



# CBI Product Factsheet: Social media services in Spain

## 'Practical market insights concerning your product'

The Spanish market for social media services is growing quickly. Spanish companies increasingly see social media as an important tool for marketing their business and keeping in touch with customers. Therefore, they are seeking ways to handle their social media more effectively. Outsourcing these services is a good means of achieving this. The Spanish market for social media offers the best opportunities to providers in developing countries (DCs) able to offer competitive prices, high-quality services and Spanish-language skills.

### Introduction

This product factsheet focusses on Spain. Not only is Spain one of the EU countries with the highest percentage of internet users, but Spanish companies also have one of the highest rates of BPO outsourcing in Western Europe. Moreover, social media usage is one of the biggest trends within the Spanish BPO market. Although the share of offshoring/nearshoring is still quite low, industry experts see opportunities for DC providers in terms of increasing their market share.

**Figure 1: Conversation prism: visual representation of the expansiveness of social media**



Source: Brian Solis & JESS3

## Product Definition

The term 'social media' refers to web-based (mobile) applications that enable interactive user-generated content creation, sharing, discussion and exchange in virtual communities and networks. Social media are bringing about substantial and pervasive changes to communication between organisations, communities and individuals. Social media applications take many different forms, such as social networking sites (e.g. Facebook, LinkedIn), blogs and micro blogs (e.g. Twitter), multimedia communities (e.g. YouTube, Flickr), collaborative projects (e.g. wikis), and forums and review sites (Figure 1).

There are five main categories within social media services:

- Content management: writing content for social media platforms, e.g. posting comments, photos or videos on the Facebook page of a customer's company or sending Tweets to a customer's Twitter account and ensuring there is new content within an agreed period (daily/weekly/monthly).
- Monitoring and listening: monitoring what is said about a company on social media platforms, e.g. scanning a range of social media platforms, such as review sites, internet forums and social networks, for messages and comments regarding the customer's company, and filtering those messages and comments (positive and negative).
- Customer service: interaction with customers through social media before, during and after a purchase, e.g. offering technical support through a company's Facebook page or handling customer complaints through a company's Twitter account.
- Analysis: researching and analysing data on social media, e.g. analysing which of a company's products/services are increasing in popularity, across which demographic groups and at which locations. This information can be used to develop a more targeted marketing campaign.
- Marketing: marketing through social media for lead generation, e.g. offering special offers, discount coupons or competitions on different social media platforms.

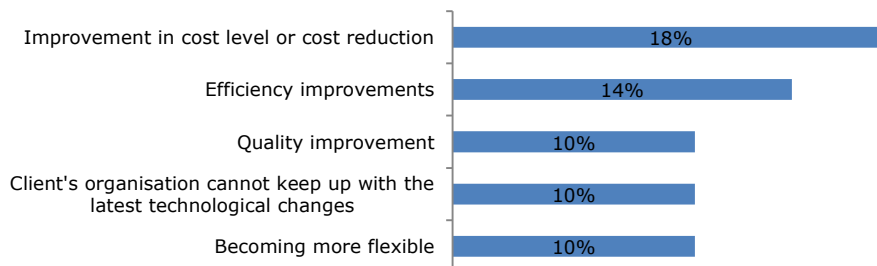
### *Outsourcing social media services*

Managing, monitoring and analysing content on social media is a time-consuming process. Many companies do not have the time to manage social media themselves and delegate social media services to external service providers (outsourcing). These service providers may be:

- Onshore: to providers within the same country (onshoring).
- Nearshore: to foreign providers within the region (nearshoring): e.g. Central and Eastern European countries and North African countries for Western Europe, and Canada and Mexico for the United States.
- Offshore: to foreign providers outside the region, typically overseas (offshoring): e.g. Asian and Latin American countries for Western Europe, and Africa and Asia for the United States.

## Product Specifications

**Figure 2: Top 5 reasons for outsourcing IT or business processes in Spain, in %, in 2013**



Source: Ernst & Young (EY)

- **Price:** for BPO buyers from Spain, improving the overall cost level, or cost reduction, is the main reason for outsourcing business processes (Figure 2). This also applies to the outsourcing of social media services, although according to the same research by Ernst & Young a lack of in-house knowledge is of equal importance concerning this specific business process.

