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## **Lead Generation – How Does Social Networking Shape Up**

**Rob Hartnett**

Linked In, MySpace, Xing, Plaxo, Facebook are you using these? Do they work?

Well for me I have a profile on Linked In and have had one for a while. I also have one on Facebook which is relatively new. However I have noticed a dramatic increase in connections via both these sites from people wanting to stay in touch and re-connect. These are 100% business related connections however they soon add an element of recreation and social discussion which is all in the interests of relationship building.

For those new to these sites Linked In, Plaxo and Xing are very much business to business sites with Facebook and MySpace more socially oriented. That said Facebook has a great business web page option and with over 2 million Australians using Facebook it is worth checking out.

I have been amazed by the amount of re-connections I have made through Linked In and Facebook in recent months. These re-connections have been with business colleagues I have not seen in a few years but as soon as we re-connect the same level of trust and respect is there and that is a great to build a business relationship.

I have re-connected with dozens of people from my roles at Apple and Hewlett-Packard for example including overseas connections.

At the same time as I have witnessed an increase in connections from these social networking sites comes the latest research from Edelman who has conducted a yearly trust barometer globally for many years.

According to Edelman in 2003 only 22% of people in the USA trusted their friends and peers as the best source of information. In 2007 this number had grown to a massive 68% and similar trends are occurring according to Edelman in Europe and China.

The reason for this is our distrust with global companies, governments and other large organizations that earlier generations trusted. (Remember names such as Enron, HIH, OneTel)

This is not new. People do business with people they respect and trust. The late great businessman and founder of IMG Mark McCormick, said something similar to “on a good day people will always buy from their friends and on a bad day people will still want to buy from their friends.”

Today advertising is getting more and more cluttered and some recent research from Nielsen below sums up the level of trust consumers have with the various forms of advertising.

#### To What Extent Do You Trust the Following Forms of Advertising?

- Recommendations from consumers 78%
- Newspapers 63%
- Consumer opinions posted online 61%
- Brand websites 60%
- Television 56%
- Magazines 56%
- Radio 54%
- Brand sponsorships 49%
- Email I signed up for 49%
- Ads before movies 38%
- Search engine ads 34%
- Online banner ads 26%
- Text ads on mobile phones 18%

- *Source: Nielsen Online Global Consumer Study April 2007*  
*Base: All Respondents*

My view is that today as the internet increases our knowledge and commoditization increases competition and price pressure building and maintaining solid relationships are more important than ever. These days you must remember that people will have up to 14 different jobs across up to five careers so keeping in touch needs a professional approach.

I recommend you give social networking sites a go. The key is not to be passive, like anything you must work them by updating them and connecting with others. Remember life is not a one way street and there are no self made millionaires. Even millionaires need to sell to someone.

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