

Are we engaged yet? How to develop your engagement metric

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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 ”

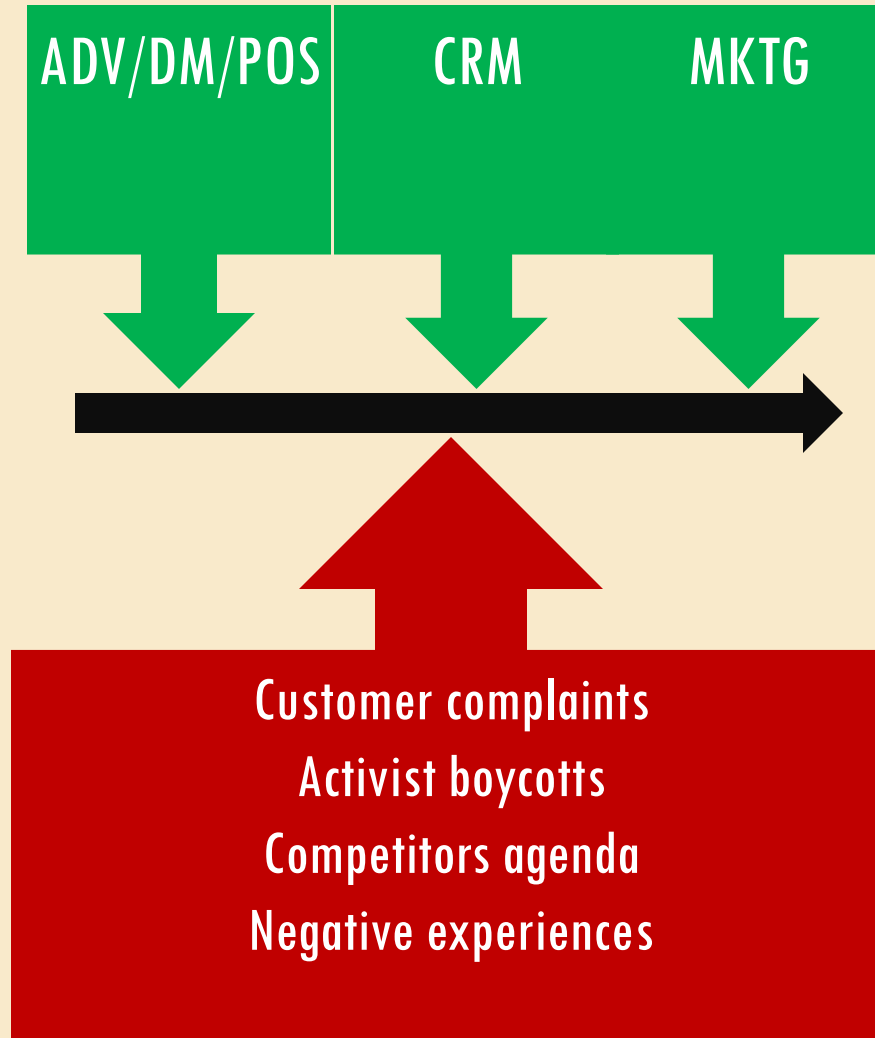
James E. Grunig, Professor Emeritus, University of Maryland

“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

Social Media Disrupts the Marketplace



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



1. 1 person --Dave Carroll ([United Breaks Guitars](#)) cost United \$180M—the cost of more than 51,000 replacement guitars.
2. The CEO of a hospital won a union battle via blogging.
3. Sodexo cut \$300K out of its recruitment budget using Twitter
4. HSUS generated \$650,000 in new donations from an on-line photo contest on Flickr
5. A company in Utah used Social Media to reconnect ex-employees and tap into their expertise, thereby increasing efficiency and lowering response time.
6. P&G increased sales 16% thanks to the Old Spice social media campaign
7. Using Twitter a NH entrepreneur won a nationwide distribution contract and I sold a house
8. By using social media to identify confusion & then using social media to leverage it, an insurance company increased the number of requests for quotes by 90%

What's changed?



