

THE STATE OF CORPORATE SOCIAL MEDIA

2014

#STATEOFCSM

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IS CORPORATE SOCIAL MEDIA MATURING - OR STAGNATING?

WELCOME TO THE FOURTH ANNUAL STATE OF CORPORATE SOCIAL MEDIA REPORT. EVERY YEAR, WE REACH OUT TO THE SOCIAL MEDIA COMMUNITY IN HOUSE AT LARGE CORPORATIONS AND TAKE THE TEMPERATURE OF SOCIAL ADOPTION AND USE AROUND THE WORLD.

We ask them about:

01. Budgets and resourcing for social: How are budgets changing? Are more people working on social? Is social getting more clout in the boardroom?
02. Social's use: How do companies leverage social? Is social being embedded across multiple departments - or is still a 'wart' on the side of your business? How will that use change over the next year?
03. Measurement: Are we getting better at understanding the impact of social media on business?

This year, we appear to have reached something of a fork in the road. Over the last three iterations of this briefing, it has been evident that social media use was scaling up rapidly across businesses around the world.

This year, the picture is more nuanced:

01. Social media team size is reducing: Is this evidence that social is maturing, and we're moving towards a hub and spoke model where social is embedded across many roles, and there's no need for a large central team to 'do social' for the whole business - or is it evidence that the appetite to resource a significant social push is decreasing?
02. Fewer budgets are increasing: Does this signify that the appetite to scale up social use still further is reducing, or does it imply that the major spends on 'social infrastructure' - tech adoption, hiring, development - have been made?
03. Less KPIs are being measured: Does this mean that companies are less interested in measurement, or simply that people are zoning in on the metrics that matter most to them?

Over the course of the next 20 pages, we'll highlight the key findings from the State of CSM survey, to lend fuel to the fire of this important debate. And we'll conclude with our own takeaways from the data in chapter 8.

Of course, you're free to draw your own conclusions - our full dataset is [available here](#)

Happy reading!



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CHAPTER 1: A NOTE ON OUR RESPONDENTS

If we're going to start making broad statements on the future of corporate social media, we will of course have to prove we have the evidence to back it up. We're confident we do.

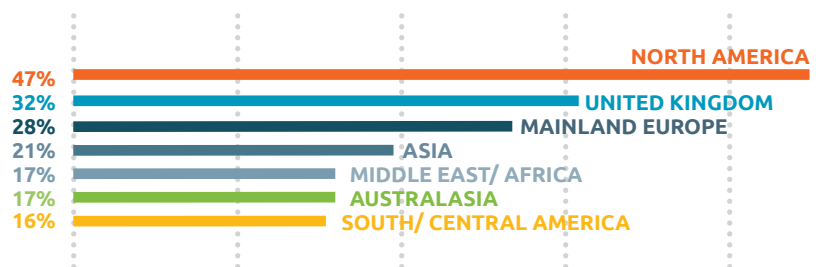
The State of Corporate Social Media survey - conducted in the first six months of 2014 - is a major source of feedback from the social media community. Over 1,000 executives shared their views with us via a complex and in-depth survey.

Straight from the horse's mouth

Of course, we focus on 'corporate' social media - so the vast majority of the findings below are drawn solely from those people (500+) who identify themselves as working for 'brands, end users and corporations' - as opposed to the agency/consultancy community, who will have a rather different take on social media.

Of the 516 'corporate' executives we have polled, 36% work for a B2B company, 23% for a B2C, and 42% for a company with some B2B and B2C elements.

What regions are you responsible for?



Geographically Diverse

To ensure our report would include a wide range of social media activity analysis across the corporate space, we actively identified respondents responsible for business operations in all major economic regions of the world.

Our focus on geographical areas of responsibility, not the location of the respondent, means that our total % figure is over 100% - as many of our respondents are of a senior level, with responsibilities for larger geographical swathes than one country. We do this to ensure that the report offers a more accurate reflection of how corporate social media is managed as a global concern.

The vast majority of our respondents are located in the USA and Canada with a breakdown of 43.9% responsible for the East coast, 39.8% for the West coast, and 39.6% for the rest of the country.

Mainland Europe contributed 25.9% of respondents, and the UK 20.3%. We were happy to see significant input from Asia (18.6%) and Middle East/Africa (14.3%) - lending the report a truly international flavour.

In context - incorporating data back to 2011

Data means nothing in isolation. Some of our key points of context for the 2014 State of Corporate Social Media briefing are the iterations from 2011, 2012 and 2013.

We'll use this data to show you a more nuanced series of trends, as opposed to brief snapshots. The goal is to provide you with the data to chart the evolution - and possible future - of your role, and insight into the journey your company has embarked on to embed social across all elements of business

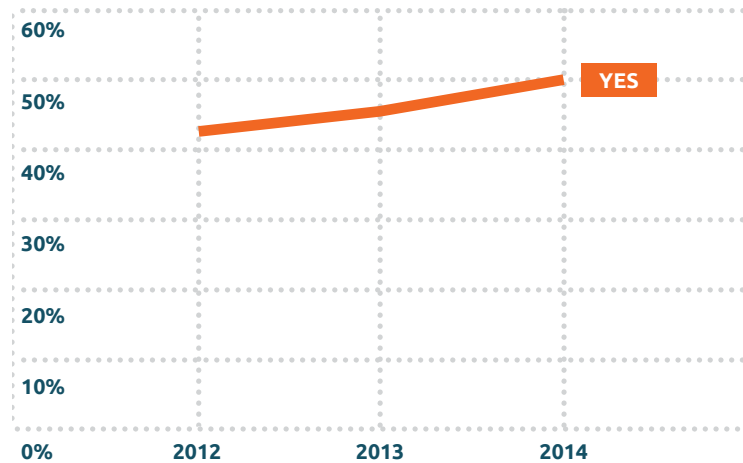
Full Data Set

One can see the entire data set [here](#)

CHAPTER 2: IS THE SOCIAL MEDIA TEAM SHRINKING?

One of the major barometers of social's success within a business is how much resource is being assigned to it. The following charts and analysis will attempt to draw conclusions based on corporate responses to questions on team size and organisational structure.

Is there a specific social media team at your company?



From this chart, we can be reasonably confident that social media within large companies is becoming more common. We've had a growth of 16% in 'social media teams' within businesses over the last two years - not major, but certainly statistically significant. In 2014, 50% of companies have a team devoted to social media within their business.

Of course, it's worth highlighting here the commonly accepted path to 'social media maturity' within businesses - proposed most forcefully by Jeremiah Owyang.

