ROI. Measuring the social media return on investment in a library

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Key words

 ROI, return on investment, Social media, marketing, public libraries, library 2.0, tools 2.0, social networking websites.

Abstract

Purpose: In all projections for 2011, ROI has become of the great challenges of social media marketing for the business environment. However in the case of non-profit organizations, there is no need for such calculations. It is not as necessary to know how the effort made in these media compare to the benefits that can be obtained. This article compares the parameters governing social media ROI at an enterprise level and at the level of non-profit institutions. Additionally, the use of social media tools in a strategic plan and to save costs in the institution is discussed.

Design/methodology/approach: Where ROI is defined as a mere indicator of return on investment, it involves the direct costs and revenues of each transaction. Combining the world of social media marketing, which is full of intangibles, with the current crisis makes knowing "real" return one of the greatest current needs. When demanding returns from institutions that have never been analysed from this standpoint, it is important to understand how a tool like this can be used to justify an entities' visibility, brand improvement and ultimately, an increase in the institutions' quality   and   use   by   users. Also, it should be taken into account that while in 2010 branding was the primary goal of communication in social media, this year in view of the increasingly endemic crisis, a ROI analysis can help an institution to evidence how the cost savings inherent in using these as opposed to former marketing tools substantiates their use. However, this interest involves a great risk of simplification.

Findings: The analysis we use to measure ROI can follow these lines:
1.The consumption by previous users can be compared with that of current arrivals on the network.
2.Comparisons can be made between the behavior of a user prior to following us on social media and after doing so.
3. The extent to which the success of our new developments, events etc has improved after being communicated in social networks can be measured.
4. The influence of brand perception on users' consumption and thet extent to which the new media have changed this perception can be measured.

Originality/value: Conducting a ROI analysis of our social media marketing campaign can help us evaluate various aspects in our library.

1. Social Media can be considered as an interesting information dissemination tool requiring only minimal effort which can be used by the library to promote reading and publicize its informational and cultural efforts. Social media can also be used as dynamic, provision of service and marketing resources with a clear reduction in costs compared to other more traditional types of advertising and publicizing.

2. Given that in the management of these tools, it is the contents and ideas that are essential rather than the economic resources available, social media are particularly useful for small and medium-libraries as they provide the possibility of increasing the visibility of the institution and improving its service and its users' experience.

3. Opening a new channel of communication with users on the Internet is a challenge for libraries that can be optimized with the development of a strategy for the use of social media. The library should make an effort to manage these resources efficiently and obtain the largest possible return on their use.

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ROI as an indicator of return on investment

Where ROI is defined as a mere indicator of return on investment, it involves the direct costs and revenues of each transaction. Combining the world of social media marketing, which is full of intangibles, with the current crisis makes **knowing "real" return** one of the greatest current needs. When demanding returns from institutions that have never been analysed from this standpoint, it is important to understand how a tool like this can be used to justify an entities' visibility, brand improvement and ultimately, an increase in the institutions' quality and use by users.

Also, it should be taken into account that while in 2010 branding was the primary goal of communication in social media, this year in view of the increasingly endemic crisis, a ROI analysis can help an institution to evidence how the cost savings inherent in using these as opposed to former marketing tools substantiates their use. However, this interest involves a great risk of simplification.

A myth has grown that internet can easily be measured. While It is true that metrics such as web visits, fans or the number of comments are easy to obtain, on the basis of only this data it would be necessary to jump leaps and bounds to obtain what ROI aims at: an increase in revenues or cost savings. In the case of nonprofit institutions, and specifically, in the field of libraries and documentation centers it would only be possible to analyse cost savings, whereas increased revenue might be comparable with an increased number of users or number of services per users, loyalty etc ...

Social media marketing enables us to achieve multiple objectives, but it must be made perfectly clear that to

understand the return, it is necessary to work at different levels and **each analysis requires a specific design as well as an analyst. Therefore, such analyses in non-profit institutions are required to be much more comprehensive than in other fields.**

ROI invites us to translate all 2.0 communication into money.. However while costs are fairly clear, the profit arising from each activity is more elusive. Many tend to simplify the return, reducing it to only items which can be quickly quantified in money and calculating profit solely on the basis of direct sales made from links posted on social networks. While this return is interesting for a company whose activity is 100% linked to on-line commerce, it is completely inadequate for any other institution, and especially for a company or institution that does not sell anything on-line.

