

KDPaine & Partners

Measuring Social Media: ROI Comes of Age

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Measurement Matters
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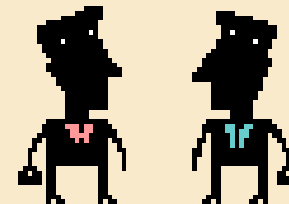
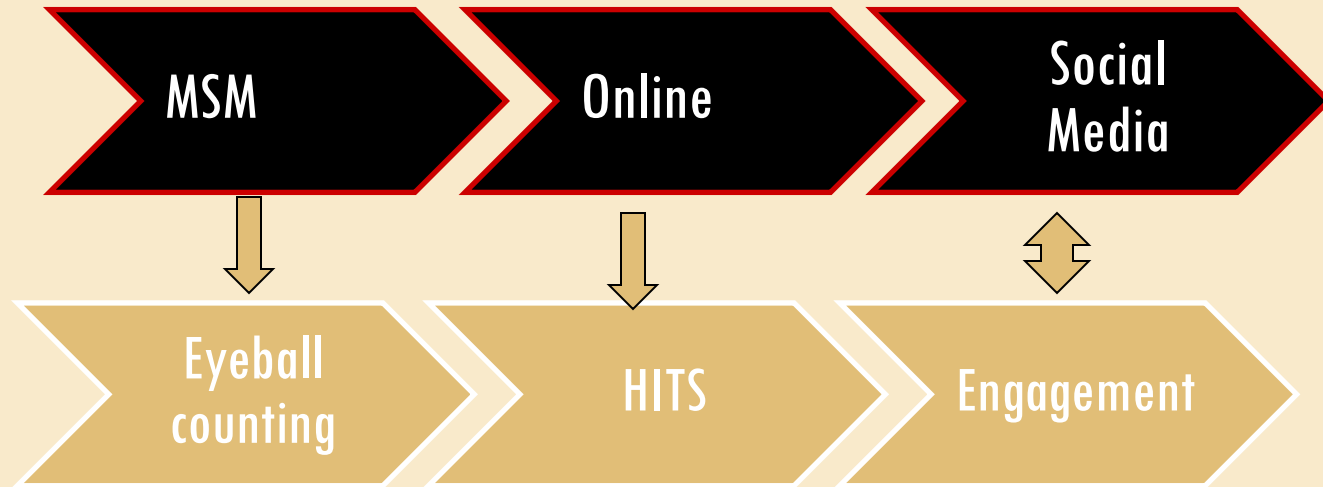
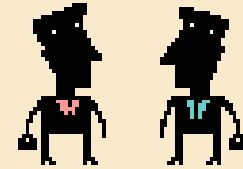
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10 Signs that it's the end of ROI as we know it

