

Chapter 4: Making Decisions by the Numbers

In This Chapter

- ✓ **Using metrics to make decisions**
- ✓ **Diagnosing problem campaigns**
- ✓ **Returning to basics**
- ✓ **Reenergizing your creativity**

A 2009 eMarketer survey showed that only 16 percent of professionals whose companies use social media said that they measure their return on investment (ROI). By using the tools for assessing qualitative and quantitative results, including ROI, you can certainly count yourself among those happy few who do!

However, there's no point in collecting metrics just to save them in a virtual curio cabinet. The challenge is to figure out how to use the numbers to adjust your online marketing campaigns, whether they need fine-tuning or a major overhaul.

In spite of the hype, social media is, at its core, a form of strategic marketing communications. As a business owner, you must balance the subjective aspects of branding, sentiment, good will, and quality of leads with the objective performance metrics of traffic and click-through rate (CTR) and the business metrics of customer acquisition costs, conversion rate, sales value, and ROI. The balance point is unique to each business at a specific time. Alas, no fixed rules exist.

As part of your balancing act, you'll undoubtedly also tap your instincts, incorporating casual feedback from customers, the ever-changing evolution of your market, your budget, and your assessment of your own and your staff's available time and skills.

Even after you feel confident about your marketing program, keep watching your metrics as a reality check. Data has a funny way of surprising you.



Don't become complacent. Continue to check your performance and business metrics at least monthly. How do they compare to what your instinct is telling you?

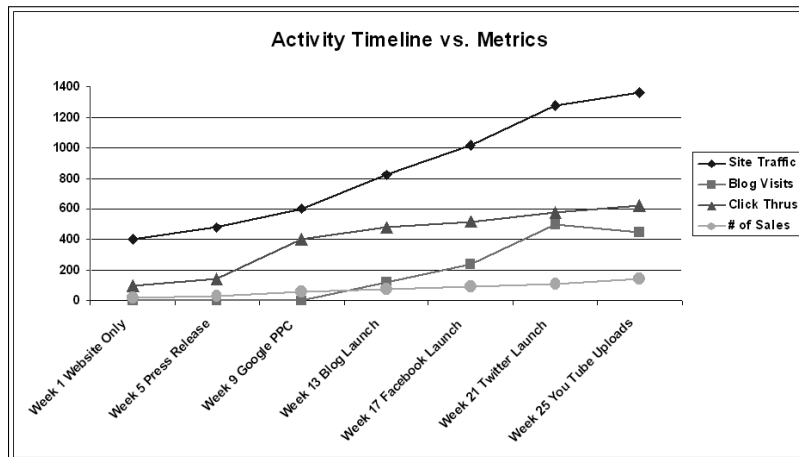
Knowing When to Hold and When to Fold

There are a few things you'll watch for in your metrics. As always, you evaluate comparative results, not absolute numbers. Keep an eye on these characteristics:

- ◆ Negative and positive trends that last for several months
- ◆ Abrupt or unexpected changes
- ◆ “No change” in Key Performance Indicators in spite of social media marketing activities
- ◆ Correlations between a peak in traffic or sales with a specific social marketing activity

Layering activity timelines with metrics, as shown in Figure 4-1, is a simple, graphical way to spot this type of correlation. Establishing baseline metrics for your hub presence first truly helps in this process. It also helps if you add social media techniques one at a time — preferably with tracking codes.

Figure 4-1: Correlating an activity timeline with key performance indicators provides useful information.



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TIP Don't make *irreversible* decisions based on one event or from an analytical timeframe that's too short for the marketing channel you're trying to implement. There are no rules for a timeframe that is too short or too long. Your overall campaign may take 6 to 12 months to bear fruit. Be patient. Monitor your social media campaigns and rely on your business instincts.

