2010

Social Media in Business

Gunel Alakbarova, Lauren
Schramm, Ugo Villani, Ana Javornik,
Nielsen Rikke Hojris, Bianca
Legorreta, Colombo Giacomo,
Cerquiglini Fabio, Sara Maria
Giuliani, Katarina Krohg
Gunel Alakbarova, Lauren
Schramm, Ugo Villani, Ana Javornik,
Nielsen Rikke Hojris, Bianca
Legorreta, Colombo Giacomo,
Cerquiglini Fabio, Sara Maria

Contents

INTRODUCTION

Social media is not used as extensively by companies in Switzerland as in other countries, such as the US and UK, even though the Swiss people make the country qualify as the 10th most intense user of social media in the world[1]. This report defines how Swiss service companies are integrating social media and propose suggestions as to how they prospectively can integrate social media more in their marketing plan.

BUSINESS SERVICE INDUSTRY

Service is defined as the "**Intangible products** that are not goods (tangible products), such as accounting, banking, cleaning, consultancy, education, insurance, know how, medical treatment, transportation…" (Dictionary 1)

The multifaceted nature of the service business can be hard to define, but there are three main ways one can define this industry: "consumer-oriented (providing a service directly to a consumer), primarily business-oriented (providing service directly to another business) or mixed (providing service to both business and individual consumers. This report will focus on the **consumer-oriented** facet, since it is classified as one of the common denominators among the brands that are to be analyzed. Since the quintessential and up-to-date business service co-creates their business with their consumers, social media is deemed as a strategic complement – boosting their value proposition.

SOCIAL MEDIA INFLUENCE ON CONSUMER BEHAVIOR

Nowadays, consumers are changing radically the sphere of marketing, branding and advertising. Less than a decade ago, marketing interest in sharing information or opinion with consumers was something that was merely a peripheral part of promotional mix and focused mainly on how to **break** through the **clutter** with four Ps. Today, breaking through the clutter becomes impossible if the brand does not engage with consumers online and delivers them a **meaningful value** and even less possible if it does not consider how the space of social media radically changed consumer's behavior and their way of purchasing a product or choosing a service. ''The broader social context—what other people from around the world think of something—has more influence than ever before. It is no longer about

---

[1] The Nielsen Company: http://www.penn-olson.com/2010/01/27/top-10-social-media-countries/ 05.12.2010

motivating the individual; you have to **motivate the group**, who then motivate the individual.''[2]

This dimension of sociability is exactly what the users of social media are after. Every marketer should understand that the real motivation for people to go on Twitter, Facebook, flickr etc. is a deep need for connection, conversation and a sense of community. [3]

However, it is important to recognize that if 50% of social media is about social **interaction**, then another 50% is about **self-expression**. Wide digital catwalk gives everyone a chance to parade his unique image. Marketers need to understand this and figure out how not to intrude on the private conversations but have a presence in the part of social media that is about self-expression. [4]

Social media space brought another significant change: ''cyberdisinhibition'' or willingness to behave differently online than offline. One third of consumers' state indicates that they feel more empowered online to behave as they want to and 20% claim to take action against brands or companies.[5]

The voice of consumers is getting **louder** and noisier and is therefore spreading to the peers and other consumers, who hear it and listen to it. According to the study performed by OTX Research, information on social media influence buying behavior of 2/3 of consumers. "67% pass the information to others and 60% trust such information more then they trust traditional advertising."[6]

There are immense opportunities for engagement and co-creation online. However, marketers cannot expect social media users to blindly accept a brand's message, content, and campaign. If these do not propose a real value, consumers will not engage with the brand, will not follow it, and the least of all share it with friends. Empowerment of consumers forces brands to sharply define their **value proposition**, if they want to increase the chance of getting approval from the users of social media.[7] Given that **Switzerland** is in the **top 10** countries in social media usage (measured in no. of audience and time spent on social

[2] K. Gill in: White paper Millennials and Social media, Euro RSCG, 2009

[3] White paper Millennials and Social media, Euro RSCG, 2009

[4] G. Feldmann in: White paper Millennials and Social media, Euro RSCG, 2009

[5] S. Straczynski: Social Media Users Really Are More Social Research finds offline relations enhanced by online social media, Adweek, Nov 20 2009

[6] D. Smith: How Social Media Influences Consumer Behavior, Search Engine Marketing Group, http://sem-group.net/search-engine-optimization-blog/how-social-media-influences-consumer-behavior/

[7] Qualman, Erik,Socialnomics : how social media transforms the way we live and do business; 2009

media channels per person)[8], it seems to be a potent marketing tool that can be used by Swiss organizations.

