

Lundquist Research Series – Corporate Twitter 2010

Not yet tweeting in Italy

New research finds that the vast majority of Italian companies don't use Twitter. Only eight of the 40 members of the FTSE Mib have an active account and only Monte Paschi, Enel and Fiat use the microblogging site for corporate communications. Mondadori¹ has the most followers. Italian companies need to explore the possibilities offered by Twitter before they fall even further behind their counterparts in the US where 25 of the 40 largest companies use Twitter.

Milan, 7 June 2010 – Italian companies have not yet discovered the power of Twitter with only eight of the country's 40 largest companies using the social media site, according to new research released today by consultancy Lundquist.

Fiat Group, Banca Monte dei Paschi di Siena and Enel are the only companies in the FTSE Mib using Twitter for corporate news. Fiat and Monte Paschi use Twitter for media relations announcements while Enel tweets on CSR issues. **Mondadori's** more than 12,000 followers make it the most followed Italian company.

Campari, Bulgari, Lottomatica and Mondadori use Twitter exclusively as a marketing tool. **UniCredit** tweets about its involvement in art and other cultural activities. There are also four inactive Italian corporate Twitter accounts (**Eni, Tenaris, Mediaset** and **Impregilo**). Accounts are considered active if they have at least one tweet in the past month (this research looked at April 2010).

Italian companies on Twitter (ranked by followers* as of 30 April 2010)

	Followers	Tweets	Following	Type
1. Mondadori	12,257	1,063	5,474	Marketing
2. Bulgari	1,755	146	196	Marketing
3. Campari	830	49	64	Marketing
4. Fiat	682	187	32	Varied
5. Enel	216	512	28	CSR, Marketing
6. Monte Paschi	92	44	0	Varied
7. Lottomatica	87	12,861	13	Marketing
8. UniCredit	80	88	71	CSR (art, culture)

*Ranking Twitter accounts by number of followers shows how popular a particular tweeter is, but in the corporate context it should be kept in mind that a feed with marketing offers will tend to be more appealing to users than one with corporate news.

Italy lags its counterparts in the US where Twitter is the fastest growing social media channel. Almost two-thirds (25) of the 40 largest companies (and 14 of the top 15) in the US use Twitter. In most cases the companies integrate Twitter with other means of communications.

"Italian companies must begin to see Twitter as one part of an overall communications strategy, one part of a multi-channel distribution network that includes press releases, the corporate website and other means of communicating," said Eric Sylvers, the head of social media at Lundquist. "Twitter's power lies in its facilitation of real-time two-way communications with a targeted and interested audience."

Twitter, which has more than 100 million registered users, is one of the most used social media websites. It is a potentially priceless informal channel for communications and free feedback from customers. It has become an ideal way for companies to sustain an ongoing dialogue with all types of stakeholders from investors to customers.

¹ Mondadori was recently removed from the FTSE Mib.

What's Twitter?

Twitter is a social networking and microblogging service that enables its users to send and read messages known as *tweets*. Tweets are text-based posts of up to 140 characters displayed on the author's profile page and delivered to the author's subscribers who are known as *followers*. (Source: Wikipedia)

Twitter – fast facts

- 105 million registered users sending an average of 55 million tweets a day
- 180 million monthly unique visitors
- 300,000 new users a day
- 75% of Twitter traffic comes from outside Twitter.com
- Twitter has grown from 25 to 175 employees in the past year
- 600 million queries a day on Twitter's search engine (Source: Twitter)

Twitter for companies

Twitter has created a new way for businesses to build relationships by staying connected to stakeholders. Ways companies use Twitter:

- Media relations
- CSR
- Investor relations
- Company views
- Event announcements
- Management engagement
- Marketing

Main Results

The situation in Italy

Fiat makes the most extensive use of Twitter for corporate communications in Italy and often pulls headlines from key press releases and links to the full release online. Fiat, which tweets in English and Italian at a rate of about one tweet a day, also sends out marketing tweets and has different feeds for several of the countries outside of Italy where it has business.

Monte Paschi has the occasional corporate press release mixed in with lots of marketing and sends out a few tweets a week.

Enel initially tweeted exclusively about CSR issues and has recently also begun sending messages about its advertising campaigns. In February, Enel tweeted its Sustainability Day. "Tweeting events" is a popular corporate use of the microblogging service in which the company sends periodic tweets during an event to update those who are not present.