To measure ROI **a process should not be analysed from the beginning, but rather from the end.** This does not mean monitoring the impact of our publications until they translate into an increase in users or the use of services, but rather determining the reasons for such increases, i.e. the users' motivation. This is a **business intelligence** task carried out using **market research techniques** (interviews, surveys, focus groups, etc.) and incorporating social media into the user management system. Such as task will enable the institution **to determine what issues are influencing its users** and the extent to which the communication they have received through the social networks has influenced their decision to use these services rather than others. The analysis we use to measure ROI can follow these lines:

1.The consumption by previous users can be compared with that of current arrivals on the network.
2.Comparisons can be made between the behavior of a user prior to following us on social media and after doing so.
3. The extent to which the success of our new developments, events etc has improved after being communicated in social networks can be measured.
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In the case of **cost savings** the analysis required is simpler. Of course, each specific case would need to be evaluated, but for example the following can be done:

1. The cost of resolving incidents using social media can be compared to the cost of resolving them over the counter. Of relevance in this case is the reduction in staff costs which can translate into better and higher quality customer services.
2. The cost of creating web traffic through advertisements can be compared to doing so using social media.

3. When a survey is distributed through social networks (user satisfaction surveys, etc.), the exact savings obtained can also be measured by comparing this cost to the cost, for example, of taking surveys on paper, doing telephone interviews in the library etc.

Social media activity leads to returns of all kinds, and **it is surely more interesting to know the intermediate**

levels of return. Although this list could be broken down even more, it does aid in understand the complexity of 2.0 communication and its huge capacity to achieve various objectives. Although most of these objectives are intangible it cannot be considered that they do not have any effect on the institution. Analyzing for example, **how the perception of a brand by our potential users changes** as a result of social media activity is essential for determining whether **the objectives of social media marketing are being met**. This can be done **through an analysis of online reputation and an action analysis.**

There are different levels of return and each one requires a certain type of analysis as summarised in this diagram:

RETURN LEVELS IN SOCIAL MEDIA		
LEVEL	INDICATOR	ANALYSIS
DIRECT	Engagement	Mentions
		RT
		Interactions
		(etc.)
INTERMEDIATE	Branding	Online Reputation
	Influence	Action analysis
		2.0 Research
FINAL	ROI	Business Intelligence
		Market studies
		Social research

It is important to be very cautious regarding this obsession with the ROI because it is a game in which **a very good arbitrator (analyst) is required or social media will always lose out**. It is normal for companies to seek profits, but social media cannot be interpreted as solely a measure of such profits, and for this reason in the case of non-profit institutions it is important to be familir with other ways of using ROI. In the first place if an institution is present in the social media it is because there is already someone talking about it, and secondly, **these media offer nothing more than new ways in which to interact and communicate**. Avoiding them is like refusing to have a telephone or a meeting room.

Additionally, **the need to compare social media marketing to more traditional advertising used in all of the libraries since their inception** causes us to lose sight of the most important aspect of 2.0 communications, which is its bi-directionality. It is not only the repercussion or the number of "viewers" of our message which should be researched. It is also necessary to listen and analyze what is said about out organization, our services and our industry in order to become more competitive in the future. But this takes time, patience and an appropriate interpretation of what is occurring.

Social media within the libraries' marketing plan and its ROI analysis.

In an environment where the influence of the social web is becoming increasingly more important, libraries must develop an on-line communication strategy, which can serve as a resource for stimulation, the provision of services and marketing. Additionally, libraries should make an effort to manage social media in an efficient manner, thereby obtaining the greatest possible profitability from their use. In this new era of Internet, the number of users of social media is incessantly growing and the influence that social media has over the daily lives of citizens is continually

increasing. Nowadays, the environment is such that all agencies and institutions are including the use of social media in their media plans and marketing. Consequently, there is no doubt that libraries need to consider the use of participatory tools or 2.0 tools not only to be advisable but also essential.

The use of social media is beneficial for any library, but especially small and medium size libraries, given their low cost and ease of use, as well as the fact that such tools are affordable for any entity, whatever its size and budget. The financial cost and working hours that creating and maintaining a project on a social networking website involves is minimal, and in exchange, the benefits that can be obtained, mainly in regard to the improvement of the image of our institution and our services, are enormous.

The design of a good marketing plan focused on social media can be vital for an institution such as a library. However, the use of social media in libraries does require planning. Although it need not be exhaustive or strict, minimum planning is required to perform this task efficiently and in an ongoing manner. Therefore, basic planning should focus on the following:

- Setting realistic objectives.
- Choosing tools which can be used to achieve these objectives, taking in account the available material and above all, human resources (personnel).
- Deciding who will be responsible for the complete social media system and when this work is going to be performed (which might require the distribution of tasks to be restructured).
- Configuring the tools and seeking all the instruments and applications that allow for tasks to be automated and therefore save time.
- Creating contents.
- Managing on-line communication and dialogue with our commentators.
- Ongoing evaluation and reformulation of strategies.

