



Sure, it makes sense for most businesses to follow their customers into the world of social media. But before doing so, they must have a firm grasp on how to measure the ROI of those ventures.

The first step is to create a strategy that dovetails with existing marketing plans and messaging. A company wants to be where its audience is living online, and that will often mean social networking sites such as Facebook and LinkedIn, and services like Twitter. Social media also means a corporate blog: If a firm does not have one, it is already behind the times.

For organizations, social media can serve as a private media channel that allows corporate control of the messaging. Social networks provide an excellent vehicle for pushing out content that supports marketers' objectives, while social sites are great for spreading viral campaigns and word-of-mouth programs. Many companies are using social networks to recruit and invite prospects to Webcasts and live events, both of which are easily tracked by assigning unique URLs and codes.

There is little out-of-pocket cost associated with social media, aside from personnel costs. Even small firms can start a blog with shareware, and there is no cost to post a page or group on Facebook or LinkedIn.

But while the setup costs are low, a marketer needs to assign dedicated resources to manage the process and create and maintain the content. Someone in the organization needs to own the social media function for it to work successfully.

Work in progress

Initially, social media should be treated as both an experiment and

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—By Gordon Plutsky



a work in progress. Some trial and error is necessary to discover what works for each company and industry. One size does not fit all.

What constitutes the success of a social media campaign? Marketers are able to track relationships that were either created or enhanced by social sites or blogs. However, even before a prospect becomes a lead, there are ways to measure traffic and interaction with content.

To measure the ROI of new media, the media must in fact be measurable. Fortunately, the various social media are. The majority of social media platforms offer:

- **Quantitative data** Marketers can gauge success by the number of page views received, responses/comments, content downloaded/embedded, number of shares, RSS

feed subscriptions, sign-ups and much more. These numbers offer indications of how well strategies are driving traffic and facilitating interaction with prospects.

- **Qualitative measurements** Hard data doesn't do justice to measuring abstract returns such as an improved corporate reputation, reducing the ratio of negative/positive relationships in the online world, customer retention, strengthening of B-to-B or B-to-C relationships, increased direct dialogue with target audiences, and so forth. While it is hard to put a number on these measures, they are important outcomes of social media strategies.

Business value

In a down economy, dwindling budgets make low-cost social

media campaigns a popular choice. According to an Online Marketing Summit presentation by Michael Weisfeld, senior Web strategist at BusinessOnLine, "Only 14% of people trust ads, whereas 32% trust bloggers' opinions on products and services." Social media offer a great way to get a direct connection with marketers' audiences. Best of all, a single well-crafted effort can expand exponentially.

Can social media really lead to sales? Yes, according to research conducted among IT decision makers by IDG Connect. IDG found that social content is a significant decision-making factor within the IT investment process. According to their research, buying teams are using social content for educational purposes more than transactional content.

The big finding is that when a vendor is presented in a positive light in the social space, the likelihood of its offerings being purchased increase. Conversely, negative social exposure makes sales more difficult.

While that's all true, one critical element of social media cannot be easily quantified: the quality of interaction between people. The blending of business and personal on social sites gives marketers an opportunity to get to know business partners in a different light and deepen personal bonds.

So while metrics are important, never discount the intangible, positive factor of human interaction. Social media allow us to get personally closer to our prospects and customers than ever before. ■

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