

MediaSmart

OPENING EYES

Presentation 2a

**Social media effectiveness and
return on investment**



A market research case study shows how three different consumer brands have used social marketing to promote their products, and how they measure the effectiveness of their campaigns.

Case study one – a popular tinned food brand wanted to influence the trial of a new product range.



Social marketing to promote products

A market research case study shows how three different consumer brands have used social marketing to promote their products, and how they measure the effectiveness of their campaigns.

Case study two – a breakfast cereal brand wanted to attract new customers from a group described as ‘urban foodies’.



Social marketing to promote products

A market research case study shows how three different consumer brands have used social marketing to promote their products, and how they measure the effectiveness of their campaigns.

Case study three – a company selling tea wanted to promote new products and increase sales in stores and through their website.



Social marketing to promote products

How did the research work?

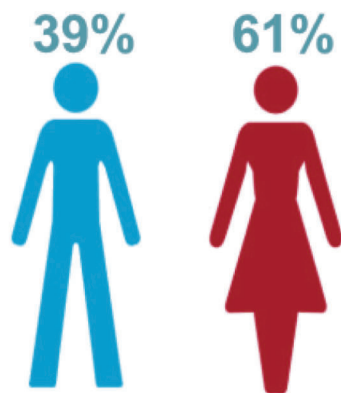
Working with specialist market researchers the brands carried out interviews and questionnaires with two groups of potential customers:

- Customers who had never seen the brands on social media.
- Customers who followed the brands on social media.

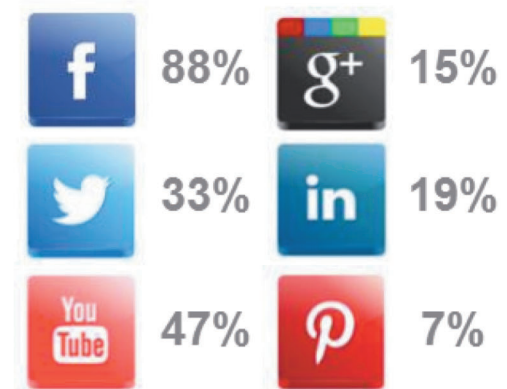
The potential customers

6

Customers who had never seen the brands on social media
(but did use social media for other things).



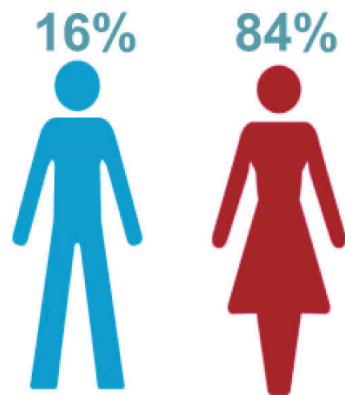
Avg. **46** yrs old



The potential customers

7

Customers who followed the brands on social media.



Avg. **39** yrs old



Measuring the impact of social media

The researchers wanted to find out where the potential customers were along the 'purchase funnel', a decision-making journey leading to the purchase of a product and developing loyalty to the brand.

