

Best Practices for Using Social Media To Drive Business Outcomes



Best Practices, LLC

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Research Overview



Research Objective, Methodology & Topic Areas

This benchmarking research will provide comparative metrics that marketing and communications leaders can use to evaluate their Social Media programs against those at other companies.

Study Objective & Methodology

The purpose of this survey is to understand how companies use Social Media tools in their business environment, the opportunities and risks associated with Social Media applications as well as requirements for managing their use.

Data was collected through an online survey of individuals responsible for overseeing Social Media activities.

Results are segmented into two groups:

1. **Early Stage**—businesses that limit their activities to monitoring company-specific content posted on Social Media sites and
2. **Mature Stage**—businesses that pursue Social Media initiatives proactively to positively impact business outcomes.

Key Topic Areas

- **Key Social Media Tools and Applications**
- **Impact of Social Media Efforts on Business Objectives**
- **Policies for Using Social Media in the Workplace**
- **Corporate Maturity Levels in Using Social Media**
- **Anticipated Trends in Social Media Use**
- **Effectiveness Measures**
- **Training Requirements for Social Media Professionals**

Benchmark Research Participants

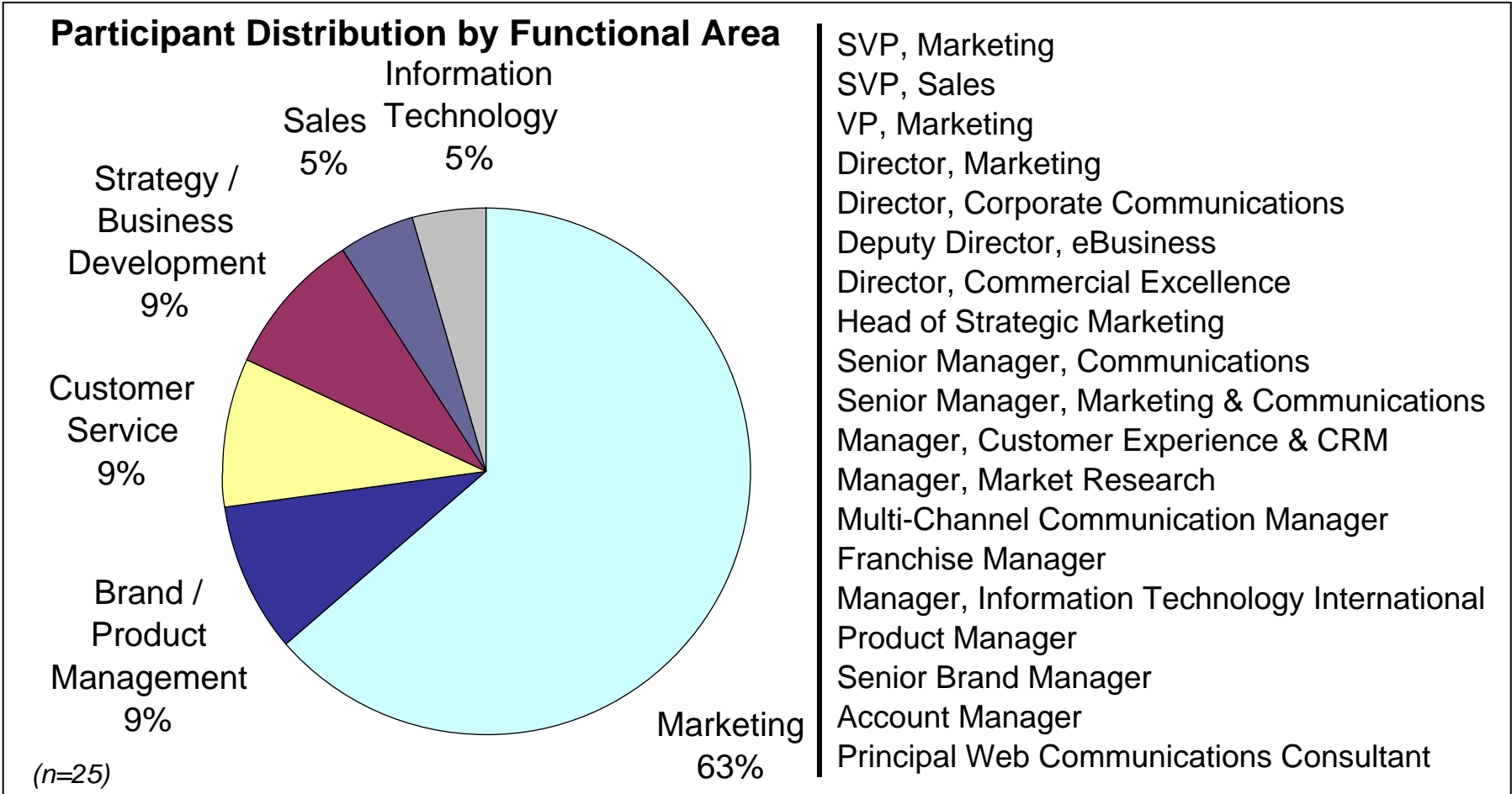
Participants in this benchmarking research included 25 respondents at 24 companies across utility, healthcare, pharmaceutical and other industries.

Participants

Participants: American Electric Power, Bayer, CenterPoint Energy, Dentsply, Dräger, Emerson, The Emirates Group, Emsi, GlaxoSmithKline, Grupo Uriach, IMS, Jackson Energy Authority, Janssen-Cilag, Johnson & Johnson, Lucelec, Merck, Mid-American Energy, MSD, N-Tara, Peco, Shieldstream, Takeda, Talyst & TMP Direct.

Most Participants Hold Job Titles of ‘Senior Manager’ or Above

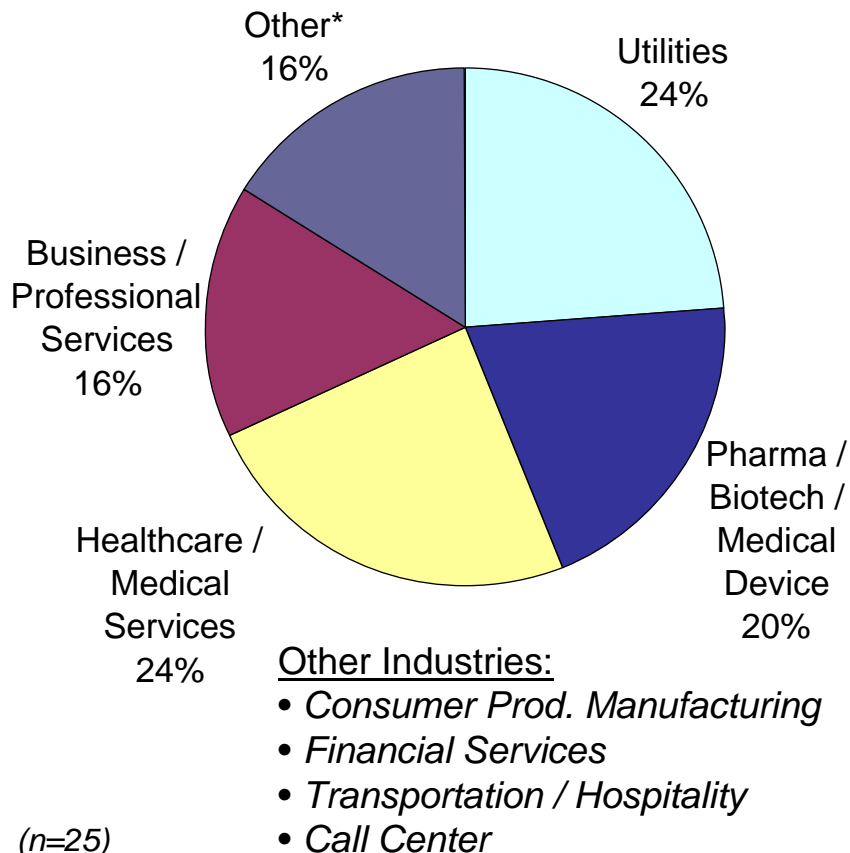
The majority of respondents work within marketing or marketing-support functions. Job titles of respondents ranged from manager to senior vice president.



