Useful Social Media

The State of Corporate Social Media

2012

Written by

Nick Johnson

Founder, Useful Social Media

@gnjohnson

www.usefulsocialmedia.com

Join the community on:

Twitter: @usefulsocial
Facebook: /usefulsocialmedia
Linked in: linkd.in/USMgroup

Sign up for our corporate social media newsletter at www.usefulsocialmedia.com



Table of contents

Page

Forward	3
Methodology	4
What do corporate social media teams look like?	9
Who owns corporate social media?	16
What does your social media department do?	21
Budgets for corporate social media	26
Social Media Metrics and Measurement	29
Working with external service providers	40

Foreword

Since December 2009, Useful Social Media have been lucky enough to witness first-hand the explosion in corporate social media adoption.

The growth of social media, and it's consequent invasion of – initially, at least – corporate marketing departments, has signalled a fundamental shift in how corporations communicate with their stakeholders.

For so long, the relationship was one of loudspeaker to mute crowd. A company bought TV advertising, billboards, and radio slots to declare how wonderful and worthy of money their product or service was.

Consumers were expected to listen, not respond.

No longer.

The advent of social media has opened the lines of communication between producer and consumer. Marketing is no longer a one-way street. Now everyone is talking to everyone else. Producers to consumers. Consumers to producers. Consumers to consumers (about producers).

And now things are starting to spread. The incubation chamber of social media is hatching a real revolution in corporate-consumer relations. Companies and consumers are both starting to ask:

Why stop at marketing?

Companies are realising social media can be leveraged for so much more than getting marketing messages across. And equally, consumers are realising than simply listening/ responding to marketing messages is a missed opportunity, and does not leverage the full power that social media has given them.

Customer service. Product development. Employee engagement. Crisis response.

Social is beginning to be incorporated into every aspect of business.

In this briefing we will look at the hard statistics that represent this revolution. We will look at social media resourcing (financial and human), we will look at key social objectives and goals, we'll look at ROI and other metrics, key networks, and plans for the future.

If you work on social media for big brands – or make it your business to understand how these big brands approach social – then this 50 page document contains key stats, facts, analysis and trends that will ensure you take full advantage of this revolutionary shift in the relationship between businesses and their consumers.



Read on,

Nick

Nick Johnson
Founder
Useful Social Media

Methodology

About our respondents

Participants were asked to complete our survey anonymously – working on the theory that it will encourage a more honest response. This year, over 650 individuals responded to our survey – a six-fold increase on the 2011 version. Even this small fact bears testament to the growing importance of social media to large businesses.

The Useful Social Media audience tends to be relatively international, with an emphasis on the UK and the East Coast of the USA. Our audience is made up predominantly of social media practitioners within big brands and other companies, though there is a significant element of our database hailing from the 'service provider' side.

It's important to get clarity on who is responding to the survey, before one can draw useful conclusions from it. For this reason, we have often split out data in a few ways. Many charts focus on data solely from the 'corporate' respondents to the survey.

As well as this, we have often split out data to compare and contrast differences to two groups – B2B and B2C respondents, and respondents from Europe and the USA.

More information on our respondents can be found in the three charts below – covering job role, seniority, and geographical location.

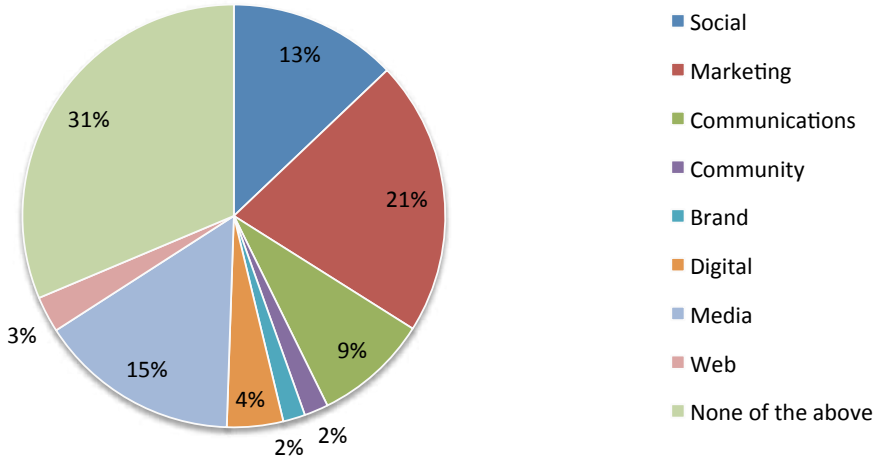
A comparison with 2011 to spot trends

This is the second 'State of Corporate Social Media' report that we've produced. We produce the briefing on an annual basis, in the early part of the year – and conduct the survey itself across the last months of the preceding year.

One of the strengths of an annual publication is the opportunity to compare and contrast results over the twelve months, spot trends and identify changes. Throughout the report, we'll be highlighting significant shifts for you.

However - we're not comparing all sets of data with 2011 results because this year's sample is so much more extensive. An awful lot of small changes may well be down to a smaller sample size in 2011. Therefore we're only going to highlight what look to be significant shifts over the last twelve months.

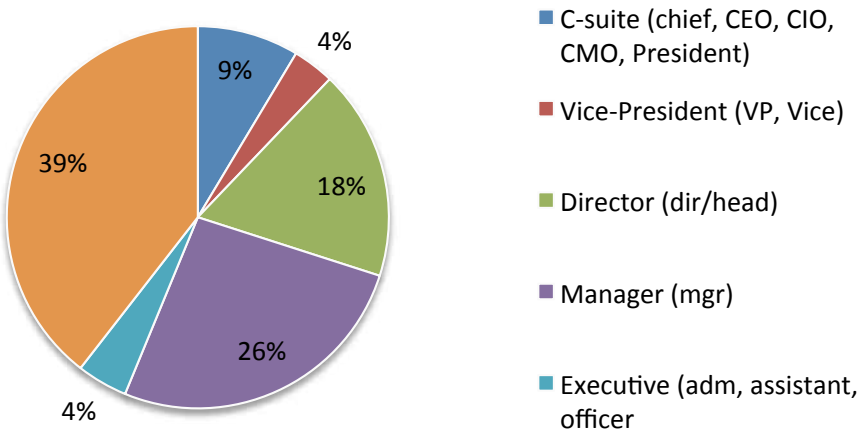
What is the key focus of your role?



The most popular job title in our survey respondents was, as last year, marketing/communications. This is unsurprising – most companies tend to incorporate social media into marketing/communications teams, before looking (or being forced to look) at implementation within other departments.

Interestingly, 13% of respondents suggest their role predominantly focuses on social – suggesting a growth in the popularity of both social media-specific roles, and that of discrete social media departments.

How senior are you?

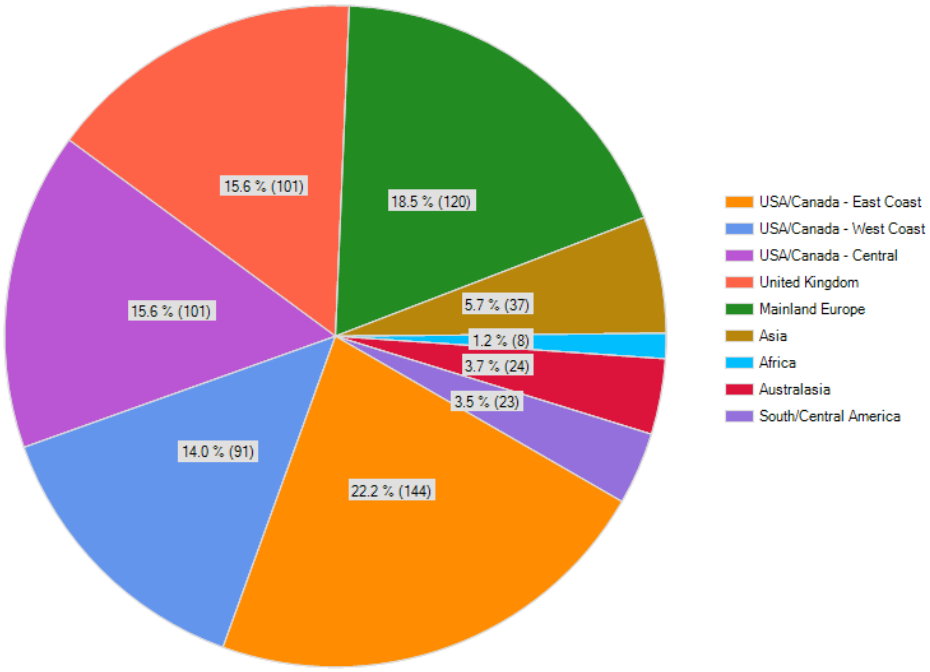


Unsurprisingly, social media is still the domain of relatively junior staff. Over a quarter of our respondents were of a Manager level.

When compared with 2011, the first interesting shift becomes apparent. In 2011, only 33% of our respondents were Director-level, or more senior. However, this year that

number has swelled to an impressive 49%. This could back an assertion that companies are beginning to treat social media as more important to their core goals, and that direct exposure to social is climbing the corporate ladder.

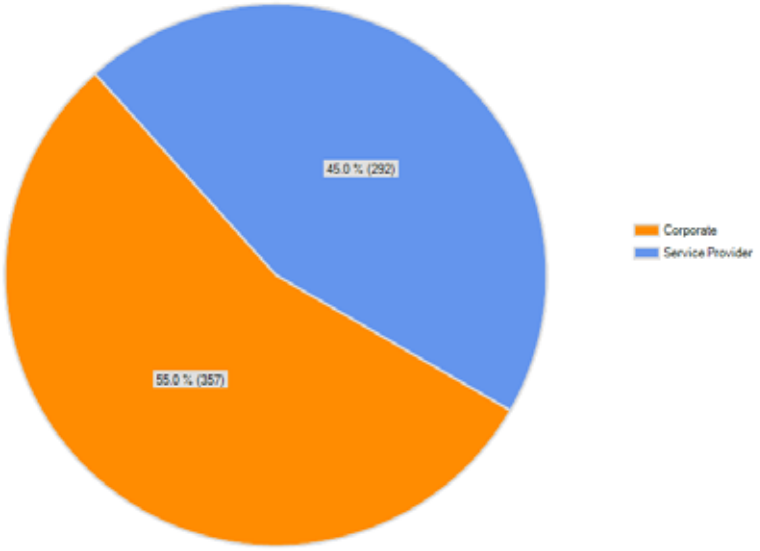
In what part of the world are you located?



