

## Somebody is blogging on you...

Press Release

### Challenges for B2B companies in the Social Media

*Weinheim, 20. 01. 2011*

**Running your own website is no longer enough. Companies must react to the growing success of interactive platforms in the world wide web. Schlegel and Partners has analyzed Social Media activities of leading B2B companies in Europe and North America. Social Media offer great opportunities not only to B2C companies selling mass products to thousands of clients, but also to B2B companies doing business in more specialized markets. In any case one must also be aware of the risks linked to communication on interactive platforms.**

Can you imagine more media coverage for a young entrepreneur? Just a few years after the launch of facebook, in autumn 2010, millions went to the cinema to watch the Hollywood movie "The Social Network" about facebook founder Mark Zuckerberg. In the same year, the number of facebook users raised to more than 500 million. And in the beginning of 2011 the US investment bank Goldman Sachs estimated the value of the most successful platform in the so-called Web 2.0 up to USD 50 billion – a number presumably published not out of the blue by the investment bank which is to manage the IPO of facebook.

This reminds one not only of the dot-com bubble in the early 2000 years, but especially of its bursting. Note that the annual turnover of facebook is estimated at about USD 2 billion. But the comparison also shows that despite painful exaggerations at the financial markets, developments have got under way which still change doing business fundamentally and irreversibly, e. g. the success of online trade which has become a serious competitor to local retail trade.

Nowadays, customers not only buy online. Before the purchasing decision, they collect information and discuss in blogs, online communities, and other Social Media which product to choose. Many B2C suppliers react to that by running large product campaigns on social platforms like facebook, youtube, xing, linkedin, and twitter.

Whereas this reaction already shows positive results on B2C markets, regarding B2B markets the simple question could be: So what?

Because one could suppose that demand for some special chemicals or high-tech components will not rise if such products are promoted on facebook. Furthermore, on B2B markets, suppliers and customers often explicitly aim at keeping information about products and services exclusive.

An analysis of Social Media activities of large B2B companies from North America and Europe by Schlegel and Partners shows that this way of thinking is misleading. Making use of Social Media is not only about providing information to different stakeholders of the company. It may be even more about observing new developments in markets and technology, observing what is communicated about the own company and its competitors, observing what image the own company has among its employees and job applicants. This holds for B2C as well as for B2B companies.

Platforms like Wikileaks force not only political institutions, but also companies to fundamentally review their complete information and knowledge management. For example, in human resources management this can mean including Social Media issues in employment contracts.

Opportunities and risks are often closely linked together in Social Media. An engineer discussing questions about technical details in the worldwide community may gather valuable information which can directly influence market-oriented product development. This means that carefully observing communication on interactive platforms can result in higher profits – “**Social Media Monitoring**”.

On the other hand, especially for B2B companies, keeping information and knowhow exclusive and secret becomes

much more difficult – “**loss of control over information transfer**”.

The analysis of Schlegel and Partners clearly shows that success of B2B companies in the Social Media cannot be measured by the same indicators as in the case of B2C companies. In B2B business it is not so much about the number of potential customers whose attention a company attracts. What counts more is the quality of the information which a B2B company can transfer via Social Media or which it can gather out there.

Concerning **online recruiting** B2C and B2B companies compete even directly with each other in Social Media. In this field B2B companies must gain extraordinary strength because in most cases they cannot make use of a maybe good reputation of mass products which every job applicant knows. So as B2B companies must compensate for this they must make even stronger efforts to attract the attention of the best job applicants in Social Media.

Especially in 2010, the general public became conscious of how Social Media continuously are gaining importance in politics, in doing business, and in people’s private life. The success of facebook, the disclosure of secret information by Wikileaks, news about economically and politically motivated protests which came to the public only via twitter, the popularity of whistleblowers in the USA were top stories in the media.

Also for B2B companies Social Media become more and more important. Nobody can escape the challenge to find his own answer to the development of new channels of communication.

If you have any question please do not hesitate to contact:

Ms. Jasmine Letschnig, +49 6201 9915 53,  
jasmine.letschnig@schlegelundpartner.de

Schlegel and Partners as a specialist for technical market research and consulting operates in industry markets worldwide.

Our business activities comprise

- the collection of relevant market data

- its aggregation and evaluation
- the development of customized concepts
- the monitoring of their implementation and application.

Profound market and technological know-how, individual solutions, highest quality, internationality, promptness and transparency of our work are the cornerstones of the partnership which we have with our clients.

You find more information about Schlegel and Partners on [www.schlegelundpartner.de](http://www.schlegelundpartner.de)

© Schlegel und Partner 2011