Social Networking for the Equipment Finance Industry

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The Foundation accomplishes its mission through development of future-focused studies and reports identifying critical issues that could impact the industry.

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Equipment Leasing & Finance Foundation
1825 K STREET • SUITE 900
WASHINGTON, DC 20006
WWW.LEASEFOUNDATION.ORG
202-238-3426
LISA A. LEVINE, CAE, PRESIDENT

Contents

PREFACE

Purpose of This Study

The Equipment Leasing and Finance Foundation commissioned a report on how to integrate social media strategies – specifically social networking – into an equipment finance organization's communications and marketing efforts. Four Leaf Public Relations LLC was commissioned to conduct an in-depth study of the social media landscape to unearth the strategies, best practices, tools, and key lessons available today. Additionally, the researchers were asked to deliver:

- An overview of the current social media landscape
- A guide on how an organization can get started in incorporating social media, and in particular, social networking, for marketing efforts
- A discussion on how individuals within companies may use social networking for their company and their personal success
- Case studies that include best practices and business outcomes from using social media

The paper does not cover *why* someone should adopt social media. The authors take for granted that readers understand the basics of social media and its growing place in human interaction.

Additionally, the paper does not delve deeply into how to use social networking for human resources and recruiting purposes, internal company collaboration, and increasing customer service. However, all job functions, when involved in social networking, by extension, will impact sales and marketing achievements – the focus of this report. Therefore, other functional roles within companies will be discussed at times.

Moreover, while this paper is primarily focused on the sales and marketing aspect of using a specific portion of social media -- social networking – other facets of social media will be raised. Other components of social media are connected to, and support and impact the success of, social networking.

The authors distilled vast amounts of data, guidance and advice on a topic that could fill a library. In this paper, the highest level of guidance is offered. Entire books are devoted to many topics that are raised within – from social media metrics and measuring to approaching bloggers. The authors encourage readers to continue their social media education by reading some of the resources and books listed in the *Further Resources* section.

The Web is crowded with information, experts and vendors related to social media. The environment is rapidly evolving. The social media terrain is ever changing with new tools, channels, communities and even its very use and application. No attempt was made to exclude vendors, communities or other advisors when researching and writing this paper on the social media topic. This paper was written based on the information discovered and available at time of publication.

Primary and Secondary Information Sources
- Reports and analysis from media and academic journal sources
- Reports, white paper, studies and analyses from top consulting and advisory organizations
- Books on social media topics
- Interviews with ELFA members
- Survey of equipment finance industry members
- Analysis of equipment finance industry members' current social media efforts
- Interviews with social media consultants and advisors
- Interviews with social media vendors

How to Use This Study
This paper is designed to be read at several levels. Executives only needing to capture the highest-level look from this paper should consider reading the following sections:
- *Executive Summary*
- *The B2B Social Media Landscape*
- *Social Media and the Equipment Finance Industry*
- *When Social Media May Not Make Sense*

Readers who need to understand the topic of social media at a deeper level are encouraged to read the above plus each summary section in *THE SOCIAL MEDIA PRIMER* THE SOCIAL MEDIA PRIMERand the *CASE STUDIES*. See the "jump to the summary" hyperlinks under each title of the six major sections of the Primer.

Readers charged with implementing a social media strategy for a company are encouraged to read the paper in its entirety. They may then use the Primer as a "how to" guide when planning their own social media effort. A list of further reading resources is included at the end of each of the six major sections in the Primer. A *Glossary of Terms* and a *Further Resources* section can be found at the end.

Due to the nature of the content, many hyperlinks to other sources are included. Hence, this paper was designed to be read online on a computer screen.

For counsel on your specific needs, consider engaging a social media consultant.

Acknowledgements
The authors would like to thank the individuals in the equipment finance industry who graciously shared their time and experience with social media. Also, we thank the experts and mavens who provided their insights, help, and knowledge on the topic in the researching of this paper, including:

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- Michael Delpierre, Conversion Pipeline
- Marijean Jaggers, Standing Partnership
- David Teten, Teten Advisors

THE SOCIAL MEDIA REALM

"Monologue has given way to dialogue."
~Brian Solis[1]

Included in this section:
- *Executive Summary*
- *The B2B Social Media Landscape*
- *Social Media and the Equipment Finance Industry*
- *When Social Media May Not Make Sense*
- *Company Differences*

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[1] Brian Solis. "*Social Media Manifesto,*" (11 June 2006)

Executive Summary

Overview

When the Internet grew to critical mass, sometime in the mid 1990s, its effect was revolutionary. That era, commonly referred to as Web 1.0, allowed individuals to post information for anyone to view, introduced e-commerce, and provided the ability to search vast amounts of data via search engines.

Today, the Internet is entering a new era: Web 2.0. This second wave of what is possible on the Internet is what birthed social media. The term Web 2.0 is commonly associated with web applications that facilitate interactive, user-centered information sharing, design and collaboration. Examples of Web 2.0 include social media sites, blogs, wikis and other applications.

The very definition of social media can be confusing. In short, social media blends technology with social interaction, on the Web, so that the users generate the content and conversations.

But, the definition continues to evolve as new technologies and ways to use them are developed. There is social news, social bookmarking, social review, social network aggregation, social websites, social conversation and even certain mobile phone applications that can be considered "social."

It is easy to get lost in the acronyms, cute titles and names, jargon and the very channels themselves.

At the risk of oversimplifying, the common denominator of social media is that at least two people are sharing something and/or having a dialogue, publicly and online. And, that sharing includes an inherent, relatively open invitation for other people to join in. The ensuing conversations could (and often do) impact other people. Collaborations are born, connections are formed and influence is redistributed. What they think, write, say, share, rate, espouse, and deliver, via technology, is being listened to by others, *many* others.

Conversations also are happening in real-time. Response is expected in minutes, not hours and certainly not longer. Even if you did not participate in these conversations you can search for them and view them. If an organization is being discussed, an expectation is growing (at lightning speed) that it will respond. People take for granted everyone is listening, simply because, anyone can.

This puts a new kind of power into the people's hands. People are helping other people make choices, helping them form opinions, and helping direct and guide them. People are *influencing* each other. For business, this is a profound shift in how decisions are made about products, services, and partners.

Collaborations are born, connections are formed and influence is redistributed.

Implications

A new sales cycle is emerging thanks to social media, particularly due to social networking. Social media's promise has centered around people being able to connect, develop relationships and even conduct business online, faster, more efficiently and effectively. Proponents of social media report the sales cycle is enhanced with social networking intelligence by becoming more individualized and personal from the start.

Certainly, finding more information about people, companies and products and being able to reach out to them has been augmented. Social networking intelligence, once gleaned and assimilated, can produce:

- Credibility. Online participants see that an organization knows more about them, and they know more about the organization.
- Prospecting. Enormous amounts of data can be found within social networks about who is buying and why.
- Introductions. At the very core of social networking is people's desire to get to know more people.
- Empathy. A deeper understanding of a customer's world before entering it can be gained.
- Collaboration. The ability to work with others more efficiently and effectively is enhanced with technology.
- References. Peer-to-peer conversations will uncover – and can help establish – relationships that may have been hidden previously.
- Established real relationships. Social networking allows companies to help customers solve real business problems, easily and efficiently, tying them closer to them.
- Post-sales support. Social technologies provide a level of access to the ongoing dialogue after a transaction.

Shift in Customer – and Employee – Power

But, business leaders also will need to understand that the very nature of social media goes against many long held beliefs around how business should operate. Traditional business is built upon customers paying for products and services as they are delivered. However, social media is the embodiment of "paying it forward." Shel Israel, a social media expert and author, called this characteristic of social media as "lethal generosity." In social media, individuals offer their advice, guidance, connection and services with the understanding that the recipient may not pay them back for some time. In social media an organization must first *prove* its usefulness prior to the customer buying. This puts greater power in the hands of the customer. The payback then arrives in many forms – promotion, connection, referrals, and sometimes, but not always, sales.

Additionally, people on social networks want to be conversing with other people –not companies or brands. This means organizations wanting a strong social media presence need strong social media spokespeople. For many companies, especially those with formal hierarchical structures and strict representation policies, this may mean allowing people within the company who are not normally considered official spokespeople to have a greater role in speaking on behalf of the organization. This breakdown of communication gatekeepers and chains of command to a more open approach is forcing companies to develop a new kind of trust with their employee base.

They need to become comfortable and have faith that the people talking on their behalf are being appropriate, delivering the right messages, and furthering the organization's goals and objectives.

Social media has unleashed a level of individual empowerment
that many say will be impossible to retract.

Many social media proponents have gone so far as to say that organizations that do not make this culture shift will find their employees doing it for them. Individuals' usage of social networks is growing, particularly in their personal lives and in their personal career management.

The number of individuals using social media channels is increasing. As illustration, as of summer 2010, 1.9 billion people worldwide are active Internet users. One social media channel, Facebook, grew from 200 million to 500 million users in just the last year and LinkedIn has grown to 75 million members. These users are bringing their social media know-how and influence to the workplace. Social media has unleashed a level of individual empowerment that many say will be impossible to retract. In response, many organizations are attempting to harness this new way of connecting people with other people even before formal return on investment can be determined. This is not unlike the first wave of the Internet, when business leaders gathered in board rooms in the mid 1990s to discuss whether or not to invest in building a website. Many did so, without fully understanding the ramifications or the return.

"What we found was that there's no need to wait;
social technologies are already driving business results today.
[Marketers] who wait will find it hard to catch up."
~ Bill Band, Forrester Research analyst[2]

Results and ROI

Businesses report that, once they try online networking, they do see advantages. They are beginning to realize that real relationships result from using online networking – meaningful connections are made, transactions and deals completed, and individual and professional branding and success attained.

Because of these possibilities, business investments in social media are growing at a rapid pace, particularly in the business-to-business (B2B) space. In its report, "B2B Goes Social,"[3] marketing agency White Horse reveals that 86 percent of B2B firms are using social media, compared to 82 percent of business-to-consumer (B2C) organizations. However, B2B firms aren't as active in their social media activity with only 32 percent engaging on a daily basis compared with 52 percent of B2C firms.

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[2] Richard Karpinski. "Forrester Survey Finds Social Media Leading Way Toward CRM 2.0**,"** *B2B, the magazine for marketing strategies. (8 December 2008.)*
[3] White Horse. "B2B Marketing Goes Social," (March 2010)

Yet, optimism about social media abounds. In January 2007, the Economist Intelligence Unit conducted a Web 2.0 survey[4] in which 21 percent of participants were in financial services and 23 percent were CEOs. Although the data is older, it is still revealing. Overall:
- 38 percent of the respondents anticipated that Web 2.0 would help them to acquire new clients
- 25 percent projected that Web 2.0 would drive product innovation
- 30 percent expected cost reductions in client service and support

The results are just now beginning to trickle in.

According to a 2009 McKinsey Global Survey report[5] on Web 2.0 usage, "69 percent of survey respondents reported that their companies gained measurable business benefits, including more innovative products and services, more effective marketing, better access to knowledge, lower cost of doing business, and higher revenues."

A September 2010 McKinsey Quarterly report[6], which provides results of a survey of global executives on the impact of what they call "participatory Web 2.0 technologies (such as social networks, wikis and microblogs)," declares that deploying these technologies "to foster collaboration among employees, customers and business partners is highly correlated with market share gains."

Additionally, a recent Wetpaint/Altimeter Group study[7] found that companies who widely engage in social media "surpass their peers in both revenue and profit performance by a significant difference."

While the hard numbers have yet to emerge, businesses are reporting that they are finding incorporating social media into their marketing and communications efforts is having some benefit.

Top Level Findings

But is the finance industry embracing social media? Upon researching the uses of social media in a B2B context, with a particular focus on financial services, the social media realm revealed that all financial service industries have been slow to adopt social media and lag behind the best practices of other industries.

Other key findings, explored in this report, include:
- The B2B market currently is using Web 2.0 technologies and social media tools to further the efficiency and effectiveness of current job functions and processes.

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[4] "2007 Web 2.0 survey," *The Economist, The Economist Intelligence Unit* (2007)
[5] "How Companies Are Benefitting From Web 2.0," *McKinsey Quarterly*. (2009)
[6] Jacques Bughin, Michael Chui, and James Manyika. "Clouds, Big Data, And Smart Assets: Ten Tech-Enabled Business Trends To Watch," *McKinsey Quarterly* (August 2010)
[7] Wetpaint/Altimeter Group, "ENGAGEMENTdb, The World's Most Valuable Brands. Who's Most Engaged?" (2009)

- Each social media effort is different because every organization's goals and objectives and characteristics are different. No one-size-fits-all social media program for the industry exists. However, best practices do exist.
- Social networking, when combined with customer relationships management (CRM) systems, can take data collection and assimilation to a new level in lead generation, conversion rates and sales cycle timetables.
- Measuring the return on social media efforts has come a long way, but most organizations fail to accurately measure and synthesize their social media results, as well as that of their respective competitors.
- Social media uses will not overcome basic business problems, such as product and service issues.
- There are cases in which social media does not make sense, such as scenarios in which an organization is in conflict with its employees or the customer base is extremely small.

Social Media for Equipment Finance

Upon further study, cases in which social media could enhance an equipment finance organization's communications and marketing function emerged. The aspects of social networking that appear to make the most sense for most equipment finance industry members include

- Twitter;
- Blogs and blogger relations;
- Private, online, gated communities and niche sites; and
- LinkedIn.

Other social media outlets, such as Facebook, Plaxo, and others have relevancy on a case-by-case basis.

But, only if an organization commits to these channels will marketing results be earned. Several levels of social media participation are available, and results will vary accordingly.

Also, social media is similar to traditional media in one key manner: Social media cannot overcome poor customer relations, dysfunctional internal issues, or product and service concerns. In fact, these issues must be handled prior to opening the door to social media efforts. Social media is an open invitation for discussion about an organization and its people. A business should be reasonably assured those conversations will be primarily positive.

> *"At the end of the day your relationship with a commercial entity is more about products and services than conversations. . .It is more important to have a great product than it is to be great in social media activities."*
> ~ Shel Israel[8]

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[8] Shel Israel. *Twitterville: How Businesses Can Thrive in the New Global Neighborhood (*Portfolio Hardcover 2009), 125

Best Practices

There is no universal social media plan. However, there are common steps that each organization should consider before jumping into social media. Once an organization has determined that social media will be incorporated into communications and marketing efforts, six proactive steps should be taken, as outlined in this report in *THE SOCIAL MEDIA PRIMER*.

They include:
- Preparation – Getting the organization ready, including developing a social media team, identifying goals and objectives and being honest about cultural and resource issues
- Listening – Gathering intelligence about the customer base and the social media landscape itself
- Planning – Developing a strategy, identifying risk areas, and determining measurements
- Investing – Dedicating resources, selecting the right channels and tools, and identifying content for social media
- Engaging – Determining the level of participation, engaging audiences in social media conversations, and promoting the effort
- Learning –Monitoring and analyzing the social media involvement, calculating return on investment, and adjusting the activities

While each organization will find their social media experience to be distinctive, they will find best practices in each of these areas are available.

The B2B Social Media Landscape

> *"Everyone tells you that social media is a unicorn, but it's really just a horse."*
> ~ Jay Baer

Jump to the <u>Summary</u>

Overview

The evolution of the Web over the last seven to eight years to the Web 2.0 era has moved the Internet from being seen merely as a publishing mechanism that can be searched (e.g., Google) to the Web as a communications *platform*. This platform then gave rise to social networking (e.g., Facebook), rich, broadband media (e.g., YouTube) and user-generated content (e.g., Flickr). Due to this increased ability, Internet usage has permeated the developed world.

Recent statistics:
- Worldwide, 1.9 billion people[9] are active on the Internet (as of August 2010). In North America, the penetration rate is 77.4 percent.
- More than 4 billion people around the world use mobile phones (and 450 million of those people use the phone for their Web experience).
- 43 percent of the 2009 Inc. 500[10] reported social media was "very important" to their business/marketing strategy.
- 91 percent of the Inc. 500[11] was using at least one social media tool in 2009 (up from 77 percent in 2008).
- Facebook, in just over two years, has grown to 500 million users as of August 2010.
- LinkedIn has more than 75 million members in over 200 countries, as of August 2010. A new member joins approximately every second, and executives from all Fortune 500 companies are LinkedIn members.
- As of May 2010, more than 106 million Twitter accounts exist[12], where 55 million tweets are sent daily. 10 percent of those tweets are links to blogs and news sites, and 27 percent are private conversations. 38 percent of Twitter users are over age 35.

As the content on the Web grows exponentially, this has made finding relevant, trusted content harder. People go online to find answers and recommendations, not just data. So, the Internet grew to forming communities, who work together, to build something new and share what they know. Enter social media.

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[9] Internetstats.com , "<u>World Internet Users and Population Stats</u>," (2010)

[10] Center for Marketing Research at the University of Massachusetts Dartmouth, "<u>Social Media in the 2009 Inc. 500: New Tools & New Trends</u>" (2010)

[11] "Social Media in the 2009 Inc. 500: New Tools & New Trends" (2010)

[12] Web site monitoring blog, "<u>Twitter Facts and Figures</u>" (2010)

Social media falls into six general categories:
- Blogs and Twitter (considered micro-blogging)
- Content origination (podcasts, Slideshare)
- User generated content (including YouTube, Flickr)
- Social networking (i.e., LinkedIn, Facebook, MySpace)
- Message boards
- Wikis and private online communities

Social Media's Promise

The social media phase of the Internet has been widely discussed by media, academics and opinion leaders as being a seismic shift in the way people communicate and connect. The availability of data alone does not necessarily mean anyone knows anything more meaningful. A more editorialized, contextualized and specialized Web that will reverse the trend of an endless sea of data that has no real meaning. People will be turning to social media to help resolve some of the overload dilemma and find answers, recommendations, and trusted opinions. Because social media allows people to connect with their peers, they find people like themselves to tell them what they think and like, what they gravitate to, and help them make decisions. These decisions span the personal to the professional – from where to go on vacation to adopting new software systems within their companies, from offering their opinion on the new bestseller book to recommending people for jobs, partnerships and vendor relationships.

Business Uses

> *"It happened last year, around the first of July. In my experience, the switch [where social media became serious business] was just about that abrupt."*
> ~Tammy Erickson[13]

For businesses, the nature of Web 2.0 has potential for marketing. Businesses are able to join conversations – which are already happening online –to help them stay top of mind and be considered when the time comes to purchase or participate.

The recent study, *Social Media in the 2009 Inc. 500: New Tools & New Trends*[14]**,** by the Center for Marketing Research at the University of Massachusetts Dartmouth, shows that the Fortune 500 and the Inc. 500 are adopting social media at a rapid pace. As one point of reference, 52 percent of the companies are using Twitter for business purposes.

Once a business joins the social media realm, most who enter for marketing purposes have concentrated on using social media to establish a greater presence, join and form communities, research for connections and data on customers, speed up their outreach efforts, and gain

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[13]Tammy Erickson. "The Moment Social Media Became Serious Business," *Harvard Business Review* blog (19 January 2010)
[14] "Social Media in the 2009 Inc. 500: New Tools & New Trends" (2010)

visibility, reputation and image. They do this with a relatively small investment. They also are discovering that social media has birthed technologies and processes that are making current job functions and business processes more efficient and effective.

Of all the aspects of social media, three facets appear to have the greatest appeal and use for B2B: social networking, blogs and content origination. These are discussed most widely in this report.

Market Segment Differences

The most active market segments in social media are, unsurprisingly, media and technology. The least engaged are retail, food and beverage and financial brands, according to the 2009 report by Wetpaint/Altimeter Group, ENGAGEMENTdb[15], which ranked the top 100 global brands' level of social media engagement.

According to a 2010 Computer Economics Report[16], market sector has some influence on social media adoption rates. They state that in the last two years, banks in particular have ramped up their use of social media, though as a whole they are still behind other industries. The report authors believe this to be primarily due to the conservative and regulatory nature of that business. Manufacturing, retail/distribution and utilities lag, as well, again indicated by the author's research that their conservative characteristics make them more cautious.

In the early-adopting industries, such as IT, the customer base appears to encourage companies and organizations to engage in social media. Whereas the consumers of medical and health industries and the industry insiders themselves seem to be pushing and pulling each other along.

However, most trend-watchers of social media adoption agree that the next two years will see a seismic shift in how all market sectors view social media and its place in communications and marketing. This is primarily because organizational performance is beginning to be proven to correlate with the level of social media engagement.

Summary
- People go online to find answers, not just data.
- The amount of data available online can be overwhelming, and people are turning to their peers, via social networks, to help resolve some of this overload.
- Businesses are beginning to see that joining social media conversations is not only smart business, but becoming increasingly necessary to stay top of mind.
- In the B2B realm, social networking, blogs and content origination appear to have the greatest appeal and use in marketing efforts.
- The most active market segments in social media are media and technology. Financial service organizations have been late adopters and are only now actively exploring social media.

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[15] "ENGAGEMENTdb, The World's Most Valuable Brands. Who's Most Engaged?" (2009)
[16] Computer Economics, "Social Media Adoption Trends" (January 2010)

Further Reading
- *Social Media Manifesto*, by Brian Solis (2008)
- Deming Hill blog, *Why Executives HATE Social Media* (2010)
- SmartBlog on Social Media, *How the SEC Learned to Love Social Media* (2010)
- Harvard Business Review blog, *The Moment Social Media Became Serious Business,* by Tammy Erickson (2009)
- Wetpaint/Altimeter Group, *ENGAGEMENTdb, The World's Most Valuable Brands.* Who's Most Engaged? (2009)
- The Center for Marketing Research at the University of Massachusetts Dartmouth**,** *Social Media in the 2009 Inc. 500: New Tools & New Trends* (2009)
- White Horse, *B2B marketing Goes Social* (March 2010)
- The Economist Intelligence Unit, *2007 Web 2.0 Survey* (2007)
- Internetstats.com, Internet Usage Statistics, The Internet Big Picture, World Internet Users and Population Stats,
- Website monitoring blog, Twitter Facts and Figures

Social Media and the Equipment Finance Industry

The financial industry, overall, has been slow to adopt Web 2.0. The main reasons cited include an aversion to operational, compliance and reputation risks that accompany allowing individuals, such as employees, to use such an open and public forum. Additionally, not understanding the return on investment, having a traditional view on information governance, and the strain on internal resources are also cited as the basis for companies not implementing social media.

The equipment finance industry is no exception and is wading into the social media waters slowly.

The researchers actively monitored 14 industry companies over a six-week period, surveyed 1,000 equipment finance professionals[17] (with a 14 percent response rate), monitored the Equipment Leasing and Finance Association LinkedIn group discussions, and interviewed more than 15 individual members of the industry.

The reasons for slow social media adoption most cited by industry members, via this research, are
- an unfamiliarity with what social media is and what it can do,
- a lack of good, understandable social media metrics, analysis and ROI measuring, and
- the time intensive nature of social media.

> *"We thought it might be a good way to get the word out that we've got a tow truck for sale. But, we've got so many different segments that we finance – 12 to 15,*
> *so we have different pieces of equipment for sale.*
> *Do we bother everybody with a golf cart? How do we get the word out then?"*
> ~Equipment finance company marketing specialist

At the same time, research shows that the relationship-building aspect of social media appears to be appealing. As one industry member notes, "what comes into the purchasing equation is price, terms, covenants. But, still people do business with people they like. So, social media can help build trust that you are a good person to do business with."

> *"What I've observed in equipment finance is that it may be transactional on paper, but there definitely is a very social and relationship-focus requirement to be successful. The sales people are touring plants, meeting with CFOs…they aren't auto-quoting deals."*
> ~ Equipment finance company marketing specialist

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[17] "Equipment Leasing and Finance Foundation Survey on Social Media" (Summer 2010)

A review of the survey responses indicate that B2B social media marketing in the equipment finance industry – like most industries –is still in the nascent stage, with participants waiting for clearer directions and guidance for return on investment and development strategies.

How long has your organization been using social media?

Category	
> 3 years	
2-3 years	
1-3 months	
1-2 years	
3-6 months	
6-12 months	

Percentage of organizations
Equipment Leasing & Finance Foundation Survey on Social Media, Summer 2010

Other top level findings of the survey include:
- Regarding ROI of social media, 59 percent of respondents plan on doing more in social media regardless of their current ability to prove ROI. Yet, 59 percent also say they need better metrics to measure their results, indicating a need or desire to demonstrate ROI.
- While 30 percent of respondents agree that they find social media is a critical component of their business operations, organizational support is lacking. Only 17 percent say their executive leadership is firmly committed to it for their organization and just 12 percent say the entire organization supports social media activity.
- Nearly half (46 percent) of respondents say they are active or very active in social media, and more than half (57 percent) believe they range from adept to expert in their proficiency.

Yet, when monitoring the 14 industry companies, the authors also discovered
- Three of the 14 companies had zero posts across the board.
- Nine of the 14 companies had five or less posts in the monitoring period.
- A few of the companies use social media to promote their consumer products and services; however virtually no social media content dealt with B2B financing services.
- The largest companies posted the most relevant content and used the most social media channels to communicate messages.

