

INTRODUCTION

Introduction: Getting Started—Understanding the Ground Rules

When you pick up a book in a bookstore or “look inside” online, you want the briefest, clearest, most meaningful description of the content you can get, along with a feel for the writing style. Allow me to help:

This Book Is About	This Book Is Not About
Measuring the business value of social media	Measuring social media’s size and popularity
Measuring the importance of social media to organizations	Measuring the importance of social media to mankind
Making the most of social media for business in a community-acceptable, brand enhancing way	Auto-posting and auto-tweeting your make-money-fast message in a scorched-earth marketing way
How to gauge the value of your social media efforts	How to <i>do</i> social media really well

Why? Because:

While much has been written questioning the value of social media, this landmark study has found that the most valuable brands in the world are experiencing a direct correlation between top financial performance and deep social media engagement. The relationship is apparent and significant: Socially engaged companies are in fact more financially successful.

— **ENGAGEMENTdb: Ranking the Top 100
Global Brands**

Social Media Defined

The Internet has always been a social medium. It is unique because it is the first many-to-many communication channel. The telephone is one-to-one. Broadcast is one-to-many. The Internet is so unique because it has always been all about the average Joe being able to communicate with the rest of the world.

It started when bulletin board systems gave up their direct modem banks and became newsgroups. The ability to post and respond expanded beyond those who knew the code (the telephone number). As e-mail became more ubiquitous, discussion lists sprang up and never went away. Next, people learned how to build web sites. It was cheap and required neither a permit nor an advanced degree. It was the “great playing field leveler,” allowing David to square off against the media-controlling Goliath.

Bloggging melded together the power of the conversation with a giant leap forward in ease of use. Flickr and YouTube made uploading pictures and videos a snap.

Then Twitter made opt-in, instant messaging so simple, it couldn't help but catch fire. A perfect storm. What was always a hyperdrive communication tool became a nuclear powered communication tool on steroids.

For the purposes of this book, "social media" is that which allows anybody to communicate with everybody. In other words, consumer-generated content distributed through easy-to-access online tools.

Is this out-of-control capability that has people uploading pictures of their lunch really useful to business? Oh yes.

How valuable? Ahhh. . . That is an excellent question.

SOCIAL MEDIA CATALOG

There are six broad categories of social media and probably two more before this book hits the streets.

Forums and Message Boards

These range from the old newsgroups to threaded discussion groups where people can submit a question or an opinion and others can offer up an answer or an attitude. These can happen through e-mail only or can be hosted privately, semi-privately, or publicly. Companies can host their own to closely monitor the conversation.

Review and Opinion Sites

Amazon.com has allowed customers to comment on books and goods for years. Epinions.com started last century (May 1999) as the place where buyers could discuss the ins and outs of products they love and hate without being pummeled by the vendors who were trying to sell them things. Now, thanks to syndication services like Bazaarvoice, most ecommerce sites have a place for the voice of the customer.

Social Networks

MySpace, LinkedIn, and Facebook are semi-open communities for connecting online. Sites like Ning allow anybody to create an open or closed group for communication, collaboration, and through-a-friend connection. Social games are slotted into this category but are not delved into here.

Blogging

Blogs made posting your opinion to the world so easy that everybody can publish their opinion. Organizations can promote their perspective on the one hand and everybody can talk about how lame they are on personal blogs. This dichotomy splits the metrics between measuring how well you are communicating and how others are talking about you.

Microblogging

Twitter, microblogging poster child. Everything from love testimonials to divorce announcements in 140 characters or less—even from your phone.

Bookmarking

Digg, Delicious, and Stumbleupon let individuals tell the world what they think is cool, important, useful, interesting, etc. Showing up on the home page of these can skyrocket your traffic.

Media Sharing

I grew up in a house with a slide projector and a screen in the hall closet. Friends, family, neighbors, and dates were subjected to the latest vacation, trip to the beach, or art walk. Now that Flickr puts all our photos a click away and YouTube hosts all our videos, I miss those communal times

of storytelling. I'm looking forward to digital projectors or large-format TV monitors dropping in price enough to have one in every home.

In the meantime, online media sharing isn't about showing your dinner party your snapshots; it's about showing the world your snaps and videos and allowing the world to comment. This is where virality got serious.

