STØVRING+WOODWARD
KOMMUNIKATION

Web 2.What?

Danish companies and the use of Web 2.0 tools in corporate communication 2009

Contents

Introduction

"Freedom of the press guaranteed only to those who own one."

- *AJ Liebling, Journalist*

In the first half of the 20th century, when Leibling coined that phrase, ownership of a printing press and a distribution network was limited to the richest and powerful people in the world.

Today, publishing to a global audience is an afterthought. Traditional websites, blogs, social networks, video sharing and microblogging services have made us all global publishers and, with regrets to Mr. Liebling, the advent first of Web 2.0 and the offspring of social media has made freedom of speech a reality for the masses - even in countries that try to prevent it.

Speculation about the effect this will have on the jobs of corporate communication professionals and the image of their organizations has exploded in the last couple of years. Here in Denmark, the daily media, trade publications and social networking sites such as Komunikationsforum.dk, which has over 50,000 users, have devoted uncountable column millimeters and bytes of storage to write, discuss, seminar and debate the topic.

People are talking.

Our goal with the following report was to try and measure how much that talk is being put into action. How much are Danish workplaces actually using Web 2.0 as a strategic part of their organizational communication? And how does that compare to companies outside Denmark?

Before we started this paper, we were familiar with a number of cases from large American workplaces, in particular, that have adopted various Web 2.0 tools as a way to improve stakeholder communication in everything from customer service to innovation to crisis communication.

We chose, therefore, to start by establishing a simple benchmark. We looked at the largest American workplaces – those with the greatest likelihood of having a professional communications staff and the greatest capability to be frontrunners – and then we evaluated how they use Web 2.0 on their corporate website. Our intention was to find the tools these companies are using and establish a benchmark to compare against afterwards for some of the most agile and respected Danish companies.

We started with the top 20 companies on the current Standard &Poor's 500, a list of the most active American stocks. We rigorously analyzed each company's website for Web 2.0 tools, links to accounts on social media sites and other tools like RSS and e-mail subscriptions, all of which give stakeholders greater control over the type and format of communications they have with an organization. Using this data, we then repeated the process with the NASDAQ OMXC20 index, which measures the 20 most active stocks on the Danish market.

We also wanted to dig a little deeper.

In order to see if the practices of the OMXC20 companies correspond to other large and medium sized Danish workplaces, we turned to the list of the 1000 largest Danish companies in the country as measured in revenues and published each year in the business magazine *BerlingskeNyhedsmagasins "GULD 1000"* edition[i]. From this list, we choose 100 companies spread evenly from 1 to 1000. The companies on the list represent 57 various sectors, B2C and B2B companies, most of them earn the largest share of their revenues from export activities and they have an annual turnover of between €38 billon and €44 million (54 bil. And 62 mil. USD).

The social media evolution continues to affect the way we live and socialize, and it is affecting the way we think about doing business. We hope the pages that follow will provide some broad insight on the state of how larger and midsize Danish companies are using Web 2.0 in practice. The survey is more a sampling than scientific, and there are several individual examples that buck the trends and conclusions drawn.

But our hope is that the findings will provoke ideas, opinions, arguments and, well, a conversation. We hope you will share your thoughts with us – which you can do on our Facebook fan page or on the blog www.unspun.dk under the post "Web 2.What?"

Good Reading!

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Key Findings

1. Danish companies have not broadly adopted Web 2.0 tools as a part of their overall communications and marketing efforts. Danish companies do not use their existing corporate websites as a portal to other communication activities in social media.

2. Danish companies surveyed in the IT, Media and Telecommunications sectors are the earliest adopters of various kinds of Web 2.0 communication. These companies are primarily focused on Business-to-Business commerce.

3. With the exception of e-mail subscription, the Danish OMXC20 companies use Web 2.0 tools over twice as often as the other 100 large to mid-sized Danish companies surveyed.

4. Blogs are used by about 10 percent of both the OMXC20 and additional 100 Danish companies surveyed. Most of these are informational, some are run by students or trainees and, in most cases, are only a single blog.

