

Offering social media services on the European market

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European companies are increasingly present on social media. They use social media to market their business and keep in touch with customers. However, companies often struggle with their social media content management and monitoring. This leads them to outsource these services to service providers like you. Visual content and social customer service are on the rise. To provide social media content services, you need to have matching language skills.

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1. Product description

What are social media services?

Social media platforms allow people to interact online, via a website or an application. These virtual communities and networks are all about user-generated content (UGC). Individuals, organisations and communities can add to this content through creation and co-creation, sharing, modification and discussion.

There are several types of social media platforms, like:

- relationship networks – Facebook, LinkedIn
- blogs and microblogs – Twitter, Tumblr
- multimedia communities – Instagram, YouTube, Flickr
- discussion forums
- review sites.

The following five main categories of social media services are distinguished.

Content management

This consists of writing and publishing content for social media platforms. You usually generate new content

within an agreed period (daily/weekly/monthly), for example posting comments, photos or videos on a company Facebook account.

Monitoring and listening

This entails following what people post about a company on social media platforms. You usually filter posts into relevant categories, like positive and negative. You could be scanning social media platforms such as review sites, internet forums and social networks for relevant content.

Customer service

This consists of the interaction with customers through social media before, during and after a purchase. You could be offering technical support through a company's Facebook page, or handling customer complaints through a company's Twitter account.

Analysis

This involves research and analysis of data on social media, so that companies can use this information to improve their business. This could entail analysing which products are rising in popularity across which demographics and locations, so the company can develop a more targeted marketing campaign.

Marketing

This consists of promotion activities through social media, usually to generate leads and sales, for example offering special offers, discount coupons or competitions on different social media platforms.

2. Why do European companies outsource social media services?

Cost reduction

[Cost reduction continues to be the main reason](#) for European companies to outsource business processes. This includes the outsourcing of social media services.

Tips:

- Focus on competitive pricing while maintaining high quality services.
- Be transparent in your pricing: avoid hidden costs.
- Emphasise the cost savings a company can gain from outsourcing their social media services to you.

Experience and expertise

Another key reason for European companies to outsource social media services is their lack of in-house expertise. Although their employees may use social media recreationally, they generally will not have professional social media knowledge. A specialised service provider usually has multiple customers and knows what works on social media and what does not. They have up-to-date knowledge of the latest developments and trends in social media tools and applications.

Tips:

- Offer social media services across multiple social media platforms.
- Clearly communicate which social media platforms you specialise in.

- Provide customer references to prove your expertise in social media services.
- Monitor and analyse trends and developments in social media tools and applications. When relevant, include them in your services.
- Make social media also an integral part of your own company culture. Actively and professionally use your company social media accounts.

Round-the-clock service

Social media platforms are accessible 24 hours a day, 365 days a year. For European consumers, weekends are often the busiest times on social media. They expect the same availability from companies that are present on social media platforms, especially when it comes to customer service.

However, European companies are often closed outside regular office hours. Because keeping their customers waiting can cost them business, European companies may decide to outsource their social media activities. When they do, they prefer social media service providers that are available round the clock (24/7). This has the additional benefit of being able to communicate with their service provider during European office hours.

Tip:

- Offer your social media services 24 hours per day. Time zone difference can be to your advantage here.

Customer satisfaction

European companies are increasingly aware that customer satisfaction is key, especially when it comes to social media, where customers can easily share negative reviews. Slow or no replies and low-quality solutions can damage a company's reputation.

This means that as a service provider, you should offer quick response time, high response rates and quality problem solving.

Tips:

- Clearly communicate your norms and standards for first response time, response rates and problem resolution time. Do so preferably for each social media platform that you provide services for.
- Study the norms for response time and rates of large brands in your European target country and strive to live up to them.

3. What are the challenges when it comes to outsourcing social media services?

Reputation management

An important barrier for European companies to outsource their social media activities is the effect of social media on their reputation. They fear negative publicity from bad social media management by a service provider, which could then damage the company's reputation. Outsourcing social media activities requires a great amount of trust in the service provider. You need to prove to your potential European buyers that their reputation is safe with you.

Tips:

- Provide case studies with information about your company's track metrics. Explain, for example, the increase you have generated in likes or retweets, leads, website traffic, conversion rate and/or revenue.
- Offer potential buyers a pilot project or demo to demonstrate your capabilities and win their trust.

Clear communication

Good communication between buyer and service provider is essential to social media services outsourcing. Poor communication may cause misunderstandings and disagreements, which can lead to disputes with your buyer.

A lot of input for social media content has to come from the buyer company itself. Your buyer needs to have a clear idea of what they want to share with their audience.

