites that were sent from 98 B2C companies and 16 B2B firms to more than 54 million recipients. For details see [their report](#).

Whilst Linked In was a distant fifth overall, within B2B only emails it was top with 83% of B2B social emails including a link to Linked In.

## Social Networks to broadcast organisation news or an important press release

Getting real-time, 24/7 online access to company news and reaching responsive and efficient PR representatives still rates high on journalists' wish-lists, but reporters are increasingly sourcing stories from online and network media, according to research from Bulldog Reporter and TEKgroup International.

By researching your target press and markets you can use social media as an excellent opportunity to rapidly increase your profile. The easiest way to gain coverage is by contributing to topics and features your target audience are already interested in or contributing to. Online media is all about acting on the moment, whether it is using online media to link to a website news item, press release, an RSS feed or blog. Online networks mean that news items or articles that would normally seem a bit 'dry' can be made extremely topical and gain a large number of hits from target online users, when matched with the right online network and subject matter.



The '2008 Journalist Survey on Media Relations Practices' study examined journalists' use of new media, (online newsrooms, blogs, RSS and social networks), and found the greatest change in journalism practices as a result of the internet to is the ability to access corporate news and contact information online 24 hours a day.

Nearly half of journalists reported visiting a corporate website or online newsroom at least once a week, while nearly 87% visit at least once a month. Though approximately 25% of journalists do not cover blogs, more than 29% report regularly reading five or more blogs to research desired topics, compared with 26% a year ago.

### The increasing use of social and knowledge network sites by journalist and press contacts

- Nearly 75% of journalists follow at least one blog regularly, compared with about 70% a year ago.
- More than 75% say they use social media to research stories, compared with about 67% last year.
- 38% say they visit a social media site once a week as part of their reporting Vs only 28% last year.
- 19% receive 5 or more RSS feeds of news services, blogs, podcasts or videocasts every week.
- 44% of journalists choose to receive at least one regular RSS feed.

## Social Networks to aid time based webinars, seminars, conferences and events

Many organisations provide their current and future customers with opportunities to engage with them at seminars, conferences and events to sell their products and services. Whilst events and seminars can be relatively costly to set up, there are two key reasons why so many organisations run them. The first is it gives the presenters a chance to interact directly with potential customers and the second is that it is recognised that the social interaction they generate is more likely to convert to a positive sale in the long term.



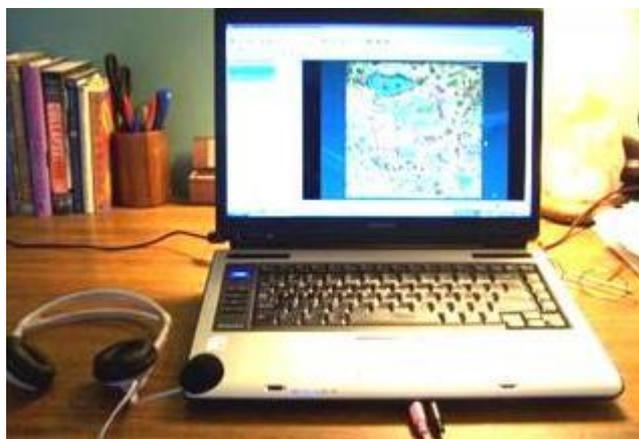
There is no doubt business conversion rates are far higher where face to face contact is involved at any type of event. This is because, being social animals, as soon as we interact with someone then we automatically have a vested interest in the outcome.

As long as the comments and feedback we receive from the people we speak to at an event are positive, we are more likely to leave with a favourable impression of the organisation they represent and are more likely to convert our opinions into buying actions.

However, with many senior managers and executives unwilling to travel to events due to both time and cost, over the last five years online webinars have also become popular as a way for people to educate themselves about topics, products, services or new trends, without leaving their office or home.

This is also the reason why online webinars have become far more interactive over the last two years. Events staged using technologies such as Go To Meeting or Microsoft Live Meeting offer the capability for those participating in the web event to comment on or question presenters in real time, going part way to the type of involvement attendees experience at live events.

With this type of online seminar often the norm, the use of highly interactive social media to promote these types of events is a natural promotional tool.



Social media goes some way to replicating the face to face event. Rather than just reading a presentation and 'self educating' ourselves, social media has an instant appeal as we all prefer to interact with presenters providing us with information, even if this is all achieved online in the form of a real time 140 character Twitter 'tweet'.

The key nature of social media is its real time aspect, so commenting on an event or conference a sensible time in advance, with a link to book, is a highly practical and cost effective way to use all forms of social media. In addition, a few days before the event is due to take place, providing a larger volume of comments around the event and the topics it will cover will highlight your event rapidly and effectively.

As the 'forget factor' is around one month after a live event, by encouraging post event debate social media also provides an opportunity to maintain and reinforce content of an event or seminar long after it has taken place.

## Summary

There are many practical solutions to the multiple challenges arising in creating and implementing an effective knowledge and social networking strategy. Online networking allows organisations to gain a real-time and rapid responses and views on their products and services through the efforts, constructive thoughts and comments of nominated staff contributing to selected networking sites. In the long term, this process will build increased awareness of your organisation, generate a rapid and positive engagement and useful research feedback from potential clients to new products and services and directly influence consumer and business purchasing decisions.

The business and social networking environment is complex and likely to continue to change rapidly. However, if you are clear about what you want to achieve with your online networking strategy and have an integrated campaign that links in with existing marketing, you will be able to target and communicate with future purchasers and ultimately transform them through long-term online networking partnership into active long-term customers.

Five key focus areas to help define your best approach to your online networking strategy	
Define and target your primary audience for your products and services to target specific online networks.	✓
Remember that 50% of sales achieved through networks come through Facebook, Linked In and Twitter.	✓
Use nominated staff to help you pick and contribute effectively to the most suitable online networks.	✓
Use online networks within an integrated marketing strategy to link to news, emails, websites and events.	✓
Maintain a high profile on online networks to ensure long term benefits and new business opportunities.	✓

An integrated approach to online networks gives you a valuable edge in your marketing arsenal to supplement your website, PR, event and products and service marketing strategy. Online networks offer a cost effective way to maintain real time awareness of your products and services with your target audience. However, probably the most important factor in the current challenging economic climate is that this approach is still relatively new and will enable many organisations to create a valuable and early edge over their competitors, regardless of industry.

## About KB Consultants

With a client focused and web solutions led approach, KB Consultants has been providing online eMarketing, marketing and new business consulting and advice for over a decade. KB Consultants work in partnership to help clients improve their web solutions, online communication and operational efficiency and to generate effective new business from the web. Our expert online strategy consulting is backed by technology expertise combined with creative and technical skills and a proven project process methodology.

## Contact KB Consultants

For more information about this white paper, or to discuss how KBC can help you implement your own effective online networking strategy, email Andrew Kerry-Bedell at KB Consultants at [a.kb@live.co.uk](mailto:a.kb@live.co.uk) or call 07899 741939.



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