

A Work Project, presented as part of the requirements for the Award of a Masters Degree in Management from the NOVA – School of Business and Economics.



Work project

Developing a social media strategy for Hilti Singapore

Jenny Ebersold, #2191
under the supervision of
Prof. Mark Goh

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Abstract

As many B2B businesses, Hilti Singapore has not yet implemented social media as a business tool, despite its known effectiveness. The underlying work therefore aims at elaborating the potential of creating a social media presence for Hilti Singapore. By assembling the insights gained from a competitor, customer and employee analysis, the authors then propose five guiding steps for a successful strategy implementation. Further academic research underlines the influence of social media on brand management and describes the prevailing paradigm shift in marketing.

Keywords: Social media strategy, B2B, Hilti Singapore, brand management

1. Brief Context

a. Client

The Hilti Group is a world leading manufacturing company, which develops and supplies “leading-edge” technology and system solutions for the professional construction industry. The company’s focus lies on the provision of measuring and anchoring systems, firestops, powder-actuated fastening and installation, but also offers various specialized products including drilling and demolition. By taking an integrative approach along the entire value chain, Hilti was able to build its own network of research, production and logistics centres, which aim at developing and reinventing high quality solutions for their target customers (Hilti Corporation, 2015). The latter mainly include companies and stakeholders operating in the construction, steel and metal, energy, mechanical, and interior-finishing business, therefore making Hilti an almost exclusively business-to-business oriented company. With the company’s objective of building a “better long term future” by creating sustainable added value in the construction business, Hilti has been able to generate substantial profits throughout the years, with an operating result of CHF 547 Million, a net income of CHF 410 Million and a return on sales (ROS) of 12,5% as of 2015. Ever since its foundation in 1941, the Liechtenstein-based company successfully managed to build a worldwide presence, currently employing more than 23’000 employees in over 120 countries (Hilti Corporation, 2015).

The underlying project focuses on Hilti Far East Pte Ltd, the Singapore branch of the Hilti Group. With more than 200 employees in sales, marketing, engineering and other supporting departments, Hilti Singapore belongs to a smaller representation of the group, which, however, occupies an economically and strategically important position in the South East Asian hub of Singapore (Hilti Singapore, 2016). Hilti Singapore embarks on the above-mentioned products

and services and tailors them to the Singaporean market and its stakeholders. Besides investing in new software packages and service solutions, the future growth of the business is believed to be sustained by capitalizing on opportunities offered by digitalization and new communication technologies (Sarin, 2016).

b. The social media market

The information age has led to the rise of a new communication landscape, which is facilitated by the digital environment (Järvinen, 2012). Social media in particular has established itself as a proven marketing and communications tool to increase „brand awareness, loyalty, engagement and [eventually] sales” (Swani et al. 2014, p. 873). As far as business-to-business companies are concerned, however, research on the effectiveness of social media remains limited, due to the minor ascribed significance to its importance as a marketing instrument (Swani et al. 2014, p. 873). Yet, evidence exists that social media can indeed offer far-reaching opportunities for this type of business. A striking example for a B2B case is showcased by the world’s largest container shipping company *Maersk*. The company’s “winning approach” to social media has led to an enhanced brand perception, which translated into an highly engaged fan base of 2,47 million¹ followers on Facebook and an internally estimated return on investment of 1,500% (Katona, 2014). Taking Maersk as an example, it becomes clear that, in order to fully capitalize on social media’s ability to drive brand preference, it is crucial to acknowledge the unique characteristics of the B2B sector, the underlying trends of the changing buying behaviour as well as comprehend the choice of adequate B2B social media platforms. Those aspects require research tailored to each company’s objectives and target customers. One overarching characteristic within B2B companies is the nature of the seller-buyer relationship: a B2B buyer is

¹ As of 18.04.2016

highly involved in the buying process due to the fact that products are complex, sophisticated, and require careful evaluation with regard to quality and price. Therefore, relationships are highly personal, intense and long-term, which will ultimately impact the way social media marketing communication is designed (Jussila et al., 2014).

Looking at the manufacturing industry in Singapore specifically, the social media presence of B2B companies of this sector seem limited despite a striking potential for its effectiveness: Singapore represents one of the most technologically advanced countries in the entire world and its social media penetration rate amounts to 76.8%, one of the highest in South East Asia (Digital Influence Lab, 2016).

A first overview has shown that social media might offer some untapped opportunities for B2B companies to be exploited in tech-savvy Singapore.

c. Current client situation

Hilti's core value and key success factor lies in its distinct direct sales approach. The majority of Hilti's employees directly sells to customers and supports them throughout the buying cycle. About $\frac{3}{4}$ of the workforce produces more than 200000 client contacts every day, without involving any dealerships or intermediaries (Hilti Singapore 2016; LinkedIn Corporation 2014). As it is for the company on a global level, Hilti Singapore's top priority is to create long-term and quality customer relationships, which are deemed necessary for providing sophisticated products to the customers' distinct needs (Sarin, 2016).

So far, customer relations in Singapore are rather "one sided" with the Hilti sales representative initiating and nurturing sales processes and relationships.² Being a customer centric company,

² Hilti's sales representatives will refer to a planning system, which lists a number of potential clients categorized by trade section. After having identified a potential client, he or she will be contacted through

Hilti Singapore would like to open up new ways to support their sales processes and to extend their customer reach.

Unlike other Hilti branches (such as Hilti North America or Hilti Australia), Hilti Singapore has not yet established a social media presence. They believe that social media can offer wide-ranging opportunities and fulfil the company's commitment to invest in new communication technologies. However, there are considerable uncertainties regarding the customer's receptiveness towards social media and other underlying market conditions as well as a prevailing lack of knowledge as to how a social media strategy has to be designed.

d. The Business Project challenge

The modern information age has led to a changing behaviour in the way B2B buyers discover and access information. Being faced with an immense wealth of information and knowledge accessible through the Internet, buyers gain independence in choosing among a wide variety of options at an early stage (Kovac M., 2016). Not keeping up with today's disruptive information era will ultimately shift B2B companies in the background, far away from the sight of their current and potential customers. Social media can hereby help increase brand visibility across the Internet and create proximity to the customer.

It seems obvious that Hilti Singapore could utilize social media to engage with their customers in two-way communication, so to foster and maintain valuable long-term relationships. The challenge therefore remains as to how a tailored social media strategy for Hilti Singapore should look like in order to meet those promising objectives.

“cold calling” with the goal of setting an appointment at either the potential client's office or construction site (Internal information, 2016).

