

# From Social Media ▶ To Social Business

## Topic 3: Social Business Development Roadmap in China

Part I: The Core and Extension of Social Business

Part II: Enterprise Social Business Maturity Roadmap



# PREFACE

In 2010, CIC first raised the concept of Social Business in China, following up with the release of the first installment in the white paper series, “From Social Media to Social Business” in 2011. In the past 2 years, we have been delighted to see social business blossom to be more than a concept. Across industries, organizations are exploring and practicing social business from different angles and by different means. For example, social marketing has become an essential component of corporate marketing strategy and enterprises are increasingly monitoring online discussions to warn of potential crises and enhance customer service.

However, our ongoing observation of China’s digital ecosystem has highlighted that there are still organizations lacking in a comprehensive understanding of social business practices and implications. Often, adoption of social business stalls at social marketing or crisis monitoring. Where as we would never play down this application, it does suggest that, to some extent, the far reaching significance of social business remains undervalued. As enterprise remains tentative in its exploration of the full potential of its social business undertaking, organizational innovation via social business has been reluctant to stray beyond social marketing campaigns.

As a result, the 3<sup>rd</sup> and final installment in the “From Social Media to Social Business” white paper series, “Social Business Development Roadmap in China”, is aimed at leading business into hitherto uncharted territory.

In the 1<sup>st</sup> section of this white paper, “The Core and Extension of Social Business”, we lay out a thorough analysis of social business from the perspective of operations. We establish the concepts of ‘core’ and ‘extension’ based on global standards and CIC’s own social business research, clarifying what actually constitutes social business and its ultimate significance to enterprise today and in the future.

The 2<sup>nd</sup> section, “Enterprise Social Business Maturity Roadmap”, examines how organizations achieve social business evolution. To support this, we surveyed 350 professionals in conjunction with our partner, Fudan University MBA iLab, to understand their attitudes, opinions and expectations of social business, as well as their own companies’ uptake. After the data analysis, we summarized the typical characteristics of organizations at different stages of social business, offering insight and advice about how organizations can embrace the social business evolution.

Reflecting on the “From Social Media to Social Business” white paper series in its entirety, we have introduced the concept of social business, systematically described the development history of Chinese social media towards social business, initiated an innovative and integrated market research model and explained the significance and inherent value of social business to organizations. Ultimately, this series can be regarded a step-by-step guide for enterprise to realize social business.

We think the true significance of social business is in reshaping brand-consumer communication and business discipline; we believe that all businesses will become social businesses.

Jan. 2013

# CONTENTS

## **Part I: The Core and Extension of Social Business**

- P04 The Rise of Social Business
- P05 Core of Social Business: Technology, Process, Insight and Culture
- P13 Extension of Social Business: Beyond Marketing
- P14 Summary

## **Part II: Enterprise Social Business Maturity Roadmap**

- P16 Research Background and Sample Description
- P17 Research Method and Consumption
- P18 Key Findings
- P21 Factors Influencing Social Business Maturity
- P23 Enterprise Social Business Evolution
- P30 Social Business Maturity Roadmap
- P31 Other Findings and Research Prospects

## **Editor's Remarks**

## **Appendix**

- P34 CIC Social Business Consulting
- P35 About CIC
- P36 CIC Thought Leadership

**PART I**

# **The Core and Extension of Social Business**

**A social business is an organization designed consciously around social tools, social media and social networks, as a response to outgrowth of the web 2.0 technology space and its reshaping of brand-consumer communication and business disciplines.**

In 2010, CIC first raised the idea of an evolution “From Social Media to Social Business”, and were first to offer a definition of social business<sup>[1]</sup>. In this definition, we summarized the three major features of a social business.

[1] "From Social Media to Social Business"  
Topic1: An Overview of the Evolution of Chinese Social Media

- **Strategically:** Incorporate social elements into their strategy with clear purpose and organization;
- **Extensively:** Wide application of various social media platforms and technologies;
- **Comprehensively:** Using social media and technologies in different aspects and functions of their business operation.

Some of the world’s leading consulting and research organizations are also exploring social business and setting out their own understanding of this topic.

[2] IBM website



IBM states a Social Business isn’t just a company that has a Facebook page and a Twitter account. A Social Business is one that embraces and cultivates a spirit of collaboration and community throughout its organization—both internally and externally<sup>[2]</sup>.

[3] Social Business: What Are Companies Really Doing?



Deloitte and MIT Sloan Management Review defined<sup>[3]</sup> social business as activities that use social media, social software and social networks to enable more efficient, effective and mutually useful connections between people, information and assets. These connections can drive business decisions, actions and outcomes across the enterprise.

[4] The 2012 FedEx Ketchum Social Business Study



Ketchum thinks<sup>[4]</sup> social business is about leveraging social tools, technologies and strategies that transform the way enterprises interact with internal and external stakeholders to generate co-created value.

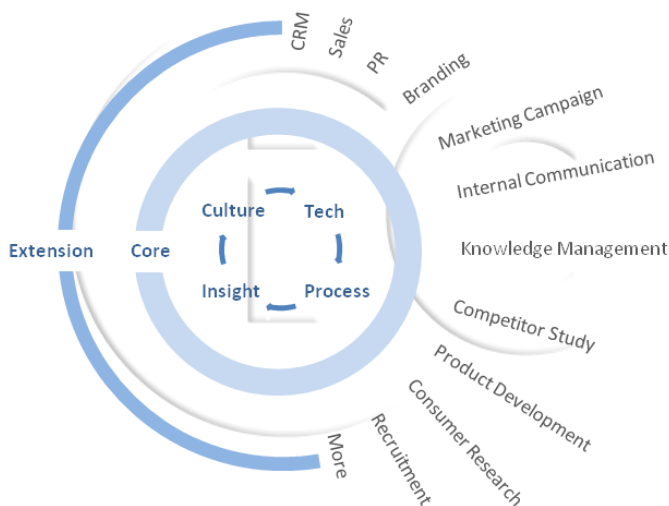
Based on the opinions above, we can see that the basic understanding of social business is consistent, which is to create value and drive organizational development using social connectivity.

Of course, organizations cannot turn social business from concept into practice based solely on definition. With industry observation and consultation, CIC puts forward the concept of 'core' and 'extension' to help organizations fully recognize the significance of social business (Figure 1-1) in practice. CIC puts forward the view that:

- “Core” represents the key concepts and methods of an organization’s social business development and operation. It is the cornerstone, embedded in the DNA of the organization. In the white paper, “Microblog Revolutionizing China’s Social Business Development”, which CIC co-published with Sina in October 2011, we proposed the iceberg phenomenon in relation to corporate microblog operation<sup>[1]</sup>. This means things like content, fan growth and consumer interaction are just the tip of the iceberg, and the social business bulk remains under the surface. Based on our consultation and practice over the past few years, we have included this iceberg phenomenon into four core principles of social business: **Technology, Process, Insight and Culture**.
- “Extension” means the specific use of social media, social software and social intelligence on different functions by an organization. In the white paper mentioned above, we shown how organizations can use a microblog platform for marketing, customer relationship management, strategic research, product innovation, sales, communication and more to achieve their business goals. Social media, of course, is not limited to microblog, as social business is itself also extending.

[1] The CIC-Sina Joint Whitepaper Microblog Revolutionizing China’s Social Business Development

Figure 1-1 Core and Extension of Social Business



## TECHNOLOGY

**Enterprise level social technologies and products are very important for the development of social business; with these technologies and products, organizations can implement specific social business activities in different functions.**

McKinsey Global Institute's investigation into the way organizations use social tools and technologies found that they continue to transforming business processes and improve performance<sup>[1]</sup>. As has been previously discussed, technology is just one of the core elements that represent the key concepts and methods of social business. Social Technology has a very wide scope and the following social business products are drawing great attention.

[1] How social technologies are extending the organization

- **Social Monitoring:** products to monitor conversations in social media, to identify information related to the organization and brand. The benchmark product overseas is Radian6 (acquired by Salesforce for \$326 million in March 2011).
- **Social Media Management:** products that unify management of accounts and campaigns on different social media platforms. The benchmark product overseas is BuddyMedia (acquired by Salesforce for \$689 million in June 2012).
- **Social Analytics:** products to conduct deep analysis of the netizens and their conversations on social media, to obtain consumer insights and display them via dashboard. These products usually need advanced text mining technology. The benchmark product overseas is Collective Intellect (acquired by Oracle in June 2012).
- **Social CRM:** products to integrate social media and related technologies into customer relationship management software and procedures. Salesforce has become the benchmark of social CRM overseas after they acquired Radian6 and BuddyMedia.
- **Social Ads Management:** products to leverage the open API of social media platforms to conduct management of advertisements on these platforms. The benchmark product is Nanigans.
- **Enterprise Social:** products to construct a social platform within a company, which helps communication and knowledge management. The benchmark product is Yammer.

[2] CIC's IWOMmaster platform is China's first and foremost Social Business Support System (SBSS), providing social monitoring, analytic, social management, and CRM functions.

Big Data is one of the biggest ideas of the moment and there is no doubt that social data deserved to be called "big". The social technologies above<sup>[2]</sup> can help organizations transform this huge volume of social data into actionable intelligence and true business value.



## TECHNOLOGY

One of the core technologies that support enterprise level social business products is focused on text mining, through which analysts can transform a mass of unstructured social media data into structured intelligence.

[1] CIC is listed in Gartner report “Who’s Who in Text Analytics”

For example, CIC<sup>[1]</sup> archives over 14 million posts from online auto communities every month. This covers discussion about car types, function preferences and purchase intention, as well as many other pieces of irrelevant data. Such volumes can’t be filtered manually, yet by using text mining technology, we can identify quantitative data and insights like, “a certain function of a certain type of car is largely favored by certain netizens”, “a certain function should be improved”, “how many consumers expressed interest in purchasing a certain type of car” and “which netizens are likely to opinion leaders for a brand”, directly influencing brands’ business decisions.

The development of technology has promoted adoption of integrated solutions. The most typical being a Social Listening Command Center, which is being widely discussed in the industry.

