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Friendvertising
Advertising and Brand Building with Social Networks

Social media encompass communication possible throughout all of the forms of social communities online. Social-media communities include forums, virtual worlds, social news organizations, social opinion-sharing sites, and social networks. Social networks are built around site platforms that enable members to develop identity profiles, interact with other members, and participate in various site activities. Social networks are 2D environments with identity representation limited to one's profile rather than by visually detailed avatars common to virtual worlds. Although interactions with others can seemingly approximate synchronous real-time communication, the messaging structure is static rather than dynamic. Networks can be thought of as utility-based tools. They are an elegant but fun way to organize content, socialize, and promote one's self-identity.

Despite this, social networks have grown in popularity from their ability to provide a platform for information sharing, communication, and relationship development and maintenance. In a world where individuals may have reduced physical contact and heightened time spent interacting with electronic devices, social networks have evolved to provide

an online platform for personal, intimate, informal neighborhood and office chatter. They offer a sense of "contact comfort" in a society where many of us spend less time with actual people than we do with machines. Contact comfort helps to meet individual needs for affiliation and socialization. Social networks meet our need for contact comfort while also providing entertainment and information sharing.

Social networks are above all else communication hubs. While they all offer the core product of networking capabilities, networks do find ways to differentiate themselves. MySpace and Facebook support relationship building and maintenance. YouTube offers a venue for sharing and promoting videos and related opinions. Flickr enables photo sharing and reviewing. LinkedIn provides a form of self-promotion and career networking. There are niche sites as well focused on any number of hobbies and personal interests. Catster, for example, offers tips and information on caring for one's feline companion with the added benefit of being able to talk with others who define themselves in part by the pets they love. Several social networks will be described in this chapter.

Social networks, like other online communities, are participatory, conversational, and fluid. Members produce, publish, control, critique, rank, and interact with online content. On Facebook, for instance, the second most popular social network, members can build a profile that includes information about their education, habits, favorite movies and books, and other personality indicators. They can send and receive messages to members, "friend" people, and join groups and networks. Profiles can be complemented with pictures, news feeds on member activities (e.g., Tracy just went shopping), and a variety of widgets. Widgets are small applications made up of code embedded on a Web site. Facebook widgets enable members to virtually hug, wink, smile, and engage in a host of other behaviors. Most sites offer similar features, with messaging, profiling, and friending being the core functions of any network site. The interaction with others enhances the need to return to the site and continue the process of generating new content. The result is an online community of friends who may spend hours in the network each day.

Mashable, a social-networking news Web site, claims more than 350 social-networking sites exist. It wasn't terribly long ago that social networking was thought of primarily as a teenage pastime with general Internet population statistics suggesting only about 15% of Internet users visited social-networking sites.[1] Since those early days of online communities, social networking has taken off as a cultural phenomenon among youth with 70% of teens reporting use of online networking sites.[2] These days adults, too, are social-networking online. Social-networking sites

are among the fastest growing and most commonly visited sites online. According to Nielsen/NetRatings, the top ten most-visited social-networking sites reach 45% of active Internet users.[3] Despite the diversity of sites targeting Internet users based on a host of hobbies, interests, and demographic characteristics, two sites, MySpace and Facebook, reach more than any of the others. It is reported by comScore that MySpace reached more than 40% and Facebook near 20% of Internet users in the United States. The raw figures amount to hundreds of millions of unique visitors at these sites.[4]

There is no doubt that much of this growth can be attributed to the attractive features social networks offer members. At the same time, the flat learning curve for new adopters surely plays a role. Most networking sites have advanced options for members, but the basics of joining, completing a profile, and sending and receiving messages are simple enough to be mastered in moments. The ease of use has resulted in a steep rate of adoption for social-networking sites.

Given the audience size and the length of exposure time consumers spend in the network, it is no wonder that advertisers have embraced social networks for social-media marketing more than any other community environment. eMarketer estimates that marketers spent $920 million on social-network advertising in 2007, including online display advertising, in-network community sites, and brand profile pages.[5] What's more, the research firm predicts spending on social-network advertising to reach nearly $3 billion in less than five years. This figure may sound more impressive than it actually is given that social-network advertising is still under 5% of the total expenditures on online advertising. Additionally, the vast majority of spending is directed at the two juggernauts of social networks, MySpace and Facebook. More than 70% of ad expenditures directed to social networks in the United States is placed in these two networks. Though social networks are strong in international markets, social-network advertising is for now a phenomenon focused on consumers in the United States; U.S. spending accounts for 75% of all advertising in this venue.

■ Social-Networking Sites and Categories

Social-networking sites can be classified into four primary categories. General social-networking sites, like MySpace, have social networking among friends as the primary focus. There are also several social-network sites that are affiliated with major portals (like Yahoo! 360). Because of their portal affiliation, they are typically separated from

Table 3.1   Examples of Social-Networking Sites by Category

General	Portal affiliation	Vertical
MySpace	MSN Spaces	Dogster
Facebook	Yahoo! 360	Gather
Friendster	Orkut	Xanga

general sites for classification purposes. Lastly, there are vertical social networks. Vertical social networks differentiate themselves by emphasizing some common hobby, interest, or characteristic that draws members to the site. These vertical networks do not attract the same traffic typical of general sites, but one might argue that the members are more involved because of the common interest that initially brought them to the site. Within this realm of vertical networks, sites exist for pet lovers (e.g., Catster), photography (e.g., Flickr), soccer fans (e.g., Joga), gays and lesbians (e.g., Glee), and more. Examples of each type of social-networking site are provided in Table 3.1.

