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## The new dialogue: Taking social media from talk to action in developing countries

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**Abstract**

The exponential growth of social media, from blogs, Facebook and Twitter to LinkedIn and YouTube, offers organizations the chance to join a conversation with millions of customers around the globe every day.

Despite the vast potential social media brings, many companies seem focused on social media activity primarily as a one-way promotional channel, and have yet to capitalize on the ability to not only listen to, but analyze, consumer conversations and turn the information into insights that impact the bottom line.

For instance:

Three-quarters (75%) of the companies in the survey said they did not know where their most valuable customers were talking about them

Nearly one-third (31%) do not measure effectiveness of social media. Less than one-quarter (23%) are using social media analytic tools.

Fractions (7%) of participating companies are able to integrate social media into their marketing activities.

While still searching for best practice and measurements, two-thirds of the companies surveyed are convinced their use of social media will grow, and many anticipate investing more in it next year, even as spending in traditional media declines.

Only a small group — 12 percent — of the companies in the survey said they felt they were currently effective users of social media. These were the companies most likely to deploy multiple channels, use metrics, have a strategy for social media use, and integrate their social media into their overall marketing operations.

Clearly, most companies are still searching for the best practices and metrics so they can understand where to invest and target their social media activities and build their own competitive advantage.

This research paper gives an insight on the way companies are utilizing social media as a tool and its potential in the market.

**Keywords:** Social Media, New Conversation, Developing Countries, 21<sup>st</sup> Century Organizations and Customers, Social Media tools

**Introduction**

The emergence of Internet-based social media has started a new kind of conversation among consumers and companies, challenging traditional ideas about marketing and brand management while creating new opportunities for organizations to understand customers and connect with them instantly.

The proliferation of social media channels is mind-boggling. Publishing tools like TypePad and Word Press offer any company or customer the chance to write a blog, while micro blogging on Twitter allows a rapid-fire stream of real-time commentary, complaints, and recommendations. Social networking sites like Facebook and LinkedIn bring together friends, fans, and detractors, while wikis and social news sites like Delicious and Digg quickly move links and ideas around the Web. Customers planning a vacation, a meal, or a haircut can turn to customer review sites like Trip Advisor and Yelp. Meanwhile, on multimedia sites like YouTube, companies can post promotional clips, while disgruntled consumers can capture scenes of poor service or damaged products on their iPhones and quickly upload the video.

The growth in use of these channels is equally astounding. Twitter reached a benchmark of 50 million tweets this year. Facebook has over 500 million worldwide users, and based on current growth rates, projects one billion total users by 2011. The average amount of time spent on social networking sites increased 82% last year. And it is not just a phenomenon among the young: according to Forrester research, a third of adults post at least once a week to social networking sites such as Facebook and Twitter, and about 70% read blogs and tweets, and watch YouTube.

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Never before have companies had the opportunity to talk to millions of customers, send out messages, get fast feedback, and experiment with offers at relatively low costs. And never before have millions of consumers had the ability to talk to each other, criticizing or recommending products — without the knowledge or input from a company.— Conventional marketing wisdom long held that a dissatisfied customer tells ten people. But...in the new age of social media, he or she has the tools to tell ten million.¶ says Paul Gillin, author of *The New Influencers*.

It is that power that companies are seeking ways to harness, as social media has moved from the margins to the mainstream; according to a new survey by Harvard Business Review Analytic Services, more than three-quarters (79% ) of the 2,100 organizations surveyed said they are either currently using social media channels (58%) or preparing to launch social media initiatives (21%).

But the majority of these companies also said they were still struggling with how to best use the different channels, gauge

their effectiveness, and integrate social media into their strategies. Two-thirds of users have no formalized social media strategy in place. Sixty-one percent reported a significant learning curve before they can truly utilize social media. Many companies reported they are still searching to find the best way to demonstrate the impact of social media and the contribution to the bottom line. (Table 1)

Many organizations seem to operate under old paradigms, viewing social media as one-way flow marketing messages, instead of capitalizing on the opportunity to monitor, analyze, and participate in the millions of conversations between consumers.

