



Things You Must Know to Measure Social Media

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Table of Contents

- **Introduction**
- **Why Social Media Measurement is Critical**
- **Today's Action Plan**
- **7 Things You Need To Know**
 - Understand the Executive Mindset
 - Leveraging the Executive Mindset
 - Using the Sales Funnel to Choose Metrics that Matter to Executives
 - Translating the Sales Funnel into Social Media
 - How You Assign Leads to the Sales Funnel Today
 - Metrics You CAN Get Now
 - Metrics You CAN'T Get Now
- **Hands – on Exercise to See Where You Stand**
- **Final Action Item to Overcome Your Measurement Challenges**

Introduction

You are an **enterprise marketer** that is trying to **juggle social media** within the rest of your team's activities. You are feeling a bit **overwhelmed** as the pressure is on to **find** the most effective strategies and cut **non-performing initiatives** in order to meet your **budget constraints**. You know **social media** should be at the **top of the list** of things to explore and expand, but based on the metrics it looks like the first thing to cut.

You're a little **nervous** because you literally have to **pull** objective **metrics** for this year **out of your nether-regions** to move it off the chopping block. Ultimately, **you aren't sure if it will deliver**. Pressure can make anyone feel a little batty, especially when it is combined with an overwhelming fear of making the wrong choice. You are making important decisions and **you owe it to yourself to give yourself the tools to lighten the burden so you can put things into perspective**.

Introduction

I get it. I've worked inside corporations for over 12 years. I've seen the ins and outs of the board room and understand how difficult it is to get executives to understand what we are working on and why it is important. It doesn't help that standardized social media metrics are like the "snitch" in Harry Potter.

The evasiveness of standard social media metrics has created a conundrum for us because we don't have baselines, industry benchmarks or even consistency in the data to be able to adequately evaluate our performance. We are plagued by trying to get executives to understand metrics like retweets, fans, and share of voice.

Frustrated, I decided I wasn't going to accept substandard metrics and had to find a way to connect the dots for our executive team. That sounds good, but actually getting it done took some work. Because we deal with proprietary systems there were questions about integration, data integrity, and conforming with daily reporting standards.

Introduction

It wasn't easy, but I did it. I built an end-to-end measurement system so I could finally see where social media fit, and what return it was bringing the company. In order to make this happen I realized that I needed to drop terms like: followers, retweets, status updates and comments from my discussions in executive meetings.

There were people who knew what I was talking about, but at the end of the day those metrics didn't tell executives what they wanted to know. So I decided to think about social media measurement differently. I had to remove all jargon and put it into a language that executives could understand and ultimately be able to tie results to the bottom line. Then an amazing transformation happened. The discussions started to turn to how do we scale social media, how can we do more and how much will it cost. This was a game changer.

I've decided to share the philosophy I used to build this system so you can do the same thing at your company. I've included tips, examples, and even hands-on exercises that will put you on the right track to being able to prove that social media does work!

Why Social Media Measurement is Critical

Social Media Measurement will

help you measure your progress towards the intended outcome

identify efforts that are not succeeding

give you the language you need to clearly communicate to executives

If you aren't measuring social media efforts to show how it is impacting the organization it will be impossible to get budget dollars to expand your efforts and during tough times it will be the first thing on the chopping block

Today's Action Plan



#1 Understanding the Executive Mindset

Have you ever stopped and watched how your executives behave in meetings? Not the obvious cues, but the subtle cues that they give when they understand something or are totally lost.

If you've done this, you've probably noticed something. When you present information to executives in terms of abstract ideas and loose metrics, you quickly lose them. You see their eyes start to glaze over, smart phones come out, and ultimately they show subtle cues of disinterest in what you have to say. Why does this happen?

At it's core, it comes down to a different way of thinking and processing information.

Executives think at a 50,000 foot view. When you come in and talk about items that they can't associate with a line item on the company's profit and loss statement, they have a hard time understanding where your ideas fit into the big picture. Sure they can try to figure it out, but you will have the most success when you can put it into the context that they are comfortable with.

#1 Understanding the Executive Mindset

You might be sitting there saying, now wait a second. I have no problem presenting information to my executive team. Every presentation I've done has gone extremely well.

How do you define well?

