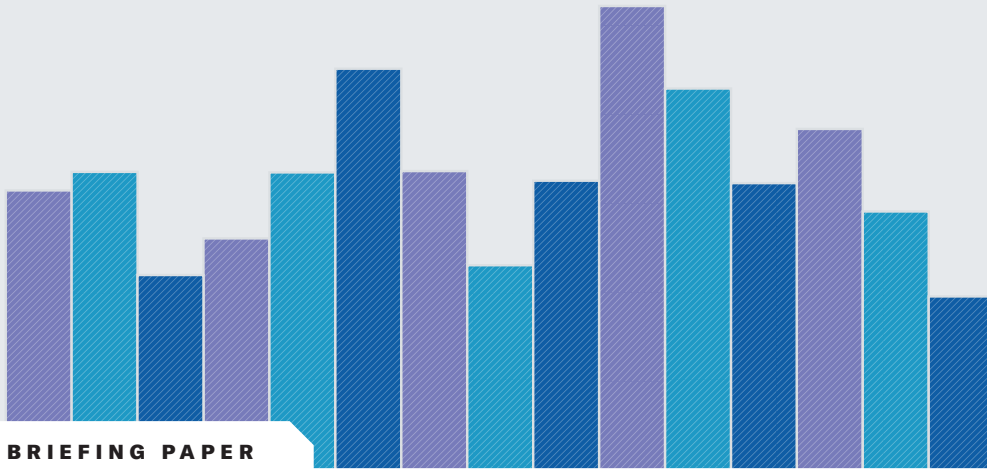




**Harvard
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ANALYTIC SERVICES



BRIEFING PAPER

A Blueprint to Help Companies Fully Capitalize on Social Media Investments



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Social media has proven to be a powerful tool to reach relevant audiences, uncover new insights and opportunities, and drive deeper, more personalized relationships with customers. Brands recognize this and have steadily increased their budgets to fuel social media initiatives. But they also know they are leaving many benefits on the table as they struggle to deliver on expected ROI, which can limit further investment.

In the face of these challenges, many marketers admit their attribution models still need work and that they need to do a better job integrating social media across the full breadth of their marketing efforts. But the path from today's largely brand-building use cases to a more sophisticated realization of social media's potential is not always clear.

Those who dive deeper into social media's capabilities in both research and direct customer engagement are seeing an increase in performance that creates compounding value across the business. As brands explore these methods, adjustments are often made to process, organization, and the use of social media tools and metrics to drive growth:

- Appoint someone to be responsible and accountable for pushing the social strategy forward and delivering ROI
- Ensure collaboration across all teams where social is used, either for marketing, communications, or research purposes
- Encourage a culture of experimentation to fully realize the potential of social data across your business
- Look beyond vanity metrics, and map out meaningful social metrics and KPIs that align with business goals
- Investigate social media tools, and partner with providers with a proven track record of helping businesses harness the power of social media

Meltwater has sponsored research by Harvard Business Review Analytic Services to further examine how brands can capitalize on their social media investments. Through interviews with brand leaders and social media experts, this report shares effective strategies to optimize the use of social media tools, resources, and capabilities across the entire marketing spectrum.

With the rise of coronavirus and social distancing, consumers are turning to social media to connect and engage with their communities. This is the time to refine your strategy and fully capitalize on your organization's social media investments.



John Box
Executive Vice President
Meltwater Social

A Blueprint to Help Companies Fully Capitalize on Social Media Investments

Social media sounds tantalizing to a marketer: direct access to millions of potential customers, actively engaged with the medium, who can be easily profiled, segmented, and tracked. All that promise has brands continuing to increase their investment in social.

However, the gap between social media's potential and the actual results it's producing lingers. According to the 2020 CMO Survey, conducted semi-annually by Duke University professor and *Journal of Marketing* editor Christine Moorman with more than 2,500 senior U.S. marketing executives, companies expect their social media spending to rise by 62% over five years, and yet respondents rate social media contributions to corporate performance as decidedly middling—an average 3.4 on a 1 to 7 scale. This reality isn't new, either; that figure has remained flat for the past four years.

