

AMERICAN MARKETING ASSOCIATION

SOCIAL MEDIA

SUCCESS METRICS

SPECIAL REPORT



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INTRODUCTION

MORE METRICS, MORE BUDGET, MORE CONFUSION

With accountability and attribution top of mind, more marketers are spending increasingly larger portions of their budgets on digital marketing. And to meet their customers where they're spending their time, many marketers are heading to social media.

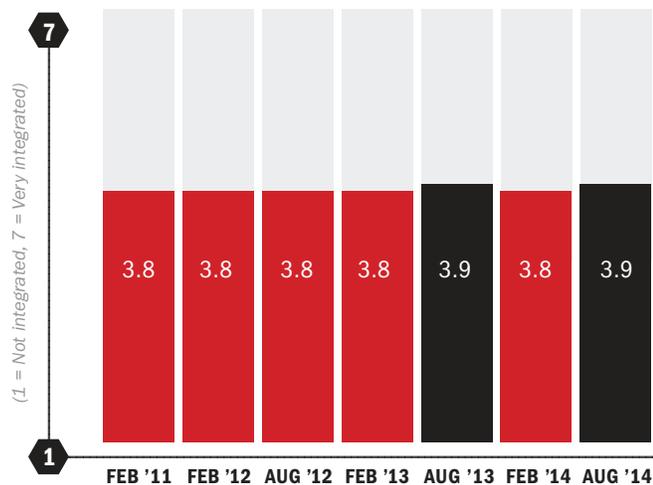
Social media marketing has evolved from a last-minute add-on to an integral element of many marketing campaigns, but many companies still are having trouble connecting the dots, demonstrating how marketers' social efforts are impacting their overall business objectives—and their bottom lines. Followers, "likes," tweets and retweets convey more concrete accomplishments than they used to, but what do those audience-focused numbers tell you beyond a brand's reach in social?

The nature of social media makes measuring a company's efficacy in the social sphere seem nebulous, and marketers report struggling to show the impact on their businesses of their social media efforts. (See chart on next page.) At the same time, companies expect to invest more money each year in social media efforts, (See chart at right.) even though these same companies report not seeing increased alignment of social media with the overall marketing strategy in the last three years. (See chart below.) This increased investment necessitates a sharp understanding and strategic use of social media metrics—not only to demonstrate how marketers engender loyalty or boost advocacy, but also to drive and demonstrate profitability.

This report demystifies the process of measuring social media marketing efforts and connecting social successes back to real business outcomes. Marketers will learn to align social media metrics with business objectives, distill the social data into insights, and communicate relevant results to colleagues outside of the marketing department and in the C-suite.

SOCIAL INTEGRATION

How effectively is social media linked to your firm's marketing strategy?



SOURCE: The CMO Survey, August 2014.

SOCIAL SPENDING

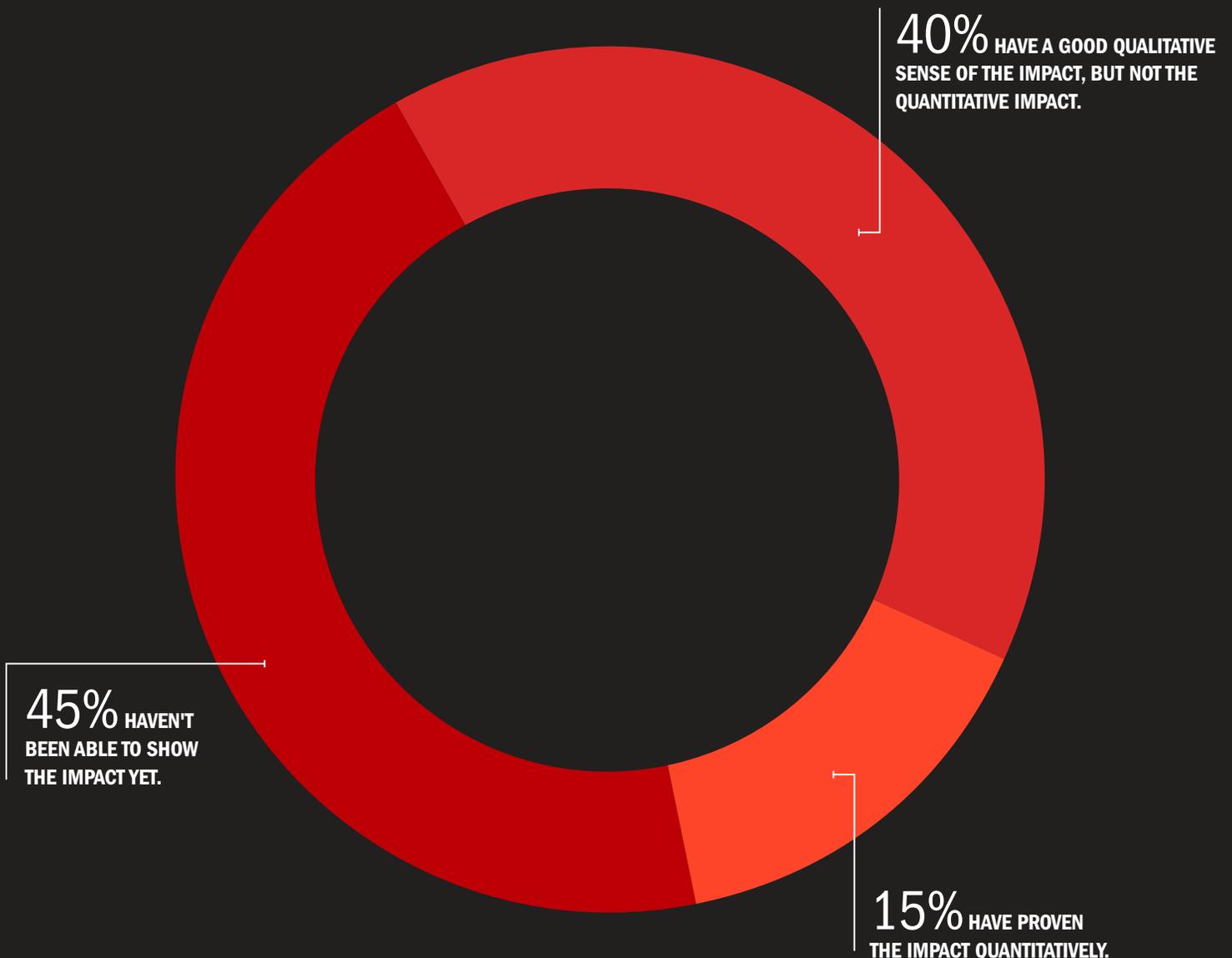
Social Media Spending as a Percentage of Marketing Budgets

