![neolane logo — marketing that delivers]

Social Media and Marketing: Transitioning from Listening to Customer Engagement

From Intimidation to Impact, Helping Your Organization Make the Most of Social Media as a Coordinated Element of the Cross-Channel Marketing Conversation

Listen, assess, interact. This is the social media mantra that is generally accepted by many thought leaders in the space. However, it's one thing to read about social media, and participate on an individual level; it's another thing entirely to actually own, manage and measure your company's social media efforts — a role that tends to fall squarely on the shoulders of the marketing team.

Most marketers who have gotten involved on some level with social media channels including Twitter, LinkedIn and Facebook understand the power of social media isn't simply to drive conversations, it presents a new way to organize and amplify them. With maturing use of social media, it becomes more than just a way to diffuse news and gather information about consumer opinions, it is also a critical tool to engage directly with both potential and current customers. In fact, social media has evolved not only as a new content publishing, sharing and discovery tool, but more importantly as a peer-to-peer lens into real-world conversations that affect the perception, engagement and overall direction of a brand.

"With maturing use of social media, it becomes more than just a way to diffuse news and gather information about consumer opinions, it is also a critical tool to engage directly with both potential and current customers."

However, in order to secure social media's spot as a "legitimate" marketing channel that interacts with email, direct mail and mobile communications, it can't remain in a silo. It can't be one-way or generic. It must be an integrated component of an organization's total cross-channel marketing strategy — complete with a strategy that aligns with larger marketing goals and reflects realistic expectations for the impact it will have on the cross-channel mix.
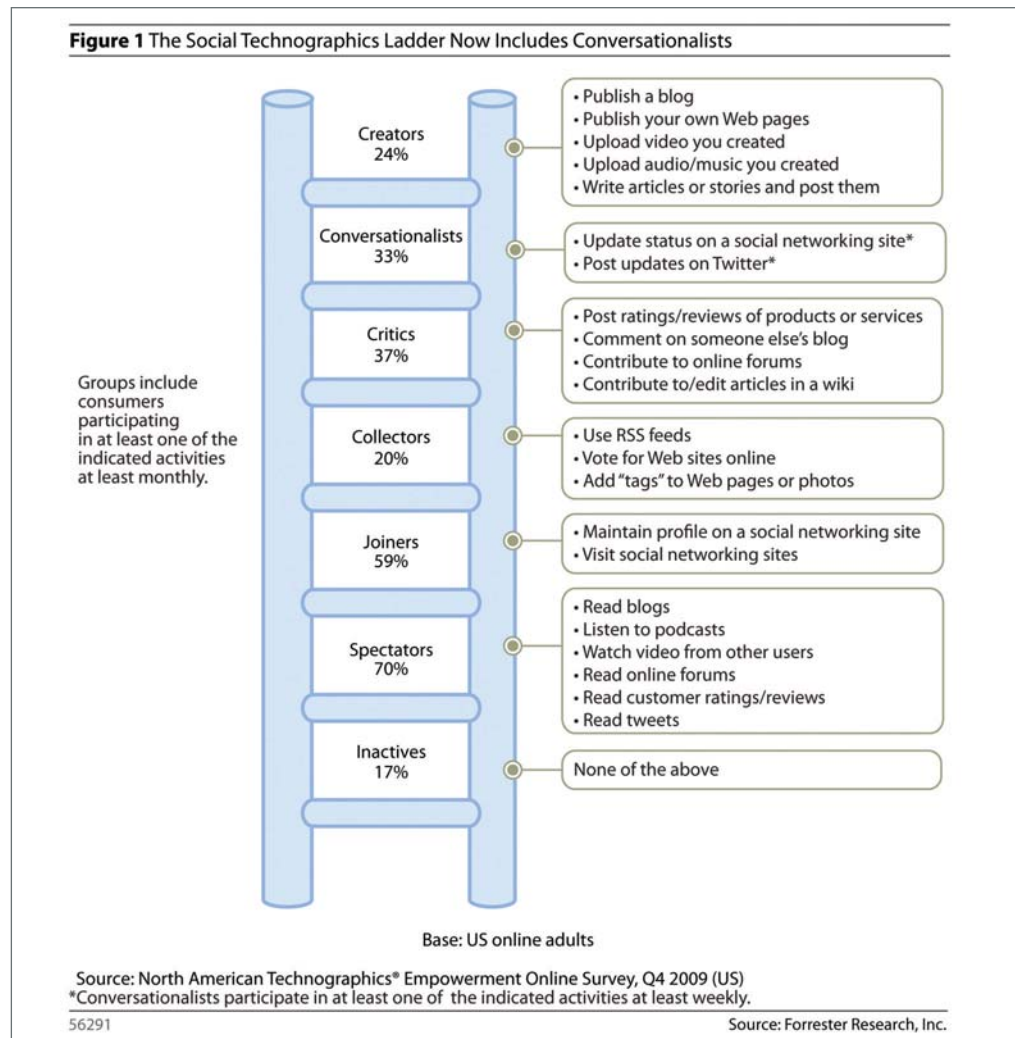
With a well-thought out social marketing strategy that is tightly coordinated with other cross-channel activities and effective use of enterprise marketing software to automate core processes, organizations can more successfully engage with their customers and prospects to build loyalty and drive revenues. This paper will examine the common stages of social media adoption among B2C and B2B marketers, and what organizations should expect from social media going forward in terms of translating customer insight into marketing strategies that align with business goals. That can only be achieved through deeper customer engagement.