These findings may have more to do with the depth of support of social media internally for a number of organizations. Survey findings show that just less than half of organizations (46 percent) allow access to social media sites, while 54 percent either block or allow limited access to social media sites.
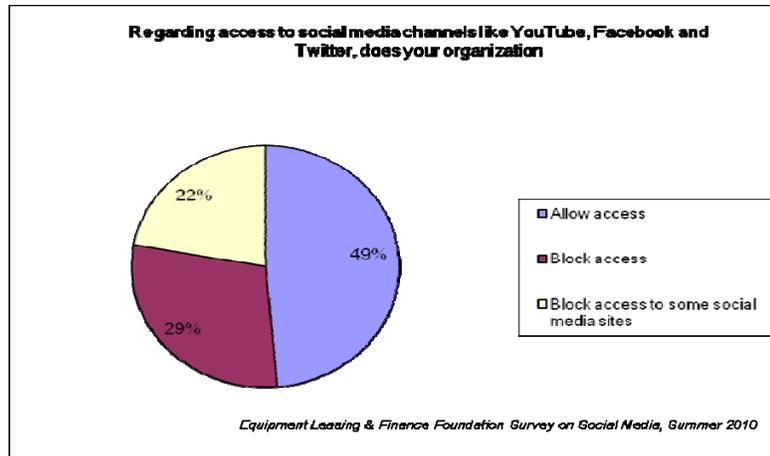
Specific social media activities respondents' organizations engage in:
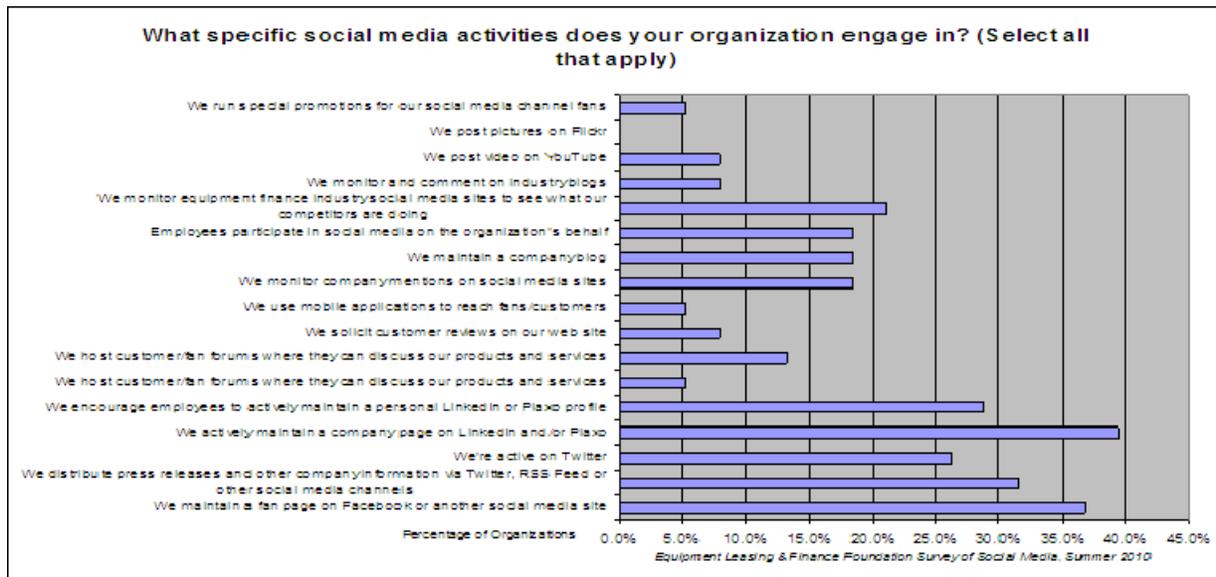
Several of the social media experts the authors spoke with say the industry is well-timed to engage social media strategies, as several new developments have made it an ideal time for a B2B industry, such as the equipment finance business, to begin exploiting what is possible with Web 2.0.

The industry appears to be agreeing. In the next 12 months, 41 percent of survey respondents believe their organization will be more active and expand into new social media, 40 percent believe they will maintain about the same level of social media activity, and 17 percent don't know. No one said they will reduce their social media activity.

The authors conclude that as the economic return of using social media (lead generation, sales, operational savings) overcomes expense and threats to confidentiality and proprietary activities, equipment finance companies will embrace this shift in human interaction more vigorously.

> *"There is an opportunity for reverse mentoring around social networking. The older generation has seen it as nonsense, but we are beginning to see a lot of interest from people to at least better understand it."*
> ~ Vice President at an equipment finance company

Further Reading
- *The Equipment Leasing and Finance Foundation Survey on Social Media* (Summer 2010)
- Harvard Business Review, *Time for Investors to Get Social*, by David Teten and Chris Farmer (2010)
- FinancialMarketing UK, *The Impact of Web 2.0 on Financial Services* (presentation available after free registration)
- FinancialMarketing UK, *Web 2.0 in Financial Services* (report summary available at no charge)

When Social Media May Not Make Sense

> *"People who know the edge of their own competency are safe, and those who don't, aren't."*
> ~Warren Buffett

There are some scenarios in which social media may not be a good fit. If the circumstances described below exist in your company, tread carefully into the social media ocean or think twice about employing social strategies.

1. *Companies that are characterized as having a small volume of customers involving a high-ticket product or service.* If an organization only has a few clients or its revenue streams come from just a few sources, personal contact and in-person communication trumps technology-dependent contact. Social technologies may still have a place, but they will never fully replace personal touch.

2. *Companies that have a disgruntled employee base.* If a company is at war with its employees, providing a very public platform for their complaints can spell disaster. Having a dialogue where employees question or discuss certain internal issues, openly, can be healthy and aid in an organization's authenticity. But, open disdain means trouble. In this case, a strong social media policy must be established before opening up employee participation in such channels. Using social networking tools internally at first to review how employees respond before opening up the dialogue to outsiders would be wise.

3. *Companies under which a significant upper management cynicism or disdain exists for social media.* A healthy dose of skepticism that tempers social media zealousness can be helpful. But, if senior management refuses to get involved at some level in social media, efforts further down the management chain will fail. Concentrate on discussing the value and return on social media (if it exists) for your company before engaging in tactics.

4. *Companies lacking a clear strategic imperative for social media.* If an organization does not know why they are engaging social media, they should not. They will not be able to measure it, and therefore cannot declare victory or failure. It will never become part of a company's culture.

5. *Companies in highly regulated industries where privacy and compliance concerns outweigh the benefit to communicate even traditionally.* Having good social media policies and education for employees is important, regardless of the circumstances. Employees need to understand that anything posted on social networks must follow the same legal and ethical standards as other communication vehicles. However, certain industries, where legal implications around their communication arise easily, would do well to require an ROI backed mitigation function be built into the process. This may include a chief media officer or compliance officer that will employ a review process.

Company Differences

Within the equipment finance industry, many variables exist. Company size, market segment concentrations and ticket size concentrations will impact the type of social media and networks to incorporate in the overall communications plan. All organizations should consider all social media platforms against their unique business objectives. Below are some things to consider under particular organizational characteristics.

Large Company
Organizations with a large employee base will find that guidelines and polices become paramount when adopting social media. Also, employee education may become more formalized in a larger organization. Additionally, having a cross-functional social media strategy team becomes very important for larger organizations due to the sheer volume of individuals tweeting, posting, linking, commenting and sharing. In order to ensure a strategic direction is followed, best practices are gathered, and appropriate messaging and sharing are being conveyed, a larger organization should consider using internal social networking tools and good old-fashioned in-person strategy meetings to handle the volume of incoming data and results.

Small Company
Smaller companies are able to have a more organic approach to social media. However, this does not mean social media should become a free-for-all. Best practices and activity become more transparent and more easily shared. Ensure that it happens. Also, a strain on resources tends to occur in smaller companies. So, choosing social media platforms becomes even important in smaller companies. Smaller companies should consider what they can reasonably sustain over the longer term. Also, often just one or two individuals, who have a passion for social media, begin to interact on social platforms on behalf of the organization. Be sure that one social media evangelist, who will impact the public face of the company, is not doing so by himself. Be sure that social media executioners are in line with the company's overall social media objectives in addition to his or her own personal branding exercises. Also, protect the organization from a "social media star" or evangelist employee's departure negatively impacting the company. Smaller organizations should consider having more than one individual involved in social media activities for this reason.

Large Ticket
Those companies engaged in large ticket markets will want to spend their social media energy wisely in order to realize returns on social media engagement. Identifying the audiences with whom they wish to engage becomes easier. But, it also becomes more important if social media is to result in deal origination, sales leads and current customer relationships. Engaging with them online may or may not be the best course of action. The use of private online networks and established channels appears to be the best place to start, then adding other social media channels based on where the audience resides online.

Small and Medium Sized Ticket
Companies engaged in small and medium sized ticket business will find a plethora of social media options. The customer base is wider than large ticket and involves a multitude of different markets and vertical niches. Identifying the technology and behavior habits of customers is still key. But companies involved in these ticket sizes will find some percentage of their customer base appreciating online networking and conversing. Research shows that the more technologically advanced and technology oriented the vertical niche, the more welcoming that customer base will be around social media. For instance, IT and medical and healthcare industries are earlier adopters of social media than agriculture and manufacturing industries. (See section on *Market Segment Differences*.) Organizations would be wise to look into the regulatory and compliance issues related to social media in each market niche in order to ensure violations do not innocently occur due to the (more) informal nature of social networks.

THE SOCIAL MEDIA PRIMER

A "How To" Guide

> *"You need to get involved before you need to. It takes time to build a following. Build your relationships and reputations as soon as possible. Then, when you want help, people will already know you and, ideally, trust you."*
> ~ Shel Israel[18]

This section is a guide to help equipment finance organizations launch a social media campaign. It includes the six stages of a social media effort:

- *Prepare*– Preparing an organization for social media
- *Listen*– Gathering intelligence about social media and about audiences
- *Plan*– Knowing what will be tried, what will be measured, and areas of risk
- *Invest*– Dedicating the resources and determining where time, energy and funding will be invested
- *Engage*– Understanding the main social media channels and determining the level of involvement
- *Learn*– Analyzing, monitoring and adjusting the social media effort, including measuring the return on investment

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[18] Shel Israel. *Twitterville: How Businesses Can Thrive in the New Global Neighborhood (*Portfolio Hardcover 2009), 151

Primer Outline

All organizations should consider what is appropriate and possible under its level of commitment, abilities, culture and structure. However, the basic steps all organizations should consider taking are in the following pages of this section. They were gleaned from the best practices and guidance available at the time of publication.

Not every company will be willing or able to incorporate all the suggestions listed, particularly in the most active engagement phase. However, all organizations should understand the return on incorporating social media activities is in direct proportion with the effort.

The primer was designed to help organizations launch a corporate-led social media effort. Yet, social media is about individuals connecting to other individuals. Therefore, individual employees seeking to establish a social media effort for their careers will discover a plethora of strategies to adopt, as well.

The ensuing guide is presented in a linear fashion as much as possible given the topic. However, certain discussions and research around adopting social media may need to occur in tandem or on parallel tracks. These cases will be self evident.

Lastly, the guidance below was developed to provide an organization with enough information to get started. Further research and exploration is encouraged.

Six distinct phases are recommended. Under each phase description below are sub-sections in which we will explore best practices, guidance, and steps to take. Additionally, a summary, tools to consider, and further reading suggestions are provided at the end of each of the six sections.

The Six Phases

PREPARE ⟹	LISTEN ⟹	PLAN ⟹	INVEST ⟹	ENGAGE ⟹	LEARN
✓ Understand the new culture ✓ Form a cross-functional social media team ✓ Identify goals and objectives ✓ Know thyself	✓ Gather intelligence ✓ Get your "data house" in order	✓ Have a plan and a strategy ✓ Identify what to measure ✓ Identify risk areas	✓ Become discoverable, searchable, shareable ✓ Determine the need for new communities ✓ Select the right channels and tools ✓ Dedicate resources ✓ Identify "real" content	✓ Let the brand personality shine ✓ Determine level of participation ✓ Understand the four horsemen of the B2B social media kingdom ✓ Promote the effort ✓ Reward success	✓ Adjust, abandon, change ✓ Analyze, monitor ✓ Calculate ROI ✓ Optimize

Prepare

Understand the New Culture

> *"No matter how compelling a technology or potential relationship might be, in the face of an immovable mass called company culture, and without the right organization and leadership in place, any digital strategy will fail."*
> ~Charlene Li[19]

A fundamental shift in openness is occurring across corporate America. Social media is challenging organizations from the inside. Individuals, once hidden behind a corporate veil, are now taking the reins, empowered through new technologies and media to communicate with and solve problems for customers, and be the forward face of business. Corporate brands and customer interaction are becoming increasingly tied to the individuals who work for companies.

Employees are willing participants, too. Regardless of a company's philosophy on using social networks, they are tapping into them with increasing speed and passion. In the research within the equipment finance industry, many companies – 54 percent in *The Equipment Leasing and Finance Foundation Survey on Social Media* – do not allow access to social media outlets from their networks. But, with the growing use of mobile devices, this will not stop individuals from using social media. With rare exception, virtually everyone working in the business world today has had a taste of the impact of social media on themselves, personally, or professionally. In short, they are online anyway. Networking, sharing, commenting.

Companies across America are finding themselves left to respond to this escalating activity – and the power that comes from it. Clearly, an understanding must be reached.

Some – the early adopters – are even tapping into social networks and adopting the corporate spokesman role without being told to or getting permission. This is usually not out of defiance, but rather, out of a sincere passion to engage with others and advance their careers, profession and employers. Corporate America will need to prepare itself for the rise of the worker who is empowered over what is possible – versus what is permissible – with today's new technology landscape.

> *"A key difference today is that a new generation of workers is coming of age that believes 'sharingness' is next to—or more important than – godliness."*
> ~Charlene Li[20]

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[19] Charlene Li. *Open Leadership* (San Francisco: Jossey-Bass, 2010), xiii
[20] Charlene Li. *Open Leadership* (San Francisco: Jossey-Bass, 2010), 23

Challenging Business's Ideology

First, business leaders will need to come to terms with the fact that the very nature of social media goes against many long held beliefs around how business should operate. Social media is the epitome of "paying it forward." This is contrary to most business ideology.

Traditionally, businesses offer a product or service. Customers pay to gain access to it. They deal with silos and gatekeepers and managers. At some point, the deal is done. Companies trust they will come back again.

In social media, individuals offer their services – but this time they are in the form of solutions, useful information, guidance, advice, connections to others and other resources. Then, they are offered again. And, again. And sometimes even again. Then, it gets paid back – but only if they found it useful – by them passing along the information to their network, by engaging with the person, by referrals, and by promoting them.

Companies interested in exploring social media will need to adopt this way of thinking. In social media, generosity is the new currency, and everyone is expected to be a big spender. Success in adopting social networking directly resides in how well companies adapt to this mindset.

Additionally, the democratization of data, due to this overabundance of sharing, has increased commoditization. Examples include real estate and travel. These industries – whose very business model was built on keeping information private and proprietary to which only they had the keys – have been forced to rapidly adapt to the fact that anyone could now search, review and choose what they had deemed secret. This demands a new level of service and a new level of usefulness.

> *"…Lethal generosity: a phenomenon used by the smartest of companies. In social media the greatest influence invariably goes to the most generous participants, not the loudest. So, if you join a community where a competitor exists, or is free to join, and you give more to that community than the competition, the other player is forced to either to follow you or to abstain from participating in a place where customers spend time."*
> ~ Shel Israel[21]

Form a Cross-Functional Social Media Team

> *"Executives often ask, in so many words, 'I am responsible so I have to have control. If you're telling me to give up control, how can I manage the discrepancy between control and results?' The problem is these leaders are asking the wrong question. They should be asking, 'How do I develop the kind of new, open, engaged relationships I need to get things done?'"*
> ~Charlene Li[22]

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[21] Shel Israel. *Twitterville: How Businesses Can Thrive in the New Global Neighborhood (*Portfolio Hardcover 2009), 106, 107

[22] Charlene Li. *Open Leadership* (San Francisco: Jossey-Bass, 2010), 13

Similar to the conversations businesses had about who owned the website in the mid 1990s, we are now asking who should "own" social media. This is tantamount to asking who "owns" e-mail or the phone. In truth, everyone does.

Rather, knowing who can effectively drive the social media train inside an organization is key. The consensus? Look to the middle.

"You need commitment in the middle management level, more than anything," says Scott Allen, a social media strategist and founder of NFN8 Media as well as co-author of the *Virtual Handshake*. "The department heads are the people who are going to drive social media more than anything inside the business world. Perhaps small organizations will handle it differently, but certainly in larger organizations, it will be the middle. The CEO can't drive it down to the sales people if the sales director isn't on board. And, the individual sales people can't use social media effectively either if the sales director isn't on board."

Even with a few middle managers who might be eager to engage in social networking strategies, forming a cross-functional team that includes several disciplines will ensure rapid and efficient adoption. At the very least, sales and marketing, legal, operations, IT, and public relations are functional areas that need to be involved.

The task of the team is to conduct the necessary research, planning and strategy, and ensure the tools, budget and resources are identified and deployed effectively. The first conversation they should have is around, "why are we doing this?"

Identify Goals and Objectives

Once a commitment has been made by the organization to move forward with a social media plan, identifying the goals and objectives of the effort is the next logical step.

Too often companies decide to adopt a social media tool or channel, like establishing a LinkedIn group or launching a blog, before understanding *why*.

The most basic questions to ask internally: Why are we interested in social media at all? What do we want to accomplish? The answers may include the need for:

- Increased visibility
- Distributing company information
- Defending/building the brand
- Getting closer to customers
- Building a safe community or marketplace
- Providing customer support
- Generating sales leads
- Spotting trends
- Keeping an eye on the competition
- Learning what customers are thinking and saying
- Fame and recognition

If the purpose of the social media effort cannot be articulated, do not start until it can be.

Know Thyself

> *"People want social media paint-by-numbers. It doesn't work that way. There are guiding principles, yes, but everyone has a different set of circumstances.*
> *Everyone's story and playbook is different."*
> ~ Jay Baer

It takes courage for an organization to upend the usual ways of reaching customers and doing business, and allowing a greater level of individual communication between customers and employees. Therefore, a company needs to know what works for them. There is no one size-fits-all.

As everyone gets excited about what is possible, start with what is *probable*. This will be unique to culture, company size, customer base, structure, goals and objectives, and access to resources.

Also, at some point, count on the fact that an idea will arise that just will not work. It may make sense on paper, but it won't work for customers or the culture.

Know which organizational model will work for you. Charlene Li cites three models to consider in her book *Open Leadership*:

> *Organic*
> The organic model allows for efforts to unfold, without a lot of direction or control. Sometimes new endeavors even occur in a "stealth mode" without official permission or oversight. Microsoft is one example, which allowed for any employee to blog.
>
> *Centralized*
> A centralized approach usually is adopted when there is a mandate or directive to conduct social media. There is a plan, a strategy and specific players run the show. Starbucks has a centralized undertaking with a specific six-person team that directs the social media initiatives.
>
> *Coordinated*
> The coordinated model is decentralized by nature, but with some boundaries. Departments or certain people are responsible for staffing, budgeting and executing social media programs under an umbrella of guidelines, policies, best practices and perhaps even mandated technologies. The American Red Cross, with its 700 chapter structure, is one example. The organization provided the guidance and covenants, but the chapters largely run their own efforts.

What Are You Willing To Contribute?
Additionally, know what can be reasonably contributed to others. Social media is public and carries with it the ability for ideas to spread fast. Information should be shared in social networks that is relevant and useful. Participation should be dictated by where your presence can have the most influence, and influence that matters. Later in this paper, in the section, *Identify "Real" Content*, companies can learn how to identify what constitutes good content.

Dealing with Failure
Consider – in advance—how to handle missteps, failures and negativity that may arise. Regardless of model, unexpected results and failing at social media endeavors are to be expected at some point.

Google's motto "fail fast, fail smart" is a good mantra when first launching into social media. Google – one of the most compelling success stories in the last decade – has had some spectacular disappointments, such as Google Wave (their social form of Gmail, where threads of communication could be formed including video, images, files, and chatting in real-time). It never fully took off, forcing Google to remove its support, at least publicly.

Cultures that can learn from mistakes and empower creativity by giving employees knowledge and resources to be successful will be met with greater success than employing fear tactics, such as covenants that read, "you will be fired if…" Additionally, in the end, people who engage with organizations online appreciate good intentions provided missteps are dealt with integrity and transparency.

However, companies should understand and be honest about how they deal with breakdowns, internally, before proceeding.

Summary
- A more open culture, due to social media, is being forced upon corporate America.
- Companies should prepare for a cultural shift when adopting social networking.
- Success in adopting social networking directly resides in how well companies adapt to the mindset of "paying it forward."
- "Social media currency" is a person's time and attention, who will share thoughts and guidance and connect people to other people.
- Many businesses report they will be challenged to allocate enough time and attention to conduct social media.
- Forming a cross-functional team that includes several disciplines and job function within the company ensures social media efforts get off on the right foot and helps with resource allocation.
- No social media effort should launch without having specific goals and objectives for the effort determined in advance.
- Social media offers a multitude of options. Know what will work based on the company's structure and philosophy, what will be contributed, and how missteps will be handled should they arise.

Further Reading
- Pistachio blog, *Selling Social Media "Up" to Management*, by Laura Fitton (2008)
- Interactive Insights Group, *How to Sell Social Media to Cynics, Skeptics & Luddites – Tips, Resources & Advice*, by Robin Broitman (2009)
- *Open Leadership: How Social Technology Can Transform the Way You Lead* by Charlene Li (book) (2010)
- *Socialutions* by Scott Allen, Jay Deragon, Margaret Orem, Carter Smith (book) (2008)
- *Social Media 101* by Chris Brogan (book) (2010)
- Pew Research, *Old Media, New Media* (2010)
- Forrester Research, *Building Successful B2B Financial Services Social Marketing Programs* (2010)
- Pew Research: *Millenials Likely to Have Life-Long Online Habits* (2010)

Listen

Jump to the <u>Summary</u>

Before engaging online, listen to the networks. Listening is one of the most important actions an organization or individual can take before engaging in social networking.

Social networks are not like traditional channels. They have certain standard operating procedures, cultures, etiquette, morals and ethics that are, largely, unspoken. When first engaging, and people realize a participant is new to the conversation, there is some tolerance for an occasional misstep. But, understand that social networks have their own culture, and people expect participants to adopt the adage, "when in Rome…"

First, log on. Then, listen for what is being shared, who is influencing others, and the overall tone of the conversations. Ultimately, identify what transpires online that would impact or inform business objectives.

Gather Intelligence

Listening to social media chatter presents an opportunity to glean enormous amounts of data about other people, people you presumably want to get to know. Employ a systematic and proactive intelligence gathering phase.

1. Have a plan
2. Data mine what is currently available
3. Filter the data deluge

Throughout all these phases, approach data gathering efforts in such a way that you can determine where your presence will be most advantageous (to both you and the community).

Have a Plan

Very simply put, have a plan in place for how data will be gathered, and what will be done with what is discovered online.

First, who will do the gathering? Each member of the team should be free to gather as much intelligence as they can from the networks. Human resources will be looking for different types of information, than say sales and marketing. So, the more different types of functions that can access networking and gather data, the more robust the eventual data repository will be.

What are you trying to find? Sales leads? Brand mentions? Competitor intelligence? Now prioritize the list. Tie this list back to business goals and objectives. This will ensure anyone who is monitoring social media channels will know the level of importance of what they find, and, in turn, know what to do with it.

How should the data be synthesized? As information is gathered about online communities, the discussions taking place, and how customers are responding, it will need to be assimilated into action plans. It should then be shared with as many people internally as possible to show what is being found.

An organization may discover that people are talking about the competition, and not talking about them at all. This means outreach efforts may need to be aggressive. A company may discover whole communities have cropped up around them, about them or their market. Duncan Aviation, one of this paper's *CASE STUDIES,* started their social media effort when they discovered employees had launched their own Facebook community without the company even knowing about it.

How will the data be housed? How will it be shared with others within the company? Many collaboration tools are available via social network technologies, such as Yammer (Twitter for inside a business), wikis, CRM systems, and other platforms that help employees share data and intelligence with each other in a private, safe environment. Know how to get what is found to others, internally. There is no point in gathering data, by a few, that won't be put to use, at large. When launching a social media effort, knowing best practices, what is happening online, and cultural nuances becomes doubly important due to its very public nature. This also helps avoid missteps early.

Data Mine

In this phase take stock of the social media landscape for the company, its customers and prospects and top competitors, and stakeholders. Ascertain *who* is online, and *what* they are doing and saying, and, more importantly, what is *influencing* them.

Be prepared to do some digging.

David Teten of Teten Advisors, which advises investment banking, venture capitalist and private equity firms on how to source new investments, including using social media to do so, says, "Business is filled with discreet industries. A lot of companies don't want to talk about their finance needs. They become nervous when it goes public. Will it leak out to others, competitors for instance?"

Yet, people are leaving trails of behavioral and preference breadcrumbs. The trick is to engage in online social networking anthropology.

To start, identify people online who have something to say about their company, competitors or industry and market. Follow them online. Read relevant blogs, follow them on Twitter, search LinkedIn groups. Then, listen.
- Who leads the conversation (key bloggers, tweeters, etc.)?
- What is being said or written?
- What triggers meaningful reactions or responses?
- Who and what discussions are gaining traction and interest, and why?

Only when the influencers can be identified, and where they are and what they talk about and care about, can they be engaged with your own commentary or original thoughts.

Identify Customers Who Are Online

Fortunately, finding information about people with whom you want to connect is getting easier. Individuals are getting more comfortable sharing. Basic demographics, occupation, location, interests, brand affinities, lifestyle choices, social and online "handouts," friends and associates, business backgrounds, experience level, salaries, and even a person's level of influence, all can be found, thanks to new tools.

Where Are the Customers?
First, know *where* customers and potential customers hang out most of the time, especially current "best customers" and fans. Whole communities already exist.

A quick look at their website home page will demonstrate the level of connection their company has with social networks. Do customers have blogs themselves? Is so, check out their blog roll (list of blogs they recommend reading), which should be listed on their blog. Do they have LinkedIn accounts? Are they on Twitter? What other communities are they recommending? Most people, when involved in online communities, are not shy about boasting where they are online.

