

# **The Social Brand**

- Aspects of Social Media Implementation

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## Abstract

- Title:** The Social Brand – Aspects of Social Media Implementation
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- Supervisors:** Jon Bertilsson, Department of Business Administration, Lund School of Economics and Management, Everth Larsson, Department of Industrial Management and Engineering, Lund Faculty of Engineering
- Problem discussion:** The thesis circles around Social Media, B2B Brand Building and Business Performance Measurements. In the intersection between these a knowledge gap was identified. The following research questions were formed: How should companies go about when implementing Social Media? How should the performance of Social Media engagement be measured? The urgency for answering these questions was identified.
- Purpose:** This thesis aims to create an implementation model for Social Media for B2B companies, using Social Media as a brand-building tool. Additional to this purpose is to further develop a measurement system that adequately measures social media performance.
- Method:** This study has been conducted with a qualitative approach and an abductive research method. An initial study was carried out with a Social Media pre-study and a theoretical research. The empirical findings together with the theoretical framework constitute the base for the developed model. When building the model an iterative process was used, revisiting both the theoretical framework and the empirical foundation.
- Conclusion:** The four-step Social Media Implementation Model was developed. The model provides a step-by-step framework, which can be used by B2B companies wanting to engage in Social Media. Each of the model's four steps aims to point out important aspects of Social Media implementation. The model concludes in the development of the Social Brand Scorecard that presents the company with comprehensive measurements that covers all aspects of Social Media.
- Key words:** Social Media, Social Media Implementation, Business-to-Business Brand Building, Brand Equity, Balanced Scorecard, Social Media Return on Investment, Social Media Implementation Model, Social Brand Scorecard.





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Mathilda Lundin and Linnea Nilsson, Smålandsstenar, May 2010

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## 1 Introduction

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*The introductory chapter of this Master's Thesis states the importance of Social Media as a brand-building tool for business-to-business companies. It lays the ground for this thesis argument for the importance of creating a Social Media strategy with a holistic perspective of the organisation. It also provides initial arguments for the value of a comprehensive measurement system that incorporates brand equity measures.*

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### 1.1 Background

Brands have become an evident symbol of our economies and postmodern society. Brands have evolved from being a way to claim ownership over an object (Kapferer, 2004) to a potent stimulus steering consumer behaviour. Apart from the evident role of informing the consumer about the product's producer and origin the brand itself has become the product consumed (Salzer-Mörling and Stannegård, 2004). Following this change brands have become recognised as a core strategic asset of a firm (Aaker, 1991). It lies in every company's interest to learn how to create value through good brand management.

Branding tools are made up of immaterial activities carried out by brand managers, customers and the public (Arvidsson, 2005). Virno (2004, cited in Arvidsson, 2005 pp. 8) means that immaterial labour works through language, interaction and socialisation is utilised to share knowledge and to produce a social relation. By questioning the perception of brands as corporate composed stories Salzer-Mörling & Strannegard (2004) set out to redefine branding as an aesthetic expressive process, making the conventional distinction between senders and receivers less important. Brands were previously seen as stories about the company that carries the message of the company or the product's core values. The storyteller was the brand owner and the market and its consumer the audience.

In today's economic downturn branding has perhaps become even more important since brand loyalty helps keep customers. However, branding activities are expensive and companies are trying to find ways to cut costs while maintaining or increasing current output. Social Media consists of cost-efficient tools that create interactions between people. Social Media can facilitate the knowledge transfer between the company and the market (Duffy, 2010, Interview). Social Media can therefore be seen as a way to create interaction through immaterial activities carried out by employees and customers, and the company becomes a facilitator of those interactions with Social Media acting as a platform. This thesis will therefore show that Social Media can be an efficient branding tool and a part of a company's strategic brand management.

### 1.1.1 Business-to-Business Branding

Despite the acknowledgement of the brand as a crucial driver of a firm's success in the business-to-customer (B2C) setting opposing views previously existed on branding in the business-to-business (B2B) environment. B2B companies will in this thesis be defined as firms where two-thirds or more of company's revenue comes from sales to other businesses (Business, 2009, Report). Traditional perspectives on B2B branding considered brands to be inferior attributes in the customer decision-making process and decisions were solely based on functionality and performance attributes. (Anderson and Narus, 2004) Many decision makers found the branding phenomena irrelevant (Kotler and Pfoertsch, 2007). However, it has been pointed out that there is a lack of research regarding B2B branding (Webster and Keller, 2004)

More recent branding research challenges this traditional view and indicates an increasing importance of branding for B2B companies (Davis et al., 2008; Mitchell et al., 2001; Mudambi, 2002; Roberts and Merrilees, 2007). Brands act as trust builders in the relationship between the supplier and the customer (Roberts and Merrilees, 2007) and theoretical propositions indicates that brands can be facilitators in creating an emotional connection with B2B buyers (Lynch and de Chernatony, 2004). However, research shows that the effects of branding differ across companies, markets and purchase situations (Mudambi, 2002).

The brand concept can be defined from two perspectives, financial-based or customer-based. The financial approach measures brand value through net-present value calculations of future revenue streams tied to the specific brand. The customer-based definition is best described with Keller's (1998) classic definition '*a brand is a set of mental associations, held by a consumer, which add to the perceived value of a product or a service*' (Keller, 1998; Kapferer, 2004 pp. 9-10).

### 1.1.2 Social Media for Business-to-Business

Today it is evident that the Internet is here to stay. However, only a decade ago the Internet was passed off by many as being only momentary hype (Usman, 1996). Nowadays, new technological innovations are being questioned in a similar way. However, Social Media as a phenomenon is definitely not a hype, but the question is how companies should invest time and effort in them.

Facebook was created as a tool for the founder Mark Zuckerberg to keep in contact with his Harvard classmates. From that single class the network has now expanded to 400 million users worldwide in six years (Facebook 2010a). More social media networks with diverse purposes have been created and are used on a daily basis. Social Media has become not only the way people communicate with friends but share photos, music, hobbies and professional contacts. In all demographics Social Media is affecting peoples' daily life.

Although the expression is new, the birth of Social Media dates back to the creation of the online dairy community '*Open Dairy*' and the introduction of web blogs in the late nineties. However it was first when high-speed Internet became accessible for the

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great masses that Social Media began to reach its great potential. The term Social Media rests on two important terms: Web 2.0 and User Generated Content. Web 2.0 was defined as *‘a new way in which software developers and end-users started to utilize the World Wide Web; that is, as a platform whereby content and applications are no longer created and published by individuals, but instead are continuously modified by all users in a participatory and collaborative fashion’*. User Generated Content on the other hand was described as *‘the various forms of media content that are publicly available and created by end-users’*. With this Social Media is defined as (Kaplan and Haenlein, 2010):

*‘A group of Internet-based applications that build on the ideological and technological foundations of Web 2.0, and that allow the creation and exchange of User Generated Content.’*

Social Media can be divided into six categories according to the two dimensions of social presence/media richness and self-presentation/self-disclosure, see Figure 1 (Kaplan and Haenlein, 2010).

		Social Presence / Media Richness		
		Low	Medium	High
Self-presentation / Self-disclosure	High	<b>Blogs</b> (e.g. Blogger)	<b>Social Networking Sites</b> (e.g. Facebook)	<b>Virtual Social Worlds</b> (e.g. Second Life)
	Low	<b>Collaborative Projects</b> (e.g. Wikipedia)	<b>Content Communities</b> (e.g. YouTube)	<b>Virtual Game Worlds</b> (e.g. World of Warcraft)

Figure 1 - The six categories of Social Media (Kaplan and Haenlein, 2010)

Looking at Social Media from a business perspective it is evident that companies have already engaged in Social Media. Of the Fortune 100<sup>1</sup> companies 65 percent use the micro blog site Twitter, 54 percent have Facebook fan pages, 50 percent have YouTube channels and 33 percent have Corporate Blogs<sup>2</sup> (SlideShare, 2010a). What

<sup>1</sup> The Fortune 100 is an annual list compiled and published by Fortune magazine that ranks the top 100 U.S. closely held and public corporations as ranked by their gross revenue after adjustments.

<sup>2</sup> Corporate blog – A blog situated on a company’s web site.

started out as peer-to-peer networks or what can be seen as customer-to-customer (C2C) driven actions, have now been invaded by corporate players. Social Media has become a place for companies to meet their target audience; it has become a place for B2C relationships to grow.

There are many success stories when it comes to Social Media use and Ford Motor is one of them. Ford was one of the first car companies to engage in Social Media and is recognised as one of the Social Media winners among U.S. car companies (Mashable, 2010a). Ford recently created engagement with their Ford Fiesta movement campaign (Ford, 2010a). In the turmoil of global automotive industry crisis Ford is the one company without government loans (Ford, 2010b) and is now showing top sales figures in the U.S. (Autosales, 2010a). It is difficult to prove that specific Social Media actions are fully responsible for the company's success but it states the importance of a strong Social Media presence. Other indicators also tell us that Social Media is a good tool for increasing both customer awareness and communication with the target audience (Maki, 2010a, Blog; Saleem, 2007a, Blog).

In the B2B environment marketing and communication were predominantly a low priority and assigned low budgets. However this all changed in the late nineties (Duffy, 2010, Interview). The B2B structure allows less connection between each Social Media activity and increased sales, with the customer contact being more of a relationship than a single purchase (Kotler and Pfoertsch, 2007). There also seems to be a fear of losing control when engaging in Social Media. However it is important to understand is if there is going to be discussions about a company's brand, the question is if the company wants it to be a debate about the brand itself or a discussion that involves the company (Duffy, 2010, Interview).

According to several Social Media topic blogs today, B2B companies use Social Media and if they are not, they should (O'Brian, 2010a, Blog). In a survey by Business.com (Business, 2009, Report) several differences are pointed out between B2B and corresponding B2C companies in North America. It showed that B2B companies were more active with Social Media than B2C. In addition to this they maintained a higher level of presence on Social Media sites and were more likely to engage in micro blogging. They also appeared to better see the impact of their Social Media programme on both web site traffic and revenue. However, the study does not reveal how the companies can measure their Social Media effort.

### **1.1.3 Measuring the Returns on Social Media Investments**

Like all other investments in a company, there is an interest in measuring the impact of Social Media investments. However, Social Media showed to be an ambiguous measuring object. Not because of the lack of measurements but because of the shortcomings when matching these metrics to actual financial values.

At the beginning of the Social Media era experts made attempts to redefine return on investments (ROI), as a metric that could be used to measure Social Media gain (Solis, 2010a). Some introduced alternative philosophies for measuring nuances tied to Social Media while others neglected to measure ROI at all due to the fact that tools



for analysing specific Social Media tools did not yet exist. The immense expected revenues associated with Social Media presence blinded many companies and led to launches into this without a consistent strategic plan (Solis, 2010a, Blog). Many thinking only in terms of '*Return on ignorance*' focusing the loss of not engaging in Social Media. (Beazea, 2010, Seminar)

However, with the turn of the decade comes the entering into a new era of Social Media that is based on information, rationalisation and resolve. With this comes the desire to calculate the return on investment and tie social media strategies to real business performance metrics (Solis, 2010a, Blog). A recent study showed that common challenges in business are lack of metrics and tracking ROI. As many as 84 percent of the respondents reported that they do not measure ROI at all (Mzinga and Babson, 2009, Report).

In addition to this, in order to measure Social Media as a branding tool, connections between Social Media engagement and brand value could be done. To measure the success of brand management it is important to measure the strength of the brand, Brand Equity. Brand Equity can be defined as '*a set of liabilities linked to a brand's name and symbol that add to or subtract from the value provided by a product or service to a firm and/or that firm's customers*' (Aaker 1991, pp. 15).

Long time research has lead to the development of a number of conceptual models of Brand Equity applicable for both B2C and B2B companies. (Bendixen et al., 2004; Gordon et al., 1993; Sharp 1995) The most recognised was introduced by Aaker (1991, 1996). The model describes Brand Equity in four main dimensions:

- *Brand Awareness* – the salience of a brand in the customer's mind
- *Brand Association* – image dimension unique to a product class or a brand
- *Perceived Quality* – the customer's perception of overall quality
- *Brand Loyalty* – a measure of the attachment that a customer has to a brand, indicating the likelihood of a customer switching to another brand

#### **1.1.4 Social Media as a Business-to-Business Branding Tool**

In the search of finding a suitable theoretical angle to the thesis, Social Media use in B2B companies were studied. It was found that Social Media could be used as a branding tool. The fields of marketing and communication were also studied but was discarded before settling upon branding. The same input were later given by Social Media expert Sean Duffy (2010, Interview), stating that Social Media is not another marketing or communication tool, but something that should be used in the whole organisation. An effective Social Media strategy should therefore include all functions of a company (Duffy, 2010, Interview), therefore process theory also showed to be applicable. One benefit and also a goal with Social Media use is the creation of internal collaboration. Social Media facilitates information sharing within the company, making the company more process orientated (Blanchard, 2010a). The process theories emphasises the importance of leaving the old function based organisation and work as one company. Structures as well as attitudes, values and culture in an organisation must be changed (Ljungberg and Larsson, 2001, pp. 88).

Only when departments work together to create customer value, the process mindset has been implemented. To be able to work as one company, decision-making must be delegated and by doing so ease the use of Social Media (Ljungberg and Larsson, 2001, pp. 126). These theories lay the ground for the argument of creating a social media strategy with a holistic perspective of the organisation.

As highlighted in the B2B Branding section both functional and emotional brand values are needed for successful external brand communication (Lynch and de Chernatony, 2004, pp. 413). Lynch and de Chernatony (2004, pp. 415) developed a model for *'Building B2B brands with balanced functional and emotional values'*. This model state that corporate brand values should be communicated through the sales force, advertising/PR, trade shows, and via direct marketing. The model's purpose is to help incorporate emotional values in brand strategies. However, this model does not include Social Media as a way to externally communicate the brand. Since the model was developed in 2004, when Social Media still was in its early stages, a knowledge gap has been identified.

Webster and Keller (2004, pp. 390-391) highlight the fact that many industrial companies launch a branding campaign before they have formulated a marketing strategy. They state that industrial branding must be rooted in a marketing strategy. One of ten suggested guidelines developed in the paper is *'Build brand communications around the interactive effects of multiple media'*. Webster and Keller (2004, pp. 400) argue that this guideline concerns the sales force and when introducing Social Media a more holistic mindset must be considered.

## 1.2 The Thesis Assignment

The authors were given this thesis assignment from the semiconductor company ST-Ericsson, exploring Social Media opportunities for the company. The authors chose to elevate the thesis to a more general level while still making it applicable for ST-Ericsson as well as other B2B companies that like ST-Ericsson are Social Media Beginners, i.e. companies that are either start-ups or lack Social Media use.

## 1.3 Problem Discussion

As discussed before, branding has become more important for B2B companies. The knowledge that branding can be looked upon as immaterial work, which can be defined as interaction and socialisation, Social Media stands out as a branding tool for B2B companies stands out. Both Lynch and de Chernatony (2004) and Webster and Keller (2004) argue the fact that B2B branding is important and that external communication is one of the parameters needed. However, both papers are dated and the need for adding Social Media into their models and guidelines is evident. By identifying that Social Media is suitable for B2B branding a possible research area opens up. As of today, no model use Social Media for strategic branding.

Mangold and Faulds (2009) have studied the emergence of Internet-based Social Media, which have made C2C communication possible. This new phenomenon of

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social media-based conversations occurs outside the direct control of managers. To retain the lost control Mangold and Faulds (2009) argue that managers must form the discussions according to the organisations strategy and performance goals. In order to form the discussions, social media tools should be used for marketing purposes in combination with traditional marketing channels. From the paper by Mangold and Faulds (2009) it is clear how important Social Media presence is for a B2C company. However, the paper does not include Social Media use for B2B companies. With the knowledge that B2B branding is becoming more important, the arguments for Social Media use in B2C companies could be transferred to B2B companies.

As stated earlier by Business.com (Business, 2010a) B2B companies are more active on social media sites than B2C companies. And with the knowledge that 65 percent of the Fortune 100 companies, during 2009 used Twitter (SlideShare, 2010a) it has become evident that companies need processes for handling the social media tools now incorporated in the companies. Due to the nature of Social Media, there is always a risk that the tools used today might not be the tools to use tomorrow. Therefore trends need to be spotted in a convincing way.

The Internet is filled with guidelines for companies that want to engage in Social Media, making it hard to choose and make out what works in reality. Social Media has proven to be an effective communication tool for B2B companies (Solis, 2010b, Blog). However, there is a vast selection of social media tools available today. Many companies engage in Social Media, using a set of these tools, without a proper social media strategy. Acting without a strategy can be risky, especially if the actions on social media sites are not coherent with the overall objectives of the company. The knowledge about Social Media, how it operates and how to gain profit from it, is still evolving. There is no acknowledged work done that combines Social Media with brand theory. Therefore a knowledge gap has been identified, that if overbuilt could make companies more confident when engaging in Social Media. The question raised is: *How should companies go about when implementing Social Media?*

To be able to measure social media performance a connection between social media impact, financial values along with Brand Equity needs to be made. Aaker's (1991, 1996) model describes four dimensions suitable for measuring Brand Equity. However, no studies have incorporated Social Media and Brand Equity. The opportunity of doing this was identified by the authors as describing one dimension of measuring Social Media.

Previously, market surveys have been complicated, costly and provided results that was outdated. With Social Media came web analytics tools that can give real time results quickly. Social media impact can be measured with these web analytics tools but connecting them with business measures is another issue (Blanchard, 2009a). When setting out to find previous studies linking social media impact and Brand Equity little or rather nothing was found. This raises the question: *How should the performance of Social Media engagement be measured?*

## 1.4 Purpose

The purpose of this Master's Thesis is to create an implementation model for Social Media for B2B companies, using Social Media as a brand-building tool. Additional to this purpose is further to develop a measurement system that adequately measures social media performance.

## 1.5 Focus and Delimitations

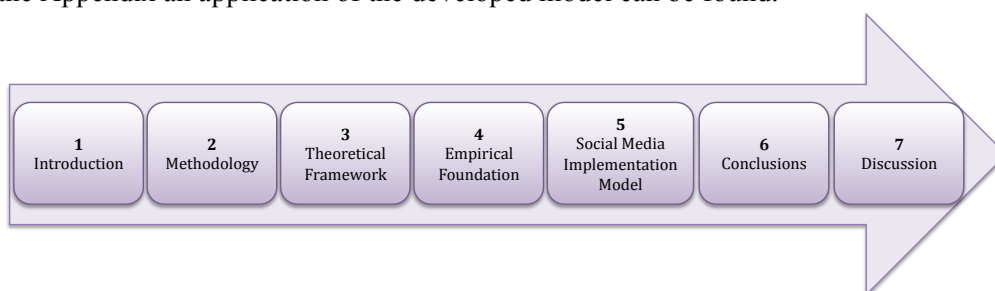
The focus of this thesis is on B2B companies, their Social Media use and developing a model for creating efficient social media processes. Several delimitations have been made to facilitate the study. Firstly when studying social media tools the choice was to study only those applicable for B2B companies. Secondly, to further limit the study, another decision was to only make it applicable for Social Media Beginners i.e. companies that either are start-ups or that lack social media processes today. Therefore the evaluation of a current social media strategy will not be needed. In addition to this a limitation has been the lack of Social Media theory. Therefore, the information about Social Media will only be based on empirical data.

## 1.6 Target Group

The main target group for our study is the academics and B2B companies that are on the verge of engaging in Social Media. Also people who want to increase their knowledge of Social Media and get an insight how they can build stronger brands. Lastly, stakeholders at ST-Ericsson such as advisors, direct concerned employees and other employees might gain knowledge by reading the Master's Thesis.

## 1.7 Disposition

To shortly introduce the reader to the thesis' disposition, Figure 2 can be studied. In the Appendix an application of the developed model can be found.



**Figure 2 - Thesis Disposition**

1. *Introduction* – The introduction helps the reader understand the necessity of the study and states the research questions and thesis purpose.
2. *Methodology* – Describes the approach to answering the research questions.
3. *Theoretical Framework* – Presents the theories used in the Master's Thesis.

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4. *Empirical Foundation* – Presents empirics from Social Media, B2B Social Media, and Branding.
5. *Social Media Implementation Model* – Development of a model which states Social Media as a branding tool
6. *Conclusions* – Concludes the developed model.
7. *Discussion* – Raises a discussion about the contribution and suggestions of further studies.

## 2 Methodology

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*This chapter aims to ease the understanding of the work path of this thesis. The work path is described with support from common research methodology to ensure the reliability and validity of the thesis. The chapter also describes the chosen research methods and motivates these choices.*

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### 2.1 Overall Research Method

The purpose of this thesis was to create an implementation model for Social Media for B2B companies, using Social Media as a brand-building tool. Additional to this purpose was to develop a measurement system that adequately measures social media performance. With the two research questions: *How should companies go about when implementing Social Media?*, and *How should the performance of Social Media engagement be measured?* a suitable work method was needed.

#### 2.1.1 A Qualitative Approach

To be able to answer the research questions and fulfil the thesis purpose, extensive and profound data was needed. Conducting a study in an area where little previous studies have been made, it was essential to understand the applications and impact of Social Media. There is no exact science around Social Media, instead it was found highly dependent upon the people utilising it. Therefore qualitative data is needed and therefore the thesis will take a qualitative approach instead of a quantitative. The decision was based upon the fact that the study cannot be performed in such a way that allows causes to be isolated in the search to find the exact cause that gave a certain effect. Social Media showed to be an evolving society and Andersson's view '*to describe the society implicates to describe it such as it is perceived by the people*' (1979, pp. 100) were found suitable. The qualitative method states that the quantitative method only measures the researches perception of a phenomenon. In the quantitative research the focus lies on the quantification of the gathered empirics and analysis of that empirics. The collected data can often be used in a statistical manner and from the data generalisation is sought. (Bryman and Bell, 2005, pp. 100). This was not applicable to this thesis. To understand social patterns, people's perceptions of the reality must be understood (Jacobsen, 2010, pp. 39). The qualitative research method was found more flexible and allowed the process of this thesis to take an iterative course needed due to the nature of the subject.

#### 2.1.2 Abductive Reasoning

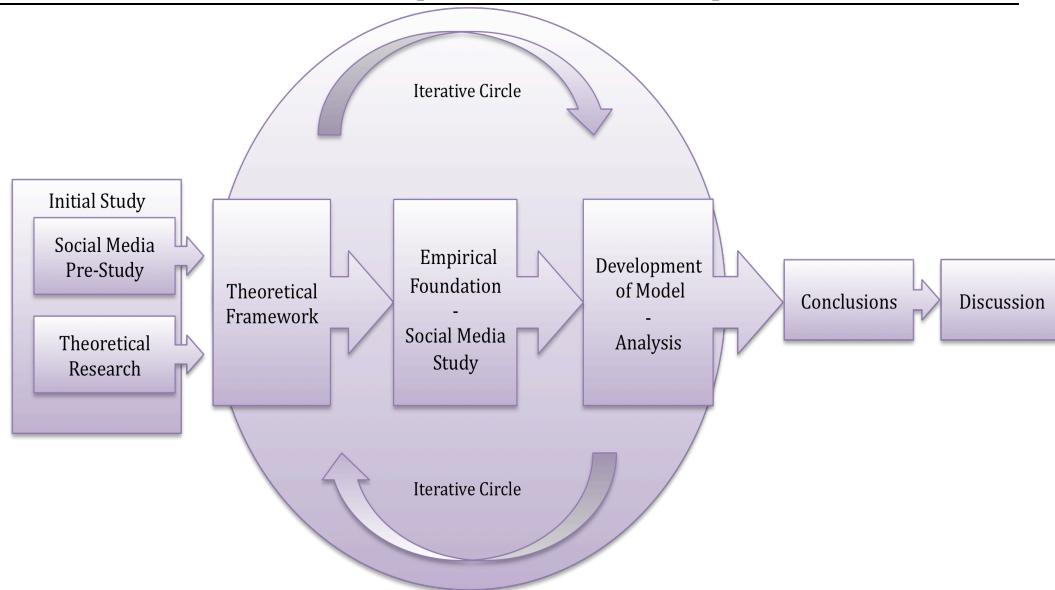
Using both empirical data and theories to reach understanding is a method called abductive reasoning (Alvesson and Skoldberg, 1998, pp. 42). Abduction is a method of logical inference that starts off with a set of apparent unrelated facts with the implication that they are somehow related. Abduction is the process of inference that produces a hypothesis as its end result. (Wikipedia, 2010h) This method is used

throughout the thesis, initially when identifying the knowledge gap and later on when forming the model.

However since abduction can produce results that are incorrect within its formal system, the conclusion of abduction can be made valid by using additional methods. This implies the use of both deductive and inductive methods as a compliment when suitable. (Wikipedia, 2010h). The inductive method implies theories are formed by facts; meaning empirics are translated into theory (Arbnor and Bjerke, 2007, pp. 108). The deductive method on the other hand is an approach where the base is in the common natural laws (Arbnor and Bjerke, 2007, pp. 108). When working with a deductive approach the expectations are built around previous studies and theories, and critics mean that this only leads the researcher to the information that is visibly relevant to the task. This while implying that information is left out due to a narrow search field (Jacobsen, 2010, pp. 34-35). The two approaches differ mostly in the sense of openness for new information. If wanting the individual perspective on a clearly defined situation the deductive approach is preferred. However, if there is an uncertainty on the relevance of the situation an inductive approach can be preferred (Jacobsen, 2010, pp. 45).

### **2.1.3 Methodology Model**

To clarify the work path and the chosen method an illustration of a methodology model was made (See Figure 3). The work process began with an initial study divided into two simultaneous parts, a comprehensive pre-study of Social Media and theoretical research of suitable theory. With the gathered knowledge from these two areas the study was taken to the next level and entered the iterative circle. The iterative work, illustrated by a circle in Figure 3, is best described as abductive reasoning (Alvesson and Sköldberg, 1998, pp. 42). The iterative work in the circle concluded in the development of a model for Social Media implementation. To be able to form this model the data from interviews and the empirical data were analysed. Together with the theoretical framework the Social Media Implementation Model was formed. In the following section of this chapter each part of the methodology model (Figure 3) will be looked upon to further motivate the chosen research method of the thesis.



**Figure 3 - Methodology model of the thesis (own development)**

## 2.2 Initial Study

The initial study was divided into two parts, an observational Social Media Pre-study and theoretical research. Observing Social Media and combining it with theoretical views gave an initial idea how to form a model. This helped when planning the work process for the thesis. In the thesis the initial study is summarised in Chapter 1.

### 2.2.1 Theoretical Research

The literature research initially began with studies of a wide spectrum of theories. Literature of marketing, communication, branding, business performance and process was reviewed. These theoretical areas were further systematically revisited and their suitability for explaining Social Media as a branding tool evaluated. The aim was to find an indication for a suitable theoretical framework. During this part of the study a deductive approach was used, due to the search among existing knowledge.

### 2.2.2 Social Media Pre-Study

To be able to grasp the subject of B2B Social Media and its applicability a pre-study was conducted. The pre-study was carried out on the Internet with it being the platform for Social Media. The purpose of this initial study was to create an understanding for how Social Media works in the B2B environment today. The study was mainly based on the authors' observations, as described by Bryman and Bell (2005). The authors also engaged in different kinds of social media tools in order to acquire knowledge of their applicability. The observations of the Social Media Pre-study have been treated as primary sources of knowledge. However, the actual content on the web sites, blogs etc. has been treated as secondary sources since it is the written words of the site's authors. By systematically revisiting social media topic



blogs and actual social media tools knowledge was accumulated. This knowledge was proven valuable when forming interview questions and leading discussions during interviews. During the Social Media Pre-study an inductive approach was used implying an open mind. Since the purpose of the pre-study was to create an understanding of Social Media, specific findings that brought the thesis further will be presented in the empirical foundation.

### **2.2.3 Identifying the Knowledge Gap**

After combining the acquired knowledge from the Social Media Pre-study with the theoretical research a knowledge gap were identified. This led to the need to form a theoretical framework that together with further empirics could fill this gap. The gap was filled by the creation of the model that was conducted in the next step.

## **2.3 The Iterative Circle**

To be able to form the Social Media Implementation Model the empirical data were gathered together with the theoretical framework. This was done iteratively and each of the three parts in the iterative circle can be seen as a continuous process that is carried out simultaneously.

The iterative circle consist of three parts that are represented by chapters; the theoretical framework, the empirical foundation and the development of the model. A structural division of each chapter in five sections will be utilised throughout the thesis. This will enable the reader to fully understand the iterative links between the different chapters. These sections are Holistic Mindset, Competitive Intelligence, Strategic Initiative, Technology Adoption and Business Performance. The first section, the Holistic Mindset sets the overall tone for the thesis. The following four sections symbolises the four found aspects to consider when implementing Social Media in a B2B company. These four also make out the steps of the Social Media Implementation Model created in Chapter 5.

