HOW COMPANIES SUCCEED IN SOCIAL BUSINESS

CASE STUDIES AND LESSONS FROM ADOBE, CISCO, UNISYS, AND 18 MORE BRANDS

SHAWN SANTOS
How Companies Succeed in Social Business

Case Studies and Lessons from Adobe, Cisco, Unisys, and 18 More Brands

Shawn Santos
To my amazing wife, Aran. Your love and support inspires everything I do. You care about others far more than yourself, and it is that caring that has made this book possible—thank you. You are brilliant, compassionate, and not a day goes by that you don’t make me laugh. You’re my dream girl, and quite simply, you’re the best thing that has ever happened to me. I brim with excitement when I think about continuing our life’s adventure together. We can pickle that!

To my pack: Cody, Zeppelin, and Buster. What good boys! You are my shadows and my best friends. You’ve made me so proud—what an adventure it has been.

To my son, Julian. Even though I’ve only known you for 6 months, I can already tell you’re a special guy. I love our inside jokes and seeing you develop your personality and interact with your surroundings. If you could only cut back on all the pooping!

To my mom, Tanya Gylfe. The world is a better place because of you. You are the most kind and thoughtful person anyone could ever aspire to, and your courage in the face of hardship is nothing less than inspirational. You are beautiful and loving, and you have taught me to be a better person. I am who I am because of you, and I hope I continue to make you proud.

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And finally, to all of the people who came together to make this book a success. From my brilliant co-authors, to my publisher, editors, and even the business and legal teams—I sincerely thank you! I am honored and humbled that you believe in me and my ideas.
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Foreword

Why was this book written? This is an interesting question to start a foreword. After all, all books are written for the purpose of sharing the knowledge and expertise of the author with a varied audience—at least the business books are, like the one you are holding in your hands.

Do we need another book on social business? Are there not enough already out there? True, a lot has been written and said about social business. A lot has been written by gurus, ninjas, and rock stars—people with limited knowledge of the concept of business, but likely with some background in social networks and collaboration. These rock stars wanted to share their early experiences with social business. A few other books on social business were written by people who went through a process, who knew about business and some about social, and who wanted to document their experiences. A few more were written by charlatans with little more than a good English education and the ability to quickly write a book to capitalize on hype.

Alas, none of those books are like this one. But I don’t want to get ahead of myself here—let me start at the beginning. Social business—not the operation of a business for the good of society, but rather the ability to integrate social channels and networks with the operations of a traditional business—is relatively new. It can be traced a couple of decades if you look at the components (collaboration tools, communities, listening to customers, and so on), but it was not before the onslaught of online communities in the past ten years or so that the concept began to carry weight in businesses.

As with any other technology or enterprise software tools, the hype grew quickly and to deafening levels. There were so many people who were experts (see two paragraphs above to identify those who were brave enough to write a book about it) and so many vendors that delivered social business solutions that organizations were overwhelmed. As it often happens, overwhelmed organizations don’t adopt a concept; they wait until it starts to climb what Gartner calls “the slope of enlightenment,” the point where we begin to understand the value that the technology or concept can have for the business.

And that brings us to the three reasons why this book needed to be written:

- The time is now to learn how to do social business properly. This book is a compilation of chapters from some of the most notable business people who have succeeded in traditional organizations at moving them
toward social business. These are real-life examples and lessons learned from people who took the concept and slowly helped their organizations become social businesses (although, most of those businesses are still moving toward it—it is a journey, not a destination).

As we move closer to the moment when we know what to do, how to do it, and when to do social business, well, we need a guide who will help us understand the issues, the gotchas along the way. The people who wrote these chapters have captured that knowledge from their own experiences and they are sharing those valuable lessons to shorten the time you have to spend understanding social business and how to make it work for your organization.

- This is not simply a book, it is a curation of very smart content. Shawn Santos spent a lot of time working with organizations that wanted to migrate to social business and with practitioners doing it. He learned who the real “pioneers” of the social frontier were and who knew what they were doing. He saw success and failure at many levels and at different scales. He understands from this experience who is qualified to talk about it—and he brings them together in a curated stream of intelligently displayed how-to examples of what works for social business.

The beauty of curation, however, is that not only the best can be displayed. Some of the bad experiences and lessons learned (especially those that you say “I will never do that again”) are also displayed. Although none of the writers showcased write about their failure specifically, a lot of the content debunks the traditional “understanding” of what social business is and how it works.

- This book was written to be used in many ways. The concept of social business is complex and does not apply equally to all. There is a need to adapt it to your organization and that need has many facets: Executives need to support the initiatives, finance must provide the resources, managers must ensure it works with the current processes (rather, the reimagined ones when adding social features), and workers need to understand the WIIFM concept (what’s in it for me, of course).

All these people can expect to find something that will fulfill their needs in this book.

Of course, saying that social business is complicated is exactly what you’d expect a foreword to say; after all, the idea is to convince you of the need for this tome. In the case of social business, the myriad components and the complexity
of each mean this is not about convincing you to take it seriously. If you are looking at this book, you likely know how serious it is.

Among the many outcomes for this book, I hope you understand better what social business is and what is not and how it can help your organization.

- Create better engagement with your customers by bringing better data to understand what they need and want—and to let you decide how to better serve those needs and wants.

- Generate a more collaborative, open environment where you and your customers can co-create value in any way you and them define value.

- Collect data and information about your products, your performance, your operations, your customers, and your entire ecosystems, and put that data to good use to replace archaic, traditional performance-based metrics with effectiveness-based metrics that correlate to strategic objectives for your organization.

- Find the best people, inside and outside of your company who can help your customers get what they want and need.

- Change your business from an inside-out, company-centric model to an outside-in, customer-centric model where all involved parties (from suppliers to prospects) can find better value that meets their expectations.

- Create a true collaborative, social business focused on the value it creates from social interactions, not on the vanity metrics of number of friends or number of eyeballs in a specific content.

The previous items are a brief summary of the benefits you will find when transforming your business into a social business. You will find more and more benefits as you move into it, and the transformation will take a life of its own.

You need a place to start in this journey—this book will do that.

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Preface

Shawn Santos

Why You Should Care About This Book

My first forays into social media mirrored many of my Gen X peers: modem-powered experimentation with AOL and SixDegrees in the late-1990s, followed by much more regular use of Friendster and MySpace a few years later.

At the time, social networking was simply a distraction, a fun distraction that seemed to be sucking more of us in everyday, but a distraction none-the-less. It was never very serious, and I don’t believe that any of us really thought about using these tools to connect with businesses, start a revolution, or change anything other than our profile pics.

It wasn’t until a few years later that I first heard the term “Web 2.0,” which described a shift in technology where the web was transitioning from static pages to dynamic applications that allowed users to collaborate with each other. In 2004, Tim O’Reilly argued that the trend towards user-generated content could be harnessed by businesses to create value. That’s when I began to take notice.

The early- and mid-2000’s was an exciting time to be in technology. People remember it as a turbulent time brought on by the dot-com bubble. It was. Billions of dollars were lost on Wall Street and Silicon Valley, companies folded, people lost their jobs, and some even lost their houses. And while the dot-com era will forever be remembered for its reckless investing, few seem to realize that after the bubble burst, the tech industry responded by gathering itself around building something of real value on the back of the irrational exuberance of the dot-coms. It’s true that much of the invested capital was lost during this time, however, there was plenty of capital—and throngs of very smart people—that found its way into the development of better software, servers, and databases that would become the very foundation of Web 2.0.

Yes, this was an exciting time. First, of course, people were concerned about losing their jobs. But it was also exciting because, at least towards the end of the bubble, people were gravitating to where value was being created. I was working at Agilent Technologies near the end of the bubble, and during that time I had the opportunity to work on innovative initiatives focused on
creating customer value through peer collaboration. Far different from the hype of dot-com applications, we were using simple online forum technologies in an Enterprise company to help customers “help themselves” (while cutting much-needed costs at the same time). As I observed “Web 2.0’s” transition into “Social Media,” I transitioned from Enterprise Technology to value-creation on the agency side.

After a few more transitions and lessons learned along the way, I found myself working for a research boutique and trade association called Technology Services Industry Association (TSIA). Here I had responsibility for our global program portfolio, and it was here where the seeds for this book began to take hold.

Central among TSIA programs is a research practice focusing on critical areas of tech services—customer support, professional services, services revenue generation, support technologies, and so on. In late 2007, after noting sweeping changes in the adoption and spending on social media and community initiatives by tech companies, we launched a research practice focused on the intersection of social media and technology services. We invited our member companies in to research and collaborate with us, forming the first “Social Media Roundtable” for the tech services industry, with members spanning Cisco, NetApp, Microsoft, Bentley, BMC, VMware, Yahoo!, HP, IBM, Xerox, Oracle, and many other brands.

The program was considered “extremely valuable” among members, not only from the data points, white papers, and perspectives generated through research and benchmarking, but especially for the collaboration element—there is a lot of value in learning from people who have faced similar challenges to what you’re facing, and people love to share and gain strategies forged from battle-hardened industry lessons.

