

The dawn of marketing communications  
as conversations is here.

# Being Social

## What are the greatest opportunities in social media?

**Bonin Bough:** The opportunity is to move from impressions to connections, and from campaigns to conversations. We have an opportunity to be closer to the customer than ever before and to co-create and react to the customer like never before.

The double-edged sword is that if we treat digital like any other communications channel, then we miss the value of it as an enabler across the business. Then we want to plan against it and carve out specific opportunities to use it. You can do that, but that's not the largest opportunity. It can provide real-time customer insights and trends that are valuable for research and development.

**Aaron Magness:** The greatest opportunity is to form more of a personal relationship with employees, partners, customers and everything that goes along with that. You're really able to get out the true voice of what your company is and that allows people to form a stronger relationship with you.

It's not like the old days of buying from a faceless corporation.

Now, it's like you're buying from a friend, and you know they're your friend because they have a personality and they tell you what they're doing.

They show you what it's like to work inside their company and that's where the real value comes in. It's really about breaking down that barrier of customer versus corporation, and allowing people to interact with other people.

that's still most untapped—is on the customer service side. Customer service is the Holy Grail of social media because building customer relationships is all about service.

If a consumer is having a problem and you can help them proactively, that's a huge word-of-mouth builder as well as a big benefit to both the consumer and the brand. For example, one of our

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**Richard Binhammer:** The best opportunity is to listen, learn and engage directly with your customers, but also to share information. We have had product ideas come forward that we've implemented, such as becoming part of Product (Red). We've engaged with customers online, solving problems, learning about their experiences and improving business processes as a result.

**Bert DuMars:** The greatest opportunity—and it's the one

garage organization products had a manufacturing flaw and we found out about it through a negative product review on our website.

We had a product manager contact the consumer and quickly had the product replaced. We took someone who had a bad experience, turned him around and he was thrilled. So, we see social media as a way to solve problems through the customer service organization to a point where it's just the way we do business here.

## A ROUNDTABLE FEATURING

**Bonin Bough**  
PepsiCo

**Aaron Magness**  
Zappos.com

**Richard  
Binhammer**  
Dell

**Bert DuMars**  
Newell Rubbermaid

**John Andrews**  
Collective Bias

**John Andrews:** The biggest opportunity in social media is to build a collective conversation between brands, retailers and consumers. Done correctly, social media is now activating consumers as part of the brand management process in a real and authentic way.

That's been done at some point in the past where consumers did focus groups or surveys, but this is a longer-term activity where you're actually building a community that has an affinity for your brand. You are building a longer-term relationship with that community and including that as a standard part of your brand management process.

### How must organizations change to realize social media's potential?

**Bough:** You need to take an integrated approach. First, it means rethinking internal process, which is everything from policies and guidelines to encouraging outward conversations across your entire employee base.

The next piece is integration. How do you integrate divisionally? Where do customer relations in this world live? Where does public relations live? Where does marketing live? How do they build more of an ecosystem than just a channel?

The third piece is changing the way that we measure the success of marketing programs.

**Magness:** Organizations need to realize that people are going to be using these tools anyway. Your ability to dictate your brand to the consumer is long gone and in actuality the consumer is telling you what your brand is. Not only are they telling you, they are also telling all their friends.

You can either be part of it or you can be against it. If you're against it, it's going to have a pretty adverse effect. So, it's really about embracing it and embracing the transparency that goes with it.

You shouldn't have a lot of reasons not to be as transparent as possible or embrace these tools that allow people to communicate. You should want to communicate with your customers and external partners. That's where I hope

**DuMars:** One big issue is changing the metrics, which also ties in with incentives. You need to discern how much time should be spent on the channel and how to measure it to show that it's delivering results. Another big key is integration of social media with traditional marketing campaigns.

So if you're doing TV commercials, radio or print or any other mass media, integrate that with your social media efforts, and vice

## *If you look too hard for a return-on-investment on social media you're going to lose the authenticity of it.*

AARON MAGNESS

more businesses understand the potential impact of social media.

**Binhammer:** Dell's interest in being directly connected to our customers has always been part of our corporate culture. So, social media is just a new tool to deploy in doing that, and in a lot of ways it's a more effective tool.

For example, a conversation could be going on at Starbucks right now in Minneapolis between two Dell customers and I haven't a clue what they're saying. On the other hand, a conversation can be going on between two Dell customers on Facebook or Twitter and I know exactly what they're saying.

But those aren't necessarily changes in the organization; they are changes in our ability to listen, learn, engage and connect with our customers. I see it as an organization deploying tools to increase those opportunities to be able to connect and take advantage of the information that's out there.

versa. It amplifies the social media effort and also ties into your mass media effort, so they start working together to benefit each other.