You may find a time delay between the initiation of an effort and its impact on metrics, for these reasons:

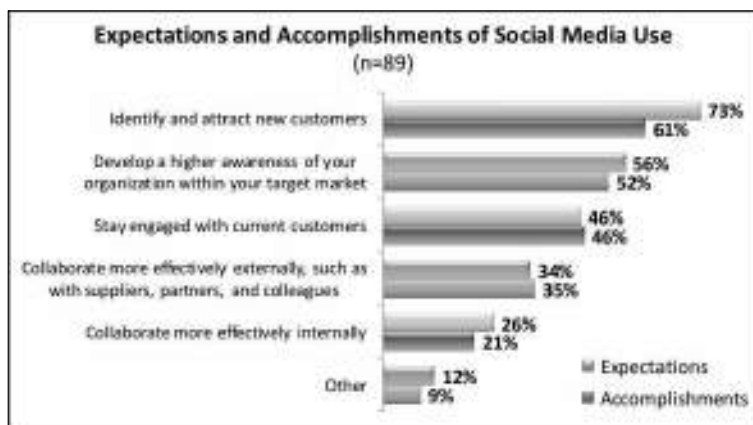
- ◆ Viewers may wait to see a history of posts before engaging, let alone clicking through to your main hub.
- ◆ By definition, establishing a relationship with viewers or prospects takes time, just as it does in real life.
- ◆ Our brains haven't changed in spite of the Internet: As every brand marketer knows, most people still need to see something seven times to remember it.
- ◆ Many types of social media display a greater cumulative effect over time as viral marketing takes hold.
- ◆ Your mastery of a new medium usually improves as you climb the learning curve.

With positive results, the answer is simple: Keep doing what you're doing, and even more so. After you identify the elements responsible for your success, repeat them, amplify them, multiply them, and repurpose them.

Neutral or negative results force you to evaluate whether you should drop the activity or invest the effort needed to identify the problem and try to fix it. Ultimately, only you can decide whether you want to continue sinking time and effort into a social marketing method that doesn't produce results you want.

Make a chart for yourself like the one produced by the Robert H. Smith School of Business at the University of Maryland, shown in Figure 4-2. It shows how small businesses rate the effectiveness of social media against their expectations. How does your program match up to what you expected?

Figure 4-2: Small businesses are generally realistic in their analysis of how social media can help their companies, but the number of new customers falls short of expectations.



2009 Small Business Success Index commissioned by Network Solutions in partnership with the Robert H. Smith School Business, University of Maryland (temporary)

Behind the Burner, an online culinary branding experience, assesses its results weekly to adjust its marketing activity, as described in the nearby sidebar “Behind the Burner is cooking!” As an advertising-supported program, Behind the Burner must deliver qualified viewers to its advertisers, making it exquisitely sensitive to the results of its social media campaigns.

Behind the Burner is cooking!

For CEO Divya Gugnani, founding the site at www.behindtheburner.com is an opportunity to harness her skills and training in venture capital with her passion for everything culinary. A culinary media brand with both B2B and B2C components, Behind the Burner, shown in the nearby figure, launched in November 2008. Its cluster of Web properties already generates nearly a million dollars in revenues from advertising, advertorials, product placement, and branded content.

The site distributes expert-generated content (videos, blogs, and articles) about food, wine, mixology, and nutrition through a syndication network to a younger generation of food and drink enthusiasts. Gugnani has nurtured strong syndication relationships with offline partners like NBC and leveraged social media services such as Dailymotion, MySpace, and YouTube and online outlets such as Bravotv.com and Yahoo! Shine.

The company’s marketing goals are to build its brand and awareness, and at times drive traffic. “Like most startups,” Gugnani acknowledges, “I quickly realized that a marketing budget of \$0 did not [have to] mean ZERO results for marketing. . . . Social media truly allows companies to reach millions of people and spread viral messages without spending any money at all.”

Unlike most start-up CEOs, Gugnani already had experience writing for other blogs and maintaining a personal social media presence on Facebook and Twitter. She uses her personal sites to boost her corporate visibility,

and encourages her staff to do the same. For her, the diverse opinions, perspectives, and personalities of her staff add interest to their blog.

“The one thing I insist upon is for our team to be genuine and real. We act like ourselves in our social media profiles and activities. We don’t take a strong stance of having a company account that just spits out content for traffic. For me, social media is a conversation. You need to be a part of conversation: Talk, but also listen. People often ask me why [I] follow so many people on Twitter. I want to listen to what they have to say!”

