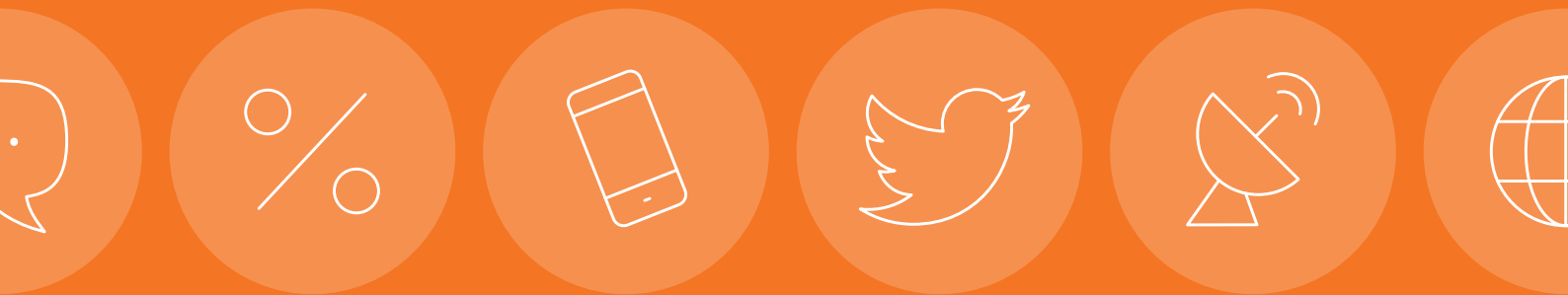




brandwatch

# The Hidden Value of a Social Strategy



# Contents

1.0 The Hidden Value of a Social Strategy.....	3
2.0 Word-of-Mouth: What Can be Measured .....	4
3.0 Word-of-Mouth: Difficult Measurements .....	6
4.0 How to Measure Word-of-Mouth .....	7
5.0 How to Promote Word-of-Mouth .....	9
<b>Customer Service:</b> .....	<b>9</b>
<b>Market Research:</b> .....	<b>11</b>
<b>Employee Engagement:</b> .....	<b>12</b>
6.0 Listen, Analyze and Act with Confidence .....	13
7.0 About Brandwatch.....	14

# 1.0 The Hidden Value of a Social Strategy

For many businesses, it is difficult to define the value that an effective social media strategy offers. Within the social media marketing industry, both leaders and newcomers alike will refer to 'the elusive ROI' as if it were the holy grail: powerful yet undiscovered. In truth, while some of the value of a strong social strategy will be quantifiable, the vast majority will always remain hidden.

In that regard, social media is not so different from traditional advertising such as television, radio, print or billboard advertising. The aim is similar: to get audiences to think about a brand and their products positively. Oftentimes, the mark of a truly successful campaign is if it generates enough interest to drive actual conversations.

After all, according to Nielsen, 84% of consumers are willing to trust recommendations from peers, far more than any other form of advertising.<sup>1</sup> And while 64% of marketing executives believe that word-of-mouth is the most effective form of marketing, only 6% believe they have mastered it.<sup>2</sup>

For advocates of this evangelism marketing, social media provides an effective way of not only generating conversation and advocates but also quantifying and measuring the volume and tone of these conversations.

However, far too often community managers are evaluated solely on surface level metrics such as likes and retweets. While these metrics can have value, this whitepaper will advocate for the need to have broader and deeper metrics as well as an understanding that, like traditional media, a lot of the added value of a successful strategy will never be measurable.

---

<sup>1</sup> Nielsen. Under the Influence: Consumer Trust in Advertising. 2013.

<sup>2</sup> Kimberly Whitler. Why Word Of Mouth Marketing Is The Most Important Social Media. Forbes. July 17th, 2014.

## 2.0 Word-of-Mouth: What Can be Measured

Social media allows consumers to recommend brands, products or content in ways that traditional media does not allow. Furthermore, using social intelligence, brands can easily measure all of these direct social recommendations.

For example, someone might visit a website through a Facebook campaign and then tweet a link to a product they found to one of their friends. A brand may never be able to attribute that recommendation to the initial Facebook campaign but they may be able to notice that the recommendation happened on Twitter.