THE BRANDS
The following brands can be seen as a sample of the Swiss business service. They represent different parts of the service industry and will be used to depict to which extent and how they utilize social media. In the succeeding paragraphs, the brands analyzed will be briefly introduced.

Adecco
Adecco is one of the world's leading providers of human resource. Its services vary from temporary staffing to permanent placement (including training, outsourcing placement, consulting and career management). It has subsidiaries all over the world and employs around 90,000 people. The Company's two main divisions include: **General Staffing** and **Professional Staffing.** Adecco's focus is in human capital and building the importance of people being the essence of constant search for excellence.

Die Post
Die Post is a shortening of Die Schweizerische Post and the Swiss-German part of the overall brand Swiss Post. Under this international name the Swiss-French; La Poste Suisse, and the Swiss-Italian La Posta Svizzera are also presented. Swiss Post is the **postal service** of Switzerland, and it's a public company owned by the Swiss Confederation. Additionally, Swiss Post is Switzerland's second largest employer. Even though Switzerland functions as Swiss Post's epicenter, the company is also present across boarders. Swiss Post generates value for the customer worldwide through their international group units Swiss Post International, Swiss Post Solutions and PostBus. Besides managing post within Switzerland, their service portfolio is broad and includes services such as direct marketing aimed at winning and retaining customers, flexible solutions for small good shipping, and e-commerce.

Kuoni
Kuoni is part of the global Kuoni Group, whose company activities are centered on destination management business, providing customers with the creation of leisure travel solutions. Kuoni Group was founded in Switzerland in 1906 and has since that developed itself as the leading provider within the global market of **travel and leisure**. With a worldwide workforce of 9070 employees and a consolidated

---

[8] The Nielsen Company: http://www.penn-olson.com/2010/01/27/top-10-social-media-countries/ 05.12.2010

turnover of 3894 million CHF, Kuoni is operating in more than 40 countries in Europe, Asia, Africa, Australia, and North America, providing customers with premium travel services.

Swisscom

Swisscom is a **telecommunication** provider operating in Switzerland and it is the major one in the country. It was founded in 1998 after the former state-owned PTT (Post, Telegraph, Telephone, founded in 1852) was privatized. Today, the company employs around 20.000 persons and the Swiss Confederation still owns 56.94% of its shares. Service offered ranges from fixed and mobile lines for private and business customer to Internet and IPTV. Swisscom also owns shares in international communications companies.

Swiss Life

Swiss Life provides various **pension and life insurance products**. Swiss life works together closely with financial service providers to sell its products. Its Insurance segment offers life, pension, annuity, and investment type policies to both groups and individuals, including accident, health, and disability coverage.

Sunrise

Sunrise works closely with private and business clients; the company assists its customers with many offerings like **mobile utilities, mobile broadband, and fixed network**, Internet advantages for private clients and internet supplies for business customers[9].

Delimitations

Due to linguistic barriers, there are some variables that, if examined, would pose a too high margin of error. The written language of the report is English and if posts, tweets etc. written in other languages than English, were to be translated, the actual meaning of a word or sentence could be lost in translation (if it is not translated by a professional interpreter). Hence, the only information that will be interpreted in this report will be information found in English.

Accordingly, the following variables will not be used as research metrics. If they are in fact included, it will only be to a limited extent and it will be because the analytical values of the variables are indispensible for the overall depiction of the brand at hand.

---

[9] http://www1.sunrise.ch/is-bin/INTERSHOP.enfinity/WFS/Sunrise-Info-Site/it_CH/-/CHF/ViewStandardCatalog-Browse?CatalogCategoryID=6MjAqFI.qckAAAEss2wTZ33e

Advocacy

There are many different languages on the various media platforms and thus many translation barriers that may limit the validity of interpreting positive or negative sentiments towards the brand. Hence, we will not assess the positive or negative advocacy activities present in the social media channels.

