3 Keys to Influence:
Understanding and Leveraging Influence

MAY 2012

SOCIAL INFLUENCE

awareness
social marketing software
# 3 KEYS TO INFLUENCE:
Understanding and Leveraging Social Capital

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As a marketer, what’s your ultimate objective? Sure, your performance may be judged by a very specific set of metrics, but at the end of the day your objective is to influence your audience.

We want to influence people to believe certain things, to behave in certain ways and ultimately to consume or buy our products and services.

Influence is the single most effective and most enduring marketing asset.

3 Keys to Influence: Understanding and Leveraging Social Capital gives marketers a framework for maximizing their social influence strategy. You will discover:

1. Tools and techniques for measuring your brand’s relationships in the social realm
2. The differences between internal and external influence and how to take advantage of each
3. Best practices for leveraging social capital

In preparing this white paper, Awareness reviewed published materials on the subject of influence, including the latest work from Altimeter Group analyst Brian Solis, The Rise of Digital Influence, a number of industry white papers, and the bestseller Influence: The Psychology of Persuasion by Robert Cialdini. We also talked to industry experts such as Dave Balter, founder of the social marketing company BzzAgent, which connects a global network of 400 million shoppers to brands seeking product reviews and support; Sue Frech, CEO of Social Media Link who runs brand activation platform Smiley360, a new community of over 300,000 consumer influencers; and Pierre-Loïc Assayag, chief disrupter at Traackr, a platform that helps brands find the influencers who matter most to them. We also put some influencer tools to the test, including Traackr, PeekYou, Kred, mBlast, PeerIndex, Radian6, Visible Technologies and Listorious.

WHY SEEK SOCIAL MEDIA INFLUENCE?

- 90 percent of all purchases are subject to social influence.
- 90 percent of consumers trust recommendations from people they know.
- 67 percent of shoppers spend more money online after seeing recommendations from friends.

Sharing and recommendation behavior is growing: 75 percent of Facebook users have “Liked” a brand, and 53 percent of Twitter users have recommended companies or products.

Fans of brands are 51 percent more likely to buy.

Sharing features can increase the spread of awareness by 246 percent with “Likes” and 98 percent with “Send to a friend.”
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Influence Defined

“Influence is a brand’s ability to affect or prompt action among its key constituents.”

- Mark Twain

In this section, we define the “outfit,” or the elements of influence. After all, we cannot influence that which we do not understand.

**INFLUENCE DEFINED:** Influence is a brand’s ability to affect or prompt action among its key constituents. Influence has many facets: It encompasses perceived status, reputation, authority and rank. Influence is also an active verb: To influence is to motivate customers, prospects and industry opinion leaders to take specific actions in support of a specific request, or in support of a series of requests.

Influence can be brought about or may come unsolicited. When it comes unsolicited, influence is word-of-mouth, driven by personal recommendations passed from one social connection to the next, the result of a powerful brand interaction or experience.

Susan Frech explains that Smiley360, a division of Social Media Link, often uses “influence” to describe a consumer’s ability to encourage, sway or have an effect on their network, friends or followers as it relates to the perception of a brand and their ultimate purchase decisions. According to Susan, influence is one of the most powerful tools that marketers and advertisers have: They use the power of influence to encourage consumers to try, experience or purchase their product or service.

Traackr’s Pierre-Loïc Assayag adds that all brand communications from advertising, packaging designs, and marketing events are geared to affect consumer behavior. With the emergence of social media, marketers now have tools to achieve better results for a fraction of the price and in a much more targeted way than ever before.

**HOW THE EXPERTS DEFINE INFLUENCE:**

**Brian Solis:** The ability to cause, affect or change behavior and drive measurable outcomes online.

**Dave Balter:** The ability to motivate others to take an action.

**Pierre-Loïc Assayag:** The ability to affect the behavior of others without deception.

**Susan Frech:** The ability to persuade someone to do something, try something or believe something.
Influence Defined (continued)

Elements of Influence

Marketers need to understand the four elements of influence in order to grow it among prospects and customers and connect meaningfully with key opinion leaders. These are:

**AUTHORITY (OR EXPERTISE):** The degree to which a brand is widely viewed as an accepted and reliable source of information and advice on a given subject or industry, usually based on specific domain expertise. For example, Apple knows about product design, mobile devices and mobile apps.

