



Social Media ROI?????

By Gary M. Katz

Whether in a new business process, in conversation with current client executives or via a daily supply of Tweets from Social Media experts and wannabees alike, the subject of ROI has become a mantra for those either advocating or trying to embrace Social Media.

If I hear one more marcom director ask me what kind of ROI they can expect from an investment in Social Media, I might just throw a bucket of water on him or her (<:).

Or perhaps, more appropriately, his or her boss.

It seems people have forgotten that the purpose of Social Media is:

- To build quality two-way relationships with customers, partners and other stakeholders.
- To mutually exchange information, insight and thought leadership.
- To naturally attract the right people with whom to do business when they are willing and ready to do business with you

Social Media is not a replacement for a company or product brand, but it certainly can help reinforce brand (it can wonderfully augment public relations and customer service, for example).

It is not a lead generator, though over time a company will organically receive leads through Social Media efforts (a strong Social Media presence is a powerful support system for new product launches and gaining critical insight from customer and developer communities, for example, to hone the innovation process).

Social Media is not a vehicle for aggressive, “won’t take no for an answer” salespeople or spin-doctor marketers to apply their old-school sales and marketing tactics to manipulate customers to buy (in fact, the use of such invasive and overly-persuasive approaches is actually a barrier to the wholehearted embracement of Social Media).

So what about ROI?

Well first, let’s remember this a brand new channel so when your company decides to enter the Social Media world, do so with an investment mentality. The payout is highly unlikely to be in a few months. It might be a few years.

Second, defining what ROI is for Social Media is not straightforward. What do you measure and track? How does that measurable outcome link back to your enterprise strategic objectives? How does Social Media fit into your overall Marketing strategy in contributing to the success of the enterprise?

Remember, Social Media is an uncharted and mostly standard-less world. Even if your company has established what it is going to measure and track, it probably doesn’t have enough history with Social Media to be able to project specific desired outcomes with a high degree of confidence. Examples of success in Social Media are still the exception, not the norm. Few companies can state with



absolute certainty that a success triggered through a Social Media effort wouldn't have happened anyway through some other marketing or sales approach.

So, Social Media ROI??? Good to think about. Good to begin to define. Good to track. But, ROI? Forgetaboutit! At least until you have a seriously well-established SM program, anyway.

Call to Action

If your company is facing challenges in any of the areas discussed in this article, or if you are thinking about creating a marketing operations function or increasing the effectiveness of the one you already have, you should start with a "current state assessment" that will help you evaluate the overall health of your marketing and/or Marketing Operations today. Doing so will help you zero in on those areas that represent your most difficult challenges as well as your greatest opportunities for bringing the significant benefits of MO best practices to your organization.

About the Author:



Gary M. Katz is founder and chief strategy officer of Marketing Operations Partners, a firm that helps enterprises overcome dysfunction, execute strategy, build shared vision and accountability, and strengthen strategic impact in all areas of marketing. To find out more, please contact Gary at gary.katz@mopartners.com.