

The Social Marketing Manifesto

How to create your own private
social network to grow your business



George Tran

The Social Marketing Manifesto

A step-by-step guide to harnessing the power of social networking to grow your business.

What works, what doesn't work & how you can thrive in the new economy.

Copy and distribute freely with credit.

ATTENTION!

Creative Commons Copyright Notice

Unlike other copyright licenses, this book has unlimited [ROYALTY FREE reprint and resale rights](#).

You may sell this book for profit (and keep all the money) as long as the book is unaltered.

We recommend creating a sales page and selling this book in the range of \$19.95 to \$29.95. To hire a consultant, or to spend the time required to accumulate the knowledge contained in this book, will cost anyone interested in creating a successful social network a great deal more than the suggested price.

You are permitted to refer to our book and any quotes must refer to our site at **www.socialmarketingman.com**.

Thank you for your integrity.

Copy and distribute freely with credit.

Companion Workbook

This eBook comes with a **free companion Workbook** which provides you with a handy tactical and detailed step-by-step guide and check list of actually rolling out a social network/membership site; including a detailed business and marketing plan guide.

To claim your workbook, simply come to **www.socialmarketingman.com**.

Copy and distribute freely with credit.

Pay It Forward

We've invested hundreds of hours of research and countless more putting this book together. Our goal is to help you navigate the complex labyrinth of social networking and membership websites, how to do it right, and how to make money (whether it is for your business, non-profit organization or educational institution).

We have just one request: If you find this book useful and it has helped you in any way, then please **pay it forward**. Please forward it to four other people.

Thank you.

Thanks and Acknowledgement

This book would not be possible without the support and dedication of George's wife, Carol Anne. She has spent many selfless hours editing this book.

We would also like to thank the numerous people who have helped provided feedback and input in the making of this book.

Copy and distribute freely with credit.

Table of Contents

Introduction.....	11
Who Should Read This Book.....	13
Information Marketers	13
NPOs	13
Schools/Educational Institutions.....	13
Associations/Clubs/Chambers of Commerce	14
Network Marketers	14
Political Organizations.....	14
Editor’s Special Note To Non-Profit Organizations & Educational Institutions	16
Overview	17
PART 1: THE NEW SOCIAL CONTRACT.....	18
Chapter 1: What’s the Buzz?.....	19
Then Came MySpace.com	20
It Grew Like a Virus	20
The Web 2.0 Movement	20
Why Should You Care?	22
Chapter 2: Rise of Consumer Voice.....	23
“It’s all about me.”	25
Losing Control	27
Brand Management.....	31
Chapter 3: Lead a Revolution	33
Key Principles of Social Leadership.....	33
How to Start a Movement.....	34
The Six Principles of Social Leadership.....	35
Chapter 4: The Fall of Advertising, the Rise of Influence	38
The Old Guard: Advertising	38
The New Currency: Influence.....	39
Increasing Customer Engagement	41

Copy and distribute freely with credit.

Chapter 5: Social Equity – Your Influence Indicator	42
What is Social Equity?	42
Chapter 6: How to Build Social Equity	45
The Five Key Characteristics of Successful Influencers	45
Chapter 7: Why and How Do Social Networks Work?.....	51
Social Networking	51
Tell Me Why	51
Give Them What They Want.....	52
The Ethical Bribe	53
The Difference Between a Social Network and an Affiliate Program.....	55
Case Study: Kimberly-Clark.....	56
Chapter 8: The ‘Flawed’ Revenue Model of Facebook and MySpace	57
Chapter 9: Private Social Networks.....	59
What is a Private Social Network?	59
Tracking Your Growth.....	61
PART 2: SOCIAL NETWORKING APPLICATIONS.....	62
Chapter 10: Information Marketer Applications.....	63
Seminar Continuation Enhancement.....	63
Keep the Flame Alive	65
Create Greater Value.....	65
Free Gift Strategy.....	66
Not Ready to Buy.....	68
Fill the Seminar Room	68
Chapter 11: Non-Profit Organization Applications	69
Micro-Donations	70
Social Networking to Inform and Mobilize	72
Advanced Revenue Models	73
Chapter 12: Educational Institutions Applications	75
Micro-Donations	75
Institution Specific Private Social Networks	76
Online Education	77

Copy and distribute freely with credit.

Fan Gear Revenue.....	78
Alumni Connection.....	78
Community Involvement.....	79
Chapter 13: Association/Clubs	80
Enhanced Member Benefits.....	80
Enhance Knowledge Exchange.....	80
Enhance Communication – Have a Common Voice	81
Reduce Overhead.....	81
Chapter 14: Network Marketers.....	82
 PART 3: SOCIAL NETWORKING SUCCESS STRATEGIES	 84
 Chapter 15: Key Business Objectives	 85
Goal 1: Increase Your Reach.....	85
Goal 2: Lower Cost of Customer Acquisition	86
Goal 3: Residual income.....	87
 Chapter 16: Monetization & Membership Fees	 90
Making Money.....	90
Branding You.....	93
Reason to Stay.....	94
Financial Incentive to Grow.....	94
 Chapter 17: Ten Compelling Reasons to Own a Social Membership Website	 96
1. It’s a Business in a Box.....	97
2. Residual Income.....	98
3. Residual Commissions for Your Affiliates.....	98
4. It Strengthens Your Brand	98
5. Deliver Value to More People	99
6. It’s Easy to Create a System	99
7. Multiply Your Value Proposition	100
8. Product Research	100
9. Stellar Testimonials	101
10. Survival.....	101
 Chapter 18: Retaining Members and the Cost of Disconnect	 102
Sample Costs of Disconnect.....	103

Copy and distribute freely with credit.

Chapter 19: Ten Secrets to a Successful Membership Site.....	106
1. Create a Community	106
2. Provide A Step-By-Step Guide.....	107
3. Create a Clear Procedure Manual and Systematize Everything	107
4. Be in Integrity	108
5. Provide a Resources Page	108
6. Copy Best Practices	109
7. Mix Up the Content	109
8. Highlight Success.....	110
9. Keep It Fresh and Exciting	110
10. Membership Has Its Privileges.....	110
Conclusion	111

PART 4: PUTTING IT ALL TOGETHER 112

Chapter 20: Ten Things to Look for in a Social Network/Membership Website Solution..... 113

1. Easy Installation and Management While Being Flexible and Powerful	113
2. Customizable.....	113
3. Integrates a Detailed Member Profile and Search Function	114
4. Social Networking That Brands <u>You</u>	114
5. Membership with Access Control.....	114
6. Integrates an Affiliate Tracking and Payout System	114
7. Integrates a Shopping Cart for Seamless E-commerce Integration	115
8. Event Calendar and Registration	115
9. Classifieds/Reverse Classifieds	115
10. Free Downloads	116

Chapter 21: Challenges of Building a Social Network..... 117

Ongoing Maintenance and Development.....	117
Scalable Secure Server Maintenance and Backup	118
Achieving Critical Mass	119
Membership Attrition.....	121
Keep the Ongoing Benefits Fresh	122

Chapter 22: Software Solutions..... 123

Facebook	123
Open Source Software	123
Paid Software/Services	125

Copy and distribute freely with credit.

Ning and Yahoo Groups	126
Our Hosted Solution: SocialSAM.com	127
Self-Hosted versus Hosted Solutions	129
Conclusion	129
Chapter 23: How to Build a Good Social Network.....	133
Content is King	133
Squeeze Page	134
Moderation	134
Personalization	135
Ongoing Development and Virtual Coaching.....	135
Go Viral	136
Provide a Compelling Reason to Join.....	136
One Stop E-commerce	137
Events, Tele-seminars and Webinars.....	137
Be Social	137
Marketing.....	138
Chapter 24: How to Attract New Members	139
Media Appearances.....	139
eBooks.....	139
Blogs	139
Joint Venture (JV) Marketing	140
Existing Communities.....	141
Advertising.....	142
What's Next?	145
APPENDIX 1: SOCIALSAM.COM.....	146
APPENDIX 2: WHAT IS WEB 2.0?.....	150
Additional Resources.....	154
About the Authors	155

Copy and distribute freely with credit.

Introduction

It seems that social media is the latest buzzword in online marketing in 2009. Everyone's talking about it, everyone wants it, yet few know what it is and how to use it to thrive in the new economy.

As of this writing, President Barack Obama used social networking and social media heavily during his election campaign. Many say it was one of the cornerstones of his success in the 2008 election. In fact, he raised over half a billion dollars through online efforts (which was about 85% of the total \$640 million he raised) versus John McCain's total of just \$370 million. In addition to winning the election, Obama won the admiration of marketers, worldwide, and the coveted *Ad Age's* "Marketer of the Year" award. Throughout this book, we'll take a closer look at how he was able to achieve this through social media.

In the rapidly changing world of technology, those who cling to the status quo and fall behind may never regain their former ground. It is thus important to keep abreast of social media as it applies to real business, education and non-profit organizations.

It's not just about business and technology. People everywhere in all kinds of situations are changing the world using social media technology – individuals like you, who have a vision. Technology has allowed individuals to spread their ideas in such a way that they can inspire people who share the same passions to connect, take action, and make a difference.

This book is designed to help you transform, through harnessing the power of social media technology, the thousands of niche markets, communities, and social causes that are out there just waiting for you. It is our hope that this book not only brings you personal wealth and fulfillment, but that it will spark a social

Copy and distribute freely with credit.

revolution to inspire other people to start their own movements and change the world.

Copy and distribute freely with credit.

Who Should Read This Book

This book is designed for someone who is somewhat familiar with basic Internet marketing and web infrastructure. You could also read it as a businessperson or a business consultant and use it as a blueprint for re-engineering your company or processes to take advantage of social membership opportunities. Our aim is to provide you with the knowledge of how to take your enterprise to the next level of success.

Information Marketers

If you are an information marketer, a speaker, or an author and you are not using social media to its fullest extent, then you'll want to read this book. This book is designed to provide you both with a global overview as well as specific A to Z tactics and strategies for rolling out a social network around your brand/message, why you would want to use social marketing, and how to do it right.

NPOs

If you are a non-profit organization and you are tired of trudging along the fund raising treadmill to finance your organization, this book is for you. We will show you how you can provide added benefits for your members, how to create recession-proof income, and dramatically increase your supporter base – effortlessly.

Schools/Educational Institutions

If you operate a high school, a college, or a university, this book will help you create massive value as well as keep your students engaged during and after their tenure. We will show you the benefits of creating a social network for your institution and how you can use this technology as a source of ongoing fundraising and gain a competitive advantage in the market place.

Copy and distribute freely with credit.

Associations/Clubs/Chambers of Commerce

If you operate an association, a club, or a Chamber of Commerce, then this book will show you how to grow your member base, how to add value to your existing members and, most importantly, how to keep them active and engaged in your community.

Network Marketers

If you are a network marketer, you can use this book to grow your business exponentially. Social marketing can present your products or ideas to multitudes of people impossible to access using past technologies. This new paradigm can expand your audience well past your current reach to your great benefit.

Political Organizations

If you are a political organization (such as a mayor, a congressperson, or a political party), then this document can dramatically improve your candidate's chance of connecting with his/her constituents and to help them motivate and mobilize their supporters.

Imagine the power of using a social networking platform for true democracy, as a place where you work with your constituents on important issues. Frankly, in a true democracy, it is not what the politician believes; it's what the people believe that should be represented. Ideally, the politician should vote based on the collective minds of the people. This is truly possible with social media. In this book, we will show you how.

As a case in point, three million individuals donated to the Obama campaign. There were a total of 6.5 million donations online adding up to more than half a billion dollars. Of those 6.5 million donations, 6 million were in amounts less than

Copy and distribute freely with credit.

\$100. The power of micro-donations to change the world is undeniable. In this book, we will tell you what a micro-donation is, why it is recession-proof, and how you can use it to power your organization.

Disclosure: We are a social networking solution provider. Before building SocialSAM.com, we outlined our ideal elements for a social network that actually monetizes. We searched far and wide to find a solution that would meet our needs, yet there were no programs to handle all our requirements in one holistic solution. Oftentimes, one has to cobble many pieces together with duct tape and bailing wire to make a feasible solution. Specifically, we found this to be true with Open Source software. They are a fantastic platform that has many plug-ins that do many different things, yet you really have to know what you're doing and have to invest a lot of time unraveling the technology puzzle. As we discovered this clear need, we decided to build our own solution and offer it to everyone who intends to grow their reach, influence and make them money in one integrated holistic solution. Our solution is described in Appendix 1.

This book is a compendium of our research and experience in our quest to build the best solution possible. We've made great effort to review all the other software and programs to show you all the options and explain what works best for your enterprise at the different stages of its growth.

Editor's Special Note To Non-Profit Organizations & Educational Institutions

The greater quantity of the information and advice in this book is geared toward business. The author's personal experience is largely in developing and marketing online, so vast swaths of information here is from that perspective. When reading the book, an educator or a non-profit organizer may feel that such information doesn't apply to them and skip to the sections specifically devoted to their interests. I urge you to reconsider. When NPOs and schools are run as businesses, they are usually incredibly successful. By incorporating some very basic marketing principles illustrated within these pages, such organizations can become incredibly solvent with more of resources to fund all their great works.

While it may not seem to apply, please read the whole book. Take with you what might work for you and try it. It is my wish that you will be amazed by the results.

Sincerely,
Carol Anne
Editor

Copy and distribute freely with credit.

Overview

Part 1: The New Social Contract

This section describes the new revolution that is changing businesses around the world today through the rise of Web 2.0 and the social media phenomenon. For you to thrive in the New Economy, it is important that you understand the underlying paradigm shift of this new world. Old world business models no longer work. We explore some of the core shifts in the rules of the game and what Social Leadership entails in the 21st century.

Part 2: Social Networking Applications

We detail how your organization will benefit from creating a social network and provide compelling and practical reasons why you should create your own private social network.

Part 3: Social Networking Success Strategies

We outline the execution of social networking for you, pinpoint key characteristics of a good social network, what works, what doesn't work, and how to tell the difference.

Part 4: Putting it All Together

We specify how to create, maintain, and how to nurture the growth of a social network. We explain what to expect, how to roll out a social network and how to encourage the participation of your members.

Part 1: The New Social Contract

Social media has changed the way people communicate with each other, and how companies communicate with consumers.

In Part 1, we analyze and explain the transition from a top down broadcast model to an interconnected network topology. We will discover the growth of the consumer's voice and how this affects how companies communicate with and treat their customers.

The fall of advertising is compelling proof that this change is happening today. More and more advertising and media companies are either going out of business or are forced to change. How can you turn this into an opportunity to thrive in the new economy?

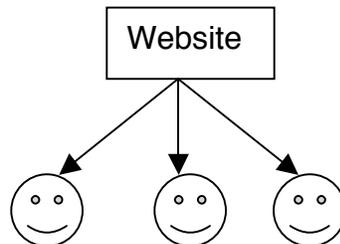
Are you ready for the new social contract?

Chapter 1: What's the Buzz?

It seems like everywhere you turn these days, you hear about social networking and social media. What's the big deal? Why has it become the latest buzzword and is it a fad? In this chapter, we will give you a brief overview of the evolution of social networks and how they relate to you.

There is a growing movement of change online called Web 2.0. Web 2.0 describes the shift in Internet design and services to embrace creativity, community, and collaboration. It is marked by the rise of hosted services, social networking, blogs and video sharing, which significantly differs from the Web 1.0 method in which people and companies interact with each other.

Under a traditional Web 1.0 model, companies would launch a website and pretty much create their own one-way broadcasting station.



Web 1.0 – Broadcast or Top Down Model

This means is that information is one-way, or top down. Little to no communication is possible or encouraged sideways (from user to user) nor upwards (from the user to the site). Web 1.0 is a monologue, not a conversation. It uses a command and control paradigm.

Then Came MySpace.com

A small startup invented a way for users to create their own customized website and claim their own brand online, their own “space,” and called it MySpace.com. That little company now represents one of the most highly visited sites on the Internet today and became worth hundreds of millions of dollars... virtually overnight.

What MySpace popularized was a concept known as user-generated content where, instead of a traditional top down model of communication, it allowed users to contribute their own content and invite their friends to see their creation. MySpace took the weblog and brought it to the next level.

It Grew Like a Virus

What happened next surpassed people’s expectations. Once a user created their own space on MySpace, they would invite their friends to view their newly uploaded pictures, to see what they were currently doing, and to comment and share information, like their favorite music, books, and movies.

Of course, once their friends saw their friend’s personal space, they wanted their own space, too. The story repeated itself thousands and thousands of times as friends invited other friends to join their network. It grew like a virus.

The Web 2.0 Movement

People came to understand the power of the viral growth principle, where users invite their friends to join their network and showcase their creation, and began creating systems and infrastructures to harness this process. Thus were born companies like MySpace, YouTube, WordPress, Flickr, Twitter and thousands of others. Soon, it became a movement.

Copy and distribute freely with credit.

Why Should You Care?

Frankly, it's a matter of survival. The way people communicate is changing. How we hear about products, who we hear it from, and who we trust is shifting. In an age where we watch TV shows through TiVo and streaming video, would you spend money on commercial advertising? If your company does not adapt to keep up with the way your customers are communicating, and the way to which they want to be communicated, then someone else will – at your expense.

For a more forward-thinking organization, this change represents an opportunity to engage customers in ways never before possible. They are discovering that social media can now be used to help them lower the cost of customer acquisition, to lower the cost of communication and support, as well as find numerous new applications and revenue-generating opportunities.

This book will outline the new paradigm of social media and the myriad of opportunities and applications available to you to harness the power of social media to grow and monetize your fan base.

Chapter 2: Rise of Consumer Voice

The new consumer is an empowered consumer. In the old economy, if a client was treated badly, they had very little recourse save a phone call to the corporate office and to complain to a few of their friends, then go away. The Internet has changed all of this.

In today's social economy, the more you ignore your clients, the louder they will scream – and the more people will listen. Dissatisfied users will blog about you, post negatively about your business in forums, and go to places where a huge audience will listen to them. It may not matter if you have only a few dissatisfied customers. Like a disease untreated, these complaints will be available when someone Google's your name or brand whether that is now or years into the future. Unchecked negative social feedback will erode your social equity.

Social media and social networking are a result of the Web 2.0 movement. Web 2.0 is a term coined by Tim O'Reilly – a respected Internet marketer, author and researcher – that nicely encapsulates the transition from traditional web technology to the new paradigm. Please refer to Appendix 2 for a snippet of Mr. O'Reilly's article, [Design Patterns and Business Models for the Next Generation of Software](#).

The old Web 1.0 paradigm is a linear, central information, command and control model. People have a website with information where consumers come and buy, then they leave. With Web 2.0, you need to pass beyond the notion of control. You don't have control, nor can you gain control. You can only facilitate conversations and be 100% transparent. This new marketing model is nonlinear and interconnected communication is inevitable.

Copy and distribute freely with credit.

Where in traditional websites the communication is one way, in Web 2.0, a consumer's feedback and input counts. For example, in a Web 1.0 news website, information is one-way – from the organization to the viewer. In a Web 2.0 website, users can submit their own story just like they were a paid contributing reporter. Users are encouraged to participate, voice their ideas, and respond to the opinions expressed by the editor, reporter and even another commenter.

Some companies' way of doing business is to ignore dissatisfied customers and hope they will go away. With Web 2.0, it is more accurate to think, "Ignore them, and **you** might go away." Here, we will show you how to manage your public image and counteract negative conversations centered on your brand.

Traditionally, the companies create and control the content in their websites. With Web 2.0, the users collect and drive the content. A great example of this is YouTube.com, where the entire site is a compiled offering of user-generated content.

In summary, Web 2.0 has the following defining characteristics:

- It's all about me – the user-centric experience.
- Friends invite friends to join the network, to share the experience.
- It's multi-media. Customers demand streaming video, audio and to be entertained.
- People want to know more about the person with whom they are interacting. Customers take into account social capital by reading the profiles and analyzing the friends their potential vendors have.
- Consumers want to be heard and know that their comments and opinions matter to other users.

Copy and distribute freely with credit.

- Consumers, now more than ever, demand good content. If it is extraordinary and valuable, they will naturally spread it to their friends.

“It’s all about me.”