Mondadori has more than 12,000 followers with **Bulgari** second at about 1,800. (The Bulgari Twitter address is Bulgari_US, but it has been included in this study on the Italian market because the tweets apply to all countries.) **Campari** is third with more than 800 followers.

Lottomatica has sent out almost 13,000 tweets mostly promoting its gambling offers, by far the most of any Italian company. Mondadori is second with about 1,000 tweets followed by Enel with just over 500. Despite being so prolific, or perhaps because of it, Lottomatica has fewer than 100 followers.

Successful Twitter accounts are engaging and strike the right balance between tweeting so infrequently as to be irrelevant to an on-going discussion and bombarding followers with a non-stop flow of information. In the latter case good information can go unnoticed as people learn to ignore overly active tweeters or stop following them altogether.

Selected parts of the non-Italian operations of **Generali**, **Autogrill** and **Finmeccanica** also have active Twitter accounts.

What's the tweet in Italy?

@BANCA_MPS: corporate media relations including financial, marketing and occasionally CSR

@BULGARI_us: marketing, news on its advertising campaigns, relevant to all markets

@CAMPARI: marketing and events, sometimes the drink does the tweeting itself

@ENELsharing: used for CSR communications, tweeted February Sustainability Day

@FIATgroup: various including financial, general interest, marketing, feeds dedicated to other markets

@LOTTOMATICA: extraordinarily prolific tweeter, links to its betting activities

@libriMONDADORI: announces publishing events and the arrival of new books

@UNICREDITandart: tweets about the bank's involvement in art and cultural activities



Helping them find you, the risk of not being noticed

Many companies either have forgotten to mention on their corporate website that they have a Twitter feed or have made the decision not to do so. Just as for any type of corporate communications, visibility is paramount. If they don't see your message you might as well not have made it. While it is easy to imagine that there can be legal issues that need to be sorted out, it remains a mystery why a company would go to the trouble of having a Twitter feed that is updated and then decide not to do everything possible to get people to notice it.

Only **Monte Paschi** and **Fiat** have easily findable links from the corporate website to their Twitter account. In both cases the link is on the homepage. **Enel** has a link from the homepage of its commercial site (www.enel.it), but there is no mention on the corporate site (www.enel.com).

The Lundquist Corporate Twitter research counted Twitter feeds that were clearly identified as official company accounts. The corporate websites of the 40 FTSE Mib companies were searched during the month of April to see if any reference was made to the existence of a Twitter feed. Then Google (both the Italian and English sites) and Bing were used to search for the corporate Twitter accounts using various search strings. Twitter's internal search engine was also used.

It is possible that there are active corporate Twitter feeds of FTSE Mib companies that were not found, but they would be buried among Twitter's more than 100 million users and likely would have a name that does not incorporate the company name. This defeats the purpose of a social media account that aims to attract people.

We came across a few Twitter accounts of FTSE Mib companies that were not counted because there was no link from the corporate homepage and the feed was not findable using one of the above mentioned search techniques.

Telecom Italia has several interesting Twitter feeds – including one, @avoicomunicare, dedicated to the environment and cultural integration – and is a partner in other feeds. None of the feeds are linked to from the corporate website and none have Telecom Italia anywhere in the name.

Luxottica's foundation OneSight has an active Twitter feed, @onesightorg, but there is no direct link from the corporate website even though there is a page that explains the company's social media initiatives and a section of the site is dedicated to OneSight. Once on the OneSight Twitter feed, there is no indication that the foundation is linked to Luxottica.

We also found some good uses of Twitter by Italian companies that are not in the FTSE Mib (including @edisonnews, @benetton_group, @benetton_ucb) and this will be the subject of future research.

Who's tweeting what in the US?

In order to put the Italian results into context, we also looked at how the 40 biggest companies in the US are dealing with the new opportunities and challenges presented by Twitter.

Twenty-five of the US's top 40 companies tweet with 15 of them using the social networking site for corporate public relations. Nine companies send out marketing offers and use the site for customer care while four

Glossary

Tweet – message sent via Twitter or other application.

Retweet – A tweet that is resent by somebody other than the original sender. RT usually precedes the retweeted message.

Microblog – Twitter is often referred to as a microblog because it allows people to update what they are doing (like with a blog) using a maximum of 140 characters.

Following – If Albert signs up to receive Marsha's tweets he is said to be following her. While Facebook relationships are bilateral (two people become "friends"), on Twitter you can follow somebody without them having to follow you. Tweeters generally try to have as many **followers** as possible by sending out interesting tweets.

