

November 13, 2013

The Twitter IPO made big news recently. The [Sunday Business](#) Section of the NY Times reported on a man who makes his living in the world of "social media." The article is long, but helps understanding Twitter and its functions.

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This will not be a conventional punch in the face, but a Vaynerchukian punch, which turns out to be the opposite of violent. Mr. Vaynerchuk, 37, is a social media marketer with some very big clients, and he's a tireless self-promoter. Anyone fitting that description is all but required to find novel ways to win attention and coin catchphrases, and his new favorite is "jab, jab, jab, right hook." That is also the name of [his coming book](#), which is due out this month and is subtitled "How to Tell Your Story in a Noisy, Social World."

A jab, in Mr. Vaynerchuk's lexicon, is anything of value — a joke, an idea, an introduction. Or a meal. Not long ago, a follower in Minnesota joshingly responded to one of his can-I-help tweets with a request for a cheeseburger. The next day, a cheeseburger was delivered to the guy's home. When a follower in Canada wrote "Just ran out of Tabasco," Mr. Vaynerchuk overnighted eight bottles.

It's unclear how a smack in the jaw came, in Mr. Vaynerchuk's ever-churning imagination, to mean a gift. But after he delivers a few jabs, he — or the many companies that hire him to promote their brands through [VaynerMedia](#), his agency based in Manhattan — can then hit you with a right hook, which in his world translates into a request to buy something.

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He is also the reason the company mailed out 314 pies in March.

"How do you thank people on Pi Day?" asked Ms. Boff of G.E., who was talking about March 14, or 3/14, which is as close as the calendar gets to a numerical representation of pi. "Gary came up with this idea." G.E. sent 314 pies to 314 people who tweeted about pi that day.

It may come as a surprise that a company with \$147 billion in annual revenue would consider sending a few hundred pies across the country to be an important part of its marketing strategy.

"Most people still associate our brand with appliances and lighting," Ms. Boff explained. "But that's a very, very small part of G.E. We are early adopters; we are a brand that is about innovation, invention, discovering things. And early adopters are the kind of people we want to

be talking to, the kind of people who might want to work at G.E., or partner with us, or invest with us. And we want to humanize the company. We want to throw open the doors and behave the way a person behaves.”

And it’s not just about the 314 people who got the pies. It’s also about the people who read about the pies — perhaps, for instance, in *The New York Times*.

Mr. Vaynerchuk’s clients also include companies that just want to sell products. In the foyer of the main entrance of VaynerMedia, which is spread around two floors of a high-rise on Park Avenue South, there’s an enormous blackboard where a writer with fine penmanship has chalked — and this is the G-rated version — “We love social media because it sells things.”

For many, that premise has yet to be proved. ...

... Much of what is produced at Vayner, in fact, looks like a digital version of the kind of work ad agencies have produced for decades. The company’s employees include dozens of “micro content producers,” who make images and videos for clients, using Photoshop and other programs. Zach Lansdale, a senior art director who oversees content producers, was at his desk one day in late October, [creating GIFs for Furby](#), a brand of electronic doll sold by Hasbro.

“People are going to be scrolling when they see this,” he said, looking at a Halloween-themed Furby ad emblazoned with “Toastbusters” across the top, a riff on “Ghostbusters.” “Our goal is to catch their eye for a split second.”

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Foods, started an experiment. It spent every single ad dollar for one brand, Nilla — those little vanilla wafers — online, and put VaynerMedia in charge of the account.

“No other marketing,” said Bonin Bough, the company’s vice president for global media and consumer engagement. “No TV, no in-store. This was a brand using social in isolation.”

VaynerMedia created a campaign called “Momisms,” a series of Facebook ads aimed at mothers, the key Nilla audience. Many ads had the brand’s yellow background, and in red lettering offered cute homiletic quips like, “The best families are like fudge, mostly sweet with lots of nuts!” Vayner would try five different ads at the same time, aiming at a small group of Facebook users. Once it learned which ads were most “liked” and “shared,” Vayner spent more to push those ads to bigger audiences.