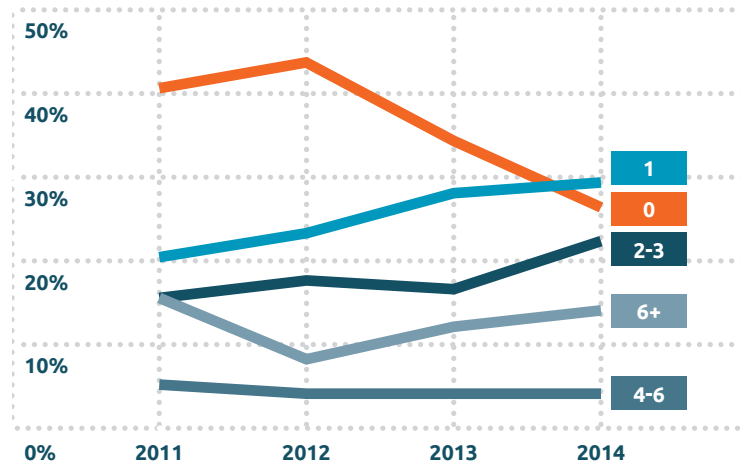
Owyang argues that social media teams are changing, to recognise the potential impact of social across *"every single customer touchpoint both in and outside of the enterprise"*. Companies have moved away from social as an addition to the typical corporate model, to something that impacts internal organisation quite significantly. This evolution means that *"Most commonly, companies launch a centralized cross functional group (often known as a Center of Excellence) in order to serve the various business units...[where] strategic decisions are still often made in corporate in the hub, with some guidance from the business units in the spokes"*.

Owyang suggests hub and spoke models - including the centralized 'social media team' we ask about - are not the final shape of social media organisation within business - and that eventually we'll move towards a 'holistic' model - that *"over time, social media will permeate all areas of the corporation and we should expect that the once centralized groups will slowly fade into the background as an operational status quo"*. Eventually, 'using social media' will be an expectation on anyone whose job involves customers (a broad group!) - and the need for a large, centralised, social media team will decrease.

THOSE DOING THE MINIMUM IS INCREASING

More and more companies (73%) have at least one person working exclusively on social media within a business. That's up from 59% in 2011 - a 24% increase. Yet that increase does not follow at higher adoption rates - while the number of companies with one social media executive is growing, the number with more than one is not keeping pace - with only a 13% increase (from 38% to 43%) over the last four years. Does this suggest that adoption is rather more cautious and shallow than has otherwise been assumed?

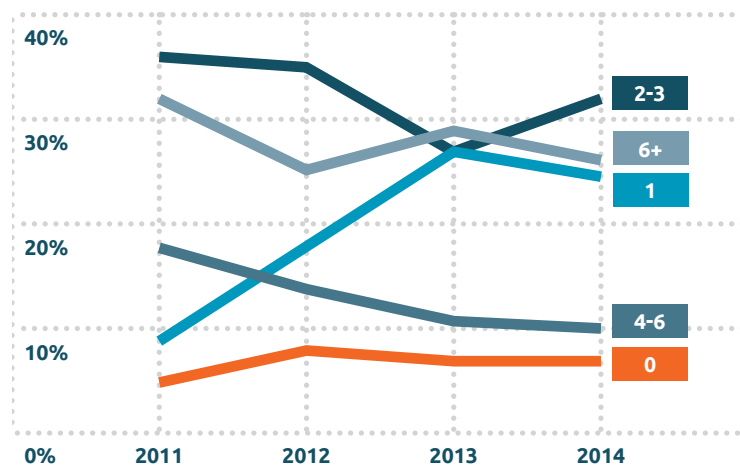
How many people work exclusively on social for your company



BUT TEAM SIZE OVERALL IS SHRINKING

Our next chart would suggest this may indeed be the case.

How many have some requirement to do social engagement as part of their role?



Were we to see Owyang's hypothesis made real, we'd assume that over time, an increasing number of executives within business would have at least some responsibility to use social media.

Actually, the opposite is the case. The number of companies with four or more people using social as part of their role has shrunk year on year since 2011.

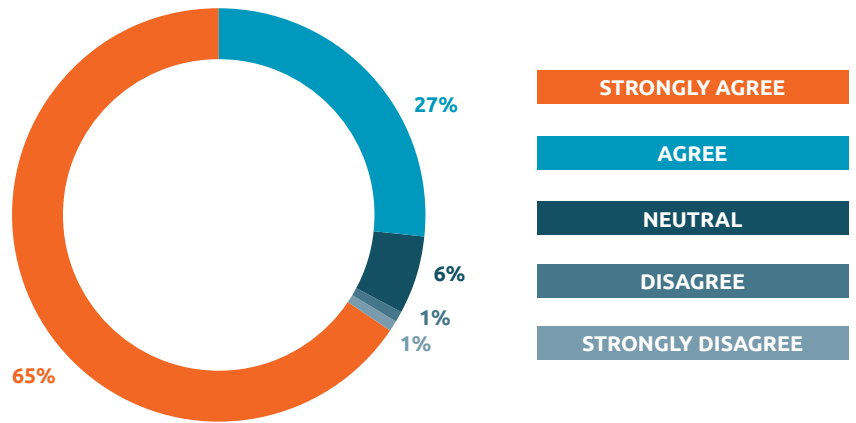
Suddenly, it becomes apparent that these findings may not in fact imply that social is maturing in business and we're moving smoothly towards an efficient implementation of the 'Hub and Spoke' model - but that, far more simply (and worryingly), the amount of resource given over to social is decreasing.

Our figures can back up either hypothesis, so it's important to look further - and see whether our other findings suggest that social is maturing, or stagnating, within large businesses around the world.

CHAPTER 3: WHAT DOES A SOCIAL TEAM DO?

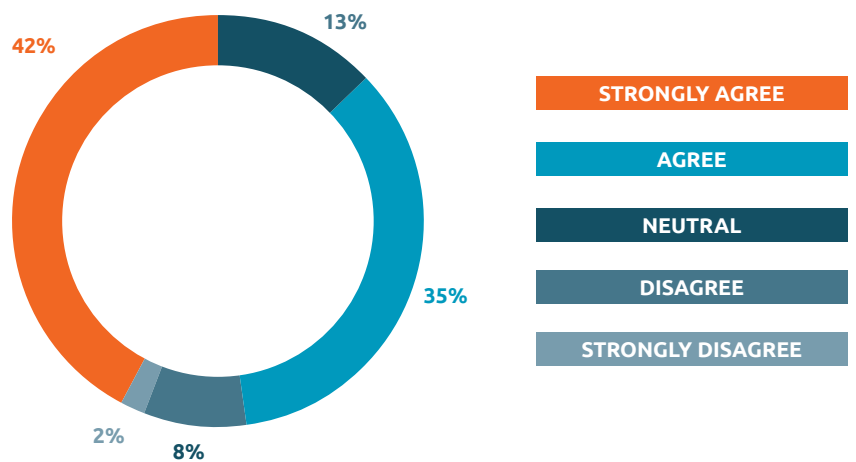
In this chapter, we'll look in a little more detail at the role of the social media executive within a business. Harking back to the model of social adoption proposed on the previous page, one would assume that as social reaches maturity, fewer social media teams would execute social media strategy, while more would define that strategy in the hub, for the spokes to execute.

