

# Social Networking For Private Clubs

Increase members. Increase revenue. Polish the brand.

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## ABSTRACT

The purpose of this paper is to encourage private clubs to begin to seriously evaluate social networking for the role it can play in achieving club objectives. For most clubs, this will mean venturing into uncharted waters. This paper is organized for clubs to easily grasp the particular dimensions of social networking that relate to club culture so that thoughtful and informed planning and strategy may take place at the board level.

## **SOCIAL NETWORKING FOR PRIVATE CLUBS: INCREASE MEMBERS. INCREASE REVENUE. POLISH THE BRAND**

### **INTRODUCTION**

“Social networking has revolutionized the way we communicate and share information with one another in today's society. Various social networking websites are being used by millions of people everyday on a regular basis and it now seems that social networking is a part of everyday life.” Wikipedia

“During the past year, social networking has really taken off globally,” said Bob Ivins, Executive Vice President of international markets at comScore. “Literally hundreds of millions of people around the world are visiting social networking sites each month and many are doing so on a daily basis. It would appear that social networking is not a fad but rather an activity that is being woven into the very fabric of the global Internet.”

As a social phenomenon to private clubs, social networking on the Internet is very new, particularly among older club members. Overall, it is not well understood, the skills to use it are not well developed, and the need to embrace it is not well appreciated or felt. But, embrace it every club must, if not for preparing for the inevitable, then—for those clubs with vision and the courage to venture into the future—for competitive advantage.

Social networking is here, it is big, and it is getting bigger at an accelerating rate.

### **PURPOSE**

The purpose of this paper is to encourage private clubs to begin to seriously evaluate social networking for the role it can play in achieving club objectives. For most clubs, this will mean venturing into uncharted waters.

This paper is organized for clubs to easily grasp the particular dimensions of social networking that relate to club culture so that thoughtful and informed planning and strategy may take place at the board level. This is not a comprehensive review. Neither should it be considered entirely current, for the social networking environment can change in significant ways virtually overnight. Rather, its intent is to provide a comfort

level of knowledge to remove the fear of the unknown and fear of change so prevalent in many clubs when dealing with what is new.

Social networking should not be considered in an abstract, technological manner. Rather, its significance bears directly on the three major criteria for club health: the ability to attract and retain members, the ability to enhance revenue, and the ability to enhance the club brand.

### **AUTHOR'S PERSPECTIVE**

My perspective is that as a club insider and marketing professional who understands the dynamics of club governance and action, particularly in the category of membership marketing. My professional opinion is that club members are, first and foremost, consumers. In other words, club members are not isolated from the mainstream of what is happening in the world; rather, they are immersed in it. So, for example, a club may offer a sanctuary from things like cell phones, but it does not assume a member is not a cell phone user. Similarly, a club may not recognize the impact of social networking, but that does not mean its present and future membership bases have not embraced it.

Social networking is big and getting bigger. It cannot be ignored. It can, and probably already has, involved club members in some form, regardless of whether a club acknowledges or embraces it. However, and this is the key point, **the wise club will embrace it and learn to harness it to increase membership, increase revenue, and polish the club brand.**

### **SOCIAL NETWORKING DEFINED**

Social networking is the use of online networks to build communities of people who share interests and activities or who are interested in exploring the interests and activities of others.<sup>1, 2</sup>

What makes social networking different from traditional face-to-face interaction is technology. No longer are there time or place issues, and there is no limit to the opportunity to create groups, attract like-minded individuals, and foster interaction.

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<sup>1</sup> (Sources: Wikipedia [http://en.wikipedia.org/wiki/Social\\_network\\_service](http://en.wikipedia.org/wiki/Social_network_service) and [www.whatissocialnetworking.com](http://www.whatissocialnetworking.com)).

<sup>2</sup> To view a short video "Social Networking in Plain English" go to You Tube, a major social networking site, at [http://www.youtube.com/watch?v=6a\\_KF7TYKvc](http://www.youtube.com/watch?v=6a_KF7TYKvc).

One critical element of any social network is the various ways users can interact. These include chat, messaging, email, video, voice chat, file sharing, blogging, and discussion groups. The availability and ease of use of these digital options is very important, and they make individuals accessible 24/7.

