

The Marketing Funnel Ain't Dead: A Midyear Review of Social Influence Marketing™ Trends

insight

Shiv Singh | June 2008



Back in December [we made 10 predictions](#) about how social media would change the way we do business in 2008. We forecasted gloom and doom for the marketing funnel and discussed the rise of a third dimension of marketing, Social Influence Marketing. Now that we're halfway through 2008, how are our predictions shaping up? We're taking a critical look in this article. Our conclusions might surprise you. A headline: the marketing funnel, under attack from many pundits (and us), is alive and well after all.

Read on for a complete midyear assessment, and let us know what you think we got right and wrong.

1. Social Influence Marketing becomes the third dimension of marketing. There's no doubt that social media has given rise to a totally new form of marketing called Social Influence Marketing. Those brands that simply treat social media as another channel through which to push advertising are missing the point. Social Influence Marketing is about harnessing the peer and anonymous influencers and strategically leveraging social media to meet marketing and business objectives.

It's not a channel but a new way of thinking and recognizing how the web has gone completely social. And, in fact, contrary to what we earlier thought, Social Influence Marketing is not just about extending conversations beyond campaigns, it is about leveraging social influencers to achieve broader marketing and business objectives.



VERDICT

Trend is even larger than we thought.

2. Advertising on your consumers' terms. Social Influence Marketing is still about advertising on your consumers' terms, and in the locations of his or her choosing. But increasingly, advertising alone isn't enough, as the last six months have shown, and talking in your consumers' language is fraught with risks and can pose difficult questions.

For example, is it authentic to advertise anonymously by seeding viral videos? What do you do if a YouTube home page buy produces some rather unfortunate comments and video replies? How do you balance talking in the language of your consumers with respecting the integrity of your storied brand? Should you still run traditional ads on the social networks even though the results may be weak? Does the advertisement need to be an engaging and entertaining user experience instead? These are just some of the difficult questions.



VERDICT
Still holds but with caveats

3. Forget about the marketing funnel. We talked about Social Influence Marketing having a complex influence on the marketing funnel with the awareness, consideration, preference, action, and loyalty funnel stages looking different thanks to peer reviews, social networks, blogs, micro-blogs, prediction markets, virtual worlds, wikis, and social advertising.

This one we got a little wrong. The marketing funnel still matters—though it is changing. What’s really changed is that understanding where consumers are in the funnel is harder to track. As consumers snack on content, participate in the social web and use cell phones to connect more, finding out what stage they’re at, and how to move them to the next one, has gotten more difficult. But recognize that different Social Influence Marketing strategies can support different stages of the marketing funnel, and we’ve barely begun to figure out how.

For example, viral videos can be used to build brand awareness (the downside is that you can’t easily target these to just your customer segments), twitter channels can be used to cultivate loyalty, on-domain peer reviews can influence consideration while social shopping the action stage itself.



VERDICT
We got this one wrong.
Marketing funnels are still key but look a little different.

4. Social networks matter more than Web sites. Back in December, we thought this would be one of the most controversial of trends. It forces marketers to rethink where they are spending their online dollars and how to better integrate with the social networks.

Six months later, it seems an obvious trend to us. A corporate Web site with its overly polished, impersonal tone cannot influence brand affinity and product purchasing decisions as much. Brands must devote resources to monitoring the conversations taking place on the social web. And they must participate in those conversations where it makes sense.

Companies also have an opportunity to rethink a consumer's experience with the brand. Linking activity on a social network with brand content is key, as well as figuring out what role the Web site should play in all of this. Site-side consumer reviews are important too. For example, product review applications on a social network like MySpace and Facebook can tease customers to the brand Web site for a more immersive experience.

Similarly, with Google Friend Connect and Facebook Connect (currently both are still in beta) brands will have the opportunity to not just tease customers to their websites but also the customer's friends. This will allow applications on a social network to be treated as natural extensions of a corporate website and vice versa. In the not so distant future, your friends will travel with you even when you leave the social network.



