Social Media can be crucial for digital business success if used strategically in a consumer-oriented way.

With increasing digitization in our lives, Digital Marketing becomes a key success factor for companies. Social Media occupies a very important place in this area as billions of customers use it to connect with each other and with companies. To exploit the vast potential of Social Media for your business, it is not enough to simply engage. You have to proceed strategically as well.

A.T. Kearney’s Social Media Strategy Execution is part of the 10 Steps Digital Series. As a comprehensive how-to guide, this publication will lead your company to higher return rates in 10 strategic steps that cover all aspects of digital business success with Social Media.

I hope you enjoy reading Social Media Strategy Execution and find useful our 10 recommendations for recognizing and employing Social Media as a strategy for the digital future of your company.

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Siegmar Tittjung, Founder and CEO of KRAFTJUNGS GmbH
LIFESTYLE AS BASE FOR CONSUMPTION

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### A.T. Kearney Digital Lab

Boost your performance and profitability with digital
Potential of Digital Marketing

Digitization creates disruptive business models, ideas, and products. Digital Marketing is the decisive factor to reach out to target groups and enthuse them – in ever-changing, innovative ways.

Digital Marketing has been established as a success factor in vying for consumer business for quite some time now. Concurrently, the continuous development of new and more effective mobile devices changes user behavior and at the same time continuously opens up innovative opportunities for Online Marketing.

More and more companies keep investing in these opportunities to profit from digitization along the value chain with an ever-growing tendency – as can be clearly seen in recent studies.

In this context, online shops are the most important revenue drivers.

71% of German retailers plan on extending their Digital Marketing budgets in the next two years.

The global spend on digital advertising on desktop and laptop computers, smartphones, and tablets amounts to $137,530,000,000 in 2014.

Until 2017, the spend on digital advertising will add up to a quarter of overall advertising media spend.

60.2% of retail companies in Germany generate more than a quarter of sales online.

Nearly one-third of Germany-based retailers achieve 50% of their total sales via online channels.

29.6% of B2C companies in Germany generate more than half their sales online, while B2B companies make 18.5%.

Online channels as an important sales factor

<table>
<thead>
<tr>
<th>Year</th>
<th>Digital Ad Spending Worldwide, 2012–2018</th>
</tr>
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<tbody>
<tr>
<td>2012</td>
<td>104.58 bn</td>
</tr>
<tr>
<td>2013</td>
<td>119.84 bn</td>
</tr>
<tr>
<td>2014</td>
<td>137.53 bn</td>
</tr>
<tr>
<td>2015</td>
<td>154.29 bn</td>
</tr>
<tr>
<td>2016</td>
<td>171.08 bn</td>
</tr>
<tr>
<td>2017</td>
<td>187.65 bn</td>
</tr>
<tr>
<td>2018</td>
<td>204.01 bn</td>
</tr>
</tbody>
</table>

Digital ad spending in bn dollar | % of total media spending | % change

"Global spend on digital advertising is growing continuously and will have doubled by 2018."

Share per type of media in the advertising market in Germany in 2012 and forecast for 2017

<table>
<thead>
<tr>
<th>Media Type</th>
<th>2012</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Online</td>
<td>14%</td>
<td>13%</td>
</tr>
<tr>
<td>TV</td>
<td>26%</td>
<td>25%</td>
</tr>
<tr>
<td>Newspapers</td>
<td>15%</td>
<td>14%</td>
</tr>
<tr>
<td>Magazines</td>
<td>13%</td>
<td>14%</td>
</tr>
<tr>
<td>Outdoor Advertising</td>
<td>6%</td>
<td>5%</td>
</tr>
<tr>
<td>Radio</td>
<td>4%</td>
<td>5%</td>
</tr>
<tr>
<td>Video Games</td>
<td>1%</td>
<td>1%</td>
</tr>
</tbody>
</table>

Number of users of social networks globally in 2012 and forecast until 2017 (in bn)
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Number of users of social networks globally in 2012 and forecast until 2017 (in bn)\(^16\)

