
The Business of Social Media

How to Plunder the Treasure Trove

2011 BRASS Program Planning Committee

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The Business Reference and Services Section (BRASS) annual program for the 2011 ALA annual conference in New Orleans invited three leaders of social media in the library field to speak on the topic of how businesses are successfully using social networking applications and how librarians can apply those strategies to better position their services and collections to assist library users. This article supplements the program with background on social networking, a presenter summary, examples of how businesses are using social media, and a commentary on the future of social media. A list of recommended readings and social networking sites on the subject are included. Videos of the presentations will also be available via ALA Connect and the BRASS website.

DEFINING SOCIAL NETWORK SITES

There are different ways to define social networking. Boyd and Ellison define social network sites as

web-based services that allow individuals to (1) construct a public or semipublic profile within a bounded system, (2) articulate a list of other users with whom they share a connection, and (3) view and traverse their list of connections and those made by others within the system. The nature and nomenclature of these connections may vary from site to site.¹

In their article they emphasize “network” instead of “networking” as networking may emphasize a relationship that can often occur among strangers, while social network sites are primarily a means of online interaction with individuals whom they already know and are part of their network.²

SOCIAL NETWORK SITES, THE EARLY YEARS

An indication of the potential of social networking by organizations can be found by looking back at the early adopters of bulletin board systems from the 1970s. In the middle to later part of the 1970s CompuServe made it possible for users to communicate with one another through online discussions.³ Through the middle 1990s, America Online (AOL) dominated online access where users with dial-up modems could communicate using live chats and electronic mail. While there were some similarities to today’s social network sites, one major difference was that users often created profiles different from their own name.⁴

FROM COMMITTEES OF RUSA

SIXDEGREES.COM

According to the above definition by Boyd and Ellison, social network sites began in 1997 with the website sixdegrees.com. This was the first service to allow for creating profiles, identifying and searching for friends, and organizing groups, all on one site.⁵ Named after the theory of six degrees of separation, sixdegrees.com had 3.5 million registered users at its peak. However, with high operating costs, slow page responses because of limited dial-up accessibility, and uncertainty about the site's direction as a dating service or business network, sixdegrees.com never fully took hold. The site closed down in 2000.⁶

FRIENDSTER

In late 2002, the online site Friendster was launched. Like SixDegrees.com, and many future sites, Friendster was designed where friends could correspond and share personal information with each other in an online environment. It was also designed to compete with online dating services like Match.com. This site attracted a lot of attention from Silicon Valley where many thought it would bring a renewed investment interest since the recent Internet bubble collapse.⁷ However, interest faded when the number of users increased and pages regularly took more than a minute to load.⁸

LINKEDIN

Within months of Friendster's launch came the site strictly for business networking, called LinkedIn, going live in 2003. The founder of the site, Reid Hoffman, was of the opinion that social networking would likely be divided between personal and business.⁹ As of this writing and according to their website, LinkedIn reports to have more than 100 million registered users.¹⁰

MYSPACE

As people became more frustrated by Friendster's slow webpages, a new service was launched. MySpace began on August 15, 2003, at a time when more Americans were being introduced to broadband Internet service. MySpace was able to advance early on in part by taking advantage of a couple of Friendster's shortcomings. First was with user profiles. Friendster only allowed users to create profiles with their real name, while MySpace members could use any name they wanted.¹¹ The second advantage was that Friendster only allowed people to join if they were invited, while MySpace was open to anyone.¹² In 2005, MySpace was doing quite well and was acquired by News Corporation for \$580 million.¹³ At one point MySpace had the highest number of registered users, but has since been overtaken by Facebook. To differentiate

itself from Facebook, MySpace has attempted to reinvent itself as a niche social network site by focusing more on music and entertainment.¹⁴ On June 29, 2011, MySpace was sold to the advertising network Specific Media for \$35 million.

