PART I

# Effective Management and Leadership Tools

CHAPTER 1

# The ROI of Social Media

## THE "I" STANDS FOR INSIGHT AND IMPACT

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Social media is transforming how nonprofits do their work and their relationships with constituents. The early adopters that have embraced social media with an approach of listen, fail informatively, and evolve are seeing results. Strategic use of social media is actually helping measurably to reach new people and is bringing added value to mission-driven work. Social media is propelling nonprofit goals to build a movement around a core advocacy issue, improve customer service or programs, reach new donors, and spread awareness of a nonprofit brand around the world.

Nonprofits can no longer afford to take the stance that social media is "just a bunch of hype" and continue with business as usual. The risk is playing a harsh game of catch-up or even worse. Nonprofit leaders need to ask, what can our organization do to make our Internet communications strategies and fundraising more effective in these rapidly changing times?

The return on investment (ROI) of social media requires a different approach. It is about replacing the word "investment" with new "i" words, "insight" and "impact." This chapter will help demystify social media listening, measurement, experimentation, and it will illustrate how nonprofits can effectively use these techniques to help improve their social media strategies to see measurable results.

## Social Media ROI—A New Approach

Although social media tools have been available to nonprofit marketing and fundraising professionals for several years, there is still debate about whether these new tools are worth the time investment. With economic and financial pressures always present, many nonprofit executive directors are highly skeptical as to whether social media helps nonprofits reach their objectives. When staff members suggest incorporating social media tools and techniques into the media mix, executive directors ask the following: What are the tangible benefits? How much will it cost in staff time to implement? How do we measure success? And, of course, is it worth it?

Over the coming decade, social networking sites like Facebook and other social media outlets and channels will become as ubiquitous to nonprofit development, communications, and program departments as the phone, direct mail, and e-mail. This transition will happen gradually, as younger nonprofit staff members, who are fluent in the use of these tools, assume leadership roles. And as members of generation Y comes into their own as donors and new technical developments transform the web into a social space, the use of social media will become as commonplace as "air," says Charlene Li, a social media expert.[1]

Adding social media into the nonprofit marketing and fundraising toolbox does not mean abandoning proven marketing and fundraising methods such as e-mail marketing and direct mail. It does require some experimentation and a different expectation about short-term results. Finally, it means that organizations need to rethink and change their approaches, and that is easier said than done.

## The Traditional Return on Investment Analysis for Nonprofit Technology

Many nonprofit organizations turn to a traditional return-on-investment process as a prelude to justifying a large investment in a mission-critical technology system or equipment. This might include new desktop computers, a videoconferencing system, a web site redesign that includes a new content management system, a customer relationship management (CRM) database, and the list goes on. Simply stated, the traditional ROI process is an analysis that looks at the benefits, costs, and value of a technology project over time. The analysis also includes financial projections that clearly show how the technology purchase will improve the bottom line. In other words, the analysis clearly connects the cost of investing in the technology to increased income or budget savings because the technology has made staff members more efficient in their work or has enabled them to better serve clients or stakeholders. Further, a traditional ROI analysis might also point out how staff time might be better spent, such as by illustrating how much more effective staff members are in their work because they can devote their attention to customers, clients, or program development rather than spend time on clerical tasks.

An ROI analysis is more than a simple mathematical equation that looks something like this:

$$\text{Income from new technology} - \text{cost of new technology} = \text{ROI}.$$

**TABLE 1.1 TRADITIONAL ROI PROCESS, STEP BY STEP**

| Step | Description |
|---|---|
| 1. Identify the objective | The organization identifies what it hopes to accomplish with the technology by identifying results. |
| 2. Define the audience | The organization identifies the audience. It could be external audiences like donors or clients as well as internal audiences like staff members. |
| 3. Benefits statement | The organization creates a benefit statement to identify how using the technology will help support its mission. Typically, benefits such as efficiency or effectiveness are identified. Benefits can also be intangible (can't be translated into a dollar amount and are usually behavior oriented) or tangible (those that can be translated into dollars or time savings) |
| 4. Use metrics to translate into a dollar value | These are measures selected to translate the benefit into an objective measure. Data must be collected during this process, but only enough to answer decision makers' questions. |
| 5. Calculate financials | The financial calculations might include comparing the cost of different solutions, comparing costs and benefits, comparing the cost of not doing, or identifying a small pilot to understand costs. |
| 6. Communicate results | The ROI analysis is shared with key decision makers either as a prepurchase decision tool or postpurchase. It incorporates both numerical and qualitative data. |

A traditional ROI analysis goes much deeper and involves a number of analysis steps, as shown in Table 1.1.

For a more robust and detailed understanding of the traditional nonprofit technology ROI process, please refer to chapter 3, "Measuring the Return on Investment," by Beth Kanter, in *Managing Technology to Meet Your Mission: A Strategic Guide for Nonprofit Leaders*.[2]

## ROI and the Development and Marketing Departments

Development and marketing professionals have used ROI calculations to analyze the results of their Internet-based fundraising, membership, advocacy, and communications campaigns. Most e-mail and CRM software will capture standardized and universally accepted metrics such as open rates, conversion rates, and others. This can help nonprofit development and marketing professionals not only easily answer the question, did our campaign work? but also have confidence based on past experience of a certain level of results. In other words, there is less risk.

