

Social Networking Web Sites to Market My Business By Kelly Watson of Watson Harris Designs

In these tough economic times, businesses are focused on eliminating expenses. For some they may be looking at their advertising budgets. Whether your decisions ahead of you are to reduce or add more, your approach to analyzing your options will be the same.

- How much am I spending now? Online versus Traditional Offline
- What is my return on that investment for each ad? Use this calculation:
 - $((\text{margin}/\text{ad cost}) * 100) = \text{ROI for that ad}$
 - For example: you ad on Google costs 100 for 1 week and you revenue from that ad is 1000. Your margin for that revenue is all that cost associated with making that sale excluding your cost for the ad. Let's say margin of 125.
 - $(125/100) * 100 = 125\% \text{ ROI for that ad for that week.}$
 - Take this one step further – If you are consistently getting 125% ROI then you can plan you advertising budget.
 - For example: you decide on 2000 ad budget for this ad. Knowing that you consistently get 125% ROI you can expect that you will make 2500.

When looking at traditional advertising costs versus online advertising costs, you will quickly learn that you are more able to look at very detailed data from your online endeavors. Nonetheless, your business will need some of both types of advertising. That is why more businesses are trying to refocus their approach to advertising and better allocating their advertising budgets for traditional and online advertising options.

That being said, what are some businesses doing in this economic downturn? They are re-looking at little or no cost online opportunities to speak to their target. Some are tapping into the phenomenon of social networking web sites where members feel free to let others know what is on their mind. What is most important is that these members use this media to communicate to their “network” about how they are spending their time, new products or services that they have used recently, music, movies, health issues, etc.

For clarification, a social networking web site is an online community of individuals, groups or organizations that share something in common like values, ethics, hobbies, etc. The social networking web sites provide the ability for their members to quickly communicate to their networks – sharing comments, photos, music, etc. When you become a member of one of these social networking web sites you provide information about yourself called your profile. Then you build your network. You may also choose to look for a group to join. You can also create a group and allow others to join. You can post a comment and add a link to a web site that you found interesting, or one you felt provided the best product or service, etc. This collection of profiles or demographics is a marketers dream. That is why professional marketers are trying to effectively tap into these communities for the viral aspect of the social networks. Literally within minutes a marketer can get feedback for their product or service. Sounds great, right?

Well one of the top reasons that people join one of these web sites is to reconnect with old friends, colleagues, and business associates online. They are looking for real experiences from real people. This network can then serve as their sounding board for future purchase decisions. That is how the viral aspect comes into play. Having someone in your network to talk about their experiences good and bad and then it is shared through each and everyone else's network. He told two friends, and then they told two friends.... You get the picture.

Today the top 3 most popular social networking web sites are Facebook, MySpace and Twitter. According to Compete Inc.'s blog, Facebook is now the No. 1 social network in the US, with 68.8 million unique visitors and nearly 1.2 billion visits in January 2009. Slipping to second place, MySpace had 58.6 million unique visitors and 810.2 million visits the same month. These are some powerful numbers and definitely something to consider as a pool of potential clients, friends, mentors, etc.

Let's look at this in terms of using this social networking media as an online advertising option. The latest information from emarketer states that in 2009 more than 44% of Internet users will visit a social network at least once per month. Again, those are powerful numbers. Is that enough to substantiate giving it a try? I say yes. I caution you though, that if this is not something that you feel comfortable with or don't think that you will nurture your network, then I would not expect to consider this as a no cost option for your online advertising. You may want to look at Facebook and MySpace for pay per click advertising opportunities that work the same way as they do on Google or Yahoo. You can control your ad spending, delivery and target.

I encourage you to embrace as much of new technology as you can handle and try to stay informed about what people are saying about your business online. There are a multitude of online advertising options that you can choose for your business. It just takes some of your time with or without the help of a online marketing professional.

Author

Kelly Watson is the owner of Watson Harris Designs, a web consulting firm that provides web design services, strategic consulting, and internet marketing services for small businesses. If you would like to find out more about what Watson Harris Designs can do for your business visit us on the web at www.watsonharrisdesigns.com . You can also sign up for our quarterly email newsletter at our web site. You can reach us at 800-267-1075 toll free or email kwatson@watsonharrisdesigns.com . Be sure to mention this article!