The Art of
Social Sales

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Social Sales

Part 1:

Introduction

Paul Greenberg

Most of the time, we don't think of sales as "social." In fact, never is probably more accurate. But when it comes to dealing with the new customer—a social customer—the contemporary sales organization and even the individual salesperson are being forced to rethink how they actually sell. And that can be daunting for many reasons.

What Changed?

Think of it this way: in 2003, the Edelman Trust Barometer found that the most trusted source was industry analysts and financial advisors. Wait, you didn't think I was going to say salespeople did you? They were never the most trusted anything, as is probably evident to you. But it's important to note who wasn't the most trusted source in 2003—it wasn't "a person like me"—that year, peers were most trusted to only 22 percent of the respondents. But in 2004, that "person like me" was elevated to

51 percent, the most trusted source status and the art of the sale was changed forever.

Why, you might ask, since sales was always based on relationships. As far as that goes, nothing really changed there. But this social customer, especially the one that you would have to deal with in a business-to-business (B2B) transaction, was demanding different relationships and there was the rub.

What those relationships needed was a considerably more intimate knowledge of the customer than just a "buddy, let's go out and get drunk" backslap. Why? Because whatever it is that the salesperson sold—be it products or services, cutely referred to in the information technology world as "solutions"—could be found in multiple places in multiple ways from an enormous range of companies. In a B2C sales transaction, the Internet became the great leveler between large and small companies offering the

same products. FedEx and UPS charge pretty close to the same amount to ship something anywhere quickly, regardless of whether or not the company was a major enterprise with multiple global outlets or a small company operating out of a house in Iceland. So neither the product nor the service was really much of a differentiator.

In a B2B environment, customers were no longer expecting to be "pitched to" as the object of a sale, but recognized their leverage, due to the availability of outsourcing and similar products and services on a large scale from multiple vendors. Instead, their expectations became one of partnership and that meant a new level of transparency from the vendor company if they were to either become a vendor or continue being one. The B2B customer, and even the B2C customer to a large extent, was expecting to be partnered with, not sold to. That meant the company needed to give them the honest information they needed as customers to make intelligent decisions on how they will deal with the company.

Companies that do this are wildly successful. The Sandvik Group, a mining and construction equipment manufacturer, has a program they call "The Power of Sandvik" that is based on openness and fair play with everyone from employees and vendors/partners to customers. For example, they make the

information on what their corporate leadership earned available to the public —including how they earned their bonuses—or not. They are known for how personably and equitably they treat their customers. This approach has made them one of the most profitable companies in the world, year after year.

But the social customer demands even more than that. Because of the revolution in communications over the last five years, (ultimately driven by the cell phone and the Internet, not just the Internet) the peer trust established between customers also dramatically changed how they want to relate to any institution, including businesses. That means, for example, it's no longer good enough for a sales person to have a great relationship with an individual. The customer or prospect is expecting the entire company to be a "person like me." What that means is their experience with the company has to be great (or at least not bad) at all points, including sales, service and marketing and also across multiple channels. Consistency and authenticity need to triumph in order to enhance the individual's experience. They are expecting personal treatment from the company, not just the salesperson.

That changes the game.

What Does This Mean for the Salesperson?

The game change is significant for salespeople because they can no longer rely on just a good personality and goodwill to get the deal done. They need the entire company to hop to it—and deliver a consistent and personally excellent experience. And this must be the case throughout not just the transactions, but all interactions, regardless of whether it's an in-person visit, a website visit, an email marketing campaign, or a mobile text message. Doesn't matter. The "company like me" is what makes or breaks the successful sale.

This is a lesson not lost on RIM for example. Several years ago, long before the release of the Pearl, they had incredibly powerful but butt-ugly mobile devices. They did the job in every way but style.

But one of the hallmarks of 21st century enterprise is that style and coolness do matter. Don't think so? Tell me…would you rather have an old Blackberry circa 2004 updated to 2010 features or a Blackberry Bold, Pearl, Curve, Tour, etc.? They perform the same functions. But their differentiator is good looks. Coolness matters.

The penetration of consumer thinking into the enterprise and the concern with style had a direct impact on RIM. In July 2006, Engadget got a leaked set of press releases, photos and videos of the "gonna be released in September" Pearl. It created a huge buzz for RIM because it was such a good-looking departure from their traditional ugliness. There were 600,000 references to a strictly searched "Blackberry Pearl" on Google the day after the leak. When it was finally released in September 2006, the buzz was so strong it sold out almost immediately and was responsible for a nearly doubling of the RIM stock price in from August to November. Impact, indeed.

This is a new environment for salespeople who used relationships to sell products and services. To reiterate, social customers are demanding a lot more from companies and their salespeople—which means the salesperson has to be a lot more savvy and creative than ever before.

Luckily, that's actually possible.

What Can A Salesperson Do?

There are a number of tools and best practices that already exist for those in the world of sales 2.0 or social sales, if you prefer. Phew, huh?

Before we get into that, there is one head change

that has to happen. If not, the salesperson will likely fail because he or she hasn't recognized change nor calibrated his/her thinking to that change. Here it is:

The conversation is in control of the customer, not the company. In other words, customers have the means and the networks to go outside the company to get what they want and to think what they think—in public.

The implications for a salesperson are simple. They have to understand that generating leads, managing opportunities and closing deals need fresh approaches and skills in utilizing tools that help enrich customer insights. Because whether it's a B2B or B2C sale, the customer is expecting you, the sales maven and your company, to know them and what they want.

That means that sales intelligence and engaging in the networks the customer participates in are of critical importance.

Sales Intelligence

Much of the discussion on what the customer thinks of your products, services, company and even you are going on outside your sales firewall.

So finding those unstructured conversations—perhaps happening on **Facebook** or in a community that's involved in discussing a medical condition that has a drug you're trying to convince doctors to use—needs to be part of the sales arsenal. There are nearly 200 choices for social media monitoring out there, so there isn't a dearth of tools. Use them and start combining the information you glean from them with traditional information from more structured data sources like Hoovers, Reuters or Dun and Bradstreet.

