



A Social Revolution

The rapid emergence of social media continues to ask questions of executive teams and boards. Criticaleye examines the differing strategies companies are taking to rise to the challenge of such immediate and unforgiving communication tools



While executive teams may welcome the ability of social networks and micro-messaging sites to bring an organisation closer to customers, there's no denying the doubts and anxiety that exist around deciding on how this should be done. In fact, a lot of businesses – certainly at board level – still don't have a clue when it comes to executing an effective social media strategy.

"You can see the rabbits in the headlights," admits one business leader. "We're all looking at it and going candidly: 'Bloody hell, what is it that we do?'"

Martin Towers, Non-executive Director of manufacturing company RPC Group plc, says, "The typical plc board will regard social media with suspicion through ignorance,

and therefore the subject has generally not got onto the boardroom agenda. I foresee that it will, probably through HR and possibly marketing, especially if a business is consumer facing as opposed to B2B. As with everything else, a strategy will be required."

Gary Browning, Chief Executive of HR consulting and people performance company,

Penna, says, “I’d be very surprised if most boards or CEOs weren’t aware that something was happening, but I’d also be surprised if they had much understanding or knowledge of it. Given the average age of boards, [they mostly believe that] this clearly sits within the remit of the 19 to 24 year olds.”

This confusion is exacerbated because a strategy for utilising social media can change radically depending on the business. **Rob Crossland**, CEO of recruitment company Parasol, comments, “There is a customer and sectoral element to social media because of where you sit in various supply chains and how you attract customers. That has a huge bearing on how you choose to deploy social media.”

Amita Paul, Social Media Product Director at email marketing and software company, Emailvision, observes that social media can’t be seen as one channel, as the interaction and engagement required for Facebook, Twitter or YouTube, will be completely different. She states that companies need to decide where social media stands within the organisation: “It is not an individual department. It brings together your legal, marketing and product departments so you have to respond as a team. But you do need to moderate this, as social media is a wildfire.”

THREAT AND OPPORTUNITY

The fear of reputational damage, security breaches and an unclear return on investment all present challenges for organisations considering a social media strategy. Rob observes that training is vital so that staff interact with customers in an appropriate fashion. “We all know that social media is good for bringing down the barriers in terms of social interaction, but you have to be careful to get the tone of voice right. If you have a tone on your website and in your literature and you suddenly start to lose that with social media, it can be a problem. Of course, when people use social media personally and in business, those edges can become blurred.”

In the early days, Rob outsourced the social media interactions to an agency. “We started back in the day, but recently we brought it back in-house. I think, for us as an organisation, where there is a lot of consumer-like interaction, it’s appropriate that we are running it and are very aware of what is going on... The inevitable delays that can happen, even when you outsource social media, make it something that we would prefer to have in-house.”

An obvious concern is the brand damage that can be inflicted by negative comments.

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“You have to be brave and accept you won’t get plaudits all the time,” he continues. “You have to monitor and be aware of that but you have to respond professionally. If you do get something wrong, don’t try to cover it up on social media as that is just the worst thing you can do. Admit your mistake. Make the apologies. Rectify the issue and move on.”

Many organisations monitor sites for general unpleasantness or brand damaging remarks through what’s been termed ‘social listening’. Internally, there are potential threats which need to be given due consideration. **Caroline Firstbrook**, Managing Director of Strategy in Europe, the Middle East, Africa and Latin America for Accenture, says, “A company needs a social media policy as it may find employees are saying things that are negative or can compromise IP [intellectual property]. It’s important to be proactive and get to grips with this – some companies already prohibit the use of certain websites as they don’t want those kinds of breaches.”

TARGET YOUR AUDIENCE

At Premier Farnell, a global distributor of electronic components, the decision was made to set up a social networking platform within the company’s website to bring together its unique audience of designers and engineers. “We started off, as everybody does, using existing social sites, such as Facebook and Twitter and so on,” says **Kevin Yapp**, Premier Farnell’s Chief Marketing Officer. “But two-and-a-half years ago we recognised there was a real gap and our customers were telling us that they could use these tools, but they were really for fun and for consumers. Our customers were spending a huge amount of time surfing around on multiple sites to try and find what

they needed. So I guess, rather than let it be a problem for us, we saw it as a huge opportunity where we could create a global community that drags all of this together.” He claims the site now has enough critical mass for its highly technical users to become self-policing. “If information is posted that is garbage then the community will stamp all over it and criticise it by stating that’s it’s not technically accurate. We’re not worried about that kind of moderation – it’s a case of keeping an eye out to make sure there is nothing which is going to offend people.”