"I don't think social media can ever quite live up to the extremely high expectations that everyone puts on it," says Stephen Reiff, head of global strategy and corporate communications for MoneyGram International.

Indeed, marketers are clearly struggling to close the gap between what they think social media can achieve and how it's used today. This gap is caused by a range of factors, from unclear goals for social media posts to challenges teasing out performance versus research-based content in metrics to a misunderstanding of how marketing teams should be measuring effectiveness, experts say. In other words, companies may be misguided in their social media approach and not realize it.

One path brands can take, however, is increasing the performance of their social media activities by diving deeper into the medium's capabilities in both research and direct customer engagement. "Social media is the ultimate place not to necessarily market your product, which marketers will do anyway, but to really develop relationships with people and to find consumer insights," says Neal Schaffer, author, speaker, and CEO of digital marketing agency PDCA Social. "I think brands are missing out on some golden opportunities."

HIGHLIGHTS

Marketers are clearly **struggling to close the gap** between what they think social media can achieve and how it's used today.

Beyond measuring overall sentiment, social media can help marketers **understand the human needs** behind those ideas.

Data and analytics are key to both understanding customers and measuring social media impact and performance gaps.

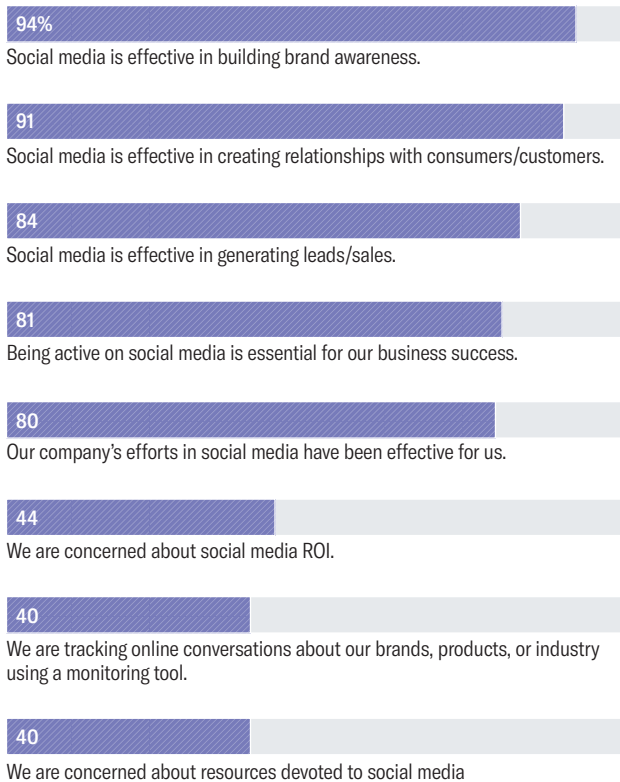


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FIGURE 1

Social Media Confidence Is High, But Concerns Persist

Inc. 500 executives are eyeing ROI and resource investment despite belief in social media.



Source: University of Massachusetts Dartmouth, February 2020

Resetting Perspective

One underlying reason a brand's social media activities fail to deliver on expected benefits and ROI is that some marketers have lost perspective on what makes the channel unique. To close the gap, they need to go back to the basics—understanding what social media really is and who it is for—and then build a strategy based on those insights.

One basic fact is that social media was designed for people, not for businesses, says PDCA's Schaffer. Marketers must ask themselves the who-what-where-why-when-and-how? of the ways people use social media, remembering that “with social, they're not on your dedicated property like on a website. They're looking at a lot of other people's content in the feed. I think it's a completely different paradigm,” he says.

Another area of self-assessment is ensuring social media expectations are realistic.

“Even if you're the best brand, there is always another brand with more followers, more engagement, and a better campaign,” says MoneyGram's Reiff. Benchmarking against competitors as well as brands you admire can help create baseline expectations and realistic goals.

