

Social Media in B2B Companies – A comparison between US and Austrian Companies

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Marketing environment has changed due to greater competition, globalization and the advent of the internet. Companies are using various channels to promote products and services, engage with customers and build brand recognition. Lately an important development in the use of Social Media is taking place and marketers are adding Social Media platforms to their media mix. As a consequence industries are facing new challenges around opportunities and risks this new consumer medium creates. Interactions with customers in real time amplify customer relationship whereas data leakage or legal implications can impede the company's growth.

"To find something comparable, you have to go back 500 years to the printing press, the birth of mass media... Technology is shifting power away from editors, the publishers, the establishment, the media elite. Now it's the people who are taking control." (Rupert Murdoch, WIRED, 2006)

Introduction

Social Media is the buzzword of the last years. But, social networking is not new, it has always existed; it is within the human's nature to be social and communicate with each other, either to comment, recommend or alert each other. "(...) social, refers to the instinctual needs we humans have to connect with other humans." (Safko, 2010)

With the advent of the internet and the globalization that came along with it, Social Media got introduced on the web and social networking became much faster. As a consequence marketing power has risen. In the early phases of the internet evolution, in the mid 90's, Hoffman and Novak (1995) published a paper in which they presented a conceptual foundation of marketing practice in computer-mediated environments. In their article they introduced marketers to the revolutionary changes that may occur in the way companies interact with their customers due to the rise of the internet. And they were right. The openness of the Internet had been and still is a clear factor in fostering competition and innovation. With the rise of new communication technologies and channels, which are commonly termed as Web 2.0 or Social Media, the web became more flexible and the static website with its one-way communication changed into a two way communication tool.

The Web 2.0 and especially Social Media have opened new ways to communicate; hence the effectively passive audience gained new opportunities to interact. Hoffman and Novak (1995) already anticipated that the "consumer will be an active participant in an interactive exercise of multiple feedback loops and highly immediate communication."

The development of the Marketing- and Communication model is illustrated in Figure 1.

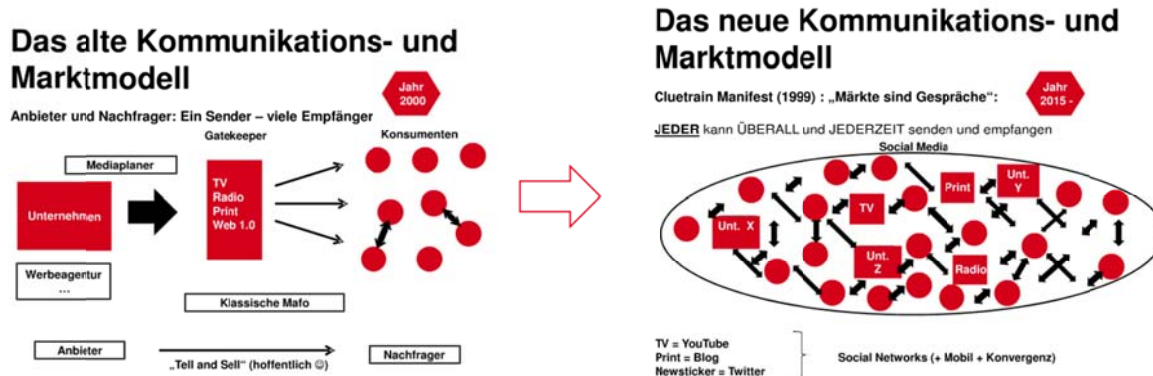


Figure 1: Change of the Communication Model (Skibicki 2010)

Table 1 gives an overview of the changes of old versus new marketing.

Components	Old Marketing	New Marketing
Marketing mindset	Use one-way, one-sided communication to tell brand story	Nurture dialogue and relationships; be more transparent, earn trust, build credibility
Brand equity	Brand recall is holy grail	Brand value is determined by customers: How likely are customers to highly recommend the good or service
Segmentation	Group customers by demographics	group customers by behavior, attitudes, and interests - what's important to them
Targeting	Target by demographics, especially for media buying	Target according to customer behaviour
Communication	Broadcast style: create and push message out for customers to absorb	Digital environment for interactive communication through search and query, customer comments, personal reviews, or dialogue
Content	Professional content created and controlled by marketers	Mix of professional and user-generated content, increasingly visual
Virality	A nice feature but popularity too often driven by flashy presentation rather than content	Virality based on solid content about remarkable products or features that will get people talking and forwarding e-mail.
Reviews	Think Michelin Guide: the expert weighs in	Think Amazon: users review and vote on everything
Advertising/Publisher role	Publisher establishes channel and controls content to gather an audience for the advertisers who sponsor channels or programs	Build relationships by sponsoring (not controlling) content and interaction when, where, and how customers want it
Strategy	Top-down strategy imposed by senior management driven tactics	Bottom-up strategy builds on winning ideas culled from constant testing and customer input
Hierarchy	Information is organized into channels, folders, and categories to suit advertisers	Information is available on demand by keyword to suit users
Payment	Cost per Thousand (CPT): Emphasis on cost; Advertisers buy with the idea that share of voice = Share of mind = Share of market	Return on Investment: Invest in marketing for future growth and profitability based on measurable return.