It worked. The [Nilla Wafers Facebook](#) page grew from 15,000 to 356,000 likes. More important, Mr. Bough says sales are up 9 percent so far this year compared with the same period in 2012. And the advertising costs for that increase are a small fraction of a conventional media campaign. (He declined to get specific.) The reason is efficiency. Instead of huge outlays for campaigns that would be seen by vast audiences, on television for instance, Mondelez spent small sums on people who had demonstrated an affinity for the brand.

“All of a sudden,” Mr. Bough said, “you’re talking about a new paradigm of marketing, built around microcontent.”

It’s hard to draw long-term conclusions based on a sample size of one. But if campaigns like Momisms build sales, you can be sure that there will be more of them. Which gets us to the tricky part: The more campaigns there are, according to Mr. Vaynerchuk, the less effective they will be. ...

Last week on [November 6th, Pickings](#) led with a blog post titled Government is Magic. That blogger, [Daniel Greenfield](#) has come up with another great post about people who live in the government cloud. This is long too, so that's all you get today. *Uncertainty and struggle are what we most often associate with poverty. Not knowing if you can still afford to pay next month's bills and worrying over how much more you can cut back when you're already barely getting by. This way of life has become more associated with the middle class than with those at the very bottom.*

The statistic that shows that average black household worth is at \$4,955 while average white household worth is at \$110,729 is often quoted, but these numbers are not comparing similar things. Comparing the naked numbers is as misleading as comparing the average salaries in Tokyo and Bombay. What matters is not how much money you have, but how you live.

The \$110,729 and \$4,955 don't reflect different standards of living; but different ways of living. Much of that \$110,729 is home equity. But why do you need to shoulder the burden of a mortgage, when the government will just give you housing for free?

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The \$110,729 and \$4,955 families both have large flat screen televisions, smartphones and the usual baseline consumer toys. They could both eat equally well, except that the \$4,955 family doesn't bother watching its food budget. It just takes whatever it wants off the shelf and worries about prices later.

In terms of personal satisfaction, the \$4,955 family is happier than the \$110,729 family.

To understand this, think of the "Cloud". You can buy a laptop powerful enough to store all your programs and data. Or you can get by with a mobile device whose apps connect online to a "Cloud" of someone else's servers which store your data. The laptop is heavier to carry than the mobile device, but makes you more independent. Or you can just live in the "Cloud" confident that no matter how you mess up your device; your data will be backed up.

America is being divided between the workers and the dwellers in the government cloud. ...

Isn't it nice to have a day without posts about Stupid?

NY Times

[Riding the Hashtag in Social Media Marketing](#)

by David Segal

About once a week, Gary Vaynerchuk posts a [Twitter](#) message that reads, "Is there anything I can do for you?" He means it literally. He is inviting his roughly one million followers to send requests for any kind of help or favor. And if you respond, he will try to punch you in the face.

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9:01 P.M., OCT. 23 The ever-churning imagination of Gary Vaynerchuk has helped many big-name clients build a marketing presence on social media. He met with employees at the Manhattan headquarters of VaynerMedia, his agency

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On a sunny September afternoon, Mr. Vaynerchuk was sitting in the back of a taxi, jabbing one Twitter follower after another on his iPhone. He had just delivered a speech in SoHo at the [99U Pop-Up School](#) and was on his way to [lecture a room full of social data specialists](#) at the Mandarin Oriental hotel.

In between, he rummaged through postings with the hashtag #99school, many of them raves about the talk he had just finished.

“Great talk by @garyvee at #99school today,” [one tweet](#) read. “Helped me understand how Twitter has evolved & I really liked the ‘Jab-jab-jab-hook’ idea.”

As the taxi rolled uptown, Mr. Vaynerchuk wrote back, “That means a lot to me man.”

Naturally, this brief acknowledgment was strategic.

“I’ll literally jab, jab, jab, right-hook this guy,” Mr. Vaynerchuk explained. “I gave him good information, he then responded to it, I appreciated him saying something nice about me. I later will ask if he has pre-ordered the book, and he’ll say, ‘No, but I’m going to do it right now.’ ”



8:41:11 a.m. — Gary Vaynerchuk, who has helped many big-name clients build a marketing presence on social media, starts his day on Oct. 23 by giving the keynote address at a marketing conference at the Sheraton Hotel in Midtown Manhattan.