### **2.3.1 Theoretical Framework**

The theoretical framework chosen for this thesis will help the authors form an implementation model for B2B Social Media Beginners. In the thesis the theoretical framework is presented in Chapter 3. The framework has its foundation in branding theory as was discovered in the initial study. To reach a satisfying result the theoretical framework was based on existing theories, implying a deductive approach. (Jacobsen, 2010, pp. 34-35) The process of finding complementary suitable theories for the framework was highly iterative to ensure filling the knowledge gap that was identified in the initial study and presented in the problem discussion.

The theoretical framework was divided into five sections; Holistic Mindset, Competitive Intelligence, Strategic Initiative, Technology Adoption and Business Performance. The first section, the Holistic Mindset presents Process and Value Network theory that showed to be essential when implementing Social Media. The following four sections present the theoretical findings that correspond with the four

aspects to consider when implementing Social Media in a company. Firstly the Competitive Intelligence aspect that implies the importance to look to social media adoption in company's ecosystem. Here benchmarking theory is utilised in the thesis. Further on the Strategic Initiative section describes the importance of having a strategy to gain competitive advantage. Technology Adoption refers to the selection process of social media tools that suit the company. Here the Hype Cycle theory has been used. The last aspect, Business Performance, refers to how a social media engagement can be measured and tied to business measures. To be able to do this Brand Equity theory together with the Balanced Scorecard have been used.

### 2.3.2 Empirical Foundation - Social Media Study

The empirical foundation of this thesis consists of observations, reports, blogs, interviews and seminars that made out the Social Media Study. Some parts derived from the pre-study, which acted as a foundation for the study. The empirical foundation can be found in Chapter 4. When gathering empirics an open mind was used implying an inductive approach (Jacobsen, 2010, pp. 45). By utilising Krippendorff's (2004) view of content analysis the collected data was categorised and sorted by subject in the five different sections that correspond to the sections of each part in the iterative circle. This allowed a clearer view of the relevant subject of social media implementation.

Observations were made by the authors on more than 50 web sites and social media topic blogs. During these observations an inductive approach was used. The authors aimed to stay objective and explore different views, trying to decide the most valid opinions. Five reports were read regarding successful brands, social media engagement and more specific B2B social media use. Information from identified top social media experts and blog authors Brian Solis author of '*Brian Solis*' and Olivier Blanchard author of '*The Brandbuilder Blog*' was gathered.

During the Social Media Study five interviews were held and two social media seminars were attended (See Appendix 1). The interviews had the aim to gather deeper knowledge about Social Media. Interviews were conducted with the following people. Sean Duffy at the Duffy Agency, Ulrika Rudqvist at GoodOld, Hans Kullin at Sermo Consulting, employees at ST-Ericsson's Global Communication department and Marketing department. Further the following seminars with named speakers were attended. Peter Baeza at IHM Business School '*Social Media with Focus on Business Benefits*' and Per Ahlstedt at Connecta '*Social Media Threat or Opportunity for Change Management*'.

#### 2.3.2.1 Interviews

In total five interviews were carried out, four of them face-to-face and one via email. The approximate length of each interview was an hour. The face-to-face interviews were performed in a semi-structured way, allowing additional discussion throughout the interview. This also enabled the interviewee to form the answers freely, and gave the interviewee the chance to point out what he or she found most relevant on the topic. During the email interview, due to its nature no discussion could be carried out. It was considered as a primary source but need to be viewed as an opinion not a

fact. (Bryman and Bell, 2005, pp. 361). When using interviews as a research form it is important to understand that the interviewee deliberately can steer the interview in one direction. To ensure a certain level of objectiveness questions were prepared beforehand (See Appendix 1). The questions have set the tone of the interviews (Bryman and Bell, 2005, pp. 363) During the interviews additional questions arose which allowed for a flexible interview process (Bryman and Bell, 2005, pp. 363).

Openness was seen as important during the interviews, this since these were one of the most important ways of gathering qualitative data to this thesis. Since qualitative data was needed structured interviews and surveys were found unsuitable for data collection. When conducting the interviews both authors were present and able to ask questions and listen to the answers, this to ensure that the perception of the answers was correct. If however diverging ideas occurred over the interviewee's answer, the interview was recorded to make it possible listen to the interview again. After the interview the data gathered were transcribed to ensure the validity and reliability (Jacobsen, 2010, pp. 21-22). In total 138,3 MB audio was collected from the interviews and transcribed the interviews roughly made up 22 pages. The transcription process was also a good way to avoid loss of information and a beginning of analysing the data. During the transcription process the authors kept in mind that transforming interviews onto paper is a process of perception itself (Kvale and Brinkmann, 2009, pp. 178).

### **2.3.3 Development of Social Media Implementation Model - Analysis**

To be able to form a model that would be applicable for B2B companies on the verge of engaging in Social Media the empirical foundation and the theoretical framework acted as the foundation. The process of forming a Social Media Implementation model was an iterative process. This is illustrated by the circle in the methodology model see Figure 3. The middle section of the methodology model shows the connection between the theoretical framework, the empirical foundation and the development of the model. The model along with the work path to the model is presented in Chapter 5.

Through the analysis of the theory and the collected empirics a four-step Social Media Implementation Model has been formed. The corresponding sections in both the empirical and the theoretical foundation were systematically analysed and put together. The last four sections each resulted in a step in the implementation model. The first section however was used as a mindset throughout the model. Each step was iteratively revisited until the step proved valid. To analyse the empirical findings in a trustworthy manner content analysis has been used. Content analysis means the study of human communications (Wikipedia, 2010h). Analysing the empirics made the road to social media implementation clearer.

## 2.4 Quality of Study

The internal validity stresses the importance of measuring what is supposed to be measured. In this case making sure that the research is within the scope. To ensure this, continuous meetings with the tutors from the university and with the advisors at ST-Ericsson were held. Since the research method was qualitative and the approach abductive, validity has no concrete criteria. However, by trying to triangulate information from interviews with observations from the Internet and research reports internal validity could be reached. A way of measuring the validity of the thesis was the value of the contribution, or if the thesis becomes the base for further discussions (Arbnor and Bjerke, 2007, pp. 252). To ensure the right scope the pre-study phase and the Social Media Study phase was extensive and the empirical data collected were documented to ease a backtracking process if needed.

The external validity concerns to what extent the results of the thesis can be applied upon other scenarios. Even though qualitative method seldom aims to generalise from selected cases to a wider public, this thesis aimed to form a model applicable for all B2B companies (Jacobsen, 2010, pp. 267). During the thesis work the authors always kept ST-Ericsson's problem in mind. ST-Ericsson will be used as a way to exemplify the model and ensured the external validity of the model. To do this the needed empirical data the ecosystem and experts were gathered.

Reliability stresses the importance that the information gathered, along with the theories, were looked upon from different perspectives to ensure source criticism. Criticisms of sources are highly relevant when using a qualitative method (Jacobsen, 2010, pp. 185). Criticism is also important in situations where other people have perceived a situation or event. This was therefore important in interview situations when the interviewee gave their perceived picture (Jacobsen, 2010, pp. 186). Therefore, both authors have always participated in the interview sessions, taking notes and recording the interviews for further summarising. This made it possible for the authors to ensure the reliability of the interviews (Jacobsen, 2010, pp. 21-22).

## 2.5 Applying the Social Media Implementation Model to ST-Ericsson - an Example

The model developed from the theories and empirics points out the different aspects of social media implementation for B2B companies. To exemplify how this can be done the model has been applied to ST-Ericsson in Lund. However, since this is only an example of how the created model can be utilised the example have been placed in the Appendix for the more interested reader. The application in Appendix (3) contains both new empirics, and analysis concerning ST-Ericsson. To avoid confusion for the reader the empirics have been clearly marked with the related source.

In the first step of the application of the model quantitative data appears, this to give a clearer picture of ST-Ericsson's ecosystem. To collect the quantitative data three web analytics tools were used; Compete, Google Alert and, Socialmention. The tools gather information throughout the Internet and present with quantitative data. Since it

### The Social Brand – Aspects of Social Media Implementation

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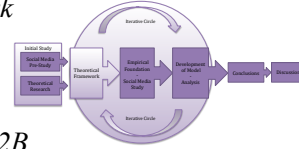
is difficult to track exactly how data were collected the data were used knowing that it might not be the totally correct. In the following three steps the qualitative approach was used.

The application of the model at ST-Ericsson contained both observations and interviews (Bryman and Bell, 2005, pp. 71). Observations were made on daily basis since the authors had the opportunity to conduct the thesis work at ST-Ericsson's site in Lund (Bryman and Bell, 2005, pp. 197). Together with the interviews and observations the authors had access to a few internal documents. When analysing the interviews and internal documentation from ST-Ericsson the authors have been aware that the information collected could be somewhat subjective.

The application has followed the Social Media Implementation Model's four steps starting with an environmental analysis. To get the full picture of ST-Ericsson, the surrounding ecosystem was studied as a first step. Customers', partners' and competitors' were looked upon from a social media perspective. In the second step a social media strategy was outlined with input from the environmental analysis and the company's overall strategy. In the third step of the model a selection of social media tools were picked, depending on the objectives of the social media strategy. The fourth and last step of the model describes how ST-Ericsson can use develop a Social Brand Scorecard to measure the business effects of social media engagement.

### 3 Theoretical Framework

*This chapter presents the theories that act as a framework when building the Social Media Implementation Model later in Chapter 5. It will help the readers further understand the thesis' theoretical contribution. The chapter starts of by describing the holistic mindset with B2B*



*Marketing, Process, Value Network and Value Chain theory that will permeate the model. This is followed by Competitive Intelligence theory that analyses the company's environment. Further presented is the Strategic Initiative that describes the strategic implications. This is succeeded by Technology Adoption theory such as the Hype Cycle that helps companies pick technologies. The chapter is concluded with Business Performance theory consisting out of Brand Equity and Balanced Scorecard.*

The initial theoretical research presented in the first chapter, showed Social Media could best be described as a brand-building tool. For B2B companies it was evident that branding was important and that Social Media already is widespread in the B2B environment. Another realisation was that there was no common measurement system for measuring Social Media performance. The question of how companies should implement and measure social media still remains. The knowledge gap that was identified is presented below, see Figure 4. The theoretical framework was complemented iterative while gathering empirics and building the model. Five clear areas that make out aspects of Social Media implementation were identified. These were Holistic Mindset, Competitive Intelligence, Strategic Initiative, Technology Adoption and Business Performance. The suitable theories will be presented under these sections to ease the understanding of the theoretical framework.

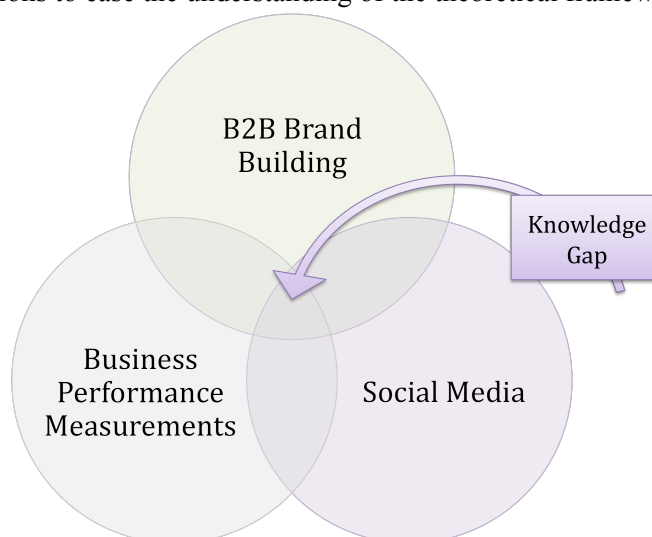


Figure 4 - Identified knowledge gap (own development)

### 3.1 Holistic Mindset

The Holistic Mindset has its foundation in B2B Marketing theory that implies that with industrial marketing relationships are more important. The Holistic Mindset in this thesis also refers to the views gathered from process theory that according to the initial theoretical research was found suitable for Social Media as a brand-building tool. Social Media also implies the use of network theory therefore the Holistic Mindset is also based on Value Network theory.

#### 3.1.1 Business-to-Business Marketing

*‘Industrial marketing (or business marketing) is the marketing of products and services to business organisations’* (Havaladar, 2005, pp. 1). On a general level all marketing theories are similar. Industrial marketing for example does not differ that much from consumer marketing. However, a number of differences between B2B marketing and B2C marketing must be understood. These differences are often a degree of difference but likewise essential (Webster, 1991, pp. 11).

Ames (referred to in Webster, 1991, pp.11) have summarised industrial marketing in four key dimensions:

1. *Aiming for improved profit performance*– stating that market share and sales volumes is not as important as in consumer marketing.
2. *Identifying customer needs* – by understanding the economics of the customers operations and how to compete.
3. *Selecting customer groups for emphasis* – realising the importance of market segmentation and understanding the high degree of buyer-seller interdependence after the sales on the industrial market.
4. *Designing the product/ service package* – By customising the product and provide services which can be more important than the product itself on the B2B market.

These four dimensions imply that the B2B marketing concerns the company on a more profound level than in a consumer company. In a consumer company, the marketing department can change strategy at will, while in a B2B company a change in marketing strategy entails capital commitments in the whole organisation. Therefore, B2B marketing concerns the management of the company, and to be customer-oriented the whole company must be involved. By involving the whole company in strive for being customer-oriented the company becomes close to the customer. Therefore, it is often said that marketing-oriented B2B companies is closer to their customers than a B2B company (Webster, 1991, pp. 11- 17).



### 3.1.2 Process Theory

A general perception of processes is that they take the whole chain of activities in consideration. A process is a repetitively used network of in order-linked activities, which use information and resources to transform '*object in*' to '*object out*'. This from identification of customer need to fulfilment of this need (Ljungberg and Larsson, 2001, pp. 44). Taking a holistic view of processes involves needs and the satisfaction of those needs, activities and resources, and also a holistic view of company's partners, clients and people in the organisation itself (Ljungberg and Larsson, 2001, pp. 57). Process theories can be very well adapted to the service sector. Ljungberg and Larsson (2001, pp. 62) state that it is perhaps so that all processes should be treated as service processes.

To succeed with the process orientation of a company, customer needs must be the focus. The customer often sees the completeness of a supplier's work more clearly than the supplier itself. The customer is the receiver of the supplier's work, and therefore often knows a lot of its supplier's processes (Ljungberg and Larsson, 2001, pp. 64). Ljungberg and Larsson (2001, pp. 121-122) discuss the value of understanding the customer, this according to six different parameters. The parameters are product, co-production, differentiation, customisation, customer satisfaction and value creation. These six parameters imply that companies today need to see themselves as service-oriented companies even though they produce actual products. When working together with the customer the probability is large that you also work for the customer. The risk of doing wrong is reduced and errors can easily be detected and corrected (Ljungberg and Larsson, 2001, pp. 109).

To succeed in process orientation a different mindset is necessary (Ljungberg and Larsson, 2001, pp.122). Part of the process way of thinking is to bring the decisions lower in the organisation where the customer-contact is. This suggests that the power of decision-making is transferred from the traditional manager to the empowered employee (Ljungberg and Larsson, 2001).

### 3.1.3 Value Network

A theory that supports that processes can be adapted onto the service sector is Porter's value chain. The value chain was introduced as a strategic management tool that stated that the chain of activities creates added value to the product (Porter, 2004). The value chain divides a business into strategic activities, which present their impact on cost and value. The model is valid in all industries; however, the activities that create the competitive advantage differ from industry to industry. Stabell and Fjeldstad (1998) suggest that the value chain is only one of three generic value-adding configurations alongside with the value shop and the value network. The value chain models the activities of a long-linked technology, while the value shop models a firm that mobilises resources and activities to solve customer problem. The value network creates value by facilitating network relationships with customers; this model is built upon mediating technology (Stabell and Fjeldstad, 1998, pp. 414). The mediating technology facilitates exchange relationships between customers. When creating a value network it is important to understand that the firm is not the network, it is the



provider. When forming value networks a common acceptance of rules and regulations must be settled, Stabell and Fjeldstad (1998, pp. 428) advocate contracts that specify rules and mutual obligations.

Creating a value network for partners and customers has the focus of generating customer value. The more participants in this network the higher the value (Accenture, 2005, Report). Stabell and Fjeldstad (1998) describe the importance of synchronising activities in the network and to be able to do so use standards, which are necessary for reciprocity (Stabell and Fjeldstad, 1998, pp. 428). To create value from a network of customers and partners the business itself need to retain control over branding, marketing and operational processes (Accenture, 2005, Report).

## 3.2 Competitive Intelligence

Competitive Intelligence is the action of defining, gathering, analysing, and distributing intelligence about the environment surrounding a company. The need for a competitive intelligence study was identified in the initial study. Therefore the theory of benchmarking is a suitable area for a theoretical framework.

### 3.2.1 Benchmarking

Benchmarking is a way to gain insight about relative performance either using industry benchmarking or best practise benchmarking. Industry benchmarking means comparing a company to other companies within the same industry. Best practise benchmarking means comparing a company to the '*best-in-class*' performer of a chosen aptitude. The '*best-in-class*' performer needs not to be in the same industry as the company. A best practise benchmarking should mere inspire to improve performance or competence radically (Johnson et al., 2008 pp. 117).

The benchmarking comparison should be based on a number on performance indicators made out by the same figures in all companies to create comparable measurements. With benchmarking comes two risks, which need to be taken in consideration. Firstly, the risk of ascribing the turn of a performance indicator solely to the company. Facts about the whole industry and the environment must be considered. Secondly, companies today intrude on areas outside their core services' industry, creating vague or dual industry decent for many companies. With industry benchmarking this can result in an inadequate comparison of performance indicators. (Johnson et al., 2008, pp. 117)

## 3.3 Strategic Initiative

The Strategic Initiative implicates the need for strategy when implementing Social Media tools in a company. This derives from the initial study. Here Porter argues that it is through strategic positioning that sustainable competitive advantage can be created on the Internet, as is the case with Social Media.

### 3.3.1 Sustainable Competitive Advantage with the Internet

In industries influenced by the Internet the average profitability is under pressure. For the individual company it is therefore important to stand out from competitors and be more profitable than the average competitor. The only way to do this is by creating a sustainable competitive advantage either by operating at a lower cost or by commanding a premium price. This can be done by either *operational effectiveness*, doing what competitors do although better, or *strategic positing*, delivering unique value to customers by doing things differently than your competitors. The Internet affects operational effectiveness and strategic positioning in very different ways (Porter, 2001).

The Internet can be seen as the most powerful tool available for increasing *operational effectiveness*. By enabling real-time information exchange it offers improvements throughout the entire value chain. Because the Internet is an open platform with common standards it requires far smaller investments compared to other information technology investments. However this operational effectiveness does not automatically lead to sustainable advantages, only if a firm can achieve and sustain higher levels of operational effectiveness than competitors. Almost every company are developing similar Internet applications often offered generically by third parties. The result of this is that improvements in operational effectiveness are broadly shared among industries (Porter, 2001)

Today many companies define competition on the Internet solely on terms of operational effectiveness. However since this shows to be much less successful when creating sustainable competitive advantages companies must look to *strategic positioning*. Having a strategy requires discipline and strong focus on profitability. Companies must excel at defining the unique value proposition and be willing to make difficult tradeoffs. Strategy involves configuration of a tailored value chain that facilitates the offering of this unique value. The value chain must be highly integrated in the company. All this makes the strategy difficult to imitate, doing this means having to imitate a whole system. This makes a strategy, if successful, a sustainable competitive advantage (Porter, 2001).

## 3.4 Technology Adoption

Like any other technology, tools need to be selected, preferably according to a specific work path and in alignment with a strategy. The theoretical framework of the Hype Cycle will help create this work path is be presented in the following section.

### 3.4.1 The Hype Cycle

The Hype Cycle is a term coined by information technology research and advisory firm Gartner. What the cycle shows is the hope and disappointment that a new innovation often brings. The cycle's vertical axis represents the expectations surrounding an innovation, while the horizontal axis represents time. The cycle is a

graphic representation of the maturity, adoption and business application of specific technologies (Fenn and Raskino, 2008, pp. 7).

The Hype Cycle is divided into five phases and innovations in each phase are more or less suitable for companies depending on risk aversion.

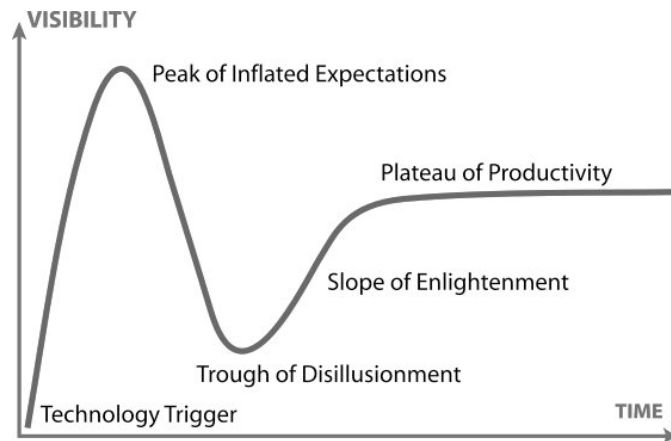


Figure 5 - The Hype Cycle (Fenn and Raskino, 2008, pp. 9, Figure 1-2)

*Technology Trigger* – The technology trigger or the breakthrough is when word of the innovation reaches beyond the developers of it. This can consist of a product launch or an event that generates press and a wave of word builds up (Fenn and Raskino, 2008, pp. 8).

*Peak of Inflated Expectations* – It is here that companies which want to have a competitive advantage adopts the innovation. The early adopters generate immense publicity and over-enthusiasm, which pushes the innovation to other companies which does not want to be left behind (Fenn and Raskino, 2008, pp. 8).

*Trough of Disillusionment* – At this stage of the cycle impatience for results starts to replace the initial enthusiasm for the innovation. It is now problems start to surface and failure to deliver the expected returns in time. This is when the innovation fails to meet expectations and makes the press lose interest or rather writes about the challenges than the expectations (Fenn and Raskino, 2008, pp. 8).

In the *Trough of Disillusionment* companies tend to abandon an innovation because lack of patience or because they do not have the skill to find value. Fenn and Raskino (2008) have seen that innovations often need experimentation, development, patience and tenacity before it delivers value. Two more stages in the cycle await those, which have patience with the innovation (Fenn and Raskino, 2008, pp. 9).

*Slope of Enlightenment* – For some of the early adopters it is now that benefits of the innovation starts to show. From the experiments of the early adopters, a growing understanding of how the innovation should be used with a good effect can be drawn. The knowledge results in best practices for how to utilise the innovation (Fenn and Raskino, 2008, pp. 9-10).

*Plateau of Productivity* – The phase where the innovation and its benefits become widely accepted, and many organisations feel safe with the reduced risks an implementation brings. It is now the benefit and value of the innovation becomes clear and a wider adoption begins (Fenn and Raskino, 2008, pp. 10).

The Hype Cycle shows how companies adopt innovations from outside the company. It can be used for strategic choices when deciding whether or not a certain innovation is suitable for the company. It also highlights the need for continual evaluation of the decision process when adopting innovation (Fenn and Raskino, 2008, pp. 22). However, at what time a company decides to adopt innovation also depends on the general risk aversion of the company. Gartner has divided companies into three groups. Group A, which are aggressive early adopters who adopt new innovation during the *Technology Trigger phase*. Group B, prefers not to go first and waits until at the *Peak of Inflated Expectation*. Last group C, which prefers to wait until the innovation is safe on the *Plateau of Productivity* (Fenn and Raskino, 2008, pp. 125).

To accompany the Hype Cycle, Gartner has created a Priority Matrix for innovations. This priority matrix is created for each Hype Cycle with the benefit on the vertical axis and the 'time to adaption' on the horizontal axis. The general priority matrix can be seen in Figure 6. The matrix can be used together with the Hype Cycle to evaluate an ongoing hype without the influences from the external environment. By graphically showing the relative priority of the innovations it is easier to justify why some innovations should be pursued and not others.

Benefit	Years to Mainstream Implementation			
	Less than 2 years	2 to 5 years	5 to 10 years	More than 10 years
Transformational	<b>1</b> <b>Low Risk/ High Benefit</b> Evangelize Pilot Implement		<b>2</b> <b>High Risk/High Benefit</b> Track Evaluate	
High				
Moderate	<b>3</b> <b>Low Risk/Low Benefit</b> Wait for Need		<b>4</b> <b>High Risk/Low Benefit</b> Ignore	
Low				

Figure 6 - Priority Matrix with Needed Actions (Fenn and Raskino, 2008, pp. 159, Figure 8-6)

Box 1 in Figure 6 represents innovations with low risk and high benefit, these innovations should be evangelized, used as pilot or implemented. Box 2 represents high risk with high benefit and should be tracked and evaluated for future use. Box 3 represents low risk with low benefit and innovations in this box should be put on hold until need arises. Box 4, is innovations with high risk and low benefit and should be ignored for the time being.

### 3.5 Business Performance

Business Performance Management is a set of management and analytic processes enabling the performance of a company to be managed with the aim to achieving pre-set goals. In this thesis Brand Equity and Balanced Scorecard is used as the theoretical foundation for the creation of a measurement system.

#### 3.5.1 Brand Equity

Aaker (1996) states the importance of expanding the perspective when measuring Brand Equity and looking to new markets. To benchmark against the best thus looking to brands in other categories. Arguments for a development of a valid equity measurement system are also made along with the emphasis on developing credible and sensitive measures that supplement financial measures with brand asset measures.

The Brand Equity Ten is proposed as a platform for brand equity measures that can be applied across markets and products. They derive from the four dimensions of Brand Equity (Aaker, 1991). The Brand Equity Ten consists of the following measurements. (Aaker, 1996, pp. 105)

- *Loyalty*: Price Premium, Satisfaction/Loyalty
- *Perceived Quality*: Perceived Quality, Leadership
- *Association/Differentiation*: Perceived Value, Personality, and Organisational Values
- *Awareness*: Brand Awareness
- *Market Awareness*: Market Share, Price and Distribution Indices

*Price Premium* is the amount customers are willing to pay for the brand in comparison with another brand with similar benefits. *Satisfaction/Loyalty* is the measure of customer satisfaction and loyalty. *Perceived Quality* gives the consumers' opinion of the brand's ability to fulfil expectations. *Leadership* augments the latter dimension with quality teaming up with popularity growth and innovation measures. *Perceived Value* measures whether the brand gives good value for the money or there are reasons to choose this brand over competitors'. *Personality* measures whether the brand has a humanlike personality. *Organisational Value* measures the implicit impact on value from organisation behind the value. *Brand Awareness* reflects the salience of the brand in the customers mind. *Market Share* and *Price and Distribution Indices* are market behaviour measures that represent information obtained from market-based information. (Aaker, 1996)

Measurements should reflect the construct being measured, Brand Equity, guided by the all dimensions of the brand equity structure. Firstly measures should reflect the asset value of the brand and focus on sustainable advantage and not on imitable outcomes. Secondly measures should reflect constructs that truly drive the market. Third the measurers should be sensitive, be able to detect change in Brand Equity and be applicable across brands, product categories and markets. Research should be used

iterative to refine the measure set, while asking the question what drives Brand Equity in the relevant product markets (Aaker, 1996).

Studies indicate that in the B2B setting perceived quality and brand loyalty are the main dimensions of B2B Brand Equity, since they are the most relevant to the success of B2B companies (Bendixen et al., 2004; Hutton, 1997; Michell et al., 2001; van Riel et al., 2005). Brand association is not at all considered in some B2B studies (van Riel, et al., 2005).

### 3.5.2 Balanced Scorecard

Having measurements in a company means having the essential information in order to get the desired results and help achieve the firm's goals. It is crucial to identify the measures most vital to the strategies that drives the firm's profit. The impact of marketing, intangible assets and other softer values are often missing in traditional financial metrics. This while there is a demand for these kinds of measures. The Balanced Scorecard addresses the imbalance of financial metrics and applies a more customer-orientated approach, focusing the entire organisation towards the customer. The Balanced Scorecard is a useful tool for tracking a combination of inter-connected metrics that help link strategic objects to long term goals and a firm's annual budget. This by monitoring business performance across a variety of dimensions against set-up targets. (Marketing Effectiveness, 2001, Report)

Kaplan and Norton introduced the Balanced Scorecard in 1991. With the famous words '*What you measure is what you get*' they introduced a set of measures set out to give managers a quick while comprehensive view of the company. The scorecard puts the firm's strategy and vision at the centre, with an aim to translate the key strategic elements to specific measurable objects. The Balanced Scorecard traditionally includes four perspectives; financial, customer, internal business, and the innovation and learning perspective (See Figure 7). The financial perspective indicates the results of actions already taken. It is complemented by the three other considered operational perspectives that are drivers of future financial performance (Kaplan and Norton, 1992).