Table 1: Old Marketing versus New Marketing (Weber, 2007)

While existing literature and surveys address Social Media applications in the consumer market, little attention has been given to the business market. Even though Social Media has become increasingly popular in European countries, the potential of Web 2.0 and especially Social Media applications is still largely untapped in Austrian companies. In comparison to popular lifestyle brands and retailer companies, applications of Social Media get remarkably little attention in the B2B sector.

In a study of business.com, which interrogated U.S. companies operating in the business market as well as in the consumer market, Ben Hanna (2009) surprisingly found out that in US companies Social Media is more likely used in business markets (81% use Social Media profiles) than consumer markets (only 67 %). Nevertheless, many other authors and also the practice indicate different figures (see for example Figure 3).

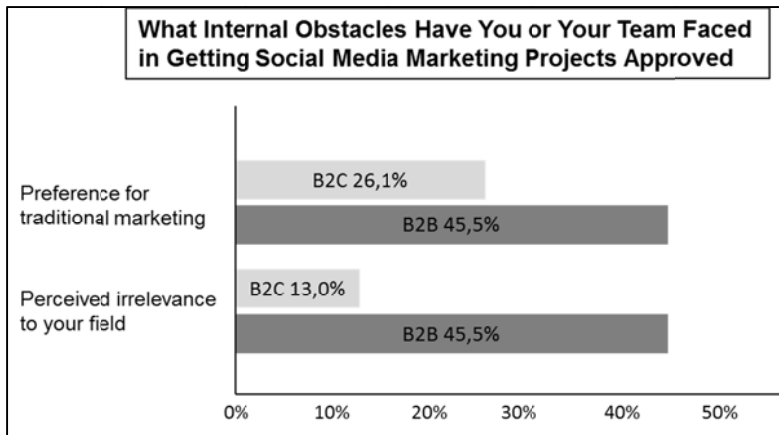


Figure 3: Internal Obstacles (Gilling, Schwartzman, 2011)

Having a look at Austrian companies, such as a survey carried out by META Communication International (2010), who investigated Austrian ATX companies and other large enterprises in regard to their Social Media use, it appears that most B-to-B companies rank in the end third.

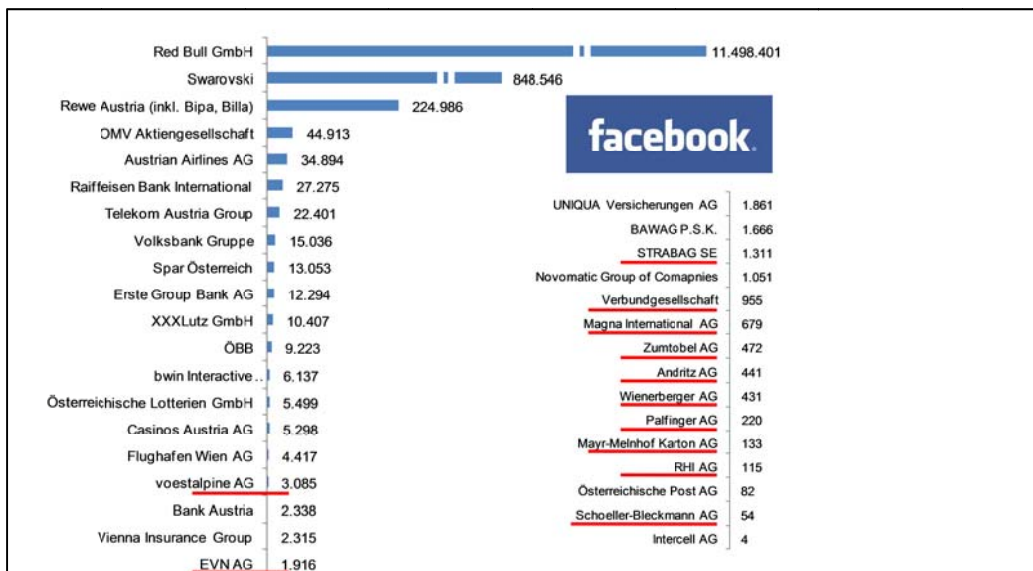


Figure 4: Facebook Presence of large Austrian Companies (Meta Communication International 2010)

However, there is no question that Social Media is very important in the daily business and will continue to be so.

