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Ride the Tide of the Groundswell

Ways to Turn Social Technologies Into Success Stories

Review by Andrew B. Clancy

GROUNDSWELL

by Charlene Li and Josh Bernoff

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286 pages, \$29.95

“Water, water everywhere, nor any drop to drink,” writes Samuel Taylor Coleridge in his epic poem “The Rime of the Ancient Mariner.” It is a line that is all too applicable to hundreds of companies thirsting desperately to capture consumer interest. These organizations, much like Coleridge’s cursed sea captain, sit idly in an ocean — in this case the Internet — and are unable to bring a breath to their sails (or sales, as the case may be). This is despite the constant current from their customers that surrounds them in the form of blogs, postings on social networking sites and customer reviews.

There is no longer a need for businesses to wonder if their customers are out in the abyss paying attention. Instead, authors Charlene Li and Josh Bernoff want businesses to scan the seemingly endless online seascape, identify the most critical people and relate to them in their preferred method of communication. Their new book *Groundswell: Winning in a World Transformed by Social Technologies* intends to provide some much needed navigational tools to the frightening number of corporate ships currently lost in the e-commerce sea.

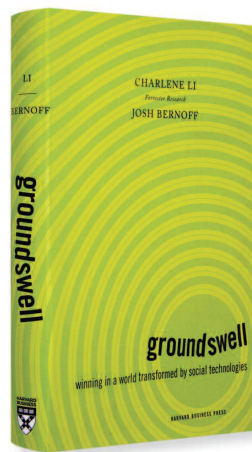
As vice presidents and principal analysts at technology and market research giant Forrester Research, Li and Bernoff have spent the past several years immersed in

research surrounding the ever-evolving consumer use of technology. *Groundswell* is as much a product of this research as it is an attempt to answer the hundreds of questions the pair have received since their organization published a report titled “Social Computing” in 2006.

In that report, and in subsequent studies, they observed that consumers were no longer relying solely on companies for information and interaction concerning various products. Buyers took it upon themselves to link up with other buyers, bypassing the manufacturer entirely, and gleefully in many cases. The decentralization of the traditional buyer/seller silo would be cause enough for concern, but as *Groundswell* indicates, the methods consumers used presented their own set of focal points.

It can be a dizzying prospect for any marketing professional or IT executive. The volume of feedback provided by customers is multiplied by the variety of formats in which that feedback can be provided.

Groundswell makes no secret of the fact that many business leaders are not well-informed about the vast array of technologies that constitute what Li and Bernoff refer to as Web 2.0. Just when a company feels comfortable with the appreciative reviews posted by a consumer on a personal blog, along comes another customer seeking to provide tech support services to the masses via an interactive message board. Less than a week later, someone who knows nothing about the company’s manufacturing integrity puts a post on YouTube that accuses the company of using sweatshop labor. No matter which direction the company and its executives turn, someone has something to say about them. Can they capitalize on the positive while short-circuiting the negative?



Li and Bernoff offer a dose of reality chased with a bit of comfort. They are clear in their message that businesses cannot afford to ignore the groundswell that surges from Web 2.0, but it would be impossible to commit to the mastery of all forms of social technology. Fighting the fight on all fronts will only deplete a company's financial resources and exhaust its employees. *Groundswell* helps businesses pinpoint their focus by dividing the mission into three parts: understanding social technology, interacting with these technologies and handling the impact of Web 2.0 on one's own organization. As the authors point out, running blindly into the world of consumer-driven content is the equivalent of trying to explore a vast wilderness with no map. Succeeding in this marketplace requires a company to double and redouble its focus.

Cracking the Code

While the Internet has been a blessing to any number of businesses, there are certain mass-appeal industries that have occasionally trembled in the face of the Web's might. The entertainment industry in particular has suffered during a series of showdowns with the online community, and *Groundswell* offers a particularly intriguing tale at the outset of the book to illustrate the impact of social technologies. A single post on a solitary blog was

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picked up by a Web site that uses a reader-driven rating system to prioritize news items. Within the span of a single day, the post had made its way onto more than 3,000 Web sites. This may seem like an incidental occurrence until the authors reveal that the post contained the processing key that allowed people to illegally copy HD-DVDs. The technology had barely been on the market and someone had already devised a way to steal it.

