

# Visible Technologies

## Why Social Media Matters

Four Keys to Leveraging the Social Channel



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Now that more than 75 percent of all Americans are participating in some form of social media through blogs, forums and sites like Facebook and Twitter, companies need to understand what consumers are saying, why they're saying it and how their dialogue has the potential to impact business.

As part of its 2008 North American Technographics Survey, Forrester Research found that 37 percent of U.S. online adults are "critics" who contribute to online forums, post product reviews or comment on blogs. Twenty-one percent are "creators" who develop and upload original content, and 69 percent are "spectators" who read blogs, forums and review sites. Not only do these percentages represent tremendous growth over 2007, but it's highly anticipated that the 2009 report will reveal even further increases. Witness the effects of Oprah, Ashton Kutcher, CNN, and the Iran protests on the volume of Twitter participation in recent months.

As the chorus of conversations and the proliferation of social technologies that enable participation grow, companies must make sense of the new channel for consumer interaction. Organizations need to think less about social media as just "consumer chatter" and more about how to understand, digest and invest in the science behind what consumers are saying—and most importantly, participate with "their" consumers where they have congregated.

## It's Time to Listen, Learn, Engage, and Measure Social Media

### The Groundswell

Thanks to the explosion of the social channel, companies now have more insight into consumer perception of their brands than ever before. We know, for example, that social interactions are causing companies to try and navigate this new medium both reactively and proactively; we also know that companies are no longer in control of their brands – consumers are. Lastly, we know technology is simply an enabling tool to better understand the social channel and subsequently, the social revolution.

And what a revolution it is:

- More than 133 million blogs have been indexed since 2002
- Twitter has grown more than 1,300 percent in one year. More than 10 million users create 1,500 new "Tweets" every second
- Facebook user growth for the 35-year-old-plus demographic has grown to 12 million users in the first quarter of 2009.

Why is this such a new era and paradigm for organizations and marketers? Though social media is a collective action, in actuality it's the result of millions of individual monologues and dialogues. Listening to, learning from, measuring and engaging in the millions of conversations, are the keys to success. If we grasp the context and mindset of these back-and-forth exchanges, as well as their relevance and sentiment, we'll be able to gauge consumer passion in a new and multi-dimensional way.

### Hearing the Voice of your Customer

One of the goals for companies should be to make sure they accurately hear what their customers are saying, whether they

like or dislike products or services and ultimately whether they are advocates, evangelists or detractors. Business success in the coming years will require companies to harness the power of social conversations, as the youngest and oldest members of society increasingly embrace platforms like Facebook, Twitter, forums, and blogs to connect and collaborate in real-time communities. And it's not just the volumes of conversations but the velocity that's changed the equation. Today, these brand conversations can move with astonishing speed, around the world several times before companies are aware of it. In addition, not every Tweet or post is created equal and "hearing" what customers are saying is just the first step; context, which we'll cover, is just as important, and that precedes engagement. Companies that engage with consumers will find that they have the ability to guide their brand; while those that don't will find their brand disconnected from consumers and imperiled.



## Getting Started

We often hear from companies that while they can see some of the potential benefits of investing in social media, they can't envision how it would be employed and deployed in their organizations. There are a number of reasons for this: people are overwhelmed by the variety and numbers of social media channels, companies are loathe to commit manpower without an idea of the possible ROI; and people often lack the vision to see how social media investments translate to business outcomes. Remember a decade ago when many companies questioned the value of a Web

site? Multibillion-dollar businesses like EBay and Amazon were built around the concept of a Web site. Will we look in the rear view mirror around the social channel one day with this same perspective? Companies that are embracing social media and interacting with their customers view the social channel as table stakes—the same way we view customer interaction via Web sites, retail stores or contact centers. The question is how to embrace your customers and leverage this channel.

## Four Keys to Transforming your Organization using Social Media

Our experience has revealed four keys to adopting and integrating social media into your business.