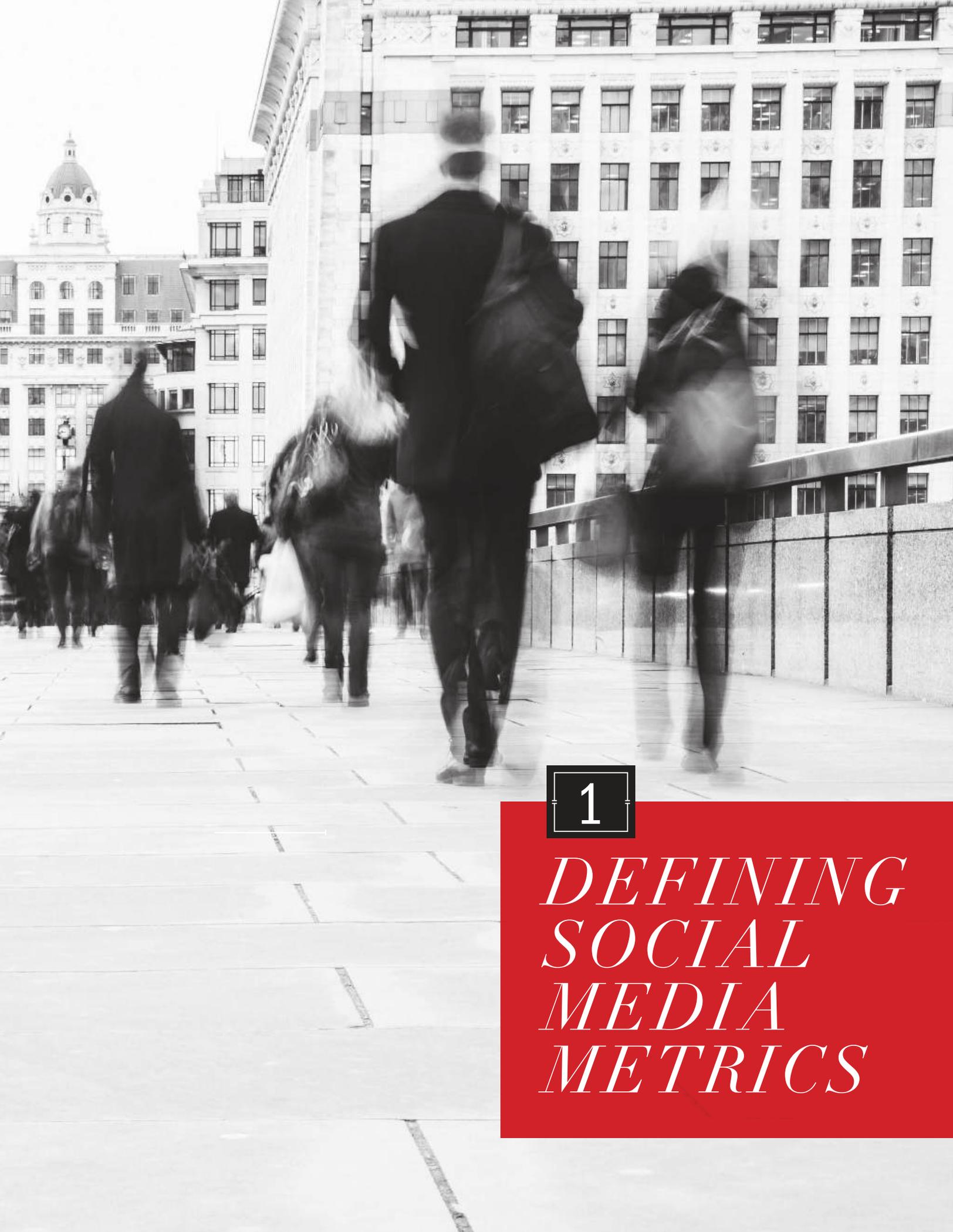
	OVERALL	B-to-B PRODUCTS	B-to-B SERVICES	B-to-C PRODUCTS	B-to-C SERVICES
CURRENT SOCIAL MEDIA SPENDING	9.4%	9.5%	9.2%	10.4%	8.6%
SOCIAL MEDIA SPENDING IN NEXT 12 MONTHS	13.2%	12.6%	13.3%	15%	11.9%
SOCIAL MEDIA SPENDING IN NEXT 5 YEARS	21.4%	19.9%	22.2%	22.8%	21%

SOURCE: The CMO Survey, conducted by Duke University in partnership with the American Marketing Association, August 2014.

SOCIAL'S SOFT METRICS

The August 2014 results from The CMO Survey, a nationwide poll of top U.S. marketers conducted twice a year by Duke University in partnership with the American Marketing Association, illuminate the issue: Only 15% of respondents report being able to show the impact of social media on business.





1

*DEFINING
SOCIAL
MEDIA
METRICS*

SOME MARKETERS still advocate for “soft metrics”—sometimes dismissed as “vanity metrics”—which are measures such as “likes,” downloads and followers that might not correlate to desired outcomes from a customer, such as an action or a purchase. While these metrics ruled in the early days of social media marketing, with increased automation technology and a growth in social media outlets comes a significant push to tie social media efforts to hard metrics, including conversions and sales.

When social media marketing efforts are tied to hard metrics, marketers can better demonstrate that social media metrics have implications not just for marketing decisions, but also for sales, customer service and R&D. For example, San Francisco-based software platform Eventbrite, which enables event producers to sell tickets and registrations for their events, was tracking and measuring its website referrals and in 2008, it discovered that Facebook was a top referrer. Clients were creating events on the site and including links back to Eventbrite to buy tickets. Further, participants were sharing the link before or after they purchased their own tickets.

Eventbrite accessed Facebook’s API and integrated sharing features into the product. Now the company can measure its social media strategy by tracking clicks and how many of those clicks convert to a purchase. Its top social metrics are calculated this way:

TOTAL DOLLARS DRIVEN BY SHARING	&	TOTAL VISITS DRIVEN BY SHARING
TOTAL SHARES		TOTAL SHARES

The company also tracks when posts are shared: One in 100 people share before purchasing, while one in 10 share afterward. Eventbrite’s marketers are working to optimize that metric to boost post-purchase shares.²

The number of digital metrics has grown to hundreds—or thousands when parsed by audience segments. For example, The Digital Metrics Field Guide, published in 2014 by the Advertising Research Foundation, lists 197 from four primary digital channels (e-mail, mobile, social and the Web)—and the guide makes clear that the list, while extensive, is incomplete.

Brands do not need 197 digital metrics—or even a tenth of that amount to measure a single social campaign or a broader social media strategy—but what do they need?

² Ettinger, Susan. “The Social Media ROI Cookbook: Six Ingredients Top Brands Use to Measure the Revenue Impact of Social Media.” Altimeter Group, July 2012.

80% of U.S.-based client-side marketers measure the effectiveness of their social content, with social media metrics such as “likes” being the most common measure.



2

*MATCHING
METRICS TO
OBJECTIVES*

SMART Objectives

Specific

Written in simple terms that are well-defined and understandable to all participants and stakeholders.

Measureable

Quantifiable progress in terms that are meaningful to the brand.

Attainable

Possible to achieve with the resources available to the organization, and in light of current internal and external conditions.

Relevant

Aligned with the brand's essential work and its place in the marketplace.

Time-specific

Bound by a specific time frame.