5. RSS feeds have been widely adopted by Danish and American companies. Half of the Danish companies we surveyed use them and 90 percent of the American companies have RSS feeds on their websites.

6. American companies are five times more likely to use blogs. Fifty percent of the S&P 500 companies surveyed use them and those who do use multiple blogs aimed at communicating about specific products, interests or news items. All of them allow comments to be posted and the companies are diligent about responding to posted comments.

7. About half of the S&P 500 websites surveyed give visitors the ability to share some or all of their corporate website's content to social media sites like Facebook, LinkedIn or Del.icio.us with a single click. None of the Danish companies surveyed offer this.

8. Twenty percent of the S&P 500 group usemicroblogging sites like Twitter in their corporate communication. Only one Danish company we looked at uses Twitter or microblogging actively.

9. The three least-used Web 2.0 tools we looked at were: Wikis, widgets and video sharing (for a description of these tools see the section below entitled "What we looked at"). None of the S&P, OMXC20 or additional 100 companies we surveyed use these tools on their corporate websites.

A Note About Terminology

Web 2.0 – Throughout our study we have used the term "Web 2.0 tools" to refer to communication tools that allow an audience to do more than just retrieve mass communications from a website. In some way, all of the tools we looked for allow users to customize their experience, retrieve and share specific information or contribute directly to the content.   Examples include blogs, social-networking sites, video-sharing sites, wikis, RSS feeds and e-mail subscriptions.

The term **Social Media** is not interchangeable with Web 2.0 in this paper. Social media refers to communication tools with a participatory or interactive component. That is, communication tools where users can actually create, modify or debate content openly. Not all of the Web 2.0 tools we looked for allow for this.

We have

Blogs:

> Probably the "oldest" type of social media and one of the most discussed loved and hated. Blogs are often used to demonstrate thought leadership, provide product insight and expertise and place products or services in relevant and current contexts. Neither quality, quantity nor frequency were criteria for us. We simply wanted to see how broadly companies use this channel. We did, however, make notes about the quantity and quality of each blog.

"ShareThis" functionality:

> "Share This" tools allow visitors to a website to send specific content they find useful or interesting to other social media services on the web with a simple mouse click. For instance, a press release about a new product could be sent to one's Facebook account so he or she could later share this news with friends who might also be interested. Share This is a very simple addition to any website and allows content to be easily distributed to other places on the net, while often also driving traffic back to the originating website.

RSS/ATOM/XML FEED:

> These tools, which all basically do the same thing, allow visitors to subscribe to websites so that they can directly receive updates on new content in their

email box or via a so-called "feed reader" program. Content like product up-dates, press releases, blog entries or discussion forums can be sent in a stan-dardized format. An RSS document (which is called a feed, web feed, or chan-nel) contains either a summary of content from an associated web site or the full text. A good example of how RSS feeds can be broken down by specific subject, interest or product can be found on the New York Times website.

Podcasts:

We looked for Podcasts, which are short (usually 5- 20 minutes), downloadable audio clips that can be heard on a computer, iPod or mobile telephone. Visit Price Waterhouse Coopers website for a good example, which uses an array of podcasts to highlight its expertise in specific areas and discuss topics relevant for its current and potential customers.

Direct links to social media accounts.

We also investigated whether or not companies have a link on their website which allows visitors to click through to their social media accounts. See the example below:

Dialog forum or community:

We looked for some kind of user community, product forum, enthusiasts club or discussion board on each company's website. This included determining whether or not there was a link to external forums or forums run by the com-pany at a different URL.

User driven innovation:

We investigated whether or not companies use WEB 2.0 to involve external stakeholders in the innovation/product development process. Two of the old-est and best examples of this are DELL'sIdeaStorm or Innocentive, which is a non-profit that offers open innovation, in large part for the pharmaceutical in-dustry.

Online Video:

Our survey also noted whether companies use video clips of any kind to com-municate about their products, news or services.

Video Sharing:

If online video was used on the corporate site, was it possible to share the video to sites like YouTube, Break, Vimeo or similar? Or, were the videos themselves hosted by a social media site and displayed on the corporate website?

