Day 3: Measuring ROI on social media

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Day 3 of the 14th Pan African Media Research Organisation (PAMRO) and All Africa Media Research Conference that ended on Wednesday, 29 August2012, in Kampala, Uganda included a session that explored ways to measure ROI on social media. "Companies need to know where to put their money, if it has to have an impact," noted Joe Otin, MediaCT director, Ipsos Synovate Pan-Africa, Kenya.

"Trying to measure social media ROI is like trying to measure the ROI of my mother." Gary Vaynerchuk.

While marketers can measure the Return on Investment (ROI) on traditional media, there is a new platform that is proving to be a big challenge - social media. So, is it possible that social media is like your mother whose ROI can never be quantified?

While brands now know that they have to be on social media, the biggest challenge is what to do once they are online. Most companies have Facebook pages and Twitter handles - but that is where it ends. Successful brands are the ones that go beyond providing content (like product or service information), they go the extra mile of engaging with their audiences. "Make sure your stories are purposeful," advises Judy Kairo, integrated marketing communications manager, Coca-Cola Central East & West Africa Business Unit, Kenya.

Trillion dollar opportunity

According to a McKinsey Report, social media offers a trillion dollar worth of opportunity. However, it is not easy to measure everything in social media. "There is no standard to measure ROI and CEOs of companies don't feel like they are getting the right measure for the investment they make of social media," noted Otin.

Oresti Patricios, CEO, Ornicogroup, South Africa, describes online audiences as nomadic.

"People congregate around online tribes. The social space is very fragmented and audiences keep shifting so you can

never really claim to target a specific kind of person," notes Patricios.

While everyone puts their brand online, engagement on social media is the golden key to getting noticed. Traditional media continues to be a key media that is consumed by audiences. For example, television penetration especially in Africa is growing because governments are investing in infrastructure like power, allowing more people to own television sets.

However, social media cannot be ignored. The people on social media is also growing as mobile phone penetration more people acquire cheap phones, smart phones and tablets that they use to access the internet.

Unlike traditional media, social media has a different set of rules that keep changing by the second. For example, social media has made the average man in the street a protestor, a brand specialist and a content curator. In Nigeria, Jason Njoku, founder of Nollywood Love, an online entertainment company in Lagos, has taken Nollywood to the world by putting Nigerian films on YouTube - a social media for sharing videos.

In an interview with CNN last year, Njoku said, "Our model is really simple...if you're in the West - US, UK, continental Europe - before you watch a movie you might watch a 15-20 second pre-roll for one of the big companies there. We try to keep it as non-intrusive as possible, so we explain to people that you just have to watch a few ads to watch the whole movie."

While YouTube came and disrupted television, Njoku has disrupted piracy in Nigeria.

Engaging content

For social media, the strategy is to ensure your content is engaging. "Socially engaged enterprises get four times greater impact. The average rate on ROI on social engagement is about 3 to 5 percent," notes Otin.

According to Patricios, unlike traditional media where you can place an advert on mass media platform and measure impact in terms of awareness or sales, he reckons with social media, this strategy is not a sustainable model.

"Brands need to start engaging instead. If you are on Facebook or Twitter, users find it annoying and irritating when they are interrupted when they are having private conversations." This is a sentiment noted by Njoku when he says they try to keep adverts on the movies on YouTube as "non-intrusive as possible."

Brands need to develop stories around their content. Social media thrives on stories which are shared by people online. An example is the Old Spice commercial that was aired on YouTube in February 2010. In four days, it has 250 000 views. Up until now, the clip has been viewed by over 45 million people. The lesson for marketers is, putting money behind an advert that is not engaging is like throwing away their money.

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