



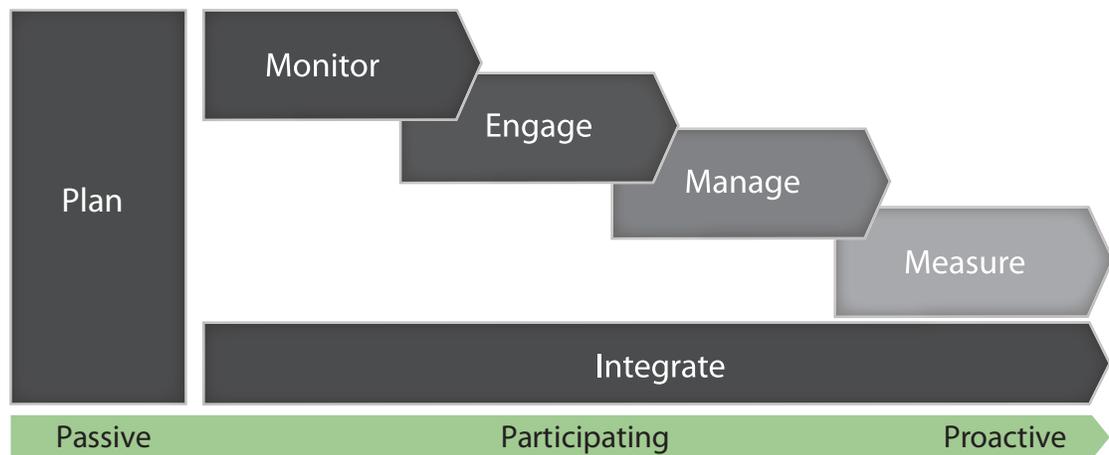
How organizations can use innovation and integration to engage with the digital marketplace

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 second article explores the initial Planning phase of the Six Stage Social Media framework.

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 rationalised these models to create a simple but effective framework that covers most situations and can be deployed in most B2C or B2B companies.



The 6 stage social media model

The six key stages are described below and for the purpose of this article we will focus on 'Planning' stage, remaining stages will be covered in subsequent articles in this series.

1. Plan. Identify what you want to achieve and how should you approach social media?
2. Monitor. Listen to the social media conversations taking place about your organisation and brand, while gaining insight into your customers perceptions (Google alerts, monitoring tools etc)
3. Engage. Establish your organisations' presence in the social media world, if you don't start the social media conversations then someone else will. (Blogs, LinkedIn, Facebook, Twitter etc)
4. Manage. Use social media to build and manage relationships that support the objectives of your business strategy; announcements, issue resolution, new product launch, campaigns, innovation, recruitment etc. (Blogs, Facebook activity, responses to others)
5. Measure. Understand the impact of your social media strategy and continually adapt it to improve outcomes.
6. Integrate. Integrate your social media activities with your other on-line and off-line activities. Remember social media is just another channel in the marketing mix.

Plan

There is plenty of anecdotal evidence of social media initiatives following the "just do it" approach but, as the understanding of social media increases, most organisations are applying traditional business criteria to approve, assess and review these initiatives. Clearly companies recognise that it is very easy to get

started with social media but it is still important to be clear about:

What are the objectives for the phase, and how will these change over time and are they financially driven?

- Who is responsible for what?
- Is there a policy on social media? If not is one needed now?
- Are there any intellectual property issues or legal constraints?

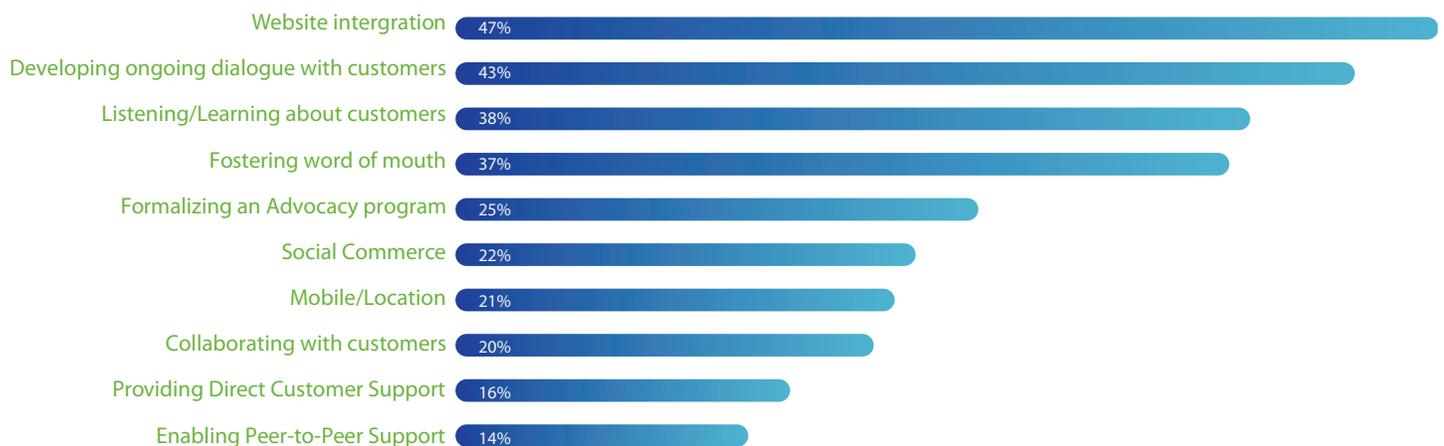
Social Media Objectives

Research has identified a range of objectives defined by companies investing in social media initiatives and these are covered below. However, it should be noted that none of these objectives are new to marketing departments or specific to social media. Essentially, the issues companies want to understand are whether social media activities can provide better insight to their customers, improve customer perceptions, build customer loyalty and ultimately increase sales while demonstrating an improved return on marketing investment. This is why prudent companies will manage expectations by defining realistic and achievable objectives at the outset and only expanding these as the social media initiative realises its predicted achievements.

