

# Marketing through Online Contests

We have had some fun at my office recently, creating a video that will help to generate a feel and personality that represents our company. Mainly, it shows that we can let our hair down (or put some on) and just have some fun. We did this by putting together a rap video in the imitation of a rap song out there called "Thrift Shop." The reasoning for this video is two-fold: Making it helped to create fun in our company, and it shows you how you can have fun by using contesting in your company's marketing strategy.

`<p><a href="http://vimeo.com/64913817">Rap For Your App</a> from <a href="http://vimeo.com/user17964486">Tori Rose</a> on <a href="http://vimeo.com">Vimeo</a>;.</p>`

We produced this video in conjunction with a contest we created, because that is what we do for clients – we create contests. Contesting is a very good approach to marketing for a number of reasons. This [Mashable article](#) highlights the four main ones.

- 1) Contests are a great tool for building your fan base.
- 2) Contests enable you to engage your audience.
- 3) Contests are a rich source of data.
- 4) Contests empower your customers to do your marketing for you.

You can check out the full article, but to sum it up, contesting helps you to build your likes on Facebook very quickly. You can double your likes, even if you have a lot already, with a contest. If you only have a few, you can take

this up multiple times. You can engage your audience with user-generated content, which is what we did with creating a video and asking for a video in return to win a prize. This competitive nature is part of the human drive, and when others share their personal material, it invests them in your brand.

Getting data is crucial to building relationships, and contests are a key way to do that. This data will help your company to learn a lot about your potential clients during this interaction, so you can better understand their needs and how to provide value to them. It is also nice to have your clients share your story and to help you market. That is what a good contest can do – allow your customers to share with others and help foster name recognition.

When coordinated with an overall social media marketing plan, a good contest can be a powerful tool. What are you doing to create a contest that people will talk about and share with others? Oh, and feel free to enter our contest and [Rap for Your App](#). You just might be the winner of a free mobile app for your company – built by [Efficiency](#), of course!

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**Want Big Bucks? Think Elegant Organization**

What is it about Facebook, LinkedIn, and Amazon that we can't stay away from them? What makes them so valuable? Well the answer is elegant organization. Let me give you a little background to explain what this means.



Back at the World Economic Forum International Media Council, in Davos, Switzerland, Mark Zuckerberg was 22. He was asked a question by a big media mogul, inquiring what his secret was and how could the mogul's publishing company start a community like Facebook. Zuckerberg just sat quiet for a second and, as everyone was waiting for the secret sauce, he said in his direct, geek way, "You can't!" Then he just stared and, with everyone let down, he went on to add what the real secret was all about.

He said a little later that they were all asking the wrong question. You don't start communities, they already exist and they are already doing what they want to do. He then said the question you should be asking is how you can help them do what they want to do better. That was it! If you think about Harvard, where Facebook was started, they were in a community doing what they wanted to do for more than 300 years. Zuckerberg just helped them do it better.

This story was told by Jeff Jarvis who was at the summit and wrote the book [What Would Google Do?](#) I had read the book a few years back. I decided to read it again after a recommendation by sales guru Jeffrey Gitomer's list of "[A Dozen Books to Own and Read – At Least Once.](#)" I picked it back up and started to go through it and look at how I can apply things today. We are building a few mobile applications right now that have the potential to help people organize their communities in a way that makes them better and get more information out of the

community.

If you are doing anything in the area of building web applications or in building mobile apps, or you have one already that is bringing a community together to be more organized, I would think this book would be helpful to advance your thinking on community organization and a lot of other principles that Google uses to be successful.

If you think about some of the companies that help with organization, in addition to what I mentioned above, several like Skype, AOL and Yahoo give us tools to organize collaboration. You get photo organization with Flickr. Wikipedia helps to organize knowledge. There are many other successful companies and when you think about it what they are doing, it is elegant organization.

What are you doing to make organization more elegant, to make your business better, for growth opportunities, and to realize the big bucks?

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## Follow the Big Trends or the Small Ones?

I have talked to a lot of people about the big trend of mobile, the growth in this area, how it is changing the way we do business, and how if we don't want to be left behind, we need to adapt. Some of this has a longer time horizon and some of it needs to be thought about in the short-term.