<http://www.nytimes.com/slideshow/2013/11/03/business/Vaynerchuk.html#1>

70 Tweets a Day

If reducing virtually all human interaction to purely transactional terms isn’t your style, you probably should avoid Gary Vaynerchuk. Since his childhood days hawking baseball cards at convention halls in New Jersey, and later pitching wine online at his father’s liquor store, he has dedicated most of his waking life to a single puzzle: What will sell more stuff?

In recent years, that puzzle has given ulcers to a lot of executives. They have watched the rise of [Facebook](#) and Twitter, along with the advent of commercial-skipping technologies like DVRs and hardware like the iPad, and realized that spending money on television, print and radio will no longer suffice. But how do you market to people in these virtual realms? Given that these platforms are supposedly about friends connecting — it’s called social media for a reason — will anyone listen and look? Is it too much to ask for a return on this investment?

These questions have produced an age of anxiety in marketing the likes of which have not been seen since television and Uncle Miltie landed in living rooms decades ago, and it has given rise to a new tribe of entrepreneurs, all peddling their own forms of Xanax. There are now so many social media experts out there that some of them renounce the label.

“Look at any tech conference,” said [Peter Shankman](#), a social media consultant who rejects the social-media-expert tag. “Anyone can call themselves that. It’s just too easy.”

Mr. Vaynerchuk is not shy about embracing the title because he is not shy about anything. A small and kinetic man with dark hair that is starting to gray, he speaks with a warm, raspy voice, as though he’s been talking all day, which he usually has. He is funny and profane and gesticulates constantly, putting air quotes around phrases that he merely wants to emphasize. Among his favorite subjects are the New York Jets, which he has vowed to buy, and his own talents, which amaze even him.

“I have as big of an ego as it gets,” he said during a recent interview, in a tone suggesting that he was simply stating the facts, “but I have, stunningly, a lot of humility considering some of the accomplishments I’ve had.”

These accomplishments include the building of VaynerMedia, which opened in 2009 and now has 290 employees, serving clients as mainstream as Del Monte, General Electric and PepsiCo. They come in the hope that Mr. Vaynerchuk can do for them what he has already done for himself: build an online audience through pluck, ubiquity and charm.

“When I think about Gary, I think about scrappiness before anything else,” said Linda Boff, G.E.’s executive director of global brand marketing. “He lives his own life out loud.”

This year, he challenged himself to grant 365 interviews, to anyone who asks. (He’s given about 215 so far, which is not on pace, to his great irritation.) In a typical day, he will post 70 tweets, and in a typical week, he’ll post three essays on Medium — a year-old blogging and sharing platform — along with six YouTube videos and a dozen Facebook posts.

About 90 percent of Mr. Vaynerchuk’s tweets are direct replies to people who have written to or about him. Ideally, these people will become acolytes or, better yet, will post a video describing the wonder that a knock on the door and a free cheeseburger can induce, as [the guy in Minnesota did](#).

Let Them Eat Pie

There is little question that Mr. Vaynerchuk is a master at promoting himself. But what about his clients? They tend to regard him as a colorful savant, pointing to his immense online following and his track record in spotting companies like Twitter and Facebook, both of which he invested in long before they went public. (You hear less about Yobongo, a social discovery app that he also “spotted” but that flopped.)

Given his status as a guru, some of the rants he posts on YouTube are surprisingly banal — conventional wisdom framed as blazing insights. A recent one, titled “[Every Single One of You Is a Media Company](#),” argued that the Internet had reduced the cost of publishing to next to

zero, and he beseeched viewers to produce content of genuine value. Subtract the panache and the urgency of his delivery and there is little left.

His clients, however, rave about his work and adore him personally. One of his services is ensuring that a company stays on top of the latest trends in social media; he's like a friend who knows the addresses of all the cool parties. He is the reason that G.E. had a [Vayner-produced video on Vine](#), the six-second-video-sharing app, on the day the platform went live.

