

KDPaine & Partners

Are we engaged yet? How to develop your engagement metric

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KDPaine & Partners

Why Measure Engagement?

“The main reason to measure objectives is not so much to reward or punish individual communications manager for success or failure as it is to learn from the research whether a program should be continued as is, revised, or dropped in favor of another approach ”

James E. Grunig, Professor Emeritus, University of Maryland

“If we can put a man in orbit, why can't we determine the effectiveness of our communications? The reason is simple and perhaps, therefore, a little old-fashioned: people, human beings with a wide range of choice. Unpredictable, cantankerous, capricious, motivated by innumerable conflicting interests, and conflicting desires.”

Ralph Delahaye Paine, Publisher, Fortune Magazine ,

1960 speech to the Ad Club of St. Louis

Where I come from



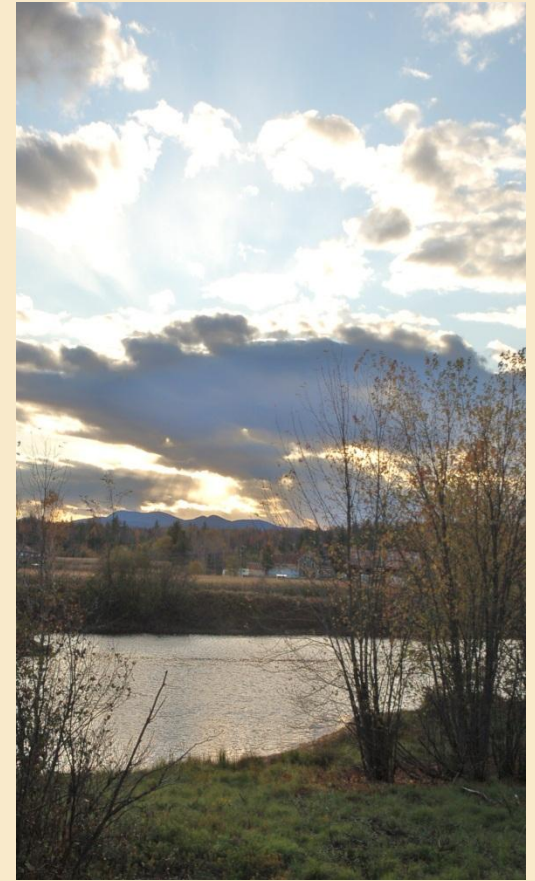
Pittsburgh



Berlin



Milan

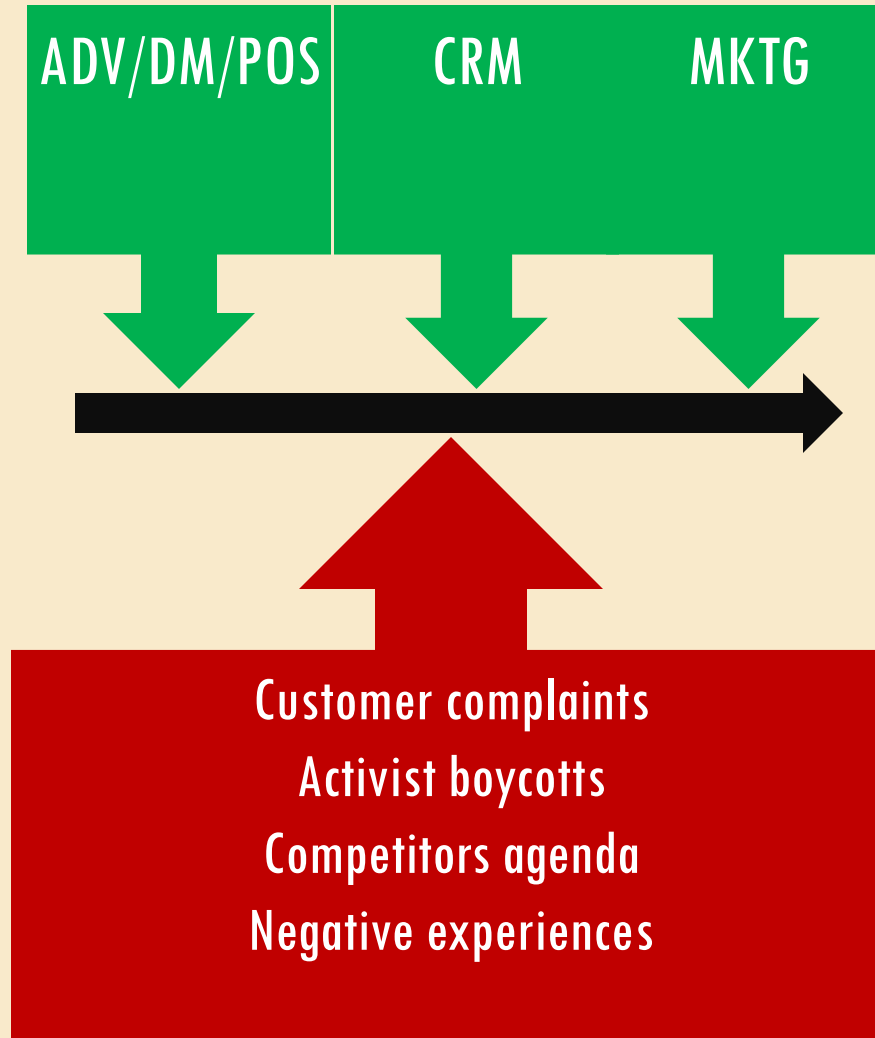


10 Signs that it's the end of the world as we know it

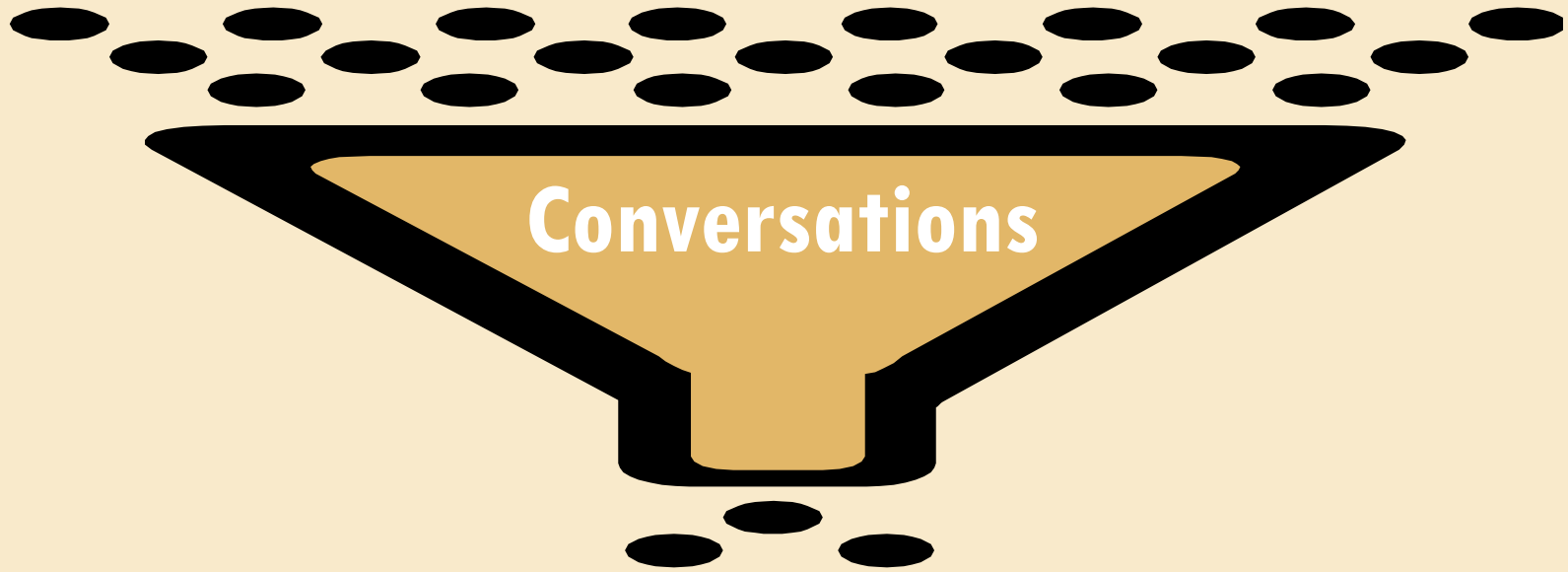


1. 48% of respondents to a PRWeek study said they were moving \$\$ out of advertising budgets into Social Media. Only 18% said they were taking \$\$ away from PR.
2. % of traditional media coverage vs. online has gone from 90% to 10% in 3 years
3. News now routinely breaks on Twitter before it makes it to AP
4. Procter & Gamble is now paying for engagement, not eyeballs
5. Sodexo cut \$300K out of its recruitment budget using Twitter
6. BMC Software measures communications effectiveness based on contribution to EPS
7. HSUS generated \$650,000 in new donations from an on-line photo contest on Flickr
8. receives more leads, sales and exposure from a \$500 podcast than it does from an ad
9. 11 Mom's turned around Wal-Mart's image and delivered measureable increases in sales.
10. 1 person --Dave Carroll (United Breaks Guitars) cost United \$180M—the cost of more than 51,000 replacement guitars.
11. Army video game is measurable more successful in recruiting than ads
12. SAP made \$1 million from its small business community