FACEBOOK

Begun initially as a social networking site for Harvard University college students, Facebook (initially started as Thefacebook) began in February 2004. Within a short period Facebook quickly jumped to over 100,000 members. Then by the fall of 2004, it had doubled to more than 200,000 members.¹⁵ By the fall of 2005, Facebook had more than 85 percent of the college market and soon expanded to allow high school students.¹⁶ After focusing on and cornering the school market, Facebook opened access to public users in September of 2006.¹⁷ In October of that year, Facebook had reached five million registered users and is today the largest global social network site.¹⁸ Searching the web shows some different estimates on how many users are on Facebook. While many may consider this number low, according to Facebook's website, there are now more than 500 million active users.¹⁹

TWITTER

In 2006 a different type of social network site began. Twitter was developed as a site that is often referred to as a microblog where users may publish short personal messages about themselves. Those using Twitter may post messages that are up to 140 characters, where other users may elect to follow them online or through a mobile device.²⁰ While not as large as Facebook, Twitter has experienced significant growth and expects to have more than 200 million users in 2011.²¹ According to a recent study Twitter has a larger share of mobile users at 43 percent compared to Facebook's 34 percent and LinkedIn trailing at 9 percent. The study also found that Twitter "is more effective at driving purchase activity than Facebook . . . and that 56% who follow a brand on Twitter say they are more likely to make a purchase from that brand, compared to 47% of people who like the brand on Facebook."²²

CONFERENCE PROGRAM SUMMARY

A summary of the presentations offers insights from three well known researchers in the area. The speakers gave a snapshot of the current state of social media in business and libraries. Additionally, connections can be made between the way businesses use social media and how libraries can better use social media to support their goals. The three speakers addressed the topic of social media from different perspectives. Scott Brown, of Social Information Group, and adjunct faculty at San Jose State University and Colorado State University approached the topic from the perspective of successful

businesses. Laurie Bridges, Librarian and Assistant Professor at Oregon State University, demonstrated the usefulness of social media in academic libraries. Stephen Abram, Vice President for Strategic Partnerships and Markets for Cengage Learning (Gale), presented a future in which librarians would be an integral part of the community, using social media to further libraries' goals in their communities. The text below offers highlights of their presentations and insights into the successful use of social media.

Scott Brown's presentation, titled "Social Media Lessons from Successful Businesses," began with the observation that small businesses and libraries share many characteristics, including a vague fright of social media. Whether resistance to social media comes from feeling overwhelmed, a sincere belief in its status as a fad, or not enough proof that it can generate a respectable return on investment, Brown emphasized that libraries should not let the excuses of limited time and staff, restrictive technology policies, or a lack of proof of the potential of social media stop libraries from experimentation. A show of hands indicated that many more librarians in the audience used social media in their personal lives than in their professional lives.

Social media creates the opportunity for libraries and businesses to connect, share, and become visible. The business Naked Pizza uses social media not only for product news and marketing, but to create a community around the philosophy of natural foods and nutrition. Seventeen percent of Facebook fan pages belong to local businesses. As an integral part of many neighborhoods, libraries and small businesses can connect a community around their philosophies, building loyalty and encouraging serendipity among many community members.

Brown also emphasized the shift in thinking that takes place when social media is used rather than traditional marketing practices. The shift from broadcasting to conversation, from gatekeeper to participant, and from one to many may create the feeling of a loss of control. Librarians should ask themselves whether they can handle the loss of control, while telling themselves that it is okay to make mistakes.

In terms of measurement, most ask the wrong question, "What are we going to get out of this?" Instead, libraries should be asking, "How can we be helpful?" a question more in tune with most library values. Social media should support a library's goals and plans. Choosing one social media tool, using it well, and integrating it with other marketing and publicity tools such as websites, e-mail, business cards, and newsletters is more important than using every new tool. Staff should have the freedom to become accustomed to the new tool and consciously make it a regular part of the daily routine. Additionally, many tools even offer applications that allow scheduling posts in advance. No standard guidelines exist for the optimal number of tweets or blog posts. Quality should be emphasized over quantity. Good rules for success include listening, relevance, accountability, a personal element, and patience.

Laurie Bridges's presentation was titled "The Librarians Guide to Social Business." She referred to social media in the

context of social capital, the resources accumulated through connections. Bonding social capital happens when people become emotionally connected. Binding social capital occurs when people form loose connections and often happens through social media such as Facebook. Maintaining these connections over a lifetime is of great importance.