Once customers are discovered online, particularly pay attention to communities with a lot of activity. (However, know that being heard will be harder.) Where do conversations exist that could use more insight and information? Expect to be rewarded for adding value where it is lacking.

Many tools and services also are available including RapLeaf, Google Search, and Flowtown that help discover who is online and where—based on characteristics and level of influence. Tools like Klout show the strongest Twitter influencers, based on topic, Twitter handle or hashtag. [23]

From here making the decision to join an existing community or develop a new group can be made. It will help determine where to focus effort based on where constituents are naturally gravitating to – or not.

What Can Be Found?
Biography analysis tools like Boardex, Jigsaw and ZoomInfo allow you to search businesses online and gain initial contact information.

Company data also can be found, such as case studies, presentations, and even what they know or don't know about markets by the questions they ask on blogs. Corporate analysis software, such as Glassdoor, TheOfficialBoard, The Funded, and CogMap, gives a peek inside a company, from their organizational chart to compensation to customer perceptions.

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[23] See the glossary of terms and click on the names of the tools within the document to get more information on specific vendors, tools and services.

If you know a person's Twitter handle, visit Twittercounter to see how much someone uses Twitter, their level of influence and other Twitter stats.

And, LinkedIn and Plaxo provide a great deal of information about individuals, such as where they've worked and their ideas espoused in groups and answers to questions others have posted, such as in LinkedIn's popular "Answers" section.

Do They Want To Talk Online?
But, even then, their ability and willingness to engage *with you* should be determined. This will impact how to entice them into conversation or how to join them in existing dialogue. This means benchmarking customer and prospect social readiness. One way is to survey customers to assess their social computing behavior and attitudes. Forrester Research, in particular, has developed the well-known Social Technographics® framework for assessing whether prospects and customers are willing to comment on blogs, contribute content to online forums or wikis, or view online video segments. An organization can develop its own polls and surveys, as well.

What Am I Listening For?
Yes, monitor key terms, brand names, product types and competitors. But, also spend time on monitoring how much time they spend, where and when. For instance, do they suddenly begin commenting when a new slide presentation or a video is posted? Or, are they drawn in by white papers, long commentary and articles? Do they answer comments that are directly in response to a comment they originally made on a blog, showing they enjoy dialogue?

Think like Brian Kardon, Eloqua's chief marketing officer, who recently said to *Customer Relationship Management* magazine[24], "Someone who responds to an e-mail is a lead. But if they sit through 90 minutes of a Webinar, they are a *highly qualified* lead for us."

Also, don't just listen to the good, also seek out:
- the complaints and the crises
- the expressed need
- the competitor they are engaged with
- the crowd (Why are they being drawn somewhere?)
- the influencers
- threads (those things that catch on)

See what participants value in the social media exchanges. Until what is valued within these existing communities can be determined, you will not be able to produce relevant, shareable "social objects" which is what Brian Solis[25], author of the book, Engage, calls content.

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[24] Jessica Tsai. "The Virtual Welcome Mat", *destination CRM*, (March 2009)
[25] Brian Solis. "The Conversation: Social Media's Critical Path: Relevance to Resonance to Significance," *Harvard Business Review*, (19 July 2010)

Filter the Data Deluge

Overwhelmed is a common state when starting a social media effort. To tame the information beast, consider engaging a Web analysis and filtering system. At the very least, conduct some simple actions. The simplest includes using RSS readers like Google Reader, Google alerts, and aggregation tools. A more sophisticated system, such as Alacra, InfoNGEN, Connotate, DigitalTrowel, OneSource, SalesFuel, Skygrid or First Rain, might make sense depending on the amount and type of data being collected.

It is strongly recommended that aggregation tools and dashboards are adopted to help centralize platforms, such as HootSuite, TweetDeck and FriendFeed. These tools allow you to monitor (not to mention update) several different social media accounts from one centralized place.

Get Your "Data House" In Order

Incorporate CRM, Web Analytics and Other Tools

> *"CRM is where you are going to see an ROI in the business mode as opposed to anywhere else."*
> ~Adam Sarner, Gartner analyst

Social media offers sales and marketing personnel a unique opportunity to make their Customer Relationship Management (CRM) data even richer. CRM systems – once just fancy contact databases – are being enhanced at a rapid pace to assimilate social networking data.

By connecting CRM systems with social networking data of customers and potential customers, social data pays even greater bonuses when combined with CRM's ability to aggregate, analyze and make use of customer data.

Dubbed, CRM 2.0 – the next evolution in customer relationship management systems – more than ever companies can follow and assimilate the trails of data being left about a customer's internal workings – and needs.

This, of course, only works if customers are online. Again, before taking the CRM 2.0 plunge, assess if prospects and customers are commenting on blogs, contributing content to online forums or wikis, viewing online video, have LinkedIn profiles and the like. Many of the vendors listed below can help. But, a company should expect a minimal amount of conducting its own social due diligence.

Connecting CRM with Social Media Data

| Assess internal current CRM 2.0 capabilities | ⟹ | Understand social computing landscape | ⟹ | Develop adoption plan | ⟹ | Connect CRM capabilities with social data |
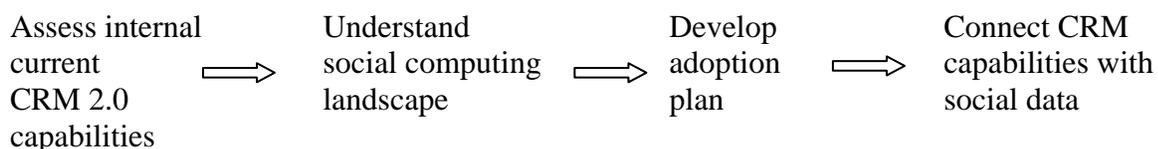
CRM Vendors Adopting Social Media Data
Several large-scale CRM vendors have been adding social media capabilities to their products for the last few years. Oracle's Siebel has added support for social data. SAP's CRM now includes a variety of social media tools. Salesforce, Saleslogix, and Act have added interfaces between social networks and their CRM systems. Experts predict that within 12 months, all CRM system will be incorporating social networking data, as par for the course.

Salesforce.com, in particular, has launched a collaboration platform, called Chatter, which will integrate real-time updates and conversations from people directly into the interface. Employees can post their profiles, area of expertise and photos. A Twitter-like stream of updates also is available that allows co-workers to share the progress of their projects, sales meetings or customer conversations. Facebook and Twitter network updates and streams also can be pulled into the system.

At the same time, Microsoft has introduced its own system, updating its popular Outlook program to soon include social media networks, such as LinkedIn, into its interface. The Outlook Social Connector (OSC) is meant to bring social views of colleagues, connections, and friends right to a person's e-mail inbox.

In addition, real-time monitoring services, like Nielsen BuzzMetrics, Radian6, Visible Intelligence can be integrated into a host of sales management or CRM applications. This means a marketing director can understand if and what customers are discussing about the company online. A sales person could identify that "CFO1987" commenting on a blog is a prospect who was recently called.

> Map social media intelligence to your CRM system, if you have one. After all, what is the point of collecting data from a Twitter stream if the data being collected isn't being put to use?

Add Employee Intelligence
Additionally, several vendors such as J.D. Power, Passenger, and Communispace, to name a few, have private online communities for the purpose of discussing ideas and providing feedback. These are good for organizations that require better employee communication and sharing of corporate knowledge.

As illustration: So, someone from Equipment Finance Company XYZ who wants to talk to the CFO of the Feel Good Hospital System might put on the internal network that they are going to call on this customer. Someone from another office sees this, and comments that he or she went to graduate school with the CFO. Suddenly, someone else chimes in and talks about their experience going to the Feel Good emergency room two months ago. Then, someone from accounting talks about the answer to the question the CFO asked in the LinkedIn financial group they both belong to, which gives insight into what he is wrestling with.

Internal social networking sites are like this, mixing the personal and professional in a (somewhat) controlled, private arena. And, few sales people will say that having less data about customers (and especially prospects) is better than more data.

Summary

- Listening is an important, first step before engaging social media.
- Engage in social networking anthropology: Find out who is online, what they are doing, and if they feel a need to talk with you.
- Know what to listen for. Identify what transpires online that would impact or inform business objectives.
- Plan intelligence gathering efforts before data mining what is currently available, who is online, and what they are doing.
- Identify what is being valued in social media exchanges, in addition to who is online and where.
- Use the tools available to conduct deep digging into customer and market data.
- Know how to filter the massive amounts of data available, what will be done with it, how to identify best practices, and how to share them internally.
- Connect social data with CRM systems.
- Consider adopting social networking tools, internally, for employees to better share corporate knowledge, best practices and their connections.

Tools
Note: Many of these tools have cost-free options.

Real time- monitoring/CRM support:	People searching/influence:
- Act - Microsoft Access - Nielsen BuzzMetrics - Netprospex - Networked Insights - Oracle's Siebel - Outlook Social Connector (Microsoft) - Radian6 - Rapleaf - Salesforce - SalesLogix - SAP's CRM - Visible Technologies	- Boardex - Flowtown - Google Search - Jigsaw - Klout - Pipl - Tracked - TwitterCounter - ZoomInfo
Corporate analysis:	Web analysis, business intelligence
- CogMap (non-fee-based) - Glassdoor (non-fee-based) - TheFunded (non-fee-based)	- Alacra - Connotate - DigitalTrowel

• TheOfficialBoard (non-fee-based portion)	• First Rain • InfoNGEN • OneSource • SalesFuel • SkyGrid

Data Aggregation/Dashboards
  • FriendFeed
  • HootSuite
  • Outlook Social Connector
  • TweetDeck
  • Twirl
	Private, Online Communities
	  • Communispace
	  • J.D. Power
	  • Passenger
	  • Yammer

Further Reading

- Harvard Business Review, *The Conversation: Social Media's Critical Path: Relevance to Resonance to Significance*, by Brian Solis (2010)
- CRM magazine, *No One's Social (Yet)*, by Lauren McKay (2010)
- CRM magazine, *Sales in the Facebook Era*, by Clara Shih (2010)
- CRM magazine, *The 5 M's of Social Media*, by Lauren McKay (2010)
- CIOZone, *CRM 2.0: Fantasy or Reality?* (2008)

Plan

> *"The technology is the least important part of social media. We know how to tell stories about our company and build relationship with customers. But we get freaked out when it's via some different mechanism that we aren't used to. The core principles are the same with one difference – customers have a level of participation and control they haven't had before. We no longer can dictate to customers. We have to build partnership with them. Social media isn't really about YOU. It's about finding out what others are doing and care about."*
> *~Jay Baer*

Jump to the <u>Summary</u>

Have a Plan and a Strategy

> *"It's not about doing it all. It's about doing it right."*
> *~ENGAGEMENTdb*[26]

During the author's research, it became apparent that many organizations put tactics before strategy. Many companies are launching a Facebook page, posting a corporate LinkedIn page, and engaging more tactics without a plan.

To be blunt, in order to move social media from mere activity to actual business progress, plan the effort. Pay particular attention to the strategy. The social tool is not as important as the social strategy.

A basic plan includes several elements:
- Purpose – Why is the organization doing this?
- Story – What is going to be shared online? What will be contributed?
- People – Who is going to be involved in the effort, from strategic decision-makers to main, corporate spokespeople? Will departments and support individuals within the company have their own online presence?
- Approach – How deeply is the company going to get engaged?
- Platforms, tools, channels – Which are a company going to commit to?
- Technology resources – What needs to be in place?
- Overall philosophy – How will conversations online be handled?
- Production "Schedule" – Who will do what, when? And, who is responsible for content making its way to social channels?
- Measurement – How will success be determined?

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[26] "ENGAGEMENTdb, The World's Most Valuable Brands. Who's Most Engaged?" (2009)

Purpose

Imagine the end-game of the social media effort. What is it that the company is trying to accomplish? Why incorporate social media, or more specifically, social networking into the overall communications plan at all? What does social success look like? Be clear on goals and objectives.

If a company is seeking to generate new leads, then an aggressive outreach strategy should be employed. If the goal is to get closer to current customers, then participating in current customer communities (or even establishing a new community) is an idea. If the goal is to better share, internally, customer data and incidents, or to prospect and service customers better and faster, then an internal social networking system where employees can share customer data, best practices and connections, can be employed.

Story

The section titled *Listen* discussed the intelligence gathering necessary before launching a social media effort. But, also assess yourself and the company. Understanding company culture is key, which was discussed at length in the Section titled *Prepare*.

But, also reflect on the story that the organization is seeking to tell. And, to whom. The company is a collective of individuals who are going to have a voice, and they will be representing the brand. What is the collective organization passionate and commanding about in its market space? Where can unique opinions, thought leadership and authority add to conversations related to its markets? A deeper discussion about developing content can be found in the section titled *Identify "Real" Content.*

People

And, where does the story "break down" into separate authoritative voices? Professional and market-specific knowledge resides within different departments, functions and even within different employees. Who is best to generate thought leadership attention? Who will be seen as having the credibility?

For instance, remarketing personnel will be able to talk about specific equipment types, whereas credit and collection personnel would probably be better suited to delve into topics about what they need in credit scoring software.

Social media strategist Scott Allen says, "Be as minimalistic as possible. Social media *strategy* should be decentralized. The centralized parts should be practices and procedures and standards, which should be set at the corporate level. But, the *strategy* should flow freely from the job functions. Social media is a marketing communications tool. It's a sales tool. It's an HR tool. It's an R&D tool. So the strategies would be different in those areas. It should be seen as a tool you use for your existing job function."

Also, how will the online community team members be trained in overall guidelines, in identifying best practices, and making recommendations for the future? Education is discussed in more depth in the section titled, *Education*. A deeper discussion about setting guidelines can be found in the section titled, *Internal Guidelines/Policy Compliance.*

Maintenance Plans

Social media requires regular maintenance, updates and increasing connections. Avoid "social media fatigue" through shared responsibilities and spreading the tasks across several individuals. Additionally, when looking at engagement best practices making social media part of everyone's job scales the social media effort. A few minutes a day by every (or most) employees adds up.

Approach

There are three general ways to approach social media, which go hand-in-hand with purpose:
- Making current content and online presence easily accessible and shareable
- Joining the current conversations on current networks
- Creating your own conversations, building new networks

But, you do not need to do everything. Build in room for experimentation, quick testing and learning. Choose one to two channels where relationships can be built. Then, add more on other channels. Be willing to start on a small level, but ready to expand on successes quickly.

In the ENGAGEMENTdb report, the researchers discovered that "being selective in one's social media activity delivered higher gross and net margins, suggesting that deep engagement in a few channels can be a rewarding and effective social media strategy."[27] The idea is that if an organization (or individual, for that matter) focuses on depth over breadth, they would be better positioned to understand the people they are engaged with on a deeper level, able to react faster and, overall, improve satisfaction of the exchange. This, they theorize, generates a healthy business cycle.

> It is recommended that companies engage at some level in all three approaches above, but do so judiciously and with purpose in mind.

Platforms, Tools, Channels

From there, the best tools and platforms to use for maximum participation internally, as well as what is appropriate for the audience and content, can be established. Social platforms include
- **Mobile** media, where interaction is largely devoted to a mobile use, such as Foursquare
- **Social microsites** and **micro-communities**, dedicated to a topic or community, such as Fast Company magazine's Company of Friends, Corkd for wine lovers, and WebMD.
- **Forums** and **groups**, such as LinkedIn groups
- **Microblogging,** such as Twitter and Yammer
- **Blogs**, including topical blogs, such as The Lease Guy, and news media blogsites, such as the Wall Street Journal's MarketBeat
- Existing **social networks**, such as Facebook, LinkedIn
- **Original content**, such as a YouTube videos or white paper
- Special **events**, such as Webinars

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[27] "ENGAGEMENTdb, The World's Most Valuable Brands. Who's Most Engaged?"

Know how you will approach each of the social media activities, and the goals for each.

Technology Resources

The technology does not equal a business strategy, but certain platforms will determine if the strategy can be fulfilled. If the plan is to launch or manage blogs or communities on your site, know which technology platforms should be used for what you want to do with them. Having technological capability and know-how is important to have on the social media team.

Philosophy

Also, ask how you are going to deal with social media conversations. How will opposing viewpoints or negativity be handled? Have an effective crisis management plan, but make it appropriate for the social media landscape. Threatening to take down posts and deleting all negative commentary shows a lack of understanding of the way social media works.

Production

Also, include a production schedule for corporate blogging, as well as an understanding of how often and active employees will be in online groups and communities, and other time-intensive activities. If there aren't individuals who will actually engage in online dialogue or develop blog postings or commentary in an ongoing manner, the effort will not get past the gate. So, have an understanding about who are likely candidates to contribute to social communities, and who will be in charge of ensuring that deeper content, such as presentations, videos, podcasts and other more extensive "social objects" will be offered online.

Measurement

Lastly but not least, include how the effort will be monitored and measured as well as to whom successes will be reported. Below is a further discussion on measuring. But, see section titled, *Calculate ROI,* for a further discussion of calculating return on investment.

Identify What to Measure

> *"The key takeaway, regardless of how your company chooses to measure engagement, is that you have a success metric in mind before you begin. Without some sort of benchmark, it's impossible to determine your ROI."*
> ~ Aaron Uhrmacher[28]

After developing the social media strategy and planning out activities, the next step should be to identify the measurements for success for your organization. These measurements are a critical component for determining metrics for your social media efforts, including return on investment. Knowing what to measure must occur before victory or failure can be declared.

If distilled into one, neat "goals" scorecard, and expanding on ideas presented by Forrester Research blogger Augie Ray[29], companies should consider these four buckets:

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[28] Aaron Uhrmacher. "How to Measure Social Media ROI for Business," *Mashable* blog (31 July 2008)
[29] Augie Ray. "The ROI Of Social Media Marketing: More Than Dollars And Cents," *Forrester* blog (19 July 2009)

- Financial achievements expected – Have profits and revenue increased, have costs decreased?
- Risk management gains – Is the company better situated to handle crisis? Respond? Has loyalty or a fan base been established to inoculate against minor crises?
- Brand improvements - Has the "brand needle" moved?
- Increases in original content and digital IP – Has the company's digital presence expanded positively? Has the company's body of knowledge and thought leadership grown?

Now, what would be ideal? And what would be a worst case scenario?

To determine the gains made in the buckets above, a multitude of key performance indicators (KPIs) exists that one can measure in social media, including but not limited to:
- Key influencers engagement, overall subscribers, registrations, group "joins," level of profile completion
- Bookmarks, "favorites," "wish list" additions
- "Likes"/ratings/comments/feedback/posts/reviews/tagging
- Downloads/widget installs/uploads/customization
- Forwards/referrals, invitations to other friends
- Followers, fans
- Page activity, including traffic, views, page "prints," reporting spam/abuse, time spent
- Total number of contributors
- Quantity of conversations
- Quality of conversations (positive, neutral, negative)
- Share of discussion compared to other users, competitors
- Level of participation in one network producing more circulation on another platform like a blog or website or incoming phone and e-mail traffic.
- Search Engine Optimization (SEO) ranking

Comparing those metrics against the business goals will help lead an organization to what results it wants to produce in social media efforts.

Scott Allen also cautions people that social media metrics can be deceptive. High numbers, followers or traffic do not necessarily translate to sales. "Focus on the ideal customers, rather than numbers," he says."Fame and success are not the same thing. Activity does not equal progress."

If financial gains are expected, be sure to measure participation that leads to action, such as active referrals and "forwards," positive commentary, and share of discussion.

If a main goal is to get closer to existing customers, measure the degree to which customers are engaged with you. Do they subscribe to your content or just pass by now and again? Have they actively rated and commented upon your content? What is your share of the discussion with customers over the competition?

Do you want more people to engage with the brand? Measure repeat conversations, time between engagements, and the content of the conversation.

Are the goals to enhance your digital footprint with original, thought leadership content? Become an influencer online? Measure the number (and quality) of subscribers and registrations, the level of bookmarking activity, ratings and comments, and the speed and degree to which your content is being shared and actively "followed."

Many free tools exist that can help track this online activity.

Feedburner and Google Analytics allow a company to analyze blog traffic, subscriber levels, and other trends. Type in a URL (Web address) at Xinu and review a boatload of statistics ranging from Search Engine Optimization (SEO) to social bookmarking to rankings. To see how often online postings are shared on a variety of social networking sites, visit Gr.aiderss.com. Sometrics.com is an analytics site that measures social advertising efforts.

A human being will be necessary to interpret the numbers and determine next steps. But, in the end, did the participation in social media end in a deal or sale, operational savings or a more satisfied customer?

More discussion about measuring and determining return on investment can be found in the section titled, *Learn*. But, before moving on to ROI, a word about risk…

Identify Risk Areas

Obviously risks are a concern to any organization considering social media. You can bet on some breaches, negativity and brand "dings," but then again, is that really much different than being on the receiving end of a negative letter to the editor of a print newspaper? It's worth noting that there are risks to consider from both participating in, and refraining from, social media activity.

The following are among the categories of risk that organizations should review to assess areas for risk management focus:
- Regulatory, including non-compliance with regulatory agencies' rules for communication with the public or electronic communications. An instance of this would be an employee of a public company discussing forward looking statements via a LinkedIn group.
- Proprietary, such as confidential and competitive information. This can occur with location-based networks in which competitors can follow a salesperson's or other key employee's movements or discussion about meetings and premature product discussions.
- Legal, including but not limited to collusion, price fixing, and deal disclosures. Such illegal activity is a risk regardless of the medium by which it gets transferred (phone, e-mail).
- Reputational, which means damage to the organization's (and individual's) brand. This can occur when negative or disparaging comments made about an organization are inflamed or ignored.

The flip side of social media risk is that *not* participating in social media carries risks as well:
- Not being found among competitors
- Missing online conversations in which the organization may be portrayed negatively
- Foregoing opportunities to achieve social media benefits, (i.e., strengthening brand awareness, connecting with customer audience, generating conversation for customer intelligence, etc.)

> *"We need to help employees understand what competitive information is. Not everyone knows this. For instance, travel planners [e.g., TripIt] show me where competitors are going. They also could show where **we** are going."*
> ~Equipment finance industry member

Mitigating Risks

Once the risks have been identified, a risk management plan should be developed. Charlene Li[30], advises limiting risks at the beginning to small ones, which are tolerable to the organization. This serves as an orientation to getting comfortable with small blunders since social media failures do occur.

Li also suggests four processes and skills that can be built into an organization to mitigate risk:
- Conducting post-mortems
- Preparing with worst-case scenarios
- Building in responsiveness
- Preparing for the personal cost of failure

A formal social media policy also is key to an organization's ability to mitigate risks since it can directly address the functional areas where risk exists at the outset of activity. Further discussion follows below under *Internal Guidelines/Policy Compliance.*

> *"Take the problem in earlier, sooner, higher in the organization. Otherwise, you are wasting time and denying the organization at large the ability to bring the entire resources of the organization to help solve the problem."*
> ~Stephen Elop, president of Microsoft's business solutions group[31]

Regulatory Issues

Regulatory compliance and legal issues are considered by 43 percent of equipment finance industry members who participate in social media, according to *The Equipment Leasing and Finance Foundation Survey on Social Media* conducted in summer 2010. Twenty-two percent of

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[31] Stephen Elop, interview by Charlene Li. *Open Leadership* (San Francisco: Jossey-Bass, 2010), 236

respondents say that regulatory compliance restricts their social media activity to the point where they don't participate.

Regulatory jurisdiction over equipment finance organizations varies, depending on whether the company is public or privately-held; a bank, captive, independent or service provider; or has registered broker/dealers.

In his article, "Social media: Risk management strategies for financial institutions,"[32] Andrew M. Baer, Esq., writes "As highly regulated businesses with special obligations to the public, financial institutions must learn to manage the risks of social media before they attract the attention of fraudsters, regulators and plaintiffs' lawyers. With a properly balanced and coordinated social media strategy, financial institutions can reap the benefits of a dynamic new communications channel while avoiding threats to their safety, soundness and the bottom line."

The following are regulatory authorities with oversight of financial institutions:

The Securities and Exchange Commission (SEC), responsible for regulating the U.S. securities industry, in 2008 issued guidance on company websites[33] under the Exchange Act and the antifraud provisions of federal securities laws. This was to provide an update to the guidance it had previously provided guiding electronic communications in 2000.

The Financial Industry Regulatory Authority (FINRA) has jurisdiction over broker/dealers. It issued a regulatory notice[34] in January 2010 in response to FINRA member demand for guidance on how to approach social media. According to Thomas A. Pappas, Vice President and Director, Advertising Regulation, FINRA, "Many firms were sitting tight and not doing anything in social media, and keeping low," he said. "Now at least if they're going to do it, they know what they need to do [to be compliant]."

FINRA views the implications of social media for its members similarly to those of other digital advancements. Pappas says, "Social media is not the first technological development that's ever occurred. We've been dealing with electronic communications issues for 15 years. We first wrote into the rules in 1995 that FINRA has jurisdiction over electronic communications, and ever since then we've been dealing with issues like hyperlinks, websites and instant messaging." He adds, "We consider social media to be the next iteration of electronic communication."

The Office of the Comptroller of the Currency (OCC), which has jurisdiction over banks, has a similar view of social media as the next wave of online communication. As of August 2010, they had no specific guidance on the topic. However, they expect their banks to use and apply existing guidance on electronic banking to social media applications.

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[32] Andrew M. Baer. "Social Media: Risk Management Strategies for Financial Institutions," *SearchFinancialSecurity.com*, (2009)

[33] Security and Exchange Commission. "Commission Guidance on the Use of Company Web Sites," (August 2008)

[34] FINRA, Regulatory Notice 10-06. "Social Media Web sites: Guidance on Blogs and Social Networking Web Sites," (January 2010)

Given that equipment finance companies should have been acquainted with their respective regulatory policies from rule-makings prior to social media, compliance with internal company policies provides the next stopgap for risk management.