THE FIRST ELEMENT that a brand needs to measure its social media marketing success isn't a metric. It's an *objective* that aligns with the brand's business goals. High-quality objectives are based on the organization's overall needs. For example, objectives for social media marketing efforts might be to drive a measurable increase in brand awareness, generate leads, shift brand sentiment or improve customer service. Improving click-through rates, or increasing "likes" or "fans" are all poor objectives because they don't tie clearly to business outcomes.

A company's ability to generate valuable results from social media efforts is directly tied to its ability to establish clear and meaningful objectives. Therefore, marketers need a systematic approach to developing and managing their companies' social media strategy. A common framework looks like this:

GOALS > OBJECTIVES > STRATEGY > TACTICS > KPIs

Each element is defined as follows³:

GOALS: Broad concepts tied to the company's mission and vision.

OBJECTIVES: More specific elements that will lead to achieving the goals. Objectives should follow the age-old SMART framework [See chart at left.]: They should be specific, measureable, attainable, relevant and time-specific.

STRATEGIES: A high-level view of how a company will achieve its objectives. Far from addressing the specific, necessary actions, strategies are ideas and principles that guide those actions.

TACTICS: The actions that support the strategy. Detailed and specific, tactics in social media efforts likely change frequently as technology and tools change, whereas strategies should remain effective for a much longer period of time.

KEY PERFORMANCE INDICATORS (KPIs): These metrics measure progress toward the goal. Agreed upon before a brand launches a campaign or a new approach to social media, KPIs ensure that the brand is measuring its efforts with a business goal in mind.

³ Definitions adapted in part from "Enterprise Social Technology Series" from TDK Technologies, <http://www.tdktech.com/tech-talks/enterprise-social-media-researching-social-technology-part1>. Last accessed 10/27/14.

FLESHING OUT THE FRAMEWORK

Here's an example of how the framework works:

GOAL

Enhance brand strength.

OBJECTIVES

1. Introduce brand to new potential clients/customers.
2. Improve brand reputation by increasing positive mentions and reduce negative mentions.
3. Increase reach of thought-leadership content.

STRATEGIES TO SUPPORT OBJECTIVE NO. 1

1. Use social media to expand brand's reach.
2. Increase engagement with brand content.
3. Increase awareness of brand's newest product line.

TACTICS

1. Develop fresh branded content that's easily shared and repurposed.
2. Engage in conversations with thought leaders who aren't yet familiar with the brand.
3. Consolidate brand's social media accounts and select three most effective channels.
4. Create unique brand-centric hashtag for followers to unlock coupon codes for new product.

POSSIBLE KPIS FOR TACTIC NO. 1

1. Engagement with content, segmented by type of content.
2. Sharing metrics (retweets or replies, for example) as a percentage of total reach.
3. Visits per page and time on site (if content is housed on brand's website).
4. Sentiment.
5. Conversation drivers.

By defining its approach to social media using this type of framework, a brand ensures that its metrics align with business goals, which keeps a brand believing that “doing” social media is a worthwhile investment of time and resources.

METRICS CATEGORIES AND EXAMPLES

In the example on page 8, the KPIs are a combination of qualitative (Nos. 4-5) and quantitative (Nos. 1-3) metrics. **Qualitative metrics** are subjective judgments, based on observations. Data generally are driven by hypotheses based on sample sizes that don't meet the strict standards of true scientific assessment. **Quantitative metrics** are numerical measures derived from statistically significant sample sizes. Taken together, well-chosen qualitative and quantitative metrics provide a holistic view of brand health.

EXAMPLES OF QUALITATIVE METRICS:

Conversation drivers: Reflects what people are talking about. Tools can gather and categorize the issues and ideas surrounding a brand, its products and its competitors. This information can enable marketers to shift tactics quickly. It's also key for customer service, as it can highlight potential issues before they become significant, and for R&D, as it can provide ideas for product improvements that will resonate with the brand's customers.

Influence: Reflects who or what drives customer behavior, such as purchasing a product or advocating for a brand. Like sentiment, it's too subjective to measure with 100% accuracy, but it can inform efforts to engage the most persuasive voices in a segment.

Sentiment: Reflects the tone of conversations about a brand, product or idea. Sentiment generally is categorized as positive, negative or neutral, and tools tend to fall into two categories. Automated sentiment analysis tools rely on algorithms that "read" comments for words or phrases that can be categorized as positive, negative or neutral. Machine-learning approaches use adaptive algorithms informed by human classification. Once the algorithm "learns" the person's classification patterns, it applies them to its analysis.

EXAMPLES OF QUANTITATIVE METRICS:

Click-through rate (CTR): The percentage of visitors who click on a link. Recently, experts have argued that a better metric is "**dwelling time**," or the amount of time that a visitor actually spends on a page, as CTR can be skewed easily by visitors who accidentally click on a link.

Conversions: The number of people who perform a desired action, such as buying a product, voting for a candidate, signing up for a trial service or completing a lead-generation form.

Engagement: Measures how well the brand is connecting with its followers or fans. It is the number of people interacting with a brand's content on any platform. By measuring engagement as a rate (how many interactions per follower or fan), a brand can compare the effectiveness of its social media efforts across platforms.

Followers/fans: Easy to follow and report but often not a solid indicator of a brand's strength. One tactic might be to pair it with engagement metrics, such as average engagement rate, to determine how many of those followers or fans are acting on the brand's content.

Leads: The people who might purchase a brand's product or service.

Visitor frequency rate: Differentiates between new and returning visitors. New visitors can be an indicator of a brand's genuine success in its attempts to expand **reach**, while returning visitors give insight into which **content** is most valuable to consumers and how strong their **loyalty** is.



"Decide on specific objectives up front and then stick to the metrics tied to them. It's tempting to jump around, to look at message penetration one week and reach the next. Don't do it."

– **Chris Walker,**
Connect Marketing Inc.

NINE QUESTIONS TO HELP GUIDE THE METRICS SELECTION PROCESS

Matching metrics to a social media effort's objectives—or to any marketing effort's objectives—is one of the biggest challenges for many modern-day marketing teams. A small and meaningful combination of qualitative and quantitative metrics is generally the best route—many experts recommend no more than a dozen for a robust campaign—and the metrics must have meaning when taken together: They should reflect a 360-degree view of a well-defined effort, not a nebulous collection of unrelated data.