BOARD BUY-IN

The decision to set up the community platform wasn’t taken lightly. “Operationally, the senior team believed this was something we had to do and could switch on our brand in the eyes of customers by driving awareness,” says Kevin. “At board level, it was a little bit of a leap of faith as there is no obvious return on investment. When we were originally pitching it two-and-a-half years ago, the board, to give them their credit, had the foresight to give their support and say we should go for it. The difference now is that they’re all huge advocates of what social media can do for the brand.”

Mark Castle, Managing Director at construction company Mace Group’s contracting arm, comments that, while none of the company’s directors are at the stage where they’re reporting their every movement on Twitter, “there is a strong consciousness in the Mace boardroom for the need to understand and engage with the latest technologies where relevant to our business”.

Again, how the various media are utilised will vary from sector to sector. “We don’t

see it as a sales tool,” states Mark. “It’s part of the communications toolkit available to us. As a business-to-business company operating in the construction and property industry, we have a long buyer’s journey and complex contractual relationships that don’t lend themselves easily to the consumer focused and informal social networking areas. Where it is appropriate [for us] is in enabling communication teams to listen to the conversations taking place, to take part and hopefully influence in an open and honest way. Social networking is almost anti-marketing.”

Mary Jo Jacobi, a Criticaleye Associate, comments, “Social media has moved far beyond networking to earn a place in every company’s marketing mix. Companies can’t ignore the size of the social media marketplace, the opportunity to build trust and rapport. No other media offer such instant accessibility, immediate feedback and direct participation. Wise boards will recognise the opportunities for both push and pull engagement, the ability to communicate in real time with millions of followers, the chance to immediately clarify or correct misinformation and alert the public to important messages.”

LET’S GET PERSONAL

The rules and scope of marketing have unquestionably been redefined with the advent of social media. “There is a clear marketing opportunity but there is a lot of noise,” says **Richard Hull**, Managing Director of the UK and Ireland division of beauty products company Sally Beauty Holdings. “We all know there is something there and we all have to get our heads around what’s the best tool we are able to use to extract the best information out of that intelligence.”

Eight months ago, the company set up a Facebook page. It now has over 12,000 devotees, most of them women aged between 21 and 35. “We are hitting big numbers and it continues to grow,” says Richard. “From an MD’s perspective, I know there is a massive opportunity for me to communicate to my customers in a far more astute manner than other forms of marketing communication. For the first time, I can actually get some real quantitative information back

without having to pay a silly sum of money to a [marketing agency] by just asking: ‘What do you think of Cheryl [Cole’s] new hairstyle?’ It’s an unprecedented level of immediacy, but the interaction has to be meaningful. Rob says, “There’s no point you being out there and tweeting and doing various bits and pieces if you’re not really connecting with the right people. It’s important to think a little more strategically and collect the appropriate data as opposed to just ‘having a go’, as that has a tendency to tail off in terms of impetus and impact because you are not actually hitting the people that you need to hit.”

Harnessing the data and interpreting it through customer relationship management (CRM) and business intelligence software is a bigger challenge than how to communicate for many organisations. Richard says, “The fundamental thing that I am changing is my marketing structure to reflect the whole issue around CRM. This is an overused term that has been in play for 20 years – when I was a consultant, I was using it. But we need a holistic picture so that, if say we introduce a loyalty card, how can we make it more effective and link it to social media?”

The difficulty is in tying up the various channels, which for the largest organisations may stretch from shops, the web to mobile and call-centres, making it tough to provide a singular customer experience. Richard explains, “How, if somebody is shopping in our main company, Sally Beauty Holdings, do I understand if they are also shopping at Beauty Express, a sister company? Given the power of Facebook and Twitter..., I need to satisfy what is clearly a customer demand by keeping it simple, providing customers firstly with what they want and secondly by giving me the information that can strategically change decisions in my business.”

This may be new territory for many executives and non-executive directors, but, make no mistake, those who persist in dismissing this as a fad or some ephemeral new wave are playing a dangerous game. Caroline says, “It is a board and an operational issue. It definitely affects the board because it can have such a broad impact on a business – purely as a risk management exercise [at the very least], they should be aware of the potential problems.” Penna’s Gary says, “Boards know it is a business imperative but they don’t quite understand it and why should they? It’s another operational issue – you wouldn’t expect the board of a large company to understand this. But the bright ones know they have to do something about it and invest.”

SOCIAL MEDIA: TOP FIVE CONCERNS FOR BOARDS

- Establishing the ROI
- Reputational damage
- Data breaches/loss of IP
- How to gather cross-channel data
- Setting the tone of discussion

THE NETWORK
OF LEADERS

CRITICALEYE

Featuring commentary from:



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Mark Castle
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