Social Media Disrupts the Marketplace



It's not just about marketing anymore



**Customer
Service**

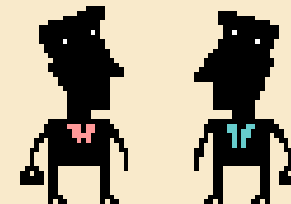
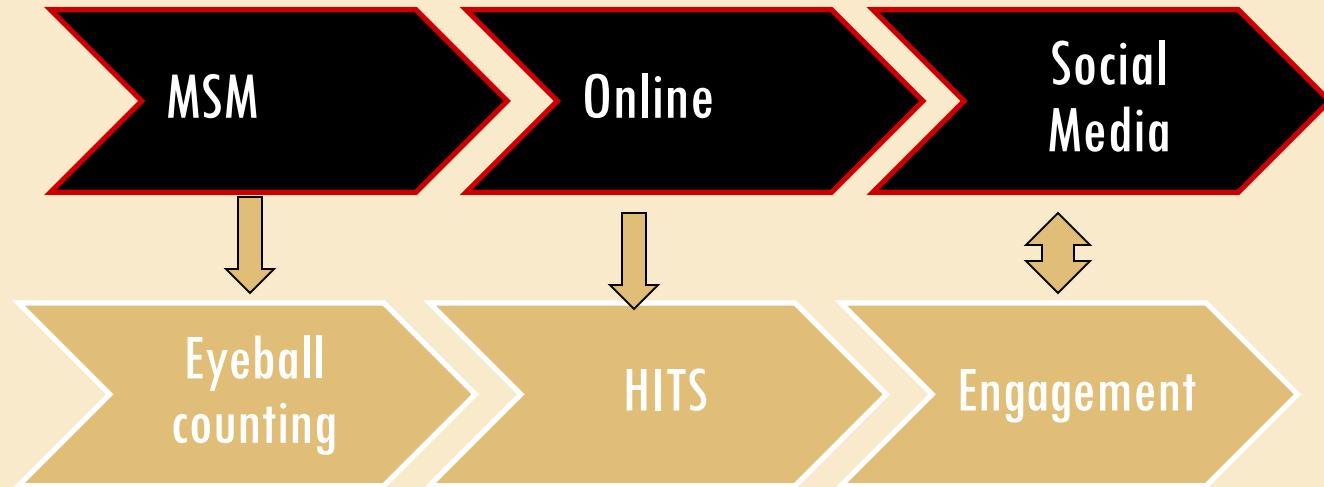
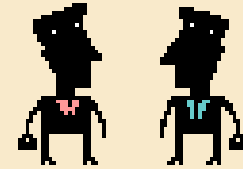
**Marketing &
Sales**

**Competitive
Intelligence**

IR

HR

A measurement timeline



Social Media renders everything you know about measurement obsolete



Old School Communications



The definition of timely has changed



The definition of reach has changed



GRPs & Impressions are impossible to count (an irrelevant) in social media



The definition of success has changed



The answer isn't how many you've reached, but how those you've reached have responded



21st Century Role

Old School Metrics



AVEs



Eyeballs



HITS (How Idiots Track
Success)



Couch Potatoes



of Twitter Followers
(unless you're a celebrity)



of Facebook
Friends/Fans (unless they
donate money)



New School Metrics



Influence = The power or ability to affect someone's actions.