This will give you a much richer profile of your customer and, in a B2B environment, his/her company. That information—the usual financial etc. data and the personal discussions—will allow you to "know" your prospect better and provide them with the personalized interactions they need to become your customer, rather than someone else's.

Often, the benefit of sales intelligence goes beyond just knowing the individual, it often reveals not only who makes the purchasing decision, but who the key influencers are. This can be a big benefit. Why? If you get to know the influencers and are trusted by them, the decision maker will be more likely to trust you. Peer trust, remember? About 1,600 words ago.

The benefit of using sales intelligence as a practice alone is measurable, if you believe metrics. Aberdeen Group did a 2009 study on sales intelligence and found that best in class companies had clearly understood, rich customer insights as a differentiator for their success.

Community Participation

The social customer expects that you will respect what they do and how they participate in forums that might relate to what you are selling. Tread lightly. Rather than jump into the forums and communities where your customers are conversing online about products like yours—a death sentence—follow the advice of marketing maven Seth Godin: "date your customer."

In the case of online communities and forums, participate as an expert and member rather than a sales pusher. Provide expertise to help solve problems. Converse with prospects or customers on relevant topics. Don't push a pitch. Consider developing a regular podcast, an Internet based radio show, to provide some useful pontification on a subject of interest to your customers.

You might object, "I don't have the time for that kind of wooing. I have a quota to make." Trust me.

You need to make the time.

Or they won't make time for you.

Using the Resources You Have

One of the most important resources for approaching sales in the 21st century is the institutional knowledge that exists at your company when it comes to customer data—transactional or otherwise. This intelligence can be garnered not only from other sales people, but employees in different departments. So using the tools that enhance internal collaboration is a de rigueur exercise for the newly empowered sales god/goddess.

What that means is not just chitchat over lunch with fellow employees about an account, but actually finding out, using sales effectiveness and sales optimization tools, what are the presentations that have worked in similar opportunities? What do other employees think of those presentations and how effective they may be when used? What kinds of best practices might improve the chances of closing the sale? What do the employees know about competitors or the company/individuals that are part of the opportunity? Don't speak only to sales staff but employees across the company

knowledgeable about things that might impact the sales.

It also means using tools like wikis or what I call "outcome-based" social networks. These are internal collaborative areas for discussions and information capture that live during the lifespan of the opportunity.

Ultimately, the idea is that the collective knowledge of the company staff, along with the existing historic content, including documents and presentations, are used to optimize the chances of success in closing the opportunity. The more customer insight you have and the more practices that are ferreted out and then applied, the better the likelihood of closing the deal.

Bringing It Home

I'm only touching on some of the thinking, tools and practices now available for those willing to take the plunge into 21st century selling. To do that isn't as easy as I make it sound because it requires accepting the changed nature of the customer. In short, once the salesperson changes, the way in which he or she approaches those customers will change, too. The historic approaches still have merit, but today's social sales methods and tools are

improvements over the past. They're improvements based on the fact that the world communicates quite differently than it did just five years ago.

In the following e-book, we have recruited some of the top corporate leadership and thought leaders to give you an idea how social selling, a.k.a. Sales 2.0, works in specific industries. Listen to what they have to say about how high tech, non-profits, retail, sports, and telcos do it. Understand that as industry-specific as they may be, there are universal lessons to be learned from these experienced folks on new wave selling. And who doesn't want to learn?

About the Author:

In addition to being the author of the best-selling CRM at the Speed of Light: Essential Customer Strategies for the 21st Century Paul Greenberg is President of The 56 Group, LLC, a customer strategy consulting firm, focused on cutting edge CRM strategic services and a founding partner of the CRM training company, BPT Partners, LLC, a training and consulting venture composed of a number of CRM luminaries that has quickly become the certification authority for the CRM industry. Paul is also the co-chairman of Rutgers University's CRM Research Center and the Executive Vice President of the CRM Association.

Paul is considered a thought leader in CRM, having been published in numerous industry and business publications over the years and having traveled the world speaking on cutting edge CRM and topics geared to the contemporary social customer. He is a member of the Destination CRM Board of Experts and the SearchCRM Expert Advisory Panel as well as a member of the Board of Advisors for GreaterChinaCRM for many years among many others.

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Part 2:

Social Media and Sales: Is Anyone Making Quota Using New Media?

Anneke Seley

If you're like the many sales professionals I talk to on a daily basis, you are probably wondering whether it's worth the time and effort to use social tools to help you sell. Sure, the term "social media" is all over the news, the growth is exponential, and all the cool people are using these newest forms of connecting with customers. But given that the vast majority of sales executives are measured and compensated on very specific metrics, social media and social networking programs must generate qualified sales opportunities and revenue in order to be justified.

The Social Sales Success of Dell Computer

Many of you are familiar with the now famous example of Dell Computer's Twitter success. Dell has generated millions of dollars in revenue since it started selling reduced-price returned and refurbished products by posting promotional messages on **www.twitter.com/DellOutlet**. The sales figures are even more impressive, the company claims, if one counts the customers that initially responded by clicking links published in the DellOutlet Twitter stream but end up buying a full-price product on Dell's main web site, **www.dell.com**. But Dell is a name brand, multi-billion dollar company, selling computer products that often don't require interaction with a sales team. If you're a sales person at a company selling business-to-business products, it's easy to dismiss this case study and to continue wondering where social media fits on your list of sales initiatives.

Social Media for the Rest of Us

Here are two stories that illustrate how social media and social networking can indeed make a measurable

contribution to a company's sales results. The first one shows how an innovative individual sales person is making sales by embracing social tools. Given the important role that marketing plays in producing a pipeline of qualified opportunities for sales, I'm including a second example: a marketing executive generating high-quality sales leads using social media.

