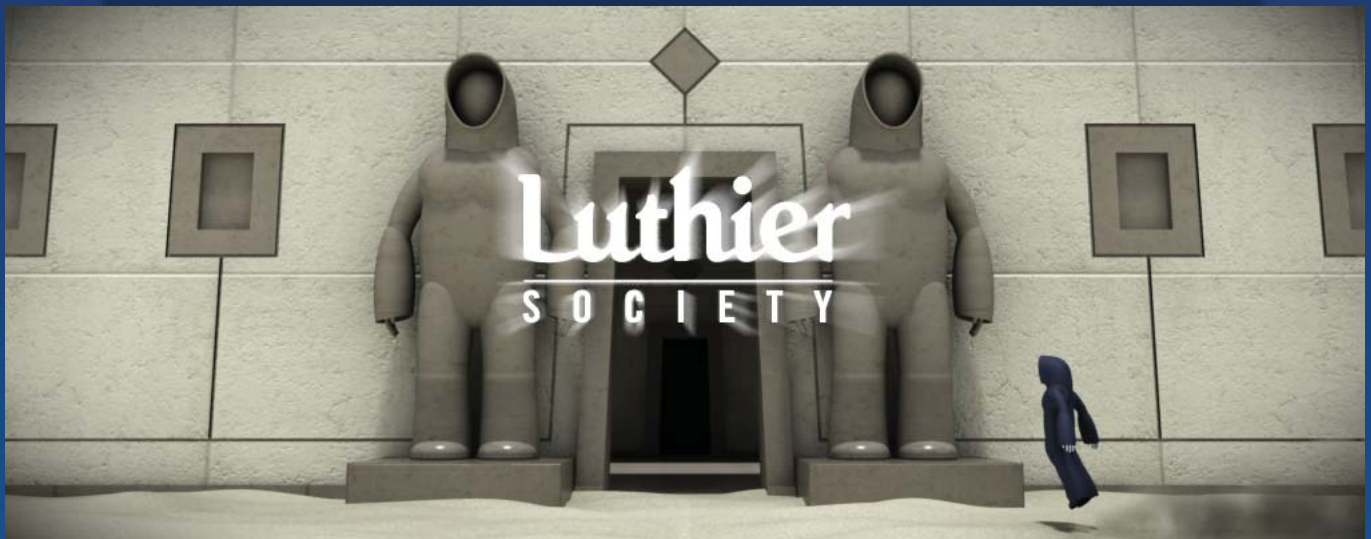


# Social Media 3.0 and the Future of Viral Marketing



By:

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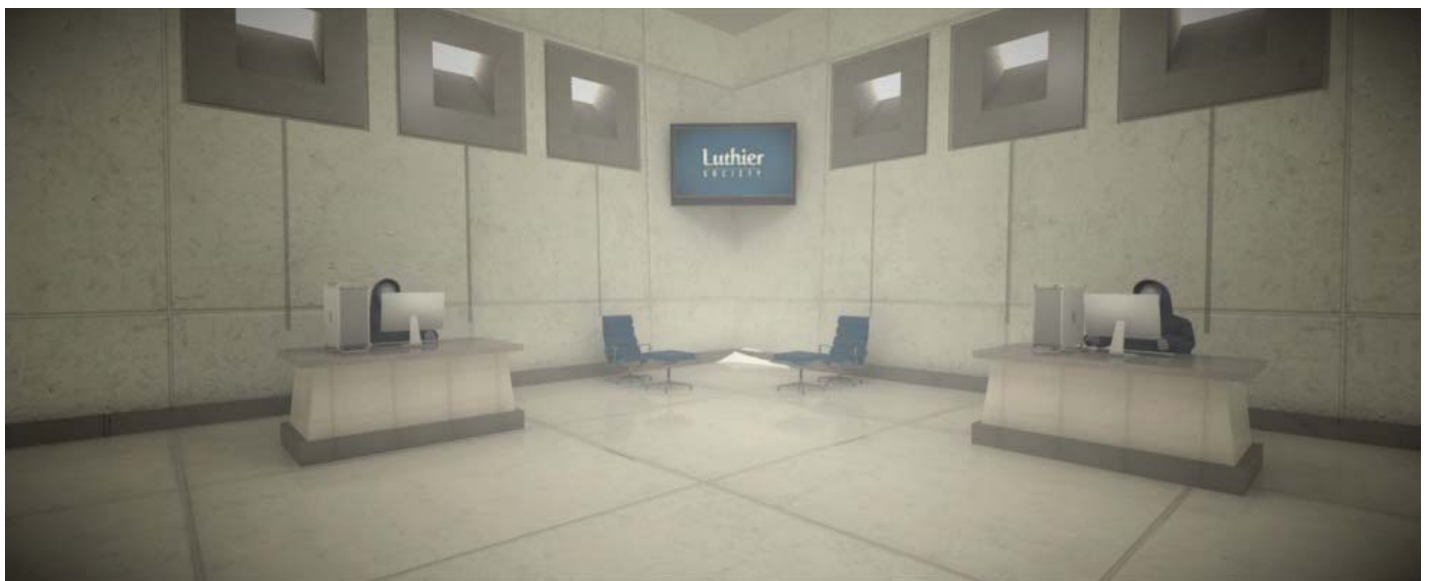
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[http://www.luthiersociety.com/whitepaper/  
White-Paper-3.0.pdf](http://www.luthiersociety.com/whitepaper/White-Paper-3.0.pdf)