Behind the Burner added all its many channels at launch. The blog page tempts engagement through all forms of social media, with call-to-action buttons for following on Twitter, becoming a fan on Facebook, and viewing Flickr photos.

The Behind the Burner team continually experiments with new social media platforms and tools (for example, ÜberTwitter, Ping.fm, TwitVid) to manage its presence and assess the results. Most recently, Gugnani says, the company has found ads on [Su.pr](http://www.stumbleupon.com) (StumbleUpon) to be highly effective. “It’s advertising with a viral marketing multiplier.”

The team has also experimented with pay-per-click, Facebook, and Yahoo! ads, but generally found only modest success. “Banner swaps and newsletter ad swaps can be moderately effective for people, but we haven’t gone that route yet,” Gugnani adds.

The company relies on Google Alerts to monitor its keywords and company name. "It is always interesting to see who links to our site, features us on their blog, or embeds one of our videos. By using alerts, we can see how people are connecting with our brand and what pieces of content they find most relevant and interesting," explains Gugnani. The feedback provides guidance for what to do next.

In addition, the team runs Google Analytics weekly with reports on Q&As, recipes, articles, videos, blogs, and deals. It looks at overall traffic statistics and patterns, keywords that drive traffic, and which pages are viewed most often. The team analyzes sources of traffic by type and site to assess results of their social media efforts and syndication deals.

When Gugnani observes experiential differences among social media channels, she adjusts her tactics accordingly. For instance, she says, "We get most of our traffic through organic Google search. We have found that Facebook and Twitter are very powerful tools for engaging people with our culinary content. The Su.pr ads are good for driving traffic, but not as good in terms of engagement and repeat visits."

Ever alert to trends unearthed in Google Analytics, Gugnani has found that broadcast TV segments drive the largest swings in traffic

and also subscribers for the Burner newsletter. Press mentions of Behind the Burner, particularly online ones such as DailyCandy, help build awareness with new audiences and inspire them to return as part of the online community. By integrating observations such as these into Behind the Burner's social media tactics, the overall marketing plan becomes more effective.

Behind the Burner staff handles all social media tasks except the ones that require adding radio buttons to the Web site. In addition to help from Web-savvy interns, Gugnani estimates that they spend a few hours a week managing their corporate Twitter account. The bulk of media management time is spent creating written and multimedia content provided by a network of freelance contributors.

In addition, staff members spend time managing their own personal accounts and sharing Behind the Burner videos, articles, blogs, and recipes with friends and family in their personal networks.

"I think it is important to have your whole team involved," Gugnani advises. "Our networks are all different, and we are able to reach many different niche audiences, by collectively sharing our favorite Behind the Burner media assets with our networks. Creating strong content is the most important activity. At the end of the day, if your content is good, it will be viral."

Behind the Burner Sites

www.behindtheburner.com	www.behindtheburner.com/blog/index
www.facebook.com/behindtheburner	www.flickr.com/photos/32016191@N07
www.youtube.com/user/BehindtheBurner	http://twitter.com/behindtheburner
http://twitter.com/dgugnani	www.linkedin.com/pub/divya-gugnani/0/98/6ba
www.naymz.com/divya_gugnani_1541092	www.myspace.com/behindtheburner_fans

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Courtesy Behind the Burner

Diagnosing Problems with Social Media Campaigns

Put on your business hat when you detect a problem. Some techniques may be worth modifying and trying again, while others should be dropped. Ultimately, it's a business decision, not a technological one.

Be patient when assessing cost of customer acquisition and ROI, though a few trend lines in your metrics might give you pause:

- ◆ Traffic to a social media service never picks up, or falls and remains low after an initial burst.
- ◆ Traffic to the social media site holds steady, but the CTR to your master hub or other sites is low.
- ◆ Follow-through on intermediate calls-to-action is low in performance metrics.
- ◆ Traffic and click-throughs increase but the leads aren't well qualified.

