Practice papers

Measuring the success of social marketing campaigns with web/ digital analytics

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Abstract Given the explosive growth in the use of social media and the amount of time being spent on the various networks, it is only natural that marketing (advertising) investments are flowing into this new channel. While many different social platforms are grouped under this umbrella term, there are clear differences in their adoption and usage across demographics, geographies, time of day and the nature of topics being discussed. Almost all of the big networks today are what are regarded in marketing as 'upper funnel' channels. They are great for awareness and engagement, but it is hard to quantify the exact business value, mainly revenue impact, generated as a result of a brand's interactions in these channels. This paper looks at some approaches to measuring the business impact of these channels along the entire funnel and provides recommendations to build, sustain and measure the scale of social media marketing success.

KEYWORDS: marketing ROI, social media, analytics, process, people, technology

INTRODUCTION

If you were to ask almost anyone today, 'Which social media networks do you use?', chances are you will get responses like 'Facebook', 'Twitter', 'YouTube', 'Instagram', 'Pinterest', and a host of others, some of which you might not even have heard of but which could easily have over a million active users. Every year there is a new network/technology that is suddenly the 'coolest' one to be a part of. Due to the very nature of social networks (ie the network effect), the more the interest and signups, the exponentially greater their reach and hence their attractiveness to brands small and large. Enter advertising dollars. While traditional media like television and print are still big parts of a large corporation's budget, the shift towards digital is huge and has been happening steadily for a few years now. One of the big early adopters was Pepsi, which in 2010 eschewed their traditional Super Bowl television ads after over 20 years, and invested US$20m in their social media campaign 'The Pepsi Refresh Project'.[1] Talk about a seismic shift! Why would a well-known, global brand known for its superb television ads redirect funds in this manner? The answer is: due to several reasons. Most companies have by now realised the tremendous potential of digital: its interactive nature, ability to target key segments, 'fail fast, learn fast' nature, much better/faster measurement and, finally and most importantly, this is where their customers (and prospects) are spending a whole lot of time and energy. A recent eMarketer[2] report showed the results of a survey of over 150 global marketers where over one-third of the respondents said they were planning to increase or significantly increase their budgets for social media in 2015.

CUSTOMER ENGAGEMENT VIA SOCIAL MEDIA

A fundamental objective of advertising is to create awareness of the brand in a manner such that it ensures that consumers actively consider its products and services when making a purchase decision within the product offerings category. For Apple, Samsung or HTC it might be to ensure their latest smartphones are topmost in mind when consumers get a new one or upgrade from their existing handsets. For Bank of America, Wells Fargo or Capital One it might be to ensure their banking services are the best for small business by highlighting the benefits of their various account options. In addition to making consumers aware, it is also important to build trust in the brand and its products in order to reassure customers that any purchase made will provide the best value compared to the competition. Social channels are an excellent medium to achieve both if done right. At FedEx, various teams like customer service, corporate communications and marketing use social channels to engage with customers and to help them with their specific needs around shipping services, office products, etc.

It is critical to remember that social media networks are mostly 'pull' channels rather than the traditional 'push' channels like e-mail, television or print. Social is all about having relevant, engaging content that consumers enjoy seeing/reading/hearing and feel good about sharing. While Facebook, YouTube and others are clearly moving more towards the 'push' model with their networks monetising offerings like paid dark posts and True View products to help brands increase their reach, it is still very important to have the right kind of content targeted to the appropriate audiences. An often quoted rule for social marketers is: 'Remember, you are a guest at someone else's party.'

Thus, one of the key objectives of social media for brands is to create sustainable engagement via positive conversations and interactions that build, maintain and scale brand awareness and reputation. This in turn should increase purchase intent and result in better business outcomes like acquiring new customers, seeing greater loyalty from existing ones, and having the ability to attract top talent while recruiting.