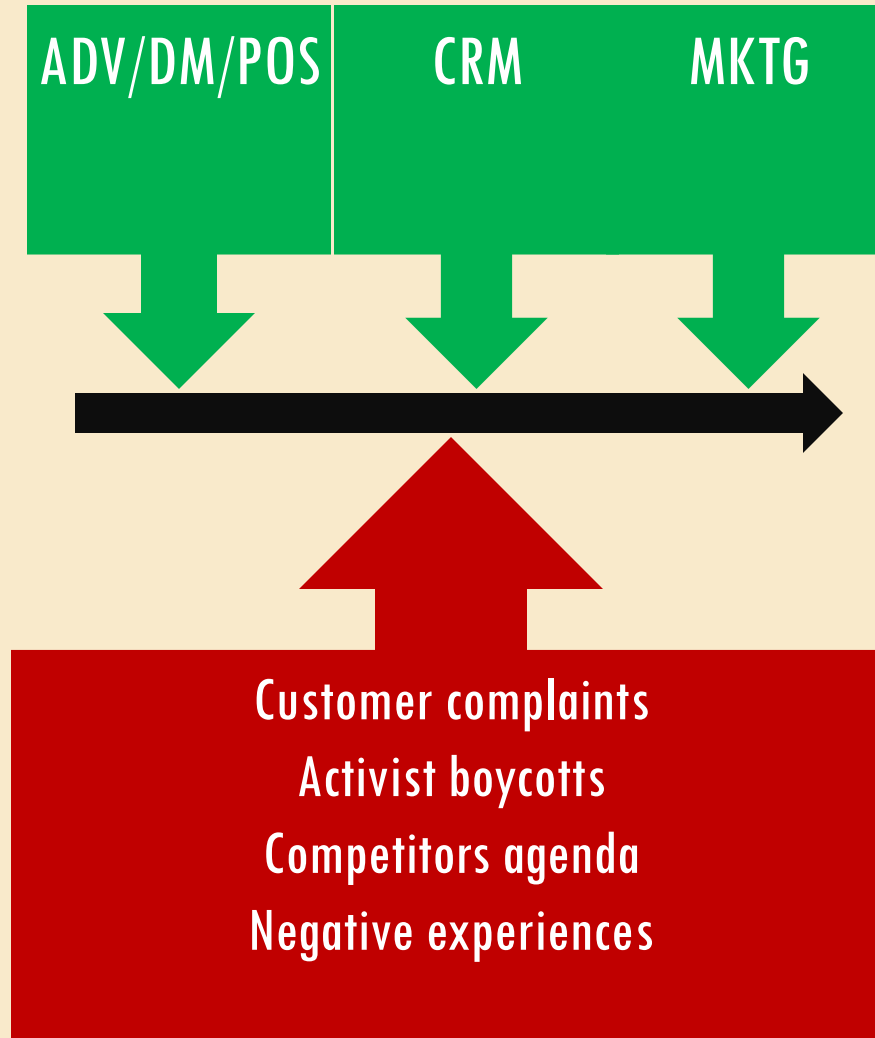


1. AT&T responds to angry posts, rationally and kindly. “People don't really expect a response when they do leave some obscene kind of comment like that. But you want to see why that person really said what they said.”
2. Dell has 1000 people trained to listen to customers on line
3. 1 person --Dave Carroll ([United Breaks Guitars](#)) cost United \$180M—the cost of more than 51,000 replacement guitars.
4. Goodwill can tie donations to specific on-line promotional activities
5. USO saw revenue skyrocket after they hired a community manager
6. Procter & Gamble is now paying for engagement, not eyeballs
7. Sodexo cut \$300K out of its recruitment budget using Twitter
8. HSUS generated \$650,000 in new donations from an on-line photo contest on Flickr
9. Army video game is measurable more successful in recruiting than ads
10. SAP made \$1 million from its small business community

