Jumping Safely on Board the Social Networking Train

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> "Every revolutionary idea seems to evoke three stages of reaction. They may be summed up by the phrases: 1) It's completely impossible; 2) It's possible, but it's not worth doing; 3) I said it was a good idea all along."[1]
>
> Arthur C. Clarke

The social media train left the station hours ago. In case your business isn't on board yet, you might want to reconsider, because more than 400 million Facebook users, 100 million professionals on LinkedIn and 175 million registered users on Twitter have proven to many that social networking is a business imperative.

Make no mistake — there may be bumps along the way. However, with proper planning it may be possible to take advantage of the new media's strengths *and* mitigate the risks that your company will end up in the headlines.

For a typical business, key social networking questions are:

1.   How can social networking add value to the business?

2.   What resources are needed to mount an effective social networking effort?

3.   Are there any regulatory restrictions surrounding its use?

4.   How can we mitigate the risks of social networking?

Companies need to engage in thoughtful analysis and discussion of those issues before they make their social networking decisions.

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[1] http://www.cybernation.com/victory/quotations/subjects/quotes_subjects_i_to_j.html#i
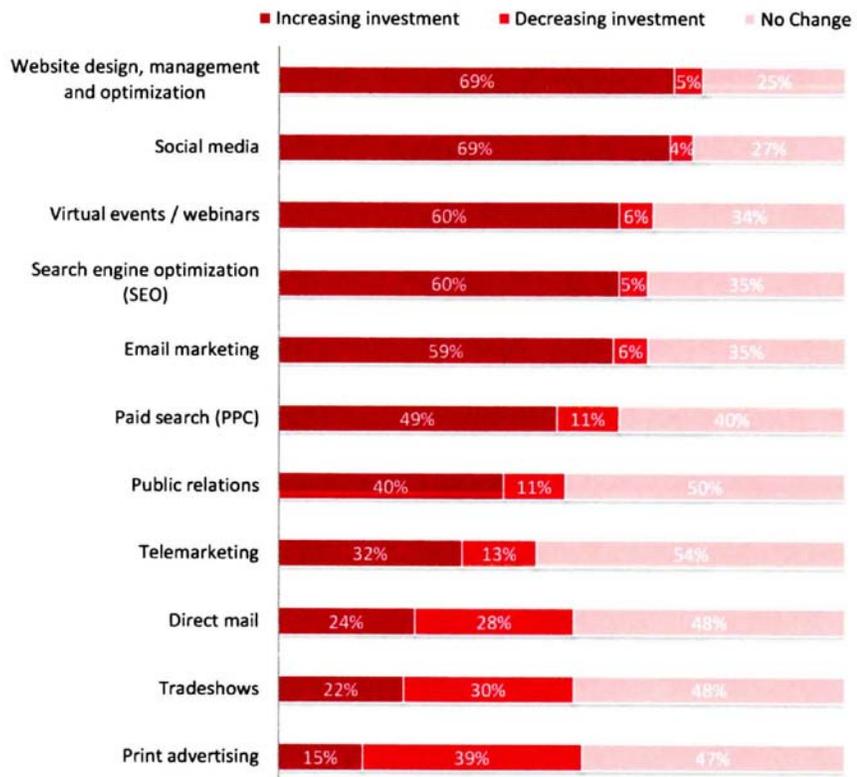
Converting users into relationships

With easy and inexpensive access to millions of social networking users, it's not surprising businesses are flocking to participate in the social networking revolution.

In its 2011 *B2B Marketing Benchmarking Report*, Marketing Sherpa reported survey responses of some 935 business-to-business marketers. When asked about budget for 2011, 69 percent of respondents said they planned to increase their investment in social media, 27 percent said it would remain the same and only 4 percent anticipated a reduction in the budget (See Figure 1 below). The emphasis on inbound marketing tactics is no surprise in an economic climate that demands companies monitor their spending closely.

Figure 1

CHART: MARKETING BUDGET CHANGES
Q. Please select the statement that best describes how you expect your organization's budgets will change for the following categories in 2011.

	Increasing investment	Decreasing investment	No Change
Website design, management and optimization	69%	5%	25%
Social media	69%	4%	27%
Virtual events / webinars	60%	6%	34%
Search engine optimization (SEO)	60%	5%	35%
Email marketing	59%	6%	35%
Paid search (PPC)	49%	11%	40%
Public relations	40%	11%	50%
Telemarketing	32%	13%	54%
Direct mail	24%	28%	48%
Tradeshows	22%	30%	48%
Print advertising	15%	39%	47%

Source: *MarketingSherpa B2B Marketing Benchmark Survey*, Methodology: Fielded Aug 2010, N=935, http://ftp.marketingsherpa.com/Marketing%20Files/PDF's/Executive%20Summary/2011B2B_BMR_Executive Summary_100930.pdf.