1. *Did you have an on-going engaging dialogue about how your team has impacted the company's success?*
2. *Did you get approval to expand your budget?*
3. *Did they ask, "how much money do you need to do more of what you've been doing?"*
4. *Did anyone ask you how much your success could scale?*

If the answer to these questions is no, you have some work to do.

To get executives asking these questions you need to completely change the way you present information to them.

#2 Helping Executives Get It

There are three steps to transform your dialogue with executives. While on the surface they sound simple, they aren't our natural way of communicating so it will take effort.

Steps to Transform Your Dialogue with Executives

1. Stop presenting information and start presenting data (instructions on page 14)
2. Use data to open the door for stories about why things are or aren't working
3. Don't talk about your goals during the discussion. Talk about THEIR goals and how you were able to impact them

Executives have three universal goals

- a) Increase the number of units sold (sales)
- b) Increase revenue while maintaining or increasing profitability
- c) Decrease costs while maintaining or increasing service levels

#2 Helping Executives Get It

The Bottom Line

Show them the MONEY!

**Change your language to talk in terms of
SALES, REVENUE, and COSTS**

#2 Helping Executives Get It

These three items are at the top of every executives tongue. They look at reports every single day to determine where the company is in meeting their sales and revenue projections and watch costs like a hawk to make sure profits aren't being eroded.

Your challenge is to find a way to put social media into the context of how it impacts these core metrics, so you can finally break through and get your executives excited about the possibilities that social media brings to the company.

But wait...I know what you are thinking. “Seriously, shut the front door...Nichole you’ve gone crazy, I can show that social media lowers marketing costs, but how the heck do I correlate social media to sales or revenue?”

#2 Helping Executives Get It

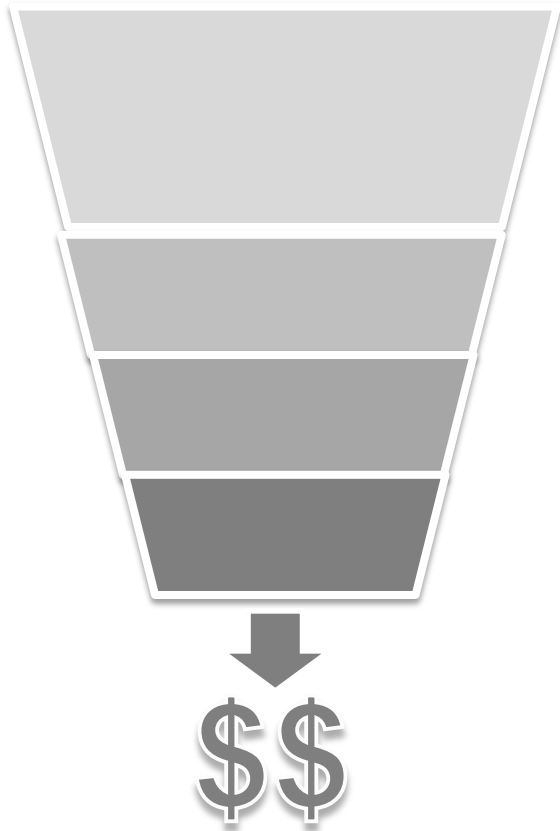
By golly...I think you're right. I don't take NO very well and I was just crazy enough to think it's possible and not take no for an answer. And as a result, I did it. I was able to tie revenue and sales to social media efforts, and in the rest of this guide, I'm going to show you how I used three simple metrics and these core philosophies to make it happen.



So are you ready?

**Good, then put on your sparkle gloves!
It's time to make some magic.**

3 Use the Sales Funnel



The first step to being able to start presenting data is to understand where social media fits. To do that you need to identify with your sales process, customer buying cycles, and ultimately the ins and outs of your sales funnel.

