Measuring the contribution of social media

Social media has emerged as significant and pervasive. As a new media format, it is also elusive in the sense of the complex challenges it presents to understanding its contribution to marketing effectiveness. In this edited extract from the #IPASocialWorks project, Fran Cassidy, Ray Poynter, Simeon Duckworth and Celina Burnett summarise the key lessons in measuring social media.

The current view of social media measurement is that there is no ‘best practice’. Indeed, even when best practice is achieved, it is transitory. Yet the gleaming potential of social media measurement continues to beckon like a will-o’-the-wisp over a boggy landscape of increasingly complex communication and insight options.

Since 2013 the #IPASocialWorks project has been developing a comprehensive knowledge bank of social media effectiveness – the equivalent of the IPA’s 30 years of peer-reviewed advertising effectiveness data set, or the Marketing Society’s Awards for Excellence. #IPASocialWorks is an industry-wide project to help advertisers, agencies, researchers and social media owners develop a more robust approach to measuring the effectiveness of marketing through these new platforms.

It is supported by the IPA in partnership with the MRS and the Marketing Society. This is believed to be the first time that such a wide collaboration across the marketing and advertising industry has been formed.

The three specific areas of focus are Evaluation, Insight and Personalisation. This article documents the work to date of the first of these: Evaluation.

The project was created because many businesses continue to struggle to see the connection between social media and business outcomes. The industry is now at a critical time, when resource and investment have reached levels way beyond experimentation and at the level where effects can, and should, be felt by the bottom line. This is augmented by the decline of organic reach and the rise of social as a paid channel.

HYPOTHESES
We have developed a number of basic hypotheses on how social media helps

CASE STUDY: RECKITT BENCKISER – NESTED MARKET MIX MODELLING

LYSOL is one of Reckitt Benckiser’s power brands in the US, with a range of cleaning and disinfecting products. Rather than measure at a campaign-specific level, Reckitt Benckiser was looking to measure the effectiveness of each part of the marketing mix overall, across all activity carried out for the Lysol brand over a period of 18 months using market mix modelling (MMM).

Conventional MMM typically measures short- to medium-term response in sales, but advertising often works over the longer term by reinforcing existing habits. If long-term effects are being sought then the MMM needs to be appropriately configured.

The approach Reckitt Benckiser used to measure its Facebook marketing activity for Lysol is one example of this. As an established FMCG brand, the direct impact of Facebook and other social media platforms on purchases was expected to be low. As a result, the team worked with marketing analytics agency Gain Theory to focus on understanding the role of social media across all stages of the purchase funnel and how these work together to drive sales.

The analysis determined that Facebook activity was primarily driving the awareness and active consideration stages, and furthermore that viral activity from Facebook users liking, sharing and commenting was generating the greatest incremental awareness, while targeted paid advertising was driving active consideration.

So, while the analysis confirmed that Facebook had a minimal direct impact on sales for the brand, the impact of these customer journey stages on sales shows that Facebook accounted for around 0.2–0.5% of total sales for the relevant period.
marketing communications deliver results. Social can be used to:

- Tell deeper and richer stories than many other media.
- Create meaningful contact with customers and amplify other activities by leveraging and sharing other social behaviours.
- Facilitate effective consumer targeting, particularly younger audiences.
- Enable real-time management and development of campaigns.
- Generate valuable data for enhanced customer insight and delivery of personalised customer communications and experience.

The stumbling block that many businesses face is how to measure the business value of these applications robustly to justify and optimise investment in the channel.

THE CHALLENGE OF MEASURING SOCIAL

Just 7% of case studies reviewed by the #IPASocialWorks project have passed peer review to date by demonstrating robust measurement of the business value of social. There are many reasons why measuring social is hard but some of the key reasons stem from the interaction with other channels, the complex interaction between paid and earned media, the lack of control, the multitude of possible data choices and others (described in detail in the report).
CASE STUDY: IKEA – GEO-TARGETED A/B TEST

IKEA set out to determine whether social media investment, specifically Facebook, was a driver of new and existing customers to IKEA stores. Two identical groups were created: one group was a control and the other would be exposed to advertising on Facebook. The idea was to physically track each group using their mobile signal to see who actually visited an IKEA store during the campaign period.

The team worked collaboratively with EE and Facebook. Facebook has the mobile numbers of all the users of its smartphone app. This group was then matched against EE’s customer database and split into two random sets. The first ‘test’ group consisted of people whose mobile phone number ended with an even digit. News Feed ads detailing IKEA’s Christmas sale would be served only to this group. Those with an odd number formed the second ‘control’ group, who received no advertising.

EE then helped to create a geo-fenced area around the Cardiff IKEA store. Mobile behaviour of both groups was recorded and analysed. IKEA staff and residents of the ring-fenced area were excluded. The results demonstrated that advertising successfully attracted extra visitors to IKEA Cardiff: geo-targeted Facebook ads drove 31% uplift in store visits among 22–25-year-olds and an 11% increase in visits across all age groups. These additional visitors delivered an ROI of 6.1 against the paid media spend.

HOW TO MEASURE SOCIAL: THE FIVE-POINT PLAN

To properly evaluate social media marketing and activities, the measurement process should be baked in from the start. This may sound elementary for any channel or activity planning, but it is still not standard practice. Waiting until the end of a campaign to determine how to measure the campaign will fail, either because the right data has not been collected or because there are simply too many possible interpretations of what happened, or both.

We recommend a simple five-point plan:

1. **What is the campaign/activity designed to do?** How does this link to the wider business or organisational needs?
2. **Why use social?** Which channels are going to be used? Is social being used on its own or in addition to other components? Consider its contribution to the roles of paid, owned and earned media.
3. **What decisions will be made on the strength of the evaluation?** And at what point? During or at the end of the campaign? How would these decisions be made otherwise?
4. **What are the most appropriate data sets and metrics?** How will they be collected? No single book or document can list and review all the metrics available, although Stephen Rappaport’s *The Digital Metrics Field Guide* does a good job of reviewing 197 key metrics in 12 key fields. However, metrics generally fall under the following headings:
   - Audit metrics, e.g. what was sent out and who was reached, including virality.
   - Resonance metrics, e.g. engagement, attitudinal, customer satisfaction, reputation effects.
   - Response metrics, e.g. sales, customer acquisition and other calls to action.
   - Metrics that differentiate between the channels and between the combination of social and non-social components, e.g. TV and Twitter, search and social.
5. **Design the evaluation process.** Determine how the data, metrics and objectives are going to be analysed to understand the effectiveness of the campaign or activity, and to assess incremental value, including assessing where the value of social comes from.

   Causality is, of course, a critical issue in designing an effective approach. Understanding ‘why’ something works is the key to repeatability, learning and scaling. Most importantly, causality is a cornerstone of prediction.

   The #IPASocialWorks knowledge bank demonstrates five core approaches that organisations can use:
   - market mix modelling
   - A/B testing
   - brand tracking
   - direct conversion tracking
   - cost reduction.

   The case studies herein provide...
The rich and real-time data set provided by social is challenging the evaluation process. Its real-time nature means measurement is now often integrated with the management of campaigns, enabling a more agile approach.