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**Dave Capece**

[sparxoo.com](http://sparxoo.com)

[david@sparxoo.com](mailto:david@sparxoo.com)

[twitter.com/sparxoo](https://twitter.com/sparxoo)

# Digital Influence in a Network Economy



**November 15, 2009**

# Network Economy

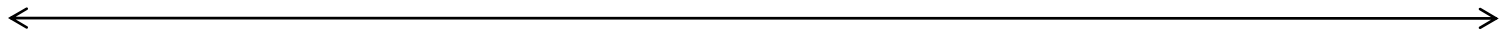
**In a network economy, value flows from connectivity. Value is created and shared by all members of a network. Economies of scale stem from the size of the network.**

# Economic Structures

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*Power by One*

*Power to the People*



Type

**Traditional Corporation**

**Web 2.0**  
Increased power by Influencers who have gained reputations and are looked to for providing leadership to the digital community

**Web 1.0**

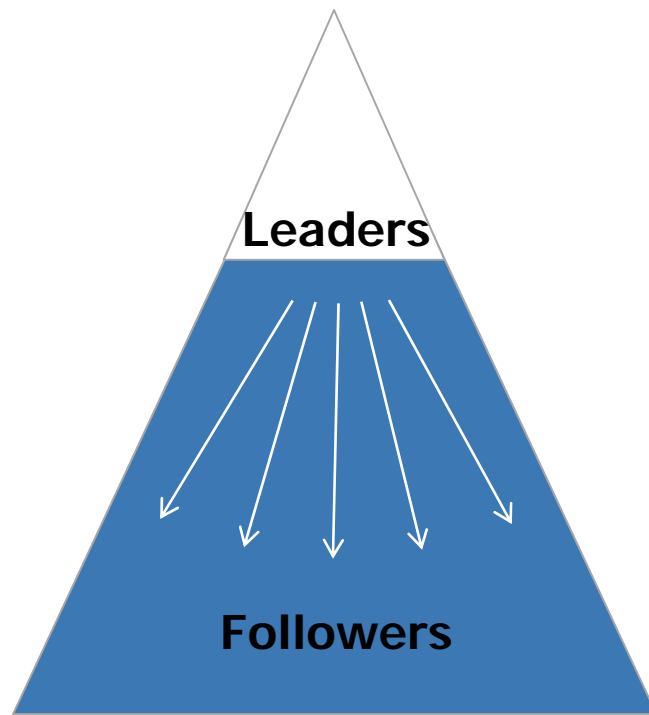
Features

**Top-Down Leadership**

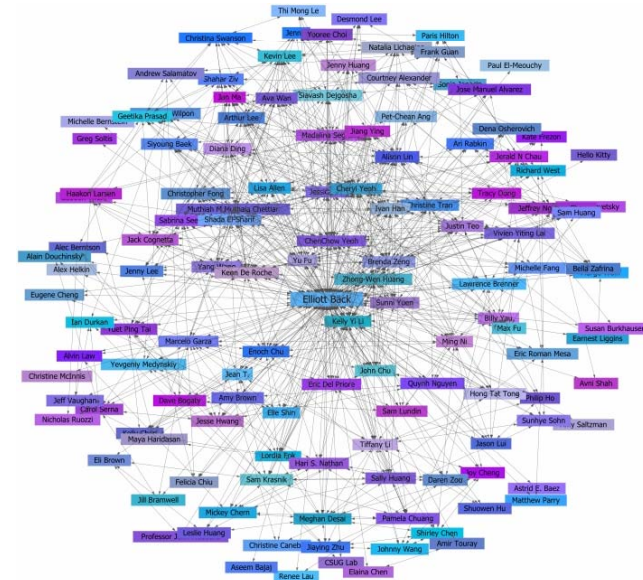
**Mob Rule**

# The Changing Social Structure

## Pre-Network



## Network



facebook

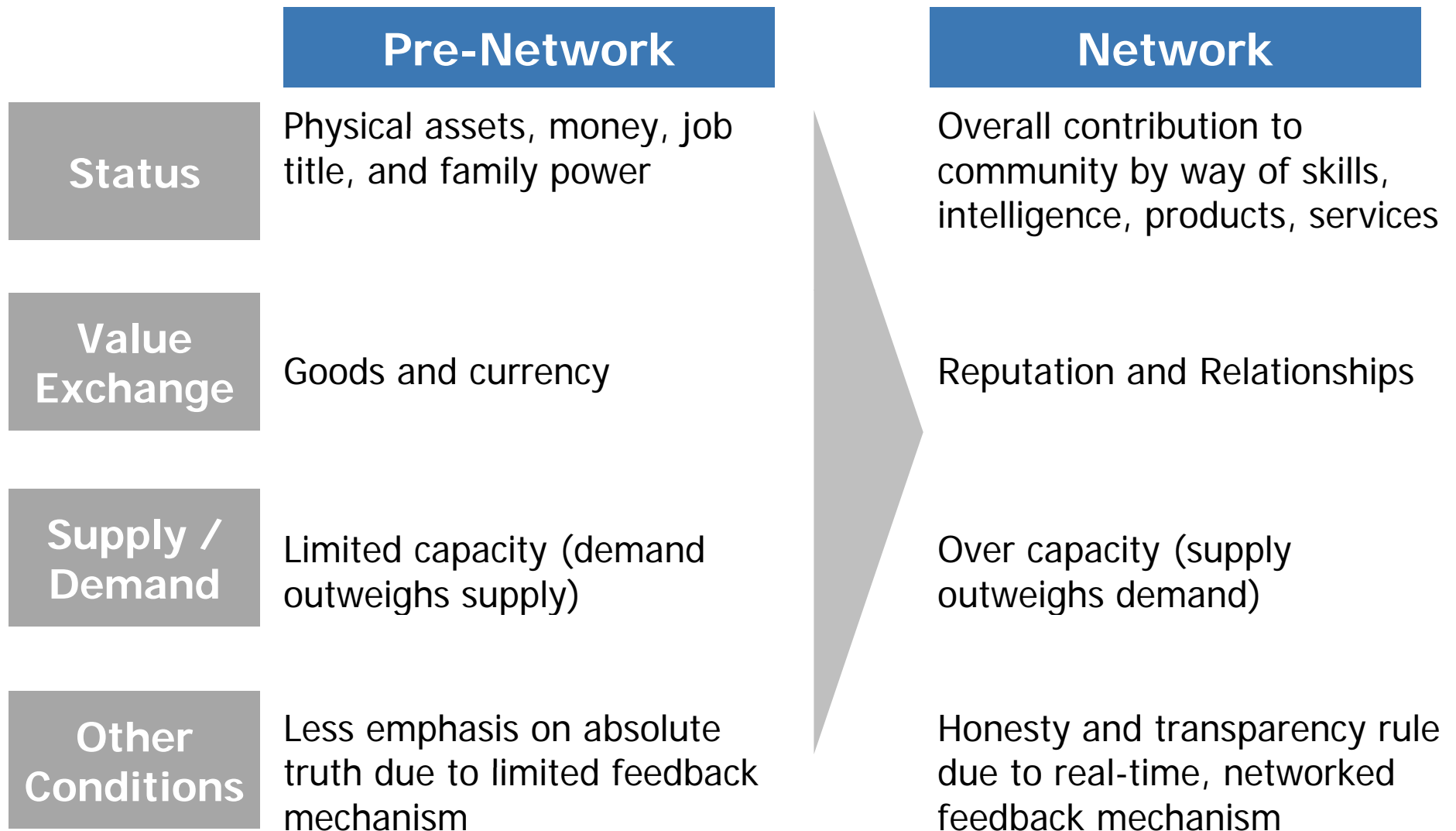
Ning

Linked in.