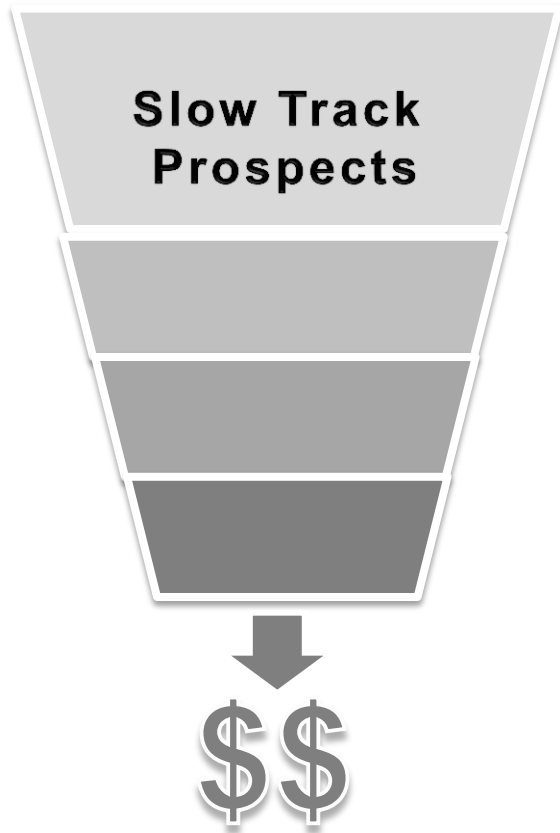
Can you fill in what happens in each of these sections of the sales funnel?

To help we are going to spend some time reviewing the funnel and will get back to how it applies to social media once we have a core understanding.

TIP: It starts at the top where leads come in and includes the major steps in the process that lead someone from basic awareness of your products to research and ultimately to the sale.

TO DO: If you can't fill this in spend some time with some of your front line sales people and incorporate their feedback with what you know drives leads from the marketing side.

3 Use the Sales Funnel



Most sales funnels share a few core elements. At the top of the funnel you have your slowest converting leads.

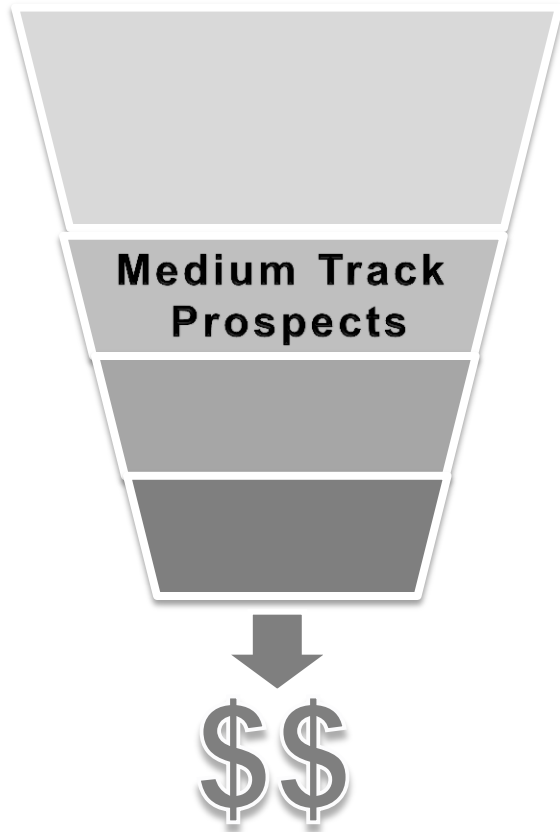
Slow Track Prospects are those who have shown interest in your content but have not taken any steps that would be considered as having purchase intent.

They will have the longest time frame to close because they may not have yet gotten to the point of researching your products, but you caught their eye with something and they read it.

For these prospects you want to stay top of mind, but it would be too costly to utilize sales related marketing tactics as this population is usually large.

These leads are on the “slow” track to conversion.

3 Use the Sales Funnel



At the next stage you will find a group of leads that aren't ready to buy "right now" but are researching solutions and will make a decision in the near future.

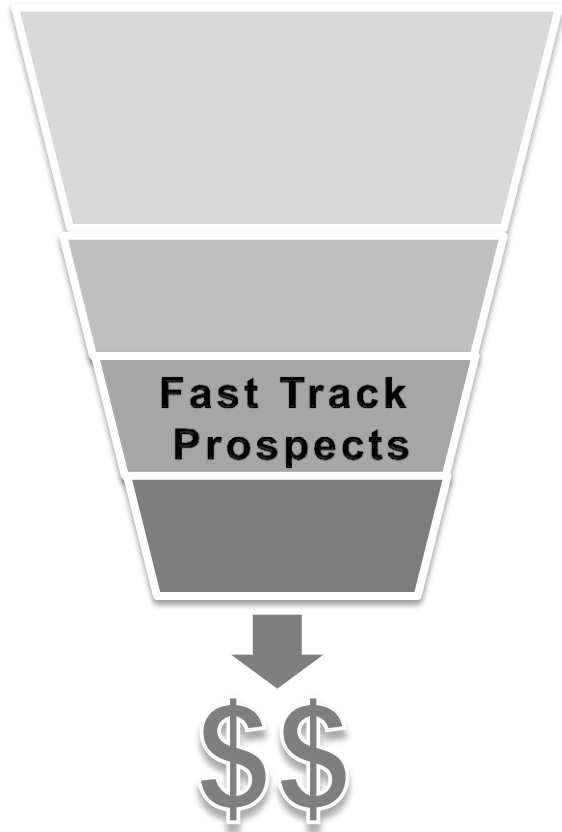
Medium Track Prospects are those who have taken steps that would be considered as having purchase intent but have not closed.

