Chapter 3

Social Media Adaption and usage by IT companies

Stages of Social Media adoption by Companies

Gartner proposes that the companies go through three major stages of social media adoption

1) Experimentation
2) Transition
3) Optimization

Experimentation

This stage is characterized by little governance or overhead for individuals who are trying and learning about social media. Much can be gained from these activities, provided they are spearheaded by individuals who are familiar with the culture of social media, and who have an incentive to share learning and best practices with the organization.

Transition.

This stage is characterized by the creation of a governance structure and metrics platforms with which to formally assess results. The commitment of budget and resources to develop a reusable shared-service platform for social media intelligence and engagement occurs during this phase. Policies and infrastructure must also be established.

Optimization.

This stage is characterized by a consistent cyclical application of some version of a cycle that consists of "listen-plan-engage" phases that utilize social media for input to the next round of strategic activity and output in the form of content and messages that utilize the social media platform. Elusiveness of success may signal a need to revisit the transition stage to evaluate structural changes in approach and infrastructure.
Main objectives of Social Media usage by IT Companies

Social Media Reach
1) Build a larger presence on the web with searchable content with the addition of blogs, micro blogs, social media & web (which can be used to #1 Generate Awareness, or for customer enablement/education)
2) Improve customer service with rapid feedback and response

Social media engagement.
1) As interactive application platforms, social media establish a new channel for service extension.
2) Public relations / build goodwill (similar to their #1 Establish Trust)
3) Also as part of Establish Trust: Humanizing the company (such as by having an executive blog)
4) Enable: build a community where customers build stronger businesses by enabling one-another when they share best practices, news, insight, and strategies.

Social media intelligence.
1) As a source of marketing intelligence, social media can provide strategic insight for high-level decision making
2) Real-time window into the dynamics of public opinion for a tactical response
3) User feedback for product/service improvement
4) Market trend analysis and use as a bellweather to identify emerging markets
5) Recruitment and search for opportunities

Figure 1
The Objectives & the intents of customers and organizations are different for different social media applications. It is imperative for the organizations to be careful in terms of selecting the right social media tool for their marketing activities. The organizations should attempt to understand why the customers use a social media tool, understand their needs and then choose the appropriate channel according to the organization purpose.

<table>
<thead>
<tr>
<th>Customer Purpose</th>
<th>Social Application</th>
<th>Organization Purpose</th>
</tr>
</thead>
<tbody>
<tr>
<td>Want &amp; Recognition</td>
<td>Virtual World</td>
<td>Engagement/Brand Building</td>
</tr>
<tr>
<td>Information Search</td>
<td>Tagging/Digging</td>
<td>Collaboration</td>
</tr>
<tr>
<td>Evaluation</td>
<td>Product Reviews</td>
<td>Product Promotion</td>
</tr>
<tr>
<td>Purchase/Post Purchase</td>
<td>Forums</td>
<td>Satisfaction &amp; Loyalty</td>
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</tbody>
</table>

Industry usage
Which of the following do you READ OR BROWSE three or more times per week for business?
The usage of the most important social media tools approaches a 50% penetration (and perhaps by now has passed it in many cases).

The bigger the company, the more social media tools are being used.

Source: IDC #206176, Web 2.0 at Work: Adoption of Tools for Personal and Business Use

<table>
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<tr>
<th>Blogs</th>
<th>Wikis</th>
<th>Social networks</th>
<th>Discussion boards</th>
<th>Video conferencing</th>
<th>None</th>
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<td>Small Business</td>
<td>Medium Business</td>
<td>Large Business</td>
<td></td>
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</table>
Which of the following do you CONTRIBUTE to three or more times per week for business?

70%

60%

50%

40%

30%

20%

10%

0%

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Current trends in Social Media Usage
Companies extensively use social media for the following:-

i) Market research

ii) Marketing

iii) Customer support

iv) Product Design

Market research and Social Media

Opportunity: finding a better way to do research

- Monitoring own/competitor’s brand image
- Save market research budget ($15B spent on MR WW annually)
- Listen: pedestrian (google your brand) vs. professional listening (Nielsen Buzzmetrics, TNS Cymfony, MotiveQuest, Radian 6, Umbria). Costs <= $70K
- Your own community (private research network [Communispace])