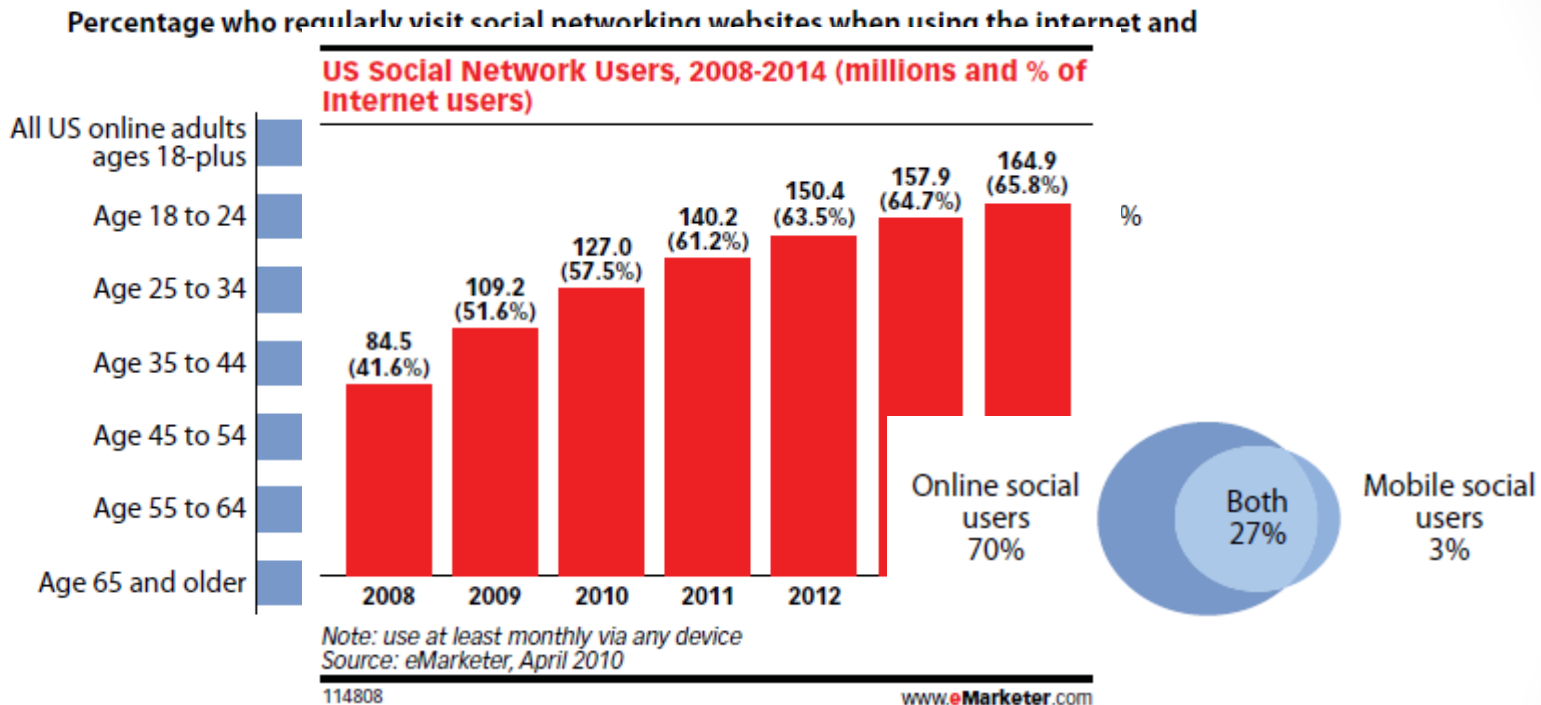


Social and Firms

Brief study on how “Social” affect marketing functions and R&D activities

“Social” is a pervasive phenomenon in our society



- Firms have to embrace that phenomenon to
1. Reach consumers and other constituents (impact on revenue)
 2. Leverage this usage internally whenever possible (impact on productivity)

Social can be used in many corporate functions...

