



Winning Buy-In and Resources

The good news is that selling social marketing programs is easier today than it's ever been. A compelling body of case evidence has emerged over the past couple of years¹ and the mainstream popularity of services like LinkedIn and Facebook have made social networks at least understandable to skeptics. In the same way that America Online drove business adoption of the Internet 15 years ago, consumer applications are creating business awareness today.

But this doesn't necessarily make social marketing an easy sell, in part because many business leaders still aren't sure if social media is an opportunity or a productivity drain. More than half of the chief information officers (CIOs) interviewed by Robert Half Technology in early 2010 said their firms do not allow employees to visit social networking sites for any reason while at work, primarily because of productivity concerns.² In business-to-business (B2B) companies, which tend to be more conservative than their business-to-consumer (B2C) counterparts, resistance to change is even more pronounced. A 2010 survey of 104 B2B marketers by digital marketing agency White Horse found that 36 percent were frustrated by low executive interest in social marketing, compared with just 9 percent for B2C marketers. Nearly half the respondents also reported that lack of organizational knowledge, preference for traditional marketing, and the perceived irrelevance of social marketing to their field were obstacles to change.

B2B companies often have long-term customer relationships and see little value in adding social media to the mix. Many are small, family-owned operations that focus on a niche and don't aspire to be much bigger than they already are. In some cases, their markets are so small that executives believe they already know all their prospects. Those companies may see little need for social marketing outside of customer support.

Tradition-minded executives also see peril in the fact that online conversations can't be controlled. Their nightmare scenario is that critics lambaste the brand on its own web site or Facebook page. The fact that thought leaders like Dell, Microsoft, Southwest Airlines, and Google came to terms with this risk years ago and have learned to embrace customer feedback matters little. Traditional marketing says that which can't be controlled should be avoided.



FINDING ALLIES ONLINE

Perhaps you don't know who your potential allies are. In that case, start searching. Look up your company name on LinkedIn and analyze the profiles you find to see just how engaged they are. How many connections do they have? How many recommendations? To which groups do they belong? Are they active?

Use Twitter's "find people" feature to see if any of your LinkedIn prospects are there. Or just Google "First_Name Last_Name on Twitter." When you find prospects, see how active they are by looking at the date and time stamps on their tweets. Are their tweets all social all the time, or do they tweet about work-related subjects, too?

Check out who's following them. Are they connected to any of your suppliers, customers, industry trade media, or regulatory agencies? If so, there's a high likelihood their messages will be passed along to targeted audiences.

Do they reference their employer in their bio? What's the ratio of people they're following to people following them? If it's 2:1 following:followers, they're still getting started. If it's the opposite, they're influencers who are already enjoying success.

And then there's the overriding question of return on investment, which even enthusiasts will tell you is a tricky proposition for initiatives that may not pay off for a year or more. See Chapter 14 for more on that.

Caveats

We asked many successful practitioners and experts how they sell social programs, and this chapter is a summary of their advice. We want to restate one caveat at the outset: **Social marketing is not for every company.** Some businesses are so specialized or their markets so focused that they already know who all their customers and prospects are. These companies are probably better off working their face-to-face channels than starting a blog. There may be opportunities to influence the market through media coverage or customer service, but the rewards are harder to find.

Culture may also be a significant barrier. Businesses with a rigid top-down management style may be incompatible with the free flow of information that social marketing involves. This doesn't mean they can't benefit from using the tools, but the payoff will be modest because the real potential of social marketing is realized when a company trusts its people to communicate with external audiences without strict oversight.

Finally, businesses that operate in controversial markets or that have been the target of legal or regulatory action may be better off sticking with conventional channels for communications. A very real concern for regulated industries is the lack of audit trails on public networks. Most of today's popular social networking channels do not maintain records long enough to satisfy government regulators or won't make that information readily available. At the time of this writing, the only way around this limitation was to actually save your social media communications yourself. Cloud-based customer relationship management (CRM) provider Salesforce.com has implemented a set of features for attaching tweets and Facebook status updates to customer records, but for most services, the onus is on the user to keep audit trails.

