How organizations can use innovation and integration to engage with the digital marketplace

In a series of articles Cognizant's Customer Solutions Consulting Practice explores how organizations can use innovation and integration to engage with the new breed of technology fuelled customers of the digital marketplace.

Cognizant works in association with Henley Business School as a lead sponsor of research into Social Media and these articles are extracted from a Henley Centre for Customer Management research report into Social Media strategies. This final article explores the remaining phases of the Six Stage Social Media framework 'Management, Measurement and Integration'.

Many attempts have been made to define the "best" framework to depict how to plan, run and improve the use of social media as a part of the marketing strategy. In this series of articles, we have rationalized these models to create a simple but effective framework that covers most situations and can be deployed in most B2C or B2B companies.

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Manage

It's all about the content.

In the future, a key role of marketing will be to create or manage the creation of content. Marketers have to find new and more imaginative ways of winning customers while at the same time recognising the shift in the balance of power that social media is bringing. The challenge for marketers is therefore twofold:

- To use the full range of marketing tools, including social media channels to proactively target and win customers.

- To make content available in the right format and across all marketing channels so that it is readily available when the customer or prospective customer wants to use it.

Therefore, in addition to a schedule of specifically targeted campaigns, our research indicates that marketers must think about the production and publication of content on a continual basis. To be able to deliver regular and appropriate content the business needs to be organised around the overall marketing strategy and ensure there are easy to use production facilities available to support:

- Blogs – ensure these cover the right categories for the organisation and are well managed to guarantee frequency and quality.

- Video production facilities – these give the target audience a flavour of the products in an easy to assimilate form and may include:

- Podcasts for instructional and self-help materials.

- YouTube channel for the company or brand.

- Thought leadership articles – demonstrate the expertise available within the company while helping to build trusted relationships.

- Executive viewpoints – share the views of the management with your customers, staff and stakeholders, encourage feedback and comment to generate two way dialogues.

- News, lots of news on industry, customer issues, products, services etc – positioning the company at the forefront of the debate is an important strategy for success.

- Opinions, opinions, opinions – engage with your audience, the key influencers like to hear, discuss and respond to views and opinions.

- All engagements with the customers must complement the existing and future marketing communications and collateral – customers expect a consistent level of communications and service regardless of the channel(s) they choose for when dealing with a company.

To succeed with social media, marketers need to fuel the conversations. The process followed by the more mature users of social media in a business context is depicted graphically below. The creation of content follows the definition of the marketing strategy and planning. The content creation, production and distribution are then designed to support the specific sales and marketing requirements. To achieve this, the concept of a "content engine" has been introduced. This is a facility for managing the content throughout its lifecycle, ensuring creation is rapid and consistent across all channels, that deployment is quick and easy enabling publication through any medium, from on-line to hardcopy.

