

# SA companies must join the social media conversation

By [Martin Sprott](#) and [Dr Philip Bode](#)

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In one way or another, social media has always been with us. It is word of mouth-a phone call to a friend or family member, or an exchange with a neighbour over the backyard fence. As technology advanced and social media gained popularity, the conversations simply moved online. It is a means to connect and interact with customers much more dynamically and, in doing so, to harness their energy.

This is also an attractive opportunity for South African companies, as recent studies have revealed that South African consumers have a very high motivation (70 percent versus, for example, 40 percent in the UK) to follow brands on social networks. The challenge for business leaders is to understand social media, use it, and then embed it into the business.

Your customers are chatting about you and your products on Facebook, Twitter, and YouTube. So capture their "energy" and turn it to your advantage. Put social media at the core of your customer- engagement strategy.

## An integral part of our daily lives

Social media has become an integral part of our daily lives in South Africa. We use Facebook, LinkedIn, Twitter, YouTube, Blogspot, and other social networking services to converse with friends and colleagues and to share family photos, videos, and important moments in our lives. It is a conversation over the (digital) backyard fence where your side of the fence is in Cape Town and your neighbour's is in London.

Don't fight it. Like being stuck in quicksand, struggling too hard against the social media mindset simply hastens your demise.

Yet people who skilfully blog and Tweet with friends and family have not brought these same skills to the workplace. Although social media has distinct, valuable implications for corporations, most executives still see it as, well, a mystery. The openness of web interactions still baffles many companies as they try to squeeze the concept of social media-the square peg- into the traditional silos-the round holes-of marketing, sales, and operations.

We think it is time to change this. South African companies need to become part of the social media conversation-or get left behind by their international competitors. Rather than treat social media as a distinct element of a larger marketing strategy, companies should make it the core component of every customer-engagement strategy.

## The challenge for business

If you think that social media is a passing fad, think again. Worldwide, Facebook enjoys 880 million unique visitors per month, YouTube 800 million, Blogspot 340 million, and Twitter 160 million, according to DoubleClick Ad Planner, and the phenomenon continues globally in all age and other demographic groups. Nielsen data reveals that Australia and Brazil are the top users of social media, as measured by hours spent on these sites per month. In South Africa, users spend on average seven hours a week on social networking sites, with MXit (>10 million users) and Facebook (5 million users) being the most popular sites. A recent UNICEF survey showed that 30 percent of MXit users spend most of their free time socialising on the platform. Particularly in emerging markets there is also a significant movement towards mobile access to social networking sites-making the user base increasingly multi-platform in the future.

The challenge for companies lies in linking social media initiatives to overall business plans and strategic agendas, to sales, marketing, and customer-contact strategies and, ultimately, to investments in people and capabilities. Most Fortune 500 companies, confident that policies and tight controls on social media will prevent excessive harm, relegate it to their marketing departments. This siloed view of responsibility does not lend itself to the ethos of social media.

## **Customers are already talking about you**

We often hear from our clients that they refrain from actively incorporating social media into their strategies because they do not want to lose control of the message. What they tend not to see, however, is that the message is already out of their hands. Customers are already talking about you and your products in the virtual arena. The question is whether you are contributing to the conversation.

The biggest roadblock to social media is its defining principle: openness. Our traditional business culture, in which information is shared only when absolutely necessary and only among key people, doesn't align with a culture that gives away knowledge for free and where interactions are open for everyone to see and hear. Moreover, it can be disruptive, to say the least, when interactions once considered confidential are made public.

Consider, for example, the politicians who amend their own Wikipedia entries and are ridiculed when it becomes public knowledge. Notice we did not say if it becomes public knowledge. Indeed, because everything on the Web is open for everyone to see, social media is perhaps the fastest way to gain-or lose-credibility.

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When asked about managing the tension that comes with social media, our answer is simple: Don't fight it. Like being stuck in quicksand, struggling too hard against the social media mindset simply hastens your demise.

## **Joining the conversation, in phases**

South African companies utilise social media, but have not leveraged it yet to its full potential. Engaging customers in social media not only allows for a more intimate relationship with them, but also converts their enthusiasm into support for your products and services. None of this is possible, however, without a total rethinking of your customer-engagement strategy- from positioning brands and attracting prospects to providing customer service. We recommend a meticulous approach initially, with a plan to scale up over time to permeate all aspects of customer interaction.