Executing social media strategy



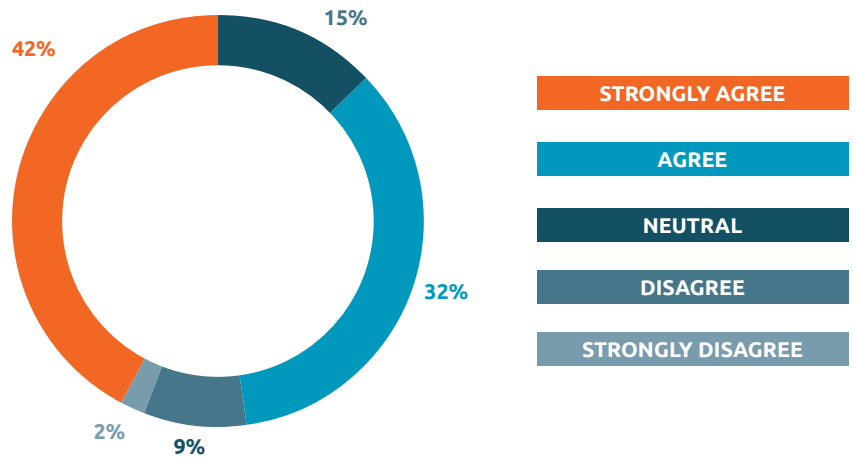
In this context, the first chart is rather disconcerting - a full 65% of enterprises still feel strongly that the social media team's role is to actually execute, not plan and coordinate for others.

Training Employees to use Social



The same story comes through in our other findings. While 42% feel strongly that the social media team should be training others internally to use social, a full 25% actually disagree with that.

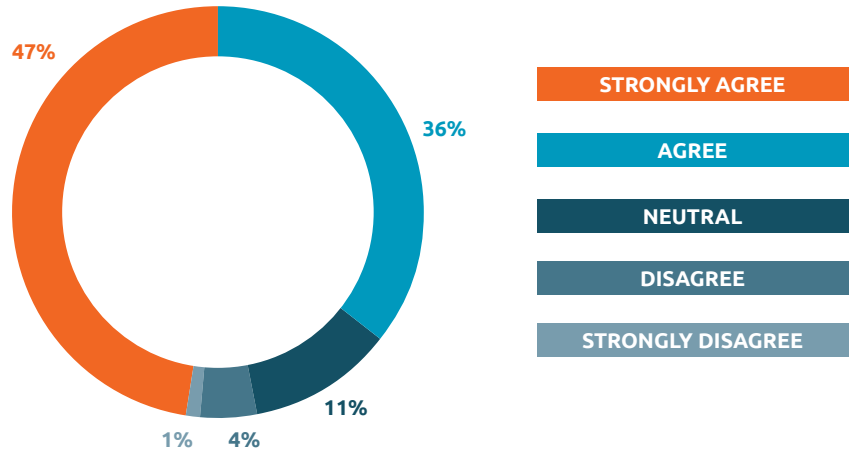
Defining social strategy for others to execute



Running directly contrary to the hub and spoke hypothesis, 58% of respondents do NOT strongly agree that social media teams must define social strategy for others. In the context of the prevailing wisdom on social's adoption across companies - and the hope that we're maturing, not stagnating, that's deeply worrying.

It certainly lends more credence to the view that the hub and spoke organisational evolution - at least to the extent Owyang would expect - isn't happening. We think it's fair to say that the social media community would have assumed that we're beyond the point where we have a silo'd team of social media practitioners whose role is to tweet about the work other people are doing by now.

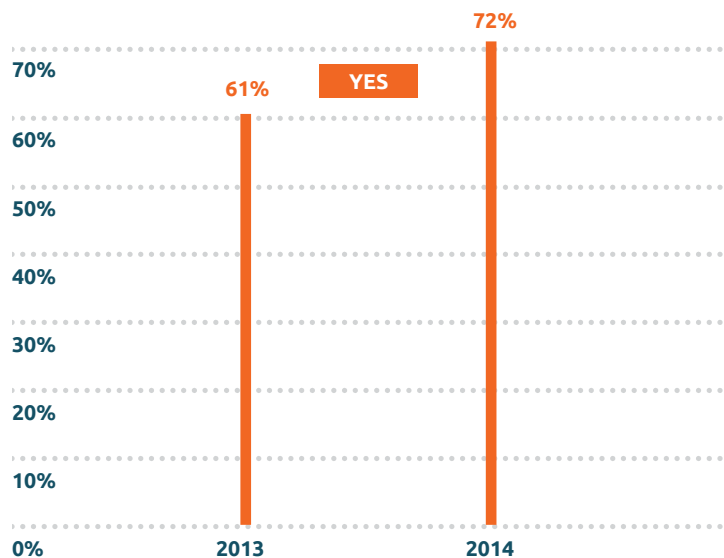
Tracking social media impact and reporting internally



The final chart shows something we'll return to in later chapters - the focus on tracking the impact and return of social. Less than half of respondents feel strongly that this is a critical part of their role. As will become clear in later pages, this is perhaps evidence of the social media executive shooting themselves in the foot.

In order to see social advance, we need to see measurable results. This somewhat understated appetite to find those results will only hinder the further evolution of corporate social media.

Has social changed your company internally?



