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Social Media and Online Brand Monitoring Trends Briefing

June 2010

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1. Introduction

This is a free briefing containing the latest market trends, best practice and statistics relating to online PR and social media. This document contains an overview of market trends, tips for best practice, new statistics and useful resources. The information within this briefing is collated from a range of sources including:

- Econsultancy conferences, supplier showcases and roundtables
- Third party events
- Research carried out by Econsultancy and other organisations

The purpose of Econsultancy's trend briefings (which are free to download) is to provide information relating to the latest trends, best practice, challenges and opportunities across a wide range of digital marketing and e-commerce topics.

<http://econsultancy.com/reports/briefings>



2. About Econsultancy

Econsultancy is a [digital publishing and training group](#) that is used by more than 200,000 internet professionals every month.

The company publishes [practical and time-saving research](#) to help marketers make better decisions about the digital environment, build business cases, find the best suppliers, look smart in meetings and accelerate their careers.

Econsultancy has offices in New York and London, and hosts more than [100 events](#) every year in the US and UK. Many of the world's most famous brands use Econsultancy to [educate and train](#) their staff.

Some of Econsultancy's members include: Google, Yahoo, Dell, BBC, BT, Shell, Vodafone, Virgin Atlantic, Barclays, Deloitte, T-Mobile and Estée Lauder.

[Join Econsultancy](#) today to learn what's happening in digital marketing – and what works.

Call us to find out more on +44 (0)20 7269 1450 (London) or +1 212 699 3626 (New York). You can also [contact us online](#).



3. Market Trends

3.1. Industry news and marketplace developments

- In March 2010, **ExactTarget** bought **CoTweet**, a Twitter application that allows multiple people to Tweet through corporate accounts.
- In February 2010, the social entertainment site, **hi5**, acquired social gaming website **Big Six** for an undisclosed sum.
- **Time Inc.** acquired social shopping bookmarking service **StyleFeeder** in January 2010.
- A competitor of **StyleFeeder**, **StyleHive** was acquired by social e-commerce company, **ThisNext** in February 2010.
- In January 2010, **StockTwits**, a site that allows investors to track conversations about stocks on Twitter, bought financial blog Abnormal Returns, which aggregates financial analysis from across the web.
- **TwitJump**, a Twitter management tool for businesses, was acquired by **FundingUniverse** (a matchmaker that connects entrepreneurs with investors and lenders in the US) in February 2010.
- In May 2010, reputation monitoring solution **Scout Labs** was acquired by **Lithium Technologies** in a stock and cash transaction for £22.5M.
- In January 2010, **Jive Software** acquired social media monitoring provider **Filtrbox**.
- In April 2010, **Durrants**, a provider of media monitoring and analysis services acquired **Gorkana**, a service providing media intelligence and industry news to the PR industry.
- **Attensity Group** acquired **Biz360® Inc.**, a provider of social media monitoring and market intelligence solutions in April 2010.
- **Meltwater Group** acquired **BuzzGain Inc.**, a social media monitoring company in February 2010, in a bid to enhance its existing social media monitoring service, Meltwater Buzz.
- In 2009, **Alterian** acquired buzz monitoring and online reputation measurement platform, **Techrigy**.

3.2. Market overview

- **The popularity** of social networks showed sustained growth in the early part of 2010, with **Facebook** and **Twitter** dominating the space.
- Social networks that integrate new technologies (such as video and geo-location services) are beginning to emerge, and some brands are integrating these into campaigns.
 - **FourSquare** has shown impressive growth in the first half of 2010. As of April 2010, the site had approximately 725,000 users, and more than 22 million ‘check-ins’.
 - Examples of brands using FourSquare include Jimmy Choo, Bravo, Debenhams, and the Financial Times.
 - **ChatRoulette** has been a high-profile, albeit controversial startup in 2010. Some forward-thinking brands, such as French Connection and Dr Pepper, have experimented with the video chat site in their online campaigns.
- Social media is increasingly used as an **online campaign tool** to exert pressure on businesses, advertisers, and media organisations. Hence, brands simply cannot afford to underestimate **the speed and breadth of social networks** and the real-time web.

