



THE CCO AS BUILDER OF **DIGITALENGAGEMENTSYSTEMS**



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INTRODUCTION

Like. Share. Comment. These three basic human actions, embedded in today’s social media tools and platforms, are transformative.

The ability for anyone to like, share and comment on virtually anything, to virtually everyone, is redefining how enterprises pursue stakeholder engagement. In less than a decade, social media has evolved from nascent novelty to the most personalized mass media we have ever experienced. Influence and engagement occur at a pace and scale unimaginable just a few short years ago, and mobile technology has significantly accelerated this new reality.

The reach and richness of social media are fueled by unprecedented, real-time content creation capabilities, available to everyone. News is truly 24/7. We are bombarded with a continuous flow of fact, fiction and opinion. Influence is immediate. Engagement is constant. Action is always imminent. Combined with the predictive power of big data analytics, digital engagement is transforming how we live, work and interact with each other.

Digital systems are evolving and enhancing traditional stakeholder engagement strategies, methods and approaches. Such systems do not supplant building and managing direct stakeholder relationships; human interaction remains vitally important and strategically critical to successful stakeholder engagement. These systems strengthen traditional relationship management by providing analytical, data-driven insights and contemporary tools to influence stakeholder actions and behaviors at enterprise scale.

In this new environment of information and influence, effectively harnessing digital engagement is essential to activating corporate character and creating authentic advocacy – the two components of the *Page Model for Enterprise Communications*. Chief Communications Officers are well-positioned to lead in these endeavors, and drive desired actions, behaviors and outcomes across relevant stakeholders in unprecedented ways. This presents significant opportunities for CCOs to create enterprise value and competitive advantage.

The Page Model for Enterprise Communications



This paper focuses on helping Page Society members implement one of the three core dimensions of the contemporary framework for the new CCO role described in *The New CCO: Transforming Enterprises in a Changing World*: that of strategic enterprise leadership and engineering of “Digital Engagement Systems” to create enterprise-wide competitive advantage. It offers practical tips, tools and frameworks for how CCOs can build enterprise-wide systems for managing stakeholder engagement at scale. This content will be supplemented with ongoing interactive forums intended to further learning and sharing of best practices among Page members.

What is a Digital Engagement System?

As defined in *The New CCO*, such systems harness “sophisticated platforms to map and understand the interests of stakeholders (usually through data) and systematize the process of meaningfully engaging with them, not merely as segments but as individuals.” Other line functions have systems and processes that permeate the enterprise. Human Resources has these to address people management and the talent resources of the enterprise. Marketing has these to manage the customer’s journey through the marketing funnel. Legal has these to affect policy and mitigate enterprise risk. The CCO must similarly become the strategic enterprise leader, architect and engineer of systems that create effective enterprise-level content governance and management as well as engage enterprise stakeholders, internally and externally, with content and information that build trust, foster commitment and facilitate action.

To build an effective Digital Engagement System, CCOs and their teams must:

- 1. leverage data to understand the people important to the organization’s success;**
- 2. create channels and platforms to connect with these individuals directly;**

3. engage with individuals to shape desired opinions, behaviors and outcomes.

These three core elements are described more fully in *The New CCO*, wherein they are illustrated through relevant examples. Here we will explore a practical framework and approach for achieving these outcomes.

Digital Ecosystems

Let us first take a closer look at the dynamics of today’s digital ecosystems and the increasing ubiquity of digital engagement in our everyday lives. Consider these facts:

- 65% of adults in the U.S. now use social networking sites – a nearly tenfold increase from 2005 to 2015; women and men are using social media at nearly the same rates.¹
- 35% of those 65 and older use social media today, more than tripling since 2010.²
- Facebook surpassed one billion daily active users in 2015 and, as of June 2016, has 1.13 billion, 85% of whom are outside of the U.S. and Canada; Mobile daily active users are at just over 1 billion.³
- More than 800 million people use Facebook’s messenger app monthly.⁴ Facebook-owned Instagram has more than 500 million monthly active users.⁵
- More than 5 billion people use mobile phones, about three-quarters of the world’s population.
- Adults in the U.S. spend almost six hours per day with digital media.⁶
- 1 out of every 5 Americans says they are online “almost constantly;” 3 out of 4 go online daily.⁷

