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ARGENTINIAN COMPANIES FACING THE DIGITAL TRANSFORMATION OF COMMUNICATION

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Introduction

In a recent interview for newspaper La Nación¹, Vinton Cerf, vice-president of Google, confirmed that “in 2020, 80 % of humanity will be connected to the Internet”. The world is digitalizing. We don't know when it happened, but the Internet and its allies (apps, e-commerce, social networks, the Internet of things, etc.) are here to stay and will surely never leave.

Communication specialists are facing a situation that would have been unimaginable a while ago: the empowerment of the individual, who in recent years has found a voice and a vote. Individuals are no longer mere spectators of the environment: they now talk, comment, choose, demand and express themselves. Capturing their attention and approval is one of the greatest challenges brands encounter. Those that succeed will generate stronger ties with their audiences. Keeping in mind that Argentina has more than 34 million Internet users, that Facebook reaches out to more than 28 million Argentinians and

that there are over 11 million Twitter users, we could interpret what is happening as a great opportunity to build relationships.

For the second consecutive year, the survey “**Is your company a digital corporation?**” was conducted with the objective of quantifying the degree of penetration that this environment has in the DNA of companies, assessing their performance in 2015 and learning about the expectations for their digital strategy in 2016.

The survey, conducted among directors of communication and marketing, is based on the experience of more than 40 companies present in the Argentinian market across multiple industries, including mass consumption, energy, retail, mailing services, logistics, technology, finance and construction, among others.

¹ La Nación, Vinton Cerf: “En 2020 el 80% de la humanidad estará conectada a Internet,” <http://www.lanacion.com.ar/1897307-vinton-cerf-en-2020-el-80-de-la-humanidad-estara-conectada-a-internet>



Context

Only 35% of the companies that were surveyed have a team leading the digital strategy of the company.

- Of the remaining 65 %, 11 % said they will create a digital strategy area in 2016.
- 26 % are evaluating it.
- 11 % would like to implement it but do not have the budget.
- 30 % are sure it will not be developed this year.

The majority rely on the services of external consultants.

- Although 40 % of the companies that were surveyed have one or two people dedicated to implement their digital strategy and 30 % of them have a team of three or more people, 75 % of them rely on external consultants to develop their online strategy.

Digital continues to be associated to marketing.

- The digital strategy falls under the marketing department in 48 % of the cases; 13 % fall under corporate affairs and 8 % under the department of institutional relations.

35% of the companies that were surveyed have a team leading the digital strategy of the company.



Autodiagnosis

Only 10 % of surveyed companies consider their digital strategy is at a “mature” stage, that is to say, at a stage of “integration”, in which the digital strategy of the company totally responds to the business strategy, providing tangible results.

- 13 % of them find themselves at a “learning” stage, meaning they are learning the strategies and benefits of social media.
- 13 % are in the process of organizing their presence and participation in different digital platforms (“planning” stage).
- 18 % find themselves at a stage of “exploration”: taking the first steps towards the company’s official presence on the Internet.
- The majority of the companies that were surveyed (25 %) are going through a “loyalty” stage, that of interaction and outreach to the publics.
- 20 % of the companies are at a “diversification” stage: looking to broaden their social media strategy towards other areas in order to obtain benefits and revamp their business strategy.

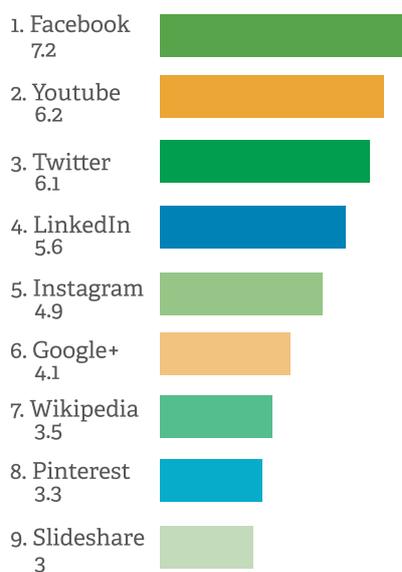
There is no clear trend in general achievements, but rather, success depends on the industry.

- Having created online spaces where the company can connect with its publics and develop a community (30 %).
- Having achieved greater effectiveness in marketing plans and related activities (28 %).
- Having achieved greater effectiveness in managing clients through social media channels (13 %), although the digital strategy’s objective was not necessarily focused on improving customer service.
- “Convertibility for the business”, which has contributed to increase profitability and improve its positioning (8 %).
- An 18 % claimed that, up to date, they have not achieved any success.

For surveyed companies, the assets that contribute to develop corporate presence are the most essential to any digital strategy.

- Corporate assets that generate a digital community around the brand: a web site, a blog, microsities of products and services, profiles in social networks, among others (93 %).
- Management standards on online media and social networks (73 %).
- Monitoring and analysis platforms (53 %).
- Mapping the company’s stakeholders (48 %).
- Contents of interest for their different publics, what is called content marketing and “brand journalism” (45 %).
- Applications for mobile devices (45 %).
- A social media training (38 %).
- Online document about crisis management (13 %).
- Guidelines to develop the employees’ digital identity (15 %).

Figure 1. The chosen social networks





The employees' digital identity, an untapped resource

For 50 % of the companies, the development of the digital identity of its employees is "important" and "very important".

