

The Social Media Revolution as Theorized by “The Cluetrain Manifesto”

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ABSTRACT:

What is the impact of social media on dialogue and communication? What should business executives consider when developing a social content strategy? What is the current and future direction of social metrics and the use of traditional business metrics? The JIMC had the opportunity to interview two experts in this area - Mark Schaefer and Randy Hlavac, and asked them a series of questions about the so-called social media revolution, its implications to the marketing communications field and how this will affect companies and their brands.

In 1999, four managers noticed a significant change in the business and consumer marketplaces and began to discuss – amongst themselves – the implications of these changes. Rick Levine, Christopher Locke, Don Searls, and David Weinberger were working for IBM, Sun Microsystems, the Linux Journal and NPR. They all noticed how the Internet, unlike other forms of media, enables “human to human” conversations, which had the potential to transform traditional business practices radically. They convened to develop a vision for how people would live in the future and how business must change during this Internet revolution. As a result, “The Cluetrain Manifesto” was born.

The book established 95 Theses that outlined the potential of social media and the way it was already and would continue to change the business relationship. The book begins – “A powerful global conversation has begun. Through the Internet, people are discovering and inventing new ways to share relevant knowledge with blinding speed. As a result, markets are getting smarter and faster than most companies.” Since then, there have been many books further discussing the groundbreaking work of these authors, however, “The Cluetrain Manifesto” is credited for setting the stage for the social media revolution.

The JIMC had the opportunity to interview two experts in this area and ask them questions about this social media revolution and its implications for the marketing communications field. The two interviewees are Mark Schaefer, noted author of “Return On

Influence” and “The Tao of Twitter,” social media blogger, and instructor of social marketing at Rutgers, and Randy Hlavac, a Lecturer Professor of Integrated Marketing for Northwestern’s Medill Integrated Marketing Communications program. In this article, they will discuss key marketing and management issues created by the social media revolution. It is not a debate, but rather an examination of social media and the way it is changing the relationship between individuals and businesses. Mark provides a broad overview based on his knowledge and expertise, and Randy takes a deep dive into specific examples.

Question 1:

The Cluetrain Manifesto includes a number of Theses discussing the democratization effect of social media and the impact of dialog and communications between individuals and business. What are the business implications of these trends?

SCHAEFER:

I think this vision was really fulfilled within the past two to three years, enabled by two technological breakthroughs: widespread access to the high-speed Internet and the rapid adoption of free, easy-to-use publishing tools such as Twitter, Facebook and blogging. The result is that now everyone can publish, everyone has a voice, and everyone has an opportunity to create influence online.

In the carbon-based world, gaining influence is really about checking boxes: Where you went to school, who you know, maybe even who you marry. None of this matters online. Influence has truly been democratized.

The implication of this trend is that you no longer have to be a movie star, a super model or a politician to have influence and brands and companies are starting to recognize this. Companies are creating sophisticated algorithms to detect who creates buzz online, on what topic and in what geographic area. Instead of taking months or years to find and connect with these powerful word-of-mouth influencers, it can be accomplished in a matter of days now.

HLAVAC:

In 2012, a study from the Altimeter Group examined medium sized companies and found they had an average of 178 social accounts. There were 178 separate “voices” speaking to communities throughout the social “cloud”. That has a huge implication, as Mark pointed out it means that everyone now has a voice, everyone is now an influencer. The business implications are without end, and for social success, companies must consider and adopt the following strategies:

1. **Fully understand your high value communities** – Before creating social strategy, companies benefit from monitoring high value communities using social monitoring tools. With free tools like SocialMention, Alltop, Listorious, and Technorati [to name a few] and more sophisticated tools such as Radian6 and Netbase, students learn to identify the topics of interest to the community, tone & sentiments being expressed about the company/brand and its competition, and the trusted experts who are at the core of the community. By better understanding the topics and places where the brand’s high value communities are speaking, companies can develop social communications strategies designed to directly engage each market using the unique topics of interest to them.
2. **Strive to Become a Trusted Expert** – Communities seek voices that are authentic, credible, & unbiased in addressing their passions, interests and needs.

When communities ‘discover’ these individuals, they have “Klout” and are sought out for their opinions on topics, new trends, and the inputs of other trusted experts. In cultivating a relationship with a high value community, companies need to keep their conversations relevant, timely and – most importantly – credible to their community members.

3. **Keep it a Two Way Conversation** – The most important point is to always remember, communities seek dialog – not lectures. Therefore, actively seek participation by asking for dialog and looking for other opinions. Community members want to be engaged in a fun, learning experience. Allowing them to give feedback– through blogs, on bulletin boards and forums and through Twitter and Facebook to keep the conversation relevant to them is extremely important.