The types of word-of-mouth recommendations that brands can measure may include:

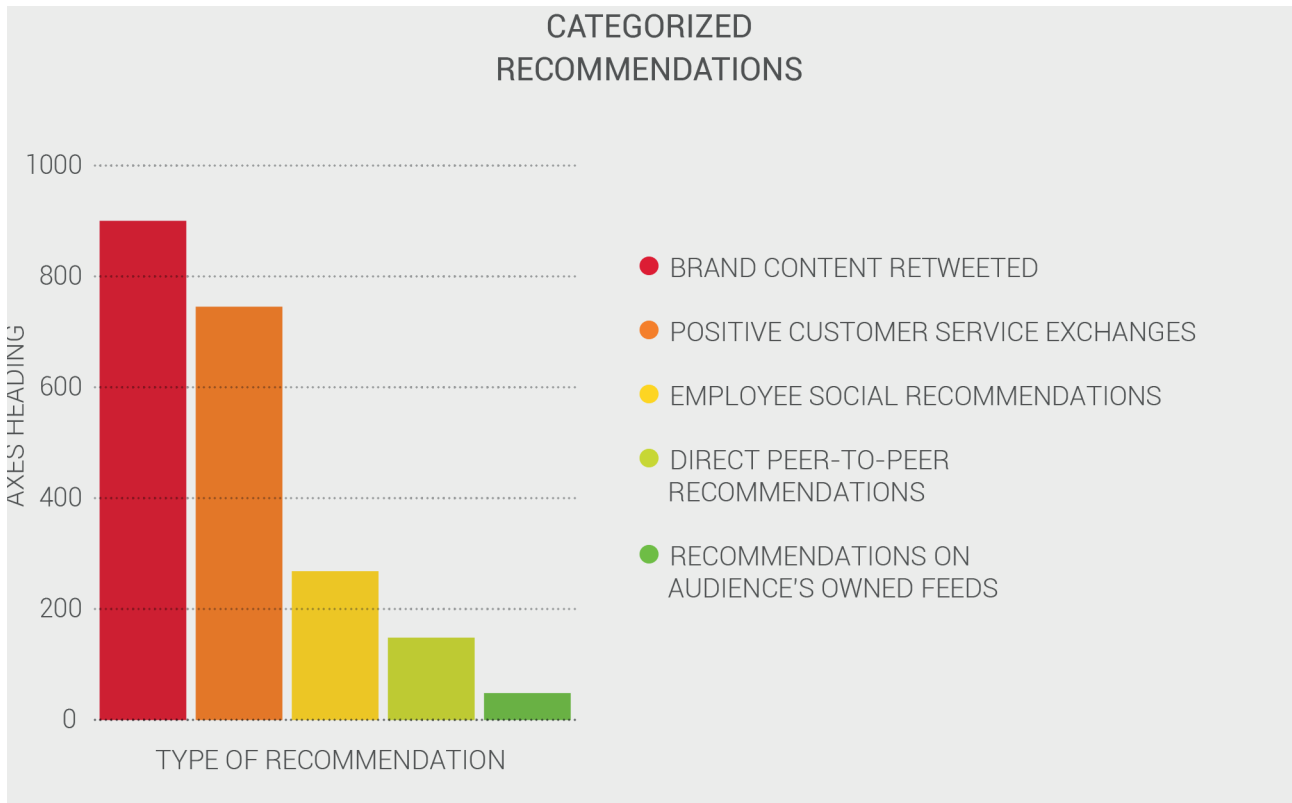
- Direct peer-to-peer recommendations of products on social
- Recommendations or positive reviews users post on audience's own walls or feeds
- Audience retweets or reposts of content from brands' social accounts
- Positive customer service exchanges on social
- Recommendations via employee social channels

Using social intelligence, brands may create Rules to automatically categorize and track the types of recommendations they receive.

---

<sup>1</sup> Nielsen. Under the Influence: Consumer Trust in Advertising. 2013.

<sup>2</sup> Kimberly Whitler. Why Word Of Mouth Marketing Is The Most Important Social Media. Forbes. July 17th, 2014.



Brandwatch Rules can be created to separate conversations into Categories that represent various audience actions or behaviors.

With measurements dedicated to tracking the volume and types of recommendations audiences offer, brands can better assess the value social brings to them in terms of word-of-mouth. However, these measurements cannot accurately tell us how many people see these recommendations and in turn what effect they have on driving actual sales.

# 3.0 Word-of-Mouth: Difficult Measurements

Yet despite the new measurement capabilities that social media introduces, there are still a number of facets to word-of-mouth recommendations that businesses still cannot identify and evaluate.