Web 2.0 empowers the user. The individual user’s opinion matters, their reviews, comments and votes all count. People make their buying decisions based upon what others have to say. Users want to upload their own photos, tell their own stories and be the star... and want others to listen to them. They want to create things and proudly show them to their friends. Anything you can do to encourage personal pride will win you the attention of consumers.

Users don’t want to be just a name and a number. Some other things they want are:

- To be known for their individuality and their voice.
- To be heard with their own unique and important opinions.
- To know they have been heard and that their views are important.
- To be honored and treated with respect.

To create a successful social network, you need to cater to your user’s needs and wants. Give them a voice and a place to express their opinion... without censorship. There’s a degree of trust in operating a social network. The moment you violate this trust (through heavy handed moderation of conversations, among other things), you’ve eroded a massive amount of social equity from your brand. People feel that they can no longer trust you to be honest.

A better way to handle bad conversations is to do it out in the open – to act honorably and respectfully. Most people are reasonable when they encounter calm, sane, reasonable reactions to their anger or disappointment. If people are

Copy and distribute freely with credit.

dissatisfied, give them their money back or offer some other mutually beneficial arrangement.

Some people might say it's easier said than done. Once they've already paid commissions to their affiliates and sales people, they feel they will be losing money if they refund purchases. There is often a better approach. Many times, it's merely a matter of crossed communication wires and the sale can be salvaged. Simply asking why they are angry or want a refund can lead to a change of mind, a better way to sell the product in the future, or an up-sell to a more expensive product or service. By entering into a conversation, the customer feels included. They feel their opinion and their issue is important and, whether you grant them a full refund or not, they will likely buy from you in the future or recommend you as great to work with. Plus, by finding out what makes customers unhappy, you have the opportunity to correct that and increase sales across the board into the future.

Negative press also fosters lost sales opportunities from people who read those bad reviews from unsatisfied clients. The lost sales will far outweigh the cost of issuing the refund. Prospective customers often read what past customers have said. If they read how an angry experience was turned into a positive one, it will create an impression of good will. Furthermore, when you treat people right, they will come back and do more business with you and, when asked to give a testimonial, they are more likely to rave about you.

A good example comes from Gary Vaynerchuck from WineLibrary.tv. On his site, he sold two bottles of wine to a customer; one was inexpensive, the other was very expensive. The customer was found angrily wandering around the social networks of the Internet complaining that he had only received one. Gary checked the shipping log and determined the package shipped to the customer

Copy and distribute freely with credit.

showed a weight equal to both bottles. In the old Web 1.0 days, this customer would have been dismissed and it would be assumed the customer was trying to bluff their way into a free bottle of wine. Gary Vaynerchuck has risen from obscurity to become a great name in online wine circles for his Web 2.0 principles because he engaged the customer in the social networking arena and sent them another of the expensive bottles of wine. Though this undoubtedly cost him money, the cost of this bottle of wine will repay itself in the form of social capital for years and years to come. It already has benefited him because WineLibrary.tv is the largest seller of wine on the Internet, outselling even Costco.

How are you treating your customers and, more importantly, your unsatisfied customers? Are you churning through them hoping to get new clients all the time? Or are you able to foster such great feelings among your customers that they return to you time and again to purchase?

Losing Control

You know that old question about the tree falling in the forest when no one is there to hear it, did it happen? Information marketers are always concerned that dissatisfied clients will make a big noise, and they will – whether or not your business is there to hear it when it happens.

Dissatisfied clients will no longer be shoved under the carpet. The Internet is a very open medium. There are a lot of places they can go to tell their story, which may become a bad publicity problem that is very costly to mend. In the interim, who knows how much business you will have lost from people reading about bad experiences with you.

Copy and distribute freely with credit.

A recent study found that today's empowered consumers will research online and look at three to five opinions about your product before making a decision. Ask yourself what will happen if those three to five opinions are unchecked, and unacknowledged, customers that are mad. Google and Yahoo admit that they prioritize URLs like ripoffreport.com and other consumer voice sites. This means that a customer curious about your product is quite likely to find your angry customers and not your happy ones if you fail to master the art of social engineering.

Time does not heal wounds with angry customers, it just causes them to talk more, and with great volume, until they are heard. That is how small issues become "sink or swim" issues. You can't maintain customer service with just a little time and no attention. Instead, provide a place where people can talk about their experience so that you can manage the exposure and deal with it effectively.

For social networks to work, you will need to have an ethical business practice. You must commit to a policy of high customer satisfaction and 100% transparency. There are always people who will be unhappy with you, yet if you are transparent and show your audience that you act in good faith and are in integrity, the Internet will cut you a lot of slack. Stonewalling is not a good practice as it will come back and bite you at the most unpleasant opportunity.

Some traditional businesses are used to a paradigm of command and control. They attempt to prevent people from talking badly about their product or service by keeping a tight rein on comments and testimonials. When unhappy customers eventually crowd of their dissatisfaction, they are served with "cease and desist" legal notices to limit the damage.

Copy and distribute freely with credit.

Those days are over.

In the new economy, consumers have a LOUD BOOMING VOICE called the Internet. In fact, what organizations do is not only transparent, it tells people a lot more about who you are than what you are trying to build in your brand marketing. You may have spent millions building your brand and reputation, but none of that will matter if people read about you in a negative social media context.

For example, let's say Mr. OldSchool, an information marketer, offers a mediocre product and employs extremely aggressive sales people to slam his database of clients to extract money from them. Some of his packages cost as much as \$50,000, his customer service policies are terrible and his refund practices are outright scandalous. Mr. OldSchool's philosophy is, as long as he can keep his clients from communicating with each other and discovering his practices, he can continue to sell them up the chain of his products. Whenever anyone says anything bad about him online, his lawyers send out cease and desist notices and threaten them with lawsuits. This practice may work for a little while, yet it ultimately backfires. Firstly, he won't be able to keep up with the steady accumulation of cease and desist notices. Secondly, those notices will likely go public and be shared with people on the Internet. Before long, Mr. OldSchool's practice will become the laughing stock of his industry. Anyone who Googles his name will see the type of business he runs and, whether people's allegations are true or not, the sheer volume of complaints will socially bankrupt him. This is a prime example of how social equity can be eroded.

To illustrate the new economy, picture two gladiators battling in a coliseum. Everyone in the coliseum can see each combatant's move. How each gladiator conducts themselves is visible to the audience. Whether they live or die is

Copy and distribute freely with credit.

measured not merely by their skill, but by the cheers or jeers of the audience. Modern businesses are now competing in the coliseum of the Internet. Every comment, every reaction, every email you send may be subject to public scrutiny for, though your email is secure, what you write could be pasted onto a public blog that can be picked up by a search engine.

With this analogy, we can see how even the most well known business can be brought down by the crowd of popular consensus. Your business identity and reputation is literally, each day, being both assaulted and engaged in the open gladiatorial arena of social networking and how you deal with it will determine your company's destiny. Some fear this level of scrutiny while others see it as an opportunity. Those that embrace transparency, integrity and honesty in business will thrive. The Internet is often called "The Great Disrupter" as it unsettles old "cloak and dagger" practices that companies once embraced.

If your company operates under the practice of withholding information, then we encourage you to use this as an opportunity to reinvent yourself. Once upon a time, consumers could not find out how much the factory base price for a new car would be and auto salespeople would play games to squeeze as much out of buyers as possible. This practice is all but gone, thanks to the Internet. If you are in an industry where information is not transparent and dishonesty is the prevailing practice, then this might be an opportunity for you to lead a revolution. If you see an opportunity for social change, and the current "old guard" is defending the status quo, you might inspire a transformation and start a movement that benefits the masses.

Now more than ever, you need to distinguish yourself from your competitors by cleaning up your social equity. What does it say when someone Googles you, your company, or your brand? Is it generally good or generally bad?

Copy and distribute freely with credit.

Brand Management

What does your brand represent to the world? Many companies spend millions of dollars building their brand image and bringing that brand to the forefront of people's consciousness. All the money you're spending in building your brand could be wiped away instantly by improper execution of customer relationship.

Not long ago, a technician for a telecommunications provider fell asleep on a customer's couch while on the job. That customer filmed the technician snoring on her couch and submitted the video to YouTube. This was viewed by millions of people. Think about the amount of branding damage this did to the company.

What can you do if you're an existing company with negative branding exposure? The only answer is to be transparent. Don't try to hide it. Just admit your errors and be genuine about fixing the problems. Hire someone to scour the Internet and honorably deal with each unsatisfied client to show the world your willingness to do the right thing.

Please don't view this as simply a damage control exercise, for that will defeat the entire venture, which will inevitably backfire. It's more than stamping out fires with individual customers; the change has to be genuine from the top down and the bottom up. Your intentions have to be plain, apparent, and real. The change must be tangible, for consumers are not fooled by a halfhearted effort.

If you have a negative image problem, consider hiring a turnaround specialist to engage your clients and fix your image. These specialists will make the conversation public; they will keep a personal blog to journal their progress and publish every communication. Their goal is to make a bigger noise about the action of fixing the problem than the original negative press. When people

Copy and distribute freely with credit.

search your brand, they will see your very positive process of working *with* your customers to arrive at a mutually equitable accord. This makes all the difference in the world to the prospective client.

Also, remember that when you are proactively addressing complaints, time does heal old wounds. If you continue to actively participate in forums and newsgroups, offering advice and content to the general community, your previous blemishes will be overwritten by the new, quality content. It really is a great long-term strategy to be a good Internet citizen. You'll find that, as your new efforts and content are being indexed, the older conversations will drop to lower pages on search engines.

Copy and distribute freely with credit.

Chapter 3: Lead a Revolution

In today's world, everyone needs to think like a marketer. Marketers change the marketplace by telling new stories that shape our beliefs and, in turn, our reality. Stories that are told with conviction and integrity are what bring about true change. In every market, change comes about through leadership and those leaders who use passion and ideas are the ones who lead people.

At the end of the day, social media is a human phenomenon. People want to belong. People are attracted to leaders. People are attracted to what's new.

Key Principles of Social Leadership

A social network is a gathering of people around a topic of passion and any gathering needs a good leader. Here are three key ingredients you will need to build a successful social network:

1. A clearly defined, passionate goal and a desire for change.
2. Provide tools that allow members to effectively communicate with you and each other.
3. Make it easy and desirable for members to invite new people to the community.

Effective leaders lead a movement that is larger than them. Their visions and goals are clearly defined and articulated. A prime example is Barak Obama's 2008 campaign for presidency. After developing his platform, he built his own private social network, MyBarackObama.com, with great success. The site attracted over 2 million unique profiles, more than 35,000 volunteer groups were formed, 200,000 offline events were planned and about 400,000 blog posts were written. This social network allowed his fans to effectively communicate with each other and it allowed him to more effectively communicate with his followers.

Copy and distribute freely with credit.

Once his social network hit a critical mass, the momentum was essentially self-supporting. The ability to interact easily kept enthusiasm high and this momentum carried him right through Election Day.

Not only did he supply the tools to quickly and easily communicate with his followers, his members also had the ability to invite other people to join the community. He made it simple for people to get involved in his movement and his message. This is viral marketing at its best. Rather than simply running a campaign and attacking his opponent, Obama chose to lead a cause.

Please note: This is a strategic commentary on the implementation of social marketing by a candidate, not a political affiliation endorsement. Whether you support Barak Obama or not, you can certainly learn from his success using social media.

How to Start a Movement

In Seth Godin's book, Tribes, he outlines five things to do if you want to start a movement.

- Publish a manifesto. You could choose to sell it or give it away, like this one.
- Make it easy for your followers to connect with you by creating a private social network – we will show you how.
- Make it easy for your followers to connect with one another.
- Realize that money is not the point of a movement; it merely facilitates it.
- Track your progress publicly.

All this can be achieved though social media, especially when you own your own private social network. In Part 2, we will show you how to do this.

Copy and distribute freely with credit.

If we return to our example of Barak Obama, we discover that he followed this formula. He wrote a book, The Audacity to Hope, his manifesto for social change. He provided a space and encouraged his followers to communicate with each other and with him through his own social network. He made it easy for people to donate money to his cause and made each campaign volunteer's results traceable on his site. We can all learn from his brilliantly executed social marketing plan.

The Six Principles of Social Leadership

To learn how to operate a successful social network, here are six key principles your site should embrace.

1. Transparency is really your only option.

As we discussed earlier, on the Internet, your actions need to be congruent with your brand. Your actions, your message and, particularly, how you treat dissatisfied people will be seen by the masses. What you do and how you do it tells people a lot more about who you are than any branding exercise ever will.

2. Your movement needs to be bigger than you.

Like Martin Luther King, Jr. and Mahatma Gandhi, movements that stand the test of time are bigger than the leaders who lead them. Your goal should be above self-serving and self-promotion, and should aim to help others for the greater good.

3. Movements that grow, thrive.

A movement needs to gather momentum. A social network should embrace a topic of passion where people have opinions and invite their friends into the discussion. For example, YouTube achieved such massive growth by allowing people to upload their own videos – their own personal creations – onto a site.

Copy and distribute freely with credit.

People proudly wanted to show their friends their videos, which facilitated the growth of the movement. In later chapters, we will show you how to create the momentum with which to grow your user base, naturally and without advertising.

4. The vision must be clear and deviate from the status quo.

Your message should be clearly defined. What are you about? What can you do for your people? What do you stand for? What are your core beliefs? Good movements convey a message that deviates from the status quo.

In reading the New Testament, Jesus' message of peace and love is inescapably clear. Gandhi believed that British colonialism was not in the best interest of Indians and his logical pleas and peaceful methods of demonstration left no doubt of his mission. Martin Luther King, Jr. believed that a person should be judged by the nature of their character, and not by the color of their skin. His passive resistance and passionate speeches empowered and emboldened people with the fire of his vision.

What is your message?

5. Tighten your bond with your base.

This principle seems simple enough, yet in practice this means that a core group adopts an “us” mentality in contrast to “them.” You know “them.” “Them” can be a group of people, an idea, a practice, or just about anything opposite of the “us” opinion. Through contrast, which can be developed, your bond tightens with your base. Focus on the characteristics common among people who share your vision and build upon this. It is through the commonalities, or desired traits, that you attract people to your cause. Remember, if everyone agrees with you, you aren't leading a movement, you're merely embracing conventional wisdom and status quo. If this is the case, where does the movement occur? It can't – a

Copy and distribute freely with credit.

movement is just that, a force deviating from the point of origin. Many people strive to operate a gigantic social network, yet they often miss the point. It is better to lead a minor movement of high quality with passionate people than a weak movement whose power lies merely in sheer quantity.

Remember, always focus on the positive and be in integrity. If you are leading a movement for the environment, embracing companies that are known polluters will erode your social equity and drive away your fans. Instead of attacking your opposition, embrace your base of support. Rather than claiming you are anti-pollution, reposition your mission in a pro-active way to embrace responsible technology. People are instinctively drawn to the positive. In doing so, your base of support will resonate with your identified goals allowing you to attract likeminded people to your network.

6. Invest in your followers.

Time is the most precious gift given to us. It's a form of currency. People can choose to spend their time, energy and attention wherever they want, so why would they want to spend their time on your social network or movement?

Your followers must believe in you. You need to earn their trust and give them a reason to follow. Never take your followers for granted, always give them a reason to belong and make it worth their while. People instinctively ask, "What's in it for me?" Be sure to provide them with a ready and rewarding answer to that question.

Chapter 4: The Fall of Advertising, the Rise of Influence

People are sick of being shouted at, they want to be engaged. Today's consumers are highly informed. Their buying decisions are no longer influenced by full-page ads, rather by the opinions of those they respect. Bloggers and podcasters with high social capital have a lot of sway. Many buying decisions are inspired by the opinions of such popular influencers.

The Old Guard: Advertising

This sudden shift in how buyers are influenced is changing the way marketing works. The tried and true success strategies of the past are no longer valid, cost of customer acquisition is going through the roof, and conversion rates will continue to plummet unless businesses move with the times.

For proof, think of the last time you actually bought a product as the result of paid advertising? If you can't remember that far back, think about what formed your opinion about the last product you purchased? Was it primarily through advertising or was it from what you've read or heard from a friend or someone of influence?

In the 1950's and 60's, people's opinions were shaped primarily through aggressive branding and advertising. While this is no longer effective today, many ad agencies and executives still sell an outdated concept of branding and their clients are surprised that people are no longer listening.

Today, people's opinions are much harder to buy. Consumers are a lot more selective where they place their attention and the smart advertiser needs to work harder to earn it. Many newspapers and broadcasting stations are genuinely worried about surviving the next decade, primarily due to the loss of advertising effectiveness. The New York Times is preparing to mortgage its headquarters,

Copy and distribute freely with credit.

Gannett Media is in the middle of laying off 2000 employees, and The Tribune (owner of The L.A. Times) is filing for Chapter 11.

While print advertising is suffering, broadcast media has taken a huge hit, too. With the advent of the TiVo and streaming Internet movies, people no longer watch commercials. People seem more content to plug their iPods into their car speakers to listen to their own playlists and audio books during commutes, which reduces the effectiveness of radio commercials, as well.

Direct mail marketing is also suffering. In the last two decades, marketing professionals have created increasingly clever ways to entice potential customers to read their materials. The early movers have had some success, however, the long-term effect has been to train people to be even more resistant to marketing gimmicks. Flashy ads and envelopes stamped “urgent” no longer impress. On a street blazing with flashing neon signs, most people simply ignore them as more white noise.

So, what do you do now? The objective is to be successful in the new social media, which requires the knowledge to either be an influencer or know how to influence the influencers. Instead of fighting the flow, you should embrace the Web 2.0 principals. In this book, we will show you how not only to survive, but also to thrive.

The New Currency: Influence

Like the fall of the Roman Empire, a new power has risen to replace the old standard of influence: social equity.

Today’s consumers are no longer sold by big front-page ads. Instead, bloggers, other consumer’s opinions, and their friends’ recommendations are their key

Copy and distribute freely with credit.

influences. In the Age of the Empowered Consumer, the power belongs to the people. While volumes could be written on this topic, the fundamentals of social influence can be summarized to three main points.

1. Be extraordinary.

Have something worth talking about and rise above the mediocre. Zappos.com is not just another shoe store online. Their people are passionate about shoes; they sell style and comfort and consumers rave about their excellent customer service. Winelibrary.tv doesn't sell just any wine, they only sell wine they like, have reviewed and are proud to recommend. How can you re-engineer your brand to offer something that is special and unique that no one else is doing in your industry or niche?

2. Be Transparent.

Yes, we're repeating ourselves, yet this is important. The theme of Web 2.0 requires honesty and integrity. Tell people what's going on, even if it is bad news. People want to be informed and involved. If you have a customer service issue, then be open about it. Admit it, then tell people exactly what you intend to do to fix it. Engage people publicly, try creating video responses to their enquiries and make your response notable.

3. Have High Social Equity.

Invest in your social equity online, for what one focuses upon, grows. Become a vital part of the conversation surrounding your brand. People and companies with high social equity are high influencers. Remember, with the fall of advertising, few options are left for companies that want to gain consumers' attention. The best way to earn attention is to be an influencer through high social equity.

Increasing Customer Engagement

Influencers and social marketers provide as many ways as possible to facilitate active engagement with their customers. Web 2.0 is all about engagement.

Digg.com is a news site that encourages people to actively vote news articles to the top of the page, MySpace, Facebook and every blogging site rely solely upon people contributing and engaging with each other. Here are a couple other tools that may assist you to increase your customer engagement.

Twitter.com is a micro-blog where you are able to write up to 140 characters per post. Twitter works much like a regular blog, yet the posts are so small, people can post from computers, text message from mobile phones and pipe it from Twitter into their MySpace and Facebook profiles. Anyone who subscribes to your Twitter feed can read them any time, anywhere. There is immediacy about these posts that can be used to great advantage. Gary Vaynerchuk of winelibrary.tv has thousands of followers on his Twitter account. Whenever he releases a new wine, all he has to do is to micro-blog about it and thousands of his fans will come visit his site to check his latest wine video review.

Google Alert is a free system that monitors keywords you list. Simply ask Google to monitor certain keywords pertaining to your industry and, whenever something new including these keywords is screened by Google's search engine, you are instantly notified. You can then go to that site, participate, and encourage people to your own site. For more information, go to www.google.com/alerts.