According to a study of AMR International (2010) the average marketing budget of B2B companies is about \$ 80 billion per year. \$ 3 billion of that are spent online. Spending on B2B Internet marketing is expected to grow at a compound rate of 12 percent through 2013, with Social Media spending showing a 21 percent compound annual growth.

Since most Social Media Tools have their birth in the United States, the US are leading the way. And Austria is behind, endeavoring to follow.

The overall objective of this work is to identify, observe and describe the aims and strategies of industrial organizations and show a comparison between US and Austrian companies.

Difference of B2B and B2C

In many aspects B2B companies have to be distinguished from B2C companies (see Table 2). Probably the most important distinction between business and consumer marketing is that B2B marketing is much more likely to focus on value than experience.

Buying decisions are mainly driven by the need to solve a problem, pursue an opportunity to make the company more efficient. Instead of the gut feeling that dominates B2C buying decisions, B2B buyers base their decision upon facts and calculated value, e.g. price/performance, fit to customer's business objective, compability with existing systems. Buying decisions are not made by individuals but rather by a by a group of people - so called buying centers. Multiple people at multiple stages of the buying process are influenced, all of the involved parties have different objectives. Furthermore, most businesses are inherently conservative, and decision-makers seek validation from many sources. Research by Marketing Sherpa and TechWeb found that in 41% of technology buying decision 15 or more people were involved in the process. One also has to keep in mind that the transaction volume in B2B companies is much higher and can affect the company's bottom line. Besides, buying cycles are much longer and relationships play a more important role in B2B than in B2C. Many companies prefer to work with people they know and can trust. Suppliers are valued for high-quality service and their "one throat to choke" accountability. Since B2B customers expect their problems to be solved within no time, service and support are essential.

Market structure differences		
<i>Dimension</i>	<i>Business marketing</i>	<i>Consumer Marketing</i>
Nature of demand	Derived	Direct
Demand volatility	Greater volatility	Less volatility
Demand elasticity	less elastic	More elastic
Reverse elasticity	More common	Less common
Nature of customers	Greater heterogeneity	Greater homogeneity
Market fragmentation	Greater fragmentation	Less fragmentation
Market complexity	More complex	Less complex
Market size	Larger overall value	Smaller overall value
Number of buyers per seller	Few	Many
Number of buyers per segment	Few	Many
Relative size of buyer /seller	Often similar	Seller much larger
Geographic concentration	Often clustered	Usually dispersed
Buying behaviour differences		
<i>Dimension</i>	<i>Business marketing</i>	<i>Consumer Marketing</i>
Buying influence	Many	Few
Purchase cycles	Often long	Usually short
Transaction value	Often high	Usually small
Buying process complexity	Often complex	Usually simple
Byer / seller interdependence	Often high	Usually low
Purchase professionalism	Often high	Usually low
Importance of relationships	Often important	Usually unimportant
Degree of interactivity	Often high	Usually low
Formal written rules	Common	Uncommon
Marketing practice differences		
<i>Dimension</i>	<i>Business marketing</i>	<i>Consumer Marketing</i>
Selling process	System selling	Product selling
Personal selling	Used extensively	Limited
Use of relationships	Used extensively	Limited
Promotional strategies	Limited, customer-specific	Mass market
Web integration	Greater	Limited
Branding	Limited	Extensive, sophisticated
Market research	Limited	Extensive
Segmentation	Unsophisticated	Sophisticated
Competitor awareness	Lower	Higher
Product complexity	Greater	Lesser

Table 2: Differences between business and consumer markets (Brennan, Canning, McDowell, 2010)

Media marketing strategy for a company. Social Media services only provide a platform to support and promote communication. In the literature no common classification of Social Media tools and applications can be found. Safko (2010), for example, divides the Social Media world into 15 categories. For my research I clustered Social Media applications in the following categories: Social Networks (e.g., Facebook, Google+, LinkedIn), Location-based Services (e.g., Foursquare, Google Places), Blogs (e.g., Blogger, Wordpress), Micromedia (e.g., Twitter), Wikis (e.g., Wikipedia), Forum, Review Sites (e.g., Yelp), Social Bookmarks (e.g., delicious), Instant Messaging (e.g. Skype, MSN), Content-Services (e.g., Flickr, You Tube), Livecasting (e.g., Lifestream.fm), Social Shopping (e.g. Daily Deal, Groupon), Review Systems (e.g. amazon), Social Gaming (e.g., Farmville, World of Warcraft). Subsequently the most relevant services for companies are briefly described.

