



From Winging It to Winning It

Increasing the Value of Social Media
for Your Business



SMB Group
Actionable Market Insight

Contents



Why Read This Book?

The Survey Says...

- The Social Big Bang

- The Good News—SMBs See Benefits from Social Media

- Social Media Use Exceeding That of Other Tools

- The Bad News—Challenges to Maximizing Value

Why Having a Plan Matters

- The Distinction Between Strategic and Informal Social Users

- Strategic SMBs Get Better Outcomes

- Strategic SMBs See More Benefit from Social Tools

- Strategic SMBs Anticipate Higher Revenues

- Strategic SMBs Get More Value in More Areas

Increasing the Value of Social for Your Business

- Seven Steps to Becoming a Strategic Social Business

- Align Social Initiatives with Business Objectives

- Think About Employee Involvement

- Provide and Encourage Employee Training

- Use the Right Tools for the Job

- Integrate with Relevant Business Processes and Apps

- Monitor and Measure

- Rinse and Repeat!

Conclusions

About the SMB Group

Why Read This Book?

Social media has become a defining topic for businesses during the past few years. As the number of social media channels and their use soars, people are gaining an unprecedented level of control over their interactions with the businesses that serve them. Because of this dramatic shift, there is a shortage of business literature on the topic of how social media is reshaping the way businesses and customers interact. So, you may ask, why read this one?

It's easy to evangelize about an exciting subject, but harder to extract useful information that provides real guidance for small and medium businesses (SMBs) by examining what works and why. Despite the social media frenzy, far too many—perhaps most—SMBs are still in the infatuation phase of their courtship with social media. Although they are experimenting with it, many haven't stopped to consider how to turn this passion into a lasting relationship that provides true business benefits.

This ebook provides insights to build that more lasting relationship based on the SMB Group's 2012 Small and Medium Business Social Study of more than 650 real-world SMBs. We look at key findings from the study, which reveal how SMBs are using social media today and why some are getting more from these investments than others. Then, we provide guidance on the steps that you can take to increase the value of social in your business.



SMB Group 2012
SMB Social
Business Study

The Survey Says...



The Good News—SMBs See Benefits from Social Media

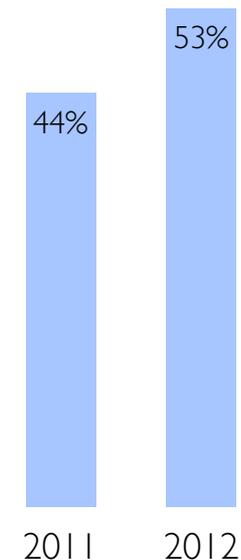
With these kinds of numbers, it's easy to see why SMBs are turning to social tools and strategies in growing numbers. According to our study, overall social media usage among small businesses increased to 53% in 2012—up from 44% in our 2011 study.

Most SMBs continue to view social media as a means to help them grow the business—with benefits heavily concentrated in marketing and sales.

Top Benefits of Using Social Media



Increase in Social Media Usage Among Small Businesses



Social Media Use Exceeding That of Other Tools

SMBs want to use social tools to address the perpetually challenging areas of customer acquisition, revenue growth and sustained profitability. In fact, social media tools have quickly outstripped some traditional alternatives such as print and broadcast ads, and even search engine marketing in areas such as lead generation, generating web site traffic, creating more/better interaction with customers and prospects, and employee recruitment.

In many cases, SMBs are using social tools more than software designed for specific business functions. In fact, SMBs are 2 to 4 times more likely to use social media than purpose-built software to connect with people who aren't customers, generate more web site traffic, generate more/better interaction with customers/prospects and recruit new employees.

<i>Business Functions and How They Are Accomplished</i>	Email, web online chat, web conferencing, phone	Social media	Traditional print and/or broadcast advertising, direct mail	Search engine marketing	Software solution designed for this purpose
Generate new leads and/or sales	21%	19%	16%	14%	10%
Improve market awareness/reputation for the company	22%	21%	13%	10%	6%
Connect with people who aren't customers	16%	20%	12%	10%	5%
Generate more web site traffic	16%	19%	7%	12%	6%
Service/support and customer retention	20%	13%	10%	4%	8%
Create more/better interaction with customers/prospects	20%	17%	9%	5%	4%
Market/competitive intelligence	12%	10%	6%	6%	6%
New employee recruitment	11%	11%	9%	5%	3%
Bring voice of the customer into the company	13%	10%	4%	3%	4%
Improve internal collaboration	10%	5%	3%	1%	7%
Input for product development	8%	5%	2%	2%	4%
Improve procurement and purchasing process	6%	4%	2%	3%	5%

