

Benchmarking | Social Strategy by Thomas Hoffman

How Does Your Social Strategy Stack Up?

Most business leaders recognize social as a critical channel for strengthening customer relationships. But many struggle with defining their organization's social strategies. According to the "2011 Social Strategies" study, from Peppers & Rogers Group and Temkin Group, 43 percent of respondents characterize their organization's use of social media as "well below" or "somewhat below" the industry norm.

The study, which reveals the current state of social strategy and execution at customer-focused organizations of varying sizes and across industries, finds that, for most, social is very much a work in progress. "Business leaders have become confused and overwhelmed when it comes to setting a social media strategy," says Bruce Temkin, managing partner of Temkin Group.



Marketing leads all other functions, including sales and customer service, when it comes to using social channels to connect with customers, according to the study. But that doesn't mean companies should view social as another set of marketing or sales channels, cautions Peppers & Rogers Group Founding Partner Don Peppers.

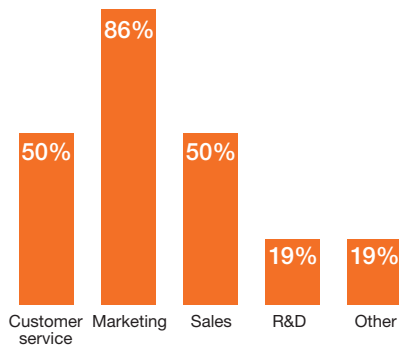
"The failure to participate in discussions with customers and listen closely to what they're saying is the number one mistake companies make when they jump into social," he says.

Opportunities for Using Social

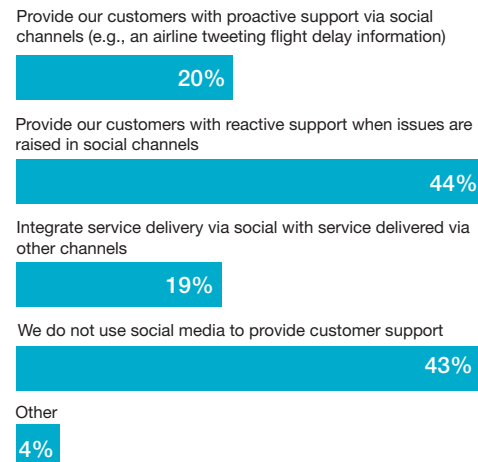
Nearly 90 percent of respondents use social media for marketing, but only half use it for customer service. When it comes to marketing, although online promotions get most of the buzz, posting content is more popular, with 44 percent offering the former and 71 percent providing the latter. Additionally, 44 percent of respondents use social networks as a means to provide reactive customer support when issues are raised in social channels such as Twitter.

Still, many companies are overlooking opportunities to leverage their connections with customers on social networks to develop deeper, more meaningful relationships. For example, only 20 percent of respondents use social to provide customers with proactive customer service (e.g., an airline tweeting about a flight delay). Providing customers with useful information that anticipates their needs and preferences demonstrates that a company has their best interests in mind, Peppers says. These types of actions can strengthen customer loyalty and lead to increased customer value, including recommendations and referrals to friends and family.

The functions that are using social channels to connect with customers are:



How does your organization use social networks as a means of providing customer support? (select all that apply)



Source: Peppers & Rogers Group/Temkin Group, "2011 Social Strategies" survey

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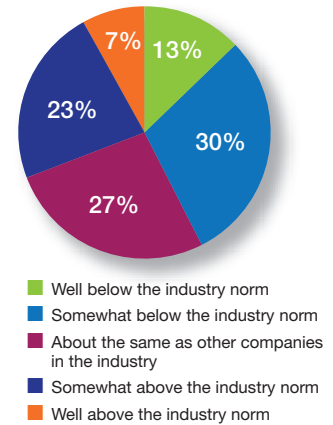
Room for Improvement

Although a growing number of organizations have begun extending their use of social channels throughout their sales, marketing, and customer service efforts, many companies still have relatively immature social strategies. For instance, one third of survey respondents say their companies either don't have a social strategy at all or do little more than monitor customers' social comments.