Services are characterized as having directories, divided by categories (such as former classmates), profile pages, privacy options (who to share with, and what), some form of proof of identify, and systems for recommendations involving various levels of trust.<sup>3</sup>

## **BASIC FUNCTIONS AND FEATURES OF SOCIAL NETWORKING SITES**

- Easy to join
- Easy to connect with others in multiple, digital formats (blogs, instant messaging, RSS feeds, etc.)
- Easy to share personal data, pictures, and profiles
- Creates a personal voice where you have the ability to create and comment on content of various types
- Easy to create groups
- Easy to create and distribute content
- Provides 24/7 accessibility
- Various privacy controls for the verification of identity and the extent of sharing information.

## **STATISTICS FOR SIZE AND GROWTH**

The statistics of social networking speak for themselves. They document a large, growing, and highly valued environment.

### **1. Market Valuation**

Source: Associated Press on June 19, 2008<sup>4</sup>

- The recent \$53 million investment in LinkedIn by four venture capital firms implies a **\$1 billion valuation**.
- The \$240 million 2007 purchase of 1.6% of Facebook (70 millions members worldwide) by Microsoft valued Facebook at **\$15 billion**.

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<sup>3</sup> Source: Wikipedia

<sup>4</sup> This article is no longer available on Google.

## 2. Growth

From a July 31, 2007 release from comScore, a global Internet information provider:

- Social networking leader MySpace reported a 72% increase in total unique visitors from June 06 to June 07.<sup>5</sup>
- In that same report, Facebook jumped 270% from 14 to 52 million total unique visitors.

According to Social Networking Watch:

- LinkedIn, with 20 million members, reported increase in traffic of 361% to 8.7 unique visitors in April vs. year ago, making it the fastest growing social networking site.<sup>6</sup>

## 3. Usage

According to Jeremiah Owyang, Sr. Analyst at Forrester Research: Social Computing:<sup>7</sup>

Facebook

- Has more than 60 million active users
- Averages 250,000 new registrations per day since Jan. 2007
- Averages 3% weekly growth since Jan. 2007
- Active users doubling every 6 months
- The fastest growing demographic is those 25 years old and older
- More than 65 billion page views per month
- More than 14 million photos uploaded daily
- More than 6 million active user groups on the site

MySpace:

- Has more than 110 million monthly active users around the globe
- Averages 300,000 new people sign-ups every day

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<sup>5</sup> <http://www.comscore.com/press/release.asp?press=1555>, based on worldwide growth among Internet users age15+

<sup>6</sup> <http://www.socialnetworkingwatch.com/2008/05/linkedin-tops-s.html>

<sup>7</sup> Source: <http://www.web-strategist.com/blog/2008/01/09/social-network-stats-facebook-myspace-reunion-jan-2008/>

## 4. Impact

Universal McCann has released a new report on the impact of social media (such as blogs, social networks, online video) on the media landscape.<sup>8</sup>

Here are some of the key findings:

- 83% watch video clips, up from 62% in the last study in June 2007
- 78% read blogs, up from 66%
- 57% of Internet users are now members of a social network
- RSS consumption is growing rapidly up from 15% to 39%
- Podcasts are now mainstream digital content, listened to by 48%

## SEGMENTS

Social networking may be easily understood in two groupings:

### Social vs. Professional Segments

#### 1. Social Network Segment

This is where it started. Common elements include the online exchange of personal data, interests, photos, videos, and content.

#### 2. Professional Network Segment

Used for the business-to-business marketplace, these networks improve the ability for people to advance and learn professionally.

“The professional network provides an anywhere/anytime alternative to traditional interaction over lunch, at a seminar or workshop, or at an industry event such as a trade show or conference. This type of professional network service enables business professionals to network and collaborate by title, industry and business interests so that they can discuss interests, stay informed and share knowledge.