Internal Guidelines/Policy Compliance

According to *The Equipment Leasing and Finance Foundation Survey on Social Media,* 21 percent of respondents who engage in social media do not have a social media policy, and only 16 percent have a very formalized policy with roles and responsibilities clearly defined. The rest of the survey responses range from "still developing" to "ad hoc and informal" to "somewhat formalized." A lot of guesswork and unnecessary concern around social media can be alleviated with a well-thought out, well-designed social media policy.

The following are "must haves" when drafting a social media policy according to Upasana Gupta writing in *Bank Information Security*[35]:

- Get User/Business Input. Ask users how they plan to use social media to achieve business objectives. Specify behavior such as time spent and acceptable use with both personal and corporate social media accounts.

- Set a General Code of Ethics. As in the case of regulatory authorities, use the existing organizational code of ethics, if one exists. Those principles shouldn't change regardless of the medium in which they are exercised. If one doesn't exist, there are many corporate codes of ethics available to use as a guide.

- Establish Clear Rules of Engagement. Create an evaluation process social media communicators can use to know when they should and should not engage in a public dialog. The evaluation should include situations your organization would deem "must address" situations, such as correcting false company information, as well as less urgent situations, such as a less than flattering product opinion, which may not require an immediate response. Also determine tone and language to be used (or not used).

- Monitor. Keep abreast of how employees use social media activity, how much time they spend and where they go on the social Web.

- Provide Training. Provide employees with appropriate training so they understand clearly what is appropriate and what is not. This can include drawing on case studies to convey the consequences of undesirable social media activity. Send frequent messages to employees on the misuse of social media. See section on *Education*.

- Set Enforcement Standards. Build disciplinary measures into the company social media policy to reinforce to employees the impact their communications can have.

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[35] Upasana Gupta. "Social Media Policy: The 6 Essentials," *BankInfoSecurity.com* (11August 2010)

A list of existing social media policies can be found online. The two most often hailed as "best of" include IBM's and Intel's guidelines and procedures. The authors have noted that many companies "borrow" from each other, liberally, when it comes to social media policy.

Summary

- The social tool is not as important as the social strategy.
- Imagine the end-game of the social media activities. Answer why the organization (or individual) is getting involved at all.
- Knowing what to measure must occur before victory or failure cannot be declared.
- Dozens of KPIs can be measured. Compare them to business goals. Level of customer engagement is a key KPI.
- Identify risk areas, including regulatory, proprietary and confidential, legal and reputational risks.
- Not participating in social media comes with risks, as well.
- Many established guidelines exist for conducting social media, including from FINRA and the SEC, as well as companies such as IBM and Intel.

Tools

- Feedburner
- GetClicky.com
- Google Analytics
- Gr.aiderss.com
- Pagealizer.com
- Socialmeter.com
- Socialmeter.com
- Statsaholic.com
- Sometrics.com
- StatsAdvisor.com
- Webslug.info
- Xinureturns.com
- Xinu

Further Reading

- McKinsey Quarterly, *Unlocking the Elusive Potential of Social Networks* (requires a free sign-up)
- Forrester, *The POST Method: A Systematic Approach To Social Strategy*, by Josh Bernoff (2007)
- U.S. Banker magazine, *How to Get Started in Social Media* (2010)
- Altimeter Group/WetPaint, *ENGAGEMENTdb 2009 Report* (July 2009)
- eConsultancy, *35 Social media KPIs to Help Measure Engagement*, by Chris Lake (2009)
- Brass Tack Thinking blog, *How to Create Measurable Objectives* by Amber Naslund (2009)

- Social Media Business Council, *Disclosure Best Practices Toolkit*
- Social Media Governance, *List of social media policies*
- Securities and Exchange Commission, *Commission Guidance on the Use of Company Web sites*, (August 2008)
- FINRA, *Regulatory Notice 10-06 Guidance on Blogs and Social Networking Web sites*, (January 2010)
- CFO.com, *The Cost of Social Media Phobia* (2010)

Invest

Jump to the <u>Summary</u>

After conducting the necessary planning stage, which includes investigating the online world (the listening phase), the next phase is to start actively investing in an effort.

This includes ensuring a company's current online presence is "social media ready," individuals are actively participating in existing networks, and, if developing a new online community is chosen, they are connected to existing channels and platforms.

Once the social media platforms and tools are chosen, to which you can fully commit, which really benefit the business goals, and which benefit the individuals who you are connected with, you are ready to begin.

This means logging on, setting up accounts and starting to converse.

Become Discoverable, Searchable, Shareable

> *"If you are not searchable, you will never be found."*
> ~ Jeff Jarvis, blogger, BuzzMachine [36]

To have a real presence online, the organization and the employees need to be easily discoverable. Additionally, content will need to be not only accessible, relevant and useful, but *shareable*.

Corporate Social Networking

To begin at the corporate level, consider integrating social media into *current* communications, PR and marketing strategies. What is the company doing and creating now that can have a social media component? Connect traditional media activities with social media activities so they may leverage the connection, increasing the ROI of both.

This includes search engine optimizing (SEO) the company website.

It all starts with a good website – a home base – that is full of good information, that the company owns (for instance, a blog), and which is well written, clear, concise and includes numerous "calls to action" (opportunities for people to participate).

Then, be sure to engage in strong SEO. Make good use of tagging, keywords and links, all of which make content easier to find online. To do so, understand how people are searching. When they go online, what words do they use to find the company, or more importantly, find what it is

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[36] Mark Wolff. "Web at the Ringside Fight," *Vanity Fair* (March 2010)

offering? When they have a need, you want them to find you first. Wordtracker and Google's advertising words/keyword tool are two tools to help understand how people are searching.

Ensure the website has an RSS feed, and so that portions of it to be easily shared on other online networks, such as making blog posts easily "tweeted," "liked" on Facebook, and "rated" on sites like Digg. A simple tool bar can be added to most Web pages that look like this:
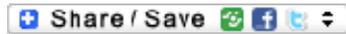
The tool bar can be customized to include various channels. For instance, in the bar above, the "F" stands for Facebook. The "T" stands for Twitter. But, dozens of other channels can be added.

Social media's popularity growth has forced search engines to react to its real time nature. In the past, it could take days – or even months – for search engines to index new content on the Web. Today, real time search is available on all the major search engines: Google, Yahoo! and Bing.

Ensure platforms are connected, so when one channel is updated, such as certain portions of the organization's website (such as a corporate blog), an announcement automatically is made to a Twitter feed, organizational Facebook page, LinkedIn profile and other platforms.

Spread intellectual capital, such as presentations and white papers, across existing multiple platforms, as well. Slideshare is a popular site where people post presentations for anyone to see. Slideshare presentations also can be posted to LinkedIn profiles and other platforms. Video presentations can be posted on multiple platforms and channels, including YouTube, Podcast and corporate blogs.

The idea is to make content available on *multiple* sites, via multiple channels. This increases the odds of being found, as well as increases rankings and "google juice" (Internet slang for the value Google gives a website, which ultimately leads to its ranking in a search.)

> *"Within [the equipment finance] industry, I see enormous potential for the tier two providers to step in, compete and raise awareness through social media. It gives them a channel to bypass some gatekeepers and reach out to customer directly. You could dedicate one person to just working LinkedIn for an entire year for less than doing one trade show."*
> ~Scott Allen

Individual Social Networking

Almost every job function within an organization will find a social networking possibility. Sales and marketing people, in particular, will find numerous ways to research, connect and establish relationships online. From having a strong LinkedIn profile to their own blog, there are numerous social networking options in which an individual can partake. In the section titled *Private Online Communities* we explore how individuals can connect to and use several existing communities.

Determine the Need for New Communities

> *"You have to think about it like you are starting a business. Is there an under-served market demand? If a certain customer group isn't talking to one another – do they need to? Do they have anything to talk about? If there isn't a reason for them to get together, then don't. If so, then do. The idea is to create a place where meaningful dialogue, where multiple sides can be represented."*
> ~ Scott Allen

Consider sponsoring a new community. After engaging in a long and hard "listening" phase, is there an unmet need for people to connect? And, if so, what would they value?

Among existing communities, experts agree that Yahoo Groups, Google Groups and LinkedIn groups are the most used by financial executives. Members-only LinkedIn groups and other private forums, such as the Executive Forum and others are also filling this requirement.

But, perhaps there is a particular set of customers or prospects that are finding it difficult to be heard in existing groups, can't break through member-only gates, have frustrations over groups being taken over by "outsiders" or "lower level" employees, or would just appreciate a tighter knit community. Ask. Then, consider this option.

Also, reflect on the audience's particular concerns, such as privacy. In the financial industry, of course, confidentiality is of key concern. According to recent research by Teten Advisors, senior executives act very much the same offline as online. "They prefer to interact online within gated communities, away from lower-level personnel and 'outsiders,'" says David Teten.

Perhaps there is a gated, online community that an equipment finance company should consider developing. By focusing on a community's communication needs, real value can be established. The technology platform is secondary.

> *"Focus on what motivated people to use new technology. Technologies will come and go, but the fundamental social behavior patterns of people will remain the same. A better long-term strategy for business is to understand people's motivations for using new technologies, and not the technologies themselves."*
> ~Paul Adams, Senior User Experience Researcher for Google[37]

Select the Right Channels and Tools

With rare exceptions, successful social media efforts focus on a few channels in which to participate fully. Of all the things available in social media, the ones most adopted in the B2B space include Twitter, blog and blogger relations, private online communities and LinkedIn. Naturally, other channels and tools are used as well.

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[37] Paul Adams. "The Real Life Social Network v.2" (2010)

How to leverage these four social media "realms" will be discussed in greater detail in the section *Private Online Communities.*

Dedicate Resources

Be ready to invest in people, training and technology.

Time

> *"If you don't have 10 hours a week to dedicate to your social media channels, you're not ready."*
> ~Jay Baer

That quote above alone is enough to scare most people into inaction. In fact, the time it takes to engage in social media was reported as the main reason most equipment finance companies have been slow to adopt social media strategies.

However, companies who have launched successful efforts ensured that social media tactics were spread across the organization. While the core social media team set the overall strategy and guidelines, the efforts permeated throughout the organizational chart. In other words (almost) everyone gets involved. Spread the wealth.

So, a marketing director might handle website updates. The CEO might update the blog. A multi-media director or marketing manager could update the YouTube channel. And, a team of people across functions would update the Twitter accounts, post to Facebook and engage in groups. They may meet once a month to coordinate strategy, share best practices, and talk about upcoming events and presentations that would be useful fodder for online channels.

> *"Smart corporations have come to understand that their credibility rises as they reveal the humans who actually work for them."*
> ~Shel Israel[38]

Budget

While social media efforts cost less than more traditional advertising and public relations campaigns, there are still some expenses necessary including the cost of technology, people and content creation.

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[38] Shel Israel. *Twitterville: How Businesses Can Thrive in the New Global Neighborhood (*Portfolio Hardcover 2009), 181

A [February 2010 nationwide poll](#)[39] of chief marketing officers reveals that businesses currently allocate six percent of their marketing budgets to social media. It is expected to increase to 10 percent during 2011 and 18 percent over the next five years.

In particular, B2B services companies reported the largest planned increases in social media spending, from seven to 11 percent of overall marketing budgets, over the next year.

According to the [2010 Social Media Marketing Benchmarking Report](#)[40], nearly 60 percent of social marketing expenditures next year will be for people, including staff salaries. Another 20 percent of the budget will pay for outsourced agencies, consultancies and other social marketing service providers, such as Web analytic firms, monitoring services and the like.

The key take-way is that budget is being allocated to social media strategies, which means there will be less money for other activities. This budget shift, however, will not likely reduce the amount of time it takes to manage a traditional media effort, say the experts. Expect the time spent on social media strategies will be in addition to the time spent on programs underway.

Education

Train employees in what is acceptable and isn't, the benefits expected from being involved in social media and detailed examples of what is safe to do online and what isn't.

Plan ahead for contingencies and risks, as outlined in the section titled *Identify Risk Areas,* and be sure to address nervousness right away.

Additionally, training should be functionally-based, not tools based. The way in which the sales and marketing team will use social networking will be vastly different from the human resources department. Naturally, for marketing, training should focus on how will they use what is available in social media to make more sales. Human resources training should be oriented toward how social media can be used in recruiting, training and developing employees. And, so on.

> *"In many cases, you aren't **giving** up control – you are **shifting** it to someone else in whom you have confidence."*
> ~ Charlene Li[41]

Technology

While most social media channels offer free entry into their use, expect to have some technological expenses. Smart phones, such as iPhones and Droids, IT equipment and appropriate bandwidth are all necessary for a successful social enterprise.

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[39] Duke University's Fuqua School of Business/American Marketing Association. [CMO Study](#) (February 2010)
[40] MarketingSherpa, [2010 Social Media Marketing Benchmarking Report](#) (2010)
[41] Charlene Li. *Open Leadership* (San Francisco: Jossey-Bass, 2010), 21

Identify "Real" Content

> *"If businesses [use social media as they would a sales channel] they will be irrelevant. They will contribute to the noise out on the Web and, for the most part, be ignored. It's the ones that share and communicate in a way that has impact and relevancy to their customers that will be ultimately successful."*
> ~Kipp Bodnar, Managing Editor, Social Media B2B.com

> *"If you don't have stories to tell, then that's a business problem. It's not a social media problem".* ~Jay Baer

> *"Be comfortable enough to be compelling and take a new approach and put leads, prospects and advocates first, and not a product or rates or machinery first."*
> ~Kipp Bodnar

What should be contributed to the online world? The key word here is – contribute.

When you come across pain points, frustrations, needs and wants of the communities you are engaging, how can you help, *really* help? In the online world, relevancy is king with the desire to share being the queen. So, at the crux of any social media or social networking program is the *content*. Video, a photograph, an opinion, a presentation, a speech, a study. These all count as "social objects."

First, identify what the organization (or you) are passionate about. These are the areas that are sustainable.

These topics for the equipment finance industry could include legislative issues, personal professional expertise, accounting developments, equipment market news, the way to use credit scoring software, and interesting business articles, book reviews, videos, and podcasts. The topics are endless. What do you and your customer have in common that you could get in dialogue about? What are common goals where a person could provide some information or food for thought?

The minds at Radian6 say that "the elevator pitch of Web 2.0 isn't selling features, and benefits…it's finding the moments where their need meets your abilities."

Developing original content is the pinnacle of becoming relevant, but also know that sharing other people's content is rewarded as well. Even news outlets – notorious for developing their own content – are learning they cannot do it alone. As an example, CNN has an online user-generated site called iReport.com where anyone can upload video. CNN staff do review the footage and end up featuring a few on their main website, regularly.

A few more words of caution when posting anything online:
- Do not hard sell
- Do not censor comments
- Do not post false information
- Do not transmit with auto-broadcasters (though use the tools available to "time" certain messages, such as blog postings while you are away)
- Do not just issue press releases
- Do not announce "follow me" or "come to my website"

Consider the channel, as well. How does this content come across online? Common sense prevails. Visual mediums like YouTube require heavy visual content. Blogs attract editorial opinion.

Content also can be developed in countless ways. Speeches can be turned into Slideshare presentations. Corporate video announcements can be posted on YouTube. A comment made in response to someone else's blog post can turn into your own blog feature.

The more the online realm is proliferated with your relevant, timely, useful, substantive content, the more influence will be gained.

The sales cycle, as mentioned before, is influenced by this content as people turn to each other for direction and guidance. But, know that the social media "customer" is processing information differently than from a traditional activity, such as advertising. Someone using social networks and tools will see a tweet about an article, which will have a sidebar pointing them to a Slideshare presentation, which also is linked to a Webinar by someone who has listed his or her LinkedIn profile and contact information. It could be 16 clicks and six months later before someone decides to take an action to actively connect with you, which then puts them on the path to a customer-partner relationship.

The idea is they trust you now because they *know* you. But, to know you they have to be able to find you.

Summary
- Don't do everything, but fully commit to what is chosen.
- Of all the available social media platforms, the ones most adopted by businesses include Twitter, blog and blogger relations, private online communities and LinkedIn.
- Be ready to invest in people, training and technology.
- Only consider establishing a new online community if there is a need for one.
- Identify what to offer online that will be useful, relevant, timely and substantive.
- Ensure people can find you easily, and share your presence and content, easily.
- Proliferate the Web with original content and presence to ensure a strong SEO position, to increase search engine "juice" and to increase the odds intended audiences will find you and have you top-of-mind during commerce decisions.

Further Reading

- Convince & Convert blog, *Four Detective Tricks To Finding Your Customers Online*, by Jay Baer (2010)
- *A breakdown in the popularity of online monitoring tools* (image) Free Flickr account sign-up required
- *The Real Life Social Network* (Slideshare presentation), by Paul Adams
- Social Media B2B, *7 Step B2B Social Media Content Sharing Strategy*, by Kipp Bodnar (2010)
- Marketing Experiments Blog, *Social Media Marketing Human Factor: Finding the Right Person For The Job,* by Nathan Thompson (2010)
- MarketingSherpa, *2010 Social Media Marketing Benchmarking Report* (Executive Summary) (2010)
- Duke University's Fuqua School of Business and the American Marketing Association *The CMO Study* (Slideshare presentation) (February 2010)
- Econsultanty, *Calculating the Cost of Social Media* by Matt Owen (2010)

Engage

Jump to the <u>Summary</u>

Once the social media landscape and best practices are understood, a plan is in place, and the audience is identified, an organization and employee base are in a place to earn affinity, advocacy and action. To reiterate, in the social media environment – and certainly within social networks – the most influential participants are those who give, reciprocate, acknowledge, add value and contribute. From that awareness, you are ready to engage.

Let the Brand Personality Shine

The necessity of projecting an authentic voice on social mediums is why it is difficult to outsource an entire social media effort. Each business or organization has a unique voice.

That voice should match with the online audience, as well. Are you talking to the CEO? The marketing person? The ultimate decision-maker or the gatekeeper? Adopt a voice that will be both true to the brand and one that speaks to the audience.

During the listening phase, the pre-defined personalities of the community in which you are engaging will be determined. This also gets added to the mix.

In the end, however, the most influential voices online are those who maintain a consistent voice that is genuine, transparent and appropriate to the brands they represent.

Determine the Level of Participation

Once an organization or individual decides to "officially" launch into social media, there are several levels in which one can participate. As stated before, the return is directly correlated with the effort.

The three basic levels of participation are:
1. Reactive Mode
2. The Middle Ground
3. Highly Proactive

Reactive Mode

This level is fairly superficial and includes primarily monitoring social media channels and networks for what is being said. Also known as "lurking," the activity is spent in observing.

Most social networks are useless in marketing without participation. After all, customers and prospects won't know how to deal with you because they can't hear or see you. But, if the most an organization is willing to commit is to hang around social networks, below are best practices:

- Determine the best networks to monitor. Where successful competitors participate is a good place to start.
- When first opening an account on Facebook, Twitter or other network, take care that your profile doesn't appear to have been "abandoned." Even in this reactive phase, you will need to conduct some activity, such as keeping personal data and statuses up to date.
- Be sure that if people address you specifically, that you answer them. If not, followers will drop, and in some cases, block you altogether as you may be suspected as phishing or a potential spammer.
- Use aggregating tools, as mentioned before, that make monitoring a one-stop activity.

Additionally, organizations, even in reactive mode, should seriously consider engaging in search engine optimizing their online content, such as a website, and issue press releases that are social media friendly. In reactive mode, you still want to be discoverable.

Finally, temper expectations. High return is achieved with high engagement.

> *"Companies that merely dip their toes in the social-media waters are far more likely to face a backlash than companies that dive in and genuinely engage with their customers. If you are proactively monitoring your online reputation, and proactively reaching out to customers that have issues, you'll all but remove any chance of a backlash."*
> ~Mack Collier[42]

Middle Ground

This phase employs a number of reactive and proactive tactics. Participants are heavier users of networks, including actively engaging in conversations. They actively seek out opportunities to help others, but in a strategic and non-committal fashion, only entering a conversation when they have a burning need to express. In this phase, someone might be using services like LinkedIn, Aardvark and Quora, where expertise can be demonstrated by answering very specific questions about a topic. Or, they might comment on blogs or connect people within social networks whom they've grown to know very well, and actively "trolled," reaching into networks for connections.

Ideas to consider in this level:
- Once participants see someone being active, such as commenting, the expectation grows that a person will be reasonably available for further conversation.
- If directly addressed, a person is expected to answer in a timely fashion (and recall that hours, not weeks, is the new "social" timeframe).
- If a comment is made on a blog, expect commentary on the commentary.
- When passing along information, feel free to comment upon it when sharing the link, presentation or other item. Answer why you believe it is important to pass along.

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[42] Mack Collier. "Having a Strategy Doesn't Make You Social" *Mackcollier.com* (13 August 2010)

Active experimentation – that would ensure meaningful judging of an organization's social media success – can be employed at this level. By committing to just a few channels, such as supporting all-employee LinkedIn participation, an ad campaign that has strong social media components, or engaging in blogger relations (similar to media relations), attention can be focused and strategic.

Fully Proactive

In this mode, organizations have fully engaged employees in addition to making their materials and online corporate assets "social media friendly." In short, engaging in all the ideas outlined in this guide would be considered proactive. This includes, but is not limited to:

- Launching a corporate blog
- Engaging in blogger relations
- Developing content for the online sphere that is searchable and SEOed
- Starting and managing conversations in social networks
- Launching and managing groups within social networks
- Having a high number of employees on LinkedIn, Plaxo and other networks
- Becoming an active commentator, content distributor and curator of social objects
- Employing smart procedures and guidelines not only for employees but also for the participants in "owned" social networks

Expect high returns, but also expect a lot to manage to measure those returns. Once the gates are opened, expect a percentage of people whom you don't want to walk in, will. The more activity employed, the more important it becomes to keep a handle on the activities, the conversations, and ultimately, the business it could generate. Monitoring becomes crucial with a high level of engagement.

Understand the Four Horsemen of the B2B Social Media Kingdom

> *"Communities already exist. Instead, think about how you can help that community*
> *do what it wants to do."*
> ~Mark Zuckerberg, Founder, Facebook[43]

Whether social networking is to get ahead, individually, or to further an overall organizational strategy, tapping into existing social realms is a wise course of action.

Existing communities being used prolifically by business professionals include
1. LinkedIn
2. Private online communities
3. Blogs
4. Twitter

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[43] Dick Martin. *Secrets of the Marketing Masters.* (New York: AMACOM, 2009), 151

These are the "Four Horsemen" of the B2B social media kingdom. In this section of the report, we will discuss how to strategically engage each of these four territories.

LinkedIn

> *"People do not want to be used. But, they do want to be useful."*
> ~Scott Allen

LinkedIn is one of the most popular social networking sites for professionals. Its sheer volume of members, alone, is worth paying attention to. It has more than 75 million members in over 200 countries as of August 2010, which is nearly double the size it was a year previously. A new member joins approximately every second and executives from all Fortune 500 companies are LinkedIn members.

For those individuals who believe social networks, such as LinkedIn, are just for people who aren't already clued in, remember Oracle's Chief Financial Officer, Jeff Epstein, was recruited for the position via his LinkedIn profile.

Another attractive feature of LinkedIn is the fact that barrier to entry is extremely low. Contrary to the Woody Allen-ism that belonging to a club that would have anyone as a member is value-less, this is contrary to the reality of LinkedIn. Anyone with an e-mail address *can* join. This means just about everyone *does*.

What is Offered on LinkedIn

"Members" post profiles that describe their professional experience, employment history, accomplishments and other accolades. They "link" with others (similar to "friending" someone on Facebook).

It is actively used to make new business contacts or keep in touch with previous co-workers, partners, affiliates and clients. Members can search for jobs and companies can search through profiles if they are interested in hiring new employees.

LinkedIn also houses a number of groups, launched and managed by members, on topics as varied as university alumni organizations to finance. Some financial-oriented groups include FinanceClub, the Equipment Leasing and Finance group, Equipment Lease Syndicators, the Lessors Network, and even more niche groups such as the Commercial Marine Vessel and Equipment Finance group. There is even a group for Social Media and Web 2.0 in Banking and Financial Services.

Additionally, a member can post a "status," post presentations from Slideshare, link to their blog, and provide book reviews connected to Amazon.com. Members can offer recommendations on other LinkedIn members. They also use their popular Answers section to demonstrate expertise in a given area by answering questions, organized by topic, which are posted by other members. These are just a few of the functionalities offered by LinkedIn.

The service is basically free, including access to everything noted above. But, they do offer premium levels that cost anywhere from $25 to $100 a year, which allow members to directly e-mail one another regardless of connection.

LinkedIn now also offers the ability for <u>corporations to have profiles</u>, in addition to individuals. Corporate pages are being used to give a snapshot of a company, show the individuals who work for that company who are on LinkedIn, and provide basic data.

LinkedIn Strategies

Several strategies can be employed for sales and marketing professionals in the industry. But, first, understand that the community's etiquette (and LinkedIn's managers) do not allow for blatant marketing and spam-like tactics. Rather, the service is meant to foster connections and relationships, first and foremost, as with any social networking community.

Three strategies for making connections and establishing presence:

1. Monitor existing conversations via the Answers section.
2. See with whom your customers are connected in order to identify prospects.
3. Use the advanced searching capability to find specific individuals.

Results on LinkedIn are in direct proportion to how much activity a member engages in. Members should at the very least, consider active monitoring of existing conversations. This includes joining and participating in LinkedIn Groups and the Answers sections.

The latter allows a search by key terms, such as equipment finance, or within market segments. Sort them by date to ensure the most recent questions (which essentially are stated needs) rise to the top. Do not just respond when there is an active prospect, but focus on providing value to threads that tap into your expertise. "The core concept is to create value for other people relevant to your expertise and your business. This, ultimately, will create value for you," says LinkedIn expert Scott Allen.

