



VOLUME

1

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# Twitter: Should You Care?

## INTRODUCTION

THIS INTELLIGENCE BRIEFING ADDRESSES TWITTER — THE NEW “FAD” THAT YOU HAVE HEARD SO MUCH ABOUT BUT STILL STRUGGLE TO DECIPHER WHAT IT MEANS FOR YOUR BUSINESS. YOU CERTAINLY HAVE HEARD OF THE EMERGENCE OF SOCIAL MEDIA, BUT DO YOU REALLY UNDERSTAND THESE PHENOMENA, AND IF OR HOW, THEY AFFECT YOUR BUSINESS?

THE GAME IS CHANGING RAPIDLY. NIELSEN RATINGS REPORTED THAT SOCIAL NETWORKING AND BLOGGING SITES ACCOUNTED FOR 17% OF ALL TIME SPENT ON THE INTERNET IN AUGUST 2009, NEARLY TRIPLE THE PERCENTAGE FROM 2008. COMSCORE REPORTED THAT IN 2009 NEARLY 80% OF THE GLOBAL ONLINE POPULATION ACCESSED SOCIAL NETWORKING SITES ON A MONTHLY BASIS, WHICH HAS SPURRED SOCIAL NETWORKS AND BLOGS TO BECOME THE FOURTH MOST POPULAR ONLINE ACTIVITY. TIME SPENT ON THESE NETWORKS IS GROWING AT THREE TIMES THE OVERALL INTERNET RATE.

YOUR CLIENTS NO LONGER GO TO THE SAME SOURCES THAT THEY ONCE DID TO GET THEIR INFORMATION. THEY ARE READING BLOGS, SEARCHING YOUTUBE, SHARING INFORMATION ON FACEBOOK, LINKEDIN AND TWITTER, AND READING REVIEWS ON AMAZON.COM AND YELP.

YET, MANY CEOS STILL STRUGGLE WITH THE VALUE OF TRANSITIONING, QUESTIONING, “WHAT DOES THIS MEAN FOR MY BUSINESS? CAN SOCIAL MEDIA REALLY BRING RESULTS TO THE BOTTOM LINE? ARE THEY WORTH MY TIME?” THESE ARE THE QUESTIONS WE WILL EXPLORE.



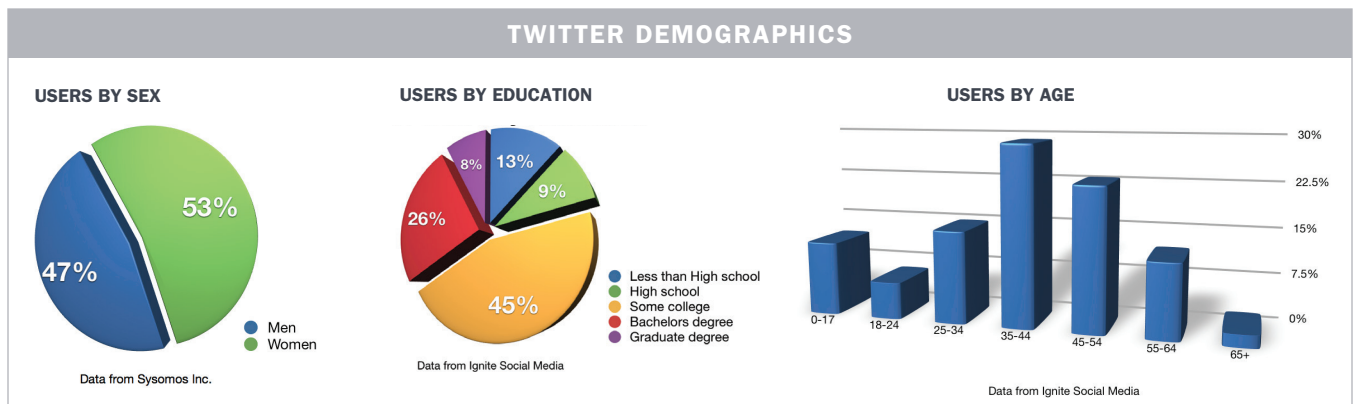
THE CHANNEL OF SOCIAL MEDIA RECEIVING THE MOST ATTENTION AS OF LATE IS TWITTER. ACCORDING TO COMSCORE, UNIQUE MONTHLY VISITS TO TWITTER INCREASED 900% SINCE LAST YEAR, TO ALMOST 20 MILLION VISITORS IN DECEMBER. THE VENTURE CAPITAL WORLD RECENTLY INJECTED \$100 MILLION IN NEW EQUITY INTO THE COMPANY ON TOP OF THE MORE THAN \$50 MILLION ALREADY INVESTED. TWITTER IS NOW BEING VALUED AT \$1 BILLION. IT POSTED ITS FIRST PROFIT IN 2009 DUE TO SEARCH DEALS WITH GOOGLE AND MICROSOFT THAT RESULTED IN \$25 MILLION IN REVENUE (BLOOMBERG).