<table>
<thead>
<tr>
<th>Year</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Users</td>
<td>2.0</td>
<td>2.3</td>
<td>2.6</td>
<td>2.9</td>
<td>3.2</td>
<td>3.5</td>
<td>3.8</td>
</tr>
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</table>

Advertising market share in %

<table>
<thead>
<tr>
<th>Type of Media</th>
<th>2012</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Online</td>
<td>31</td>
<td>29</td>
</tr>
<tr>
<td>TV</td>
<td>26</td>
<td>25</td>
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<td>9</td>
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<td>Video Games</td>
<td>4</td>
<td>10</td>
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Share per type of media in the advertising market in Germany in 2012 and forecast for 2017\(^15\)
Challenges in **Digital Marketing**

**Social Media** are one of the driving forces of digitization and an important economic factor. But the enormous growth potential opened up by Digital Marketing in the field of Social Media is presenting companies with entirely new challenges.

For companies going for decisive competitive advantage by offering customer-oriented products and services, Social Media are and will be essential to participate in. But simply taking part is not enough. Only by integrating Social Media activities into Marketing Communication can companies introduce digital change into Marketing 3.0. Priority must be given to digital networking and clearly defined values to effectively meet increased expectations and individual customer requirements.

Challenges of Marketing 3.0 – such as new technologies, interaction, real-time communication, Big Data, or loss of control – can be mastered with comprehensive preparation. The appropriate mix of strategy and execution encompasses opportunities that can tap the full potential.

Last year, Facebook collected more than $4 billion in advertising revenue. However, marketers are somewhat dissatisfied with the results – a clear strategy is required!\(^\text{20}\)
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10 STEPS TO A SUCCESSFUL SOCIAL MEDIA STRATEGY EXECUTION

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  - Social Media Landscape
  - **STEP 1** PAGE 18

- **Share and Compare!**
  - Social Media Engagement
  - **STEP 2** PAGE 22

- **Monitor!**
  - Social Media Monitoring
  - **STEP 3** PAGE 28

- **Leverage!**
  - Social Media Business Case Levers
  - **STEP 4** PAGE 32

- **Plan!**
  - Social Media Planning
  - **STEP 5** PAGE 36

- **STEP 6** PAGE 44
  - Organize!
  - Social Media Organizational Continuum

- **STEP 7** PAGE 48
  - Outsource!
  - Social Media Outsourcing

- **STEP 8** PAGE 52
  - Protect!
  - Social Media Risk Exposure

- **STEP 9** PAGE 56
  - Communicate!
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Social media

Social media is the social interaction among people in which they create, share or exchange information and ideas in virtual communities and networks.

World Wide Web

The world wide web is a system of interconnected hypertext documents that are accessed via the Internet. With a web browser, one can view web pages that may contain text, images, videos, and other multimedia and navigate between them via hyperlinks.
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Step 5: Social Media Planning

Professional planning ensures a successful introduction of Social Media to the company – and it paves the way for campaigns that enthral by their simplicity, originality, and inventiveness.

Social Media open up revolutionary marketing opportunities. Yet their introduction is governed by familiar process steps that are an integral part of daily tasks in a company: analyze, plan, decide, adjust, realize, control, and optimize.

The consistent implementation and execution of your Social Media activities and campaigns by means of these measures generates a valuable life cycle: This is oriented at the strategic long-time goals of your company and includes all important factors of outright successful Social Media communications.

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Digitization, in all of its forms, is the transformative factor of our time, and no company can ignore the impact it will have on all aspects of commerce, including business processes, services, and transactions. A.T. Kearney’s Digital Lab draws on its understanding of the digital economy and works collaboratively with clients to understand how to adapt to today’s disruptive digital innovations and build a long-term competitive advantage.

About A.T. Kearney

A.T. Kearney is a global team of forward-thinking partners that delivers immediate impact and growing advantage for its clients. We are passionate problem solvers who excel in collaborating across borders to co-create and realize elegantly simple, practical, and sustainable results. Since 1926, we have been trusted advisors on the most mission-critical issues to the world’s leading organizations across all major industries and service sectors. A.T. Kearney has 58 offices located in major business centers across 40 countries.

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