As illustration of this LinkedIn searching strategy, let's say, a sales manager from CIT wants to target the company, Boeing, to establish a financing relationship. The manager would look up people who are directors or vice presidents of Boeing and see what questions they ask in the "Answers" section. The CIT manager would be sure to provide answers to their questions. Provided the manager could add value and they actually answer some portion of the question at hand, the question does not even have to be about equipment finance. Then, the manager would identify and join the LinkedIn groups in which the Boeing employee is engaged. The idea is to just be *around them*. The CIT manager wants his or her name to come up a few times in their sphere. After a few similar interactions, the door is open to drop a direct message, because by now the Boeing executive knows, on some level, the CIT manager. And, most importantly, that he or she is *helpful*.

"The idea is to warm them up through public interaction and then get personal," Allen says.

Another LinkedIn tip: Presently, members of a group can send private messages to each other without a premium membership. Otherwise, LinkedIn's version of e-mail, InMail, where members can e-mail someone outside their network, is presently only available to premium membership holders.

A second strategy is to tap into the fact that people gravitate toward people similar to themselves. If a company can identify the ideal current customer, more of the same people can be found. By connecting with existing customers on LinkedIn, you can see who *they* are connected to, thereby expanding prospecting.

Allen cautions, again, "Do not treat them as prospects, but rather as relationships."

A third strategy is to use the advanced search capability to connect directly with people. Search by past or present company affiliation, certain industries, number of years of experience, groups they belong to on the service, job function and company size. This provides direct prospecting opportunities.

> *"If a sales person used these strategies on LinkedIn, within 90 days they should see more leads at the 'top of the funnel.' Within 180 days, they should see more actual contact with qualified prospects. Within a year, they should actually be able to see sales acceleration within measurably shorter sales cycles."*
> ~Scott Allen

Private Online Communities

> *"Privacy and trust go hand in hand. If people trust you, they'll do business with you. And, on the social Web, people need to trust you with a lot of very personal, very sensitive data. How you manage their privacy will often determine how much they are willing to trust you.*
> *So, this is important not just for maintaining people's sensitive information,*
> *but important for building long term repeat business."*
> ~ Paul Adams[44]

In the section, <u>*Determine the Need for New Communities,*</u> we discussed the possibility for developing new groups to serve under represented communities online.

However, many online, members-only groups already exist. Consider these private social networking opportunities. This "club-like" activity tends to produce higher quality relationships. Recent research by Teten Advisors shows that investments emerging from personal and

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[44] Paul Adams. "The Real Life Social Network v.2" (2010)

professional networks yields better returns. In fact, research[45] shows that attending the same school and alumni affiliations carry weight. This impact of personal connection may be why private online communities are so appealing. Executive Forum and IERGOnline are two such organizations. Other groups include Raise Capital, ACG, and specific alumni organizations. Additionally, private communities exist within market segments, such as INMobile (for wireless executives), IERGOnline's finance and banking group, Grouply's Intermodal Transport group, Of course, LinkedIn has a variety of member-only groups, such as the CIO Forum, GE Commercial Finance group, and a variety of equipment finance groups as discussed in the "What is Offered on LinkedIn" section above.

Three strategies to consider when engaging in social networking private communities are
- Choose the right group based on purpose.
- Build social capital among members prior to expecting a return.
- Approach the groups from what you can contribute, and not always from just what you need.

The etiquette varies on each network. The guidance provided above in the section on LinkedIn is a good tenet. People wish to engage in meaningful dialogue and not just be pitched products and services without an established relationship.

Additionally, do not necessarily believe that big numbers equal big results. A smaller group of people who are more closely aligned to the people you wish to connect with could yield more in-depth conversations, which in turn provide more in-depth relationships.

Blogs

A blog is a type of website or part of a website where an individual or group of individuals provide regular commentary, a description of event or other material such as videos, pictures, graphics, studies and research. Most allow visitors to comment. The authors of blogs are free to espouse opinions, judgments and beliefs. As more people turn to blogs and other social sites for their news, any company that wishes to influence an audience must understand the growing influence of bloggers.

The blogosphere is a crowded space. More than 133,000,000 blogs have been indexed by Technorati since 2002. But, half of Americans[46] say they rely on the people around them to find out at least some of the news they need to know, according to recent research from Pew Research Center on Excellence in Journalism. And, 44 percent of online news users get their news at least a few times a week through e-mails, automatic updates or posts from social networking sites. As the power of traditional media outlets is decreasing, bloggers' influence is increasing.

Three main strategies to consider around incorporating blogs into a social media effort:

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[45] Daniel Tage Sunesson. "Alma mater matters: The value of school ties in the venture capital industry," Stockholm School of Economics. (2 April 2009)
[46] Pew Research Center for Excellence in Journalism. "Understanding the Participatory News Consumer," *Journalism.org* (1 March 2010)

- Ownership. Setting up a corporate blog to tell company stories, convey messages and manage discussions.
- Monitoring and commenting. Commenting on other blogs and watching key bloggers' commentary for postings that impact the company, directly, or the market in which it operates.
- Blogger relations and pitching. Pitching ideas to bloggers, similar to pitching stories to traditional media editors and producers.

Ownership: Setting Up a Blog

According to the Fortune 500 Business Blogging Wiki, 79 (or 15.8 percent)[47] of the Fortune 500 are blogging as of December 2009.

By launching a corporate blog, businesses can direct and manage conversations on their territory. However, when exploring launching a corporate blog, the first consideration is determining if there is something interesting to say – both according to the people who will be responsible for the blog and for the intended audience.

If an organization wishes to launch a corporate blog a few best practices are:
- Post regularly.
- Ensure topics are useful to the readers you are wishing to attract, and not just a rehash of press releases.
- Liberally link to information outside the organization.
- Consider multiple contributors.
- Reward regular contributors.
- Share metrics with employees in the company so they understand the importance of the blog.

Many books exist on how to blog effectively. The authors encourage further education before launching a corporate blog.

Monitoring and Commenting on Others' Blogs

At the very least, organizations should be reading established blogs. Start by identifying a handful of blogs that influence the market in which the company operates, and that influence customers and those of competitors. Subscribe to their feeds so posts are sent to an online reader (such as Google Reader) or sent straight to an e-mail inbox. Visiting a blog directly is possible, of course. It's just not as efficient as streaming blog feeds into one central place.

After a few weeks of monitoring, you will see if they allow for comments and how comments are treated. Comment only as often and directly as you have something to say. However, commenting is the fastest way to get the attention of the blogger. This promotes future dialogue,

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[47] "Fortune 500 Business Blogging Wiki," *SocialText.* (2009)

puts the organization and individual top of mind when a blog post is written (i.e., you could find yourself in a blog post), and increases online presence, overall.

When commenting, remember:
- Keep it civil, even if disagreeing.
- Be sure to "check the box" before posting that ensures follow-up comments are forwarded to you, directly.
- Do not blatantly offer up a product or service in comments unless someone is directly asking for such a recommendation.
- Encourage their follow up or response.

Blogger Relations and Pitching

Yes, bloggers can be "pitched," though the first rule of thumb is not to use that word – ever - and not to think about conversing with a blogger as a "pitch." Forbes Publishing recently announced every Forbes writer will now be engaged with social media, especially blogging. The Wall Street Journal and the Harvard Business Review both have a series of blogs. These are just a few on the "hit list" of public relations agencies, marketing firms and public affairs groups.

There is a blog for almost every topic, such as EconoLog (economics), BusinessWorks (small business), and Brian Solis (on the topic of social media). Also, consider smaller niche and market-specific blogs as good targets. Examples include the Manufacturing Industry Blog written by an industry marketing manager for Xerox Global Services, and Health Care Policy, Innovation and Renewal written by a vice president for strategic advancement for a five-hospital system in Nashville.

A few best practices when dealing with bloggers:
- Start reading the blog. If the commentary isn't relevant, move on.
- Comment only when you have something to add.
- Focus on what you have that will contribute. How is what you are sharing going to serve the blogger and its readers? Be sure to submit the content with the idea of helping.
- Pay attention to their blog roll—the list of blogs they also read and recommend. Almost all bloggers have this on their home page.
- Disclose who you are and who you work for. Affiliations should be transparent.
- Do not ask for endorsements. Do not self-promote in the comments. Do not send a sales pitch. If these are violated, you may find you or your company the main topic of an unflattering blog post.
- Check on the specific boundaries, terms and conditions, and community guidelines set by each blog. Follow them.
- Do not use services or technologies for mass-posting comments. This is akin to spam.
- Make it clear to employees, vendors and partners (e.g., public relations agencies) that these rules apply to them.

Twitter

> *"Twitter makes a horrible first impression. It's like a firehose."*
> ~Beth Humble, Duncan Aviation

Twitter is both perfect and difficult for business. Its relevancy is directly linked to how it is used. The power of Twitter has yet to be fully seen. Twitter is a micro-blogging, instant messaging, search engine, and chronicling tool.

After creating an account and setting up a profile, users may essentially "tweet" whatever they want. People talk – in 140 characters or less – and share status, commentary, links and photos.

People sign up (called "following") to monitor other people's tweets in real-time. They also can "retweet" items of interest to their network of followers. People can search on keywords, create lists of followers based on whatever topic they choose to better manage the TwitterStream, and connect their accounts so their tweets can be seen on their blog, on their Facebook page, website and other online communities that they "own."

Tweets are generally more casual, akin to instant messaging than formal messaging. This is why people feel free to tweet what they had for breakfast. However, unless someone is using Twitter for personal instant messaging, the people who are followed the most are those who tweet more insightful and useful notes than the fact the dog just got back from the groomer. A sense of personality is expected. But, for business leaders seeking to use Twitter for business, too much personal information may yield personal connections but may delay or hinder the professional relationships.

Users can speak directly to a particular person on Twitter by including their Twitter handle (@name), which alerts the TwitterStream, at large, that a particular tweet was directed to a specific person. However, anyone who is following either of the two people can see the tweet. Twitter users also can direct message one another so that the exchange can be private, and only seen between the two people conversing.

Tweeples (people on Twitter) also can start a trending topic. By including a hashtag (#) with a label included, such as #finance for financial topics, you are asking people to pay attention to a particular topic. People wishing to continue that thread would include that same hashtag in their tweets about that topic. This organizes the conversation somewhat. People who wish to follow that stream of conversation can search on that hashtag for those relevant discussions.

Often Twitter users recommend others to follow, by creating a hashtag, such as #follow or #FF (for "follow Friday," which is a common day for making suggestions) and listing Twitter handles (such as @SuzanneHenry and @LeaseFoundation). Another way to find tweeples is to check who someone is following by visiting their profile.

The addition of Twitter lists has also been helpful. Twitter users often group their followers into lists, based on topic. This helps identify groups of like-minded Twitter users. Additionally,

visiting WeFollow, you can see the different categories, based on tags, with the leading tweeters for each one.

Because the TwitterStream, scrolling in real time, can be overwhelming, most people do not continually go to www.Twitter.com to use it. Rather, they choose to use a tool like HootSuite, TweetDeck or Twirl to monitor Twitter streams from their computers or mobile phones. These tools display multiple Twitter columns to help filter out tweets, such as a column that only shows tweets related to a particular Twitter handle (such as @competitor or @company), direct messages, and other columns that the user can choose to develop.

A plethora of services have cropped up around Twitter to help manage the "firehose." Twazzup helps keep tabs on what people are saying; Twinfluence and Twitter Analyzer helps measure if influence is increasing or falling. Retweet will tell you what is being retweeted the most at that time. Twitterholic ranks the most followers/being followed. Retweetrank reveals the actual tweets that are the most often repeated.

Using Twitter:
- Tweet messages about business changes and developments.
- Issue hyperlinks to other pieces of corporate information, such as press releases, blog postings, video, podcasts, Webinars and other organizational content.
- Drive traffic to blogs with tweets about a recent blog post plus a direct hyperlink to the posting.
- Share articles, blog posts and other interesting online information (the pinnacle of which is hoping it will be spread via retweeting), again, using a hyperlink to the information.
- Gather feedback, ask questions, crowdsource ideas.
- Converse with customers, journalists, analysts, colleagues and prospects, asking them direct questions.
- "Live tweet" from trade shows, conferences and conventions, helping followers understanding what is occurring in real time.
- Monitor what is being said about a company that is "mentioned" on Twitter.
- Monitor markets and competitors by following their tweets; search for mentions of them.
- Use bit.ly, a web shortening tool, which allows a user to track back traffic, conversations, and history.

Tweeting just two to three times a week can be advantageous. However, you will discover people who tweet up to 30 times a day. It all depends on *what* you are posting.

To ensure the most loyal followers (and increase the odds of being retweeted), tweet mostly useful information, *interspersing* those tweets with links to corporate press releases, blog postings and other more direct company specific information. Do not make every tweet a corporate press release.

Vary tweets by sending out pictures, links to studies, articles, videos, and other blogs, and thoughtful commentary on current events. The idea is to broadcast a *thinking* human being.

In the end, as with many social media platforms, the best way to understand Twitter is to just do it.

> The idea is to broadcast a *thinking* human being.

A Word About Facebook

Any social networking tool that has attracted 500 million users in two short years should not be ignored. In the case study section of this paper, you will see several businesses who have successfully used Facebook for branding purposes.

Facebook has a diminutive place in this paper for a reason. For the equipment finance industry, a body of best practices to support sales and marketing efforts has yet to emerge. The most successful B2B uses of Facebook have involved brands that sell products destined for consumers, such as Cisco and Dell.

In the *Case Study: GE Capital,* we show that the Commercial Distribution Finance business uses Facebook to show the human side of GE and showcase their community efforts. In the

Case Study: Duncan Aviation, readers can see that the company provided an informal platform for conversation among customers. Certainly, it can be used effectively. But, due to its rather indirect support of sales and marketing efforts, Facebook did not make the cut as a "must-have" channel for the equipment finance industry.

For one, few individuals actively choose "liking" a brand's Facebook page. Experts agree that people who connect with a brand via Facebook are already a fan. So, it is a place for current customers to connect with each other and the company. This means a Facebook page becomes more of a current customer satisfaction tool, rather than extending the reach of the company into new prospects.

Nevertheless, monitor this platform carefully. Its functionality, informality and design has been hailed as the future of social networking. Facebook has become the brand for what an online social community should be. When a business launches its own online community, as in the case of American Express' OPEN Forum for small businesses, they say they've created their own Facebook. See *Case Study: American Express OPEN Forum.*

If, however, a Facebook corporate page is chosen, be sure to keep it updated regularly. Many organizations use Facebook as "in between" Twitter and the corporate blog. The blog allows for longer discussions. Twitter reduces communication to 140 characters. Facebook allows for longer postings, as well as a place for people to comment, review company videos and pictures, and interact among users, and more. Twitter feeds, blogs, and other platforms can be connected to Facebook easily so all platforms can be populated simultaneously.

Promote the Effort

Social media efforts need to be promoted as any other visibility efforts are. Both internally and externally, and both at the individual level and the corporate level, the activities should be publicized. Some ideas include:
- Post the blog and website URL, Twitter handle, facebook page direct address, Google profile, and whatever else is being invested in, on business cards.
- Specifically invite employees to take action in support for all media initiatives, whether becoming a fan on the company's Facebook page or following on Twitter.
- Ask customers to engage with your social media platforms.
- Use a catch-all tool, such as a Google profile, to collect all social media activity in one place.
- Ensure all social media platforms are connected, and ensure visitors can easily sign up for the various ways to follow, friend and fan the organization.

On a individual level, social media expert and author Robert Scoble uses his Google profile as the "catch all" for the many ways you can follow him, get in touch, see what he's writing about, speaking about, tweeting and blogging about. He posts his google profile address at the bottom of every e-mail, because he uses 40 different services, such as TripIt, Twitter, Facebook and LinkedIn. In one place, you can see the totality of his online conversations.

Reward Success

Have courage and patience to recognize that success comes slowly. However, it is important to take stock occasionally and acknowledge successes in social media, even minor ones. Managing social media takes time, care and attention. It is relentless. Having these efforts recognized, formally, is key to a social media team's continued interest and enthusiasm. Recognizing successes also helps to evangelize social media throughout the organization.

Summary

- The most influential voices online are those who are authentic, transparent and appropriate to the brands they represent.
- Several levels of participation exist: reactive, proactive, and a mixture of the two.
- LinkedIn, private online communities, blogs and twitter are the four most basic channels for the B2B marketspace, with some application for Facebook.
- Success lies in following the etiquette of each platform.
- Social media efforts should be promoted on other traditional marketing channels.
- Reward success to ensure continued enthusiasm internally.

Tools

- Retweet
- Twazzup
- Twitter Analyzer
- Twinfluence
- Twitterholic
- WeFollow

Further Reading

- Aussie Internet Marketing Blog, *Social Media Marketing – Should You Participate Or Lurk?,* by Sean Rasmussen (2009)
- Chris Brogan blog, *50 Best Twitter Tips* (2010)
- Social Media B2B blog, *Better Blogging for Businesses With Examples* (2010)
- PE Hub, *Why do VCs Blog (and Tweet)?* By Jeff Bussgang (2010)
- *Naked Conversations: How Blogs Are Changing the Way Businesses Talk to Customers* by Robert Scoble and Shel Israel (book) (2006)
- MarketingSherpa, Sherpablog, *Blogs Are Becoming the New Front Door for Prospects: Is Yours Open?* By Sean Donahue (2010)
- TechCrunch, *2009 State Of The Blogosphere: The Full BlogWorld Presentation*
- Technorati, *Twitter, the Global Impact and the Future of Blogging* (State of the Blogsphere 2009 summit), (October 23, 2009)
- Mashable, *4 tips for B2B Marketing on Facebook*, by Leyl Master Black (2010)
- *10 Examples of B2B Facebook Fan Pages* by Jeffrey Cohen (slideshare presentation) (2010)

Learn

Jump to the <u>Summary</u>

Adjust, Abandon, Change

What happens when it doesn't seem to be working? Or worse, something goes really wrong? Tales of flamers on Facebook pages, negative commentary that does not go away, an influx of communication that just will not lead to business goals, and leaking of sensitive information are just few of the landmines that have kept businesses from jumping feet first into social media. The truth is, in the grand scheme, very few examples of things going terribly wrong exist.

However, everyone involved in social media today should expect to be flexible and adjust their programs often and quickly as audience participation and feedback is garnered. The very nature of social media is *real time human interaction.* This very characteristic ensures a level of unpredictability and irregularity that companies should get comfortable with. Having a good plan and guidelines in place are even more important given the nature of these platforms.

Analyze, Monitor

Many ways to measure the effectiveness of social media and social networking are available. A formula, such as the traditional way of calculating return on investment (dividing change in net profits by the cost or investment in change), is not applicable. Every organization's goals and objectives around getting involved with social media are different. And, that is where you should start.

First start with the purpose of getting involved in the first place. What value is expected?

In return for involvement in social media, you may reasonably expect exposure, engagement and participation by employees, customers, prospects and other stakeholders, increased volume and speed of which your information and commentary travels, and market influence.

So, now that the company is engaged, what is happening? Has the organization realized change, including:
- Feedback that led to positive change?
- New ideas and markets?
- Cost savings?
- Process improvements?
- Increased brand awareness?
- Connections, especially those that led to sales and marketing gains?

Calculate ROI

Return on investment (ROI) is a paramount concern to executives in equipment finance, as with every industry that is engaging is social media. However, according to the survey respondents of *The Equipment Leasing and Finance Foundation Survey on Social Media,* of those who engage, 61 percent do not measure ROI.

According to an article in *DestinationCRM.com*[48], David Alston, Vice President of Marketing at social media monitoring company Radian6, compared the connection between ROI and social media to that of ROI and the telephone. Speaking in New York at CRM Evolution '10 in August 2010, Alston opined that the telephone (like social media) is a tool that all businesses use to build relationships and to sell better, yet companies don't ask what revenue it drives. "Social media is the same as the telephone," Alston says. "Instead of us trying to look for that magical ROI that covers everything, ROI has to be broken out to the different departments." How different departments apply social media, he said, will form the basis for measuring its return.

Analytics are available that enable tracking user behavior, user traffic patterns and conversions on your website to establish a high-level ROI. Analytics take code from sites like Facebook and LinkedIn and create a conversion code that is entered on the contact form so exactly where a customer came from can be tracked. The amount of conversations can be correlated to the time committed or billed to social media activity.

Kipp Bodnar, of Social Media B2B.com, believes there's never been a better time to be a marketer. "I think we have a tremendous amount of data and information at our disposal," says Bodnar. "The ROI of anything in sales and social media is being looked on to make money, as any type of marketing is an investment to make money."

Bodnar advises to ensure that across all marketing channels – offline and online – a clear measure is established of how social media activity translates into visits, leads and customers. Using a dashboard, he's able to tell exactly how many leads his firm receives in a month, which online sources they came from – Twitter, LinkedIn, Facebook, the blog. He says, "I can tell you visits to leads, leads to customers. I can say I get more leads from Twitter, but leads from Facebook become customers more often. So [for instance] maybe I want to reallocate more time to Facebook. I may have more Twitter followers, but at the end of the day, we want to increase sales and Facebook is a stronger lever for increasing sales. That's how I should approach that."

Michael Delpierre, President of Conversion Pipeline, an Internet marketing communications firm focused on providing online marketing strategies to businesses, believes, "It's not that you can't prove an ROI with social media. It's that we have to stop thinking about return in terms of revenue. With the proper use of online analytics, you can determine an ROI if you are measuring the right variables and know what your goals are."

Delpierre says that ROI should be measured not just in terms of lead generation, but other value that organizations can realize through social media. Social networks can support a wide range of

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[48] Juan Martinez. "The Missing Piece(s) of Social Media," *destinationCRM* (10 August, 2010)

organizational functions, including corporate intelligence of competitors' activities, customer polling and user groups, crowdsourcing, professional networking and recruiting. He also strongly advises that since B2B customers are on social networking sites, organizations in the B2B space need to be there to reach them.

However, companies can engage in some formalized process to get closer to understanding their return.

Organizations can note their *activity* (managing groups, tweeting, blogging) and *resources expended* (people, time, technology, content generation). Then, overlay the *social media metrics* chosen (level of participation, Twitter followers, LinkedIn connections), and *business metrics* (market share, operating margins, customer loyalty). What goals were reached, and to what extent?

A method of calculating ROI is to start with "what is important to customers" and measure those goals. Knowing how well you have delivered what is important to customers, you can determine the value of that metric in market share (increased revenues) and margins (lower costs and competitive pricing). Then you can estimate the contribution of *any* effort (social media or otherwise) to the improvement of that important customer metric and with the cost of the effort, the ROI. Even when such estimation is difficult, it is better than to not make any attempt at all.

Social media expert Brian Solis, in his book *Engage*[49], encourages organizations to measure the speed and degree to which their social media presence is spreading. He calls this state achieving "resonance" in the marketplace. Only then will someone have achieved an "importance that matters" online. This state of significance, says Solis, is "the culmination of reputation, trust, influence, accessibility, value, and capital within each social network. Significance is not measured by size and shape, but instead by affinity and through the collective influence of the actions and reactions that follow every interaction."[50]

Also, comparing discoveries made with social media to those of traditional marketing activities is advised, say the experts.

The ROI of Web 2.0 cannot be calculated in the same monetary, dollar-for-dollar terms that, say, other IT projects are computed. The deeper goals should be to develop an organization's more intangible efforts – human, organizational and informational capital, writes Andrew P. McAffee.[51] However, he is quick to point out that "walking away from the classic business case doesn't mean abandoning clear thinking or planning. Though, it's time to replace the myth that Enterprise 2.0 requires an ROI calculation with the fact that tangible assets can deliver intangible benefits."

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[49] Brian Solis, *Engage*. (Hoboken, New Jersey: John Wiley & Sons, 2010)
[50] Brian Solis. "The Conversation: Social Media's Critical Path: Relevance to Resonance to Significance," *Harvard Business Review*, (19 July 2010)
[51] Andre P. McAffee. "Shattering The Myths About Enterprise 2.0," *Harvard Business Review*. (November 2009)

Optimize

> *"If you don't like what's being said, change the conversation."*
> ~Marijean Jaggers, Standing Partnership

After engaging in social media for about six months, take stock. A few things to note that will ensure a social media effort continues its critical, successful path:

- Build on successes. Move up to more visible platforms as the organization and individuals grow more comfortable with social media, have some successes under your belt, and can reasonably calculate return.
- Once the kind of tweets, posts, content, and questions that sparked reaction have been determined, do more of that.
- Keep in mind that things can be posted more than once. Refer to past content in commentary, retweet, and refer to past presentations and studies you may have conducted.
- Prohibit or restrict individuals who present compliance risks. Enforce procedures.
- Remain learning-focused. Take a flexible stance, piloting new social media ideas, and looking for the lesson in each new layer of social media involvement that will ensure future efforts are successful.
- Be brave. Remember the social media world is fairly new. Everyone is still learning.

Summary
- The very nature of social media – real time human interaction – ensures a level of unpredictability and randomness.
- Analyze the results of social media efforts from ongoing monitoring of all channels in which you are involved. From there, ROI can be calculated.
- ROI remains elusive, but analytics are available that enable tracking user behavior, traffic patterns and conversions, which lead to better understanding value and worth.
- Monitor activity and resources expended against social media metrics and financial metrics that were determined in the planning phase.
- Be open to recognizing that returns from social media come in rich, varied forms in addition to sales leads and revenue generation.

