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Twitter: Businesses Increasing Their Revenues 140 Characters at a Time

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ABSTRACT

With the consumer market becoming more competitive by the day, businesses must find innovative yet cost effective means of reaching their target markets and steadily increasing their revenues. While businesses compete with one another to remain the best, they must have a strategic market plan that differentiates their products and/or services from their competitors. In an effort to do this, many businesses have begun using social networking sites such as Facebook, MySpace, and LinkedIn as a means of reaching their target markets. Such sites have opened businesses to a new level of advertising where they reach consumers faster, have the ability to be more innovative, and spend less money than they would with conventional means of advertising. In addition to these social networking sites, Twitter has emerged, gaining interest from businesses looking to get their products and/or services out to consumers through a new medium. With the number of users increasing daily and the ease of passing information along from one user to the next, businesses have begun to see their new found means of advertising on Twitter as the way to increase their revenues 140 characters at a time. This project highlights how the understanding of the benefits of social media marketing is essential to businesses venturing into the use of Twitter. This understanding allows businesses to frame the use of Twitter to successfully fit their business strategies, while the Computer-Mediated Communication (CMC) shows the connection between the use of social networking sites by businesses and how it relates to the manner in which consumers are receptive to the information such sites provide. Various studies conducted on the use of Twitter by companies along with a case study on FM Global, a mutual insurance company, highlight how Twitter can be used by businesses as a marketing tool for branding purposes and increasing revenues.

INTRODUCTION

With the need to stand out, businesses are looking for inexpensive yet innovative means of pushing out their products or services to consumers while building up an extensive market. As businesses work to expand their means of marketing, the topics of communication and how they can better communicate their products and/or services to consumers through platforms begin to surface. While communication occurs on various levels, social media has gained a lot of popularity as its pros greatly outweigh its cons. As with the creation of social networking sites such as Facebook, MySpace and LinkedIn, Twitter is the newest social networking site that businesses are beginning to use as part of their marketing strategy. But how effective and useful has the use of Twitter as a marketing strategy been for businesses? Have companies been able to better communicate their products and services to consumers while increasing their revenues?

This study aims to look into the rising use by companies of social media as a marketing strategy to reach both current and potential customers. How such companies communicate with consumers is important as it highlights the way in which they brand themselves. How receptive consumers are to the products and/or services provided by these companies reflects how successful such companies are in their branding and marketing initiatives. As companies are looking to revamp their marketing strategies, this study will take a look at how they are including Twitter as part of such strategies and how its inclusion has assisted companies in increasing their revenues. Understanding the advances in the marketing of social media, the usage and existence of Twitter, information gathered from businesses that have success stories with Twitter, and claims of its immense benefits will serve to show how a post containing only 140 characters can build the financial earnings of a business.

THE MARKETING OF SOCIAL MEDIA

Social networking sites have grown extensively over the past few years, attracting a more engaging audience whose focus includes taking interest in the profiles of its favorite companies. Social media marketing is a form of marketing that occurs over the Internet using social networking sites such as Facebook, MySpace and Twitter as its marketing tool. These

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social networking sites create an online community that brings together individuals who share common interests, goals, aspirations, and/or hobbies. These sites offer opportunities for users to interact with one another and facilitate communication through mediums such as instant messaging, blogs, newsfeeds and e-mail. The goal of using social media marketing by companies is to produce content for their users on their social network of choice that will help them increase brand exposure and broaden customer reach. This goal and many others can be met by companies if they study current social networking sites, understand how they operate, and take note of the usage patterns of individuals on such sites. When users join these social networking sites they create a profile that describes their activities, interests, and other information they are eager to share with other users. This is essential to businesses as it allows them to connect with all consumers of different ages and preferences, and offers a unique opportunity to focus marketing strategies on specific target groups. Consumers are looking for attention, especially on these social networking sites as they want to connect with those who value how they feel, understand their needs, and take the time to hear what they have to say. Because of this it is important that companies who look into marketing themselves on social networking sites understand that their inability to connect with both potential and current customers on these sites could lead to the loss in clientele. Financially, customers are essential to the forward movement of a company, and therefore the use of social networking sites can aid in listening to what customers want. Companies can do this by looking at those who visit their social networking site, what they search for on the site, and what they post on their own pages or blogs. The ability to allow interaction between customers and companies with the opportunity to voice complaints or ask questions is known as *social customer relationship management* (Band, Moore, & Leggett, 2011). This serves as a cost effective and time efficient way for companies to intrigue consumers to support their initiatives and communicate information about their products and/or services to them.

One of the key components of social media marketing is *Social Media Optimization (SMO)*, which like *Search Engine Optimization (SEO)*, is a strategy that is used to draw new and unique visitors to a website. Social media optimization can be used in two manners: (1) promoting activity on social networking sites by updating tweets, statuses and/or blog posts or (2) adding links to content that one would like to publish and link to the company's social

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networking sites, such as sharing buttons and RSS feeds (Sterne, 2010). Tweets are status updates of 140 characters or fewer where users are able to inform others of what they are doing, thinking about or taking part in. A RSS (Really Simple Syndication) feed is a data format that syndicates news and other content together; people that subscribe to a RSS feed will be notified every time content is updated on the site in which the feed is available for. All in all, these approaches assist companies in getting direct feedback from customers in an interactive manner and highlight the need for companies to venture into the usage of social networking sites.

Red Bridge Marketing Study

A study conducted by Red Bridge Marketing in 2008 to further examine the marketing of social media discovered that users share their opinions and make recommendations about products and/or services via the social networking sites that they are on. As a result of what users share and recommend, other users seeking input use that information when considering purchasing those particular products and/or services. The study found that 78% of consumers say they trust and believe the recommendations they find on these social networking sites more than any other forum because they portray the personal experiences of individuals who have actually used the products and/or services of the company(ies) (Red Bridge Marketing, 2008). Users on social networks both supply and consume the content found on these sites, which is a powerful avenue for companies to impart information about products and/or services to consumers directly from their stable. Users in turn can make such information viral by sharing the information with other users in their networks; this also assists companies with cutting advertising costs and promoting their products and/or services as pleased users share their experiences with others.

In its findings, Red Bridge Marketing also looked into the benefits of using social networks as a marketing tool whose pros outweigh its cons. The group named the following as benefits: increase product and brand awareness, increase web traffic, improve Search Engine Optimization, increase customer loyalty and increase success of new product launches (Red Bridge Marketing, 2008):

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- *Increase Product and Brand Awareness* – Companies that use social networking sites to market their products and/or services will increase the awareness users have of their offerings because of the increased online presence of their brand. An *iProspect Search Marketer Social Networking Survey* revealed that 48% of marketers are actively placing information on their social networking sites to help drive more traffic and create brand awareness (Red Bridge Marketing, 2008). A company's ability to create its presence on social networking sites creates an opportunity to bring the company's branding to consumers and encourage them to interact with the company's site. There is a greater chance the information posted by companies on their sites will be received by users as they chose which groups they join and which profiles they add to their networks.
- *Increase Web Traffic* - Companies that use social networking sites to market their products and/or services will witness an increase in web traffic to their sites when others mention them in various forms of recommendations, communications, and other postings. These postings often include web links that allow users to visit company sites and inadvertently help them drive traffic. Due to the setup of these sites, the web links target current and potential customers that are interested in the companies, their products and/or services.
- *Improve Search Engine Optimization* – Search Engine Optimization (SEO) is defined as “the process of making a website appear prominently or frequently in the results of web searches. Search engine optimization is a strategy used by site owners to increase revenue by increasing the number of visitors to their site. It often involves changes to the website itself, especially adding common search terms. Sometimes other tactics are used, including the creation of links to the site from other sites” (Credoreference.com, 2006). When a company and its product and/or service are mentioned, it is often connected to web links; the more web links connected to the mentioned content the greater the company's ranking in search engine results will be, which will result in a higher number of individuals reading the content. Search engines measure the value of each web link in the released content of the company and relate it to the company's website. This then gives social networking sites more value because as users share

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content with others they believe is valuable, the 'sharing moment' gets linked back to the content that was posted. This serves as a less expensive alternative for companies and adds greater value compared to web links they actually pay for.

