



Social Media Comes of Age

The new “business as usual”



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Every new medium eventually becomes ‘not a new medium’ and social is no exception. There are clear signals that social media is now being accepted as just another element within the [mobile marketing](#) and general marketing mix. This is evident across most top UK brands in one form or other. The novelty may have worn off but the commercial exploitation has only just begun.

In 2011, social media has become the single biggest category online, taking over the top spot from the entertainment categoryⁱ. Other sourcesⁱⁱ confirm that we are entering an age of social business, where a social way of doing business is successfully combined with a personal feel. We ain’t seen nothin’ yet.


As if to confirm that social media is no longer the next shiny object, we see books such as “How to Leave Twitter” by journalist and author Grace Dent being published. Moreover, we see the valuation of the latest generation of new media companies reaching an all time highⁱⁱⁱ, with LinkedIn (who recently had to back down on a personalised ad campaign)

and Groupon (whose margins are starting to slip) currently in the spotlight. Is the bubble about to burst?

In June of 2011 there were a number of news stories reporting a decline in the number of Facebook users for the first time. This too is another sign of a level of maturity or saturation being reached – Facebook fatigue? Some commentators believe that as UK Facebook adoption peaked at 50% (give or take, depending on the level of internet access) in any country, growth generally starts to slow. For the UK, [customer analysis](#) shows that adoption peaked at just over 30m in early 2011 according to Socialbakers^{iv} but in July, the numbers were lower.

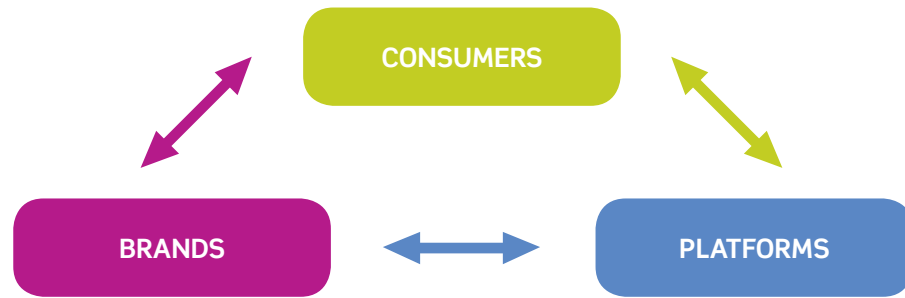
The instantaneous and peer to peer nature of social communication lead to its catalytic role in civil movements – most notably the Iranian Green Movement, the Arab uprising and more recently, the London Riots of August 2011, dubbed by some as the “BlackBerry Riots”.





Social networking is the most common internet use on mobile phones.





Consumers, brands and platforms across the UK are all showing signs of social maturity

Take up rate of social networking for UK internet users is now 46%

For every brand post on Facebook, fans write an average of 100 comments in response and for every fan of a brand, there are an additional 34 friends of that fan that can be reached with a marketing message.

For many brands, social media has become business as usual. It is just another tool in the marketer's battle to acquire and retain customers, especially as newer, more nimble players attempt to steal a march.

This maturity can be viewed from consumer, Platform and Brand points of view.

Consumers: In its 2011 Communications Report, Ofcom has confirmed that take up rate of social networking for UK internet users^v has now reached 46%. There are almost 30 million Facebook users^{vi} in the UK. Social networking is the most common internet use on mobile phones^{vii} and conversely mobile use of social networks is 80% up on last year^{viii}.

Platforms: New merchant portals have been introduced by [Facebook](#) and [Foursquare](#) and will shortly be launched by [Google+](#)^{ix}. In Facebook's own words^x, they have "...invested in new ways to help advertisers to think beyond the click". The cost of Facebook ads is going up^{xi} (determined partly by auction and partly by the network itself), another sign of rising demand. BlackBerry Messenger 6^{xii} is socialising the way consumers use applications. UK based company Autonomy has launched its own augmented reality platform [Aurasma](#), which allows users to create their own virtual worlds via smartphone application.

Brands: The average company now has 29 Facebook pages^{xiii}. Even the most conservative business sectors such as financial services are adopting social media in innovative ways, e.g. First Direct's crowdsourcing campaign^{xiv} and the appointment of its social media savvy marketer, Mark Mullen, as CEO. Barclays is one of the top 10 Financial Service providers on Facebook and their application is one of the most liked of all time^{xv}. [Noddle](#), a new consumer financial service in the UK, has used social media from the very beginning by interacting with its users on Facebook, Twitter and Google+. The social media team post and respond to enquiries at all hours of the day to maintain the level of immediacy and strong user engagement that social media offers. Indeed, many UK businesses are now hiring social managers of various types^{xvi}. According to The FT^{xvii}, for every brand post on Facebook, fans write an average of 100 comments in response and for every fan of a brand, there are an additional 34 friends of that fan that can be reached with a [marketing analysis](#) message. Far from being free, marketers are realising that social requires investment – time and money.