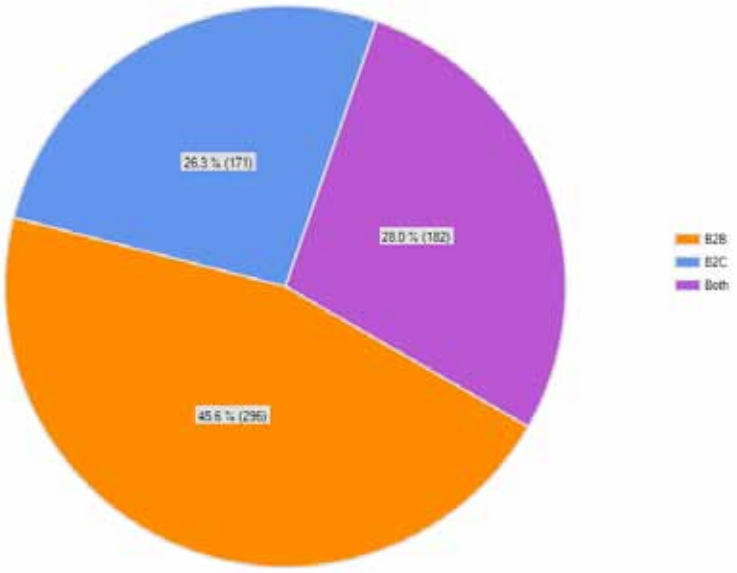
As is visible from the above, the respondents to this survey were truly global – though a majority come from the USA and Canada.

Whilst this reflects our own area of operations, it is often assumed that the corporate social media adoption rate is more advanced than in Europe. This chart would appear to lend credence to that argument – though other subsequent graphs and charts will be used to determine the viability of this statement.

Do you work for a 'corporate' (client side) or for a service provider (agency-side)



Do you work for a B2B or B2C business



A significant minority of respondents work in the service provider space, on the 'agency side'.

While this group is a critical one when it comes to social media adoption, the stated aim of this briefing is to learn more about corporate approach to social media. For this reason, we will split out corporate responses from those of service providers in several of the following chapters – to ensure a clear picture of the state of social media in large business is built up.

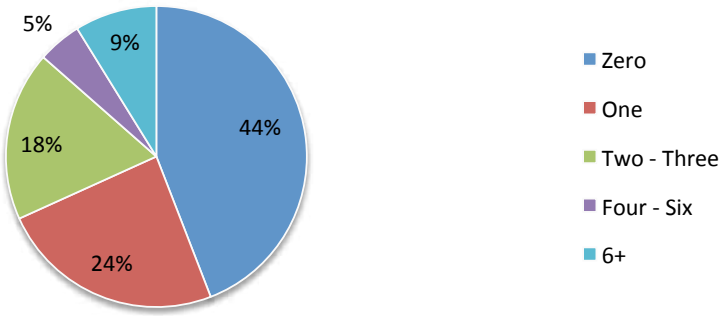
The largest group of respondents to the survey come from the B2C world. This is to be expected – the most immediate social media benefits tally most closely with B2C businesses – marketing to large groups, engagement on a large scale, generating a high volume of new leads.

However, over half of all respondents also work in the B2B space, indicating a rapidly growing realisation that social media is somewhat more complex than simply a large-scale marketing channel, and indeed offers more benefits – like customer service, expertise sharing and deeper engagement.

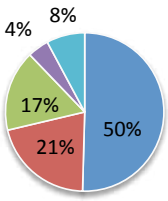
What do corporate social media teams look like?

How many members of staff work exclusively on social media at your company?

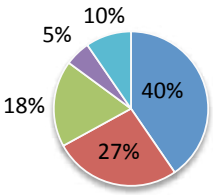
Corporate only practitioners



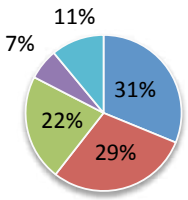
EUROPEAN Corporates



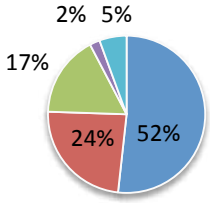
USA Corporates



B2C Corporates



B2B Corporates



In comparison with our 2011 report, the average social media team has remained pretty much the same. A typical team would be of about one or two people working exclusively on social media.

However, when you break out the higher figures – ie team with four or more practitioners, one can begin to identify a trend. 17.5% of 2012 companies say they have four or more people working exclusively on social media. In 2011, that figure was 22%.

The initial reading of this would imply a lack of progress – indeed, a reversal – in social adoption within business. However, there is an alternative view.

The 'Hub and Spoke' model of social media is often declared to be (see Solis) a more advanced step on the social media journey. In this model, companies build up a small team of social media practitioners (the hub), who influence, direct and assist individuals within other departments around the business (spokes). The 'spokes' are there to execute social media policy – which is often set by the hub.

Before this, companies tended to have a less strategic structure – building up a larger group of practitioners in one department who are there to 'do everything'.

We see the reduction in team size as a move towards a hub and spoke model – reducing the number of people who work exclusively on social media to a core team of one or two, and then giving social responsibilities to others within the organisation as part of their core responsibilities.

Breaking down the data to investigate other trends

Once we break down this data to focus exclusively on the differences between European and US corporations, it becomes apparent that differences exist. One can conclude that US-based companies are more likely to have more people working exclusively on social media than their European counterparts. Only 50% of Europeans have anyone working full-time on social, while the figure is 60% for US companies.

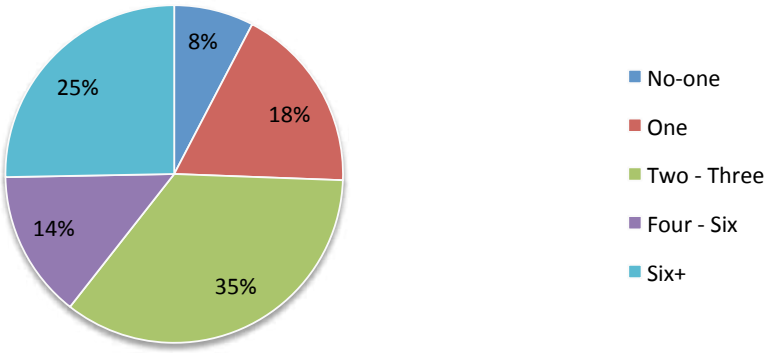
This implies a continuation of last year's trend of Europeans lagging behind US corporations in social media adoption – though it's worth pointing out that the gap seems to have narrowed.

When you look at the split between B2C and B2B businesses, the difference is far more obvious. While only 48% of B2B companies have anyone working on social media full-time, a huge 69% of B2C companies do. As well as that, a full 40% of these B2C companies have two or more people working on social, compared to 24% of B2B companies.

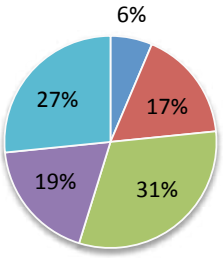
Recently, Useful Social Media produced an article highlighting the top 5 companies working with social media today. Every featured company was drawn from the B2C world. Perhaps this lack of staffing goes some way to explain the poor showing for B2Bs.

How many members of staff engage with social media as part of their responsibilities?

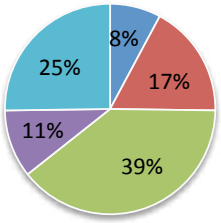
Corporate only practitioners



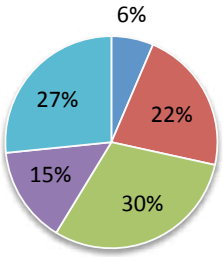
EUROPEAN Corporates



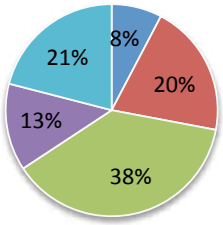
USA Corporates



B2C Corporates



B2B Corporates



The first conclusion one can draw from this set of charts is that while about half of companies don't have anyone working on social media full-time, the vast majority (ie 92%) have at least one employee for whom social media is a key part of their role.

The most popular response, regardless of whether we focus on corporate-only, B2C, B2B, European or US data, tends to be two to three people for whom social is a key responsibility. It's also worth noting that significant numbers (25%+, excepting our B2B respondents) say six or more people in the company have social as a core part of their role.

This helps us build up our picture of social media organisation within businesses. It seems that there is usually one, or perhaps two, executives working exclusively on social media. Below them is a larger team of two or three (or significantly more) for whom social is a key use of their time.

Breaking down the data to investigate other trends

The picture built up by the former set of charts is backed by those from this dataset.

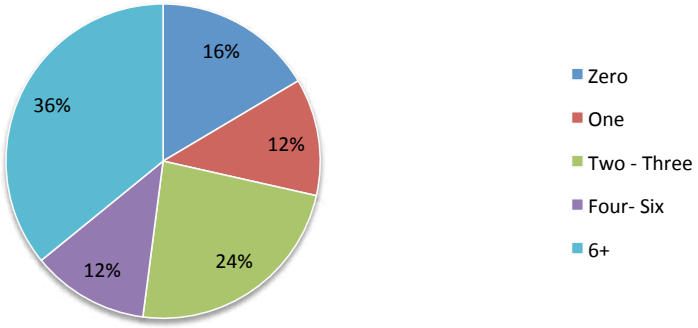
While most companies from both sides of the Atlantic have two to three practitioners using social part-time, once you get to bigger groups, the US again proves ahead of Europe in adoption rates. A huge 46% of US-based companies have four or more people working on social part-time, compared with 36% in Europe.

The same is true when we break down the data by company-type. B2C adoption rates appear to be ahead – with 42% of companies having more than 4 people working on social media as part of their responsibility, compared to 33% for B2B companies.

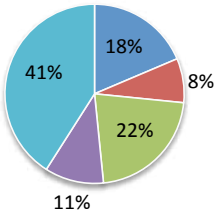
It's worth noting, for both of the above splits, however – that even though the number of people working on social differ depending on whether a company is B2B or B2C, European or American, 92% of all companies have someone working on social as part of their responsibility. The question is certainly not whether social media is being adopted by businesses, but to what extent.

How many members of staff use social media in a professional capacity, but not as part of their specific responsibilities?

