

Research on the most important KPIs in social media that should be tracked

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Abstract: Social media is a valuable tool for building personal relationships with your audience, but it can also be a very helpful factor in increasing your revenue, reach, and overall ROI. The only way to ensure this, however, is by tracking the right social media KPIs beyond your fan, follower, or "like" counts. In this paper, we present exploratory study that aimed to point out a set of KPIs relevant for social media environment. Presented indicators emerged from a research of an existing literature and information acquired from opinion leaders in this field. Indicators are presented logically and divided into four main areas with.

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1. Introduction

Social media creates new opportunities for companies that want to engage better with customers. Real engagement, which binds customers to companies, can drive revenue gains and reduce the costs associated with customer churn. However, engagement through social media requires new ways to manage and understand customer interactions. Social media marketing is like every other marketing campaign: It's a process that needs to be monitored and managed. The difference is that the social media marketing process is iterative and can change and adapt more quickly than traditional marketing campaigns. Being this adaptive requires platforms that help marketing professionals properly design, initiate, and manage social media marketing campaigns as well as perform the social media analytics that allow for deep customer understanding and monitoring for the effectiveness of these campaigns.

Recent research on social media analytics has emphasized the need to adopt a BI based approach to collecting, analyzing and interpreting social media data. Social media presents a promising, albeit challenging, source of data for business intelligence. Customers voluntarily discuss products and companies, giving a real-time pulse of brand sentiment and adoption. (Lu et al. 2014) According to the recent research on social media analytics has mentioned that the need to adopt a Business Intelligence-based approach is needed for collecting, analyzing and interpreting social media data. Social media is one of the most important tools for marketers in the rapidly evolving media landscape. Firms have created specialized positions to handle their social media marketing. These arguments are in line with the literature on social media marketing that suggest that social media activities are interrelated and influence each other. (Saboo et al. 2016)

Social media metrics let you know how well your campaigns are performing, what others are saying about your business, and if there is a need for a pivot in social strategy. The impact of social media marketing is sometimes underestimated, but don't fall into this trap. So long as you know how to define your organization's KPIs and are properly monitoring their progress, social media platforms can be the source for endless marketing returns.

2. Social media analytics

Social Media Analytics as a part of social analytics is the process of gathering data from stakeholder conversations on digital media and processing into structured insights leading to more information-driven business decisions and increased customer centrality for brands and businesses.) (Gartner 2015) "Social Media Analytics is the art and science of extracting valuable hidden insights from vast amounts of semi-structured and unstructured social media data to enable informed and insightful decision making. It is a science, as it involves systematically identifying, extracting, and analyzing social media data (such as tweets, shares, likes, and hyperlinks) using sophisticated tools and techniques. It is also an art, interpreting and aligning the insights gained with business goals and objectives. To get value from analytics, one should master both its art and science." (Khan 2015)

Social media analytics is an interdisciplinary area that is used in social science and computer sciences interchangeably. Social media analytics provides a human trace to the social scientist which could be used in wide spectrum of disciplines such as sociology, political sciences, and geology. Depending on the business objectives, social media analytics can take four different forms, namely, descriptive analytics, diagnostic analytics, predictive analytics, and prescriptive analytics. Social media provides two broad contexts from social scientist perspective; it provides a wide range of data in already well established social science subjects such as political sciences and sociology, and social media sometimes is seen as a fundamental change in underlying assumptions of the social theory. Political scientists can follow unfolding political protest online and the exchange of information between communities of different languages. Meanwhile, it is very difficult to connect the social scientific understanding of social to social media data. For example, the concept of conventional friendship hardly applies to the concept of friendship in social media. (Tinati et al. 2011)

2.1 Social media analytics cycle

There are three main steps in social analyzing social media: data identification, data analysis, and information interpretation. The preferred way to maximize the value derived at every point during the process, analysts may define a question to be answered. In attempting to analyze the question, analysts may think like detectives, always asking the important questions; "Who? What? Where? When? Why? and How?" These questions help in determining

the proper data sources to evaluate, which can greatly affect the type of analysis that can be performed. (Ganis et al. 2015)

Khan (2015) suggests that social media analytics is a six step iterative process (involving both the science and art) of mining the desired business insights from social media data:

Step 1 Identification: Searching and identifying the right source of information for analytical purposes.

Step 2 Extraction: Once a reliable and mineable source of social media data are identified, next comes extraction of the data through APIs or manually.