The idea for this book stemmed from these collaborations¹, and the notion that getting these stories out there has the potential to help others in our shoes, ultimately helping to build better social businesses along the way. And because social businesses tend to be more profitable, have more customer and employee satisfaction, helping to build them just might help the economy as well—even just a little.

I don’t think there is another publication like this out there. There’s nothing that explores the intersection of social media, customer service, and marketing from the “real-life” perspectives of numerous dynamic individuals who have directly helped shape the social business strategies—and results—inside some

¹ A special “thank you” to Shar Govindan for the inspiration.
of the world’s leading companies. The authors of this book are probably a lot like you, and I hope that their willingness to open up and discuss not only what has worked, but what hasn’t worked so well, will resonate with your view of the world, and help you drive meaningful results inside of your company.

But there is also a selfish reason for publishing this book. While it’s true that I see a lot of value being created in, and from, social businesses, from my perspective as a consumer, I personally like dealing with social businesses—I want more companies to care more, to respond and create value, and to make it easy—even fun—to do business with.

Unfortunately though, even today this is rarely the case. Most companies have rushed into social media without considering much more than the shiny new tools themselves, and executives and customers alike have been stung by the not-so-sweet outcomes. Have you ever been pleased to find your favorite company on Twitter or Facebook, only to be slapped in the face with a complete lack of a response after asking a simple question? I have—countless times. And not necessarily by the “corner store” from which a high level of social media responsiveness may not be expected. I’ve been stung by big brands, brands that I have been a loyal customer to, and some that are even considered social media “darlings” by the gurus—by asking straightforward questions that are simply ignored. Questions like “I lost my pre-paid coffee card, what should I do?” or “my flight has been canceled, is it better to re-book online or go back through security to the ticket counter?”

But I have also been guilty of directly or indirectly posting occasional feedback about a company’s offerings or policies publically—not in a troll-like fashion, but more with a hope that companies are using the many tools they have at their disposal for monitoring the airwaves to understand the collective voice of their customers and adjust their go-to-market strategies accordingly. And deep-down, like other humans, I suppose I am looking for a simple acknowledgement of my concerns as well. Any type of “we appreciate your feedback” will do, but it rarely comes, which only serves to amplify the negative feelings of whatever the initial concern was.

With a lot of brands, you have to wonder—why are you even using social media? For many, using these tools—or rather, using them incorrectly—has the propensity to do more harm than good.

We’re more than a decade into social, and I still consider it a fluke if a company responds to my direct or indirect comments online. However, last week I did get a response from a Tweet directed to my mobile carrier. I asked what my options are if I crack the screen on my iPhone. The person on the other end
Tweeted that he was in marketing, not support, and wouldn’t be able to help me. In this case, I might have felt better being ignored.

Selfishly, I want companies to do better. I want better experiences with the companies I choose to do business with. My peers want better experiences. And every generation that will come after us will demand it. As business leaders, we are constantly looking for ways to make our customers more successful and our organizations more profitable. In order to achieve success in an era that is rapidly and inevitably transforming with exciting new technologies, and perhaps more importantly, new customer expectations, leaders must inspire fundamental changes in how we collaborate internally and with customers. The most successful transformations will not be led by technology, they will be led by a shift in company mindset—defined by a culture of caring, responsiveness, transparency, value-creation and authenticity.

We have brought you this book to help you create a better social business. And while a single resource can never have all the answers, you can be confident that the insights presented herein have their roots in actual practices and strategies in place at leading technology companies, and are presented by the very individuals who have successfully managed them through a rapidly evolving landscape of technologies and corporate mindsets.

Building a social business can be hard. We’ve learned first-hand that collaboration, sharing and learning from others can offer significant advantages over going it alone. I sincerely hope you enjoy reading our stories and find value in our approaches. We appreciate your support and always welcome your feedback! We wish you the best of luck in transforming your company into a truly social business.

Shawn Santos
@ShawnSantos
The Building Blocks of Social Business: Leveraging the Power of New Media and Human Connections to Grow Business Value

Shawn Santos

What Is a Social Business?
First, it might be helpful if I told you what a social business is not. A social business is not simply one that has deployed the latest social media tools, and a social business certainly does not conduct itself with the customer-avoidance service strategies and ad nauseam marketing messages that have become the norm over the past couple of decades. On the contrary, a social business is one that has fundamentally shifted the way it connects with people, inspiring meaningful, authentic—and sometimes even profitable—collaboration among employees, prospects, and customers.

The most important element of a social business is not its ability to switch on the latest technologies, but its ability to inspire and motivate people. Sure, cool technology helps—we weren’t talking about social businesses before Twitter and friends came along—but social media and community technologies are simply the tools that help build the house; they are not the foundation that social business is built upon.

Social businesses do something that previous generations of business leaders could only dream of—they break down inefficiencies within organizations and create personal relationships that inspire loyalty to the brand.

And although I’m not imploring every business to drop everything and jump headlong into social media for the sake of social media, leaders
must begin to recognize and adapt to changes in the market, changes to online behavior, and changes to customer expectations.

Author and entrepreneur Seth Godin noted, “Change almost never fails because it’s too early. It almost always fails because it’s too late.” It’s up to us to identify how these sweeping changes in online behavior can impact our businesses and inspire a transformation that treats this paradigm shift as an opportunity, not a threat.

For the enterprise business-to-business (B2B) companies that have shied away from social in the past, citing that it’s more of a business-to-consumer (B2C) thing, I would argue that people continue to evolve how and where they prefer to access information, unquestionably leaning toward peer-to-peer (P2P) sources regardless of industry vertical. In the new era of social, the lines between B2B and B2C have already begun to blur—when it comes to online collaboration and accessing information, people are caring less and less about whether your company sells business products or consumer products, or even whether you happen to work in marketing or support. No matter what type of business or functional group you’re in, it’s hard to ignore the benefits of fostering real-time knowledge sharing and meaningful human connections.

And even for those companies whose recurring revenue from service contracts has become critical for maintaining overall company revenue and margins (where customers pay upward of 20 percent of the product price annually to maintain a support contract), social business should be looked at as an opportunity to bolster these important revenue streams—not by replacing traditional for-pay support services—but by adding additional value streams that nurture customer loyalty with proactive outreach and timely, informative responses focused on ensuring customers get quick answers to simple questions (such as login assistance and help with features and functionality), as well as how and where customers can access more complex for-pay support—so the value of their support contracts are realized.

What We Can Learn from a 9 Year Old

Why should business leaders pay attention to social media, and why now? Because social media has ushered in one of the biggest revolutions
Chapter 1  The Building Blocks of Social Business

... of mass communication and collaboration that the world has ever seen. To illustrate, here’s a story about a brilliant, young girl named Martha Payne (see Figure 1.1).

In many ways, Martha is an ordinary girl who does ordinary things. She enjoys camping, playing netball (she’s Scottish), and Jura, her Labrador.

![Figure 1.1 Martha Payne, founder of “NeverSeconds” school lunch blog](image)

But unlike most pre-teenage girls, she has also raised hundreds of thousands of dollars to help feed needy kids in Africa, gets millions of visitors to her blog, hangs out with celebrity chefs, and has won numerous prestigious awards. (One time she was even toasted by Scotland’s first Minster in the Great Hall of Edinburgh Castle.)

And believe it or not, all this fame began with a single photo of her school lunch that she uploaded to her own blog.¹

She was just 9 years old when she created the blog, “NeverSeconds,” as a school writing project with the help of her father, but it quickly gained a local following as other students, parents, teachers, and administrators heard about it. Then, after celebrity chef and school meals advocate Jamie Oliver tweeted, “Shocking but inspirational blog. Keep going, big love from Jamie,” the blog went viral.

Like a restaurant review, NeverSeconds rates Martha’s school lunches for quality, health, “number of mouthfuls,” and, just as appetizing as it sounds, “pieces of hair.” Here’s a sample:

FRIDAY MAY 18: I chose a chicken grill [that] on the old menu was called a chicken burger but it is exactly the same.

One of my peas was black. I had a black-eyed pea! If you look closely, [it’s] the one in the middle.

I love the sticky icing the school puts on its sponges.

Food-o-meter - 9/10
Mouthfuls - 44, I left the black pea.
Health Rating - 4/10
Pieces of hair - 0

In just more than a month after launching NeverSeconds, the blog gained 3 million hits. Then, she started collaborating with kids across the globe by featuring photos of school lunches sent to her by children as far away as Japan, Taiwan, and the United States. When someone left a comment on Martha’s blog that said she was lucky even to get a meal at lunch, she responded with the comment, “You’re right. That’s why my friends and I set up a charity to raise money for Mary’s Meals,” a nonprofit that provides daily meals in schools to impoverished kids in Africa, to not only nourish them, but using mealtime to attract them to the classroom where they can get a basic education as well.

After several guest appearances on TV and radio as well as being invited to become the subject of a documentary, the unthinkable happened. She posted her “Goodbye.”

“This morning in math I got taken out of class by my head teacher and taken to her office. I was told that I could not take any more photos of my school dinners because of a headline in a newspaper today.