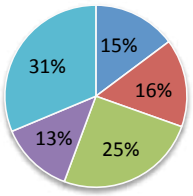
Corporate only practitioners



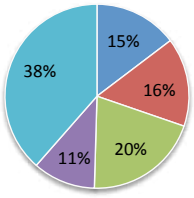
EUROPEAN Corporates



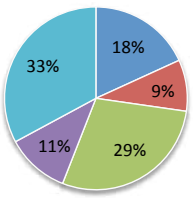
USA Corporates



B2C Corporates



B2B Corporates



This final dataset on team size again lends credence to a hypothesis of hub and spoke adoption throughout businesses. In this question, we were looking to find out more about those people within companies who do use social media, and have had approval from senior management to do so – but for whom it isn't a core part of their role.

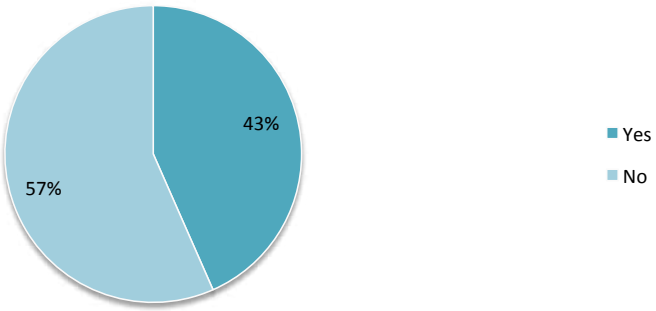
Unsurprisingly, the responses are far higher for the larger options in this case. Over a third of all respondents say 6 or more people use social in this way (and we were perhaps foolish for not adding higher options above 6+).

One can suggest that the discrepancy between those for whom social is a key part of their role, and those who use social at work without clear management, shows a widespread lack of oversight and strategic direction. There are many more people who use social media 'off their own bat' at work than those who do so as part of a wider corporate strategy.

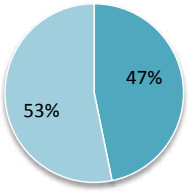
There is still a long way to go for companies to incorporate social fully into corporate strategy, tie it to broader responsibilities, and build it into key roles throughout the business.

Is there a discrete social media team within your company?

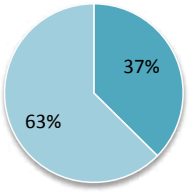
Corporate only practitioners



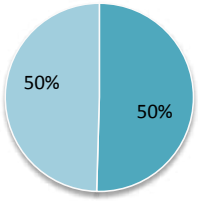
EUROPEAN Corporates



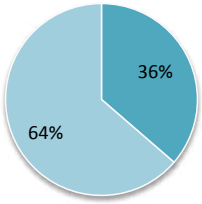
USA Corporates



B2C Corporates



B2B Corporates



From this dataset, one can confidently draw the conclusion (with the interesting exception of B2C businesses) that most companies do not have a discrete social media department.

Of course, this response gives us a limited insight into corporate practice. One could draw two opposite conclusions

1. That the lack of a discrete department suggests that social media is still subsumed into the Marketing/Communications department, and is therefore still early in the journey to a more holistic corporate adoption

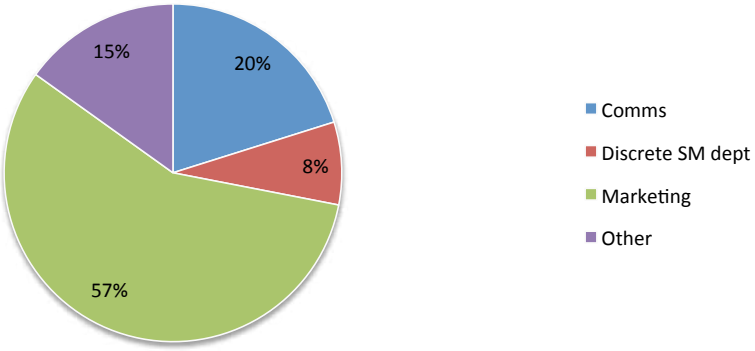
2. That the lack of a discrete department suggests that social has become fully-embedded throughout key departments. One argument is that the job of a Corporate Social Media practitioner is not fully complete until embedding social has become so extensive that his job is redundant. Do the responses above suggest these practitioners have been alarmingly successful in achieving that aim?

Realistically, the reality falls somewhere between these two poles.

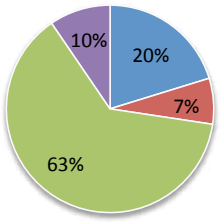
Who owns corporate social media?

What department is your social media team a part of?

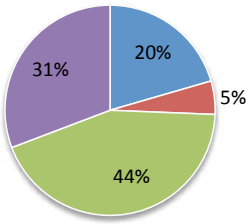
Corporate only practitioners



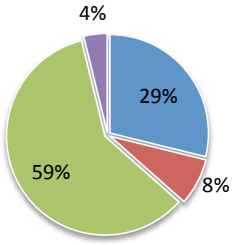
EUROPEAN Corporates



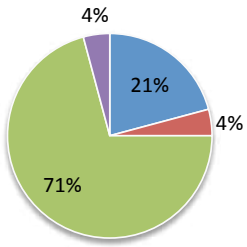
USA Corporates



B2C Corporates



B2B Corporates



The first observation one can sensibly make here is that corporate social media practitioners still sit in the marketing team to a great extent. Over half of all respondents (excepting those from Europe) are responding while sat at a desk in the Marketing department.

However, it's important to note that this question asks about the locationof the team, not their key focus. There is nothing precluding these people sitting in marketing teams, but working on leveraging social for reputation management, for customer service, for employee engagement and more. Indeed, some would say that the oft-chaotic growth of

social media within business means it's likely this is the case.

Breaking down the data to investigate other trends

When we take a deeper dive, the most obvious point is that European corporations seem to have placed social media experts in a greater variety of positions than their US counterparts. Only 44% of respondents in Europe sit in marketing teams, compared to 63% in the USA.

Does this indicate a more embedded and wider-reaching social media strategy in Europe than the USA?

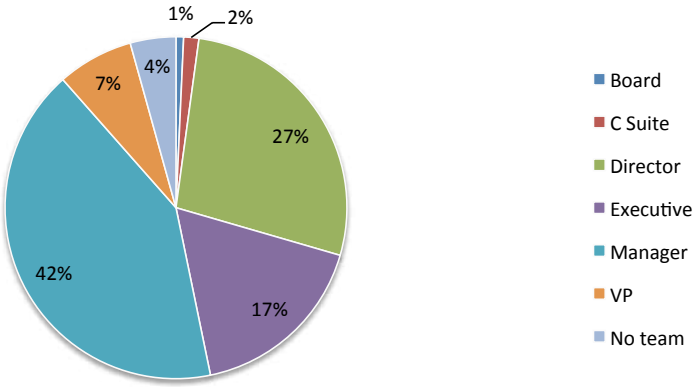
A surprising result is that 71% of B2B companies place their social media teams in the marketing department. This is not only higher than their B2C counterparts, but significantly higher than the corporate average.

Does this show a weakness of social for B2Bs – is it harder to use social media for customer service, for risk management, when you work in this area? With a smaller, but higher value set of clients, perhaps B2Bs have reservations about social's ability to deal with complex consumer relationships and histories – and thus focus more closely on marketing? Whereas B2C companies tend to have more simplistic engagement with the majority of their consumers, so can afford to shift more customer service delivery to a social platform? This is a tempting conclusion to draw – though it's important to note that it's not the only viable option.

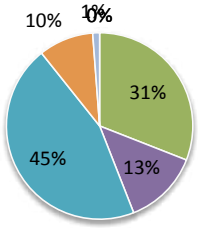
Perhaps the figures simply denotes that B2B companies are behind their B2C counterparts in social adoption – that they haven't moved on from placing the team in the marketing department yet.

What level of seniority is the head of the social media team?

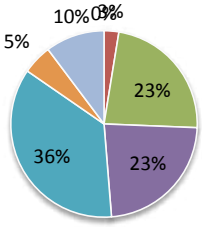
Corporate only practitioners



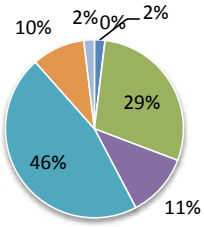
EUROPEAN Corporates



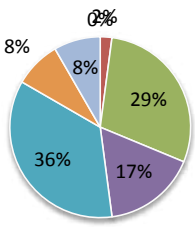
USA Corporates



B2C Corporates



B2B Corporates



This question was asked because it provides an indication as to how important social media is judged to be by large companies. The more senior the head of the 'social media team', the more important social is to that company.

Bearing that in mind, when one compares results with 2011, one can see a progression in social's importance to a company.

The number of people who stated that a 'manager-level' employee heads up their social media team has dropped from 46% to 42%. At the same time, the number of Directors running social teams has risen, from 20% to 27%. Apart from that, the figures for the two years are roughly the same.

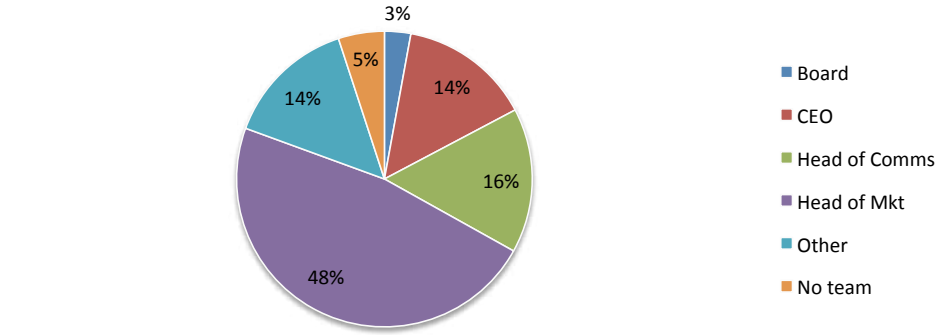
A deeper dive

The US and Europe are in similar positions – 58% of respondents say the person heading up social at their company is either an 'executive' or a 'manager' in the US, compared to 59% in Europe. However, 10% of US companies responded that a VP heads the social media department – compared to 5% in the UK. Again, it seems that while the bulk of European and US companies are at approximately the same level, the vanguard is again drawn from the United States.

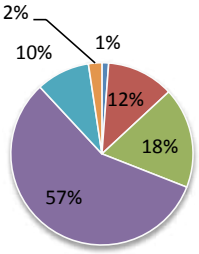
When we look at the B2C/B2B split, the race for social media adoption is too close to call. 57% of B2C respondents have a manager/exec in control of the social media team, compared to 53% of B2B companies. Both sectors have a 29% response rate for Directors, and the figures for VPs and above is 12% for the B2C audience, and 10% for B2Bs.

