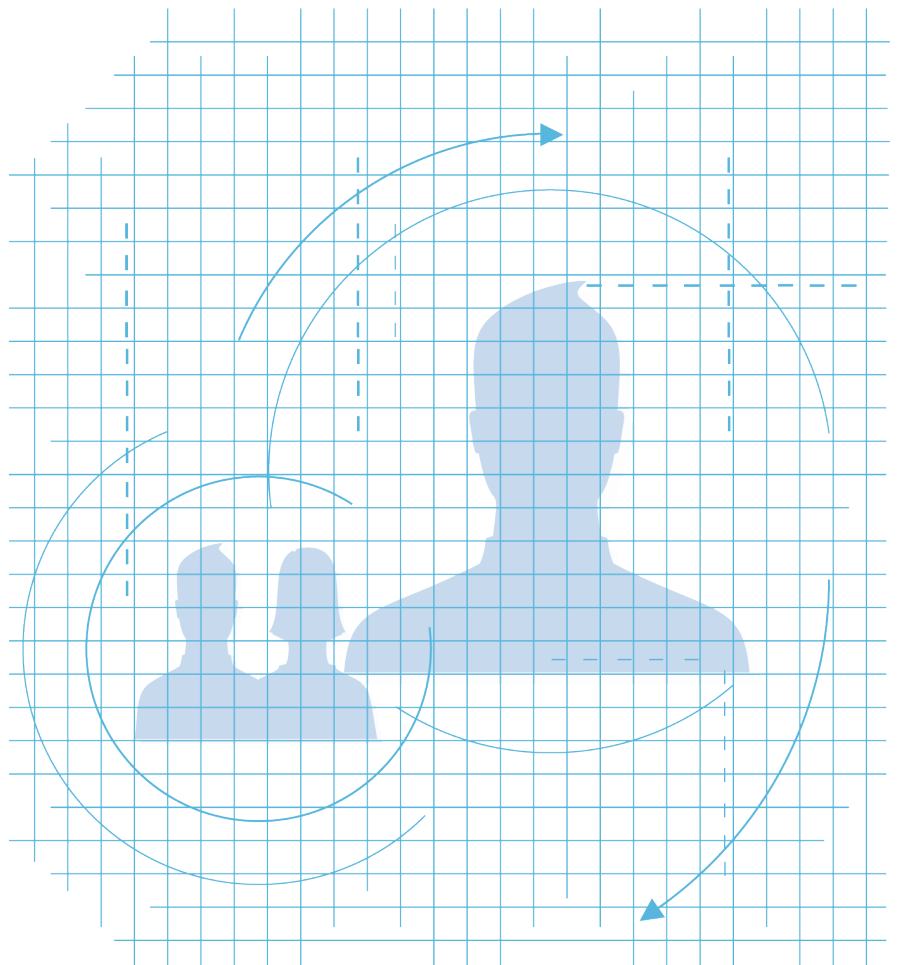


# Organize For Success In The Connected World

A Social Business Blueprint by Facebook based on a  
commissioned study by Forrester Consulting

February 2012



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## Executive Summary

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Social is not a technology, a tool, or a trend — it's a fundamentally new way for consumers to connect with the people and things they care about. For companies, it is not just a marketing or PR channel; it's a new way of engaging with and learning from customers. It's a whole new way of doing business. This is the connected world in which we live, work, shop, and play.

In December 2011, Facebook commissioned Forrester Consulting to evaluate how businesses operate in a connected world, including how they must evolve their organizational structure. Forrester conducted online surveys with 101 VP- and C-level marketing professionals and interviewed 12 CEOs, CMOs, and VPs of marketing.

From this study, Forrester concluded that, while most marketing leaders recognize that social can enhance the customer experience, many organizations are not set up to capitalize on this opportunity. To be successful in the connected world, companies will need to undergo a companywide transformation to become a social business. CMOs must lead their organizations into this new connected world through more senior social leadership and companywide social integration.