Dan Harding, Sales Executive

Dan Harding is a Regional Director of Sales at a sales productivity technology company called **ConnectandSell**. When I first spoke to Dan about his use of social media and social networking in the sales process, Dan said he was on track to close 25% of his annual quota by using **LinkedIn** and **Twitter**. Within four months of using these tools, he had filled his pipeline with at least ten highly qualified opportunities representing several hundred thousand dollars in revenue. He uses LinkedIn to stay in touch and front of mind with his network of hundreds of contacts by regularly updating his status box, which appears directly underneath basic profile information, which includes name, his professional "headline", and industry. This box functions like a real-time Twitter update and has a 140-character limit. Dan uses it to report on events,

promotions, and customer successes.

For example, Dan leaves messages highlighting customer results with his product, like this: **"Another Great Customer Kick-Off 12 reps, 12 hours, 140 connects, 24 referrals, 17 Demo/ Follow-up Meetings"**

When Dan updates his status box, e-mail is automatically sent to his connections through LinkedIn Network Updates, which drive people to check out his newly refreshed profile. This includes a five-slide **SlideShare** presentation that succinctly describes how his offering helps clients increase their sales results. Dan says, "LinkedIn helps me leverage referral-selling. I can easily update my network and stay in touch, which is resulting in e-mail and phone inquiries from people I used to work with or those they recommend."

A quarter later, I spoke to Dan again about the impact of social media on his current pipeline. **Dan claims 80% of his qualified leads now come from referrals, social networking and social media, which he considers technologies that enable communication with his personal referral network.** He recently closed sales worth 50% of his monthly quota by using social networking to stay connected to customers who had changed jobs.

He learned of these job changes through LinkedIn Messages and then requested an introduction (via LinkedIn, of course) to the new company. The new sales closed within 30 days.

Dan also "social calls"—he uses social media to make cold calling more personal—by reading his prospects' and customers' blogs, blogs that are popular in the vertical industries he targets, and blogs that his prospects and customers read. RSS feeds alert him when updates are available, which triggers new personalized customer contacts. Dan then weaves the blog content into his outreach message, letting prospects know he is following them, their industry, or their area of interest. Contrast this approach with traditional, generic sales pitches to volumes of faceless database contact names. Sadly, we've all been recipients of those. No wonder social media is improving relationships between sales reps and customers by making our interactions more personal as well as pertinent.

Mark Hamilton, Marketing Executive

In his role as VP of Marketing at technology vendor, **newScale**, **Mark Hamilton** launched a mixed media campaign which included both traditional programs (press releases, e-mail, and webinars) as well as

new media (blogs, Twitter, and LinkedIn Groups) to announce a new product to a new market and offer a **free trial**. "We used social media and free content as the draw to the offer rather than a traditional product push," Mark explained. Several executives, including newScale's VP of Engineering and VP of Corporate and Product Management sent out tweets from their personal Twitter accounts to generate interest in the product. Here's an example of one:

> *Check out how* **newScale** *can help your organization to automate self-service of* ***VM provisioning and deployment***

Mark's marketing programs were a great success. He says, **"Within 30 days, $3 million in incremental revenue was added to the sales pipeline, 2/3 of which came from social media and networking. Fifty percent of the traditional sales opportunities were qualified opportunities. Ninety percent of those coming from social programs were qualified."**

It will be interesting to follow these prospects, track their progress through the buying cycle, and see how many convert to customers–and which ones originated from the social promotions versus traditional media.

Focus on Measurable Results

Results like Dan's and Mark's are helping to convince their companies to invest time and budget in social properties and campaigns. As with any new sales approach, it helps to begin as they did: with experimentation and an understanding of which customers and sales opportunities are being generated using new ways of communicating. Earlier this year, I was introduced to a prospect that has become my largest customer. The referral was made on Facebook. I am no longer wondering whether social media plays an important role in my business as well as my social life.

How about *you*? Are you using (or thinking of using) social media and social networking in your sales and marketing efforts? What results are you seeing?

About the Author:

Anneke was the twelfth employee at Oracle and the designer of OracleDirect, the company's revolutionary inside sales operation. She is currently the CEO and founder of Phone Works, a sales strategy and implementation consultancy that has helped over 300 large and small businesses build and restructure sales teams to achieve predictable, measurable, and sustainable sales growth, using Sales 2.0 principles. Phone Works specializes in helping companies incorporate phone and Web selling into their sales models. Anneke is the coauthor of a new book, Sales 2.0: Improve Business Results Using Innovative Sales Practices and Technology, published by John Wiley & Sons.

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Anneke Seley

14

Part 3:

Intimacy on a Grand Scale

Brian Komar

U2 recently launched their first stadium tour in a decade and it is said to be awe-inspiring. It includes a 170-ton stage shaped like a spaceship with 360-degree seating so the band can be in close physical proximity to the crowd. It also includes more than 250 speakers, comprising the largest sound system ever, built for a tour that is supported by 200 trucks, nearly 400 employees and $750,000 a day in overhead. In addition to being the biggest rock and roll show of all time, the aptly named 360° tour is reportedly on track to becoming the highest grossing. When asked by Rolling Stone what U2 was seeking to achieve, Bono responded, "intimacy on a grand scale," adding the "rabbit out of the hat is to make the audience the star of the show."

> *While there are not many parallels between a public policy institute like the Center for American Progress and one of the world's greatest rock bands, the strategy behind the CRM program is very much the same. It's the customer, stupid.*

So what exactly do we "sell" at the Center for American Progress? Who are our core customers? And how is CRM helping us grow and strengthen our relationships with our customers in what is increasingly a sales 2.0 environment?

The Center for American Progress (CAP) is a nonpartisan, nonprofit public policy organization based in Washington D.C., headed by John Podesta, former Clinton White House Chief of Staff and Obama transition director. As a public policy organization, we sell ideas—policy ideas addressing 21st century challenges in areas such as energy, national security, immigration, education and health care. Our work shapes the national policy debate, redefines what is politically possible and converts progressive values into concrete policy. We build on the achievements of progressive pioneers such as Teddy Roosevelt and Martin Luther King, Jr.