Who does the social media team ultimately report to?

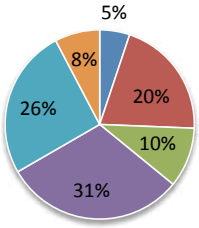
Corporate only practitioners



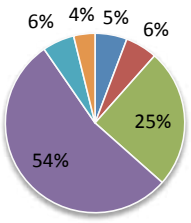
EUROPEAN Corporates



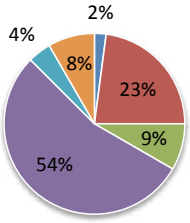
USA Corporates



B2C Corporates



B2B Corporates



This question was asked as a continuation of the previous – ie, how seriously is social taken by companies? This time, we see who the social media team ultimately reports to. Again, the rationale is that the more senior the person to report to, the more seriously social media is taken.

Predictably perhaps, the most common response by some distance was a system of reporting to the Head of Marketing. Social is still very much part of the marketing department's domain.

Below that, the honours are shared between the Head of Comms, 'other', and, intriguingly, the CEO of the Company. 23% of B2B respondents report directly to the CEO. It's an interesting stat, and would seem to lend credence to the fact that B2Bs are not as far behind their B2C counterparts as common knowledge suggests – at least in terms of adoption, if not execution.

A quick summary of key findings from the first two chapters

- **Social is still predominantly part of corporate marketing departments**

  The vast majority of charts above seem to suggest that social media is still organised by people working in the marketing department. While there is evidence (and will continue to be, throughout the briefing) of social taking on a wider corporate significance, the discipline is still very much rooted in the Marketing Dept – as was the case in 2011.

- **The Hub and Spoke model appears to be in place**

  While it is true that the statistics could be used to draw other conclusions, viewing these stats through a lens of commentary from people like Brian Solis allow us to use them to corroborate the view that the Hub and Spoke model is being introduced to manage social media across business. The typical team has typically one or two people working on social full time, with roughly double that having social goals as part of their key responsibilities, and then a significantly larger number using social as part of their professional life.

- **Where there is a vanguard, it tends to be based in the USA**

  While statistics seem to suggest a narrowing of the adoption gap between US and European corporates, once you look at thie 'higher end' results (ie 6+ people working on social, Head of Department being a VP, etc) you'll see that US companies tend to be more developed than their European peers.

- **B2Bs still aiming at marketing – imply further behind (or structural difficulties)**

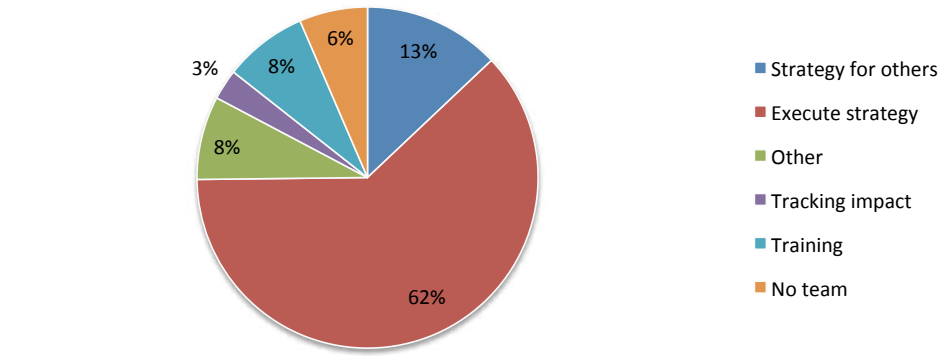
  B2B and B2C companies tend to be pretty similar when it comes to team make-up and seniority. The biggest difference is where the team is located within the business – for B2Bs, the answer is resolutely as part of the marketing department. This could mean one of two things:

  - That B2Bs are still at the very start of their journey, and are only using social for marketing (not customer service, risk management, etc)

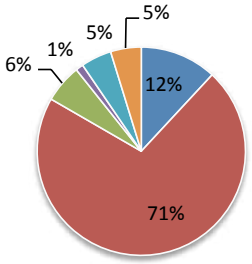
  - That B2Bs are structuraly unable to focus social media anywhere but marketing – because of how they do business, social does not lend itself to customer service for higher value clients, or anything other than generating leads. Throughout the rest of this report we'll examine this hypothesis in further detail.

What does your social media department do?

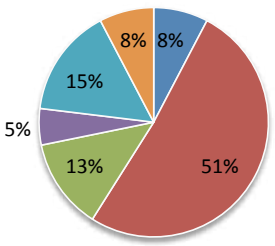
Corporate only practitioners



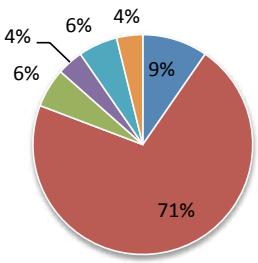
EUROPEAN Corporates



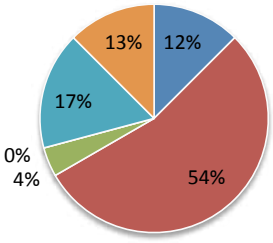
USA Corporates



B2C Corporates



B2B Corporates



This dataset is designed to shed further light on the model of social media management used across the world, and within different business types. In this case, we will be looking to find evidence to support a widespread adoption of hub and spoke. For this to be the case, we would need to see a significant chunk of responses indicating that social media teams are not executing strategy, but determining what that strategy is, tracking, training and helping other departments to leverage social to its fullest.

In short, the statistics simply don't say that. 62% of social media teams at corporations are primarily responsible for executing strategy. Only 13% develop that strategy for others to execute.

When you look at the USA, or at B2C corporations, the message is clearer – in this case, a huge 71% of respondents say they're responsible for execution. Considering the team is usually somewhere between 2 and 4 people in size – not all full time, they must be enormously overstretched.

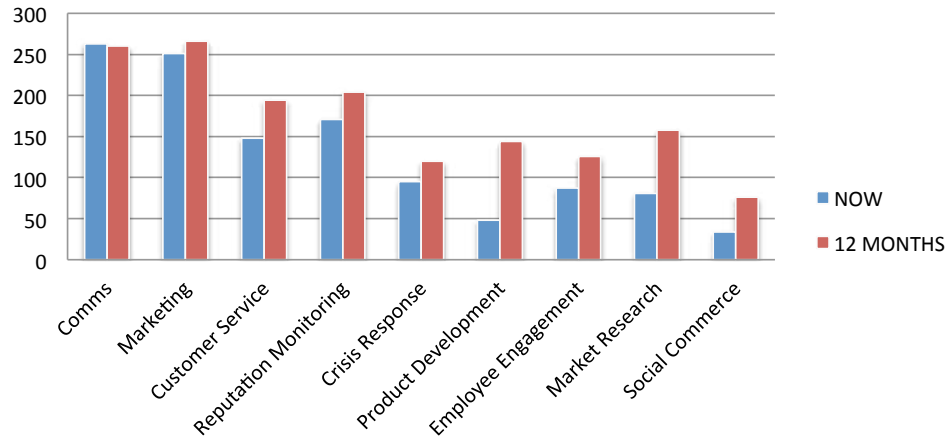
However, one can see that the second-most popular response (13% on average) is defining that strategy for others – which fits with the hypothesis for a more progressive – and embedded - approach to social.

B2B corporates spend more time planning strategy for others, and doing training. This seems to fit with a broader hypothesis that for B2B social media to work, one needs involvement from far more people throughout the company – you can't rely simply on the marketing department, because proven B2B campaigns require thought leadership from within the company to be shared with the outside world. It follows the social media team's role will be to train up these people, rather than doing everything themselves.

Even though in this question, only the most common activity was requested (obviously, social practitioners will do more than just one of the tasks above), it's intriguing seeing that so few people suggest that 'tracking impact' is their key focus. It suggests that plenty of companies are still at the "Throw a lot at the wall and see what sticks" approach, rather than an evolution of strategy based on proven returns.

What are you currently using social media for at your company?

Corporate only practitioners



This is perhaps the most directly useful chart to our readership – giving, as it does, a clear picture on corporate priorities on how social can be leveraged.

Unsurprisingly, the leading responses are using social for communications and marketing. It chimes with our earlier charts on team location, makeup and organisation.

Following on from that, the most popular responses are using social for Reputation Monitoring, and then Customer Service. This seems to fit with our Hypothesis from the start of the briefing – that when a company 'dips their toe in the water' to take advantage of social for some cheap and easy marketing, they are involuntarily dragged into a more holistic approach. Customer Service tends to be first on the list – once people start using

your marketing-oriented Twitter feed to complain about your products, corporates have little choice. Customer Service and Reputation Monitoring go hand in hand, and with the huge influx of granular data on corporate sentiment and consumer reaction, it is natural that this is also a popular utility of social.

The next areas are crisis response (again, part of a triumvirate with customer service and reputation management), employee engagement, market research product development and then, bringing up the rear, social commerce. It is surprising, and perhaps worrying, that so few companies are leveraging the direct opportunity to make money through social at this stage.

What does the future hold?