Over the past five years, the nonprofit field has begun to establish industry benchmark metrics for measuring the success of online e-mail advocacy and

P1: OTA/XYZ P2: ABC
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fundraising campaigns.[3] Nonprofit fundraising and marketing professionals use these metrics to compare their results to industry norms.

Nonprofit online fundraising and marketing professionals collect and analyze standard web site metrics from analytics software programs like Google Analytics. The software can crunch the data to clearly demonstrate an ROI (or not). In fact, Google Analytics has a feature that tracks revenue goals and can automatically calculate the dollar return of specific strategies. In addition, because web metrics have been in use for more than a decade, they are generally accepted and understood by executive directors. What nonprofit executive doesn't know the definition of a page view?

## From Counting Eyeballs to Measuring Engagement

What is most difficult for many nonprofits to understand in their quest to measure and improve social media strategies or to justify getting started, is that social media not only requires defining success differently but also uses different metrics. Social media metrics are not all about page views. In fact, some social media experts go as far as saying that the page is view is dead or life support.[4] To measure social media success in the early stages, organizations need to measure intangibles such conversations and relationships. This can be a hard sell, especially when an executive director is screaming, "Show me the money!"

Social media requires not only a different approach to strategy but also a different mind-set from that of implementing e-mail, direct-mail, and other traditional communications and fundraising campaigns.

The social media measurement maven K. D. Paine, in an interview with the blogger Jason Falls put it this way: "Ultimately, the key question to ask when measuring engagement is, 'Are we getting what we want out of the conversation?' And, as stubborn as it sounds Mr. CEO, you don't get money out of a conversation."[5] At least in the initial stages of social media exploration, and as early adopters are discovering, engagement is leading to donations.

## Reframing ROI from Investment to Insight and Impact

Should nonprofits be using an industrial measurement model in a digital age to measure the success of their social media efforts? It simply doesn't work. In the 1920s, ROI was created as a financial measure, developed by DuPont and used by Alfred Sloan to make General Motors manageable. It is an analysis that calculates business performance, taking into account not only whether the business made money but also whether that profit was good enough relative to the assets it took to generate it. Over past century, the ROI process has been refined and so deeply etched in business thinking that many view it as the only legitimate means of measuring business performance.

It is also important to remember that ROI was a measure of return on the total investment in the entire business. It was never intended to look at the ROI of a specific marketing strategy, program, tool, or any other isolated aspect of an organization.

Many social media gurus have challenged the notion of using a straight financial calculation to determine whether an organization should invest in social media before taking the plunge or evaluating the first forays. These experts are not saying to not use metrics or that social media isn't measurable. What the experts are saying is that organizations need to measure value, and that value isn't necessarily synonymous with dollars, especially in the early stages of social media strategy experimentation.

Perhaps the best recent illustration of why traditional ROI formulas should not be used for social media fundraising is the discussion that followed an article published by the *Washington Post* titled "To Nonprofits Seeking Cash, Facebook App Isn't So Green: Though Popular, 'Causes' Ineffective for Fundraising."[6]

The article, which proclaimed fundraising through Facebook's Causes application a failure, based its analysis of fundraising performance on a dollars-per-donor metric. The article created an uproar on nonprofit blogs, with many fundraising and social media professionals making the point that it is still too early to measure success in aggregate dollars per donor.[7] Allison Fine, author of *Momentum* and who blogs about nonprofits and philanthropy, pointed out that awareness, not dollars, is the right metric for success in fundraising on social networking sites at this point in time.[8] In addition, she argues that social fundraising applications such as Causes facilitate the spread of a nonprofit organization's message in a way that the nonprofit does not need to do the heavy lifting. Steve MacLaughlin from Blackbaud, a leading technology provider to the nonprofit sector, said, "If the reason why you want to use social networks is just to raise money, then stop now. It doesn't work that way. Causes is a friend raising tool, not a fundraising tool."[9]

The fundraising consultant Betsy Harman, principal of Harman Interactive, concurred and pointed out why fundraising on social networks requires time. "Any nonprofit who thinks they can simply create a Causes page on Facebook and wait for the money to roll in, doesn't understand networked fundraising. It's still all about building relationships, telling your story, and taking potential donors through the process of cultivation, stewardship and solicitation." Brian Reich, a marketing consultant and coauthor of *Media Rules! Mastering Today's Technology to Connect with and Keep Your Audience*, suggests that too many nonprofits have taken the "build it and they will donate" approach and that "simply by using the tools they'll raise a lot of money. They've forgotten that it's the relationship building and that takes time."[10]

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The consultant Ivan Boothe said that Causes applications have been effective for organizing activists and keeping them engaged with a campaign. "Asking for and receiving donations has only ever been pursued on social networks as a way to reinforce this identity, not as a way to raise large amounts of money. It's about cultivating relationships with your most passionate supporters, giving them ways to speak in their own voice and connecting them with other people. Most young folks who are on social networks get this, since it is how they're relating socially on these networks already."[11]

It is important to understand that looking at the ROI of social media and social networking tools requires two new "i" words: "insight"[12] and "impact."[13] The concept of return on insight is something that the social media thought leader David Armano points out in his white paper "The Collective Is the Focus Group."[14] In the early stages, organizations need to approach social media implementation with more agility, which requires listening to and reiterating what works. He names this process "listen, learn, and adapt." The expectation of immediate dollar results is unrealistic, as many early adopters of nonprofit social media well know. It takes time to build relationships and more time to see results of social media efforts. As social media is largely experimental, it is imperative to measure quickly and make real-time course corrections and to figure out what is working. In this stage, learning and engagement are the value that social media offers to nonprofits.