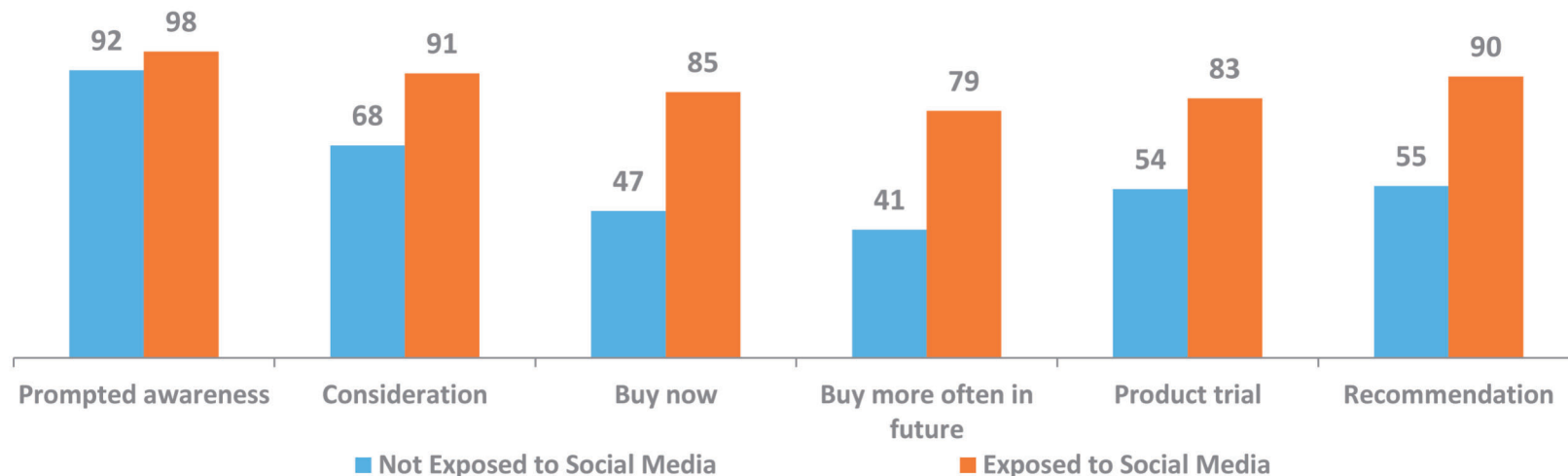
The steps along the funnel are:

- Aware of the product
- Considering buying
- Buy now
- Buy more often in the future
- Participate in product trials
- Recommend to others

Measuring the impact of social media

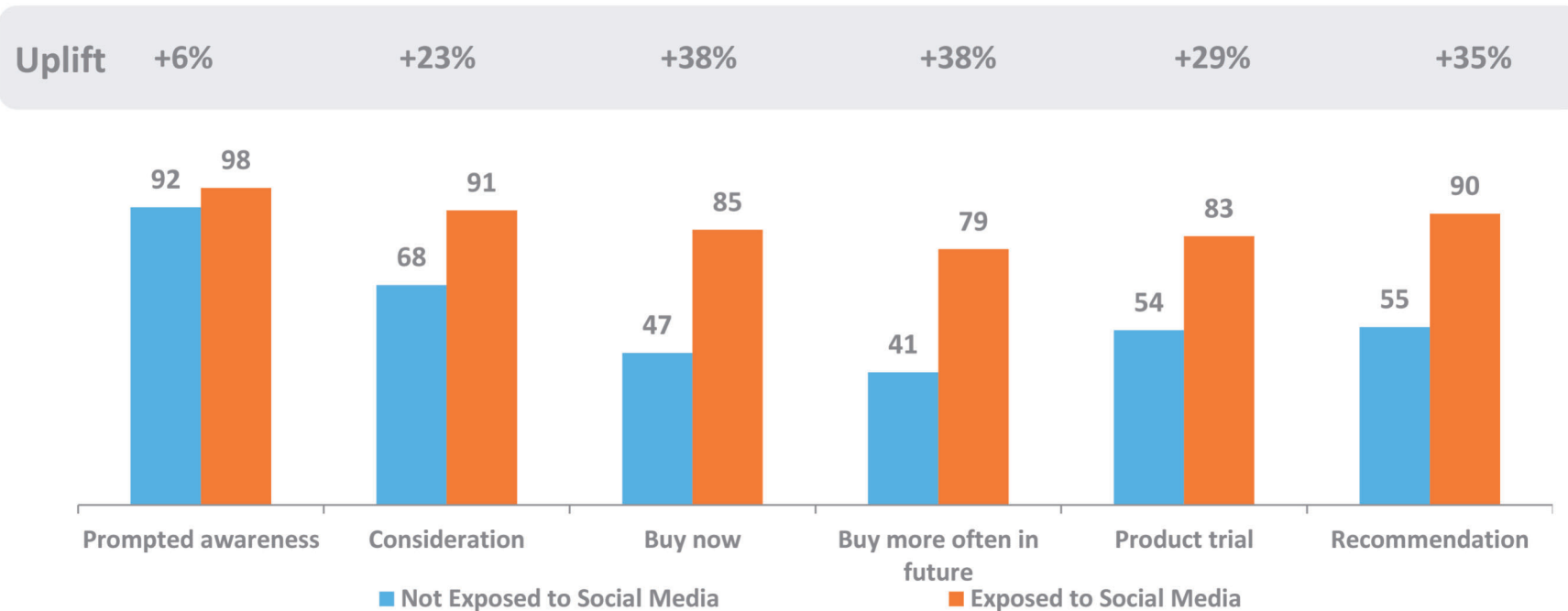
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Those exposed to brands' social media rate significantly higher across all steps of the purchase funnel.