THIS INTELLIGENCE BRIEFING DELVES INTO WHAT TWITTER IS, WHY IT IS RECEIVING ALL THIS ATTENTION AND WHAT ITS RELEVANCE IS IN TODAY’S BUSINESS WORLD.



### What is Twitter?

Twitter is a Web-based service that allows users to post 140 character “Tweets” to anyone who is interested. Users “follow” other users and get real-time updates on what people or companies are doing, watching, reading, thinking or whatever else they might share. Users can post links to articles, videos or pictures from any other Web site. In a sense, a “Tweet” on Twitter is a public text message or email — the recipient is anyone who wants to read it, known or unknown. It is the latest in the progression of faster and more public communication.



### Corporate Relevance

While seemingly trivial, Twitter does have some practical business applications. With almost 20 million visitors every month, Twitter represents a huge market. For companies, it is another channel to reach customers and generate returns to the bottom line. Many companies have already adapted Twitter as part of their corporate strategy. According to Forbes Insights, in association with Google, more than half of C-Suite Executives under the age of 40 use Twitter on a daily basis. Brands using Twitter include Southwest Airlines, Home Depot, Sun Microsystems, CapGemini and Whole Foods. Twitter directly benefits a business in terms of both branding and driving traffic to the company’s Web site, which when properly developed will convert traffic into sales.



## Branding

Many companies have already used Twitter to advance their brand. The CEO of online shoe store Zappos, Tony Hsieh, regularly Tweets to convey what is going on in his life and at the company, with the ultimate goal of reinforcing Zappos' core values. With more than 1.5 million followers, he is effectively able to make Zappos a brand of transparency and trust.

Starbucks uses Twitter as a platform to educate its followers about coffee and actively converses with them about issues they are having with various Starbucks products and store locations. By being engaged, Starbucks reinforces its brand as being the expert on coffee and above all, dedicated to customer service.

The screenshot displays the Starbucks Twitter profile. The profile header includes the Starbucks logo, the name 'Starbucks', and the location 'Seattle, WA'. The bio reads: 'Freshly brewed tweets from Brad at Starbucks in Seattle, WA.' The profile statistics show 83,515 following, 784,119 followers, and 7,435 listed. The main content area shows a list of tweets, including one from @jenifary congratulating Starbucks, and another from @victorian8 about ethical buying practices. The right sidebar contains sections for Lists, Actions, and Following.

Twitter can be a great promotional tool. Companies can relay product information, advertise, inform followers of upcoming sales and special offers, and overall keep their brand on consumers' and clients' minds.

## Revenue Driver

The challenge facing many businesses is how to use Twitter to drive sales. As with any marketing strategy, it needs to add value to the bottom line. While this largely remains an issue needing to be addressed, some businesses have working strategies that are delivering increases in sales.



Dell has made more than \$6.5 million as a direct result of its Twitter efforts. The computer manufacturer Tweets discounts to its followers for items that are in surplus on the Dell Outlet site. Followers are directed to the site, where they enter the coupon number and complete the purchase. Using a time sensitive call-to-action, customers receive a great deal, and Dell is able to better manage its inventory levels.



On a smaller level, a local New Orleans pizzeria, Naked Pizza, has begun focusing a large portion of its marketing efforts to Twitter, and the results have been promising. Naked Pizza Tweets new pizza toppings, special deals and ads periodically throughout the day. It did a one-day Twitter advertising blitz and reported that 69% of sales that day were generated through Twitter.

As Twitter becomes a more integrated strategy and tool for businesses, additional examples will surface demonstrating how Twitter is being used to drive revenue. Different products, services, customers and business models may require vastly different strategies. Companies are still assessing, exploring and testing various models for determining if Twitter is a viable marketing communication medium and investment.



## Information Sharing

Twitter can be a very effective information sharing and gathering tool. For example, associates can share helpful articles, news updates from CNN and the Wall Street Journal, as well as interesting projects they are working on. Users can also follow leaders in their industry to stay current on news and trends as they happen. Many marketing professionals rely on Twitter as their main source of news. By following their colleagues, they are able to receive articles in real-time that have already been given credibility by peers. This, in effect, provides users with a filtered, single-source for relevant news.