Research & Development

- Get ideas
- Get products

Marketing & Sales

- Identify trends
- Identify, attract and retain customers
- Control brand equity

IT and production center

- Knowledge transfer
- Identify experts
- Identify best practices

HR

- Identify talents
- Encourage training
- Help evaluating fair performance

....through a variety of tools (technologies and services)

Video / Audio

"Feeds"

Social platforms

Market places

Mash-ups

WIKI

Twits

Sandboxes

Widgets

Blogs

→ This report will focus on Marketing **M**, and R&D **R&D**

Social is becoming essential to the marketing mix, but faces many hurdles

“1 Online Spending Booms”

According to Outsell, total B2B marketing and advertising spending

will reach \$400 billion this year, up just 2.6% from 2009.

“Are you currently using, piloting, or expecting to pilot a long-term social marketing plan for your organization?”



Base: online US interactive marketing executives of companies with \$500 million or more in revenue (percentages may not total 100 due to rounding)

Interactive \$51.5 (9.2%)

Total \$129.0 (0.8%)

Base: online US int

Source: Outsell, "Annual Advertising and Marketing Study 2010: Total US and B2B Advertising" as cited by BtoB magazine, March 8, 2010

r more in revenue

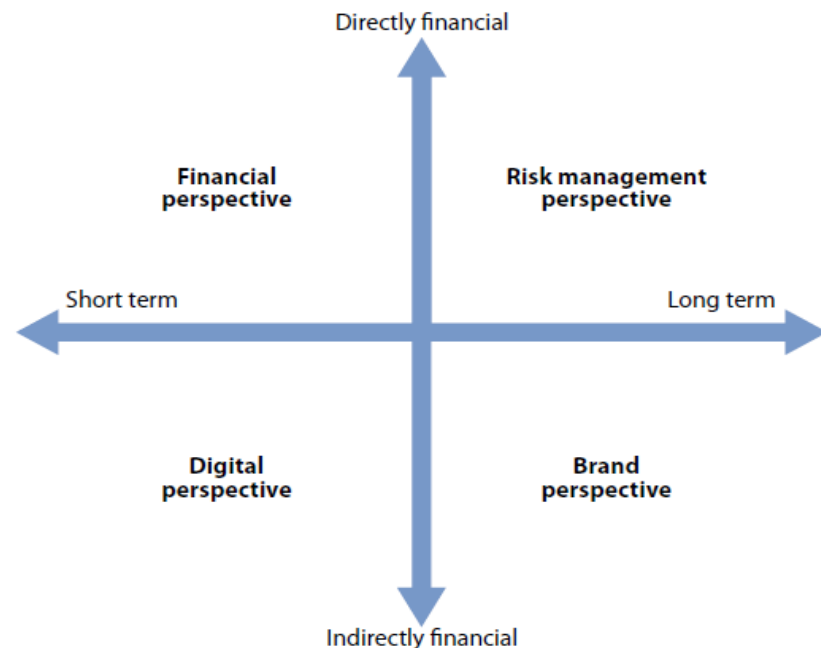
Meanwhile, CMOs don't always know what to expect from it. It is difficult to

- Define a corresponding marketing strategy
- Evaluate organization changes required
- Find internal resources (and train them)
- Determine the right marketing mix and allocate a proper budget
- Identify the right services to implement
- Measure success

“Strategic” frameworks have been developed recently on Social

- **POST : People / Objectives / Strategy / Technology (*)**
 1. **People.** Understand the behaviors of your target audience.
 2. **Objectives.** Decide on your marketing goals.
 3. **Strategy.** Determine the approach you’ll take to meet your objectives.
 4. **Technology.** Choose the technologies that will enable you to implement your strategy.

- **Balanced Scorecard (**)**
 1. **Financial.** Has revenue or profit increased or costs decreased?
 2. **Digital.** Has the company enhanced its owned and earned digital assets?
 3. **Brand.** Have consumer attitudes about the brand improved?
 4. **Risk Management.** Is the organization better prepared to note and respond to attacks or problems that affect reputation?