SOCIAL MEDIA IS A GIVEN

Word of mouth is the number one influence on the decision to buy a car. . . Social media democratizes providing word of mouth to a much broader audience.

— *Fritz Henderson, CEO, General Motors in
interview with David Meerman Scott,
September 2009*

Whether you are selling online, through a direct sales force. or through distribution channels, what people are saying about you online is now more important than your advertising. Social media is no longer a curiosity on the horizon but a significant part of your marketing mix. We accept these truths as self-evident at the start of this book so we can get right to the discussion of measurement.

I will forgo the chest beating about how social media is the Medium of the Masses or the Solution to All of Man's Ills. Many others have gone to great lengths to convince you and they are right, but their points need not be belabored here. If you're still not sure whether social media is important or is important to your company, save this book for later. After you've read some of the hundreds of books, thousands of

blogs, or millions of tweets and are convinced, it'll be time to come back here for a review of measuring the use of these tools for business.

100 WAYS TO MEASURE SOCIAL MEDIA

For those of you in a hurry to grab a list of metrics, this is it. David Berkowitz has taken the time to save you the trouble and his 100 Ways to Measure Social Media was posted on his Inside the Marketers Studio blog at www.marketersstudio.com/2009/11/100-ways-to-measure-social-media.html If it's metrics you're after, here they are and you need read no further than David's list:

- 1.** Volume of consumer-created buzz for a brand based on number of posts
- 2.** Amount of buzz based on number of impressions
- 3.** Shift in buzz over time
- 4.** Buzz by time of day/daypart
- 5.** Seasonality of buzz
- 6.** Competitive buzz
- 7.** Buzz by category/topic
- 8.** Buzz by social channel (forums, social networks, blogs, Twitter, etc)
- 9.** Buzz by stage in purchase funnel (e.g., researching vs. completing transaction vs. post-purchase)
- 10.** Asset popularity (e.g., if several videos are available to embed, which is used more)

- 11.** Mainstream media mentions
- 12.** Fans
- 13.** Followers
- 14.** Friends
- 15.** Growth rate of fans, followers, and friends
- 16.** Rate of virality/pass-along
- 17.** Change in virality rates over time
- 18.** Second-degree reach (connections to fans, followers, and friends exposed—by people or impressions)
- 19.** Embeds/Installs
- 20.** Downloads
- 21.** Uploads
- 22.** User-initiated views (e.g., for videos)
- 23.** Ratio of embeds or favoriting to views
- 24.** Likes/favorites
- 25.** Comments
- 26.** Ratings
- 27.** Social bookmarks
- 28.** Subscriptions (RSS, podcasts, video series)
- 29.** Pageviews (for blogs, microsites, etc)
- 30.** Effective CPM based on spend per impressions received

- 31.** Change in search engine rankings for the site linked to through social media
- 32.** Change in search engine share of voice for all social sites promoting the brand
- 33.** Increase in searches due to social activity
- 34.** Percentage of buzz containing links
- 35.** Links ranked by influence of publishers
- 36.** Percentage of buzz containing multimedia (images, video, audio)
- 37.** Share of voice on social sites when running earned and paid media in same environment
- 38.** Influence of consumers reached
- 39.** Influence of publishers reached (e.g., blogs)
- 40.** Influence of brands participating in social channels
- 41.** Demographics of target audience engaged with social channels
- 42.** Demographics of audience reached through social media
- 43.** Social media habits/interests of target audience
- 44.** Geography of participating consumers
- 45.** Sentiment by volume of posts
- 46.** Sentiment by volume of impressions
- 47.** Shift in sentiment before, during, and after social marketing programs

- 48.** Languages spoken by participating consumers
- 49.** Time spent with distributed content
- 50.** Time spent on site through social media referrals
- 51.** Method of content discovery (search, pass-along, discovery engines, etc)
- 52.** Clicks
- 53.** Percentage of traffic generated from earned media
- 54.** View-throughs
- 55.** Number of interactions
- 56.** Interaction/engagement rate
- 57.** Frequency of social interactions per consumer
- 58.** Percentage of videos viewed
- 59.** Polls taken/votes received
- 60.** Brand association
- 61.** Purchase consideration
- 62.** Number of user-generated submissions received
- 63.** Exposures of virtual gifts
- 64.** Number of virtual gifts given
- 65.** Relative popularity of content
- 66.** Tags added
- 67.** Attributes of tags (e.g., how well they match the brand's perception of itself)

