

SOCIAL ENGAGEMENT: **TRENDS, CASES & THE** **NEW MODEL IN ACTION**

PART THREE

Current Trends in External Engagement

Arthur W. Page

ARTHUR W. PAGE SOCIETY

CURRENT TRENDS IN EXTERNAL ENGAGEMENT

Many companies, especially but by no means limited to those subject to complex regulatory regimes like those in pharmaceuticals and financial services, began their social media engagement internally and now, after having gained both the confidence to use these tools externally and the recognition that external engagement is essential, are moving out more assertively, creatively, and efficiently.

While this migration to social media platforms for external engagement is not without some anxiety, it is being driven by an awareness that traditional models just aren't as effective as they once were (or, perhaps, that better metrics are helping us understand that they were never as effective as we once thought they were). As *Building Belief* noted:

- Seventy-five percent of people don't believe that companies tell the truth in advertising.
- Nine out of ten consumers online trust recommendations from people they know; seven out of ten trust opinions of unknown users.
- Seventy-eight percent of consumers trust peer recommendations.
- Sixty-one percent trust family and friends and customer reviews over manufacturers, experts or retailers.

If, as the New Model suggests, “forging a shared belief” is essential to spurring action and building advocacy, it is clear that social engagement is an essential vehicle. Moreover, the most effective companies and organizations have been successful at not only forging a shared belief but in creating

a community of people who feel themselves to be part of a movement, and who are apparently motivated – at least in part – not by “rational economic self-interest” but by a belief in, and emotional satisfaction from connectedness. This connectedness is, in turn, linked to trust, which then depends upon a sense of mutuality, as the Page Society's *Trust Report* noted. Social media, by providing the opportunity for true engagement rather than the passive reception of corporate messaging, permits customers and other external constituents to become active participants. When their beliefs are honored and shape those of the enterprise in such exercises as crowd-sourcing, *Building Belief* notes, “tremendous advocacy” can result.

As corporations pursue external engagement, they are both changing the social media environment and reacting to an evolved social media ecosystem that is no longer just about Facebook, Twitter, LinkedIn and YouTube. Photo/video sharing services are an example: Flickr, which currently has roughly 90 million users, was acquired by Yahoo in 2005. Instagram, another photo sharing service, was acquired by Facebook in 2012 and has over 100 million users. Vine, acquired by Twitter early in 2013, is already being embraced for its ability

to capture 3-D images of merchandise and create memorable visuals in tiny video clips that are essentially the visual equivalent of a tweet. Early business adopters have included Urban Outfitters, Nordstrom and a number of big-name fashion designers. What are the key trends in external engagement and the best practices for effectively engaged enterprises?

Content Will Remain King

Perhaps most important of all, one should discount the notion that we have moved into a “post-content” marketing world. The evidence is strong that content remains, and that content will continue to be king, and organizations that don’t have quality content (along with the ability to shape and syndicate it effectively) will suffer. Content remains essential to connecting with key audiences and demonstrating an organization’s understanding that effective social media engagement requires a two-way exchange of beneficial information. Companies that do not provide genuinely useful content will find it difficult to keep their end of the bargain.

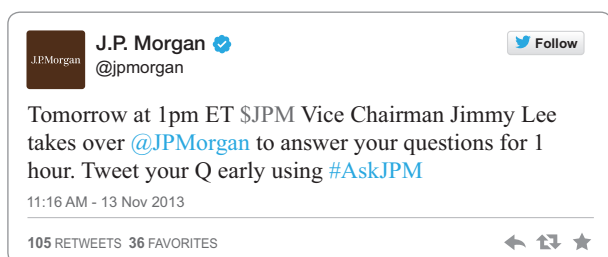
Indeed, in the New Model, CCOs are encouraged to establish the capacity to create “owned media” and to distribute this content directly to targeted individuals through social networks and mobile devices. And they are advised to leverage the data obtained from listening into personalized and tailored communications that enhance brand relevance.

It is also increasingly important for content to make an emotional connection with target audiences, something many companies still find challenging. This is occasionally the result of overcautious legal review, but is more often the result of tight deadlines, writing by committee or simply the habit of speaking in a dry institutional tone. Whatever the cause, the effect is to drain all emotion –

reminiscent of Woody Allen’s lament in the film “Radio Days” about his mother running all their food “through her deflavoring machine.” Developing the skills of “transmedia storytelling” – providing a compelling narrative that engages the audience at the optimal intersection of the rational and emotional across all channels, digital and otherwise – has become essential.

