



Everybody's Talkin'

Friends with Facebook? Mad about MySpace? Like being Linked In? Are you a Twitterbug?

The use of social media is exploding, with online participants using the sites to hook up with old friends, post pictures, or just publish their to-do lists. But just how useful are these sites for businesses? Is it worth a company or organization's time to invest in hiring someone to develop and implement a social media marketing program? Is there money to be made from social media sites? In this discussion, six area business and community leaders mix it up with 270inc publisher Pattee Brown about online social media sites and whether they're useful as tools for business development. Sitting in on the discussion were 270inc publisher Harby Tran and Managing Editor Rob Snyder.

edited by Rob Snyder
photography by Timothy Jacobsen



PATTEE

Fifteen or so years ago, you walk into a networking event and you say to somebody, 'Do you have a Web site on the internet?' to which, I am going to guess, 80 to 90 percent of the people in the room would say, 'What are you talking about? The Internet is only good for getting e-mails.' Fast forward 15 years later, you walk into a networking event and ask people if they have a Web site, and they say, "of course I do, I can't survive without the Internet.' During those 15 years we learned how to turn the Internet into a tool for businesses. But today, if I ask, 'Are you on Facebook,' I wonder if what people would say is, 'Well, my wife and I are on Facebook to keep in touch with high school friends, but that's about it.' So, speaking in terms of business development, is social media the Internet of 15 years ago? Is it a good investment for a business owner with 20-plus employees to spend \$50,000 on social media marketing efforts? Is there a return on that investment?



STEVE

For me it's simple; go where the people are. Fifteen years ago, people were getting on the Internet, so why not go there and show those people your business? Going where the people were 20 years ago meant getting in your car and going to see your clients. Now it means having a virtual presence online, and being accessible and transparent. And social media allows you to do that.



DIANE

When you talked about what was going on 15 years ago, the first thing that popped into my mind was me sitting in the office of the president of 1st Nationwide, trying to talk him into having an Internet site and him saying, 'No, no, no, and if I have to tell you again, I'll yell at you.'" It took a few years until he was willing to consider it. I feel that having an Internet site is like having a brochure or a business card, and all my clients feel that way too. But when you go beyond your Internet site, maybe with a blog attached to it, it gets kind of cloudy.



STEVE

There needs to be a face with the name of the company. One of the biggest mistakes is when a company uses their logo as their profile picture. People don't want to do business with a thing, they want to do business with a person. For instance the CEO of Nashable, which is a great place to get beginner and intermediate social media, uses his picture for the profile image for the company. So the idea needs to be, warm up your brand, be accessible, approachable, transparent. To leverage social media you need to recognize that you're in a dialogue [with the customer]. This is no longer where you can just get into a business and expect to do well. You need to be able to have a conversation with people, and be responsive and have the follow-up.



"I remember those days of the wild, wild West of the Internet and how it was basically us going out there trying to convince businesses that they had to have a Web site and them going, 'you're nuts.'"

—Jon Bailey
President
WoodStreet web design firm



JESSICA

I have a feeling I am going to be the statistics person in the group. But, I thought this was interesting. It took radio 38 years to reach 50 million listeners; it took television 13 years; it took the Internet four years. Facebook added 100 million users in less than 9 months. So I think that whether we know how to make it work for business or not, doesn't matter because we have to make it work for business.



JENNIFER

I completely agree. Businesses have to understand that there is a certain demographic that you can reach in a very real way. These people are primarily using these social media sites for information and if you ignore these sites, you are essentially ignoring these newest potential customers. Prime time, your average viewer is 60 I believe, but what about the rest of the people you won't reach with the traditional television advertising? You need to address the rest of the world beyond the traditional means of reaching people. Social media is indispensable already.