The "Content Engine" as a part of the marketing process
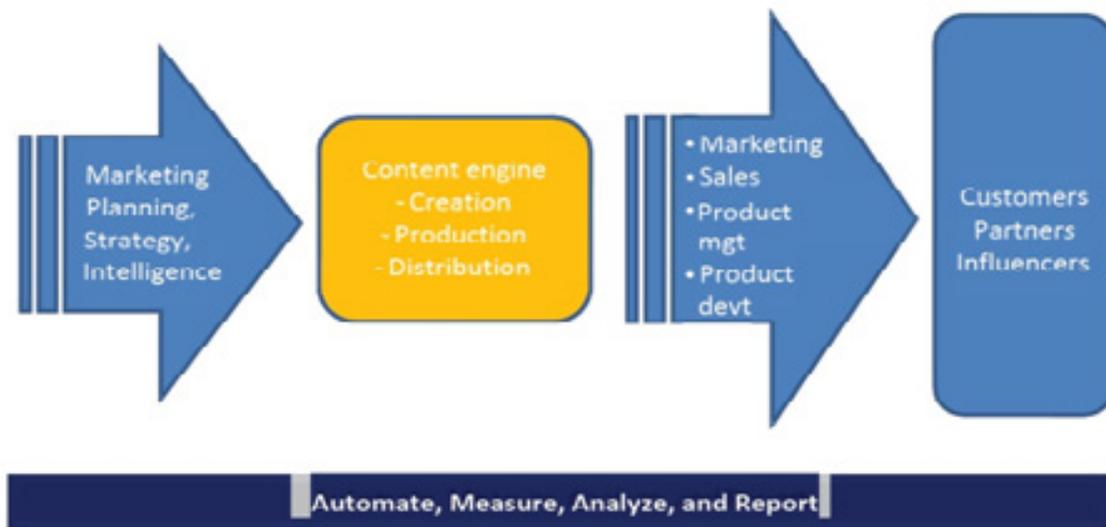
The study B2B Content Marketing: 2010 Benchmarks, Budgets and Trends reported the results of a comprehensive survey about content marketing in the business-to-business (B2B) space. Of the organisations surveyed, nine out of ten market their products and services with content, with marketers using eight content tactics on average. The most popular tactics are social media (excluding blogs) (79%), articles (78%), in-person events (62%) and eNewsletters (61%). Currently, B2B marketers allocate approximately 26% of their total marketing budgets to content marketing initiatives. However, the research also found that 51% of B2B marketers plan to increase their spend in the areas of content marketing over the next 12 months.

While content marketing has become mainstream, marketers are still unsure of how effective various tactics are. For many tactics, there is a large "confidence gap" in which marketers use strategies without fully understanding the benefits they deliver. For instance, of the 79% of B2B marketers who employ social media, only 31% of users think they use this tactic effectively.

Measure

Social media is a mix of psychology, sociology and technology and as such does not conform to the establish business rules of measurement. The questions raised by our research regarding measurement fall into four categories:

- Whether we need to measure?
- What can be measured?
- Which metrics matter?
- How to demonstrate value?

Is measurement needed?

The complexity of social media and its intangible collaborative elements do not lend themselves easily to exclusive financial analysis and attempts to do so would be misleading. The research suggested that unquantifiable issues, such as organisational culture, play a large part in justifying projects. However, the literature does not provide much in the way of practical guidance in measurement terms. Many companies are relying on the intuitive feeling that participating in social media is a good thing, so let us just get on and do it in order to see what happens,

and hopefully the results will speak for themselves. This approach allows measurement metrics, if required, to be formulated after the event and with the benefit of hindsight.

A variety of social media monitoring tools are already commercially available to observe conversations relevant to brands and companies and these often include built-in components that allow for the ease of engagement in relevant conversations.

What can be measured?

Brand Exposure

As with any technology, there are measurements that can be recorded. One of the easiest is to look at is the number of times users have been exposed to the brand through your social media channels and will include page view statistics for blogs, Facebook, YouTube videos and the amount of traffic being driven to the web site.

Audience Connections

The next stage in the relationship is when users express an interest in the brand, company or products and then take an action in establishing a connection which could allow a conversation to take place. These connections can be measured in terms of blog subscribers, Facebook fans, Twitter followers, YouTube subscribers and LinkedIn group members.

Audience Engagement

Once connected a percentage of the audience will begin to engage with the brand or company. These are measureable through blog comments, Twitter retweets, FaceBook interactions, YouTube interactions and general brand mentions in social media environments.