[2] Breakdown of a Dedicated Social Media Engagement or Command Center

*A Dedicated Social Media Engagement Center or Command Center is a physical space where companies coordinate to listen and engage their market in social channels to achieve business use cases in marketing engagement, customer care, risk management, or operational efficiency of coordination and contact center deflection<sup>[2]</sup>.*

—Jeremiah Owyang

[3] Cisco Unveils Social Media Listening Center Showcasing Latest Technology

Dell and Gatorade are the pioneers of this solution. Recently, Cisco also applied a similar solution<sup>[3]</sup>. A Social Listening Command Center is not just a room where you monitor social media conversations and put them on a big screen. The core value of this solution is to integrate what you hear from social media with your business process, so important conversations can be channeled to relevant departments and stakeholders within the organization.

Figure 1-2 Dell Social Listening Command Center





TECHNOLOGY

■ Case Study

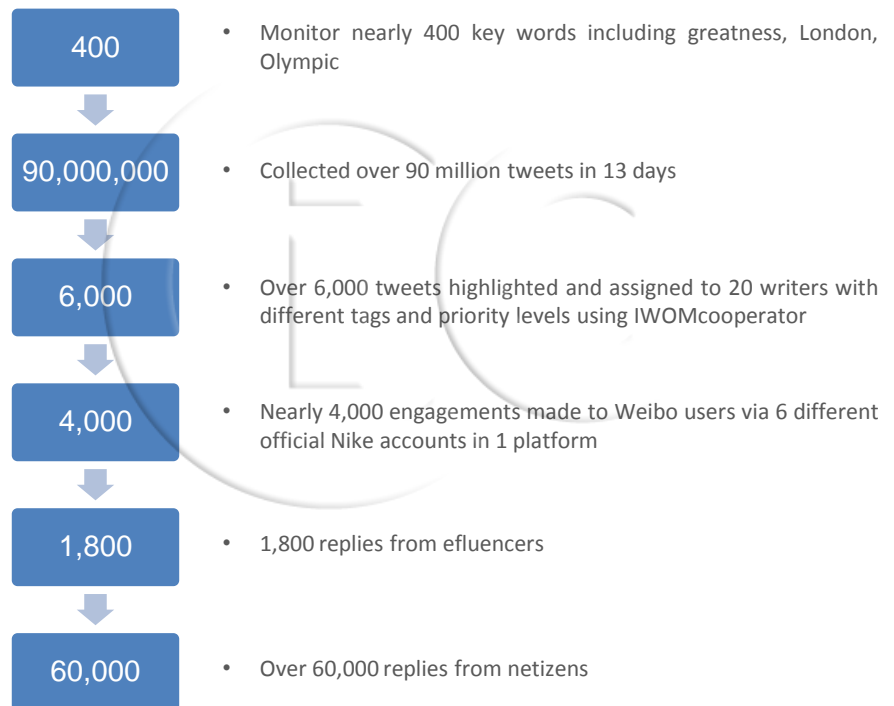
During the London Olympics, Nike China formed a digital marketing team with many agencies, dedicated to the “Find Your Greatness” campaign.



[1] Contact us for more info about “Social Listening Command Center” solution

CIC provided this cross-company digital marketing team with a “Social Listening Command Center” solution, helped them to capture and capitalize on hot topics related to Nike and interact with netizens in a timely and effective manner<sup>[1]</sup>.

Figure 1-3 Nike Social Listening Command Center Solution



## PROCESS

**Technology is integral but it's not everything. The most important thing in putting technology into practice is successful integration with process. Therefore, a social business embraces this evolution of structure and process.**

Most organizations first get involved in social media with aims confined to PR and marketing. They hire dedicated staff, open social media accounts, release campaign information and attempt some interaction with netizens. At this stage, social business is usually managed by marketing and PR departments. However, with the development of social media, the situation becomes complicated. Netizens do not only participate in marketing campaigns, but also start to put forward their new needs, innovative ideas and complaints. An organizations' employees also join in the interaction via social media and express their own opinions about their enterprise and industry.

The lesson here is that social business is not something that belong to any individual department, but is rather a part of the overall organization assets, which connects all departments and processes, including stakeholders outside the organization. For example, the consumer feedback you get from social media may relate to different departments, such as marketing, PR, market research, product development or CRM. If you miss any of these, you may miss an opportunity for innovation, or exacerbate a crisis.

In a social business environment, cooperation between organizations also needs an appropriate social management process. In the Nike Olympics case, technology played an important role but the logic behind the tools, namely the procedures and management modes supporting cooperation between agency partners, is of greater importance.

In practice, some leading companies are trying to facilitate the change and integration of organizing structures and business processes by establishing a Social Business Center of Excellence (COE). The COE is usually comprised of people from different departments (marketing, PR, HR, IT, legal). They develop policies, coordinate procedures and work across departments, helping to set social business strategies and an evaluation index, managing social technology partners and overseeing a social media education for employees.

The COE enables organizations to plan their social business activities in a cross-department and cross-function environment, maximizing the benefits of social business while reducing risk.

## INSIGHT

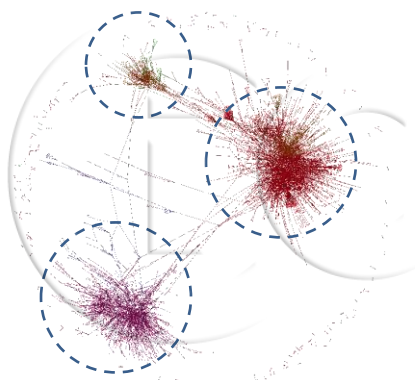
**“Insight” is another core of social business, which means organizations must develop the capability to turn social data into actionable business intelligence, driving decisions and improving performance.**

In the past 20 years, “beer and diapers” has been the classic case for gaining business insight and driving growth through consumer data mining. Now, with the age of big data, it is widely recognized by leading organizations that data drives business decisions.

It is relatively common that organizations gain insight from transaction data. Social data opens enterprise to a wealth of new opportunities.

Figure 1-4 Tribe Analysis

As shown in figure 1-4, when we were identifying potential consumers for a brand, we did a tribe analysis about relevant microblog users and their relationships. We found there were three important groups, and they are closely connected through certain important nodes. Brands can unearth potential consumers and important opinion leaders through such tribe research.



In the previous white papers, “Microblog Revolutionizing China's Social Business Development”<sup>[1]</sup> and “From Social Media to Social Business Topic 2: The Social Innovation of Market Research”<sup>[2]</sup>, there were plenty of cases in which organizations obtained insights for brand image, marketing ideation, consumer profiling, product feedback, research and innovation, and lead generation.

[1] The CIC-Sina Joint  
Whitepaper Microblog  
Revolutionizing China's  
Social Business  
Development

[2] "From Social Media to  
Social Business" Topic 2:  
The Social Innovation of  
Market Research

Social media actually changes the way organizations obtain intelligence. Now organizations can participate in community engagement and track key experts or key conversations to obtain more real time intelligence. They may even find some valuable *weak signals* (these weak signals are usually not included in an industry database and often neglected during traditional information gathering). For example, regional variations in a brand's online discussion volume may provide some preliminary reference points for a brand developing market entry strategy or planning new stores.

**INSIGHT**

Currently, we find that although many organizations are already aware of the importance of social data and information, it is hard for them to effectively interpret this data in a real work environment due to the limits of talent and technology.

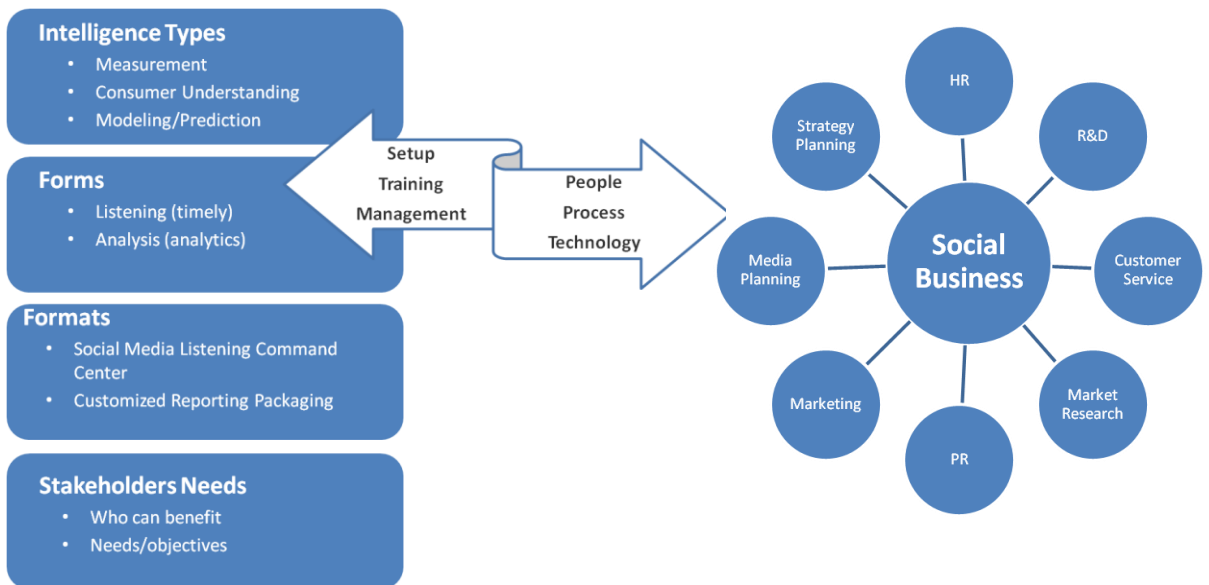
CIC often helps clients to expand this capability through the “Social Business Intelligence Center” mode<sup>[1]</sup>. The core concept of this mode is to provide the right insight and intelligence, to the right people, at the right time, by detailed understanding of the clients’ business objectives.

We fully understand the need for social business intelligence in relation to different business functions. For example, R&D departments want product feedback; PR departments want sentiment information; and top executives want to know the overall social performance of their different brands. We then tailor different formats and frequencies for each different audience. For example, we provide an always-on dashboard for PR departments and give them consultancy and analytic services to source negative information and evaluate any potential crisis in time; as for the marketing department, we provide them with thorough reports to inform strategy; for top executives, we provide them with a trend briefing and carry out regular workshops.