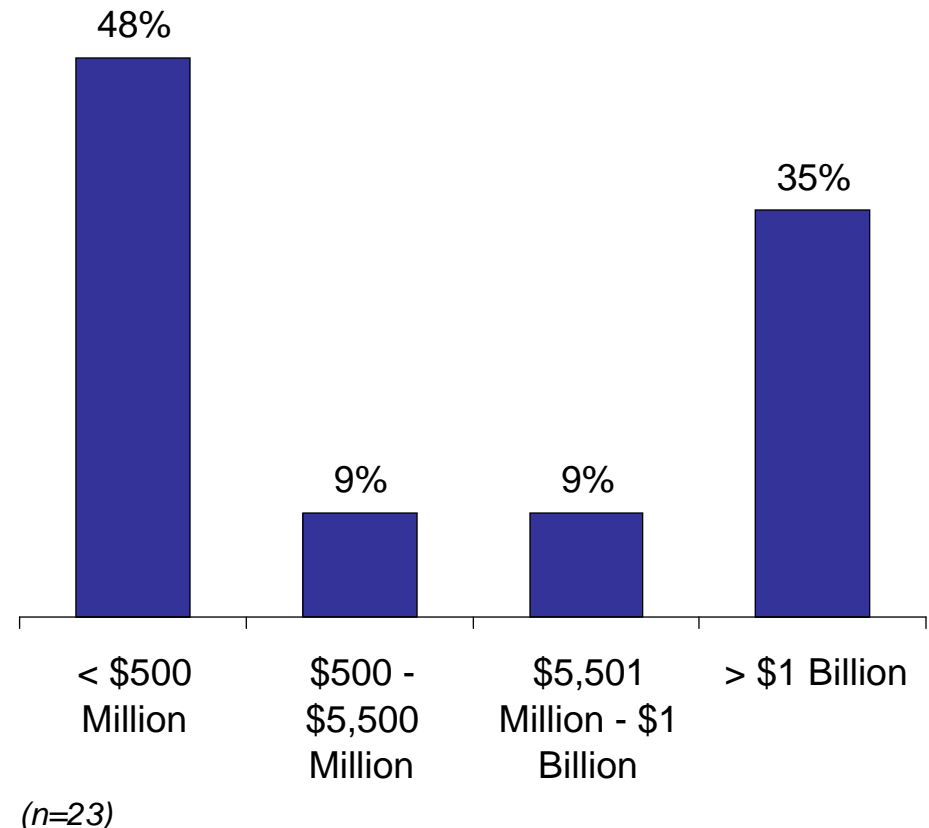
Benchmark Class Represents Multiple Industries

Benchmark participants represented a wide range of industries and company sizes. Industries with the heaviest representation were utilities, healthcare and bio-pharmaceutical. Company size ranged from annual revenue of under \$500 million to over \$1 billion.

Participant Distribution by Industry



Participant Distribution by Revenue



Key Findings & Insights



Key Study Findings

The following key findings about how companies are using Social Media emerged from this benchmarking research.

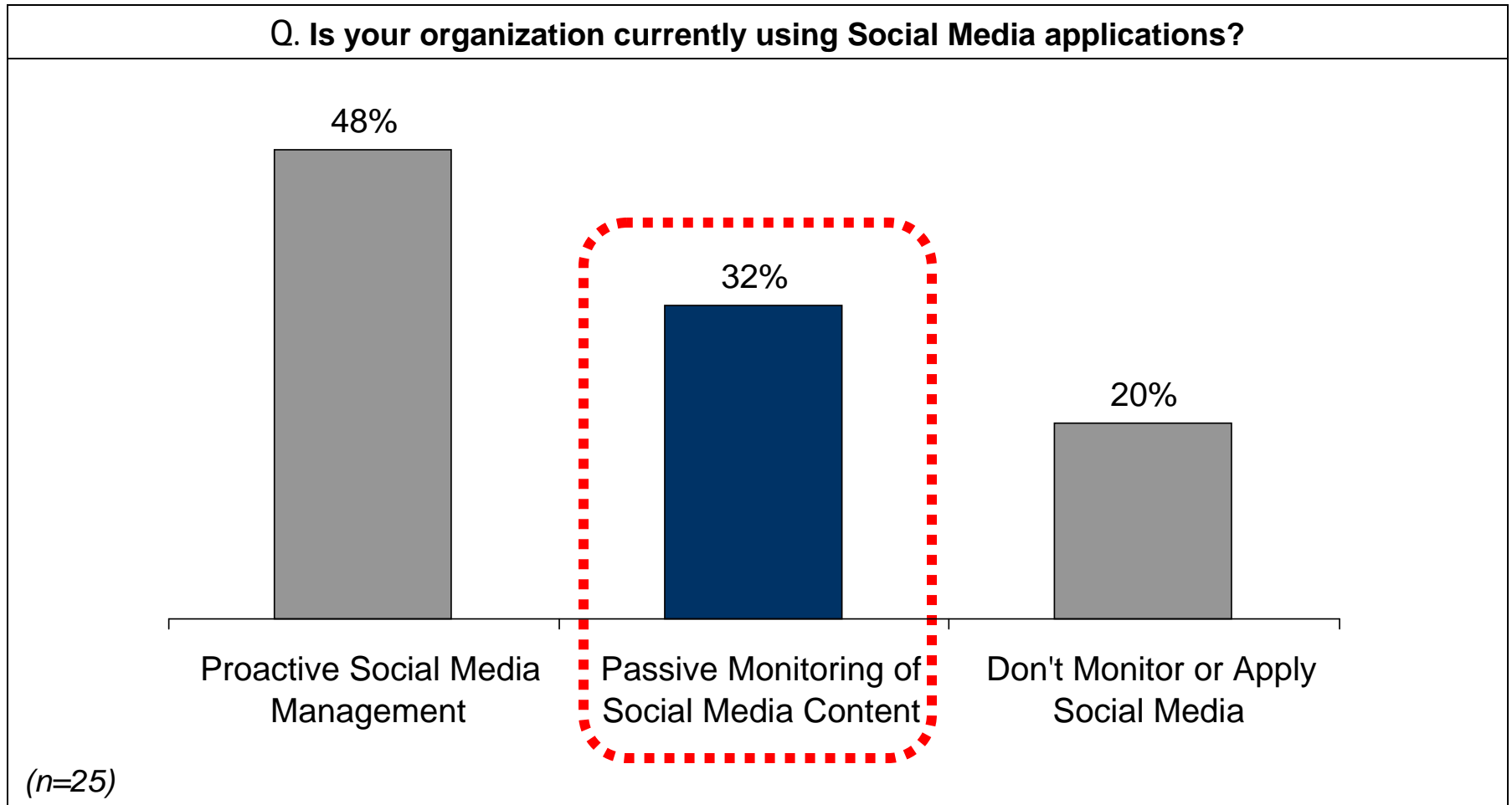
- **Monitoring Social Media Sites for Content:** Companies that only monitor Social Media activity (32% of the benchmark class) employ a small staff of one FTE (median value) to do so.
- **Proactively Engaging in Social Media Marketing:** About half of benchmarked companies already have more mature Social Media strategies. Overall they will play a bigger role in companies' marketing strategies during the next year(s).
 - Social Media staff is about two FTEs (median value) at proactive Social Media companies. Half of participants in this category handle all tasks internally.
 - Twitter is more important for these companies. Google is equally used at profiled companies.
 - Twitter, LinkedIn and Facebook mean the greatest benefit for corporations actively engaged in Social Media efforts.
 - Companies report Social Media has the greatest impact on product branding and building the corporate image, followed by customer communication and education.
 - Companies use mostly customer-centric metrics to measure their success.
- **Social Media Policy:** Independent of their maturity in Social Media, about half of companies have written policies in place to govern the use of Social Media at the workplace.

***Early Stage Segment:
Companies That Limit Activities To
Monitoring Social Media Content***



One-Third Monitor Content Purely to Ensure Accuracy

About one-third of companies in the benchmark class are passively monitoring Social Media content on the web without strategically driving Social Media activities, compared with 48% that are engaged in content or activity management. Ensuring content accuracy is the principal goal.