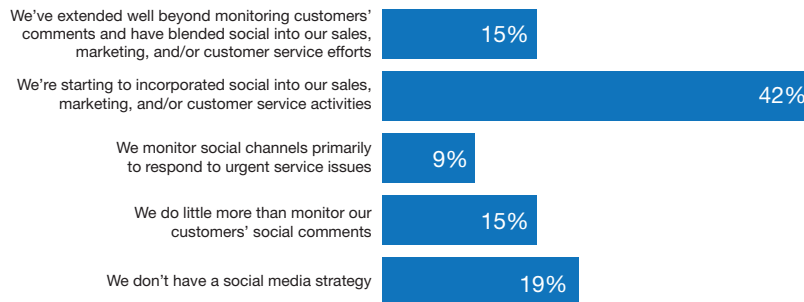
This is a problem that starts at the top of many organizations where senior executives don't use social channels that are popular among the frontline staff, says Donna Marie Antoniadis, cofounder and CEO of She's Connected Multimedia Corp. "If the executive team isn't in social media, it's difficult to sell from the bottom up," Antoniadis says.



How would you describe your organization's use of social media?



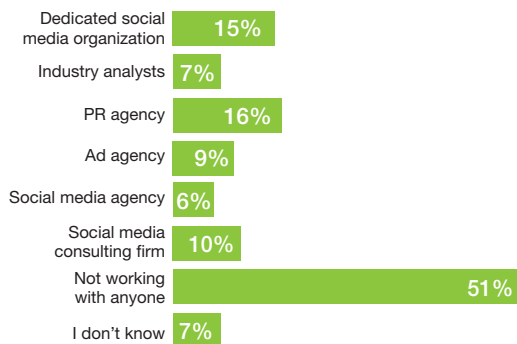
How would you characterize the maturity of your organization's social media strategy?



Who "Owns" Social?

There's no right or wrong answer to the question, who owns social? But the prevailing wisdom among many industry experts is that no one person or function within an organization should "own" it. Nonetheless, the "2011 Social Strategies" study finds that social media efforts are predominantly led by functional leaders such as CMOs or customer service directors.

Who assists with your organization's social media strategy?



Who is responsible for setting and executing your organization's social media strategy?



Source: Peppers & Rogers Group/Temkin Group, "2011 Social Strategies" survey

Assembling the Social Organization



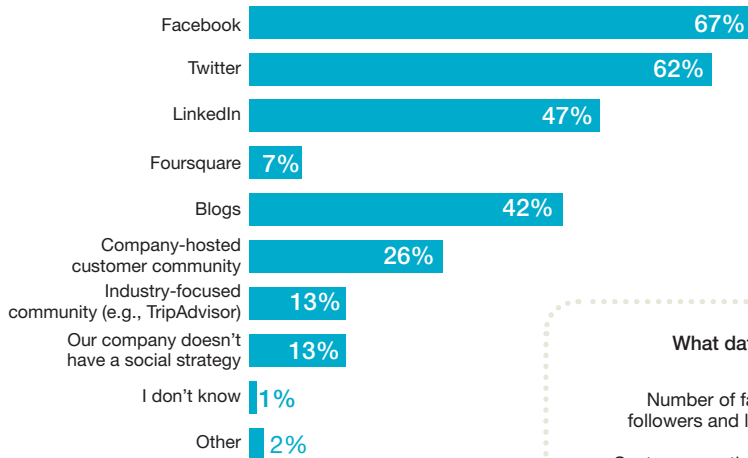
When it comes to establishing an enterprisewide social strategy, another area that many business leaders struggle with is setting parameters for employees' access to social networks, including guidelines for communicating directly with customers. After all, customers consider employees as the face of a company. "Any messaging that's delivered by a company employee is viewed by customers as corporate communications," says Mark Grindeland, CMO, TeleTech Holdings, Inc.

"It's important to recognize that everyone in the company is customer facing," adds Bruce Temkin, managing partner of Temkin Group. When business leaders create a social strategy, they should ensure that all employees have thorough and equal knowledge about their brands, and are instructed on how best to interact with customers in various social channels so that they're providing consistent messaging, Temkin says.