Some social-networking sites are generating advertising revenue on a larger scale than others; eMarketer predicts that MySpace will capture a full 60% of the market for ad spending. Other major players for advertisers include smaller general sites like Facebook, Bebo, and Piczo, which are expected to earn about 23% of ad spending in the social-networking realm. Portal-affiliated sites will garner about 11% of ad spending and vertical sites about 5%.[6] It probably comes as no surprise that MySpace earns the lion's share of ad spending, at more than $510 million for 2007 alone!

The landscape of social-networking sites changes daily as new entrants seek to enter a growing market. The number of sites with reasonably large name recognition is fairly small, but the Mashable lists entries for 350 social-networking sites! A few examples are highlighted below.

MySpace.com: A Place for Friends

MySpace is a general social-networking site with more than 100 million registered profiles and unique visitors exceeding 64 million per month.[7] It is the mass market of social networking, akin to the Super Bowl for television advertising. In fact, the most recent Super Bowl broadcast partnered with MySpace to deliver additional advertising impressions for Super Bowl commercials by offering a MySpace community site dedicated to the ads. MySpace was initially intended for an audience of teens and young adults, but an analysis of MySpace user demographics from comScore corrects that perception. MySpace's age demographic is

distributed over a range of ages with its largest category being the 35–54 age group (making up 40% of MySpace's user base).[8] A strength of MySpace is its broad appeal, developing at least in part from its vast array of features, including individual profiles, music, video, instant messaging capabilities, blogs, groups and communities, and a host of others. Given that social-networking sites exist (at least from the user perspective) to create and maintain personal relationships, using the largest network increases the likelihood of an existing friend base. Niche networks, in contrast, must rely on invitations from users to build membership and expand network. MySpace is the most successful network in leveraging what is known as the *network effect.* The network effect explains that a network gains value as more people join the network.

MySpace recently announced one of the most advanced developments in social-network advertising. It now offers an advertising solution for businesses that claims to microtarget ads to members. Because the ads are highly targeted based on the data in user profiles, the ads should have more relevance to and meaning for the target audience, resulting in a higher rate of response. This system promises to improve online advertising, especially for local advertisers, but its accuracy depends upon the accuracy of the data in user profiles and the quality of the data-mining function used to extract the segments for targeting. In addition to targeted display ads, brands can create brand profiles and communities.

Facebook

Facebook is the second largest social network. Though largely dwarfed by MySpace's size and traffic, it boasts highly involved members, many of whom report spending hours each day on the site and constantly checking for new Facebook messages on their mobile phones. When Facebook launched in February of 2004, it focused on high school and college students, relying on existing tangible networks to build the virtual network base. It has been enormously successful with the college audience. According to the GenX27 Youth Research Initiative, a higher percentage of college students use and prefer Facebook over MySpace. According to Student Monitor's Lifestyle & Media Study, Facebook is one of the top five ''in'' things to do on college campuses, second to iPods, named by 73% of students and tying with beer, which was named by 71% of students.[9] Early estimates suggest that about 85% of all college students use Facebook, with 60% of them logging in daily, spending about a half hour per day on the site. Since that time, it has opened the site to non-students, expanded to several other countries, and earned more than

27 million members.[10] An article featuring Facebook in *Fast Company* magazine reports that Facebook boasts 47,000 networks, 30 billion page views per month, and more photos than any other photo-sharing site, and is the sixth most trafficked Web site.[11]

Facebook has offered advertisers more strategic value than perhaps any other social network. It has accomplished this with a mix of strategic vehicles, including targeted display ads and sponsored stories, known as Social Ads and Sponsored Stories, branded profiles known as Facebook Pages, a developer incentive program to encourage content development called Facebook Developers, and a social news feed of brand-related user behavior called Beacon.

Facebook Social Ads are targeted at specific users based on member profiles and behavior in the network. For instance, Facebook Social Ads can be delivered to users whose friends have recently engaged with the brand's Facebook profile or visited the brand's Web site. Even the location of delivery for social ads can be targeted with ads appearing next to news feeds of friends (a Facebook feature that allows friends to update others on their recent activities) who mention the brand. By delivering ad impressions that are related to news feeds, Facebook encourages discussion and word-of-mouth communication about a brand.

Facebook Pages are brand equivalents to user profiles. It is the location on the site where brands develop their brand personas. They can be enhanced with applications from the business itself and from developer widget applications.

The free developers feature enables programmers to create widgets, mash-ups, tools, and projects for Facebook users. These small applications are popular with consumers and are useful to brands that utilize them to maintain a presence on user profiles. For example, FaceBank is a widget that enables Facebook users to track expenses (and share information about expenses with friends). Another popular application is Lickuacious, which lets users rank friends according to the popularity of their wall posts. The Wall is Facebook's comments feature.