(1) Social Networking Sites: The Small World Phenomenon by Milgram (1967) states that on average every person shares six friends with every other person. Computer simulations found out that if you combine six billion points, the population of the earth, in an accurate way one can pass from any point to any other point only via a maximum of six nodes. Social networks sites are online sites, platforms or services that focus on building social networks or relations among people. Individuals, groups or companies can set up a profile and connect with others. Consumers often rate the value of the network by the number of friends and their engagement, whereas marketers value the endorsement of the consumers by counting the number of friends, followers and subscribers and their contribution to viral distribution.

(2) Blogs: A weblog or blog is web site on which individuals, groups or business entities can publish news, opinions and commentary on various topics. Many blogs focus on a particular subject or current event whereas others function on a niche topic or have the shape of a personal online diary. Usually new posts are listed at the top, older ones follow in reverse chronological order for clarity. Blogs are interactive, as on the one hand contact with the author or other readers can be made any time. On the other hand just commentaries can be left or messages sent to others via widgets on the blogs. Furthermore it is possible to insert images, videos or links that then refer to other blogs or Web pages related to the topic. The interactivity of blogs can be used by advertisers as another channel in the marketing mix to reach customers and also gain insight into consumer's behavior and intent. Through the social connection most consumers build up a stronger relationship and as a consequence become more engaged in the conversation. By following the conversations, marketers can absorb the intention as well as the attitude of the customers by examining the message, language as well as the tone it is written in. Blogs can also serve as a Question and Answer tool, where customers can support others with relevant product or support information.

(3) Microblogging (e.g. Twitter) concentrates on very short posts. These short messages are of maximum 140 characters and can be received various ways.

(4) Social bookmarking sites (e.g. delicious): Social bookmarking serves to organize, store and manage online resources.

(5) Sharing Sites: Some platforms offer users the possibility to store and share photos (e.g. Picasa, Flickr) videos (e.g. YouTube), slides (e.g. SlideShare) and other media with other user, both for public and private use.

Methodology

Regarding the topicality of the subject a multiple case study was chosen as research design. The target group consisted of various Austrian and US companies, all operating in the technology sector.

In total 20 Austrian and 21 US technology companies were analyzed. As sample companies such companies were chosen that are considered to be pioneers of social media adaption or are now integrating social media applications in their marketing mix. The chosen companies are operating in different industries, such as mechanical engineering, IT and energy sector. The selection was made to get an overview of how to integrate social media in different industries. Also the size of the companies differs from as small and medium sized enterprises to multinational companies. Due to the diversified

selection of the companies, industry-typical effects were avoided and the study can be seen more generally.

Data for this study were collected by means of semi-structured interviews with social media responsible, such as marketing or communication managers. The interviews were conducted face-to-face, personally and on-site, first to get a closer insight into the company, their social media strategies and operations and second, to network with the interviewee and hence establish a closer relationship. Interviews with marketing or communication managers each lasted between 45 and 65 minutes. The aim of the interviews was: (a) to understand their social media activities, (b) to determine their strategies and goals of social media activities and (c) to analyze their measurement tools and impact in business performance. The focus on social media activities was directed on applications which are most widely used: Facebook, Youtube, blogs, forums and Twitter.

As recommended in the literature on expert interviewing, all interviews were digitally recorded to enable a focus on active listening and to avoid loss of data. For the last mentioned reason all interviews were subsequently transcribed and analyzed through structured qualitative content analysis as described by Gläser&Laudel (2006).

To guarantee a high quality data generation through the study, the interview guide as well as the questionnaire were pretested.

A qualitative research method was chosen for several reasons. First, cases studies often investigate a contemporary phenomenon within its real life context (Yin, 2003). Second, the aim of qualitative research methods often lies in finding answers that lie in the depth of the topic (Eisenhardt 1989). Generally the main advantage of a qualitative study is to help to holistically understand a situation, the case (Baxter & Chua 2008).

