

Social Media for Business

It's Like Having a Million Person Focus Group

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White Paper

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Overview

Social media has transformed the way people communicate. Words such as Like, Tweet, Share, Wall, and Poke have different connotations than long-established ones. Social media is primarily about relationships—connecting with people, sharing, and collaboration. Social media has made the world much smaller than what it used to be by bringing people back from the past. People whom we never expected to meet again in our lifetime are now easily accessible in this virtual world.

Social media helps people to quickly get their message across to a larger audience. Many companies rely on feedback received from social media channels to make strategic decisions. Some companies also have grievance cells dedicated to customers who choose social media channels to voice their dissatisfaction. The advertisement models followed by companies have changed significantly owing to increased levels of customer engagement through social media.

Social media giant Facebook has around 1.19 billion users worldwide [\[1\]](#), which amounts to roughly the population of India. Popular sites such as Twitter, YouTube, and LinkedIn have grown into giant beehives, abuzz with activity. As though television was not enough, people are now hooked on social media sites to get their daily dose of news and entertainment.

Evolution

The seeds of social media were sown back in 1979 when Tom Truscott and Jim Ellis from Duke University created Usenet, a worldwide discussion system that allowed internet users to post public messages. By the 1980s, home computers were becoming more common and social media was becoming more sophisticated. The social media of modern times is said to have started with the launch of Open Diary – a meeting place for online diary writers.

A popular social media medium is blogging, which started in 1997, the same year AOL Instant Message made its debut, allowing people to chat online. In 2000, one of the first social networks, Friendster, was launched which garnered almost 3 million users in three months. The popularity of social media sites went up by leaps and bounds with MySpace (2003) and Facebook (2004).

As of 2013, with the explosion in data transfer and smartphone usage, around one-fifth of social media users are accessing social networks using mobile phones. Social media sites are also emerging as a valuable platform to serve advertisements due to its large user base. The revenue generated by some of the popular social networking sites in 2013 is listed below [\[2\]](#):

- 1) Facebook: \$ 3.27 Billion (YTD 2013)
- 2) Twitter: \$ 0.582 Billion (2013)
- 3) LinkedIn: \$ 0.447 Billion (2013)
- 4) Pinterest: \$0.225 Billion (2013)

The growth rate of around 25% users from the last year has been phenomenal for Facebook, and also for YouTube, which receives more than 1 billion unique users each month with 100 hours of video being uploaded every minute.[\[3\]](#)

Social Media and Business

Social media is a valuable branding tool for companies of all sizes. Some companies maintain an internal team to manage their social media initiatives, while some outsource. You can judge the popularity of a brand by taking a look at their fans and followers.

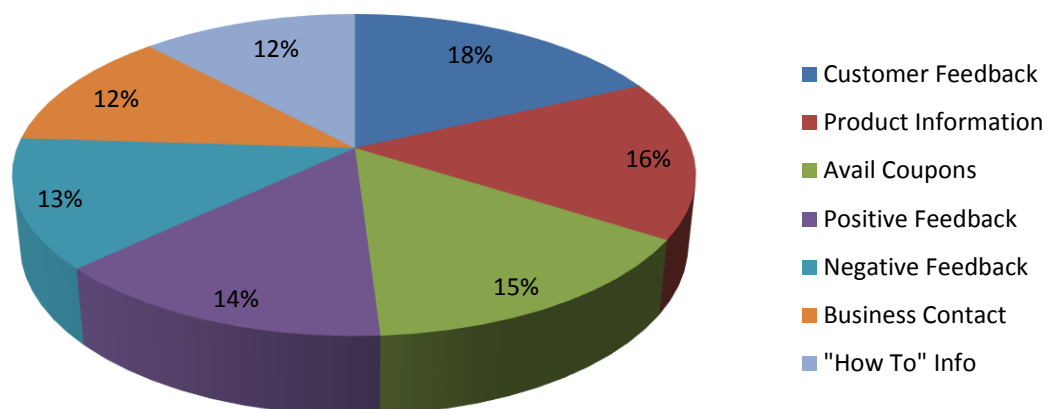
Customer-focused companies have adopted a fan-based engagement model rather than a click-based engagement model. This small infographic highlights the reach of social media today:



Adding Value to Your Business

The traditional way to engage new customers, potential clients, and forecast sales was through the sales and marketing organization. Today, companies have discovered innovative ways to understand, analyze and engage their target audience through social media channels. Customers search for products and services on the web, rather than connecting with a salesperson. The following chart provides a bird's eye view of customer behavior in social media platforms:

What Is Social Media Used for?