Innovation

This variable may be interpreted freely according to the respective brand, since innovation initiatives vary greatly from one brand to another. Examples of innovation could be improvement suggestions for the brand/product expressed by the users. Given the linguistic barrier due to the many nationalities and thus many different languages of the users, it is difficult to clearly interpret the nature of their comments if they are not in English. Consequently, this variable will be only assessed marginally if it assessed at all.
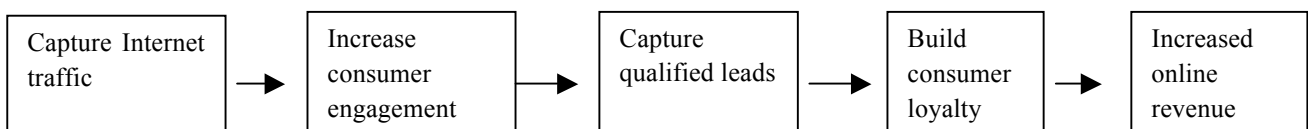
INDUSTRY ANALYSIS

In this industry analysis, there are specific fixed variables, which form the basis of detecting the degree and nature of the social media activity performed by the brands: Adecco, Die Post, Kuoni, Swisscom, Swiss Life, and Sunrise. The fixed variables and its underlying measurement metrics are defined in the following paragraph. The objective of further defining the measurement metrics of the fixed variables is to facilitate standardized determinants, which will make it possible to compare the social media activities of the 6 brands mentioned above operating in the business service industry.

The fixed variables will be grouped into **1)** the **companies' activities** in social media and be grouped into **2)** the **consumers' brand-related activities** in social media and the dialog between the two entities will be examined. Mining through these assessments will provide a basis for **3) recommendations**. The latter will be assessed in the end of this chapter.

Theoretical Models

Customers interact with brands through the social media channels that the companies choose for spreading the Word-Of-Mouth. Digital channels unify both

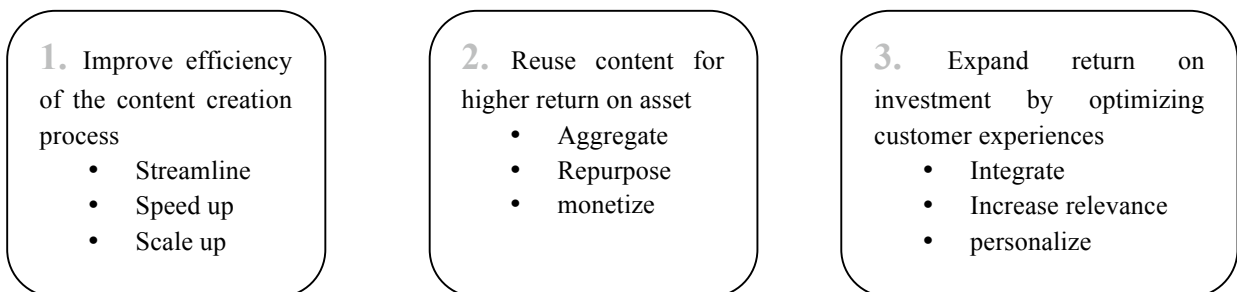| Capture Internet traffic | → | Increase consumer engagement | → | Capture qualified leads | → | Build consumer loyalty | → | Increased online revenue |

the communication about the experience and help companies to accelerate revenue growth, as the above model shows.

The level of engagement the six companies have within their social media activities is visualized in two measurement dimensions: The first dimension is how many social media tools each company is engaging themselves in, and their overall degree of activity within the given tools. The engagement model made by ENGAGEMENTdb influences the making of this model. However, instead of rating these six companies according to ENGAGEMENTdb's context[10], they are benchmarked up against each other in terms of social media tools and activity. Accordingly, this depicts the social media sphere in the business service in a Swiss context.

Application of such model can bring a gain of 10-12% of total incremental revenue from new and loyal customers though online channels[11].
The content that the brands put on the social media is being increasingly pulled on demand by consumers, e.g. those who subscribe as "Likes" on Facebook. Most companies now want to focus on creating value for the consumer on the base of the content delivered, as it is shown in the following model[12].

1. Improve efficiency of the content creation process • Streamline • Speed up • Scale up	**2.** Reuse content for higher return on asset • Aggregate • Repurpose • monetize	**3.** Expand return on investment by optimizing customer experiences • Integrate • Increase relevance • personalize

One of the main goals of the companies is content generation, which particularly is to enable external parties to participate in offering development, providing

---

[10] The model provided by ENGAGEMENTdb makes its rankings according to their already applied 100 companies. These companies are representing brands without any geographical distinction. On this basis, the report does not fully use the ENGAGEMENTdb model, and does not measure the six companies according to the companies represented in ENGAGEMENTdb's database. This delimitation is taken, since it otherwise is not possible to describe the business service industry's engagement in social media in a Swiss context. Instead, the engagement of the six companies in the business service industry is ranked according to the above stated dimensions inspired by ENGAGEMENTdb' model *and* compared to each other in order to depict social media engagement in a Swiss context.