[1] Contact us for more info about this service mode

Though this combination of briefing, thorough reporting, workshops and dashboard products, fulfilling insight requirements at different frequencies, we help our clients in various departments, brands and positions, to absorb and transform business based on social insight.

Figure 1-5 “Social Business Intelligence Center” mode



## CULTURE

**Social business is not something that can be adopted effectively by an individual or across departments; it requires all stakeholders to embrace the spirit of social participation and collaboration.**

Stakeholders usually include management, employees, partners, suppliers, distributors, consumers, clients and investors. Social marketing usually limits the objective of social interaction to consumer and neglects other stakeholders. During our work with the world's leading companies, we've found that encouraging unilateral stakeholder participation has become a crucial feature of a successful social business.

Many international companies encourage their employees to participate in social media interaction. For example, Intel encourages employees to join social media interaction in adherence with its Social Media Guidelines<sup>[1]</sup>. Moreover, they released a SMP (Social Media Practitioner) certification program, to provide social training sessions for global employees. Certified employees are empowered to participate in social media and interact with the public on behalf of Intel. In addition, Intel released a Social Media Playbook, which listed various interaction strategies for different social media, as reference for their global subsidiaries and departments.

[1] Intel Social Media Guidelines

Some leading companies are trying to communicate with investors through social media. Q4 Web Systems carried out research<sup>[2]</sup> of 629 overseas listed companies, finding that 67% use twitter to communicate with investors. We also find that some domestic companies are starting to use social media (such as Snowball) for investor relationship management. Furthermore, enterprise social platforms such as Yammer and Jive can also make it easier for companies to engage more stakeholders.

[2] Public Company Use of Social Media for Investor Relations

Social business will deeply impact the way stakeholders collaborate and communicate. Compared with technology, process and insight, the establishment of an organizations' social culture is a longer journey, full of challenges. IBM carried out a survey of 1,161 company executives, which shows that about 3/4 of interviewees claim they are not ready for the revolution of social culture<sup>[3]</sup>.

[3] The business of social business

CIC not only embraces social culture (we've developed guidelines to encourage employees to participate in social interaction and build a social network inside the company), but also help many multinational corporations to develop social media policies and an operation guide<sup>[4]</sup> for China.

[4] GroupM Social Media Guidebook developed by CIC

## Extension

**The use of social media, social software and social intelligence by organizations for different functions is what we call the “Extension” of social business, which has already gone beyond PR and marketing and continues to grow.**

It is very common to see organizations using social media for marketing and PR, but some leaders have already embraced the expanded functions it offers.

For example, when doing consumer research, brands can take social media research as preparation for a larger scale consumer survey. In this way, they can explore trends, consumer culture and product feedback, then take the social research results as the basis of follow-up via traditional quantitative or qualitative research.

Kraft Foods carried out such a research project in 2009, hoping to understand changes in consumers’ purchasing behavior in an environment of economic crisis. In this research project, the consumer research department at Kraft Foods and experts from market research companies used Social Media Research as a pre-study. Conducted by social media research company, Cymfony, this began with analysis of discussion related to “shopping” across various social media platforms, and a qualitative exploration of new trends and cultural phenomena. Following this, traditional market research company, Synovate, designed questionnaires according to the qualitative findings presented by the social media research. This facilitated more quantitative analysis of the conclusions drawn from qualitative research, while verifying the findings of social media research in the broader population. Finally, Kraft Foods’ consumer research department summed up the qualitative and quantitative research results, augmenting them with research from other channels, to form the basis of comprehensive strategic proposals that empower their sales department<sup>[1]</sup>.

[1] Refer to "From Social Media to Social Business" Topic 2: The Social Innovation of Market Research for more cases

[2] Refer to IWOM Library

CIC records and shares outstanding social business cases through various publications, such as white papers, IWOM Watch, Social Business Digest<sup>[2]</sup>. Through these cases, we found that at a minimum, companies can reap significant benefits in the following functions through social media, social software and social intelligence.

- Marketing
- Sales
- PR
- Branding
- Recruitment
- CRM
- R&D
- Knowledge Management
- Competitive Analysis
- Consumer Research
- Internal Communication

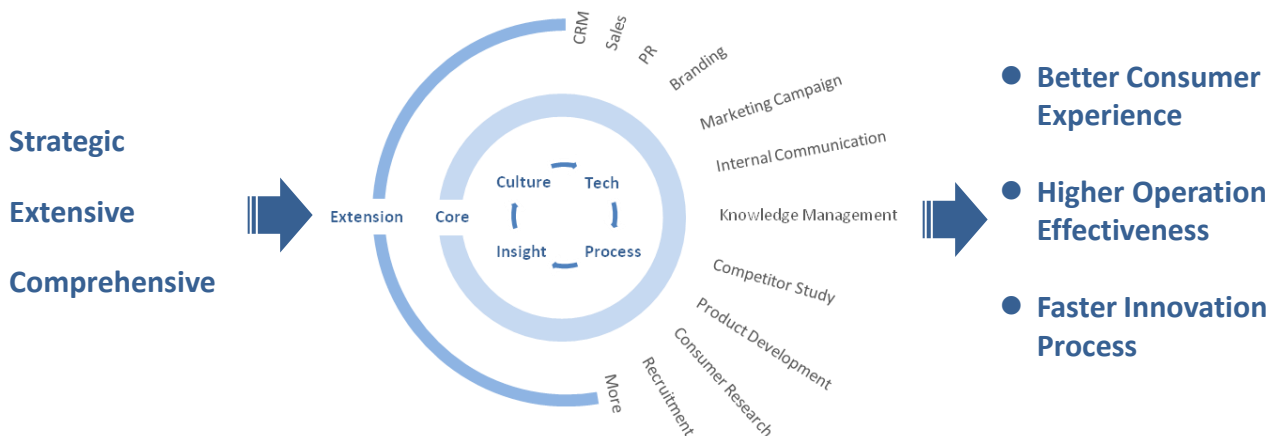
## Summary

In this 1<sup>st</sup> first part, we have strived to help organizations understand the constituent elements of social business, so they can obtain a broader view for successful implementation. So, we put forward the model of “core” and “extension”. In our experience, we found that in the beginning, organizations get into social business through “extension”, as they use social media for specific functions. However, the “core” that supports this “extension”, namely the technology, process, insight and culture, is usually neglected by organizations due to its relatively subtle features. We think that a social business without this “core” is an empty shell; “extension” reflects the ultimate values of this “core” via specific functions and without it, is hollow.

The overall social business mode (see Figure 1-6):

- Social business is expressed strategically, extensively and comprehensively throughout the organization;
- The development of “extension” will place increasing demand on the “core”, while the growth of “core” will drive the further “extension”;
- Organizations can achieve the three objectives of the social business revolution through effective interaction between core and extension, resulting in increased revenue and reduced costs.

Figure 1-6 Overall Social Business Mode



How to achieve this social business evolution? We'll talk about it in the 2<sup>nd</sup> part.



**PART II**

# **Enterprise Social Business Maturity Roadmap**

## Research Background

In Part 1, we aimed to express the significance and value of social business through exploration of the concepts of “core” and “extension”. In practice, we have found that a significant proportion of research carried out by domestic organizations into social business is consumer focused, for example, consumers’ platform or media preference; very few research the “core” of social business. By contrast, overseas research organizations such as Dachis and Altimeter put significant focus on the core of social business and have published extensive findings about social business process and organization structure.

Inspired by our peers abroad, we conducted an exploratory research piece, called the “China Enterprise Social Business Maturity Survey”, in which we surveyed 350 professionals from different companies. With support from our academic partners at Fudan University’s MBA iLab, we researched their attitudes, opinions and expectations of social business, as well as their companies’ current level of involvement.

## Sample Description

We obtained samples from three channels: 1.CIC Industry Conference; 2. Fudan University MBA Program; 3. 3<sup>rd</sup> party online survey panel. Respondents cover B2B(49%), B2C(38%) and others (13%), and are from over 300 companies in more than 24 industries, such as cosmetics, sports, FMCG, automobile, travel, finance, etc. 57% of respondents are from companies with more than 500 employees. 58% of respondents are director level or above. Respondents are from different functions, including external-facing functions like marketing and PR, as well as internal-facing functions like R&D and HR.

## Research Method and Assumptions

This research project consists of two phases; qualitative and quantitative.

During qualitative research, we explored overseas research findings and supplementary data, while conducting interviews with our consultants and clients to build a solid foundation for further research.

Altimeter’s research<sup>[1]</sup> divided enterprise social business development into three levels; novice, intermediate and advanced, before carrying out research into enterprise at these different levels. Findings suggested an advanced enterprise achieves successful social business operation through four aspects; Baseline Governance and Reinforcement, Enterprise-Wide Response Processes, Ongoing Education Program and Best Practice Sharing, Leadership from a Dedicated and Shared Central Hub. They also found that even these advanced enterprises also face many challenges, including a lack of evaluation systems. In Booz’s research<sup>[1]</sup>, they put more focus on the engagement of top executives in social media, pointing out that 35% of executives are responsible for social media projects. Emanuele Quintarelli, an expert in social business research, listed 5 phases of the enterprise social business development and measured the social business performance in relation to four aspects: culture, organization, customer and technology.

[1] Social Business  
Readiness: How  
Advanced Companies  
Prepare Internally

[2] Campaigns to  
Capabilities: Social  
Media and Marketing  
2011

[3] Social Business Forum

Based on this existing research, we have concluded that:

- Enterprise social business development can be divided into several phases;
- Enterprises at different phases have their own features, which are reflected in the aspects mentioned above (policy, process and engagement of top executives);
- Important features of these aspects will determine the evolution of enterprise social business.

