

LEADERSHIP IN THE SOCIAL AGE: WHY THE C-SUITE IS BEHIND THE CURVE



BRANDFOG EXAMINES THE BENEFITS OF EXECUTIVE SOCIAL MEDIA ENGAGEMENT

Social media has become a primary means of business communication worldwide. As of September 2014, Twitter logged 271 million monthly active usersⁱ. From a business standpoint, people use social networks as a crucial tool for spotting trends, engaging with brands, and expanding professional networks.

Consumers increasingly prefer to access customer support on social media than by phone – and the demand to ‘speak to a manager’ has transformed to a tweet to company executives. Smart industry leaders have taken advantage of this trend and staked positions as thought leaders across every business sector – technology, travel, entertainment, health care, big data, finance— you name it.

Using social media to establish a leadership post within a specific industry is a strategy that enhances credibility, and provides a response mechanism for reputation and crisis management.

Social media has also brought about another leadership trend, an increase in CEO accountability to customers and the communities they serve. Customer expectations now include corporate transparency about everything from product origin, clean supply chains, employee rights, fairness and diversity, and corporate responsibility.

Social media has increased the demand for leaders to be accessible, so that customers and stakeholders can engage directly.

In a hyper-responsive social environment, stake-holders demand relevant, timely and personal replies to their messages. This expectation exists whether or not executives are engaging on social media.

WHAT IS HOLDING THE C-SUITE BACK?

The paradigm shifts of modern communications present both challenges and opportunities for business leaders. Engaging in real time across many new channels demands flexibility and a high level strategy that’s worlds away from the old, trickle-down communications model. Curiously, executives continue to lag behind even as they affirm the growing importance of social media. They advocate for change to address the digital transformation taking place inside their organizations, while ignoring the social imperative of being present and accounted for. A fear of risk and a scarcity of time are the two most widely stated reasons for C-Suite inaction on social media. Yet a reluctance to engage can cost companies the brand trust that they most covet. A recent BRANDfog survey showed that executives who engage in social media significantly increase brand trust. What’s more, [75% of stakeholders](#)ⁱⁱ state that CEO engagement on social media leads to better leadership, yet an alarming 68% of Fortune 500 CEOs have no presence on any social media platform whatsoever.ⁱⁱⁱ

In this report, we’ve curated a rich array of data points from recent research to demonstrate how social media engagement has become critical for C-Suite success. We’ve examined the top reasons behind the CEO hesitancy to embrace social, as well as what’s preventing the widespread adoption of social media as a business and leadership tool. Our report also addresses the perception of C-Suite social media engagement to those outside the company, to determine how stakeholders, employees, customers and investors view C-Suite executives that are not social-media savvy. We took a look at the positive benefits for CEOs on social, and examined the role of social media for reputation and crisis management.

The results are clear. Executive use of social media creates more forward-looking, effective leaders, dramatically transforming today’s communications landscape. As a result, modern C-Suite executives have to learn to master a variety of new digital skills to stay relevant in today’s global business world.

THE FINDINGS: INSIDE THE C-SUITE

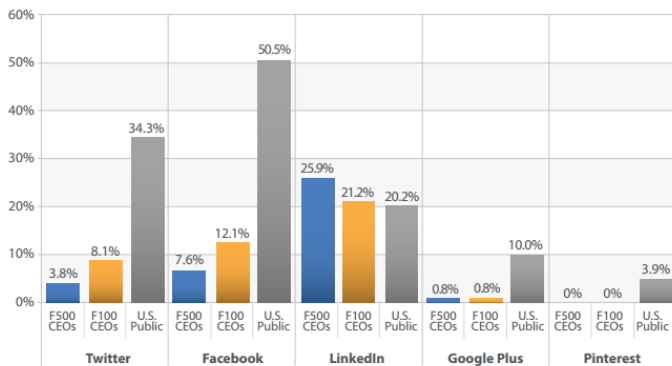
CEOs believe that social media is transforming their enterprise and their markets, but are still not engaging on social media in significant numbers

