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Title of the Master´s Thesis:

Development of a Social Network Monitoring Framework and Key Performance Indicators for a Professional Haircare Company

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D e c l a r a t i o n o f A u t h e n t i c i t y

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Prague, August 25, 2016 Signature

Title of the Master´s Thesis

Development of a Social Network Monitoring Framework and Key Performance Indicators for a Professional Haircare Company

Abstract

This work reviews the current literature and application methods of strategic KPI frameworks, KPI definition and measurement, target setting and benchmarking for social networks based on journals, books and whitepapers while including an interview with a social media agency. In a second step, the acquired knowledge is applied on a case study for a salon haircare company. The conclusions are based on in-company experts in the field, external social media agencies and an internal survey. Based on a behavioral survey, the requirements and gaps in the organization are identified. This leads to the application of a theoretical framework on the case company and a suitable definition of KPIs. The final delivery includes an analytical tool measuring all KPIs. Finally, all KPIs are related to targets and benchmarks from industry, social network sites, competitors and historical data. The final results are easily transferrable to other players in the industry.

Key words

Social media monitoring, social network monitoring, key performance indicators, social network metrics, professional haircare

Preface

The author of this Master's thesis is currently studying "International Management (CEMS)" at the University of Economics, Prague. This Master's thesis builds the completion of two years of studies in order to receive the Master title inzenyr (Ing.) in International management. The author spent six months in an international marketing department of a professional haircare company to solve a given business problem. This thesis has the goal to provide a potential solution for a business problem considering both theoretical and practical backgrounds.

Without the great support of several stakeholders, this work would have never been possible. Therefore, I would like to thank from the bottom of my heart my colleagues from the case company, the strong educational consultation from the University of Economics in Prague, the support of all digital agencies, former colleagues and friends from Google Ireland and the motivational support of my beloved family and dearest friends.

List of figures

Abbreviations

#	number of
∑	sum of
APAC	Asia-Pacific
API	application programmatic interface
ARPU	average revenue per user
B2B	business-to-business
B2C	business-to-consumers
bn	billion
BPC	Beauty & Personal Care Industry
CEE	Central & Eastern Europe
CMO	chief marketing officer
CRM	customer relationship management
DACH	Germany, Austria and Switzerland
DAU	daily active users
etc.	et cetera
EBIT	earnings before interest and taxes
EUR/€	Euro
eWOM	electronic word-of-mouth
FAQ	frequently asked question
FB	Facebook
FMCG	Fast-moving consumer goods
HR	Human Resources
IG	Instagram
k	thousand
KPI	key performance indicator
LATAM	Middle & South America
MAU	monthly active users
MEA	Middle East & Africa
mn	million
NA	North America
OTC	over-the-counter
p.a.	per annum
POS	point-of-sale
Pro	Professional
PY	previous year
R&D	Research and Development
ROI	return on investment
SM	social media
SN	social network
SNS	social network sites
SEO	search engine optimization
SOM	share of market
SOV	share of voice
th	thousand
TW	Twitter
USD	US-Dollar
vs.	versus
WE	Western Europe
YT	YouTube

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Introduction

According to the World Bank, 88 percent of all US citizens have used the internet in the past 12 month. Around the same percentage applies for Western European countries (The Worldbank Group, 2016). 28 percent of this time is spent on social network sites and 13 percent on micro-blogs (e.g. Twitter) which is illustrated by the following chart published by the Global Web Index in 2014 in a study that covered 34 countries worldwide.

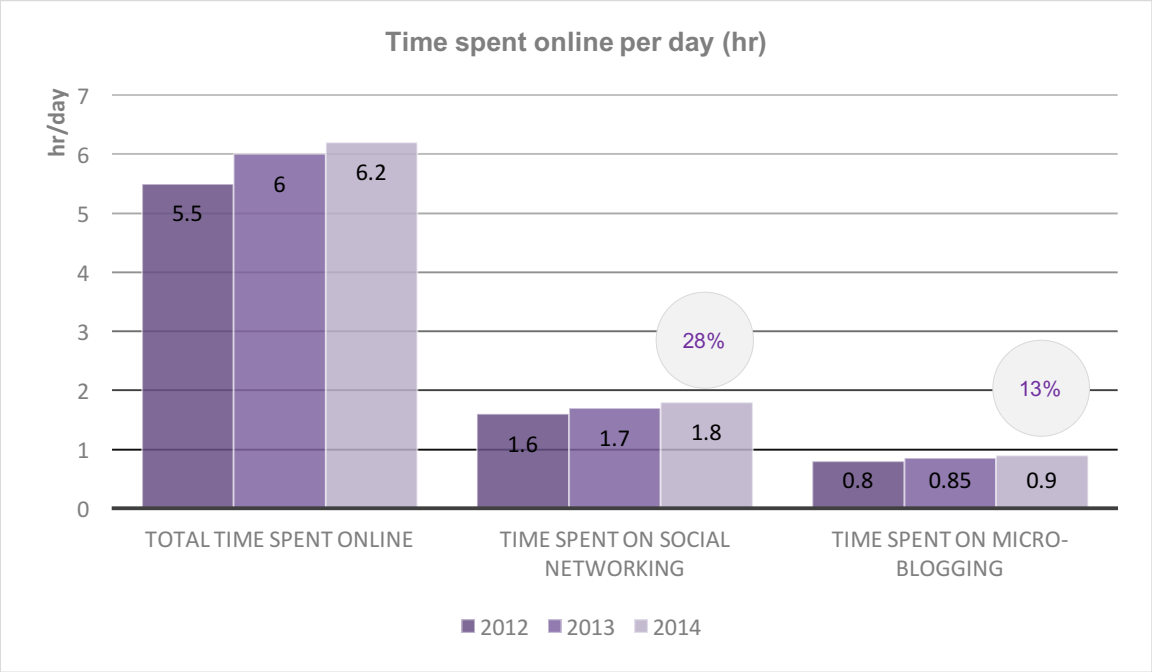


Figure 1: Time spent on social networking sites per day
Source: Global Web Index (2015)

Companies have to be aware that consumers spend a large amount of time online and on social networks. Additionally, 25 percent of global purchase decisions are influenced by information sources online and from social network (Roland Berger Strategy Consultants, 2014). Thereby, especially consumer reviews, recommendations from friends and advertising play an essential role in the purchasing process. It has to be mentioned that offline Point-of-sale (POS) information still has a similar influence on purchase decisions. However, influence of social networks has increased by more than 10 percent since 2012 while offline information sources decreased in importance. Another Europe-wide study by McKinsey proves that more than 20 percent of beauty and health products are researched online and even more than 20 percent are also purchased online (Mc Kinsey & Company, 2013) (see appendix 1).

These figures indicate that social network usage is no more in the development or testing phase for companies but has to be taken as a crucial touchpoint in the decision-making process. This is also reflected in organizational set-ups of companies: larger corporations

with more than 100,000 employees employ an average of 50 people working in social media (Roland Berger Strategy Consultants, 2014).

However, for many companies it still is not daily practice that social media analytics is put into a bigger context of marketing targets and that specific measurement metrics are defined. In a global survey published by IBM, only around 27 percent of observed companies state that they share social media insights across functions. The same percentage states that they have strictly defined KPIs. Even a smaller percentage strongly agrees to use social media insights for business strategies (IBM Institute for Business Value, 2011).

Social Media monitoring should especially support executives to take the right decisions. On the other hand, in a survey among more than 1,700 chief marketing officers worldwide, 68 percent of CMOs report that they feel underprepared in the field of social media:

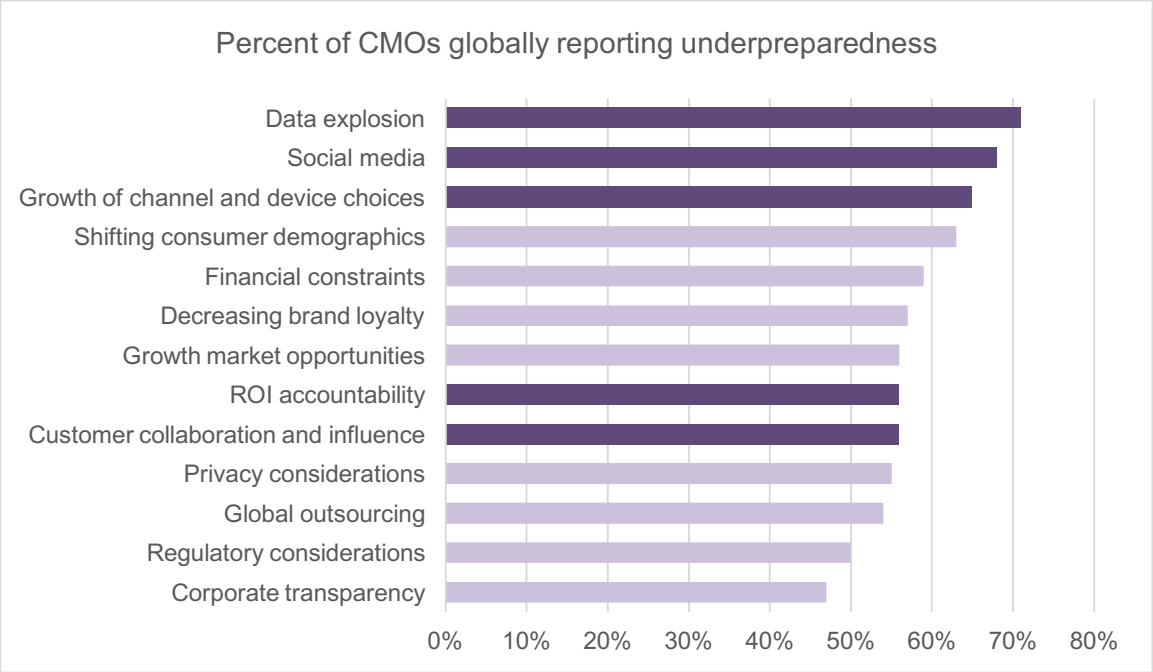


Figure 2: Under-preparedness areas of CMOs in a global study of 1,700 CMOs worldwide
Source: IBM Corportation (2011)

The other areas which are marked in dark violet indicate areas where social media contributes significantly: Data explosion, ROI accountability and customer collaboration/influence are all areas where social networks are partly accountable for or can support.

To conclude, it is generally perceived that without a monitoring there is no possibility that social media technologies will be accepted in organizations. A specific measurement will enable decision makers to set realistic targets. Once KPIs are defined, measured and monitored, they build the basis for increased social media acceptance in a company (Evans & McKee, 2010).

As stated before, social network channels are a crucial part of business success for many companies even though it is still a challenge for companies and managers to cope with its justification internally. Other challenges are CMO's confidence to master social media, the clear identification of strategic objectives, derived KPI definition and realistic target setting.

In all those areas, this paper will demonstrate state-of-the-art literature findings while combining those with a business case solution for the case company. Therefore, the following goal and structure will be set:
The goal of this paper will be to (1) present current state-of-the-art literature of social media and social network monitoring frameworks, KPI definition and target setting and (2) to apply this knowledge to the case company in order to create a monthly KPI monitoring report embedded into a strategic target system. The final reporting tool will equip the case company with the required insights to better justify its social network activities on a country level and will provide general country managers with data to better steer marketing activities. This paper will support with a clear definition of company-specific social network KPIs, a clear tracking tool and precise targets which will increase shared insights and transparency within the organization's social network activities. A meta goal of this paper will be to equip country managers with the right information to better understand their customers, increase awareness, engagement, influence and advocacy of the brand and therefore contributing to a real financial business impact.

As indicated above, this paper will be structured into the following two main parts:

(1) Social Network Monitoring: The first chapter will focus on the theoretical background of social network monitoring and analytics. It will start with essential definitions and a framing of the social network landscape. In a next step, the relevance and challenges for stakeholders will be described followed by a trend assessment of current social network monitoring. This will build the base to introduce frameworks for strategic social network objectives. Based on the strategic objectives, Key Performance Indicators (KPIs) will be derived. The final part of the first chapter will tackle the topic of target setting for KPI systems.

    The methodology applied will be primary qualitative research and secondary desk research. Additionally, the author will attend the "Social Media Week" in Hamburg, Germany and will interview experts from Quintly Inc., a social network monitoring tool provider. Secondary research will include several resources like state-of-the-art literature, journals and research papers.

(2) Social Network Monitoring for the case company: The second chapter will deal with the application of the theoretical background from chapter one on a specific company case:

The company in focus offers B2B solutions in the professional hair beauty industry. Hence, the chapter will start with a general introduction of the company and the digital marketing department. In a next step, the company will be introduced with its social network landscape and strategy. Additionally, the context of the (salon) haircare industry in social network monitoring will be highlighted.

This first part will provide the base for the second part which will cover the main aspects of the company project: It will begin with a pre-project need assessment of the company and an introduction to the current status of monitoring. Based on these insights, suitable strategic objectives will be selected with the help of theoretical frameworks presented in the previous chapters. Following the structure of the theoretical part, the next step will showcase the specific KPI selection and their measurement. Finally, specific targets for certain KPIs are set.

The methodologies and resources used will include primary and secondary research. Primary research will be conducted with a survey targeting the audience of the measurement tool to receive an initial need assessment paired with interviews by digital marketing specialists and agencies (Unique Digital, Hamburg, Germany) as well as interviews with executives of the case company. Additionally, constant input from collaborations between Google Analytics experts and Quintly Inc. Social Media analytics experts will contribute to the content creation of this chapter.

The final part of this paper will conclude the main findings of the work conducted. Additionally, it will introduce a critical evaluation of the results and future improvement proposals for the solutions presented.

As a final remark, the whole in-company project will include tracking of website and app data implemented into the same measurement framework as the social network tracking. However, the author exclusively introduces the concepts of social network monitoring to deepen insights in this area.

1. Social network monitoring

1.1. Social media and social networks

Definitions

"Social media is the democratization of information, transforming people from content readers to content providers." (Evans & Bratton, 2008)

When thinking about social media, people directly associate it with Facebook or Twitter. However, social media has to be seen in a broader context.

What can be derived from the above mentioned quote is that social media represents a revolutionary shift from how media content is generated and consumed in comparison to traditional marketing communication (e.g. billboards) and even within digital marketing communication (e.g. e-mail marketing). Digital marketing communication refers to the usage of "digital technology to inform, interact with and/or distribute to customers. It delivers through digital channels like the Internet, email, mobile phones and digital TV" (Kotler, Keller, Brady, Goodman, & Hansen, 2009).

As mentioned previously, social media indicates a shift from broadcasting and imposing content to a multiple-way interactive exchange of content (McKinsey & Company, 2014). In academic terms, it is allocated to the category of inbound (or pull) marketing activities, which is a contrasting concept to outbound (or push) marketing (Strauss & Frost, 2014). Whereas outbound marketing follows a push-approach of content towards the audience, inbound marketing starts to grab attention of potential clients so that an intrinsic motivation pulls them to the desired content. It is about using the intrinsic initiative of each client without disturbing him with outbound marketing activities. In modern literature, three pillars are the core parts of inbound marketing activities which are illustrated in the figure below:

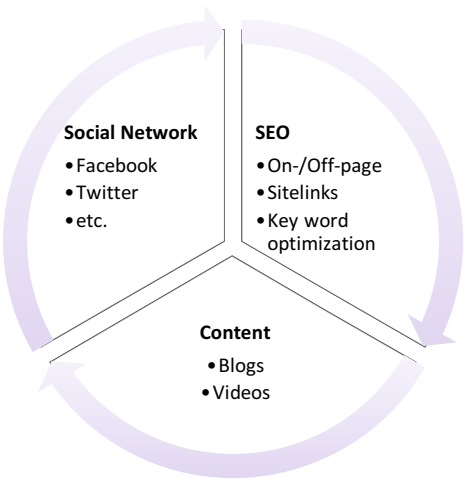


Figure 3: Inbound marketing pillars
Source: Schulz (2013)

As we can see in Figure 3, Social networks are core channels for inbound marketing activities next to SEO (Search engine optimization) and content pages that include blogs and video services (Schulz, 2013).
In an even broader context, social media is part of the evolution of Web 2.0: Definitions of Web 2.0 mainly describe the role shift of the Internet user due to technological progress (increase in speed & access to the Internet) and his mind-set change to actively participate online. The shift can be described towards a social integration of users in the content generation and therefore fundamentally changes the sender-receiver communication model of advertisement. As a main idea, Web 2.0 pursues to give consumers a space to present themselves and interact with each other. Platforms like YouTube exactly provide such a space because the whole business model is based on active user participation. As an example, a former personal website in Web 1.0 converted to several social media profiles in Web 2.0. This is just one of many possibilities how to demonstrate that social media is part of the even bigger Web 2.0 evolution (Walsch, Hass, & Kilian, 2011).
To sum up, social media aims to the "use of web-based and mobile technologies to turn communication into an interactive dialogue." (Baruah, 2012).

Social media is delivered in various forms, e.g. social network sites (SNS), podcasts, blogs, photo-sharing platforms, microblogging, wikis, Internet forums, video-sharing platforms or rating sites (Baruah, 2012). Therefore, social networks are just one part of the whole social media landscape. To understand the term "social network sites" better, it is essential to initially understand the term "social network" because the term „sites" only indicates the delivery form on a web-based platform. A social network is a "set of socially relevant nodes connected by one or more relations" (Tuten & Solomon, 2015). This equally applies to social network sites, where nodes are members and relations are virtual ties based on friendships, professional relationships, hobbies or interests. When thinking about nodes or members, it is usually referred to a single person. Likewise, members can have several formats ranging from organizations, governments or even countries. Information that flows between nodes are called interactions. When combining all nodes with ties, a social graph or a social network is formed. This applies equally for the online and the offline world. The differentiating point is the way in which interactions between nodes happen: via computer-mediated communication (Boyd & Ellison, 2007).

But the question arises what differentiates a social network sites from other social media platforms. Therefore, Kaplan & Haenlein (2010) extended by Boyd & Ellison (2007) defined basic requirements that have to be fulfilled in order to be perceived as a true social network. They can be summarized under the following three points:

(1) Users have to construct a public or semi-public profile
(2) Individuals can create a list of other users to show a relationship (Kaplan & Haenlein, 2010)
(3) Users can watch other connected user's profiles within the system (Boyd & Ellison, 2007)

After framing and defining social media and social networks, the next step includes a deep-dive into the social media and social network classification and landscape.

Social Media Classification

As mentioned before in this chapter, social media channels can be of various formats: blogs, photo sharing, video sharing, social networks, wikis, microblogs, et cetera (Evans & Bratton, Social Media Marketing: An Hour a day, 2008). They can be classified based on many criteria: whether they support the maintenance of already existing networks or whether they help to create new ones (based on e.g. shared political views or dating aspirations). Another classification exists based on the audience: a site can be a platform for a diverse audience rather than an audience based on demographic, geographic or ethnographic characteristics (Boyd & Ellison, 2007). Another classification approach published by Kaplan and Haenlein (2010) uses different degrees of media richness and self-disclosure to distinguish between social media platforms. To frame the landscape of social media, Kaplan and Haenlein (2010) provided the following classification matrix:

Self-presentation/ Self-disclosure	**Media richness**		
	low	medium	high
high	Blogs / Microblogs *Twitter*	Social Network Sites *Facebook*	Virtual Social worlds *Second Life*
low	Collaborative projects *Wikipedia*	Content communities *YouTube*	Virtual Game Worlds *World of Warcraft*

Figure 4: Social Media classification
Source: Kaplan & Haenlein (2010)

The above shown classification matrix divides the social media landscape into six groups based on two dimensions: self-presentation/disclosure and media richness. Self-presentation and disclosure describes the degree of publication (intended or unintended) of personal information (e.g. thoughts, feelings). Media richness refers to the amount of information that is communicated in a given time. If a platform has a high media richness, this would imply that uncertainty is solved in a more effective manner than other platforms (Kaplan & Haenlein, 2010).

Blogs (short version of weblog) were the first social media platforms. Since they are usually text-based but focussing on a personal level, blogs are classified with low media richness but with a high degree of self-disclosure. The by far most well-known microblog is Twitter (founded 2006) with more than 320 million users as of February 2016 (Statista Inc., 2016).

Similarly, collaborative projects have a low degree of media richness but a low self-disclosure. A platform like Wikipedia lets users adjust and create content while remaining anonymous. Nowadays, Wikipedia counts more than 2.1 million contributors to its platform (Statista Inc., 2016).

Content communities refer to a form of social media that focuses on the exchange of media. This can be in the format of text, photos (Instagram), videos (YouTube) or presentations (Slideshare). The number of active users per month (MAU) in June 2016 for Instagram reached 500mn users whereas YouTube even counted 1 billion. Since the content is based on pictures and videos, the media richness is higher than for blogs or collaborative projects. The only global social media platform that represents an even larger monthly user base is Facebook with 1.65bn users in April 2016 (Digital Information World, 2016). This is a typical social network site as defined earlier in this chapter. Social Network sites are distinguished from content communities by a higher self-disclosure based on more accessible personal information. The two highest forms of media richness are virtual game worlds and virtual social worlds. In both cases, the user enters a new three-dimensional environment that replicated reality. The only difference is the degree of self-disclosure that is limited within virtual game worlds due to strict game rules which are not existing for virtual social worlds like Second Life (Kaplan & Haenlein, 2010). To provide a more complete overview about the overall landscape of social media and social networks available, appendix 2 provides an illustration which is often referred to as the “conversation prism” (Solis, 2016).

After defining social media and social networks, this paper generalizes the term “social networks” and defines it for the purpose of this paper to the following platforms: the social network site Facebook, the microblog Twitter, the photo-sharing community Instagram and the video-sharing community YouTube. This generalization of the term social network is set because of the application to the company case in chapter 2. Additionally, this term describes the platforms better than talking about a full social media measurement which would include various platforms that will not be part of this paper.

Global social network landscape

The following graph introduces the size of each SNS based on monthly active users (MAU) globally:

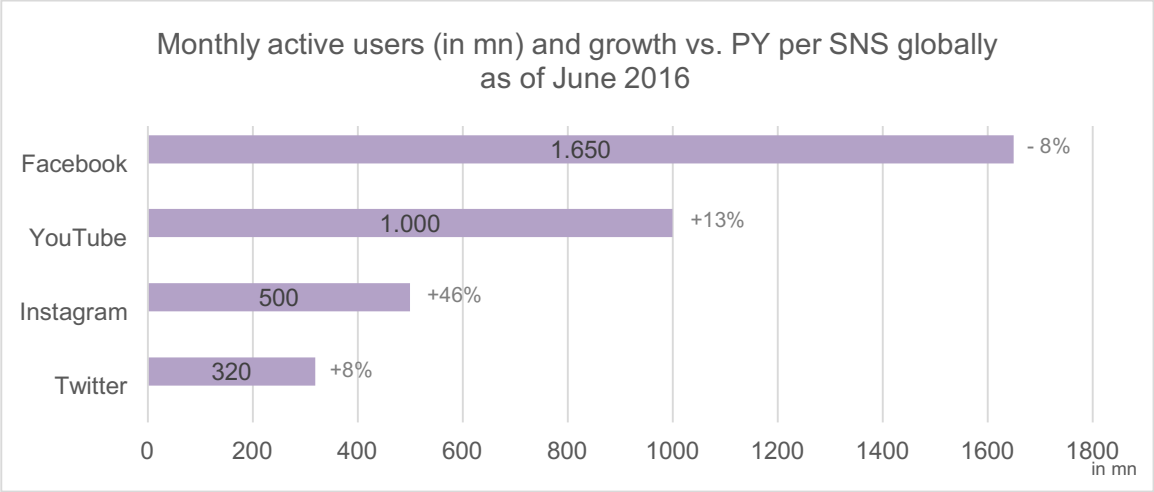


Figure 5: Monthly active users (in mn) based on Annual Reports of each SNS
Source: Facebook Inc. (2016)

The above figure illustrates that in terms of quantity of users, Facebook leads the ranking with 1.65bn MAUs, followed by YouTube with 1bn, Instagram with 500mn and Twitter ranks last with 320mn MAU.