The pervasive influence that social media has on business is phenomenal. Customers can review products online, which in turn improves products' reputation. This is the age for businesses to create more value for customers taking into account the cut-throat competition from all ends. Engaging customers and prospects through social media platforms helps improve brand image, visibility, and facilitates word-of-mouth marketing. Social media channels spread information like a tidal wave with features such as Share, Tweet, Recommend, and +1, which help to promote a brand quickly and cut marketing costs significantly.

Top brands such as Walt Disney, National Geographic, Nike, Intel, Google, Coca-Cola and Red Bull have used innovative ways to optimize their social media presence. Popular blogging site Mashable adjudged Samsung Mobile as the best brand in social media in 2013, with over 14 Million new likes on Facebook, 4 Million followers on Twitter, and 86 Million views on YouTube.

Social media platforms also allow the use of visual media (video, images, GIF animations, infographics), which is much more effective compared to text. Visual media captures user attention effectively and engages the human mind, which readily accepts and prefers visual communication over text.



One of the most successful campaigns by Starbucks Coffee gave the option to the customer to gift a coffee to someone by tweeting.

This WestJet Airlines video went viral with almost 35 Million YouTube views.

Organizational functions		Across entire enterprise		
Product development	4	Derive customer insights ¹	Enterprise-wide levers (Social as organizational technology)	
	1	Co-create products		
Operations and distribution	2	Leverage social to forecast and monitor		9
	3	Use social to distribute business processes		Use social technology to improve intra- or inter-organizational collaboration and communication
Marketing and sales	4	Derive customer insights		10
	5	Use social technologies for marketing communication/interaction		
	6	Generate and foster sales leads		
	7	Social commerce		
Customer service	8	Provide customer care via social technologies		Use social technology to match talent to tasks
Business support ²		Improve collaboration and communication; match talent to tasks ³		

¹ Deriving customer insights for product development is included in customer insights (lever 4) under marketing and sales.
² Business support functions are corporate or administrative activities such as human resources or finance and accounting.
³ Levers 9 and 10 apply to business support functions as they do across the other functional value areas.

SOURCE: McKinsey Global Institute analysis

Business Relationships through Social Media

Social networking sites thrive on relationships. Businesses need to create new relationships and build existing ones to sustain and flourish.

The Two Most Important Criteria for a Successful Social Business Strategy Are:

- Alignment with strategic business goals
- Organizational alignment and support that enables execution of that strategy

According to McKinsey, 70 percent of companies worldwide use some form of social media to reach out to the people and showcase their brand. When we check-in, post updates, Tweet, and connect with brands and individuals through online communities, we share knowledge and experiences with the circles most relevant to our personal and professional lives.

However, relationship building through social media depends on a wide range of skills and attributes. Some of the best practices that could help transform a company's social media strategy are:

Employees as Brand Ambassadors: Organizations should encourage employees to play a key role as brand ambassadors of the company by training them in the sensible and effective use of social media. Organizations can have a social media policy for its employees. One such example is Intel. Intel follows 3 rules of social media engagement as shown in the image here [\[4\]](#).

3 Rules of Engagement



Intel asks its employees to be honest and stick to their area of expertise, at the same time it demands complete secrecy. They also urge employees to add value to their social media profiles by using words effectively and advise them to avoid confrontation, keeping in mind the fact that they are open to mistakes.

Domain Expertise: A strong social media presence requires the services of a competent social media Manager. A social media Manager should be able to communicate the brand, maintain a proper schedule of postings, make content available, review campaigns, and analyze online trends. There can be multiple people contributing to the content/ideas for campaigns in social media; however, it would be better if the whole process is managed by a domain expert. Social media changes every day, so engaging the services of a social media expert is highly recommended.