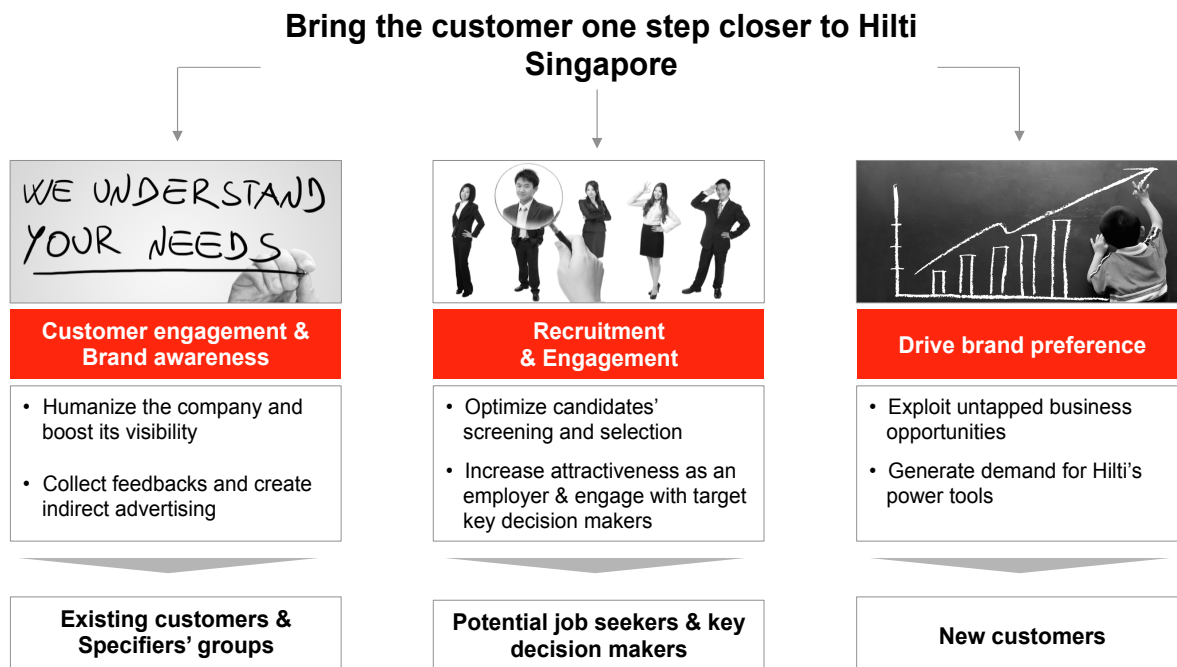
2. Reflection on the work done and individual contribution

a. Opportunity definition

With the successful implementation of social media, Hilti Singapore wishes to boost its brand visibility to reach top of mind share, therefore “bringing the customer one step closer to Hilti”.

In order to structure a strategy from definition towards execution, it is critical to firstly define clear objectives, which aim at targeting specific user groups within a certain time frame (see Exhibit 1).

Exhibit 1: Hilti Singapore’s objectives/opportunities



Source: Own illustration

The first and most important target of the social media efforts are existing customers and the so-called specifier groups (industry experts and key influencers) (Sarin, 2016). By capitalizing on the new digital communication environment, Hilti aims at increasing customer engagement and brand awareness, therefore complementing the traditional push strategy (one sided approach to

selling) by attracting customers to engage in novel and two sided exchanges of communication. Besides building brand reputation, Hilti Singapore also thrives for optimizing recruitment related matters such as candidate screening and selection on the one and hand and increasing employer attractiveness by creating thought leadership on the other hand. The target groups are therefore job seekers and key decision makers.

The overarching goal of using social media is to ultimately drive brand preference, which will offer Hilti Singapore additional ways to attract new customers.

Having defined those opportunities in terms of single objectives, it is now critical to evaluate the following key questions:

- *Will social media be effective in Singapore in general and for Hilti's customers in particular?*
- *What are the key elements to consider that guide its effectiveness?*
- *How can we achieve those objectives with social media?*

To answer those questions, it is crucial to firstly gain a complete understanding of the social media environment centred around Hilti. This will include a thorough analysis of trends (both in B2B and in Singapore), competitors, customers and employees, aiming at achieving the following insights:

1		Trends	Which social media platforms are proven to be most effective for B2B businesses in Singapore and what are the main impactful trends?
2		Competitors	What are common social media best practices in the industry and how can Hilti Singapore outperform their competitors?
3		Customers	What is the customer's usage and perceived effectiveness of social media and how can their digital behaviour be used for targeting? Which needs can be fulfilled with social media?
4		Employees	What is the employee's usage and perceived effectiveness of social media and how can the strategy be effectively implemented within the company and its direct sales model?

In a second step, the insights gained from the secondary and primary research will then be integrated in several guiding steps, which will provide recommendations for a tailored social media strategy.

b. Methodology and data collection

Trends

Which social media platforms are proven to be most effective for B2B businesses in Singapore and what are the main impactful trends?

Secondary research has shown that Singaporeans are highly active on social media. An average user spends 2 hours and 20 minutes a day on social media platforms, which are mainly accessed through mobile devices such as smartphones and tablets. The most common activities performed on the Internet and on social media are researching product reviews, sharing user experiences and, eventually, making purchasing decisions. Singapore's most popular social media platforms are Whatsapp (46%), Facebook (43%), Instagram (18%) and LinkedIn (14%), which coincide in part with the top channel platforms for B2B companies (LinkedIn (31%), Twitter (33%) and Facebook (22%)) (We are social, 2016; Dawson, 2015).³ Interestingly, the video sharing platform *YouTube* proves to be another very widespread platform; the average Singaporean spends between 8 and 15 hours monthly watching videos ("Average Internet User in Singapore Spent More than 10 Hours Viewing Online Video in April", 2016). Furthermore, Singapore's social media scene has witnessed the rise of the so-called "influencers". These users, mainly represented by young and tech-savvy individuals, set the trends and deeply influence the evolution of such a fast-changing market.

Looking at B2B companies in Singapore, it has been noted that the B2B space does not seem to be particularly prone to use social media. However, some companies have already started

³ Note: The percentages represent the penetration rates of each platform.

exploiting social media, with good successes; the case in point is Maersk, as previously explained on page 4.

Competitors

What are common social media best practices in the industry and how can Hilti Singapore outperform their competitors?

Hilti Singapore has eight main competitors in their region, which share at least one trade section (such as anchoring or measurement systems): Bosch, Fischer, DeWalt, Makita, Leica Geosystems, Husqvarna, Ramset and Specified Technologies Inc.

The competitor analysis was focused on three main areas: first, understanding whether the firm had a social media presence on B2B effective social media platforms; second, looking at whether the company had a Singapore-focused page; and third, analysing the effectiveness of their social media efforts across the four platforms considered.

