

Widgets, Feeds and Text — Oh My!

Alternative Internet communication and relationship channels for marketers and advertisers — demystified!



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R E S P O N S E **M** E D I A

Introduction

As consumers become increasingly bombarded with messages, images and (yes) ads, marketers and advertisers are increasingly challenged to break through the ever-growing clutter, get noticed and received positively (or, at least, not negatively).

Developing relationships between brand and consumer that really and truly have relevance and value to each party is the secret to rising above today's information overload.

Adding even more complexity to the equation, choices for how and where consumers have relationships with brands have grown exponentially. What is a brand to do?

Everyone agrees that the Internet allows for cost-efficient relationship building – through web sites, email, web-based promotions. That's so 2002.

But what are all these new tactics and channels that everyone seems to be talking about... that we all seem to be using without even knowing it... that our teenager doesn't want to explain to us? Hot terms like Widgets? Social Networks? Feeds? Text Advertising?

This whitepaper will simplify and demystify some of the new "hot" terms, and their meaning, relevance and opportunities for marketers and advertisers. We'll share ideas about how marketers can approach, test, measure, and monetize these channels.

It is fair to deem all the above technologies and terms as newer forms of communication, newer ways to connect with consumers. Understanding of these options is critical to marketers today, because the current methods, channels and tactics that marketers have been using are either declining in efficacy or efficiency. Email is too cluttered, postal mail is too expensive, SEM terms and sites hit its plateau, and banner ads are ignored. How can you reach out and build relationships with consumers in an efficient, effective less-cluttered way in a Web 2.0 world? Below, we'll explore some basics within a few channels and concepts.

Widgets

We'll start with "widgets." If you are not familiar with the concept of the widget, associated with the web or computer desktops, then it is time to come out of hibernation already. Welcome to 2006.

Newsweek magazine named 2007 "The Year of the Widget," and last year certainly lived up to its namesake. In November, 2007, ComScore reported over 148 million people in the U.S. had viewed a widget. That's approximately 81% of the active U.S. Internet population. There are even conferences specifically dedicated to Widgets these days.

It is not the imaginary unit of manufacturing that was commonly referred to in business school (however, since the term has real application today, I wonder if they've stopped using that term in b-school lectures).

The best way to define the widget that has relevance to online marketers and developers is as small applications that can be placed on a desktop or in browsers.

These small applications can take web content, links, promotions, programs, etc and be placed on other web pages or on computer desktops that are completely unattached and unrelated to the source of the content or application.

Put most simply, widgets are like portable web pages and applications that are shrunk down and can be "moved" to other locations.

According to Clearspring, one of the leading platforms for widget syndication, distribution and tracking, the most common widgets on the web today are used by consumers to craft custom experiences on their desktops, start pages, social network profiles, blogs and more. Widgets can be almost anything. Common examples include games, stock tickers, video and audio players, quizzes, slideshows, personal productivity tools, system utilities – almost anything you can think of can be made into a widget.

The widget concept is not new. Companies have been creating desktop widgets for many years, some of the most popular being weather-centric ones – "get your local forecast and severe weather alerts on your desktop."

Jack Aaronson, contributor to ClickZ, describes the common aligning feature of widgets as "decentralization." Anything that happens on your web site can happen elsewhere.

The simplified functions that widgets deliver for marketers are decentralization of content and/or commerce. Instead of the expense and multi-step inefficiencies of driving a consumer to your site, putting them through multiple pages for content, registration

or shopping (searches, product pages, shopping carts, etc.), it all happens within the widget.

Therefore, you can interact, communicate, build relationships, and transact with consumers where they are or where they want to be, rather than making them come to you. With widgets, marketers can offer consumers greater options to have valuable relationships in their preferred channel, at preferred times.

Can we call this a new version of appointment-based attention, or even online house calls?

If you are a content provider, widgets create a way to easily and efficiently syndicate and proliferate your content. Simplest monetization of this phenomenon for content players would be serving advertising within the widgets or driving revenue as an affiliate (e.g., Amazon.com pays web sites a share of revenue from sales driven off links within their widget application).

If you are a retailer, CPG or Pharma brand or manufacturer, then your opportunity is to create a widget that will drive transactions, change purchase behavior and create advocacy. The transaction could (theoretically) occur in the widget itself, on a webpage, or even in a physical store.

