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Enterprise Applications Vendors Going Viral and Social: Another Take

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It would not be far off the mark to say that [social media](#), [user-generated content \(UGC\)](#), and online collaboration all hit the mainstream in 2009, at least in the realm of [business-to-consumers \(B2C\)](#) commerce. According to [Forrester](#), [63 percent of online retailers will make social e-commerce a top priority in 2010](#), with [The Limited](#) brands leading the way.

As consumers and individuals, most of us have been effectively using [Facebook](#), [Twitter](#), [Yelp](#), [Flickr](#), [YouTube](#), and [LinkedIn](#) for various personal and professional purposes. The [Web 2.0](#) tools and technologies have certainly leveled the playing field, similar to what the advent of the Internet and [e-commerce](#) did in the late 1990s (i.e., by further enlarging the so-called "[global village](#)").

Consumers are increasingly turning to each other to harness the "[wisdom of the crowd](#)" to empower themselves with useful info and facts to keep sellers honest. "Consumers are so good at detecting when people are lying to us; we know very easily when people are telling the truth and when they're not," says [Chris Brogan](#), co-author of the "[Trust Agents](#)" book.

"For some reason, companies feel that they can speak to us in a different way than they speak to their own colleagues around the water cooler," Brogan concluded. [In his recent blog post](#), TEC's [Jamal Rahal](#) explores this continued phenomenon (autistic of a sort) when it comes to enterprise applications vendors' messaging.

Most of us have heard about the recent "[United breaks guitars](#)" saga, where a few well-crafted [YouTube videos](#) created an overnight star and celebrity from a once obscure musician while bringing a large stodgy airline to its knees with public humiliation. The lesson that we all can learn from this experience is that social networks obviate the notion of "[statistical \(in\)significance](#)" (and arrogance) when it comes to customer service today. In this era of [instant messaging \(IM\)](#), [podcasting](#), tweeting, and whatnot, every customer (or at least their opinions and experiences) matters.

As a corollary, we all realize that social networks have millions of users and that they offer an immense potential. But in a virtual world everyone has to earn trust, and the art is to increase the company's so-called **social capital** while leveraging social networks. The word "**whuffie**" was originally Web 2.0 slang for the social capital people cultivated among their peers for being good Internet citizens. The concept is now becoming a potent force for valuing commercial products as customers communicate their opinions via tweets, blogs, and other online postings.

My colleague Jorge Garcia's recent blog series talks about the available tools to measure the quantitative and qualitative aspects of this vast volume of data to gain better understanding and intelligence of social media. I have also become accustomed to the idea of searching Internet for reviews and advice from people similar to me before buying an appliance, for example.

What About B2B?

Logically, business leaders also want to know what Web 2.0 technologies could do for their organizations, especially in the **business-to-business (B2B)** commerce setup. The tools and technologies that make up Web 2.0 may be ubiquitous, but their impact on business is still unfolding.

Instead of viewing these social sites as a distraction (and some employees might indeed nefariously abuse the trust), the savvy enterprise should at least learn what makes these applications so "sticky." They should also discern how those capabilities could be applied to the enterprise to drive knowledge worker productivity and accelerate innovation.

For example, some avant-garde companies are harnessing user feedback (via social networks) to design new improved products and services. As telecommuting becomes more common for knowledge workers, contributing to a wiki is replacing the tedious and time-consuming in-person conference room brainstorming sessions. Like consumers, "wired" employees too are increasingly turning to each other (rather than to their often unapproachable managers) for advice about their daily tasks.

Organizations often function with knowledge silos (so called "tribal knowledge"), in which certain employees are experts in certain types of knowledge, such as, e.g., the best suppliers for certain product categories. Web 2.0 tools such as wikis, blogs, and social networks can capture this unstructured interaction among the rank-and-file workforce and quickly convert it into institutional knowledge.

There might still be the misconception that micro-blogging (tweeting) is just to share mundane and unimportant (if not even asinine) statements. **But using this tool in the enterprise context can be really useful, according to Noel Portugal, Oracle's Senior Technical Analyst for CRM On Demand Operations.**

Oracle's **OraTweet** tool helps users to communicate and collaborate within their teams while reducing email overload. In case of **sales force automation (SFA)**, so-called social **customer relationship management (CRM)** tools can integrate **predictive analytics**, company standards, **best practices**, and the "wisdom of the crowd" (i.e., the real-world experience of fellow sales reps captured with Web 2.0 tools) to increase productivity at every stage of the sales process.

What About Social (Viral) Marketing?

On a recent long plane ride I read the **instant-classic book on social networks entitled "Groundswell"** that really made me think. Namely, enterprise software vendors keep spending hefty money on traditional marketing channels such as press releases (PR's), testimonials, case studies, white papers, analysts, etc., where they keep bragging about their offerings in a one-way-street manner. Ironically, according to the ex-Forrester's analysts that wrote "Groundswell," these freebee social networks can create more credible opinions of connected users of products.

In other words, ordinary folks do not much trust these (possibly staged) traditional marketing channels, but rather trust the voluntary opinions of both known and anonymous individuals that have similar needs and interests. As mentioned earlier on, savvy companies have been using these **crowdsourcing** tools to more effectively market themselves, provide two-way customer support, and solicit input on the product improvements.