- ◆ Traffic and engagement, which had been increasing for quite a while, fall and continue to fall; small dips and rises are natural.
- ◆ A conversion rate tracked back to a social media service is unintentionally lower than from other sources, and average sales value is lower. (Good strategic reasons for these results might exist, of course. You might deliberately target the younger student audience on MySpace or foursquare with less expensive options than those offered to an older, more affluent audience on Facebook.)
- ◆ The cost of customer or lead acquisition is much higher than for other channels, making the return on investment unattractive. For example, a high-maintenance blog might generate a few leads but be relatively expensive compared to prescheduled tweets that drive more traffic successfully.

Fixing Problems

Underlying problems with low traffic on social media usually can be slotted into a few categories:

- ◆ Problems locating your social media presence
- ◆ Mismatch between channel and audience
- ◆ Poor content
- ◆ No audience engagement
- ◆ Problems with the 4Ps — product, price, placement or position (distribution), and promotion — of marketing

After these problems are diagnosed, they can be handled in roughly the same way regardless of the social media venue used.

Before you panic, make sure that you have set reasonable expectations for performance and business metrics. Research the range of responses for similar companies, or view your competitors' social media sites to see how many responses, comments, and followers they have. Though you cannot divine their ROI, you can assess their traffic and inbound links. Your results from social media may be just fine!



Use the social monitoring tools described in Book II, Chapter 3 to compare how your competitors are doing on social media compared to your business. Many of these tools allow you to check any domain name.

Be careful with interpretation, however; if your competitors began working on their social media campaigns long before you did, they are likely to have very different results.

Remember that the social media audience is quite fickle. A constant demand exists for changes in content, approach, tools, and tone to keep up.

Your social presence can't be found

Driving traffic to your social media presence is as challenging as driving people to your site. If traffic is still low after about four weeks, ensure that all your social media sites are optimized for external search engines such as Google and internal (on-site) search tools used by different social media services. Turn to Book II, Chapter 2 for optimization techniques.

The source of the problem may be poorly selected search terms or tags, a headline or description that contains no keywords, or content that hasn't been optimized. Unless your hub presence, whether it's a blog or Web site, is well optimized itself, your social media presence may suffer also.



Be sure that posts occur often enough for your social media page to appear in real-time search results.

Inappropriate match between channel and audience

The symptoms for a mismatch usually show up quickly: People take little or no interest in your social media postings, you suffer from low CTR, and your bounce rate is high whenever visitors click-through.

To start with, you may have chosen an inappropriate social media service or the “wrong” group within a network. For example, young tech males like Digg, but if you want a social site about cooking and gardening, try kirtsy.com instead.

The solution: Return to your Social Media Marketing Plan (found in Book I, Chapter 2). Review the demographics and behavioral characteristics for the social media service you're using. They may have changed over time; for example, Facebook, which started as a site for college students, is now heavily favored by the over-55 demographic. Find a social venue that's a better fit, revise your plan, and try again.



Use Quantcast or Alexa to check demographics on sites.

Poor content

Content problems are a little harder to diagnose than visibility problems, especially if the problem appears with your first posts. In that case, the problem may also look like a channel mismatch, with content that simply doesn't appeal to your target market or is inappropriate for the channel.

However, if you experience a persistent dip in traffic, comments, or CTR from your blog, Facebook stream, Flickr, podcast, or YouTube account, you

have other difficulties. Perhaps the content has “aged,” isn’t updated frequently enough, or has degraded in quality and interest.

Content creators are commonly enthusiastic at the beginning of a project, or to start with a backlog of media that can be repurposed and posted initially. Later content may not be as valuable to your market, lack appropriate production values, or simply become boring.



Watch for burnout. After the backlog of media is used up, the insistent demands for new content can easily become a burden. It isn’t surprising to have creators lose interest or focus on quantity rather than on quality.

Compare the individual posts that produced an increase in traffic, responses, or CTR to ones that are failing. Tally posts by the names of their creators and what they were about. Start by asking previously successful creators to develop new material along the lines of older, successful content. If that doesn’t work, watch the “most popular” tags to see what interests visitors and try to tie new content into those topics, if appropriate.

Finally, try assigning fresh staff members, recruiting guest writers and producers, or hiring professionals for a while. If this change produces better results, you have indicators for a long-term solution.

Lack of audience engagement

If you see traffic to the social media service holding steady but lack follow-throughs from calls to action or you have an unusually low click-through rate to your hub site, you may not be engaging your audience. Watch especially for engagement parameters that never take off or that dip persistently.