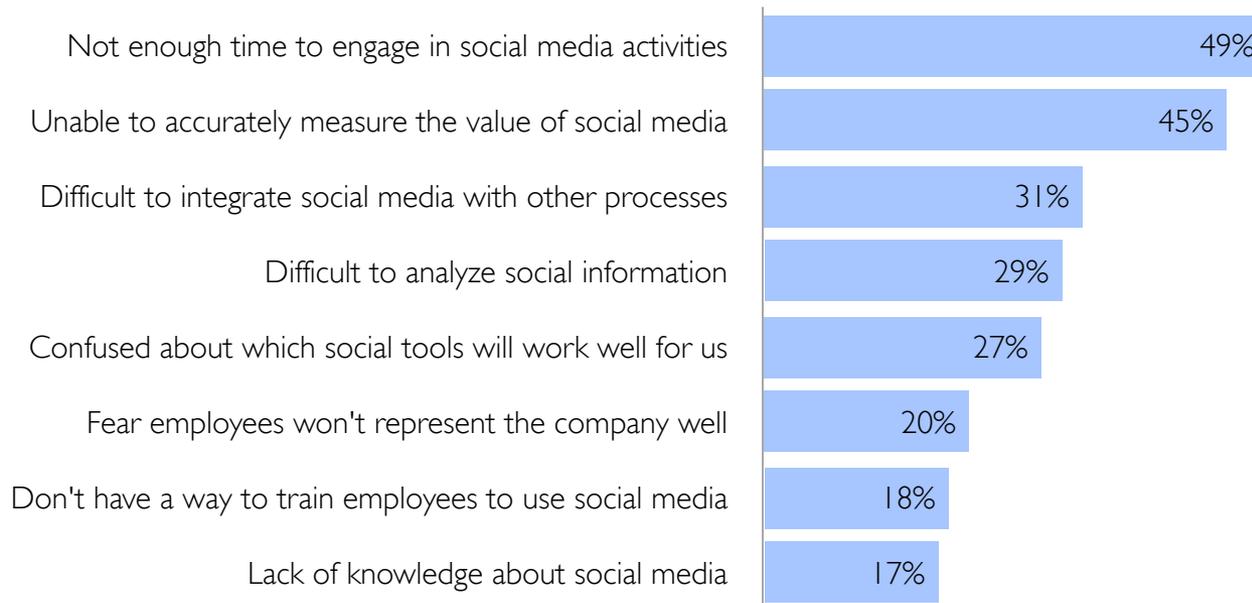
High ↑
Business Functions
↓ Low

High ← Tools Usage → Low

The Bad News—Challenges to Maximizing Value

The bad news is that social media presents its own set of challenges. 49% of SMBs cite “not having enough time” as the top obstacle to getting value from social media. Unlike more traditional one-way marketing, such as advertising or the yellow pages, you can’t just set it and forget it when it comes to social media. Social requires an interactive dialogue in which customers and prospects are likely to put more demands on your time. “SMBs inability to measure value” is also getting in the way. For many SMBs, failing to adequately measure their return on social media investments can negate some of the value that they gain from social media activities.

Top Challenges in Getting Value from Social Media



Why Having a Plan Matters

SMB Group 2012

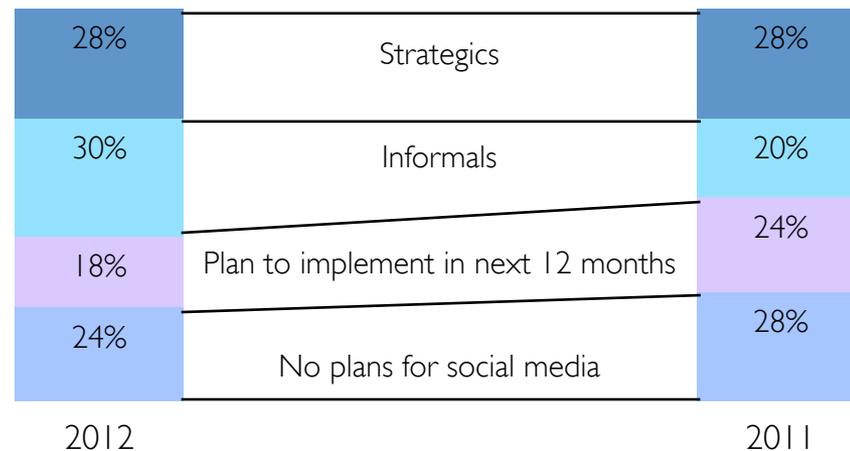
SMB Social Business Study



The Distinction Between Strategic and Informal Social Users

Although SMB adoption of social is growing, the percentage of SMBs that use social as part of planned, corporate strategy hasn't kept pace. According to our study, while overall social media usage among U.S. SMBs is up 18% year-over-year, the percentage of SMBs taking a planned, strategic approach to using social media in their businesses has stalled, with 30% still pretty much throwing the proverbial spaghetti on the Facebook wall—or into the Twitter stream.

