



Social Media

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Introduction

Social media have ushered in a new era in computing, presenting business and IT leaders with myriad opportunities and challenges about how best to leverage these technologies for their businesses. To help CIOs better understand the effective use of social media in organizations, the CIO Brief invited Neil Bearse, Associate Director of Marketing at Queen's School of Business, to describe his work using online ecosystems and a variety of web-based channels to achieve business objectives.

Neil has extensive experience in social media, web analytics and digital marketing. His pioneering work to market the music of independent artists online and through word-of-mouth channels, such as podcasting and blogging, has led him to representing artists from across North America. His corporate clients include: Deloitte, Assuris, Four Seasons Hotels, SaskTel, Empire Life, Starbucks Canada and WestJet. Neil is also a regular contributor to Queen's executive education programs.

The Emerging Power of Social Media

Today, as in the past with the telephone, email and the internet, companies have doubts about whether their employees should use social media at work. Typically, they feel that their employees can't be trusted not to waste time if they open these media up to them. Neil cited recent research showing that while 85% of companies believe that social media are a vital part of their marketing mix and 46% believe they are now more important than radio, TV and print, 66% feel that their employees should *not* use social media at work. "In the past two years we have reached a tipping point with social media," said Neil. "Most companies are still missing the boat because they have concerns about security and how these media will affect productivity. But where, other than the office, are employees supposed to learn how to appropriately use social media for work? All too often, employees are expected to do this on their own time." Corporate thinking therefore needs to change from "this is how we've always done it" to "what would happen if we tried?"

Neil learned this himself in 2007 when he began to promote independent rock bands that had been dropped by major labels. He started by promoting these bands to podcasters and was successful in increasing their sales by 60%+ on iTunes. However, when he tried to interest the major labels in this new way to market music, he found that they weren't interested. So, he thought of a way to demonstrate the effectiveness of social media in selling music differently. His "bum rush the charts" project was designed to get people to buy a single song on a single day, with the goal of making it number one on iTunes. With no budget and a three week timeline, he started to tell people about it and ask them to buy the song. The campaign itself generated considerable press interest in Canada, the US and Britain because it was the first time someone had made a concerted effort to use crowdsourcing to sell a product.

When the big day arrived, Neil was initially disappointed to find that the song only reached #9 in Canada. However, it also reached the top ten on iTunes in 16 countries around the world – an unexpected development that caused the record companies to begin calling him. "They believed they had discovered the future of music marketing," he said. "But they didn't

understand that this success wasn't built on the technology but on the social capital and trust that I had built up over three years in the music business. This built the highways for using messaging in this way."

In short, Neil explained that social media is not magic. Instead, it is a hub for everything that an organization does, from marketing to IT to public relations, research and development, human resources, customer service and sales. Rather than relegating social media to an intern, he believes "it should live as high as possible in the organization." For example, public relations can use it to scan Twitter before a news item hits CNN, HR can use it to hire millennials, and R&D can begin listening online to the demand for new types of products and services.

Today over 79% of Canadians use social media once a month, with 85% of Generation X (30-45) using it and 94% of Generation Y (18-29). Thus, even if a company chooses not to participate in social media, they must recognize that Canadians are already using it to build relationships with their brands. Blogs, microblogs (e.g., Twitter), social networks, reviews, and mobility location are combining to create a huge system of interactions that have the potential to seriously affect how companies operate. "We've always had this system where customers can complain or recommend a company to their friends, but never on such a significant scale," said Neil. He illustrated this by showing how a frustrated customer's video of poor service at the Hertz outlet in an airport, ended up on CNN, Twitter and CNN.com. "Social media represent an opportunity for a company to learn what it's doing well and not doing well," he said.

Strategies for Using Social Media for Customers

Because social media should be part of everything a company does, strategies for utilizing it effectively involve using it to become a better business. Neil identified four key areas that organizations should focus on:

1. **Quality.** Companies need to have good products and be good at what they do – prompt, polite and have excellent customer service. "If a company is good in these areas, they will generate a positive image in the social media from their customers," Neil explained. A good example of this is Apple, said Neil. "They're not on Facebook or Twitter but they are doing well in the social media because their products are great and they have created a high quality customer experience."
2. **Communication.** Before beginning to adopt social media, companies must ensure that they have the right communication strategies in place and these will depend on their business goals. In many businesses in Canada right now, a customer cannot leave a message for a company because no one is answering the phone. "Not every company wants to talk to its customers," he said. "Just count the number of IVR buttons you have to push in order to speak to a customer service representative in some organizations." Companies first need a strategy to listen to their customers in order to find out their problems. It's important to see what one's customers are talking about and social media can help them do this in real time. For example, Twitter is now positioning itself as a search engine for this, so companies can see, dynamically, what their customers are experiencing. People are also using Twitter and other social media in this way. "They are factoring in other people's opinions when making their own

decisions because they trust search engines. This is why it's important to know what is being said about your company."