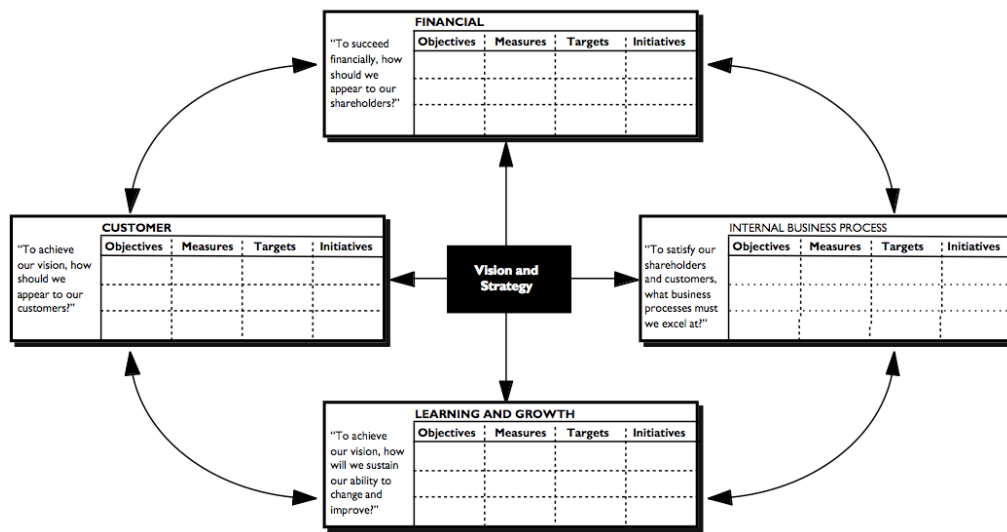


Figure 7 - The Balanced Scorecard (Kaplan and Norton, 1996, pp. 54)

Each perspective's objectives are described in the following four dimensions (Kaplan and Norton, 1996).

- Objectives - major objectives to be achieved, ex. profitable growth.
- Measures - observable parameters used to measure progress toward reaching the objective ex. profitable growth measured by growth in net margin.
- Targets - the specific target values for the measures, ex. +2% growth in net margin.
- Initiatives - action programmes to be initiated in order to meet the objective

The Balanced Scorecard is often criticised for not concluding in a single value or an answer with clear recommendations, seen as simply being a list of measures (Jensen, 2002). Such critique is usually followed by answers with solutions that stretch beyond the Balanced Scorecard such as developing strategies (Rohm, 2004).

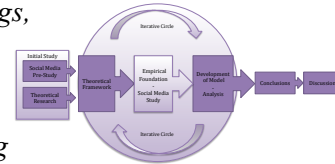
Critical to the success of the implementation of a Balanced Scorecard is to ensure that there is a clear link to the firm's strategy. Therefore a pre-requisite is a strategy that recognises the importance of both financial and non-financial objectives as a representative of corporate success. Another important activity is to tailor the Balanced Scorecard to the company and not copying from a textbook or another company. Metrics should be kept as simple as possible and strictly limited by the number, only focusing on the actual performance drivers. Finally it is important that the Balanced Scorecard is actually balanced and reflects all key areas of what creates value for the firm. In order to make a Balanced Scorecard more effective all employees concerned should be involved in the development phase.



## 4 Empirical Foundation

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*In this chapter data from observations, reports, blogs, interviews and seminars is presented. The empirical foundation aims to complement the theoretical framework with filling the previously identified knowledge gap. This especially in the sense of acquiring Social Media data. The observations and reports will give a general perception of Social Media and provide tangible data of Social Media adoption among companies. The blogs, interviews and seminars will give a deeper knowledge of Social Media and its applicability. Together with the theoretical framework from the previous chapter the empirical foundation will help to form a model for social media implementation in Chapter 5.*



### 4.1 Holistic Mindset

#### 4.1.1 The Importance of Social Media

The common thought is that Social Media is here to stay and all companies can benefit from it and therefore should use it. However there exist several misconceptions around Social Media. Duffy (2010, Interview) enforces that Social Media is not a one-way channel to the customers. Baezea (2010, Seminar) further supported this thought and implied that Social Media is about sharing and using open source. He argues that no one can claim ownership over a social media network; the network owns itself, an opinion also shared by Duffy. Central is also that a social media initiative is supported by management. Rudqvist (2010, Interview) adds in an interview that there cannot be too many limitations when engaging and that honesty is important in the sense of what is communicated by the company.

Sharing information with the public has not always been as acknowledged as it is today. With the evolution of the Internet, suddenly anyone was able to contribute and share content. Duffy (2010, Interview) illustrates the development on the Internet with the typical customer interested of buying a company's product nowadays goes to a referral site rather than to the company. The companies are left out of the conversion and pushing a change in the function of a company's web site. Companies are no longer automatically engaged in the conversation around the brand, which is why he argues that companies should engage in Social Media. Further arguing that inside the companies there are lots of people that the customers want to talk to. Concluding with that the companies have a lot of knowledge that should be used.

#### 4.1.2 Social Media Use Today

Social Media is exceedingly used today and there is a vast amount of tools available. A categorisation of social media tools today can be found in Brian Solis Conversational



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Prism (See Appendix 2). The quantified use of the four most common social media tools are plotted in Table 1 (Facebook, 2010a; Nextweb, 2010a, Blog; Ning, 2010a; LinkedIn, 2010a).

**Table 1 - Social Media in Quantitative Measures**

	<b>Nbr Users (Million)</b>	<b>Updates/day (Million)</b>
<b>Facebook</b>	400	60
<b>Twitter</b>	75	50
<b>Ning</b>	43	
<b>LinkedIn</b>	65	

The most common and applicable social media tools for B2B companies have further been investigated and will be presented in section 4.2.1.

#### 4.1.3 Social Media Use by Successful Companies

In a study conducted at Dartmouth University the Fortune 500<sup>3</sup> (F500) companies' blog use was mapped. The companies' web sites were searched for links to Corporate Blogs or Twitter accounts. If none were found Google Search was used. Of the 500 companies on 2009's list, 22 percent had a Corporate Blog with post published in the last 12 months. This was an increase compared 16 percent in 2008. Further on 35 percent had active Twitter accounts with tweets written during the last 30 days (UMASSD, 2010a).

The study also looked at the use of podcasts and videos posted on their Corporate Blogs. In 2009 19 percent of the F500 companies' used podcasts, compared to 16 percent in 2008. 31 percent had videos attached to their Corporate Blogs, compared to 21 percent 2008 (UMASSD, 2010a).

The branding consultancy Interbrand presents an annual list of the 100 best global brands. The brands were ranked according to a calculated brand value. In 2009 the brand value ranged from 68,734 to 3,081 million dollars (Interbrand, 2010a).

In 2009 Altimeter Group together with Wetpaint set out to measure the depth and breadth of branding efforts across Social Media among these brands. The *'Engagement db Study'* showed a measurable correlation between higher levels of social engagement and superior financial performance. The study partitions brands into one of four types based on strategic objectives as well as the number of social media channels they participate in. The study showed that media and technology brands exhibited the highest engagement levels (Engagement db, 2009, Report).

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<sup>3</sup> The Fortune 500 is an annual list compiled and published by Fortune magazine that ranks the top 500 U.S. closely held and public corporations as ranked by their gross revenue after adjustments.

## 4.2 Competitive Intelligence

### 4.2.1 Social Media Tools for Business-to-Business Companies

With the immense amount of social media tools available on the market, guidance of what is applicable for B2B companies are necessary. Rudqvist (2010, Interview) means that Social Media Beginners should use tools that others are currently using and not build your own tools. However, this while focusing on tools that are easy to implement and use. With this in mind along with Kaplan and Haenlein's (2010) article's division of Social Media, observations were made by the authors. The most common social media tools among B2B companies were detected. Adapted to the B2B environment four categories were chosen; Collaborative Projects, Blogs, Content Communities and Social Networking Sites. The social media categories along with subcategories and examples are summarised in below (See Figure 8). It is equally important to illustrate the leverage of using social media tools. The major social media tools and their impact in the dimensions *Customer Communication*, *Brand Exposure* and *Traffic to Your Site* will be presented when exemplifying tools in the categories below (CMO, 2010a).

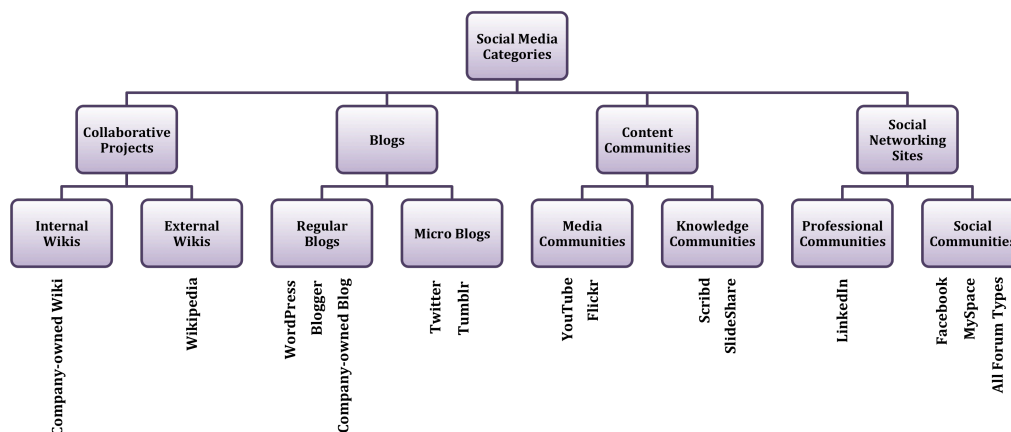


Figure 8 - Social media categories for B2B companies (own contribution)

#### 4.2.1.1 Collaborative projects

Collaborative projects are projects that engage multiple people and often called wikis. A wiki is a knowledge database classified around subject. Anyone can contribute with information through writing an article or edit existing material (Wikipedia, 2010a). In a B2B setting collaborative projects can be divided into external and internal. The most widespread example of an external wiki is Wikipedia (Wikipedia, 2010b). Most wikis however are internal, company-owned wikis used within an organisation to gather and share information (Wikipedia, 2010a). An internal wiki can increase knowledge sharing and communication though requires resources.

#### 4.2.1.2 Blogs

Blogs can be divided into two sub categories, regular blogs and micro blogs. A regular blog is an account with a web site, often managed by the author. On the blog the author can publish post with text, photos, audio, or videos. Most blogs are public and anyone can read post and comment on the blog content. Corporate Blogs, blogs managed by a company, are often initiatives with the purpose to market the company, its products or brand as well as the company as a potential employer. Corporate blogs are often categorised by subject and can have more than one contributor. The posts are often centralised around a certain topic (Wikipedia, 2010c). Two of the largest blog sites are WordPress and Blogger.

The phenomenon of micro blogs appeared in 2006-2007 with the launch of Twitter and Tumblr. Compared to regular blogs the size of individual posts is limited, for example with Twitter where a post called tweet, is limited to 140 characters. Micro blog posts can consist of text, status updates, links or pictures. There are also applications that enable users to repost or respond to other users posts. Companies use micro blogs to promote a web site or a product or service (Wikipedia, 2010d). Recent observations show micro blogs used by sales with actual selling, human recourses with job recruitments, and customer service with customer complaints. Twitter is a good way for *Customer Communication*. Through keyword search the company is able to track what is said about the brand. Twitter is a good enough tool for *Brand Exposure*, the reactions of promoting the brand through twitter is dual. Twitter, on the other hand, is an excellent tool for driving *Traffic to Your Site* through web site integration (CMO, 2010a).

#### 4.2.1.3 Content Communities

Content communities are web sites where members can upload and thereby share content such as photo or video. These communities were allowed to heavily expand due to consumers' access to increased bandwidth. Content communities can be integrated in other social media tools such as Blogs and Social Networking sites. Content communities can be divided into media communities and knowledge communities. Media communities are used to share photos, video and other media. Companies use these sites to market themselves and share corporate information. The most well known examples are photo-sharing site Flickr and video-sharing site YouTube (Wikipedia, 2010e). Flickr is an average tool for *Customer Communication*, the most important is to add names of employees in photos to make it easier recognise company representatives. Flickr is also an average tool for *Brand Exposure*, mainly through industry-related photo groups. Flickr is not a very good tool for driving *Traffic to Your Site* (CMO, 2010a). YouTube is a powerful channel for *Customer Communication*, by quickly engaging your customers and answering to complaints. It is also one of the most powerful tools for *Brand Exposure* as long as a channel is built and the videos are branded. YouTube is however a less potent tool for driving *Traffic to Your Site* (CMO, 2010a).

Knowledge communities are used to share knowledge though composed documents such as slideshow and white papers. Companies are the main users of these sites with the purpose to share knowledge but also as a marketing channel. Examples of

knowledge communities are SlideShare and Scribd (SlideShare, 2010b; Scribd, 2010a).

#### 4.2.1.4 Social Networking Sites

Social networking sites focus on building and reflecting users social networks and relations. These sites provide representation with information of each user often in form of a profile with the users social links. The site also plots the users relations and belongings to group or sub networks. The site acts as a hub for interaction through various activities such as wall posts or messages (Wikipedia, 2010f).

Social networking sites can be divided into professional communities and social communities. Professional communities take a more business perspective. It allows the user to add a professional resumé to the profile and creates company sites that gather the profiles of its employees. It makes it able to connect with current and former colleagues and business contacts. These sites have evolved to places to recruit and enable recommendations through business contacts. The best example of these communities is LinkedIn. With LinkedIn, *Customer Communication* is not the primary focus, but there is a great opportunity for engagement through answering industry-related questions thus positioning the company as experts. As for *Brand Exposure*, LinkedIn is effective for personal branding and demonstrating the company's competencies. However, LinkedIn is not an effective tool for driving *Traffic to Your Site* (CMO, 2010a)

Social communities can be used for various activities, among these discussions, content sharing and event announcements. Forums are also categorised among these. The most recognised forms of social communities are Facebook and MySpace. Facebook is a good way for *Customer Communication*, engaging people who like the brand and enabling discussions. Facebook is also an excellent tool for *Brand Exposure* through a fan page. Facebook is an average tool for driving *Traffic to Your Site* but on the rise thanks to being able to share links (CMO, 2010a).

B2B companies can use social networking sites for the following five things. Create Brand Awareness, perform online reputation management, recruit people, increase knowledge about competitors and new technologies and, use as a lead generation tool to intercept potential prospects. (MarketingJive, 2010a, Blog).

#### 4.2.2 Web Analytics Tools for Measuring Business-to-Business Social Media Impact

As the use of social media tools increases so does the need to analyse the content produced by them along with the impact. There is an increasing amount of web analytics tools available today. Web analytics tools compared to other traditional methods revolutionary allows for real-time analysis. Three of these were singled out due to their accessibility and the variety of information they could provide B2B companies with today. Compete, Google Alert and Socialmention were chosen, however, in the future other tools could be more suitable.

## The Social Brand – Aspects of Social Media Implementation

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*Compete* combines web site and web search analytics in one site that provides a competitive intelligence service. *Compete* analyses over 2 million U.S. citizens' Internet behaviour to get insights on online behaviour (*Compete*, 2010a). Though focusing mainly on consumer behaviour it is still applicable for B2B companies. The web site analytics tool can be used to depict unique visitors over time to web sites. What makes *Compete* special is the opportunity to track the company's own web site along with competitors (*Compete*, 2010b).

*Google Alert* is a notification service that sends an email when a specific search term appears on is Google. The alert service scans the news, blogs, web, video and, groups. A single or several channels can be chosen (*GoogleAlert*, 2010a).

*Socialmention* is an analysis platform for Social Media that presents collected information in a single analysis. *Socialmention* monitors over 100 different social media sites, including Twitter, Facebook and YouTube. In addition to this it also monitors hits through the search engine Google. The data that can be extracted from *Socialmention* shows where and how often a company is mentioned in the social media sphere. Data that is measured is the average time between mentions, time since the last mention, unique authors and number of retweets. This along with top keyword, top users and the most common source of the mentions. The collected data is further presented in four categories (*Socialmention*, 2010a):

- *Strength* - The likelihood that the brand is being discussed in Social Media. Phrase mentions within the last 24 hours divided by total possible mentions.
- *Passion* - Measure of likelihood that the individuals talking about the brand will do so repeatedly.
- *Sentiment* - Ratio of mentions that are generally positive to those that are generally negative. The sentiment is determined by a keyword analysis.
- *Reach* - Measure of the range of influence. The number of unique authors referencing the brand divided by the total number of mentions.

### 4.3 Strategic Initiative

#### 4.3.1 Social Media Management

The empirical study this far has shown that Social Media should be used and what tools that are applicable to B2B companies. The next important step is to find out how Social Media should be implemented in the company.

Blanchard (2010b) states the importance of Social Media *integration* and *operationalisation* and means having content does not mean being successful. The first part of social media management is the development of a social media programme. This is the strategic part of the process, defining what you want to accomplish with Social Media. Blanchard (2010b) declares the programme must be driven by this purpose. This should be done by or in collaboration with the management level in the company. The following steps are proposed:

1. Identify *goals* – the purpose of the social media initiative
2. Identify *key departments* – who should work with Social Media
3. Develop *strategy* and *tactics* – and realise the difference between them<sup>4</sup>
4. Create operational *objectives* - how Social Media can be plugged into the organisation
5. Clarify *intent* and provide *direction* – why and how

The second part Blanchard (2010b) further argues is the operational part, trying to implement social media processes in the organisation and create structures. The aim of the social media integration is to construct an internal collaboration hub, to address the creation of silos in the organisation. Two of the more important steps are setting *guidelines* in collaboration with the legal department and *enabling technology and tools* together with the IT department. (Blanchard, 2010b)

Kullin (2010, Interview) recommends a similar work path with the first step being deciding on objectives and then choosing the tools. He states the importance that social media strategy must support other strategies in the company and there must be sufficient funds to keep the tool alive in the long-term.

#### 4.3.2 Social Media Spokespersons

Duffy (2010, Interview) describes the largest benefit of Social Media as creating a value loop from the company to the market. To do this the whole company needs to be involved, implying a holistic view of the company's social media initiative. Duffy claims that in many companies there are barriers between the different departments that need to be overcome in order for successful social media integration. He argues that the information through Social Media should represent core activities in the company such as research and tradeshows, implying the R&D department should be spokespersons not the communications or the management team. Rudqvist (2010, Interview) states the importance of the spokespersons having social competence. This way they have a natural talent and interest for managing conversations. The benefit of having lower level employees as spokespersons is according to Ahlstedt (2010, Seminar) that the audience is more inclined to believe a regular person working at the company than its CEO.

#### 4.3.3 Social Media Risk

There are several risks involved with Social Media. One heavily discussed and presented by Solis (2010c, Blog) is the risk of losing employee productivity when allowing employees use social media tools during work hours. Other risks involving employee behaviour highlighted by both Rudqvist (2010, Interview) and Duffy (2010, Interview) is the risk of engaging in Social Media without understanding the forces behind it. With the use of any new technology comes risk and this risk needs to be

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<sup>4</sup> Strategy: What you are going to do to achieve your vision. Tactics: How you will achieve your strategy and when.

understood. The biggest risk associated with Social Media is that the company's reputation can be damaged, which again is agreed upon.

#### **4.3.4 Social Media Guidelines**

Most companies engaged in Social Media have social media guidelines for their employees. The purpose of a policy is often divided into three parts, prohibit, authorise and instruct. The prohibition part aims to limit harmful behaviour. For example, to prevent the inappropriate statements, stop the spread of sensitive information, limit working time loss, and reduce the risks of hacking and the spread of viruses and other malicious software. The authorisation part on the other hand aims to state what is desirable and permitted. Thus making employees feel they can contribute to conversations without being concerned that they will say something inappropriate risking sanctions. The instructional part finally aims to show how the employees should proceed in the use of Social Media. When you participate in conversations through Social Media, there are some basic rules you should follow. The following nine key points, developed by Peter Baeza, can act as guiding principles (InfoAction, 2010a):

1. Transparency and clarity
2. Contribute with competency
3. Honesty and accountability
4. Politeness and good judgement
5. Respect to others
6. Protection of trade secrets
7. Respect for copyright
8. Caution with resources
9. Collaboration with IT



## 4.4 Technology Adoption

### 4.4.1 The Hype Cycle for Social Software

In 2009 Gartner presented the '*Hype Cycle for Social Software 2009*' (See Figure 9), where different social media tools were mapped along the Hype Cycle.

Figure 1. Hype Cycle for Social Software, 2009

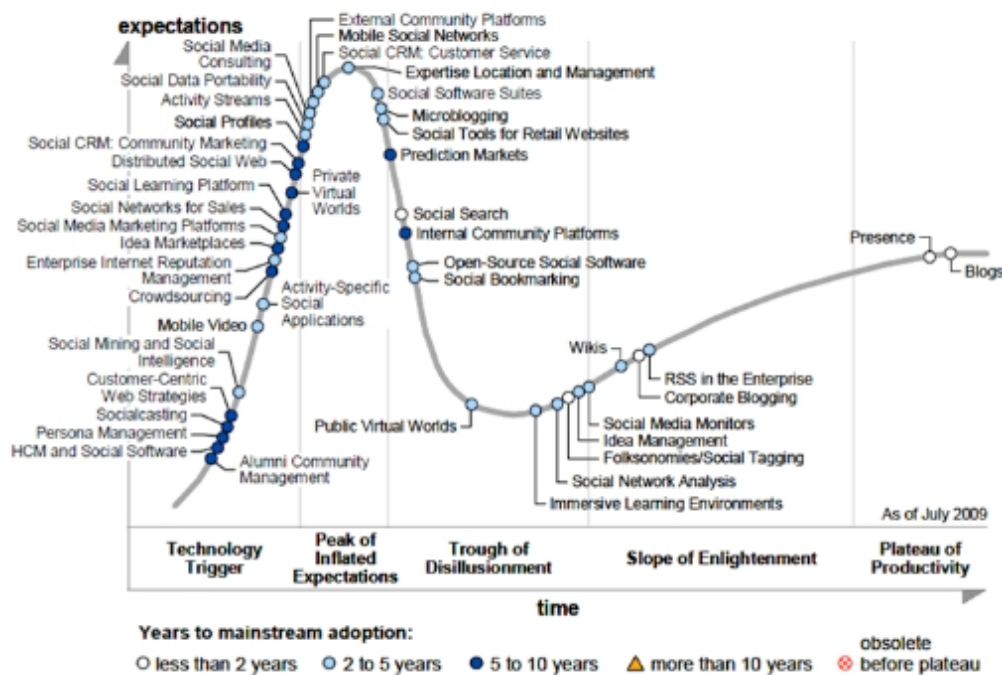


Figure 9 - The Hype Cycle for Social Software (Sixx, 2010a, Blog)

The eight previously observed B2B social media sub categories along with the web analytics tools are all plotted along the Hype Cycle. It shows that collaborative projects, assuming wikis representing both external and internal are found in the third phase. Among blogs, micro blogs can be found in the late second phase, corporate blogs in the fourth and regular blogs in the fifth. Content communities are not plotted along the curve. Social networking sites can be found in all first three phases while web analytics tools can be found in the third phase.

### 4.4.2 Hype Cycle Empirics

Gartner has divided companies into three different categories depending on innovation risk aversion. The groups show where in the Hype Cycle the companies have the tendency of adopting new innovations. 15 percent were sorted into group A, around 55 percent in group B, and 30 percent in group C (Fenn and Raskino, 2008).



#### 4.4.3 Most used Social Media Tool by Business-to-Business Companies

The '*B2B Social Media Benchmarking Study*' carried out by Business.com (Business, 2009, Report) is a part of a larger extensive survey with both B2B and B2C companies, using the same definition of B2B companies at this thesis. The survey was directed to people already involved with social media for business.

The study showed several interesting facts about Social Media use in B2B companies. The average study participant spent 21 percent of their work time in a given week on business social media activities. The most common departments that used Social Media were marketing and communications along with administration. However Social Media were used by most functions of a company. Another interesting fact was that 73 percent of B2B companies had less than two years of experience of Social Media (Business, 2009, Report).

Among the tools used, social media networks were popular, 81 percent of B2B companies maintained one or more accounts on such sites. Most popular was Facebook (77 %), Twitter (73 %), LinkedIn Groups (53 %), Company listing on LinkedIn (56 %) and YouTube (43 %). From these tools the following percentage could see business impact classified as well or very well; Facebook (45 %), Twitter (49 %), LinkedIn Groups (45 %), Company listing on LinkedIn (47 %) and YouTube (48 %). Another utilised tool is participation in Q&A sites for business purposes. Among these sites LinkedIn Answers (71 %) was the most popular. From this 40 percent classified the business impact as well or very well (Business, 2009, Report).

B2B companies also use third party content sharing sites to a large extent. Among these YouTube (67 %), Flickr (30 %), Slideshare (22 %) and Scribd (7 %) are most used. From these tools the following percentage could see business impact classified as well or very well; YouTube (40 %), Flickr (21 %) and Slideshare (38 %) (Business, 2009, Report).

#### 4.4.4 Social Media Toolbox

Duffy (2010, Interview) categorised a social media programme into four categories:

- Owned assets – web site, digital site, micro site
- Rented assets – communities classified as owned space ex. Facebook, MySpace
- Visited assets – places you visit and engage, post and comment ex. Blogs, Forums
- Reality – activities in the real world ex. Tradeshow

The last category, reality, is an equally essential part of social media engagement, Duffy argues. If no activities take place in the real world there is no information to spread through Social Media. Duffy states Social Media is a great promotion tool for an upcoming event but can equally be used during an event or afterwards, keeping the conversation alive.

## 4.5 Business Performance

### 4.5.1 Social Media Success Measurements

The 'B2B Social Media Benchmarking Study' study showed B2B companies used different metrics to measure social media success. Most common among these were Web Site Traffic (68 %), Brand Awareness (61 %), Engagement with Prospects (60 %), Engagement with Customers (52 %) and Revenue (38 %). The impact of corporate social media initiatives on these success metrics were classified as well or very well with the following percentages. Web Site Traffic (70 %), Brand Awareness (37 %), Engagement with Prospects (46 %), Engagement with Customers (47 %) and Revenue (60 %) (Business, 2009, Report).

Another part of B2B social media use was web analytics tools used for monitoring online conversations. Of these Twitter Search (60 %), Google Search (60 %) and Google Alert (59 %) were the most popular choices. From these tools the following percentage could see business impact classified as well or very well; Twitter Search (48 %), Google Search (50 %) and Google Alerts (59 %) (Business, 2009, Report).

### 4.5.2 Return on Social Media Investment

One of the central issues around any tool is measuring the return on investment, ROI<sup>5</sup>. Blanchard (2010c) means the challenges for Social Media users are twofold; they must learn how to measure the tangible value of Social Media but must also create the methodology that defines the value. What is known is that a well-executed social media strategy can result in a certain amount of customer engagement. This engagement can be measured by different social media metrics such as unique visitors or number of comments depending on the tool used. However measuring this impact is just the beginning.

It is equally important to measure the positive and negative impact that the chosen social media strategy has on the business (Warren, 2009a, Blog). When it comes to impact metrics it is possible to measure almost anything and it is important that each strategy pick suitable measures. However, when it comes to ROI, which is a specific subset of impact in that it relates specifically to the business' bottom-line. ROI can only be measured in terms of revenue. There is no 'return on impact'. Return on investment is in simple terms '*A business commits a certain dollar amount to a programme and expects to see that programme produce just like any other investment, if it does not it gets cut and a programme that will produce a better ROI is chosen*'. (Duffy, 2010, Interview) In a company where each sale can be measured, ROI can be measured through tracking links between social media initiatives and specific sales. However, when sales are in forms of longer relationships, common in the B2B environment, this is not always possible. (Rudqvist, 2010, Interview)

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<sup>5</sup> ROI=(Value of Investment-Initial Investment)/Initial Investment

### 4.5.3 Linking Investment to Return

Blanchard (2010c) emphasises the difference between impact and return on investment, while both should be measured, ROI should not be redefined. While others try to redefine either the investment or the returns as non-financial values, Blanchard means the currency is non-variable, and can only be defined in monetary terms. He also states the importance of measuring actual performance not potential. The strive of social media programme measurement system is to find links between investments and returns. The key according to Blanchard is to find connections between the following activities (Figure 10):

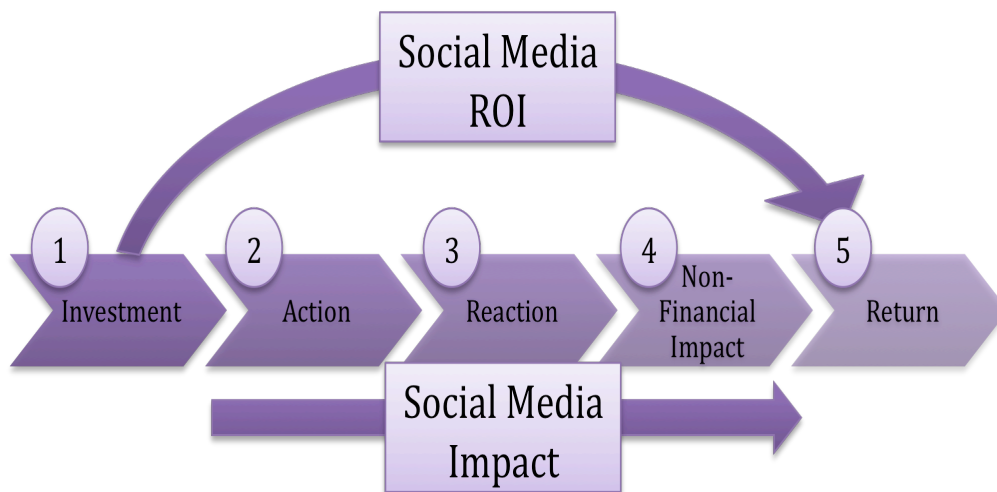


Figure 10 – The Social Media ROI Value Chain (own contribution)

The activities have the following meaning:

1. *Investment* – actual money spent on any kind of investment not only Social Media
2. *Action* – Social Media use ex. microblogging on Twitter
3. *Reaction* – public and customer reactions
4. *Non-Financial Impact* – subjective measures ex. mentions, traffic, visits on sites, positive image
5. *Return* – financial impact ex. increased revenue

Blanchard (2010c) argues that when it comes to measuring social media ROI one must only look to Investment and the Return. However, it the following work path will help explain the returns and help understand the value of a social media programme.