Unlike advertising, social media marketing is not about direct ROI (Return On Investment). It's about tracking how much Positive Noise vs. Negative Noise surrounds your brand. The new measure of communication success is engagement. How can you stimulate and engage your audience?

Copy and distribute freely with credit.

Chapter 5: Social Equity – Your Influence Indicator

What is Social Equity?

Social equity is the degree of credibility and general trust you and your brand possess. The most important benchmarks of social equity are trustworthiness and likeability.

Examples of companies/personalities with high social equity:

Oprah Winfrey – What she recommends is solid. She is well liked, and touches on important social issues that heighten public awareness.

Leo Laporte – A prolific Internet podcaster. He creates up to forty hours of Internet content per week for his listeners. He has a reputation for being honest and is not afraid to express his opinion. When he recommends something, people are willing to follow his advice.

Robert Scoble – This man started writing a blog about technology and now his endorsement is like a blessing from the Pope. In the technology world, big companies literally rise and fall with his recommendation. The industry dubbed the name for this phenomenon as “The Scoble Effect.”

Jay and Sterling’s “Internet Business Mastery” podcast - These two men started by recording podcasts to teach people how to make money using the Internet rather than working nine to five. It started as a hobby, yet now they are making a high six-figure income and supporting both their families through their business by converting their listeners into their own private social network.

Copy and distribute freely with credit.

The brands these people have created all share the same key characteristics that separate them from the rest:

- They produce prolific high quality content.
- They are well liked.
- They have high standards and high credibility – their endorsement cannot be bought.
- Their influence is not built overnight; rather it is earned through time.

Whether you operate an existing entity and wish to convert it to embrace social marketing or you are starting a movement, always stay true to these characteristics. Too often, marketers follow the paradigm, “I want it all, and I want it now!” They believe that if they throw enough money at it, they can convince the public. They are incorrect in both assumptions. In the new economy, you have to earn the respect of bloggers and influencers. It doesn’t take a lot of money to start a social movement; rather, it takes patience, persistence and prolific, quality content.

In the new economy, we have a saying:

“Advertising is the tax a company pays for being ordinary.”

It’s an opportunity to think outside the box. If you had \$10,000 to spend on marketing, what creative ways could you do it that didn’t rely upon traditional advertising? Perhaps you could invite readers of your blog to enter a contest where the essay with the best 12 ways to use your product wins \$1000. Perhaps you could offer a limited number of specially priced products to people who follow your Twitter feeds. The first 10 to respond to the Twitter announcement receive a 50% discount on the item. It will increase your following and engagement.

Copy and distribute freely with credit.

What can you create that is extra-ordinary and worth talking about? How can you rise above the mediocre? If you are prepared to embrace change, then the future is indeed bright for you. While those around you may be wallowing in the mindset of insurmountable odds amidst a depressed economy, it might be the perfect opportunity for you to leapfrog your industry and lead the pack. It's all in how you look at it. Remember, people are instinctively drawn to the pro-active and the positive.

Copy and distribute freely with credit.

Chapter 6: How to Build Social Equity

As described in the previous chapter, social equity is the measure of your credibility and how well your community likes you. In order to earn social equity, you need to give before you can receive, so you must build credibility by creating value and content. The higher you build your social equity, the more people are going to trust in your advice, opinions and products. You can then convert your social equity into cash by leveraging your influence.

The Five Key Characteristics of Successful Influencers

1. Influencers Create a Lot of Content.

Give your content away in the form of articles, podcasts and videos. Release them on an installment basis – not in a 20-volume opus. Search engines favor regular content providers and you don't want to overwhelm your clients. If you are worried about how you'll earn money by giving away your content, we'll address that in detail in Chapter 16. In brief, you are only giving away general overviews to your materials. While a great analysis of something may be free, the step-by-step instructions will be premium content (books, videos, software, access to your membership website, etc.) for which you charge. The free content is used as a lead generator to entice people to your products. It's like the free samples of food offered in grocery stores to give you a taste of the packaged food.

If you want to write articles, it's best to use public blogging software. Wordpress, LiveJournal, BlogSpot.com and Blogger.com are all great places to create blogs and syndicate your content, especially since they are free. If you have the proper content, plan to record podcasts. Search engine ranking favors podcasts above any other type of content with the same keywords. Be sure to establish your authority and give users good quality content on a regular basis. It's a great idea to set aside time regularly to record your material in order to publish your

Copy and distribute freely with credit.

podcasts on a regular basis. As with writing articles, regular releases are key to holding attention.

You may create a few free videos to share on YouTube or downloadable to portable video devices, yet you'll want the majority of your videos to be your premium content along with eBooks, physical hardcover books, and possibly a PDF workbook to walk your students through their desired objectives. Another premium offering might be an e-course coaching program. Instead of (or in addition to) giving your students everything they need at once (which simply overwhelms them), send them installments of the content delivered over a month or two.

For example, Blendtec, a manufacturer of highly powered kitchen blenders, produces prolific videos where they put the appliance through its paces by blending all sorts of things from woodblocks to iPods. Produced as a mock documentary, they would put these items into their blenders and ask, "Will it blend?" By creating funny, outrageous videos that are passed from friend to friend with compelling comments like, "Wow, I can't believe these guys would blend a \$200 iPod in their blender," Blendtech has increased sales and begun a landslide of viral marketing to their great benefit.

2. Be well liked.

You will have to work for your clients' attention so your content must be high quality, be honest, be funny, and be transparent. Check out Leo Leporte's (www.twit.tv) podcasts for inspiration, for he is well liked by his audience for all those reasons.

People buy from people they know, like and trust. Establishing rapport with your clients is the first step toward converting people from suspect to prospect. You

Copy and distribute freely with credit.

can literally take “tire kickers” and make them fans, for every non-member is now a prospective member if your content, social equity and core values resonate with them. The only way to do this is to interact with your followers in a fun and positive manner. Entertain them, educate them and share industry news with them to gain their trust and respect.

3. Have high standards.

It's human nature to seek community. People will be examining the community you foster, so it's best to avoid being self-serving. Recommend other people's products. Review other people's products. If they are good, say so. If they are not, say so. Be sure to pay attention to the quality of your content.

Consideration should be given to spelling, grammar, and recording quality.

Remember, social equity is based on your image so it's best not to seem cheap or sloppy.

4. Be persistent and consistent.

Be patient. Releasing regular content is important because it provides your users with a reason to subscribe to your message and follow you. The more often they return to seek your next installment, the more likely it is to become a habit of checking in with you. The more your content regularly falls in front of your audience, the more often they will think and talk about you and your products to their friends. Plus, the more satisfied they are with the content, the more they will want to recommend others to you, naturally.

5. Promote your blog.

Marketing is everything. Here are a few quick, cost effective ways for you to promote your blog so others will read and internalize it.

A. Create prolific content.

Google loves bloggers who contribute content consistently to their site. Google gives active blogs a higher weight index than they do static sites that never change. They also give pages that are linked to by other sites (called page ranking) a whole lot more weight than any amount of keyword tags you might embed in your site. So, to be successful using search engine marketing:

- Create a blog and constantly update it – at least a new article once a week.
- Create a podcast around your topic and submit it to various podcast directories – the three biggest include iTunes, Yahoo, and odeo.com. Release an episode between once a week and once a month.
- Create a weekly video and upload it using a video submission service (such as TrafficGeysers.com or VideoBlasterpro.com) that submit your video to many video engines at once rather than you doing it one at a time.

News Alert

As of January 2009, Google has changed their weighting criteria for websites on public blogs. They have discovered that many marketers are “gaming” their search engine results. This means that it is even more important that you encourage other websites and real people to back link reference to your site.

B. Build a list.

Once you have people frequenting your blog or site, capture them into a list. It is to your list that you market your materials. The techniques

Copy and distribute freely with credit.

of building a list are beyond the scope of this book, yet there is plenty of information available from other sources when you search for “how to build a list.”

C. Be an expert.

Be an authority on two to five forums and websites around your topic and regularly post appropriate articles there. Establish your authority as an expert on the most popular sites rather than trying to be everywhere at the same time – it’s too overwhelming. Be sure to create a signature at the end of all your posts that links back to your blog site.

Good places to look for forums and groups are: Yahoo Groups, Ning, MySpace Groups and Facebook Groups. These are generally great places to start, yet, your industry may have its own special interest groups, and those are even better places for you to be. Ask people in your field where they go for their information, then be there.

Update

You should also invest some time in Yahoo! Answers. This is where common people ask questions, and those who make a habit of answering questions are given higher ranking and preference by Yahoo!

D. Write articles and submit them using Articlemarketer.com.

Repurpose your existing content and submit it to article and/or content syndication websites. Make sure to include a signature with your blog address in the final paragraph of your article. Other people writing eZines (online magazines) may pick up your content for their

Copy and distribute freely with credit.

subscribers, which means a lot of free traffic for you. To find services that will make your content available to lots of specialty eZines, look for “Article Submission Service” in your search engine.

E. Buy traffic using Google Adword.

A great way to jumpstart traffic directly to your site is to buy keyword traffic through Google. Another place to buy traffic is Yahoo, which is often overlooked by people and, therefore, less expensive. Please keep in mind, you should only spend 20¢ per visitor at most, unless you know what you’re doing. It is the easiest way to get traffic, but it is also the least cost effective.

As a rule, marketers are not big fans of banner ads. When was the last time you clicked on a banner ad? If you can’t remember, then it’s a good chance others aren’t paying attention to them, either. A better method is to find other sites that will swap ads with you. If you make a recommendation for their site/product/service on your space, then they will do the same for you. It is especially effective if your products are complimentary.

These are examples of places and things you can go to and do to promote your site. It’s not meant to be daunting. Just start with one, work with one thing and be successful at it. Master just one of these processes at first, automate it, be comfortable with it, and then move on to another item.

Chapter 7: Why and How Do Social Networks Work?

Social Networking

MySpace and Facebook grew quickly because they share these two common features:

1. They allow people to create elaborate profiles about themselves, and the ability to vet other's profiles.
2. They allow people to easily invite friends to join the network so they can keep in touch with each other.

Social networks grow virally and exponentially because friends invite friends. Imagine two people inviting two people, who invite two people... over a short period of time this growth becomes quite substantial.

Tell Me Why

While creating a social network where people will naturally want to invite friends to talk about their brand is a great leap forward in marketing, it's not quite so simple and straightforward as that. Consumers, like everyone else, are self-interested and they need to have the age-old question answered for them, "What's in it for me?"

Some companies create "clubs" that are nothing more than a shrine to their greatness where their fans pay a monthly fee to listen to them giving great wisdom from the mountain. This sort of "club" has limited appeal and, subsequently, limited success.

As we've outlined earlier, under Web 2.0, consumers want to be honored, they want to be heard, and they want to interact with others in the community. A

balance needs to be reached between promoting the self and honoring customers for the social network to really shine.

Give Them What They Want

What consumers want in a social network can be learned from the best practices of Facebook, YouTube, MySpace, LiveJournal and WordPress, the current leading examples of social networks. To succeed in your social network, you need to stack the odds in your favor by giving your customers what they want. So what do they want?

Here is a list of elements you should incorporate into a successful social network:

- A place for your members/fans to gather to have conversations around your topic and communicate with each other.
- A way for your members to give more information about themselves in a detailed profile like MySpace and Facebook. Often, membership software is very weak in this area.
- Provide a way for members to connect to each other by common interests, hobbies, industry, by profession and by location. Allow them to create local chapters or mastermind groups.
- Offer them a content rich website. There should be a place where new content is readily viewable and an easily accessible, orderly archive for older content.
- Allow users to upload their own pictures, videos, and other content they generate. People are proud of their own contributions and will refer people to their posts on your site, thus spreading your network further.
- Make it easy for users to communicate with you, and you to them, via a public forum.

Copy and distribute freely with credit.

We are all busy. Why would someone want to spend their time on your website browsing your content? It is challenging to convince people to sign up for *yet another* profile to join a social networking site. In the industry, there is a term for this phenomenon: social fatigue. This is why providing your users a REALLY GOOD REASON is essential to building a successful social marketing strategy. The key to enticing members to join your social network is The Ethical Bribe.

The Ethical Bribe

To effectively convince people to join your social network, you will need to bribe them. The sweeter the bribe, the more likely your network will grow. The key to creating the ideal bribe is that it should cost you very little, yet have a high perceived-value.

Here are some possible bribe ideas to consider as giveaways:

- An eBook that is relevant and helpful to their interest (just like the book you are reading).
- A report (“10 things you should know before you…”).
- An industry contacts list (“If you want to be a jeweler, here is a list of all the suppliers”).
- A sample contract or template.
- A helpful program or calculator specific to your industry.

If you are an author, you could embed these gifts within your book and entice your readers to come to your website in order to download them – thus bringing the reader into your social network.

If you are a non-profit organization, you could work with members of your community to create relevant content. You might even want to ally yourself with a personal development teacher or leader and create a win-win partnership with

Copy and distribute freely with credit.

them. For example, if you are a Chamber of Commerce, you could create a local media contacts list along with a 7 day, step-by-step guide on how to get local publicity.

Another great bribe is to offer incremental coaching. For many, learning something new is intimidating, whether that is trying to knit for the first time, starting a new business, or becoming a vegetarian. It is beneficial to coach people a little at a time over a period of days or weeks. Judge by the complexity of the lesson how long the period of time should be. Offer the first lesson for free as your lead, whet their appetites, and offer them a great deal on the subsequent lessons.

The easier the medium is to understand, the better the results. Since watching something incorporates many forms of learning and requires little effort, try recording your coaching sessions in video format, even if it's just you talking to a camera. As long as you are professional, there is no need for fancy special effects. Another way is to use simple software, like Camtasia from TechSmith.com, which captures the movements of your computer screen along with your voice and records it into a video.

Once you have recorded content, upload it into a sequential auto-responder service, like 1Shoppingcart.com or AWeber.com (two of the web's leading auto-responder providers). A sequential auto-responder is a service where you pre-compose a series of emails that are automatically released over a period of time. For example, a welcome letter on day zero, a follow up email on day one, another one on day three and a final wrap up email sent on day seven. In this way, you could combine your article, e-course or video with a sequential auto-responder such that it will send a new link to your members when they join to teach them... all automatically.

Copy and distribute freely with credit.

This is a powerful way to enhance the value of your membership site and “bribe” your users to join your network. Time and care needs to be invested to make sure the value and quality of your offering is worthy. The more valuable your bribe, the faster your network will grow.

The Difference Between a Social Network and an Affiliate Program

An affiliate program is where a friend recommends a product to another friend with the expectation that they will buy the suggested product. Should that friend make a purchase, the referrer is paid a pre-determined percent or rate for the sale. Some say that Amazon’s affiliate program is the primary reason it became the largest bookseller in the world. Amazon was among the first companies in the world to popularize paying people a commission for making book referrals back to their store. An affiliate program is very similar to a social network in that it allows friends to invite other friends to grow awareness of a concept or product.

In an affiliate program, the recommender is “selling” to their friends. If the friend does not immediately buy that product right then, there’s a good chance that they will not buy the product at a later date, either. Instead of pushing a sale, it is easier to lure people to join a topic of passion hosted in your private social network. Conversations about the environment, animal welfare, local business, local trade, marketing issues or political affiliations promote awareness of your organization and your products. Once you have established yourself as a trustworthy authority in their area of passion, they are far more amenable to buy your products.

Case Study: Kimberly-Clark

Feminine hygiene is an awkward topic to market. Companies know that once a young girl decides on a product, there's a good chance she will stick with that product for life, so the revenue per customer is huge.

To take advantage of social media, Kimberly Clark created GirlSpace, where young girls are invited to a social network to talk about boys, makeup, womanhood, sex, etc. GirlSpace is facilitated by professional social workers and active helpers to answer questions for young girls growing up, questions they are not comfortable asking their moms. The site makes no moral criticisms or judgments, but instead offers helpful advice and provides young girls a valuable resource. By maintaining a social network, Kimberly Clark has gained permission to be in the consciousness of the young girls that visit their site. As a result, girls are more likely to try out Kimberly Clark's feminine products and become long-term paying customers.

What can you do to create a similar synergetic social network for your product, service, book or cause?

We've developed social networking software that is designed specifically to facilitate the sales conversion process from a suspect (a casual viewer/reader of your content), to a prospect (someone who agrees to give you an email address and join your social network), to a customer (one who buys your products), to a client (who then comes back, or subscribes to your membership fees, on a recurring basis). You can read more about our solution, SocialSAM.com, in Appendix 1.

Copy and distribute freely with credit.

Chapter 8: The ‘Flawed’ Revenue Model of Facebook and MySpace

While Facebook and MySpace are fantastically huge social networking sites, they don't brand you, they brand themselves. You have no control over who can join your social network, nor can you make money directly from these websites.

Facebook and MySpace are designed to attract a massive number of “eyeballs” and make their money from advertising. While this process works great for these companies, it is not a business model that works for smaller organizations such as a local church, Chamber of Commerce, non-profit, school or an information marketing club.

Whether you operate a business, school or non-profit organization, you need money. Money powers your organization. A smaller organization can make money in three main ways:

- Membership fees/dues.
- Selling Products/paraphernalia/fan gear
- Classifieds/Listing Fees/Sponsorship Opportunities

When looking for a social networking website, be sure that the software you select has at least some, preferably all, of these income opportunities to maximize your income potential. More importantly, these should be designed to work congruently in one integrated holistic solution. In Part 4, we will explore some existing membership technologies and share with you our findings. In general, most existing membership technology seems to be lacking the complete combination. While they are good at managing membership dues and access management, they often do not provide e-commerce capabilities or sponsorship opportunities. At the very least, you should try to create a membership website that supports both a free and a premium member level of membership.

Copy and distribute freely with credit.

Also consider that some existing social sites are openly hostile to commercialization on their networks. There are people who have been banned from these networks for sending broadcasts to their friends list. All the time spent cultivating relationships and building lists can disappear in a moment if you don't know the rules of the site you're using. Be sure you know what is and isn't allowed on a social network before you attempt to promote yourself for financial gain. Remember, the primary purpose of these sites is to brand themselves, not you.

Chapter 9: Private Social Networks

Super networks, such as Facebook and MySpace, brand themselves... not you. They were not created to facilitate private social networks. When people come to MySpace and Facebook, they are there to hang out with their friends and talk about anything and everything. It is not very topic focused and it's not about your brand.

What is a Private Social Network?

A private social network is a social network just like Facebook or MySpace, yet built around your brand, cause or passion. The followers and fans who are members of your private social network are there for very specific purposes, just like Barack Obama's site served to unite all of his campaign organizers and harness his donation collection.

A private social network is 100% under your control. You can sell products on your site, you can charge others money to list their offers, you control who can join, and how much to charge for premium access. It's all about your passion, your cause and your brand. Imagine it as your own virtual convention center where people come from all walks of life to one central location to discuss the topic around your industry or brand. A private social network brand allows you a tremendous opportunity to convert your social equity into money.

As an information marketer, you want to be branded as an expert in your field. If, for example, you are Robert Kiyosaki (author of Rich Dad, Poor Dad), then you are the expert who teaches people about financial literacy. You would have your own social network with conversations around financial literacy, investing, stocks, and real estate. People coming to your network know that people there will be more educated about this topic and share their interests.

Copy and distribute freely with credit.

Within a private social network, followers gather around a specific topic of conversation. For example, if it is a network of real estate investors, everyone on that network is there to discuss investing in real estate. The quality of information and feedback you are likely to glean from this group is much higher than from Facebook. As a result, interested people would be willing to pay more to tap into this network.

If you are a non-profit, owning your own social network will engage your community in conversations around your topic of passion. Your members will have a common place to discuss the issues nearest and dearest to their hearts. Plus, you will have an effective way to communicate to and, more importantly, mobilize your supporters when you command your own social network.

If you are an author, you know people are already creating fan club websites around your intellectual property. Why not launch your own and capitalize on those conversations under your own private social network? Imagine fans of Oprah flocking to a social network revolving just around her. J.K. Rowling could have her own “Harry Potter Club” and invite fans to connect in her created universe. Tim Ferriss could offer his own 4 Hour Work Week Club where enthusiasts gather to compare stories and share experiences.