CEOs are not active on social channels:

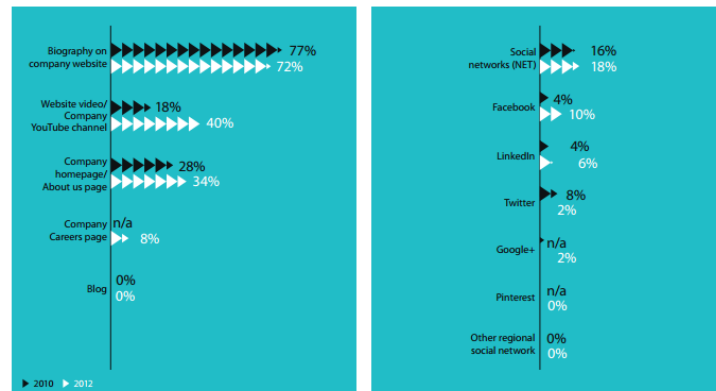
- Fortune 500: 8.4% are on Twitter, but only 2.8% of Fortune 500 CEOs are actively engaging (posting once a month or more).^{iv} 25.9% of Fortune 500 CEOs are on LinkedIn^v.
- Fortune 100: 8.1% on Twitter, 21.2% on LinkedIn^{vi}
- Fortune 50: 2% on Twitter, 6% on LinkedIn^{vii}
- Fortune 50: 18% on any social network at all, up only 2% from 2010^{viii}

Note: 40% of Fortune 50 CEOs engage via video, either on their company's website or through a company YouTube channel. While the use of video doesn't constitute social media engagement, it provides a reserve of original content that can be shared through social media channels.

Findings



% CEOs who have a... or are visible on...



CEOs know that social media is a crucial channel for engaging with customers

Over 50% of CEOs believe that social channels will be a primary way of engaging customers within five years.^{ix} CEOs know that their customers are on social, but are shying away from meeting them there personally, even as they push for increased brand presence and responsiveness.

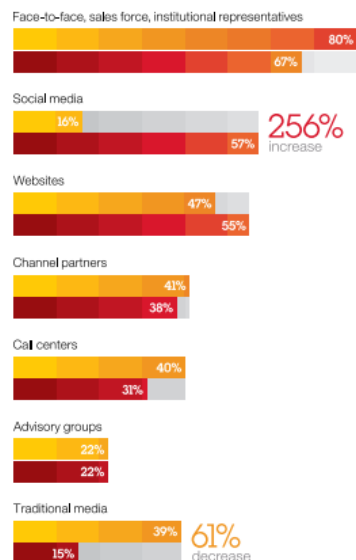


Figure 10

Social media ramp up CEOs believe social media will become one of the top two ways to engage customers within five years, mainly at the expense of traditional media.

■ Today
■ In 3 to 5 years

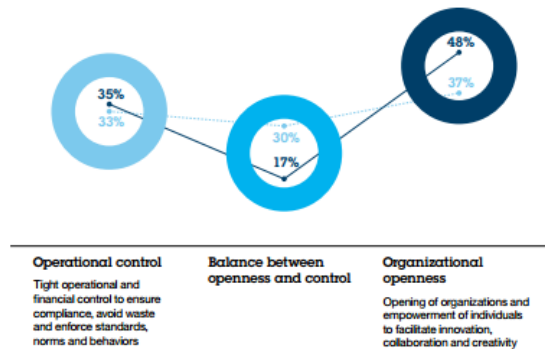
Social media is a tool for creating openness and transparency, which organizations need to stay competitive and to build trust

48% of top-performing CEOs believe that their organizations are facing a competitive need to be open and transparent, as opposed to 37% of underperformers.^x

Figure 3

Opening up CEOs believe their organizations will be impacted more by the pressure to be open than the need to control.

