October 2010

SOCIAL MEDIA RESEARCH
Understanding Social Media Usage in Corporate Communications

Analysis of PR industry strategies, behaviors and platforms

EXECUTIVE SUMMARY

Iconic screenwriter William Goldman (Butch Cassidy and the Sundance Kid, All The President's Men) once famously remarked that in Hollywood, "nobody knows anything." What he meant was that even the best planning – in delivering a solid script, casting the "right" talent, putting the best marketing minds behind a film's release – could not guarantee a successful outcome at the box office, despite what any "experts" at the studio might say to the contrary. Many voices persist in applying the same sentiment to social media (including many otherwise respectable names from venerable old media institutions), even as it becomes a mainstay of communications strategy and tactical execution for many organizations…and most public relations practitioners continue to struggle with defining what successful social media outcomes are.

As part of Access Communications' ongoing analysis of the changing media and communications landscape, we want to better understand how senior corporate communications professionals are using social media strategies, platforms and tactics in support of the communications and marketing functions within their respective organizations. In many quarters there is no shortage of noise and histrionic over-reaching with regard to social media. We have no interest in taking up the bellows and fanning those flames.

Our goal with this study is to better gauge communicators' actual usage and sentiment and future plans regarding social media. What we found is that the development and advancement of social media capabilities in support of strategic marketing and communications initiatives continues to be an urgent and growing priority. Many are new to social media and are testing the waters. A few companies have built proven and sustainable capabilities and best practices. Nearly all (87%) expect social media to change significantly or dramatically how corporate communications teams communicate with target audiences, and similar numbers (89%) intend to increase their investment in social media in the coming year.

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KEY FINDINGS:

- Corporate communicators are advancing their organizational social media capabilities despite continued uncertainty regarding metrics and ROI

- Low understanding of social media within other corporate functions is slowing adoption and agility

- Communicators have mastered the basics of social media and are seeking to take social to the next level

METHODOLOGY AND DEMOGRAPHICS

We surveyed senior-level corporate communicators at 85 companies spanning industries from finance, entertainment, media, real estate, retail, technology, telecom and transportation. The majority (55%) of respondents hold the title of vice president of corporate communications, while 35% are senior directors and senior managers of communications, and five percent (5%) hold titles specific to social media.

Among respondents, the average size of an in-house PR team is 28 people and the average number of years of professional experience is 17. The annual revenue for companies in this study ranged from $2 million to well over $100 billion. Forty-seven percent (47%) had revenue of more than $1 Billion and 65% reported having more than 1,000 employees.
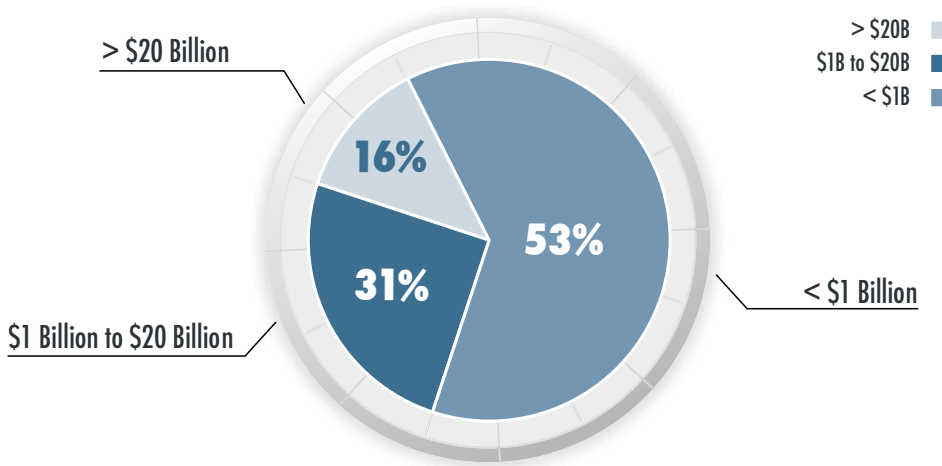
The following industries are represented in the survey:

- Information Technology
- Entertainment
- Real Estate
- Retail
- Automotive
- Food/Beverage/Tobacco
- Advertising/Branding/Marketing
- Banking
- e-Commerce
- Energy
- Transportation
- Travel
- Wireless
- Health Care

> $20 Billion

$1 Billion to $20 Billion

< $1 Billion

> $20B
$1B to $20B
< $1B

16%

53%

31%

ACTION DESPITE UNCERTAINTY

With change comes uncertainty. While the vast majority of respondents (86%) are currently using social media to engage target audiences (customers, partners, employees, media and analysts), and most are well on the way to strategic use of the medium, there is a deep and abiding sense of unease among respondents. We asked, "In terms of social media, what keeps you up at night?" This question elicited a range of responses that can be clustered around five major insomnia-inducing concerns communicators have regarding social media and the responses form a useful starting point for our analysis:

- **The rapid pace of change:** Many expressed sentiments akin to, "It's hard to keep up," "I worry about falling behind," and the "24/7 hour nature of social media."