Your local church or school would be able to form their own private social network to link members of the community together. On a private social network, sermons can be uploaded for members to enjoy or for those who could not make it to church. Archives of past sermons can be readily accessed and referred to by the community. Ministers and volunteers can answer spiritual questions from parishioners and engage in active near real-time dialogs. Schools can involve parents in active conversations with the school. The possibilities are endless.

Copy and distribute freely with credit.

What is your brand? What is your organization known as? Have you considered creating a social network around your brand? With Facebook, MySpace or LinkedIn, you cannot do this. It is only possible when you own your own portal. In Parts 3 and 4, we will show you just how to create your very own Private Social Network.

Tracking Your Growth

One of the keys to operating a successful social network is keeping an eye on your growth metrics. So just what are growth metrics?

Growth metrics are the rate at which your network grows without your direct intervention (such as advertising). For every new member that joins your network, how many additional members are they referring? If, on average, they refer one more, then your growth index is 1. If the number of people leaving your network is more than the people joining your network, this is known as a negative growth index.

To help you increase your growth index, refer to Chapter 23: How to Build a Good Social Network. If you take nothing else from this book, focus on this section. The central strategy of your social marketing should be to have a positive growth index. Everything else you do should support this agenda.

The second key success factor of a positive growth index is client retention. This centers on how to keep people in your network from leaving. This is also covered in Chapter 18: Retaining Members and the Cost of Disconnect.

Part 2: Social Networking Applications

Social networking is a phenomenon that transcends a single purpose. While many choose to use a social network in order to stay in touch with family and friends, the savvy businessperson sees more – an untapped potential.

It is with that untapped potential in mind that we evaluate social networks within a business context. Properly used, the exponential growth pattern of a social network is extremely cost-effective and can be used in conjunction with traditional email list marketing strategies. In this part, we will discuss some applications of private social networks and membership sites to grow your business, cause or movement.

Chapter 10: Information Marketer Applications

Typically, when you market an information product, most people buy the product from you, pay you once and just disappear, though you may keep them on a mailing list and send them other offers from time to time. This relationship may be solid, yet it lacks excitement. The client has a relationship with the product, maybe with you, yet the client is alone. When you put people into a membership site, your customers pay you month after month to be a part of your community. Because you have a regular membership income, you can make the product more affordable, provide a whole lot more content and offer multi-media experience, such as how-to videos and video testimonials.

In a social membership site, the client still has a relationship with the product and you, and they are open to sharing that with all the other people who belong to the site. Stronger bonds are forged with you and your other clients and more referrals are made. Those referrals are qualified and far more eager to become an active part of the community. Also remember, it is easier to receive money from someone who has already opened their wallet to you than someone who does not know you. The appeal of a selling once and being paid many times has many advantages.

In this chapter, we will illustrate how you can use a private social network to grow your information business.

Seminar Continuation Enhancement

If you operate a seminar, conference or retreat business in which you invite people to come together to learn from you and network with each other, the ability to offer a private social membership network adds tremendous value to your clients. By joining your network, they can find business partners, mentors, investors, mastermind partners, accountability partners, new clients, and people

Copy and distribute freely with credit.

to give them feedback and critiques. There is nothing like a shared experience or belief to cement an active community together. Ultimately, having a private social network allows you to extend your workshop/seminar beyond the conference center and into the participants' homes where you can keep their interests peaked and the flame alive longer, then invite them to new events to continue the cycle.

Imagine pitching this from the stage:

“Folks, we’ve learned a lot in this seminar and I’m sure you’ve met a lot of wonderful people you’d like to keep in touch with. How would you like to join our own private network so you can keep in touch with everybody in this room, as well as past and future graduates?”

“What can you do in our network? Imagine forming a local mastermind group from past graduates of our program, or finding investors for your ideas, or wooing clients from our network. With our network, you will also receive regular updates and new materials from us, which allows you to be kept abreast of the latest developments in our industry.

“As a member, you will also receive special member discounts on all our products and seminars, as well as discounts with our network of other vendors and service providers.

“For a small investment of just \$9.95 per month, you can keep the flame alive by joining our private social network.”

You can also offer your clients a post graduation workbook/coaching program if they join your membership network. For example, “If you join our network today, I will also throw in a 30 day success program featuring a five minute video every

Copy and distribute freely with credit.

day to help you get the results you want. This is like a virtual coaching program to guide you step-by-step to help you succeed.”

Keep the Flame Alive

By keeping your clients in your private social network, you have their attention and interest. As the saying goes, “Out of sight, out of mind.” Once people walk out that door, it is often very hard to get them back. Let’s face it, regardless of how excited people are about a new idea, once they leave that arena, they are faced with distractions, family, work, car repairs – all these pull attention from their passions. When they become involved in a community around your brand, it keeps them tethered to your network and brand. This makes it much easier for you to sell them other products and services at a later date.

Create Greater Value

People often fail because they don’t have the support network to help them along. Once released back into their environment, people are isolated and become enveloped in their daily challenges. People are energized by spending time with other people with the same goals and objectives as themselves.

Another reason people fail is by being overwhelmed with the change. Often, to have any degree of success, one needs to invest a lot of time and energy to impact a change. Habits are hard to shift and this task is often monumental for the new initiate who lacks support. On a social network, you can break the task down to smaller and more consumable chunks delivered over time so it does not seem so overwhelming. The support of others on parallel courses in the network will keep accountability and morale over long periods of time. This insures your network will thrive as the nexus of this community.

Copy and distribute freely with credit.

Say, for example, you are a real estate guru and you have just spent a weekend training people in creative real estate negotiations. You'll likely have several products and packages to sell to them, and you know maybe 10% to 20% of the room might buy. When you offer them a simple, \$12 per month membership, discounted to \$10 per month for this show only, where they will belong to a community online and have access to your online database of e-courses, it offers additional access to you and your fan base and invites those who would not otherwise buy a more expensive product from you the opportunity to be sold at a later point at your site. You might assure them that this seminar's overview was merely to whet their appetites and, online, they will find the clear, easy, well-defined, executable steps to make their first three deals, if only they would commit to a year of your monthly fees. You can pitch from the stage to draw them into the online community where, after they've become successful and want more, you can sell them continuing education courses and seminars. Since all the material is created by you once and automatically delivered, you can be working on more material or sitting in Paris sipping *café au lait* and crunching croissants.

Free Gift Strategy

Whether you are an information marketer or a non-profit organization, you should create a high value, free gift that you can use to encourage people to join your social network. This might be an eBook, a vendor's list, a list of local PR contacts, a wholesaler's list... whatever will be an asset to your constituency. Once you have this free gift, you can use it for lead generation.

Free Gift in Your Book

If you are an author, you can give away your free gift by mentioning it in your book. For example, within this book, we offer an A to Z step-by-step guide to setting up your own private social network in workbook form. To claim that gift,

Copy and distribute freely with credit.

you must come to SocialMarketingMan.com and join our community. You can do the same within your book. Embed a “secret decoder ring” or some other important, highly prized supplement for your readers to claim within your book. In order for them to claim that gift, they have to join your free social network. Once there, you’ll give them such astounding value, they’ll never want to leave.

Free Gift in Publicity

When making appearances on TV, radio, podcasts, etc., tell your host you have a special offer for the listening audience. Direct them to your social network website to download a free item they will want. As well as increasing the numbers in your community, this also provides you with valuable information on who was listening and how many of that audience are interested in your expertise.

Free Gift in Advertising

You may want to produce an infomercial where the call to action is not to buy, rather, to receive your free gift. It’s a great way to start a relationship. Kevin Trudeau implemented this successfully using his [Natural Cures](#) books, then converted them to join his membership website for just \$9.99 per month.

Free Gift in Viral Growth

You can use a free gift to grow your social network. It should always be something of very high value to your audience. In order for them to receive that gift, they may have to recruit X number of people to your network, or you might want to entice them to invite their friends to enjoy this gift, too, by entering their email addresses.

Copy and distribute freely with credit.

Not Ready to Buy

Not everyone you speak to is ready to buy from you. If your only call to action is to entice them to buy a product and they are not ready to buy, they will walk away and may not return. Rather than pushing the product, invite them to learn more by joining your community. When they become involved on your site, your existing members will do more to convince them. If people become excited by the fervor of others, they will buy more products and will likely entice others into becoming paying members, as well.

Fill the Seminar Room

For many information marketers, operating a seminar business can be highly lucrative. The biggest challenge is filling the seats. You must convince people of the value for them to pay to attend. If you have a social network, especially one that is tied to an affiliate tracking system where the referring friend earns a commission for referring others, then this task is significantly easier. By leveraging on your members, you've literally got hundreds, if not thousands, of commission-only sales people working for you to bring you business on a daily basis.

Chapter 11: Non-Profit Organization Applications

There are a number of limitations associated with the traditional revenue model of donations under which most non-profit organizations operate. With the help of social networking technology, many of these limitations can be mitigated. In this chapter, we will outline how you can use new technology to create recession-proof donations and how you can better inform and mobilize your supporters.

A traditional donor model is one of infrequency. Typically, the big push for donation mailings is done around Christmas; at the same time all the other non-profit organizations do their mass mailings. This creates competition for your supporters' money. Often, there are monthly mailers asking for donations of \$35 or more. People may become blind to them like junk mail and stop donating altogether, or still only contribute in December, which wastes time and resources for the organization.

At other times of the year, donations are received by creating events, like art auctions, fundraising events, dinners or even car washes. These take a lot of time to organize and they yield one-time income injections into your organization.

Some organizations spend a lot of time and resources writing for grants. However, there are no absolute assurances that the effort will actually yield a return. In tough economic times, such grant money often is lessened and more difficult to achieve.

The problem with all these fund raising activities is that they are dependent on the state of the economy. When times are tough, people's pockets run dry as they fear for their family's own well being. Foundations often have a limit on how much they can donate every year and, when there are more applicants, fund managers have to spread the love over more organizations. Furthermore, in a

Copy and distribute freely with credit.

traditional donation model, people are making sacrificial decisions of whether to give the money to charity or to focus on their own family's needs.

Fundraising occupies a significant portion of any non-profit's operations costs and time. These efforts ultimately take resources away from an NPO's core charter – to help the cause with which they are charged – and often increase their operational costs. This means less money is directed toward the cause and donors are often unhappy to see that a portion of their hard earned money is paying for bureaucracy and infrastructure.

Until recently, not many other options were open to a non-profit organization. With the help of technology, an NPO can now offer its supporters enhanced value and a different revenue model called micro-donations.

Micro-Donations

As the name suggests, a micro-donation differs from traditional donation models in the size of the money requested. The unique property of a micro-donation is that it asks donors for a very small amount, typically \$2 to \$5 every month to show their support in exchange for some sort of benefit. To most people, \$5 per month is not a lot of money – it's maybe two cups of coffee a month. Even during tough times, people are more likely to continue to support their favorite non-profit if it is in manageable amounts.

One of the advantages to micro-donations is that \$5 per month translates to \$60 per donor per year. People can afford small amounts per month, yet it adds up to a larger overall income because more people are participating in the program.

Typically, when someone receives a donation request in the mail, they often choose the lowest suggested price to lessen the immediate impact on their

Copy and distribute freely with credit.

budget. Let's say a supporter chooses the \$45 option. That's a one-time infusion of cash. The supporter ignores the other three to five mailers sent throughout the year and plans to donate again next December – if it's convenient. With micro-donations, the supporter agrees to a \$5 per month deduction from a credit card or debit card that benefits the organization all year in evenly dispersed increments. It calculates to be \$15 more per year than they previously paid and there is no opportunity for them to forget. The organization doesn't have to spend money on multiple letters, postage, nor the people and time to organize it.

This table illustrates the differences between traditional fundraising models vs. micro-donations.

Traditional Fundraising	Micro-donation with Social Networking
<ul style="list-style-type: none"> ➤ Infrequent – typically around Christmas or fundraising events ➤ Unreliable – recession dependant ➤ Sacrificial decision ➤ Low supporter benefit ➤ High cost of postage, raw materials and personnel 	<ul style="list-style-type: none"> ➤ Regular small donations - \$5/mo. ➤ Recession resistant & dependable ➤ Financing options ➤ High membership benefits ➤ It takes a conscious effort to cancel ➤ Spread across a larger donor base ➤ Heightened awareness of your topic ➤ It's automated so there's no postage, materials nor personnel cost

With a dependable revenue model using micro-donations, there are suddenly more financing options available to your organization. For example, if you can count on receiving \$1000 in donations every month, then if there is a need for a

Copy and distribute freely with credit.

short-term cash injection for a special project becomes apparent, you can now go to the bank to apply for a loan and be able to provide a reliable proof of income to show your ability to repay it. This option may not have been previously available.

A key ingredient to making micro-donations work is to offer your supporters something of value for their membership. One of the most effective rewards is to provide a place for your supporters to network with each other and have a voice through your private social network. Supporters devoted to the cause can connect with each other and trade their services or pool resources to aid the organization. Tote bags and return address labels are nice, yet there are far greater benefits in a social network to all involved.

Social Networking to Inform and Mobilize

When you connect your supporters in your own private social network, you are able to inform and mobilize your donors in a much more effective manner. Your members can now discuss issues that are important to your cause and connect with other like-minded individuals in the network. They can also find other people in their area and form local chapters much more easily than ever before. By creating a space for your supporters to communicate, you increase the level of community engagement and ultimately increase the awareness for your cause.

Because you have a way to directly send broadcasts to your members, it will be a lot easier to communicate and mobilize them. If you are launching a rally to heighten awareness for your specific cause, if an emergency occurs, or if a political bill is brought before a vote, it is easy to gather the support you need by quickly sending a broadcast to your list.

In addition to your base level donors, you can list multiple projects for which you are seeking donations. A donor who feels as though they have a say in how their

Copy and distribute freely with credit.

donation will be used is far more likely to continue to donate. You can also provide ongoing updates on the percentage of money raised toward a goal, if you wish. This will help generate momentum.

Advanced Revenue Models

With the right social networking technology, you could incorporate different membership levels – each with a different level of access. For example, you might have two levels of membership: a standard \$5 per month level and a \$40 per month sponsor level in which you allow the sponsor to post ads on your network. This way, you essentially create your own advertising network and receive money in exchange for providing leads and new clients to your supporters.

You might want to develop relationships with affiliated vendors to provide special member discounts for your people. If you are an organization that promotes natural health, and you have a relationship with natural health food stores around the USA, you might work out a special 10% discount card that you can offer to your members as a benefit for their monthly support.

You could also combine product shipment with your membership packages. For example, Nanacea.com sells a wonderful soy and gluten-free meal replacement program, is high in vitamins that retails for \$50 per month. Imagine if you negotiated with such a firm to provide special “at cost” prices for your members? Let’s say the cost of the product is only \$10 to you, and you offer this benefit for a \$50 per month membership program that automatically ships it to the member. You will keep the difference of \$40 per month and have provided the added value of a quality product worth the price of their membership. The options are only limited by your imagination. You can offer any other products this way as long as the product is of high quality and offers value to your community. Best still,

Copy and distribute freely with credit.

you can easily poll your social network to learn what they value most and arrange to offer it to them. The larger your community, the better deal you can arrange for them.

Added Help

To help you launch your own private social network, we've created a special step-by-step workbook you can download from our site at

SocialMarketingMan.com.

Chapter 12: Educational Institutions Applications

Recent U.S. government cutbacks send a resounding, and disturbing statement about the government's stand on education. This leaves many institutions of learning scrambling to meet their budget.

Traditionally, primary and secondary public schools rely almost exclusively on the state for their funding. Even private and university level schools received some government assistance. With the reduction in funding, educational institutions are now forced to adopt a "user pay" system. Within the last five years, the cost of a university education has risen anywhere from 30% to 50% in the U.S. In the 1990s, the average graduate owed about \$10,000 in school loan debt. Now that number is closer to \$25,000.

Instead of, or in addition to, battling politicians over funding, another more productive alternative might be to take the situation into your own hands and develop a solution that not only raises money, but also binds the community more closely.

Micro-Donations

It is said that it takes a village to raise a child. Instead of relying exclusively on state funding, forward thinking institutions could create a private social network using micro-donations to involve the community in addressing the needs of educating its children.

Rather than asking kids to sell chocolates and magazine subscriptions door to door (which they dread), or ask their parents to recruit buyers from work, why not take a simpler road? A school could have students send emails to relatives and family friends asking them to donate just \$2 to \$5 per month of support. This

money will go directly to the school to purchase sports and band equipment as well as library books and computer upgrades.

To most people, \$5 per month is not a lot of money – especially if the supporter knows where the money is going and can see and hear direct results. For the price of a soup and salad lunch every month, the supporter can see new safety equipment in the athletics department, hear of a new language class and know that the band has six new instruments. These are tangible results that are shared with the community.

A small donation of \$5 per month translates into \$60 per donor per year. Because more people can afford to support your organization at a smaller monetary level, you should receive an overall larger income because more people are participating in this program. Ideally, this micro-donation technology would be tied to an institution-specific private social network.

Institution Specific Private Social Networks

Kids are on the Internet all the time. They are very comfortable with technology and want to be able to connect with their friends wherever they may be. Proof is demonstrated through the success of Facebook and MySpace – which started as pre-dominantly student used applications. However, Facebook and MySpace do not provide a space specific to the students of your institution. The advantages of creating an institution specific private social network are:

- **Safety and Control** – You can monitor who joins your network and appoint student volunteers to monitor content within acceptable guidelines. This also makes it easier to guard against unwelcomed guests that may try to join your network.
- **Brands You** – Instead of directing students to Facebook, your kids could all go to the “Central Specialtown High Network,” for example.

Copy and distribute freely with credit.

- **Revenue Tie-in** – You can link in revenue generation models using micro-donations with your network that you couldn't do with Facebook.
- **School Specific Event Calendar and Registration** – You can have an event calendar as well as allow students and parents to register (and pay for) events such as sports and theater tickets.
- **School Specific Classifieds** – Offer a place for your students to exchange used textbooks, sports, music equipment, etc. Craigslist is a great general classified system, yet not suited to very specific audiences.

When tied with a micro-donation strategy, this creates a powerful combination that both generates additional income and increases student and community benefits. The key factor is that the institution receives the money directly, rather than the district or the state, which gives the institution more control over how that money is spent. Who better knows what the students in a community need than that community? Imagine if you could set aside specific money to fund scholarships or to help under-privileged kids?

Online Education

A school specific social network online allows a place to offer extra-curricular courses to existing students, a space to download assignments and course workbooks, and a gathering area for study groups. It also enables offering community courses at a price and it provides a place for the locals to read about your institution and what's happening, thus fostering community support.

Fan Gear Revenue

We've already mentioned using a social network to generate student revenue, yet there are so many more possibilities. You can sponsor the resale of used materials into the community and offer a storefront from which you sell school sweatshirts, notebooks, caps and other gear. Imagine offering an autographed photo of your winning sports team for auction? The proceeds could go a long way to supplying needed materials for their next year.

Alumni Connection

If done correctly, an institution-specific private social network is a great way to help your alumni connect with each other. They will have a place to update their profiles and pictures so their classmates can locate and stay connected to them. This also makes class re-unions much easier to organize.

Once your students start relying on your private social network as a valued resource, it is easy to transition the usage into a post graduation alumni tool. Not only can alumni maintain connections, they can be a valuable resource to advise current students about career options and general community involvement. This enhances the value of your network and increases engagement between your students and with the community. Alumni can post job openings, mentorship and apprenticeship opportunities, or work experience openings within this network as an added benefit.

In addition, you could charge a modest fee (\$2/mo., for example) for providing this space for your alumni... and generate an additional source of revenue for your institution. When you add together all the alumni who graduate from your institution, this number could quickly become a substantial added source of income.

Copy and distribute freely with credit.

Community Involvement

The most compelling reason for a private social network for an educational institution is to increase community involvement. You will create a place for the school to communicate with the families of students, to inform them of last minute notifications and events such as room reassignments, class cancellations, school closures due to weather or other conditions, plays, graduation ceremony dates, pageants and sports events. With a social network, parents and the community can find out what is going on and be more involved with their children's education.