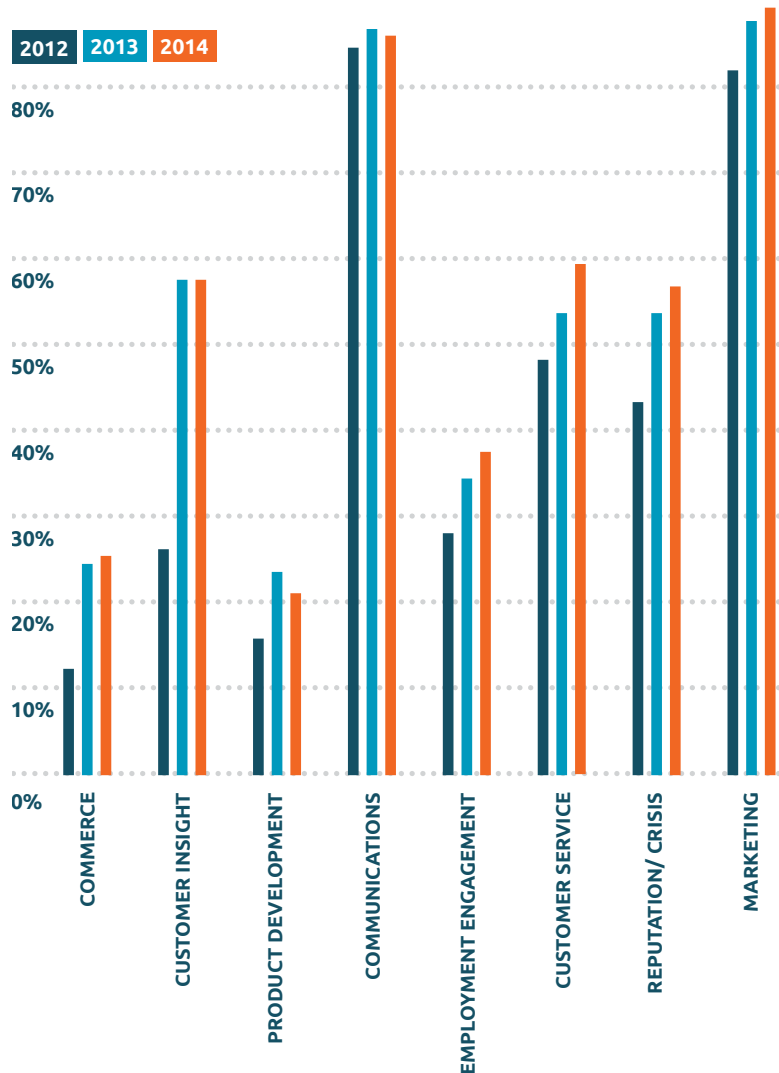
This chart certainly seems to imply that social is fundamentally changing the way a company works - as one would assume if, as Owyang argues, social will become a part of pretty much every role in business.

An 18% increase - to 72% of corporate respondents - shows that social has had real, lasting, and continuing influence - and that this influence is not simply that of 'being a new marketing channel'

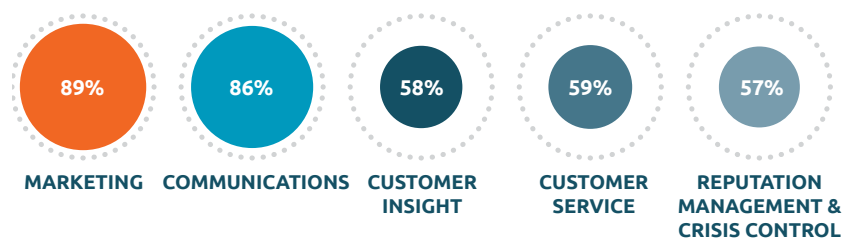
This increase seems to lend strong weight to the argument that social has moved from simply being an add on to something with a more pervasive influence around a company.

CHAPTER 4: WHAT DO YOU USE SOCIAL MEDIA FOR?

Social media use 2012 - 2014



More than half of all companies now use social media for:

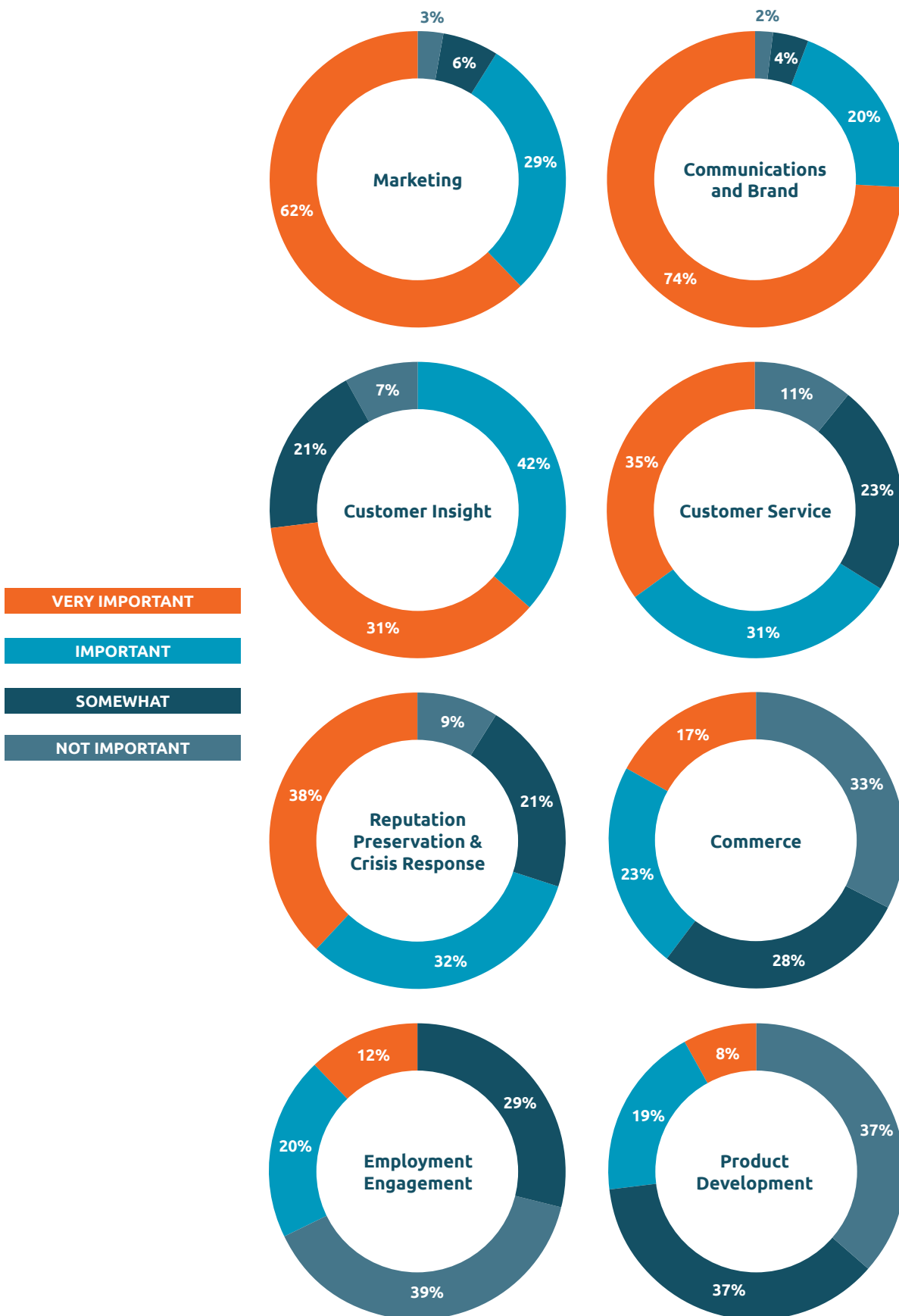


That's a big shift from 2012, when the majority of companies simply focused on social's 'additional channel' potential - and thus marketing and communications. Companies have begun to appreciate that social, used well, can impact on pretty much every area of corporate operations.