- **Lack of control:** Communicators know that hot-tempered bloggers, competitors, detractors and customers with an axe to grind can easily find a megaphone and audience to trash the brand. "Anonymous, reputation-stabbing short sellers" is how one respondent characterized this concern.

- **Internal mindset shift and cultural gap:** A persistent concern voiced by many was that within their organizations, they feel many "just don't get social media." This includes senior management, IT and HR who are viewed as slowing the widespread adoption and execution of social media across the business.

- **Lack of resources:** Many report that their teams are already stretched to the limit with current duties, and social media represents work that must be done after hours or between existing deadlines and workflows.

- **Ambiguous metrics and ROI:** With no widely agreed upon metrics to measure the return on investment for social media, communicators face uncertainty when reporting results back to internal clients whether marketing or C-suite.

BEST PRACTICES FOR PREPARING FOR A CRISIS ON SOCIAL MEDIA

Once upon a time, a company had the relative luxury of managing a crisis in what today is an almost comically lethargic news cycle. The crisis team could spend all day preparing statements and spokespeople for the (three) network newscasts and local TV station programs (devoting some time to news radio, depending on the severity of the story) and then methodically assess how to respond to print reporters filing for the next day's editions (which was – again, by today's standards – a manageable and finite number.) The launch of CNN in the early 1980s eventually gave us the 24 hour cable news cycle. The major difference between then and now is that companies pushed information to their audiences through a limited number of channels of communication. With the advent of the Internet, the explosion of information platforms and intense competition among traditional media outlets, new media aggressors and a fluid, ever-changing stream of voices with broadly disparate journalistic pedigrees, companies today must be far more alert to the exponentially accelerated and unwieldy nature of the online news cycle.
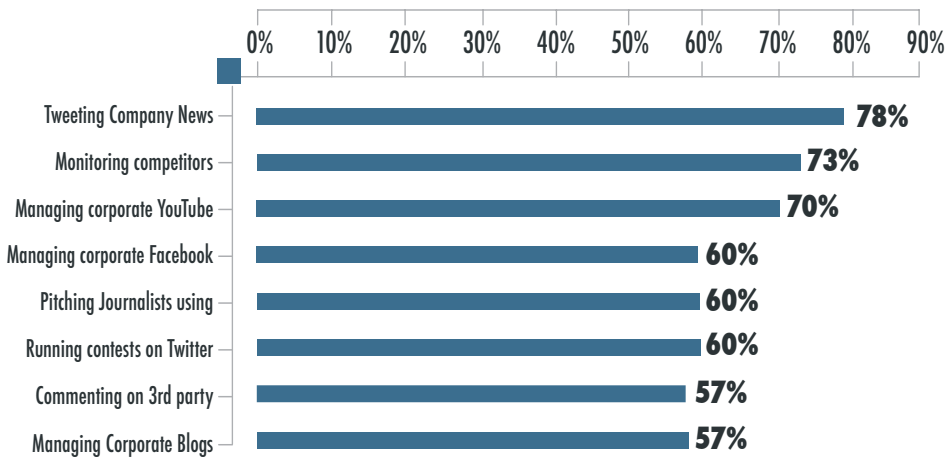
HOW BEST TO PREPARE?

The rules are really quite simple; the only change is in how a company uses the new tools and technologies of social media to engage with their audience over the lifecycle of a crisis – from before it even manifests itself through to its (hoped-for) effective resolution. Web pioneer Aliza Sherman helps us offer key tips.

BENCHMARKING CURRENT SOCIAL MEDIA USAGE AND PRACTICE

While these concerns appear daunting at first, it is important to note that these are truly early days of social media adoption. The majority (60%) began their social media programs less than two years ago, and as noted above, the vast majority are pressing ahead with social media programs and learning as they go despite reservations, internal roadblocks, inter-departmental integration challenges and concerns about return on investment.

Our first task in this study was to understand the basis for current practice and usage of social media within the corporate communications and marketing departments. Based on our findings, most communicators are well versed in the fundamentals of using social media to advance the corporate narrative, reach target audiences and secure coverage on social channels. Fully two-thirds are managing the corporate presence on the major platforms of blogs, Twitter, Facebook and YouTube. They are also using social media to monitor competitor actions, engage bloggers strategically and execute online promotions.