To agree on a social media strategy, ask your buyer such questions as:

- When should you engage?
- What should you communicate?
- How often should you publish content?
- What tone of voice do you use?

In customer service through social media, input from company employees might be needed for complex questions.

Tips:

- Ask your buyer for their key procedures and policies for social media services. Make sure that they form part of the outsourcing contract.
- Plan regular contact moments with your buyers. This allows you to inform them of the process and progress and avoid misunderstandings.
- Be prepared to communicate with your buyer during their office hours, even if they are in a different time zone.
- Let your social media staff talk to your (potential) buyer's customer-facing personnel to learn more about their company or brand's personality. For example through on-site training sessions.

Language skills

The required language skills strongly depend on the type of social media service.

For content services, your staff needs to be fluent in the language of your European target country. They should be able to both understand and produce content fluently.

For social media monitoring and analysis services, good language skills are sufficient. Your staff should properly understand the content they process, but will not need to communicate with customers.

Tips:

- To provide content services, make sure your staff is fluent in the language of your European target country. Otherwise, focus on social media services where language skills are less important.

- Offer multilingual services to add value and get a competitive advantage.

4. Which European markets offer opportunities for social media services?

Increasing use of social media

The popularity of social media use continues to rise, with 47% of western Europeans regularly using them in 2016. This share is expected to reach 52% by 2020. Social media use is highest in the Netherlands, Scandinavia and the United Kingdom, at around 60%. In Germany and the Mediterranean countries, this is considerably lower. These countries are expected to show relatively large growth rates in the coming years.

Tips:

- Focus on one or two European priority countries.
- For now, focus on northern and western European countries.
- Monitor the use of social media in European countries. Those with large growth rates may offer you interesting opportunities as companies respond to this trend.

Growing adoption of social media by European companies

The increasing use of social media among European consumers is also leading to growing adoption of social media by European companies. Some 39% of European companies used social media in 2015, compared to 30% in 2013.

They mainly use social media for:

- image building and increasing awareness
- product marketing and direct sales
- managing relationships with customers
- gathering ideas and feedback for products and services
- identifying prospects or partners and for recruitment
- moderating conversations about the company's products and services.

Tips:

- Research which social media channels are the most important in your European target market and build up experience in these social media.
- Monitor trends and developments in the changing social media landscape to keep your knowledge up to date.

Social advertising most outsourced task

Many European companies are struggling with how to manage and monitor content on social media. As well as requiring expertise, social media activities are quite time-consuming. Some 58% of marketers devote 1-10 hours per week to social media (excluding customer support). This is a lot of time to add to an employee's existing tasks, but not enough to hire a dedicated person. This leads companies to outsource their social media activities to social media specialists.

[Social advertising is the most commonly outsourced social media task](#). To maximise return on investment (ROI), this specialty task requires an expert. Especially because social advertising is a rapidly developing field.

In addition, 15% of companies outsource their social customer service.

Tip:

- Keep your knowledge and skills up to date so your services match the current market.

Popular social media platforms

[Facebook is Europe's most popular social media platform](#). This channel is well known to and widely used by both consumers and companies. For years now, [more than 90% of marketers use Facebook](#).

** Not shown in the figure is Facebook, the main social media platform for marketers with a stable 93% use.*

These seven social media platforms are by far the most popular among companies. Especially noteworthy is the increasing use of Instagram.

The popularity of social media platforms differs strongly between target audiences. For example, younger people have mostly abandoned Facebook for other platforms like Instagram, Snapchat and messaging apps like WhatsApp. This means the most suitable platforms for companies depend on their target audiences.

Tips:

- Create an overview of the leading social media platforms in your European target country. Consider, for example, the [social media penetration in the Netherlands for 2016, categorised by social network](#).
- Study the popularity of platforms across target audiences, to select the most suitable platforms for your buyers.
- Specialise in the most popular platforms, so you can advise your buyers on the possibilities these platforms offer.

Social media adoption and goals vary per industry

Social media adoption varies per industry. [The five most active industries on social media](#) are:

- entertainment
- search engines
- marketing firms
- real estate
- retail.

The main goals of social media use also vary per industry. In real estate, for example, the key aim is managing relationships with customers and prospects. Search engines use social media to connect with users, promote ideas and start conversations online.

The use of social media to increase external awareness is especially relevant for customer-oriented sectors. They can use it to improve the perception of their brand, products and services. Consider in this regard retail,

media, professional services or discrete manufacturers in segments like consumer electronics and automotive.