Review user comments, retweets, and other interactions on each service. You can use the internal performance metrics for Twitter, Facebook, and your blog to assess numerical results of engagement. Then review the chain for interaction between social media visitors and your staff. (See Books III, IV, and V for information on blogs, Twitter, and Facebook.)

Are visitor responses being acknowledged? Is there follow-up? One of the biggest challenges in social media is establishing a relationship with your visitors and maintaining a back-and-forth conversation. A lack of engagement may presage a lack of brand recognition, loss of customer loyalty, and reduced referrals from visitors to their friends or colleagues.



Use the behavioral calculator from Forrester Research (http://forrester.com/Groundswell/profile_tool.html), shown in Figure 4-3, to assess the level of engagement to expect from your market demographics. You can find the definitions for these consumer groups at www.forrester.com/Groundswell/ladder.html.

Figure 4-3:
The Forrester consumer profile tool offers a yardstick to predict degrees of engagement based on the demographics of your target market.

groundswell
winning in a world transformed by social technologies

UPDATED
2009 Social Profile Data
Profile your customers'
online social behaviors

Home The Book Consulting Blog **Profile Tool** Awards Contact Us

What's The Social Technographics Profile Of Your Customers?
 > View the profile of business technology buyers.

Consumer Profile Tool (now with 2009 data)

Age: 35-44 Country: US Gender: Male

Consumer	Index (vs adults = 100)
Creators	24% 100
Critics	38% 103
Collectors	24% 114
Joiners	50% 98
Spectators	78% 104
Inactives	19% 89

Source: Forrester Research's Consumer Technographics data.
Part of Forrester's Groundswell content.
Copyright 2009 Forrester Research

To embed this in your site, use the following code:

```
<iframe height="360" frameborder="0" width="510" scrolling="no" marginwidth="0"
marginheight="0" src="http://www.forrester.com/groundswell/b2c_profile_tool/b2c">
</iframe>
```

Courtesy Forrester Research, Inc.

The four Ps of marketing

Perhaps you're getting traffic and click-throughs to your hub site and generating plenty of leads but still not closing or converting to sales. It might be time to go back to basics.



Review a Web analytics report generated before you started your social media marketing efforts. Make sure your Web site is well optimized for search, your online store (if you have one) is working well, and your conversion rate is solid. Fix any problems with your Web site before you try to adjust your social media campaign.

Product, price, placement or position (distribution), and promotion — the four Ps — are considered the basic elements of traditional marketing. These terms apply to social media and other forms of online marketing as well.

Product

Your *product* is whatever good or service you sell, regardless of whether the transaction takes place online or off. Product also includes such elements as performance, warranties, support, variety, and size. Review your competition to see which features, benefits, or services they offer, and which products

they're featuring in social media. If you have an online store, look at your entire product mix and merchandising, not just at individual products. Ask yourself these questions:

- ◆ Are you selling products that the people you're targeting with social media want to buy?
- ◆ Do you have enough products or services to compete successfully in this environment?
- ◆ Are you updating your offerings regularly and promoting new items often?

Price

Price comparison sites such as Shopping.com and discount stores online already put price pressure on small businesses. Now social media shopping sites, with the rapid viral spread of news about special offers and price breaks, have put cost-conscious shoppers firmly in the driver's seat.

No longer can you check only competitors' Web sites and comparison-shopping sites for prices. Now you must check to see what they offer their Facebook, Twitter, LinkedIn, blog, e-newsletter, and social shopping visitors to gain new customers and hold onto them as loyal, repeat buyers. Any single product or service may now have multiple prices depending on who's buying.



Use social shopping and other sites to assess your prices against your online competition. Are yours significantly higher or lower or price competitive?

Your small business can have difficulty competing in the market for standard manufactured goods such as baby clothes or DVDs unless you have excellent wholesale deals from manufacturers or distributors. But you can compete on price on customized goods or services or by offering unique benefits for buying from your company.

If you must charge higher prices than your social media competitors, review your value proposition so that people perceive an extra benefit. It might be a \$5 promotional code for a discount on another purchase, a no-questions-asked return policy, exclusivity, or very accessible tech support.



