



Corporate social media: an investigation into the relationship between business and social media, with 7 real-world case studies



Report produced in partnership by
Jonathan Ballantine and Nick Johnson

Contents

Social media and business	3
So what is social media?	3
Why is this so important to business?	4
Social media is changing the definition of corporate communications - and with it your job as spokesperson	5
Driving social media internally	6
Building a successful social media engagement strategy	7
Monitoring	8
Building returns into social media	8
Case studies	
Dell	9
Disney	10
Ford	11
IBM	12
Intel	13
Pepsi	14
Starbucks	15
From following to leading	16

Social media and business

The past decade has brought new opportunities for companies seeking to engage with their customers – who are using social media to share opinions, experiences and perspectives in borderless communities.

As these communities become ever more powerful in disseminating the information they want and filtering out what they don't, any successful communication strategy should place digital communication at its core. The challenge for an organisation is how.

In this practical briefing we will provide insights and case study findings from our discussions with more than 25 industry professionals.

So what is social media?

However you define social media, an important point is that it is not about the technologies themselves, but rather the change in behaviour. This is not a mere trend; it is a new form of communication.

The new way of communicating goes against the grain of what organisations have been typically doing – top down, broadcast- type communications with no interaction or dialogue with their audiences. What social media has done is to turn this model upside down, by creating a bottom-up, democratised communication system.

This is changing the definition of communication – traditionally companies have focused on formal channels such as advertising and public relations in order to communicate with their audience. Social media is making this less relevant, as audiences demand dialogue.

In marketing terms this is equivalent to the migration from a “push” strategy to a “pull” approach.

The organisations that have had greatest success in this new world are those that have integrated social media into their communications strategy and have aligned policies to social media's fundamental concepts.

Why is this so important to business?

Business reputations and opinions are being defined through these new channels. Sooner or later all organisations will have to become involved, as not communicating is a clear message in itself. Whether you participate or not, the conversations will happen. You can either tell your story or have it told for you.

For companies entering this space there are some key rules of engagement.

First, organisations need to realise that social media is not another advertising or media channel – even though it can facilitate social commerce and improve reputation. The most effective starting position for any organisation is to listen to what is being said about them or their competitors to help develop a stakeholder-engagement strategy.

Once an organisation begins its approach it is imperative that it is done in a transparent, authentic and consistent way. There can be no dipping in and out – you have to make a full commitment and try to become part of the conversation and the community.

Content needs to be kept fresh and relevant – although it does not necessarily have to be content in the traditional sense of the word. Content in this instance could just be presence: providing one half of a potential conversation.

Based on our discussions with social media leaders the critical success factor for any social media marketing activity is for it to be genuine. If it seems or feels inauthentic, it will fail. The guiding principles for any organisation venturing into social media are:

- **Be active**
- **Be everywhere**
- **Be nice**

Being active means you must participate in genuine conversations, where the focus of intention is about giving and not receiving. You cannot throw money at social media marketing and expect it to work. It is very easy for organisations to dress up old media tactics in social media clothing – but that approach is not sustainable and looks prehistoric in the new environment.

Being everywhere means exactly that. If your organisation is going to convince its target audience that it is what it purports to be, it must do so everywhere online. Being active everywhere means you are giving yourself the best opportunity to provide constant, contextual, responsive and valuable content within each and every available target community.

Being nice may not mean all it first seems – especially in the face of harsh criticism. When engaging, organisations need a tough skin when listening and monitoring feedback. It is important is to be able to respond to negative messages in a constructive and timely manner – to some extent it is like being a good parent.

To gain momentum and begin shifting perceptions, it is not enough to “advertise” what you do or what you think; you have to become a part of the conversation and the community. It must be in your company’s DNA, not a bolt-on marketing tool.

Those who are committed to real, embedded stakeholder engagement have already accepted the virtue of being active, everywhere, and nice.