Rather than just trying to "sell" to anyone, CAP is focused on aggressively seeking out those people best able to carry forward our policy ideas and help us drive change. We focus on four primary verticals:

press who write about our ideas, government officials and staff who help turn them into policy, policy professionals including experts, academics and advocates who help build support for our ideas and, perhaps most importantly, donors who drive our economic engine. This strategy is summarized by the phrase "influencing the influencers," and CAP's CRM efforts are helping to grow and strengthen our relationships with current and potential influencers.

Seley and Holloway note in Sales 2.0 that, "customer communications preferences have radically transformed in the last decade." We see this at CAP everyday. Just as businesses' relationships with their customers are becoming more electronic in nature, so too are CAP's relationships with our influencers. Just as customers want innovative, clear and increasingly customized ways of interacting with businesses, so too increasingly do CAP's core influencers. Following are some examples of how CRM is supporting a new sales 2.0 environment at CAP.

- The starting point for effective sales 2.0 customer relationships is achieving a single, unified view of each influencer across the institution. Contact and relationship tracking information for key stakeholders including donors, government officials/staff, and policy professionals, are all contained in a single system. This allows us to track key aspects of the influencer's interactions with CAP to help make better decisions on how they are responding to our outreach efforts, whether in the form of phone calls, letters, meetings, events, conferences, or briefings.

- For our donors, our CRM is the source of record for every donation and grant received by CAP and is used to track and monitor the various stages that are required to secure donations. For the more than 10,000 government officials and staff that we interact with, our CRM is the source of record for all outreach and is also used to monitor congressional testimony and legislative proposals. For press, CRM is a central repository for all print and broadcast clips and media appearances (more than 11,000 in 2008 alone).

- In addition to tracking all this offline activity, CAP's CRM links directly to our online marketing system, connecting all web visits and email marketing activities to the individual's record. Automatic notification triggers are beginning to notify relevant staff when their "customer" segment is interacting with us online.

- CRM does more than track an individual's interactions—the individual's outreach is also

associated to their respective organization to monitor all activity between CAP and the respective institution. For example, we track which press outlets are our top performing outlets in addition to tracking individual reporters.

In this changing world of customer preferences, segmenting and targeting is more critical than ever. This is particularly true for CAP, where last year alone we released more than 1,100 policy reports, memos, articles and other policy products. Imagine how quickly our customers would disengage if we tried "selling" them each of these products. Our CRM has the capability of targeting our core customers by more than 125 different internally assigned categories. Customers are able to change categories with us via user accounts, allowing them to have some control of their relationship with CAP.

Greater alignment between products and customers is another important sales 2.0 practice. At CAP, this is achieved by creating a direct connection between our products and our customers via CRM. In addition to storing customer information, CAP's CRM is also the source of record for the various policy products we develop, including articles, columns, reports, and videos, as well as information on the more than 100 events we sponsor each year featuring the nation's leading policy experts. Both product and

event information is organized by issue, department, author, date and organization, thereby allowing reports to be generated at any time according to any criteria, such as poverty reports in 2007 or national security events in 2008.

More importantly, we are now beginning to see which customer segments are accessing which products via which channel, providing a 360-degree view of our products as well as our customers. Having this product-level information will transform our ability to know which customers are our top influencers and increasingly help us focus our energy in the right direction.

Innovative sales 2.0 practices also require predictable, measurable selling. Measurement, tracking performance and metrics-oriented management philosophy are foundations of an effective sales 2.0 environment. Not only is CAP's CRM used to track customer and product information, but the platform also serves as a central business intelligence system for our operations. Audience, product and channel performance metrics are stored in our CRM and converted into a centralized set of key performance indicator (KPI) dashboards that provide management and staff information about what we are doing at any given time and how well we are doing it.

Sales 2.0 also requires greater efficiency and effectiveness across the operation; it requires best practices. CAP's CRM is further distinguished by the inclusion of important internal project management and workflow features that help make our outreach efforts more efficient. Project tracking allows us to associate products, events and outreach to particular projects thereby facilitating grant reporting. A project management system is currently supporting several departments, including a new tracking system for all video, technology, and CRM requests.

Creating a sales 2.0-friendly organization at CAP is also about providing an on-ramp for the next-generation of talent, which is particularly important in the era of social media. We recognize that influence is on the move and that there is a general democratization of influence and control taking place. CAP is using CRM to help identify those individuals who we may have ignored in the past, but for whom we are increasingly investing more energy to encourage them to act as sales agents on our behalf. Authenticity is an increasingly important sales 2.0 lesson. At CAP, that has meant training our policy experts to do their own social media outreach (in addition to having an institutional voice advancing their policy work). One of the policy experts trained by the social media team recently had one of his tweets from Afghanistan quoted

directly by the press.

Finally, social media's status as a new channel does not exempt it from the same need to measure results. CAP's social media outreach is integrated into our CRM; we track clicks-backs on links pushed via Twitter, as well as metrics for the size of our social media audience, the number of references and retweets, and the growing number of influencers who follow us.

In the months ahead, we are also looking to add a lead scoring system to our CRM to score outreach and interactions and help automate lead generation. We are also looking to include human resources and budget-related information. And in the near future, we will also be experimenting with a company-controlled community to engage some of our most devoted stakeholders, our alumni, more deeply in our ongoing activities.

Has CAP established personalized conversations with each constituent seamlessly across multiple channels and touch points? Not yet. But we are well on our way to having the foundation necessary for true two-way engagement between CAP and our core stakeholders. In doing so, we are proving that by keeping our customers at the center of our operations, intimacy on a grand scale is not just for rock stars.