Tools
- [Bing](#) Searches
- [Blog Pulse](#)
- [BudURL](#)

- Dragon Search, Online social media calculator
- Google Search and Google alerts
- Google blog search
- Google analytics
- K.D. Paine's measurement program checklist
- Razorfish's Social Influence Score, as outlined in their Social Influence Marketing Report
- Technorati (for blogs)
- Twitter – use the Twitter advanced search
- Yahoo! searches

Further Reading

- Convince & Convert, *Social Media Monitoring Tools – How to Pick the Right One* by Katie Van Domelen (2010)
- destinationCRM magazine, *The Missing Pieces of Social Media* by Juan Martinez (2010)
- Razorfish, *Social Influence Marketing Report*
- Web Strategy by Jeremiah Owyang *Matrix: Challenges of the Social Technology Industry.* (2010)
- Entrepreneur magazine, *How to Calculate Your ROI With Social Media* (2010)
- Smart Insights, *Social Media ROI – Is This the Measurement Framework We've Been Waiting For?* By Danyl (2010)
- Forrester blog, *The ROI Of Social Media Marketing: More Than Dollars And Cents*, by Augie Ray (2009)
- Mashable, *How to Measure Social Media ROI for Business*, by Aaron Uhrmacher (2008)

Conclusion

> *"Companies that are great at social media are great companies to begin with."*
> ~Jay Baer[52]

Given the novel and unique characteristics of social media and social networking, it is no surprise that businesses – particularly in the B2B market – have taken a wait-and-see attitude to date. Social media is producing a profound shift in how individuals communicate and influence one another. Today, anyone in business would be well served to pay attention to developments in this new evolution of using the Internet to do business and the increase in social networking. As stated earlier, due to social media, collaborations are being born, connections are forming, and influence is being redistributed.

Today, businesses are reporting that online social networking does yield benefits. While the harder numbers remain elusive in quantifying the reported advantages, a sufficient number of business leaders are convinced enough that social networking provides gains in sales and marketing efforts. They have begun to incorporate social media strategies into their corporate communication and marketing functions.

As for the equipment finance industry, social media has a place in the sales and marketing function. But the authors recommend entering the social media realm with appropriate expectations and a thorough understanding of the differences between traditional and social media marketing. The new openness, the shift from a command-and-control communication method to a more collaborative model, and the individual employee empowerment that will occur when introducing social media will challenge some organizations.

But, similarly to when the Internet reached critical mass as a business communication tool in the mid 1990s, lessons will be learned, best practices will be further developed, and the ever-elusive ROI will be better, albeit differently, calculated. Experts agree that within 10 years, new tools and channels could very well replace such channels as Facebook, Twitter and the like. But, one thing will remain. With technology, ever-increasing broadband capacity, and online capability, individuals are empowered to communicate and influence each other. And, that will not change.

In the end, the success of social media as a marketing support role in an equipment finance organization will come down to focus, attention, trust and an appropriate outlook.

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[52] Jay Baer. *The Now Revolution* (John Wiley & Sons, February 2011)

CASE STUDIES

Included in this section:

- Case *Study: GE Capital*
- *Case Study: Duncan Aviation*
- *Case Study: American Express OPEN Forum*

Case Study: GE Capital
 "Quality over Quantity"

Jump to Lessons Learned from GE Capital – CDF

GE Capital, undoubtedly the largest equipment leasing and finance industry player, has been exploring and using social media for more than a year. The organization, which encompasses corporate lending, vendor/dealer financing, core equipment financing, and specialty finance, is now beginning to take their social media efforts to a new level.

Megan Parker, GE Corporate Communications and the voice of GE Reports on Twitter, says, "Internally, GE is very collaborative, conversation-oriented and inclusive. Social media is a natural cultural shift."

They have initiated their communications and marketing personnel to the effort, allowed individual divisions and businesses to experiment, and treat social media as part of an overall integrated communications strategy. And while its communications strategy is centralized, the size and range of GE business units and the newness of social media have created an environment in which its divisions execute strategies in a decentralized way.

Overall Strategy
GE Capital does not think of social media as a distinct platform. Jeff DeMarco, VP, Digital, GE Capital Americas, says, "It's one of many touch points we have with prospects and customers. But it's one we need to pay attention to and be engaged with. That's our strategy," he sums up.

But, delving deeper into how GE Capital views and deals with social media, will uncover several strategy best practices.

Says DeMarco. "The art comes in the social media execution—how you do that and where you do that, and who do you do that for."

Ben Plomion, Communications and Digital Manager, GE Capital, says, "We look at buckets of people: reporters, investors, existing customers, news customers, employees and employee candidates." It's the strategy he uses to manage social media across seven verticals in 55 countries.

They approach anything social the same way they would approach any aspect of marketing.

For one, says DeMarco, you won't find anyone tweeting about the weather. At the core of their strategy is relevant content and to engage in meaningful and value-added communications wherever their customers and prospects are discussing topics. Then, they can weigh in.

"We should be, and will be, tweeting more on topics that we have an opinion or authority on," says DeMarco, "to help inform and build the brand. What we're looking to do more of is pushing

out our thought leadership as a large player specifically within the equipment finance realm. We have knowledge to share with small to medium sized companies that could increase, educate and inform them. Social media gives us a platform for doing it."

At the same time, they also are trying to minimize confusion for followers and keep the channels minimal. Therefore, their social media messaging tends to be more general for a broad audience. Over time, as their followers become more savvy, they expect to create more niche social media channels. Plomion believes, "The more specialized your industry is, the stronger the engagement rate."

They believe that using existing social media channels is important. "Why not use third-party platforms, which are already using or creating the context or environment for content sharing versus building your own traffic base over time?" says DeMarco.

They also are taking advantage of social media's inherent integrated characteristics. Parker says, "When we launch a campaign, there's always a digital element."

For instance, GE Capital's ad campaigns were designed to have integrated components that included website case studies, social media, and television ads. An ad campaign showing GE Capital Relationship Executive Deb Barker expertly strumming on a guitar of customer Taylor Guitars was featured in TV, social media and Web placements, lending a human face to impersonal financing.

GE Capital's strategy also is to encourage smaller "incubator" efforts inside the company and share key learnings from these efforts. [See GE Capital's CDF case study below.] "This is a small initiative that isn't centrally managed," says DeMarco.

But, they also ensure that the handful of spokespeople on social media channels are authorized to speak on behalf of the company with the proper requirements.

He agrees that social media is a hard thing to harness and fully control. "Barriers to entry to social media are quite low," says DeMarco, "So, we've spent time on our governance and infrastructure around guidelines for social media in terms of how we approach these platforms and how we think of them. It's done from a high level establishing the "rules of the road.""

But, says DeMarco, "People are creating their own best practices as they're experiencing [social media]."

Goals and Objectives
- Putting a human face on financing is the goal.
- Sharing their thought leadership to further their brand.
- Focusing on reaching target audiences, regardless of the channel.
- Learning about social media, and its impact, as they go.

Strategy Summary

- Issue good content that informs, delivers and enhances the brand of being a thought leader.
- Integrate. Integrate. Integrate. This includes integrating the social media program(s) into a larger communications effort, as well integrating a number of channels and tools into campaigns.
- Dedicate thought and best practices to social media efforts.
- Do not reinvent the wheel. Explore exiting communities and channels.
- Have some guidelines, but let people contribute to the process with their own experiences.

Results and Return on Investment

DeMarco is the first person to say that social media's return on investment is a hard area to gauge. "We have a keen interest in the number of tweets and retweets and those sorts of things that are surrogates for interest and awareness in our messages," says DeMarco, "but, ultimately we offer financing. Ideally, we'd love to relate those to new financings or financings closed."

Parker also says that social media conversations have brought GE value that doesn't necessarily correlate directly to revenue numbers. Citing a venture capital funding competition initiative that GE is crowdsourcing through social media, Parker says, "The conversation to crowdsource that brought us B2B ideas is not a direct revenue number per se. But it certainly increased the dialogue and idea sharing, so it's a shift for sure."

GE Commercial Distribution Finance Corporation's (CDF) Social Media Experience

Background

GE Commercial Distribution Finance Corporation (CDF) offers inventory financing to a range of industry sectors, including technology and music businesses. Programs range from traditional distribution finance models to transaction management solutions, and CDF tailors customized finance tools and services to fuel the growth of companies throughout the entire supply chain. CDF's products include Channel Finance Solutions, Accounts Receivable Finance, Distribution Finance, Purchase Order Finance, and SMB Reseller Finance.

The Social Media Effort

CDF's customers were the reason they got involved in social media. Their customers were asking for more communication. During an annual meeting, and from learning of their customers' desire for more open dialogue with them, CDF began to brainstorm with managers across disciplines about ways in which they could get closer to customers. Social media was raised and people's personal experiences with it were shared.

Christine Tombolesi, Senior Portfolio Manager, GE Commercial Finance, took the lead. Interestingly, Christine is not in a marketing role, but rather in operations.

They decided a Facebook page and Twitter feed were the channels they would launch first. CDF also now is researching having a group within LinkedIn.

CDF manages its social media effort via a 10 to 12 person team because Tombolesi says, "I was not going to do this myself." They get together monthly to generate ideas and develop with an editorial calendar, of sorts.

At first they strived to post one new message every day, and have it be relevant and informative. Tombolesi admits, on average, they actually post something three items a week, primarily industry-related information such as Gartner reports and other news. "We even have posted social media information to help our customers understand that topic better," she says. They also post community-related information, as well, such as pictures of the CDF staff's involvement in a benefit race for the Susan G. Komen Foundation.

Tombolesi is the only "poster" so content can be "vetted," though they do have some administrators as back up. Tombolesi tracks their traffic, engages in dialogue, and also has outside help in monitoring what is being says about CDF on other social media platforms."

Jeff Malehorn *President* & *CEO GE Capital - CDF, is a "friend" on the Facebook page. "So he sees everything,"* Tombolesi *says.* And, "if something negative comes up, we can now react to it. We have a team to deal with it, if it does arise."

Given two audiences exist – current customers and prospects – CDF is now delving into how to use their social media platforms to attract new business and get customers talking. They have added discussion sections where CDF posts questions to which people, including internal GE people, can respond.

Tombolesi says she spends anywhere from two to five hours a week on their social media channels, including posting information, keeping track of their processes, and working with legal and marketing for appropriate approvals.

To date, Tombolesi says they haven't had a negative comment.

Everyone within CDF bought into the effort quickly. Tombolesi says she thought the legal department would balk, but "fortunately our legal representative uses Twitter and Facebook personally, so he was familiar with the tools. We didn't have to go through hoops."

Summary: GE Capital, CDF, invested in:
- CDF's Facebook page for Technology
- CDF's Facebook page for Music:
- CDF's Twitter feed for Music
- CDF's Twitter feed for Technology

Goals and Objectives
At first GE Capital-CDF believed incorporating social media into their customer communication would be just "a nice initiative, open to prospects as well as current customers," says Tombolesi.

But, CDF also wanted to differentiate themselves from the other aspects of GE Capital. "We wanted to show that we weren't just a huge GE business. We are people," says Tombolesi.

As for followers on their Facebook page and their twitter feed, Tombolesi says, ideally they want to attract at least 20 percent of their current customer base.

Summary: CDF's social media goals are to:
- Get closer to customers
- Provide a place for greater communication among customers
- Differentiate CDF from other aspects of GE Capital.

Strategy
Being well researched before launching was a key strategy for CDF. Tombolesi says she did research on Facebook and Twitter, specifically. She also sought knowledge within GE, itself. She found that others within GE also were exploring social media, and that GE Capital, in fact, had dedicated some resources to it. She amassed best practices and put their social media team in place.

Also, CDF surveyed their current customer base about their familiarity with and usage of social media, both for personal and business. "We discovered 30 percent of our current customers were actively using social media. So, we knew we needed to figure out how to get into it," says Tombolesi. "We also identified what channels would work for what we were trying to accomplish."

Having good content and developing a team to keep the content relevant and flowing was key, fitting in with GE Capital's overall strategy of providing thought leadership.

Then, of course, getting people to use the channels. She says getting sales people to "talk up" the social media channels was – and still is – important.

Tombolesi says the company is figuring out how to synchronize and share best practices better around social media. We are still in the "figuring it all out stage," she says.

Summary: Key strategies employed by CDF:
- Researching for best practices, customer attitudes and behaviors, and internal buy-in
- Issuing good content.
- Promoting their social media efforts internally and externally
- Utilizing a team structure for idea and content generation, but funneling postings and issuing of information to one central place, in this case one person.
- Continuously seeking out the "better way" to do things around social media.

Results and Return on Investment
Tombolesi says they have a very small following on Facebook and Twitter. But, proving that it's not the numbers that matter but who they represent, Tombolesi says "they are all internal GE

people or people who used to work for us, and more than half are customers. And, we get one to two additional followers a week."

"Much of our community information has been "liked" on Facebook, so I know people are looking at it," she says. "From metrics, we know that people are viewing our information, and our customers are seeing it."

She says that prospects have referred to their Facebook site. "Verbal confirmation is good," she says, though they would like to see more online dialogue with customers.

And, she hasn't spent any money "whatsoever. Well, I bought two books," she says.

For the most part, their social media presence has helped CDF understand what their customers are doing and what is interesting them.

Lessons Learned from GE Capital – CDF

- Research your current customer base to discover their attitudes, behavior and activities around social media.
- Get the right people involved, early.
- Attract the people you want to communicate to; it is more important than sheer volume of followers.
- Have clear goals around why you are incorporating social media.
- Launch pilot programs.

Case Study: Duncan Aviation
Meaningful Conversations = Meaningful Reputation

Jump to Lessons Learned from Duncan Aviation

Background
Duncan Aviation, the largest family-owned aircraft support facility in North America, offers comprehensive service for nearly every make and model of business jets and turbo-props. The company is based in Lincoln, Nebraska, and has more than 20 satellite aviation and seven rapid-response locations in the U.S, with 2,000 employees worldwide and more than 20,000 active customer accounts. Duncan's customers – primarily aviation maintenance directors and crew and fleet operators – service aircraft and support the love of aviation.

About the time Duncan Aviation was dipping its wings into the social media field, in 2008 several Detroit auto executives flew to Washington, D.C., in their corporate jets to ask for federal bail-out money. Business aviation already had been battling the reputation of "big toys for rich boys" for many years, and the publicity flap that followed the fly-in added fuel to the fire. But Duncan Aviation, thanks to social media, found itself directly contributing to balancing the business aviation conversation.

The Social Media Effort
Beth Humble, Duncan Aviation's Team Leader, Market Research, will be the first person to tell you that aviation – especially business aviation – is a cautious industry. But, the industry also is technology and innovation focused. Duncan Aviation also prides itself on embracing innovation in both their internal corporate culture and in their service offerings. These characteristics helped when embracing social media.

Prior to social media, Duncan Aviation, along with most organizations, relied on traditional media relations, direct mailings and trade shows to engage with customers, media, and stakeholders. When they first launched their social media effort it was designed to be an additional outlet for things they've already done – sharing their news and offerings with their target audiences–only now the media was online.

They moved into social media slowly. Duncan Aviation believed a public forum for aircraft maintenance crews, aviation enthusiasts, pilots and others to discuss issues and trends in business aviation might be worthwhile to help ease tensions, contribute to the overall aviation community, and extend their brand as a leader in aviation.

Their effort started with a MySpace page and a Facebook group of Duncan Aviation employees, which was launched without Duncan Aviation's senior team even knowing about it. Upon discovery, the company offered to take it over to provide it as a company-wide forum.

Then, Twitter was explored. Humble began following people in the Twitterverse in the aviation industry and journalists who covered aviation. Given the number of journalists alone who used

Twitter, it became apparent that Duncan Aviation should initiate an organizationally-based Twitter account.

From there, Duncan Aviation launched a blog on their website. A YouTube channel, LinkedIn group, and ensuring their website was "social media friendly" came next, such as offering ways to connect to Twitter, Facebook and their blog from the home page, and proactively attempting to earn more inbound links from social media channels into their website.

At the same time, however, Duncan continued to engage in traditional ways of communicating, including a newsletter, e-mail and printed materials, all the while promoting their social media channels.

All in all, it took about two years to get to where they are today with social media.

Summary: Duncan Aviation invested in:
Social media optimized website: www.DuncanAviation.com
Blog: http://blog.duncanaviation.aero/
Facebook: www.Facebook.com/DuncanAviation
Twitter: www.twitter.com/DuncanAviation
LinkedIn: http://www.linkedin.com/companies/25714
YouTube: http://www.youtube.com/user/DuncanAviation56

Goals and Objectives
At first, Duncan Aviation just wanted to stay in front of the industry and their prospects – aircraft maintenance decisions-makers -- demonstrating their depth of knowledge about aircraft and service in addition to the services they offered. Humble says, "It was another outlet to share all the great things we were already doing."

They were not expecting their social media channels to wow the greater populace. Duncan had a very specific audience in mind – current customers who may then share the online conversation with colleagues, who may or may not already be customers.

Duncan Aviation didn't get involved in social media to produce sales. "But," Humble says, "we quickly saw that we can make a difference along the sales process or influence someone in the sales chain. Prospects need information in their decision making process. In social media, if you can provide something that helps them make decisions and puts your name in front of them, it gets you ultimately closer to the sale."

She also says in their social media channels, "we make sure we could capture a little bit of user's information (for lead generation)."

Summary: Duncan Aviation's social media goals are to:
- Extend the Duncan Aviation brand in the aviation community
- Demonstrate their depth of knowledge about aircraft service and the aviation industry

- Provide a forum for like-minded individuals to share (and get from Duncan Aviation) the latest aviation news, especially technical and service information
- Drive traffic to the website, where they maintain an active blog

Strategy

Duncan Aviation's online strategy grew as their online prominence grew. Their social media efforts are now fully integrated into their overall communications strategy. But, their strategy for incorporating social media is relatively simple: share, online, everything they would normally share in traditional channels with the same professionalism and attention and under the same goals.

Duncan Aviation does not try to do everything that is available in social media. "There is a list as long as my arm of things we could do online. But, what are our customers and prospects doing, and where are they in great number? That directs us," she says.

Duncan invested the time and resources to ensure maximum success, though Humble says their marketing budget did not change. Duncan Aviation uses tools, such as HootSuite, TweetDeck and other tools to track multiple applications (e.g., LinkedIn, Twitter, Foursquare, Facebook). And, people were identified who would monitor, stock and measure their social media efforts.

Getting everyone in the organization to grow their passion for social media is also part of their success strategy. As Duncan's social media evangelist, Humble works with the other employees. "I first tell them that they *can* do it. Then we educate them. Some people need to know the return on investment, some people just need to be shown – literally – how to log on and just do it."

Today, all new company content – from blog postings to company announcements – is shared on their social media channels in addition to traditional channels. The one thing that did change? Visuals. They grew more important.

"We began to ask ourselves, how will this look online? How will this be taken?" says Humble. "If we had new technological information to share, we would set it up so it looked better online, such as including photos. Fortunately, our industry is very photogenic."

Humble also actively seeks non-company content to share with the social media network. She advises a very simple action to start: "When you come in to work in the morning, read the paper and see what interests you. Start to share that with your network."

The Employee Equation

The organization is not concerned about what employees say on social media channels, but they do have a social media policy. Employees are well versed on rules, regulations and etiquette standards in their industry. For instance, they do not post pictures or video online of their customers' plane tail numbers for privacy reasons. And, the legal team helps respond to anything that delves into rules and regulations. But, for the most part, Duncan Aviation takes the stance that what employees say on social media channels is not going to be any different than what they would say in person to a customer or stakeholder.

"What you say on social media channels should not be different than talking to customers on the trade show floor," she says. "You need to be a professional. You need to know the company. If you trust your employees to talk to customers in your building you should be able to allow them to talk when they are out of the building."

She adds, "And, if they are going to say something bad, they'll say it anyway whether we are there or not. Wouldn't you want them to do it publicly so you can respond?"

Try and Try Again
Duncan Aviation also is willing to experiment online. For instance, they ran a Facebook ad, basically asking whoever came across it to "like" the page (which is the new "become a fan" option on Facebook). They ran it for three months and earned hundreds of new fans, doubling their subscribers. Now, anyone who has selected "like" receives Duncan's messages posted to their own Facebook wall.

As part of their strategy, the company also builds a social media presence in advance of what they want their audience to act upon.

For instance, when Duncan attended the European Business Aviation Convention & Exhibition (EBACE) last year, they hosted a trade show booth, showed a video, produced and mailed brochures and even offered up a foreign-language translated version of their website (French, Spanish, Portuguese and German). They got an expected amount of traffic from those activities. But, when they posted that content on their social media channels, the attention spiked. Humble owes much of that to the fact they had a social media audience already.

They also monitored the buzz on Twitter to identify industry concerns and issues prior to the convention. They then used Twitter and their Facebook page to comment on National Business Aviation Association (NBAA) show noise, as well as communicate with their constituents about the show's events.

The Future
Additionally, watching the evolution of social media from desktop/laptop to mobile devices is yet another part of their strategy. Because of this, they are keeping a close watch on new social applications, Foursquare and Facebook's Places. These location-based social media apps are tailor made for the aviation industry, Humble says, "which allow people to broadcast their location and interesting things they find there, such as places to eat, places to visit. We are watching these closely."

Summary: Key strategies employed by Duncan Aviation:
- Integrating social media into the overall communications plan
- Educating employees well and empowering them to participate, but letting them know what is appropriate (and is not) is important
- Making the story visual and appealing to the users
- Handling time and content issues upfront with smart tools and regular activities
- Knowing their audience's pain points, as well as wants and needs

- Watching for emerging trends in social media, but knowing what adds value and only employing new social media tools that make sense for their constituency

Results and Return on Investment

Duncan tracks their social media activity and where it leads using a number of tools, such as Hubspot.com and Google analytics. They track traffic coming into their website and social media channels, discovering how people are finding the website and via what channel (e.g., Twitter, Facebook).

A small proportion of their Web traffic comes from social media channels. Most people find their way to their website, organically, from Google searches or through other sites because they are already searching for aircraft maintenance. But, Humble says, "Our social media channels give us higher rankings in Google. So, it's easier to find us."

Also, Duncan tracks coverage in the press and in blogs, because the company actively uses social media channels to reach those influencers.

Marketing Influence

Duncan Aviation believes the increased and growing traffic on all their social media channels has positively affected their marketing efforts. They admit it is hard to tie a particular sale to their social media. However, Humble says that with social media, they do see more traffic, which they believe adds to sales directly.

For instance, when they attended the EBACE event last year, they generated more business in specific product lines, and their booth traffic was higher with more quality questions and conversations. They also got higher media coverage, which Humble directly attributes to the fact she met them on Twitter in advance. Their effort was so successful that at the 2010 event they will blog directly from the show.

Duncan Aviation also is finding their Web visitors increasing, which was a main goal. They point to social media channels as a factor for that traffic.

Due to social media, Duncan now approaches marketing in advance of major trade shows very differently, knowing they will get a lot of attention on social media during the show. And, this will be ever-more driven by the ubiquity of smart phones, notes Humble. They now ensure their messages are social media friendly and develop interactive tools, videos and photos in response. They also now plant story ideas with journalists with whom they've developed relationships on social media, farther in advance. But the real business outcome, notes Humble is "that it has really helped us make our marketing more strategic and integrated."

Duncan Aviation is content to know where they are mentioned online, having the ability to respond to conversations, and know how they are now seen as a leader in their industry. "All that has a high return for us," Humble says. "Also, making sure we're seen (and are) on the cutting edge of technology is important. Most of our customers are online, and they expect us to be there."

Ultimately, Humble says, "you never know if who you are talking to on a social media channel has influence over the person who is going to make the decision. The ripple you can't see is what they say about you offline."

Surprising Benefits
While Duncan Aviation first entered the social media space to engage customers on a deeper level, some surprising results were found along the way.

First, Duncan Aviation recognized that during the bad publicity around the "Detroit Big Wig Fly-In," people within the industry wanted to talk and show how private aviation was contributing to a larger picture. Using their social media channels for the foundation of the conversation was not the goal for Duncan. They became the platform, nonetheless.

Humble says, "A lot of conversation around that event happened on our blog and Facebook page, much of which showed how private aviation was actually helping people. Of course, we (both Duncan Aviation and the users) were preaching to the choir. But, it was our customer base, which is what we cared about the most."

Then, something else also occurred. People *not* involved with aviation gained access to the discourse. On Duncan's Facebook page, people who didn't know much about business aviation started to contribute, and they were able to educate them. Humble says, "At a very sensitive time, we were able to share our part of the dialogue and share the positive stories about business aviation."

She also adds it was a unique "bonding" experience for the industry, as they "grew together" in the conversations.

This activity, believes Duncan Aviation, has solidified their position as a centerpiece in the aviation industry.

Lessons Learned from Duncan Aviation
- Build a social media network before you need it.
- Encourage a social media evangelist. An evangelist is someone who continuously explores and pursues social media strategies for the organization's benefit, ensures continuity and maintains momentum.
- Integrate social media into the overall communications plan.
- Start slowly, focusing on social media channels that are being used by current customers.
- Develop content that is conducive to being viewed online.
- Create community. Give customers and potential customers a place to connect to one another (and not just you), but be sure to facilitate good, relevant conversation.
- Social networking interactions prior to an event, such as a trade show, can produce more pre-qualified, meaningful interactions.
- Expect the channels to evolve; monitor new and unique ways customers are using social media channels.

- Engage in social media analytics so you can see where traffic is coming from and where it is going.
- Understand that hard figures on social media's return on investment remain elusive, but pay attention to where and how relationships are being strengthened and where new relationships are being developed.
- Know your audience's pain points, as well as wants and needs.
- Watch for emerging trends in social media, but know what adds value for your constituency.

Case Study: American Express OPEN Forum
"If you grow, we'll grow."

Jump to Lessons Learned from American Express OPEN Forum

Background
Today, one of American Express's business lines, American Express OPEN, is the leading payment card issuer for small businesses in the United States. American Express OPEN also supports business owners with products and services to help them run and grow their businesses, including charge and credit cards that deliver purchasing power, flexibility, rewards, savings on business services from an expanded lineup of partners and online tools and services.

