

THE NEW

# word -of- mouth

Why your marine business needs to develop a social networking strategy today, and what it should consider.

In the middle of April, Michigan boat dealership Action Water Sports posted a new event it was planning to co-host this summer on Facebook and started inviting its Facebook fans to attend.

Two days later, 690 people had confirmed they would attend the watersports festival, titled Wake Wars, and 1,066 had said they may be attending. That was before the company or its event partner – a complex in downtown Grand Rapids that holds nine restaurants, nightclubs and bars – did anything else to promote the newly created event.

"It will be on our Web site, in our e-newsletter and we'll do some mass marketing, but before that happened, we got this in front of them on Facebook," explains Jerry Brouwer, general manager of Action Water Sports. "Our fans, all they have to do is click once and news of the event goes to all of their friends, people we would have no way of contacting. We sent out invites to 5,700 people through the network of people passing it to people."

That is the power of social networking. > >

**facebook**

**Facebook:** The popularity of this site, which was originally created as a networking tool for students, has spread from the high school and college crowd to the larger online public. Facebook is an effective tool for companies looking to promote their events and share news, photos and videos of products, events and employees.

**facebook**

**twitter**

**LinkedIn**

**facebook**

**Action Water Sports** (more than 475 fans) posts events like Wake Wars, local tournament stops, Splash for Cancer and a trip its planning to a cable park, videos of professional wakeboarders and information on new products that have come into its store to its Facebook page.

**Web exclusive**

To read *Boating Industry's* review of

"33 Million People in the Room," visit [www.boating-industry.com](http://www.boating-industry.com) and click on Web Exclusives.

To learn more about the overlap between the demographics of social networking sites and the boating industry's target demographics, visit [www.boating-industry.com](http://www.boating-industry.com) and scroll down to Web Exclusives.



**MySpace:** This site serves a similar purpose as Facebook but originally had a larger and older membership base. With the recent growth of Facebook, the two sites' memberships are comparable. MySpace allows users to customize the appearance of their profile page by adding various visual themes or having music play in the background.

"Imagine how amplifying your ability to connect with people and maintain relationships could create a competitive advantage and higher economic performance for you and your company," writes Juliette Powell in her book, **"33 Million People in the Room: How to Create, Influence, and Run a Successful Business with Social Networking."**

There are many things the boating industry – and your company in particular – probably can't afford right now. No. 1 on that list should be passing up opportunity. And that's exactly what you're doing if your marine business isn't engaged in social networking.

Here's why: Our industry's target **demographic** is increasingly migrating to these sites, joining the masses that have already discovered them. The passion of our customers for the boating lifestyle is a perfect fit for these technologies, which turbo-charge the traditional "word-of-mouth" advertising that our industry is so dependent on.

Boating businesses are relying on current customers for a larger percentage of their business than ever in this downturn – and social networking excels at strengthening relationships, as well as extending them to those with whom you share common friends, colleagues and interests. Google and other search engines index social networking sites, so your involvement in social networking impacts the ranking of your brand on search engine results pages.

In the wake of the crumbling of big businesses like AIG, Lehman Brothers and GM, consumers want to do business with people, not big companies – and social networking tools allow companies to make personal connections with their customers.

Finally, our industry has more time than money to spend (Psst. Social networking can be FREE.)

Here are three steps to getting involved in social networking and reaping the benefits it has to offer.

**1. LISTENING**

Event marketing is only one of many ways your business can benefit from social networking, from taking customer service to a new level and increasing customer loyalty to conducting customer research to drive improvement throughout your business.

But the first step is to listen to what boaters and boating businesses are saying about your brand, the products you represent and boating in your region on sites like Facebook, Twitter, MySpace, YouTube and Flickr as well as through blogs and online forums. If you're not listening to these conversations between customers or potential customers, you're not only missing an opportunity to participate in them, you're risking your brand's reputation.

"Consumers in the groundswell are leaving clues about their opinions, positive and negative, on a daily or hourly basis," write authors Charlene Li and Josh Bernoff of Forrester Research in their book, **"Groundswell."** "If you have a retail store, they're blogging about your store experience, your selection, and their favorite products. If you make ... just about anything, they're on discussion forums dissecting the pros and cons of your product's features, your prices, and your customer support. They're rating your products and services ... And it's all there for you to listen to."

