

"Are You Still Using Marketing Techniques From The Stone Age?"

What type of marketing do you think is more effective?

Company A uses cold-calling, untargeted email blasts and TV commercial spots to promote their products. They are using "**interruption marketing**" techniques – that is, to interrupt consumers in their daily routine and bombard them with marketing messages in the hope that a few of them will buy the product (enough to make them a profit).

Company B uses **word of mouth marketing** and focuses on building a product that is so useful that their marketing is done by their users. They also use traditional marketing techniques like email / direct mail and sales calls, but these are based on "permission marketing" principles – consumers who ask to be sold to because they have heard about your product (from friends, relatives, coworkers), heard how good it is and want to know more.

So, which approach works better?

Company B uses a smaller marketing budget, but is far **more effective** because it gains the trust of the consumers it pitches its products to by 1) creating something remarkable that is worth talking about and 2) they have users 'helping' them do their marketing for them.

One of the most effective vehicles of word of mouth marketing is social networks. Let's look at what they are and how you can use them to your advantage.

Understanding Social Networks

The key factor that makes word of mouth (WOM) marketing so successful is that it works on the basis of **unbiased** recommendations from **known** sources. Those two terms – unbiased and known – are very important in making WOM marketing work.

Word of mouth marketing functions on the basis of trust – you either trust the recommendations given to you by your friends and family or you don't. The criterion for trusting these recommendations comes from those two metrics: whether the recommendation is unbiased (that is, no ulterior motive involved) and whether the recommendation is from a known source (so you can evaluate if that source's judgment can be trusted or not).

For example, let's say that my friend Allen recommends a restaurant to me which he has just found. His recommendation would be unbiased because I know that he doesn't have any financial benefits if I go eat there and that he's telling me about this new place to eat because he enjoyed it so much. This recommendation would also be coming from a known source – I've eaten out with Allen several times and I know that he has good taste.

Unbiased and known sources – so you can trust these recommendations and act on them.

The mystery link between social networks and search engine marketing

By the way, to sidetrack for a second – do you recognize a familiar pattern here? Search engine optimization – especially when it comes to Google and building links – works on a similar basis. Consider this phrase:

The best recommendations are those that are unbiased and come from highly trust-worthy sources (that is, sources known to be trustworthy from past experience).

Replace 'recommendations' with 'links' and you have the basis of link building advice right there.

What is an online social network?

A social network is essentially, at the most basic level, a collection of people you know and are in contact with. In school this would all the classmates you know. At work your social network would include everyone you come in contact with. Regular contact evolves into stronger links within that network.

Now if you bring this concept online, what do you get?

Early online social networks are your forums, email lists and chat rooms. Forums in particular have stood the test of time and still are one of the most powerful online marketing tools *if you know how to work them*.

Social networks thrive on an exchange of information, of ideas and of resources. A forum is most vibrant when new ideas are constantly being discussed and members are busy in contributing to the common information pool by sharing their experiences.

One of the reasons social networks have been so successful is because they give members a chance to part of something bigger and more important than themselves. Any social network – be it an old-style forum, a community built around a blog or a more modern incarnation such as MySpace or Orkut – can be successful only when its members are enthusiastic enough to participate in the conversations and exchange of ideas taking place.

And this participation must happen without financial rewards. I say “must” because for the system to remain useful and unbiased, all monetary incentives have to be removed.

Have you heard about [MySpace](#)? It recently proclaimed itself as the most popular website on the Internet. It is, without doubt, the biggest social network around.

Seen [Digg](#)? By making user evaluations (voting) of news items the core of their “product”, the Digg owners have built a powerful social network that is also one of the most effective tools for marketing your business.

What about [YouTube](#)? A community-based video hosting service that has built its appeal around open sharing and discussion of uploaded media. The best part about YouTube is that they have mashed together digg-like functionality with the society’s need for unadulterated, unfiltered video content.

MySpace, Digg and YouTube are three of the biggest success stories of the Internet in the last year. And they are all social networks.

And they all are indicative of a shift in marketing paradigms from viral marketing to word of mouth marketing.

The difference between viral marketing and word of mouth marketing

Viral marketing, the epidemic spreading of news and information, has taken most of the limelight in marketing circles recently, but with the emergence of social network marketing and the wild success of social networks in recent years, that is changing rapidly.

Due to the nature and structure of online social networks, word-of-mouth marketing is poised to unseat the currently favored viral marketing tactics that rely heavily on offering an incentive to pass along the information.