Results have show that all competitors are active on social media on a global level, with Facebook, YouTube and LinkedIn being the most popular platforms. The most prominent competitor seems to be Bosch, who has developed a strong following across all of the analysed platforms. Furthermore, Bosch is the only competitor who pioneered the use of local Singaporean accounts for Facebook and LinkedIn successfully. By mainly using visual (e.g. photos and videos) and “emotional” content and quizzes, Bosch was able to effectively engage their customers, having reached 24,859 likes on their Singaporean Facebook account⁴. Looking at YouTube, none of the analysed firms is present at a Singaporean level; nevertheless, they all leverage global pages, through which they promote uniform content. The proven lack of competition in the environment appears to be promising for Hilti to establish a Singaporean presence, as the company would be able to increase their visibility in Singapore and catch the attention of potential customers as well as those of their competitors.

⁴ As of 29.04.2016

Customers

What is the customer's usage and perceived effectiveness of social media and how can their digital behaviour be used for targeting? Which needs can be fulfilled with social media?

The analysis of competitors across various platforms was followed by a survey, which was conducted among Hilti Singapore's customers. The survey thereby aimed at understanding the customer's social media usage (both on a private and professional basis), the content they are interested in as well as their perception on the effectiveness of these platforms.

The survey was administered via email directed to Hilti's customers resulting in 117 respondents after a 2-week waiting period. The majority of respondents were male and between 25 and 35 years old. Moreover, respondents were segmented according to the company's trade and, within each trade, they were asked to identify their hierarchical position and the department. Most of the respondents came from Building & Construction and Engineering and are mainly working in either purchasing, project management or engineering departments. The respondents were mostly in junior positions.

The results identified Facebook, YouTube and LinkedIn as the most used social media platforms among customers. Social media is mostly accessed for private reasons, and occurs "outside of working hours" (i.e. before work, during lunch break or after 19:00). As per the content they expressed interest in, "Technical" (e.g. description of product's technical features), "Functional" (e.g. demonstration of product performance) and "Promotional" (e.g. company advertisement of their products and achievements) topped the list, showing consistency across seniority level, department and job function. Finally, and most importantly, customers seemed to perceive social media as an effective tool both for discovering new B2B products and for making informed purchase decisions; again, this was validated across seniority levels which shows that also

decision-makers (i.e. those in more senior positions in the company) support the effectiveness of these channels.

Employees

What is the employee's usage and perceived effectiveness of social media and how can the strategy be effectively implemented within the company and its direct sales model?

The customer survey has shown promising prospects for using social media as a communication and marketing tool. In order to help determine whether social media can be effectively used within Hilti and its direct sales model, it is important to understand the perception of Hilti Singapore's employees regarding social media. The reasoning behind it was that, if employees used social media in their interactions with customers, they could generate an internal push which would allow for an increase in the reach of Hilti Singapore's social media activity. Furthermore it would ease the implementation time, given that employees are generally familiar with social media. A total of nine account managers were interviewed and questions centred around their relationship with potential and existing clients, their social media usage (both private and professional) and their perception of using social media in a business context.

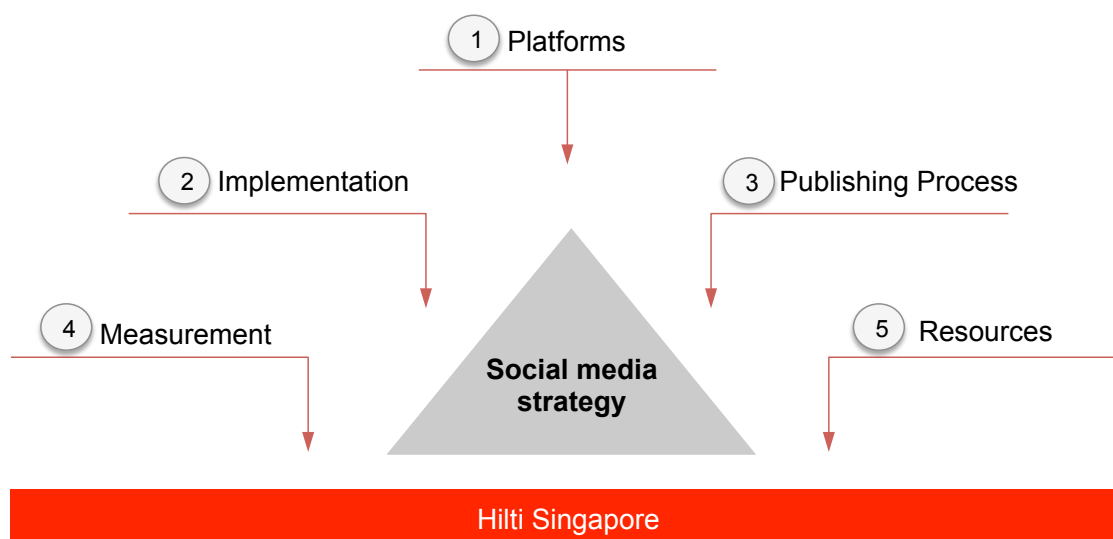
Results showed that their use of social media for business purposes is mainly untapped. Even though the majority of Hilti's sales representative use the global Youtube channel to show product demonstrations to their customers, they do not think that social media plays a significant role within the sales process so far. However, the perception and prospects of taking advantage of social media to engage and inform customers are positive. The employees also noted that a platform is missing on which effective content can be consolidated and accessed by both customers and employees. Effective content was considered to be videos showing product demonstrations and explanations, promotions and marketing activities as well as other technical and functional content, endorsements, testimonials and customer success stories.

e. Recommendations to the company

Primary and secondary research has shown that a social media usage is highly common among many stakeholders and can be worth embarking on. First of all, trends in Singapore have demonstrated a high responsiveness, which can be utilized by B2B companies. Furthermore both employees and customers have a positive perception towards social media. Customers especially use it as an information tool upon which they make purchasing decisions. Moreover, competitors are actively engaged in social media but tailoring efforts to target markets such as Singapore is still limited, which can present a first mover advantage.

The following recommendations propose the most effective processes and tools that Hilti Singapore should apply in order to meet the previously defined objectives (see p. 7). By integrating the insights gained through the performed research, the authors were able to identify five guiding steps, which will help the company in creating, implementing and executing social media (see Exhibit 2).

Exhibit 2: The 5 steps of the social media strategy



Source: Own illustration

1. Platforms

Being the most widely used platforms across all stakeholder groups, we recommend implementing Facebook, YouTube and LinkedIn. The following section will firstly outline the reasoning for choosing those platforms and then explain how they will help reaching Hilti Singapore's objectives.