Engagement = Some action beyond zero



Advocacy = engagement driven by an agenda



Sentiment = contextual expression of opinion — regardless of tone



ROI: Return on Investment — no more no less. End of discussion

The New Engagement Decision Tree

Awareness

Consideration

Preference

Trial

Purchase

Find

Observe/
Lurk

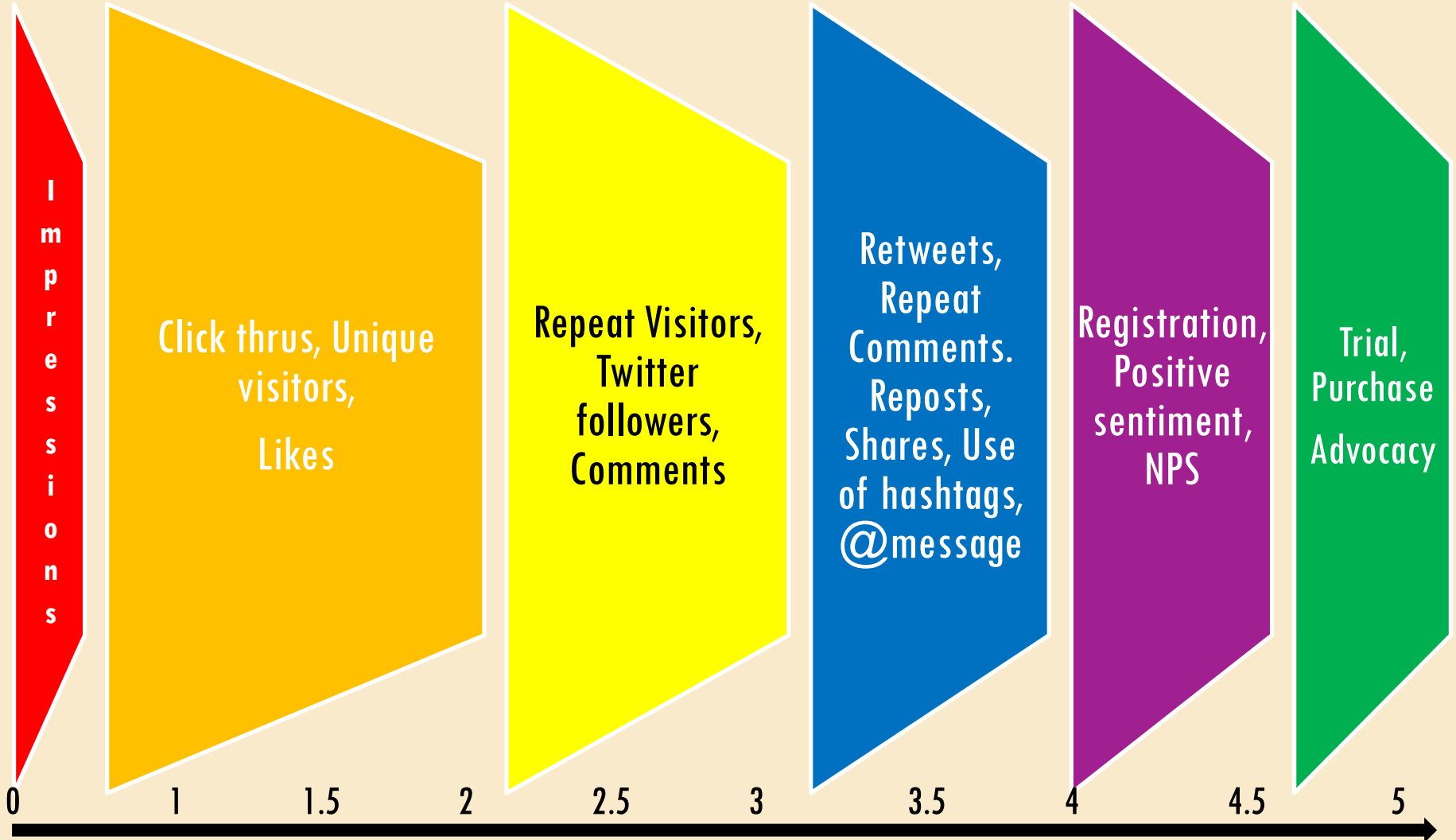
Participate

Engage-ment

Purchase/Act
/Link/WOM

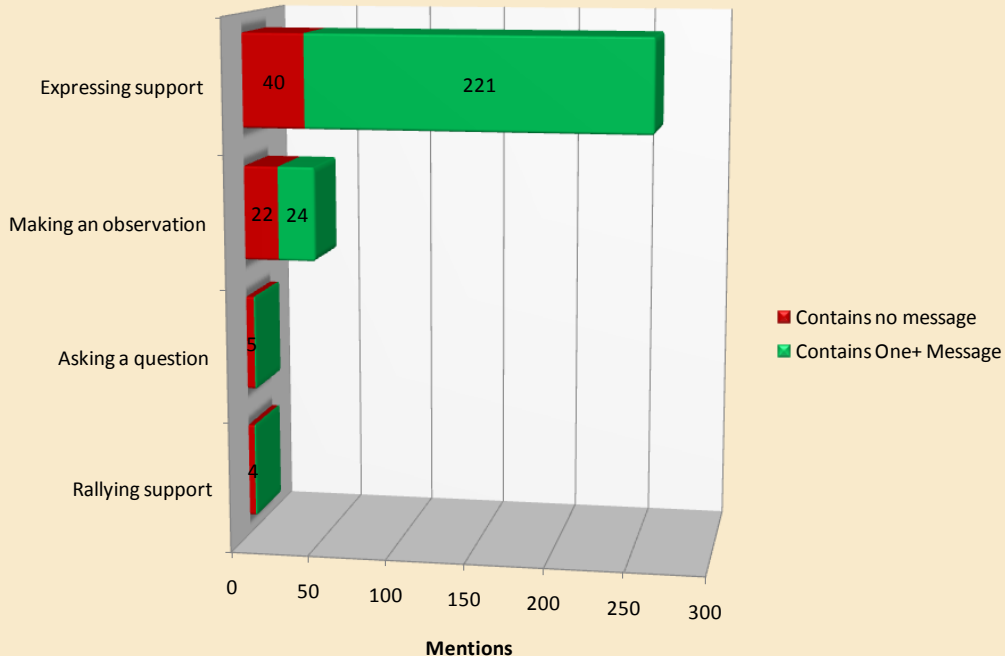


The Phases of Engagement

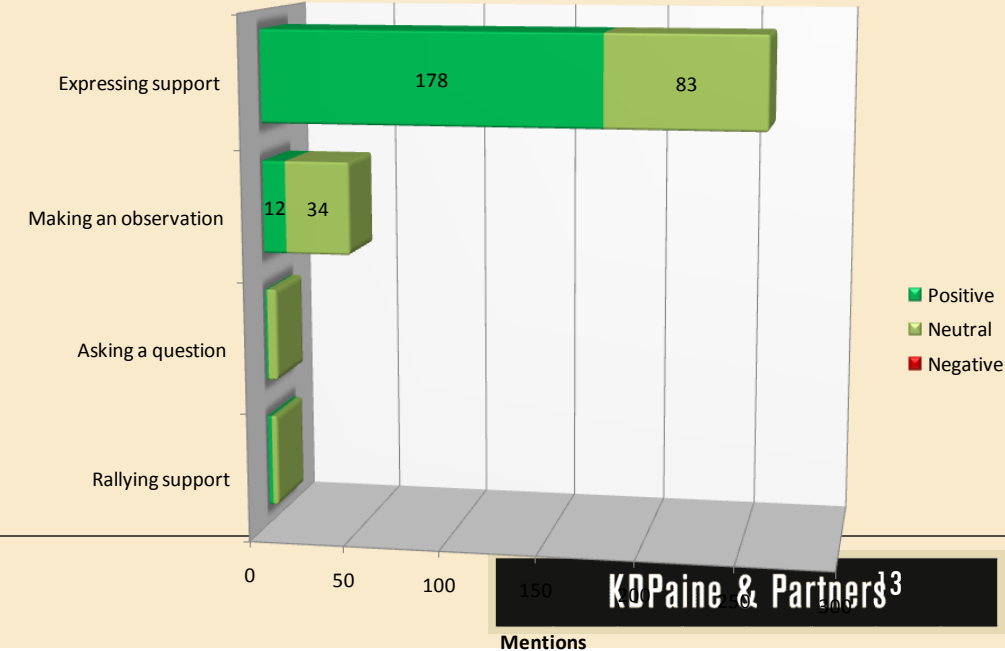


| Conversation Type | January | February | March |
|---------------------------------|---------|----------|-------|
| Making an observation | 142 | 152 | 46 |
| Expressing support | 20 | 40 | 261 |
| Offering an opinion | 18 | 1 | 1 |
| Rallying support | 4 | 4 | 5 |
| Advertising something | 10 | | |
| Asking a question | 1 | 2 | 6 |
| Distributing media | 4 | 2 | |
| Making a suggestion | 2 | 3 | |
| Giving a shout-out | 1 | 2 | 1 |
| Calling for action | 1 | 2 | |
| Expressing criticism | | 1 | 1 |
| Disclosing personal information | 1 | 1 | |
| Putting out a wanted ad | | 1 | |
| Expressing agreement | | 1 | |
| Recruiting people | 1 | | |
| Answering a question | 1 | | |
| Expressing surprise | | 1 | |
| Grand Total | 206 | 213 | 321 |

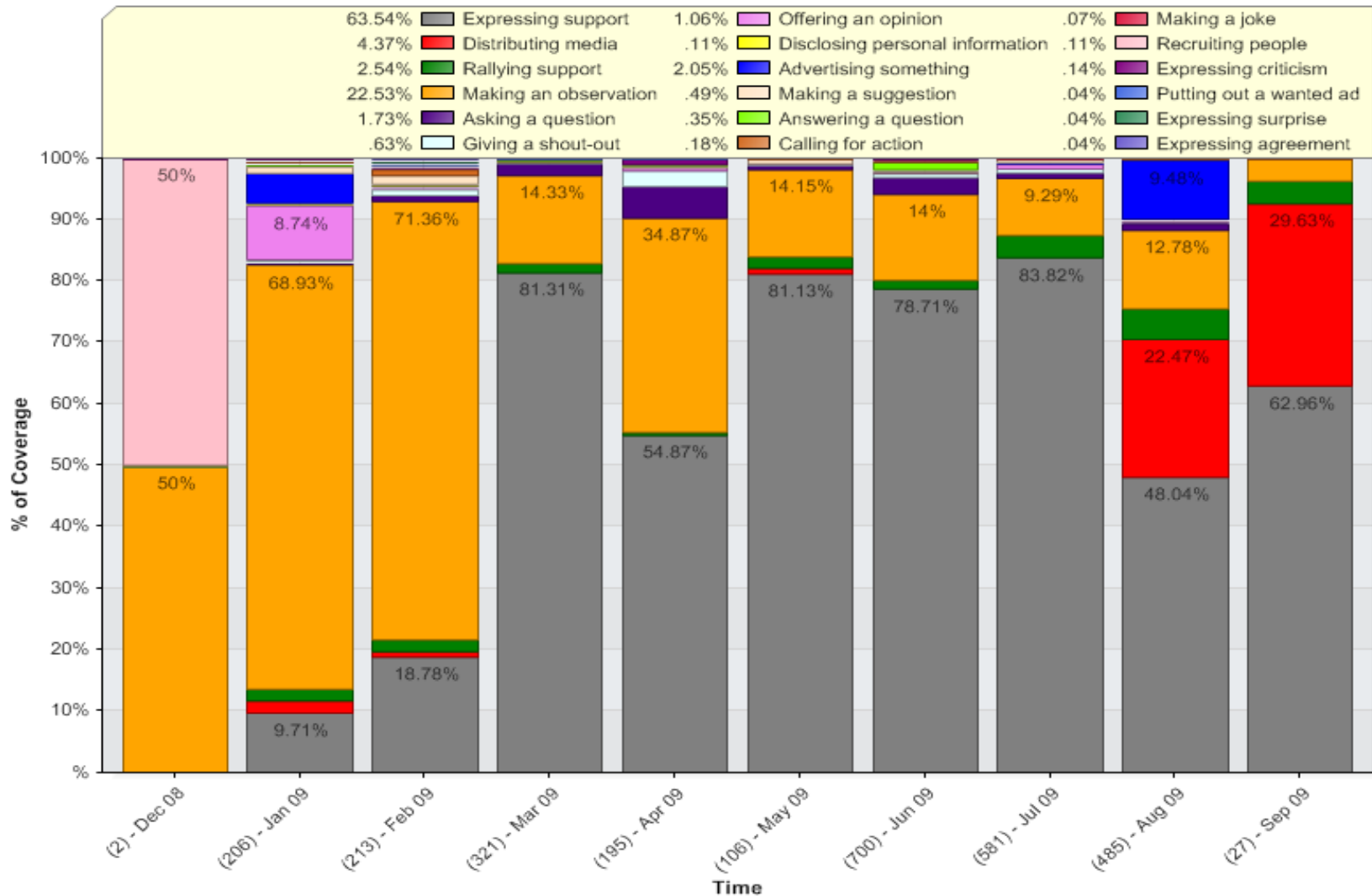
Conversation Type by Message Saturation



Conversation Type by Tone



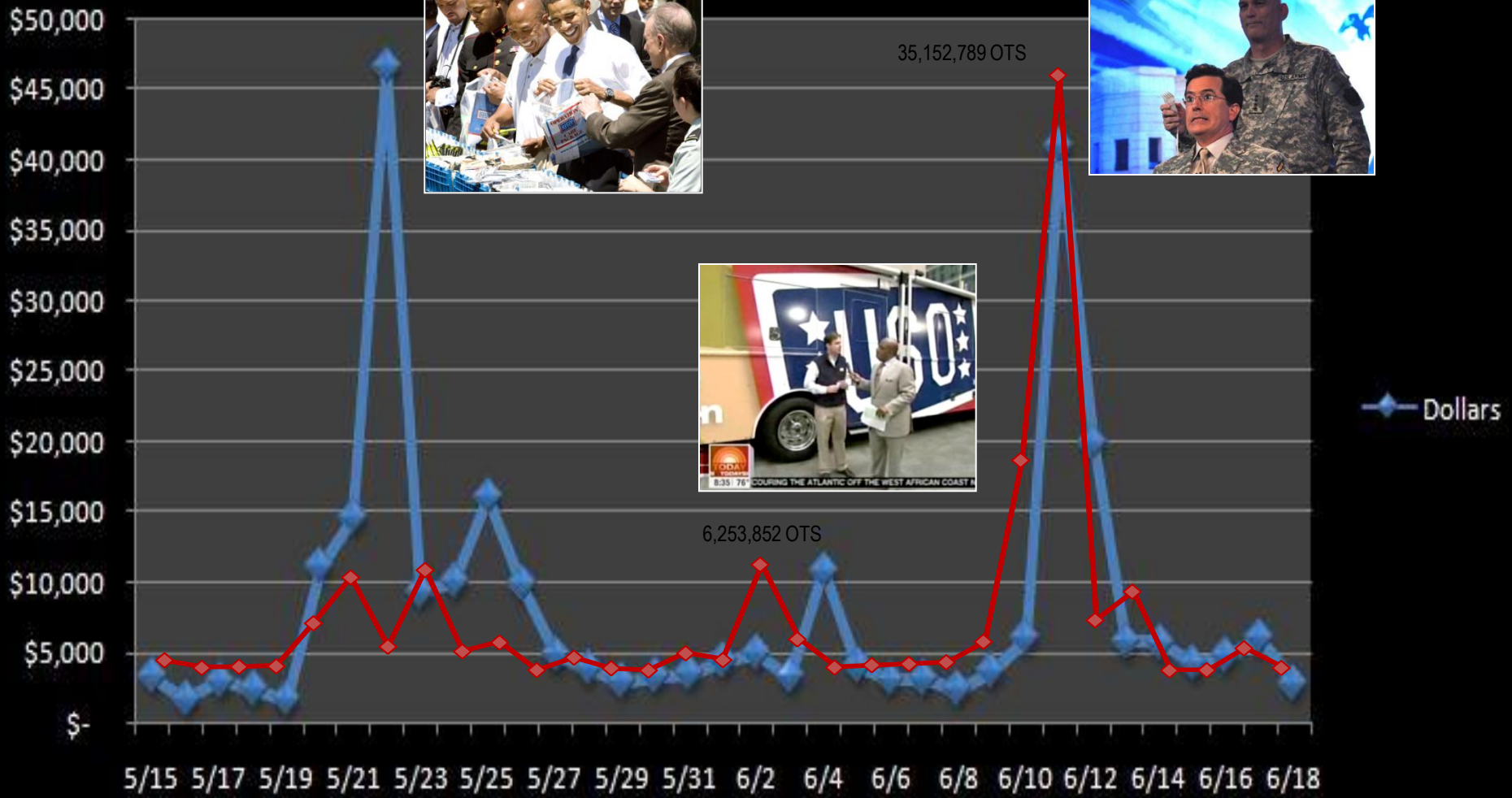
Moving conversation from observation to support



Media Engagement & Online Giving

Online Revenue

May 15th - June 18th in \$USD



The 7 steps to Measuring Engagement

1. Define the “R” — Define the expected results? So what if they’re engaged? What does that mean to the organization?
2. Define the “I” -- What’s the investment?
3. Understand your audiences and what motivates them
4. Determine what you are benchmarking against
5. Define the metrics (what you want to become)
6. Pick a tool and undertake research
7. Analyze results and glean insight, take action, measure again

Step 1: Define the “R”



What return is expected?