The point is that this is a Macro trend that is happening and one that may be less of a concern than building your small [tribe](#) of followers that make a difference to the revenue and profits of your company.

Seth Godin's blog on *Macro Trends Don't Matter so Much*, makes a point that I agree with for the more focused, short-term aspects that drive your business. He says that the Macro trends, like internet subscribers some year in the future, or the number of Spanish speakers as a percent of world population, are not the key drivers to your growth and the group you are after. We could add things like, *Who will have more in Apple's IOS or Android's platforms by 2020? What percent of the world total output will China make up in the next 20 years?*

These trends are nice to watch, and some of you may want to think about it more than others. However, the key is that most companies and organizations need dozens, hundreds, or thousands to make a difference in their world. They don't need access to all Spanish speakers, to all internet subscribers, or all those on Apple's platform. What they need is the ability to spread the word among a [tribe](#) of followers that are like-minded and passionate about your unique "[purple cow](#)" offering.

This is where you want to really drill down into who your client is and what it is he wants. Robert Bloom, in his amazing book "The Inside Advantage," gives us a step-by-step process for drilling down to the true look and feel of who your client is and what is unique about what you are offering him. Knowing your customers in this way will allow the laser-like focus to zero in on your [tribe](#).

Finishing up in Seth's blog, he says that the big trends are a numbers game, and that by realizing that, you are "treating the market as an amorphous mass of interchangeable parts." You realize the micro is more important than the macro and that it

is about the people – that we are individual human beings and we have names, desires, wants and interest.

What is your micro group that you are focused on?

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## Riding the Wave or Being Knocked Over?

Have you thought about how fast things change and how really different things have become with how you work and live? Think about the companies that you use every day that didn't even exist ten years ago. Think about how you use your [smartphone](#) today and access [Facebook](#). How different, both good and bad, was your life back then?

Consider all this from a business perspective. What new companies have appeared or disappeared because of a new innovative idea? Things move so rapidly! A company can go from zero to hero in a flash, but one can also go from kingpin to trash bin in the blink of an eye. What happened to [MySpace](#), and what is occupying that building near you that was once [Blockbuster](#)?



The point is that technology and connectivity are changing the world so fast that items and companies we consider staples, such as Google and Facebook, may not even be around in 5 or so years. I recently read a [Forbes article](#) that shared a perspective on this topic.

According to the [article](#), companies in the early years of the web 1.0 like Yahoo, Amazon, or Google didn't see the social

aspects of web 2.0. Now in web 3.0, the social companies have not adapted to the current world of the Smartphone.

Will [Google](#) face a challenge as better ways to search on smartphones appear? Will [Amazon](#) and [Facebook](#) keep up as more people use their phones to shop and connect instead of the desktop? Which one of these companies will be hit by a new idea brewing up in the garage right now?

Is there an opportunity for you in this space? If mobile can disrupt Google and Facebook what can it do to your business?

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## [Our Instincts Are Social](#)

As discussed in the [X-Factor Blog](#), I attended and spoke at the [Nerve Conference](#) in Atlanta just over a week ago and had a great time! We listened to some interesting speakers and had a



fun spending time with our E0 friends and meeting some young aspiring entrepreneurs. The breakout went well! The X-Factor

content leads to such powerful discussions and opens us up to the possibilities of creating breakthrough opportunities for our businesses.

The conference theme “Dream, Challenge, and Lead” was inspiring. They kicked it off with video of [Martin Luther King, Jr.](#) Then a gentleman came up on stage looking like a young Dr. King and orated the “[I Have a Dream](#)” speech. What a powerful experience!

We later listened to the [three young international workers](#)



that had been captured and held hostage for over a year because they had been hiking near Iran. It was seriously challenging to listen to them share their stories, let alone be in their situation for that amount of time. They spent much of the time in solitary confinement, and they spoke in depth about how incredibly difficult that was for them. Their stories on this hit me hard and reinforced how social a species we really are. When we don't have human contact, we are driven to a psychological breaking point.