This snapshot of our digital lives in the United States illustrates a global phenomenon. About half our planet’s population uses the internet,

¹ Pew Research Center (2015, October 8). Social Media Usage: 2005-2015. <http://www.pewinternet.org/2015/10/08/social-networking-usage-2005-2015/> ² Ibid ³ Facebook company information. <http://newsroom.fb.com/company-info/> ⁴ Facebook company press release. <http://newsroom.fb.com/news/2016/01/heres-to-2016-with-messenger/> ⁵ Instagram company website. <https://www.instagram.com/press/?hl=en> ⁶ Meeker, M. (2015, June 1). Internet Trends 2015. <http://www.kpcb.com/internet-trends> ⁷ Ibid ⁸ Pew Research Center. (2015, December 8). Fact Tank. <http://www.pewresearch.org/fact-tank/page/29/>

and digitally engaged humanity is growing at about 10% annually; 31% of the world's population actively uses social media; and in 27 countries people spend more than an hour a day on average engaged in social media.⁹ We are a wired world.

These statistics illustrate how technology is infiltrating, influencing and changing almost every aspect of our daily lives. In a business context, our digital lifestyle is altering behaviors, expectations and the rules of engagement across all constituencies – employees, customers, shareholders and other stakeholders.

This dynamic underscores the growing need for digital engagement systems that help achieve desired behaviors, actions and outcomes across an enterprise's digital ecosystem. Implemented effectively, a successful Digital Engagement System will deliver a personalized, tailored experience for individuals through their preferred device or platform, driving alignment and integration between individual actions and behaviors and the enterprise's broader goals.

Most of us regularly experience this type of data-driven personalization and engagement in online commerce, where sites recommend products to us based on shopping behavior; in media, where content is served to us based on our media consumption habits; and in our Facebook or LinkedIn feeds, where we both create our own communities and content is algorithmically customized for us.

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Such tools and experiences have obvious benefits for companies to drive customer acquisition and engagement, or for non-profits to mobilize public support for a cause. Similar strategies are increasingly being used to drive employee engagement. At many companies today, employees can do much of their work through their mobile phone or tablet, untethered from the traditional desktop computer, or even a desk. For the CCO, the opportunity is to merge these efforts into an integrated Digital Engagement System.

Big Data and the Digital Playbook

Leveraging data is an essential component of an effective Digital Engagement System. Increasingly this means harnessing “big data,” in addition to the more conventional data streams we are accustomed to using in our normal business processes and measurement dashboards. The unprecedented amount of data generated by the technology we use every day, combined with affordable computing and storage costs, is creating a digital transformation. In virtually every field, businesses, governments, organizations, and researchers are learning how to leverage enormous amounts of data to create predictive models that lead to new insights and new ways of creating and delivering value.

As defined in the book *Big Data* by authors Viktor Mayer-Schönberger and Kenneth Cukier, big data “refers to things one can do at a large scale that cannot be done at a smaller one, to extract new insights or create new forms of value, in ways that change markets, organizations, the relationships between citizens and governments, and more. ... At its core, big data is about predictions ... it's about applying math to huge quantities of data in order to infer probabilities ... the systems are built to improve themselves over time, by keeping a tab on what are the best signals and patterns to look for as more data is fed in.”¹⁰

⁹ Kemp, S. (2016). *Social Digital in 2016. We Are Social. Wearesocial.com* <https://d1ri6y1vinkzt0.cloudfront.net/media/documents/We%20Ares%20Social%20Digital%20in%202016v02-160126235031.pdf> ¹⁰ Mayer-Schönberger, V., & Cukier, K. (2013). *A Revolution that Big Data Will Transform How We Live, Work, and Think*. Boston: Mariner Books. See also: <https://www.yahoo.com/news/big-data-book-interview-152039115.html?ref=gs>

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Used effectively, big data can reveal correlations otherwise not apparent to us. Big data can show us *what* can be expected to happen in the future based on what has actually occurred. Big data do not explain causality, the *why* of what happens. In a big data world, we are not concerned with finding causality and proving hypotheses, but rather discovering predictive patterns of behavior that can inform future action.