Altimeter Group Research: Top External (or Customer-Facing) Social Strategy Objectives in 2011 (Respondents allowed to choose three priorities.)

The most common objectives identified in this research study are:

- Provide insight into customer perceptions.



Employing social media to help understand what customers think about the company overall and its specific products and services. Identifying any gaps in current insight that can be filled by utilising social media.

- Increase customer loyalty. Using social media to build a sustainable and mutually rewarding relationship with customers rather than a transactional relationship.
- Support new product launches. Identifying new and innovative social media based tactics to increase the success of new product launches. (Marmite XO example)

Harnessing the power of social media to support new product launch – the Marmite Story

Marmite XO is an 'extra mature, extra strong' version of Marmite. Marmite is known for its 'Love it or Hate it' brand positioning and this makes it a good social media subject as no-one is ambivalent. Marmite's marketing manager ran a social media campaign to help launch XO, starting by gaining access to and then building relationships with their most devoted and vocal fans.

A small group of devoted fans and bloggers dubbed the 'First Circle' was initially recruited and then expanded to include about 200 'Marmarati' or superfans. People were asked to prove their love of Marmite by uploading content such as a film or poem to a dedicated web site and the best entries were voted on by the general public.

The winners joined the 'Second Circle' and the Marmarati were all asked to test the prototype new spread after being given two jars of XO – one to taste and a second handmade wax-sealed commemorative collectors' jar to keep. Members were instructed to recite the Marmarati Oath and to record and upload videos of the tasting. Providers of the best contributions receive a lifetime supply of Marmite and a trip to the Marmarati Inner Sanctum, accompanied by Marmarati leaders.

- Generate customer leads. Identifying prospective customers through their interest in product or service areas through discussion topics and social media applications.
- Reduce the cost of customer acquisition, market research and support. Lowering the cost of customer management by tapping into the Web 2.0 user generated content aspect of social media applications including peer-to-peer

recommendations, interactive feedback and using self-service for product benefits/features as well as support.

- Innovation and customer feedback. Using social media at various stages of innovation. Working with existing or prospective customers and key influences on idea testing and new product development. Using quick but effective social media tools to increase the speed and accuracy of feedback.
- Improve customer education and product support. Help customers learn about, and use, products and services in the best manner. Establishing peer-to-peer support networks for low cost but effective and trusted support.
- Complaint management. Reduce the costs and increase the effectiveness of complaint handling.
- Recruitment. Establish the company as a great place to work with great people. Lower recruitment costs and staff turnover by attracting prospective employees.

Social Media Governance

Many companies report that their social media initiatives have started organically, often in communications and sometimes within marketing or IT departments. In the free thinking, fast moving world of social media and social networks there is a perception, in some companies, that governance runs contrary to its ethos. Eventually, companies have to be subject to some form of governance in order to demonstrate a consistent approach across the company and to ensure that investment decisions can be made effectively. The marketing department is an important user of social media but certainly not the only one as there are potential applications for HR, R&D, sales, customer services, product development and technology.

There typically needs to be guidance on some simple but important topics:

- Who is the "owner" of the social media initiatives within the company and how are these initiatives co-ordinated across the company? While 80% of companies researched saw the need for a social media council for social media governance and best practice sharing, only 33% had implemented a formal social media council.

- Should wider employee groups be empowered to use social media on the company's behalf, and if so how?
- Will social media become a formalised way of delivering services to customers, such as a helpline with specified service level agreements, or remain an informal communications channel served on a "best endeavours" basis?

Now armed with the compelling business case and the framework for the PLAN our next article will explore the 'Monitor' stage of building an effective Social Media Framework.

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 Jonathan 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.

For further information visit: www.Cognizant.com
Contact - Jonathan.brigg@cognizant.com

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:
www.henley.reading.ac.uk/hccm

Contact: Professor Moira Clark –
moira.clark@henley.reading.ac.uk

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. Visit us online at www.cognizant.com for more information.



World Headquarters

500 Frank W. Burr Blvd.
Teaneck, NJ 07666 USA
Phone: +1 201 801 0233
Fax: +1 201 801 0243
Toll Free: +1 888 937 3277
Email: inquiry@cognizant.com

European Headquarters

Haymarket House
28-29 Haymarket
London SW1Y 4SP UK
Phone: +44 (0) 20 7321 4888
Fax: +44 (0) 20 7321 4890
Email: infouk@cognizant.com

India Operations Headquarters

#5/535, Old Mahabalipuram Road
Okkiyam Pettai, Thoraipakkam
Chennai, 600 096 India
Phone: +91 (0) 44 4209 6000
Fax: +91 (0) 44 4209 6060
Email: inquiryindia@cognizant.com