“I only write my blog not newspapers and I am sad I am no longer allowed to take photos. I will miss sharing and rating my school dinners and I’ll miss seeing the dinners you send me too. I don’t think I will be able to finish raising enough money for a kitchen for Mary’s Meals either.”
Can you guess how Martha’s legions of fans responded? If you guessed anything like “people went bezerk,” you’d be putting it lightly.  

Locally, nationally, and internationally, blogs, Facebook, and Twitter were blowing up with calls for swift and decisive action. The human rights group Big Brother Watch called the act “an authoritarian infringement on her civil liberties.”

The school council responded by issuing a rather harsh press release defending its decision, with statements like “the information presented in [NeverSeconds] misrepresented the options and choices available to pupils,” and “the photographic images uploaded appear to only represent a fraction of the choices available to pupils, so a decision has been made by the Council to stop photos being taken in the school canteen.”

That didn’t seem to go over very well either—the council’s defiant, static press release dramatically fanned the flames of the growing social media firestorm. Under pressure, it finally took an intervention by representatives of the Scottish National Party to reverse the decision and withdraw the ban on pictures from the school dining hall.

There was a lot of celebration, and Martha quickly became the most popular kid in school. But even more important, she was allowed to keep doing her thing—helping kids across the globe not only eat better, but also, eat at all.

The 5th Revolution in Mass Communications

What made Martha’s school council—irritated with bad school lunch reviews and subsequent bad press—think it could get away with simply shutting her down? I believe the council thought it could get away with it because that’s the way things have always been—people and organizations have always gotten away with these types of power

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3 TwitLonger @peterwalker99 Initial statement by school council, http://www.twit-longer.com/show/hrom1r.
plays. The power has always rested with school councils, governments, corporations, police departments, and the like—telling you what to think, buy, and do.

But social media has enabled a momentous shift in the balance of power, and this type of democratization will only continue. The council failed to realize that social media is the great enabler of broadcasting thoughts, ideas, and even dissent, which has shifted much of the power from the few to the many. And what it especially didn’t realize was that its decision to censor Martha would cause what is referred to as the Streisand Effect, where attempts to cover up or otherwise censor information can backfire and end up publicizing the information more broadly (named after American singer and actor Barbara Streisand, who tried to quash publicity and photos of her Malibu home, which resulted in far greater publicity of it\(^5\)).

The widespread use of social media is the driving force behind fundamental changes taking place in business and society—from school lunch programs, to enterprise go-to-market strategies, and even terrorist recruiting tactics.\(^6\) Internet technology thought-leader Clay Shirky writes, “We are living in the middle of the largest increase in expressive capacity in the history of the human race.”

That’s a big statement. After all, it’s a reasonable assertion that only four innovations in the history of humans have truly revolutionized communications: 1) the printing press as the first true mass communications device, 2) the telegraph and telephone for “pigeon-less” two-way long-distance communications, 3) the capture of images and sound, and 4) the ability to send images and sound through the air in the form of radio and TV.\(^7\)

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And although these innovations are nothing short of revolutionary, Clay Shirky points out that there has always been something of a disconnect. The technologies that enable mass communication—print, television, and so on—simply do not work for conversations, and the technologies that are good for conversations—telephone and telegraph—do not work for mass communication.

For example, if you wanted to talk to someone other than your neighbor, start tapping out your Morse code or start cranking the telephone dial to reach an operator. If you wanted to get your message out to a large audience, you better know someone with access to a printing press.

Internet and social technologies are truly revolutionary because they bridge the gaps of these disconnects, enabling everyday people to effortlessly connect and share with vast audiences. What’s more, as Shirky points out, is that as traditional media and modalities move onto the web, the web itself becomes the all-inclusive platform for all types of media—photos, sound, TV, movies, and print. Even phone calls have migrated to the web, and not only can audiences consume this information, they can also interact with it, share it, rate it, and talk about it.

But more important, so much more than the technologies themselves have changed. Perceptions about who to trust, and how and where to access information have changed. We are no longer in the broadcast era in which companies and governments urge you to sit back and listen; communications have shifted from static one-sided messages to dynamic social interactions, creating challenges for some business leaders and opportunities for others.

Until recently, most content and information was produced and controlled by companies, news organizations, governments, and similar entities. Those days are gone forever—today, everyone has their own microphone, film studio, and printing press connected to vast social networks. In *Can’t Buy Me Like*, authors Garfield and Levy state, “Once, corporations and brands could operate behind nearly impregnable fortifications. Now there is hardly an event that takes place—especially an ugly one—that doesn’t become exposed to one and all, immediately and in perpetuity.” Everyone online should be looked at not as a submissive consumer of content, but like Martha, quite possibly a
producer and promoter of content as well. As business leaders, it’s up to us to understand—and capitalize on—these new dynamics.

**Adapting to the Inevitable**

In the new era of social, business leaders might feel conflicted between staying the course with traditional marketing and customer care strategies that might not feel like they’re pulling quite like they used to, or jumping on the social media bandwagon, where business outcomes might appear soft, return-on-investment (ROI) elusive, and control seems to slip away.

Love it or hate it, our staff and customers are living and breathing social in every day. But we shouldn’t get too wrapped up with Facebook vs. Twitter. From my perspective, although the technology du jour can be interesting, it’s often the least interesting component of what makes social media interesting for business. That said, technological innovations that inspire pervasive connectivity will continue to evolve at a frantic pace. It’s that inevitability (and subsequent changes in people’s behavior and expectations) that we must adapt to.

Take “The Internet of Things,” which quite simply refers to embedding web-accessible devices in “things” like climate control units, drones, and surveillance systems. This rapidly evolving technology spawned from simple RFID tagging for routing and inventory management circa 2000, to today, where we have the ability to monitor and control everything from home appliances to building facilities via the web.

Although a fridge that reminds you to pick up some more rice milk when your watch tells it you are at the store might seem far off, according to Gartner Research, there will be nearly 26 billion devices on the Internet of Things by 2020, and in a recent study by Pew Research Internet Project, 83 percent of technology executives agree that in the Internet of Things, embedded and wearable computing will have widespread impacts by 2025.

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We know that technologies and online behavior will continue to become more and more social. We also know that innovations that connect everything to everyone will continue to the point that they become ubiquitous—even taken for granted—by society. The most compelling argument for leaning into the era of social business doesn’t come from weighing pros and cons, but rather, an unwavering acknowledgment that social technologies, behaviors, and expectations are here to stay. The question for business leaders then becomes, “How can we adapt the nuances of our business to the opportunities—and inevitability—of social?”

**Social Business Requires a Change of Mindset**

Social business can be difficult for some companies to embrace because it fundamentally changes time-honored approaches to marketing, customer care, voice of the customer, and other company functions.

Twenty years ago, companies started hiding behind automated “Interactive Voice Response” phone systems and obscured company contact information with the goal of reducing the amount of customer contact, and therefore, their operational costs. Back then, most executives viewed the support center as a cost center, not a driver of value and loyalty. These efficiency-only plays have created much customer dissatisfaction over the years, but it was only through the widespread adoption of social media that forward-looking executives actually started to pay attention—considering the dangerous potential for customers airing their frustrations in a very public way, as well as the benefits associated with driving more loyalty through value-laden personal interactions.

“It’s always been about the individualized relationship,” says Scott Olrich, chief marketing officer of Responsys, in *Can’t Buy Me Like.* “A century or so back, the local corner shop lived or died based on the relationships they built…. As new means of mass communications emerged, companies used their increased reach to try to advertise their way out of that responsibility. But today every aspect of the company’s behavior is on public display. A relationship-first approach to every customer interaction has again become that imperative.”

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If you’re considering a move into (or further into) social business, a fundamental shift in corporate mindset needs to occur. This is not a question of Twitter versus Instagram, but a shift away from traditional broadcast-era marketing campaigns and efficiency-only customer care strategies to those that nurture individual relationships.

Take Zappos as an example. This is a company whose gross sales went from $1.6 million in 2000 to $1 billion in 2008— a change of 499,900 percent over 8 years—with virtually no advertising budget. In *Delivering Happiness: A Path to Profits, Passion and Purpose*, CEO Tony Hsieh illustrates that the number-one driver of growth at Zappos is repeat customers and word of mouth. One of the primary drivers of success was the diversion of the majority of its advertising dollars into progressive, relationship-oriented customer experience and customer care strategies, such as free shipping both ways and a 365-day return policy. Interestingly, Hsieh considers these not as a cost of sale, but a cost of marketing—that’s right: great service as marketing.

What’s more, Zappos’ customer care center is staffed 24/7 with reps who are genuinely thrilled to talk with you, and in contrast to some companies’ actions to obfuscate customer interaction behind IVF systems or several layers deep on the website, Zappos actively promotes the accessibility of these reps—the customer service phone number is displayed prominently on the top of every web page. Why? Because Hsieh considers it an opportunity to engage customers, “You have the customer’s undivided attention for five to 10 minutes, and if you get the interaction right, what we’ve found is that the customer remembers the experience for a very long time and tells his or her friends about it.”

“Too many companies think of their call centers as an expense to minimize,” says Hsieh. “We believe that it’s a huge untapped opportunity for most companies, not only because it can result in word-of-mouth marketing, but because of its potential to increase the lifetime value of the customer.”

