

# Social Network Marketing: The Basics

*Social networking sites have become a powerful force in shaping public opinion on virtually every aspect of commerce. Because they amplify word-of-mouth marketing, they are becoming increasingly important in consumer's purchasing decisions. To keep up, marketers must learn to leverage these sites. Social media may become more important than advertising as a trusted source of information; and, because consumers provide much of the content, marketers have less control over messaging and positioning. Here, social networks are described along with ways in which companies can participate in the conversation and influence the message.*

## What Are Social Networks?

Social networks are online communities of people who typically share a common interest or activity. They provide a variety of ways for users to interact with each other — blogs, e-mail, instant messaging, and newsfeeds which contain information about, or valuable to those in your network. They are powerful in their ability to facilitate communication. Examples of social networking sites include Facebook, and the professional networks, LinkedIn® and LabRoots.

In general, when users join a social networking site they create a profile of themselves. The profile describes their interests and activities. Once the profile is set up, users connect with “friends” (other users) who have similar interests by searching the network, or inviting others to join. Most services require that both users confirm that they are friends before they become linked in the network. Once linked, it is simple to communicate to your group and update them on your activities of interest. Because users tend to self-organize by affinity, life stage, and psychographics<sup>1</sup>, these networks offer a unique opportunity for highly targeted marketing.

## How Social Networks Affect Purchase Decisions

Users share opinions and make recommendations on social networking sites. It has been repeatedly shown that consumers seek others opinions when considering the purchase of products and services. In fact, 78% of global consumers say they trust

and believe other people's recommendations for products and services more than any other medium<sup>1</sup>. Among life scientists, others' opinions are also seen as more objective than companies' own marketing messages. Consumers use online sources including social networks, to find those opinions.

Members of social networks serve two roles; they both supply and consume content. The creators of content are typically highly engaged consumers and, as a result, influential<sup>1</sup>. If the proper influencers are reached with a message that they perceive as valuable, it can become viral. This is tremendously powerful to marketers, as users don't feel that the information is being pushed at them, but referred to them by a trusted friend in a trusted network.

### Social Networking Usage

Social Networking can be a component of numerous business initiatives, including:

- Amplifying word-of-mouth marketing
- Market research
- General marketing
- Idea generation & new product development
- Co-innovation
- Customer service
- Public relations
- Employee communications
- Reputation management

## The Benefits of Social Network Marketing

The benefits to marketing via social networks are numerous and largely gained at a very low cost. Through social networks, you can:

- *Increase product and brand awareness*
- *Increase web traffic*
- *Improve SEO*
- *Increase customer loyalty*
- *Increase success of new product launches*

### *Increase Product & Brand Awareness*

Marketing on social networking sites will increase awareness by increasing the online presence of your products and brand. A recent iProspect Search Marketer Social Networking Survey revealed that 48% of search marketers proactively place content on popular social networking sites to drive traffic and create brand awareness<sup>2</sup>. When your company forms a group or organizes a promotion on a social networking site, the members are reminded of your brand and website with every interaction. Since the customers are deciding what groups they want to join and what information they want to receive, this information is usually positively received.

### *Increase Web Traffic*

Communications, recommendations, and other postings on social networking sites often contain web links. If your company is mentioned and a link is included, these postings drive traffic to your site, increasing brand and product awareness. Due to the makeup of social networking sites, these links are naturally targeted to potential customers that are interested in your company, products, or services.

### *Improve SEO*

As mentioned previously, when your company or product is discussed online, the content is most often accompanied by web links. The more links to your content, the higher your ranking in search engine results, resulting in more people reading your content. Consequently, social media marketing campaigns should be an integral part of any Search Engine Optimization (SEO) strategy. Search engines weigh the value of each link in context, and as they relate to your website. As a result, links from social networking sites have more value, because they appear completely natural to the search engines — users are

sharing content perceived as valuable and then linking back to that content. Not only are these links more valuable than paid links, but also they are significantly less expensive.

Additionally, sites such as reddit, Delicious, Digg and others enable the sharing, tagging and bookmarking of news, articles, postings, and other information. When a piece of information is marked by any of these services, it will be visited by others and will show up searches. The more your content is marked, the higher it is ranked by search engines.

### *Increase Customer Loyalty*

If done correctly, promoting your company or products by building a social network can greatly enhance customer loyalty. If your participation is consistent and honest, adds value by supplying useful content, and appears personal, it will greatly enhance your company's reputation while building trust and credibility. Offer help first, and promote your products only when asked and when appropriate; otherwise your attempts could be considered spam.