Category	Percentage
Tweeting Company News	78%
Monitoring competitors	73%
Managing corporate YouTube	70%
Managing corporate Facebook	60%
Pitching Journalists using	60%
Running contests on Twitter	60%
Commenting on 3rd party	57%
Managing Corporate Blogs	57%

PAY ATTENTION

"Digital listening posts" are the the modern equivalent of keeping one's ear to the ground; multiple tools, including Google Alerts and Twitter, allow a company to monitor the good and bad things people are saying about its brand, products and services.

REVIEW CONTEXT

Quickly, but carefully, assess what people are saying: is it really a crisis? Do we understand what is being said and its relative import to our brand, our mission, our integrity? There is nothing gained by entering the dialogue prematurely (without the right information) or unnecessarily.

ADDRESS PROMPTLY

Rapid response – when appropriate – is critical in assessing and possibly defusing a crisis; always remember that good news travels fast online, but bad news travels faster.

ACKNOWLEDGE FIRST

One of the great mistakes companies make is to misread social media's inherent intimacy with your audience. Once you assess the issue and what emotions are driving it, clearly address these in your responses, using proven, interpersonal communications (i.e. "We realize this is a challenging situation for all involved.") Give credence to the other party's feelings and perceptions. They may not be correct, but they are valid in that they're what they believe and feel.

DON'T OVERTHINK

Of critical importance – resist the temptation to get bogged down in endless committee discussions, iterations of drafts, and re-writes of statements ad nauseum; overproduced content can do more damage than good. Trust your instincts as a seasoned public relations professional; if you've taken the time to assess the situation even a somewhat awkward, initial response will buy you time as you continue to work through the company's measured repsonse.

WHAT SOCIAL MEDIA ACTIVITIES ARE YOU CURRENTLY DOING?

As we dug deeper, we wanted to understand how advanced respondents ranked their organization's level of usage of various social media channels. Fifty-one percent (51%) consider their usage and capabilities on Twitter to be highly advanced; and 40% say their Facebook usage is highly advanced. YouTube and Linkedin have the lowest level of advancement for this sample, with 30% and 12% respectively, and represent the areas of greatest growth potential for improving corporate usage.
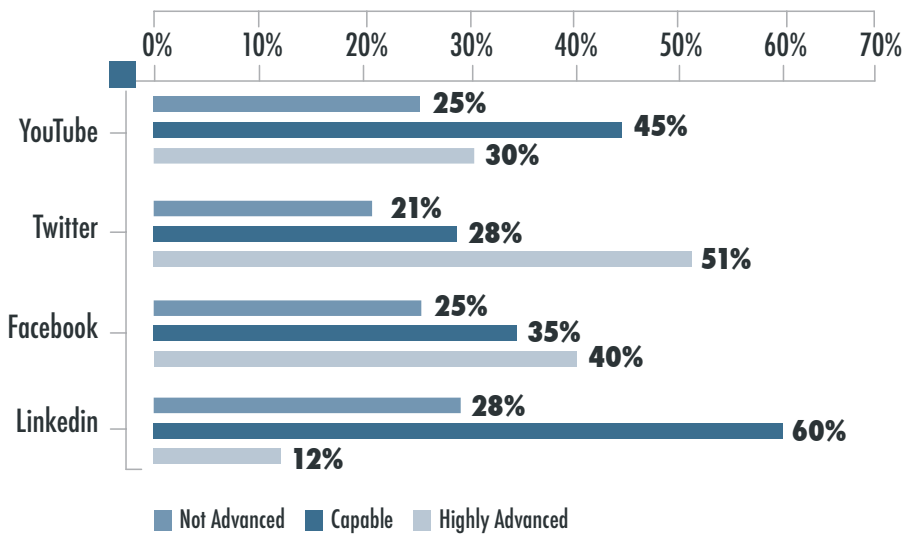
■ Not Advanced ■ Capable ■ Highly Advanced

How advanced is your company's usage of each of the following social media platforms? (Scale: 1 not advanced, 7 very advanced)