- *Increase Customer Loyalty* – Using a social networking site to promote a company, its products and/or its services can help enrich customer loyalty if its use of the site is consistent and honest, adds value to the current and potential customers with useful content, and indicates the company's drive to create a personal connection between the customers and its business. Such actions will help to build trust and credibility between the company and the customer while enriching the reputation of the company.
- *Increase Success of New Product Launches* – With the array of various opinions on social networking sites from their millions of users, companies are at an advantage with the ability to tap into what users have to offer. Companies can survey users about their wants and needs and use the information to go back, revamp current products and/or services and improve them to include what customers feel is imperative for an enjoyable experience with the company's products and/or services. If companies facilitate continuous interaction and feedback between themselves and customers on these social networking sites, customers can be part of a continuous product development phase that allows them to have a voice in a process that could increase customer loyalty and guarantee more success in the launching of a new product.

The findings of this study further support the benefits of using social networks as marketing in that Red Bridge Marketing also noted approximately 1/3 of the companies in the life science industry plan on integrating some form of social networking into their company's 2009 marketing plan. This finding represents more than a 100% increase from companies who used some form of social networking as part of their company's 2008 marketing plan (Red Bridge Marketing, 2008). The following figures show the results of the findings of the survey conducted and indicate that the growth in use of social networks as a marketing tool by companies is as a result of their understanding the valuable benefits that await them (Figures 1 and 2).

Social Media Marketing Trends

Source: Red Bridge Marketing

Do you plan on incorporating social media marketing into your marketing plan for 2009?

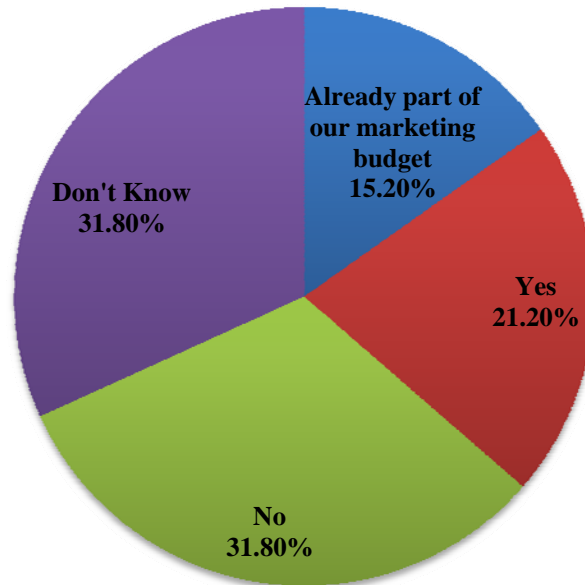


Figure 1. Percentage of life sciences marketing professionals using social media marketing

What are the business goals for your social media plan?

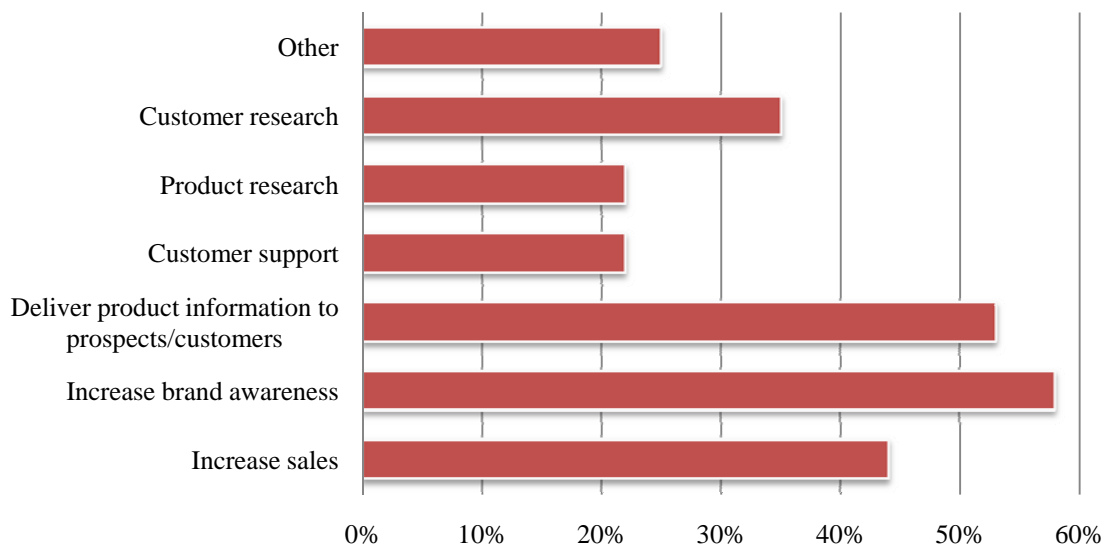


Figure 2. Business goals of social media marketing.

The Report of Social Networking in the United States – August 2011

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The rapid evolution of social networking sites has led to a great increase in the number of users who can be found on these sites, and with such an increase ad revenues were projected to reach \$3.1 billion by the end of 2011(Mintel Oxygen, 2011). The success that companies have witnessed with the use of social networking sites as advertising tools has led to a 705% increase in the use of social networking sites from 2006-2011(Mintel Oxygen, 2011). Teens (ages 12-17) and young adults (ages 18-34) serve as the largest demographic on these sites, and the growing use of smartphones, laptops and tablets has made it easier for this age group to be connected to these sites on daily basis. This analysis is supported by the report released by Mintel which looks to analyze the attitudes toward social networking and the use of social networking. The report further focuses on how consumers interact with the brands they are presented with on social networking sites and the features on these sites that aid its users (companies) in representing themselves well in the eyes of customers.

Despite the economic downturn that has affected many sectors, spending on social media advertising has continued to grow. As previously stated, the revenues from the usage of social media advertising are projected to reach \$3.1 billion by the end of 2011 and of that amount Facebook would account for \$2.2 billion or 71%(Mintel Oxygen, 2011). Spending on social media advertising has also grown by 425% from 2006-2010, supporting the fact that more and more businesses are taking their advertising efforts to social networking sites(Mintel Oxygen, 2011). At the same time, social networking sites have made it possible for businesses to more easily advertise their products and/or services due to the manner in which the sites are structured. Facebook has become a platform for retailing with catalogs and e-stores by offering “narrative-based marketing sponsored stories” that incorporate into ads the “likes” the businesses receive on their profiles (Mintel Oxygen, 2011). MySpace has allowed businesses to attract customers through TV ads, while LinkedIn has focused on allowing businesses to reach out to customers based on job title, seniority, age, and other information on the user’s site. Twitter in its own manner has allowed tweets sponsored by businesses to be integrated into the timelines and newsfeeds of the site’s users. With the opportunities that these social networking sites offer, 36% of social network users use such sites for gaming, while 25% use them to learn/enter into sweepstakes; 19% use them to learn/acquire samples, and 18% use them to learn about how to receive virtual gifts (Mintel Oxygen, 2011). These

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social networking sites are also widely used to learn more about brands offered by various business; 32% of users visit the pages of various brands while 22% visited the websites of various brands after they had learned about them on the social networking sites (Mintel Oxygen, 2011). The report from Mintel also noted how interests of users determine which brands they become attracted to. Women aged 18-24 and users from the highest-income households of \$150,000+ were more likely than others to “like, fan, or friend” all types of business, celebrity or fan pages(Mintel Oxygen, 2011).Those aged 18-34 used the functions of social networking sites to share with others their interest, learn about their favorite musicians, movies, and fictional characters; this age group is also the most active users on Twitter. This usage creates an opportunity for business entities to connect with users based on their interests and the content in which they like, fan, or friend.

