

**SUBSCRIBERS**

**FANS AND**

**FOLLOWERS™**

ExactTarget®

co tweet™

# THE COLLABORATIVE FUTURE

REPORT #6





## INTRODUCTION

When reading marketing headlines like those highlighted in the image at left, it's easy to understand why marketers get the impression that email, Facebook®, and Twitter® are in direct competition for the online consumer's attention. And while channels like Facebook and Twitter may compete with one another among advertisers, consumers share a very different perspective. **Ultimately, consumers treat marketers differently than friends, and they want marketing communications to respect those differences.**

With a short attention span and ability to multi-task, consumers constantly shift their attention from one online communication tool to another. For example, the emails they receive inspire them to Tweet and post to Facebook, and the messages they see on Facebook and Twitter remind them to email old friends.

**Consumers communicate freely across these channels and don't isolate one from the other. Shouldn't you do the same?**

In *The Collaborative Future*, the sixth and final installment of the SUBSCRIBERS, FANS, & FOLLOWERS research series, we'll bring you face-to-face with the future of interactive marketing by turning common assumptions about channel competition on their head.

### INSIDE THIS REPORT, WE'LL HELP YOU:

- Compare the email, Facebook, and Twitter x-factors, so you understand the significant differences that exist between the three channels
- Understand the differences between what SUBSCRIBERS, FANS, and FOLLOWERS want, so you can deliver the right message in the right place
- Learn how to effectively integrate these channels to improve acquisition and retention marketing

If email, Facebook, and Twitter shared similar strengths, it might make more sense that they would be in direct competition with one another. But just like each individual consumer is unique, so are each of these communication channels. **This final report will put an end to the confusion that surrounds channel and budget competition, so you can develop a tightly integrated strategy that combines—not isolates—the powerful strengths of email, Facebook, and Twitter.**

**Consumers communicate freely across these channels and don't isolate one from the other. Shouldn't you do the same?**





# EMAIL X-FACTORS



# FACEBOOK X-FACTORS



# TWITTER X-FACTORS

FAMILIARITY  
MANAGEABILITY  
TRUST & PRIVACY  
RELEVANCY  
EXCLUSIVITY

CONNECTION  
SELF-EXPRESSION  
ENTERTAINMENT  
DISCOVERY  
CONTROL

INFLUENCE  
BREVITY  
ACCESSIBILITY  
INTERACTION  
VERSATILITY



# SUBSCRIBERS, FANS, & FOLLOWERS: THEN AND NOW\*

*Despite the recent hype over SUBSCRIBERS, FANS, and FOLLOWERS, these terms—and the concepts of what it means to be each—aren't new. What is new are the tools that marketers use to communicate with each of these target audiences. We'll explore what it meant to be SUBSCRIBERS, FANS, & FOLLOWERS pre-internet (or as we refer to them in this section, "then"), and how mediums like email, Facebook, and Twitter (post-internet) have changed the way marketers facilitate conversations with the members of these age-old audiences.*

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\*When using the terminology "then" vs. "now" to compare SUBSCRIBERS, FANS, & FOLLOWERS, "then" describes these audiences pre-internet, while "now" describes these audiences in the post-internet era.

## SUBSCRIBERS



**THEN:** Before email, the term "SUBSCRIBER" described an individual who paid money to receive content on a regular basis. In exchange for this money, SUBSCRIBERS received interesting content that was delivered consistently from a publisher.

## FANS



**THEN:** Close your eyes and envision a FAN, pre-internet. You're probably imagining sports spectators, music groupies, or pop-culture junkies. The concept of a "FAN" was well-established before the Facebook and internet era, and individuals have become FANS over the years as a means of self-expression. Understanding what a person is a FAN of—from the Grateful Dead to the New York Yankees—reveals a lot about that person's identity.

## FOLLOWERS



**THEN:** In the pre-internet era, FOLLOWERS were categorized as supporters of influential leaders, politicians, or social movements. People FOLLOWED others to express admiration and to become closer to those whom they admired.



# 93%

*of U.S. online consumers are SUBSCRIBERS\*.*

\* U.S. consumers who receive at least one permission-based email a day.