For CCOs, leveraging big data in ways that are relevant to enterprise goals and objectives represents an extraordinary opportunity to create economic value and competitive advantage, build more integrative, collaborative C-Suite strategies and drive enterprise-wide approaches to reputation management, influence and advocacy. As we noted in *The New CCO*, an emerging opportunity for the CCO is to act as an integrator across the C-Suite, achieving greater collaboration and alignment between functions. The data that pertain to each function often intersect through communications, creating new opportunities for data-driven integration.

Human resources, for example, is one of the most competitive areas today for big data analytics. Predictive models are being used to assess hiring and identify the best candidates, manage attrition, and flag other potential outcomes that help an enterprise manage a high-performing culture and workforce. For CCOs, this trend creates opportunity to partner with their Chief Human Resources Officer (CHRO) and use big data insights to sharpen and better target employee

engagement strategies and content. Understanding such predictive models also can be used to better inform employee brand and externally focused reputation management strategies.

Partnering with the Chief Marketing Officer (CMO) to effectively harness customer data is an obvious area of engagement. Sales and customer service organizations are other areas that generate enormous amounts of data that can yield competitive insights and predictive models.

Customer and employee data is readily available through traditional sources, which can be augmented with social data. For the broader range of stakeholders with which the CCO must be concerned, where direct data may be harder to obtain, social media provide a rich source of data that can be detected and analyzed with advanced information systems. Other sources of third party data also can be identified that, when combined with data proprietary to an enterprise, unleash fresh insights and opportunities.

The CCO is strongly positioned to identify relevant big data opportunities and integrate data analytics into a Digital Engagement System. In combination with big data tools and approaches, leveraging the traditional skillsets and leadership competencies of a CCO remains vitally important. Big data insights must be managed in a real-world context. Over-reliance on and trust in big data models can lead to organizational blind spots, which can lead to unintended consequences and reputational damage.

Real-world concerns such as data privacy and security are ideally suited for the reputational management capabilities of a CCO. Companies are learning that they have to be very thoughtful about consumer and stakeholder perceptions of how data are being gathered and used to create value. The CCO is ideally suited to help an enterprise navigate the risks and opportunities associated with big data models.

Mining data at scale to better understand behaviors; creating direct channels, platforms and content to leverage predictive data insights; and engaging individuals to shape desired outcomes – these are the building blocks of a Digital Engagement System and part of the core digital playbook of successful 21st century enterprises. Led by the “new CCO,” these tools and techniques unlock new ways of driving customer acquisition and engagement, employee recruitment, retention and engagement, and stakeholder influence and reputation management. It’s not surprising that 55% of business leaders say better integrating social media with other existing digital platforms and developing an integrated digital content strategy are top strategic priorities.¹¹

Making It Happen

So the priorities are clear. But where to begin? The reality is that organizations today are at various stages of readiness. Social media and digital tools may feel ubiquitous in our lives. However, while many companies are embracing digital trends and driving innovation, many others are grappling with the fundamentals. Efforts to utilize digital engagement are nascent. Turf battles over who “owns” social and digital platforms still exist. Senior management buy-in and resource commitments can be a challenge. Digital initiatives are often siloed, making cross-functional collaboration and integration of successful approaches challenging at best.

Consider this: The Altimeter Group says that only 27% of organizations surveyed report active social engagement by their executives, and only 9% report active C-Suite participation.¹² That’s both problem and opportunity. The largest single reported factor in an organization’s social media success is C-Suite buy-in, which often requires a cultural change both at the top and throughout the organization.¹³

Creating an effective Digital Engagement System means more than adopting social media tools and techniques. It requires enterprise strategy and C-Suite integration, the creation of data analytics and behavioral science capabilities, a well-vetted brand strategy that influences social content, and processes for enterprise-wide governance, collaboration, design, production and innovation. The traditional core skills, competencies and leadership attributes of the successful CCO make the role uniquely suited to overcoming organizational challenges and driving digital integration, engagement and strategy at the enterprise level.