Social media is changing the definition of corporate communications – and with it **your job** as spokesperson

In the new media environment, change is happening fast and furious. Traditional media outlets are shrinking, while social media channels are multiplying. For organisations and communications professionals, these changes present big challenges.

Your audience is becoming more empowered and, for the first time, has a connected platform to share their thoughts and knowledge on a global scale. For the messenger, social media provides you with both a threat and an opportunity when engaging with your audience. It is crucial that corporate communications professionals integrate an engagement strategy that enables the organisation to exploit the opportunities while managing any potential threats.

In this section we examine how social media culture and platforms are having a major impact on business communication, practices and processes. How can these tools be utilized; how can you employ strategies within your company to increase profitability, sustain reputation and empower your employees to act as brand ambassadors?

Driving social media internally

There has been much debate on who should lead or coordinate a company's social media engagement strategy. To a certain extent this really depends on the type of organisation, the business objectives, the industry sector and geography.

Fundamentally, any authentic social media programme must be a doable strategy that can only begin from a vision for responsible corporate citizenship – and that is the domain of senior management. That said, the strategy must be integrated: the policies that are developed and the practices that are implemented must tie directly into the business mission and feed directly back into the enhancing of brand equity. Therefore corporate communications and marketing units are well served to centrally coordinate such programmes.

At the corporate level it is essential for communication professionals to design the right strategy for the organisation, where clear objectives for entering into social media should be identified. One of the biggest challenges will be persuading others “to do this” in the absence of pure return on investment. Without making a generalisation, social media by its very nature is generational and there could well be a lack of understanding on some boards.

At the functional level the issue is more centred on the integration of social media in other communication responsibilities. By acknowledging the business objectives for pursuing a social media engagement strategy combined with an understanding of how social media is changing the definition of communication, you will be well placed to begin integrating social media as an additional component in your organisational communication plan.

Social media requires full commitment. Therefore it makes sense to set up the internal processes and guidelines in advance. Each sector has its own internal blueprint for managing resources. Typically, the technology sector has favoured a decentralised, grassroots approach that allows all employees to participate. To offset potential risks employees have been involved in the development of codes of conduct, which has helped uptake (through the likes of employee ambassadors) and minimised potential misuse. Consumer brands, however, have deployed a more centralised structure – driven by corporate communications. Both structures have advantages and disadvantages.

Building a successful social media engagement strategy

Social media tools can be highly disruptive to any company and are changing the fabric of communications. There is no manual or silver bullet in how to succeed in social media – perhaps the best single piece of advice for all communications professionals is to keep an open mind and listen.

Although social media culture may appear somewhat casual in practice, if you are investing time and effort in this channel you must have a strategic objective for why you are doing it. It has to support some measurable organisational goal so that you can determine if it has been worthwhile or not.

Try to understand the legitimacy of these tools as organisational communication channels and where they fit within the organisation alongside traditional channels. Social media platforms should not be seen as a replacement tool but rather as complementary. It is really about adding these channels into your strategic planning.

Seven things to think about:

- **Decide where social media fits within your organisation**
- **Identify the community you want to engage with**
- **Assess your available resources and capabilities**
- **Visualise what success would look like for your organisation**
- **Determine what things you could be doing today**
- **Learn how you can engage with online influencers**
- **Examine what leading companies are already doing**

Increasing numbers of companies are trying to feel their way through social media – only a few truly understand what they are trying to achieve. For the majority, there is a frantic rush to attach their brands to Twitter and Facebook – where planning, strategy and rationale have been overlooked in the pursuit of fans, friends and followers.

Avoiding the need to be a part of the next hot thing is crucial. Far smarter to hold back, think about the people you would like to talk to, understand how they behave, what interests them and then formulate an engagement strategy that allows you to contact them.

It is important for companies to learn who the perceived social media leaders are. Starbucks, Dell, Google, Pepsi, Intel and Disney are among the top brands in terms of engagement. Sector trends are particularly interesting – the above list shows that technology, media and consumer companies are highly engaged in many channels.

