

SOCIAL MARKETING FOR SMALL BUSINESSES



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The publication explaining how social media are profoundly transforming marketing practices and why this matters for Small and medium-sized enterprises (SMEs) in developing countries - provides background information on the origins of social media; reviews main tools and methods such as blogging, social networks including Facebook, LinkedIn, Twitter and Google+, and content sharing methods; discusses importance and benefits of using social media by exporting SMEs; suggests that strategies need to be developed to take advantage of social media in the export-marketing context and describes how to design such strategies; discusses how to measure the impact that investment in social media has on the business, offers a set of indicators and targets, and the ways to measure performance; includes examples from various social media platforms and case studies from selected developing countries.

Descriptors: **Internet, Marketing, SMEs, Competitiveness, Information Networks, Information and Communication Technologies.**

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Abbreviations

The following abbreviations are used:

B2B	Business to Business
B2C	Business to Consumer
B2G	Business to Government
CEO	Chief Executive Officer
CFO	Chief Finance Officer
GRP	Gross Rating Point
GSM	Global System for Mobile communications
HR	Human Resources
HTML	Hypertext Mark-up Language
ITC	International Trade Centre
LTD	Limited
NGO	Non-Governmental Organization
NTFII	Netherland Trust Fund
PPC	Pay per Click
ROI	Return on Investment
SEO	Search Engine Optimisation
SME	Small and medium-sized enterprise
UNCTAD	United Nations Conference on Trade and Development
URL	Uniform Resource Locator
USA	United States of America
USB	Universal Serial Bus
USD	United States dollar
WTO	World Trade Organization

Preface

Social media are taking an increasing place in our lives, and this technology and form of communication is only set to increase in importance. Beyond the famous examples of Facebook or LinkedIn, the 'social' approach to digital communication marks a change in the way that we are expected to interact with one another on line. E-Commerce platforms such as eBay and Amazon increasingly rely on social interactions between customers and buyers to generate activity and content on their stores. eBay encourages its users, whether vendors or buyers, to create virtual 'collections' of their favourite articles found on the site (whether they are the seller or not) and to share the listing with their friends. Amazon has a thriving community of sellers who, just like eBay, rely on the personal recommendation to develop their business. Even business to business applications, such as salesforce.com, have social media modules which invite sales people and their customers to dialogue on line about products.

By supporting people's natural tendency to want to share information, social media open up a vast new channel to communicate and offer small businesses a potentially cost effective way of reaching a large online audience. This is an especially enticing prospect for businesses from poor countries that may not have any realistic alternative to promote their goods and service in international markets other than online. Buying banner or search term advertising is technical and costly, whereas effective use of social media can be as natural as understanding where the audience is on line and what they are interested in communicating about. Social communications fit with the cultural norm in many poor countries: the tendency to trust personal recommendation to a much higher degree than advertising. A particularly important audience is the diaspora, who may have the income and nostalgia to seek and buy products from their home country. Social media put a web of potential connections at the disposal of an SME aspiring to promote their products internationally.

Using the media effectively does require investment. They can be cost effective but are not entirely free to use. Firstly, the SME wishing to conduct business socially must be aware of the potential of the new media and make wise choices how to prioritise and work with the tools. This publication is a good start in doing just that. In addition, the company must have the right products and services in place to support online promotion. If the products are of consistently good quality and the service provided supports the good reputation of the business then customers will naturally be willing to promote the company. Mistakes of quality or service can have the opposite effect, if not corrected rapidly.

Business in the digital world is exciting and offers great potential. However, it comes at the 'price' of transparency about quality and service: your reputation online is one of your most valuable assets.

ITC's focus is to enable small and medium enterprises in developing and least developed countries to seize the opportunity of e-Business and to take a greater part in international trade, whether through mobile applications or other digital channels. ITC is active in the deployment of Web marketing, e-commerce and digital tools benefiting SMEs in developing countries through training, advisory services and customizable products. The agency works with local stakeholders and in particular trade-support institutions to adapt technologies to local requirements.

- **Facebook** (2004)
- **YouTube** (2005)
- **Flickr** (2004)
- **MySpace** (2003)
- **LinkedIn** (2003)
- **Twitter** (2006)

The social web emerged at that point in time. Instead of just blogging, it was now possible to easily upload your photos and share them, upload videos, upload links to your favourite new stories, and to follow all this social activity by creating a group of friends that you were interested in following – whether real friends or just online ones.

This new social web that has grown and developed since 2005 builds on social media, which give the ability to create and exchange user-generated content online. Social media has changed the way the Internet operates compared to the old static pages of individuals and companies. Social networking – the tools that allow you to gather together a group of friends or followers like a LinkedIn group (see example below) – are now the most popular tools and websites on the web.

Figure 2 LinkedIn Group set up by ITC under the NTFII Programme



Social networking is a subset of social media, though the two terms are often confused and used synonymously. The specific focus of a social networking tool is around the creation of relationships and the ability to share information and engage with an online pool of contacts.

Because social networks are often used to share content such as news, photos, and video the terms can be confused, but it is possible to publish video to a video-sharing site without cultivating a group of online contacts – conversely it would be difficult to use a tool such as Facebook without finding people to engage with.

2. Social media: the main tools and methods

You most probably know some of the tools and methods. You may already be on Facebook or write a blog. You might be sharing the most interesting news stories you read on Twitter or uploading photos to Flickr to be shared with family, friends or business contacts across the world.

Or you may be doing none of this at all. Or you may be asking how any of these interactions with ‘friends’ can be of use to your business? For the purpose of this publication, we shall assume that when describing the main tools and methods, the interest is in how best to use them for the commercial needs of an SME.

We are going to divide the main tools and methods into three broad groups, in order to make their use easier to understand:

- Blogging and news creation tools
- Social networks
- Content sharing

Social media is a vast topic. It involves much more than pushing, or broadcasting, information about what your company is doing. You will need to engage with friends, partners, customers, potential customers, influencers - and critics. Because engagement is more complex than just broadcasting you will need to think about the best way to define a strategy for using social media – a strategy defining what you want to achieve and the steps you will need to take. While you develop this strategy it is worth considering how the environment has changed and is likely to change over time. A few years ago myspace.com was a leading social network and Facebook was a small challenger.

When you consider the tools described here, remember that this was the situation in 2013 – the social-media platforms recommended here have settled into a position of market dominance so you can plan with some certainty, but in this environment it is impossible to discount the fact that in another 5 years things will have changed again. Make sure that you are thinking of a social media strategy that works regardless of the tools you are using.

2.1. Blogging and news creation tools

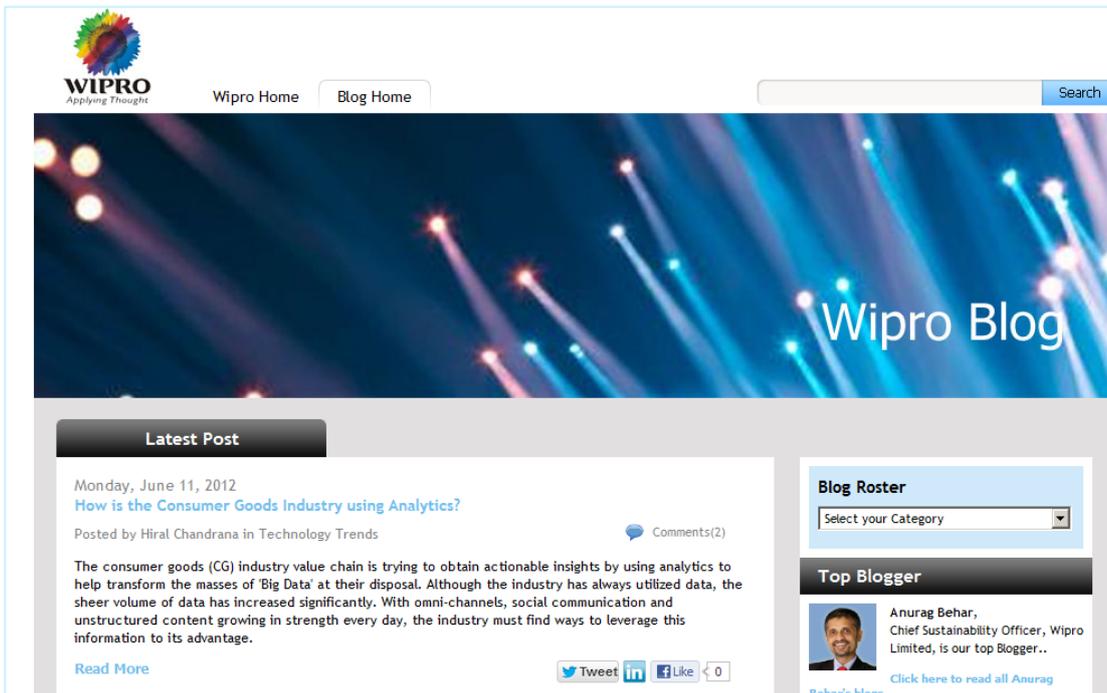
As mentioned in the introduction, blogging is really where the Internet started to get social. It allowed any user to create new content and for their readers to leave comments. The main blogging tools are described in the following table.

Figure 3 Main blogging tools

Blog Service	Cost	Description	Hosting Requirements
WordPress  www.wordpress.org	Free	Targets both companies and individuals for bloggers Offers a widely used Content Management System for websites Lots of themes to choose from, easy interface	Hosted software (you need to install it on your hosting platform)
Blogger  www.blogger.com	Free (Google)	Quick and easy to set up. Few design and layout templates Ties into other Google tools, such as AdSense Option to set up your own domain, or subdomain: 'http://yourname.blogger.com'	Web service
Tumblr  www.tumblr.com	Free	Microblogging platform and social networking website Allows posting of text, photos, quotes, links, music, and videos from a browser, phone, desktop, e-mail.	Web service
Blogsome  www.blogsome.com	Free	Can create a subdomain for your blog: 'http://yourname.blogger.com' almost identical interface to Wordpress	Web service version of Wordpress

Source: www.forbes.com/bow/b2c/review.ihtml?id=7781

Blogging offers you a platform, a place in which to demonstrate that you have an opinion on your area of business. As long as you get the tone right: some companies write terrible blogs that endlessly attempt to sell their products or services – almost entirely a waste of time.

Figure 4 Blog of the Indian company WIPRO

Source: www.wipro.com/blog/

Think for a moment about what you would be interested in reading on the subject of your own industry. Would you continue to read an article in a newspaper if it was obvious that the author just wanted to sell you something rather than parting with some information, or a learned opinion?

Blogs, however, do not need to be packed with information. They can be used just to stimulate debate with readers. If there is a major event in your industry, write your opinion quickly and then encourage others to comment with their thoughts. This also allows you to be seen online debating a very current and relevant topic.

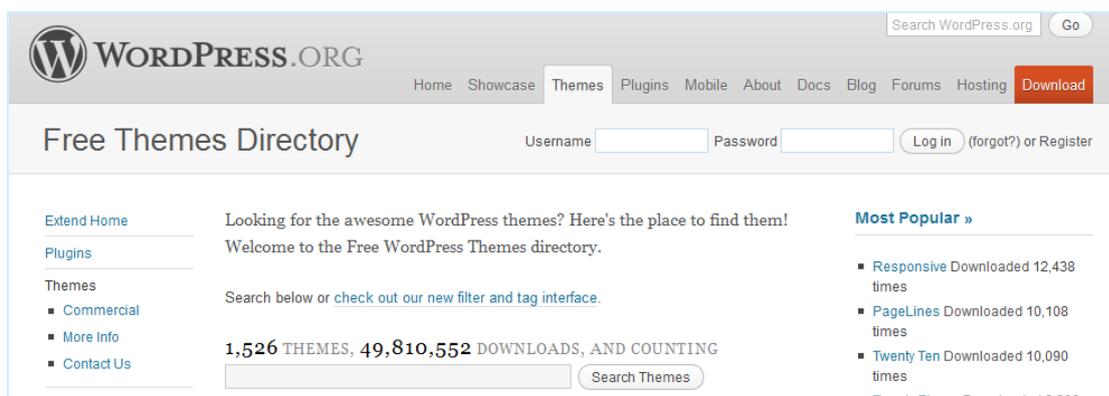
When thinking about blogging for an SME you can explore it in a number of ways. All of these are valid options and all have their own advantages and disadvantages:

- Should you write for an established blog? It will give you a wider and more immediate audience if you can approach a newspaper or trade journal from your industry and blog for them. They have the advantage of a blogger contributing directly from the industry and you have the wider audience of an established paper, but this route can be slower as you may need to use editors at the magazine to check everything you do, and you may be prevented from saying everything you would like to due to this editorial control.
- Should you create a company blog? If you want complete freedom to say anything you choose and you would like to merge the blog into your own company website then this is the best option. It can help you to considerably increase the number of people looking at your company website just by regularly publishing an opinion about what is going on in your industry.
- Should you create a personal blog? If you have a strong individual brand as a leader in your industry then it may be more applicable to create a personal blog, rather than a company one. Be aware that you really do need to have strong brand value to be taken seriously as an individual blogger not backed by a company – you will need to have published books or serious articles about your business area for instance, or be recognized as an opinion leader.

- Should you create a pooled blog where many people from your company will contribute? This is a great way to encourage people from your own company to contribute to a blog that is not just yours alone and the variety of opinion often leads to it being a more interesting read. Be aware that you will need an editor to make this work – someone has to chase all the contributors and ensure they write something, and the contribution level will vary. Some people will be able to write immediately for the blog and some will need strong editing to improve their copy.

So there are various ways to make this happen and many tools, such as Wordpress (www.wordpress.com) and Blogger (www.blogger.com), which can help you to create a blog. The advantages of such blogging platforms are that they allow you to create a more dynamic way of informing and interacting with your public, allowing them to comment or even if configured so, to post articles on your blog. An added value of having such a hosted blog is that this can also play a role in enhancing your Search Engine Optimization efforts as both blogger.com and wordpress.com are 'SEO Friendly' systems.

Figure 5 Screen capture of the WordPress website



Source: <http://wordpress.org/extend/themes/>

Wordpress is by far the most important blogging platform on the Internet today¹. It is free open source software available to anyone and was originally launched in 2003.

Open source is a software movement and philosophy that encourages products to be developed and offered for free – rather than the more traditional shrink-wrapped software you always had to pay for. Open source works because a large number of people will build and maintain a product like Wordpress just for the kudos of being associated with a successful product. The open source movement allows those involved in installing systems, training users, and fixing problems to be paid – so it's generally free unless you need to create a complex installation that will require engineers and training

Though Wordpress is generally considered to be a tool for blogging it is also a very powerful content-management system for any kind of website that requires regularly updated pages. As a matter of fact, according to the technology news site TechCrunch, Wordpress is the tool now used to build almost a quarter of all new websites¹.

2.2. Social networks

This is an important area to engage with because it allows interaction with the people who may be interested in your company and also those who might influence potential customers.

The three most important social networks for you at present and their main features and advantages are as follows.

¹ Techcrunch.com: 'Wordpress now powers 22 per cent of new active websites in the US' August 19 2011, <http://techcrunch.com/2011/08/19/wordpress-now-powers-22-percent-of-new-active-websites-in-the-us/>

2.2.1. Facebook

Facebook is a social networking service launched originally in the United States in February 2004. It counted 1.19 billion users in September 2013.

Facebook has grown to become the dominant social network globally, popular not only in developed markets such as the United States and European Union, but also in developing countries.

Facebook allows the user to group their friends, colleagues, and business associates together so that it is easy to share information, present status updates and opinions, links to web stories, and to indicate preferences for particular products or services.

Figure 6 Screenshot of the Facebook page of Facebook



Source: www.facebook.com/facebook

Facebook is used as a tool for personal communications – keeping in touch with family and friends – but it is increasingly also used as a business tool for companies of all sizes. It can also be considered as a business communication tool, but it is important for you to consider the markets in which you operate and how Facebook is treated in those places if you want to use it for business. Although Facebook is based on personal accounts, one can create multiple ‘pages’ to promote a business or a brand.

2.2.2. Twitter

Twitter is more of a communication service than a true social network because it focuses on creating a stream of information that resembles a conversation, rather than just grouping friends together.

Twitter started in 2006 and has now grown to an active user base of 200 million active users creating over 400 million Tweets each day in March 2013.

Tweets are limited to a maximum of 140 characters creating a focus on short, direct communication. It is possible to address the entire Twitter user base, specific members, and to focus a message on particular topics.

Twitter has become extremely important for companies monitoring online discussions about their own brand, but also to view open discussions taking place on their area of business. Even if you are too small to have developed brand awareness outside of Twitter, a demonstration of industry knowledge within these online conversations can encourage people to find out more about your company. Almost all Twitter traffic is open and freely available so it can be used to monitor the ‘buzz’ around a particular topic – when a major

news story is breaking, it is likely that more information can be found on Twitter than on traditional search engines, because a traditional search engine needs time to collate and index pages.

2.2.3. LinkedIn

LinkedIn is a business-oriented social networking service that was launched in 2003. It has reached 259 million members in November 2013. The site is available in 19 languages.

LinkedIn focuses on professional networking. As a consequence, the individual user profile is heavily weighted towards details of qualifications and work experience. Users can connect to a group of contacts based on knowing them from their professional experience and can even receive recommendations from people they have worked with.

LinkedIn allows very powerful business networking, based on company, type of job, or industry. The service also encourages discussions and business questions to be answered by users.

Moreover, LinkedIn allows the creation of open and closed groups, which can be used as discussion forums. It also gives you the opportunity to create company profile pages, featuring information on companies such as news. These company profiles can, for instance, inform you about who has recently joined or left the organization. Creating a profile page for your company can be a very powerful way of ensuring that your information can be found online. Business partners are able to 'follow' your company, i.e. receive information about updates to your company's page.

Figure 7 Example of a company profile on LinkedIn

The screenshot shows the LinkedIn profile for Right Brain Solution Ltd. The profile header includes the company name and a brief description: "Right Brain Solution is a software company based on Dhaka, Bangladesh. We develop high quality software solutions for clients in home and abroad. Our teams are comprised of passionate professionals who not only deliver quality software but also actively participate in community sharing. We love ... more". Below the header, there are two tabs: "Your Network (8)" and "Employees (12)". The "Employees" tab is active, showing two employees: Emran Hasan, Co-founder, CTO (1st degree connection) and Md. Rubayet -E-Hakim, Co-founder (2nd degree connection). To the right of the network section, there are "Follow" and "Share" buttons, and a "65 followers" count. Below that, a section titled "How you're connected to Right Brain Solution Ltd" shows: 1 First degree connection, 7 Second degree connections, and 12 Employees on LinkedIn. There is also a link to "Check out insightful statistics about Right Brain Solution Ltd employees". At the bottom, there is an advertisement for "Lead a Global Team" with the text "Learn to lead for strategic results. 3 day".

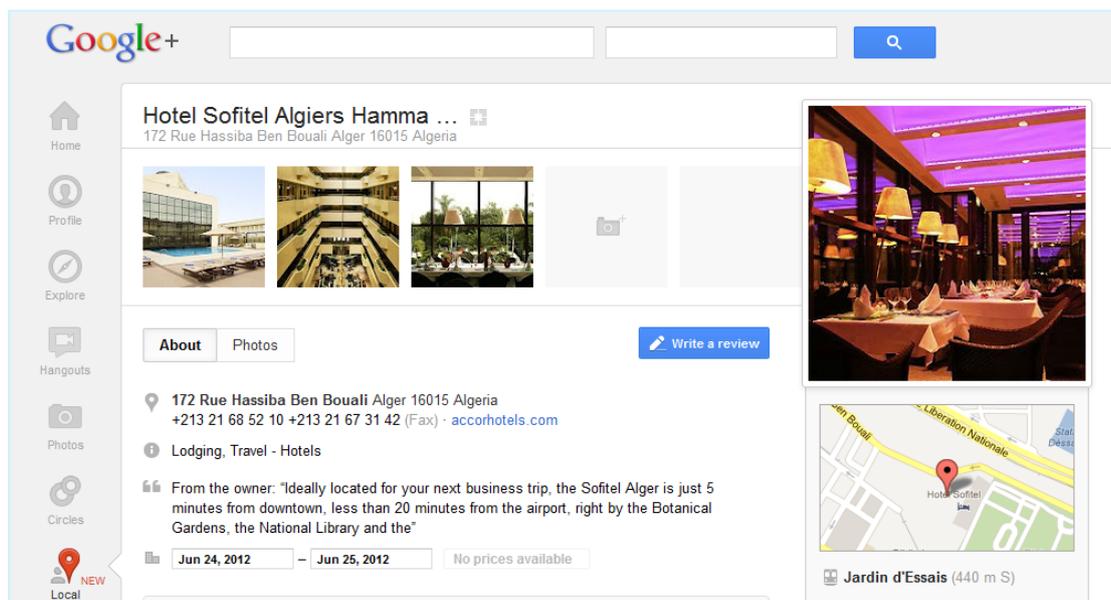
Source: www.linkedin.com/company/206347?goback=.nmp_*1_*1_*1_*1_*1_*1_*1_*1_*1_*1&trk=pro_other_cmpy

LinkedIn has recently been focusing on revenue generation from placing people into jobs via a recruitment service and many large organizations now use LinkedIn as an important part of their HR strategy, though for the SME, the potential for generating real leads is more important than recruitment.

2.2.4. Google+

Google+ is the most recent addition to the group of important social networks you may need to consider. Pronounced, and sometimes written as Google Plus or G+, it was launched in June 2011 by Google as a social networking service based on existing users of Google tools – principally the Gmail e-mail service.

Google+ offers users a personal profile and the ability to create 'circles' of friends, allowing people to be grouped easily as family, friends, or acquaintances – rather than all grouped together as a single group. Profiles for companies and products can also be created allowing an easy space for businesses to encourage the discussion of their products or services.

