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“Socialnomics” by Erik Qualman
& “The Business of Influence”
by Philip Sheldrake

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Abstract

This comparative book review of *Socialnomics: How Social Media Transforms the Way We Live and Do Business* (2009, John Wiley and Sons, Ltd.) by Eric Qualman and *The Business of Influence: Reframing Marketing and PR for the Digital Age* (2011, John Wiley and Sons, Ltd.) by Philip Sheldrake, examines two popular, yet markedly different books addressing social media. Referencing Rogers’ Diffusion of Innovations theory, the author claims Qualman’s descriptive approach vs. Sheldrake’s methodological one effectively target readers at opposite ends on the adoption curve.

Keywords: Erik Qualman, Philip Sheldrake, Malcolm Gladwell, diffusion of innovations, business of influence, tipping point, socialnomics

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Review of
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Adoption rates of social media make an interesting case study for Rogers’ diffusion of innovations theory. As Rogers’ suggested, there are innovators, adopters and those who lag behind. What is fascinating in the case of social media is the knowledge divide between the extremes. Those in the know are working fast and furiously to harness the power it presents, integrating social media into all aspects of life and writing the rule book as they go, while laggards are left wondering how and where to jump in.

For every business challenge, there is a long line of experts who offer a remedy. *Socialnomics: How Social Media Transforms the way we live and do Business* (2009) by Erick Qualman and *The Business of Influence: Reframing Marketing and PR for the Digital*

Age (2010) by Philip Sheldrake are two recent contributions to the social media challenge.

Both authors are experienced in the social media world and seem to agree upon many well-accepted social media principles. And both make an earnest and useful contribution to the conversation. However, with a descriptive approach vs. a methodological, each equates to drastically different offerings. One answers “what?” and the other answers “how?” effectively targeting the different ends of Rogers’ adoption curve.

Socialnomics

Social media has forever altered the world of business. The speed and accessibility of information, combined with an increasing reliance on and preference for online recommendations and reviews is eclipsing traditional marketing methods such as advertising. “Socialnomics” is Qualman’s term for the new value created as a result of this perfect storm. “Or, more simply put, it’s Word of Mouth on digital steroids” (p. xxi).

Qualman identifies a number of social benefits as a result of this paradigm shift. For one, he believes social media raises our self-awareness by making us think twice about who may witness our actions. He believes social media reduces redundancies and makes us more efficient. And because of these efficiencies, we have “billions of hours that can be redistributed toward the betterment of society” (p. xxiii).

Social media has put a greater emphasis on an organization’s ability to deliver quality products and services. There is no hiding when mistakes are made, nor is there any way to contain the conversation. As a result, “businesses don’t have

the choice on whether or not they do social media, the choice is on how well they do it” (p. xxii).

Qualman calls on businesses to recognize that:

The role of the marketer today...has less to do with creating 30-second television commercials and guessing what jingle will resonate with prospects, and more to do with having ongoing external conversations with the customer or prospects – while at the same time having internal conversations with operations, customer care, and product development (p. 127).

Socialnomics encourages companies to embrace criticism and use it to improve their product offerings. This, Qualman argues, is part of the new value offering, as is the ability to further engage audiences. He dedicates an entire chapter to the Obama campaign to illustrate social media’s ability to reach and resonate with audiences that while interesting, feels out of place.

One of the more interesting benefits Qualman discusses is the decline of “social schizophrenia.” He argues social media heightens transparency, which means we must deliver one consistent personality vs. the multiplicity of roles we can play as friend, employee, family member, teacher, etc. That means being true to “one essence.” For companies, it also translates to listening to and incorporating audience feedback in a continuous improvement cycle since “we never know what’s exactly right for the customer...” (p. 130). From a public relations perspective, this seems resoundingly positive as it supports a more ethical model of practice.

For anyone who’s ever lost hours on social media sites or witnessed bad behaviour in real-time, some of Qualman’s ar-

guments are far-fetched. Scott Monty does a better job describing potential for social good in the brief forward and Qualman may lose readers with his hyperbolic story-telling. While Qualman could strengthen his arguments by offering a more balanced view of social media and its pitfalls, what he does provide is an overview of how social media could or should work — almost a normative model we can strive for, as we shape our own social media strategies.