There are basically two ways to reach customers via social channels: organic reach, where those who follow/subscribe will see your posts/tweets, and paid reach, where one puts advertising dollars behind sponsored posts/tweets to vastly increase the number of users who could potentially see your content. In general, organic content tends to do better in terms of engagement compared to paid material, given the loyalty and interest of your regular subscribers. Within various pieces of organic content, however, the more successful ones can provide a clear indication of what might do well when scaled with the support of paid investments.

MEASURING SOCIAL MEDIA CAMPAIGNS

We now look at some key metrics and approaches to actually measure the impact of social campaigns, with a focus on marketing and advertising content. These are posts/tweets/videos/others that are ideally relevant to the audience segment and the season, that help promote the brand and its products and services while building reputation and trust. Easier said than done, but this is generally the goal of most marketing spend in these channels. A key metric to evaluate success in social media is the engagement rate (ER). There are a couple of different ways to define this but the main aspect is to capture the amount of interactions generated by the content as a proportion of the overall available opportunity to engage. One definition is the sum of all interactions divided into the total number of impressions. As long as the social user has done something to show interest – Like, Share, Comment, Click, etc. – they have engaged with the post and these can be summed up to give a total engagement figure. So if a post with 10,000 impressions garnered 200 Likes, 20 shares, and 4 comments, the total engagement is 224 and the ER is 2.24 per cent. (Some other definitions use the number of users rather than the number of impressions.) While the absolute number is also important to look at, the ER expressed as a percentage allows for comparison across platforms and campaigns and provides a relatively standard measure of comparison. One can break this ER down further into three components to allow for a better understanding of the different 'flavours' of engagement: amplification, applause and conversation. These work best at a 'per post' level and can be defined as the # of shares/retweets per post, # of likes/favourites per post, and # of comments/replies per post. Occam's Razor[3] has a great article with details around how to use these and how to tie economic value to social efforts. By decomposing the overall engagement into its main parts, one can then compare which type of content (eg awareness, philanthropic, coupons, etc.) does well on which network (eg Facebook versus Twitter versus YouTube) for a specific brand and business line. This in turn can help decide how to allocate resources for the next programme based on key objectives and the nature of the content being shared. It also allows for better comparison between the various networks since it parses some of the nuances, eg takes into account the fact that a Facebook engagement of a 'Like' is not the same as that of a YouTube video 'view'.

Putting paid support behind good content is a great way to reach a much larger audience and can work quite well if done right. Test out various pieces of organic content across social networks, see which do well, and then scale those by investing advertising dollars. Usually, if a certain organic FB post does well (ie clearly shows a higher-than-average ER) within a specific segment of the audience, it tends to do well when targeted to a similar audience via paid support. Once one decides to support content that seems to resonate well with one's audience with paid advertising, it is very important to monitor the impact at frequent intervals. A key metric at this stage is the cost per engagement (CPE), which is defined as 'total engagement'/spend. For example, if a paid tweet gets an engagement of 1,200 in the first few hours at a cost of US$600, the CPE = 600/1200 = US$0.50. In most cases, advertising in social channels is bought on a CPM (cost per thousand impressions) basis and a low CPM does not mean much. Targeted impressions that are viewed by the right audience can help increase brand awareness and recognition over time, but are hard to track easily and their impact may be evaluated via advanced techniques like attribution modelling. It is important to understand that buying impressions is easy – it is simply a matter of having the budget to spend. What really matters is whether the spend gets you a sufficiently high ER and if it is within a reasonable CPE range. Depending on the industry you are in, there may be industry benchmarks available to compare against to see how your programme is faring. What we find very useful, however, is to develop and track internal benchmarks for your own brand over time. These provide the most robust comparisons and once you account for factors like seasonality, type of content, etc., you can really start optimising campaigns by trying to get the highest ERs at the lowest CPE for any given budget. Ideally the investment in any platform should taper off when you start to see ERs go down or when the CPE starts to increase beyond your expected averages. There will, of course, be times when this logic will need to be set aside for strategic or competitive reasons. In general, though, one should invest up to a certain budget level only if the marginal utility is still positive. If you start seeing diminishing returns, then it is time to look elsewhere to invest those scarce advertising dollars. Even with good ERs and CPE, it is worth keeping in mind that any given Facebook post or Twitter tweet can only provide so much brand awareness and hence the absolute dollar amount to be put behind it has to reflect this reality. After all, these do not have too long a lifespan beyond the normal day or two for any given user. Note that this line of reasoning applies to other upper funnel channels as well.