Tips:

- Specialise in social media services for specific industries to avoid competition and add value.
- Look at what is posted on social media platforms of organisations in your target segment. This will give you an idea of how consumers and companies in this industry use social media. For example: if you want to target travel and tourism companies in the United Kingdom, check Facebook pages of tour operators like [Thomas Cook UK](#) or LinkedIn tourism groups like [the UK Travel Industry](#).
- Research the social media goals of companies in your vertical target market to tailor your service offering.

5. What trends offer opportunities on the European market for social media services?

Increasing use of visual content

[Visual content is becoming increasingly popular](#). The rising use of the visual social media platform Instagram illustrates this. The majority of marketers use visual content in their social media marketing and plan to increase their use in the future.

Images

At 74%, almost three-quarters of marketers use images in their social media marketing. This makes it the most popular type of social media content. With 73% of marketers planning to increase their use of images, this type of content continues to be important.

Video

Some 60% of marketers currently use video. Like with static visual content, an impressive 73% plan on increasing the use of video in their social media marketing.

Live video

Live video is also rapidly gaining ground, with 14% of marketers currently using this new type of content. However, all of 50% plan on using live video services such as Facebook Live and Periscope within a year.

Tips:

- Offer video content creation and management.
- Keep track of developments and trends in the field of visual content.

Popularity of social customer service on the rise

Delivering a high standard of customer service is critical to corporate success. This is especially true when it comes to online channels. Social media is making it easier for dissatisfied customers to share their disapproval.

In recent years, social media have become an important customer service channel for European consumers. As a result, European companies are increasingly offering customer service through social media platforms. The

use of [social media as a customer service channel is set to increase by more than 50%](#), from 43% of contact centres in 2015 to 68% in 2016. Industry experts indicate that especially technical support has potential, as your staff can be trained for this.

Tips:

- Include social media customer service in your service offering.
- Focus on technical support via social media.
- For more information, see our [study about contact centre services](#).

Social media drives demand for big data analysis

Social media generate huge amounts of (unstructured) data. European companies are increasingly interested in the analysis of this big data. Data from social media can give them valuable insights into such things as target groups, customer needs, brand impact and future developments.

Tips:

- Offer social media data collection and analysis services.
- Learn how social media data analytics can improve the quality of the social media services you offer.
- Use social media data analytics tools that can help filter messages based on sentiment (positive or negative) and intent (request for support, expressing a desire to purchase or just commenting). To select a tool, see, for example, [The Best Social Media Management & Analytics Tools of 2016](#) according to PCMag.
- For more information, see our [study on big data outsourcing](#).

Social media services as part of a contact centre portfolio

European companies are increasingly asking contact centres to manage their social media activities, especially their customer service activities on social media. As a result, many contact centre service providers highlight social media services as a key component of their portfolio. This development is set to continue, as 39% of European contact centres consider social media a key trend in the next four years.

Tips:

- Partner with contact centre service providers that offer social media services. They might be interested in subcontracting some of their social media activities to reduce costs.
- For more information, see our [study on contact centre services](#).

See our study on [trends on the European outsourcing market](#) for more information about general trends.

6. With which requirements must social media services comply to be allowed on the European market?

What legal and non-legal requirements should you comply with?

European data protection legislation

The European Union protects the privacy of its citizens with the [Data Protection Directive](#) (95/46/EC), by

regulating the:

- processing of personal data
- free movement of personal data.

For example:

- Personal data may only be processed with the consent of the subject.
- Personal data must be processed confidentially and securely.

The vast changes in technology since 1995 require a stronger, more universal regulation. Therefore in May 2016 the new [General Data Protection Regulation](#) (GDPR, EU 2016/680) and [Directive \(EU\) 2016/680](#) on data protection came into force. The GDPR is set to replace the original Data Protection Directive. All Member States must implement it in national legislation by May 2018. As they are free to apply stricter rules, exact legislation varies per country.

The main change you have to prepare for is that the GDPR makes you responsible for data protection. Under the old directive, any data by which an individual can be identified was the sole responsibility of the data controller (owner). However, under the GDPR any company or individual that processes data is also responsible for its protection. This includes parties from outside the European Union, like you. This means your data protection systems need to be in order.

Tips:

- Read more about the [protection of personal data](#) on the website of the European Commission. It also keeps you updated on the reforms of the European data protection legislation.
- Study the national data protection legislation of your European target countries.

Which additional requirements do buyers often have?

Voluntary data security ISO standards

Data security is one of the main challenges for service providers. This includes both data protection and recovery systems. Many European buyers expect you to have information security and management systems in place, especially in industries where security is essential, such as finance and banking or mobile applications. The [ISO 27000 series on information security](#) contains common standards.