Figure 8 Example of a Google+ hotel page

Source: <https://plus.google.com/101002582653000534340/about?gl=US&hl=en>

Google+ has also introduced features such as 'hangouts' to encourage the social sharing of content – to watch a video online with friends for example. Hangouts can be used for video conferencing purposes or next-generation webinars. It limits the number of participants to ten.

Google+ counted 359 million active users in May 2013, becoming the second largest social network after Facebook, up 33 percent from 269 million users at the end of June 2012, according to GlobalWebIndex².

It is worth noting that although industry observers think that Google+ is the biggest single threat to the dominance of Facebook, this is also the fourth time Google has attempted to break into the world of social networking – there is no guarantee that this will develop into a significant international network.

2.3. Content sharing

There are as many sites encouraging the sharing of content as there are different types of content to be shared, however some have become significant social networks in their own right. Many of them are useful repositories for you to store content that is useful for your business.

Once you have stored useful content online it can then easily be used in your other online activities: you can for instance embed a video you have uploaded into a blog post.

The type of content you will want to upload should depend on your social-media strategy. What is it that you want to share?

There are several types of content that you might want to store and use on your blog or social networking channels.

- **Photographs:** Flickr.com, Picasa.com, Instagram.com and Pinterest.com offer very good options to store photographs and share them easily either by sharing a direct URL (web address) to the photo on that site, or by offering you the embed code. You can copy the embed code and then use this when writing a blog, so the photo appears inside your blog post. Instagram and Pinterest offer strong social features. Instagram was bought by Facebook and is increasingly used by younger demographics, but also by SMEs.

² www.businessinsider.com/google-plus-is-outpacing-twitter-2013-5#ixzz2SbA7KjW8

- **Slides:** Slideshare (www.slideshare.com) is a great archive for PowerPoint slides, which can inspire you when preparing a presentation on a specific topic. You should also upload your slide decks there, share direct URLs to the deck and embed slide decks into blog posts.
- **Video:** YouTube (www.YouTube.com) is owned by Google and is by far the largest video sharing site globally, but other niche sites such as Vimeo (www.vimeo.com) also exist and offer specific services. With sites like YouTube it is very easy to upload a video and then share it using a direct URL or by taking the embed code and placing it on your site.
- **Documents:** Scribd (www.scribd.com) offers a great platform for publishing your brochures and documents and then allowing them to be shared in public forum, or as private documents available only to the people you share the URL with.
- **Audio:** Audioboo (www.audioboo.com) is a community of audio recordings similar to the way YouTube works. If you record interesting sound clips, perhaps an interview, you can upload it and pass on a direct URL or grab the embed code so it can be included on your blog or website.

These options for content sharing are just suggestions for the most popular sites. There are many other sites constantly being launched online, but these are the most established and well known for these particular areas.

Creative Commons is a form of flexible copyright protection that encourages the sharing of content, but within certain boundaries. For instance a photographer may have uploaded a photograph of Edinburgh castle and licensed it with a cc license that allows anyone to freely use the image so long as the photographer is credited. Alternative licenses can offer complete freedom to use the material, or freedom to use the material for any non-profit activity.

Figure 9 Search criteria on Flickr, including Creative Commons options

The image shows a screenshot of the Flickr search interface with various filters. The filters are organized into sections:

- Search by content type:** Includes checkboxes for Photos / Videos (checked), Screenshots / Screencasts, and Illustration/Art / Animation/CGI.
- Search by media type:** Includes radio buttons for Photos & Videos (selected), Only Photos, and Only Videos, plus a checkbox for HD videos only.
- Search by date:** Features a dropdown menu set to 'Photos taken', with input fields for 'after' and 'before' dates in mm/dd/yyyy format.
- Creative Commons:** Includes the Creative Commons logo and checkboxes for 'Only search within Creative Commons-licensed content', 'Find content to use commercially', and 'Find content to modify, adapt, or build upon'.

At the bottom, there is a blue 'SEARCH' button and a link: 'Or, return to the [basic search without all the knobs and twiddly bits.](#)'

Source: www.flickr.com

It is important to understand the implications of Creative Commons because you may want to upload your own content with a cc license, encouraging others to use it so long as your company is credited. You may also need content sometimes – imagine if you have just written a blog post about doing business in India

and you want to enhance the blog with a photo featuring a scene from India. It's easy to search any photo network like Flickr for photos of a particular type – using search keywords – and specifying that you only want to find images that are cc licensed so that you can use the image. Flickr has over 200 million Creative Commons photographs freely available to be used in this way.

3. The importance of social media for exporting SMEs

After the introduction on the wide variety of social media platforms, you might be asking 'what's in this for my company?'

In particular, how can social media help your business, and how can social networks designed on a university campus in the United States be of any relevance to a small enterprise in a completely different part of the world?

As a matter of fact, the origin of the social network rarely matters. All of the major platforms discussed in this book are available in many languages and often with local support. Countries such as India and Brazil are now the focus for networks such as LinkedIn because the real engine of business growth in future is small and medium-sized organizations in the fast developing world.

Just because everyone is now discussing this topic does not mean that creating a Facebook page for your business will automatically lead to success.

Taking a social-media approach to your business has a number of advantages, but it is worth considering exactly what you are trying to achieve by exploring social media.

There are several reasons why you might be exploring social media.

- **Marketing and advertising:** this is the most likely area for most people reading this handbook. You want to explore how to promote your company, create visibility and most importantly earn revenue from new clients who might not have heard of your company before.
- **Improvement of your own service:** it could be that the service you offer can be dramatically improved by engaging more through social media with your clients and customers.
- **Interaction and engagement:** clients are expecting a more social interaction with companies these days and many companies have started building communities of clients and interested parties – the engagement can be online or offline, but is often facilitated using online tools.
- **Internal communication:** engaging more openly and more socially can improve the way your own company communicates internally – for example by getting the management team to blog and allowing staff at all levels to make comments.

So there could be many reasons why you want to engage more socially, but let's assume that the most important reasons for you are:

- Improving your revenue – getting more sales.
- Improving your visibility and finding new customers who were not aware of you.
- Improving your outreach and being able to reach into markets that previously seemed impossible to tap into.

Fortunately it is possible for you to achieve this with a little planning. Social media allows access across borders and can help you to find new clients, but it does need a slightly different approach to any sales drive you may have arranged in the past.

One important point to remember is that many markets have globalized very rapidly in the past few years. Companies are prepared to look further for products and services, but that also means that there is global competition. In this context, you need to understand how a company executive who needs to buy something is going to find a potential supplier. They will almost always start by searching the Internet to see who is selling in that area, regardless of where they are located.

But there are some very important differences that you need to take into consideration when thinking of how to communicate in the social-media environment.

3.1. Transparency

The assumption on most social networks is that any conversation between the company representative and the customer (or potential customer) is open and visible to all, whether as Twitter messages or a Facebook wall discussion.

Figure 10 Example of user interaction on a Facebook page



Source: www.facebook.com/pages/ENTREPRISE-TUNISIENNE-DES-ASCENSEURS-ETA/274356569349

Calls to a contact centre are all recorded, but other consumers would not listen in to other calls, so there is a very different open discourse taking place in this new environment – where one customer might even have the answer sought by another and be happy to share it.

This difference is crucial. Sometimes you will just be facilitating a discussion between your own customers or prospects – not directly selling to them.

In addition, with value being placed on transparency of communication it is important to be honest about what you can do and how. It's not possible to pitch to a prospect in a social-media environment when you know all of their online friends can also monitor your conversation – the traditional sales pitch does not work in this environment.

3.2. Amplification

Whether the experience is good or bad, it is very easy for customers to amplify something they see online by sharing it with their online friends – see the point just mentioned about changing the way you interact with potential or existing customers online.

This idea of amplification works both ways and can be very positive for you – or negative.

Imagine you are dealing with an existing customer online and they are making a complaint about your service within a social network. If you can address the complaint online using the same network, openly answering their comments and helping to resolve the issue, then it is just as likely the customer will broadcast their satisfaction to all of their online friends.

However, if you try to sell to someone you don't know in a way that is seen as intrusive, the potential customer might send a message to all their contacts saying 'do not ever deal with this joker – look at the way he is trying to sell to me'.

This is a very open and transparent environment and you should always assume that communications can be seen by anyone – unless they are specifically kept private.

Amplification is a powerful concept and should be combined with the transparent approach to create scenarios where many customers and prospects are happy to show others a positive experience with your own organization.

4. The benefits of different types of social media

As detailed earlier, there are many different tools and each has a specific purpose. It can be difficult for many small business owners to know where to start. The steps for building a strategy are outlined in the next chapter, but it is worth considering the main benefits of each of the major social network tools and how they might be integrated.

4.1. Blogging

For many larger companies, a blog is at the heart of what they do online. You can use Twitter to talk to potential customers or create discussion groups on LinkedIn, but these discussions will be easier to start if you have a place where you are publishing your own thoughts and opinions.

Publishing in this way demonstrates your competence. It shows any potential customer that you have ideas and can talk about your business area in a way that shows insight and a willingness to innovate.

Your blog is your own online platform. Imagine handing out your business cards to prospects in future and on the flip side of your card there is an invitation to talk about the issues in your industry on your blog. Isn't it likely that this will create a discussion in the meeting?

4.2. Facebook

The biggest advantage of Facebook is that it is almost ubiquitous – almost everyone uses it. This is why major companies use it as a tool for highly targeted advertising and promotions.

64 million had told Coca Cola they 'like' their company and are therefore engaged within the Facebook community for Coke in spring 2013. Over 28 million liked McDonald's restaurants, which does not include those who like McDonald's in a specific country: for example 833,000 in Venezuela in May 2013. On the other end of the corporate spectrum, an SME like Medianet in Tunisia had over 2,300 people endorsing them through the 'Like' feature of Facebook at the same point in time.

	Facebook www.facebook.com
General Description	Targets both companies and individuals
Tools for Page Creation	Easy tools available for creating pages and editing design Developer support pages
Cost	Free (for setting up page, and standard features)

Figure 11 Facebook page of Medianet, a Tunisian IT company



Source: <http://fr-fr.facebook.com/MEDIANET.tn>

There are many groups that promote interaction between SMEs and they can be based on your industry or location – search Facebook and you are bound to find some interesting and useful groups. A good example is the South African Business Network³, which has almost 400 members talking about how to do business there. Four

Facebook is great for building communities of people who share a common interest; it can be very useful for branding your company or finding people who are interested in the same area of business.

³ South Africa Business Network <https://www.facebook.com/groups/14660727636/?ref=ts>

hundred may not sound like a lot when compared to the millions of people interested in Coca Cola, but you will be engaging with a small community that is very interested in the subject of the group – quality matters more than quantity.

One key advantage of Facebook is that it is very easy to integrate the 'like' button into other sites, such as your corporate website. Those who like your page on Facebook will receive the updates you post on your Facebook page. It may be that someone finds your blog or corporate website rather than finding you on Facebook. If you have a like button from Facebook incorporated into those other sites then it can seamlessly capture the interest that person has in your page. It is also worthwhile mentioning the 'share' feature in Facebook. It is seen to be very effective when the posts of an SME are shared between clients or other followers. Posts which are shared will be viewed by other potential customers who are friends of the followers and such sharing actions could initiate a 'social buzz'.

4.3. LinkedIn

LinkedIn is now becoming an essential business tool. Firstly, it really is the modern résumé and some companies have started accepting a LinkedIn profile as part of a job application rather than dozens of paper forms listing the same work history you have online anyway.

 LinkedIn www.linkedin.com	
General Description	Targets both companies and individuals
Tools for Page Creation	Easy tools available for creating pages and editing design

So the real benefit of LinkedIn is that this is where you are going to find people you can work with. It is where you can locate skills and can find the people who may be interested in your business and in the events you organize.

The search and marketing tools are very sophisticated. For example you can drill into the member base to find senior people in a particular industry in a particular market, so it can be a valuable tool to use for lead generation. Advanced search functionalities, however, are only available to premium members.

The online debates are also useful to get involved in because the system shows who is most active in any industry forum. Just being active in answering questions about your industry can be enough to start getting noticed. If you are targeting leads in a French-speaking area, Viadeo (www.viadeo.com) might be a better option; Xing (www.xing.com) is very popular in German-speaking countries.

4.4. Twitter

 Twitter www.twitter.com	
General Description	Targets both companies and individuals
Tools for Page Creation	Easy tools available for creating pages and editing design Developer support pages
Cost	Free (for setting up page, and standard features)

Twitter is great for short promotional discussions about what you and your company are doing. You can create a buzz about an idea or product very quickly and use the short 140-character messages to promote something far more substantial than these short messages suggest.

A common misconception about Twitter is that you need to be endlessly publishing tweets – commenting on your day for example

A common misconception about Twitter is that you need to be endlessly publishing tweets – commenting on your day for example. Many executives ask why they would need to be tweeting what they had for breakfast and who might even be interested in these banal conversations, but it is worth considering the real value of Twitter in listening to the conversations of others and use it as a sophisticated corporate communication channel.

For example, try the following steps with a brand new Twitter account:

- Find and follow the key influencers in your industry. They might be the journalists who write about your business, the industry analysts, the consultants who recommend companies to clients, or even other executives in your industry. Many of them have a Twitter account – go and follow them. You can use a directory service like MuckRack (<http://muckrack.com>) to help find interesting people.
- Define some search terms that are specific to your industry.
- Then, just watch and listen... all the messages on screen will either be from trusted people who are influencers in your industry or people talking about the subjects you are interested in.
- Engage with those people – just ‘talk’ to them. Comment on what they say and post links to information online that might be relevant to the discussions you can already see taking place.

4.5. Bringing it all together to form a full social-marketing strategy

This section highlights the steps required to form a full social-media strategy. It is likely that whatever your business does, you will need some kind of blended solution that uses several different social tools.

In summary, for most SMEs, this is how you might see the main benefits of the various social media tools.

- **Blog:** possibly the heart of your online activity, where you post your thoughts and opinions and where you can direct people from the other social networks – highly likely to be integrated into your main corporate website. Use the various content tools like YouTube to make your blog more interesting with photos, video, and audio in addition to the text.

- **Facebook:** for building a community of people who like your company or like talking about the industry in which you work, especially if you are in the business-to-consumer (B2C) market.
- **LinkedIn:** for building leads and finding skills within your own industry. Who has recently joined your main competitor? What is the background of a lead's executive staff? This kind of information will be on LinkedIn, especially if you are in the business-to-business (B2B) market.
- **Twitter:** For promoting your blog posts, press releases, news about events, listening to what the online community is saying, and engaging in conversation about the topics they start and using your blog posts to create your own discussions.

5. The traps to avoid: Is it really for me?

It is clear from what has been discussed so far that these are powerful tools. They can help you to promote your company, access new markets and engage with prospects in a way that you could never have achieved in the traditional, offline model of business development.

But there are traps too. Taking your business into a social environment does need a new transparent approach to working that can be quite alien for some – particularly those used to only working on a one-to-one basis with conversations kept entirely private.

Let us review a few traps to avoid.

5.1. Do not spam

How do you sell to new prospects at the moment? Is it with a sales team calling cold leads or e-mailing lists of potential customers?

You are most certainly already familiar with the term 'spam' used to describe inappropriate – or junk – e-mail, originating from the 1970 Monty Python sketch about a café where every item on the menu featured Spam processed meat.

Spam is a massive problem on e-mail, but spam filters have helped to control the deluge of junk mail we deal with on a daily basis. Most of it is never even read, simply deleted automatically, but in a social-media environment you need to think much more carefully about how to promote your organization.

If you search LinkedIn profiles looking for potential customers and then e-mail them all a message saying 'we do this, why don't you buy from us' then you are not only unlikely to win any business, the senior executives you are chasing will probably tell everyone in their industry to never deal with you. Even if they do not inform their entire network, it is very easy for them to click the 'report spam' button; this can very quickly cause the suspension of your account.

Always remember that the social media environment is transparent and the people you are talking to can amplify your message, so if you start spamming them with a simple sales pitch they will not respond favourably.

5.2. Do not leave abuse unanswered

One of the recurring fears many companies have about going social is that people may abuse their online identity. Disgruntled customers or ex-employees now have a profile online where they can tell the world what your company is really like, or how they view it. If you are writing blog posts, they can comment telling everyone that you really do not have a clue.

This is a constant fear for executives new to blogging or using social networks, however it can be easily managed. When you do receive blog comments or comments on your social network activity there are really just three choices to be made; respond, delete, or ignore.

- If you receive genuine abuse or threats then report the perpetrator to the relevant authorities. If it is less serious, report the abuse to the management or customer service of the social network – and delete the abuse if you can (after taking a screen capture for your own records).
- If you receive a criticism about an opinion you expressed online or about your service then DO NOT ever delete it – answer the criticism. You might feel that it looks bad to see people criticizing you online, but it looks far worse if you start deleting every negative comment because people will immediately realise what you are doing and suddenly the story will be that you want to censor all comment about your company. You cannot silence critics, so engage with them and answer the criticism directly. Do not forget, social media is about transparency and others will see you answering the critics and may well support your views.
- If a comment does not add value to the debate or is clearly a bit crazy – without being offensive – you can just ignore it without being concerned that people will think it is strange for you to not engage on an irrelevant topic.

5.3. Do not publish incorrect information in your company's name

If you blog or publish information on social networks in the name of your company then you should be accurate – this goes without saying in most cases, but in a more social environment it can be harder to enforce.

You should certainly enforce strict controls over who can publish on the blog and the social media channels and any executives publishing materials online whilst representing the company should be aware of their responsibility to be correct. For other company employees who want to engage online, it is worth asking them to make a note somewhere on their social media profile that they are publishing online in a personal capacity – not as a representative of the company or of their organization (see example of a disclaimer on the twitter account of an Ivorian Minister below).

Figure 12 Example of a disclaimer on a Twitter account



Source: <https://twitter.com/#!/ALAINLOBOG>

Social Media Today published a list of over a hundred different social media employee policies⁴. You can use this resource to plan how you might formulate your own guidelines for employees using social media tools at work.

5.4. Your account has been hacked

Hacking is a problem that can happen to anyone, but some basic security can help to prevent this kind of issues. Firstly, ensure that only those who need to publish on your company channels know the password and that it is changed regularly – weekly is recommended.

In most cases, this strict control over the publishing team and the password will prevent most hacking, but there is also the possibility that a rogue team member within your own company could use the channel to

⁴ Social Media Today, social media employee policy examples: <http://socialmediatoday.com/ralphpaglia/141903/social-media-employee-policy-examples-over-100-companies-and-organizations>

publish something negative about your company. This needs to be handled by making the responsibility of publishing clear to your team: for example, they should never go for lunch leaving a computer logged into your company social networking sites – allowing any random passing team member the opportunity for a prank.

Be aware of team members who quit your company and are on a final notice period. It is likely that you will want to withdraw any publishing rights they have, in just the same way as someone leaving the company would probably not go and speak at a conference on behalf of the firm.

5.5. Addressing fake accounts

You might find that rivals create a similar sounding blog or social network profile to your real one, populated with false information or advice – perhaps as a joke, or even with the malicious intent to damage your business.

Being online with a genuine profile helps to resolve this problem. It is important that your official corporate website is seen to link to your blog and any social network sites that you are using, then you can easily report any false users to the social network involved and point out that all the correct links are clearly visible on your corporate site.

Ensuring that you publicly link to all your social network activity from the main corporate site also gives people confidence that you really are genuine and not impersonating a company or executive.

There are many traps associated with the openness of the social media environment, but providing you are open, transparent, and ready to engage with people online, most of them can be easily avoided.

6. Case studies

6.1. Case study 1: Ark Development (Egypt)

www.arkdev.net

<http://ourevolution.arkdev.net>

When Facebook started booming, we were heavily using social media marketing for our clients. We were using 'sharing functions' to promote sites content we develop, we were creating applications for fundraising and donations, fan pages and groups and online advocacy campaigns that spread virally through social networks. We were developing on social media, but we were not really aware about its true power, until January 2011...

I was sitting on Facebook seeing a serious change in the content I usually follow. Instead of fun, entertainment and jokes, lot of serious posts about 'Let us protest On Jan 25th'. One of my favourite groups that targets 'Sugar cane juice lovers' was suddenly posting about human rights and freedom, creating true social pressure and stimulating people to go and shout 'we need freedom!'.

Is social media that powerful? This was the question. In fact it is. If you manage to create a group having 50,000 fans and you are able to retain them and inspire them with ideas, then you can bring upon change, a true change.

Then the revolution happened and succeeded to change a strong regime that lasted 30 years. Being a witness to this I had to change our company strategy in social media to be more than just developing for our clients, but also to use it for marketing and business expansion.

Directly after the revolution, we launched a campaign 'Ana Masry' ('I am Egyptian' in Arabic) which is a smart custom video that shows appreciation to the revolution martyrs, supports positive attitudes and adopts positive behaviour for the future by allowing the user to be part of it by entering his name, picture and a pledge. The technology used is 'personalized videos', a technology that Ark development team learned through its work with USA clients.

Then we went more into twitter! One of our products is related to strategic management. Our target segment is entrepreneurs and start-ups, I started to target this segment by posting leadership and management tips as tweets. This was a great way (although indirect) to penetrate the community of entrepreneurs in Egypt, to understand the main NGO players in the market. In less than two months, I was selected to be a mentor in Google and by several incubators and capacity builders. While I am not targeting any kind of business through my volunteering work, it gave me a great exposure to the community, which can lead to new business at a certain stage.

The campaign was supported by Facebook ads, it was enormously successful and in a few days we had more than 1,000 persons contributing to this campaign. I was running the ads on Facebook and monitoring the effect live on the campaign microsite: precisely we were getting two new contributors each minute.

Another point of strength of social media that has had a direct impact on our business is related to our client relations. We work as technology exporters, many clients never see us physically. For them we are more virtual than real as there is no face-to-face interaction. Social media helped us a lot

in this point, when our clients follow us on twitter and Facebook, see our photos, our events, a part from our life they feel much more comfortable in dealing with us. I was visiting the USA last month and when I met a client for the first time he told me 'Amgad, you really look like your Facebook image' - then we laughed loudly and hugged each other.