TECHNOLOGIES, TAGGING, DATA COLLECTION AND VISUALISATION

Now that we have covered the importance of paid social and the metrics that can be used to measure success, we turn our attention to the 'how' and 'where' of getting the data necessary to analyse a campaign. In this author's experience, gathering and massaging the data to enable robust analysis is still a very manual process. Each social network provides its analytics data in a slightly different format due to the specific nature of the platform. While there are aggregators available that can bring some of these together, it is still going to take some time before all the key pieces of data are available in an easy-to-use format in one place. One way to gather data is to take excel downloads from each platform and then work to tie them across a specific campaign. Another is to use a tool like Adobe Social along with Adobe Analytics (née Omniture SiteCatalyst) to tie the network data available through APIs with the click-through onsite data to evaluate end-to-end performance. Look at both the ERs/CPE within the social networks and the behaviours on your website and campaign landing pages for those who click on your content and are taken to these pages. For example, if you have a tweet talking about a new feature or service that would be helpful to your customers and prospects, it is usually advisable to have a link in the content leading back to your website. This link should lead to a landing page that is most relevant to the content of the tweet and would have detailed information on the new feature/service, availability, pricing, etc. Correctly tagging each piece of content so that your web analytics platform can recognise the campaign and tie it back to the creative is critical. If this piece is missed or not tested correctly before launch, it is very difficult to tell what brought traffic to your landing pages. When a brand has many different groups with multiple pieces of content being shared across various platforms, this is one of the most difficult parts of the whole process to keep intact and to scale. This paper will touch upon the importance of a robust process later on, but it is worth noting that a well-executed tagging and testing process is essential to accurate and comprehensive measurement. And this is applicable not only to social media, but to other digital channels including e-mail, search and display.

We have seen good success with content that resulted in high ERs (and low CPE) as well as bringing in a significant amount of traffic to our site during the programme period. It is important to note here that using standard last-click attribution, the conversion rates from these sites are usually quite low and would not, by themselves, justify the spend. This is understandable given the 'upper funnel' nature of these social networks and is to be expected.

Once you have the data collected it is necessary to summarise at a high level across each platform and step back to do a 'sanity check'. For example, look at the overall spend in Facebook for the period under consideration and verify that the total spend was indeed $*xyz* and that you had *x* number of posts with paid support and *y* without. When working with several agencies and groups within a large corporation, it is quite possible to miss (or incorrectly include) spend/posts that are part of what you were planning to analyse. We cannot stress the importance of data validation enough. This is key to building confidence in the recommendations and trust in the source of the analysis. Always graphically trend the data over time to see if there is anything that looks suspicious. If you see an unexpected spike or a gap in the data, that is your cue to investigate and ensure if all is well or if the data quality needs to be addressed. Once you have the data fully ready for analysis, there are many easy-to-use software tools available for visualisation. This author finds it easiest to visualise and 'interrogate' (in a good way of course) the data using Tableau (see examples at http://www.tableau.com/solutions/social-facebook-twitter-analytics), but one can use any other good visualisation software to accomplish this. It is always useful to show the actual creative (posts/tweets/videos) when sharing the results of the analysis and making recommendations based on what worked and what did not work. A picture is still very much worth a thousand words.