Facebook

Undeniably, Facebook established itself as a proven tool for increasing customer engagement and brand awareness. For Hilti Singapore it therefore represents the adequate platform for achieving this objective, as it is not only the most widespread social network in Singapore, but also the most popular social media platform among Hilti's customers⁵. Furthermore, employees claimed that a local Facebook page of the company would allow them to more proactively work towards contacting and keeping in touch with clients without involving a private social media account.

Content strategy

Due to the nature of the B2B buyer seller relationship and types of products sold, it is advisable to centre posts and other publications around technical, functional, promotional and "humanizing" content. This reasoning has further been proven by Hilti's employees and customers, which identified those content types as being most effective. Examples of such kind of content for Facebook include:

- **Technical:** Links to Hilti's website (products) and videos/articles (trade-related)
- **Functional:** Videos of Hilti employees performing demonstrations of how to use Hilti's products
- **Promotional:** News related to customer deals & awards, Customer testimonials/Success stories

⁵ 62% of respondents are active on the platform, 22% state that they use it also for business purposes in addition to private usage and 41.9% use it for business content creation (Survey, 2016)

- **Humanizing:** Visual content showing engagement in the community and promoting employees

About 40% of the content can be taken from Hilti's existing social media presence (e.g. trade or industry-related articles) and 60% should be localized content, tailored to the Singaporean market (e.g. customer testimonial, success stories). The weight of global content can increase whenever there is a lack of local content.

To maximize the content views on Facebook, Hilti has to align their posts to Facebook's news feed algorithm EdgeRank (affinity, weight and time decay) and understand main engagement drivers. As it is generally applicable, the competitor analysis in particular has shown that the most engaging content is conveyed through videos and photos, which "call for action" (stimulate comments and reposts). Therefore Hilti should abstain from purely written content and focus on two-way exchanges (feedbacks, ideas, comments etc.). Furthermore, Hilti should consider investing in paid ads, which will catapult content to those who should see it. As the average lifespan of a Facebook post is limited (time decay of 3 hours), posting time and frequency is highly important (Facebook, 2016). Having benchmarked the posting time of Hilti's competitors and prime example Maersk, Hilti is advised to post three times per week- in the morning, before lunch break and after work, which is when Hilti's customers claimed to be active on social media (see survey result).

YouTube

Since YouTube's tremendous global user potential has been proven to be effective in Singapore as well, Hilti Singapore should create and implement a local YouTube channel to build a strong presence in today's digital era. The qualitative interview findings especially showcased the importance of YouTube in the sales process as a helpful support tool to demonstrate product

features. Furthermore, YouTube can be regarded as a “content storing” platform, on which other social media platforms, such as Facebook, can take and repost content from.

Content strategy

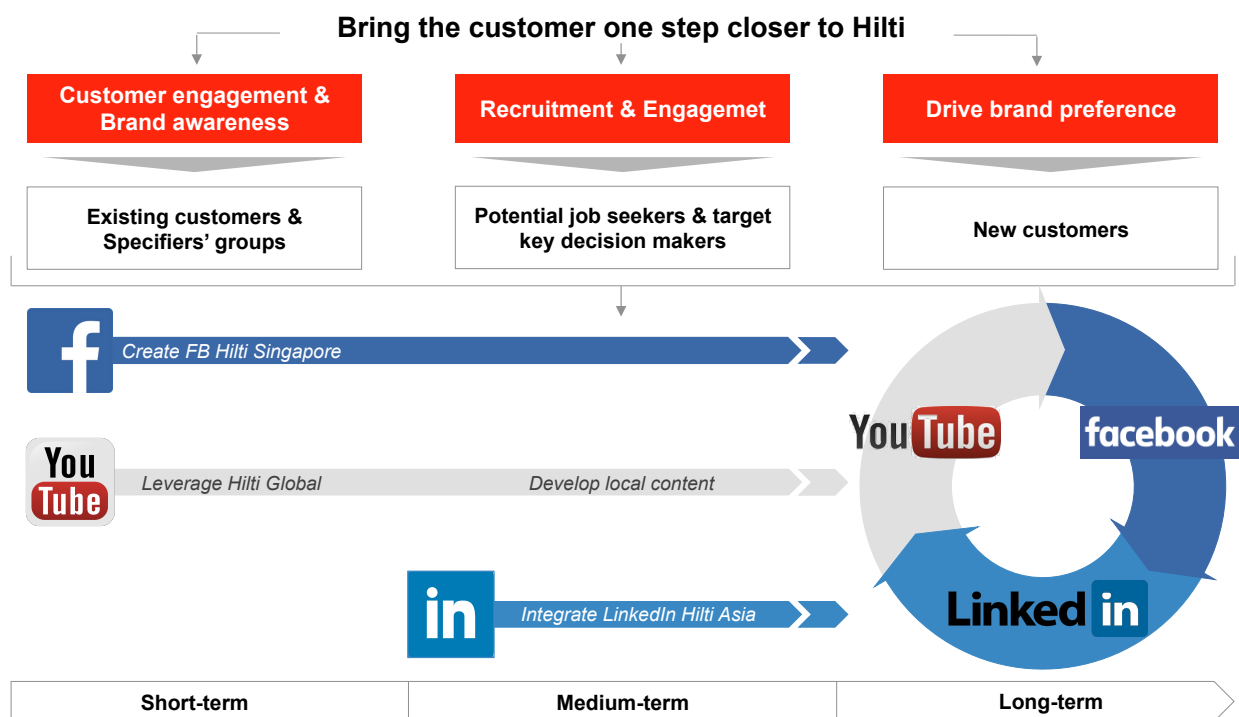
Here again, content should be of technical, functional and promotional nature. It is assumed that videos, which demonstrate and explain product characteristics or show specific functionalities (e.g. application and maintenance of machinery or software), will attract wide attention. However, such kind of videos will only prove to be effective if the delivered content is able to inspire the viewer with relatable stories and emotions. This reasoning follows the fact that videos should be localized to directly address Singaporeans in terms of cultural proximity. However, to avoid intensive resource spending in the initial implementation phase, Hilti Singapore can leverage the global Hilti YouTube channel to use existing videos relevant for their local channel, which will be later on complemented with localized content, once a bigger audience has been acquired.