Measuring the impact of social media

The improved response seen among people who have engaged with the brands via social media is called the 'uplift'.



But which came first?

Are people on social media because they're loyal or
are people loyal because they are on social media?



Researchers discovered that social media had the biggest impact on 'brand sentiment', how people feel about the brand.



+22%
loving the brand



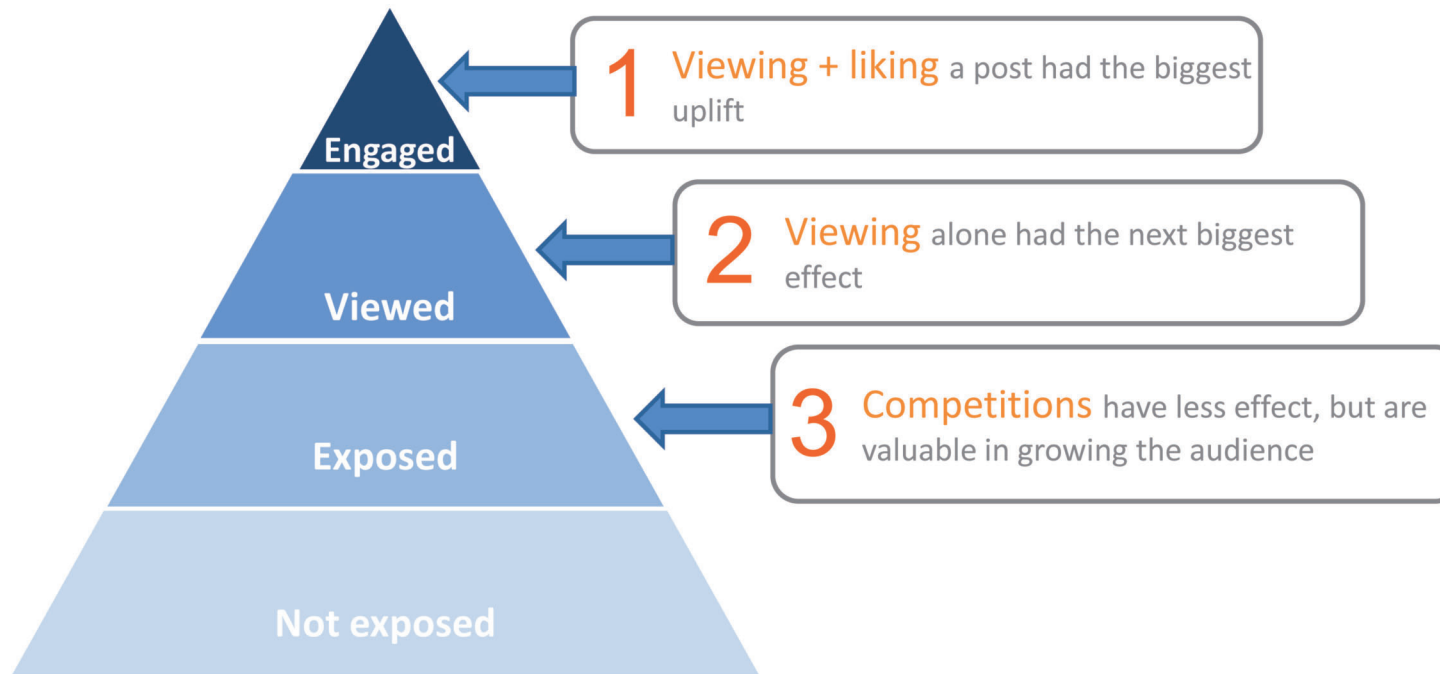
+17%
loving the brand



+19%
loving the brand

Engagement with brand activity

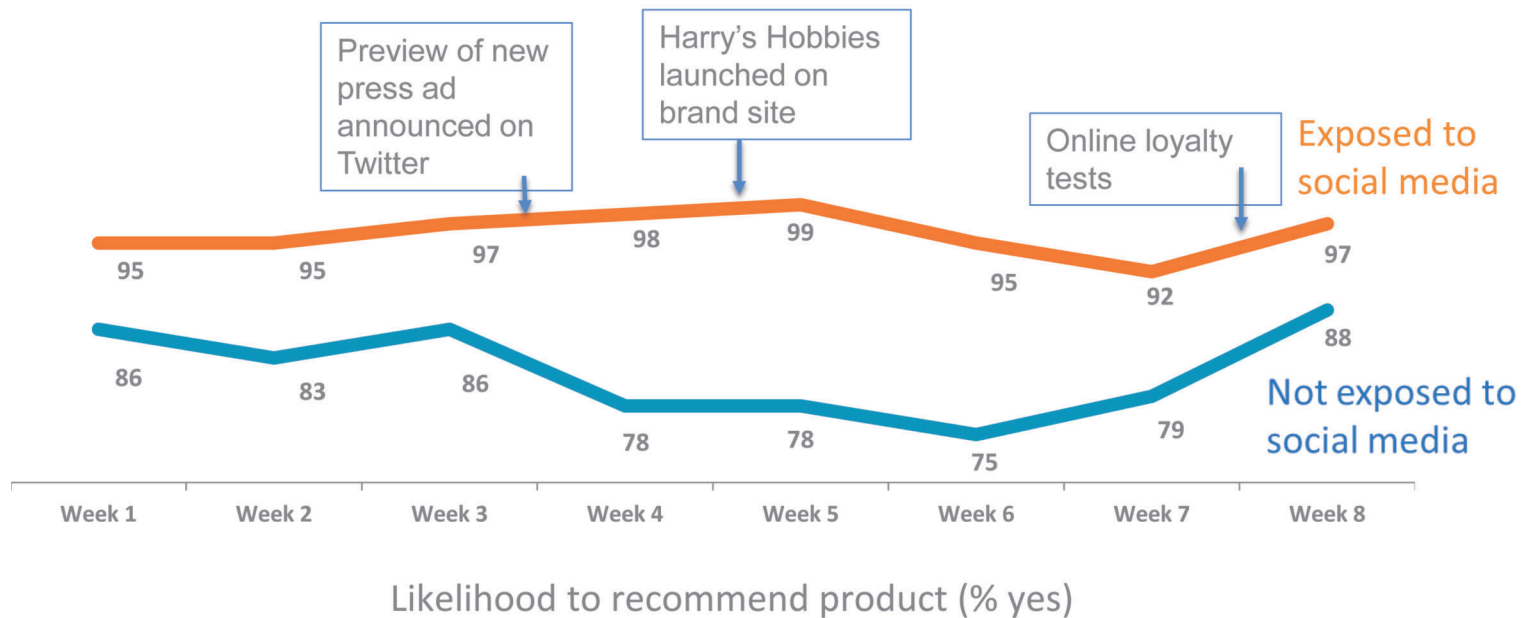
But not everybody on social media is the same... the level of engagement with brand activity makes a difference.