We assume these limitations don't describe your company; otherwise, you probably wouldn't be reading this book. More likely, you're one of the many marketers who is dealing with resistance at some or all levels of the organization (see Figure 3.1). Here's the advice we gathered.

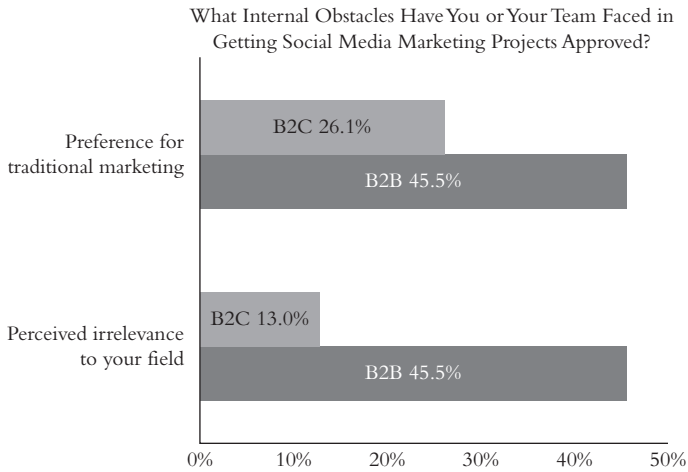


Figure 3.1 Internal Obstacles.

Source: White Horse survey of 104 B2B and B2C marketers.

Sell the Concept

If you want to get the chief executive officer (CEO) or board of directors behind the initiative, talk about trends, your market, and/or your specific customers. The statistics are pretty hard to ignore. Grab the videos “Social Media Revolution 2” (<http://socialnomics.net>) and “Did You Know 2.0,” which you can easily find with a search engine, and show people stats like these:

- Facebook gets more weekly visits in the United States than Google and has a population larger than all but two countries.
- The Internet took four years to reach 50 million users; In contrast, Facebook added 200 million users in less than a year.
- There were 1 billion iPod applications sold in the first 9 months of availability.
- Eighty percent of companies use social media for recruitment.
- Studies show that Wikipedia is as accurate as the Encyclopedia Britannica.
- Seventy-eight percent of consumers trust peer recommendations online; only 14 percent trust advertisements.

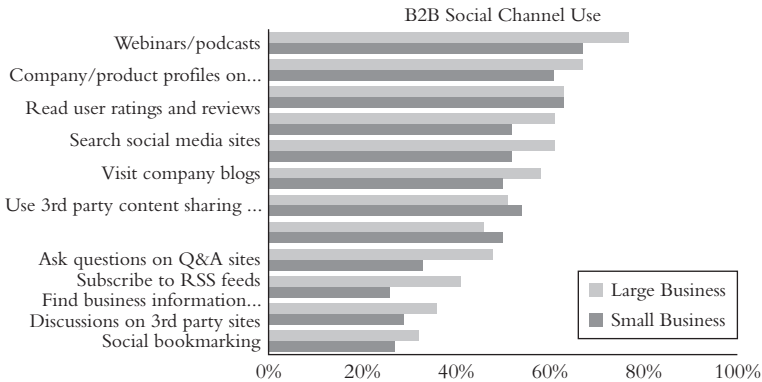


Figure 3.2 B2B Social Channel Use.

Source: Business.com.

- Only 18 percent of TV advertising campaigns generate positive return on investment.
- Revenues of the U.S. newspaper industry have fallen by nearly half since 2006.

Business.com's 2009 B2B Social Media Benchmarking Study shows that some social channels are already firmly embedded in buyer behavior (see Figure 3.2). Today, you almost need a good reason *not* to use these media.

Forrester Research segments social technology use into profiles it calls Social Technographics, which are fully explained in the book *Groundswell* by Bernoff and Li. There's a calculator at Forrester.com/Empowered that shows the usage characteristics of B2B companies.

There's also a growing body of industry-wide data, much of which is freely available. We like Tekrati, which tracks analyst reports and can quickly notify subscribers of new research. Research about B2B marketing trends can be found at eMarketer, MarketingSherpa, MarketingProfs, MarketingCharts, Marketo and Social Media B2B, or just by searching.