SEGMENTATION, TESTING AND ATTRIBUTION

Once you have a handle on the basics of tagging social content across platforms, formats (eg pictures versus video), and type (paid versus organic) it is time to really start testing and learning. In digital, there is no dearth of possibilities to quick test (and fail!), learn, and adjust going forward. Most of the big networks enable targeting by geography, interest groups, demographics, etc. and a campaign can achieve much better ROI by testing a targeting tactic or piece of content (A/B) at a small scale to certain segments initially and then ramping up the spend once you see what works. It goes without saying that this testing is to be done with the end goal in mind. For some campaigns, it may be better to focus mainly on engagement within the platforms (likes, views, shares, etc.) while for others it might be more important to look at both, the front end engagement as well as visits to the website via clicks (and their behaviour once they get there). Looking at a couple of different key metrics provides a more robust read on performance. We have seen interesting results from tests where front end metrics looked similar, but the behaviour of those who visited the website was quite different and materially impacted the overall ROI of the programme. Testing by reusing content previously posted at a different point in time, as long as it is still relevant, can also provide some good insights. The same tweet or post could show much higher engagement than before and it is worth identifying likely material for reusing at a future point in time. As an example, FedEx tested a tweet (see Figure 1) in November and in January and found that it did much better in terms of ERs and CPE in the January period. Not only does this enable better user experiences, but it also lengthens the life of existing digital assets. And it is well known that continually developing new content is not easy and getting it cleared through the regular brand and legal guidelines process can be time consuming.

Designing robust tests is a key component of the 'test and learn' approach. It is important to spend the time upfront to think through the hypothesis, the data to be collected, the sources and responsible parties, as well as the time for analysis and implementation of changes. Key stakeholders need to be confident that the results are trustworthy and that the data are reliable. As Ronny Kohavi,

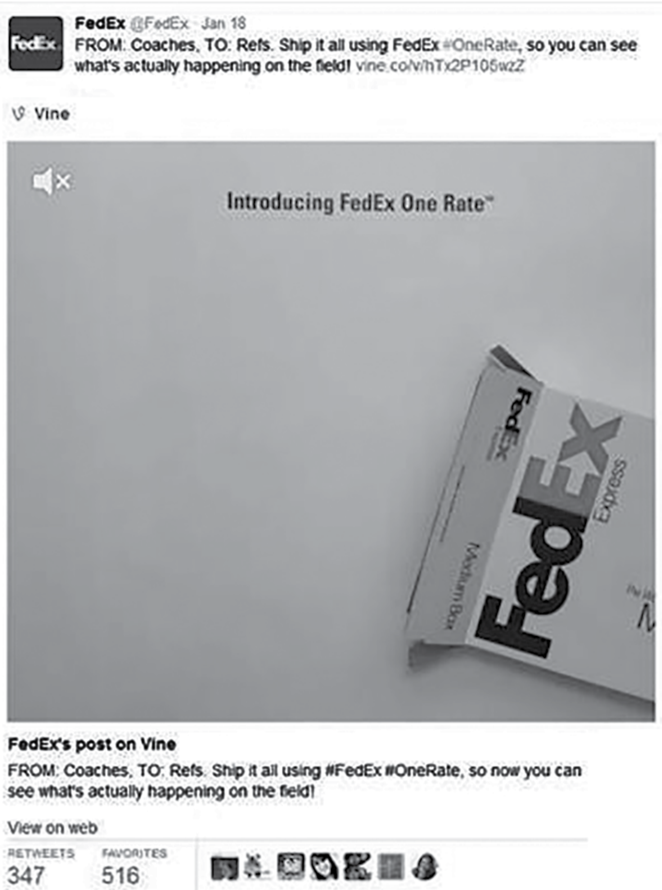

Figure 1: FedEx's 'From: Coaches …' tweet

Head of Experimentation at Bing, puts it,[4] 'Getting numbers is easy; getting numbers you can trust is hard!' Involving the right partners in the design and setup of the test makes for much better execution and follow-through in recommendations once the results are in. Wherever possible, create and validate robust control groups to truly identify the impact of marketing programmes. Without this, it is very hard to separate correlation from causation. Control versus target is the best scientific method to understand and quantify causality. Even if your key metrics show a decline after a campaign has launched, with a proper control group in place you can show that it still was a good thing if the control declined more than the target group, ie thanks to the programme, you were able to get better results than would have been obtained otherwise.