To turn social networking from an activity into a value-add requires a clear marketing strategy, based on the organization's business objectives. The structure is already
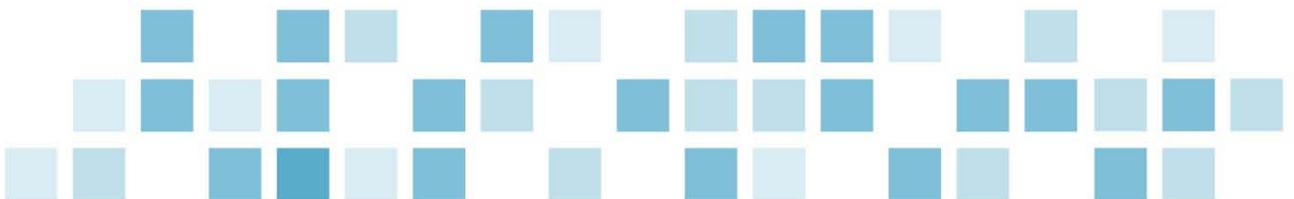
there. Social media users typically create profiles and build groups of contacts and friends within the network or by inviting others outside the network to join. A coherent plan is needed, however, to turn some of these millions of social networkers from prospects to leads to actual customers.

Establishing an organization's profile page is the easy part. Like any relationship, it's strengthening the bond that's most difficult. Some popular social networking relationship-building marketing strategies include:

- Contests

- Promotions

- Customer service

- Employment practices

- Branded material

- Blogs

One example of social media's power and cost-effectiveness is illustrated by a recent marketing effort by networking giant, Cisco. Cisco won *Light Reading*'s 2010 Leading Lights Award for Best Marketing by using social media and shaving approximately $100,000 off typical product launch costs. Campaign statistics included:

Cisco Social Media Stats

- Website: www.cisco.com

- Blogs: 22 external, 475,000 views/quarter

- Twitter: 108 Cisco feeds with 2 million followers

- Facebook: 79 groups with 100,000 fans

- YouTube: 300+ channels, 2,000+ videos, 4 million views

- Second Life: 150,000 visitors, 50+ events

- Flickr: 300+ photos, 400,000 views

Social Media Launch Highlights:

- 9,000 people attended the social media product launch event – 90 times more attendees than in the past

- Saved 42,000 gallons of gas

- Nearly three times as many press articles as with traditional outreach methods

- More than 1,000 blog posts and 40 million online impressions

- A Leading Lights Award for Best Marketing
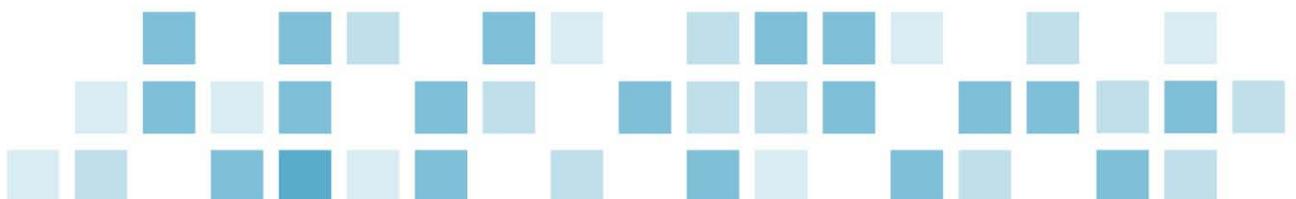
- One-sixth the cost of a traditional launch[2]

Well-publicized risks

Understandably, some companies have avoided social media because of its risks. The reality is, regardless of whether companies are active social networking participants or if they have formal, written policies and procedures, their employees are probably "friending" and "tweeting" from their work computers. And so, during working hours, are their competitors and customers.

Bad things *can* happen. Some obvious social networking risks include:

- **Reduced productivity** as employees periodically check their social networking page during the day

- **Lower morale** as workers tire of seeing their coworkers waste time with no negative repercussions from managers

- **Mistakenly leaked confidential information** by unthinking employees

- **Damage to the organization's brand** through the bad social networking acts of its employees

According to a survey of 1,000 organizational decision-makers in 17 countries, employee use of social media is one of the main sources of enterprise security risk:

- **33 percent of respondents restrict employee access to social media tools**
- **25 percent monitor use, and**
- **13 percent block these tools entirely.[3]**

One of the most famous social networking cases involves Domino's Pizza employees who decided to make a video of themselves "tampering" with their employer's product and then posted the video on YouTube. According to one report, the company's rating with its customers fell — no matter how unfairly. The company was forced to mount a counter campaign to restore its good name.
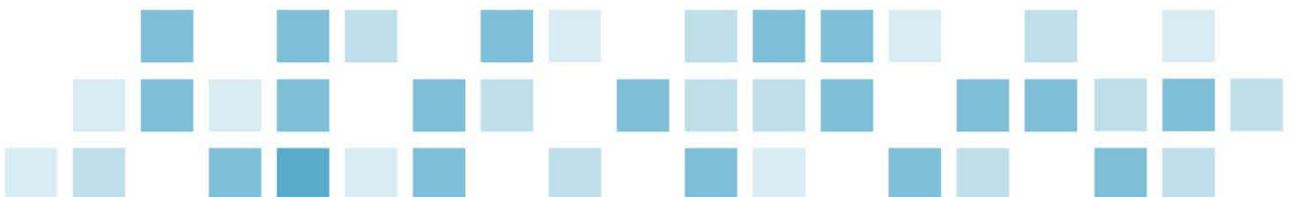
In Georgia, a teacher who posted vacation photos of herself holding glasses of alcohol is suing her former school district. She claims that she was forced to step down and wasn't informed of her right to a hearing when questioned about her private Facebook page containing the photos.