The authors define this "groundswell" as "a spontaneous movement of people using online tools to connect, take charge of their own experience, and get what they need – information, support, ideas, products, and bargaining power – from each other." They argue that while the technologies that allow this connection to happen are constantly changing, the groundswell represents

a permanent change in the way the world works, and therefore companies need to not only live with it, they can thrive in it. Boating businesses can benefit from thinking about the groundswell as an opportunity, not a threat.

At an industry conference I attended in March, an audience member asked a speaker who had just finished giving an overview of social networking tools how, if he created a presence for his business on such sites, he could prevent that inevitable one dissatisfied customer from ruining his reputation on it. Unfortunately, that customer doesn't need you to create a Facebook page to post information about his experience with your company. Not only can he create his own Facebook, Twitter or MySpace account, he also can participate in any of the numerous boating forums and groups available online.

"Engaging in social media can be a very scary concept for many companies since it does not allow them to have direct control over the things being said about their brands," says Correct Craft CEO Bill Yeargin. "Yet, after looking carefully at this new phenomenon, we realized that a large portion of our customer base was already involved with social media; some of them had even created their own Nautique fan sites through avenues such as Facebook. If our customers are already engaged in conversations about Nautique, we would certainly rather be involved in the discussions about our brand rather than merely watching from the sidelines."

Boat builder **Correct Craft** ([Twitter.com/NautiqueBoats](http://Twitter.com/NautiqueBoats), more than 160 followers) tweets about its company in the news, events it sponsors, its wakeboarding team, its CEO's blog and its e-newsletter.

**2. PARTICIPATING**

Once you've observed how your customers and your competitors are using social technologies, it's time to consider the best way for you and your business to participate.

"When choosing which social network to spend your time with," writes Powell in her book, "consider what your goals are, how much time you want to spend online, and just how much you plan to engage with the tools."

No matter which social networking sites or technologies your company uses to reach its goals or whether it is connecting with consumers or other business people, the same basic advice applies.

**1.** If you haven't already, search for your best customers on social networking platforms, take note of which platforms they're using and find out which of them is best at online community building. Be sure to follow their posts and respond when possible, especially when you can be helpful to them, whether it's a boating matter or completely unrelated.

**2.** Look for other boating groups and businesses in your community and see who they are following and/or who their friends are. Then, ask those people to connect with you as well.

A great example of the potential for participation in consumer dialog is a group on Facebook called "I Love Clear Lake, Indiana," which has 372 members who have posted more than 80 photos related to their fun on the water. If I was a marine business on that lake, I'd be contributing to that group as often as possible, sharing boating tips, updating them on related events and answering as many questions posed within the group as possible. And I'd be asking those members to be a fan of my Facebook page, to follow me on Twitter or to view videos I'd posted to YouTube.

"Social technologies have revved up that word-of-mouth dynamic, increasing the influ-



**Twitter:** The site is often used to provide quick tips or to link people to articles, videos, blogs and other kinds of information available online. Because the number of characters you can enter in each posting, or "tweet," is limited to 140, it is not a good place to delve into complicated issues. Some ways businesses use the site are to update customers on company deals and coupon codes, to offer customer support, to react to customers' feedback, to post company news and to promote their corporate blogs.



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**Flickr:** This photo-sharing site has a formula for success similar to YouTube. Before using the site, you'll want to ask yourself whether the popularity of the photos you post there will likely spread among your target market.



To read *Boating Industry's* review of "Groundswell," visit [www.boating-industry.com](http://www.boating-industry.com) and click on Web Exclusive.



To learn more about the results that can be generated from online searches for boating terms and brands, visit [www.boating-industry.com](http://www.boating-industry.com) and scroll down to Web Exclusives.

ence of regular people,” write Li and Bernoff. “When we surveyed online consumers at the end of 2006, 83 percent said they trusted recommendations from friends and acquaintances, and more than half trusted online reviews from strangers.”