Facebook Beacon offers brands a way to virally distribute information about user brand-related activity. News feeds notify friends of a user's engagement with a brand's profile and Web site along with specific product search history and purchases. The news feed stories act as a form of word-of-mouth promotion. Further, they are targeted in that the feeds are then seen by friends who are also likely to be interested in the brand. Beacon offers a potentially powerful way to utilize the influence tactic of social proof, the influence a group of others have over a consumer's decision. This feature should provide more value for advertisers who will

benefit from the additional exposure and the easy transference of opinion-leader information to others in the network. However, it has been criticized by privacy advocates and some brands publicly expressed a discomfort with the degree of user information it reveals.

YouTube, Broadcast Yourself

YouTube is most often mentioned during discussions of user-generated content, viral video, and social-media space, and less so during discussions of social networking. It does, however, meet the basic criteria of social networking in that it enables the development and maintenance of networks on the site. It is a major player but far smaller than MySpace with approximately 47 million unique users.[12] YouTube is nearly gender neutral with 53.3% male members. The largest age segment represented is 35- to 64-year-olds, which make up 48% of the membership. Users 18–24 years make up 14% of its user base and teens age 12–17 form 11.5% of its users. It does not reach diverse ethnic groups; 92% of YouTube users are white.[13] Though YouTube has diversity across age groups, it is heavily used by teens and young adults. It is the second most popular Web site for young males, following Facebook, and the third most popular for young females, following Facebook and MySpace. Favorite videos can be stored with a user's profile, links can be e-mailed to YouTube members and nonmembers, and users can ''subscribe'' to the channels they like best.

Just as MySpace ''owns'' the general social-networking market, YouTube owns the video component of social networking. Other sites, including Google Video and MySpace, support streaming video and user-contributions of video, but YouTube is the top-of-mind brand for video. As advertisers identify vehicles for distributing commercial video online (whether it be commercials shown across media platforms or film ''shorts'' promoting the brand), sites like YouTube should be part of the mix. Advertisers can post to YouTube or let posts occur organically by enabling brand fans to capture video and post to the site. Smirnoff's ''Tea Partay'' video was posted on a Smirnoff Web site, but visitors were so enamored with the video that they put it on YouTube. Once on YouTube, the video was viewed more than 1.3 million times.[14] When compared to the cost of purchasing enough advertising time to generate that level of exposure, it is clear that the value YouTube offers in terms of media coverage is impressive.

Posting videos and encouraging fans to post on the site is perhaps the most obvious use of this social network for advertising, but two other options are notable. First, YouTube offers Community links, which can be branded like brand profiles on MySpace and Facebook. Second, the

Community area of YouTube features a list of contests sponsored by brands seeking consumer-generated advertising. The videos posted on the contest sites serve as promotional pieces for the brand and the site becomes a promotional vehicle and hosting service for the brands. Dunkin' Donuts, Puma, TurboTax, Chrysler, and Swiffer Sweeper, among others, host consumer-generated advertising contests here.

Dogster, For the Love of Dogs

Dogster, a vertical social-networking community, is one focused on developing a high degree of personal involvement with its members. It plays upon the commitment dog owners have to their ''fur children'' and provides an outlet for these pet parents to show off their dogs. Dogster has a sister site, Catster, for people with cats. Dogster's media kit emphasizes its affluent market of highly educated, moderately high-income women (81% of Dogster members are female) with a disposition to shop online. The online shopping behavior is emphasized for advertisers who recognize that sales conversions online are more likely if the people reached with the advertising are also willing to complete online purchases.

Dogster's membership size makes it clear why such a large portion of ad spending goes to bigger sites like MySpace. Dogster's membership includes just 300,000 registered users and 40 million page views. Importantly, though, advertising on Dogster (if the membership fits with a brand's target market) could be more effective despite the smaller reach because of the involvement the members have in the topical area (in this case, dogs). This is particularly true of brands that relate directly (and so have high relevance) to the site's theme. For instance, MilkBone is a major advertiser on Dogster.

Gather

Gather is another example of a niche site, one for the intellectual adult. It is less tightly tied to a topic in that hundreds of topics from literature, art, entertainment, and cooking are discussed on the site, but it clearly targets an educated, affluent audience. Catherine Holahan notes that Gather targets older users, more likely to listen to National Public Radio than hip hop.[15] As such, it is still a highly vertical network site. Tom Gerace, Gather's founder and CEO, said this about Gather's network personality: ''The breadth, diversity, and timeliness of the shared perspectives create an environment that reflects a great dinner party, but can occur with anyone, at any time from any place. This conversation is truly the heart and soul of Gather.com.''

Similar to the features of other social networks, Gather members can send and receive messages, participate in group spaces about a host of issues from living with cancer to dealing with blended families, and post videos and photos. An interesting aspect of the Gather site is its encouragement of user-generated content. All social networks rely on user-generated content, but Gather emphasizes that posting content is publishing. Members are invited to publish articles, videos, and photos. The result is an engaged audience with demographic characteristics that are largely absent from other social networks.

Brands can advertise on Gather with display ads, cost-per-click (the advertiser pays only if a viewer clicks on the ad) sponsored text ads, branded communities, and sponsorships of Gather content areas. Branded communities feature visual consistency with a brand's other promotional materials. The communities can be customized to continue the look and feel of the brand's own Web site. The sponsorship opportunity represents a form of contextual targeting. Contextually targeted online advertising matches the product type being promoted to the topical content on a Web site. Gather's sponsorships accomplish contextual targeting by enabling, for instance, a book publisher to sponsor its literature content area or a political candidate to sponsor the political content section.

