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Businesses connect with social networking sites

By Ameerah Cetawayo

CAPITAL REGION – Major retailers, small businesses, even Realtors are tapping into social media, all in the name of staying connected and building brand recognition.

And for good reason: The share of adults who have a profile on an online social network site has more than quadrupled in the past four years, from 8 percent in 2005 to 35 percent in 2008, according to the Pew Internet & American Life Project tracking survey published in December.

The Web sites can be a major boost for businesses large and small, keeping clients and customers in touch and informed and helping management identify new business opportunities. There is a downside as well, with wasted time, spam and overwhelming volumes of information being the biggest potential problems. But most business people in the Capital Region who are using social media are firm believers in its benefits.

Impressions of Saratoga owner Marianne Barker and manager Ashley Barth keep in touch with customers and serve up reasons for them to come back via a Twitter account, Facebook group and blog on the store's Web site, ImpressionsSaratoga.blogspot.com.

"We have a tremendous repeat business," Barker said.

The equestrian and thoroughbred racing gift shop also manages two customer e-mail lists – one for locals and one for those who live farther away.

Between the e-mail lists and online social networking accounts, a concerted effort is needed to maintain all of it.

"You just can't do it and not keep up on it," Barker said.

Impressions is working on growing its Facebook group from 175 friends to 500 – and will even put up a \$100 gift certificate to a randomly selected member to spur friend requests.

Schenectady-based online marketing firm Propel Media, which is based at the Union College U-Start business incubator on Spring Street in Schenectady, recently launched a Web site that taps into the minds of travel consumers – BestTravelDeals.net.

People who come to the self-moderated site find user-generated content that includes votes on whether a post is a good deal or not. Users can also post comments, which are usually travel experiences or insights about particular deals featured, according to President and CEO Mary Song-Tedisco.

"Travelers love to talk about what they do," she said. "It's a niche and it definitely has its place."

The site has had more than 18,000 visitors since its launch in late spring. Not long after the launch, the site was featured on a national television segment on MSNBC.

The site is also garnering attention from independent hotels and travel agents who want their offerings listed. "They see the value and they're coming," Song-Tedisco said. "People are more interested with the price of something than the destination."

Major retailers like JCPenney, Macy's, Target and others are banking on building communities online to grow sales online and improve their e-commerce strategies.

JCPenney spokeswoman Kate Parkhouse said the company has created JCPenney Facebook pages for different brand

launches over the past three years, but in 2008, made a bigger push, adding Twitter and YouTube accounts.

JCPenney.com now features customer reviews that give both site users and the company feedback from the millions who visit the site annually.

“With customer views in social media you get feedback from both sides,” Parkhouse said. “We can listen to these comments and our merchandise team can make the changes needed.”

While traditional advertising will always be a staple in the company’s advertising budget, social media offers new advantages, like interaction and the ability to tap in to core customers.

“[Traditional advertising] is a one-way message, but with social media, customers can opt in to receive those messages on their terms,” Parkhouse said.

For instance, members of the JCPenney fan page have to accept or request to be a part of the group. Users have to offer their phone numbers to receive text messages.

“Those who opt in are true customers of JCPenney,” Parkhouse said.

Social media is something incorporated into the company’s overall marketing campaign. “It’s a growing field and we continue to see it getting bigger and bigger,” she said. “It’s a different way that people are communicating now and it’s important that we are a part of that.”

When Nicole Medokowich was a Realtor in the Schenectady area, she used the site ActiveRain.com to communicate with lenders, other real estate agents and potential home buyers.

Launched in June 2006, the site acts as a real estate network that allows real estate agents, mortgage professionals and brokers to create a customized profile, maintain a blog, make comments and communicate with each other.

Medokowich said in a competitive field such as real estate – even in Schenectady County – there was a need for do more than just be listed on the Coldwell Banker Web site.

“I moved here from Idaho. I was 20. I didn’t have the client base,” she said.

She learned about ActiveRain from another Realtor who told her through her MySpace account that she should join ActiveRain.

“When I was in it, it was a really good Web site to network with other Realtors and prospective clients,” Medokowich said.

She was granted a real estate license in 2006, but left the industry when sales got slow.

“The way the economy was, I wasn’t selling enough houses. I needed a job where I could get a steady paycheck,” she said. “ActiveRain led me to prospects in South Carolina and North Carolina and Florida. It’s good for stuff like that if you’re a Realtor.”

Realtors in other states would contact her for their clients, she said.

“They were able to contact you immediately. I did get a lot of hits and contacts that way,” Medokowich said.

After she left real estate, she went to work for DirectTV, then left that to work at Rite Aid as an assistant store manager. A few weeks ago, she was laid off.

“I’m just laying low right now,” Medokowich said, as a wedding – just a couple of months a way – is taking up her time.

But that doesn’t mean Medokowich will slow down her use of social media – she’s using Internet boards and similar sites to find employment.

“Careerbuilder.com is really good because people post things daily and you can see how long the listings have been there,” Medokowich said. “I use it every day.”

Other local users of social media networking sites who hope to generate connections that eventually turn into leads say people should understand the sites come with both positives and negatives.

Consultant Robert Mathews, director of mergers and acquisitions at L.P. Grasso & Company on State Street in Schenectady, is a member of Biznik.com, a Seattle-based site that has fewer than a dozen Albany-area members. The site does have some useful features, he said, like the ability to publish articles, but he’s not completely happy with the results because it has yet to generate leads or build enough connections to make a difference.