Social Media



The financial meltdown



Computer technology



Business analytics



Automated sentiment



Digital media



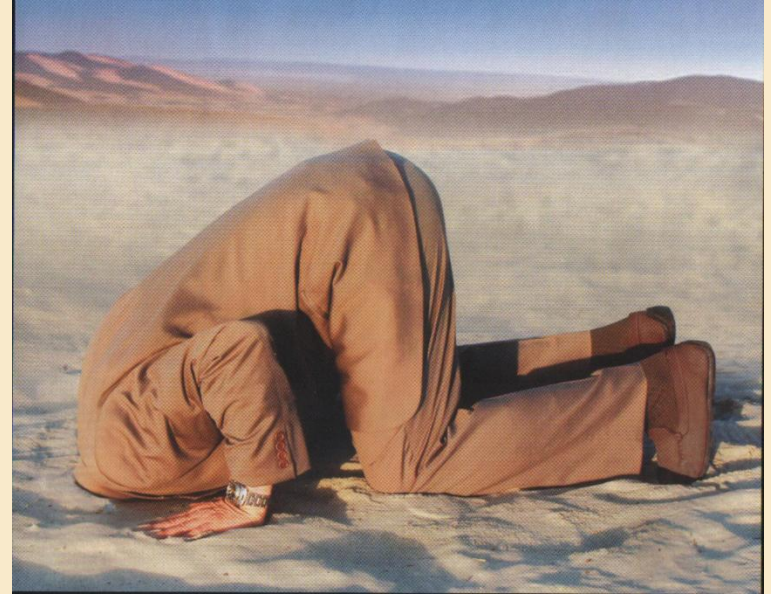
Control vs. crowdsourcing



Hype vs. transparency



Oblivion vs. skepticism



Don't believe what you hear



44 % of junk mail goes to landfills unopened and a response rate of less than .25% is now acceptable



On average less than 1 % of all emails is actually opened by a human being and acted upon.



A 3% open rate for digital ads is considered extraordinary



P&G found that PR delivered a 275% ROI-- 8x the value of TV and 4 x trade ads



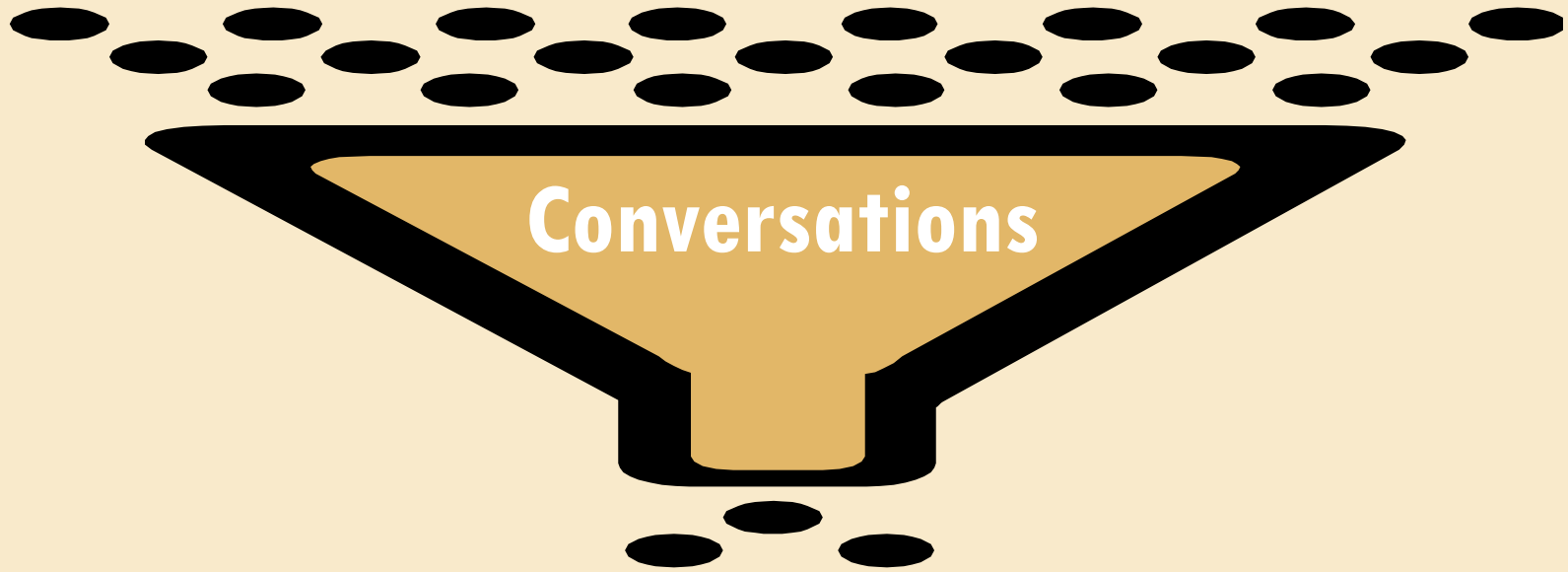
IBM sold more with a \$500 podcast than a \$40,000 ad campaign



Web analytics are inherently flawed because they don't consider the right variables.