Instead of offering a commission or a prize for referring someone else to your site, online social networks stimulate conversations between the people who are interested in your topic and provides them with the platform needed to share your message without a financial reward.

Word-of-mouth marketing is highly effective because the message comes from a person that the receiver already has an existing relationship with – someone who they view as a trusted source and valued opinion.

The beauty and simplicity of word-of-mouth marketing is that the transmission of your message can be rather simple in nature.

The most common form of transmission is through a recommendation; where celebrities and music artists have risen to super stardom literally overnight based simply on the recommendation of one to another promoting that they go see a movie they are in or listen to their new song.

This spreading of your message is powerful and infectious because the communicator of the message has no ulterior motive in doing so. They simply share the resource with someone else because of the benefit they’ve received from using it themselves or because of the sense of satisfaction they get from providing the valuable resource that person could use.

To understand how social network marketing really works, you have to understand how word of mouth marketing works first. And that is where Seth Godin’s ‘flipping the funnel’ idea comes in.

Flipping The Funnel

Instead of focusing on the classic marketing funnel where customers go into the funnel and are shifted out

through various offerings of increasing value, the flipping the funnel technique has quite a different aim.

Through your normal marketing and promotion efforts, you have the ability to turn strangers into friends and friends into customers. Normally, you would then sift your customers through the funnel until they fall out at the stage where they are no longer willing to make additional purchases.

That focus is singular and does nothing to leverage the friends that your customer is already exposed to that they could bring into your funnel. During this stage, your customer becomes your salesperson and the act of flipping the funnel is complete.

For most businesses, their friends and customers are their most underused resource, focusing instead on generating new sales and prospects through a paid sales force or group of affiliates who pale in comparison to the numbers of people who've purchased your product and gained something from its knowledge or use.

It is these people that you want on your side giving you more exposure than you could ever dream of because the cost of continually filling the funnel with more and more people is becoming both more expensive and increasingly difficult to achieve.

By flipping the funnel, you provide your friends, customers, and website visitors with the tools they need to empower them and provide them with the ability to share your resource, product, service, or website with others.

Flipping the funnel gives them a megaphone that they can use to champion your cause and turn your website into a traffic magnet.

It's providing them with the leverage they need to expose your solution to as many people as possible, based simply upon their desire to share a valued resource with anyone who will listen.

All that a stranger needs to become your salesperson is the platform to share your message with as many people as possible, and an online social networking site based around your niche topic is the perfect tool to give them the power to speak out and be heard.

The billion dollar question now is: How can you use social networks to promote your business?

How Social Network Marketing Works

Most marketers would ask the wrong question here: "how can social networks make me more money?"

The problem with that approach is that you tend to focus on immediate means of monetizing the value of social networks such as MySpace, Orkut, Friendster, LinkedIn and Flickr, while ignoring the real reason these networks were setup and how you can use those ideas to help your business.

MySpace, Orkut and Friendster grew as means to stay in touch with friends, meet new people online and to share ideas. LinkedIn has a similar slant - it is great for entrepreneurs and professionals who want to mine their contacts for hiring / outsourcing. And Flickr is just a blindingly simple tool for sharing photos.

The success of social networks marks a dynamic shift in how people are using the Internet. We've evolved from just searching for information to creating and participating in social spaces with other individuals through the Internet. This model is based upon the hive mentality where people identify themselves as part of a group with similar likes and interests that draw them together. This is easy to do online because the traditional communication barriers of physical locations no longer exist.

Social networks make viral marketing and word-of-mouth marketing much easier than before. The best use out of social networks is not to make money 'directly' off them, but to harness their marketing potential and to use them to market your own business.

The difference between traditional search engine marketing and social marketing

The main goal of any search engine marketer is to drive more traffic to their site. The best way to do that is to optimize your website (including the process of link building) for your target keywords.

Online social networks present an efficient platform for you to use in the spread of your marketing message. In addition, it is also a great tool for getting tons of visitors and thousands of page views to your site.

Standard search marketing and website design tactics will tell you that the best way to do this is by creating lots of content targeted at your niche keywords. Then, you'd do everything in your power to get links

back to your website pages with your niche keywords as text anchor links.

Instead, what it does mean is that you need to devote more of your attention towards how you can leverage the traffic you do receive from these sources. To do that, you should allow your visitors to create their own social network centered around your niche topic.

The power of this cannot be missed since social networks allow for multiple points of connections between almost anyone on Earth, giving them the ability to find, share, enjoy, and track anything and everything that tickles their fancy.

