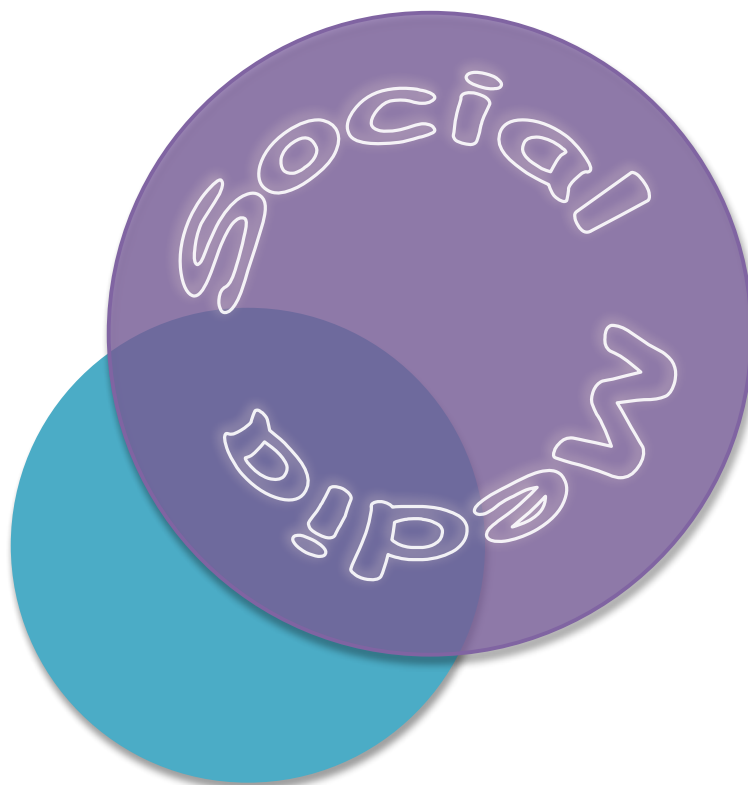


Social Media – digging deeper

Further evolving the Social Media landscape



Shikatani Lacroix is a leading branding and design firm located in Toronto, Canada. The company commissions assignments from all around the world, across CPG, retail and service industries, helping clients achieve success within their operating markets. It does this by enabling its clients' brands to better connect with their consumers through a variety of core services including corporate identity and communication, brand experience design, packaging, naming and product design.

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Renata completed the Honours Bachelor of Administrative Studies at York University as a marketing major, and has also obtained her Human Resources Management Certificate program from York University. She is trained in technical writing, including marketing proposals and documentation. Prior to joining the SL team in 2006, Renata had been working in packaging since 2004. An Account Coordinator in the Client Services division of Watt International, her responsibilities included liaising with clients, suppliers and printers to gain an accurate understanding of project requirements and communicating this to the design and production teams, as well as coordinating all aspects of project development from the initiation of concepts through to the release of production files to film. In her years at Shikatani Lacroix, Renata has brought her varied skill sets and knowledge to help keep projects run smoothly. Working with wide range of clients like PepsiCo Canada, Kruger Products, Gay Lea Foods, KeHE Distributors and Second Cup, she is a great support to the Client Service team.

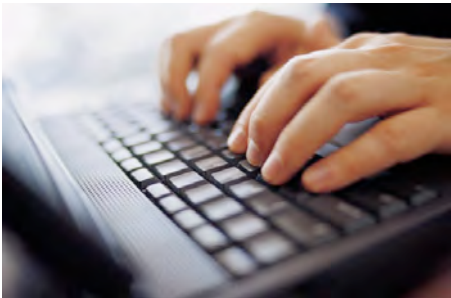


Social Media Re-cap

In our August 2009 “Leveraging Social Media” White Paper, we covered the basics of Social Media discussing what exactly, this new growing phenomenon is and why it should be leveraged. We provided a detailed introduction on the different types of Social Media tools available, the associated trends driving this extraordinary change and a brief overview of where Social Media is heading. Initially thought to be a fad, just like the Internet - Social Media is here to stay!

As more companies embrace some form of a Social Media strategy, here is a more detailed look at the Social Media landscape - digging deeper into the following topics:

1. Social Media - changing Business as we know it
2. Which way is the right way?
3. Social Marketing Integration
4. Understanding Social Media Strategy
5. Whose job is it anyway?
6. Measuring Social Media



“What can businesses do to transition and succeed in this new era?”