### Key Takeaways

People have embraced social media faster than any other form of communication, leaving organizations struggling to keep up. Strong senior-level leadership is required to capitalize on the strategic business-building opportunities that social has introduced. In the connected world:

- **Social demands companywide collaboration to take full advantage of its business-building benefits.** Consumers are demanding real-time interaction on their terms; this requires collaboration across all departments that touch the consumer. Forty-one percent of the VP- and C-level marketing professionals surveyed reported that they have already fully integrated social media throughout their companies. For organizations to be successful in the connected world, a range of departments — from customer service to consumer insights to product and merchandising to eCommerce — must design social into their strategies.
- **CMOs must take the lead in socially empowered organizations.** As the owner of the intersection between the brand and the end consumer, CMOs must seize the leadership reins of social strategy. They must create a social vision for the organization that connects customer-facing departments and develop strategies to deliver that vision. The Forrester Consulting survey of VP- and C-level marketing professionals shows that partial ownership of social is the norm in most organizations, but when there is a clear owner, 39% of the time it is marketing.
- **The shift to social requires an integrated approach with common goals and milestones.** Marketing leaders need to shift from treating social as a downstream tactic to a strategic business imperative. Seventy-one percent of VP- and C-level marketing professionals surveyed believe that companies can gain a competitive advantage by leveraging social media, yet nearly as many have not yet started to integrate social into their long-term plans.

59% of the VP- and C-level marketing professionals surveyed believe that companies that do not fully embrace social media as a fundamental part of how they do business will not survive in the future.

Source: Forrester Consulting

## Social Is Bigger Than Marketing

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In a Forrester Consulting survey of 101 VP- and C-level marketing professionals from the US, the UK, Australia, and Canada, 60% of those surveyed believe that social media enables businesses to be more successful. And 67% of these professionals agree that social media enables them to build more meaningful and lasting consumer relationships. These responses confirm that social is more than just a media buy or a PR tactic; it touches all parts of the modern organization. For this report, we define social in three ways:

- **Social media:** Using social networking sites (digital communities of people who can share information, messages, and content with each other) as a channel to spread your brand messages and motivate people to engage with them and share them with their friends.
- **Social marketing:** Incorporating the unique properties of social media — peer influence and two-way communication — and social technology like APIs into the planning and delivery of the brand experience, including brand communications and content, media planning, strategic marketing programs, customer acquisition, and customer relationship management (CRM) efforts.
- **Social business:** A company that uses social media and social technology to improve its interactions with and service to its customers. By connecting the organization (marketing, product, customer service, retail, and sales channels) via social technology, a social business can communicate, collaborate, and engage with its employees, customers, and end users more effectively and efficiently. Social businesses are also able to leverage the real-time insights they gain about people, their product, and their brand through social channels to improve their business and drive value for their customers.

### Social Needs A Clear Owner

In most companies, social is an immature discipline treated as a disjointed, ad hoc marketing tactic or a free PR channel. This rudimentary approach to social is due to:

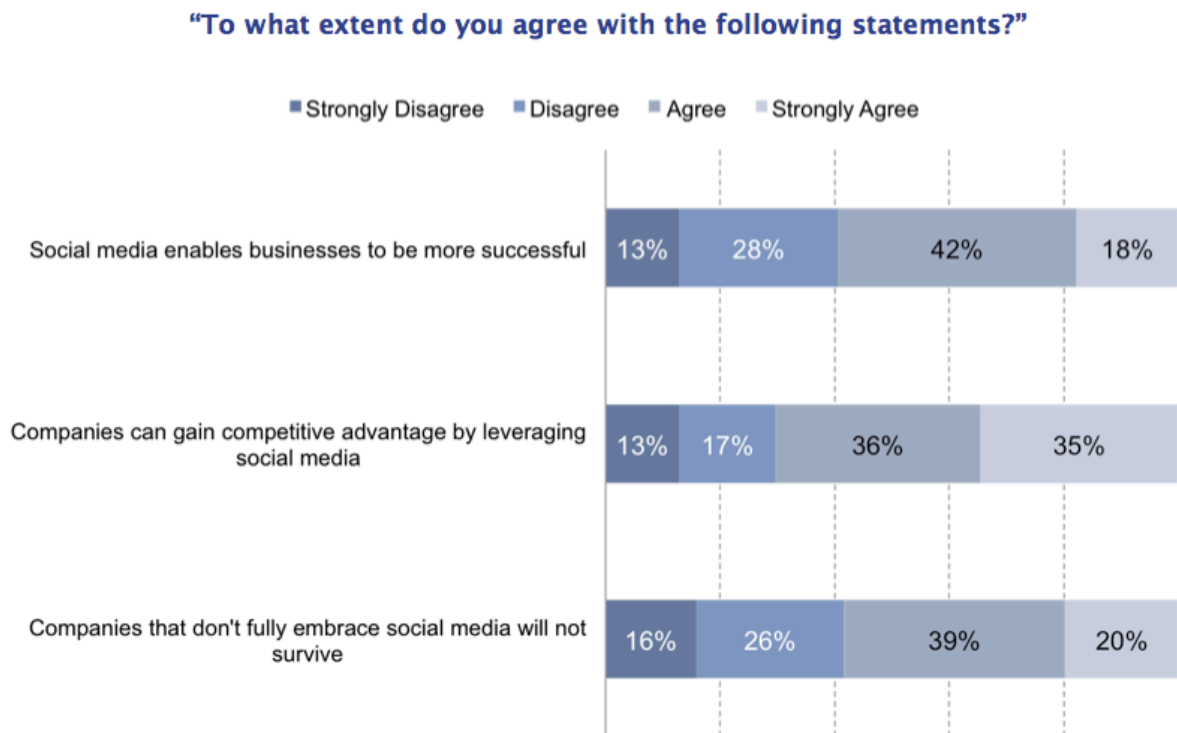
- **Senior marketing executives who are not engaged in social.** Many marketing executives don't personally understand social or engage in it. Seventy-one percent of VP- and C-level marketing professionals surveyed believe that companies can gain a competitive advantage by leveraging social media (see Figure 1). But most are not walking the walk, as nearly 70% have not yet started to integrate social into their long-term business strategy (see Figure 2).
- **Social responsibilities that are scattered across the organization.** Social doesn't fit neatly into one discipline; it spans customer-facing media, PR, consumer insights, and customer service roles, and even HR and the technology team. The Forrester Consulting online survey of 101 VP- and C-level marketing professionals found that partial ownership of social across departments is the norm (see Figure 3). As a result, marketers exert a lot of energy trying to keep up with activities across divisions, categories, and geographies. These challenges are multiplied for multinationals, as local country affiliates run their own social sites; global marketing has little visibility into or oversight of those sites, making them difficult to support.
- **Siloed teams that do not communicate their social activities to each other.** Different teams across the organization are responsible for activities like social content creation and media buying on

71% of VP- and C-level marketing professionals surveyed believe that companies can gain a competitive advantage by leveraging social media.

Source: Forrester Consulting

social sites; they work with their own agencies to accomplish these goals. At one sportswear manufacturer, social responsibilities are spread across several category teams, with much of the management outsourced to agencies. Brand managers in each country work with a creative agency to determine the vision for the campaigns and then work with a media agency to allocate budget to social, while a third digital agency publishes content on Facebook Pages. Similarly, disparate teams have different objectives. For example, a large quick-serve restaurant chain views social content as a CRM tool, but uses social media placements for new customer acquisition.