While each effort will require its own unique set of metrics, this list of questions can guide a marketing team's efforts to select the best fit:

- 1. What is my goal with this social media effort (sales, leads, advocacy, buzz, increased site traffic, etc.) and how does it tie back to my business objective(s)?**
- 2. Which metrics reflect the behavior that we're trying to drive with this effort?** A good exercise here is to examine the path to purchase—or whatever the end goal—and consider metrics that tie in with each step of that path.
- 3. Which tools are available to our group that will allow us to measure our effort?** Explore the software solutions available to your brand, and take some time to learn the differences in how they define and measure metrics that you're considering.
- 4. What's the source of this data?** Data collected by third-party platforms reflect the business objectives of those platforms—which might not align with a brand's objectives. This data might still be valuable to the marketing team, but it's important to evaluate the source and have a basic understanding of the algorithms used to compute it.
- 5. Which metric(s) would be the most telling for executives outside of the marketing department?** Which can be mapped back to business outcomes? For example, by embedding a short link into content, a brand can track the source of its conversions (to sales, leads or whatever the desired outcome). This measure allows a marketing team to measure its ROI, but the metric also gives clarity to the channels and content most likely to drive the desired outcome.
- 6. Are the metrics comparative?** To be helpful, a metric needs to provide context—or needs to be combined with another metric to tell a story.
- 7. Do my colleagues have experience with this metric?** Are there red flags to consider as I use it to guide decisions?
- 8. Am I using this metric simply because it's easy to measure, easy to promote or already a part of my dashboard?** Have I recently examined which metrics I'm using to ensure that they're still meaningful and helpful?
- 9. Do I know what to do when I see a change in the resulting data?** If a brand tracks reach and that reach decreases significantly, does the marketing team know how to respond?



“Keep all metrics on one piece of paper. If you need more than one piece of paper to showcase your metrics, you are tracking too many things.”

– Jay Baer,
Convince & Convert



“The best strategy for advertisers would be to assess the relative roles of all available measurements and to create their own internal currencies informed by the unique economies of their specific products and brands. For example, direct retailers should concentrate on media-attributable visitor traffic, conversions by product type and revenues. CPG advertisers should monitor search behavior, attitudinal response to ads, consumer interactions with the brands’ online entities and ads, pass-along behaviors, word of mouth and online sentiment.”

– **Yaakov Kimelfeld,**
Merkle Inc.

MATCHING METRICS⁴ FOR MORE TELLING INSIGHTS

Individually, metrics can yield informative data, but when taken together, they can paint a more accurate picture of your social media marketing effort’s effect on your business. Here are three tips for matching metrics:

Measure growth and engagement. The number of fans that a brand has doesn’t matter much if those fans aren’t engaged, so measuring both growth and the number of users who act on content—by sharing or retweeting it—over time enables marketers to better gauge their campaigns’ effectiveness.

Combine content strategy metrics. These metrics enable a brand to understand which content drives engagement and which doesn’t, and when and how frequently the brand should provide new content. A common pitfall is relying solely on consumption metrics, or the number of people who consumed content as reflected by page views or downloads, for example. A more complete approach compares metrics such as sharing and content type, and time of posting and time of engagement. A brand with a lead-generation form on its site might track the power of its content by setting a browser cookie and tracking when a visitor completes the form after viewing content.

Consider including audience-quality metrics. These measures help a brand understand its social audience’s characteristics and give insight into that audience’s loyalty. Metrics here tend to be comparative in quality: What percentage of users are return users? What percentage of the audience retweets or shares the brand’s content? Who advocates for the brand?

BENCHMARKING⁵

Once a company has established its objectives, chosen its metrics and set up its performance dashboard using its chosen tools, it must establish definitions of success based on benchmarked data—or information on the results of the company’s own previous successes in social media, and on the results of leading competitors in the company’s category. Benchmarking provides the context necessary to take action based on the chosen metrics because it allows a company to view and analyze its social media results in comparison with its own social media high marks and to industry targets. Benchmarking can be divided into four main areas⁶:

Aspirational: What are social leaders in the brand’s industry doing? When drawing comparisons, a brand should focus on specific, relative tactics: Engagement rate could provide a meaningful comparison, whereas total tweets or audience size might not.

Trended: What does previous activity for the brand tell marketers about establishing projections and standards for this effort? It’s imperative for a brand to know the metrics behind its current activity before it changes tactics.

Earned: What do previous campaigns tell a brand about reasonable goals for an upcoming campaign? This data can help drive decisions about types of content and establish expectations for small or daily goals.

Competitive: What kinds of results are direct competitors getting from their social media marketing? To benchmark against other brands, a company must first define its place in its industry and, once again, focus on comparative data—such as engagement rate—and not on overall engagement, which can easily be skewed by audience size.

⁴ Adapted in part from “The 4 Types of Content Metrics That Matter,” <http://www.convinceandconvert.com/content-marketing/the-4-types-of-content-metrics-that-matter/>, and “Measuring What Matters in Social Media,” <http://www.comscore.com/Insights/Blog/Measuring-What-Matters-in-Social-Media>. Last accessed 10/27/14.

⁵ “Social Media Benchmarking: What You Might Be Doing Wrong,” <http://simplymeasured.com/blog/2014/04/04/social-media-benchmarking-what-you-might-be-doing-wrong/>. Last accessed 10/27/14.

ONE BRAND'S EXAMPLE: OSCAR MAYER⁷

Marketers at Deerfield, Ill.-based Kraft Foods Group Inc. decided that their business goal for a social media effort was “increasing consumer involvement with the Oscar Mayer brand.” The marketing team described “involvement” as capturing what people are doing with the brand, the time that they are spending with it and the social capital that they are spending on it.

The marketers created a framework in the form of a pyramid:



Guided by this framework, the team selected 12 metrics. At the lowest end of involvement, the team chose to measure awareness with impressions, reach and brand mentions. At the highest end, advocacy metrics included positive user-generated content created by consumers for the brand, the number of social recommendations and the net promoter score.

By establishing a brand objective first, a framework second and a set of metrics third, the Oscar Mayer team was able to measure the marketing effort's efficacy in moving customers from brand awareness to advocacy. Further, the structure enabled the team to report their data consistently and share insights from that data with colleagues and partners.

⁷ Rappaport, Stephen D. *The Digital Metrics Field Guide: The Definitive Reference for Brands Using the Web, Social Media, Mobile Media, or Email*. Advertising Research Foundation, 2014.



3

*DERIVING
INSIGHTS*

NOW A BRAND MOVES from the metrics, or measurement, phase into the analytics, or insights and analysis, phase. While there are no formal, standardized definitions, “metrics are primarily concerned with data, transactions and information from the past,” and analytics “draw upon and analyze those metrics to generate insight and inform future strategy.”⁸

There’s no standard, one-size-fits-all process for deriving insights. Marketers must examine their performance dashboard for the stories that it tells about the brand’s progress toward its objectives, and what changes it should make mid-stream to achieve them.

Here are some best practices in analysis to guide marketers who seek to distill informative insights from their social media metrics:

Consider relative rates, not simply hard numbers. For example, calculating the rate of engagement per follower or the rate of amplification per follower allows a marketer to compare between platforms and understand social media effectiveness. It can determine which channels are the best tools for engaging its audience. Many analytics tools calculate this information, but for marketers not using a sophisticated tool, here is the formula for relative amplification rate:

NUMBER OF SHARES

NUMBER OF POSTS X NUMBER OF FANS

Don’t fall for second-by-second “blips” in social media marketing results. The siren song of social media metrics is the opportunity to get real-time feedback. Unless a brand is facing a crisis that requires immediate action, marketers should resist the temptation to respond strongly to a minor change in audience size, engagement, sentiment, etc. Trending numbers tell a better story than a single data point.