Bridges also emphasized the changes in the rules of marketing. Marketing and public relations have become blurred and marketing goes well beyond advertising to a mainstream audience. Audiences are looking for authenticity and for content at the precise time it is needed. During her presentation, Bridges used Twitter surveys to generate discussions. Knowledge of the main audience is crucial to create a community.

Stephen Abram's presentation was titled "Libraries are Social Institutions." Abram began by emphasizing that libraries are social animals and challenged librarians to find ways for social media to enhance what we do and brand ourselves on an individual level, not just a professional level. Librarians should innovate when technology shifts. For example, YouTube is being used as an information source and Twitter has been used to move history. How can libraries make books discussion spaces or help their communities understand search engine optimization and decrease the credulity with which many regard the web?

Abram stressed the already social nature of the library as a community gathering place and books as centers of ideas and discussions. However, questions are also social and librarians help make sense of the questions and improve the quality of the questions. The idea model, that librarians deliver the whole package, not just pieces, needs to be kept in mind by librarians and communicated to our communities.

SOCIAL MEDIA AND SMALL AND MEDIUM SIZED BUSINESSES

"Once a generation has grown up in a new media, they are able effectively to advertise in the new medium." This is the conclusion that Terry O'Reilly draws at the end of his show, *The Age of Persuasion*, about the adaptation of new media by marketers.²³ Recent advances in how businesses use social media support his conclusion. The new generation of business marketers is able to exploit social media in ways that their elders could not fathom. Like early marketing on TV that took the radio format and put it on TV, businesses tried to use social media like their static websites; just another venue to place its advertisements. The recent success of viral videos by companies like Old Spice and ongoing campaigns by small and medium sized businesses (SMB) like Naked Pizza and Notch Session Beer indicate that the generation that grew up with this medium is now exploiting it as a business tool. No matter what social media tool a marketer uses one truth that holds for old media and new, the product must be good. A well thought out social media campaign is not going to make up for an inferior product.

Assuming companies have a good product, what social media tools are they using and how are they using them? The Center for Marketing Research at the University of Massachusetts Dartmouth found that Inc. 500 businesses, a list of the fastest growing U.S. Companies, are using Facebook (87 percent), Twitter (71 percent), blogs (61 percent), online video (44 percent), and MySpace (44 percent).²⁴ The main benefits to the companies developing these tools are a way to communicate, add value for the customers, brand awareness, and cost effectiveness of online marketing.²⁵

Regardless of the tools that they use, businesses must contend with the “always on” effect of social media. Once a social media campaign begins, it must provide constant feedback and interaction. Great marketing ideas and campaigns via social media platforms make for a good beginning but a company must follow through and provide interaction and feedback over the long-term.²⁶ Zhang and Daugherty found that social networking sites should try to leverage the third party effect to help word of mouth marketing. They point to Sears’ use of their Facebook community to assist others with their prom dress choices as a good example of leveraging word of mouth marketing.²⁷ Robert Harles, vice president of Social Branded Communities at Sears, recently stated, “The overarching idea [of business and social media] is to focus on the value proposition for the customer and to build the social experiences around it to support that aim.”²⁸

The MySears Community is an example of what a large company can do and how it may create its own social site, but the vast majority of businesses do not have the resources available to them to create such an environment. They must use existing social media sites and tools in collaboration with their online marketing efforts. Figures vary but estimates run around 34 percent to 73 percent of small businesses indicating they use social media; and of those who do, 80 percent use Facebook, 37 percent use LinkedIn, and 27 percent use Twitter.²⁹ Of the small businesses that are not currently marketing via social media, 62 percent have plans to do so in the next year.³⁰

Naked Pizza is a small business with a very good reputation for managing their social media.³¹ Their policy of quick responses to comments and posts on their Facebook page has resulted in more than seven thousand likes.³² They have also used Twitter and social media to do a significant portion of their market research. By engaging their customers with these tools they have been able to keep their market research costs to a minimum and get customer buy into the process.³³

Social media doesn’t come without its risks and reputation management. Steinman and Hawkins view the main risks to companies as copyright/trademark, employee/employer relations, and advertising issues. They concluded that companies must protect their trademark/copyright against third party abuse even if they are not involved in social media promotions. The Federal Trade Commission (FTC) has endorsed the application of the Federal Consumer Protection Law’s Standards to social media so the same standards apply to promotion through social media, including user generated

content, as it does to traditional marketing.³⁴ Finally, employer–employee issues may crop up, and it is important that employees do not besmirch other competitors or their own company. In fact, Barnes suggests if there is a significant amount of conflict with employees, it may be better for the company to avoid promotions using social media because the internal conflicts could be brought public and generate bad publicity.³⁵

Risks in mind, most SMBs are increasing their footprint in social media promotion. An understanding of how businesses are utilizing these tools is essential for business reference librarians so that they may assist students and business personnel in effective ways to work with these tools.

