

CHAPTER 1

Understanding and Connecting with the Connected Consumer

Before we jump into the nitty-gritty of building your online marketing plan, let's first spend a few minutes understanding your target audience. No matter where in the world your business is located, there will always be an increasingly important segment of your target audience that you need to tap into—a group we call *Connected Consumers*.

WHO IS THE CONNECTED CONSUMER?

There are two common ways to describe the so-called Connected Consumer. One definition refers to how savvy they are with mobile technology. These individuals typically browse for products and services on their mobile devices and frequently consume media through several outlets at once (e.g., uploading a photo to Facebook while surfing the web on their tablets or laptops while also watching a television show). They also have a tendency to search for prices on their mobile devices before they buy a new product, potentially while they're staring at the product while in the store. When it comes to recommendations, the Connected Consumer's opinion tends to hold more weight within social circles. He or she is often the first person his or her friends approach for an opinion on whether they should buy a given item, or for a recommendation on a good service provider.

But there's a second newer and more relevant definition of the Connected Consumer—one that extends the notion of mobility and refers to that person's overall *social connectedness*, combined with his or her *willingness to share* through online social platforms. This person

takes pictures of his or her purchases to share with friends online and isn't afraid to let the world know what he or she is doing right now, and with whom. Socially Connected Consumers don't just "check in" somewhere; they're likely also telling their friends about their absolute favorite dish at your restaurant or a to-die-for hair treatment from your salon that they can't live without. Socially Connected Consumers use their social networks to actively volunteer information about businesses where they spend their money. As a result, they can become activists for your business after just one purchase experience.

The key differentiation between these two definitions is that the Socially Connected Consumer is *actively marketing* your business for you when they publish their experiences on their social networks—often without you ever asking them to—while the traditional Connected Consumer plays a much more passive role. Mobile connectivity is often a tool for added convenience for the latter group. While they are happy to recommend products or services, they are likely asked for their opinions before they go out of their way to share them.

In order to flourish, small businesses must effectively utilize the Socially Connected Consumer's active willingness to share. In today's connected economy, this is the one of the key differences between a merely healthy business and wildly successful one.

MORE CONNECTED CONSUMERS THAN EVER

In his 1962 book *Diffusion of Innovations*, author and communication scholar Everett Rogers popularized his theory of the "innovation adoption curve"—the rate at which society adopts new trends, technologies, or ideas. Rogers and his colleagues believed that in order for the innovation to be lasting, it had to reach critical mass and be widely adopted. Social media adoption within the U.S., as well as the rate of most other technologies, follows the adoption curve illustrated in Figure 1.1.

In fact, it was 2011 that really marked the shift to critical mass social media adoption in the United States, which represents the shift from Early Majority to Late Majority in the adoption curve. This was when more than 50 percent of the U.S. population was joining social media platforms *en masse* to engage and connect. Consumer research firms Edison Research and Arbitron released a study in May 2011 at the

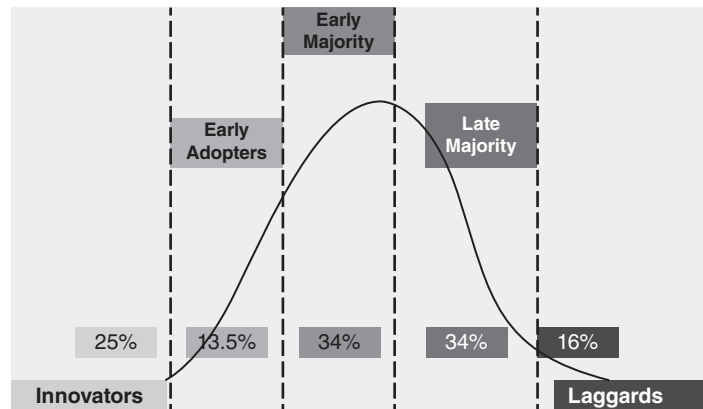


FIGURE 1.1 Rate of Adoption across Society for Ideas, Trends, and Technology

Blogworld East conference entitled “The Social Habit,”¹ which points to this shift to critical mass:

- 88 percent of U.S. residents have Internet access at home.
- Globally, 52 percent of people ages 21 and over have a profile on one or more social networking sites, up from 48 percent in 2010.
- In the United States, 76 percent of people are members of at least one social networking site.
- 2011 marked tremendous growth in social networking adoption for the 35 and over population.
- 79 percent of those on social networks update their statuses at least once per week.