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For many, that premise has yet to be proved.

"People always ask if there is return on investment in social media," said Mr. Vaynerchuk, sitting in his office one afternoon. "Does an ad before this article work?" he asked, pointing to a magazine. "Does an ad on TV? Our clients on those media don't know. What they know is that there's a spike in sales after they run an ad on TV. The same is true with social media. So my answer is, social media ads are bound by the same logic used to justify ads since the beginning of radio."

Pivoting Off the News

Much of what is produced at Vayner, in fact, looks like a digital version of the kind of work ad agencies have produced for decades. The company's employees include dozens of "micro content producers," who make images and videos for clients, using Photoshop and other programs. Zach Lansdale, a senior art director who oversees content producers, was at his desk one day in late October, [creating GIFs for Furby](#), a brand of electronic doll sold by Hasbro.

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A “play” in this context means some kind of post that pivots off the news, most likely on Facebook or Twitter. Three weeks ago, a team of employees gathered with Mr. Vaynerchuk in a conference room to discuss a brand they oversee, a cookie that the client did not want named. The team spent much of the meeting trying to figure out how this brand could exploit topics trending on Twitter. They call it “riding the hashtag” here.

Unfortunately, most trending hashtags at that moment were about the government shutdown. Not really cookie material.

“It’s a good challenge for all of you, and I think it’s a brand that can do a lot of stuff,” Mr. Vaynerchuk told the group. “Everything that’s, like, running through your minds, you can ping me on it. I want to O.K. it. Every idea I’ve got brewing, I’d like to force down this account’s throat.”

A woman overseeing the account — the “community manager,” as the job is known in this business — said she had been sending direct replies to anyone on Twitter who mentioned the cookie, saying hello, and perhaps sending some product samples, as a representative of the brand.

“Are you searching for people, like, bored in class?” a colleague asked.

“Oh yeah,” she replied. “I’d say that 10 people I talked to this week were in class. Clearly not paying attention to math, but they know what’s important.”

‘The Crowd Lost Its Face’

Gary Vaynerchuk, the man, was born in Belarus and emigrated when he was a child, with his mother and father. He lives today with his wife, Lizzie, and two children on the Upper East Side of Manhattan.

Gary Vaynerchuk, the brand, was born in Springfield Township, N.J., the site of the 35,000-square-foot Wine Library, a store his father opened in a much smaller iteration 30 years ago. In February 2006, the younger Mr. Vaynerchuk started a daily video blog, posted on YouTube, called Wine Library TV, “a.k.a. the Thunder Show,” as he shouted in countless introductions, “the Internet’s most passionate wine program!”

The show, taped five days a week for five and a half years, had all the production values of a hostage video. It was Mr. Vaynerchuk [sitting at a table in his office, demystifying](#) chardonnays, rieslings and other wines by describing them in terms that any mook could understand. He made reference to Big League Chew, a brand of bubble gum, in a riff about a zinfandel. One pinot noir, he said, was “hot doggy in the mid-palate. And I’m not talking about the Hebrew National. I’m talking about the 99-center.”

He meant this as a compliment.

His Jersey guy persona — he used a Jets souvenir as a spit bucket in his office — and his entertainingly informed opinions brought his YouTube videos a regular audience. Eventually, Wine Library’s revenue soared to \$60 million a year from \$3 million.

Local coverage led to an appearance on Conan O’Brien’s show, and then Mr. Vaynerchuk became a sought-after speaker at tech conferences. His [first was in 2009](#), at the Future of Web Apps conference in Miami.

“It was magic,” he recalled. “I killed it. I crushed it. The crowd lost its face.”

An early speech, before a crowd at the Javits Convention Center, became an online hit. In it, he begged those in the audience to quit their jobs unless they truly enjoyed them.

“If you love Alf, do an Alf blog!” he shouted, pacing the stage. “You collect Smurfs, Smurf it up! Stop crying and just keep hustling. Hustle is the most important word ever.”

