

tug

SHADES OF SOCIAL

March 2017



THE 'RIGHT THING' IS A MATTER OF PERSPECTIVE

We hear agencies talking a lot about social media and 'best practice', but we know it's not that simple.

Does a social-first financial technology brand look at social in the same way as a retail-driven FMCG group?

Not at all.

Does every brand let its digital experts dictate the direction of its broader marketing and customer service strategies?

Not yet.

There are many reasons why - from own experiences to the way business looks at social (or struggle with it). And many jealously guard their thinking for competitive reasons.

But we're always fascinated by these differences, and in a number of recent 'fireside chats' with senior marketers - some our clients, some not - from FMCG to tech to finance, we explored these nuances.

These were conducted under the Chatham House Rule (that the insights can be shared, but not attributed) and what follows is some of what we've learned.

HOW BUSINESSES PERCEIVE THE VALUE OF SOCIAL MEDIA

The perceived value of social to brands has followed a steady upward path in the boardroom, as senior management teams realise digital's impact upon the business. By the account of one marketer, the progression has been in three stages:

1. To begin with, social's value was unproven and therefore set as zero.
2. Then as social began to infiltrate the marketing plan, it began to be held up to standard media-buying metrics – which are still used for paid social media.
3. Now, social has become recognised as “a contributor to the overall business ecosystem” - and its value needs to be recognised accordingly.

For many companies, social was once either this strange, unknowable thing or the object of confused over-excitement. Now it is finding its proper place.

Social is now an important part of the marketing toolkit, and is often an integrated aspect of the business itself, driving sales and insight in some cases and weaving through customer service in others.

85% of businesses are using social media to drive traffic and increase awareness but 71% consider community engagement to be the leading motivator behind their social presence⁽¹⁾

Q&A

HOW ARE YOU MEASURING SOCIAL?

As one of the most challenging aspects of social media, we asked our contributors how they are really measuring social.

The general opinion was that measurement traditionally looked at just reach and engagement. Today, marketers are moving towards measuring impressions, hits and click throughs.

A few marketers felt that their processes and methods were too complicated and were actively trying to simplify them.

Another simply said that they measure social “through our analytics guy who used to work for Google”.

In context. Marketers stress the importance of comparing key figures to what happened (or didn't) that week “in order to understand the relationship between social, the business and the audience.”

Only 42%

of marketers say they are able to measure their social activities

Just 2%

of the people who likes your page will ever see your content organically in the news feed

Key Metrics:

Engagement Rate

Growth Rate, Average Reply Time,

Subscriber Growth, Likes, Reach,

Reactions, Comments, Shares

Impressions, Clicks, Mentions,

Followers, Links, Lifestyle,

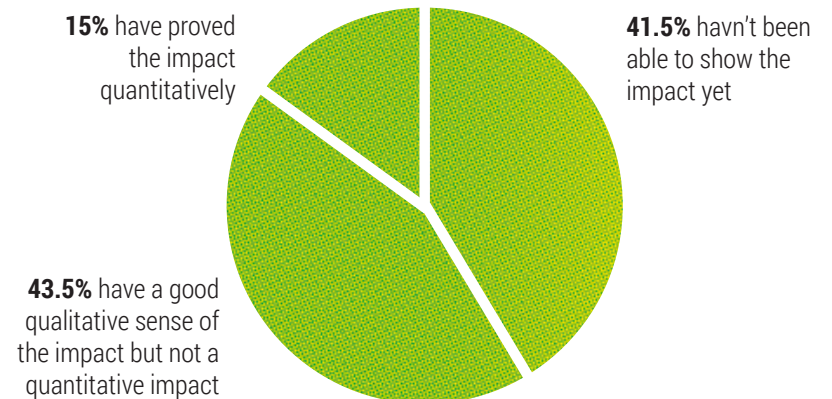
Consumer Behaviour, Mobile

Footprint, Demographics,

Keywords, Hashtag Performance

Trends, Unique Visitors

What best describes how you show the impact of social media on your business?



Source: (2) (3) (4) (5)



PUTTING SOCIAL IN ITS PLACE

In the words of a digital director at a global FMCG giant “social is a key component of marketing, which is why we talk about the social side of the business rather than about social media,”

The research makes it clear that brands have moved into social to different degrees. For younger brands that were born with social in their veins, ‘social first’ is not just something to stick onto an ‘about us’ page. For those who have built digital into established businesses, good social practice needs to include a dose of pragmatism.