Of course, it’s hard to ignore the elephant in the room. Facebook represented the majority of this dataset; over 400 million people (58 percent of the user base at the time of the Edison Research publication) were using the social media platform on a daily basis. While other popular social platforms like LinkedIn and Twitter did grow their membership

¹Edison Research published presentation, May 29, 2011, www.slideshare.net/webby2001/the-social-habit-2011-by-edison-research.

counts in 2011, Facebook stands as the clear winner and as the social platform driving mass adoption.

The numbers are even more staggering in 2012. There were more than 800 million people on major social platforms, and a Pew Internet Survey confirms that in 2012, 61 percent of adults under 30 used a social networking site at least once a day. With Internet users between the ages of 50 and 64, social media usage rose sharply to 32 percent from 20 percent the previous year.²

That said, there are several social platforms that may be more or less relevant for your business. Depending on your target market, you may want to consider LinkedIn as your primary focus. Accountants, legal consultants, financial advisors, and other professional services–related businesses may find that this professional network delivers on the ability to build a stronger connection with their customers and followers than any other social networking site. These markets may also find it more

Socially Connected Consumer versus Social Influencer

The key difference between a Socially Connected Consumer and Social Influencer is that the second person will use pretty much any medium to communicate his or her recommendations—and it doesn't matter which one he or she chooses. When a Social Influencer passionately advocates a product or service, he or she creates a trend wave that friends and followers readily jump on.

Leveraging Social Influencers isn't about finding a celebrity to adore your product or service and tweet about it. Social Influencers exist across all of the social groups noted in Rogers's innovation adoption model (see Figure 1.1). For many small businesses, converting a small but vocal group of loyal Social Influencers creates a strong foundation for long-term growth. In Chapters 8 and 9, we'll explore some topics around incentivizing and rewarding both your Socially Connected Consumers and those coveted Social Influencers.

²Worldwide Social Media Usage Trends in 2012, <http://searchenginewatch.com/article/2167518/Worldwide-Social-Media-Usage-Trends-in-2012>.

compelling to focus on LinkedIn given that 71 percent of that network's users have obtained four-year college degrees (as opposed to 41 percent of those on Facebook),³ and may therefore have a higher likelihood to need their services.

Most businesses aren't sure which social platforms are right for them starting off; initially, you're just looking to get the biggest return on investment through social channels. To get a better feel for your customer base, you should focus your social strategy on testing some of the easy-to-implement and low-cost marketing programs we discuss in later chapters. Don't put all your eggs in one basket if you don't know what's going to work; it's perfectly okay and, actually, a much better idea to test and see which programs will allow you to reach your target segment most effectively.

CONNECTING WITH THE SOCIALLY CONNECTED CONSUMER

Though the strategy is simple: Make it as easy and attractive as possible for Socially Connected Consumers to interact with your business in their everyday lives. Executing this plan, however, can seem overwhelming.

The upcoming chapters will discuss specific programs you can implement *today* to bring in a sustainable number of customers to promote healthy growth for your business. In the meantime, keep the following key considerations in mind when thinking about how you're going to execute your strategy.

It Still Starts with Search

You may not think of an Internet search as being particularly social; however, it's come a long way since Alta Vista and the early Yahoo! incarnations of the 1990s. Socially Connected Consumers not only have their preferences for social networks, but they are also actively using search engines for products and services across the web. In the United States today, Google dominates the search ecosystem, owning just over 70 percent of the search results on the web, with Yahoo! and Bing working to gain market share. The trick is for businesses to understand

³The Social Habit 2012 Report, <http://socialhabit.com/secure/wp-content/uploads/2012/07/The-Social-Habit-2012-by-Edison-Research.pdf>.

which search terms your potential customers are using to find you online. Showing up in the first few pages of the search results for your industry, specialty, and geographic location is critical to converting online browsers to offline customers.

Competition is fierce for high placement in organic search results. However, there are several no-cost tactics you can implement today to optimize your online presence and give your website the best chance of displaying well in organic search results. (We discuss these in more detail in Chapters 2 and 3.)

Can I Get Away with Not Paying for Search Placement?