“I have not found Biznik helpful,” he said. “I just got a Facebook account, because all my sons and family are on it. I’m pretty much focused on LinkedIn.”

LinkedIn has the potential for him to help the greatest number of people, he said.

“With LinkedIn, the benefit is more in the groups that I’ve joined,” Mathews said. “You get information about what’s going on and what’s available and business connections and people with similar interests.”

He said he uses social media to identify what he calls strategic allies – professionals who work with business owners who can recommend his service.

“The criteria for me would be, ‘Have I identified someone new who can use my service?’ ” he said.

Earlier this month, Mathews took a seminar on how to use LinkedIn for business.

Mathews said he’s behind the curve on social media, but makes a distinction between using Facebook for family and LinkedIn for business.

Consultant Jim Altfeld, owner of Altfeld, Inc., said he is immersed in multiple social networking sites as a business tool, using Twitter, Facebook, LinkedIn and Plaxo.

Altfeld, Inc. is a consulting company whose client base is small to medium-sized manufacturers that do \$5 million to \$20 million in business annually. Altfeld said he helps companies re-engineer products, change cultures and create value by strategic planning, marketing and sales consulting.

“The key is you have to find the groups that pertain to the kind of business you’re doing. Then they have discussions. You need to create a discussion and then get involved in the discussion. Then you can drive people to your Web site,” Altfeld said.

“Twitter, LinkedIn and Plaxo are a little more effective than Facebook,” Altfeld said.

With 130 Twitter followers so far, Altfeld said he knows he has a long way to go with that site after sitting on the sidelines.

Twitter lets people exchange quick, frequent messages known as updates that are called “tweets,” which are made of 140 characters or less. The updates are posted on a profile that is sent to a list of followers and are searchable on the Twitter site.

Altfeld said due diligence is important, to carefully watch the type of people who are follow your twitter updates versus the people you choose to follow.

“Some people just gather followers and some just follow people,” Altfeld said. “You can end up with all kinds of crap – porn and all kinds of stuff.”

It is not uncommon for unsolicited spam – links to products, pornography sites and other unwanted messages – to either be messaged or show up in updates, something Twitter representatives acknowledge is a work in process for the rapidly growing site.

For now, Twitter recommends the “block” function, which allows users to take away the ability for a certain user to follow them or send them a message. “Twitter Support keeps an eye on block reports to see who’s getting in trouble on Twitter,” Twitter says on its frequently asked questions part of its site.

Altfeld is also a fan of Meetup.com groups. Meetup.com brings together groups of people with shared interests by organizing meetings that lead to offline clubs in local communities around the world, according to its Web site.

One of the site’s many goals is to “use the Internet to get people off the Internet,” according to the site’s long list of manifestos.

“I’ve joined a few of the business-related ones both in California and here in Albany. Through Twitter and Facebook they can promote the meetings and then you’re aware of it and then you go to Meetup to sign up and they make you aware of when the meetings are,” Altfeld said.

Song-Tedisco said some companies are able to react and address customer complaints through Twitter, bypassing a process that for many includes endless phone calls and confrontations with lower-level managers.

“I think it’s a good thing that businesses are recognizing the customer,” Song-Tedisco said, adding that social media is creating an informed digital democracy of online consumers, who vote with their wallet.

Facebook Connect and other one-stop-shop applications that let users sign in to multiple social media accounts at once are also changing the user experience, Song-Tedisco said.

“It makes the sign-up process easier,” Song-Tedisco said. “Everything is moving so fast.”

Old business models from established companies like MySpace are now having to play catchup as newer, competing sites enter the field and grasp for much-coveted advertising platforms, according to Song-Tedisco.

Barth said Impressions is going beyond just being a part of the social sites – the company is focusing on keeping Tweets, EBlasts and other communications relevant to stick out among the vast volume of messages being sent on the sites.

“You see a lot that’s out there,” Barth said. “They’re just flooding people with way too much.”

Another problem for social media sites is retention, according to The Nielsen Company, one of the world’s leading marketing and media information companies that track and measure how people are interacting with digital and traditional media platforms.

For example, even though Twitter was the Internet’s fastest growing Web brand in May, more than 60 percent of U.S. Twitter users fail to return the following month, according to Nielsen figures released earlier this year. That means that Twitter’s audience retention rate, or the percentage of a given month’s users who come back the following month, was about 40 percent.

“As people learn to do more with it, it’s really evolving. Just when you think you’re on top of it, they’re coming up with new things to do,” Altfeld said. “I’m still in the learning process of understanding what I’m doing.”

Altfeld said many small business owners and larger company executives have yet to partake in the social media landscape, mostly because of fear.

“I think they’re afraid of it or they feel like someone else [within their company] should be doing it,” Altfeld said. “But if you really want to get your finger on the pulse of what’s going on, I encourage the owner, the president, the CEO to get involved and find out what’s going on.”

Social networking sites have moved beyond being a fad, according to Altfeld.

“It’s not a chit chat thing any more,” he said. “You have to change your perspective on it. It’s a worldwide resource center. It’s unbelievable.”

Got a problem? Throw it to the discussion board and now you’ve got a network of experts who can weigh in and offer

free advice, according to Altfeld.

“If you have a product, it’s really an opportunity,” Altfeld said. “A small businessperson has access to things he never had before.”