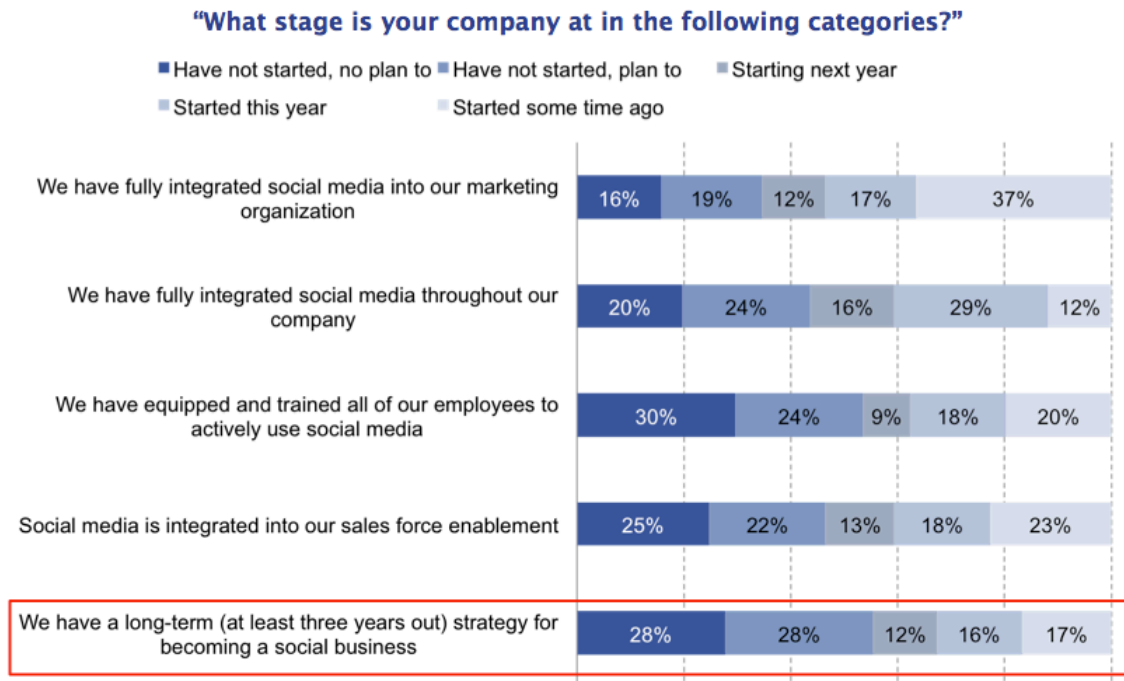
**Figure 1**  
CMOs Believe That Social Is A Competitive Advantage



Base: 101 VP- and C-level marketing professionals

Source: A commissioned study conducted by Forrester Consulting on behalf of Facebook, December 2011

**Figure 2**  
 Most Organizations Don't Have A Long-Term Strategy For Becoming A Social Business



**Base: 101 VP- and C-level marketing professionals**

Source: A commissioned study conducted by Forrester Consulting on behalf of Facebook, December 2011

**Figure 3**  
Social Ownership Is Distributed Across The Organization



Source: A commissioned study conducted by Forrester Consulting on behalf of Facebook, December 2011

### Social Demands Companywide Collaboration

To succeed at social, organizations must shift from social as media to social as a way of doing business. Companies that view social as strategic must take a companywide view of its uses and implications. The urgency to do this is driven by:

- Empowered consumers who demand real-time responses.**  
Empowered by social media, consumers have higher demands that they can express instantly and publicly — so companies need to empower employees to respond. Consumers are embracing multiple touchpoints, including social, to engage with brands, and as companies like AT&T lead the way with real-time responses, consumers will come to expect this to be the norm. An IBM survey of CMOs reports that understanding and delivering value to empowered customers is the No. 1 imperative for most CMOs.<sup>1</sup>
- The need to present a consistent social “face” to the customer.** Marketers realize the potential of social to optimize their business. The Forrester Consulting survey found that 59% of VP- and C-level marketing professionals believe that companies that don’t fully embrace social media as

“Social media is going to either transform organizations or force them to be more social. Brands won’t survive if they don’t become better at it.”  
–Stephen Quinn, CMO of Walmart

fundamental to how they do business will not survive in the future; 41% of these marketing pros say their organizations have already started to integrate social media throughout the company, and a further 40% have plans to do so. Consumer giant Procter & Gamble was an early mover; it began the road to integration more than two years ago, with integrated efforts within its brand-building organization that include marketing, PR, communications, market research, and design. This integration was evident in the company's 2011 Secret Deodorant "Mean Stinks" campaign that taps into social, mobile, and traditional media channels for a cause-related anti-bullying campaign that also helped boost brand sales by 9% in the 26 weeks after the campaign's launch.<sup>2</sup>

- **Competitive knowledge gained from social insights.** For consumer marketers like Procter & Gamble, understanding the consumer has always been core to their business. One of social's strategic benefits is the ability to listen to what consumers are saying about your company, product, or category to uncover insights far more valuable than those that you learn in focus groups. Social is a new tool that allows marketers to get closer to their consumer in public and private forums. Companies like Sephora and 1-800-Flowers.com have transformed their organizations by fully integrating consumer feedback into their businesses, feeding insights from social channels back into their products, services and merchandising.