With the right technology, you could offer higher priced monthly programs for commercial vendors to post advertisements within your social network. For example, a local food merchant could pay \$100 per month to advertise on your social network site – and you have complete control over all advertisements. You can be sure everything is local, legitimate and appropriate. This also opens the door for more wealthy donors from the community to support your institution on a regular basis, as well as making it easier for you to communicate with your donors.

Added Help

To help you launch your own private social network, we've created a special step-by-step workbook you can download from our site at

SocialMarketingMan.com.

Chapter 13: Association/Clubs

If you operate a professional association or club, offering a social network adds tremendous value to your members, as they are able to heighten their engagement with each other.

Enhanced Member Benefits

You can use a social membership to enhance communication and create a repository of shared knowledge for your members. By using the right tool, you could restrict access to members' only areas for paying patrons. If you are a Chamber of Commerce, your members typically have very little time at public meetings to tell the other members of your network what they do. Often, members are invited to breakfasts and are only afforded a 30 to 60 second pitch about themselves. On a social network, each member has their own detailed profile and time to write in forums, engaging in conversations with the community. Member businesses can post ads within your network to expand their customer base and even create small infomercials to post with their ads or profiles.

The social interchange between members is a great way to enhance community. They can form local chapters and locate other members by sub-industries and professions within your network, ask questions and seek advice from each other, forge joint ventures and make referrals to others. New businesses to the area will find it easier to integrate into the community and it will enhance the local economy.

Enhance Knowledge Exchange

A social network allows the creation of a resources area to benefit your members. You could provide a useful guidebook showing businesses how to find publicity, recommended vendors in the area, a wholesale vendors list, or a local media contacts list. In providing a common and convenient place for your

Copy and distribute freely with credit.

members to access your knowledge base, it enhances your membership benefits and ultimately helps you grow.

Enhance Communication – Have a Common Voice

By creating a space for your members to congregate, communication flows naturally. It's a place where you can encourage them to be more engaged with your organization and the issues that are of common interest. Practical, political and procedural topics that affect your industry or community are easily broached and discussed. With the right tools, you can easily publish your organization's event calendars and allow members to register right from your social networking site.

Reduce Overhead

You could combine the social network with a membership fee system in one. With automatic online reminders and registration, you lessen postal, paper and personnel expenses. You could change your fee model from an annual fee to a monthly fee automatically deducted from a credit card so that members will come to expect your charge monthly rather than having to pay on an invoice. Monthly membership fees allow regular, even income throughout the year. It becomes money you can depend upon rather than feast or famine periods.

Added Help

To help you launch your own private social network, we've created a special step-by-step workbook you can download from our site at

SocialMarketingMan.com

Chapter 14: Network Marketers

This chapter is geared toward leaders of a network marketing company, rather than the network company itself.

If you are a network marketer, you know that your network is far more valuable than your product or the network marketing company you work with. Oftentimes, public social network sites have rules that prohibit use of what is known as a genealogy report, or down-line list. However, if you have your own social network, should you switch to a different company, your readers will know where you are and will be able to continue following you. As an independent contractor, properly utilizing a social network provides you with the immediate ability to seamlessly transition, should you choose, to another company. This places the list in YOUR hands, not your company's. It's hard for a company to claim YOUR social network is THEIR trade secret. Instead of reinventing the wheel should you decide to switch companies, you are in a position to shift while you continue to gain momentum and increase your down-line exponentially. Once you reach a positive growth matrix where your network is growing faster than attrition, you have an automatic moneymaking machine.

A social network is a finely tuned engine that constantly facilitates the growth of your network. Each and every day, your army of network marketers can grow, thus making you more money. You can even invite people who aren't network marketers to join your network. The surrounding atmosphere of people making money is a positive environment and there are always opportunities like providing leadership, sales and other industry specific training right within your social network and have it accessible by anyone who pays your course fee.

When you are a network marketer, you need to highlight your products. If people have ready access to your online information, you can regularly direct people to

Copy and distribute freely with credit.

your social network which will include featured products, what's new and an FAQ (Frequently Asked Questions) section.

How much time could you save if you were to pre-pitch prospects with your social network, have time delayed training content, and then have a series of automated training coaches to which prospects could turn? You could almost make yourself 100% redundant, couldn't you? With an initial investment of time to compose and tweak the system, you could channel your efforts into other aspects of your business while the network system diligently works for you.

Part 3: Social Networking Success Strategies

In this part, we discuss how to achieve key objectives to grow your business and how to make money from your social membership website. The term “monetize” is used by marketers to mean “make money” from a website, product, or idea. By owning an active social network, you can monetize your business easily and automatically.

We will also cover a critical success strategy: customer retention. Imagine a sieve. Sand is poured in and some sand flows immediately out of the holes. Your wealth is measured by the amount of sand you retain. If sand flows out as fast as it is poured in, then you have no wealth. If you can figure a way to block the outflow, then you will increase the amount of sand retained... thus increasing your wealth.

Chapter 15: Key Business Objectives

Given the failure of traditional marketing's effectiveness, how does one use social media to achieve their key business objectives? The answer is threefold. Social media allows you to:

1. Increase Your Reach
2. Lower Customer Acquisition Costs
3. Generate Residual Income

Goal 1: Increase Your Reach

One of the most valuable characteristics of a social network is its ability to grow exponentially through friends referring friends. As a result, you have a viral growth model to expand your reach without needing to spend money on advertising. Essentially, you've created a cost effective, endless lead generation system. A good social networking site will invite new members to write a personal note and upload their address book, thus offering their friends and contacts the opportunity to join. As you can imagine, this is a powerful and efficient way to increase your reach.

Unlike affiliate marketing, this referral technique is based on leveraging existing relationships rather than sales. People buy from those they know, like, and trust. By leveraging on your existing members' credibility and trust, new members will join your network. This gives you an initial degree of trust, and allows you the opportunity to earn even greater trust while letting them know more about you, your brand, and your passion. It is, therefore, your job to solidify that relationship by creating an environment and culture of value and trust within your social network.

Since some people hesitate to give away their associates' email addresses, you might want to use an affiliate tracking system as incentive. With an affiliate

Copy and distribute freely with credit.

program in place, the people who refer friends into your network will receive monetary compensation should those people buy from you or join your membership system. If you are willing to offer monetary compensation, you motivate people to market for you. An affiliate tracking system keeps account of who is referred from whom and how much they buy. A really good system will notify you of who has earned affiliate referral money each month so you can easily write them a check, reduce their membership fee or send them free products. Once they see tangible benefits, your existing members will become your greatest sales force. All you need do is provide the proper incentive to answer the question, *“Why should I tell my friends about you? What’s in it for me?”* Master this, and you will master your lead generation system.

Goal 2: Lower Cost of Customer Acquisition

With the failure of advertising, the cost of customer acquisition is increasing. Through the clever use of social marketing and affiliate tracking, you can build an environment that encourages clients to refer their friends to your business. As a result, you can lower your cost of customer acquisition by only paying commissions for sales, thus dramatically reducing your risk of upfront advertising costs. This results in a commission-only, virtual sales force. In offering a free gift of great value or a percentage of referred sales, you promote community and increase the value when potential customers interact with other paying customers. It’s like having an army of testimonials encouraging and validating the purchase of your product or upgrade to a higher level of membership.

If you are an author, blogger, podcaster or network marketer, when you make media appearances or conduct tele-seminars, your recruitment ratio is 1:1. If someone sees your message and decides to agree to your offer for a free gift, you are only earning that single client’s eyes. Through using social media, you can magnify this response. As we’ve outlined earlier, social networks allow

Copy and distribute freely with credit.

individuals to refer friends to join your network. Friends will refer friends, who then refer more friends and consequently amplify your response from 1:1 to 1: many.

A naturally occurring phenomenon of a social network is the development of local groups. This local group can be geocentric or it can be “tribe” based – centered around a particular area of interest, for example. This migration toward even more specific common interests builds stronger bonds and solidifies your community. With such strong relationships, your network will last and grow.

Another advantageous feature in a social network is an advanced member search where prospective members/customers can search for recognized names or testimonials. No matter what, if someone is browsing today and buying tomorrow, it’s better to have them inside of your social network than outside of it. By establishing yourself as an authority and providing them with individuals who will reinforce their purchase desire, you are taking advantage of virtual leverage.

Your regular contact with your network allows you to nurture your community and to keep the flame alive within your base. The environment of a social network takes some of the pressure off of you as your network becomes its own entity, growing in size and effectiveness. Message boards and local groups form and, through a community, people are able to help each other without relying solely on you.

Goal 3: Residual income.

Traditional businesses are based on a transactional business model and membership sites are based on a residual business model. A transactional business model buys DVDs and sells them whereas a residual business model buys DVDs and charges a monthly fee for people to borrow them, like NetFlix.

Copy and distribute freely with credit.

There are many advantages of having a residual business model membership website. Some of these include:

- **It Breaks Rapid Customer Turn-over**

Instead of spending money chasing new customers month after month, you can focus on servicing the clients you currently have. It is easier to sell to people who have already opened their wallet to you than to someone brand new. Remember, people buy from those they know, like, and trust. Selling to your existing customers is easier because they already know, trust and, hopefully, like you. Of course, you will want to bring new people into your network through marketing, but this will give you a base of dependable income.

- **It Breaks the Product Creation Cycle**

Instead of introducing product launches month after month to encourage your clients to buy the latest product or the latest product upgrade, you can focus on adding value to your members and network. This also means you do not have to sell constantly.

- **It Breaks the Never-ending Event Churn**

Some businesses promote seminar events, day in and day out. This is extremely taxing and involves extensive travel. By bringing people into your private social network and providing them with great content, you not only create residual income, it also facilitates the launch of mega events. You can encourage your existing members to sell tickets for you by paying them affiliate fees, filling the room with qualified potential members and may, as a result, only need to hold these events once or twice a year.

- **It Breaks the Hard Sell**

Instead of constantly promoting products and inducing “social fatigue” in your list, you can reserve promotions for only the very important, more profitable opportunities. People don’t like to be constantly “pitched.” A residual income business model allows you to earn a healthy living without cheapening your brand through constant joint venture marketing.

- **It Offers a Reliable Continuity Loop**

As long as your value exceeds the cost of membership, continuously, you will have subscribers paying on a regular basis. When you have a solid continuity loop in place, your base income will take on a more reliable monthly format. You will have regular income and maintain the advantages of one-time sales or additional profits from other sources.

The residual business model earns you a base which not only knows, likes and trusts you, but adds a fourth dimension – a base which **expands you**. You will be able to offer additional products by tapping into this base and asking what they are thirsty for, then offer it to them. With a multi-tiered approach focusing on membership and products, you are diversifying your income streams through the loyalty of your base.

Chapter 16: Monetization & Membership Fees

The great thing about most big social networks is they already have a lot of people using their site. You can tap into the mass of people and draw them to your own profile. There are, however, four vital areas where those public networking sites fail:

1. Making Money for You
2. Branding You
3. Creating Reasons to Stay
4. Providing a Financial Incentive to Grow

Making Money

Companies like MySpace and Facebook rely on advertising from millions and millions of page views to make money. For the advertisers who spend money advertising on these networks, it is a branding exercise where the results are often not traced back to a direct ROI. Unlike traditional direct response marketing, branding campaigns have very little accountability. If you are Coca-Cola or Ford, this might be a good way to flash your brand in front of your clients, but for the average information marketer or non-profit organization, this is simply not practical. It works for Coca-Cola because we already know them and have an opinion about their products. It might merely serve as a subliminal reminder for us to grab a soft drink, yet it certainly can't be tracked to see if any sales result from the advertisement. It's not money well spent.

Did you know that, on average, Facebook makes less than \$2.50 per user per year? Imagine if you have a social membership club that charges only \$1 per month per member... you would be far more lucrative than if you used Facebook's strategy.

In a good social marketing strategy, you need 3 key components:

Copy and distribute freely with credit.

1. Social networking and viral growth capability
2. Membership technology to create residual income
3. An integrated affiliate tracking system that financially compensates users for referring their friends to your network

As described in the previous chapter, by combining the power of both a social networking and a membership billing system, you can create a more reliable revenue stream for your business or movement. A problem for most membership businesses is that they aim for a short-term profit maximization strategy. The more productive and effective strategy is a long-term value creation strategy. The differences are illustrated in the below table.

Short Term Strategy	Long Term Strategy
<ul style="list-style-type: none"> ➤ Immediately charge for membership ➤ Higher monthly fees - \$20 to \$100/month ➤ Provide all content at once (which tends to overwhelm the users) ➤ People stay for 1 to 3 months to read all the material, then leave ➤ Hold another event to bring in new people to cycle through the system ➤ High pressure sales to urge members to buy the next product 	<ul style="list-style-type: none"> ➤ Invite people in as free members with limited, yet valued, access to entice them to become a paid member ➤ Smaller monthly fees - \$5 to \$10/month ➤ Provide Just-in-Time information to keep people returning for more ➤ Increase the benefits with the duration of membership ➤ Provide ongoing development and personal growth tools for its members ➤ Potentially longer term clients ➤ Create a community where people return to forge common bonds with each other ➤ Create an affiliate program for incentive where happy members recommend products to new members

Increasingly, a case can be built that asking for less actually makes you more in the long run. Think of iTunes and their 99¢ music. It costs iTunes to license the music, yet the low cost to users entices larger numbers of people to purchase.

Copy and distribute freely with credit.

iTunes makes far more money in sales than the cost of the license and the price is low enough that people don't experience buyer's remorse. While people may hesitate to spend \$20 on a music CD, they often consider 99¢ well within their impulse spending means.

Of course, the best course is always to test the theory. Run a special promotion with a low priced offer and another with a regularly priced offer and compare your conversion rate.

Branding You

As we discussed in Chapter 9, it is important to create your own private network so it brands you. Massive networks like Facebook and MySpace are not designed to brand you, they brand themselves.

To have a central location where your customers and followers can discuss their experience around your brand is more important than ever in this period of the empowered consumer voice. Without a place for your customers to voice any dissatisfaction, they will simply go elsewhere and do it. Ultimately, customers want to be happy with their purchases. The reason to complain about them is to attract enough attention that the problem is either fixed or vengeance is wreaked. If a dissatisfied customer makes waves in your very own network, you can quickly turn them into a happy customer before the eyes of all. Now that's great press for you and your brand.

Barak Obama created his own private social network for his supporters, which made it easy for them to organize local chapters and communicate with each other, as well as between Barak's organization and his followers. He couldn't have done that using Facebook.

Copy and distribute freely with credit.

Reason to Stay

If your users have no reason to return, your site is going to suffer attrition. No one wants to stay long in a ghost town, people would rather visit a vibrant and active community. What reasons are you giving your users to return to your site?

Some possible reasons to return include:

- Weekly conference calls and updates from you.
- Regular new content released.
- Special guests, tele-seminars and webinars.
- Giveaway prizes for the most active contributors.
- A regularly updated event calendar.

This is a very critical part of your social marketing strategy. When selecting a solution, be sure to choose one that has a built in exit poll that asks why users leave your network so you can address their concerns and keep them in the future.

Financial Incentive to Grow

Let's face it – money talks. A good way to accelerate the growth of your network is to pay your members to refer their friends to join your network. This works particularly well when you tie your e-commerce into your social network.

Imagine if your network program allowed members to buy products from the same platform without going outside your social networking site? If your social network has a built in affiliate tracking system where, when members refer other members to the network and that new member pays for something, the referrer receives a commission. In other words, you pay your members for their referrals. When their friends buy from you, they are paid. Great value keeps members while paying them turns them into the best sales force you could imagine.

Copy and distribute freely with credit.

If you are an author or club, you might consider giving your fans a financial incentive or points toward merchandise when they refer their friends to join your club. Non-profit organizations may want to give free tickets to fundraising events or mention referring members' names in their newsletters. Find out what your supporters deem valuable and offer that to develop an unbeatable sales force.

You can give or earn commissions on any or all of the following:

- Products
- Membership dues
- Events
- e-Courses

When someone already believes in your products, they will passionately represent them to the people in their lives. When a friend buys a new car or stereo system, do you instinctively find yourself curious and asking questions? Once asked, people will wax poetic on the value of their new purchase. More often, before you even have the chance to inquire, they are already bragging about their purchase. People naturally make recommendations. By incentivizing the recommendation, you are solidifying the relationship with them and they will close the sales for you with ease.

Chapter 17: Ten Compelling Reasons to Own a Social Membership Website

It's a matter of survival.

As of this writing, we're entering a period of recession in the United States. Recessions are difficult times for everyone. If you take this opportunity to re-engineer your brand/business to flow with the economy, you will not only survive this recession, you'll be even stronger when the economy recovers.

If you are a non-profit, donations might drop. To be dependant upon people's goodwill when they are trimming their spending to keep food on the table puts your organization at risk. Even traditionally big donors are hit by hard economic times. Many businesses are either closing or laying off employees. Monthly micro-donations in painless amounts could be the key to your continued contribution to your cause.

If you are a school, you might want to offer additional value to provide more ways for your students and alumni to be engaged and to more efficiently fundraise. Oftentimes, alumni and postgraduate support can be of great mutual value for incoming students. Can you find a way to use a social network to not only increase your alumni loyalty and engagement, but also increase revenue?

If you are an existing business, re-engineering the way you sell to, as well as interact with, your customers could separate you from your competitors. We mentioned earlier the five-year-old company, Blendtec, that uses social networking of funny videos to market its high-end blender. That new company now outsells Vitamix, who had been the foremost manufacturer for 70 years. Can you take advantage of social marketing to grow your business?

Copy and distribute freely with credit.

There are a growing number of marketers who are realizing the power of owning a membership business for its residual income. In a traditional transactional model, unless you have another product to sell to your customer, they are no longer paying you money and, as a marketer, you have to charge a high upfront cost to compensate for that. By operating a membership website, you can make your product a lot more affordable to a lot more people. Consider this: instead of charging \$99 for your information product, try charging only \$14.99 per month for people to access your portal where the information is presented in digestible parcels. By charging a lower fee on a regular basis, you raise your price to \$179.88 for the year, you will have broken even in seven months, and the rest is pure profit.

Here are the ten compelling reasons to consider shifting to a social membership business model:

1. It's a Business in a Box.

It's like owning your own cash machine. If you set your site up to encourage user-generated content, your users will create additional comments and articles while you benefit from their experience and membership fees. Users appreciate there being a space for them to network with each other. You should set a standard of volunteer/user moderated content where your moderators may receive special benefits from you, like priority access to other content or being able to attend special events hosted by you for free.

With the proper marketing and membership site infrastructure, it could even grow on its own by encouraging members to refer other members to your site and paying commissions for those referrals. This cuts marketing costs and increases your profits, as well as putting your business on autopilot.

Copy and distribute freely with credit.

2. Residual Income

With your users paying you month after month for the many benefits of being a member, you will receive a residual income from your membership business. This changes your business model from being strictly transactional to one that focuses on bringing ongoing value and developing a deepening relationship with your clients.

What this ultimately means is that you can now focus on delivering good products and continually adding them to your membership site. The people who stay in your club will benefit from your ongoing product creation. You no longer need to re-sell products to them, for they will be excited about the new ones as you present them. Consider the beauty of this model. Everyone wins. You win by earning money and notoriety, your clients win with great products and content and your affiliates win by receiving residuals paychecks.

3. Residual Commissions for Your Affiliates

A question: would you rather be paid one time, upfront, for your referral, or month after month? Most people would rather be paid month after month because it is less work and more money in the end. If you can provide a residual stream of income for your affiliates, they will love you. They will be more inclined to cross-promote your products to their people. In fact, if you can say, "I've been paying Bob \$10,000 a month for the last three months because he sent a broadcast to his list for my program," you are going to spark people's attention.

4. It Strengthens Your Brand

Fans need a place to hang out. Whether you are interested in Internet marketing, knitting, or coin collecting, you want to be with other people in your

Copy and distribute freely with credit.

special niche. People like to network, share ideas, get feedback, help others and be helped. It's human nature.

By creating a space for people to talk about your product/brand/company, you strengthen your brand, your customer loyalty, and you create community. When you exhibit good customer service and have a good product that you stand by, people will sing your praises. Invariably, in any business, you are going to encounter the occasional bad apple. Should that person complain about you in your membership area, others will likely come to your defense – all without you having to lift a finger. That's powerful.