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<sup>8</sup> Original document no longer available. See the following for the latest information:  
[http://www.socialnetworkingwatch.com/all\\_social\\_networking\\_statistics/](http://www.socialnetworkingwatch.com/all_social_networking_statistics/)

“A good example of social networking being used for business purposes is LinkedIn.com. It is a social networking site with the aim of connecting professionals together. It has become one of the most powerful and widely used professional networking sites, with more than 20 million registered users from 150 different industries.”<sup>9</sup>

### Internal vs. External Sites Segments

In general, social networking services allow users to create a profile for themselves, and can be broken down into two broad categories: internal social networking and external social networking sites, such as MySpace and Facebook. Both types can increase the feeling of community among people.<sup>10</sup>

#### 1. Internal Sites

An internal networking site is a closed/private community that consists of a group of people within a company, association, society, education provider and organization or even an "invite only" group created by a user in an external site.

#### 2. External Sites

An external social network is open/public and available to all web users to communicate and is designed to attract advertisers. These can be smaller, specialized communities i.e. linked by a single common interest such as [www.TheSocialGolfer.com](http://www.TheSocialGolfer.com), or they can be large generic social networking sites such as MySpace.

### **POPULAR SOCIAL NETWORKING EXAMPLES**

(The following descriptions were taken from the websites of the respective networks and largely use their own words.)

#### **MySpace (#1 worldwide site for total unique visitors)**

MySpace is an online community that lets you meet your friends' friends and share photos, journals and interests. It allows you to see who knows who, or how you are connected.

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<sup>9</sup> Wikipedia

<sup>10</sup> Wikipedia

It serves:

- Friends who want to talk online
- Single people who want to meet other singles
- Matchmakers who want to connect their friends with other friends
- Families who want to keep in touch--map your family tree
- Business people and co-workers interested in networking
- Classmates and study partners
- Anyone looking for long lost friends

### **Facebook (#2 worldwide site for total unique visitors)**

Facebook connects people with friends and others who work, study and live around them. People use Facebook to keep up with friends, upload an unlimited number of photos, share links and videos, and learn more about the people they meet.

Facebook is made up of many networks, each based around a company, region, or school. Join the networks that reflect your real-life communities to learn more about the people who work, live, or study around you.

### **LinkedIn**

LinkedIn is an online network of more than 20 million experienced professionals from around the world, representing 150 industries.<sup>11</sup>

When you join, you create a profile that summarizes your professional accomplishments. Your profile helps you find and be found by former colleagues, clients, and partners. You can add more connections by inviting trusted contacts to join LinkedIn and connect to you.

Your network consists of your connections, your connections' connections, and the people they know, linking you to thousands of qualified professionals.

- Through your network you can:
  - Find potential clients, service providers, subject experts, and partners who come recommended
  - Be found for business opportunities
  - Search for jobs

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<sup>11</sup> See short, descriptive videos of LinkedIn on YouTube at <http://www.youtube.com/watch?v=2pXWrHN0elg&feature=related> and <http://www.youtube.com/watch?v=C1ofuNt6Abk&feature=related>

- Discover inside connections that can help you land jobs and close deals
- Post and distribute job listings
- Find high-quality passive candidates
- Get introduced to other professionals through the people you know

## **Del.icio.us**

Del.icio.us is a social bookmarking website. The primary use of del.icio.us is to store your bookmarks online, which allows you to access the same bookmarks from any computer and add bookmarks from anywhere, too.

You can use del.icio.us to:

- Keep links to your favorite articles, blogs, music, reviews, recipes, and more, and access them from any computer on the web.
- Share favorites with friends, family, co-workers, and the del.icio.us community.
- See the interesting links that your friends and other people bookmark, and share links with them in return. You can even browse and search del.icio.us to discover the cool and useful bookmarks that everyone else has saved - which is made easy with tags.

Things you can do with saving bookmarks on del.icio.us include:

- Research - Use del.icio.us to keep track of all the source materials and commentary that you find online.
- Podcasts and Podcasting - Visit the mp3+ podcast tag combination and start listening. Start posting your mp3 files to del.icio.us and del.icio.us will create an RSS feed for you.
- Vacation – Collaborate with friends and family to plan a trip.
- Collaboration - Friends, coworkers, and other groups can use a shared account, special tag, or their del.icio.us networks to collect and organize bookmarks that are relevant - and useful - to the entire group.

## **Digg**

Digg is a place for people to discover and share content from anywhere on the web. From the biggest online destinations to the most obscure blog, Digg surfaces the best stuff as voted on by Digg users. You won't find editors at Digg — it's here to provide a place where people can collectively determine the value of content and is changing the way people consume information online.

