



SOCIAL MEDIA AND BUSINESS FOLLOWERS TO FANS, CUSTOMERS TO COLLABORATEURS

WHAT YOU SHOULD KNOW

- Social media offers a promotional platform with **extended reach**
- Choose **your channel** according to your target audience
- Find **innovative ways** to “do business”

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Driven by a strong imperative for marketing and sales, many businesses have embraced social media for **cheap self-promotion**. They use these platforms to extend their reach; for a small investment in time a business can engage with thousands of people, perhaps spread across the globe.

There are hundreds of books and thousands of YouTube videos about how to use social media as a business tool. Business functions including sales, marketing, branding, customer service and training can all be made more efficient and effective through a myriad of social media platforms such as Facebook, Twitter and LinkedIn.

However, do small- and medium-sized businesses (SMEs) in the North Sea Region really use social media to their advantage? Is their social media presence effectively supporting their business strategy and enhancing their competitive advantage?

Our analysis suggests that despite the plentiful supply of ‘self-help’ resources, SMEs would benefit from **expert support** to help them develop more strategic social media activity which can ultimately demonstrate a return on investment. Although social media platforms are typically free to use, businesses must know that the time (and therefore cost) they invest to support their social media presence is cost effective. Advice, consultancy and training from external experts help businesses to become social media savvy. Especially when it comes to monitoring of social media channels and adapting the use of social media channels to your target audience needs a professional software tool.

SMEs must not regard social media channels merely for communication and marketing. Social media can transform **business processes** too. Innovative companies have integrated this form of open communication into customer service processes and open dialogue with clients and suppliers. Forget about ‘them’ and ‘us’; your customers can become your finest designers, your pushiest sales reps as social media connects you together as collaborators. This is an age of crowdsourcing and user-led innovation.

Social media technology across the North Sea Region has opened up SMEs: to new forms of interaction, new ways of doing business and even new markets. Discover what it takes to stay competitive.

NAME: Hanze University of Applied Sciences

MUNICIPALITY: Groningen , Netherlands

PULL QUOTE: **"WHEN YOU DEVELOP A SOCIAL MEDIA STRATEGY IT IS GOOD TO SEEK EXPERT, RESEARCH-LED ADVICE"**

SOCIAL MEDIA LAB

Recognising the transformative power of social media for SMEs, we carried out feasibility research to explore the demand and viability for a research-led, business-focused consultancy and advisory service to help local companies adopt best practice in the use of social media. We also wanted to help them use social media in innovative, exciting new ways at the heart of new business models.

However, could our Social Media Lab be financially independent and generate income? Based on our market research, we decided that our knowledge about social media tools could help organisations reorganise their social media activities to work more effectively and strategically.

Our early studies showed that smaller and older companies were the least likely to be using social media. We developed an educational campaign to raise awareness among these companies about the potential benefits and competitive advantages in developing their social media presence.

I think many cities would benefit from setting up social media labs to support local businesses, build bridges between academic social media research and apply findings to business. Universities with experts in social media should explore and map their knowledge, skills and facilities against the needs of local businesses for extra support and training in social media practices. It is a win-win scenario: SMEs get help to access all the benefits of using social media effectively while universities can develop new income streams and apply their research so it has real impact.

CONSUMERS OR COLLABORATORS?

Although social media give companies great opportunities to engage with their customers and encourage co-creation and collaboration, most people still remain 'consumers'.

Research from the Social Media Lab in Groningen, the Netherlands, revealed that although the student population has high levels of social media activity, they did not engage much with local companies.

Students tended to use Facebook and YouTube to obtain information about products and services. Facebook 'fans' tended to follow posts passively, perhaps looking out for special offers.

Most students were unlikely to comment on company posts, or submit to blogs or online forums.

IS FACEBOOK EFFECTIVE FOR BUSINESS?

Hanze research shows that 92% of Facebook page fans would recommend the brand or company they have 'liked' to others. This suggests fans on Facebook are valuable ambassadors.

However, the study did not show significant correlations between Facebook engagement and real world engagement, so it is difficult to tell which types of Facebook campaigns are most effective.

Nevertheless, SMEs appear to be judging their Facebook audience well. They are making the transition from the "hard sell" to a new model of "conversation and cooperation" where companies and customers are on an equal footing, sharing information and ready to cooperate.