Table 1: Current use of features, by age, June 2011

“Which of the following features or services are ways that you use Facebook, Twitter, or other social networks?”

	All	18-24	25-34	35-44	45-54	55-65	65+
Base: internet users 18+ with at least 5 friends on a social networking profile	1,376	235	280	243	245	171	202
	%	%	%	%	%	%	%
I do this now:							
Play a game	36	44	36	38	36	32	26
Use an app	28	43	38	33	24	15	9
Enter sweepstakes/contest with prizes	25	22	26	27	27	28	18
Sign up to receive a sample product	19	18	20	19	23	20	12
Receive a virtual gift	18	20	22	21	20	14	7
Give a virtual gift	17	19	20	20	18	14	7

Source: Mintel

Overall advertising sales on the social networking sites has steadily increased by 50% from 2006-2010 despite the dip that was seen in 2009 in response to the recession. Table 2 highlights the growing interest and willingness of businesses to invest in advertising their brand, products, and/or services via social networking sites.

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Table 2: Total U.S. internet ad spend, 2006-11

	\$million	% change	Index (2006=100)	Index (2011=100)
2006	16,880	-	100	59
2007	21,210	25.7	126	74
2008	23,450	10.6	139	82
2009	22,600	-3.4	134	80
2010	26,000	14.7	154	91
2011 (est.)*	28,500	9.6	169	100

* 2011 estimate from eMarketer (May 2011), 2006-10 figures from IAB's 2011 Full Year Results Report (April 2011)

Source: Mintel/IAB/eMarketer

In order to continue the growth in revenues and make it beneficial for businesses to use the social networking sites as a marketing tool, these sites are focusing heavily on making the usage of its sites more attractive to users. Twitter, which is known for requiring limited time investment from its users, focuses on keeping its audience's presence on the site longer through a redesign that features the ability to communicate on a wall-like function similar to that of Facebook (design seen in 2011). Although Twitter was created in 2007, it had not been redesigned until November 2010. The new look was designed to make people stay longer and visit the site more often which benefits those who use the social networking site as a means to advertise and reach out to consumers daily. With the new look the screen was split into two panels; one side contained the 90 million tweets that were posted daily, while the other focused on displaying pictures that were posted (Mintel Oxygen, 2011). In 2011 Twitter released yet another redesign hoping that the wall-like function similar to that of Facebook would make it easier for users to communicate with one another. This ability allows users to reply to other users through a text field that would appear on the other user's Twitter page; this function allowed user to share links and pictures more easily.

Twitter is a micro-blog where users have the ability with 140 characters or fewer to let others know what they are doing, thinking about or taking part in. Twitter allows its users to follow public tweets that are posted by other users, which varies from what occurs on Facebook;

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users on Facebook communicate directly only if both users have agreed to be in each other's network. Twitter has become a haven where musicians, organizations, celebrities, and political groups broadcast news to the millions of people who follow them; Table 3 displays what active users follow on Twitter. For example, in April 2011, President Obama used Twitter to announce that the beginning of his reelection campaign. Twitter is also known as a place to get the top news stories; for example, the news that the United States forces had killed Osama bin Laden was first broken through Twitter. Twitter has also been seen as an effective communication tool for those in various parts of the world organizing social actions and protests. As of April 2011, Twitter was estimated to have more than 200 million active users with the hope that by the end of 2012 the number would have reached between 250 million to 300 million active users (Intel Oxygen, 2011). These active users together post about 155 million tweets a day, which was up by 282% from April 2010 (Intel Oxygen, 2011). An article from *International Business Times* April 2011 noted that, according to Sysomos, 42% of tweets are made by nonofficial apps that have more features than Twitter such as UberSocial, Echofon, TweetDeck, and Seismic. This percentage indicates that more than 155 million tweets are sent per day by active users but are unaccounted for in Twitter statistics because they are sent by nonofficial apps. With the number of tweets sent out on a daily basis by active users of Twitter it can be seen that there is a market for businesses that use Twitter as an avenue to reach out to both potential and current customers who are already on this social networking site.

Table 3: Follow brands, products, or entertainment on Twitter, by age, June 2011

“Are you friends with or fans of any of the following on a social networking site or do you follow any of these on Twitter?”

All	18-24	25-34	35-44	45-54	55-65	65+
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Base: internet users 18+ with at least 5 friends on a social networking profile	1,376	235	280	243	245	171	202
	%	%	%	%	%	%	%
Musician/Band	9	20	14	7	7	2	-
Brand or product	7	14	12	5	5	1	2
Movie, video, game, book, or TV show	5	9	9	3	3	2	-
Social cause or nonprofit group	5	8	10	3	4	4	1
School or college group	4	8	8	5	2	2	1
Fictional character from a movie, video game, or book	3	6	6	2	2	1	-
Other type of group	3	7	4	2	4	1	1

Source: Mintel

The Report of Social Networking in the United States with a Focus on Media and Financial Services – April 2010

According to the consumer research conducted by Mintel in 2010, the use of social networking sites is increasing rapidly with 57% of Internet users now having a profile on at least one social networking site; this number is up by 41% from 2009 (Mintel Oxygen, 2010). About 51% of these users visit the social networking sites on a daily basis, which is important for financial service companies who are beginning to look into using social media as a marketing tool (Mintel Oxygen, 2010). Among the age group of 18-24, 68% are daily users, while the demographic profile of users on these sites consists of more women and skew toward those with higher incomes; this demographic is pleasing to markets who are interested in targeting these groups of individuals (Mintel Oxygen, 2010). The accessibility of Internet via personal computers and smartphones has assisted in the increasing numbers of users on social media networking sites. From 2003 to 2009 there has been an increase of home ownership of personal computers from 62% to 72%, with the average hours of use at home per week increasing by an hour each week since 2003 to 7.24 hours (Mintel Oxygen, 2010). Twitter is most popular among 23-34 year olds with 25% of them being weekly users; the large ownership of those with smartphones allows for Twitter's popularity to be great as this social networking is often accessed via its user's smartphones.

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The report conducted by Mintel focuses on how the use of social networking sites can benefit financial services entering the social media market as a way to reach out to consumers. The majority of social networking site users state that they use social networking mostly as a form of connecting with family and friends. The report found that those under the age of 45, along with a household income of more than \$100,000, are most likely to use social networking sites for uses beyond connecting to family and friends. It is perceived that this demographic would be more receptive to the information that entities offering financial services would provide via Twitter. About 43% of users on social networking states stated that these sites allowed them to exchange interesting ideas with those they care about, which emphasizes the importance of interactivity in the social marketing of financial services; Table 4 highlights how social networking sites were used during 2010 (Mintel Oxygen, 2010). A total of 22% of users stated that social networking sites assist them in making decisions about purchases, while the same percentage stated that social networking sites assist them in making good decisions about their lives. With this realization it is noted that these users are likely to be more receptive to receiving tips and advice for making financial decisions as a result of social marketing.

Table 4: How social networking sites function for the users, by age, January 2010

Base: 596 adults (18+) with internet access who visit social networking sites

“Please indicate how well each of the following words or phrases describe the blogs, discussion groups, and social networking sites that you regularly visit?”