- 18 % consider it a private matter of the employees themselves.
- 28 % have not considered the impact that their employees' digital activities could have on the company's image.

While the Internet is now part of our daily lives, the integration between the employees' digital identity and that of the company remains unclear.

- On one side we find those companies that are more interested in promoting this type of initiative. 25 % of them have created policies and procedures to use these channels; 23 % of them use social media tools to internally connect with their employees; 5 % have taken advantage of the insights that conversations through these channels provide to improve internal and external products and services; and 3 % have implemented internal trainings on the use of social networks.

- On the other side, more than 40 % of the companies have not contemplated the possibility of integrating the company's online strategy with their employees' digital identity, and 18 % of those do not even grant access to social networks in the workplace.

For 50 % of the companies, the development of the digital identity of its employees is "important" and "very important".



The strategy, at the service of the business

There is no defined trend regarding the type of strategy that companies adopt in Argentina:

- 23 % of companies adopt an integral strategy, meaning a single digital plan for the whole company, in which both the commercial focus and business units are aligned.
- 13 % maintain an independent strategy by department, in which each area and business unit develop their own digital communication strategy according to the commercial and positioning objectives they are trying to achieve.
- 20 % of companies work on an online strategy of “reputational positioning”, a strategy that aims to create more visibility and value for the company’s image.
- 13 % focus a great part of their strategy’s efforts in addressing and improving 2.0 customer service.
- 13 % is bound to get some form of revenue for their business (commercial strategy).
- 20 % consider themselves without a defined course in regards to digital strategy.

In the last year, 83 % of the teams in charge of digital management had to address the online communication needs of other areas of the company.

- The greatest demand came from customer support (73 %), human resources (70 %), public affairs (73 %), CSR (67 %), advertising (61 %), and legal (15 %), among others.
- 85 % of them believe they will have to address the same demands this year.

23 % of companies adopt a single digital plan for the whole company.



Towards an increasingly inevitable digitalization in the corporate world

Communication is changing in every way. The Internet offers a democratic space, where all opinions matter, and consequently, this interaction makes the encounter between companies and their publics more interesting.

The Internet, social networks and new technologies have generated, at least, three situations that are transforming communication:

- **Infoxication:** the excess of content and multiplication of channels. The audience chooses what content to consume, in what media and how much time it will dedicate to it. The great challenge of companies will be to improve the dispersion and saturation of channels with new approaches to content through branded entertainment and brand journalism.
- **Personalization:** the digital environment has empowered individuals, providing them with their own means of public expression. The democracy of the Internet gave them a digital voice, one that can be used to influence their closest environments. The experience (purchase, use, service, etc.) lived by peers is more valued than the promises (purchase, use, service, etc.) expressed by a brand. Companies should earn their recommendation and their great ally will be the "humanization" of communication: companies are more credible because of their employees than because of their corporate speeches, and the transmission of these messages through the human component of companies yields greater results.
- **Hyper-transparency:** anyone with access to the Internet and a camera in hand becomes a potential transgressor of the private world and is capable of bringing the most guarded secrets to light. The Internet and the networks will be in charge of making it viral at the global level. The goal is to win and protect reputation by listening to expectations with intelligence.

Companies should not fear this new reality and commit to dialogue: a company that interacts and presents itself transparently is more credible and highly valued. Being present is no longer enough. The online world invites us to play a more active role in the digital conversation and employees fulfill a key role in this openness to dialogue.

This is part of a strategy that should involve all areas of the company because its image is in play and their individual actions can bring consequences to the company's online reputation. A flawed human resources policy, damage to the environment or a poorly served client all have an impact.

The company that does not board the digital transformation train will experience difficulty in reaching the standards of quality and service that society is demanding. But **the digital transformation of communication is now inevitable and, sooner or later, will reach the entire corporate world.**



Source: Youtube. Video published by a Fedex client.



Fuente: Coca-Cola Journey, ejemplo de periodismo de marca

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LLORENTE & CUENCA is the **leading Reputation, Communication and Public Affairs management consultancy in Spain, Portugal and Latin America**. The team comprises 22 partners, of which 20 are professionals and two are financial, along with more than **480 professionals** that provide strategic consultancy services to companies in all business sectors with operations targeted at the Spanish- and Portuguese-speaking markets.

LLORENTE & CUENCA currently has its own offices in **Argentina, Brazil, Colombia, Chile, Ecuador, Spain, United States** (Miami, New York City and Washington, DC), **Mexico, Panama, Peru, Portugal and the Dominican Republic**. It also operates in **Cuba**, and is able to offer its services through affiliate companies in **Bolivia, Paraguay, Uruguay and Venezuela**.

In 2016, the firm's international development earned it 54th position on the **Global Ranking of the most important communication companies in the world**, a leader board drawn up by *The Homes Report*.

It is the **communications firm that has won most awards in the markets where it operates**. So far this year it has won **56 awards** through campaigns carried out for clients like Embratur, Coca-Cola Iberia, Avon, CLIA, Antamina, Gas Natural Fenosa, Gonvarri Steel Industries, CaixaBank, SABMiller or L'Oréal, inter alia, and corporate projects like the launch of the new corporate site, the annual report 2014 or the interactive animation document "Entertainment Territory". Furthermore, it competed in the LinkedIn #PremiosIN2015 to be the company that best communicates on LinkedIn in Spain.

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