After qualitative research, we designed a questionnaire to carry out quantitative research. Through this exploratory process, we hope to answer the following two questions:

- **What are the major differences between enterprises in the various phases of social business?**
- **Which factors determine the evolution of enterprise social business?**

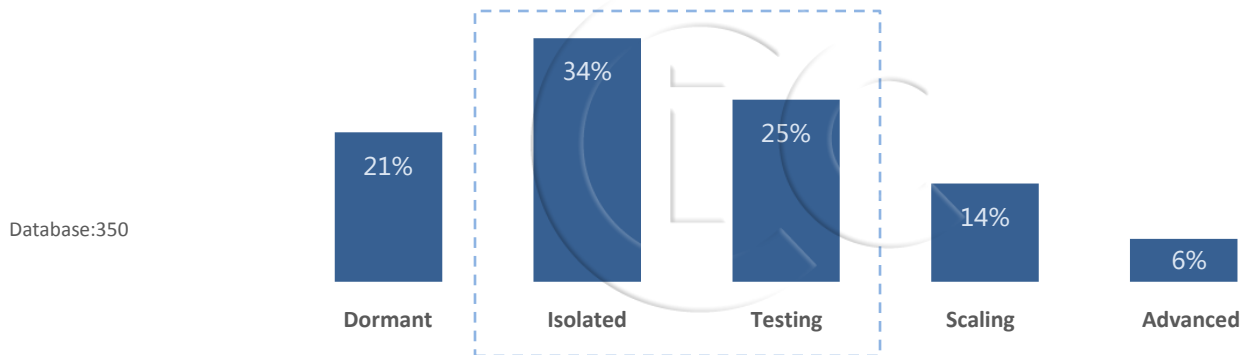
By answering these two questions, we put forward the “Enterprise Social Business Maturity Roadmap” and offer insight and advice to help companies achieve social business evolution.

### Key findings

- We divided the development of enterprise social business into five phases: **Dormant, Isolated, Testing, Scaling, Advanced**; about 60% of respondents thought their companies are currently in the Isolated and Testing phases.
- In enterprise social business practice, there are four factors that influence development; Operation Optimization, Top-down Investment, Bottom-up Effort and Accumulated Experience. Statistics show that Operation Optimization has the most significant correlation with development of enterprise social business; Top-down Investment plays a key role in driving social business evolution in early phases.
- Enterprises at different social business phases have their own features:
  - Dormant:** Enterprise at this phase usually lacks a measurement index and social business process, their top management usually taking an ambivalent attitude toward social business. Due to insufficient social media policy and training, employees cannot turn individual social media activities into real business value.
  - Isolated:** The main feature of enterprise at this phase is “limitation”, especially in aspects like organization structure, business process and investment. Top management are sending positive signals and social business policy and training are beginning to take shape. However, they still lack measurement.
  - Testing:** Enterprise begin to pay attention to social business strategy in this phase, trying to test social business on a bigger scale. Meanwhile, though they have started to measure social business performance, they still cannot formulate a measurement system to link these indices with actual business performance.
  - Scaling:** Enterprise have build out relatively sound social business policy, training, measurement and management systems. Social business plays an important role in both corporate strategy and employee application, allowing social business experience to be effectively accumulated and promoted.
  - Advanced:** The main features of an Advanced enterprise can be surmised as systematic operation, strategic investment, socialized employees and innovative practice.
- Enterprises at different phases face different challenges but also have a different focus. At the earlier phases of evolution, enterprise usually devote more attention to investment. As evolution continues, the enterprise will pay more attention to technology, process, measurement and talent.
- Based on different features, challenges, objectives and focus, we came up with the “Enterprise Social Business Maturity Roadmap” as a reference guide for enterprise seeking to progress their social business evolution.

## About 60% of respondents thought their companies are in the Isolated and Testing phases.

Figure 2-1 Social Business Maturity Phases



- We next break social business operation into 8 aspects<sup>[1]</sup>, so as to find the connection between social business development phase and operation:

- **Management Attitude:** The degree to which management accept social business and support their company's in carrying out social business initiatives.
- **Social Culture:** The socialization level of employees' daily work. For example, to what extent do employees use social media and related tools in their work?
- **Investment:** The resource devoted to social business activities and the manner in which these resources are employed. For example, a budget for social business.
- **Policy and Training:** The rules and policies set for social business and the relevant employee training. For example, some companies have guidance for social media activity in their employee handbook.
- **Practical Experience:** Companies actually initiate or participate in some social business activity and obtain relevant experience.
- **Measurement:** Adopt a certain standard to measure social business performance.
- **Organization Structure:** Methods to assign or manage social business activities. For example, set up an independent social media operation department.
- **Business Process:** Establish an operational procedure for social business activity, such as a microblog based complaint handling procedure.

[1] We define them based on desk research and our consulting practice.

[1] We define them based on desk research and our consulting practice.

Each aspect was sub-divided at several levels, each representing a certain operational situation in this aspect<sup>[1]</sup> (as shown in Table 2-1). We asked respondents to connect their real situation with the description in the table.

We match the situations with social business development phases and explore the key differences between phases.

Table 2-1 Social Business Operation Situations

Aspect	Situation Description					
<b>Management Attitude</b>	Don't know and have no interest	Know something but have concerns	Intend to explore	Encourage and support social business and regularly monitor the KPI & ROI	Paying high attention to social business as a long-term strategy	
<b>Social Culture</b>	Social media has little impact on the employees' daily work	Some Individuals are aware of social media and often use it in daily work	Many individuals involve social media in their daily work	Social media has great impact on the daily work and communication of most individuals.		
<b>Investment</b>	Almost nothing	Resources from department's other budget	Resources from company's temporary budget	Limited resources from company's annual budget	Strategic investment with considerable resources	
<b>Policy and Training</b>	No plan to build social media policies and train the staffs	Limited plans to build social media policies and train the staffs	Have released some social media policies, but haven't invested in training for employees	Have established standardized regulations and trained employees, but with little effect	Have established standardized regulation and training system	Employees are empowered to use social media under guidance
<b>Practical Experience</b>	Almost no experience	Only a few employees or departments have experience of experimental projects	Dedicated team of experts with accumulated experience	Promote experience within the company through training	Motivating company's evolution with rich experience	
<b>Measurement</b>	Currently none	Some indices but no systems	An evaluation system but doesn't connect with corporate performance	An evaluation system which is connected to corporate performance		
<b>Organization Structure</b>	Employees get involved in social media by themselves, without coordination	Some departments occasionally organize social business activities	Company establish part-time teams to be responsible for social business activities	Company establish one department to controls all social business efforts	One hub sets rules and procedures, and Business Units undertake own efforts	Company establishes regulations, guidelines, supervision and motivate all the staffs to conduct social business.
<b>Business Process</b>	Almost don't have any process	Have some emergency procedures, but no regular processes	Have some process specifications (For example, Weibo complaint handling principles)	Have a relatively systematic process specification	Fully integrate social business into business process (For example, Social CRM)	
	1	2	3	4	5	6

We conducted factor analysis against survey results and successfully abstracted 4 factors<sup>[1]</sup> from 8 aspects.

Table 2-2 Factor Analysis of Social Business Operation Situations

	Factor 1	Factor 2	Factor 3	Factor 4
Management Attitude	0.188	0.867	0.233	0.153
Social Culture	0.215	0.193	0.879	0.225
Investment	0.362	0.691	0.115	0.380
Policy and Training	0.641	0.277	0.502	0.099
Practical Experience	0.179	0.365	0.285	0.811
Measurement	0.638	0.127	0.124	0.633
Organization Structure	0.739	0.392	0.115	0.270
Business Process	0.666	0.173	0.493	0.178

Database :350

[1] The cumulative variance is 82.08%

We concluded these 4 factors into the following 4 key elements:

**1. Operation Optimization**

The development of a corporate social media policy, employee training, measurement system and adopting an appropriate organization structure are all related to a company’s internal operation.

**2. Top-down Investment**

This element incorporates two aspects: management attitude and investment. We think these two aspects represent a company’s driving force from top down.

**3. Bottom-up Effort**

This element contains one aspect: the socialization of employees’ daily work. We think that this aspect represents a company’s driving force from bottom up.

**4. Accumulated Experience**

This element contains one aspect, representing a company’s involvement in specific social business projects and accumulation of relevant experience.



## Operation Optimization has the most significant correlation with the development of enterprise social business; Top-down Investment plays a key role in driving social business evolution in early phases.

Upon analyzing the correlation between companies' performance in terms of the four elements and the social business phase they are currently in, the four elements show significant correlation<sup>[1]</sup> with the development level of enterprise social business, amongst which, Operation Optimization shows the strongest correlation, followed by Top-down Investment, Bottom-up Effort and Accumulated Experience<sup>[2]</sup>.

[1]  $P < 0.01$

[2] Common method bias may exist in the result

Furthermore, we conducted a comparison of the features of different phases, highlighting that in the Dormant phase and Isolated phase, the most obvious difference comes from Top-down Investment; the key differences between the Isolated phase and Testing phase comes from Operation Optimization and Top-down Investment; between the Testing phase and the Scaling phase, Operation Optimization still highlights the most significant difference. There is little difference between the last two phases. What can we learn from the statistical data?

- Operation is key to any organization. However, in relation to social business, companies are less likely to pay sufficient attention to Operation for a wide variety of reasons, such as lack of effective synergy inside the organization, ambiguity of social business objectives and lack of effective measurement systems. While a selection of CIC's leading clients do attach great importance to Operation Optimization, for instance, they use the social media index as a KPI when evaluating marketing performance.
- We are always hearing complaints from frontline employees that their company doesn't make enough investment, the boss doesn't view it with enough importance and so on. Such complaints reveal the insufficiencies of the Top-down Investment element. We maintain that the Top-down Investment and Bottom-up Effort resemble two ends of an elastic cord that are mutually affected. Both statistical results and the practical consultations revealed that the driving force of Top-down Investment plays an essential role in the process of social business evolution. In early phases of social business, companies rely upon individual employees or specific departments to carry out social business activities. However, without strong top-down encouragement, these efforts will not spread throughout the whole organization. Therefore, we adjudge Top-down Investment the key element for companies in the early phases of social business.
- Accumulated Experience also has significant correlation with the development of social business. However, without the 3 constituent elements, companies tend to get lost in practice and fail to achieve their business objectives.

Let's have a deeper look at the characteristics of companies at different phases.