This constant stream of information can potentially result in information overload. Similar to email accounts that receive hundreds of messages a day, proper filters may need to be put in place to make sure that nothing important is missed and that only relevant messages are seen. As with any information source, the user must know what they are looking for to make it a productive source of information.

One way of filtering through all the data is “tagging.” Topics that have a wide interest among followers can be tagged for easy finding. The Iranian Election was a hot topic on Twitter and was tagged with the “hashtag” #IranElection. Savvy users commenting on Twitter about the election would tag comments so that anyone interested in the Iranian Election could search for #IranElection and view all of the conversations surrounding it. It provided a gathering place for the thousands of individual conversations, ideas and statements. Tagging allows all the information on Twitter to be centralized into a more organized and useful database.

## Insightful Research

Additionally, Twitter gives companies a new way to gather information on competitors, clients and prospects. Companies can follow competitors to get insight into what they are working on, reading, offering, what their social media strategy is and how they are interacting with customers. Twitter grants inside visibility into companies that in the past was largely unavailable.

An even more valuable insight is gained through listening to clients; businesses can find out trends and interests of their buyers. One of Twitter’s more functional features is its live-search capability. Users can conduct a search of any word that is being discussed on Twitter. A company can conduct a search for its business segment and see exactly what people are saying about it. For example, a company that produces a unique product or service can run a Twitter search and see first, that many competitors have a Twitter presence, second, that potential and current customers are praising or ranting about their products or services, and finally, that potential customers are exploring and asking questions about buying a product or service. These are all opportunities for that company to engage with current or potential clients.



## Customer Service

A further extension of this research capability applies to customer service. Through third-party software, a continuous real-time search can be created. By constructing this continuous search, a company can monitor what is being said about the firm and manage its image and customer service. A key to effective customer service is communicating in the way the customer prefers and then responding to issues as quickly as possible. Twitter can be used not only as a vehicle for customers to communicate their frustrations to the company directly, but also for the company to pro-actively search for unsatisfied customers and resolve the issue.

Comcast has set up a Twitter account to deal with its customer service complaints after a considerable amount of buzz was generated about its lack of customer service. It has now received recognition for its customer relations strategy. Customers can Tweet their service issues to @ComcastCares, and then Comcast works towards resolving the issue. Twitter has allowed Comcast to turn a weakness into a possible strength, enhancing its reputation and brand image.

## SEO

A final example of how Twitter can be implemented into a business' marketing plan is through search engine optimization (SEO). Twitter gives companies and others a place to create more searchable content. Google and Microsoft recently negotiated deals with Twitter to be able to crawl and provide Tweets in search results, reinforcing search engines' increasing emphasis on social content. Implementing existing SEO techniques into Twitter will optimize Twitter's content for search. Twitter's sharable nature also brings SEO benefits in that a company's Tweets can be re-Tweeted by other users, which spreads the message further and creates more links for that company's content.

## THIRD PARTY APPLICATIONS

**TWEETDECK** IS AN EXAMPLE OF THIRD-PARTY APPLICATION BUILT TO ENHANCE TWITTER'S FUNCTIONALITY. WITH TWEETDECK, A USER CAN MANAGE MULTIPLE TWITTER ACCOUNTS, SET UP A SERIES OF PERMANENT SEARCHES AND CREATE GROUPS OF FOLLOWERS. THIS CAN BE USEFUL FOR EMPLOYEES WHO MAY MANAGE MULTIPLE TWITTER ACCOUNTS FOR THEIR COMPANY. EMPLOYEES CAN SET UP DIFFERENT SEARCHES, POSSIBLY FOR THEIR COMPANY, THEIR PRODUCT OR THEIR COMPETITORS, OR FOR GENERAL INDUSTRY TERMS TO TARGET PEOPLE INTERESTED IN THEIR BUSINESS AND TO LEARN MORE ABOUT THEIR INDUSTRY. THEY CAN ALSO CREATE GROUPS ALONG SIMILAR LINES TO WATCH THE ACCOUNTS OF EMPLOYEES, CUSTOMERS, COMPETITORS AND INDUSTRY THOUGHT-LEADERS. TWEETDECK ALSO HAS AN IPHONE APPLICATION TO ALLOW USERS TO MANAGE THEIR TWITTER ACCOUNTS AWAY FROM THEIR COMPUTER.