At the same time, certain potential applications of social are still underutilised - commerce being the most glaring missed opportunity (just 25% of respondents), though product development (21%) and employee engagement (37%) are also worth mentioning.

Taking the data holistically, one obvious point is that the level of change has reduced dramatically. Between 2012 and 2013, there were huge jumps in the adoption rate of most social applications. In 2013-14, that jump has been reduced to a shuffle forwards.

Getting more granular - what's most important?



CHAPTER 4: WHAT DO YOU USE SOCIAL MEDIA FOR?

The overwhelming response to this series of charts is...being underwhelmed.

We're still seeing that major priorities are marketing and communications (to a surprising extent with communications, which dominates), and the more 'advanced' social media applications (customer insights/service and commerce) are some way behind - reflecting a lack of appetite (or ability) to leverage social to evolve those functions.

Indeed, a significant 7% say generating better customer insights from social is 'not important', while a worrying 11% say the same about customer service.

While one can understand a significant proportion of our respondents saying that product development isn't important (there are only so many companies for which this is viable), it's surprising such a significant number feel the same about better customer understanding, given the fact that 'customer centricity' is pretty much the hottest buzzword out there at the moment.

More surprising still is the fact that a frankly enormous 29% of corporate executives say that using social media for employee engagement is unimportant. While the makeup of a company's 'customers' - and thus the utility of social media in engaging them - can vary (b2b/b2c differences being the most obvious example) everyone has employees, and the potential for social to engage them, keep them updated, conduct training, share company news, highlight positive stories and surface expertise is surely undeniable.

On the positive side, the vast majority of respondents see the importance of applying social to all of these functions. Even the somewhat specialised application of social for product development has 63% of respondents calling it at least somewhat important.

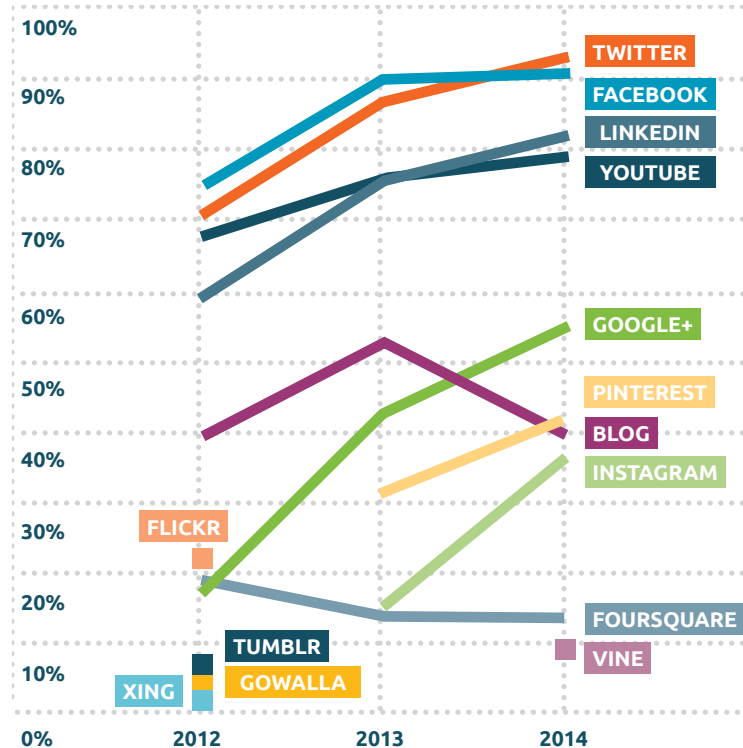
The desire to apply social's potential to different areas of business sits uncomfortably with both the lack of organisational development to deliver social adoption detailed in previous chapters, and the lack of growth in financial resources to investigate this potential rather more fully (we'll discuss in chapter 6).

CHAPTER 5: THE POPULARITY OF SOCIAL PLATFORMS

Unsurprisingly, usage of the 'core four' social platforms (Twitter, Facebook, YouTube and LinkedIn) shows a constant upward curve.

Indeed, the vast majority of social platforms are seeing greater adoption within large business. Of course, the barrier to entry for using Google+ is rather lower than the barrier to entry for "Using social for product development". Especially if you simply repost the same content on a different network.

The changing popularity of social platforms



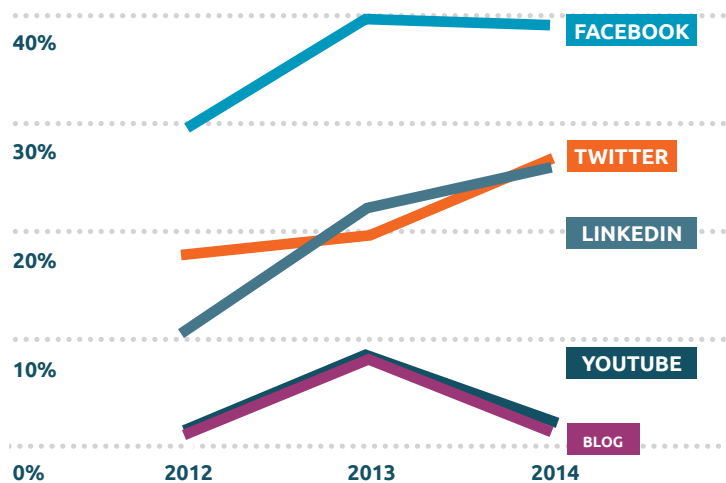
A couple of more surprising findings:

01. Twitter has just overtaken Facebook in terms of usage by large brands (92% versus 90%)
02. The growth in adoption of all four platforms has slowed significantly over the last year - again backing up our observation that social adoption is slowing

A few other issues:

01. Google will be heartened to note that Google+ has the strongest growth rate amongst marketers
02. Pinterest and Instagram are rocketing up the list
03. Adoption of social platforms appears to be putting paid to corporate blog use
04. Sympathy for the marketer - this is but a tiny selection of the social platforms a company could choose to use, but in this short three year period, we found it necessary to stop tracking five platforms and add in three others. The pace of change is terrifying.

What's the most useful social network for marketing?



In this chart, we only took the top five social platforms into consideration (though honorable mentions should go to Google+ with 1% in 2013, and Pinterest and Instagram with 1% in 2014).

