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# Don Bartholomew

Senior Vice President, Digital & Social Media  
Research, Ketchum



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# Social Media Impact and Business Value (Beyond Engagement and Influence)

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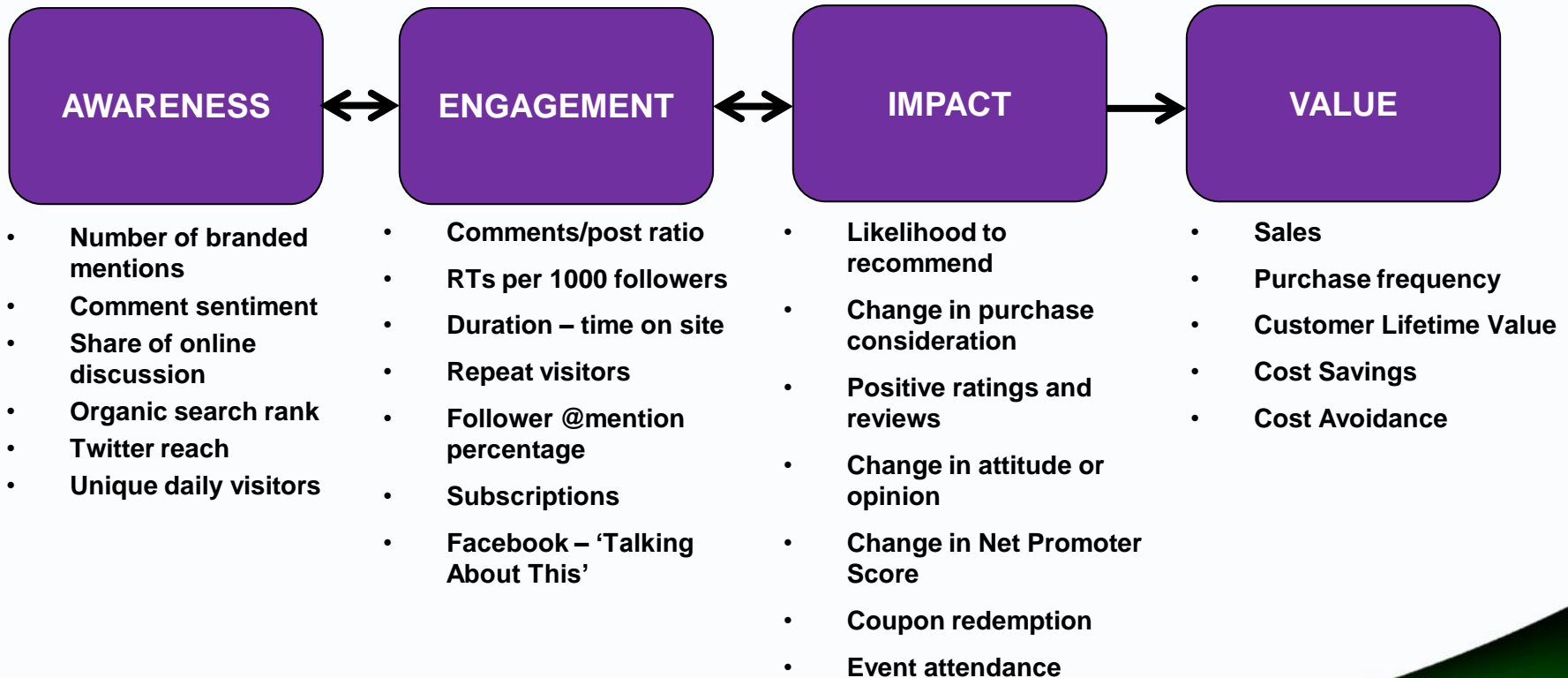


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# Social Media Impact and Value Follow Engagement

- **Impact** metrics are outcomes – they are what happened as a result of engagement with social media content and message
- **Value** metrics show financial implications to the business or organization as a result of impact created



# Mainstreaming of Social Media Marketing has Raised Accountability Bar

- Only 20% of respondents see measurable ROI
- Majority focus measurement on awareness and engagement
- UK study\* - 41% had no ROI for any social media spend; only 8% had ROI for all SoMe investments

## Attitude of Their Clients Toward Social Media Marketing's Ability to Produce ROI at Budget Time According to US Agencies and Consultancies, Feb 2011

% of respondents

Social marketing is a promising tactic that will eventually produce ROI; let's invest but do it conservatively

64%

Social marketing is producing a measurable ROI; let's continue to invest in this tactic

20%

Social marketing is basically free; let's keep it that way

10%

Social marketing is unlikely to produce ROI; why invest more?