Question 2:

Social media experts like to stress the importance content plays in the development of social media strategies. What should business executives consider when developing a social content strategy?

SCHAEFER:

Content is power on the social web. Content is the catalyst that makes “things” happen and presents an extraordinary opportunity to connect with customers. People form loyal connections with brands and companies in the same way they form relationships with friends. It takes lots of small, consistent interactions to start the relationship and move it forward, followed by more intense interactions later on to form bonds and loyalty. The social web is an extraordinary way to create similar types of connections and relationships, especially when combined with traditional advertising and marketing. “Content”, in its many forms – videos, photos, updates, blog posts, recipes, editorials, white papers, eBooks –, provides the constant drip, drip, drip of connection we need to keep customers interested and in turn engaged.

In my opinion, many businesses understand the “content” part; however, they are still missing is the

“network” part. Content does not benefit a brand or a company if it just sits there on a website. One must “ignite” it through a network. The infamous line “build it and they will come” is a very catchy phrase, but it is a lousy content marketing strategy. At the same time, every company must also systematically and purposefully build an audience of people who have some reason to be interested in what the company does. These people are also the most likely to share your content throughout their own network and beyond.

HLAVAC:

In a study of information generation, Dr. Martin Hilbert of USC determined that by 2007, broadcast media alone was generating the equivalent of each person on earth having to read 174 85-page newspapers. People have data and information – what they desire is a way to make sense of it – and share it. We have all heard the expression “Content is King”, and this is absolutely true, but as Mark noted it is knowing how to share it is key. To successfully develop a social media strategy, companies need to consider the following:

1. **Help communities “Filter and Focus”** – Companies developing a content strategy often fall into the trap [that makes them think] that they need to create unique content to be relevant. Nothing is further from the truth. Communities seek individuals who are able to examine new articles and blogs, analyze them for relevant ideas and tell them why it is relevant to them. Help the community find important information and you are on the way to becoming a trusted expert.
2. **“Multi-task your Content & Promote it”** – “Content Rules” by Handley & Chapman emphasizes the importance of creating content once and using it multiple times. For example, a white paper can become a number of blog articles, which in turn can have multiple tweets, Facebook mentions, and LinkedIn discussions to promote each one. Simply creating content is not enough. It must be shared and re-shared with the community in different ways to generate the maximum buzz.

3. **Provide solutions and recommended actions** – Communities are looking for expertise and guidance. When creating content end with a series of recommendations and action steps that resonate with the interests of the community.
4. **Use Multiple Media** – More and more, people do not have time to read lengthy articles and white papers. They want information to be fast and easy to “digest.” Use a mix of articles, videos, and even basic Power Point recordings to reach community members. Infographics are also a highly recommended way to quickly communicate numbers and convey complex ideas. With more and more emphasis on mobile, the written word is becoming less effective in reaching your high value communities.
5. **Social Communities Exist on Many Levels** – Consumers (individuals and businesses) engage on many different social levels. There are 1) profile-based sites such as Twitter, Facebook & LinkedIn, 2) aggregator sites such as Pinterest, Reddit, Digg & StumbleUpon, 3) expert sites that are formatted like blogs or the “new aggregator” sites like “Huffington Post,” and 4) media sites like Flickr and YouTube, which are the largest, private community sites made successful by individuals and businesses. Customers and prospects “live” on all of these sites so social marketing program should use them to your best advantage.

Question 3:

The Cluetrain Manifesto discusses the importance of conversations and two-way dialog in social media. What is the impact on brand positioning and brand essence when anyone can join in the conversation?

SCHAEFER:

The reality is [that] the conversation is happening with you or without you, so if you are not immersed in the social web you are going to be missing out on a lot. The idea of “the conversation” is being refined as businesses gain experience on the social web. In fact, while many large companies have an extensive social

media presence, very few are having real conversations, which is actually just fine. Have you ever gone to a restaurant where the waiter seems over-eager to please and keeps cutting in on the conversation, or even inserts himself in the conversation? It's annoying. We want the waiter to be there when we need him/her, when we want to order, when we want the check, when we have a problem. We want to have a dialogue but on our terms. It's the same way on the social web. The aim of having "conversation" as a goal is kind of self-serving.

The more advanced companies are beginning to realize this and are not necessarily judging success by how many likes or comments there might be on a Facebook page. Sometimes it is just as important to be the one handing out comments and likes. Sometimes it is enough to answer a question promptly and completely. Sometimes it is okay to just be quiet and listen. To me, "the conversation" means being immersed, being aware, and meeting the customer at their point of need.