Comparison of Austrian and US companies

Some people assert that B2B companies actually have the same to gain from social marketing than their consumer counterparts because social tools address so many factors that are unique to their market:

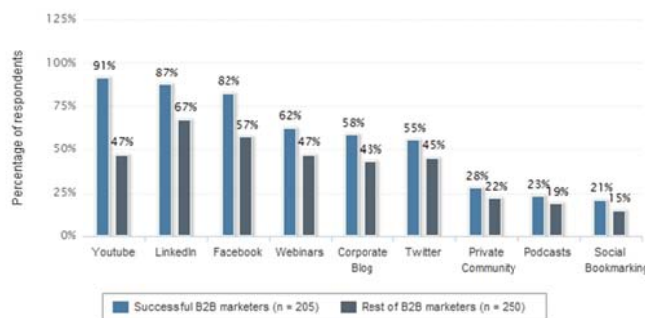
Group decision making is enhanced when everyone involved in the decision has access to the resources that the vendor is bringing to the table. This benefits small B2B suppliers in particular, because they can more easily expose their expertise and experience to prospective customers. Business buying cycles are shortened when buyers don't have to navigate through intermediaries to answer questions. Social Media makes it easy to reach the source directly. Relationships can now be forged at every level. Although this may present a threat to the sales organization, it improves the chance that the buyer and seller will find touch points elsewhere in the organization. For example, product developers may be more effective than marketers at establishing trusted relationships with influencers in customer organizations. Complicated sales are made less complex when all parties have open channels of communication. This reduces fingerpointing and improves customer satisfaction. For the selling company, it also creates ways to identify new business and upsell opportunities. Channel relationships are smoother when all parties are clued into what each other is doing and can take advantage of opportunities for joint promotion and co-op marketing.

Potential clients for business to business companies mainly employ the use of online sources, in this case the Social Media, to acquire information about the companies they are interested in, and this enables them to make informed decisions before buying. Companies, therefore, utilize a number of Social Media networks which offer relevant information clients can refer to when they need to learn about the companies. In this way, the companies are always visible to their clients which make it easier for them to appeal to more clients. Social Media also allows the use of various channels through which to reach prospective clients. This way, companies can utilize these channels to offer different information about their goods and services, and in this way reach a larger audience. This for example, can be the use of videos or blogs on a particular Social Media channel which should also have a link which leads back to the main website of the company. The use of these channels allows companies to come up with new ideas on how to better appeal to their clients. The probable client

source of business to business companies is basically small. It is, therefore, essential for these companies to expand their brand visibility in order to reach their potential clients. Social Media networks render this possible as they reach a larger base of technologically advanced businesses, which are the target prospects of these companies. A company can also use Social Media to carry out market research on various issues concerning other companies, and in this way get to find out the companies which they share common interests with, or those which they can gain from in more than one way. In the current times, the business to business marketplace has evolved a lot, and it is imperative that a firm be seen as relevant. Companies must represent themselves where their consumers and prospects interact. Failure to do so may result in the company not being aware of conversations taking place about their products. Therefore, it is relevant to expand and to engage in as many conversations about one's firm as often as possible to sensitize potential customers about the services and products your firm offers. Companies can do this in multiple ways depending on which media are available.

A survey of Marketingprofs (2010) evaluated the use of Social Media platforms by US B2B companies. The inquiry shows that Youtube is the number one channel for marketers, followed by LinkedIn and Facebook.

Social media platforms used by B2B marketers, by marketing success (in percent)



Worldwide; 928 marketers; 455 Befragte

Source: Marketingprofs.com

Figure 6: Social Media Use of B2B companies (Marketingprofs, 2010)

When taking a look at the ranking of German B2B companies, Facebook ranks first, LinkedIn second and the German pendant – XING third (see Table 2).

Top 10 Social Media Applications	
Platz 1	Facebook (100%) – www.facebook.com
Platz 2	LinkedIn (95%) – www.linkedin.com
Platz 3	XING (88%) – www.xing.com
Platz 4	YouTUBE (84%) – www.youtube.com
Platz 5	Twitter (82%) – www.twitter.com
Platz 6	Google Plus (77%) – www.plus.google.com
Platz 7	Wikipedia (72%) – www.wikipedia.org
Platz 8	Scribd (71%) – www.scribd.com
Platz 9	Slideshare (68%) – www.slideshare.net
Platz 10	Vimeo (66%) – www.vimeo.com

Table 2: Top 10 Social Media Services for B2B communication adoption in Germany (Förster, 2012)

It is not justifiable to compare both tables since the one representing US companies dates back to the year 2010. The most recent eBizMBA Rank of March 2012 – the ranking is based upon the number of

monthly visitors - places Facebook first, Twitter second, LinkedIn third, mySpace fourth and Google + already on 5th position. Even though this ranking is rather general and not specifically under the restriction of the use of B2B companies it supports my onsite impression. The other table originates from Germany in Austria. Nevertheless, these two countries have a are rather similar level in the technological advance and can be therefore put on the same level.