Expanding Social's Customer-Facing Reach

One of the biggest appeals of social media as a marketing tool is the breadth of ways the channel can be used to interact with audiences and to listen to and observe them. While uses such as customer support and social listening—monitoring social media channels for feedback and mentions of your brand and key topics—are well established, not everyone is fully using them. For example, among the small and mid-size companies on the Inc. 500 list, executives say that social media is effective in building brand awareness (94%) and creating relationships with customers (91%), according to a February 2020 survey of 149 of these executives by the Center for Marketing Research at the University of Massachusetts Dartmouth. Yet fewer are tracking conversations and sales on social media than they have in the past, and just 40% are using a social media monitoring tool. **FIGURE 1**

But even those organizations using these tools have room to expand to achieve engagement and information-gathering goals.

Social media invites audiences to engage in direct relationships with a brand. While many brands triage followers' comments and dispatch specific issues to marketing, sales, or offline customer support, too many leave it at that instead of pursuing the opportunity to nurture those relationships for the benefit of the marketer, the brand, and the customer. Those contacts represent untapped opportunities to deepen those brand relationships.

“This is a great use case scenario for a social listening tool that I don't think a lot of brands do,” says Schaffer,



While social media is inherently a one-to-many medium, brands can also bring a level of personalization to interactions with individual customers.

including reaching out to see if a commenter has strong brand affinity or would be a strong brand ambassador. “There are definitely missed opportunities for brands in continuing that conversation and seeing where that might lead.” He urges brands to consider increasing the role of influencers beyond endorsements to activities such as joint content creation or community building as one tool to deepen engagement.

Another opportunity is to tap those commenters for virtual customer panels, such as forming private Facebook groups for VIP users, where marketers can interact with fans outside the view of competitors. The group’s exclusivity can deepen brand loyalty and enthusiasm while providing marketers with a forum to ask questions, test ideas, and converse with their most engaged audiences.

During the Covid-19 crisis, many brands began expanding their use of live streaming to respond to questions and offer advice, using internal experts and influencers. “This is a great way to really have a conversation with your customers, understand what makes them tick, why they use your product, and get ideas from them,” Schaffer says. According to LinkedIn, live video gets 24 times more engagement than text-only posts.

There is also untapped opportunity with less-engaged audiences outside target markets for longer-term customer development—think brands like fast-food chain Wendy’s that get a huge following because of their humor. While MoneyGram’s user base is primarily immigrants sending funds home, for example, the company wants to use social media to reach a new customer segment who may develop money transfer needs as they travel. Since studies show Millennials

increasingly consult social media to plan trips, MoneyGram is planning to launch a travel blog content strategy for Instagram to reach people who otherwise may not be aware of the company, building name awareness.

While social media is inherently a one-to-many medium, brands can also bring a level of personalization to interactions with individual customers. PR professionals do so routinely with the influencers they reach out to, but “for marketers, it may not be in their DNA to do it much,” says Schaffer. “You can just take an extra second to go into someone’s profile and understand what they’re about, what content they’ve been publishing, better understand their perspective, and better align your personalized message around who they are, what they do, for more effective communication.”

As the ability to integrate CRM, or customer relationship management, data with social media tools increases, this messaging will get more streamlined as well as more enriching for brands, opening access to purchase history, past conversations, and other details that drive increased personalization.

Beyond measuring overall sentiment, social media can help marketers understand the human needs behind those ideas. At MoneyGram, marketers learn from customer posts about their experiences in transferring funds back to their families. “Since I’m personally not an immigrant—our target customer—engaging in conversations with individuals through social media enables me to better understand our customers and their needs,” says Reiff. “It helps to drive a ton of empathy, and these customer insights also help inform our company strategy.”

More Ways to Expand on Social

In addition to the need to dive deeper on direct customer relationships, gaps remain between current and potential social media use in tracking brand health, monitoring competitors, researching product development, and strengthening performance marketing.