“Likes and engagement doesn’t equal money,” one marketer pointed out. “Smart brands don’t waste their time chasing followers at the expense of concrete business goals,” she added. “You have to keep feeding the cash cow.”

54% of B2B marketers have generated leads from social⁽⁶⁾

People are 72% more likely to make a future purchase from a brand if they follow them on Twitter⁽⁶⁾

Q&A

HOW ARE YOU BUDGETING FOR SOCIAL?

As spend on social media continues to grow year on year we wanted to find out how marketers were planning their budgets.

In general budgeting seemed to be fairly ad hoc. Some say it should be a percentage of sales which varies alongside actual sales.

Others say that budgets should be based on content and end objective volume (eg. conversion) with one balancing this with search using 50/50 paid social/adwords.

26.3%

global increase on spending for social media was predicted by analysts for the year of 2017

OVER 70%

of marketers plan to increase their use of video ads next year

42% would

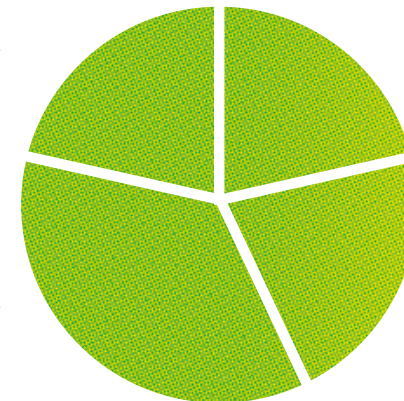
invest in live video if time and resources were not a factor

£12bn

The increase in social media advertising budgets from 2014 at £13 billion to £25 billion in 2016

35.5% would spend more than 1/3 of their entire budget on visual content.

21.5% would spend more than 1/3 of their entire budget on visual content.



21.5% would spend less than 10% of their budget on visual content.

21.5% would spend between 11% and 20% of their budget on visual content.



CONNECTING THE DOTS

When you are a 'personal' brand, social can keep the brand alive. But not everyone in an organisation can be depended upon to understand the nuances of social. "Talking to partners, the headline numbers (reach and engagement) still rule, however, they never ask what type of engagement," said one marketer.

Digital and business are coming together in many, diverse ways, but across companies, sectors and markets, the process is taking place at different speeds and with highly different outcomes.

In some cases, digital and business is coming together in a way that is fundamentally changing the structure of the business.

"The digital guy is now the marketing guy," says one marketer. Another said social has evolved to become "a bridge between sales and marketing and development."

For those with finite resources who find that social doesn't directly drive sales, the focus is sometimes intermittent. On the other hand, many businesses have teams of strategists and content creators to develop and grow their social presence.

41% of younger Millennials (21 to 25 years of age) use social media to connect with vendors. Among older Millennials (ages 26 to 34), only 18% prefer to do so⁽⁹⁾

Q&A

WHAT OPPORTUNITIES HAS SOCIAL OPENED UP FOR YOU?

The broad swathe of social platforms throws up almost limitless possibilities for brands, and we see how they are building social into their businesses in different ways:

Anonymous social helping to overcome taboos

The anonymous nature of some social platforms are creating a space for brands to inform and educate. "There's been a lot of negative things said about anonymity online – like it fuels trolling and nastiness – but for us it's great," says a marketer at a brand dealing with the topic of sex on a daily basis. "It allows people the freedom to be themselves – or someone else – and talk about things which are taboo. For example Tumblr is a place where people are very free and expressive."

Creative development and exploration

For some brands, social has become a crucial sounding board in matters of creative and product development. "Social gives you a feel of how far you can push the boat out. But when the superfans don't like it, you have to react - even if it's doing great by other measures."

Social messengers are changing the game

For one FMCG marketer, "the one-to-one possibilities of social are the way to add value." Targeted offers are directing consumers to sample products for free in real time, and messenger services are keeping customers up to date on orders. "We have a chatbot operating on the messenger," he adds, "but we can kickstart a conversation with a real human where needed."



CHANGING SOCIAL STRUCTURES

The widespread use of social media in the world at large has forced businesses to restructure their customer experience.

In some industries, marketing and customer experiences are now clearly indivisible, so social and customer services work in combination.