To a large degree the strategy does depend on the brand strategy and customer expectations. For instance, McDonalds has a very active presence and is even starting the conversations; while luxury brands such as DKNY created a fake fashion persona who spoke about her shopping adventures. The airlines and many service industries are using the social web for problem solving and customer complaints. Caterpillar invites its customers in to help solve technical problems, while Starbucks has turned its blog into a lively discussion area where it crowd sources new products and services.

HLAVAC:

As Mark noted, the conversation is happening whether your company is in it or not, and if you are not in the conversation, each social community will interpret your brand essence and brand positions from their own perspective. To build strong social strategies, businesses need to consider developing one of two social strategies:

Social Strategy 1 – Align, Engage & Enable. By align, I mean to align the brand and the company with the mission of the community, engage community members on topics and activities of interest to them, and enable community members to achieve their personal goals.

For example, consider American Express (AmEx) and its Member's Project. American Express wants prospects to take their card, use it frequently and pay their bills. That is their 'corporate mission.' AmEx found individuals passionate about education, the environment, and other public issues to be highly valuable for the company. However, rather than market directly to them, American Express created the Members Project. This project aligned the company with these social improvement issues and engaged community members to identify the missions they wanted to accomplish. Rather than directly sell their cards, AmEx informed community members they would be financially contributing to the cause of their choice by using the card and American Express would also be financially supporting many other efforts to further impact key societal and environmental issues. American Express successfully aligned, engaged, and enabled consumers to achieve their personal goals while building profitable relationships with new and existing card members.

Social Strategy 2 – Be there when they are ready to buy. I'll illustrate what I mean by this through the example of Ridgid Tools. The Ridgid Tools Forum is designed to allow plumbers, woodworkers, and other specialists to dialog among themselves about plumbing and other issues important to their livelihood. While on the sight, Ridgid Tools does not promote its products and services, but when a plumber needs a tool, the company is just a click away. The key is not to self-promote your products but to become a part of the community and they will seek the consumer out when they need to purchase.

Question 4:

The Cluetrain Manifesto and other books – including Mark's Return on Influence - have stressed influence measures as a critical metric in social media. What is the current and future direction of social metrics and the use of traditional business metrics – such as Return on Investment?

SCHAEFER:

To me, this is the richest area of development on the social web. The data are literally flying at us – now

what do we do to make sense of it? I recently wrote on my blog that a competency in statistics will be a “must” for marketers as we begin to connect the ‘Big Data’ dots to distill wisdom from the numbers. At the same time, the area of social influence measures, such as Klout, is also developing quickly. What these tools actually measure is extremely limited and restricted to a person’s (or company’s) ability to create content that is repeatedly shared and reacted to. However, this is also a very important quality, and brands are eager to tap into this new database of powerful word of mouth influencers. Klout is notable because it makes these influence assessments publicly available, but every company with web-based commerce is doing the same thing. Facebook, Google, Yahoo – they are all collecting our personal information and then slicing, dicing, and dissecting it to sell targeted ads. They all have internal lists and algorithms trying to do what Klout is doing, to one degree or another.

The next phase will be connecting the dots between these online conversations and buyer behavior. For example, if I am a music blogger, these algorithms will be able to see that when I write about a certain topic that it sends my followers to the online record store to buy. Facebook Timeline is trying to record every detail of our lives, including what we buy, what we wear, where we shop, what we eat, etc. So the conversations are available, the buying patterns are becoming available, and it is just a matter of making these connections. Companies will be assigning dollar values to individual influencers based on their ability to create buying reactions.

Continuing on the topic of ROI, I’ll raise a personal example to illustrate my next point. I recently used a navigation application on my smart phone to take me home from a vacation destination. I wondered, why wasn’t I using a Rand McNally application? After all, I had used their maps for years. I began to research it and found that this company – who basically owned the idea of getting from one place to another for decades – had no meaningful digital presence. How could they abdicate this hard-earned market dominance? They probably compared the ROI of their paper maps to the cost of this risky GPS venture and held tight to the ROI on the maps. So my first point is, it’s not just about ROI.

It’s about relevance. If you don’t have a digital strategy, most companies will die a slow death.

HLAVAC:

In a 2011 study of B2B and B2C businesses of all sizes, Marketing Sherpa found only twenty percent of all companies were able to identify the ROI on their social marketing investments. The real question is how can we determine the value of our social investment and its impact on the growth of our business and its ability to contribute positively to the bottom line. There appear to be two different directions being taken by social experts and social companies to justify the investment in social media.

One strategy is to leverage the power of private social sites. Companies such as American Express in its Members Project and Ridgid Tools in their plumbing and wood working site leverage the power of private sites in closing the loop between social activities and social results. For instance, in the case of Ridgid Tool site, one can visit it but, to become a participant in the community, one must register and be accepted by the site.