1. Establish Baseline – before social media implementation
2. Create Activity Timeline – plot activities from Social Media, PR and Marketing Communication.
3. Measure Non-financial and Financial outcome – look for change in customer behaviour in dimensions of:

#### The Social Brand – Aspects of Social Media Implementation

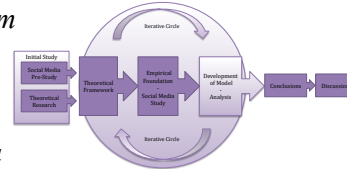
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- Frequency - how often customers transact (transactions per month)
  - Reach - how many customers you are reaching (net new customers)
  - Yield - how much are spend per transactions (amount spent per transaction)
4. Measure Transactional Precursors – non-financial impact that comes before the purchase also outside the Internet world.
  5. Overlay All Timelines – transactional and financial
  6. Look for Patterns – try to find indicators

## 5 Social Media Implementation Model

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*This chapter will use the theoretical framework from Chapter 3 together with the empirical foundation from Chapter 4 to create a model for Social Media implementation. The model is intended to be applicable for B2B companies that are Social Media Beginners who want to use Social Media as a brand-building tool. The developed Social Media Implementation Model suggests of four steps of social media implementation. The last step is concluded with a Social Media Balanced Scorecard.*



### 5.1 Introducing the Social Media Implementation Model

To meet the two research questions; *How should companies go about when implementing Social Media?* and *How should the performance of Social Media engagement be measured?* and the purpose of the Master's Thesis a model has been developed. However, the research questions and the purpose were induced by a lack of knowledge of how B2B companies should engage in Social Media. Mangold and Faulds (2009) made the importance of a Social Media presence evident for B2C companies. With figures showing that B2B companies are more active than B2C companies, it was clear that proper strategy models are needed<sup>6</sup>. Both Blanchard and Kullin highlight the importance of setting goals with a Social Media engagement and an accompanying strategy<sup>7</sup>.

When implementing Social Media into a company a holistic mindset has shown to be essential. Process theories highlights the fact that all parts creating value in a company must be considered, this implies that all parts of a company can be facilitators to the Social Media world to create customer value<sup>8</sup>.

The previous chapters have shown that Social Media can be used as a brand-building tool in B2B companies. With these chapters as a foundation the Social Media Implementation Model (SMI Model) was created with the intent to simplify the path to Social Media implementation for B2B companies.

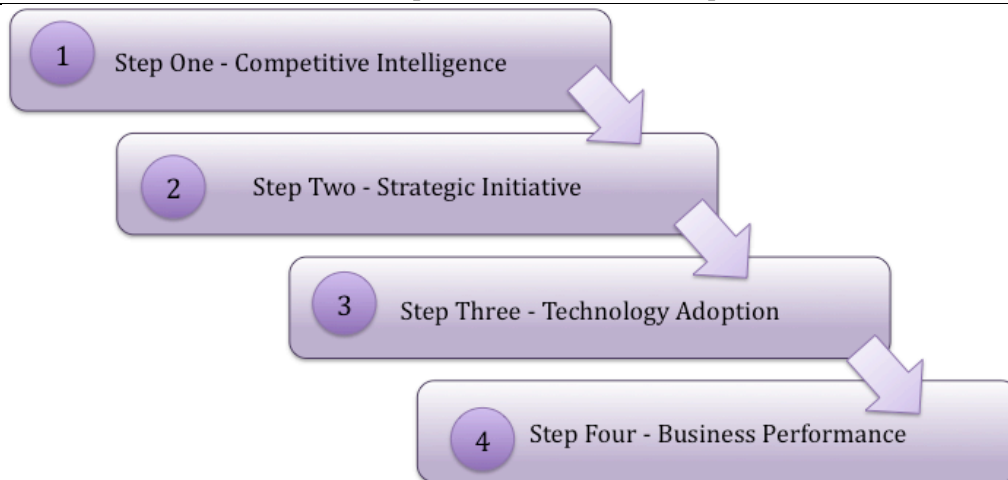
The SMI Model has been developed into a four-step model. These four steps were identified during the iterative process when combining the theoretical framework and the empirical foundation. Each step represents a certain area of processes that highlights the important aspects of Social Media implementation.

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<sup>6</sup> Compare section 1.1.2

<sup>7</sup> Compare section 4.3.1

<sup>8</sup> Compare section 3.1.1



**Figure 11 – The Social Media Implementation Model**

The four steps of the SMI Model, presented in Figure 11, conclude in outcomes presented below. For thorough understanding of the SMI Model the model is fully presented in the following sections.

*Step One – Competitive Intelligence*, results in an the environmental analysis that presents a picture of how the surrounding industry has adopted Social Media, and what is needed to become competitive.

*Step Two – Strategic Initiative*, creates a social media strategy that unites overall strategic goals with the goals for Social Media. The strategy also reveals how Social Media should be spread in the organisation.

*Step Three – Technology Adoption*, delivers a selection of social media tools that should be implemented according to a timeline, all depending on the company's risk aversion.

*Step Four – Business Performance*, produces a set of business performance measurements that is summarised in a customised balanced scorecard for Social Media use. This includes financial measurements, Social Media impacts measures and brand equity measures.

## 5.2 Step One – Competitive Intelligence

As Rudqvist<sup>9</sup> stated, Social Media beginners should look to what other companies are doing. Together with Aaker's (1996) thoughts around how to benchmark brands, the first step of the SMI Model was developed<sup>10</sup>. The first step of the SMI Model argues that an environmental analysis is needed to see what the surrounding industry is doing. A benchmarking of the surrounding environment will reveal which social media tools that are commonly used by the industry, and will reveal the overall social media adoption.

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<sup>9</sup> Compare section 4.2.1

<sup>10</sup> Compare section 3.5.1

### 5.2.1 Benchmarking

A Social Media benchmarking of the surrounding environment should start at each benchmarked company's web site. The web site is central to a company's social media effort and is most often the gateway to different social media sites.

To gain a thorough picture of the environment, the execution of two types of benchmarking is suggested. First, a general industry benchmarking that reveals the industry's Social Media adoption. The industry benchmarking should map social media web site attributions such as which tools are being used and the number people that are engaged with those tools. When performing an industry benchmarking it is important to know which industry the company acts within. Today industry lines can be very vague, and a comparison with companies with different conditions might lead to an inadequate benchmarking<sup>11</sup>.

The second type is specific benchmarking toward competitors and a best practise company. To do this, web based analytic tools can give valuable information. Benchmarking web based analytic tools such as Socialmention, Google Alerts and Compete are examples of tools that will track web site performance, plot *Strength*, *Passion*, *Sentiment* and *Reach*.

The two type of benchmarking will reveal how Social Media is utilised in the ecosystem and best use by the industry. This gives a good picture of what could be implemented in the company. From that, conclusions of the minimum level of social media engagement to stay competitive can be drawn<sup>12</sup>.

To avoid being too general in the benchmarking process, certain parameters to benchmark must be decided upon. Basing the benchmarking on a number of performance indicators made out by the same parameters in all companies will ease comparison and conclusions can be drawn.

To identify Social Media benchmarking parameters the four categories<sup>13</sup> of social media tools should be used. When benchmarking Social Media use, the most common tools need to be examined for competitor presence.

The benchmarking aims to reveal how competitors use social media tools to drive traffic to their web sites. An increased web site traffic could imply an increased awareness of the brand and thereby eventual future increases in sales. The benchmarking can be used as an argument for implementing Social Media in a company in order to stay competitive. By knowing this a company can see, which tools that are most urgent to invest in to stay competitive. However, before engaging in the social media tools that the competitors use a strategy for social media goals is needed.

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<sup>11</sup> Compare section 3.2.1

<sup>12</sup> Compare section 3.2.1

<sup>13</sup> Compare section 4.2.1 and Figure 6

### 5.3 Step two – Strategic Initiative

Several sources have stated how important it is to align a social media engagement with the overall company strategy. According to Blanchard, Social Media should spread organically in the organisation; this thought is supported by the process theories that preach a holistic mindset<sup>14</sup>. To be able to implement Social Media key people should be identified within the organisation<sup>15</sup>. These key people can act as spokespersons for Social Media both internally and externally. Further Blanchard's thoughts around a social media programme for implementation have inspired the argued work path.

#### 5.3.1 Social Media Goals

The first step toward a social media strategy has been found to be identifying the overall communication and online strategy<sup>16</sup>. The goals stated there are also the general goals for the Social Media. However, since Social Media is a new addition to the company the communication and online strategy might be dated and in need for an update. Clear specific goals for Social Media should be stated, first after that can the road to get there be planned. The goals for Social Media should be both short and long-term; the short-term goals are for placing the company in the Social Media landscape. The long-term goals should aim to gain a sustainable competitive advantage through Social Media<sup>17</sup>. Porter (2001) argues that to gain sustainable competitive advantage on the Internet a company should use strategic positioning. To do this the company must see to the existing assets within the company. Since most B2B companies have a niche, this niche should be explored to find an area not used by competitors, and therefore also hard to imitate.

#### 5.3.2 Social Media Guidelines

Before implementing Social Media in a company it is suggested that rules and regulations should be decided upon. The guidelines should remind the organisation of which general safety regulations that exist around the company's products or services but also encourage engagement and state how to contribute in the best manner. By announcing the social media guidelines to all employees at the company the most feared risk with Social Media has been confronted before it turned to a fact. To create social media guidelines Baeza's (2010, Seminar) general guiding principles can be utilised<sup>18</sup>. However, every company should customise their guidelines according to their regular safety precautions.

Social media guidelines fills yet another purpose besides facing risks, they can be utilised to somewhat moderate the network and therefore influence branding. By

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<sup>14</sup> Compare section 4.3.1

<sup>15</sup> Compare section 4.3.2

<sup>16</sup> Compare section 4.3.1

<sup>17</sup> Compare section 3.3.1

<sup>18</sup> Compare section 4.3.4



keeping control over branding, Accenture (2005) has stated that value can be created<sup>19</sup>.

### 5.3.3 Social Media Strategy

Porter (2001) argues that having a strategy requires discipline and strong focus on profitability with goals that can be measured<sup>20</sup>. After setting the goals for the Social Media effort a strategy for achieving those goals can be settled. The strategy formed here should firstly provide a way to Social Media implementation. To do these key employees with the will to be responsible for Social Media should be identified. To start with, people already working with marketing and communication should be engaged. This since they already have a perception of which corporate information that could be relevant and valuable for the external environment. These people can participate with general information about the company and the industry. First after the corporate message has been established in the Social Media world should the Social Media implementation spread within the organisation. Of importance when implementing Social Media in an organisation is organisational learning. Employees need to be educated and informed about the social media guidelines and how the Social Media world functions<sup>21</sup>.

What an implementation of Social Media at a company brings is a creation of an Internet based network with the company as the facilitator<sup>22</sup>. As with all networks, a social media network cannot be owned by anyone. The value of the network and the value that can be withdrawn from it depend on everyone that utilises the network. Therefore, the company that facilitates the network needs to remember that Social Media is not a one-way channel; it is about sharing knowledge and exchanging information. To share value-creating information the company need to have the information consumer in mind<sup>23</sup>.

To be able to implement Social Media in a company a set of social media tools are needed. When the short and long-term goals have been set and strategy for implementation formed tools can be picked.

## 5.4 Step Three – Technology Adoption

During the Social Media study, it became obvious that the tools companies should use the social media tools that other companies are using. Like any other technology, tools need to be selected in alignment with the strategy. However, the authors believe that it is the tools used by the own industry that are most relevant, therefore this step uses the information from the benchmarking in Step One.

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<sup>19</sup> Compare section 3.1.2

<sup>20</sup> Compare section 3.3.1

<sup>21</sup> Compare section 4.3.1

<sup>22</sup> Compare section 3.1.2

<sup>23</sup> Compare section 1.1.4

#### 5.4.1 Selection of Available Tools

When selecting tools this thesis' previous studies showed that Social Media beginners should use the tools that are used by others<sup>24</sup>. Using the previously presented Social Media categorisation and adding the most common tools used by B2B companies form the empirical data from the '*B2B Social Media Benchmarking Study*' proposed the selection of following tools (Figure 12). Keep in mind that this is a momentary picture of B2B companies in all industries. A company-specific environmental analysis will need to be carried out in Step One. However these tools will be used as examples to illustrate the work path in this step<sup>25</sup>.

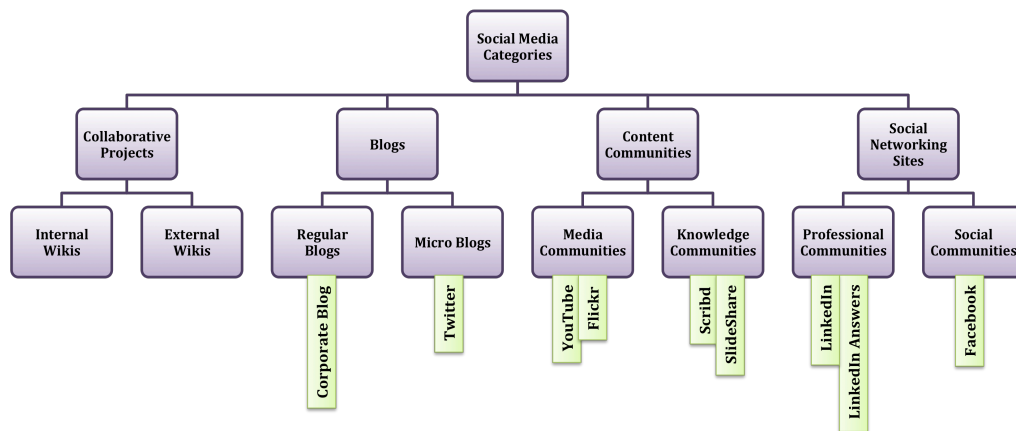


Figure 12 – A selection of B2B social media tools for Social Media beginners

#### 5.4.2 Plotting Tools in the Priority Matrix

Previous studies also showed the importance of picking tools that support the social media strategy selected in Step Two<sup>26</sup>. The model suggests making strategic trade-offs and picking a limited number of tools as part of the initial implementation. The proposed tools should according to the Hype Cycle be plotted in the Hype Cycle's Priority Matrix according to Benefit and Years to Mainstream Implementation<sup>27</sup>.

The proposed selection of tools was plotted in the Priority Matrix. The Benefit of the tools was classified with empirical data from the '*B2B Social Media Benchmarking Study*' in terms of showing business impact in the companies. Years to Mainstream Implementation will derive from Gartner's '*Hype Cycle for Social Software 2009*' where the Social Media categories previously were observed. When information was missing, the percentage of usage from the '*B2B Social Media Benchmarking Study*' was used as guidance. The following Priority Matrix can be suggested, see Figure 13.

<sup>24</sup> Compare section 4.2.1

<sup>25</sup> Compare section 4.2.1

<sup>26</sup> Compare section 4.3.1

<sup>27</sup> Compare section 3.4.1

## The Social Brand – Aspects of Social Media Implementation

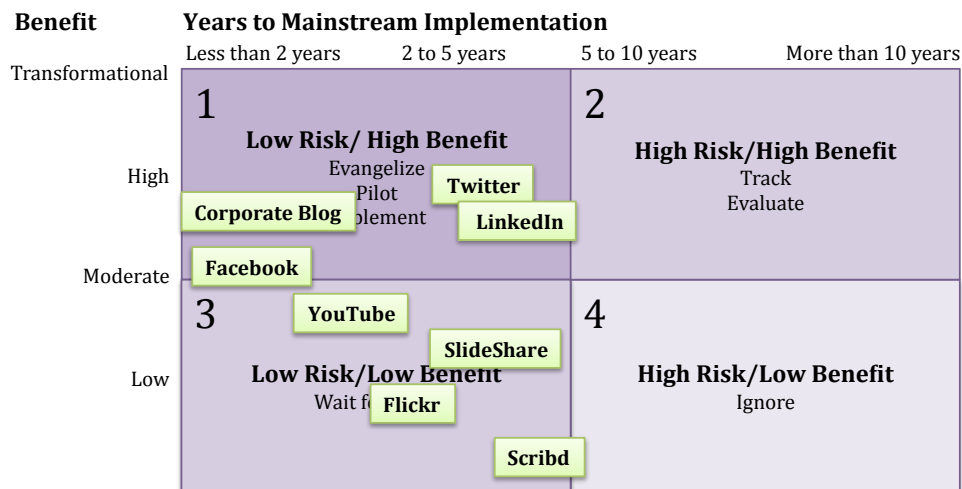


Figure 13 – An exemplification of the Priority Matrix for Social Media beginners (see figure 5)

### 5.4.3 Picking Tools

Different companies have different risk aversion and can according to the Hype Cycle be categorised in either group A, B or C<sup>28</sup>. Group A will pick tools from all boxes; group B from box 1 and 3. Group C will only pick tools in the upper corner of box 1. Most frequent is belonging to group B and arguments can be made that Social Media beginners can be sorted into this group. This since they are not aggressive early adopters from group A, but too interested in adopting new innovations to belong to group C. However this must be individually scaled in each company using the model.

The next step is picking which of the tools from the Priority Matrix with the risk aversion in mind. With the portrayed exemplified Priority Matrix (Figure 13) a Social Media beginner would chose to implement all tools from box 1; Twitter, Facebook, LinkedIn and a Corporate Blog. This will according to Hype Cycle theory be a good pilot project to be evangelized in the company. A Social Media beginner would further get acquainted with the tools in box 3 and set up accounts but wait for the need to use them. In this case anticipate content for publishing to YouTube, SlideShare, Flickr and Scribd.

A plan for the implementation of social media tools can be made with help from the Priority Matrix (See Figure 13), plotting the social media tools along a timeline, see Figure 14. This timeline can be seen as an example of how such a timeline could look like.

<sup>28</sup> Compare section 3.4.1

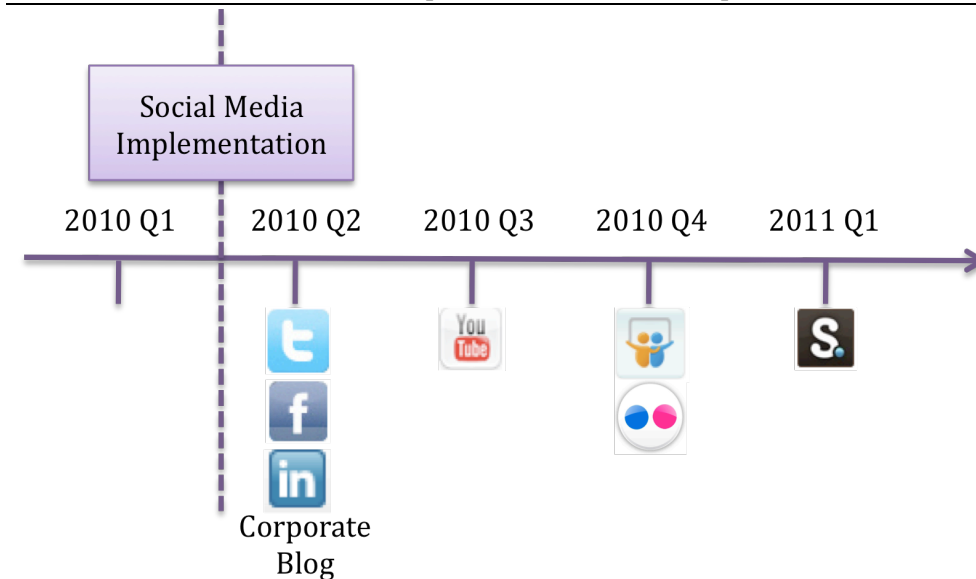


Figure 14 – An example of a social media implementation timeline for Social Media beginners

#### 5.4.4 Building the Social Media Toolbox

To manage the chosen set of tools, a Social Media Toolbox is suggested supported by Duffy (2010, Interview)<sup>29</sup>. The toolbox has four categories; Owned Assets, Rented Assets, Visited Assets and Reality. The suggested tools for Social Media beginners are plotted in the toolbox<sup>30</sup> see Figure 15. Most of the chosen social media tools all belong to rented assets. However the toolbox suggests the importance of creating processes for engaging in all categories. It especially emphasises activities in the real world that can be promoted and discussed through other assets. All tools in the toolbox should be used to promote each other. The toolbox should be revisited iteratively.

<sup>29</sup> Compare section 4.3.2

<sup>30</sup> Compare section 4.4.4

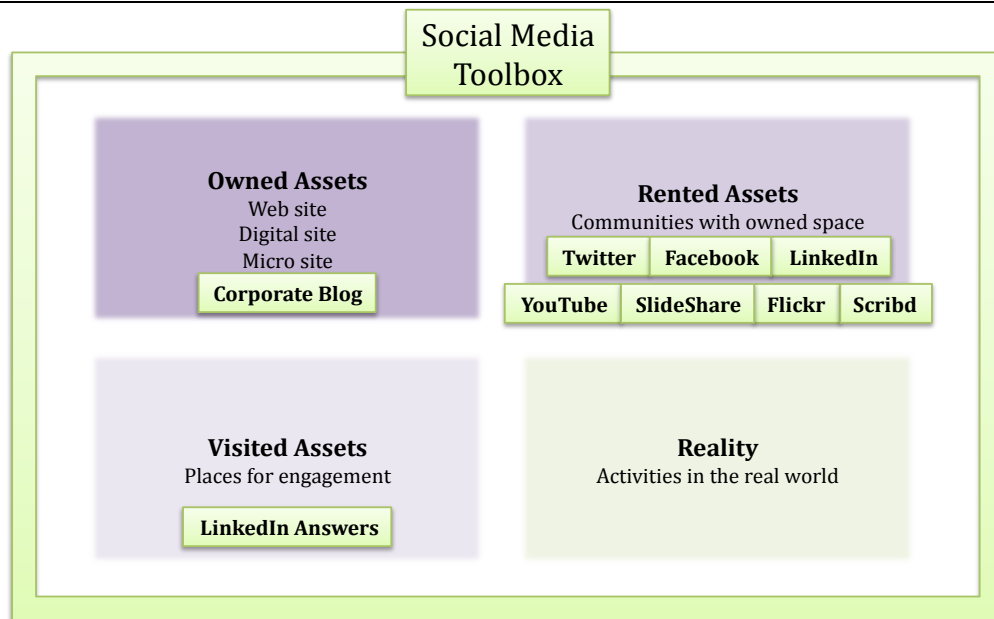


Figure 15 – The suggested Social Media Toolbox for Social Media beginners (own development)

## 5.5 Step Four – Business Performance

This thesis argues the importance of measuring the effects of Social Media and tying them to business metrics. Creating the fourth step in the model, Business Performance, involves development of a business performance measurement system applicable to Social Media as B2B branding tool<sup>31</sup>. The last step in the SMI Model aims to explain how Social Media engagement contributes to business performance. As stated in the theoretical framework, what gets measured gets done; having measures help achieving goals<sup>32</sup>.

### 5.5.1 Selecting Measurements

Setting out to use Social Media as a branding tool implies according to Aaker (1996) the importance of measuring the success of the brand management. Measuring brand value argues for development of a valid brand equity system<sup>33</sup>.

The five most common measures of Social Media success in B2B companies were collected in the empirics along with the impact of Social Media on these metrics. Web Site Traffic, Engagement with Prospects and Engagement with Customers can be categorised as non-financial measures. Revenue is strictly financial and Brand Awareness represents brand value. For a fully comprehensive measurement system this thesis will further argue for the incorporation of them all. Arguments for incorporating both financial and non-financial measures are also made by Blanchard,

<sup>31</sup> Compare section 3.5

<sup>32</sup> Compare section 3.5.3

<sup>33</sup> Compare section 3.5.1

Duffy and Warren<sup>34</sup>. Aaker (1996) also states the importance of developing credible and sensitive brand asset measures that supplement the financial measures. Doing so states the importance of measuring financial measures along with brand value.

This thesis' research also showed the significant meaning of measuring Social Media ROI supported both by Solis and Blanchard<sup>35</sup>. However research show that, as many as 84 percent do not measure at all and that there are no generally accepted models to this<sup>36</sup>. This thesis set out to create a suggestion for a measurement system that can act as a base for Social Media ROI calculation. This step of the model also aims to explain Social Media ROI through impact measures with inspiration from Blanchard<sup>37</sup>.

## 5.5.2 Developing the Balanced Scorecard

One way to tie all metrics together is in a Balanced Scorecard<sup>38</sup>. The Balanced Scorecard helps support the holistic mindset of the SMI Model as well as in the company. It offers a quick while comprehensive view, which is desired by this thesis. It puts the previously developed strategy from Step Two in centre and translates to measurable objectives. The Balanced Scorecard is excellent for a more customer based approach as well as addressing the imbalance of financial metrics. In order for a Balanced Scorecard to work, both financial and non-financial objectives need to be recognised in the strategy, with the devolvement of the Social Media with branding focus in Step Two it is.

### 5.5.2.1 Perspectives

The four traditional perspectives from Kaplan and Norton (1996) have been modified to suit brand management in the B2B Social Media environment. The following four perspectives were chosen<sup>39</sup>:

*Financial* – The Financial perspective is one of the traditional perspectives. In this context it is used to describe the financial impact on the company from all activities not only Social Media. In addition it will be used to quantify total social media investments, converting resources use into financial metrics. Market Awareness from Aaker's (1996) Brand Equity Ten is incorporated as a way to depict the markets awareness of the brand.

*Internal Processes* – The Internal Processes perspective is another traditional perspective, in this context used to describe how Social Media is implemented in the company. Looking not only at the time spent on Social Media but also to what extent it is spread amongst the departments as a support for the holistic mindset of the SMI

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<sup>34</sup> Compare section 4.5.3 and 4.5.2

<sup>35</sup> Compare section 1.1.3 and 4.5.2

<sup>36</sup> Compare section 1.1.3

<sup>37</sup> Compare section 4.5.3

<sup>38</sup> Compare section 3.5.3

<sup>39</sup> Compare section 3.5.3

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Model. With the process perspective on Social Media comes in addition to this the aim to measure the efficiency of these processes in this perspective.

*Social Network* – The Social Network perspective is used to describe and measure the ecosystem that surrounds the company. Partners, customers and competitors make out the ecosystem. The aim is to measure the impact of Social Media engagements on these. In addition to this two of Aaker's (1996) four brand equity dimensions are measured here, Brand Loyalty and Perceived Quality. These are the two that are based on the actual engagement with the brand that can be captured in the ecosystem<sup>40</sup>.

*Social Environment* – The Social Environment is used to describe the environment, which the company operates in. The social environment is made out of everyone that is affected by the brand's Social Media engagement. Among these are the media, consumers, potential customers as well as the ecosystem. The aim is to measure the spread of the Social Media initiative in this group. In addition to this measure the perception and strength of the brand through the eyes of the environment. Incorporating two of Aaker's brand equity dimensions, Brand Association and Brand Awareness, did this.

#### 5.5.2.2 Objectives and Measures

The following *objectives* were developed with the theoretical framework of the Balanced Scorecard theory and Aaker's (1996) Brand Equity Ten in mind<sup>41</sup>. Together with the empirical foundation such as Social Media success metrics and Social Media ROI a base for the development was found. The aim was keeping objectives balanced while limiting them to ensure a quick comprehensive view. The *measures* were chosen as examples of those that can drive the success of the objectives of a social media strategy derived from Step Two. The focus has not been to translate the Brand Equity Ten into social media metrics, envisioned here as a summary of several social media metrics left to be put in context for the actual brand.

*Financial – Revenue Growth* measures the bottom line of business performance. *Social Media Investments* quantifies the total spent resources in monetary terms. *Frequency* gives sales transactions per month and *Yield* the amount spent per transaction. The last two being essential to measure change in customer behaviour according to Blanchard<sup>42</sup>. *Market Awareness* is measured through Market Share.