5. Deliver Value to More People

If you operate your business on a consulting basis, you are trading time for money. You might charge \$10,000 per hour, but as soon as you stop working, the money stops flowing into your coffers. By operating a membership site and systematizing your information, your clients can help themselves and each other. This way, when they want to talk to you directly, you can charge a lot more for your time. Operating a membership site also establishes you as an expert/authority on your subject matter.

6. It's Easy to Create a System

There are literally millions of things that need attention when operating a business. Wherever you can automate and systematize your business, you can save time and money. By consolidating all your information into one easy to use place and automating the process, you can streamline your efforts and build a harmonious, lucrative operation. In creating operational procedures and manuals to pass mundane maintenance tasks to volunteers, assistants or secretaries, you free your time to do other more important tasks, including spending time with your family.

Copy and distribute freely with credit.

7. Multiply Your Value Proposition

When your clients come to your social membership site, your entire network of people is available to them. They have the opportunity to find people by location, common interest, find advice on specific topics and share ideas... this gives your network tremendous value. People join your membership site for the content YET THEY STAY FOR THE COMMUNITY. This is a critical factor in fighting membership attrition.

In your network, your members can find mastermind partners, joint venture partners, accountability partners, clients, investors, business partners, and more. This is so much more than merely selling a product.

8. Product Research

Do you want to launch another product but you're not sure if it's going to work? Ask the people in your social membership site. Invite them to participate in the creation process so that the product launched will be exactly what they want. Your members are a valuable product development resource. Pay attention to their frustrations. What's not working for them? What is that "magic wand" that will cure their pain? Without tapping into a community, it's a lot harder to learn what your people like and don't like.

Perhaps there's a feature of one of your products your clients don't like. How would you know about it without having a place for them to voice their opinions? This is an opportunity to continually improve your products and offerings by using your very own focus group.

9. Stellar Testimonials

In an age of decreasing trust, people want proof of success. In your social network site, you can highlight and showcase success stories from your members. When you ask for testimonials, your members are usually far more eager to reply than if they were a one-time buyer.

10. Survival

This is your opportunity to re-engineer your business and leapfrog over your competitors to be an industry leader. Take advantage of the first mover advantage and develop a solid, loyal social community. Once you are branded as the industry's leading club within your niche, others are always too busy chasing your lead to innovate and surpass you.

This is classic example of “evolve or die.” The social networking movement has changed the way people communicate. The businesses that change and take advantage of this will thrive; those who resist may be left too far behind to survive.

Health Related Non-Profit Clubs

If you create a membership site that specifically benefits health related issues, you may be entitled to receive special SIGNIFICANT financial grants from the government. For example, a support club for those with cancer or family members of Alzheimer's sufferers offers comfort, support, and success strategies. These communities offer tremendous value and may be eligible for aid.

For more information, check your State or Federal government websites.

Chapter 18: Retaining Members and the Cost of Disconnect

One of the biggest pains of operating a membership website is customer attrition. It happens quite often. Excited people pay money to join the site, stay for a month or two, download or print all the valuable information, then quit once they have what they want. A lot of research has gone into why people choose to discontinue their memberships. Though the reasons vary, there is a method of increasing membership retention by using a process called Cost of Disconnect.

If your business exists to ease a pain for your client, then the Cost of Disconnect is the pain they'll feel if they decide to leave. To illustrate the importance of the Cost of Disconnect, let's look at a client of ours in the real estate leads business. Members pay a high entry fee to join the network and are sent a comprehensive, value rich welcome packet that includes real estate investor signs, business cards, fliers, and their own toll-free phone number. After a few months, some of these investors call to cancel. Here's a sample dialog of a cancellation call:

Client: I want to cancel my account.

Rep: So you no longer want to be an investor? I will be glad to terminate your account.

Client: No. I am a real estate investor; I just don't want to continue with this service.

Rep: Sir, once I cancel your account, the signs you bought, the business card you have, and your dedicated 1-800 phone number will no longer work. Is this what you want?

Client: Well, ummm...

Rep: Sir, I will be glad to cancel your account. I would just like you to say, "I no longer want to be a real estate investor." Once I cancel your account, should you decide to rejoin, you will need to repay the \$X sign up fee.

Copy and distribute freely with credit.

Client: Well, never mind. I will keep it for another few months and see what happens. *Click.*

In your social network, is there a Cost of Disconnect? If not, you should build that into your plan. In another example, those popular massive online gaming companies, like World of Warcraft, charge a monthly fee for people to access their universe and play the game with other people from across the world. Users happily pay a monthly subscription to maintain their membership for months, if not years, after they've lost interest in the game for fear of losing their characters. They've invested hundreds of hours on their character and don't want to lose their investment. When they cease to pay, all that time and effort disappears, so they continue to pay. That is the Cost of Disconnect.

Sample Costs of Disconnect

Here are some examples of Cost of Disconnect you may want to include in your social network:

- **Special member pricing.** Offer one product price for the general public and a special price for your members. If they disconnect, they will no longer enjoy the special benefits of your membership.
- **Special member pricing for other products.** Negotiate special pricing from other vendors leveraging the bulk volume purchasing power of your network. This way, you provide your members with discounts from other networks, too.
- **Insurance Benefits.** Many health insurance and discount plans will offer discounts to members of a club. Once your members join, they will be entitled to join the insurance group. This means, if they discontinue their membership, the Cost of Disconnect is the discontinuation of their insurance benefits.

Copy and distribute freely with credit.

- **Membership to other networks.** Negotiate with other membership sites to cross promote and mutually support each other. Be sure to select a complimentary network. For example, if you are an Internet marketing guru, you might want to have a joint relationship with a copy-writing membership club. In joining your network, your members could automatically become members of the other network, with all the privileges of both. You are able to offer the additional value of two networks for the price of one.
- **Ongoing training.** Send your members regular weekly or monthly trainings to help them to that next step. If they disconnect, they miss out on earning that degree. Have a system where content is time-released over the life of the membership.
- **Charge your members a special sign up fee.** Give your members a huge value for their membership by sending them a welcome packet containing membership dependant benefits such as business cards, a toll-free phone number, etc., that are no longer valid without membership. If they discontinue and want to rejoin your network, they will have to re-pay their sign up fee.
- **After a certain “pre-qualifying” period, your users can obtain access to an “elite” club.** Studies show that most people drop memberships after three months, so we suggest your pre-qualifying period be longer than that. Perhaps this level of membership gives personal access to you, access to other bonus areas, or course materials. Use your imagination.
- **Friendship and a private network of friends will be lost forever.** Jay and Sterling from *Internet Business Mastery* state it succinctly, “People join our network for the content, but they stay for the community.” You should foster a culture of mutual support, teamwork and collaboration within your community. Help your users form local chapters, mastermind groups, and other bonding exercises to strengthen your community. Once

Copy and distribute freely with credit.

these bonds are built, members would feel the loss of being disconnected to your community and, thus, they would naturally want to stay longer.

Caution - Some people use choose to make it difficult for clients to discontinue their service. Unless you have a good reason or strategy, you are only going to frustrate your clients. A simple click, an email with an exit poll or a phone call with an operator to ask why they are leaving will be far more effective to your bottom line and your social capital will grow.

Chapter 19: Ten Secrets to a Successful Membership Site

Here are ten success strategies you should consider when making your own membership site.

1. Create a Community

While your customers may initially join your membership site for your premium content, give them more than what they bargain for – surround them with a community. **People join your community for the content, but they stay for the community.** This is especially true if you are actively involved in building a caring and supportive community. Attrition is the #1 enemy to operating a membership website. The more community energy and culture you build, the less attrition you will experience.

Help your members find the support they need. Encourage new members to ask questions and old members to help new members feel welcome. Perhaps you could encourage existing members to post a “Welcome home” greeting to all new members to foster a sense of belonging. Anything that encourages interaction and stimulates conversation is a boon. The more you can help them get to know each other, the tighter the bond and the longer they will want to stay.

Facilitate the organization of local meet up groups and encourage your members to form their own mastermind groups. When you provide easy ways for them to have "sideways" communication with each other, you will deepen bonds and increase their content contribution to your site.

Seed your community with key customers and vendors. This is crucial in the beginning to build critical mass and content. Give key members deep discounts,

Copy and distribute freely with credit.

or even free memberships, for their name/brand/content/contribution to your network.

2. Provide A Step-By-Step Guide

Oftentimes, when you join a community site, it can be overwhelming. There's usually so much content that people become easily intimidated, freeze or avoid returning to the site. Display your content in an easy Step 1, Step 2 format. At the very least, give your members a "Getting Started Guide" and make it obvious where to go first. If you're teaching a course, it's often helpful to provide your members with a week-by-week guide, a workbook or some way to keep progressing.

If your site has technology to restrict access to content until a certain number of days/weeks has elapsed since the member has joined, all the better. This content restriction is actually good, as it does not overwhelm your clients and keeps them on your membership site for longer.

One of the most prevalent reasons people leave community websites is confusion. When people are confused, they disconnect and when they disconnect, you've likely lost them. If the site flows, has a simple plan and is filled with interesting content, people stay focused and spend a lot of time there. Keep it simple and elegant.

3. Create a Clear Procedure Manual and Systematize Everything

Document your process. Systematize your operation so that other people, such as virtual assistants and employees, can follow your process unerringly. The idea behind creating a membership website is to create residual income and remove you from the day-to-day work. By documenting how you create content, how you create events, how you moderate inappropriate posts (and moderation

Copy and distribute freely with credit.

guidelines for your employees/volunteers to follow), you make it easy for your assistants to continue without you so you can move on to more strategic matters. Start the practice of documenting early so it doesn't become overwhelming. Most of the time, it's merely a matter of making lists. Create a schedule and stick to it.

4. Be in Integrity

Deliver what you promise and more. Rise above the mediocre and delight people with the "Wow!" Your business grows quickly and organically when their experience exceeds their expectation.

Do what you say you will do. This may be obvious, yet you'd be so surprised how many people in business fall short of this. If you can't deliver what you promised, then be honest about it – don't give excuses. The only way to succeed in this era is complete transparency, otherwise your people will talk and negative news will spread. In this age of low trust, your customer has already shown considerable good faith in deciding to do business with you. They are giving you an A score, and it's yours to lose, so don't waste it. Aim, instead, for the A++.

5. Provide a Resources Page

Include your Rolodex of vendors, clients, resources, websites, tools, etc., that your people will need to be successful. There have been so many conferences where the list of websites people shared was well worth the price of admission. You can offer a local media contacts list, where to buy goods at wholesale, include instructional videos, offer a list of websites/tradeshows to promote your products, activist outlets, volunteer opportunities... whatever benefits your members. If you don't know, ask them what they want and provide it.

6. Copy Best Practices

Join other people's community sites. Don't be judgmental or defensive, keep an open mind, learn and see what other people are doing that you like and dislike. Ask questions. Remember, if you copy what successful people do, you will achieve the same results as those successful people. It's called mirroring.

7. Mix Up the Content

Provide your content in a number of ways. Use videos, podcasts, as well as writing. Some formats work better than others in different applications, so try to cater to most people's needs. Offer plenty of on-site reading, printable lists, articles, and audio and video components to make it easy for people to receive the information in whatever format is best for them.

If you are a gardener, then filming may be best to show your techniques. Don't get caught up in the technicalities of production quality, people are very forgiving (within reason) if the material covered is valuable. Buy a simple video camera and spend your time and money focusing on the content.

If you plan on giving instructional content and explanations via a notepad to illustrate concepts, you might want to use a LiveScribe pen. For examples of this in use, come to socialmarketingman.com. This pen allows you to scribble on a notepad and records what you say while you write. This is then transferred to your computer and can be replayed as a movie. It's a handy tool to create content quickly.

If you are showing people how to use tools online, then a Camtasia video might work better. If you use a Mac, try we recommend ScreenFlow (www.telestream.net/screen-flow/overview.htm).

Copy and distribute freely with credit.

You may also want to create Mp3 podcast versions of your instructions. Podcasts are simply audio files that, when downloaded to a portable device, fill your members' time on walks, during their commute and while washing the dishes. You can still connect with people, teach courses and spread your message when reading or watching a video is impractical.

8. Highlight Success

Congratulate and praise success stories from your members. Give them the spotlight and allow them to submit stories about their success. Interview outstanding members and highlight the audio for others to hear. Success breeds success. Your members will want to know that other people just like them made it happen. Have an area on your site that spotlights success strategies from your members and encourage people to congratulate and emulate them.

9. Keep It Fresh and Exciting

No one wants to join a boring, stale site. Regularly add content, updates, and additional field research to your site. Invite special guests to write articles and contribute their expertise. Better still, host regular members-only tele-seminars/webinars with that guest and allow members the opportunity to ask questions. Launch competitions and challenges for your members. Raise the bar. Push your people to be better and encourage your users to generate their own content in the true spirit of Web 2.0.

10. Membership Has Its Privileges

Fundamentally, the bottom line is, "What's in it for me?" To keep your members excited and interested about your site, you have to earn their attention. Why should they spend their precious time on your site rather than with their families?

- Give your members special discounts to your products – haggle special discounts from other vendors to present to them.
- Offer a meet-and-greet event for your members because people of like minds automatically build synergies. Just provide a venue and allow the magic to happen.
- Offer a place for your members to access you... a place they can ask you questions and where you commit to answering. You can do this on a social marketing site without giving them your personal email address.
- Encourage your members to give each other members-only discounts to sample or buy each other's wares. You could even create a Joint Ventures room for members to cross-promote their products to each other's lists.

Conclusion

Remember, there may be other products out there, other gurus, other places your members can spend their time, but they have decided to invest their time with you. Respect that. Give them a compelling reason to join, and an even more valuable reason to stay. Build a community where people learn to trust and rely upon each other. Construct a community where people forge ties, enhance each other and you. Like any other businesses, owning a membership site is an investment. The more you invest in time and love, the more it will grow.

Copy and distribute freely with credit.

Part 4: Putting It All Together

Rolling out a social network and membership site is a serious undertaking and should be treated as if you are launching a new business venture whether you are a non-profit, education institution or business. If not done properly, this undertaking could backfire on you and would result in massive negative repercussions.

In this final part, we show you how to put it all together. We explain what to look for in a solution, what choices are out there, and how to launch your private social network successfully.

Chapter 20: Ten Things to Look for in a Social Network/Membership Website Solution

When selecting a social networking solution, your solution should have some, and preferably all, of these ten components.

1. Easy Installation and Management While Being Flexible and Powerful

The solution should be easy to install and setup. Most open source solutions are relatively easy, although you will likely require a “geek” to install it on your own server – assuming you have your own server. If not, it is fairly inexpensive to rent a server. Virtual servers are priced as low as \$59 per month. Search for “web co-location” to find a good host provider. Be sure that, once installed, the software is easy to configure and customize. In other words, it allows you to change your logo and set up new membership packages on your own without needing a geek to do it for you.

2. Customizable

Make sure the solution you select can be customized to support your business needs both now and as you grow. There are two axes of customization you need to investigate, image control and functional control.

With an image customization axis, you have a degree of control on the layout, the colors, and the images used to fit your brand and site’s appeal. With a functional customization axis, you have control over the feature set of your solution. For example, if the solution does not support a shopping cart, and if it is important for your business, a functional customization axis allows you to have a shopping cart programmed, then plug it into the system. Most Open Source solutions support this, although some off the shelf software does not.

Copy and distribute freely with credit.

While both axis of customization are important, you will need to prioritize what is more important for your business model. Of course, the ideal solution will have high customization in both which will be reflected in a higher price tag.

3. Integrates a Detailed Member Profile and Search Function

The ideal solution supports the Web 2.0 paradigm as we mentioned in Part 1. It allows members to create a detailed profile about who they are, what they want, what they are looking for and a way for others to connect with them.

Unfortunately, many existing membership software solutions fall short because their focus is on controlling what areas members can access rather than the user experience. Ideally, members would be able to locate each other based on criteria such as interest, location, industry, and profession, to name a few.

4. Social Networking That Brands You

You want a solution that brands you and that you can control.

5. Membership with Access Control

Membership sites have been around for a while and most do a very good job managing who has access to what. The beauty with a membership business model is that it creates dependable wealth for your organization and most of the software available offers this feature.

6. Integrates an Affiliate Tracking and Payout System

As mentioned earlier, having an integrated affiliate tracking system is a powerful and effective way to grow your social network because it provides your users a financial incentive to refer their friends and associates to your network. Very few systems support this feature. One of the reasons we developed our own social networking platform is because we could not find another system that has an integrated affiliate tracking system.

Copy and distribute freely with credit.

7. Integrates a Shopping Cart for Seamless E-commerce Integration

Having an integrated shopping cart within your social network means you can sell products and generate income right from your membership site without having to send them to a site outside the network. You want to keep your users in network for as long as possible. It is even more important to have this function integrated if your system supports an integrated affiliate tracking system. This way, when a member buys something, the referring member is paid their commission. This feature is also important if you plan to offer discount pricing for your members.

8. Event Calendar and Registration

This feature is important for someone operating an information marketing firm, a seminar company, or any organization that offers events, concerts or conferences. A powerful way to market your events is by including an integrated system where your members can purchase tickets and track commission right from your site. An integrated event calendar means you have active updates to your event calendar all the time.

9. Classifieds/Reverse Classifieds

Ideally, your solution offers a classifieds system for your members to post ads. This gives your members – particularly your paid premium members – an incentive to stick with your network. It also encourages free members to become premium members so they can post ads and find clients from your network.

Our solution also supports a Reverse Classifieds system where members can post “I am looking for” ads. Why is this cool? With regular classified sections, someone looking for a used aquarium would have to scan the ads in search of it. Someone may have an old aquarium in their garage that they never thought to sell yet, upon seeing the request, would happily make the sale. Imagine a place

Copy and distribute freely with credit.

for your members to post ads in search of investors, tickets to a concert, or a marketing mentor. It's yet another way to stimulate conversation and interaction between your members.

10. Free Downloads

Your solution should support a way for users to download the free gifts you offer people to entice them to join your network. Ideally, your solution should require members to join your network for free before they can download their free gift. This feature is essential to growing your membership base.

Chapter 21: Challenges of Building a Social Network

To create a working social network is not a small task, nor is it easy. Not everyone who launches a social network will succeed. It is important to re-iterate that launching a social network should be treated like launching a new venture. You should commit to its ongoing development and not treat it merely as a short term task.

This chapter outlines some key challenges and how to overcome them in order to be successful.

Ongoing Maintenance and Development

This is the most important part of the puzzle, and often the most neglected. Some companies treat their software development as a one-off project, which inevitably leads to major problems. When deploying a solution, be sure to have a budget for maintenance and bug fixes. If you use Open Source, you may run into software conflicts or bugs and need to hire people to fix it.

Whether you hire programmers, buy off the shelf, or use Open Source, keep in mind that your needs (as well as the needs of your customers and the environment) often change. Companies often hire a team to deploy a solution and let the team go only to realize six months later they need some other feature. If you cannot hire the same team because they may have moved onto other projects, you'll experience a longer delay while the new people learn the existing programs and systems.

Costly complications like these are points in favor of hosted solutions. If you use Gmail as an email program, you know that all software updates are seamless and automatic. There's never a conflict with your system because it's all online, and there's a team of highly paid specialists making sure the program is safe,

Copy and distribute freely with credit.

reliable and in pace with new needs and features. A hosted solution eliminates the headaches of the technology side of your business.

Scalable Secure Server Maintenance and Backup

The thing about computers is that when things go wrong, they can go horribly wrong. Computers crash. Drives die. Information is lost. Many people don't think about these possibilities when they build their information system.

Unfortunately, ignorance is not bliss – it could drive you out of business.

If done right, your network will grow. Make sure that your server can handle your growth from 10 people to 10,000 people... or more. If you expect to have spikes in traffic due to media blitzes or marketing campaigns, be sure to build for load balancing.

It is critical that your hardware have a RAID drive array so it will still be operational should you experience a drive failure. A RAID array is simply a redundant drive system wherein the system continues to function should one drive fail, the replacement keeps the system running without interruption.

Without this, even if you have a backup, restoring from a down drive can take you offline for days.