[11]http://www.icorsi.ch/file.php/2531/McKinsey_quarterly_four_ways_for_getting_more_value_from_digital_mktg_2010.pdf

[12]http://www.icorsi.ch/file.php/2531/McKinsey_quarterly_four_ways_for_getting_more_value_from_digital_mktg_2010.pdf

feedback, and additional customer support[13]. The community is engaged in participatory marketing which means spreading marketing messages in social media channels. Ideally, all the brands mentioned in this report should have the objective to aggregate opinions from many individuals to guide strategic decision making and idea generation, in order to fully utilize upon the opportunities that lies within social media.

INDUSTRY OVERVIEW

After gathering all the metrics for analysis, this paragraph will benchmark the brands up against each other with the goal of depicting the level and content of the social media strategy.

Given that the analysis have depicted the presence and involvement of Swiss business service companies in social media, the social media strategy can be formed, speciated, and implemented as following.

Timeframe of Analysis

The fixed variables will be monitored within a timeframe of **3 months** in order to uncover a possible activity pattern on the social media channels.

In order to uncover the following variables, the underlying determinants must be so that it will be possible to benchmark the 6 brands up against each other within this business service industry.

The next part of this company activity paragraph, the way in which the companies shape and handle the activity online is assessed.

1) Company Activities

The first part of this paragraph will be dedicated to framing the companies' presence and the level engagement in social media tools.

Dialog

The dialog variables tap into:

1. How many users each brand is reaching on social media?
2. How many of those are **active** and what is the level of their engagement?

When addressing how many users each brand is reaching on social media, it is essential to understand what is perceived as "**reaching a user**" when

---

[13] http://www.icorsi.ch/file.php/2531/McKinsey_Quarterly_Six_ways_to_make_web_2_0_work.pdf

considering social media. The findings of this report do not only consider a **two-way dialog** between the brand and the user as reaching the user. Any action the user has taken toward engaging in a particular brand is perceived as a way the brand has reached the consumer. Therefore, this concludes the evaluation of consumer engagement being measured according to the following:

- A two-way dialogue between **brand and user**
- A two-way dialogue **between users** concerning the brand
- Users **mentioning** the brand of any kind on any social media platforms
- Users participating and obtaining memberships of any kind symbolizing a user **engagement** in a particular brand.

In the following, the underlying measurement metrics are defined:

facebook
Dialog Metrics: How many wall posts, reposts, likes, memberships?

Twitter blogs
Dialog metrics: How many tweets, re-tweets, posts and reposts, likes?

Blogs
Dialog metrics: How many posts and reposts, likes, subscriptions?

YouTube
Dialog metrics: How many, posts and reposts, likes, subscriptions?

Corporate Forum
Dialog (Metrics): Content Analysis – if information is available in English

The dialog is one of the metrics that form the basis for the engagement assessment. The other is number of social media channels the brands are present in.

Brand Engagement Variables
The goal of the analysis is to assess the business services industry in terms of social media engagement, both from a quantitative and qualitative perspective.

For the quantitative variable we consider the number of social media platforms in which each company belonging to the industry is committed. As qualitative we defined:

- The level of activity of the customers on the social media tool, on a scale going from 'No activism at all' to 'Very impressive activism'
- The level of responsiveness of the single companies to the activity of their customers, on a scale going from 'No responsiveness at all' to 'Very responsive'
- The effort of the single company in terms of resources committed to the social media sector.

All the data used to create the benchmark are derived from the single brand analysis presented in later in the report.

The results of our research are proposed in the following graph, where the quantitative variable (Number of channels) is on the horizontal axis, while the qualitative one lies on the vertical axis. The figure illustrates the number of social media channels the 6 brands are present in, respectively, and the intensity of which the users of the social media platforms are engaged.

For other channels it is a mix of quantitative and qualitative determinants that illustrate the engagement level and it can be illustrated as followed:

Before entering the specific explanations of the results, some assumptions regarding the general structure of the business service industry, is vital to enhance.

As we can see from the list of the brands, each company operates in a different market, with two exceptions. For instance, Swisscom and Sunrise are both mobile operators, Swiss Life is an insurance company, Kuoni a tourism company, Adecco operates in the HR sector and Die Post offers postal and financial services. Due to the differences in the nature of the companies, there is a challenge in benchmarking them up against each other, since there are less common characteristics and thus there may be a weaker basis for comparison. Hence, it is important to repeat the emphasis on the **customer-focused service** offering all the companies have in common and the fact that they are a **sample** from the business service industry.