The natural instincts we have to be social would explain the success of social networking and the intrigue we have around the success of Facebook. So when we were told the [Winklevoss Brothers](#) were speaking, we packed the conference room. They came up with the idea of a social website and asked [Mark Zuckerberg](#) to try and build it, and then he went off and built one himself. The twins talked about their work habits and the challenges of being Olympic caliber rowers. They did a great job comparing Olympic sport to the business world and what they are doing today.

They didn't really break out into the issue we all wanted to hear about and what really happened with the [Facebook](#) before Q&A. However, we jumped right in and asked when they took questions. They shared that they felt it was pure fraud, and they were very disturbed by his actions. I would say they don't have much to complain about with [Facebook stock](#) getting ready to go public, and they also got rich while training for the Olympics. They have new ideas (shhh it's a secret) that they are exploring with all that money they have now.

I find it very beneficial to be at these conferences (being social) and to gain exposure to the experiences of proven and successful people, whether they are the speakers or the members attending. I was excited to meet a couple of young entrepreneurs with that look in their eyes that says they're ready to go after something big and create something from nothing. Quinn and Michelle go out and make the world a better



place with your budding entrepreneurial spirit!

What are you doing to let that inner entrepreneur to come out?

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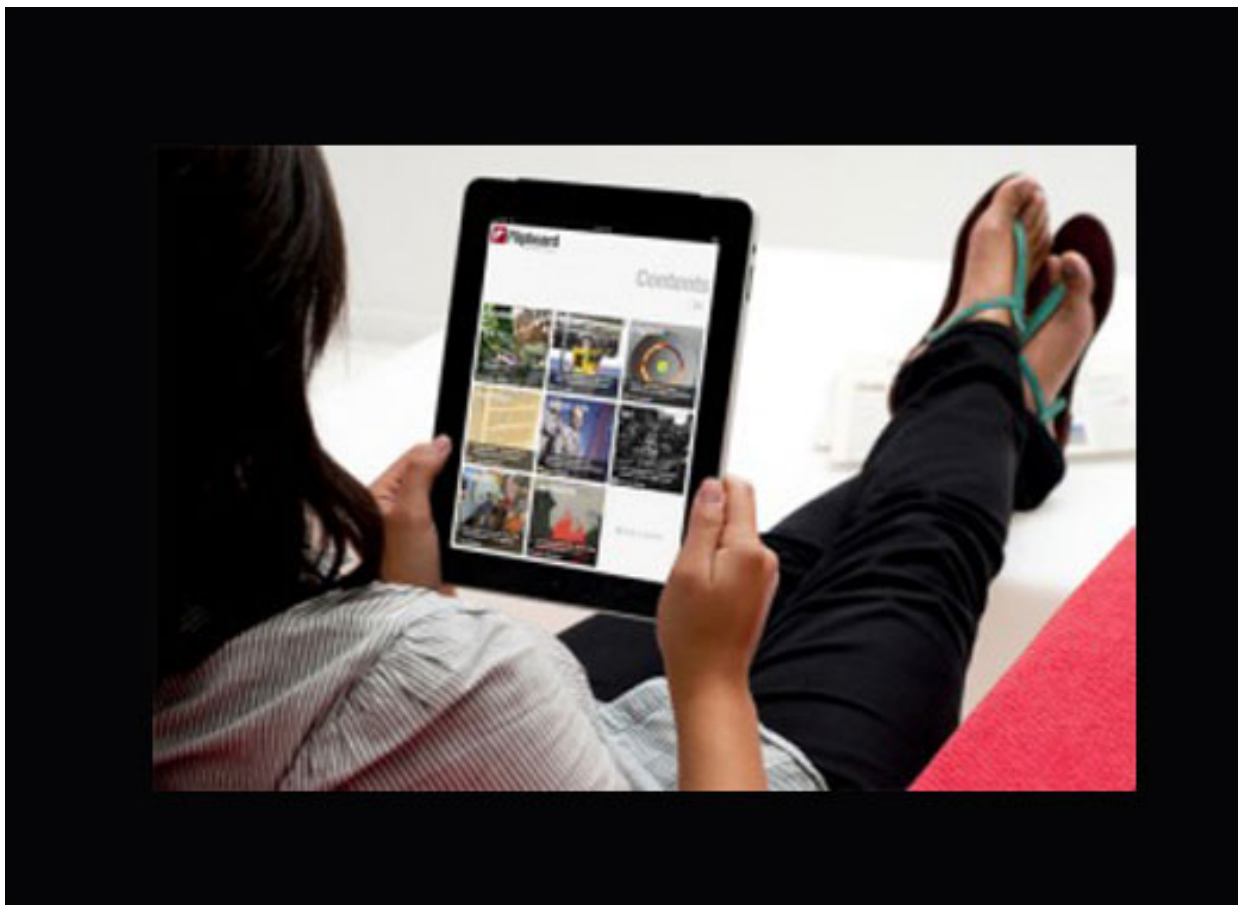
## **The Mobile Future is Right Before Our Eyes!**

