

# Marketing key metric engagement assignment

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marketing key metric engagement BY pejaol August 8, 2007 Marketings New  
Key Metric: Engagement by Brian Haven for Marketing Leadership  
Professionals Making Leaders Successful Every Day For Marketing Leadership  
Professionals Marketing's New Key Metric: Engagement Marketers Must  
Measure Involvement, Interaction, Intimacy, And Influence by Brian Haven  
with Josh Bernoff and Sarah Glass EXECUT I VES U M MA RY The marketing  
funnel is a broken metaphor that overlooks the complexity social media  
introduces into the buying process.

As consumers' trust in traditional media diminishes, marketers need a new  
approach. We propose a new metric, engagement, hat includes four  
components: involvement, interaction, intimacy, and influence. Each of these  
is built from data collected from online and offline data sources. Using  
engagement, you get a more holistic appreciation of your customers'  
actions, recognizing that value comes not just from transactions but also  
from actions people take to influence others.

Once engagement takes hold of marketing, marketing messages will become  
conversations, and dollars will shift from media buying to customer  
understanding. TABLE O F CO N TENTS NOTES 2 Does The Marketing Funnel  
Need An Upgrade? Forrester interviewed 20 vendor and user ompanies,  
including: Avenue A I Razorfish, Bazaarvoice, Biz360, BrandIntel, BzzAgent,  
TNS Media Intelligence/Cymfony, Digitas, The Builders, MotiveQuest, Nike,  
Organic, Procter & Gamble, Publicis & Hal Riney, Reed Business, UGENmedia,  
Umbria, and Visible Technologies. Engagement: A New Perspective On  
Marketing The Elements Of Engagement Making Sense Of Engagement  
Putting It All Together 12 Engagement Enhances Customer Insight WHAT IT  
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MEANS 13 Engagement Redirects The Marketing Trajectory Related Research Documents “ The Enterprise Marketing Software Landscape” May 7, 2007 “ The Forrester Wave: Brand Monitoring, Q3 2006” september 13, 2006 Five Tips For Web Analytics Success” June 2, 2006 2007, Forrester Research, Inc. All rights reserved. Forrester, Forrester Wave, RoleView, Technographics, and Total Economic Impact are trademarks of Forrester Research, Inc.

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Information is based on best available resources. Opinions reflect Judgment at the time and are subject to change. To purchase reprints of this document, please email[[email protected](mailto:email protected)]com. 2 Marketings New Key Metric: Engagement DOES THE MARKETING FUNNEL NEED AN UPGRADE?

Traditionally, marketers modeled consumers’ decisions as they progressed from awareness through consideration, preference, action, and loyalty “????” through what is called the marketing funnel (see Figure 1-1). The marketer’s Job was to move people from the large end down to the small end. But now it’s time for a rethink, as the funnel has outlived its usefulness as a metaphor. Face it: Marketers no longer dictate funnel because: “??????” Complexity reigns in the middle of the funnel. Awareness is still important; you need to know that a product or service exists in order to buy it.

And the marketer’s endpoint is still a transaction. But, in between, other factors such as recommendations from friends or family, product reviews,

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and competitive alternatives described by peers influence individuals. The funnel's consideration, preference, and action stages ignore these forces that marketers don't control. Rather than a clean linear path, the real process looks more like a complex network of detours, back alleys, alternate entry and exit points, external influences, and alternative resources (see Figure 1-2). ?? The most valuable customer isn't necessarily someone who buys a lot. In this socially charged era in which peers influence each other as much as companies do, good customers can't be identified solely by their purchases. | Companies also need to track individuals who influence others to buy. For example, a customer who buys very little from you but always rates and reviews what she buys can be just as valuable as someone who buys a lot "?????" her reviews might influence 100 other people to buy your product.

Tracking only transactions and loyalty at the end of the funnel misses this significant element of influence. ???? Traditional media channels are weakening. Marketers continue to use mainstream media messages to move consumers into a consideration frame of mind. But passive consumption of media is waning. Individuals dismiss or ignore marketing messages in lieu of information available from an ever-increasing number of resources, such as product review sites, message boards, and online video. 2 ?????? Consumers force brand transparency.

Marketing and public relations teams used to have the influence to spin a message in their favor when something went wrong. But in these days of snoring cable technicians caught sleeping on a customer's couch, captured on video, and posted on YouTube or blogs blasting CompUSA for selling an <https://assignbuster.com/marketing-key-metric-engagement-assignment/>

empty box instead of a camera, spin is out of control. 3 Online social tools, coupled with increasing social behavior online, make it easy for the truth to come out. When companies try to spin the message now, they get caught in the act, only making the problem worse. 007, Forrester Research, Inc.