The film industry made attempts to bottle the piracy genie that had been unleashed, but this only led to the code being spread farther and with increased enthusiasm. As Li and Bernoff note, the online world had completely overpowered the real world. Continuing on with additional examples, it becomes rapidly apparent that the exponential growth and near-instant connections between people are at the heart of the groundswell, and the ramifications for businesses are not always positive.

Groundswell forces executives to accept that the size and market dominance of their companies do not excuse them from becoming part of the Web 2.0 movement. Instead, the authors point out the skill most needed to handle social technologies is equivalent to jujitsu, the martial art where an opponent's energy is redirected to your advantage. If consumers have discovered methods to remove corporations from their interactions, it is the company's job to reinsert and reintroduce itself, creating the same relationships the customer has with other customers.

The book's first section (“Understanding the Groundswell”) is an absolute must-read for executives attempting to understand technologies that probably dominate the daily existence of their children (or grandchildren). Li and Bernoff are methodical in walking readers through each type of Web 2.0 technology, how it works and how businesses can make use of it. It's a primer with a punch, as the authors feature statistics for the percentage of online consumers in each of six major countries that use the technology. While there's no guarantee that it will lead an executive to set up his or her own MySpace or Facebook profile, readers need to become comfortable with a basic understanding of the social technologies at their companies' disposal.

One of the most useful concepts introduced by the authors is the social technographics profile. This method of grouping your customers according to their groundswell activities and ways of participation lies at the core of Li and Bernoff's research. Readers have the benefit of the pair's years of effort and can now put consumers into one (or several) of six groups. The characteristics of each group are indicators of trends in online behavior and are a marketer's dream. As mentioned earlier, *Groundswell* places the criteria for an organization's success on its ability to focus its marketing strategy down to the right message delivered to the right consumers in their preferred method of communication. The social technographics profile is integral to this effort.

The authors cite a director at a media company who nearly made a critical error when developing content for its Web site. Prior to understanding the groundswell, the director fell prey to the idea with the highest amount of buzz around it at the time: blogging. Despite the director's client base being driven, successful, college-educated mothers with a middle-class household income, she felt they would somehow have time to write their own blogs. Fortunately, Li and Bernoff's organization stepped in and provided some valuable data about the social technographics profile of the “Alpha Moms,” as the client group is known. The fact that the company completely reversed its plan for the Web site should indicate just how critical it is to understand consumers' preferred online interaction methods.

Learn to Listen Before You Speak

If there is one crime of which many organizations are guilty, it is not *truly* listening to their customers. Li and Bernoff give a measure of forgiveness to yesterday's organizations because the main method of gathering information was previously limited to rudimentary market research. However, *Groundswell* provides readers with a picture of the variety of ways in which businesses can now listen to their customers loud and clear. These efforts are helped to a large extent by the customers themselves, who are now, more than at any previous point, willing to freely offer their opinions. As the authors note, tapping the groundswell for customer feedback often provides answers to questions an organization never thought to ask.

The good news for executives is that there are plenty of people willing to share. It's the method of navigating the outpouring of comments that becomes the challenge. Even the most dedicated analyst can be overwhelmed by the volume of information, and *Groundswell* rightfully states that marketers must be careful not to assume that those who choose to comment are representative of the entire audience. This is why the authors recommend working with a vendor that is dedicated to monitoring the stream of Internet traffic surrounding a company. While some may view this as smacking of self-promotion, Li and Bernoff do mention other research firms besides Forrester Research. It is a credit to the authors that they maintain a razor-sharp academic edge and allow their work to be the promotional vehicle for their company.

Listening is only one half of the act of engaging the groundswell, and it is rendered useless without an equal amount of effort devoted to talking. The two follow a very natural order, and a company needs to have a confident team with competence in the former before it can approach the latter. The authors write that companies should not waste the effort they've put into gathering information via Web 2.0 by using traditional media to contact consumers. This is a key point for readers to grasp. The consumers who answered a company through online methods are expecting a response through the same channel.

Fortunately, it is at this juncture in *Groundswell* that the authors provide some of the most interesting case studies featured in the book. Li and Bernoff wisely integrate the names readers know, such as Procter & Gamble Co., with stories from other organizations, including the National Comprehensive Cancer Network. The Procter & Gamble case study, in particular, provides an example of the way in which listening translates to talking and talking translates to results. The consumer goods juggernaut discovered a way to reach a previously difficult section of its buying population through building an online community.

It's a story that must be read to be truly appreciated, and it is important to note that a business does not need P&G's multibillion-dollar advertising budget to follow a similar path.