twitter

myspace.com

# The rules have changed in the network economy



# Who is more influential?

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**Microsoft<sup>®</sup>**

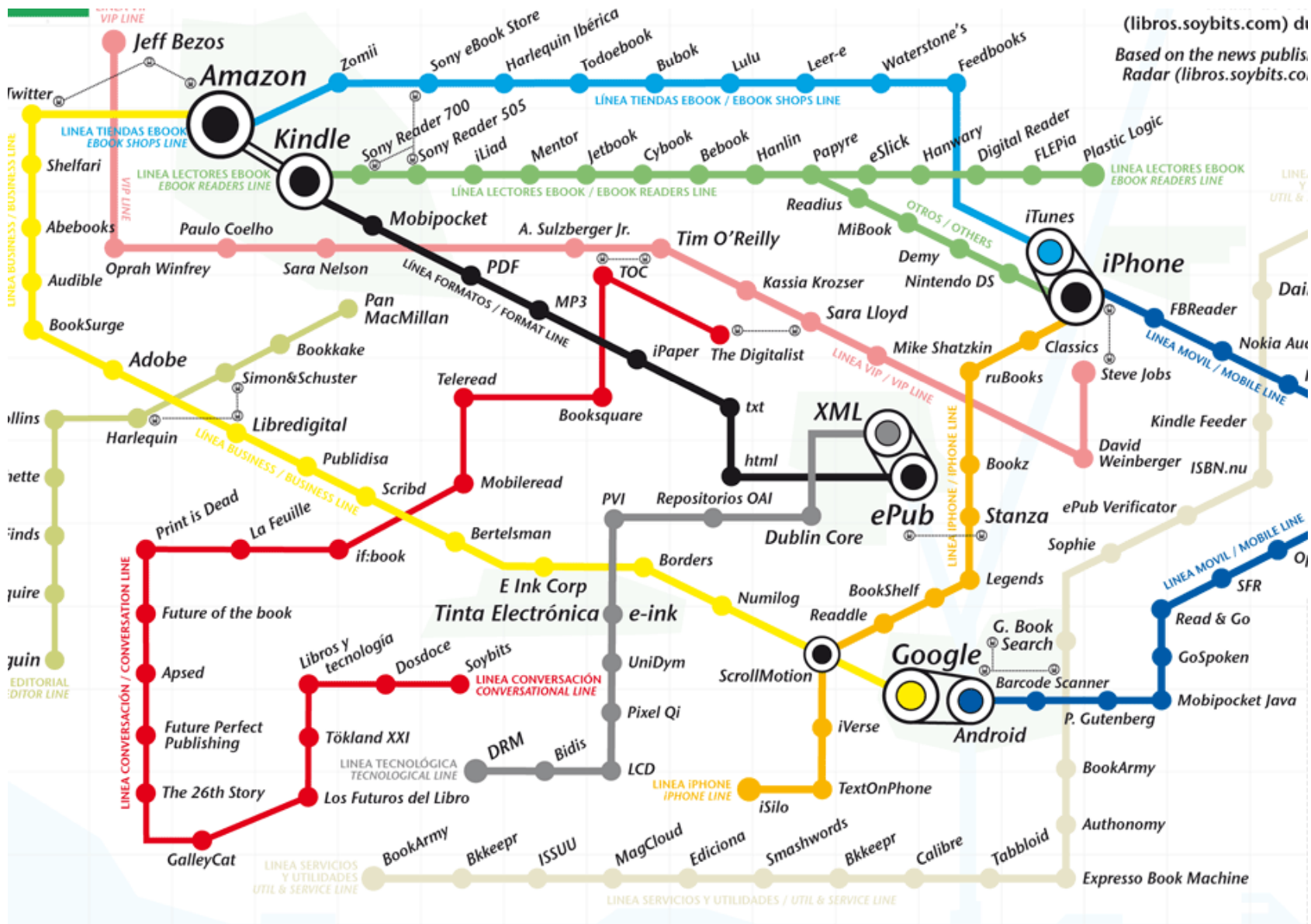
*versus*

**Google<sup>™</sup>**

## Who is more influential?

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	<b>Microsoft<sup>®</sup></b>	<b>Google<sup>™</sup></b>
Cash	\$33 Billion	\$22 Billion
Revenue	\$56 Billion	\$23 Billion
Earnings	\$22 Billion	\$9 Billion
Users (USA)	133 million	165 million



# Balancing Goals in the Network Economy

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*versus*



# A new class of Influentials is emerging

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**Maximize reputation and relationships to increase your influence in the network economy**