ANOTHER USEFUL THIRD-PARTY APPLICATION IS **HOOTSUITE**. HOOTSUITE GRANTS USERS MUCH OF THE SAME FUNCTIONALITY AS TWEETDECK, BUT INCORPORATES STATISTICAL ANALYTICS THAT INCLUDE THE ABILITY TO TRACK HOW MANY PEOPLE CLICKED ON A USER'S LINKS. THIS ENABLES USERS TO MEASURE HOW ENGAGING THEIR TWEETS ARE AND EVALUATE THE EFFECTIVENESS OF THEIR CONTENT. ANOTHER USEFUL FEATURE OF HOOTSUITE IS ITS ABILITY TO SCHEDULE TWEETS TO BE SENT AT A LATER TIME, ALLOWING TIME SPENT MANAGING A TWITTER ACCOUNT TO BE USED MORE EFFICIENTLY.





In a similar fashion, a business can Tweet content that links back to its Web site, increasing visits. As this content spreads, more and more messages are pushed out that link back to the company's Web site. More links lead to more visitors, which lead to better search engine rankings and results. While the links on most social sites are not factored into page rankings (the position of a site on a search engine's results page), they do generate more awareness and traffic to a company's site. All of these effects will be enhanced as Google and other search engines continue to strengthen their emphasis on live-search and expand this functionality to the next level.

### **MORE LINKS MORE VISITORS = BETTER SEARCH ENGINE RANKINGS AND RESULTS**

#### **Commitment**

With all of the attention surrounding Twitter, some of its faults tend to get ignored. Twitter requires a considerable time commitment, requires a detailed strategy and integration into current marketing plans, can present a corporate control issue, and has yet to prove itself as a staying-force in mainstream culture. For Twitter to be an effective marketing channel, a company must commit to it. A business that is largely unengaged will struggle to benefit from its Twitter efforts. Twitter requires a substantial time commitment, both up-front and on a continual basis. At the very least, a company must perpetually search for, and create, sharable content. Additionally, the company should monitor its name, industry, clients and competitors to fully take advantage of Twitter's application.

#### **Strategy and Integration**

If Twitter is to become a serious part of a company's marketing strategy, it cannot be implemented in isolation. Not only must Twitter be included in a larger social media strategy, but it must also be part of a holistic, integrated marketing program. Starbucks uses its Twitter presence in conjunction with its Facebook page and in-store marketing tactics by posting updates on trips taken by Starbucks executives to various coffee-growing regions around the world to reinforce its image as a partner to coffee-growing communities. ING Direct uses Twitter simultaneously with Facebook and its blog to engage with users by offering interesting articles, reminders and links all serving to reinforce ING Direct's overall marketing message of "Save Your Money." These are examples of companies seamlessly integrating their Twitter strategies within their broader marketing goals.

Before a Twitter strategy can be integrated into existing marketing plans, an effective strategy must be established. This requires foresight; laying out a detailed plan regarding content of posts, timing of posts, target audience, oversight, measurement and monitoring. An incomplete Twitter strategy will not only be ineffective, but also can cut into the success of a company's existing marketing efforts.



### Control

Another issue is who is actually doing the Tweeting for a company. Some companies have their internal or external PR or marketing teams manage the Twitter account. Others allow their employees to maintain their own individual Twitter accounts. Some companies employ a hybrid of these strategies, including having the CEO Tweet (or ghost Tweet) for the company. Whoever manages the channel, oversight is needed to ensure quality posts. Pizza Hut hired an intern specifically to run its Twitter campaign and received a great deal of criticism from the marketing industry for its negligence in allowing a junior representative to act as the face of the company. If multiple employees are Tweeting on behalf of the company, guidelines are needed to ensure that whatever is being posted properly reflects the organization.

