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# Social Media 2012: State of Adoption

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Social media has the justifiable attention of business leaders for its ability to help them improve how they interact with customers even while reducing the costs of transactions. But the rollout is a journey and this white paper, based on our recent research, suggests that business is very much at the start of the expedition. Business leaders understand the broad outlines but vendors still have some work to do to educate users in social media's full potential as a business tool.

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**O**ur study shows that while social media is being adopted by many organizations these adopters are not yet at the point of taking maximum advantage of the technology. Many have simply begun using social media as a replacement for older broadcast approaches to distributing messages without necessarily taking advantage of the multiple ways social media can capture customer data for analysis and for deployment of novel information to customers.

These companies are applying social media to old problems in conventional or tactical ways. There is little evidence that these companies are using social media to implement bold new strategies that they hope to dominate their markets with. Some of this conservatism may be due to the economy. With slack demand there may be little interest in rocking the boat to go after net new customers if there is also potential for losing traction with existing customers.

Although most of the companies surveyed have made some attempt at involving social media in their business processes, there is an apparent difference in many minds between social media per se and social CRM. A significant plurality of our respondents, 39%, said they would not implement social CRM though an even larger number, more than 60%, said they have implemented social media or would within the next six months. Although this number would show mainstream adoption for social media as a channel, the slow rise in interest for social CRM and other tools that fully leverage the power of those channels indicates a resistance to fully embed those channels into business — at least without specific proof that they work.

One of the telltale signs driving our observations is the heavy reliance on popular but more consumer-oriented social tools including Twitter, Facebook and LinkedIn as primary social channels. These popular social tools are first off personal tools adapted to business processes and they are focused more on outbound communication. While many companies also utilize corporate blogs and some individuals also use personal blogs, the idea of using communities lags though companies that use communities will be better able to gather more customer-centric information.

Furthermore, the majority of declared expertise in social media is in sales and marketing where nearly 54% of respondents say the expertise resides — but sales is a secondary consideration as over 45% say the expertise resides primarily in marketing. Interestingly 17% say social is a joint effort within the organization.

It is worth noting that the parts of the enterprise that understand social media least — operations, legal, HR — are some of the same groups with the greatest qualms about its implementation. Qualms include security, legal and applicability to specific tasks.

It is understandable that a company might wish to use social channels that its end user customers use so that they can meet customers where they are. However, the most popular social channels we found are primarily used for outbound rather than inbound communication. So, we see a relative lack of data

gathering and analysis in early social media adopters indicating an interest in telling and selling but not in listening and analyzing.

This is troubling because listening and analyzing are two of the more important reasons for social media's existence that provide clear differentiation with older broadcast tools and methods. Without listening and analysis, social media quickly becomes just a less costly approach to broadcast messaging and the real power of the technology goes unrealized. All this drives our assertion that social media in business is still in its early days as we have seen similar approaches to using new channels when email, e-commerce and other communication channels rose to popularity during the early days of the public internet.

On the bright side, a plurality of respondents nonetheless sees the value of social media use as tools for improving the customer experience and therefore satisfaction and loyalty. They also see the value of social media in crisis management. Most importantly, senior executives understand social as a business proposition and are open to adoption. We see these as hopeful signs that when given exposure to social channels and their utility, more companies will take on social for daily customer communication and involvement.

Vendors can also gain valuable information by studying the data that discusses adoption and why companies might be reticent about taking on social media. Among the issues holding up adoption are concerns about security, utility, how to implement and use the technologies and legal and cost factors. Importantly, IT reticence is not high on the list. This strongly suggests that social media vendors still have much work to do educating their prospective customers in not only the benefits and advantages of the technology but also in practical how-to ways. We have seen early success stories and case studies are beginning to emerge. Beyond the early adopters, we expect to see more use stories to show the way; vendors are starting to advertise their early wins in grand fashion.