Stages of Adoption:

Similar to the path of many digital communications tools, with any new channel there is a tipping point — a point where marketers emerge from the haze of experimentation to the clarity of full-fledged exploitation where targeting, personalization and overall effectiveness are fully established. New channels tend to be disruptive, they require new rules of customer engagement, management and measurement. In the following sections, we'll examine common stages of adoption, and how marketers can benefit from integrating social into the overall cross-channel mix.

Independent research firm Forrester Research, Inc. developed an instructive visual representation of the stages of adoption in terms of social media users, "The Social Technographics Ladder"[1] (Figure 1).

Figure 1 The Social Technographics Ladder Now Includes Conversationalists

Creators 24%
- Publish a blog
- Publish your own Web pages
- Upload video you created
- Upload audio/music you created
- Write articles or stories and post them

Conversationalists 33%
- Update status on a social networking site*
- Post updates on Twitter*

Critics 37%
- Post ratings/reviews of products or services
- Comment on someone else's blog
- Contribute to online forums
- Contribute to/edit articles in a wiki

Collectors 20%
- Use RSS feeds
- Vote for Web sites online
- Add "tags" to Web pages or photos

Joiners 59%
- Maintain profile on a social networking site
- Visit social networking sites

Spectators 70%
- Read blogs
- Listen to podcasts
- Watch video from other users
- Read online forums
- Read customer ratings/reviews
- Read tweets

Inactives 17%
- None of the above

Groups include consumers participating in at least one of the indicated activities at least monthly.

Base: US online adults

Source: North American Technographics® Empowerment Online Survey, Q4 2009 (US)
*Conversationalists participate in at least one of the indicated activities at least weekly.

56291   Source: Forrester Research, Inc.

In terms of marketers' stages of adoption, we examine them here — transitioning from fear (likened to Forrester's "Inactives" on the firm's Social Technographics Ladder, to Engagement (drawing parallels to "Conversationalists" and "Creators").

Fear

Fear, uncertainty and doubt (FUD) in the world of social media is a powerful force. For companies adverse to change and experimentation, social media can be downright scary. Let's examine the basis for some of that fear. From the perspective of the C-suite, social media is amorphous. Measurement, in quantifiable terms, seems elusive. And, in general, social communities are largely unmonitored and uncontrolled. Unfortunately, social channels like Twitter and Facebook have become open forums for disgruntled customers or special interest groups. This is scary to brands that have, until recently, been able to protect their image through traditional marketing tactics.

For example, the travel industry seems to be particularly polarizing. Look no further than the incident with Southwest, actor Kevin Smith (a.k.a., Silent Bob, @ThatKevinSmith) and enforcement of the airline's Customer of Size policy that took the Twittersphere by storm, prompting Southwest to publicly address the issue in an uncharacteristic blog post. There's also the case of Dave Carroll vs. United Airlines. The musician, who holds the airline responsible for breaking his guitar in transit, produced a music video for YouTube entitled "United Breaks guitars," which was viewed more than 8.5 million times.