Define in terms of the business or mission



Revenue generated or saved.



What problems are you trying to solve?



If you are celebrating complete 100% success a year from now, what is different about the organization?



Measurable Goals for Marketing Today

1. Marketing/leads/sales/
2. Mission/safety/civic engagement
3. Relationship/reputation/positioning



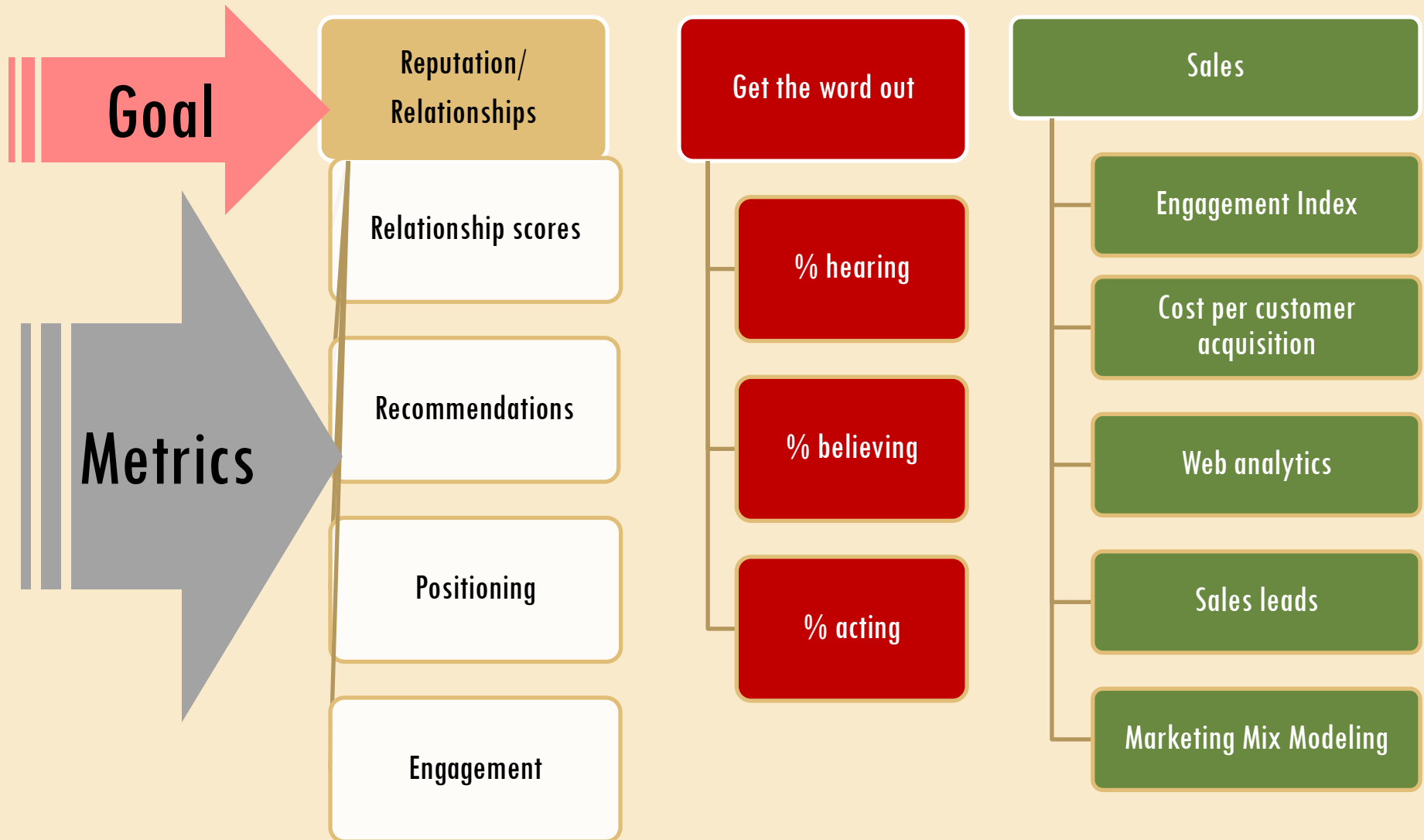
To fix this



Or get to this



Goals drive metrics, metrics drive results



ROI is an equation



Revenue minus cost = ROI



Revenue = \$\$ in or \$\$ not spent

HSUS

- Flickr Revenue: \$650,000
- Contest Cost \$1000
- ROI = \$649,000

Sodexo

- Twitter costs: \$30,000
- Cost savings: \$300,000
- Net savings (ROI): \$270,000



Step 2: Define the “I”



What is the investment?



Personnel



Agency compensation



Senior Staff time



Opportunity cost

Step 3: Define the universe and your role in it



There is no “audience.” There are multiple constituencies



Should you blog or Twitter? Don’t ask me, ask your customers



Understand your role in the conversation



Raise awareness



Increase preference



Increase engagement



Improve relationships



Customer service

Step 4: Define your benchmarks



Without benchmark you have no context



Benchmark against:



Past Performance



Different programs, different tactics



Think 3

➤ Peer

➤ Underdog nipping at your heels

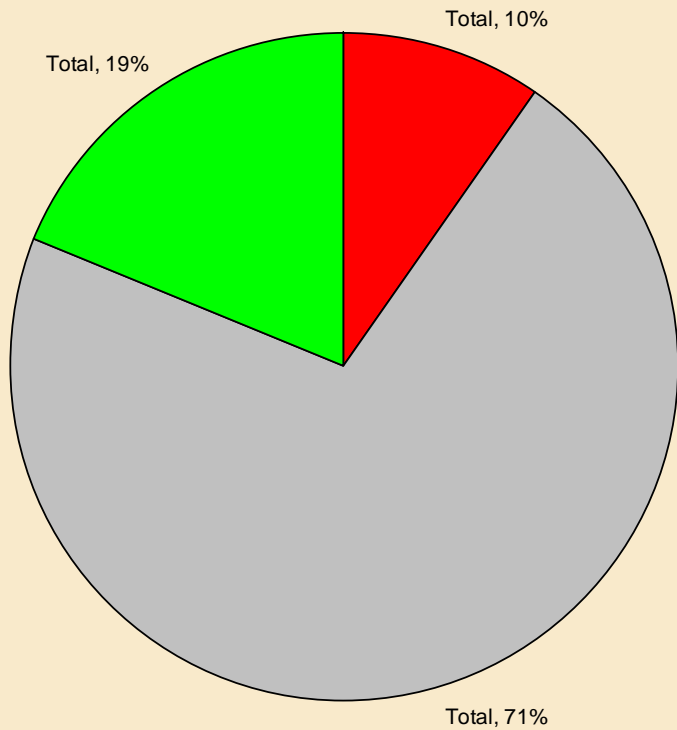
➤ Stretch goal



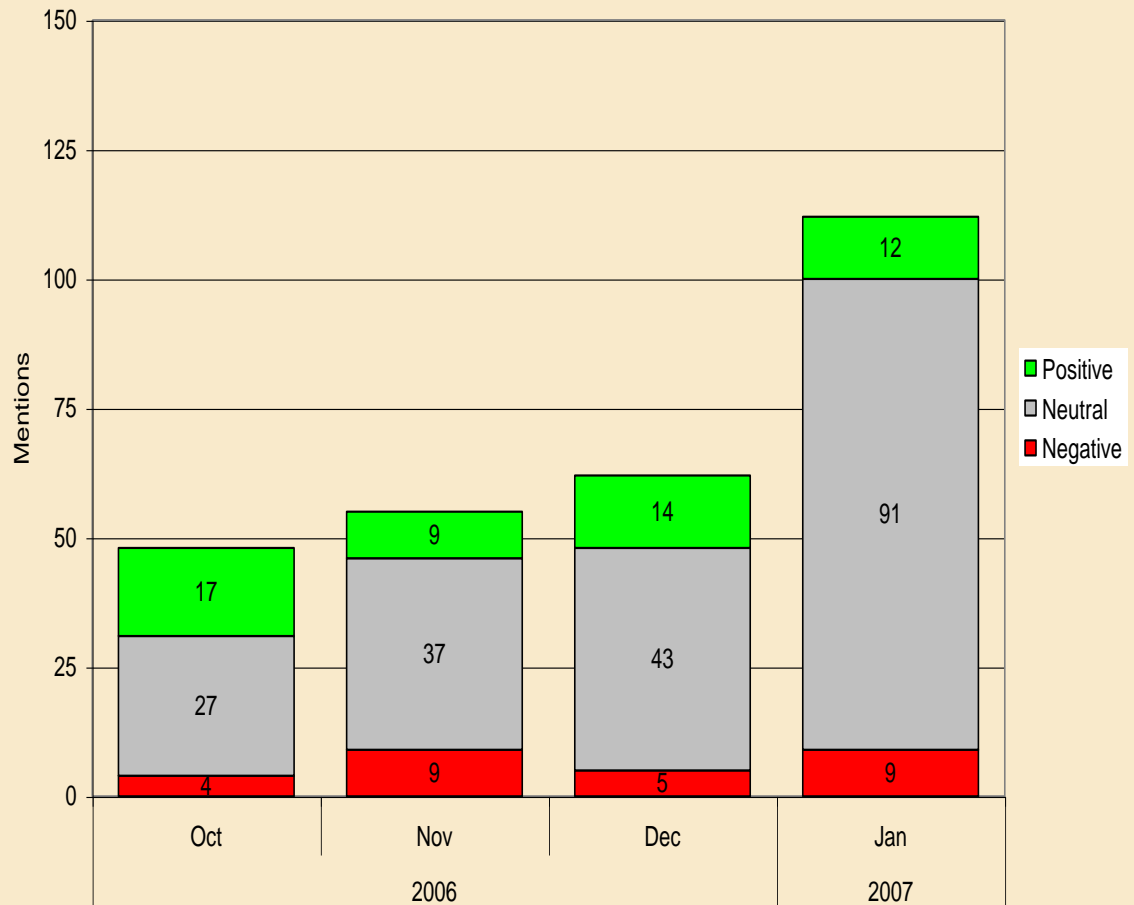
Whatever keeps the C-suite up at night

Past performance: tonality of blog content

Tonality of all blog postings

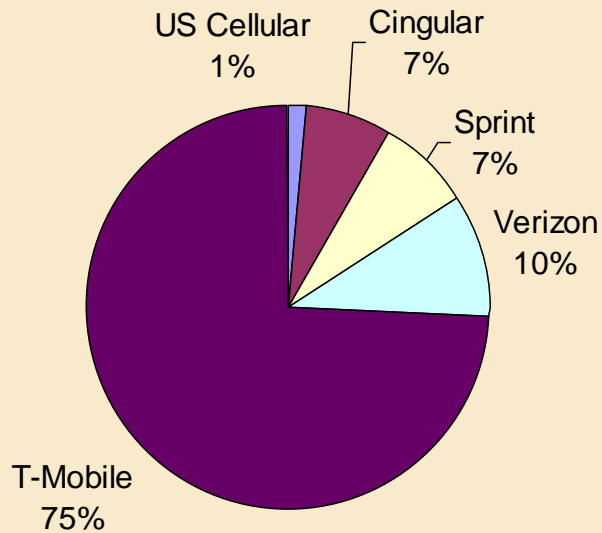


Tonality of Coverage Over Time

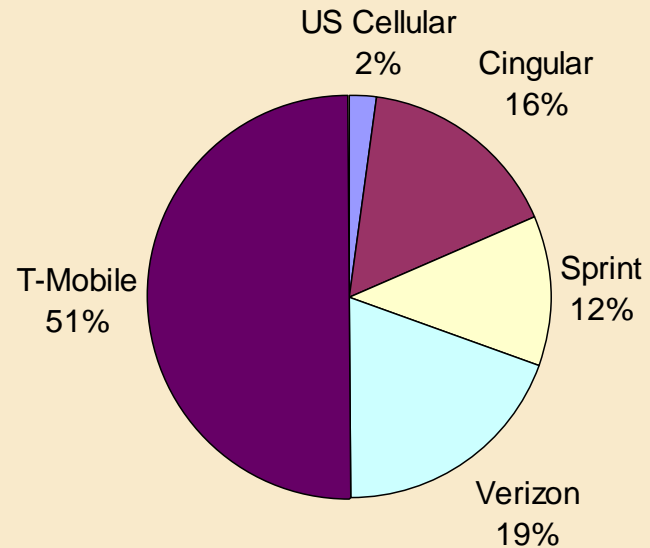