Book publishers called, and a maven of online commerce was born. Mr. Vaynerchuk has since become a kind of folk hero to a generation of Internet entrepreneurs. His speeches fetch \$40,000 to \$50,000 apiece.

The more speeches he gives, the more executives approach and ask for advice. He has done work for the Nets of the N.B.A., the Campbell Soup Company and Fox Broadcasting, to name a few.

After watching Mr. Vaynerchuk deliver a few variations of his go-to lecture, you can see the appeal. He starts with his origin story — born in Belarus, built Wine Library TV, signed to the same talent agency as Oprah — to establish credibility. Then he criticizes a vast majority of social media marketing, a message delivered with head-scratchers like “it’s not the content, it’s the *context*,” and “everybody cares about hunting, what nets out is really farming.” His tone slips quickly back and forth from comic to cautionary, and his patter is laced with obscenities, which is

both a way to get laughs and to establish intimacy. He speaks without notes and caroms from one topic to another.

Not everyone is impressed. “A lot of bluster,” said an attendee after Mr. Vaynerchuk finished a recent speech in Rhode Island. But many executives hear this spiel and are both amused and terrified. Its subtext is this: What you are doing online won’t work. And if you’re not online and on mobile, you’re doomed. You are the next Blockbuster. Or the next Borders. Maybe we should talk.

Actually, Mr. Vaynerchuk doesn’t explicitly pitch VaynerMedia in his spiels. He doesn’t need to.

Lesson of the Nilla Wafers

There is no opting out of ads on Facebook or promoted tweets on Twitter. And as of Friday, Instagram started posting ads that were just as unavoidable. Which all means it will be even harder to avoid the output of VaynerMedia and its many rivals. Social media are free in only the most literal sense.

“Information online is paid for in terms of cognitive resources,” says [Luciano Floridi](#), a professor of philosophy and ethics of information at the University of Oxford. “How you do pay for Google, Twitter and Facebook? You pay with your brain. You pay with attention.”

This does not trouble Professor Floridi, because he thinks that some kind of currency is needed to fund social media — and if attention worked for TV, why not Facebook? But a vocal minority is lamenting not just the growth of social media ads, but also the way sites like Facebook and Twitter are nibbling away at the amount of quiet and reflective time in our culture, which has long been in decline.

“We’re talking about over 100 years of the industrial and postindustrial era in which our sole preoccupation has been accelerating consumption and production,” said [David Levy](#), a professor at the Information School at the University of Washington. “If there is any good news in this story, it’s that what began more than 100 years ago has so intensified that more of us can stand back and say: ‘Is this really what we want? Where are the places for greater, noncommodified connection?’ ”

It’s safe to say that the “more of us” referred to by Professor Levy are outnumbered by people who quietly tolerate online ads and others who embrace them. Now more than ever, both categories are sought by companies desperate to connect in a place where friendship and commerce are easily conflated. It’s worth noting that the Oreo page on Facebook (though Mr. Vaynerchuk had nothing to do with it) has more than 34 million “likes.”

Whether those likes convert to sales dollars has been hard to gauge.

Most of Mr. Vaynerchuk’s clients split their marketing dollars between social media and some combination of television, radio and print, making it hard to divvy up credit (or blame). But in August last year, Mondelez International, a snack and food conglomerate spun out of Kraft Foods, started an experiment. It spent every single ad dollar for one brand, Nilla — those little vanilla wafers — online, and put VaynerMedia in charge of the account.

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One of his favorite lines is “marketers ruin everything.” What he means is that marketers take methods that work and then beat consumers with them until numbness sets in, at which point the methods stop working. He proved this adage at Wine Library, he will acknowledge, by sending emails to a list of customers — first one day a week, then every weekday, then on Saturdays, too. Yields plunged, especially as competitors jumped in and emailed to excess right along with him.

This sets up the ultimate paradox for anyone selling advice about how to sell. The day that a critical mass of companies are jab, jab, jab, right-hooking is the day that it becomes passé. The more that companies bombard Facebook with Momism-style ads, the more those ads will be tuned out, just as pop-ups and banners were before them.

