

Social Media:

the case for online engagement

TIPS AND BEST PRACTICES FROM GLOBAL COMPANIES



Social Media: the case for online engagement. Tips and best practices from global companies.

Deciding “how to engage” in a chaotic, social media driven environment is now front and center for corporate management. The C-suite is demanding more productivity and accountability than ever—which also spells more visibility for those who can harness social media and online reputation management.

This white paper is for corporate communications, public relations and marketing managers who have more budget constraints and fewer resources than ever—yet, are still expected to engage with the new channels and deliver on brand and image expectations. At dna13, we see the recessionary climate combined with the power of social media as a new vista of opportunity. Joining the conversation and shaping public opinion holds promise of reducing the costs of communications.

WHAT YOU WILL LEARN:

1. **Social media drives down costs**

Harnessing social media conversations and finding a place within that community landscape will help companies survive in tough economic times. In essence, PR and corporate communications can “scale the message” by inviting comments, engaging various stakeholders (customers, media, etc.) and leveraging their ability to move that message forward. Of course, we lose some control here but the larger value of high impact blogs, plus thought leadership is well worth the effort.

2. **Collaboration is key to success**

Maintaining a consistent message across global teams in a crisis situation is already tough, let alone working to ensure the same key messages are being delivered by your geographically separated spokespeople. Using an enterprise system for virtual collaboration brings together PR, HR, IR and corporate marketing. This approach provides the C-suite with clear visibility into ongoing and emerging corporate issues and **how** they are being managed.

Situation Analysis

LET'S TAKE A LOOK AT HOW THE LANDSCAPE IS CHANGING

The C-suite is still catching-up to the social media phenomenon—according to new research from Chief Reputation Strategist, Dr. Leslie Gaines-Ross and the Weber Shandwick team: “only 56% of CEOs see a ‘high/moderate’ threat to the company reputation”, while employees below the C-suite see a 67% threat of brand impact. This is surprising, considering that previous studies show 83% of companies will face a reputation crisis in the next five years that will devalue them by 20-30% (Oxford-Metrica). Furthermore, a report by the CMO Council and Satmetrix indicates that only 16% of CMOs monitor online message boards and social networking sites.

Fortunately, PR practitioners and corporate communicators are rapidly embracing this new space and ramping-up quickly in order to leverage social media to broaden brand appeal or protect it in crisis. This white paper by **dna13** will examine the latest social media trends, offer recently released research on the impact of brands on corporate value, and provide social media engagement case studies of companies like MasterCard, JetBlue and McDonald's.

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Dr. Leslie Gaines-Ross
The Weber Shandwick Team

dna13 has been fortunate to speak on panels and webinars with top industry thought leaders, and as such, we will convey our expertise in online social media and brand reputation management best practices.

Takeaways of this paper include:

- Your brand reputation matters. According to Nielsen, seven out of ten companies that went bankrupt had negative brand identity online prior to failing in the market.
- Innovative companies like Scotiabank, McDonald's Canada and WestJet are turning to enterprise platforms like **dna13** for product promotions, customer relationship management and community building.
- Smart users of social media can “scale” their messages more rapidly and authentically to move large numbers of consumers or key stakeholders in a positive direction.
- Every major corporation enters a recession with threats of decreased revenue, possible lay-offs and a lengthened sales cycle. Managing expectations is part of your job now
- Crisis communications is more prevalent. Early warning systems and addressing customer malcontent can help turn a situation in a positive direction.

The objective of the savvy corporation is to monitor brand reputation, collaborate with all internal and external resources to address issues or share ideas, and parlay that enterprise knowledge into action. Utilizing social media to stay ahead of the rapid news cycles is vital. Addressing all stakeholders and having full visibility into how the company is responding can substantially increase the positive outcome of an issue due to collaboration alone.

The Association of National Advertisers recently reported that 77% of marketers plan to reduce their ad campaign's media budgets in the face of the recession. However, the way these marketers plan to increase sales and brand recognition is by shifting to online media spending, rather than focusing on traditional media—suggesting there's greater worth in social media endeavors. Innovative brands can, in fact, thrive in a stressed economy by leveraging social media to broaden a brand's appeal or to protect it in a crisis.

Who is Doing it Well

MCDONALD'S

McDonald's and other multinational brands know that collaborating internally with investor relations, human resources, product managers and other key functions bring a cohesive and smart message to the ultimate consumer.

"In order to be successful, multiple disciplines must really come together to navigate the ever changing communications and media environment," says Heather Oldani, Director, Communications at McDonald's USA. "Then, to develop the appropriate programming and tactics that will create those meaningful relationships and drive brand perceptions."

According to Oldani, "Every five seconds someone has a conversation about McDonald's online." She added that McDonald's is looking to engage and collaborate with potential customers, to "talk with them, not at them."

"How do you get people to be credible brand ambassadors," questions Oldani about her challenge. "... Well, we have 700,000 people, employees who can be brand ambassadors to start."

MASTERCARD

According to Linda Locke, Global Head of Reputation and Issues Management, for MasterCard International: "We are now auditors of the brand both internally and externally. We mine the media landscape and it is a great source of material for our brand and for our C-level management."

"MasterCard is one of the world's best known brands. But the role of the reputation and issues management team continuously evolves to meet the changing

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Linda Locke
Mastercard

communications landscape," she said. "There are new ways to manage now and social media is quickly becoming a driving force. One-off media, analyst or financial relationships are giving rise to listening to our communities directly through social media."

"Measuring and responding to all media is a great way to advance our profession as brand, reputation managers and communicators," said Locke. "We are becoming ever more valuable to the organization."