Microblogging:

Microblogging is best known by most as "Twitter" and many companies are using it for knowledge sharing, as a sales channel, for spot discounts and customer service queries. We looked at whether Twitter played any noticeable role on the company's website and, if so, how it was being used.

E-mail:

Our survey looked at whether e-mail subscriptions or the ability to send content to others directly via e-mail was present. We consider this a fairly primitive Web 2.0 tool, but included it because it is a means of sharing content.

User ratings/most popular:

We were interested to see how much companies allow visitors to prioritize the content on their website by listing the most read, most emailed or best rated content on the site. This tool allows stakeholders themselves to play a role in corporate communications and can be used as a kind of ongoing focus group.

Widgets:

One of the newer Web 2.0 tools, a widget can best be described as a website to-go. It is a downloadable, mini application that can run on a user's desktop, mobile telephone, can be included as part of blog or a social network profile page. Widgets are cheap and easy to develop and automatically update themselves to include the latest updates from the host website. This might include information such as job postings, product information, videos or even internal-communications material.

Here are a couple examples of widgets from National Geographic and Jyske Bank:

Newsletter:

The electronic newsletter has existed for some time, but today backend programs can integrate a newsletter distribution with a company's CRM systems, contact databases and other demographic and sales information to allow a highly targeted and more relevant delivery than ever. Because of the direct nature of the newsletter, the possibilities for customization and its ability to integrate with other tools, we have also included it as a Web 2.0 tool.

Voting/Surveys:

Voting and surveys have always created effective stakeholder dialog. Web 2.0 tools make it simple for organizations to poll their visitors about any number of items and share the results of those surveys instantaneously. We looked to see how many organizations had a functionality of this type on their websites and how they were using it.

Social Media Pressroom:

We looked at each company's media page/pressroom specifically to measure how many Web 2.0 tools are used in their direct contact with the media. This could be in the form of links to social media fan or opponent pages, dialog forums, RSS feeds about news items for journalists, videos, press releases with comment fields, tag clouds, tagged content, twitter search results and so on. The idea behind the Social Media Newsroom is to make it easy for reporters to find the information they need (and that can be found on the web anyway). A collection of examples of the Social Media Newsroom can be found on the Unspun.dk blog.

Wiki:

> Wikis are often used to create collaborative websites, to power community websites, or for building user generated documentation. The collaborative encyclopedia Wikipedia is one of the best-known examples. Our surveyed investigated if, and how, the wiki concept is being used in corporate website communication or if companies include a link to Wikipedia about their firm.

Danish Companies' use of Social Media

Most of the Danish OMXC20 companies are using the same Web 2.0tools and employing them in similar ways in their corporate communication. The traditional tools of e-mail subscription services and newsletters are by far the two most widely used tools.

Arguably, these tools are only borderline Web 2.0, but they do allow some customization of which information is retrieved and, at least, notify users when new content is available. Beyond that, RSS feeds and online video are gaining popularity. The rest of the tools we looked for are not being widely used by the surveyed companies and many of them were not being used at all by the companies we surveyed.

The OMXC20 companies use tools like RSS feeds, online video and newsletters twice as often as the 100 other companies we surveyed.

There was not enough data in our survey to determine a correlation between sector and use of Web 2.0 in communication. The determining factor base don our data, really seemed to be size.

The difference between B2B and B2C workplaces was also difficult to discern in this survey, because many of the companies do both B2B and B2C commerce. We did not look at individual brands. In general, though Danish B2B companies seemed just as likely to use Web 2.0 as the B2C organizations we investigated and their websites were generally just as content rich and modern.

It is, of course, extremely difficult to make generalizations. Danish companies like Ecco, Lego, Arla and Jyske Bank (none of which were surveyed) have employed Web 2.0 in ways that creatively engage their stakeholders and work to build their business and image in innovative ways.

Benchmarking USA vs. DK

The U.S. has been the center of development for the biggest ideas in web 2.0 from the beginning, therefore, it may seem no real surprise that American-based companies have adopted Web 2.0 tools in greater measure.

Our survey shows a clear difference in the number and types of Web 2.0 tools being used on corporate websites between companies from the two countries.