*Internal Processes – Social Media Time Efficiency* gives the average time spent on Social Media by employees. Content Efficiency measures the processes and gives the *Social Media Productivity* in the company when producing content. *Social Media Spread* gives us the number of departments in the company using Social Media.

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<sup>40</sup> Compare section 3.5.1

<sup>41</sup> Compare section 3.5.1

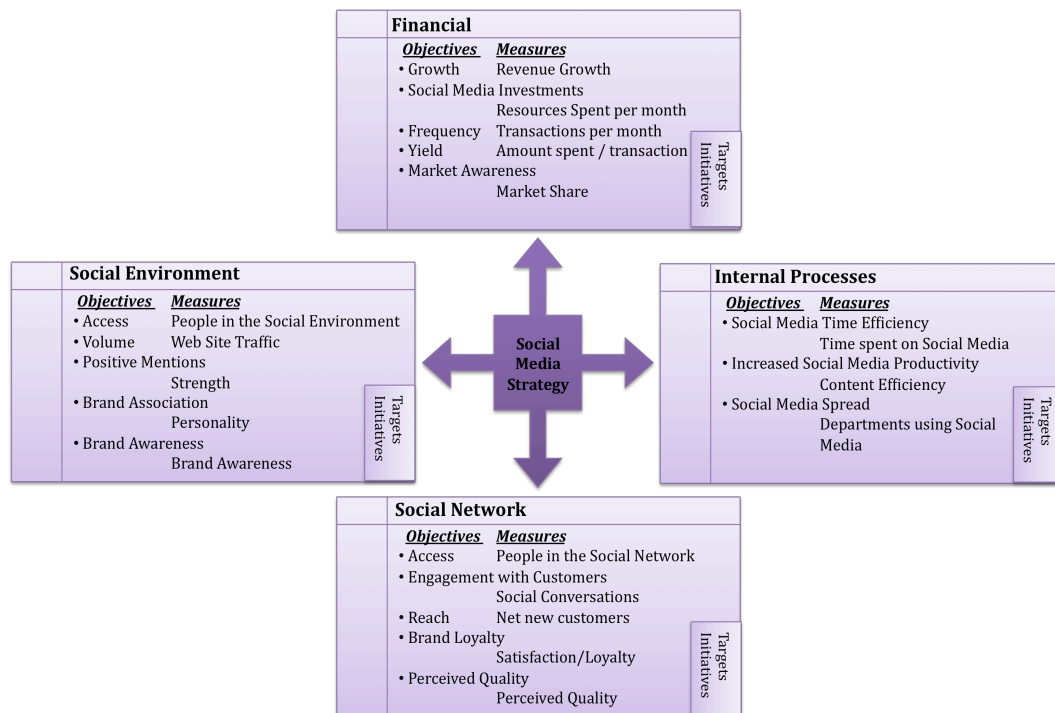
<sup>42</sup> Compare section 4.5.3

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*Social Network – Access* gives the number of people in the company’s Social Network. *Engagement with Customers* measures the number of social conversations with these. *Reach* returns net new customers, also a valid metric to track customer behaviour according to Blanchard<sup>43</sup>. *Brand Loyalty* produces a measurement of the customers’ faithfulness to the brand. *Perceived Quality* gives us the customers’ opinions of the brands ability to fulfil expectations.

*Social Environment – Access* gives the number of people in the company’s Social Environment. *Volume* refers to web site traffic, a previously reported important metric linked with Social Media success. The *Positive Mentions* can be measured through the use of the web analytics tool Socialmention’s Strength. *Brand Association* measures the humanlike personality of a brand considered by people. *Brand Awareness* reflects the prominence of the brand in people’s minds.

### 5.5.3 Presenting the Social Brand Scorecard



**Figure 16 – A template of the Social Brand Scorecard (own development)**

This Social Brand Scorecard, Figure 16, can act as a template for the development and tailoring a company’s own Social Brand Scorecard<sup>44</sup>. Several considerations are important according to this thesis’ previous studies. The social media strategy developed in Step Two should be central to the development. Key employees must be involved and customer value must be put in focus. Specific *targets* must be set for

<sup>43</sup> Compare section 3.5.3

<sup>44</sup> Compare section 3.5.3



each measure. *Initiatives* made out of action programmes must be initiated to meet the objective.

#### 5.5.4 Linking the Social Brand Scorecard to Social Media ROI

To settle the critique associated with the Balanced Scorecard, The Social Brand Scorecard will aim to conclude in an approximate value, Social Media ROI. It will also answer with clear recommendations in an effort to explain the Social Media ROI through Social Media impact indicatives in the Social Media ROI analysis. Further the Social Brand Scorecard is part of a larger Social Media Implementation Model whose steps aim to be revisited in an iterative process.

An inadequate Social Media ROI can be calculated in the Financial Perspective, if attributing revenue growth only to Social Media investments. However since this is often not the case deeper studies need to be made. To understand what part of this faulty ROI measures that is Social Media ROI impact measures needs to be studied.

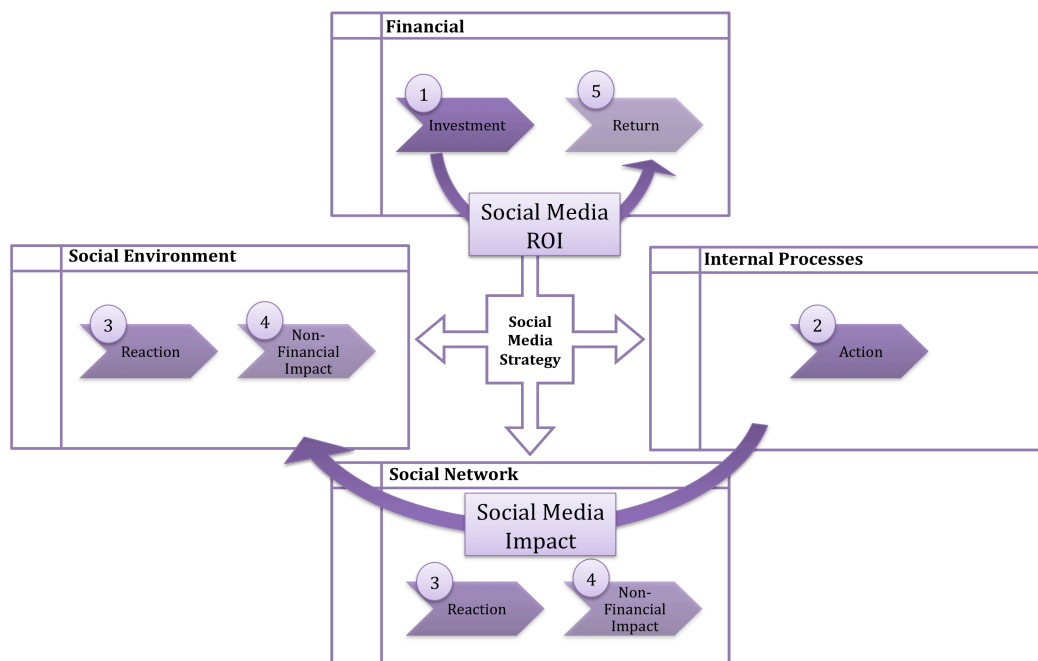


Figure 17 - Linking the Social Brand Scorecard to the Social Media ROI Value Chain<sup>45</sup> (own development)

The Social Media ROI Analysis aims to explain the Social Media ROI by looking to Social Media impact (Figure 17). The following steps are suggested with inspiration from Blanchard (2010c)<sup>46</sup>.

<sup>45</sup> Compare Figure 8

<sup>46</sup> Compare section 4.5.3

### The Social Brand – Aspects of Social Media Implementation

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1. *Establish Baseline* – The different perspectives of the Social Brand Scorecard (See Figure 16) needs to be converted into graphs, describing the change of each objective along a specific time line. A clear division of before and after Social Media implementation will have to be made. Together with this baseline before Social Media implementation needs to be established, especially important in the financial perspective.
2. *Create Activity Timeline* – For an accurate ROI analysis the Social Media Investment needs to be plotted along a timeline. In addition to the Social Brand Scorecard an Activity Timeline as described by Blanchard needs to be made<sup>47</sup>. After plotting actions on this it can be used as an explanatory indicative of impact measures.
3. *Measure Non-financial and Financial Outcome* – This is done in the Social Brand Scorecard (See Figure 16). Look to the specific objectives from change in customer behaviour. This is especially important in the objectives Frequency, Reach and Yield.
4. *Measure Transactional Precursors* – Study to the Social Brand Scorecard along with measures from the real world.
5. *Overlay All Timelines* – Compare data from the Social Brand Scorecard perspectives along with the Activity Timeline.
6. *Look for Patterns* – Look for links that explains the Social Media Impact; Action, Reaction and Non-Financial Impact on actual Return from the Financial perspective. Finding and calculating these patterns will return Social Media ROI, see Figure 18.

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<sup>47</sup> Compare section 4.5.3

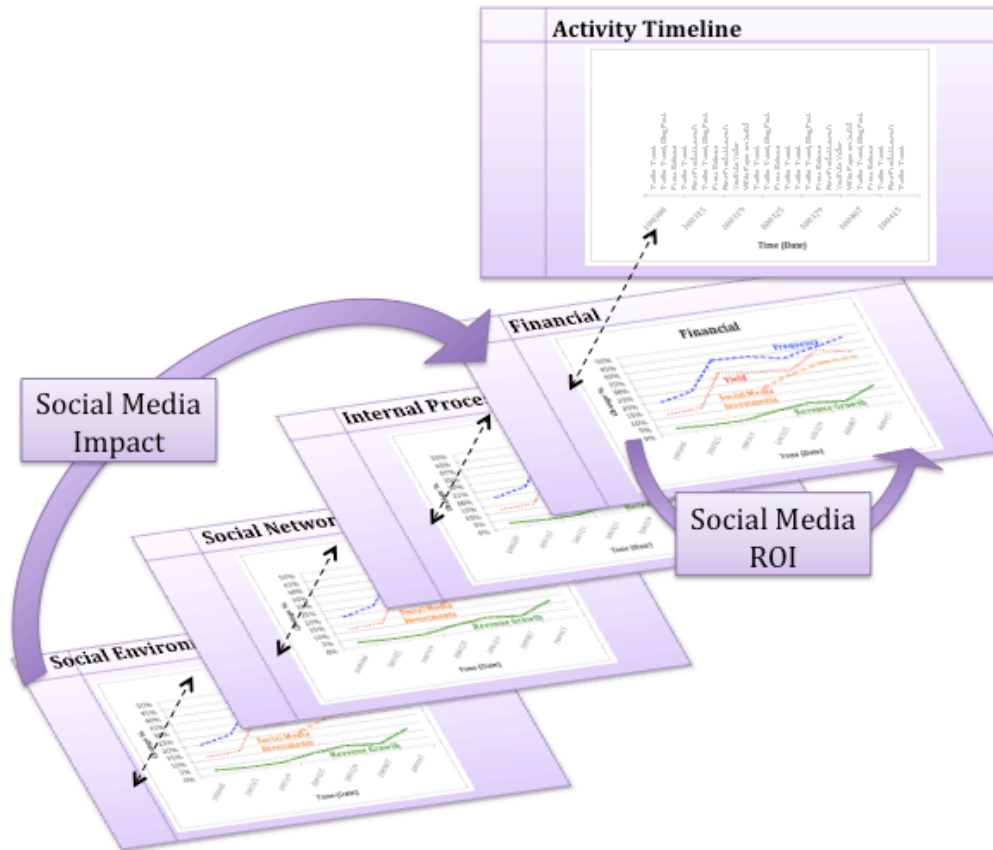
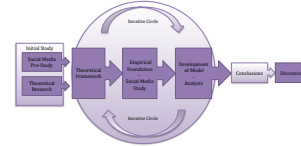


Figure 18 - Social Media ROI Analysis (own development)

## 6 Conclusions

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*In this chapter conclusions regarding the Social Media Implementation Model constructed in Chapter 5 are drawn. This connected with the thesis' purpose and identified knowledge gap.*



### 6.1 Concluding the Social Media Implementation Model

In this Master's Thesis a suggestion for an implementation model for Social Media has been formed, as was the purpose of the thesis. The model concludes in a proposed template for a measurement system that measures social media performance. The SMI Model is developed to ease Social Media implementation in B2B companies that are Social Media beginners. The model suggests a connection between Social Media and brand building in the sense that Social Media can be used to build stronger brands. The aim of the model is to provide companies with a comprehensible work path that highlights the main aspects of Social Media implementation in B2B companies.

Step One of the model, *Competitive Intelligence*, helps the company understand the Social Media adoption of its environment. With the suggested benchmarking studies of the industry along with best practise, the company can learn how Social Media is used. The benchmarking can be utilised as an argument for Social Media implementation in order to stay competitive. In addition to this, the first step provides an implicit selection of Social Media tools that are used.

Step Two, *Strategic Initiative*, argued the importance of having a strategy when implementing Social Media in a company. This step was divided into three parts; stating *social media goals*, developing *social media guidelines*, and adopting a *Social Media implementation plan*. The goals should be broken down to specifics while supporting the overall strategy. The guidelines are needed for informing employees about how to represent the company on Social Media while following the overall corporate disclosure agreement. The implementation plan suggests Social Media should be spread organically in the company starting from the communication and marketing department.

Step Three, *Technology Adoption*, shows how social media tools can be picked. After having stated that a Social Media Beginner should use tools that the environment is using, the tools form the benchmarking from Step One constitutes the selection. The tools are further evaluated by being plotted in a Priority Matrix with the companies risk aversion in mind. The outcome of this is a timeline for the implementation of certain social media tools. Further a Social Media Toolbox is created to highlight the different categories of assets and implicate the links between them. It implies that

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Social Media will never be able to replace other marketing activities and the importance of activities in the real world.

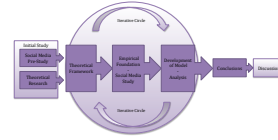
Step Four, *Business Performance*, consists of the development of a measurement system that is concluded in a Social Brand Scorecard. The Social Brand Scorecard should act as a template for the development and tailoring of a company's own Social Brand Scorecard. The Social Brand Scorecard can be used for measuring business performance while incorporating social media impact measures and brand equity measures. The Social Brand Scorecard has four perspectives; Financial, Internal Processes, Social Network and Social Environment. These four perspectives will help the company to monitor the Social Media engagement. The Social Brand Scorecard can act as an initiative for measuring Social Media ROI through a suggested Social Media ROI Analysis.

## 7 Discussion

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*In this chapter the theoretical framework, the chosen method, the theoretical contribution, the general applicability of the SMI Model is discussed. This connected to the thesis' purpose and the research questions. Further studies and the general applicability of the model is discussed.*

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### 7.1 The Theoretical Contribution

The purpose of this Master's Thesis was to create an implementation model for Social Media, applicable for B2B companies that use Social Media as a brand-building tool. An additional purpose was to further create a measurement system that measures Social Media performance. The research questions that were kept in mind were: *How should companies go about when implementing Social Media?* and *How should the performance of Social Media engagement be measured?*.

This thesis' studies showed a knowledge gap in the intersection of Social Media, B2B Brand Building and Business Performance Measurements. This led to the creation of the Social Media Implementation Model (SMI Model). The model provides a step-by-step framework, which can be used by B2B companies that want to engage in Social Media. Each of the model's four steps aims to point out important aspects of the Social Media implementation. The model concludes in the development of the Social Brand Scorecard that presents the company with comprehensive measurements that covers all aspects of Social Media. The need to evaluate this proposed theoretical contribution, with the thesis purpose and the knowledge gap in mind, is necessary.

The SMI Model is an implementation model that gives a structured path to Social Media engagement. It emphasises on gathering competitive intelligence and creating a social media strategy in order to obtain a sustainable competitive advantage. Together with the model providing a work path for evaluating Social Media tools, it identifies satisfactory settings for a successful implementation.

The SMI Model was tailored for B2B companies in the sense that it focuses on the whole ecosystem rather than on the actual selling point. It also focuses on building relationship through Social Media, as showed to be important through our studies. As for being valid for brand building, the SMI Model sees the company as a brand and Social Media as a tool to build the brand. In addition to this the developed measurement system incorporates brand equity measures.

As for the additional purpose the SMI Model's last step involves the tailoring of the developed Social Brand Scorecard, a measurement system that sets out to present all aspects of Social Media as a brand-building tool. The arguments for The Social Brand Scorecard measuring Social Media engagement in an adequate way, is the layout of

the scorecard, the connection to the value chain and the incorporation of brand equity measures. The four perspectives are developed to incorporate both Social Media impact measures and actual financial measures tied to Social Media use. To make it more understandable it is connected to the Social Media ROI Value Chain. The scorecard also incorporates brand equity measures in two of its perspectives and throughout incorporates the brand building approach of Social Media in the thesis.

## 7.2 The Theoretical Framework

The theoretical framework derives from the identified knowledge gap in the initial study. The gap was found in the intersection between Social Media, B2B Brand Building and Business Performance Measurements. The lack of theoretical framework of Social Media led to the quest to find the best theoretical base that best could describe the phenomena. The theoretical research in the initial study showed Branding theory to be the best theoretical base.

Due to the lack of existing implementation models the authors felt the need to contribute with a theoretical proposal. The thesis was therefore permeated with the development of SMI Model. The proposed theoretical framework was essential for the development of the SMI Model. The theoretical framework was used and modified by empirical foundation from the Social Media Study. This was an iterative process and the theoretical framework was continuously changed throughout the model creation. The chosen work path for choosing a suitable theoretical framework, with the theoretical research and the iterative process, created the need to evaluate the chosen theoretical framework.

The found connection between Social Media and Brand Building had not been done before in searched academic studies. This lead to the need to meticulously explain and argument for the applicability of Social Media as a brand-building tool. However if previous studies had existed, more time could have been spent on the actual development of the SMI Model. Due to the iterative nature of the model creation more time could have lead to a different set of theories. Though both Marketing and Communication theory was discarded further studies of these could perhaps show undiscovered angels that better suits Social Media. With Social Media being a current topic the interest for it is massive and the empirical foundation has no end. This leads to a never-ending stream of new information that in the future could imply the use of a different theoretical framework.

## 7.3 The Chosen Method

The choice of a qualitative method was based upon the fact that the thesis purpose was to create an implementation model for Social Media beginners. A qualitative method has let the authors dig into the depths of how Social Media can be utilised in a B2B company. The qualitative approach showed to be good when searching appropriate data in the knowledge gap between Social Media, Business Performance Measurements and B2B Branding Building. This could only have been revealed through deep interviews with experienced people working in the Social Media

landscape. If however a quantitative method had been chosen the thesis would have had a diverging result. Having suggested quantification, web analytics tools, in the benchmarking section it is evident that much can, and should be measured quantitatively regarding Social Media. However, when forming a strategy model it is relevant to gain deep understanding for a phenomenon.

The people chosen for the interviews in this thesis have affected the outcome of it. Interviews were conducted to gain understanding of the Social Media landscape and therefore people that use and work with Social Media on a daily basis were chosen. If other people had been chosen a different picture of the Social Media landscape could have been formed and therefore contributed to slightly different SMI Model.

The development of the Social Media Implementation Model was an iterative process where information knowledge from both the theoretical framework and the empirical foundation was utilised. The theories and the empirics was categorised under five areas where the model was formed. The iterative process was chosen since there was little knowledge of the area on beforehand and new information surfaced with time. However, the authors could have chosen one theoretical view and then kept that view throughout the thesis. This would however limited the work and probably lead to a less useful model.

#### **7.4 General Applicability of the SMI Model**

The SMI Model was created to be applicable for all B2B companies that are Social Media beginners. Many can see this as an unseemly large target group. However the SMI Model is not a roadmap model but merely an implementation model that point out important aspects of Social Media implementation. Therefore the authors believe the whole target group's needs are adequately met. However what must be kept in mind, which is also highlighted in the model, are the specific settings of the studies company.

The model is not adapted to a specific industry or environment but takes a wider approach. It is likely that the SMI Model can be applicable in all types of B2B companies. However, this applicability has not been studied in this Master's Thesis. The question of who a Social Media Beginner is, is evident. In this thesis it is defined as a company that currently is not using Social Media. The model could perhaps be applicable for companies already using Social Media, however this was a delimitation of the thesis. Another important consideration is the definition of a B2B company. In this thesis a B2B company is considered a company where at least two-thirds of a company's revenue comes from sales to other businesses. The SMI Model could perhaps be applicable to B2C companies as well, but this is also a delimitation of the thesis.



## 7.5 Further Studies

The SMI Model is a suggestion to how B2B companies can implement Social Media. The model is however not verified and needs to be validated through further studies. The authors have applied the model to one company, ST-Ericsson, see Appendix 3. The model will be further implemented at ST-Ericsson and could thereafter be evaluated at the company. To validate the model, the model needs to be used in case studies and be successful. If implemented and proven not to be as good as the authors aimed, the model needs to be reconstructed and evaluated further.

This study has been carried out with focus on B2B companies. However, even though there is several examples of successful Social Media use in the B2C environment the need of an implementation model that highlights branding, could be needed. Therefore studies with the focus to customise the developed SMI Model onto B2C are suggested.

The model has been developed with large B2B companies in mind; the company in the example has more than 7000 employees. A large company consists of several departments and because of this a certain work path have been suggested. In a small organisation the boundaries between departments might not exist and therefore another implementation of Social Media is needed. However, the Social Brand Scorecard could just as well suit a small company. Suggested further studies that should customise the SMI Model to small business shall therefore be focused on the second step of the SMI Model.

Developing the SMI Model, several theories have been used together with a thorough empirical foundation ranging from interviews with experts and observations on the Internet. However, the authors feel that in the future, it will be possible to take an even stronger theoretical approach. Therefore it is suggested that the model can be redeveloped with a more theoretical approach.

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To: [lundin.nilsson@gmail.com](mailto:lundin.nilsson@gmail.com) from: <mailto:hans@sermoconsulting.se>

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## Appendix

### Appendix 1 - Interview Questions

#### Interview Questions - Ulrika Rudqvist, GoodOld

1. Can you describe your background?
2. What is the use of Social Media?
3. Can you see any difference in the usage of Social Media between small or big companies?
4. Who is the “ultimate” person to work with Social Media with in a company? High or low in the organisation?
5. The companies you develop Social Media strategies to, do you use any tools to follow up?
6. ST-Ericsson is a B2B company, so the sales are not driven by Social Media advertisement; their goal is to create communication. What kind of measurable tools do you see that could be used?
7. Do you have any experience with so called Social Media Newsrooms? What are your thoughts about that?
8. If you think of Social Media tools for B2B, which do you usually recommend?
9. Do you have a system or tool to track new upcoming tools? Criteria for this?
10. Is it possible to measure ROI on Social Media? How can you quantify a Social Media site?
11. Is it possible to measure knowledge transformation?

#### Interview Questions - Sean Duffy, The Duffy Agency

1. What is your experience from B2B Social Media use?
2. How are B2B companies different from B2C when using Social Media?
3. How do you go about when creating a social media strategy?
4. What B2B Social Media tools can you recommend?
5. How do you go about when picking tools for companies too use? New versus established?
6. How do you go about when measuring the gain of social media use in a company?
7. Which media metrics do you use? (frequency, feedback, reach, yield)
8. How do connect social media impact (i.e. increased traffic on a web site, increased participation on your blog etc.) to business measures (i.e. ROI)
9. What business metrics can you use if you cannot measure the impact on sales?
10. Do you use the metrics gathered by “SocialMention” (strength, sentiment, passion and reach, average time by mention, unique authors)

## The Social Brand – Aspects of Social Media Implementation

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11. Who is the ultimate person working with social media in a company?
12. How much should you steer your social media conversations?

### Interview Questions – Hans Kullin, Sermo Consulting

1. How does the usage of Social Media differ between B2B and B2C companies?
2. Which Social Media tools can you recommend to B2B companies?
3. Which guidelines do you follow when recommending Social Media tools to companies?
4. Do you measure ROI in any way for Social Media tools? (Do you believe that ROI is a relevant measurement?).
5. Do you measure any other factors? (Frequency, feedback, reach, yield?)
6. Do you connect Social Media impact to actual business goals?
7. If a company wants to work with Social Media, who in that company is most likely to be responsible for the Social Media?

### Interview Questions – Global Communications no.1, ST-Ericsson

1. Tell us about your background?
2. What Social Media tools you use?
3. Who do you talk with?
4. What do you talk about?
5. What is your experience from B2B Social Media use?
6. What B2B Social Media tools can you recommend?
7. What is the Industry characterised by?
8. What Social Media tools are used?
9. Who uses what? Benchmark? Customers? Partners? Competitors?
10. Where do you think ST-Ericsson should be present?
11. Which do you think would be the best people to engage in social media at ST-Ericsson?
12. What processes do you think could work at ST-Ericsson?
13. How much should you steer your social media conversations?
14. What media metrics do you think ST-Ericsson should use?
15. What business metrics do you think ST-Ericsson should use? If you can not measure the impact on sales?

### Interview Questions – Global Communications no.2, ST-Ericsson

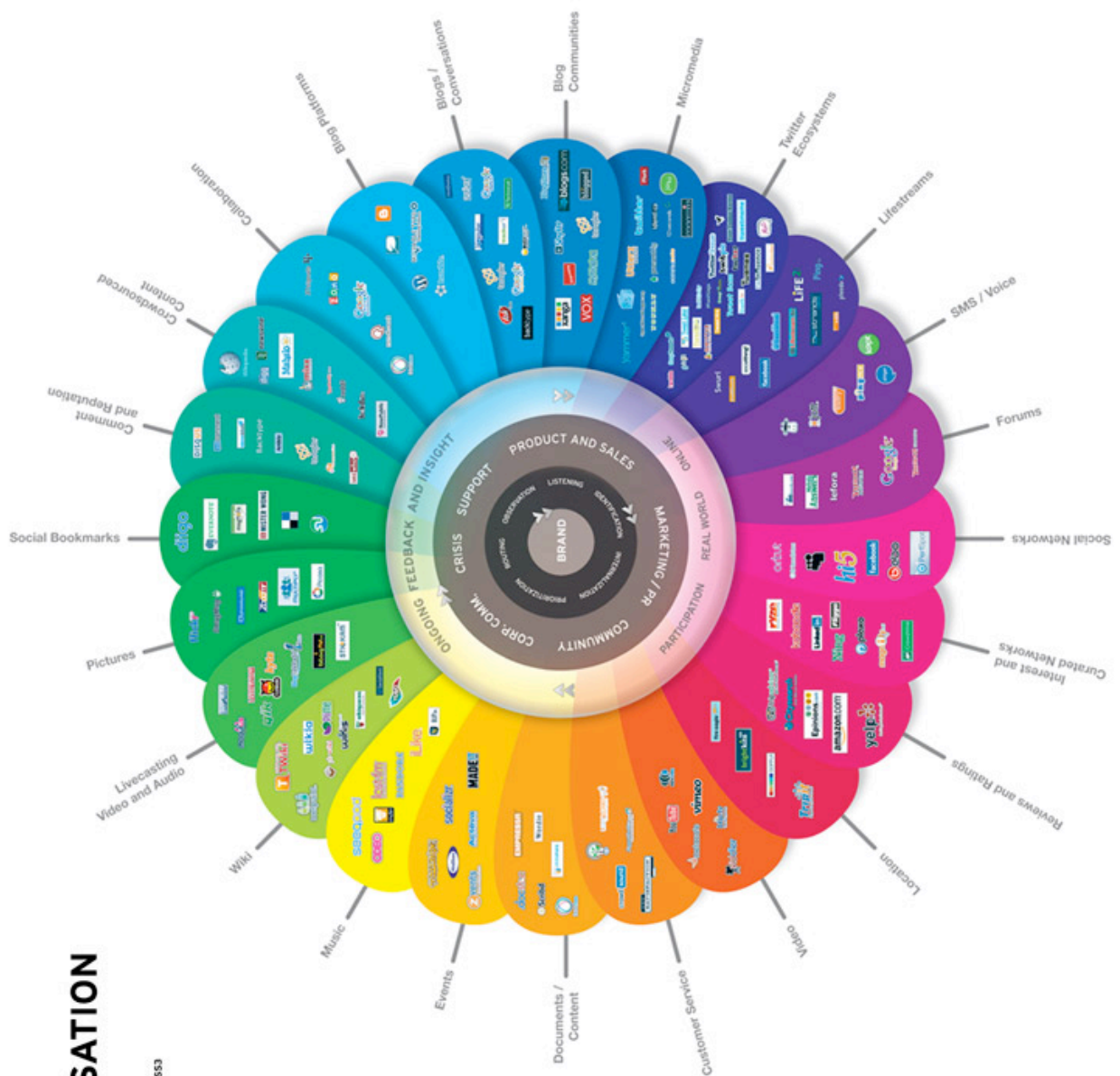
1. Tell us about your background?
2. What Social Media tools you use?
3. Who do you talk with?
4. What do you talk about?
5. What is your experience from B2B Social Media use?
6. What B2B Social Media tools can you recommend?
7. What is the Industry characterised by?
8. What Social Media tools are used?
9. Who uses what? Benchmark? Customers? Partners? Competitors?
10. Where do you think ST-Ericsson should be present?

