

SOCIAL NETWORKING FACT SHEET

STATISTICS AND DEVELOPMENTS INDICATING THE NECESSITY OF SOCIAL NETWORKS FOR BUSINESS AND MARKETING

Provided by TS Web Consulting Ltd

During the summer of 2006, we saw several key indicators that business executives and investors were taking keen notice of social networks and their potential impact on the online advertising and marketing arena.

Many popular bookmarking and social networking sites have been acquired by larger corporations – the most famous of which was of course Google's acquisition of social video network, YouTube.

However, what is more interesting to business owners and executives are the large investments now being made into advertising models and programs within social networks.

In June 2006, Interpublic Group announced it would be developing marketing programs on FaceBook for its agency clients to the tune of \$10 million worth of ad space.

In early July 2006, WPP Group invested \$2 million into corporate social network, LiveWorld. This unique joint venture will help WPP's agency clients, such as the skincare company Dove, deploy their own social networks.

We find it fascinating, as a company that participates in both the social networking and search optimization spaces, that big companies and large advertising agencies have recognized the importance and profitability of social networks far faster than they recognized the benefits of search marketing.

However, to the benefit of the small business or medium-sized company, these large corporations will take time to implement their large-scale campaigns, while their smaller counterparts are moving quickly to acquire their piece of the social networking pie.

For instance, Forrester's December 2005 survey of marketing executives showed that 13% were marketing via blogs or social networks at the time, but 51% forecasted "total adoption" of such marketing strategies within the next 12 months.

BUT JUST HOW LARGE IS THE SOCIAL NETWORKING SPACE?

According to Nielsen Net, the total UK internet audience is approximately 66.4% of the population, or 40.4 million people.

The fastest growing website in terms of number of visitors, in 2007 was Beat That Quote with over 390,000 visitors (up from 31,000 in 2006) and the

second fastest was Facebook, with 8.9 million visitors, up from 1.1 million in 2006.

"Many will be surprised to see that Facebook wasn't the fastest growing site of the year, this honour went to price comparison site Beat That Quote – a reminder that the Internet provides valuable services other than virtually poking friends and acquaintances."

Alex Burmaster, Internet Analyst, Nielsen Online

That means that nearly 50% of all internet traffic ran through one or more social networks last year.

For those of us who participate in the global markets, it's interesting to note that Bebo overtook MySpace as the top social network in the UK during most of 2006.

WILL THE SOCIAL NETWORKING FAD LAST?

Jon Gibs, senior director of Nielsen/NetRatings, said social networking sites are the "reality television of the Internet."

"The content is relatively inexpensive for publishers to produce, and social networking is not a fad that will disappear," Gibs points out. "If anything, it will become more ingrained in mainstream sites, just as reality TV programming has become ubiquitous in network programming."

This means immense opportunity for any business owner or executive. Firstly, online advertising is far more affordable than television or traditional media advertising. But more importantly, there are ways to market yourself in the various social networks *without* spending money on advertising.

These strategies include maintaining your own blog, creating profiles for your company on MySpace and other networks to interact directly with your audience (without spamming, as we've seen recently occurring on MySpace), producing engaging and buzz-worthy content that gets circulated among bookmarking websites (as well as Technorati), and producing media content for networks like YouTube and BlogTalkRadio.

The key to success in marketing with social networks is to understand that there's no middle man here. No marketing hoopla. And no wall of corporate messaging to hide behind.

Social networks are transparent and to effectively engage their audiences you have to be willing to be transparent as well. Then all you need are some creative strategies for communicating with your audience – which we are happy to provide you.

Contact us for a free consultation to discuss. Please contact us using one of the following methods.

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