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Building a Digital Engagement System begins with the basics.

STEP ONE: Establish the fundamentals.

Here is a suggested framework to assess the starting point for an enterprise and determine the strategic path forward.

1. Is there an enterprise-level social/digital strategy? If not, do clearly defined social/digital strategies exist within various

functions, such as marketing, sales, customer service, human resources, communications?

2. What are current digital engagement capabilities across the enterprise?

- How are social media and digital platforms being used today, if at

¹¹ The Altimeter Group (2015, July 16). *The 2015 State of Social Business*. <http://www.slideshare.net/Altimeter/2015-state-of-social-business-report-cover-50603878>
¹² Ibid ¹³ PulsePoint Group (2012, April 27). *The Economics of the Socially Engaged Enterprise*. Study conducted jointly with the Business Intelligence Unit of The Economist. http://www.pulsepointgroup.com/sites/default/files/SEE_Paper_4_27.pdf

- all? Identify social media channels, platforms and monitoring tools. Is all relevant functionality of existing technology platforms being utilized? If not, why? Prioritize use cases and identify best practices.
- Does the enterprise have data analytics capabilities? If so, where do these skills and responsibilities reside? What is the primary business purpose of data analytics? What data are the enterprise collecting? What is measured, by whom and why?
 - How are social media and digital structured? One owner? Multiple? Centralized or decentralized? Discrete efforts, or cross-functional and collaborative? Do social/digital governance policies and practices exist? Are they considered effective? Do they need to be updated? Have they been communicated on a regular basis to employees and shared with agency partners?
3. Is the C-Suite actively engaged in social? If not, why? Are leaders companywide actively engaged? If not, why?
 4. How does the enterprise currently monitor the perceived strength of its reputation? Is a focus on reputation management integrated into existing social/digital monitoring programs and content strategies?
 5. What are the social media/digital skills and capabilities of the communications team? How is content created and managed? Are new roles needed, or can skill gaps be addressed through training?
 6. How does the enterprise's social media/digital presence compare to key competitors? To influential stakeholders?
 7. Does the enterprise have a plan for a crisis that can unfold or exacerbate in social channels? An inappropriate tweet or client issue explodes into a social media firestorm. What's the social media crisis plan for managing the unexpected?
 8. Does the enterprise have a defined approach to measuring digital engagement? For example, is there a standardized dashboard, updated regularly, that includes pulse checks on reputation and brand drivers, plus other stakeholder metrics derived from social media engagement and other content channels?
 9. How is content currently created and distributed? Is there a systemized process in place? Are data analytics used to inform content? How is the effectiveness of content measured? Is content personalized and customized, or is it "one size fits all"?
 10. Is a consistent communications planning and content development process used to prioritize relevant business objectives, identify stakeholders, define desired actions and behaviors, and measure results?

Completing this or similar assessment frameworks is important to establish the starting point for your enterprise by understanding existing strategies, skills and capabilities and technology assets. These insights are essential to the next step: building the business case.

STEP TWO:

Building the business case to develop a Digital Engagement System.

By definition, a Digital Engagement System requires a comprehensive, holistic approach to addressing the strategic needs of the enterprise. Such a system is collaborative and cross-functional, data driven and technology supported. Effectively managing such an ecosystem requires a horizontal mindset and a highly coordinated, aligned and integrative approach.

This is building authentic advocacy at scale in the digital age.

The CCO is the optimal facilitator of this process, the enterprise champion, leader and ideal business owner of the Digital Engagement System. Creating and implementing a Digital Engagement System at scale taps the CCO's traditional reputation management expertise, the ability to see and link opportunities horizontally across the organization, to think outside-in, and to align diverse constituencies into a coherent strategy. This is building authentic advocacy at scale in the digital age. Often, the CCO may share this responsibility with peers in the C-Suite, most likely the CMO, requiring collaboration and clarity of lines of responsibility and accountability.

Here is a suggested approach to building the business case:

1. Develop strategic rationales for a Digital Engagement System. What business problem(s) will such a system help address? What business value will it create? Will this system facilitate and scale existing engagement strategies, or address emerging business challenges

and opportunities? How will measurement occur?