You will also need to install a firewall. Most solutions will require you to store your clients' credit card numbers on your own system (so you can charge them month after month). This also means your system will be a target for hackers.

You will need to have a hacker-proof system to ensure maximum security. It is advisable to hire someone familiar with Internet security to audit your site.

Of course, backups are crucial. Your solution **MUST NOT** be backed up to the same drive as your main machine. Should you experience a drive failure, having

Copy and distribute freely with credit.

the backup on the same drive will be disastrous. One of the benefits of using a hosted solution is that you don't have to worry about any of these technological issues. Frankly, it's a pain in the behind and it is not a productive use of your time and energy. It's best to hire someone to take care of the tech while you concentrate on what you do best.

If the preceding paragraphs sounded like a foreign language to you, it is in your best interest to hire a consultant. A binary wizard will deal with all the technology so you can concentrate on what you do best, whether that is writing, networking or marketing your business. Months or years of hard work can disappear forever without the proper precautions. Consider a professional systems consultant like an insurance policy: protection in case of disaster.

If you are using a hosted solution, then the provider should already provide these protections. Be sure to ask.

Achieving Critical Mass

The biggest challenge with starting your own social network is having enough members to reach critical mass. The goal is to create a network that is full of activities to draw and retain visitors. One way to do this is to create a "land rush" launch strategy.

To enact a "land rush" launch, set up your social network and populate it with rich content. When you launch your site, promote it as free of charge for a limited time and invite people to become founding members. Match.com is a personals website that began with no profiles. They offered their service for free to attract founding members until they reached a critical mass. Offer these founding members something of great value like no membership fees for life or free advertising every month. You could use this opportunity to excite your customers

Copy and distribute freely with credit.

to join quickly because it's a limited time offer. Limit the opportunity either by the number of founding members or a certain date.

Of course, you will also want to be active within your community during this start up phase to encourage members to start discussions and participate in community events. You may want to set aside time every day to contribute to your site, invite special guests for interviews and launch tele-seminars to create excitement.

Here are a number of strategies you can use to stimulate activity for your social network:

- Reduce the number of places people can congregate, initially. Drive them all to a single forum or group rather than separate forums for each topic. This will keep them from dispersing too widely too soon and it will increase the population density and activity.
- Include a regular news feed of events like Facebook and Twitter.
- Encourage people to make connections and friends from the beginning. Ask them to invite their friends to join your network.
- Showcase a member of the week and share their successes with the whole community.
- Limit how much news is blasted from your organization to members. Instead, encourage members to submit content items, news stories, suggestions and input on topics in which they are interested.

Copy and distribute freely with credit.

- Consider awarding prizes or having contests for people who participate most regularly. These rewards can be increased forum rankings, or actual redeemable credits or points toward products and services.
- Include human-interest features, facts, and information that helps educate people and engage them in the site.
- As often as possible, remind people to upload photos to connect faces to names. Photos of events also add a layer of human connection.
- Ask people to share their interests and hobbies as fully as possible. Maybe have a connection feature that allows associations around shared interests, hobbies, or regions.
- Stimulate conversation by asking provocative and open-ended questions. A Q&A function, an advice column, or a multiple-choice quiz invites people to participate and compare their knowledge with others.

Membership Attrition

As discussed in Chapter 18, people may begin with great enthusiasm, yet life often distracts us, we lose interest and we move to other things. It's a challenge to keep people excited and constantly engaged, even with ongoing benefits and a Cost of Disconnect. Since some people are going to defect, it is important to know the top three reasons people are leaving so you can do something about it. Once someone leaves your system, be sure to ask them why and put it into an attrition report. Be sure to look for this feature in your social network/membership solution.

Keep the Ongoing Benefits Fresh

It's not easy to keep people engaged. Make sure you continue posting regular weekly tips and updates that are of high value so, if they disconnect, they will feel some loss. One of the best ways to ensure member retention is to build in that Cost of Disconnect early in your site's development.

Chapter 22: Software Solutions

In this chapter, we will explore the different software solutions you can use to put your own social network together. We have gleaned our opinions from these vendors' websites and reports of users. We do not have detailed experience with all of them and we try to be as objective and as accurate as possible, yet we are open to the possibility of errors. We apologize in advance for unintentional errors, we encourage you to go enquire with the vendors listed for your own due diligence and to let us know on socialmarketingman.com if you find anything inconsistent with your experience.

Facebook

You can sort of create your own community software using Facebook, once you have your own account. You are able to create your own Groups, invite your friends to join and then you can post content and upload videos. It's a pretty decent starting spot so many people are already using it. The disadvantage is that it doesn't brand you. Neither does it give you functionalities to conduct e-commerce, as would a membership website, and you run the risk of being shut down for commercial use without warning or reprieve from Facebook.

Still, Facebook is a great place start to recruit "friends" to tell them about your own private social network. To learn more about using Facebook in conjunction with your own private social network as a strategy, go to

SocialMarketingMan.com

Open Source Software

Thousands of companies have used Open Source platforms. They offer a good foundation of functionality to set up your own private social network.

Unfortunately, additional features beyond the basic software will require the expertise of a consultant who knows about the various plug-ins needed to round

Copy and distribute freely with credit.

out the functionalities of these systems. Furthermore, any custom programming will mean that you are tied to the consultant. There is always a risk that consultant may not be in business in six months and someone else may have a hard time decoding the custom changes.

Here are two examples of Open Source software you can use to create your own social network:

- Dolphin Software from Boonex (www.boonex.com/products/dolphin)

Boonex has a very active community with helpful users and consultants ready to assist you with customization work. Dolphin has a built-in membership management module, though it's rudimentary. Its primary revenue model is to provide you with a place to generate advertising and to build a community. Dolphin has a lot of cool features such as video/picture uploads and other advanced social networking components. It's fairly easy to install, if you know what you're doing, but it's best to work with a consultant.

- Drupal at drupal.org

Drupal also has a very active community of users and developers ready to help you. It's an Open Source platform, which means the software base is free, however, you will have to pay consultants to customize it to fit your needs.

Both of these solutions are software solutions. This means you will need to buy your own servers, manage load balancing, backup and disaster recovery, and protect your servers against viruses and hackers. It does take a considerable degree of expertise to get this set up properly and we recommend working with a knowledgeable consultant who not only knows Drupal or Dolphin, but system architecture design, as well.

Copy and distribute freely with credit.

Paid Software/Services

- KickApps at KickApps.com

This is a solid Web 2.0 platform in a hosted solution that has many great features, including a very interesting community-building solution. Unfortunately, we don't know for sure if they can handle membership fees and membership access setup. It seems like they specialize in providing a private social networking experience based on advertising revenue. Unlike Drupal and Dolphin, there's no custom programming possible, what you get is what you get. Its biggest advantage is that it is a hosted solution so you don't have to worry about all the technology issues.

- vTribes at vTribes.com

Their feature set looks very comprehensive and those that use it seem to like it a lot. It includes membership websites and allows user generated content. It even has a built-in affiliate tracking system. Their website doesn't describe features and one has to sign onto a contract to see this detail list. The price starts at \$97 per month.

When someone buys vTribes, they will be working quite closely with a support team and developers to deploy the solution. While this allows for a degree of customization, clients have reported it does take some time to roll out a new site – about three weeks – before they can make it available to users.

Breaking News

As of printing, vTribes.com is no longer accepting new clients. We decided to include this review, regardless. They were among the companies we had reviewed and respected and it is possible they will accept clients again in the future.

Copy and distribute freely with credit.

- aMember at aMember.com

This software works well with 1Shoppingcart.com to handle billing for membership fees. It's a good basic membership software solution but is relatively weak in its Web 2.0 features. Your members will have a very limited member profile and a fairly constrained member-contributed content functionality.

aMember can be integrated with WordPress to restrict content access. With the right creative know-how, you can create a membership website with an affiliate tracking system (through 1Shoppingcart.com). You should contact aMember at their website and ask if they have consultants available for custom programming and integration. aMember is a \$200 piece of software and, just like Drupal and Dolphin, you have to install it on your own server and provide firewalls and hacker protection.

- MembersGate at MembersGate.com

This is a leading solution provider for building community/membership software. They do a decent job of handling most basic community software needs, although we don't know the extent of their Web 2.0 capability for membership search by interest, user generated content, viral friend referral invitations or affiliate tracking systems. Their solution is software you buy and install on your own server and the starting package costs between \$3995 and \$30,000. You will still need to buy your own servers and handle all the tech and load balancing issues.

Ning and Yahoo Groups

You can quickly and easily create your own private social network using either Ning.com or Yahoo Groups. They are both pretty simple and decent places to begin.

Copy and distribute freely with credit.

Ning does a really good job at providing social networking functions for building your own private social network. For around \$99 per month, you can privately brand your site with your own logo and control of your own content. It is very full featured. One thing to consider about Ning, however, is that it is not designed to support a membership revenue model. It's not neat and simple to create e-commerce through Ning. You cannot sell products, have your own merchant account, nor restrict access to groups based on membership levels.

Yahoo Groups is free, has a few basic features and doesn't brand you, it brands Yahoo. There is no e-commerce available and no way to collect membership fees.

For anyone just starting, Ning and Yahoo Groups are a great place to begin. Certainly, they are better in many ways than Facebook groups – although for different purposes.

Our Hosted Solution: SocialSAM.com

We are a social network/membership solution provider. We have designed SocialSAM.com to support a monetization model that combines the community-building aspects of Facebook, the user-generated features of Ning, and membership access management of aMember. We then added e-commerce and two-tiered affiliate tracking system features to create a well rounded system to meet our needs and the needs of the many other authors, marketers, gurus, NPOs and educators to which we spoke. SocialSAM.com is designed as a residual business model, rather than transactional or ad-driven, that makes money and offers you a complete solution to enhance your business, organization or school. You can find out more about our hosted solution, which starts at only \$29.95 per month, in Appendix 1.

Copy and distribute freely with credit.

The table below provides a quick overview of the different features and their relative strengths.

	Ning	KickApps	Dolphin/ Drupal	Membersgate	aMember	vTribes	SocialSAM
Social Networking Features	High	High	Med	Low	Low	Med	High
Membership Features	NONE	NONE	Med ^A	High	High	High	High
e-Commerce	Low	Low	Med ^A	Yes	?	High	High
Affiliate Tracking	NONE	NONE	Low ^A	Yes	Yes	Yes	Yes
Customizable	Med	Low	High ^A	Med	High	High	High
User Generated Content	High	High	High	Med	Med	Med	High
Software/Hosted	Hosted	Hosted	Software	Software	Software	Hosted	Hosted
Price	Free ^B	Free ^B	Free [*]	\$4000-\$30k	\$200	\$97/m	\$29.95/m ^{**}

^A With customization/programming.

^B Advertising supported – this means ads will appear on your network that do not belong to you.

* Free for the software, but you'll need to pay for consulting

** 0-100 is \$2, then \$29.95 per 500 members plus \$2/paying member per month (or 10% if less than \$20/m) (ie. if you only charged \$10/m per paying member, our service charge would be an additional \$1 per member per month)

Copy and distribute freely with credit.

Self-Hosted versus Hosted Solutions

A self-hosted solution means you own your own server. The advantage of hosting your own solution is that it's your *own* server and solution. You can do with it as you see fit. You can customize the software as much as you need, providing you are willing to pay for the upgrades and technical consulting. You also must provide virus protection, firewalls, hacker prevention, backups and the ability to handle load spikes, to name a few. After you add up all the costs for the various components, you should expect to pay about \$200 to \$400 per month for a proper solution that includes all the technology.

A hosted solution is an outfit that specializes in handling all this for you so you can focus on your business. They take care of the RAID, backups, firewall security, etc. The other benefit of a hosted solution is that they will constantly be working to improve the system with new features and bug fixes... and roll it out automatically for you. As your needs will vary depending upon where you go and what solution you need, hosted solutions can be as low as \$29.95/m or as high as \$2000/m.

SocialSAM.com is a hosted solution. We specialize in creating a high functioning social network with many of the features already there. We take care of all the firewalls, backups, hacker proofing, and maintenance of the system, including spike server load balancing. You can find out more about SocialSAM.com in Appendix 1.

Conclusion

What's the right solution for you? The options may seem a bit mind-bending. While it may seem a complicated labyrinth of twists and turns to decide which solution best fills your needs, we have some suggestions and guidelines that you may find useful.

Copy and distribute freely with credit.

- Price

If you are on a low budget, and do not have your own server, we recommend using something like Ning.com or Groups.Yahoo.com to start. This is a good place to test your concept and formulate your strategy. It is also a good place to form a repository of your content so that when you are ready to take the next step, you can eventually migrate to a different solution and you will have most of your content already there. It is also an inexpensive way to begin with little risk other than your time. Please keep in mind, these solutions do not offer a way to charge money for premium access. You may have to create another place using a private Yahoo group with invitation only to achieve this. You should also consider your future cost of migration once you do decide to proceed to the next level. Migrating your member's profile to another system is a near impossible task and you risk losing a significant number of your followers during the transition.

- Comfortable with Technology

If you are a tech wizard and enjoy fiddling with the intricacies of hardware, software and operating systems, then using either Drupal or Dolphin open source might be a good way to go. With these solutions, you will either need to own your own server or lease space at a server farm, like Aplus.net. A hosted server facility has around the clock technicians; they perform your entire backup, maintenance, and RAID configurations for you. Anyone who has run their own servers knows it's not for the faint of heart. If you do decide to use self-hosted software, we recommend using a hosted server provider; it will save you much time and aspirin to run it through a server farm.

- Feature Set, Customization and Scalability

Copy and distribute freely with credit.

You know your business best. We suggest you sit down and compose a list of all the features you really want and need. Think about what you need now, what you'd like to move toward into the future, and prioritize them – consider using our Top 10 list in Chapter 20 as an aid. Once you have a list, know your technology comfort level and your price range, shop for which solutions best meet your needs. It's a great idea to contact the consultants of the different providers, explain your needs and solicit their advice. Speak with people who use the systems and listen to their experiences. You will have to work and live with this solution, so take your time and figure out what will meet your needs.

If you call either a Drupal or Dolphin solution provider, ask for a quote for them to create a solution that fits your needs. Since you'll provide your own servers and bandwidth, after the initial cost of the machines and the programming fees, it may save you money in the long run. Be sure you are very specific regarding your potential customization needs, for it is the programming costs that will escalate the affordability of these solutions. Your "specs" should be as clearly defined as possible and secure them in writing. Once you give the go, anything not written in spec will cost you extra.

Finally, you might want to consider SocialSAM.com. It's affordable and we've designed it from conception based on all the features most businesses desire. It combines the best features of a Web 2.0 social networking platform, membership website access control for residual income capability, along with an affiliate tracking system so that members are easily paid to refer their friends to your network. We host all this on our own servers to remove all the technology headaches for you. Any updates and improvements are delivered to you automatically. Because we understand the ultimate aim of a business is to start affordably and grow, our price starts at just \$2 for 0 to 100 members and increases to \$29.95 for 101 to 500 members, per month. As your membership

Copy and distribute freely with credit.

grows, you make more residual income and our system expands to grow with you. For more information about our solution, please read Appendix 1.

Copy and distribute freely with credit.

Chapter 23: How to Build a Good Social Network

Gone are the days of sell, sell, sell. Clients want to be educated and engaged. Here are some ideas to keep in mind as you plan your social network.

Content is King

Your social membership network needs to have the content and information that will save your customers time and help them achieve their goals. Your content must be of top quality and in a web ready format. If you don't have content, create it. The key to success is to combine both your own content and user-generated content, like videos, member contributed articles, and experiences. Run a competition and ask your users to submit their own content to your site.

Another way to gather content quickly is to search for articles already written that relate to your topics and include them, with credit, on your site. Try using Articlemarketer.com, ezinearticles.com, elance.com (where you can hire someone to write content for you), or go to Google and search for "article submission" to find hundreds of sites where you can retrieve articles related to your topic.

If you have existing content, then it is your task to convert it into a web consumable format. Written content can be copied and posted but if all your content is in a set of 9 DVDs and 20 CDs, then you will need to convert them into shorter segments and upload them to your social network site. There is software available to assist you with this.

Another thing you may want to do is to create give-away content. This content should be free, up front, and of value to your prospects. For example, write a "How To" book, a free report, an industry contacts list, or a useful checklist.

Copy and distribute freely with credit.

Squeeze Page

A squeeze page is designed with a single purpose with only one option for the client. That single purpose is to join your membership site now and that one option is to provide you with their name and email address. The squeeze page could be either a sales letter or a video telling people why they want to join your social network and providing JUST ONE option for your users to do: Join Now. Keep your squeeze page simple. You don't want to confuse or distract them from their one purpose. Tell them the benefits, offer them a free newsletter or valuable free gift – the goal is to provide them with something of value in exchange for their name and email address.

Moderation

An un-moderated social membership website can kill your business. No one wants to come to a network when it is full of spammers, complainers and riddled with foul language. You should appoint one or more volunteers to moderate your forums with the caveat that they work within guidelines. A good moderator is your first alert system for common complaints and dissatisfied customers so you can intervene and correct the problem and change their perspective.

You should react proactively and professionally to their feedback and not be defensive. Remember, the goal is to be transparent. Don't edit, or censor feedback as it violates trust. Deal with comments and issues effectively, honestly and openly because people are able to observe everything. The best way to ameliorate a problem is to deal with them professionally and publicly. Even if they are adamant, you can still show the world that you care and have made an effort.

By giving your members a voice, they feel engaged and valuable. If you censor people, it can give them the impression that only positive feedback is allowed and

Copy and distribute freely with credit.

all negative comments are filtered. By posting the good and the bad, you humanize yourself. No one is perfect, and you aren't expected to be. It is more telling how you handle the less than perfect moments.

Personalization

Users love to personalize their experiences. People tend to stay enthusiastic about something when they feel ownership. Make sure your network members have the ability to upload articles, videos and photos to share with their community.

Ongoing Development and Virtual Coaching

People are creatures of habit; change is challenging. Millions of people read self-help books every day and few actually take action. Why? There are two primary reasons:

1. It's too hard. If people feel like there is too much to do all at once, are easily overwhelmed, are already inundated with offers or feel it's too complicated, they will walk away. Everything needs to be in easily executable steps.
2. It seems impossible. When people don't believe that they can actually accomplish the final goal, they won't bother to start.

An offer to show someone earning minimum wage how to make a \$100,000 per month is, to them, not believable – even if it is possible. Instead, break it down and give them smaller, more believable goals. Show them how to add \$200 extra per month. When they've met that goal, show them how to increase that to \$1000, etc. Give them weekly assignments, form accountability partners for them so they do it together. Actually take the person down the road one step at a time.

Copy and distribute freely with credit.

Go Viral

Make it easy for friends to invite friends. SocialSAM.com, Facebook, YouTube , and Twitter do this.

Give your members compelling reasons to invite their friends to your network. Be sure the solution you choose allows you to build non-financial (networking, finding friends, acquiring new clients) as well as financial (paying a commission for the referral) benefits for inviting new members to your network. Master this process. It is critical to your network's success.

Provide a Compelling Reason to Join

It's a two-way street. You must impel your members to invite friends and entice those friends to join. Both parties are wondering what's in it for them. You must create a motivating reason for the invitee to join your network. The more stimulating the reason, the higher your chance of success will be. You should also offer a benefit for members to open their contact lists to you. A great way is to provide a financial incentive for them to invite their friends to join your network. Instead of spending money on advertising, pay your people on performance.

The ease with which your members can import their base of friends is directly tied to the rate of potential growth for your network. The more easily they can grow their personal network from their base of friends, the faster your network will grow overall. When selecting a solution, be sure to choose one with an easy to use viral friend inviter and an affiliate tracking system built in that can pay your members for their referrals.

One Stop E-commerce

If you are building a social network, make sure that you have the ability to sell products from your social networking site. Also, make sure that you allow people to review, comment and/or rate your products.

Events, Tele-seminars and Webinars

Keep your members constantly engaged and entertained by creating and hosting events both offline and online. Even though not everyone will be able to attend, those 10% that do will electrically charge the other 90% with excitement and anticipation for the next opportunity. Be sure to record webinars and make them available to your members to further add value to your membership network.