But Hsieh’s enlightened customer experience mindset doesn’t end there. Hsieh encourages staff at all levels to use social media to put a

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human face on Zappos, deemphasizing technology, while emphasizing authenticity and casual exchanges. Zappos has four primary channels:

- **Twitter**: In an effort to humanize the Zappos experience, the staff is encouraged to engage in a casual manner rather than simply promote products or the brand. Hsieh also encourages customers on Twitter to not only give positive feedback, but also negative feedback as well. And unlike some of the brands who close their eyes to the importance of online responsiveness, try mentioning Zappos in a tweet directly or indirectly. You may be pleasantly surprised.

- **Facebook**: With nearly 2 million likes, you might expect Zappos’ direct customer interaction to be lost among the multitude. Quite the contrary. In a recent visit, I couldn’t find a customer comment that was not responded to by Zappos, and the sharing of valuable content, contests, resources, and simple observations is just as prevalent as answering customer inquiries.

- **YouTube**: Zappos’ video content provides another means to connect with customers (and even potential employees) by putting a human face on the company. The videos showcase the Zappos work culture, behind the scenes clips, comedic employee skits, as well as customer contests, and many of their organic employee videos have gone viral among customers.

- **Blogs**: Zappos blogs cover both timely corporate content from c-level executives, as well as customer-oriented blogs highlighting fashion products and trends.

Although it’s true that this shift in mindset involves thinking differently about how to leverage new forms of media, the fundamental transformation involves a willingness among staff and executives to take individual ownership to connect with customers, and the realization that frequent personal interactions create relationships, and it is essentially that which builds the foundation of social business.

That said, it’s critical to note that we can’t talk about the power of company/customer relationship building without realizing that every meaningful relationship with a customer begins with a meaningful

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company/employee relationship. Relationship building—and social business—starts at home.

If your company doesn’t have what it takes to be considered a “Best Place to Work,” you’re going to have a difficult time becoming a social business. Why? It takes internal advocates to build external advocates, and it takes enthusiasm emanating from within the brand to be evident outside the brand. This critical shift in mindset starts at the top. Executives looking to build a social business should begin by building employee pride and loyalty—the goal is to have your staff talking positively about you wherever it goes—from blogs to the ball park.

And although it’s true that Zappos gets plenty of kudos for what many consider to be an enlightened social media strategy, its positive social media outcomes have far more to do with the company’s culture of sharing, authenticity, and pride than a carefully orchestrated plan to leverage the latest technologies. Zappos’ success in social business is simply an off-shoot of its shift in corporate mindset; from efficiency plays to a culture of caring.

As mentioned previously, Zappos reps are thrilled to talk with you, 24/7—on the phone, via Twitter, and at a conference…you name it. This is not a coincidence. The company is considered by many to be the prototype for employee advocates, which CEO Tony Hsieh has championed as a part of what he calls his “Happiness Framework,” which has four components:

- **Control of skill development and earnings**: Before they implemented the framework, reps were given raises once a year with no real control of how much they could earn or when they could earn the increases. The Happiness Framework is based on meritocracy, where reps can complete any number of 20 different skill set certifications, with potential pay increases attached to each. Hsieh has found that reps are much happier being in control of their own pay and skill development.

- **Frequent career advancement opportunities**: Similar to the previous approach with earnings milestones, employees at Zappos

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were given promotions once every 18 months. The new framework accommodated more frequent intervals for promotion potential—every 6 months—which gives employees a regular sense of career advancement.

- **Togetherness:** The company culture at Zappos is like a big Italian family. Employees are encouraged to speak their minds and help shape the culture; they are encouraged to attend company events and build relationships internally. This close-knit company culture has led to some of the most engaged employees in any industry.

- **Working for something bigger:** Zappos knows that a company with a vision beyond profits engenders employee loyalty, and ironically, long-term success in the market (that is, profitability). Ask a Zappos employee what she likes about Zappos, and you’re likely to hear comments related to “company values,” and “cares about its people,” rather than, “doing great on Wall Street.”

Not many companies are as far along as Zappos for sustaining a deep culture of social business. However, we can all look inside our own organizations to identify Zappos-like moments where this type of culture might be evolving organically so that we can learn from them and cultivate more of the same.

Recently I experienced an organic Zappos-like moment at the company I currently work for, ServiceSource, and our team is considering creative ways to harness more of the same. In my role as strategic partner to the outside sales team, we hosted executives from a prospect company in our office in Nashville, TN, one of our global sales centers, to demonstrate the dynamics of our recurring revenue optimization software and managed services offerings. This particular prospect represented a large, multiyear partnership opportunity that was global in nature, and as such, we asked some of our top global executives to attend. The executive meetings were fruitful and the prospect was genuinely engaged but really wanted to “walk the floor” of the sales center and talk to the people who are the engines behind our offerings. I have to say that our passionate and knowledgeable “on the ground” employees were the real stars of the show, and the time that was spent with them understanding the
ins-and-outs of our offerings in an authentic, transparent environment went a long way in establishing trust, building personal relationships, and in my opinion, helping to close an important partnership.

Another recent example is when ServiceSource marketing executives recognized both the pride and competitiveness inherent to our global sales centers, and developed a simple Chatter campaign called #MyOfficeRocks, where individuals from different centers would post why their home office is particularly cool, humorous, effective, or valuable to the community—basically, why their office is a great place to work—and win prizes for the most compelling examples. Figure 1.2 shows representatives from the Dublin office proudly volunteering in the community, and other offices posted group photos wearing company colors, participating in fundraisers, or on exercise bikes in their on-site gym sporting self-made #MyOfficeRocks t-shirts. This simple campaign has gone a long way to both showcase and cultivate a budding social business.

![Figure 1.2](image)

ServiceSource Chatter campaign #MyOfficeRocks

When considering approaches to social business, many people want to talk first about the tools, often at the expense of the true change agent—internal and external relationship building. Relationships are the foundation of social business, and developing them requires a fundamental shift in mindset, starting with turning your employees into advocates and continuing with pouring passion and care into every customer interaction.
Harnessing Advocates to Create Community

In Malcolm Gladwell’s 2010 *New Yorker* article, “Small Change: Why the Revolution Will Not Be Tweeted,” he asserts that social media, on its own, is only a passive motivator. It can be great for asking people for relatively “soft” acknowledgment of what you’re doing—for example, lazily toggling a “like” button—but it doesn’t have the same “offline” leverage to inspire someone to rescue a shelter animal.

Without a true community built on relationships and shared passion, social media can be only marginally effective in achieving positive business outcomes. If your audience can consume your message in a moment or two without exerting themselves too much, they might click the “like” button, retweet the content you put so much into, or maybe, just maybe—when the stars are aligned just perfectly—post a helpful reply.

But the fickle nature of social media without community won’t likely motivate people to donate to your cause, volunteer for charity, or even lend technical expertise to others. In short, if you build it, they might come, but they probably won’t stick around for long or do anything particularly helpful.

Sustaining participation in social media without a sense of community is problematic at best. We need to give a reality check to the over-inflated sense of importance we give social media tools, and understand what it means to build community rather than simply turn on a new channel. This isn’t to say that social media isn’t powerful or meaningful or cannot help facilitate community; it can. But social media only facilitates community—it doesn’t create it.

We know that advocates and frequent personal interactions create relationships, and relationships coupled with a shared purpose create community. This is essentially a continuum—from advocates, to interactions, to relationships, to community—and along it, the value of each type of engagement grows (likes versus blog posts) as participants develop a greater sense of purpose, belongingness, and accountability while contributing richer and richer content, more and more frequently. For example, the value of advocate-produced video content and blog
posts might be considered more valuable than forum replies, and forum replies are usually worth more than likes and retweets.

As we consider the vastness of our potential audience, executives might question whether we will become victims of our own success. For example, is it possible for us to manage 10,000 conversations per day on our own? Not likely. Therefore, it’s imperative that we understand how to scale our efforts with effective community-building strategies so our communities can thrive and support themselves.

It’s All About Your Advocates: Program Dynamics and Strategies

Advocate programs leverage recognition and other key motivators to encourage desired behaviors among select members of your communities. It’s up to you to decide what those desired behaviors are—whether it’s happy customers blogging about how passionate they are about your products, responsive subject matter experts who are fanatical about providing technical help to others, or anything in between. It’s also up to you to understand what will truly motivate your customers (and even employees) to blossom into advocates. (Check out two great chapters in this book on advocates and influencers: Hootsuite’s Michelle Kostya with “Arming Your Advocates,” Chapter 14, and Cisco’s Nestor Portillo with “The Silent Revolution,” Chapter 8).