Xanga

Xanga targets an audience of teenagers and young adults. With nearly 5 million members (called Xangans), it has grown beyond other social-networking sites targeting the same audience. Xanga emphasizes conversation over profiles in that a member's blog is his or her home on Xanga. Like Gather, Xanga offers behavioral and demographic targeting for advertisers based on stated interests and demographics. Using behavioral targeting to determine exposure to advertising on the site significantly enhances clickthrough rates. For instance, Xanga's media kit describes a case study for Mogs video game. Advertising on the site without targeting had a clickthrough rate of .85%, but advertising targeted at teens who had expressed an interest in gaming increased the clickthrough rate to 1.50%. Interestingly, a feature Xanga uses to differentiate itself for advertisers considering social-networking sites as a vehicle for advertising is the accuracy of the members' profiles. Profile accuracy is important for behavioral and demographic targeting to function effectively, yet members of sites may use the site to build an alter ego or ideal self rather than portray a more realistic self-portrait. Xanga's data card provides the basic information advertisers would need to know before selecting Xanga

as one of a brand's communication vehicles. For instance, the site's data card reveals that Xanga is most popular with Caucasian teens and young adults who visit approximately three times per month for an average of three hours. The gender distribution among Xangans is roughly equal. The data card emphasizes Xanga's ability to deliver targeted ads based on demographic, geographic, and psychographic patterns.

These are just a few of the hundreds of social-networking sites available, but they effectively illustrate key considerations such as number of visitors (reach), member demographics and targeting, frequency of site visits and length of time spent on-site (site stickiness), and duplication with other sites. In addition, they serve as examples for the range of advertising options possible within the realm of social networking.

■ Thoughts on Friendvertising

The sheer size of the audience may seem like reason enough for brands to plan and execute a friending campaign. Perhaps it is, but there are numerous other advantages to social-network advertising. There are also plenty of reasons to be cautious when considering social-network advertising.

Although online social networks were launched years ago with early entrants like Tripod, Globe, and Friendster, advertisers have only recently begun to embrace their potential as a reach and engagement device. Social networking, like all forms of social media, differs from traditional advertising media in that it neither reaches large masses of people (like broadcast television) nor offers sufficiently segmented targeting opportunities. Advertisers were left wanting bigger audiences and access to specific demographic and behavioral markets. At least that was the situation until recently.

With advances in behavioral targeting, social-network advertising can not only target but also microtarget audiences. Social-network advertising enables brands to reach both mass markets (through major sites like MySpace) and niche markets (because of the many vertical sites like Dogster) while targeting specific segments using the segmentation tools offered by sites (based on user behaviors and demographic data). Behavioral targeting, in the context of online advertising, means delivering relevant display ads based on a user's behavior online. Ad network tracking programs trace the pattern of Web site and Web page visits to segment users based on their online behavior. That information is then used to serve highly relevant ads to a segment of users who are likely to be interested in the product. For example, a Facebook user who has just viewed the price of flights to Mardi Gras on Expedia might be shown a

display ad for Orbitz. Results from a comparison of display ads delivered using behavioral targeting and those delivered based on contextual targeting showed that the clickthrough rate for behaviorally targeted ads is 108% higher than that for contextual ads.[16]

Not all sites can aid advertisers with behavioral targeting, but this will increasingly be available as social-network sites commit to earning revenues through advertising. For example, Gather offers behavioral targeting for advertisers based on key words, online behavior, and demographics of its members. The targeting technology benefits advertisers by encouraging higher clickthrough and conversion rates.

The most advanced developments in targeting come from MySpace and Facebook. MySpace's "SelfServe" platform, part of the company's "HyperTargeting" initiative introduced this summer, enables advertisers to purchase, create, and analyze the performance of ads throughout the MySpace social network. The program seeks to offer an easy, affordable, and efficient online advertising option to small businesses by making it simple to upload custom ads and select target audiences for delivery of ad impressions. The program segments the MySpace member base by geographic, demographic, and user interest factors. Because the ads are highly targeted based on the data in user profiles, the ads should have more relevance and meaning to the target audience, resulting in a higher rate of response to the ads. This system promises to improve online advertising, especially for local advertisers, but its accuracy is dependent upon the accuracy of the data in user profiles and the quality of the data-mining function used to extract the segments for targeting. In an article in the *New York Times*, Brad Stone questions whether MySpace trusts its own technology, pointing out that the company is using "relevance testers" to manually check member profiles against the categories the system assigns.[17]

Facebook's Social Ads promise targeting, too, along with the ability to build buzz for the brand. Like the MySpace SelfServe program, social ads are targeted based on member profiles and behavior in the network. The display ads can be used in conjunction with other Facebook features to promote word-of-mouth discussion about the brand among friends.