Look at correlation. Some brands will choose to measure social media marketing success by calculating return on investment (ROI). When that option is too difficult or too costly, an organization can examine correlation between changes in social media metrics and changes in key business metrics such as revenue, sales and expenses over time. While correlation doesn’t equal causation, this method can make strong suggestions about the success or failure of social media tactics and allow marketers to make informed guesses about next steps.

Evaluate what metrics reveal about the quality and type of content that resonates with the audience. Examine a combination of consumption metrics (volume of downloads, page views and clicks), sharing metrics (sharing or retweeting, for example), lead-generation metrics (measuring leads after prospective clients consumed the brand’s content) and sales metrics (using software tying prospective clients to content that they consumed).⁹



“A good dashboard will tell you what happened. Then you have to figure out why it happened.”

– Yaakov Kimelfeld,
Merkle Inc.

⁸ Ruhi, Umar. “Social Media Analytics as a Business Intelligence Practice: Current Landscape and Future Prospects,” *Journal of Internet Social Networking & Social Communities*, Vol. 2014 (2014), Article ID 920553.

⁹ “The 4 Types of Content Metrics That Matter,” <http://www.convinceandconvert.com/content-marketing/the-4-types-of-content-metrics-that-matter/>. Last accessed 10/27/14.

ONE BRAND'S EXAMPLE:

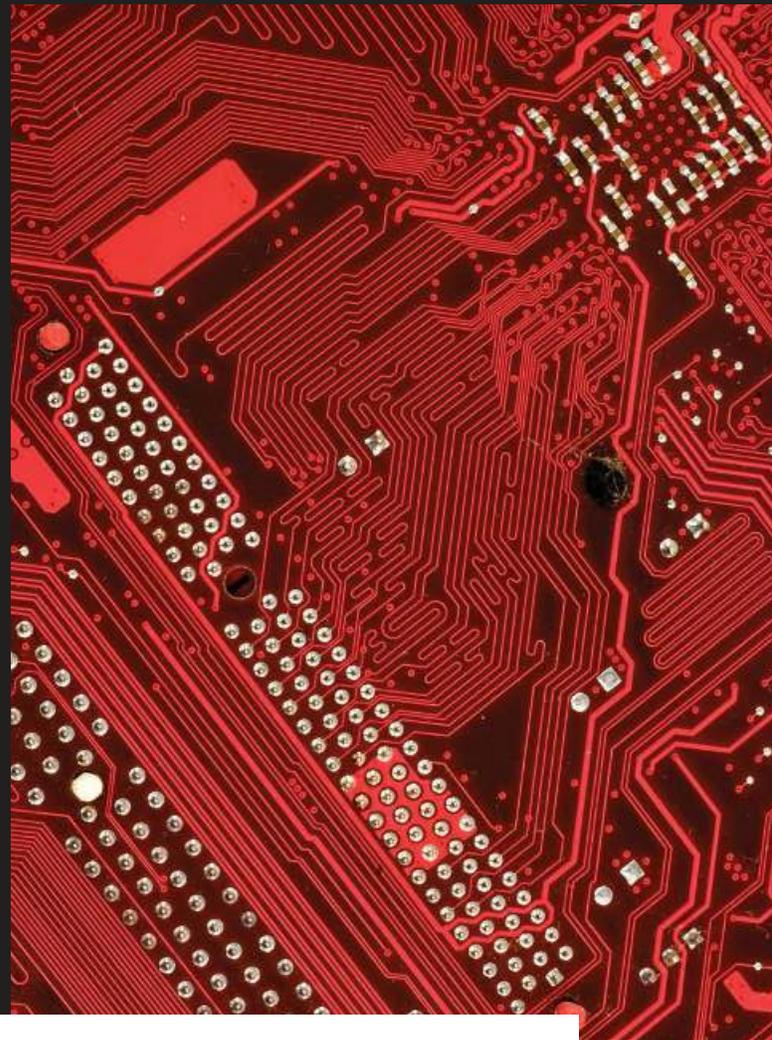
INTEL¹⁰

In just one month (Aug. 15-Sept. 15, 2014), Santa Clara, Calif.-based Intel Corp. added more than 175,000 followers to its brand's social media accounts, and by cross-examining audience growth with content engagement analysis, the brand discerned which types of content were most compelling to its audience.

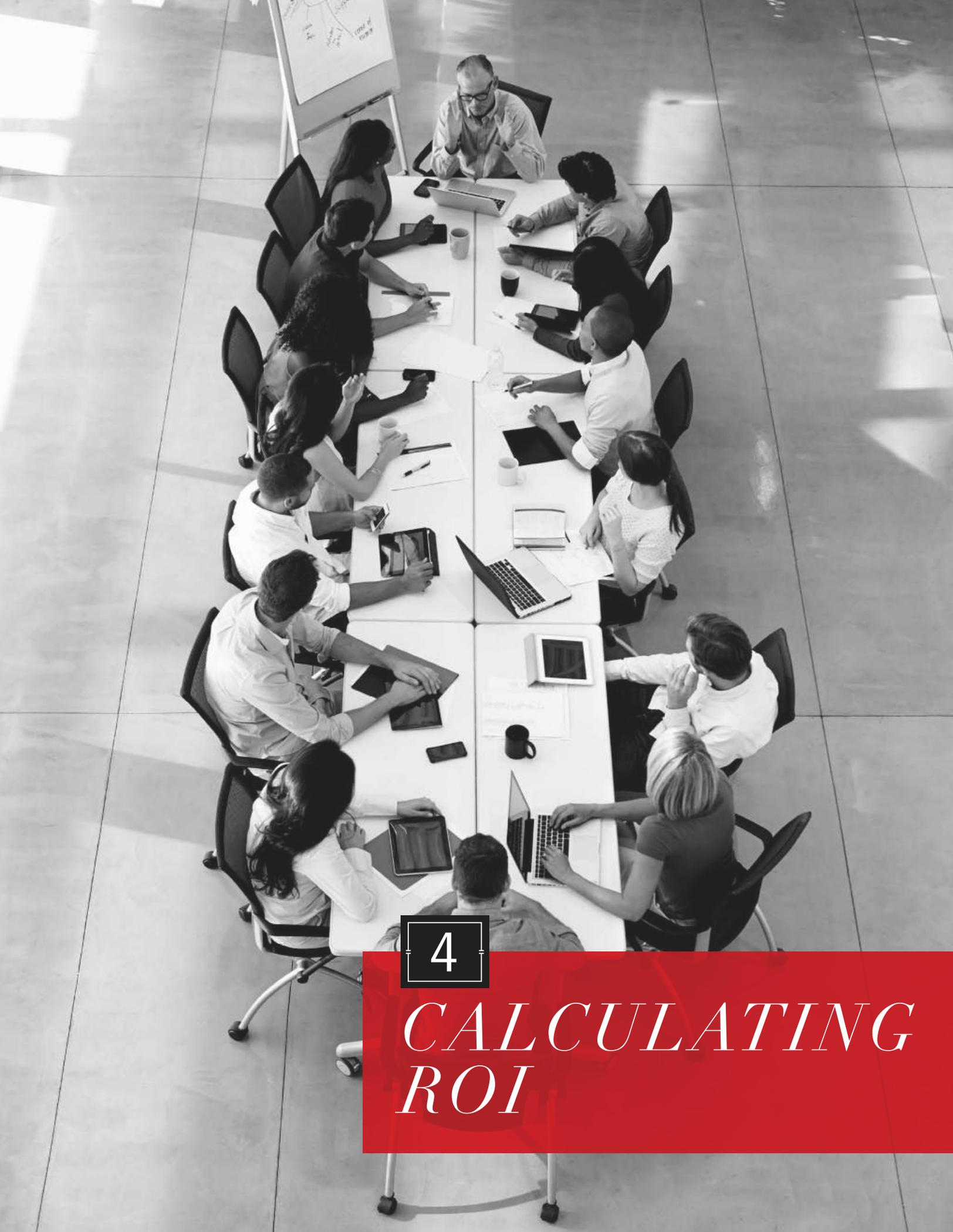
During one week of this four-week period, Intel doubled its normal posting output, which yielded a bump in audience growth, most notably on its Facebook and Twitter accounts. The brand drove the most traffic with three types of posts:

- Posts about new Intel products and collaborations, such as a post announcing the company's smart-jewelry collaboration with fashion house Opening Ceremony.
- Posts about the Intel Development Forum, which took place during the audience-growth week. The content and forum are a symbiotic pair: The forum drives followers who consume more content, especially content related to the forum.
- Posts that demystify Intel's most powerful technologies. A post that explains what Wi-Fi looks like made followers feel like insiders.

Intel's approach shows that by examining both audience growth and engagement with an eye toward content type, a brand can determine how to reach its growing audience with content that strengthens followers' connections to the brand.



¹⁰ "How Intel Added Over 175,000 to its Social Audience in Just One Month," <http://simplymeasured.com/blog/2014/09/24/how-intel-added-over-175000-to-its-social-audience-in-just-one-month/>. Last accessed 10/27/14.



4

CALCULATING ROI

WHILE REVENUE GENERATION is only one (potential) benefit of social media marketing, and many business leaders argue that the primary value of social media is to deepen customer relationships and help drive loyalty, many marketers still are held to task to demonstrate hard returns on their social media marketing investments. (See chart on page 18.)

Experts disagree about whether and how a company can measure revenue returns from social media investments. The nature of social media and the proliferation of platforms—and users' shifting identities on those platforms—make it difficult to link a customer's brand interactions to a purchase.

Marketers who need to measure the revenue impact of their social media efforts can consider these methods, derived from San Mateo, Calif.-based Altimeter Group's report, "The Social Media ROI Cookbook: Six Ingredients Top Brands Use to Measure the Revenue Impact of Social Media."¹¹

1. **ANECDOTE:** These examples of the relationship between social media and sales aren't scalable or measurable, but they provide context and underscore the value of a particular social media effort in a way that's easy to communicate to internal stakeholders outside of the marketing department.
2. **CORRELATION:** This approach allows a company to compare one data set with another to see patterns, and to tie social media strategies and tactics to business outcomes. Correlation is best applied by trained analysts who can control for variables and minimize distortions.
3. **TESTING (A/B, MULTIVARIATE):** This approach allows marketers to compare the performance of tactics across different populations, or to compare the performance of any social content to any other social content. Testing provides insight into the relationship between social strategies and tactics and business outcomes.
4. **LINKING AND TAGGING:** Marketers use a short link, ROI tag or cookie to identify the source of the conversion or the sale. This approach works well for B-to-C organizations with e-commerce retail options or for B-to-B organizations in which a piece of content leads to a specific action, such as registering or downloading a white paper. Note: Linking and tagging work only on owned online properties.
5. **INTEGRATED:** With this approach, analytics are integrated into a social media app, widget, SaaS solution or service installed on a social platform. The benefit is that it is highly measurable. The challenge is that a wide range of vendors provides these services, so marketers should consider how to marry multiple apps with different analytics, and how to standardize metrics across apps and resulting reports.
6. **DIRECT COMMERCE:** This approach adds an e-commerce storefront to a social platform, most commonly Facebook. It is highly measurable but limited if a brand doesn't track full engagement.



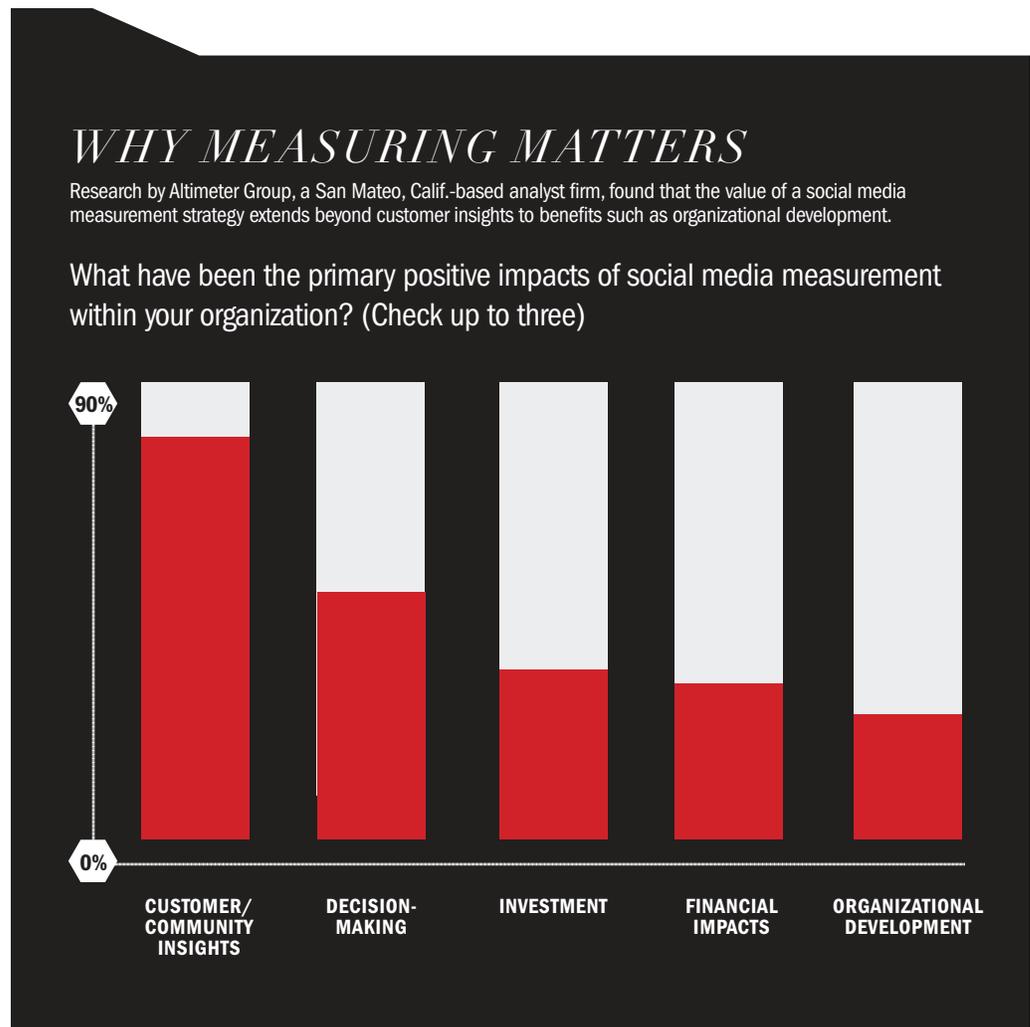
"Use a robust URL shortener that can give you the data you need and combine that with your marketing automation tool. You can track stickiness or buzz and, ultimately, who converts to a sale."

