



The Value of Social Data to Acquire Leadership Buy In

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Social media has been making an impact on business for 6 or 7 years, (30 counting online communities). But business leaders aren't always sure what that impact is, or how it affects specific key performance indicators such as brand awareness, customer education, loyalty, and satisfaction, as well as sales and conversions. Certain managers desire direct ties from tweets to sales. Some organizations are still changing processes to make those connections, while others are tying social media directly to ROI. Let's look at what marketers are tracking, what management wants to see, and how to present it to them in the most effective fashion.

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What We Can See from Social

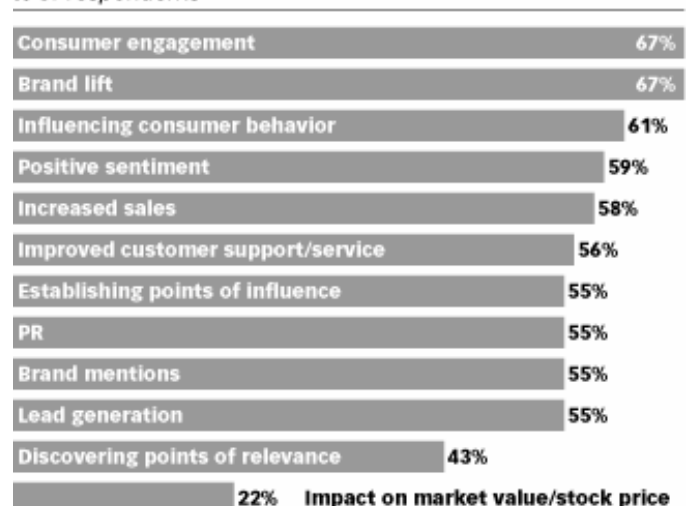
Edward Stening, Digital Strategist at Zoetis, the \$4.2B animal health company that was formerly Pfizer Animal Health, said, “Not being able to tie social directly to sales is a constant battle. I couldn't do this with TV or billboard or print five years ago. But they somehow think we can do it with social. With digital we can be more refined, and obtain solid metrics about the purchase cycle and how close we can get to it, but ultimately if I'm not selling direct, there's a lag, it goes from person to person and possibly through to other steps (in our channel). If customers see a TV ad, we don't see that sale the next day. There's a process.”

A July 2013 survey of social media marketers and digital strategists by the Pivot conference shows that consumer engagement and brand lift were the No. 1 goals of social media marketing, each cited by 67% of respondents. Interestingly enough, “Among the biggest changes overall was the decrease in the importance of sales vs. two years prior. In 2011, increasing sales was the No. 1 goal of social media marketing, embraced by 100% of respondents. In 2012, it dropped below 50%, as marketers reassessed their priorities. This year, they seem to be reaching equilibrium, as increasing sales was cited as a leading goal by 58%.”

Strategy firm Ascend2's February 2013 research report of 687 respondents lists 51% of respondents citing “increasing content reach” and “improving customer engagement” as the most successful elements of social

media campaigns. These “superior strategies” also included “increasing lead quality,” especially among b2b firms. But only one-third of marketers cited increasing sales revenue as a goal, whether they were b2b or b2c focused. From the research, it seems many marketers have decided that social media is effective in several different parts of the pipeline, but that it may not be the sole factor in closing a deal or making a sale.

Leading Goals of Social Media Marketing in 2013 According to US Marketing Professionals



Source: Pivot Conference, "State of Social Marketing 2012-2013," July 22, 2013

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Management & Marketers Don't Need To See the Same Things

While marketers are becoming more certain of social's role or effectiveness in their toolkits, management opinion is a different story. According to MIT Sloan Management Review, 52 percent of managers say their companies are at an early stage of developing social capabilities, and the top barriers are lack of strategy, no business case, and a lack of management understanding. So, marketers' first job may be to sell social internally, securing senior management support and finding metrics and outcomes with which everyone can agree.

Calls for "hard ROI" can be a challenge before other organizational systems and processes are updated to incorporate data and information gathered via social. In some businesses, like those in which e-commerce is central, or web-based leads are the primary driver, analytics can be used to create funnels. Attribution modeling can help businesses to see what elements of social media and advertising led the user on a journey to the website, and ultimately to a sale.