Audience Conversations and Referrals

One of the fundamental goals of most social media campaigns is to drive visitors to the point where they can be engaged in conversation. In order to measure social media referrals and conversations more advanced web analytic tools are required. These will be able to measure referrals and conversations that arise as a direct result of corporate social media activities as well as those that are not directly attributable to a company's efforts.
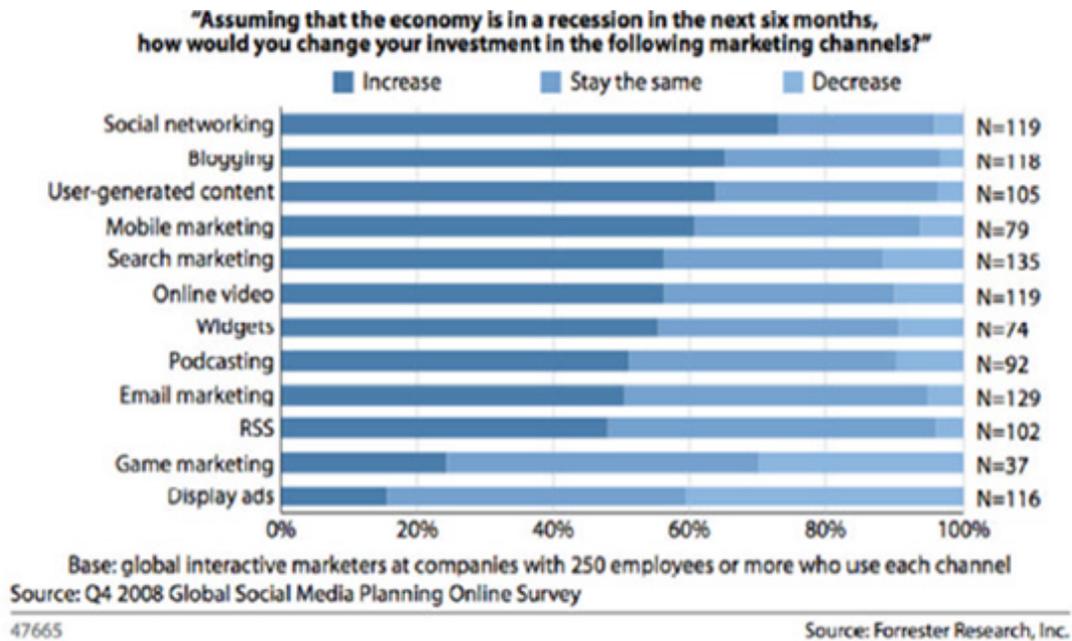
Which Metrics Matter?

Measuring the success of social media can be done in a variety of different ways – through the quantity and growth of friends, followers and fans, the volume of online conversations about a product launch or the increase in sales. Many social media measurements fall into the trap of placing great emphasis on fans and followers and in doing so may unwittingly fall into the trap of vanity metrics, because friends, fans and followers are a poor indication of potential audience size and have little to do with actual audience interaction, engagement and influence. Measuring value, influence and engagement may offer better returns in assessing the true worth of social media in business terms. Therefore in order to do that successfully it is important that organisations understand which metrics matter most for their business and that organisations adopt a measurement philosophy that is simple, yet comprehensive and completely supported by its internal stakeholders. The challenge for organisations is in determining a measurement philosophy that provides the correct business value for the company.

Demonstrating Value

Simply delivering those easily obtainable metrics about connections and audience engagement probably will not bring value to any organisation. They are measurements taken in isolation without a relevant context. However, demonstrating how these metrics translate into conversations that are of value to the company will deliver benefit and confirm the impact that social media efforts are having both internally and externally.

There is evidence that senior managers "get it", but middle managers can feel threatened by the loss of control due to the viral and organic nature of social media and social media communities. Best Buy, PepsiCo and Kodak are all leaders in social media and they are all consistent in that they do not try to measure direct return on investment (ROI) from their social media activities. However, they do see consistent value in their efforts and will measure specific components such as the intensity of engagement, rather than the numbers viewing, or customer satisfaction levels as a driver of retention. Once executives start to recognise the value of social media activities, ROI becomes a less important concern, although specific social media marketing activities should still be measured for impact in the same way that other marketing channel activities would be. A recent Forrester study, see table below, found that, despite the financial climate, spend on social tools would increase.

Forrester research into Investment decisions

"Assuming that the economy is in a recession in the next six months, how would you change your investment in the following marketing channels?"