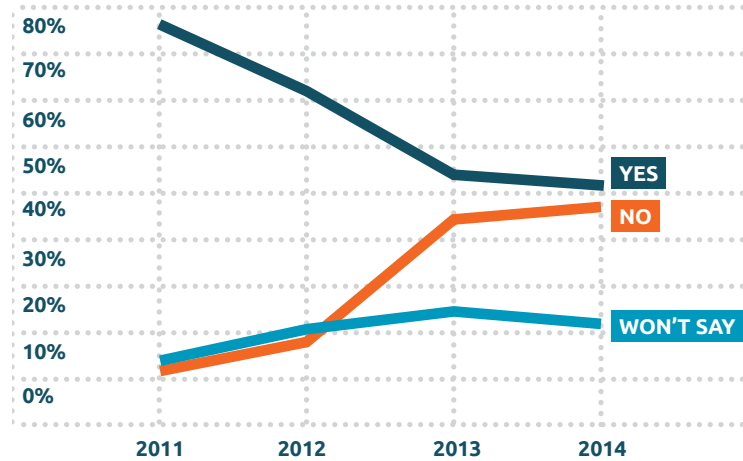
Things to note:

- 01. Regardless of whether it has been overtaken by Twitter in terms of corporate usage, Facebook is still a clear number one in terms of utility for business - with 39% of respondents calling it the most useful social network
- 02. Twitter is growing fast though - improving 47% to 25% over the last two years

CHAPTER 6: RESOURCES ARE CONSTRAINED

Here's some more fairly emphatic evidence that the 'buzz' around corporate social is decreasing.

Will your social media budget increase next year?

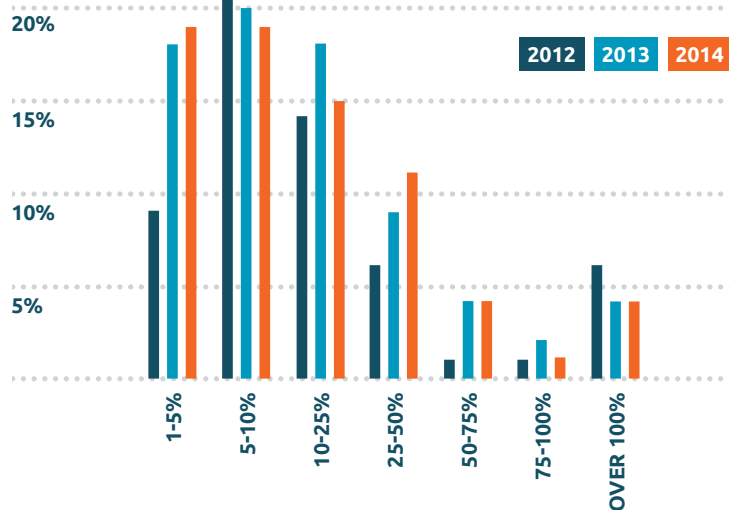


The number of companies who see their social media budget increasing has dropped 47% over the last four years. In 2014, only 41% of enterprise respondents can see their social media budget increasing over the next year.

That's an alarming drop.

Indeed, when one looks more closely at that 41% who *do* see their budget increasing, it only adds to the concern. Major increases are a thing of the past - with 19% expecting an increase of less than 5%, and the majority of respondents (53%) feeling their budgets will increase by less than 25%.

By what percentage will your social media budget grow this year?



Of course, there are caveats. First and most obvious, both charts relate to growth. We've not asked whether budgets will actually shrink over the next year.

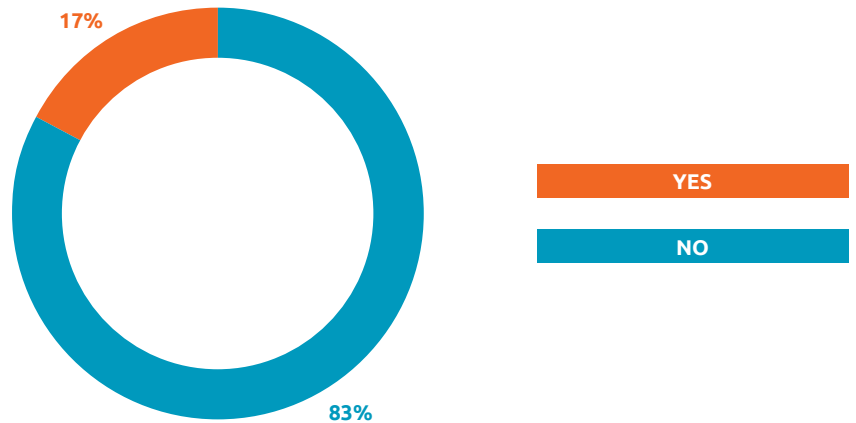
Second, just because budget growth is slowing, it doesn't necessarily mean that social adoption is, too. Initial 'infrastructure' costs may have passed and we've moved into a slower pace of spending.

However, it seems undeniable that the *pace of change* is slowing, and that appetite to spend significant amounts to boost social adoption is decreasing.

CHAPTER 7: MEASURING SOCIAL'S IMPACT

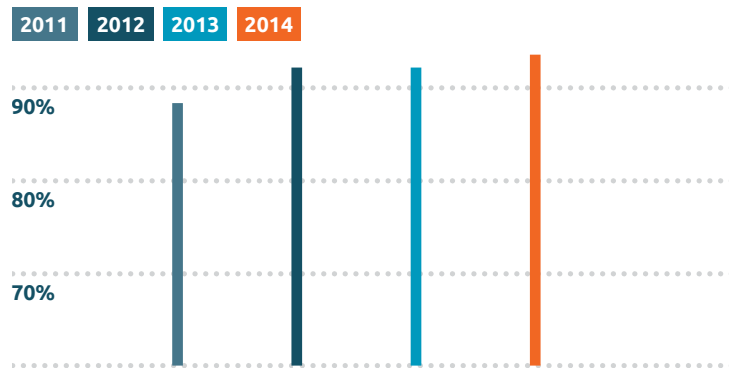
First, it's worth pointing out that social is still absolutely critical to marketers. A full 94% of businesses say that social's importance for marketing is growing this year. That's a faster pace of growth than ever before.

Are you fully leveraging social's power?



And yet, it seems fairly clear that our respondents know there is far more to social than marketing. 83% of companies are not satisfied with the extent to which social is used in their company - and know there is more to do.

Is social media's importance to marketing growing?



SO WHAT DO COMPANIES EXPECT THEY'LL NEED TO DO MORE OF?

