Social Media – The Need to Interact

By Dr. Heiko Frank and Jörn Steinhauer

Dr. Heiko Frank and Jörn Steinhauer examine the impact of social media on corporate communication and business success

Twenty years ago, companies merely needed to focus on manufacturing their products, advertising them and distributing them to trade partners and the consumer (now more commonly known as the "user"). Only 10 years later, you had to have a website to be en vogue. Back in 2003 peer pressure "encouraged" businesses to be active on "Friendster". In 2006, companies found themselves confronted with podcasts – an invention that clearly overwhelmed many a user – while 2007 witnessed the need to have a virtual shop in "Second Life". A corporate presence on Facebook and MySpace became the "in" thing for 2008 and in 2009, maintaining a Twitter account was a "must". The most recent trend is a listing in Foursquare and a featured presence in at least one iPhone application.

The internet's many different communication channels make our interaction with one another a much more intense and human experience – in a word: more social. And yet we are still grasping for the true meaning of the industry's buzzword social media, used by nearly every consultant in the communication business.

Social Media: One Term – Many Definitions

Surprisingly enough, there could hardly be a wider variety of definitions than that offered for the term social media. According to the definition provided by Wikipedia "social media is media designed to be disseminated through social interaction, created using highly accessible and scalable publishing techniques. Social media uses Internet and web-based technologies to transform broadcast media monologues (one to many) into social media dialogues (many to many). It supports the democratization of knowledge and information, transforming people from content consumers into content producers. Andreas Kaplan and Michael Haenlein define social media as "a group of Internet-based applications that build on the ideological and technological foundations of Web 2.0, and that allow the creation and exchange of user-generated content."

Mike Schnoor, spokesman for the video sharing community Sevenload believes that,

"Social media is a synonym for people's appetite to perform digitally before a converging super-medium." Stace DeBroff, CEO of Mom Central has the opinion that: "Social media offers new opportunities to activate brand enthusiasm"; while David Alston, Director of Marketing and Community at Radian6 even claims that, "Social media is not a media. The key is to listen, engage, and build relationships."

PR blogger Klaus Eck explains that social media is an expression of mankind's desire to pay heed to people's communicative needs, thereby bidding farewell to cold, one-dimensional websites.

Let's take a look at some of the relevant figures:

126 million	The number of blogs on the Internet (as tracked by BlogPulse).
84%	Percentage of social network sites with more women than men.
27.3 million	Number of tweets on Twitter per day (November, 2009)
57%	Percentage of Twitter's user base located in the United States.
4.25 million	People following @aplusk (Ashton Kutcher, Twitter's most followed user).
350 million	People on Facebook.
50%	Percentage of Facebook users that log in every day.
500,000	The number of active Facebook profiles.

Social Media Landscape

The social media landscape reflects the link between different social movements and the respective online portals supporting these movements.

Social Media – The Future

It is not only difficult to come to grips with the term and its definition, but trying to understand its content and trends presents an even greater challenge – and not only to consultants. Social networks will play an increasingly important role in the Internet of the future. Internet users will have their own online identity, which will carry them through from one network to the next. There will be global networks featuring members who, although they have a similar mindset, will not necessarily be active in that same network.

The social experience in the Internet as we know it today may be characterized as incoherent. Different networks exist side by side, without any link between them.

Quite often, the users have different identities – different friends, favorites and preferences in each social network. This phenomenon will undergo a fundamental change in the future – simply resulting from the users' preference for comfort. Identities within the different networks will be amalgamated into one single "mobile" identity. Simple and permanently available technologies will allow the users to take their digital identity with them and to have it ready and handy at any time. The entire Internet will become one of the key components of everyday life, thus transforming itself from reflecting separate social elements to providing a shared social experience. The era of a primarily functional Internet (Internet as a work tool) will be followed by an "era of social colonization". Already existing tools, such as OpenID, will enable users to leap from one network to the next, creating islands of joy, where they can invite real and virtual friends to join them. The success of this will depend entirely on the users' ability to take their own digital identity – and consequently their friends, favorites, etc. – with them. When surfing the internet, the users will no longer be alone. They will surf the Internet with their friends in real time and will be able to see what they are up to.

Google Wave and developments in the social commerce sector (Edelight, Smatch or Dawanda) are examples of this trend.

Above all, the mobile Internet will experience a drastic rise in significance due to new hardware and software applications such as the iPhone or iPad, making the user independent of time and space.

According to a recent posting on the Harvard Business Blog, 70% of all companies in the USA do not allow employees to surf social media sites during work hours. In the not too distant future, employees with a social media intoxication (just like those who have previously had a text-messaging thumb), will have to satisfy this yearning with their own smartphones. The cigarette break may well be soon replaced by the social media break.

Social Media – Next Generation

Not only are the issues, methods and technologies changing; the user landscape is also subject to upheaval. Users from the "under 25" generation, 75% of whom use the Internet on a daily basis in Europe (85% in Germany, 80% in the USA), are what we call digital natives, i.e. people who grew up with the new technologies and for whom computer and Internet play a regular role in everyday life – just as telephone and radio did for other generations. We, the "older" generation, are categorized as digital immigrants, since the new technologies are not an integral part of our life, but only a tool we have learned to use for private and business purposes.

Consequently, the perceptions and user habits of each group are distinctly different. The "younger" generation considers the Internet to be an obvious and "natural" means of communication and part of their social environment – virtual friends and contacts within the social networks are as important and as strong as real friendships.