■ Increase   ■ Stay the same   ■ Decrease

Channel	N
Social networking	N=119
Blogging	N=118
User-generated content	N=105
Mobile marketing	N=79
Search marketing	N=135
Online video	N=119
Widgets	N=74
Podcasting	N=92
Email marketing	N=129
RSS	N=102
Game marketing	N=37
Display ads	N=116

Base: global interactive marketers at companies with 250 employees or more who use each channel
Source: Q4 2008 Global Social Media Planning Online Survey

47665   Source: Forrester Research, Inc.

Organisations that are generally regarded as having successfully exploited social media channels tend to have taken a similar approach to measuring and quantifying its effectiveness. Our research found that they:

- Use a blend of qualitative and quantitative metrics of which there are many.

- Accept the challenge of causality.

- Are continually developing and refining systems of measurement.

- Are not losing sight of the 'social' in social media versus targeting direct sales.

- Recognise that the lens of old media is not appropriate in the social media context.

Justifying Social Media

Although companies are attempting to qualify in financial terminology the benefits attributable to the investment they are making in social media, these range widely in terms of their sophistication. The reality is that no two companies are the same and how one organisation will justify the investment will differ from another. While tangible factors are taken into account the reality is that these are usually little more than intelligent estimates of the likely increase in leads, sales or improved brand awareness. It is probable that the existence of a scientifically rigorous process for valuing social media investment is a myth, not existing in practice and perhaps impossible to determine in theory. Often factors derived from the strategic context in which the organisation finds itself are used to justify investment.

Typically, they correspond to increased competitive pressures arising from maturing markets and decreased differentiation in the core products. The strategic environment provides reasons to support investment, usually in terms of supporting growth or more realistically preventing decline. In situations where strategic factors are important, they tend to underpin the managerial consensus, relegating financial justification to the status of a 'sanity check' rather than a deciding factor. Often it is the social pressure of 'having to do it before we get left behind' that becomes part of the strategic planning.

A third set of factors that are important in the overall decision to invest in social media are linked decisions. These involve near simultaneous investments in related areas or significant changes in existing resource allocation patterns. For example: a technology refresh that would allow the integration of social media and collaborative applications for little extra effort or money. These linked decisions affect both the timing and viability of social media investments. Where they are of prime importance, the need to prove the financial viability of the social media investment is reduced further.

In justifying the investment in social media all three sets of factors are used to a greater or lesser extent. Any attempt to justify social media investment without considering all three factors is unlikely to generate the control, buy-in and effective resource allocation that is the aim of the justification process.

While the research uncovered the complexity of the social media investment decisions it also pointed the way to how best to carry out this complex process in an organisation. Using the metaphor of a key, each of the three factors – tangible, strategic and linked decisions – is equivalent to a ward, or bump, on the key. (see figure 12 Justification Key for Social Media). The social media justification key for each organisation is going to be unique, with each component developed to fit the on-going needs of the organisation.

The emphasis on each element cannot be generally recommended, as it needs to be culturally specific to the organisation. The financial justification ward will have input and output components, address organisational need for control while contributing in a minor way to organisational buy-in and resource allocation comparisons. For those organizations whose culture places a high value on control, this key ward will be very prominent. Strategic factors address organisational need in order to respond to increased competitive pressure whilst contributing strongly to management consensus. The strategic key ward will be conspicuous for those companies who believe they are in the context of a greatly increased competitive threat. Organisations undergoing a complex period of change will experience a more prominent linked decision ward as they will need to understand the relationships, and decide the priorities, between several, potentially competing, and resource allocation decisions.

These companies will need to both control allocation of resources as well as develop a management consensus.

As each organisation is unique, so will be the profile of their justification key for social media. In addition, over time the key may need to alter to fit the changing business environment, whether from internal focus, external market forces or simply in response to the changing face of social media use and emerging technologies.