It's not just about marketing



**Customer
Service**

**Marketing &
Sales**

**Competitive
Intelligence**

IR

HR

The New Engagement Decision Tree

Awareness

Consideration

Preference

Trial

Purchase

Find

Observe/
Lurk

Participate

Engage-ment

Purchase/Act
/Link/WOM



Social Media renders everything you know about measurement obsolete



The definition of timely has changed



The definition of reach has changed



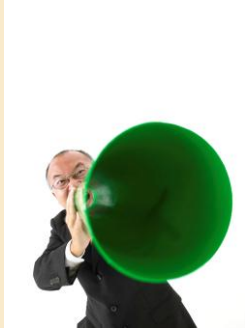
GRPs & Impressions are impossible to count (an irrelevant) in social media



The definition of success has changed



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



Old School Communications



21st Century Role

New School Metrics



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



Engagement = Some action beyond zero



Advocacy = engagement driven by an agenda

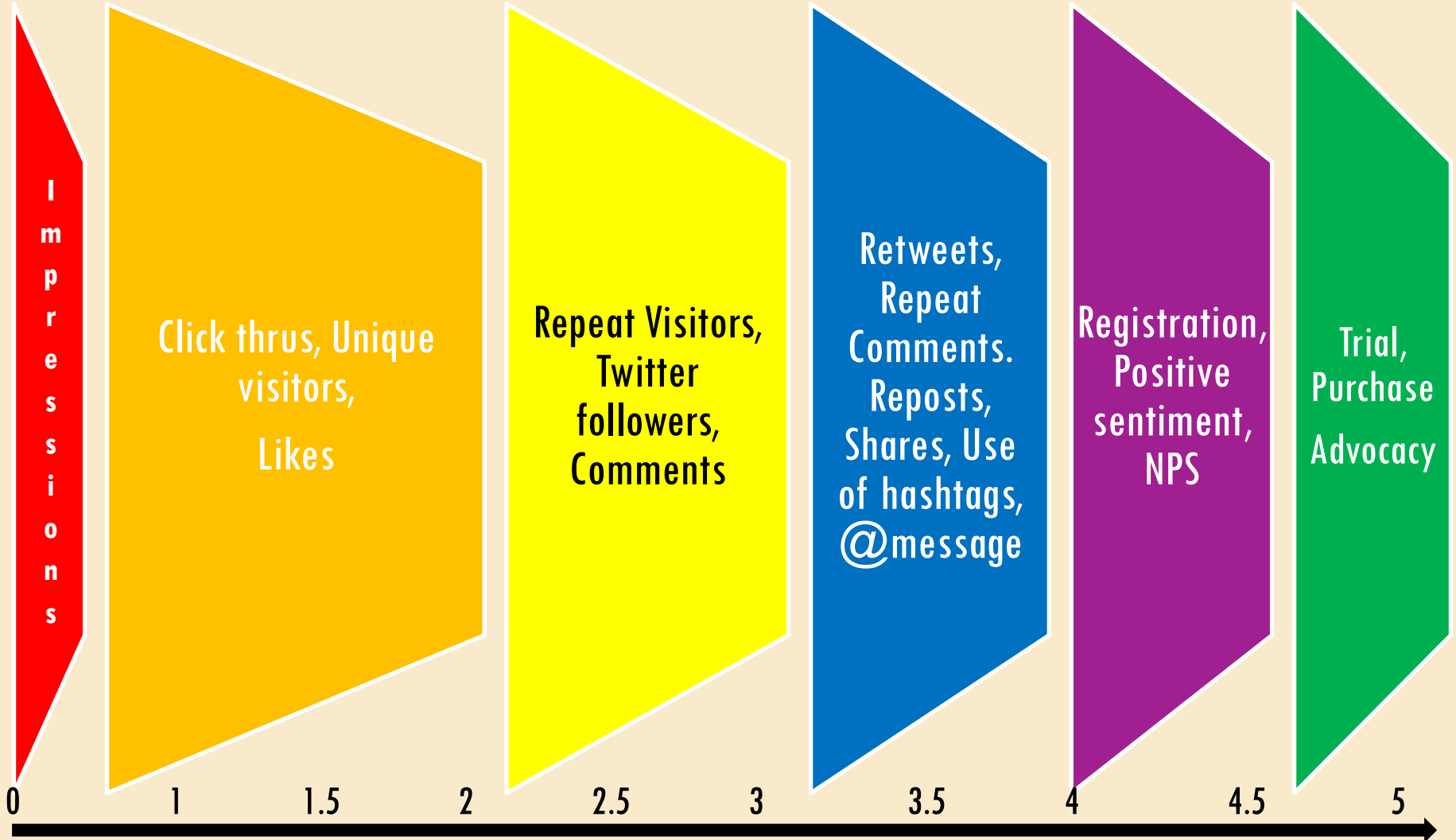


Sentiment = contextual expression of opinion — regardless of tone



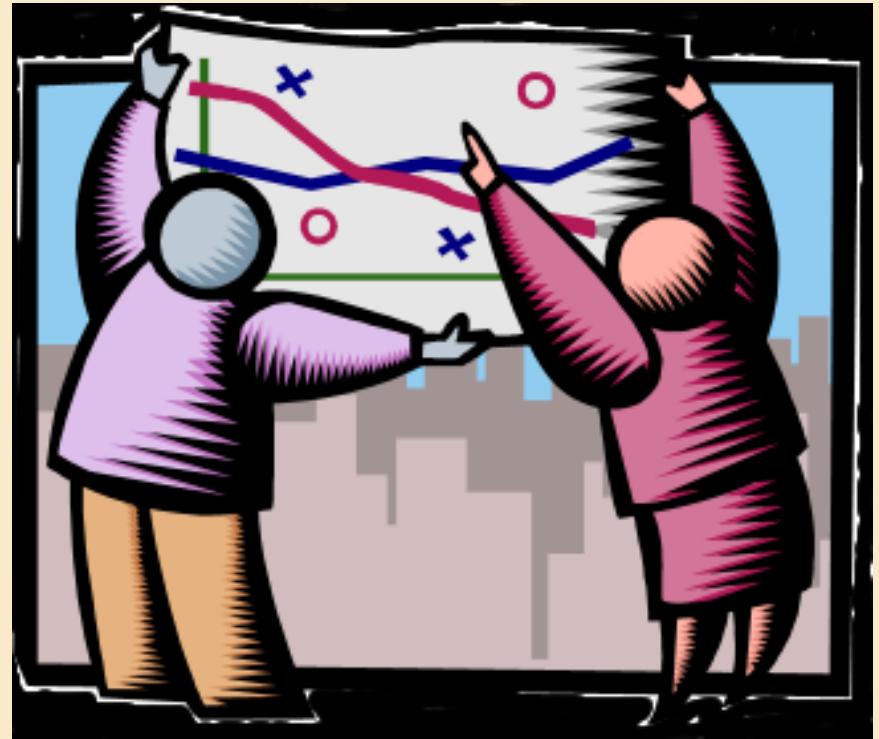
ROI: Return on Investment — no more no less. End of discussion

The Phases of Engagement



6 Steps to the perfect measurement system

1. Define the “R” in your ROI
2. Define the audience
3. Establish benchmarks
4. Define your Kick Butt Index
5. Pick a tool
6. Figure out what it means, change and measure again



Step 1: Set clear measurable objectives



What problem do you need to solve



Don't do it if it doesn't add value



You can't manage what you can't measure, set measurable goals

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



KPIs lead to goals

Metrics

Exposure
Friends
Followers

+

Engagement

+

\$\$\$
raised



Start



Goal

Engagement leads to one of three outcomes:

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



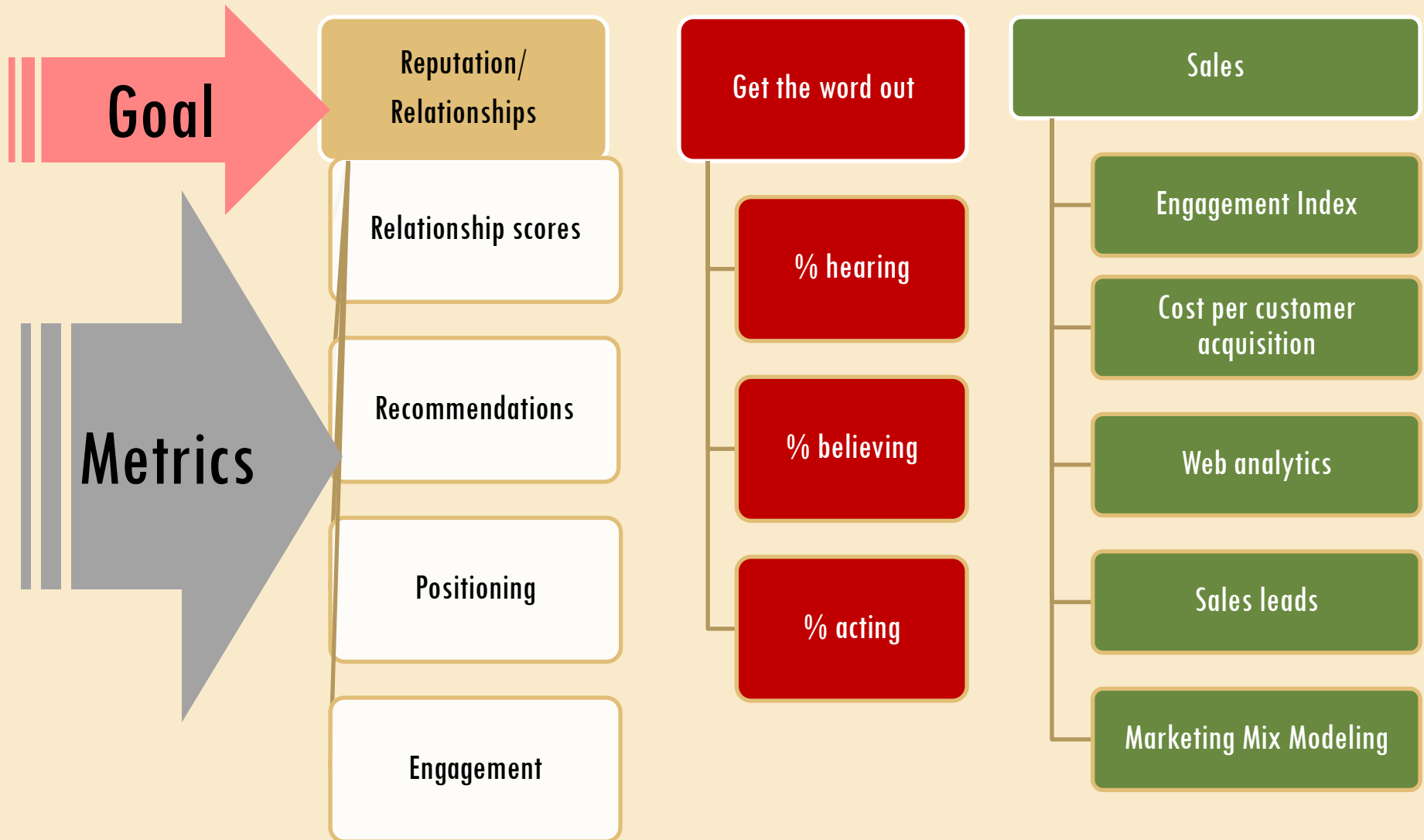
To fix this



Or get to this



Goals drive metrics, metrics drive results



Step 2: Check in with your stakeholders



Should you blog or Twitter?



Don't ask me, ask your customers



What's important to them?



Where do they go for information?



What do you want them to know?



Connect your effort to the outcome



Step 3: Establish benchmarks



A peer group



Control groups vs other departments



Over time



Step 4: Define your Key Performance Indicators (KPIs)



You become what you measure, so pick your KPI carefully



You decide what's important



Benchmark against peers and/or competitors



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



Typical KPIs



Outcomes/Behavior

- ☀️ % decline in churn
- ☀️ % increase in marketing efficiency
- ☀️ % increase in engagement
- ☀️ % increase in productivity



Outtakes/Perceptions

- ☀️ Do they recommend?
- ☀️ Do they believe?
- ☀️ Has the relationship changed?