Monitoring

Monitoring is an important aspect to any social media initiative. Tight integration between traditional and online campaigns is crucial, and requires organisations to have the right procedures in place to take advantage of the conversations, either about themselves or their competitors.

There is no one-size-fits-all. Each company or brand needs to develop its own monitoring strategy and implementation plan. There is a range of monitoring tools to help brands and companies keep up with all social media mentions and capture the conversation.

Building returns into social media

Everybody wants to know if social media can have a positive commercial impact on their organisation.

Measuring social media's return on investment is not impossible, but it can be difficult because many elements are difficult to track. From a business context, ROI is measured purely dollars and cents, but the principles can really apply to any type of investment – financial or not. Having defined objectives is crucial to calculating your return on investment. So before you set out to measure and monitor your social media returns, you need to have a clear idea of what you want to achieve.

The trick is not to rely solely on the numbers, but on what the numbers end up leading to. Seth Godin, best-selling author on developments in modern business, constantly remarks that the digital economy has created false networking or “faux followers”. What Godin is really pointing out is that the traditional goals of marketers– reach and frequency – do not stack up today. Having 100 or 1,000 fans/followers/friends really doesn't matter if they are not adding value.

Does your increase in web traffic result in higher sales? What is the behaviour of people who find your website from Twitter or Facebook? That's the sort of data you want access to.

Those who have started social media engagement should take a second look at who is following them and try to understand what they are saying. The key is that this is not a numbers game – the real value is turning your fans/friends/followers into advocates.

Case study Dell

Harnessing the power of the web has always been key to Dell's strategy. Dell sees the web today as an interactive tool that's more about creating direct connections with customers and mass collaboration than about e-commerce.

Dell recently announced that Twitter – where the company has more than a million followers – had generated more than \$3 million in revenue. And the company's own IdeaStorm site has generated in more than 350 ideas that have been implemented into product and business innovations.

To make this happen, Dell has a group of 40 employees dedicated to “communities and conversations”. Incubated within its public relations team, this group started out by listening and learning before engaging with customers, a model that remains key today.

After three years of experimenting, listening and learning Dell has concluded that social media is about connecting and communicating across all aspects of the business. So while a core social media team remains, the marketing, sales, support and product groups all need to have their own arms around their customers.

While social media started as a way for Dell to distribute news and special offers, it has evolved into a critical relationship builder, integrated into all business units.

Dell offers three tips on integrating social media into your business operations:

1. Listen first

Learn from what your customers are saying to establish your baseline.

2. Engage employees internally through social media

Use blogs or company-specific social tools to get people used to and excited about the platforms.

3. Encourage employees to engage externally

Social media can be addictive. Encourage your employees to create accounts on social media sites and to have a voice in their community.

Case study Disney

Disney recently launched two campaigns, Disney Dream Job and Walt Disney World's Moms Panel.

The Disney Dream Job programme asked people to upload a video audition for their dream job at a Disney theme park. The response was overwhelming, with Disney sifting through thousands of videos to post the five finalists online, where millions of people voted for the winner.

The Disney World Moms Panel was a programme seeking moms to share their knowledge and passion for Disney World family vacations with other moms. The response was again overwhelming, with more than 40,000 applicants for a 12-person panel.

By using social media to engage with customers, Disney has access to a focus group of its most important customer base, the decision-maker in the family... Mom.

Walt Disney Pictures is also utilising social media to spread the word about film releases. In July last year Disney started a Facebook campaign for the film Alice in Wonderland, which launched this month.

Typically studios offer press materials to publications and movie blogs, which then disseminate that information to the fans. Offering this sort of publicity info directly to the interested public – using social media channels – is a pretty new concept.

The target audience for Alice in Wonderland is internet savvy and connected with social media. Thus, it makes sense for Disney to make a direct connection with some of this material and, in effect, brand more of the buzz.