SMB Adoption of Social Media



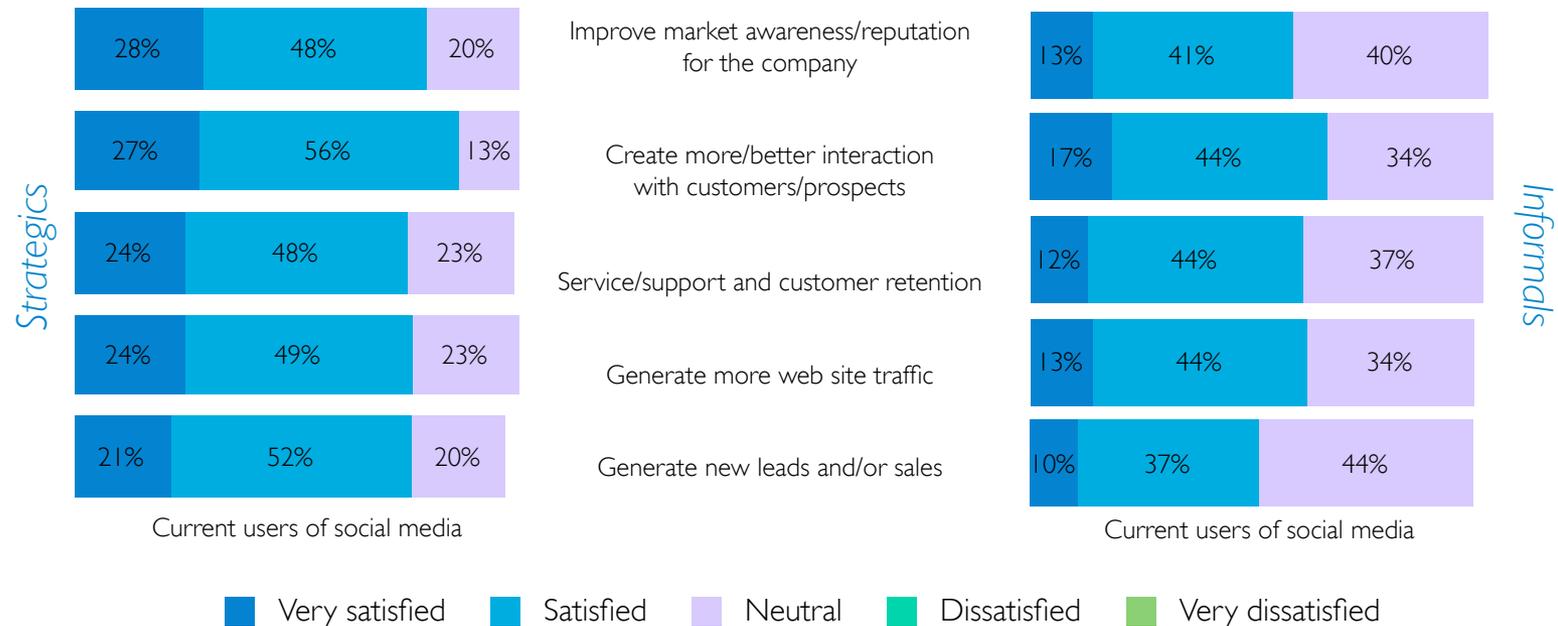
Why is this distinction so important? As you'll see, study findings consistently show that SMBs that use social media strategically—we'll call them "Strategics" from here on - are significantly more satisfied with the outcomes they get from their efforts than their counterparts that take an ad-hoc approach—we'll dub them as "Informals."

Strategic SMBs Get Better Outcomes

While there are benefits to informal use of social, the study found that Strategics are about twice as likely to be very satisfied with their outcomes than Informals across almost every function. For instance, looking at key marketing functions, where the bulk of SMBs are investing in social today, we see that:

- 28% of Strategics, compared to 13% of Informals, are very satisfied with social to improve market awareness/reputation.
- 24% of Strategics, compared to 9% of Informals, are very satisfied with social to help them connect with people who aren't customers.
- 21% of Strategics, compared to 10% of Informals, are very satisfied with social to help "generate more leads.

SMB Satisfaction with Social Media for Business Functions

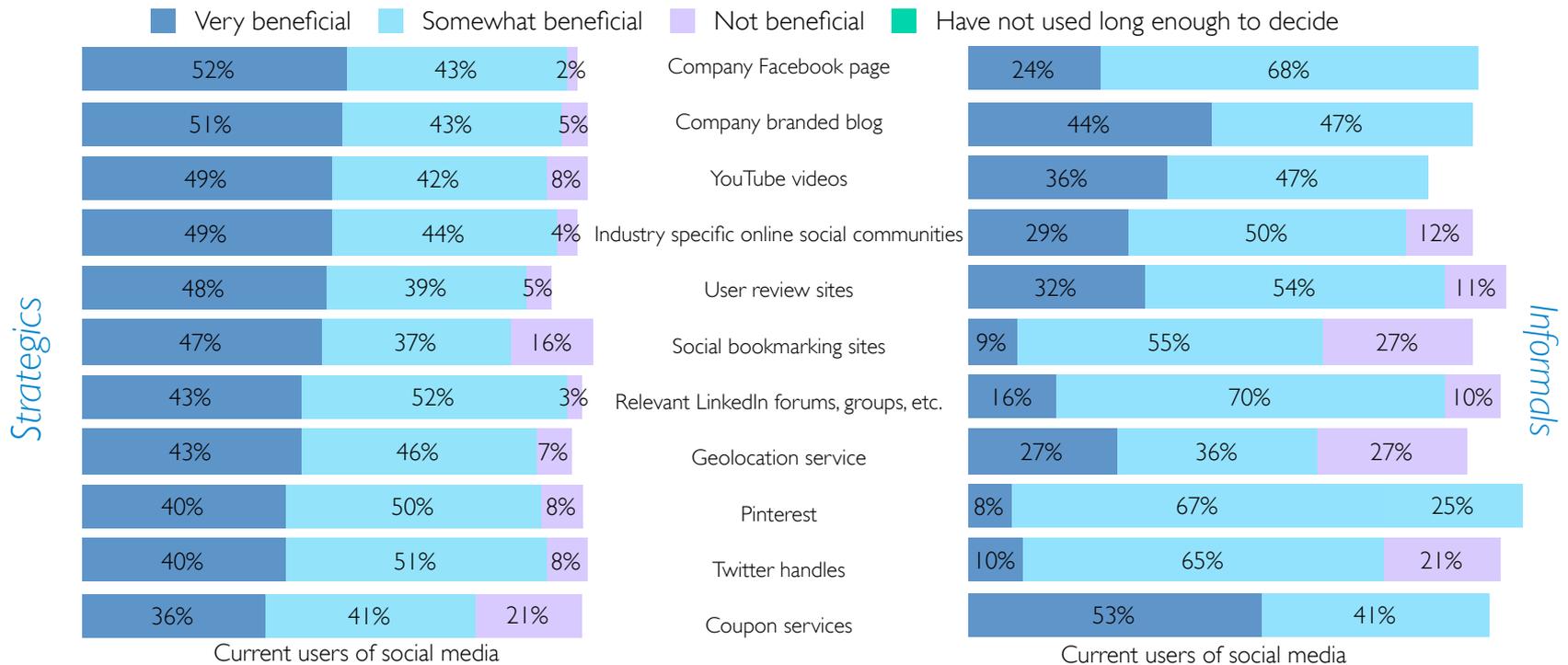


Strategic SMBs See More Benefit From Social Tools

Strategics think more about how and what to use different tools for—and the outcomes they want to achieve. While both Strategics and Informals perceive many social tools as beneficial, Strategics are 1.5 to 4 times more likely to report social tools as being extremely beneficial to their businesses than Informals. For instance, Strategics are:

- 4 times more likely to be very satisfied with Twitter
- 2.2 times more likely to be very satisfied with engagement on Facebook
- 2.7 times more likely to be very satisfied with LinkedIn

SMB View of Benefits of Social Media Tools

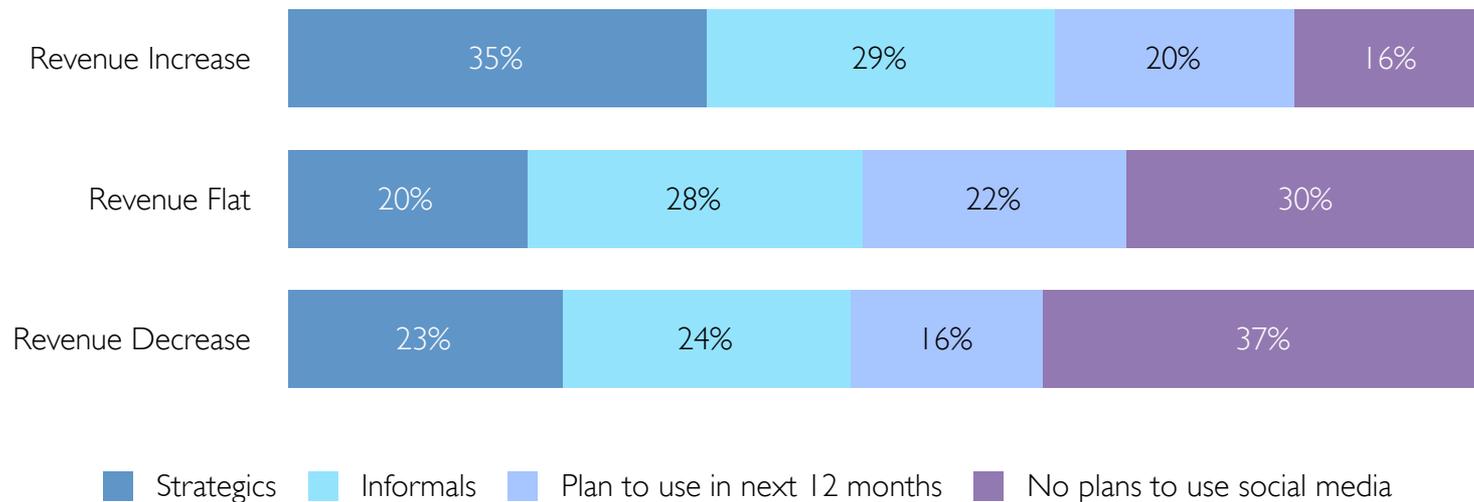


Strategic SMBs Anticipate Higher Revenues

The bottom line is that Strategics have higher revenue expectations than Informals: 35% of Strategic users are forecasting revenue gains, versus 29% of Informal users.

The bigger lesson, though, is that SMBs that don't use social media and have no plans to do so are really coming up short. Only 16% anticipate that revenues will rise year-over-year; 30% expect revenues to remain flat and 37% anticipate that their revenues will fall. Although we can't say for sure if this is due to causation or correlation, it appears that businesses that ignore social do so at their own peril.

Impact of Social Media Use on Business Performance



Strategic SMBs Get More Value in More Areas

Today, most SMBs use social media primarily to help market their businesses. But some are using social in other areas—including market intelligence, employee recruitment, internal collaboration, and product development. Use of social in these areas is up from 15% in 2011 to 21% in 2012. Again, Strategics are much more likely to be satisfied. For example:

- Customer service and support, to be more responsive and improve customer experience: 77% of Strategics are very satisfied or satisfied, compared to 56% of Informals.
- Bringing the voice of the customer into the company, to create context and accountability for corporate decisions: 84% of Strategics are very satisfied or satisfied, compared to 58% of Informals.
- Employee recruitment: 74% of Strategics are very satisfied or satisfied, compared to 50% of Informals.

By expanding their use of social, SMBs can better gauge what's important to customers and the market. They can start gaining the valuable insights to create and solidify long-lasting customer relationships. In the age of the empowered customer, this more holistic approach will create more value for SMBs over time.