Feed – The progression of tweets of all the people that somebody is following (also called stream).

Third party applications – Programs for computers or other devices that offer functions that enhance Twitter. Some of these applications, including TweetDeck, TweetGlide and Mixero, make it possible to follow people's Tweets without using www.twitter.com.

Hashtag – Used to make a tweet more easily findable. Somebody might, for example, put #chicagobulls in a tweet about the basketball team from Chicago.

@ + username – Accounts are generally identified with the @ before their username (e.g. @campari). When replying to a particular user, people generally bring their tweet with @ + username. The URL to go directly to Campari's feed would be www.twitter.com/campari.

have feeds dedicated to job offers (note that some companies have multiple feeds so the various categories add up to more than 25).

	Followers	Tweets	Following	Type
1. Dell	1,567,521	1,019	26	Marketing
2. Microsoft	75,523	1,207	244	Media relations
3. Ford Motor	29,823	4,581	28,914	Marketing
4. AT&T	23,627	1,074	157	Media relations
5. Target	17,385	377	40	Marketing

Many of the US companies tweeting also have corporate blogs that link directly to a corporate Twitter account showing how different new media outlets can be effectively linked.

Twitter is still a young technology, but the US experience shows that a properly managed Twitter account can be a useful tool for connecting with customers, building new relationships and boosting brand awareness.

Waiting for the explosion

Twitter is little used in Italy with the country producing only about 0.5 percent of tweets worldwide, compared with about 57 percent coming from the US, according to research firm Sysomos.

“While the low uptake of Twitter so far in Italy might lead Italian companies to think they can ignore the media, they’d be well advised to remember how Facebook usage exploded suddenly,” said Joakim Lundquist, founder of Lundquist. “When Facebook became a sudden phenomenon in Italy many Italian companies were caught unprepared and that might happen again with Twitter.”

When Facebook launched its Italian language site in mid-2008 it had fewer than 500,000 users in Italy. Five months later that had jumped to 5 million and has now reached more than 14 million users making Italy Facebook’s sixth-biggest market.

While having a mere 140 characters to convey an important concept might seem ridiculous, many companies and media outlets are using Twitter very successfully to convey important information. CNN, for example, has more than 3 million people following its breaking news feed on Twitter with its tweets consisting of a short headline with a link to the full article on the website.

Risks and rewards

Risks are lurking

Twitter is not without risks, which are both external and internal.

The **internal risks** include the danger of mixing multiple voices on the same Twitter feed, a common mistake that can create confusion and damage the corporate identity (too casual can backfire, too formal can do the same by making the company seem out of touch with social media). Many companies set up one Twitter account from which they tweet about everything from financial results to marketing offers and CSR issues. This is a mistake because you want a direct and clear tone for financial results while marketing offers will be more jocular and the CSR tweets might be somewhere in between.

Also worth keeping in mind is that though the feel is of a text message and the temptation is to use many shortened words (e.g. “u” for “you”), this is still the company talking so chose your tone judiciously.

The **external risks** include the chance for asymmetric disclosure, which can create legal issues. Another risk is that those tweeting sometimes fail to realise that social media are not always controllable. Sometimes it is necessary to take a step back and accept that this is social media, not traditional public relations, and on occasion the discussion might not be easy to direct. Another risk is that a small, inadequately prepared team is in charge of the Twitter account and strategy. The right

people must be in place to confront the new challenges that Twitter presents. Quick, relevant responses to direct messages and personally directed tweets are essential.

Rewards are waiting

The communications landscape is changing with the arrival of social media channels such as Facebook, Twitter and LinkedIn. Social media in general, and Twitter in particular, are excellent new media channels offering numerous possible **rewards** for those who use them judiciously. Twitter can be used to seminate information (such as a news release), but that is only scratching the surface of its potential utility, which lies in opening a dialogue with stakeholders.

Using Twitter effectively makes it possible to monitor the agenda by watching what people are talking about with regard to a certain company or industry. Monitoring in turn allows you to understand the sentiment of the public while you identify users who are particularly interested in a product, company or industry. From there comes the possibility for dialogue and a chance to build the strength of a brand.

Having an active Twitter account that is followed by a large number of people can also become useful in a time of crisis when the company wants to dialogue directly with its shareholders, perhaps bypassing the press.