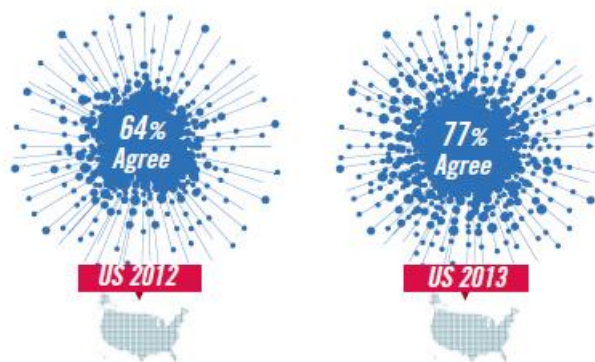
■ Outperformers
■ Underperformers



71% of survey respondents agree that a company whose C-Suite executives and leadership team use social media as a public relations channel to openly communicate about core mission, values and purpose is more trustworthy.^{xi}



77% of BRANDfog's Global Social CEO Survey respondents agree that executive use of social media fosters brand transparency, up from 64% in 2012.^{xii}



CEO's top leadership priorities can all be supported by the effective use of social media for business

If social media is so crucial, why aren't more CEOs engaging? Some reasons include inability to measure ROI, lack of time, and lack of knowledge.^{xiii}

Majoring on what matters

CEOs say they must exhibit:

61%

Customer obsession

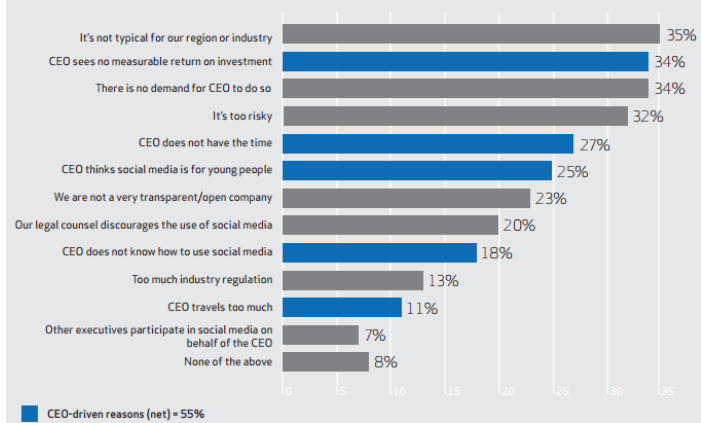
60%

Inspirational leadership

58%

Leadership teaming

Reasons CEO does not participate in social media (among executives with unsocial CEOs)



Employees, customers and community stakeholders increasingly regard CEO social media engagement as a key leadership skill, and are willing to reward those CEOs who step up to the plate

Non-CEO executives value CEO social media engagement

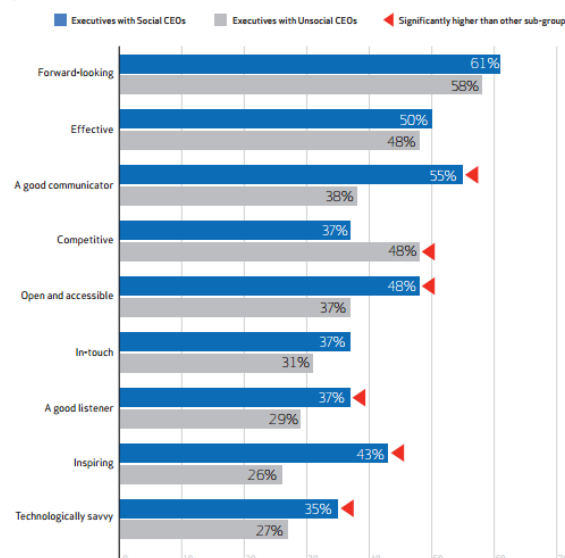
- Executives attribute 49% of a company's reputation to the CEO's reputation.^{xiv}
- Overall ranking of benefits of social media use:

Benefits of CEO's participation in social media (among executives with social CEOs)

Is a good way of sharing news and information about our company (80%)	Helps our CEO understand/stay in-touch with what is happening inside the company (72%)
Has a positive impact on our company's reputation (78%)	Has a positive impact on business results (70%)
Shows that our company is innovative (76%)	Makes our company a more attractive place to work (69%)
Gives our company a human face or personality (75%)	Enhances our credibility in the market (69%)
Is a good way for our CEO to communicate with employees (75%)	Is a good use of our CEO's time (67%)
Helps our CEO build good relationships with the news media (75%)	Helps us find and attract new customers (64%)
Gives more employees the chance to communicate directly with the CEO (73%)	Gives our company a competitive edge (64%)
	Makes our CEO more effective in managing crises (61%)

- Executives rank social CEOs more highly on leadership metrics.^{xv}

Which of the following words and phrases describe your company's CEO?



