

Think Social Influence Marketing™ in 2008

10 Social Media Trends

insight

Shiv Singh | December 2007

razorfish.

Is there any doubt that social media exploded in 2007? The astounding growth of Facebook alone forced *everyone* – not just marketers, but corporations, investors, academia, and media – to pay attention to social media as a serious business and cultural phenomenon.

But the bigger question is how will social media change the way we do business in 2008?

In fact, we're discovering a major shift occurring. The rise of social media is creating a new form of marketing altogether, which we call *Social Influence Marketing™*. Social Influence Marketing™ is about employing social media as part of the entire lifecycle of a marketing campaign, even beyond the campaign.

The emergence of Social Influence Marketing™ is one of 10 major social media developments for 2008 that you need to know about now.

- 1. Social Influence Marketing™ becomes the third dimension of marketing:** Marketers used to live in a world where brand marketing and direct response was all that mattered. Not anymore. A new form of marketing is developing which we call Social Influence Marketing™. It requires new strategies, rules and tactics along with a lot of experimentation. Social Influence Marketing™ is about leveraging social media at every stage of a marketing campaign, and it goes beyond the lifetime of the campaign too. In fact, we believe that over the long term, it is going to have a stronger affect on purchasing behavior than direct response and brand marketing.
- 2. Advertising on your consumer's terms:** Social Influence Marketing™ is also about the active advertiser attempting to engage with consumers on their terms – where they want to and in a language and format of their choosing. Think of the many-to-many model rooted in conversations now entering the mainstream. The most immediate impact? Slick, big idea advertising will have less influence than marketing strategies that allow companies to participate in the online conversations. eMarketer predicts that ad spending on social networks will rise to \$1.6 billion from \$920 million in 2007. That's because of this trend.

3. **Forget about the marketing funnel:** We're already starting to see that social media in all its forms is having a complex influence on the marketing funnel. The awareness, consideration, preference, action and loyalty funnel stages don't look the same anymore. Peer reviews, social networks, blogs, micro-blogs, prediction markets, virtual worlds, wikis and social advertising are all making the marketing funnel look more like a Kandinsky painting than a linear process. We're going to see this transformation in 2008 as Social Influence Marketing™ impacts purchasing behavior and the traditional marketing funnel.
4. **Social networks matter more than websites:** It is anybody's guess how long Facebook's dominance will last. MySpace, Bebo, Orkut, LinkedIn and Plaxo are just some of the competitors mounting a serious threat to Facebook's dominance. But we do know that social networks are here to stay. That's where consumers will continue to spend most of their time. Any company developing a new website, product or marketing campaign needs to think hard about how it integrates with the key social networks. This can't be an after thought anymore. Social Influence Marketing™ is about reaching these audiences on these networks.
5. **Engagement metrics come to the forefront:** A lot of the web's success as a marketing platform is driven by its ability to capture strong metrics. That's at the root of Google's phenomenal success. Now with Social Influence Marketing™, new measurement models and corresponding tools will be needed to actually track whether it is having a stronger effect on the purchasing cycle than brand marketing or direct response. For example, what does it mean to have 7,000 fans of your company Facebook page?
6. **The Internet blends in with everything else:** We've all talked about the corporate website becoming less important as users gravitate to social networks, but there's a larger related trend that we're ignoring. Consumers don't see the Internet as something distinctly different from their offline worlds anymore and expect seamless combinations. Every key consumer activity has online and offline components—each one contributing to the total experience. The reason? Finally, the online world is getting more social, and as a result, more like the offline worlds.
7. **Media companies continue to be at the forefront:** We saw this in 2007, and we're going to see more of this in 2008. Media companies are going to be at the forefront when it comes to taking advantage of Social Influence Marketing™ trends. Whether it is in how they approach social media and deliver video in new formats via the web (or through a gaming system), or how they seed media within the social networks, they're the ones who are going to be in the lead again. Just play around with the recently launched Hulu beta website to get a sense of what's coming our way. The reason is simple – they are the ones who have the most permission to play in this space.

8. **Companies realize that communities matter again:** In the late 1990s, online communities were all the rage. The success of the WELL, America Online, Tripod and Geocities were just some of the much touted examples. Companies are going to discover that social networks are just another incarnation of online communities. They're going to spend money trying to understand adoption, user behavior, trust, and information flows in these communities. And as companies attempt to influence behavior on these networks, they are going to think hard about their own tone and how they should be participating.

9. **Social Influence Marketing™ takes many different forms:** We already know that social media for the *New York Times* is dramatically different from the social network strategies for Victoria Secret, Carnival Cruiselines or Ford Motor Company. Companies and individuals will need to think hard about what Social Influence Marketing™ means for them and for their networks, organizations and industries. For example, the travel sector is only beginning to harness the power of Social Influence Marketing™. The way they leverage it should be very different from the way the financial sector does so.

10. **And it broadens influence:** Organizations are going to discover that Social Influence Marketing™ is not just about user-generated content or marketing on social networks. Social Influence Marketing™ is going to affect how organizations innovate, develop ideas, recruit, measure performance and interact with all their constituents – customers, employees, partners and shareholders. Why? Because only by changing their organizations from the inside out, will companies be able to be authentic when talking to the outside world.

So that's it— ten Social Influence Marketing™ trends for 2008. Which of these will turn out to be true, and which will not, only 2008 can tell us that. But one thing is certain: Social Influence Marketing™ is going to prove its relevance in 2008. Watch this space for more.

About the Author



Shiv Singh has been with Razorfish since 1999 and has worked in its Boston, New York, San Francisco and London offices. He helps clients leverage digital technologies to develop meaningful and value driven customer and employee relationships. As Director, Global Strategic Initiatives Shiv is tasked with building Razorfish's Social Media capabilities.

He recently returned to Razorfish full time after having completed graduate work at the London School of Economics & Political Science where he researched social networks. Prior to that, he founded and led the Global Enterprise Solutions practice at Razorfish. Visit <http://www.goingsocialnow.com> for trends, commentary and news affecting the social media landscape. Please share your insights or thoughts to shiv.singh@razorfish.com.

About Razorfish™

Razorfish is one of the largest interactive marketing and technology companies in the world, and also one of the largest buyers of digital advertising space. With a demonstrated commitment to innovation, Razorfish counsels its clients on how to leverage digital channels such as the Web, mobile devices, in-store technologies and other emerging media to engage people, build brand loyalty and provide excellent customer service. The company is increasingly advising marketers on Social Influence Marketing™, its approach for employing social media and social influencers to achieve the marketing and business needs of an organization. Its award-winning client teams provide solutions through their strategic counsel, digital advertising and content creation, media buying, analytics, technology and user experience. Razorfish has offices in markets across the United States, and in Australia, China, France, Germany, Japan and the United Kingdom. Clients--many of them served in multiple markets--include Carnival Cruise Lines, Coors Brewing Company, Levi's, McDonald's and Starwood Hotels. Visit <http://www.razorfish.com> for more information.

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