Over 90 percent of the S&P companies we looked at use one or more RSS type subscription services that target specific products or services. About half of the Danish OMX C20 companies use RSS. Also around 90 percent of the S&P companies use some form of online video as a way of explaining products, services or their workplace profile – although only a small fraction make these videos shareable so they can be emailed or embedded on other sites.

Blogs are almost completely absent from the Danish companies sites, but seem to have found their place amongst the American companies. Not only do half of the companies we surveyed on the S&P list use blogs, they use several of them and content is often directed at very specific product, service or customer groups.

Like the Danish companies, e-mail subscriptions and newsletters are standard on almost all American corporate sites today and were ubiquitous in those we surveyed.

Having noted these differences, our sample group is small and the only factor we looked at in comparing the two countries was their ranking on the respective S&P and OMX OMXC20 lists. This gives a picture of what is happening amongst some of the most dynamic pacesetters, but cannot be considered a testament.

In a recent study conducted by Frost & Sullivan entitled "2009 Corporate Use of Social Networking," which surveyed nearly 1,500 people primarily in US-based organizations, the conclusion was that only four out of ten organizations formally use Web 2.0 tools. Interestingly, Web 2.0 tools are seldom used at all for client relations, advertising, marketing, and other business communications, according to the respondents. The majority reported that their organizations use Web 2.0 tools primarily for internal use, staff relations, and training.[ii] In a separate study, Frost & Sullivan found that Web 2.0 was gaining momentum in Europe, especially among small and medium sized businesses (with less than €50 mil in turnover). These businesses (SMEs) make up 99.0 per cent of all enterprises in Europe, according to the European Commission.[iii]

Conclusion

Our study shows that the use of Web 2.0 tools plays a greater role among large, publicly traded, American companies than it does among its Danish counterparts when it comes to external communication. The companies we surveyed from the S&P 500 list use more tools more often and on a broader scale.

At the top, Danish companies are one-step behind in using these new technologies in their communication and marketing efforts. The mid sized companies are even further back. And while there is a widespread and genuine interest among Danish communication professionals, adoption of the new tools is slow. For now, Web 2.0 and social media are, mostly, still a social tool in Denmark.