The idea of impact on mission, which comes at a later stage, is to connect your social media objectives to specific organizational outcomes. As K. D. Paine, a thought leader in social media measurement commented, "We should reserve the term 'ROI' for impact on mission. For the Red Cross it's not about fans and followers or even money raised. It is about lives saved."[15] Paine goes on to say that if the social media strategists at the Red Cross can show that they helped more people in a crisis through Twitter, then that trumps all other metrics.[16]

## Listen, Learn, and Adapt Defined

The best practice of listen, learn, and adapt has fueled the success of many nonprofit social media strategies. Of course, organizations need to first set an overall objective for a social media strategy and then identify the audience and tactical approaches (see Table 1.3 at the end of the chapter).

But before the organization establishes a presence or gets started using any tools, listening must be the first step. Listening means knowing what is being said online about an organization, its field, or its issue area. Listening involves the use of monitoring and tracking tools to identify conversations that are taking place on the social web. It is an important first step before engaging with audiences.

At its most basic, listening is simply naturalistic research, although it is more like a focus group or observation technique than a survey.

Listening is not simply scanning or data collection or a river of noise. The process involves sifting through online conversations from social networks to blogs—many voices talking in many places. The value of listening comes from making sense of the data and using it to inform your engagement strategy with stakeholders.

Learning means discovering what works once the strategy has been launched. It takes place in real time as the social media strategy unfolds and as an evaluative process at the conclusion. It's an aha moment that leads to moving in the right direction. Most important, learning is a reflective process that is done either alone or as a team to harvest insights. Wendy Harman, the social media strategist for the American Red Cross who has been using this approach for three years, says, "At first, I would do the reflection myself, using a journal to document the experiment and at the end of the project review everything I've collected. I'd think about successes and failures. I also kept an eye on what other nonprofits were doing in the social media space. This would inevitably lead to the design of the next experiment. Now that our organization has embraced social media, we do this as a team."

Adapting means using insights to make corrections to improve social media results in the next reiteration. It is much easier to adapt a social media project at a tactical level than to change or improve other areas in an organization that social media might shine a light on: customer service, programs, and services. And making changes in those areas may require rethinking staffing and work flow and, of course, involving leadership and others in the organization.

## Overcoming Resistance

Depending on the organization's structure and culture, embarking on a social media strategy and using the approach requires a mind shift. Here are some typical concerns and how to address them:

- **What if they say bad things about our organization or program?** People complain. It is human nature. Social media, at the very least, gives nonprofits a chance to hear those complaints and act on them. A negative comment is an opportunity to improve the organization's programs or correct a stakeholder's misperception. Think of negative comments as an opportunity.
- **What if the organization only wants to see the numbers or "show us the money" in the initial stages of social media strategy implementation?** In the early stages, it is important to value insight and

learning and to pick the right metrics for measurement. If the expectation is for an immediate dollar return, look to other channels. But also explore the lost-opportunity cost of starting to experiment and learn. The debate about what to measure does matter, and this should be part of the discussion. The hard data points or metrics should be focused on engagement and conversations (discussed in more detail later in this chapter) in the early stages.

- **What if our organization's style of working does not value or incorporate reflection time for fundraising or marketing projects?** Reflection and looking at what worked and what didn't in a formal way is essential to success. Begin with building brief reflection sessions into the project time line. More frequent, shorter meetings that look at what has been done as well as what there is to do are important. In the long run, this approach may even be more efficient.

## The Art of Listening

Listening is knowing what is being said online about an organization, its field, or its issue area. Listening involves the use of monitoring and tracking tools to identify conversations that are taking place on the social web. This section of the chapter is a deep dive on listening techniques.

### Understanding the Value of Listening

The value of listening goes beyond getting free market research, although listening through social media channels is priceless because it is a chance to hear what stakeholders are saying in a natural environment. Listening is typically used by nonprofits to provide better customer service, to correct misconceptions, and to point people to information resources. Nonprofits are also using listening to support improved program implementation, for example, by soliciting ideas from stakeholders or "crowdsourcing" for new programs ideas.[17] As one nonprofit social media strategist pointed out, "Paying attention to trends on the various networks and what people are saying is also incredibly beneficial because it makes it easier for your organization to be relevant. Listening helps you be less of a spammer and more of a service provider."