### Step 1: Listen – What are your Customers Saying

The key initial questions for anyone diving into the social media space are:

- Is anyone online actually having conversations about my brand, product or service?
- What are they discussing?
- Is what they are saying good, bad or indifferent?
- Who are these people having these conversations? Are they influential?
- Finally, where do they tend to congregate?

This type of listening requires a transformation of corporate culture that we haven't seen since perhaps the introduction of the telephone. The traditional listen-and-learn process still employed widely today focuses on inputs from sales, customer service, and feedback from media coverage. There is an inherent time delay in this information pipeline and a high degree of filtration, thanks in large part to human nature. So what companies "hear" at the end of that pipeline can come too late for action and be distorted.

Listening to and learning about social media conversations eliminates the slack and the filter, but it's a daunting task simply because of the volume of conversations. Casting a wide net to capture the majority of conversations that matter is key to listening and learning effectively. This sets the stage for the next step.

### Step 2: Learn - Analyze and Understand

In the second step, companies should digest conversations and ask:

- What is driving conversation of my brand?
- What are the perceived characteristics of my brand?
- What are the perceived characteristics of my competitors' brands?
- Where is the white space?



- What are the opportunities to improve brand perception?

This is another crucial step in leveraging social channels and one that, again, requires business transformation. Social conversations tend to be viewed within two major contexts: time and volume. Louder conversations in a short period of time might suggest a company needs to act quickly. But not all conversations are created equally. A simple search may turn up an angry blog post or hyperventilating Tweet about your product or service. In and of itself, that post or Tweet appears threatening to the brand's reputation. Clearly the customer is upset, but is the customer influential? Was it a post from a person with five readers or 5,000?

A now-classic case study involved Johnson & Johnson and the "Motrin Moms" furor late last year. The company ran an advertising campaign about baby-carrying backpacks and slings, suggesting Motrin would help alleviate the attendant back pain. Some bloggers took offense to the ad's tone and began posting and Tweeting vociferously. A tempest seemed to be erupting around J&J, which, in a few days, apologized and pulled the ad. But subsequent analysis found that despite some hype around the blogger response, the

outcry was limited and never reached the mainstream of consumers in America.

The complexities of social conversations extend far beyond a single post. Analysis and insight, ideally enabled throughout an organization, can enable effective response decisions that maximize an organization's resources. It's also key to the next step in leveraging social channels.

### **Step 3: Engage – Participate in the Conversation**

In the third step, companies that have gleaned insight and understanding about consumer passions related to their products/ service and who have organizational readiness can move into community participation. This can be a challenging transition for traditional marketing cultures used to having control. The volume and velocity of brand reactions today means that brands transform with consumer interaction and with the ebb and flow of conversations around them. Far from being a static entity, brands are fluid and dynamic, and the best a company can hope for is to guard its brand, rather than own it. Engagement is key to that success.

Although active participation can be organized and should be structured as such, your company likely does not want multiple interactions from people in your company responding randomly or without coordination.

Supporting engagement initiatives with customer relationship management-like software can ensure you don't under or over-respond while providing pre-approved content to handle frequently occurring situations. Additionally, companies must keep in mind that all outreach needs to be conducted in a transparent and genuine way otherwise the social consumer will backlash.



Some key groups will hopefully emerge out of engagement:

- Your product advocates are levers for your success. When you arm them with information, reward them for their loyalty and respect them by considering their input and using it, you magnify their energy on your behalf. Give them some recognition, and value and measure their impact.
- Detractors need and deserve respect, too. You'll find many are irrational, not articulate, and struggle to support their argument with facts. Your social media monitoring tools can help you find the influential critics. Engage them directly, honestly and

transparently. If your enthusiasm for listening and addressing issues comes through, you can turn critics into advocates.

- The people on the sidelines will see all of your efforts directed to the advocates and the critics. They can be positively influenced by your transparency and honesty.

### **Step 4: Integrate & Measure Results**

The last step is to integrate the social media content, processes, and metrics across all lines of your business. This is not a simple task but your company's customers are your life blood and all departments—public relations, finance, product management, customer service, and marketing—need to work together to manage and optimize what your customers are saying.