Satisfaction with Social Media for Non-Marketing Functions



Increasing the Value of Social for Your Business

Seven Steps to Becoming a Strategic Social Business



Align Social Initiatives with Business Objectives

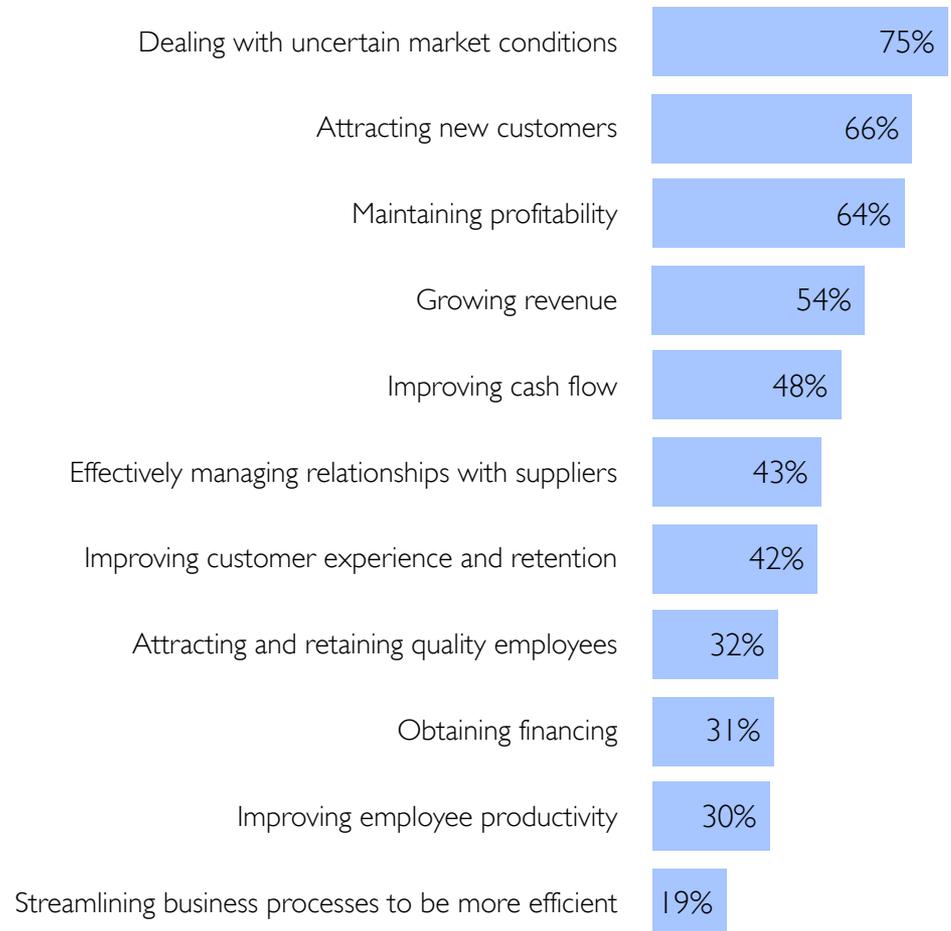
We're still in the very early days of social media. As you experiment with it in your business, it's fine to throw a little spaghetti on the wall to see what sticks.

But over time, random use of social media tools without a clear use case and objectives can result in a tremendous waste of time. Exploration has its place, but good planning will lead to better outcomes - even when you're in the early stages.

Focus first on your top business goals. The top business challenges on the chart here are reported by our survey respondents. Your challenges may be similar or different, but this is where you should start. Think about who you want to reach, and the results you want to get from your interactions with different types of people—customers, prospects, partners.

This will be a work in progress. As your business requirements change, as your social objectives evolve, and as social tools and services come and go, you'll need to tweak your strategy.

Top SMB Business Challenges



Think About Employee Involvement

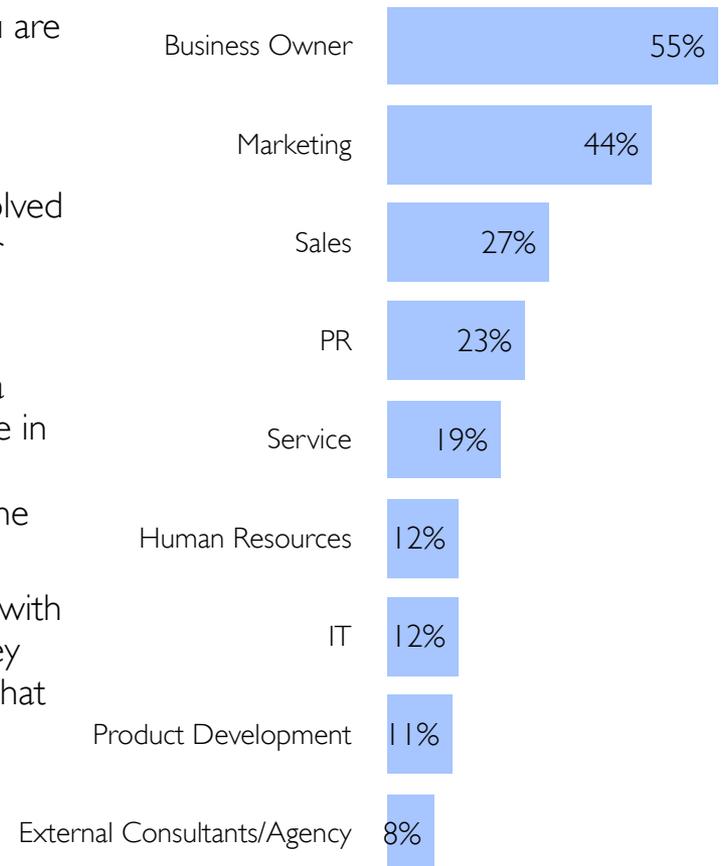
Determining the breadth and depth of employee involvement is no trivial matter. People are far more likely to do business with a company that seems to be composed of people rather than a corporate machine devoid of personality. In the social world, you are your company, no matter who you are.

Most SMBs don't have employees dedicated to social media functions. Social is another hat that employees wear. Today, marketing, sales and PR employees are the most likely to be involved - no doubt because most SMBs are currently concentrating their social efforts in these areas.

While marketing is often in the driver's seat, there is no single department that should "own" social media. Social will become a major facet of the company's persona, so everybody with a stake in the outcome should have a seat at the table. Over time, you'll probably need to involve more employees in different areas of the company.

Create and set expectations properly for any and all employees with social responsibilities. Think about the specific objectives that they have and the time commitment they'll need to make to ensure that they are using social as productively as possible.