For instance, while more than half are using social media, only about one-quarter of users said they could identify where their most valuable customers are —talking¶ about them. And, less than one-quarter (23%) are using any form of social media analytic tools, with only 5% using some form of customer sentiment analysis.

**Table 1:** Please indicate the extent to which you agree with each of the statements about social media in your organization

Particulars	Percentage
The use of social media by our organization will grow significantly over the next few years	69%
The use of social media by our organization is a tactical rather than a strategic decision	61%
Use of social media is integral to our overall company goals and strategy	57%
Social media has been designated as a high priority by or organization executives	50%
It is difficult to see the value of social media for business purposes	46%
Social media is not very relevant for our business	45%
The use of social media for business is a passing fad	10%
Our organization has significant learning curve to overcome before we can utilize social media	32%
Interest in utilizing social media is growing rapidly within our organization	50%
Unless we are able to clearly measure the success of social media, it will not be taken seriously in our organization	10%
Social media is an important component of our organization	40%

Only a handful of users (7%) said they are able to integrate social media into their overall marketing strategy, such as campaign management, retail analytics, and Customer Relationship Management and business intelligence. Without such information and integration, companies are missing the chance to effectively market products, find new opportunity and manage their reputation, says leading author and analytics expert Tom Davenport.—Without monitoring conversations on the Web, you won’t know who’s talking about your brand and your products or services, and what the positive and negative sentiments are about them,¶ says Davenport.

—You won’t know how influential a particular praising or criticizing customer is. You won’t be able to compare different brand messages, commercial videos, etc. and see what the quick reaction is to them

In short, you’re missing a lot of marketing opportunity. In the survey, there was a small group of companies — just 12% — who described themselves as effective users. This group comprised a kind of —best practices¶ segment. They were much more likely to be fully-leveraging the benefits of social media by using multiple social media channels to reach customers, learn about customers, research new products, and establish user groups among customers. This group was also far more likely than others to integrate their social media monitoring solution with their other marketing solutions.

Given these findings, it is not surprising that for many companies the most pressing challenges with social media are in understanding the potential to make a difference in their business, measuring its effectiveness, and aligning social media activities to an impact on company financials. (Table

2). Yet without good metrics and tangible evidence of impact, the majority of the executives in the survey said their organizations cannot take social media efforts seriously. And that poses a challenge for companies, says Avinash Kaushik, Google’s Analytics Evangelist and author of *Web Analytics 2.0*, because social media can build up a great deal of data, but not necessarily generate great insights that translate into action and then more customers and sales.

Counting clicks and tweets and postings is nice, he says, but, —our bosses care about something far more simple — what has the Web done for me today?¶

**Most Pressing Current Challenges**

**Table 2:** Question: Which of the following are the three most pressing challenges that your organization currently faces (or anticipate you'll face) with regard to social media? (Select up to three)

Particulars	Percentage
Understanding the potential of social media to make a difference in your business	41%
Measuring the effectiveness of social media activities	40%
Linking social media activities to have an impact on return on investment	60%
Improving your ability to fully utilize social media within the organization	30%
Getting people across the organization to see the value of social media activities	25%
Educating your staff on how to use social media	22%
Integrating social media analytics into your broader company analytics	19%
Leveraging social media insights across your organization	40%
Systemizing sharing of social media insights so that they are quickly addressed by relevant departments	20%
Responding to findings from social media (i.e, quickly resolving/addressing an issue raised via social media)	15%
Analyzing online conversations about your products or services	15%
Finding qualified staff who can work on social media activities	13#

**The Current User View: Experimenting To Find a Strategy**

For many companies, social media use is still viewed as an experiment, where discrete projects are launched, usually by a few individuals in marketing or communications. Some said they limit their activities because they are in a —test! mode and lack resources to do more. Others said the organizations are wary because they perceive dangers in exposure and lack of control of the conversation on the Web.