In order to provide a better understanding of each platform, the following paragraphs will provide a short overview about each SNS individually.

Facebook (launched 2004)

Facebook's mission is to "give people the power to share and make the world more open and connected." (Facebook Inc., 2016). This is exactly what Web 2.0 is all about as described previously. It is the largest social network globally with 1.65bn monthly active users and more than 1bn daily active users (DAU), thereof 89 percent mobile. The daily user base increased by 17percent from 2014 to 2015. It has to be kept in mind that every SN generates revenues with an advertising business model, hence Facebook earned more than 17bn USD in revenue in 2015 which equals to an average revenue per user (ARPU) of almost 12 USD. More than 70 percent of all online adults use Facebook, while mainly in the age range from 18-29 years and more female users are active on the platform (Pew Research Center, 2015). Facebook Inc. also incorporates Instagram, Messenger and Whatsapp.

Instagram (launched 2010)

Instagram is a social network optimized for mobile that enables people to take photos and videos which are highly customizable in order to share them with friends/followers in their own feed or send them directly to friends (Facebook Inc., 2016). Instagram just recently introduced the advertisement business model into their platform. Instagram counts 400mn

active users monthly while the engagement rate[1] for top brands is 58 times higher than on Facebook and 120 times higher than on Twitter. Instagram's audience is on average younger than on Facebook and attracts more female users than male (Pew Research Center, 2015). The engagement ratio is the highest among the ones examined with a predominantly female and younger target group, paired with strong member's growth. Therefore, this platform plays an important role for the beauty industry.

YouTube (launched 2005)

YouTube is part of Google Inc. that provides a platform on which members can upload, save and search videos. Users can interact with each other by liking, commenting and sharing content. On average, 300hrs of video are uploaded to YouTube every minute with 800mn monthly active users. 60 percent of online adults use YouTube whereas the age distribution is more balanced than for Instagram. In general, more male users are attracted by the platform, however categories like cosmetics and beauty are strongly dominated by female users (Pew Research Center, 2015).

Twitter (launched 2006)

Twitter is a predominantly mobile-used, micro blogging network that allows registered users to 'tweet' (post) and read short messages with a maximum of 140 characters. There are 500mn non-registered visitors monthly, while Twitter counts 1.3 billion users, whereof only 320mn are stated as active monthly users. Twitter has a higher percentage rate of male (25 percent) than female (21 percent) active users.

To summarize the last part of this chapter the following table provides an overview about the global network characteristics as of June 2016:

Social Network	Facebook	Instagram	YouTube	Twitter
% of online adults usage	71%	26%	60%	23%
MAU (mn) as of June 2016	1,650	500	1,000	320
Demographics % of online adults usage	18-29: 87% 30-49: 73% 50-64: 63% 65+: 56%	18-29: 53% 30-49: 25% 50-64: 11% 65+: 6%	18-24: 17%* 25-34: 23%* 35-44: 20%* 45-54: 16%* 55-64:14%* 65+: 10%*	18-29: 37% 30-49: 25% 50-64: 12% 65+: 10%
% female/male online adults usage	M = 66% F = 77%	M = 22% F = 29%	M = 18% F = 15%	M = 24% F = 21%

*based on monthly unique visitors as of March 2015 as percentage of total visitors

Figure 6: Global Social Network statistics as of June 2016

Source: Pew Research Center (2015), Facebook Inc. (2016), Simply Measured Inc. (2016)

[1] The percentage of followers that engage (like and comment) each post issued by the administrator of the page. A more detailed definition is provided in chapter 1.6.

1.2. Definition of monitoring

The first part of this chapter gives a general definition of social network monitoring, followed by an overview where monitoring is positioned in the social media management process. Finally, the process of social network monitoring is presented.

Definition of social network monitoring

Social network monitoring is the observation and evaluation of communication which leads to a snapshot at a specific moment or presents developments in communication over time. It should be a standard social media function to analyse what is expressed online about the company, the products and services (Zhang & Vos, 2014). This results in a measurement of baseline metrics, e.g. reach or number of fans.

Monitoring as part of social media management

The monitoring process can be divided into four stages as demonstrated in the following figure:

Figure 7: Social media management process
Source: own illustration based on Evans & Bratton (2008)

The social media management process usually starts with the definition of key objectives based on a research of the respective audience. At a later stage, the content is set-up and the engagement with the customer begins. This can be described as implementation phase. After the accounts on SNS are set-up and the content is defined, it is crucial to measure and report the impact of the implementation. Once measured and reported, objectives & strategy setting and implementation should be adapted based on this research (Hettler, 2010).

Process of social network monitoring

The American Association of Measurement and Evaluation of Communication released a step-by-step process on how to measure social media. The figure below illustrates the process:

Figure 8: Social Network Measurement process
Source: Association of Measurement and Evaluation of Communication (AMEC) (2013)

The first step includes to set objectives for social media that are aligned with business KPIs. After the objectives are set, specific metrics have to be defined in order to measure the objectives. After the definition phase, each metric should receive a specific target that needs to be achieved. The next step includes data collection and analysis in order to evaluate the actual performance against the targets. To conclude, the final step expects the result reporting on a regular basis.
This structure builds the basis to solve the case company's issue (strategic objectives, KPI definition, target setting and reporting tool presentation).

1.3. Relevance and challenges of monitoring

Social Network or Social Media monitoring faces higher relevance for companies. Thereby, many opportunities arise from monitoring, but simultaneously risks and challenges. Accordingly, the first part of this chapter highlights why social media monitoring is crucial for most companies nowadays while the second part deals with the derived challenges.

Relevance
Since 28 percent of the time spend online is attributed to social media sites, the relevance of social media monitoring is of no doubt (Global Web Index, 2015). Hence, the first relevance factor is derived from the fact that customers are spending their time with it and marketing campaigns should be placed where customers can become aware of them – online or offline. However, managers and executives question the usage of social media, especially its effectiveness. Effectiveness asks for the output based on an input, so managers have to compare the reach of a social media ad with its correlated cost and then compare it to other ad mediums, e.g. magazines. When this proves a higher effectiveness, social network marketing becomes accepted in a company. To conclude, in order to justify the identification of the right communication medium internally, social media monitoring is of high relevance. (Zhang & Vos, 2014).
Another factor that adds a high relevance to social network monitoring is research. Monitoring supports to analyse demographics, lifestyles or preferences of the audience in a detailed manner. When monitored properly, social media can provide helpful insights about the client base. On top, research about where the audience is communicating and in which manner (positive or negative) can be conducted. Already in 2011, 43 percent of companies used social media for customer research, according to an IBM Report (IBM Institute for Business Value, 2011). It can be assumed that this percentage increased within the last five years.
Not only customer insights can be analysed but also other stakeholders. Social media monitoring also has a high relevance for competitive analysis as part of market research.

Additionally, other stakeholders like communities, governments or suppliers can be observed to understand the organizational environment. Even more insights can be gained from indirect competitors like online publishers or key intermediaries (Smith & Dave, 2013). In this context, competitors play an important role especially for target setting and benchmarking activities since they compete for the same objectives and are easily comparable (Turban, King, Lee, Liang, & Turban, 2012).

Additionally, many companies use monitoring to analyse the company reputation and image. Such monitoring observes opinions and statements of social media users about brands, products, services or companies and derives the required actions (Zhang & Vos, 2014) (Elgün & Karla, 2013).

Another reason why monitoring is relevant deals with resources. It is less time-consuming to analyse and monitor own channels than monitoring external sources. The many social tools available today are very cost-effective compared to traditional approaches. Posts and tweets enable businesses to create communities, offer immediate feedback or assistance, and promote their products and services (Baruah, 2012). However, it has to be stressed that SN marketing is not for free. A major cost driver are personnel resources tight up to manage those networks – skilled personnel (digital marketing department and marketing headcount) and financial investment (e.g. salaries, agency fees, paid advertisement) (Pleil, 2010). But generally spoken, the possibility exists to achieve lower cost with free analytics (Baruah, 2012).

Social Networks usually have a time advantage towards other media channels. Consequently, certain content is mentioned earlier than on any other media and therefore allows companies to spot trends well in advance. Hence, social media monitoring has a great impact on innovation management because expectations and requirements for products can be integrated into the innovation cycle. Ineffective or even the lack of social media monitoring leads to a delay of crucial reactions towards trends and hence a decrease in market power and market influence. It can be derived, that social media monitoring can have a strong effect on innovations within a company. Other possible effects can be on HR (good management of company image) or even customer service (timely replies, proactive FAQ creation of most asked questions on SM).

Finally, another important dimension when talking about the relevance of monitoring is the identification of influencers (e.g. bloggers). This is of high pragmatic relevance for organizations due to the current trend of increased influencer marketing (Turban, King, Lee, Liang, & Turban, 2012).

Challenges

After giving an insight into the main usage areas of monitoring in an organization, several challenges arise. The following research conducted by IBM will point out the main challenges for companies with social media:

Figure 9: Main challenges for social media
Source: IBM Institute for Business Value (2011)

According to this study, many of the above mentioned challenges are related to social media monitoring (highlighted in dark violet).

One of the most important challenges is to give social media a measureable success in terms of ROI or at least embed it into a strategic framework. 60 percent of companies globally achieve to track ROI to some degree, however there is no defined global standard. As the study shows, 36 percent of companies perceive it as a challenge to establish a ROI strategy whereas 27 percent lack a strategy and 20 percent do not realize any return on investment. In this respect, not only the return, but also the investments are hard to measure: companies should bear in mind the high cost for monitoring tool subscriptions and customization fees, agency fees, internal headcount and costs related to change management (IBM Institute for Business Value, 2011).

On top of that, the fast acceleration of social media and hence monitoring methods led to an accumulation of metrics and frameworks which are hard to understand. Therefore, managers face issues to decide which KPIs to measure and base their decision upon (Zhang & Vos, 2014) (Evans & Bratton, 2008).

Another challenge is that there are various platforms of social media ranging from blogs, to review sites, to different social network sites. Since all platforms have own metrics, analytics

systems are usually hard to integrate. As shown by the study above, 16 percent of companies perceive it as challenging to track cross-channel interactions (IBM Institute for Business Value, 2011). It is clear that different SNS and their connection to other channels like direct selling, websites, company blogs or apps increase the complexity of measurement. This indirectly describes the challenge to design and identify customer journeys which is related to the tracking issue of cross-channel interactions (Zhang & Vos, 2014).

Even from an ethical point of view challenges arise. The possibility to identify key influencers to promote the brand bares the risk to lose credibility. Even though the identification helps in the first step, bought influencers can harm the brand image (Zhang & Vos, 2014).

Challenges of monitoring are not only hard because of the high amount of KPIs available, but also how to interpret these once selected. How are "impressions" in social media channels defined? What are "interactions"? These terms have to be defined to the audience (especially managers), so they understand how to interpret and how to base decisions based on them. Moreover, some KPIs cannot even be measured in a quantitative manner. Qualitative and unstructured data like the content of posts, recommendations, videos or comments are hard to evaluate. So far, mainly "sentiment analysis" (the tone of the comments and posts clustered into positive, neutral and negative) is a frequently used metric to qualitatively measure content (Evans & Bratton, 2008). Related to this topic is also the lack of analytics, according to the IBM study above, 15 percent of companies describe this as a main challenge when dealing with social media.

A further main challenge is the distribution and access of data within the company. Organizations are classically organized in functional departments like customer service, sales, marketing, new business development, finance and R&D. Social media is usually supervised by the marketing department (IBM Institute for Business Value, 2011). However, the data about clients or customer complaints are likewise important for departments like R&D, customer service or new business development to receive valuable insights. Additionally, also via geographical borders, it seems to be a challenge the equally grant access to the needed data. A limited access to monitoring platforms is called "silos" and is a common issue in a larger corporation (Brandwatch GmbH, 2016).

Once selected and evaluated, one main factor is crucial for social media monitoring success: updates and maintenance. Modern monitoring dashboards are usually connected to the analytics platforms of public APIs[2] of FB, TW, IG and YT to update a customized report automatically and in real time. Usually, those services are hosted in cloud computing solutions which only require to login online, not even based on an installed software (Tuten & Solomon, 2015).

[2] An API stands for "application programmatic interface", a specification written by providers of an app (e.g. Facebook) to define how programmers or other apps can communicate with them. It provides the base to access and receive data from such apps (Sprout Social, 2015).

In order to get an overview of the main points mentioned in this chapter, the following table sums up the literature review:

Relevance of monitoring	Challenges of monitoring
• Internal justification of social media usage • Measure effectiveness of campaigns • Support of operational excellence (e.g. definition of key channels for a certain ad campaign) • Conduct market research of all stakeholders: customers, governments, suppliers, intermediaries etc. • Improve/Increase/accelerate innovation and trend scouting • Improve customer service • Monitor company image • Identification of main influencers	• High internal resources commitment and unclear return on investments (ROI) • Lack of strategy/targets • Complicated and changing methods • Cross-platform and cross-channel tracking • Ethical constraints • Qualitative/unstructured interpretation of data • Lack of analytics • Updates of data • Usage and distribution of information (Silos)

Figure 10: Summary of relevance and challenges of monitoring based on various literature research
Source: IBM Institute for Business Value (2011), Evans & Bratton (2008), Tuten & Solomon (2015), Brandwatch GmbH (2016), Zhang & Vos (2014)

1.4. Trends of monitoring

This chapter provides the main inspirations for the company project, but also builds an aspirational basis where the future of monitoring lies.

Social networks are changing every second. On Facebook, 293,000 statuses are updated, and 136,000 photos are uploaded every second (Zephoria Inc., 2016). This implies an immense accumulation of data which can rapidly change the interpretation of information. Therefore, it is of utmost importance that tools are updated on a regular basis. The trend definitely goes into real-time monitoring as mentioned in a keynote speech of Brandwatch during the Social Media Week in Hamburg, Germany (Brandwatch GmbH, 2016). This implies that monitoring data updates automatically at the same time it happens on the platform.

One of the main trends is the integration of social listening. Main components of social listening are the analysis of client habits and behaviour, understanding company reputation and sentiment and competitive analysis. It includes the assessment of all online conversations about the company's brand, products and services (Smith & Dave, 2013). Therefore, a comprehensive social listening monitoring would be much broader than social

media monitoring on owned platforms. This paper will mainly focus on social media monitoring but it aims to integrate a few social listening metrics to increase impact of the analysis especially in the area of competitive analysis.

Another trend tackles the challenge of a silo analysis (Turban, King, Lee, Liang, & Turban, 2012). Siloes can be interpreted in a geographical, functional and platform sense: In large multinational companies, social network activities are usually managed by local country offices due to local language adaptations, differences in product assortments and local key influencers. A decentralized monitoring system leads to limited knowledge sharing. Additionally, no local targets can be set neither is it possible to monitor if a strategy is executed in a certain way. On the other hand, also functional siloes are a typical challenge that latest trends try to tackle. For example, that there is no communication between functions of HR, R&D, marketing and customer service to streamline the monitoring within one system to create one customer-centric touchpoint (Brandwatch GmbH, 2016). The platform silo refers to the various social network platforms that are analysed by a different system, e.g. Facebook Insights. In order to solve this problem, current research and agencies introduce the idea of “command centres”. Thereby, a command centre is able to monitor (1) real-time, (2) cross-platform, (3) cross-functions and (4) across all geographical regions and can therefore be described as a form of real-time marketing. It integrates social media monitoring, social listening, content management, competitor analysis, customer service, campaign management, crisis management and connection with key decision makers (Brandwatch GmbH, 2016). Therefore, a command centre has a much broader approach than a stand-alone social network monitoring tool.

A main trend of all monitoring tools is to measure the ROI or return on investment of digital marketing activities. There is even a new interest into new metrics like Social Return on Investment. According to a CRM study conducted by IBM, for 36percent of companies, ROI measurement is the biggest challenge when working with social media monitoring (IBM Institute for Business Value, 2011). And only 40 percent of chief marketing officers successfully track ROI on their social activities (Bazaarvoice Inc., 2011). This is derived from the need to look into unstructured data (e.g. comments, sentiments) and how to measure the financial impact. Some companies nowadays started to use social networks for crowdsourcing with customer-driven designs or innovations. For other areas like product ratings and reviews, the measurement seems straight forward. The question remains open how to value the impact of many social networks activities into a consistent ROI target system (IBM Institute for Business Value, 2011) .

The command centre and the ROI target system are equally part of an even bigger trend in social media analytics. Thereby, a network of all social media platforms across all customer-facing functions is formed while this is embedded into the company’s CRM (customer

relationship management) strategy. Sharing customer insights along all touchpoints, cross-platform KPIs and metrics seems to be the point of difference between silo social media projects and holistic social CRM (SCRM) systems (IBM Institute for Business Value, 2011). The following flowchart highlights the difference between an isolated CRM, an isolated social media analytics system and a comprehensive SCRM system.

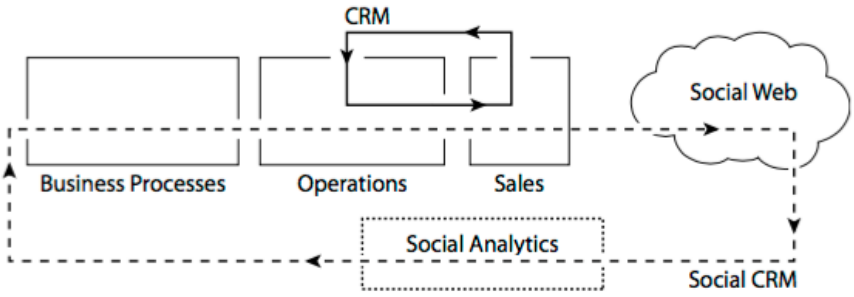


Figure 11: Social CRM
Source: Evans & McKee (2010)

As shown above, a SCRM system integrates social web and its analytics with the value chain starting from sales, to operations to business processes. To define SCRM, it is crucial to perceive it as an extension of the existing CRM model that focuses on customer service to build long-term relationships. Additionally, SCRMs leverage on this knowledge and add a whole customer experience by integrating all touchpoints of the customer journey. Such journeys are built in a combination with client's sales data from the CRM system and social media behaviour from the social analytics system. (Turban, King, Lee, Liang, & Turban, 2012). The most important features of a social CRM system are the following: (1) upper management sponsorship, (2) governance, guidelines and policies across all functions and regions, (3) spread of customer insight data throughout the whole organization, especially to spark innovation. In an IBM study, only about a third of companies examined stated that these three characteristics are in place. Therefore, social CRM is an elevation in business value from monitoring to listening and responding in order to connect the insights gained on the social web with the business processes (Evans & McKee, 2010).

The last elevation of a social CRM is a „social business". It implies the complete integration of social technologies in business processes. This includes a complete understanding of how all stakeholders of an organization are connected and how all internal and external parties get involved in collaborative innovation and meaningful engagement (Evans & McKee, 2010). Another future trend is predictive monitoring which includes early warning of problems or the realization of opportunities to post based on the user behaviour. Future monitoring systems will have to measure new metrics, for example that customer service tips will flow even more from users to users. Hence, not only user-generated content, but also user-generated

comments on user-generated posts will be of high importance (Blanchard, 2012). This will generate new metrics in the monitoring field.

1.5. Strategic objective frameworks

In the first part, this chapter introduces the possible strategic directions of organizations when using social network sites. The second part of this chapter deals with the main conceptual framework for social media metrics (conversion funnel) while it finishes with the explanation of applied metrics frameworks.

Possible strategic directions of social networks

The first step before defining measurements is to put them into a business context. This will enable companies to measure the impact of social networks on business and therefore anchor a social business program in a company (Evans & McKee, 2010).

First of all, it has to be defined what the company wants to achieve with social networks. This is essential to set the right KPIs in a later stage, as mentioned in chapter 1.2. For example, if a company does not want to provide customer service via their SNS, it does not make sense to measure the KPI “response rate”. Therefore, it is crucial for a company to initially define the focus areas and then derive KPIs for this area. The following pyramid illustrates this target system on an example:

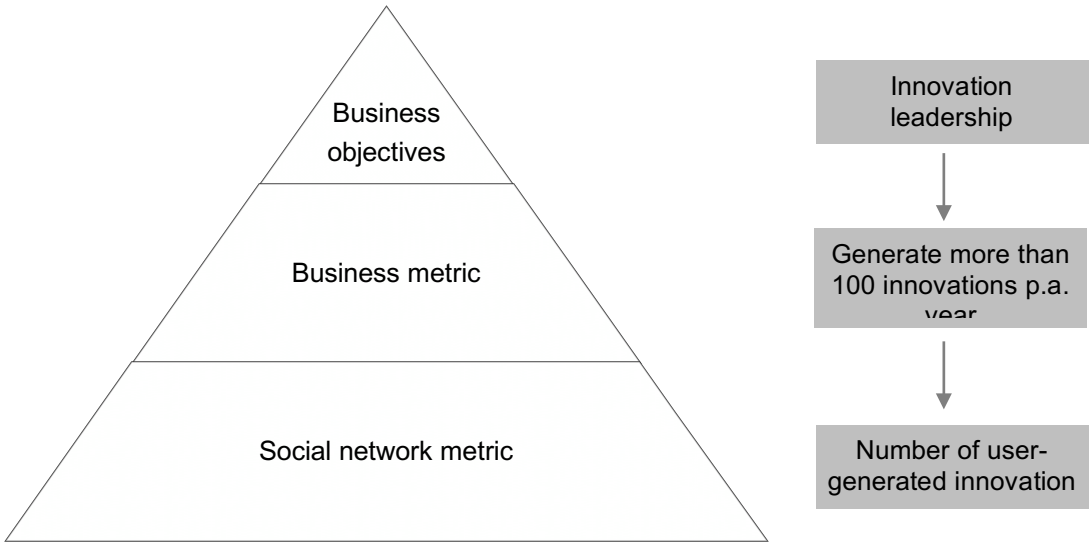


Figure 12: Relationship between business objectives and social network metrics
Source: Altimeter Group (2011)

It is important to mention that the organizational set-up of the digital department contributes significantly to the strategic direction. If the digital department is part of the marketing

organization, it can be assumed that the focus is on customer loyalty and brand/product communication. Once it is part of the customer service centre, strategic objectives like customer experience are in the foreground. The figure above is certainly rather a target of the new business development department. In the following paragraphs, the main strategic directions of social networks are presented:

(1) Customer loyalty and retention: Social networks provide a good platform for customer retention due to direct communication with existing clients (fans). It is possible to follow a certain brand online, so that a continuous exposure of the customer takes places. It also has to be considered that retaining clients is a different task than talking to new clients. They neither need to be informed nor convinced about the offer of the company, they need specific retention offers or even support in usage of the product. (Bernecker & Beilharz, 2012). To satisfy this need, companies generate additional services and improve customer relationship with social networks (Walsch, Hass, & Kilian, 2011). Customer retention is also an issue for brand/product communication (see (3) below).