These leads can very easily be lost and fall off the radar. Sales people struggle to keep up with these while working their "hot" leads. However, marketing can work to move these leads into the next stage and build the pipeline for revenue.

The best way to look at these leads is that they are "on the fence." They want a solution and if ignored, they might select a competitor.

They are on the medium track to conversion.

3 Use the Sales Funnel



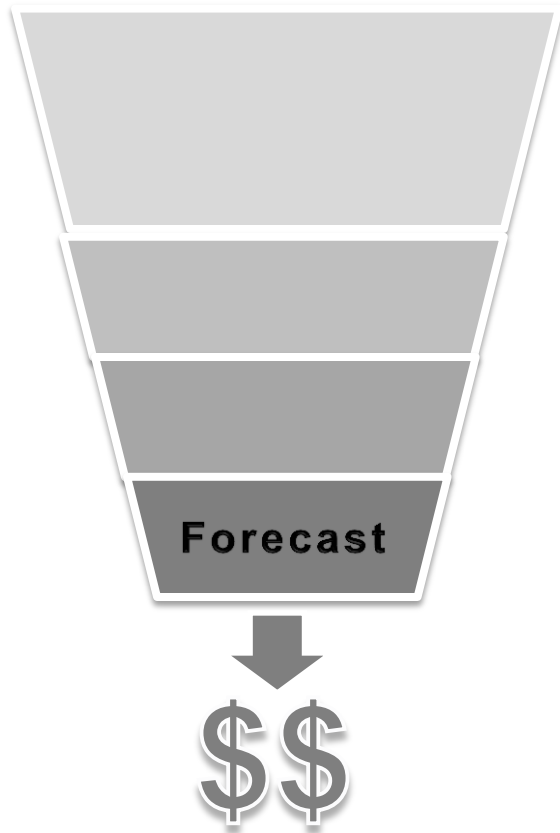
The next stage represents the group that can most quickly impact sales and revenue. They are “hot” leads that are ready to buy.

Fast Track Prospects have taken steps to show their purchase intent and they are expected to close quickly. They have the shortest time frame to close.

If you have a sales team these leads are usually being actively worked as their warmest leads and you will hear conversations of making sure not to “slow down” the sales cycle with them. Many time marketing will take a back seat in this case. Without a sales team marketing takes the driver’s seat in working to close these leads with more direct, “buy now” communications.

They are on the fast track to conversion.

3 Use the Sales Funnel



From all the information on the people in the “pipeline” or somewhere in the sales funnel, you will see forecasts of how much business is expected to close.

The forecast is based upon factors such as close rates from leads at different stages in the sales cycle.

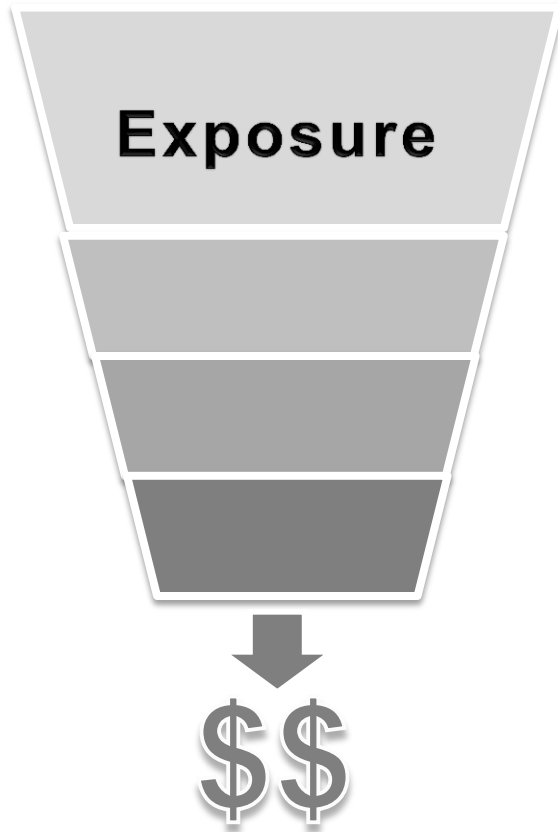
So how does all of this relate to social media?