Kate Bladow, who works at LawHelp, a legal services nonprofit, says that listening has become a best practice for program management staff. She says, "I found out this week that a colleague and I both use the same keywords on 'legal aid' and 'pro bono' to listen because we want to know if anyone is reaching out and looking for legal aid." She directs people to the specific place on the organization's web site to find legal information. Bladow also listens to identify people who express an interest in taking on pro bono legal work and recruits them as pro bono lawyers. Finally, Bladow uses listening techniques for the blog as a way to build to a community of readers interested in legal aid, pro bono work, and other access-to-justice issues.[18]

## Organizing Listening in Your Organization

An important consideration is how to organize the listening work flow. Will one staff person (or volunteer) in the organization do all the work, or will a team do it? Part of the preparation for listening includes determining what the response policy is. Organizations also need to think about how much time to allocate to the effort, which initially can take a minimum of five hours per week. Finally, listening isn't a matter of just collecting the data; someone will need to transform it from a river of noise into insights (see Table 1.2 for a checklist of listening questions).

Nonprofits use different approaches depending on their size, the scope of their listening, and the skill and experience of staff:[19]

**Social media strategist as a professional listener:** If the organization has a staff person responsible for implementing social media strategy, the listening task falls into this person's job description. The social media strategist becomes the organization's ears. The work flow, anywhere from five to ten hours per week, includes daily listening with free and paid tools, summarizing results, and distributing weekly reports to other departments. This person will also serve as the first responder in the social media space. Finally, the work flow includes tracking trends over time and mapping listening efforts to strategy implementation and metrics, as discussed later in this chapter.

**Listening team:** This model works for smaller organizations where there isn't a full-time social media staff function but social media is being integrated into the job description of a marketing or fundraising person. This approach works where there are senior communications people who are less facile with social media and younger, more junior staff members who are more comfortable with it. This approach will require a couple of weeks or even months of two-way mentoring, which begins with brief sessions learning about the tools and each other's work-flow needs. There needs to be a shared understanding of how to summarize the listening data, what requires a response and what doesn't, and what is an appropriate response, and senior staff need to take swift action.

**Listening organization:** In this model, the listening activities are not solely for marketing and outreach but also for other program departments that

**TABLE 1.2 METRICS AND HARVESTING INSIGHTS FOR A BLOG**

| Metric | Definition | Analytics Tool | How to Generate Insights |
|---|---|---|---|
| Reader growth: RSS Subscribers Unique visitors | Subscribers have made a commitment to regularly receiving (and hopefully reading or at least scanning) blog content. Visitors are people who visit the blog. Unique visitors are visitors who visit the blog and can be specifically tracked. | Google/ FeedBurner Google Analytics | Look at monthly trends over time to gather insights about reader satisfaction with your content.<br>Is the number of visitors and subscribers going up and to the right? If not, why? If yes, why? Think about your publishing frequency, length of posts, and mix of topics. |
| Engagement: Commenting Collecting Clicking Critiquing Sharing | Describes how readers are interacting with the content and sharing it with others. | PostRank | Review posts that scored a PostRank of 10: What are the topics? Are these posts longer and more in-depth or short and focused on a topic? Have they rounded up a lot of outside resources? What's the tone, formal or informal? Are they tips? What is the quality of the conversation in the comments? What did you learn from the conversation? If you have a group blog, are there differences between authors? |
| Bookmarking | A reader bookmarks posts, which means the reader is interested in retrieving a post later, which demonstrates value. This can also generate traffic. | PostRank | Review posts that scored a PostRank of 10. What is the format? Is the bookmarked post referring traffic? |
| Conversation index | Comments per post indicates engagement. | PostRank Joost Blog Metrics | What is the style of the writing? Do posts with more questions in the title and questions at the end generate more comments? Did you do any outreach to encourage commenting? Is there a conversation happening between people who comment? What do you do to facilitate it? What's the quality of the commenting—are you learning? Are the comments positive or negative? |
| Authority | The number of outside links to a post. | Technorati Yahoo Site Explorer Google Analytics | Look at the top 10 linked posts. Analyze the types of posts (content and format) that get linked and the impact of those links in referrals using Google Analytics. Are there any patterns? |
| Page views and referrals | The number of eyeballs per page | Google Analytics | How well are your blog-outreach efforts working? What generates views? What generates referrals? |
| Industry index | Comparison to other blogs in industry based on standard metrics | The Change List | Why is your blog increasing or decreasing in index number? What can you learn from the top-ranked blogs? |

integrate social media listening into the work flow—for customer support, program development, research, and self-directed professional development. This requires identifying the right people, training them, and sharing the information across departments if appropriate.

***Checklist of Listening Questions***

- What is the schedule for coordinating who is responding to online conversations?
- How will the organization ensure that different team members don't send duplicate responses?
- Will the organization disclose who is engaging on behalf of the nonprofit? Where?
- How will the organization ensure consistency within a team in recording the various facets of conversations that the organization is tracking?
- How will conversations be recorded for future reference?
- How will the conversations about the organization or industry be reported?
- How will the team triage conversations for different types of response?
- Where are the limits? Which conversations will someone on the team respond to and which ones will not require a response?
- Is it important to have a set of standard Q&As to frame staff responses to common issues?
- Is there a common voice that your organization wants associated with its brand?
- What are the guidelines for response time to conversations?
- What process will the team follow when it encounters an issue for which it doesn't currently have an answer?
- Will the team use individual accounts on social media sites that require registration, or will it work from one organizational account?
- Will the organization permit or encourage the team to use personal accounts in the outreach?