There are some powerful statistics to support your company’s investment in building a world-class advocate program, for example:

- McKinsey & Company found that peer advocacy generates more than twice the sales as paid advertising does.\(^{15}\)
- Deloitte and 22squared showed that 1 in 3 people come to a brand through a recommendation, and customers referred by other customers have a 37 percent higher retention rate.\(^{16}\)

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Deloitte also showed that advocates spend 2 times more than average customers and recommend or share 2 to 4 times more than an average customer.¹⁷

Fred Reichheld found that a 12 percent increase in brand advocacy generates an average increase of 2 times in revenue growth rate and boosts market share.¹⁸

But the most salient fact in accepting the benefits of brand advocates is that people simply don’t trust companies; they trust each other. And now more than ever, people have adopted powerful platforms that they are leveraging to share opinions and information across vast networks, with or without your involvement. Trust has shifted to the participants in these networks, and as business leaders, we must recognize this shift and adapt in creative ways—most importantly, by encouraging our communities to share authentically and transparently, while incenting desired behaviors and rewarding our top contributors.

Although the business benefits of leveraging advocates can be similar, few advocate programs are themselves identical. The goals and needs of each company—even each organization within each company—can be different, and the core motivators of each community to participate can be different as well. Let’s pretend, for a moment, that you don’t work for Apple or Google, where the perception of legendary products and legendary workplaces themselves lead to the creation of legendary advocates (even without advocate programs). Let’s say you work for a company that will benefit from a thoughtful approach to encouraging certain behaviors.

Here are seven key considerations for building a world-class advocate program.

#1 Get Internal Support, Anticipate Risks

“Go as far as you can see; when you get there, you’ll be able to see farther.”
—J. P. Morgan, American Financier


Step-wise, it’s always a good idea to get your internal stakeholders involved by making them aware of the plan, benefits, and even risks of launching an advocate program—especially if you are considering more than recognizing top contributors in your branded communities, and leaning more toward external advocacy where participants are encouraged to talk about your brand in blogs and social networks. Getting internal buy-in is important because some executives might not be prepared for a new layer of company spokespeople, and being able to articulate the “whys” while anticipating the “what ifs” should be an imperative.

Although advocate-driven peer-to-peer technical support might lower the financial overhead of the organization, and the power of peer-to-peer endorsements might increase customer retention and purchasing, the question from your executives just might be, “at what cost?” The more an organization depends on others, the more the expectations placed on the brand might change. When people become more passionate about participating on the brand’s behalf, they expect a relationship with that brand. You should anticipate questions from executives like, “Is it dangerous to have so many people acting as company advocates?” “Should we pay them?” And, “What are the risks associated with co-owning the brand?”

**#2 Ask Them What They Want, and Build It Together**

“I love the early process of asking questions about a story and deciding which questions matter most.” —Diane Sawyer, American Journalist

If you think that your product isn’t “sexy” enough for people to get excited about, you might be surprised—all you have to do is shift the lens to focus on what your customers are doing with your products and what aspects they are most passionate about to determine what to build community around. Don’t build a community around your products, build it around your customers.

One of my favorite examples of an “unsexy” product surrounded by a vibrant community is the “Fiskateers” community, created by word-

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of-mouth agency Brains on Fire on behalf of its client, Fiskars—the 350-year-old company that makes those orange-handled scissors that everyone either owns or remembers. After brand loyalty at Fiskars dropped to a historic low, Fiskars did some brand research and found that there was little emotional connection between its products and its customers—Fiskars was described as the “milk and saltine crackers of its industry”—which isn’t very sexy at all. However, they shifted the lens and focused not on a community around scissors, but what people do with scissors—namely crafting—and built one of the most energetic word-of-mouth inspired communities that I have come across. (For a sample of its enthusiasm, search for “Fiskateers” on YouTube.)

Every guide to social media will tell you to “listen” first, and that’s great, but I believe most of these guides are referring to passive listening, for example, following your customers on Twitter and identifying trends. Although that’s helpful, I recommend going a bit old school to really understand what your potential advocates are passionate about. That’s right—talk to them.

Ask them what they want, what problems they’re trying to solve, and what they’re passionate about, and build a community with them around what you learn. For example, you can ask

- What aspects of working with your products are they most passionate about?
- What are their biggest pain points?
- What types of collaboration would make them more effective?
- What kind of content do they like to consume?
- How would showcasing their expertise or helping others advance them personally or professionally?
- What is their interest in helping to build it with you?

Talking to customers, listening to what they say, and asking them to build it with you not only positions your community to harness the passion of your advocates, but it creates a sense of shared ownership from the beginning. This sense of shared ownership is critical for seeding both early content *producers* and community *promoters* as well. Shared ownership means a sense of purpose and accountability, and
that’s the inspiration that will get them talking about it with friends and colleagues.

#3 Raise the Barrier to Entry

“I’d never join a club that would allow a person like me to become a member.” —Woody Allen, film director

Sure, we love all our customers, but when it comes to inviting customers to participate as brand advocates, we should love some more than others. The point is, it’s important to have a filter so that the advocates are admired for the accomplishment of gaining advocate status, and the risks associated with unwanted behavior from less-qualified candidates are reduced.

Begin the screening process with nominations from your staff—who do your engineers, salespeople, customer success, and marketing people think would be a good fit? Then survey your communities and ask community managers who the top contributors are (if that isn’t already part of your reporting process). Also consider venturing outside your four walls and determine who in your industry has a presence at events, a respected blog, or an influential Twitter following.

And one more thing to consider: Asking the right people to participate is great, but asking them to demonstrate their commitment to participate first is ideal. This can be something as simple as filling out a simple profile on their skills and experience, and why they should be considered a good candidate. The goal isn’t determining whether they can write a good essay; the goal is to determine whether they’ll write one at all. If they don’t bother jumping this low barrier, do you think they will bother jumping a higher one in their role as advocate?

#4 Make it Meaningful, Tangible (and Transparent)

“Be a yardstick of quality. Some people aren’t used to an environment where excellence is expected.” —Steve Jobs, Co-founder of Apple

Anyone who you’d consider making an “official” advocate is probably already an “unofficial” advocate, currently poking around the periphery
of your online platforms. It’s likely that these folks would be delighted to be acknowledged by you, so thanking them, sharing their insights, and promoting their work today will go a long way in formalizing the relationship a little further down the road. And when you do formalize your approach, there are numerous ways to incentivize advocates, depending on your company culture and a clear understanding of which specific motivators have the potential to be the most compelling to your unique audience.

A common approach is letting advocates demo your products before they are released to the public with the understanding that they will provide candid reviews. But recognizing them offline at events, as top contributors in online communities, and providing access to experts inside your company are all proven approaches as well. One recommendation is to simply ask them how they would like to be recognized and rewarded—you might be surprised at what you will learn.

It’s also important to consider ways to bridge the online/offline divide with your advocates (for more on this topic, check out Chapter 5, “360° Social,” authored by Shar Govindan). When is the last time a witty tweet swayed you more than an in-person conversation? My guess is never—the most powerful word of mouth happens offline, in bars, at conferences, and dare I say the water cooler. But that doesn’t mean the vast reach of online networks isn’t important; it means that web strategists need to find creative ways to connect people by integrating online and offline strategies.

There are different approaches to bridging this divide and making your communities more tangible. Many larger communities host conferences and events for their biggest supporters. This provides a reward for participating, the elevated status of being a top contributor and a unique opportunity to connect and collaborate with other subject matter experts in person. Those on a budget might consider simple thank-you gifts or even cards that recognize community participation, or invitations to special online events such as Q&A with key executives or engineers. The goal is to connect online and offline worlds to make the experience more tangible.
Whatever recognition or incentive program you choose, it’s critical that all aspects of the program are kept transparent at all times, which means a policy should be clearly and publically articulated that states that relationships with the brand are disclosed.

The “Target Rounders” program\(^\text{20}\) is a searing lesson in how clandestine advocate operations can backfire. The popular retailer encouraged customers—mostly college students—to promote the brand on Facebook, and it also told them to “keep it like a secret,” while getting free CDs, store discounts, and other prizes for doing so. The corporate e-mail with the stealthy instructions was intercepted and posted online—everywhere—which created quite a backlash that lives on today in social media infamy. Of course, that was way back in 2007. Today, the pros at Target are teaching many of us how to do social. But what it taught us back then is to always be transparent with the relationships we have with our advocates, and it’s never a good idea to pay advocates to promote you.

#5 Encourage Authenticity

“Truth is a point of view, but authenticity can’t be faked.”
—Peter Guber, American producer, executive, entrepreneur

The most successful word-of-mouth communities are built on trust, and the feeling that members can personally relate with one another. Both internal and external advocates should be encouraged to be real people when they communicate online. Training programs should teach advocates that successfully engaging in social media is more like chatting at a cocktail party than speaking at a conference. They should be encouraged not to blatantly advocate the brand and your offerings, but instead talk about what they did over the weekend, how their dog digested a pair of socks and threw up all over the rug, and even talk about other products and companies (in a positive light). Of course, potentially inflammatory topics like politics and religion should be avoided in public venues where diverse views are common.

#6 Gamify It

“[Gamification] is not a new concept…it’s just that now we’re beginning to create systems and technology to empower it.”

—Bob Marsh, CEO, LevelEleven

Although the term itself might be reviled, its impact on spurring engagement in branded online communities is anything but. Gamification is a general term for applying the principals of games and healthy competition to online community participation, with the goal of motivating certain behaviors, for example, for contributing helpful replies in a support forum, and bolstering loyalty in trust with increased user-created content.

