

Are your social media efforts worthwhile?

LAUSANNE, SWITZERLAND: Does the number of friends you have on Facebook make a difference in your personal life? How about LinkedIn for your professional life? In a world where our digital attention spans are regularly overwhelmed by information, is social media *really* worth it?



The latest Great Debate from [IMD](#) looks at the ongoing question about the value of social media for marketing. IMD executive director Jim Pulcrano says 'No' while Brian Guido Hassin, CEO of Smart Company Energy Solutions and IMD alumnus argues that 'Yes,' social media *is* an important element of a marketing strategy, when it's used well. Do you agree... or disagree?

Yes

IMD executive director, Jim Pulcrano

Yes, social media is overrated, just like every new tool that comes along.

Social media is new and shiny, and it's cool to tweet and connect on Facebook, but it is just another way of us connecting with each other, and if marketers forget other channels, they put themselves at risk. Marketers must remember that all the tweeting in the world will never replace the value of the human voice or a personal encounter. The marcom team better not forget that not everyone has a smartphone. And just think about all the global consumers in the world who don't even possess a connection to the internet to even have access to social media channels.

Social media in itself is powerful - it is significantly affecting the way we interact. But part of my "over-reaction" response is the fact that so many people, both in business and media, lump everything under the "social media" banner without differentiating one from the other.

Who are you trying to reach? Marketers need to know which channels are appropriate for which segments. If you're trying to sell to 18-year-olds getting ready for college then you have to be on Facebook. If it's potential new managerial employees, then shame on you if you're not already on LinkedIn and Xing. If it's IT developers, I assume you already have a technical blog going. If you're trying to reach those of us who consider ourselves sophisticated users of technology, create an app that I can put on my iPad.



In addition, people need to think through the objectives of their social media activities. What are you trying to do? Is it about personal branding? Or showing something that needs to be seen for it to be understood? Many people are irrational when it comes to social media. Tweeting just for the sake of it doesn't amount to a hill of beans and, if anything, could have negative ramifications (on your productivity and on your marketing). The same could be said for any social media channel. Just getting excited about social media without thinking through all the necessary questions that are a part of any marketing campaign won't help your product gain traction.

Certainly social media has many advantages over traditional media. But for the moment, traditional marketing channels are more effective in influencing how my mother-in-law purchases toothpaste and gets her car repaired.

Social media has a crucial role to play in many marketing campaigns today, must be integrated with other tools and channels and no marketer should ignore it simply because they are over 50 and a bit afraid of the things their kids take for granted. At the same, no marketer should forget that a real human handshake will go far further than a virtual Facebook poke.

Jim Pulcrano is responsible for IMD's client relationships in several markets, heads up IMD's alumni network globally and teaches entrepreneurship in the Executive MBA. Jim is pursuing his doctorate in entrepreneurial networking.

No

CEO of Smart Office Energy Solutions and IMD alumnus, Bryan Guido Hassin

No. Social media offers unprecedented return on marketing investment - when done right. The benefits are numerous and are just as applicable to start-ups as they are to large, established companies. The social context of a consumer's profile empowers marketers to target more effectively than ever before so that messages reach a greater proportion of relevant ears. Social media enables the viral spread of messages, rapidly accessing larger subsets of the targeted audience at lower costs than conventional media. Brand managers benefit enormously from the ability of social media to convert consumers into loyal, vocal advocates which creates significant competitive barriers. The instantaneous feedback of social media allows for highly agile, adaptable marketing campaigns.

Beyond the ROI benefits, companies today can ill afford not to be present in social media lest they risk losing control of their own brand. BP is the most pointed current example: the @BPGlobalPR Twitter account (run by anti-BP consumers who defame the brand with every tweet) commands 10 times as many followers as the company's official account.

Most companies today lack a clear social media marketing strategy. They have allocated some modicum of resources to test the water and are disappointed when their mislaid forays don't magically bear transformational fruit. To maximize ROI, social media marketing strategies should incorporate five golden rules:



1. Target audiences with appropriate media. Don't try to access the teen market via LinkedIn any more than you would market to them in the *Wall Street Journal*.
2. Tell a story. Nothing captivates human attention more than stories. Social media provides a natural format for sending messages that evolve through a story arc over time.
3. Be transparent, open and honest. Showing vulnerability and admitting mistakes humanize your offering and builds stronger bonds within your community.
4. Don't just talk; listen. Social media is bi-directional. Insights from your consumers are valuable market research and, when your consumers feel "heard," their loyalty strengthens.
5. Measure, measure, measure. Social media is no different than other marketing channels - campaigns should be organized around specific metrics.

Many companies have already established strong social media success stories. Comcast, for example, has launched twitter-based customer support. If anyone bemoans Comcast publicly, the customer is quickly engaged in public, open dialog. Users feel heard and Comcast has developed brand loyalty in a commoditized industry with low switching costs. Old Spice recently launched an ad campaign on YouTube that has now attracted more than 134 000 000 views of its content. Moreover, they used the feedback and results on YouTube to help select which ads to place on TV - very agile! The end result: sales increased 107% in one month. These are just a few examples demonstrating that if anything, social media is underrated as a marketing tool!

Every day social media represents a larger and larger audience. Social media is not a panacea and it should be incorporated as a specific channel in a diverse marketing mix. By employing these guidelines, established brands, start-ups and even individuals can rapidly achieve significant marketing goals at very low cost.

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