Common organizational and operational pitfalls when implementing “Social Marketing”

Organizational
Silos vs. Flat
organization



1. Centralize Social Marketing, develop and encourage flexibility (e.g. SCRUB)
2. Define the right internal processes with adjacent marketing teams

Operational
issues



1. Find sponsors
2. Train people to shift from “advertising” to “publishing”
3. Educate constituents – internally and externally
4. Measure operations

Measuring operations: current metrics

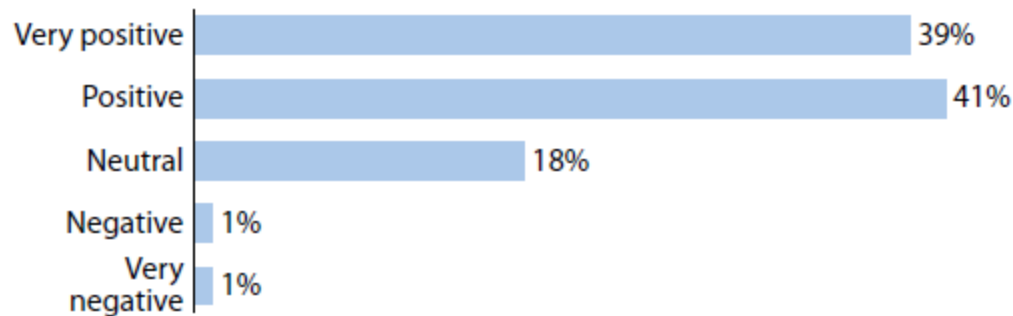
Q: What analytics do you use to measuring progress and success for your community?

	Number of "active" users	How often people post/comment	
Role	Social strategists and community managers	Interactive marketers and marketing executives	C-level executives
Perspective	Digital	Brand	Financial
Metrics	Social opportunity <ul style="list-style-type: none"> • Fans, friends, and followers • Members • Visitors and readers Social health <ul style="list-style-type: none"> • Posts and comments • Sentiment 	Branding <ul style="list-style-type: none"> • Awareness • Brand attributes • Purchase intent Product trial <ul style="list-style-type: none"> • Lead generation • Coupon redemption • Sampling 	Sales <ul style="list-style-type: none"> • Conversions • Revenues • Lifetime values
Frequency	Hourly or daily	Per campaign or annually	Quarterly or annually
Tools	Listening platforms and web analytics vendors	Surveys	CRM tools, attribution tools, and surveys

→ Implementing a strategy involves defining a goal (financial), identifying a target audience, adapting internal processes, finding and rewarding resources and creating relevant metrics along the way

R&D and social coexist, and new paradigms have appeared in the last 5 years

“On a scale of 1 (very negative) to 5 (very positive), what type of impact do you believe Web 2.0/social media will have on innovation?”