But, and there is always a but, using social media heavily can cause disturbance and a loss of focus. It must be used with care. One of our strategies in Ark Development regarding Social Media usage in the

office is very simple but very powerful: 'you have the freedom to use Facebook when you want, but never log in while you are in the middle of something.' We allow our developers to get a break and socialize but never in the middle of work... after lunch or at the end of the day.

We are advancing more and more in our Social Media Strategies. We are training two new resources for digital marketing and we are even doing another version of our strategic management application to be a social media platform for business. If this managed to change the destiny of a country then it can definitely change the destiny of a company.

6.2. Case study 2: Wicked Innovations (Philippines)

www.wickedinnovations.com

Social media is one of the great ways to keep track of those prospects and customers who like your services. If e-mail-list building works best for others, keeping track of targeted prospects and customers through social media works best for us. Thus, we're using this exceptional tool like others use e-mail marketing, keeping track of the subscribers and update them with recent promotions whenever possible by having the promo posted as a public announcement. What's even nicer is that when the update arrives on their profiles, they're provided with buttons by the social media host to easily share it with their friends.



https://twitter.com/wicked_seo

We used this method because we simply need to get our brand known all around the World Wide Web. This will create the story of our success. And we think this can't be achieved with advertising (expensive), e-mail marketing (could be limited and frowned upon) and SEO (competition is high) alone. We need to get our cart of services to where people mostly spend their time online, in the mainstream, the fastest way possible and, from there, broadcast the trustworthiness of our brand.

About 30 per cent of our customers came from referrals. Customers within our social-media community simply share the good word about our services to their friends. Their friends then come to us to inquire about our offers. You know, things like 'I heard from my friend that you ...' and 'I wonder if you could...'. Our sales team are good at converting them.

The key piece of advice I would give to another company owner about using social media would be to use it equally with other strategies.

Moreover, I should say that when you have set up social-media accounts to connect with existing and future customers, it is important to keep customer satisfaction on the top of your company's priorities. Though social media is a wonderful tool to get juice for your business as it takes the Internet space, it can also be a reciprocating hammer that can dig a big hole in your precious online reputation. Just one

unsatisfied customer could turn viral, and could possibly lead to an influx of bad mouthing about you brand. Keep the level of satisfaction up for them and you'll be good.

6.3. Case study 3: Evalueserve (India)

www.evalueserve.com

We are using social media mostly targeting our employees and ex-employees. We have for example a LinkedIn group and a Facebook group (which we are currently updating), where people can interact, and where we post corporate news. We also have a Twitter account which regularly features interesting industry-news.



www.linkedin.com/groupsDirectory?itemaction=mclk&anetid=3992880&impid=&pgkey=anet_search_result_s&actpref=anetsrch_name&trk=anetsrch_name&goback=.gdr_1339495566738_1_*2

For client-communication, we are following a very strategic approach by participating only in certain forums, groups and sub-groups, most of which are very specific, for example PIUG for patenting. We are also monitoring our Wikipedia-entries to ensure that the information posted is correct.

As a services company, we cannot use social media for our client-marketing to the same extent as for example consumer goods or entertainment companies do (with promotional activities, competitions, sophisticated product presentations, events etc.), but it is still an important tool to strengthen our brand externally. Also, it helps us to casually interact with (ex-) employees and to a certain extent with clients and prospective clients.

We see large interest from our employees especially from India to associate themselves with the company, for example they are adding Evalueserve as their employer on their Facebook profiles or are very eager to join the Evalueserve groups. Since we do not target clients on a broad scale with our social media efforts, we do not measure the impact of social media.

If you are considering social media then use a targeted approach. Find out whom you want to reach, what topics they want to read about on the net, and on which pages they find their information. Then get involved there.

Avoid sharing irrelevant information - readers will soon lose interest. For example, we treat bloggers as any other media representative, and would not approach them with straightforward marketing messages. Also, posting self-promotional messages in various forums does not positively impact branding. Remember that the Internet never forgets – negative postings stay forever. These can be your own postings, which have been carelessly published, but also negative feedback from the outside. Both are extremely difficult to get rid of. To sensitize our employees, we have a media policy in place that all our employees have to read and adhere to.

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[http://en.wikipedia.org/wiki/Spam_\(electronic\)](http://en.wikipedia.org/wiki/Spam_(electronic))

Vodafone Tweet image

<http://twitpic.com/11iamr>

Vodafone apology

<http://j.mp/vodaapology>

Chapter 2: Integrating social media in your business strategy

Now we have explored the background of social media and the main tools that can be used, it is time to decide on how you are going to use them: now, you need to define a strategy.

1. Social media strategy, the main considerations

Strategy is a military term, defining the broad approach needed to reach a certain goal. It is important to remember this when formulating any strategy in business – you need to remember your end goal and plan the steps you will take to get from the present state of your business to the intended future state.

The relevant goal for social media is not success limited to the social media environment itself; it is the success of your business.

This obvious truth can be lost in the fog of information surrounding social media. The enthusiasts of social media can often be found talking about how to boost your followers, how to get more likes on Facebook, and how to engage more with senior executives on LinkedIn.

Most of what you need to plan for with social media is not success within the social environment; it is what you need to succeed in your business

These are all valid activities using social tools, but most companies will not earn more if 100 or 1,000 people read their blog on a daily basis.

In the previous section we outlined some broad goals that are the most likely outcomes an SME would be looking for – none of them mentions an increase in Twitter followers or Facebook friends.

- **Improving your revenue** – getting more sales.
- **Improving your outreach** and being able to address markets that previously seemed impossible to enter.

So the first thing you need to plan for when defining a social media strategy is the outcome you want from the process. More specifically, this might be:

- **To use social-lead generation tools** to turn business leads into contacts who are much more likely to do business with your company because you have far more information on what they need or are aware when they are looking for help.
- **To build a network of people who directly influence your potential clients** in a way that would be impossible offline due to geographical distance or suspicions about the objectivity of opinion leaders.
- **To become visible in new markets** where you know there are potential clients for your business, through a combination of publishing and engagement with people in those geographies and industries.

Once you define your own goals, it becomes easier to see how the social tools can help you, they all have their own advantage and can be used together to great effect.

Business-to-business (B2B) sales are different from business-to-consumer (B2C) and business-to-government (B2G) has other complexities. In the case of a B2C strategy, it is likely that you will want to plan how social media can increase awareness of a product, creating a community of fans, or followers. A B2B organization has no real need for fans or followers as the potential buying community is so much smaller, so the focus would be more on educating your customers or the people who do directly influence your customers.

Some of the key activities you may plan for within your social media strategy might include:

- Market research
- Competitive intelligence
- Marketing and branding
- Reputation and personal branding

1.1. Market research

Undertaking market research usually requires a number of tools designed to capture the opinion of consumers. Focus groups, surveys, polls, interviews – these are all tools that aim to engage potential customers, find out their opinion, and to then organize that information into some order based on a blend of qualitative and quantitative analysis.

Social media tools are well placed to help with these activities - in fact, the use of social tools can often allow you to engage in market research that would be impossible or expensive otherwise.

Consider opinion surveys as an example. There are many online tools that allow surveys to be designed and managed, such as Survey Monkey (www.surveymonkey.com). You can design a survey, distribute it using social media tools and track the responses, even send reminders to encourage participation and then analyse the responses.

Figure 13 Example of a survey on Survey Monkey

The screenshot shows a web browser window with the following content:

- Browser title: [SURVEY PREVIEW MODE] ELI Summer 2009 HIS 101 Quick Course Survey - Mozilla Firefox
- Address bar: http://www.surveymonkey.com/s.aspx?PREVIEW_MODE=DO_NOT_USE_THIS_LINK_FOR_COLLECTION&sm=G69e5zk12F1fpual3yD%2brndfZ3rmlJcl17fcmn2cEU%3d
- Survey title: ELI Summer 2009 HIS 101 Quick Course Survey
- Section: 1. Default Section
- Question 1: * 1. Who was your instructor for the course?
 - DelGallo
 - Esposito
 - Hook
 - Howard
 - Montaner
 - Porter
- Question 2: * 2. On average, how quickly were your assignments graded and emailed back to you?
 - 24 hrs or less
 - 24 to 48 hrs
 - 48 to 72 hrs
 - More than 72 hrs.
- Question 3: * 3. Overall, were you satisfied with the ability to contact your instructor and receive a quick reply to your questions?
 - Yes
 - No
- Question 4: * 4. Did your instructor send you periodic reminders/announcements about critical course dates and assignments during the course?
 - Yes
 - No
 - Sometimes
- Question 5: 5. Were you satisfied with the feedback that you received on assignments?
 - Yes
 - No
 - Sometimes

Source: www.surveymonkey.com/

Polls are another tool easy to use. If you have a Facebook or LinkedIn group with members that are already interested in your business, it is very simple to design single-question polls that can be answered with a single click. It engages the people within your group and can yield some interesting data for you to explore.

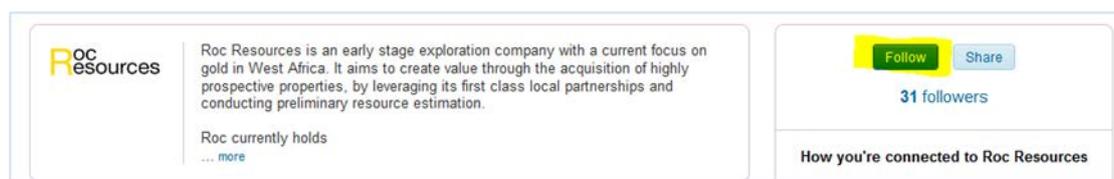
1.2. Competitive intelligence

In his classic book focused on military strategy 'The Art of War', Chinese general Sun Tzu said: 'Keep your friends close and your enemies closer.' This is now more possible than ever – without subterfuge or spying - using social media.

1.3. The competition

In most cases you know who your direct competitors are. Sometimes a new challenger suddenly appears and surprises you, but you will usually have an idea who your local and international competitors are.

The first step is to ensure that you go to the LinkedIn page for each competing company. You can do this by searching the 'companies' section of LinkedIn for the required company. You can easily see the information LinkedIn has on a company by viewing the company page. The latest news, recent hires and fires, growth rates, promotions and job changes, and the companies that LinkedIn believes are operating in the same market. This is a very rich set of data that can be very helpful in understanding what a competitor is up to – not least the fact that because LinkedIn is focused on what individuals are doing it can be very interesting to find where those who leave are moving to.



www.linkedin.com/company/350903?qoaback=fcs_FCTD_*2_*2_*2_*2_*2_m%3A0_56_*2_*2_*2_*2_*2&trk=ncsrch_hits

Click the 'Follow' button to ensure that you receive information per e-mail (or through your news feed) about updates to this company page.

Twitter is also a very important tool for monitoring the competition. Ensure that you have a search setup in the name of your competitor so you can scan what the online community is saying about them – sometimes it will be people from the company and sometime it will be discussion about them.

Google offers a very useful e-mail alert tool within their Google News service. Just go to news.google.com and search for the company or subject you want to monitor. Google will return the latest news stories, with an option to create an e-mail alert for this search – you can enter your e-mail address and Google will regularly keep you posted on any news related to the company you are searching for.

All these options are very simple and free to use. You can monitor the news with Google, the online discussion with Twitter, and the hires and fires with LinkedIn giving an enormous amount of information on what your competitors are up to globally without any investment in research.

1.4. Marketing and branding

Marketing and getting the message out to the world about exactly what you and your company can do is one of the key areas of advantage for the SME community offered by social media.

SMEs typically have very little budget available for marketing. Fortunately, almost all of the social media tools described in this book are freely available, though sometimes a paid upgrade to a tool like LinkedIn can make it more powerful. The main cost is the time it takes you to formulate a strategy and then manage its implementation.

1.5. Reputation management and personal branding

Corporate reputation has always been important. With the online community now able to publish their own news and share stories globally in an instant, it has taken on a new dimension. Because of this, corporate reputation can be destroyed in seconds – even if it took years to develop.

The reputation of a company will not be destroyed because of social media alone: these powerful communication channels act as a conduit for information and opinions that can be damaging to commercial reputations. The issue for companies today is that it is impossible to sweep unhappy customers or corporate disasters under the carpet – blogs packed full of complaints get indexed by search engines and eventually can become visible when searching Google for information about the related company.

An interesting phenomenon has developed in this very social era of business: individual executives are developing their own personal online branding using for instance personal Twitter accounts and LinkedIn profiles. This has developed because of the transparent nature of the social-media environment. Corporate accounts pumping out 'good news' press releases are seen as anathema to those who believe that an intelligent executive should have an opinion of their own.

This is perhaps less of a consideration for the SME, which focuses on its company profile, but it is advisable to develop personal profiles for your management team. Subject to your social-media strategy choices, ensure:

- They all have Twitter identities in their own name,
- They all have a LinkedIn profile in their own name and
- There is a LinkedIn company page for your firm that all your managers link to, to demonstrate that they are a part of the organization.

One point worth considering in this corporate versus personal debate is the difference between the company founder or owner and an employee developing a large online following.

Broadcasting and engaging personally in this way can help an SME owner greatly. The influencers you probably want to engage with are not at all interested in talking to public relations or marketing professionals – who are seen generally as a barrier to the people operating a business. If you engage directly with the influencers in your market area – and critically if you debate rather than just try to sell your organization – then you will find that they start coming to you for information about the industry. You can become a commentator for your industry sector by having something interesting to say – that's what every business journalist is looking for.

If you are the founder then it can be beneficial for you to develop a large online following on the various social networks – this can work to your advantage in your present business and can be easily taken to any new project you might create.

If you have many in your company developing online profiles and having the ability to speak on behalf of the company then you do need to think carefully about the issue of paying your own employees to spend time building a large social network. If you ask an employee to build up their online presence in their personal name, but all the time promoting your firm, and then a rival firm poaches them it can be a very tricky situation.

Imagine if your employee had developed a very strong Twitter community of 10,000 followers including many industry journalists and analysts. What would you do if this employee resigned, went to a rival firm, and then started promoting the rival using a network you had paid the employee to develop?

This is still a legally contested area, with court cases pending in several countries attempting to define ownership of networks such as this, so there is no easy answer. The best option to mitigate this risk is to ensure that several senior executives develop a strong online profile – the risk of losing everything is reduced and the approach also accepts that in a very social era of work, your personal online profile is now also going to be as important as a degree when being hired for a new role.

You can encourage your management team to also use other networks in a personal capacity and many companies prefer their managers to be talking about their business in their own name, rather than with only a 'faceless' corporate account being the source of information.

Figure 14 Example of an SME Twitter account

Source: <https://twitter.com/LeatherWorldIND>

2. Mapping your strategy

In this section we consider how to structure a social media strategy.

2.1. Mobile

It is important to be aware of the significance of mobile social networking in the current environment. Facebook estimates that about 60% of their users regularly engage with the network through a mobile device.

Mobile engagement can alter your strategy because it may change the way you share information, perhaps making it shorter or more visual and therefore easier to consume using a mobile device or tablet.

It can also offer new opportunities to plan for location aware services, where the user is prepared to reveal their location when interacting with the social network. Twitter now regularly tags tweets with the location if sent from a mobile device. Tools such as Facebook Places and Foursquare (www.foursquare.com) encourage people to 'check-in' to restaurants and other businesses when they are physically at a location.

Location aware services will be covered in more detail in the next chapter and may not be a concern for most designing a B2B strategy, but there could be many opportunities to engage with location-aware devices when planning a wider B2C campaign.

Figure 15 Foursquare business services

Source: <http://business.foursquare.com/overview>

2.2. Engagement

How you engage with potential customers in a marketing campaign depends on what you want to achieve and which platform you intend to use, but there are some golden rules that apply across all social platforms.

- **Be honest:** everything you write on a social networking platform can be seen by other users and potentially be shared to their own friends, so do not make it up – be prepared to stand by what you write.
- **Be open:** do engage, do not ignore people if they are talking about your company and if it is negative or critical then there is even more reason to engage, but do not just wade in and delete anything you do not like.
- **Be genuine:** if you are going to engage in the name of the chief executive then make sure it's not an intern doing the tweeting. Of course it is possible to outsource some activity – such as blog promotion – to a more junior member of the team or to a service provider, but if you start having online conversations in the name of the CEO then it have better be the real thing.

When planning a strategy for engagement it is also worth considering who is going to engage and what power they should have, regardless of the communication platform. There should be no problem for the founder of a small company to engage on social media. The founder can communicate in their own name and has the flexibility to do and say anything – within reason – that the company can do. For example if someone asks on Twitter if it is possible to develop web applications in Bangladesh then it would be reasonable to answer the individual by saying 'yes of course, we have been doing it for 15 years, get in touch'

If you are going to engage a marketing or public relations team to do much of the scanning and initial answering of comments for you then there needs to be a plan determining when to engage, ignore, or delete, and defining how far a comment can go. If you are selling physical products and you see a complaint online about something that has arrived broken, you might want your monitoring team to answer quickly by saying 'we are really sorry to hear about that, get in touch by phone or e-mail and we can help you now'. This takes the problem offline and demonstrates to the online community that you are there to help, as in the following example.

Figure 16 Example of customer care through Twitter: Urbanears

Source: <https://twitter.com/Urbanears>

What you probably would not want the team to do in this scenario is to answer 'we are sorry about that, we will mail the product to you again today and include a 50 USD voucher to apologise'. If your online monitoring team start doing this in an open social network then suddenly every customer will have a problem and be asking for help online.

2.3. Tactical goals

Within your broad strategy there will be smaller tactical goals that need to be achieved. These may well involve social network measurements, such as the size of a Facebook community or number of Twitter followers.

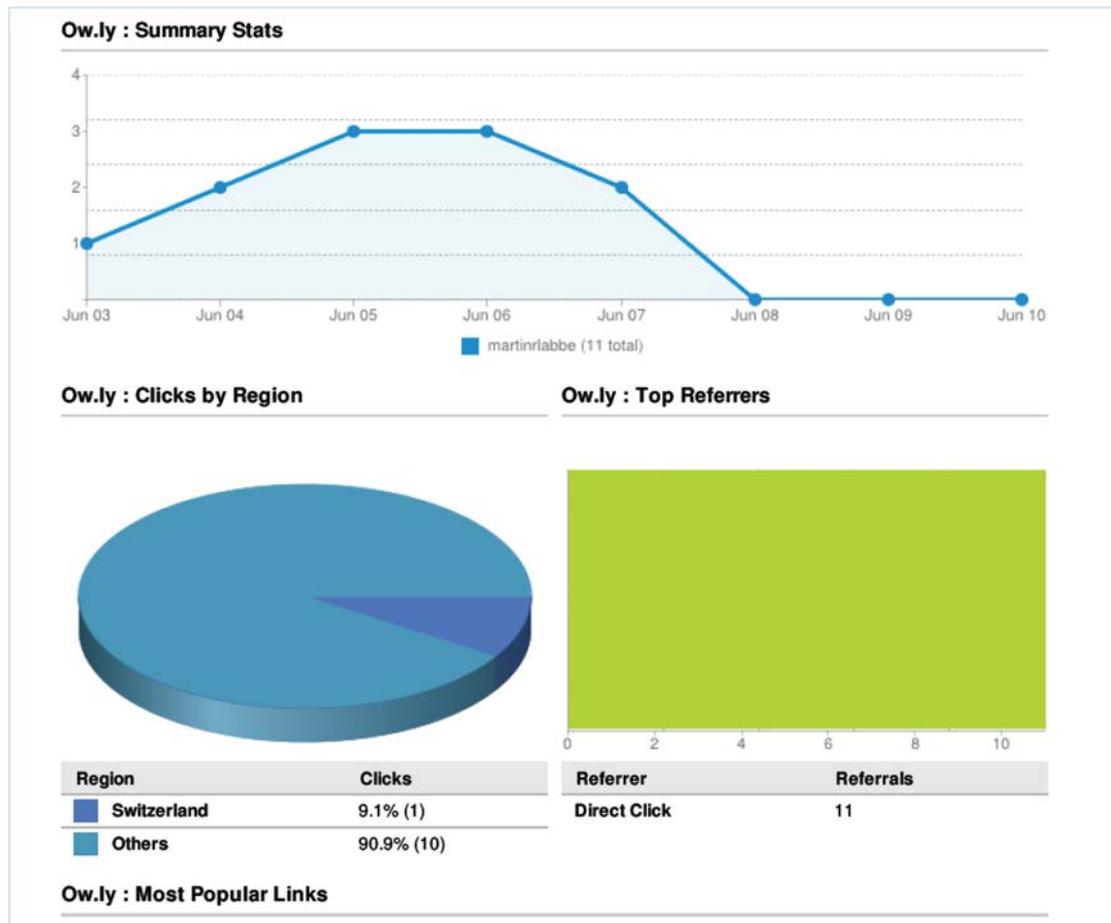
Although these tactical goals will not form a part of the broader measurement of a social media strategy – that should be measured by business outcomes – you will need to create targets that help focus where your social media platform activity needs to be focused.

2.4. Additional tools

Facebook, Twitter, LinkedIn, and all the various other services mentioned can all be accessed, used, and configured using free software or just direct from the various websites.

The most popular – and free- monitoring tool is called Tweetdeck and was an independently developed software product produced by a British company acquired by Twitter in 2011. Tweetdeck (www.tweetdeck.com) allows you to configure one single screen where you can monitor several Twitter accounts, Twitter searches, Facebook news feeds, and LinkedIn news feeds.

Figure 17 Twitter analytics: sample of a weekly Hootsuite report



Source: www.hootsuite.com

For the SME with a limited budget, Tweetdeck is certainly the best way to begin monitoring the social web, offering a window onto the entire social networking community in a far more comprehensive way than just trying to monitor various networks from websites can be achieved.

Of course, there is a limit to what can be monitored on a single screen, but if your focus is mainly Twitter with some use of Facebook and LinkedIn then this is probably all you will need as a monitoring tool. There are many other alternative products, such as hootsuite.com and seesmic.com, and some have good analytical functions available for free. You will just need to review a few different tools to decide which works best for your own requirements.