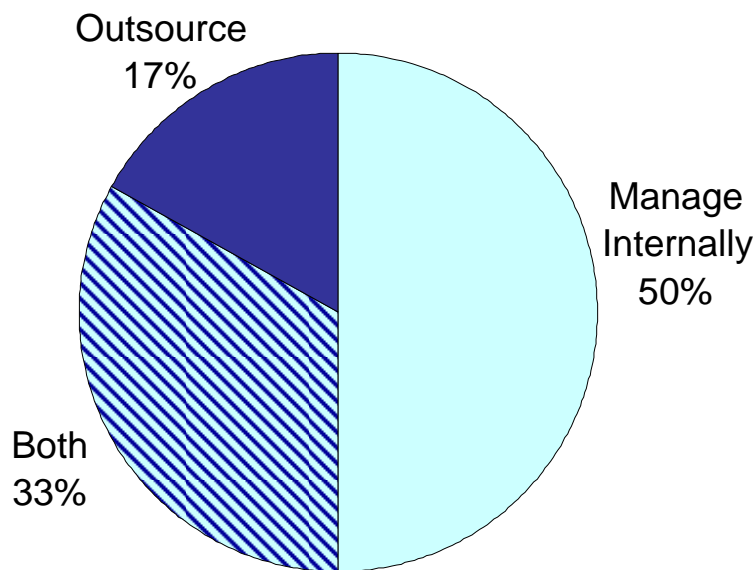


Half of Those Monitoring Social Media Content Use Vendors

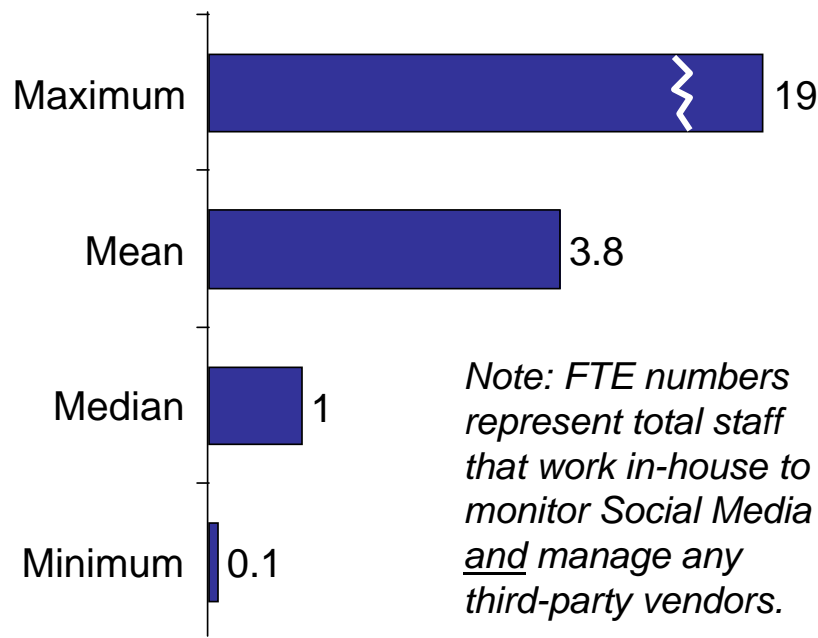
For the companies whose social media activities are limited to monitoring, 50% outsource some or all of the work to vendors and 50% manage the activities with internal staff. Half the companies in this segment (monitoring only) employ more than one FTE, while the others employ fewer than one for monitoring activities.

Q. Is monitoring performed in-house or outsourced? How many total staff do you employ to monitor Social Media content, including contractors?

Monitoring Social Media Content: Who Does It?



(n=6)



Note: FTE numbers represent total staff that work in-house to monitor Social Media and manage any third-party vendors.

FTE Distribution

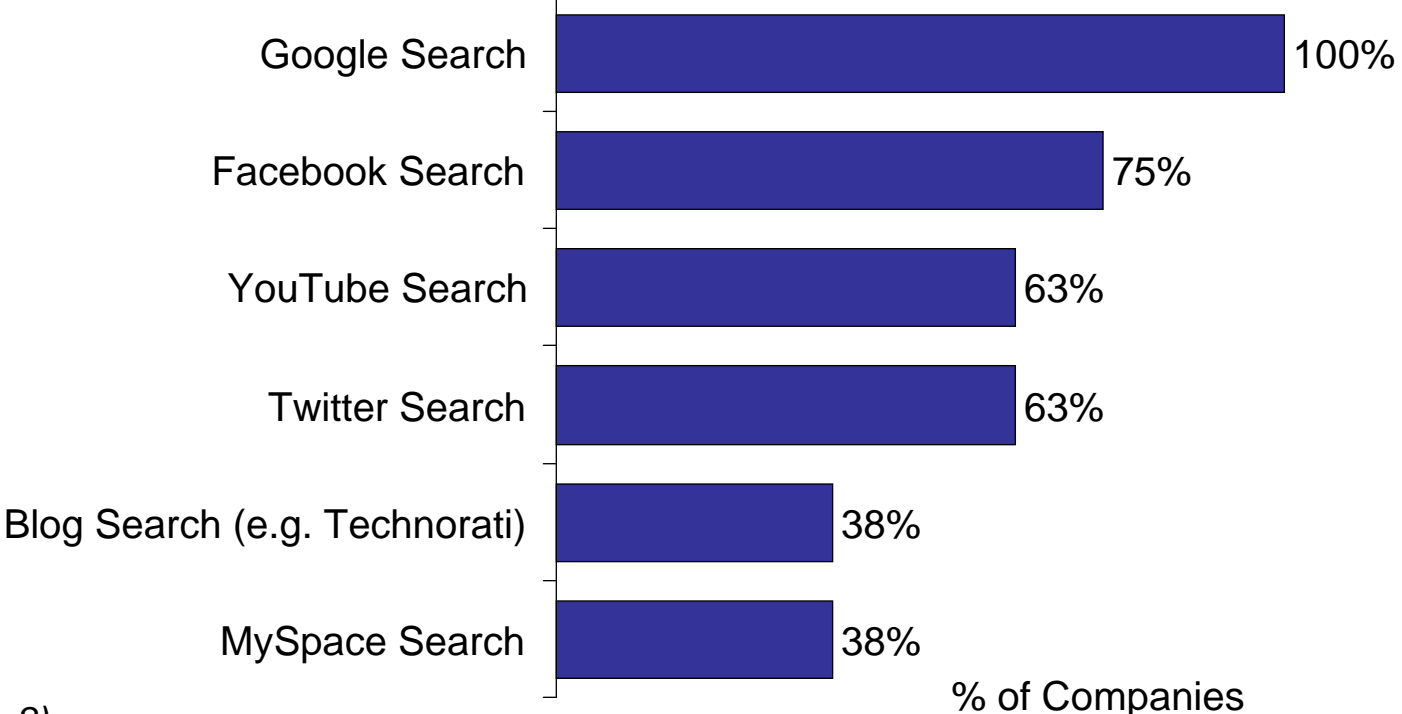
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Google, Facebook Are Top Monitoring Tools for Early Stage Segment

Google and Facebook are the tools that the Early-Stage segment companies use most frequently to monitor Social Media content on the web. Typically, participating companies in this group use between three and four different tools to monitor activity.

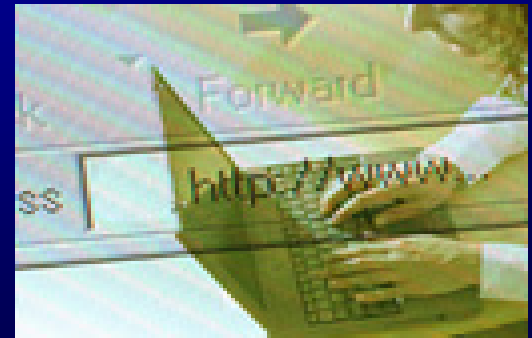
Q. What tools do you use to (passively) monitor Social Media content? (Choose all that apply.)