## Listening Literacy Skills

No matter what tools the organization uses to do the listening, the most important listening literacy skills are composing and refining keywords, analyzing patterns, and synthesizing findings.[20] There's also a fourth skill: effectively engaging. Listening is not just quietly observing—sooner or later, the organization needs to join the conversation. Working out when and how to respond is an important part of the work flow. At the very least, nonprofit organizations that want to do effective listening should set up searches on the basics. Some refer to this as "ego search." The items below provide a list of basic listening topics.

***List of Basic Listening Topics***

- Nonprofit name, including misspellings, acronyms
- Other nonprofit names in your space
- Program, services, and event names
- CEO or well-known personalities associated with your organization
- Other nonprofits with similar program names
- Your tagline
- URLs for your blog, web site, and online community
- Industry terms or other phrases

If the listening task is shared within the organization, coordination and policy issues need to be worked out. For many organizations, the basics will suffice. As a nonprofit organization begins to listen on a regular basis and scan results that are returned from the basics, it is a good idea to keep a spreadsheet of phrases or words that people actually use to describe the nonprofit organization. This provides a reality check and helps avoid assuming that audiences use the same words as the nonprofits' staff.

Carie Lewis, the social networking manager for the Humane Society of the United States, says, "I run keyword searches on current issues that people are talking about right now and that our organization is working on. Don't forget to search the names of individuals who oppose your issues."[21] Danielle Brigida, the social media manager for the National Wildlife Federation says, "It's important to listen to people based on their interests. For example, I create twitter searches for the phrase 'kids outside' which is related to our program Green Hour, http://www.nwf.org/playandobserve/, and is about encouraging parents to have their children spend more time outside enjoying nature. I compliment parents."[22]

Another valuable source of keywords is to run a search engine referral report (the words that people type into Google or other search engine to find an organization's web site). Analyze the keywords that people are using to tag or identify the organization's web content or blog posts in social bookmarking sites like Delicious or StumbleUpon. Apollo Gonzales, the social media campaign manager for the Natural Resources Defense Council (NRDC), conducted an analysis of keywords used to tag his organization's blog posts on environmental issues and was able to identify a lexicon used by people for or against the issue. This helped NRDC hone its social media keyword searches.

Finally, as Wendy Harman, the social media strategist for the Red Cross, advises, "You may not know what is not worth searching until you try searching on it and revise it based on what you see. Don't assume that you'll get it right on the first try, either. It takes fine-tuning of those key words before you get it right."

## Tools

There are a variety of free and fee-based monitoring and tracking tools available for the listening process. The most important tool, however, is an RSS reader, software that grabs fresh content from blog posts, web sites, and Twitter, and facilitates "ongoing Google searches"—all of which are essential to the listening process. With RSS, it's possible to check for new content in one place without running all over the web to see if sites have been updated. Most RSS readers are free. (For additional tutorials and tips on using RSS readers, see the Nonprofit Technology Network's [NTEN] WeAreMedia ToolBox at http://www.wearemedia.org/.)[23]

Listening tools consist of monitoring, tracking, and analytics software. Many nonprofits begin listening using free tools. There are two important reasons to migrate to professional tools. The volume of results from the listening effort is so large that it is impossible for one human to synthesize and condense the findings into actionable information. The professional tools are designed to facilitate a team's work flow as well as to reduce time-consuming cutting and pasting. It is important to remember that the skills needed—composing keywords—are the same when using both free and paid tools. At the time of writing this chapter, this category of monitoring and tracking tools was changing very quickly, with new tools being added and free ones disappearing. (For a comprehensive list of social media tracking and monitoring tools visit http://socialmedia-listening.wikispaces.com/Tools.[24])

Nonprofits will need to consider fee-based services when it becomes impossible to manage a high volume of mentions. Professional tools and services, such as Radian6, BuzzLogic, Trackur, and Filtrbox can help analyze and understand the magnitude and sentiment of conversations around a nonprofit's brand, which would be extremely labor intensive if done manually. Services start out at free trial for a month and shoot up to thousands of dollars for large institutions with multiple users. When considering a paid service, nonprofits should do their due diligence for the different vendors and select the one that best matches their needs.

The number of professional listening tools has grown rapidly over the past year and will continue to grow as more companies adopt social media and begin with listening.[25] When the nonprofit's listening activities have become established and the need for professional software has become obvious, the social media team needs to decide whether it wants software for tracking conversations or to hire a consultant to do the tracking and provide a report. The difference is a trade-off between the time required for the do-it-yourself approach or the cost of hiring a consultant.

## Listening as the Gateway: American Red Cross Case Study

The American Red Cross entered the social media space as a relative early adopter, just after Hurricane Katrina. The Red Cross knew there were negative blog posts about its disaster-relief efforts related to the devastating hurricane, but it had no capacity to respond, let alone monitor. In 2006, it hired Wendy Harman, a social media integrator, to "combat" bloggers and to increase organizational transparency.[26]

As Wendy Harman, whose current title is social media manager, says, "It felt like we were going to war. There were concerns about negative comments, fear even." Harman's first task was to get a handle on the existing conversation. There were hundreds of mentions across social media platforms each day. Also, "There is an exponential increase in times of disaster, nature, man-made and PR varieties. We monitor and track all of it, and try to respond to a lot of it."