About the Author:

Brian Komar is the Director of Strategic Outreach, Activism and Alliances at American Progress, overseeing three portfolios focused on strategic marketing efforts and partnerships to strengthen the capacity of progressive advocates and networks, amplify the progressive voice, and help extend the breadth and reach of the Center's policy work. The Strategic Outreach portfolio manages the institutions' email marketing program and constituent relationship management program. The Online Activism portfolio manages the institutions' online community building efforts, and the Alliances and Coalition Relations portfolio manages the institutions' relationships with key allies.

Prior to joining the Center, Brian was co-founder of NEXT, a political action committee for emerging progressive leaders, and previously worked for 10 years at the Leadership Conference on Civil Rights, a coalition of over 180 civil and human rights organizations. A native of Illinois and a lifelong Cubs fan, Brian received his B.A. cum laude from the University of Illinois, where he was elected to Phi Beta Kappa. He received his master's in public policy from Georgetown University.

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Organization: http://www.americanprogress.org

Brian Komar

Part 4:

The Unbearable Lightness of Social Selling

Jay Dunn

In every meeting, every presentation and nearly every discussion about social media, the question arises: "Can You Create ROI?"

It's a legitimate concern—we're running retail businesses here, not free clinics—and beyond anything else we do, we sell things to make money. And while numerous other benefits of social media are positive for a brand (awareness, community, CRM, customer service, brand engagement, etc.), in the end, a return on investment for the resources deployed and the content created is necessary. In fact, ROI is merely the first target. Incremental Sales is up next, so let's not delude ourselves with ROI only.

> *So, the right question is two questions: "Can You Create ROI? And Can You Make Profitable Sales Through Social Media?" And to that I answer a robust and enthusiastic: "Hey, I'm working on it."*

Retail CMOs are endeavoring to create a relevant business model around social media—I am no exception. We see the potential of viral distribution, of creating a platform for conversation with our customers. The opportunity of social networks and social media is appealing in its scale, particularly when offset by its low costs of entry and participation. But let's be frank, most companies are intrigued because social media is comprised of lots of potential customers—at the very least, warm bodies—and because it is perceived to be cheap.

And compared to traditional media (direct mail, broadcast, e-commerce, PR, etc.), it is. But it's not free. It's not an insignificant investment, if your social media program is done right. Yet, it is not expensive, comparatively.

One of the more misunderstood costs to the retail companies I have worked for or consulted with is the immediate and continuous need for content

creation. Despite the insistence that companies must devote appropriate resources (financial, as well as talent-based) to content creation, many companies find themselves unable to generate the content bulk required to run a successful social media business. It takes bodies to develop promotions, announcements, conversation, questionnaires, and other elements of engagement.

Additionally, the lack of creativity about and focus on the intent of content plagues many businesses interested in leveraging social media. Simply broadcasting "Deal of the Day" posts may generate an initial pop of activity and sales, but it has been sustainable for only a few companies, such as Dell.

So, how is a retailer to dabble in social selling prior to investment? Like any other initiative, we test. The low-cost of entry and array of free or inexpensive tools and platforms is a big advantage over traditional media.

Have you ever tried to test a concept for a television commercial before incurring the costs of production and post? You can use storyboards. You can shoot in video. You can crank out a rip-o-matic using other source material to infer your idea. None are ideal for validation.

With social media, however, you can set up a social network on Ning, open a Twitter, Facebook, or MySpace page, manage and track your campaigns through HootSuite, and aggregate the whole shebang via Ping.fm, without spending anything more than time. No secrets here, which is why everybody wants to do it.

I started Supergroup (http://supergroup.ning. com), my Ning network for marketing, social media, design, and retail professionals, the way I described above. Twitter, Facebook, Delicious, and FriendFeed serve as feeder sites for Supergroup–places where I attract followers who share my interests, some of whom enhance the connection by joining my social network.

It is small, fairly robust and interesting, and has turned a profit from advertising right out of the gate. I won't retire to the Caribbean anytime soon, but I'm not chucking out dollars in addition to content creation and site management. And as a social network, some level of content is member-generated. At a tipping point in the future, it may run itself.

In my day job, I head up marketing for Lane Bryant, the women's fashion apparel retailer. A few months ago, we launched a social network called **Inside Curve**. Inside Curve is a fan site and community of women who love Lane Bryant, fashion, and trendy

clothing. Membership tops a little shy of 14,000 and the conversation is constant, lively, and involved.

The network allows the brand to reach a community of customers in ways no other form of media provides. We are conversational. We are curious. We ask questions. We engage.

We also sell.

Articles on the network contain links to products on the e-commerce site. Obviously, the power of fashion photography helps drive traffic to the product pages. But there is also entertainment value. Recent features have focused on topics such as Glamour magazine's startling commitment to women of all sizes and the instant fame of one our models, Lizzie Miller (the Page 194 Girl); the launch of supermodel Crystal Renn's book, "Hungry"; and video of Tim Gunn (Project Runway) conducting a fashion makeover at one of our New York City stores.

In addition, members can create groups, share photos and videos, and conduct dialogue with other members and with the brand. For our segment of the consumer, it has proven to be a powerful platform for engagement.

We also embed Omniture links into our shortened URLs for postings on Twitter and Facebook, which in

turn drives traffic to Inside Curve and e-commerce—fully trackable, fully measurable.

To recap: we have a committed audience of brand enthusiasts, a fun fashion social network, a feeder system pipelining from popular networks, and attention-getting content that brings our customer closer to the brand than ever before and delivers her to the point-of-purchase via links to e-commerce. What more could a business want?

If we're going to be smart about it, we're going to approach this business of social selling like we would a business in any other retail channel. We build a business model that emanates from a well-considered premise.

In this case, I offer what I'm calling "Dunn's Social Media Business Equation," or "Dunn's Equation," for short:

Dunn's Equation: Annual Value x Network = Network Value

Most companies know the average spend of a customer over the course of a year. Some work from a lifetime value model. Retailers use this average to segment customers into profiles, to slice and dice direct mail, credit, and other marketing and promotional programs.