Targeted advertising is desirable given the enhanced effectiveness in generating consumer response, but Facebook's advertising options highlight the core reason brands can benefit from friendvertising. Social-network advertising inspires the viral spread of brand information by influential brand enthusiasts. The *Never Ending Friending* report claims that 40% of social-network users attribute their social network to their discovery of a brand they really like.[18] The report explains that advertising

gains value on social networks by building a momentum effect. The momentum effect occurs when brands build on the basic value of their display advertising and brand profile by encouraging friends to share the brand's message. While display advertising and profiles will exist on the network site, friendvertising means that brands are not limited to paid advertising impressions in earning consumer exposure to the brand's message. Friends within the social network carry the message virally by discussing the brand, embedding branded symbols and widgets on profile pages, and reporting on brand-related activities. If a brand is well liked, relevant, and buzz worthy, the media value originating from nonpaid, word-of-mouth referrals for the brand can be enormous. This is the essence of the momentum effect.

Why does this work? Friends are awarded a special form of influence—social proof. Social proof works by encouraging consumers to make decisions that mimic those of people in their social network. If friends are favorable toward a brand or making brand purchases, the influenced others are likely to as well. Thus, social networks offer opportunities for word-of-mouse communication to other friends and influentials about the brand. Pete Snyder, CEO of New Media Strategies, notes that the rate of online reviews of products, including books, music, and movies, is three to five times higher on Facebook than on other electronic commerce sites with review functions.[19] Reviewers may doubt that their opinion will be recognized on a social opinion or retail site but are confident that their friends on a social network will find the opinion interesting and relevant.

Brands can flourish from the viral communication of brand messages and the accompanying social power with any social network. The viral impact of social networking cannot be underestimated. A person who forwards an e-mail marketing message to a few friends can make a small impact in the marketplace with this 1+1+1 model of distribution. However, if that same user posts a link to a video ad using a social network, the distribution grows exponentially.

Take, for instance, the brand Lichido, a type of liqueur. The brand's profile on MySpace includes about 3,000 "friends." Many of those friends also have thousands of friends, too. (Not all MySpace profiles boast such strong friend lists, but Lichido is a popular brand. Its friend list includes Beyonce, Jamie Foxx, and Michael Jordan, among others!) If even 1% of Lichido's friends share the link with their friends, the result could be exposure to more than 300,000 "friends"! MySpace provides a bulletin board function to make announcements to friends. Lichido uses the bulletin board to announce special events, news about the brand, and even seasonal drink recipes. Friends can then share these recipes with others.

This is just one of several ways that the network in social networking can aid advertisers. Think of the network as part of a conversational marketing program. The goal is to deliver a brand message to a target audience and encourage members of that audience to include that message in conversations with their friends.

The success of several widget applications on Facebook is another example of the effectiveness of organic, viral growth possible on social networks. As members use the widgets and alert people in their network, steady organic growth occurs, ultimately hitting a tipping point. Once that happens, the popularity of the widget explodes. The same thing can occur for branded profiles and branded widgets. Embedding branded widgets in a social network can extend the exposure time for a brand's message by encouraging sticky interactions that last far beyond a thirty-second spot and repeat visits to the brand's site. When well designed, a response device can be embedded in the conversation, enabling conversion from message exposure to purchase. Google launched OpenSocial recently, a platform that allows widget developers to make their widgets portable from one social network to another. The enhanced transferability will encourage users to maintain profiles across multiple sites.

Friendvertising relies on encouraging conversations among connected users in a network. Does it matter which friends start the conversation? It might. There are two schools of thought on how public interest builds. Malcolm Gladwell, author of *The Tipping Point*, posits that three factors work to "tip" a trend, in other words, to ignite interest in an idea, behavior, or product: (1) the law of the few, (2) stickiness, and (3) the power of context.[20] The law of the few refers to the three types of people who help to spread viral messages. Mavens are people who are knowledgeable about many things. Connectors are people who know many people and communicate with them. Salesmen are people who influence others with their natural persuasive power. By targeting mavens, connectors, and salesmen, brands enhance the likelihood that their messages will spread throughout a social network. How can we identify these types of people? Mavens and salespeople are not easily identified by profiles, but connectors are those with the most friends. Their networks are large and active. Ideas, or in this case brand messages, will be more viral if they inspire action on the part of the recipient. This is what Gladwell refers to as stickiness. Direct marketers have long known that creative content pulls best when bundled with a call to action. To the extent that brands can build such a call to action into their social-networking promotions, the campaign will be more effective. Lastly, Gladwell explains that messages can hit the reach of an epidemic only if they also have the

power of context. Context means that mavens, connectors, and sales-people have enough enthusiasm for, knowledge about, and control over the message to build communities around it. Interestingly, this is exactly what brands seek to do when they develop branded communities in social networks.

This theory resonates with many who find it a good explanation of trends, but others suggest that messages spread from many rather than a few. Marian Salzman, chief strategy officer at Euro RSCG Worldwide and author of *Buzz: Harness the Power of Influence and Create Demand,* says that the key to moving brand messages through social networks is to cultivate ''bees,'' hyperdevoted customers who live to spread the word about the brand.[21] Brands should build beehives by devoting extra attention to brand enthusiasts who are likely to serve as bees, offering product samples to these enthusiasts, encouraging them to share branded materials like widgets with friends, and providing them with compelling information—stories, brand gossip even—that they will want to share with others.