**REPUTATION (OR TRUST AND INTEGRITY):** The way in which a brand positions its authority. Some brands consistently share their views on a topic or industry. For example, Patagonia has a reputation for being an environmentally conscious company.

**RANK (GENERALLY EXPRESSED NUMERICALLY, SUCH AS WITH A KLOUT SCORE):** A brand’s perceived reputation and authority relative to others in a specific industry or domain. Rank is generally used to identify and prioritize, or score, influencers online. It is the key way to identify an initial set of influencers external to your brand.

**STATUS (OR SOCIAL STANDING):** A brand’s social standing as compared to others within a particular industry or topic domain. Similar to reputation, a brand’s status in the ecosystem is affected by the consistent display of authority and reputation.

When Influence Equals Social Capital

Influence is a skill, as defined by our experts. Therefore, as is true of other skills, influence can be nurtured and developed. Once developed, influence can be leveraged to grow a brand’s social capital – the breadth and depth of social relationships that can be used to increase brand preference, market share and sales. Growing a brand’s social capital is critical because it allows brands to gain market support and increase sales. Brands with larger social capital also have higher valuations, which ultimately delivers value to customers and partners, as well as shareholders.
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Growing Social Capital by Leveraging External and Internal Influence

Brands can harness influence in two ways to increase social capital – by leveraging influence from external sources, such as domain experts, and from internal sources, such as the brand’s existing customers and partners.

**External Sources**
- Domain Experts with Authority, Reputation and Social Rank

**Internal Sources**
- Top Brand Buyers & Top Brand Marketers

**Brand Advocacy**

Brand advocacy can be performed verbally, via direct conversations or online, via social actions such as participation in brand campaigns (shares, likes, comments, submissions), positive product reviews and proactive product recommendations to others.

Branding

Brand advocacy = support, endorsement and personal recommendations to friends

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GROWING SOCIAL CAPITAL BY LEVERAGING EXTERNAL AND INTERNAL INFLUENCE

Business and marketing goals should drive how brands leverage influence. When brands launch new products or services, for example, growing product awareness should be a focus, as should consideration and trials. In this situation, both external and internal influencers are part of the strategy. External influencers, such as domain experts and representatives from traditional media and the blogosphere, can be crucial to the market success of a new product launch campaign. A subsection of the customer base – those who are most loyal and those who are willing to go the extra mile to recommend the product to their network – is particularly critical to product launch success.

In the chart below, we highlight some of the most common business needs and initiatives and suggest how savvy marketers can effectively target external and internal influencers in each situation to achieve the desired business results:

<table>
<thead>
<tr>
<th>BUSINESS INITIATIVE</th>
<th>MARKETING GOAL</th>
<th>TARGETING INFLUENCE</th>
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<tbody>
<tr>
<td>NEW PRODUCT OR SERVICE LAUNCH:</td>
<td>Raise product or service awareness</td>
<td><strong>External sources:</strong> domain experts, media, competitors’ key customers</td>
</tr>
<tr>
<td></td>
<td>Increase understanding of product or service benefits among target customer segments</td>
<td><strong>Internal sources:</strong> most loyal customers, customers with highest referral value</td>
</tr>
<tr>
<td></td>
<td>Entice product or service trials</td>
<td></td>
</tr>
<tr>
<td>ESTABLISH THOUGHT LEADERSHIP:</td>
<td>Raise thought leadership topic awareness</td>
<td><strong>External sources:</strong> domain experts and media</td>
</tr>
<tr>
<td></td>
<td>Ensure wide industry buy-in for topic</td>
<td></td>
</tr>
<tr>
<td>INCREASED SALES:</td>
<td></td>
<td><strong>Internal sources:</strong> most loyal customers, customers with highest referral value</td>
</tr>
</tbody>
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In the next section, we explore how brands can identify and leverage external and internal influencers to drive value for their business and success for their marketing initiatives by PeopleBrowsr, mBlast and PeerIndex.
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Leveraging External Influence

Not all influencers are created equal. Some have more clout, while others have an increased ability to activate their networks, and yet others have transient influence — they are at the right place at the right time. To leverage external influencers successfully and consistently, brands need to identify, connect with and convert those who have authoritative opinions and can change the way brands, products or services are perceived and evaluated.