LinkedIn

LinkedIn seems to have great potential within Hilti Singapore’s social media strategy. Similar to Facebook, it shows promising growth rates in Singapore and it is already widely used among existing customers. It especially established itself as an efficient recruitment platform, which will target Hilti’s objective of optimizing candidate recruitment and employer branding. Besides posting job descriptions and sharing employee success stories, LinkedIn can be used to create industry wide thought leadership. Therefore, Hilti Singapore is advised to release news related to their trades and innovations, which should ideally trigger discussion or feedback among industry specifier groups. Furthermore, LinkedIn offers the possibility to directly target key industry decision makers with push messages. By reaching out to decision makers in the industry, Hilti

can actively establish a market-leading brand and indirectly advertise their products. To utilize LinkedIn, Hilti does not necessarily need to create an own channel but leverage the existing LinkedIn page of Hilti Asia to which the company has accessed to. This will enable them to actively post to the more than 20'000 engaged followers, a long with Hilti China, Hilti India, Hilti Hong Kong and so on.

Exhibit 3: Recommended social media platforms for Hilti Singapore



Source: Own illustration

In conclusion it can be said that Hilti Singapore can achieve their first objective of increasing customer engagement and brand awareness by implementing a local Facebook page along with a local YouTube channel. The latter should focus on showing and reposting global content to avoid intensive resource spending. In the medium term, Hilti is advised to actively engage on the LinkedIn Hilti Asia page to increase attractiveness towards potential employees and to create

thought leadership. After a bigger audience has been developed, Hilti should then start to produce local video content to be uploaded on the Youtube channel. In the long run, all three platforms will closely work together to ultimately drive brand preference for Hilti Singapore's products and services (see Exhibit 3).

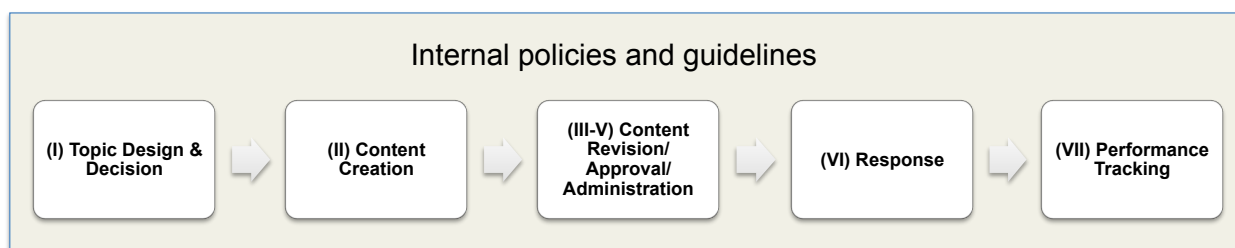
2. Implementation

With regards to the actual launch of the various platforms, suggestions were provided as to effectively guide the internal push and, externally, effectively reach the target audiences. Hilti is advised to launch the new platforms first internally, before making them publicly available. The first sequence aims at establishing internal commitment and creating a widespread internal follower base, thus maximizing the strength of Hilti's employees personal network. Employees have to get informed about the benefits of embarking on social media and be incentivized accordingly to share posts, like pages and promote platforms in their network. Hilti Singapore is advised to send out internal newsletter or organize events or workshops dedicated to educate about social media. The goal is to create a strong internal base, which will nurture Hilti's social media presence on an on-going basis. To leverage on the employee's existing customer network, Hilti Singapore should consider adding social media icons in the employee's email signature in order to direct customers to the according platforms as soon as they are launched externally. Additionally, Hilti's existing social media channels across the world (e.g. Hilti North America, Hilti Global etc.) can be encouraged to inform about the launch of Hilti Singapore on their newsfeeds. Furthermore, paid ads (e.g. Google Adwords, Facebook Ads) can be used to boost the networks' visibility.

3. Publishing process

A successful social media strategy requires a meticulously and consistently designed publishing process with clearly defined responsibilities. Before activating a social media presence, it is crucial to provide internal policies and guidelines regarding the management of social media in order to protect the Hilti brand and its employees. Those have to be in accordance with Singaporean law and clearly define rules for its usage (e.g. employees should neither represent Hilti's views nor disclose private or sensitive information). Employees should always seek approval before posting information regarding the company.

Exhibit 4: Publishing process



Source: Own illustration

Taking into account Hilti Singapore's distinct organizational structure, we advise to implement the following workflow structure (see Exhibit 4).

At each beginning of the month, the head of social media marketing (stemming from Hilti's marketing team) will define the topic, design and schedule of the social media activity. Together with the support of senior managers and a social media manager, the overall strategy and direction will be discussed, which aims at reaching the predefined monthly objectives. This step follows the creation of the content, which will be sourced and provided internally from Hilti

employees, both on a voluntary and mandatory basis.⁶ In a next step, content will be revised and administered to get ready for upload. Furthermore, content needs to be approved by the relevant department, such as the head of social media marketing and be in accordance with the previously defined guidelines. After having published the content, the most time-consuming stage will follow: The social media manager has to actively engage with the followers by responding or reacting to posts and by replying to messages. In a last step, social media efforts have to be closely tracked with regard to target achievement. The results will then serve as the input for the management meeting at the beginning of the next month.

4. Measurement

Considerable attention has to be given to the last step of the publishing process: performance measurement. As a social media strategy requires both time and monetary investments, pressure is put on performance and effectiveness, as the company needs to show a satisfying return on investment. It is therefore necessary to design a system, which would allow keeping track of the achievement of Hilti's predefined objectives but also with respect to competitors and industry benchmarks. We advise Hilti to implement a performance measurement system, consisting of social media listening, social media metrics tracking and aggregation.

Social media listening includes activities aimed at assessing what is being said about the company, their products or brand on social media platforms and forums. By screening through conversations, comments, and posts, Hilti can analyse the sentiment and react accordingly (e.g. respond to negative sentiments or reward positive feedback). In order for social media listening to be effective, it is critical to monitor the selected pages on a daily basis. Sentiments can spread

⁶ Recommendation → **Facebook:** Engineers and Trade/Product Marketing; Account Managers; Human Resources. **LinkedIn:** Human Resources; Digital Marketing. **YouTube:** Engineers and Trade/Product Marketing; Account Managers

like wildfire throughout the Internet and it is therefore imperative for Hilti Singapore to be responsive to any kind of reaction. Furthermore, social media listening can help identify current trends and discussion points, which can be revived and integrated in postings.

Social media metrics tracking concerns the measure of performance indicators (KPIs). The following table provides an overview of possible KPIs for each platform and business objective to be tracked.