**Dormant:** Enterprise in this phase commonly lack a measurement index and social business process, and their top management have no particular attitude toward social business. Due to this environment of underdeveloped social media policy and insufficient training, employees cannot turn individual social media activities into business value.

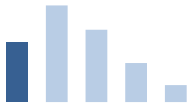
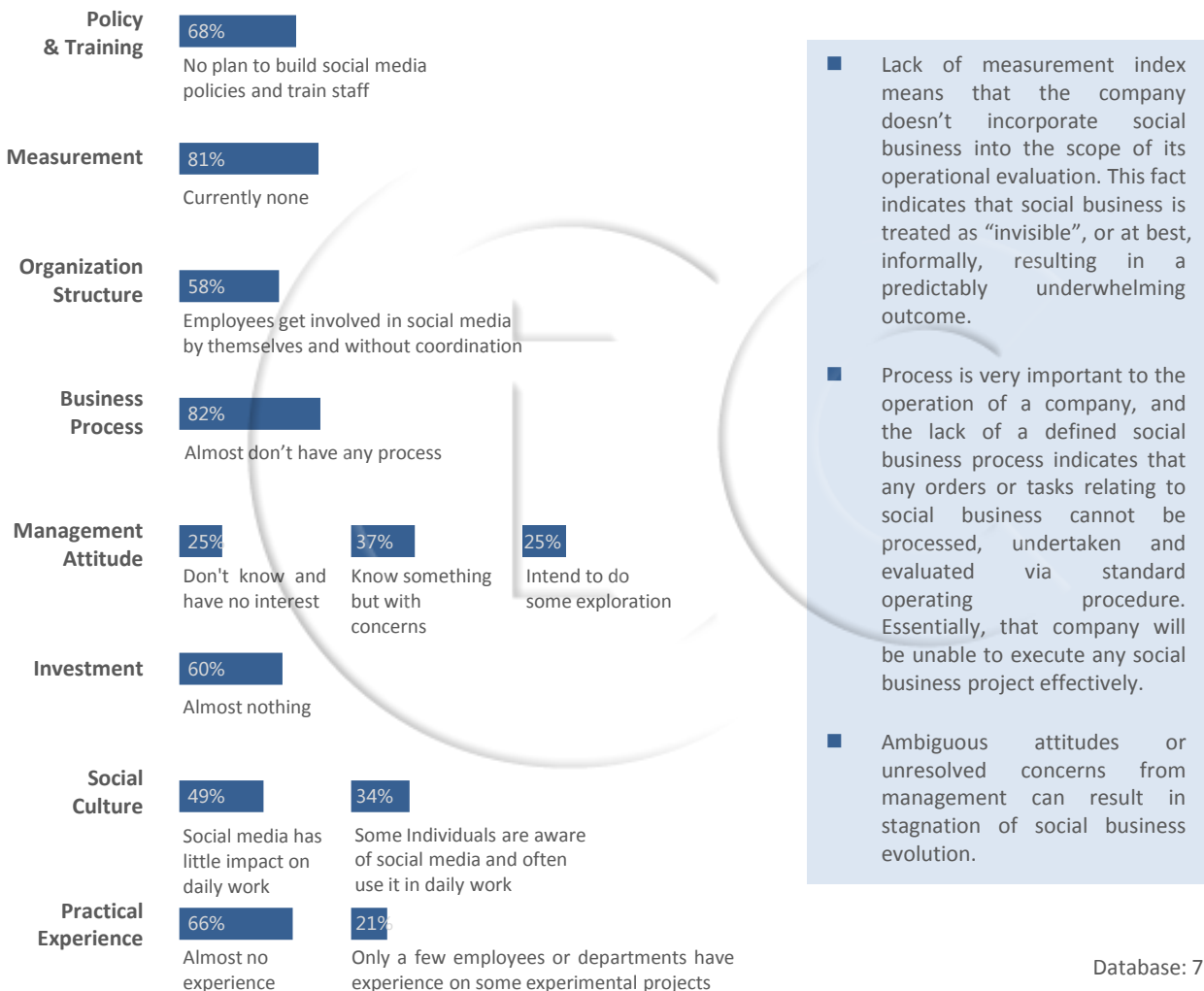
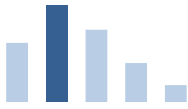


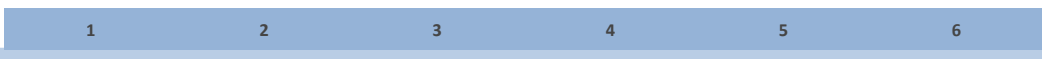
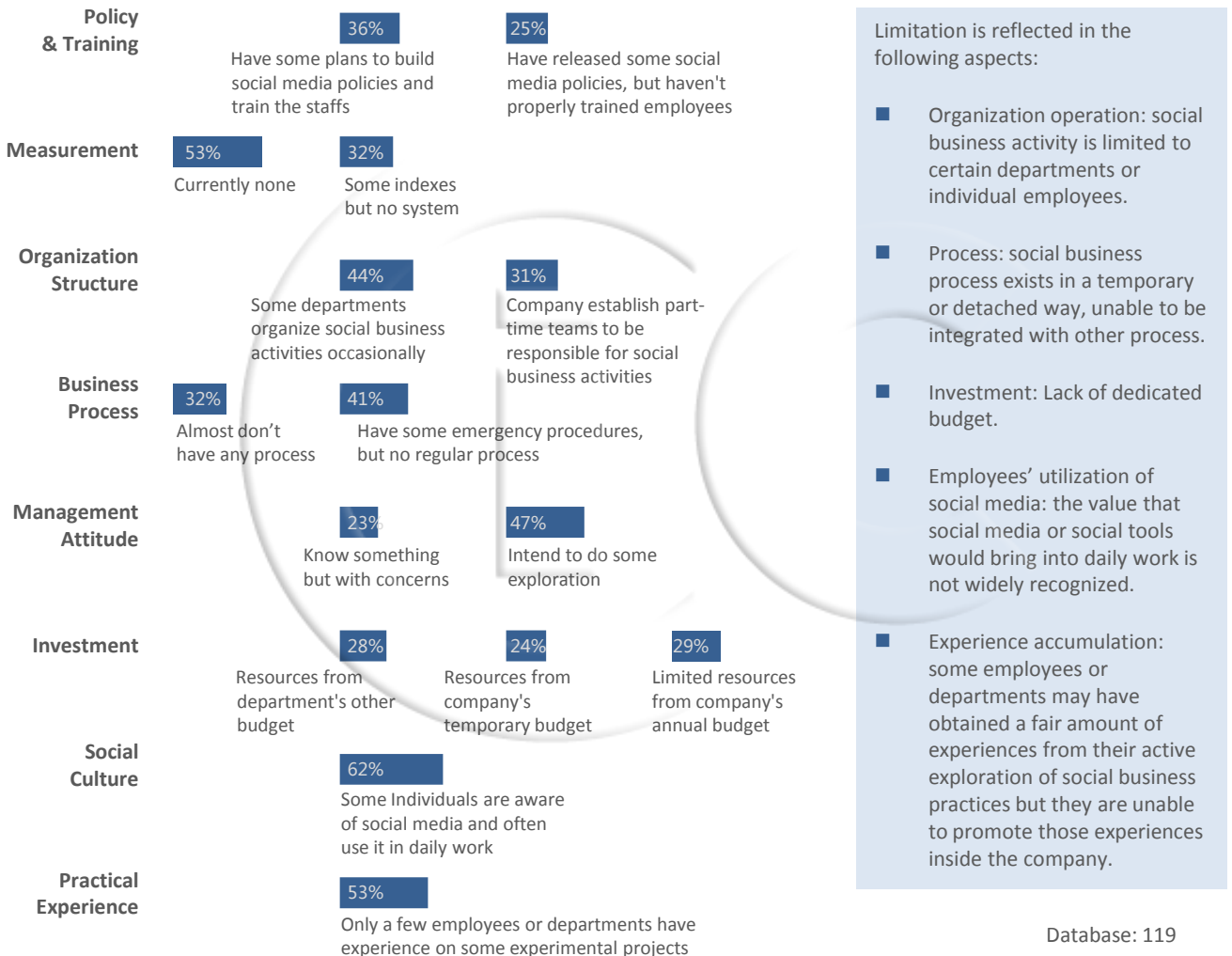
Figure 2-2 Social Business Maturity Phases - Dormant

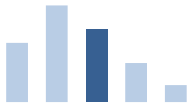




**Isolated:** The main feature of enterprise in this phase is “limitation”, especially in aspects like organization structure, business process and investment. Top management are sending positive signals and social business policy and training is just beginning but they still lack measurement.

