

# “Effectively Using Social Media”

*The Building Champions Experience*

Friday, September 18, 2009

1:00–2:30 p.m.

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## Introduction

Share about Thomas Nelson and my experience as a blogger and a Twitterer.

In thinking about social media, I would like to begin by telling you about **the butterfly effect**. This is key to understanding how social media is impacting our world.

- The butterfly effect was a theory put forth in a doctoral thesis by Edward Lorenz, a mathematician and meteorologist.
- In short the butterfly effect states that a butterfly can flap its wings on one side of the world and set in motion molecules of air that in turn set in motion other molecules of air and eventually create a hurricane on the other side of the world.
- Ridiculed for a generation, the butterfly effect was eventually proved by scientists and given the status of a law: “The law of sensitive dependence on initial conditions.” It basically means that everything you do—and don’t do—matters. It has a bigger impact on the world than you can possibly imagine.
- This is particularly true in the social media world, because suddenly everyone has a megaphone and everyone is connected to everyone else.

Two examples:

### 1. The Hyatt Regency Hotel

- Last year, my wife, Gail and I attended the “Women of Faith” Conference in Dallas Texas. This is a conference owned by my company Thomas Nelson. We always look forward to going. We arrived on Friday afternoon and checked into the Hyatt hotel, which was the official conference hotel. Our company had booked more than 400 room nights for our guests.
- The wireless connection didn’t work, neither did the Ethernet connection.
- The bathroom sink wouldn’t drain.
- The toilet wouldn’t stop running

- I notified Erika Greene, our VP of operations for Women of Faith. Given the large number of rooms we had booked in the hotel, she was confident she could get it fixed right away.
- After the conference, we headed back to our room, confident that all the problems would be fixed. In addition, Mary Graham, our president of Women of Faith, told me that we would have a cheese plate waiting in our room.
- Not so much. None of the problems had been fixed and there was not a cheese plate waiting in our room. I emailed Erika, because I knew she would want to know.
- The next morning (Saturday), Erika spoke with the hotel. They apologized and promised to rectify the situation and deliver a cheese plate to my room that evening.
- When we got back to our room on Saturday evening, nothing—not a single thing—had been fixed. And there was no cheese plate.
- I am not a complainer by nature, but, again, I thought Erika should know. Our organization had spent a lot of money with the Hyatt. If I was getting this kind of treatment as the CEO, it made me wonder how our other guests were being treated.
- Erika got the message and evidently made a call or two. At 9:30 p.m., we had a technician show up at the door. The front desk also called and offered to bring up a cheese plate. Since by this time it was late and we were already in bed, we declined both offers. Too little, too late.
- I was so irritated that I Twittered about my experience. At the time, I had about 10,000 followers. It was repeated (re-tweeted) hundreds of times. I also blogged about it. At the time, I had about 36,000 unique visitors a month. If you add up the potential negative economic impact to the Hyatt Hotel chain, it is over \$7.1 million (see slide).

## 2. Comcast Cable

- I recently switched Internet service in my home from AT&T DSL to Comcast cable. AT&T had provided us with consistent, reliable service for years. But Comcast promised to deliver approximately three times the download speed and ten times the upload speed. When I found this out, I switched. It was a no-brainer.
- Comcast definitely lived up to its speed claims. In fact, we were often getting even faster download speeds than we were promised. However, the service was extremely unreliable. We found ourselves rebooting the cable modem several times a day.
- Last Saturday evening, after rebooting the modem five times, I had had enough. I called Comcast customer service. After navigating through a complex and frustrating phone tree, I finally got a real human on the phone. She checked my connection remotely, walked me through a trouble-shooting protocol, and eventually came to a dead-end.

- The representative told me that she would send out a service technician, but it would be five days before they could get to me. I was flabbergasted.
- At that point, I started complaining on Twitter. By this time, I had about 32,000 followers.
- About fifteen minutes later, I was contacted on Twitter by Frank Eliason from Philadelphia (a.k.a., “@ComcastCares”). He tried to solve my problem remotely but couldn’t. He promised to send out a technician the next day—Sunday!
- Two technicians actually showed up and solved my problem. I haven’t had a lick of trouble since.
- I was so impressed that I Twittered about my experience after the fact. Like my experience with the Hyatt hotel, my tweets were repeated hundreds of times. I also blogged about it. By this time, I had about 70,000 unique visitors a month. If you total up all the positive impressions for Comcast, it comes to more than 430,000 (see slide).

## Information

Here’s my premise ...

“Whether or not you survive and thrive as a company will depend on your ability to use social media effectively to engage your customers, secure their trust, and build your tribe.”

## Motivation

1. Because the world is changing dramatically.
  - a. Remember the old world?
    - Letters
    - Telegraph
    - Telephone
    - Voice mail
    - Fax
    - Email
    - Generation Y and Z consider email passé.
  - b. Think social media is a fad? Think again:
    - Show the video, “Social Media Revolution.”