They no longer distinguish between the two. The next ten years will see an intensification of this user behavior, as technologies amalgamate. This means that even the digital immigrants will have to learn to accept the Internet as a key component of their daily life. Within the next few years, our entire communication and entertainment structure will have undergone a drastic change. The Internet will no longer be a concurrently operated channel, but an integral part of all channels. It will influence communication, entertainment and social behavior to an extent which we are already catching a glimpse of today.

This means that, within a few years we will no longer watch television the way we do today: the Internet will provide us with the freedom to watch what we want, when we want. The traditional idea of a "television program" will cease to exist – a trend that will be palpable in all areas of life.

Social Media – Companies Must Conform

Keeping in mind these developments, it is surprising that companies restrict or prohibit employees' use of social media communication. According to a survey conducted by the market research institute IDC, 50% of all employees worldwide use public, free social media wesites, such as Facebook, LinkedIn or Twitter to the benefit of their company even for business purposes, e.g. to defend their company against critical comments published in any of the networks.

IDC believes that they do so simply because their own company doesn't offer such tools. This, however, is due to change within the upcoming years – and IDC is not alone in predicting this trend: companies will offer their employees more and more company-owned tools primarily by utilizing Cloud Computing (the latest example: Ringier-Verlag, a Swiss publishing house, is relocating 8000 jobs into the Cloud).

Still, it will not be enough for companies to just think about technologies and their uses with respect to their employees. Social media will also transform each and every aspect of communication with their customers. The biggest hurdle to overcome will not be the technology and its implementation, but the overall company culture.

Social media opens the door for criticism, promoting an open, unfiltered exchange of opinions of inconceivable proportions (last year alone, Twitter experienced an increase in membership of over 2000% per month). To gather information, customers no longer use company websites with their beautiful images and optimized information, but draw on social networks, such as Twitter, Qype or Yelp, to find out more about a company and to obtain feedback from its customers. And, obviously, the information provided within these networks is far from being all positive – but is also full of criticism and frustration.

In other words: in the era of social media networks, companies have to improve their ability to accept and deal with criticism – from employees and customers.

Apart from discussing companies and their products, users also define their needs and requirements via these social networks. This is not restricted to personal or social aspects. Especially when it comes to products, Internet users clearly "tell it like it is" in this day and age. Alongside social commerce, there is another great trend: users become brand and product managers, demonstrating what they like and at which price.

Companies will be forced to face these new challenges. Turning a deaf ear and ignoring criticism is definitely the most fatal behavior of all as the company may quickly find itself buried under an avalanche. At the same time, a half-hearted strategy or implementation of the "always and everywhere" method is also not the right approach.

The utilization of social media has to be incorporated into the overall company strategy and must be a key component of the company culture and communication. If a company tries to incorporate them en passant or listens to the advice of a consultant with a marketing agency background, who considers social media to be a passing trend and uses trainees to twitter a marketing message, such activities could easily backfire and have an undesired result.
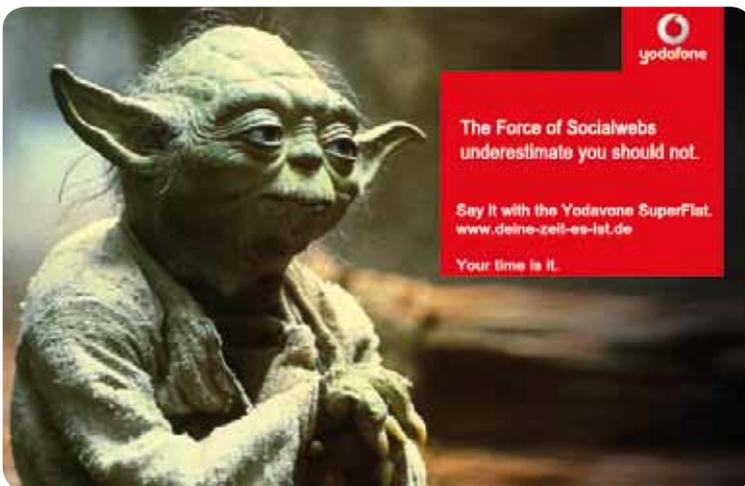
Vodafone provided a negative example of a derailed communication strategy. Last year, the company started a campaign ("Heroes"), which could have well earned itself the title of "social media". With the support of a large Hamburg-based agency, they hired and presented bloggers on the Internet stage, who thought Vodafone and its mobile telephone services were simply great. However, unexpectedly, things got out of hand due to some of the reactions and the so-called consultants sounded the retreat, leaving the conservative media department in the trenches, awkwardly trying to back-paddle out of the troubled waters – a disaster for the company!

Creation, production, delivery, analysis – in the end all we have is an Excel spreadsheet reflecting the success in numbers to the third decimal point. While this looks very impressive, that is not how social media works. To begin by thinking about the conversion rate on Facebook or Twitter is not only wrong, but fatal. The impact of social media is not as calculable as that of a well-positioned chocolate bar at the cashier. It works more like "word of mouth" propaganda or one buddy telling another: "Wow! Hey! This thing is mega sweet, but has one hell of a taste!" And this is exactly what many companies don't understand.

To be successful, companies must conform. They need to improve their ability to deal with criticism, stop restricting their employees in pursuing social media activities and integrate social media activities in the overall company strategy.

Company Management, the PR Department, communication channels, products and employees must all adapt to this strategy – only then will social media contribute to the success of a company.

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> Within a very short space of time, the social media campaign turned into a fiasco – simply because it wasn't an integral part of the overall company structure and culture.