This is a decision you're going to need to make for yourself and your business. Although it may not be an option in every market, it's possible that if you correctly optimize your website, search engines across the board will rank you higher. If you do this well, you may actually find better results with this approach than you would by paying for Search Engine Optimization (SEO), or paying for higher placement in search results, placement with single search engines like Google or Bing.

Keeping everything that's within your control accurate and consistent is your goal here. We'll discuss how you can impact each of the top three key factors for organic search ranking in Chapter 3.

Keep Your Home Tidy on the Web

When it comes to making it as easy as possible for anyone to find your business, you must meet a minimum threshold for an acceptable website before Socially Connected Consumers will deem your business worth their time and potentially convert to an offline sale. Your business website should have a clean, modern feel that serves the primary purpose of delivering to the casual browser the information they need to become a buyer. You'd be surprised at how many businesses don't have the basics like business hours, physical address, phone number, and contact email address front and center on their websites. Countless others set up websites but fail to enable online reviews and customer testimonials or to provide an easy way for browsers to request service. Chapters 2 and 3 discuss several other strategies for keeping your website focused on converting shoppers to buyers, as well as provide basics for how to optimize your website for search results.

Which Social Networks Do My Customers Frequent?

There are dozens of social networks you may want to consider, depending on the type of service or product your business sells. Highly specialized directories and sites come in and out of fashion fairly regularly with Socially Connected Consumers, so it's not always the best idea to hop on the latest bandwagon.

That said, it's a pretty safe bet, given Facebook's staggering adoption numbers, that many of your customers log on to this site at least once a month, and probably use the mobile app on their smart phones regularly. The benefits for businesses are built into Facebook's several "share friendly" platform mechanisms, giving you easy access to your customers' networks. For example, once Facebook opened their developer API, or application programming interface—the programming specification for businesses to build applications and easily "plug into" Facebook—in 2007, the social network quickly evolved into a platform that welcomed businesses to leverage the data Facebook already had on its users for their benefit, and vice versa. Features like username authentication to comment on a blog, logging in to an account to update your online preferences, and sending a photo or deal to a friend all became easy and seamless parts of the Facebook ecosystem. For small businesses, a "like" for your blog or website could now be syndicated on that person's Facebook feed, automatically and instantaneously spreading the word about your service to all of your customer's friends. Tools like these make it simpler than you might think to convert an online review, uploaded photo, tagged friend, or location check-in into a referral engine.

Another consumer review platform to consider is Yelp. Because this site has a loyal following as an online business directory, especially in the major U.S. metro areas, it makes sense to put some focus here. In fact, if you've been in business for over a year or are located in a larger metropolitan area, it's likely you already have a profile on Yelp, and it's something that you may want to claim and monitor as a part of your online marketing strategy.

Other specialty sites and directories to consider include Google+ Local, Yahoo! Local, Bing Local, CitySearch, Angie's List, TripAdvisor, InsiderPages, OpenTable, JudysBook, and, of course, Demandforce. Depending on your industry, you may also already have a microsite on these directories that you should consider claiming to make sure your business is accurately represented.

What Is My Budget?

In 2012, Staples conducted their sixth annual Staples National Small Business Survey, during which they asked the American Consumer Opinion's panel about their plans for spending in the upcoming year. Sixty-seven percent of small business owners with 20 or fewer employees stated that they planned on spending just over \$2,000 on marketing in 2012.⁴

It can be intimidating to think that you need to compete for visibility online against companies spending millions in marketing annually when your total marketing budget is in the low thousands. This is why small businesses need to think specifically about budget in terms of both money *and* time. This is an instance in which the “time is money” adage never rang more true. For example, you might have relatively little money to spend, but you can invest five to seven hours per week in executing your marketing plan. This seems to be the most common scenario for small business owners—as well as the most ideal. And if you have employees to whom you can delegate certain tasks related to your marketing plan, you're in even better shape.

Quality over Quantity

Selecting your core channels, as well as overall frequency of communication, should always be a consideration. Your goal through social and online channels is to reach the right customers at the right time without oversaturating your audience. Putting too much out there too quickly lends to a more disconnected customer base and a higher rate of people who choose to opt out from receiving communications from your business.

Starting small also gives you a much more realistic idea of the actual long-term time and dollar commitment you're making. It's most important to provide consistent frequency and quality of engagement with customers through online social channels. For now, posting once or twice a week on social networks is just fine.