Departments Involved in Social Media Decisions



Provide and Encourage Employee Training

Getting employees involved in social on behalf of your business requires guidelines. It doesn't mean that every employee can do what he or she pleases on Facebook and Twitter in the name of your company.

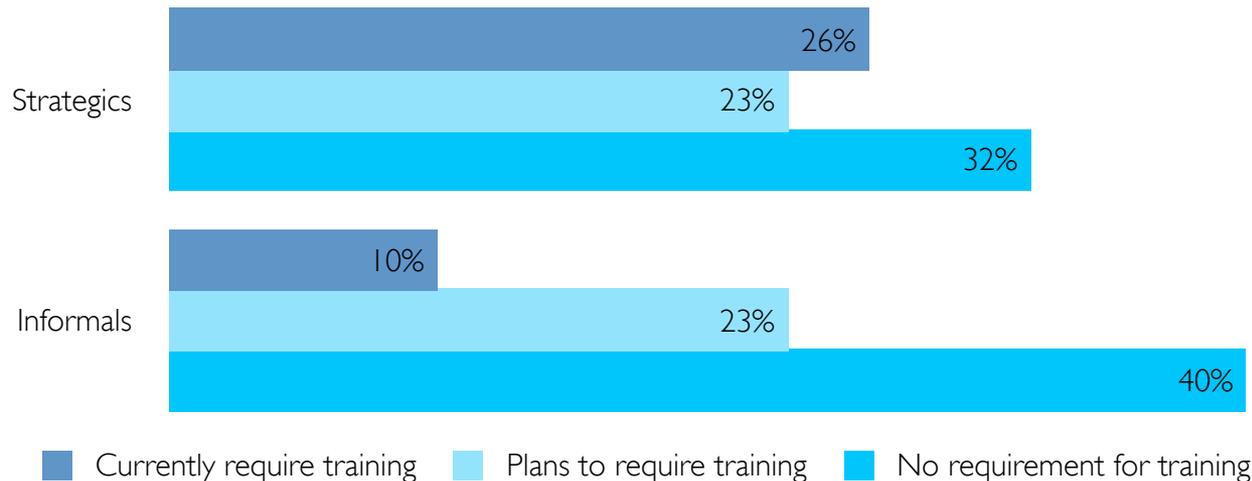
Employees must observe basic guidelines of behavior when representing the company, such as being prompt, responsive, honest, factually correct, concise and respectful.

Consistency regarding your brand and values is also critically important so that your company presents a unified presence across social channels and interactions.

If your company doesn't require or plan to require social media training, employees could commit easily avoidable blunders that could potentially damage your brand. For some examples, see HubSpot's aptly-named Marketing Hall of Shame, where the company acknowledges its own blunders.

Better yet, take advantage of some of the free social media training that's available, including: [Social Media Today](#) and [Social Media Examiner](#).

Requirements for Social Media Training



Use the Right Tools for the Job

Different social tools are better adapted for particular types of business functions, as shown below. The tools above the blue line on the heat map are most frequently used for each business function, while the tools below the blue line show only marginal use. For example, LinkedIn is the most widely used tool for new employee recruitment, while geolocation tools are least used.

Map the social tools you use to your requirements. For instance, Facebook may be great to keep people updated on announcements, but Pinterest may be a better fit for showcasing and getting feedback on new design ideas.

<i>Business Activities and Use of Social Media</i>	Create more/ better interaction with customers/ prospects	Generate new leads and/or sales	Market and competitive intelligence	Monitor and enhance company reputation	Service/ support and customer retention	Input for product development	Internal collaboration	New employee recruitment
Relevant LinkedIn forums, groups, etc.	49%	39%	33%	26%	24%	11%	19%	20%
Pinterest	45%	36%	30%	28%	24%	18%	22%	13%
Company Facebook page	41%	26%	12%	20%	16%	8%	8%	9%
Engage on other Facebook pages	27%	21%	12%	11%	12%	7%	6%	6%
Industry-specific online social communities	14%	16%	15%	9%	6%	11%	3%	6%
Post comments on related blogs	15%	14%	13%	9%	7%	4%	4%	5%
Twitter handles	18%	12%	7%	9%	9%	6%	6%	2%
Company branded blog	16%	12%	8%	8%	8%	4%	2%	5%
YouTube videos	20%	10%	8%	7%	7%	5%	3%	2%
User review sites	10%	6%	6%	5%	5%	5%	4%	2%
Coupon services	5%	6%	7%	4%	4%	2%	1%	2%
Social bookmarking sites	5%	3%	5%	2%	2%	4%	3%	3%
Geolocation service	4%	2%	3%	1%	2%	2%	3%	2%

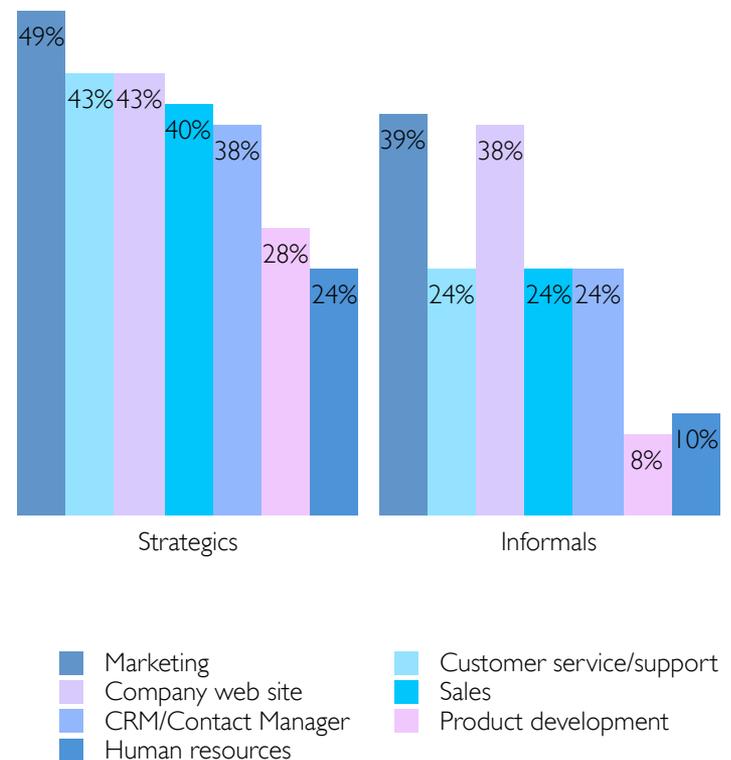
Integrate with Relevant Business Processes and Apps