Dell is one example of an organization that has developed a successful content-driven effort. The company has used social media as a channel for thought leadership and brand awareness. It created a Facebook page to provide small and medium-size businesses with best practices for social media use. Aside from the Dell branding, the page isn’t about selling computers – it’s about how to use social media effectively. Content includes tips for reaching out to bloggers, Pinterest guides, Twitter demographics and more. The program has garnered over 55,000 “likes” and is considered to have increased awareness of Dell’s services to small and medium sized businesses.

It’s important to remain mindful of current public sentiment (political, cultural and social) when engaging with your audiences on social media. Such sensitivities can overcome the danger of creating your own social media crisis through thoughtless engagement. In November of 2013, JPMorgan (which had already had its share of bad press) announced plans to have one of its senior executives, Jimmy Lee, “take over” the @JPMorgan twitter handle to answer questions from the masses using the #AskJPM hashtag.¹



¹ Camilla Hall, “JP Morgan Feels the Wrath of Twitter,” *Financial Times* online, Nov. 14, 2013, <http://www.ft.com/intl/cms/s/0/8d3a24dc-4cbf-11e3-958f-00144feabdc0.html#axzz2wDQjDUkm>

The public's negative sentiment toward the 2012 large trading losses, which occurred at JPMorgan's Chief Investment Office, was still very fresh. It turns out that many people on Twitter still had strong feelings about the financial crisis and wanted to #AskJPM about it. After about seven hours it became clear that JPMorgan had lost control of the conversation and the bank pulled the plug on the event.



The crisis, nicknamed the “London Whale,” accumulated an estimated trading loss of \$2 billion. These events gave rise to a number of investigations to examine the firm’s risk management systems and internal controls.

Data is Power

If content is king, data is power, and the type of data that matters is rapidly changing. Many companies have been looking at data such as the number of Facebook “likes” and “followers” on Twitter, etc. But these are crude measures of effectiveness for a variety of reasons. For example, they fail to distinguish between key influencers and others and do not measure whether the sentiment that produced the “like” or “follow” produces any sustained interest or other benefit. In short, volume is no longer the Holy Grail, and companies are learning that volume doesn’t necessarily translate to advocacy.

Currently, many organizations are relying primarily on data provided by the social media platforms themselves, such as Facebook Insights, Twitter Analytics, etc., though the most sophisticated socially engaged enterprises use a combination of social media management systems and listening

tools like Radian 6. But the future of social media data generation will tie into other existing measurement systems such as customer databases. One leading automotive company is building its measurement program to see if customers who engage with its social content are more likely to purchase, and if they do, whether they are more likely to spend more than other customers (which is examined further in the upcoming section on Metrics). Consequently, skill in data analytics is becoming a core competency for communications professionals.

Platforms and How We Use Them

Platforms are simultaneously expanding (Facebook graph search), proliferating and consolidating (e.g., Twitter’s acquisition of Vine and Facebook’s acquisition of Instagram), and international use in languages other than English is increasingly important. A few examples of platforms beyond the big three of Facebook, Twitter, and YouTube, and who’s using them well include:

- Pinterest, the theme-based interest-sharing site, has 48.7 million users worldwide, with 12 million U.S. users. Among its effective users are Bayer, Novo Nordisk, Lowe’s, Whole Foods, Sephora and others.²
- Instagram, the mobile photo-sharing and social networking site, has 100 million users, with 7.3 million daily users, and 4 billion photos posted. National Public Radio, American Express and GE are notable users.
- Qzone, the Chinese social networking platform similar to Facebook, has 600 million members (primarily in China), and is being used effectively by such consumer brands as Nestle, Nabisco and Colgate.
- V’kontake, the Russian social networking service, has 200 million members and is being used by Adidas, Megafon (the telecommunications company) and Volvo.

² John Rampton, “Pinterest Marketing Tips: What You Can Learn from 20 Big Brands,” *Entrepreneur*, Sept. 5, 2013, <http://www.entrepreneur.com/slideshow/228181#0>

The trend is not only to new platforms but also to combining multiple existing platforms into integrated social media campaigns:

- Bombardier, the manufacturer of railway and other products, is using an online platform to allow users to crowdsource product designs. It hosted an online contest wherein users were asked to design new trains for three different market types. Over 4,500 designs were submitted, generating 26,000 evaluations. The contest employed a proprietary “YouRail” Facebook page and Twitter feed, with links to a YouTube channel. The effort allowed Bombardier to crowdsource innovative engineering, business and urban planning solutions from users across multiple platforms.
- Sony PlayStation used a combination of Twitter and Facebook, plus the Major League Baseball web-site, to keep its MLB-based video game relevant during the off-season. Potential customers were invited to vote on who would be portrayed on the cover of the upcoming season’s video game. Not only did the PlayStation and MLB brands benefit from heightened awareness, but the effort obtained attention from high-level celebrity influencers such as Kobe Bryant, Charlie Sheen and Eva Longoria, who shared the campaign with their online fans.