Vanity metrics such as followers, clicks, and comments can cast a rosy glow over social media marketing activities. But marketers can dive deeper by leveraging multiple social media metrics together. For example, considering your market share, your competitors' market share, and social share of voice—which measures percentage of brand exposure on social media against a competitive set—can reveal performance gaps. “If we have 50% market share, but only 5% of conversations are around our brands and 95% are going to our competitor who only has 10% market share, that’s an indication that maybe we’re losing market share and maybe this competitor is gaining because they’ve tapped into social media a lot better than we have,” says Schaffer.

Brands also have room to expand their use of social for product development, from listening to trends to gathering feedback on prototypes to testing product names and marketing themes, while also watching competitors.

GM Financial tracks the outcome of competitors' social activities. “You can start to unwrap a little bit more about what your competitors are up to than just saying, ‘Oh, I like their ideas or I don’t.’ You can actually measure it and see how effective it might be,” says Michael Landauer, assistant vice president, multichannel marketing, for GM Financial. Tracking how competitors respond to comments can also help benchmark your own social voice’s tone and timeliness, identifying an opportunity to differentiate.

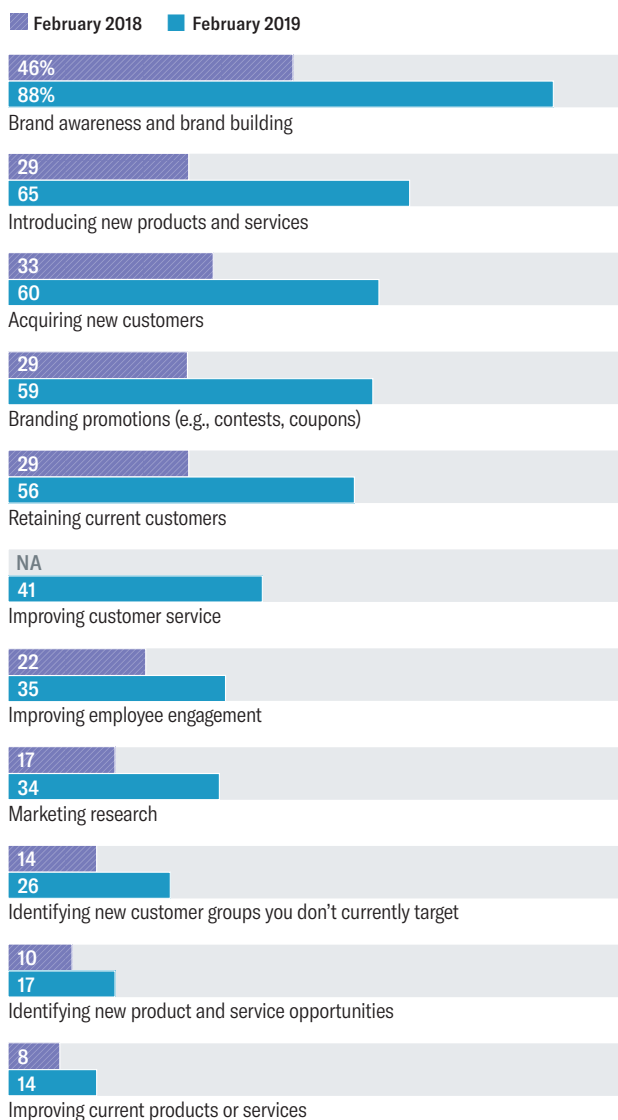
Performance marketing is one area where many brands are already competent. But some still miss the mark in not leveraging web analytics to better allocate content. Different platforms attract different customers; at MoneyGram, for example, the best-performing post on the same topic is often different for each platform. Messaging targeted to specific audiences will perform better.

Companies are beginning to work to fill their own social media performance gaps. According to the 2019 version of the CMO Survey, which took a deep look at brands' social media activities, in just one year, brands considerably increased their use of social media across a broad range of arenas. **FIGURE 2** The percentage of brands engaging in brand awareness and brand-building activities on social increased to 88% from 46% from February 2018 to February 2019. Acquiring new customers rose to 50% from 33%, and introducing new products and services jumped to 65% from 29% in that same period.