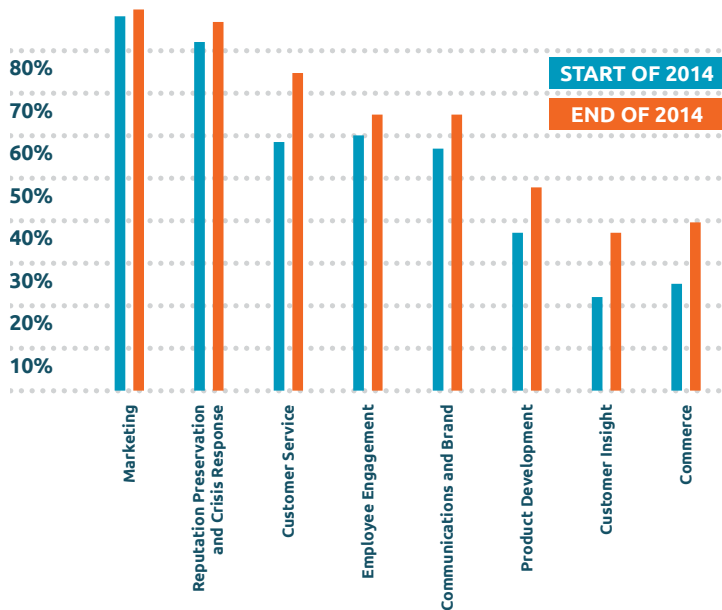
While understanding that companies tend to be rather optimistic regarding their future plans for social adoption, there are still some interesting trends to draw from the chart heading this chapter:

- 01. The biggest jumps are with the smallest issues. Product development and commerce will both get significant adoption over the year - though still to only a minority of companies will use social for this
- 02. Marketing and communications are still unrivalled at the top of the list
- 03. Customer insight is growing fast - which chimes with the broader growth of 'customer-centric' focus across large corporations
- 04. Surprisingly few companies are using social to deliver enhanced employee engagement

It is undeniable that there's a significant appetite across all businesses to extend social's influence in their organisation.

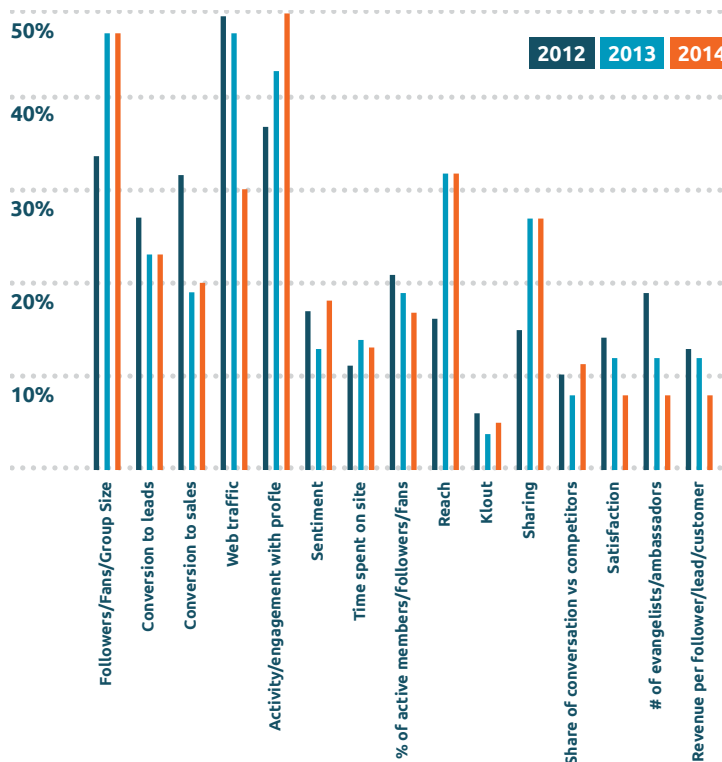
This doesn't sit well with a softening appetite for budget increases, and a stagnation in terms of social media team growth.

How will your use of social change this year?



MEASUREMENT: WHAT KPIS DO CORPORATIONS TRACK?

What are the top three KPIs you track?



Perhaps the most obvious - and unexpected - finding from the chart above is that corporates appear to be measuring less year on year. The vast majority of KPIs we highlight above have experienced a drop in popularity over the last few years.

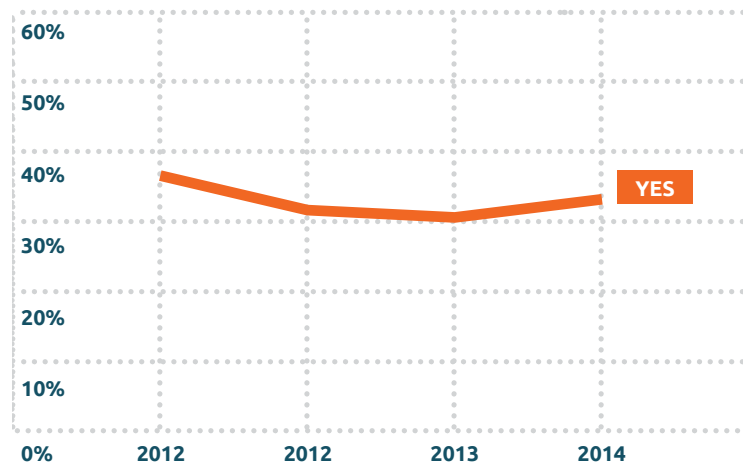
Of course, this could - as with so much - be taken in one of two ways. Is it the case that executives are measuring less because social is stagnating - and with less resource, there's less time to measure impact? Or is it because as executives get proficient, they weed out the useless KPIs, and only focus on the ones that matter?

A deeper dive certainly lends credence to the latter point of view. The metrics experiencing growth tend to be the more 'advanced' versions. The tracking of 'engagement' has jumped 32% - to 42% - in the last two years. Sentiment tracking has grown even faster over the last year - jumping 38% - though admittedly from a very low base.

However, we're seeing big drops for previously very popular metrics. Conversion to sales - echoing the paucity of focus on commerce in terms of key goals for 2014 - has dropped by 38%. Brand ambassador tracking has dropped by 58%.

Another slightly disconcerting finding is that amongst the top three KPIs from this table, two are so simplistic as to verge on useless. For 47% brands still to say 'number of followers' is one of their top three metrics is deeply worrying. 47% say the same about 'web traffic' - which is slightly easier to understand - but still surely misleading and simplistic in an age where increasing amounts of content is hosted on platforms not owned by brands themselves.

Are you confident you're accurately measuring social media impact?



CAN YOU MEASURE IMPACT ACCURATELY?