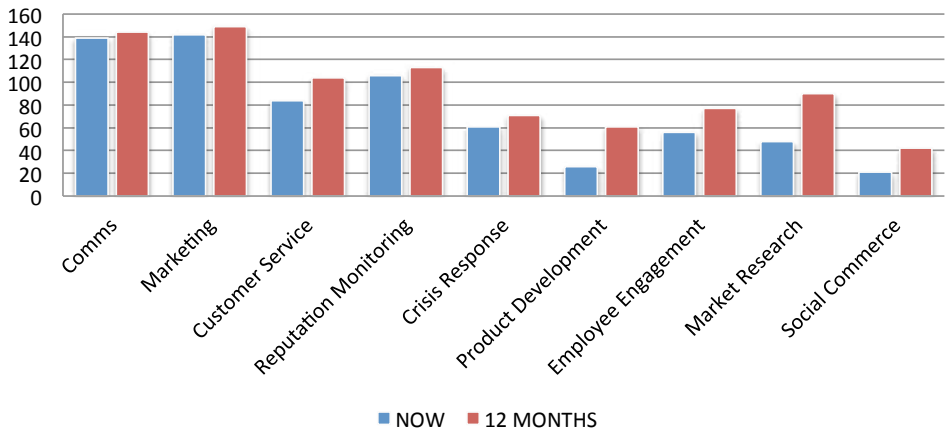
Looking twelve months into the future, corporates can see the landscape shifting in a few key areas:

1. 200% more companies will use social to develop better products
2. A third more companies will offer customer service delivery through social media
3. 95% more companies will use social media for market research
4. Social will become an even more important channel for marketing and communications message delivery and engagement
5. Social commerce adoption will speed up (though from a low base)

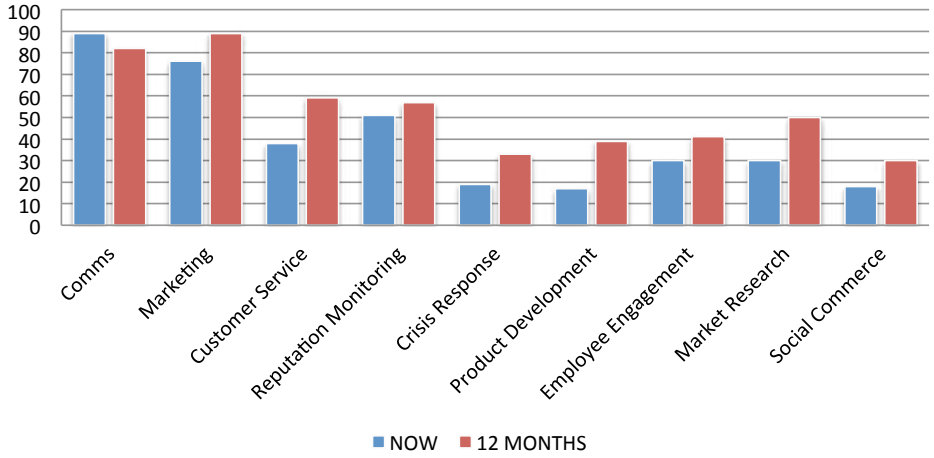
The first and third point bear witness to the fact that companies are beginning to leverage the enormous amount of data generated by social media. Where once there were 8-person focus groups, now there are 40m-person Facebook polls, and deep social media analytics tools.

When separating European and US data, there are no real differences.

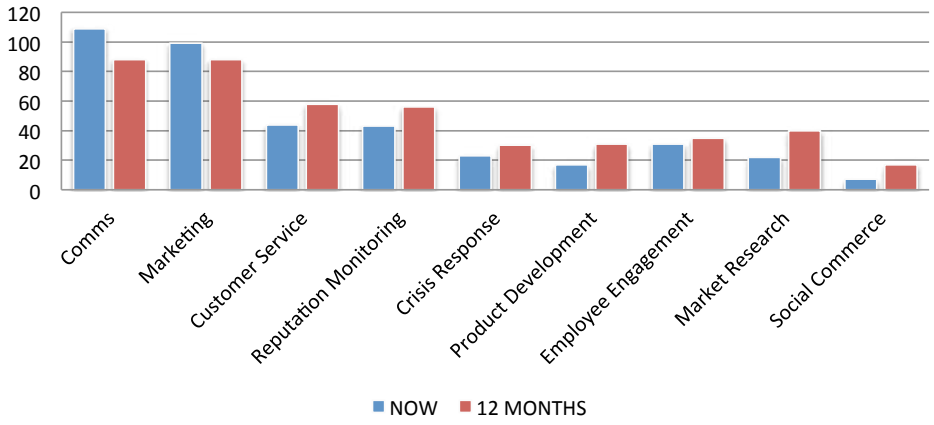
USA Corporates



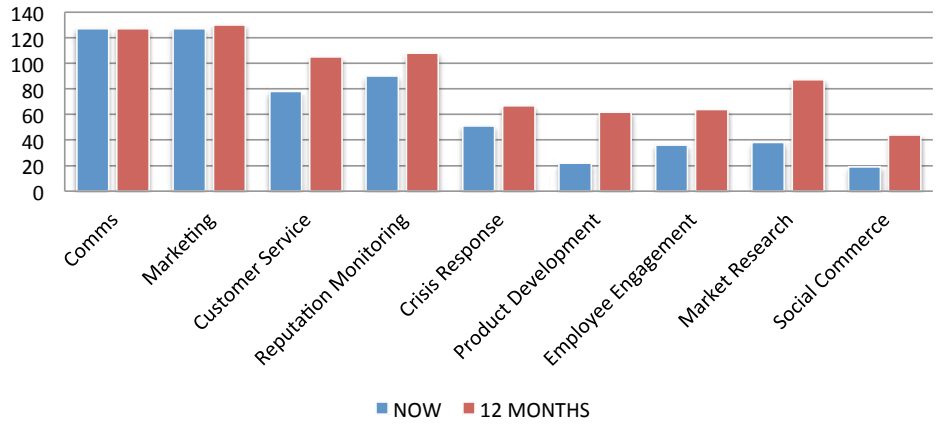
EUROPEAN Corporates



B2C Corporates



B2B Corporates



Social media for B2Bs is far less focused on marketing and communications than the B2C flavour

B2B social media is a more complex beast than the B2C alternative. While B2C social media is very much dominated by communications and market, B2B is different. While marketing and communications still lead the way, customer service, market research and reputation monitoring are not far behind. As we have suggested throughout, B2B social media is markedly different to B2C, with different incentives for use, and a different focus.

Where is there most change predicted over the next twelve months?

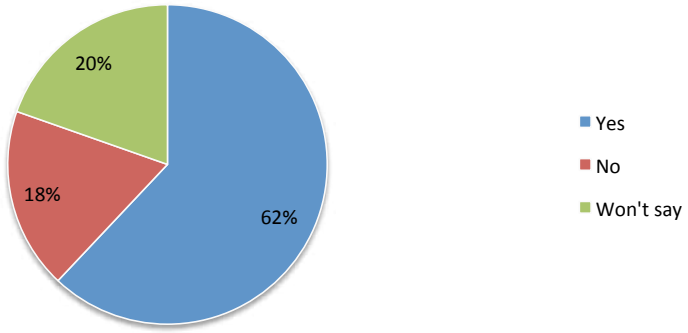
Biggest areas for growth are:

1. Product Development (from 16% of companies to 39%)
2. Market Research (from 34% to 55%)
3. Customer Service (from 42% to 58%)
4. Social Commerce (from 12% to 27%)
5. Employee Engagement (from 27% to 41%)

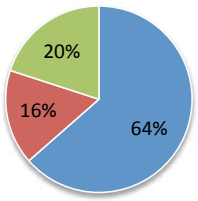
Budgets for corporate social media

Will your budget for social media activity increase over 2012?

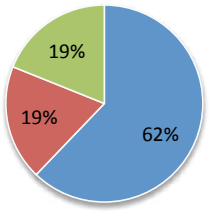
Corporate only practitioners



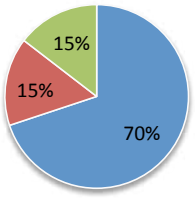
EUROPEAN Corporates



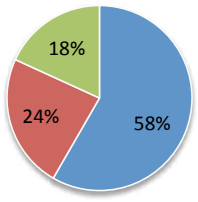
USA Corporates



B2C Corporates



B2B Corporates



There is still a very aggressive growth in social media budgets for large corporations. For 62% of companies to be increasing budgets on what is still, ultimately, an unproven business tool, in an uncertain economic time, shows a lot of confidence.

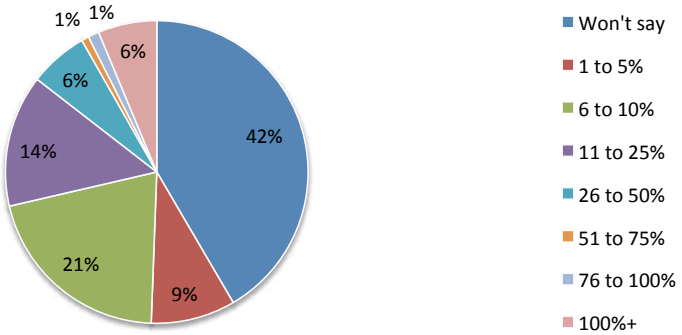
However, when one compares responses to 2011, it seems that this growth is slowing. In 2011, 77% of respondents said that social budgets would increase over the year. That's a drop of nearly 20%. One explanation could be that over the last year, the bulk of hiring, of purchasing analytics technology and restructuring teams was done by 20% of our respondents – and now they are able to focus far more on getting ROI on the outlay.

When one breaks down the figures, one can see that, as perhaps is expected, B2B companies are less confident about social – only 58% plan to increase budgets, compared to 70% of B2Cs.

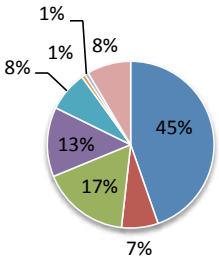
Looking at the Europe/USA split, the figures are broadly the same. It's another example of the common consensus that the US leads the way being rather off target.

By how much will your social media budget increase over 2012?

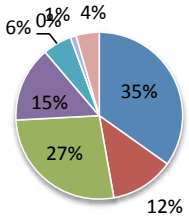
Corporate only practitioners



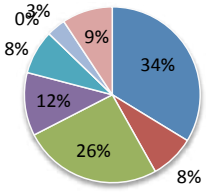
EUROPEAN Corporates



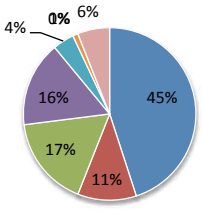
USA Corporates



B2C Corporates



B2B Corporates



Going into a little more depth, and looking at the size of expected budget increases, the picture becomes a little more complex. While a significant portion of our respondents refused to give detailed figures, those that are available suggest that the perceived confidence in budgetary increases is a little less solid than one would expect from the previous chart.

30% of respondents feel that budgets will increase by 10% or less this year, while only 8% can see a significant, 50%+ bump in budget size. Of course, these figures will be more or less significant based on the initial budget size, but to ask that question would almost

certainly lead to charts with 90% of respondents choosing not to disclose, so results would be of limited use. There is still info one can glean from what we have.

If we take the top, 50%+ growth as a category, one can see remarkably similarities across all our categories of businesses. US, European, B2B and B2C companies all hover around the 6-8% mark. The most confident are, unsurprisingly, B2Cs – though even here the figure is only 12%.

Last year, there was no option for 'Won't Say'. After recalculating this year's figures when that option is removed, one sees a remarkable year-on-year similarity. 50% of 2011 respondents felt budgets would increase by 10% or less, compared to 45% this year.