Monitoring Tools



(n=8)

***Mature Stage Segment:
Companies That Proactively
Manage Social Media***



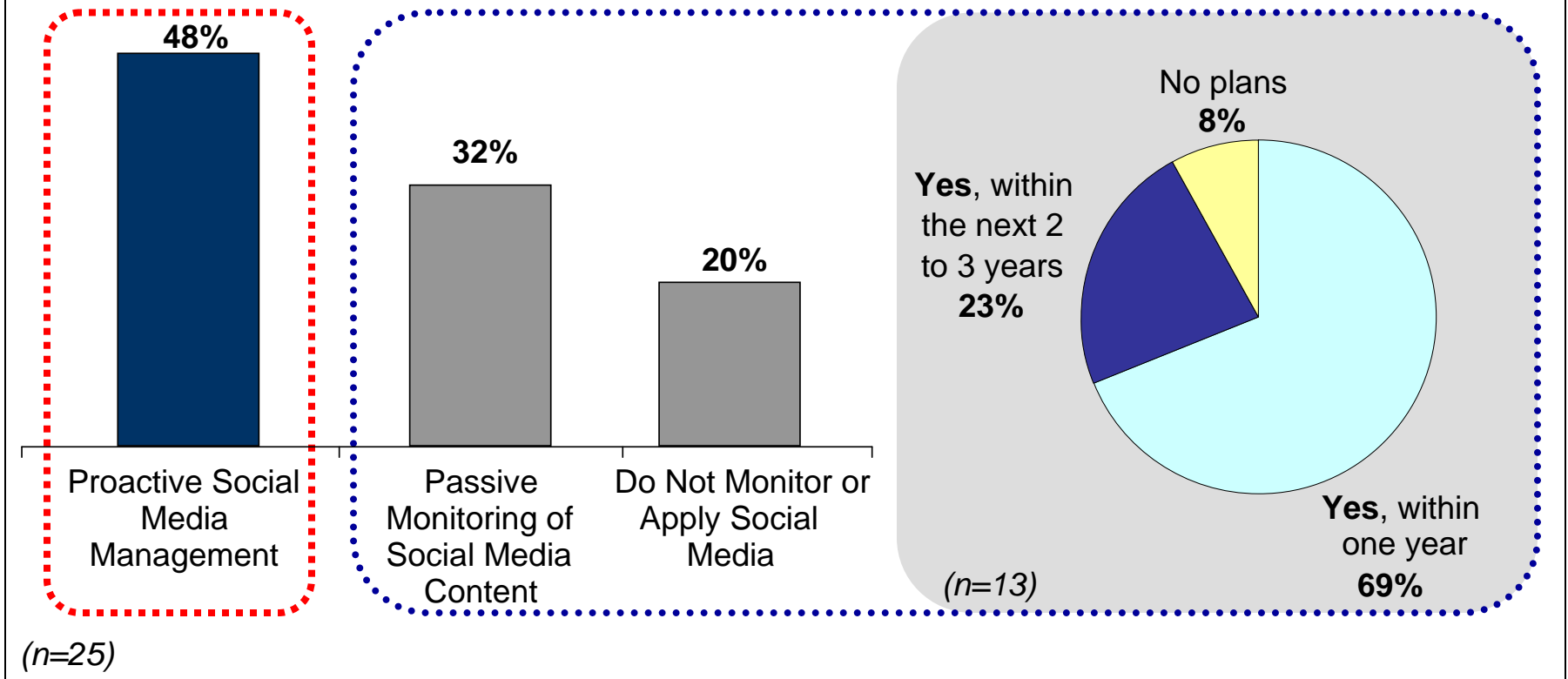
About 50% Use Social Media Proactively; Most Others Plan to Follow Suit in Near Future

About half of benchmarked companies have more mature Social Media strategies that apply various online tools to positively impact business outcomes. Social Media activities will play a bigger role in companies' marketing strategies during the next year(s).

Q. Is your organization currently using Social Media applications? If you are not currently using Social Media proactively to achieve business outcomes, are you planning to do so?

Yes, Currently Proactive

No, Not Currently Using Proactively

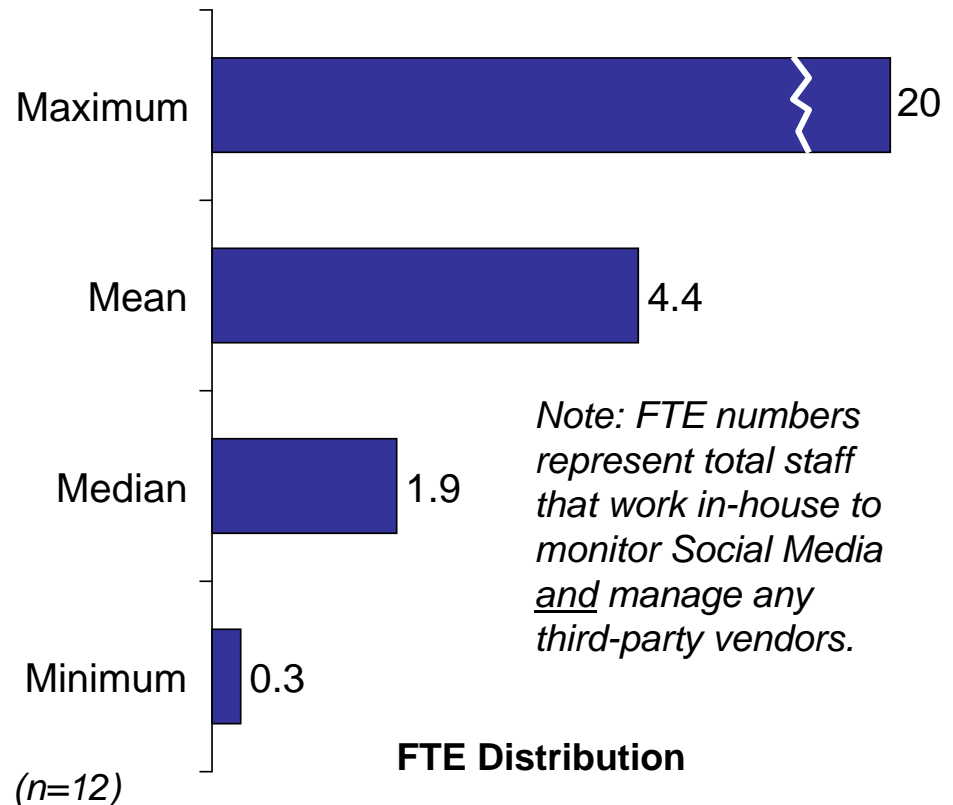
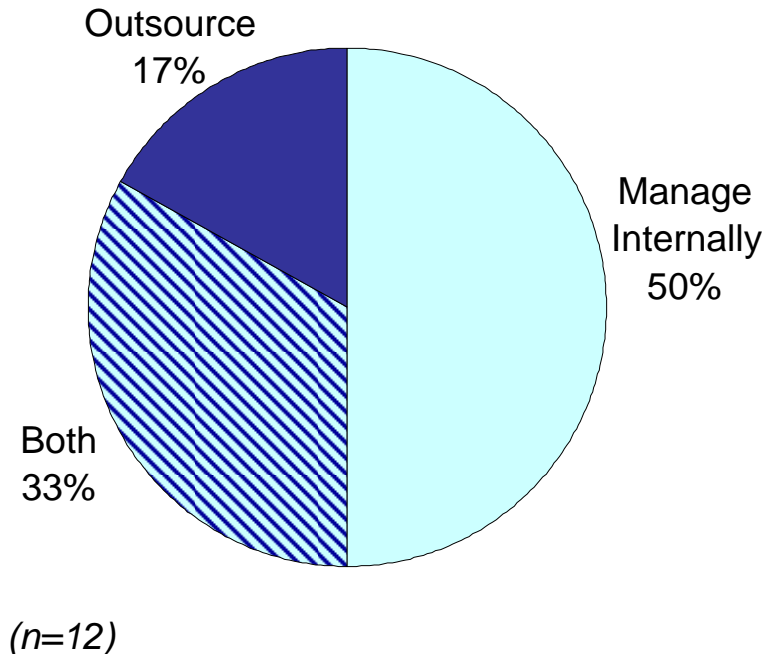


Proactive Social Media Strategy Requires More FTEs

Companies that proactively manage social media employ about twice as many FTEs on average (median) as do companies with activities limited to content monitoring.