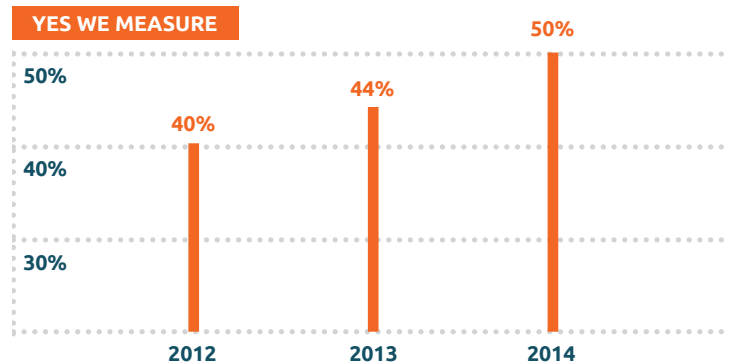
It's unsurprising, therefore, that there's been little or no change in a company's ability to track the impact of their social media use.

This is a shameful state of affairs. For four years, brands have struggled to assess the impact of social media. There has been no real change. Only 34% of companies can, in 2014, say they're confident they can see the impact of social media.

It is in the context of this finding that the worrying figures regarding social budgets, shrinking teams, and increasing talk of stagnation become rather more explicable.

And when we look at social ROI tracking, the picture is no better. Only 50% of companies even attempt to measure this fundamental metric.

Do you measure social's ROI?



Unfortunately, the social media space is populated with twee job titles like 'ninja', 'guru' and 'rock star'. This immature approach to job titles appears to have spread to an equally immature approach to measurement. Social is full of 'alternatives' to ROI - pushed by consultants with a need to convince their clients they know what they're talking about.

- Return on Influence
- Return on Engagement
- Return on Relationship

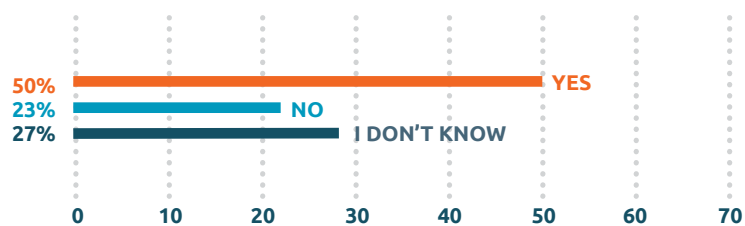
They're very popular. And they're almost reassuring for a social media executive struggling to assign a dollar value to their work.

Unfortunately, they're responsible for the slowing pace of evolution in social - for shrinking teams, slowing budget growth, and inability to leverage the full power of social across a business.

Why? Because the C-suite don't care about Return on Influence.

That 50% figure rears it's head again. Only half of all boardrooms are convinced about social media's value.

Is your C-suite convinced of social's value?



There's much wringing of hands about this in the social media community.

But given the failure to progress in terms of measurement, it's not altogether surprising.

CONCLUSIONS

There are two ways one could interpret the data we've shared in this report. Either social media within companies is beginning to mature, and the drive to leverage social to its full extent is undiminished. Or, social media within companies is stagnating, and there's an increasing lack of resources available to those within business to move forward to full leverage social's potential.

On the positive side:

- 72% of executives say that social media has impacted on their internal organisation - that's a deep level of impact, and would be impossible were social simply an 'addition' to the normal way of doing business
- Social has already begun to deeply impact on customer service, customer insights, employee engagement - and even product development.
- Importantly, our respondents say that this trend will continue over the next 12 months - witness the increasing number of respondents saying that social will impact on multiple customer departments over the next year
- A huge 83% of respondents recognise we're not fully leveraging social's potential yet

But on the negative side:

- There are fewer and fewer executives working on social - either exclusively or as part of their job role
- Social's not getting any higher up the organisation - having reached a glass ceiling in reporting to the head of marketing
- Social media teams are still largely responsible for execution, not defining strategy
- More and more say social budgets will not increase
- There has been little to no progress in measuring social impact
- Only half of corporate boards buy in to social

Why?

Because executives can't prove they're making progress if they can't track impact accurately. And they can't.

That's why it's worth talking to your PEERS, who share the same challenges and have ideas on how to convince the boardroom of the true value of social.

Our Social Media Summits offer you this unique opportunity to talk over all these critical issues.

For more information on all of our upcoming events visit:
www.usefulsocialmedia.com/events

There's the will, but not the resource. Social has hit a glass ceiling - it can't prove value in the boardroom, and executives are thus finding growth opportunities curtailed. All this talk about social being about 'ROE' and 'ROR' creates a series of tweetable soundbites, but gets short shrift in a boardroom looking for real business impacts they can understand.

For social to fully leverage its potential across business, the social media executive must begin to get a handle on measurement.

It is only with the successful tracking of impacts - using metrics the CFO and CEO can understand - that the social media advocates within a business will get the buy-in they need to succeed.

And that's evidently the challenge for the coming year.

CORPORATE FEEDBACK ON OUR FINDINGS

If 2013 was the year of ramping up of social media, 2014 has been the year of integration. Rather than social media being thought of separately it's slowly progressing to being a key component across multiple functions. Companies, both B2C and B2B, are getting that it can no longer be in its own world or being an afterthought. Social has to line up with what companies are doing elsewhere as well as have the ability to escalate concerns internally across even the most complex of organizations. If you can't do that, you're already behind.

Now that the vast majority of companies are in social, and multiple platforms at that, just having a presence isn't enough. Organizations are appreciating that social touches all key aspects of the business – attracting new talent, retaining your customers, and celebrating your organization and its employees for the little wins along the way.

At the end of the day, your customers don't care how you're organized – the number of people staffing your teams, their titles, even what your key metrics are in social based on senior mandates within your company. No. Your customers care that you're listening, responding, and preferably acting. This is why the organizations that are standing out in social are learning that a siloed approach just doesn't work.

Is social stagnating? I dare say no. It's hard for me to even put those two words together in one sentence. Those massive spikes of changes though are becoming less the norm, but I would not say that it is stagnating. Platforms continue to evolve. With constant changes on these networks layered on with paid media, there are too many variables for anything to become too set in stone.

I'm of the mindset that social has not matured (past tense) but that it is beginning to mature. Companies are no longer doing social for social's sake. It's not a box companies are simply checking off, if you will. Initially it was just a corporate imperative to be present in social. With increased requests for budgets, staffing, and the like, senior business heads have more questions and want more data to back up these requests. Now it's understanding the value, what's working (and, more importantly, why) and how it's driving corporate business goals. It is no longer acceptable to simply track trend lines on all social variables but instead understanding what really matters to your company – remembering that social is not one size fits all.

As you continue to think about your social strategy, this briefing has some valuable insights to keep in mind – to see where your organization falls in the mix and where, perhaps, some changes are in order or even in store in the year ahead.



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