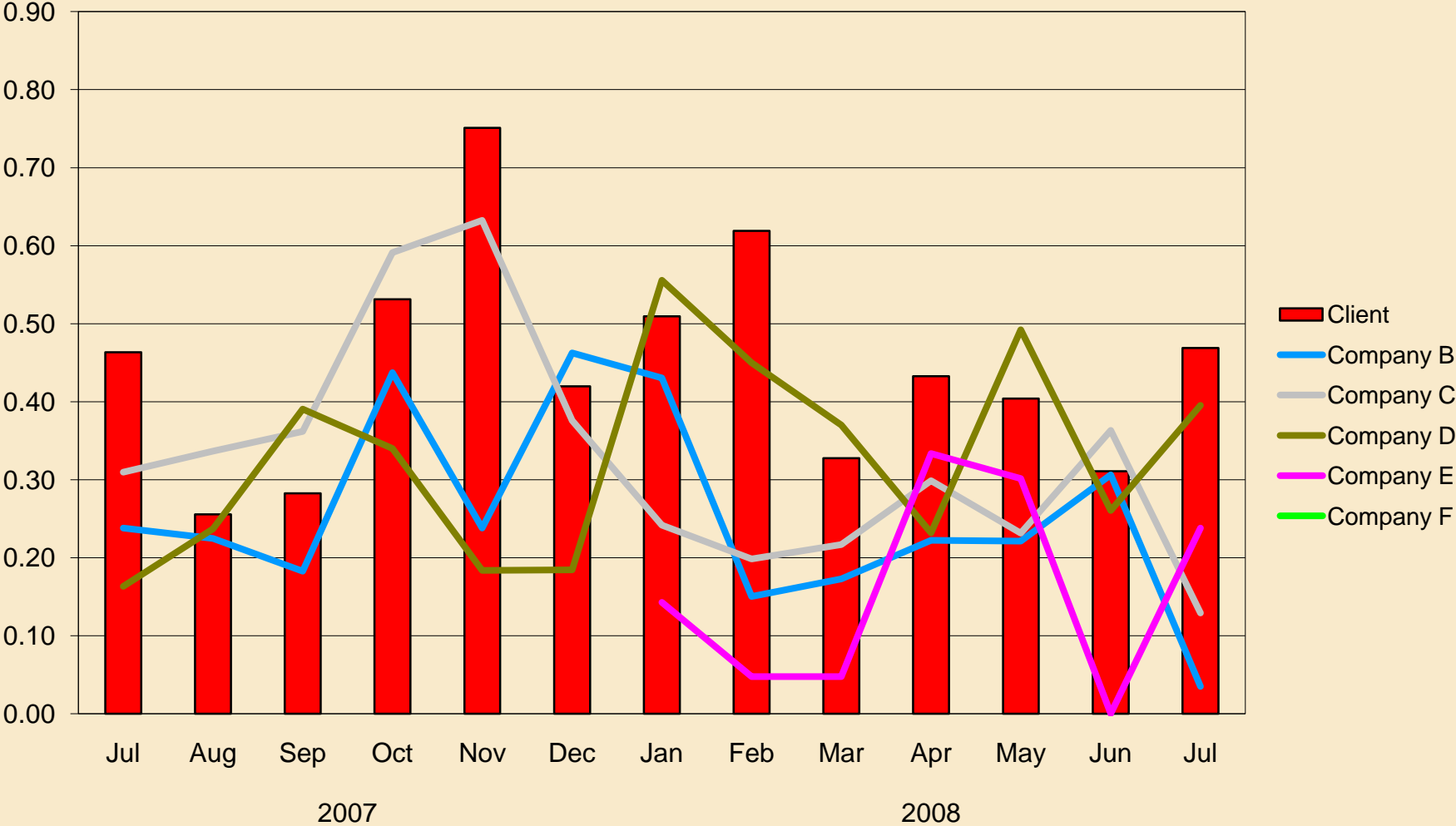
Outcomes/Activities

- ☀️ Do they see it/read it/participate



Trend against competition with KBI


KBI by Company



Step 5: Select 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 –


What kind of tools do you need?

