

## Sponsored and Branded Social Networks

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In my white paper Solving the Wanamaker Problem I mentioned how many companies are becoming disenchanted with media advertising expenditures that can not be traced to actual sales. With increased competition and the ever growing number of advertising media outlets it is becoming imperative to be able identify which types of advertising works best and then invest more heavily in them. One way to help solve this problem is to create branded or sponsor your own online social network (community).

Wikipedia, the free online encyclopedia, describes social networks as “A social network is a social structure made of nodes which are generally individuals or organizations. It indicates the ways in which they are connected through various social familiarities ranging from casual acquaintance to close familial bonds.”

To marketers a social network is much more. It is an opportunity to connect with a network of people with a like mind, tell a story, and have it spread through the network and beyond. Since most people are members of a number of social networks the story finds its way into those networks as well. It is an efficient and effective way to spread the word and to attract new customers.

Many companies, especially Quick Serve Restaurants, have VIP clubs which are really just a way to get email addresses and distribute discounted coupons. This works and is certainly a valuable tool, however since it is based solely on discounts this benefit becomes expected and in some cases it is similar to just lowering your prices. The addition of more relevant and valuable information would keep people coming back and have a higher sense of the value of the club. If for instance your target was families with children you could offer free downloads of coloring books, and set up a way for parents to share information.

The most well known social network is Myspace.com. Myspace.com is not so much a social network but rather a social network expediter where the average citizen can create their own social network. It was an incredible idea and one that netted the originators over \$500 million when they sold. While it is great place to advertise it doesn't give you the same benefits of your own social network. Friendster.com allows you to hook up with other people with the same likes and dislikes, for romantic or just social purposes, and also form your own social network. The focus is on individuals within your network. Dogster.com and Catster.com do the same for pet owners and their pets. Again these concepts are great for advertising but do not provide anymore measurements or information than an ad on Google. Dogster.com and Catster.com, with some modifications, would make great sponsored sites for companies targeting pet lovers.

One social network, UMIX.net, targets members who are trend setters in major urban markets and comes closer to what a branded or sponsored social network should be. It caters to a specific vertical market, it communicates weekly with its members, provides information of value, facilitates communication between members (forums) and with a unique twist Umix.net gives points to members for clicking on ads, making purchases through affiliates, providing input and taking surveys. These points are redeemable for gifts.

The key components of an effective branded or sponsored social network should be:

1- Targeted to specific vertical based on demographics and psychographics most valuable to your organization.

**Benefits**

Allows you constant access to your most valuable customers and prospects.

Provides you with a way to measure the pulse of the market and react quickly to changes.

Generates information and concepts important to new product development and provides a platform to test ideas.

2- The network should provide a consistent flow of two way information of value to the members.

**Benefits**

Keeps members active and returning to the online network site.

Allows the sponsor to spread their story in a non sales hype manner.

Creates loyalty as the network becomes a trusted source of information.

3- Tools should be included that allow an unencumbered flow of information between members.

**Benefits**

Discussions on forums become a living marketing research project where both ideas for new products or services or changes to old ones abound.

Allows the monitoring o both positive and negative comments and replies to those comments so actions can be taken to better customer service and product quality.



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4- The site should engage the member by allowing them to provide their opinions, ideas, by proving engaging features.

### **Benefits**

Creates loyalty based on respect no discounts.

Generates ideas that could lead to new products, services or ways of doing business.

Keeps people coming back to the web site.

5- Provide valuable information to members that generate trust.

### **Benefits**

Adds to the value of your product or service.

Because the information you provide is trusted people will listen and spread the word.

The purpose of a branded or sponsored social network is to become a marketing platform for the sponsor. It is not just a project, but rather an ongoing research laboratory, a CRM vehicle, a controlled advertising media platform, and a concept that drives incremental increases in revenue. For more information on branded or sponsored social networks contact:

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