Regardless of the merits of these cases, the risks to both employees and employers are obvious.

Regulators in certain industries have also recently come down hard on social networking practices. An April 12, 2011, Reuters story reported that 15 months ago, the Financial Industry Regulatory Authority (FINRA), the largest independent regulator for all securities firms doing business in the United States, released highly restrictive social networking guidelines. Undoubtedly aimed at preventing identity

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[2] *Social Media Examiner*, August 30, 2010, by Casey Hibbard, http://www.socialmediaexaminer.com/cisco-social-media-product-launch/.
[3] "Social Media at Work: Worth The Risk?," http://www.cioinsight.com/c/a/Security/Social-Media-at-Work-Worth-The-Risk-892017/

theft and other scams, the article states that the guidelines have frustrated financial advisors and prevented them from engaging in interactive social media practices that are most appealing to brokerage firms seeking to grow client relationships. Although FINRA has "recently reconvened" its social media task force, the article warned advisors shouldn't expect radical changes to current policies.[4]

Mitigating the risks

Social networking is a force to be reckoned with and seems here to stay – at least for now. But how can its risks be mitigated?

First, social networking security issues must be **incorporated into enterprise information security policies** – and **users must be educated** by their employers

so it's clear to them what is and is not acceptable. The IT organization can also make sure Web URL filtering technology is available to enforce the organization's written social networking policies and procedures and protect the network from viruses and other security issues. This technology should also be made available to users who work remotely or on mobile devices.

Additionally, whether or not the organization is an active social media marketer, it must **have formal, written social networking policies**, covering not only behavior during working hours – but activities outside the scope of their employees' jobs. Those policies should cover:

- A disclaimer notice for personal websites

- Restrictions regarding content

- Discussion of what is and is not considered confidential information

- Discussion of what types of work-related discussions are and are not appropriate

Social media's "undervalued" role

Most discussions about the value of social media revolve around its possible return on investment, which makes perfect sense from a business standpoint. What's not mentioned as frequently is the power of social media to avert a crisis by countering bad PR that could have a significant negative impact on the bottom line.

Companies that monitor social media sites and are educated on how to respond may, in fact, be able to put out a public relations firestorm early, before too much damage is done. And that ROI is hard to calculate.

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[4] "Brokerage firms chafe at social networking limits,"
www.reuters.com/assets/print?aid=USTRE73B41W20110412.
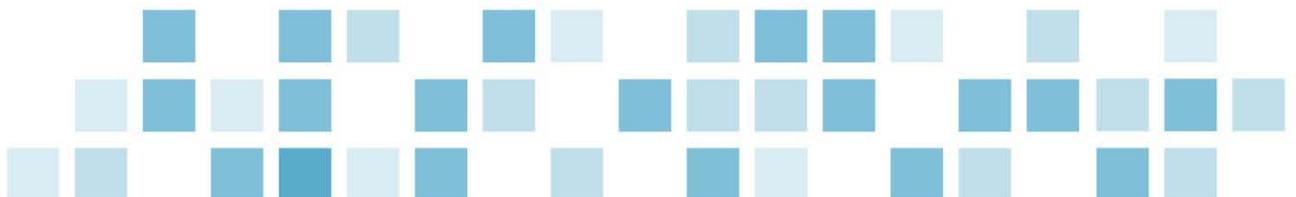
It's not too late to jump safely on board

Whether social networking makes sense as a marketing strategy or not, companies cannot afford to simply ignore it. The stakes for the organization are too high.

At a minimum, employees must be informed about their social media boundaries through formal, written social networking policies and procedures, and the proper technology should be in place to protect the organization's valuable network infrastructure.

Who knows, after careful evaluation and some preparation, management executives may even change their minds about social networking from "*it's completely impossible*" to "*I said it was a good idea all along.*"
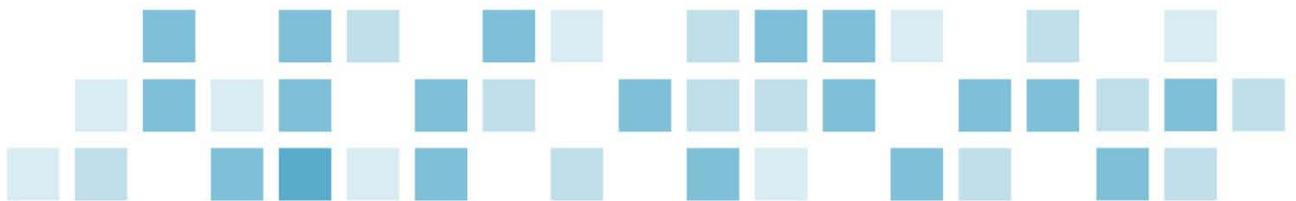
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