 **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?**



Tools to measure if they act



Coupons



Google Analytics



Omniure



Web Trends



Yowza



Measurement of places you 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

Tools to measure if they *sound* like they're engaged? Measurement of places over which you have no control



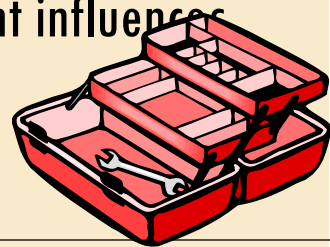
Content sources:

- 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



Tool to measure the health of your relationships



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)

Step 6: Analysis - -Research without insight is just trivia



Ask for money

Get **C**ommitment

Manage **T**iming

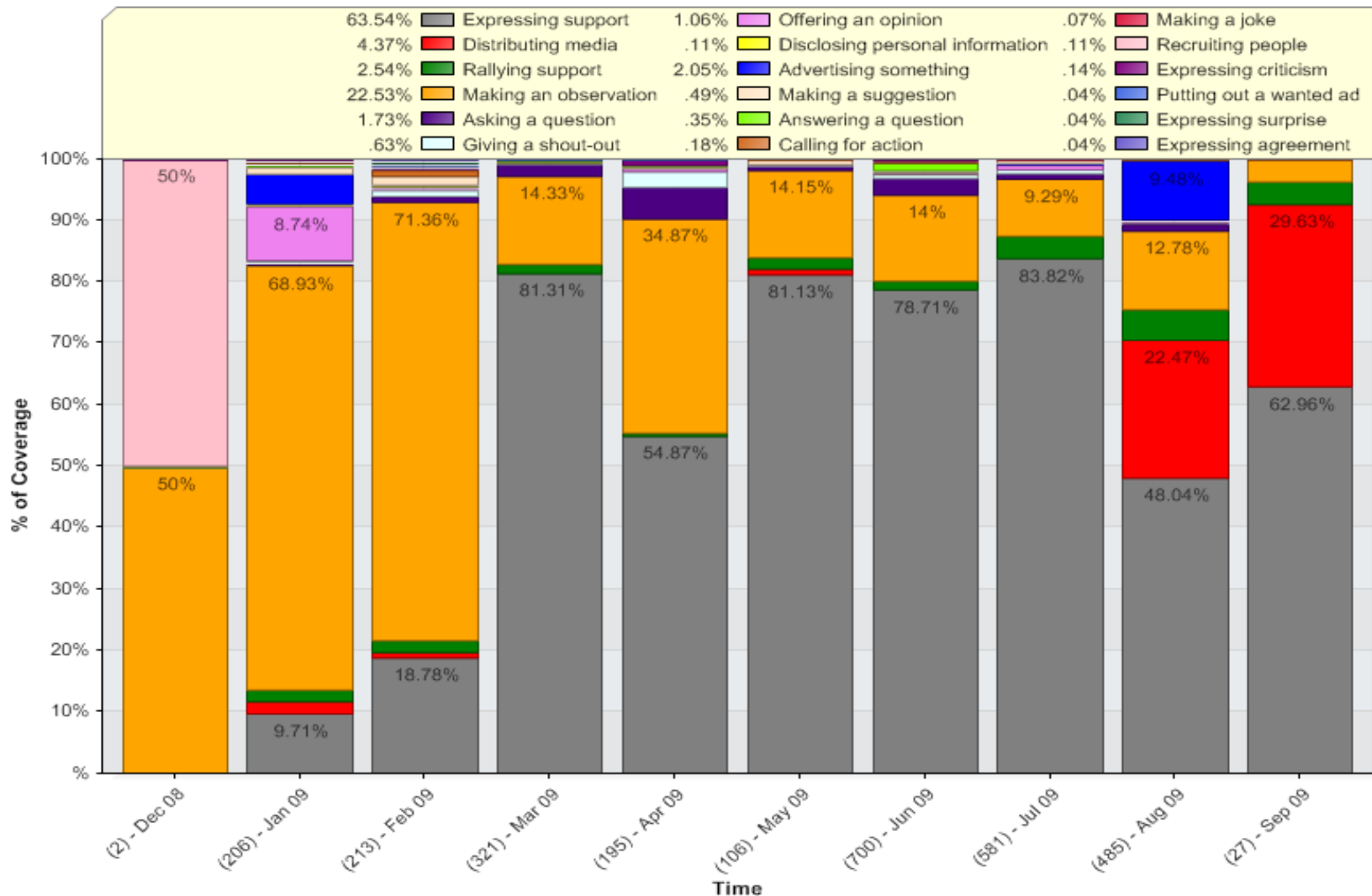
Influence decisions

Get **O**utside help

Just Say **N**o

- 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
- Move resources from what isn't working to what is