The interviews with different marketers or PR officers showed unequivocally a difference in the use and importance of Twitter and Facebook (see Figure 7 and 8).

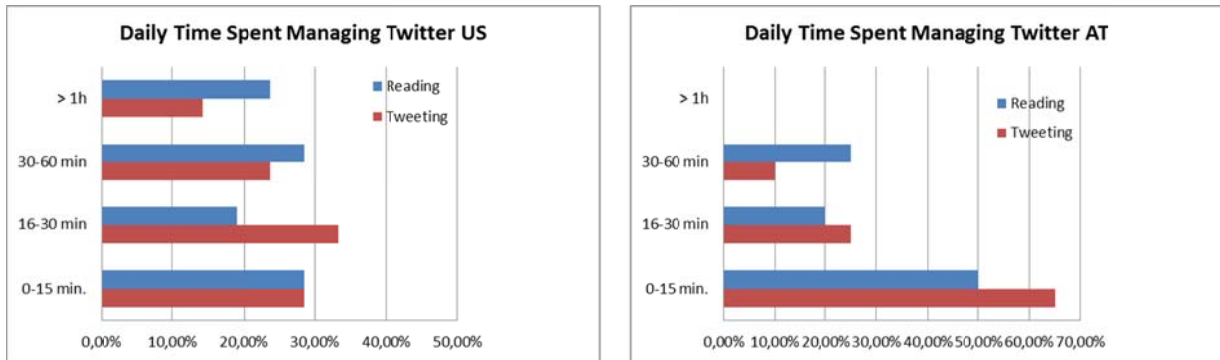


Figure 7: Comparison of Daily Time Spent Managing Twitter of US (n=21) and Austrian Companies (n=20)

Twitter is applied much more in the US than it is in Austria. This effect cannot only be recognized in the business context but also in every day's life. In Austria hardly anybody tweets him- or herself or follows someone. In the US every panel, discussion forum and session have their own twitter account and people actively participate in the conversation. Consequently it is not surprisingly that only two of the 21 investigated US companies do not have a Twitter account whereas ten of the Austrian B2B companies (total sample size 20) are not present on Twitter. Not only the number of active "Twitterers" shows differences, a deviance in the level of activeness can be analyzed. Most Austrian companies that are using twitter, only release one or tweets a day. Nevertheless reading tweets and retweeting (is included in the reading part) takes time.

In the US some very active Twitter-using companies, who spend more than an hour daily tweeting company information, exist.

A similar picture can be found when concentrating on the use of Facebook. Since mainly companies with a Social Media presence, at least in Facebook, were chosen, the daily time spent below 15 min is rather low. Nevertheless there are some companies that have set up a Facebook profile but hold that they do not have enough time to "play" with it and therefore do not fill it with content, so only the Wikipedia text can be read when going on their site. The average time interacting with Social Media in Austria lies between 16 and 30 minutes, in the US it is shifted more to the range of 30 to 60 minutes.

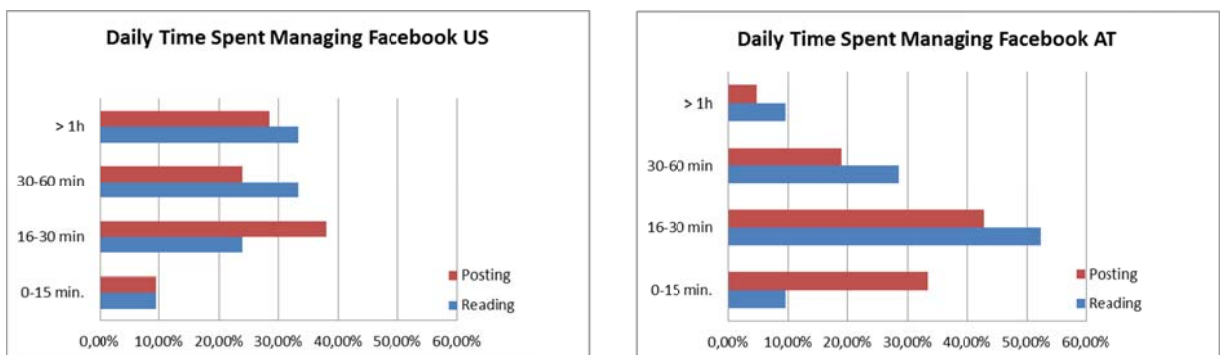
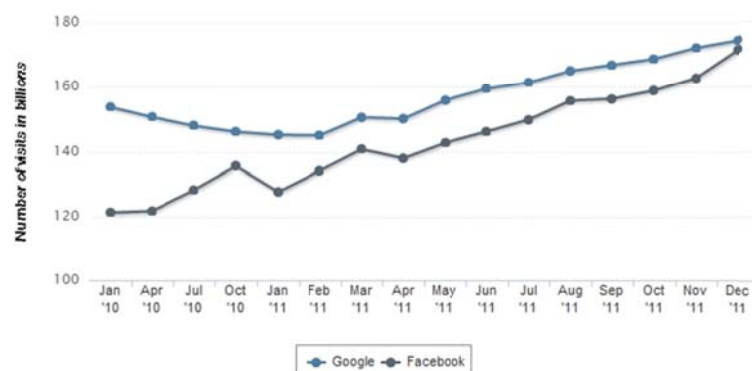