Be careful not to trap yourself into matching prices against large companies with deep pockets. Make tactical financial decisions about loss leaders and discounts for users of particular social media. Consider a less-than-full-featured product or service package for social media users if needed (sometimes called the *freemium* business model).

Placement or position

Placement or position refers to how products and services are delivered to consumers (distribution channels). Where and how are your products and

services available? Your Web site needs to serve as a 24/7 hub for customer research, support, and sales online, but social media offers brand-new opportunities to serve your clients. Best Buy, for example, has already become famous for its *twelforce*, in which employees use Twitter to field customer support questions and make product recommendations.



With multiple social marketing outlets, watch for the effects of *channel cannibalization* (the use of multiple distribution channels that pull sales from each other). Products or services sold directly from social media outlets may depress the sales numbers on your Web site.

Promotion

Your online and social media marketing plans fall into the *promotion* category, which includes all the different ways you communicate with customers and prospects, both online and offline. This also includes making people aware of your multiple points of visibility online, almost as though you're marketing another product. Careful cross-promotion among all your online venues is now as critical as integrating online and offline advertising. Are people aware of all your social media pages? Are you using the right calls to action on those pages to get people to buy?



Don't continue investing in a social media technique just because "everyone else is doing it."

Adjusting to Reality

Many times, expectations determine whether a marketing technique is seen as a success or a waste of time or something in between. It isn't possible for a particular social media channel to produce extraordinary changes in traffic or conversions. In most cases, though, your victories will be hard-won, as you cobble together traffic from multiple social media sources to build enough of a critical mass to gain measurable sales.

Achieving that goal usually involves many people, each of whom may become a committed champion of the method she has been using. When you decide to pull the plug on one of your social media techniques — or just decide to leave it in a static state — try to keep your employees engaged as well.

Unless social media participants have proved themselves to be nonperformers, try to shift them into another channel so that they can retain a direct relationship with customers.

Avoid the temptation to recentralize your social media marketing in one place, whether it's PR, marketing communications, management, or customer support. Instead, try to maintain the involvement of someone from



each of those functional areas, as well as subject area experts from such diverse departments as manufacturing, sales, and R&D.

Marketing is only part of a company, but all of a company is marketing.

As wild a ride as social media may seem, it's more of a marathon than a sprint. Given that it may take 6 to 12 months to see the return on your marketing efforts, you need to nourish your social media sites for quite a while.

Feeding the hungry maw of the content monster week in and week out isn't easy. You need to not only keep your staff engaged and positive but also keep your content fresh. Take advantage of brainstorming techniques that involve your entire team to generate some new ideas each month. Here are a few suggestions to get you started:

- ◆ Create unique, themed campaigns that last one to three months. Find an interesting hook to recruit guest posts or writers, perhaps letting a few people try your product or service and write about it.
- ◆ Distribute short-term “deals” using some of the up-and-coming social media techniques described in Book VIII, Chapter 6, such as location-based coupons on cellphones or to meet-up attendees or “group” coupons from Groupon.
- ◆ Write a Wikipedia entry about your product or business from a consumer's point of view.
- ◆ Make friends with Twitter by incorporating an interactive application, such as a poll or sweepstakes entry.
- ◆ Reach one or more of your discrete niche markets by using some of the smaller alternative social media services listed in Book VII, Chapter 6 or in Book II, Chapter 3.
- ◆ If you aren't gaining traction with groups on Twitter or Facebook, post on an old-fashioned forum, message board, or chat room on a relevant topic.
- ◆ Tell a story about your product or service in pictures (not video — too easy!) and upload them to Flickr or another photo service.



Any marketing problem has an infinite number of solutions. You have to find only one of them. Taos Sacred Places, a tourism mini-site for a yearlong promotion of Taos, New Mexico, as a vacation destination, decided to use Twitter to engage local poets and writers, as well as tourists, in a haiku contest, shown in Figure 4-4.

Figure 4-4:
This haiku
contest on
Twitter is
part of a
creative
tourism
promotion
for the
town of
Taos, New
Mexico.



Courtesy Webb Design, Inc. for TaosSacredPlaces.com