3. Of course, that was before the corruption and business failures of the past year. As HarvardBusiness.org blogger Peter Bregman recently wrote, “In an era when huge businesses are faltering, the new competitive advantages are trust, reliability and relationships.”

Bregman believes that small businesses have a particular advantage in these times because of their closer relationships with employees, suppliers and customers, which allow them to communicate better with all of them.

“We simply don’t trust companies anymore,” he writes. “We trust people.”

And it just so happens that social networking is an opportunity for companies to further develop those personal connections with their customers, sharing information that helps them make better purchasing decisions and live better lives.

“Never forget that the groundswell is about person-to-person activity,” write Li and Bernoff. “This means you as a person must be ready to connect to people you haven’t met, customers of yours.

**Blogging**, connecting in communities, ‘friending’ – these are all personal activities.”

**Blogs:** Creating a blog – a Web site in which someone from your company provides content, like photos, videos, podcasts and text, to which readers can respond – is a way to inform or create discussion. The benefits are the opposite of a “micro-blog” tool like Twitter as a blog has no length restrictions, and thereby allows the author to delve into more complex issues and respond to feedback over a longer period of time.

Public social networking sites also give small businesses a more level playing field with their competitors because they’re free.

“We don’t have the money to have a Cabela’s catalog,” explains Action Water Sports’ Brouwer. “I hear it costs Overton’s millions to send out a catalog. Now, with Facebook [and other social networking sites] your small independent business person can compete with them and maybe do a better job of it.”

4. If you’re not comfortable using social technologies yourself, consider asking those employees who are most loyal to your company and most connected to the boating lifestyle to share those two passions with consumers online. You don’t have to have a corporate presence on social networking sites.



**YouTube:** Success on YouTube, a site devoted purely to the posting of online videos, depends on the viral nature of your video. Will those within your target audience want to share your video with others?

A personal touch is actually appreciated within the groundswell – and the more “people” from your company who participate, the stronger your social brand will likely become.

At Action Water Sports, online marketing manager Kevin Zoodsma is responsible for the company’s presence on Facebook.

“I’m an old guy,” says Brouwer. “All this stuff was way beyond me. We have a marketing staff here that Kevin happens to be a part of. He is younger, and he’s been on Facebook before. Having somebody in the dealership that understands the ways of online communication, I don’t know how you can do it without that. If Kevin wasn’t here and we didn’t have a marketing department, we’d be like all the other dealers.”

On slow days, Action Water Sports has its part-time and summer staff help load items on its calendar of events onto its Facebook page, according to Zoodsma.

Most high school and college students are familiar with social

networking sites and can help you in this area, with the proper guidance from above. In fact, if you type in the name of most boat dealers on Facebook, you’ll pull up a long list of the high school and college students who’ve worked there over the years, rather than the dealership itself.

5. Many of those dealerships that you do find on Facebook haven’t updated their page since last year. That is a prime example of what NOT to do when it comes to social networking. The groundswell phenomenon is

based on the back and forth of good communication. Fail to hold up your end of the conversation, and those with whom you’re connected will move on.

That doesn’t mean you need to hire a full-time person to manage your social networking activities. Depending on how many forms of social media you use, someone on your team can spend as little as 15 to 30 minutes a day updating the sites on which you’re active and responding to those friends, fans or followers who reach out to your company. In addition, you might benefit from spending an extra hour or two each week searching or monitoring those sites for postings related to your business and boating community.

6. The more successful you are at establishing yourself as an expert in the areas of interest to your followers, fans and friends, the more loyal that group will be to you, which will help you grow that group as they recommend you to their network. The essential piece here is that you treat your social networking efforts as a consistent, long-term effort, not a short-term marketing campaign.

“Customers can find information by visiting our Web site, linking to us on Facebook, signing up for our e-newsletter, signing up for our quarterly eight-page print newsletter, or subscribing to our blog,” explains Zoodsma. “Having this well-rounded approach allows us to meet all demographics young and old where they

## twitter

Ohio boat dealership **South Shore Marine** ([Twitter.com/SShoreMarine](https://twitter.com/SShoreMarine), more than 600 followers) tweets about marine weather forecasts, encourages followers to go boating and shares news of upcoming events in which its participating and other local boating articles.