All of **Swiss origin**, not all of them are as strongly developed in social media in Switzerland as they are in other countries (i.e. Adecco).Therefore, it is imperative to consider the peculiarity of the country of our interest, which is characterized by four official languages. Not every company develops the same level of sensitivity towards the different languages; often the German language is preferred as communication vehicle, given the number of its native speakers.

Moving on to the actual analysis, the first noticeable aspect is nature of the business itself, which influences the way in which a brand relates to social media platforms. It appears that mobile operators offer a higher chance of potential engagement to their customers and consequently they invest a lot, in terms of human and financial resources, to be committed on these interactive channels.

Differently from what we said about mobile operators, it seems that the Swiss industry of Business Services is **reluctant** to adopt, and to be fully involved in communication and interaction among customers through, social media platforms.

Support Variable a.k.a. Customer Service
The support aspect will only be assessed if there is a moderator, in the sense of whether or not there are people from the company, who are **responding** to the posts of the users. Based on the content that have been regarding this variable the support function is viewed as the social media approach to customer service.

In the table you can see how many moderators the companies have on different channels and which companies have none.

Brand	Facebook	Twitter	LinkedIn	YouTube
Adecco	10	3	4	4
Die Post	-	-	-	-
Kuoni	1	1	0	0
Sunrise	10	1	4	3
Swisscom	1	1	1	1
Swiss life	1	0	1	0

As can be seen above, the companies that most actively participate in the two-way dialog within the social media environment are Adecco and Sunrise. In the case of Die Post, there is an overall absence in the social media sphere and thus there is no need for a moderator in their case. The moderator activities for Kuoni and Swiss life are mediocre and active at a low level. Even though that Swisscom seems to have a low level based on the table above, the organization also has a corporate blog which is moderated to a medium level.

Both for **Adecco** and **Sunrise** there are **10 moderators** on facebook that are handling the activities in various languages: Italian, French, German, and English. In the case of Adecco, there are also moderators on YouTube, and Twitter, while Sunrise's additional moderator is only present on the corporate blog. The responses are prompt and updates on offerings are continuously updated. In addition to direct product related **promotion**, there are **invitations** to events, **instructions** on how to consume the service offering optimally and incentives to **comment on promotional material**. In the content there are links to other social media channels, on which the brands are present. It can be concluded that these two brands have understood that you are supposed to converse with the users. Although Sunrise and Adecco are the predominant players within this sample, there are still multiple prospective initiatives that could give an even higher return on their social media investments. This is also valid for the 4 other brands that are not exploiting the possibility to befriend their customers and understand their likes and dislikes. All in all the moderator level has potential to be much more exploited more fully, so that the conversation between the user and the company provides a basis for co-creation of values.

Adecco

Leadership is interpreted in terms of control: is the company **controlling** and **shaping** (moderating) what people are doing or are they just letting the users do what they want?

Again mostly active on Facebook, Adecco and provides support, guidance and help through discussions, and topics on posts, moreover gain beneficial feedback for Adecco's improvement by its users. Even though there are more or less shaping of the environment on the different social media channels, it is obvious that the companies are **not utilizing the full potential of it**. Leadership can help focusing the conversation on what is relevant. A way to create an outlet for additional and less relevant comments is to clearly categorize subjects and then also create a 'free speech' section where people can say whatever is on their minds, regardless of the degree of relevance. Swisscom is significantly active on their corporate forum even though there are not that many users who respond to the activities. In the case of Kuoni and Swiss Life are active on a low and moderate level respectively. Kuoni is in general not so active in Switzerland, while Swiss Life do execute a few social media endeavors in terms of leadership. Consequently, it is clear that also the control of the social media content and frames, could be utilized to a more full extent.

2) User Activities

Linking value

Are the users **discussing**, **promoting**, and in general **sharing** brand-related presence and activities? As dialog assesses the interaction between the brand and the user, this variable assesses the interaction between the users.

For almost all companies, linking value is **nearly non-existent**. The only media platform on which peer discussion truly exists is on facebook and here it is only Adecco and Swisscom that have a notable level of activity. This can be due to the fact that facebook more naturally facilitates a conversation or the fact that the companies are spending more time on cultivating the activity on the channel. For Kuoni, Swiss Life and Sunrise, there does not seem to be any significant activity that

it worth noting and thus this too is an untapped potential. IF the different organizations facilitated knowledge-sharing and networking more than what have been done so far, they would be able to utilize the WOM opportunities through peer references to a larger extent and also learn more about the customers' consumption behavior, when the company is not directly affecting the customer.