The main objective of conducting such research is to demonstrate that the way businesses and their customers relate to one another is

changing, and the onus is on businesses to adapt. Conversations will happen with or without you. Can you really afford not to engage in the channels your market is already using?

You can also let your customers make the argument for you. Use a low-cost research tool like SurveyMonkey or Zoomerang to conduct a quick customer survey. Ask customers how they go about researching products and companies. Chances are you'll find that search and online peer relationships are pretty popular. There is no more compelling message to your management than to show that customers are someplace your company isn't.

Start monitoring online sources for mentions of your company and your competitors and bring examples to management. This usually gets their attention quickly, particularly if customers are complaining about you or praising your competitors.

"When we sit down with B2B companies for the first time, we often do a light social monitoring audit for executives to show what's being said out there," says Eric Anderson, vice president of marketing at White Horse. "Their perception is that social media is consumer-focused, with people sharing information about what they had for lunch. They're really gobsmacked to see how much conversation is going on about their industry."

Conversation monitoring often makes the decision for you about where and how to engage. If the action is on Twitter, go there. If bloggers are talking about you, engage them through public relations (PR) channels or consider starting a blog of your own. Effective social marketing relies on your ability to identify, remember, and connect with your prospects through their preferred networking channels, which you discover by listening.

Another effective approach is to position social marketing as an extension of existing PR activities. Demonstrate how social media can help expand communication channels and make them more efficient, recommends Nielsen online digital strategic services executive vice president Pete Blackshaw.

For example, more than 200 reporters at the *New York Times* have Twitter accounts. Media relations firm Cision reported that 89 percent of journalists use blogs for conducting online research.³

“Convincing a PR or customer service executive that they need an apparatus to listen to reporters and customers is the path of least resistance because it extends the reach of what they’re doing already,” says Blackshaw.

Biotech giant Monsanto took this approach in early 2009, when it launched a blog⁴ called “Monsanto According to Monsanto.” With environmental and food activists bent on spurring legislation to require labeling of all genetically modified foods, Monsanto wanted a public place to tell its story. Rather than having to respond to individual queries from reporters, Monsanto linked to its argument against the need for labeling. These are called sneeze posts, and they can be written up and search optimized for every frequently asked question your company receives. The time savings can be impressive.

You can also win buy-in by finding places where social media could be a superior alternative to existing processes. For example, foregoing the cost of one focus group and investing that money into a one-year license of a conversation monitoring platform is a modest experiment without much downside.

If you want to show what other businesses are doing, you can find good case study collections at:

- The Word of Mouth Marketing Association Case Study Library (WOMMA.org/casestudy)
- Business.com (Blogs.Business.com/b2b-online-marketing)
- The Society for New Communications Research (SNCR.org)
- Forrester Groundswell Awards (<http://bit.ly/B2BAwards>)
- The Association Social Media Wiki (AssociationSocialMedia.com)
- The New PR Wiki (TheNewPR.com)

Live research is also useful, particularly when incorporated into a presentation. For example, if you want to make the argument that your company should leverage Twitter because there are conversations going on there about your business sector, use Twitterfall to show real time activity or mark relevant tweets as favorites to show your management.

Just Do It

If management isn't likely to be convinced by your persuasive powers, and if you're willing to take the risk of bending the rules, consider guerilla tactics. Choose a small project that can demonstrate social marketing's benefits and try a pilot campaign. Choose something that's likely to show a payoff with a minimum of time investment, such as a Twitter account for a product or a public blog about your market that isn't specifically affiliated with your company.

Figure 3.3 was adapted from MarketingSherpa's 2010 Social Media Marketing Benchmark Report. It shows the popularity of B2B marketers' social marketing objectives contrasted with their actual effectiveness. Note the areas of mismatch. This doesn't mean big goals such as revenue growth aren't attainable, but they are not the place to start. Social marketing works best in the areas where marketing has traditionally focused. Increasing attendance at a seminar series is one example.