Exhibit 5: KPIs per objective

Reach	Customer engagement	Recruitment	Brand awareness	Sales increase
<ul style="list-style-type: none"> • Audience growth rate • Follower/following ratio • Traffic sources <ul style="list-style-type: none"> - Organic search - Paid search - Referral - Social - Newsletter - Direct traffic 	<ul style="list-style-type: none"> • Nr. comments per post • Nr. likes per post • Nr. shares per post • Visits <ul style="list-style-type: none"> - New users - Returning users • Average session duration • Bounce rate • Response time 	<ul style="list-style-type: none"> • Followers trend • Page views <ul style="list-style-type: none"> - Total - Career page • Career page clicks • Visitor demographics <ul style="list-style-type: none"> - Seniority - Industry - Function - Company Size • Sourcing channel <ul style="list-style-type: none"> - Nr. applications - Nr. qualified profiles 	<ul style="list-style-type: none"> • Sentiment <ul style="list-style-type: none"> - Comments - Shares - Keywords • Product reviews 	<ul style="list-style-type: none"> • Conversion rate <ul style="list-style-type: none"> - Conversion rate per channel • Profit per conversion <ul style="list-style-type: none"> - Revenue per conversion - Cost per conversion
Short-term		Medium-term		Long-term

Source: own illustration

KPIs will, amongst others, identify which type of content is most appealing to followers (e.g. comments/likes/shares per post), which target segment is the most engaged (e.g. split between new vs. returning user, average duration per session), whether the platform is effective (e.g. number of application via LinkedIn) and track sales increase (e.g. conversion rate and the conversion split per channel assess the contribution of social media to the sales' level).

After having performed the listening and calculated the aforementioned KPIs, result can be aggregated to get a comprehensive performance overview such as the Klout Score⁷.

5. Resources

Labor: A good starting point for cost calculations is to define the total amount of time needed for the aggregated social media efforts. By referring to each step of the publishing process (as explained in p. 20), the authors were able to conclude that a total of 113 hours per month will need to be allocated to social media efforts, with 97 hours to be assigned to the social media manager⁸. The calculated amount of hours would equal to approximately half of the work of a full-time employee, therefore Hilti Singapore should decide whether to hire an additional headcount or redistribute the amount of hours within the marketing department. Depending on the existing internal knowledge of social media and its processes, formal training and education such as workshops are recommended to establish a professional social media usage. External training will therefore add to the cost of labor as well.

Social media tools: Another important resource factor to consider are the costs of social media tools (see Exhibit 6).

Exhibit 6: Social media tools

Integrated Social Media Tools: Listening/Engagement/Publishing/Analysis	
Salesforce Marketing Cloud - Social Studio	starting at \$1000/month, no free trial
Microsoft Social Engagement	starting at \$50/user*, free 30-day trial
Hootsuite Enterprise	basic features are free
Sysomos	free demo, no price indications
Adobe Social	free demo, no price indications

Source: own illustration

⁷ The Klout Score calculation is based on an algorithm considering several factors, among which the number of followers, the posting activity, the influence and reach of the network and the level of engagement with followers. As a consequence, the software also provides suggestions on how to increase the Klout Score and, hence, the influence level (Klout, n.d.).

⁸ Note: Please refer to the Business Project for the exact Excel calculations.

Social media listening tools can be obtained free of charge (Hootsuite) or for little investments of \$50 per user (Social Studio). Hilti is advised to use cost efficient features first and then, depending on the internal implementation, ease of use and community development, should upgrade the chosen tool to benefit from an integrated solution. As soon as a critical mass is achieved, it is crucial to have a good system in place to manage engagement efficiently and to track performance. Therefore it is recommended to invest in one of the above-mentioned social media management tools in the long term, which will significantly enhance the monthly cost burden.

Advertising: The most efficient advertisements are paid ads (Google Adwords or Facebook Ads), which help spreading the platform across the social media universe. Depending on the peculiarities of each platform and definition of the target group, budget allocation varies. Hilti can decide how much they want to allocate to paid ads and depending on the success of content distribution, Hilti can scale back, keep or increase the initial investment.

d. Limitations and concerns

A social media strategy can offer various advantages and opportunities for Hilti Singapore, yet implies several risks, too. Most risks result from organizational weaknesses and “vulnerabilities exposed through data misuse and data sharing” (Culp et al., 2014). Social media platforms can be prone to internal or external misuse. The former could include employees who disclose sensitive or private information; the latter could be caused by hacker attacks, spies or scams. It is therefore important to assess risks constantly, monitor data security and storage and implement clear responsibilities and guidelines. Social media risk management must be a top priority and enforced by the senior management. Another major concern, Hilti Singapore might face, is the risk of reputational damage and resulting loss of trust and revenues. Negative exposure through

inappropriate comments or complaints has to be responded to in a professional manner, which requires the creation of a contingency plan.

Other shortcomings of the strategy can arise from failing to launch social media internally. Without the combined support and strength of Hilti's employees and their networks, the platforms are at risk of being underdeveloped in terms of initial follower base and high quality content. Employees are encouraged to support social media efforts, however they should not excessively access it during working hours in order to reduce the risk of misuse and to prevent productivity loss.

e. Individual contribution

The business project was divided into three main parts: Secondary research (analysis of the social media environment in Singapore and in B2B), primary research (competitor analysis, customer survey, and interviews with employees), and recommendations (specific guidelines as to implement and execute social media). Each of the three parts was divided equally among the four team members, which enabled us to jointly advance in the project. More specifically, I provided the B2B analysis in the first part, performed the qualitative interview analysis and compiled the recommendation for the social media channel YouTube, the measurement section and the resources calculations. However, many parts, such as the creation of the customer survey, performing interviews and discussing implementation recommendations for each social media platform were developed together. We presented each part to e-commerce manager at the Hilti office in Singapore and were able to collect valuable feedback, which guided us towards the next steps.

3. Academic discussion

a. Links within the field of management

Social media is no longer a hyped phenomena and emerging trend for businesses being worth to look at. It has arrived at the centre of customer's lives and transformed the way, information is accessed, exchanged and discussed. Companies are no more the sole creators and storytellers of their brands as the power of user-generated content has shifted the control of brand communication to the customers themselves. Brand stories are now told and shaped by a multitude of stakeholders, who are conveying their opinion on social media (Neudecker et al., 2015).

The opportunities arising from using social media as a business tool are known, however, it seems that many companies, and B2B businesses especially, are reluctant to create a social media presence⁹ (Swani et al., 2014). Sharing the control of the own brand name can be perceived as a threat, yet being absent on social media might push the business to the background. Therefore, marketers need to understand the underlying paradigm shift, which social media is forcing upon marketing and more specifically, comprehend how social media redefines brand management (Neudecker et al., 2015).

As driving brand preference was the main objective of the developed social media strategy, Hilti Singapore's managers will inevitably deal with this paradigm shift. The business project challenge therefore relates to the field of marketing in general and brand management in

⁹ Similarly, 37% of marketers claim that they do not know enough about social media sites to know where to begin (Swani et al., 2014).