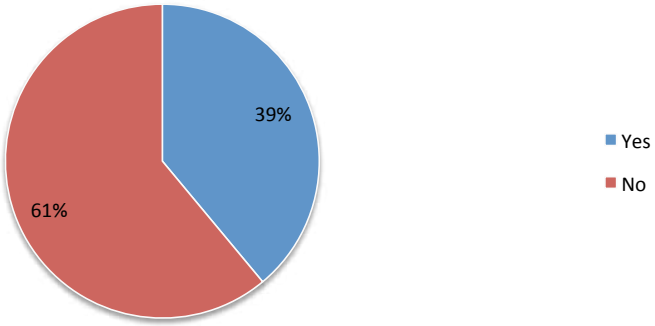
At the top end is the biggest discrepancy – 21% last year confident of a doubling (or more) of budgets, compared to 10% this time around. Again, this is consistent with a view that 2012 is a year of consolidation, and of proving that social can deliver ROI.

Measurement, metrics and provable return on investment are key for future social media growth within businesses.

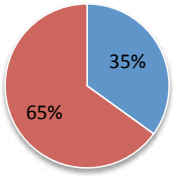
Social Media Metrics and Measurement

Are you able to link increased revenue to social media activity?

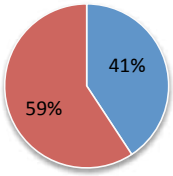
Corporate only practitioners



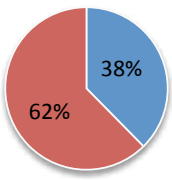
EUROPEAN Corporates



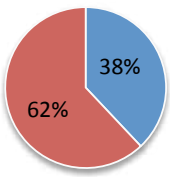
USA Corporates



B2C Corporates



B2B Corporates



An introduction to social media measurement

Measuring 'return on investment' in social is a constant challenge for the corporate social media practitioner.

'Return' means so many different things – from the CFO-pleasing revenue, to the Social Media Consultant-pleasing engagement.

The proliferation of 'alternatives' to ROI do little but foul the pitch. There is no alternative to finding the return on your investment. It is the key metric, and alternatives like 'return on engagement' or 'return on followers' take a look at half the story and try to avoid pushing all the way down the funnel to the bottom line. They're limited, and they will be superceded as social metrics and measurement become more advanced.

In the initial set of charts above, our respondents let us know whether they can do the

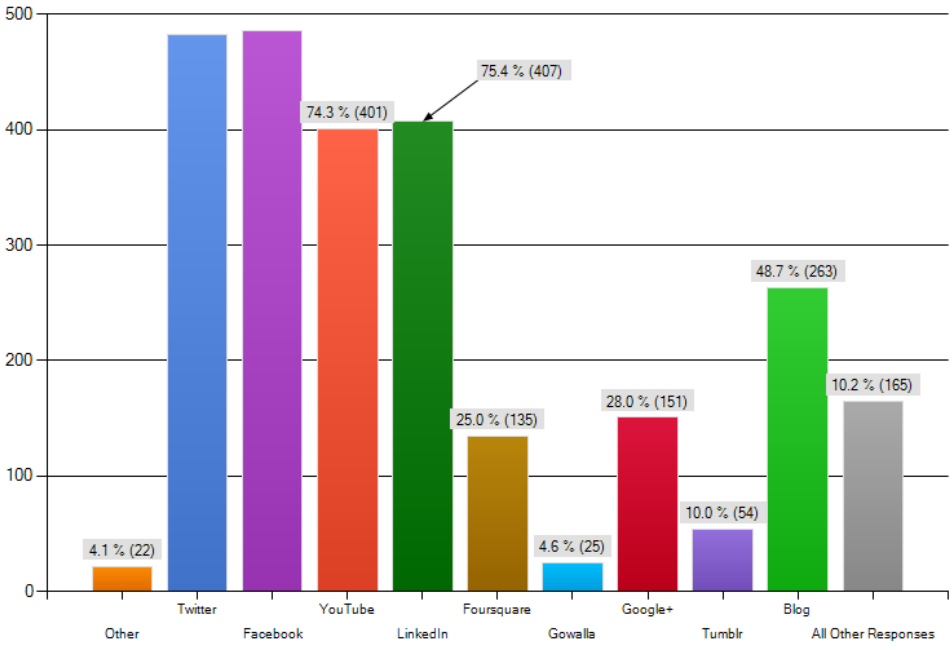
ultimate – track the impact on revenue of social media activity.

39% of corporate respondents are not only confident that this is possible (still a source of some debate) but that they are doing it successfully. The briefing did not cover this question specifically in 2011, though we did ask people whether they were confident in measuring social ROI. At that point, 45% said they were. The figures are similar, and indicate that tracking bottom-line impact of social activity is still a huge challenge for a corporate audience.

Interestingly, while one can assume that social media practitioners are unable to show the Board direct financial benefits of social activity, that same board are still happy to increase budgets in the majority of cases, and resource a fundamental shift in how companies conduct themselves – both in marketing and various other areas. Is this an example of long-term planning, and an awareness of the viability of other metrics? Or is it businesspeople getting caught up in the excitement of a technology they simply do not understand?

Once one breaks down figures into specific groups, the first thing to note is the uniformity of responses. B2Bs, B2Cs and US corporates all have the exact same response as each other – 38% confident of tracking revenue vs social activity. Europeans are the outliers – 41% confident – though the figures are not so different as to provoke much additional thought.

What social networks do you currently use on behalf of your company, or have a corporate presence on?



Unsurprisingly, Facebook and Twitter dominate the most popular networks – even at the expense of blog.

90% of respondents use Facebook for their company and 89% have a Twitter presence. These two are the unrivalled leaders for companies – and an incredible proportion of businesses have taken the plunge and set up accounts here.

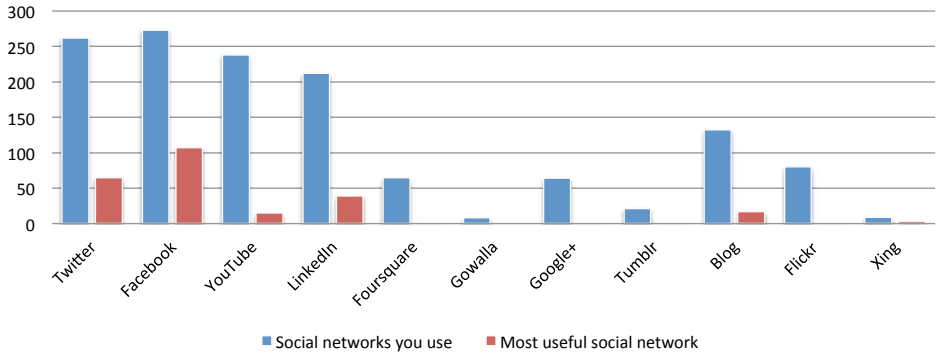
Interestingly, corporate blogs seem to have become significantly less popular – onl 49% of companies now say they use one. Perhaps this is because the time investment on a blog is – realistically, whatever social media cheerleaders say about engagement – far more than on a Twitter or Facebook account. Blogs require relatively long-form, original content being produced frequently.

Twitter and Facebook require more frequent engagement – but that engagement is often reactive, is often short-form, and can even just be links to other bits of content.

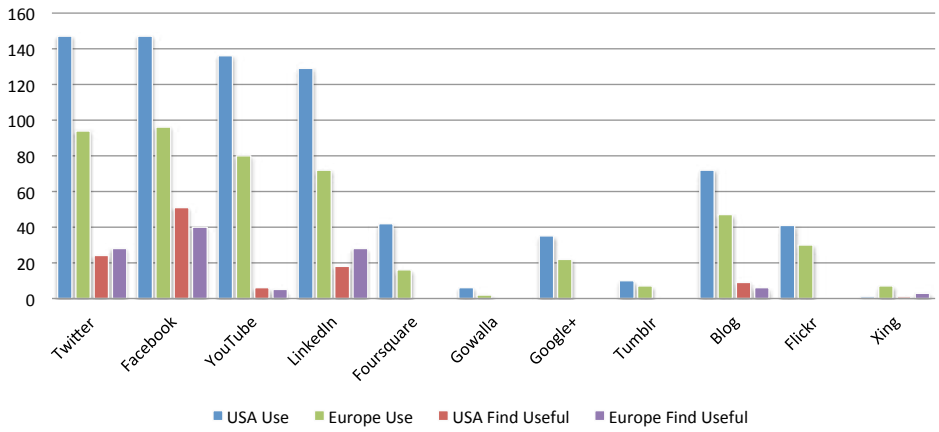
YouTube and LinkedIn are very popular – ¾ of companies using them, too. I've broken down the figures to show how B2C and B2B companies differ – and the results are interesting:

What social networks do you currently use and find useful?

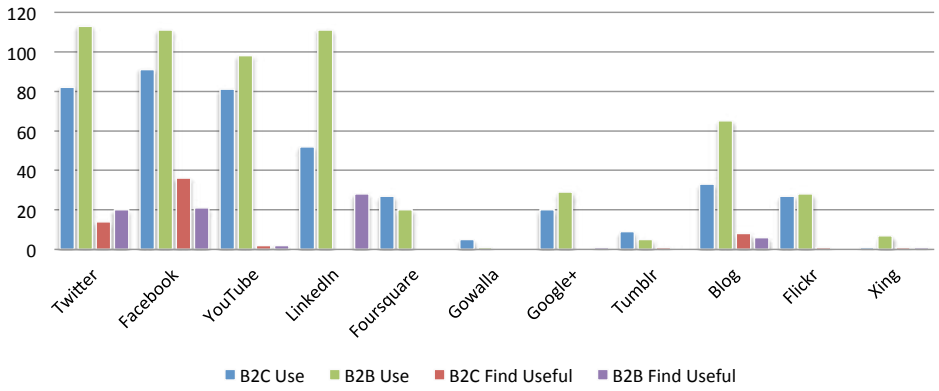
Corporate only practitioners



USA / EUROPE



B2C / B2B



Effective use of social media involves a decision – how thinly do you spread yourself? Which networks will work for you, and which ones best fit your goals?

From the chart above, it is obvious that the majority of companies find Facebook to be the most useful social network for them. Perhaps it's unsurprising, considering Facebook's vast reach – 845m monthly active users at the last count, in December 2011.

Following Facebook come Twitter, YouTube and LinkedIn. When one compares actual usage compared to the most effective networks, it is apparent that the focus on Facebook and Twitter at least is justified. The most popular response to a question on the most useful network is Facebook, followed by Twitter, then YouTube, and then a corporate blog.