Ideally you can, use this type of model to:

1. determine where social media prospects fit
2. predict “potential close dates”

You need to make reasonable predictions about the ability for social media to “close” leads keeping in mind where they start in the funnel, how quickly they move through and where they currently are in the sales cycle.

4 Translating the Sales Funnel to Social Media



Now that you understand your sales funnel, it's time to put it into the perspective of social media.

What are the normal prospect stages of a social media customer versus another customer? Are they the same or different?

Most of the time they are the same, but you may find that there are different time frames associated with them as many times you reach people earlier in the buying cycle with social than with other channels.

At the highest level look at your metrics related to "exposure." No, not "flashing John" at the office, but specifically:

**Common Metrics: Visits, Views,
Followers, Fans, Subscribers,
Brand mentions**

4 Translating the Sales Funnel to Social Media

Stop...

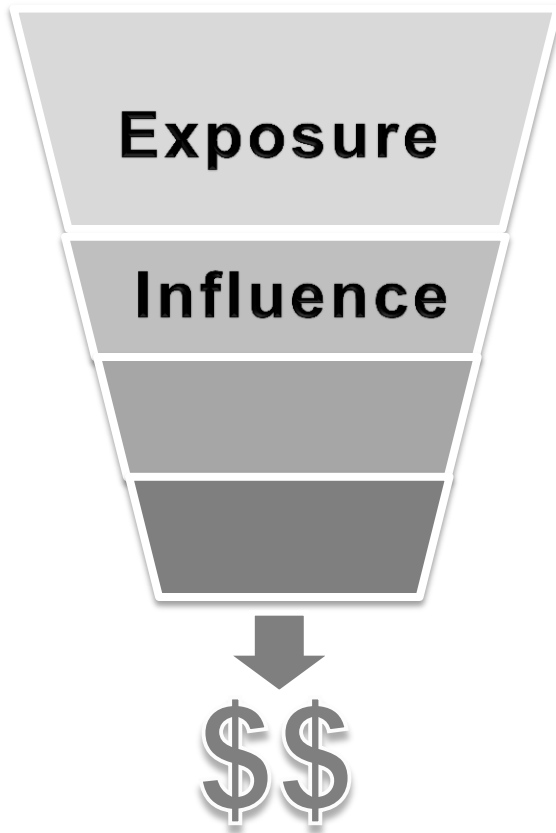
You can't miss this important point!

Reaching prospect earlier in the sales cycle means:

- Your getting to them before your competition
- You have time to develop trust, loyalty and brand recall

When they are ready to BUY YOU are top of mind...how much is that worth?

4 Translating the Sales Funnel to Social Media



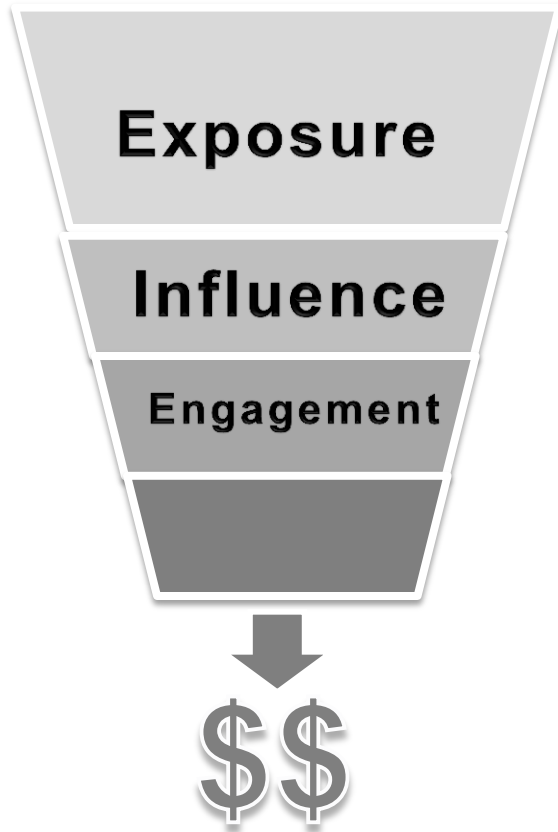
Next on the list is influence, these are people that are coming to you because they have been referred by an “influencer” in the space.