## facebook

On its Facebook page, **Jamestown Distributors** (more than 340 fans) posts videos describing the products it distributes, showing viewers how to use them and explaining how to install them, videos announcing the “deal of the week” it provides on its Web site, and videos of boats it has restored.

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want to receive information. The key is not to spread yourself too thin. There are many other social networking sites like Facebook and having a page on each one seems like a great idea but page information becomes outdated very quickly. Updating the page and keeping new content is what keeps people coming back.”

7. Perhaps the most important advice is to focus your content on topics that will be meaningful to your followers. Self-serving, self-promotional content can actually hurt your social networking efforts.

In addition, provide links to or “retweet” information from those you follow or befriend that you think will be useful to your friends or those who follow you. By providing this service to others, they will be more likely to do the same for you, adding to the viral nature of your efforts.

### 3. TAKING IT TO ANOTHER LEVEL

The most aggressive companies participating in social networking – and perhaps the most successful – have moved from “participation” to what authors Li and Bernoff call “energizing the groundswell.” These companies aren’t just joining in the online conversation, they’re trying to encourage new conversations.

An example given in the book is of an online store that encourages consumers to write reviews of its products. One customer in its core market wrote a negative review of one of its products. By listening to his review, contacting him and working with the factory to improve the product, the company gained his loyalty.

“An energized customer ... is a viral marketer, spreading brand benefits to his contacts without any cost to the company,” the authors write, “...word of mouth is a powerful amplifier of brand marketing, achieving results no media campaign can achieve.”

A few of the ways a company can take social networking to the next level is by offering customers the ability to share ratings and reviews (Li and Bernoff cite research that shows ratings and

reviews generate more purchases), creating its own community for customers and actively participating in online communities created by brand enthusiasts.

Zodiac of North America recently won Gold ADDY’s from the American Advertising Federation for two social networking sites, [www.hellonwater.com](http://www.hellonwater.com) and [www.savemoresouls.com](http://www.savemoresouls.com), designed for the company. The sites provide military and law enforcement professionals and rescue/Coast Guard professionals, to which Zodiac provides inflatable boats and RIBs, the ability to share photos, videos and stories about their work.

“Rescue professionals can now post lessons learned in real time, complete with photos and videos, to rapidly relay new techniques, survey other professionals, and build fellowship among depart-

ments,” said Dan Dougherty of Zodiac.

Another marine company, software provider DockMaster, has plans to create its own online community. CEO Cam Collins explains that he personally became interested in social networking after joining **LinkedIn** to stay connected with contacts he made in the high-tech industry. The company started exploring social networking first as a search engine optimization strategy, which Collins says has been successful. It launched a blog at [marinemanagementtoday.com](http://marinemanagementtoday.com) and established a presence on Facebook, YouTube, Twitter and LinkedIn.

After seeing the potential of social networking, Collins began developing plans to turn Dockmaster’s Web site into a social networking platform that will serve as “our core communication vehicle internally and with partners and the public at large.”

The site is expected to use an open-source social networking platform built by Pinax to offer users such functionality as user-to-user networking, friend invitation, tweet functionality similar to Twitter, interest groups called tribes, project management, threaded discussions, wikis, blogging, bookmarks, tagging, contact import and photo management.

Dockmaster’s goals with the site are

## twitter

Boating tips, promotions and discounts seem to be the focus of tweets from discount boating supplies retailer **Defender** ([Twitter.com/Defender\\_PaulG](http://Twitter.com/Defender_PaulG), more than 1,000 followers).

## LinkedIn

**LinkedIn:** This professional networking site has over 39 million members worldwide, including executives from all Fortune 500 companies. With that said, small business owners are more likely to use the site than employees of large corporations, according to a recent study by Michael Stelzner for the Social Media Success Summit 2009. And the site tends to be among the first social networks people try out as they become familiar with social technologies, the study suggests.