FUTURE DIRECTIONS, CHALLENGES, AND OPPORTUNITIES

Determining how to use social media is a task that libraries should ponder and pursue for effectiveness and efficiency. Libraries are uniquely positioned to recapture their defacto position as the go-to place for reference, despite the perception of the free Internet as a ubiquitous answer. Businesses are trying to use social media to their advantage by conveying an individual relationship with each customer. Libraries have done this exceptionally well since their inception by use of the reference interview, reading recommendations, etc. It is an exercise in futility to predict the lifespan of any certain social media tools; but, librarians should make a diligent effort to have a sense of the underlying ramifications of social media as it relates to libraries. As more and more emphasis is being placed on making better use of the rapidly and exponentially expanding universe of knowledge and communication then one easily sees challenges and opportunities on the horizon as noted by digital strategist and author, Freddie Laker, when he stated, “organizing and filtering content will become big business.”³⁶

Laker observed that the future will be about more of each of the following: “new tools and services, content, collaboration, machine intelligence and social connections and less privacy, single destination websites, desired exclusivity, real relationships and direct only marketing.” It would behoove libraries to interpret these changes and increasingly continue to offer enhanced services across platforms that can be accessed via the web and on mobile devices. Cort M. Kane notes that social media can be broken down into specialized categories such as social networking (personal profile management sites), social collaboration (wikis, video sharing sites, etc.), social publishing (blogs) and social feedback (again video sharing, some retail sites, etc.).³⁷ Some digital media tools are a combination of these categories. Most libraries are now using some or all of the aforementioned social networking tools. To stay relevant and reach the widest audience it is imperative that libraries incorporate some form of social media tools. After all, libraries should be on the front lines of promoting resources to those seeking to learn and what better way to do

this than to be sociable and make use of the tools that are at our disposal. Benefits to using certain platforms for sharing information resources include the ability to gauge usage of those sources, solicit/obtain quick feedback and update information more quickly. One inherent benefit of social media is the relative low cost. The business model for many new online tools is to offer free introductory or basic level service to build a loyal and devoted user base. Unfortunately advertising is a part of the service to bring in some level of revenue for those who have developed or are developing the service.

As alluded to earlier, it is becoming more critical that libraries, like businesses, must incorporate some degree of digital media to reach and communicate with many users. According to *USA Today*, over 25 percent of American homes now have only wireless phone service. To further qualify this trend companies are selling more and more web-enabled, smart phones than the traditional singular-purpose phones of yesterday.³⁸ The citizenry are being equipped with ever more versatile and powerful phones. More and more people will be seeking and trying to find app-like approaches to solving whatever problems life presents. Herein lies an opportunity, imagine an app that connects library patrons or business customers with a personalized interface to suit one's needs. Consider that college students are keenly interested in not only getting quickly to resources of information but also being informed about job opportunities or career leads. Librarians need to take advantage of the unique situation that is entrusted to us as resource and communication gatekeepers and parlay this opportunity to provide deeper and more meaningful ongoing assistance to our users. One tangible way to do this is to offer a tool or app (business opportunity here) that puts a patron in touch with a librarian more quickly and includes a personalized digital dashboard that includes things like the patron's question that is texted and retrieved (asynchronously) like e-mail, VOIP/video capability, links to resources (provided by the librarian), etc. This same concept could be adapted by the business owner to provide a specialized and customized page of services or products to fulfill a customer's requests.

ADDITIONAL READING

For those interested in learning more about this topic please see the BRASS website "Presentations and Handouts" for speaker presentations and distributed material. In addition to the reference list a short selection of additional reading is provided here.

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