- **Crisis management** and understanding how to deal effectively with negative PR is becoming even more paramount.
- It is becoming essential for companies to have a **distributed presence** on social networks so they can respond quickly to online conversations about their brands, products and services.
- **Spam** and the lack of quality content is a serious ongoing threat to micro-blogging. Twitter, in particular, has been plagued by spammers who hijack trending topics and use pornographic imagery in their profile pictures.
 - **Spammers** are becoming more sophisticated, and services become less useful as the volume of noise increases. Real marketing messages often end up drowning in a sea of spam.
- **Mobile marketing** and **social media** go hand in hand, as the real-time nature of the web is supplemented by mobile through the ability to be online at any time, at any location.
 - **Location-based social networks** and social sites that integrate **geo-targeting** (eg. FourSquare) are expected to rapidly grow in the next two years.

3.3. Social media challenges and best practices

3.3.1. Social media policies

- It is essential for companies to have appropriate **social media policies** in place and provide guidelines for their employees. But, according to Econsultancy research, **59%** of companies do not have any social media policies in place.¹
- A coherent social media policy must include details of **how** the brand should engage (including who should be responsible for this), **when** they should engage, and the **appropriate manner** in which to talk to customers.
- **Nestlé** recently provided a good example of how *not* to do social media with their responses on Facebook to negative commentary about unethical practices related to Indonesian palm oil.
 - Nestlé failed because of their **dogmatic, corporate approach** and their patronising and sarcastic tone of voice.
 - Companies need to think hard about why they are on social media channels in the first place, as **incorrect messaging** does not create value for anyone and can be potentially damaging for the brand in the long-term.

3.3.2. Resourcing and removing silos

- A **lack of ownership** and **limited resources** within the organisation are ongoing issues.
 - Ideally, social media should be managed at a **senior level** within the organisation, though there is still ongoing debate about who should “own” social media channels.
 - Very often, responsibility can fall to junior staff, the intern or recent graduates. Brands should ask themselves whether they are comfortable with putting the responsibility for managing reputation in the hands of an inexperienced member of the team.
- For companies already running social media campaigns, the main challenge is tying up the **silos** between different departments, implementing a cross-functional strategy and working collaboratively.
- A key question for companies is around whether they should use an **agency** to manage their social media campaigns or whether they should do it in-house.

¹ Econsultancy / bigmouthmedia Social Media and Online PR Report – <http://econsultancy.com/reports/social-media-and-online-pr-report>

- It is important to understand that whoever manages social media needs to have a close relationship with the company and a deep understanding of the **brand values and core messaging**.
- There is a greater understanding that in order to create a more personal dialogue, the process needs to be much more manual, rather than by just using automatic feeds.
- **Twitter Business Centre** will soon launch the ability to link personal accounts with corporate Twitter accounts.
 - Currently, when a single employee is in charge of managing social media, they can often become the “face” of the company. Taking a business-orientated approach will overcome of problem of ownership of the brand when an employee leaves.

3.3.3. Social media as a customer service tool

- Social media can be used to improve **customer service** and make customer service professionals more accountable, as customers are more easily able to express opinions online.
- Social media is a great tool for **listening** to customers and **improving products** and service based on feedback.
- As more **big brands** realise the potential of Twitter as a customer service and feedback tool, fewer now use auto-messaging features on their Twitter account.
 - Companies are starting to use the channel in a far more targeted, personalised way to respond to individual customer queries and feedback.
- Understanding the speed and breadth of response to a customer issue is crucial. There is a trade-off between **responding quickly**, and responding with **accuracy** and **credibility**.
 - Understanding how quickly to respond and when it is appropriate to respond is an ongoing challenge; sometimes it is may be better for companies to ignore negativity.
 - **Immediacy** can create a false impression of **importance**; as well as a *fast response*, it must also be the *right response*.

3.3.4. Buzz monitoring tools

- Buzz monitoring tools scan online spaces for mentions of specified search terms and phrases such as brand name.
- The marketplace for buzz monitoring technology is becoming increasingly saturated with a large number of companies offering many different solutions.
 - There have been a number of acquisitions this year, and consolidation in the industry is expected to continue, particularly as companies are increasingly interested in integrating the insight from buzz monitoring solutions with other types of data
- The majority of large companies are using a combination of **free and paid-for** buzz monitoring solutions.
 - **Free tools** have the advantage of creating more awareness about the industry and creating demand for enterprise-level technologies.
- The main **challenge** for many companies is getting their keywords right.
 - Since many buzz monitoring tools charge by the number of keywords or per brand mention, getting these wrong can prove to be costly.
 - This is especially problematic for companies that have common words as part of their brand name, as consequently, these types of tools can generate a high volume of irrelevant results.