Any agree:	All	18-24	25-34	35-44	45-54	55+
	%	%	%	%	%	%
Helps me connect with people who I care about	62	56	69	67	61	55
Lets me exchange interesting ideas	43	51	50	49	34	27
Gives me things to talk about	41	44	54	45	33	21
Makes me feel included	40	43	56	43	31	21
Helps me meet people like myself	36	43	45	41	32	17

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Helps me to make good decisions about what I purchase	22	34	27	26	13	7
Helps me to make good decisions about my life in general	22	31	30	22	16	8

Source: Mintel

The use of social media to advertise offers to consumers is a form of “pull” marketing. “Push” marketing refers to ads that are pushed onto the view by advertisers, for example banner ads and television ads found on websites. On the other hand, pull marketing involves users seeking out the marketing themselves; for example, a potential bank customer will not be able to witness a bank’s Twitter feed that includes valuable information to customers unless he/she accesses the bank’s Twitter profile on his/her own free will. Using social networking sites as a marketing tool cannot be approached in the same manner as are other marketing strategies. In order for companies offering financial services to be taken seriously by users and not ignored, they need to offer extra values and deals to both potential and current customers on these social network sites. Companies offering financial services must also continue daily maintenance of their profiles to make sure that they are keeping users up-to-date. The following scenarios highlight the use of Twitter by several financial service companies turning to social media as a way of interacting and reaching out to consumers:

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- **Bank of America** uses Twitter as a customer service tool where users can contact customer service representatives directly on Twitter to help with any of their questions and concerns; as of March 2012 Bank of America's profile, @BofA_Help, had 23,000 plus followers (Twitter). Twitter



Figure 4: Bank of America Twitter Profile

users "tweet" the bank by updating their own profile, including the tag "@BofA_Help" within the post, with a question or concern. On its own profile page the bank replies by tagging the original poster and asking users to send them a direct message with contact information so that they can be contacted offline. Bank of America's usage of Twitter allows a more direct customer service experience for both its users and the company; customers can escape having to call Bank of America, wait to be placed on hold and stop the feeling that his/her concerns are unimportant to the individual he/she is conversing with. Bank of America works to establish an emotional connection between it and its users over Twitter. The fact that its customer service representatives have pictures of themselves beside their names on the Twitter page helps make the company seem more personably to its users (Figures 3 and 4).

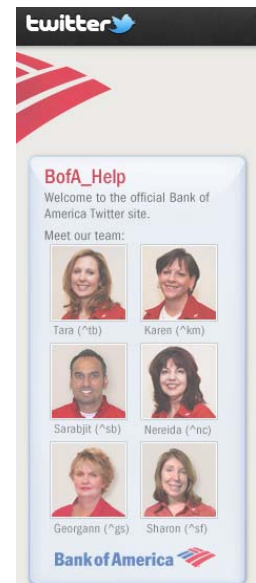


Figure 3: Bank of America Twitter Profile

- **Wells Fargo's** Twitter page has been operating since March 2009 and as of March 2012 has almost 20,000 followers (Twitter). It follows a similar model as that of Bank of America with its @Ask_WellsFargo profile that is actively monitored during business hours by a person who is able to answer users' banking questions (Figures 5 and 6).



Figure 6: Wells Fargo Twitter Profile



Figure 5: Wells Fargo Twitter Profile

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- **Citibank** uses its Twitter page, @Citi_Forward, to promote the Citi Forward credit card to users while sending updates with links containing financial advice, encouraging individuals about financial decisions and sharing about their iPhone application available for download. Citibank also uses its Twitter page, @AskCiti, as a tool where a customer service representative searches Twitter during business hours for instances when other users mention the bank's name. These discussions usually are of tweets from users displeased about an experience they had. The customer service representative "tweets" back to the displeased user with an apology and sends him/her a direct message to discuss the bad experience the user has. Citibank's @AskCiti page had about 7,500 followers as of March 2012, while its @Citi_Forward page had almost 2,000 followers (Twitter)(Figures 7 and 8).



Figure 7: Citi Twitter Profile



Figure 8: Citi Twitter Profile

- **Capital One** uses its Twitter profile, @TeachingMoney, as an educational tool designed to help parents and teachers talk to children about handling money, along with tips and links that providing such teaching material. Capital One updates its profile roughly 20 times per month, and as of March 2012 has 700 plus followers, while its @AskCapitalOne profile has almost 4,000 followers(Twitter)(Figures 9 and 10).



Figure 10: Capital One Twitter Profile



Figure 9: Capital One Twitter Profile

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- **American Express's** Twitter account, @AmericanExpress, was written by Leslie Berland the company's Vice President of Online Communications. She focuses on tweeting about American Express news, exclusive offers and events going on, while responding to tweets that the company is tagged in. These efforts have made the profile popular with its followers, reaching 332,000 plus as of March 2012 (Twitter). The company's customer service account, @AskAmex, focuses on answering questions about customer's cards and offering support on specific account issues; this profile as of March 2012 had almost 17,000 followers (Twitter)(Figures 11 and 12).
- **Fidelity's** Twitter account, @Fidelity, focuses on offering educational links and news to its investors while answering tweets from its users. This occurs during normal work hours, and as of March 2012 the company's account has 40,000 plus followers (Twitter) (Figure 13).



Figure 11: American Express Twitter Profile



Figure 12: American Express Twitter Profile



Figure 13: Fidelity Investment Twitter Profile

The above financial service entities display how the use of Twitter for some of its operations has been a tremendous help in reaching out to customers, helping them solve issues, listening to customers' needs and wants, and also growing the numbers of followers interested in their business. The successes of these companies with Twitter usage highlights the possible revenue opportunities for businesses and also paves the way for my later discussion of the use of Twitter by another reputable financial entity.

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WHAT IS TWITTER?

Twitter, which has been gaining steady popularity over the years, was introduced in July 2006 by its creators Evan Williams, Jack Dorsey, and Biz Stone. Williams was an entrepreneur who had founded a company called Pyra Labs that made project management software; the software from this company went to become Blogger, a free blogging service, which was later bought by Google. In 2004, Williams left Google to form Odeo, a podcasting company, and then two years later created Obvious with Biz Stone. Biz Stone was a programmer who had joined Blogger after its acquisition by Google. Odeo was then bought by Obvious, which was later sold to a company called Sonic Mountain which now focuses on Twitter. The original idea for Twitter came from Dorsey who had been an Odeo employee at the time; Twitter had been created to serve as a fun way to communicate with others. Twitter was launched officially in October 2006 and was awarded a South by Southwest Web (SXSW) Award in March 2007 for leading the blog category in innovation. By April 2007 Twitter was a separate entity headed by Dorsey (Comm, 2010).

Twitter is a free social networking site that offers micro-blogging services to users who are able to send updates to one another through what are called “tweets”. These “tweets” are text-based posts that hold up to 140 characters and are shown on the profile page of the user who created the posts. Individuals who subscribe to that specific user’s profile, known as “followers”, also have access to see these posts but can be restricted from certain posts if the user restricts which of his/her follows can see posts he/she makes. The accessibility of Twitter because of technological advances has allowed users to send and receive tweets via the Twitter website, Short Message Service (SMS) or text messages as it is referred to by some, or other external applications (IN.com, 2012). The continuing sections of this report will take a closer look at Twitter, its uses, and how various companies have been able to use the social networking site to meet their daily marketing and advertising needs.

What sets Twitter apart from other social networking sites is its simplicity and critical mass. Although Twitter has added various tools and add-ons to its site to create more functions for users, it still remains true to its original functionality by serving as a way for users to describe what they are doing in no more than 140 characters. The hardest part of creating a social

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networking site is introducing it to the market and gaining enough interest from individuals comfortable enough to become users on the site. Twitter’s SXSW award gave the site the boost it needed, and as long as it has that critical mass it will serve to be the micro-blogging service to beat (Comm, 2010).