Dunn's Equation models a formula around the premise that:

- Each prospect has an annual purchase value

- Each prospect has an extended social network, of which some percentage share a similar interest or behavior

- Each prospect acquired via social media combines the annual purchase value of the individual, plus a percentage value of one's network, creating an annual network value to the brand

In short, a social media-acquired prospect has a greater value than a prospect acquired via traditional media as a result of the additional value a network potentially adds to an individual's total worth. For instance:

Annual Value: $50

Network: 100 Followers

% with Similar Behavior: 5 (5 x $50)

Network Value: $300

The sharing and retweeting of posts is at the heart of the formula. It's word-of-mouth gone digital, but amplified across the Internet many times over. And since within social networks common threads of interest bind members, your interests are likely to be shared by some your followers.

On my Twitter account (**@JayDunnOnline**), I focus on marketing, retail, and social media. My followers share those interests. When I retweet or post, some percentage of followers respond. They click through to where I've directed them; some act, some do not.

But the power of social media, and thus my value to a retail company, is that I can transmit a message to others like me who will occasionally respond in the same way that I do. That makes me more valuable as a consumer.

Is Dunn's Equation scientific? No. Am I working the formula to validate the premise? Absolutely. But it's indisputable that we can create ROI and generate profitable retail sales through social selling.

And so the right question becomes the next question: "Will You Quit Your Day Job and Move To The Caribbean?"

And to that I answer a robust and enthusiastic: "Hey, I'm working on it."

Jay Dunn

About the Author:

Jay Dunn is Vice President of Marketing for Lane Bryant, and Founder of *Supergroup*, the social network for marketing, social media, retail and design professionals at **http://supergroup.ning.com**.

An accomplished writer and in-demand speaker, Jay's trademark style – insightful, eclectic, never long between laughs – lends itself to an engaging and provocative commentary on social media, retail marketing, the economy, and the current challenges facing business today.

Combining his expertise in marketing, design, and branding with his passion for new media, social networking, and technology, Jay and his teams have produced award-winning campaigns that have reinterpreted retail marketing for Lane Bryant, Brookstone, and The Home Depot, among others.

Jay sits on the board of directors of Retail Advertising & Marketing Association (a division of the National Retail Federation); is an advisory board member of Global Retail Marketing Association (GRMA); and sits on the board of directors of the ZAP Advertising Program at the University of South Florida.

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Part 5:

The Consumer Takes Control

Jouko Ahvenaine

In our 2.0 world, active consumers are taking control of customer relationships. They are searching for products on the web, asking opinion from peer groups, and carefully comparing prices. To compete, telecoms and mobile networks must adjust to this new reality. They can no longer simply broadcast their sales messages to consumers—they must live with consumers and consumer communities in an interactive relationship. Here are just two examples of why sales and marketing need to make a shift from push to pull:

> *Consider the ever-growing App industry. Consumers visit an apps store on their mobile or computer and actively look for apps. How do they choose from literally tens of thousands of apps? Typically the decision is based on ratings and recommendations.*

> **Ilja Laurs, CEO of GetJar (the world largest open mobile apps store) reports that 40%**

to 90% of new GetJar's app sales come from friends' referrals.

And, consider the growing usage of mobile phones for social media. For example, 15 to 25 year-olds spend over 50% of their communications time in social media*.

And 70% of mobile browsing (data) revenue now comes from social media usage.

SingTel just launched a new mobile device (INQ) specially designed for social media use and Vodafone is just launching its 360 service to integrate Facebook and Google talk to your phone book.

*Source: Strategy Analytics, estimate for year 2010

So what does it take to succeed in this new world? One key component is greater customer

understanding. Companies must help people find offers that are relevant to them by better understanding consumer preferences and peer-to-peer networks and influence. We call this customer intelligence 2.0 or "Social Intelligence".

Mobile Carriers and Mobile Service or Apps providers are realizing they already possess a valuable asset—customer data. In fact, telecoms and mobile networks will no doubt grow in importance because of the tremendous volume of data they capture.
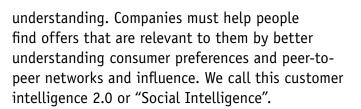
Mobile Carriers and Mobile Service or Apps providers are realizing they already possess a valuable asset—customer data. In fact, telecoms and mobile networks will no doubt grow in importance because of the tremendous volume of data they capture.

The real question for the telecom and mobile industry is what can they do with all this intelligence? Can they utilize this asset to play an important role in the ecosystem in the future, or is a dump bit pipe their destiny?

Traditional telecom companies, such as carriers, can use Social Intelligence to improve their customer loyalty, up-sell and cross-sell programs. All of these activities are strongly linked to sales. Here are just a few applications:

1. **Churn management**: Sell a new contract to existing customers and target customers who have high influence in their peer group,

2. **New customer acquisition**: Launch member-get-member type sales campaigns

3. **Product sales**: Sell new products and services to customers and at the same time maximize viral influence

4. **Customer valuation**: Focus sales activities to high potential/high profit customers, including social revenue value.

"Alpha User" concept – sell to influential customers

As the name implies, Alpha users are the most influential people in a social network. By selling products and services to them and letting them spread the word to their peers, far less marketing/sales to other users is required. Targeting the Alpha users benefits also them, since Alphas tend to be very interested in new products and enjoy informing others about them.

Generally, Alpha users have strong links to their many friends and hold a central position in the

social network. Being an Alpha user does not necessarily mean being an early adopter— their role is primarily that of an influencer. However, Alpha users are often among the first in their social circle to recommend the products to others — assuming they are interested in that product or service.

While it may seem counterintuitive, Alpha users do not necessarily communicate more than other customers. There is a correlation between Alphas and larger volumes of communication, but it's the nature of the communication and their position in the social network that matters more. Different products and services have their own Alpha users. That is, people have a specific area of expertise in which they are key influencers.

Customer valuation – sell to valuable customers

Traditional customer valuation metrics typically calculate the value directly related to a specific customer. These include metrics that look at the historical revenue or cost generated by the customer, such as customer's revenue or profit per unit, or more forward-looking metrics, such as customer lifecycle value, which takes into account the future revenue potential of the customer.