## Boating Industry walks the walk

Not only do we at *Boating Industry* magazine believe readers can benefit from social networking, we also see the benefit for our brand and team members. As a result, *Boating Industry* has a growing presence on sites like Twitter, Facebook and LinkedIn, as well as our own blogs. Here’s where you can find our magazine and its team members:

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**Boating Industry Group:** [www.linkedin.com/groups?gid=1901072](http://www.linkedin.com/groups?gid=1901072)  
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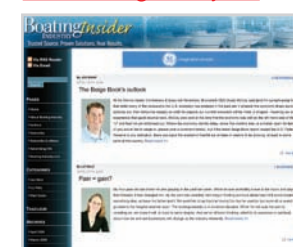
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three-fold: to provide users and interested parties a place to share experiences and ideas, and to congregate; to allow DockMaster to cultivate the “Voice of the Customer” through forums for marine dealers, boatyards and marinas where the company can glean insights into customers’ needs and product design concepts; and to coordinate schedules and share information about events.

“This initiative is being directed by me, the CEO,” explains Collins. “We are moving in a pretty aggressive fashion.”

### The bottom line

No matter how interested you are in social networking, few companies can afford to explore it unless it generates a return on investment.

The good news is that getting involved in social networking is free. However, a successful effort does involve a long-term investment of time, which is extremely valuable to most businesses today as they adapt to economic conditions by running lean.

Li and Bernoff address the return on investment in social networking in a section of their book on blogging, though one might argue it applies to other forms of social media, as well. “Because blogs generate high visibility, answer customer’s questions, head off PR problems, and eventually lead to insight through customer feedback, they do generate significant ROI,” they write.

The authors proceed by analyzing the return on investment of a specific blog, GM’s FastLane. They estimate the total costs of the first year of the blog at \$283,000. This includes the “cost” of time spent on planning, development, training, content development, review and redirection – which accounts for the vast majority of the expense – as well as a blogging platform, a brand-monitoring service and IT sup-

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port. The total benefits are estimated at \$393,000, for a return on investment of \$110,000. Those benefits include advertising value, PR value, word-of-mouth value, customer support value and research value.

How much "energizing" customers is worth to your company depends on how much of your business comes from word of mouth, Li and Bernoff suggest, referencing Fred Reichheld's book, "The Ultimate Question."

In his book, Reichheld argues that the likelihood a company's customers would recommend the company or its products to friends and colleagues correlates with its ability to deliver sustainable growth. He gives the example of Dell and its new customers, 25 percent of whom said they chose Dell based on another customer's referral. Dell values each customer at \$210, so Reichheld estimates each promoter's positive word of mouth at \$42.

"Get that customer to generate twice as many positive contacts, and you double that return," write Li and Bernoff. "That's the value of energizing."

Luke Kujawa, president and COO of Crystal Pierz Marine, looks at it a different way. When his discretionary ad budget went from almost \$2 million to virtually \$0, Kujawa got serious about social networking, launching pages on Facebook and Twitter. His

company, he explains, is simply trying to get as many people into its sales funnel as possible, and social networking helps him increase that number.

Kujawa has completed an exercise that allows him to calculate funnel metrics. If he can keep the percentage of leads that buy a boat consistent, then simply adding more people into the funnel should allow Crystal Pierz to sell more boats, he suggests.

Kujawa expects his percentages to rise through the use of social networking and other online initiatives because he can customize messages to exactly what the recipient is looking for. It's the low-cost, targeted messages that seem to be giving him the best response.

When it comes down to it, calculating the return on investment of social networking efforts isn't scientific. Can you really put a dollar value on building relationships? Yet most of the industry's leading brands spend thousands, even

millions, of dollars per year establishing and building relationships, holding customer and community events, offering education classes, giving demos and taking customers on getaways. Today, with marketing budgets tightening and consumers increasingly turning to the Internet to make connections and purchase decisions, it's time to develop a social networking strategy for your company.

"In business, it's not just about what you know. It's also about who you know and how well you use those relationships," writes the author Powell. "None of the current winners in business are going to win in the next 30 to 40 years if they don't have the sense to invest in and harness the power of social networks." 🐦

## twitter

Followers of Minnesota's **Crystal Pierz** ([Twitter.com/CrystalPierz](https://twitter.com/CrystalPierz), more than 950 followers) receive information on boat shows the dealership participates in and promotions it offers, as well as commentary and questions regarding the boating business and lifestyle.

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