—Social media is a big ocean and we are pulling in a little bay where we are more protected, said a global partner in a health and benefits consulting company.

Among companies currently using social media in the survey, half said the main benefit of their activity was increasing awareness of the organization and its products and services among target customers. Twenty-six percent said social media usage lead to more favorable perceptions of the organization, products, or services. Another 30% see an increase in traffic to their website as a prime benefit, but only 29% report collecting and tracking customer reviews on their website or other websites. (Table 3). It was striking that more accountable benefits were far lower down the list.

**Primary Benefits of Using Social Media**

**Table 3:** Question: What have been the three primary benefits that social media has brought to your organization?

Particulars	Percentage
Increased awareness of organization, products or services among our target audience	50% (Effective Users - 61%)
Increased Traffic to website	30%
Perception of social media in organizations, products/services	26% (Effective Users - 31%)
Ability to monitor what is being said in our organization	23%
Development of targeted marketing activities	21%
Better understanding of customer perceptions of our brand	20%
Improved insights about our target market	19%
Identification of our positive/negative comments	18%
Increase in new business	11% (Effective Users - 22%)
Identification of new product or service opportunities	11%
Have not derived any benefits at this point	11% (Ineffective Users- 22%)
Ability to measure the frequency of discussion about our organization	9%
Early warning of potential product or service issues	8%

**Current Usage of Social Media**

**Table 4:** Question: Is your organization using any of the following media channels? (Check all that apply)

Particulars	Percentage
Social Networks	87%
Blogs	58%
Multimedia sharing	58%
Micro blogs	53%
Review sites/discussion forums	22%
Don't Know	2%

While 23% said social media did give them some ability to monitor what was being said, only 9% said that the ability to measure the frequency of discussion about the organization was a current benefit and only 18% said they were able to identify positive and negative comments.

In short, many organizations 'activities seem more focused on —making noise! about their company and products, and less on understanding and participating in the conversations already going on about them on the Web.

Among all companies, social networking sites were the most popular form of social media, with the majority (87%) using sites like Facebook. More than half (58%) reported using blogs or multimedia sharing. Fifty-three percent use micro blogs. (Table 4). The most common combinations of channels are blogs, social networking sites, and either multimedia sharing sites like YouTube, or micro blogs. (Table 5).

**Number of channels/Technologies used**

**Table 5:** Question: Is your organization using any of the following media channels? (Check all that apply)

Number of Channels	Percentage
One	15%
Two	25%
Three	26%
Four	23%
All five	8%
Don't Know	2%

A major publishing and training company uses social media for recruitment by posting interviews of employees on YouTube: —It gets a lot of attention and it is an easy, inexpensive way of getting the message out about the kind of company we are, says the director of communications. The company also uses Twitter and Facebook for marketing and generating public Relation about new books and other products, and has launched internal blogs to keep employees connected to each other.

A large U.S.-based industrial production management company launched a blog to gain more visibility for its experts who install and optimize products in plants. The program has now expanded to include LinkedIn, Facebook, and Twitter. Email exchanges between experts and customers with problems are regularly posted in the social media channels. —Right now there is a lot of expertise trapped in mail boxes and folders and it's not visible, says the chief blogger. —Marketing brochures are not the language customer's use. Social media lets the experts escape the prim and proper marketing talk.

A European company, with supermarkets as well as food and beverage manufacturing operations, focuses social media efforts around Facebook. Some pages focus on the company; others, built by customers, discuss specific products. The company is building a site where consumers receive information about new products and vote pro or con on the product ideas. A moderating system also is used to screen blogs. —Sometimes, you find little jewels of insight. It can also be a warning system if anything is growing into an uproar, says the vice president of corporate development. —Speed is important too. Social media tells you whether people like a TV commercial without waiting for their buying behaviors to show you.

Both small and large companies reported some form of social media use, like those described above. Smaller organizations more often described social media as an opportunity for increasing awareness, Web traffic, and new business. Larger organizations were more likely to see social media in terms of tools that help them monitor perceptions and identify positive and negative comments.