To identify the most relevant sources of external influence, follow these steps:

**Step 1**

**Identify the key industry or topic domains for your business:**

**EXAMPLE:** If you are selling a medical mobile application, you need to identify the top medical mobile application experts. You may also be interested in those influencers who focus on electronic medical record technology or healthcare technology. To find the top influencers in these three areas, we used Traackr. The team at Traackr provided us with free access to its new TraackrOne influencer store. Here’s who we found:

<table>
<thead>
<tr>
<th>Rank</th>
<th>Name</th>
<th>Reach</th>
<th>Resonance</th>
<th>Relevance</th>
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<tbody>
<tr>
<td>1</td>
<td>JOHN LYNN</td>
<td>68</td>
<td>58</td>
<td>99</td>
</tr>
<tr>
<td>2</td>
<td>BRIAN AHIER</td>
<td>90</td>
<td>90</td>
<td>90</td>
</tr>
<tr>
<td>3</td>
<td>KEVIN PHO</td>
<td>90</td>
<td>83</td>
<td>84</td>
</tr>
<tr>
<td>4</td>
<td>ROBERT ROWLEY</td>
<td>63</td>
<td>40</td>
<td>92</td>
</tr>
<tr>
<td>5</td>
<td>BARBARA DUCK</td>
<td>75</td>
<td>89</td>
<td>81</td>
</tr>
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Traackr is certainly not the only tool to help you identify influencers. You can also test PeekYou, Kred by PeopleBrowsr, mBlast and PeerIndex.

**PeekYou** is a search engine that finds people, their associated URLs and other online information. It scours public information on the web and allows users to search by interests, phone, email, username, real name and so forth. PeekAnalytics offers data tracking and comparisons of influencers as well as brands, competitors and industries.

**Awesome because** PeekYou offers detailed influencer comparisons, which helps identify influencers to target by examining a breakdown of their clout by topic and channel. The tool also incorporates demographic and psychographic information.
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Leveraging External Influence (continued)

**Kred** allows you to determine influence. It is similar to Klout, but it also finds followers with common interests and identifies those who are most likely to be influenced.

*Awesome because* Kred’s ability to identify who is most likely to be interested in your message.

**mBlast** is composed of four tools:

1. **mPACT API** — Social media search engine based on keywords for people, conversations and content, which can be integrated into other apps or product suites.
2. **mPACT Pro** — Media monitoring and influencer identification that compares individuals and pinpoints highly relevant targets.
3. **mPACT Media Search** — Searches authors, blogs (up to 90 days) and articles (up to one year), social media (up to 30 days).
4. **My mPACT** — Measures user’s own impact and influence.

*Awesome because* mBlast offers detailed influencer comparisons, which helps identify influencers to target by examining a breakdown of their clout by topic and channel. The tool also incorporates demographic and psychographic information.

**PeerIndex** provides a normalized personal influencer score, or PeerIndex score, by authenticating through Twitter or Facebook. PeerIndex tracks a person across multiple channels.

*Awesome because* PeerIndex accurately gauges your social performance and determines the influencers in your social circle.

Step 2

**Follow influencers on relevant social platforms:**
This may seem obvious, but all too often brands identify influencers but forget to follow them online.

**QUICK TIP:**
Remember, influence scores are only directional. There isn’t one standard measure of influence. Influence is contextual; it is not an abstract concept. There is no ultimate score. Explore various tools to see what works best for your team and its needs. As Brian Solis notes in his Altimeter report, *The Rise of Digital Influence*, “influence is a complex subject and not one that is computed by a standard formula to reveal an absolute score. Scores are nonetheless valuable to your organization, but for different reasons. The weight you place on them is directly related to your intentions and goals, as well as its value tied to the results that transpire based on your desired outcomes.”
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**Leveraging External Influence (continued)**

**Step 3**
Study the content published by influencers. Understand their specific interests, passions and the companies and people they follow.

**Quick Tip:**
How to use Twitter and RSS feeds to monitor content:

**Twitter:** Build separate Twitter lists based on topic to scan content easily from select influencers.

**Blogs:** Create a topic-specific RSS feed of blog content from select influencers and check it regularly.

**Step 4**
Plan and determine how you can add value to the conversation. Pierre-Loïc Assayag of Traackr advises brands to focus on providing value. “If you want people to do something – such as pay attention to your pitch or review your product – they have to understand why it serves their best interest,” he says.