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# Introduction

Since its inception, social media has been both a blessing and a curse to those involved in marketing and public relations. On one hand, it offers a way to disseminate a message that is cheap, easy, and very effective. On the other, it is notoriously difficult to effectively monitor the dialogue, and nearly impossible to quantify or monetize that dialogue. Fortunately, new tools are becoming available that not only make it easier to monitor the dialogue, but also begin to measure and quantify the results.

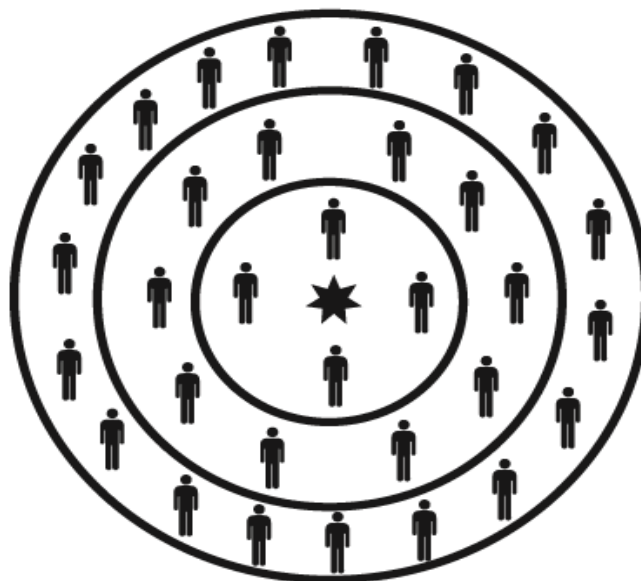
This white paper will discuss these emerging tools, as well as detail the best practices for choosing which kind of social media to best target your intended audience, and use real-life case studies to illustrate their effectiveness.

# Social Media 2.0\*

The past few years have seen a tremendous explosion in what is known as social media, or “user-generated content,” with the advent of blog, micro-blogs such as Twitter, social networks like Facebook and MySpace, viral video channels like YouTube, book-marking sites like Digg.com and Delicious.com, image and photo networks like Flickr , and podcasts. Each of these presents its own inherent advantages and drawbacks, and each presents unique opportunities to reach the Business to Business (B2B) client or the Business to Consumer (B2C) client.

## Blogs

Business to Business enterprises find the greatest return on investment here. Audiences are usually already knowledgeable about the topic of the blog, and have a vested interest in keeping up-to-date with that topic. Consumer audiences tend not to follow blogs as closely. Examples include Blogspot.com and Wordpress.com.



\* Diagram and some data courtesy of Jordan Julien. <http://www.thejordanrules.com> or Twitter @jordanrules.

# Micro-Blog

The only social media type that appeals to both B2B and B2C audiences, micro-blogging from such sites as Twitter.com allows those in the industry to get the most up-to-date information on a topic, and gives consumers a chance to communicate directly with a business, whether it be for customer service or grass-roots updates.

Another important feature of micro-blogs that cannot be overlooked is their viral nature. Recipients of micro-blogs can quickly and easily pass them on to everyone in their network, who can pass it on to their network, etc. The dissemination of “traditional” blogs is more complicated, involving e-mailing or posting links to friends and associates, who may or may not be willing to follow that link. The advantages of this ease of distribution cannot be overstated.