– **Chris Walker,**
Connect Marketing Inc.

¹¹ Etlinger, Susan. "The Social Media ROI Cookbook: Six Ingredients Top Brands Use to Measure the Revenue Impact of Social Media." Altimeter Group, July 2012.

Best Practices in Measuring Social ROI

- Choose CRM software that connects to Web analytics. This tool is especially helpful for B-to-B companies that have lead-generation opportunities such as downloads and registrations on their websites. The software labels the lead with the link and source, which allows a marketing team to link its lead-generation efforts with actual revenue once those leads become customers.
- Use social media to give customers specific tasks that they can perform, which the brand can tie to revenue. (See California Tortilla example on page 19.)
- Give metrics business context by linking volume metrics, including views, shares, likes and fans, with the correlating stage in the purchase path.¹²



SOURCE: "The Social Media ROI Cookbook," Altimeter Group, July 2012.

¹² Ibid.

ONE BRAND'S EXAMPLE: **CALIFORNIA TORTILLA¹³**

California Tortilla, a Rockville, Md.-based fast-casual chain, offered fans a “secret password” to get a special extra, such as free chips and queso with the purchase of a burrito, redeemable at all locations. The cashier keyed the purchase into the register with a coupon code, which made it traceable. The information enabled the marketing team to track the return on this investment by calculating the growth in foot traffic, and the difference in store sales during a non-promotional period and the sales during the period when customers could redeem this offer.

An advanced practice of this tactic would create a separate password for each platform, enabling the marketing team to isolate the impact of each channel. Further, a brand could use this tactic to give customers access to new menu items and then engage those customers to gather feedback—using social to drive product development.



¹⁰ Example provided by Jay Baer, ConvinceAndConvert.com.



5

COMMUNICATING RESULTS



“Marketers are tempted to report impressions and audience growth to senior executives. I steer them to bottom-line metrics, such as leads generated, downloads, registrations or software trials. That’s where senior executives are going to understand the value of social media.”

**– Chris Walker,
Connect Marketing Inc.**

MARKETERS CONTINUE to be the champions of social media metrics and the actions that they inspire. However, mounting research suggests that the brands getting the most from their social media efforts have established systems and policies for embracing social media across business departments and up and down the management ladder.

Marketers need a clear framework to help company leaders evaluate the brand’s investment in social media and to understand the ways that social media enables the brand to engage with customers all along the path to purchase, as well as post-purchase. At most organizations, marketers have to develop these frameworks, which should be based on tailored information relevant to the stakeholders’ respective jobs. Marketers who are responsible for measuring the success of their social media programs must segment their internal audiences based on the type and volume of metrics necessary to each group, and then decide the frequency with which each group needs to receive metrics reports.

A sample model looks like this:

ROLE	Social Strategists and Community Managers	Interactive Marketers and Marketing Executives	C-level Executives
PERSPECTIVE	Digital	Brand	Financial
METRICS	Social opportunity · Fans, friends and followers · Members · Visitors and readers Social health · Posts and comments · Sentiment	Branding · Awareness · Brand attributes · Purchase intent Product trial · Lead generation · Coupon redemption · Sampling	Sales · Conversions · Revenues · Lifetime values
FREQUENCY	Hourly or daily	Per campaign or annually	Quarterly or annually
TOOLS	Listening platforms and Web analytics vendors	Surveys	CRM tools, attribution tools and surveys

SOURCE: Forrester Research Inc., Cambridge, Mass.

Notice that from left to right, the rank of the stakeholder is higher and the amount and frequency of reporting decreases. Further, from left to right, the depth of each group’s understanding is predicated upon the previous group’s understanding. In other words, while managers should receive regular, detailed updates on how social media marketing efforts are affecting their particular product lines or their areas of purview, C-level executives require only “brass tacks” overviews: quarterly or annual updates on how social media marketing efforts are affecting the business’s bottom line.

*Research to Boost Social's Status Within the C-Suite*¹⁴

Researchers at Emory University and the University of Maryland examined how to infer brand health from social media data. The researchers simultaneously modeled what people post and where they post to identify the underlying brand sentiment, which they called “general brand sentiment.” When they controlled for different platforms, they found that general brand sentiment can serve as a leading indicator of shifts in stock prices and, when compared with data collected from an offline brand-tracking survey, the research showed that this measurement can serve as a leading indicator of shifts in brand sentiment.

7 TIPS FOR COMMUNICATING SOCIAL MEDIA'S VALUE TO EXECUTIVES AND OTHER INTERNAL STAKEHOLDERS

- 1. DESCRIBE SOCIAL MEDIA NOT AS A TASK**—or worse, a line item in the budget—but as an opportunity to meet customers where they are, and where the brand's competitors are meeting those same customers.
- 2. KEEP ALL BUT THE MOST IMPORTANT METRICS** inside the marketing department. Metrics such as reach, brand awareness and impressions aren't as compelling to C-suite executives as lead generation, revenue and advocacy.
- 3. CREATE AN IMPLEMENTATION PLAN** that outlines which metrics the social media team will deliver to key internal stakeholders. The plan should include established frequency.
- 4. SHIFT THE LANGUAGE.** Instead of talking about the impact of social media, recast the conversation as a discussion of how digital technology influences the customer decision journey.
- 5. DON'T BE AFRAID OF ANECDOTES.** Even the most sophisticated brands rely on anecdotes to complement the story that metrics tell.
- 6. BECOME AN ESSENTIAL SOURCE OF INFORMATION.** Provide customer insights to product development, sales, customer service and other teams who can act on them.
- 7. CONSIDER USING SOCIAL SOFTWARE,** such as paper.li, to create targeted newsletters with specific social media data that can be distributed quickly to the relevant internal audiences.

¹⁴ Schweidel, David A. and Wendy Moe, “Listening In on Social Media: A Joint Model of Sentiment and Venue Format Choice,” *Journal of Marketing Research*, Vol. LI (August 2014), 387-402.