The problem with the individual value metrics is that they assume that customers can be valued in isolation from each other. They fail to take into account any social interaction between customers. In reality, individuals have significant influence on other customers' purchasing patterns either in the form of an explicit recommendation or an implicit imitation factor. When deciding how much a customer is worth, companies need to assess whether a customer is influential or not. They also must determine the level of influence and on whom that influence will be exercised. Consider for example an individual with a large social circle of valuable customers versus another individual with a smaller circle. Clearly, the large social circle with valuable customers should be the focus of the marketing activities for the company.

Churn Management – sell again

Churn is a highly viral phenomenon. The goal of Social Intelligence-based churn management is to reduce churn in communities by identifying people at high risk to churn— as well as those likely to influence others—and focusing sales activities on them. This is especially important at the end of a contract period.

New customer acquisition – sell to new customers

Word-of-mouth has proven to be the greatest influencer when choosing a telecommunications provider. So the aim of Customer Acquisition is to find the best targets for member-get-member campaigns. Based on communication data (CDR's), we are able to identify people with the highest propensity for successfully recruiting more customers into the mobile operator's network – the Acquisition Alphas. In this case, we calculate each customer's propensity to bring in new customers (Acquisition score) and conduct a behavior pattern analysis of the Acquisition Hubs from which an acquisition report is generated.

Products and services – sell more

The success of any viral marketing campaign – whether it is product up-sell, cross-sell or launching a new product –is highly dependent on the targeting of the most influential customers. We create a target list of subscribers that are able to create the highest total pull in the communities. Carriers can use this kind of Social Intelligence to market products and packages for traditional telecom services, like voice, text and data packages, and value-added services.

Above we discussed the tendency of mobile phone users to rely on product ratings when choosing from the staggering number of apps. In the future, expect more and more niche apps. Increasing analytics and personalization will help potential buyers to find apps relevant to their interests and needs. It will also helps niche app developers to survive. Carriers have an opportunity to package this kind of targeting to app stores, but historically carriers have been slow to act. App stores may develop it themselves or companies like Google and Nokia Ovi may enter the arena.

Sales models

Sales and marketing need new models to utilize Social Intelligence in telco and mobile business. That means developing new types of campaigns and sales activities. Traditionally, companies rewarded customers who persuaded their friends to buy. But today, people are reluctant to promote products to their friends, especially if they believe they are part of an advertising spamming campaign. And, a $5 discount or one more T-shirt is no longer an incentive.

People are willing to advocate for services or products that enable them to achieve higher status and respect within their peer group, or

share something that is perceived as valuable information or entertainment to that group. This means, for example, exclusive offers that can be shared with friends, information concerning new products and services, or games and competitions where people can play and compete with other people and get recognition if they are successful. When we sell to people, we must also remember the Maslow need hierarchy: what people really want to get and achieve. After the most basic needs are fulfilled, things such as respect, status, and social relationships are important and motivate people to buy.
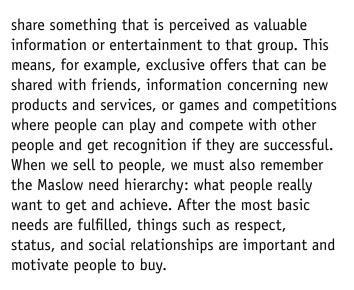
The network effect is important in services such as multi-player games or mobile instant messaging. Users get more value from it when their friends and colleagues also use it. So, it is not only key to find Alpha Users, but communities where the operator has many potential customers and can target sales activities specifically to these communities first. The carrier also collects feedback from campaign results to improve understanding for the next campaigns. The most important Alpha Users are invited to focus groups.

Conclusion

Sales is no longer just contacting people and persuading them to buy. Today, sales, marketing, and PR are very much tied intertwined. To sell, you must make it easy for people to find you and your products, and encourage customers to promote you in their own communities. Better customer understanding, like Social Intelligence, can help you tremendously in identifying the best potential customers and "advocate" customers as well the most relevant offer for each potential customer.

Jouko Ahvenainen

About the Author:

Jouko Ahvenainen is a serial entrepreneur, a co-founder of Xtract, the world first social network analytics company, and Grow VC, the first global peer-to-peer micro-funding service for startups. Previously, he held various senior sales and management positions at diverse technology firms including Cap Gemini Ernst & Young, Powerwave Technologies Inc., Nokia, and Sonera.

Jouko is a pioneer in social media marketing, and played a significant role in the development of the first social marketing intelligence solutions for mobile and media companies. Jouko got his start in traditional marketing, with some well known political campaigns in mid 90's. He holds an MBA from Helsinki School of Economics and McCombs School of Business at the University of Texas, Austin, and a M.Sc.(Tech.) from Helsinki University of Technology.

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Part 6:

Engaged Participation with the Empowered Fan

Mark DiMaurizio

Selling in the Sports Industry has changed for most teams over the past four years. I say "most teams" because there are still quite a few teams insulated from slumps in the economy—their biggest problem is still maximizing margins and/or determining what bobble head should be their next promotional item.

For a growing number of teams, as with other industries, there is a new "normal." Adapting, maturing, nurturing, customer engagement, value-added...these are terms that have been thrust to the forefront of every sales, marketing, customer service and executive's lexicon. If not, that team had better sign the next Lebron James.

We know that discussions around social media and Web 2.0 technologies are ubiquitous. And, the applications of social media are numerous. So how are sports teams adapting to social media, especially to help grow revenue? And

does it sell? Does participating with and engaging the customer move the proverbial needle? If it does, what needle would that be? Revenue? Customer Service? Branding / Marketing?

If we can answer whether we move a needle, it also implies that we're measuring. If we are measuring, then can we determine *incremental* movement? So many questions, so little time. But I may be getting ahead of myself.