It is interesting to note how far corporate blogging has fallen, both as a focus, and as a useful tool. Up until recently, a corporate blog was the gateway into a more active social media presence, but it appears its use has been superseded by the increased utility and functionality of social networks proper.

Surprisingly, considering the data for this briefing was compiled in December 2011, only three months after its public launch, Google+ heads up the chasing pack, along with photo-sharing site Flickr. Perhaps familiarity (G+ is often criticised for its similarity in functionality to Facebook) has led to a higher adoption rate than would be expected with a real departure from the 'social network norm'.

A deeper dive

When looking at a geographical split of the data, the most notable conclusion is that there is little difference in approach on either side of the Atlantic. The one shift is that Europeans tend to find LinkedIn more useful than Americans, while people in the US find Facebook more effective than those based in Europe. Apart from that, there is little difference.

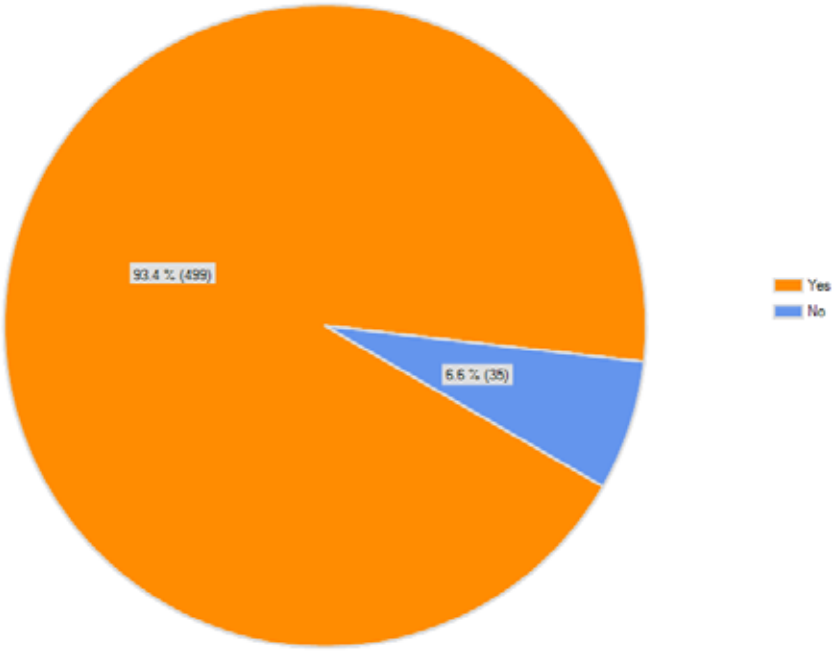
When splitting into B2C and B2C groups, one would expect a more obvious set of differences – after all, social media is used in markedly different ways by these two groups. That does prove to be the case – LinkedIn, enormously unsurprisingly, becomes pretty much the most popular network for B2B companies, and the most useful. For B2Cs, LinkedIn drops into the peleton, to borrow a phrase from cycling.

The other notable difference is the continuing popularity of corporate blogs for B2Bs. Apart from that, the figures are roughly similar.

We asked people why they made the choices they did – below are some of the more interesting and popular responses:

- "That is where most of our target audience are"
- "These are the only two we have developed yet. Next will be YouTube then Google+ and blog
- "Twitter sees the most activity for us and we are able to provide 24/7 customer service here"
- [Twitter is a] great way of monitoring customer activity and engaging with them to promote our campaigns and deliver improved customer service"
- "We see the most engagement on Twitter and Facebook"
- "Push marketing to customers (Facebook/Twitter) and point them to appropriate resources (Twitter) when they enquire"
- From a corporate perspective, [LinkedIn] is the most professional environment"
- "Twitter is a great way to disseminate news fast. LinkedIn is brilliant for new business leads"
- "As we are B2B our members feel more comfortable in general in communicating via LinkedIn rather than Facebook"
- "We use each site for a specific need – LinkedIn is for recruiting new hires, Twitter to talk with our vendors, and Facebook to communicate with our customers"
- "Video is powerful, and our demos show things that would be impossible to convey in another medium [other than YouTube]"
- "Facebook has the most overall engagement and relationship with fans, as LinkedIn has made improvements with this for Company Pages we expect to see both being important for overall strategy"
- "With a blog, you own the platform and do not have to worry about Terms of Service changes or other changes to the platform"

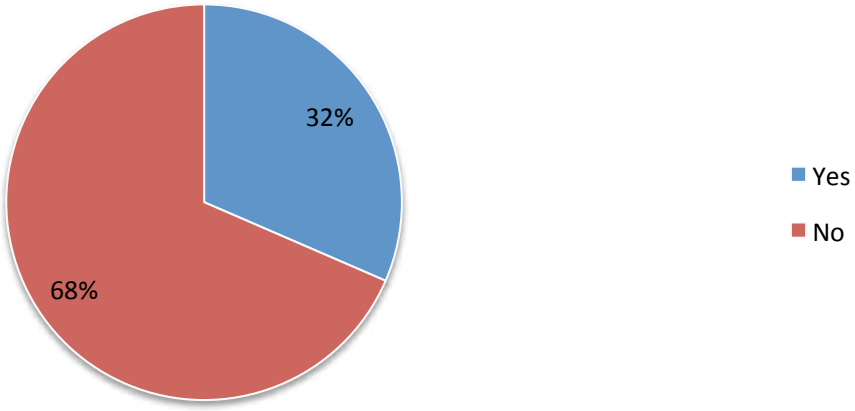
Is social media becoming a more important part of your marketing strategy?



There is not an awful lot to say about this chart, apart from the fact that it is beyond doubt that social is becoming a more important part of corporate marketing strategies. It's worth pointing out that the pace of change is increasing, too. Last year, 89% said social was increasing in importance – we're up to 93% now.

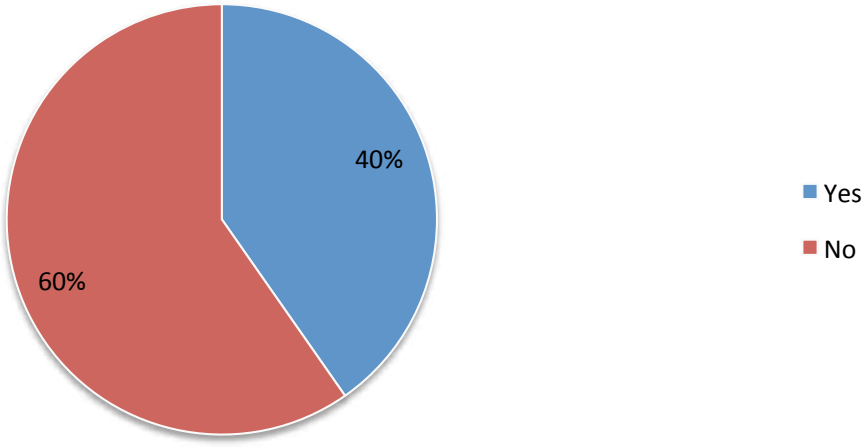
Do you feel confident that you're accurately measuring the impact of your social media activity?

Corporate only practitioners



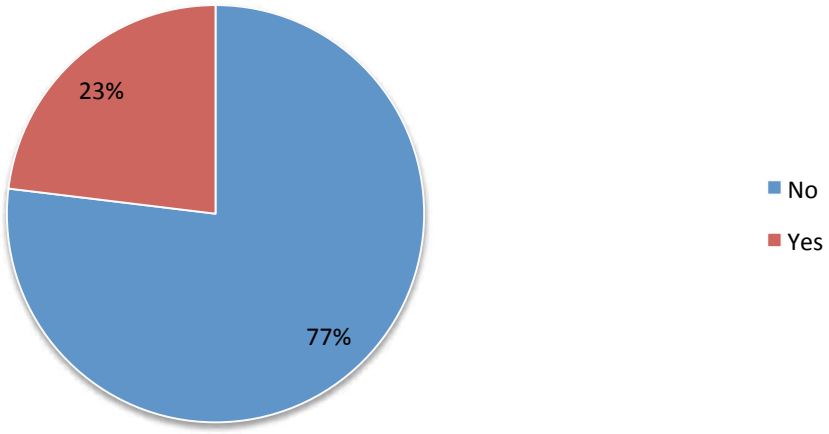
Do you measure the ROI of your social media activity?

Corporate only practitioners



Are you confident that you get the measurement of social ROI correct?

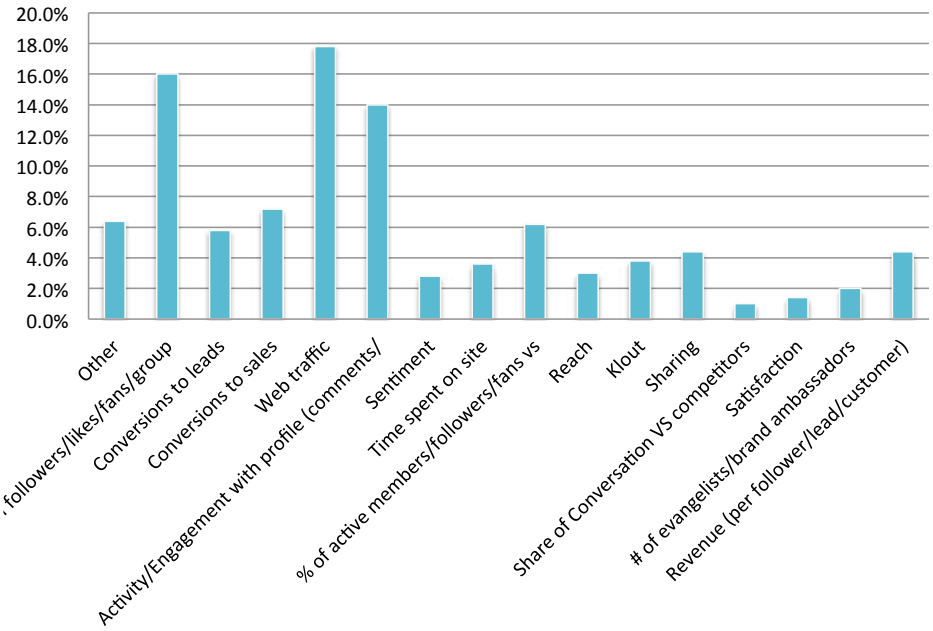
Corporate only practitioners



Less than a third or respondents feel that they are accurately measuring the impact of their social media activity, and only 40% of respondents say they measure social media ROI (with only 23% confident they're getting this measurement correct). There is certainly much that needs to be done when it comes to social media measurement for large businesses.