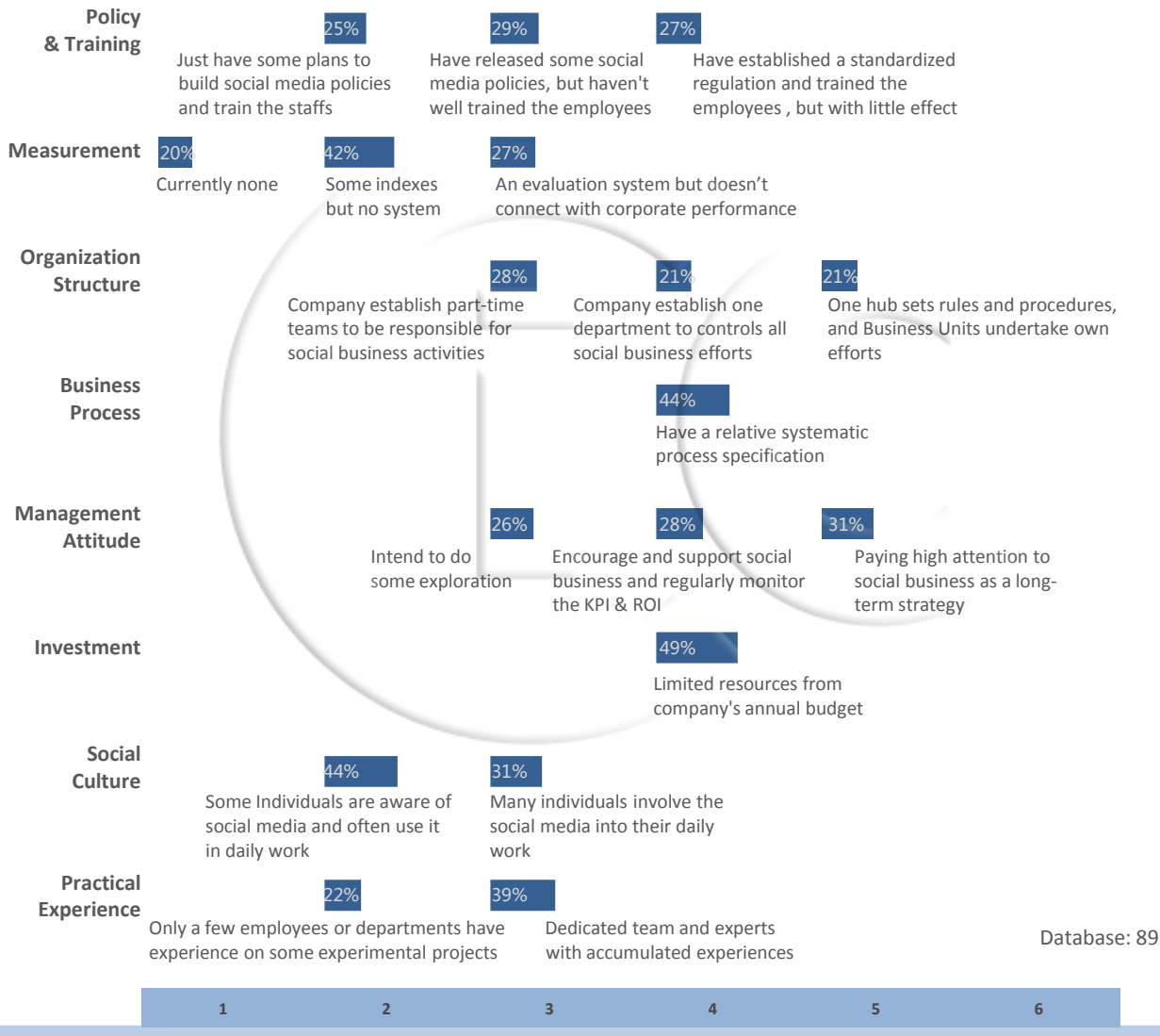
Figure 2-3 Social Business Maturity Phases - Isolated

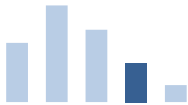




**Testing:** Enterprise in this phase begin to pay attention to social business strategy and test social business at a larger scale. Although they have started to measure social business performance, they still cannot formulate a measurement system and link the index with the enterprise’s real business performance.

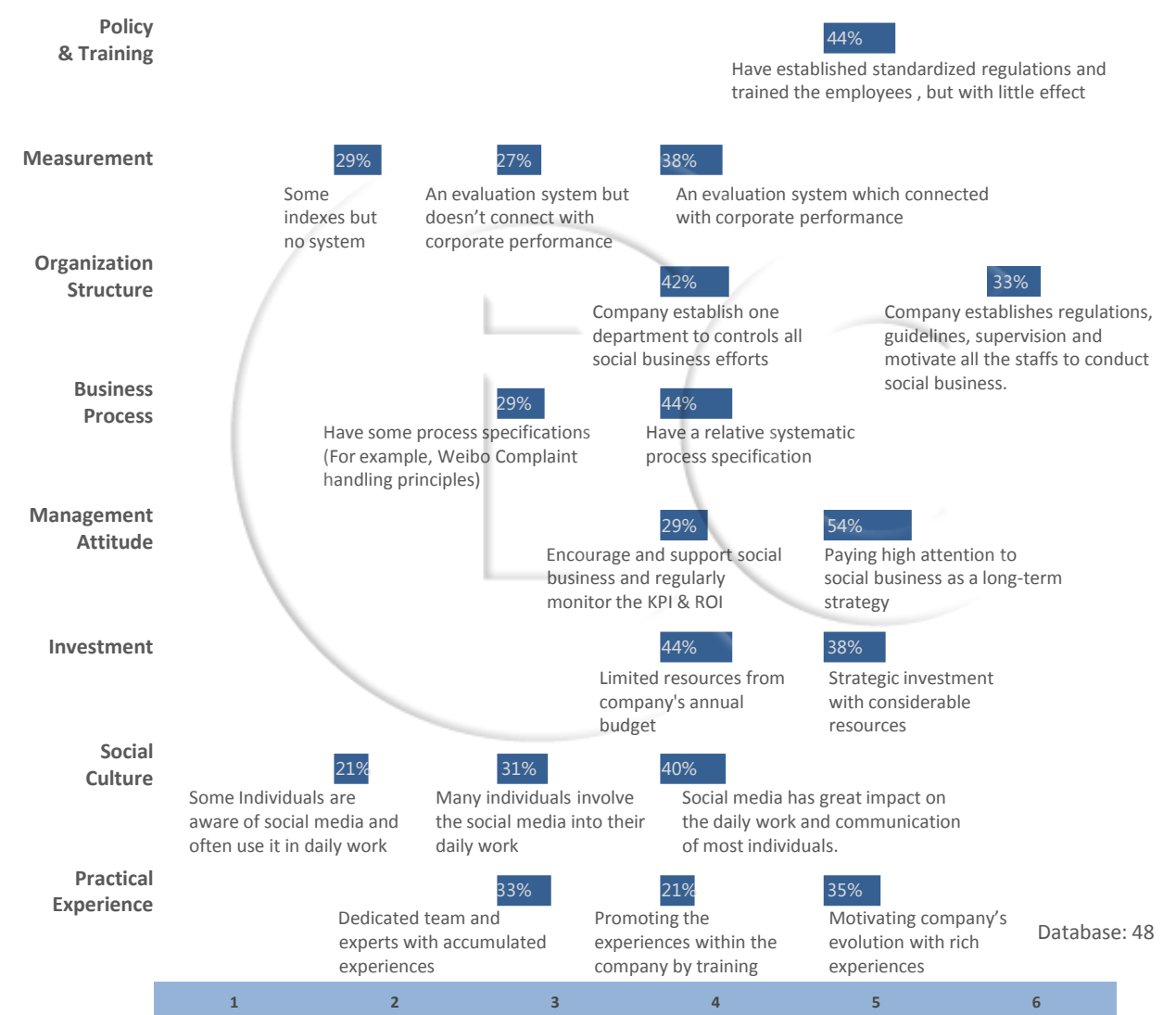
Figure 2-4 Social Business Maturity Phases - Testing





**Scaling:** Enterprise in this phase have constructed relatively sound social business policy, training, measurement and management systems. Social business plays an important role at both corporate strategy and employee application level, allowing social business experience to be effectively accumulated and promoted.

Figure 2-5 Social Business Maturity Phases - Scaling

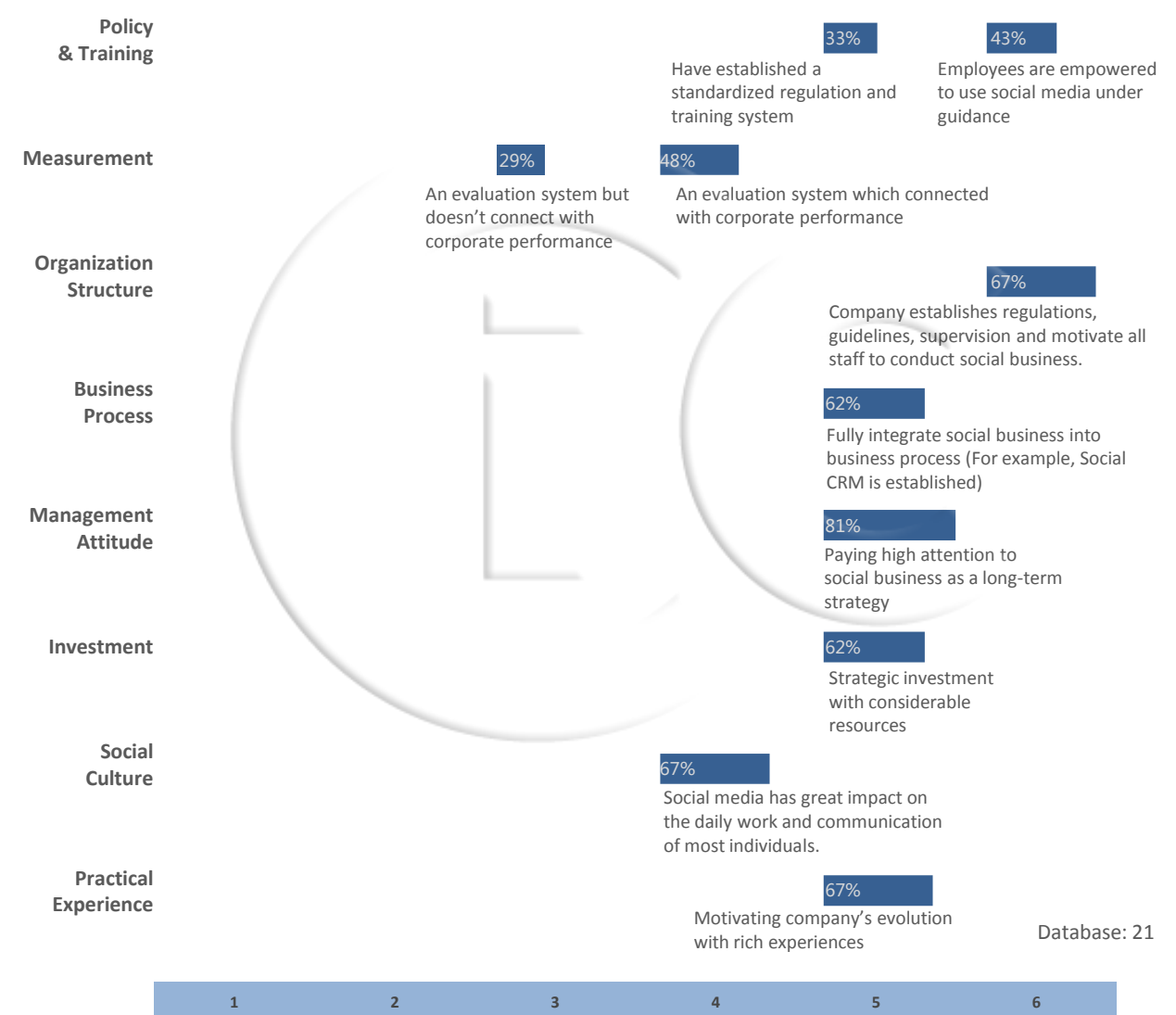


Database: 48



**Advanced:** The main features of an enterprise in this phase can be best understood as systematic operation, strategic investment, socialized employees and innovative practices.