However, there is no one-size-fits-all approach to gamification—the goals and games are as diverse as the companies they support. It’s only through a careful assessment of your business objectives along with a thoughtful consideration of the most likely community motivators that your gamification strategy will become a success.

For example, EngineYard, a platform as a service (PaaS) company for coding and deploying applications, had implemented a Zendesk knowledge base and community to increase the effectiveness of peer-to-peer support, only to find that the amount of customer-contributed content was initially far below expectations, putting its investment at risk. EngineYard turned this around by incorporating unique badges (from gamification company Badgeville, see Figure 1.3) related to customers’ abilities to accomplish different “missions” considered critical to community engagement—one for liking content, another for creating a topic, and more. Its gamification strategy ultimately paid off. The ensuing flood of user-generated content for its self-help portal led to 40 percent greater engagement in the forum, freed up staff with a 20 percent reduction in support ticket volume, leading to a 40 percent decrease in ticket response time and higher customer satisfaction.

Many companies also use gamification to identify and encourage top contributors, or as some call them, “Super Fans,” which although accounting for only the top 0.5 percent of responders, are especially

valued by companies because they account for a disproportionate volume of responses. For example, “KachiWachi,” a Super Fan in the Logitech community, has posted an astonishing 50k helpful replies supporting one of its products.

At Lenovo, a measly 30 Super Fans have contributed 1,200 accepted support solutions, which is 44 percent of all solutions available. And Giffgaff, a mobile telecom provider in the UK, rewards helpful users with points that can reduce their monthly phone bills (a perfect example of tying business outcomes to solving customer pain points). Because of this unique approach, 100 percent of the questions that were previously answered by Giffgaff staff are now answered by the community.

**#7 Prepare to Take the Good with the Bad**

“When the best leader’s work is done the people say, ‘We did it ourselves.’”

—Lao Tzu, Chinese Philosopher and Poet

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If we’re asking advocates to be authentic, be themselves, and provide candid feedback, sometimes we are going to hear things that don’t sound exactly like advocacy. It’s okay, really. This type of unadulterated feedback—and what we do with it—is exactly the type of public discourse that will build credibility and trust in our communities. If you agree that poor customer experiences that are quickly redeemed with stellar customer service can create heightened customer loyalty, then you will also agree that how we deal with less-than-stellar feedback in public forums will reveal the human side of our companies, ultimately building new levels of trust and credibility.

And it’s not only how we respond to individual comments, but it’s also what we do with the feedback we receive. Companies that leverage negative feedback as opportunities to create a feedback loop with customer service, marketing, product development, and other groups will capitalize on timely and less-costly Voice of the Customer insights. And companies that complete the loop by circling back to the customer with mentions of how they are utilizing the feedback will make customers feel even more involved, appreciated, and willing to continue engaging with the brand on even deeper levels.

Yes, there might be risks in handing our customers the microphone, but if advocate programs are approached thoughtfully, there will be unimaginably greater reward. The point is that we can’t talk about an effective community without talking about a sustainable community co-created with the people it aims to support. It’s up to us to find out what our members are passionate about and what inspires them to participate, and build a community around that.

**On Developing a Social Business Strategy**

Social business isn’t apps and tweets and status updates. That’s social media. Social business is a shared passion for collaboration and caring that happens to leverage social media as a tool. Understanding how the tools work is the easy part. The challenge is overcoming the divide that separates traditional business mindsets from the blood, sweat, and tears of transforming into a social business.
Navigating this divide will be more difficult or less difficult, depending on your company culture. Because social business starts within the organization, you must be willing to understand and articulate its risks and benefits to executives to obtain stakeholder support. And the best way to get that support is through a carefully developed strategic plan. Here are three high-level considerations for building the foundation of your social business strategy.

**#1 Align Your Business Goals with Creating Value for Your Customers**

When social media entered the mainstream lexicon several years ago, many traditional marketers built strategies to capitalize on it. Unfortunately, these strategies often involved traditional ways of thinking about the use of new media to build awareness around a given company’s products and services, and as such, the din of the hall became “social media is a new tool that lets us blast our message to thousands of people for free!” And although having goals tied explicitly to revenue generation, cost savings, or customer retention are often critical for sustaining long-term support of your social media programs, it’s important to note that none of these goals will likely be realized unless you are successful at creating actual value in your community and eliminating pain points for customers.

When certain individuals think about potential business-use cases for social media in their companies, they have such a comprehensive understanding of the needs of their business, their customers’ pain points, and the many ways to leverage social media that they can start correlating business objectives with customer needs right away. Does your business need to increase customer satisfaction? Check. Then focus your social media efforts on improving service quality (just an example). Does product development want new ideas and new sources of product feedback? Check. Then focus your social media efforts on crowd-sourced ideas and reward the most popular submissions. Do you need to reduce support costs and leverage knowledge from actual users? Check. Then co-create a support community and knowledge base with your customers.

For the rest of us, choosing the right objectives—those that are meaningful to both the business and customers—takes a little more due diligence.
Social media means different things to different people. It’s a broad term, and it’s also a broad category in terms of how certain aspects of it can be applied—it’s certainly not a templated process that can be copiously applied to every situation because value drivers vary from one company to the next. When we’re thinking about building a social media strategy, we have to start with the end in mind and ask ourselves what we want to accomplish for the business and how that relates to creating value or eliminating pain points for customers. The reverse approach works as well—look at how you can use social media to help customers, and then track potential successful outcomes back to specific business goals. For example, if you know that an upcoming product release will likely disrupt the day-to-day operations of a segment of your customer base, you might consider proactive social media outreach in advance, during and after the release, ensuring that the impact to customers is minimized. This could, of course, translate to the business goal of supporting higher levels of customer satisfaction during the transition.

We can’t do everything that’s possible with social. (And we shouldn’t want to do everything.) Start focused, and simply ask, “What is the most important thing we can accomplish for our customers by leveraging social media?” I will wager that the answer to that question will equate to an important business goal as well.

### Using Social Media to Ease Complex Change Management at VMware

A great example of a social media strategy that directly and preemptively addresses customer pain points (and, therefore, supports customer retention) is when VMware deployed a specific social media initiative to ease the pain of a complex change management initiative in its services organization.

VMware was undertaking a massive change in the way it presented and managed information by ripping out the guts of back-end systems that managed crucial data such as licensing, support, customer profiles, and more. It was also launching a new customer portal and anticipated that upward of 2.5 million customers were going to be impacted by the transition. To add, VMware would also need to support a large number of field staff globally who would also likely have questions.
VMware’s goal was to make sure it quickly and effectively mediated any problems, and it planned to do so by leveraging social media. Its strategy had three key pillars:

- **First**: Arm VMware staff with the right knowledge about the changes, and give it somewhere to go to get questions answered in real time.
- **Second**: Be proactive about sharing externally, and use several social channels to share key details about the change.
- **Third**: Be proactive about listening—and responding—to customers in specific channels.

The only new social media tool it leveraged for this strategy was an internal support forum. The majority of the plan’s strategic components had to do with tailoring processes for listening, responding, and proactive outreach using the tools it already had in place, from blogs to support forums to Twitter. This customer-focused social media strategy paid off by supporting the business goals of reducing call center activity and improving customer satisfaction through the complex roll-out.

After identifying where you can deliver value to customers using social media, it’s important to also understand your customers’ aptitude for adopting and using these tools. One example of a failure to do so is from a few years back, when a company called “Hoveround,” which produces motorized scooters primarily for senior citizens with mobility issues, apparently launched a new Facebook page (see Figure 1.4) where customers—presumably seniors—were encouraged to “join need fansssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssssss
actions to advanced actions, and ensure that your application of social media tools and desired behaviors and desired behaviors accommodates their relative social “maturity” level and propensity to interact with your media landscape in a meaningful way.

**Figure 1.4 Out of touch and ineffective**

Where do your customers and staff fall on the following social media activity continuum (from basic to advanced)?

- **Content consumption**: Watches online video and reads blogs and forums

- **Social networking presence**: Maintains a profile and presence in social media

- **Likes, retweets, and kudos**: Provides simple online acknowledgments

- **Ratings and reviews**: Posts experience-based feedback
Comments and replies: Replies to blogs and forums

Content creation: Creates original blog posts, wiki edits, and forum topic creation

Media creation: Original video and podcast production

#2 Tear Down These Walls! Approach Social Business Cross-Functionally

Sooner or later, social business will break down organizational silos—whether you like it or not. Customers don’t care whether marketing or support “owns” your online community. They don’t care who runs your Facebook page or who manages your corporate Twitter account. If you have a marketing presence on social media and customers have a support question, they will find you, and they will ask their question to your marketing folks. This is your moment of truth: The customer might already be agitated. He might have significant online influence. He is asking you for help in a public way. Your marketing group is responsible for the platform. How will you respond?

For social media, “customer support is marketing, and marketing is customer support.” That is, how you (or your advocates) respond to legitimate questions in these widely visible channels has the potential to connect with not only the question asker in meaningful ways, but also a vast silent audience as well. This audience will acknowledge your credibility and responsiveness—the simple fact that you care for and respond to your customers—which is much more powerful marketing than your latest press release.