**CFA<sup>1</sup>:** Focus on competitive pricing while maintaining high-quality services.

- **Efficiency improvements:** improving efficiency is another important driver for Spanish companies when outsourcing business processes (Figure 2). This also applies to the outsourcing of social media services in particular, as social media service providers usually have multiple clients and are aware of what will and will not work. Therefore, in general, they can execute social media services more efficiently.

**CFA:** Explain how outsourcing social media services to your company can achieve efficiency improvements.

- **Quality improvement:** most small business accounts spend between 4 to 15 hours a week on social media-related tasks. This could be added to an employee's existing duties. However, for social media to be effective, you need somebody who understands its principles and who is dedicated. The general perception is that outsourcing social media services to a specialist social media provider will result in an improved quality of services.

**CFA:** Emphasise the availability of qualified social media professionals within your company.

**CFA:** Provide customer references and case studies to prove your expertise in social media services.

**CFA:** Make social media an integral part of your own company culture by actively using social media and keeping your social media activities up-to-date.

- **Return on investment:** Spanish companies are increasingly demanding that the time and money they invest in social media management should generate more income. In the recent past, many Spanish companies have not measured their social media return on investment (ROI). Consequently, they have not known whether or how social media were of benefit to their business. Rather than focussing on 'like', retweets or other vanity metrics, companies are beginning to demand track metrics, such as leads, website traffic, conversions and generated revenue. They are achieving this by building measurement into every action and by using more advanced tracking tools such as Salesforce and Google Analytics.

**CFA:** Show your potential customers how outsourcing their social media services to you can generate a good return on investment. Also consider offering measurement tools with your social media services (as described above). The aforementioned tools (Salesforce and Google Analytics) are available in Spanish, but this is not the case for all social media tools. Therefore, carefully check that the social media tracking tools you are using are also available in the Spanish language.

- **Authenticity/personal tone of voice:** the 'tone of voice' is the manner in which a reader or visitor is addressed. The target audience (e.g. B2B or B2C) and the choice of words (e.g. abstract, humorous, sarcastic, positive or negative) are important aspects that determine the tone of voice. Spanish companies value social media messages with a personal tone of voice that suits the core values of their company or brand and suits the company's business sector.

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<sup>1</sup> Consideration for Action

**CFA:** Before approaching potential customers, research their websites and the social media platforms they use to get an idea of their communication style and their personal tone of voice.

- **Availability:** social media platforms are accessible 24 hours a day, 365 days a year. Spanish consumers expect companies with a presence on social media platforms to have the same availability. Thus Spanish companies strongly prefer social media service providers that are available 24/7.

**CFA:** Offer your social media services 24 hours a day, each day. Time-zone differences can be to your advantage here, as they can extend the social media 'opening hours' of your customer's company.

- **Rapid response and high response rate:** rapid response times in social media contact and quality resolutions of problems communicated through social media are very important to Spanish companies. This is because a company's reputation can be damaged significantly by slow responses, failures to respond or low-quality problem solutions.

**CFA:** Provide information about your company's norms and standards regarding first response times, response rates and problem resolution times concerning the various social media platforms for which you provide services.

**CFA:** Strive to live up to the norms for the response times and rates of large Spanish brands.

- **Language:** the availability of Spanish-speaking staff is very important for companies in Spain. They expect social media staff to be able to write Spanish fluently and to bear in mind the differences between the various Spanish-speaking countries around the world when choosing their words.

**CFA:** Ensure you have access to staff able to write (and preferably speak) Spanish fluently. Ensure they are aware of the correct tone of voice to use for the company you are targeting.

- **Frequent contact:** social media experts can bring more readers to the content that is created; nevertheless, much of the input for that content has to come from the outsourcing company itself. Social media service providers are perceived as part of the outsourcing company's sales team or marketing team. Therefore, regular meetings and the sharing of information are very important for the success of the partnership.

**CFA:** Ensure that your customer provides you with their key procedures and policies for social media services and that they form part of the outsourcing contract. For example, give an outline of when you should engage, what should be said and how often.

**CFA:** Plan regular contact moments with your customers to inform them about the process and progress and to avoid misunderstandings.

## Buyer requirements

Buyer requirements can be divided into:

1. **Must:** requirements you must meet to enter the market, e.g. legal requirements.
2. **Common:** requirements you need to comply with to keep up with the market.
3. **Niche:** requirements for specific segments.