Reproduction Prohibited Figure 1 The Traditional Marketing Funnel Fails To Model Complex Buying Paths 1-1 The traditional marketing funnel Eyeballs Awareness Consideration Preference Action Loyalty Buyers 1-2 Complexity lies at the center of the marketing funnel peer reviews Competitive alternatives Contributors Recommendations from friends 42124 User-generated content Source: Forrester Research, Inc. 4 ?????? Marketing complexity means that traditional metrics fail to capture the whole story.

Online metrics like unique visitors to a Web site, number of pages viewed, and time spent per page mimic offline media metrics of reach and frequency. But these measurements don't indicate the engagement of an individual; they fail to capture the sentiment, opinion, and affinity a person has toward a brand as manifested in ratings, reviews, comments in blogs or discussion forums, or likelihood to recommend to a friend. **ENGAGEMENT: A NEW PERSPECTIVE ON MARKETING** If the funnel no longer accurately reflects what marketers can influence, why do they still cling to it?

Because they can measure it, which is reassuring, even if it no longer accurately reflects the real buying process. And, of course, there are no useful alternatives. We believe that marketers need a new approach to understanding customers and prospects. This new type of measurement "engagement" encompasses the quantitative metrics of site visits and transactions, the qualitative metrics of brand <https://assignbuster.com/marketing-key-metric-engagement-assignment/>

awareness and loyalty, and the fuzzy areas in the middle best characterized by social media.

Our definition of engagement includes four components (see Figure 2): 4

Engagement is the level of involvement, interaction, intimacy, and influence an individual has with a brand over time. Figure 2 The Four Components Of

Engagement INVOLVEMENT INTERACTION INTIMACY INFLUENCE What To

Track ?????? Site visits ?????? Time spent ?????? Pages viewed ?????? Search

keywords ?????? Navigation paths ?????? Site logins ?????? Contributed

comments ?????? Quantity/frequency of written reviews, blog comments,

forum discussions, and UGC ?????? Sentiment tracking on third-party sites

(blogs, reviews, forums, etc. ????) Sentiment tracking of internal customer

contributions ?????? Opinions expressed in customer service calls ?????? Net

Promoter (NP) score ?????? Product/service satisfaction ratings ?????? Brand

affinity ?????? Content forwarded to friends ?????? Posts on high-profile blogs

?????? ecommerce platforms ?????? Social media platforms ?????? Brand

monitoring ?????? Customer service calls ?????? Surveys How To

Track ?????? Web analytics Engagement goes beyond reach and frequency

to measure people's real feelings about brands. It starts with their own brand relationship and continues as they extend that relationship to other

customers.

As a customer's participation with a brand deepens from site use and purchases (involvement and interaction) to affinity and championing

(intimacy and influence), measuring and acting on engagement becomes

more critical to understanding customers' intentions. The four parts of

engagement build on each other to make a holistic picture. ??????

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Involvement. This component is the most basic measurement of engagement and reflects the measurable aspects of an individual's relationship with a company or brand. It includes actions like visits to a site or a physical store, time spent per page, and ages viewed.

While this alone isn't sufficient, measuring these activities is critical because they are often the first point of interaction an individual has with a brand and are the foundation for making the connections to other metrics. 5 For example, Reed Business tracks visitors to its Web sites, the time they spend, the articles they read by category or channel, and pages they view per week (and across other time periods). This helps Reed Business distinguish between first-time and repeat visitors, and informs the company of the depth, frequency, and level of interactions of their visits, helping it determine its content agenda.

You can use Web analytics services like Omniture, Web Trends, or Visual Sciences to measure these activities. 6 ?????? Interaction. This component provides the depth that involvement alone lacks by measuring events in which individuals contribute content about a brand, request additional information, provide contact information, or purchase a product or service. Where involvement measures touches, interaction measures actions. These include click-throughs, completed transactions, blog comments, social network connections, and uploaded photos and videos.