6

LIMITATIONS AND NEXT STEPS

MEASUREMENT HURDLES

Chosen carefully and used strategically, metrics can be the foundation of good decisions and strong outcomes—and will continue to play an important role in a robust business plan. However, data are not perfect. Every brand faces data-quality issues, from both its own systems and third-party services. Brands must be aware of these common limitations:

Many metrics come from the social media platforms, themselves. These metrics are technically called “endometrics” because they come from within the system being measured, and they develop from the individual platform’s corporate models and philosophies. While it’s more work initially, creating cross-media standards generally produces greater results than creating a strategy that seeks to optimize a single metric inherent to a single platform.¹⁵ However, this effort requires significant investments of time and talent, as third-party sites continue to update and change their APIs and marketers must understand the underlying algorithms to make sure that they continue to measure the consumer activities that they set out to measure.

Research suggests that social dynamics influence sentiment represented in online ratings. In other words, a user’s experience with or response to a brand’s product or service is not the only factor at play when she posts a review online. The more populated a forum, the more likely critical customers are to dominate the conversation, driving a negative tone.¹⁶

Specific metrics come with specific limitations. For example, unique visitors, considered a straightforward metric, can easily be over-counted due to users deleting cookies. In a potent example, comScore reported that about 30% of Internet users delete their ad server cookies at a rate of five or six times per month.¹⁷ Another challenge: Most sentiment analysis tools currently cannot account for language nuance, such as slang or sarcasm. Marketers must understand the capabilities and limitations of their measurement tools in order to use metrics to make decisions about tactics and on-the-fly changes to campaigns or communication.

The lack of standard, industry-wide definitions of each metric and how it should be calculated means that cross-organization comparison or standardized best practices aren’t yet established. Until such standards exist, an organization must define consistent internal measurements to ensure that it is measuring the same metric the same way over time.

Even with these limitations, social media success metrics have evolved enough to assume a credible position in a company’s overall accountability, attribution and performance measurement strategies. Savvy social campaigns must be tied to metrics that link to the business’s strategies and goals, and marketers have to be the advocates for strict measurement and clear communication.

Further, industry leaders in the social sphere know that the insights gained from monitoring and measuring social media are relevant to non-marketing functions. For the foreseeable future, marketers will have to advocate for their integration in business units outside of the marketing department.

USING CORRELATION TO MEASURE SOCIAL MEDIA ROI

In an effort to revamp its image of being a brand for older men, Old Spice launched a campaign for its deodorant and body care products on Facebook, Twitter and YouTube. The videos, which showed celebrities promoting Old Spice products, were an instant success: The buzz reached 30,000 messages per month about the brand, far exceeding Old Spice’s general buzz. The results: a one-time sales lift of 16% and an increase in sustained sales growth of 10 percentage points. The brand calculated the campaign’s financial impact to be \$20 million in sales lift—significant when compared with the \$1 million cost of the campaign.¹⁸

¹⁵ Rappaport, Stephen D. *The Digital Metrics Field Guide: The Definitive Reference for Brands Using the Web, Social Media, Mobile Media, or Email*. Advertising Research Foundation, 2014.

¹⁶ “Moe, Wendy et al. “What Influences Customers’ Online Comments,” MIT Sloan Management Review, Fall 2011, Vol. 53, No. 1, 13-16.

¹⁷ Fulgoni, Gian. “Measuring the Delivery and Effectiveness of Digital Media Plans,” *The Digital Metrics Field Guide*. Advertising Research Foundation, 2014.

¹⁸ Rappaport, Stephen D. *The Digital Metrics Field Guide*. Advertising Research Foundation, 2014.

BEST VS. “NEXT” PRACTICES

This report presents best practices for measuring the success of social media marketing efforts, but organizations that will excel in social media going forward will be focused on adopting “next practices,” or the processes and guidelines that push beyond the accepted and expected to truly innovative territory. Here are three opportunities to watch in the social media measurement space.

1. CONTEXT WILL MATTER AS MUCH AS CONTENT.

Media researchers will boost the efficacy of principal metrics by factoring in the context in which individuals receive and engage with metrics. “Effective targeting and measurement in the modern media ecosystem is highly dependent on a deeper understanding of the roles that consumers are apt to be playing at the moment that messages reach them—the situational and contextual variables.”¹⁹ With this information, marketers will be better able to engage customers when they’re most ready to receive and interact with the messages.

2. IMPROVED TOOLS WILL EMERGE TO MEASURE SIMULTANEOUS MULTI-CHANNEL USAGE.

The proliferation of screens makes it more difficult to track a customer along the path to purchase. Today, Web analytics vendors try to track the customer using attribution algorithms, while platforms including Facebook and Klout encourage users to self-authenticate to provide a clearer “trail” through social channels. “Identity brokers” such as Gigya and several tech startups are working to create solutions that link customer identity across the Web. The promise is tantalizing for marketers: Authenticating customers will enable brands to track how social media influences customers along their decision journeys.²⁰

3. THE FOCUS ON QUANTIFYING AND MEASURING ADVOCACY WILL INCREASE.

Recent research shows that brand advocates are responsible for 5% of a brand’s total social “signal” and start 8% of all conversations about the company—but they make up only 0.001% of a brand’s audience. The most compelling—and distinctive—quality of social media is that it is social and it enables third-party advocacy in a way that traditional media does not. Brands will drive demand for solutions that allow them to measure advocacy, with the ultimate goal of creating advocacy, an opportunity unique to social media.²¹



“Social media measurement will just become media measurement, and media measurement will become business measurement. Social media is so pervasive that I think this is the future.”

– Yaakov Kimelfeld,
Merkle Inc.

¹⁹ Moeller, Kevin. “If Content is King, Context is the Power Behind the Throne.” *The Digital Metrics Field Guide*. Advertising Research Foundation, 2014.

²⁰ Etlinger, Susan. “The Social Media ROI Cookbook: Six Ingredients Top Brands Use to Measure the Revenue Impact of Social Media.” Altimeter Group, July 2012.

²¹ Rappaport, Stephen D. *The Digital Metrics Field Guide: The Definitive Reference for Brands Using the Web, Social Media, Mobile Media, or Email*. Advertising Research Foundation, 2014.

SUMMARY

Strong evidence suggests that brands that craft and measure their social media strategies will be rewarded by customers' loyalty, advocacy and dollars. And instead of measuring "impressions" by media type, brands must shift their ideas of planning, measuring and analysis to be customer-centric—based on how customers act, not simply where they are.

Effective social media measurement strategies start with aligning social media metrics with business objectives, which will help marketers to inherently integrate social media marketing efforts more effectively into their overall marketing strategies. The selection and application of social media success metrics—and the dissemination of the resulting data and insights—should be conducted with the organization, rather than just the marketing department, in mind. What do non-marketing employees need to know about how the brand's social media efforts are performing? How can the marketing team demonstrate to the C-suite that their social media efforts should factor prominently in the company's attribution models? How frequent—and how detailed—should social media performance reporting be for all concerned parties?

The rewards will go to the brands that pursue integrated social media strategies, holistic approaches that find ways to measure value not only for the marketing team, but also across the business. Cross-functional teams that cover sales, marketing, PR, customer service, research and development, and human resources enable brands to measure—and maximize—the customer's social experience and, ultimately, drive the kinds of behaviors that strengthen brand health and boost the bottom line.

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