

Leading Results: Accounting for the Cost of Social Media

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Abstract:

Social media, loosely defined as a collection of online services that communicates and shares content with various stakeholder groups, is developing a greater presence in libraries everywhere. With most everyone on the social media bandwagon these days these activities should include assessment of effectiveness and developing techniques to be more creative and expand the use of social media tools. It might seem that the use of social media in libraries began as a need to stay up to date on communication channels to the libraries' user groups, but over time, with expanded options and a diverse set of user preferences, the use of social media has become more complex and requires some strategic planning. This includes assessing the communication between the organization and users to determine the value added of the activities.

Keywords: Libraries | Social Media | Marketing | Strategic Planning

Article:

Social media, loosely defined as a collection of online services that communicates and shares content with various stakeholder groups, is developing a greater presence in libraries everywhere. With most everyone on the social media bandwagon these days these activities should include assessment of effectiveness and developing techniques to be more creative and expand the use of social media tools. It might seem that the use of social media in libraries began as a need to stay up to date on communication channels to the libraries' user groups, but over time, with expanded options and a diverse set of user preferences, the use of social media has become more complex and requires some strategic planning. This includes assessing the communication between the organization and users to determine the value added of the activities.

And have we paid attention to the cost attributed to social media, even though much of the Internet activity comes free? In many cases no, the cost of developing and creating content, implementing the online presence and maintaining sites for continued interest, can get lost from view. In some cases library staff that have shown an interest in social media and charged with implementation, do so at the price of neglecting some or all of their other responsibilities and duties. And if the efforts aren't assess then the impact could be negligible, which means the cost is wasted time and effort.

Strategically Planning a Social Media Program

Basic principles of planning and developing strategy would apply to a social media program. Planning activities are designed with a future for the organization in mind, but ultimately becomes a formalized process or procedure in which results form the basis for decision making. Planning within a pattern for desired outcomes becomes the strategy and may be intended or realized (Mintzberg). These realized strategies can also be deliberate or emergent, where a realized strategy was not what was originally intended. This is mentioned because Mintzberg states that emergent actions can occur one by one but then converge into a strategy that gains realization. The use of social media over time can have this trait as technology is consistently changing as is user needs and preferences.

A new monograph recently published compares the marketing aspect of social media with the strategic planning activities of retailers, from the customer's perspective. In *Marketing and Social Media, A Guide for Libraries, Archives and Museums*, Koontz and Mon draw comparisons to retailers' use of social media as a synergistic partner for marketing efforts that identify customer satisfaction factors. This concerns identifying users and fitting communication methods and techniques to different groups with different interest. And they also describe the benefits of combining the analytical methods and data from multiple sites to identify and label users into specific groups or categories of interest.

Commercial enterprises have been trying to analyze and measure the benefits for some time of social media use. Amanda Mulivhill shows several examples of different organization's attempts to determine the value of their investment of time and effort with Facebook. Although the overall results were mixed in terms of applying specific numbers, she concludes that Facebook's potential for building brand-to-customer relationships is priceless and therefore is worth closer scrutiny in the strategic planning process.

Social Media ROI

So what are the costs associated with social media? Have these costs been identified and strategized or have they happen gradually over time without a master plan in place to analysis efforts? And why is it important to categorize costs related to social media activities? All of these questions should be part of the strategic planning model and also could potentially be part of the job description of those involved in order to create a responsible and accountable endeavor. Some of the cost associated with a social media program could be framed as follows:

- Cost of time for content creation for materials to be posted
- Cost of time for implementation, or posting of materials
- Cost of time for responding to users and interacting within the context of the topic, including research
- Cost of software for fee based programs
- Cost of alternative back-up systems needed in the event of primary system failure

Of course these costs grow as the amount of media grows, i.e. the number of blogs, the number of Facebook pages to maintain or the amount of feedback and comments received that need to be addressed. Other variable costs, related to the impact or effect of social media might be; an increase in foot traffic, event attendance, resource usage, demand for equipment, etc. and should be maintained and considered just like any other marketing effort. In for-profit companies, this type of enhanced activity usually results in an increase in sales and/or profits, which also drives higher expenditures such as maintenance issues or increases to staffing. Libraries with a fixed expense structure would need to be prepared, or budget, the increase in peripheral expenses related to marketing activity.