The one other thing—and this is really difficult—is showing that your brand cares. A lot of traditional marketing is about getting the message out. When you add the social media side to it, it's about people; it's about people caring. So, how do you show that? That's another key success factor.

**Andrews:** You have to immerse yourself in it. The biggest mistake is just taking the standard approach you've taken with traditional media and adding it to the space. Social media is not just a new communications vehicle to layer traditional tactics on top of. It's not just a PR vehicle either. What's different about social media is the participation.

The first thing that I had to do was to learn how people communicate and influence one another in

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communities. I involved myself in communities that had nothing to do with me, or my message, but just as an active participating member. That helped me learn not only the pathways but also about the relationships that are involved in that.

### **How can results of social media efforts be measured?**

**Bough:** We do something called “brand health measuring,” where we have a set of metrics that includes everything from impression data to share-of-voice. We also look at the frequency with which customers want to have relationships with us and how they want to have those relationships.

Anecdotally, we know there is value that’s moving the needle. What we all struggle with is how to measure that movement. We start by trying to align with traditional metrics that we do understand—impressions, share-of-voice, and those kinds of basic things.

Then we look at a series of comparatives versus our competitors as well as “gold standard” programs from outside our competitive set that may help us improve our effectiveness.

**Magness:** A million and one companies and consultants are out there who will tell you that if you pay them enough they’ll be able to measure results. What we look at is more directional—we’re not

trying to have today’s Facebook update or today’s “tweet” from 450 of our employees turn into an immediate sale.

What we are really trying to do is form that lasting relationship. If you look too hard for a return-on-investment on social media you’re going to lose the authenticity of it. We focus more on forming good relationships as opposed to trying to get the most out of today’s sale.

**Binhammer:** There’s always this great question about the return-on-investment. My point is this: What’s the business objective? Business objectives vary across the business, so there is no single ROI. Once you understand your business objectives, then you can go and measure.

You’ve probably seen the stories online that Dell has done two million dollars on “DellOutlet” on Twitter. Is Dell’s objective in social media being reached? Absolutely. We moved a few million dollars of product and did so faster and better and more efficiently than we would have otherwise.

Since we became involved in social media in early 2006, we’ve also seen significant change in sentiment towards Dell. When we first started out, 50 percent of what we saw online was negative, whereas today it’s below the 20 percent mark. But that’s a very different business objective and a very different business result to measure.

**DuMars:** Today, it’s all about tonality; it’s the positive brand awareness and the positive brand

building that’s really the focus of most brands at this point. The next step is to get them excited about our brand and then go to Walmart or Target or any one of our retailers and purchase them.

We have to have metrics all the way through the process of interest, excitement and brand love. Once we have them excited, we need to be sure we then get them to a place where they can buy our products.

**Andrews:** We’ll start with very simple metrics, such as: What kind of 30-day conversation is there on Twitter? Then we set up some kind of messaging baseline: Where does our core messaging response with consumers exist today?

We look at a grid of the competitive set and where we want to end up, agree on which metrics we want to track as forms of success. We need to move away from the traditional metrics of traffic, because traffic isn’t very valuable. I would rather have a thousand high-quality engagements than a million hits.

Ultimately, we want to connect with shoppers and drive that connection to the shelf. We’re working with a couple of retailers on experiments on a social version of the circular that activates communities around offers.

### **What is the most surprising thing you’ve learned about social media?**

**Bough:** The most surprising thing is how empowering social media is as a movement. It has the ability to be bigger than just, “hey what a great thing it is for marketers and customers to be able to talk.”



**BONIN BOUGH** is the global director of digital and social media at **PepsiCo**, where he oversees digital strategy and the implementation of social media tools and techniques. He formerly was with Weber Shandwick and Ruder Finn Interactive.



**AARON MAGNESS** heads marketing, public relations, social media and business development for **Zappos.com**. He is a graduate of the University of Wisconsin and survived the running of the bulls in Pamplona, Spain.



**RICHARD BINHAMMER** leads digital media outreach and blog response, with special emphasis on communities and corporate reputation for **Dell**. He has also held corporate communications positions with Golin Harris and Fleishman Hillard.



**BERT DUMARS** is vice president, e-business and interactive marketing for **Newell Rubbermaid**. Previously, he was director of the Electronic Tax Administration for the IRS, and held marketing positions with Dell, Intel and Learning Tree.



**JOHN ANDREWS** is managing director of Collective Bias at **Mars Advertising**. He previously was responsible for social media, community, mobile and in-store media for Walmart. He can be reached at [johnandrews@collectivebias.com](mailto:johnandrews@collectivebias.com).

For example, we are a huge supporter and sponsor of the BlogHer conference. I walked into this conference and there were 2,000 of the world's most influential online women sitting in a room.