**Must**

- **Personal data protection in electronic communications:** the EU regulates the protection of individuals with regard to the processing of personal data and the free movement of such data. Providers of technical services regarding electronic communications to EU companies have to take into account EU legislation on personal data protection (Directive 2002/58/EC and 95/46/EC). As social media generally involves a lot of personal data, EU legislation on personal data protection is very important for social media service providers.

**CFA:** Providers outside the EU can be held responsible for violations of EU data protection requirements. It is therefore important that you comply with EU legislation on personal data protection. Refer to [EU legislation: Personal data protection in electronic communications](#) for more information.

**Common**

- **ISO 27002:** ISO 27002 is the standard governing information security and management. It provides the industry-approved model for an Information Security Management System (ISMS) and addresses the confidentiality, integrity and availability of information within an organisation.

**CFA:** As data security is a challenge in social media outsourcing, adopting the ISO27002 standard is strongly recommended for providers of such services. Refer to <http://www.27000.org> for more information on the 27002 standard.

- **ISO 9001:** ISO 9001 is an important standard for service providers. The ISO 9001 standard represents requirements for the development and implementation of quality management systems in an organisation.

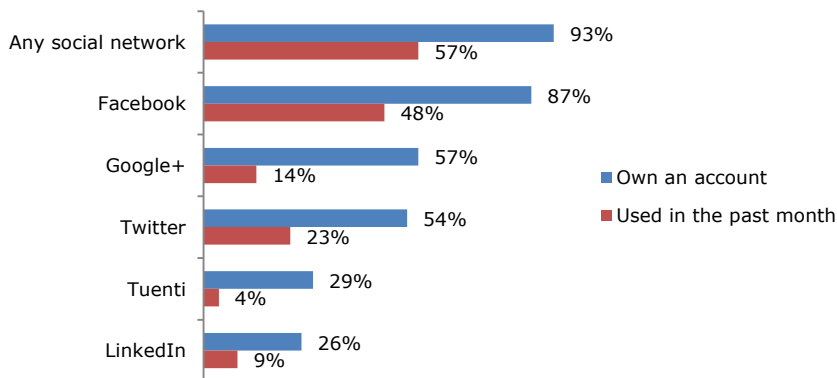
**CFA:** ISO 9001 is one of the best-known quality standards among Spanish companies. Applying for ISO 9001 is therefore recommended. Refer to the [ISO](#) website for more information.

For information on BPO buyer requirements in the EU market in general, refer to CBI’s ‘EU Buyer Requirements’ for BPO.

**Trade and Macro-Economic Statistics**

- **Facebook most popular social media channel in Spain:** Spain has an internet penetration rate of 72%, which is higher than the EU average of 68%. Social media penetration is 41%. This is slightly higher than the EU average of 40% and significantly higher than the global average of 26%. Taking all internet users in Spain, 93% have an account with a social network (Figure 3), of which Facebook is by far the most commonly used social media platform.