A lack of best practice, academic theory, control, proven return on investment, security, internal resources, measurement standards, customer demands and executive understanding all contribute to the explanation. An even more important reason, though, is that large organizations seldom adopt revolutionary ideas first. Public companies do so even less often. They are usually too bureaucratic, conservative and focused on quarterly results.
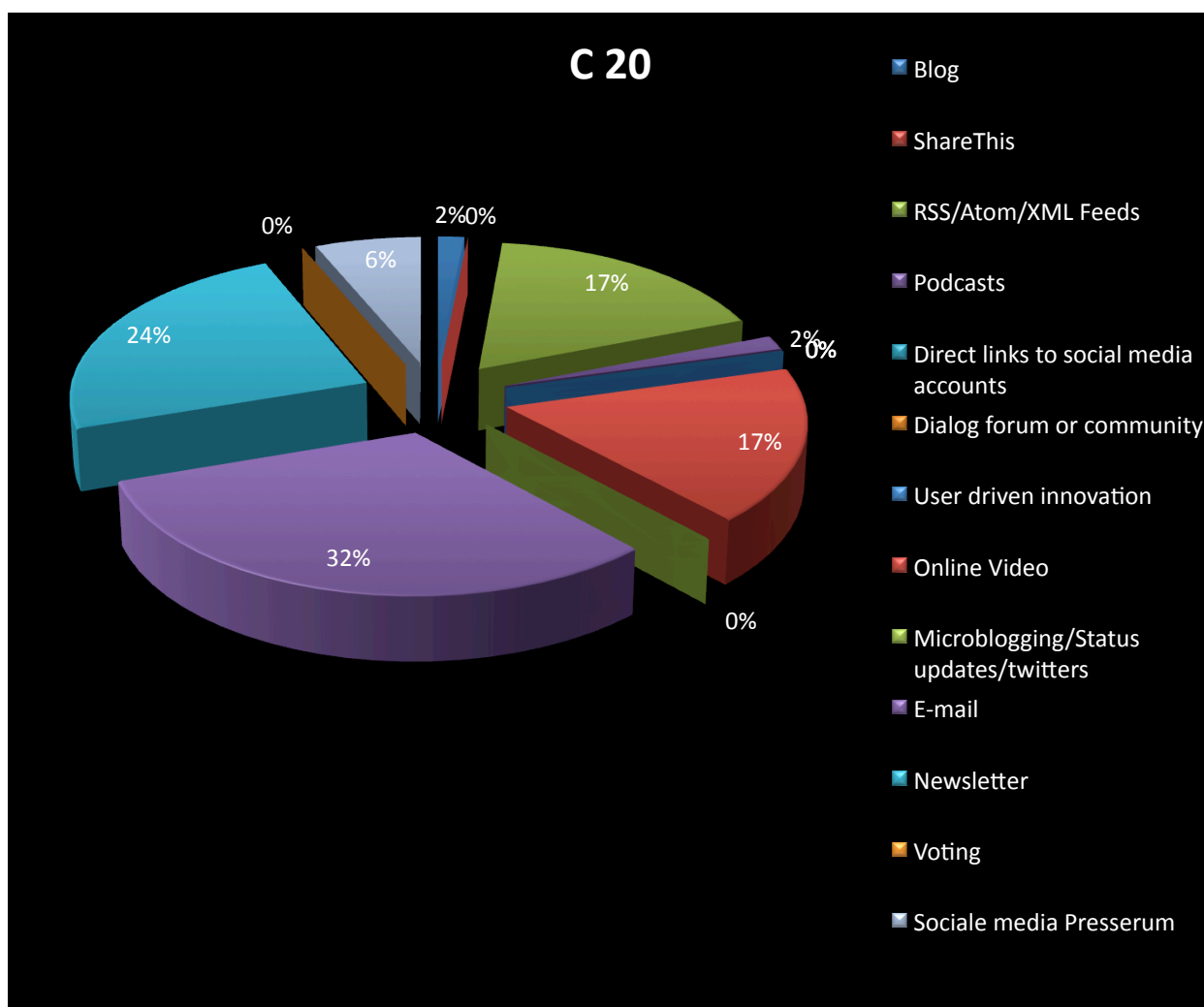
Innovative ideas in corporate communication are usually forced. In fact, most of the American companies who are leaders in using the tools today, such as Dell Computer, were forced to begin communicating using web 2.0 tools after being hit by crises, customer demands or media attacks.

Web 2.0 tools, and especially social media, are changing the way we communicate and do business in Denmark, but much of this is subconscious and not easily measured. Danes are one of the most active nationalities on Facebook and social networks for professionals like LinkedIn and Plaxo have some of the highest usage in Europe. Through channels like these, opportunities are being discussed, products evaluated, jobs filled and connections made every day. Much of this is the normal, conversational, informal and unsanctioned form of communication that truly builds a business' image over time.

Charts and Data

The following graphs illustrates the use of Web 2.0 tools on homepages represented by OMXC20, S&P 500 and a 100 other big and midsize Danish companies.

1. The OMXC20 Companies

Støvring+Woodward Kommunikation, Whitepaper, Web 2.What? Danish companies and the use of Web 2.0 tools in corporate communication", August 2009.