Let the Swell Speak for You and to You

There is little doubt of the immense effort required for a company to learn about the groundswell, much less take the time to research its audience, create a strategy and enter the stream of social technologies. However, the reward for doing so can lead to marketing opportunities an executive may have previously thought impossible. A closer look reveals that the company that took its time in finding the right audience and communicating to them in the right way has made a powerful impression. The organization finds that the consumers that previously wanted to talk to the company now want to talk *about* it. This is a process that Li and Bernoff refer to as "energizing," and it can deliver word-of-mouth promotion with incredible return on investment.

Readers should know that energizing your consumers partly depends on whether or not they fit the social technographics profile required to do so. Word-of-mouth marketing needs an amount of give-and-take between corporation and consumer. Many customers are latent marketers, the authors state; they just require the right motivation to tap their potential. Fortunately, once a motivated customer begins spreading the benefits of a product or service, he or she is providing the company with a source of promotion that is far more credible than conventional advertising.

Once the online community rallies around a company and its brand, it becomes the responsibility of the organization to partner with consumers to keep the channel alive and kicking. The authors make no secret of the fact that this requires a level of dedication. Sites need new content, close monitoring and, most importantly, frequent communication from the company as continued proof that it is listening to its audience. The level of creativity to which a company is willing to extend itself can produce interesting results. The case study of Del Monte Foods proves to be particularly insightful about demonstrating the cycle of listening, talking and responding to consumers.

The open channel that results from creating a community around one's customers can even fuel a company's approach to its own products. *Groundswell* gives examples of organizations that made modifications to existing products based on suggestions gathered from the online community, the aforementioned Del Monte being one such company. Li and Bernoff make the point that executives need to remember that the advice provided by customers is simply that: advice. The purpose of accepting feedback from one's

clients is to spur on the process of innovation and provide the raw materials that the company's talented employees mold into the next big success. It shows a depth of understanding that the authors want to bring producer and consumer closer together while not neglecting the individuals who do the legwork for everything in between.

Catching Workers in the Groundswell

Li and Bernoff use the discussion of employees to segue nicely into the final third of *Groundswell*. Executives who look to tap the power of consumer feedback and creativity may find the tide returning to flood them. It may seem obvious to some readers, but the people behind the scenes of a company's foray into social technologies are generally participants in the groundswell outside the workplace as well. With a little bit of urging, the same creative types can help create an internal groundswell within a company.

One of the keys to the groundswell culture is that it requires an organic method of growth. Li and Bernoff cite an example of a company that tried for eight months to launch a blog to no avail. The problem was the result of trying to force the idea from a top-down perspective. Executives who lacked a sophisticated knowledge of Web 2.0 were not about to sign off on an idea that seemed to arrive from out of left field. The authors write that the marketing team's saving grace was its enthusiasm for the blog project. The group simply needed to partner with someone in the organization who shared their enthusiasm and degree of knowledge about social technologies. The marketing team found its match in the company's founder, who, as Li and Bernoff write, "was removed from day-to-day operations and had the time and bandwidth to devote to a blog." It was a perfect match, and in less than two months, the company's blog was online.

Just as with the social technographics profile method, creating and supporting an internal groundswell requires companies to tap the right individuals to find the right method for reaching employees. Internal groundswell may

appear outwardly to be the exclusive domain of companies that are large enough to merit a private information resource in the Wikipedia vein. However, one of Li and Bernoff's most important recommendations is for firms to start small. Internal organization of a groundswell takes as much care and strategic planning as it does to create an effort directed at consumers. This tip appears as part of a list of five steps to effectively generate groundswell within an organization, and it is an essential set of insights for any executive looking to put many of *Groundswell's* philosophies into practice. It may lead some readers to feel that the order of the chapters should have started with organizational change, then moved on to reaching customers.

Li and Bernoff point out time and again in *Groundswell* that companies cannot afford to ignore the technologies that are transforming the Web on a daily basis. Strangely, the root of many corporations' hesitance at embracing new technologies is a fear of not being able to control the content. What these firms fail to realize is that by not making their presence felt, they have essentially given complete control to consumers, and in many cases, customers with a bad attitude are the ones most willing to share. The authors do a fantastic job of reinforcing this point, and their insightful suggestions should help to change the mindset of executives who overly rely on traditional marketing methods. If nothing else, readers should not be afraid to set sail into the oncoming groundswell and with precision and planning, return like the mariner to tell their tale. ●

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