Duncan Watts, author of *Six Degrees,* warns that building buzz on social networks, or with the public at large, is not so clear-cut.[22] He advises brands to build the ''six degrees effect'' into their advertising. The six degrees effect is based on the notion of six degrees of separation, which refers to the idea that, if a person is one step away from each person he or she knows and two steps away from each person who is known by one of the people he or she knows, then everyone is an average of six ''steps'' away from every other person. In other words, it's a small world after all. MySpace highlights the six degrees of separation by revealing when one visits another person's profile, whether that person is in his or her extended network. In other words, the person is not a friend, but is a friend of a friend. Watts believes friends can spread brand messages and that some people have more influence than others. At the same time, it is difficult to systematically and strategically inspire the spread of a message. Instead, he advises marketers to aim broad. One never knows who is going to ultimately be the influential one who spreads the brand's message. Consequently, advertising must be aimed at the broadest group possible.

Obviously, brands want to make the most of the social network itself. It would be shortsighted for brands to view social networks as they would any other type of Web site, simply looking for audience size. Still, social networks do offer reach and extended periods of time for a brand message to be processed. Social networks have an advantage over many sites in that members tend to visit often, staying for an extended visit each time. Brands benefit from this time component. These sites have high

''site stickiness'' (meaning people tend to stay active on the site for a longer period of time), which results in more exposure of the brand message to the target market.

Social-networking sites offer brands many opportunities for engagement. When brand profiles are created, the brands can exist as ''people'' on the sites. Friends can interact with the brands, share information, photos, and videos, and participate in two-way communication—a real dialogue. The brand as person enhances the ability of a brand to use conversation marketing. Building a brand persona strengthens brand personality, differentiates brands from competitors, and sets the stage for a perceived relationship. Assuming the brand's persona is likable and credible, it can facilitate message internalization (the process by which a consumer adopts a brand belief as his or her own).

Why would a person ''friend'' a brand? There are lots of incentives for friending brands, as explained in the *Never Ending Friending* report.[23] These include incentive-driven motives like getting invitations to upcoming events, receiving information on sales and special offers and relationship-oriented motives such as a desire to support the company because it offers high-quality products, to associate with the brand and its image, and to respond to a friend's recommendation about the brand. The value proposition is already in place. The key to branding with friends, though, is to treat them like friends.

Ultimately, branding on social-networking sites promotes brand awareness, brand recall, and, if done well, builds on brand loyalty and brand equity. Social networks offer opportunities for brand promotion and engagement for those brands that learn to leverage the unique attributes of the network in question.

However, social networking is not without its flaws. Advertising, even when developed and distributed in superlative online venues, still suffers from the limitations facing all forms of advertising. Clutter is a tremendous distraction for people as they are faced with advertising in and on every imaginable media. Online readers are bombarded with sometimes numerous ads on a single page. With the many display ads, profile components, and widgets visible on social-network pages, clutter is an issue. There is also limited inventory for advertising space on the sites.

Social networks offer the greatest benefits to brands when the brands play to a network's culture, developing brand personas and engaging friends in dialogue. However, the workhorse of social-network advertising is still the display ad. Unfortunately, display ads are not nearly as effective on social-networking sites as they are on other types of Web sites.[24] Clickthrough rates are much lower.

Part of the power of online techniques is that they encourage the target market to seek out the brand—to find the brand's Web site, join a brand's friend list, and so on. But to shift to this state whereby consumers "pull" the brand to them, we first have to gain attention and interest, and encourage some form of consumer response. This is not an easy proposition.

There is media fragmentation online, and this is particularly true of the social-networking arena. Just think how many social-networking sites exist right now! Companies like Ning are making it possible for any company (or anyone) to create its own niche social-networking site. The fragmentation is worse when one considers the other Web sites competing for visitors, including search engines, e-mail service providers, entertainment sites, news sites, and more. But wait—we cannot forget that people use not only the Internet, as a communication medium, but also other media forms, including television, radio, magazines, and newspapers, and vehicles, including personal digital assistants, mobile phones, and MP3 players.

Because people have numerous hobbies and interests and social-networking sites have responded by providing sites tied to such pursuits, duplication in the audiences must be considered before selecting sites to advertise on. Many people who are active social-networkers network on multiple sites. For instance, 1up.com, a social network for gamers, knows its members are also active on other social-networking sites: 50% of its members are on MySpace, 18% on Facebook, and 9% on Xanga.[25] Xanga's media kit specifically addresses the question of duplication by providing the overlap it shares with other social-networking sites popular with teens. For Xanga, the primary competition is MTV.com.

One advantage for brands in developing social-network assets is the credibility attributed to these brands and to online word-of-mouth communication. If the brand is not perceived as credible, though, the network strategy can backfire. A Jupiter Research report "Viral Marketing: Beyond Social Media" revealed that 69% of consumers do not trust the information they get about brands from social-networking sites.[26] The finding suggests that consumers are responding to cloaking and other covert online activities by treating brand information from social networks with caution.

Social-networking sites may suffer from member attrition. This affects brands by masking the real prevalence of a site in the daily, weekly, and monthly activities of its users. Some sites are promoting their retention rates among members to minimize the concern for advertisers. MySpace, for instance, has the highest retention rate of all major sites at 67%. Facebook follows closely behind with 52%, and Xanga has 48%.[27] Attrition will likely be a greater problem for sites that do not benefit from regular infusions of user-generated content, which act to keep a site fresh.