Such companies know well that slip-ups are immediately available to the general public, and are learning to respond in real time. These situations also represent an opportunity to excel. As one financial brand said “we have a strong belief that great customer service drives recommendation. Especially digitally,”

During our chats, we spoke to brands who encourage staff to push out content through their own networks, and others who dedicate designers and copywriters to building content

under the umbrella of the marketing department.

Even where a brand doesn't have a specific customer service function, social offers opportunities for consumers to talk. Social listening on earned media is common for those with the budget, and social insights are often not only fed back into digital marketing plans but sent to a company's broader strategy experts.

“Social media is really testing the insights of people in the business,” said one marketer, “behavioural data is key to building up the overall insight.”

KLM Royal Dutch Airlines has over 150 social agents simply just to provide customer service on social media⁽¹⁰⁾

Q&A

WHAT TECH ARE YOU USING?

When we asked about tech, some marketers questioned the real added value of some tools, believing that “a majority are missing something. I’m not sure you can really justify the cost.”

Despite this concern, here are the top tools used by our marketers.



Sophisticated, state-of-the-art technology which uses AI to turn the Google Analytics feed into human insight



Simple, weekly usage tech which takes Facebook and Google Analytics and builds a customised dashboard



Integrated social platform covering 21 channels globally helping with sales, research and commerce.



Data management programme that helps understand the entire customer journey and target more precisely.



Measure and track your advertising ROI, social networking sites and applications.



Manage all your social profiles to schedule social content.



Social media scheduling and reporting



Social media listening software including and not limited to keyword research, conversation volume and share of voice of brands.



SECTORS, GEOGRAPHIES AND AGENCIES

Social media is a global constant, but not all agencies, sectors or even countries are equally sharp in their execution. Although we tend to shy away from speaking in generalities, here are some of the opinions expressed during our 'fireside chats':

One observation was that there is a big gap in social competence between FMCG companies and businesses that deal with leads, including SaaS, financial and online brands.

Others hold back on social investment where there is no direct connection to sales. "It only makes sense if there's a conversion," says one marketer.

The challenge for bigger organisations, both brands and agencies, is to stay as nimble as their smaller counterparts and it was felt that they are more likely to treat social like other media, opting for big spends on paid social.

One respondent opined that in US, the standard of social data expertise is lower than in Europe, and globally, customer focus tends to be hit and miss across agencies and brands.

93% of organisations use social media content as their main content marketing tactic.⁽¹⁰⁾

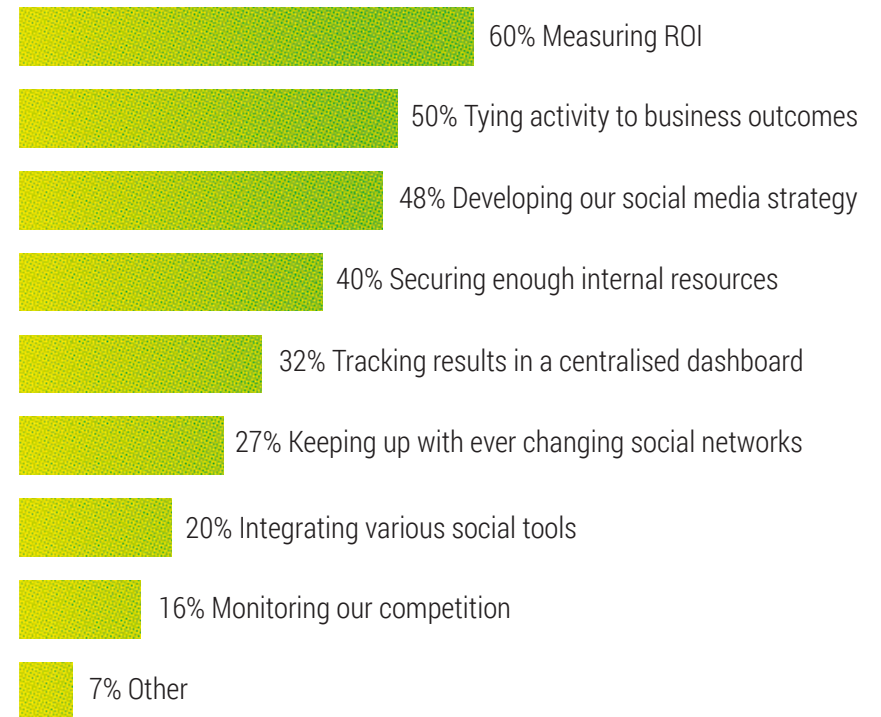
Q&A

WHAT IS YOUR GREATEST CHALLENGE FOR SOCIAL?