Proprietary Platform

1. Open



2. VIP 3. Internal



External Platform

1. Generic



INNOCENTIVE

2. Niche

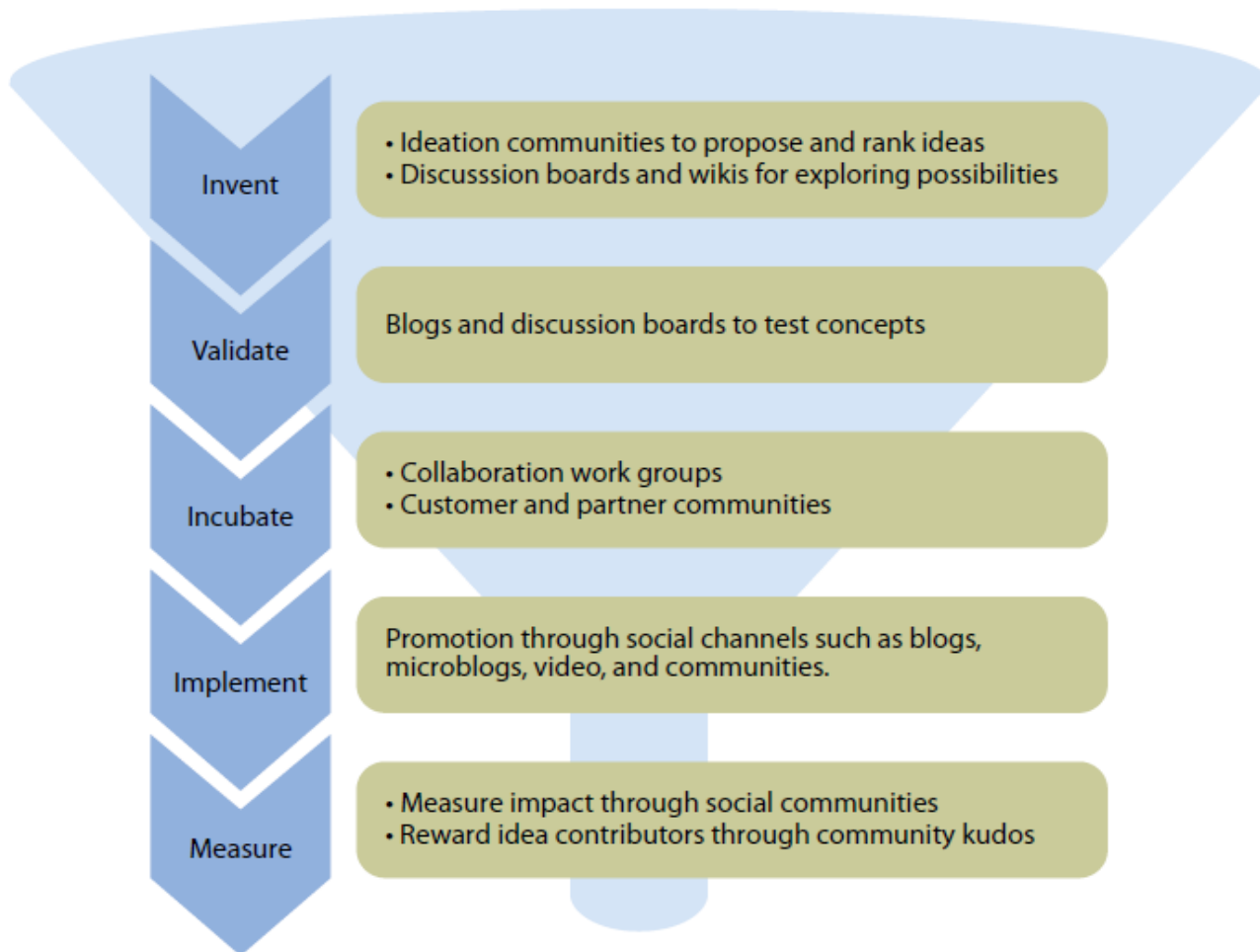
EQUALIS

Crowdsourcing

NETFLIX

XPRIZE
FOUNDATION

The social innovation process is used at least partially in many companies



Social innovation is a double edged sword

Proprietary Platform

External Platform

Crowdsourcing

→ Increase R&D productivity rate

1. Decrease cost of R&D
2. Decrease time of R&D

→ Leverage social innovation for marketing purposes

1. Word of mouth / traditional advertisement

1. HR issue: “researchers” become “seekers”

2. Bad follow-up on innovation: good solution not implemented
3. Define IP/confidentiality and reward systems among constituents
4. Create a sustainable environment

→ If handled well, social innovation improves productivity rate. If not, social innovation may be costly, disrupt the organization, and be just a fad.

In brief

- “Social” is still nascent but inevitable for most of firms – embrace it!
- Public information (research, cases...) on Social is available
- Social is disruptive, but its complexity can be harnessed to leverage Marketing and R&D operations
- Pas the point of prototyping:
 - Social strategies have to be included in Marketing and R&D strategies – this is not something to do on a side.
 - Firms who put Social Marketing at the center of their Strategy reap great benefits
 - Implementing Social strategies involve many constituents (IT included), new skills and is complementary with traditional activities. Do not underestimate its impact on a company’s organization.

Questions



Sources

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 - How companies are benefitting from web 2.0
 - How Web 2.0 is changing the way we work: An interview with MIT's Andrew McAfee
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 - Point of views on Digital Consuming
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 - B2B Social Media Marketing Heats up
- Forrester
 - Social Media – Marketing Metrics that Matters
 - ROI of Social Media Marketing
 - Choose right Social Technologies
 - 2011 – Now Social Marketing gets tough
- HBR
 - Having Trouble with your strategy ? Then Map it
- This report is also based on interviews with Josh Bernoff (Forrester) and Klaus Speidel (co-Founder of Hypios)