(2) Customer acquisition: New client acquisition is another strategic focus of social networks. On the one hand, social networks can grow the potential market (Evans & McKee, 2010). By expanding the existing client base to another target group (e.g. younger adults, online shoppers), social networks provide the possibility to occupy those groups ahead of competition. On the other hand, an authentic appearance in social networks with additional information decreases uncertainty and risk of consumers (Walsch, Hass, & Kilian, 2011). Potential risks that are reduced are social risk (what do other people think about this purchase?), financial risk (what if this product is too expensive?) and quality risk (what if the product does not work properly?). This can be reduced by user-generated reviews, comments, likes and the general appearance in social networks that provides prospects the assurance that the company exposes itself to possible negative reviews (Walsch, Hass, & Kilian, 2011).

(3) Brand/product communication: This is one of the main strategic goals for marketing departments. Thereby, social networks are used to improve effectiveness of a marketing program (Altimeter Group, 2011). This includes several steps, e.g. increase brand awareness, boost engagement and consideration of the brand (Evans & McKee, 2010), animate purchase but also accompany the post-purchase experience to increase customer loyalty and develop brand advocates. Therefore, this strategic direction includes point (1) customer loyalty and (2) customer acquisition. A detailed assessment of brand/product communication are explained in a later stage of this chapter when talking about the conversion funnel.

(4) Improve brand/product image: Another important strategic direction of social networks is the change, optimization and strengthening of the brand image. Kotler and Armstrong

(2010) define brand image as part of brand equity that refers to “the set of beliefs, ideas and impressions that a person holds regarding an object”. Already the pure participation in networks positively influences the brand image as transparent and willing to communicate with their clients on one level. This type of strategic focus is usually organized in corporate communication departments, that care a lot about the company brand and product brands reputations. This part of social media monitoring is mainly social listening in non-owned channels (earned channels), e.g. blogs or retailer reviews.

(5) **Market research**: This strategic direction of social networks tries to analyse the audience, competitors or even other stakeholders. This can be an essential contributor for a marketing department but also market research and insight departments. A typical research deals with the analysis of the audience’s demographics (Bernecker & Beilharz, 2012).

(6) **Staff Acquisition**: This strategic approach of a company is usually embedded into the HR organization. Typical platforms for its execution are LinkedIn or Xing in the DACH region and career pages on Facebook (Bernecker & Beilharz, 2012). A typical metric here would be the number of applications by social network channel or the percentage of referrals from a social network site (Altimeter Group, 2011).

(7) **New business development:** This strategic approach can be understood as crowdsourcing. Thereby, the source is the audience’s experience with the product or possible aspirations. Feedbacks and comments lead to product modifications, innovations for packaging, new services or even a change of core product features (Walsch, Hass, & Kilian, 2011), (Altimeter Group, 2011). This approach of social networks is usually anchored in new business development, R&D or customer service department. Typical KPIs include the number of ideas generated via SNS (Altimeter Group, 2011), (Bernecker & Beilharz, 2012).

(8) **Customer service/experience:** This strategic direction is usually anchored in a customer service department and tries to measure KPIs surrounding the perfect customer experience and guarantee customer satisfaction. A possible KPI is the percentage of inquiries solved in a social channel versus in the call centre (Bernecker & Beilharz, 2012), (Altimeter Group, 2011).

(9) **Search engine optimization**: For many companies, social networks are a way to refer to their company website where people can finally buy the product. This is an important step in the conversion process. It becomes more and more usual, that social network sites are on the first page results for certain key words or when searching for a company name in search engines (Bernecker & Beilharz, 2012). But referral does not only origin from social networks but also from paid or organic search (see appendix 3). An important relevance factor for Google page rankings is the connection of the Google-accounts to

the respective Facebook or Twitter account. Mentions of a certain brand on the connected social networks accounts lead to a higher organic search ranking. Another interesting influence from social networks on SEO are backlinks. For example, if a customer is an advocate for a certain shampoo and posts the online shop link into the news feed, the company receives a higher rank on search engines (Bernecker & Beilharz, 2012).

(10) e-commerce/Sales: It is obvious that many companies would like to directly let consumers buy via social network websites (s-commerce) or at least link to a site that provides this option. The background is that social network maintenance also generates costs on the other side. However, usually social network's function is still the referral to the purchase (indirect purchase increase), not the purchase itself (direct purchase) (Bernecker & Beilharz, 2012). Usual KPIs are conversions by channel or revenue from social channels in comparison to all revenues (Altimeter Group, 2011).

The following illustration shows an overview about the mentioned strategic focus areas of social networks and highlights the essential areas for marketing communication department:

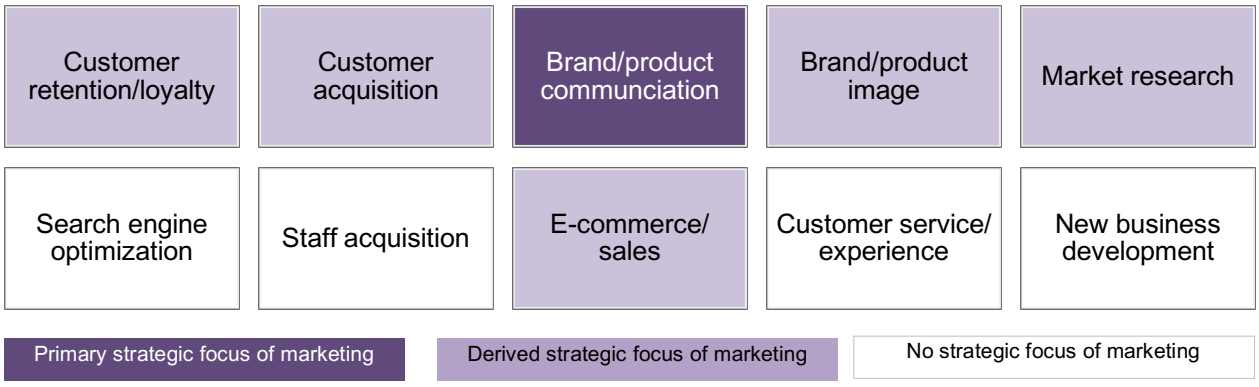


Figure 13: Strategic directions of social network usage by companies
Source: own illustration based on Altimeter Group (2011), Bernecker & Beilharz (2012), Brandwatch GmbH (2016)

Based on this acquired knowledge the main focus of marketing in social media is the usage of the channel for brand and product communication purposes. Therefore, it also contributes indirectly to new customer acquisition and customer loyalty and retention. Improve brand image and market research are also derived intentions of marketing departments, similarly with the increase of online sales. In many social network frameworks, the brand/product communication is in the centre of attention. Thereby, the company communicates with the prospect/customer along different touchpoints in various stages of the customer decision-making process. In social media marketing, this framework is called the conversion funnel that will be explained in the next part.

Brand/product communication framework: Conversion funnel

This paper mainly refers to social networks in a marketing functionality, therefore mainly strategic marketing business objectives are taken into consideration. Hence, the question would be how to increase the return of marketing activities with the support of social networks. The main targets of marketing are usually along all touch points where a company interacts with potential clients. Therefore, the classical purchase conversion funnel or also called the social feedback cycle (Evans & McKee, 2010) builds a basis to explain the most important objectives to increase an organization's return (revenue through purchase) and how social networks connect people around business activities. It bases on the former AIDA model (awareness, interest, desire, action) initially mentioned by E.K. Strong in 1925 that has led to the advanced model of the conversion funnel (Kotler & Armstrong, 2010):

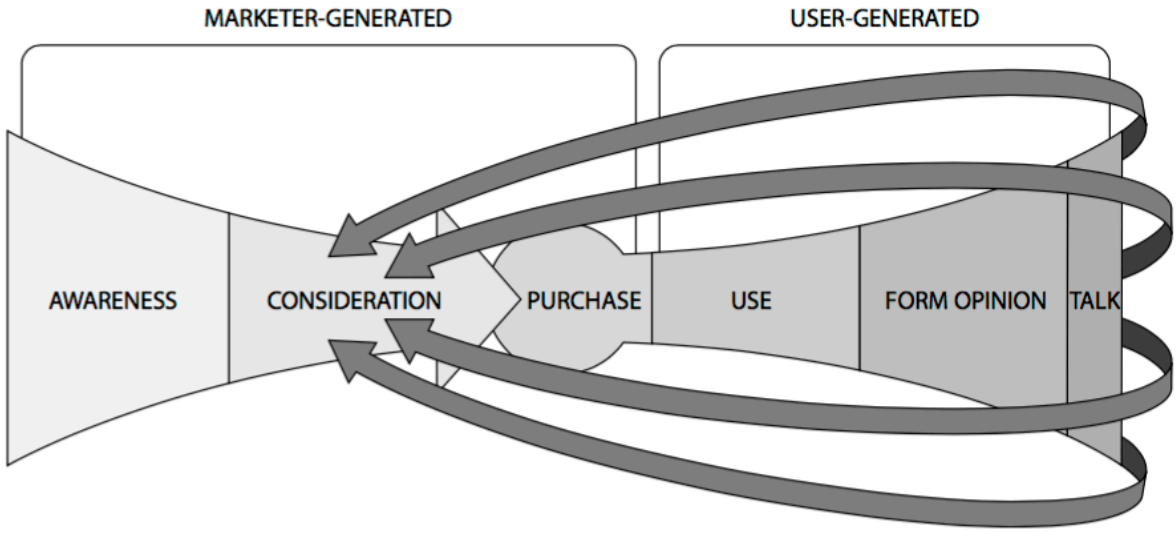


Figure 14: The Social Feedback Cycle
Source: Evans & McKee (2010)

The following paragraphs explain each stage and the interdependencies between all stages of the social feedback cycle:

(1) **Awareness (Exposure)**: The initial phase is based on a certain amount of traffic that leads to awareness of the marketing activity. Future prospects cannot buy a certain product if they are not aware of it. It is crucial to develop an awareness versus its competitors' since the number of people that are aware of a certain product, the greater the likelihood they will convert to a customer. This usually includes metrics like number of followers and subscribers, reach or views (Strauss & Frost, 2014).

(2) **Consideration (Influence/Engagement/Interaction)**: The next phase is refers to the consideration phase of prospects. Other sources talk in this context about influence, engagement or affinity (Association of Measurement and Evaluation of Communication (AMEC), 2013). It focuses on how much the target market interacts with the brand and therefore has an interest or even desirability into the product. Typical metrics are the

number of interactions (reactions, shares, comments), share of voice (brand/product mentions in comparison to competitors) or a sentiment analysis (positive/neutral/negative mentions) which will be introduced in the next chapter. Within this category, several stages of consideration/engagement exist. The following illustration introduces the various stages:

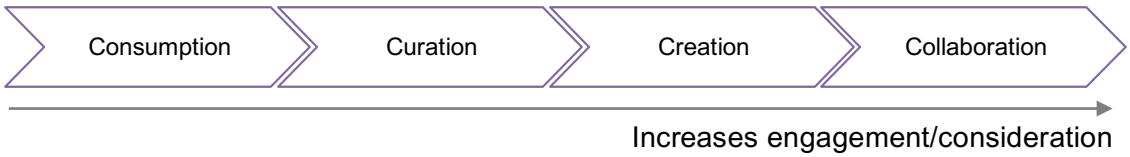


Figure 15: Stages of engagement
Source: Walsch, Hass, & Kilian (2011)

a. **Consumption**: The first step of engagement is “consumption” which is the basic starting point after every online activity. In practice, this means reading, viewing and watching posted content. By Walsch, Hass, & Kilian (2011), this part is considered as engagement. However, engagement is related to a two-sided communication In the case of consumption, the traditional communication model still applies: content is posted and consumed but there is neither interaction nor co-creation which is a fundamental definition of social media (Evans & McKee, 2010). Therefore, consumption should be allocated to “brand awareness”, one step earlier in the conversion funnel.
b. **Curation**: This stage of engagement is dealing with the lowest possible form of engagement (after consumption) and the first real two-sided communication. It includes rating, reviewing, commenting or sorting content initiated by the audience. It supports the general audience in judgements about relevance and quality of content. The core definition of curation is that people “participate in small low-risk steps that are easy to grasp” (Evans & McKee, 2010). Examples from Facebook are reactions, comments or shares.
c. **Creation**: The next stage of engagement leads to truly user-generated content. Thereby, the audience contributes with content that they created themselves. This is usually a post on a news feed or an upload of a picture. In this creation phase, most content is developed post-purchase to evaluate the product usage and to express an opinion. Since this stage includes a high risk for consumers, it is usually done post-purchase (Walsch, Hass, & Kilian, 2011). Therefore, creation should be part of “talk” in the conversion funnel.

d. **Collaboration**: Collaboration is the highest achievement of engaging audience. It is defined as an integration of user-generated content into internal working processes (Walsch, Hass, & Kilian, 2011). For example, a direct input from a customer that is used to design a product, e.g. connecting parents with kid's toys designers. Taking direct input from a customer and using it in the design of your product. Nowadays, there are several examples of consumer collaboration. For example, Starbucks has a complete online social site where consumers can post ideas while other consumers collaborate with "upvotes" or "downvotes" of ideas. The following picture provides an example of such an idea generation:

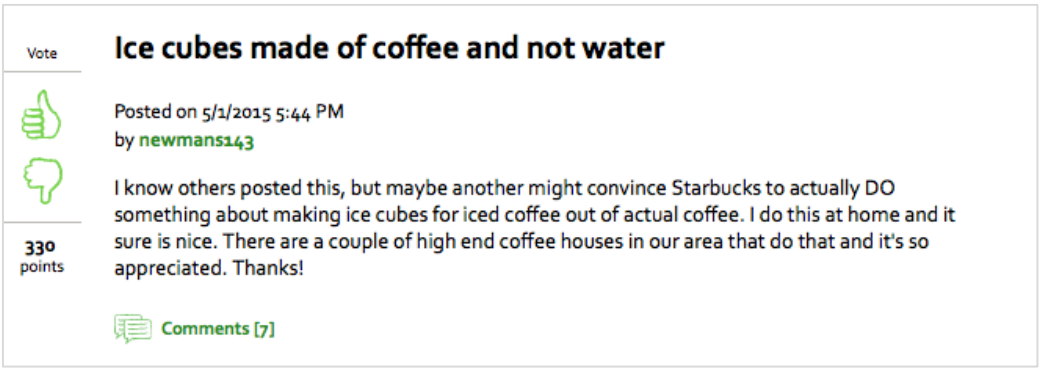


Figure 16: Online collaboration example of Starbucks
Source: Starbucks Corporation (2016)

Contests like these can also be integrated into social network sites. Since this stage includes the highest risk for consumers, it is usually done post-purchase – same as the creation stage in the "talk" phase of the conversion funnel.

To sum up, when looking at general statistics about the different levels of engagement, on average 90 percent of social network users benefit of the activity of others (consumption), 9 percent are in the curators whereas only 1 percent can be perceived as creators and collaborators (Walsch, Hass, & Kilian, 2011).

(3) **Purchase (Impact/Action/Outcomes)**: Even though this part of the funnel includes a high level of engagement, the engagement is taken one step further and brings the prospect close to purchase or – in case of an online shop – to the actual purchase. Depending on the strategic goal, the metrics can range from the number of innovation processes started based on customer feedback, event attendances, purchase rates (number of purchases online vs. the total number of fans) or referrals to the online shop (Strauss & Frost, 2014).

(4) **Use & Form opinion:** The traditional marketing funnel ends with the purchase. However, in social networks, a lot of interaction with brands happens in a post-conversion event. It deals with the experience when using the product and supports the opinion forming

process. There are no specific metrics allocated to this stage of the funnel since it does not include any communication. However they are building the basis for the next important stage in monitoring when evaluation the usage and expressing the opinions online (Evans & McKee, 2010).

(5) Talk (Advocacy/Loyalty/Post-purchase experience): The essence of this stage of the conversion funnel is eWOM (electronic word-of-mouth) that spreads in the social web and hence informs friends about the brand/product or service. Due to eWOM which is similar to a personal recommendation, it can be assumed that prospects do not only get aware of the service, but also consider this brand as being a low-risk choice because eWOM and referrals decrease uncertainly. Therefore, it can be concluded that the decision-making process is a more circular journey than a funnel and the conversion cycle would be an even better term (Court, Elzinga, Mulder, & Vetvik, 2009). The highest level of positively talking about a brand is conducted "brand advocates" or "advocacy". This part of the audience is highly loyal and likely to recommend your product which leads to a competitive advantage.

Applied strategic metric frameworks

After describing the strategic directions and the conversion funnel, there are several models in the literature that make use of the social feedback cycle in order to frame social network metrics. Since all frameworks base on the same theoretical approach of the conversion funnel, only three basic models are introduced due to their applicability to the case study in chapter 2.

(1) 4-Phase Model by Bartholomew

This approach considers exposure, engagement, influence and action of the customer as illustrated into the following figure:

Figure 17: 4-Phase Model by Bartholomew
Source: Bartholomew (2008)

The first stage, exposure, refers to the amount of activities that are executed by the company itself. This includes posting or event creation. Engagement includes considerations about reach, followers and fans. Engagement refers to all actions performed by visitors, is it a click, a like, a share or a comment. In a next step, influence refers to the degree of returning visitors or click-through whereas action implies the final conversion into a lead, a customer or just a subscription to a newsletter (Bartholomew, 2008).

(2) Social Media Model by McKinsey

This framework distinguishes between a consideration stage, evaluation, purchase/buy and a strong post-purchase customer journey including experience, advocacy and bonding. The post-purchase component is an interesting new approach McKinsey adds to the monitoring discussion. The following steps that are defined in the customer journey:

Figure 18: McKinsey Social Media Measurement Model
Source: Divol, Edelman & Sarrazin (2012)

McKinsey & Company recommends to monitor throughout the whole customer journey (Divol, Edelman, & Sarrazin, 2012). Consideration is understood as an awareness trigger since only brands can be considered that are known. Evaluation is the process of a prospect where he/she reviews comments and engages with the brand by clicks or likes. The next step is the actual purchase through an online retailer or the social network itself. The final three steps are post-purchase components of the customer journey: In the experience stage, the customer makes use of the product. Here, consumers can view how-to-videos or receive recipes for ingredients bought, for instance. Advocacy and bonding are two consecutive steps where consumers engage heavily with the brand. The bonding stage is where a consumer becomes a brand ambassador and officially recognized as such by the company. Such online ambassadors receive free samples and are sponsored by the company (Divol, Edelman, & Sarrazin, 2012).

(3) AMEC Social Media Framework:

This framework is presented by the Association of Measurement and Evaluation of Communication in 2013 and provides a comprehensive framework concept including specific measurement metrics. Thereby, the framework considers, same as the McKinsey framework, a post-purchase assessment, while also differentiating between the various pre-purchase decision-making steps. The following graph illustrates the stages:

Figure 19: AMEC valid social media framework
Source: Association of Measurement and Evaluation of Communication (AMEC) (2013)

Thereby, exposure reflects the potential audience's exposure to content and messages. Additionally, engagement is defined as all interactions that occurs in response to a certain content. The next step named influence describes the ability to contribute to a change in opinion or behaviour. Finally, the impact measures the outcomes (e.g. subscriptions) or financial impact (e.g. revenue) of the campaign or program. Finally, advocacy is a way to

speak continuously in favour or plead for a company/brand. This can be recommendations, videos of product usage or user-generated content (Association of Measurement and Evaluation of Communication (AMEC), 2013).
Other applied models exist but are of no further use for the intention of this work (Association of Measurement and Evaluation of Communication (AMEC), 2013).

This chapter showed the main strategic directions of a company when dealing with social networks. This paper focuses on brand/product communication and indirectly market research, customer loyalty, customer acquisition, online sales and the brand image. For brand communication, it is crucial to follow the conversion funnel to provide the right communication and channel for each step of the decision-making and post-purchase evaluation. The applied models make use of the conversion funnel framework and create strategic monitoring models for KPI development, as introduced in the next chapter. According to the management consultant Peter Ducker: „If you can't measure it, you can't manage it." (Drucker Institute, 2013). Following his advice, the measurement of those frameworks will be shown in the next chapter.

1.6. Definition of key performance indicators

In order to precisely measure SNS activities and their contribution to value creation in a company, it is required to measure predefined metrics.
The first part of this chapter deals with a definition the term "Key Performance Indicator". The second part in this chapter introduces the essential KPIs for each step of the AMEC framework.

KPI definition & requirements
A KPI is a metric that is used to analyse success and performance of business activities (in social networks) (Bundesverband Digitaler Wirtschaft, 2015). It is the smallest unit drilled down from broader objectives that is measurable. A combination of KPIs contributes to a certain overarching, strategic objective since KPIs are only "indicators". They do not reflect the achievement of a certain goal by 100 percent accuracy (Internationaler Hochschulverbund IUNworld, 2015). The following figure illustrates the connection between a company goal and KPIs:

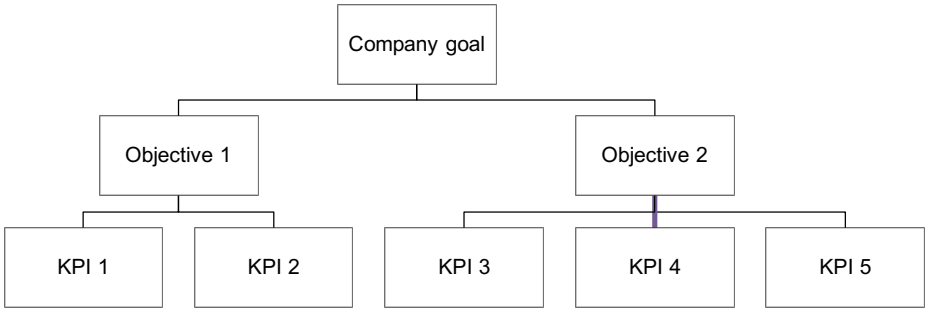


Figure 20: Cascading of company goal to KPI level
Source: own illustration based on Strauss & Frost (2014)

Ideally, each KPI is connected to a higher organizational goal and derived (marketing) objectives. Therefore, certain requirements have to be fulfilled to define suitable KPIs. Looking at the figure above, it certainly has to refer to the overarching objective (Strauss & Frost, 2014). Additionally, it has to be actionable by the individuals who are measured and evaluated based on it. Certainly, employees' evaluations have to be connected to the metrics so that they are motivated to take the right decisions. This is also in line with the requirement, that a KPI has to point to improvement or decline in a company. This means, if a KPI fluctuates into a certain direction, this can either indicate a positive or a negative direction. A last requirement is that KPIs can be easily understood by all stakeholders of a company (MarketWire, 2009). Usually, KPIs can be of quantitative or qualitative nature. Quantitative KPIs are measurable KPIs based on quantitative data analysis (number of fans) whereas qualitative KPIs leave more space for subjective data interpretations (e.g. quality of posts) (Internationaler Hochschulverbund IUNworld, 2015). For this paper, mainly quantitative KPIs are taken into consideration.