We wanted to know find out what the toughest areas of social media were for our marketers. Here were the top five.

- The amount of content required to feed the algorithm beast (and the cost of good creative)
- Brands still seem to need digital people to push the boundaries. Non-digital people aren't pushing it enough
- Keeping social true to the brand AND grounded in the business
- Responding to ever changing business and audience needs and growing the team accordingly
- Keeping up with the changes to platforms and services and utilising new capabilities such as vertical/full screen mobile ads

What are the three most challenging aspects of your social program?





THE CHANGING PLATFORMS

The social media channel landscape is becoming more expansive and fragmented every day. Established channels like Facebook are constantly adding new features such as live video and stories, and newer channels are coming to the fore and bringing with them new ways of creating and consuming content.

Relative newcomer Snapchat already feels like the social media old guard as it prepares for its IPO, as teenagers turn to even newer social apps such as Mastodon and Houseparty.

Marketers launching their brands internationally will have an entire new pool of platforms to consider, from VK in Russia to WeChat in China. In this section we look at the major social media channels and the ways marketers are using them effectively.

FACEBOOK

Marketers agree that Facebook has changed over the past two years, though it remains a mighty fixture of the social landscape. Some still use it organically, whilst for others use it almost purely for paid media.

One brand commented that they had to compromise the quality of their bespoke content because of the need to keep pace with the speed of engagement.

Brands now face the challenge of keeping up with changes to the platform and algorithm; with Stories and Live taking pride of place at the top of users feeds.

18%

higher engagement rate is seen on Thursdays and Fridays.

1-3_{PM}

is the time where the highest traffic occurs mid-week.

1.74 billion

daily mobile active users in December 2016

7pm

will result in more clicks on average than 8pm.

1.23 billion

people are daily active users of Facebook

47%

of Facebook users only access the platform through mobile

0.9%

is the average click through rate for an advert

2.85 times

potential lift of click through rate with a call to action button

TWITTER

With its immediacy and its high levels of engagement, brands continue to regard Twitter as an essential channel for news and PR. Many have a smaller following than on other leading networks, but those who do follow are noticeably more vocal with higher levels of interaction than on any other platform.

81%

of millennials check Twitter at least once per day

16 million

debate-related Tweets during the second live stream US presidential debate.

Brazil, Japan and Mexico

are the top three countries by user count outside of the US.

3 million

viewers are being reached by Thursday Night Football live streams

82%

of Twitter users access the network on mobile platforms

78%

of people who complain to a brand on Twitter expect a response within an hour

<25%

of Twitter profiles are active

Link Clicks

account for 92% of all interaction with tweets

INSTAGRAM

Instagram still stands as a highly personal platform, although most brands are using the platform to build brand awareness that is measured by impressions and rates of engagement.

Stories has changed the way marketers can target consumers on the platform, with vertical and full screen ads now available. The feature, mirrored from Snapchat, is now more popular than the entirety of Snapchat itself.

4.21%

per-follower engagement rate
is seen by top brands

90%

of Instagram users are younger
than 35

58x

per-follower engagement rate
than on Facebook

68%

of all Instagram users
are female

120x

per-follower engagement rate
than on Twitter

Videos

get twice the engagement of
photos than any other platform

500 million

active monthly users
on Instagram

4.9 times

a week is the average posts
for top brands on Instagram

SNAPCHAT

The big name in dark social is Snapchat. Full of untrackable content shared through private communications, the channel is still spoken about in the future tense.

Those who use it do so carefully. Alcohol brands limit themselves to paid promotions due to targeting and compliance rules; with Heineken stopping all advertising on the channel as the audience was just too young for their brand.

Other brands see benefits in the anonymity of such platforms for overcoming taboos and stigmas and allowing people the freedom to be themselves online.

100 million

daily active users of Instagram which is 20x higher than 2013

350%

increase in video views since 2015 which is now over 10 billion videos per day

49 million

users turned to Snapchat to watch coverage from the 2016 Rio Olympics.