BETH

I have always been in the preaching mode of web technology. Ten to 15 years ago it was about trying to describe the business value of the Internet to people, and now here again I find myself trying to teach the business value of social media. It's really easy in my mind. The conversations about you, your industry, your competitors, it's out there. It's being had online. It's on these social network sites. You can either choose to ignore it, and ignore the possible damage that it's doing to you or you can choose to embrace it, at least listen to it and respond when you need to, or you can really get in there and engage in this two-way conversation. The tools are going to change — MySpace is a has-been now; Facebook could be next year — but the two-way conversation that social media has introduced, that's not going to go away. As Steve said, go where the conversation is. Pizza Hut has done that. You can order pizza from their Web site; they have a Facebook application so you can order online without leaving Facebook, and they now have an iPhone application. They know that people will not necessarily leave what they are doing to order pizza so they have given you the platforms to order pizza where you are.



PATTEE

Hold onto that, Beth, because that speaks to where I am going with this conversation. It speaks to the meat and potatoes of how this works.



JON

Or pizza.



DEBBIE

When I first started with Eldersburg Eldercare, I feel like I did all the right things, joining groups, getting on Linked In, Merchant Circle, South Carroll Business Association, and I signed up for automatic emails on the senior topic. Every day I would get an email but there were always 0 comments, 0 comments. So I think there are folks out there that do believe in this, and they're trying to start these conversations, but their not engaging anyone. That's what's coming through to me. If I were having traffic trying to find us through our Web site, then I might be more encouraged to branch out, but, they are not even coming to our Web site.



JON

I remember those days of the wild, wild West of the Internet and how it was basically us going out there trying to convince businesses that they had to have a Web site and them going, 'you're nuts.' I am a tree service company; why do I need a Web site? Well, now I have two tree services clients. You hear, 'advertising is dead,' 'this is dead,' and 'that's dead.' Everyone is out there trying to be on the bleeding edge talking about absolutes, and I think that social media is just another tool to help businesses promote their message. It's not groundbreaking; you're basically finding a way to connect to your audience, finding that audience where they are and figuring out an effective way to connect with them. I think the problem that a lot of people are having is that they don't have a strategy to make sure they are doing it effectively to track their time and their effectiveness of their social media outreach.

PATTEE

I would love to hear examples of companies that have used social media from a business perspective to increase their bottom line and how it's being done because that is the answer that eludes me.

BETH

Basically, Pizza Hut realized they wanted to target the college age kids. Those kids weren't leaving Facebook to order pizza so they said, 'lets create a Facebook ad.' They can order pizza without leaving Facebook. And now there is an iPhone application for ordering pizza. They have really embraced, 'going where their customer is.' To give some financial information, Dell Outlet, inside the past year and a half has done \$2 million in revenue just through their Twitter account. They did this by promoting sales in their outlet, by letting people know they have 600,000 followers that are waiting to get these messages about a sale or about new products. They can track that sales are being clicked on through Twitter and then the sales are being calculated.

PATTEE

You're saying through Twitter a store sends out a message to everyone on Twitter who is following them, that cards that are usually \$5 are now \$3 if you click here now. I am a Twitter chick, I get my tweet, I click on the sale, I buy my \$3 card. And that generates how many sales?

BETH

Two million dollars in revenue for them in a year and a half.

PATTEE

How did they know who was following them?

BETH

Twitter lets you see their follower list and the numbers. They used an URL shortener that lets you track clicks. That gives you the measurement you need to know the numbers.

STEVE DORFMAN

The most profound story I can share isn't business related. About a year ago, a student attending the school where my girlfriend works died in a car crash. She was 20 and from Nepal. She had no family here, but had made some friends here. Her family couldn't afford

the \$15,000 it would cost to send her body home. One of the IT guys from the school came up with the idea of creating a Facebook group with a PayPal donation button to help raise the money needed to send her home. In seven days, they raised \$50,000 with \$5 and \$10 donations. My girlfriend Maggie has 350 connections on Facebook, I have about 275. If you look at your network statistics on Linked In, you can see how many people you are two degrees and three degrees away from. If you've ever looked at your network, and if you have 150 people on Linked In, you are two degrees away from about 14,000 people. I want you to think about that — it means 14,000 people and you have at least one person in common. That's really mindblowing. There's no longer six degrees of separation, its more like two. What they ended up doing for the girl who died in the car crash, not only did they send her body home, but there was plenty of money left over for her parents to start a scholarship fund in her name. It's just an amazing and profound story of how in just seven days they were able to raise \$50,000. You know, it's like that old shampoo commercial; I told two friends and she told two friends, and so on, and so on.