BE OPEN

A crisis affects people, and people want to see the human response to what they're feeling or how they've been treated. Pretending there are no emotions behind the issues is a likely way to lose credibility. If you are upset, worried, shocked, don't be afraid to express that – it is a far better response than one that is over-produced, canned and formulaic.
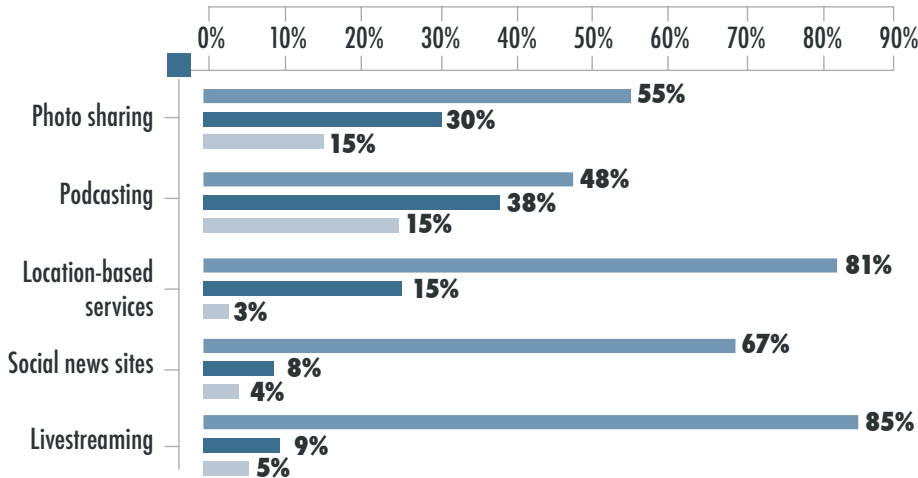
FIX THE PROBLEM

If the crisis puts a problem at your doorstep, admit it, address it and fix it. If something is wrong and you can make it right, do it. If something isn't really wrong but someone perceives that it is wrong, don't dismiss their concerns. Take every exchange seriously, and do your best. That is all anyone can really expect. If you make sincere efforts and consistently take the high road, you stand to gain some goodwill, even if the problem is not entirely resolved.

TELL YOUR STORY

Reinforcing your company's story even as you are "fixing" the process or addressing the issue ultimately aids in mitigating the crisis itself. Giving updates such as "we are continuing to look into every aspect of the issue as it is currently affecting our customers" underscores for your audience that you are persistently in pursuit of resolution, even if it is behind the scenes.

Among the social media tools and activities with the lowest levels of advanced usage are some of the more niche platforms, including managing location-based services such as Foursquare, Gowalla and Facebook Places (3%), as well as social news sites such as Digg, Reddit and Newsvines (4%), live streaming video such as Ustream and Justin.tv (5%). Podcasts showed higher levels of advanced usage (13%) as did use of photo-sharing site such as Flickr (15%).

Photo sharing	55% / 30% / 15%	
Podcasting	48% / 38% / 15%	
Location-based services	81% / 15% / 3%	
Social news sites	67% / 8% / 4%	
Livestreaming	85% / 9% / 5%	

How advanced is your company's usage of each of the following social media platforms? (Scale: 1 not advanced, 7 very advanced)

NEW IMPERATIVE FOR MEASURING SOCIAL MEDIA

Consider the historic flaws inherent in traditional media measurement that have consistently challenged PR's ability to establish solid accountability, metrics and standards to evaluate ROI:

- An emphasis on media relations – relying on such metrics as impressions – at the exclusion of other high-value PR activities
- Too heavy a focus applied to outputs over outcomes (consisting mostly of media content analysis)
- Little primary audience research
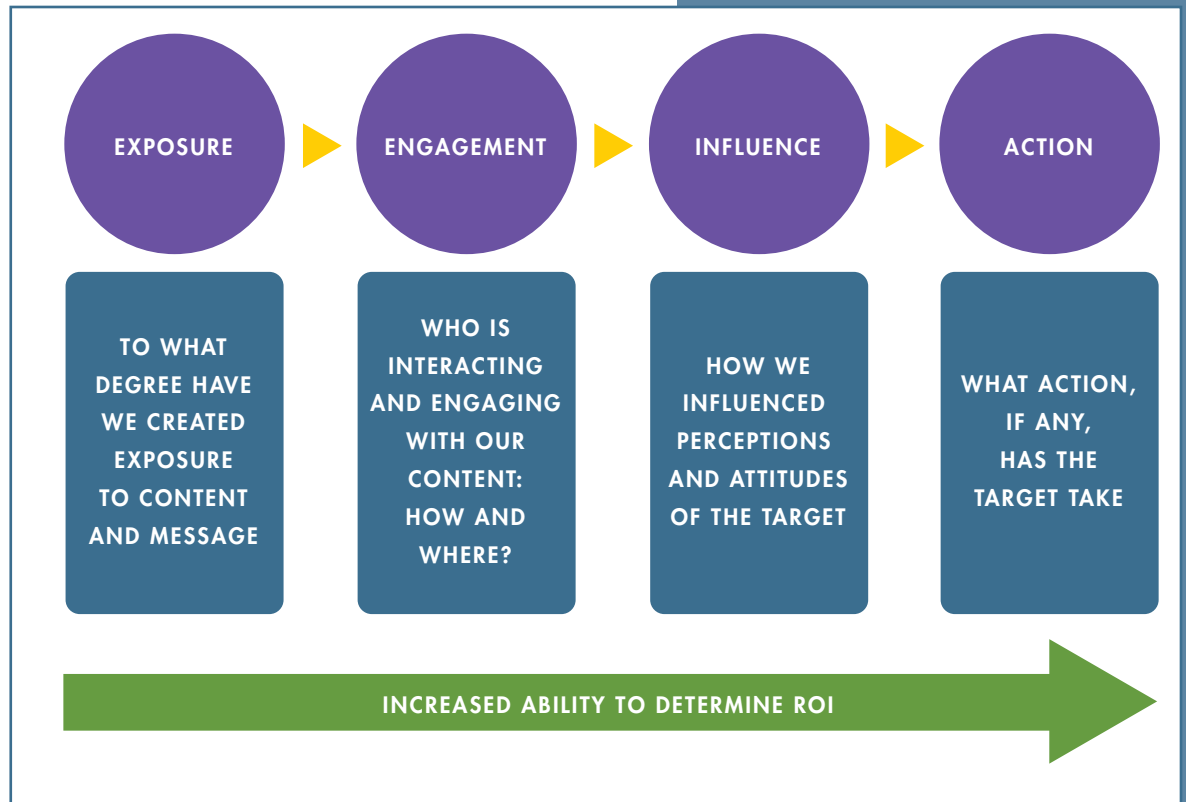- No standardized, codified thinking around how to gauge ROI