6%

Source: MarketingSherpa, "2011 Social Marketing Benchmark Report," Nov 15, 2011

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www.eMarketer.com

## Methods of Measuring Social Media Marketing Success According to US B2C and B2B Marketers, Aug 2011

% of respondents

Numbers linking as friends, followers, "likes"

60%

Sharing, forwarding, retweeting or posting brand content

39%

Qualified leads from social media

35%

Visits or time spent with branded social content

30%

Incremental sales attributable to social media

25%

Brand awareness/favorability (measured by surveys)

18%

Source: Chief Marketer, "2011 Social Marketing Survey," Oct 1, 2011

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www.eMarketer.com



\* 2011 Econsultancy report

# Sources of Social Media Metrics



**Program  
Objectives**

Specific metrics directly tied to program or campaign objectives.



**Business  
Outcomes**

Metrics designed to measure the business impact of the campaign, program or initiative



**Channel-  
Specific**

Metrics that are unique to specific social channels – Tweets, RTs, 'Talking About This', Pins



# Understand the Difference between Impact and Value

- Impact is process-oriented; Value is transactional
- Impact has both tangible and intangible components; Value is financial
- Examples of Impact:
  - Increase purchase consideration
  - Increased number of positive ratings or reviews
  - Change in attitudes or opinions about the brand
- Majority of social media programs not designed to generate Value/ROI (in the short term)



# Think of Impact and Value Attribution as a Two-step Process

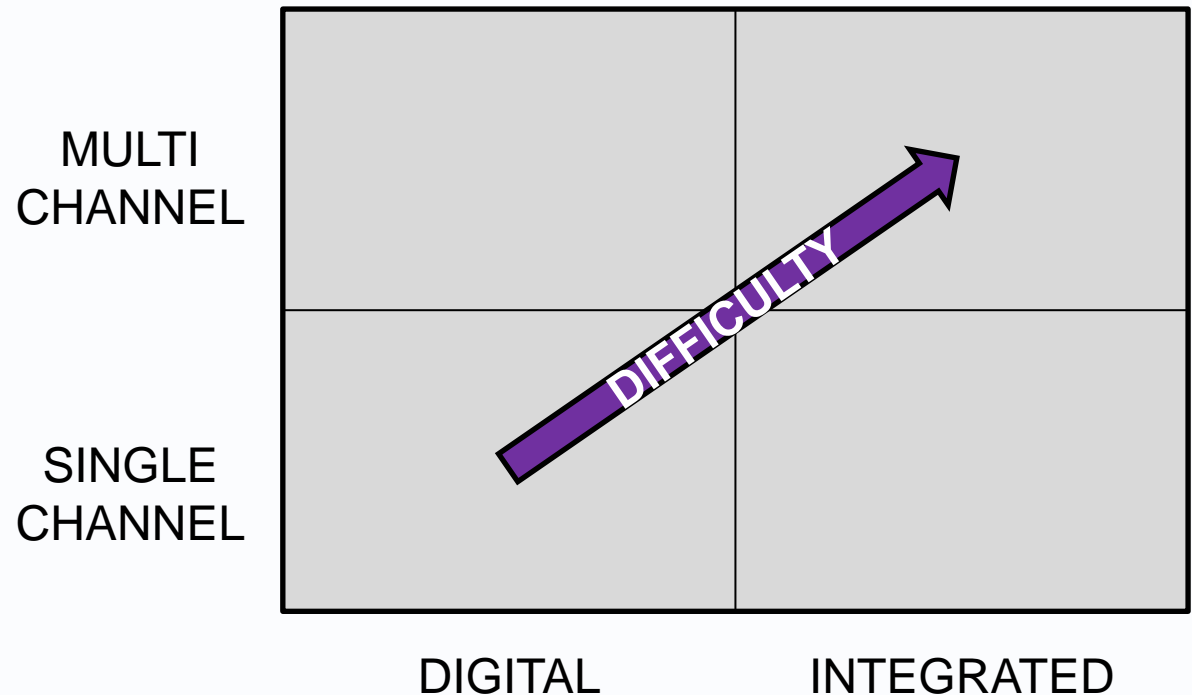
- Always attempt to measure the Impact of social media programs & initiatives
  - Value attribution is a secondary issue/challenge
  - The ROI of ROI studies is often not great