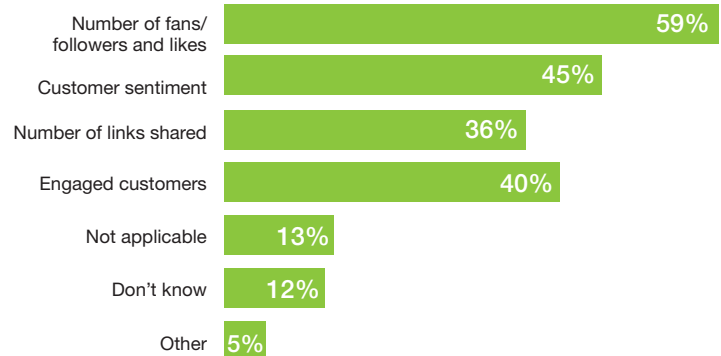
Listen and Learn

Since social conversations are often multi-threaded, it's also important for companies to avoid the use of traditional marketing tactics such as blasting out product promotions and instead listen to what customers have to say in social and then use sentiment analysis to help shape marketing, sales, and customer service strategies, according to Peppers. However, while 45 percent of the survey respondents say they track customer sentiment in social media, nearly 60 percent merely observe the number of fans, followers, and likes. This type of information may help to determine engagement, but doesn't provide business leaders with the type of actionable customer insight that analytics provides.

Where does your organization focus its social strategy?



What data does your organization track from social media?



Source: Peppers & Rogers Group/Temkin Group, "2011 Social Strategies" survey

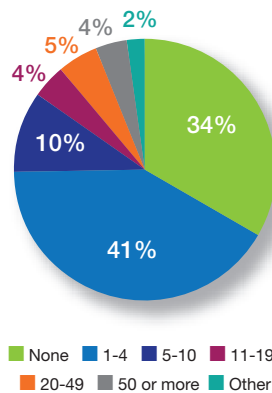
Assembling the Social Organization

Putting a Face on the Social Organization

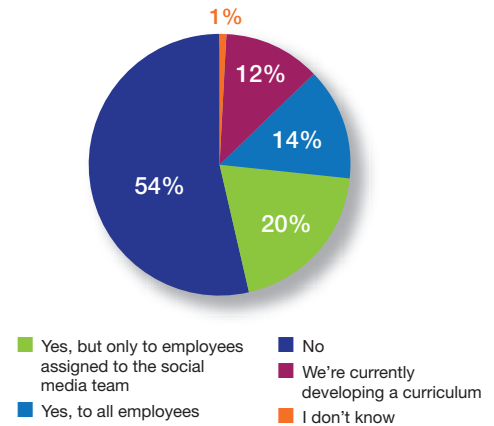
According to the results of the “2011 Social Strategies” study, about two thirds of companies encourage both customer-facing and non-customer-facing employees to use social channels. Yet, less than half of respondents’ companies provide employees with social media training.

“Companies should identify customer-facing employees who have the right skills to connect with customers via social,” says Don Peppers, founding partner at Peppers & Rogers Group. Although some employees are well-versed on the use of social media, Peppers recommends offering all employees training to help increase their acumen in interacting with customers via these sites.

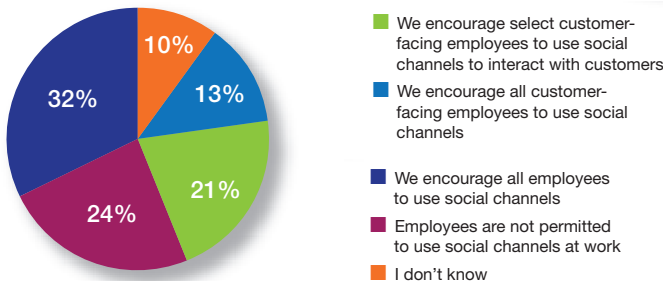
How many employees interact with customers via social media as their primary job?



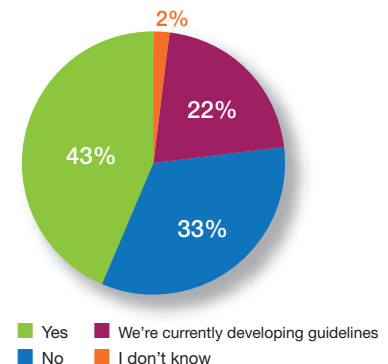
Does your organization provide social media training to employees?