Overcoming fear about social media is the first step of adoption. So, if you are unsure, take baby steps. Start by listening and monitoring to get a feel for the environment. Then you can decide if and when you want to engage further.

Engagement

Once you've gotten your social media feet wet — you've listened, monitored, you've beefed up your Twitter follow list, Facebook friends and LinkedIn connections with customers, partners, thought leaders and more — it's time to start interacting. This is the first step toward engagement. To be successful, start with a plan that outlines high-level goals for what you realistically hope to achieve through social media interactions. Establish guidelines for your team to follow so efforts are collaborative and synchronized. Most importantly, don't make the plan about your company, make it about the customer.

Customers now expect more from social media, so keep the plan flexible to account for changing customer dynamics. For example, a December 2009 MarketingSherpa survey of social media use indicated that, not surprisingly, learning about specials and sales was a top motivator for consumers to establish social relationships with companies. A close second was wanting to learn about new products, features and services — indicating a desire to learn about the companies they are interacting with online, a desire for deeper engagement.[2]

To begin truly engaging with customers and prospects, organizations must move beyond social media as a mass-marketing tool, and identify opportunities to make it more personalized with messaging that is coordinated across other communications channels.

Consider this B2C retail example (Figure 2) where a consumer starts following a retail cosmetics brand on Twitter. The next day, the retailer sends the customer a direct message via Twitter offering new followers a 15 percent-off coupon. She is presented with a personalized link within the tweet, and upon clicking, is brought to a landing page where she can give her email and then receive a bar code coupon to present at her next trip to the store, as well as a promo code for shopping online. To use the coupon, the consumer enters the retail cosmetics chain to buy body lotion and also applies for a loyalty card at the point-of-sale.

"Again, it's all about defining what's important to your organization's business goals, and managing expectations with the C-Suite."

Figure 2: B2C Cosmetics Retailer Engages Customers Using Social Media

One week later, she receives a welcome newsletter and is asked about joining the retailer's Facebook community. She clicks on the 'like' button, and goes to the Beauty Chain Facebook fan page. There, in a 'reward' tab, the consumer is presented with an embedded survey to provide more detailed contact and preference information about herself — her interests, as well as her own social media contact information. In exchange for providing this information, she is emailed a $10 coupon useable toward her next purchase. This is customer engagement at its best. Personalized, targeted and coordinated.

Establishing Control, Focusing on Measurement

One of the next social media marketing challenges becomes gaining control — cutting through all the noise, collecting data and driving intelligent actions and measurable results. According to the 2010 Omniture Online Analytics Benchmark Survey, 69.1 percent of respondents are using social media in their marketing efforts; however 41 percent of those using social media lack a mechanism to measure social media conversion. This probably isn't surprising to many. Social media does present special measurement challenges, to overcome them, it's a matter of setting realistic goals, and understanding what measurements actually matter to your business.

According to "100 Ways to Measure Social Media," suggestions range from click-throughs, page views (for blogs, microsites, etc.) and growth rate of fans, followers and friends; to influence and geography of consumers reached, leads generated and shift in sentiment before, during, and after social marketing programs.[3]

Based on a published interview with Jim Sterne, co-founder of the Web Analytics Association and author of the book, "Social Media Metrics: How to Optimize Your Marketing Investment," a great number of the measurements being used to assess performance are fairly useless, or misleading. For

example, measuring the number of followers a company has on Twitter is the same as measuring hits on a website, "it is interesting because it is a number, but it is actually not useful." Sterne suggests that social media isn't necessarily too difficult to measure; it comes down to being clear about what an organization is looking to achieve. And in many cases, expectations for measurement "perfection" are unreasonable.[4]

Again, it's all about defining what's important to your organization's business goals, and managing expectations with the C-Suite. While many view measurement as vital to sustaining a social media program, a 1to1 magazine article says, "…there's a great deal more that businesses can learn from social conversations. In fact, some companies are beginning to shift from asking, "How do I measure social media" to "What do I do with the social data I'm collecting?"[5] We think this is an important transition to make, especially when the conversation eventually turns to answering the question: "How do I monetize this social marketing effort?" What's the use of measuring, if you aren't putting that data into action to creating long-term marketing strategies and meaningful customer engagement that influence customer lifetime value.