Strategy and approach

The need for an over-arching Twitter strategy

Among companies with a Twitter account, the vast majority are in what might be called the “**push phase**” in which they push news and nuggets of information or marketing out to followers. The challenge is to reach phase two, the “**engagement phase**”, in which simple tweets are transformed into opportunities to engage with users.

Moving onto phase two is important for several reasons, not the least of which is that users will get bored if the tweets remain static and make no attempt at engagement. Part of Twitter’s appeal is its simplicity, but in that simplicity lie many nuances including the challenge of making the qualitative jump from push to engagement.

After engagement, the third step is the “**direct contact phase**” in which the Twitter strategy comes full circle and the company invites particularly influential or well-followed tweeters to offline events such as press conferences and other corporate happenings. Once this has been successfully completed, the company will have managed the important step of fully integrating key parts of its offline and online communications strategies.

A model for interacting with Twitter

The first thing to remember is that Twitter is about building a community and this is done by opening a dialogue with the Twitter community. Twitter is a chance to show a commitment to stakeholders. Here are some steps for getting started and then continuing on to an effective corporate Twitter strategy:

Preparation phase

- Set up the Twitter account, the sooner the better because corporate names are often claimed early forcing companies to combine their name with other words making the feed harder to find and remember.
- Begin listening to what people are saying on Twitter about your company and industry by using the various tracking mechanisms available on the site and associated applications.
- Follow other tweeters who are saying interesting things about your industry.
- Define the overall strategy and what the company wants to achieve with its Twitter account (e.g. release corporate news, marketing, customer service, gather feedback from customers). Once it is clear how the account will be employed, use the 160 characters available for the bio to say something about the company, but also about the specific subject of the feed. Many companies miss this opportunity. Enel, for example, does not mention that its feed is about sustainability issues while others (e.g. UniCredit) have no bio.

- Define who at the company (perhaps multiple people) is responsible for the Twitter account. A personal touch can go a long way on a corporate Twitter feed that is trying to be friendly and approachable. With this in mind, some companies include on their bio who is currently tweeting. Another option is to have small bios on the corporate website of who tweets for the company.

Push phase

- Begin the “push phase” by sending out the first tweet that introduces the new feed and follow that up with simple information such as a link to a press release or a small piece of news.
- Help build your network by retweeting interesting tweets and keep an eye on who is retweeting your content because this gives an indication of how many people find interesting what you are saying. Always respond in a timely fashion when people pose a question directly to your feed.
- Track how many people arrive at the corporate website from the Twitter feed and then see what information they look for once they arrive. This will show what Twitter users are interested in.

Engagement phase

- Move towards the “engagement phase”. Begin this step by sending out tweets that speak more to the needs of your followers. Go beyond the impulse just to “push” information to those following you and engage your audience.

Direct contact phase

- Jump to the “direct-contact phase” by following up with particularly influential tweeters who follow you and consider inviting them to press conferences and other corporate events.

Case study: Dell

Texas-based computer maker Dell began tweeting as a way to quickly reach consumers with special offers. The company soon realised that the microblogging site could do much more if it wasn't employed exclusively for one-way communication and began using Twitter to open a dialogue with customers.

“They wanted to ask questions,” said Stefanie Nelson, manager of demand generation at Dell Outlet. “They wanted to share their experiences, good and bad. We realised people were really interested in talking with us.”

Now instead of exploiting Twitter just to publicise discounts, the company is using it as a place to interact with customers and increase brand awareness. “When we respond to people on Twitter, they get really excited, and we gain advocates,” said Nelson. Dell, which also tracks its followers to have another window onto its customers, still sends out coupons for special deals, often exclusive to Twitter. (source: Twitter)

About Lundquist Srl

Lundquist Srl is a corporate communications consultancy based in Milan, specialising in online financial communications, corporate websites and CSR. The company also represents Swedish consultancy Hallvarsson & Halvarsson in Austria, Italy and Switzerland. This report is part of the Lundquist research series on web 2.0. Keep updated at www.lundquist.it/blog and follow us on Twitter at www.twitter.com/lundquist.

Contacts

Eric Sylvers, Head of Social Media
tel: (39) 02 4547 7681
eric.sylvers@lundquist.it

Joakim Lundquist, founder Lundquist srl
tel: (39) 02 4547 7682
joakim.lundquist@lundquist.it

Lundquist research team

Vesna Dokic – James Osborne – Sara Rusconi – Alessia Soffientini – Sara Troiano – Federico Tronconi – Cristina Urban