- Many buzz monitoring solutions claim to generate a high volume of search results and provide extensive coverage; however, they many not necessarily be highly accurate in terms of **sentiment analysis**.
 - Most tools claim to have around 85% accuracy at best, which means they must also be accompanied by manual analysis and **human interpretation**.
- A key challenge is information overload; client-side marketers may have to manually wade through a high volume of irrelevant data to derive any sort of meaningful insight.
- A majority of comments generated online are actually **neutral**, and taking out neutral comments may reduce the accuracy of buzz monitoring tools.

3.3.5. Understanding the value of influence

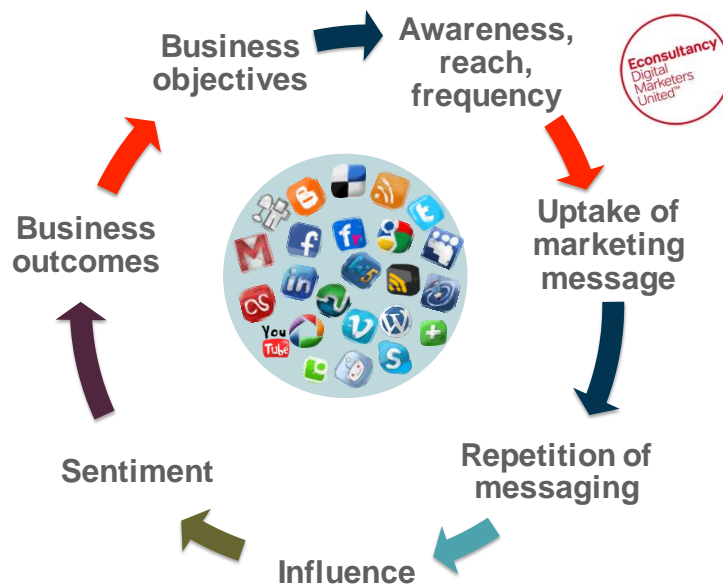
- **Digital literacy** is increasing at an overall rate, which means people are getting better at recognising voices of **authority** on the web. People are more proficient at what Howard Rheingold calls “*crap detection*.”²
- **Influence** is becoming increasingly significant as a metric for blogs, networks and other forms of content.
- Reaching a small number of **highly influential individuals** (who are likely to purchase your product) is often more effective than a **high volume, low influence** approach, where the end audience is less likely to make a purchase.
 - Reaching the **most influential** people online can therefore make a direct impact on the bottom-line.
 - It’s about understanding who will spend money with your brand.
- A key challenge for brand marketers is understanding how to **gauge the influence** of a blog in the first place.
- Having an **authentic voice** is of **key importance** for influential bloggers and it is crucial for companies to recognise that they thrive off of their independence.
 - In order to engage with these powerful individuals, companies must understand that they **cannot directly influence** bloggers.
 - Instead they must listen to them and treat bloggers in the same way as journalists, by aiding them without compromising or undermining their **integrity**.

² http://www.sfgate.com/cgi-bin/blogs/rheingold/detail?entry_id=42805#ixzz0iTjBVWA7

3.3.6. Metrics, insights and measuring success

- Companies must understand the **objectives** behind their campaigns, and understand the reasoning for a presence on a social network in the first place.
- **Cost reduction** in terms of heading off customer complaint and easing off pressure from call centres may be one possible way to measure success of social media.
- More companies are beginning to **invest** in monitoring, measuring and analysing the insights from social media channels.
 - In line with this trend, agencies are coming under pressure to demonstrate the **return on investment** from related marketing activity.
- Organisations are increasingly focused on how to glean **actionable insights** from brand monitoring data, and make appropriate recommendations on actions to take.
- An increasing number of third-party Twitter app providers are now beginning to charge for additional Twitter insight and data, including [Tweetmeme](#) and **Twittercounter**. **Twitterfeed** is expected to follow suit with a similar offering.
 - There is a greater understanding that social media must be tied to **objectives**, and real **business KPIs**, rather than arbitrary social media metrics, such as the number of Facebook friends and Twitter followers.

