

# Social Networking

What is Social networking?

# 1 Why You Shouldn't Ignore Social Networks

MySpace has more than 50 million members. Google bought YouTube, a video-sharing site with a heavy social component, for \$1.65 billion. Facebook, a social networking site, is rumoured to be courting buyers with a price tag in the billions as well. However, most of the social networking action was in the consumer space however there has been a significant shift towards the business space; customer-facing executives need to be aware of this shift if they want their companies to succeed.

Deceptively simple, online social networks contain great power. They change the online space from one of static web pages and stale marketing messages to a live, vibrant network of connected individuals who share their abilities, expertise and interests.

## 2 Online migration

In both professional and personal life, human beings naturally form groups based on affinities and expertise. We gravitate to others with whom we share interests. These real-world networks form organically, and consist of our family, friends, colleagues, mentors and advisors. These networks have always formed in the "real world" and, not surprisingly, rapidly migrated to the online world.

Customers have lost trust in traditional sales, marketing and service (the three areas commonly referred associated with CRM). The connections enabled by social networks are the glue that put the humanity back into business to solve the trust problem. In other words, the organisations that will win are the ones that most easily enable individuals to build relationships and communities with people they trust.

## 3 Not just kids

And don't discount social networks as something just for young people. Although social networks such as MySpace and FaceBook have gathered much press in the social networking space, other professionally-focused online networks are being used in many ways in the business and association realms, and social networking is poised for growth in a number of areas. A few of these areas are:

- **Customer and member relationship development** - Customer satisfaction is at an all-time low, perhaps as a result of reduced business focus on actual relationships and an increased business focus on CRM systems that emphasise the management of data, rather than personal connections. Online social networks allow a prospective customer or prospective member to easily facilitate a real, human-level connection with individuals within an organisation. This enables genuine business relationships to form and puts an authentic human face on the interaction, changing the external perception of an organisation from a sterile, faceless entity into a collection of individuals who are ready to help.

- **The use of the network to find experts or locate knowledge to better support customers** - Only a fraction of an organisation's "knowledge" exists in databases. Another fraction exists in the form of explicit documents and reports that may be found on an organisational intranet. The vast majority of organisational knowledge, however, exists only in the heads of its employees. Inside an organisation, online networks with even basic profiles of its individuals' experience, location and interests can greatly reduce the time required for organisational problem-solving, through enabling faster connection between a questioner and the person who has solved similar problems in the past.
- **Better service by providing customers with the "whole product."** - It is rare that a single organisation can provide all the pieces needed to meet and create an entire solution. For example, even though an estate agent aids in the process of buying a home, the customer must have an entire network of other service providers, such as banks, insurance agents and contractors to complete the purchase. By creating a strong network of complementary providers with similar philosophies and business practices, a single service provider can provide a much greater proposition to a prospective customer than an individual working without the benefit of the network.
- **Creation of "all-star" teams that are right for each customer** - Especially in service organisations, creating both the right set of skills and the right culture is key to creating a connection with a prospective customer. An internal social networking system enables the individuals responsible to creating relationships with prospects to pull together the "right" team to meet the prospective customer's needs and, at the same time, pull together the unique group of individuals who will resonate with the prospect at a personal level.

As technology has progressed at an ever-increasing rate, the things that are actually beginning to bring customers closer to an organisation are not technical at all. It's an interesting bit of irony. And it's inevitable.