Everything on Digg — from news to videos to images to Podcasts — is submitted by its online community. Once something is submitted, other people see it and Digg what they

like best. If your submission rocks and receives enough Digg, it is promoted to the front page for the millions of Digg visitors to see.

Because Digg is all about sharing and discovery, there's a conversation that happens around the content. Digg is here to promote that conversation and provide tools for our community to discuss the topics that they're passionate about. By looking at information through the lens of the collective community on Digg, you'll always find something interesting and unique. Digg is committed to giving every piece of content on the web an equal shot at being the next big thing.

## **Technorati**

Technorati currently tracks 112.8 million blogs and over 250 million pieces of tagged social media.

Technorati is the recognized authority on what's happening on the World Live Web, right now. We search, surface, and organize blogs and the other forms of independent, user-generated content (photos, videos, voting, etc.) increasingly referred to as "citizen media."

On the World Live Web, bloggers frequently link to and comment on other blogs, creating the type of immediate connection one would have in a conversation. Technorati tracks these links, and thus the relative relevance of blogs, photos, videos, etc. Technorati rapidly index tens of thousands of updates every hour, and so monitors these live communities and the conversations they foster.

The World Live Web is incredibly active, and according to Technorati data, there are over 175,000 new blogs (that's just blogs) every day. Bloggers update their blogs regularly to the tune of over 1.6 million posts per day, or over 18 updates a second.

## **YouTube**

Founded in February 2005, YouTube is the leader in online video, and the premier destination to watch and share original videos worldwide through a Web experience. YouTube allows people to easily upload and share video clips on [www.YouTube.com](http://www.YouTube.com) and across the Internet through websites, mobile devices, blogs, and email.

Everyone can watch videos on YouTube. People can see first-hand accounts of current events, find videos about their hobbies and interests, and discover the quirky and unusual. As more people capture special moments on video, YouTube is empowering them to become the broadcasters of tomorrow.

## THE DARK SIDE

There are several general issues associated with social networking that every club board should be aware of.

### Privacy Issues

On large social networking services, there have been growing concerns about users giving out too much personal information and the threat of sexual predators. Users of these services need to be aware of data theft or viruses. However, large services, such as MySpace, often work with law enforcement to try to prevent such incidents.

In addition, there is a perceived privacy threat in relation to placing too much personal information in the hands of large corporations or governmental bodies, allowing a profile to be produced on an individual's behavior on which decisions, detrimental to an individual, may be taken.

Furthermore, there is an issue over the control of data - information having been altered or removed by the user may in fact be retained and/or passed to 3rd parties.

### Investigations

Social network services are increasingly being used in legal and criminal investigations. Information posted on sites such as MySpace and Facebook has been used by police, probation, and university officials to prosecute users of said sites. In some situations, content posted on MySpace has been used in court.<sup>12</sup>

Facebook is increasingly being used by school administrations and law enforcement agencies as a source of evidence against student users. The site, the number one online destination for college students, allows users to create profile pages with personal details. These pages can be viewed by other registered users from the same school which often include resident assistants and campus police who have signed-up for the service.<sup>13</sup>

### Confidentiality vs. Protecting the Brand

(From an article featured in *Nation's Restaurant News* May 26, 2008.)

The article reports the firings of two Burger King executives over Web postings and points to the new "friction" created between "the employee's right to communicate and the employer's need to protect the foodservice brand."

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<sup>12</sup> Wikipedia

<sup>13</sup> Wikipedia

The Burger King incident concerns unauthorized comments from two executives who “blasted a tomato farmer’s advocacy group.”

Offsetting the upside of social networks is the dark downside of sharing confidential data, making inappropriate comments on company personnel, and harassing colleagues. In legal terms: breach of confidentiality, breach of contracts, defamation, and trademark infringement.

The article quotes Carolyn Richmond, a labor attorney, as saying, “It’s just a host of land mines out there these days when we are dealing with e-communication in all of its forms.”

### **HOW TO MANAGE THE DARK SIDE**

It should be noted that club members may choose to join social networks and comment on club issues whether or not a club acknowledges, supports, or in any way interacts with social networking sites.

These issues suggest the following as prudent steps to take, regardless of the nature of social networking through club auspices.