With the hyper-accelerated emergence of social media in all its permutations, old metrics like impressions now have little meaning and less value. It's about engagement, not eyeballs. It's about establishing intimacy with your audience through two-way dialogue. Consumers now have access to – or are actually creating – multiple, broad channels of engagement enabling them to voice their opinions about a company's brand. Increasingly, those opinions are heard – and valued – by a fabric of audiences that connect and overlap across blogs, Twitter networks, and other social platforms. In this conversation, corporate messages become diluted and lose importance; these peer-to-peer communications between consumers, and two-way communications between consumers and brands/companies are having a significant and game-changing impact on the way companies are organized and behave.
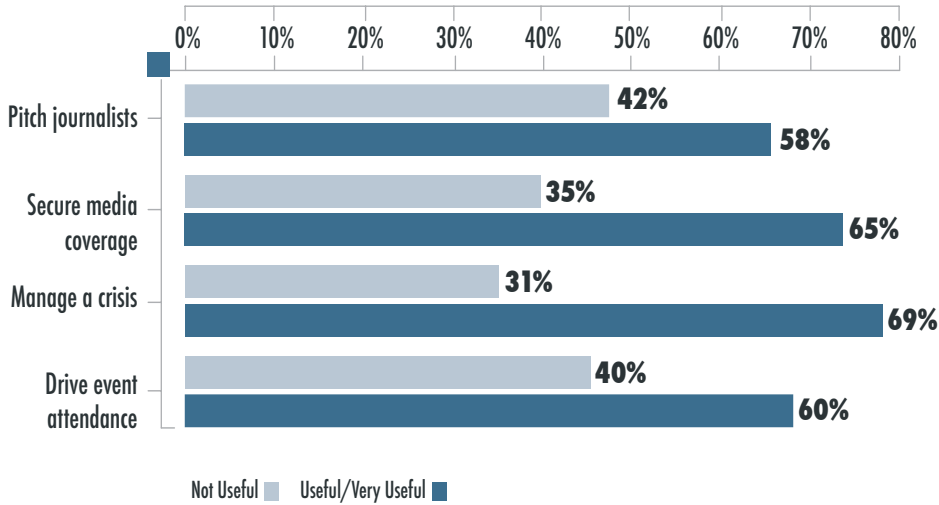
PERCEPTIONS ABOUT THE USEFULNESS OF SOCIAL MEDIA IN SUPPORT OF CORPORATE COMMUNICATIONS

The motivations for using social media as a communications platform are diverse, but the primary goal is to connect with key stakeholders and provide media and target audiences with more channels through which to interact with the organization and its brands. Ongoing dialogue, audience touch points and opportunities for media coverage abound online, and social media represents an important starting point for communicators seeking to transition the corporate narrative to these new platforms and micro-target the discussion. We therefore sought to understand how communicators regard the usefulness of social media as a tool for conducting core communications activities. Not surprisingly, social media scored solid marks across the board with a majority considering social media to be useful/very useful for pitching journalists (58%), securing media coverage (65%), managing a crisis (69%) or driving event attendance (60%). It is worth noting that sixty-nine percent think social media to be useful for managing a crisis, only 38% have a social media crisis communications plan in place.