Figure 2-6 Social Business Maturity Phases - Advanced



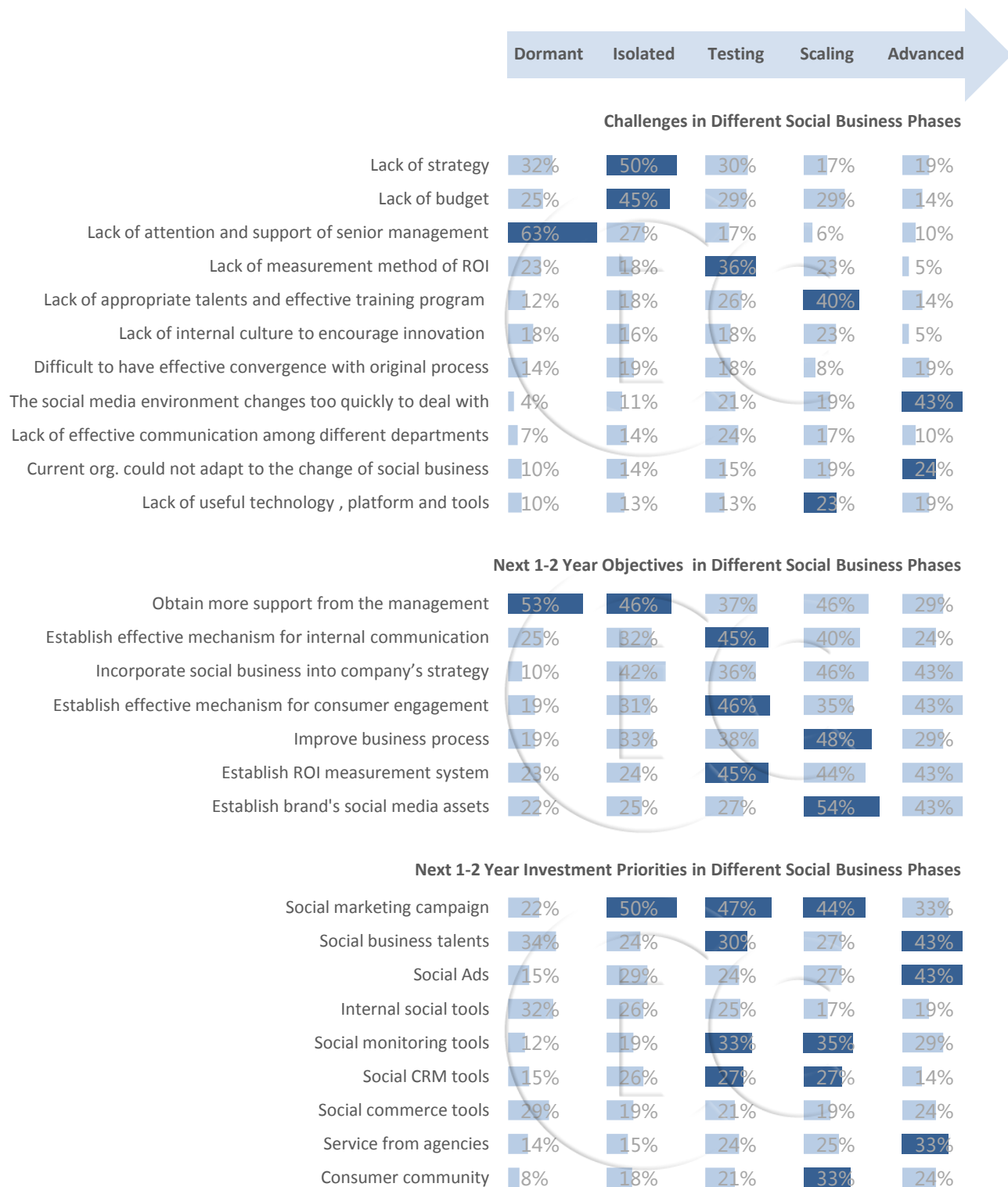
**With different phases come distinct challenges that require particular focus. During the earlier phases of social business evolution, enterprise gives more attention to investment. As evolution progresses, enterprise pays increasing attention to technology, process, measurement and talent.**

We asked respondents about their own challenges, objectives and investment priorities in relation to social business:

- We understand that, in the early phases of social business, respondents have high expectations about support from senior management, resources and strategic planning. So much so that listed chief among objectives is, “getting more support from management”. This type of support is central to Top-down investment.
- This top-down support is not easy to obtain. The social business operators are often required to exert efforts in operation elements, for instance, pushing forward social business projects by setting up simple measurement index (rather than complex systems) and providing appropriate guides about social media (e.g. educating employees in use of social media) , then obtaining support from the company.
- The importance of measurement systems and talent are highlighted with the progression of social business evolution. We can see that, in the Testing and Scaling phases, the challenges shift to measurement and talent. Correspondingly, “establish an ROI system” has become a major objective. When equating investment priorities, enterprise is beginning to focus on “social monitoring tools” and “social business talent”.
- Meanwhile, in the Testing and Scaling phases, the major objectives improve business process, internal communication and effective mechanisms for consumer engagement.
- Even the companies in the Advanced phase feel it difficult to deal with the rapid changes in the social business environment. Timely communication of social business intelligence both inside and outside the company, in addition to organizational aptitude, will be crucial for further development. Recruitment and training of social business talent remains a focus.







Figure 2-7 Challenges, Objectives and Investment Priorities in Different Social Business Phases



Based on a range of features, challenges, objectives and focus, we constructed the “Enterprise Social Business Maturity Roadmap” as a point of reference for enterprise taking strides in social business evolution.

Table 2-3 Enterprise Social Business Maturity Roadmap

Phase	Operation Optimization	Top-down Investment	Bottom-up Effort	Accumulated Experience
<b>Dormant</b>	Lack of measurement and process	Ambiguity of management’s attitude	Individual behavior cannot be turned into business value	Lack of practice
	<b>Start from operation elements, setting up a simple index and providing appropriate social guides to employees, pushing forward small-scale social business practices to achieve top-down support.</b>			
<b>Isolated</b>	Lack of measurement; the team and processes are isolated from the existing organization	Release positive signals but provide limited support	The value of social media for work is not widely recognized	Experiences are limited to individuals or specific departments
	<b>To break through such “limitations” is vitally important in this phase. The company will use the positive signals from management to encourage employees from other departments to participate in social business activities, so as to improve the integration of social business with the existing organization and processes. Recruitment and training of social business talent should be a focus.</b>			
<b>Testing</b>	Make large-scale and systematic attempts	The management shows active attitude and make substantial investment	Employees gradually get familiar with implications of social media in their work	The practical experiences are managed and accumulated.
	<b>Establish a measurement system for social business results, operate and promote social business projects with dedicated teams, and reinforce intra-organizational training and education.</b>			
<b>Scaling</b>	The process is relatively sound, and the measurement system relatively complete.	The management attaches strategic importance to it and make investment.	Social media is helpful to the work of most employees.	Practical experience becomes important and widely promoted within the organization.
	<b>In this phase, companies make attempts to correlating their social business performances with actual business performances. The organization’s ability to learn and grow must be maintained with timely communication of social business intelligence internally and externally, which also helps enterprise to keep in step with evolution of the social business environment.</b>			
<b>Advanced</b>	Systematic operation	Strategic investment	Socialized employees	Innovative practices

### Other Findings

- Currently, among all company functions, the top six in terms of their social business application are all external: marketing (79%), branding (77%), PR (73%), CRM (71%), Recruitment (70%) and Sales (69%). However, in the coming year or two, socialization of internal functions will become a focus. For instance, Knowledge Management and Consumer Insights will become much more socially enabled, increasing by 11% and 9% to reaching 72% and 70% respectively.
- Comparatively, the socialization of functions like Branding, PR and Sales in B2B companies lags far behind B2C, while the socialization of functions like Recruitment and Collaboration are pretty even. Again, in the next 1-2 years, B2B companies to place greater importance on the socialization of marketing and branding.
- As to platforms, 68.3% of respondents note that Sina Weibo could support external business activities, which is a significantly higher proportion than similar social media platforms.
- When asked about the role that various social tools and platforms play in internal management function, 69.4% of respondents emphasize the importance of knowledge sharing tools.
- 73% of respondents are optimistic about the future of social business, amongst which, 23% think it will take 3 to 5 years for the companies to see the extent of their achievement and 29% think it will be more than 5 years, which indicates that enterprise has “a long way to go”.

### Research Prospect

- In 2013, we will continue working on this topic and will put more focus on the comparison of different industries and summary of best practice. We firmly believe that we will find more and more leading companies entering a mature phase of social business, providing benchmarks for their industry.
- Also in 2013, we will focus on the status of acceptance and application of social business technologies by enterprise.

## Editor's Remarks

It has been 2 years since publication of Topic 1, From Social Media to Social Business, in March, 2011. In the past 2 years, we have witnessed the boom of social media and social business in China.

Looking back on the “From Social Media to Social Business” white paper series, we have raised the concept of social business, systematically described the development history of China’s social media and social business, initiated an innovative and integrated market research model at the social business era, and fully explained the significance and value of social business and how this can be achieved by organizations. The whole series is actually a step-by-step guide for organizations to realize the potential social business.

In the end, we would like to express our sincere thanks to our partner, Fudan University MBA iLab Program, for their strong support and great contributions to our research.