### The Social Brand – Aspects of Social Media Implementation

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11. Which do you think would be the best people to engage in social media at ST-Ericsson?
12. What processes do you think could work at ST-Ericsson?
13. How much should you steer your social media conversations?
14. What media metrics do you think ST-Ericsson should use?
15. What business metrics do you think ST-Ericsson should use? If you can not measure the impact on sales?

## Appendix 2 – The Conversation Prism



## THE CONVERSATION PRISM

Brought to you by Brian Seils & JESS3



## Appendix 3 – A ST-Ericsson Example

### Applying the Social Media Implementation Model on ST-Ericsson

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*In this application of the SMI Model and the Social Brand Scorecard will be utilised. ST-Ericsson is a newly formed company with the aspiration to build a stronger brand as well as delivering their message to a wider audience than before.*

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#### Background – ST-Ericsson

This thesis is an assignment from the Global Communication department at ST-Ericsson, as explained in Chapter 1. ST-Ericsson sought after information how a B2B company such as ST-Ericsson should engage in Social Media. ST-Ericsson is the global leader in cutting edge mobile platform and semiconductors for wireless technologies. The company is a supplier to four of the top five mobile handset manufacturers, whom represent approximately 80 percent of the total global handset production (ST-Ericsson, 2010a).

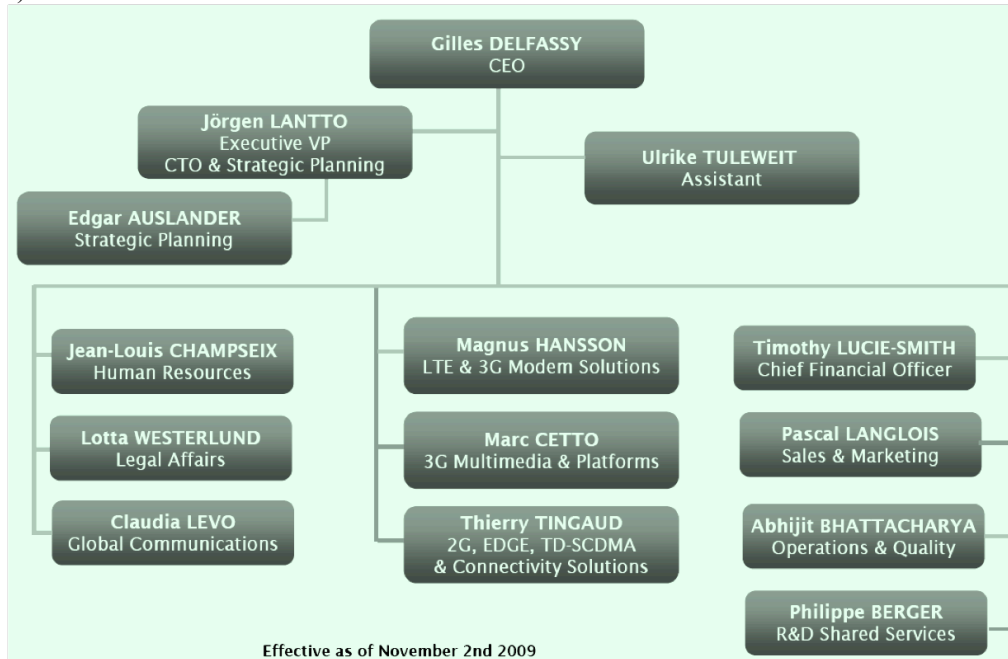
ST-Ericsson is a joint venture between Ericsson Mobile Platforms and ST-NXP Wireless. It is a 50/50 joint venture between Ericsson Mobile Platforms owner LM Ericsson and STMicroelectronics (ST-Ericsson, 2010b). The joint venture with the massive structural changes makes ST-Ericsson an emerging company when it comes to structure and processes.

The joining of the two companies was announced to the public in February 2009 (Global Communications no.3, 2010). The company's focus was set to be semiconductors and platforms for mobile applications (ST-Ericsson, 2010c). ST-NXP Wireless was not long ago by itself another joint venture, in mid 2008 ST Microelectronics and NXP Wireless merged into one company, which was finalised in February 2009 when ST bought the remaining shares from NXP (ST-Ericsson, 2010b).

ST-Ericsson has long standing relationships with manufacturers of mobile phones. In addition to this through the parent companies of ST-Ericsson, they have very strong intellectual property rights (ST-Ericsson, 2010a). All three of the companies have contributed to ST-Ericsson's strong portfolio in multimedia, radio frequency, analogue experience and semiconductors. NXP Wireless was the most prominent in the field of making cheap, highly integrated platforms for both GSM and Edge and also the early developers of TD-SCDMA. Ericsson Mobile Platforms was in turn world leader in modems manufacturing and were ahead in research both in HSPA and LTE technology (etn, 2010a).

## The Social Brand – Aspects of Social Media Implementation

The current organisational structure and the management team are presented in Figure 1).



**Figure 1 - ST-Ericsson's organisation chart (ST-Ericsson)**

ST-Ericsson nurtures several different collaborations that can be divided into two subgroups; operator collaborations and industry alliances. The first are collaborations with mobile phone operators such as China Mobile. The second are industry alliances formed around technological standards such as Symbian and Android, open source standards that both are supported by ST-Ericsson.

One of ST-Ericsson's main sales arguments is the complete platform portfolio. The company's product portfolio contains platforms for connected devices, smartphones, feature phones and entry phones. The technology within the platforms stretches from 2G to LTE. Important to mention is that a customer can order a single component or fully integrated solutions customised to the customers wishes. One third of ST-Ericsson's engineers are located close to the customers in more than 20 countries (ST-Ericsson, 2010c).

ST-Ericsson operates in a fast-moving industry where development of new and superior technologies and products are critical. The future is demanding as the society moves towards a more connected one. The customer is the focus, demanding faster, smaller and cheaper platforms with low energy consumption (ST-Ericsson, 2010d).

## Step One - Competitive Intelligence

The first step of the SMI Model contains a benchmarking study. In this step mapping of the conversation around ST-Ericsson's, mention, have been carried out. Followed by an industry mapping and last an industry and best practise benchmarking is presented.

### Mapping ST-Ericsson's Internet Mention

During March 2010 a tracking of the mention of ST-Ericsson was completed. The tracking has been made possible with help from Google Alert. In addition to this the name ST-Ericsson has been followed at Twitter, however, due to downtime in the search service at Twitter, several days of twittering is missing.

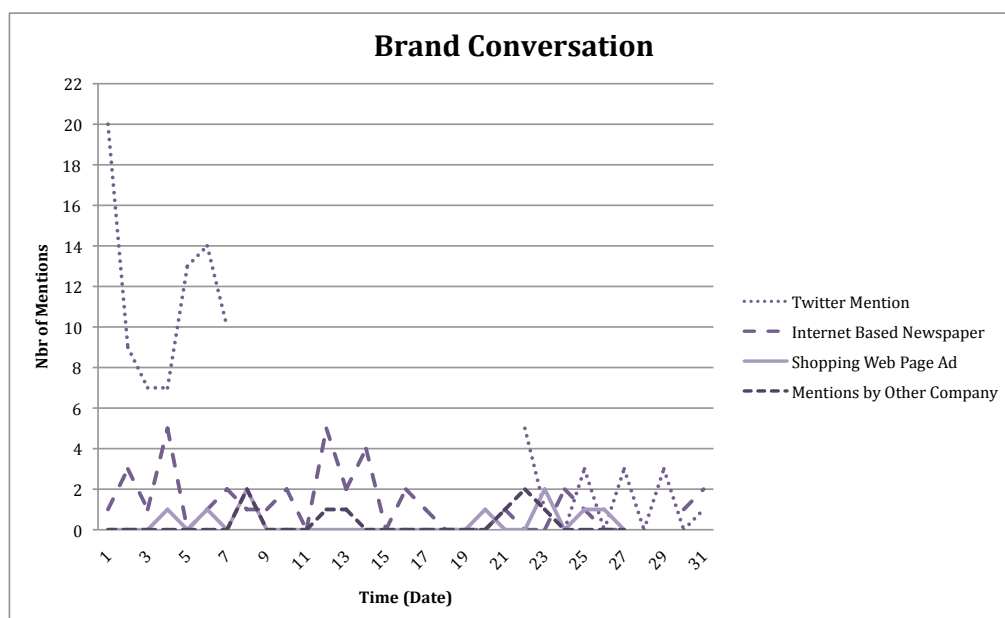


Figure 2 - ST-Ericsson's mention during March 2010 (GoogleAlert, 2010b, E-mail)

To show the total number of mentions over time at each place a graph of this has been plotted. This information gives a picture of where ST-Ericsson appears the most (See Figure 2). The total number of mentions in each channel can be seen in Figure 3. Looking at the data it can be seen that ST-Ericsson at the most have about twenty mentions per day. However, the average mention rate lies around 5, which is a low number. The most mentions have been found at Twitter, even though ST-Ericsson does not have any engagement at the site and several days of data is missing.

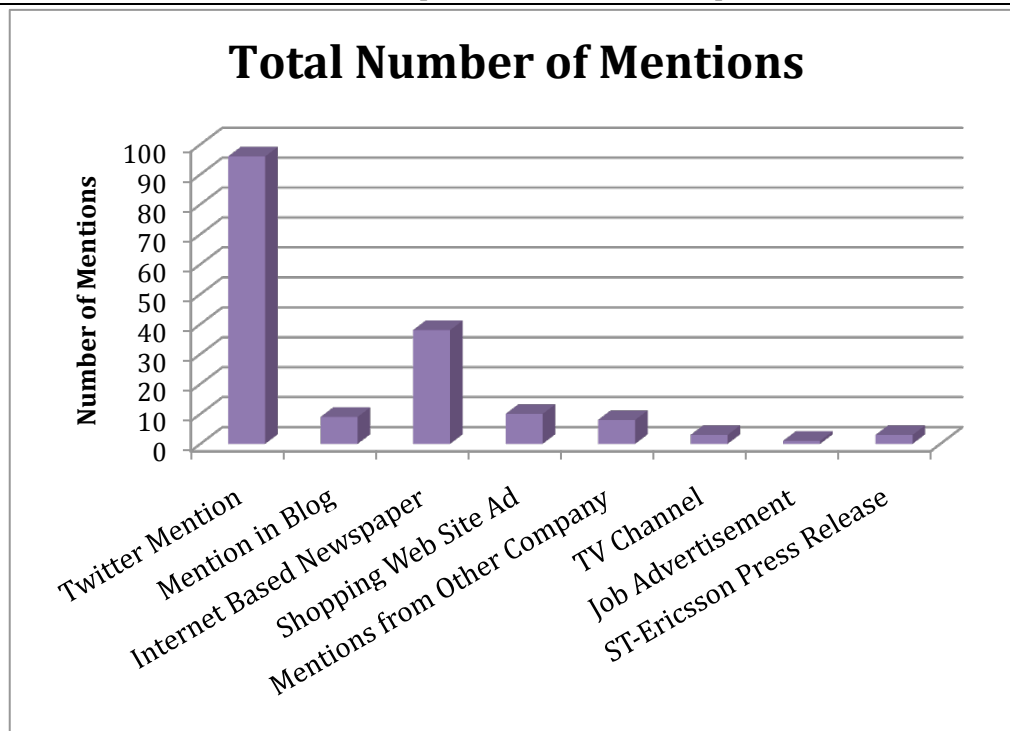


Figure 3 - Total Number of Mentions During March 2010 (Google Alert, 2010b, E-mail)

Looking deeper into the mentions collected by Google Alert, and the meaning of them, 6 percent of the mentions were about the upcoming employee reductions. Only 3 percent were about ST-Ericsson's products. And a few of them touched the subject of the company's financial situation, giving a picture of a company in a downturn.

Web analytic site Compete, the total number of unique visitors on ST-Ericsson's web site have been collected (Compete, 2010c). The web site traffic have been plotted from February 2009 to February 2010. Looking at Figure 4, two significant peaks can be seen. The peaks indicate an significant increase of unique visitors from one month to another. The mention increase in June could be due to two press releases. In September ST-Ericsson announced the new CEO of the company and launched a campaign where flash and a link to the web site was used (Global Communications no.3, 2010a, E-mail).

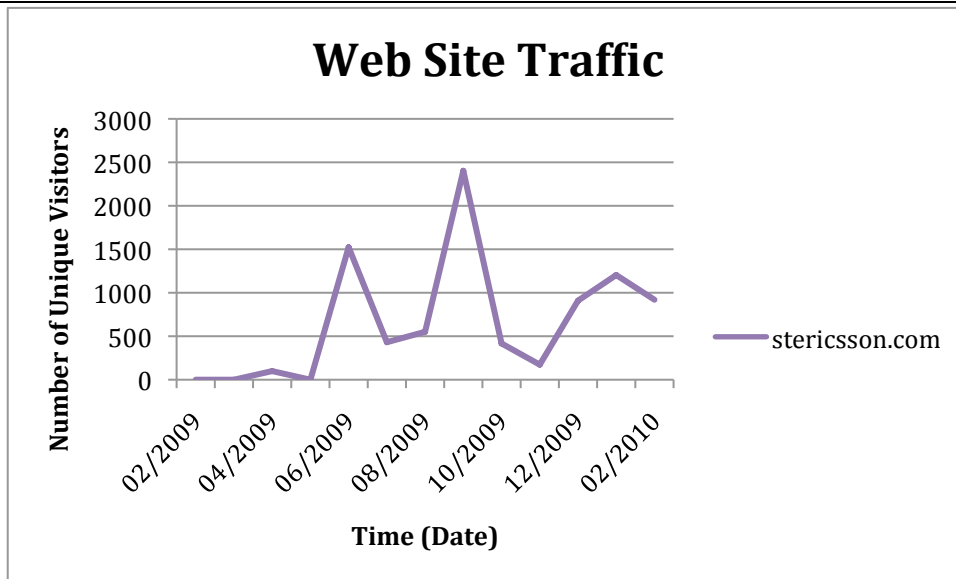


Figure 4 - Number of unique visitors at ST-Ericsson's web site April 2009 to February 2010 (Compete, 2010c)

For a company with more than 7 000 employees the number of visitors in Figure 4 is low, not even every employee visits the web site each month. However, the peaks of unique visitors occurred in connection with press releases. This indicates that when word is out about the company there is a number of people interested in the news. This calls for a method to drive the visitors back to the web site repeatedly.

### Mapping of Industry

To understand ST-Ericsson's environment, a mapping of the industry has been carried out. In the mapping several aspects have been deemed important for the understanding of the Social Media adoption in the industry. When conducting the mapping, ST-Ericsson's partners, customers, and competitors have been considered, see Figure 5. Central of the mapping of each company has been the company's web site. If the company lacked a global web site, the U.S. web site was examined. Focus has been on finding Social Media related sections on the web sites as well as social links. The most Social Media intense part of the mapped companies' web sites was their press page. If the company has Social Media presence it can with a certainty be found there.

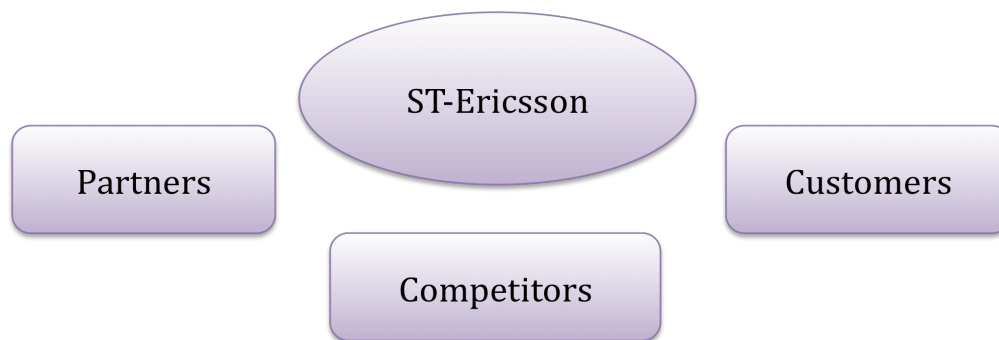


Figure 5 – ST-Ericsson's ecosystem

### Mapping of Web Site Applications

From observations it have been understood that a company's Social Media engagement often is launched from the company web site. Even if the company web site is not a social media tool it, it is central for a company's Social Media. To get an overview of the companies studied Table 2 have been created. A filled square in the table means that the company uses the application presented horizontally. The table represent the ecosystem's web sites features, and not only Social Media usage. In Table 1 the features of the companies' web sites can be seen. From the mapped companies wholly 76 percent have both content in forms of photos and videos available on their web site. Of the 21 companies mapped, 67 percent have one or several corporate blogs<sup>48</sup>, which is classified as Social Media. All 21 companies have a page for news releases, 19 of them have contact information attached to the press releases and 18 of the companies provide a RSS feed to the news releases. Only 24 percent use tags<sup>49</sup> on their web sites, which also is classified as a Social Media feature.

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<sup>48</sup> Corporate blog – A blog situated on a company's web site.

<sup>49</sup> Tags - a way to catalogue web site content after the containing subjects (Wikipedia, 2010g).

## The Social Brand – Aspects of Social Media Implementation

**Table 1 - Mapping of the industry's web site applications (Mapping, 2010a)**

	Company	Information Type								
		Blog	Photo	Video	Podcast	Tag	News Release	RSS for Newsreleases	Event Calendar	Contact Information
<b>Competitors</b>	ST-Ericsson									
	QualComm									
	Texas Instruments									
	Infineon									
<b>Customers</b>	SonyEricsson									
	Nokia									
	Samsung									
	HTC									
	Motorola									
	LG Electronics									
	SHARP Electronics									
<b>Partners</b>	ArmLtd.									
	Google									
	China Mobile									
	Adobe Systems									
<b>Other</b>	Dell									
	IBM									
	Microsoft									
	HP									
	Cisco									
	Intel Corporation									

This mapping gives us a hint of Social Media adoption in the industry. The first five information types in the table can be regarded as social; the other four types are pure company information. Tags and podcasts are least present and also the features that together with blogs make out Social Media. So, even though the table presents many filled boxes the Social Media adoption has not come that far in the ecosystem when referring to their web sites. The companies listed as others are not in ST-Ericsson's direct ecosystem, but have been found interesting since they belongs to the same industry.

### Mapping of Social Media Adoption

In Table 2, a mapping of the industry's adoption can be seen. The social media tools used most frequently in the industry are Corporate Blogs, Twitter, YouTube, LinkedIn and Facebook.

Looking further into the industry's Social Media adoption (See Table 2) it is clear that most companies have taken the step out on the most common social media sites such as Twitter and Facebook. However, only six of the sixteen companies use forums, which can be seen as a large engagement, which needs a lot of maintenance. In the table in Table 2, SlideShare and Scribd have been left out, since none of the companies utilises them, however observations showed that half of the companies have inactive accounts of these sites. With this information it is clear that the Social Media adoption has begun in the industry. The most common social media tools are utilised. However, the social media tools such as SlideShare and Scribd seem to be yet to be actively used.

## The Social Brand – Aspects of Social Media Implementation

**Table 2 - Social Media application adaption in Ecosystem**

	Blogs			Content Communities					Social Networking Site		
	Regular Blog	Micro Blog		Media Community					Professional Community	Social Community	
	Blogs	Number of Accounts	Twitter Number of Followers	Number of Pro- Accounts	Flickr Number of Photos	Number of Channels	YouTube Number of Subscribers	LinkedIn Company Listing	Facebook Number of Fan Pages	Number of Fans	Forums
<b>Competitors</b>	ST-Ericsson	-	1	27	-	-	1	12	yes	-	-
	QualComm	24	4	4 453	1	51	1	310	yes	1	3 615
	Texas Instruments	7	1	4 631	-	-	1	367	yes	1	784
	Infineon Technologies	-	2	69	-	-	-	-	yes	-	-
<b>Customers</b>	Intel	19	2	13 731	2	7 776	1	10 131	yes	1	69 157
	SonyEricsson	11	3	6 334	- (picasa)	-	1	3 269	yes	4	486 682
	Nokia	6	7	48 574	-	-	1	6 662	yes	1	921 952
	Samsung	1	2	14 774	-	-	1	222	yes	1	39 436
	HTC	-	2	194 797	-	-	1	17 435	yes	1	95 306
	Motorola	-	1	12 624	-	-	-	-	yes	1	185 473
<b>Partners</b>	LG Electronics	-	-	-	-	-	-	-	yes	no official	-
	SHARP Electronics	-	-	-	-	-	-	-	yes	-	-
	ARM	4	7	3 005	-	-	1	414	yes	1	437
	Google	13	1	2 199 373*	-	-	1	136 514	yes	no official	-
	China Mobile	-	-	-	-	-	-	-	yes	-	-
	Adobe Systems	8	1	3 445	-	-	1	2 445	yes	no official	-
* Only one verified, but several twitteraccount exists											



### The Social Brand – Aspects of Social Media Implementation

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Analysing Table 2 it is clear that ST-Ericsson's customers, B2C companies, are the group that have come furthest with the Social Media adoption. They have an established fan base at Facebook, followers on Twitter and subscribers at YouTube. Of the B2B companies Intel stands out from the crowd and will therefore be used as a best practise company in the more thorough benchmarking.

Another thing that stands out in the mapping in Table 2 is that Texas Instruments has a forum. The forum is called Engineer-to-engineer (E2E) and is directed to research and development engineers in the industry. The E2E forum sends one important message; Texas Instruments are not aiming for the great masses in their Social Media engagement. Rather they want to reach a specific crowd where the innovation base lies.

### **Benchmarking**

To get a deeper knowledge of how a company like ST-Ericsson can engage in Social Media a benchmarking of competitors and a best practices have been conducted. As best-in-class Intel has been chosen. This due to the fact that the industry mapping presented Intel as the only B2B company in the industry with high Social Media presence.

The benchmarking will also be conducted towards ST-Ericsson's greatest competitors Qualcomm and Texas Instruments. These two companies have also already begun their Social Media effort, which makes them more interesting than Infineon that has almost no Social Media presence at all. When performing a comparison of the four companies at two of the largest Social Media Networking Sites a clear difference can be seen.

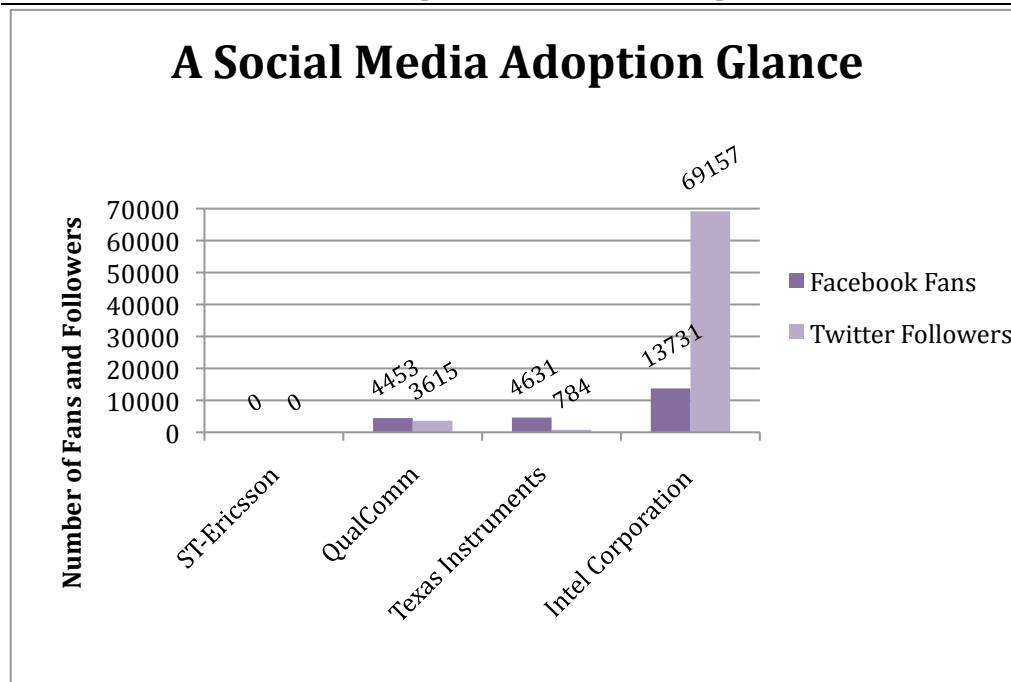


Figure 6 - The total number of fans and followers (FF, 2010a)

With this comparison (Figure 6), it is clear that Intel has an advantage in the Social Media world. However, it is important to point out the differences between the companies to understand why the difference might be so large. ST-Ericsson, Qualcomm, and Intel are straight B2B companies, while Texas Instruments also serve the B2C market. In the matter of size the financial difference can be seen in Table 3, pointing out the difference in size of the smaller ST-Ericsson and the larger Intel.

Table 3 - Company Size in Revenue Figures (Annual Reports, 2010)

Company	Revenue (Million dollar)
ST-Ericsson*	2525
QualComm	11140
Texas Instruments	10427
Intel	35100
*No annual report exist due to the joint venture began in February 2009	

Texas Instruments and Qualcomm have about the same revenue, and even if Texas Instruments serves both the B2B and the B2C market they have a lesser amount of Social Media fans or followers compared to Qualcomm. This indicates that Qualcomm have succeeded better when reaching the masses.

Even though a company's web site is not a social media tool itself, it is part of the company's Social Media Toolbox as an owned asset. Observations showed lot of

### The Social Brand – Aspects of Social Media Implementation

social media tools are today embedded in these web sites. Therefore, a comparison between the benchmarked companies' web sites have been made. Here the number of unique visitors has been central, which can be seen in Figure 7, but also, what social media tools that are linked to from the web site.

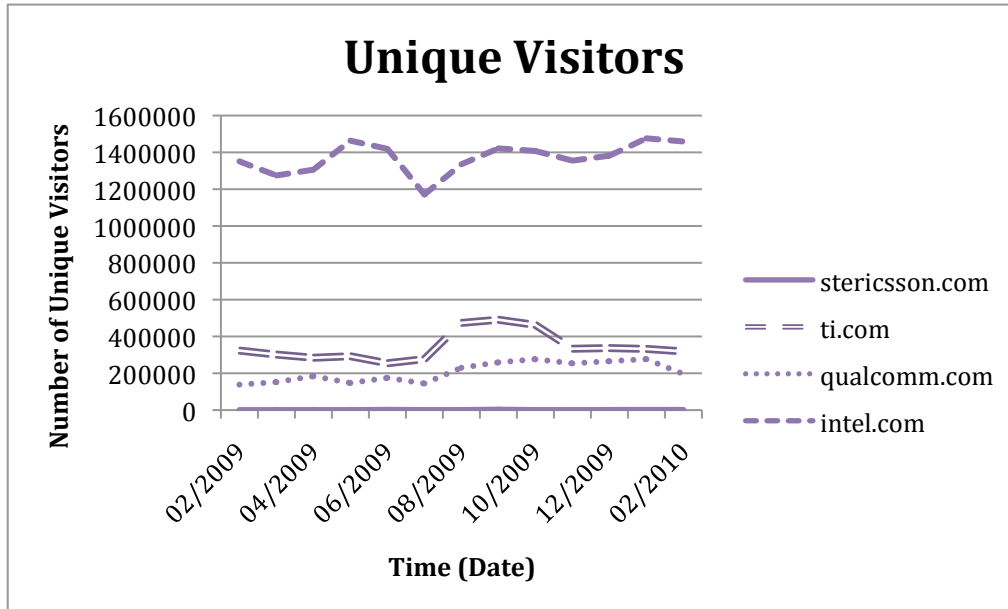
















Figure 7 - Number of unique visitors on company web site, April 2009 to February 2010 (Compete, 2010c)

In comparison with the three benchmarked companies ST-Ericsson's web site traffic is minimal (recall the actual numbers from Figure 7). If the number of visitors is put in context together with the revenue of the companies, it can be seen that even though Texas Instruments has lower revenue than Qualcomm, which could imply less customers, the number of unique visitors are in fact higher. This most likely relates to the fact that Texas Instruments also serves the B2C market. Consumers of for example calculators can visit their web site in search for software updates or manuals.

Since the company web site is central in a companies with Social Media engagement a study of social media links on the benchmarked companies have been carried out. The tools used by each company can be seen in Table 4.

## The Social Brand – Aspects of Social Media Implementation

**Table 4 - Links at benchmarked companies' web sites, as of April 2010 (Mapping, 2010b)**

	Collaborative Sites	Blogs	Content Communities	Social Networking Sites
<b>ST-Ericsson</b>				
<b>QualComm</b>		 <b>Blog</b>		 
<b>Texas Instruments</b>		 <b>Blog</b>	 <b>E2E</b>	
<b>Intel</b>		 <b>Blog</b>	 <b>Community</b>	
 Twitter	 YouTube	 LinkedIn	 Facebook	

QualComm, Texas Instruments, and Intel all have both blog and micro blog links on their web site. The blogs are situated at their own web site and not at a third party, which could be an alternative. The micro blog Twitter is at a third party site. In terms of content communities, QualComm, Texas Instruments, and Intel all have accounts on both YouTube and Flickr. However, there are no links to the Flickr accounts on the companies' web sites. A reason for this can be that they have their own photo databases on their web sites. ST-Ericsson also has photos on the web site, but to a very limited amount, and only of the executive board members.