Special Considerations for B2B

For many B2B marketers, their use of social media tends to be more pragmatic than inventive. Even so, Forrester found that that the B2B marketing mix significantly shifted toward digital channels in 2009. In fact, "two-thirds of B2B marketers (68 percent) have established group pages on social networking sites, exceeding inside sales use by 3 percent."[6] And, according to Forrester's Q4 2009 North American B2B Marketing Organizations Online Survey, more than one-third of B2B firms will increase spending on social media in 2010.[7]

The same Forrester survey also found that more than one-third of B2B firms are experimenting with social media and still trying to find good approaches to measure impact. But "of the marketers who say that they can evaluate social marketing value, 25 percent believe that listening into social conversations gives them deeper customer insight and better ability to identify and segment target audiences. By tracking changes in aided/unaided recall, online reach and share of voice, 20 percent of respondents see social media affecting their brand in ways formerly influenced by advertising and public relations alone."[8]

Analyst firm SiriusDecisions has also done research in the area of social media measurement, particularly as it applies to B2B organizations. It too refutes the idea that social media is difficult to measure and have proposed a strategic framework for measuring social media's impact that examines metrics through three filters including reputation, demand creation and sales enablement. The firm believes that in order to truly understand the impact of social media, "B2B marketers must track how and when social media is being used through the entire buying/selling process, and how specifically it is making both easier."[9]

Many B2B organizations base their social media strategies on best practices established by heir B2C peers. For example, a leading European e-commerce site wanted to incorporate social media into its marketing strategy to improve and monitor its brand image, provide more personalized communications and improve sales through Twitter (Figure 3).

"A successful cross-channel marketing strategy is dependent upon being able to integrate all marketing channels, including social media, to drive conversations and offers in a consistent, highly-personalized manner."

Figure 3: European e-commerce site incorporates social media into its cross-channel mix
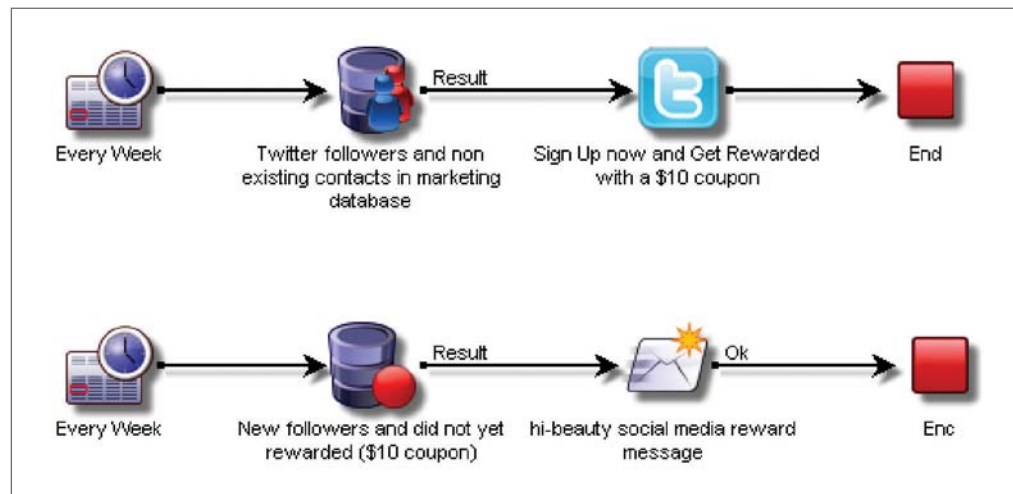
The company implemented a cross-channel marketing solution to not only automate these processes but also manage consistent messages and offers across all of its channels, and provide a unified interface for marketers. As a result, the company can now automate all Twitter activity, including tracking and identifying followers, monitoring all communications, as well as providing personalized direct messages, offers and automatic responses to incoming direct tweets. B2B marketers can take a similar approach, implementing the very same processes to help improve their own company's brand reputation, better engage with prospects and customers, and ultimately drive sales.

Examine Available Solutions. What's right for your organization?

A successful cross-channel marketing strategy is dependent upon being able to integrate all marketing channels, including social media, to drive conversations and offers in a consistent, highly-personalized manner. We'll discuss some of the tools and technologies necessary to support this new world of social media engagement, specifically enterprise marketing software, and how to choose the best solution to suit your needs.