Step 3 Cleaning: This step involves removing the unwanted data from the automatically extracted data

Step 4 Analyzing: Next, the clean data is analyzed for business insights. Depending on the layer of social media analytics under consideration and the tools and algorithm employed, the steps and approach to take will greatly vary.

Step 5 Visualization: Depending on the type of data, the analysis part will lead to relevant visualizations for effective communication of results.

Step 6 Interpretation or Consumption: This step relies on human judgments to interpret valuable knowledge from the visual data. Meaningful interpretation is of particular importance when we are dealing with descriptive analytics that leaves room for different interpretations

2.2 Key performance indicators

Instead of thinking about social media analytics as a noun, think of it as a verb. Specifically, it's gathering data from social platforms to help guide your marketing strategy. This process begins by prioritizing business goals. For example, your focus may be to double the number of new visitors to your website. The second step is determining key performance indicators (KPIs). In this case, your chief social media KPI would likely be based on engagement stats. These can be broken down into likes and shares your posts receive; replies and comments; and clicks your links and content earn. By collecting this data, you can figure out how social media factors into meeting your business goal. From there, you can keep going in the direction you're headed or adjust your approach. (Ajani 2016)

A key performance indicator (KPI) is a measurable value that displays how effectively a company is achieving critical business objectives. Companies use KPIs to measure and evaluate their success at reaching targets at multiple levels. Monitoring (not just reporting on) KPIs is a great way to give your team an overview of their performance and what exactly is going on in real-time. Depending on your industry and what specific part of the business you are looking to track, the "best" metrics will vary depending upon your specific objectives. (Saboo et al. 2016)

3. Methodology of research

In this study, we have managed to conduct primary research of an existing literature in combination with opinion leaders articulation in this field. Also, we took into account up to date statistics describing effectivity of selected KPIs. This research was conducted during the first half of 2017 and worked with more than 40 major and relevant sources of information in this field. There was a strong effort to minimize factor of subjective representation of existing facts.

4. Findings of key social media KPIs to track

You can measure dozens of different metrics on social media, but you really only need to worry about those that answer the following questions: Are you reaching qualified people? Are you engaging with qualified people? How many of your social media fans are inquiring about your product or service? How many of them actually become customers? Everything else is really just a vanity metric.

4.1 Focus area #1: Engagement

Engagement is the most crucial area that you should be concerned with on social media. It is the catalyst for improvement in all of the other social media KPIs we'll discuss. Simply put, engagement measures the amount of likes, shares, and comments that your social updates receive. Having a large reach with low engagement is a bad sign because it shows that you don't have a marketing message or content that resonates. Reaching millions of people means nothing if they aren't interested in what you offer. As long as your audience is engaged, no matter how small that audience is, it will grow organically and generate more leads. Plus, on platforms like Facebook and Twitter, engagement plays a major role in how many people actually even see your update. Facebook and Twitter see engagement as a sign of quality and popularity. The more interactions your content receives, the more newsfeeds Facebook will filter it out to. Similarly, the more retweets or likes a tweet gets, the larger it will appear (in font size) on your Twitter profile. The actual KPIs that you can measure will vary by social media platform, but typically include the following:

Clicks: Link clicks are reflective of the quality of the title and image included on your post. Of course, your raving fans will click on everything you share, but the majority of people (especially new people) are only going to click on posts that interest them. A large number of clicks with very few likes and shares shows that your post got their attention but didn't deliver the exceptional quality needed for the viewer to engage. Great overall engagement with a low amount of clicks indicates that you need to work on how you pitch your content by testing different titles or visuals.

Likes: Likes lead to more attention because people naturally gravitate towards things that are popular. More likes also signal to most platform algorithms that this particular content deserves a higher spot in search results.

Shares: These days hitting "like" on a post is a passive, mindless action. Likes are good and you definitely want them, but sharing is a conscious decision. When someone shares your post (or retweets, re-vines, etc.) they are giving a personal recommendation to their friends, colleagues, and family. Because of this, shares are a great indication of the quality of your work.

Comments: The point of being on social media is to be social. Interesting, relevant content sparks a conversation. Even if people leave critical comments, you're better off than having no comments at all. Praise, criticism, and general discussion are all helpful for improving your marketing, but silence is not. Getting comments on your comments is a reliable sign that your content is hitting all the right points of interest.

