



Measuring the Value of Social Marketing and Media

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Hardly a week goes by when you don't read or hear about social marketing or social media, the terms social marketing and social media are frequently used so it's probably a good idea to define what we mean by these two terms.

Social marketing was "born" as a discipline in the 1970s. Philip Kotler & Gerald Zaltman, Kellogg School of Management, Northwestern University, in 1971, used the term to describe the application of commercial marketing principles to health, social and quality of life issues.

Social marketing was defined as "seeking to influence social behaviors not to benefit the marketer, but to benefit the target audience and the general society." It leverages the value that consumers/customers have in sharing between themselves and with the brand/manufacturer. It delivers a two-way communication link between the consumer/customer and the brand.

While social marketing was originally developed from the desire companies had to capitalize on commercial marketing techniques, it has evolved into a more integrative and comprehensive discipline that draws on a wide array of technology, from the traditional media to new media referred to as "social media." These social media are comprised primarily of Internet-based tools for sharing and discussing information such as viral videos, blogs, online reviews, etc. to help the company build its business.

While your website provides customers and visitors with information about your company and its products and you use the Internet to enhance your reach through things such as pay per click, webinars, and search; social media is about leveraging relationships and networks. It complements other online and offline marketing initiatives. Social media and marketing doesn't replace other media, just as radio didn't replace newspaper and television didn't replace radio. Rather, social media are another part of your multi-channel marketing efforts.

And as with any form of communication, people's attention spans are short and they are easily and quickly distracted. Therefore, just like any other effort, a singular strike may not be enough. When you decide to leverage social media you need to deploy it consistently over time.

eMarketer estimates that social network ad spending will be \$1.3 billion in 2009. As more and more companies invest resources into social media and marketing it's natural to bring to question how to measure the value of this investment. As with any initiative, you can measure the impact

of a social media effort only after you've determined the business outcome it supports and established performance-based objectives.

For example possible objectives could include increasing customer trial, improving brand advocacy/customer loyalty or increasing share of preference. Each of these objectives should be tied to a business outcome. For example increasing customer trial or share of preference may be tied to business outcomes around new customer acquisition or accelerating the rate of customer acquisition in order to impact revenue and market share.

The metrics you choose for your social media will be determined after you've established the business outcome that needs to be achieved and how the social media will support the corresponding marketing objective.

Just as with any communication channel you will want to have some way to create a measurement framework. One possible approach is to measure your social media similar to how you measure public relations (PR) using outputs, outcomes and business results as the basis of your framework.

Why choose a framework similar to one used for PR? If you review the purpose of each you can see they are actually kissing cousins.

Public relations is about attempting to favorably influence the impressions and attitudes of a target audience primarily through endorsements (published articles, reports, reviews, etc) by trusted, credible, objective third parties. Social media isn't very far afield from this idea when you consider that social media is designed to impact engagement and affect influence through the participation and interaction of third party networks and communities. They both rely on perceived trusted and credible third parties over which you have very little control.

How do you use the outputs, outcomes and business results framework? First let's define each category because each category measures something different:

1. Outputs – measure effectiveness and efficiency, such as was the campaign cost-effective in terms of the number of positive reviews produced by community influencers or the number of people engaged in a blog discussion on a topic related to your category that includes positive mentions of your company and its product.
2. Outcomes - measures changes, preferably behavioral, resulting from the program/campaign/activity. For example this could be the quantifiable change in the number of positive reviews for your company's recently launched new product.
3. Business results – measure how the program/campaign/activity helped the organization achieve a specific business objective. For example, the rate of adoption for your company's new product that is what was the incremental lift in sales for the product as a result of the social media.

The more quantitatively you can measure your social media the better. And its even better the closer those measurements relate to your business outcomes. How rapidly people in the network engage with you and respond to your “call to action” such as write a review, participate in the blog discussion, or forward something to a colleague can all be measured.

What you want to know is whether the social media efforts are having any incremental impact and if so how much so you can assess return on investment. Remember to keep the business outcome in mind, for example such as seeing an increase in the number of people “trialing” your product in order to increase the number of qualified leads in the pipeline and ultimately increase the number of “buyers”.

So even if the social media is producing a good return in terms of its specific metric, if it isn’t moving the needle on the business outcome, then more than likely you need to revisit your effort.

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