- Executives rank social CEOs more highly on communication skills.^{xvi} Social CEOs are ranked higher on almost all the positive descriptors of communications styles (open & honest, respectful, friendly, personal), and lower on almost all the negative descriptors (impersonal, scripted, distant, condescending, closed & misleading).

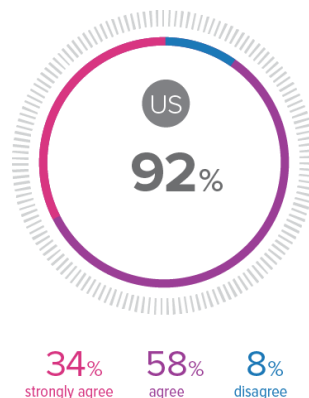
	Executives with social CEOs	Executives with unsocial CEOs
Open & honest	86% (#1)	77% (#1)
Respectful	86% (#1)	76% (#2)
Friendly	84% (#2)	61% (#3)
Spontaneous	73% (#3)	58%
Personal	68%	59%
Formal	64%	55%
Everyday language	50%	53%
People-focused	64%	40%
Numbers-focused	36%	60%
Corporate language	50%	47%
Informal	36%	45%
Impersonal	32%	41%
Scripted	27%	42%
Distant	16%	39%
Condescending	14%	24%
Closed and misleading	14%	23%

Employees and customers value CEO engagement on social media, which can lead to strengthening brand relationships, and even increasing purchase intent

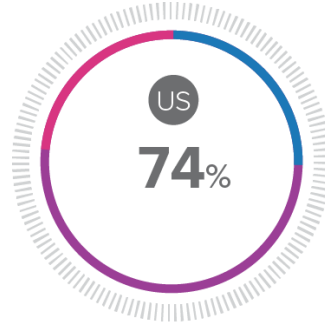
- It matters for brand reputation and purchase intent:
 - 61% of US respondents are more likely to purchase from a company whose values and leadership are clearly communicated through executive leadership participation on social media.^{xvii}
- It matters for building relationships:
 - 83% of US respondents believe that CEO participation in social media can build better connections with customers, employees, and investors.^{xviii}
- It matters for crisis management:
 - 87% of US respondents agree that having a social media policy in place allows a company's leadership team to be proactive rather than reactive in response to company challenges.^{xix}
- It matters for leadership:
 - 75% of employees & customers think executive participation on social media makes better leaders.^{xx}

Social Media is a Powerful Tool for Women Leaders to Strengthen & Enhance Brand Reputation

- 92% of US respondents to BRANDfog's Women, Social Media, and the C-Suite Survey believe that social-media-savvy women executives can improve a company's brand image.^{xxi}

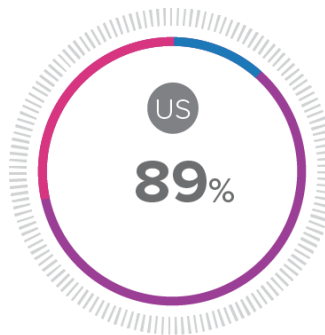


- Nearly three-quarters (74%) of respondents agree that women executives who are social-media-savvy are more accessible, transparent and trustworthy business leaders.^{xxii}



23% strongly agree 51% agree 26% disagree

- Nearly nine out of ten (89%) of US respondents say that social-media-savvy women executives can strengthen a brand's leadership team.^{xxiii}



28% strongly agree 61% agree 11% disagree

CONCLUSION:

Social media isn't just for brands anymore. Social media is a key tool for business leadership in this hyper-connected era. The changing communications landscape will require CEOs to engage in social media or risk losing market share to competitors willing to learn new skills and embrace new tactics. The next generation of employees and customers expect CEOs to be accessible on social media.