JON

I think the most obvious success story, love him or hate him, was President Obama's election campaign. His campaign was an amazing use of social media, through Twitter, through Facebook. It's all about messaging. You talk about getting the word out, and you talk about return on investment. It's hard to monetize the effectiveness of social media. It's hard to track ROI on conversation, but if the conversation's there and it's loud and heard by a lot of people, that in and of itself is a success, and I think you can track that through Obama's campaign. He got the word out to a lot of people and he raised a lot of money using social media though \$5, \$10 and \$20 donations.

ROB SNYDER

I think that's a really good example of him using that to get elected, but how can something like social media be used in getting some of his initiatives passed?



"I would love to hear examples of companies that have used social media from a business perspective to increase their bottom line and how it's being done ..."

—Pattee Brown
publisher/coo
270inc



"Twitter lets you see their follower list and the numbers ... They used an URL shortener that lets you track clicks. That gives you the measurement you need to know the numbers."

—Beth Scalachi
Owner
Village Works Communications



“I represent a small business and I want to know how social media can work for me ... Could I as a small business owner create a Facebook application?”

—Debbie Coons
Community relations director
Eldersburg Adult Day Care Centers

JON

I think they are struggling with the transition from campaign mode to governing mode, but they do have a number of dot.gov sites they have put together to communicate their message that are very easy to navigate and very easy to get information from. But I do think they are struggling a bit with the transition between the selling or pushing of a campaign to the sharing of information for the sake of education.

DEBBIE

I have actually become more of a skeptic since I have been sitting here. I represent a small business and I want to know how social media can work for me. The examples were of large businesses, or in Steve’s story, it is a social issue, and Jon’s example speaks for itself. But with Pizza Hut, how much did they pay for that application? Could I as a small business owner create a Facebook application?

BETH

Yes, you could. My husband has actually created his own Facebook application. It just depends on the level of sophistication and finding the right developers. Most people focus on what gets on the mainstream news on information

that comes through social media, but I know personally through blogging and Twitter I have increased partnerships that have brought me money, as well as clients. They have found me through my blog or heard of me via Twitter. People who follow me on Twitter saw my tweet today about this discussion and wanted to share their success stories.

JESSICA

The Chamber is a membership-based organization. If people don’t choose to renew their annual dues, we have no Chamber. When we first started using social media, I viewed it purely as community outreach with no expectations about it. But I know of at least one business that has chosen to renew their membership because of social media and three have joined because we are using social media. They also tend to be the most active members. Here’s a business-to-consumer story. Last week, I got locked out of my car. I had no access to a telephone, but I got on line, tried to reach my husband, but he didn’t see my Instant Message, so I got on Twitter and said, I need a locksmith, I need someone to call them for me, and within moments I had phone numbers and a Blackberry email address for a locksmith and he responded immediately and was there within five minutes. Not only was it a connection through social media, but the guy was deaf, and I was able to give this guy business and he is able to do business through email and social media.

JENNIFER

I would like to build on what Jessica is talking about. I have a different perspective because I work at a nonprofit. Regarding community outreach and image building, which is what I originally set out to do, I was personally passionate about it and I wanted to translate that to my new nonprofit. Now nonprofits are very skeptical. They don’t want to spend time on it. They believe you had to spend one hour per social media outlet per day, which would be half my day, and they didn’t want me to do that. So I slowly starting working with just Facebook and Twitter and I used it to do some fund-raising and I ended up raising \$1,400 or \$1,500 in one day just testing the social medias.