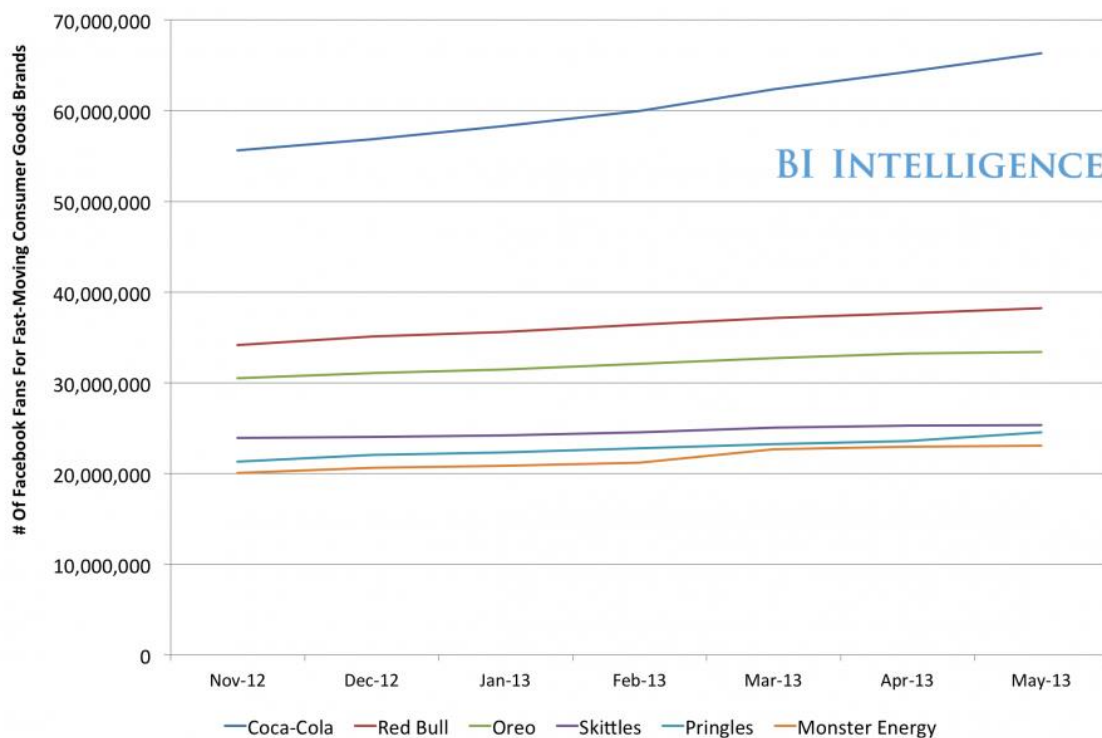
Involvement of Influencers: Maximize the value of networking and develop connections with key stakeholders and influencers. Relationship building through social media helps to identify the right individuals and organizations.

Find a Mentor: A trusted follower or an expert should be identified, who will act as a preacher of the brand. The mentor must have a strong online presence too, which will eventually help in creating credibility for the brand.

Calculating Effectiveness of Campaigns: Traditional methods of calculating ROI through relationships from social media is no longer an appropriate strategy. A qualitative approach should be applied to calculate the ROI from social media engagements.