Disney stresses the importance of marketing “with” consumers and not “at” consumers and suggests marketing departments of the future will be renamed “engagement departments”.



Meet and learn from expert corporate social media practitioners in person at the Corporate Social Media Summit – find out more at <http://usefulsocialmedia.com/wp>

Case study

Ford

Many companies in the automotive sector are using social media. Leading the way among the three major car companies in the US, Ford is working hard to give itself a social media personality. Whereas GM and Chrysler are following a more traditional brand voice, Ford is proving through Twitter that personal interaction trumps stale communications.

Ford's social media team takes an integrated approach rather than focusing on short-term campaigns. From top to bottom, Ford has infused the company with a culture of social media – employees feel a connection with their customers and a sense of involvement.

Given Ford's strong performance in recent months, including a \$997m third-quarter profit, several commentators are suggesting that social media could be a driving factor in the company's current success. According to Business Week, the automaker will spend 25% of its marketing budget on digital and social media this year.

In February Ford won the Society for New Communications Research's Brand of the Year award for its innovative use of social media to improve the way the company communicates with its stakeholders. The notable social media programmes Ford has launched include:

- **Fiesta Movement**
- **The Ford Story**
- **Plaid Nation**
- **Wedding Road Trip**
- **Summer of Taurus**
- **The 2010 Mustang**

The Fiesta Movement is considered the crown jewels. The Fiesta is a European car that Ford will begin producing in the US in 2010.

Ford gave 100 cars to "agents" who were free to communicate in any way they wanted – tweet, blog or take photos or videos. Ford aggregates the unedited conversations on fiestamovement.com.

At the end of six months the agents return the cars. Their feedback is fed into Ford's engineering to make tweaks to the North American version of the car.

This has resulted in "50,000 hand-raisers" who have seen the Fiesta online or in person who've said they want to know more about it when it comes out – and 97 per cent of those people do not currently drive Fords. As a result, there is already a 38 per cent awareness of the Ford Fiesta in the marketplace, a phenomenal rate given that Ford has not spent a dollar on traditional advertising.

Case study IBM

When IBM decided to start using blogs, it didn't just create one blog, it created an entire network. IBM enabled its employees to write about their experiences, what they're working on, or any other topic of choice.

IBM capitalises on the intelligence of its employees to give consumers insight into what happens behind the scenes. By giving a voice to the industry experts the company has hired, IBM is able to highlight the people behind its products. Users get to see how IBM operates, and are given a direct connection with IBM employees.

IBM has been encouraging social networking among its employees with in-house versions of web 2.0 hits such as Facebook and Twitter. Over the past two years, IBM has been busily launching in-house social media. So far, IBM has Dogear, a community-tagging system based on Del.icio.us, Blue Twit, and a rendition of the microblogging sensation Twitter. It also has a web page called Many Eyes that permits anyone (including outsiders, at many-eyes.com) to upload any kind of data and launch discussions about it on blogs and social networks.

The biggest success is the nine-month-old social network Beehive, which is based on Facebook. It has already attracted 30,000 users, including top executives.

Beehive looks like a business response to Facebook, and aims to further connect workers by sharing information about themselves and events. IBM has created features that encourage user engagement, for example "My Top 5", which enables employees to post five things that are important to them for their peers to see.

Case study Intel

Intel is widely seen as a leader in tech innovation, but in recent years that culture of innovation has permeated social media. Intel's social media managers achieved buy-in across the enterprise three to four years ago through forging relationships with legal, PR and marketing managers, and a strategy of "getting as many voices as possible involved in the company's social media efforts".

The company formed a Social Media Center of Excellence, the central hub where employees could become familiar with social media. The team developed a set of social media guidelines – and the company dared to trust its employees.

If someone wants to blog on behalf of Intel, they can do so simply by watching a 30-minute training video developed by the social media team. More than 1,000 Intel employees have taken the training class. Employees can start a presence on Twitter, Facebook, YouTube, Flickr and other social media sites.