For example, let's say you own an online pet supply store called "PetFoodHQ." Typically, you would engage in marketing activity that drives consumers to your web site, using display media, SEO, SEM, affiliate programs, co-registration to email and maybe even postal mail. Your

efficiencies get squeezed every time you force a consumer to take another step. If we single out SEM, then "steps" are defined here as: the consumer must click on your listing, navigate through multiple pages, open an account, go through the shopping cart process. If we look at an email to your customer and prospect database, the consumer must open the email, click on the email, and go through the multiple pages on your site.

Imagine that your customer can receive a relevant message about products and sales through their "PetFoodHQ-apalooza" desktop widget and complete their entire shopping experience and transaction within that widget, on their desktop. This widget would also be more appealing if it had fun activities, dog to-human age translator, breed guide, fun trivia, and games within it. Maybe even create a pet nutrition tips content section.

Ask pet enthusiasts to invite their friends to download the desktop widget. If they can get five friends to download it, they get a \$5 off coupon. If they can get ten friends to do it, they can get a free hat. Never underestimate the power of a hat.

Another type of commonly used widget for marketers would be the "social network" variety. You commonly see them on Facebook profiles, for example, aptly referred to as "applications." These widgets behave very differently than desktop widgets – in that they are built for sharing and personalization. Consumers see widgets/applications as an expression of themselves on their individual profiles, just as they list their hobbies and

interests. Widgets that allow consumers to share music, photos and videos, share favorite things (movies, music, places, etc), challenge others to games and quizzes are most popular today.

Additionally, widgets built for Facebook often default to alerting each of your friends when you use the widget, update something within the widget – like an endorsement/recommendation for the application. Talk about a marketer’s dream.

Thus, PetFoodHQ might also want to consider creating a “My Pets” widget that their customers and prospects can put on their Facebook or other social networking page. This widget would allow consumers to post and rotate pictures of their pets, include sounds from their pets, make their pet picture say funny things, or put the pet’s picture in famous backgrounds or their head on funny bodies. When the consumer enters information about their pets, products they use for their pets, things they do to pamper their pets, updates pictures, etc.; they can also see what relevant products are on sale for their specific pets.

Create quizzes, games ,and preferences that the users can invite their friends into and play against through the widget (much like wildly popular Scrabble or Poker widgets on Facebook today). Ask dog enthusiasts to recommend and rate their favorite dog toys. Allow sharing of most popular choices, items, and favorites to be shared with friends.

Dog lovers can talk about this stuff all day.

Keys in getting consumers to downloading widgets:

- Be honest about what a consumer can expect from the widget, then deliver.
- Be honest about what you do with the relationship – the access to a consumer’s page or desktop, updates, PII, etc.
- Promote it on your website and in all communications and media (pitch it in your email campaigns and display ads).
- Find top online influencers (bloggers, posters, content creators) and ask them to promote it with you.
- Make it genuinely fun or genuinely useful to your audience.
- Make it easy to use.
- Position the widget as an exclusive club, or a way to receive “Exclusive Deals and Special Sales” that you can only get if you are a “PetFoodHQ-apalooza” or “My Pets” widget user.
- Create incentives for your customers to recommend it to other friends.
- Create widgets that adapt/work in a variety of different environments (OS’s and/or social networks).

Widgets can be measured too. They can be built to track downloads, usage, views, interactions, and sales transactions. This reporting can be combined with your typical tracking tools you may use in SEM, web analytics, ad serving, and media. For CPG brands, widgets could offer coupons, thus success metrics can be tied to redemption. In addition, CPG brands can include widget statistics as another marketing element measured within a holistic marketing mix model.

Jennifer Samples, VP-Media Innovation at Infuz, comments on unique opportunities specifically within widgets by CPG brands, “Widgets created by a partnership between the brand and retailer can allow for an information exchange about the consumer. For example if a CPG company creates a widget that has a couponing component and coordinates with a retailers loyalty program, both the retailer and the CPG brand can share information about type of purchase, when the consumer is likely to make a purchase, other purchasing habits, etc. This ongoing exchange of data, utilizing unique identifiers attributed to the widget and analyzing consumer utilization of widgets allows both the retailer and brand to push more relevant content to their consumers through email, web visits and display media, thus providing a more relevant brand experience for the consumer, increasing the likelihood of future purchases.”

