Integrating Social Media into the Marketing Mix

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The Nielsen Company
Today’s Conversation: Valuing Social Media

• Overcoming Barriers to Integration

• Listening to Improve:
  – Customer Satisfaction
  – Marketing Effectiveness
  – Innovation

• Discussion and Q&A
The ability to measure and quantify impact top organizational barriers

<table>
<thead>
<tr>
<th>Barriers</th>
<th>Percent of Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>No standard metrics to track impact</td>
<td>54%</td>
</tr>
<tr>
<td>Cannot quantify impact</td>
<td>50%</td>
</tr>
<tr>
<td>Senior executives not literate</td>
<td>46%</td>
</tr>
<tr>
<td>No clear social media operational plan</td>
<td>40%</td>
</tr>
<tr>
<td>Lack of social media talent to execute plan</td>
<td>40%</td>
</tr>
<tr>
<td>Lack of case studies</td>
<td>35%</td>
</tr>
<tr>
<td>Belief that social is not credible</td>
<td>31%</td>
</tr>
<tr>
<td>Regulatory concerns</td>
<td>31%</td>
</tr>
<tr>
<td>No CEO mandate</td>
<td>21%</td>
</tr>
</tbody>
</table>

SOURCE: NM Incite Social Media Summit Survey (n=48)
Challenges of social media measurement

<table>
<thead>
<tr>
<th>Relevance</th>
<th>Reach and impact</th>
<th>Advocacy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Identifying <strong>relevant</strong> information</td>
<td>Measuring the full <strong>reach</strong> of social media and its influence</td>
<td>Identifying “<strong>influencers</strong>” and measuring influence</td>
</tr>
<tr>
<td>Determining the right <strong>scope</strong> for your brand/product category</td>
<td>Quantifying the <strong>business impact</strong> (marketing ROI)</td>
<td>Determining the impact of online <strong>advocacy and criticism</strong></td>
</tr>
</tbody>
</table>
Listening Applications

1. To Improve customer satisfaction
2. To Improve marketing effectiveness
3. For innovation
Social listening has a number of applications:

**Listening as Research & Market Knowledge**
- Insight Driver
- Efficiency Catalyst
- Vitamin Boost

**Listening as Brand Building & Protection**
- Advocacy Builder
- Insurance
- Engagement Meter
New landscape of engagement necessary to win

BRAND BACKYARD

Consumer Relations

Branded Media Channels

CONSUMER BACKYARD

Forums, Communities

Consumer Outreach

Influencer Outreach

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A few simple KPIs can be transformative to your digital strategy

**Digital Share of Voice**
- **Brand A**: 22% 24% 27%
- **Brand B**: 22% 24% 27%
- **YOUR BRAND**: 22% 24% 27%

**Past Year Trended Sentiment**
- **Brand A**
- **Brand B**
- **YOUR BRAND**

**Aggregate Sentiment**
- **Brand A**: 45% 12% 43%
- **Brand B**: 30% 10% 60%
- **YOUR BRAND**: 8% 35% 57%

**Key Themes**
- **Brand A**: Superiority to competition, Love efficacy of new formula.
- **Brand B**: Cheaper, but still good, Friends use it
- **YOUR BRAND**: Inexpensive, Viewed unfavorably to other brands

**Negative Issues**
- **Brand A**: Premium Pricing, Harder to find than Brand B
- **Brand B**: Mass market appeal limits “salon” equity
- **YOUR BRAND**: Lack of consistent experience breeds mistrust

A few simple KPIs can be transformative to your digital strategy
Harmonizing online advocacy with offline indicators creates a more holistic understanding.

Weight by reach

- Buzz (blogs, boards)
- Product reviews

Weight by relevance

- Unprompted buzz metric
- Unprompted buzz metric

Brand Advocacy Quotient

Survey (owners and non owners)
Listening Applications

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Digital is upending traditional marketing funnel

The traditional funnel **fails to capture all the touch points and key buying factors** resulting from the explosion of product choices and digital channels, and increasingly well-informed consumer.

Awareness  Familiarity  Consideration  Purchase  Loyalty

SOURCE: McKinsey Marketing & Sales practice; McKinsey Quarterly
New decision journey creates more opportunities to listen and adjust marketing executions
Consumer-driven marketing is an influential driver of purchase considerations

Most influential touch points

<table>
<thead>
<tr>
<th>Store/agent/dealer interactions</th>
<th>12</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prior brand/product experience</td>
<td>28</td>
</tr>
<tr>
<td>Consumer-driven marketing</td>
<td>21</td>
</tr>
<tr>
<td>• Word of mouth</td>
<td></td>
</tr>
<tr>
<td>• Online research</td>
<td></td>
</tr>
<tr>
<td>• Offline/print reviews</td>
<td></td>
</tr>
<tr>
<td>Company-driven marketing</td>
<td>39</td>
</tr>
<tr>
<td>• Traditional advertising</td>
<td></td>
</tr>
<tr>
<td>• Direct marketing</td>
<td></td>
</tr>
<tr>
<td>• Sponsorship</td>
<td></td>
</tr>
<tr>
<td>• In-store advertising</td>
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Initial Consideration: 22
Active Evaluation: 37
Moment of Purchase: 43