Intel believes that companies that are not incorporating social media into their business processes are missing an enormous opportunity -- to reach current customers, future customers and customers' customers.

The basis of Intel's strategy is to:

- **Build communities**
- **Engage others**
- **Empower employees**
- **Expand the conversation**
- **Strengthen relationships through active listening**
- **Be social media leaders**
- **Promote Intel and its brand**

If social media content is in context, then the company will approve it, regardless of whether it's favourable or not. However, if the content is offensive, denigrating and out of context, then it will reject the content.

Intel's policy on social media goes against usual corporate practice. At a time when many businesses are considering (or already are) banning the use of social media in the workplace, it is trusting its employees to do what's right and transparent.

Case study

Pepsi

PepsiCo is going to great lengths to foster customer engagement. The company has even dropped its SuperBowl ads in order to redirect resources to its engagement efforts.

The company's Mountain Dew division is several stages into its Dewmocracy campaign – a plan to launch a new Mountain Dew flavour with the public's involvement. It has also just launched the Pepsi Refresh Project.

The Pepsi Refresh Project and the Dewmocracy campaign are part of a crowdsourcing effort that is part of the larger PepsiCo plan to closely integrate consumers with the brand.

The first Dewmocracy campaign launched in 2007. This inaugural effort let consumers choose Dew's new flavour, colour, name and graphics, and resulted in more than 470,000 people voting and an overall one million people taking part in some phase of the process, according to the company's Dewmocracy media site. The winning new flavour, Voltage, hit store shelves in January 2009.

In July last year, the second Dewmocracy campaign was launched. The multi-stage effort tasks Mountain Dew fans to narrow seven sodas down to one final new flavour that will become a permanent part of the Mountain Dew family, using social media platforms 12seconds.tv, Twitter, Facebook and YouTube.

PepsiCo looks at Dewmocracy, driven purely by word of mouth, as a way of doing business rather than an ad campaign. It says the most important thing is the passion consumers feel for Mountain Dew.

PepsiCo considers social media as the best way to get direct dialog with fans and for the company to hear from those fans without filters.

The Dewmocracy campaign fits with Mountain Dew's brand and customer profile – giving customers ownership of the brand. Pepsi says it is trading off "reach" for "depth" and is trading short-term impact for long-term impact.

Pepsi is not just soliciting customer input; it is also putting it into practice, with business decisions now based solely on customer feedback.

Case study Starbucks

“My Starbucks Idea” is a consumer portal where Starbucks customers can share ideas and suggest how to improve “the Starbucks experience”. Understanding and acknowledging that Starbucks is more than a cup of coffee is a key part of the equation.

Lots of people have ideas about how to make Starbucks better, but the key to succeeding is figuring out which ideas will really make the service better for existing customers and help Starbucks acquire new ones.

My Starbucks Idea takes the concept of crowdsourcing and opens it up to any customer willing to register – giving end-users the ability to see what other people are suggesting, vote on their ideas and see the results.

Starbucks’ “Ideas In Action” blog acts as a counterpart to the My Starbucks Idea website. This site is written by Starbucks employees, who report on how customers’ ideas are implemented.

Feedback comments can be posted on this site – in contrast to many company blogs. By being open to that second level of feedback, Starbucks is able to continue the dialog with its customers.

Starbucks also uses Twitter to talk with customers, including announcing news and handling direct and indirect customer issues and complaints. It opens up a channel for Starbucks’ customers who prefer to use Twitter as their method of communication. Starbucks currently has more than 177,000 followers.

Starbucks is striving to engage with a large customer base through multiple platforms without duplication. By empowering its web savvy customers, Starbucks strengthens its campaign to add a personal touch to coffee.

Thinking of ways to build your company is great, but directly asking your consumers what they want is by far better. Acting on that information and doing it publicly is key to the success of Starbucks’ strategy.

From following to leading

Social media has been a quick success – and one that caught many by surprise. In less than a decade we have seen a massive shift in the way content is being generated and distributed across global communities.