Q. Is monitoring performed in-house or outsourced? How many total staff do you employ to proactively manage Social Media content, including contractors?

Managing Social Media Initiatives: Who Does It?

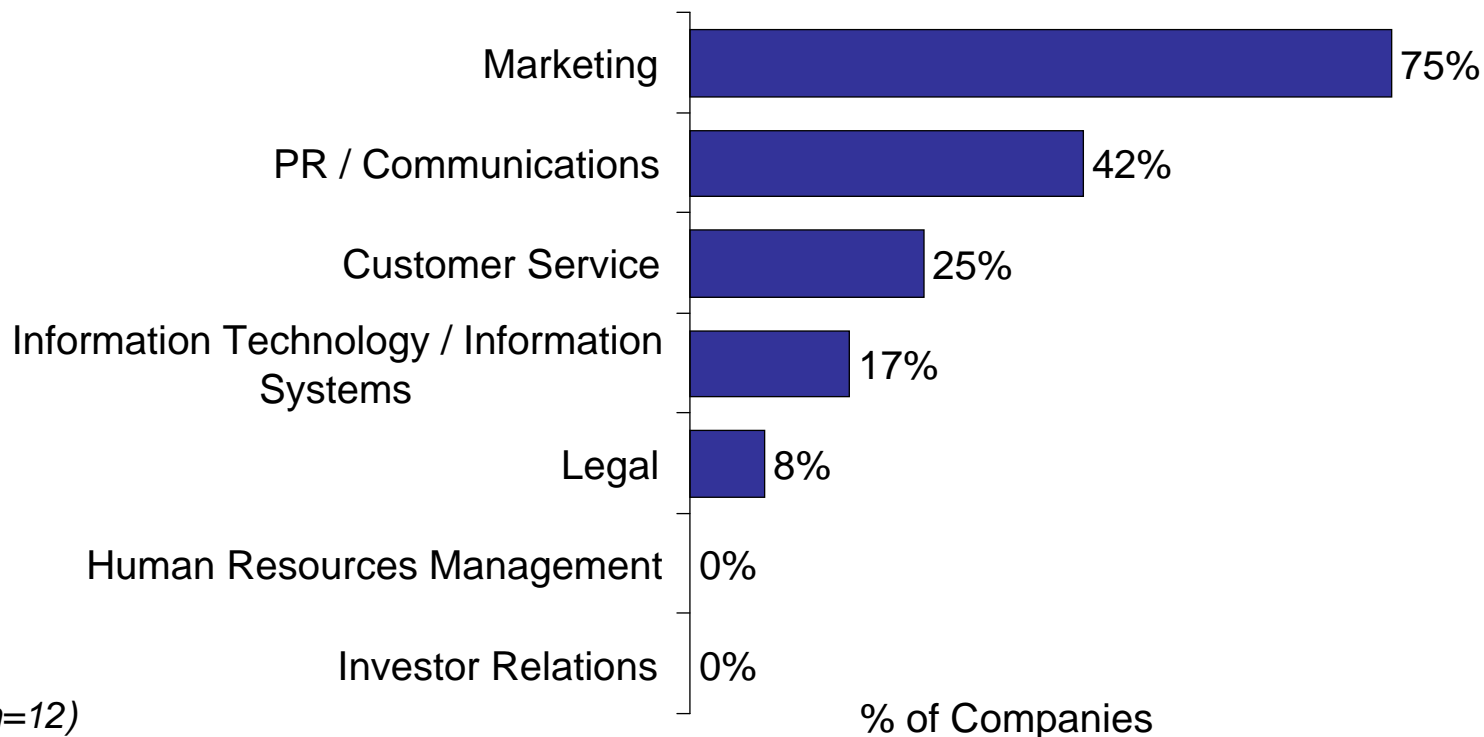


Social Media Activities Are Usually a Marketing Responsibility

Responsibility of Social Media falls to the Marketing organization at three-quarters of participating companies in the Mature Stage segment. Public Relations and Communications groups also have a role at 42% of those benchmarked.

Q. Which group within your organization is responsible for managing Social Media initiatives?
(Choose all that apply.)

Responsibility for Social Media

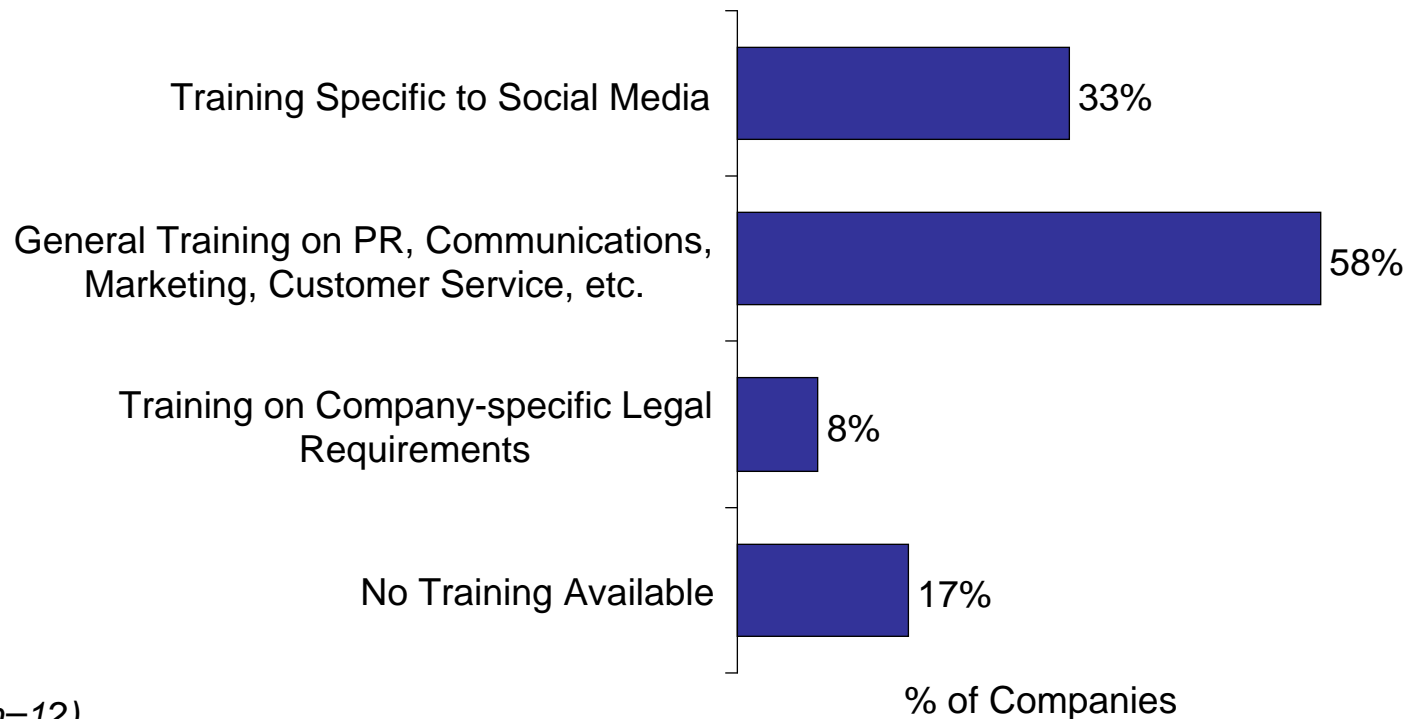


One-Third of Companies Require Social Media Training

Even though a majority of Social Media employees undergo formal training on marketing, communications and customer service, only a third are required to have training specifically focused on Social Media.

Q. What kind of formal training does your organization require for personnel responsible for Social Media initiatives? (Choose all that apply.)