Look at your affiliate partnerships with key industry people as an example of a lead coming from a source of influence.

Because they are in essence a referral from a trusted source they tend to convert well and are usually at that medium track stage in the buying cycle. If they don't buy immediately they may never buy without follow up marketing efforts.

To find influencers to partner with for leads look at your Top Influencers Report in Radian 6, Hootsuite or your preferred monitoring tool.

4 Translating the Sales Funnel to Social Media

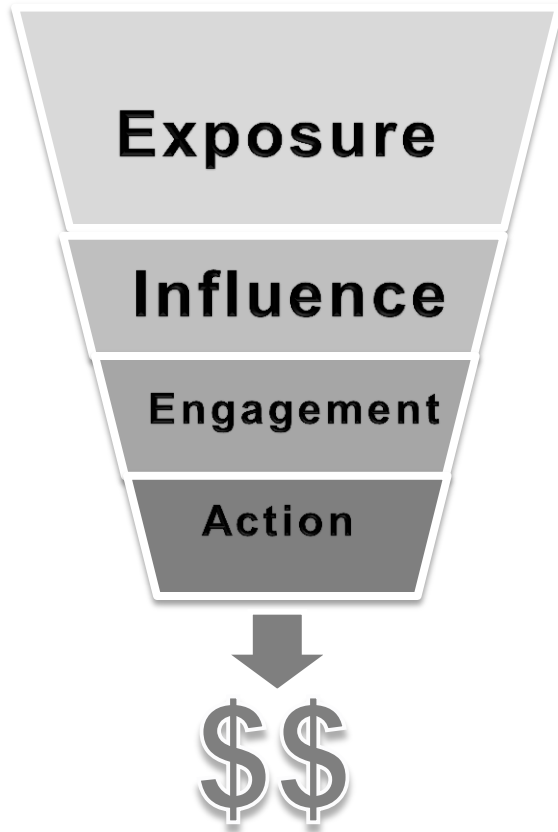


Now we are getting into the area of the funnel that is more likely to deliver short-term results, called engagement.

These are people who have directly interacted with your social media team in your social media channels. In many cases they have asked a product question, or shared product related information which shows that they are in the stage of “consuming” sales related materials.

To get a feel for how many people are at this stage take a look at: metrics such as **clicks, Retweets, Shares, @replies, DMs, wall posts, comments**

4 Translating the Sales Funnel to Social Media



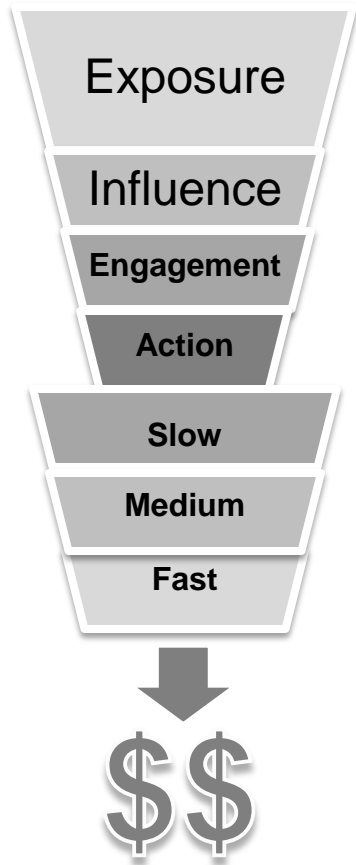
For social media the 4th category is our bread and butter. These are people who have directly expressed an interest in your products/services as a result of social media outreach.

Since content plays such a large role in social media, this stage is usually precipitated by some type of a lead generation form that has led to follow up.