Be Social

It's called social networking for a reason. Provide genuine benefits to being a member of the network. A social network is not a temple where people come to worship one person; it's about a community. You are the facilitator and the brand around which these people are coming together. Your job is to inspire them and help them grow by building an environment of support and incubation.

Encourage people to form their own groups, to find each other by industry, profession, interest, sex, and, most importantly, location. Entice them to gather, locally or online, and form mastermind groups. Support them in expressing themselves and sharing who they are and what they have to offer across your network.

As a leader, freely offer advice, feedback, and support. Provide spaces for accountability groups, places where people can congregate, meet, and be social. You are facilitating the rise of other people in being a guru when you do this, and the results will be mutually beneficial.

Copy and distribute freely with credit.

Marketing

Because there is going to be attrition in your membership club, you will need to commit to a budget and a process of ongoing marketing to replenish your numbers. This is crucial to maintain a positive growth metric. In the next chapter, will discuss various marketing options available.

Chapter 24: How to Attract New Members

There are many ways to attract new members to a social network and there are lots of very detailed courses available that teach these strategies (to find them, search for “Internet Marketing” or “list building” in your favorite engine). Here is a very basic list of ideas to help you build your network.

Media Appearances

Media appearances on TV, radio, podcasts, magazines or newspapers are an excellent way to generate enthusiasm for your new social network because they allow you to highlight features and explain what is offered. Be sure to create The Bribe, as described in Chapter 7, and use it as a giveaway to offer to your host’s audience.

eBooks

eBooks are another way to attract new members. Make sure that you offer these eBooks to as many people as possible, as affordably as possible. Because there are no production and printing costs, an eBook of high quality and value can be presented for a minimal charge or free, which is a really inexpensive way to drive new members to your site.

Blogs

Make sure you have a blog that provides regular content and invites people to respond and interact with you and each other. This will provide additional ongoing content to populate your site. It is also a great way to find out what does and doesn’t resonate well with your audience allowing you to fine tune your message and offers.

Joint Venture (JV) Marketing

A Joint Venture partner is someone willing to market your products to their list, usually for a percentage of the sales that result. Brainstorm, everyone who has a website, blog or list of people they can influence, and determine who you'd like to approach as a potential marketing partner.

To work with a JV partner, you should be prepared to do some homework.

Potential JV partners want to know:

- What your product is, why it is unique and how much will it cost. Send a free sample to your potential JV partners. When a JV partner markets your product, they are endorsing your product – implicitly and explicitly. This means it has to meet their approval and they need to feel proud to offer it to their list. If they genuinely love it, they will promote it with gusto.
- Your conversion rate. Of 100 people who visit your site, how many of them turn into paying customers? Calculate the percentage and be ready to provide it to potential JV partners. If the conversion rate is low, they will be less likely to expend effort to market for you.
- Your marketing plan/sales conversion process. If your process is inefficient or frustrating, they won't want to expose their clients to it.
- How much commission will you pay. Is it a one-time check or a residual pay?
What's in it for your JV partner. Why should they spend their time marketing your product rather than someone else's?
- Social Proof. Who else has used your product/system and found success? Do you have any testimonials?

JV Marketing is an extremely cost effective and risk free way to market your site. However, unlike traditional advertising, there is a shared risk to your JV partner.

Copy and distribute freely with credit.

If your product is shoddy or your process is clunky, they will look foolish for endorsing you. The last thing any marketer wants to do is alienate anyone on their list. Their lists are as valuable as gold. Anything you can do to reduce their risk will increase your chance of getting a JV partner to endorse your product.

Some people go to great lengths to woo JV partners with a marketing packet or a full media kit (including a video, a sample of their goods, a letter, marketing materials, and a full business plan). What are you prepared to do to win a JV partner? Remember, it doesn't have to be elaborate, merely effective.

Existing Communities

Where are the existing communities in which your target audience is already participating? No matter your industry/niche, there are existing websites and places where people gather. That's where you want to be, too.

Places to look include:

- LinkedIn groups
- Yahoo groups
- Google groups
- Facebook groups
- MySpace groups
- Ning groups
- Your industry specific websites

Join these groups, and be a **respectful** member. Observe the proper etiquette of the groups. Offer your expertise and opinion without a hard sell. People are naturally resistant to hard sells and they will lose respect for you and your brand. Imagine you belong to a knitting group and someone asks how to execute a cable stitch. A hard sell would be like responding to this plea with a marketing

Copy and distribute freely with credit.

letter promoting your knitting supplies on sale today only. It's not answering the question and is considered rude and disrespectful.

The way to promote yourself in these groups is to be a valued contributor and build your social equity. Answer people's questions, post regular articles of worth to these communities and include a signature with your website and email in each communication. You may respond with, "Mary, I've created a video on how to execute a cable stitch on my website at www.howtoknittwithcarol.com." This is both respectful and in context. Subtly direct people to your website, add and provide value to your community, and you will become a well liked celebrity. As we outlined in Part 1, it is important to build your social equity by being well liked. It's best to give before you receive. To begin, just hang around one to two groups. Don't overwhelm yourself. Rome wasn't built in one day.

Advertising

Another way to recruit members is simply to advertise. This is by far the most expensive and least effective way to build your club, as advertising is costly and difficult to track for success. The best way is to bring people to a squeeze page in which they are given a sales letter and/or a video about your site, and are asked to join as a free member. Don't ask for money upfront; just entice them to walk into your shop. Bring them into your circle first.

When advertising, it is essential you track the number of visitors vs. buyers. When you know your conversion ratio and how much each visitor is worth, you have the key to advertising success. If you make \$20 per buyer on your membership site and, for every 100 visitors you have one buyer, then your Cost per Visitor is 20¢.

Copy and distribute freely with credit.

The equation is:

Value Per Visitor = Value of your Buyer \times (Number of visitors per buyer)

For example, the Value per Buyer = \$20 (you take home \$20 per sale)

Conversion rate is: one buyer per 100 visitors = 1¢

Value per Visitor = \$20 \times \$.01 = 20¢

When you know this number, you know how much you can afford to pay per visitor. If you pay more than this number, it isn't a great way to spend your marketing time and money.

The key to making an advertising strategy more effective is to focus on your conversion rate and process through tweaking and testing it. Change one thing at a time and monitor the change in your conversion rate. That one change could be the background, the headline, the video, or the words on your site. Only testing will reveal what works best.

Some of the most effective sources for buying traffic are:

- **Google Adword Advertising** – Sign up for an account on Google and buy keywords relevant to your business. Use Google's keyword generation tool to search for "long tail keywords" rather than one or two word combos. The more detailed and precise your keyword, the more cost effective your word purchase and conversion becomes. Send traffic to a specific squeeze page designed to convince people why they need to join your network.

Copy and distribute freely with credit.

- **Yahoo/Microsoft Keyword Advertising** – This is just like Google yet, because it is not as popular, there are fewer competitors and thus you can often buy traffic less expensively.
- **YouTube Advertising** – YouTube recently made it possible to promote your YouTube videos to their audiences. If you have a helpful video, you can embed a compelling call to action at the end and purchase keywords for YouTube, just like Google and Yahoo. For example, you could show people how to knit a cable stitch and insert words at the bottom or end of the video: “For a complete list of other knitting techniques, come to our site at www.knittingwithcarol.com.” When people search cable stitch knitting words on YouTube, they will watch your video, which then directs them to your site.
- **Search Engine Optimization (SEO) and Blog Marketing** – Once upon a time, the key to online marketing was top search engine placement. Sadly, achieving reliable search engine ranking is not as sound as the experts would like you to think. The best way, in this moment, to create a search engine friendly site is to create a Blog site outside of your membership website. Populate it with keyword laden, high quality content articles. Interlink your blog with other’s blogs to increase your Link Popularity that ranks your blog higher in search engines. A good place to learn how to do this is from Michelle MacPhearson’s *30 Minute Backlinks* at www.socialmediadaily.com. She has an excellent resource available as a free download.

Copy and distribute freely with credit.

What's Next?

We've covered a lot of topics in this book. We hope that this has helped you to find practical ways of using social media to grow your business. The next step in the process is a simple yet significant one. We've carefully laid out all the reasons to support creating your own private social membership network. Now, it is up to you to decide whether you are up to the task of either launching a new website or (if you are an existing business) re-engineering your organization to be aligned with the new social contract.

The questions are:

1. Is launching a social network in your best interest?
2. Are you prepared to devote the initial time and resources needed to operate a network so it can work for you into the future?

If the answer to both questions is "YES," then we can help. We've prepared a special "how to" workbook that gives you specific step-by-step instructions on how to launch your own private social network and make money.

You can retrieve our **29 Page Step-by-Step Workbook** by going to:

www.socialmarketingman.com.

We invite you to join our social network of owners of membership sites at SocialMarketingMan.com. This way, you can learn additional advanced success strategies and have the opportunity to ask the community and this author's advice about social media success.

We wish you success and prosperity in your social media ventures.

Copy and distribute freely with credit.

Appendix 1: SocialSAM.com

In writing this book, we covered a number of key topics on how to use social networks to grow and monetize your business. We also have analyzed what works and what doesn't work for ourselves and many others we've interviewed. There are a number of programs in the marketplace that accomplish portions of these tasks, yet few suffice to fill most or all our needs.

SocialSAM.com is designed specifically to holistically handle every aspect of setting up a successful social membership website that makes money for you.

Our hosted solution offers you:

- **A Privately Branded Social Networking Website** – This means you will own your own www.MySocialNetworkBrand.com domain. You have complete control over the site's content, access and sales process.
- **An Integrated 2-Tiered Affiliate Tracking System** – The key to growing your social network and membership site is to give your members a financial incentive to refer their friends. This way, when their friends eventually upgrade to premium membership, our system will tell you how much to pay, whom to pay – and more importantly – allow you to easily send the check to them with a single click via PayPal's mass-pay system.
- **An Integrated Membership Website** – To aid you in generating residual revenue and micro-donations, we programmed SocialSAM.com so you can create as many different membership packages as you want, each with its own access profiles to different areas of your site. Membership fees are tied to the 2-tiered affiliate tracking system so you can compensate your members for their referrals – effortlessly.

Copy and distribute freely with credit.

- **An Integrated Shopping Cart System** – Sell books, DVDs, eBooks, and all your products and services right from your social network. Plus, with our Preferred Member Pricing feature, you are able to offer the same product at two different rates – a regular price for non-members and a specially discounted price for paid members. This provides further incentive for your fans to become paying premium members rather than free members. Since the shopping cart ties seamlessly into the affiliate tracking system, your product referral commissions will appear on the same easy to pay affiliate compensation report.
- **An Integrated Classified and Reverse Classified System** – Control your own private classified system. You can charge all your users or specify that only premium members can post ads – another incentive for your free members to upgrade. Members can post regular classified ads offering items or Reverse Classified ads where they are looking for something. For a school or non-profit organization, this is a huge opportunity to offer commercial advertisers a chance to pay for ad space and support your organization. Payments for listing fees are tracked by the affiliate tracking system.
- **Triggered Content Download** – In SocialSAM.com, we have developed a special way for clients to download free eBooks, reports and videos as part of our lead generation system. Triggered Content Download occurs when people submit their names and emails in response to your Join Now request. When you require people to register to join your social network so they can access the free content, the Triggered Content Download automatically sends them the files. This will build your lead generation funnel. If you are an author, you can also embed these free gives in your

Copy and distribute freely with credit.

book for your readers to claim once they go to the website and join your social network.

- **Integrated Event Calendar and Event Registration** – Host events and charge people to attend, all on your membership website. Instead of sending your users from your calendar to another website to sell the tickets, keep them on your system. You'll be able to promote and sell in the same place and, since the event registration ties into the affiliate tracking system, you can pay your affiliates for selling those tickets together on one system.
- **Ongoing Development** – Unlike Open Source software where, once deployed, the system is stagnant, SocialSAM.com is constantly being improved. As soon as a new feature is tested and proven stable, it is incorporated into the system and available to you at no additional cost. We take care of all the planning, management and development and you benefit from an up-to-the-moment system. With SocialSAM.com, you can be assured that your investment will evolve and improve with you.

With SocialSAM.com, these features are all on one platform – designed to work together from the ground up. There are no consultants to hire, no integration or compatibility issues, and all upgrades are free to you. Our solution is completely managed so won't have to worry about drives failing, hackers trying to break into your system to steal your information, server traffic spikes, backups, firewalls, etc. We take care of all the headaches for you so you can focus on running your business and making money.

Copy and distribute freely with credit.

Plus, it's incredibly affordable. [SocialSAM.com](https://socialsam.com) starts at just \$2/m for the first 100 members, and then \$29.95 for 500 members per month plus a \$2/paying member fee (or just 10% if your fees are less than \$20/m).

For more information about our solution, come to: [SocialSAM.com](https://socialsam.com).

Copy and distribute freely with credit.

Appendix 2: What Is Web 2.0?

Design Patterns and Business Models for the Next Generation of Software

By Tim O'Reilly, September 30, 2005.

This is a very important article and a key to understanding the transition from Web 1.0 to Web 2.0. We've included the first few pages of Mr. O'Reilly's article, directly quoted, here. If you're interested in reading the rest of the article, please do so at <http://www.oreillynet.com/pub/a/oreilly/tim/news/2005/09/30/what-is-web-20.html>

The bursting of the dot-com bubble in the fall of 2001 marked a turning point for the web. Many people concluded that the web was overhyped, when in fact bubbles and consequent shakeouts appear to be a common feature of all technological revolutions. Shakeouts typically mark the point at which an ascendant technology is ready to take its place at center stage. The pretenders are given the bum's rush, the real success stories show their strength, and there begins to be an understanding of what separates one from the other.

The concept of Web 2.0 began with a conference brainstorming session between O'Reilly and MediaLive International. Dale Dougherty, web pioneer and O'Reilly VP, noted that far from having "crashed", the web was more important than ever, with exciting new applications and sites popping up with surprising regularity. What's more, the companies that had survived the collapse seemed to have some things in common. Could it be that the dot-com collapse marked some kind of turning point for the web, such that a call to action such as Web 2.0

Copy and distribute freely with credit.

might make sense? We agreed that it did, and so the Web 2.0 Conference was born.

In the year and a half since, the term Web 2.0 has clearly taken hold, with more than 9.5 million citations in Google. But there's still a huge amount of disagreement about just what Web 2.0 means, with some people decrying it as a meaningless marketing buzzword, and others accepting it as the new conventional wisdom.

This article is an attempt to clarify just what we mean by Web 2.0.

In our initial brainstorming, we formulated our sense of Web 2.0 by example:

<i>Web 1.0</i>	<i>→</i>	<i>Web 2.0</i>
<i>DoubleClick</i>	<i>→</i>	<i>Google AdSense</i>
<i>Ofoto</i>	<i>→</i>	<i>Flickr</i>
<i>Akamai</i>	<i>→</i>	<i>BitTorrent</i>
<i>Mp3.com</i>	<i>→</i>	<i>Napster</i>
<i>Britannica Online</i>	<i>→</i>	<i>Wikipedia</i>
<i>Personal websites</i>	<i>→</i>	<i>Blogging</i>
<i>Evite</i>	<i>→</i>	<i>Upcoming.org and EVDB</i>
<i>Domain name speculation</i>	<i>→</i>	<i>Search engine optimization</i>
<i>Page views</i>	<i>→</i>	<i>Cost per click</i>
<i>Screen scraping</i>	<i>→</i>	<i>Web services</i>
<i>Publishing</i>	<i>→</i>	<i>Participation</i>
<i>Content management systems</i>	<i>→</i>	<i>Wikis</i>
<i>Directories (taxonomy)</i>	<i>→</i>	<i>Tagging ("folksonomy")</i>
<i>Stickiness</i>	<i>→</i>	<i>Syndication</i>

Copy and distribute freely with credit.

The list went on and on. But what was it that made us identify one application or approach as "Web 1.0" and another as Web 2.0? (The question is particularly urgent because the Web 2.0 meme has become so widespread that companies are now pasting it on as a marketing buzzword, with no real understanding of just what it means. The question is particularly difficult because many of those buzzword-addicted startups are definitely not Web 2.0, while some of the applications we identified as Web 2.0, like Napster and BitTorrent, are not even properly web applications!) We began trying to tease out the principles that are demonstrated in one way or another by the success stories of web 1.0 and by the most interesting of the new applications.

1. The Web as a Platform

Like many important concepts, Web 2.0 doesn't have a hard boundary, but rather, a gravitational core. You can visualize Web 2.0 as a set of principles and practices that tie together a veritable solar system of sites that demonstrate some or all of those principles, at a varying distance from that core.

Web2MemeMap

Figure 1 shows a "meme map" of Web 2.0 that was developed at a brainstorming session during FOO Camp, a conference at O'Reilly Media. It's very much a work in progress, but shows the many ideas that radiate out from the Web 2.0 core.

For example, at the first Web 2.0 conference, in October 2004, John Battelle and I listed a preliminary set of principles in our opening talk.

Copy and distribute freely with credit.

The first of those principles was "The web as platform." Yet that was also a rallying cry of Web 1.0 darling Netscape, which went down in flames after a heated battle with Microsoft. What's more, two of our initial Web 1.0 exemplars, DoubleClick and Akamai, were both pioneers in treating the web as a platform.

For the complete article, please visit the site at:

<http://www.oreillynet.com/pub/a/oreilly/tim/news/2005/09/30/what-is-web-20.html>

Copy and distribute freely with credit.

Additional Resources

A good general resource for Social Media

http://web2.socialcomputingmagazine.com/how_to_survive_and_thrive_in_business_today_with_web_2.0_p.htm?disqus_reply=3681520#comment-3681520

Barak Obama's Campaign Post Mortem

http://voices.washingtonpost.com/trail/2008/11/20/obama_raised_half_a_billion_on.html

Barak Obama's Fundraiser Profile

<http://www.opensecrets.org/pres08/summary.php?cid=N00009638>

John McCain's Fundraiser Profile

<http://www.opensecrets.org/pres08/summary.php?id=N00006424>

Internet Business Mastery Podcast and Website

www.Internetbusinessmastery.com

Internet Marketing This Week

www.Internetmarketingthisweek.com

Social Media Daily

Michelle McPhearson owns this great website full of great articles on social media.

www.socialmediadaily.com

Copy and distribute freely with credit.

About the Author



George Tran is known as the entrepreneur who single-handedly programmed 1Shoppingcart.com, the most widely used e-commerce solution of Internet marketers in the world. Their annual merchant sales exceed \$3 billion, and are the #2 gateway processor for PayPal.

George has been marketing on the Internet since 1996 with a precocious first venture, USHousing.com. It was one of the first housing and rental listing websites to appear on the Internet.

In 1997, he founded GTA-Technologies, which provided a hosted shopping cart solution for merchants to securely take orders over the Internet. By 1999, he provided free and premium shopping cart services to over 100,000 merchants, worldwide.

In 2000, dissatisfied with the lack of integration as he built new features, he folded the company, he worked tirelessly for four months re-inventing and programming a brand new holistic merchant technology solution and, with the help of his wife, Carol Anne, founded 1ShoppingCart.com. Launched in April 2000, 1ShoppingCart.com quickly established itself as a strong player in the Internet Marketing arena. He sold the company to his partner, Rob Bell, in 2002 and began a real estate investment company.

Though semi-retired, George was never far from technology. He appeared in, and attended, many Internet Marketing seminars and continued to involve himself in the latest tech development.

Copy and distribute freely with credit.

In the summer of 2007, while attending such a seminar with Carol, George was struck by the high quality of the people present and was frustrated with his lack of ability to network with the alumni. He began to apply his particular genius toward developing a solution that would benefit both the speaker/information marketer and the alumni. Over the next year, George spoke to and interviewed dozens of gurus, authors, marketers, advertisers, and educators to really understand their needs and what features would ease their frustrations. The result is [SocialSAM.com](http://www.SocialSAM.com), a holistic solution designed to help companies to affordably and easily use social media to grow their business and create value for their supporter base.

You can follow George on Twitter at: <http://www.twitter.com/silverwolf70>

And on Facebook at: <http://www.facebook.com/people/George-Tran/540058495>

To see an interview of George Tran, come to: <http://www.keanandgeorge.com>

Copy and distribute freely with credit.