Modern CEOs must make strategic use of social channels to engage with constituents, and to embrace open and transparent leadership. Forward-thinking CEOs use social media to humanize their brand, and to engage with a variety of stakeholders including employees, customers, press, analysts and investors. They integrate social into their corporate communications strategy, using it to listen and engage with their communities. Social media is changing the culture of leadership. Today's leaders must embrace the best tools available to remain competitive in a digital and social age.

Links:

- <http://www.ceo.com/social-ceo-report/>
- <http://www.edelman.com/insights/intellectual-property/2014-edelman-trust-barometer/>
- <http://www.beevolve.com/twitter-statistics/>
- <http://www.marketingcharts.com/wp/online/how-the-inc-500-is-using-social-media-41711/>
- <http://www.salesforcemarketingcloud.com/blog/2012/11/adoption-of-social-media-needs-executive-support/>
- http://www.deloitte.com/view/en_US/us/About/Leadership/1fe8be4ad25e7310VgnVCM100001956f00aRCRD.htm
- <http://www.forbes.com/sites/carminegallo/2013/01/30/a-bank-executive-they-call-the-social-media-ceo/>
- <http://www.gsb.stanford.edu/cldr/research/surveys/coaching.html>
- <http://online.wsj.com/news/articles/SB10001424052970203753704577255531558650636>
- http://www.mckinsey.com/insights/high_tech_telecoms_internet/six_social-media_skills_every_leader_needs
- <https://www.linkedin.com/pulse/article/20141201202840-22652526-women-social-media-the-c-suite?trk=prof-post>

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- ⁱ Twitter, 2014 <http://ow.ly/B68zo>
 - ⁱⁱ BRANDfog, 2014 <http://ow.ly/xw3Sv>
 - ⁱⁱⁱ DOMO, 2014 <http://ow.ly/Eqb2T>
 - ^{iv} DOMO, 2014 <http://ow.ly/Eqb2T>
 - ^v DOMO, 2013 <http://ow.ly/xw6bV>
 - ^{vi} DOMO, 2013 <http://ow.ly/xw6bV>
 - ^{vii} Weber Shandwick, Socializing Your CEO II, 2012 <http://ow.ly/xwaSZ>
 - ^{viii} Weber Shandwick, Socializing Your CEO II, 2012 <http://ow.ly/xwaSZ>
 - ^{ix} IBM CEO study, 2012
 - ^x IBM CEO study, 2012
 - ^{xi} BRANDfog, 2014 <http://ow.ly/xw3Sv>
 - ^{xii} BRANDfog, 2014 <http://ow.ly/xw3Sv>
 - ^{xiii} Weber Shandwick, Social CEO Study, 2012 <http://ow.ly/xBXJh>
 - ^{xiv} Weber Shandwick, Socializing Your CEO II, 2012 <http://ow.ly/xwaSZ>
 - ^{xv} Weber Shandwick, Social CEO Study, 2012 <http://ow.ly/xBXJh>
 - ^{xvi} Weber Shandwick, Social CEO Study, 2012 <http://ow.ly/xBXJh>
 - ^{xvii} BRANDfog, 2014 <http://ow.ly/xw3Sv>
 - ^{xviii} BRANDfog, 2014 <http://ow.ly/xw3Sv>
 - ^{xix} BRANDfog, 2014 <http://ow.ly/xw3Sv>
 - ^{xx} BRANDfog, 2014 <http://ow.ly/xw3Sv>
 - ^{xxi} BRANDfog, 2014 <http://ow.ly/FjkUP>
 - ^{xxii} BRANDfog, 2014 <http://ow.ly/FjkUP>
 - ^{xxiii} BRANDfog, 2014 <http://ow.ly/FjkUP>