

The social marketing dilemma

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We all want it, a share in that big piece of cake that sites such as Facebook and Myspace obtained in such a short time. Radio stations are discussing them, employers are banning them and the Internet consumers love them. But what is the big deal all about and just how can business benefit from these growing social networks and using their strategies?



This is a question I was asked about two months ago, during a interview with David O'Sullivan from 702 Talk Radio. But let's discuss just how big Facebook and Myspace is.

Visitor estimates

Tool used	Visitors for the past 30 days	
	Myspace	Facebook
Trafficestimate.com	148,584,000/month	120 370 000/month
Alexa.com	5.119% of global users	3.0235% of global users
quantcast.com	52 035 720/month (US only)	27 150 316/month (US only)
Compete.com	1 234 726 456 visits/month	354 758 790 visits/month

Compete reported that MySpace experienced a 1% growth compared to Facebook's 10% growth for August 2007. Although it is clear that MySpace is larger than Facebook, Facebook grows at a much faster rate than MySpace. So Facebook is doing something right and something worth investigating.

The first question that popped into my mind when I initially investigated the phenomenal growth Facebook has been able to maintain was, HOW? What makes it so special, why does it grow at a rate far exceeding any other social networking site on the Internet? There are several reasons why but let's just discuss these few reasons.

Social media optimisation

Social media optimisation (SMO) is to a large degree the reason for the success of Facebook. It has mastered SMO in many aspects and keeps on setting new standards and rules for it. In order to really understand, let's look at the basic principle of SMO.

Facebook found a way to become a foundation of SMM (social media marketing), whereby companies that exercise SMM can tap into its network and build networks within the Facebook platform. This of course ensures that it requires less development time and the attractions of its website grows faster than any competitor can develop. This SMO strategy is what will make it eat a very big piece of the social media pie and make it difficult for the current market leaders to play catch-up. Today there are several companies using this feature and their applications burns their way through the Facebook network like wildfire.

If you are supporters of the movie Beerfest, the Oktoberfest Party application designed by Hungry Machine LLC might be very useful. Currently over 111 000 members have it installed. Or maybe the poker players amongst us would like to beat their buddies in a game of Holdem? Well, then the poker application designed by Pureplay will be just fantastic. It has nearly 13 000 daily users. So what is in it for these businesses? Why would they develop applications for Facebook?

The process

Let's look at the process first. You find the application by means of a friend that referred you to it. Part of the installation process is to invite all the people in your existing network. So if you have 20 friends you immediately "sell" the application to them. The first page you see after clicking on the application contains the name of the application developer and a live link to its website. So whether or not you install the application, the company gets exposure.

Having an application referred within a social network also increases the conversion rates and many friends have the same interests in common. A further benefit, you obtain demographics of your users. Yes, Facebook, actually shares information of visitors with the application developer. Some of the information includes, name, gender, birthday, hometown location, current location, political view, activities, interests, musical preferences and more. Imagine knowing all of that about your existing customer base? Just how easy will it be to launch a lateral marketing campaign and convert a targeted user?

This is what makes SMM so powerful on Facebook. All the time Facebook gains more and more exposure and companies keep on assisting in the developing of applications.

In essence, online marketing consists out of four basic steps:

- Acquisitions
- Conversions
- Retention
- Recency

Data mining

Data mining is what makes Facebook and most of the social media sites so useful. Data mining can be applied to our own websites too. We all have frequent visitors, but just how much do we know about them? How easy do we make it for our visitors to share our websites with their friends? Facebook certainly makes it a simple process, repeatedly asking us if we want to do stuff with our friends. How many of us succeed only in acquiring traffic but are unable to take it to step two where they actually convert? Maybe you get them to convert but for some reason retaining them is just impossible. How do we increase the recency of our visitor and their network referrals? Are we able to predict the possible loss of a customer? The answer to many of these questions is SMM and SMO. The foundation of SMM and SMO is data mining.

A further important factor that I have mentioned several times is a usability factor. Making it as easy as possible for the visitor to share information with their friends and repeatedly asking the visitor if they wish to refer it to friends. Of course,

not being irritating is also key to making use of it.

A very important point to consider is the use of existing social networks to distribute information to. Do you offer a facility on your web pages where visitors can share links with their Facebook network? Does your blog have a facility whereby visitors can Sphinn it? How easy is it for visitors to subscribe to your RSS feeds? These and many more are simple ways to make it easy for visitors to distribute your site amongst friends.

Social media has been around for a while but recently the power of marketing using social media in the online environment has become more important to business. With Facebook having more than 320 000 South African members, is your business tapping into it? There is no doubt that the social media industry offers large benefits to marketers and we, as marketers, need to prepare ourselves for it.

ABOUT THE AUTHOR

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