

# Network analysis

Companies try to gauge results of their online marketing efforts

BY LINDA OBELE | Contributing Writer

**S**hailesh Ghimire chuckles, recalling the slightly existential, half-rhetorical question posted recently on one of his online social networks.

"If you're not being tracked, do you exist?" the poster quipped, referring to marketers' ability to trace, scrutinize and analyze an Internet user's every keystroke, then mine that information for sales gold.

Though he's pretty sure the post was meant in jest, Ghimire, director of digital strategy at Phoenix marketing and advertising agency E.B. Lane, said the underlying sentiment has serious implications — especially for businesses that are using social media channels only as a no-cost way to push out information about their companies.

If business owners really want to know whether their social media efforts are paying off, they should follow the lead of savvy Internet marketers.

A variety of low- or no-cost Web-based analytic tools, including Facebook Insights and Tweet-Stats, can help businesses measure everything from the number of comments their posts are generating to key buzzwords that really get people — well, buzzing.

Other devices, such as website URL shorteners, can help companies track which tweets and Facebook promotions are driving the most traffic to their sites.

"Social media is one small part of the online landscape," said Michael Stallone, an Internet marketing and analytics specialist at Tempe agency Zion & Zion. "It's all connected, and it's all trackable. To be able to look at the data and see who and where your customers are is huge."

"We're looking at the data to continually optimize it," he said. "If a comment fuels a bigger conversation, we know what to post next time to make it go farther."



Stallone

SEE RESULTS 14



Zion & Zion Principal Aric Zion, right, says his agency spends about 50 hours a month interacting on social networks with customers of Domenick Montanile's four Venezia's Pizzeria restaurants in the Valley. The Phoenix advertising and public relations agency pumps out a steady stream of online offers that are tracked according to special codes and hot links to help build Venezia's business.

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## SOCIAL MEDIA SOUND OFF

Some research shows Facebook's penetration in the Phoenix market far outpaces Twitter and other websites. Do you think that translates into Phoenix being much more of a Facebook town for B2B social media?

### David Weissman

Director of public relations | R&R Partners

Since Phoenix is a melting pot, people here are yearning for relationships, and Facebook helps them connect in a city that continues to search for its social center. Twitter eliminates traditional barriers, allowing anyone to offer an opinion and join a larger conversation, but on a less personal level. From a B2B perspective, Facebook fosters real relationships through genuine observations, video, photos, customized applications and engagement ads that work for businesses.



### Teri Morris

Account manager | Allison & Partners

Social media is in its infancy, not only in Phoenix but worldwide. Many marketing practitioners are just beginning to embark on full-scale social media efforts, which in turn is creating best practices for the industry. In my experience, Facebook and Twitter are growing in strength equally, and the Phoenix marketing community has kept up pretty well. From a client service perspective, I see value in all social media tools (and there are new ones every day) to help generate awareness for the brands I represent.



### David Eichler

Co-founder and creative director  
David and Sam PR

Phoenix doesn't have a dominant industry that creates a hyper-competitive culture. Professionals in D.C., New York, LA, San Francisco and Chicago who are in tech, politics, finance (and) entertainment have to collect and disperse knowledge in real time. Twitter skews toward that mentality and form of communication.



### Sara Fleury

CEO | BJ Communications

Actually, I think we have a pretty active Twitter environment, with businesses becoming more sophisticated all the time with their social networking outreach. We have clients utilizing both venues to drive awareness.





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## RESULTS: Most users don't track return on investment

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### GETTING ON THE RIGHT TRACK

The problem isn't that businesses aren't participating in social media networks such as Facebook, Twitter and Foursquare, experts say. According to a 2009 survey sponsored by Mzinga Inc. and Babson Executive Education, 86 percent of professionals in a variety of fields said they had adopted social media in some way.

The issue is more related to the revelation that 84 percent of those same respondents said they don't measure the return on investment of those social media programs. Even less encouraging, more than 40 percent said they didn't even know whether they could track ROI from their social media interactions.

"A lot of people just dive right in," said Ghimire. "They get on Facebook and Twitter and just start making updates. My advice is to take

the time to understand the medium and to look at your goals. In terms of ROI, businesses first have to understand what the cost will be. A lot of people go into it and don't know what they want out of it."



Ghimire

### SEEING RESULTS

Domenick Montanile, owner of four Valley Venezia's Pizzeria restaurants, used to be one of those people.

Until 18 months ago, the only reason he had a Facebook account was that one of his managers told him he needed one and then opened the account for him. Montanile,

busy running the operations side of the business, rarely posted anything.

Then he met the folks at Zion & Zion, who proved to Montanile that social media and email marketing could be used strategically with his website to drive traffic to his stores.

Based on store traffic, Montanile estimates he gains \$3 to \$4 for every dollar he spends on social media and online promotions.

Aric Zion, principal of Zion & Zion, estimates the agency devotes 50 hours a month interacting with customers in Venezia's social networks and pumping out a steady stream of online offers that are tracked according to special codes and hot links.

Since working with Zion & Zion, Venezia's social media circle has grown to include about 2,400 Facebook followers and about 4,600 on Twitter — "way above any non-national pizza chain in this market," said Zion.

### MORE THAN NUMBERS

Even though he quotes Venezia's online-following stats, Zion is among the Internet marketing professionals who stress that fan numbers alone are a poor measurement of social media success.

"The goal is not to be good at social media, but to be good at business because of social media. You first have to understand your business level objectives and how social media can support them," said Jay Baer, a former Phoenix social media strategy consultant



Baer

### MEASURING RESULTS

A variety of popular analytic tools exist to help businesses track social media results. Here are a few recommended by local experts:

- General
- Bit.ly
- Engage 121
- Google Analytics
- Facebook
- Facebook Insights
- Twitter
- HootSuite
- Objective Marketer
- Swix
- TweetStats
- Twitalyzer
- Twist
- TweetEffect
- Topsy

and author of "The Now Revolution," a social media guide.

Baer now lives in Indiana, but still works with agencies such as Off Madison Ave in Phoenix. He said social media ROI is easier to measure for some types of businesses than others. An e-commerce company, for example, will have an easier time tracking sales related to social media campaigns than, say, a tractor reseller.

He said the biggest mistake companies make when trying to measure social media ROI, aside from not measuring it at all, is measuring too much. Pick two or three areas that matter — perhaps sales leads and online comments — and report on those, counsels Baer.

If true ROI — calculated by the traditional formula of sales minus expenses, divided by expenses, expressed as a percentage — is impossible to get, stick with examining how business success appears to be affected by social media over the long haul, Baer said.

"You want to see a situation where business success increased in lock step with social success," he said. "You're looking for simultaneous spikes."

And don't forget to embrace anecdotes. "Sometimes it's not the math that's important; it's the stories," Baer said.

Instances in which a customer service foul-up was smoothed over or a social media referral resulted in a new happy customer can be just as powerful as statistics.

Paige Dell'Armi, a self-described social media geek at Phoenix ad agency knoode, said the best social media ROI is the customer relationships that develop.



Dell'Armi

"Sometimes we get so obsessed with numbers," she said. "For me, the best ROI I can show is an actual conversation between my client's brand and Jane Smith, and the word-of-mouth that results. That, to me, is just everything. It's about building advocates."

Dell'Armi said she keeps a library of positive customer interactions from Facebook and Twitter to help clients track sales leads and to keep in contact with fans.

She advises small-business owners to work with a professional strategist to set up a social media program, then decide whether to go with an in-house or off-site person to execute the strategy.

"If you really want to drive it, hire a geek that's obsessed with it," she said.

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