Some examples are:

Content downloads, Webinar attendees, Lead Generation Forms, Pitches/Proposals

4 Translating the Sales Funnel to Social Media

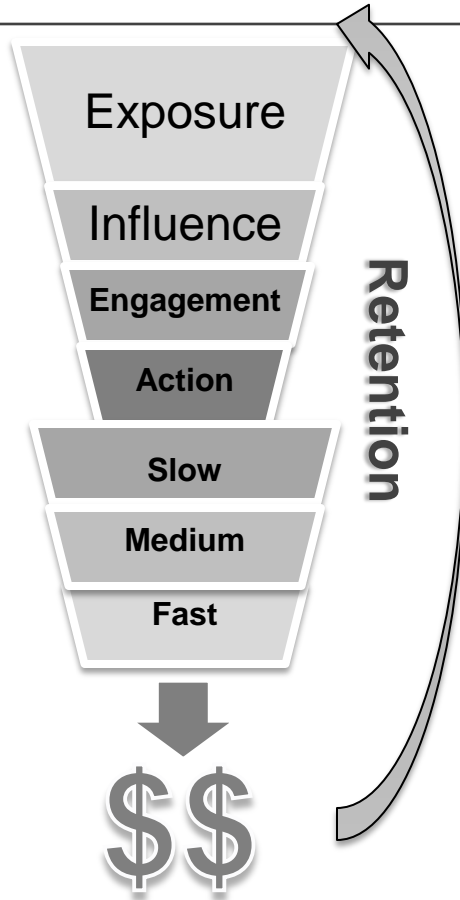


It's very important that you recognize these categories do not directly line up with the slow, medium and fast track funnel we looked at earlier, so you don't get caught in the trap of over promising on sales potential.

The best way to describe the way this works is that you have to essentially take this funnel and stack it on top of the other funnel. Essentially it is like expanding your sales funnel with 4 additional categories that feed into the traditional sales process.

As leads come through the social media funnel they will be evaluated and then "placed" into the appropriate category which will in essence make your funnel "larger" at the bottom.

4 Translating the Sales Funnel to Social Media



There is one more step to this funnel that is too important to leave out.

A major benefit of the relationships you develop in social media is the customer loyalty that results from these leads. The very last piece is customer retention.

Your goal is to track leads all the way through the customer life cycle to show where social media is adding value.

Do social media leads convert slower, but at a much higher rate?

Are they more profitable?

Do they cost less?

Do they retain with the company longer?

The answers to these questions will get your executive team paying attention!

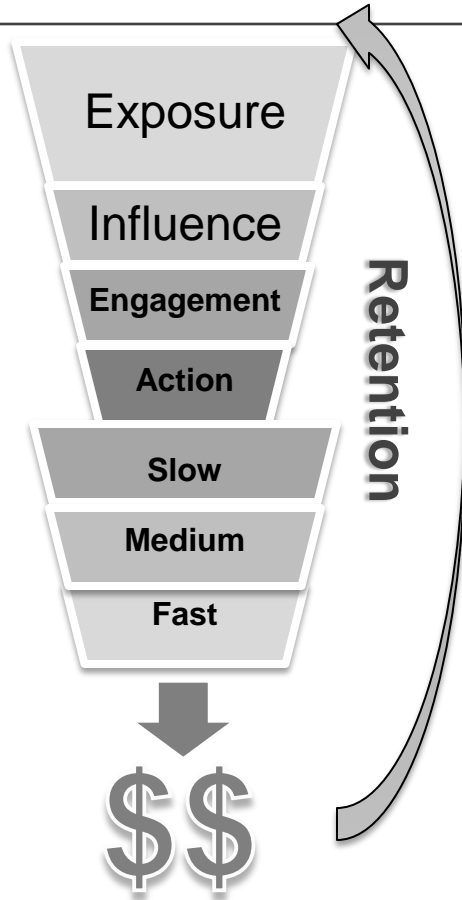
Action Items

- Review the different categories of the sales funnel
- Consider how they fit into your strategy
- Keep track of the metrics that you can easily get and those you are unsure of
- Complete the following hands -on exercises

Hands-On Exercise

1. Let's see where you are in being able to measure these metrics
2. On the following page, complete the worksheet to review your sales funnel and determine how your company categorizes leads at each stage in the funnel
3. On the next page, write down all of the metrics you CAN get that would relate to each category in the funnel
4. Finally, on the last worksheet write down all of the metrics you CAN NOT get that related to each category in the funnel
5. Knowing what you are missing is one of the first steps to figuring out how to get it

