



SALES & MARKETING

A QUARTERLY EBULLETIN FROM THE PEOPLE WHO BRING YOU
THE MARKETING WORLD AND SALES NOW EXECUTIVE MINDXCHANGES

Social Media Raises Possibilities, Potential Pitfalls

*By Melanie Turek
Industry Principal Analyst
Frost & Sullivan*

Earlier this year, I participated in Frost & Sullivan's annual Growth, Innovation and Leadership Congress in Arizona. It seemed as though everyone I met was interested in one topic regardless of the industry they're in: Social media, and the increasing role it's playing in marketing, communications and collaboration.

Social networking, social media, Web 2.0 — whatever you call it, it's the buzz word of the day. Regardless of their industry, everyone I spoke with at the GIL event was interested in social networking, whether as a communications vendor (asking, "How do I integrate this into my offering and monetize it?") or, more often, as a user ("How do I leverage this for outbound marketing and brand building and/or internal collaboration?").

As part of the GIL congress, I moderated a panel discussion about how companies are using sites like Facebook and Twitter to build their brand and better interact with their customers, as well as boost collaboration among employees and business partners. Interestingly, while most of the panelists and participating audience members seemed quite clear on the value and use of social media for internal collaboration — including identifying skills and expertise, sharing ideas around the organization, and deepening personal and professional relationships — many were less clear about how and whether to use the new technology for marketing purposes.

Frost & Sullivan research bears this out. According to our latest study of nearly 1,500 employees, almost three-quarters of companies use Web 2.0 tools more often for internal communications (developing/maintaining internal staff relations), while 60% use the tools for external purposes (developing/maintaining client relations). Furthermore, significantly fewer large enterprises use Web 2.0 tools for external/client relations compared with small and medium-size organizations (54% vs. 62% and 70%, respectively). The significant difference suggests that given the confusion over the best ways to use the tools — and the value therein — small and medium-size enterprises are more willing to try non-traditional methods, but their larger counterparts are continuing to use traditional methods of developing and maintaining client relations.

Social media requires the use of technology — Web sites that allows users to interact, blog, micro-blog and so on. But for most companies, it's really about marketing, branding and customer service. As such, it requires special attention and thought, not so much about the tools used (although they are important) as about the way in which companies use them. In the weeks since the Congress, I have received several inquiries from clients about how to use social media to interact with customers and drive business. Here are a few simple tips for making the new medium work for your business:

Many companies say they want to use social media to establish a relationship with their customers, not just awareness of their brand. But while the idea clearly works for sports,



SALES & MARKETING

A QUARTERLY EBULLETIN FROM THE PEOPLE WHO BRING YOU
THE MARKETING WORLD AND SALES NOW EXECUTIVE MINDXCHANGES

entertainment and high-buzz consumer brands (NFL teams, Apple, etc.), relationship-building is unrealistic for some businesses: It's hard to understand why someone would want a relationship with their refrigerator manufacturer, for instance — what they want is access to information about features, energy efficiency and troubleshooting. So it's important for companies to understand where they fit along the continuum.

Know the difference between blogging, micro-blogging and fan groups. Companies can post blogs on their websites to delve into their own business and larger market issues; they can micro-blog on sites like Twitter, to drive thought leadership and be part of a broader conversation; and they can develop "fan groups" or communities of interest on sites like Facebook and LinkedIn to create a group of loyal followers who are interested in the organization. Each serves a unique purpose. Some companies may put their efforts into all three; many will focus on one as the best fit for their brand and business type.

Companies that want to reach out to customers through social media sites like Twitter should do so with impact — and that requires presence and persistence. Twitter is a noisy place; tweeting once a week won't get you anywhere — no one will hear you — so as a result, you need to Tweet a lot to gain any traction at all. So companies should make it someone's job, or at least part of someone's job, to post insights on an hourly basis (or even more frequently), as well as track other people's posts, and the market news in general.

Make sure your organization's posts deliver real value, not just sales and marketing information. Look at your company's Twitter identity (or identities, if you have several people doing it) as an opportunity for thought leadership, and think outside the box on topics and re-tweets. Don't just tweet about new products or services, or about your own organization. Instead, explore industry best practices, good and off-beat ideas, interesting trends, even seemingly off-topic posts that ultimately will serve your larger market.

Don't engage — let alone call out — the competition. Social media sites have the potential for playground-level antics, but you don't want to get caught up in rivalries and disputes over what's true and what isn't. It is OK to politely steer an unhappy customer in the direction of technical or customer support (or better yet, offer a solution yourself).

Which brings us to the most important advice of all: Don't be stupid. It sounds trite, but it's true—and it sometimes bears reminding. Don't post anything about your company that you wouldn't want your competitors or your customers to know. Don't reveal too much personal information. Don't embarrass yourself or the organization.

Consumers and business customers are starting to expect their suppliers and favorite vendors to have a presence on social media. Companies should take the cue from their clients and use the technology to engage with customers and the market in general; develop a reputation for leadership in their industries; and react quickly to personal feedback and market-wide changes.