As a guiding principle, measure as far along the funnel as possible to evaluate success and then scale up in areas that do well. The hardest thing about measuring social media (for most brands) is the ability to robustly tie final revenues and business impact to the upper funnel engagement and conversations. The time lag between awareness and engagement in social media and the attributed impact on business metrics is of course going to vary by industry and by the nature of product/service being sold. Some companies like KLM, the Dutch airline, are able to reliably quantify the impacts of social media marketing efforts: at Econsultancy's Festival of Marketing[5] in November 2014, their social media manager stated that (using a last-click model) they make €25m annually from social efforts.

In this author's opinion, one of the more robust ways to truly measure the impact of a brand's social media activities on its bottom line is by integrating social marketing data within the digital, 'bottom-up' attribution process as well as by adding this channel to the classic marketing mix models to really start getting at the incremental effect of programmes that leverage these platforms. Social networks are clearly the new engagement media, growing rapidly both in their number of users globally and in the amount of time spent daily, especially via mobile devices, by all age groups and demographics. Their importance in the overall media mix and budget allocation is only going to grow and hence the sooner brands start looking at ROI more seriously, the better. While these models are never perfect and require continuous fine-tuning and experimentation to determine what drives the optimum response, they are very good techniques to quantify the impact of the different channels.

PEOPLE AND PROCESS

Last, and most important, is the well-known and regularly documented issue that without the right skillsets and processes in place, none of the above really matters. We would like to reaffirm this and provide some thoughts on what seems to work best, at least in larger corporations. It is important to have an overall communication and engagement strategy with a well thought through calendar across platforms and possible content. Social, however, is always 'in the moment' and so brands have to be nimble and be able to respond quickly with relevant material when something is trending in the channel. As an example, when the social media channels were abuzz in late 2013 with the 'What does the fox say?' video[6] which went viral and had over 400 million views, FedEx decided to jump in and join the conversation. Their take was titled 'What does the box say', with a funny and cute image (see Figure 2) of a fox in a FedEx box and this content did relatively well: over 100 retweets and almost 150 favourites. Catching such moments and engaging prospects and customers is an important part of growing and scaling a brand's social presence. The social team(s) has to be continuously engaged with the platforms, understand their nuances, and be ready to adjust content as needed. As with all such undertakings that span across the enterprise and the globe, this is a team sport and it does indeed take a lot of work, planning and analysis to keep content fresh, engaging and relevant. A well-understood process for publishing, measuring and providing feedback on what worked, what did not work and why is critical to success in the long run. This requires skills around creative, knowledge of the social networks, data sources, analytics and presentations, among others. For a large brand, it is not only important to learn quickly, but to share that learning with the key stakeholders so that it can be acted upon and also to somehow add to the corporate knowledge on this topic for future reference and access. While social is a fast-changing space, key learning around right segments for specific kind of content, seasonal timing, etc. has a relatively long 'shelf life' and can help plan future tactics for better ROI. The right set of skills applied rigorously via a well-established and closed-loop process is the only real way to sustain and scale effective social campaigns.

Figure 2: FedEx's 'What does the box say …' tweet

CONCLUSION

Social is a fast growing space with more devices and platforms coming online every day. Consumers will continue to spend greater amounts of time, in many cases in addition to traditional channels like television and radio, and this is where the next phase of marketing investments will yield the best returns. While it is not as yet straightforward to measure the ROI of social campaigns, there are many tools and technologies available today that help us move in the right direction. Developing the organisational ability to test, learn, adapt and deploy the right kind of campaigns will be critical to sustainable success.

Brands and people that can learn to thrive in this constantly changing, data and technology driven field of marketing have a great ride ahead, leveraging traditional ROI methods and developing new ones better suited to this space.

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