- Review the key facts:

1. Overall:

a) By 2010—next year—Gen Y will outnumber Baby Boomers.

- Baby Boomers:
  - ▶ Born between 1946–1964
  - ▶ Ages 42–60
  - ▶ 78 million
- Generation X:
  - ▶ Born between 1965–1979
  - ▶ Ages 27–41
  - ▶ 17 million
- Generation Y:
  - ▶ Born between 1977–1994
  - ▶ Ages 12–27
  - ▶ 60 million
- Generation Z:
  - ▶ Born between 1995–2009
  - ▶ Ages younger than 12
  - ▶ Unknown

b) 96% belong to a social network.

c) Social media has overtaken porn as the #1 activity on the Web.

d) 1 out of 8 couples married in the U.S. Last year met via social media.

e) To reach 50 million users:

- It took radio 38 years.
- It took TV 13 years.
- It took the Internet 4 years.
- It took the iPod 3 years.

2. Blogs:

a) There are more than 200 million blogs.

b) 54% of bloggers post content daily.

c) Word of Mouth=*world* of mouth.

- d) 25% of search results for the world's top 20 largest brands are links to user-generated content.
- e) 34% of bloggers post opinions about products and brands.
- f) Do you like what they are saying about your brand?

3. Facebook:

- a) Facebook now has more than 250 million active users.
- b) More than 120 million users log in at least once a day.
- c) It has added 100 million users in the last 9 months.
- d) If Facebook were a country, it would be the fourth largest, behind, China, India, and the United States. (It has more than 250 million users.)
- e) The fastest growing segment on Facebook is 55–65 year-old females.
- f) Yet China's QZone—which you have probably never heard of—has 300 million users. It is larger than Facebook.

4. Twitter:

- a) Close to 50 million users.
- b) Ashton Kutcher and Ellen DeGeneres have more Twitter followers than the entire population of Ireland, Norway, and Panama.
- c) 80% of Twitter usage is on mobile devices.
- d) Imagine what this means for bad customer experiences?

2. Because traditional marketing is dying faster than you think.

- 78% of consumers trust peer recommendations; only 14% trust advertisements.
- Only 18% of traditional TV campaigns generate a positive ROI.
- 90% of people who can skip ads via TiVo do.
- 24 of the top 25 newspapers are experiencing record declines in circulation.
- We no longer search for the news. The news finds us.

- In the near future, we will no longer search for products and services. They will find us via social media.
  - Social media isn't a fad. It is a fundamental shift in the way we communicate.
3. Because a conversation is happening online about your company—whether you know it or not.
- Just try Googling your company's name or your name.
  - What did you find.

## Application

1. Understand the social media framework:
  - Homebase—an online place that you own (e.g., blog or company web site)
  - Embassies—online places that you don't own but on which have a presence (Facebook, Twitter, YouTube, LinkedIn, etc.)
  - Outposts—online places you don't own or have a presence on but which you monitor.
2. Just do it!
  - Sign up for Twitter.
  - Sign up for Facebook.
  - Start a blog.
3. Educate yourself:
  - Subscribe to social media blogs:
    - Seth Godin
    - Mitch Joel
    - Chris Brogan
    - Guy Kawasaki
    - Social Times
    - Mashable
  - Read a few social media books:
    - *Tribes: We Need You to Lead Us* by Seth Godin
    - *Six Pixels of Separation* by Mitch Joel
    - *Socialnomics* by Erik Qualman
    - *Trust Agents* by Chris Brogan and Julien Smith
4. Start listening:
  - Setup to Google Alerts.
  - Set up an RSS reader like Google Reader.
  - Use a Twitter application like Tweetdeck or PeopleBrowser.

5. Engage in the conversation.
  - Start posting and commenting.
  - This should take no more than 20–30 minutes a day.
6. Build trust—earn the right to be heard.
  - Be transparent and authentic.
  - Be generous with your help and resources.
  - Be responsive.
  - Build the relationship.
7. Start building a tribe.
  - A tribe is a group of people with a shared passion.
  - What tribes crave is leadership:
    - ▶ Someone who shares their passion.
    - ▶ Someone who initiates the conversation.
    - ▶ Someone who is generous.
    - ▶ Someone who facilitates communication.
  - Level 1: Empower the leader to communicate to the tribe.
  - Level 2: Empower the tribe to communicate to the leader.
  - Level 3: Empower the tribe members to communicate with one another.
  - Level 4: Empower the tribe members to communicate with outsiders.

## Conclusion

- Imagine what happens to your company when you get near-instant feedback on your products or services.
- Imagine what happens to your customers' experiences when they they get near-instant assistance.
- Imagine what happens to your marketing ROI when your cost drops dramatically.
- Imagine what it would be like to be leading in this space rather than following.