***With widget advertising and social graph portability,
this trend has gotten extremely interesting.***

5. Engagement metrics come to the forefront. We discussed that new models and corresponding tools will be needed to actually track whether Social Influence Marketing is having a stronger effect on the purchasing cycle than brand marketing or direct response. This matters as it takes more resources and dollars to market in the Social Influence Marketing domain.

The bad news is that very little progress has been made on engagement. A lot of players in the Social Influence Marketing economy choose not to focus on the engagement metrics. Why? Simply because the numbers aren't as great as they'd like to be. At the moment, most metrics discussed are around building awareness. Metrics like the number of fans, impressions, installations, and page views are still the only ones talked about. Rather, metrics need to evolve to capture pass along effects, impact on conversion, peer influence, and whether there has been significant brand lifts.

For example, do you capture, or even know how to capture, the relationship between customers coming to a Web site or participating in a conversation about a brand? Are those customers in each other's social graph, and do they influence one another's purchasing decisions? The industry needs to find ways to track these engagement metrics and look at them all in a social context.

There's also a fundamental problem: context. What does it mean when 100,000 people post comments on your YouTube viral video in the course of a month? Is that good? Compared to what? Even the metrics we do track tend to lack any context to measure their value.



VERDICT

We got this one wrong too.

It's important, but the metrics aren't at the forefront as yet.

6. The Internet blends in with everything else. We talked about consumers not seeing the Internet as something distinctly different from their offline worlds and expecting seamless combinations. This couldn't be more true today as we now live in a world that has gone digital. Marketers and agencies cannot treat the Internet as something distinctly different from other media and platforms.

Arguably, the iPhone has had the single greatest impact on bringing this trend to life. With its powerful user experience and soon to be launched 3G-based phones, the lines between when you are connected to the Internet and when you're not are blurring. Smaller innovations like being able to Twitter from your cell phone serve to blur the lines even more. We're also seeing that the most powerful marketing initiatives are the ones that are integrated across every platform, channel and device, offline and online. Just take a look at the Coors 4:53 campaign to understand this better.

What does this mean? Marketers need to rethink how they organize their departments, partner with agencies, and conceive and execute marketing campaigns in a digital world. More importantly, they need to focus on following their consumers to wherever they live in the digital world across their mobile devices, blogs, portals, networks, and digital signage.



VERDICT

Still holds and continues to steadily grow in importance.

7. Media companies continue to be at the forefront. Back in December, we talked about media companies being at the forefront when it comes to taking advantage of Social Influence Marketing. They're certainly doing their bit as companies like CNN, Hulu, and the *New York Times* innovate on a continuous basis. For example, The *New York Times* is testing features that allow readers to create friend lists and recommend articles to each other.

But more than media companies, innovation is coming from elsewhere. Social media vendors building applications and advertising networks on the social platforms are exploring innovative ways to leverage the social graph. Whether it is to create new types of advertising units or to create compelling, branded widget-based games, these vendors are certainly pushing the boundaries in Social Influence Marketing.

And the startups are making great headway in providing Social Influence Marketing solutions. For example, Blippr allows micro peer reviews across the social platforms. No more do you have to remember the name of the movie that a friend recommended to you at a dinner party. Simply check his Blippr review and see what the rest of your friendship circle has to say about the film too. Lijit, which is a social search tool, is another great example of a product from a startup that allows for social influence. Also check out Pluck and SocialMedia.com



VERDICT

Still holds, but Social Media vendors and Startups are making even more progress. We might completely revise our thinking here by the end of 2008.

8. Companies realize that communities matter again. This one doesn't require much discussion. The continued growth of the social networking platforms, and the way niche communities are being carved out, is testament to the importance of communities. Not only are companies devoting more time to understanding communities, they are also experimenting with them too.

The Levi's Project 501® and the Kraft uPumpItUp communities are perfect examples of this trend. They gave their prospective and current customers reasons to come together online with the brand serving just as the platform for the conversations. Circuit City, with its innovative use of social media, is another great example.

Companies are influencing behavior on the social networks, but they're also recognizing that there is a lot that they can do on their own Web sites to cultivate online communities whether these be to support consideration, loyalty, or customer service.