KPI determination

In a global study summarized by Simply Measured in June 2016, companies mainly focus on the measurement of the following metrics:

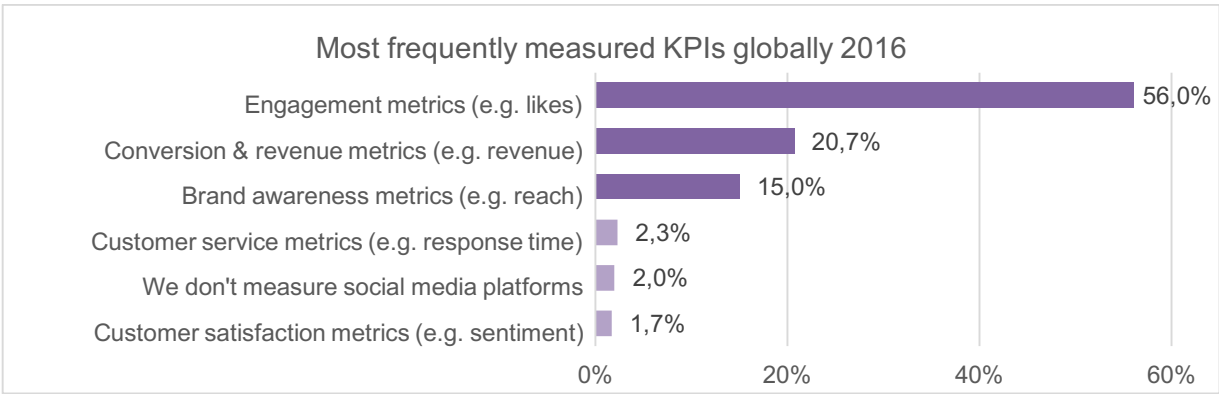


Figure 21: Most frequent measure KPIs by companies globally in 2016
Source: Simply Measured Inc. (2016)

The most frequently measured KPIs globally are engagement metrics with 56 percent of companies analysing it. Examples are likes, shares, comments, mentions and so on. As already indicated in the previous chapters, engagement is an important metric for companies to see if their audience is interacting with them in social channels or not. Followed by conversion and revenue metrics which are essential for a legitimization for using social media channels. These metrics highly depend on the business model applied online. If there is a usage of paid advertising or if there is an ecommerce platform, such metric makes sense. If these functions are not available to users, it is not possible to measure revenue metrics. Whereas conversion metrics could be conversions to a newsletter subscription, to a whitepaper download or a referral to a website. Almost 21 percent of companies globally measure such metrics. Slightly behind conversion metrics are brand awareness metrics with 15 percent of companies that analyse them. Thereby, traffic and reach metrics are of highest importance. According to the study, customer service metrics, and customer satisfaction metrics are of inferior importance nowadays. The three most important metric groups (highlighted in dark violet above) are measured within this paper, embedded in the AMEC Social Media Framework. Specific channel metrics are introduced that are influenced by communication activities. In the following, the framework steps are further explained and suitable KPIs are presented:

(1) Exposure

Exposure is the first step of the conversion funnel and the AMEC framework. It reflects the potential exposure of the audience to posted content. It is on the one hand correlated to the own activity and on the other hand to the exposure of the audience which is highly correlated. This metric category can be related to awareness levels which is major business goal of marketing. Exposure metrics are according to AMEC the following:

Number and frequency of items: This refers to the quantitative amount of content posted on the respective channels in a certain time frame. For various platforms, the names can be different but they can be summarized as activities, items or posts. On Twitter, posts are called “Tweets”, Facebook “Posts”, Instagram “Posts” and YouTube “Uploads” (Association of Measurement and Evaluation of Communication (AMEC), 2013), (Simply Measured Inc., 2012).

Number of type of item: This is a qualitative measurement and should inform about the alignment of the posting strategy with the execution. A possible measurement is the type of post being a link, image or video (Tuten & Solomon, 2015).

Reach: Reach is the potential audience for a certain content. There are various definitions available for reach. One option is “fan reach” which is defined as the number of followers for

Twitter and Instagram, fans on Facebook (similar to a page “like”) or channel subscribers on YouTube. If a company has 2,000 followers on Twitter, then each of the tweets could potentially reach 2,000 people. It has to be considered that not all of your audience sees this content when it is posted in the News Feed. It is hard to say what the minimum number of fan reach should be. However, a **fan growth rate** is a good way to track positive or negative developments.

Another possibility is to define reach as the number of unique users that potentially saw your content (Fiege, 2010). Facebook defines three different types of reach depending on the access to the content. When a user visits the company’s page or the user is a fan of company page and could potentially see it in the News Feed, then this refers to “Organic reach”. Another access to content is “viral reach”. If someone reacted, commented or shared a post, then all his friends could potentially see the post in their News feed. The last reach type is called “Paid reach” and counts the unique number of people that possibly see your post based on paid content. The total reach is then the sum of three types of reach (Facebook Inc., 2016), (Simply Measured Inc., 2013). Instagram does not provide yet such metrics (Fuss, 2016). Twitter’s reach KPI is defined as the number of your own followers, the number of users mentioning your brand and the number of followers of user that mentioned the brand. Therefore, this Twitter metric is similar to Facebook (Simply Measured Inc., 2012). YouTube and Instagram do not provide such a metric (Fuss, 2016).

Impressions: Impressions are the number of times an item is displayed in the reporting period. Thereby the audience may see the post multiple times. Therefore, impression figures are higher than reach figures because impressions are defined as reach plus the frequency that the post was seen. (Association of Measurement and Evaluation of Communication (AMEC), 2013), (Facebook Inc., 2016). Instagram does not provide such metrics (Fuss, 2016) . Twitter has a similar approach: Twitter post impressions is the amount of Tweets that potentially appear in users’ Twitter feeds. This number includes Tweets from own accounts, Tweets that mention the company’s brand handle (e.g. @abc_company) and retweets (shares) of the company’s content (Simply Measured Inc., 2012). For Youtube, there is a very clear assessment of impressions which is measured with the number of video views. The mentioned metrics highlight that measurement cross platforms can be achieved but is not simple due to small differences in definitions. To sum up the first step of the framework, the following table summarizes the general definitions:

Metrics/Framework	Exposure
Number and frequency of items	**Cross platform: Total items =** $\sum$ **Posts, Uploads, Tweets per platform** Amount of posts, tweets or upload on a social network platform in a given time period
Number of type of item	Type of posts in a given timer period, referring to links, photos or video items
Reach	**Cross platform: Total community =** $\sum$ **Fan reach per platform** Fan reach: Number of fans, followers and subscribers per platform Fan reach growth: Percentage growth of fans, followers and subscribers based on previous period FB/TW: Number of unique users that potentially saw the item issued
Impressions	FB/TW: Number of times that users potentially saw the item issued. It is defined as reach plus the frequency an item is seen YT: Number of video views

Figure 22: Summary of metrics for social network exposure
Source: own illustration based on Simply Measured Inc. (2012), Tuten & Solomon (2015), Association of Measurement and Evaluation of Communication (AMEC) (2013)

(2) Engagement

The second step of the AMEC framework is engagement which is defined as the amount of interactions that take place based on certain content exposure. As introduced in the previous chapter, engagement has four different stages: consumption, curation, creation and collaboration *(see 1.5 - Strategic objective frameworks).* With this framework, engagement refers to curation which is low-risk engagement with the issued items. Consumption is related to potential exposure of the audience because it only related to viewing or seeing a certain content. The following table summarizes the possible curation metrics per platform:

SNS platform	Facebook	Twitter	Instagram	YouTube
React to items	Reactions = Like+Love+Haha+ Wow+Sad+Angry	Like (formerly Favorites)	Like	Likes Dislikes
Comment items	Comment	@Reply	Comment	Comment
Share items	Share	Retweet	n/a	Share

Figure 23: Curation metrics of engagement
Source: own illustration based on Achtung! GmbH (2014)

In February 2016, Facebook replaced its famous “like”-button with “reactions” which are split into six different types with are called like, love, haha, wow, sad and angry. This allows to judge about the type of reaction on a Facebook post and can provide companies further insights about the qualitative reaction to their content (Reuters, 2016).

The comment box is below each post and includes direct comments and replies to comments. The share button allows users to share the item with their friends.

Similar to the former “like”-button of FB is the heart-shaped “like”-button on Twitter which replaced the “Favorites” star-shaped button by the end of 2015 (Twitter Inc., 2015). @Replies are comments that usually start with a @handle in front of the answer to address the comment to specific person (Simply Measured Inc., 2012). As a next engagement possibility, retweets is a repost of a Tweet sent by another user which can be identified by the “Retweet icon” (Simply Measured Inc., 2012).

Instagram is very similar to Facebook in this respect (since it is part of Facebook Inc.) with the only difference that content cannot be shared.

YouTube allows users to like and dislike a certain upload with thumbs. Commenting below the video and sharing of videos are standard functions.

Two typical metrics for engagement is the sum of all engagements happened in a certain period which is the sum of all the mentioned engagement metrics above per platform. It is usually referred to as “Total Engagement”. The second typical metric is the engagement rate which is the index of the sum of likes, shares and comments per own post, standardized by the total amount of fans for Facebook. The following formulas give an overview about the engagement rate definition per platform (Quintly Inc., 2016):

$$\text{Engagement Rate FB} = \frac{\#\text{Reactions} + \#\text{Comments} + \#\text{Shares}}{\#\text{Own Posts}} \times \frac{100\%}{\#\text{Fans}}$$

$$\text{Engagement Rate TW} = \frac{\#\text{Likes} + \#\text{Replies} + \#\text{Retweets}}{\#\text{Own Tweets}} \times \frac{100\%}{\#\text{Followers}}$$

$$\text{Engagement Rate IG} = \frac{\#\text{Likes} + \#\text{Comments}}{\#\text{Own Posts}} \times \frac{100\%}{\#\text{Followers}}$$

$$\text{Engagement Rate YT} = \frac{\#\text{Likes} + \#\text{Dislikes} + \#\text{Comments} + \#\text{Shares}}{\#\text{Own Video Uploads}} \times \frac{100\%}{\#\text{Subscriber}}$$

The numerator of each equation is called the “Total Engagement” as described before.

The following table summarizes the metrics defined in this stage of the framework:

Metrics/Framework	Engagement
Total Engagement	**Cross-Platform: Total Engagement =** $\sum$ **Total Engagements per platform** FB: #reactions + #comments + #shares TW: #likes + #replies + #retweets IG: #likes + #comments YT: #likes + #dislikes + #comments + #shares
Engagement rate	**Cross-Platform: Engagement rate =** ($\sum$ **Total Engagement /** $\sum$ **Total items**) **x (100%/** $\sum$ **Total community**) FB: (Total Engagement/#own posts) x (100%/#fans) TW: (Total Engagement/#own tweets) x (100%/#followers) IG: (Total Engagement/#own posts) x (100%/#followers) YT: (Total Engagement/#own uploads) x (100%/#subscribers)

Figure 24: Summary of metrics for social network engagement
Source: own illustration based on Jadhav, Kamble & Patil (2012), Tuten & Solomon (2015), Simply Measured Inc. (2013), quintly Inc. (2014)

As seen in the table, all platform specific metrics can be added up to cross-platform metrics.

(3) Influence

Influence describes in how far the brand has influence on the target audience's behaviour or opinion. Usually, this is the case if there is a strong and positive brand image available online. Therefore, share of voice and sentiment analysis are the main metrics of this framework step (Association of Measurement and Evaluation of Communication (AMEC), 2013). Some literature includes creation (as an advanced way of engagement; see 1.5 - Strategic objective frameworks*)* of content, so called user-generated content as a KPI for influence (Strauss & Frost, 2014). However, in the AMEC framework, this is allocated to the advocacy stage.

Sentiment or also called opinion mining refers to the proportion of online conversation about a brand that can be classified as positive, neutral or negative (Strauss & Frost, 2014). It is related to the emotion in social media mentions to evaluate the tone of a conversions.

Share of voice is one of the most stated social media metrics seen within the analysed literature. It is a term that defines the influence of a certain brand versus its competitors in a certain market (based on a key word) based on the proportional brand mention of one brand in comparison to those of its competitors (Strauss & Frost, 2014).

Both KPIs can be only measured with more advanced social listening tools that do not only keep track of owned social network channels. These metrics want to approach the attitude in the whole online world, there it includes sentiments from blogs and online retailer reviews. It seems obvious that influence on a post level is hard to measure.

Metrics/Framework	Influence
Sentiment	Proportion of online conversation about a brand (brand mention) that can be classified as positive, neutral or negative Sentiment = #positive or #neutral or #negative brand mentions / #total brand mentions
Share of voice (SOV)	Proportion of online conversation about a brand (brand mention) versus its competitors SOV = #brand mentions / #total mentions

Figure 25: Summary of metrics for social network influence
Source: own illustration based on Tuten & Solomon (2015), Strauss & Frost (2014), Association of Measurement and Evaluation of Communication (AMEC) (2013)

(4) Impact

When talking about impact, it seems to be logical to ask for a financial impact, mainly due to the high cost related to social network management and advertising. This is especially the case for such companies that generate sales online with e-commerce. Then, direct sales that are referred by social media can be tracked and a financial impact can be measured. The **increase in sales** would be an appropriate KPI (Association of Measurement and Evaluation of Communication (AMEC), 2013).

Another important KPI is the **conversion rate** which is defined as the percentage of the audience that executes a pre-defined action on the site (Rautio, 2012). This “action” does not necessarily need to be a purchase (e.g. conversion rate from those accessing the website via social media, that finally purchase the product) because many businesses do not sell their products and services online. As a result, it is not possible to directly relate sales figures with social media activities. However, such companies usually define this conversion “action” differently, for example coupon downloads, newsletter subscriptions, inbound requests for information, whitepaper downloads, event attendance or personal profile registrations (Rautio, 2012).

To know the final conversion on the website, it is initially important to measure the **referral traffic to the company website** and thereof the **conversion rates of the desired action**. A possible conversion rate would be the number of website visitors referred by social media channels that subscribe for a newsletter on the website. The following table summarizes the KPIs for the impact stage of the framework:

Metrics/Framework	Impact
Referral traffic from website	Number of unique website visitors referred from each social network channel
Increase in sales	Amount of online sales on website originally referred to by social media channels
Conversion rates	% website visitors referred from SM that register for the newsletter/fill a form/download a white paper, etc.

Figure 26: Summary of KPIs for social media impact
Source: own illustration based on Tuten & Solomon (2015), Strauss & Frost (2014), Association of Measurement and Evaluation of Communication (AMEC) (2013)

(5) Advocacy

Advocacy is the final stage that includes loyal, returning users of the brand's products executed through eWOM. The target is to win brand advocates that generate positive content continuously and intrusively (Tuten & Solomon, 2015). This leads to a risk reduction for new customers. Advocacy is a way to speak continuously for or plead for a company or brand. Therefore, one important KPI is to measure the **number of user-generated posts** by advocates and also its development (Association of Measurement and Evaluation of Communication (AMEC), 2013). As mentioned in the previous chapter, this is related to the creation phase of engagement and can be classified as one of the highest personal contributions. If a contribution is on a contractual or continuous basis, the term "collaboration" would also be suitable (Walsch, Hass, & Kilian, 2011). However, these posts are usually not directly posted in owned social media channels of companies but rather in the advocates' feeds. This makes this measurement outside of own channels complicated without social listening tools.

The opposite of advocates are detractors. They distribute negative online content about a brand. Thereby, the **number of detractors versus the number of advocates** gives an impression of the sentiment in the web about the brand and its products (Brandwatch GmbH, 2016). Some literature recommends to track the percentage of active brand advocated versus the number of fans in a certain period. This would show how much of of the audience is strongly engaged and is therefore called the **active advocates ratio** (Fiege, 2010). Additionally, it is also recommended to have a list of valuable influencers that is not only based on the size of their network, but also in terms of quality of network (do they have the right target audience as friends/followers that is important to my business?).

Another possibility to track user-generated content and to identify advocates is through **hashtag (#) tracking** (Association of Measurement and Evaluation of Communication (AMEC), 2013). Hashtags are tagged keywords which cluster all posts related to a certain

key word that allow social media sites to better categorize content. Additionally, important advocates can be identified by searching for important hashtags of the industry (Jackson, Complete Guide to Hashtag Analytics, 2016). Thereby, it is possible to track throughout various social networks (FB, IG, YT, TW all support it) and even on external/earned profiles. Possibilities here are the analysis of the **number of posts with a certain hashtag** or an **engagement rate of such posts**. All mentioned metrics should be tracked through the whole online world and not be limited to social media pages. Therefore, a social listening tool would be the logical choice (Fuss, 2016).

To sum up, the following table summarizes the KPIs for the advocacy stage of the framework:

Metrics/Framework	**Advocacy**
Number of user-generated posts	Number of posts/tweets that are posted by users (owned channels)
Number of advocates	Number of users that positively talk about the brand in a selected period
Number of detractors	Number of users that negatively talk about the brand in a selected period
Active advocates ratio	Percentage of active advocates of all fans/followers/subscribers
Hashtag tracking	Hashtag volume: Number of posts with a certain hashtag Engagement rate: Engagement per posts with a defined hashtag

Figure 27: Summary of KPIs for social media advocacy
Source: own illustration based on Association of Measurement and Evaluation of Communication (AMEC) (2013), Brandwatch GmbH (2016), Fiege (2010)

In order to summarize this whole chapter, the following table provides an overview about all KPIs in each stage:

Framework Step	Exposure	Engagement	Influence	Impact	Advocacy
KPIs	- Number and frequency of items - Number of type of item - Fan Reach - Fan Reach growth - Reach - Impressions	- Total Engagement by type - Engagement rate	- Sentiment - Share of Voice (SOV)	- Referral traffic from website - Increase in sales - Other conversion rates	- Number of user-generated posts - Number of advocates - Number of detractors - Active advocates ratio - Hashtag tracking (volume, engagement)

Figure 28: Summary of KPIs through all framework steps
Source: own illustration based on Association of Measurement and Evaluation of Communication (AMEC) (2013)

It becomes obvious that the challenge previously mentioned about cross-platform tracking is apparent.

1.7. Setting KPI targets

After the main KPIs have been defined it is important to set targets. It is important that they follow the SMART (**s**pecific, **m**easurable, **a**ttainable, **r**elevant, **t**ime-bound) approach which defines basic requirements for correct target setting (Tuten & Solomon, 2015) (Chaffey, 2011):

Specific: The target has to be defined as specifically as possible.

Measureable: The target has to be broken down in a measurable unit to measure success and failure.

Actionable: The receiver of the target needs to have the responsibility and authority to influence the target.

Realistic: The target is possible to achieve within a set market, industry and with allocated staff.

Time-related: The target is time-bound and has to be achieved within a certain time frame.

After defining the requirements for targets, the next step is how to set such specific and realistic targets. In social network analytics, targets can arise from various references. Common sources are trend oriented (previous campaigns or based on current growth rates), platform averages, industry averages, competitor benchmarks, or even aspirational. The

method used depends mainly on the data availability. For several of the above mentioned metrics, there might be no public data available (e.g. reach) or no previous campaigns were conducted (Quintly Inc., 2016).

(1) Number of type of posts

For Facebook, Quintly Inc. conducted a benchmark study (2015) with more than 120,000 profiles that shows that the number of posts and the type of posts highly depend on the number of fans. The table below shows the average monthly posts based on post type and fan base while bolding the figures that are relevant for the case company in chapter two:

Page fans	Link posts	Status posts	Photo posts	Video posts	Total
1-1k	3	1	3	0	7
1k-10k	9	1	9	1	19
10k-100k	20	2	22	3	**47**
100k-1mn	64	4	44	7	119
1m-10mn	129	10	71	14	224
10mn+	38	20	68	13	139

Figure 29: Monthly average of FB posts per post type and fan base
Source: Quintly Inc. (2016)

This can be a starting point for companies to get a feeling of how many posts need to be generated with a certain amount of fans. Other points of benchmarking would certainly be competitors.

For Instagram, the average post frequency is slightly lower than on Facebook, especially for larger accounts. The following table shows the monthly post frequency depending on the number of page followers split by photos and videos as of Q1 2016 based on 13k analysed profiles:

Page followers	Photo posts	Video posts	Total
1-1k	7	0	7
1k-10k	19	1	**20**
10k-100k	39	3	42
100k-1mn	61	7	68
1m-10mn	73	13	86
10mn+	64	20	84

Figure 30: Monthly average of IG posts per post type and follower base
Source: Quintly Inc. (2016)

As we can see in the table above, photos are the main post type in Instagram with roughly 75 percent of all posts being images. This table can be taken as a benchmark for own activities based on page followers. Certainly, again it is crucial to benchmark again versus competitors in this regard.

Twitter has by far the highest number of posts per month due to its limited number of characters that can be used and an average half-life of 24 minutes of one Tweet, four-times shorter than a FB post (Fontein, 2016). The following table shows the average number of monthly Tweets by number of page follower, based on a Quintly study analysing whole year 2015 globally:

Page followers	Total
1-1k	37
1k-10k	**73**
10k-100k	156
100k-1mn	370
1m-10mn	667
10mn+	279

Figure 31: Monthly average Tweets per page and follower type
Source: Quintly Inc. (2016)

For YouTube, there is no video upload rate globally available. Therefore, a competitive benchmark is of great use (Fuss, 2016).

(2) Fan reach

Such metrics can easily be accessed via competitive benchmarks. A possible target could be to reach more fans and subscribers than competitor X by a certain time. In order to see how realistic such a target is, a forecast model can be used based on current average growth rates (Fuss, 2016). What is even more important is the **fan reach growth** per platform. Therefore, Quintly has a statistic in its global benchmark study analysing more than 180,000 profiles of FB, IG and TW:

Page fans	Facebook	Instagram	Twitter
1-1k	6.9%	29.2%	14.3%
1-10k	4.3%	**28.7%**	**9.3%**
10k-100k	**3.8%**	20.9%	7.2%
100k-1mn	2.4%	5.4%	5.7%
1m-10mn	1.9%	28.7%	-1.18%
10mn+	-5.8%	72.8%	6.7%

Figure 32: Total annual fan change in percent for different page sizes
Source: Quintly Inc. (2016)

This should be taken as a rough ballpark figure for target settings for companies, depending on the company's profile fan base. These growth numbers also indicate the saturation of each network: FB is quite saturated showing mainly one-digit growth numbers. In contrast, the IG follower base are still in a growth phase where usually growth rates are higher than 20 percent. Twitter can be positioned in between. For YouTube, a global benchmark for

subscriber growth is not available. Here, it is recommended to apply a competitive analysis (Quintly Inc., 2016).

(3) Reach

For reach data, there is no competitive benchmark possible due to the needed administration rights to profiles. However, there is an approximation for the platform of Facebook which states that the reach of one post is between 1 percent and 8 percent of the company's Facebook fan site – for organic reach. The average for large pages with more than 1mn fans is around 3 percent (Quintly Inc, 2016). Many companies also use previous campaign posts to evaluate the reach in comparison as success or failure.

(4) Impressions

Since there is no competitive benchmark available (account privacy) and no report mentioning a ballpark figure, the best option to set targets for impressions is trend-oriented taking into consideration the number of impressions from previous posts and forecasting it with a realistic growth rate.