4th

Snapchat is the 4th most used social platform used beating Twitter and Linked In

12-24

year olds is the age group where Snapchat is the most used social media platform

9 times

more vertical videos are watched than horizontal

25-30

minutes are spent on average a day on Snapchat

>60%

of a Snapchat ad is watched while a mobile device has audio on

YOUTUBE

Brands turn to YouTube as the video site of record, and for some FMCG brands in our study, it stands as the number-one social platform.

Making variety of content types is imperative to further your consumer base. For example, short form content is better at engaging consumers at the top of the sales funnel whereas long form content engages consumers at the bottom of the funnel.

Marketing your videos by linking YouTube to other social media sites proves to be just as important as producing the videos themselves. Facebook and Twitter are some of the top sources of traffic to YouTube.

20%

of people leave a video after just 10 seconds

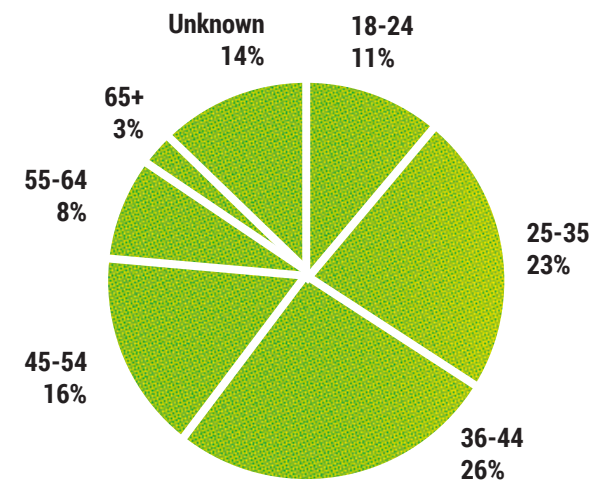
6/10 people prefer online video to live TV

70%

More than half of videos are watched on mobile

is the increase year on year of searches for how-to videos

YouTube user percentage by age group



Source: (26) (27)

PINTEREST

Pinterest is regarded as a valuable channel for brands, campaigns, sectors and specific audiences (e.g. Mums) where content is very shareable. In the US, for example, it has increasing strength in direct-to-consumer sales.

Several months ago, Pinterest launched their visual search service – forming a partnership with Samsung to host the service on the new S8 smartphone.

87%

of Pinners have purchased something seen on Pinterest

Two Thirds

of pins showcase a brand or product

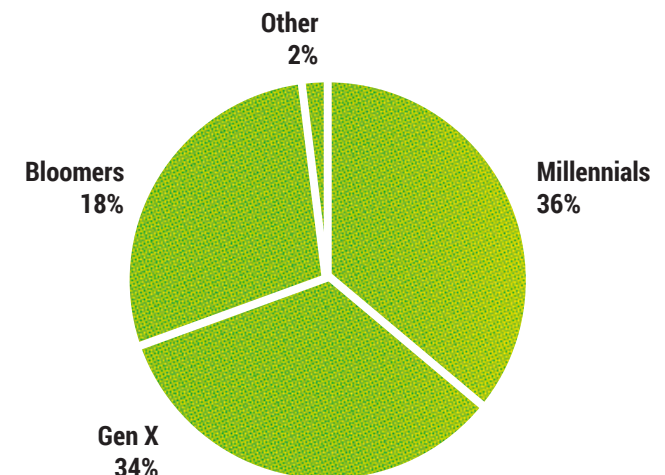
Three quarters

of people use the visual Pinboard to connect with brands they love

96%

of active Pinners use the site for planning research

Pinterest user percentage by demographic



Source: (28)

GOOGLE+

Several of our respondents used Google+ for its connection to SEO rather than as a social channel. Although it is heavily debated, some studies suggest that there is a correlation between using Google+ and an increase in SERP rankings.

Needless to say, changes are being made to create the 'new' Google+. In January, a zoom function was brought in, allowing photos to be viewed larger on the screen, 'Events' has been brought back after feedback from users and 'low value' comments are now automatically hidden so that only those 'contributing' to the conversation take precedence.