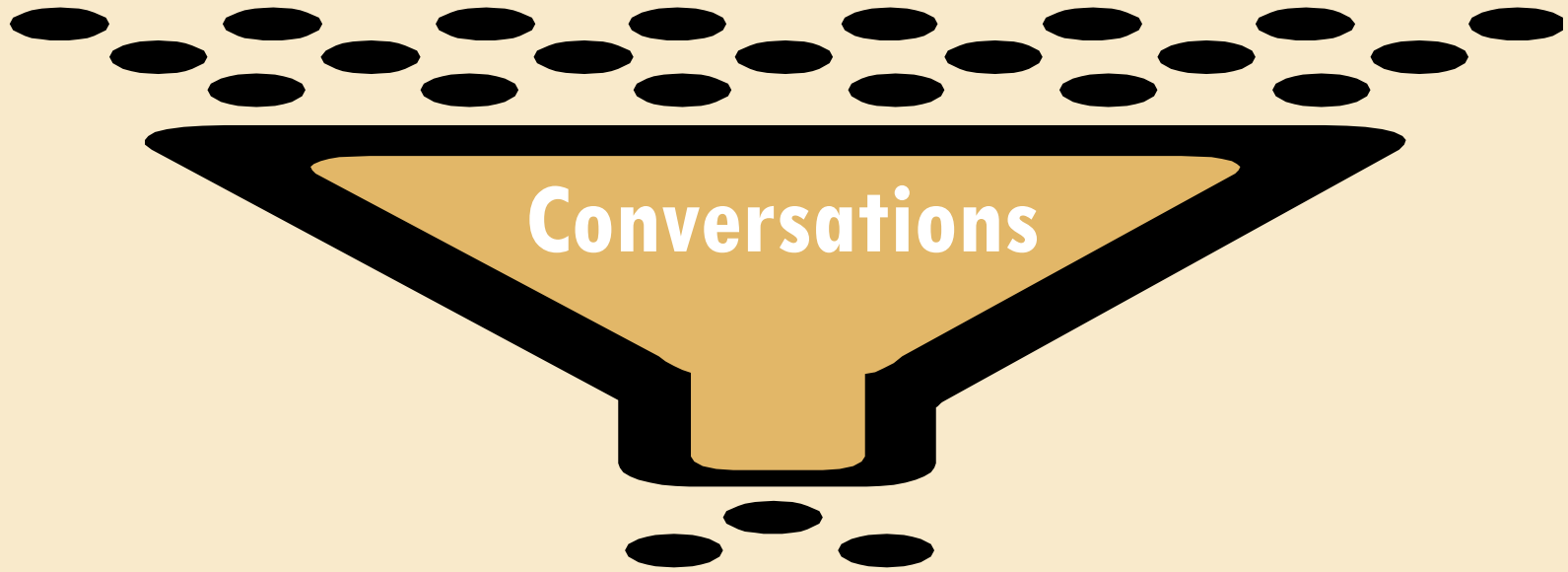
A measurement timeline



Social Media Disrupts the Marketplace



It's not just about marketing anymore



**Customer
Service**

**Marketing &
Sales**

**Competitive
Intelligence**

IR

HR

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

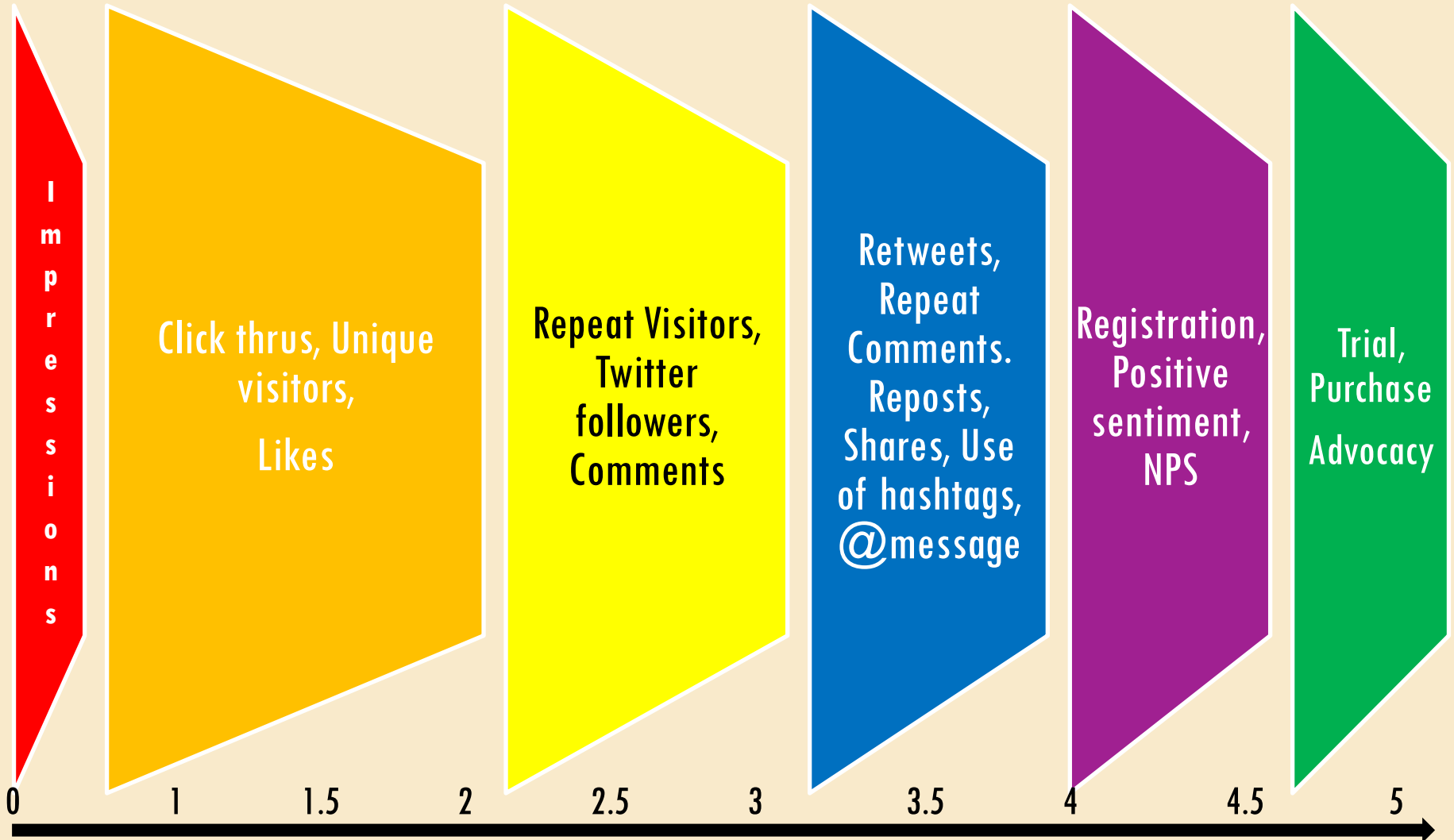
Participate

Engage-ment

Purchase/Act
/Link/WOM



The Phases of Engagement



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



The 7 steps to your Kick Butt Index


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

Pick a measurement tool

 Content analysis: Do they sound engaged?

☀ Listening tools for places you can't control

☀ Evaluation tools for places you can control.

 Survey research: Are they aware? Do they feel engaged?

 Web analytics: Do they act?



Biggest trends



Integrations of various streams of data



Traditional + Social + Demographics + Web

Analytics + News + Sentiment + Influence + Conversions



Priority shifts:



Online over traditional



Listening vs. monitoring



Correlations vs. counting



Beyond tone & sentiment analysis

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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