# Social Network Sites

Social Networks allow businesses to establish a unique presence in the world, one that offers a more direct, ‘human’ face to a company. It also allows current users to become “friends” or “fans” of the business, and recommend them to others, creating a grassroots-style promotional campaign. Many social networking sites have multimedia capability built-in, meaning that pictures, videos, and audio can be shared with friends.

One of the things that make social networks so effective is the way they can organically shift from advertorial to editorial content. An example of this is when the Luthier Society paired actor Michael Welch of “Twilight” with creative agency iNDELIBLE, to promote their online campaign for the acne product AcZone.

# Viral Videos

Viral video channels, like YouTube, offer brands the ability to give a full visual experience of their product or service to the user. In addition, the ease at which users can share these videos with friends and colleagues allows for quick, widespread dissemination of the message.

# Bookmarking

One of the ways search engines like Google rank their search results is by monitoring how many sites offer links to that web page, and what their click-through rate is. Getting a link on a bookmarking site like Digg.com or Delicious.com can greatly improve search engine rankings.

One of the most effective ways of doing this is by using an “eTeam” of consumers who already use the product to post a link, and have other eTeam members click through the link. It is also important to note that businesses can gain additional exposure by appearing in syndicated RSS feeds from these sites.

# Image Networks

Image/Photo networks sites like Flickr.com and Photobucket.com can promote viral campaigns as users share their static images with family and friends. It is important to note, however, that static images are not shared nearly as often as video clips.

# Podcasts

In many ways, podcasts are simply a type of audio blog. The intended audience is usually already committed to the topic, and simply wants to keep up-to-date on the latest trends and developments. As such, the most common podcast listener is the businessperson who already works in a particular field or uses a particular product. There are many podcast services on the internet, of which iTunes is undoubtedly the most popular.

# Social Media 3.0

Looking to the future, there are several key issues that social media will be dealing with. These include:

- **Multi-Media Micro-Blogging:** Traditionally, micro-blogging has been limited to short text messages, and possibly a link to a photo or web page. With the creation and deployment of the multi-media messaging service (MMS), users will not only be able to send text, but also short video, photo, and audio files directly to another users phone. The tremendous capacity to change the way people communicate and how news is disseminated is outside the scope of this white paper.
- **Interoperability between Platforms:** Generally, sites like MySpace, Facebook, and Photobucket do not get along well. Each has its own set of procedures and styles of doing things that a user must become familiar with for each site, and few sites are able to “connect” with each other and share content easily. In the future, expect to see sites integrate together more fully to streamline the user experience.
- **An Increase in Open-Source Technology:** Currently, each site maintains its own username and login information, which a user must remember correctly for each site. In addition, each time a person joins a new site, they are required to fill out a new profile, which usually includes the information already included in their profiles on other sites. Projects like OpenID, OAuth, and Identity Graph are working to create a single username/password for all social media sites, and automatically fill in profile data to save the user time and encourage site participation.

- **Improved Tracking and Metrics:** It is notoriously difficult to effectively monitor traffic and discussions on social media sites. Many projects, including the Luthier Society's Archimedes 1.0 ROI platform, are in development that will make it possible to easily and accurately gauge what is being said about a particular topic or product.
- **Predictive Modeling and Artificial Intelligence:** Savvy social media networks and sites are already looking for ways to enhance the user experience using predictive modeling algorithms. Note: these algorithms are based upon data gathered from actual user behavior. This can be a tremendous boon to marketers and businesspeople, but will also cause consternation among privacy rights activists. Expect to see a heated public debate on the topic before it is settled.

## **50 Social Sites that Every Business Needs a Presence On:**

The customer relations specialty site, InsideCRM.com, published a list of 50 Social Media sites that it believes every business should be active in. The sites are broken down into categories such as Bookmarking Sites, Job Sites, Professional Networking Sites, etc.

<http://www.insidecrm.com/features/50-social-sites-012808/>

# Emerging Technologies

## Micro-Blogging

Micro-blogging is typically limited to only 140 characters, which makes sending long, often complex URLs nearly impossible. To remedy this, “URL Shorteners” like TinyURL and Bit.ly have become nearly indispensable in the micro-blogging world. Of these, Bit.ly stands out as the best tool for marketers because of its built-in tracking of click-throughs. Users sign up for a free Bit.ly account, and are able to see how many unique visitors have clicked on their link to read their article, view their video, or simply visit their web page.