Soren Gordhamer

Lesson: *“Release fewer “official statements” and more personal ones that help make a connection to customers and audience”* Soren Gordhamer

Social Media – changing Business as we know it

One of the biggest changes that Social Media brings to the Business world is a new era in business transparency and engagement – creating both new challenges and opportunities. According to Soren Gordhamer (author of “Wisdom 2.0”), in the past, companies could rely on carefully crafted press releases and attention grabbing ad campaigns to communicate to the customer, as an attempt to convince people that their products are the best. However in the world of Social Media, these rules have changed quite drastically – people today, demand a more honest and direct relationship with the companies with which they do business.

The option then is two sided – companies can either wall themselves in and become increasingly controlled and hidden or embrace Social Media and other means to reveal their human side, welcome transparency and forge new meaningful relationships with customers. According to Soren Gordhamer, the question now, is “what can businesses do to transition and succeed in this new era?”

Soren Gordhamer identifies the top four broad shifts, to be aware of in how Social Media is changing business.

“Trying to Sell” evolving to “Making Connections”

To change the context of customer relationships from trying to sell to engage and connect with customers, companies are using various means (e.g. Facebook and Twitter) in an effort to socially interact with people. By doing this, the most popular brands tend to post less about what their products and services are, and more about things that establish a human connection (e.g. helping customers get to know the people and personality of a company). The goal then, is really to “engage” and is less about “selling”. From this engagement, stems an increased comfort level in the way people do business with these companies.

Lesson: *“Instead of only relying on big campaigns, make authentic and helpful relationships through communication ”* Soren Gordhamer

“Large Campaigns” to “Small Acts”

Sites like Facebook and Twitter, basically allow for people to have their own broadcasting network of sorts. As a result, from a business perspective, rather than spending large dollars on traditional ad campaigns, smaller acts can prove to be more valuable as people share such experiences through the social web. In the past, a good or bad experience with a company would typically take days or weeks to inform personal connections about that said experience. Today in the age of Social Media, this happens in a matter of minutes – sometimes spreading like wildfire. As a result, when every customer experience can be easily and widely broadcasted, it is important to note that the smaller issues can become bigger issues. Since bad experiences are typically broadcasted just as fast and as easily as the good, it is important from a business perspective to pay attention to the one-on-one customer relationships created through Social Media.

Lesson: *“Forget the unified company image, give staff the freedom to be themselves, and trust that the relationships they build will help the company in the long run. ”* Soren Gordhamer

“Controlling our Image” to “Being Ourselves”

Most of the popular companies in the era of Social Media tend to give their employees freedom to be themselves in online spaces. Of course, it goes without saying that there should be employee policies and there is such as thing as bad press. However, according to Soren Gordhamer, perhaps the goal should be to give employees the means necessary to be human beings that can put a friendly face on the corporation, rather than creating a very controlled and polished image that everyone within the company tries to reinforce.

Lesson: *“Rather than expect customers to communicate through your chosen means, allow them to do so through their chosen means. ”* Soren Gordhamer

“Hard to Reach” to “Available Everywhere”

In the past, it was required for companies to have an email address and customer service number on the website to elicit customer engagement. In the new world of Social Media, people want to interact and engage businesses through their chosen means of communication – regardless of whether this is Facebook, Twitter, discussion forums or a feedback site (e.g. Get Satisfaction). Companies are embracing multiple channels of support in an effort to allow consumers to connect with them through whichever

channel is most convenient and most comfortable. Knowing that communication with someone from the company is easily attainable through these spaces, allows for a stronger comfort level from a customer standpoint.




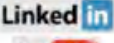




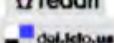
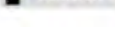
Which way is the right way?

According to CMO.com, Social Media marketing is expected to dominate this year. In fact, according to a recent survey by The CMO Club and Bazaarvoice, 81% of CMO's plan to link their annual revenues to the social media investment. However, with the growing list of online Social Media sites available, choosing the right path can seem slightly overwhelming as can be seen from the chart below:



The right way then is not something that is easy to come by. Choosing the right way should be evaluated based on a few different dimensions. Here is a quick adaptation of the “CMO’s GUIDE TO THE SOCIAL LANDSCAPE” evaluating 10 of the most popular Social Media sites, rated according to the following 4 key categories:

1. Customer Communication
2. Brand Exposure
3. Traffic to Your Site
4. Search Engine Optimization (SEO)

Website	Customer Communication	Brand Exposure	Traffic to Your Site	SEO
	GOOD!	GOOD!	OK	OK
	GOOD!	GOOD!	OK	BAD!
	OK	OK	BAD	GOOD!
	OK	GOOD!	BAD	OK
	GOOD!	GOOD!	OK	GOOD!
	OK	GOOD!	GOOD!	GOOD!
	BAD!	OK	GOOD!	GOOD!
	BAD!	BAD!	OK	OK
	OK	BAD!	OK	OK
	BAD!	BAD!	OK	GOOD!