The competitive landscape

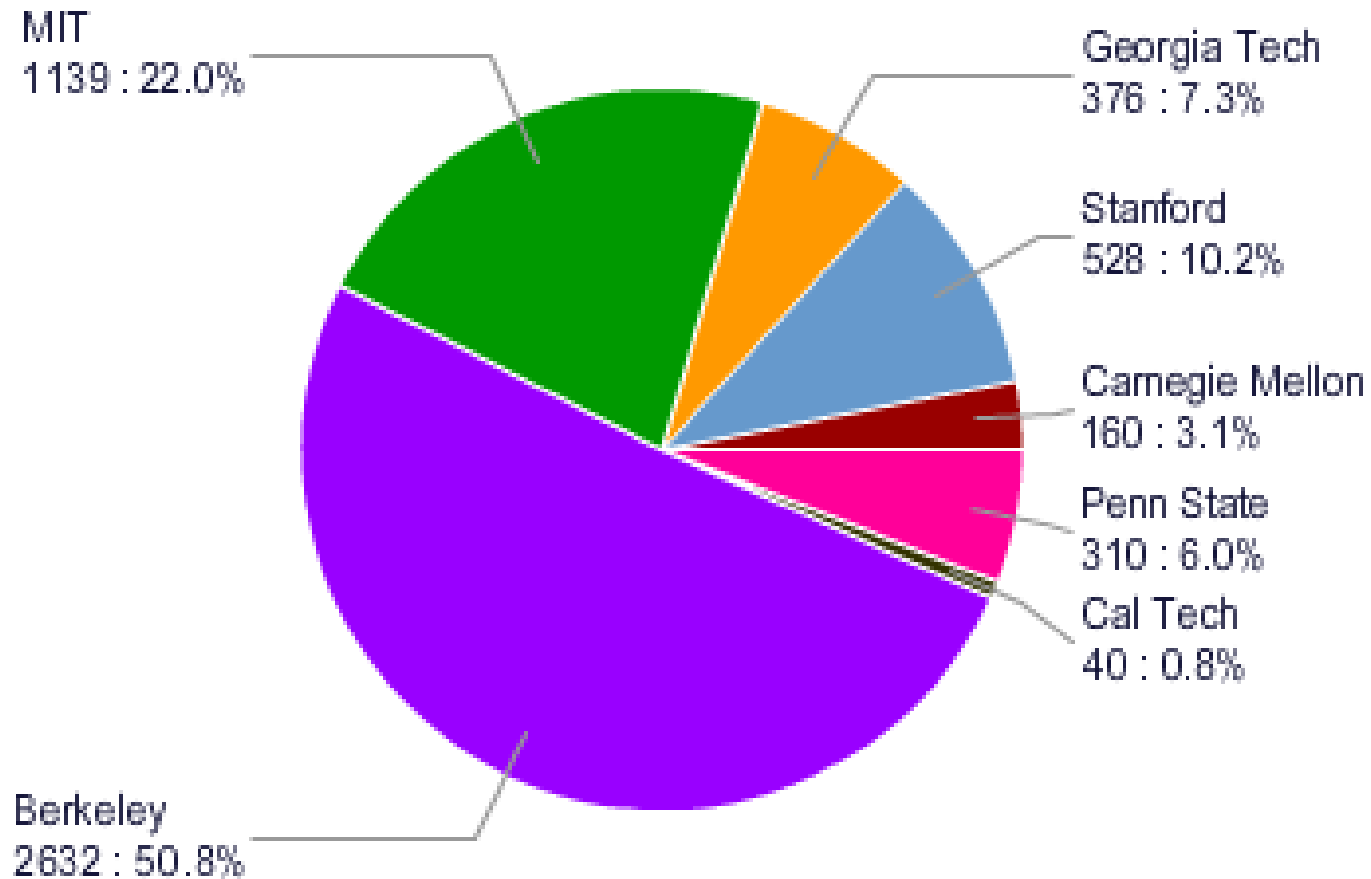
Technorati mentions with high authority



Company "sucks" mentions in Technorati with high authority

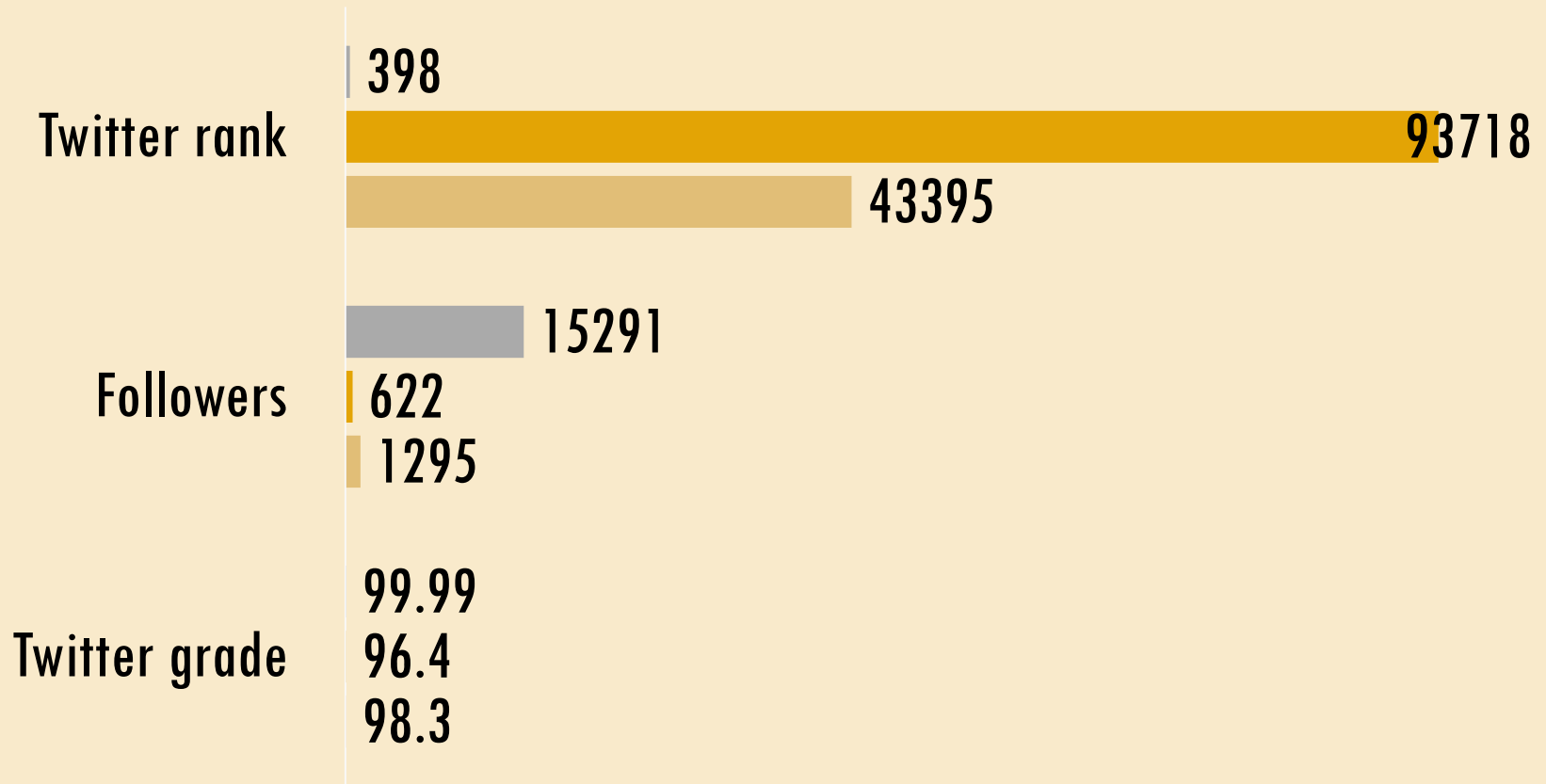


MIT Berkeley see highest visibility in Social Media

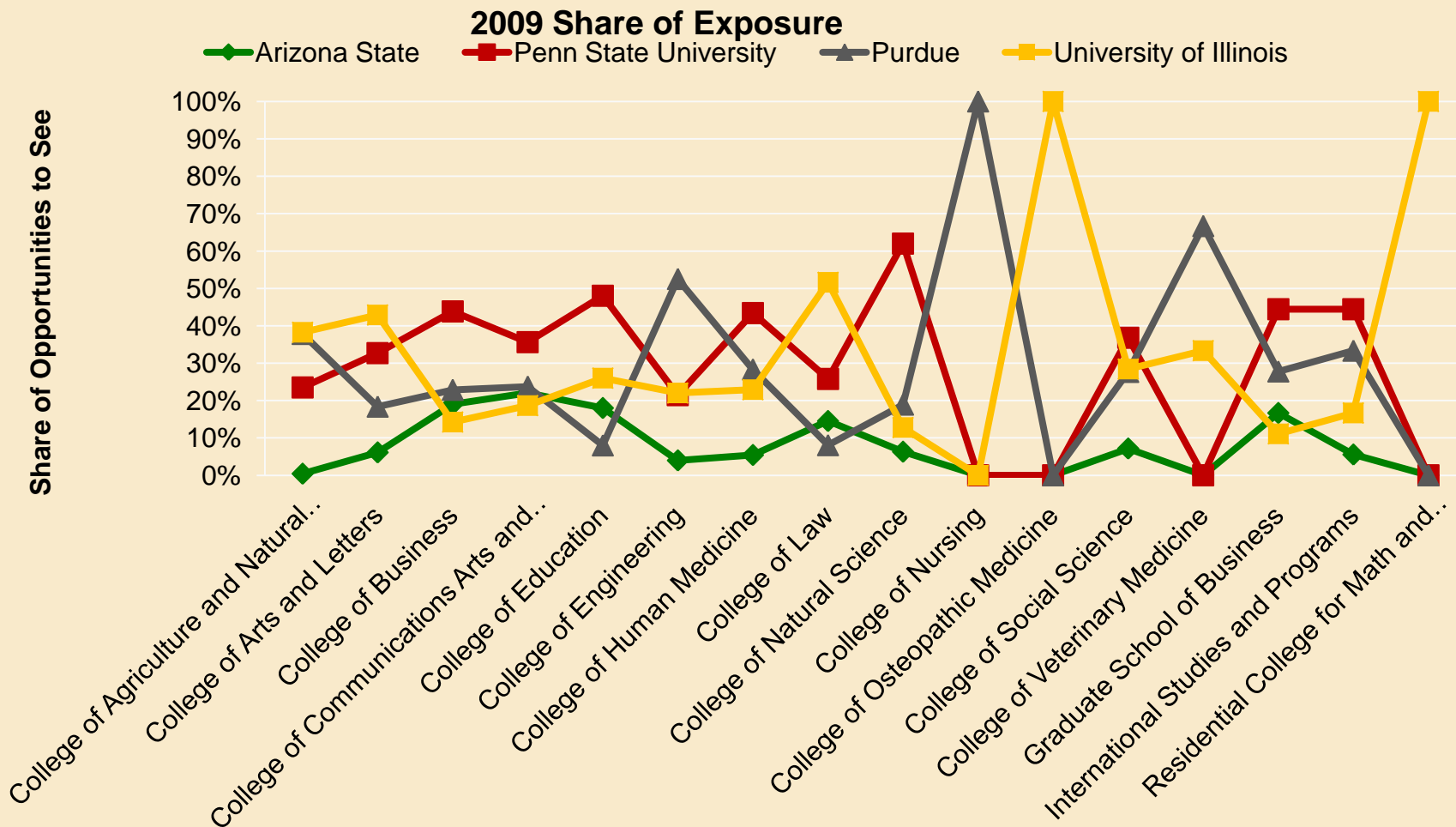


Benchmarks put numbers in perspective

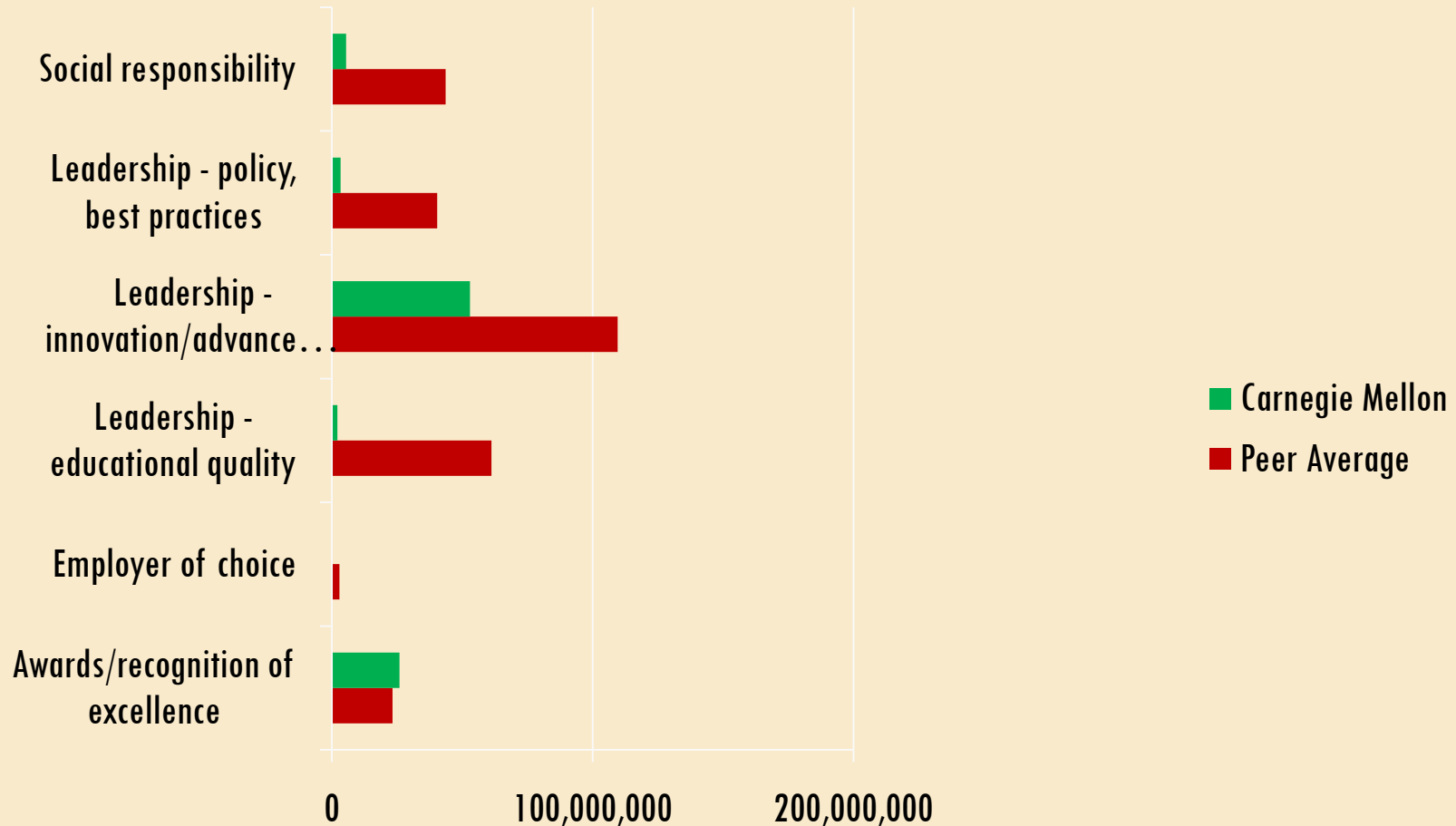
■ Shel Israel ■ U of Penn ■ Carnegie Mellon