Justification Key for Social Media
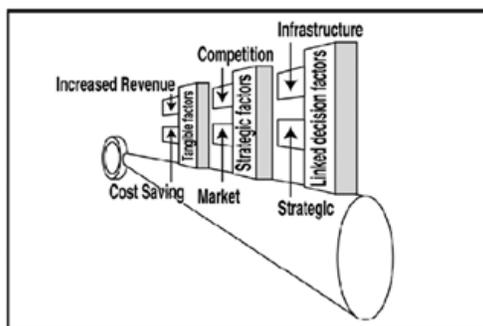
Integrate

Most companies agree that social media should not have a separate strategy but be an integrated element of either the marketing strategy, or strategies for communications, customer service or product development. Messages conveyed via social media channels have to be consistent with the broader company or brand message. In order to achieve this consistency, companies are trying to integrate social media with existing customer facing channels.

The priorities are:

- Integration: social media needs to become an integral part of marketing across all channels.
- Consistency: when the organisation is viewed through different channels, the view is the same.
- Speed: social media offers more and quicker ways to distribute content to customers, but it needs to be integrated.
- Relevance: what information is suited to each channel?
- Websites tends to be better for the delivery of more static information.
- Broadcast information and the dissemination of time-dependent material is betterdelivered directly to each target group through Twitter, LinkedIn, and Facebook etc.
- Channels and stakeholders should be organised to complement each other.

From our survey:

- Two-thirds of respondents have integration in their top three social media marketing priorities.
- Half have already integrated social media with other marketing channels.
- The majority (about two-thirds) are dissatisfied with their current level of integration.
- 34% say they have no plans to integrate social media into their marketing strategy.
- 40% of respondents do not have a process for tracking social media opportunities in their current CRM (customer relationship management) system.
- 30% of respondents are thinking about how to track social media opportunities in their CRM system.
- 18% are part way through implementing the tracking of social media opportunities in their CRM system.
- 12% are able to track social media opportunities within their CRM system.

While there is a lot of talk about integrating social media into the marketing strategy, the statistics do not corroborate this. The reality is that integration is frequently discussed but rarely implemented, possibly due to the complexity and uncertainty about how to go about it.

Integrating social media into the overall marketing strategy is made more difficult if it is not considered from the outset. Having corporate governance and standards in place will make the process easier, allowing greater benefits to be realised from a marketing strategy that includes the use of social media. There remains a lot of debate around where and how to integrate social media activities into the business and while some companies are already experimenting with and capitalising on the advantages of an integrated social media strategy, many others are still talking about making a start. The reality is that social media activities should not be carried out in isolation and in the short term it probably does not matter where it is integrated into the business.

Reviewing the Social Media Strategy

The final stage respondents reported is to review and adapt the social media strategy according to the latest priorities of the company, the outcomes of the existing initiatives and the availability of new technology. The figure below illustrates a possible approach to the review process.

Refining the Social Media Strategy
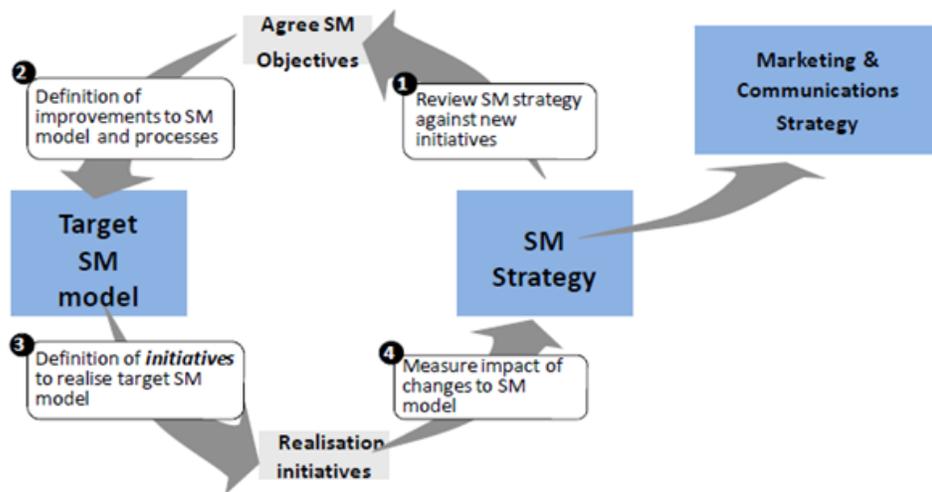
Implications for Management