Two different types of formulas are commonly used for analyzing the effectiveness of activities like marketing or social media programming. The first one is a cost-benefit analysis which is numbers driven to determine if the cost of something provided a benefit, loss or broke even from the expense invested. The second one, which comes closer to measuring effectiveness versus quantitative numbers, is return on investment (ROI). Traditional ROI formulas are measuring the net gain or loss compared to the cost of initiating an action or change. This provides the data to determine the change in effectiveness. Actions or functions realized in a vacuum, cannot contribute to the full understanding of the cost involved with the effort.

This answers the third question of why track the cost. The cost is going to represent the investment being made into a program or function that is driving the social media efforts. Isolating those expenses is important when analyzing the impact to help determine if there is a gain, break even or loss from the actions taken. ROI is typically calculated or evaluated after implementation so that the technique or strategy used is compared to the effort made. This will either justify the expenditures or call for a change in tactics.

Angie Schottmuller, presenting at the SES ClickZ Live conference in San Francisco, offers 14 formulas to measure social media benefits. And she starts with the question, “*How much would it cost if you had to pay for the equivalent achieved by social media?*” or in other words, if you were paying for marketing services that emulated what you could do with social media, how much is that worth? Angie’s formulas are designated to specific values such as the value of advertising, content, research, support or sales. Then the goals for each are identified in terms of desired outcomes from the activities.

These formulas could be used for different situations in which social media is used in place of an alternative form of marketing or PR action. An example for a library could be Angie’s formula number 6, which has an advertising value for social PR mentions, with a goal of growing awareness. In this case the number of online brand mentions (this could be references to the library services) is multiplied by the cost of promoting the library or event in another publication or venue. This would be divided by the normal average mentions to obtain a value compared to the cost of promoting in other ways, i.e. campus paper, radio, etc. Since most libraries no longer pay for promotional efforts, any gains by these online mentions can be considered positive but still need to be compared to the cost involved.

Recognizing that social media is replacing or enhancing existing marketing or promotional efforts is important to understanding the value it represents. Even if you aren’t spending money on marketing, identifying the value it represents helps justify the time and effort it takes.

Jennifer Nardine from Virginia Tech Libraries presented at the 2012 VLA Conference on *Social Media Management: Using Hootsuite for Efficiency*. In reinforcing the value that social media brings, she acknowledged the cost associated with maintaining a robust program and offered some dashboard solutions from vendor choices. It is this acknowledgement of cost and effort that is important to recognize and strategically incorporate into the organization’s planning process in order to provide desired outcomes and efficiencies.

Other Considerations

Much of what changes in academic and public libraries come from the changes that are occurring with the younger generation and their use of technology and information seeking behaviors. A good snapshot of these trends comes from a column by Joyce Valenza, in which she looks at learning trends with K-12 education and how those methods should be watched for further growth. She specifically mentions the social media aspect but as it’s embedded in social reading and discovery tools that provide interactive appeal. She is advocating that librarians and educators learn the skills sets needed to pursue and maintain this virtual social relationship with users.

Ron Miller in his column in Media Redux titled, *Online Publishing Paradigms Shift Power to Writers* discusses how combining the power of social networking and the capacity to self-publish, changes the entire notion of how we think about the publishing industry. If writers no

longer utilize publishers or use the powerful brand recognition of the publishing platform to build their own influential individual networks, they are no longer beholden to any type of publishing entity at all. Does this influence the librarian's evaluation of information credibility? In this scenario the writer has become the publisher—a notion that has to scare the heck out of traditional publications still struggling to adapt to the internet age but also librarians who are charged with providing credible resources.

The use of social media for recruitment is on the rise as well. In an article for students from the Society of Human Resource Management Student Conference, Meredith Berman indicated that 2 out of every 3 companies are expanding their online recruiting efforts. In this formula the cost of using social media can easily be compared to the cost of running advertisements and since usage is on the rise, it is easy to conclude the advantages.

Conclusions

Private companies have been assessing and measuring their investment in social media programming for many years now. Libraries are just now recognizing that using social media consistently and decisively should be strategic and accountable for the financial investment needed to sustain a social media campaign. Libraries who are using social media, or want to start using it, should consider why this is the best choice and how it fits into the mission of the organization. They should establish goals as to what is meant to be accomplished by a social media program and then identify clear tactics to achieve those goals.

By having a strategy, identifying the costs associated with social media programs can then be assessed and justified or modified as needed to gain a return on that financial investment. Looking at trends coming from K-12, the reduction of publisher's scrutiny and the trends in hiring folks who are already participating in virtual experiences, a formal and proactive program sends a clear and consistent message about what your organization represents.

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