2. 100 out of the top-1000 Danish companies (chosen as number 1, 10,20, 30, etc.)
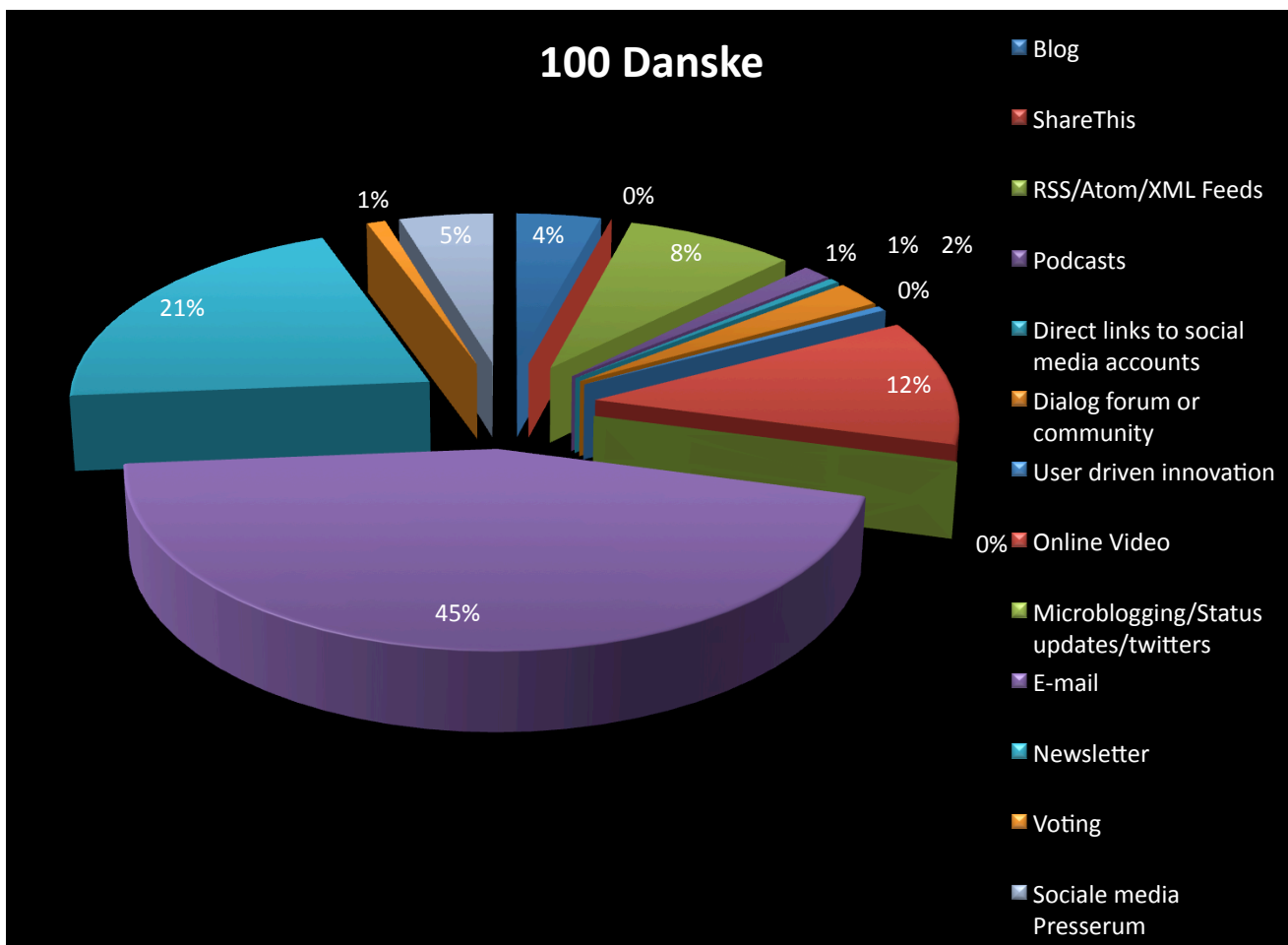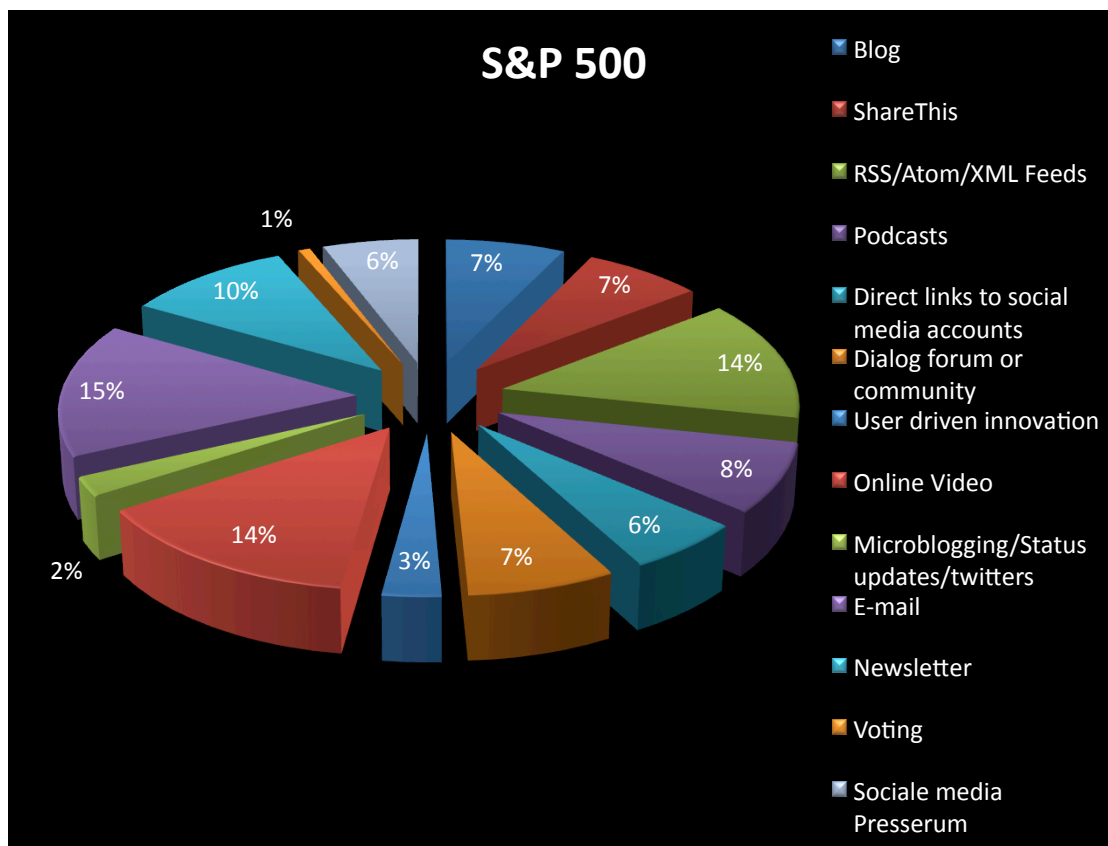