When approaching the analysis, it is important to 'know what you can know.' Speaking to MIT's Sloan Review, Ralf Larsson, director of online engagement at Electrolux in Stockholm, observed that "It's hard to have an ROI on something like 'implementing social media' until you have changed the processes." He continued, "When you launch it and embed social into the innovation process, that's when the process has changed — and it's then you can find the ROI. It takes time to figure this out ... You won't see the benefits until after you have changed the ways you work." A critical step is to make sure that management understands what can and can't be tied directly when social is involved. For example, a company that sells to wholesalers who then sell to retailers may know the volume of stock that moves in a particular week or month, but few will know the actual days, times and customers who buy the units. In these cases, it is very difficult to know that a particular tweet or Facebook post by a user led to a sale.

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TOP BARRIERS

- Lack of Strategy
- No Business Use
- Lack of Management Understanding

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Situations like the one above call for correlations in social activity and sales over time. A business may find that increases in social media outreach generate sales increases over multiple months or even years, depending on purchase cycles. Meanwhile, retail giant Walmart claims it is getting a “marketing equivalent” of 10X return-on-investment (ROI) on Facebook and Twitter compared to other advertising spends. The interaction with users via comments is something they measure and connect back to accomplishing marketing goals more effectively than other media spend.

For some, social media outreach makes their team better marketers. Ed Stening of Zoetis said, “We’ve got people on our team who are actual customers, for example, horse riders. Some folks who ride all weekend and have pictures of horses on their desks. They thought they knew everything about the customer, until we got into social. They’ve been able to increase their understanding around their market space and their customer. They’ve improved as marketers and can market better. That’s probably one of the first things - better knowledge of customers and their needs. They know what customers like, they know what they don’t like, what pisses them off, they know how to get a reaction from them. They know what brand messages will or won’t excite them, what time of year to talk with them. It used to be random; we’d send out a mailing, do a print ad and a TV ad, and we’d get research nine months after the fact. At the moment our marketers can get on our social pages and can learn more about their customer from a half an hour of looking through our engagement than what they would have learned from a market research document. We’ve tried to use this as a keyhole into the world of the customer.” From this we understand that Zoetis is seeing reduced customer acquisition costs, helping them show the ROI of social.

For many organizations, just getting better data on their customers’ desires can truly make a difference. According to Ken Winell, former Digital Evangelist of the New York Road Runners, and current CTO of RobinHood Foundation, management is looking to social media to understand the big picture with customers. “In 2012 when the New York Marathon got cancelled, that was an excellent case study in social media. There was a groundswell of commentary, both for and against running the event. We had to relay information to the management team to provide up to the minute feedback.

We measured sentiment and tried to give management ‘word clouds’ with the phrases people were talking about, showing them the river of news that indicated the big picture of what people are talking about. The next piece is giving them positive or negative sentiment, so they can understand very ‘traffic light’ oriented with green light people are feeling positive, or red light people are negative on a subject. It is important to leverage social media as a listening post. In one form, it’s an extension of customer care, and in another form, it is giving you product feedback and suggestions. If you’re engaged with customers, having a dialogue and an ongoing community, you’ll learn who the posters and the leaders are, and you can start to influence them. You can create calls-to-actions and drive behavior.”

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CTO of Robin Hood Foundation





Presenting the Message

Zoetis' Stening said he gives out different reports, "depending on who's asking and what they're looking for. For example, I have five key reports, and we serve different divisions differently. We have an influencer management report, which is very top line. They want to know if it's working, that they're making more money than they're spending, and they're not walking into a fire. For us, it's around providing the right information. We're trying to give them less information than they think they need. I'd rather them hang on 4-5 stats than try to analyze 30 stats. Because after we're done talking about social, they'll talk about something completely different. We always have the ability to have conversations and give them more. In last 12 months they're asking for more, and we've got it there, ready to go, and we can respond. The managers are getting excited and they're learning more and getting more customer insights."