FIGURE 2

Companies Are Rapidly Expanding Social Media Use

Brand building leads, but research activities are also on the rise.



Source: CMO Survey, 2019



Identifying and selecting the right tools is critical, but so is learning to use them to drive decision making without drowning in data.

Strategies to Close the Gap and Boost ROI

Increasing social media performance in these ways may require making changes in process, organization, and use of social media platform tools and metrics.

While organizations vary, one common approach is for PR to manage social media outreach to media and influencers, while marketing takes on customer-facing social media, with goals set accordingly. Because social media touches so many parts of the organization, breaking down these silos helps ensure a consistent, well-coordinated brand voice. Creating cross-functional workflows and shared goals enables social media activities to be well orchestrated.

At GM Financial, for example, monthly check-ins between the PR and social media teams were increased to weekly at the start of the Covid-19 pandemic. The social media team shared trends seen in customer sentiment beyond reporting, and public affairs contributed customer feedback sent to executives. Early in the epidemic, GM Financial had increased messaging outreach to customers. By examining metrics together in the weeks that followed, the teams were able to identify a key trend. “Our competitors were seeing a lot of complaints about hold times on the phone, and that was not a big part of our conversation at all,” says GM Financial’s Landauer. “The messaging was really working. We were getting people in touch with us in ways that are more efficient for us.”

Data and analytics are key to both understanding customers and measuring social media impact and performance gaps. Identifying and selecting the right tools is critical, but so is learning to use them to drive decision making without drowning in data. Many marketers are finding dashboards key to balancing the two.

“My own use of analytics has evolved,” says Landauer. “I used to just show people big shiny numbers, but those big numbers don’t really mean anything. I’ve tried to get more granular over time.” This must be done carefully, however. “The main thing is don’t look at too much [data],” he explains. “Look at the few things that you’ll actually use to make decisions, and act on them.”

This balance should get easier as measurement tools increasingly incorporate artificial intelligence and machine learning to identify actionable data that align with marketing goals and to recommend prescriptive actions to address gaps and optimize performance.

Beyond standard social analytic metrics such as sentiment, to truly reap more value from social media, Schaffer

recommends adding more qualitative data to social reporting: Whom did we talk to? What did we talk about? What were the outcomes of those conversations? Tracking how information was applied, as well as creating dedicated gap analysis reports, is also crucial.

Managing qualitative analytics is an ideal role for a social media “center of excellence,” Schaffer says. Tools could support this better by separating measurement of performance marketing posts from those designed to elicit feedback so marketers can track progress against their differing goals.

Another key is choosing social media measurement tools with the ability to translate traditional marketing metrics into business terms, says Reiff. “Demonstrating ROI is obviously critically important, but even a simpler approach showing month-over-month or year-over-year increases can help highlight the impact of your teams’ efforts.”

This task is getting easier: CMOs report their ability to demonstrate the business impact of social media has improved, according to the 2020 CMO Survey. Thirty percent have been able to prove the impact quantitatively, likely using social media measurement tools. Another 38% say they have a good qualitative sense of the impact but cannot yet measure a quantitative impact.

Conclusion

Despite continually increasing investment, social media contributions to company performance continue to stagnate. To push past those barriers, marketers need to revisit assumptions and expectations about social media’s role, then explore opportunities to push further on both customer-facing and research applications. To transform these opportunities into performance gains, marketers should ensure their organizational chart and processes are designed for collaboration and shared measurement and implement the tools and metrics that enable them to focus on actionable data that optimizes performance.

One important lesson is not to measure all social media activity in terms of direct revenue impact. “The greatest ROI of social media might not be in ad spend,” says Schaffer. “It might be in the ideas and the relationships you build with people that have helped you develop the number one product in the market or have helped you expand to a new market.”



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Notes



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