American Express's mission is to "Help businesses do more business," and to achieve its mission, the company identified three customer needs on which they've built their marketing strategy:
- Economic pressures are creating stress on the business models of customers.
- There are new trends in technologies and small businesses are rapidly adopting them.
- Small businesses are looking for a trusted source to help them with their challenges.

Social Media Effort
American Express launched an online community, OPEN Forum, for American Express OPEN cardmembers in 2007. The online site was based on the basic premise: *Amazing things happen when we bring our Cardmembers together.* It was built to address two key social media needs they identified for small businesses:
- Provide practical, actionable information and content
- Help foster meaningful business relationships

OPEN Forum's turning point came in October 2008, after the U.S. financial community had been in meltdown over the preceding months. Fannie Mae and Freddie Mac had both been taken over by the federal government, Lehman Brothers declared bankruptcy, Bank of America agree to buy Merrill Lynch and AIG received a government bailout of $85 billion. OPEN Forum saw an opportunity to provide cardmembers with information that would help them navigate the credit crisis. The OPEN Forum team worked literally overnight developing new content to post in the new economy section of tools, resources and connections. The online community responded overwhelmingly to it, according to Marcy Shinder, Vice President, Brand Management, American Express OPEN Forum.

Shinder has been with OPEN Forum since the site's inception. She notes in an OPEN Forum case study[53] that she presented at the Conversational Marketing Summit in June 2009 that the path they've taken with OPEN Forum and the discoveries they've made in evolving the program over the past few years, in many ways parallels everyone's personal journey with social media. She notes, "…there is an inflection point when OPEN Forum "found its voice" just as for many of us, there is an inflection point with social media when we [all] find our voice."

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[53] Marcy Shinder. "CASE STUDY: American Express OPEN," *SlideShare.com* (June 2010)

Summary: American Express invested in:
An online cardmember community hosted on the American Express website:
https://www.openforum.com

Goals and Objectives
Shinder notes in her Conversational Marketing Summit case study that OPEN Forum cardmembers have high relationship IQs but low social media IQs. OPEN Forum's mission is to bring the two into equilibrium and leverage social media to grow their businesses.

OPEN Forum intends to continue to help small businesses grow, rather than trying to push products and drive their own profitability. American Express Senior Vice President Mary Ann Reilly, quoted on eConsultancy.com[54], says, "We have such a large marketshare in small businesses, but the economy has a big impact on the payment [merchant card services] space. If we can grow the pie, we grow. We're helping our businesses grow their business. We're also helping them drive revenue and improve cash flow, which diversifies revenue for us beyond payments."

Summary: American Express's social media goals for OPEN Forum are
- Bring community members' relationship IQs into equilibrium with their social media IQs.
- Host small business conversations and stock expert content on the site
- Grow number of small businesses registered on the site
- Gather feedback on needs of small business based on onsite polls, blogs and conversations.
- Develop new product and service lines to meet the needs of the OPEN Forum community.

Strategy
OPEN Forum based its marketing strategy around the social Web, in the belief that social media has become a priority for small business owners. Their strategy is to promote American Express's belief in entrepreneurs as one of the keys to economic growth. American Express's central brand promise is dedicated to helping business owners grow their business. The more they could help their customers grow, the more American Express grows.

Jeffrey L. Cohen, Managing Editor, *Social Media B2B.com,* writes that OPEN Forum is a tactic in the strategy to drive pull marketing. It follows research which shows larger numbers of older and affluent small business owners are using social media in operating their businesses. He cites the three points of their pull marketing strategy:
- Have something differentiated to say
- Get influencers to say it

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[54] Meghan Keane. "Q&A: Mary Ann Reilly on American Express' Plans Beyond Payments," *econsultancy.com* (11 June 2010)

- Use social media to allow it to scale.[55]

In support of this strategy, American Express's online community for small businesses initially then launched with two main areas, the Idea Hub and Connectodex:

- Idea hub – A space for business owners to blog about topics of interest to them, including innovation, lifestyle, managing, marketing, money, technology, and the world. The functionality provides small business owner with the opportunity to try their hand at blogging without committing to their own blog. Posts include social media sharing buttons, enabling other registered forum members to post a thumbs up or leave a comment.

- Connectodex - A community of business owners verified as having been approved for a business card account. Each profile must include a photo of the owner. This is a secure channel for small business owners to connect to other business owners to learn and leverage the power of social networking. As of September 2009, Connectodex had 4,000 business profiles.

Reilly says, "Businesses gave us permission to go beyond payments [merchant card services] and have been very vocal about telling us what they need. They have been saying "We think you could help us with this.""

This type of online community feedback enabled OPEN Forum to respond by launching a new business line of products on the website. Business solutions is a suite of small business products: AcceptPay, an online payment and invoicing solution; InsuranceEdge, an online business insurance service; and SearchManager, a marketing tool for tracking and managing search campaigns across search engines and Facebook.

Yet another feature of OPEN Forum is called Pulse, a feature that helps small businesses find and follow small businesses on Twitter and aggregate their tweets by industry. Pulse has approximately 1,000 participating businesses.

Generating Interest Beyond the Community
Not satisfied to wait for OPEN Forum's good word-of-mouth to go viral on its own, American Express generated a lot of attention for it with an integrated media campaign. Under the tagline, "A community to help grow your business," American Express produced an ad in July 2009 which highlighted OPEN Forum small business owners. The ad appeared as part of a national media campaign that included video spots on high-traffic websites including Slate.com ad FastCompany.com. In addition, American Express regularly posted new OPEN Forum content links through its Twitter handle. The integrated promotional approach increased OPEN Forum site traffic 447 percent and generated 1.9 million unique visitors from the July 2009 launch through the end of 2009, according to Adweek.[56]

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[55] Jeffrey L. Cohen. "American Express Social Media Forum Connects With Small Business Owners," *SocialMedia B2B.com* (18 September 2009)
[56] *Adweekmedia.com* "Honoring the Campaigns that Make the Cash Registers Ring," (March 2010)

Social Media Staff
American Express's social media strategy for OPEN Forum is centered in its Brand and Customer Service divisions. Those teams work lock step with the OPEN Forum team. In turn, these teams report into Marketing and Customer Service but they are very core and integrated with the OPEN Forum team. American Express continues to add resources to this area.

American Express cites the working relationship the OPEN Forum team has with the legal department as a best practice. They involve them early and often, and if anything is new, questions are asked.

Summary: Key strategies:
- Make the commitment to launch your own community site, rather than creating a page on a host channel such as Facebook or LinkedIn.
- Focus first on the conversation and customer/client needs.
- Consistently curate quality content.
- Make use of marketing team members as personal representatives—voices—of the social media effort online.
- Integrate social media into larger marketing campaigns when possible.
- Commit resources, including a diverse social media team from cross-functional areas, legal being a key function.

Results and Return on Investment
American Express believes that while social media is an investment, they see it as a "testing and learning process versus a sole focus on ROI." In measuring their success, Rosa M. Alfonso-McGoldrick, Director, Corporate Affairs and Communications for American Express, says, "We look at unique page views and we look at metrics, but we don't look at that alone. Think about the feedback we get from our customers because they're engaged in our community, how we launched an array of products using OPEN Forum and got instant feedback on things about the product, how to improve them and also help promote the products" Essentially, she says, "It's really a brand play."

However, there are a set of metrics that OPEN Forum focuses on monthly, such as unique visitors, repeat visits, time spent on the site, enrollments in Connectodex and the like, that form the basis for how they are doing.

OPEN Forum has enabled American Express to build brand equity, acquire new customers, and build loyalty of existing customers. OPEN Forum is a hugely successful online community in which
- American Express engages and connects to their members.
- Their customers connect with each other.
- American Express is able to drive conversions to its products and services.

Since its launch OPEN Forum has become one of the top small business community websites. Jason M. Rudman, director of strategy and planning at American Express OPEN, quotes site

traffic at approximately 350 percent growth year over year in unique monthly visits. The site had 10,644 Twitter followers as of August 2010.

Award recognition
OPEN Forum has been consistently recognized for excellence by the marketing world winning awards, including:
- GOLD award winner of the Interactive Advertising Bureau's (IAB) 2008 MIXX Award for Brand Awareness and Positioning.
- BtoB 2010 Social Media Marketing Awards – First Place, Integrated Social Media Campaign (Non-Tech).
- Brandweek 2010 Reggie Awards – Gold, B2B Campaign.

Most importantly, perhaps, is the fact that due to its resounding success reaching small businesses through OPEN Forum, American Express has extended its use of social media channels to enhance its brand. In addition to OPEN Forum, it now has an overall brand presence and customer service presence on Twitter and a Facebook community of more than 50,000 fans.

The Future
American Express is continuously thinking about social media applications and platforms and how they might be best used to interact with and service its customers.

OPEN Forum continues to seek out ways to serve its small business audience with innovative features. It plans to roll out new social offerings to its small business audience:

- OPEN Mic Series of Podcasts – A series of 30-minute monthly podcasts devoted to informing small businesses of key trends.

- Mobile Platform – OPEN Forum is being made available on a new mobile platform with new features including an iPhone application and an optimized mobile Webpage.

- Cloud computing and Software As A Service (SaaS) – OPEN Forum will expand into these new service lines that address critical customer needs.

"AmEx is trying to really help small business members," says Kipp Bodnar, Publisher, *Social Media B2B.com*. "They're curating small business content from small business experts and drawing a clear, yet secondary connection, between this content and the business line, which is absolutely the type of marketing we're all going to be doing. That's the point of all this, really."

Lessons Learned from American Express OPEN Forum
- Use social media strategies to leverage an existing customer base.
- Find out what your customers needs and concerns are, and act accordingly online as well as traditionally.
- Build integrity and trust over time by meeting customer needs.
- Don't push members too fast to reach marketing objectives.
- Focus on providing value in the content you're sharing.

- Continue to innovate and introduce new features, and when your community is ready, new products to the social site.

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SUPPLEMENT

Included in this section:
- *Future Social Media Trends*– Developments to monitor in the social media realm
- *Glossary of Terms*– Jargon and terminology explained
- *Further Resources*– A listing of articles, books, and other sources for continued learning about social media

Future Social Media Trends

The future of social media is impossible to predict. However trend watchers have said companies should watch the following developments

- *Location-based services.* Watch for the rise of location based services like Foursquare, Gowalla, and Facebook's new "places" feature. Using these services, people can report their location, using GPS technology, where they can rate and describe their experience. Businesses, especially consumer-driven enterprises, can make special offers based on these "check-ins."

- *Giant Wars.* Big names in social media will start to butt heads, such as the Facebook - Google battle for size, reach and marketshare with their respective services.

- *Executives embracing social media.* It then will move from very often being campaign-based to a mainstream, every day way of communicating.

- *The ascension of mobile technologies*. Mobile allows social media platforms to be used whenever and wherever a person goes.

- *Cloud Computing.* This fundamental shift from client-server computing frameworks to Internet-based computing allows for shared resources, software and information.

Glossary of Terms

A

- Application Programming Interface (API) - A documented interface that allows one software application to interact with another, such as the Twitter API.
- Avatar – An image or username which represents a person on social networks and other online forums.

B

- Bit.ly – A free service to shorten URLs that also provides statistics for shared links; frequently used for Twitter.
- Blip.TV – An online video sharing site providing both free and paid platforms for individuals and organizations to host a video show online.
- Blog – Derived from the phrase "web log"; usually maintained by an individual, on their own or on behalf of an organization, with entries of commentary, events and other material.
- Blogger – A free blogging platform by Google that enables individuals and organizations to host and publish their blog.
- Blog roll - List of blogs that bloggers recommend reading.
- Blog Talk Radio – A free Web application that allows users to host live radio shows online.
- BoardReader – A free search engine for searching keywords only in posts and titles of online forums.
- Bookmarking – A method for online users to organize, store, manage and search for bookmarks of resources online.

C

- Chat – Traditionally refers to one-on-one communication through an instant messaging (text-based) application.
- Chatter – A Salesforce.com collaboration platform that integrates real-time updates and conversations from people directly into the interface.
- Cloud Computing – Internet-based computing, whereby shared resources, software, and information are provided to computers and other devices on demand, like electricity.
- Collecta – A real-time search engine that searches blogs, microblogs, news feeds and photo sharing services as they are published.
- Collective Intelligence – A shared or group intelligence that emerges when a group of individuals collaborates; appears as a result of consensus decision-making in social networks.
- Comment – A key form of two-way communication on social media sites; posted in reaction to online content such as a blog or a messages on a social network.
- Compete – A Web-based application that offers individuals and organizations Web analytics to compare/contrast various website statistics over time.

- Connect Beam – A company that has designed a social network to solve specific business problems from behind a corporate firewall – internally, in other words.
- CoTweet – A CRM application that allows multiple people to stay in sync while communicating through corporate Twitter accounts.
- Craigslist – An online commerce and personals site.
- Creative Commons – A nonprofit corporation dedicated to increasing the amount of creativity (cultural, educational, and scientific content) in "the commons" — the body of work that is available to the public for free and legal sharing, use, repurposing, and remixing.
- CRM (customer relationship management) – A widely-implemented strategy for managing an organization's interactions with customers and sales leads.
- Crowdsourcing – The outsourcing of tasks to a large group of people through an open call; in social media, users (the crowd) typically form into online communities that submit solutions.

D

- Delicious – A free online bookmarking service enabling users to save website addresses publicly and privately online, access them from any Internet-connected device and share them with friends.
- Digg – A social news website that allows members to submit and vote for articles to be shared and read by other members of the community (see Newsvine).
- Disqus – A comment system and moderation tool for social media sites; enables the addition of next generation community management and social web integration to any site regardless of platform.
- DocStoc – An online sharing service for documents where users can view, upload, share and sell documents.
- Dzone.com - A technology publishing company that produces valuable content for software architects and developers worldwide.

E

- EventBrite – A provider of online event management and ticketing services; no fees for free events, fee per ticket if they are for sale.

F

- Facebook – The world's largest social network; enables users to connect with friends and others and post news, personal announcements, photos and other information.
- Fetch Agent Platform – An artificial intelligence-based technology which allows organizations to connect with millions of websites for a multitude of applications, including competitive intelligence, news aggregation, data analysis and background screening; used by financial services to collect what is being said, but also in what context.
- Firefox – An open-source Web browser.
- Flash Mob – A large group of people who assemble suddenly in a public place with the intent of creating a spectacle, then quickly disperse; generally applied to gatherings organized through social media, viral e-mail or telecommunications.

- Flickr – A social network for online photo sharing.
- Forums – An online discussion site; also known as a message board.
- Foursquare – A social network in which users share their locations and connect with others in close proximity to each other; a reward system of badges is awarded to users who check in at different locations.

G

- Google Analytics – Tool to analyze blog traffic, subscriber levels, and other trends.
- Google Buzz – A social networking and messaging tool from Google that integrates Google's Web-based e-mail program; allows users to share links, photos, videos, etc in "conversations" visible in the user's inbox.
- Google Chrome – A free web browser from Google that integrates into its online search system and other applications.
- Google Documents – A group of web-based office applications with tools for word processing, presentations and spreadsheet analysis; allows documents to be stored and edited online by multiple people in real-time.
- Google Wave – A collaboration tool from Google as a next-generation solution to e-mail communication.
- Gowalla – A social network which enables users to share their locations and connect with others in close proximity to each other.
- Groundswell – A social trend that allows users to use technologies to get the things they need from each other, rather than traditional information sources.

H

- Hashtag – A word or phrase preceded by a "#" used on Twitter to annotate a message; commonly used to show a tweet is related to an event or conference.
- hi5 – A youth-focused social network with a focus a fun, entertainment-driven social experience.
- HootSuite – A Web-based Twitter client that allows management of multiple Twitter profiles, pre-scheduled tweets and viewable metrics.
- HTML – A programming language for Web pages.

I

- Identi.ca - A micro-blogging service that allows users to share information with friends; a Twitter clone that can used internally rather than publicly.
- Inbound Marketing – A type of marketing that focuses on organizations getting found by customers.
- InsideView -- An application that leverages social networking within CRM and ERP offerings.
- Instant Messaging – A form of real-time, direct text-based communication between two or more people.

K

- Kyte – An online and mobile video application providing video hosting and streaming for both recorded and live video feeds.

L
- Lifecasting – A continual broadcast of a person's life through digital media; usually transmitted via the Internet.
- Like – An affirmative action made by users of Facebook with the click of a button; denotes approval and allows sharing the message without writing a comment or status update.
- Link Building – An aspect of search engine optimization (SEO) for website owners to develop strategies to generate links to their site from other websites to improve their search engine ranking.
- LinkedIn – A business-centric social networking site for professional networking.
- Lurker – A person who reads and follows message boards, social networks, etc. but rarely or never joins in the discussion.

M
- Mashup – Multiple types of media drawn from pre-existing sources to create a new work.
- Microblog – A form of blogging that is typically much smaller than a traditional blog; allows users to send brief text, photo or audio updates, such as on Twitter.
- Microsite (also *Micro-communities*) – Social networking site dedicated to a topic or community, *i.e.,* Corkd for wine enthusiasts.
- Microsoft Sharepoint – A software platform from Microsoft for collaboration and web publishing under a single server; capabilities include development of websites, portals intranets, content management systems, search engines, blogs and other business intelligence tools.
- Mobile media – Applications where interaction is largely devoted to mobile use with users in close proximity to each other.
- MySpace – A social networking site overtaken in usage and popularity by Facebook.
- MyPunchbowl – A social network that facilitates party planning and provides users with ideas, invitations, favors, gift registries, photo sharing and more.

N
- News feed – A web feed for providing frequently updated content to users.
- News Reader – A digital tool using RSS feeds to allow users to aggregate articles from multiple websites; enables faster, more efficient delivery of desired information.
- Newsvine – A social news website that allows members to submit and vote for articles to be shared and read by other members of the community (see Digg).

O
- Opera – An open-source web browser; used as the default browser on some gaming systems and mobile devices.
- Orkut – A social networking website from Google; not as popular as Facebook and MySpace, but one of the most visited websites in India and Brazil.

P
- Pandora – A social online radio station that enables users to create stations based on their favorite artists and music.

- Permalink – An address or URL of a post on a blog or website.
- Podcast – A series of digital media files, audio or video, released episodically; can be downloaded through an RSS feed.
- Posterous – A blogging and content syndication platform providing integrated and automatic posting to other social media tools, such as Flickr, Twitter and Facebook, by sending an e-mail; includes a built-in Google analytics package and custom themes.
- PostRank – A web application that monitors and collects social media activity related to content around the web; enables publishers to understand the types of content that promote sharing among social media sites.

Q
- Qik – An online video streaming service that allows users to stream video live from their mobile devices to the web.
- Quantcast – A tool to provide website traffic and demographics for websites; primarily used by online advertisers targeting specific demographics.

R
- Real-Time Search – A method of indexing content being published online into search engine results with virtually no delay.
- Reddit - A social news website that allows members to submit and vote for articles to be shared and read by other members of the community (see Digg, Newsvine).
- RSS (Really Simple Syndication) – online tool for content distribution; a group of web feed formats used to publish frequently updated works, such as news headlines, in a standardized format.

S
- Search Engine Optimization (SEO)–The process of increasing the volume or quality of traffic to a website from online search engines via unpaid search traffic.
- Sentiment – The attitude of user comments related to a brand online.
- SlideShare – An online social network for sharing presentations and documents.
- Skype – A free program that enables text, audio and video conversations between users.
- Social Media – Media—text, photos, videos, audio-- meant to be disseminated through social interaction, on the Web, in which the users generate the content and conversations.
- Social Media Monitoring – A process of monitoring and responding to mentions of an entity that occur in social media.
- Spredfast – A social media initiative management platform that enables managing, monitoring and measuring social media presence across multiple social media channels.
- StumbleUpon – Free Web-browser extension for discovering and sharing websites.

T

- Tag – A keyword or term assigned to a piece of information allowing it to be searched.
- Tag Cloud – A visual depiction of the word content of a site, often used to describe the content of websites.
- Technorati – A blog search engine that provides categories and authority rankings for blogs.
- Tweeples – People on Twitter.
- TweetDeck – An application that connects users with contacts across social media channels such as Facebook, LinkedIn, Twitter and others.
- Tweets – The messages posted to Twitter consisting of a maximum of 140 characters.
- Tweetup – An organized or impromptu gathering of Twitter users.
- Twitter – A social media platform that allows users to "follow" each other in order to read each other's messages.
- Twittercounter – A tool that enables the user to see how much someone uses Twitter, their level of influence and other Twitter stats
- Twitter Search – A search engine operated by Twitter enabling searches for tweets and users in real time.
- Twitterverse – The complex and evolving sphere of applications and tools that work with the social networking site.
- Tumblr – A social media channel that enables content sharing in the form of a blog.
- TypePad – A blogging platform that enables users to host and publish their own blogs.

U

- Unconference - A facilitated, participant-driven conference centered on a theme or purpose and designed to avoid aspects of traditional conferences, *i.e.*, high fees, paid presentations.
- USTREAM – A live interactive broadcast platform for streaming video online.
- URL – The address of a Web page on the Internet.

V

- Video Blog – A blog that produces regular video content around the same theme on daily or weekly basis.
- Viddler – A video sharing website similar to YouTube.
- Vimeo – see Viddler
- Viral Marketing – Marketing techniques that use social networks to increase brand awareness or other marketing objectives through self-replicating processes.

W

- Wave - A live, shared space on the web where people can discuss and work together using richly formatted text, photos, videos, maps, etc.
- Web Analytics – The measurement, collection, analysis and reporting of online data for optimizing Web usage.
- Webinar – An online method for conducting live meetings or presentations.
- Widget – An element of a graphical user interface that displays an information arrangement the user can change, *i.e.*, a window or text box.

- Wiki – A website that enables the creation and editing of interlinked Web pages through a Web browser, allowing for collaboration between users.
- Wikipedia – A free, Web-based encyclopedia written collaboratively by volunteers around the world.
- WordPress – A content management system which enables users to host and publish blogs.

Y

- Yammer – An internal Twitter-like messaging system for users within an organization.
- Yelp – A social network and local search website which enables to review, rate and discuss local businesses.
- YouTube – The world's largest video sharing site allow users to upload, share and view videos.

Z

- Zooomr – An online photo sharing service; similar to Flickr

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ABOUT THE EXPERTS

Included in this section:
- *About the Researchers*
- *Research Committee*
- *About the Social Media Experts*

About the Researchers

Four Leaf Public Relations LLC is a boutique reputation management and communications agency headquartered in Charlottesville, Virginia, with satellite offices in Northern Virginia and Munich, Germany. The firm specializes in social media strategy and execution, visibility campaigns and image and reputation management for corporations and nonprofits, with particular industry emphasis in equipment finance, technology, aviation, and environment and sustainability.

Four Leaf is comprised of principal Suzanne E. Henry and several talented, senior-level communications professionals, delivering the high-level results usually deemed possible only by contracting a large communications agency.

Suzanne E. Henry

CEO/President, Four Leaf Public Relations LLC
Suzanne E. Henry is an award-winning public relations consultant and CEO/ President of Four Leaf Public Relations. Suzanne's extensive, 25-year experience with CEOs and senior managers within various industries and markets ensures all Four Leaf programs are objectives-based, results-oriented, and real world. Prior to launching Four Leaf Public Relations in 1999, Suzanne held senior communications management positions, including Vice President of the Equipment Leasing and Finance Association. She is a frequent guest speaker at various events, including the American Marketing Association, Public Relations Society of America, Company of Friends, Charlottesville Venture Group, the Center for Non Profit Excellence, and the American Society of Association Executives.

Diane Johnson

Consultant, Four Leaf Public Relations
Diane Johnson is a public relations and marketing communications consultant who has been a significant contributor to the Four Leaf team for nearly a decade. She is a highly-valued advisor with 20 years of public relations experience and a solid business background. Diane is entrusted by senior executives to provide sound, informed guidance and execution of their most critical communications strategies. She has conducted numerous targeted marketing research studies on a range of topics, including project portfolio management, risk management of outsourcing, alignment of learning engagements to organizational goals and business use of equipment financing. She is also founder and principal of DTJ.Org Public Relations & Marketing.

Research Committee

Marcia R. Colburn
Corporate Communications Manager
Caterpillar Financial Services Corporation
2120 West End Avenue
Nashville, TN 37203-5258
Ph: (615) 341-5003
E-mail: marcia.colburn@cat.com

Justin Cooper
President
CHP Consulting Inc.
31 Milk Street, Suite 510
Boston, MA 2109
Ph: (617) 451-4520
E-mail: justin.cooper@chpconsulting.com

Jeremy Eaves
Vice President, Human Resources
Key Equipment Finance
Ph: (720) 304-1171
E-mail: Jeremy.Eaves@key.com

Stephen Guido
Senior Manager, Business Development
Oracle Financing
500 Eldorado Boulevard
Broomfield, CO 80021
Ph: (650) 549-5025
E-mail: steve.guido@oracle.com

Richard D. Gumbrecht
Chief Marketing And Operations Officer
Everbank Commercial Finance
10 Waterview Boulevard
Parsippany, NJ 7054
Ph: (973) 576-0503
E-mail: rgumbrecht@tygriscf.com

Catherine Higgins
Wells Fargo Equipment Finance, Inc.
733 Marquette Avenue, Suite 700
Minneapolis, MN 55402-2309
Ph: (612) 667-0898
E-mail: catherine.higgins@wellsfargo.com

Lisa A. Levine, CAE
President
Equipment Leasing & Finance Foundation
1825 K Street NW
Suite 900
Washington, DC 20006
Ph: (202) 238-3400
E-mail: llevine@elfaonline.org

Cass Loesche
TCF Equipment Finance, Inc.
11100 Wayzata Blvd
Suite 801
Minnetonka, MN 55305
Ph: (952) 656-3215
E-mail: cloesche@vgmfs.com

Todd Philbee
Marketing Services Manager
Caterpillar Financial Services Corporation
2120 West End Avenue
Nashville, TN 37203-5258
Ph: (615) 341-3323
E-mail: todd.philbee@cat.com

Steven Riggs
Global President - Healthcare
De Lage Landen Financial Services
1111 Old Eagle School Road
Wayne, PA 19087-1453
Ph: (610) 386-5885
Fax: (610) 386-3737
E-mail: sriggs@leasedirect.com

David S. Wiener
2303 Tufton Springs Lane
Reisterstown, MD 21136
Ph: (410) 308-9840
Fax: (410) 308-9841
E-mail: david.wiener@comcast.net

About the Social Media Experts

Scott Allen
Scott Allen is a 20-year veteran technology entrepreneur, executive and consultant. He is an independent speaker and writer on the topics of social media and entrepreneurship. He's also the founder of NFN8 Media LLC, a company that creates and develops niche social media and community sites. Scott is coauthor of *The Virtual Handshake: Opening Doors and Closing Deals Online* and *The Emergence of The Relationship Economy,* and a contributor to over a dozen books on social media, marketing and entrepreneurship.

