

THE ST. LOUIS AMERICAN MARKETING ASSOCIATION PRESENTS

SOCIAL MEDIA AND THE B2B MARKETER

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by Lon Zimmerman, Zimmerman Marketing Research

The St. Louis AMA recently conducted a roundtable discussion with client-side, business-to-business marketing executives on the topic of Social Media and the B2B Marketer. This discussion was the eighteenth in a series sponsored by the AMA and the third time that social media had been addressed.

The use of Social Media in marketing to consumers seems intuitive. But what is its role in the B2B market space? What are barriers that marketers face in utilizing Social Media in B2B situations? How do these marketing executives define and measure the success of their B2B social media marketing efforts?

THE SEVEN PARTICIPANTS IN THIS ROUNDTABLE DISCUSSION INCLUDED:

Richard Arthur
Marketing Director
Duke Manufacturing

Amanda Chamov
Global Digital Marketing Manager
Eastman Chemical Company

Donna Heckler
Global Brand Strategy Lead
Ingersoll Rand

Molly James
Marketing Intern
EPIC Systems, Inc.

Randy Niederer
Vice President of Marketing
Unico, Inc.

John Salozzo
Director of Marketing
Craftsmen Industries

Linda Thurman
Sr. Manager of Mktg. & Communications
National Association of Electrical Distributors

The AMA Marketing Executive Roundtable was held October 10, 2012, at the John Cook School of Business of St. Louis University. The session was moderated by Lon Zimmerman of Zimmerman Marketing Research.

ROLE OF SOCIAL MEDIA IN THE MARKETING MIX OF THE B2B MARKETPLACE

The marketing executives participating in the roundtable reported using a variety of social media platforms and all had experience with both Facebook and Twitter. Other popular platforms were LinkedIn, YouTube and their own company blogs.

Participants seem to be somewhat unsure of social media's value. The marketing execs are most positive towards LinkedIn because of its clear value in identifying and recruiting employees. But most are still struggling to validate the marketing benefits of social media against the time and money being spent.

I can't quite get my head around what the real long-term benefit is. I have a Facebook page and we have bunch of people that "like" us. We post up there all the time but I'm struggling to see the true benefit behind that activity. We have a Twitter feed and we do all kinds of goodies. We do a lot of stuff but it doesn't bring any real value. It just seems like something we are doing because we feel obligated to do it. From a LinkedIn perspective, it works great for our HR recruiting folks.

What we have done is pretty much thrown it up against the wall to see what will stick. Facebook is a big one for us. We really didn't put much effort into it. We put everything up. We put everything on our blog. We tie everything together. And the thing that has been, if anything has been successful, has been Twitter. Have I seen a purchase order that came back from that? No. But that is better than what we are ever seeing on Facebook. LinkedIn, I agree it is good for finding people, employment wise. We have tried a lot of different social media but I can't say we have had resounding success with it.

Despite their concerns, participants agree that social media has become an integral part of their marketing mix. All see it as a supplement to what they are already doing. No one expects social media to replace other more traditional marketing activities, anytime soon.

For my industry, social media is part of an integrated marketing mix and it's going to be that way for a long time. While we have added more multi-media aspects to our marketing than ever before with video and different photo-sharing sites, we still have to do direct mail and we still have to do the email blasts.

It certainly isn't replacing what we are already doing to a large extent because when we do our print advertising, our PR, we have systems in place to measure it and report it

back to leadership and the board. And until we have a way of saying, 'Hey, here is the exact return we are getting on this', we are going to have a hard time displacing what we know works. So we are using it as a supplement.

CHANGES RELATED TO SOCIAL MEDIA

When asked to reflect on changes they have experienced since they started working with social media for B2B, participants noted the following:

1) Marketing is becoming greatly intertwined with the Information Technology Department (IT)

Roundtable participants agree that marketing has become highly inter-related with their IT departments. Marketing directors find that they are spending more and more time interfacing with IT. As a result many feel that their function is becoming more operations focused than communications.

Five years ago, the marketing director wouldn't be tasked with creating the technology to link customers with sources. We have been doing all that kind of stuff today. It's underpinning what we do. I have people that work in the department that do communication and the advertising and the design. But my role is to connect the technology perspective.

I think the marketing role has changed so much that we are interfacing so much more with IT. At least I am. I spend probably at least an hour or two every day with our IT group in meetings and looking at our road map for the next year. What do we have planned? Do we have enough developers on hand? Where might we need to go agencies for support? So I think that is a different role for marketing.

My function is more of an operations function at this point of time. We are almost creating the infrastructure for other people to tell stories. So we are engaging heavily with IT to create that infrastructure. So my role has switched more from a marketing communications to a marketing operations directorship. And it's all about an IT underpinning.

A lot of what I'm doing is working on strategy but a lot of it is just connecting all these different pieces and technologies and making sure that they all work. And making sure that we are setting expectations to upper management.

2) Website Roles are changing

Participants agree that the role of websites is changing, as well. While the large corporate website remains essential, there is a trend towards creating micro environments to better address specific brands or topics. The new websites are also frequently

social aggregators and morph into portals linking users to the organization's Facebook page, Twitter feed and blog.

Everybody has these enormous websites where everything is shoved into one environment. We decided to pull pieces out. Creating these smaller environments on specific topics is what we are working on more and more now. Blogs and this kind of thing. The big website still has to be there because there has to be an online resource for people to find stuff at.

I can see the website morphing into a portal: Click here and you are on our Facebook page. Click here, you are on our Twitter feed. Click here and you are on our blog. I can see myself going back and saying our website is going to become the entrance point of all social media.