Of the social networking sites, Facebook and LinkedIn are utilised. Three of the four benchmarked companies have LinkedIn's company listings, but it only QualComm links to LinkedIn on the web site.

Regarding collaborative sites, no external engagements have been found. As introduced in Chapter 4 collaborative sites can be divided into external and internal sites. And today many companies have internal collaborative projects on internal sites. Since this is out reach from outside the companies it has been left out from the benchmarking. However, none of the companies are involved in any external collaborative projects, which show that even if all three companies are engaged in Social Media they have not yet reached out to the collaborative sites.

## Socialmention

To gain a deeper knowledge about the companies in the benchmarking group the web analytic tool Socialmention has been used. The Socialmention tool focuses on Social Media conversations and will give a deeper understanding of the benchmarked companies' Social Media presence.

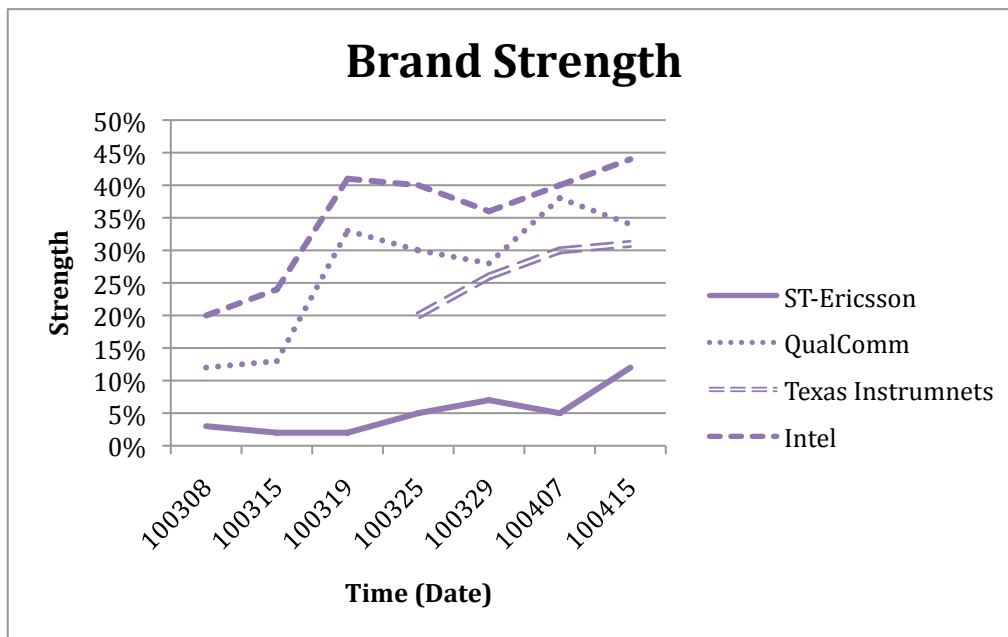
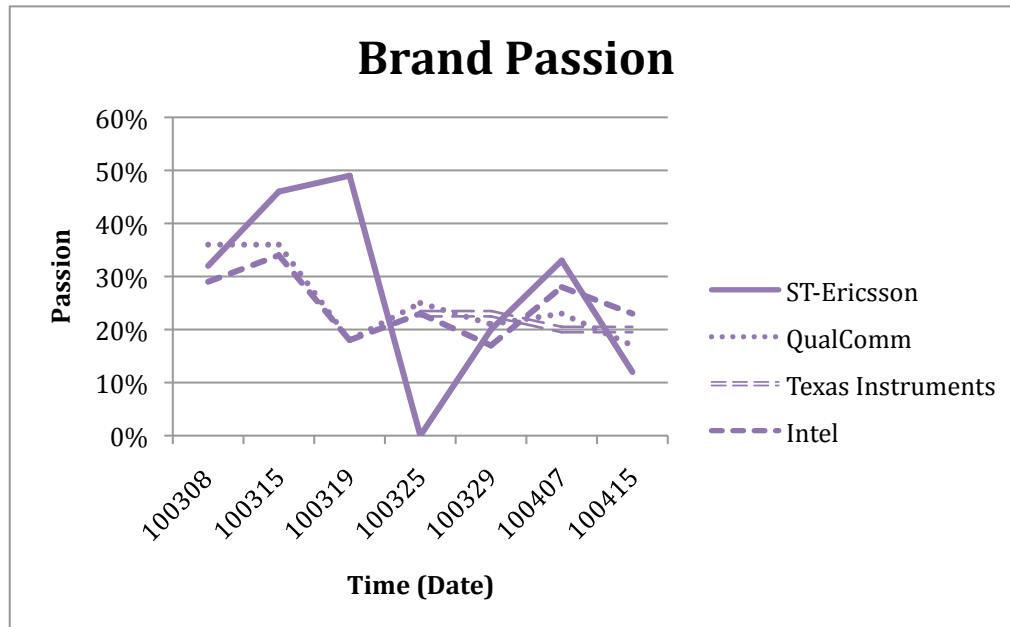


Figure 8 - The Strength<sup>50</sup> of the Benchmarked Companies' Names (Socialmention, 2010b)

The company name i.e. brand most likely to be discussed in social media sites is Intel, closely followed by Qualcomm (Figure 8). ST-Ericsson is placed lowest, and at the very bottom of the graph, which mean that the likelihood of someone mention them in social media sites is small. Analysing the different Brand Strengths it is known that Intel has a strong brand, even if they area B2B company, they have become assimilated with good quality in the consumer world. Both QualComm and Texas Instruments have quite high Brand Strength, compared to Intel, Texas Instruments strength can depend on their B2C part but QualComm's is not so easily explained. ST-Ericsson's low score can depend on the fact that they are indeed a newly formed company. However, the parent organisations are companies with long presence in the industry and therefore it cannot be liable entirely on this.

<sup>50</sup> *Strength* - The likelihood that your brand is being discussed in social media. Phrase mentions within the last 24 hours divided by total possible mentions.



**Figure 9 - The Likelihood that Individuals that Mention the Brand will do so Repeatedly<sup>51</sup> (Socialmention, 2010b)**

The Brand Passion for ST-Ericsson fluctuates with time and cannot be regarded as good (Figure 9). What should be sought after is a steady curve, which would indicate that the people mentioning the brand on social media sites would continue to do so. Qualcomm, Texas Instruments, and Intel's curves are more stable and even if they from time to time are lower than ST-Ericsson's, this is better. In the Social Media world you want to keep a steady conversation rate to remind the people that you are there and that things are happening in the company.

<sup>51</sup> *Passion* - Measure of likelihood that the individuals talking about your brand will do so repeatedly.

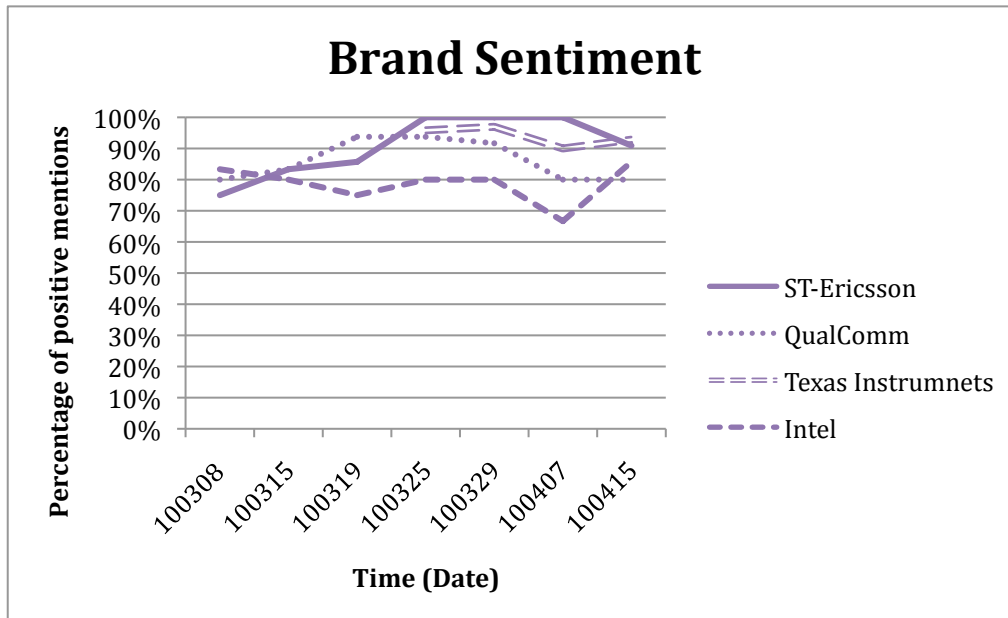


Figure 10 - The Amount of Positive Mention Relative the Negative Mention<sup>52</sup> (Socialmention, 2010b)

In the matter of Brand Sentiment ST-Ericsson scores very high, most times ST-Ericsson's name is mentioned it is through positive mentions (Figure 10). The Brand Sentiment is calculated from a ratio. If the ratio for example is 5:1, meaning that 5/6 mentions, 83 percent is generally positive. ST-Ericsson score 53:1 when the Brand Sentiment is measured over all available data at Socialmention (2010b) this data state that the keyword "ST-Ericsson" almost never is mentioned in a negatively manner. This is important because even if the numbers of mentions are low, the ones that actually occur are positive. Recalling the Google Alert tracking conducted in Figure 3, mentions found were not always so positive. However, that tracking was conducted all over Google and this one only on social media sites.

Here, in Figure 10, it is Intel, that is rated lowest, and this mean that approximately every fifth mention is negative. However, this could indicate that a discussion is actually going on, with both negative and positive arguments. According to Figure 8, Brand Strength, Intel is the company that is most likely to be discussed.

<sup>52</sup> *Sentiment* - Ratio of mentions that are generally positive to those that are generally negative. The sentiment is determined by a keyword analysis.

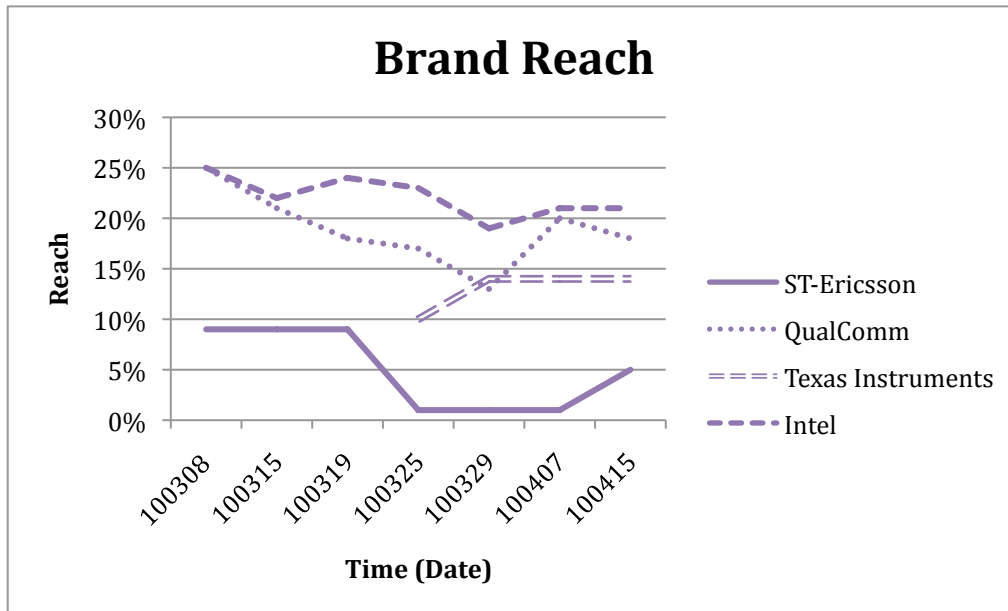


Figure 11 - The Number of Unique Authors Gives the Reach of Information<sup>53</sup> (Socialmention, 2010b)

What Brand Reach shows, Figure 11, is that the more unique authors that mention your brand the bigger possibility to reach a larger crowd of people. To gain a high Brand Reach the number of unique authors and the number of mentions should be as close as possible. However, this implies that one single mention by one author returns a 100 percent reach. Therefore, it is important to know that a high reach comes by a high number of mentions and a large number of unique authors.

However, if the number of unique authors would increase and be closer to the number of mentions it would lower the Brand Passion score. Here the company needs to decide what is most important, reaching a large crowd of people or having a number of people talking about the brand often. In the case of B2B companies the latter would most likely be preferably, this since the number of customers is limited. This means that B2B companies should use the reach measurement with precaution.

<sup>53</sup> *Reach* - Measure of the range of influence. It is the number of unique authors referencing your brand divided by the total number of mentions.



Looking at the actual number of unique authors for the different companies it can be seen that Qualcomm, Texas Instruments and Intel have roughly four times as many unique authors as ST-Ericsson. In Table 5 the Socialmention of the four companies measured from all available data can be seen.

**Table 5 - The social mention, measured from all available data (Socialmention, 2010b)**

Company	Brand Strength	Brand Sentiment		Brand Passion	Brand Reach	Average time (s) between mention	Number of Unique Authors
ST-Ericsson	3%	53:1	98%	50%	8%	1680	100
Qualcomm	13%	7:1	88%	36%	22%	60	419
Texas Instruments	10%	10:1	91%	39%	20%	60	358
Intel	25%	11:1	92%	29%	25%	26	464

### Best Practise

As stated earlier, Intel was picked for the best practice benchmarking, this due to their experience and presence at all major social media sites, and they use all four categories of Social Media. In the first category, Collaborative Communities, Intel has an internal wiki, Intelpedia. *“Our internal wiki, Intelpedia, got moving as a grass roots effort by several passionate employees. It snowballed as people found it, tried it, loved it, and then used it in all sorts of fascinating ways. It has helped break down internal communication walls, helped combat bureaucracy, and helped foster collaboration and innovation across groups that we wouldn’t have seen otherwise.”* (Intel, 2010a, Blog)

Intel has several corporate blogs, divided into different subjects, each blog have multiple contributors that are experts in the area. The blogs deals with hard as well as soft subjects, the blogs mirror a complex company both engaging in Corporate Social Responsibility projects and creating technical innovations (Intel, 2010b, Blog). Aside from this Intel also uses the micro blog Twitter. On Twitter they have several accounts, they tweet about different subjects such as jobs, news, and about the life at Intel. Intel’s twittering makes it possible for the follower to track what they are tracking, read what they are reading i.e. forming a picture of the industry and the market movements.

Bryan Rhoads, Senior Digital Strategist at Intel says that Intel first started with Social Media in the B2B sector of the company, and that some of the earliest experiments with Social Media were in the B2B space, namely in the IT space. *‘We have communities; with B2B it is a more natural conversation to have.... We have a lot of subject matter experts in the B2B space... they can take on Social Media more effectively just because it is that natural conversation.’* He also says that *‘I’m responsible for consumer right now, but, it’s been tremendous, we integrate socially in pretty much all B2B communications. It’s fantastic for awareness; it’s all the way down to having a community around installation and those types of things. All the way down o customer support.’* (YouTube, 2010a).

## The Social Brand – Aspects of Social Media Implementation

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When it comes to content communities Intel has a channel at YouTube with content from several different Intel departments such as, Jobs at Intel, Intel Atom etc. Even if Intel has a YouTube channel, media is still available at their web site, both photos and videos are available in the press room.

Regarding social networks Intel is active both at LinkedIn and at Facebook. The LinkedIn company listing is not only used by the employees, but also functions as a place for information and to post job offerings (LinkedIn, 2010b). At Intel's Facebook fan page the fans can participate in competitions to win an Intel supported computer, post ideas for product innovations, participate in polls, find useful information about the company, and links to the other social media sites (Facebook, 2010b). What makes Intel stand out, except their very strong brand, is that they have made it possible for the end-user of their product to participate in their everyday work. Which implies that they use Social Media to build their brand even stronger.

### **Step One, Competitive Intelligence – Summarised**

Summarising Step One, it is clear that ST-Ericsson is behind their competitors regarding Social Media engagement and adoption. In the industry 67 percent have company blogs visible for the public, and 24 percent have adopted tags onto their web site. From the benchmarking carried out with competitors as Qualcomm and Texas Instruments it can be seen that both Qualcomm and Texas Instruments have gotten much further ahead when regarding Social Media. Texas Instruments has the most developed Social Media engagement with their E2E forum standing out. However, Qualcomm reaches a larger crowd.

In conclusion the analysis of the environment showed that ST-Ericsson's ecosystem; partners, customers and competitors and companies have already taken the step into the Social Media world. To be competitive ST-Ericsson must follow. Doing so ST-Ericsson could use Intel as a good example for Social Media engagement. Intel has a strong brand that reaches outside the B2B sphere and by engaging in Social Media that brand has become even stronger.

### **Step Two – Strategic Initiative**

From Step One in the SMI Model it was evident that ST-Ericsson need to engage in Social Media to keep up with their competitors. To form a strategy for ST-Ericsson's Social Media engagement the second step in the SMI Model will be used. First the goals with the Social Media engagement must be found out, secondly guidelines is needed and then the Social Media implementation strategy can be formed.

### **Social Media at ST-Ericsson**

At present ST-Ericsson lacks processes for engagement in Social Media. The task of communication and marketing is divided on the Global Communications and the Marketing departments (Global Communications no.3, 2010). The engagement on the web today is mainly through the company's web site, [www.stericsson.com](http://www.stericsson.com). On the web site information about the company and the product portfolio can be found, as

well as information for press and investors. The communications department use mainly one-way communication tools such as press releases and online communication through their own web site (ST-Ericsson, 2010e).

### Social Media Engagement Goals

ST-Ericsson wanted outcome for Social Media engagement can be divided into two goals (Global Communications no.3, 2010):

- Reach new target groups
- Increase credibility

### Social Media Guidelines

In Step One a benchmarking was carried out. The social media guidelines for two of the benchmarked companies (QualComm and Intel) are public, and have been studied. Extracts from these are presented below. Even if the guidelines differ in how detailed they are, both advocate the same thing. Their guidelines say that the people contributing must be clear with whom they are, where they work and that the opinion that they share is their own and not the company's. The guidelines also state the importance of honouring the confidentiality closure the employee signed when starting at the company. Here both companies link to their legal terms of use, code of conduct and so forth (Intel, 2010c; QualComm, 2010a).

Both companies make clear that unwanted material from third parties will be removed if the content are found inappropriate. Intel makes it clear that their contributors from within Intel are not being moderated. Their personnel that contribute to their blogs and forums have been properly trained to do so correctly. Both companies say that it is the single participant and no one else are responsible for what is said about the company, at the company web site or elsewhere (Intel, 2010s; QualComm, 2010a).

Except from legal matters, most of the guidelines treat how you, as an employee, could contribute, that you should add value, stay on topic, stick to your area of expertise, and always keep an appropriate tone. This is all examples of increasing the credibility of a company, this since it has been noticed that people trust communities more than professionals (Kane, G.C., et al., 2009; Intel, 2010c; QualComm, 2010a).

The conclusion that can be drawn from these two examples is that the individual responsibility is large. With the knowledge of how other companies in the industry have built their social media guidelines and the template from section 4.3.4 ST-Ericsson could form their own social media guideline. ST-Ericsson could share their social media guidelines with the public so that everyone knows how the company handle and contributes in the Social Media landscape.

### ST-Ericsson's Communication Strategy

To form a social media strategy the overall strategy must be considered. At present at ST-Ericsson the Social Media engagement falls under the communications department. Therefore, the overall communication strategy has been studied.

#### Online Communication Strategy

The Online Communication strategy states that ST-Ericsson's online tools for external communication includes the web site (ST-Ericsson, 2010e), extranets, newsletters, paid media and Social Media. However the strategy does not include the choice of specific tools or applications. This mix of channels is believed to offer several opportunities for getting into "an efficient dialogue with external stakeholders". Further ST-Ericsson believes that an online communication strategy should be aligned to their target audience, their corporate strategy and the competitive situation. Though this strategy is intended for external communication ST-Ericsson still emphasises the importance of integrated communication that internal and external communication activities should support each other in order to build trust and create a strong brand (ST-Ericsson, 2010).

One part of the strategy is the online communication policy that derives from ST-Ericsson's Information Policy. The online communication policy states that they always should present accurate, reliable information, respect their target audiences and encourage creative thinking (ST-Ericsson, 2010).

The missions for this strategy is to contribute to strengthen ST-Ericsson's position as "a leading supplier of wireless technology" by (ST-Ericsson, 2010):

- Reinforcing and elucidating ST-Ericsson's vision, key messages and brand
- Focusing on the needs of the target audience
- Rendering corporate, market communication and solutions/product marketing more effective
- Supporting their business and sales organisation

The strategy should be measured and key indicators are used to evaluate performance. Of importance when creating a social media strategy is the action on the web site. For the web site the prime target audience is described as existing and potential customers and partners. With activities on the web site the aim is to build the brand of ST-Ericsson long-term and therefore strengthen their market position. Other target audiences include press and investors, students and applicants as well as ST-Ericsson employees (ST-Ericsson, 2010).

Studying the Online Communication strategy at ST-Ericsson it is evident that the will to engage in Social Media have been established, and that the social media goals can be aligned within the Online Communications strategy. However, to be considered as an active player in the Social Media landscape, ST-Ericsson need to realise that this takes more than a few tweets per year. The contribution on social media sites must come often and regular to gain and keep interest. In the study of the F500 companies,

a company was only considered using Twitter if they had been active within the last 30 days.

If ST-Ericsson wants to create a sustainable competitive advantage over their competitors they need to find a niche for strategic positioning. Meaning that ST-Ericsson could utilise Social Media to engage people or the industry around specific subjects.

### Social Media Implementation at ST-Ericsson

For implementation of Social Media in ST-Ericsson's organisation a proposition have been formed, see Figure 12. The implementation plan is divided into three phases. Simultaneous through out all phases the support from the Legal, Finance, and IT department as well as from Management is essential, as shown in the figure.

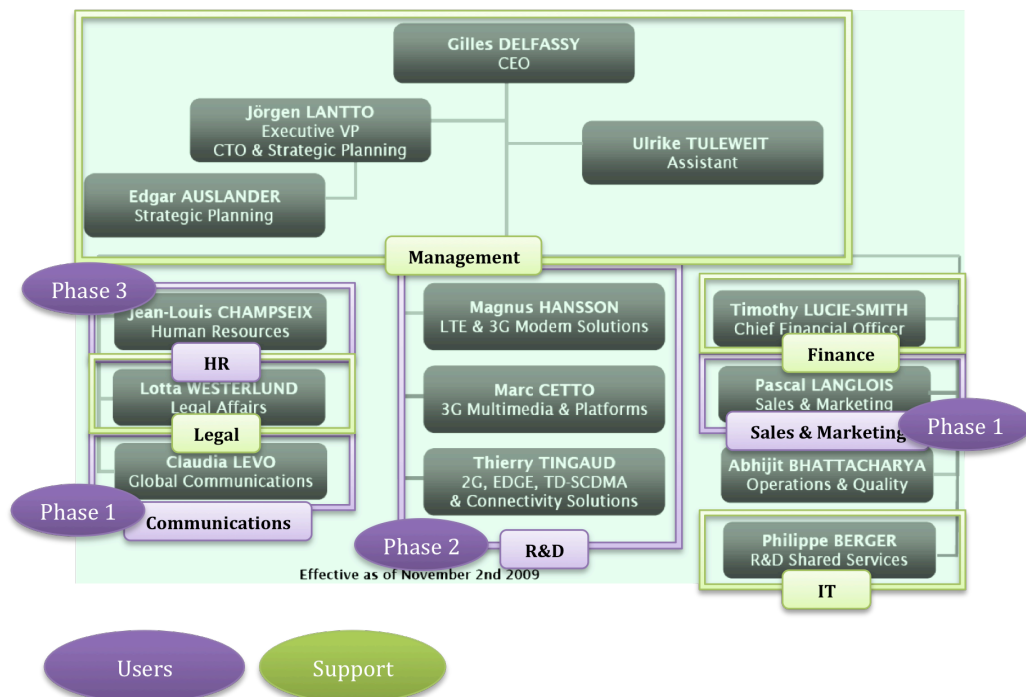


Figure 12 - Social Media Implementation at ST-Ericsson

#### Phase One

The proposition suggests that the Social Media implementation could begin at the Communication and Marketing departments. This since these two departments are the departments that together form the published message today. They have experience of ST-Ericsson's publishing rules and do not need to be educated at this stage. Also, these two departments already communicate the corporate message in the traditional channels and can begin to contribute to social media sites. However, it is essential that key personnel will be assigned to the task so that ST-Ericsson's interaction is held at a corporate level.

### Phase Two

In phase two it is suggested that Research and Development (R&D) department could start to contribute in Social Media. Before this can be done, key employees and spokespersons need to be picked, employees with the will and knowledge to contribute interesting information to the Social Media landscape. In this phase the social media interaction should be allowed to become more specific. R&D could be allowed to talk about development and new techniques; the departments from phase 1 should still handle the corporate message.

### Phase Three

In the third phase it is suggested that Social Media is implemented in the Human Resources (HR) department. HR can use the same Social Media tools as other departments. Social Media can be utilised for recruitment purposes, job posting, and communicating with job applicants.

### Insights from ST-Ericsson Employees

When interviewing employees at ST-Ericsson it is clear that much of the work conducted at the company is confidential. And that everything published is well considered before doing so, this to ensure that information is not revealed until the time is right.

The Global Communications employee no.1 at ST-Ericsson's Marketing department believes that ST-Ericsson should engage in Social Media, and that the effort should be centralised, this to show a united picture of the company. Also, before engaging a social media policy must be set and stated for the employees. However, he does not believe that ST-Ericsson at this level should engage too deeply into discussions, the ST-Ericsson approach to Social Media should be more of a push. But he also sees that they need to respond at a minimum level. As of social media resources he believes that a shared resource between marketing and communications would be enough (Global Communications no.1, 2010, Interview)

When it comes to branding and brand building at ST-Ericsson the graphic profile has been very important for the creation of ST-Ericsson identity, an identity that is only a year old. Since the company is newly established the work with creating identity is an ongoing process. And it is clear that the number one company in the business, Qualcomm, is very good at communicating their brand. Today the ST-Ericsson brand stands for long-term partnership and cooperation. This is reflected in the way ST-Ericsson act, how they conduct business, how they do common developing projects and so forth (Global Communications no.2, 2010, Interview)

### Step Two, Strategic Initiative – Summarised

ST-Ericsson has decided to engage in Social Media, two goals with the Social Media engagement have been set, to reach new target groups and to increase the company's credibility. However, these two goals are very general, to be able to form a more specific social media strategy more specific goals are needed. If it is possible to set quantitative goals that is good, those are easy to relate to.

With the goals determined, to proceed, ST-Ericsson need to define social media guidelines. These can be formed from Baeza's guiding principles and with inspiration from Intel and Qualcomm's public social media guidelines. The guidelines are mainly formed to support ST-Ericsson's employees, but if published they will also indicate how people who want to interact with ST-Ericsson should behave.

When guidelines are established the Social Media implementation can begin. Three phases of implementation in ST-Ericsson's organisation have been suggested. This allows the organisation to learn, and Social Media can grow somewhat organic. When implementing Social Media in an organisation support from the management is important. This support must be established to be able to reach a successful implementation. Apart from management support it is also important to find key employees who can act as spokespersons at the social media sites. It is preferable if these have a talent for socialisation, knowledge and an interest to contribute to the company.

The authors believe that ST-Ericsson could aim to find a niche for strategic positioning on Social Media, through a consistent strategy and the use of a limited number of tools. They should use Social Media to engage people and the industry around chosen topics.

### Step Three – Technology Adoption

It involves the categorisation of the among others used social media tools. Further it plots the tools in the Priority Matrix, helping companies pick tools according to the level of risk aversion in the company. Finally it plots the chosen tools on a timeline and in the Social Media Toolbox.

#### Selection of Available Tools

Being a Social Media beginner as ST-Ericsson implies that they should do what their ecosystem is doing. The competitive intelligence analysis in Step One gave a selection of the following tools mapped in the categories as suggested in Figure 6<sup>54</sup> of the thesis. These were Corporate Blog, Twitter, Facebook, YouTube, Flickr, LinkedIn and Forums. Added were some of the prominent tools from "the Selection of B2B Social Media Tools for Social Media Beginners" that can act as guidance in the SMI Model. These were Scribd, SlideShare and LinkedIn Answers. The tools are summarised in Figure 13.