One of the main reasons why measuring word-of-mouth through social media is difficult, is that oftentimes the consumer journey from recommendation to purchase occurs across multiple platforms and devices.

For instance, when a product is recommended to a friend on Facebook, they may exit the social network without clicking on a link and shop that product elsewhere in their browser. This transaction won't attribute the social channel as assisting with that sale even though it was directly recommended from a friend on social media. Additionally, a follower might see a promotion on Twitter and then discuss that brand's products to a friend face-to-face – again, there is no way of knowing that the campaign affected the friend.

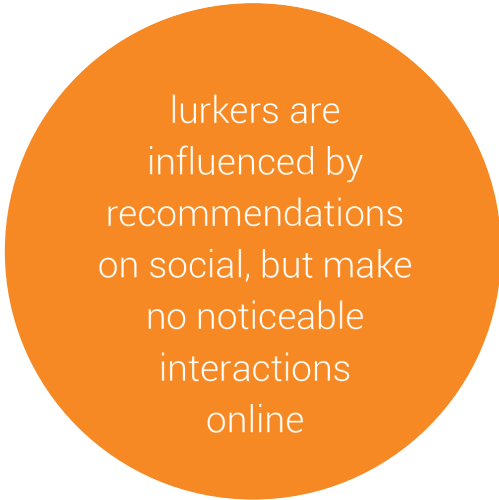
Another reason word-of-mouth is challenging to measure is that many people who are influenced by recommendations on social media don't make any interactions on these networks, providing little to no data as to what they are doing and what channel impacted their buying behavior.

Known as lurkers, these users are vicariously participating through active social media users who do interact.<sup>3</sup> Since a vast majority of your social media audience doesn't participate, it is difficult to quantify their impact even if they do have significant influence on word-of-mouth in the marketplace.

The length of time it takes social media to influence consumers' decision-making is also a consideration that impacts how tough it is to measure. Word-of-mouth about a brand does not accumulate overnight, but is cultivated over the long-term, which social is helpful at cultivating.

Other channels, such as search, are often used at a later stage of a consumer's buying process, leading to more immediate sales attributed to the medium. While social may have the initial impact on a buyer's decision, it may not drive a sale in the short-term as often as other platforms.

Marketers understand that these externalities exist. But as they are not measurable, they are often undervalued



<sup>3</sup> Ted Rubin. Most People Are Lurkers in Social Media. Huffington Post. May 14th, 2014.

# 4.0 How to Measure Word-of-Mouth




Although most of the effects of social recommendations and word-of-mouth are hidden from conventional measurements, it's still crucial for businesses to have some conception of how their evangelism marketing efforts promote their business.

Nielsen's research, which revealed that peer recommendations are the single most trusted form of advertising, helps provide the justification for evaluating the effect of word-of-mouth influences on social.<sup>4</sup>

McKinsey suggests measuring word-of-mouth equity by taking note of the volume of feedback in relation to the quality or impact of those recommendations.<sup>5</sup>

## EFFECT OF WORD-OF-MOUTH MESSAGES ON COMPANY BRAND

● HIGH IMPACT ● LOW IMPACT

VOLUME	IMPACT		WORD-OF-MOUTH EQUITY
<p>Few messages</p> 	<p><b>Network:</b> Where are they talking?</p> <ul style="list-style-type: none"> <li>● Close/trusted</li> <li>● Large/dispersed</li> </ul>	<p><b>Message Content:</b> Where are they saying?</p> <ul style="list-style-type: none"> <li>● Relevant key buying factor for consumer</li> <li>● Irrelevant key buying factor for consumer</li> </ul>	<p>Strong equity, for example:</p> <p>Few</p> 
<p>Many messages</p> 	<p><b>Network:</b> Who is talking?</p> <ul style="list-style-type: none"> <li>● Influential</li> <li>● Non-influential</li> </ul>	<p><b>Message source:</b> What is the trigger?</p> <ul style="list-style-type: none"> <li>● Consumer's own experience with product or service</li> <li>● Trigger not based on personal experience, eg, hearsay</li> </ul>	<p><b>BUT:</b></p> <ul style="list-style-type: none"> <li>● Close/trusted</li> <li>● Influential</li> <li>● Favorable buying factor</li> <li>● Consumer's own experience</li> </ul>

4 Nielsen. Under the Influence: Consumer Trust in Advertising. 2013.

5 Jacques Bughin, Jonathan Doogan, and Ole Jørgen Vetvik. A New Way to Measure Word of Mouth Marketing. McKinsey & Company. April, 2010.