The proliferation of sites is requiring organizations to make difficult decisions about where to invest resources. The temptation to establish a presence on every new platform should be resisted and may not be the most appropriate strategy for a particular brand. Brands must understand their target demographic and how that demographic navigates the evolving digital ecosystem. Where do they interact

with the brand? With each other? What platforms provide the best opportunity for engagement with brand-enhancing content? Companies need to be strategic, and not unnecessarily fragmented, in approaching these questions.

Growing Privacy Concerns

Although the recent focus on data collection in the U.S. has largely focused on the government, privacy concerns about corporate data mining are growing as well, especially in Europe. Laws requiring disclosure of various listening, data collection and data mining techniques may be on the horizon. Already, laws in Germany require Google Analytics to render anonymous the searcher’s IP address to nullify its ability to track the user’s geographic location, and the European Union requires browsers to reject tracking cookies that capture information about a user’s online activities.

Building Reputational Capital

At its core, social engagement enables an organization to build (or lose) reputational capital. Conversations surrounding the world’s most identifiable brands are happening millions of times a day whether the brand itself participates or not. Strategic and effective engagement, built around authenticity and genuine commitment to the conversation, builds reputational capital, enhances the brand, and helps earn the benefit of the doubt when the company finds itself under criticism, investigation, or some other crisis.

PRACTICE POINTERS

- The first step in practicing external engagement is to establish the organizational objectives. These can range from enhancing customer service (see Southwest Airlines case study that follows) to introducing a new product to current customers or to building awareness in new markets. Whatever the reason, businesses need to define their goals up front to ensure a smart content strategy.
- Once the goals are set, businesses can transition to the social listening stage. How are customers talking about us? What are they saying? What are our competitors doing? Determining the appropriate social platforms and the topic of conversations can save resources and improve overall success. It is also important to conduct a social audit and benchmark competitors' to discover opportunities for content and differentiation.
- Based on the data collected in the social listening stage, companies should then craft their external engagement strategy. Start by bucketing content (company news, photos, historical events, etc.) and then determining the best platforms for each. Revisit the original objectives to ensure a sound strategy.
- Continue to listen once the content has been distributed, and selectively engage. If consumers post comments or questions, respond to them. The key is to humanize the business by establishing a brand personality and creating a back-and-forth dialogue. Strictly following a set list of responses can make the company seem robotic. Establish guidelines, but be capable of straying when necessary.
- Finally, businesses need to measure, optimize, and stay current with their online conversations. Contextualize social engagement with current sentiment. Be mindful of what else is going on in the world. Remember, data is power. Discover the types of content that resonate and receive the most relevant engagement to the organization's original goals. If certain posts are not working, scrap them.

CASE STUDY



External Engagement

The Challenge:

On Aug. 3, 2012, Southwest Airlines launched a fare sale to celebrate reaching three million fans on Facebook. The sale was a 50% off fare sale, so fans and the media were naturally excited. About five hours into the sale, Southwest noticed that customers were having issues using its website and were being charged multiple times for what should have been a single transaction.

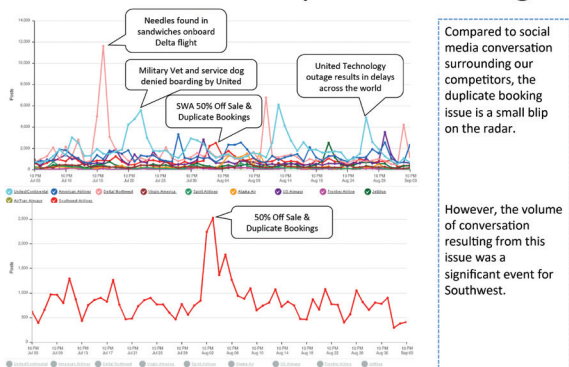
The company immediately took the comments and concerns that they were seeing on Facebook and Twitter to their Technology department to investigate the issue. They were then able to pinpoint a glitch in their website system that was resulting in customers' trips being booked multiple times – or, in some cases, being charged for an entire planeload of fares.