And as far as “marketing is customer support” goes, organizations should be tightly aligned around the common goal of creating value for customers, not simply promoting their wares. At a minimum, successful social businesses have customer success, marketing, and support organizations working collaboratively on developing social media strategies to enable product and feature adoption, spearhead proactive outreach for addressing known support issues, and build awareness for valuable company resources. Sure, social media marketing can still be effective with the development and promotion of online contests and
the like, but driving real value—with the input and collaboration from other functional groups—is the new imperative.

Many companies have resisted the notion of integrating the social media strategies and tactics from different functional groups. For example, several well-known brands have numerous distinct communities—one for support, another for product feedback and ideation, and yet another completely separate community for users to share tips and customizations. Although at the other end of the spectrum, marketing has spearheaded the companies’ involvement in social, launching, say, a company Facebook page, with no plan or intention to respond to customer inquiries that fall outside of marketing’s domain. This is a recipe for disaster. Even for the companies with numerous disparate communities, some have had the foresight to create engagement plans that describe response paths for different scenarios, for example, how to respond to support questions posted to the ideation community or how to deal with product feedback posted to the support community. But it begs the question, “Why the separation in the first place?”

That said, most situations are unique, and there might very well be a rationale for this separation. But in all cases, I would highly encourage the company to develop a cross-functional “Center of Excellence” to collaboratively arrive at the decision to integrate or separate, as well as define policy, outline triage plans for response escalations and potential fire storms, and develop a program that encourages participation and advocacy. (Check out Chapter 2, “The Reinvention of Social-by-Design Business,” by Adobe’s Cory Edwards for an in-depth view of the value of Centers of Excellence.)

The conversation today is all about inspiring meaningful engagement across the customer life cycle. If you agree that customer loyalty is the key to success in your business, you will probably also agree that a singular focus on one stage of the customer life cycle—say, presales—while neglecting others—say, post-sales—is not a formula for success. Both marketing and customer care play critical roles in social business. However, a true social business is a culture of customer care—not simply emanating from customer support—but one in which every employee is encouraged and inspired to delight customers with every interaction.
#3 Keep It Simple: An Optimized User Experience Is Key to Adoption

When it comes to the adoption of social media, optimizing the user experience is critical. The key to an optimized user experience is simplicity: ease of access, just the right feature set, and integration with existing technologies and work streams.

Today, we are beginning to see categorical evidence of the move to optimize the social user experience by integrating social into existing environments. For example, the following statistic might surprise you: The growth of standalone enterprise social software has fallen by approximately 50 percent over the past 2 years.24

Contrary to first impressions, the trend is not explained by businesses using enterprise collaboration software less, but because these collaboration tools are being embedded into existing applications and work streams (think Salesforce.com’s Chatter), which is reducing the prevalence of the standalone tools. Peter Coffee, a VP in Salesforce.com’s strategic research group, puts it this way, “It is like having a telephone room at the end of the hallway where you make your calls. (It doesn’t happen that way.) The phone is infused into the way we get work done.”

Another important development that further describes the shift to optimizing user experience was by Microsoft’s purchase for $1.2 billion in 201225 of Yammer, an enterprise collaboration tool that works like Twitter. One month after Microsoft made the purchase, it announced that further development of Yammer was moving under the Office 365 team (responsible for the popular suite of Microsoft Office applications). To me, this speaks volumes to the notion that Microsoft is focused on integrating social capabilities to tools that many of us use on a daily basis—optimizing the user experience—and making access, adoption, and ultimately collaboration, that much easier.

Consider the integration of branded communities with website login, with knowledge base content, and with federated search. We want to

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make sure that customers know where to go and what to do for whatever the task at hand might be. The way most communities are set up—with separate logins, separate platforms, and scattered content—is confusing and inefficient for staff and customers alike.

Integrating technologies to enhance the user experience can sometimes be expensive or resource-intensive, but if thoughtfully planned and executed, a return on your investment is certainly possible. ROI from user-experience initiatives can take several shapes—from customer retention to call deflection through more engaged support communities. Microsoft measures “customer effort” as a precursor metric to community ROI: Their user experience-focused initiatives help users move easily among channels and find what they are looking for with less effort, which they equate to customer satisfaction and can subsequently measure as ROI.

Another forward-looking technology company starts its online support process not by abandoning users in a confusing tangle of community threads, but with a simple, prominent search box with results that auto-populate from both the knowledge base and community forums as the user types. If no relevant results are identified, the user has the one-click option of turning the search query into a new forum topic. If the question posed to the community is not responded to within 24 hours, it is automatically bumped to a distinct “needs assistance” area designated for the community’s top advocates. In the instance that the question is not marked as “resolved” by the question originator after 48 hours, the forum post escalates into a support incident automatically.

This successful approach at optimizing the user experience integrates website login with community, community and knowledge base with search, top advocates with escalated topics, and support reps with twice-escalated topics. No system is perfect of course: Sometimes the forum questions are actually resolved in the community, but the originator simply neglects to mark it as resolved. However, the support reps see the subsequent follow-up as an opportunity to demonstrate their responsiveness, inquire about any other issues they can help with, and enhance the relationship through proactive outreach. But it doesn’t end there. The community’s “top advocates” are responsible for vetting the most helpful answers and best content, and when content ratings surpass a
certain approval threshold, the content is automatically harvested and added to the knowledge base. This is a shining example of an optimized user experience.

Another fantastic story of optimizing the user experience is from the innovators at Enterasys Networks, who are credited as the first company to be successful with building “social machines.” Vala Afshar, who was then chief customer officer at Enterasys and always a consummate champion—and practitioner—of social business, invented a product called Intelligent Socially Aware & Automated Collaboration (ISAAC). Realizing the significant amount of time that his customers spent using social media, as well as the ubiquity of smartphones and tablets, he saw an opportunity to reduce the number of interfaces his customers needed to access by deploying a solution that enabled them to manage and control Enterasys’ network products dynamically through social media such as Twitter, Facebook, LinkedIn, and Chatter by Salesforce.com.

ISAAC is essentially a social media interface that translates the complex language of systems to English, German, Japanese, and other languages, and not only posts updates in customers’ preferred social media channels, but also enables them to communicate back to the machines—giving users both visibility and control of mission-critical systems, all within the applications they already use on a daily basis. There are few better examples of optimizing the user experience through platform innovations.

The ISAAC example is of course more Cadillac than Chevy, and most of us will be starting out trying to build the latter. With that in mind, it’s important to do a type of user-experience mapping, where your team runs through specific customer use cases and tasks that are likely most common among your user base, for example, put yourself in your customers’ shoes when they are searching for product reviews or help with certain features. Better yet, invite different types of customers (representative of various product lines, seniority, or level of familiarity with your platforms) to run through certain tasks, which will quickly expose pain points with content access, navigation, messaging, purpose differentiation for various applications, accessibility from mobile devices, and more.

Generally speaking, it’s best to approach new community and social media initiatives as small and focused as possible, ensuring that every platform and every customization supports the goals of your business and eliminates pain points for customers, no more and no less. The excitement that often pervades sparkly new tools has given rise to many companies inundating their customers with too many places to go, too many things to do, and too few integrations, which only obscures clear paths to desired behavior.

How to Develop Meaningful Metrics and ROI

Nothing a company does is free. Somehow people seem to forget this when it comes to social media. Sure, setting up a Twitter account is free. Launching a snazzy Facebook page? Zero dollars. Even with certain community platforms, simple monitoring applications and analytics packages you’ll see a $0 price tag. But social media takes people to make the social side of social media work, and more often than not, it takes “for pay” technologies to optimize the media side of social. And it always takes time, and everyone knows the old cliche....

So, contrary to what some people will say, most social media initiatives are not actually free. When it comes to putting a plan together for the first time, or doubling up on your recent momentum, it’s important to realize that funding for new or improved service or marketing initiatives doesn’t usually appear automagically. Getting resources allocated to your project means demonstrating business value with meaningful metrics, and more and more, we are asked to capture and prove the most elusive social media metric of all—ROI.

Like most things social, there is no single key performance indicator that will describe the success of all social media implementations—KPIs (Key Performance Indicators) will depend on your objectives, the behaviors you are trying to inspire, and the outcomes that are most meaningful to your business. Susan Etlinger, Altimeter Group’s social data expert, said, “Everybody has data, what we need is meaning.” What does having 10,000 Twitter followers tell you about your business? Nothing? Maybe something? Context is king here—data is only meaningful if it is intrinsically tied to what you are trying to accomplish.
One way companies can begin to think about success metrics is to consider a series of KPIs in three broad categories—awareness, interest, and action—which can be thought of in terms of three sections of a funnel that progressively increase in value, where

- **Awareness** is the broadest section of the funnel, which might be measured by your community’s number of members, likes or followers, which could support a goal of expanding potential reach. On their own, awareness metrics are rarely viewed as a measure of business success.

- **Interest** is the middle section of the funnel, which represents significantly more business value than simple awareness metrics. Interest metrics are measures of engagement: forum posts and replies, likes, comments, retweets, media views, and downloads. These metrics tell us that people are engaged, that content is being shared, and that value is being created.