A 2011 report released by Pew Research Center Internet & American Life Project noted that 13% of online adults use Twitter, while half of Twitter users access the service “on the go” via their mobile phones. This shows an increase from the 8% of online adults noted in November 2010 when a similar report by the organization was conducted. The following table, Table 5, highlights the types of users who are on Twitter, which is important in order to understand how the structure of Twitter allows various demographics to use the social networking site. These demographics as varying as they may be, are important as they allow businesses that use this medium for marketing and advertising purposes to be able to reach a wide array of individuals at a cost relatively cheaper to more conventional means. Twitter’s demographics, what Twitter is all about, and the capabilities that it has are essential to grasp how such factors integrate with one another. These factors will assist in further understanding the vast array of opportunities that lay ahead for companies that use Twitter as a means of increasing revenues due to the increase of branding on this social networking site.

Table 5: Who Uses Twitter?

% of internet users within each group who use Twitter

All internet users	13%
Gender	
Men	14
Women	11
Age	
18-29	18*
30-49	14*
50-64	8*
65+	6
Race/Ethnicity	
White, non-Hispanic	9
Black, non-Hispanic	25*
Hispanic	19*

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Household Income	
Less than \$30,000	12
\$30,000 - \$49,999	15
\$50,000 - \$74,999	12
\$75,000+	15
Education Level	
High school grad	8
Some college	12
College+	16*
Geographic location	
Urban	15*
Suburban	14*
Rural	7

*Source: The Pew Research Center's Internet & American Life Project, April 26 – May 22, 2011 Spring Tracking Survey. n=2,277 adult internet users ages 18 and older, including 755 cell phone interviews. Interviews were conducted in English and Spanish. * indicates statistically significant difference between rows.*

LITERATURE REVIEW

The following section reviews various articles and books that will be helpful in understanding the growing popularity of social media and how social networking sites have created a cost effect yet innovative avenue for businesses to reach consumers. While many social networking sites are available, Twitter's growing popularity and usage by businesses indicates how the simple use of one idea can lead to a door of endless opportunities.

Article: "Is Twitter a Viable Commercial Use Platform for Small Business? An Empirical Study Targeting Two Audiences in the Small Business Community"

Authors: Patrick R. Geho, Sara Smith and Stephen D. Lewis

This journal article briefly highlights the commitment and long hours that small business owners put into the daily operations of their businesses. As they worry about keeping up with competitors they also face the added stress of coming up with various means of reaching and widening their target market in terms of marketing. With the trend of using social networks as a form of marketing, small business owners looking for an effective yet inexpensive way to market their products and/or services are flocking to become a part of this trend. While claims concerning social networks, especially Twitter, are stating that their usage has been very

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valuable, the authors of this article look to find empirical evidence that demonstrates the usefulness of Twitter for marketing purposes.

In order to first understand Twitter's usage statistics, the authors gathered some information from Quantcast.com; information is based on 2009 statistics.

- Twitter reaches approximately 23.5 million people per month in the U.S.
- 54% of users are female
- 44% of users are between the age of 18 and 34
- 72% of users are Caucasian, while 14% are African American
- The typical household income is between \$30 thousand and \$60 thousand
- 1% of users that are addicts contribute to 35% of the visits to the site
- 72% of users are "passers-by", while only 27% are regular users

(Geho, Smith, & Lewis, 2010)

Based on this above information the authors concluded that these data motivated small business owners to embrace social media sites as part of their marketing plan since it seemed that they would have a large target audience to work with. In the same light small businesses owners hope that with the ability of Twitter users to re-tweet posts, users would help them spread the word about their products/services to other users they are connected to. This then helps small businesses with their plans as they enter the market where other businesses are making use of this site to reach users both locally, across the nation, and internationally.

Article: "Twitter Time: How Companies are Using and Responding through the Social Networking Tool"

Author: Joan Stewart

Understanding why companies are now beginning to add Twitter to their daily marketing plan assists in highlighting the various needs companies hope to address and the benefits they hope to receive from its usage. Twitter, for many companies, has the added advantage of also allowing its feed to appear on those with Facebook pages, which means that consumers who follow the company's page could reach other consumers who are non-Twitter users via Facebook and possibly gather more consumer interest for the company's products or services. With the minimal to no cost of using this social networking site, many companies who are

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using Twitter as a means of communicating with their customers. Twitter serves as a powerful communication tool that could be used to monitor public comments about company brands and help them push their marketing strategy. For example, some use it to spot customer service problems immediately so that they can respond more quickly to complaints; a happy customer means a customer who will continue to be a loyal customer and encourage others to purchase the company's products or services. The following serve as ways companies and nonprofits are using the services of Twitter to their advantage:

- The American Red Cross uses Twitter to announce disaster news. During the tornado season it tweeted the location of its emergency shelters in several states, directed followers to Flickr photos that showed tornado damage, and assisted survivors getting back to their locations safely.
- Through Twitter the Red Cross makes public service announcements, announces its fund-raisers, and links its followers to slide shows of crises such as the California wildfires.
- During the June 2008 floods in the Midwest, the Red Cross used Twitter to send followers to a Google map showing disaster response opportunities for volunteers and public service announcements describing what to do during a flood.
- H&R Block answers tax questions and responds to complaints from consumers unhappy with service they've received.
- Amazon.com pushes news about its sales.
- Southwest Airlines informs customers about flight specials and executive major media interviews, like CEO Gary Kelly's March 7 interview with CNN to address concerns about the safety of aircraft.

(Stewart, 2008)

Article: "Cashing In on Tweets"

Author: Mary K. Pratt

"It isn't easy, but some companies are proving it's possible to calculate the ROI of marketing via social media" (Pratt, 2009).

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The purpose of this article was to highlight the ability of some companies to collect data that indicates sales increase through the promotion of their business on social media sites. The first example sites a Georgia aquarium that offered 25% to 40% off admission prices to those who followed the business on Twitter or signed on as Facebook or MySpace fans (Pratt, 2009). Based on the URL that the aquarium created to specifically track the promotion, it claimed \$42,000 in additional sales as a result of the promotion.

Dave Santucci, the aquarium's Vice President of Marketing and Communication, and Beach Clark, the aquarium's Information Technology Vice President, stated that the promotion also allowed the business to calculate whether the investment into social media was paying off and how much it was really benefiting them. In terms of investment, the aquarium spent little to no money to promote itself via the social networking sites, which then assisted it in the maximization of its efforts. The aquarium's promotion yield was easily noticed through its efforts as it was able to bring in greater revenues than the year before. With promotion the aquarium was able to see that with the minimal amount of resources the staff used to send out information through Facebook, MySpace, and Twitter, the aquarium was bringing in an equivalent of 2,500 admission tickets (Pratt, 2009). Both Clark and Santucci acknowledge that return on investment (ROI) is not easy to calculate, but it is essential as it assists a business in justifying usage of social media and whether or not more time and money should be invested into such avenues.

The article continues by addressing how important it is for businesses to understand which of the social networking sites best fits with the company's business model. Cynthia Francis, CEO of Reality Digital Inc., states that, "The idea that everyone should have Facebook and Twitter is not true. You have to think about what people and customers want. Maybe all you need is a blog with three people in your company blogging. Bigger companies might want to be in all the public environments" (Pratt, 2009). Francis' opinion indicates the need for companies to thoroughly research what social media can do for their businesses and how such usage can impact their daily sales. While the usage of social media has proved rewarding for many, those reaping its benefits continuously analyze how their companies are doing, while others such as IBM are tailoring their marketing approach to its character of innovation with

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the creation of its one version of Wikipedia, Twitter and Facebook, which are Bluepedia, BlueTwit and Beehive respectively.