Figure 8: Comparison of Daily Time Spent Managing Facebook of US (n=21) and Austrian Companies (n=20)

On July 7th, 2011 Google launched Google+ to a small group of tester. Soon it was unclosed to the public. According to Larry Page already more than 10 million users were recorded in the Facebook equivalent within the first three weeks. Meanwhile, the network includes nearly 90 million users and more and more companies are also entering this network. However, the number is a little critical. When signing in at any Google service such as Gmail and YouTube the following message appears: "Your Google account is more than just Gmail" As a consequence one also counts as registered in Google+. According to Google's internal log analysis, however, 60 percent of the registered user really communicate via Google+. After a test phase for company profiles at the beginning (only a few were allowed to sign up), Google+ in November. The friendship and networking principles of Google+ are very different to those of Facebook. Google backs on asymmetrical friendship principle und uses the principle to the follower, similar to the Twitter principle.

Comparison of visits on Facebook and Google as of December 2011 in the U.S. (in billions)



United States; Compete, Inc

Source: Compete, Inc.

Figure 9: Traffic comparison of Google and Facebook (Statista, 2012)

So far Austrian companies are only slowly joining the new Social Media application. Until the End of February merely two out of the 20 of the analyzed Austria companies signed in for a Google + account, whereas seven out of the 21 interviewed US B2B companies have already joined.

There is no doubt that Google+ will become the core of Google's services. According to an interview with a Google+ representative at the Google headquarter in December, the company is making its social efforts a top priority, since it has already spent a lot of time and personal resources in the development.

"Facebook's mission is to give people the power to share and make the world more open and connected" – **Facebook.com**

"Google's mission is to organize the world's information and make it universally accessible and useful" – **Google.com**

Derived from the two missions, both companies have different agendas and strategies. Facebook targets an audience and Google targets needs. Nevertheless Google's aim is to become the number one (and only) in everything they do. Eric Schmidt, Google's chairman, opines: "The assumption is that everything will move over to using the Plus infrastructure over time".

It is too early to predict the future of Social Media, and especially the development of Facebook and Google+, but they will definitely dominate the way people communicate.

Even though it is very expensive – both in terms of time and money – it is recommended to supervise multiple platforms and also both presented Social Media networks (Facebook and Google+) at this time. Facebook is still the number one when taking the number of users into account. Having a Google+ Account, on the other hand, is needful for scaling up the Google search ranking.

LinkedIn is very popular in the US and dominates the coordination of business contacts. (Whereas Facebook is rather used for leisure). In Austria Xing is the counterpart of LinkedIn. It is also widely used, primarily for business networking purposes and can be compared to the LinkedIn application.

The main objectives for the Use of Social media in B2B are the same in both countries. The majority of the companies want to strengthen their brand management (brand awareness, reputation etc.) as well improving customer loyalty and retention, the ultimate company objective everybody strives to achieve.

Each channel has specific advantages and scopes of application. Youtube provides the avenue to explain technical products, also to non-technicians and non B2B customers, to inform and generate brand awareness and also to generate customer demand. The main objective for Twitter is to engage and interact with your customers, providing information and updates – starting, as well as joining conversations. Blogs are qualified for retaining the customers and building a strong Brand.

Furthermore, most B2B companies claim to be innovative. Therefore they have to show it outwards.

Apart from that, especially the younger generation, the so called Digital Natives, grew up with computers and the internet and are present on Social Media channels. It would have a fatal impact to not include them in your recruiting and company communication.