(5) Total engagement

For Facebook, Quintly also published some data in its study from 2015, well mentioning that it is important to measure engagement rates with those of competitors which are publically available. The following table provides an orientation for the average number of engagement by engagement type for Facebook (likes, comments, shares):

Page fans	Number of Reactions per Post	Number of Comments per Post	Number of Shares per Post	Total Engagement
1-1k	4	0	1	5
1k-10k	22	2	4	28
10k-100k	**105**	**11**	**20**	**136**
100k-1mn	572	47	98	717
1m-10mn	3,741	147	402	4,290
10mn+	23,033	596	1,898	25,527

Figure 33: Average monthly number of FB engagements by engagement type
Source: Quintly Inc (2016)

It can be concluded from the table above that engagement rises with the number of page fans. For Instagram, the engagement is still the highest of all channels. The following table demonstrates this:

Page fans	Number of Post Likes	Number post of comments	Total Engagement per Post
1-1k	23	1	24
1k-10k	**107**	**6**	**113**
10k-100k	728	19	747
100k-1mn	6,285	102	6,387

1m-10mn	59,110	1,042	60,152
10mn+	592,209	14,722	606,931

Figure 34: Average monthly number of IG engagement for different fan sizes
Source: Quintly Inc (2016)

Regarding Twitter, we face rather low engagement with likes but therefore a higher percentages of shares. The following table introduced ballpark targets for engagements:

Page fans	Total Engagement per Post
1-1k	1
1k-10k	**4**
10k-100k	12
100k-1mn	67
1m-10mn	190
10mn+	2,598

Figure 35: Average monthly number of TW engagement for different fan sizes
Source: Quintly Inc (2016)

Since such statistics are not available for YouTube, a competitive analysis for engagement is recommended (Quintly Inc, 2016).

(6) Engagement Rate

Here, a lot of studies already deal with the question which engagement rate is appropriate. Certainly, competitive benchmarking is again a very useful way. However, there are also global statistics available about the average engagement rate as defined above per platform. The following table summarizes the statistics:

Page fans	Facebook (%)	Instagram (%)	Twitter (%)	Average
1-1k	1.54	7.01	0.18	2.91
1k-10k	0.72	**3.01**	**0.09**	1.27
10k-100k	**0.38**	2.18	0.04	0.87
100k-1mn	0.21	1.85	0.02	0.69
1m-10mn	0.15	2.26	0.01	0.81
10mn+	0.12	2.15	0.02	0.76

Figure 36: Average monthly engagement rate by SNS
Source: Quintly Inc (2016)

It becomes obvious that Twitter has the lowest engagement rates, followed by FB. Instagram has quite high interaction rates due to several reasons, for example the content delivery (only photos and videos) and a lower post frequency (Quintly Inc, 2016). These number can be used in order to set targets for the case company in chapter 2.

(7) Sentiment

This target setting should try to the achieve zero percent negative sentiment. It is advisable to start with a status quo and improve it.

(8) Share of Voice

This metric is a competitive benchmark since it compares the own mentions online to all mentions around a certain key word. It is recommended to set targets based on the share of market (SOM). However, the correlation between SOV and SOM is negative, meaning that the higher the share in the market, the lower usually the SOV. This should be encountered by brands to ensure a fit between SOV and SOM (Jones, 1990).

(9) Referral traffic to website

For referral traffic, there is no competitive benchmark possible since the data is not publically available. Therefore, it is recommended to make use of a forecast model based on current achievements and growth. Best case, the referral traffic should be as high as possible.

(10) Increase in sales: Also for the increase in sales, there is no competitive benchmark possible. The target here should be derived from business sales targets.

(11) Conversion Rates: For such internal conversion rates, no competitive benchmark possible. Therefore, a possible strategy is to approach it trend-oriented based on former experiences.

(12) Number of user-generated posts: This metric is publically available from competitive benchmark. Therefore, this method is recommended. As mentioned previously, only 1 percent of existing followers contribute in terms of creation or collaboration (Walsch, Hass, & Kilian, 2011). This could be a rough estimate how to break down the number of creators and collaborators.

(13) Number of advocates: A “90-9-1” rule exists which claims that 90 percent of fans/followers/subscribers are not engaged, 9 percent are infrequently engaged and 1 percent are consistently engaged. Therefore, a rule of thumb for active advocates should be around 1 percent of the fan base. The number of positive influencers in the social media landscape can only be analysed with social listening tools due to the sentiment analysis needed.

(14) Number of detractors: The number of negative influencers in the social media landscape can only be determined with social listening tools due to the sentiment analysis needed.

(15) Active advocates ratio: An appropriate target for the active advocates would be to assume that 10 percent of the advocates are active based on the assumption that only 10 percent of users are in the curation, creation or collaboration phase of engagement (Walsch, Hass, & Kilian, 2011).

(16) Hashtag tracking: The volume of hashtag usage highly depends on the company's usage on its channels. However, it is crucial to use a hashtag frequently and consistently so that the audience connects the brand with the hashtag and adopts it as well. In terms of engagement, hashtags are supposed to increase engagement of posts. Therefore, interactions of hashtag posts should be higher than for non-hashtag posts. For Twitter, 1-2 hashtags increase engagement by 21 percent in comparison to total engagement. For Instagram, hashtags increase engagement by an average of 35 percent. In a benchmark study, Social Bakers mentioned that Facebook posts with 1-2 hashtags have an average engagement of 593. These figures can be used as a benchmark to measure hashtag post engagement (Jackson, 2016).

2. Social network monitoring for the case company

2.1. General introduction

2.1.1. Industry and case company

Industry: Beauty & Personal Care and (Salon) Haircare

When talking about the salon haircare segment, it is categorized under the beauty and personal care industry (BPC) which accounts for almost 426bn USD market size in 2015 (Euromonitor Passport, 2016). A structural overview about the beauty and personal care industry and its respective global market sizes in 2015 are illustrated in the following:

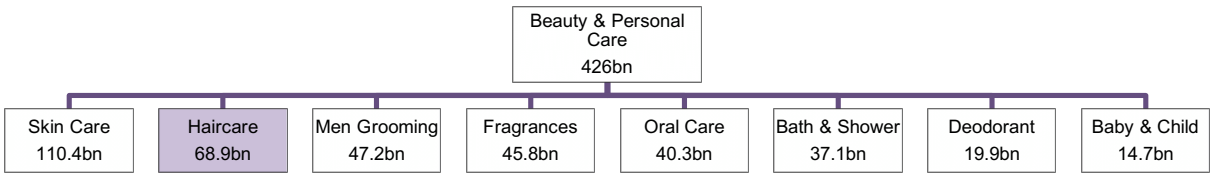


Figure 37: Global BPC Industry categories and market values (in bn USD)
Source: Euromonitor Passport (2016)

The focus of this paper is within the haircare industry. It is the second biggest market in the beauty & personal care industry globally with almost 68.9bn USD in 2015, following skin care. It showed a negative development in 2015 while the previous years showed constant development. The graph below shows the development of the haircare industry:

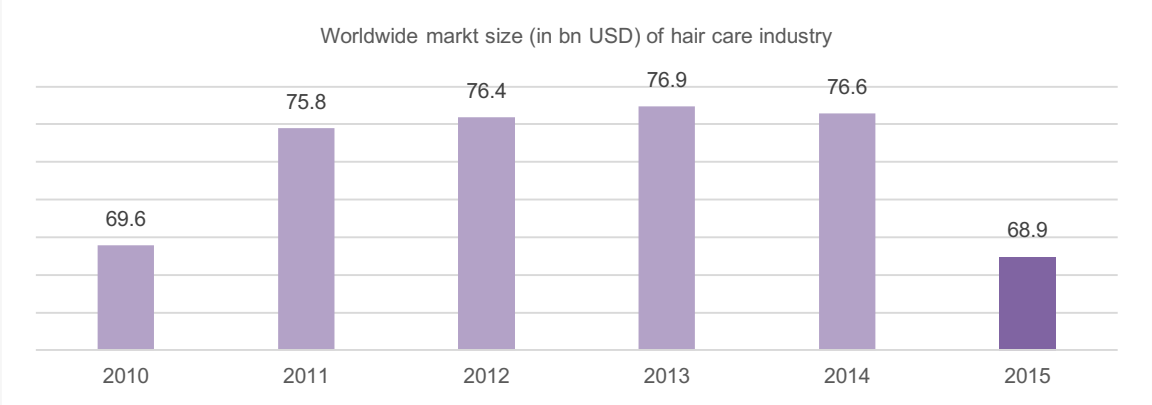


Figure 38: Worldwide market size of haircare industry
Source: Euromonitor Passport (2016)

Salon haircare is a small sub-segment of the haircare segment where the case company's core business lies which only accounts for 10 percent of the haircare segment. The remaining 90 percent are retail products like shampoos, colourants, conditioners and styling agents).

Case company

The case company is incorporated into a large multinational company which is one of the largest adhesive manufacturers and household goods production companies worldwide. More precisely, it is divided into three main divisions: Laundry & Home Care, Beauty Care and Adhesive Technologies. The largest segment builds the Adhesive segment (50 percent), followed by Laundry & Home Care (28 percent) with the smallest segment being Beauty Care (21 percent). The mother company with its headquarter in Germany achieved more than 18bn EUR in revenues and 2.9bn EUR EBIT in the fiscal year 2015. This year had been a successful year with a 3 percent organic sales growth. In 2016, the company targets a sales goal of 20bn EUR (Case company, 2016).

The focus of this paper is in the beauty care segment where revenues accounted for 3.8bn EUR in 2015 with a 2 percent organic growth. In terms of beauty care, the case company is the 11th biggest player in the market with a market share of 1.6 percent led by companies like L'Oréal and Proctor & Gamble (Euromonitor Passport, 2016).

The beauty care division is structured into retail (B2C approach) and salon haircare (B2B and B2C approach). The retail business covers haircare, body care, skin care and oral care whereas salon haircare only covers haircare. This division is legally structured as a 100 percent subsidiary of the mother company. The project is located in this subsidiary focusing on professional haircare for the salon business. There is also a focus on end consumers due to derived demand and OTC sales (over-the-counter). The subsidiary is active in more than 60 countries globally with mainly direct sales to field salons and key accounts, but also to large distributors. The main brand of the company is a corporate umbrella brand with brand characteristics such as innovation, quality, passion and competency due to its founding year 1898.

Haircare is the company's strongest growth engine in the beauty care division which is shown by the bubble size in the chart below indicating the company's market share with 5.7 percent (Case company, 2016), (Euromonitor Passport, 2016). As mentioned, the mother company captures a valuable part of the haircare industry which is growing moderately but is the second biggest market segment:

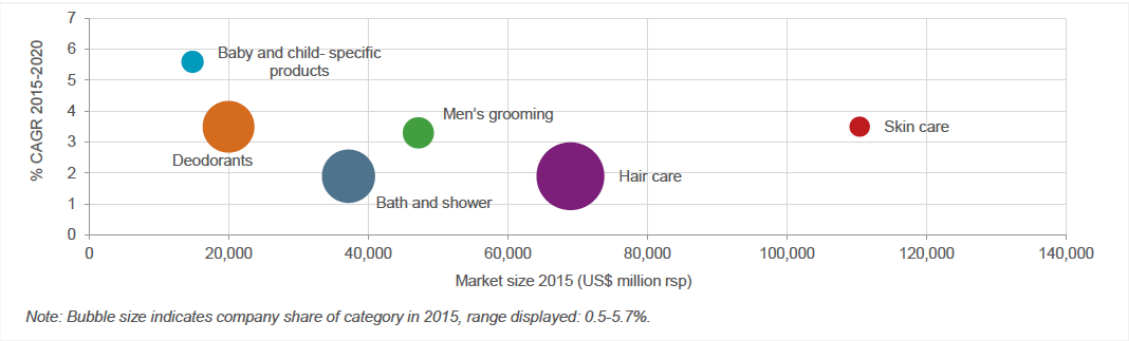


Figure 39: Mother company industry segment share in relation to industry segment size and CAGR
Source: Euromonitor Passport (2016)

However, the salon haircare part is only about 5 percent of all haircare sales. Based on an evaluation of Euromonitor, growth rates in the salon haircare business are less lucrative than in the retail business (Euromonitor Passport, 2016). The professional haircare segment of the case company counts thirteen brands in three main categories as shown in the picture below:

Figure 40: Three main haircare industry categories and departments in the case company
Source: own illustration based on Euromonitor Passport (2016)

After this short introduction into the industry and the company, the digital department of the case company is presented.

2.1.2. Digital department

Digital department is part of the international marketing department. This implies that the focus of the marketing activities is on brand and product communication. It is part of the marketing implementation which further stresses the marketing operations functionality. Thereby, the digital department supervises all company websites, social networks sites and apps. For those channels, the international digital department takes a governance and support role that aligns global campaigns, content and measurement across all countries. It is also responsible for the digital strategy and the monitoring of its achievement. Locally, the digital stakeholders are structured as a matrix organization. Each country, in which the case company generates revenue, has a part-time or full-time headcount to manage all digital affairs in the respective country. This implies one reporting line to the international digital department and another one to the respective country manager. Currently, the case company has business in more than 60 countries clustered in seven regions: LATAM, NA, WE, CEE, APAC, MEA and Russia as a stand-alone region. LATAM refers to all countries in Middle and South America whereas NA relates to North America. The abbreviation WE stands for Western Europe, followed by CEE for Central and Eastern Europe and MEA for Middle Eastern and African countries. APAC refers to the Asia-Pacific region. These definitions are crucial for the later presentation of the tool.

2.1.3. Social network landscape

By June 2016, the digital marketing department supervises several profiles globally across many platforms. As mentioned in the previous chapter, the strategic focus platforms are Facebook, Twitter, Instagram and YouTube. On Facebook, the company has forty country profiles and one profile that is managed internationally. For Twitter, the account numbers are much lower due to the polarizing popularity of Twitter in different countries. In total, the case company manages six profiles, five country-specific accounts and one international account. The second largest number of accounts are hosted on Instagram. With 21 country-specific accounts and one international accounts, it is the second biggest network for the case company. On YouTube, the company has only two channels, one country-specific one internationally hosted. So far, the international channel has 18 country playlists clustered to one main international channel. The following bar chart provides an overview about the number of profiles per SNS:

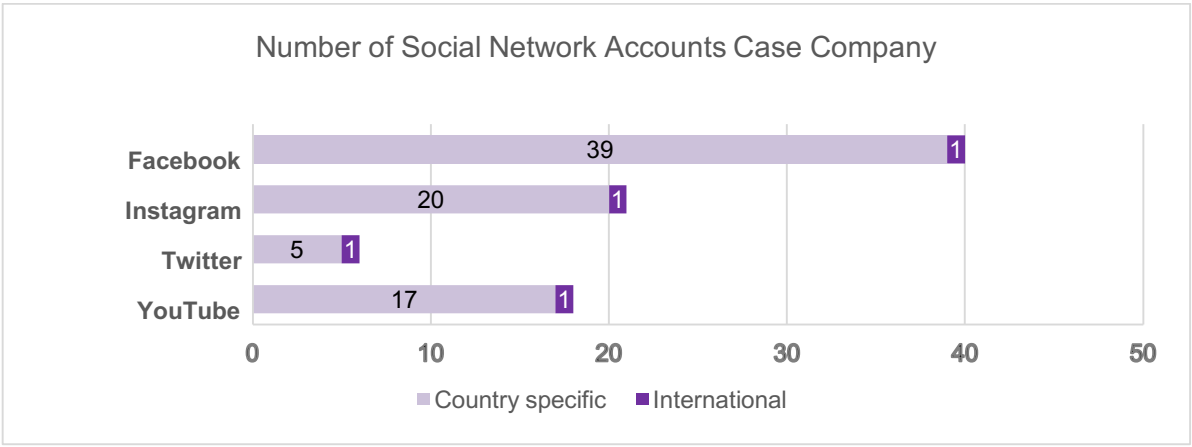


Figure 41: Number of social network accounts of case company
Source: own research

In total, the company communicates through 85 channels (incl. YT playlists) in 41 countries worldwide. From a regional point of view, the company has most of its accounts in WE based on the origin and main revenue generation of the company. In total, the company is socially active in 15 WE countries, 7 CEE countries, 6 MEA countries, 5 APAC, 4 LATAM and 2 in NA region. The countries with the highest amount of accounts are Canada, USA, Turkey, Brazil and Japan, next to the internationally managed account. The following table provides an overview sorted by region where the case company is active on social network sites:

No	Region	Country	Facebook	Instagram	Twitter	YouTube channel/ playlist	In all social networks?
1	International	International	yes	yes	yes	yes	yes
2	WE	Austria	yes	no	no	yes	no
3	WE	Belgium	yes	no	no	no	no
4	WE	Denmark	no	yes	no	no	no
5	WE	Finland	yes	no	no	yes	no
6	WE	France	yes	no	no	yes	no
7	WE	Germany	yes	yes	no	yes	no
8	WE	Greece	yes	yes	no	yes	no
9	WE	Italy	yes	no	no	yes	no
10	WE	Netherlands	yes	no	no	yes	no
11	WE	Norway	no	yes	no	no	no
12	WE	Poland	yes	yes	no	no	no
13	WE	Portugal	yes	no	no	yes	no
14	WE	Spain	yes	yes	no	yes	no
15	WE	Sweden	yes	yes	no	yes	no
17	WE	Switzerland	yes	no	no	no	no
16	WE	United Kingdom	yes	yes	no	yes	no
18	RUSSIA	Russia	yes	no	no	yes	no
19	NA	Canada	yes	yes	yes	yes	yes
20	NA	United States	yes	yes	yes	yes	yes
21	MEA	Egypt	yes	no	no	no	no
22	MEA	Israel	yes	no	no	no	no
23	MEA	Lebanon	yes	no	no	no	no
24	MEA	Pakistan	yes	no	no	no	no
25	MEA	South Africa	yes	no	no	no	no
26	MEA	Turkey	yes	yes	yes	yes	yes
27	LATAM	Argentina	yes	yes	no	no	no
28	LATAM	Brazil	yes	yes	yes	yes	yes
29	LATAM	Colombia	yes	yes	no	no	no
30	LATAM	Mexico	yes	yes	no	no	no
31	CEE	Croatia	yes	no	no	no	no
32	CEE	Czech Republic	yes	no	no	no	no
33	CEE	Hungary	yes	yes	no	no	no
34	CEE	Latvia	yes	yes	no	no	no
35	CEE	Lithuania	yes	no	no	no	no
36	CEE	Slovakia	yes	no	no	no	no
37	CEE	Ukraine	yes	no	no	no	no
38	APAC	ANZ	yes	yes	no	no	no
39	APAC	India	yes	no	no	no	no
40	APAC	Japan	yes	yes	yes	yes	yes
41	APAC	Malaysia	yes	yes	no	no	no
42	APAC	Taiwan	yes	no	no	no	no
TOTAL			40	21	6	18	85

Figure 42: Overview social network landscape of case company by country
Source: own research

As mentioned previously, the case company holds accounts in more social networks sites. However, the company set a clear strategic focus on Facebook, Instagram, Twitter and YouTube. Therefore, the tool presented only covers these.

It is also important to mention that the company hold specific websites in many countries in the local language (more details about website availability in appendix 4). This becomes especially important in the case of referral traffic from social media channels to the website (conversions).

2.1.4. Social networks in the haircare industry

This chapter presents the landscape and relevance of social networks for companies in the haircare industry and deals with the main competitors.

Social Network landscape and relevance

Almost 40 percent of all beauty searches are related to hairstyling and hair colouring, this shows the big relevance of the haircare industry in the digital world.

By far, Facebook dominates globally over all other social network sites in the beauty and personal care industry. However, channels like Instagram, YouTube and Pinterest are the emerging platforms in the field. Twitter is rather regionally popular, especially in the US. (Euromonitor Passport, 2013). Instagram counts more than 14mn followers of hair-related brands on its platform (Instagram Inc., 2016).

In terms of target group, around 70 percent of discussions about BPC products on social network sites arise from women, thereof 50 percent that are 24-35 years old. Therefore, content is usually tailor-made for this age group and gender. As explained in chapter *1.1. – Social media and social networks: Global social networks landscape*, the platforms with more women than men are Facebook and Instagram while this age group is the largest for all SNS. Obviously, FB has the highest number of 24-35 year-old women, followed by IG, YT and finally TW (Euromonitor Passport, 2013).

According to Euromonitor (2013), BPC companies use social networks for the purposes of product launches and promotions, branding and endorsement purposes and for usage explanations (look creation). With those activities, BPC companies want to increase customer retention and engagement with the brand while improving the company image to a more approachable, transparent and trustworthy brand (Euromonitor Passport, 2013).

Competitors

Main competitors in the salon haircare are L'Oréal with L'Oréal Professionnel (L'Oréal Pro) and Procter & Gamble with Wella Professionals (Wella Pro). Similarly, this is the result of the global in-company research conducted (see appendix 5) in 16 countries when asking which company is the main competitor in their respective country:

Competitor	Percent of country managers
L'Oréal Pro	68%
Wella Pro	38%
Other	25%
Redken	19%
TIGI	12%
Goldwell	12%
Bumble & Bumble	6%
Kevin Murphy	6%
Matrix	6%
Davines	0%
Sebastian Pro	0%
KMS California	0%

Figure 43: Country survey result: Main competitors per country
Source: Country survey case company (March, 2016)

It becomes obvious that L'Oréal Pro is by far the strongest competitor, followed by Wella Pro. This result is used to investigate further about both companies related to the digital landscapes. The main focus will be the companies with a similar structure, target group and regional focus, hence niche and premium brands are not comparable with global brands like the case company. Premium brands usually have less reach, but relatively higher interaction than global mass brands like the case company (Euromonitor Passport, 2013). Therefore, these two companies are in focus:

Company Name & Logo	Short description
L'Oréal Pro	Founded in 1909, it is a salon haircare subsidiary and sub-brand of the beauty company L'Oréal, from France. It is the biggest player in the professional haircare landscape globally. Active in same product categories as case company: Color, Care & Styling.
Wella Pro	Founded in 1850 as a German Salon haircare company. Today, it is a subsidiary and sub-brand of the FMCG company Procter & Gamble, from US. It has a similar size in comparison to the case company. Active in same product categories as case company: Color, Care & Styling.

Figure 44: Two main competitors' profile
Source: Procter & Gamble (2016), L'Oréal Professionnel (2016)

In terms of the competitor's social network landscape, it can be summarized that L'Oréal Pro has a higher number of social network accounts globally while Wella has less than the case company. An overview about the available accounts by competitor is provided in appendix 6. But not only in terms of portfolio, but also in terms of digital activities, these two companies can be taken as benchmarks. Later in this chapter *2.2.5 – Setting KPI targets* the case company's targets base partially on those two companies.

2.2. Social network monitoring project

2.2.1. Status quo of monitoring

This chapter introduces the current status of monitoring activities within the case company globally. The following data bases on a research conducted across 16 core countries that are representative for the whole organization.

In order to categorize the maturity of the social network landscape of the case company based on the model of Altimeter Group (see appendix 7), the company is in a transition from an “Ad-hoc” to a more “formalized” social media landscape. This implies that there is mainly one department taking care of social media (marketing), the social network metrics are volume-based but also partially mapped to business targets and benchmarks to competitors do not exist on a formalized basis. However, the governance is aligned in a defined process among external agencies and several internal teams across the countries. Additionally, some metrics are defined on a country level and so far, sales data is not analysed together with social data. Towards digitization, there is still optimization potential towards a holistic and integrated social business or SCRM as mentioned in the chapter *1.4.*

The following data, gathered in a country survey, further supports the assumption that the case company is still in the “Ad-hoc” or “formalized” maturity phase.