**NOW:** Today, the relationship that brands have with email SUBSCRIBERS is similar. The difference is that consumers don't pay brands to present them with interesting content (in most cases). Instead, consumers provide their email addresses to these companies, understanding that these addresses are valuable to marketers. Through this exchange, consumers expect the advantages of subscription, which include ongoing access to relevant and exclusive content (x-factors #4 and #5).

**TIPS:** Deliver exclusive email content that's relevant to your individual SUBSCRIBERS. And this isn't as easy as it used to be. With magazines or newspapers, consumers sift through content on their own as they look for interesting articles. But with email, they expect brands to do the work for them, getting rid of all the articles that won't resonate so the content reflects only the most relevant offers and information. Make sure that your email content is engaging, relevant, and consistently delivered so each SUBSCRIBER feels like an exclusive member of your brand's V.I.P. club.

# 38%

*of U.S. online consumers are FANS\*.*

\* U.S. consumers with a Facebook account who have become a FAN of (i.e. LIKE) at least one brand on Facebook.

**NOW:** FANS still exist outside the world of Facebook, but this new medium has created an instantaneous and public way for consumers to express their support for brands. For consumers, the act of FANNING a brand or company can be compared to sporting your favorite clothing store's logo—a display of endorsement and personal expression. And while the act of "FANNING" a brand doesn't equal an open invitation for marketing messages, it doesn't necessarily preclude it either. FANS are more likely to be receptive to marketing messages if they're in the spirit of fun and entertainment.

**TIPS:** Entertain your FANS on Facebook and they'll be more likely to engage with your brand. Your wall posts should reflect the "fun" that Facebook provides to its users, and as a result, FANS will be able to interact with you in ways that other channels don't provide. But be sure to remember that consumers are FANS first and foremost, not just the means by which you increase your ROI. Think of the deals and freebies you offer as a way to thank your FANS for their support. This will fuel engagement and enthusiasm for your brand.

# 5%

*of U.S. online consumers are FOLLOWERS\*.*

\* U.S. consumers with a Twitter account who FOLLOW at least one brand on Twitter.

**NOW:** Twitter extends the opportunity for more people—from celebrities and television personalities to athletes and ordinary citizens—to have FOLLOWERS. Additionally, Twitter provides a platform that can be used to wield influence, giving people the opportunity to act as a leader and FOLLOWER simultaneously.

**TIPS:** Influence the influencers by delivering insider information, responding directly to Tweets, and providing "velvet rope" access to the personalities behind your brand, in 140 characters or less. By providing this type of access to your most influential consumers (i.e. daily Twitter users), they'll be more likely to recommend and endorse your brand to their own Twitter FOLLOWERS, expanding your reach and viral marketing potential.

# EXPANDING YOUR MARKET REACH

You're probably pondering a common question among modern marketers: **Are email, Facebook, and Twitter retention marketing channels?** While the ability to assemble existing customers and prospects into a single location certainly fits into the old database-marketing paradigm for retention marketing, our research raised questions that challenge this assumption.

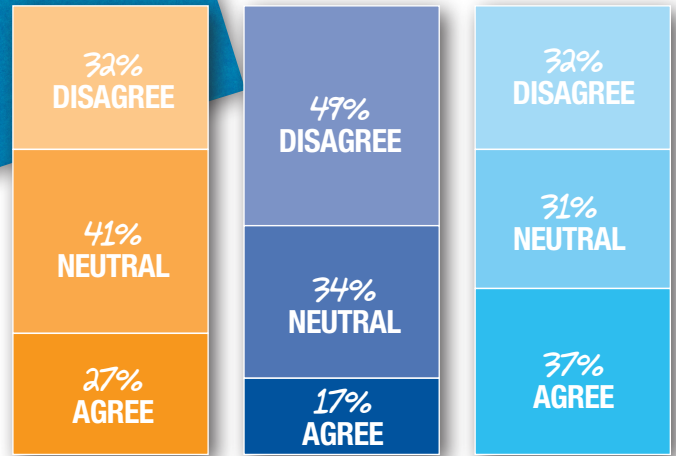
The charts on this page reflect the percentage of consumers likely to purchase from or recommend a brand more often after becoming a SUBSCRIBER, FAN, or FOLLOWER. (Remember, 93% of online consumers are SUBSCRIBERS, 38% are FANS, and 5% are FOLLOWERS.) Here are some highlights:

- 32% of SUBSCRIBERS and FOLLOWERS and 49% of FANS are **no more likely** to purchase from a brand after connecting with them through these channels—leaving 68% of SUBSCRIBERS and FOLLOWERS and 51% of FANS who may purchase more often.
- Multiplying these percentages together, we see that 63% of U.S. online consumers may become a SUBSCRIBER of a brand and purchase more often, 19% may become a FAN of a brand and purchase more often, and 3% may FOLLOW a brand and purchase more often.

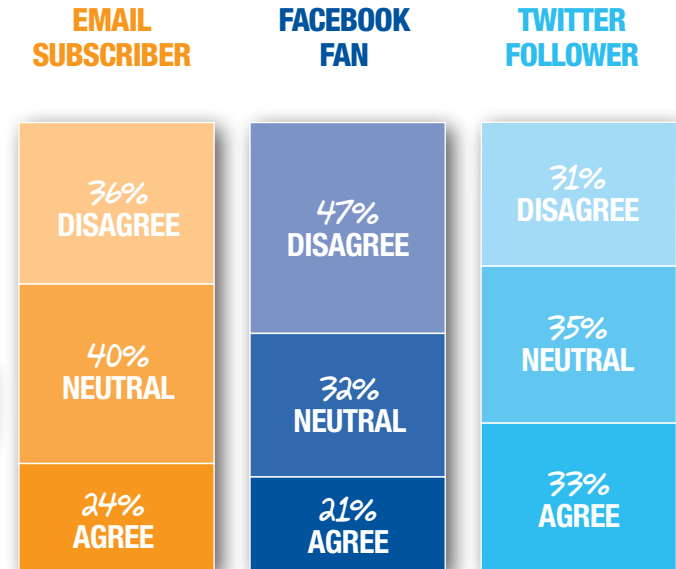
What else do these findings suggest, in light of what we know about each channel's unique strengths?

**THE BOTTOM LINE:** You'll be able to drastically expand your brand's online reach by combining the strengths of each of these communication channels, as they're highlighted on the next page. Developing this cohesive strategy will result in a program that far exceeds that of a program with isolated channels that operate out of marketing silos.

**MORE LIKELY TO PURCHASE FROM A BRAND AFTER BECOMING A SUBSCRIBER, FAN, OR FOLLOWER**



**MORE LIKELY TO RECOMMEND A BRAND AFTER BECOMING A SUBSCRIBER, FAN, OR FOLLOWER**



NOTE: Numbers may not equal 100% due to rounding.



## EMAIL



**EMAIL IS THE MOST BROADLY-USED COMMUNICATION CHANNEL (WHEN COMPARED TO TWITTER AND FACEBOOK) AND IS LIKELY TO DRIVE INCREASED PURCHASE INTENT AMONG THE LARGEST NUMBER OF ONLINE CONSUMERS.**

Combined with the high value consumers place on trust and privacy and their expectations for relevant and exclusive content, email should serve as the cornerstone for brands' retention marketing strategies.

## FACEBOOK



**FACEBOOK IS THE LEAST-EFFECTIVE CHANNEL TO DRIVE INCREASED PURCHASE BEHAVIOR\*.**

Consumers generally become FANS of a brand in real life before they become FANS on Facebook. As a result, they're already purchasing from and endorsing their FANNED brands. Since FANS may not be capable of purchasing more, their greatest value to marketers lies in spreading their true message to other Facebook friends and contacts. If you haven't yet empowered your FANS to spread your brand's message, what are you waiting for? This can be the most powerful way to acquire new audiences and increase ROI.

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\*According to a study by Syncapse, Facebook FANS spend more, are more loyal, are more likely to recommend, and have more affinity for the brands they FAN.