Widgets can also help your SEO efforts through generation of links to your site, as long as they contain keyword-rich anchor text.

Although widgets are typically simple applications to build, doing it correctly can be complex. Make sure your goals are clear, your value propositions are strong, correct tracking and keyword links are contained, promotion and proliferation strategies are fully considered and supported. It might be best to allow experienced online acquisition media and relationship marketing agencies build and promote it for you the first time around.

Social Networks

Advertising within social networks is a bit of a conundrum, isn't it? Does it mean that the organic community sites have “sold-out”? Arguably. Yet, social networks need to make money too. Many have developed some brilliant and well-received options for advertisers and marketers. And some have failed miserably.

There are a number of marketing options for advertisers within social networks. For simplification, below we'll discuss some of the simplest and straightforward options:

1. Display media/banner ads – Easy to understand, easy to execute. Expect really low CTR – like sub-0.05% in many cases, and conversion to be lower. Although the impression inventory on MySpace seems endless, we have not seen any respectable ads generate high interest. It seems that folks looking to network and explore the web for social activity are not in the mindset of clicking on ads. The good news is that much of the ad inventory on social networks is priced appropriately. Lots of supply at work here.

2. Create a profile for your brand. This is, perhaps, the easiest and cheapest thing to get into the game, yet there are so many brands have not taken advantage yet. A key point to this tactic – brands must create a compelling reason for consumers to come back to the brand’s pages – content, exclusive media (videos, commercials, behind-the-scenes stuff, etc.) and they must update on a regular basis.
3. Create a group for your brand (this actually may be easier than idea #2, above). Many brands have created groups on Facebook to support their message, specific brand initiative, or even specific campaigns. Your own employees and partners can even get the ball rolling on recruitment too.
4. Incorporate some social aspects into your site. You can either build a blog, message board or allow your customers to create their own groups on your web site. As a marketer, you can choose to either build it yourself, which can be timely and costly, or use experienced suppliers to help you in this. Companies, such as Ripple6, have a plug and play platform that can easily be integrated into your site.
5. Get involved on advertising in “Feeds” (ex. Facebook’s “Social Media”). This tactic, perhaps the most powerful, integrates your advertising and marketing messages within the conversation on the page. These ads are served in the context of Facebook News Feeds – attached to relevant social stories. The social stories, such as a friend becoming a fan of your

Facebook Page or a friend taking an action on your website, make your ad more interesting and more relevant. Social Ads are placed in highly visible parts of the site without interrupting the user experience on Facebook.

Going back to our business example, PetFoodHQ could leverage the social network channel by:

- Creating a “PetFoodHQ Pooch” or “Kitty” MySpace profile, where they could list store events, sales, post funny and instructional pet videos and thank their current customers. Customers can become friends with the profile and enable viral proliferation of the pooch’s profile.
- Creating Facebook groups around specific breed of dogs, cats, birds, fish or reptiles. The “I love my Bernese Mountain Dog” group attracts the breed enthusiasts who want to communicate with other Bernese Mountain Dog owners. Maybe they can take in content and an endorsement from the Bernese Mountain Dog Club of America. They could invite pet lover group members to donate to relevant worthy causes, such as the ASPCA or North Shore Animal League through the group. There is power in rallying enthusiasts around a worthy cause. Other PetFoodHQ sponsored Facebook groups can help local dog park friends to connect, set up meeting places and times, etc.

- Purchase Social Media on Facebook which informs consumers when one of their friends buys and recommends a new pet toy.

There is a wealth of marketing opportunities available when you enable your customers to do the talking for you. Social networks give them tools to do it easily.

Text

There are multiple meanings to this word when it comes to advertising. For the sake of this study, we'll discuss SMS text, as a relationship and revenue builder for marketers.

For those that do not know, SMS messages are commonly referred to as text messages. Short, text only, and to the point, they are now ubiquitous with cell phone features. And if you live in Denmark, Korea or you are under the age of 25, text messaging is a key communication method for you. In fact, most teens in the U.S. today would agree that they send more text messages than email or phone calls combined.

Mobile marketing and SMS text advertising has been touted as the “next big thing” in advertising in the U.S. for at least 5 years now, and it has just started to materialize as an opportunity with scale in this country in 2007.