Last week, I traveled to Dallas, TX for a guys' weekend with my son Tony, his close friend Steven, and my brother Mark. While there, we also attended the Bills vs. Cowboys football game. Having grown up in Rochester, NY, I am a Bills fan, which is often difficult to endure. That weekend was no exception. Even after a great start to the season, the Bills lost 44 to 7. Other than that, we had a great time, and the Cowboys' stadium is off the charts!

You seem to open your eyes more to what is around you when you're in a new environment, so being a bit more observant, I watched the nonstop mobile usage around me. These observations made me want to share some recent research that has been released. Based on the research and my own thoughts, mobile devices are becoming a powerful force in our lives.

As we went to restaurants, the social watering holes, the tailgate party, and even in the stadium, I noticed how many people were using their mobile devices to stay in touch, update Facebook and Twitter, and take pictures to upload or send out to everyone. Sitting in Cracker Barrel next to a table filled with the 60 plus crowd waiting on their food, I watched all of them tapping away, or reading what was on their

phones. This is universal and will expand as speed increases and apps are introduced, making our lives easier as well as more resourceful and connected.



In a previous [blog](#), I discussed the research of [Mary Meeker](#), a leader in mobile technology research. She released new data at the [Web 2.0 Summit](#) recently, and it showed the continued surge of mobile usage, traffic, and e-commerce.

In the area of e-commerce, she discussed how [eBay](#)'s mobile sales have reached \$4-billion, [Paypal](#) has hit \$3-billion, [Amazon](#) has made \$2-billion, and [Square](#) is at \$1-billion. All had big increases with Square up 20,000% year over year growth! From what I observed, it is just going to continue to be off the charts!

Meeker explained that over the past year, the use of mobile search has increased four times, and the mobile app and advertising revenue combined has been growing at 153% annual compound rate since 2008. At that time, the revenue was at

\$700-million, and now it has hit \$12-billion! This is amazing growth!

For internet services like [Pandora](#), [Twitter](#), and [Facebook](#), a large portion of their traffic is from mobile devices. Actually, for Pandora and Twitter, the majority of their traffic is mobile with Pandora generating 65% of traffic and Twitter gaining 55% of traffic this way. Approximately 33% of Facebook traffic comes from mobile devices, and it is increasing dramatically.

This all means we are entering a world much different from where we have been, and it is changing fast. We will be doing so much more on our mobile devices, and this will drive how we work and play. How does this affect you and your business? Can you improve your service to allow easier access to your products and services over mobile devices?

As I contemplated these questions over the weekend, I had an idea dealing with mobile devices and connecting people that has been brewing for awhile now, but it was solidified in Dallas. What ideas do you have to connect people, share information, or simplify things? The next [Gates](#), [Jobs](#), or [Zuckerberg](#) is brewing and will show up soon. Why not you?

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## [A Connection Worthwhile](#)

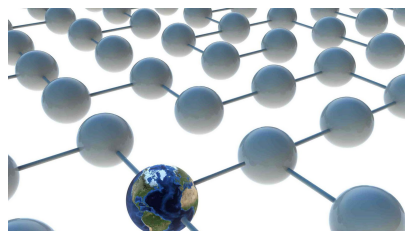
Did you ever wonder how a website that does nothing but allow you to display your life to all your friends and family and is free to use, could be worth around [\\$11 Billion](#)?? [Facebook](#) is. This valuation comes from the power of connecting...not just people, but things. When connectivity is increased, value goes

up exponentially.