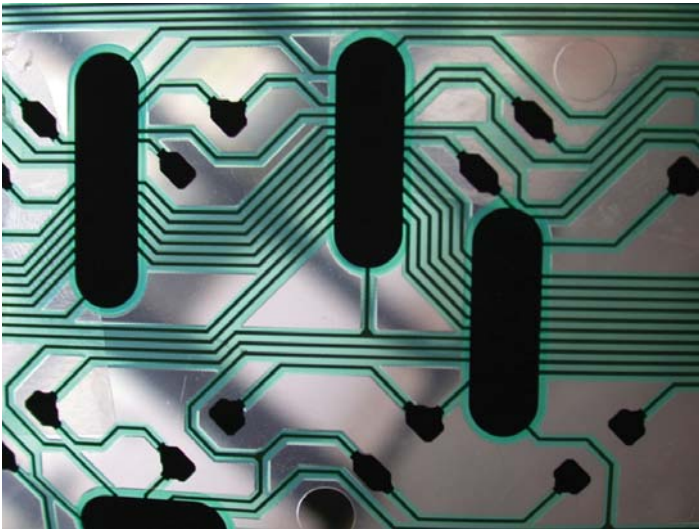
To monitor micro-blogs in general, sites like Monittor.com and Twitter’s own search engine allow real-time searches about what people are saying about a particular product. Tweetbeep.com takes this a step further, alerting the user whenever a given search term is used in a Twitter post, much like Google Alerts notifies the user when a particular item appears in the news. Many social media-savvy companies use their Tweetbeep.com feeds as a bellwether to tell how customers are reacting to a company or product.

However, micro-blogging advances are not limited to software. Arduino is a small circuit board used to connect real-life objects to social media. For example, an Arduino chip can be attached to a cat’s collar, and a receiver to the cat door, so the cat’s owner can get a Twitter alert every time the cat enters or leaves the house. Technology like this can be used in any number of situations.

**More on URL Shorteners:**  
[www.techcrunch.com/2009/05/06/url-shortening-wars-twitter-ditches-tinyurl-for-bitly](http://www.techcrunch.com/2009/05/06/url-shortening-wars-twitter-ditches-tinyurl-for-bitly)

**To view multiple Twitter streams in real-time:**

<http://tweetdeck.com/beta/>



# RFID Tags

Radio Frequency Identification (RFID) Tags are transponders that can be made small as a grain of sand, and send an electronic signal to nearby receivers, simply alerting them of the products presence. Easy to use and cheap to produce, RFID tags are mainly used today for inventory control at retail stores, but may someday be embedded in almost every conceivable item.

This can provide a goldmine of information for marketers about consumer spending and habits. However, there are clear privacy issues with this kind of data collection.

Visit <http://www.spychips.com> for a more critical analysis of RFID tags.

Along similar lines, phone manufacturers—particularly Nokia—are investigating technology that could exchange information from one phone to another simply by bringing them into near proximity to each other. This technology is known as Near-Field Communication (NFC).

## Open-Source ID

As mentioned previously, one of the things many people find most frustrating about social media is the huge array of sites, each with their own screen name and password. Additionally, with each network one joins, one has to fill out a profile, usually with the same information that is already on other social network profiles.

The open-source software OpenID allows for a single username and password to work across hundreds of sites and platforms, so that the user only has to remember a single login. OpenID is already in use on hundreds of smaller sites, and larger sites, such as Facebook, are starting to adopt it.

Once registered with OpenID, users can grant permission for another open-source program, OAuth, to collect profile data from other sites and automatically fill out one's profile, eliminating the need for time-consuming and repetitive data entry. Web applications like Cliqset and DandyID allow users to share information about all their social media site and activities with everyone in their lifestream.

# Mindreading

Currently, some sites are experimenting with biofeedback technology to allow disabled users to participate in social media. This technology is slowly making its way into the mass market. There is currently a video game available in which the user wears a headband that tracks the heat from a person's brain activity and stares at a ball on a computer screen. The harder a person concentrates, the ball begins to levitate. Technology built on platforms like these could one day be used to streamline the online experience for the average user, allowing greater access and speed online.

## Natural Language Commands

Software like Firefox's Ubiquity may one day change the way we use the web by using natural language commands instead of awkward technical commands. In the future, natural language technology analysis could be used to analyze tweets and blog posts to suggest new products and services to users.