So, social media is gaining adherents. Companies are starting with what they know namely, Twitter, Facebook and LinkedIn as the first tier plus other technologies like blogs and communities. Perhaps one reason for this state of affairs is that the most popular types of media have few business champions. Twitter, Facebook and blogs are intuitive and people can figure out how to use their basic functionality without help or even a manual. But more advanced uses, such as for customer service and industry-specific processes and functionality, are not intuitive and need to be taught. Another generation of more analytically driven social tools is coming onto the scene right now and future iterations of this report will, no doubt, show their influence.

## Key Findings

1. **It's still an early market.** The majority of companies surveyed have some experience with social media primarily through the big name social media companies such as Facebook, Twitter, LinkedIn, corporate blogs and video sharing sites like YouTube. This suggests that companies are just getting

started; other data shows that reliance on these media is primarily outbound. In other words, companies are using social as a low cost way to broadcast a message but not necessarily as a means of collecting customer input that can be turned into valuable information.

2. **Obstacles to adoption remain but they are largely not technical.** Executives “get it.” The line of business people are less sure and younger people generally have more experience with social media and they get it too. The sticking points are not IT related. People say they have some concerns about legal issues, security and many haven’t figured out where in their organizations to first apply social media or which business processes to start with. This shows there’s plenty of opportunity AND that vendor messaging has not cracked the nut yet. It also shows a tremendous opportunity for vendors and providers to show the way to do it, including lessons learned, best practices, frameworks, and methodologies.
3. **The usual suspects have the greatest adoption e.g. Twitter, Facebook, LinkedIn, plus the corporate blog and video.** Reliance on these media, which are primarily oriented toward outbound personal communication, is a good indicator of the level of sophistication for social media use. While these channels are important they represent the last mile for social media use. Other activities like capturing customer input lag and a strong case can be made that companies are building out their social strategies in a sequential process.
4. **It should not be surprising that video and picture sharing are among the top social media.** Many organizations have not yet adopted video as a messaging tool in part because it can be expensive and it requires additional expertise that must either be hired or bought on a consulting basis. But in this and other research we have seen that organizations that have adopted video and sharing sites like YouTube and Vimeo are discovering strong ROI especially in the sales and marketing process. Video sharing through links in social media is a natural fit and companies are eagerly adopting it.
5. **Marketing and service have more uses for social media than does sales.** Customer service has more use cases for social media than the other two areas combined. Sales adoption is clustered around the early parts of the funnel such as prospecting and providing information. Marketers know that social is useful for capturing supplementary customer data and using it in nurturing programs. Customer service uses social media in a variety of situations for improving first call resolution and providing correct information to customers. Overall, marketing’s use of social media appears to be more sophisticated than either sales or service as these two departments use social for outbound communication primarily. Marketing is at least beginning to collect customer input for data collection.
6. **Social media has also made significant impacts inside the organization for communicating with and among employees.**

Among its benefits are, better employee feedback, greater individual participation in problem solving and greater job satisfaction. Although people see easier recruiting benefits, they do not see improvement in employee retention with social media. Nonetheless, a company's positive experience with employee give and take through social media will give some the confidence they need to use social media in novel ways with customers to capture more feedback — internal successes will easily lead to further adoption of the technologies and to seek external use cases.

7. **Content is king.** Ranking the three major social media for usefulness, Twitter is first followed by Facebook and then LinkedIn. Interestingly, corporate blogs and product/service blogs are rated higher than the top three services indicating that people want specific content and they are not put off by content size or the time it might take to read or view it. So the three popular social tools might help get the conversation started but successful companies will quickly discover that they need more content for follow up. Our CRM Idol experience this year confirms this point: we are seeing a larger-than-normal number of vendors focused on content creation, tracking, and management.
8. **About 70% of those who completed the survey said they were involved in the purchase process and 27% said their job titles were in a range from SVP to C-level or board members.** We therefore feel that this report represents opinions of serious decision makers.
9. **We conducted this survey in Europe too.** But the results did not yield a sufficient response to be deemed quantitative. This analysis focuses only on data collected from the primary, U.S. based survey and while there may be some responses from overseas in this data we are considering it the primary data and not loaded with a significant response from outside the U.S. or North American market. We are including all data, including the European data we collected in a separate volume of deliverables for Tier 1 and 2 subscribers. Other deliverables where appropriate will be forthcoming.