VERDICT

Even more companies are thinking in terms of combining community initiatives with marketing campaigns.

9. Social Influence Marketing takes many different forms. We're already seeing this just by the range of questions we get about Social Influence Marketing. Its applicability varies dramatically by industry, product type, and customer audience. Companies are starting to think about digital signage and allowing in-store digital social interactions too. The Social Influence Marketing strategies and tactics that work for a hotel chain will always be very different to what's appropriate for a large bank.

For example, while it may be extremely important for a retailer like Victoria Secret to be active on Facebook to promote certain products, the way a consulting firm uses Facebook might need to be very different. Ernst & Young, as does Avenue A | Razorfish, successfully uses Facebook as a college student recruitment tool harnessing social influence in a very different way for very different audiences than Victoria Secret.



VERDICT

Still holds, but we're just starting to see innovative execution. Early days for this too.

10. And it broadens its influence. We talked about organizations needing to affect how organizations innovate, develop ideas, recruit, measure performance and interact with all their constituents – customers, employees, partners and shareholders. Our rationale was that only by changing their organizations from the inside out, will companies be able to be authentic when talking to the outside world.

Here too, the proof is in the pudding. Best Buy setup a social network for its employees which attracted 20,000 users. The effort has allowed the company to better listen to and learn from its employees who are out in the retail outlets. It has allowed employees to put forth ideas and get support and funding for them—all virtually. Similarly, Ford created a marketing intranet that allows marketers to connect with each other, and to the outside world, using web 2.0 technologies. Serena Software uses Facebook to enable employees to talk and influence each other.



VERDICT

Still holds with lots of proven successes in the marketplace.

So how do you feel about these trends? What did we miss completely? Which one of these trends do you think will fall off the radar by the end of the year? One thing we know for sure: we're going to learn from the things we got wrong and help our clients get better by applying the things we believe to be true of Social Influence Marketing.

About the Author



Shiv Singh has been with Avenue A | Razorfish since 1999 and has worked in its Boston, New York, San Francisco and London offices. Before that, he ran a small web consulting firm. Shiv helps Avenue A | Razorfish clients leverage digital technologies to develop meaningful and value-driven customer and employee relationships. As Vice President Social Media & Global Strategic Initiatives, he leads Avenue A | Razorfish's foray into Social Influence

Marketing and is responsible for capability development, advising clients, partnerships, evangelism and experimentation. In addition to writing extensively on social media, he has also spoken on Social Influence Marketing and Social Media at conferences such as the O'Reilly Graphing Social Patterns Conference, South by Southwest, DMA Leader's Forum, MediaBistro Circus and OMMA Social.

Prior to his current role, Shiv founded and led the Global Enterprise Solutions practice at Avenue A | Razorfish, and, before that, was a user experience practitioner. He completed his undergraduate studies at Babson College and conducted graduate research into social networks at the London School of Economics & Political Science. An active blogger, Shiv blogs at www.goingsocialnow.com and www.theappgap.com. His twitter id: sszd. Please share your insights or thoughts to shiv.singh@avenuea-razorfish.com.



About Avenue A | Razorfish

Avenue A | Razorfish is one of the largest interactive marketing and technology companies in the world. With a demonstrated commitment to innovation, Avenue A | Razorfish counsels its clients on how to leverage digital channels such as the Web, mobile devices, in-store technologies—and other emerging media—to engage people, build brand loyalty and provide excellent customer service. The company is increasingly advising marketers on Social Influence Marketing, its approach for employing social media and social influencers to achieve the marketing and business needs of an organization. Its award-winning client teams have a great understanding of customer needs and provide solutions through distinct business disciplines, including analytics, strategy, technology, media, creative design and user experience. Avenue A | Razorfish has offices in markets across the United States, and in Australia, China, France, Germany, Japan and the United Kingdom. Clients—many of them served in multiple markets—include BMW, Carnival Cruise Lines, Coors Brewing Company, Kraft, Levi's, McDonald's and Starwood Hotels. Visit www.avenuea-razorfish.com for more information.

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