Conclusion

As found out in my comparative study Austrian B2B companies are not on the same level compared to US companies when it comes to the use of Social Media, even though more and more companies build up expertise and set up accounts in Social Media tools. The contemplated average US company is using Social Media since two and a half years whereas the average of the Austrian companies is using the tools for about two years. The numbers represent the dates of a first Social media activity, independent of a strategy. This day only 57% of the US companies and even less of the Austrian companies (40%) have determined a Social Media Strategy, one that is also communicated and defined in the company objectives, such as Balance Scorecard or others. The interviews conclusively showed that rather conservative branches were/are also rather observant and reserved with the New Media Topic, both in the US and in Austria. In all analyzed figures, such as number of Twitter followers, number of Facebook fans or Youtube subscribers, US companies show higher figures.

This can be deduced to the longer use of Social Media as well as the greater amount of inhabitants in the US. However, it does not explicitly correlate with a higher return on investment or other Key performance indicators.

	Austrian Companies	US Companies
Average SM applications time	January 2010	August 2009
Average time for SM	½ full time employee	1 full time employee
Average number of Twitter follower	211	1276
Average number of Facebook fans	735	2023
Average number of Youtube subscriber	28	54
SM Guidelines	SM Guidelines often restrict employees to use SM in working hours.	SM Guidelines are part of internal communication
SM Stratgey	Only 40% have communicated strategy. Most companies are in trying phase.	57% have Social Medi.a Strategy.

Table 3: Overview of findings

Business-to-business executives often insist their target audiences are not in social media talking about their business needs. The whole idea, they tell me, of “joining the conversation” just doesn’t resonate with the decision makers they’re trying to reach. But, Social Media can affect B2B relationships at nearly every level.

In Social Media channels can give B2B companies a leg up on the competition in two key ways: conversation and search engine optimization (SEO). Every Tweet on Twitter, every discussion within Facebook groups, every Q&A on LinkedIn, every video on YouTube, every presentation on SlideShare, etc., is recognized by search engines. If B2B companies stock these channels with appropriately titled and tagged content that is searchable for their target audiences, they can “own” the topics their customers are looking for. Wikipedia is one of the top 10 Websites in the world, according to the traffic. Relevant links within this collaborative encyclopedia not only deliver traffic to a site, but can also improve a Web site’s search returns connected to specific keywords. Consider how often business categories such as purchasing and procurement, semiconductors, fiber optics, cooling and filtration, etc. are defined within Wikipedia. By inserting case studies and company links as examples of the category definition, B2B companies can connect with people looking for their specific services. B2B relationships as well as transactions are usually high-touch, and are mainly established through direct interfacing with customers and relationship building through face-to-face communication. B2B companies are trying to meet customer needs with individual interaction (e.g. personalized internet solutions) aligned to the customer requirements and hence, replace the lack of face-to-face communication. Social Media allows companies to interact with customers and prospects. Several arrays of touch points that Social Media features ensure that the high personal relationship remains intact.

But, these benefits don’t come without risk. Preparing a company to speak openly to constituents such as customers, regulators, and government agencies requires vision, commitment, and a tolerance for error. Social Marketing is not for every company. Some businesses are so specialized in their markets on so focused that they already know all their customers and prospects. Then face-to-face communication might probably be better. Also, not all companies have the culture or fortitude to make the shift. They are better off piloting initiatives through smaller projects designed to demonstrate business value internally or waiting until customer demand requires a culture change.

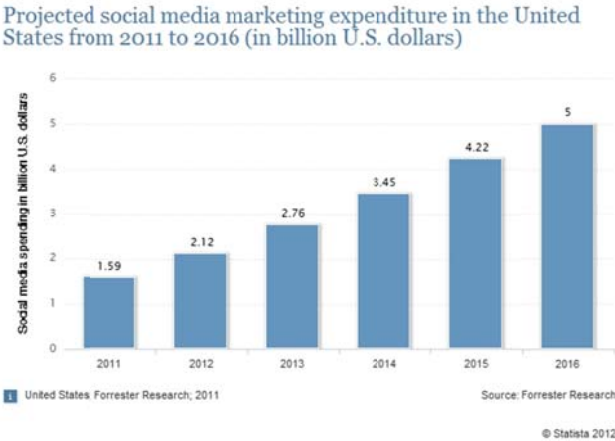


Figure 10: Predicted Social Media marketing expenditures in the US (Forrester Research, 2011)

The marketing expenditures for Social Media will increase in future (see Figure 10). It is not a question whether to use Social Media or not, than rather which channels to use and what strategy to apply.

Me at the Google and Facebook Headquarter:



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