In total, five main conclusions can be drawn from the country survey conducted that outline clear requirements for the solution presented:

(1) No clear link to objectives

60 percent of countries surveyed mention that connecting digital activities with marketing objectives is a big challenge. At the same time, many channels are recognized as having a crucial impact on business, even if not measured. The following graph illustrates the perceived importance of each social network channel for the business:

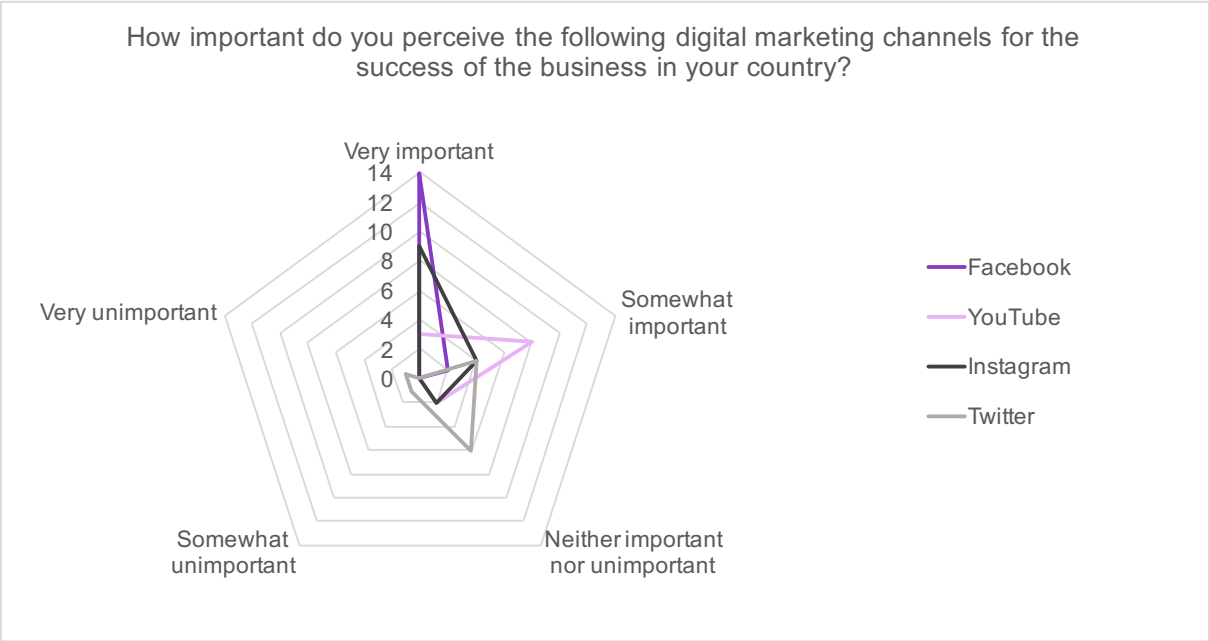


Figure 45: Business impact of each SNS
Source: Country survey case company (March, 2016)

As it can be seen in the figure above, 100 percent of countries asked state that FB is “very important” or at least “somewhat important” for their business success. A similar tendency exists for Instagram with more than 80 percent. It has to be seen that Instagram is a “rising star” within the case company while FB is still the main communication channel. YouTube positions itself in the centre of importance with a tendency to only “somewhat important”. An inferior role plays Twitter with not even one country that perceives it as “very important” for business success. To sum up, FB and IG are of utmost importance for the company’s country business success whereas YouTube plays a supportive role and Twitter only has local importance (e.g. USA, Canada).

However, at the same, the definition of KPIs and monitoring behaviour is not executed accordingly.

(2) Limited definition of digital marketing KPIs

As indicated above, several countries do not have predefined KPIs for each network. This is certainly network-specific again. The following pie charts demonstrate the percentage of survey respondents that have established KPIs in their countries.

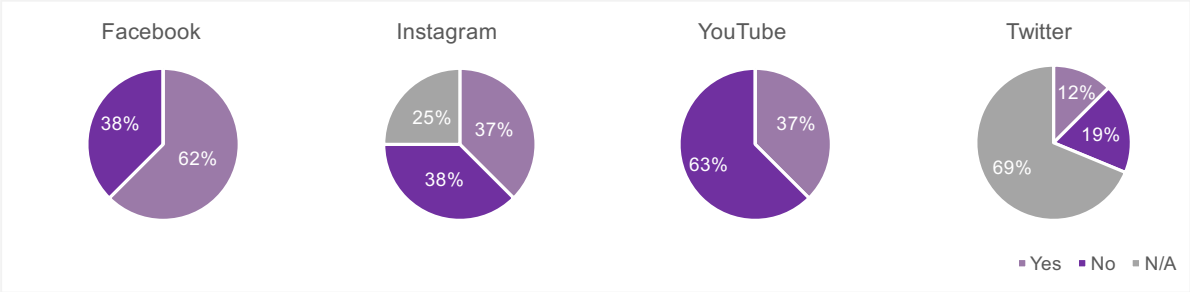


Figure 46: Percentage of surveyed countries that have defined KPIs (per network)
N/A: channel is not available in this country
Source: Country survey case company (March, 2016)

What can be seen from the above diagrams is that for FB and IG there are one third of companies that do not measure their channels at all. For the remaining percentage that claim to have KPIs the question remains open how regularly and intensively countries track the KPIs. Especially for channels like YouTube, countries do not have any targets and half of the countries having Twitter also claim not to have established KPIs. These facts show that there is no global standard for KPIs trained and established.

(3) Limited access to analytical tools & fragmented social networks

The main challenge based on the country survey and interviews revealed that social networks are very diverse and fragmented and there is a hurdle to enter the analytical tool by hand. 75 percent of countries mention that they are not accessing analytics platforms. The following graph demonstrates this which asked for the main local challenges when dealing with social media analytics:

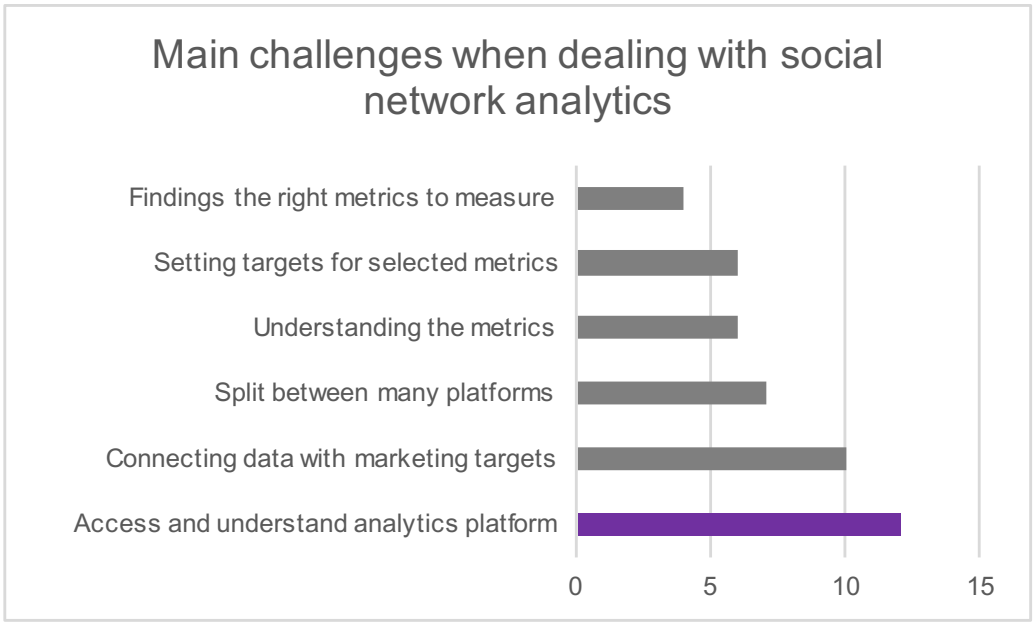


Figure 47: main local challenges when dealing with social media challenges
Source: Country survey case company (March, 2016)

This implies a high variety of different KPIs and accesses to systems without an aggregating tool to analyse. For FB and IG, each accounts has a platform called Facebook or Instagram Insights that allows account owners with more than a certain amount of followers to track and analyse (Facebook Inc., 2016). For Twitter and YouTube, Twitter Analytics and YouTube analytics are available for each account by the platform providers (Twitter Inc, 2016), (YouTube, 2016). As mentioned in the previous chapter, the case company has 85 accounts globally. Additionally, six countries are active on all four social network channels plus several other digital channels like websites and apps. For a country manager that is only partially dealing with social media, this implies a high time investment. It is indicated by the survey that the split between many social network platforms is a main challenge as shown in the diagram above. Therefore, a one-stop aggregation of data in a format countries are accustomed to, is of highest importance.

(4) No standardized tracking and reporting

Another issue that became apparent in the survey is the issue of regularity and standardization of tracking and reporting.

In comparison, the tracking behaviour is analysed that is shown in the following graph:

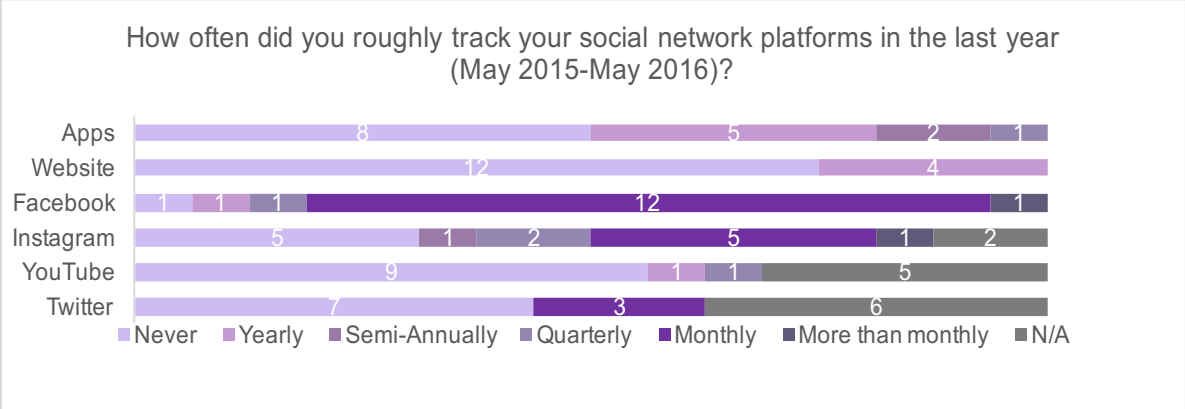


Figure 48: Tracking frequency per SNS
Source: Country survey case company (March, 2016)

One main finding of the research is that there is a gap between the perceived business impact of several channels and the executed monitoring for this channel. Certainly, they are correlated (i.e. the higher the importance, the higher is the activity in monitoring), however especially for Instagram and YouTube channels monitoring activities show deficits.

As mentioned above, the business impact and monitoring behaviour are slightly correlated but to a lower extent as recommended. As for FB, the majority tracks its activities on a monthly basis, however monitoring for other channels is still underrepresented. Especially when looking at IG with its rising business impact, only 31 percent of countries track activities on a monthly basis. For YouTube, almost 60 percent of countries never track metrics. Additionally, only one country actually looks into the social network figures more than

monthly. For many companies, social network monitoring is a daily or even real-time task by default due to its high dynamics (Dahl, 2015).

(5) Limited benchmarks and targets

The last obstacle identified is the issue of how to give reason to the data gathered. Some countries mention as a main challenge that target setting for certain metrics is a big challenge as shown in Figure 48 above. Additionally, one comment of the countries manager mentioned the need to include competitive data in the analysis (see appendix 5). Additionally, in an interview with the executive marketing director of the case company, it has been of major importance to provide guidance to the countries how to interpret the data (see appendix 5). Benchmarking and target setting provide this required data.

After analysing the main obstacles and behaviour of country mangers, the following chapter derives the main requirements for the future monitoring.

2.2.2. Requirements for the monitoring

One main requirement is the connection of KPIs with marketing targets which are established also for the online channels. Which kind of objectives are of importance is presented in the next chapter. Additionally, the company requires standardized KPIs across all social network platforms aggregated to overall KPIs (e.g. total social community aggregating TW, FB, IG, YT audiences) but also on a platform level to still allow conclusive analysis. The need for these analysis is on a monthly basis based on the dynamic character, the monthly sales reporting within the company and the monthly meetings to plan content with agencies (see appendix 5). The format of the monitoring has to be a one-stop solution for a country manager to view the most important KPIs on one view, send out monthly. Certainly, the tool requires to be on a rather easy level including also guidance in terms of KPI definition (glossary) and an introduction and trainings how to read the data.

In order to make sense of the data, country managers should be equipped with benchmark data from industry, competitors, social network sites and internal historical data to ease target setting and success definition.

2.2.3. Strategic objectives

In its annual report 2015, the mother company states that it has the target of digital leadership (Case company, 2016). This certainly includes digitization in all areas of business (sales, logistics, marketing, customer service, etc.). The targets that relate to marketing targets are presented in the following for the beauty care division:

(1) **"Engage"**: thereby the beauty business unit of the mother companies understands to foster a one-to-one relationship with clients and prospects. As mentioned before, the case company has in fact a B2B business model, though also relying on OTC sales for end consumers (B2C). As a result, the company's strategy is to target 80 percent hairdressers and salons and with 20 percent of content end consumer. In order to engage with stakeholders, exposure and awareness are of initial importance. This means the amount of exposure published by the company (number of total activities) and also how many potential clients are exposed to the content and are able to get aware of it (Daecke, 2015).

(2) **"Leverage data & technology"**: This implies a learning from analytic systems and data to strengthening the relationships and dialogues with stakeholders. Additionally, the company wants to gaining insights into how customers make use of and rate our products, hence are influenced by it. Those insights also lead to higher conversions (impact) and increased customer loyalty (Daecke, 2015).

Additionally, the salon haircare unit defined its own strategy based on brand and product communication which is in line with the overall beauty care unit's strategy:

*"We aim to be the **most talked about professional haircare brand in social media**. For this reason, we **engage** with our hairdressers and consumers, **consistently** and authentically and getting them **involved** with our products, people and communications. Essentially, we **provide relevant and useful content** that promotes **interactions** and **continuous participation**. (…) Additionally, we aspire to **inspire**, assist and educate other countries to **implement the same standards and practices**."* (Achtung! GmbH).

Which can be derived from the above mentioned quote, provided by the social media agency of the case company, is the aspiration to become one of the most talked about professional haircare brand. Therefore, the company wants to consistently provide content. This highly relates to the exposure part of the conversion funnel. Additionally, the company certainly wants its clients to get engaged and interact with them. Hence, a great focus of its digital

strategy lies on engagement, the second step of the conversion funnel. Once content is distributed and people perceive it as relevant and inspiring, it starts influencing their behaviour and opinions. Therefore, influence is another main pillar of the digital strategy of the case company. As of impact on customers, the case company has no strategic focus yet based on the fact that there is neither an e-commerce shop created nor a newsletter to sign up. However, for the time being, the request for more detailed information on the company's website is taken as an approximation for impact. One main part of the strategy is also a continuous participation of customers. This requires a loyal customer base as well as advocates that consistently talk about the brand in a positive way.

Which becomes clear that the company want to target all steps of the conversion funnel with its strategy. Therefore, the chosen framework for the KPI system is based on the framework presented by the American Association of Measurement and Communication (AMEC) in 2013, slightly modified to simplify the framework for the company:

Figure 49: Measurement framework for company based on strategic objectives
Source: Achtung! GmbH (2014)

2.2.4. Definition and measurement of key performance indicators

The selection of KPIs for the above mentioned framework is restricted by the feasibility to gather the data on a regular basis without a huge investment into new analytics tools. Therefore, the most important KPIs are chosen in the following based on the country research and the insights revealed in chapter *1.6. – Definition of Key Performance Indicators.* In the following each platform with its platform-specific metric is introduced with an aggregated KPI definition in the end. The data used is sourced from the API's from all accounts of the case company that interface with a tool from Quintly Inc. that is able to aggregate the data from various SNS.

(1) Facebook

Based on the metrics defined in the theory part, Facebook provides most insights into its analytics due to its saturation and business-friendliness. Therefore, more metrics can be tracked then for other networks. For the first step of the metrics framework, exposure and awareness, the following metrics are defined based on the international brand page data:

(a) Fan reach and fan reach growth: This indicated the community size (defined as page likes or fans) and its monthly growth versus previous month. The growth numbers indicate the net growth, meaning that “page unlike clicks” have already been deduced. The following graph provides an example of such a graph:

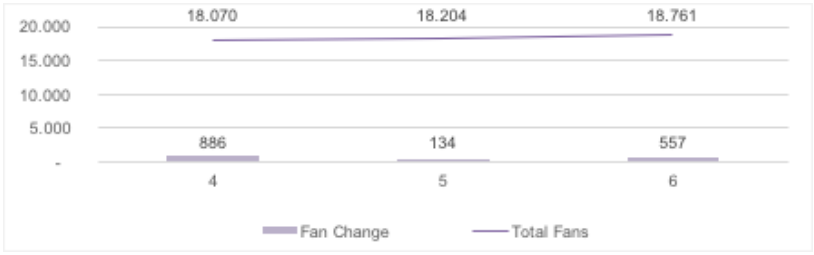


Figure 50: FB Awareness - Fan size and growth development
Source: own tool based sourced from Quintly

(b) Reach, impressions and own posts

Thereby the definitions apply that are mentioned in chapter 1.5. Certainly, the correlation between own posts and reach/impressions in interesting to contrast in order to see if an increased posting leads to higher reach numbers. Therefore, all three metrics are combined in one chart:

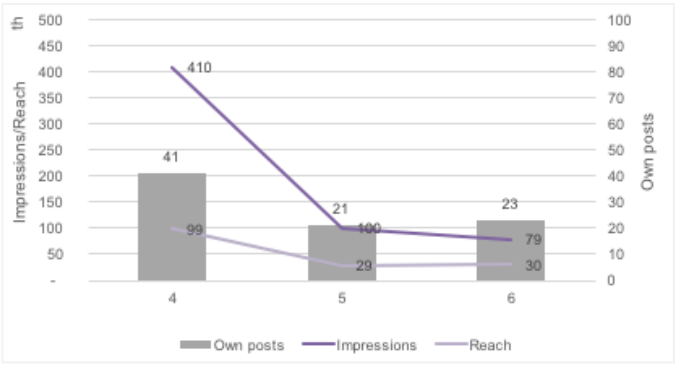


Figure 51: FB Awareness - Impressions, Reach and own posts
Source: own tool sourced from Quintly

For the engagement stage, three main KPIs will be analyzed:

(c) Total engagement by type

Engagement has cross platform the similar possibilities though different naming. Just in the beginning of January 2016, Facebook replaced its famous like button with six different reactions. Additionally, it is possible to comment on a post or to share it.

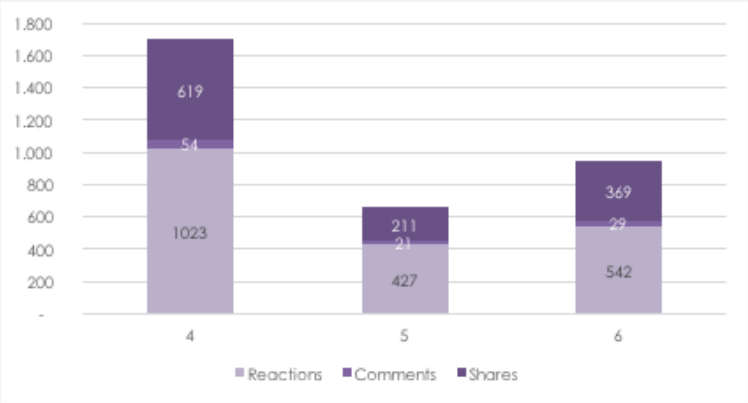


Figure 52: FB engagement – Total engagement by type
Source: own tool sourced from Quintly

This allows the reader to see how many likes, comments and shares all the posts received in the last month versus the two previous month. It is important to see the split by as well since sharing content is the highest form of engagement curation therefore it is important to see the degree of engagement with the content. When comparing posted content and engagement, it becomes obvious that June has been a very efficient month in terms of engagement – even though the exposure to clients was similar than in May, the engagement rose by 40 percent. This can be perceived as a success and content of both months should be compared. In order to compare posted content, engagement standardized by the current number of fans, this is done by the engagement rate.

(d) Engagement rate

As indicated above, this metric builds one of the most important comparison metrics across platform since it standardizes with the amount of followers and activities amount. It presents the percentage of the company's fans that engaged with one post on average. It is also crucial to see how effective certain content performed in month. Once this number reached its peak, it is helpful to further investigate this month about best practices. The following graph shows the engagement rate of the case company's international page:

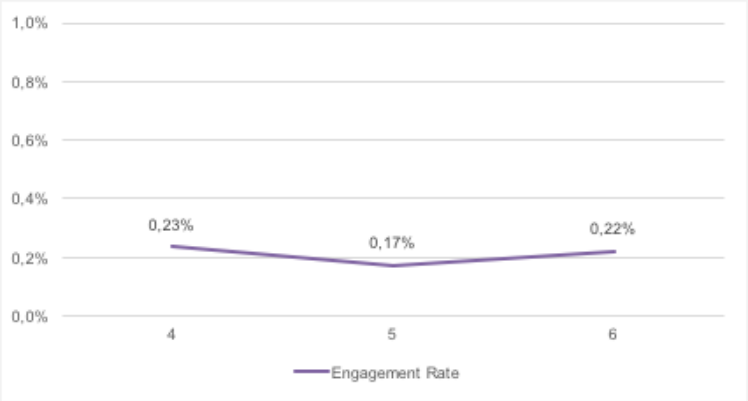


Figure 53: FB engagement - Engagement rate
Source: own tool sourced from Quintly

(e) Reactions split

This metric is Facebook specific and measures the split of total reactions. As mentioned before, Facebook introduced six different interactions. Certainly, the like button is still used for most reactions, however the possibility to react in various ways provides the company an insight into positive versus negative reactions.

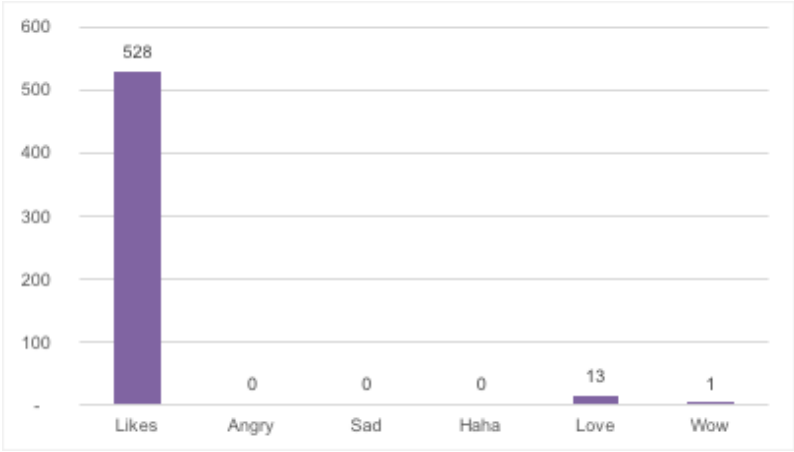


Figure 54: FB engagement - reactions split
Source: own tool sourced from Quintly

This is a monthly review of the data which is a deep dive into the 542 total reactions which are mentioned in the graph “total engagement by type”. As it becomes obvious here, more than 97 percent are likes whereas the remaining 3 percent reactions only indicate even better reactions in the area of “love” and “wow”.