Mr. Vaynerchuk has thought a lot about this quandary, and it doesn’t worry him. He will always find new tactics if his current ones grow stale because, as he put it, dreaming up new ways to sell is in his DNA. But it won’t come to that.

“I’m not influential enough,” he said, standing on the street in SoHo after his 99U talk. “And, anyway, some people won’t do it, even if it’s good for their business. Look, I know how to get bigger muscles, but I’m not going to lift weights.”

Then he returned to his iPhone and punched a few more of his fans.

Sultan Knish

The Cloud Dwellers

by Daniel Greenfield

Uncertainty and struggle are what we most often associate with poverty. Not knowing if you can still afford to pay next month's bills and worrying over how much more you can cut back when you're already barely getting by. This way of life has become more associated with the middle class than with those at the very bottom.



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The \$110,729 and \$4,955 don't reflect different standards of living; but different ways of living. Much of that \$110,729 is home equity. But why do you need to shoulder the burden of a mortgage, when the government will just give you housing for free?

It's misleading to think of the \$110,729 families as privileged and of the \$4,955 families as oppressed.

The \$110,729 and \$4,955 families both have large flat screen televisions, smartphones and the usual baseline consumer toys. They could both eat equally well, except that the \$4,955 family doesn't bother watching its food budget. It just takes whatever it wants off the shelf and worries about prices later.

In terms of personal satisfaction, the \$4,955 family is happier than the \$110,729 family.

To understand this, think of the "Cloud". You can buy a laptop powerful enough to store all your programs and data. Or you can get by with a mobile device whose apps connect online to a "Cloud" of someone else's servers which store your data. The laptop is heavier to carry than the mobile device, but makes you more independent. Or you can just live in the "Cloud" confident that no matter how you mess up your device; your data will be backed up.

America is being divided between the workers and the dwellers in the government cloud.

The \$110,729 families are independent while the \$4,955 families are living in the cloud. Their

cloud is "Social Capital". Social Capital is their support system within their extended families and the government. Instead of using real capital, they use the collective Social Capital of family resources and government aid.

The \$110,729 family pays for everything. The \$4,955 family pays for very little. The \$110,729 family earns and saves money because that is its medium of exchange which it uses to obtain food, shelter and clothing. The \$4,955 family uses money for luxury goods like televisions or sneakers. It doesn't need to save money because cash is just bonus points. Its necessities like food, medicine and shelter are covered by the social capital of the government.

The \$4,955 family is single parent, but is built around a large extended family, mostly female, and mostly on various government benefits. That family is capable of providing valuable aid, not just in government money, but also by babysitting and helping out at home.

That extended family is one reason why Clan \$4,955 has 5 to 8 kids, while the mother of the two-parent \$110,729 household is tearing her hair out trying to figure out how to manage two kids and a full-time job. The \$110,729 household doesn't have much of an extended family. Their grandparents live somewhere else and are enjoying their retirement. They pitch in sometimes, but not nearly as much as their own parents did, and they have their own financial problems.

The \$110,729 family is isolated while the \$4,955 family is part of a social network that extends through a dozen female relatives to the entire government. Is it any wonder that the \$4,955 family also has much less worries and is living an existence more associated with 19th century fantasies about an indolent Polynesian paradise than the grim modern day struggles of the \$110,729 family living in the house they don't own and worrying what will happen to their standard of living if they lose their jobs tomorrow?



The \$4,955 family has a lot of kids. Its kids, in traditional Third World style, are disposable. If a few go down, there will be public tears and wailing, but there will be a bunch of others left. Clan \$4,955 doesn't do helicopter parenting or hover over Shane Apple Buckbaum-Cleavens and worry about how he's going to get into Harvard when the waiting list for a private kindergarten is so long. The \$4,955 family's kids are disposable. They bring in money to the family in the form of benefits, then they drop out of school, hang around causing trouble until they marry, drift to another city or go to jail.

Their parents cry over them, a lot, but they don't invest too much in them because no single child represents their future.