Facebook is important but despite its reach, it is not the silver bullet many initially may have hoped for



UK financial services firms like Twitter more than Facebook due to being more content than relationship driven

Social is now a normal part of marketing

Siloed social marketing is doomed to failure. Instead, initiatives which have been based on clear commercial objectives (e.g. data captured, opt-ins gained, trackable customer journeys, or direct marketing sales measures) and a coordinated approach across the business have the best probability of success.

Sure, Facebook is important but despite its reach, it is not the silver bullet many initially may have hoped for, e.g. UK financial services firms like Twitter more than Facebook^{xviii} due to being more content than relationship driven. Some advertisers are looking beyond Facebook to alternatives such as YouTube and Foursquare. There is even evidence^{xix} that Facebook may not be so good for some brand categories. Yes, it's a good idea to have a presence on Facebook for most businesses, but that alone is not enough. You must understand your target audience's preferred social behaviours and reflect those within the

brand presence. Insight into what is best for your proposition can, for example be gleaned by undertaking social profiling of customer groups.

But it is about more than just statistics or anecdotes – there are some underlying trends which confirm the arrival of social media into business as usual marketing activity. These include:

1. **Enhancing established engagement and marketing techniques**
2. **Encouraging real participation**
3. **Transacting socially**
4. **Mobile displacing desktop time**
5. **Growing role of location**
6. **Evolution of social monitoring**
7. **Integration of social data into customer databases**
8. **Social Relationship Marketing**



Brands have begun to puzzle out how to link conversations, posts, blogs, check-ins and other social data elements to traditional offline data.

1. Enhancing established engagement and marketing techniques:

Marketers in the UK are still most reliant on email lists and targeted email marketing according to recent research^{xx}. Social functionality and principles are being woven^{xxi} into the fabric of existing communications and touchpoints – from email to retail and even direct email marketing.

2. Encouraging real participation:

In the early days, social was seen by some as another way of *pushing* communications out to audiences. Marketers are realising however that social just does not work like this and are devising innovative tactics to tempt consumers into participating in brand activities whether it be posting pictures, entering competitions or providing new ideas.

3. Transacting socially:

The rapid rise of brands setting up transactional applications within Facebook has been one of the strongest statements of commercialising social. In the UK, this has been led by brands such as ASOS who are seeing incremental uplifts in revenues as a result of broadening access options ahead of their traditional competitors.

4. Mobile displacing desktop time:

The boundaries between mobile and social continue to blur. This together with the boom in demand for tablet devices has dramatically changed how consumers across the UK are choosing to view, compare and shop.

5. Growing role of location:

There are many location platforms offering consumers the opportunity to register at venues, places and spots to interact with their network but also to receive special deals. But which location based service has the edge – Facebook, Foursquare, Google, Gowalla or Yelp? The reality is that businesses need to engage using all services as different consumers use different platforms.

6. Evolution of social monitoring:

The cottage industry that quickly emerged to provide stand alone social monitoring

services (often by point solution providers) is gradually being replaced by service providers offering deeper insight, evaluation (the 'so what' and 'what next') as well as building metrics which are consistently trackable and aligned to existing marketing KPIs.

7. Integration of social data into customer databases:

Brands have begun to puzzle out how to link conversations, posts, blogs, check-ins and other social data elements to traditional offline data. For example, Callcredit holds over 30 fields for each social data record and has a range of options for matching these into customer databases, and enabling analysis and informed engagement.

8. Social Relationship Marketing:

Within the context of CRM, new measures of influence and relationship are now used alongside value. Relationship levels can be calculated based on sharing activity and influence measured on publishing frequency and social graphs, e.g. Klout scores.

Obstacles to using social marketing still remain. They include concern about being able to address specific groups sufficiently, ROI measurement, insufficient expertise about how to undertake social marketing and worry about being able to control consumer perceptions of the brand.

Through our experience of working through these issues with clients, Callcredit has the experience and knowledge to address all of these by helping you understand the current social landscape, affordability, developing social strategies, piloting initiatives and scaling up engagement. This approach makes the transition from a series of social tactics to becoming a business which is intrinsically social less risky and more commercially interesting. It's time for marketers to learn from early mistakes and adopt what econsultancy calls^{xxii} 'fast follower' status.

To find out more about Callcredit's Digital Solutions
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Callcredit Information Group Enabling Smarter Decisions

About Callcredit Information Group

Callcredit Information Group has a leading edge approach to using consumer information in credit referencing, marketing services, interactive solutions and consultative analytics. This enables our clients to cost-effectively identify, engage and convert more new customers and optimise existing customer revenues.

Callcredit offers intelligent solutions across the customer lifecycle as follows:

- Plan
 - Acquire
 - Verify
 - Manage
 - Collect
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