If you are developing a more complex social media strategy where you want to include in-depth monitoring of the online community then you may want to consider a social listening tool with more enterprise-level analysis capabilities. Remember, this will be most useful if you have already developed a strategy at low-cost and you can see that going social has a genuine effect on your business.

Tools like Radian6 (www.salesforcemarketingcloud.com/products/social-media-listening) offer very deep analysis capability and can scan a number of social networks for company names or topics, but none of these powerful tools are free.

3. Case studies

3.1. Case study 4: Postcards of success

www.postcardmania.com/

PostcardMania, based in Florida USA, offers direct-mail printing services to small businesses. In the past they tried using marketing agencies to help with social media, but found that even though their followers and fans would increase, they actually got very few leads.

However by refocusing their efforts and directly using LinkedIn, PostcardMania generated 600 quality leads – with contacts providing their information – over the course of just over a year.

These LinkedIn leads resulted in more than 72,000 USD in actual business. PostcardMania found that while Twitter and Facebook bring in traffic, LinkedIn pulls in actual leads that generate revenue.

Follow the link in the resource section of this chapter for a complete case study featuring PostCardMania as published in Social Media Examiner.

3.2. Case study 5: CI&T (Brazil)

www.ciandt.com

‘At Ci&T we use social media to share Ci&T news and relevant industry information, as well as to engage with our customers and potential customers. We have some channels dedicated to specific countries (Twitter), while on others we are focusing on one account and share all market-specific news with our global audience (Facebook). In some markets, we have channels dedicated to interacting with prospective Ci&T employees. This is strategic for Ci&T because as a company we grow 35% each year and in turn, our number of employees must also grow at the same rate.’

‘Ci&T is a very progressive organization and as soon as we identified social media adoption for personal use, we knew it would quickly extend to professional use as well. We understand that social media is now a go-to channel for professionals to stay up-to-date on their industry and to get recommendations from their peers and to look for solutions to their daily challenges at work.’

‘Up to this point we have not been mapping our growth against metrics. However, we have certainly seen organic growth in our followership that we feel can be directly contributing to our efforts of sharing and promoting relevant industry content that provides value to our audience. We have also found great success is focused initiatives. For example, we ran a programme in 2011 that more than doubled our LinkedIn followership.’

‘In 2012 we are tracking more advanced metrics to better map leads generated from online channels as well as to better understand the kind of message that generates improved engagement.’

‘Our advice to others would be first, define your target audience(s), and then hone your message to each audience. Only after this high-arching goal is set, can you effectively determine the appropriate content, channels and level of interaction. Too often companies focus on achieving a high number of followers and fans, without understanding who those people are and if you even want to engage with them.’

‘Do not even consider creating a Twitter handle before you define the strategy behind it, the audience you seek to target and the level of engagement that you strive for. Also be sure to have a long-term vision. Managing social media channels with a steady stream of content can be a time-consuming task. It is best to have one truly targeted channel, rather than five that are infrequently addressed.’

3.3. Case study 6: Surge Dynamics (Kenya)

www.surgedynamics.com

'Being one of the pioneers in digitization here in Kenya, we use social media to interact, share ideas or experiences and build relationships with people, businesses networks and organizations that have similar interests or require our services. These relationships have helped us open up opportunities for sharing information about products and services. Social media has over time, provided a variety of ways for us that we've utilized to boost our brand.

Surge Dynamics Ltd has embraced the fact that social media in the recent past has been a very strong mode of passing information. It's becoming a weapon of influence through which most decisions are made today. For this reason, many people get influenced real time by social media while on their Internet enabled devices and hence our urge to explore the opportunity that comes with very minimal costs but reaches to a broader audience especially with the need for raising awareness on the need for digitizing to allow for accessibility of information.

Since social media is still a new medium and largely unproven, it is difficult to have an exact measure of results as can be possible in traditional media. However, we've had a good number of inbound traffic on enquiries to our generic company e-mail emanating from our social media pages. We always track our data to determine the impact level and chart them in order to get an approximate measure of returns from our input.

If you have anything valuable to offer you should let people know about it and the best way to make some noise about it is by joining social media discussions and participating in forums that will bring you opportunities to brand yourself and create awareness in form of constructive promotion. Always strive to provide your audience with insights, educational content or value support but keep in mind that knowledge in social media is very powerful.

As we were rightfully advised when we were starting out, one should never ask for endorsements in social media. Do not ever throw spam in the faces of your networks by putting so many updates to your networks' walls. Never overlook your offline social networks while working on online networks. Always be sure to know what works and what does not work so as to avoid passing too much information on what does not work for your brand.'

3.4. Case study 7: Cambodian Rural Development Tours (CRDTours) (Cambodia)

www.crdtours.org

'CRDTours, which offers environmentally and socially conscious tours in the Mekong provinces of Kratie and Stung Treng, Cambodia, has used Posterous⁵ as a simple low-cost way to build a website. This is also integrated with Facebook and Twitter to make it easy to follow news from the organization. The system allows users to access basic information about the organization and the tours, while also providing a platform to publish photos and stories of groups visiting the region. Tourists can also make enquiries directly via e-mail or using a webform system powered by Wufoo.

CRDTours has also registered with Trip Adviser and Lonely Planet's Thorntree forums. These are also recognised as important locations for tourists seeking information and recommendations from other travellers. Currently both these sites are sending visitors to our homepage as can be seen from the data within Google's Analytics service.

It is clear that tourists and other visitors are increasingly turning to the Internet to inform and plan their travel experiences. In this respect it is vital for a tour company to have an online presence. Given a small budget it was important to find solutions using free or very low cost platforms.

⁵ The Posterous service has been discontinued on 30 April 2013.

Traffic is coming to the main site from all the key online areas in which CRDTours is active. These include Facebook, Twitter, Trip Adviser and Thorntree. There is also a steady stream of online enquiries through the Wufoo webform and the info@crdtours.org e-mail address. The presence online has already led to a number of bookings and new clients for CRDTours and will continue to do so.

Our advice to others would be to keep it simple and build up slowly: it takes time to develop a following. It is also important to ensure that your content is updated regularly and truly reflects the product or service that you are selling.

Make sure that the knowledge related to managing the systems is not limited to one individual. The management should be dispersed so that one person leaving doesn't leave a hole in the capability of the organization to maintain its online presence.'

4. Key resources

Survey Monkey

www.surveymonkey.com

Sun Tzu

http://en.wikipedia.org/wiki/Sun_tzu

Google News

<http://news.google.com/>

Facebook Mobile

www.facebook.com/mobile/

Facebook Places

www.facebook.com/about/location

Foursquare

<https://foursquare.com/>

Tweetdeck

www.tweetdeck.com/

Radian6

www.radian6.com/

Teleperformance

www.teleperformance.com/

Teleperformance UK Blog

<http://j.mp/tpuk>

Postcard Mania example

<http://j.mp/postcardmania>

Chapter 3: Promoting products and services

The SME entering into the social web generally does so in order to increase its market share, or address new international markets.

To achieve these aims, there are a number of more specific targets that will need to be considered, such as increasing website traffic, managing communities and exploring new kinds of partnerships. This chapter explores these various steps to making social media work.

1. Using social media to drive traffic to websites and improve search engine rankings

There are many people who can advise on how to improve traffic to your site – many with claims that border on the fantastic, but the reality is that most static corporate websites will languish in a rarely visited corner of the Internet.

Of course you can resort to online advertising to improve your visibility in search engine results with a service such as Google Adwords, but for the purposes of this book we are not going to explore paid advertising.

Social media can be leveraged so that potential clients find you in a more organic way, i.e. by improving your ranking in non-sponsored search engine results.

1.1. Blog more often

Internet search engines use complex algorithms to decide what is most relevant to someone performing a search, but a simplification of what a tool like Google does is that it will consider a site that is linked to be more important than one nobody links to. For example, if there are very few websites that carry links to your corporate website, it will score quite low in the search engine results.

So the first thing is to make your corporate website more active and dynamic so people will post links to it on other parts of the Internet. The simplest way of doing this is to write a blog which is connected to your corporate website.

Ideally you will incorporate your blog into your main corporate domain name, for instance if your company URL is www.company123.com then your blog will be located at something like www.company123.com/blog.

Then, by regularly updating your blog with new material that you are also promoting on social media with links, you will also encourage other people to link to the blog – assuming you write interesting things that are worth reading.

Even if you have a very small operation and do not have the technical skills to set up a blog on the same domain as your main website, you can still use the attention on your blog to get more traffic. For example, if you have used a Wordpress website to host your blog then ensure that the home page of your blog features a link to your corporate website and the home page of your website features a link to your blog – so they are tightly linked together even if running on separate parts of the Internet.

It is important that every time you add an article to your blog, you promote the new blog posting. You could be writing the most fascinating articles online on your blog, but if you do not let people know about them then you will get very few readers.

Your exact strategy for blog promotion will depend on which social networks you are using, but as a general rule these are some actions you should consider:

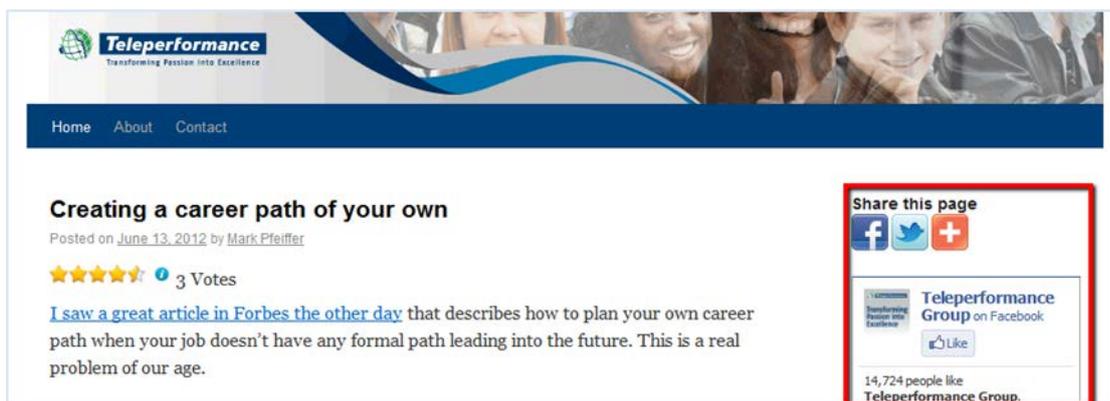
- **Facebook:** ensure the blog link is on the wall of your company page and possibly your personal wall too. Ensure you have searched the existing Facebook groups for any that might be of specific interest to your blog entry and also post a link there.

- **Twitter:** post a link to the blog with a short description of what it is about. Be aware that many Twitter users are filtering by topic, so it is important for you to use descriptive keywords so it will be visible to them through their filters. For example, if you have written a blog about the Microsoft Office software suite then make sure the keywords Microsoft and Office are included in your description of the blogpost. On Twitter there is also a convention of adding a hashtag '#' before a word that can be considered a key search term – in this case you might want to describe the blog as 'Read my blog about issues with #Microsoft #office here'
- **LinkedIn:** ensure you post the blog link on your own LinkedIn newsfeed, but also cross-post it to relevant discussion groups. You can search the groups for those that are of interest to your business area and join them for future use when adding blogs.

It is important for you to ensure that your blog has a very simple way of helping people to share it. If you do not offer a simple way of sharing then readers will not bother – they would rarely take a copy of the web address and then start distributing to their own social networks.

The simplest way to do this is with the 'Add This' application (addthis.com). It can be easily added to blogs in many formats and will add a Facebook, Twitter, LinkedIn button – plus many others – to your blog page so if a reader likes the blog they can just quickly click a button to share it with their own online friends. AddThis also makes it very easy to add a blog to many LinkedIn discussion groups at the same time – this saves a lot of time.

Figure 18 Blog with 'Share this page' options, including AddThis



<http://blog.teleperformance.com/>

1.2. Search engine optimization

Search engine optimization (SEO) is the process of improving the visibility of a website in search engines via natural – or organic – search results. These are the regular search results you will see if you search for a topic on your favourite search engine, rather than the sponsored links that will appear because a company has paid to be high up the search results.

As mentioned in the introduction, SEO is quite simple in theory, but in practice becomes almost a magic art of engineering more natural popularity for a website to ensure that it is placed higher in search results. There is a snowball effect in that the higher up the search results a site starts appearing, the more often it will be clicked and this popularity will also play a factor in future search results.

Thinking backwards to how people might search for your services when they are not explicitly looking for your site can help you to plan the kind of content you should put on your corporate site as well as your corporate blog and on social media accounts linking to your site.

You may need to get some specialist help with your SEO strategy as it is sometimes not obvious what can improve the rankings of a particular web page you have created. Even if you have good content and plenty of keywords there may be code on the page that prevents search engines from indexing it.

Regardless of what any SEO specialist advises, the best way to improve the search engine page rank of your site is to ensure that other sites are linking to it

Getting an SEO specialist to give your site a thorough audit can be a good investment, but be aware that there are many possible avenues an SEO specialist can choose to take. If you are a small organization then clearly a major investment in SEO will not be feasible so it would be best to not only get someone based on a recommendation, but also to specify to the specialist that you are a small company and really only willing to focus on

improving the most essential areas of SEO.

Beyond the purely technical aspects of search-engine optimization, which Google webmaster guidelines can help you understand⁶, regardless of what any SEO specialist advises, the best way to improve the search engine page rank of your site is to ensure that other sites are linking to yours – if people find your site interesting enough to link to then it must be of value. Keep this in mind whenever doing your own promotion of a site through your social media channels – it all helps.

2. Using social media to increase exposure to specific customer segments and communities

Communities are a great way to engage a group of users at the same time. A good community can encourage debate from your company to customers, from the customers to you, and also between customers. You probably engage in some online communities yourself anyway so you appreciate that they can be a great way to share ideas, ask questions, and just work as online forums where the discussion is revolving around a single topic.

Communities, however, need management and guidance. It is rare for one to just spring up without some catalyst and even where it has happened – for a popular music group for example – it is rare that the enthusiasm can be maintained over time. If the momentum for a pop music forum can be hard to maintain then how can you do it for a business community?

It needs some thought and planning, but is possible. There are a few key points to think about first and one golden rule:

- Should you create your own group or community?
- If so, where should you do it – using which social network?
- Do not build your own social network to try creating a community

The last point is obviously the golden rule. Many organizations have seen the success of the social networks and thought that it would be a great idea to capture this free flow of ideas and information within a network dedicated to their business.

It doesn't really work like that. Everyone is busy. Nobody really wants to join yet another social network and have to login there every day to see what is going on. There is already a proliferation of online activity. Even a company as large as Google has no guarantee that its social network (Google+) is going to be successful. If it can't be certain for a company like Google then what makes you think that it would be a good idea to launch your own social network with the intention of getting everyone online talking about your business?

⁶ <http://support.google.com/webmasters/bin/answer.py?hl=en&answer=35769>

So you should make the initial assumption that you are not going to start asking people to create user accounts and go through a registration process to participate in your community.

The next question is: does your product or service have enough supporters and interested parties to warrant a community of its own? This can be a difficult question to answer. There have been large companies with interesting products failing to get any discussion going in their community forums and smaller companies generating vibrant debates, so it is not always a matter of size – perhaps the level of interest and support is a better way to gauge if this is worthwhile.

If you are not sure, or you just want to take a first step into the community environment to explore opportunities then the best first step is to engage with the existing communities on both LinkedIn and Facebook.

LinkedIn has more of a business focus. If you check the ‘Groups’ function and search for topics that are within your area of business interest then you will find many discussion areas where you can raise topics, answer questions by others, and share news stories. The Groups function within Facebook works in a similar way but there is more of a consumer focus – the groups are focused more around products rather than companies.

It is very easy to create your own group and to then invite people. Hopefully, they will find the group a useful resource for sharing information. However a word of advice here may help you to avoid wasting time in the future: think about the groups that you have joined and found interesting first. It is rare that a discussion group called ‘Company 123’ is ever going to create insightful debate for anyone. But if you theme the new group around the business area you are involved in, then people from all across the industry, including potential customers, may get involved.

3. What methods can be used to improve quality of service and customer responsiveness?

Your quality of service and responsiveness can be greatly improved by monitoring what people are saying about your company and industry within the social web. If you are monitoring what is going on and you are able to interact with people within social networks before problems even escalate to an official complaint then you will not only improve responsiveness, but may exceed what a customer expects of you.

For an SME, the challenge to monitor everything across all social media channels (mentions of your company and any topics you may be interested in) can be overwhelming

This varies from industry to industry and some services do require a more responsive form of customer service. For example, if you start talking about the service levels on British Airways on Twitter it will not be long before someone from the airline actually says hello and tries to answer your questions – all on Twitter.

For most SMEs, monitoring Twitter, Facebook, and LinkedIn through the use of the free Tweetdeck software or with similar tools will offer more than enough scope to see what people are saying and to respond in an acceptable timeframe.

Figure 19 Dashboard view of the web-based version of Tweetdeck

Source: <https://web.tweetdeck.com>

There is an interesting difference in the expected response rates of synchronous and asynchronous communication. Take the telephone for example, it needs the customer to be calling and an agent to answer the call and engage in a conversation. If the customer is kept waiting while the phone rings or they are placed on hold for several minutes then they might abandon the call – the expectation for service is immediate.

If a customer talks about your company on Twitter, responding within a couple of hours during the daytime is acceptable. Large companies often write contracts with their customer service supplier that specify up to 4 hours as a maximum response time on Twitter, but you can see that the social media audience is happy to wait, so long as they get an answer.

4. Improving sales through leads generated through social media

Most of the social media tools we have talked about in this book so far are not going to get you qualified leads. You may find some discussion about potential contracts in the online groups, but those will be potential leads you need to chase. As outlined by the PostcardMania case study, creating more attention for your company using Facebook and Twitter can certainly generate more interest and you can potentially turn interest into business.

LinkedIn is the most professional social network, but even here you will need to search hard for the people in your target industry looking for new suppliers – they do not just openly state that they have contracts ready to be offer to companies.

However, as stated right back at the introduction of the book, social media is bigger than social networking. There is now a strong movement of social lead generation where online marketplaces allow people who need skills to detail what they need and those individuals or companies with the skills to bid for the work.

LinkedIn is the most professional social network, but even here you will need to do some legwork to find people who are in your target industry

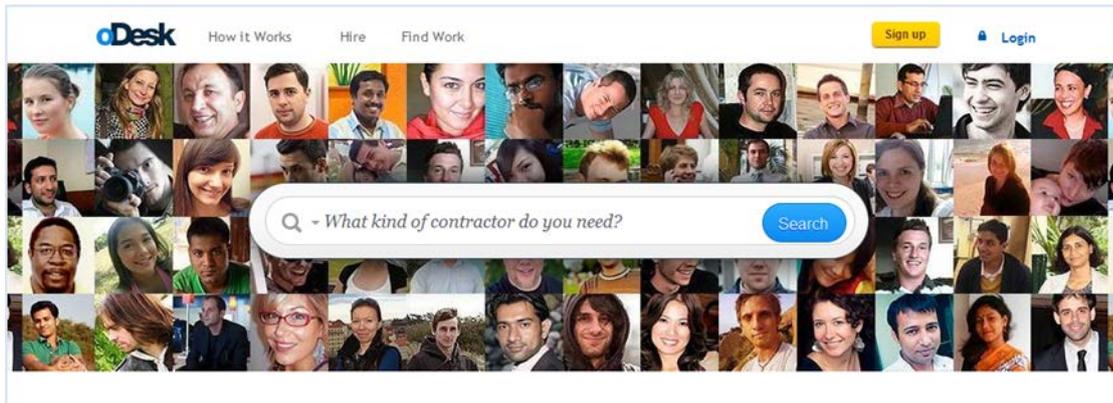
These tools are ideal for the individual or SME to find small projects that are manageable and can be delivered quickly, so you can rapidly build up a portfolio of work for foreign clients and a reputation for delivering on time and to budget.

An interesting phenomenon is that an international rate for particular skills has started to emerge because of the various marketplaces. For instance if someone in New York requires a server to be configured with software and the local rate is 200 USD for the job, the local price for a similar job in Bangladesh might only be 30 USD. But a small company in Bangladesh will not pitch at the local price because they can offer to do the work at 100 USD and the client still gets the job done for half the local price. Because individuals

and small companies compete from countries all over the world for these projects, there is this interesting harmonisation effect on these web-sourcing marketplaces.

Typical marketplaces with a good international reputation include oDesk (www.odesk.com), Elance (www.elance.com), Freelancer (www.freelancer.com) and 99Designs (<http://99designs.com/>). Some of them are very software-development focused, but others are more general. oDesk is a good example, offering legal experts, writers, marketing professionals and almost any type of professional service you can imagine delivered remotely.

Figure 20 Homepage of the oDesk portal



www.odesk.com

These marketplaces are very social in that you need to deliver some small projects to gain feedback from your clients. Clients will always check on your feedback to see what you have done for others so you can only pitch for larger contracts after developing a trusted online reputation in the marketplace.

5. Can social media help find new buyers?

Without a doubt, the use of social media can help you to find new customers. The social web is global and business services from marketing to software development to accounting can all be delivered remotely with ease – all that is needed today is an Internet connection.

When formulating your social media strategy it is worth dividing up the various areas of effort so you can also understand how they interact with each other.

- **Blogging:** your blogging will build authority. It gives you a platform to show the world that you understand the industry in which you operate.
- **Social networking:** your activity on the social networks helps you to promote your blog and to build a wider audience for the work your company is doing.
- **Web-sourcing marketplace:** you can use the various online services marketplaces to generate new leads and build a reputation for the reliable delivery of small projects from an offshore location – allowing the opportunity to start pitching for larger work.

5.1. New partnerships

In addition to the benefits of improving your reputation and directly seeking projects using social tools, there is the additional opportunity to build international supplier agreements and to locate agents in remote locations.