You could feel the amazing power that they have in terms of what they are doing to change society. It's pretty exhilarating when you think about how digital media is redefining society.

**Magness:** The most surprising thing about social media is how quickly businesses try to bastardize it and make it more about how many fans or followers they have as opposed to really forming relationships. I'm surprised at how quickly people lose sight of that.

I think they are losing sight of where the real value is, which is in forming these lasting relationships.

in interacting with you on all kinds of levels.

Out of the blue, I've had customers tell me that they've been customers for years, that they are looking at their next Dell purchase and ask for my recommendations. That's reassuring, nice to know and fun to interact with.

**DuMars:** I've been surprised by how integrated social media becomes into what I do. I've had conversations on Facebook, Twitter and LinkedIn that have continued for the last year or two. I learn a lot from them and I'm assuming they learn a lot from me. It's not just a broadcast tool.

I've also been surprised to learn through social media how artists use our Sharpie pens, doing things you would never have thought. Some are actually taking white Ferraris and doing Sharpie artwork

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Our CEO, Tony Hsieh, said, "So many people are trying to be interesting as opposed to being interested." That is just so spot on.

**Binhammer:** The most surprising thing is how generous communities can be and how welcoming they are to brands. I would have thought people would want to be left alone or not want Dell to be part of their communities.

But, in fact, as long as you're genuinely interested in engaging, listening, learning and participating, people seem to be a) interested in having you around and b) interested

all over them. They're beautiful, but I never thought anyone would modify a \$300,000 vehicle with a Sharpie pen.

But those are the things that you find out about when you engage in social media. You find out about the really cool and the unusual things that people do with your products. We are finding out that there are whole new markets out there for us.

**Andrews:** As soon as you launch a digital campaign it begins to change, so you better have a flexible plan. You build guardrails

and stay within a certain place but no matter how much you plan, it will change the moment you launch it. People are going to approach it in their own way.

That's why building long-term communities helps you be a little more predictive about what those changes might be. When we launch programs, we've already spent three months talking to someone in the community about what those things are.

This goes back to allowing your community to share in the branding process. You get better ideas that way. By the time you launch, you've got some people who take serious ownership because they feel like they helped build it. So, they want to talk about it.

### Who is doing the best job with social media and why?

**Bough:** I love some of the work that we're seeing done by the Ford folks. I think the Ford Fiesta movement is genius. Dell is selling millions of dollars' worth of product over Twitter. Wow! I also love what John Andrews did at Walmart, where he created a real value exchange with mom bloggers by providing them with exposure.

If digital lives just in marketing as a marketing channel, then it fails to capture the power of the organization, which is everything from strategic planning to R&D to innovation.

All the folks who are thinking about how we game-change our business should be thinking around digital alongside us. That's the integration that we're driving.

**Magness:** Businesses that are really utilizing social media as a way to

interact with customers and answer questions are doing the best job.

Transparency, collaboration, communication is really what it is all about. Twitter is one way to do that, but the one thing that gets overlooked the most is the phone.

I think Zappos does an incredible job in social media over the telephone. You're talking to real people, employees of Zappos.com, and they're there to help you. We're just trying to get that same

I thought that was great. It showed that they really valued their fans, who had built up this great base of consumer love for the brand and they were willing to take the risk of letting their consumers control it.

Giving that control up is a big step for a brand, especially like Coca-Cola.

**Andrews:** I admire Zappos, where everybody in the company is encouraged to interact with customers in the social space.

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cultural commitment that we have on the phone and apply it to these various tools.

**Binhammer:** It's really our customers who are doing the best job with social media. In many ways it is like having a customer in the halls of Dell everyday. If I've been on Twitter for 20 minutes and then go into a meeting, I know what our customers are saying.

Other people, smarter than me, have certainly equated social media to the concept of a village because it closes that communication gap.

Using technology is now like being back in the village of 1800's where everybody knows everything, just by walking down the street.

**DuMars:** Coca-Cola looked at what a couple of Coke fans had done on Facebook—they built this fan page up to three million fans of Coca-Cola. Coke had the legal right to take back the page, but instead chose to let these two guys to keep running it.

Zappos really lives this idea that we're *all* the brand. In a short amount of time they've built a company in a pretty competitive space. I don't think we have a shortage of shoe retailers, but they're evidently worth close to a billion dollars.

From a retail standpoint, Walmart is doing a very good job. They had a big presence at the recent BlogHer conference. It's less about marketing right now and more about learning. It's impressive that an organization as big as Walmart is sending people to events like BlogHer.

We have a great opportunity in this space. I'm a big *Mad Men* fan and feel like it's 1950 and television has just been invented. Who's going to be like P&G and immerse themselves in this medium, blow up old models and capture everything that digital could be? That's a pretty cool opportunity. ■