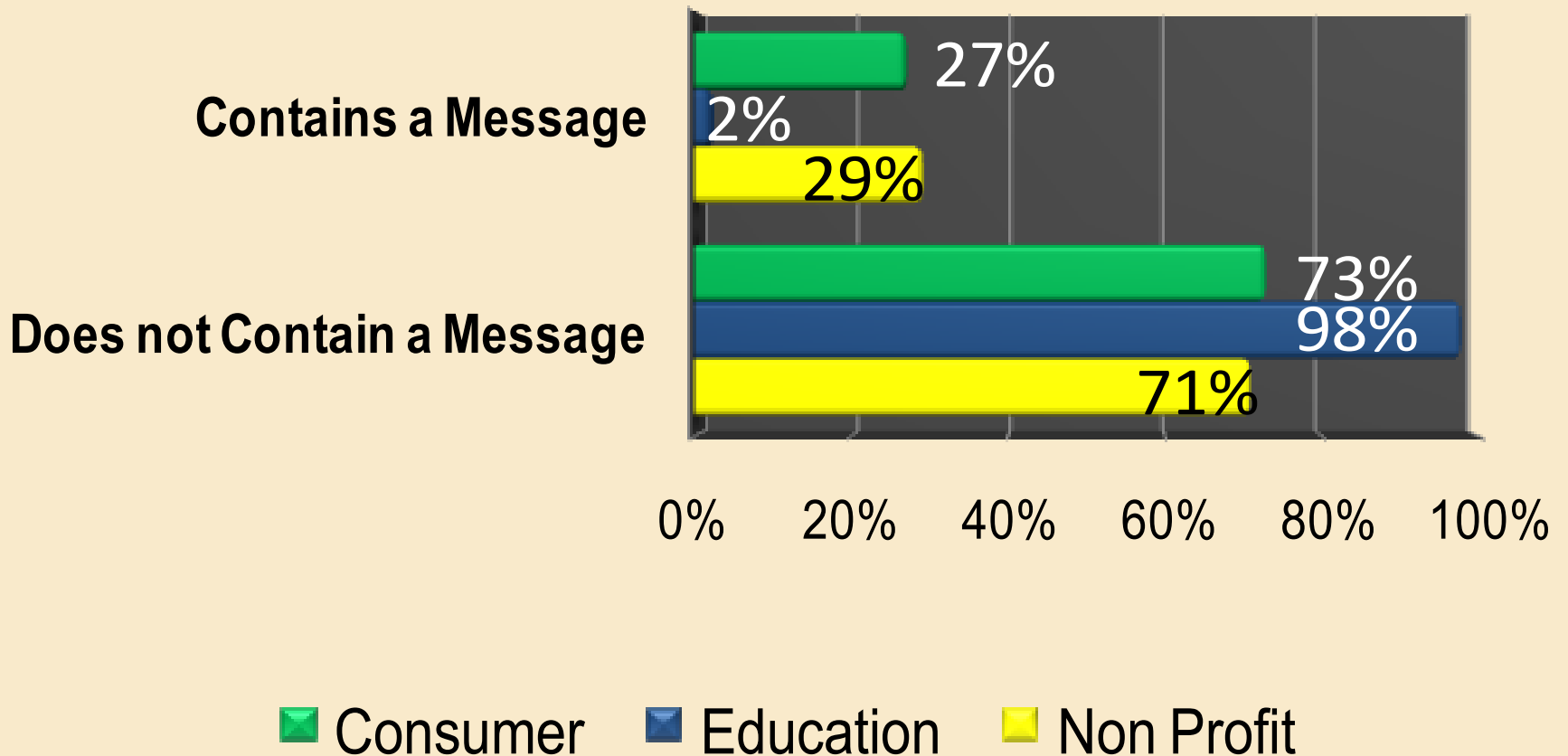
Share of exposure by college



C-M vs Peer Average on Key Issues



Key Message penetration by segment



Step 5: Define your Key Performance Indicators (KPIs)



You become what you measure, so pick your KPI carefully



The Perfect KPI

✦ Gets you where you want to go (achieves corporate goals)

✦ Is actionable

✦ Continuously improves your processes

✦ Is there when you need it



KPIs should be developed for:

✦ Programs

✦ Overall objectives

✦ Different tactics



Why you need a Kick-Butt Index?



Get clarity about what to measure



You decide what's important:



Benchmark against peers and/or competitors



Track activities against KBI over time



Understand the cost of perfection vs. good enough

KPIs lead to goals

Metrics

Exposure
Friends + Engagement + \$\$\$
Followers raised



Start





Goal



Step 5: You become what you measure

Cost savings





Efficiency

-  Cost per message communicated
-  Cost per new lead/customer acquired


Productivity:

-  Increase in employee engagement/morale
-  Lower turnover/recruitment costs



Engagement:

-  Ratio of posts to comments
-  % of repeat visitors
-  % of 5+ min visitors
-  % of registrations




Trust:

-  Improvement in relationship /reputation scores with customers and communities (Loyalty/Retention)

Thought leadership:

-  Share of quotes
-  Share of opportunities

Message penetration

-  Positioning on key issues
-  Improvement in favorable/unfavorable ratio
-  Improvement in Optimal Content Score (OCS)

Step 6: Pick a measurement tool

- 📊 **Content analysis determines if they sound engaged**
 - 🌟 Listening tools for places you can't control
 - 🌟 Evaluation tools for places you can control.
- 📊 **Survey research determines if they feel engaged**
- 📊 **Web analytics determine if they act engaged.**

Step 6: Selecting a measurement tool

| Objective | KPI | Tool |
|-------------------------------------|--|---|
| More efficient customer acquisition | % decrease in cost per customer acquisition % increase in leads vs. activity | Web Analytics + CRM |
| Reduction in churn | % renewal rate by activity % repeat traffic | Web Analytics + CRM |
| Engage marketplace | Conversation index greater than .8 Rankings % increase in engagement | Web analytics or Content Analysis: TypePad, Technorati Omniture, Google Analytics |
| Communicate messages | % of articles containing key messages Total opportunities to see key messages Cost per opportunity to see key messages | Media content analysis – |

Do they *sound* like they're engaged? Measurement of places over which you have no control



Traditional Media



Conversations in:



Blogs



Facebook



YouTube



Twitter

1. Do they *sound* like they're engaged? Measurement of places over which you have no control



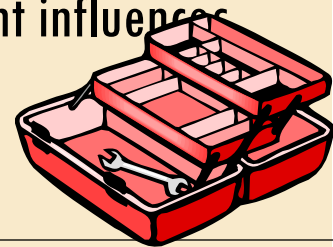
Content sources:

- Google News/Google Blogs, RSS feeds, Technorati, Social Mention, Tweetdeck, Radian 6, Sysomos, Alterian, Visible Technologies, Scout Labs, Cyberalert, CustomScoop, e-Watch, Crimson Hexagon, Boardreader



A way to analyze that content

- SAS SMA, Cymfony, Humans
- Census vs. random sample
- Sentiment vs. Topics
- The 80/20 rule — Measure what matters because 20% of the content influences 80% of the decisions



Then: A coding methodology



Tonality

- Positive
- Negative
- Neutral
- Balanced



What messages were communicated



How you're positioned on key issues



Dominance/Prominence/Visibility



Authority/Influence of author



Subject of the article/posting



Who was quoted?