McKinsey's formula considers trust, influence, relevance and experience as factors that affect the impact of a word-of-mouth recommendation.

By applying a simple point value to each of those concerns and multiplying the impact of these responses with the volume of messages, it is possible to estimate word-of-mouth equity.

Of course, another way to account for an unmeasurable goal on social media is to factor intuition into the process. If an enterprise is solely looking at charts, graphs, spreadsheets and data to inform decisions with social media or otherwise, then it will likely fail in today's more nuanced marketplace.

Intuition, supported by data and qualitative insights, should at times lead campaigns and business decisions, especially when an organization has no better recourse available. Part of the benefit of having social data insights is that an experienced team can then pair this information to manage tough decisions.

A qualitative review of conversations on social media can help support an organization's intuition by providing a better sense of how customers are discussing campaigns across other mediums. Referencing social conversations about a brand's billboard advertising, a recent commercial, podcast sponsorship or other initiatives can provide some insight to support whether those campaigns are resonating or not with the target customer.



# 5.0 How to Promote Word-of-Mouth

There are countless ways by which brands can stimulate organic recommendations from their audiences through social. Most of them are well documented in textbooks and whitepapers on evangelism marketing. However, the following sections will discuss three methods, powered by social intelligence, which often receive less attention for their effects on word-of-mouth recommendations: customer service, market research and employee engagement.

## Customer Service:

According to eMarketer, 23% of Internet users in the US have used social media for customer service. Furthermore, social customer service has been highly successful because it's easy for customers and cost-effective for businesses.

When social media is integrated into customer service<sup>6</sup> it can be used to influence word-of-mouth by proactively solving customer problems, turning negative brand experiences into positive ones and assisting in minimizing damage on a company's reputation from an irate customer across the medium.

For example, when a consumer tweets about a bad experience they had with a brand but they didn't directly reach out to the organization, the company has the option of making use of social listening and responding to the issue quickly to satisfy the customer on that channel.

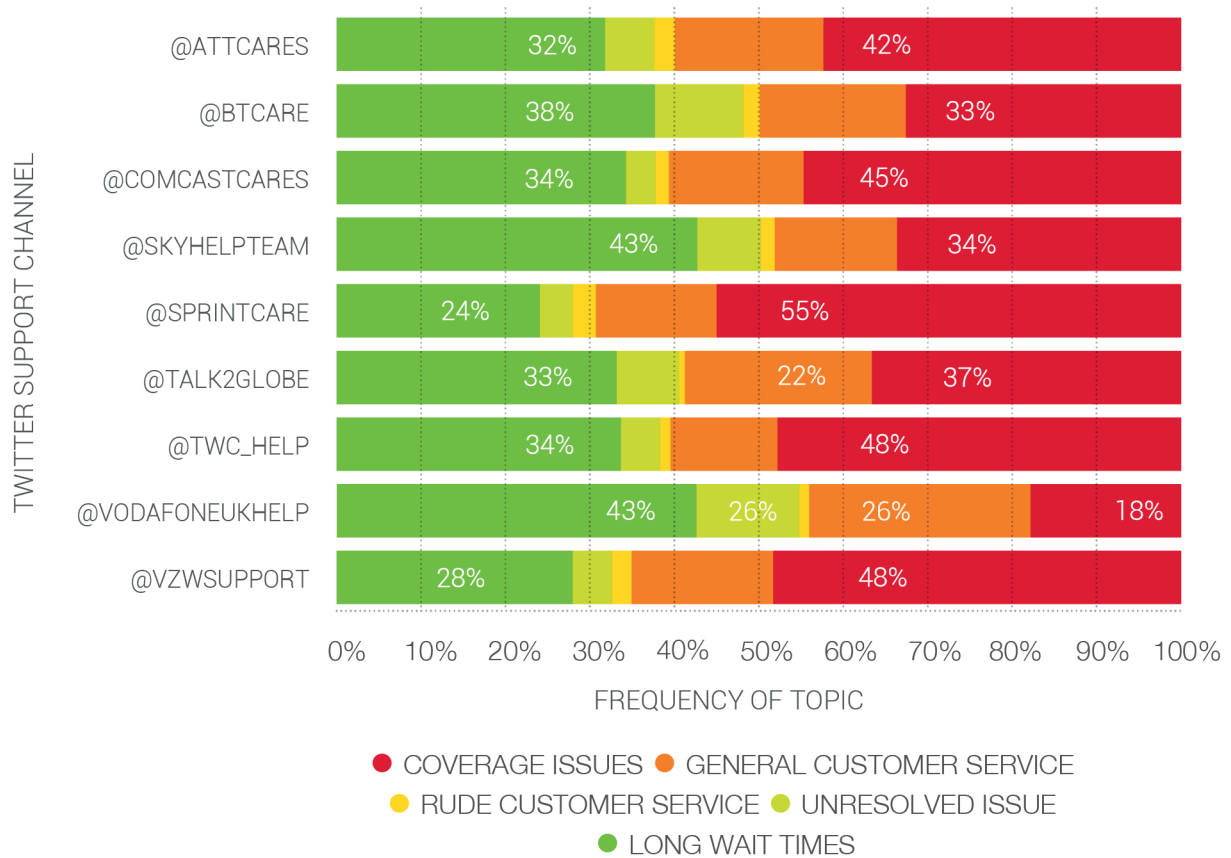
This can help alleviate some of the effort a customer has to put forth to get an issue resolved, ideally influencing them to do business with the brand again, as well as recommend the organization to others since their use of social media proved to help them alleviate their problem in a timely manner. Furthermore, their followers may take note of the interaction.