There are almost certainly other suppliers in the same business as you that you do not compete with because they are much larger. However, these larger firms need to cope with the stress of finding skilled

resources quickly when winning projects of their own. If they know they can trust you to be a part of their delivery ecosystem then you could find a lucrative pipeline of work where the supplier partner does all the hard work of finding new contracts.

Your increased activity on the social web will allow you to mix in the same areas as these larger suppliers so it should be relatively easy to form relationships and to propose a relationship where you can be available to support them. Your enhanced reputation from social activity can be critical as there are many SME suppliers scattered across the world – if you want a larger supplier to consider you as a partner then it will help for you to stand out and appear to punch above your weight.

However, should you start to win contracts from foreign markets and developing a verifiable reputation for offshore delivery you may want to appoint an agent – perhaps in a market such as the US or Europe. The agent would act as your front-office in that market, giving you a much stronger chance to win contracts in those markets as you would be able to use the services of a local salesperson – or even an entire team.

However, if you have developed a reputation for delivering small projects remotely, it can be very difficult to take the step of appointing a local agent. It may be too expensive for you to actually spend time in the remote market searching for and interviewing agents. Even once you have appointed an agent, you might find it difficult to monitor their activity.

These are all areas where the initial development of a social media strategy can help you:

- Your blog, activity with industry influencers, and delivery record would easily demonstrate a strong reputation. Any potential agent typing your name into Google should be able to see within seconds that your company appears to be an authority in your industry, regardless of your actual company size. This can all be achieved using the social networking and blogging described in earlier sections.
- Better communication with your agent would be an expectation because of the way you communicate and behave. You would only employ an agent who fits into the same level of social media activity and contributes to what you are doing locally. They would need to help you populate the blog with information from their part of the world, not only to help you look more international, but also to include the agent more in what you are doing as a company.
- The above point also helps you to monitor the agent more closely than a weekly status update phone call. Within a social environment it should be normal to know about travel and meetings without having to chase for the information.

6. Case studies

6.1. Case study 8: Philippines - International Institute for Outsource

<http://www.int-iom.org/>

‘We utilize social media networks to disseminate and share information, rise up issues that require community commentary and opinions, and to build connections to people who either are thought leaders or the audience involved in the specific topic area.

Without media exposure the world has limited awareness of your presence. It continues to amaze me how many people will introduce themselves and say something regarding our involvement in one of the social media outlets.

Awareness and working connections are the two main areas where we can see results. We never really believed that our consumers use the networks as a source for buying (we aren’t a general consumer commodity organization), but through our new and renewed connections it serves as the catalyst for opportunities.

Advice to others would be 1. Understand the power and the limitations, 2. Guard your time investment; it can suck a tremendous amount of resources from other matters if not properly attended to, and 3. Take the time to professionally create your social network presences (not overlooking all the tenants of good design and content). If social networks are a cornerstone in your public visibility/marketing campaign do not just exist.... Be a thought leader in your particular domain. Not everyone can take on this role but having a unique hook will make a big difference in establishing your position.

Do not rely on social media as the only outlet for your business. Diversity will help to reach multiple markets and consumers. Setting unrealistic or improper expectations will result in disappointment.'

6.2. Case study 9: Md. Aminul Islam Sajib (Bangladesh), freelance journalist

www.aisjournal.com

'I joined oDesk in 2009 but I was disappointed after a month or two as I failed to get hired by any buyer from the marketplace. I restarted in late 2011 when I learned that it takes patience to get your first job on oDesk. I started bidding on projects and eventually got hired by clients and now I'm always getting invited to interviews for various types of projects including article writing and web development. So far I've worked for 7 projects on oDesk where 3 of them are long-term development and writing projects that are still going on.

The reason I chose oDesk in the first place is that it's the most popular in the market. While there are other marketplaces such as Elance and Guru, oDesk seems to be more popular and more appropriate for new freelancers. Although there are lots of spam-like job postings and lots of contractors with no knowledge of anything, it still stands out in the freelancing marketplace. There are other reasons why newbies choose oDesk. Elance, for example, has put more restrictions on freelancers. With a free account, you cannot bid on many projects. On the other hand, oDesk increases your bidding quota as you complete your profile and pass several skill tests.

There are negative sides of oDesk as well. Because it's every wannabe freelancer's first choice, clients take advantage of that and want to get their job done at a very cheap price. For large and difficult jobs, clients tend to pay less. They succeed in this as new freelancers bid extremely low amounts - and clients hire them.

In this regard, Elance is a far better marketplace. If you take a look and compare between the recently posted projects in oDesk and Elance, you'll see the difference between price quotes. However, to start a career as a freelancer, oDesk is the best at this time.

oDesk has two types of jobs: hourly jobs and fixed-price jobs. For hourly jobs, you need to specify how much you want per hour. It ranges from 1 USD/hour to 20 USD/hour based on the contractor's experience and work. You need to install a time tracking application that tracks your time and sends random screenshots of your desktop as you work. By the end of the week, oDesk lets you review your time log and remove any unwanted time captured by the tracker. Afterwards, it is sent to the employer for verification and you're paid on the third week. For fixed-price jobs, oDesk does not guarantee how much, when, and if you will be paid. It's entirely up to the employer. These two types have made it very easy for contractors to choose which way they want to work and to employers to set how they want to pay. For new freelancers, fixed-price jobs are more popular than hourly ones.

Although oDesk is an extremely competitive marketplace, you can still make a decent income from home. My first month's income from oDesk went beyond 200 USD. The amount may not sound too much for western contractors, but 200 USD is a fairly good amount for people living in Bangladesh. Regardless of what country you are from or what marketplace you choose, you should always have expertise in your field. If you fail to deliver good quality, you will receive bad feedback on oDesk, which can completely ruin your freelancing career. And it's also a good idea to have profiles on different marketplaces. For example, I have profiles in both oDesk and Elance and I receive invitations from both places.'

7. Key resources

Google Adwords

<http://adwords.google.com>

Addthis

www.addthis.com

SEO

http://en.wikipedia.org/wiki/Search_engine_optimization

British Airways

www.twitter.com/british_airways

oDesk

www.oDesk.com

ELance

www.elance.com

Guru

www.Guru.com

Rentacoder

www.Rentacoder.com

Chapter 4: Social commerce: leveraging social media for sales

We have now reviewed the evolution of social media, how to promote your products and services using social media, and the resources required to establish and manage your social media efforts. We will now consider how to sell, with 'social commerce'.

1. What is social commerce?

If you were to look up the definition of social commerce you will find varying definitions; however, the main message is consistent: leverage social media for sales. The variations are in the actual location of the transaction. For example, if your Facebook page shows a product for sale, with a 'Buy Now' button, what happens when you click on it? Are you still in Facebook, going through the shopping cart and checkout processes, or did you end up on the seller's website?

In the end, what do we all want for our business? To increase sales. If this is your strategic goal for the use of social media for your company, let's review the various websites already described, and outline opportunities for you to sell.

Figure 21 Social media platforms and ways to use them for social commerce

Social media platform	Social media commerce potential strategies
Blogging (in general) 	<p>Engage customers to interact and to trust your opinions and information, and only then lead them to an option to purchase.</p> <p>Get reviewed on other relevant blogs, with links to your online presences.</p> <p>Initiate Blog-ups (blog pop-ups), for effective marketing and increased distribution.</p>
Facebook 	<p>Engage with useful information and feedback to customer comments.</p> <p>Include fun and interactive applications to encourage repeat visits.</p> <p>Shoptab for e-commerce functionality.</p> <p>Encourage 'Likes' (within Facebook and all other online initiatives) for all relevant content to broaden your reach via customers' friends list.</p> <p>Timeline – a feature to show the history of events of your company</p> <p>Social graph – use the Facebook Connect for any login features you have online to ensure you can capture details of your customers' preferences for more personalized online experiences</p>
Twitter 	<p>'Sell Simply' for transactions by tweets. Products can be imported from Etsy, eBay, Craigslist, ArtFire or Bonanza, or can set up directly within Sell Simply. Each e-commerce solution has different fee structures.</p>
LinkedIn 	<p>Set up a company page and create links to existing e-commerce solutions.</p>
Google+ 	<p>Set up brand page</p> <p>Hosting Hangouts to increase reputation as experts in your industry.</p> <p>Create groups to create relevant segments of your customer base.</p>

<p>Content sharing (in general)</p> 	<p>Up-to-date and relevant content is essential to all social commerce campaigns.</p> <p>Use content sharing sites to easily manage various types of content. Create a buzz within these communities, and link them directly into your social commerce efforts.</p>
<p>YouTube</p> 	<p>Entice the interest of customers with innovative and creative videos about your brand, products and services, team, or even customer service.</p> <p>Brand your video channel.</p>

This is the main principle of social commerce. Engage and excite your customers about your products online and provide them with the tools for quick and easy recommendations within their social networks. Add the possibility to transact online, and you have should be able to increase your sales very cost-effectively. The viral marketing effect of these recommendations, whether before or after purchase, could easily and quickly expand your market internationally.

1.1. Case study 10: Old Spice body wash and deodorant

This was an ‘old fashioned’ brand until it hit the ‘modern’ marketing vehicle of social media. The campaign began with simple TV ads, which then went viral on YouTube. The follow-up programme in which Mustafa recorded funny videos in response to fans, bloggers and Twitter influencers had a phenomenal impact. Adweek quotes Visible Measures’ Matt Cutler saying that the total web views for all Old Spice brand videos have reached 110 million surpassing the reach of traditional broadcast.

Figure 22 Old Spice TV Commercial



<http://www.oldspice.com/en-US/videos.aspx>

Old Spice enjoyed great success with their tongue-in-cheek humorous TV commercial, where an overly manly man told other men that if they wanted to enjoy his manly-ness, they needed to smell like a man.

Old Spice body washes and deodorants are what they need. Men and women were highly amused with the exaggerated depiction of the 'dream man'.

But Old Spice didn't stop there. They decided to film personalized messages to social media celebrities, knowing that they would immediately broadcast the video to their followers, whether by Twitter, via a blog, or within their Facebook fan base.

With the entire campaign, Old Spice had an increase of 107% in sales during the few weeks of the campaign. The creators of this campaign understood the market and how to entice the social media influencers in their market, and were able to achieve mass positive marketing....for free. This can be achieved in any market, but the campaign needs to be tailored to how the various social media platforms are used (demographic breakdowns are provided further in this publication), who are the key players in the industry and the in the media, and how to get your message across in a relevant and engaging manner

1.2. Case study 11: Groupon

Groupon, a well-known online coupon seller, has proven to the concept of social buying, a few countries over. The website encourages the sharing of posted deals from various vendors. If the customer is interested in a deal, they must be enough other purchasers to validate the deal. Therefore, it is in the customer's interest to 'share' the deal to get others interested.

This concept has made Groupon widely successful in the United States, but Groupon has also found success in other countries such as Taiwan, Brazil, Greece, India, Poland, Puerto Rico, Japan, Turkey, Mexico, Peru, Chile, Colombia, South Korea, Romania, Singapore, Malaysia, Hong Kong, mainland China, Russia and South Africa. Groupon is available in 44 countries.

Figure 23 Groupon South Africa website

The screenshot shows the Groupon South Africa website interface. At the top, there's a navigation bar with 'GROUPON MyCityDeal' and a dropdown menu for 'Choose Your City: Pretoria'. A promotional banner at the top right says 'Get R 25 credit for each new customer you recommend!'. Below the navigation, there are links for 'Today's Deal', 'Previous Deals', and 'How it works', along with 'Register' and 'Login' buttons. The main content area features a large deal: 'Save up to 60% on High-Tea for two or four people at Koedoeberg Tea Garden and Art Gallery including a BSXI Spa voucher'. A 'Buy Now!' button is prominent. Below the deal, it shows the amount 'from R 175.00', a 50% discount, and 'You save R 175'. There are social sharing options for Facebook, Twitter, and eMail. To the right, there are sections for 'National Deals' and 'More Deals', each with a 'View' button. The 'National Deals' section shows a Bluetooth tablet keyboard case for R 599.00 (instead of R 1,099.00). The 'More Deals' section shows a studio or environmental photo shoot for R 299.00 (instead of R 1,500.00).

www.groupon.co.za/

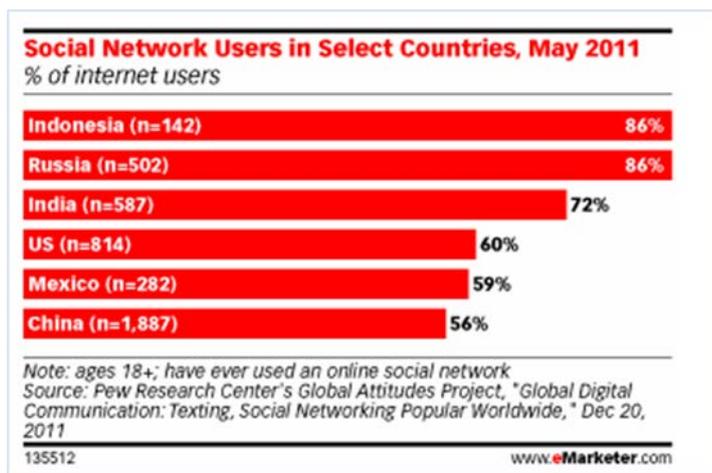
This is a clear demonstration that customers are ready for social interaction when making online purchases.

2. Is social commerce relevant in a developing country?

The answer is YES. A recent study by **Pew Research Centre**⁷ has found that in developing countries, individuals that have online access are higher consumers of social media than those in many developed countries. It is safe to assume that the absolute numbers of individuals engaging in social media in these countries will increase fast, as Internet infrastructure, penetration and stability increases.

Countries like Indonesia and Mexico show high percentages of users, in relation to the number of Internet users. There is generally a low percentage of companies in developing countries not leveraging social media in the marketing efforts. The opportunity is to be one of the first to establish a stronghold within social networks in your country, and establish credibility with the growing local user base.

Figure 24 Social network users in selected countries, May 2011



Source: www.emarketer.com/Article.aspx?R=1008766&ecid=a6506033675d47f881651943c21c5ed4

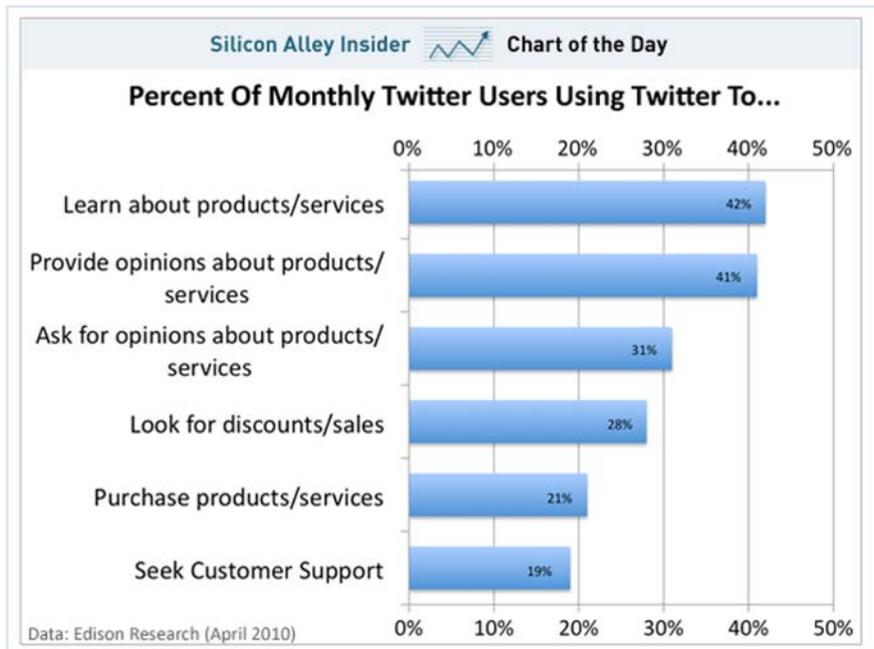
Since the use of social media is still in its infancy in developing countries, there are very few studies available on current strategies used by companies in these countries.

For the purpose of assessing the current state and future potential of social commerce, we will study the information available from countries with higher Internet penetration. Assessing these statistics leads us to the clear conclusion that the most popular topics on social networks relate to products and services. Why not sell these products and services from the very platform on which consumers or clients are discussing them?

'For over 40% of the time people are on Twitter, we spend it learning about products and services, listening to what others have to say and giving opinions. That explains why over 20% of the time we're on Twitter, we're ready and willing to buy directly off Twitter.'⁸

⁷ Global Digital Communication: Texting, Social Networking Popular Worldwide

⁸ Source: www.toprankblog.com/2011/01/social-media-marketing-strategy-commerce/

Figure 25 What are users using Twitter for?

Source: <http://barnraisersllc.com/2011/01/2-words-social-media-influences-sales-bull-sh-t/>

On Facebook, users that 'like' a company are also most interested in their products and services, specifically special offers for their favourite brands, and to recommend these brands to their 'friends'.

According to an ExactTarget 2010 study, the top reasons people press the 'Like' button on Facebook is to:

- Have a sales relationship with a brand - either to receive promotions & coupons (40%),
- Get updates on upcoming sales (30%) and
- Show their support for companies (39%)⁹.

Knowing that users of social media are talking about products and services and that users are most interested in getting special offers for their favourite products and services provides a perfect opportunity for pushing these users to transact within social media, leading us to social commerce.

3. Expanding social media into social commerce

We are now looking at a new concept of 'selling' within social media, and in a developing country, where the use and understanding of the web is generally still maturing. It is therefore recommended to start small, with tools that are readily available, and with minimal out-of-pocket investment.

While you are reviewing this information, please remember that free in terms of cost does not mean free of effort and time. Be sure not to over-extend yourself or your team. Social commerce requires dedication and consistency. Your customers want to feel confident that if they send a sales request you will respond immediately *every* time.

3.1. Blogging and news creation tools

As seen above, blogging enables you to create content, and establish an individual's name or a company as an expert on a particular topic. Blog services provide a wide range of tools to integrate other social

⁹ Source: www.toprankblog.com/2011/01/social-media-marketing-strategy-commerce/

media websites to leverage this content in all social efforts, whether just for 'babbling', for marketing, or for commerce.

3.2. Social networks

Social networks can be grouped under different categories based on the method by which they facilitate social interaction, as described earlier. Each of the following websites has taken a unique approach to social commerce.

 Facebook www.facebook.com	
Tools for Facilitating Social Commerce	<ul style="list-style-type: none"> • Facebook Credits are already in use for Facebook games and apps • Offers Shoptab for ecommerce (at a cost), to display products from an existing ecommerce website. Other 3rd party solutions are also available, such as Voiyk (www.voiyk.com) and Sortprice (www.sortprice.com) • Offers Payment, currently for free, as a full e-commerce solution. However, this solution requires you to have a PayPal account. Other options include: Ecwid, BigCommerce, VendorShop, Muncom (with varying setup requirements) • Facebook has stated strategic interest in social commerce, implying more tools coming in the near future, thus the new buzz 'f-commerce'
Cost	<ul style="list-style-type: none"> • Free (for setting up page, and standard features)

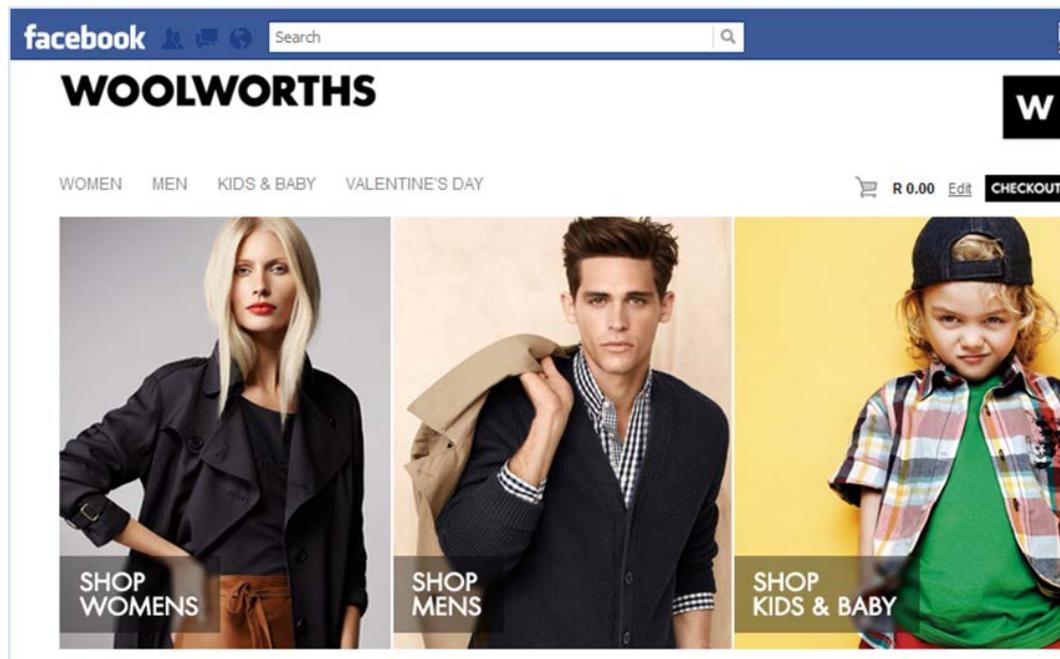
3.3. Case study 12: Woolworths South Africa

www.facebook.com/woolworthsSA

Woolworths is a popular department store in South Africa, which more than 145,000 fans in mid-2012 and growing by approximately 75 fans per day¹⁰. This household name is currently driving attention on 'f-commerce' in South Africa.