**Adoption of social media**

**Table 6:** Question: Which of the following indicates how your organization is using social media in any way for business purposes? By social media, it means Web based channels and technologies such as Facebook, twitter, blogs, YouTube, discussion forums, online etc

Particulars	Currently Using	Planning to Use	Currently Not using, Not planning to Use
Education	72%	17%	6%
Communications	71%	16%	9%
Services	68%	21%	11%
Retail/Wholesale	64%	21%	12%
Financial Services	50%	25%	21%
Health Services	48%	24%	26%
Manufacturing Services	45%	19%	32%

Just 20% of social media users have a dedicated budget for their social media activities, with marketing controlling that budget in almost half the companies.

About a quarter of the users outsource some social media activities to public relations agencies or others. Only a handful of organizations (12%) have dedicated staffs who work only on social media: the rest said that social media is only —part of the job for employees in areas like marketing, PR, and communications.

Overall, half (49%) have up to one full-time equivalent working on social media. This reflects just how experimental many organizations view social media and how they have been reluctant to commit resources, perhaps because they are still not certain of its goals, effectiveness, and impact on the organization.

—At the C-suite level, they don't want to talk about social media because they don't understand it, said the vice president for strategy at a multinational construction company. —If we don't get education out about the benefits of social media and get business people to adopt it, it could put us at a serious disadvantage.

**Effective Users: A Snapshot of Best Practices**

Within the survey, a small group of companies (12%) who identified themselves as —effective users of social media shared some common practices. (Figure 8) They have moved beyond seeing social media as a —shiny object or fad, and have started to see it as another part of their overall marketing strategy.

While experimenting with their own social media offerings, they were more likely to be measuring their efforts as well as the social conversations about them.

Effective users are far more likely to use more social media channels — four or more — and much more likely to be doing more multi-media sharing, and participating in review sites, discussion forums, and blogs. Sixty-three percent of the effective users said they have developed and implemented a social media strategy.

**The Case – And the Search for Analytics**

While the channels for conversation on the Web have proliferated, a huge amount of information is becoming available that could be extremely valuable to companies in fostering relationships with customers, developing new products, and monitoring their competition.

For instance, in April 2010, a study by Performics and ROI Research found that 33% of Twitter users share opinions about companies or products at least once per week. More than 30% make recommendations or seek guidance.

So companies might rightfully be anxious to understand who is talking about them on such channels and what are they saying, as well as trying to understand how their own social media efforts are perceived. Yet nearly two-thirds of the companies in this survey did not know where their most important customers were talking about them on the Web.

About a third of those now using social media said they were not currently measuring its effectiveness. 60% of this group classified themselves as ineffective users. Indeed many companies are just beginning to see the need for social media measurement. Only half (51%) said they were aware of the term social media analytics, which are the tools used for measuring, analyzing and interpreting the results of interactions between brands and consumers across digital channels. That recognition of the term jumped to 75% among effective users.

Nearly half of users said that internal staff was responsible for measurement of social media. Another 19% used a mix of

internal and external resources. But many relied on anecdotal monitoring instead of analysis.

### Conclusion

Social media is rapidly becoming a new force in organizations around the world, allowing them to reach out to and understand consumers as never before. In many companies, it will move from a —one-off initiative to be an important, integrated tool in marketing and communications strategies.

Use of social media will clearly expand in the coming years. Two-thirds of the companies in the survey predicted their use of social media would grow significantly over the next few years, as the awareness of the power of social media has grown in their companies. Among organizations that already have a budget for social media, spending was expected to increase by 30% or more over the next 12 months, even as overall dollars for marketing and advertising have dropped for many companies during the recession.

But as social media creates new opportunity, it also demands a shift in thinking about marketing and the measures of success. Those companies who are most effective in social media now are not only experimenting with multiple channels, but also creating metrics to measure impact and using new tools to understand how to enter into a new conversation with their customers. In the future, effective use of social media will be led by these organizations that are able to enter into this new relationship with customers, employees, and partners.

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