Jay Baer
Jay Baer has provided Internet marketing and strategy since the inception of the medium in 1994. In addition to his work with leading PR firms, he has worked with more than 700 companies and organizations. A founder of five companies, he started Mighty Interactive, a leading Internet marketing company in 2000, and merged the firm with Off Madison Ave in 2005. He also was the co-founder of azfamily.com, one of the country's largest local websites, and was a Vice President in the world's first virtual Web hosting company. Before getting involved with the Internet, he was a public relations and political consultant. His book, the New Revolution, is due in February 2011.

Kipp Bodnar
Kipp Bodnar is Publisher of Social Media B2B.com, a news and discussion website on social media's impact on B2B companies. He is also Inbound Marketing Manager at Hubspot. His B2B marketing experience stretches across most industries. Additionally, Kipp blogs personally about social media and marketing on his blog Digital Capitalism, http://digitalcapitalism.com

Ed Bennett
Ed Bennett is a social media strategist, with a focus on healthcare, and Director of Web strategy for the University of Maryland Medical System. He is a blogger at Found in Cache.

Michael Delpierre
Michael Delpierre, CEO of Conversion Pipeline, is responsible for creating the overall online marketing vision, strategy, and implementation for Conversion Pipeline and their small business clientele. He's a veteran sales and marketing executive in the Washington, D.C., metropolitan area and has held numerous leadership roles with top Fortune 500 organizations. He started three profitable small businesses before the age of 35.

Marijean Jaggers
As a Vice President and Manager of St. Louis-based reputation management firm Standing Partnership's satellite office in Central Virginia, Marijean Jaggers is a social media specialist providing education and counsel to clients in several industries in the U.S. and Europe. Marijean serves as the social media correspondent for The Newsplex, a group of television stations that are Central Virginia affiliates of ABC, CBS and Fox networks, providing insight and commentary on news stories related to digital communications. Marijean has been blogging as STLWorkingMom since early 2005, and is the author of Change the Conversation, a blog about

social media and how to use it. In 2004, Marijean was one of the first bloggers for the St. Louis Post-Dispatch.

David Teten
David Teten is CEO of Teten Advisors (Teten.com), an investment bank that advises private equity and venture capital funds on accelerating deal flow, portfolio company executive optimization, and due diligence, in New York City. He has started three companies, sold two, and is a former Bear Stearns investment banker. David is the lead author of *The Virtual Handshake: Opening Doors and Closing Deals Online*, with Scott Allen. He also led the first-ever study of best practices of venture capital and private equity funds in originating new deals. Harvard Business Review, Worth, and FastCompany.com have all published his work.

Appendix

Included in this section:
- The Equipment Leasing and Finance Foundation Survey on Social Media – Top level findings of a Summer 2010 survey of equipment finance organization's social media activity, attitudes and behaviors

The Equipment Leasing and Finance Foundation Survey on Social Media

Over summer 2010, a survey was sent to more than 1,000 equipment finance professionals to obtain their level of social media understanding, activity, attitudes and behaviors. A 14 percent response was achieved.

A review of the survey responses finds that there are no clear delineations in behaviors, attitudes or results to be made among the various company sizes, professional titles or other demographics. Survey responses indicate that B2B social media marketing in the equipment finance industry—like most industries--is still in the nascent stage, with participants waiting for clearer directions and guidance for return on investment and development strategies.

Some interesting correlations and conclusions can be made from the survey responses:
- Regarding return on investment of social media, 59 percent of respondents agree they plan on doing more in social media regardless of their current ability to prove ROI. Yet, 59 percent also say they need better metrics to measure their results, indicating a need or desire to demonstrate ROI.
- While 30 percent of respondents agree that they find social media is a critical component of their business operations, organizational support is lacking. Only 17 percent say their executive leadership is firmly committed to it for their organization and just 12 percent say the entire organization supports social media activity.

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- Nearly half (46 percent) of respondents say they are active or very active in social media, and more than half (57 percent) believe they range from adept to expert in their proficiency. However, 90 percent say they used or visited a site less than 20 times per week and 44 percent don't post or write on social media sites. In addition, the short list of social media channels (i.e., LinkedIn, Twitter) that are being used over what *could* be used contradicts respondents' perceptions of activity and proficiency.

How proficient do you, personally, believe you are using social media?

9%　4%　12%

34%

41%

- Expert
- Greater than average proficiency
- Adept
- Somewhat adept
- Not at all adept

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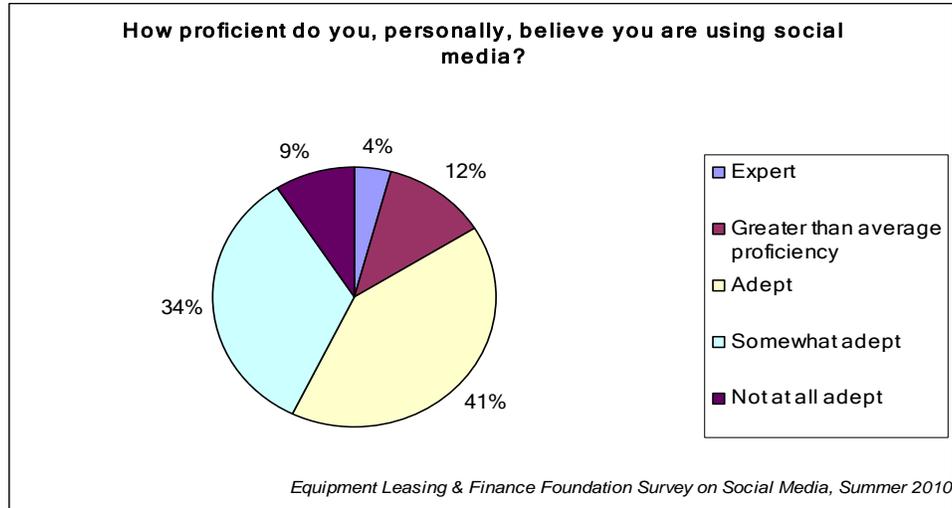
Following are specific statistics:

Personal Use/Proficiency
- 16 percent believe they are expert or have greater than average proficiency using social media. 41 percent consider themselves adept and 41 percent consider themselves somewhat or not at all adept.
- 55 percent of respondents most visit social media channels in the evenings during the week. 31 percent visit during the day at work.
- 72 percent of respondents use a laptop and 43 percent use a desktop computer to conduct social media activities.

Organizational Policy/Strategy
- More than half (59 percent) of respondents say their place of employment or organization is not currently using social media to engage their customers, internal staff or other stakeholders (e.g. investors, media).
- 54 percent of respondents agree that people in their organization have a wait-and-see attitude about social media's usefulness in achieving our business objectives, while 27 percent disagree.
- Less than half of organizations (46 percent) allow access to social media sites, while 54 percent either block or allow limited access to social media sites.

Regarding access to social media channels like YouTube, Facebook and Twitter, does your organization

22%

49%

29%

- Allow access
- Block access
- Block access to some social media sites

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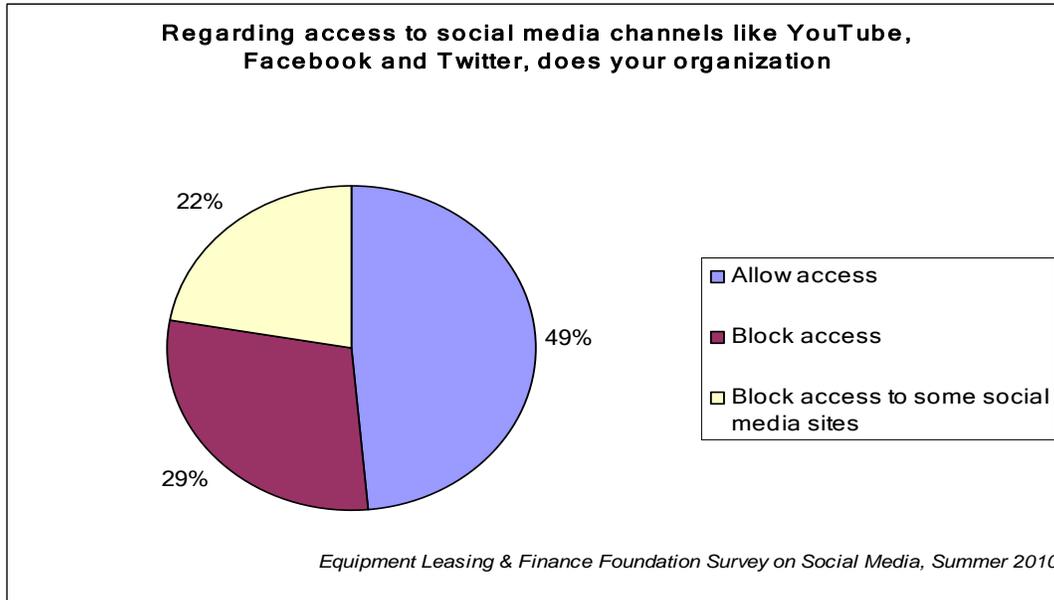
- 35 percent of respondents say social media activities are implemented by their parent company, 31 percent in the equipment finance division, and 15 percent say in both the parent company and equipment finance division.
- Less than 10 percent say they have fully integrated social media into their business strategy or use multiple social media channels in a coordinated effort. 30 percent are working actively in a few social media channels and 33 percent are trying one or two to "test the water."
- More than half of respondents (53 percent) say their organization does not have a social media *strategy* or it is minimally developed. 31 percent say it is somewhat developed, and 7 percent say it is well developed. None said it is fully comprehensive.
- When asked how they would describe their organization's social media *policy*, respondents replied the following
  - o 34 percent are somewhat formalized
  - o 29 percent are mostly ad hoc and informal
  - o 21 percent don't have a social media policy
  - o 16 percent are very formalized, with roles responsibilities and employees authorized to engage in social media on the organization's behalf clearly defined
  - o 11 percent are in development
- When asked how their organization's social media strategy is currently executed,
  - o 28 percent say one or two employees execute social media strategy on an as-needed basis
  - o 23 percent say employees in various organizational functions execute social media strategy
  - o 19 percent say they don't execute a social media strategy
  - o 5 percent say one or two employees are assigned full time to execute their social media strategy

How is your organization's social media strategy currently executed? (Select all that apply)

We have interns or junior employees run with...
We have an outside agency/consultants to...
Employees in various organizational functions...
More than two employees execute our social...
One or two employees execute our social...
More than two employees execute our social...
One or two employees are assigned full time...

Percentage of   0%   10%   20%   30%

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- When asked to describe their organization's attitude about social media,
    o   24 percent say there is little focus on it in their organization
    o   21 percent say one or two people handle social media
    o   17 percent say their executive leadership is firmly committed to it for their organization
    o   17 percent say social media activity is the domain of a specific department
    o   12 percent say the entire organization supports their social media activity
    o   12 percent say there is a lot of interest, but little direction or opportunity for employees to participate

Implementation
- 46 percent of respondents disagree that they find social media is a critical component of their business operations; 30 percent agree it is a critical component.
- 35 percent of organizations have been using social media for 6-12 months, 15 percent for 3-6 months, 13 percent for 1-2 years, 8 percent for 1-3 months, 8 percent for 2-3 years, and 5 percent for more than 3 years.
- Of the myriad of social media channels, respondents identified their social media activity almost solely on LinkedIn, Facebook, Twitter, blogs and YouTube.
- 88 percent of respondents believe or are aware that customers of equipment finance are using LinkedIn for business purposes, 42 percent of customers are using both blogs and Twitter, 40 percent are using Facebook and 21 percent are using Plaxo.
- Departments conducting social media activities are:
    o   65 percent Marketing
    o   42 percent PR/Communications
    o   23 percent Sales
    o   23 percent Business Development
    o   21 percent HR
    o   14 percent Executive Leadership
    o   9 percent Customer Service
    o   9 percent IT
   o   2 percent IR
    o   2 percent Credit

- Specific social media activities respondents' organizations engage in:
  - 40 percent actively maintain a company page on LinkedIn and/or Plaxo
  - 37 percent maintain a fan page on Facebook or another social media site
  - 32 percent distribute press releases and other company information via Twitter, RSS Feed or other social media channels
  - 29 percent encourage employees to actively maintain a personal LinkedIn or Plaxo profile
  - 26 percent are active on Twitter
  - 21 percent monitor equipment finance industry social media sites to see what competitors are doing
  - 18 percent maintain a company blog
  - 18 percent have employees participate in social media on the organization's behalf
  - 18 percent monitor company mentions on social media sites
  - 13 percent solicit company reviews on their website

What specific social media activities does your organization engage in? (Select all that apply)

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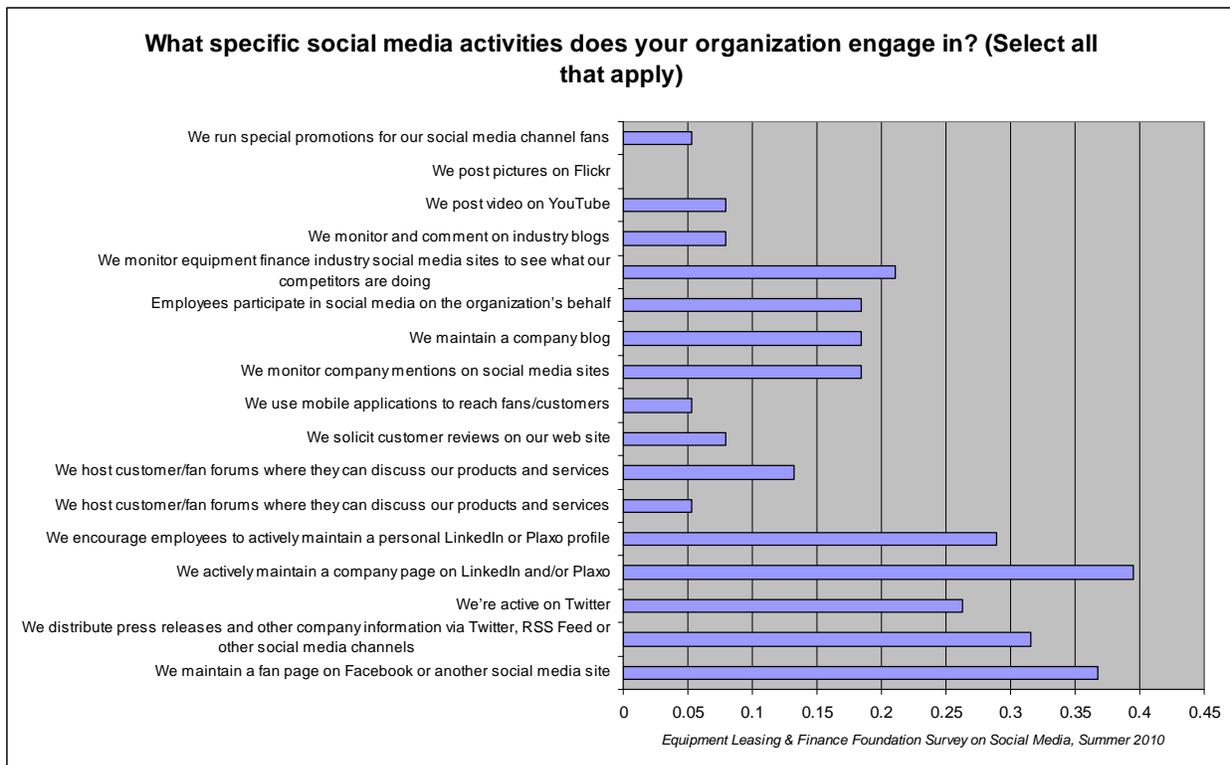
Goals
- In the next 12 months, 41 percent of respondents believe their organization will be more active and expand into new social media, 40 percent believe they will maintain about the same level of social media activity, and 17 percent don't know. No one said they will reduce their social media activity.
- The goals respondents report for their organizations' social media activities are:
  - 62 percent Increase awareness of our brand and image
  - 48 percent Create a community for our customers to learn about our company, products and services
  - 48 percent Raise visibility about our organization
 - 41 percent Generate sales and marketing leads

o   41 percent Interact with customers to address their needs
o   38 percent Gather information about what our customers think of us
o   29 percent Build our employee community/morale
o   26 percent Enhance customer satisfaction
o   21 percent Collect information about our customers
o   21 percent Employee recruitment
o   19 percent Increase website traffic
o   17 percent Raise visibility about our employees
o   12 percent Advocate support for organizational issues
o   10 percent Sell direct to customers

What are your organization's goals for its social media activities?

Category	
I don't know	
Advocate support for organizational issues	
Build our employee community/morale	
Employee recruitment	
Raise visibility about our employees	
Raise visibility about our organization	
Increase website traffic	
Sell direct to customers	
Enhance customer satisfaction	
Interact with customers to address their needs	
Gather information about what our customers think of us	
Generate sales and marketing leads	
Collect information about our customers	
Create a community for our customers to learn about	
Increase awareness of our brand and image	

0.0%   10.0%   20.0%   30.0%   40.0%   50.0%   60.0%   70.0%

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- Ranking effectiveness on a scale of 1 to 7 in meeting the business goals above through social media, overall, more respondents say they are less than effective than more than effective.

Social Media Effectiveness
- Only 9 percent of respondents think their organization is very effective or effective in its social media implementation. 35 percent believe they are somewhat effective and 28 percent are not very effective.
- 61 percent agree they can use more guidance and information on how to use social media, while 21 percent disagree.
- 51 percent disagree that their organization's social media effort is diverse and creative, leveraging multiple channels, while 2 percent agree.
- 78 percent agree they can use more guidance and information on how to apply social media to a business-to-business environment, while 8 percent disagree.
- 78 percent agree they could use more guidance and information around where their customers are online, while 5 percent disagree.
-

Overall, how effective do you think your organization is in its social media implementation (again, involving the equipment finance business)?

- Very effective
- Effective
- Somewhat effective
- Not very effective
- I don't know
- We don't use social media

2%
7%
7%
21%
35%
28%

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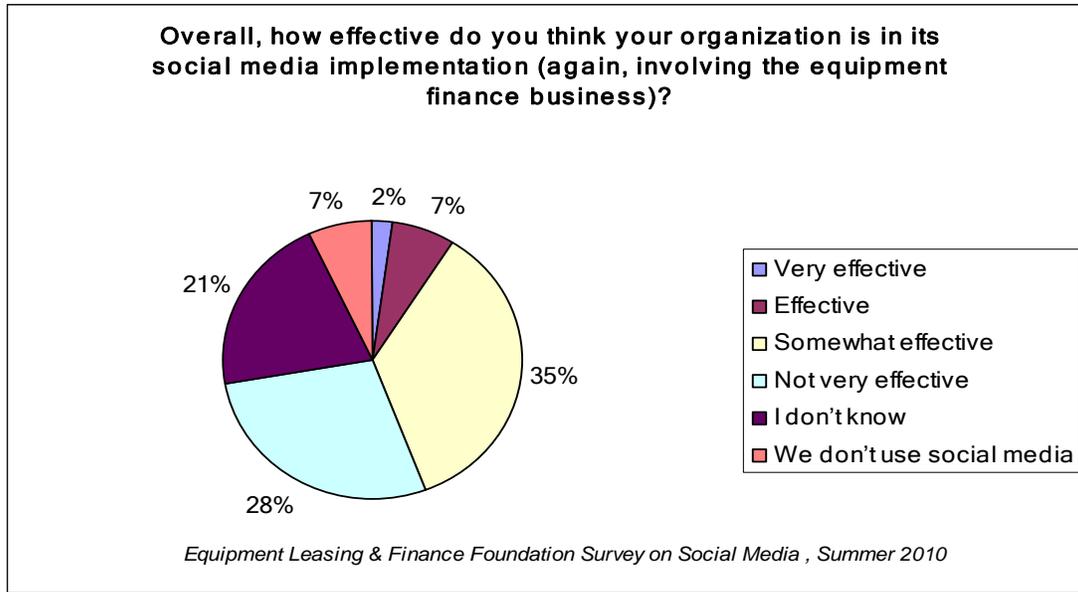
Measuring ROI
- 59 percent of respondents agree that they need better metrics to measure their social media results, while 16 percent disagree.
- 61 percent of respondents say their organization doesn't measure ROI of social media, 2 percent say they do measure ROI and 7 percent attempt to measure ROI. 29 percent responded "don't know."
- 42 percent of respondents disagree that they would like to do more in social media but have difficulty proving ROI to secure more resources and commitment from executive leadership, while 26 percent agree.
- 59 percent agree they plan on doing more in social media regardless of their current ability to prove ROI, while 14 percent disagree.
- Top responses of how ROI is measured among respondents' organizations:
  - o 55 percent don't measure ROI
  - o 32 percent don't know how ROI is measured
  - o 11 percent measure subscriber count
  - o 11 percent monitor comments and dialogue
  - o 5 percent monitor conversion rates (including "fan" and "likes")
  - o 5 percent measure inbound traffic from social media channels
  - o 5 percent measure key word optimization

How does your organization measure ROI of social media?
(Select all that apply)

Category	
We don't measure ROI	
I don't know	
We only have anecdotal information	
Third-party analytics tools	
Track sales/leads from social media channels	
Measure key word optimization	
Measure inbound traffic from social media channels	
Measure organization's blog traffic	
Benchmark and track number of positive and negative mentions	
Monitor conversion rates (including "fan" and "likes")	
Monitor comments and dialogue	
Measure subscriber count	
Measures costs associated with social media activities	

0.0% 10.0% 20.0% 30.0% 40.0% 50.0% 60.0%

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- How useful is the information organizations receive in understanding the effectiveness of their social media efforts?
    - o 39 percent say they don't know
    - o 26 percent say somewhat useful
    - o 21 percent say not at all useful and we are unsure of how they are being received
    - o 10 percent say useful, but room for improvement
    - o 5 percent say very useful

Compliance issues
- 43 percent of respondents agree that regulatory compliance and legal issues are a concern for their organization when participating in social media while 38 percent disagree.
- 22 percent of respondents agree that compliance with regulatory issues restricts their social media activities to the point that they are not involved, while 38 percent disagree.

Survey Demographics

Respondent organization's annual revenue/volume
    - o 19 percent < $10 million
    - o 27 percent $10 million to $100 million
    - o 19 percent $100 million to $500 million
    - o 9 percent $500 million to $1 billion
    - o 19 percent $1 billion to $10 billion
    - o 6 percent   >$10 billion

Number of employees
    - o 14 percent   Fewer than 10 employees
    - o 10 percent   11-25 employees
    - o 13 percent   26-50 employees
    - o 13 percent   51-100 employees

- o   23 percent   101-500 employees
- o   8 percent   501-1,000 employees
- o   10 percent   1,001-5,000 employees
- o   0.7 percent   5,001-10,000 employees
- o   0.7 percent   10,001-25,000 employees
- o   3 percent   25,000-50,000 employees
- o   4 percent   More than 50,000 employees

Respondent's role in organization's social media strategy
- o   19 percent   Direct involvement in day-to-day initiatives
- o   19 percent   Manager of employees handling day-to-day initiatives
- o   13 percent   Occasionally participate in social media implementation
- o   16 percent   No direct involvement, but closely follow social media implementation
- o   38 percent   No involvement
- o   7 percent   Other

Respondent's position(s)
- o   10 percent   Chairman/CEO
- o   26 percent   President
- o   4 percent   Owner
- o   5 percent   Other C-level
- o   30 percent   VP, SVP, EVP
- o   12 percent   Director
- o   10 percent   Manager
- o   4 percent   Consultant
- o   6 percent   Other

Respondents' functional area(s)
- o   16 percent   Marketing
- o   13 percent   PR/Communications
- o   23 percent   Sales
- o   13 percent   Business Development
- o   38 percent   Executive Leadership
- o   0 percent   Customer Service
- o   2 percent   Human Resources
- o   3 percent   Operations
- o   0 percent   Investor Relations
- o   7 percent   Accounting & Finance
- o   0.8 percent Logistics
- o   0 percent   Social Media department

Respondents' organization is
- o   45 percent   public company
- o   55 percent   privately owned

Respondents' organization is
- o   11 percent   A captive finance company
- o   36 percent   A bank-owned finance company
- o   33 percent   An independent equipment finance company
- o   21 percent   A service provider organization

Survey Methodology
The Equipment Leasing and Finance Foundation sent an online survey of 34 close-ended questions to ELFA member companies' senior leadership executives, CFOs and employees responsible for marketing, communications, sales and business development The survey was conducted from June 24 to July 19, 2010. The number of respondents who took the survey was 145. Not all respondents answered every survey question. The survey was anonymous unless respondents wanted to receive the results, in which case they had to complete their details.

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