¹⁰ www.socialbakers.com/facebook-pages/214878073177-woolworths-sa

Figure 26 Woolworths Facebook Shop



www.facebook.com/woolworthsSA (shop tab)

'It's already evident that consumers like to get others' perspectives and opinions before making a purchase and f-commerce provides the perfect platform to get instant feedback from peers and friends alike.'¹¹

 LinkedIn www.linkedin.com	
Tools for Facilitating Social Commerce	<ul style="list-style-type: none"> • Link to ecommerce on existing website • Enable users to comment on products, and recommend to others
Cost	<ul style="list-style-type: none"> • Free (for setting up page, and standard features)

3.4. Case study 13: Dell

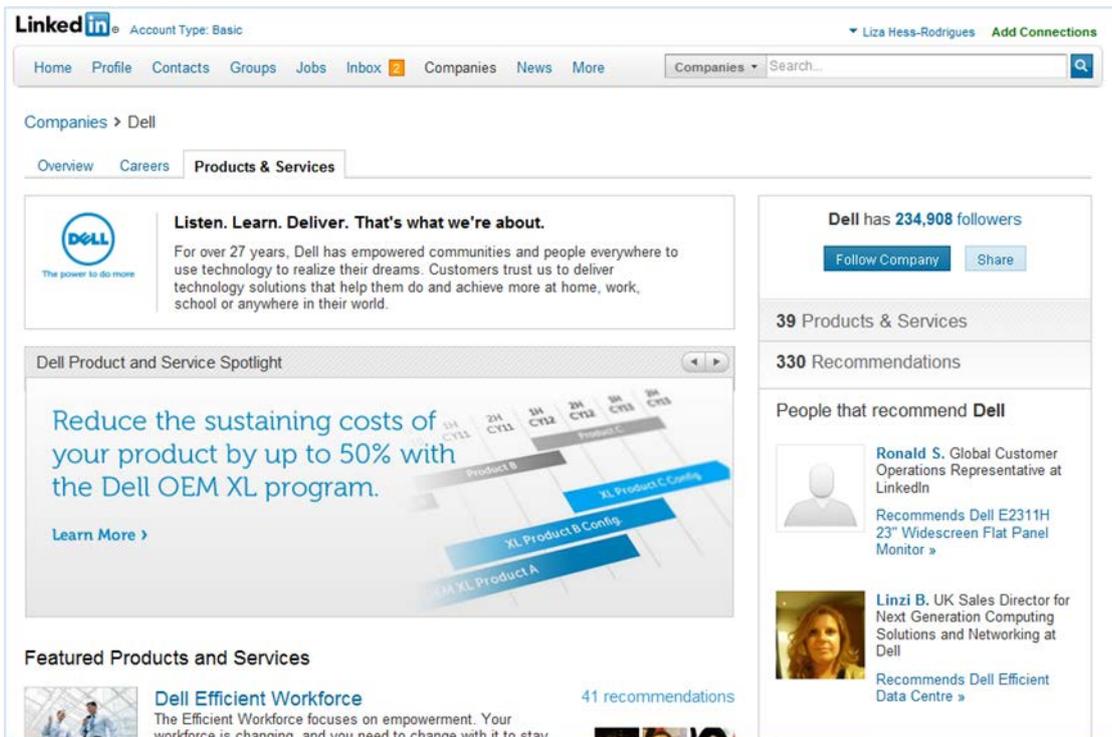
www.linkedin.com/company/dell/products

Dell was one of the first companies to introduce elements of social commerce on LinkedIn.

Dell included a subset of their products to their company page on LinkedIn, with options to share these products on the users' own page, or to add a recommendation to the product listing itself. Each product listing also includes a link to Dell's extensive e-commerce website.

¹¹ <http://under5foot.wordpress.com/2012/01/19/f-commerce-takes-off-in-sa>

Figure 27 Dell page on LinkedIn



 Google+ plus.google.com	
General Description	<ul style="list-style-type: none"> • Targets both companies and individuals • Fastest growing social network site at the moment
Tools for Page Creation	<ul style="list-style-type: none"> • Easy tools available for creating pages and editing design
Tools for Facilitating Social Commerce	<ul style="list-style-type: none"> • Can plug-in pages from existing e-commerce website • Availability of a multitude of tools from the Google suite, such as Google Checkout.
Cost	<ul style="list-style-type: none"> • Free (for setting up page and standard features)

3.5. Content sharing

Content sharing is a big part of the social media efforts, but these sites do not directly facilitate social commerce. However, we may want to make an exception for YouTube, the video-sharing social network.

 YouTube www.youtube.com	
Description	<ul style="list-style-type: none"> • Create innovative commercial videos to drive traffic from your video to your e-commerce page and cross-sell products by showing related products in another product video
Cost	<ul style="list-style-type: none"> • Free (for setting up branded channel, and standard features) • Higher investment for high quality videos, with professional quality hosts or actors

3.6. Case study 14: Virgin Mobile: Indian Panga League U.

www.youtube.com/watch?v=AGMqb9hngrc

Cricket is a nationally treasured sport in India. Virgin Mobile saw The Indian Premier League (IPL), an extremely popular annual cricket match series between different state teams as the perfect opportunity to launch their GSM services, promoting low inter-state calling rates. However, their budget is extremely limited (1% of the leading competitor). They turned to the less expensive medium of the Internet, specifically social media. Indians are known for the constant banter when cricket is the topic, and 'potshots' become normal conversation.



The campaign consisted of 105 videos of fans from each of the 8 states bantering on the phone, of course using Virgin Mobile.

The campaign achieved 1.35 million views on YouTube in 50 days. It was more than 300 times more cost-efficient (per view) than the competition.

3.7. Which social media sites should I use for my social commerce campaign?

Assuming you have already established your social media presence following the guidelines outlined in earlier chapters, this can be used as the basis on which to build a social commerce strategy.

Let's first start by understanding some of the opportunities for commerce offered by some of the current top social media platforms. In recent months the most popular social media platforms have introduced tools specifically geared to facilitate social commerce

4. Developing your social commerce strategy

It can be overwhelming to enter the virtual social world, so we will focus on the sites that are currently most popular and which offer tools to make your entry to social commerce easier and cheaper and of course (if used correctly and consistently) should bring sales.

Let's start by asking a few basic questions:

- What do I want to sell?

- From where do I want to sell it/them?
- Who will buy it/them online?
- Which social media platform(s) match this demographic?
- Which social media platform(s) offer sales tools that I can leverage, for free or inexpensively?
- How can I extend my reach leveraging affiliates' efforts online?
- How do I make my online customers feel 'special' so that they spread the news socially, and come back to buy again?
- What type of monitoring do I require to measure success?
- How can I sustain these efforts for the short-term, medium-term, and long-term?

We will go through each question in detail.

4.1. What do I want to sell?

Keep it simple and focussed.

To engage customers in social media, content must be relevant, fresh, and engaging. Therefore, overwhelming the customer with a high volume of products and information will not get the results you would like.

Of course you are able to show your full portfolio of products and promote them all, but the approach in doing so will depend on the social media website(s) selected.

4.2. From which platforms do I want to sell my products?

Evaluate the user demographics and e-commerce tools available on each platform, and make sure the content is relevant to your products and services.

As emphasized throughout this book, there are many social media websites now available, each one evolving in their strategies and demographics.

Try to keep your own strategy independent of the actual tools that you use, so that if necessary, the tools can be changed to stay on strategy.

4.3. Who will buy my products online?

Start with the obvious. You are now able to assess the demographics of your social media efforts, and their specific interests in your products and services. These are users that have already expressed interest, and are obviously social media users. This is an obvious target for your social commerce campaign.

4.4. Which social media website(s) match this demographic?

Start small and build up your efforts over time.

Each of the social media websites have evolved and have established a user base of specific ages, interests, geographic locations, etc. It is important to select the websites that are most relevant to your sales campaign.

4.5. How can I extend my reach by leveraging the efforts of affiliates online?

Affiliate marketing is as important online as it is offline. In its simplest definition, affiliate marketing is the financial incentive for affiliates to drive new customers and sales to a business for a commission.

This is a way to generate sales by letting other websites do the marketing for you. Essentially it is an agreement between yourself ('the advertiser') and the owner of another website ('the affiliate' or 'publisher') to sell your product, or to send customers to your website (definition quoted from ITC's module on 'E-Commerce Strategies').

We have seen the success of affiliate marketing with eBay, Amazon and many more e-commerce giants. Affiliate marketing overlaps with other Internet marketing methods to some degree, because affiliates often use regular advertising methods. Those methods include organic search engine optimization (SEO), paid search engine marketing (PPC - Pay Per Click), e-mail marketing, and in some sense display advertising. On the other hand, affiliates sometimes use less orthodox techniques, such as publishing fake reviews of products or services offered by a partner.

Below are two examples of support programmes provided by major players:

- Amazon provides tools to bloggers and other news creators with easy linking tools to drive traffic to the Amazon site and earn commissions.
- Google, the online affiliate advertising master, with their AdSense programme. AdSense ads can be found on websites for individuals and companies, small and large, and all over the world.

Drive new users and sales to eBay and earn commissions

The eBay Affiliate Programme pays Internet publishers, Web masters, online partners, and eBay sellers to drive new users and sales to eBay. Affiliates promote eBay with banners, text links, and other innovative tools, such as the Editor's Kit and the Flexible Destination Tool. In return, they receive commissions for driving new, active users as well as winning bids and 'Buy It Now' purchases. Currently, the top 25 affiliates in the programme average above 100,000 USD in monthly commissions¹².

Affiliate marketing is easily achieved by creating relationships with those that share your demographic, and are interested in earning a commission. A blogger can promote a brand or product and influence his audience and possibly generate sales by publishing his affiliate link and invite his visitors to click and buy the product.

In the case of eBay and Amazon, the seller is the in-direct beneficiary of the Affiliate activity. There is also the possibility to implement directly on your e-shop an affiliate programme to recruit, track and pay commissions to your affiliates. Such possibility can be done using some Affiliate Softwares available in the market such as Post Affiliate Pro or Idev Affiliate for instance. These Affiliate programmes often have integration modules so that they can be easily integrated into existing e-commerce infrastructure.

4.6. How do I make my customers feel special so that they spread the news socially?

Make sure your customers feel empowered to make decisions from what you posted online for your company and products, and ensure they receive consistently reliable service, with a personal touch.

This is all a bit unfair, as online services are sometimes affected by issues that are beyond an outsider's control, especially in developing countries. The main issue is usually unreliable Internet connections, resulting in unreliable website availability and delayed receipt of orders or communications. Creative measures would need to be taken to overcome these challenges to ensure that this does not become an issue for the customer.

¹² <http://pages.ebay.com/help/sell/affiliate-program.html>

4.7. What type of monitoring do I require to measure success?

Real-time monitoring is usually available for most of the tools mentioned in this chapter. Those that are managing these social commerce efforts must understand the various metrics available and how to analyse them accordingly, and how to modify strategies quickly to gain desired results.

4.8. How can I sustain these efforts in the short, medium and long term?

Social commerce can be achieved with a reasonable investment, when starting off simply. It is the investment in human resources that is usually overlooked. Social commerce is 'social' and requires constant strategic and professional interaction with customers and frequent updates to content.

This is not a job for a newly hired employee, intern, or even a team member with proficiency limited to traditional marketing or sales. This is a job for an individual that has been trained on Internet marketing and communications. This may still be a new concept yet to be adapted in some developing countries, however being first to achieve such a service may just pay off.

Put it all together.

Now you are able to match your social commerce objectives with the various opportunities and limitations you have. Choose the best blogging, social network, and/or content sharing sites that fit your objectives, your budget and your human resource limitations.

Chapter 5: Allocating resources for social media: a focus on community management

In the previous chapters we have written about the role social media can play in an effective marketing strategy, and in particular how it can be used to promote products and increase sales. In this chapter we consider the resources that a company will need to allocate in order to establish and maintain its presence in social media.

1. The cost of social media

Let's start with the good news. Social media does offer companies, in particular SMEs, the possibility to create a communications platform with their (potential) customers at low or no cost, other than the time and effort of the staff tasked with creating it.

A marketer or small business owner can set up a simple Facebook presence and Twitter account on their own, and start building and maintaining a community.

In other words, companies can explore the potential of social media, without investing heavily or paying for professional help.

Beginning with social media can be inexpensive, but it is certainly not free. Many companies fail to consider the true cost of social media. The creation of an account on many of the new platforms may be for free, but implementing and managing a truly effective social media presence requires a continuous investment in time, effort and money.

Some of the costs to be considered are:

- **People and time:** This is where most of the costs are generated. You may need one or more dedicated employees, or part of the time of several individuals to manage social media campaigns or the social media community.
- **Internal expertise or outsourcing:** If you do not have the skills and expertise necessary in-house, then you will have to spend time building your skills, or hire professional help outside.
- **Advertising:** Simply setting up a Facebook page does not mean that people will actually visit it. In most cases you will have to spend time and money to make that happen. This can include efforts on your own website (such as Social Bookmarking), e-mail newsletters, targeted adverts e.g. on Facebook etc.
- **Technology:** To measure the results of your social media campaign you will need analysis tools that follow various metrics of usage, reviewed in the next chapter. Many of these tools are free, but it is likely that you will need to invest in more professional versions as your activities grow.

Implementing social media for your company will require investment. The good news is that social media, like most other marketing methods on the Internet, is a cost-effective solution when compared to traditional marketing methods and can lead to an overall decrease of marketing expenses over time.

In interviews conducted for the Social Media Marketing Industry Report 2011 by Michael Stelzner (<http://bit.ly/eGOrws>), a significant percentage of marketers interviewed strongly agreed that overall marketing costs dropped when social media marketing was implemented.

In fact, the longer the marketers had employed social media, the more they agreed that it had reduced overall marketing costs.

2. Human resources allocation

The main cost of social media marketing is the time and effort it takes to achieve success. Internet marketing campaigns are often measured on a 'cost-per-impression' basis, meaning the investment you need to make to get one visitor to your website. The actual cost of a social media campaign on a per-impression basis is indeed less than the cost of a 'traditional' Internet marketing campaign. However, companies still need to make a substantial organizational effort to implement social media campaigns.

In a blog posting, David Vinjamuri quotes Brett Groom, VP-content activation at ConAgra as having said 'It definitely takes more people, and it's difficult to get out all of these programmes because some of them are so small. They may be a tenth the size of a TV campaign in budget, but they take 75% of the human hours. And a lot of them fail -- you have to do three or four to get the big idea.'¹³

Most companies do not outsource their social media marketing efforts, especially small companies, as illustrated in the following quote from the Social Media Marketing Industry Report 2011¹⁴:

The report also found that the majority of marketers (58%) are using social media for 6 hours or more each week, and more than a third (34%) invest 11 or more hours weekly.

Marketers were asked if they were outsourcing any of their social media marketing efforts. The overwhelming majority said no (72%).

In determining the human resources needed for the implementation of social media, companies need to consider a number of roles and activities:

- **Research and strategy:** Research the company's or brand's image and reputation on social media, and define a social media strategy including choice of channels and the definition of internal resources needs to support the strategy including the training of employees.
- **Design and development:** Customization of company website, possibly design and creation of microsites for particular social media activities, customization of company pages on social platforms, development of mobile applications.
- **Creation and placement of adverts**
- **Public relations:** Relationships with external bloggers and other influencers.
- **Legal:** Making sure that blogs and user generated content is in line with regulations and guidelines, protecting the corporate information, ensuring that the company abides by privacy and copyright laws.
- **Content creation and placement:** e.g. creation of blogs and 'micro-blogging' using Twitter, creating videos for YouTube.
- **Monitoring and analytics:** Monitoring what the community says about your company and the industry, 'listening in' on conversations on social media networks, definition of the social media metrics framework and reporting.
- **Community management:** Manage conversations with the community, reporting back on relevant conversations to others in the company
- **Customer support:** Monitoring complaints by customers on the Internet, and addressing the situation by providing support through the relevant social media channels

¹⁴ <http://adage.com/article/cmo-strategy/tips-implement-social-media-strategy-internally/149151>

Of course it is possible to outsource some of the above roles and activities. However, there is a definite advantage to keeping some activities in-house. When a company decides to outsource community management, for example, it risks missing feedback from customers which could be useful for customer service or for product development.

The Social Media Marketing Industry Report 2011 gives an overview of outsourced activities.

- Design and development are outsourced the most (17%),
- Followed by content creation and analytics (10%),
- As well as monitoring (7%).

Some companies have social media teams with individual employees dedicated to the roles described above, but of course that is only possible in large companies. In most cases several roles are combined into one position. The two most common positions found in companies who embrace social media are:

- **Social Media Managers**, usually combining all or most of the first seven roles described above. The Social Media Manager leads the overall efforts of a company on social media platforms.
- **Community Managers** engage with the community social media platforms. They are the voice of the company to the community and the voice of the community to the company.

Some organizations empower their employees to engage on social media platforms on behalf of the company outside their normal job responsibilities. This helps to promote 'organizational learning' on social media and in making the company more socially aware. This approach can be very successful if the employees are passionate about talking with customers and if they use social media extensively and understand the use of the various social media tools.

3. Community management

This quote from Scoop.it Online Community carries a critical message: 'Management of community engagement from the ground up and how to keep it alive. Building Online Community is not about list building, it's about keeping a community sustainable.'¹⁵ In this chapter we will discuss the steps of building up and maintaining a social media community.

Figure 28 Homepage of the Swiss Community Managers Association



Source: communitymanagers.ch/

Setting up an online community or a social media campaign can be handled like a project with a beginning and an end, but keeping the community alive means a continuous effort in listening to and engaging with

¹⁵ www.scoop.it/t/online-community

the community. David Armano of Edelman Digital gives this advice for companies starting to implement social media: 'Listen first, refine and never stop'. He offers the following model for the implementation of social media:

- Listen
- Assess
- Engage
- Measure
- Improve

In the next sections we will go into these five steps in detail.

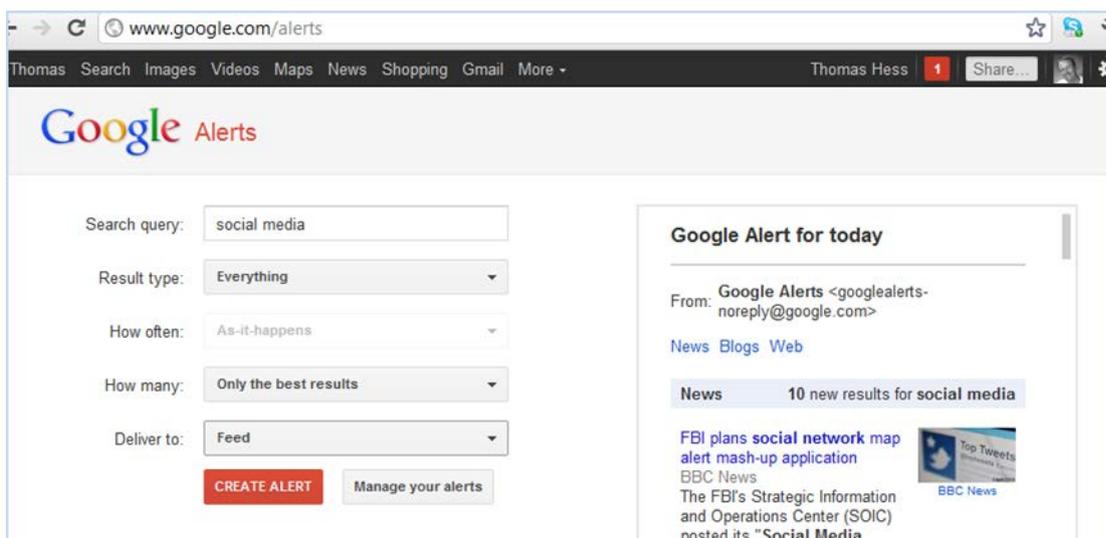
3.1. Listen: Social media monitoring

The first step is to listen to what is being said about your company online. A key focus should be to understand the key words that are being used by people when they talk about you, how they search for relevant content published on the web, and the content of relevant conversations on social networks. If you listen well, and listen continuously, then you will understand what is being said about your company, and how this is changing over time.

A good way to start is to search the web for keywords that are relevant to your company, such as your company name, the names of your brands, products and services, and the key stakeholders in your company. You can extend your listening programme to the wider industry and even your competitors. This will help you identify emerging trends and opportunities in the market.

You will need to monitor these keywords regularly over time, which will become cumbersome if you want to track many keyword phrases. A very useful tool to automate this process is Google Alerts. It generates automatic alerts when something is published containing the keywords you define.

Figure 29 Google Alerts



Source: www.google.com/alerts

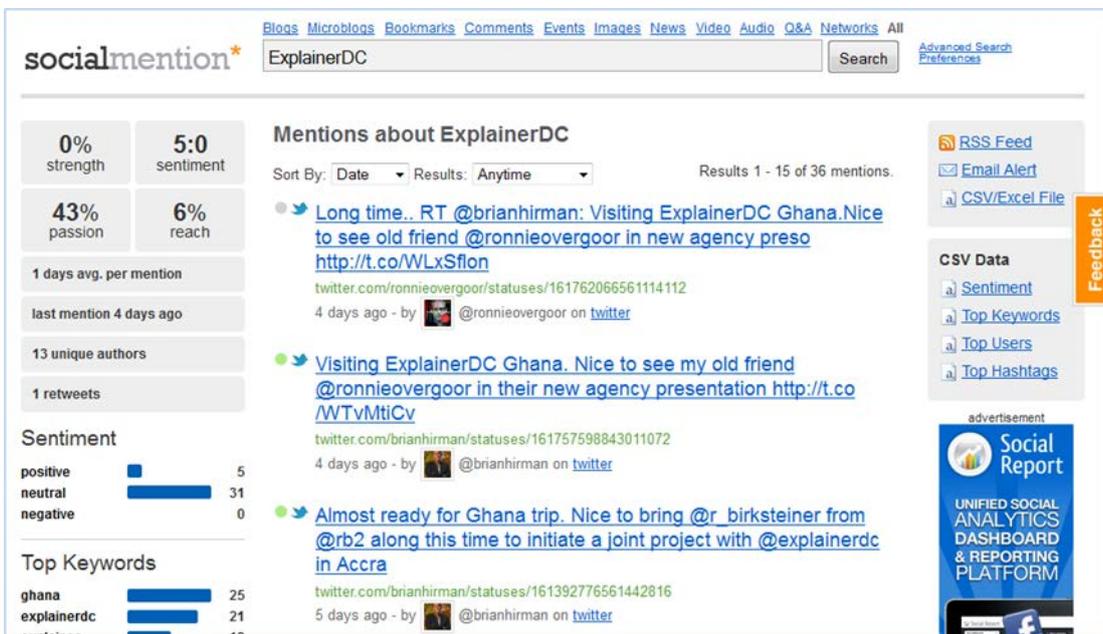
For most industries there are dedicated sites on the Internet which you may need to visit regularly to keep up to date, such as relevant blogs, news websites etc. One example of a web page you may want to visit if you are interested in social media is Mashable (<http://mashable.com/social-media/>).