While there are a variety of "listening" platforms on the market today, few are truly integrated within existing enterprise marketing software — most social media capabilities have been added through acquisition, not organic extensions of current platforms. Some of the stand-alone platforms focus on monitoring and measuring, others key in on messaging. Whichever one you choose to focus on first, keep in mind that social media is about listening and engaging, they go hand in hand.

The secret to perfecting cross-channel marketing campaigns is to recognize every customer and what is relevant to them, in every communication, regardless of channel. When considering an enterprise marketing solution to power these communications, marketers need to be able to build and use unified customer intelligence to automatically generate personalized and localized offer recommendations at the appropriate time and frequency to add value and win credibility with customers — building loyalty and an improved lifetime value. The most important requirement for these types of solutions is that they combine all of the necessary tools into a single marketing platform that can manage all of the cross-channel activities. All of the information that

the marketer needs — contact details, prospect profiles, marketing initiatives and sales opportunities — should all be housed in one place.

Another important requirement is that these tools should be able to effectively measure returns on social media activities as part of the marketing mix. The right enterprise marketing solution should provide the ability to monetize each marketing activity so that marketing spend can correlate directly to revenue generated, and be defendable to senior management.

The solution should also be agile enough to embrace new social media marketing channels. Today we talk a lot about Twitter, LinkedIn and Facebook, but tomorrow new social media channels will emerge and marketing solutions must be able to consistently manage conversations on both existing and emerging digital "contact points" like avatars or iPhone applications, for example.

In conclusion, with the right technology, skill sets and C-level buy-in, social media provides an opportunity for marketers to take a more personalized and interactive approach to achieve true engagement with customers and prospects. Utilizing targeted, complementary content and offers that are coordinated across other channels like email, mobile and direct mail, social media interactions can be used to drive sales, refine and enhance existing customer profiles, convert passive followers into active customers and up-sell/cross-sell to those already committed to the brand. Intelligence gained through engaging social media communities can be used to power hyper-targeted campaigns that drive inbound and outbound communications that propel your brand into a whole new phase of evolved customer engagement. So, stop broadcasting, start engaging and put your social media intelligence to work.

"The right enterprise marketing solution should provide the ability to monetize each marketing activity so that marketing spend can correlate directly to revenue generated, and be defendable to senior management."

To learn more about how to incorporate social media into your cross-channel marketing mix, contact Neolane at 1-617-467-6760 or visit www.neolane.com

About Neolane

Neolane provides the only enterprise marketing software specifically designed to manage, automate and optimize programs across traditional and emerging channels including direct mail, email and mobile. With Neolane's cross-channel marketing and lead management solutions, marketers can manage campaigns, resources, customer data and analytics from a single platform to dramatically improve effectiveness and ROI. Built by marketers for marketers, Neolane is used by more than 240 of the world's leading companies including Accor Hotels, Alcatel-Lucent, Orange, and Sephora. Visit www.neolane.com.

Sources:
[1]"Introducing the New Social Technographics," Forrester Research, Inc., January 15, 2010
[2]"Why Consumers Friend or Follow Companies," MarketingSherpa and Survey Sampling, Popular Media Study/fielded December 2009
[3]"100 Ways to Measure Social Media" by David Berkowitz, senior director of emerging media and innovation, 360i, MediaPost Social Media Insider, November 17, 2009
[4]"Jim Sterne: Social Media Measurement and the Accuracy Problem" by Neil Davey, MyCustomer.com, April 29, 2010
[5]"Social Media Data Creates New Analytics Opportunities" by Elizabeth Glagowski, 1to1 magazine, April 19, 2010
[6]"Rethinking the B2B Tech Marketing Mix in the Digital Age" by Laura Ramos, Forrester Research, Inc. March 15, 2010
[7]"B2B Tech Marketers' Use of Social Media and Its Business Impact," Forrester Research, Inc., May 10, 2010
[8]"How to Assess the Impact of Social Media in B2B Tech Marketing" by Laura Ramos, Forrester Research, Inc. February 23, 2010
[9]"Social Media Measurement: A Disciplined Approach" by SiriusDecisions, Inc.