Book: Twitter Power 2.0: How to Dominate Your Market One Tweet at a Time
Author: Joel Comm

In this work online marketing expert, Joel Comm, hopes readers will use what he presents as a guide to using Twitter to learn how to market to consumers and to encourage the understanding of how important it is for companies to leverage the benefits of the social networking site to reach consumers directly, increase their sales and build their brand. He also notes the need for companies to be on top of the latest trends that can be used to integrate Twitter into their marketing strategies, which will assist in working towards expanding awareness of their product and/or service, creating a strong group of followers on the site, and learning how to handle negative publicity that may occur due to displeased customers. All these factors are important as they affect a company's ability to make money via its use of Twitter in its marketing strategy. Comm focuses a section of his book titled "Quick Ways to Make Money on Twitter" to highlight how a strong business strategy is needed to help pave the way for an opportunity to create revenue through the networking site. One approach is to leverage a Twitter profile to its utmost advantage by placing information in tweets that will reach out to the customer. He encourages companies to place ads (links) in these tweets that blend well enough to the message but intriguing enough for users to click to see the ad and in turn purchase the product and/or service that the ad is promoting. Comm's next approach is that businesses should offer specialized services via Twitter, and he highlights this by introducing how CSS (Cascading Style Sheets) expert Justin Rockwell uses Twitter to his advantage. On his profile, @ThatCssGuy, Rockwell looks on Twitter for those who need help with their CSS problems and offers them quick solutions to help. To also help build the number of those following him, Rockwell adds CSS tips on his profile; this allows him to build his brand at no cost. Users who have more complex problems can click on Rockwell's website (www.thatcssguy.com) listed on his Twitter profile. This option allows users to state their problems and pay for their solution. The payment option has a slider where the price depends on how fast an individual wants a response; the prices start at \$35 for a wait of up to three days and go up to \$135 for a two-hour service. Rockwell, who has a full time job, is able

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to bring in about \$1,400 just by providing this service to customers. The presentation of these approaches by Comm enforces the need for businesses using Twitter to stand out from the rest of their competitors through distinction. Distinction occurs by thinking outside of the box and creating an opportunity for customers to know that they're needs are valued by the company they intend to do business with.

Book: Twitter Marketing: Promote Yourself and Your Business on Earth's Hottest Social Network

Author: Steve Weber

In this work, Steve Weber presents to users (businesses) of Twitter the best ways to reach the consumer and how to get that competitive yet distinguished advantage in the market. Weber highlights some business benefits that can be found with the usage of Twitter as it allows companies to:

- Create, reinforce, and expand their brand.
- Promote their business, products, and self.
- Expand their audience.
- Network with customers, clients or readers.
- Gather opinions on their business or products.

(Weber, 2009)

Some of these benefits are presented through several of the stories of businesses that have used Twitter as an approach to increase their popularity and sales:

- “Bakeries post a tweet when cookies are coming out of the oven, and within minutes, customers are at the door.
- True Massage & Wellness in San Francisco tweets when its masseuses have open time, and offers discounts for same-day appointments. The spa's owner, Mary Jenn, is able to book each day solid.
- J.R. Cohen, operations manager for Coffee Groundz Café in Houston, credits Twitter with doubling his clientele. Soon after joining Twitter, Cohen was accepting takeout orders online, just in time for customers zipping through the drive-through.

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- Kogi Korean BBQ, a vendor of Korean barbecue takeout food in Los Angeles, has gained thousands of new customers by tweeting the location of its food trucks, more than 40,000. Twitter users follow the company’s updates, which broadcast real-time locations of delivery trucks, as well as “secret menu items.”

(Weber, 2009)

Weber highlights that such success is acquired by understanding what Twitter can offer a business and how it is a determinant of the framework the business uses to approach its Twitter usage. Defining what the business will be tweeting about sets the basis for what will constantly be in its news feed and what users following its profile will see on a daily basis. Because each tweet holds only 140 characters, businesses are forced to come up with messages that are short, straight to point but impactful enough to carry the message to the consumer. Weber suggests that this can be done when businesses on Twitter understand how to engage audiences and focus on building brand enhancement and promotion. The following are Weber’s suggestions to businesses:

- **Using Twitter to Engage Your Audience**
 1. “*Ask for introductions.* When you have a decent number of followers, send weekly or monthly broadcasts asking people to introduce themselves. Then, respond.”
 2. “*Poll your followers.* Pick one day of a week to poll your followers on a topic in your field.”
 3. “*Get feedback from your followers.* And be prepared for constructive criticism. Ask your followers their opinion on any subject relating to your business or your product.”
 4. “*Have followers ask the question.*”

(Weber, 2009)

- **Twitter for Brand Enhancement and Promotion**
 1. “*Study your competitors.* Search Twitter to find your competitors, and take a long look at what they’re doing to promote their products or

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services. Take notes on the methods you like, especially those that mesh with your marketing plan.”

2. “*Offer free content.* Offering valuable content builds loyalty with your followers. Your audience will begin to trust you, and they’ll bring their friends to you.”
3. “*Become known as an expert.* Let the Twitter universe know you are and expert in your niche.”
4. “*Keep your followers informed.*”
5. “*Provide exemplary customer service.* If your clients, customers, and fans have questions, answer them. Troubleshoot complaints. Show them you believe in your business by being present.”
6. “*Promote to increase your brand and sales.*” This can be done by offering Twitter exclusive deals and discounts by using links to offer deals an discounts, and to offer contests and giveaways.

(Weber, 2009)

Weber’s suggestions show that businesses that have increased their follower base have been able to increase their revenues because they understand the benefits of Twitter if used in the correct manner. Creating a base where a brand will be enhanced and promoted is determined by how businesses engage with consumers and how they are able to turn their consumers into loyal customers willing to invest their money into purchasing the businesses’ products and/or service.

METHODOLOGY

Case Study: FM Global

The information and articles reviewed up to this point have shed light on the use that can be made of social networking sites for social media marketing and how companies have been able to increase their revenue on these social networking sites. While the benefits of Twitter for companies and small business owners have been highlighted, seeing how they equate such benefits to the increase of revenues is very imperative. In order to make the connection more understandable, a case study was

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conducted on FM Global to understand the business' usage of Twitter and how it has assisted the company's efforts in the social media market.

FM Global is a mutual insurance company based in the United States but with many offices worldwide. It specializes in loss prevention services where it mainly services large corporations throughout the world in the Highly Protected Risk (HPR) property insurance market sector. The company focuses on a non-traditional business model where risk and premiums are determined by engineering analysis rather than focusing on historically based actuarial calculations. This business approach is based on the fact that property losses can be prevented or mitigated. FM Global engineering personnel regularly visit insured locations to evaluate the existence of hazards and recommend improvements that are needed to the property or work practices in order to reduce financial and physical risks if a loss were to occur (FM Global | Facebook, 2012). FM Global's existence as an international property insurance and loss prevention engineering company brings in \$4.792 billion of in-force premium, \$7.3 billion policyholders' surplus, and a clientele listing in over 100 countries (FM Global, 2012).

While one can see that as a whole FM Global is successful, this case study focuses on the Johnston, Rhode Island branch of FM Global. Here I met with the Head of Communication to discuss the company's use of social media for its operations and how using networking sites such as Twitter has helped build the company's clientele base and increase revenues. The questions I used to conduct the interview can be found in Appendix A. During the interview, the Head of Communication pointed out that the usage of social media was headed by the public relations team as it is responsible for representing the company to the public in the most accurate, ethical and truthful manner. Because of this, social media is used as a way to present the company's ability and brand to those who serve as customers and potential customers. While he notes that Twitter is effectively used by many retailers to facilitate sales and lead to increases in revenue, it's harder for FM Global to partake in such measures since the company's business structure is relatively different.