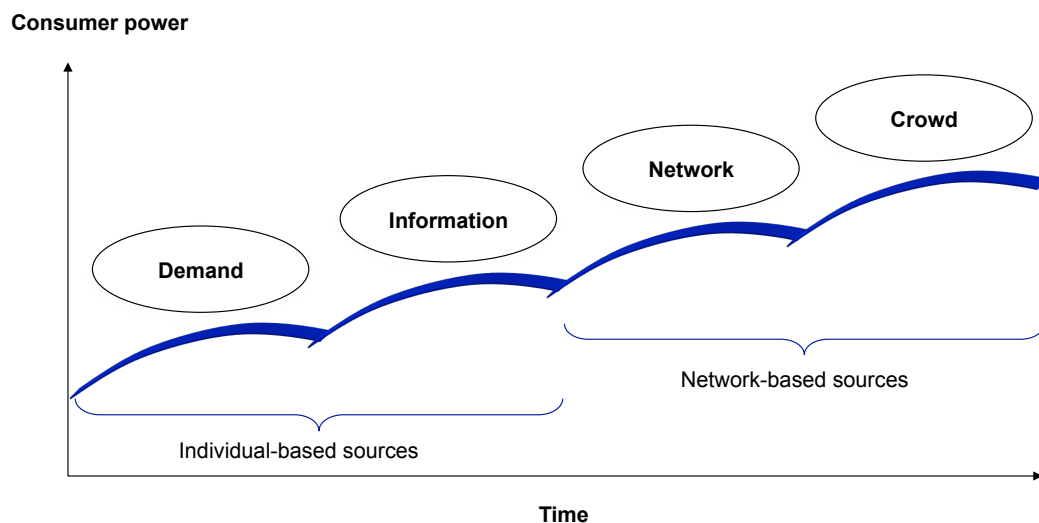
particular, but finds its origin in the fundamental changes our society is experiencing in the modern information age.

b. Relevant theories and empirical studies

Social media and the paradigm shift in marketing

The consumer-firm relationship has changed significantly with the emergence of the digital environment. Research suggests that user-generated content and the all embracing interconnectivity on social media platforms has led to an empowerment in which consumers gain the “asymmetric ability to control people or valued resources in online social relations” (Labrecque et al., 2013, p. 258). The control thereby can be understood as the influence, social media participants can exert upon others given a certain reach, relevance and integration in the social network. Labrecque et al. (2013) identified four sources of consumer power, which are highly influenced by the emergence of new communication technologies (see Exhibit 7).

Exhibit 7: Consumer power and empowerment



Source: Labrecque et al. 2013

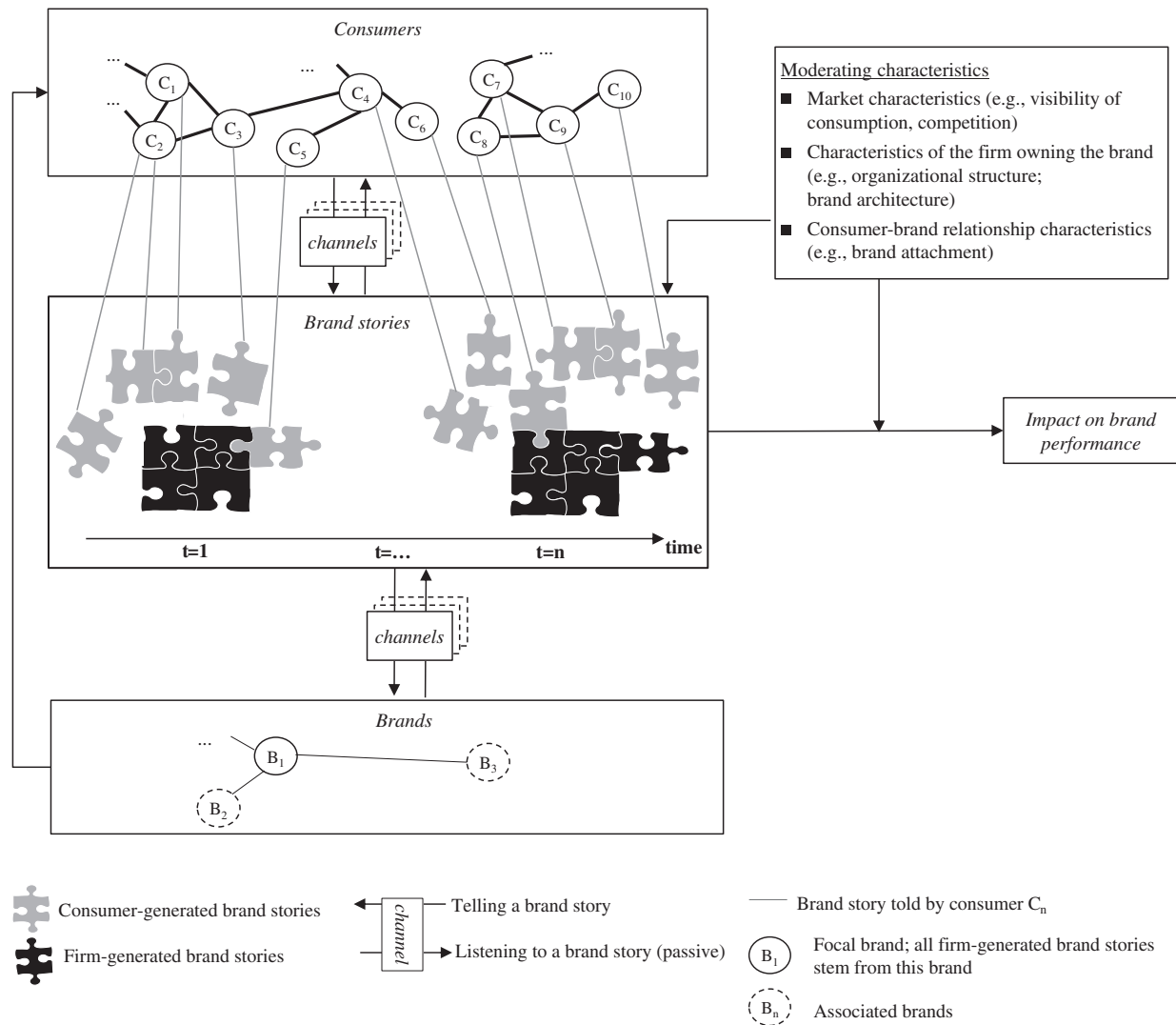
The first two power sources can be ascribed to the individual consumer and represent demand- and information based power. **Demand** is empowered through technological advancements such as search engines, forums and social media platforms, which increase access and supply of products and services. E-commerce, specifically, has led to the removal of time and geographical barriers, therefore nurturing and increasing demand. **Information** based power is gained with the ease of accessing information about products and services on the Internet and on social media in particular. Consumers are better educated about products and will make informed purchasing decisions on a more transparent market. The ability of generating content themselves will further empower the consumers, as they will find a way to express their opinion in public.