Social Marketing Integration

Currently there are hundreds of millions of consumers worldwide using social networks, blogs, microblogs, online forums and video-sharing sites. Social Media marketing has transgressed from experimental to a must-have for most organizations thereby increasing the importance for adopting an integrated social strategy.

According to research from Unica (a marketing management firm), the proportion of marketers integrating their Social Media campaigns with other channels varies widely depending on the tactic. While other campaigns include a majority of voting features, product reviews, user-generated content and RSS feeds, this is not the same when it comes to social networking sites, blogs or microblogs. According to Unica, the main ways marketers are integrating their social campaigns is in regard to timing, creative themes and branding.

Social Media Marketing Tactics Companies in North America and Europe Have Integrated with Other Marketing Campaigns, Q4 2009 (% of respondents)

	Currently run as part of integrated campaigns	Currently run as siloed/discrete from other campaigns	Currently run on ad-hoc basis with discretionary funds	Do not know how these programs are run
Third-party social networking sites	41%	35%	17%	7%
Blogs	39%	38%	16%	7%
Viral content/word-of-mouth	46%	26%	17%	11%
Microblogging	42%	32%	19%	8%
Co-hosted online communities	45%	36%	11%	9%
RSS feeds	54%	30%	11%	4%
User-generated content	56%	28%	9%	7%
Voting features/product reviews	70%	15%	10%	5%
Syndicated content	44%	36%	11%	8%

Note: numbers may not add up to 100% due to rounding
Source: Unica, "The State of Marketing 2010" conducted by Salloway & Associates, provided to eMarketer, March 10, 2010

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An integrated strategy for Social Media is often neglected due to the perception that it is easy and cheap to do. However, the real cost lies in the people-hours spent developing and maintaining social conversations.

Understanding Social Media Strategy

There are four main areas of expertise required, in order to develop a successful Social Media strategy, according to Jason Falls.

Brand Intelligence:

The knowledge and understanding of the brand, product or service, competitive set, industry and business factors effecting how the product/service is positioned within the market place. Typically this area of expertise lies within a brand manager or chief marketing officer's role, who would likely be the most qualified and informed person. For some companies, this expertise can also be found within the account managers who live and breathe the brand everyday.

Consumer insights:

This is the combination of audience research, profiling and various demo, psycho and techno graphics that the brand or market research teams compile to direct the marketing efforts. Often, this area is either overlooked or unfunded by most brands due to the expense warranted for good research. If a target audience profile is not available from the brand team, it is important to do as much audience profiling as possible with Social Media resources including any audience research available through the brand team.

Community Behaviour:

It is the understanding of how people interact, share and communicate both from a broad perspective through Social Media sites and from a narrow perspective within individual communities. This means having a working knowledge of the difference from sharing information on Twitter for example versus Facebook and how brands and companies can do so without appearing as spammers.

Tools & Platforms:

An understanding of what social tools and platforms are available and should be optimized for a brand. It is important to have a sound understanding of the available tools and platforms based on





strategy requirements so that the right tools and platforms are selected.

Where all four of these expertise areas overlap, lies the sweet spot for social media strategic success. An overlap between Brand Intelligence and Consumer Insight is representative of where most good marketing professionals exist - i.e. a sound understanding of the brand + consumer = strong marketer. According to Jason Falls, an overlap between Consumer Insight and Tools & Platforms is where the consumer advocates and customer service professionals fall. This area of expertise indicates being in touch with consumers, while also being in the know of tools available to share and communicate.

An overlap of Community Behaviour and Tools & Platforms is where many Social Media professionals can be found. This combination allows for the knowledge of the tool set available and how people communicate/interact using the tools.

The main driver behind most good Social Media strategies is usually Consumer Insight. When Social Media is done well, it is consumer centric, thereby fulfilling a social need for the consumer, the starting point of a brand's participation in Social Media marketing.

"Consumer Insight is the driver behind most good social media strategies."

Jason Falls

Whose job is it anyway?

As most marketers today spend more time and budget on Social Media, perhaps it is important to consider "whose job is it anyway?" On first thought, it could be said it is one of marketing's roles, however in reality, it is probably everyone's. According to Joseph King (CMO of MindTree Ltd.), the question then becomes which model is most appropriate and which functions need to work together within the desired model. Listed below, are three models used by many successful Fortune 1000 companies, some who run their programs in all 3 models.