However such strategies must be flexible, and should be open to any of the continuous changes in new technologies and the cultural consumption habits of citizens.

Also, the objectives to be achieved must be clear, representing our non-financial ROI.

Some possible objectives are as follows:

- Expand the scope of the library's work beyond its normal outreach.
- Open a new channel of communication and of services.
- Foster and facilitate the participation of users in the daily activities of the library.
- Rely on a marketing tool: The use of social media affects mainly the visibility and image of the library, the improvement of the service itself and user experience.

Tools to be used to achieve our ROI objectives

With respect to 2.0 tools it is important to bear in mind that they are nothing other than tools. Social media should not be used simply because doing so is fashionable. On the contrary, among the many applications that exist, it is important to assess which of these are of interest to our library in particular. Subsequently, those which most effectively serve these purposes and fulfill our goals should be chosen so that they can steadily be maintained taking into account the available staff and volume of work.

These tools must be tried and mastered before deciding whether they are to be used as part of the system for the

management of our public image, and whether it is advisable to introduce them gradually, because otherwise there is a risk of too much work, which in the long run can lead to a failure to update these tools or to their abandonment.

In general, the tools of most interest will be those providing the library with a space for dialog, a space to talk about books and culture and to share information and documents.

Blog:

The type of information exchanged on blogs is quite varied: Recommendations of books, activities carried out by the library, other recreational or cultural activities, analysis of the works discussed in the reading workshop, news bulletins, basic information literacy, videos, surveys, interviews with users, news, curiosities and thoughts related to the world of reading, information and culture in general.

The blog can become the center of all the library's 2.0 activity. Its contents are published along with other information on social networks. Also, blog colums, along with other applications, can be used to make the library activity visible and available on Twitter, Flickr, and Delicious and Chat (Meebo) which allows an on-line reference service to be provided.

Facebook:

A presence on social networks dedicated to leisure is now probably the most attractive option when opening a new channel of communication with users.

Given the format and informal tone of these social networks, there are more comments and interactions from users than in the blog, and on the other hand, the contents of this site are sent to users without first having to enter it. In a certain way, it can be used as an aggregator of Rss content, but one which is more accessible by the ordinary citizen, who manages social networks with more ease than concepts such as 'syndication".

Twitter: An account on this microblogging service is created for the purpose of sharing resources and achievements with the readers and also with other libraries and professionals.

Tools for managing links and files:

Given the library's function of providing information, there are other tools (editing or publishing tools, tools allowing for the collection, organization and dissemination of information) which should also be taken into consideration: wikis, social bookmarking, file sharing platforms, office applications, virtual desktops, etc.

Social Media, improving the image of the library and improving the users' experience.

The results that can be obtained by a library which appropriately manages its social media can far exceed any previous expectation. In media which is so influential and dynamic, there are many unexpected and normally positive effects.

The first effect of the use of social media is an improvement in the visibility of the library. There is a general feeling that despite being the municipal service most used daily, libraries do not have enough support and the librarians' work is both unknown and most certainly socially undervalued. The library's lack of visibility as an institution is an important issue because, on the other hand, it leads to lack of resources.

Although social media is not a cure-all for this situation, undoubtedly it's potential for improving our image is very high. Through this network libraries can publicize their activities and services, services which at times are not valued simply because they are not well enough known. Also it can give libraries a new fresher image contrasting with its

older traditional image.

Product Improvement:

The second effect of the use of social media in libraries in marketing terms is called "product improvement". Selling a specific images creates consumer (in this case, user) expectations. The product offered has to match that image. Consistency is needed, which in turn requires efficiency.

In addition, readers' comments and interactions in the blog and social networks can make libraries aware of which aspects of service can be improved.

Improved user experience:

The ultimate goal of all 2.0 marketing efforts 2.0, and the ultimate goal of all work undertaken by libraries in relation to social media is to improve the users' experience with our services by considering complaints to be an opportunity for improvement.

Ultimately, the experience at our library shows:

• A continuous increase in our web site traffic.

• Greater outreach of the promotion of reading.

• Increased involvement of the users in library activities.

• A significant effect on the improvement of service and on the image of the library perceived by users and also political constituencies and the media.

CONCLUSIONS

Conducting a ROI analysis of our social media marketing campaign can help us evaluate various aspects in our library.

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