Støvring+Woodward Kommunikation, Whitepaper, "Web 2.What? Danish companies and the use of Web 2.0 tools in corporate communication", August 2009.

2. The S&P 500 – The 20 biggest companies in America

S&P 500

- Blog
- ShareThis
- RSS/Atom/XML Feeds
- Podcasts
- Direct links to social media accounts
- Dialog forum or community
- User driven innovation
- Online Video
- Microblogging/Status updates/twitters
- E-mail
- Newsletter
- Voting
- Sociale media Presserum

Støvring+Woodward Kommunikation, Whitepaper, "Web 2.What? Danish companies and the use of Web 2.0 tools in corporate communication", August 2009.

4. Companies

We investigated the following companies' homepages as part of this report:

S&P 500 Top 20
1. BANK OF AMERICA
2. CITIGROUP INC
3. AMERICAN INTERNA
4. WELLS FARGO & CO
5. GENERAL ELECTRIC
6. QWEST COMMUNICAT
7. FORD MOTOR CO
8. INTEL CORP
9. MICROSOFT CORP
10. PFIZER INC
11. JPMORGAN CHASE

12. FIFTH THIRD BANC
13. SPRINT NEXTEL CO
14. CISCO SYSTEMS
15. DIRECTV GROUP IN
16. YAHOO! INC
17. GENWORTH FINANCI
18. REGIONS FINANCIA
19. HARTFORD FINL SV
20. ALCOA INC

NASDAQ OMXC20
1. MAERSK
2. CARLSBERG
3. COLOPLAST
4. D/S NORDEN
5. DANISCO
6. DANSKE BANK
7. DSV
8. FL SMITH & CO
9. GENMAB
10. H. LUNDBECK
11. NKT HOLDING
12. NORDEA
13. NOVO NORDISK
14. NOVOZYMES
15. SYDBANK
16. TDC
17. TOPDANMARK
18. TRYGVESTA
19. VESTAS WIND SYSTEMS
20. WILLIAM DEMANT HOLDING