"Our Global Board is listening to these conversations and how we track," she noted.

JETBLUE

JetBlue has gathered more than 130,000 followers on Twitter by illustrating their corporate values (humanity and humility) through social media—nine times the number of Southwest Airlines Twitter followers and 85 times the number of followers for Delta Air Lines.

Twitter has inspired a culture of immediate response—an airline is often likely to get notification of a potential incident or emergency from a passenger, not necessarily the flight crew.

Consequently, JetBlue's corporate communications strategy follows their mission to "bring humanity to air travel", promotes an open dialogue with their customers, and uses their feedback to make valuable policy changes.

"Our goal at JetBlue is to provide a radical application of common sense to airline policies," notes Jenny Dervin, Director of Corporate Communications at JetBlue. "Since we take pride in being a company of human beings, our communications with the customer must be authentic first." The JetBlue goal to use their social media outreach as an "information booth, not a podium" has led to a corporate culture of understanding and forgiveness—customers are more likely to forgive incidents that would put other airline companies out of business and also offer them notice of any looming issues.

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Jenny Dervin
JetBlue

Dervin cites the ice storms in February 2007 as one incident where weather and operation policies could have led to financial disaster, but solid customer relationships saved the day (including an online video apology from CEO David Neeleman). Ultimately, JetBlue didn't lose any revenue from the incident—their customer base responded with forgiveness and loyalty to the brand. The JetBlue media monitoring team (including their social media expert, Morgan Johnston) tracks public response as a way to improve business strategies and allows customer input to dictate their policies. Clearly, using media monitoring to approach customers that don't expect to be reached can lead to a dynamic, human relationship between corporation and customer.

Characteristics of Social Media

As a primer, we all know that social media is fast, viral and permits the free market of ideas.

Listening and engaging is the most important part of corporate social media. Authenticity is another key component—the blogosphere can smell deception. Craig Newmark spoke at the 2008 PRSA International Conference about these characteristics of the online community.

While social media values opinion—sometimes even more than objectivity as seen in more traditional media—the conversation itself is a place where PR can insert itself and find an audience. Corporations can host their own conversations and air corporate opinions without offending their audience. Narrowcasting the right stakeholders; those that matter most to your company like customers, investors, or traditional media, also helps communicators target a message.

“87% of consumers tie a CEO’s reputation to the reputation of the company.”

Issues and reputation management are now elevating up to the C-suite. Many CEO’s are writing blogs, contributing to online communities and creating direct access to their stakeholders. Assisting with these blogs, but ensuring they are in the true voice of the CEO, helps give PR and social media experts more exposure. According to Hill & Knowlton, 87% of consumers tie a CEO’s reputation to the reputation of the company.

Andy Beal
Marketing Pilgrim

Social media lends itself perfectly to product launches or rebranding campaigns due to its viral nature and ability to generate mass involvement with minimal input or direction. Just like starting a spinning top, or rolling a ball downhill, the conversation picks up momentum. Excellent ideas about your company, its product, and how it should act, will bubble up to the top of social media conversations.

In an economic crisis, more than ever, major corporations must fulfill the consumer’s greatest need by listening to their perspectives, engaging them, seeking their input, and being completely transparent in all dealings.

Mainstream Media Drives (and Learns from) New Media

Another critical factor in today’s corporate reputation management challenge is that traditional media like TV, radio and print will drive traffic and create synergy with online media.

Reporters from mainstream publications “Google” a topic or a company (or its Chief Executive) before even beginning to report on the subject. A recent survey of journalists by the Society for New Communications Research and Middleberg Communications indicates that 46% use blogs and 86% use company websites to research organizations. Furthermore, the next wave of journalists rely heavily on social media resources to develop a closer relationship to their audience—87% of 18-29 year old journalists “confirm that new media and communications

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enhances the relationship with their audience,” and 100% “believe new media and communication tools are enhancing journalism.”

Reporters are very savvy about Twitter. During the recent presidential election in the US, “tweeting” and sharing information rose to new heights. Even government representatives are “tweeting” in full force—most recently, members of Congress tweeted commentary during President Obama’s address to the joint session of Congress (Washington Post). Corporate public relations people need to embrace these platforms, such as micro-blogging and look for new opportunities for further engagement: asking consumers to provide feedback on a new product, or to get PR by posting a TinyURL link to your corporate news source.

Brand community forums, micro-blogs and corporate microsites addressing key corporate issues serve as great vehicles to provide answers to FAQs when corporate issues get hot. Getting smart about this area and understanding the intersection between brand reputation and social media is the first step. In addition to understanding the technologies, it is also vital to learn the customs and cultures of each particular brand of social media. For instance, on Twitter, if you can’t say it in 140 characters or less, it’s just not worth saying!

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Don Middleberg
Society for New
Communications Research

Or at least that is what the Twitter community believes.

There is still room for traditional media practices like media tours to meet reporters in person, press conferences or analyst calls for important announcements, and maintaining press relationships. Using a collaboration application like **dna13** for reputation management permits all of those conversations to be tracked and traced. More accountability for your agency and your staff.

What’s Next

According to Forrester Research in Boston, business collaboration and productivity platforms comprise the next big wave in how we work and function.

As one Forrester analyst has put it: “Platforms like dna13 can help corporations control their reputation management, listen to their communities, engage the customer or audience, manage the communications process and offer proactive, relevant impact to that conversation.”

Social media and using reputation management enterprise platforms to respond or educate media, blogs and communities will help PR and corporate communications practitioners meet the challenge in our recessionary period.

We stand ready to help communications pros meet the new challenge of doing more with less.



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