Consequently, the very definition of public relations is evolving to encompass a much broader and more integrated view of communications and how we connect, engage and establish relationships with consumers, customers and other stakeholders on behalf of our clients. While public relations has historically focused on "earned media," this new "fabric of audiences" and the breadth of conversation and content it generates creates exponentially more consumer touch points that must be captured and measured.
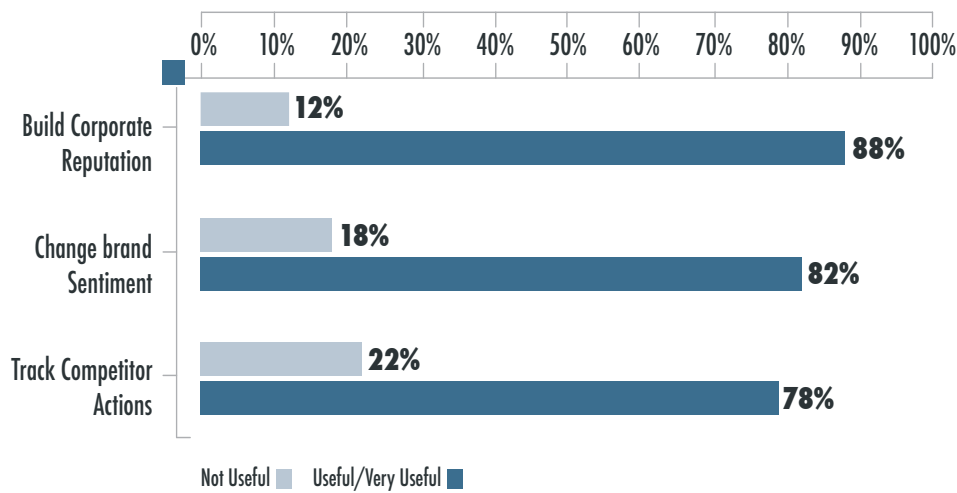
What is needed is a new methodology that is easy to understand and apply, across both traditional and social media. Here is one example proving to be successful in capturing clarity of measurement and relevance of metrics.

EXPOSURE	ENGAGEMENT	INFLUENCE	ACTION
TO WHAT DEGREE HAVE WE CREATED EXPOSURE TO CONTENT AND MESSAGE	WHO IS INTERACTING AND ENGAGING WITH OUR CONTENT: HOW AND WHERE?	HOW WE INFLUENCED PERCEPTIONS AND ATTITUDES OF THE TARGET	WHAT ACTION, IF ANY, HAS THE TARGET TAKE

INCREASED ABILITY TO DETERMINE ROI

Pitch journalists
- Not Useful: 42%
- Useful/Very Useful: 58%

Secure media coverage
- Not Useful: 35%
- Useful/Very Useful: 65%

Manage a crisis
- Not Useful: 31%
- Useful/Very Useful: 69%

Drive event attendance
- Not Useful: 40%
- Useful/Very Useful: 60%

Legend: ▪ Not Useful ▪ Useful/Very Useful

How useful is social media at doing the following? (Scale: 1, Not useful; 7, Very useful)

As we moved beyond the basics, we asked communicators how they regard the utility of social media to achieve strategic communications outcomes, we noted with interest that a majority think that the medium can deliver value in building corporate reputation (88%), change audience sentiment about the brand (82%) and deliver insights about competitors (78%).

Build Corporate Reputation
- Not Useful: 12%
- Useful/Very Useful: 88%

Change brand Sentiment
- Not Useful: 18%
- Useful/Very Useful: 82%

Track Competitor Actions
- Not Useful: 22%
- Useful/Very Useful: 78%

Legend: ▪ Not Useful ▪ Useful/Very Useful

How useful is social media at doing the following? (Scale: 1, Not useful; 7, Very useful)

In this model, Exposure includes traditional metrics like Impressions and Message Delivery, and social media metrics like Search Rank, Twitter Reach and Average Daily Visitors. Engagement includes traditional metrics like Readership, but adds new metrics like Subscriptions, Repeat Visitors and Follower Mention Percentage. Influence refers to influence of the target audience, not who has influence in social networks. Influence metrics range from increases in Brand Consideration to changes in attitudes and opinions to changes in online click behavior. Action metrics can range from event attendance to voting for/against legislation to buying a product.

The need to put PR results in a business context has never been greater. PR must be able to address – and answer – the question: what are we doing to help drive the business? Continued reliance on output metrics like impressions will make it difficult to explain business impact. The focus must be on outcomes, and answering the question: what happened as a result of our program or coverage?