Compare expenditures of these costly traditional channel campaigns to the simple approach of allowing people to discuss your product on your Web site, bundled with the ability of your site to then automatically broadcast these review feeds into social networks. By placing these pristine comments (only slightly moderated for abusive language) into social networks feeds, you might gain the trust of not only the regular visitors of your site, but also from these folks' social connections even if these other folks have never heard of your firm or your product.

In tune with these findings **come MarketingSherpa's predictions that social marketing budgets will grow in 2010, in spite of lower overall marketing funds.** The question then is: will this social/viral phenomenon make traditional marketing and PR methods obsolete, or perhaps complementary to each other?

Marketing Mix Will Change

I do not think digital (Web 2.0) channels will ever replace traditional marketing or make it obsolete, since face-to-face and voice-to-voice people contact, hard copies in hands for slowly reviewing and digesting at one's leisure and in a contiguous whole, etc. remain critically important. I also think that TV advertising in forums like cable news, money/market watch business shows, sports broadcasts and shows, etc. will not be going away any time soon.

So is the **marketing mix** changing? Absolutely yes, it is, a big time. But go on any airplane in first class and you will still find executives ripping out the **Wall Street Journal (WSJ)** pages and carrying their **BusinessWeek, Fortune**, and other in-flight magazines.

Also, you will still have them reviewing hard copy proposals because it is hard to digest information digitally (such documents require slow digestion and continual flipping back and forth for comparison and attention to detail). I too am “guilty as charged” for occasionally printing out some articles for more attentive reading, although I try to at least use recycled paper.

It makes sense that the largest **enterprise resource planning (ERP)** companies like **SAP, Oracle, or Microsoft Dynamics**, who have literally armies of marketers in their employ, are moving forward with all kinds of different marketing tools. This is what they have always done, because they have the budget and employee bandwidth to support it.

In fact, **SAP Retail, SAP Business One, Oracle Retail, Oracle CRM, Salesforce.com, Taleo, SuccessFactors, Epicor**, etc., all have their fan pages on Facebook and LinkedIn, as well as related Twitter feeds. In fact, I’ve even registered for some local vendor events and downloaded some analyst reports based on the social media feeds from these established public vendors.

Infor’s Example

A good example of a hybrid marketing strategy would be **Infor, whose recent virtual Inforum conference I followed in part** (one shortcoming of virtual events is that they cannot ensure analysts’ undivided attention like the actual ones in person). I at least heard the points Infor’s CEO Jim Schaper made in his keynote speech:

“Infor’s Critical Distinctions are the following: Interoperability, Choice, and Customer Intimacy.”

The vendor has established a new **Infor Manifesto** – a public declaration of its intentions – as the driver behind all that the company does and how it communicates:

At Infor, we work with a core belief. We believe in the customer. We believe that the customer is seeking a better, more collaborative relationship with its business software provider. And a new breed of business software: created for evolution, not revolution. Software that’s simple to buy, easy to deploy and convenient to manage. Our 70,000 customers in more than 100 countries and 8,000+ employees stand with us. We look forward to your sharing in the results of our belief. There is a better way.

The enablers of Infor's Critical Distinctions and the Infor Manifesto are the vendor's **Open SOA** and 'Three E's (Extend, Enrich & Evolve)" strategies that **were explained in my previous blog series**. More pertinent here is the ad campaign that Infor launched in early November 2009 entitled "**There Is A Better Way (Down With Big ERP)**." Infor is running a US \$20 million global ad campaign to significantly raise awareness and build its reputation within its target market.

Media will include major airports and a mix of print and online publications targeting general business and manufacturing audiences. For example, the North America campaign is running in many major airports, and in both print and online publications including **BusinessWeek, Fortune, Forbes, the WSJ, Managing Automation, and Manufacturing Business Technology (MBT)**. Along with a bold creative campaign that hopes to stand out from the crowd, the vendor is using distinct ad placements to grab people's attention.

The campaign is being extended to many other countries across Europe, Latin America, and Asia-Pacific over the course of the next six months. As one would expect, Infor has tested the creative ads and messaging in its key markets and will be measuring the impact of the campaign very diligently.

One Marketing Guru's Take

There are two underlying themes that I am trying to tackle in this article:

1. The usage of Web 2.0/social media in marketing, and
2. How to do a better job of marketing enterprise applications in general.

As for the first, social media/Web 2.0 should be a subset of the overall marketing strategy. In fact, there is nothing new in **the Groundswell's POST (People, Objectives, Strategy, Technology) method (i.e., POST is a systematic framework for assembling a company's social media plan)**.

A friend of mine, a marketing guru, has always formulated marketing plans for her **independent software vendor (ISV)** clients (and employers) around the following six pillars: Overall Goal, Strategy, Objectives, Tactics, Timetable, and Budget. The *People* part in the POST acronym is what she aligns within the *Overall Goal* portion as "the market" a.k.a. "people/buyers." The *Technology* part of POST is a component of her *Tactics*, and so on and so forth.