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<sup>54</sup> Compare section 4.2.2, master's thesis



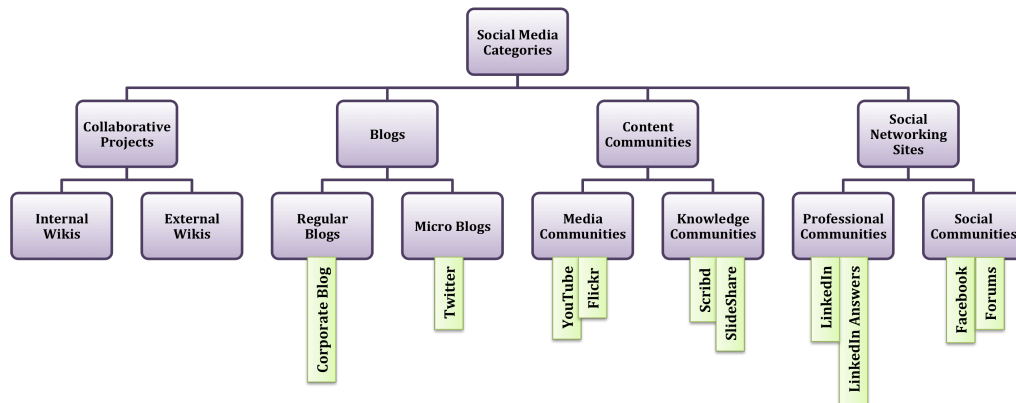


Figure 13 - The suggested selection of social media tools for ST-Ericsson

### Plotting Tools in the Priority Matrix

The model suggests making strategic trade-offs and picking a limited number of tools as part of the initial implementation. This is done by plotting the tools in the *Hype Cycle's Priority Matrix*<sup>55</sup>. Tools were plotted according to *Benefit* and *Years to Mainstream Implementation*. The Benefit of the tools was classified with empirical data from the recent “B2B Social Media Benchmarking Study” in terms of showing business impact in the companies. Years to Mainstream Implementation will derive from Gartner’s “Hype Cycle for Social Software 2009” where the Social Media categories previously were observed. When information was missing, the percentage of usage from the industry mapping from Step One was used as guidance. The following Priority Matrix is suggested in Figure 14.

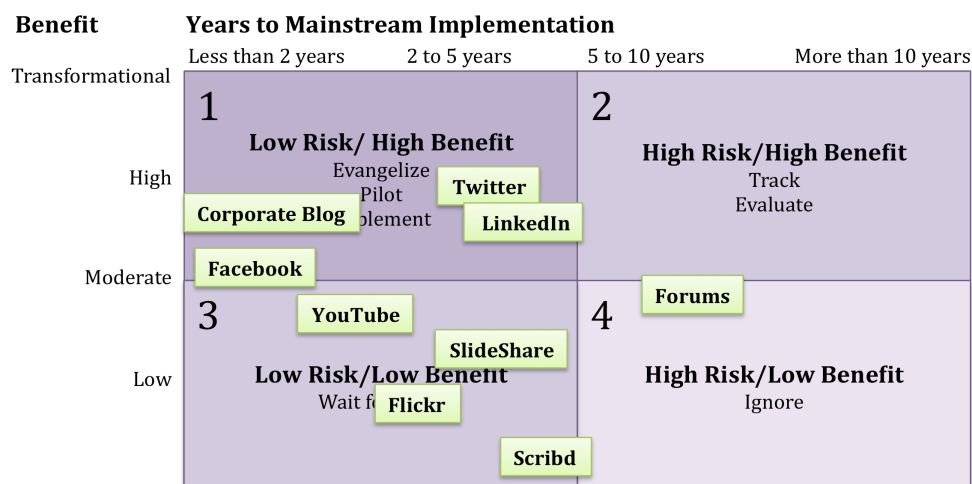


Figure 14 - The suggested Priority Matrix for ST-Ericsson

<sup>55</sup> Compare section 3.4.1, master’s thesis



### Picking Tools

After observations of the risk aversion at ST-Ericsson the company can be categorised into group B<sup>56</sup>. Group B, prefers not to go first and waits until at the *Peak of Inflated Expectation* (Hype Cycle) before adopting innovations. The next step is picking which of the tools from the Priority Matrix with the risk aversion in mind. ST-Ericsson, fitting into group B, would choose to implement all tools from box 1; Twitter, Facebook, LinkedIn and a Corporate Blog. This will according to Hype Cycle theory be a good pilot project to be evangelized in the company. ST-Ericsson could further get familiarised with the tools in box 3 and set up accounts but wait for the need to use them. In this case anticipate content for publishing to YouTube, SlideShare, Flickr and Scribd. Forums are costly therefore high risk; the business impact is moderate and should be ignored by ST-Ericsson at this stage. A plan for the implementation tools is made in Figure 15 plotting the social media tools along a timeline.

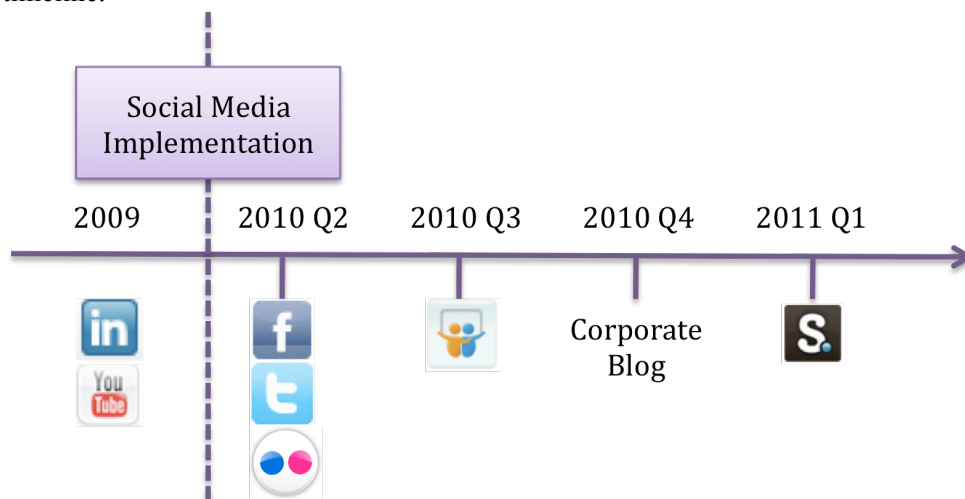


Figure 15 – Suggested Social Media Implementation Timeline for ST-Ericsson

The timeline in Figure 15 is mere a suggestion to ST-Ericsson, the timeline shows a set of tools that could be considered. The timeline itself shows when it is believed that ST-Ericsson is ready to implement the suggested social media tools.

### Building the Social Media Toolbox

The Social Media Toolbox divided into Owned Assets, Rented Assets, Visited Assets and Reality is shown in Figure 16. The chosen social media tools are plotted in a suggested Toolbox along with other online and marketing activities that were observed as part of ST-Ericsson's communication strategy. This was done as a reminder that other activities must not stop after engaging in Social Media. Social Media adds another dimension and should not replace regular marketing activities. All tools in the toolbox could be used to promote each other. The toolbox should be revisited iteratively.

<sup>56</sup> Compare section 3.4.1, master's thesis

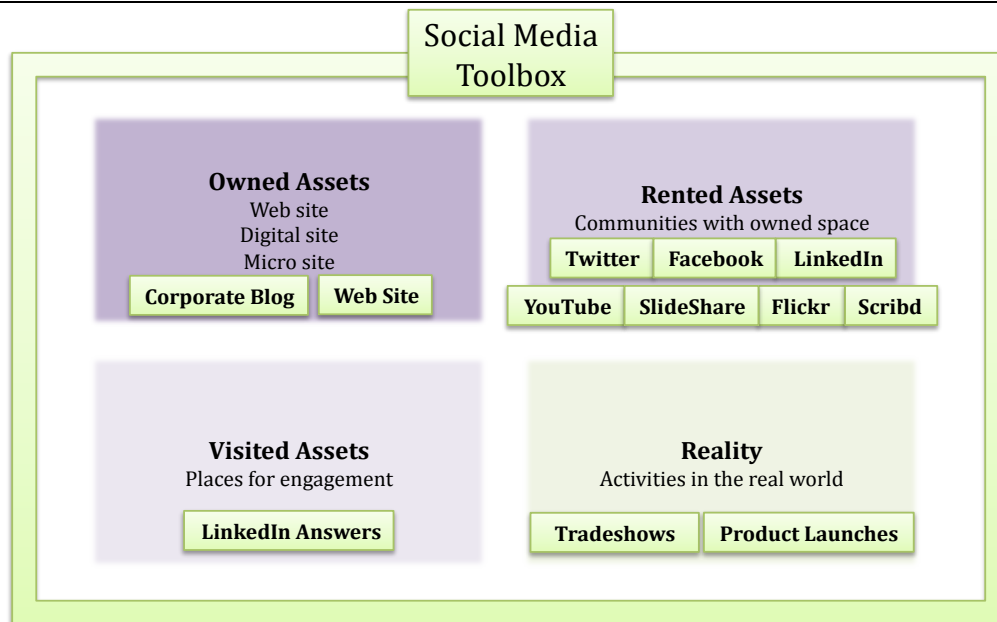


Figure 16 - The suggested Social Media Toolbox for ST-Ericsson

### Step Three, Technology Adoption – Summarised

From Step Three a set of social media tools have been suggested for ST-Ericsson to begin their Social Media implementation with. The selection of Social Media B2B Tools gave ST-Ericsson a view over the tools that are used by other B2B companies in their industry. These tools were then plotted into the Priority Matrix which revealed which tools that was suitable to start to use according to ST-Ericsson's risk aversion.

Only tools from box 1 and 3 were recommended ST-Ericsson, those tools are accompanied with a low risk. A timeline for the tools from box 1 and 2 were created and reveals when ST-Ericsson could start using the tools publicly.

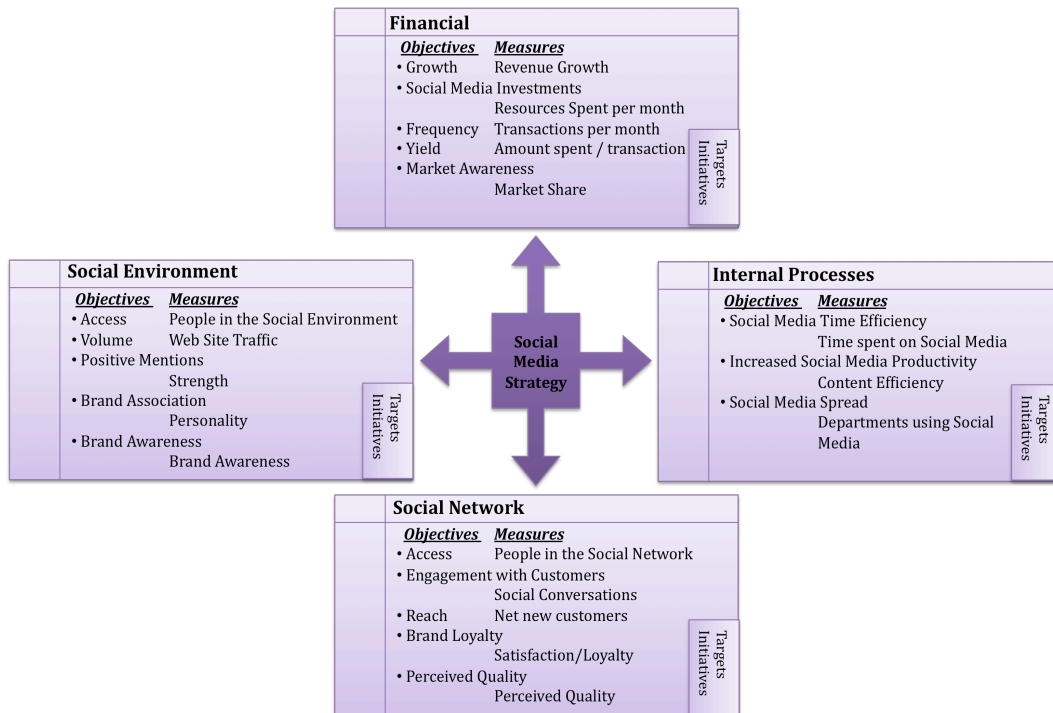
To further categorise the social media tools a Social Media Toolbox was constructed. The Toolbox shows the whole spectra of marketing and communication activities, together with the Social Media activities.

### Step Four – Business Performance

Step Four of the model aims to explain how Social Media engagement contributes to business performance. It uses the SMI Model's Social Brand Scorecard, a measurement system that can act as a base for a Social Media ROI calculation, and tailors it to suit the company. The Social Brand Scorecard is used to explain the Social Media Impact and sets out to put all of this together in the Social Media ROI Analysis.

### The Social Brand – Aspects of Social Media Implementation

The following four perspectives were chosen to suit brand management in the B2B Social Media environment; *Financial*, *Internal Processes*, *Social Network* and *Social Environment*. These will be used in the Social Brand Scorecard for ST-Ericsson. The following Social Brand Scorecard will act as a template for the development and tailoring of ST-Ericsson’s own Social Brand Scorecard, see Figure 17.



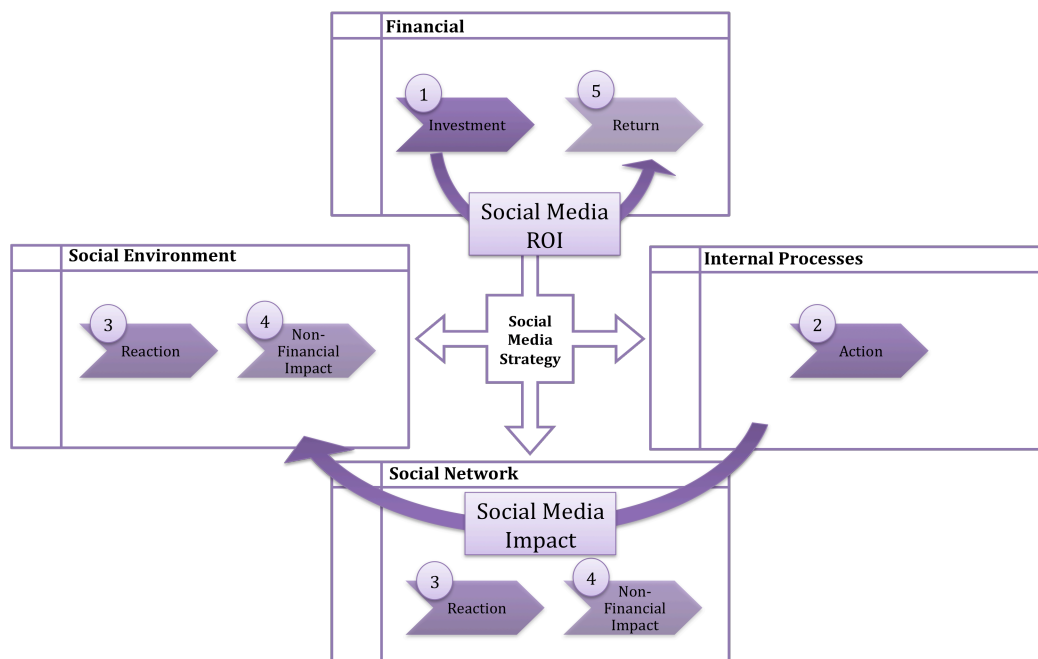
**Figure 17 - The Social Brand Scorecard Template**

To tailor the Social Balanced Scorecard several considerations are important according to this thesis’ previous studies. The social media strategy developed in Step Two should be central to the development. The suggested strategy concludes that ST-Ericsson could aim to find a niche for strategic positioning on Social Media, through a consistent strategy and the use of a limited number of tools. They could use Social Media to engage people and the industry around chosen topics. ST-Ericsson needs to use the chosen tools more actively than planned. The chosen tools were Twitter, Facebook, LinkedIn and a Corporate Blog. ST-Ericsson could further get familiarised with and set up accounts on YouTube, SlideShare, Flickr and Scribd.

The suggested social media strategy for ST-Ericsson is an implementation in three phases, starting with implementation at the Global Communications and the Marketing department. With this the key employees from the departments that are concerned in phase one must be incorporated further in the making of the Social Brand Scorecard, while keeping customer value in focus. The concerned departments in phase one are Global Communications, Marketing, Legal, Finance, IT and Management.

### The Social Brand – Aspects of Social Media Implementation

Several of the *objectives* and *measures* in the Social Brand Scorecard Template in Figure 18 can be used. Specific *targets* must be set for each measure and *initiatives* made out of action programmes must be initiated to meet the objective. The understanding for the Social Brand Scorecard's links to the Social Media Value Chain is crucial and shown on Figure 18. All employees must understand both the Social Brand Scorecard and the Social Media ROI Value Chain<sup>57</sup> to be able to develop the scorecard.



**Figure 18 - Linking the Social Brand Scorecard to the Social Media ROI Value Chain**

After incorporating the Social Brand Scorecard Social Media ROI can be valued through Social Media ROI Analysis. The analysis aims to explain the Social Media ROI by looking to Social Media impact (Figure 18). The following steps could be used:

*1. Establish Baseline* – The different perspectives of the Social Brand Scorecard needs to be converted into graphs, describing the change of each objective along a specific time lime. A clear division of before and after Social Media implementation will have to be made. Together with this baseline before Social Media implementation needs to be established, especially important in the financial perspective.

*2. Create Activity Timeline* – For an accurate ROI analysis the Social Media Investment needs to be plotted along a timeline. In addition to the Social Brand Scorecard an Activity Timeline as described by Blanchard needs to be made. After

<sup>57</sup> Compare Figure 8, master's thesis

## The Social Brand – Aspects of Social Media Implementation

plotting actions on this it can be used as an explanatory indicative of impact measures.

3. *Measure Non-financial and Financial Outcome* – This is done in the Social Brand Scorecard. Look to the specific objectives from change in customer behaviour. This is especially important in the objectives Frequency, Reach and Yield.

4. *Measure Transactional Precursors* – Study to the Social Brand Scorecard along with measures from the real world.

5. *Overlay All Timelines* – Compare data from the Social Brand Scorecard perspectives along with the Activity Timeline.

6. *Look for Patterns* – Look for links that explains the Social Media Impact; Action, Reaction and Non-Financial Impact on actual Return from the Financial perspective. Finding and calculating these patterns will return Social Media ROI, see Figure 19.

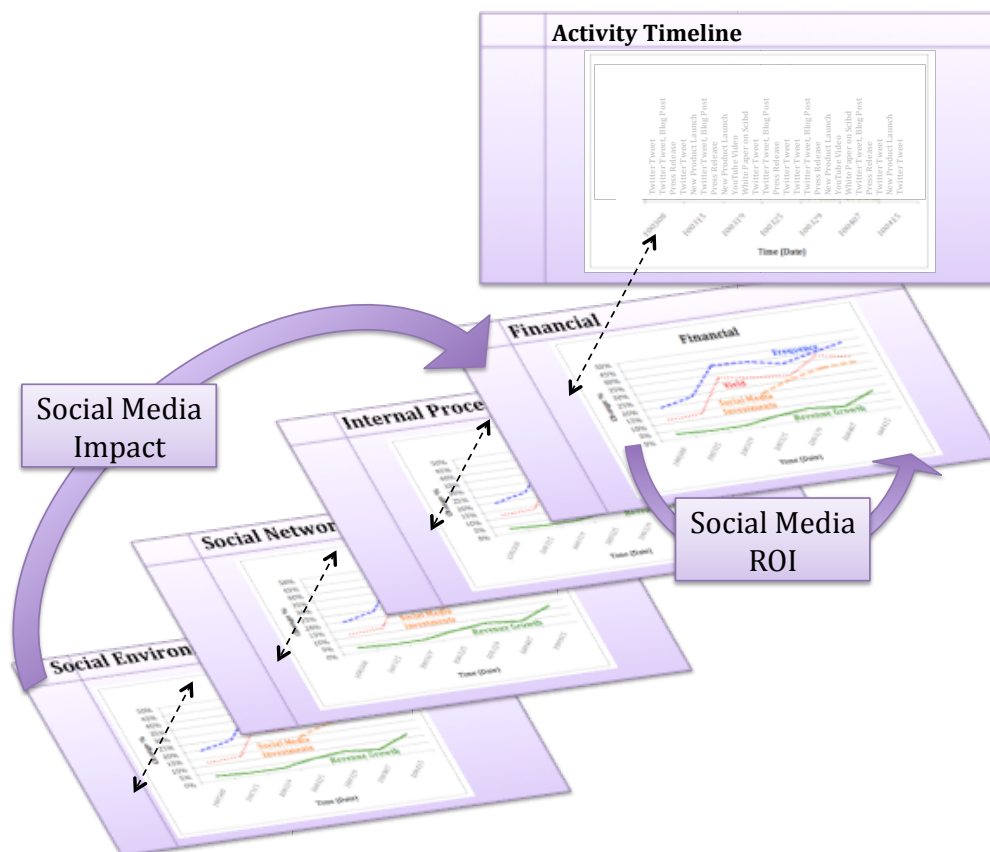


Figure 19 - Social Media ROI analysis

### **Recommendations from the Social Media Implementation Model**

By applying the SMI Model to ST-Ericsson, several conclusions regarding ST-Ericsson's future engagement in Social Media can be drawn.

Step One, Competitive Intelligence, showed that ST-Ericsson is in fact behind the competitors regarding Social Media presence. What Step One also revealed was what social media tools the industry and competitors use. The tools most used by the industry were Corporate Blogs, Twitter, YouTube, LinkedIn and Facebook. The benchmarking contains much information of how the industry uses Social Media today and could be used to argue the importance of engagement. To be able to stay competitive the recommendation to ST-Ericsson is to take the leap into the Social Media world.

Learning the fact that ST-Ericsson wants to engage in Social Media makes the next strategic step urgent. In Step Two the two general goals set by ST-Ericsson needs to be broken down in more specific targets. So, one recommendation is to break down those two goals into several more specific goals. If possible the goals should be quantified making them more easily understood with in the organisation.

The SMI Model states that social media guidelines needs to be developed; the recommendation is that with help from Baeza's guiding principles and by looking at Intel and Qualcomm's guidelines customised social media guidelines for ST-Ericsson can be formed.

Step Two, Strategic Initiative, further suggested an implementation plan of how Social Media could be implemented in ST-Ericsson's organisation. The implementation should take place in three phases (See Figure 20), this gives the organisation time to learn how Social Media can be utilised.

## The Social Brand – Aspects of Social Media Implementation

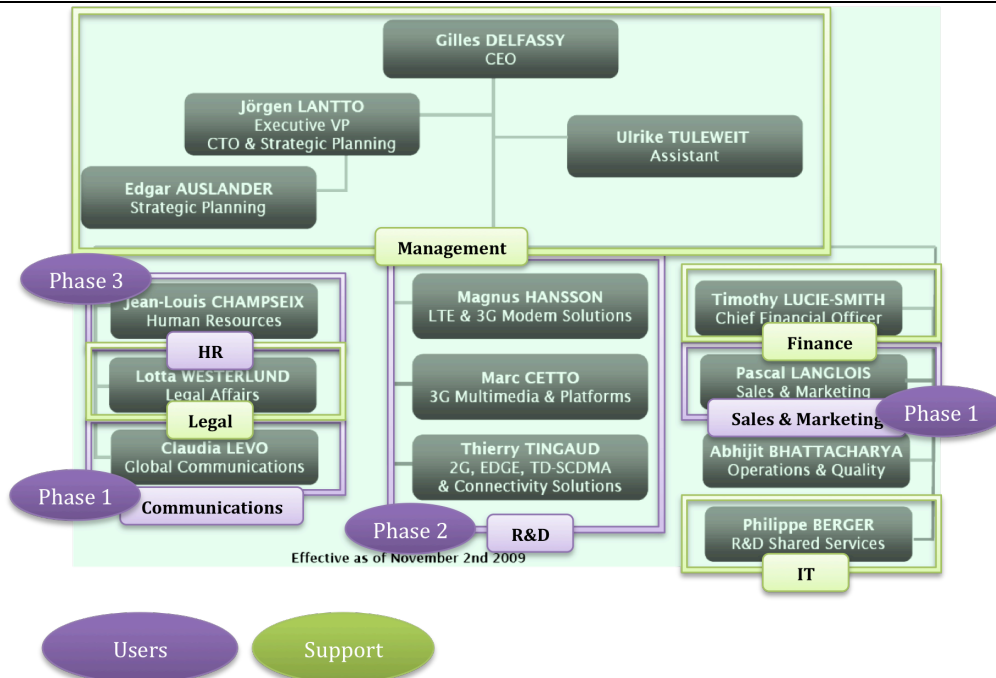


Figure 20 - Social Media Implementation at ST-Ericsson

Step Three, Technology Adaption; suitable tools for ST-Ericsson were suggested. By studying what tools the industry surrounding ST-Ericsson had engaged in and in accordance with ST-Ericsson's risk aversion the following tools were selected; Twitter, Facebook and LinkedIn for direct implementation. Account should be set up at Flickr, SlideShare and Scribd. Content on these sites could be distributed when available. A Corporate Blog could also be started. A recommended timeline for when ST-Ericsson could start using the tools publicly was created and can be seen in Figure 21.

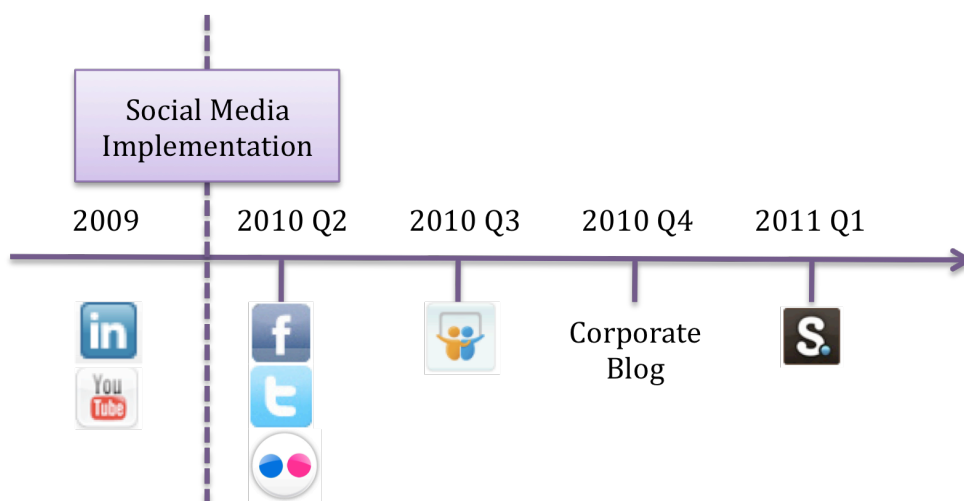


Figure 21 - Social Media Implementation Timeline for ST-Ericsson

### The Social Brand – Aspects of Social Media Implementation

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In Step Three a Social Media Toolbox was also created, the toolbox categorises social media tools into Owned Assets, Rented Assets, Visited Assets and Reality. Here the social media tools were plotted together with ST-Ericsson's other online and marketing activities. This was done as a reminder that other activities must not stop after engaging in Social Media. Social Media adds another dimension and cannot replace regular marketing activities. The toolbox needs to be revisited iteratively.

Step Four, Business Performance, of the SMI Model has only been applied to ST-Ericsson in a schematic manner. The step involves creating a Social Brand Scorecard with the perspectives Financial, Internal Processes, Social Network and Social Environment. ST-Ericsson can use the Social Brand Scorecard Template and tailor it to the organisation and the social media strategy. In order to make the Social Brand Scorecard a successful measure business performance, ST-Ericsson needs to develop the objectives, measures, targets and initiatives in collaboration with employees in the concerned departments. The concerned departments in phase one are Global Communications, Marketing, Legal, Finance, IT and Management. After incorporating the Social Brand Scorecard, Social Media ROI should be valued through Social Media ROI Analysis.

### Recommendations to ST-Ericsson

From this application of the Social Media Implementation Model, developed in the thesis, a few hands on recommendations to ST-Ericsson can be suggested.

- Take the leap into the Social Media world!
- Break down the two social media goals into several more specific goals
- Create customised social media guidelines with help from the guiding principles, Intel and QualComm.
- Follow the three proposed phases of Social Media implementation in the organisation
- Implement and start using the tools Twitter, Facebook and LinkedIn.
- Set up accounts at Flickr, SlideShare and Scribd.
- Distribute content on Flickr, SlideShare and Scribd when available.
- Start a Corporate Blog
- Use the proposed social media tools with other tools in the Social Media Toolbox such as other online and marketing activities such as Tradeshows and Product Launches.
- Create a Social Brand Scorecard with the perspectives Financial, Internal Processes, Social Network and Social Environment. Use the Social Brand Scorecard Template and tailor to the organisation and the social media strategy.
- Develop the objectives, measures, targets and initiatives in collaboration with employees in the concerned departments. These are Communication, Marketing, Legal, Finance, IT, and Management.
- After incorporating the Social Brand Scorecard, value Social Media ROI through a Social Media ROI Analysis.