In 2013, a year revitalized in the wake of a so-called “Doomsday”, CIC will continue to deepen its exploration and research in the field of social business, which can certainly no longer be regarded as urban myth. People from other companies and research institutes are always more than welcome to join us to further discuss the topic of social business.

Jackie Jin, Executive Director  
Alex Wang, Research Manager  
Innovation Center, CIC

Innovation Center was founded in the year 2006, and is the think tank and driving engine of knowledge development and business innovation at CIC. In the past 6 years, we are dedicated to further strengthen CIC’s position as the industry thought leader on the cutting edge and in-depth insights on social media and social business research & consulting. The most impressive and popular publications include “Internet is the community” white paper series in 2008, “Making sense of IWOM” white paper series in 2009 as well as the first Social Business white paper series “From Social Media to Social Business” during 2011-2012.

# Appendix

CIC provides Social Business Consulting Service for the enterprise. The service is different from social listening and social research, but tightly around social business four cores - technology, process, insight, culture - to help organizations design and implement social business strategy.

CIC Social Business Consulting Service Framework



**Social business readiness evaluation**

- Stakeholder interviews (internal/ external)

**Social media policy**

- Social media guidebook
- Social media handbook

**Social culture development**

- Social media training
- Social power activator workshop

**Brand-stakeholder engagement**

- Social listening center
- Social CRM
- Tribe research

**Knowledge community**

- Social learning platform

**Resource integration (inbound-outbound)**

- Establish social collaboration across disciplines (people, tool, interface)

Please contact Tina Hu ([tina.hu@cicdata.com](mailto:tina.hu@cicdata.com)), Head of CIC Social Business Consulting Service for more info.

CIC is China's leading social business intelligence provider. CIC enables businesses to fully leverage the power of social media and Internet Word of Mouth ([IWOM](#)) intelligence across the organization. Since coining the term IWOM in 2004, CIC has pioneered the industry to help companies meet their social media marketing and social business needs by providing customized [research](#), [consulting services](#), [syndicated reports](#), as well as [technical solutions](#) and platforms, all from an objective, third party perspective. In addition to helping companies leverage social media intelligence for more informed decisions, CIC is monetizing the social business industry in China by creating an integrated [social business support system](#).

CIC utilizes its own patent pending technology to capture millions of online conversations and 'makes sense of the buzz' by assembling them into easy to understand intelligence and provides interpretation which informs strategic decisions and leads to action. CIC gathers and mines over 100 million naturally occurring consumer comments every month from a range of uniquely Chinese social media platforms including blogs, BBS and social network sites and applies its unique, China-derived methodology and indexes to provide a detailed and comprehensive picture of the social media landscape and its implications for business. CIC has well over 3.8 billion mentions of brands and products from well over 1 billion consumer comments that have been indexed and archived.

In early 2012, as China's leading social business intelligence provider, CIC consented to acquisition by WPP's Kantar Media, the media research and insight division of Kantar, expanding their social offering across Asia Pacific markets. ([Press release](#))

CIC will continue to provide social business intelligence from an unbiased, third-party perspective, to the world's leading brands and agencies.

## Copyright Statement

This document is for private commercial use only. Distribution to third parties and/or publication in whole or in part is strictly prohibited without expressed written consent of CIC. The majority of the pictures and related quotes are from publicly available information.



If you would like to find updated IWOM intelligence (CIC White paper, IWOM Watch and [Social business eNewsletter](#)) in one place, then apply for your [IWOMmaster ID](#) now.  
 Know more about [IWOM Roundtable](#) & [White paper](#) & [IWOM watch](#)  
 View all from CIC [IWOM Back Story Page](#).

**2013:** 2012 Crisis Management in The Microblog Era (CIC & Ogilvy PR) | [view](#)

**2012:** Consumption Trends China 2013 (CIC & MEC) | [view](#)

**2012:** How New Mothers Play With Social Media (CIC & GroupM Knowledge) | [view](#)

**2012:** From Social Media to Social Business Topic 2: The Social Innovation of Market Research | [view](#)

**2012:** '2012 Enterprise Weibo White Paper' (CIC & Sina Weibo) | [view](#)

**2012:** Crisis Management in The Microblog Era (CIC & Ogilvy PR) | [view](#)

**2011:** Weibo Revolutionizing China's Social Business Development (CIC & Sina) | [view](#)

**2011:** The Voice of Luxury: Social Media and Luxury Brands in China (CIC & GroupM Knowledge) | [view](#)

**2011:** From Social Media to Social Business Topic 1: An Overview of the Evolution of Chinese Social Media | [view](#)

**2010:** Chinese Consumer Report (CIC & Roland Berger) | [view](#)

**2010:** Internet word of mouth proven to have impact (CIC & R3) | [view](#)

**2010:** ExpoSay: Shanghai Expo tickets are the focus of intense buzz in China's Social Media (Edition\_1) | [view](#)

**2009:** Making Sense of IWOM

Topic 1: IWOM White Paper on the Role of Internet Word of Mouth in Driving Purchase Decisions | [view](#)

Topic 2: How IWOM is generated and disseminated | [view](#)

Topic 3: How Brands Can Participate in Online Communities | [view](#)

**2009:** Chinese Consumer Report (in collaboration with Roland Berger) | [view](#)

**2008:** The Internet is THE community

Topic 1: The Chinese IWOM Landscape | [view](#)

Topic 2: Alternative Ways to Measure Internet Community Dynamics | [view](#)

Topic 3: The Diversity of Chinese Net Language | [view](#)

Topic 4: Reshaping the Relationship between Brands and Consumers | [view](#)

**2008:** Tuning into Sports IWOM | [view](#)

**2008:** Tuning into Notebook IWOM | [view](#)

**2007:** What's Driving Auto Buzz | [view](#)

**2007:** The Talk About Phones | [view](#)

**2007:** Word of Health: China | [view](#)

**2012:**

IWOM watch special edition: Travel | [view](#)

IWOM watch compilation 2011 | [view](#)

**2011:**

IWOM watch special edition: Microblog | [view](#)

**2010:**

IWOM watch special edition: LBS (Location-based service) | [view](#)

IWOM watch compilations from 2006 to 2010 (part 7) | [view](#)

IWOM watch compilations from 2006 to 2010 (part 6) | [view](#)

IWOM watch compilations from 2006 to 2010 (part 5) | [view](#)

IWOM watch compilations from 2006 to 2010 (part 4) | [view](#)

IWOM watch compilations from 2006 to 2010 (part 3) | [view](#)

IWOM watch compilations from 2006 to 2010 (part 2) | [view](#)

IWOM watch compilations from 2006 to 2010 (part 1) | [view](#)

**2009:**

IWOM watch 2nd half year review 2009 | [view](#)

IWOM watch 1st half year review 2009 | [view](#)

**2008:**

IWOM watch 2nd half year review 2008 | [view](#)

IWOM watch 1st half year review 2008 | [view](#)

IWOM watch May Special Edition (Sichuan Earthquake) 2008 | [view](#)

**2007:**

IWOM watch 2nd half year review 2007 | [view](#)

IWOM watch 1st half year review 2007 | [view](#)

**2006:**

IWOM watch 2nd half year review 2006 | [view](#)

View all from CIC [IWOM Back Story Page](#).

**2012:**

Tencent WeChat vs Sina Weibo | [View](#)

Infographics of London Olympic Highlights - Issue 2 | [view](#)

Infographics of London Olympic Highlights - Issue 1 | [view](#)

China's Internet in 60 Seconds | [view](#)

Who will sit around you - CIC's INNOVATIVE Micro Recruitment in 2012 | [view](#)

IWOM Credibility Billboard (2012) | [view](#)

CIC 2012 China Social Media Landscape | [view](#)

China's young consumers, What are they like? | [view](#)

**2011:**

China Social Media Landscape (2011) | [view](#)

Social Power of China's Internet Giants | [view](#)

The Social Media Landscape in China | [view](#)

Chinese Social Network Efluencers Characteristics & Segmentation | [view](#)

Microblogging in China & 18 Tips on Managing Your Brand Account | [view](#)

Follow us on [huaban.com](http://huaban.com) to view more industry infographics.

**Shanghai:**

Suite 108, Block A, UDC Innovative Plaza, 125 Jiangsu North Road  
Shanghai, China, 200042  
Tel: 021 - 5237 3860 | Fax: 021 - 5237 3632

**Beijing:**

1006 / 10F, Block C, No. 60, Dongsihuanzhong Road, Chaoyang District  
Beijing, China, 100025  
Tel: 010 - 5908 0268

Contact us : [marketing@cicdata.com](mailto:marketing@cicdata.com)



[weibo.com/seeisee](http://weibo.com/seeisee)



[weibo.com/iwommaster](http://weibo.com/iwommaster)



[tudou.com/home/iwomchina](http://tudou.com/home/iwomchina)



[douban.com/host/cic](http://douban.com/host/cic)



[jiepang.com/cic](http://jiepang.com/cic)



[facebook.com/CICcorporate](http://facebook.com/CICcorporate)



[linkedin.com/company/cic\\_3](http://linkedin.com/company/cic_3)



[@cicdata](https://twitter.com/cicdata)



[www.seeisee.com](http://www.seeisee.com)

[www.seeisee.com/sam](http://www.seeisee.com/sam)



[slideshare.net/CIC\\_China](http://slideshare.net/CIC_China)



[i.youku.com/seeisee](http://i.youku.com/seeisee)



[huaban.com/seeisee](http://huaban.com/seeisee)

Follow CIC Wechat: seeiseeCHAT





Site: [www.ciccorporate.com](http://www.ciccorporate.com)

Blog: [www.seeisee.com](http://www.seeisee.com)

Founder Blog: [www.seeisee.com/sam](http://www.seeisee.com/sam)

IWOMmaster platform: [www.iwommaster.com](http://www.iwommaster.com)

IWOMdiscover platform: [discover.iwommaster.com](http://discover.iwommaster.com)

IWOMexplorer platform: [explorer.iwommaster.com](http://explorer.iwommaster.com)

IWOMcooperator platform: [cooperator.iwommaster.com](http://cooperator.iwommaster.com)