Social Media Training



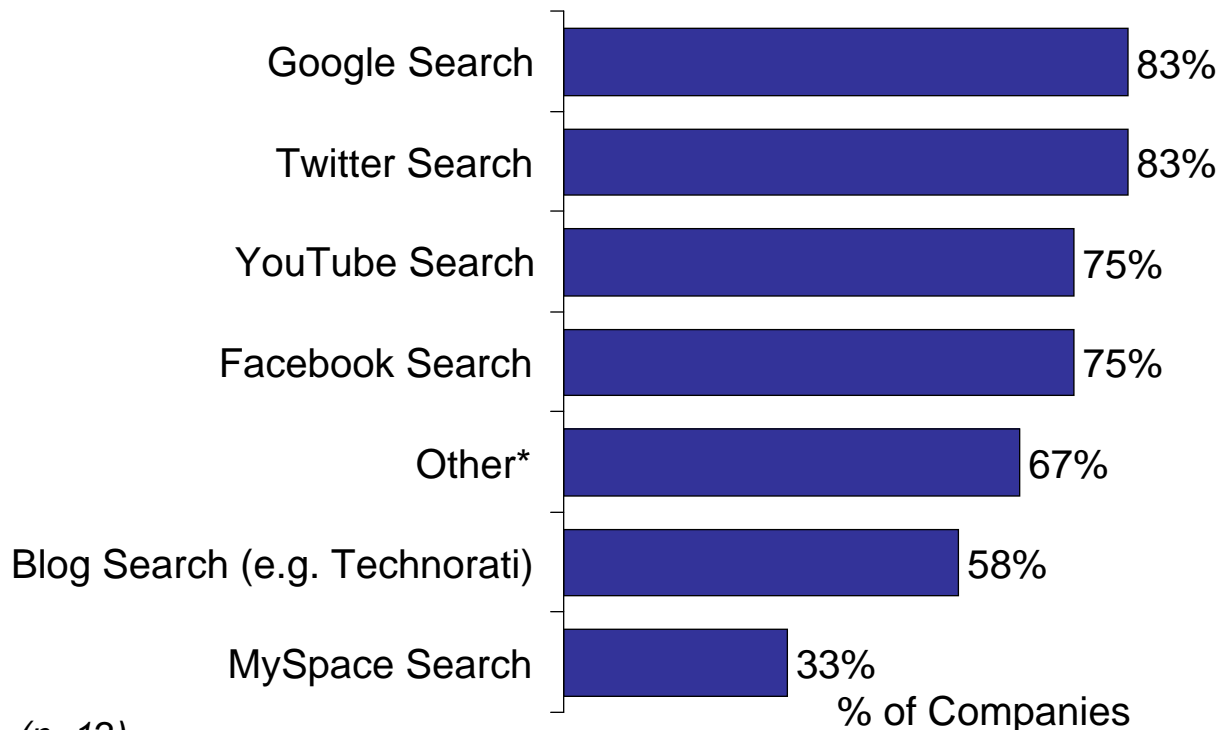
(n=12)

Twitter As Common As Google for Monitoring at Proactive Firms

As a monitoring tool, Twitter is used just as frequently as Google by the segment of companies that proactively manage Social Media. Compared with companies that monitor passively, the proactive segment relies less on Google and more on Twitter. Proactive companies also use a larger variety of monitoring tools than others do.

Q. What tools do you use to (proactively) monitor and apply Social Media content?
(Choose all that apply.)

Monitoring Tools



(n=12)

% of Companies

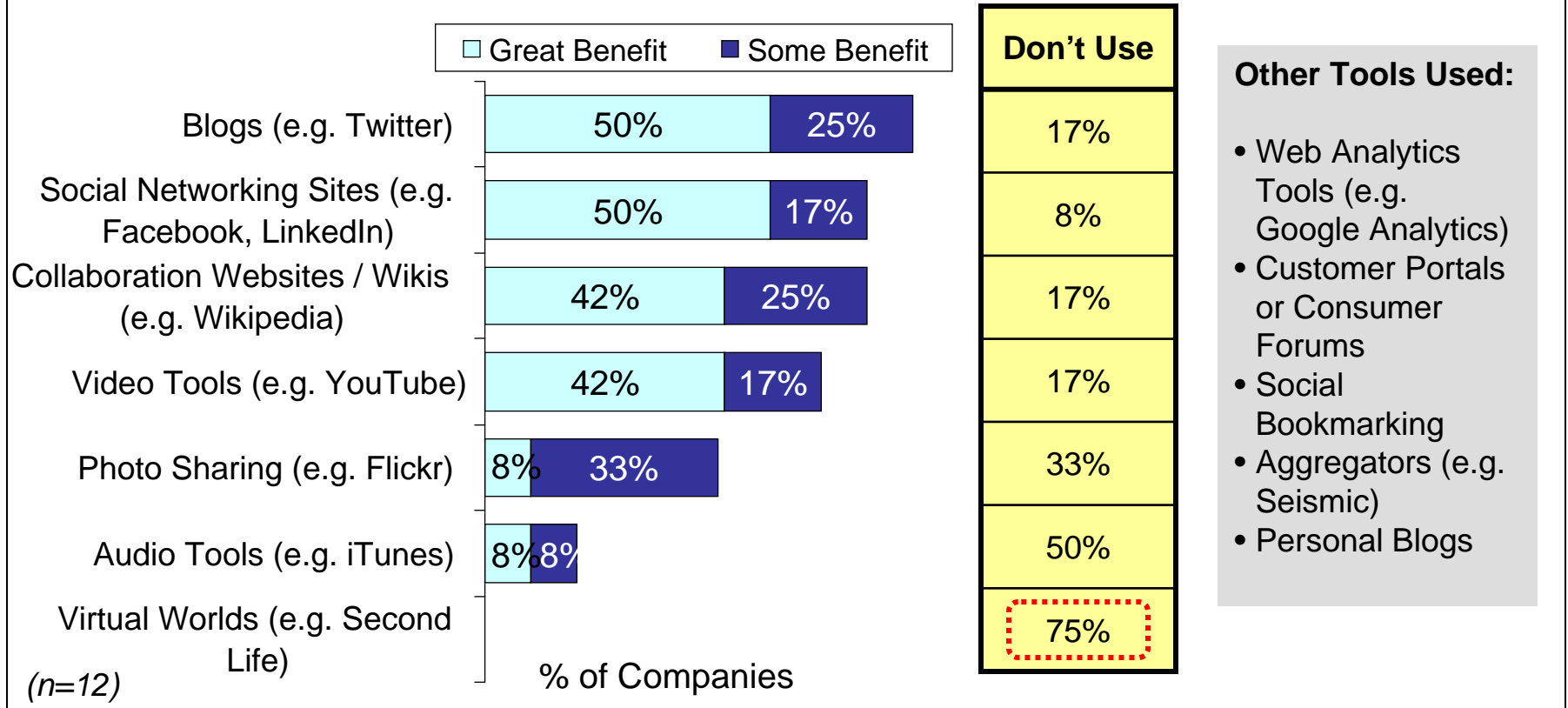
Other Tools Used:

- TweetDeck
- Yahoo
- Reddit
- Digg
- StumbleUpon
- Mixx
- Scribd
- Newsvine
- Bazaarvoice
- Radian6
- Techrigy
- Application Analytics (code embedding)
- Several Industry Sites

Blogs/Twitter, Facebook & LinkedIn Provide Greatest Benefit

Twitter, LinkedIn and Facebook deliver the greatest benefit for corporations actively engaged in Social Media efforts. Benchmark participants also give high ratings to collaboration websites/ wikis and video tools like YouTube. Virtual world tools are in use at only 25% of companies, none of which rated their corporate value.