Creating quality, positive experiences with a customer base at scale on social media can help build trust with consumers and illustrate an organization cares about developing worthwhile products and services that impact their customer's lives – that will drive word-of-mouth recommendations.

Using social intelligence, businesses can automatically categorize and route certain types of customer service complaints to the appropriate employees. That information can help guide messaging and alert product teams to any recurring problems.

6 Does Anyone Really Use Social for Customer Service? eMarketer. November 20th, 2014.

## FREQUENCY OF TOPICS IN TWITTER SUPPORT MENTIONS



Taken from Brandwatch's Social Insights on the Telecommunications Industry.: Analyzes 17,443 tweets from October 26th – November 10th, 2015. Customer Service Topics are identified through Brandwatch Rules, which use boolean language to identify terms in a specific context. The analysis excludes conversations from brand-owned accounts. General Customer Service refers to mentions of customer service representatives, phone care and other general mentions of the brand's customer service.

Yet it is still difficult to quantify the results of a positive social customer care experience. To do that, brands may choose to review the nature of the feedback received in comments, messages, and tweets to give the social media team a qualitative sense of what is working and what is not.

Devoting a specific time to simply review the customer feedback and understand the positive and negative insights your brand is receiving can often provide a more emotionally nuanced measurement of success within that division of the company.

Only 10% of companies are currently delivering great customer service experiences to their customers, making it even easier to stand out as a leader.<sup>7</sup> Yet customer service via social media is an unparalleled opportunity to positively impact customers to influence incremental sales and retention even when they aren't always clearly measurable.

## Market Research:

Social media provides a gold mine of information about consumer preferences and habits that can guide business decisions and provide insight for product development teams.

At the basic level, comparing the demographics, interests and professions of a brand's audience against its competitors can provide guidance for everything from marketing campaigns to product direction. Online complaints in particular often provide exceptionally useful material for product development.

At a more granular level, by using social media to learn more about an industry and conversations around the sector, a company can use the word-of-mouth recommendations of both their customer base and consumers at large and interpret these insights to improve the performance of their marketing campaigns and products to generate more sales.

It is difficult to measure the full impact of using social media for market research as a majority of the revenue generated from this use of the medium will occur over the long-term as a company continues to take consumer feedback into consideration.

Argos is a leading UK online retailer that partnered with Brandwatch to understand customer sentiment about concept changes to their 53 new digital stores through social data.<sup>8</sup>

With an estimated 123 million customers a year, there are many impactful conversations Argos can take note of to better understand their market and strengthen their brand to align with customer expectations.

From conducting market research on social media, Argos validated their decisions to change their new digital stores, but also learned that some customers missed elements of the previous store environment, which they added back as part of the store experience moving forward.



<sup>7</sup> Leo Widrich. What Bad Customer Service Costs Your Business. Buffer Blog. April 4th, 2013.

<sup>8</sup> Case Study/Argos: Leading a high street revolution. Brandwatch.