Catapult Systems, based in Austin, Texas, is a Microsoft-focused information technology (IT) consulting firm with about 250 employees. It used Twitter and LinkedIn to complement conventional marketing channels when it staged a multicity tour anchored by three of the company's internal Windows 7 experts. Each employee was given

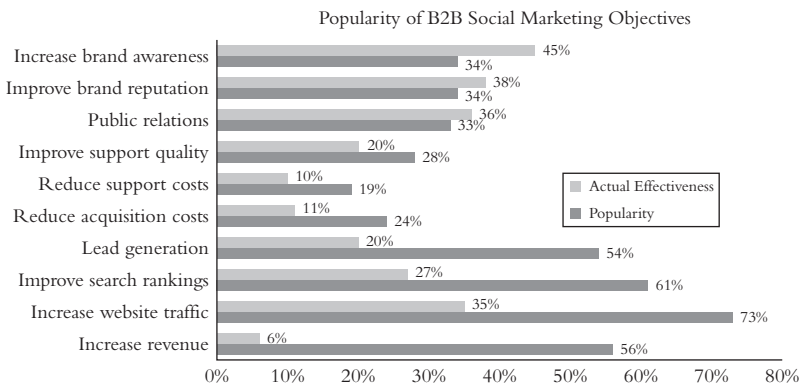


Figure 3.3 Popularity of B2B Social Marketing Objectives.

Source: Marketing Sherpa.

a consistent message and URL to add to e-mail signature lines. Those on Twitter were asked to regularly post invitations to the seminars.

Catapult also created LinkedIn groups for each of its regional events and invited its top 25 prospects in each city to join. Prospects were invited to submit questions for the experts to answer, which hundreds did.

Catapult didn't try to reinvent marketing with this campaign. It simply piggybacked employee promotion on top of its traditional channels to maximize visibility. E-mail forwards and retweets complemented direct mail and advertising. The company also staged a monthly series of 45-minute webcasts and a small group event for prospects who indicated readiness to buy. The seminars on the road-show tour were packed, with each of the more than 700 total attendees having been introduced to Catapult as an authority on Windows 7.

Choose projects that are already successful or that fly under the corporate radar. In either case, success provides a platform for growing your initiative, and failure is less likely to attract executive attention.

American Express OPEN Forum, a social network for small business owners, was originally conceived to support an existing conference series. It later blossomed into a valuable channel for Amex to connect with a coveted customer base. OPEN Forum traffic grew 350 percent annually in the 3 years following its 2007 launch, and it passed the 1 million monthly unique visitor mark in early 2010. The community was the first Amex brand to venture into Twitter, and it has been a foundry of social media experimentation for the financial giant. By tying the project to a successful existing program, social marketing advocates within Amex minimized downside risk and laid the foundation for further experimentation.

When launching new initiatives under the radar, **seek allies who can lend support and credibility.** These people won't necessarily be social media advocates. In fact, your best ally may be the technology challenged 30-year veteran with a history of openness to new ideas. Or the person may just be a gadget fiend who's always the first to adopt the latest consumer electronics.

If your ally owns a product line or department, you're in luck because you have the opportunity to make a visible impact on the business. But even if the person is an individual contributor, you have options. Perhaps your ally could start a LinkedIn group or Twitter account around the market in which your company competes. It's important that allies be positive about the potential for social marketing and in a position to make something happen, even on a small scale.

Choose projects with a low risk of entry and a low likelihood of failure. Twitter is an excellent starting point. The cost of joining is zero. Launching a Twitter account to support a new business initiative is unlikely to embarrass anyone. In the early stages, the point is to show results you can build on, not to try for the big score.

If you're a professional communicator, you have a built-in advantage. PR and marketing communications pros are already entrusted with the authority to speak for the organization and are natural choices to lead social marketing forays. PR leads marketing in the management and oversight of social media communications at most organizations, according to a study Eric did with the Public Relations Society of America, Korn Ferry International, and United Kingdom-based market research firm Trendstream. If you're not a professional communicator, seek support from your marketing or PR team. They're likely to be well aware of the changes that are going on in the media landscape and eager to contribute.

Executives at Emerson Process Management were skeptical about launching a blog in 2005, but they trusted 15-year veteran communicator Jim Cahill. His subsequent success at building search awareness and generating leads prompted Emerson to expand to other social platforms and to promote Cahill to the position of social media manager.