■ Vehicles for Friendvertising

To craft an effective friendvertising campaign, there are three general approaches possible: (1) advertising using display ads on social networks; (2) embedding the brand in the social network with brand profile pages, branded widgets, and promotions; and (3) building an exclusive branded social network. The simplest level of social-network advertising is to place display ads on various pages within the site. Some social-networking sites like Gather and Xanga offer search optimization options that can enable precise targeting of specific members based on their online behavior and demographics. Video can also be streamed on most sites to enable commercials or ''shorts'' (short films, longer than a typical commercial) to run. If video is offered as a site feature (either feature entertainment or informational or user-generated video), brands can opt to ''pre-roll'' or ''post-roll,'' meaning that commercials can be shown prior to the viewing of the video or just afterwards. Brands may also integrate the advertising in the site with sponsorships, e-newsletter features, branded instant messaging, branded groups (forums and communities), and more. We discuss the most common and innovative of these options below.

Display Advertising

Social-networking sites will offer many options for advertisers who wish to use display ads. Space is sold using the IAB's standard online advertising units (see www.iab.net for all standard size options), including various sizes of rectangles, banners, and skyscrapers.

Just like the cost of placing ads in other media, the rates charged for advertising online is based on CPM (cost per thousand exposures). The CPM rate is a function of demand for the site's advertising inventory and the value of its audience. Audience value is difficult to define but includes the following considerations important to advertisers: sheer volume, segmentation characteristics, visit patterns (frequency of visits, how recent they were, and time spent per visit), and involvement in the site. For social-networking sites, CPM varies from as little as $5 to more than $40, depending upon the type and size of the ad and whether behavioral or demographic targeting is used.

Brand Membership (Profiles)

Among the highest-value activities are the development of brand profiles. Brand profiles give the brand a persona in the social-networking

space. It is a natural expansion of the trend for brands to create personalities for themselves, both through the use of creative language, including style, imagery, tone, creative appeals, and music, and brand ambassadors, who literally provide a human persona for the brand.[28] GEICO offers one example of brand personality. GEICO's agency, The Martin Agency, built a personality of youth and irreverence for the GEICO brand, using humorous creative appeals, music, and characters like the infamous gecko. The gecko promotes his personality, and the GEICO brand, with its MySpace profile, www.myspace.com/geicogecko. This profile illustrates how the brand's personality can be distinguished in the information provided. The gecko emphasizes that he loves to help people save on car insurance (notice the consistency with other aspects of the GEICO campaign!) and his occupation is ''animal advertiser.'' GEICO is off to a good start with its use of profile development in the social-network space, but it can do more. Compared to other brands, it has a small friend list (just fewer than 500 friends). This suggests that while GEICO recognizes the value of building brand awareness using social networking, it has not been seeking out friends or nurturing its existing relationships. In addition, there are several profile ''squatters'' using GEICO assets. If people visit the profiles registered to GEICO, gekko, or GEICOgecko, they will reach pages registered to individual people. The actual brand's profile is only found at GEICOgecko.

Jeep utilized its profile on MySpace in a systematic and integrated way to achieve its marketing objectives. Jeep uses the social-networking site to develop relationships with its target audience and to share information about its promotions and events. When it used a national concert tour played through the Jeep Compass' stereo speakers to highlight the advantage of the Compass stereo system, the MySpace site kept friends abreast of new concert dates and ticket information, drove traffic to the concerts, and built buzz with the sharing of photos and videos from the events. For the concert purpose, Jeep logged more than 1.3 million clicks on the MySpace profile and more than 12,000 friends.[29] Considering the expense involved (MySpace profiles are free), the reach and frequency of message exposure is phenomenal. Jeep continues to use its profile to promote other Jeep initiatives like its Action Sports Street Sessions.

Brand Communities

Brands can also develop ''communities'' on some social-networking sites. Sean Combs, aka P. Diddy, has used the brand community approach by setting up his own ''channel'' on YouTube. He uses it to post videos (webisodes), blog about his day, and show highlights from his concert tour.

Diddy's tour and his social-media sites are co-branded with Burger King, illustrating that even brands can leverage networks.[30] Diddy also recognizes that many social-networking sites attract some of the same users. While Diddy hosts the YouTube community, his well-developed profile on MySpace serves to direct friends (and he's got a lot of friends—nearly 800,000) to his YouTube channel and to other media properties.

Brands can also set up their own spaces entirely. MyCoke, Joga (by Nike), and OurChart are examples. OurChart is particularly interesting because the brand it promotes is Showtime's program, "The L Word," but the developers believe the site will eventually exist as a site for gays and lesbians rather than as a brand initiative.[31] Given recent research from Witeck-Combs Communications and Harris Interactive that finds gays and lesbians are heavier users of social-networking sites and other online activities, OurChart is well positioned for the market.[32]

Coke, Nike, and Showtime developed independent spaces, but brands with smaller budgets can still develop networking sites that are consistent with their brand image. Ning is a company that seeks to empower brands and consumer groups to do just that. Anyone can register at Ning and set up a community on any topic. The communities can feature video sharing, photo posts, discussion forums, blogs, and all the other features commonly offered by established social networks. Importantly, Ning offers the ability to brand the community space. If a friend visits Jeep's profile on MySpace, it is still clear that MySpace is the host. With Ning, brands can truly own the social-networking space. Ning has already registered 26,000 networking sites, including PezHeads (a networking site for people who collect Pez dispensers) and AdGabber (a site for people interested in advertising). While Ning is the only major service provider for independent social-networking sites, this is not likely to last long. Cisco Systems has announced that it will invest in the technology to enable large-scale clients to create social sites similar to MySpace.[33]