Top 100 out of the top1000 Danish companies
1. MAERSK (GEN.)
2. DONG
3. STATOIL
4. NKT HOLDING (GEN.)
5. IBM DANMARK
6. COLOPLAST (GEN.)
7. TELIASONERA DANMARK
8. LEO PHARMA
9. AALBORG PORTLAND
10. SONY NORDIC
11. TJELLESEN
12. CSC DANMARK
13. ALDI HOLDING

14. COWI RÅDGIVENDE
15. EURO CATER
16. STENA METALL
17. DANSKE FRAGTMÆND LANDTRANSPORT
18. MAGASIN
19. H&M HENNES & MAURITZ
20. DELOITTE
21. SCA PACKAGING DENMARK
22. SØNDAGSAVISEN
23. HTH KØKKENER
24. ANDREAS ANDRESEN
25. ENERGIMIDT HOLDING
26. SCHNEIDER ELECTRIC DANMARK
27. SCHENKER
28. DISA HOLDING
29. ERICSSON DANMARK
30. MAN LAST OG BUS
31. NKT FLEXIBLES
32. CIMBER AIR-HOLDING
33. ITELLA LOGISTICS
34. DAN-FOAM
35. HOLTSHØJENS HOLDING
36. SMURFIT KAPPA DANMARK
37. JORTON HOLDING
38. HARDI INTERNATIONAL
39. DANSKE COMMODITIES
40. NOVARTIS HEALTHCARE
41. A ENGGAARD
42. LØVBJERG SUPERMARKED
43. SME EQUITY PARTNERS
44. ALTINEX OIL DENMARK
45. HOLGER CHRISTIANSEN
46. STAR TOUR
47. MOLS-LINIEN
48. HAAHR BENZIN ØST
49. STATENS EJENDOMSSALG
50. ROBERT BOSCH
51. DANSK RETURSYSTEM
52. STEMA SHIPPING
53. BISCA
54. UPS DANMARK
55. ELTEL NETWORKS
56. SCHADES
57. NAC NORDIC AVIATION CONTRACTOR
58. UNIMERCO GROUP
59. PFIZER

60. TOYOTA MATERIAL HANDLING
61. BROEN
62. F&H
63. GLAXOSMITHKLINE CONSUMER HEALTHCARE
64. COMBI LIFT
65. CITY-TRAFIK
66. PRESSALIT GROUP
67. CAPGEMINI DANMARK
68. SAINT-GOBAIN ISOVER
69. DET DANSKE KLASSELOTTERI
70. TÆPPELAND HOLDING
71. VIA BILER HOLDING
72. UPONOR
73. BOCOM (INSPIRATION)
74. PLAST TEAM
75. AUTOHUSET GLOSTRUP
76. PFA EJENDOMME
77. TEKNOS
78. BRØSTE
79. RECKITT BENCKISER
80. AIR LIQUIDE DANMARK
81. J.W.K. HOLDING
82. SKOVLUND HOLDING
83. GENUA
84. MOLLERUP MØLLE
85. E.ON DANMARK
86. JENSEN DENMARK
87. ALBATROS TRAVEL
88. BIVA MØBLER ODENSE
89. JØRGEN SCHOU HOLDING
90. TRELLEBORG SEALING SOLUTIONS HELSINGØR
91. KUNDE
92. BRØNDUM HOLDING
93. X-YACHTS HOLDING
94. AGA
95. AM GRUPPEN (WALLS)
96. UCI HOLDING
97. SUNDOLITT
98. PHASE ONE
99. CF PETERSEN & SØN
100. KPK DØRE & VINDUER

[i] Berlingske Nyhedsmagasin , Guld 1000, Oktober 2008: http://guld1000.business.dk/

[ii] Frost & Sullivan, research report "2009 Corporate Use of Social Networking, an evaluation of how social networking is used in enterprises", June 2009.

iii Frost & Sullivan, research report, "Web 2.0 Technologies in the Recession-hit Europe as a Solution for Small and Medium Businesses", April 2009

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