Social media is a means to an end—improved business results. To achieve this, your social efforts can't exist in a vacuum. Integration—getting data from business applications and social applications to talk with each other—is the key to this.

There are integration points for just about every business function, and they aren't just for show. For instance, if your social media activities don't integrate with CRM, it's difficult to track interactions, people in your social stream within the context of the rest of your interactions. Whether they are prospects or existing high-value customers, integration helps you treat each appropriately.

Although integration is important, and can be complex, it doesn't have to be a major plumbing job. Simple web site integration can be achieved with relatively little effort. Put a Twitter widget on your company page, and capture usernames from anybody who posts through the widget, or through any Twitter client. Feed that information into your CRM and site management systems so those users get recognized and welcomed whenever they visit. Whenever you have a relevant campaign, push a Twitter-friendly version to those users. Voila' - quick and simple social integration.

Integration of Social Media with Business Processes



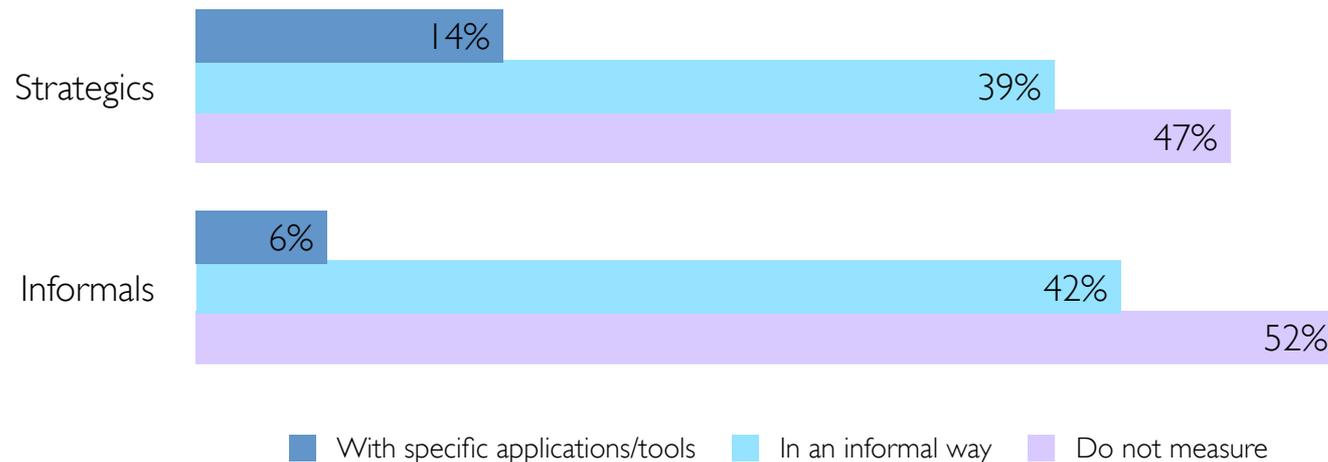
Monitor and Measure

When you understand what's working and what's not, you can fine tune things and improve outcomes. But, few SMBs—even Strategics—use social analytics or monitoring tools today. Most rely on related indicators to infer the value of their social efforts—such as click-through rates, inbound marketing leads, referrals, customer sat scores, customer retention, buzz generated, and anecdotal feedback.

This is a good start! But since SMBs rank “not enough time” and being “unable to accurately measure the value” from social media as the top barriers to deriving value from social efforts, why not look at how “purpose-built” social media tools can give you a better read? After all, time is probably your most valuable asset—and you want to make sure you're spending it on things that work.

These tools range from free to paid; and from point tools to very comprehensive solutions. To different degrees, they can tell you more about your audience: size, preferred channel of engagement, periods of highest and lowest inbound activity, sentiment, how you stack up against key competitors, and more. Armed with this insight, you will be in a better position to ensure that the time spent on social media interactions is well spent.

How SMBs Measure Results of Social Activities



Rinse and Repeat !