PATTEE

I still don’t see how this translates to business. If I am looking to put my brand out on social

media network, you’re saying I don’t have to spend a lot of time doing that, but what time are you spending to get those donations? Quantify that for me. You get in \$1,500 that day, you think that feels great. You are sitting behind your desk doing this, but I own a business where I am going to need someone out there making a certain amount of money over the course of a certain amount of time to be profitable so how do we do that?

DIANE

Speaking of time, I think that time is the big thing because if this is your position, it’s your focus. The tough thing is for small businesses who don’t have a full-time communications person. They are going to have to do this, and to convince them to take the time to do this.

STEVE

I think we make the space when we see the value. When there is perceived value, all of a sudden there is time in the day. The premise of a book called “The 4-Hour Work Week” is, how can every human being need the same eight hours per day to do their work? We find a way to fill those eight hours. That’s what we do. Fifteen years ago, before people were using email, people were having the same conversation, “Who’s got time for that?”

PATTEE

How do we know who is sitting in front of Facebook, and how do we know who we are reaching? It’s easy to assume everyone wants people; you don’t really need to segment that market, but what about the guy who makes widgets, and only needs to reach 15,000 people who want widgets?

JON

These hardcore marketing people always go back to widgets.

BETH

Which is ironic, because widgets are part of social media.

JON

If you look at the history of marketing and information sharing, there is always going to be a new way of getting your message out. There is no one way to market or advertise your business. You have to take the time to ask the

questions and engage with your customers to determine if your customers are using social media. Do an informal email poll to your customers and ask, “How many of you are on Twitter or Facebook?” We used to do email marketing before everyone was doing it. We got a lot of pushback; now we know it’s effective.

PATTEE

But isn’t it also true through social media, I only reach a few hundred people, how is that going to help me? If I start talking about my company, aren’t I annoying people?

JON

It depends on who you are talking to you and what you are saying. Sure, a lot of people are talking about what they are doing this weekend, and they even do it on Twitter, but Twitter is also a great example of how something can really be viral. Steve was talking about the two degrees of separation and Twitter is a great example of that.

JENNIFER

You shouldn’t be out there having a one-way conversation. People won’t follow you. If you’re not having a conversation, people will be turned off.

BETH

You start with listening. Maybe your market isn’t on Twitter. Maybe it’s in discussion groups. Maybe they are on blogs. It’s about setting up listening posts, Google searches, and alerts — ways to hear your keywords to understand who is out there and what they are doing.

DIANE

One of my clients is very anti-social media because she sees her employees on Facebook. She thought it made her employees unproductive. She is concerned about what to say or not to say; what is right or wrong; how does what is being said, and how does it affect her reputation. And she also says she doesn’t have the time.

PATTEE

But that goes back to what Steve said. If I told you I would hand you \$1,000 per day if you spent two hours a day on Facebook, you would find the time. So even as a skeptic, I am going to say that is a bogus argument. My question is how do you make money?



“The tough thing is for small businesses who don’t have a full-time communications person, they are going to have to do this, and to convince them to take the time to do this.”

—Diane Demarco
Owner
Marketing at Work



“When we first started using social media, I viewed it purely as a community outreach with no expectations about it.”

—Jessica Hibbard
Communications director
Frederick County Chamber of Commerce

“You shouldn’t be out there having a one-way conversation. People won’t follow you.”

—Jennifer Gerlock
Freelance writer



JENNIFER

I think it’s a lot like public relations. It’s really hard to quantify. We know public relations works, but we can’t quantify the return on investment right away.

PATTEE

Is this really just about people who are adverse to change, and don’t want to deal with this new form of communication? They are afraid of something new and don’t know that it works? If I tell you, ‘advertising doesn’t work,’ who here is going to laugh at me first? We know advertising works. We know how Nike got their name. It’s proven.

DIANE

Although, as Jennifer was saying, it has to be done well. And if you do it poorly you don’t get results. And if you do social media poorly, you don’t get results.