SOCIAL MEDIA SPENDING

As the practice of social media becomes increasingly integrated into the fabric of public relations and other marketing activities, it becomes more and more difficult to say where one discipline or tactic ends and another begins. Is tweeting a news release from the corporate handle, "social media" or is it merely the routine process of broadcasting company news updates akin to sending an "FYI" email to beat reporters? Is running a contest on Facebook that includes a product giveaway, social media, or is it a promotion?

The answers to these questions are different at each company and there is no right answer. In terms of how organizations are funding social media programs, the responses we received were as diverse as the companies that provided them. Fifty-five percent (55%) of respondents do not have a separate line-item budget for social media programs and activities, and viewed social media as an integral component of either the overall communications spend. For most social media budgets embedded into communications programs and resources allocated to PR agency partners.

Company Revenue	% Respondents	Average Range	Highest Budget
< $1Billion	53%	$25,000-200,000	$500,000
$1Billion to $20 Billion	31%	$200,000-$300,000	$2,700,000
> $20 Billion	16%	$300,000-$500,000	$5,000,000

While levels of investment in social media varied greatly across this sample, one thing was nearly unanimous among respondents – over the next 12-18 months 89% said they will be increasing their level of investment in social media.

INFLUENCE IS THE NEW CURRENCY

The social media landscape features voices of influence that include journalist-bloggers, blogger-journalists, and citizen-bloggers, but which of the nearly 80 million Technorati-ranked blogs do you want to reach? And, as Twitter and other channels of communication become increasingly more competitive with blogs for mindshare and impact, which voices are the most relevant to your audience and, from a communications/public relations perspective, which have the most influence? To help PR practitioners develop smarter strategies, Access Communications, developed a proprietary toolset designed to effectively engage online voices of influence and better guide companies' social media communications efforts. The Access Blog Influence Engine (ABIE) is a multi-dimensional scoring model that ranks blogs by influence and tracks more than 10,000 blogs by audience, topic area and market segment. Access also maintains extensive insights about individual bloggers, including author profiles, posting history, sentiment, topic mapping, linking behaviors and others.


ABIE IDENTIFIES CONTEXTUAL INFLUENCE

MEASUREMENT AND REPORTING

Measuring social media activities has created an entirely new set of measurement and reporting functions within corporate communications departments. There is still much work to be done in this area. The integration of social media monitoring and measurement has meant retraining staff, buying new monitoring services, whether agency or third-party, and re-engineering internal workflows and reporting cycles. In terms of the basic mechanics of measurement, companies are connecting proactive communications initiatives to growth in the numbers of followers, tweets and re-tweets (Twitter), "likes" (Facebook), and subscribers (YouTube and blogs).

The adoption of social media has brought with it a host of new and more advanced activities, including: listening to voices, tracking conversation threads, monitoring influentials, participating in communities of relevance, contributing content, conversing with customers, and tracking impact on the business. Respondents are tracking company and brand connections to online conversations and hot topics, monitoring competitive share of voice data across social media channels, and keeping track of where conversations are taking place and what is being said. Traditional communications measures such as audience reach, message pull-through and tone remain highly relevant and in use across social media.