Process model for measuring value of social media



4. Statistics

Econsultancy/Bigmouthmedia Social Media and Online PR Report

- Increased brand awareness was seen as major benefit of social media by 73% of companies, according to Econsultancy's Social Media and Online PR Report in association with bigmouthmedia.
- The most important benefits of social media for companies are: increased customer engagement (71%), better brand reputation (66%) and increased communication with key influencers (62%).
- The most commonly used types of agency for social media and online PR activity are *traditional PR agencies* (15%) and *digital agencies* (11%).
- Nearly two-thirds of companies (61%) say that social media provides tremendous opportunities for their business.
- Some 42% of companies are not using any agencies to manage their social media and online PR activity.
- The most successful companies immerse themselves in the social media channel and take a strategic approach, as only 1% of companies who are heavily involved in social media say that they have gained no real value from the channel.
- A third of companies (35%) manage their social activity through *their digital marketing team*, compared to a just over a fifth (21%) whose social media activity is managed by their *PR or communications team*.
- *Online traditional media relations* are the most frequently used PR tactic, used by more than two-thirds (67%) of companies.
- The majority of organisations (59%) do not have guidelines in place relating to social media.
- The biggest barrier to better social media engagement for companies surveyed by Econsultancy/bigmouthmedia is lack of resources (54%).

[Source: Econsultancy/Bigmouthmedia Social Media & Online PR Report, November 2009](#)

Econsultancy / Guava UK Search Engine Marketing Benchmark Report

- Some 55% of companies spend less than £5,000 per year on social media marketing. Only 4% spend more than £50,000 per year on social media marketing.
- Since 2008, the proportion of UK companies using a search agency for online PR optimisation has increased from 30% to 38%.

[Source: Econsultancy / Guava UK Search Engine Marketing Benchmark Report, April 2009](#)

Econsultancy/ExactTarget Marketing Budgets 2010

- Two-thirds of marketers are planning to increase investment in social media even though less than one-fifth can effectively measure ROI.
- Some 70% of companies are planning to increase their marketing budgets for off-site social media (e.g. networking sites, Facebook and Twitter).

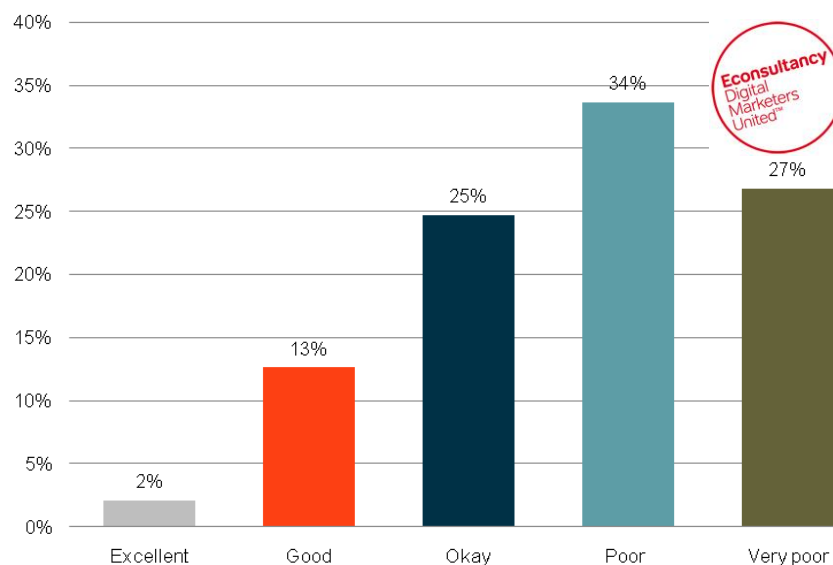
[Source: Econsultancy/ExactTarget Marketing Budgets 2010, February 2010](#)



Econsultancy / OMS Value of Social Media Report

- Almost two-thirds of companies (61%) say that they “have experimented with social media, but not done that much.”
- Only 25% are “heavily involved in social media”, while the remaining 13% are not engaging with social media at all, saying “we don’t do anything.”
- More than half of companies surveyed (55%) use Facebook to *improve brand awareness and reputation*. Just under half are using Facebook as a *marketing channel* (47%) or for *publicizing new content* (46%).
- The most common uses of Twitter are for improving brand awareness and reputation (50%), publicizing new content (49%) and as a marketing channel (47%).
- Only 15% of companies say their organisation is “excellent” or “very good” at measuring ROI from social media.

Figure 1: How good would you say your organization is at measuring return on investment (ROI) from social media activity?



Source: Econsultancy / OMS Value of Social Media Report

[Source: Econsultancy / OMS Value of Social Media Report, February 2010](#)

Econsultancy / cScape Customer Engagement Report

- Just over a third of organisations (36%) say they are using *social networks* and *email newsletters* for *product development and innovation*.
- The increased profile of social media is reflected by the fact that a third (34%) of companies have *increased their social media budget in the last 12 months*.
- The majority of companies (61%) say that they will increase investment in their *social network presence* and 44% will spend more on *micro-blogging*.