On social networks such as Twitter and Facebook (potential) customers may be talking about your company, your products or your industry. You can use the search functionality of these websites to 'listen in' on their conversation.

Alternatively, you can use a social media search engine such as Mention (<https://en.mention.net/>) Addictomatic (www.addictomatic.com), Whos Talkin (www.whostalkin.com) or Social Mention (www.socialmention.com).

SocialMention for instance scans a very large selection of blogs, bookmarks, social networking sites, news, video and more for mentions of a keyword and rates the mentions on what it calls Strength, Sentiment, Passion and Reach.

Figure 30 Social Mention dashboard



Source: www.socialmention.com

Tracking these online resources may take a considerable amount of time, even with monitoring tools like Google Alerts and Social Mention. In order to make the task easier, there are several social monitoring tools available which we will describe in the last chapter on 'Measurement'. These solutions allow you to 'data mine' the Internet for conversations which are relevant to your company, and provide you with insights on the position of your company in social media.

You can also create a more basic 'monitoring dashboard' which you can use to track all the resources described above on a daily basis, using free online tools. You can for instance very easily set up a 'dashboard' using iGoogle.

3.2. Assess your position and your audience

If you are organized with the monitoring described in the previous paragraph you will soon be able to gather good insights into your audience. This includes both the people that are currently writing about your company, as well as your target audience of customers and potential customers.

By now you should have a good idea who is blogging about your industry or tweeting about your company. It is quite possible that they are not potential customers of your products, but they nevertheless influence decisions of your customers. Follow these people and get to know them.

- What is their reach?
- How and where do they get their information?
- What social media channels do they use?
- Where do they spend most of their time online?

Most SMEs will have a fairly good idea about who their (potential) customers are. In most cases they have established direct relationships with their customers through the sales process and 'traditional' customer service channels. Based on direct engagement with your customers you should be able to answer similar questions.

- What information needs do they have?
- How do they prefer to communicate?
- Which media do they use?
- Who are their biggest influencers?

With this information you can now better target your audience and understand more about the position your company within the various social media channels.

- What is the nature of the conversation?
- What is the 'share of voice' in comparison to the rest of the industry?
- How does your company compare to direct competitors?

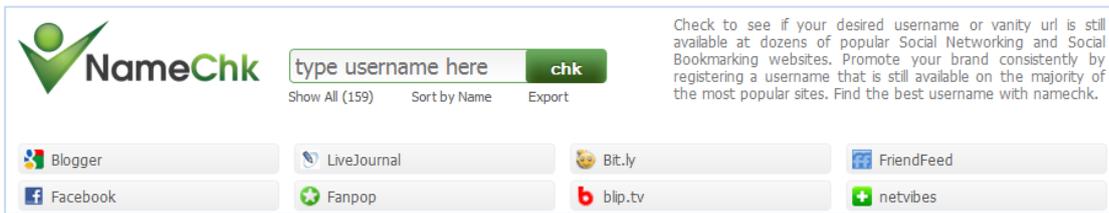
This will help to determine if and how you can add value to the conversation. After segmentation and profiling your audience, and understanding the position of your company in social media you are now ready to develop a strategy.

3.3. Engage in a conversation with the community

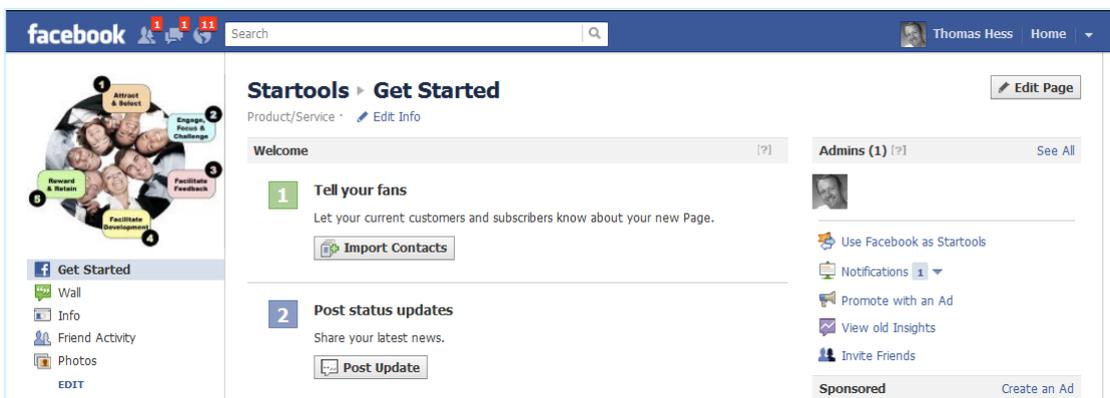
Now it is time to engage with your audience by building your social media presence, and by interacting with your (potential) customers on a regular basis. Social media is very democratic in that opinions can be expressed publicly by everybody and can be shared with a significant and growing audience. Companies can either gain business when their customers mention them positively, or lose market share if there are too many significant complaints about their products and services. By engaging with your (potential) customers directly, and openly taking steps to address any negative experience a customer may have, companies can harness the power of social media to improve their reputation and increase revenues.

A good starting point is to ensure that your company website is up-to-date, as your social media presence will link back to it. Make sure that visitors to your website can do social bookmarking: create bookmarks to the pages they visit in their own social media networks. Creating a newsletter which visitors to your website can subscribe to is a great way to start building a list of followers.

The next step is to build a presence within the social media channels you have chosen. It is a good idea to check whether your company or brand name is still available in all the selected social media networks. You can do this on NameChk (www.namechk.com):

Figure 31 www.namechk.com

In many cases companies will start with the creation of a blog and/or the setting up of a Facebook brand page. Other channels can then follow.

Figure 32 Getting started with the creation of a Facebook fan page

Then it is time for the team you have established to start using the chosen social media channels to engage and drive traffic. This is where the conversation with the community really starts, where your company starts to interact directly with your target audience.

Initially it may be difficult to know what to say. A good way to start is simply to show that you are listening to your community, by acknowledging messages from your customers: 'Thank you for your contribution', or 'We're sorry you feel that way, how can we help?' As your team becomes more comfortable it can become more active in these interactions by asking questions and giving opinions.

The following are some general guidelines on interactions with (potential) customers on social media channels.

3.4. Tone of voice

Social Media is all about interacting with your community, taking part in a conversation. Much as in any other interaction between humans you will be most successful in the long term if your tone is conversational, if you are honest and respectful, and if you're simply being yourself.

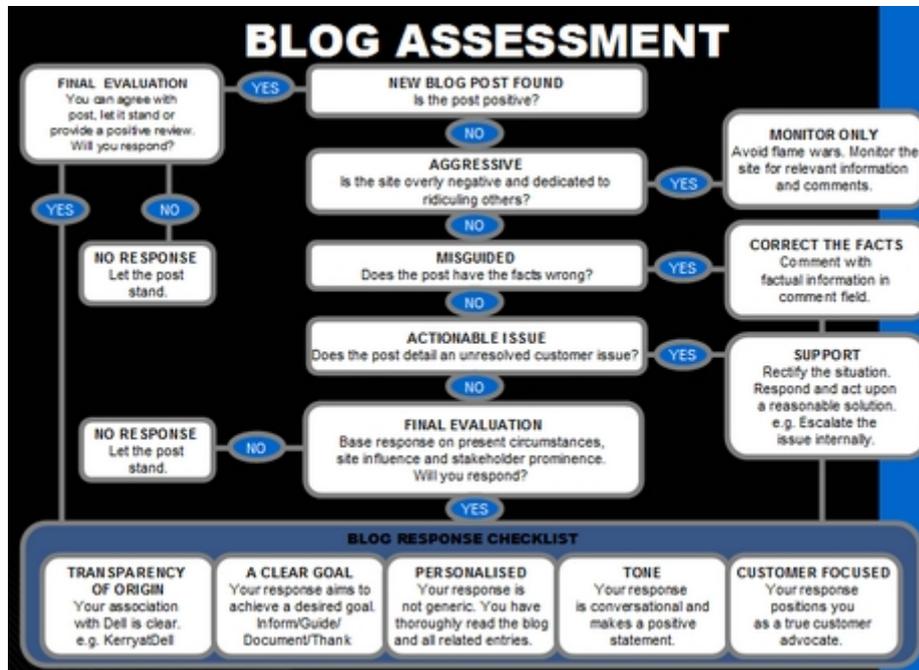
In '3 Tips for managing a social media community' (<http://bit.ly/ydL2qC>), Michael Brito writes: 'During my time at Yahoo!, one of my core responsibilities was community management. In order to do this effectively, I had to earn the trust of the community. I accomplished this by taking off the mask of corporate America and doing what comes naturally: being myself. I invested hours a day just getting to know others in the community and engaging in really simple and personal conversations. It didn't take long for others to consider me a friend and begin to trust me.'

3.5. Consistency

It is important that your message is consistent. This can already be a challenge when you are the only voice of your company, but of course will even need more effort if there are more people in your organization who interact on social media on behalf of your company. You will need to put together some

guidelines for your employees. One example is the below 'Blog Assessment' created by Dell for its employees:

Figure 33 Blog assessment: Instructions for Dell employees



Source: www.centrestage.de/wp-content/uploads/2011/06/Dell-Blog-Assessment.jpg

3.6. Reliability

Once you have created a presence within a social media channel for your company there is no turning back. When you start using social media to interact with your customers and the wider community, then you should make sure that you are available to answer questions and solve problems that are being brought to your attention.

3.7. Content

When you make a contribution on social media channels, then make sure that it is relevant, up-to-date, and adds value to your audience. In his blog '3 reasons why relevant content matters' (<http://bit.ly/zlpPZg>), Michael Brito argues that content has to be relevant since:

- It adds value to the conversation;
- It positions the brand as a trusted adviser;
- It is authentic and believable.

3.8. Frequency

The ideal frequency of communication changes from one social media channel to another and will also be different for each of the audience profiles you have established. Create a plan on how frequently you will use each of the chosen social media channels, and stick with the plan.

Mary Fletcher Jones gives some straightforward practical advice in 'Your Marketing Strategy for 2012: How Much? How Often?':

- 'Blog Posts: once per week, or more frequently. No less than 12 per year (once per month).
- YouTube Videos: one per month, or more frequently. No less than 6 per year (every other month).
- Facebook Page Updates: monitor daily and update once or twice a day, max. Try every other day. Schedule updates during evening hours and on weekends and holidays.
- Twitter Updates: monitor daily and update one to five times a day (space tweets an hour apart). Suspend unrelated tweets during emergencies and disasters, breaking news events.
- E-mail Communications: one newsletter and one announcement/postcard per month, or no fewer than 6 e-mail communications per year (every other month).¹⁶

Based on these recommendations, you can now create your own social-media calendar.

3.9. Negative, consumer-generated content

Undoubtedly your audience will sometimes submit content which is critical of your company or your product. If that happens a lot, then your company may start losing business. Fortunately social media gives you an opportunity to turn a critical contributor into a satisfied customer. Your customer service people are doing that on a daily basis using e-mails, visits and phone calls. The big difference is that on social media your whole community can see that you care, and that you address issues. Solving a customer complaint on social media therefore has a much bigger positive effect.

Some advice on dealing with negative consumer generated content:

- Do not ignore negative content, but engage with it as soon as possible. Unfortunately negative content about a company has a tendency to spread much quicker than positive content.
- Check the facts internally before you reply to an entry. If the facts are not correct, then reply with factual information. If the facts are correct, then explain what you have done to rectify the issue, offer to resolve any complaints personally, and try to continue the discussion offline.
- Be honest in your response, and do not hide.
- Make sure you have a voice in any relevant discussion forums and user groups. In the event of negative comments it is much easier to rectify if someone from your organization is a regular contributor and can voice your company's side of the story.

3.10. Community involvement

Successful community management will lead to your community getting involved. There are many different approaches to achieve this: ask for opinions, invite to participate in polls, invite contributions, organized competitions etc.

In '3 tips for managing a social media community', Michael Brito gives the following example: 'In May 2009, Intel launched a 'Sponsors of Tomorrow' commercial featuring Ajay Bhatt—the co-inventor of the USB. The catch phrase 'Our rock stars aren't like your rock stars' aimed to put a human face to the Intel brand. For a split second, one of the Ajay Bhatt fans in the video rips open his shirt to reveal a T-shirt emblazoned with Bhatt's image. We were bombarded with requests for the T-shirt on Twitter, YouTube comments and on our blogs. We then ran a T-shirt contest through Twitter and gave away 100 Ajay Bhatt T-shirts. Intel now runs an [Ajay Bhatt fan page](#) on Facebook where I see the number of fans still growing today.'¹⁷

¹⁶ <http://fletcher-prince.com/2011/12/21/marketing-tactics-for-2012-how-much-how-often/>

¹⁷ www.socialmediaexaminer.com/3-tips-for-managing-a-social-media-community/



Publishing a poll on your website or social media channel is a very straightforward way to invite your community to share their thoughts with you. Facebook gives its users the possibility to create a poll in 3 easy steps¹⁸. According to Mashable 'Poll for Facebook is the most customizable and easiest to use of the available options, attracting major corporate users'. See the screenshot below of the first of three steps to create a poll on your Facebook page.

¹⁸ <http://apps.facebook.com/my-polls/welcome?gclid=CNm9vtWU9q0CFUNTfAod3ntArQ>

Figure 34 Facebook poll, step 1

The screenshot shows the Facebook poll creation interface. At the top, there's a navigation bar with 'facebook' and a search bar. Below it, there are tabs for 'My polls' and 'My YouTubes'. The main content area is divided into three steps: 'Step 1: Description', 'Step 2: Questions', and 'Step 3: Share'. Under 'Step 1: Description', there's a 'Title of your poll' field containing 'Challenges in Human Resource Management' and a 'Hide the title' checkbox. Below the title is an example text: 'ex.: Give us your opinion, Tell us what you think, etc.'. The 'Introduction text (optional)' field has a rich text editor with the text: 'What is your main challenge in Human Resource Management? Please share it with us, so we make our material more relevant to our customers. Help us help you, and we'll send you a free eBook of the Startools collection, with advice on the topic you select!'. There's a checkbox for 'The poll results are publicly accessible.' which is checked. The 'Language' dropdown is set to 'English'. At the bottom, there are buttons for 'Next step : Questions >>' and 'Delete'.

3.11. Measure and report

If you Google 'social media measurement' you will find that the authors will generally agree that it is necessary to measure the effect of your social media activities, but there are widely differing views on what and how to measure. A range of metrics is proposed, with exotic names such as 'Reverberation', 'Exuberance' and 'Infatuation'. These metrics may be important to a marketer, and undoubtedly help in channelling the effort a company makes on social media. However, in the end most CEOs will simply want to know what return they can expect on an investment in social media.

It is an important topic and we have therefore included a full chapter on measurement at the end of this publication.

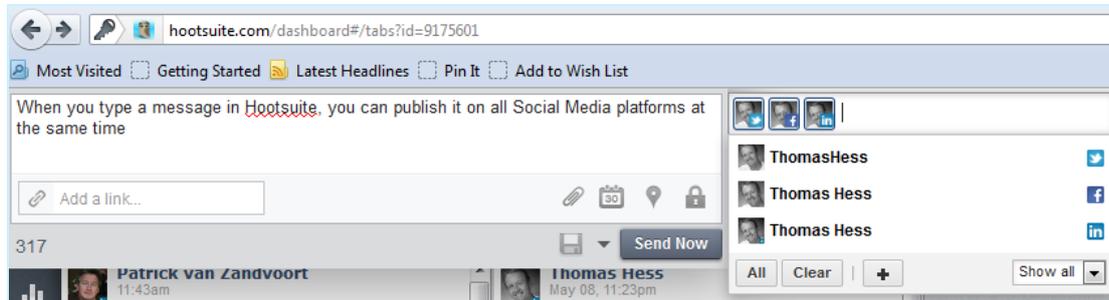
3.12. Improve

You need to have a clear strategy and measurable objectives, but you should also be ready to make changes based on the insights you gain. Over time you may find that you need to adjust your objectives as you start gaining a better understanding of what works, and what doesn't. You will get ideas on where to focus, and on what to improve. If your social media measurement works well, then you'll be able to fine-tune your strategy, adopt better metrics, and improve your performance over time..

As your company gets more successful using social media you may decide it is time to expand your capacity and extend your reach to other social media channels. The good news is that with each additional channel, the additional effort actually becomes less. Do not be afraid to establish new social media channels if it makes sense to reach your target audience. You will be able to repurpose content quite easily. Even though each channel has its own characteristics (e.g. tweets are limited to 140 characters),

there are many opportunities and even tools to repurpose content for different channels. Below is an example using Hootsuite (www.hootsuite.com).

Figure 35 Repurpose content using Hootsuite



As you deploy more social media channels you will also find that they are becoming more and more interconnected. Many social media channels allow users to log in with their Facebook, Twitter, or Windows Live profile and there are many tools that allow you to integrate channels.

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Chapter 6: Measuring impact of social media

This chapter discusses how to measure the impact that investment in social media has on the business. Our focus is on the collection of data referring to social media activities, which are relevant to your company, and transforming this data into meaningful information which allows you to measure the success of your social media marketing effort.

Measuring the effective use of social media is a necessary business practice. However, it is still a relatively new area and many marketers find it difficult to answer the questions they get from their managers.

- How do you monitor, measure and track the Return on Investment (ROI) of social media activities?
- How do you measure the effect of social media marketing on your business?

Why would you need to measure the success of your social media campaign? The answer is quite simple. In chapter 4 we have seen that the establishment of a social media campaign and the nurturing of a social media community costs money and in any business environment it is important to measure the impact of an expense or investment on the bottom line. Unless you are the business owner yourself, an investment in social media will probably only be approved and will definitely only be maintained in the long run, if you can successfully argue or even demonstrate that it will lead to better results.

Unfortunately there is no 'standard' way yet in which the impact of social media can be measured. First of all every company is different, with different strategies, different organizations, different needs, different budgets. An appropriate effort to measure social media for one company may be considered excessive by another. Secondly the industry is still struggling to find the best methods and is doing so largely based on trial and error. In the near future there will surely be some standardization, but there are still literally hundreds of different proposed metrics and methods that you can find online.

Still, we know that measurement is necessary; we know that it has to relate the investment to the bottom line and we have to start somewhere. In this chapter we will provide some high-level guidelines on how to set up and execute a measurement plan which focuses on measuring the return on investment (ROI) of your social media marketing effort.

1. Return on investment

Social Media has spawned a large number of new measurement metrics. With a simple online search you will find many metrics with such interesting titles as:

- **Share of conversation:** the percentage of relevant conversations about your industry that mention your company or brand.
- **Sentiment:** whether a particular contribution is positive, negative or neutral about your company or brand
- **Reverberation:** the total volume of inbound linking and generations of 'retweeting' of a post.
- **Velocity:** the speed at which a text, video, widget etc. spreads through social media (measuring speed, as well as increase and decrease of speed over time) the time.

These may be important metrics for a marketer to track in order to make better marketing decisions. However, they are typically not of much interest to a CEO or board member. In the end a CEO will only be interested in the return on investment (ROI). The number of 'likes' on the company Facebook page or the number of retweets of his Twitter account are simply not his or her main concern.

In 'Number of Fans and Followers is NOT a Business Metric – What You Do With Them Is', Jeremiah Owyang writes: 'Companies are frequently misguided by relying on fan and follower count as the primary measurement for their social media investments, instead they must focus on the outcomes of these fans

and followers. Do not focus solely on fans and followers as a primary key performance indicator, instead focus on the business goals the fans and followers yield for you.¹⁹ This is confirmed in the thorough and authoritative Marketo workbook, the Definitive Guide to Marketing Metrics and Marketing Analytics²⁰:

'It's no secret that CEOs and boards do not care about the open rate of your last e-mail campaign or your last press release's number of views. In today's economy, CEOs and CFOs care about growing revenue and profits. Soft metrics like brand awareness, GRP, impressions, organic search rankings and reach are important – but only to the extent that they quantifiably connect to hard metrics like pipeline, revenue, and profit.'

Figure 36 'The Old Man's Mood'



Source: Presentation 'Basics Of Social Media ROI', Olivier Blanchard, <http://slidesha.re/AsY5SY>

If you invested 20,000 USD in a social media campaign and it brings a net profit of 25,000 USD, then your ROI is 25%. All else being equal this would be a good investment. Alternatively, if the net profit from the social media campaign is 15,000 USD, then the ROI equals -25%, and you have incurred a loss.