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- 68.** Registrations from third-party social logins (e.g., Facebook Connect, Twitter OAuth)
- 69.** Registrations by channel (e.g., Web, desktop application, mobile application, SMS, etc)
- 70.** Contest entries
- 71.** Number of chat room participants
- 72.** Wiki contributors
- 73.** Impact of offline marketing/events on social marketing programs or buzz
- 74.** User-generated content created that can be used by the marketer in other channels
- 75.** Customers assisted
- 76.** Savings per customer assisted through direct social media interactions compared to other channels (e.g., call centers, in-store)
- 77.** Savings generated by enabling customers to connect with each other
- 78.** Impact on first contact resolution (FCR) (hat tip to Forrester Research for that one)
- 79.** Customer satisfaction
- 80.** Volume of customer feedback generated
- 81.** Research & development time saved based on feedback from social media
- 82.** Suggestions implemented from social feedback
- 83.** Costs saved from not spending on traditional research

- 84.** Impact on online sales
- 85.** Impact on offline sales
- 86.** Discount redemption rate
- 87.** Impact on other offline behavior (e.g., TV tune-in)
- 88.** Leads generated
- 89.** Products sampled
- 90.** Visits to store locator pages
- 91.** Conversion change due to user ratings, reviews
- 92.** Rate of customer/visitor retention
- 93.** Impact on customer lifetime value
- 94.** Customer acquisition/retention costs through social media
- 95.** Change in market share
- 96.** Earned media's impact on results from paid media
- 97.** Responses to socially posted events
- 98.** Attendance generated at in-person events
- 99.** Employees reached (for internal programs)
- 100.** Job applications received

Happy now? Good. If, on the other hand, you actually want to know if any of these metrics are useful and how to use them then you'll need to heed David's advice: "Ultimately, you need to start with figuring out your business objectives and then apply these metrics accordingly."

THIS BOOK IS FOR BUSINESS PEOPLE

This book is for marketers who already *know* that social media is important and want to get a better handle on managing it as a serious business tool.

This book is for senior executives who want to take the step from merely understanding social media to managing social media as a real corporate asset rather than tolerating it as the latest cool online fad.

This book is for marketing managers who are still looking for ways to convince upper management to invest resources in social media. They are looking for corroboration and validation.

This book is for junior marketers who have been handed social media as yet another assignment and are tasked with bringing in results. They are on the hook for making solid business decisions about budget allocation and need a way to demonstrate the value of their efforts. They need an ally in their struggle to petition for appropriate resources.

This book is for small business people who are looking for any way to engage prospective customers at the lowest cost possible.

This book is for university professors who need to explain the practical value of social media to their very media savvy students while teaching them marketing.

This book is for advertising agencies, web marketing companies, and social media consultants as they strive to help their clients live up to customer expectations.

If you were hoping for a book on how to blog, tweet, post, digg, befriend, or follow, this ain't it. But it will tell you how to determine if you are doing any of those things well.

A shift in philosophy, a modification in strategy, and brand-new metrics are the keys to marketing success in an

interconnected world. Other books will explain why social media is critical and how to go about participating. This book is focused on measuring the success of your social media marketing efforts.

HOW THIS BOOK IS ORGANIZED

Chapter 1: Getting Focused—Identifying Goals

Why are you even bothering with social media? If you don't know, you do not want to step in blindly. This is the realm of public opinion and customer conversations. You do not want to blunder onto the scene without a clear idea of why you are there and what you want out of it. Not only are you sure to make a hash of it, anything you measure will be context free and worse than useless.

The Big Three Goals in business are:

- 1. Increased Revenue**
- 2. Lowered Costs and**
- 3. Improved Customer Satisfaction**

They are all that matters in the long run. If the work you do does not result in an uptick in one or more of those Big Three Goals, then you are wasting your time and spinning your wheels.

There are a myriad of factors that indicate whether you are attaining one or more of these Big Three Goals. You need to keep an eye on these critical factors because you are running your marketing programs in real time and can't wait for month-end or quarterly results to make adjustments along the way. "Are we there yet?" is the wrong question. "Are we still going in the right direction?" is the question that leads to business and career success.

Chapter 2: Getting Attention—Reaching Your Audience

Measuring message delivery in social media is a lot like measuring it in classic advertising venues, so classic metrics apply. Awareness, reach, and frequency are necessary to determine if your message is getting out there. Yes, there's a twist.