Top Fast-Moving Consumer Goods Brand Pages on Facebook

Source: Socialbakers, Monthly Facebook Report

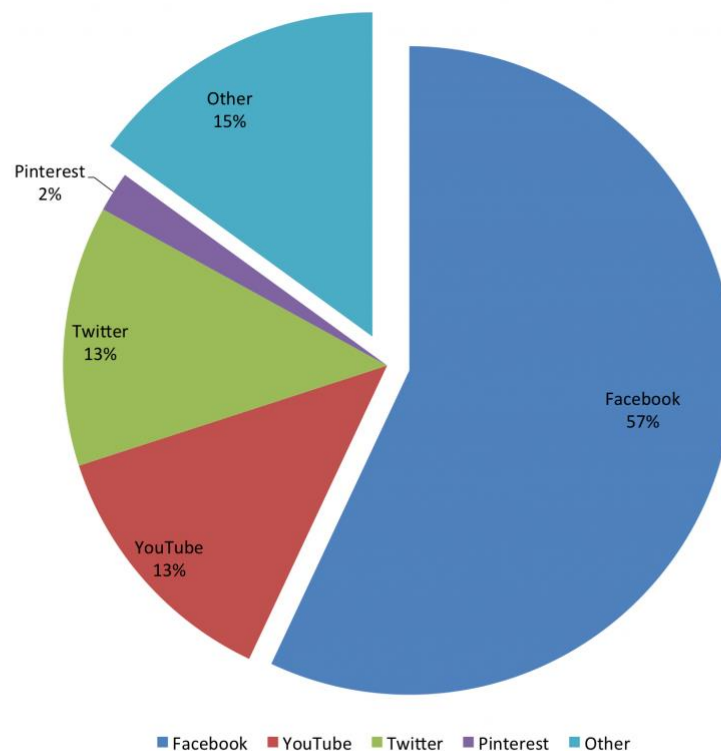


The Future of Social Media

Emerging as a successful online brand requires a lot of deliberation, and is not limited to factors such as Likes or Tweets. 2014 trends indicate that Facebook is going on a decline. 34% of Facebook users say that the time they spent on Facebook has reduced considerably. Though Facebook is experiencing a dip, social media is expected to fare well in the coming years.

According to socialmediatoday.com, the total social media usage has gone up by 50% by the end of 2013. The perceptions about social media are changing and social media will continue to be a platform to build brands.

Breakdown of the Social Media Budget of Popular Social Networks



(Picture courtesy: www.infacebook.com)

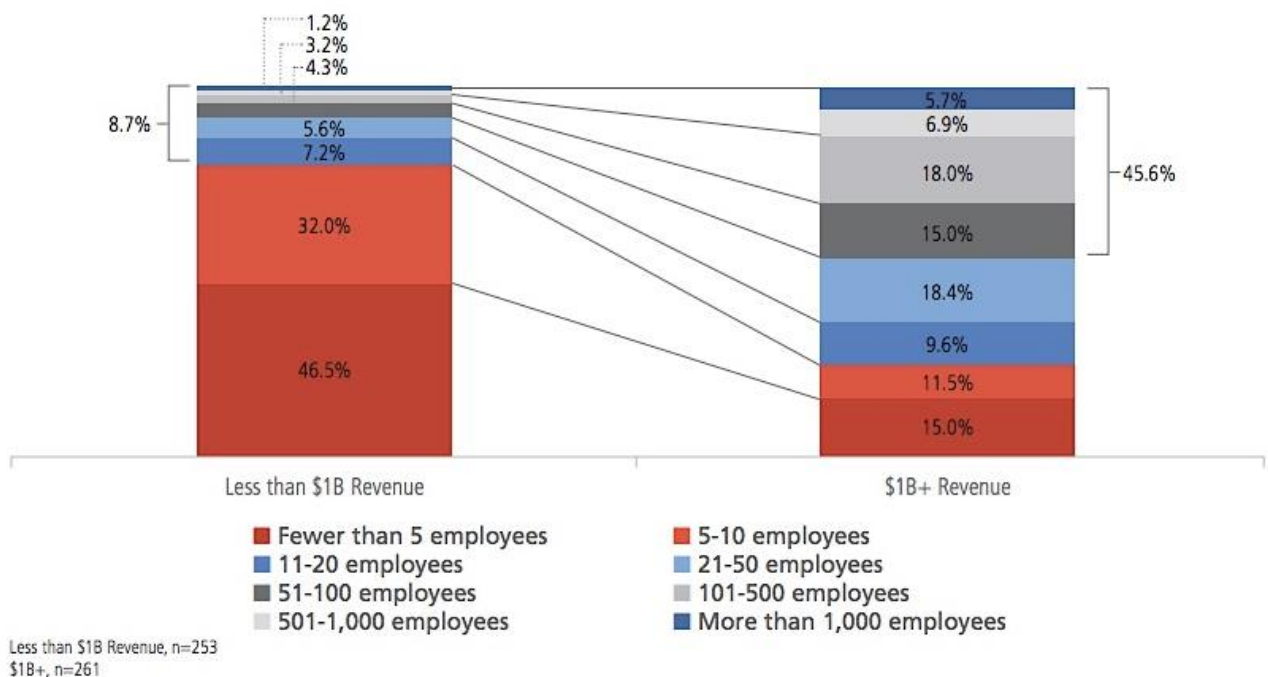
In the days to come, social media will lay more emphasis on Artificial Intelligence (AI) and initiating connections with devices that people use on a day-to-day basis. A classic example is Google Glass, which lets you do multiple things with the tap of a button. Wearable gadgets are coming of age and are expected to transform the way humans communicate. All that brands have to do is find the appropriate medium to connect to their target audience.