[Source: Econsultancy / cScape Customer Engagement Report 2010, December 2009](#)

- Some 48% of customers who have a bad experience will share their experience with friends and family to discourage them from using that website or company. [Source: Tealeaf via Econsultancy Blog, October 2009]
- UK social network ad spending totalled an estimated £115m on 2008. [Source: eMarketer, Jan 2009]

For more statistics, charts, facts and figure, see our Internet Statistics Compendium: <http://econsultancy.com/reports/internet-statistics-compendium>



5. Resources and white papers

Value of Social Media Report

<http://econsultancy.com/reports/value-of-social-media-report>

Econsultancy / bigmouthmedia Social Media and Online PR Report

<http://econsultancy.com/reports/social-media-and-online-pr-report>

Econsultancy / Guava UK Search Engine Benchmark Report (*New version coming soon*)

<http://econsultancy.com/reports/uk-search-engine-marketing-benchmark-report>

Online Reputation and Buzz Monitoring Buyer's Guide

<http://econsultancy.com/reports/online-reputation-and-buzz-monitoring-buyer-s-guide>

Social Media Statistics

<http://econsultancy.com/reports/social-media-statistics>

Social Media RFP

<http://econsultancy.com/reports/social-media-online-pr-request-for-proposal-rfp>

Econsultancy / cScape Customer Engagement Report 2010

<http://econsultancy.com/reports/customer-engagement-report>

Jim Sterne: Social media measurement and "the accuracy problem"

<http://www.mycustomer.com/topic/customer-intelligence/jim-sterne-social-media-measurement-and-accuracy-problem/107226>

25 ways of encouraging and rewarding customer engagement

<http://econsultancy.com/blog/5930-25-ways-of-encouraging-and-rewarding-customer-engagement>

Uh oh. 'Media value' makes its way to social media

<http://econsultancy.com/blog/5754-uh-oh-media-value-makes-its-way-to-social-media>

10 common social media mistakes

<http://econsultancy.com/blog/5684-10-common-social-media-mistakes>

10 common online reputation mistakes

<http://econsultancy.com/blog/5712-10-common-online-reputation-mistakes>

A beginner's guide to blogging for business

<http://econsultancy.com/blog/5671-a-beginners-guide-to-blogging-for-business>

The 10 Twitter commandments

<http://econsultancy.com/blog/4162-the-10-twitter-commandments>

10 useful Twitter presentations

<http://econsultancy.com/blog/4066-10-useful-twitter-presentations>

30+ Twitter Lists and 5000+ Twitter accounts worth following

<http://econsultancy.com/blog/4897-twitter-lists-5000+-twitter-users-worth-following>

Reputation is dead, long live reputation

<http://econsultancy.com/blog/5667-reputation-is-dead-long-live-reputation>



Paperchase allegedly plagiarises independent artist and Twitter erupts

<http://econsultancy.com/blog/5423-paperchase-plagiarises-independent-artist-and-twitter-erupts>

Brown and Cameron failing to protect their online reputations

<http://econsultancy.com/blog/5208-brown-and-cameron-failing-to-protect-their-online-reputations>

Irony 2.0: controversial online reputation startup caught astroturfing

<http://econsultancy.com/blog/5701-irony-2-0-controversial-online-reputation-startup-caught-astroturfing>

Price is important online. But not as important as reputation.

<http://econsultancy.com/blog/4060-reputation-matters-more-than-price-for-online-consumers>

5.1. Free reputation monitoring and social media tools

Addictomatic

<http://addictomatic.com/>

Twittercounter

<http://twittercounter.com/>

Tweetmeme

<http://tweetmeme.com/>

Twitterfeed

<http://twitterfeed.com/>

CoTweet

<http://cotweet.com/>

Technorati – “What are people talking about right now?”

<http://www.technorati.com/>

Trendpedia – Compare Trends in Blogs

<http://www.trendpedia.com/>

Twitter Search

<http://search.twitter.com/>

Blogpulse – “Search the Blogosphere”

<http://www.blogpulse.com/>

Google Blog Search

<http://www.search.blogger.com/>

Google Alerts – “Email updates of the latest relevant Google results.”

<http://www.google.com/alerts>

Yahoo! Alerts – “Real-time updates”

<http://www.alerts.yahoo.com>