## CMOs Must Lead The Charge Toward A Socially Empowered Organization

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To fulfill their belief that companies can leverage social media to gain a competitive advantage, CMOs must lead the transformation to a socially empowered organization in which employees across all consumer-facing departments — such as marketing, customer service, product and merchandising — engage in social to better serve customer needs. To move their organizations away from using siloed social media tactics and toward becoming a social business, we recommend that CMOs:

- **Take on social leadership across the enterprise.** Social enables the brand and the consumer to intersect. As the owner of this meeting point, CMOs must take the lead to champion how social thinking and operating align with their organizations.
- **Create a united marketing front.** CMOs will not be able to integrate social across the business if their own department is disconnected. The CMO must begin by connecting her marketing teams and agencies and centering their collective efforts around social strategies.
- **Integrate social across all aspects of the business.** To create a truly social business and deliver consistent customer experiences, customer-facing departments must be connected to each other and social engagement must be integrated into the business.

### Take On Social Leadership Across The Enterprise

CMOs must take a more visible leadership role to drive social engagement across every customer-facing department and business unit, beyond the halls of marketing. This requires CMOs to:

- **Build social strategy into C-suite business planning.** Enroll the CEO and powerful business unit leaders to make social a strategic priority. These senior leaders need to ask themselves: "What about our business is naturally social?" and then charge their teams with integrating social strategies early in their planning efforts. At 1-800-Flowers.com, President Chris McCann has



encouraged his teams to creatively leverage social media, telling them “If it’s not social, we’re not doing it.” The flower seller uses responses from its Facebook community and promotions to improve key business decisions and resolve customer service problems.

- **Become a social CMO.** Many marketing leaders don’t have the same comfort level with digital and social media that they do with traditional media like TV. CMOs can increase their familiarity by becoming personally engaged in social media and encouraging the team to do the same. CMOs who personally participate in social media will be better leaders of their brand and their organizations because they will understand the medium and will be in constant contact with consumer insights. It’s not much different than store visits and product sampling. JetBlue’s SVP of Marketing, Marty St. George, follows his brand’s airline competitors on Twitter and Facebook to gain insights on how they are using social media to engage with consumers.
- **Appoint a senior leader to champion social across the organization.** Empower a high-ranking social champion with responsibility for overseeing all social objectives and activities, from content generation to paid media. To be successful, these leaders need to be able to network and influence across senior levels of the organization and have sufficient headcount within their own team to drive outcomes. At several large companies, the CMO has centralized social marketing under a single person who coordinates social activities across the business and reports directly to the CMO. For example, mobile phone provider T-Mobile, recently consolidated its advertising, brand and communications teams under a single SVP who owns social in order to ensure the teams leveraging social work collaboratively towards the same objectives.

### Create A United Marketing Front

Today’s CMOs lead an ever more complex web of marketing teams and agencies to cover multiple consumer touchpoints and channels. The first step to an integrated approach is collaboration within the marketing department and among its agencies.

- **Unify social marketing resources and planning.** Internally, a team dedicated to the social cause must unify scattered resources and define a more cohesive social marketing approach. This team should be the epicenter of social initiatives, collaborating with other marketing functions, such as creative and brand marketing, as well as other departments like eCommerce and customer service. Starbucks centralizes all of its social efforts into one core team that manages both social content and media. eBay has been investing in social strategy and social commerce in order to bring a naturally social experience – shopping – online. The engine behind this effort is the newly formed business unit for social, which encompasses social brand, social customer service and social commerce.
- **Orchestrate agency collaboration.** A cohesive consumer experience demands collaboration across marketers’ ever-growing agency rosters. CMOs must engage with the agency to elevate the role of social as an integrated business driver, not just as tactical media execution.<sup>3</sup> For example, Ford Motor Company and WPP created a new entity called Team Detroit to deliver seamless solutions across the WPP network.<sup>4</sup>

### Integrate Social Across All Aspects Of The Business

Social is, by its nature, able to wend its way into many functional areas in a company. This creates awkward policies, conflicting agendas, and duplicative efforts. To ensure a unified customer experience, social must be integrated into the business and the departments must be constantly connected to each other. To get there:

- **Make social part of everyone’s job.** Every department that touches the end consumer — such as product development, marketing, market research, and customer service — should be responsible for integrating social into its day-to-day responsibilities and have a clear vision for how social can help it reach the team’s business objectives. In the Forrester Consulting survey of VP- and C-level marketing professionals, just 38% have already equipped and trained all employees to actively use social media — but forward-looking companies are embracing social’s potential to let each employee do his or her job better. AT&T’s customer service department is constantly engaging with customers through social to give real-time responses.
- **Create a culture of collaboration.** Collaboration across organizational silos is critical to a unified customer experience (see Figure 4). An IBM survey of CMOs found that these leaders expect that “increased customer collaboration and influence” will have the greatest impact on their organizations in the next three to five years.<sup>5</sup> Network the organization together via social technologies and platforms to strengthen sharing of insights, learning, and feedback and open the communication lines between teams. At Starbucks for example, the social team reports directly into the VP of Global Digital Marketing. She communicates to them key activities across the enterprise and they in turn are empowered to work across channels and markets to coordinate with the rest of the company.
- **Build social into established processes.** Social should not be a standalone initiative; rather, it should be a business enabler that is fully integrated into the business. The social marketing team should formalize a mechanism that distributes insights and innovation ideas back into each department’s process. For example, AT&T integrates social insights to optimize marketing programs, enhance customer service, and personalize the brand.<sup>6</sup> And 1-800-Flowers.com uses socially-sourced insights for merchandising selection.

**Figure 4**  
Create An Interconnected Social Organization



As the owner of the intersection between brand and consumer, marketing must be a central driver of the interconnected organization.

## Lead The Charge With Common Guidelines And Strategies

Social forces organizations to act and react in new ways. To navigate through this change, CMOs must work across the organization to set a clear path to integration. These connected organizations require the CMOs to:

- **Establish a cross-functional team of senior-level social champions.** Every department that touches the consumer — from marketing to customer service to product development and merchandising — should have senior representation on a cross-functional social team led by the marketing owner. AT&T's digital leadership council, led by the executive director of digital and social media, has weekly meetings with senior-level representation from marketing, PR, customer care, and eCommerce to coordinate activities, share best practices, and ensure a feedback loop back into the teams. One global financial institution created a digital governance council with representatives from all customer-facing business units to ensure consistent data sharing, a unified customer experience, and sufficient technology infrastructure.<sup>7</sup>
- **Connect distributed resources through common goals and objectives.** It is difficult to get different teams working together if they all have different goals. Ensure that everyone is marching to the same drummer by setting common cross-department goals. For example, one large US retailer ensures that everyone is working toward the same endpoint by giving all teams one clear goal:

improving same-store sales. Every business unit should also be clear about the opportunity social provides to drive its overall objectives.

- **Create a process of education and governance.** Senior-level backing across the organization is needed to reinforce the importance of social to each department; beyond that, teams need a clear workflow process to enable them to engage and execute effectively.<sup>8</sup> Currently, few marketers proactively educate employees on social; almost one-third of VP- and C-level marketing professionals surveyed do not plan to equip or train employees to use social media. Companies like Coca-Cola lead the way with the marketing team setting the strategy and guidelines, educating all employees on new technologies, and governing activity across the global organization.

## Are You Ready To Build A Connected Organization?

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The CMO or the social marketing leader must partner with department heads to set clear social objectives that align with overall business objectives like driving in-store sales or solving customers' needs. Social is a tool that must help each customer-facing department do what it does better. For example, the customer service department's business objective is to solve customers' needs before, during, or after purchase, which matches their social objective to respond and activate. Use the following chart to match business objectives to social objectives (see Figure 5):