Does your organization encourage social media use among employees who are NOT specifically part of the firm's social team?



Does your organization have social media guidelines?



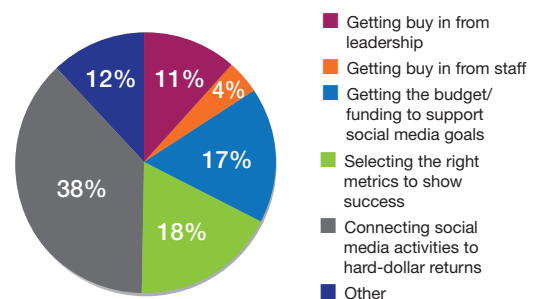
Top Social Strategy Challenges

The top challenge in setting social strategies as cited by survey respondents is the difficulty in correlating hard dollar returns to social media activities.

“This is likely because a great deal of the social media work being done is happening in isolation, making it difficult to determine how it’s impacting key business metrics,” says Temkin. “If social isn’t integrated with sales, marketing, or customer service efforts, then it’s really hard to measure.”

As companies formulate their 2012 organizational strategies, business leaders should ensure that the social media team “embeds” their strategy with one or more functions, such as customer service and marketing, Temkin advises. “This will enable organizations to plan their social strategies holistically around those functional areas and not as a separate entity,” he says.

What currently is your number one challenge regarding social media?



Source: Peppers & Rogers Group/Temkin Group, “2011 Social Strategies” survey

Measuring Success



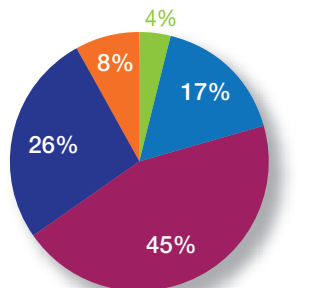
Before executives attempt to measure the impact of social media efforts on business performance, they should first closely examine some of the underlying information about their social customers, says Don Peppers, founding partner at Peppers & Rogers Group. For instance, are the people who are sharing sentiments on sites like Facebook or Twitter part of the customer segment that your company is trying to reach for specific products or campaigns? Are they influencers, whose social comments can positively or negatively sway a significant percentage of a target audience?

Although there are ways companies can measure results from their social media efforts, it's important for practitioners to understand some of the unique aspects of measuring social. For instance, unlike, say, a direct marketing campaign where a company has some level of control over variables such as the target audience, reach, etc., social media customer interactions can't be managed or controlled, Peppers says. "If you put a marketing manager in charge of a social media program, they'll likely try to apply the outcomes expected from traditional marketing efforts," he says.

The Social Value Matrix: Today and Tomorrow

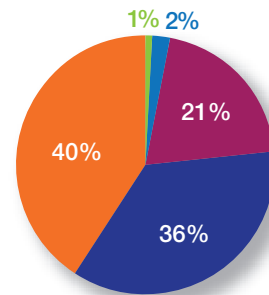
There are sizeable gaps in the amount of value companies are deriving from social strategies today and the amount of value they expect to receive within three years. "If and when companies integrate their social strategies into strategies for other organizational functions, such as marketing and customer service, that's when we can expect to see stronger results in the values obtained," Temkin says.

How much value has your organization gained from its current social media efforts?



- Negative value
- Almost no positive value
- Small amount of positive value
- Modest amount of positive value
- Significant amount of positive value

How much value do you think your organization will gain from its social media efforts over the next three years?