Regardless of the current economic climate, people today have more ways to spend their disposable time and discretionary dollars. In Philadelphia, we have four major league teams, as well as many Division 1 college teams, so not only is there entertainment competition, but direct sporting options for the Philly tri-state area residents as well. As with all live events, we have a perishable product; luckily our customers have a tremendous

emotional affinity for that product. In general, fans of sports teams have a very high threshold for brand consumption. Add to that the fact that Philadelphia is comparatively provincial—meaning many people who live here grew up here—and you have the makings of a tremendously strong fan base.

Let me first walk you through Comcast-Spectacor's (Philadelphia Flyers and 76ers) approach and strategy to Web 2.0 and selling. From the top, we have very clear, concise company goals. They are similar to those of most (if not all) other companies: grow revenue, increase the customer (fan) experience and reduce costs.

We have a set of golden rules that we call the "How Ya Doin" program, which lists ten guidelines for taking care of the customer— as well as reminding us that this is a business. Let's now drop down into the functions. By doing so, I'm implicitly stating that our social media / Web 2.0 strategy is integrated throughout our departments /functions and embedded in each of their tactics. Every department—sales, marketing, customer service—is a consumer of social media /Web 2.0 technologies. Used along with traditional tactics, these social media applications are just different arrows in their quiver.

Obviously, our most basic goal is to create and retain a customer—in this case, a fan. Aligning with sales' overall goals (as well as daily goals), we engage in both hard sell and soft sell. The hard sell is obvious: we have web pages, an inside sales department, as well as sales executives that ensure we're easy to purchase from and that our value proposition is well defined.

Now, let's look at the soft sell. Starting with league-provided resources, we offer online communities as well as wikis. Both Leagues' (NBA and NHL) CMS systems (Content Management Systems) allow us to tag our xml files into RSS feeds. And from the individual team perspective, we host Facebook, Twitter, Flickr and other community-based applications. I believe the content (passion) we see in these communities differentiates us from other consumer products. We take advantage of these communities by staying engaged in the conversations.

We want to accomplish two major things:

1. Inform fans if/how many tickets are available for the next home game(s)

2. Inform fans about the ancillary events going on at the game (for example, Cancer Awareness Night, Green Initiative Night etc.)

Due to the real-time nature of most social communities, we can inform fans of ticket availability and roster scratches up until game time. Behind-the-scenes photos of the players as they prepare for the night's game or road trips are also popular with fans. Recently, with the Phillies once again hosting the World Series across the street from us, as well as the final events being hosted at our older arena (Spectrum), the social communities have been abuzz with fans. Not only have we used social communities to inform our fans of game time changes (so we could all watch the World Series), but also to invite attendees to make it a 'two-for' by seeing the Sixers and Flyers across the street. We use promo codes to measure the effectiveness of the channels to constantly improve the timing, offer and delivery of these offers and communication items.

Our customer service department also sells. Their prime directive is to delight the customer, retain them and show that we're a world-class organization. However—and this is especially true of first-year season ticket holders—we want the fans to know of all our offerings to ensure the product(s) are right for them. Group tickets and fundraising opportunities are examples of where customer service has the time to explain these offerings to new customers. The service reps tweet in private, meaning they invite season

ticket holders to follow them, and only they can 'see' their reps' tweets. Again, these informational messages are available through other channels, but if the fans wish to communicate or engage in this channel, they can. We even offer exclusive promotions/offers by channel to provide added incentive to engage with us.

Like most teams in our industry, we have two ways of measuring the effectiveness of our marketing/sales efforts: the implicit and explicit measure. Until all our systems (CRM, marketing, transactional, social, survey) talk to one promote utmost accuracy in identifying the fan, implicit measurement will exist. Every year, we improve our ability to explicitly measure the success of our tactics as systems become more open to one another.

As we try to explicitly measure the success of our marketing and sales strategies in the Web 2.0 world (and the traditional methods), the other question we wrestle with is incremental sales or retention. For example, if hosting communities for our fans, as well as Tweets, SMS messages, integrated branded browser skins and wikis moves tickets, is that cannibalizing the other channels? Do the people who follow us on Twitter also receive our newsletters and simply choose one channel over the other when purchasing a ticket? Or does

it matter? Meaning, perhaps these social sites and applications also serve a marketing function—branding us, nurturing the fan or prospect as well as generating direct (explicit) sales. And with our explicit measures, we're able to calculate revenue by channel, by campaign, by customer. The cost of engaging in these social sites is minimal; time is usually the biggest cost.

So, are social media and Web 2.0 applications killing it for us in sales? No, but we don't view it as the next big thing in sales. It does serve as valuable resource in communication and fan affinity. And the commitment to engage in the conversation with our fans and customers is more than just another "tactic" it's also fun. Furthermore, it deepens the relationship we have with whom we consider the best fans in major league sports. The immediacy of their feedback keeps us grounded and on our toes. So, we will continue to advance our involvement with social and Web 2.0 technologies. We realize that the fan is empowered to communicate what they want and in real time, and we want to be there to participate in that conversation. We believe if we listen to and take care of the customer, then our lives get much easier.

Mark DiMaurizio

About the Author:

Mark DiMaurizio serves as VP - Technology Solutions for Comcast-Spectacor. He oversees the company's sales and marketing technologies for its Philadelphia sports properties (Philadelphia Flyers, Philadelphia 76ers) and all events at their two Philadelphia venues. Mark also oversees the CRM, database marketing and customer insight functions.

He joined Comcast-Spectacor from GE where he was an IT Leader. Prior to that, he was with the NBA as the League's Director of CRM Systems and Team Technology for six seasons.

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About The Customer Collective

The Customer Collective is an online community for sales and marketing executives built around the discussion of the important issues, strategies, concerns, and best practices in sales and marketing today. We feature blog content from the top thought leaders in sales and marketing, and regularly generate timely educational content in the form of webcasts, podcasts, whitepapers, ebooks, and more (it's all free). The Customer Collective is moderated and maintained by Social Media Today LLC, the leading creator of purpose-built online B2B social communities.

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