**Step 5**
Engage once you know how to add value. Engage with each influencer via his/her preferred channel of communication. Comment on blog posts, connect and comment on Twitter, reach out via email or phone, meet at industry events.

**Step 6**
Ask for feedback. Dave Balter shared that top industry influencers are usually open to sharing what they valued in your interaction and are usually generous with product feedback too.

**Step 7**
Respond to and act on feedback. Be ready to address feedback, both positive and negative, follow up and share how you plan to address the feedback.

**Step 8**
Stay in touch, stay relevant. Remember, successfully leveraging external influence requires trust, reciprocity and consistency over time.
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Leveraging Internal Influence

Brands can leverage their customer base to affect and prompt action and advocacy over time. Although all customers are important, brand marketers can zero in on sub-segments to help spread information about new products and increase sales. These steps will help you identify internal brand supporters and turn them into brand advocates for increased brand awareness, preference and sales.

Step 1

**Benchmark the state of your brand’s social capital.**
Measure customer satisfaction, brand preference and brand advocacy. Focus on your “promoters” (see the Net Promoter Score section below) and customers who are good marketers of your product. There are two key ways to identify your brand supporters:

**Net Promoter Score (NPS):** According to Net Promoter, NPS is based on the idea that every company’s customers can be divided into three categories: promoters, passives and detractors. By asking, “How likely is it that you would recommend [Company X] to a friend or colleague?” brands can score their customers on a scale from zero through 10 to identify promoters. Those with scores of about nine are promoters, representing loyal brand enthusiasts; they will keep buying and refer others to the brand.

**Customer Referral Value (CRV):** The CRV concept was introduced in 2007 by Dr. V Kumar in Harvard Business Review. CRV is a loyalty measure that identifies those customers whose word-of-mouth brings the most profitable new customers, regardless of how much they themselves buy. Especially for complex products and services, CRV is a more reliable measure of customer lifetime value, as it includes estimates of the lifetime value of any referrals made by these customers. CRV allows marketers to focus on the customer sub-segments that are good marketers of your product or service, whether or not they buy your products.

Step 2

**Define the criteria for your brand advocate segments.**
As each business is unique, you’ll need to adapt your criteria. Identify all relevant criteria for these two specific segments:

**Top brand users:** _Top buyers or heavy users of your product._ It is a widely accepted marketing maxim that 90 percent of your product is bought by 10 percent of your customer base. Identify this critical percentage of your customer base.

**Top brand marketers:** _Light buyers who are good marketers of your product._ These are often your most vocal and highly social customers. These customers share their views actively and frequently – via surveys, on your social channels and in other similar situations.
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Leveraging Internal Influence (continued)

Step 3
Identify and segment your top brand buyers and brand marketers.
Marketers need to be able to access the relevant data to help define these segments. This data should be used to score your customer base as follows:

- Foster brand advocacy over time. Reward your brand advocates for doing what they do best. Create marketing campaigns that drive each segment to do more of what they already do for you.

  **Top brand user programs**: Reward your top buyers or users with exclusive offers, ranging from specials on new products (such as advance previews or access to new products) to access to your company leadership team.

  **Top brand marketer programs**: Recognize and reward advocacy publicly; reward feedback and participation. You can use the same scoring mechanism proposed in step three above to create a rewards program for vocal supporters.

  **Highest customer referral value programs**: Reciprocate via referral bonuses, exclusive treatment and specials, but consider keeping the specifics close to your chest to avoid tipping off your competitors.

CASE STUDY:
Ford Fiesta
Driving sales – literally – with brand advocacy

One of the best examples of fostering brand advocacy over time comes from Ford’s reentry into the US subcompact car market with its Fiesta. The automaker started a full 18 months ahead of the Fiesta’s US release by giving 100 social-media influencers a European model of the car and asking the new owners to take the car on “missions.” Naturally, these influencers shared their experiences across the social spectrum. McKinsey reports that, “Videos related to the Fiesta campaign generated 6.5 million views on YouTube, and Ford received 50,000 requests for information about the vehicle, primarily from non-Ford drivers. When it finally became available to the public, in late 2010, some 10,000 cars sold in the first six days.”
Best Practices for Leveraging Influence

- Identify and understand your external and internal influencers: Know their passions or pain points, their attraction to your industry, and how they use your product or service.