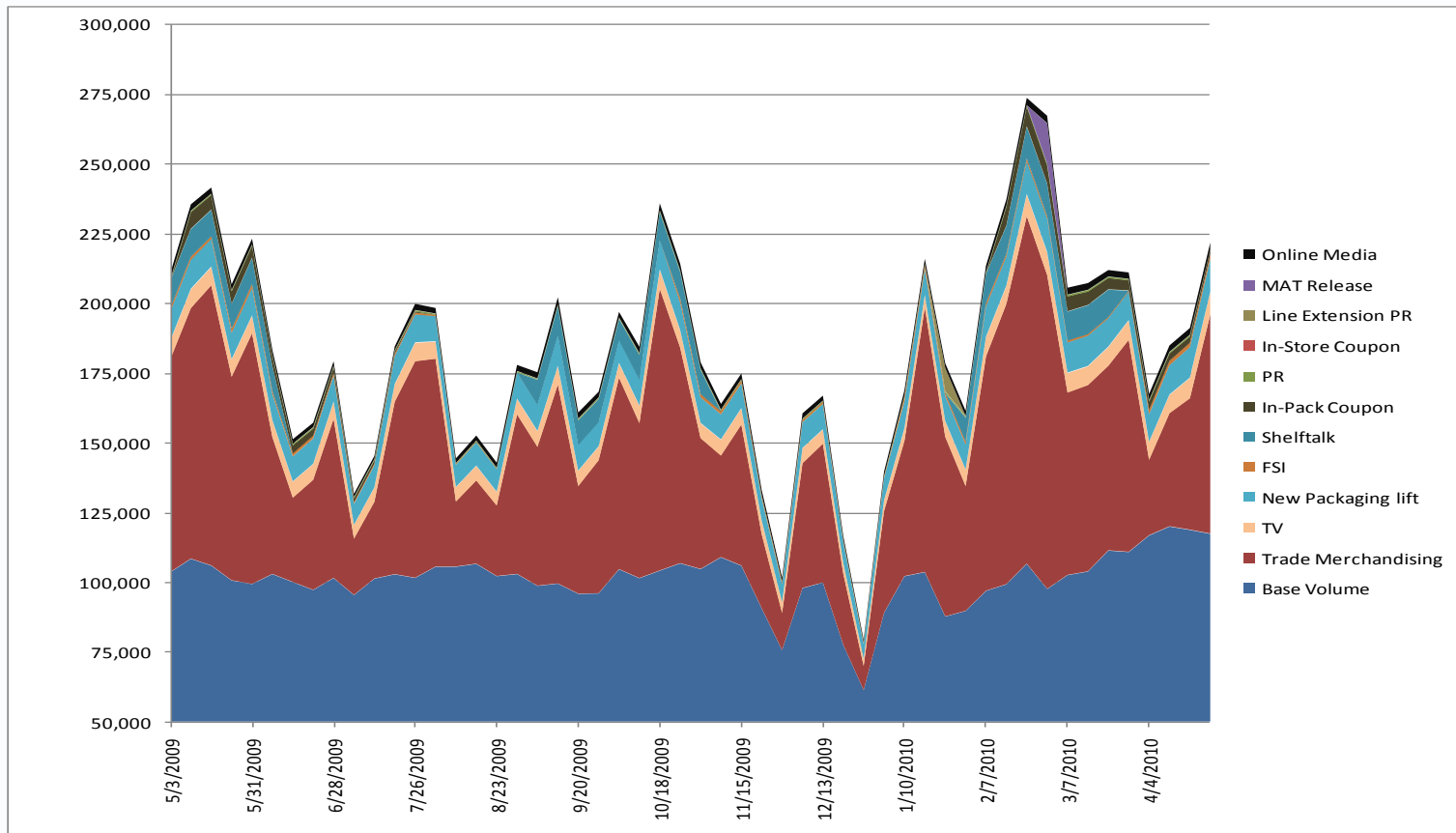
# If Social Media ROI Was Easy – Everyone Would Do It

- Today's multi-channel, multi-screen, online/offline world presents significant challenges
- Isolation and Attribution are the key challenges
- Data availability another challenge



# Advanced Analytics and Modelling Show Promise

- Consumer companies increasingly embracing statistical models that include social media data
- Constraints are cost, data availability and expertise



# Twitter ROI Case Study

- Major insurance carrier monitors Twitter to identify customers considering cancellation or non-renewal
- Customer names matched with records to determine lifetime value of that customer
- Total cost of social team and financial benefit of retaining customer determined
- Each customer 'saved' via Twitter resulted in NPV of +\$500
- 'Save' 15 – 30 customers per month and growing

twitter



# What I Hope You'll Remember

1. Important to push beyond Awareness and Engagement to measure the Impact and Value
2. The difference between Impact and Value
3. Always try to measure Impact – measure ROI where appropriate and feasible



**Thank you**