- Review HR policies and make sure they are consistent with new communication technology.
- Provide for some form of surveillance and monitoring, such as popular blog spaces.
- Provide for active club involvement in the review of related communication and content generation.
- Be prepared to respond to any social media generated issues much as you would respond to issues generated through traditional media.
- Be aware that statements and content generated and distributed digitally can be removed from the source so as to not be available in the future from the source, but cannot be removed from the Web.

### **RATIONALE FOR CLUB USE OF SOCIAL NETWORKING**

The overriding reasons why clubs should begin to include social networking practices in their strategic planning and marketing tactics relate to the new reality of the digital world. Clubs must go to where their members and prospective members live (the digital, social media world) and employ what is increasingly becoming the most trusted form of communication.

Becoming an active vs. passive player in this social tour de force can:

- Build and strengthen club communities by letting members communicate in their favorite way, spaces, and through their favorite methods.
- Build trust and foster communication as part of a permission-based community, where desired communication is accepted, and undesired (spam, etc.) communication is removed.
- Help create unique content based upon collaboration, and to use this content to attract non-members and to build page rank for club websites.
- Provide a new media for outreach to non-members, enabling easy ways to forward mutually interesting content and information.
- Foster the creation of micro communities based on common but unusual interests. These micro communities may become an important base for new members as traditional segments become exhausted.
- Build the club brand by sending a clear signal that management is savvy about social trends, especially to younger, potential members who may have concerns about fitting into the culture of a particular club.
- Enhance usage by encouraging different communities to use club services when traditional services are desired.
- Provide a cost effective alternative to traditional marketing spending (e.g. direct mail), with the possibility of greater effectiveness at lower cost.

In summary, the prudent and strategic use of social networking at the club level can help build membership, enhance revenue, and polish the club brand.

### **STEPS TO BEGIN USING SOCIAL NETWORKING AT YOUR CLUB**

1. Circulate this paper to governance and appropriate committees.
2. If possible, poll club members to determine social networking usage and perceptions.
3. Arrange to be placed on the agenda for the next board or committee meeting and introduce social networking with its opportunities and problems, risks and rewards for club usage.
4. Be specific about how social networking can benefit member development, revenue enhancement, and club branding. Provide budget requirements (monetary and human resources) with timetables.
5. Consider the following for ideas:
  - Decide whether to create club-generated groups or to encourage individual initiative. This can be strategically based e.g. identifying priority groups.
  - Plan to educate club membership about social networking. Provide information on how to join, use, and benefit from them.

- Monitor social network group activity for ideas that can be used by your club.
- Solicit specific content from user groups.
- Utilize group membership, interests, and content for new-member development.

## CONCLUSION

A recent webinar sponsored by the American Marketing Association and Ramius Corp. (a provider of social software) entitled “Building Your Brand in a World of Social Networking” suggests that the strategic use of social networking at the corporate level is minimal at this time, but is beginning to be noticed with increased interest. It is no surprise to believe, therefore, that social networking is not even on most club’s marketing radar screen. However, the potential for social networking to support club health (membership, revenue, and brand) is so great that it deserves immediate and thoughtful consideration. This new tool can help compensate for the erosive economic and competitive impact that clubs face today.

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Author’s Note: Clubs or any organization considering the use of social media should become aware of its inherent risks. This article is an introduction to social media and does not represent legal advice.

### Bio

Don Metzник provides logical and creative solutions to membership, consumer, and sales problems. A member of The Yale Club of New York City, Don has experience at the board and committee level, and was the first chairman of the Marketing Committee. Don served as Interim Marketing Director for the Yale Club, Penn Club, and Williams Club. In addition to his firsthand experience on club operation, politics, and getting things done, Don has ad agency, consumer products, and restaurant/hospitality experience in the public sector.

A classically trained consumer marketing strategist, he has a successful track record of leading management teams in entrepreneurial and branded product environments. Don’s career began with ad agency and consumer packaged goods companies. This was followed by executive positions at foodservice companies, providing another important experience base for club marketing.

Don is a frequent contributor to [The BoardRoom Magazine](#). He is also a featured presenter at the Private Club Marketing Association’s Annual Conference, his second appearance for this organization. Don has a BS from Yale and an MBA from Columbia.