Most adults over 25 at least understand text messaging today, although many still do not use it. Still, we have seen our clients try text messaging through SMS, and witnessed both successes and failures.

Let's discuss a few key consistencies that made campaigns successful:

1 – Permission.

Without clear, explicit permission from a consumer to you to send text messages, your message will be negatively received. Period.

Marketers who send text messages without permission are mobile spammers, which is only slightly worse than an email spammer or snake oil salesperson.

There is no way around this permission point, and this, like with any direct electronic communication with consumers, is the absolute most important factor. That means that good SMS “lists” do not exist, and marketers can get themselves deep in hot water fast with both consumers and regulators if they do not honor consumers' clear explicit permission preferences.

Permission can be captured on the web through a form, by inviting consumers to text you and give permission, through a mobile-friendly internet page accessible through a phone or through your call center.

Permission should be requested from a consumer clearly and honestly. For example, “PetFoodHQ invites you to join the ‘PFHQ Mobile Insider Club’, where we will send SMS text messages to your mobile phone, alerting you with exclusive sales, specials, contests and events relevant to the products you buy. We will send no more than one message per week, and we respect your privacy and will not share your mobile number with any other parties. You can opt-out immediately at any time.

We'll also send you immediate notification of pet food recalls that could impact your pet only when necessary." Then PetFoodHQ sends a text message to the consumer welcoming him and giving him the info he needs to opt out of messaging. Clear permission and clear expectations.

Next, PetFoodHQ must deliver truly targeted and relevant info to the consumer – or else this effort is completely wasted. They should manage their mobile number database with the same level of security, care, and segmentation they apply to their email database.

2 – Fun Banter.

Marketers that send messages to cell phone just to update them about general stuff on their website are wasting their time and ruining relationships. Please don't send a note about a new sweepstakes or redesign of your website. Don't send a message asking me to visit your webpage to see what's new.

However, marketers who allow consumers to interact via text message reply are engaging their consumers. Ask relevant and fun trivia questions that I can answer with a reply. Allow me to enter contests without leaving my phone. Allow me to win something through my phone.

PetFoodHQ can invite folks to join a mobile promotion through all their advertising, allow consumers to sign-up via the web or mobile Internet site, and then send a series of questions about pets. Entrants can reply with answers via text, and when they get the answers correct, they get the

next question. PFHQ should ask questions where consumers can find answers by researching on the PFHQ website.

3 – Listening via text.

PetFoodHQ can also use SMS text as a feedback mechanism, similarly to how presidential candidate, Barak Obama, is using SMS messaging in his campaign today. Text the word "Change" to OBAMA, and you'll get a message back asking you what you've done to create change in your community. You bet he's using that stuff in his speeches to come.

Likewise, PetFoodHQ can understand consumer likes, dislikes. Ask for funny 100 character pet stories, funny pet names to be submitted via SMS. They can choose the funniest pet story each month as an ongoing promotion, etc. They can use that feedback on their web sites, email, social network pages, etc.

See how this all neatly ties together?

But let's not forget that the basis of any relationship is "value." There must be value for each party in a relationship. Value to the marketer may ultimately be how much money a customer spends with you, but it can also extend to loyalty, feedback (that can lead to innovation and improvement), endorsement, and advocacy for your brand.

For consumers, value can mean a bunch of things. Consumers' perception of value ties first and foremost with the primary products or services of the brand. That's the most important thing,

yet, the marketing team can further that value proposition through the Internet by providing relevant and insightful content, tips, tools, fun promotions, coupons or savings, samples or entertainment (games, sweeps, humor, community functions, etc.). Relevance and timeliness are critical. Consumers will cherish their relationship with a brand if the brand keeps its promises to deliver what it says it will deliver; quickly, succinctly, honestly and credibly.

Value-based relationships, relevance, and keeping promises are still most important.

That never changes, no matter what channels or tactics a marketer uses. By next year, even if we're talking about Web 3.0 emerging channels for relationship building (mental telepathy?), only value-based relationships will sustain.

Happy widgeting, socializing, and texting in 2008!

Interested in implementing any of the suggestions in this report? Let a Response Media representative explain how to create similar initiatives for your company. Please call Josh Perlstein at (770) 220-5086 or visit www.responsemedia.com.