For influence and impact it is crucial to indicate the referrals from Facebook to the website. However, this is only possible as an aggregated number via all channels via Google Analytics. Therefore, this is covered in the end within the “Overall metrics” section.

For loyalty and advocacy, three main KPIs are used:

(f) Number and share of user posts

User posts relate to the number of user-generated content items that are issued on the own channels. Once users transfer into the content creation phase, they are assumed to become advocates for the brand. This is also put into relation with the total number of posts on the website.

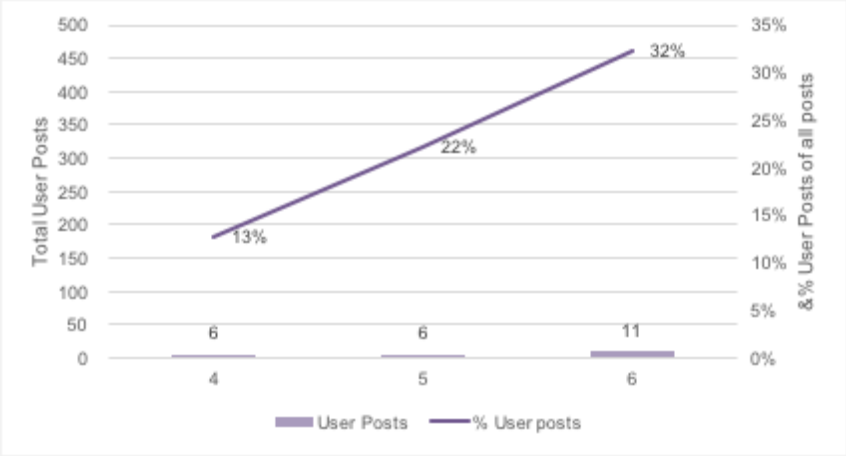


Figure 55: FB Advocacy - Number of share of user posts
Source: own tool sourced from Quintly

(g)Page unlike clicks

An important part of loyalty is to consistently consume the content of the company. The more and more people decide to unlike the page, the less loyal the community is. Therefore, this statistic is taken as a KPI.

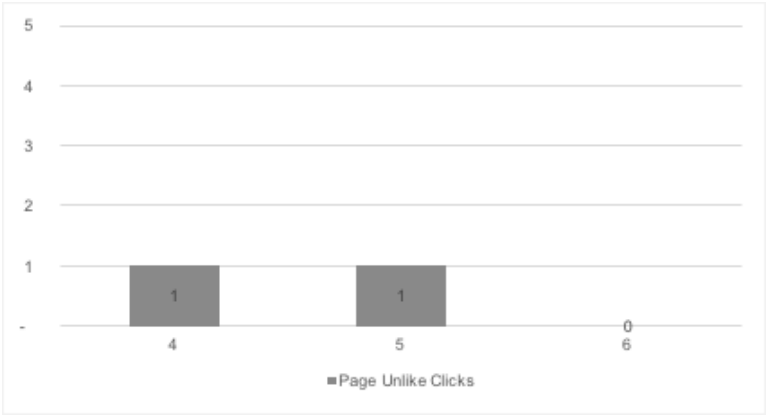


Figure 56: FB loyalty - Page unlike clicks
Source: own tool sourced from Quintly

In order to summarize the KPIs mentioned the following table provides an overview, also indicating the importance of each target for this specific platform. Since Facebook has a very high reach with the biggest community of all networks, exposure and awareness are of highest importance (+++). Engagement is also crucial, though usually lower than other platforms (++) and therefore also not the primary purpose of this network (Achtung! GmbH). As mentioned above, impact and influence would be crucial once an online shop is established or campaigns are running that aim to generate leads. However, since this is not activated yet, impact has no importance for Facebook (o). Advocacy and loyalty are defined as having the same importance than engagement (++).

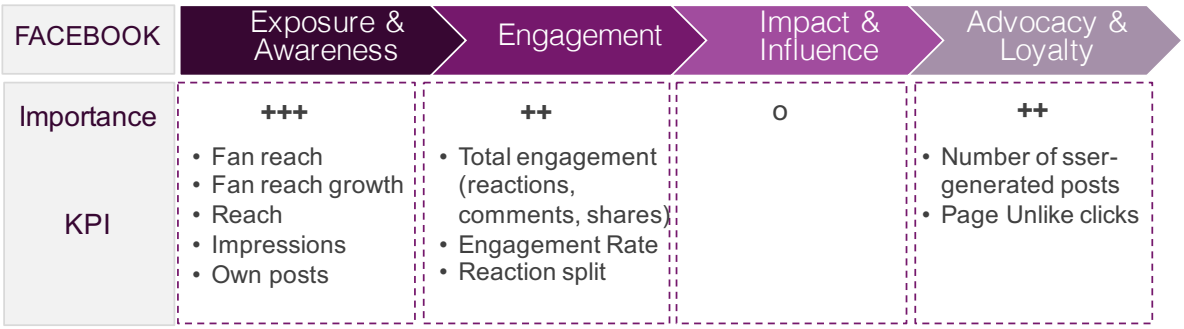


Figure 57: Summary of defined KPIs for Facebook
Source: own illustration based on Association of Measurement and Evaluation of Communication (AMEC), (2013)

Other metrics that are mentioned in theory like sentiment, share of voice, number of detractors/advocates or hashtag tracking outside of own networks is only possible with social listening tools and therefore cannot be integrated into a monthly measurement framework.

(2) Instagram

The above mentioned metrics for FB are build up in a similar measurement for Instagram. However, the Instagram API is still very limited in terms of data availability. Therefore, only awareness and engagement metrics can be indicated. Additionally, the engagement possibilities are more limited on Instagram, meaning that there is no possibility to share any content or to add user posts to an organization's fan page. Therefore, the important advocacy & loyalty stage cannot be influenced by Instagram.

The structure of Instagram KPIs is similar to the ones of Facebook in order to assure a possible aggregation in the end of this chapter. What can be drawn as a conclusion from the above figure is that fans reach of an organization's page in Facebook are similar to followers reach in Instagram. The calculation of total engagement is slightly different due to the fact the there are no content sharing options on Instagram. This influences as well the engagement rate. The following table summarizes the KPIs for Instagram:

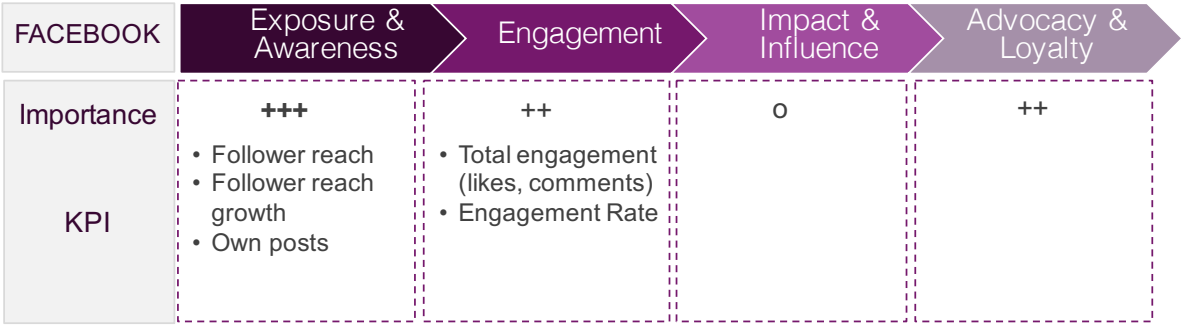


Figure 58: Summary of defined KPIs for Instagram
Source: own illustration based on Association of Measurement and Evaluation of Communication (AMEC) (2013)

(3) YouTube

Similarly, this framework is applied to the YouTube measurement of KPIs with three main points of difference. First of all, subscribers are people that subscribe to the channel of the case company. However, views of uploaded videos originate from users that are not subscribed to a certain channel. Therefore, the metric “video views” indicates the number of total views of all videos in a month time. The total number of video views is integrated into the chart of video uploads in order to show the correlation between both metrics that can also be interpreted as a type of effectiveness of the videos of the certain month period. Since this metric provides insights about how aware consumers are about the offered materials, it is allocated to the first stage of the strategic framework. The following graph demonstrates this relationship:

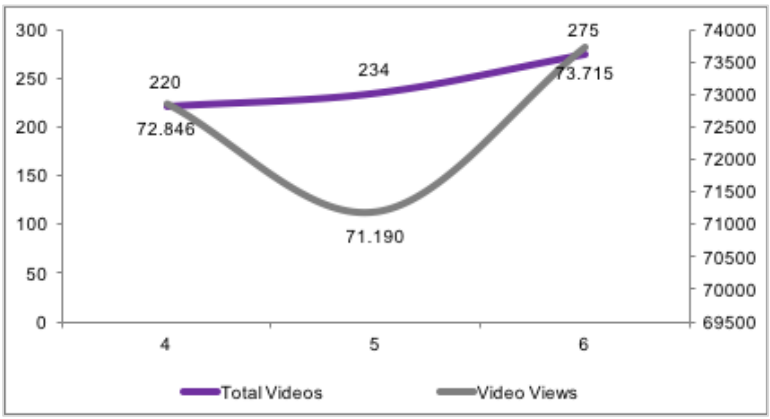


Figure 59: Video uploads and Video views metric of YouTube
Source: own tool sourced from Quintly

The combination of both KPIs into one graph shows that in May (indicated as 5 on the horizontal axis) 14 new videos were added on the channel while the views dropped by around 1,600 views in comparison to April. This insight can be used to judge about awareness level of the content for a specific month.

Secondly, the definition of total engagement and therefore engagement rate differs slights. YouTube allows to “dislike” video uploads, hence there are more engagement opportunities available. Thirdly, in contrast to Instagram, YouTube has advocacy and loyalty metrics that allows to determine the loyalty of the subscriber base. The number of unsubscribers to the channel is such an indicator. The graph is similar to Facebook. The following table summarizes the KPIs defined for the case company for YouTube:

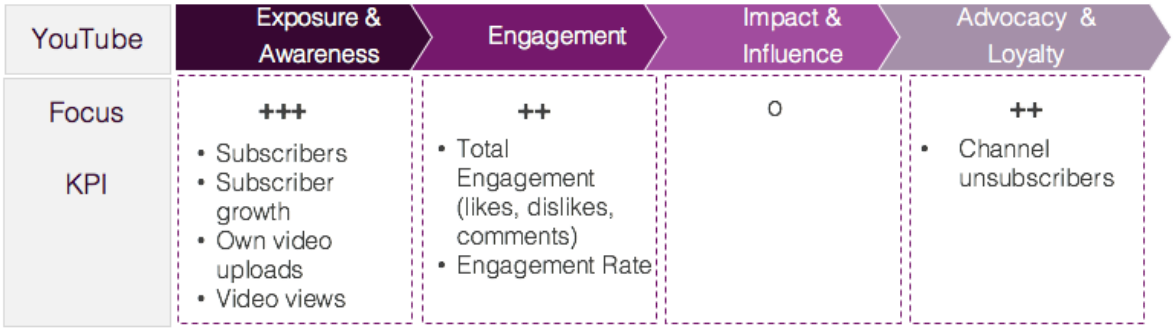


Figure 60: Summary of defined KPIs for YouTube
Source: own illustration based on Association of Measurement and Evaluation of Communication (AMEC) (2013)

(4) Twitter

Twitter provides similar metrics than the previous SNS. All metrics are constructed in a similar way, however some differences should be mentioned. First of all, Twitter talks similarly like Instagram about follower reach. Additionally, uploaded items are claimed as “Tweets”. The total engagement calculation and the resulting engagement rate include likes of tweets, replies and retweets (shares) of tweets. For Twitter, it is also accessible to measure the number of user posts and the percentage of user posts versus the total number of posts, similar to Facebook.

The following table summarizes the KPIs for Twitter.

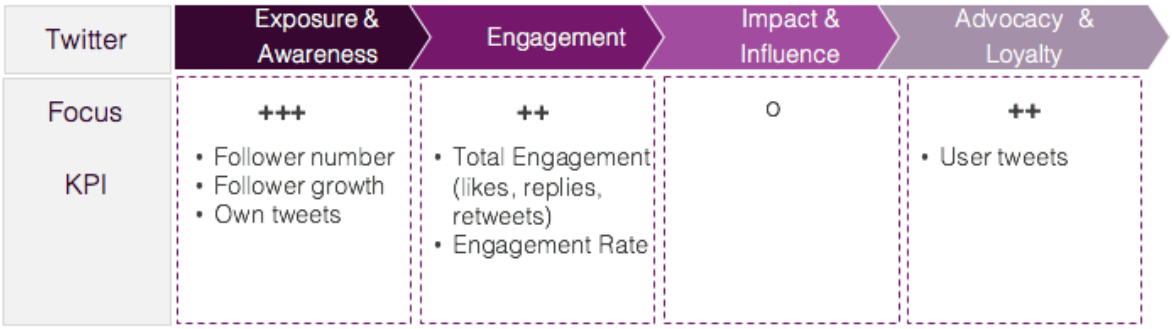


Figure 61: Summary of defined KPIs for Twitter
Source: own illustration based on Association of Measurement and Evaluation of Communication (AMEC) (2013)

(5) Overall metrics

This chapter provides the aggregation of all SNS KPIs as well as their calculation basis. In the following each KPI is presented individually according to the known structure as indicated in this figure:

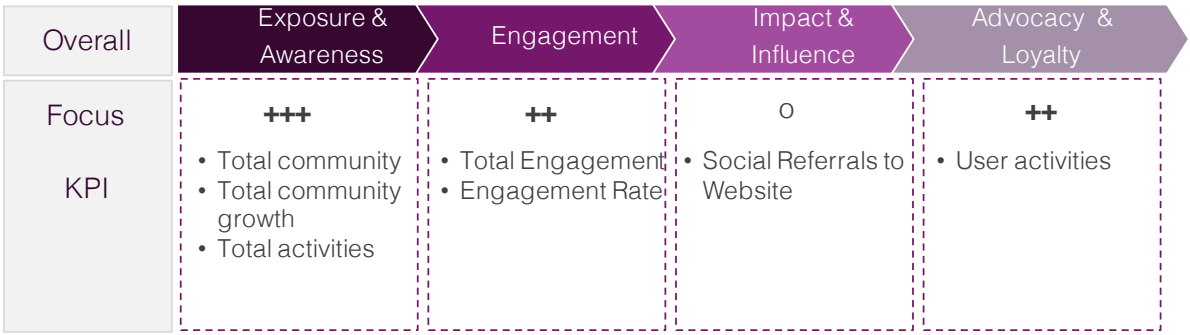


Figure 62: Summary of defined overall metric KPIs
Source: own illustration based on Association of Measurement and Evaluation of Communication (AMEC) (2013)

(a) Total community

As defined in chapter 1.6, total community aggregates the number of fans from FB, followers from IG, followers from TW and subscribers from YT.

(b) Total community growth

Similarly, this metrics indicates how the overall channels grow. The following graph combines (a) Total community and (b) its growth over a period of three month that is provided to the managers in the countries:

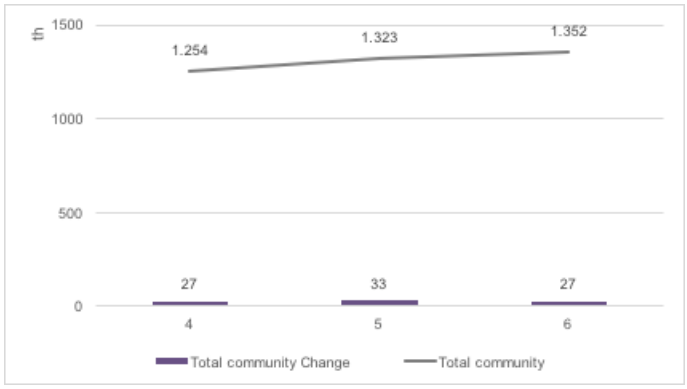


Figure 63: Total community and total community change
Source: own tool sourced from Quintly

(c) Total activities

This metric aggregates all posts on FB and IG, Tweets from TW and video uploads of YT. It is showcased in the format of a bar chart:

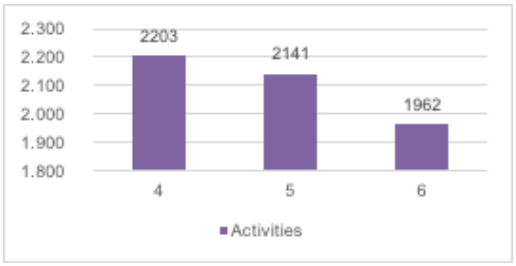


Figure 64: Total activity metric case company
Source: own tool sourced from Quintly

(d) Total engagement

Similarly, the total engagement is an aggregation of all engagements happening on each platform. Since engagements have different formats on each SNS, only an overall engagement without the split by engagement type is provided.

(e) Total engagement rate

The total engagement rate is an average of all SNS engagement rates. Both metrics are combined in one graph for in the tracking tool to relate the growth or decline of the engagement rate to the change in engagement, the change in total activities or the change in total community (which can be seen in the previous graphs). The following graph illustrates this:

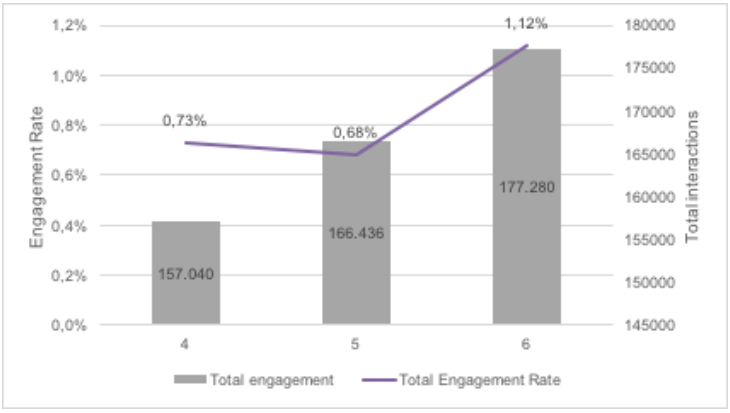


Figure 65: Total engagement and engagement rate
Source: own tool sourced from Quintly

(f) User activities

The last metric that can be aggregated over SNS is number of user posts. This represents the advocacy of the total community by creating own content. Additionally, this number is related to the total number of activities in order to see if the user posts are in relation to all activities increasing or decreasing. This provides an insight about the level of advocacy via all SNS. The following graph is provided:

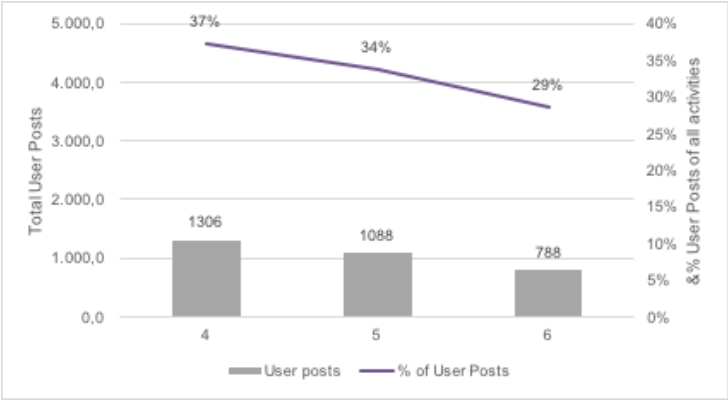


Figure 66: Total user activity metric
Source: own tool sourced from Quintly

When relating to chapter 1.6, it becomes obvious that not all intended KPIs can be measured with the measurement tools available (e.g. share of voice, sentiment, number of advocates, hashtags, increase in sales), considering low maintenance and ease of receiving data. This can certainly be a future improvement proposal for the tool on hand.
After providing all definitions and measured KPIs, it is crucial for the managers to interpret the data provided. Therefore, benchmarking and target setting should be added to each metric. The next chapter deals with this topic.