The offspring of the \$4,955 family are more likely to be shot, stabbed, locked up or die of a drug overdose, but the \$110,729 family is more likely to be left childless. It's almost completely certain that the \$4,955 family will extend into the third generation and will be several times larger. Meanwhile the \$110,729 family may not even have a third generation or its third generation may see the four grandparents shrink down to two or three grandchildren.

Since the \$110,729 family is actually funding the lifestyle of the \$4,955 family, that's a problem, but it's a problem that no one talks about. And when social capital gets tight, Medicare for the \$110,729 family's grandpa is more likely to be cut than the endless community grants that help keep the \$4,955 family and all their many kids comfortable and voting Democrat early and often.

The \$110,729 family is responsible. It understands that money is finite and that the government can only do so much. The \$4,955 family doesn't understand that and won't accept it and has a lot more free time and energy to do something about it. The \$110,729 family looks at a variety of factors before voting. The \$4,955 family is practical, it looks only at its own bottom line.

No money, no vote.

On paper, the \$4,955 family is poor. But so were the Polynesian beach combers. Poverty is relative. From the perspective of a white male capitalist, the \$4,955 family is ridiculously poor, but its life is actually comfortable and worry-free compared to the \$110,729 family.

On paper, the \$4,955 family is poor. But in a society where hundreds of billions of dollars go into funding social capital, the old dollar-and-cent household values no longer apply.

A 1913 family that had less than 5% of the net worth of the average household would have been living a grim existence complete with patched clothing, hungry children and a ramshackle hut that they were paying an outrageous weekly rent for. But a 2013 family with 5% of the net worth has just dropped out and is letting the average household carry it.

There are still plenty of working poor in America, but the broken families that pad out the bottom of that \$4,955 statistic rarely work for a living. They work for extras. Social capital has freed them of the need to work for anything except luxuries. And when they work, they don't pay taxes, usually they get someone else's taxes back as Earned Income Credits.

On paper, the \$110,729 family has an impressive household worth, but much of that worth comes from a mortgaged home that it is struggling to keep up the payments on. The \$4,955 family lives in a housing project that they can't lose no matter how many payments they miss on their high interest credit cards. If the payments get too hard, they'll drop \$199 on a hole-in-the-wall lawyer to declare bankruptcy.

The middle class has become the new poor. The old economic uncertainties of the households at the bottom of the ladder have fallen squarely on it-- with none of the sympathy, which is still reserved for their welfare wards.

The middle class is trapped by its own aspirations. Those aspirations are weighed down by a political system that exists for the benefit of the upper and lower classes. Though the middle class still has the majority of the vote, it has the least political influence because it has the least disposable time and wealth, and lacks a dedicated political class to represent its interests

The United States is no longer a middle class country. It is a country whose political establishment answers to the operatives of the very rich and the very poor, the donor class and the welfare class. Politicians have a vested interest in catering to very rich donors or welfare voters because they have the time, money and organizations to get their way. And what they want is wealth redistribution upward and downward from the middle class.

The middle class is being looted by crony capitalists and welfare clans. The liberal Robin Hoods who direct billions in stolen money to Green Energy companies and ghetto voters do their best to convince the middle class that it should vote for them because it's actually poor.

The middle class is poor, but it has all the disadvantages of poverty and none of the advantages.

Its workaholic efforts leave it at a disadvantage when it comes to competing with the idle rich and poor who launch Green Energy companies that are meant to fail and stand in line waiting to cash their latest government check every other week. The middle class just doesn't have the time or energy to do anything about the trap that's in. Unlike the rich and poor, it can't even get politically organized.

The Obama vision is a "Cloud" America where all the money is in the government cloud and each family is given support according to its needs and is taken for whatever its abilities earn. That vision is already true on the \$4,955 scale and is coming true on the \$110,729 level as well.

The government money "Cloud" works about as well as Healthcare.gov. Its brand of central planning has failed everywhere it's been tried. But the experiment won't completely crash until the middle class does. Margaret Thatcher famously said that Socialism works until it runs out of other people's money. The "other people" are the middle class who have the most money and the least ability to protect it from the cloud dwellers.