90%

of users have never posted to the network

73.7%

of Google+ users are male

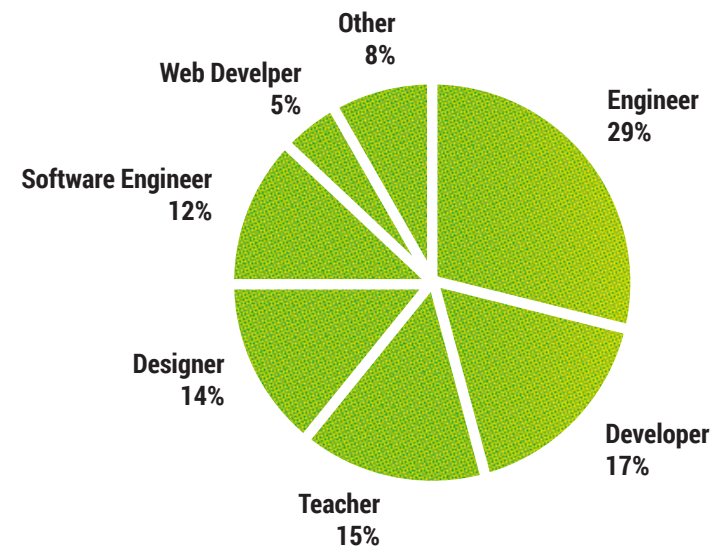
83%

of Google+ profiles are inactive

70%

of brands have a presence on Google+

Top occupations on Google+



Source: (29) (30) (31)

INTERNATIONAL

When making international social plans it is important to check for geographical differences. For example, WeChat is downloaded as a single app but if you sign up with a Chinese phone number (+86) you get Weixin and with an American number (+1) you get WeChat. Weixins capabilities are extensive but are not all fully available on WeChat.

An example of a customer journey on Weixin starts with you sat at your desk at work. You need someone to walk your dog so you post for suggestions for pet sitting businesses. Your friend sends a suggestion and you go to the businesses page, read the reviews and book the service. The pet sitter goes to your house and is let in. You call to ask them to feed the cat too and pay for the service.

While the pet sitter does the work, your friend asks if you want to meet for lunch. You search the map for local, restaurants, book a table, pre-order your food and book a cab. You and your friend blog your food, share photos with friends and pay for the meal at the end. All of this was done without leaving the app. It is so widely used that, in China, some restaurants and businesses only operate via Weixin.

As with other international platforms, miniprograms are being added continuously to the WeChat platform to rival the capabilities of Weixin. However, when building a strategy for less familiar social platforms you should check if what you want is available in the area you chose.



OTHER PLATFORMS

Brands targeting youth markets are increasingly aware of the need to keep a close eye on emerging channels with the current 'ones to watch' being Houseparty, Uptime and Mastadon.

Houseparty is an app enabling you to video call via a link with up to 8 friends at the same time, whilst Uptime allows you to watch YouTube videos with friends at the same time.

Mastadon is an open-sourced platform that prevents companies from monetising your communications. It is currently closed for registration due to high demand whilst it upgrades the platform to improve the quality of service.

However, caution must be taken as many of these channels can come and go – Vine and Blab being recent examples. While Vine had alternative channels available and gave users a period of grace to download their content, Blab simply shut down. This meant that great content made by businesses, marketers, broadcasters and users simply ceased to exist.



BLAB



orkut



Vine



diaspora*

Yik Yak

tumblr.



CONCLUSION

When we sat down with senior UK social media marketers we discovered that there is no such thing as absolute best practice, as approaches to social vary by industry sector, but there are a lot of opportunities and challenges in common.

What is clear is that social media advertising is maturing, growing out of the awkward years of 'social gurus' and moving towards treating social media 'as just another piece of the marketing ecosystem.'

Interestingly though, for all the talk of platforms like Facebook becoming simply display advertising channels, there is still a lot about community and engagement when it comes to social media strategy, indicating that forming connections with consumers is still top of mind for marketers. Across the board,

marketers know the danger of getting excited about vanity metrics, but are still finding it difficult to accurately demonstrate the business impact of social media activity and are a long way off proving ROI.

Despite these challenges, marketers are continuously finding new opportunities for their brands to succeed in social, from acting as a giant online focus group to the one-on-one conversations facilitated by the rise of the messenger apps like Facebook and WhatsApp. And as the social media landscape continues to grow and develop in sophistication, we can expect marketers to continue to reap the rewards.



CONTACT

To talk to Tug about how you can leverage the power of social media and content for your brands, call, email, tweet or meet us for a drink.

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