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Twitter's usage by the company is a tool to increase awareness of what the company does rather than that of a sales tool. Why it is difficult for FM Global to use Twitter as a sales tool is due to the long process that goes into the closing of deals that the company ventures into. FM Global deals with many multi-million dollar deals, and because these agreements require so much work, it is hard to say that social networking sites such as Twitter can really be measured as a sales tool that can transcribe into revenues. FM Global sells insurance to big Fortune 500 companies such as Pepsi and Johnson & Johnson that can have a policy of \$10 to \$12 million over a one year period. Such sales take a long time to be completed and thus suggest that Twitter cannot be used by the company as a means of measuring sales. Although sales cannot be measured, the Head of Communication states that Twitter is by far an excellent tool that assists the company in building brand awareness and informing its clientele of what it has been doing. In as much, FM Global is also able to build a stronger clientele base, where clients become more aware of what the company is doing and have been exposed to a brand that interests them. This in turn can potentially lead to a sale for the company if a follower on its Twitter profile becomes intrigued by the company's branding and its offerings.

Simply Twitter is used by FM Global to show both current and potential customers who they are, what research they have conducted, and what they are good at doing, all of which has an indirect effect on sales. The Head of Communication, also pointed out that FM Global's uses of social media is due to the fact that others are using such sites as Facebook and Twitter to connect with customers. FM Global has not bought 100% into the idea of using social media as a marketing tool because they have been unable to fully quantify what the usage of social networking sites have done to assist in generating sales and creating more revenue. FM Global currently keeps the analytics of how many users they have on Facebook and Twitter; the analytics show that the number of users following the company is increasing but the company has not yet measured this increase in terms of the company's successes. The Head of the Communication shared that he believes that FM Global has such a strong reputation that it does not depend on social media to bring in more clientele or

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assist in increases sales. But it does look to the use of social media as a tool to enhance the message and branding that it present to the consumer and allow it to grow its interest base. He believes that as the company begins to have more employees from the younger generation, FM Global will become more reliant on the use of social networking sites such as Twitter as a means of connecting to consumers. FM Global's use of Twitter has been to brand and package itself to the consumer, and although it has not been able to quantify sales with its use, it has been able to use its page as a marketing tool to stay connected with customers and keep them interested in wanting to continue doing business with the company. The ability for FM Global to reach out to its customers via Twitter can still offer revenue opportunities by meeting the needs of the customer, such as those examples of other financial institutions previously stated (Appendix B). So in the case of FM Global, excellent brand representation on Twitter equals the opportunity to gain more clientele, which equals customers willing to purchase insurance from the company and later turning into a sale for FM Global.

Computer-Mediated Communication

Computer-mediated communication (CMC) "is defined as any communicative transaction that occurs through the use of two or more networked computers. While the term has traditionally referred to those communications that occur via computer-mediated formats (e.g., instant messages, e-mails, chat rooms), it has also been applied to other forms of text-based interaction such as text messaging. Research on CMC focuses largely on the social effects of different computer-supported communication technologies. Many recent studies involve Internet-based social networking supported by social software" (Rathore, 2011). In short, CMC promotes communication between individuals through various forms of technology. Because face-to-face communication has been eliminated in this "transaction", it is important for users who interact by CMC to make sure that they're messages are concise enough for individuals on the receiving end to be able to understand and decipher the message that is passed along. This approach can be seen with Twitter as the use of 140 characters forces users to send information to other users in a manner that is impactful yet concise. It also encourages

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users to devise innovative placing of choice words to get attention of other users. As previously stated, users following companies want to know that they're needs and interests are important to the companies they are following. Therefore it is important that companies captivate those needs, wants, interests, and requests of users in their tweets. Companies like FM Global who are unable to necessarily get immediate sales from their Twitter profile should use CMC to their utmost advantage. Being able to provide advice and sharing news information with users following the company's Twitter profile is a great avenue to encourage more interest in that company. Users who see vital information coming from FM Global (and any other company for that matter) stay connected, look to see what the company has to offer and possibly share information with other users. CMC allows companies to use Twitter as an avenue to stay connected with customers, especially when both parties cannot meet in person. If effectively used, CMC can facilitate and handle conversations between a company and a user that could have conducted done via a phone call or an in-person discussion. Therefore, understanding that what is communicated to users on Twitter and the manner in which it is communicated will determine how effective companies' strategies with Twitter will be in yielding sales and increases in revenue.

CONCLUSION

With the growing use of social media marketing in many strategic business plans, companies and various businesses have been able to reach consumers in a light that they would not have previously been able to do so. The use of social media marketing has allowed companies to look for ways to visually and contextually draw in the interests of the consumer while still delivering their message. The hopes of companies and small businesses venturing into social media marketing via social networking sites is to reach customers who in this day and age are becoming more conscious of the purchases they make when it comes to products and/or services. It also allows companies and small businesses to create customers out of users who follow their profiles on these networking sites because of the information that they provide their tweets. Especially with the change in the current economy, consumers are looking for the best product and/or service for their buck. Therefore it is important that companies and businesses using social network sites to reach to both current and potential customers are able

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to build a strong brand presence on these sites while still delivering to the customer what he or she is looking for. Twitter allows these businesses the opportunity to not only interact with consumers but also the ability to be simple, effective and impactful due to the structure of the site. The flexibility of opening several accounts (as seen by various examples previously stated) to handle various issues like customer service, questions and answers, and general information that may include deals and discounts, allows consumers the ability to expose themselves to information that entices them and serves their needs. Consumers won't feel as if companies are feeding them with information that is overbearing and does not appeal to what they may need. This serves as an encouraging factor for companies to make sure that their accounts on Twitter do what they state they will do and goes above and beyond to capture that consumer base.

Many of the reasons companies have ventured into the use of social media marketing via social networking sites, especially Twitter, include the desire to increase their brand presence in the social media community and most importantly facilitate revenue growth for the business. While several entities have been able to track revenue growth through links in their tweets that count the clicks that turn into sales, others are unable to track revenue growth as seen with the case of FM Global. Such companies then focus on branding themselves to the consumer because once these consumers are able to see the total packaging of a business in a good light, they will be more inclined to buy into the vision, the mission, and the product and/or service that is provided. So although revenue cannot be always simply tracked by a click on a company's Twitter profile, branding oneself and strategically setting up one's profile can create revenue. Taking a look at the strategies introduced by Max Chafkin in his article "5 Ways to Actually Make Money on Twitter" highlights how simple tactics can turn into huge revenue opportunities for companies that successfully utilize Twitter to their advantage:

- *Strategy One: Turn Followers Into Creators*

This strategy is highlighted by SkinnyCorp, which owns an online t-shirt retailer called Threadless, which was founded in 2000 and is based in Chicago. It sells approximately \$30 million worth of graphic t-shirts a year by soliciting designs from a community of hundreds of thousands of amateur designers who vote on their favorite

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designs. The CEO of Threadless, Tom Ryan, along with its founder, Jake Nickell, took this strategy to Twitter and created a website May 2010 that would allow its Twitter followers to go to and turn their favorite tweets into shirt designs. Users would log into the Threadless website, enter their Twitter username and password, and then submit tweets for consideration or to vote on tweets submitted by others. The winning slogans would get printed on t-shirts and would be sold for \$18 each. As a result of this initiative, the company was able to trigger 100,000 submissions and 3.5 million votes over a five month period. This led to the printing and selling of 23 designs and resulted in hundreds of thousands of dollars in additional revenue within the first five months; the promotion also assisted Threadless by adding one million more followers to its Twitter profile. The Twitter Tees program, as the company calls the initiative, also provided a revenue boost to its core business as Twitter followers who purchased t-shirts from the initiative stayed and bought other shirts from the company.