3) New Tools for B2B Marketplace

Participants also agree that new applications are becoming available for the B2B market. The dominant need is for social business software tools like Jive and Salesforce Chatter that can facilitate B2B collaboration while protecting proprietary information.

So there are all these other applications that are coming out now like Jive that facilitate social collaboration between various networks. On these service agent networks you can share more proprietary and holistic information as opposed to just information on a marketing campaign, which is publicly accessible data.

We've built something that is kind of a homegrown solution. I don't know why we probably didn't go out and see if it already existed. But a couple of years ago, our internal IT team built like a ... basically like a portal that allowed us to post blog posts and have a forum for our dealers. So it kind of took the features of like a Facebook or LinkedIn, which has proprietary information that you don't want competitors seeing, and built this tool.

Salesforce has something similar. They call it Chatter. But that is just for the sales force environment. It pulls Chatter, it pulls Facebook, it pulls Twitter and then it gives you an aggregate. A whole bunch of stuff. You can setup projects and invite team members to the project. It's a file sharing system. It's everything that everybody wants. It's really expensive right now but it's something that I think we are all going to evolve to is that.

CHALLENGES IN UTILIZING SOCIAL MEDIA IN B2B MARKETPLACE

Roundtable participants report a number of challenges they face utilizing social media in the B2B marketplace.

1) Being able to justify the time and money

Participants agree that the biggest challenge they face is being able to justify the time and money that goes into social media. Appropriate metrics are hard to come by and results so far are not universally positive.

The challenge is that it's very hard to measure. We are struggling to figure out how much we are moving the needle in terms of recognition as an industry leader. We see some improvements in some of our standard metrics but associating that directly to social media has been a challenge.

We have had such a struggle just trying to convince our upper management that maybe we shouldn't do something when everyone is pushing, we have to be on Facebook, we have to be here.

2) Finding the human resources needed to support social media

Another challenge is being able to find and hire the skilled people necessary to provide the needed support.

Just having the internal people that can actually maintain these things. Things are going so quick around here. All these things around here, there is going to be something new out. And we should be able to stay in front of it. Just to keep up with it and be able to manage it, that is the biggest issue we have right now.

3) Getting "thought leaders" to engage in the blogs and respond to tweets

Others report that their biggest challenge is getting their executives, their thought leaders, to provide needed content, engage in the blogs and respond to tweets.

For us, the biggest challenge is getting the executives to support content. They have so many things on their plates. We may have fabulous thought leadership. We may figure out how to measure it, but if we don't come forward with content that matters, it's just all going to die. That content has to come from our executives.

We need the experts to make comments and the experts are in-house. But if I can't pull my Head of Sustainability away to answer a tweet for three days, I've lost it.

The challenge though is that the executives, at least in our organization, don't take the time unless we sit on them to actually respond to the tweets or engage in the blogs. So we have used some outside people to force the executives to chime in. So it becomes a partnership type thing where I will write it for you. I will post it for you but you just give me five minutes to tell me what you think on this topic.

4) Need better tools for handling proprietary information

Some participants point to the need for better tools to allow better collaboration and the ability to communicate information that is more proprietary in nature.

Facebook, Twitter and these things were designed originally to be consumer tools. People are trying to adopt them and make them business-to-business tools. For a company like ours, a lot of the stuff that we communicate is proprietary in nature. We don't want some of this stuff to be out there in the general public so we tend to have these closed systems. I think the whole philosophy behind why these things are built in the first place is special collaboration. Email traffic is peaking and starting to dip. So there are all these other applications that are coming out now that facilitate social collaboration between dealer networks and rent networks. On these service agent networks you can share more proprietary and holistic information as opposed to just information on a marketing campaign, which is publicly accessible data. So from our perspective, how we see us leveraging it down the road is to engage in some of those technologies.

5) Making sure that website and social media work across all platforms

Due to the wide diversity of platforms across which users receive their social media, participants agree that is important that their website and social media work for all the different platforms being used.

I don't care what we do; it has to work across all the different platforms. I don't care if we've got three pages. It has to work perfectly on all those.

MEASURING SUCCESS OF SOCIAL MEDIA

The marketing executives in the Roundtable are frustrated by the lack of metrics to evaluate social media as they would advertising and other marketing elements. A number of the participants have developed their own models, which they use to assign a dollar value to the activities they can measure.

So what we have done within the past year is try to put a metric to giving someone just basic brand information, just

giving someone who is maybe interested in the brand, like assigning a dollar value to those concepts and coming up with kind of a model for how we are going to measure it and what the return on it. For us it's been really helpful because now in meetings we can say we have received 17,000 views of this and these people are receiving basic brand information unless they were going to say each one was worth a dollar.

I took us about a year to get like an actual model that we can use. And now I just kind of plug in a couple numbers and it gives us a value. I think it's worth it because there is always going to be that question of what is the value if you are not getting an actual sale because of it. Is it worth doing? I think everyone in marketing would say, 'Yes, it is worth doing'.

I really like that idea. I would be in the same boat. If I went in and talked about ROE (Return on Engagement), the boss would say, 'What in the heck is that?' They look at things differently. We did something similar for our web to lead forms. The average close rate on a lead is 20%. Average order is \$3,000. You can apply the same logic to that.

We have been in the process of calculating the current brand asset value. Our current approach is to say let's figure out if we can calculate the contribution of social media to the enhancement of the overall brand asset value.

For more information about this or future AMA St. Louis Roundtable Discussions, contact either of the Roundtable Co-chairs:

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