Centralized Model:

Social Media departments operate at a senior level within a company, reporting either to the CMO or CEO in small to medium-sized businesses. The drawback within this model however is if the person in charge, does not consider the potential impact Social Media can have on various functions such as merchandising (for retail), R&D (for software product or tech companies) or recruitment. The centralized Social Media owner must consider all components within the company's ecosystem when creating the strategy.

Decentralized Model:

A Social Media head does not exist as part of this model. Employees form all parts of the business that interact with clients and potential employees (e.g. customer service, marketing, community affairs, and public relations) representing the company's brand and a piece of the Social Media strategy. Within this model, it is important to note that without a standardized policy and/or guidelines, Social Media can represent the brand very differently in the market.

Hybrid Model:

This model combines both a centralized strategy by way of a decentralized execution. Within this model, the position and the brand's Social Media 'voice' is owned by a few stakeholders. Each function involved in Social Media incorporates initiatives themselves. However, if no clear accountability for the success or failure of the program exists, this can become a concern.

Measuring Social Media

One of the bigger questions in the growth of Social Media marketing is how to measure the effectiveness of Social Media programs. What is the ROI of Social Media?

To answer this question, perhaps the starting point should be considering what should be measured. Currently, many CMO's are spending against Social Media without being able to quantify a return on these efforts. According to Brian Solis, author and

"Social Media is not free. It takes people. It takes technology. It takes time. All of which are limited resources."

Olivier Blanchard

principal of the FutureWorks agency, this is “A direct result of not tying activity to an end game, the ability to know what it is we want to measure before we engage. Doing so, allows us to define a strategy and a tactical plan to support activity that helps us reach our goals and objectives.”

Engagement, participation and involvement tend to be key terms for defining online interactions with consumers. These terms are typically measured in volume of followers or re-tweets. According to Angel Djambazov from ReveNews, influencers sprout from this tactic as a way to amplify this volume. Add to this, terms like “trust” and “affinity” which involves a brand’s core group of followers, makes up the “warm and fuzzy metrics of Social Media.” In Social Media ROI, only customer service is tangible – both in increased ability for people to rate and review products, as well as the opportunity for customer service teams to engage and provide proactive responses.

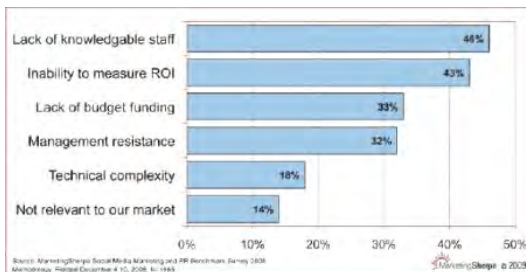
According to Marketing Sherpa, as quoted by Angel Djambazov, the inability to measure ROI, lack of budget funding and management resistance, are barriers to companies implementing Social Media programs.

ROAS

Return on Ad Spend, (ROAS) is what many CMO’s look at when considering budget allocation against a marketing channel. It has a tighter set of parameters than ROI – specifically looking for a direct dollar value generated as compared to the actual budget being spent. A study by Bazaarvoice indicates, 80% of CMO’s expect upwards of 5% of the revenue to come through the social media channel. For this reason, it is necessary to track spending against generated revenue.

Laying the Foundation

According to Angel Djambazov, in order for a campaign to reach its potential, collaboration between all stakeholders is necessary.



“Collaboration between all stakeholders is necessary in order for a campaign to reach its potential.”

Angel Djambazov

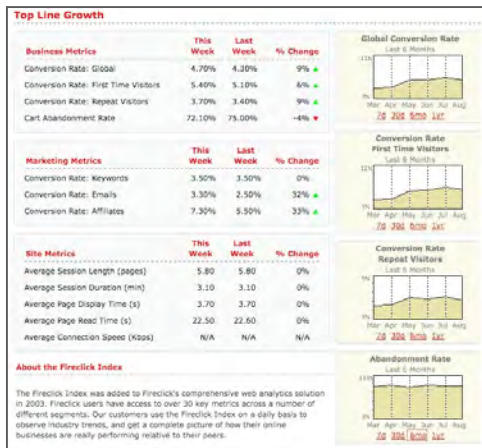
Here are a few steps she suggests to lay a proper foundation for launch:

1. Know Your End Game - necessary in order to be able to quantify results. *“Know what you are trying to accomplish and how you want to try to keep track of it all.”*
2. Define Your Metrics - what metrics must be tracked in order to quantify results - e.g. leads, registration, sales?
3. Check Your Tracking - if success metric is sales, it is important not to just track leads.
4. Set Expectations - a good way to have realistic expectations from a program is through Benchmarking.