A lesson to take away from this scenario is that asking followers for help can open up endless doors of opportunities to create revenue for the company; asking followers for help companies can give participants prizes. Nickell mentioned that Threadless' most successful tweets came when it offered followers the chance to win \$100 if they spread the news about the company's \$9 per t-shirt sales; this contest became one of the most popular topics to trend on Twitter that day(Chafkin, 2010).

- *Strategy Two: Sell Products on Twitter*

This strategy is highlighted by Woot, a \$164 million online retailer based in Carrollton, Texas, that operates six online shops that sell greatly discounted products; each Woot shop sells only one product at a time for only one day. Woot was one of the first retailers to find its way to Twitter and it uses the service to inform customers daily about what is being sold that day. The company sends tweets around midnight to about 1.5 million of its followers (as of December 2009). Woot sees Twitter as a site that assists it in triggering more sales, and once it has sold 90% of its inventory for a particular product, the company then posts a follow up tweet on its page to alert potential and/or contemplating buyers that time is running out on purchasing the product of the day. Woot sees these follow up messages as a way of informing

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customers that the products have been widely approved by others in the community. As a result, tens of thousands of people click on Woot's Twitter links every day and conversion rates (the percentage of users who go on to buy something) are considerably better than the company's actual website average. From January 2007, Woot has been using Twitter to inform customers about its daily sales and since then annual revenue has more than doubled (Chafkin, 2010).

- *Strategy Three: Look for Leads on Twitter*

This strategy is highlighted by Rose Associates, which is an 80 year old real estate marketing and management company based in New York City. The company has 200 employees and manages about 20,000 luxury apartment units. Bob Scaglione, the senior managing director of residential marketing, uses Twitter to search for users who post messages about apartment searching woes. Scaglione highlights that the company's clientele are young and very mobile, and the place to find them is on Twitter. The company uses 10 key terms like *New York City apartments*, *moving to New York City*, and *no fee rentals*; when an individual uses one of those phrases, someone in the company's marketing department sends a reply message with a link to Rose's apartment listings. Although Rose only has about 200 followers (as of December 2009), it is able to generate 100 leads a month by sending a few targeted replies to users every day. Scaglione states that half of these leads convert to actual rentals, which is still beneficial to the company as it costs them almost nothing to use Twitter as a marketing tool to reach out to potential customers (Chafkin, 2010).

- *Strategy Four: Sell Products for Twitter*

This strategy is highlighted by Atebits, which is a Philadelphia based software start-up that makes a \$2.99 iPhone application called Tweetie. Its founder, Loren Brichter, pointed out that Twitter doesn't charge users to send and receive messages but it doesn't mean users won't pay for an app that makes it easy to use Twitter on the go. Brichter put the first version of Tweetie up for sale in November 2008, and to promote it to others he posted it on Twitter. That promotion led Tweetie to be the most successful iPhone app for Twitter and has been purchased by 12.7% (as of December 2009) of all Twitter users according to Twiststat.com. The release of the most recent

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version of the app made it to the top of Apple's bestseller list within 36 hours, ahead of other popular apps such as CNN's and Electronic Arts' Madden 2010 iPhone app (Chafkin, 2010).

- *Strategy Five: Find Customers Anywhere*

This strategy is highlighted by Kogi Korean BBQ (as mentioned earlier), a Los Angeles start-up that operates four food carts that are always on the go. Kogi uses Twitter to tell customers where its trucks are. Although they have regular spots, the trucks move every couple of weeks and managers might make last minute changes to truck locations if they cannot find a good location to park. Kogi wants to cater to a larger customer base than would be possible with a few regular locations, so it turns to Twitter as a means of informing customers where its trucks are on any given day. Twitter also allows the business to give customers information about specials and to offer random jokes that give a lively attitude for their customers. The use of Twitter has assisted Kogi with its rapid growth; within its first year of existence Kogigrew from four employees to 60 (as of December 2009) and has gone from selling 30 pounds of meat a day to 1,000 (as of December 2009). Also, about 10% of customers learned about the truck's location from Twitter, which shows that the messages sent by Kogi are reaching users and turning them into customers (Chafkin, 2010).

What one should take away from these analyses is that social media marketing is becoming increasingly popular due to the benefits that it provides for companies at a low cost and at an opportunity to be versatile, innovative and unique in the manner in which companies reach out to consumers. Companies are looking for various means to increase their brand perception in the market and in turn increase revenues through the use of social networking sites. Twitter has been on the forefront of these sites and has served as that new and easy to use site to meet the needs of companies. While revenue earned by companies cannot always be measured by clicks on their Twitter profiles, businesses can increase their revenues 140 characters at a time by coming up with strategic means that draw in consumers and turn their interest into money making opportunities.

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Appendices

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Appendix A – (Interview Questions with Head of Communication at FM Global)

Interview Discussion Points & Questions:

- 1) FM Global and the clients it serves.
- 2) What does the company think about social media?
- 3) What social media sites does the company use the most and why?
- 4) How has the usage of Twitter (and other social media sites) help reach out to clients, customers, etc.?
- 5) What are the company's main reasons for using social media websites (especially Twitter)?
- 6) Has the usage in social media sites (Twitter) helped the company increase sales and bring in more customers? Are there any studies/analysis/information gathered by the company to prove this.

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Appendix B – (FM Global Twitter Profile as of March 2012)

The screenshot shows the Twitter profile for FM Global (@FMGlobal). The header includes the Twitter logo, a search bar, and a link to sign in. The profile banner features the FM Global logo and a '175 YEARS' anniversary badge. The profile picture is the FM Global logo. The bio states: 'Top business property insurer among 1/3 of Fortune 1000. Majority of loss IS preventable. Tweeting news/advice on risk management issues of the day. Est. 1835. 65 offices across the globe - <http://www.fmglobal.com>'. The account has 457 tweets, 192 following, and 2,045 followers. A 'Follow' button is visible. Below the profile information is a 'Stay in touch with FM Global' section with a sign-up form for Twitter, including fields for full name, email, and password, and a 'Sign up' button. To the left of the sign-up form are three images: a fire hydrant, a fire, and a roof. Below the sign-up form is a navigation menu with links for Tweets, Following, Followers, Favorites, and Lists. At the bottom left, there is a footer with the Twitter logo and copyright information: '© 2012 Twitter About Help Terms Privacy Blog Status Apps Resources Jobs Advertisers Businesses Media Developers'. On the right side, there is a 'Tweets' section showing five recent tweets from FM Global, dated from March 15 to March 22, 2012. The tweets discuss disaster preparedness, editorial content about the Triangle Shirtwaist Factory fire, property protection, weather preparation, and natural disasters.

Source: Twitter – FM Global

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Appendix C – (IRB Proposal Exemption Form)



December 13, 2011

Adekemi O. Oyalabu
Bryant University
1150 Douglas Pike
Smithfield, Rhode Island 02917

RE: IRB Proposal #2010-1206:

Dear Adekemi:

Your proposal, entitled "Twitter: Businesses Increasing Their Revenues 140 Characters at a Time" does not meet the U.S. Department of Health and human services definition of human subject research and is exempt from IRB review. As stated in your claim for exemption, the research involves of only observing the public behavior of subjects and is limited to the collection or study of existing data recorded *by the investigator* in such a manner that subjects *cannot* be identified, *directly or indirectly*, through identifiers linked with the subjects.

Bryant University is strongly committed to adhering to the basic ethical principles related to the conduct of research involving human subjects as set forth in *The Belmont Report: Ethical Principles and Guidelines for the Protection of Human Subjects of Research*. The submission of your proposal to the IRB Committee supports the goals of Bryant University and the IRB Committee and ensures that research involving any members of the Bryant community is in strict accordance with these ethical principles and guidelines.

Thank you for your submission, and good luck with your research.

Very truly yours,

Tony Houston
Chair, IRB Committee

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