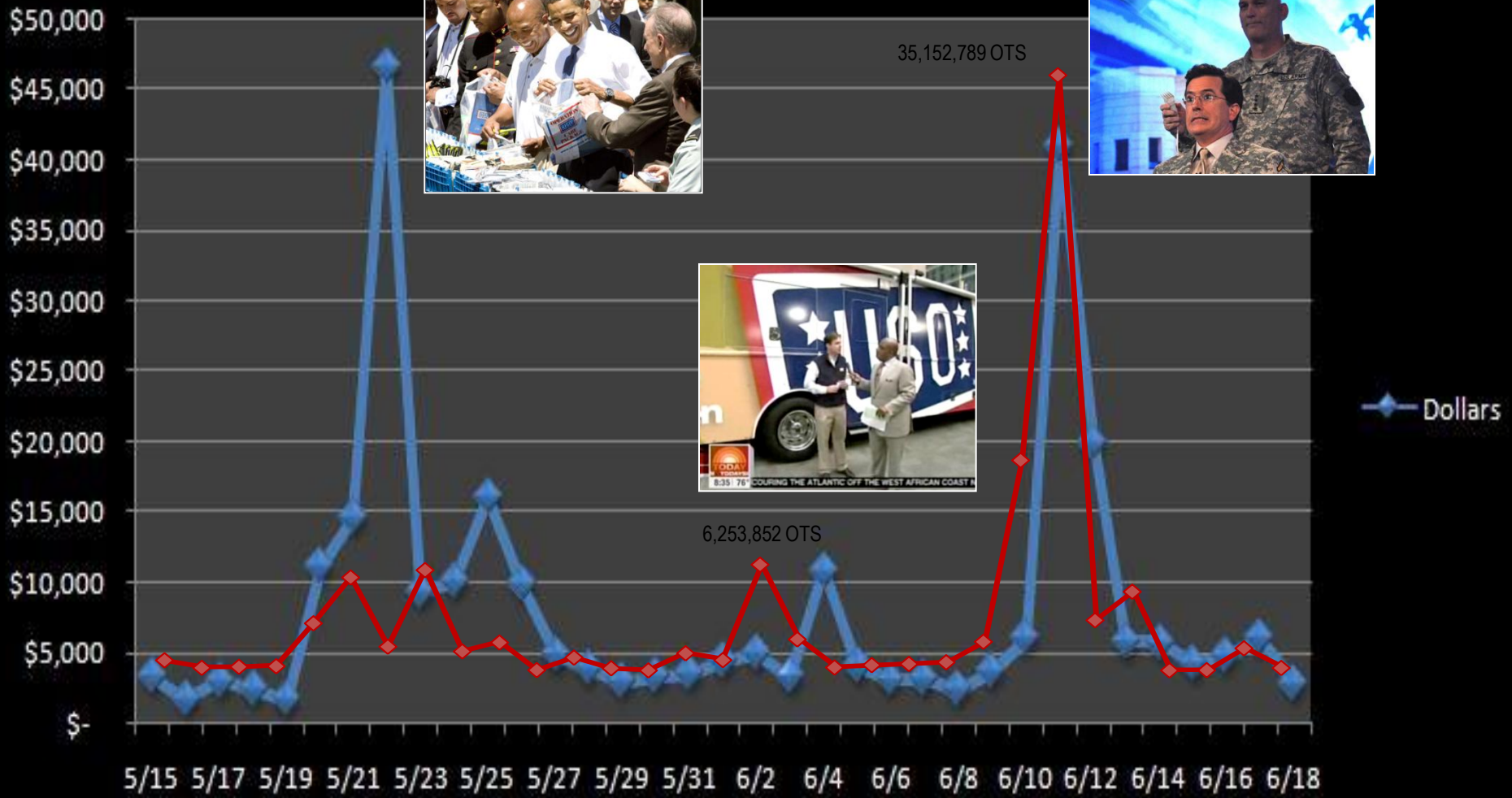
Moving conversation from observation to support



Media Engagement & Online Giving

Online Revenue

May 15th - June 18th in \$USD



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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