Howard Tullman, General Managing Partner for G2T3V, opines that social media's future depends on SoLoMo (Social, Location, Mobile). SoLoMo gives emphasis to the popularity of smartphones and being connected on the go. The ability of smartphones and tablets to integrate geo-location technology has made it a hot choice for marketers and brands to analyze user behavior and consumption patterns. Check the hottest brands of 2013 and you will see that the toppers have a strong inclination to go mobile. Facebook eagerness to garner a large smartphone user base resulted in the failed bid to acquire Snapchat in 2013 and the subsequent acquisition of WhatsApp for a staggering \$19 billion. This deal highlights the significance of smartphones today.

In the coming years, the relevance on call centers might reduce considerably as more and more people are reaching out via social channels. Almost all brands take care of their customers online, which in most cases delivers immediate resolution and saves time. Customers love the fact that they can transact online rather than spending hours making calls.

Almost all the social media platforms now promote paid marketing services, which is set to boom in the time to come. Facebook started without any advertisements on their pages, which has changed now. Revenue through advertisements comprises a lion's share of the revenue generated by giants such as Facebook, Google, and LinkedIn. This form of focused advertising is beneficial for brands who want to reach out to their target audience. Today, marketers not only have the ability to tweak the online advertisements as per their requirements, but also get reports and gain insights into the success of their advertising campaign.

How Enterprise Companies Staff Social Media



Source (<http://www.marketingprofs.com>)

The era of SEO has changed from “getting traffic” to “getting targeted traffic”. Pushing the right content, at the right time, to the right audience, makes all the difference. The duration of the customer engagement highlights the relevance of content and helps in determining the “virality” of posts.

QBurst and Social Media Analytics

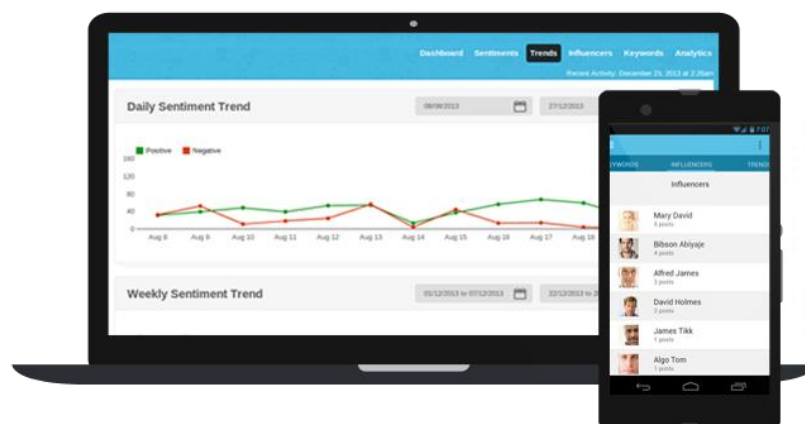
Why is analytics important? For any business or brand, timely update and feedback is essential to understand what is good, and what is not. Churning out content in itself would not help achieve business goals, and could eventually backfire. Engaging your target audience is more important than the content or reach. It always helps to understand what kind of content helps you engage your followers and fans, what is trending, and relevant. Though it is not easy to ascertain the ROI of social media marketing, analytics can give a fair idea of how the business is faring.

SecondSight Analytics is a social media tool from QBurst that helps companies analyze what their customers feel about them. The tool uses a unique combination of technology and human intelligence to extract subjective information that is most relevant to businesses, from social conversations and generates sentiment reports and social-reach metrics. Reports alone do not deliver accurate analytics and that is why human intelligence is essential. The sentiment analysis of SecondSight involves three pillars – Sentiment Trends, Influencers, and Keywords. [5]

Sentiment Trends: Analyzing current trends rather than comparing sentiment trends of the past. SecondSight Analytics tracks sentiment trends in real time.

Influencers: Every business has influencers online. Identifying and connecting with them becomes important as these influencers can endorse a product or service and help gain the much required push.

Keywords: Social media trends change in a matter of seconds. To analyze a social media campaign, it becomes important to know the buzz of major social pages. Understanding the keywords used by content that goes viral can help in identifying hot trends and helps steer the campaign accordingly.



SecondSight Analytics

References

- 1) Facebook Newsroom: <http://newsroom.fb.com/Key-Facts>
- 2) Official Facebook, Twitter, LinkedIn and Pinterest sites
- 3) YouTube: <http://www.youtube.com/yt/press/statistics.html>
- 4) Intel Website
- 5) Second Sight Analytics www.secondsightanalytics.com