⁴Staples National Small Business Survey, <http://staples.newshq.businesswire.com/press-release/corporate/staples-gives-small-businesses-push-250000-free-advertising>.

This Bed Fits Just Right

Goldilocks knew what she was talking about. It's important to create the right balance for your marketing plan, finding the sweet spot between too much and too little. Overcommitting your resources in order to execute your plan means that you're probably taking away from something else that's potentially more important. And bringing in too much business too fast can be just as detrimental as never having started!

TIP—Get to Know Your Customers

If you have no idea where to start when it comes to identifying the social networks that your customers frequent, we recommend that you provide an incentive for the customers who are already coming through your doors to fill out a small survey. Offer your customers 10 percent or \$15 off their next purchase as an easy way to get some additional information and to ensure a return visit.

Keep an inexpensive tablet at the register with a survey already pulled up in the browser and ready to go. (You can create free surveys at surveymonkey.com.) That way, you don't have to deal with organizing and then analyzing your results; you can show your customers how tech savvy you are and you can make their lives easier by simply handing them the tablet to complete the survey while you ring up their purchases. If you have an online shopping site, you can similarly gather information from your buyers by offering a coupon during or after the checkout process for filling in additional information. Alternatively, you can also include your questions during or after the online checkout process. Make sure that you are monitoring for cart abandonment if you are making data collection a part of the online purchase experience, as too many fields to fill out will cause buyers to drop off at an increased rate. You may need to test over time to figure out how much is too much for your online customers. Make sure to give your survey takers a coupon code for their next purchase so you can track usage and return rate.

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Keep your survey short enough for customers to complete during the cashier transaction. Here's a list of sample survey questions worth asking:

When you search for businesses like this online, what sites do you use? Select all applicable:

- Google
- Yelp
- Facebook
- Bing
- Yahoo!
- JudysBook
- InsiderPages
- Angie's List
- CitySearch
- Other: _____

When you think of businesses like this, what kinds of search terms would you use online to find us? [Select a few examples that are relevant to your business category.]

- Garden supplies city/state
- Local jewelry
- Go-kart racing
- Other: _____

How did you find us today?

- Referral from existing customer
- Walking through the neighborhood
- I found you online
- Other: _____

What social networks/websites do you frequent, if any?

- Facebook
- MySpace
- Foursquare

- Digg
- Tumblr
- Pinterest
- YouTube
- LinkedIn
- Other: _____

Would you ever visit our website or Facebook page for special offers to redeem in-store?

- Yes
- No

Have you ever written an online review about a business?

- Yes, regularly
- Yes, but not frequently
- No, and I don't plan to

We're considering emailing special offers about once a month to our customers. If you would like to receive these special offers, please provide your contact information below:

- First Name: _____
- Last Name: _____
- Email: _____

Data like this is extremely valuable. It will give you a more accurate understanding of where your customers are spending their time online, where and how they search, and whether they are good candidates for being your online referral engines in the future. If you're considering investing in online advertising, you'll have a much better idea of which websites they visit most frequently, and with which search terms you want to consider buying placement.

No two businesses are identical, and the same holds true for customers that frequent those businesses. If you don't have the time or inclination to both collect and use data from
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your customers to better understand them, it's perfectly fine to start by using more generic customer segmentations for your marketing plan. However, you'll eventually want to learn about your customers' habits so that you can focus your marketing and continue to engage with the right people. Even if you choose not to have a survey, definitely opt for an email signup sheet so you can at least collect email addresses. Building a database of opted-in email addresses is often the biggest challenge for small business owners, so the earlier you start asking for email addresses, and the more consistently you continue to ask, the better! You can download an offline form you can use at your register here: www.wiley.com/go/smallbizhandbook (Download A).

Today's social economy is truly an opportunity for small businesses to accelerate growth and establish lasting reputations in a way that has never been possible before. Socially Connected Consumers want to participate in building your business and will celebrate your successes as if they were their own. They're proud of being the first ones to find you and spread the word on your behalf. On the sobering side, your greatest evangelists will also hold you accountable for your mistakes in an excruciatingly public manner, but they will be equally as public when you strive to make things right, which creates a win-win situation for everyone. Socially Connected Consumers can be your most valuable feet on the street, and we'll discuss throughout this book strategies for identifying and leveraging this segment of your customer base.