Using social network applications like MySpace these preferences and choices can be saved, stored, shared and used to build a network of glowing endorsements for your business and products.

As these endorsements are established and cross-referenced, the profile of yourself, your company, and your products can grow exponentially as more and more people become exposed to and share your marketing message.

One of the primary focuses of traditional search engine marketing tactics is the establishment of links from other websites that point visitors back towards your site, preferably with your niche keyword anchor text.

Social network marketing works in the exact same fashion, except people choose to provide your link without being asked to do so, and places like del.ici.ous, Digg, Blogpulse, and Technorati give them the ability to do that.

In offline terms, that means turning towards your friends and family to ask for their opinions. Online, it means turning towards a group of trusted people whose opinions and recommendations you value.

In fact, in lots of cases, you've probably done some research on your own, using the traditional search engine marketing model and then turned to a social network that you're a part of to validate your findings and complete your research by getting their experiences and opinions about the topic.

This is social network marketing at work in its purest form.

One person actively soliciting comments from other people within their community to assist them in making a decision and its only one example of the many ways that the power of online social networks can be leveraged.

Online social networks provide the platform needed to speak out (if they are so inclined) or to simply watch the conversations as they happen.

In fact, online social network marketing is expanding into something much more than that as the Internet becomes a living, breathing organism – the Living Web – that allows people to engage themselves in the things that matter to them and participate in a discussion about what they find important.

To understand why the future of social network marketing is important, how it is so powerful, and what you'll need to do to integrate it into your online business, an understanding of the mechanics behind it is necessary.

Once you understand the mechanisms at work, you'll gain a greater appreciation for how to profit from the existing social networks like the ones mentioned earlier, as well as how to use them to create your own social networks built around your niche topics.

Connectors, Mavens and Salespeople

Aside from the knowledge shared, one of the key drivers behind social networks is a well-known idea – Six Degrees of Separation, which proposes that anyone can be connected with someone else through no more than five intermediary relationships.

Made popular through an Internet game based around the actor Kevin Bacon, the “Six Degrees of Kevin Bacon”, that links his appearances in films with that of other actors, directors, actresses, writers, etc.

The degrees of separation are referenced through the number of films that separate that person from Kevin Bacon, producing a “Bacon Score” for that person.

If you played around with Six Degrees of Kevin Bacon long enough, you'll notice some trends that mimic real social networks.

There are some people in Hollywood who are more easily connected to Kevin Bacon than others or are

better equipped to connect others to him because of the types or number of films they've been involved with.

In terms of the real world and the social networks that exist within it, these people are called Connectors.

Connectors are people with a special gift for bringing others together. They are "people specialists" who have an extraordinary knack for making friendships with lots of people across many sub-niches and cultures. These people are the "social glue" that bring others together.

If you think of it in terms of a common cold, it's relatively simple. In this case, Connectors are those people best positioned to spread the germ throughout the population – bus drivers, bank tellers, waiters, and anyone else who comes into contact with a large number of people everyday.

Connectors are very rare people. Luckily for us, Connectors aren't the only type of social activists available to spread your marketing message for you.

Another type of messenger that you can rely upon are Mavens. Mavens are information specialists who have the knowledge and social skills to start word-of-mouth epidemics. These are the people who do all of the research necessary to solve their own problems and once they figure out that they have a good thing, they want to tell you about it too.

Mavens provide the initial spark and message that Connectors filter through their large network of contacts.

A third type of messenger, Salespeople, is vitally important to the transmission of your marketing message due to their ability to persuade others who are unconvinced of what they are hearing. They have an uncanny ability to turn "fence sitters" into marketing mavens who'll champion your cause through their own interaction with your message.

Although they are a large part of it, epidemics are not simply a function of the people who transmit them. The transmission of your marketing message is also dependent upon the infectious agent itself and the environment in which it is operating.

What To Do Next

Two of the best books ever written on social marketing are Seth Godin's "[Unleash The IdeaVirus](#)" and Malcom Gladwell's "[The Tipping Point](#)". If you are interested in marketing your business through social networks (and by now you should be geared up for it), read these two books.

While you should not abandon traditional means of marketing such as SEO and email marketing, I want you to start paying more attention to how you can use social networks and forums to your advantage. You can begin with exploring communities such as MySpace and YouTube and brainstorm on the type of marketing message that will resonate most clearly with that audience.

The social network that you target will depend on the nature of your business and the medium of your marketing message. If you can tailor it to suit your audience, you will already be one step closer towards generating word of mouth publicity without having resorted to a massive marketing budget.

All the best,



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