You've reached a large number of people. That's great! But it's a small part of the story. Success in social media is not found in how many people got your message; it's found in how many people thought your message was remarkable—literally. How many people were intrigued enough by the point you were making to comment on it and pass it along to their friends?

This is word of mouth like you've never seen before, so be prepared to deal with a yardstick that has become articulated and multidimensional.

Chapter 3: Getting Respect—Identifying Influence

Social network node graphing was a fascinating theoretical pastime until the Internet came along and allowed us to actually map the connections. The marketer's task now includes understanding the impact of reaching the people who are communication nodes.

When a tree falls in a forest and there is nobody there to hear it, it makes no difference whether it makes a sound or not. If a leaf falls in a forest and there are thousands standing within earshot, the effect is so small, it make no difference.

Posting a brilliant insight to a blog that has no readers or tweeting something so banal that has no retweeters is just as useless. Your message multiplier velocity and reach are

the signals that tell you whether your insight is popular or prosaic.

Your message multiplier tells you how many people thought your message was worthy of repeating, how quickly the message spread, and the scope of its dissemination. These are essential measures for determining whether you are resonating with your target audience and who within your organization is best equipped to be the face of the firm in the social media spheres. Influency, anybody?

Chapter 4: Getting Emotional—Recognizing the Sentiment

Counting is fine but now we can detect opinion.

There have long been text analysis tools that focused on unstructured data like documents, spreadsheets, and survey results. Used primarily as search tools, they are being trained on the ocean of emotion called the social media space.

Analyzing the outpouring of millions of souls can reveal attitudinal shifts that are not visible to opinion polls, survey takers, or customer satisfaction questionnaires. Tracking public sentiment over time provides invaluable insight and gives you the chance to stay right on top of changes in the marketplace and your organization's brand equity.

Chapter 5: Getting Response—Triggering Action

If they read it, repeat it, and like it a lot, you're only part of the way home.

Tracking the variations in brand affection in the hearts and minds of the public is important, but measuring the results your social media efforts engender is vital.

Do people click through to your web site based on their social media interactions? Do they engage with your

organization in new and different ways? Are more people drawn into a profitable and sustainable relationship with your company? Tracking the actions that result from all your blogging, tweeting, and YouTubing is where the money is.

Chapter 6: Getting the Message—Hearing the Conversation

Getting the right message to the right person at the right time has been the hallmark of great advertisers and marketers over the years. But with the customer in control, you want to make sure you are measuring your ability to get the right message from the right people at the right time.

Social media has become the Great Market Research System. It allows you to eavesdrop on your marketplace and find out what your target audience is thinking and feeling. You can incorporate that knowledge into your marketing mix, you can make it a fundamental part of your customer service and support and you can feed it directly into your business strategy planning.

Measuring how well you hear is much different from measuring how well you speak or sing or shout.

Chapter 7: Getting Results—Driving Business Outcomes

You're measuring what sort of response you're getting. Now it's time to cycle back around to measuring what sort of business impact your efforts are having.

Whether you employ an intern, use a spreadsheet, or even just glance at a dashboard, social media is not going to do any good for your company unless you can tell if the results are an increase in revenue, a lowering of costs, and/or an improvement in customer satisfaction.

With your new insights about how social media really works, it's time to re-examine your goals. The Big Three will certainly stand the test of time, but your Key Performance Indicators are sure to need a reevaluation.

Chapter 8: Getting Buy-In—Convincing Your Colleagues

Senior managers are not dumb, but they are slow to understand and embrace new communications methods.

Chances are excellent that your boss and his boss and her boss did not grow up with Internet access. Maybe they didn't even have it at college. You need to take some steps to convince them that social media is not only inevitable and not only a vital part of your marketing mix, but is a pathway to profits and it deserves the resources to be properly measured.

Chapter 9: Getting Ahead—Seeing the Future

What does social media look like in two or ten years? How do you measure this strange and wonderful world of actually talking to people in public as it constantly changes?

There are some changes coming that seem inevitable and some that will take us all by surprise. Looking into the crystal ball is always entertaining—and a little nerve wracking.

One thing we know for certain. As far into the future as you care to look, you will still need to measure your efforts against your goals. You gotta have goals.

Let's start there, shall we?