The Solution:

Southwest took the necessary steps to end the sale early and began the process of refunding and apologizing to thousands of customers. By closely following the online comments, Southwest was able to activate the appropriate parties internally to understand and resolve the situation promptly. They were able to quickly notify customers of the issue and what they were doing to resolve it. Working with Marketing and Customer Relations, the company was also quick to issue an email to all customers that were affected offering a \$150 flight coupon as an apology and gesture of goodwill.

The company continued to post multiple updates throughout the evening of the event and responded individually to customers. In the following weeks and months, the company thoroughly examined its internal processes and proposed solutions to help prevent similar incidents in the future. Customers thanked Southwest repeatedly on different social channels for being transparent and using their channels to convey information.

50% Off Sale & Duplicate Bookings



CASE STUDY



The Intersection of Social Media, Member Services and Issues Management

The Challenge:

Increasingly, consumers are turning to social media to voice their displeasure with their brand experiences. In 2010, social media monitoring revealed a growing number of Kaiser Permanente members sharing negative experiences – from parking congestion to billing issues to wait times. This chatter reflected a reputational risk to the organization.

Though many organizations were using social media as a customer service channel at the time, the practice remained uncommon in highly regulated industries such as healthcare. Due to the conflict between the very public nature of social media and the legal obligation to protect patient privacy, engaging in customer service via social media required regulatory review and engagement.

The Solution:

Conscious of marketplace demands and regulatory expectations, Kaiser Permanente Brand Communications and Member Services teamed up to design a Twitter pilot project. In May 2010, with the blessing of the California Department of Managed Health Care (a government regulator), Kaiser Permanente launched @kpmemberservice to proactively reach out and address member concerns via Twitter.

The project was staffed by Member Services professionals trained in how to triage member

“Central to our beliefs at Kaiser Permanente is that we help make lives better when we listen to our 9.1 million members and then act on those learnings. I’m so pleased that we embraced this model in the social media space four years ago. It’s a great example of the New Model at work - we engage and serve our members, they become brand advocates, and they then tell our story in ways that are more genuine than any organizational communication.”

- Diane Gage Lofgren
Senior Vice President, Brand
Strategy, Communications &
Public Relations, Kaiser Permanente

concerns through channels approved by the organization’s regulatory agencies. The staff also received additional training and support from the public relations and issues management team to align the @kpmemberservice team’s work with other Brand Communication efforts. The resulting combination not only formed a robust capability to monitor and respond to members’ concerns but also incorporated Member Services in promoting and protecting the brand in the digital space.

Key Learnings:

Data from three years of @kpmemberservice engagements showed that the vast majority of Twitter users were interested only in venting and being heard rather than asking for a specific remedy or response. Surprisingly, less than 9% of @kpmemberservice’s interactions resulted in a Member Services “save” or the filing of a formal complaint. Yet the value of “being heard” cannot be understated; the @kpmemberservice team documented that 7% of all member contacts end with the member publicly tweeting their gratitude for @kpmemberservice listening and proactively reaching out.

Similarly, while the issues management team has documented an increase in issues managed, the average amount of time an issue is in the news cycle has decreased – thanks in part to this cross-functional social listening capability surfacing issues before they can grow and cause reputational damage.



In July 2013, Kaiser Permanente was notified by the Department of Managed Health Care that the Twitter pilot had graduated to program status and advised that the same methodology could be applied to other social media channels.

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Page Society Social Media Workstream Co-Chairs

Bob Feldman, Partner, PulsePoint Group

Alan Marks, Senior Vice President, Global Communications, eBay, Inc.

Page Society Thought Leadership Committee Co-Chairs

Aedhmar Hynes, Chief Executive Officer, Textroo

Alan Marks, Senior Vice President, Global Communications, eBay, Inc.

Special Thanks to Contributors

Roger Bolton, President, Arthur W. Page Society

Bill Feldman, Senior Counselor, PulsePoint Group

Diane Gage Lofgren, Senior Vice President, Brand Strategy, Communications & Public Relations, Kaiser Permanente

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Linda Rutherford, Vice President, Communications & Strategic Outreach, Southwest Airlines

Dan Strouhal, Director of Professional Development and Communities, Arthur W. Page Society



ARTHUR W. PAGE SOCIETY

317 Madison Avenue, Suite 1607

New York, NY 10017

Phone: 212/400-7959

Fax: 347/474-7399

www.awpagesociety.com