Brand Mentions: Tags or mentions show that people are having a conversation about your brand even when you're not even in the room. This is another social media KPI that really focuses on your relevance because it shows that you are maintaining top-of-mind awareness.

Profile Visits: Not all social media platforms will provide this metric, but if it's there, it's worth your attention. Many social media websites are used as search engines for brand research today. There will be plenty of people that follow you, but they may never visit your profile. The people that are just starting to scope out your business, however, will definitely visit your profile. This KPI isn't as important as the others, as you can't really measure intent to buy, but profile visits do indicate interest in your brand beyond your latest post.

Active Followers: An active follower is considered to be someone who has logged in and interacted with your content within the past 30 days; unfortunately, for most brands, the majority of people who "like" or follow your page are unlikely to visit it regularly let alone check out its content.

4.2 Focus area #2: Reach

Reach is an old-school marketing metric that still remains important today. It indicates how far your message is actually traveling, how many eyes it's getting in front of. Measuring reach on social media can be misleading at times as it only shows how many people potentially saw your post or that it was made available. Unlike engagement, which

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has definitive answers such as x amount of likes, reach is really just an estimate. You can measure reach by tracking the following KPIs:

Followers or fans: The total number of people following your brand on social media indicate your reach without any engagement. This is the total amount of people that could see your post and have actively said they want to.

Impressions: Impressions show how many times your post showed up in someone's newsfeed or timeline, either because they are already following you or because someone they know has liked or shared your content. This doesn't mean that for every impression someone actually looked at your post or even noticed it -- this just means that they had a chance to. Though vague, a higher number is always better.

Traffic Data: This is a huge one. What percentage of the traffic to your website is coming from social media? If you're investing a good amount of time and effort into your social media content, you'll want to make sure that this number reflects that.

4.3 Focus area #3: Leads

Once your social media accounts start gaining traction, it's easy to get caught up in how many likes and shares you're getting. It feels good to see people enjoying your content, but what about the bottomline? To ensure you are getting the best ROI from your social media, you have to ask the tough question: How many of these engaged fans are actually interested in making a purchase from my company?

You might have an enormous following on Instagram because people love your photos, but how does that translate to new sales? To put it another way, say you have a small following on LinkedIn, but it consistently generates new leads. Which one deserves more attention? You can't answer that question if you aren't measuring lead generation from social media. If you aren't generating leads, you're either on the wrong platform or your content isn't engaging to your buyer persona. The sooner you identify the problem, the better -- but you have to start tracking to find out. You can also gain valuable insight by looking into the demographics of the people who are seeing and responding to your content.

4.4 Focus area #4: Customers

No Inbound strategy would be complete without measuring the number of acquired customers. Most of your social media posts should be focused on providing content for your audience and having a conversation with them -- but when the time comes for you to ask for something in return, you want to know how many of those fans actually end up making it to the finish line. This is the ultimate measurement of your success in social media marketing. If you've truly found the right people and kept them engaged, they'll be interested in buying your product or.

You shouldn't expect to have high new customer rates from social media because a lot of your followers will be current customers and another significant portion are only interested in the content. That's just the way it goes. However, you want to pay attention to which social media channels produce the highest and lowest numbers. This shows you where to focus more time and it shows you where your best leads are coming from. Some people might think tracking customer acquisition and conversion rates from social media isn't necessary, but how else are you going to honestly measure the ROI from social media? Engagement and reach are fun to measure because they make your brand look good, but you have to track the KPIs that paint the full picture. The goal of measuring social media KPIs isn't to justify your marketing strategy, it's to improve it.

5. Discussion

How do you measure social? You might have initially been baffled as to how you would measure values such as awareness, what your customers think of your brand, or how your efforts are impacting the bottom line, but thankfully this is where KPIs, or "key performance indicators," come to the rescue. In recognizing valuable KPIs, you are able to track not only your successes, but campaigns that perhaps missed the mark.

In monitoring and measuring your KPIs, you are able to focus your attention and efforts in order to optimize all of your resources to those most valuable to your organization. However, it can be difficult to know where to start when wanting to zero in on your social media measurement strategy, so to help you know what to look for, we've rounded up a list of suggested KPIs you can tailor to suit your business goals.

Remember, while these are all smart choices, you should only focus on the social media KPIs that are most relevant to the platforms your brand is active on and that have the most relevance to your audience's behavior. Every audience is different. If your ideal buyer isn't inclined to hitting "like," but is still closing, don't beat yourself up about it. Track what makes sense and actually reflects success.

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