## TWITTER



**TWITTER IS THE CHANNEL MOST LIKELY TO DRIVE INCREASED PURCHASES AND RECOMMENDATIONS AFTER A CONSUMER CHOOSES TO BECOME A BRAND'S FOLLOWER.**

The challenge for marketers? Only 3% of U.S. online consumers are actually FOLLOWING at least one brand. But it's important to remember that while this percentage is much smaller than either SUBSCRIBERS or FANS, these consumers are the most vocal and influential group that exists online. And these FOLLOWERS' influence isn't limited to Twitter alone, often carrying Twitter topics and messages to other areas of the internet through blogs, private forums, and product reviews. As a result, you must keep this group of consumers happy in order to get the most bang for your marketing buck.

**96%** *of daily email users SUBSCRIBE to at least one brand.*

**69%** *of daily Facebook users are a FAN of at least one brand.*

**68%** *of daily Twitter users FOLLOW at least one brand.*



*As you examine consumer motivations for interacting with brands via email, Facebook, and Twitter, be sure to interpret the information across channels, so you're not falling into the trap of silo analysis.*

## EMAIL, FACEBOOK, & TWITTER AT-A-GLANCE

Email, Facebook, and Twitter all boast unique strengths (and weaknesses). The chart on the following page will help you understand why all three channels are equally important and necessary in the modern marketing ecosystem.

As you examine consumer motivations for interacting with brands via email, Facebook, and Twitter, be sure to interpret the information *across* channels, so you're not falling into the trap of silo analysis. For example, the most common reason consumers engage brands online is “to receive discounts and promotions.” And while it may be easy to assume that you should focus on discounts and promotions on Facebook—after all, 40% of consumers say that they've become a FAN for this reason—consumers are much more likely to SUBSCRIBE to email when they're looking for discounts. Smart marketers will examine this data collaboratively as they're developing integrated marketing strategies.

# EMAIL, FACEBOOK, & TWITTER: SIDE-BY-SIDE

+ POOR   ++ FAIR   +++ GOOD	EMAIL	FACEBOOK	TWITTER
<b>POTENTIAL REACH</b>	+++	++	+
<b>RETENTION</b>	+++	++	++
<b>ACQUISITION</b>	+	+++	+++
<b>CHANNEL HIGHLIGHT</b>	Drives response from the masses.	Gathering place for FANS ready to be mobilized for outreach.	Personal connection with influential consumers.
<b>KEY TO SUCCESS</b>	Targeted, exclusive content.	Fuel conversations among FANS and their friends.	Provide "insider access" to fuel content creation.
<b>MOTIVATIONS TO BECOME SUBSCRIBERS, FANS, &amp; FOLLOWERS</b>			
To receive discounts and promotions	67%	40%	31%
To get a "freebie"	55%	36%	28%
To get updates on future products	45%	33%	38%
To get updates on upcoming sales	50%	30%	30%
To stay informed about the activities of the company	28%	34%	32%
For fun and entertainment	29%	29%	26%
To show support for the company to others	11%	39%	23%
To learn about the company's products and services	28%	21%	25%
To get access to exclusive content	33%	25%	25%
Someone recommended it to me	17%	22%	14%
For education about company topics	22%	13%	14%
To interact (e.g., provide feedback)	14%	13%	20%







## HONORING CONSUMERS' PREFERENCES

How consumers prefer to communicate with friends and marketers alike is incredibly personal and unique, based on their individuality. Market research provides us with overall market trends, but tells us nothing about our individual customers. While some consumers believe different channels should be used for different purposes, others see little need to keep marketing communications confined to any specific channel, as you can see in the quotes on page 11. The two things all consumers agree upon? They're confused about where to turn for the variety of information they need from marketers like you (i.e. Do you provide customer service via Twitter or your call center? Do you send product updates via email or Facebook?), and they feel you need to do a better job of respecting individual communication preferences.

Some other common themes among consumers? They realize that brands are struggling to manage cross-channel communications with them, and this has led to two distinct behaviors:

- They're increasingly confused by the lack of consistency in the messages they receive across channels, leading to frustration that can negatively impact loyalty.
- Some consumers have learned to use this lack of consistency *against* brands. Instead of seeking information through their preferred channels, they'll seek out the channel that offers the best information or the best deals, ignoring messages through other channels. As a result, loyal consumers are being exposed to your brand less often than if they could receive all the content they wanted through their preferred channel.