The last two power sources are stemming from the power of combined individuals - the networks. The **network** of a consumer itself empowers the individual by assimilating both the power of information and self-expression. Networks, such as social media platforms, can boost the visibility, attention – and later the influence - of a single person, by facilitating the “distribution and enhancement of digital content” (Labrecque et al., 2013, p. 259). And finally, **crowd** based power represents the ultimate power of consumers, which has the ability to “pool, mobilize, and structure resources”. It combines and amplifies all three power bases (demand, information, and network), and leads to new powerful marketplaces, such as crowd-creation (e.g. Wikipedia), crowd-funding (e.g. Kickstarter) or crowd-sourcing (..).

The observed shift of power has given consumers a voice, which will inevitable impact a company’s image. It is argued that social media enables consumers to create and spread their own brand stories, which are beyond the control of the affected company. In order to cope with the profound changes in the brand landscape, managers need to understand in detail how social media influences their brand. Referring to the framework (see Exhibit 8), introduced by Gensler

et. al. (2013), consumers are identified as “co-creators” of brand stories such that both company and consumer generated brand stories complement each other like puzzle pieces.

Exhibit 8: The influence of social media on brand management



Source: Gensler et al. 2013

The consumer-generated story (illustrated as the grey puzzle piece) can thereby either fit to the brand construct of the company (the grey puzzle piece sticks to the black puzzle pieces representing the company’s brand story) or add new meaning to the brand by “floating freely”

without connecting to the actual brand message. The company told stories are likely to be consistent over time, whereas consumer stories are more dynamic and often change over a certain timeframe (black puzzle pieces stay the same, whereas the grey puzzle pieces are rearranging). Companies can take consumer stories and integrate them to the ascribed meaning of their brand (grey puzzle piece in $t=1$ turning black in $t=n$), therefore creating engagement and inclusion of customer's opinions in to their brand. Therefore companies have to either actively request stories from customers or respond to them (illustrated by the arrow connecting brands with customers). The strength of the influence of social media on the brand is said to be defined by certain "moderating characteristics": Brands, which are highly visible on the market, will generate a bigger "buzz" in social media. This is also the case for brands, which are highly differentiated from competitors (e.g. RedBull or MINI) or managed to catapult themselves to the consumer's top of mind (e.g. Apple, Coca Cola).

c. Implications for theory and future research

Social media is truly causing a paradigm shift in marketing in which new customer-firm relationships are emerging. When implementing social media, companies such as Hilti Singapore need to acknowledge this paradigm shift, which will have the following implications:

- *Consumers are becoming increasingly powerful and need to be regarded as co-authors of the company's brand strategy*
- *Consumers are part of interconnected networks with a fast-paced dynamic on its own*
- *Companies have to steer and stimulate those dynamics by actively intervening, engaging and responding to consumer created brand stories*

The outcomes of the academic research show how important a social media presence can be for

Hilti Singapore. To mitigate the risks that can come with it (e.g. loss of control over brand stories), they have to become a responsive participant in social media, who creates a valuable brand together with its customers.

However, it is questionable if the general frameworks can be applied to all kinds of companies. As has been pointed out earlier, research on social media for B2B companies is still in its infancy. Additional research should therefore elaborate on the effectiveness of social media in the B2B sector as well as consider the influence of different industry types (such as the construction industry) on social media communication. Questions could, amongst others, focus on what kind of brands are most affected by consumer generated stories (*How strong is the social media influence on Hilti Singapore's brand?*), what type of engagement can be effective in requesting consumer generated stories (*How shall Hilti Singapore engage with consumers to complement and enhance their brand story?*), and how to prevent brand damaging stories (*How can Hilti Singapore avoid brand dilution?*).

4. Personal reflection

a. Personal experience

Thanks to the business project, I was able to gain a lot of new insights. First of all, I acquired a good understanding of how social media works as a business tool and what wide reaching impact it can have. Furthermore I improved my analytical skills and got insight into the consultancy work. Moreover, I improved my overall presentation skills and was able to convince listeners of my reasoning.

As a **key strength** of the business project, I consider the close collaboration with Hilti Singapore and the company's motivation to support us during the process. We felt from "day one" that this project was really important for Hilti Singapore and it was clear that the company was eager to implement such a strategy soon. Knowing that we are going to present our results to the head of Southeast Asia at Hilti, boosted our engagement even further. In total we met seven times with Hilti (excluding the interview meetings which we conducted for our primary research), which showcases a strong cooperation. We constantly received feedback and were therefore able to produce a strategy, which was feasible and likely to be implemented in the future. Furthermore, we were able to hold meetings beyond Hilti Singapore's boundaries: We talked to the marketing department at Hilti Australia as well as received valuable insights from a social media professional at Emerson. We truly got an "all-round" perspective of both Hilti's industry and the social media business. The **key weakness** of the project stems from its scope. Developing an integrated social media strategy requires a thorough understanding and analysis of a multitude of stakeholders, the internal structure, resource planning and the environment. In my opinion, it is barely possible to propose a detailed "all round" strategy within only three months. The task

lacked a specific focus and demanded the inclusion of all aspects for the implementation and execution of the strategy. The limited amount of time forced us to “scratch the surface” of many aspects without going into detail. If Hilti Singapore had a specific concern or challenge within the sphere of social media (e.g. *Which social media platforms to leverage and why?*) we would have been able to provide a more detailed analysis and recommendation. The scope of the project is also reflected in the business project report – with more than 100 pages we had no choice than going beyond the extent of the requirements. This in turn, let to the challenge of summarizing the most important facts for the work project, which forced a selection of information.

b. Benefit of hindsight

During the course of the project, I learned that one of the most important features of a successful teamwork is balance, comfort and trust. With team members stemming from different cultural backgrounds, differences in work style, communication, and time management persist. One has to become aware of those differences but should focus on creating harmony within a team, in which everybody is encouraged to speak up. The most valuable part of our teamwork were our frequent brainstorming sessions. Those were necessary to clarify misunderstandings, collect ideas and discuss next steps. I personally learned that one should not be afraid of demonstrating own reasoning but should also be receptive to new ideas. I realized that I had trouble speaking up when I was at the Hilti office, which showed me that I have to work on my self-confidence when conveying my thinking towards those that are on a higher hierarchy level.

If I started the project again, I would firstly set clear objectives as to what the team wants to reach before turning to the research immediately. This business project was by all means challenging, but I believe that “Team Hilti” tackled the tasks in a professional way and I am very glad that I was part of it.

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