ROI is calculated as follows:
$$ROI = \frac{\text{Net profit from investment} - \text{cost of investment}}{\text{cost of investment}}$$

The issue of course is that in practice the return on an investment may not be easily measurable. It requires that you measure the full cost of an investment, including for example the cost of office space of your social media manager. Below is an example of an ROI calculation by Lenskold Group, published in the Marketo eBook 'Marketing Metrics & Analytics':

¹⁹ www.web-strategist.com/blog/2011/11/17/number-of-fans-and-followers-is-not-a-business-metric-what-you-do-with-them-is/

²⁰ www.marketo.com/definitive-guides/marketing-metrics-and-marketing-analytics/

Figure 37 ROI calculation

Basic ROI Calculation			
MARKETING EXPENSES (EXCLUDING OFFER COSTS)		MARKETING IMPACT	QUANTITY
Campaign Development	\$25,000	Target Reached	27,000
Mass Media	\$100,000	% Convert to Sale	2.2%
Direct Marketing	\$40,000	Incremental Sales	594
Total Marketing Budget	\$165,000	Net Present Value per New Sale	\$875
MARKETING STAFF EXPENSE		Incremental Revenue	\$519,750
Number of Staff Days	6.25	Average Gross Margin %	38.0%
Average Daily Rate	\$450	Profit from Incremental Sales	\$197,505
Total Staff Expense	\$2,813	Incremental Gross Margin	\$197,505
Total Marketing Investment	\$167,813	Return (i.e., Net Profit)	\$29,693
Gross Margin – Marketing Investment		ROI	17.7%
Return / Marketing Investment			

(Source: Lenskold Group)

Source: Marketing Metrics Analytics, Marketo (<http://bit.ly/zvD7Op>), courtesy of Lenskold Group

The solution is to build ‘measurability’ into your measurement programme right from the start. To be able to measure ROI of a social media investment, we will need to:

- Set measurable objectives;
- Choose measurable metrics which are relevant to these objectives;
- Choose the tools which allow you to measure the metrics.

These will be discussed in the next section.

2. Establish measurable objectives

Do you remember reading Lewis Carroll's book ‘Alice's Adventures in Wonderland’? In Chapter 6 Alice saw the Cheshire Cat sitting on a bough of a tree and asked: ‘If you do not know where you're going, any road will get you there’.

If you haven't explicitly formulated your objectives for the implementation of social media for your company, then you can measure any which way you like.

Here are some guidelines for establishing objectives for your social media activities:

- The objectives for your social media marketing will need to tie in with your overall company strategy and your marketing strategy.
- The objectives should result in a measurable improvement of profit. That means that objectives should either reduce cost, or increase revenue.
- Furthermore, objectives should be formulated in a SMART way: specific, measurable, actionable, realistic and time-bound.

Some examples of SMART objectives that result in a profit increase follow.

2.1.1. Cost reduction

- Reduce the cost of customer service issue resolution to 5 USD by the end of the year.
- Reduce the cost of market research by 30% in three months.
- Reduce the cost per new lead to 200 USD by March 31, 2012.

2.1.2. Increase revenue

- Increase the percentage of customer retention to 80% in 2 years.
- Increase direct sales through social media from 100,000 USD to 300,000 USD in six months.
- Get 100 new customers through social media in 6 months.
- Increase the number of net new customers by 50% in one year.

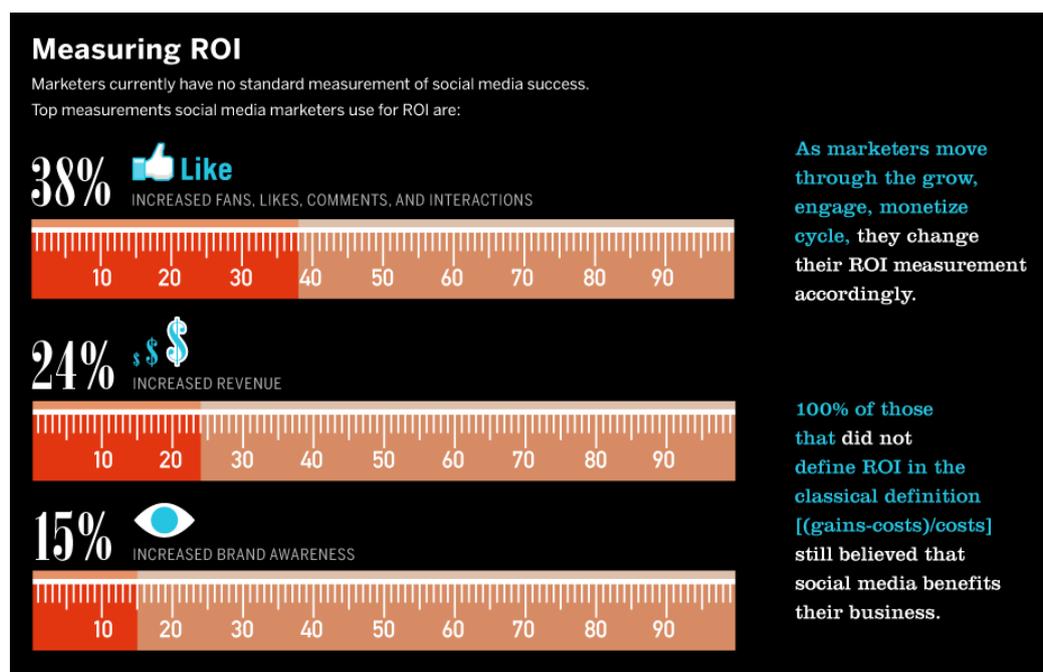
In practice you will choose your objectives in line with the overall company strategy and establish a more detailed tactical plan of social media activities to achieve these objectives. For example you may want to increase the number of customers by establishing a Facebook page and growing the number of 'fans'. Or you may want to reduce the overall cost of customer service by actively replying to questions in relevant discussion forums.

In the next section we will see how these activities lead to metrics, but also how to cast the net wider and find the metrics that are most relevant to your company, but may not have been obvious from the start.

3. Choose measurable metrics

In November 2011, Wildfire conducted an ROI survey of over 700 marketers from all around the world, and posted the results in an infographic. The top measurement metrics for ROI of social media are depicted below:

Figure 38 Measuring ROI



Source: Measuring the Business Impact of Social Media, Wildfire, <http://bit.ly/xGY98Z>

Interestingly, it appears more marketers think that increasing the number of 'fans' on Facebook will have a positive impact on ROI than increasing the revenue. It is doubtful that their CEO or CFO agrees with that.

Actually it is quite easy to drastically increase the number of followers on your Facebook page. Here's a scenario: let's say your company has 5,000 'fans' on Facebook and you want to double that number. You could do this very easily, in a matter of weeks, by offering everybody that becomes a fan on your Facebook page a free iPhone. With a bit of budget for the campaign itself, and of course some serious budget for the 5,000 iPhones, you will have achieved your objective. You'll have doubled your 'fans' on Facebook, but how much will that contribute to your profit? What will the return be on this investment?

In fact, 'fans' on Facebook can be a useful metric for revenue, but only if you can establish the net dollar value of an individual 'fan', i.e. the net average profit one fan on Facebook will generate, after you have taken the cost of advertising campaigns and the cost of managing the community into consideration.

One way to do this is by measuring the revenue and cost of an individual sales channel directly. Earlier in this book, we discussed ways in which you can use Facebook as a sales channel. If you set up a direct sales channel on Facebook, then you can now measure directly how much sales you get through this channel and how much you spend on this sales channel. Now you can divide the resulting net profit in a particular period with the number of fans in that period to calculate the value of a 'fan' on Facebook.

The problem with this approach is that other factors will influence the revenue on this sales channel, in particular the investment you may be making in other social media, which will directly or indirectly support sales on Facebook. When you limit yourself to only measuring the metrics which you have chosen in your tactical plan, then you risk losing the 'big picture' of how social media is contributing to your profit.

A more useful way of approaching metrics, at least initially, is to find correlations between your cost and revenue and your social media activities. This allows you to find the relevant metrics with an open mind and not limit yourself to expectations you had when establishing your social media strategy.

The best approach is to do this graphically. Using Excel you can chart your financial information over time, such as your revenue, cost elements, number of customers etc. and layering it with graphical representations of:

- Statistics of your website, e.g. from Google Analytics or your hosting provider: visits, time spent, pages visited, click-throughs from your social media platforms;
- Your social media activities: blogs posted, tweets, Facebook posts;
- Audience behaviour and engagement: retweets, Facebook fans, blog comments, sentiment of entries etc.

There are several measurement tools available, which will help to set this up. However, it will still take a substantial effort. For some companies it may already be a challenge to create the financial charts even though you should be able to find the numbers in your bookkeeping system.

But over time you will see patterns emerge. They may confirm the expectations you had when you formulated your strategy. For example you may find that increases in revenue do indeed have a clear correlation with the growth in number of 'fans' on your Facebook page. But you may also see that the number of 'how to' videos you post on YouTube has a much larger impact on the number of customer service requests than the time you spend replying to questions in relevant discussion forums.

When these trends emerge you can choose the metrics for measuring the achievement of your objectives. Choose two to four metrics that best correlate with your objectives. Start gearing your social media strategy to these metrics, and start focussing the measurements. If your increases in revenue very strongly correlate with the growth of the number of 'fans' on your Facebook page, then start gearing the social media programme to increasing the number of fans and use it as a measurable metric for revenue increase.

A word of caution is necessary here. 'Correlation' is not the same as 'cause'. It is dangerous to read too much into the results that you are seeing. The litmus test, in the end, is whether a relationship makes sense to you, the informed observer of the data. Is the relationship of the data causal, or is it just coincidental?

4. Measurement tools

There are literally hundreds of tools which can assist you in putting together the information you need on your finances, the use of your website, your social media platforms, and your audience. In this section we will focus on the tools which assist in particular with the approach we have described in the previous paragraph, where we have advised to layer all information and look for trends.

The first tool you will need is a spread sheet program, such as Microsoft Excel. You will need it to track essential financial information from your bookkeeping system over time, such as sales, number of customers, cost of sales, cost of social media etc.

In many cases your social media accounts will link back to your website, so you will need to track those statistics. You may have a usage statistics software set up already. If not, then the free 'Google Analytics' is a good choice. The support section on the Google Analytics web pages will get you started with a checklist and guide you through the more advanced functionality.

If you have e-commerce functionality on your website, then Google Analytics allows you to set up 'Funnels' or paths that visitors need to take on their way to converting to a predefined goal, such as a finalized purchase.

Figure 39 Funnel in Google Analytics



The above example shows how many web visitors moved from the product page to the shopping cart. It also shows the alternative pages chosen by the web visitors who did not go to the shopping cart.

Google Analytics also allows you to export data to Excel. This allows you to overlay with the financial data from your bookkeeping system.

Next you will need data on your social media activities and audience behaviour. Of course you can track data from the individual channels. Facebook in particular does a good job in providing companies with relevant statistics Facebook Insights provides data on user interaction with your page, demographics, and performance over time. LinkedIn also has useful statistics on visits and on employees.

Figure 40 Example of a Facebook Insights dashboard



Collecting all this information from the various social media channels can be a cumbersome process, but fortunately there are many software tools available on the web, which you can use to simplify the process. In previous chapters we mentioned a number of online tools already and a quick search on the web will give you many more. In '48 Free Social Media Monitoring Tools'²¹, Preet Kallas gives an overview of free measurement tools available on the web and in '10 paid social media monitoring services for non-profits'²² and 'Top 20 social media monitoring vendors for business'²³ J.D. Lasica and Kim Bale of SocialMedia.biz do the same for commercial offerings.

We will highlight three solutions which do not appear in the lists of SocialMedia.biz:

- NextAnalytics and SimplyMeasured, which both offer an affordable service that works with Excel.
- ThinkUp allows you to export your data to Excel.

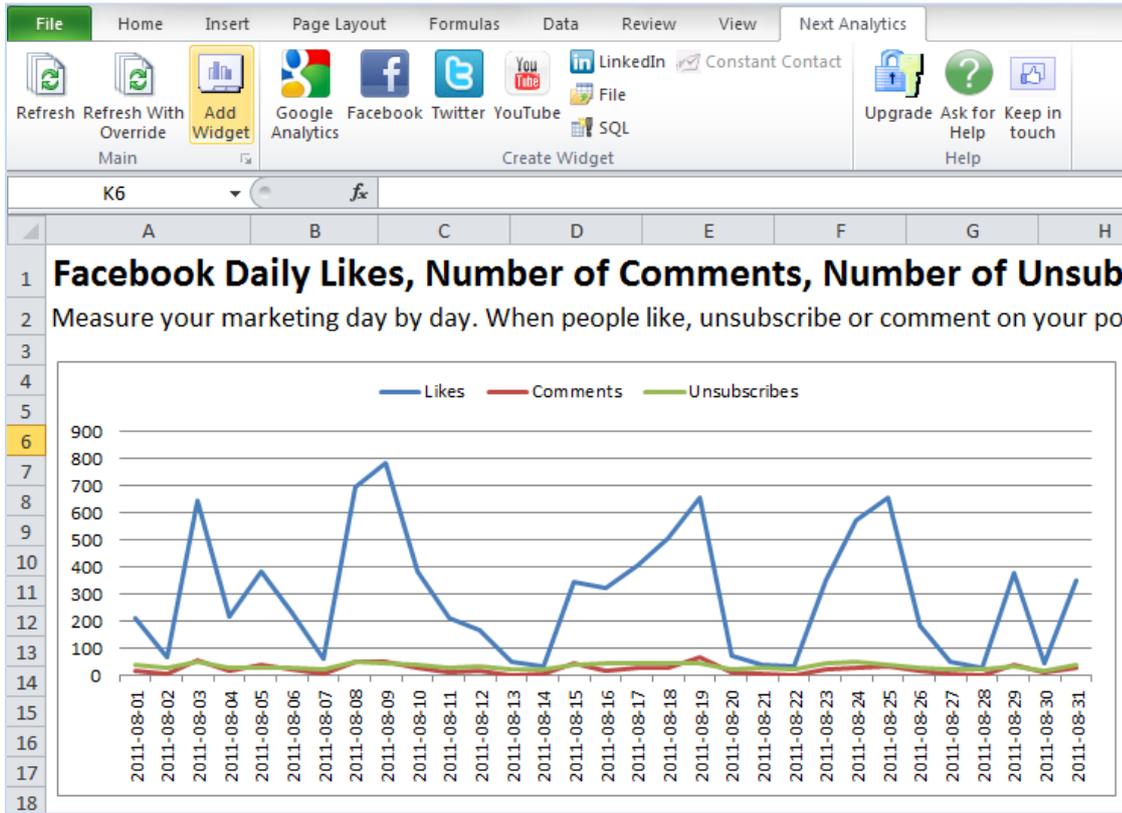
For our purposes that is ideal, since it allows overlaying social media information on the financial information of your company.

²¹ www.dreamgrow.com/48-free-social-media-monitoring-tools/

²² www.socialbrite.org/2011/01/12/paid-social-media-monitoring-services/

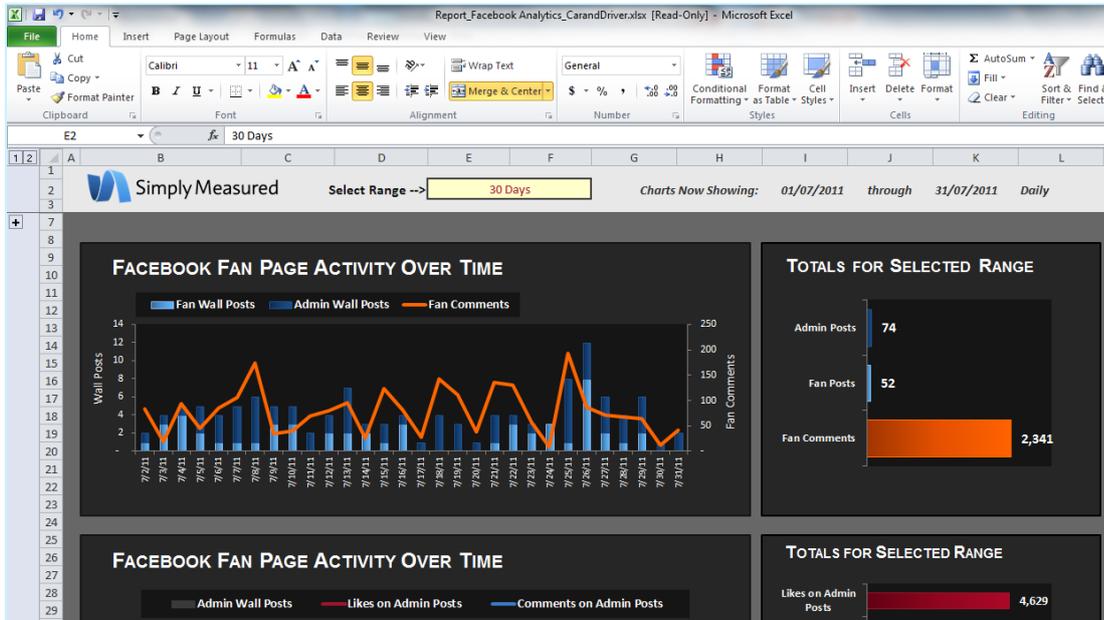
²³ <http://socialmedia.biz/2011/01/12/top-20-social-media-monitoring-vendors-for-business/>

Figure 41 NextAnalytics



Source: www.nextanalytics.com

Figure 42 SimpyMeasured



Source: www.simplymeasured.com

Figure 43 ThinkUp

The screenshot shows the ThinkUp website interface. At the top left is the ThinkUp logo with the tagline "Understand your social networks". To the right are navigation links for "Blog", "Features", "Community", and "Get ThinkUp", along with a "Search Docs" input field. The main content area features a large blue banner with the text "Understand your networks." and a sub-headline: "Get in depth tracking of your network's growth and interaction. With ThinkUp you'll get a better understanding of what your fans like without missing a single response." Below this banner is a preview of the ThinkUp dashboard, which includes a "Follower Count By Day" bar chart and a "Follower Count By Week (+2/Week)" bar chart. To the left of the dashboard preview, there is text describing ThinkUp as a free, open-source application that captures social activity on Twitter, Facebook, and Google+. A green button labeled "Get ThinkUp" is positioned below the text. To the right of the dashboard preview, there is a section titled "Support ThinkUp's evolution" with a link to a "Knight News Challenge" entry on Tumblr. Below this is a "Remember Map" section showing a map of the United States with a location marker.

Source: www.thinkupapp.com

5. Report and adjust

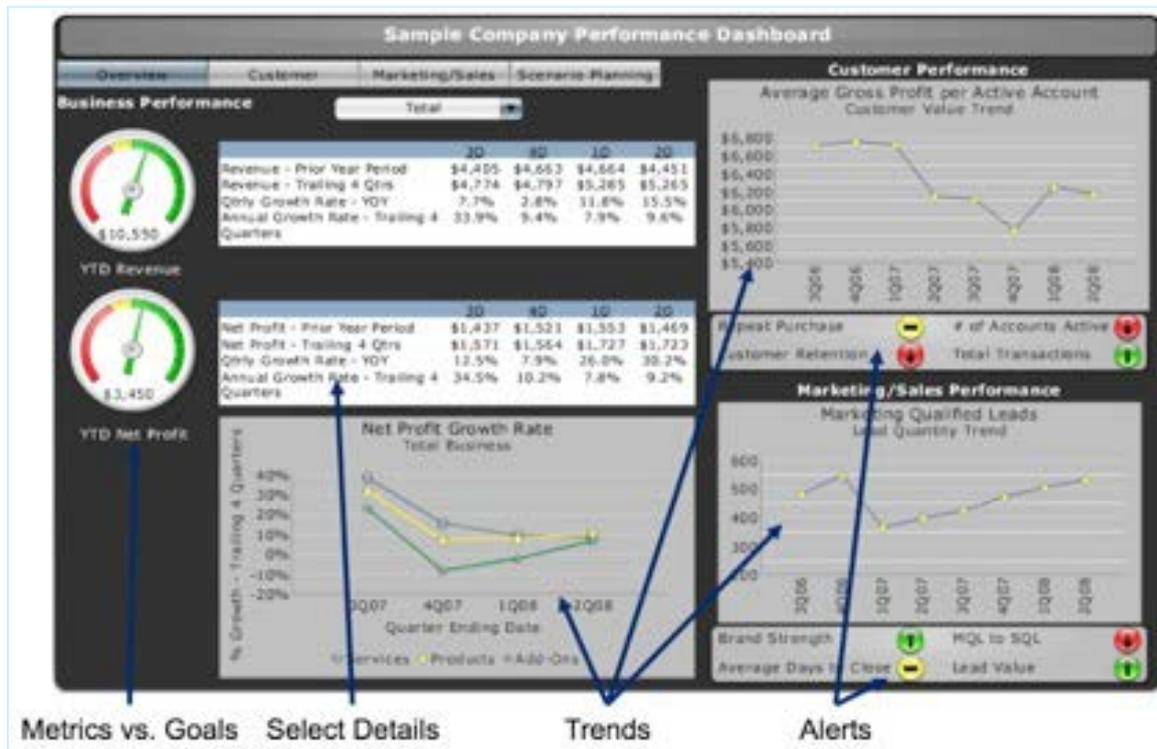
Now it is time to create report templates for the different stakeholders in your organization. If your company is small, then reporting will be straightforward, but with larger organizations you will need to modify the reports to suit the needs of a business unit. For the marketing department you will want to have detailed information, to continuously refine metrics and gain additional insights.

For the executive management it will be better to have limited information, using selected metrics, in a high-level summary. It will take some time to set these report templates finalized, using the tools you have selected. When everything is in place, you can produce reports quite easily.

It is a good idea to create a 'dashboard' which shows the main data in an easily digestible and visually appealing format. Such a dashboard should only show a few pertinent numbers and where possible show information graphically e.g. as 'speedometers' or as line charts showing trends.

Human analysis of the information is important, so that the data tells a story rather than just showing facts and figures. The report will come to life if you add insights to a line chart explaining why a trend is upward or downward, or include anecdotal evidence such as examples of telling comments.

Figure 44 Dashboard example



Source: The Definitive Guide to Marketing Metrics and Marketing Analytics, <http://bit.ly/zvD7Op>, dashboard by Lenskold Group

Over time you may find that you need to adjust your objectives, or focus on different metrics, as you start gaining a better understanding of the social participation of your customer base and the success of your social media activities. That is indeed the value of measurement. It allows you to fine-tune your strategy and improve your performance over time.

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