**These challenges reflect on the teams managing each channel, not on the channels themselves.** In order to overcome these challenges, social media and email marketers must recognize the relative strengths of one another's channels so they can develop a cohesive, integrated strategy. Here are some additional tips to keep in mind:

- ① Social media has ushered in an era of transparency and authenticity that consumers appreciate. Email must embody the same characteristics going forward.
- ② Email is known for its ability to deliver highly-targeted content based on SUBSCRIBERS' interests. As Facebook and Twitter expand capabilities, consumers' expectations for highly-targeted content in these channels will increase.
- ③ Consumers rely on Facebook and Twitter to protect them from spam. Therefore, marketers must deliver engaging content through these channels or risk being permanently ignored. Because consumers need to truly trust a brand before SUBSCRIBING to email, this channel will increasingly be held to the same or higher standards for content than social media.

Marketers need to overcome internal budget battles, which can inadvertently position the email, Facebook, and Twitter teams in direct competition with one another! While channel specialists need to have input into how success is measured, marketing analysts—unaffected by the performance of one channel versus another—should be responsible for determining which programs are most effective. This approach fosters more collaboration between channel specialists and will improve both the organizational performance and consumer experience.



**CONSUMER WHO PREFERS TO KEEP CHANNELS DISTINCT:**

*“I use email mostly for business and private personal communication. Facebook is for sharing and fun things. Twitter is a good way to keep up with what’s going on in the world.”*

**CONSUMER COMFORTABLE WITH ANY CHANNEL:**

*“I would follow a company in any medium...it’s all the same to me.”*

**UNIVERSAL SENTIMENT:**

*“I prefer people and companies to contact me the same way I contact them. That way lines don’t get crossed.”*

## 12 WAYS TO INTEGRATE EMAIL, FACEBOOK, & TWITTER

- 1 Promote Facebook games, applications, and competitions in email and on Twitter.
- 2 Feature winners of Facebook competitions in your email newsletter.
- 3 Tweet about exclusive content that’s only available to email SUBSCRIBERS.
- 4 Promote exclusive deals on Facebook and Twitter, but make it only available to email SUBSCRIBERS.
- 5 Post links to web versions of your best emails on Facebook and Twitter.
- 6 Include LIKE and FOLLOW buttons in email newsletters and promotions.
- 7 Include links to your Twitter and Facebook pages in email newsletters.
- 8 Collect email addresses at the point of conversion for consumers who link to your site from Facebook and Twitter.
- 9 Create an email segment containing Twitter FOLLOWERS and provide them with additional “insider information” through email.
- 10 Include questions posted on Twitter and Facebook in your emails, and then answer them.
- 11 Encourage email SUBSCRIBERS to post questions on Facebook and/or Twitter.
- 12 Host videos on your Facebook page. Include links in your emails and post links on Twitter.



# WHERE DO WE GO FROM HERE?

We're in a marketing era where new communication tools are introduced at a frenzied and frequent pace—and it's not difficult to see that this level of fragmentation isn't sustainable for marketers or consumers. Checking multiple inboxes isn't convenient, resulting in some industry analysts suggesting the need for centralized platforms that consolidate communication into a single interface.

**While there's no way to predict the future of social media and interactive marketing, our research suggests that multiple social forces make this type of consolidation challenging.** Consumers spend considerable effort attempting to keep personal, business, and commercial communication separate, and multiple modes of communication help facilitate these distinctions. We identified five common factors that play into consumers' decision-making processes when choosing where and how to engage with brands online:

**1 URGENCY:** Does the consumer want the information immediately, or do they want to be informed about future events and have the ability to respond at their leisure? Social media facilitates real-time communication while email allows consumers to control the tempo.

**2 PROXIMITY:** How close do consumers want to be to a brand, and what do they want those relationships to look like? Most of the time, consumers are simply looking for information—not seeking a meaningful friendship. While Twitter provides a higher degree of interaction and Facebook provides an opportunity for fun, consumers aren't looking for these types of relationships with every company. In fact, trying to force interactions with your consumers may make them less likely to engage with your brand.