**Figure 5:**  
Match Each Department's Social Objectives To Its Business Objectives

Department	Dept. Objective	Social Objective	Examples
<b>Marketing</b>	<ul style="list-style-type: none"> <li>Build a strong brand that attracts new customers and retains current customers.</li> </ul>	<b>Connect, Engage &amp; Influence:</b> <ul style="list-style-type: none"> <li>Form connections with people and engage them in ongoing dialogue.</li> <li>Create and distribute sharable content that engages consumers and drives them to action.</li> <li>Champion social to the rest of the organization and feed insights back into the organization.</li> </ul>	<ul style="list-style-type: none"> <li>American Express's "Link, Like, Love" delivers savings and rewards to Cardmembers based on their likes and the likes of their friends.</li> </ul>
<b>PR</b>	<ul style="list-style-type: none"> <li>Enhance brand and company image with the public via earned channels.</li> </ul>	<b>Engage &amp; Respond:</b> <ul style="list-style-type: none"> <li>Work with marketing to spread the brand's key events, messages, and announcements through social channels and influencers.</li> <li>Address negative conversation or issues.</li> </ul>	<ul style="list-style-type: none"> <li>When Toyota was faced with a vehicle recall situation in 2009, it stayed true to its core value of putting customers first by providing regular updates and engaging in open dialogue with customers on Facebook.</li> </ul>
<b>Market research/ insights</b>	<ul style="list-style-type: none"> <li>Identify customer needs, determine profiles, and understand brand perceptions.</li> </ul>	<b>Listen &amp; Learn:</b> <ul style="list-style-type: none"> <li>Monitor the community and activities to generate consumer insights and understand consumer perceptions.</li> <li>Feed lessons back into the company to improve the product and marketing experience.</li> </ul>	<ul style="list-style-type: none"> <li>Sephora taps into its Facebook fans to get feedback on existing products and spark ideas for new ones.</li> </ul>
<b>Customer service</b>	<ul style="list-style-type: none"> <li>Solve customers' issues before, during, and after purchase to build customer loyalty and drive sales.</li> </ul>	<b>Respond &amp; Activate</b> <ul style="list-style-type: none"> <li>Respond to questions and solve problems in real time on social networks.</li> <li>Harvest customer testimonials and foster a community that helps one another.</li> </ul>	<ul style="list-style-type: none"> <li>AT&amp;T's customer service department is constantly engaging with customers through social media to give real-time responses.</li> </ul>

Department	Dept. Objective	Social Objective	Examples
<b>Product Development</b>	<ul style="list-style-type: none"> <li>Develop new products that solve market needs and improve existing products.</li> </ul>	<b>Innovate &amp; Test:</b> <ul style="list-style-type: none"> <li>Identify places to integrate social into the product to make it more personal, engaging, relevant and useful.</li> <li>Work with market research to glean insights to drive new product concepts and features.</li> <li>Use your community to test ideas and source new ones.</li> </ul>	<ul style="list-style-type: none"> <li>Ford is leveraging people's Facebook connections to make its vehicles more social. They are working on giving people the ability to listen to their friends' music and message with friends via voice command while driving.</li> </ul>
<b>eCommerce</b>	<ul style="list-style-type: none"> <li>Drive online retail traffic to eCommerce website and convert to sales.</li> </ul>	<b>Influence &amp; Convert:</b> <ul style="list-style-type: none"> <li>Use social to help customers identify the items they want and get input from friends.</li> <li>Share content about products and promotions that link to the point of purchase to drive conversion.</li> </ul>	<ul style="list-style-type: none"> <li>Verizon built a social store app called ShopTips on its Facebook page through which users can poll friends to help them compare phones.</li> </ul>
<b>Retail</b>	<ul style="list-style-type: none"> <li>Drive offline retail traffic to retail stores and convert to sales.</li> </ul>	<b>Identify &amp; Convert:</b> <ul style="list-style-type: none"> <li>Use social channels to connect customers with the closest retail location.</li> <li>Help customers identify items for purchase, find discounts, and get input from friends.</li> </ul>	<ul style="list-style-type: none"> <li>Wal-Mart tailors marketing and promotions to local retail needs based on weather and events through a My Local Walmart app developed with Facebook. The app also integrates check-ins and product likes.<sup>3</sup></li> </ul>
<b>Merchandising</b>	<ul style="list-style-type: none"> <li>Determine retail product mix and optimal display to entice purchase.</li> </ul>	<b>Optimize:</b> <ul style="list-style-type: none"> <li>Solicit consumer feedback on product offerings to optimize selection and inventory levels.</li> <li>Promote the products that receive the most interest.</li> </ul>	<ul style="list-style-type: none"> <li>1-800-Flowers.com solicits feedback to optimize flower offerings for special occasions such as Mother's Day.</li> </ul>