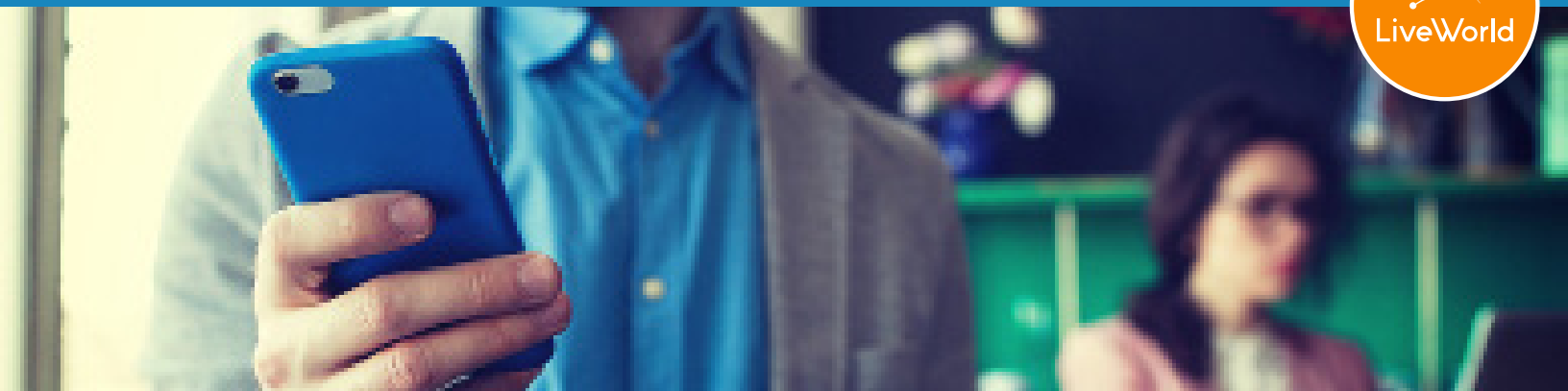
RobinHood's Winell also stresses keeping things straightforward when reporting to management. "Give them the overall terms and phrases customers are

discussing. Tell them the sentiment, positive or negative. Then give them 3-4 facts about the bottom line. 'Did we grow our total fan base, and by what percentage?' No one cares if you went up 6,000 people, but percentage wise over a month that can be a good indicator of how people feel about the brand. Number of people reached is important because people want to know how broad the network really is – if you have a fan base of 100,000, you can put up a post that can reach millions at any given time."

TerraCycle's Albe Zakes, quoted in PR News, encouraged good visual display – not just charts and graphs, but screen shots that show your profiles and activity along with the statistics and charts. Including raw backing data is recommended because, "Senior leaders can choose to look at it or not, but knowing it's there is reassuring." Ensure executives understand both the positive and negative feedback online. "Addressing the mistakes is a great way to show the CEO that we're being honest in our reporting," says Zakes.



Once you've gotten agreement on the message to be presented, how can you do so effectively, ensuring management understands and supports the efforts? Make it easy to understand, visually compelling, and brief. And don't forget to have data that backs you up.



Conclusion

When looking to present social media data to management, you must be clear on what you can show, and what social conversations can accomplish. Whether your organization is using consumer engagement metrics or tying social media directly to sales, showing the data effectively can help you prove the ROI case and improve business outcomes. As marketing and technology leaders Ken Winell and Edward Stening noted, you should take the time to find out what social media measures are most appropriate for your management team, and what things help them perform their jobs more effectively. Keep reports simple and graphic, but be able to back up the top line with deeper data. Finally, don't lose sight of the main benefit of social media – by getting companies closer to the customer, social can improve the capabilities of marketing and the marketers themselves, as well as make entire organizations more effective.

About the Author

Howard Greenstein is a marketing technology strategist and President of the Harbrooke Group, which specializes in helping companies communicate with their customers using the latest web technologies. He is a writer, speaker, and explainer in many subject areas. Greenstein also teaches a digital strategy graduate class at the Heyman Center for Philanthropy and Fundraising at NYU. He is currently a contributing editor for Inc. Magazine, (<http://www.inc.com/author/howard-greenstein>). He co-founded and sat on the Board of Directors of Social Media Club (<http://socialmediacub.org>) and is president of the NYC Chapter. Howard earned a B.S. from Cornell University, and a MPS from NYU's world-renowned Interactive Telecommunications Program (ITP).

About LiveWorld

Through services and software, LiveWorld empowers the largest companies in the world to deliver social customer experiences that deepen relationships between brands and customers. Our marketing, customer service, and insights solutions enable companies to maximize the potential of social media and online communities. LiveWorld services include strategy, campaign management, content moderation, customer engagement, social media analytics, and customer service. For over 19 years, LiveWorld has delivered services and software for moderation, engagement, customer service, and insight, enabling brands to manage social media and online community programs at scale. LiveWorld clients include the #1 brands in consumer packaged goods, retail, pharmaceutical, financial, and travel services. LiveWorld is headquartered in San Jose, California, with offices in New York City and Austin.

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