- **Action** is the narrowest section of the funnel, which represents the most business value and can be measured in different ways. From a marketing perspective, this usually means measuring conversions, that is, tracking a user’s path from a social media interaction to a “microsite” or lead generation web page, to the submission of contact information or similar action.

From a customer support perspective, this can involve tracking a user’s path from the company website, search query, or social media interaction, to the company’s support forum. It is what can be inferred from the user’s next action that can be interesting:

- The visits to the forum can be viewed as successful if users indicate their questions were “resolved.” This information can be captured in a number of ways, including tracking the volume of new forum posts compared to those marked in the community as “resolved” or “answered my question” (or similar).

- Of course, not every user that has her question successfully answered in the forum is going to remember to mark the question as resolved. And although you can certainly develop reasonable estimates of what percentage of successfully resolved
forum posts are actually marked as such with follow-up surveys (which is one of the most popular methods), it is also helpful to triangulate your metrics to help support your assumptions.

As a quick aside, let’s say you have a data point on new forum posts versus those marked as resolved. For example, you have 100 new forum posts, but only 50 are marked as resolved within 72 hours—a 50 percent resolution rate. Let’s also assume that you’ve gone a step further and know from your survey results that 20 percent of users who had their questions resolved said they neglected to close the loop and mark the question as such. By interpreting these two data points, we can reasonably assume that we have a 70 percent resolution rate in our support forums. But you can build even more confidence in this finding by triangulating your interpretation of resolution rate with tracking where traffic flows on your online properties. For example, what percentage of your online forum users visit your Contact Us page after their forum session? If the answer hovers near 30 percent, it could support your assertion of a 70 percent resolution rate.

Think of the social metrics value funnel as a launch pad—it’s more of a concept for framing an approach to metrics than a template. Clearly, there are countless ways to measure social—from content amplification to sentiment—that are as creative and unique as the businesses and business objectives they aim to support.

Many companies have developed their own unique measures of performance, like VMware, who has used the following three KPIs that are unique to their business goals: awareness, accessibility, and engagement.

- **VMware KPI: Awareness**

  **Business goal:** Ensuring customers are aware of self-help content

  **What they measure:**

  - “Social Network Effect”: Percentage of Knowledge base (KB) visitors coming from social networks
  - “VMware Search Index”: Percentage of KB visitors using VMware.com search engines
VMware KPI: Accessibility

Business goal: Ensuring content is easy to consume

What they measure:

- “Single Page View Index”: Percentage of viewers that access no other VMware.com assets before or after viewing the article in a session
- “Exit Index”: Percentage of viewers who do not access any other VMware.com assets after viewing a KB article

VMware KPI: Engagement

Business goal: Ensuring customers are interacting with or sharing content

What they measure:

- “Twitter Engagement”: Percentage of Twitter traffic about KB articles outside of VMware
- “Ratings Rate”: Percentage of KB visitors that interact with/rate content

The Elusive Question of ROI

To sustain corporate investment and top-down support of social media initiatives, we often need to reveal and clearly articulate positive business outcomes. Not coincidentally, positive business outcomes are most often tied to positive customer outcomes as well, where it can be demonstrated that customers are actively engaged, creating and receiving value, and ultimately more satisfied with your company operating as a social business than not.

However, even though positive customer outcomes and other interesting measures such as “reach” can be correlated to business outcomes, they can only be considered precursors to ROI—not a measure of ROI itself.

It should not be inferred that metrics other than ROI are not important to measuring impact to the company—they are. In addition to representing the mix of characters, themes, and subplots that develop
your ROI story, even on their own, different internal stakeholders have different interests and uses for different metrics. This is a salient point: We need to provide the right metrics to the right audience.

For simplicity, we can segment audiences into three groups with different metrics requirements. Community managers are likely interested in media metrics, such as members, clicks, active visitors, top content, and contributors, whereas business managers are likely interested in customer metrics, which might include measures of community effectiveness, knowledge harvesting, and insights on the voice of the customer. Mention success in any of these areas to executives and you might be greeted with an initial curiosity, but that will quickly change to some form of, “So what?” Executives simply want to know how all the time, money, and company resources you are pouring into this unfamiliar concept called “social business” is paying off in terms that are meaningful to them—KPIs like customer loyalty, retention, and importantly, ROI.

ROI is a financial measure—it’s all about the P&L—and should be interpreted only as such. For example, measures of customer satisfaction (CSAT) are critical for understanding the health of a business, but improving CSAT does not explicitly spell ROI unless you explicitly create a financial correlation between the two. Sure, we can assume that improving CSAT is good for business and likely equates to some amount of revenue retention or increase, but executives will want to know how much you invested to improve CSAT by X percent and how that X percent equates to dollars. When thinking about ROI, think in terms of the P&L.

Let’s look at one of the more popular approaches to developing an ROI story for customer support.

**Case Deflection**

Case deflection is among the most-practiced measures of ROI, especially in technology companies with established communities. Oddly enough, this is essentially a measure of something that didn’t happen. I touched on this concept earlier—some companies (not Zappos) try to measure the effectiveness of their communities in terms of reducing the amount
of incidents opened with their call centers, which can be explicitly equated with cost-savings, and therefore, ROI.

There are at least two approaches to measuring case deflection. The first works to understand the impact of a new community or initiative on the volume of support cases. Generally speaking, the idea is that you launch a new initiative, wait for the impact, and then simply compare pre- and post-incident rates. If your incident rate drops after the launch of your community, there might be a correlation between the two. The problem is that you need to be patient while you wait for results to trend over time, but even more problematic, is that other organizations or initiatives could be responsible (or even claim responsibility) for your apparent success.

A more reliable measure of case deflection-based ROI has to do with obtaining direct feedback from customers who have indicated their support question was resolved in the community. To some, understanding the community’s resolution rate might spell ROI, but it’s only assumed ROI unless we make a direct correlation. That’s why we need to determine whether the customer would have opened a support incident if it were not resolved in the forum. This type of information is almost always obtained through a simple, two-question survey:

- Did you resolve your issue in the community?
- If yes, would you have opened a case otherwise?

These simple surveys either “pop up” during the community session, or they are e-mailed to the customer after the session. And survey best practices apply—it’s important not to inundate the same customers with the same survey on repeat visits (which is one of many reasons why customers should be encouraged to engage in auditable channels where you can track activity, contact history, and more). Remember that not every visit needs a survey. As with most surveys, it’s important to accurately gauge sample size to reflect the impact of your entire population. I’ve observed many companies using a confidence level of 95 percent (also the standard in most quantitative research) with a margin of error of 5 percent. (These two boundaries equate to a statistically significant sample size of 370 respondents for a population of 10 k.)

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Cisco recently reported cost-savings due to case deflection of nearly $10 M over a 12-month period ending in January 2014, and that ROI is expanding as the community gains momentum noting that cost-savings increased 48 percent over the last two quarters alone. Although Cisco has been reporting ROI from its various support communities for years, its recent success is the result of a new effort to change the way its engineers not only collaborate with each other, but also how they share valuable content with customers, all in the same channel. The 2-year-old community is called Tech Zone (built on the Lithium Technologies platform) and was recently recognized as the winner of the 2014 Groundswell Award for Employee Empowerment. As word of the community’s success has spread, many different groups within Cisco are organizing to empower their engineers, connect them with customers and reap similar benefits, while their vast partner community and more and more customers are taking notice.

However, just because Cisco sees ROI in case deflection, it doesn’t mean that’s necessarily the right metric for everyone. If you remember our Zappos conversation, case deflection would likely be considered negative ROI by the likes of Tony Hsieh, as he views each customer contact as a moment of truth for both selling and relationship building. There are many methods to evaluate the effectiveness and value of your social media implementations—from metrics that describe the initiative’s effectiveness at repurposing content, to describing how social can lead to a better understanding of the voice of the customer. But when it comes to true measures of ROI, it makes sense to correlate outcomes with tangible financial results—noting how your initiative has generated revenue or saved costs.

Final Thoughts

Much of the hype that has permeated social media discussions over the past several years has led some executives to perceive it as a magic pill, whereas others simply dismiss it as “soft.” The truth is, it’s neither.

Yes, social media is game-changing technology. But as for any tool, it takes the right people and the right processes to make it work. And for social to work really well, it requires a fundamental shift in business mindset to a culture of collaboration and caring that supersedes functional group or role in the company. Business leaders are sensing the inevitability of social, but many fear the death of familiarity. They want to innovate but are concerned about the potential for failure in such public venues. They want to empower customers and staff but struggle to retain control of “the message.”

It’s hard to go from being a centralized organization that’s powered by hierarchies and traditional business processes to a dispersed community that’s powered by passion, fluidity, and collaboration.

No, building a social business is not easy. But remember, it is demonstrating your good intentions, being human—and even making mistakes—that gives relationships their resilience. And though these relationships might take time and focused efforts to blossom, forging robust relationships with customers will sustain community over the long term and bolster your company’s capability to endure the ups and downs the market inevitably deals any organization.
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