At CME Group, the corporate communications department spearheaded the company's move into Twitter and later other social platforms because of the trust they already enjoyed with executive management and the legal department. "We were already speaking publicly so it made sense for us to speak for the exchange [in social venues]," says Allan Schoenberg, director of corporate communications.

Schoenberg and his colleagues had already forged strong relationships with the company's legal team, which is critical in a heavily regulated industry. That trust gave them the political capital they needed to experiment with new channels.

Lawyers can kill a social marketing initiative before it ever leaves the ground. **Don't try to go around the legal department; educate them instead.** If case study evidence doesn't work, look up advice from some prominent law bloggers, such as those mentioned later in this chapter. Always be careful about choosing people to dispense legal advice, of course. Just because a law firm has a blog doesn't make it proficient in social media law.

Answering Common Objections

1. There's no return on investment.

If you pitched a program backed by research that's likely to deliver even modest gains with minimal risk, you've answered this question already. The return is calculated by subtracting the cost of the marketing pilot, the cost of goods sold, and operating expenses from revenue generated. But long-term intangible benefits are more difficult to quantify.

"What's the ROI of a golf club membership or a round of golf with a customer?" asks Mark Story, new media director at the U.S. Securities and Exchange Commission when he's challenged to justify the ROI of social media. These are emerging communications channels. When they're used for business, they lead to stronger relationships, and relationships are valuable in business.

There's no direct ROI for telephones, holiday parties, or company cars. Telephones make it easier for people to communicate, but with the exception of phone orders, there's no way to come up with a hard number for the ROI of a phone system. Holiday parties contribute to a more joyful work environment, but there's no way to calculate the ROI for happiness in the workplace. The ROI and business case arguments are often used as stalling tactics to justify inaction.

The reality is that you *can* calculate social media ROI. If you have a few basic metrics in place and a rigorous approach to understanding

activity on your website, ROI is actually not hard to measure. In Chapter 14, we show you how to figure the ROI of social media, as long as you have good base data. However, our hope is that you don't have to resort to excruciating analysis to justify your plans. In conversations with scores of successful marketers, we have yet to find one who applies a rigorous ROI analysis to social marketing. Their companies do it because they believe investments in customer relationships are worthwhile.

2. We don't have the resources.

Investments in social marketing programs can be difficult to estimate because there's no set formula for engagement. Solis suggests a "cost per interaction" equation that estimates the time it takes to find relevant conversations, engage the people behind them, monitor response and follow up. He estimates roughly 25 minutes per interaction, which means one person at 80 percent utilization can engage with 14 customers per day. Determine where your organization has the most to gain by engaging in conversations and estimate how many people you'll be able to touch with the resources you have.

Think small. Launch a group on LinkedIn or a vertical network around a topic that's relevant to your market. Build an audience and then decide if it makes sense to move to a branded community. In most cases, you can get a foothold with an investment of no more than an hour a day. Figure 3.4 shows the amount of time spent on Twitter each day by a group of 73 B2B marketers who have generated sales from Twitter. The majority spent less than 60 minutes.

3. We can't control what people say about us.

True, but you no longer have a choice. Searching for conversations about your company can turn up some pretty compelling evidence that you need to be part of online conversations because they happen with or without you. If you can't find mentions of your company, look for competitors. Chances are there are conversations under way

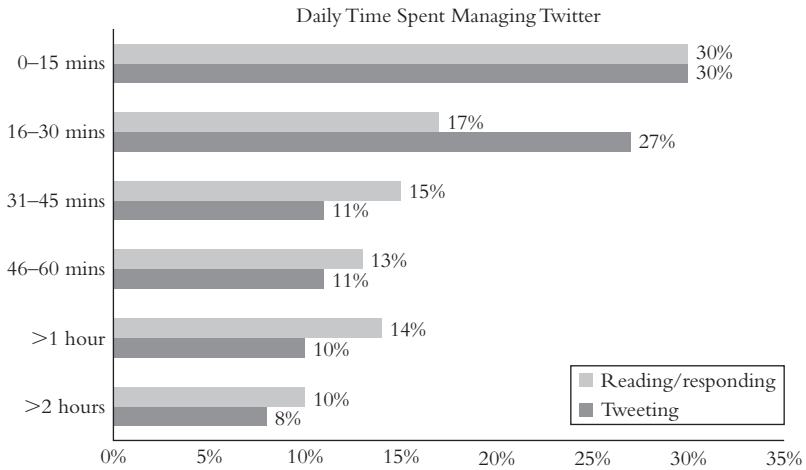


Figure 3.4 Daily Time Spent Managing Twitter.

