



MEASURING SOCIAL MEDIA ROI

The route from time to money is not as direct and easily measurable as people would like. **BY CHRIS HEILER**

A participant in a recent webinar asked me the following question: “How is updating my status on Facebook going to get me new clients?”

This wasn’t the first time I had heard this question, and it’s a fair one.

I’ve received many others in the same vein that all come down to this:

“How will investing time with social media make my business money?”

I aim to show you. But it won’t be easy.

First, let’s talk about “easy” marketing.

Easy marketing is handing a check to a phone directory advertising rep. Easy marketing is sending a pretty postcard to 5,000 people you don’t know. Easy marketing is blanketing a neighborhood with generic flyers and door hangers. Hand

over your money to an ad rep or printer and hope for the best. Your responsibility usually ends there, until you have to pick up the telephone to take a call from an unqualified responder.

This is the style of marketing to which the Green Industry is accustomed, and it has worked for some.

Let’s not confuse this easy marketing with social media marketing.

MEASURING EFFECTIVENESS

I think this confusion is holding back many Green Industry companies from adopting social media into their company culture.

Go back to the original question: “How will investing my time with social media make my

business money?”

A single word in that question should jump out at you. It changes the entire game: time.

When you place an advertisement or send a direct mail piece, you are investing money — not time.

How do you measure the success of a direct mail piece? Typically, by response rate, number of leads, sales and profit per sale. In other words, money. These are all metrics that can easily and accurately measure the campaign's impact.

To simplify: Invest money --> Get money.

Most companies have the same expectation when it comes to social media: Invest time --> Get money

Too bad it doesn't work that way.

The route from time to money is not as direct and easily measurable as some expect — thus the confusion, frustration and ambivalence toward social media in the Green Industry.



THE MISSING LINK BETWEEN TIME AND MONEY

The return on investment of your time cannot be measured in dollars and cents.

On the Web, we deal in a different currency: attention and reputation.

These non-monetary markets are often referred to as the “reputation economy” and “attention economy.” In his book, “Free,” Chris Anderson writes: “No longer is money the most important signal in the marketplace.”

Talk about a shift in mindset! Here is how we need to think about social media as it relates to ROI:

Time --> (Attention + Reputation) --> Money

It's an indirect route, which makes measuring the effectiveness of your social media efforts much more difficult. However, concrete measurables are what everyone seems to want. The problem, of course, is that you can't measure attention and reputation as easily as dollars and cents.

MEASURING ROI IN A NON-MONETARY ECONOMY

Success with social media means: capturing attention and building your reputation. Oversimplified? You bet. But it's a step down the right path. If you do this — trust me — the money will follow, and it's a lot more than what a directory ad or door hanger will deliver.

A terrific case study to illustrate this is Andrew Keys, a landscape designer from Massachusetts.

The following excerpt is from Victoria Harres Akers for PRNewswire:

“@OakLeafGreen, a.k.a. Andrew Keys, is a landscape designer, blogger, and since the spring of 2009, a devoted tweeter. After a bit of coercion from a good friend, Keys decided to give Twitter a try for promoting his organic landscape design firm, and subsequently his investment of time resulted in an invitation to contribute to a national gardening magazine (Fine Gardening). Three articles later, Keys now adds “freelance writer” to his résumé.” Keys captured the attention of “Fine Gardening” Associate Editor Michelle Gervais. As a result, his writing for the prominent consumer publication is building his reputation as a landscape designer.

How did Keys appear on “Fine Gardening's” radar? Did he post a bunch of self-promoting tweets and get lucky? Of course not. First of all, he was savvy enough to follow editors of gardening magazines. Second — but just as important — Keys gave his attention to others before getting attention in return.

Isn't this how life works? Givers gain! It is the same with social media.

Keys' rising reputation and influence will no doubt lead to more business (money) for his company (higher-level clientele, as well, would be my guess). But can he measure exactly how much? Can Keys trace his future clientele back to a single tweet or Facebook update? Of course not.

Go back to the question I was asked during the webinar: “How is updating my status on Facebook going to get me new clients?”

The answer is: It won't!

You don't tweet an update and a dollar bill falls from the sky. Success doesn't come from a single tweet or status update. It's the cumulative impact that matters. Understanding this is the first step toward getting the real results you are after with social media marketing. **LMI**

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