The American Red Cross started a listening program prior to a social media campaign because it wanted to correct misinformation, to be informed about public opinion, to track conversation trends, to identify influencers, and to build relationships. Wendy Harman notes, "We needed to listen and engage first before we could do anything successfully with social media."

Listening to bloggers initially, and later to Twitter and other sources, has given the Red Cross the ability to successfully correct misinformation. Says Harman, "We have the ability to track conversation in great detail. For example, most people who blog about their blood donation experience also mention the type of cookie they receive and other intimate details of the experience. These conversations inform advertising and outreach to increase blood donations, which of course is one metric for success."

What surprised the staff at the Red Cross, and even Harman herself, was that most of the conversations were positive. Harman notes, "Instead of combating bloggers, we found that most are passionate and positive and want to help. Social media offers us a way to engage them and tell their stories about their experience with us to others." Perhaps the biggest benefit that the Red Cross reaped from its listening efforts is that they drove internal adoption of social media use and eventually informed the organization's overall strategy of social media presence. Wendy observes that others on staff, including senior staff, are no longer afraid of negative comments or posts. "The opposite of hate is indifference; if someone bothers to post a negative comment it means they care." The organization now views negative comments as an opportunity to educate and improve what it is doing.

Listening has also led to improvements in customer service. For example, a blogger write a post complaining about a Red Cross class at a local affiliate that the blogger thought was less than satisfactory.[27] Harman forwarded the comment to the local chapter director, who contacted the blogger. As the blogger mentions in a follow-up post, "Someone found my blog post and told the local chapter director. He called me to talk about it honestly. They care about me and they're willing to go the extra mile. This gives the American Red Cross *huge* points. I am now significantly more likely to take another class than I was before."

What started in 2007 as a series of listening and engaging experiments has now begun to pay off. In December 2008, thousands of Facebook members helped leverage a $50,000 donation from the Western Union Foundation by voting for the American Red Cross and its disaster-relief efforts on Facebook. The $50,000 donation contributed to a broader American Red Cross goal to raise $100 million for disaster relief.

Wendy Harman notes that employees at the Red Cross were initially blocked from accessing social networking sites, like Facebook, from work. Recently, a change in policy has allowed access, in part, because of the listening work undertaken with Harman's leadership.[28]

Harman, a self-described professional listener, spends approximately 10 hours per week listening. She has a daily routine. She notes, "We started with the free tools. It isn't rocket science, just keyword searches across social media platforms, adding additional keywords to track if there are special circumstances." Harman also culls and compiles daily mentions on blogs into a one-page update that is distributed widely to internal staff at the American Red Cross and affiliates.

Because she has been able to demonstrate the value of listening and how a professional tool can save valuable staff time, the American Red Cross is now using the professional listening and analytics tool Radian6 along with free tools. Notes Harman, "Listening is about 25 percent of my job and in the beginning it took a little bit longer because I had a learning curve."

As the professional listener on the Red Cross staff, her main challenge is dealing with the tsunami of information to analyze. "The professional tools get rid of a lot of cut and pasting, so that has helped. Also, we're looking at ways to represent the information visually. For example, I've bookmarked posts about people talking about the Red Cross and ran it through Wordle.com, a tool that creates a visual tag cloud."

The key metric Harman uses to help guide whether the organization should comment on a blog is the number of readers and Technorati authority ranking, which determines the blogger's influence. As Harman notes, "Authority matters but is not everything. Sometimes the most compelling story or most pressing issue comes from social media user with smallest influence."

Harman says that responses typically fall into several categories. These include relationship building (someone is saying something nice about us and we say, "Thank you") or there is a customer service issue or perception that needs to be addressed. Harman also reviews reports over time to look at different trends and to evaluate areas where people find their interaction with the Red Cross compelling enough to write about it on a blog or share it on Twitter. This information not only fuels the Red Cross's social media strategy but also informs program design, fundraising, communications, and virtually the entire organization.

Harman says that it is very important to document anecdotal evidence when making the case for the ROI of social media, especially feedback from staff members about how the listening process supports their work. She also documents how external stakeholders have engaged with the Red Cross by sharing screen captures of the actual Twitter "tweet" or blog comment. This drives adoption. Says Harman, "Now, everyone on staff wants the feedback. Documenting the successful one-on-one outreach with stakeholders has really built the groundwork for social media fundraising and communications campaigns."

Over time, the organization has come to appreciate and value the listening reports. And the Red Cross community knows that the organization is listening, and the conversation has changed and relationships have deepened. Most recently, engagement has also led to dollars. In May 2009, the Red Cross was 1 of 10 organizations selected by Target to participate in a Facebook competition where supporters voted for a share of the corporate philanthropy budget of $3 million.[29] The Red Cross was able to leverage a donation of $750,000.

As Wendy Harman sums it up, "Social media listening has become the gateway drug of the organization."

## Learning from Measuring

Learning means using experiments with metrics and the right questions at the right point to understand what works and what doesn't. Learning takes place in real time as the social media strategy unfolds and as an evaluative process at the conclusion. Most important, this is a reflective process—either alone or as a team—to harvest insights.