Sponsorship

Brands can create sponsorship relationships to accomplish online what brands have long succeeded in, off-line. When marketers use sponsorships off-line, the goal is to link the brand to something about which the target market feels passionately. Brand sponsorships of NASCAR are a classic example of this. Because NASCAR fans are passionate and they associate brand sponsorships with the potential success of their favorite drivers, they let the passion for the sport seep into passion for the brand sponsors. Other sponsorships are based on providing something of value to the target

audience. Charmin, for instance, has been successful sponsoring concert events and festivals. Part of the sponsorship includes on-site luxury toilet facilities equipped with—you guessed it!—Charmin toilet paper. When the next best option is a ''porta-potty,'' fans can get real passionate about the Charmin brand. Sponsorship of social-networking sites works the same way. Nikon has created a sponsorship of the Flickr social network. In this example, the choice is perfect. Flickr members are passionate about photography, capturing memories through photographs and sharing those memories with others online. Nikon, as a premium camera brand seeking to gain market share in the digital camera market, benefits from enhanced exposure to the brand name and the emotional connection between the site, the site's purpose for members, and the sponsor.

Social-network advertising provides an entire continuum of advertising devices for brands entering this online space, but brands should consider integrating a range of involvement opportunities in a site. Dogster clearly understands this as it offers ''packs'' or levels of advertising integration in its media kit. Dogster recommends including banner ads, information in its electronic newsletter, the use of a branded group, and a featured section on the Dogster home page. As with other advertising techniques, effectiveness is maximized when the target audience is reached with several devices, several times, with an integrated voice.

■ Quiz: Is the Brand Primed for Friendvertising?

Clearly, there is a lot to be gained for brands operating in social media, and from friending customers in social networks. Ask these questions before deciding whether friendvertising will work for a specific brand.

- Is the brand event set up for engagement? Mark Kingdon, CEO of Organic, Inc., a digital-marketing agency, had this to say about brands exposing themselves to social engagement:[34] ''[Brands] have to allow for and anticipate dialogue, because consumers very much want to engage with brands and not all brands are set up for engagement. A lot of brands are simply set up to broadcast their message to an audience.'' Some brands will be safer with one-way communication.

- If the brand participates in social media, where should the brand be? Should the brand have its own dedicated social-network space (like Nike's Joga)? Or will the brand have the best chance at creating consumer dialogue and engagement by using an existing platform (like MySpace)? Is there a social-networking site that is well suited to the brand? For example, Purina is perfectly suited to advertising on Dogster but may not be as effective on MySpace.

- If an existing platform is selected, will the brand need to build profiles on several sites or will it focus on developing a network on one site that seems particularly well suited to the brand and its target market?

- If the brand develops a profile presence on one or more sites, how can the profiles be developed in such a way as to reflect the brand's personality?

- How will the brand nurture the relationships it develops on the site? For instance, will the brand send happy birthday messages to its "friends" on their birthdays?

- How will the brand address brand encroachers on social-networking sites? Even though telecommunications is one of the leading social-network advertisers, the brand name "Verizon Wireless" is used as a screen name by an individual who clearly does not represent the brand. Not only is this a wasted opportunity for Verizon, but it could also potentially dilute the value of the brand.

- If "fan pages" exist among brand loyalists on social-networking sites, how can the brand leverage the fan sites to better meet its objectives?

- How can the brand integrate its social-network presence into other campaign components? For example, Audi's Art of the Heist campaign for the Audi H3 utilized a phenomenal ARG to engage its target audience. Clues to the game were embedded in all forms of media. Could Audi have provided game clues or player information on a social-networking site? (Going back to the point about protecting social brand space, the Audi MySpace profile is registered to a teenager in Orange County, California.)

- How can the brand integrate itself fully into the social network it chooses to operate within? Should it use display ads, video, sponsorships, brand communities, co-branding, or some combination? As with any media plan, advertising is most effective when it utilizes multiple forms of media and vehicles. This does not change in the social-networking space.

Mark Drosos of *iMedia Connection* reminds marketers that social networks can meet several marketing objectives with social networking so long as the brand (1) designs a persona so that it drives value, (2) gives community members a reason to meet, communicate, and share, and (3) provides relevant content that offers the community value.[35] How can you give consumers a reason to communicate and share brand information? How can you foster the momentum effect? Social-network members share stories, tools, tips, and experiences. Offer branded assets like downloads, shareable widgets and wallpapers, and stories that invite users to cocreate branded content. Use the brand's profile as an information hub and announce new products, company news, contests and promotions, and career opportunities. Provide this kind of content and, assuming it is

relevant to the target's interests, they will share it. Remember that content is the key to social-networking sites. Without content, social networks are nothing more than message boards. Social-network advertising is positioned to be among the must-use tools for brands in the foreseeable future. Most brands are not even in this space yet, and those that are still have a lot to learn. However, the potential to take branding and the use of brand personalities to an entirely new level does exist.