**Figure 3: Percentage of Spain’s internet users who use social media**

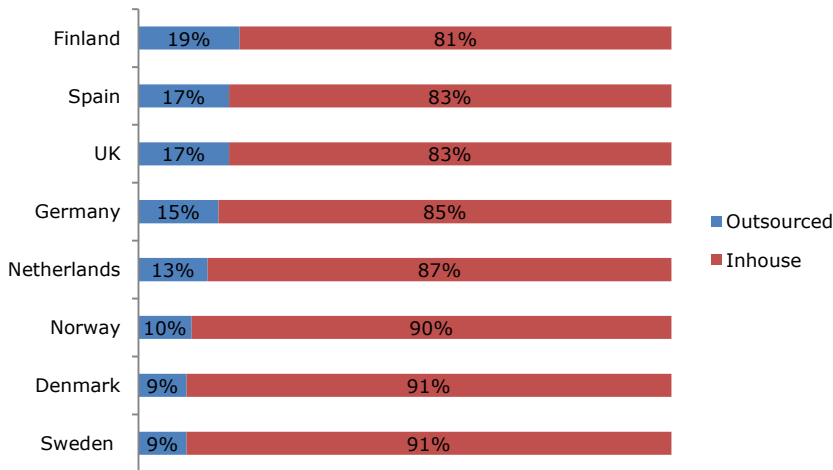


Source: We Are Social2014

**CFA:** Focus on offering social media services for the most actively used social media channels in Spain.

- **Outsourcing is quite common in Spain:** Spanish companies have a quite mature view on outsourcing. Companies in Finland, Spain and the UK are the biggest outsourcers of services in Europe (Figure 4). Although outsourcing is relatively common in Spain, nearshoring and, in particular, offshoring are not yet so commonplace. Of all the countries mentioned in Figure 5, Spain is the country that offshores least (3% of all services against 16% in Denmark and 14% in the UK). Nearshoring is more common (11%). Portugal and Morocco are the most important nearshore destinations for Spanish companies, and Latin American countries are most popular when offshoring.

**Figure 4: Outsourcing of services by country, Europe, in 2013**



Source: Ernst & Young (EY) 2013

**CFA:** Research the social media market in Spain to make optimum adjustments to what you have to offer. For example: study the websites of Spanish social media service providers to gain insights into buyer requirements and current offerings. Check trend websites or blogs to gain insights into market trends and developments. Attend relevant industry events to talk to potential buyers and to find out their needs.

- **Outsourcing of BPO is expected to increase:** 27% of Spanish companies expect to outsource more in the near future. 58% expect to outsource the same amount of work and only 15% expect to outsource less, according to 2013 research by Ernst & Young. The same survey also indicated that social media is one of the biggest trends in BPO in Spain, more so than in any other EU country surveyed. This presents opportunities of interest to DC social media service providers.

## Market Trends

### Social market drivers

- **Lack of social media skills:** in general, there is a lack of social media skills among employees who are engaged in social media. One of the reasons is that it is uncommon for Spanish companies to use social media guidelines to give direction to their employees' social media activities. This can be a driver when outsourcing of social media services.

**CFA:** Emphasise the availability of qualified social media professionals within your company.

**CFA:** Keep your social media skills up-to-date: e.g. monitor new social media platforms and learn how to work with them.

- **Greater use of social media leads to increase in online customer service:** current economic uncertainty and increasing competition to win and retain customers are putting pressure on many Spanish companies. Against this background, delivering the highest standards of customer service is critical to corporate success. This is particularly true when it comes to online channels. Dissatisfied online customers are increasingly using social media platforms to share their disapproval. Furthermore, social media has evolved to become an important channel that many Spanish consumers use for customer service. For younger Spanish consumers, social networks are already the main channel for customer service. As a result, Spanish companies are increasingly offering customer service through social media platforms.

**CFA:** Explore the possibilities of including social media customer service in what you have to offer. Industry experts indicate that social media customer service, particularly in the field of technical support, offers good potential for nearshoring/offshoring, as service providers can be trained for this.

#### **Technological drivers**

- **Increased use of mobile devices stimulating use of social media:** the use of the internet on mobile devices is high in Spain and is increasing annually. At the end of December 2013, 86% of people in Spain accessed the internet via mobile phone. Tablet devices had an internet usage rate of 43%. The increasing use of mobile devices is leading in general to an increased use of social media, which in turn is stimulating demand for social media services.
- **Technological inventions enabling the use of visual content:** technological advances in network bandwidth, storage, and photo and video-enabled devices have brought about a widespread proliferation of visual content. An increasing number of Spanish companies are following this trend by using more visual content in their social media presences, e.g. on Facebook or YouTube.

**CFA:** Keep up-to-date with developments in visual content technology and applications. You can do this by following the latest trends and news on blogs about technology for social media, or on social media and in customer communications in general. These do not necessarily have to be Spanish websites, as trends on the social media market are more or less the same in all Western countries. Show potential customers an example of best practice, preferably one from your own company.

#### **Economic market drivers**

- **Economic uncertainty increases demand for a flexible work force:** in Spain, around 80% of all new employees have a temporary contract. These flexible contracts give Spanish companies a flexible labour pool, which helps them to save on labour costs when they do not require the capacity. They also expect the same flexibility from outsourcing service providers.

**CFA:** Show potential customers how you can offer them flexibility, such as access to a flexible labour pool.

For information on BPO market trends in the EU market in general, refer to CBI's 'Trends' for BPO.