The secret sauce to social media success lies in careful experimentation. That means that nonprofits need to create a safe (or safer) place to fail. In the early stages of social media implementation, there will be mistakes, blowups, and malfunctions. This can be a difficult cultural shift for some organizations that

P1: OTA/XYZ P2: ABC
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are risk averse. The best approach is to start small, think big, and reiterate over and over again. As Clay Shirky said during the NTEN Nonprofit Technology Conference in San Francisco in April 2009, "We spend more time figuring out whether something is a good idea than we would have just trying it."[30]

Observes Wendy Harman of the Red Cross, "With social media, you must launch small 'proof of concept' experiments as part of an educational process for creating an effective social media strategy."[31] She advises identifying a project that won't take too much time and that relates to the nonprofit's communications goals. She suggests, "As you implement, document your successes and challenges. Be sure to interview those you connect with to see if they think your listening or outreach was valuable. Then rinse and repeat."

## Fast, Flexible Learning

It is important to be intentional about learning, and this requires thinking like a scientist and keeping a journal. For social media, this translates into documenting and tweaking as the campaign unfolds. The process of real-time learning can help improve communications and messaging, the identification of influencers, and many other important elements of a social media strategy.

Scott Henderson, the cause marketing director for Media Sauce, who recently spearheaded the HungerPledge Campaign on behalf of Share of Our Strength, "Our primary metric was the number of people signing the pledge and secondarily the dollars contributed. As the campaign was unfolding, we watched those numbers like hawks. It was how we identified one of our super activists, a supporter from Missouri, who single-handedly generated over 500 signatures. We shifted some of our tactics as a result."[32]

## Picking the Right Metrics

"You can't manage what you don't measure" may be an old management maxim, but no place it is more accurate than in implementing a social media strategy and measuring to get better results. To improve social media strategy results over time, it is imperative to know whether a result is getting better or worse according to a specific metric. In the first 18 months, the key learning task is to compare social media strategy results against set metrics for engagement and to ask guiding questions to harvest insights.

The most important step is to pick the right hard data points or metrics that enable you to measure the social media strategy objective. The metrics used are quite different from web site metrics, as shown in Table 1.2. And remember that numbers alone are meaningless unless they are used to harvest insights and look for trends.

## Reiterate and Adapt

The definition of adapting is using your insights to make corrections to improve social media results in the next reiteration of your campaign strategy.

### Reframing Mistakes

Reiteration is very important, but it may be difficult because it means reframing mistakes and failure. This can be difficult if the organization's culture embraces only perfection.

It is much easier to adapt a social media project at a tactical level than to change or improve other areas in an organization that social media might shine a light on—customer service, programs, and services. And making changes in those areas may require rethinking staffing and work flow, or involving leadership and others in the organization. Wendy Harman recalls, "We were hearing some people complain about getting more than one reminder to donate blood from some chapters. We investigated and learned that the complaints had to do with a software system issue and that it was wasn't something that could be fixed overnight."

It may be that the organization's social media strategy and implementation is housed in the wrong department. Danielle Brigida, of the National Wildlife Federation, initially started in the membership department, but the organization quickly discovered that education was a more appropriate place for the organization to begin its exploration of social media. The organization understood the opportunity costs of not implementing a social media strategy. It understood that if engagements and relationships were at the heart of social media, then starting off the strategy in the education department would be best. Brigida is now serving as internal consultant for other departments in how to incorporate social media strategy.[33]

### Humane Society of the United States—Learn and Adapt to Bring in Dollars

In February, 2009, the Humane Society of the United States, an early adopter of social media, launched an online photo contest in honor of Spay Day.[34] The contest combined wisdom of the crowds with person-to-person, or rather dog-to-person, fundraising. Humane Society supporters could upload a photo of their pets for the contest and had the option of creating a customized fundraising page where they could reach out to their friends for donations.

The organization's social media strategy helped make its second annual Spay Day Online Pet Photo Contest a resounding success. It raised more than $600,000 from more than 40,000 entrants. Carie Lewis, the society's social networking manager, says, "Facebook was the number one referrer to the photo contest web site, and the Facebook app had a utilization rate of 60 percent. Also, only 42 percent of the entrants came from existing HSUS members."

Over the years, Lewis, an early adopter of social media for her organization, has become an example of how listening, learning, and adapting ultimately leads to dollars. In 2007, the Humane Society implemented its first photo petition campaign to protest Wendy's and the restaurant chain's treatment of animals. It tracked the number of photo submissions but also listened carefully to the responses from participants.

As Lewis mentions, "Since this was our first run at a photo petition, it was difficult to get across exactly what we wanted people to do without writing a book. So every person that wrote in and needed help was answered personally. This gave us a good idea of how to more clearly explain ourselves next time."[35] This particular photo campaign had many technical glitches, and ultimately the number of submissions was less than impressive. Did the Humane Society proclaim that photo competitions were a waste of time? No.