Source: *BtoB Magazine*.

that are already influencing purchasing decisions. You have nothing to lose by getting involved. At least that way you're in the game.

Successful social marketers take an entirely different view of this issue. They see lack of control as an opportunity to *take* control. Once you know how customers perceive your brand, you can make more intelligent decisions about your own positioning. Negative comments are an early warning of a problem that could get bigger if not addressed. Misperceptions are more containable if corrected early rather than being allowed to grow out of control. Detractors can quickly be identified and an effort can be made to convert them into supporters if you listen to them.

4. We'll lose brand consistency.

“If we trust our employees to get on a plane, fly to a conference, make a presentation and answer questions in public—or even just answer a company phone or corporate email account—the horse is out of the barn already,” says Rick Short, marcom director at Indium Corporation, an electronic assembly materials company that's using social marketing. The only difference with social marketing is scale.

You need to educate employees who speak in public about the brand, the mission, and the company values. This can be done with an internal training program, but it's usually best to start with just a few people who are clear on these talking points, such as the communications department and people who are already on the speaking circuit. Blogger training isn't much different than speaker training. Before launching its corporate blog, Johnson & Johnson first experimented behind the firewall, giving management the chance to practice in a safe, controlled environment.

Brand consistency is mainly a matter of good internal communication practices. Social media doesn't change that.

5. We'll be exposed to legal risk.

This is a legitimate concern, particularly for companies in regulated industries. Showing that other companies in your industry are using social media is a good starting point, but perhaps your company is a first mover. You need to have your legal team on board as described earlier. If the answer is still no, you're probably out of luck. Regulators are not people to be toyed with. But you shouldn't give up hope. The Federal Trade Commission issued guidelines on social media practices in 2009, the Financial Industry Regulatory Authority (FINRA) followed in early 2010, and the Food and Drug Administration was set to follow as we finished writing this book. Some of the early rules from these agencies have been derided as heavy-handed and unenforceable, but at least they are the beginning of a process that will evolve rapidly with experience. Nearly every regulatory agency is grappling with this issue right now, so keep your ear to the ground.

Some resources we suggest, all easily searchable:

- Tom Goldstein at Akin Gump publishes the SCOTUS blog, which covers U.S. Supreme Court developments.
- Denise Howell hosts "The Week in Law," an hour-long podcast about legal matters affecting social media and technology.

- Kevin O’Keefe runs LexBlog, which supports and hosts blogs for 3,000 attorneys who are using social media to develop their professional practices.
- Santa Clara University associate professor of law Eric Goldman blogs on cyberlaw and intellectual property issues at EricGoldman.org.

Embracing Disruption

In the prologue to the book *The Living Company*, Arie de Geus profiles a study he commissioned at Shell Oil about the traits of Fortune 500 companies with extraordinary longevity.

Long-lived companies were sensitive to their environment. Whether they had built their fortunes on knowledge or on natural resources they remained in harmony with the world around them. As wars, depressions, technologies, and political changes surged and ebbed around them, they always seemed to excel at keeping their feelers out, tuned to whatever was going on around them.⁵

Successful companies learn to embrace disruption, but that kind of culture is difficult to create. Social marketing is disruptive. It changes the way businesses work. People don’t like change.

These days, however, few of us have a choice. As we noted in the opening chapter, today’s great businesses are those that adapt most readily to the conditions around them. Companies that embrace social marketing must prepare for an environment that will be in a constant state of turmoil. “Every time you think you have your plan down, the landscape changes,” says Carlos Dominguez, a Cisco senior vice president. Fortunately, many senior executives can buy into the idea that creating a culture of experimentation is a good thing. Position social marketing as a step toward that goal.