Social media contributions increasingly play a role in calculating the value of a customer and are vital to tracking emerging behaviors. For example, PETCO tracks when customers browse and sort by top-rated items and then

buy a product, allowing the company to identify the effect user-generated content (UGC) has on purchases. You can use ecommerce platforms to provide transaction data, while social media platforms like Bazaarvoice and UGENmedia track actions like ratings and reviews, photos or videos uploaded, or connections made in social networks. Sentiment an individual holds for a brand. This includes her opinion, perspective, or passion for the brand as represented by the words she uses and the content she creates. Intimacy is the critical new component that sheds light on customer's feelings about your brand (positive or negative), and, with new services, it can be tracked almost in real time, providing ample opportunity to correct a problem or seize an opportunity before it wanes.

For example, Del Monte's pet food division used Umbria's brand monitoring services to track online conversations about how owners perceive their pets, yielding fascinating differences "for example, Gen Yers think of them as accessories, Gen Xers think of them as family and worry about how to fit them into their busy schedule, and Boomers consider them people too.

Brand monitoring firms like TNS Media Intelligence/Cymfony, MotiveQuest, Biz360, Umbria, and BrandIntel measure sentiment in online venues, including social networks, discussion forums, blogs, and video-sharing sites. Influence. This component looks beyond even sentiment to determine an individual's likelihood to encourage a fellow customer to consider or buy a brand, product, or service. Qualitatively, it includes brand awareness, loyalty, and the possibility of purchasing again. It also includes quantitative metrics like the Net Promoter (NP) score, measuring a person's likelihood to make a recommendation to a friend.



customer's intention to return, repurchase, or recommend is critical to building a forward-looking profile of your customer.

For example, BrandIntel tracked sentiment about the film *Snakes On A Plane* and TV series *Heroes*. Eighty percent of the conversation about *Snakes On A Plane* focused on the hype of the film and Samuel L. Jackson the actor, not his character, while *Heroes* conversations were all about the characters and the premise of the show. This is why *Heroes* is a hit and *Snakes* was a flop; BrandIntel's studies show that people aren't really engaged unless they're talking about plot and characters rather than hype and actors. You can measure influence through opt-in surveys, mailed questionnaires, or customer service calls and phone surveys.

With a new set of components "involvement, interaction, intimacy, and influence" companies can integrate data from many sources to build the engagement profile, an aggregate description of the types and levels of engagement your customers exhibit. But with all this new data, what metrics matter, and how can you combine them? To understand how engagement affects customer value, consider these three customer scenarios that reflect different customers and how they approach one brand, an online retailer: "Charlie: passive participant. Charlie's Just not that into you.

You see him on your site as an occasional visitor who does not recommend the brand and reads the company blog about gadgets but does not comment. Still, his behaviors on the site liken him to people who tend to have a favorable sentiment about the products they're researching (see Figure 3). Since Charlie isn't a registered user, you'll need to track his actions

on the site (pages viewed, time spent, etc. ) and measure the sentiment of the occasional anonymous content he contributes (comments, discussions, etc. ) as well as the sentiment on the sites and pages that refer him, tracked through browser cookies.

In your analysis of engagement of visitors like Charlie, you would match their characteristics to similar users who are registered and, from that, extrapolate their loyalty and likeliness to recommend. ?????? Steven: semiactive participant. Steven is ready to be turned on to your brand. He visits the site in bursts surrounding product purchases, has become loyal, and writes highly influential reviews of the sports equipment products he buys, even though he feels that the product research tools and information are lacking (see Figure 4).

For users like Steven, you should track activities surrounding purchases (before and after) and the time between a transaction and his review of the product. Measure the sentiment of product reviews, the actions taken after reading unfavorable content, and the influence his reviews have on other customers' purchasing behaviors. You need to ascertain what motivates him to contribute content and try to encourage more of that behavior. customers.

She is an avid fan of the site's pet accessories, is a highly active visitor who recommends the site to every pet owner she knows, and actively contributes content to the site's online community, even though she sometimes posts negative comments about products after making customer service calls (see Figure 5). For zealots like Sarah, it's important to track the quantity and frequency of reviews, profile updates, blog posts, forum discussions, and

other content contributions. You should also measure the sentiment of her contributions and use surveys to keep a pulse on her affinity for the brand and intent to continue to participate.

For some brands, it would make sense to start a brand ambassador program to draw users like Sarah closer to the company and energize their word-of-mouth. 7 8 Figure 3 Passive Participant PROFILE????” CHARLIE ?????? Passive participant ?????? Reads and views others’ contribution ?????? Only participates on rare occasions ?????? Not registered on the site Involvement Interaction Intimacy Influence ?????? Text analysis shows that the few comments Charlie makes tend to show favorable sentiment ?????? Text analysis of the