Products, events, initiatives, battles mentioned



The Kick Butt Index

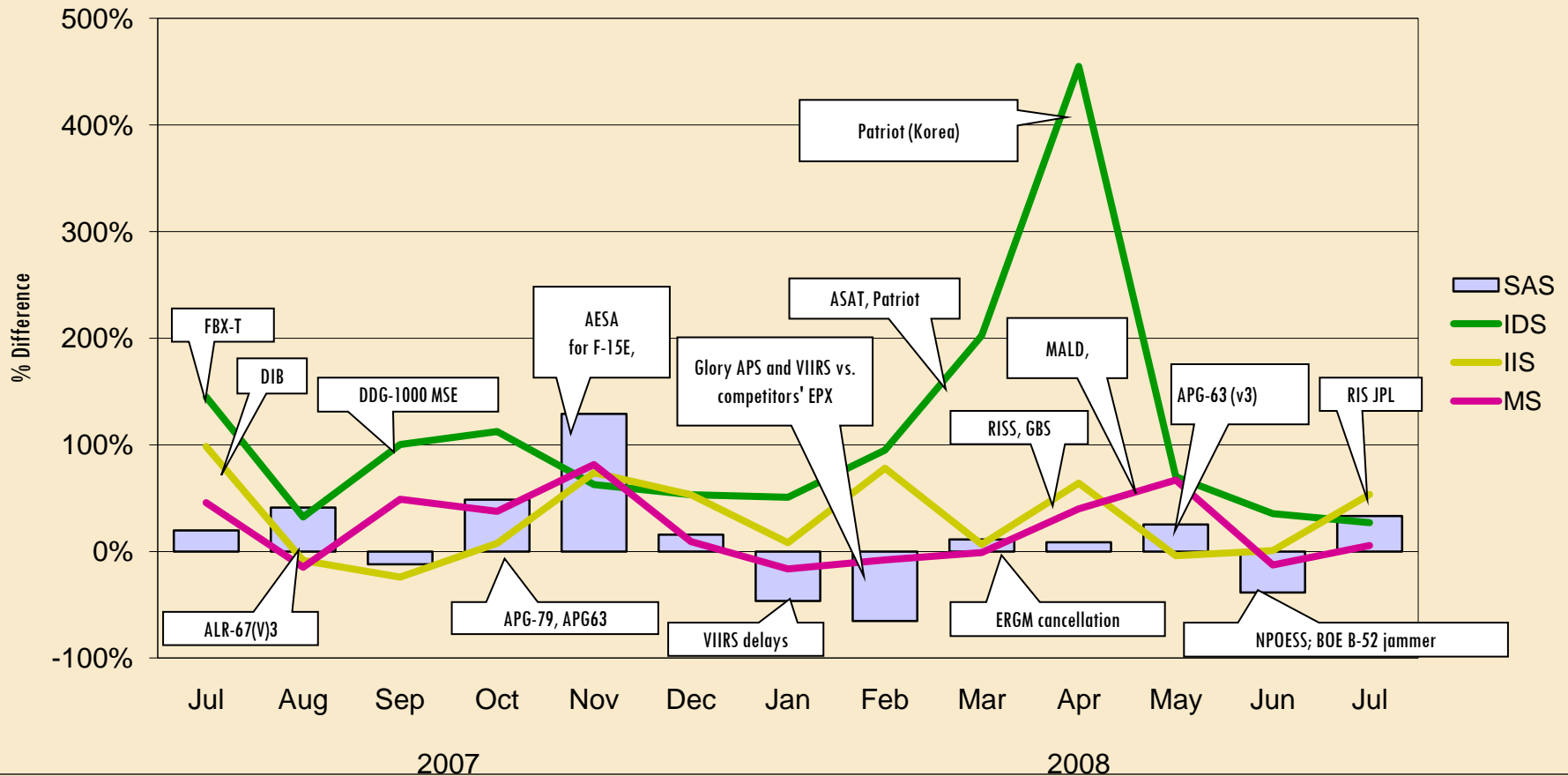
How to calculate your KBI

| -10 | | | | | |
|----------------------------|------------------------------|-------|--------------------|-------|--|
| Quality score | +10 | | | 0 | -10 |
| | | Score | | Score | Score |
| Tonality | Positive | 3 | Neutral | 0 | Negative -3 |
| | | | | | Positions the competition favorably or positions Sargento negatively |
| Positioning | Contains | 2 | Doesn't contain | 0 | -2 |
| | | | | | Does not contain or miscommunicates key message (neg mess) |
| Messaging | Contains | 3 | partially contains | 0 | -1 |
| Quotes | Contains | 1 | | | Does not contain -1 |
| Competitive mention | Does not mention Competition | 1 | | | Competition mentioned prominently -3 |
| Total Score | | 10 | | 0 | -10 |
| -10 | | | | | |
| Visibility Score | +10 | | | 0 | -10 |
| | | Score | | Score | Score |
| Brand Photo | Contains | 3 | Doesn't contain | 0 | Contains competitive photo -5 |
| Dominance | Focal point | 3 | | | Not a focal point -1 |
| Visibility | Headline mention | 2 | Top -20% of story | 0 | Minor mention -2 |
| Target publication | Top Tier | 2 | 2nd tier | 0 | Not on target list -2 |
| Total Score | | 10 | | 0 | -10 |

Charting KBI over time between divisions

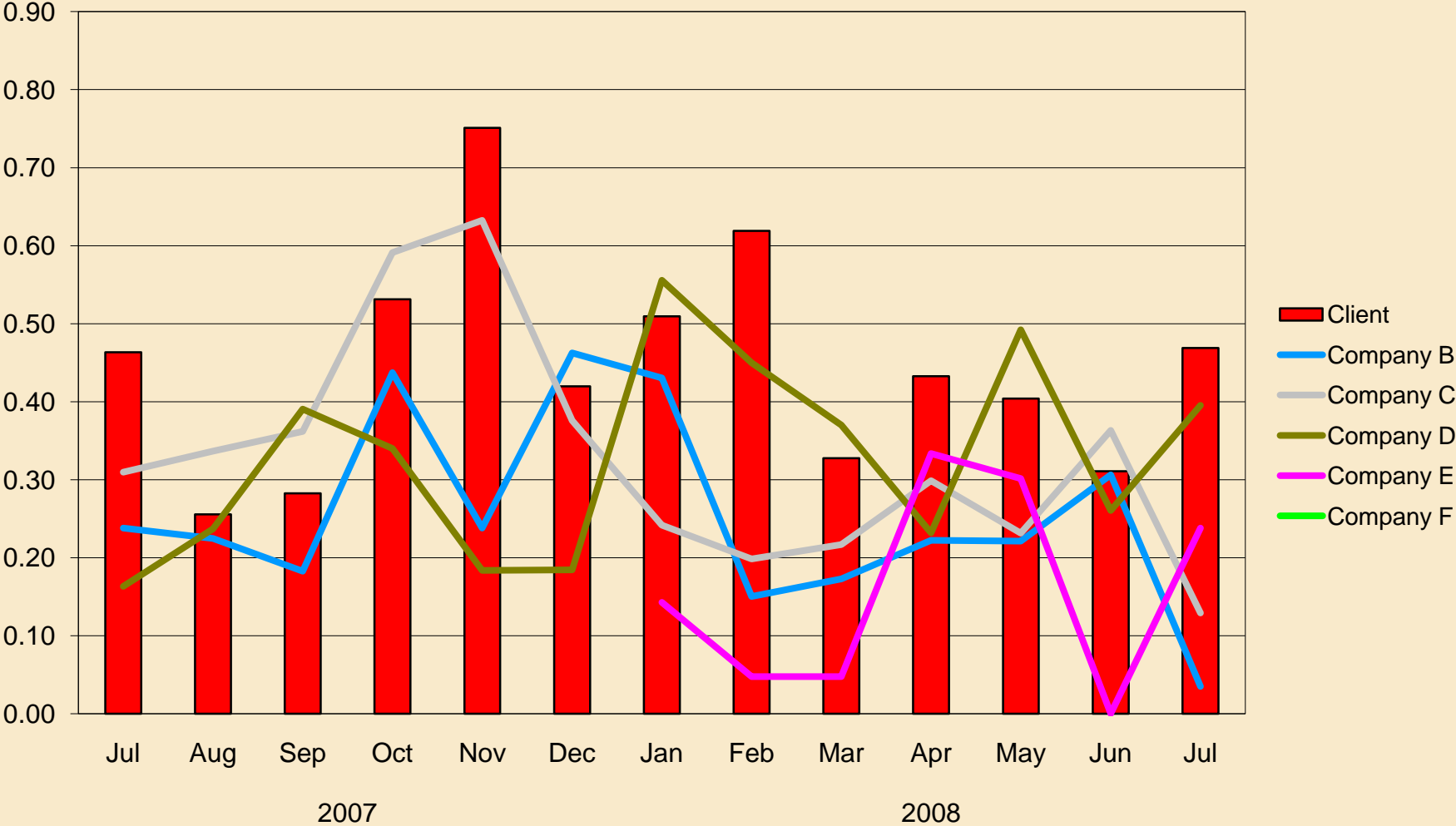
Kick Butt Score Relative to other LOBs

The Percent Difference Between Each Business Unit's Average KBI and the KBI for each Business Unit



Trend against competition with KBI

KBI by Company



Assessing Influence



Twitter Grader, Tweetlevel, Twitalyzer



\$\$: Hitwise, Compete, Quantcast

Measurement tool 1B: Measurement of places you can control

Location



Your own blogs



Your own Facebook pages



Your own Tweets



Your own YouTube Channel

Metric



Ratio of comments to posts



Length of threads, % of favorites



ReTweets



Rating/Comments

Tool #2: Do they *feel* engaged?



Surveys



Relationship surveys



Net Promoter



Listening tools

Aspects of relationships



Control mutuality



Trust



Satisfaction



Commitment



Exchange relationship



Communal relationship

Components of a Relationship Index



Control mutuality

- ✳ In dealing with people like me, this organization has a tendency to throw its weight around. (Reversed)
- ✳ This organization really listens to what people like me have to say.



Trust

- ✳ This organization can be relied on to keep its promises.
- ✳ This organization has the ability to accomplish what it says it will do.



Satisfaction

- ✳ Generally speaking, I am pleased with the relationship this organization has established with people like me.
- ✳ Most people enjoy dealing with this organization.



Commitment

- ✳ There is a long-lasting bond between this organization and people like me.
- ✳ Compared to other organizations, I value my relationship with this organization more



Exchange relationship

- ✳ Even though people like me have had a relationship with this organization for a long time; it still expects something in return whenever it offers us a favor.
- ✳ This organization will compromise with people like me when it knows that it will gain something.
- ✳ This organization takes care of people who are likely to reward the organization.



Communal relationship

- ✳ This organization is very concerned about the welfare of people like me.
- ✳ I think that this organization succeeds by stepping on other people. (Reversed)

Tools to measure if they act engaged



Coupons



Google Analytics



Omniure



Web Trends



Yowza



Step 7: Analysis - -Research without insight is just trivia



Look for failures first



Check to see what the competition is doing



Then look for exceptional success



Compare to last month, last quarter, 13-month
average



Figure out what worked and what didn't work



Move resources from what isn't working to what is

Actionable Conclusions



Ask for money

Get **C**ommitment

Manage **T**iming

Influence decisions

Get **O**utside help

Just Say **N**o

Best Practices:



Correlations to bottom-line impact

- ☀ Donations
- ☀ Memberships
- ☀ Sign-ups
- ☀ Leads



Using SMM for planning

- ☀ Define the time frame, market/topic you want to study
- ☀ Use Google News, Technorati or Radian6 to identify the conversations around the topic
- ☀ Analyze the conversations for type, tone and positioning
- ☀ Look at share of positioning, tone or conversation



Benchmarking against your peers

- ☀ Looking at what the best do
- ☀ Setting goals accordingly
- ☀ Use data to persuade recalcitrant spokespeople



In Crisis

- ☀ Listen instantly to a wide range of influencers
- ☀ Identify weaknesses in communications, customer service, or in the product



Improve your reputation

- ☀ Listen first, then respond
- ☀ Stop doing stupid things

Thank You!



For more information on measurement, read my blog: <http://kdpaine.blogs.com> or subscribe to The Measurement Standard:

www.themeasurementstandard.com



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