

Still Communicating “Old School”? Brace Yourself; Social Media Is Here To Stay

By Loa Fridfinnson

As consumers or corporate purchasers, we tend to conduct research online before making a buying decision on products, services or investments. When a company does not have a website, most of us look elsewhere to find the information we are after.

In today's world, where business decisions and transactions are made in the blink of an eye, providing information in a timely and efficient way is as critical as adopting the [newest trends in businesses communications](#), such as social media.

A company's lack of social network engagement will soon be equivalent to not having a website. If a company is not involved online, it will significantly reduce its chances to connect with those who are most important to its business success—its buyers and their influencers.

[Social media](#) is now used by 80% of adults (of all ages), with the fastest growing demographic being those 35 years and older, according to a recent report by [Forrester Research](#). The term Social Media includes, but is not limited to, online networking and information sharing, user reviews, videos, blogs, book marking sites, wikis and podcasts. Its growth is expected to soar and become the third-largest interactive marketing spend category within the next five years.

Many C-level managers coming from industries that are slow to adopt new media, such as mining, finance, medicine, manufacturing or real estate, fail to see the value of investing marketing dollars in online communications as they do not understand [how to measure the returns](#). This is a point that needs to be addressed.

Our Peers Have the Answers

The way we communicate every day has changed, thanks to the Internet and advances in technology. It is truly a second reality, a sphere in which we research, post and share information with each other 24/7/365 in the click of a mouse. If



Information sharing platforms can be used to engage audiences and potential investors.

that post happens to go viral (online word of mouth) watch how fast the message spreads.

According to the [Edelman Trust Barometer](#), “the most credible source of information about a company is from “a person like me.” This source has risen dramatically in popularity to surpass doctors and academic experts for the first time.” The survey relates that in the U.S., trust in “a person like me” increased from 20% in 2003 to 68% today.

Conversations are taking place in multiple online venues and companies must know what is being said about them. They also need to leverage the huge opportunity that exists to build relationships with customers, shareholders and prospective buyers.

Being “in the room and in the deal” gives a company a certain degree of control over the conversation, allowing designated spokespeople to post accurate content and gain valuable feedback for their company's brand, products and services.

What would you say if I told you that the fastest growing demographic on Twitter (UK research) right now comprises those aged from 50 to 64 years

old? This doubles the 18-24 year old audience.

Online communications is a particularly scary place for public companies, as they have to be cognizant of compliance and disclosure regulation. Done correctly, with sound policy, consistent messaging of public information and a proactive social media strategy, it delivers immense opportunity to connect with shareholders and potential investors.

Information sharing platforms such as [Twitter](#) allow companies to engage directly in their audience building relationships with all stakeholders. According to a [Q4 Web Systems report](#), growth in the number of public companies with a Twitter account have grown by 338% since August 2009.

Another report by [The Brunswick Group](#) commented on the fact that institutional investors are integrating blogs and social networks as part of their day-to-day routine. 58% of respondents in the survey believed that new media will become increasingly important in helping them make investment decisions in the future.

Real life example [Barrick Gold uses Twitter](#) to connect with its shareholders

and investors online, offering ongoing updates and the ability for its audience to interact with a real person rather than a behemoth organization without a human face. The company also uses [RSS](#) (Really Simple Syndication) to push its information out through personalized news feeds and have incorporated sharing tools such as [Delicious](#) or [Digg](#) that help its search rankings.

What could a public company representative talk about online when there is no recent news to report? Here, social media has a lot to offer. A company could easily post or “retweet” industry specific information from other sources, such as a newscast BNN clip (video), discuss an upcoming conference that the company is holding, provide a link to the quarterly newsletter or even post a general interest piece. Another strategy is to educate the audience on a topic that the company has expertise in. For example, if you are a geologist providing consultant services you might offer a short piece on “How to assess good drill results,” which also builds your profile as an expert in the field.

There are always interesting bits of information to share that do not necessarily have to be news items directly related to your business. Social media is about connection and building relationships, sharing relevant knowledge and opinions that keeps people engaged with information they will find interesting and useful.

Measuring Social Media

When a company conducts an audit of its existing marketing efforts to assess how effectively it is reaching its audience offline, it should do the [same to measure its online programs](#). It is important to determine which programs are the most successful. If the ultimate goals are increases in sales, site visits, greater awareness or customer/shareholder sentiment, have these goals been achieved? If not, why not? Do you have a proactive and strategic plan in place with social media policy, messaging around various topics and ongoing measurement?

Businesses need to assess where their buyers, centres of influence, employees and potential partners are online, in order to best address how to communicate with them there.

It is crucial to benchmark your social media efforts, measuring and analyzing the change and what caused it. Thanks to the various measurement tools now available, there are many ways to assess the online mood of your audience and learn how well your community building is going. Some of the tools are: [Technorati](#), [Google Alerts](#) and [Google Analytics](#). These are starting points in online listening that will help your company understand who is talking about you and where to start joining the conversation.

Another way to measure is to monitor the number of visits to specific sales related landing pages. How many new people signed up to follow your business on [Facebook](#) and/or Twitter? Has your e-news subscription increased? How many retweets did you get on a particular post? How many times has your [YouTube](#) video or [SlideShare](#) presentation been viewed? Was your last email marketing piece shared with others? How many unique visits did you get to your website this month? Is it growing? How informed are the people making inquiries about buying your products, services or stock?

Are your call centres less busy because customers are having their questions answered by peers in social media communities or through your online spokesperson? This shows a reduction in service support needed, contributing directly to the bottom line. People can help themselves online to all sorts of information and are paying attention to what is being said about a business and its products and services if they have an interest in that company.

Quarterly surveys that measure net ratings and customer satisfaction allow for greater response concerning how successfully your company is obtaining its ultimate objective, customer satisfaction. Nothing helps a business grow faster than testimonials from pleased customers and shareholders, or travels faster than the impact of viral word of mouth.

Social media is a new frontier and it is understandable that executives and marketers are struggling to build metrics around how the online channels stack up against more traditional marketing efforts. That being said, there are tangible ways to measure its effectiveness and many examples of companies, large and small, doing it with positive results. Simply

Google “Social Media Case Studies” and you will be reading for days.

There is vast opportunity to advance corporate communications and gain a competitive advantage for progressive businesses that understand that our world has changed. The way we communicate in our social and business lives is not going to revert to the way we did it in the old days before the Internet. Therefore companies and their executives need to learn how to participate in social media or, at the very least, hire experts with know-how, in order to ensure that their businesses remain “in the room and in the deal.” ■

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Links and References

- [Activ8 Corporate Relations](#)
- [Barrick Gold in Twitter](#)
- [Delicious](#)
- [Digg](#)
- [Edelman Trust Barometer](#)
- [Facebook](#)
- [Forrester Research](#)
- [Forrester's 2010 Social Media...](#)
- [Google Alerts](#)
- [Google Analytics](#)
- [How to Track Social Media...](#)
- [Q4 Web Systems Report](#)
- [RSS](#)
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- [SlideShare](#)
- [Social Media: Definition](#)
- [Social Media & B2b: Interact...](#)
- [Social Media Measurement, ROI and Monitoring, Collection of...](#)
- [10 Things you Should Cover in your Social Networking Policy](#)
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