2. Identify required resources (people and technology). This must include the three core elements of a Digital Engagement System: data analytics capabilities; appropriate technology channels and platforms; and the skills and capabilities necessary for an effective content strategy to ensure an "always on" system.
3. Determine pilot initiatives. An effective pilot should encompass the attributes of a strong Digital Engagement System. It should address a comprehensive need of the enterprise (not a discrete issue); require collaboration and integration across disciplines; leverage data-driven insights; and generate measurable outcomes. Pilot initiatives are an ideal opportunity to drive C-Suite partnerships and sponsorship, and to model collaborative, cross-functional leadership.
4. Identify and engage partners across the business. Of your stakeholders - customers, investors, employees, suppliers, regulators - who in your organization may already be managing digital outreach activities to these people? Tap your colleagues throughout the organization to understand their needs, current practices, and opportunities for collaboration.
5. Engage the C-Suite. As previously noted, C-Suite engagement is a critical component of success. While obviously important from a resource perspective, C-Suite support also is essential to model appropriate behaviors across the organization. A Digital Engagement System is a 21st century business tool, designed to create competitive advantage and business value for the entire organization. The C-Suite must embrace it in this way.

STEP THREE:

Test, learn, refine, adapt, measure, evolve.

A Digital Engagement System is just that, a system. And in the digital age, such systems get smarter through testing, learning, refining and adapting. So it's important to get started. Experience and scale drive an effective Digital Engagement system.

Adopting a "system" approach requires a new way of thinking for communications professionals. It moves us beyond simply creating great content and pushing it through the right channels or placing it with the right media. It means adapting traditional skillsets based on the predictive insights derived from data. It means understanding the key moments of engagement that drive behavioral change and create desired actions. It means continuously mining data. It means leveraging data, channels and content in a systematic way to activate corporate character and authentic advocacy at scale.

Data are an economic asset; a Digital Engagement System enables the CCO to unlock this asset to create value for

the enterprise. This can translate into a stronger employee brand, more productive employees and lower attrition; more targeted media engagement; more integrated alignment with the product, marketing, sales and customer service strategies of the enterprise; the ability to effectively influence at scale stakeholder advocacy on behalf of the enterprise; and greater competitive advantage for the overall reputation and brand of the enterprise.

Digital engagement also can create economic value. Research is demonstrating how digital engagement can drive Return on Expectations (ROE), as defined by non-financial indicators such as reputation, trust and confidence, which in turn can positively impact an enterprise's financial Return on Investment, or ROI. This ROE-to-ROI model was illustrated in a study of Fortune 500 companies using data collected from 2009-2013, which demonstrated that ROE gained from social media-based stakeholder engagement had "significant and positive impacts on business performance."¹⁴

¹⁴ Li, C., & Stacks, D.W. (2015). *Measuring the impact of social media on business profit & success: A Fortune 500 Perspective*. New York: Peter Lang.

Summary

In a globally connected digital world, building and managing a dedicated Digital Engagement System is emerging as a central role of the 21st century Communications function, and a primary responsibility of the new CCO. As noted, this nascent trend not only builds on traditional skill-sets and strengths of the CCO, but also pushes us in new directions and broadens the boundaries of the modern Communications function. Data analytics, behavioral science insights, stakeholder-centric content strategies, deep digital acumen and other skills and capabilities must be developed to capitalize on the opportunities ahead.

Leading CCOs and enterprises are embracing these changes and driving rapid innovation. The trends discussed in this paper are reshaping how

enterprises operate, compete and grow in a digitally connected, platform-powered, technology-driven world. Leaders in all areas are grappling with these disruptive changes; from marketing and sales to human resources and product development, leaders are learning how to adapt to this new environment, leverage emerging capabilities and lead their enterprises forward in ways that create new value.

For all CCOs in the 21st century, such action and leadership are imperative. Supplementing this paper and the broader thought leadership work of the Page Society, we expect to offer members ongoing interactive learning opportunities to share best practices, evaluate case studies and support each other as we explore this new frontier.

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