5 Understand Your Sales Funnel

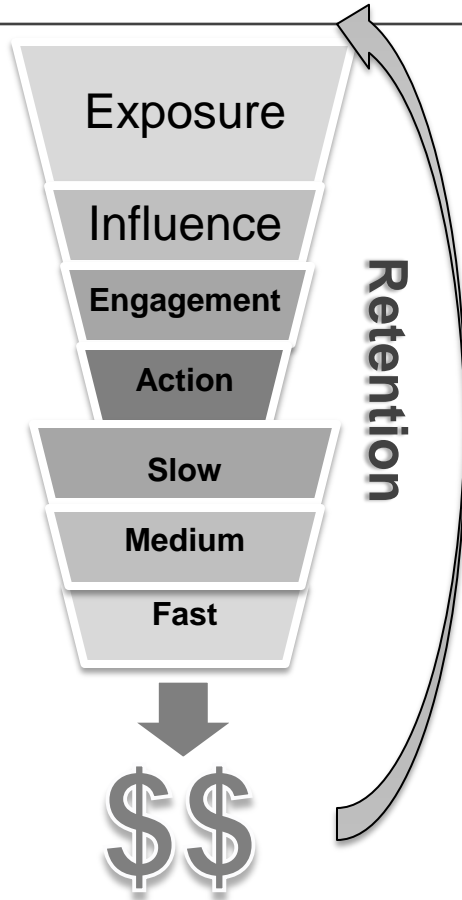


How we currently define leads at each of these stages

- ___ Lead scores
- ___ Timeframe to buy
- ___ Other

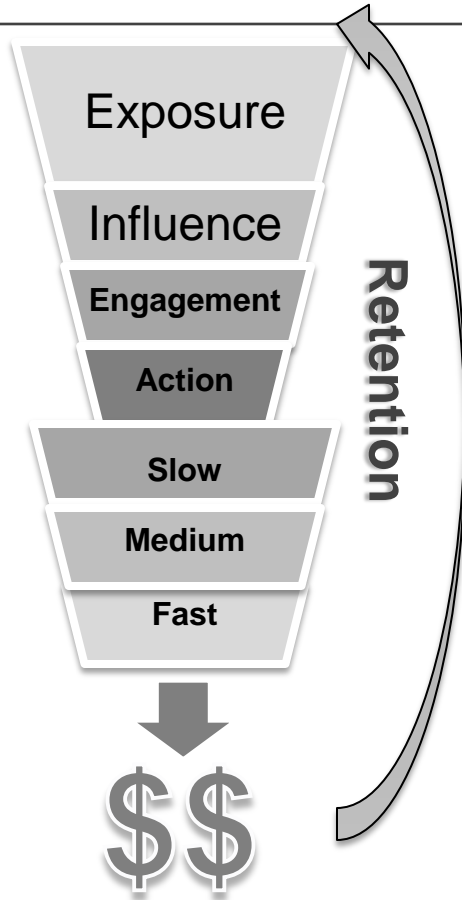
Please describe your process below:

6 Understand What You CAN Measure Now



Metrics we **Can Get** Today

7 Understand What You Can't Measure



Metrics we **Can't** Get Today

Summary

1. You learned how to understand the executive mindset so that you can frame discussions around their needs
2. You learned how to leverage the executive mindset allowing you to transform the discussions about social media into questions of how to do more
3. You learned how to put social media into the context of the sales funnel, a common language for executives
4. You identified what you can measure today...and what you can't allowing you to identify your strengths and most importantly your weaknesses

What's Next?

Now it's time to figure out how to get to the metrics you can't get.

You have one more action item to get you on the right track!

Bonus: Final Action Item

GET THE RIGHT PEOPLE IN THE ROOM

Set up a brainstorm with these people:

- high level IT representative,
- the person responsible for your customer relationship management system,
- the person who understands your web analytics package, and
- the person who understands your lead form and campaign tracking system.

In the meeting give them a review of how social media works, how leads can come in, and explain the new social media sales funnel. Show them the list of metrics you can get and those that you can't get today.

Brainstorm ways that you could get the data.

#2 Leverage the Executive Mindset



Remember...You've got your sparkle gloves on!
Get out there! Make it Happen!

Stay Tuned...

A new in-depth training seminar on how to measure social media is coming soon!

[Click Here to Be Part of the "In Crowd" and Receive a Platinum Pass!](#)