Tips:

- Make sure you have effective security processes and systems in place, from business continuity and disaster recovery to virus protection.
- Ask your buyer to what extent they require you to implement a security management system like the [ISO 27002 code of practice for information security](#).

See our study about [buyer requirements on the European outsourcing market](#) for more information.

7. What competition will you be facing on the European social media services market?

Competition on the European market for social media services does not differ significantly from the outsourcing market in general. See our study about [competition on the European outsourcing market](#) for an overview. Also

refer to our [top 10 tips for doing business with European buyers](#).

Nearshoring more popular than offshoring

European companies prefer to outsource social media services to providers within the same country (onshoring) because of the required (native) language skills. Industry experts estimate that around 10% of social media services are nearshored/offshored. These are mainly the less language dependent services.

When outsourcing abroad, European companies prefer nearshore locations because of proximity, language, cultural similarities and the little or no time difference. These are usually Eastern European countries, due to their relatively low wages, such as Poland, Bulgaria and Romania.

However, prices in nearshore countries are rising. This development makes service providers in these countries less competitive for offshore service providers. It makes European companies more open towards outsourcing to destinations further away. You can choose to form subcontracting partnerships with these nearshoring providers, or compete with them.

[Offshoring destinations with the strongest potential](#) are:

- India
- China
- Malaysia
- Brazil
- Indonesia.

Tips:

- Limit the possible disadvantages of being offshore. Provide excellent communication, availability in the required time zone and good security and privacy measures.
- Distinguish yourself from onshore and nearshore providers to remain competitive. Emphasise how you are different in your marketing message. Do not just compete on price, but also analyse what other advantages you can offer, such as access to skills, specialised industry expertise or around-the-clock operations (24/7).
- Research what your competitors are doing right and wrong. This can help you distinguish yourself from them.
- Partner with nearshore service providers, since Eastern European companies are looking for cheaper destinations. Many service providers in developing countries have not yet recognised this opportunity.

8. Which channels can you use to put your social media services on the European market?

Subcontracting by European service providers

Subcontracting by European social media service providers is a good and realistic market entry channel. It entails European service providers subcontracting social media assignments to you that end-user companies have contracted to them. These local service providers know the local market well and already have a buyer network. Another advantage of subcontracting are the low up-front capital investments.

Tips:

- Focus on service providers that offer the same type of services or serve the same industries as your company.

- Do not limit yourself to social media services providers, but also look for partnerships with contact centre service providers.
- Attend relevant industry events in your target country to meet potential partners. This also allows you to learn more about their business culture. Examples include the [Digital and Social Business Conference](#) in Germany, [New Media Europe](#) and [Social Media World Forum](#) in the United Kingdom, [Social Media Strategies Summit](#) at different locations and [Social Service Congress](#) in the Netherlands.
- National outsourcing associations can also be interesting sources to find potential buyers, such as the [Global Sourcing Association](#) in the United Kingdom, [Outsourcing Verband](#) in Germany and [Platform Outsourcing](#) in the Netherlands.

Direct partnership with end users

You can also try to sell your social media services directly to end-user companies. Especially western European companies are generally quite open to international partnerships, which can enhance your opportunity of direct sales. However, you need profound end-market knowledge. If you are experienced in social media services for a specific industry, this increases your chances of a direct partnership with companies in this industry.

Tips:

- Develop good promotional tools, such as a professional company website and a company leaflet. Also invest in Search Engine Marketing, so potential buyers can easily find your company online.
- If you are specialised in social media services for a specific industry, approach companies in this industry directly.

Intermediary

You can approach European service providers and end users of social media services directly or through an intermediary. A local contact person is an advantage, especially if you are located in a lesser-known outsourcing destination. Intermediaries, such as a consultant/matchmaker or sales/marketing representative, can therefore be an important channel to establish contact with potential buyers.

See our study on [market channels and segments on the European outsourcing market](#) for more general information. Also refer to our study on [finding buyers in the European market](#).

9. What are the end-market prices for social media services?

Price is the main reason for companies in Europe to outsource social media services to developing countries. Staff salaries make up a large share of the costs of social media services, as these services are relatively labour-intensive. This means outsourcing to countries with lower wages can lead to considerable savings.


For example, the annual salary of a social media specialist at entry level in the United Kingdom is around €36,000. Salary levels of social media specialists in developing countries can be significantly lower.

Tips:


- Research the average salaries for social media service providers in your European target country, for example via [Payscale](#), a global database for salary profiles.
- Emphasise the potential salary savings in your marketing activities.

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