Real-time information on customer satisfaction helped to better inform Argos how customers were reacting to the changes, strengthening their relationship with the brand as they collaborate on how the company will continue to evolve for the future.

However, the brand cannot measure the impact on product sales from this activation in the short-term as the customer feedback received takes time to implement and results are difficult to equate back to social media specifically, since there are many variables at play.

The Brandwatch "Social Listening in Practice: Market Research" guide details how to create reports to assist with the measurable aspects of market research efforts.

What is clear is that the immediate insight brands can gather from social media on the fit of their company and its offerings in the marketplace can help an organization like Argos more quickly align with what their customers are looking for and what needs to be changed.



## Employee Engagement:

While people naturally want to be engaged with their work, only 31.5% of U.S. employees feel connected in the workplace and aligned with their company's mission.<sup>9</sup> According to the Brandwatch Customer Service Guide, an increase in employee engagement by 10% can increase profits by 2%.<sup>10</sup>

Using social media to help employees feel engaged with an organization is another powerful way to connect their interactions on social channels with increased sales for the brand, not to mention generating additional word-of-mouth from their networks on social in the form of more mentions, increased traffic, additional leads and improved reach.

Quantifying the benefits of employee engagement on social media can be troublesome as both measuring an impact on productivity and attributing it to social are exceptionally difficult and time-consuming.

Whether employees are being served content from corporate social accounts, a private company run Facebook or LinkedIn group, an internal social network, or a news app on mobile devices, using social media can help employees get meaningful company news wherever they are located.



9 Amy Adkins. Majority of U.S. Employees Not Engaged Despite Gains in 2014. Gallup. January 28th, 2015.

10 Brandwatch. Social Listening in Practice / Customer Service. 2015.

While most information that affects employees' roles will and should come from internal communication, receiving major company updates and announcements through social provides them with an opportunity to celebrate milestone moments and support the company's initiatives.

Motivating employees with this content and providing the means for them to partake in spreading that message helps them feel they're a part of that success.

An informed and engaged employee is more productive, less likely to be absent or late for work and less prone to leave the company.<sup>11</sup> This can lead to an increase in sales as a company's workforce as a whole is more productive.

Some aspects of employee engagement on social media are simple to measure and should be accounted for regularly. For instance, a business can measure how often staff share the latest company whitepaper on their personal social channels and how much engagement, traffic or mentions are driven by employee support.

Activating employees on social takes time, clear messaging, and strong leadership. But the initial investment is valuable both in terms of employee engagement and social reach.

## 6.0 Listen, Analyze and Act with Confidence

To drive results from a brand's activity on social media, measure the influence of word-of-mouth on your bottom line when possible and understand its influence even when it cannot be measured.

Empower team members to make the most of their social media by understanding more deeply how social media engagement drives sales, as well as what limitations there are to effectively measure results on these channels.

Being more informed as to what goals are measurable and the actions that are impactful but not possible to accurately quantify, will enable an enterprise to more effectively use social media as a greater part of their marketing mix.

11 John Baldoni. Employee Engagement Does More than Boost Productivity. Harvard Business Review. July 4th, 2013.

## 7.0 About Brandwatch

Brandwatch is the world's leading social intelligence company. Brandwatch Analytics and Vizia products fuel smarter decision making around the world.

The Brandwatch Analytics platform gathers millions of online conversations every day and provides users with the tools to analyze them, empowering the world's most admired brands and agencies to make insightful, data-driven business decisions. Vizia distributes visually-engaging insights to the physical places where the action happens.

The Brandwatch platform, ranked highest in customer satisfaction by G2Crowd in the Winter 2016 social media monitoring report, is used by over 1,200 brands and agencies, including Cisco, Whirlpool, British Airways, Sony Music, and Dell. Brandwatch continues on its impressive business trajectory, with more than 50 percent of revenues now from North America and strong tech industry backing from venture capitalists including Partech Ventures, Highland Europe, Nauta Capital, Gorkana and independent investors.

Brandwatch. Now You Know.

[www.brandwatch.com](http://www.brandwatch.com) | [@Brandwatch](#) | [press office](#) | [contact](#)

# Contact/

**Email** [contact@brandwatch.com](mailto:contact@brandwatch.com)

**Web** [brandwatch.com](http://brandwatch.com)

**Twitter** [@brandwatch](https://twitter.com/brandwatch)

**Telephone**

UK +44 (0)1273 234290

US +1 212 229 2240

DE +49 (0)30568 370 040