The next photo contest iteration was LOL Seals, which made it as easy as possible for people to participate. That's what the organization had learned from the first campaign. The first contest required that supporters upload and tag their photos manually, which meant that contest participants had to create a Flickr account and understand how tagging works. This proved too much of a barrier for participation. For that contest, the Humane Society used the Flickr Application Programming Interface (API), which made entering, uploading a photo, and captioning automatic. The Humane Society had about 3,000 submissions and captured about 2,000 new e-mail addresses. As Lewis notes, "We looked at the cost of acquisition of these email addresses as well as the life time value and there was definitely an ROI."

The secret to the Humane Society's success with social media is not only using metrics to learn what works and what doesn't but also reiterating the strategy on the basis of fast and flexible learning. With some years of experience and knowing what works and what doesn't, the Humane Society can most definitely demonstrate impact and a dollar return.

Grace Markarian, the online communications manager for the Humane Society of the United States, described how integrating social media into the organization's communications, advocacy, and fundraising efforts has helped break down staff silos and introduce a new approach to planning. The team has daily nine-minute meetings, unless there is something very important that makes the meetings run a few minutes longer. These short briefing meetings have helped the team to be more efficient and effective with every aspect of multichannel campaigns, particularly social media.

The Humane Society looks at both the tangible and the intangible benefits provided by the social media strategy, as shown in the list that follows:

**Tangible and Intangible Benefits of Social Media**

***Tangible:***

- Increased e-mail database
- Obtained original content
- Obtained free public service announcements
- Raised money
- Recruited new donors
- Recruited members, fans, friends

***Intangible***

- Raised awareness about issues
- Engaged people to participate in the issues
- Generated discussions on our issues
- Received buy-in from the top
- Received recognition and media attention (online buzz)

As the Humane Society well knows, it is important to get buy-in from the organization's leadership and to move past fears of losing control of messaging.[36] The Humane Society has accepted that it takes time listen and build a network of supporters before seeing dollars. Through months and months of experimentation and learning, the Humane Society has learned the following: (1) Integrating social media into a nonprofit's marketing and fundraising campaign can help build buzz and online actions (like donations) slowly, although it requires using other channels; (2) social media allows the organization to reach audiences it may not reach through other channels or at all, but resources must be allocated to monitor and communicate with those audiences to sustain success; and (3) participating on social networking sites allows the opportunity to experiment with new technologies but requires constant willingness to learn. This list shows some metrics used to measure success and make strategy improvements.

***Metrics Used to Measure Success and Make Improvements***

- No. of submissions/comments
- No. of friends, fans, members over time
- No. of new names added to e-mail file
- No. of donations/amount of donations
- No. of video/photo views
- No. of subscribers (RSS, blog)
- No. of blog and wall comments

- No. of voting participants
- No. of blogs linking to us/covering our story (consider quality)
- No. of friends recruited
- Frequency of bulletin reposts on MySpace
- Content of keywords, comments (what are people talking about?)

## Conclusion

Social media is not a fad: It will become an increasingly important part of the nonprofit toolbox—not only for fundraising and marketing but also for program

TABLE 1.3 **SOCIAL MEDIA ROI, STEP BY STEP**

| Step | Description |
| --- | --- |
| Step 1: Establish goals | Clear and measurable<br>Link to organization's communications or fundraising plan<br>Generate a set of learning questions that help you understand how to improve |
| Step 2: Identify the value | List how social media will solve a problem<br>Identify the value it will offer–how will it help move forward other goals?<br>Value might include customer service, new donors, new prospects, market research, and program improvement |
| Step 3: Pick the right metrics | Is your goal to build relationships? Use engagement metrics<br>Is your goal fundraising or communication? Use dollars, acquisition costs, or new donors |
| Step 4: Find your audience | Who are they? What about your organization or issue is important to them? Where do they hang out on social media spaces? |
| Step 5: Listen | Set up your listening and monitoring system<br>Listen and use what you learn to inform your strategy and initial engagement<br>Let others in your organization know what people are saying<br>Establish a response policy before you begin |
| Step 5: Get started | Engage with stakeholders and supporters<br>Identify and work with influencers<br>Set up presence<br>Get others to remix and spread your message<br>Build your network or community<br>Document your strategy as it unfolds, tweak, and refine. Don't forget to get qualitative information like screen captures and quotes |
| Step 6: Measure | Use analytics tools to measure results using metrics against goals |
| Step 7: Reflect and reiterate | Review your metrics data and your documentation and reflect on what worked and what didn't<br>Design the next project applying those learnings |

delivery. As social media practices, techniques, and analytics mature, social media analytics software and agreement on standardized metrics are in the embryonic stages.[37] Savvy nonprofit leaders will consider the opportunity cost of not getting started soon. As Marnie Webb, co-CEO of TechSoup Global, said during a panel at the Craigslist Foundation Nonprofit Boot Camp on the future of technology for nonprofits, "The past, present, and future of nonprofits has been connecting people. Facebook is better at organizing people than nonprofits. Nonprofits can no longer ignore social media or they risk becoming irrelevant."[38] As Carie Lewis of the Humane Society says, "You have to take the time to build trust, and really roll up your sleeves and get dirty. Social Media takes a lot of time and efforts, but if done right, it can really pay off."[39] Whether a nonprofit engages deeply on many social media channels or takes a selective approach, it is time to get started or risk being left behind. The ROI steps are shown in Table 1.3.

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