3. **Engage.** Next, companies need a strategy to engage their customers. It's important to engage in the right way, said Neil. "What some might think of as traditional marketing – interruption - is *not* the right approach; this is like using a bullhorn," he advised. "Don't sell; don't yell – Tell." It's much better to try and be helpful to customers and to talk about what you do well. For example, Home Depot's social media team will give advice about a variety of matters, such as what seeds to buy for a vegetable garden. While there is some delay in their response, their goal is not to sell but to build relationships that will affect a customer's next purchase. "Be conversational; be human when engaging," Neil advised.
4. **Leverage.** Finally, companies need to leverage the information they gather and the relationships they build. "It's important not to try to leverage your relationships at the beginning," Neil pointed out. "If you do this, you will appear like a used car salesman. Building relationships creates social capital for your company." For example, one airline, responding to customer complaints about grumpy service is sending all its flight attendants to 'happy camp'. Neil recommended developing content that people care about and telling stories about what their companies are doing. "The smart stuff doesn't live in marketing but in the rest of the organization," he observed.

Social Media in the Workplace

Work is a social activity where people learn from each other. The research shows that the most effective learning tool is informal conversations with colleagues. "When people start talking, they solve problems," said Neil. The second most effective learning tool is Google, not internal knowledge resources. "It's considered much more useful," he said.

Social media technologies help people have conversations and find what they need. For example, they can be used to ask people what they are working on. These simple status updates have been shown to reduce the need for meetings. They also allow people to tap into others' knowledge. For example, radiologists at the Mayo Clinic now use Twitter to ask other radiologists about an interpretation of an image. Social media are also useful for storytelling. Qualcomm emails a story every week to its new hires for a year. "These stories convey useful information about its culture and work," said Neil. Tagging and indexing tools can be helpful in preserving knowledge for others in the organization.

Listening to customers through social media can provide real life examples for training staff and collaborative tools, such as wikis, can create more accurate and dynamic documents for use. For example, 90% of the US Army's field manuals are collaborative wikis that tap into the battle-tested knowledge of all rather than relying on a handful of specialists. Newer social media tools, such as Quora, are being designed to capture people's questions and answers, reporting duplicate questions and tracking teams and topics.

Discussion

Who's responsible for social media in your organization? There was a wide variety of answers to this question: marketing; corporate communications; an internal social marketing organization; a committee; and no-one in particular. Marketing was the most common answer. Most companies are still at a very early stage in determining how best to manage social media. Many are concerned about the legal, security, staffing and logistical implications of its management. All agreed there is a need to have a social media policy articulated for staff.

Who's doing social media well? Rogers is a good example of using social media with its customers. It has five people on its social media team and their mission is: "We're here to help." Their availability is established in advance so that people do not have an expectation of receiving responses to messages in off hours. The team is identified with pictures and names so that it is humanized. "Doing this takes infrastructure, commitment, people and legal advice about what the team is allowed to say," stated Neil. "You won't know your volumes until you begin listening. Then you will have to determine whether your approach to social media is reactive or proactive."

IBM uses social media effectively internally with its "high fives" initiative. Each week, employees are encouraged to write and post lists of "5s", such as five accomplishments or five things they are doing. This creates content and helps people learn about each other. Best Buy also uses social media well internally with its "Blue Shirt Nation" initiative. This started out as a marketing project to get front line staff to collect data about customers. However, staff started to use it to share personal information and to talk with each other. Best Buy found that using social media in this way has reduced turnover, and increased employee satisfaction and morale. It also helps teach staff about the Best Buy culture so that new projects are easier to roll out.

What are the major technology suppliers doing about social media? Microsoft has invested in Facebook as part of its competition with Google. Members commented that a big problem for them is that social media applications and vendors turn over so quickly, they are difficult to introduce into a company.

Do companies need a separate social media policy? Most members believe that this should be an extension of their current code of conduct. Some are trying to just trust their employees and to figure out what's needed as these media evolve.

Conclusion

Neil concluded by encouraging members to ask how social media will redefine their business model. "Some will find that it is a disintermediating set of technologies," he said. "This is a critical juncture as companies are beginning to build strong relationships with their customers." Unfortunately, many executives fear learning what their customers are saying about their company and their products and services. Taking this step can be a strategic differentiator, Neil stated because "I believe we're heading in to a new age of business where acting like a human being with customers is going to be a distinct advantage."



Concept

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