Our approach takes place in three phases - all focused on making social media a central component of your customer-engagement strategy.

**Phase one:** Setting up. The first phase defines overall objectives of the social media strategy, including determining how social media can be used to improve customer service, increase loyalty and cross-selling opportunities, reduce costs, and generate sales. Make the message to employees succinct-"Social media is now a major element of our customer strategy"- then outline its potential impact. Here too is the point at which you assign specific accountability to the social-media component. Those in existing marketing and sales roles may not be suited to the task and supplier relationships may have

to change as well. Depending on your company and your people, you might consider hiring a dedicated social-media manager or social-media service team. Such dedicated resources are also a key in keeping the momentum once companies have engaged in social media conversations.

For example, for a recent loan offering campaign, South Africa's Capitec Bank ensured a real-time conversation with new users via SMS or Facebook. Since the start of the campaign more than 2000 conversations with the bank, and among the consumers, have been initiated-with topics reaching beyond the initial loan offering.

**Phase two:** Targeting customer energy. The second phase is largely about targeting customers. Here we talk a lot about customer energy, a term used to describe the phenomenon of the educated, digitally empowered consumer who no longer accepts a position in the value chain, but rather intervenes at various points and even assembles his own solutions.

For example, when Australia's UBank, which operates only online and over the phone, noticed that clients were sharing online advice and observations about UBank's services with friends and family, the company wasted no time in stepping into the conversation. By listening in on customers' online conversations, especially their suggestions for improving products, the bank essentially began capitalising on a low-cost, high-credibility advertising channel (see text below: UBank-Branchless and Blossoming).

Several questions are asked and answered during phase two: Who are your most energetic customers? What motivates them? How can they be identified and approached? How can you benefit from customer energy? Which risks need to be managed to avoid negative customer energy or backlash? What processes do you need not only to monitor negative feedback, but also to respond to it quickly?

## UBank-Branchless and Blossoming

Three years ago, National Australia Bank launched UBank, a standalone brand and a branchless bank that operates only online and over the phone. With a comparatively small product offering aimed at a niche customer base, UBank soon grew into the 12th-largest deposit bank in Australia.

UBank's use of social media is a natural outcome of its culture and customer focus. Its website design is customer centred, featuring a competitor rate comparison, clear visuals such as a savings goal tracker, and direct email links to bankers. UBank has a Facebook page, a YouTube channel, and a Twitter account.

Gerd Schenkel, UBank founder and now executive director of Telstra Digital, believes that anyone thinking about joining the social media conversation must first understand the purpose of each social media platform. "YouTube is for entertainment, Facebook is purely for the consumption of content generated or endorsed by friends, and Twitter is an opt-in conversation with select people," he explained, adding that "blogs - well, they are for sharing insights and opinions."

Schenkel added that social media is not for corporations to market themselves and, once bitten by the social media bug, don't be surprised to see a change in how leadership views digital business. "It graduates from a technology topic to a strategic business topic and eventually finds its way to the corner office."

For CEOs considering joining the social media conversation, Schenkel has a few words of advice:

1. Stop counting the number of visits on the company website. Instead, go where your customers are.
2. Be authentic and consistent- just as you are with friends. Otherwise, your efforts will be perceived as little more than advertising or public relations.
3. Use caution with outsourcing, especially with regard to Twitter accounts and direct correspondence, such as a CEO blog.
4. Forget about controlling the message. It won't happen. Simply apologise when you get something wrong and customers will generally support you.
5. Have realistic expectations. Social media will not make up for an inferior product or poor service. Similarly, do not be

disappointed if your first attempt does not go viral.

6. Realise that no one is a social media expert and that every company's strategy will differ.
7. Just do it, but be ready to learn and adapt.

Phase three: Identifying opportunities. The final phase is to identify opportunities and draw a road map to capture them. Remember, the road map is only a guide. Social media's fluidity and openness requires everyone to remain flexible to respond quickly to changing customer needs. For this reason, a regular review cycle is overlaid onto this phase to ensure continual alignment with the ethos of social media.

Social media offers transparency, genuineness, relevance, and proximity to consumers. It is impossible to accept a subset of these-say, transparency and genuineness-and become a social media black belt. True success is earned by those who embrace all four elements and make them standard operating procedure.

## ABOUT THE AUTHOR

Martin Sprott is the principal and Dr Philipp Bode the manager, of AT Kearney, southern Africa.

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