- Social media activities cannot exist in isolation, social media is another marketing channel and needs to be integrated into the marketing strategy that underpins the company vision and goals.

- Any measurement of social media activities has to demonstrate value therefore careful choice of metrics pertaining to the business has to be made.

- It is important to recognise the impending challenge concerning the management of content creation.

- Taking a corporate approach to social media doesn't work – social needs the personal touch.

- Manage the rules of engagement within social media to deliver business benefits e.g. blogging increases sales leads.

- You need to consider all six of the stages of the social media framework to meet the needs of your company.

- Think about how you will meet the challenge of gaining trust in the social media space.

- Develop a clear understanding of the new rules of engagement within the social media environment.

Summary

Social media is a mix of psychology, sociology and technology offering great opportunities as well as challenges to businesses in today's fast moving and competitive environment.

This series of articles has examined the rise of social media and its potential business impact while exploring best practice in developing effective social media strategies.

The comprehensive six-stage framework depicts how to plan, run and improve the use of social media as part of the marketing strategy. A simple, but effective framework that covers most situations and can be deployed in most companies whether operating in the business-to-consumer (B2C) or business-to-business (B2B) space.

For most companies, embarking on a social media strategy, the framework allows them to create a people centred environment using technology to accelerate real-time interactions, rather than hinder them, within a collaborative technology architecture that mitigates the risks inherent with social networking. To be successful, organisations must understand the relationship between business process, culture and technology in order to encourage collaboration and drive improved performance and business success.

About Cognizant

Cognizant's Customer Solutions Practice is dedicated to building stronger customer relationships for our clients through business, technology and delivery expertise. Cognizant brings together the advantages of domain understanding, best practices and industry templates to a critically important area of business technology.

Cognizant's European Customer Solutions Business Consulting Practice led by Jonothan Brigg and has strong industry focus and expertise in each of its target sectors: Banking & Financial Services; Healthcare; Information Management, Media & Entertainment; Insurance; Manufacturing & Logistics; Life Sciences; Retail & Hospitality; Technology & Communications.

Cognizant is a member and sponsor of Social Media research at the Henley Centre for Customer Management.

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About Henley Centre for Customer Management

Customer Management is at a crucial point in its development. It is emerging into, potentially, a management tool of great strategic importance. The future development of Customer Management depends not simply on more investment in IT, but on understanding how Customer Management really works; building transferable knowledge and turning it into effective practice.

The primary objective of the Henley Centre for Customer Management is to promote Customer Focus and Service Excellence best practice. It does this by observing practice in leading companies and synthesising this into useful knowledge that helps members to improve their own Customer Management and Customer Service plans and implementations. This aligns with the aim of the Henley Business School to deliver high quality contributions to thought leadership, through research into the management of organisations.

For further information visit:
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About Cognizant

Cognizant (NASDAQ: CTSH) is a leading provider of information technology, consulting, and business process outsourcing services, dedicated to helping the world's leading companies build stronger businesses. Headquartered in Teaneck, New Jersey (U.S.), Cognizant combines a passion for client satisfaction, technology innovation, deep industry and business process expertise, and a global, collaborative workforce that embodies the future of work. With over 50 delivery centers worldwide and 118,000 employees as of June 30, 2011, Cognizant is a member of the NASDAQ-100, the S&P 500, the Forbes Global 2000, and the Fortune 500 and is ranked among the top performing and fastest growing companies in the world.
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