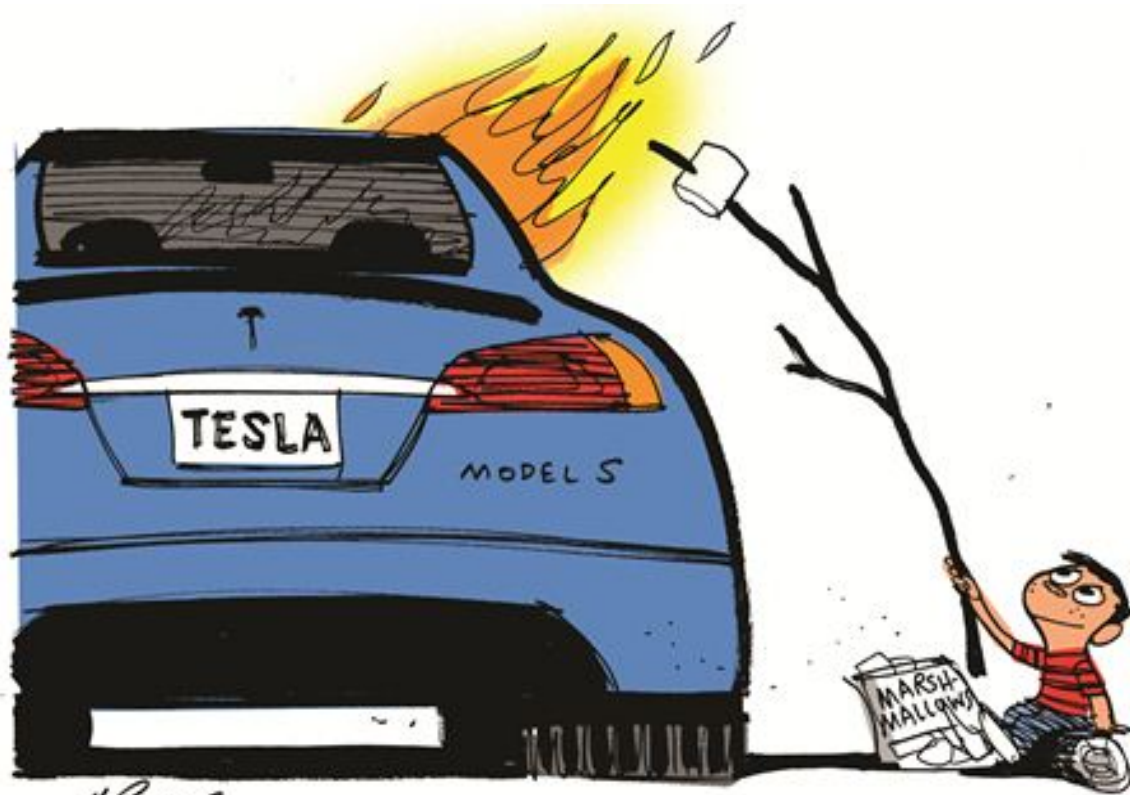
There are two Americas; the America of the working class and the Obamerica of the government class. Measuring poverty in net worth is relevant in only one of these Americas. To measure poverty across both nations, we must speak of the poverty of freedom, the poverty of family and marriage, the poverty of economic security and the poverty of leisure time.

These are the true measures of modern poverty in an America where some people are living in a postmodern government cloud that uses social capital instead of personal income and others are scratching out an uncertain living to support the "Cloud Dwellers" who manage the government bureaucracy, work at non-profits and squat in the \$4,955 space.

Our postmodern economy punishes personal aspiration and rewards the surrender of economic independence to the government. More Americans are vanishing into the government cloud, going on disability, dropping out of the system and entering the cloud until the cloud is too heavy to keep on floating in the sky and sinks down to earth or until the New Poor get tired of living fearful lives to subsidize the utopian fantasies of the 1% and the Polynesian lifestyles of the \$4,955.

An American workers' revolution will not be a Socialist revolution, it will be an Anti-Socialist revolution of the new poor of the middle class.





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WWDSD (WHAT WOULD DON SHULA DO?)