- According to Susan Frech of Smiley360, influence in social media is not simply the size of your network. She advises it is important to define influence by several factors. Smiley360 uses a custom algorithm – the Smiley Social Score – that identifies and measures influence based on the size of an influencer’s network, how often they share, and the reaction driven by their content (clicks on links, comments to posts, "Likes to posts, retweets, etc.) Their team then motivates influence by creating a relevant and authentic message.

- Know how your brand can add value to your influencer groups over time.

- Benchmark the state of your social capital: Be prepared to act on the feedback.

- Reward your top internal brand influencers. Recognize, reciprocate and reward the most loyal buyers and most faithful recommenders. Dave Balter of BzzAgent recommends brands appropriately equip advocates with actions that will create activation. Once you’ve asked your influencers to participate, you need to tell them how to help. Clearly identify the right tool to motivate your audience to take an action, whether that’s a tangible item such as a coupon, or knowledge that’s worth sharing and communicating.

- Monitor, measure, analyze and evolve your influencer approach and campaigns.

- Avoid the popularity pitfall. Pierre-Loïc Assayag of Traackr reminds us that very often marketers pursue what they perceive as the highest visibility and widest reaching influencer. Marketers should be driven by relevance: Your influencers need to be relevant to the conversation brands are interested in having.

Conclusion

Harnessing and leveraging influence is a critical component of a marketer’s arsenal. Marketers must know how to effectively nurture social influence to drive business results. There are numerous tools available today to help marketers identify, connect with and turn key influencers into brand advocates. As with any social interaction, success, at its core, comes from understanding one another, following the principles of reciprocity and engaging in an ongoing conversation. Research, measurement and analysis are the initial steps. Then, you need to add meaningful and relevant information to the conversation. To leverage influence, marketers need to display authenticity. Learning to harness influence will serve you well, as it remains the single most effective and most enduring marketing asset.
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Influencer Experts to Follow

Brian Solis — principal at Altimeter Group, author of Engage, and The End of Business as Usual, and prominent blogger

Dave Balter — CEO of BzzAgent

Pierre-Loïc Assayag — Chief Disrupter of Traackr

Susan Frech — CEO of Social Media Link (SML operates Smiley360)

Robert Cialdini — author of Influence: The Psychology of Persuasion

Duncan watts — principal research scientist at Yahoo! Research and author of Everything Is Obvious: *Once You Know the Answer

Dr. V Kumar — Professor of Marketing, and Executive Director, Center for Excellence in Brand and Customer Management, Robinson College of Business, Georgia State University

Azeem Azhar — CEO of PeerIndex

Steve Martin — Director of Influence at Work (UK) and co-author of Yes! 50 Secrets from the Power of Persuasion

Brian Ahearn — owner of Influence PEOPLE

Additional Resources


“How Valuable is the Word of Mouth” — Review by Dr. V Kumar in Harvard Business Review on the power of word of mouth.

Social Commerce Lessons: The 6 Social Principles that Increase Sales — Learn more about Robert Cialdini’s six principles of influence and how you can leverage them to increase sales.

The Social Funnel: Driving Business Value with Social Marketing — For a detailed discussion on how to effectively leverage the social funnel and social CRM.

How to Audit Your Social Marketing Efforts — Learn how to evaluate the effectiveness of your current social marketing strategy. Identify new ways to improve the return on your social marketing investment.
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About Awareness

Awareness Inc. is the leading provider of enterprise-class, on-demand social marketing management software (SMMS) for marketers to publish and manage social content, engage with their audience and measure the effectiveness of their social media activities across multiple social media channels. The Awareness Social Marketing Hub is built upon Awareness’ expertise with some of the world’s leading brands and marketing agencies including MLB, Sony Pictures, Comcast, Likeable Media, Associated Press, Cox Communications, Mindjumpers and American Cancer Society.

The Awareness Social Marketing Hub is built to address the challenges marketers face managing multiple social channels. The Social Marketing Hub is the first enterprise-class application for serious marketers who want to plan, implement and measure meaningful social media strategies across the organization.

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