**3 PRIVACY:** Is correspondence with the brand acceptable in a public forum, or do consumers

want to keep these messages private? Not all brand relationships (e.g., sensitive topics) nor communications (e.g., financial matters) are seen as acceptable in public.

**4 DETAIL:** Are they looking for details, or simply top-line information? Consumers appreciate the brevity Twitter mandates, but also appreciate the ability to get additional details through email.

**5 PERSONALIZATION:** Do they want general information or information specific to their interests? Consumers see social media as a way to receive general information, while they expect marketers to provide more targeted information through email.

Our SUBSCRIBERS, FANS, & FOLLOWERS research was the first of its kind to capture a snapshot of the modern interactive marketing landscape as it stands in 2010. But it will rapidly continue to change, and it's clear from our research that the individual—not the medium—predicts how a consumer wants to interact with a marketer. **Even as you prepare for new and emerging channels, there's no magic formula to predict how and why consumers interact the way they do.** Sometimes consumers enter into economic exchanges with brands where they provide something of value in exchange for something else (SUBSCRIBERS). Some consumers simply want to express themselves by showing their appreciation for their favorite companies (FANS). And others just want to get to know the people behind a brand (FOLLOWERS).

**One thing is for sure: These varying relationships between marketers and consumers have existed for years and will continue long into the future—regardless of what that future holds. It's YOUR job to turn them into a relationship that builds loyalty and extends the value of your brand.**





*Despite common trends and helpful tips, there's no magic formula to predict how and why consumers interact the way they do.*





**CONSUMERS  
SPEAK OUT:  
WHAT'S YOUR  
ADVICE TO  
MARKETERS?**

Our last request for consumers who participated in our focus groups and interviews was simply to tell us—in their *own* words—what they wanted to share with marketers. The themes were simple, but the emotions were consistently emphatic:

- Make it worth their time.
- Show gratitude for their business.
- Deliver quality products.
- Honor their individual preferences.
- Provide excellent customer service.
- Be honest.

“Make it worth my while. Incentives are always a good start, but in the end, anything you do needs to benefit me as the consumer and get me hooked on your product.”

“FREEBIES ARE A GOOD WAY TO CATCH ME. IF I LIKE YOUR PRODUCT, I’LL STICK AROUND AND TELL MY FRIENDS.”

“MAKE YOUR POINT CLEARLY AND DON’T BURY THINGS IN THE FINE PRINT. WHILE YOU’RE AT IT, GET RID OF ALL THE LEGAL GARBAGE. IF YOU WANT TO SELL ME SOMETHING, DON’T MAKE ME DIG AROUND FOR IT.”

***“Only make legitimate, no-gimmick offers and include an easy way to unsubscribe.”***

**“RESPOND TO ME QUICKLY AND TREAT ME WITH RESPECT WHEN I HAVE A PROBLEM THAT NEEDS TO BE FIXED.”**

**“Include something extra from time to time. Surprise me and show me you value my business.”**

“Be honest and forthright. Consistently deliver quality products and provide the best customer service possible. That will keep me coming back.”

***“Send me your questionnaire about the kinds of things I’m interested in and send me the stuff I tell you I want.”***

“Companies should stand behind their products, be available for questions, respond quickly, give realistic delivery dates, and charge appropriately for delivery.”

***“Have an email that I can sign up for, but don’t send emails all the time. If a company sends me too many, I start thinking spam, and then I just hit delete.”***



EMAIL



MOBILE



SOCIAL



SITES

With a comprehensive email + Facebook + Twitter strategy to manage, you're in charge of more online customer interactions, more data, and more reports than ever before. You need a real (and easy!) way to understand what's being said about your brand—right now, in real time.

That's where ExactTarget can help. We'll help you power compelling messages across Email, Mobile, Social, and Sites from a *single* place, so you'll never have to juggle multiple providers again. No matter who you are or what you do, our products make it easy for you to execute flawless peer-to-peer campaigns.

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