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Listening metrics surface strengths and bottlenecks along the consumer journey

<table>
<thead>
<tr>
<th>ACTIVE EVALUATION KPIs</th>
<th>Overall rank: 1</th>
<th>Brand A</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percent of brand searchers</td>
<td>10%</td>
<td></td>
<td>![Rank: 1]</td>
</tr>
<tr>
<td>Percent of brand coupon mentions</td>
<td>10%</td>
<td></td>
<td>![Rank: 1]</td>
</tr>
<tr>
<td>Percent of brand eCommerce traffic</td>
<td>10%</td>
<td></td>
<td>![Rank: 1]</td>
</tr>
<tr>
<td>Reach of brand mentions</td>
<td>10%</td>
<td></td>
<td>![Rank: 4]</td>
</tr>
</tbody>
</table>
Listening adds interpretive power to traditional asking (survey) research

<table>
<thead>
<tr>
<th>Asking through brand survey</th>
<th>Listening to online conversation</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Most important shampoo features</strong></td>
<td><strong>Most important shampoo features</strong></td>
</tr>
<tr>
<td>Percent agree ^1</td>
<td>Percent of positive conversation ^1</td>
</tr>
<tr>
<td>Makes hair soft &amp; smooth</td>
<td>Has a nice fragrance</td>
</tr>
<tr>
<td>44</td>
<td>25</td>
</tr>
<tr>
<td>Has a nice fragrance</td>
<td>Makes hair soft &amp; smooth</td>
</tr>
<tr>
<td>44</td>
<td>16</td>
</tr>
<tr>
<td>Makes hair shiny</td>
<td>Gives you the look you want</td>
</tr>
<tr>
<td>42</td>
<td>12</td>
</tr>
<tr>
<td>Makes hair healthy</td>
<td>Controls frizz</td>
</tr>
<tr>
<td>41</td>
<td>11</td>
</tr>
<tr>
<td>Makes hair manageable/ easy to style</td>
<td>Makes hair shiny</td>
</tr>
<tr>
<td>38</td>
<td>9</td>
</tr>
<tr>
<td>Effectively moisturizes hair</td>
<td>Repairs damaged hair</td>
</tr>
<tr>
<td>38</td>
<td>6</td>
</tr>
</tbody>
</table>

Asking suggests that consumers choose shampoo that make their hair healthy (e.g., healthy, manageable, moisturized)

Listening, however, reveals that consumers actually prefer shampoo that makes their hair look good (e.g., look you want, controls frizz)

SOURCE: Nielsen survey and Brand Association Map
There are a range of actions organizations can take to improve performance at each consumer journey stage

<table>
<thead>
<tr>
<th>Consumer Journey stage</th>
<th>Potential actions to take</th>
</tr>
</thead>
<tbody>
<tr>
<td>Initial consideration</td>
<td></td>
</tr>
</tbody>
</table>
  ▪ **Marketing**: Increase brand presence in relevant situations and channels (e.g., sports drinks at football games)  
  ▪ **Product development**: Include product add-ons that increase relevance of brand for the consumer (e.g., return if you loose your job for high-ticket items) |
| Active evaluation       |  
  ▪ **Marketing**  
    - Provide free samples with registration on website  
    - Include comparisons in marketing messaging (e.g., Pepsi Challenge)  
    - Work with deal sites to ensure consistent, on-brand messaging and to seed promotions, coupons, etc. |
| Moment of purchase     |  
  ▪ **Marketing**: Clearly dramatize or communicate the brands point of difference . . . Make the tie-breaker obvious to the consumer  
  ▪ **In-store experience**: Train front-line sales reps on benefits of your brand vs competitors |
| Loyalty                |  
  ▪ **Marketing**: Use reward programs to deliver incremental benefits and recognition to high-value customers  
  ▪ **Customer service**: Excel on conflict resolution to improve customer loyalty |
There are six key questions Marketers need to ask to understand their consumer journey stage gaps and opportunities

1. What points in your consumer’s decisions journey will most influence revenue growth?

2. How do you perform versus competitors in the most influential parts of your consumer’s journey?

3. How does your current marketing spending allocation compare to the most important influence points across your consumer’s decision journey?

4. Which touchpoints—both company driven and consumer driven—are most important at different stages of your consumer’s decision journey?

5. How do your consumers rate your performance vs. competitors on those most important touchpoints across the journey?

6. What is your ratio of active to passive loyalists, and how does it compare with your competitors?
Listening Applications

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Listening for white space insights requires a different entry into the conversation.
Unpacking multi-faceted conversations to detect unmet needs and consumer passions

**Theme Creation**
Brainstorm and refine hundreds of topics related to target theme: “Sustainability” “Wellness”

**Theme Mapping**
Quantify topics by:
- Buzz volume + trend
- Sentiment
- Discover richest

**Deep Dive**
- Focused research on key topics for innovation viability and NPD
Listening to buzz identified new concepts

“I LOVE…”

“I hate it when…”

“...when I’m in my car.”

“I wish I could find…”

“Mornings are IMPOSSIBLE without my…”

Brand Centric
Thank you

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