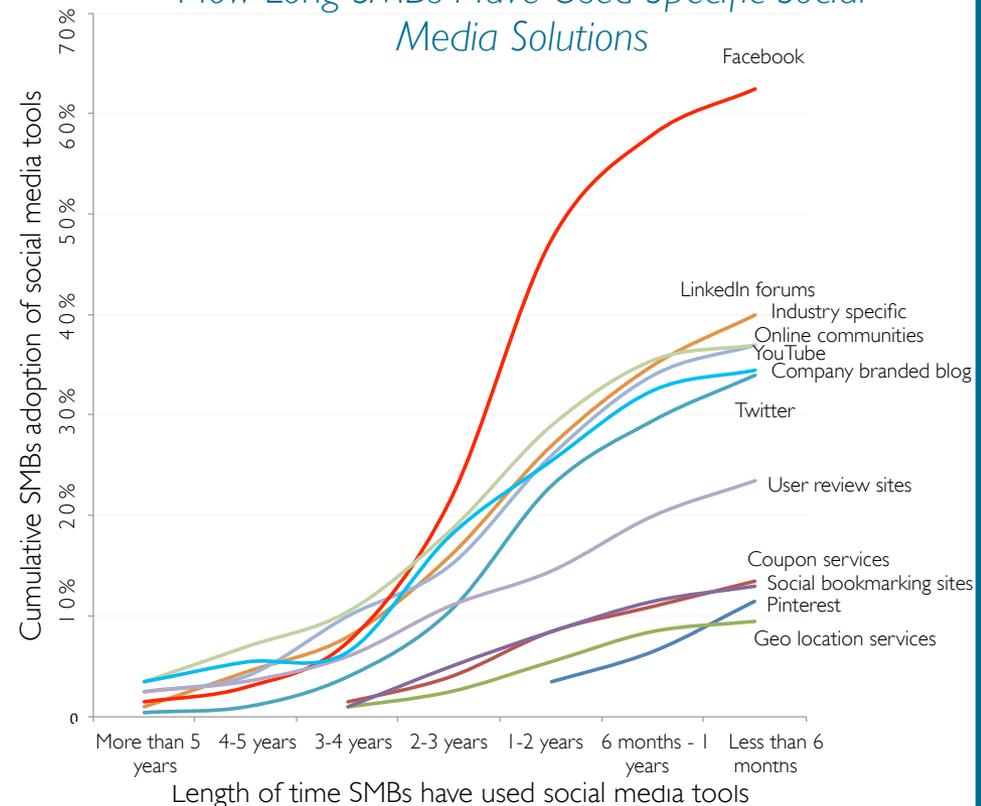
You aren't done. You are never done. Social is moving at lightning speed. New tools can blossom overnight while others fail. Pinterest came out of left field and has only been open to the public since 2010, but has rapidly become one of the most active social sites. Meanwhile, the social media graveyard is littered with sites such as Friendster, SixDegrees and Myspace that have gone under or are on a slow death march.

Periodically, perhaps every 6 months, stop and consider what's working and what's not—both the social media sites and monitoring and analytics solutions. If you're happy, stay the course. If not, find out what these vendors are doing—or not—to address any issues. Explore other options to see if there is something else worth trying. New social sites appear regularly, and existing vendors create or acquire new options.

Vendors are also developing and enhancing monitoring and analytics solutions, and tuning more of them to SMB requirements. And don't forget to see if the business software vendors whose solutions you already use have added social business capabilities. Many traditional business solution vendors are retooling their solutions specifically for the social era.

The lesson is this: Keep reassessing and iterating. The best tools today may not be the best ones tomorrow. Look beyond what how you're using social today to see if it might be a good fit for other functions.

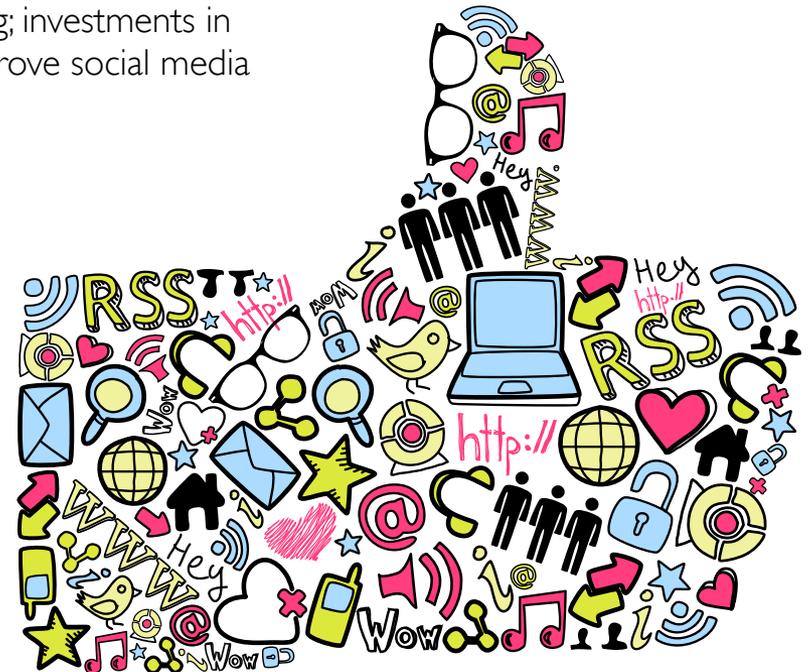
How Long SMBs Have Used Specific Social Media Solutions



Conclusions

The genie is out of the social media bottle. Social media has put a lot of power into the hands of consumers, and they are not likely to give it up any time soon.

Businesses that use social tools to connect with customers will have an increasingly bigger advantage over those that don't. Although sites such as Facebook, Twitter and YouTube make it easy to dive into using social for your business, using it effectively to achieve the business outcomes you want is another matter. Time spent creating a planned, strategic approach to social media will yield much more substantial benefits than ad-hoc dabbling; investments in monitoring and analytics will enable you to fine-tune and improve social media outcomes.



About the SMB Group



The [SMB Group](#) focuses exclusively on researching and analyzing the highly fragmented “SMB market”—which is composed of many smaller, more discrete markets. Within the SMB market, the SMB Group’s areas of focus include Emerging Technologies, Cloud Computing, Managed Services, Business and Marketing Applications, Collaboration and Social Media Solutions, IT Infrastructure Management and Services, and Green IT. Read our [2013 Top 10 SMB Technology Market Predictions](#) for our views on game changers in these and other areas of the SMB market.