



3 Steps to Monitoring the Impact of Social Media on Your Business

by Allan Wille

Monitoring how blogs, forums, message boards, twitter feeds, and a fast-growing number of other social media affect business is rapidly becoming an essential part of managing performance. But knowing how to do it can be a challenge. Here's a 3-step roadmap for making social media monitoring part of your marketing and performance strategies.

Why social media matters

Monitoring media presence is nothing new. Companies have been compiling and analyzing information about their image in print and on the airwaves for decades.

But with the emergence of new social media, typified by twitter feeds, facebook, YouTube videos, and a plethora of other web-based communication tools, the game has changed.

Defined by Jim Sterne in his book *Social Media Metrics*ⁱ as “that which allows anybody to communicate with everybody,” social media makes it possible for anyone anywhere, including your customers and the people you want to become customers, to engage in conversations that are immediate and ubiquitous—conversations with the potential to affect your revenues, costs, and customer relationships.

The implications of these new media are not fully understood. But there is a growing consensus they can have a profound effect on business. In its ranking of the top 100 global brands, for example, ENGAGEMENTdb.com reports that “the most valuable brands in the world are experiencing a direct correlation between top financial performance and deep social media engagement.”ⁱⁱ

With this in mind, organizations are taking steps to understand and participate in social media. Its growing importance prompted Lyndsay Wise of Wise Analytics, in her February 2010 Dashboard Insight article, to identify “social media integration” as one of the top ten BI and Data Visualization trends for the year.ⁱⁱⁱ

Understanding and Monitoring Social Media: the 3 Steps

At Klipfolio, we're used to helping companies put in place dashboards to monitor their KPIs. But when a Fortune 500 client with global reach asked for help setting up and monitoring social media KPIs, we, like everyone else in this new field, had no ready-made solution or template to put in place.

When it comes to KPIs, social media presents a challenge. As Jon Cianciullo of the real-time social media search and analysis firm **socialmention**^{iv} explains, "The ways that customers use social media data and how they gauge KPIs varies a lot. Traditional KPIs don't translate well to the ever-changing and nebulous world of social media, and measuring things such as ROI is very complicated."

Cianciullo adds, though, that "there are tangible performance indicators that we can measure—things like visibility, sentiment ratio, influence, and activity—based on the number of mentions in social media, their sentiment, their author, the number of retweets, and so on."

Bearing in mind we were breaking new ground, together with our client we developed a 3-step approach to help them dip a toe into the social media waters, and then quickly progress more deeply into social media monitoring.

Step 1. Increasing Awareness—Who is saying what?

As a starting point, we put in place a dashboard solution to simply monitor a range of social media.

The dashboard tapped into a couple of dozen APIs monitoring twitter, facebook, LinkedIn, blogs, forum posts, and similar media, and applied filters based on geographic location and other factors relevant to the importance of the content. We made sure that the results were updated frequently, to reflect the real-time nature of social media conversation.

This had two important benefits for marketing staff monitoring the dashboard on their desktops:

- **It raised their consciousness.** They became aware of the massive amount of unstructured social media data out there. They realized the company was being talked about, discussed, and judged whether they liked it or not—and whether or not they participated in the conversation.
- **It enabled immediate damage control.** Company representatives could quickly spot the most negative content with the greatest potential to do the company damage, and join the conversation to present their perspective.

Step 2. Appreciating Sentiment—How do they feel about us?

The next step was to gauge the sentiment behind the conversation: is it positive, negative, or neutral?

This involved matching sentiment keywords with content, and indicating the result with a simple “thumbs up, sideways, or down” indicator. This might sound easy, but it’s something of an art that requires industry-specific keywords and is bound to evolve as these keywords are refined.

Adding sentiment to the monitored content meant marketing staff could:

- **Begin to categorize content.** They now had a way to separate social media content relevant to the company into different types based on the sentiment behind it, and to develop approaches for deciding whether, and how, to respond to the content.
- **Start to develop simple KPIs.** With the content categories came the ability to monitor ratios, such as “positive tweets to negative tweets” that could evolve into meaningful ways to measure the effects of marketing efforts.

Step 3. Understanding Relevance—What does it all mean?

Finally, because much of the content out there is largely irrelevant, we introduced the idea of sharing key content among the twenty or so personnel doing the monitoring.

When someone discovers a particularly relevant item or conversation, they can annotate and share the item with their colleagues. Everyone involved knows it has been filtered both electronically and by a real person, and that it’s something of importance to the company—something requiring action.

This makes it possible to:

- **Define role-specific tasks.** Analysts can scour social media content for what matters, brand and communications managers can analyze the shared content, and so on.
- **Determine the effects of social media on the business.** Over time, as the amount of analyzed social media content increases, and as the ways in which it is understood and analyzed become more sophisticated, social media KPIs can be mapped to other BI areas to uncover patterns, causality and trends related to revenue, costs, and other key metrics.
- **Set social media goals.** An understanding of these relationships can drive social media goals, such as having a positive-to-negative sentiment ratio of 10 to 1, or similar desirable outcomes based on social media formulae that have been shown to affect corporate performance.

Using social media to perform better

We've found this 3-step approach useful for getting started in the relatively new field of social media monitoring, and for making significant progress toward a better understanding of how social media affects corporate performance. It offers a pathway into the deep social media engagement that is already characterizing the strategies and affecting the performance at leading companies, and that is bound to increase in importance for organizations of all sizes in the years ahead.

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ⁱ Social Media Metrics: How to Measure and Optimize your Marketing Investment, Jim Sterne, Wiley & Sons, Inc., 2010

ⁱⁱ The World's Most Valuable Brands. Who's most engaged, ENGAGEMENTdb, Ranking the Top 100 Global Brands (<http://www.engagementdb.com/Report>)

ⁱⁱⁱ <http://www.dashboardinsight.com/articles/new-concepts-in-business-intelligence/top-10-bi-and-data-visualization-trends-for-2010-part-one.aspx>

^{iv} <http://www.socialmention.com/>