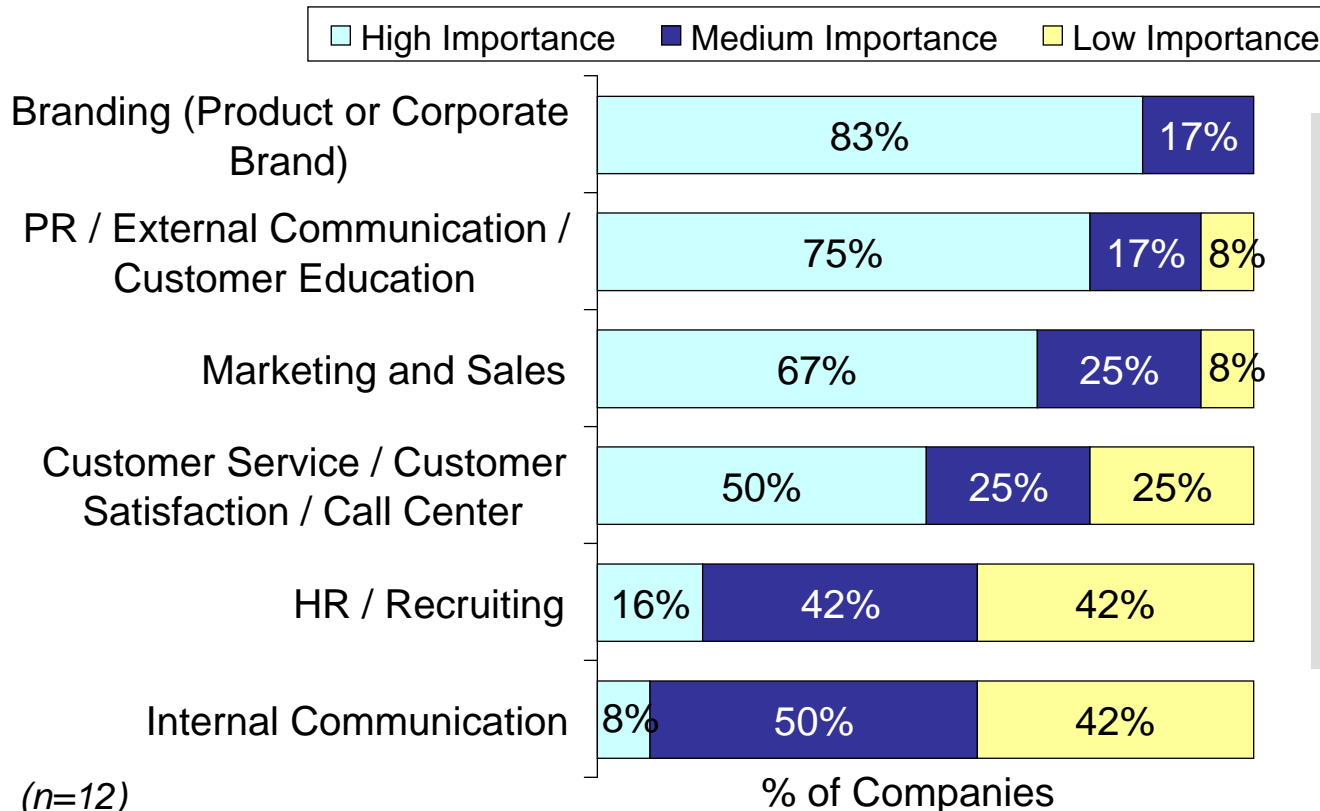
Q. Which of the following Social Media applications/tools does your company use and to what extent do they benefit your business outcomes?



Social Media Use Has High Potential for Improving Business

Companies report that Social Media tools have a high potential to improve multiple business areas including corporate and product branding, public relations and external communication, marketing, sales, and customer service. Some potential for improvement is also seen for HR/recruiting and internal communication.

Q. How important are Social Media tools for improving each of the following business areas?



Other Highly-Impacted Business Areas:

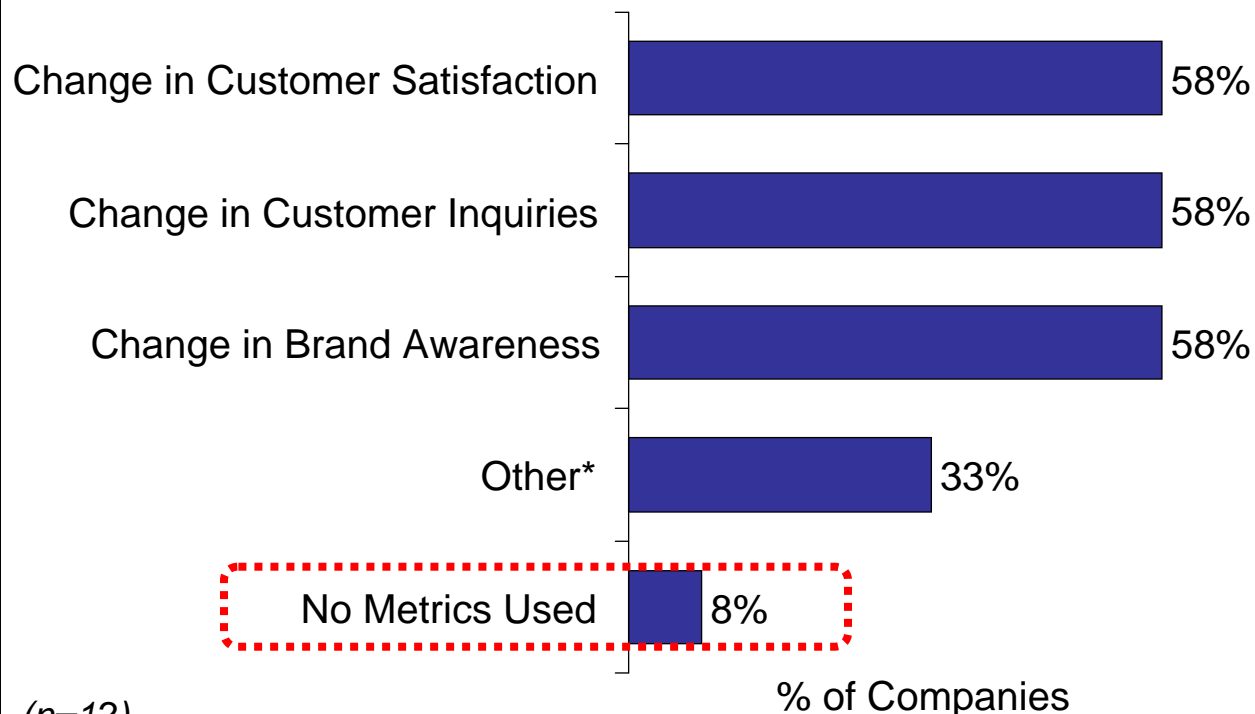
- E-Commerce
- Market Research
- Information Systems
- Customer Acquisition
- Outage / Crisis Communications
- Community Relations
- Local Television Programming Updates

92% of Respondents Measure Business Impact of Social Media

Only 8% of participating companies do not measure the impact of social media on business outcomes. The remainder generally use at least two different metrics, the most common of which are changes in customer satisfaction, customer inquiries or brand awareness.

Q. Which metrics do you use to assess impact of Social Media initiatives on business outcomes?
(Choose all that apply.)

Measuring Social Media Impact



Other Metrics Used:

- Change in Revenue Measures
- Increase in New Customer Acquisition
- SEO Improvement
- Change in Public Sentiment / Buzz

(n=12)