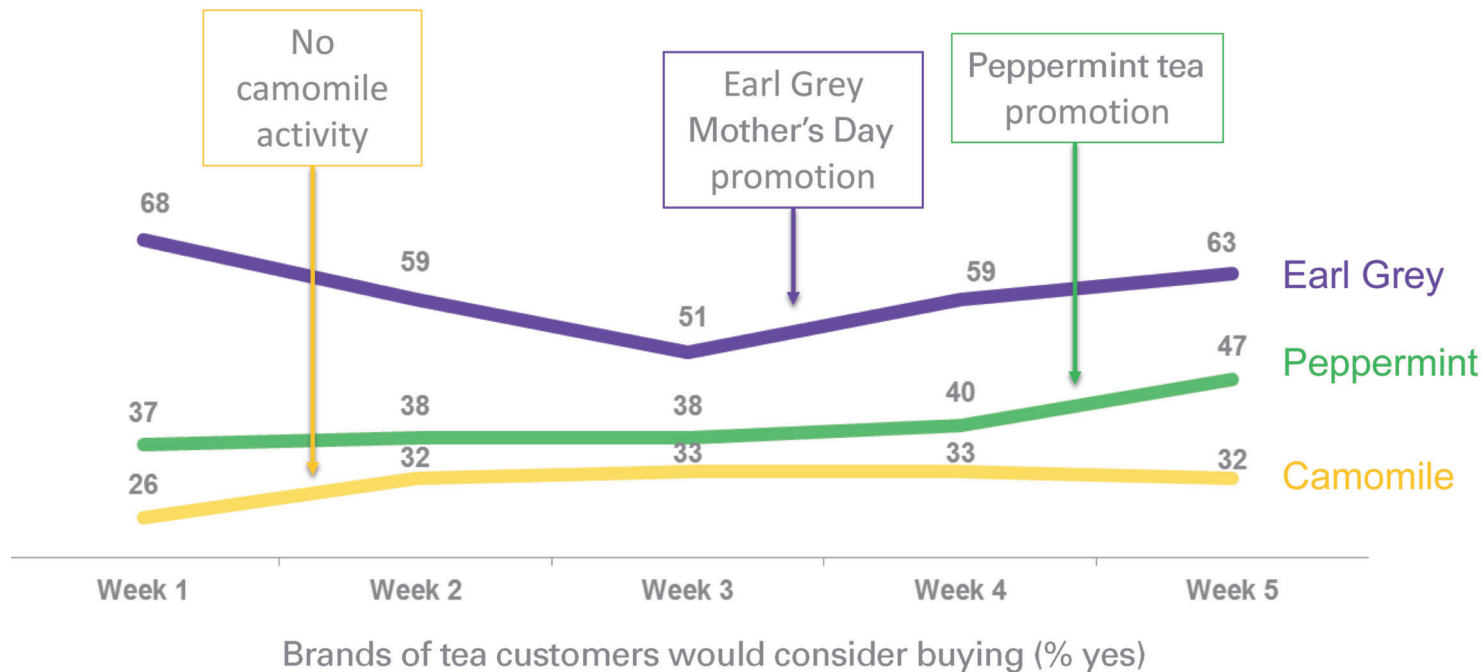
Potential customers who saw images of new products posted on Facebook were more likely to try the product.



Facebook and Twitter campaign targeting the new 'urban foodies' customer group showed a long-term impact on followers' likelihood to recommend the brand to others.



Facebook and Twitter campaign inviting selfie postings had an immediate impact and more customers said they were considering purchase of speciality teas.



Why do brands use social media?

Return on investment (ROI)

This ROI calculation is based on the return (value) of converting an average customer into a loyal customer.

Average value
of a loyal
customer



£2.46 more
than an average
customer

Time period



8 weeks
of social media
activity

Investment



£11,187
spend across
the brands for
this period

Why do brands use social media?

Over the **8 weeks**
the brands' social
activity reached
467,166 people



As a result of
viewing & liking **3%** or
15,255 people became
more loyal customers
for the brands

So if 15,255
became loyal and
the uplift value is
£2.46:
this generated
£37,401 additional
revenue over the
period



Return on investment (ROI)

For every
£1
invested by the brands in
social media,
£3.34
of additional sales were
generated



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