As for the topic of better marketing in light of social media/Web 2.0, she's advised and seen the surge of her clients' involvement with targeted blogs and is starting another wave of selected viral marketing campaigns. She is also using electronic distribution systems and search engine optimization (SEO)/search engine marketing (SEM) vendors at this point for booking webinars, getting sales leads, etc.

The only part she is not yet fully on board with is whether social sites like Twitter, Facebook, and LinkedIn are a good place for fully employed professionals and for promoting buying behavior in a B2B manner. But that attitude may change. She will be writing quite different marketing plans for her vendor clients as far as marketing spend goes in 2010. 2009 was definitely the **tipping point** for social marketing in her mind, albeit that the B2C side is tipping much faster.

Know Thy Target Audience

Earlier I had written about the recent spate of witty viral marketing making its way into enterprise technology. And while I covered various angles being taken by the early viral marketing adopters (i.e. **Lawson Software with its Lars Lawson animated character theme and Infor with its above-mentioned BIG ERP Thugs theme**), the following two recurring thoughts keep coming back to me:

1. Is there anything really funny about ERP and enterprise solutions? I mean can't we all agree that (unless you are an IT geek) B2B enterprise solutions are about as "unfunny" as the snowstorm sandwich that trapped the US East Coast and Midwest, just in time to spoil the recent holiday travel and shopping season?
2. Is there anything funny and refreshing left to say about kicking sand into the faces of the perennial "Big 3 ERP Giants": multi-billion-dollar SAP, Oracle, and Microsoft?

The success of such campaigns depends on what level in the business organization they are targeting. Vice presidents and higher executives are so buried with just trying to track/return emails and are tied up in both in-person and virtual meetings that they have no time for checking out this marketing gimmick.

It also depends on what level of the sales process we are in. So, if you are still down in the weeds of making a decision, you are looking for any useful tools (including Web 2.0) to help you amass as much info as quickly as you can to vet your choices. This is the part of Web 2.0 (or perhaps Web 3.0) that I am most interested in, and currently Facebook, Twitter, or YouTube offer little in this regard. So again, I would recommend shifting marketing strategies to digital, but only appropriately.

Maybe it's just me, but **the hee-haw, "aw-shucks" approach of Big ERP providers mishandling cats in trees (as in Lawson's now renowned viral ad)** is lost on me, but for some reason (which might be worthy of time on a psychiatrist's couch) I find that re-visiting the proverbial "definition of insanity" (i.e. repeating actions and expecting a new outcome) is quite funny (or at least tragicomic). So, maybe it's some misguided wiring in my brain that **finds amusement in big-time corporate executives haplessly repeating their past mistakes and suffering because of them.**

What About “Grassroots” Movements?

For leveling the playing field, social media viral tools have some value for launching/branding of no-name companies or building name recognition at the **grassroots** level. Thus, whatever the root diagnoses of my psyche, I took pleasure in observing the lamentations of **Corefino’s** Unknown CFO (a parody of **late night TV’s paper-bag-headed Unknown Comic**). Corefino, which is a Silicon Valley startup in the enterprise financials solutions space, introduced the Unknown CFO concept in the Fall of 2009 when it was trying to define why companies would want to completely outsource their financial solution “into the cloud.”

To give you some background, Corefino offers a three-part solution consisting of on-demand accounting solutions, **business process outsourcing (BPO)** via financial experts, and a platform. The latter the company calls the **Triple-C (Connect, Correct, Comply) Platform**, a customizable repository of more than 500 business processes, workflows, and best practices. **As described in my previous blog post**, Corefino is targeting a new breed of ‘Strategic CFOs’ who want to treat recurring financial reporting/reconciliation needs, the same way they treat mundane payroll: “Get it out of here, please, so I can focus on more strategic work!”

Since there’s no shortage of articles on **cloud computing** in any brand of communications medium, these days, it may come as no surprise to some of you that this small but spunky start-up did something that a lot of billion-dollar corporations did not do. Namely, talking about social capital, Corefino reportedly landed **two of its white papers in the ‘Top 10 Most Downloaded List’ for 2009 atcfo.com (the digital arm of CFO Magazine)**.

All of this downloading has partially contributed to a bulging sales pipeline of disenfranchised **chief financial officers (CFOs)** who are not happy with what they are doing now with their rigid financial software. Or, as in the case of **this new viral video from Corefino**, what they are not being allowed to do. From my personal, (perhaps unbalanced?) perspective, the prospect of seeing some frustrated and dejected CFO in toed-stockings and a “**Snuggly**” (**Pillow Pals**), finding no recourse but to make a desperate plea to Santa, gave me a good chuckle.

For all of you CFOs out there, we are wondering how much you identify with this – is the pain of **on-premise software** truly this bad? Are you seriously thinking about the possibility of turning to an outsourced model for routine business functions like financial reporting for 2010? We want to hear from you!

At the end of the day, dear readers, do you think that the abovementioned vendors convey the right message virally, or was it a waste of time and money (even if much less than via traditional pricey marketing channels)? Also, do you still select mission-critical enterprise vendors and solutions via their brand names and recognition (perceptions) or via an evaluation process with due diligence?