# Define the brand you are building

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*Personal Brand*



*Organization*



*Personal  
Re-Brand*

- Once you start aggressively building a brand, it becomes difficult to change the brand as you risk losing links and any initial momentum in building fans

## Lead with purpose

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*Liberal  
Leadership*



*Hyper-Connected  
Community*



*Hollywood's  
Most Hated  
Gossiper*

- In a world of overcapacity, don't be average. Stand for something you are passionate about, and make it outstanding

# Build a valuable network

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Network value is based on

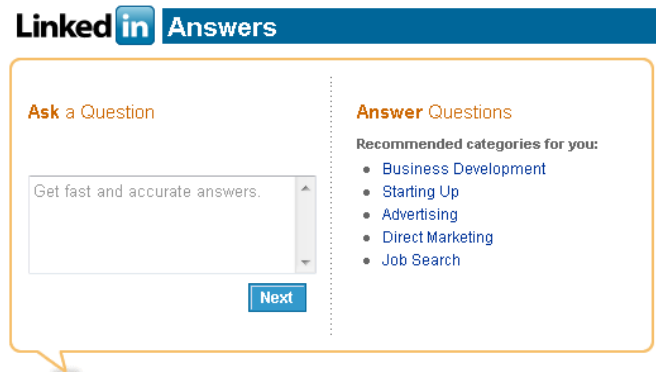
- Number of connections
- Influence of connections
- Depth of relationships

Do You Need more...

- Connections (blogging, vlogging, twitter, conferences, forums, word-of-mouth)
- Influential connections (interview leaders, invite speakers to conferences)
- Deep relationships (coffee, do favors, collaborative projects, eBooks, get a mentor)

# Advance the conversation

- Listen to the existing conversation
- Share expert advice
- Tell stories
- Create an experience through visual cues
- Reference influencers and celebrities
- Build on ideas from the community



## Bleached Out Becks

Filed under: [Anglophilia](#) > [David Beckham](#)



# Mobilize the community

- There's enough ideas out there...we want action
- Get involved and get others involved
- Make it fulfilling



## Be transparent and honest

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- Know who you are and manage one persona across platforms (use a consistent voice)
- Be human ... it's ok if you have flaws

Dear JetBlue Customers,

jetBlue

We are sorry and embarrassed. But most of all, we are deeply sorry.

...we have published the **JetBlue Airways Customer Bill of Rights** — our official commitment to you of how we will handle operational interruptions going forward—including details of compensation.

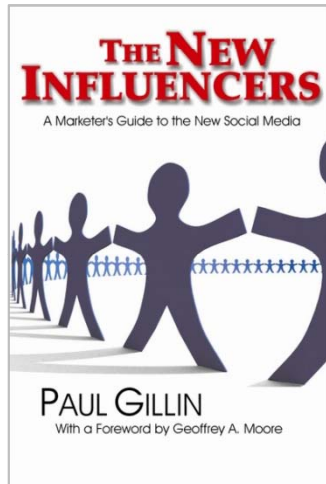
## Measure success

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- Those with influence are more likely to become a part of the conversation through word-of-mouth and recommendation
  - Blog traffic, community buzz, twitter followers, facebook fans
- Net Promoter Score is a traditional measure of recommendation
  - Net Promoter Score = Promoters – Detractors
  - On a scale of 1 – 10, “how likely are you to recommend”; 8 to 10 (promoters) and 1 to 5 (detractors)
- Overlay sphere of influence as promotion from an influencer has more impact than promotion from a follower
  - Consider Forrester.com/Groundswell’s definition of involvement (creators, critics, joiners, etc)
  - Consider Malcolm Gladwell’s (Tipping Point) segmentation of innovators, early majority, late majority, laggards

## Additional reading on digital influence

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Blogging is a community ruled by reciprocity. Promoting other bloggers will help you build meaningful relationships while extending your audience and peer network.



Buzz, word-of-mouth and influencers are increasingly important. The most powerful form of building trust is through friendships offline



To stand out to the crowd, you need to stand out from the crowd. Serve up distinct purpose and own it. Know what you are good at and pursue it wholeheartedly—with authenticity, trust and passion.

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