PATTEE

Admittedly, but it’s the how-do-you-do-it question that stumps most of us. I know how to do an advertising campaign, as a matter of fact, I know how to do it well.

STEVE

It always comes back to top-of-mind. Fedex spent \$250 million to have their name be Fedex Field. Why? It’s about top-of-mind awareness at all times. I was in sales for 11 years. And for 11 years, I sent out birthday cards to every client. I can’t quantify that sending those cards helped me, but I know it did. Making sure I was top-of-mind with my clients is a huge issue. But the point is, with social media, that is where the people are anyway. Since we know they are on social media networks, why not go where they are and remain top-of-mind with them? Your question is how. Well, what not to do is: don’t be a me-monster. Everything can’t be about you. Think about how to be a thought leader, a resource, and informative.

JON

Jennifer brought up the point about it being PR, and it very much is PR if you use it correctly. But also think about it as networking. Anyone who has been in sales or marketing has gone out and done networking. Shaking hands and meeting people. At a networking event, if the first words out of someone’s mouth are, ‘Me, me, me, my company does this, or my company does that,’ I tend to tune those people out. But if I am engaged in genuine conversation, I respond to that. It’s the same thing on social media. I put a lot of tips out on social media that I think a lot of people will find value in. At the same time, I get a lot of value from that. And the people I get value you from, I try to share those people with the people that follow me, because I think they have something important to say.

PATTEE

How much time do you spend on social media?

JON

Probably about a half an hour a day.

PATTEE

Okay, so how can anyone argue that there’s no time? But can you teach someone how to do this?

JESSICA

I think if you are putting in the time that you should be putting into learning in the beginning, you will learn how to do it. Just like the first time you go to a networking event or business card exchange and you stand off to the

side in the beginning and observe how others are interacting. You wouldn’t stand in the middle of the room yelling if everyone else were talking quietly. It’s the same thing with social media. You pay attention in the beginning, see how people interact and behave accordingly.

STEVE

Two things: one is, get out there and find the people you want to be dialoguing with, so go onto Facebook, go onto Twitter, and look for the people you want to be interacting with, the people that are your target demographic. Second, hook up with the people that you look to as resources, and by doing that you’ll be able to share not only your own content, but you’ll be able to credit other people with their content, which makes you a resource to others.

DIANE

One of the things I do is to get out there and get started is follow interesting people, like Jon. Follow resources that will keep you plugged in. Continue to learn.

JESSICA

We’ve spent over two hours talking about social media, but in that time, we could have been talking to hundreds of people on social media. Just do it. Just do it personally to begin, and then figure out how it works. Let me share a few statistics. In 2010, generation Y will outnumber baby boomers — 96 percent of them have already joined a social network. Generation Y and Z consider email passe, and in 2009, Boston College stopped giving out email addresses to incoming freshmen because they weren’t using them. So, whether we feel animosity toward it or love toward it right now, it doesn’t really matter, you simply have to learn how to use it. If you’re the first one to figure out how to make a buck on it good for you; if you’re not, follow someone who is. That’s where the audience is going to be and that’s how they want to be reached.

JENNIFER

Just to go back to the how: the Internet has tons of information about how to start, how to find people, how to demystify the process. Take some time to meet with someone who is an expert or hire someone or self-educate. I do suggest you talk to a professional who can help



you figure out what is best for you. Do a little bit of work in the beginning.

BETH

I want to tell clients, the tools are going to change. You need a hub, a place to put your information the way you want to put it. A site where you have total control of the message. Then all these social media outlets are like spokes that are driving traffic into your hub. There are dos and don’ts, but go out and break the rules. There is no right way to use Twitter. Try something. Don’t offend people or damage your brand, but do what you want. Try something, do something. Go in head first.

PATTEE

It’s our hope that our readers and Web watchers will continue this dialogue and submit more of their questions and answers to us via social media. I want to thank you all for your time, efforts and enthusiasm, and for being here today. ■

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—Steve Dorfman
Owner
Driven to Excel
Co-host of “We Mean Business”