### *Increase Success of New Product Launches*

Social networks provide a unique opportunity to survey the relevant community on their products wants and needs. The community can guide and participate in the product development process. Giving them a voice in the process can increase loyalty and guarantee success when a new product is launched.

## Highly Targeted Communication

Users of social networking sites profile themselves upon joining a network. These profiles can be very detailed, and their purpose is to help the user connect with others who share similar interests and activities. In the case of LabRoots, the profiles contain, not only basic information about the user, but also information on their education, areas of technical expertise, publications, memberships in other groups, geographic location, and job position (among other information). For marketers, this information is invaluable as it can be used to develop highly targeted marketing messages.

## Plan for Marketing by Social Networking Now

According to a recent survey conducted by Red Bridge Marketing, approximately 1/3 of the companies in the life science industry plan on incorporating some form of social networking into their

2009 marketing plan. This represents a more than 100% increase in companies who used social networking as part of their 2008 marketing plan. Most frequently life science companies are leveraging social networks to increase brand awareness, deliver product information to prospects/customers, and to increase sales. For more information, see the sidebar, *Social Media Marketing Trends*. To start using social networking to reach your scientific customers, find a network that has the scientific audience you wish to reach and the features you need to establish your network. For more information describing how to start social networking, request the whitepaper, *Social Network Marketing: Tips for Success*, from Red Bridge Marketing.

**How to Build Your Presence on Social Networking Sites**

1. Advertise using banner or tower ads
2. Blog
3. Form and moderate groups
4. Share newsworthy articles and videos
5. Create a member profile that directs traffic back to your company's website
6. Post relevant company events and jobs

**References**

1. Consumer Trust: Word of mouth rules. (2007, November). *Brand Strategy*, 40-41.
2. Social Networking Sites – Venues for the Brand Ambassadors of the Future? (2007, May 18) [http://www.iprospect.com/media/article\\_sc\\_05\\_18\\_07htm](http://www.iprospect.com/media/article_sc_05_18_07htm).

**Social Media Marketing Trends**

A recent survey of life science marketing professionals conducted by Red Bridge Marketing showed that there will be an increase of more than 100% in the use of social media marketing in 2009 over 2008; 15.2% used social media marketing in 2008 and 21.2% plan to start using it in 2009 (Figure 1). Figure 2 shows the various business goals companies are hoping to achieve with their social media marketing efforts.

**Do you plan on incorporating social media marketing into your marketing plan for 2009?**

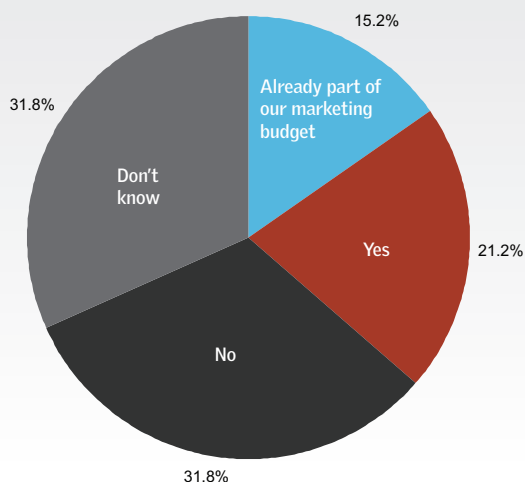


Figure 1. Percentage of life sciences marketing professionals using social media marketing.

**What are the business goals for your social media plan?**

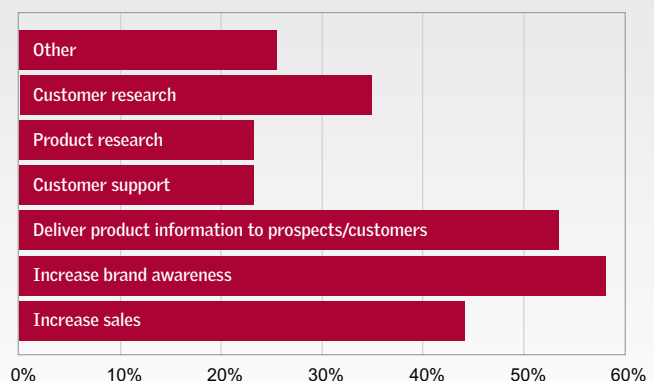


Figure 2. Business goals of social media marketing.