Intelligence Gathering

Through this phase, numbers are gathered to allow for an understanding of how a campaign is performing and where the dollars are. Angel Djambazov suggests there are many good tools available to provide dashboards, however only a few provide useful data. Here are some of the tools she suggests:

1. **Google Analytics:** allows you to track visits, page views, bounce rates, etc. Note: If sales are a key metric, the ecommerce portion should be activated.
2. **Hitwise:** relies on ISP data. While it might be an expensive solution, the Clickstream data available, provides some of the best intelligence on upstream and downstream traffic to a respective website.
3. **Coremetrics:** along with its benchmarking services, this tool offers an analytical suite - LIVE (Lifetime Individual Visitor Experience) Profiles - an analytical expansion on the concept of customer types.
4. **Fireclick:** a streamlined version of the many tools available for free through Google Analytics. This interface allows for easier customization.
5. **Radian6:** a buzz monitoring software allowing the user to monitor certain keyword sets and capture associated data around these sets. The data includes things like sentiment,





engagement, reach and inbound links – also allowing the data to be ported to the required CRM.

6. **HubSpot:** mostly a site optimization tool than an analytics tool. Compiles interesting sets of data around competitors and around reach as well as lead identification tools.
7. **Omniure:** used correctly, with sufficient internal technical resources as well as buy-off from the marketing team on consistent use of campaign hierarchy, Site Catalyst along with the other Onmiture, can be amazing yet overly complicated resource. An expensive option, which also provides a great Facebook app measuring toolset.

Pulling it all together

Gathered the numbers – what’s next? Here are a few guidelines suggested by Angela Djambazov to help analyze the data collected:

1. **Do the numbers match?**
Typically, it is hard to find two analytics systems that produce an exact match. The objective is really to look for trends in the data and ignore anomalies that are not statistically relevant. According to Angela Djambazov, if the data matches within 10% or less variable, then the data should be considered as being inline. If the variant is between 11% and 49%, then perhaps it might be worth doing some due diligence. If the variant is greater than 50%, then something is possibly wrong with the setup itself or with one of the systems being used.
2. **Spotting Trends:**
Anglea Djambazov says one of the most common mistakes businesses make, is getting excited about high sales numbers, while ignoring that they may have overspent to get those numbers. She says “Sales matters little if ROAS is in the negative”. Trends are a good way to help spot frequency/popularity, which tends to be a good indicator for a healthy program.

“Finding trends and tracking them back to their point of origin is the key to measuring ROI.”

Christina Warren



3. Looking for Outliers/Anomalies:

Focusing on a specific data can cause blind sightedness to other important clues. As there is a vast distribution of sources available within Social Media, it is necessary to take time and evaluate if elements of the program have been distributed beyond the initial sites targeted. This can sometimes open the door to new expansionary opportunities.

4. Complexities of tracking multi-channel efforts:

Cookies are most typically used by advertisers to identify, which ad network should be paid and which marketing channel should be awarded the credit for the sales. However, it is important to be aware of “Cross-channel cannibalization”. Angela Djambazov describes this as the situation where marketing costs/efforts of one marketing channel are not considered because a different marketing channel has been given the credit. This type of situation can impact both the budget allocation and proper allocation of costs – as social media buzz often serves to uplift other marketing efforts, they will be the most impacted by improper allocation. Hence, awareness of the complexities of tracking multi-channel efforts is key to properly awarding credit to all involved channels.

“We are now in the age of open communication, engaged dialogue and transparency, and business success may have less to do with the size of ad budgets, but more on the quality and interactions with customers..”

Soren Gordhamer

Conclusion

Today, companies are asked to be more transparent and personal in the new era of Social Media. While traditional advertising and press releases will still be maintained, social sites like Twitter and Facebook allow for a whole new type of communication, previously unknown to many businesses. As said by Soren Gordhamer, perhaps the most important for businesses is in fact following through on the opportunity to obtain a more genuine and direct connection with their customers rather than getting a large number of followers on Social Media sites.

For Social Media to fully work, businesses and brands need to be able to evaluate the impact that Social Media has, both from a positive and negative point of view. Measuring ROI is definitely an important aspect in order to demonstrate the value that Social Media brings to marketing efforts. As John Cass (PR Communications) says, if we can show ROI and value, Social Media will gain additional budget and the body of knowledge on how to manage Social Media marketing efforts will also grow successfully.

After reading this article, we hope you have a more detailed understanding of the Social Media landscape, its affect on the Business world, the four main areas required to develop a successful Social Media strategy, three main models used by many successful Fortune 1000 companies in determining who should own Social Media efforts within a company and the steps required to measure Social Media.

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