Stage and Strategy

In social marketing the goal is to co-create a program based on a focused segment that will get this target market to change their unhealthy behavior to a healthy one. The way in which many programs execute this change is to create a movement of people who adopt the new behavior through a campaign which creates not only new adopters of the behavior, but some of them also become advocates. The trick is to make them think that they themselves have taken the initiative to change their lives for the better and facilitate this decision making. This approach can be translated into another social aspect in marketing, namely in social media. Developed by Prochaska and DiClemente (1983), the Stages of Change Model approaches behavior change as a process – not as an event and also assesses change for organization[14]. Aiming to identify in which stage the business service organizations are in, the Stages of Change Model depicts 5 stages that have corresponding action strategies attached to each stage, respectively. In addition to being process-oriented, the model also assume that the change process is circular – not linear, since the organization may as well fall back some stages in effort to adopt a new behavior, rather than perfectly go through all steps sequentially. From **Pre-contemplation** through **Contemplation**, **Preparation**, **Action**, and lastly to **Maintenance**

The relevance of this model is in the mapping of which stage the organizations in the business service industry are in, and subsequently, it is possible to propose a strategy for the organizations in the industry.

Given the analysis of the level of engagement, support, leadership and linking value that has been assessed above, and based on the assumption that adopting the desired behavior means **fully integrating social media on various channels and utilizing these platforms as a way of converse with consumers**, the Business Service organization are either in the precontemplation stage and in the contemplation stage since there is no sign of increasing the use of social media. And each step of change means an intending to or actually increasing of social media activity.

---

[14] Glanz, Rimer & Su (2005) Theory at a glance: a guide for health promotion practice / U.S. Departement of health and human services. – NIH publication no. 05-3896. – September 2005

Stage	Definition	Potential Change Strategies	BUSI* Brands
Precontemplation	Has no intention of taking action within the next 6 months	Increase awareness for change: (personalize information about risks and benefits)	**Die Post Kuoni**
Contemplation	Intends to take action within the next 6 months	Motivate; encourage making specific plans	**Adecco Swiss Life Sunrise**
Preparation	Intends to take action within the next 30 days and take some behavioral steps in this direction	Assist with developing and implementing concrete action plans; help set gradual goals	**Swisscom**
Action	Has changed behavior for less than 6 months	Assist with feedback, problem solving, social support, and reinforcement	-
Maintenance	Has changed behavior for more than 6 months	Assist with coping, reminders, finding alternatives, avoiding slips/relapses (as applicable)	-

3) Recommendations

Some brands seem to focus only on certain channels and do not provide **integration** of all social media platforms. It is very beneficial for a brand to engage in social media in a wholesome manner and provide experience within 360 degrees; not only post comments on the corporate blogs, but also to put words into pictures at flickr and into videos on Youtube. Brands that are not present yet on most important channels are **missing an opportunity to communicate** with a great part of their customers.

Further on, mere presence on a social media does not guarantee a proficient quality of a consumer experience. Some brands know very well how to deliver a meaningful content, whereas some brands have not yet figured out how to engage into topics that are really relevant to their customers. A brand should understand that by providing **relevant content** to consumers, the brand becomes relevant, too. Merely being present is far from enough.

Also, the real turning point is reached when the brand knows how to **engage** its customers up to such level that they start to co-create the brand. Almost none of the analyzed brands succeeded in that aspect. Even if some were trying to provide platforms for customers to give their advice, opinion or suggestion for improvements, customers did not really respond. Much work needs to be done into the direction of **encouraging consumers** to provide their own brand content.

It is especially important that brands keep **consistency** in their communication once they engage on a social platform. There is nothing worse than seeing that the last post dates 3 months ago or that the brand tweets only once a month. Such low engagement from the part of the brand will lead to a low interest of customers to engage with such brand.

Conclusively, the Swiss business service industry needs to be more **aware** of the increasing importance and use of social media in Switzerland. Organizations are missing out on a promotional resource that already has a solid consumer-base, provide **quantifiable metrics**, facilitate closer relationships with customers, and concurrently is a rising **POP** (point of parity) within the advertising field. The

expectation from the consumers must be met and utilized to the advantage of the organizations.