While this seems like a minor act, it is critical to measurement. In most social networks such as Facebook, your relationship is anonymous. As a result, a company cannot target messaging to the individual nor can they monitor the extent or strength of the relationship. Companies creating private community sites for their high value communities have a major strength. Because they know each individual through his/her username and therefore the site can monitor the member’s use of the community support site. In addition, when the individual purchases, the company can identify the role social media played in the purchase. The company can tell if the social activity acquired a new customer for the company or if the social activity strengthened an already established relationship with an existing customer. Private social sites are key to monitoring social investment to high value communities today.

A second direction for social monitoring is using the power of “Big Data.” Today, there are vast amounts of data available from social sites that can be acquired and monitored by companies on twenty four seven. A Mark mentioned, Klout is a software product that

monitors people and their use of social media. As one tweets, 'Facebooks' or uses other social networks, the software calculates the strength of your social "influence" and classifies you by the types of social subjects which attract you. The difficulty of private sites is that they only monitor one's activities within the site and, if one purchase, with the company who build the site. In the future, new analytical technologies and improved monitoring systems will begin to allow business marketers to assess the "influence" different individuals have in specific areas and develop differentiated communications strategies. While we are just at the "tip of the iceberg" today, social monitoring is advancing at a rapid pace and companies are now beginning to aggregate social, web, mobile, and other data to link to their customers and prospects. 'Big Data' will play a larger and larger role in segmenting and communicating with the most influential members of high value communities.

Question 5:

What is the distinction between social media strategies and social marketing strategies?

SCHAEFER:

Social media can touch many areas of an organization. It has transformed recruiting and the HR function. Social media can be a very cost-effective way to handle customer service. It can be used as an educational and business networking tool. The social web can be an enormous contributor to research and development and a source of low-cost, high-quality crowd sourcing. The companies on the leading edge of the social revolution are exploring ways social media can improve almost every company function. There is a very exciting movement toward applying private versions of these social technologies to internal staff functions, too, to improve communication and collaboration. So social media marketing is really a subset of what will be happening in a bigger way across the organization.

HLAVAC:

The IMC business model consists of three overlapped circles. At the top is the most important

factor – the high value target market you want to engage and acquire. You need to fully understand who they are, what they seek, and how you want to interact with them. The second circle is the compelling message or – in social [terms] – the exceptional experience. This is the engagement mechanism, which moves consumers to action. Finally, it must be delivered through a marketing channel preferred by the target market.

Many social experts build their strategies and tactics not around markets but around the social network itself. They are experts on Facebook, Twitter, LinkedIn, or blogging strategies and, while they acknowledge the targeting factor, their recommendations are built around a small number of communication channels.

IMC marketing organizations have a more customer centric approach. They start with the markets and then determine the mix of products, offers, information, and content that best builds a relationship. Organizations then develop holistic marketing strategies that encompass social [social, web, mobile] and traditional marketing channels [email, telemarketing, DRTV, etc] to create a total marketing approach. Marketing is essentially, at its base, a one-to-one conversation between an individual and a company. While companies can use social and other marketing channels to reach individuals, the sale is dependent on the company's ability to craft the best message and offer and then deliver it at the right time in the right way to each individual. Social media is defined



by its engaging conversations and the ability that anyone can join in and, while this is important for businesses to become trusted experts in high value communities, their marketing program should take a different tact. For marketing to be successful, companies must become exceptional to the high value communities they wish to

acquire and then take them to a secure, personalized place where they can help the community and 'be there' when they are ready to purchase. By starting with markets and not social channels, marketers can be a part of the 20% who know the ROI and bottom-line results from their social marketing programs. ■

BIOS:

Randy Hlavac is a social and integrated marketing expert. In 1990, he founded Marketing Synergy, Inc [MSI]. MSI helps business and consumer focused companies define, engage & acquire high value communities using social, web, mobile and integrated marketing technologies. In addition to being the CEO of Marketing Synergy, Randy is also a professor at Northwestern, where he teaches both grad and undergrad social & integrated marketing classes at Medill. Randy is a board member for the Chicago Association of Direct Marketing [CADM] and is a frequent speaker on social, web, and database marketing at the DMA, DMIC, AMA and other marketing organizations. You can also follow Randy on Twitter at @RandyHlavac.

Mark Schaefer has 30 years of global sales and marketing experience and two advanced degrees, in business and applied behavioral sciences. Mark is a globally-recognized business writer, and innovator, receiving seven international patents for new product ideas with Fortune 100 companies. He is the author of the best-selling books *The Tao of Twitter* and *Return on Influence*. Currently, is executive director of Schaefer solutions, a marketing consulting firm, and he is a marketing faculty member at Rutgers University.