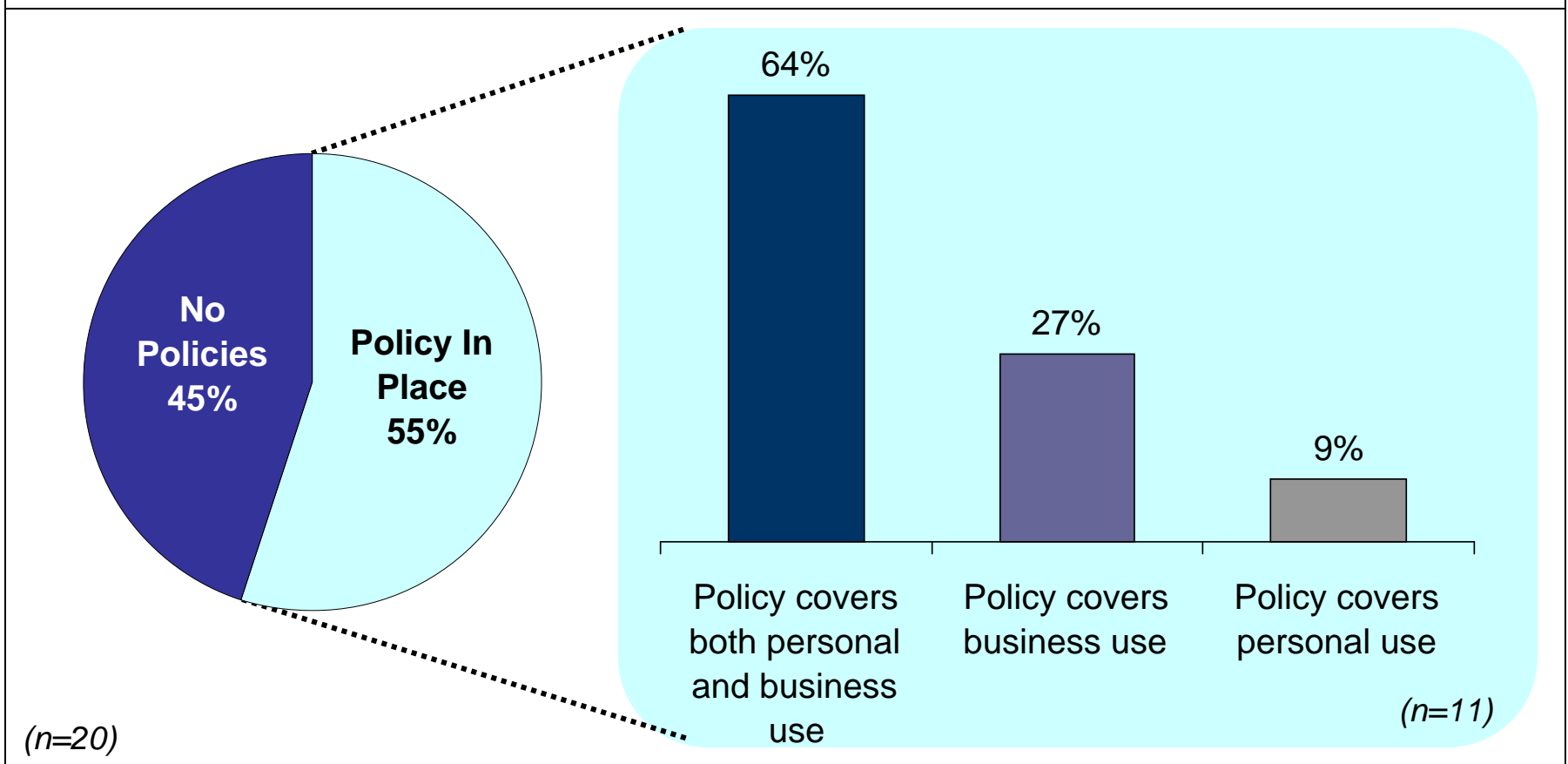
Social Media Policy



Use of Social Media at Work Not Universally Governed

Independent of their maturity in Social Media, about half of companies have written policies in place to govern the use of Social Media at the workplace. Secondary research suggests companies are still in the process of establishing policies but finding the right balance between reticence and openness is difficult.

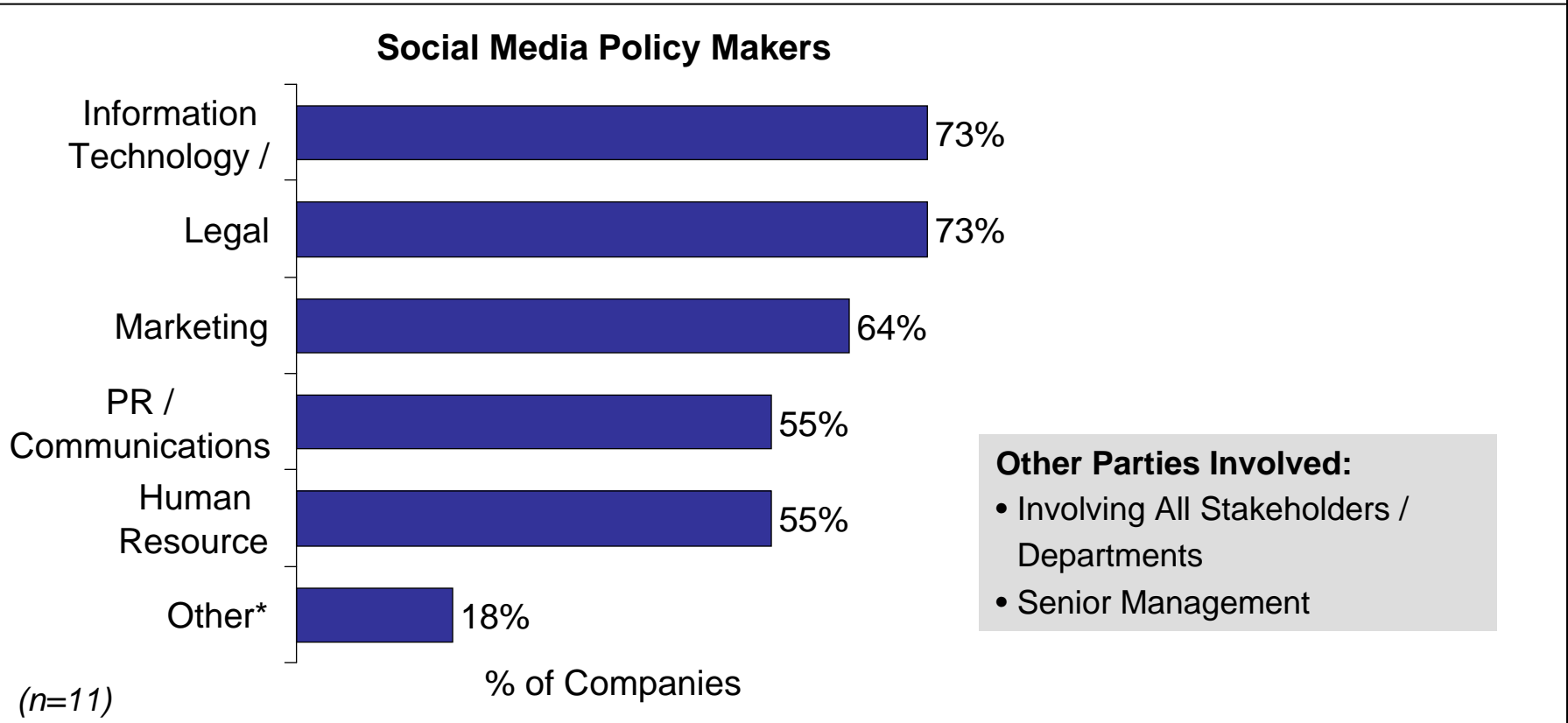
Q. Do you have a written policy relative to governing the personal and business use of Social Media?



IT, Legal & Marketing Collaborate on Social Media Policy

IT and Legal together with Marketing teams are most commonly involved in setting Social Media policy. At benchmarked companies two functions/departments typically collaborate on this task.

Q. Which functions were involved in the development of your Social Media policies for personal and/or business use? (Choose all that apply.)



Challenges in Implementing Social Media Strategies



Barriers to Adoption of Social Media Strategies Listed

The companies that do not currently have or are in the early stages of adopting Social Media strategies offered the following commentary for why their organizations have been hesitant to invest in this emerging area of marketing.

- **Message Control:** “We are actually running a pilot right now with one product to understand risks and rewards better in order to address senior management concerns regarding control of the message (how do you avoid negative or - even worse - incorrect information being spread).”
- **Uncertain ROI:** The ROI is questionable based on the resource commitment required. Returns/strategies are not proven in a B2B environment.
- **Undefined Potential:** Our organization is not completely aware of the potential.
- **Not on Senior Management’s Radar:** Our organization is very conservative, and has only recently (within the past few years) opened up Web transactions. Social Media is simply not on the radar of many in senior management, but a steering committee should be created in 2010 to determine how the company will proceed.
- **Currently Building the Business Case:** We intend to begin, but we are just learning how Social Media works and are beginning to build the business case and identify benefits to justify the costs.
- **Restrictions on Customer Interaction:** In our industry there are many restrictions to interacting directly with the customer.

About Best Practices, LLC

Best Practices, LLC is a research and consulting firm that conducts work based on the simple yet profound principle that organizations can chart a course to superior economic performance by studying the best business practices, operating tactics and winning strategies of world-class companies.

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