Perhaps more worryingly, there has been no real shift since 2011, when 40% of respondents said they were confident they were measuring social media impact. The pressure on social media practitioners to show concrete results and impact is increasing – the board want to see a return on their investment. Yet little progress has been made in tracking this impact. Perhaps this explains the slowing of social media investment and budgeting.

What key performance indicators do you use?



When one looks at the key performance indicators that brands use to track impact, it becomes clear why there is still such confusion over social media impact tracking.

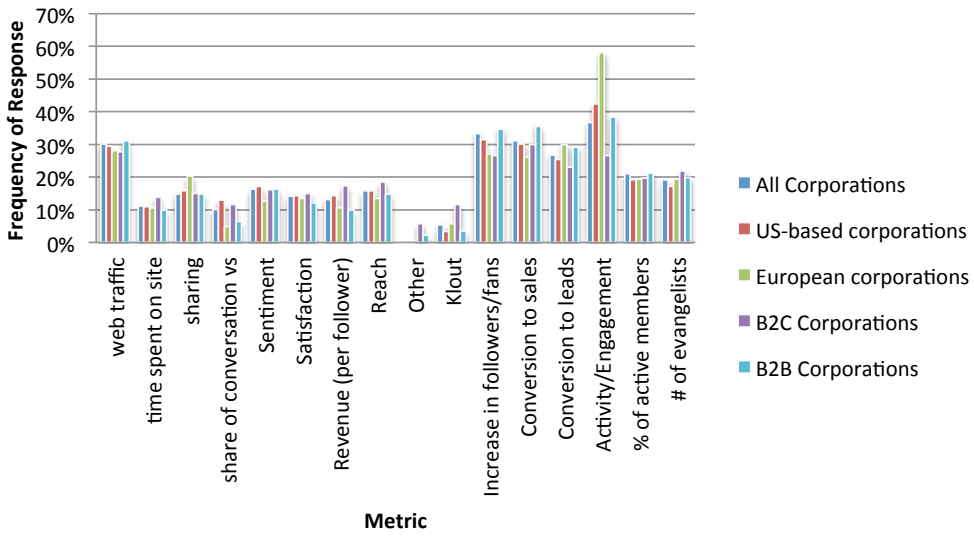
First place goes to 'web traffic', which is frankly too simplistic a measure to say many meaningful things about social media impact and it is worrying that it retains such an important place in corporate social media impact assessment.

An increase in followers of social accounts (second place) is a marginally more useful metric, but has its limits, too. One could have 1,000,000 followers, but if all are either irrelevant to a brand's product, or have no engagement with said brand, there is little benefit.

It is only when we get down to third place that we find a truly social metric – engagement. For engagement to be languishing in third place after several years of corporate social media activity is deeply disturbing.

After these three metrics, we get a significant drop off before we come to the next set of metrics - which are admittedly harder (but still eminently possible) to measure, but immeasurably more useful. Conversion to sales and conversion to leads. For corporate social media impact assessment to improve, the industry must see an increase in the use of these more fitting metrics.

What are the most useful metrics for you?



Looking at those metrics that companies find most useful, the picture becomes more interesting. It turns out that while the metrics being used leave a little to be desired – practitioners are aware that the situation is unsatisfactory, and understand which are the more relevant – and useful metrics. The biggest discrepancies between what is being tracked and what should be tracked are:

1. Activity/Engagement – from 14% to 38% - 24%
2. Conversion to sales – from 7% to 30% - 23%
3. Conversion to leads – from 6% to 28% - 22%
4. Evangelists – from 2% to 21% - 19%
5. Active vs Inactive – 6% to 23% - 17%

You can see that the biggest shift is towards far more representative social media metrics. Too often people are relying on standard metrics ill-fitted to social media impact assessment.

The most popular metrics people want to use moving forward are:

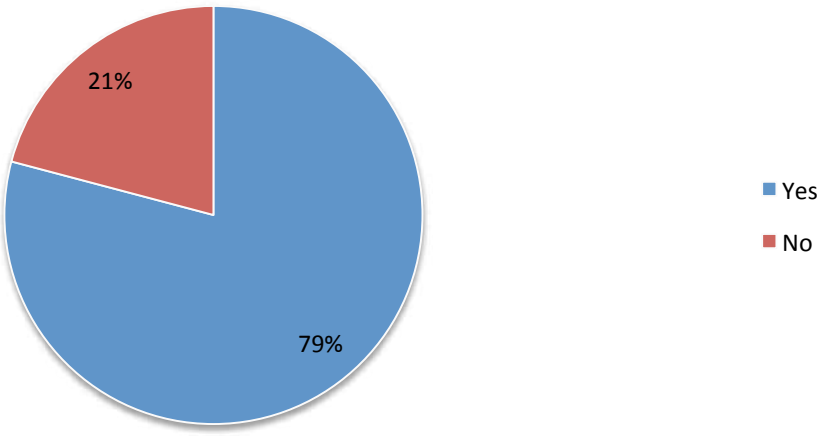
1. Activity
2. Increase in followers
3. Conversion to sales
4. Web traffic
5. Conversion to leads

The presence of increase in followers and web traffic show that there is still a little way to go – and perhaps reflects a lack of confidence in the alternatives – or the increasing

oversight of a board who care more about absolute numbers and metrics they understand.

Do you think new metrics need to be developed to track social media impact?

Corporate only practitioners

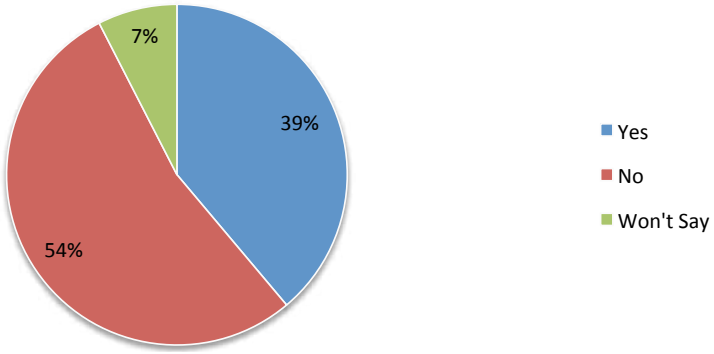


Rather unsurprisingly, the response on this chart is rather emphatic. 79% of corporate respondents feel that social media metrics currently available are insufficient to track social media impact.

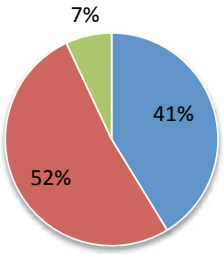
Working with external service providers

Do you pay any external organisation for advice/assistance with your social media presence?

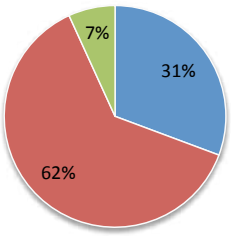
Corporate only practitioners



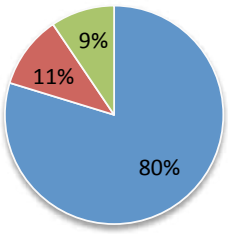
EUROPEAN Corporates



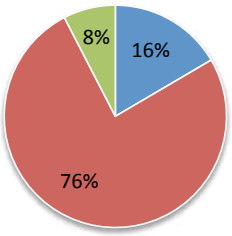
USA Corporates



B2C Corporates



B2B Corporates



Only 40% of companies now admit to paying external agencies for assistance with their social media presence. Ovwer half of companies keep the whole process in house – which perhaps reflects a burgeoning familiarity with, and confidence in, brand social media management.

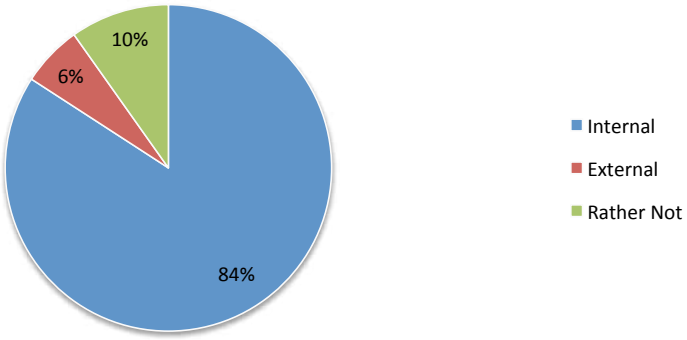
When you break down the figures, there is one incredible statistic – that a huge 80% of B2C corporates do still use external agencies for help with their social media presence. This is in marked contrast to B2Bs (only 16%) and also to European and US splits (41% and 31% respectively).

Perhaps this again lends fuel to the fire that says that B2B social media, while being less widespread, is actually more advanced and complex than the B2C variety? B2Cs are still incredibly reliant on external providers, whereas a huge 76% of B2B respondents are confident enough in their own abilities to work independently and without consultancy or 'gurus' to get their social media strategy working.

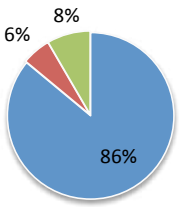
- 43% of companies paid external organisations for advice with their social media campaigns. Now that figure is 28%
- Shows an increasing confidence for the in-house team, and bad sign for service providers!

Are your social media communications written and sent out by internal members of staff, or external agencies?

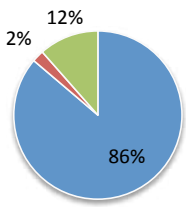
Corporate only practitioners



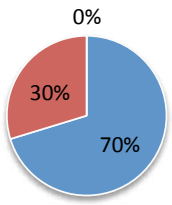
EUROPEAN Corporates



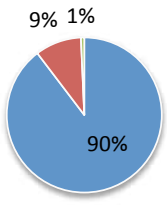
USA Corporates



B2C Corporates



B2B Corporates



As before, it looks like B2C companies are far more reliant on external expertise to run their social media strategy than their B2B counterparts. A full 30% of B2C brand messages are actually sent out by external agencies. Only 9% of B2B companies allow this to happen.

Considering the importance of authenticity, control over brand message – and the risks when things go wrong – it's disappointing that a third of B2Cs still do not control their own social media presences.

Again, this lends weight to the argument that B2B companies – while there are less of them on social media, and more caution about potential than their B2C counterparts – are actually further down the road to a holistic strategy that leverages the many opportunities that social offers.