The Art of Influence

Where Qualman spends the majority of his book describing the whirlwind of change caused by social media, Sheldrake covers this early, recognizing that a number of factors — including technology — have changed marketing and PR. He borrows the term “conversational marketing,” explaining, as Qualman did, that consumers now share thoughts and opinions, directly influencing purchasing decisions like never before. Unlike Qualman’s descriptive approach, Sheldrake outlines a methodology for navigating the world redefined by social media.

His “Six Influence Flows” form the basis for his management philosophy. Sheldrake explains that in order to put influence at the core of strategy, an organization must pay attention to all six, including how consumers influence each other (second flow). Unlike models of the past that focused on influencers and outputs (such as how many people an influencer might reach), an influence-centric approach more effectively focuses on outcomes that support greater business goals. While the output-outcome debate is not new, Sheldrake’s framing of it feels fresh.

Sheldrake bucks the trend that we are most commonly influenced by a handful of “influential,” as described by Gladwell in *The Tipping Point* (2002), explaining that we are more likely to be influenced by friends and family. In fact, Sheldrake counters a number of well-respected theorists (including James Grunig). His thoughtful approach and willingness to incorporate what does work is one of the book’s greatest strengths.

Based on Kaplan and Norton’s Balanced Scorecard which, he explains, is an inspiration for and complementary to his own offerings, Sheldrake reviews the importance of measures to motivate people and bring strategy alive within an organization. Essentially this new offering is a balanced scorecard focused on influence objectives, aptly named the Influence Scorecard.

That Sheldrake’s focus barely wavers from measurement is hardly surprising considering his background as an engineer. What is thrilling is his obvious commitment to addressing a common conundrum in public relations — how to measure our value in a way that speaks to the c-suite. This in itself is motivating.

Readers are forewarned that certain conditions must exist in order for the influence model to be successful, including a culture where business performance management is already being practiced and cause and effect linkages need “to be mapped and well understood in order to de-politicize budgeting and measurement, to enable organizational learning, and to put the ROI question finally to bed” (p. 99).

As useful as Sheldrake’s prescription is, there are a few places where real life application would be helpful. Examples of influence strategy in chapter seven, for example, would benefit from case studies that illustrate the customization of

objectives and strategies to suit actual organizations. The use of “Chief Influence Officer” feels forced and sometimes Sheldrake’s writing jumps around, making the chapter summaries particularly valuable.

However, overall Sheldrake provides a provocative deep-dive into how an organization might deal with an increasingly chaotic market. It is the “rethink” he promises, identifying “the changes that organizations and individual practitioners must pursue to remain relevant and delight...stakeholders more often and more profitably...” (p. xvi).

Besides sharing space on the store shelf, *Socialnomics* and *The Business of Influence* have few things in common besides the helpful lists, summarizing each chapter. Yes, both Qualman and Sheldrake would agree that social media has changed business and that delivering quality products is essential to success since the power has shifted into the hands of the public to discuss, recommend and influence others. Essentially, word-of-mouth online has replaced traditional marketing.

Sheldrake approaches the topic from a more of an academic perspective, defining key terms and drawing from existing theory to recommend his influence methodology. His content is not an easy read, but interesting and provocative.

Qualman takes a descriptive sweep at how social media has forever changed business, peppered with interesting tidbits of advice. He relies on some qualitative research, along with parables to illustrate his points.

Surprisingly, the two works complement each other in that *Socialnomics* provides the symptoms, while the *Business of Influence* provides a cure. Qualman’s offering is useful in providing an overview of social media and may appeal to those with little or no knowledge of the emerging landscape. Sheldrake’s

deep-dive may appeal more to those “in the know,” who have interest in specific methodology for their organization.

Whereas Sheldrake is heavier yet constructive, Qualman is light and entertaining. Both serve a purpose, appealing to audiences with varying degrees of comfort with social media, and demonstrating the staying power of Rogers’ theory.

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