# Mobile Applications

Video cameras are included in most of today's new cell phones, granting users the potential to change not just social media, but traditional media as well. Video clips of the US Airways Airbus jet landing in the Hudson River in January of 2009 were being distributed to thousands across Twitter before traditional news media even arrived on the scene.

The ubiquity of video cameras in cell phones, and the growing popularity of micro-blogs suggest the possibility that multimedia messaging is going to be ever more present in our society. Video search engine optimization is going to be vital to successful marketing using multimedia messaging.

Facial recognition technology is making tremendous strides, as well, which will allow greater and faster distribution of multimedia messages. Software is even being developed that can scan a person's face, and then search them out on social networks, allowing the user to find out that person's relationship status and interests. Federal and State justice organizations already use Facial Recognition software in the field.

The availability of cameras on internet-ready cell phones has also allowed consumers a new, fast, and convenient way to price shop: mobile barcode scanning. These applications let users take pictures of barcodes, which the application then scans and submits to price comparison engines, letting shoppers know if they are getting a good deal or if they might be better off shopping elsewhere. As these applications gain in popularity, expect retailers to respond with rebate offers and coupons. These offers will be determined by aggregating data about what consumers scan for prices and their buying habits. Also, it is not unlikely that in the future to see mobile phone carries offer not only free handsets, but free service to certain key demographic groups as well. The service will be supported through an ad-based system, where plan holders will receive targeted ads.

Text and media-based advertising has become extremely popular in the UK, New Zealand, and Australia, and it may very well gain traction in the United States as well. Currently, marketers are hampered by the fact that many users still have a limited amount of text messages they can send and receive, meaning that they could easily end up paying to receive these ads. Fearing government legislation regulating text messaging, phone providers currently do not permit such marketing. But as text messaging plans that allow unlimited texts gain popularity, service providers may begin to allow this potentially lucrative service in the United States, as they already do in many parts of the world.

# Online Metrics

Social media is currently a wide and disparate world, and it is difficult to monitor brand awareness and discussions among so many platforms. The Holy Grail of social/viral marketing is a single service that can intelligently monitor all forms of social media.

All of the current offerings have major shortcomings. The two most popular free options, Alexa.com and Quantcast.com, use unreliable sampling methods that can do little more than give a general sense of web traffic. Hitwise.com and Comscore.com are more reliable, but have pricing structures that are prohibitive to most companies.

Google Alerts and Tweetbeep.com, both free, alert users to mentions in news and blog posts, and tweets, respectively. However, marketers still have to grapple with the multitude of sources and applications to obtain and analyze this information.

One of the most promising new applications is Infegy, which is still in the beta testing stage. Infegy creates a visual “cloud” of interconnected nodes, each one representing a mention of a particular product or issue, and how it connects to others, giving the user a much more comprehensive view of the online dialogue.

Currently, no services are available to qualify or monetize data about social media; all data are treated the same. A full-length blog post on a major blog and a single-sentence tweet are treated exactly the same; it is up to the user to determine the value of each, in terms of unique viewers and return on investment.

# Archimedes 1.0

The Luthier Society's Archimedes is the first application to address these deficiencies. Inspired by the theories of Charles Henry Dow, the creator of the Dow Jones Industrial Average, Archimedes will use a proprietary Tracking Technology Metric (TTM) to create the world's first online market index. To determine its values, Archimedes will take into account the number of unique views, number of impressions, domain rank, page rank, posting effectiveness, the Tracking Technology Metric, and geo-spatial data to assign a value to a particular brand or campaign. With this data, users will be able to determine the effectiveness of their outreach efforts, the saturation rate of their campaign, the location of their audience, and the value of the online position, giving the first true, monetized value of the Return on Investment of a social media campaign. Users will be able to customize their data views to compare the effectiveness of different campaigns, and forums will allow real-time technical support and give users the chance to connect to other Archimedes users to combine efforts for even more effective campaigns. Archimedes 1.0 is still under development, and is scheduled for release in 2010.



## About The Author

Johnny Royal is the founder and CEO of social media and viral branding agency, Luthier Society, Inc. Luthier Society (LSI) was founded in 2007 and provides expertise in social media and online viral strategy campaigns for the Entertainment and Technology industries around the world. Clients range from Universal Records to Sony.