As noted above, an abiding concern communicators have regarding social media is the general lack of tangible metrics to measure impact of programs beyond the more ephemeral metrics of conversations, community buzz and customer engagement. Most respondents believe social media has significant utility to drive web site traffic (85%) and engage customers (83%), yet the jury is still out on whether social media is useful or effective at selling products (45%).
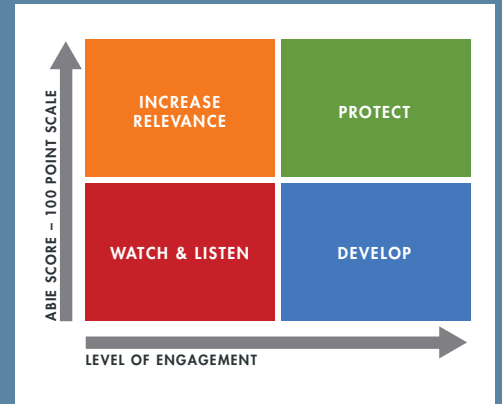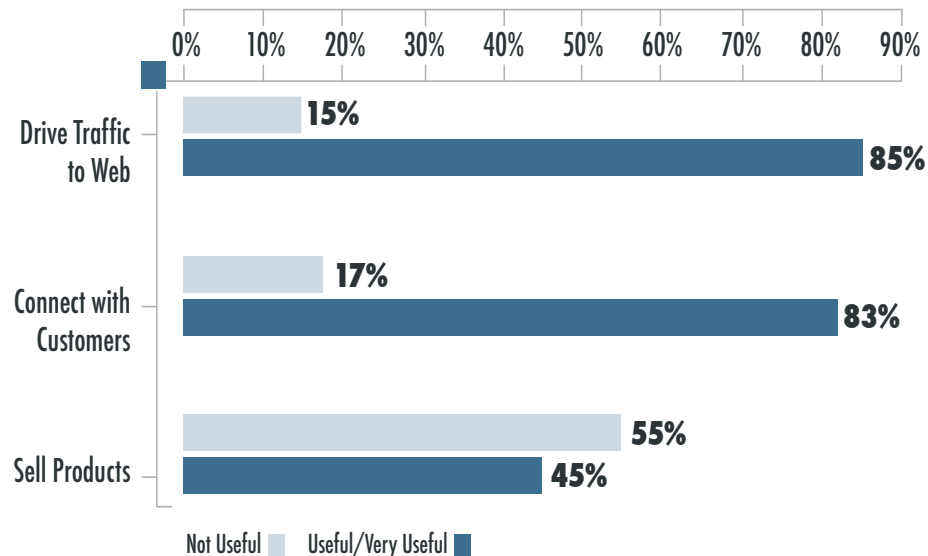
THE BLOG ENGAGEMENT MATRIX ENABLES STRATEGIC FOCUS AROUND REACHING VOICES OF INFLUENCE

	0% 10% 20% 30% 40% 50% 60% 70% 80% 90%		
Drive Traffic to Web	15%		
	85%		
Connect with Customers	17%		
	83%		
Sell Products	55%		
	45%		

Not Useful ▢ Useful/Very Useful ▮

CONCLUSIONS

A surprising number of hold-outs: It is worth noting that there are still many (1 in 5) that have never attempted to use social media for a number of common communications and marketing related activities, including generate sales (22%), drive trial or usage (23%), or source new employees (22%).

There are no half-measures in social media. Most respondents to this study have gone "all-in" with regard to advancing their organizations social media skills. They are building strong social media management skills and capabilities, launching new campaigns, managing the disparate goals, aspirations, needs and concerns of their colleagues in marketing, HR, IT, customer service and senior management.

Everyone must work together. Respondents noted the need for stakeholders across key functions and departments to form a unified social media strategy. In most big companies, not only do IT, digital, marketing and sales not work together, they compete with each other. A company that hasn't learned to listen to its own employees, and encouraged them to collaborate internally, is not likely to succeed in integrating social media tools into its marketing mix.

Top management must be on board. A persistent concern voiced by many respondents is that senior management doesn't sufficiently "get" social media, slowing its widespread adoption and execution across the business. Social media integration will continue to meet resistance until top management says it's OK to spend time – and money – to integrate it into the company's marketing and culture. A good example of this is companies who persist in talking to customers, rather than listening and responding to what customers say about the brand, talking to doesn't work any more. A company not willing to listen to customers, to be nimble and quick enough to respond and change, will soon be unable to compete with smart, tech-savvy companies that can turn on a dime. Willingness to change is the new bottom line for every business today, but top management has to buy in before change can begin.

Don't expect overnight success. Yes, videos go viral, contests attract a lot of buzz, tweets gain followers, and Facebook pages earn fans. But what comes after those efforts? Even as new tools quickly make the current ones obsolete, how will social media evolve and continue to fit into the company's overall strategy and help it reach long-term goals? One way is by ensuring continuity of engagement. For example, once you empower your customers to become your evangelists, you must be prepared to continue it. This kind of marketing – the intimacy of customer engagement that social media allows - must be permanent. Once you have created the community, listen to it.

Public relations measurement is at a crossroads. Respondents all speak to the need for PR to quantify the value of its programs. Companies are deploying a wide range of toolsets and methodologies across their social media initiatives in an effort to gauge the effectiveness of their spending. Old metrics are no longer applicable and old thinking must be replaced by new. It is becoming increasingly clear that industry standards must be adopted which universalize the right metrics and apply realistic measurement parameters to relevant outcomes, to optimize PR's ability to quantify its social media programs and prove its value.

And finally, **Social Media Measurement will be part digital, part analog.** The migration of media and dialogue to online platforms changes what we need to track, research and measure, and where we look for data and the methodologies we employ in our analysis. What is certain is that there will always be more data but with that will come new tools and better analytics. What will also not change is the need to apply insights to this data – perspective and human analysis that is the value-add PR provided in the traditional media world, must continue to provided in the new world of social media – and what this data means to the business, and how to make it actionable in service to business objectives to achieve outcomes that drive value.