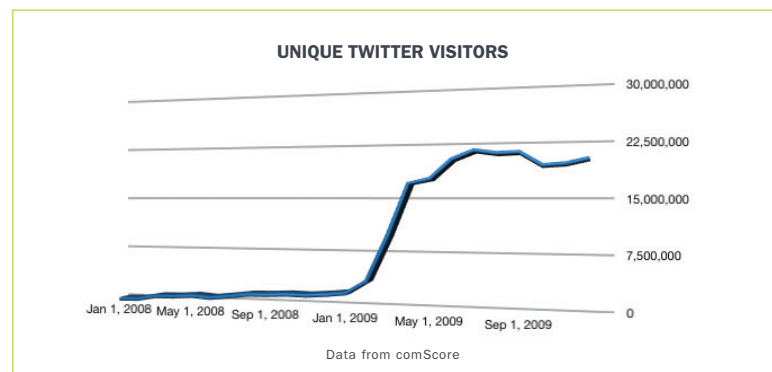
### Staying Power

After all is said and done, the question remains if Twitter will be a leading marketing outlet in the future. According to Ragan.com, an Internet information services company, 54% of professional communicators think Twitter is a fad and will eventually fade from popular use. Friendster, another social network site with heavy venture capital investment, entered the mainstream in 2002 and quickly attracted 20 million visitors, only to have fewer than 1 million visitors by 2006. Twitter has already seen a drop-off in growth. Posting a 150% increase in monthly unique visitors in March 2009 (comScore), unique monthly visitors seem to have plateaued, even falling 8% in October, showing signs that Twitter's growth can't continue forever.

Additional statistics show that the Twitter phenomenon might be overplayed. Sysomos, a social media analytics provider, released a report in June 2009 on Twitter's usage statistics. Among the findings are the following:

- 21% OF USERS HAVE INACTIVE ACCOUNTS.
- 93.6% OF USERS HAVE FEWER THAN 100 FOLLOWERS, WHILE 92.4% OF USERS ARE FOLLOWING FEWER THAN 100 PEOPLE.
- 5% OF TWITTER USERS ACCOUNT FOR 75% OF ALL ACTIVITY.

Even though Twitter has seen explosive growth, it is still dominated by a small niche group of users. If this trend continues, justifying a serious long-term marketing campaign would be difficult. It remains to be seen if Twitter will become a mainstay in society and an effective marketing platform.







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### **In Closing**

Twitter may have many useful applications for businesses and has the potential to become a viable marketing channel to reach consumers like never before. If usage and acceptance continues to increase, businesses will be compelled to participate in this type of social networking and micro blogging. It is certainly too early to predict the future of Twitter and its long term effects on business; however, it is clearly apparent that social media and unrestricted open communication will continue to expand at a rapid speed. All businesses need to evaluate the advantages and disadvantages to the social media and the ramifications — with, or without Twitter — or run the risk of missing new sources of revenue and more importantly, insight into the lives and minds of customers.

Understandably, many businesses struggle to comprehend the uses and possible benefits of Twitter. At this early stage, Twitter, like other historical new technologies, is difficult to rationalize and accept as something that is going to dramatically impact businesses in the future. While the reach and sustainability of Twitter are still unknown, the attention it is receiving along with its potential marketing communications implications demands our attention. However, the one certainty that Twitter, as well as other mediums, have established is that social networking is no longer an “opt in, or opt out” choice for businesses. Participation is no longer an elective decision. Resistance may be a temporary action or strategy, but as the marketplace uses the current, or yet to be introduced, social networking technologies to freely discuss your company, products and services, you will have no choice other than to participate in the conversation. Once again, the game has changed, and all businesses will need to adjust to the emergence and influences of social networking. 📍

All data from comScore reflects Web traffic to the Twitter Web site only and does not reflect the visits to and usage of third party applications that many Twitter users use. TechCrunch estimates that actual usage may be as much as double as the usage on Twitter’s Web site. We use Web traffic as a general indicator of usage.



## ABOUT STRAIGHT NORTH

STRAIGHT NORTH COMBINES BUSINESS INTELLIGENCE WITH CREATIVITY AND TECHNOLOGY EXECUTION TO DIFFERENTIATE AND ADVANCE OUR CLIENT'S BRAND, PRODUCTS AND SERVICES. WE BELIEVE THAT DESIGN AND BUSINESS ARE INSEPARABLE. OUR HOLISTIC APPROACH TO MARKETING INCORPORATES BUSINESS INTELLIGENCE AND STRATEGY WITH BRAND AWARENESS, COMMUNICATION AND MESSAGING, WEB AND DIGITAL TECHNOLOGY, SOCIAL MEDIA AND SEARCH ENGINE MARKETING.

STAYING ON THE FOREFRONT OF INNOVATION, WE UNDERSTAND THE ROLE NEW MEDIA TECHNOLOGIES ARE PLAYING IN REACHING A TARGET AUDIENCE AND YET STILL RECOGNIZE THE NEED, PRACTICALITY AND EFFECTIVENESS OF TRADITIONAL MEDIA. STRAIGHT NORTH DELIVERS RESULTS-DRIVEN INTERNET MARKETING SERVICES, CREATIVE BRANDING AND DESIGN, AND HIGHLY EFFECTIVE MARKETING AND COMMUNICATION CAMPAIGNS THAT DELIVER MEASUREABLE RESULTS.

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