\* Jack Neff, "Walmart Goes Local on Facebook, Launches Store-Level Messaging" Advertising Age, October 2011

## Appendix A: Methodology

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In this study, Facebook commissioned Forrester Consulting to conduct an online survey of 101 VP- and C-level marketing professionals who work in companies with 5,000 employees or more in the US, the UK, Australia, and Canada. The purpose of the survey was to evaluate how their businesses operate in a connected world, asking specific questions about organizational structure, brand-building, and measuring success. Respondents were offered a cash incentive as a thank-you for time spent on the survey. The study began in December 2011 and was completed in that same month.

Forrester Consulting also interviewed 12 CEOs, CMOs, and VPs of marketing who work in Fortune 500 companies. They were not paid to be a part of this research.

## Appendix B: Supplemental Material

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### Related Forrester Research

“Accelerating Your Social Maturity,” Forrester Research, Inc., June 2, 2011  
([http://www.forrester.com/rb/Research/accelerating\\_social\\_maturity/q/id/59690/t/2](http://www.forrester.com/rb/Research/accelerating_social_maturity/q/id/59690/t/2))

“Become A Social CMO,” Forrester Research, Inc., July 7, 2011  
([http://www.forrester.com/rb/Research/become\\_social\\_cmo/q/id/58807/t/2](http://www.forrester.com/rb/Research/become_social_cmo/q/id/58807/t/2))

## Appendix C: Endnotes

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<sup>1</sup> Source: IBM, “From Stretched to Strengthened,” IBM 2012 Chief Marketing Officer Study, October 2011.  
(<http://public.dhe.ibm.com/common/ssi/ecm/en/gbe03433usen/GBE03433USEN.PDF>)

<sup>2</sup> Source: Jim Edwards “Facebook Claims It Increased P&G’s Deodorant Sales By 9%,” *Business Insider*, February 01, 2012. ([http://articles.businessinsider.com/2012-02-01/news/31011971\\_1\\_facebook-page-ipo-filing-social-network](http://articles.businessinsider.com/2012-02-01/news/31011971_1_facebook-page-ipo-filing-social-network))

<sup>3</sup> For more models for managing increasing agency complexity, read “New Models For Agency Orchestration,” Forrester Research, Inc., January 20, 2012.  
([http://www.forrester.com/rb/Research/new\\_models\\_for\\_agency\\_orchestration/q/id/60352/t/2](http://www.forrester.com/rb/Research/new_models_for_agency_orchestration/q/id/60352/t/2))

<sup>4</sup> For more models for managing increasing agency complexity, read “New Models For Agency Orchestration” Forrester Research, Inc., January 20, 2012.  
([http://www.forrester.com/rb/Research/new\\_models\\_for\\_agency\\_orchestration/q/id/60352/t/2](http://www.forrester.com/rb/Research/new_models_for_agency_orchestration/q/id/60352/t/2))

<sup>5</sup> Source: Cited in “Become A Social CMO,” Forrester Research, Inc., July 7, 2011.  
([http://www.forrester.com/rb/Research/become\\_social\\_cmo/q/id/58807/t/2](http://www.forrester.com/rb/Research/become_social_cmo/q/id/58807/t/2))

<sup>6</sup> Source: AT&T Case Study, Facebook, August 2011.  
(<https://www.facebook.com/video/video.php?v=971693680911>)

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<sup>7</sup> Source: Tom French, Laura LaBerge, Paul Magill, “We’re All Marketers Now”, *McKinsey Quarterly*, July 2011. ([https://www.mckinseyquarterly.com/Were\\_all\\_marketers\\_now\\_2834](https://www.mckinseyquarterly.com/Were_all_marketers_now_2834))

<sup>8</sup> Source: Accelerating Your Social Maturity, Forrester Research, Inc., June 2, 2011. ([http://www.forrester.com/rb/Research/accelerating\\_social\\_maturity/q/id/59690/t/2](http://www.forrester.com/rb/Research/accelerating_social_maturity/q/id/59690/t/2))