- Negative value
- Almost no positive value
- Small amount of positive value
- Modest amount of positive value
- Significant amount of positive value

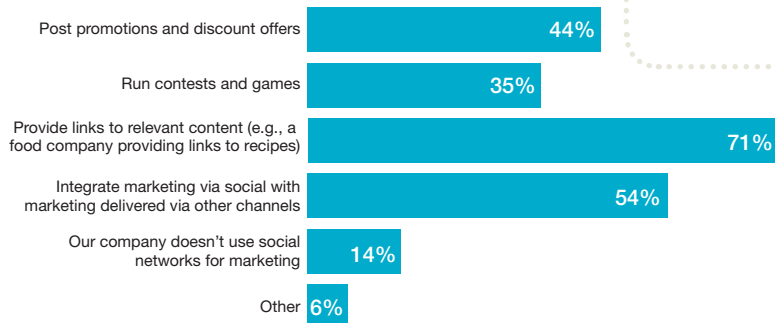
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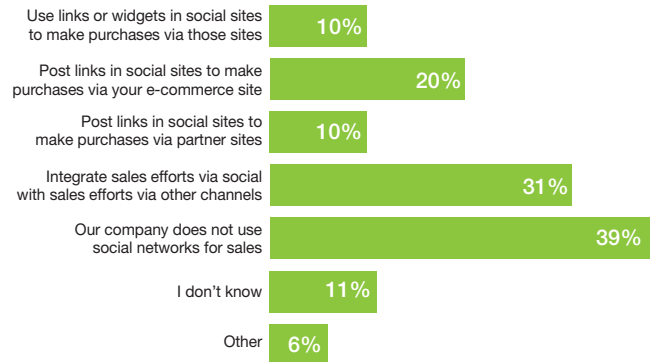
Crafting the Message

Many marketing organizations continue to use social media to provide customers with relevant links to products or company information (71 percent) or to post promotions and discount offers (44 percent). While that type of information can be informative and useful for customers, companies can strengthen customer relationships and benefit further by analyzing customer insights for target segments to make sure they are sending out relevant promotions and offers that will resonate with customers and lead to higher conversion rates among the intended audience, says Peppers.

How is your organization using social for marketing?



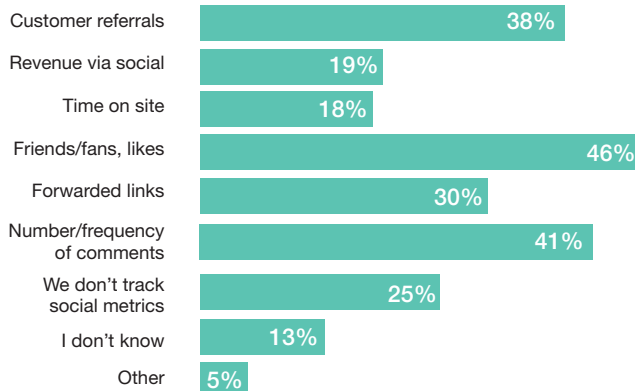
How is your organization using social for sales?



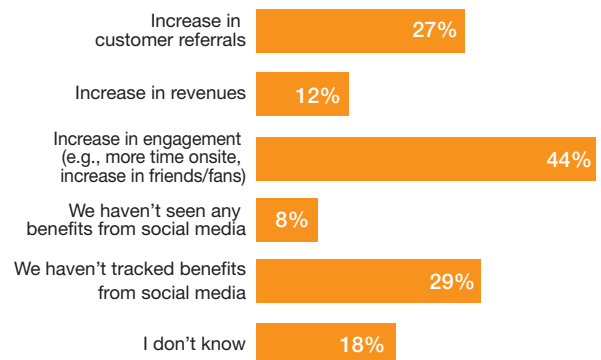
Adjusting the Dial

It's clear that most companies are still in the early stages of creating and implementing their social media strategies. For example, few companies are able to measure the success of their social strategies in terms of business metrics. Nearly 50 percent of survey respondents say they measure social success in the number of fans, friends, or likes their organization's social media pages generate. "What this demonstrates is that many companies still need to transition from the use of social metrics to business metrics," says Bruce Temkin, managing partner of Temkin Group. As companies integrate social into their customer service strategies, for example, they should begin to measure business metrics such as changes in the cost to serve or the number of calls deflected from the contact center.

How do you measure success in social?



In what areas do you feel that your organization is receiving a return-on-investment from its use of Facebook, Twitter, or other social media tools?



Source: Peppers & Rogers Group/Temkin Group, "2011 Social Strategies" survey

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