

Why social media works – herds vs individuals

A Guest Article by Paul R. Smith
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Why are social network platforms so successful?

Social media fulfils a fundamental human need: to communicate. We are social animals. We like to communicate with each other. Social media facilitates this by helping us to communicate more easily, to more people, whenever we want.

That is why social network platforms such as Facebook, Twitter, YouTube and blogs are so successful. Social media is huge because it simply lets customers communicate with each other and organisations communicate with customers (this includes listening).

A marketer's utopia

This new business environment allows marketers to listen to customers and opinion formers (and other stakeholders), channel their feedback into suggestions and new product ideas, and even test out new concepts and brand names, while all the time engaging customers, developing higher levels of customer loyalty and nurturing brand ambassadors. It's a marketer's utopia.

Web 2.0 is a participatory platform. Organisations that tap into that willingness to participate can do very well. Think beyond the old one-way communications and even beyond a basic dialogue between customer and brand, and instead consider a triologue among customers, opinion formers and the brand. Brands can reinterpret themselves as facilitators.

Reasons to embrace social platforms

Think about creating branded content, services, and even applications and widgets that give real benefits to customers (and that boost their engagement with the brand). Think about social networks. Become part of them. Exist inside them. Create a profile. Embrace these social platforms, whether photo-sharing, music-sharing, video-sharing, or interest-sharing platforms such as bookmarking.

Enabling rating of content and online services, through channels such as Delicious and comments on blogs, supports this.

Think engagement. Marketers are searching not only for ways to connect brands to customers, but also for ways to connect those customers to each other – with the brand simply facilitating the discussion. The brand can be a place where the community can congregate, discuss and collaborate.

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Collaborative co-creation

From customer feedback to product ratings, recommendations and discussions, through to prosumers (customers who help to create, or produce, the next product): this is collaborative co-creation.

Customers are encouraged to be part of an organisation's product/service design system and production system. Many customers feel their favourite brand is engaging with them, and they feel some reciprocity as the organisation demonstrates that it is listening and consequently taking action. This inherently deepens brand loyalty, purchasing and advocacy.

Many customers like to have a meaningful input into the products and services they consume. Some don't, but many influential ones do. Getting private previews or input into shaping what is yet to come creates a sense of being an insider, as opposed to being just another external customer sitting on a "customer service time bomb".

Social media makes it easy for both customers and organisations to communicate with each other. It allows everyone to get to know each other better, understand each other's needs and issues, nurture relationships and collaborate, sometimes in highly creative ways.

If you listen carefully, you hear answers to questions you didn't even think of asking.

The mathematical proof that social media works

Consider a target audience of 20 people. Here's how many messages can spread around, depending on what media is being used.

- **Broadcast network** is based on a "one to many" model (e.g. old TV advertising). It is called a Sarnoff network (after David Sarnoff, the broadcasting legend). A hypothetical Sarnoff network with 20 viewers has a score of 20.

The network score is simply the number of nodes (audience members) = 20

- **Telephone and email network** is based on a "many to each other" model. It is called a Metcalfe network (after Bob Metcalfe, one of the inventors of the ethernet). This communications model allows everyone to contact each other.

Because everyone can call each other, the total possible number of calls or

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emails is 20 squared, or 400. This is potentially much more powerful for communicating messages among people than a Sarnoff network.

The network score is node to the power of 2, or $20^2 = 400$

- **Social network** is an “immensely more powerful category of network” based on a “many belong to numerous networks” model. It is called a Reed network (after David Reed, who observed that people in social situations belong to more than just one network). The possible value of a Reed network is 2 to the power of the number of nodes on the network. Take the same group of 20 people in a social situation, whether virtual or real. A Reed network generates a score of 2 the power of the node.

This generates a network score of $2^{20} = 1,000,000$

Moving from a broadcast network to a telephone/email network, even if only 10% of the people pass on the message (maybe a special offer, or perhaps a criticism), it still means that 40 messages will be sent around. This is twice as powerful as the TV network, which only had a possible total of 20 messages being received.

Moving on to the Reed network (social media network), if 10% spread the message, that generates 100,000 possible messages that can be received. Or, even if only one-tenth of 1% pass the message on, it would still generate 1,000 messages, which is 50 times more powerful than the old TV model with just 20 messages.

Now consider just one social network, LinkedIn, which is sometimes referred to as Facebook for businesspeople. It is a powerful tool. Once registered (which is free), businesspeople start connecting with other businesspeople, effectively building their own networks. If an individual has 170 connections (contacts), LinkedIn calculates how the individual becomes part of a network of approximately 3 million people. LinkedIn calculates the size of anyone’s network, group or herd.

Networks, herds or individuals

Group behaviour is well documented in social studies. Marketers understand the natural impulse to follow the crowd. Some sociologists believe humans are just copying machines, basically.

Because humans are social animals, a large percentage of an individual’s brainpower is devoted to interacting with others, watching their behaviour and wondering what they think of us. We carry this legacy with us every time we

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buy a particular brand of washing powder or choose what movie to watch in the cinema. We have learned or evolved to be animals that are good at copying.

In the 1960s the sales of domestic air conditioning were followed and mapped for years. Findings showed that the best way to predict who would buy air conditioning came down to whether a person's neighbour had it. People had to see it to be likely to copy it.

Think caveman: if everyone is running away, you don't ask why; you just run. Copying means you don't have to learn everything from scratch, and you can defend or protect yourself more easily because you react to things more quickly, so it makes sense from a survival viewpoint.

The influence of group behaviour

The Mexican wave – why do we do it? Because everyone in the crowd can see everyone else and is aware of the group behaviour. However, the Mexican wave cannot be recreated in a shopping centre because people can't see each other, nor can they see the overall group behaviour.

Facebook, on the other hand, is like a digital version of the Mexican wave, because people can see what all their friends are doing. They can see not only if their friends are online but also what their friends are currently doing and what they have been up to in the past.

If someone gets an invite to Facebook and joins, that person in turn sends invites to his or her friends. Wherever the herd moves next, people follow. The internet just manifests or provides the mechanics for what we are naturally programmed to do.

If someone stands staring at the sky and pointing, that person is bound to get strange looks from passers-by. But get six or seven people standing together, staring and pointing at the invisible spaceship, and the crowd will swell.

Harnessing the knowledge of the herd has even greater potential now, today, when it comes to building brand loyalty.

Paul R. Smith
Consultant – PR Smith Marketing

If you would like more information on any of the points covered in this Guest Article, please contact **TCii** on **020 7099 2621**.