This could best be understood with the explanation of the “fax effect”. The first fax machine that was made cost exorbitant amounts of money during research and development, and was worth relatively nothing. Not until you add another fax machine does their start to be value. Add another and another to the network and you start to create something of real value. Each arithmetic addition allows for the value to be increased by the square of the connections.

In the mid 90’s, I read the book [Out of Control](#), and then in 1999 came the book [New Rules for the New Economy](#) both by Kevin Kelly. From [Out of Control](#) came the understanding that networks with high degrees of feedback create collective intelligence (more on this subject soon). This is what led me to the crazy idea of starting a mutual fund run by the shareholders called the iFund. We started in 2001, right at the beginning of that nasty down turn in the market and it never took off. An idea before its time, I believe, and we closed down when we sold off IPS Funds.

[Kevin Kelly](#) said in [New Rules for the New Economy](#) that “The dynamic of our society, and particularly our new economy, will increasingly obey the logic of networks. Understanding how networks work will be the key to understanding how the economy works”. This truth is backed by the looking at the success of [Amazon](#), [Ebay](#), [Facebook](#), [Google](#), and the many other beneficiaries of the network effect.



So going back to the beginning, the valuation of [Facebook](#) is based on the power of the [network effect](#). Are you creating a network that is increasing the value of you, your business, and your community? You have a network with the people in your company and all of your suppliers, vendors, and clients. How

are you connecting them to build value?

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## What's the Pattern Here?

Have you ever noticed how things work in cycles with observable patterns? As someone whose strength is observing and seeing patterns, I find it helpful to know that these patterns exist and to see if this awareness generates some form of opportunity. This may be because I have that entrepreneurial instinct that draws out this intrigue, but whatever the case, they seem to pop up everywhere.



You can find these patterns in the stock market, football

teams, the weather, time to market saturation for products, and a multitude of other things. For example, look at the stock market over a long period of time. You will see that over time the [price to earnings ratio \(PE\)](#) tends to expand and contract over a longer time horizon than the normal business cycle.

From 1903 to around 1920, you should notice a contraction of PE from around 24 to 5. From 1920 to 1930, the PE surged from 5 to 28. From 1930 to 1950, it contracted back to 9. From 1950 to 1969, it expanded from that 9 to about 23. Then from 1969 to around 1980, it dropped back down to 7. From 1980 to 2000, you should see it surge up to 42 (can you say bubble?). We have been on a PE contraction since then. The sad news, as you can see from the pattern, is that a long uptrend does not typically start until the price to earnings ratio falls into the single digits.

Being a [University of Tennessee](#) football fan, I observe the patterns there also. As fans, we have high expectations every season, which makes it difficult to see the patterns. However, you can go back to the 1960s and see a good decade for the UT program. The 1970s were tough. The 1980s bounced around with big ups and downs. The 1990s were great, and the decade of the 2000s has been sad. You would think from this, the current decade will improve.

If you listen to the news, you would think we have been on a warming trend from the past 100 years. Actually, we have been on a warming trend since the late 1970s. In the mid-70s, all the major news stories reported how the average temperatures had been dropping since the 1950s, so we would all starve to death because of crop failures. Last winter, we had snow on the ground in Knoxville, TN for over three weeks. Typically, snow only stays on the ground here for a couple of days, and this was the first time since I started living here in 1981

that this has happened. Could this be the start of something new?

Finally, notice the trend of how breakthrough technological inventions saturate the market. In a general sense, the automobile, television, and radio each took about 30 to 40 years to fully saturate the market. The VCR took at least 15 years. The internet reached saturation after around 8 to 10 years, and it only took Facebook around 3 years once it opened up to everyone.

This pattern is obvious, and we will see new products, services, and software tools reach full penetration within a year in the near future. This results from how connected everyone has become, and this connectivity continues to increase. I would say that at some point in the near future, products and especially software will reach full market saturation within weeks and even days.

What patterns do you see around you? Will these patterns affect your business? Are there opportunities in those patterns or just the satisfaction of knowing this is just one of those cycles and will eventually change?