Social media listening platforms have emerged as powerful ways to automate and measure everything you've listened to and analyzed. In fact, as social media campaigns become part of most integrated marketing strategies listening platforms can aid in managing volumes, engagement, and measurement.

Measurement metrics can include:

- Brand buzz: Who's talking about your brand right now and what's the tone?
- Influence: Are complaints/praises coming from isolated individuals or people with huge followings and influence?
- Reach: How far are your messages spreading?
- Virality: What is the speed at which a conversation moves throughout the social media ecosystem?

Listening platforms extend a company's visibility into a customer's world beyond the sales cycle, and this is crucial as consumers today are 24-7 information sources for brands, both positively and negatively. Actively managing social media will enable you to understand whether a YouTube training series you're running has lightened the burden on your customer-support team or whether a Twitter campaign is driving traffic to your site.

## **The Uncertainty Factor**

Skeptical marketers wonder aloud whether there's enough proof in the social media monitoring and measuring pudding. Not only does the unfamiliar social media landscape—platforms as well as required cultural change—seem daunting, but budgets are extremely tight these days. How do you sell management on relatively new platforms and processes? The question should be asked another way: How can companies not invest in platforms to understand the conversations swirling about them when the velocity of both good and bad brand news travels at the speed of light?

Skeptics seem to be moving into the minority. Recent data reveals

Anticipated Spending in Online Marketing Sectors in 2009			
	Up	Flat	Down
Word of Mouth/Social Media Marketing	77%	12%	11%
Behavioral/Contextual Marketing	70%	22%	7%
Online Media Buying/Planning	47%	40%	13%
Market Research	27%	50%	23%

Source: AdMedia Partners 2009 Market Survey

that 95% of social media marketers will maintain or increase social media spending in 2009. The chart to the left reveals that online marketing, particularly social media and word-of-mouth marketing, are key areas of increased investment in 2009. One

## A New Relationship with Customers

Interacting with customers is not a new phenomenon. Social media is simply a new channel for customer interaction, offering promise as well as potential pitfalls. Before diving in, brands and companies need to evaluate if they are ready. Brands must assess how well they engage with their customers today. Are they optimizing those customer interactions? How many would admit they are not? When venturing into this arena, firms should understand the basic principles of interacting with consumers in general.

Social media participation is becoming critical to many brands' customer service, marketing, and communications strategies. But firms need to ask themselves—if we struggle to listen to customers in existing channels, and if our products could use improvements and our marketing programs are stale, then jumping into the social media will not help fix those underlying issues. Adopting social media must be an extension of the strategies your organization has for reaching, servicing, and marketing to customers. Forging a truly interactive dialog between organizations and your consumers is the central premise and promise of the social media channel.

Most of your current and potential customers are online. They are engaged with social or consumer-generated media. They are discussing the brands and products they love and the brands and products they dis-like. They have influence and power to affect your company and its product sales. Winning companies are developing strategies and tactics to listen to, learn from, analyze, understand and engage with this powerful new channel. The ball is in your court.

additional striking comment comes from P&G, who has stated that they will reduce spending on traditional research by half and devote the remaining 60% to online "listening" research in 2009.

## How Visible Technologies Can Help

In theory, a brand could turn on RSS feeds or do Google Alerts and monitor real-time search engines in an attempt to read every mention related to their brand, but when you're dealing with literally hundreds or thousands of unique conversations going on every single day, that task quickly becomes overwhelming. A company would need to have employees manually poring through day and night to find insight and determine what may need to be interacted on. A company like Visible Technologies can help by taking this vast sea of unstructured conversations and through automated layers of collection, ranking and sentimentation, identify key issues and influential conversations for organizations. Once a company has structured data that pinpoints where to focus their efforts, they can then direct those conversations to people in their organization who can best engage in those conversations.

# For More Information Contact Visible Technologies Today

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