We may be witnessing the beginning of the end of the business-as-usual landscape: we have seen the collapse of GM and Lehman Brothers; revolt at the culture of excessive bonuses and, in Britain, MPs' expenses; not to mention the near economic collapse of Iceland and Greece.

These incidents are converging and, as we move forward, changing the way businesses behave. Today there are greater demands on corporations by stakeholders for accountability and transparency. Simultaneously, social media continues to innovate and proliferate mainstream culture.

Somewhat paradoxically, social media engagement can both foster and hinder an organisation's progress towards greater accountability and transparency.

On the one hand, social media has the power to rapidly fuel negative messages among influential external communities. On the other, with careful planning social media engagement can be used to target your audience and engage them about the work you are doing – and can provide enormous opportunities such as third-party recommendations that can affect brand reputation and long-term financial performance.

A company's communications team has a key role to play in the internal development of social media engagement, by incorporating key components of social media within the organisational communication strategy. However, if the two fundamental principles of social media engagement are authenticity and transparency, then social media cannot be the exclusive domain of the communications department in the longer term. To fully realise the potential of social media, organisations need to make it a part of their DNA by embedding social media practices across the business – with all employees acting as ambassadors.

In many cases, specific business units such as R&D, product design, purchasing or logistics are better placed to engage at the micro-level and convey a company's message to their specific communities, rather than working through a centralised communicator. Marketing and customer service can benefit immensely, and senior management can go a long way towards humanising a company through their participation. All of this can generate significant upside in the form of brand equity, product development, research data, and much more.

Only this next level of social media engagement, where organisations are generating highly-focused, micro-engagements that foster organic conversation, will help turn "followers" into brand advocates.

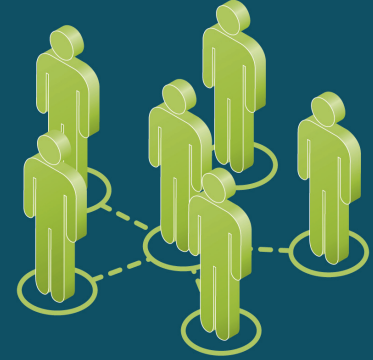
Two-day business conference, 17-18 November 2010
The Regent's Park Marriott Hotel, London

Useful Social Media 

The European Corporate Social Media Summit

How to use social media to enhance marketing and communications; engage consumers; and boost profits

usefulsocialmedia.com/europe



Get exclusive insights and best practice examples on:

- How to **design and implement a social media strategy** specifically tailored to your business
- How to **establish social media value** for your company - and measure whether you're getting any
- How to effectively engage consumers and employees to **manage your reputation and control risks**
- How to **understand the nuanced European market** - and leverage that knowledge for better marketing and communications

"No matter where your social media program is at, you will take away useful information to help you with it"

Mark Davis, Director of Corporate Relations and Media, Union Pacific Railway

An event exclusively focused on the needs of business:

100%

of our 20+ speakers are drawn from big business

100%

of topics covered were requested by corporate communications and marketing executives

100%

of our 14 workshops deal with corporate social media issues, risks and opportunities

Get exclusive insight from our senior corporate speaker lineup including:

First Direct

Paul Say
Head of Marketing

first direct
Member HSBC Group

Vodafone

Aileen Thompson
Director of Communications

vodafone

Toyota

Colin Hensley
General Manager of External Affairs

TOYOTA

PepsiCo

Nicki Lyons
Head of Media Relations

PEPSICO

Umbro

Stephen Corlett
Head of Brand Communications

UMBRO

DHL

Christian Maybaum
Global Social Media Co-Ordinator

DHL

Dell

Stuart Handley
Director of Communications

DELL

AND MANY MORE!

Figaro Digital readers get **£200 discount** - just quote **FIG200** when you book!

International Communications Sponsor

FLEISHMAN HILLARD
INTERNATIONAL COMMUNICATIONS