### **Market Channels and Segments**

There are various market-entry strategies that you can use to enter the Spanish social media services market. Remember that there is no silver bullet when selecting a market-entry channel. It is important to look at your own company and determine which approach works best for you.

- **Subcontracting by Spanish social media service providers:** EU industry experts identify subcontracting by Spanish social media service providers as the most realistic market-entry channel for DC social media service providers. Spanish social media service providers have a good knowledge of the Spanish market and already have their own network of customers. Furthermore, up-front capital investments are low in the case of subcontracting.

**CFA:** Target social media service providers whose size is in line with your own capacity. Focus on providers that serve the same horizontal or vertical market as your company to increase your opportunities of finding a potential match.

**CFA:** Attend relevant industry events in Spain to meet potential partners. Furthermore, you will also learn more about their business culture.

**CFA:** Have good promotional material available, such as a professional company website and leaflet.

- **Direct partnership with an end-user of social media services:** a direct partnership with an end-user of social media services might also prove successful, given that the barriers for direct outsourcing are generally lower for internet-related services than for classic outsourcing. This is because the internet does not really recognise national borders.

**CFA:** Research the end-market segment that you want to focus on in order to understand how to market your company effectively. It is better to target companies in a segment for which you already have experience.

**CFA:** Research how Spanish social media pioneer end-users use social media, and learn from this.

- **Intermediary:** it takes time to find a suitable partner, whether it be a Spanish social media service provider or an end-user of social media services. Furthermore, Spanish companies like to work with a Spanish contact. Therefore, Spanish intermediaries, such as consultants/matchmakers or sales/marketing representatives, may also be a market-entry channel of interest, especially when you are new in the Spanish market. Intermediaries generally have a large network, a clear understanding of local markets and insights into buyer requirements.

**CFA:** If you choose to work with an intermediary, review the following selection criteria: expertise (should be in line with your services or vertical market expertise), value and size of network, and references.

You can also look for social media service providers by using search engines such as Google. In an advanced search, narrow your domain to the national extension for Spain: '.es'.

Trade associations, trade events and databases can be good sources to help you find potential customers in Spain. Examples of such sources are:

- E-Commerce - <http://www.e-commercesummit.com> - global e-commerce summit, held annually in June in Barcelona.
- Expo Relación Cliente + Call Center - <http://www.exporc.ifaes.com> - trade event for customer relationship and contact centres, held annually in October in Madrid. Go to 'Expositores y Patrocinadores' for a list of participants.
- FICOD - <http://www.ficod.es> - the International Digital Content Forum, a meeting point for European companies, professionals, entrepreneurs and investors on Spain's digital developments and products. Held annually in December in Madrid.
- OME expo - <http://www.easyfairs.com> - expo on the future of digital marketing. Held every other year in May in Madrid. Next edition in 2015.



- Spanish Association of Customer Relationship Experts (AEERC) - <http://www.aeerc.com> - contact them for a list of members.
- Spanish Export Institute - <http://www.icex.es> - contact them for a list of Spanish BPO consultancy companies.

For information on BPO market channels and segments in the EU market in general, refer to CBI's 'Trade Channels and Segments' for BPO.

### Price

Being the main component of labour costs, salaries form a large share of the costs of social media services, as social media services are very labour-intensive. As a point of reference, monthly salaries in Spain for eMarketing managers lie between €2,000 and €2,500. Given that the salary levels of social media specialists in DCs can be significantly lower, Spanish companies could gain substantial cost savings by outsourcing social media services to DCs.

### Field of competition

Refer to CBI's 'Field of Competition' for BPO, as competition in the Spanish social media outsourcing market is based on the same aspects as competition in the BPO market in general.

### Main sources

- IAB Europe - <http://www.iabeurope.eu> - provides many white papers, case studies and reports on digital business subjects – social media being among them.
- Marketing Directo - <http://www.marketingdirecto.com> - Spanish online marketing website.
- We Are Social - <http://wearesocial.net> - global conversation agency that specialises in social, digital and mobile developments around the world. They research many markets and countries worldwide.

For all CBI's BPO-related market intelligence documents, go to CBI's '[Market Intelligence Platform for BPO](#)'.

This survey was compiled for CBI by Facts Figures Future in collaboration with CBI sector expert Harry van Geijn

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