2.2.5. Setting KPI targets

As introduced in chapter 1.7., targets for all KPIs can arise from various sources depending on availability. One possibility is to look at previous performance (trend oriented), competitor benchmarks, industry averages or even SNS averages as introduced in chapter 1.7 in detail. This chapter will set targets one by one for each of the introduced KPIs in chapter 2.2.4.
Certainly, the targets and benchmarks have to be on a country level on a monthly basis, so that country managers have a time-relevant target for every month. This chapter provides guidance to the country managers to relate the data they receive every month to a target and to contribute to the strategy to make people aware, engage, influence, impact and finally let them become advocates with a strong loyalty.
For each of the SNS and each KPI measured, a specific target is set which arises from different sources: The first source is the historical data of the case company that provides the baseline for target setting. Secondly, public data has been gathered from the two main competitors L'Oréal Pro and Wella Pro, according to country survey. Thirdly, the possibility to do industry benchmarking from the industry that includes more players. Finally, another target setting benchmark can be used from chapter 1.7 which deals with the SNS averages for each KPI depending on the average size of the SNS pages. The public availability of data

is one of the main hurdles when dealing with target setting. In the following, each SNS with its respective KPIs is examined and receives a benchmark and target on a country level:

(1) Facebook

On an international level, only two targets had been set before the project. One relates to the the number of fans required by the end of 2016, the other one relates to the engagement rate. By the end of 2016, the case company would like to have 1.5mn fans with an average engagement rate of 0.7 percent (Case Company, 2016). Certainly, these targets are on a global level which need to be broken down on a country level since the measurements are taken on a country level as well. The following table demonstrates the benchmarks arising from the four sources mentioned previously this chapter:

Strategic goal	KPI	Trend-oriented case company 2016 monthly average	Competitors Average Wella and L'Oréal 2016 monthly average	Haircare Industry average	SNS Platform average
Exposure & Awareness	Fan reach	26700	236000	506428	n/a
	Fan reach growth	1,30%	1,81%	0,90%	0,35%
	Reach	95977	n/a	n/a	n/a
	Impressions	295203	n/a	n/a	n/a
	Own posts	28	44	20	47
Engagement	Total engagament	1800	1592	6800	6400
	Engagement Rate	0,34%	0,20%	0,50%	0,38%
	Reactions Split	Likes: 1598 / Angry: 0 / Sad: 0 / Haha: 1 / Love: 53 / Wow: 7	Likes: 1169 / Angry: 0 / Sad: 0 / Haha: 1 / Love: 33 / Wow: 7	n/a	n/a
Advocacy & Loyalty	Number of user generated pos	5	15	n/a	n/a
	Page unlike clicks	1,1	n/a	n/a	n/a

Figure 67: Benchmarking Facebook for target setting
Source: own research based on Quintly Inc (2016), L2 Inc. (2015)

By the end of June 2016, the case company has 1,070,766 fans on Facebook. When considering all 40 countries, the average size of the fan reach is around 26,700, as shown in Figure 6. In order to achieve the target of 1.5mn in a six-month period, this equals to a monthly growth of 5 percent per country per month (429,234 fan increase). Looking at the current growth rate of 1.3 percent, the growth rate of competitors of 1.8 percent or the haircare industry average growth of 0.9 percent, this target can be evaluated as too ambitious. Therefore, it is recommended to assume a growth rate of maximum 2 percent which would equal to a total amount of 1.23mn fans by the end of 2016 globally and 30,000 fans per country on average (assuming 40 country profiles). Reach and impressions should increase at a similar growth rate of 2 percent. Therefore, a target of 110,000 reach and 340,000 impressions. Once benchmarking the own post amount of 28 to competitors with 44 and 20 of the industry, a posting rate of 28 per country per month seems to be a solid posting frequency, especially when overserving that competitors have a lower engagement rate on average. Similarly, the target of an engagement rate of 0.7 percent seems too ambitious. Currently, the rate lies at 0.34 percent while competitors average is at 0.2 percent, industry average is 0.5 percent, platform average 0.38 percent. As a target per month per country, a realistic target is 0.5 percent which is equal to the haircare industry average and demonstrate an increase to the current 0.34 percent. This equals a total engagement per month per

country of roughly 5000. This means a strong increase for the engagement figures where specific measurements should be applied. In terms of type of engagement, it is crucial to increase interactions of “love” and “wow” since the emotional expression is higher than with a “like”. Currently, only 3 percent of all reactions are different to likes. A possible target could be to achieve 5 percent of reactions different to likes, in order to have a higher form of engagement. The next KPI is the number of user generated posts which is rather low with 5 per country per month. Competitors reach 15 at the same time. Therefore, it is recommended to increase this figure to 10 per month per country till the end of 2016. For the last KPI, page unlike clicks, the realistic targets is zero since currently only 1.1 fans per country per month unfollow the page. The following table summarizes the final targets per country per month until the end of 2016:

Strategic goal	KPI	Targets
Exposure & Awareness	Fan reach	30000
	Fan reach growth	2,00%
	Reach	110000
	Impressions	340000
	Own posts	28
Engagement	Total engagament	5000
	Engagement Rate	0,50%
	Reactions Split	Likes: 4750 / Angry: 0 / Sad: 0 / Haha: 0 / Love: 125 / Wow: 125
Advocacy & Loyalty	Number of user generated pos	10
	Page unlike clicks	0

Figure 68: Final targets for Facebook case company, monthly per country
Source: own research

(2) Instagram

According to its strategy paper, the case company wants to achieve 222,000 fans by the end of 2016 and an engagement rate of 2 percent (Case Company, 2016). No more targets were set. Therefore, the following table is developed to provide consistent and complete KPI targets that are based on certain benchmarks as previously shown for Facebook:

Strategic goal	KPI	Trend-oriented case company 2016 monthly average	Competitors Average Wella and L'Oréal 2016 monthly average	Haircare Industry Average	SNS Platform average
Exposure & Awareness	Follower reach	12100	137825	36140	n/a
	Follower reach growth	7%	n/a	9,50%	2,20%
	Own posts	22	50	21	20
Engagement	Total engagament	3500	n/a	2800	2260
	Engagament rate	2,20%	n/a	2,50%	3%

Figure 69: Benchmarking Instagram for target setting
Source: own research based on Quintly Inc (2016), L2 Inc. (2015)

By end of June 2016, the number of fans already reached 236,000 which implies already an overachievement even through still half a year has to be spend. Therefore, a goal adjustment is suggested. With the current monthly growth rate of 7 percent a fan base of 378,000 fans can be assumed by the end of 2016. Per country, this would imply an average size of 18,000

fans per country page. The growth rate of 7 percent is taken as a monthly growth rate. The number of posts is in comparison to the competitors quite low, therefore an increase is advised towards 25 posts per month per country. The total engagement goal of 2 percent has already been exceeded with 2.2 percent. Therefore, a new target equalling the haircare industry of 2.5 percent is set as a new target for the end of 2016. The number of engagement has to rise significantly due to the increased number of posts and the increased fans base while also trying to increase the engagement rate. The target total engagement is 11,000 to increase the engagement rate to 2.5 percent. The following table summarizes all targets for the case company and its country Instagram accounts:

Strategic goal	KPI	Targets
Exposure & Awareness	Follower reach	18000
	Follower reach growth	7%
	Own posts	25
Engagement	Total engagament	11000
	Engagament rate	2,50%

Figure 70: Final targets for Facebook case company, monthly per country
Source: own research

(3) YouTube

For YouTube, the case company only defined the number of video views. Hereby, 500,000 views are desired by the end of 2016 (Case Company, 2016). Therefore, several targets for important KPIs are not set that are derived from the following benchmarks:

Strategic goal	KPI	Trend-oriented case company 2016 monthly average	Competitors Average Wella and L'Oréal 2016 monthly average	Haircare Industry Average	SNS Platform average
Exposure & Awareness	Subscribers	10000	n/a	n/a	n/a
	Subscriber growth	5,80%	n/a	n/a	n/a
	Own video uploads	11	n/a	8	n/a
	Views	80000	n/a	n/a	n/a
Engagement	Total engagament	340	n/a	n/a	n/a
	Engagament Rate	0,31%	n/a	n/a	n/a
Advocacy & Loyalty	Channel unsubscribers	50	n/a	n/a	n/a

Figure 71: Benchmarking Instagram for target setting
Source: own research based on Quintly and L2 Inc. (2016)

The availability of competitive, industry and platform data is limited due to the confidentiality of YouTube analytics limited to administrators. However, targets are set based on trends and forecasts. The company's subscriber number is around 10,000 by the end of June 2016. Regarding the current growth rate of 5.6 percent, a realistic target for the end of 2016 would be 14,600 subscribers which equals a monthly increase of 766 till the end of 2016. Regarding the yearly total video views, the target stated above seems too conservative. On average, the channel receives 80,000 views per month which equals to 960,000 views a year. This is set as a new target for the end of 2016 for the case company. Since every video upload received on average 7,300 views (80000 views / 11 videos), the number of uploaded videos can remain stable or increase slightly to hit the target of 960,000 views. As it can be concluded from the benchmark of 8 videos per month in the haircare industry, the case

company shows a great performance in terms of YouTube video content creation. Since there is no external benchmark available for the engagement rate of the YouTube videos,

Strategic goal	KPI	Targets
Exposure & Awareness	Subscribers	14600, (+766 per month)
	Subscriber growth	5,80%
	Own video uploads	11
	Views	80000
Engagement	Total engagament	1000
	Engagament Rate	0,31%
Advocacy & Loyalty	Channel unsubscribers	<50

the target is to hold the engagement rate at a similar level as in the first half of 2016 at 0.31 percent. However, when increasing the number of fans, the total number of engagements should rise as well to 500. The number of unsubscribers is rather high with 0.5 percent of the subscriber base per month. Therefore, this number should be reduced to a level below 0.5 percent. This is achieved by keeping or reducing the number of current unsubscribers below 50. To conclude, the following table provides an overview about the targets set:

Figure 72: Final targets for YouTube case company, monthly per country
Source: own research

(4) Twitter

For Twitter, no global strategy has been defined based on the strongly local usage in the US, Japan, Canada, Brazil and Turkey. However, on a country basis, the following benchmarks apply:

Strategic goal	KPI	Trend-oriented case company 2016 monthly average	Competitors Average Wella and L'Oréal 2016 monthly average	Haircare Industry Average	SNS Platform average
Exposure & Awareness	Follower number	6300	16753	32638	n/a
	Follower number growth	1,20%	n/a	3,20%	0,80%
	Own Tweets	20	32	104	73
Engagement	Total Engagement	87	428	550	128
	Engagement Rate	0,08%	n/a	0,16%	0,90%
Advocacy & Loyalty	User tweets	11	11	n/a	n/a

Figure 73: Benchmarking Twitter for target setting
Source: own research based on Quintly Inc (2016), L2 Inc. (2015)

Obviously, the strategic focus of the case company is not its Twitter accounts. This is reflected in a smaller community, smaller growth rates, smaller posting frequency and a lower engagement. Based on this strategic decision, it is not the focus of the company to fully reach its competitors. Therefore, the target is to grow with the current growth rate of 1.2 percent, slightly increasing the posting frequency to 22 by the end of 2016 based on a monthly increase of 1.2 percent. However, the effectiveness of the activities should increase to the

Strategic goal	KPI	Targets
Exposure & Awareness	Follower number	6800 (+77 per month)
	Follower number growth	1,20%
	Own Tweets	22
Engagement	Total Engagement	250
	Engagement Rate	0,16%
Advocacy & Loyalty	User tweets	11

level of the competition. Therefore, a target of 0.16 percent engagement rate equalling to 250 total engagements. Advocacy level is on a good level similar to the competitive benchmark of 11 posts which should be remained till the end of 2016. The following table summarizes the targets set:

Figure 74: Final targets for Twitter case company, monthly per country
Source: own research

(5) Overall

The final targets are set for the aggregation of all SNS following the similar structure as for each SNS individually:

Strategic goal	KPI	Trend-oriented case company 2016 monthly average	Competitors Average Wella and L'Oréal 2016 monthly average	Haircare Industry Average	SNS Platform average
Exposure & Awareness	Total community	55100	102000	n/a	n/a
	Total community growth	3,83%	3%	n/a	n/a
	Total activities	81	53	n/a	n/a
Engagement	Total Engagement	5727	10548	n/a	n/a
	Engagement Rate	0,73%	n/a	1,05%	n/a
Influence & Impact	Social Referrals to Website	170	n/a	n/a	n/a
Advocacy & Loyalty	User activities	16	20	n/a	n/a

Figure 75: Benchmarking Overall metrics for target setting
Source: own research based on Quintly Inc (2016), L2 Inc. (2015)

Most external benchmarks are SNS-specific and do not provide summarized KPIs for the chosen platforms. However, competitive data and an overarching engagement rate of the haircare industry is available. Currently, the whole fan base of the case company grows by 3.83 percent which is higher than the growth rate of its competitors. When providing an average of each SNS growth rate, the new monthly target till the end of 2016 is 4 percent (average of YT, IG, FB and TW growth rates). This would imply an average size of total community per country of 72,500 based on a 4 percent growth rate. In terms of total activities, the case company has an outstanding performance with more than 80 activities per country per month across all platforms. However, the engagement rate of the posts with 0.73 percent is less than the haircare industry's with 1.05 percent. Therefore, the set target for the end of 2016 is advised to be increased to 0.86 percent based on the engagement rate averages from TW, YT, FB and IG mentioned above. Summing up the recommended total engagements from the SNS, in total a country should aim at 17,250 engagements per month – highly depending on the number of social networks this country is active in. The number of social referrals to the website are going to play a major role in the future for the company once integrated e-commerce in order to track sales conversions. For the time being this KPI is taken as an informative figure without any targets. On the other hand, the number of user activities is slightly below competition, hence an increase should be targeted also based on the increased community of 4 percent, which equals to 20 monthly user posts by the end of 2016. The following table summarizes the targets for the overall metrics. It has to kept in mind, that every country has to adjust those targets based on the types of social networks

available. This overview is of higher usage for the international digital department to supervise its global average deviating into the right directions:

Strategic goal	KPI	Targets
Exposure & Awareness	Total community	72500
	Total communty growth	4%
	Total activities	81
Engagement	Total Engagement	17250
	Engagement Rate	0,86%
Influence & Impact	Social Referrals to Website	170
Advocacy & Loyalty	User activities	20

Figure 76: Final targets for Overall metrics case company, monthly per country
Source: own research

To conclude, for each KPI a target has been set that can be used on a country level for each SNS. Certainly, it is crucial that countries review each target separately and adjust it slightly based on their country-specific situation.

2.2.6. Preview of tool and report

As mentioned in chapter 2.2.2., the requirements for the tool includes a regular (monthly) reporting standard pulled from a one-stop solution that is easy to understand and includes benchmarks and targets. Therefore, the final step of the project includes the presentation of the tool where the data is aggregated and analysed followed by the monthly country report that is sent out to the countries on a monthly basis via e-mail. Initially, the tools is presented followed by an example report for the international accounts.

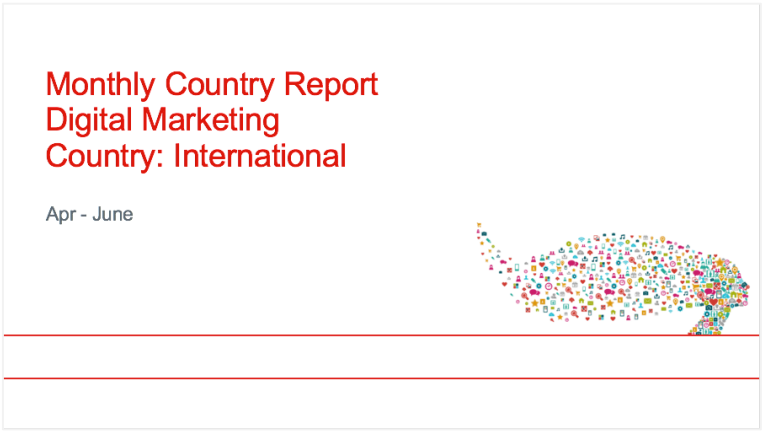
Tool

The tool is a partially automated MS Excel-based tool that summarizes the introduced KPIs mentioned in previous chapters in one tool over a three-month period. For example, the report of July includes the monthly data from April, May and June 2016. The tool changes its data based on the selection of the country. It pulls the data from Quintly data and Google Analytics in the backend which requires updates every month. It additionally includes a glossary for the user and the audience in case of any interpretations of KPIs. A preview of the tool is attached in the appendix 8.

Monthly report

The monthly report is send out on a monthly basis to the countries based on each country's availability of SNS. The reports include a maximum of five analytics slides: overall metrics, Facebook metrics, Instagram metrics, YouTube metrics and Twitter metrics. The last slides

include explanations and targets for the respective KPIs to provide reason to the analytics. The following screenshots provide an extract of one report for the international account:



Overall KPI	Explanation	Target 2016
Social Community	Fans FB + Follower IG + Follower TW + Subscribers YT	72500 till end of 2016
Social Community Change	Net % Change of Social Community in comparison to previous month	4% per month
Total Activities	Own posts Facebook + Own posts Instagram + Own Tweets Twitter + Video Uploads YouTube	81 per month
Engagement	Engagement FB + Engagement IG + Engagement TW + Engagement YT	17250 per month per country
Engagement rate	Engagement / Total activities / Social community	0.86% per month per country
User posts	User posts FB + User Tweets TW	20 per month per country

Figure 77: Excerpt of a report for the international accounts
Source: own creation

What becomes obvious from the screenshots above is the dedication on one slide for each social network and one for the overall metrics including a comment section where country managers provide reasoning to their monthly figures. Additionally, there is a cover page stating the time period of measurement (April till June) and the country (International accounts). Finally, the reports provide a table listing the KPIs, an explanation of the KPI and the respective target as explained throughout the previous chapters.

Conclusion

This chapter summarizes the main findings of this work followed by a critical evaluation and next steps.

Summary

Before the implementation of the project, the status quo analysis of the case company revealed five main issues that could be solved by the tool and reports provided. (1) The first issue to link KPIs to an objective is tackled with a framework that is derived from several literature sources and internal strategic statements, following a combination of different theoretical framework approaches. Divided into four main parts, the strategic framework for brand and product communication consists of exposure/awareness, engagement, influence/impact and loyalty/advocacy. Within these overarching objectives, KPIs have been defined and measured in one tool aggregating all data from the four main social network platforms Facebook, Twitter, YouTube and Instagram. In total, the project's output consists of up to 35 KPIs for each country manager. As a result, the second initial issue of a limited definition of digital marketing KPIs was faced (2). Additionally, with the offered one-stop solution to access the data in a partially-automated Excel tool, the limited access to analytical tools of a fragmented social network landscape could be solved (3). The fourth problem identified was the irregular reporting and a lack of standardization in reporting. The project also contributed to a standardized tracking and reporting with a monthly send-out to the country managers preparing them to take the right decisions for their digital marketing activities. A glossary in the monthly send-out additionally equipped the country managers with the needed background knowledge and confidence to understand and interpret the data, hence taking reasonable decisions. Finally, the need assessment showed the lack of benchmarks and targets on a country level (5). Therefore, the project included a comprehensive research about historical owned social network data, competitive data of L'Oréal Pro and Wella Pro, the haircare industry and even general SNS platform average. Based on these benchmarks, smart targets could be set. As a result, country managers are able to put the data into context and hence evaluate success and failure. The final hand-over to the international digital marketing department included an Excel tool measuring the monthly social network data and several reports for the country managers. The department set up a routine send out that is delivered on a monthly basis for an unforeseeable future.

In a more holistic view, this work contributed to the main areas of unpreparedness of managers nowadays and facilitated in the area of data explosion, social media management and ROI accountability of social media activities. Additionally, it showed a high relevance for the internal justification of social media usage versus traditional media, to conduct market research and to monitor and control the effectiveness of marketing campaigns. It can be

concluded that some of the main challenges when dealing with social media have been solved: lack of strategy & targets, complicated and changing methods of measurement, complex cross-platform and cross-channel tracking and the lack of analytical systems, as being acknowledged as the main challenges for companies when dealing with social media monitoring.

Next steps and improvement proposals

Certainly, the solutions provided leave room for further improvement in the future.

One improvement proposal deals with the number of social network platforms included into the analysis. The case company just started its activity on Snapchat and Periscope, two strongly emerging social networks. In the near future, they should be included into the reporting tool once proper APIs are set up to measure the data.

On top of that, the KPIs introduced in the theoretical part (chapter one) could not all be measured in the company solution. The main reason for this is the degree of maintenance when gathering the data and the general availability of such data (e.g. KPIs like sentiment or hashtag tracking). Most of this data can only be measured with expensive social listening tools. It is recommended for the future of the case company to launch a social listening tool, that does not only monitor owned social network channels but also earned channels (online merchants, non-owned social network pages or blogs). This equips the company with the required knowledge to understand the true influence and reputation of the company in the digital landscape. Since the gathered data is more holistic, it allows even better access to competitive data throughout the whole online world. It further opens new possibilities to measure more complex metrics like share of voice. In a next step, the data gathered from online channels can also be related to offline data, e.g. from sales. For instance, if the reach of your social media channel increases significantly but at the same time there are no additional leads and sales generated, this would indicate a for a decrease in a conversion rate. Such metrics will become available once sales are related to social media data. To conclude, adding earned channel and offline data to the analysis is an essential step to put social network data in a more holistic context.

Another possibility to further develop the solutions provided is the development of KPI's preciseness and definition. For example, the engagement rate provided is interpreted as the number of fans that engaged with one post on average that month. This KPI assumes that all of the fans saw the post. However, this is far from reality since e.g. on Facebook an algorithm decides which posts are relevant to that point in time to each individual.

Another issue deals with the type of data that has been measured. So far, mainly quantitative data has been accessed. However, measurements for the quality of posts, quality of fan

reach, quality of engagement, the reason for unsubscribing from a channel cannot be captured. Such data is hard to retrieve on a regular basis and can only be measured wit high manual effort.

On top of that, the Excel tool provided can be understood as a mid-term solution. In an ideal case, this tool would be available in a cloud solution, centrally stored on a server, hence being accessible by all country managers around the world. This would reduce the workload for the digital department in regard to presentation preparation and monthly send-outs. On the other hand, it is assumed that such a send-out is viewed more regularly by country managers than an online tool would be accessed. This increases the awareness of social media analytics in the daily practice of the country managers. For the future of the tool, it would be advised to have a fully-automated system that pulls data from all sources without any manual steps included. The best option would be a real-time system.

Furthermore, the measurement of Facebook, Twitter, YouTube and Instagram in all four stages of the conversion funnel (exposure/awareness, engagement, influence/impact, loyalty/advocacy) are measured with the same importance. Thereby, it has to be mentioned that each social network has a different intrinsic purpose. For example, FB is more about reaching a high amount of people, IG focuses on high fan engagement whereas Twitter's main use is to represent a company's image. Therefore, each platform in each stage cannot be compared based on the underlying purpose of the platform.

Another possible outlook is tackling the issue of silo creation within the company. So far, the analytics provided focus on product/brand communication targets. However, the analysis could be extended and integrated with new departments, e.g. R&D and customer service measuring even more KPIs like the number of innovations driven by users or response rates to user complaints.

As a final improvement proposal, the international marketing department could also provide a guidance and training on how to achieve those targets set. This is a fundamental step to educate the countries not only about the new tools, but also about the actions that are demanded from them in the near future.

The mentioned improvement proposals will equip country managers with a solid base for an even better and faster decision-making in regards to social network management. It is an additional step into the direction of a full preparedness of the upcoming digitization of the haircare industry.

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Appendices

Appendix 1: Influence Social Media on purchasing decisions

a. Communication channel influence on purchasing decision as of 2014 in Europe

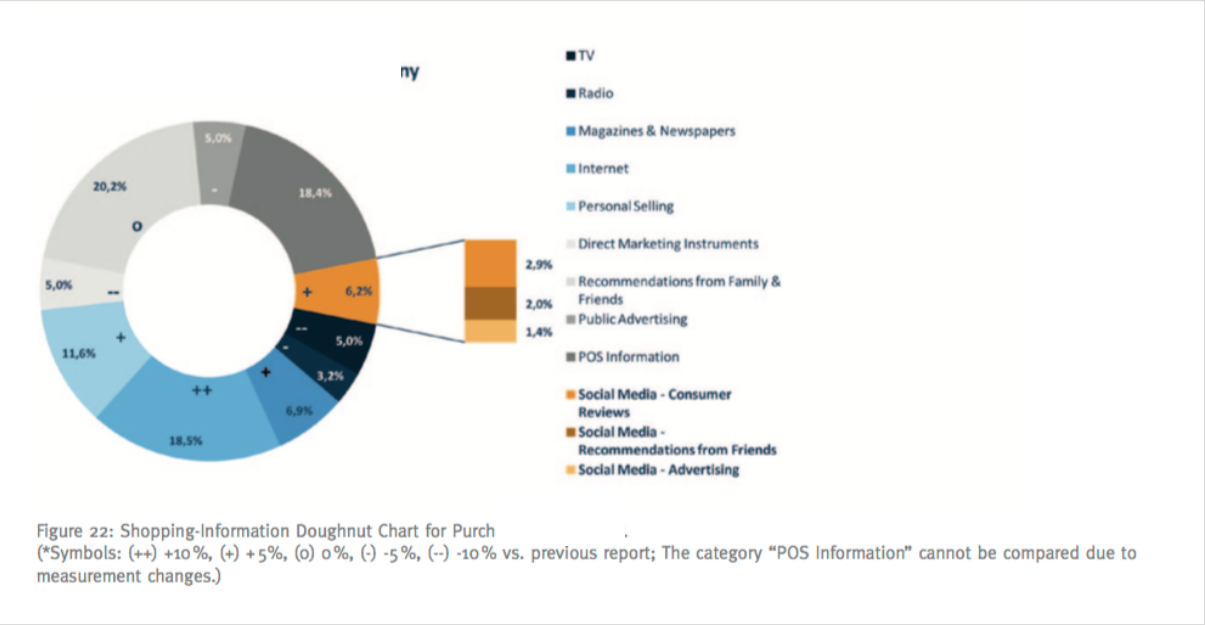


Figure 78: Importance of communication channels on purchasing decision
Source: Roland Berger Strategy Consultants (2014)

b. Percentage of research and purchase online of selected industries in 2011 in Europe

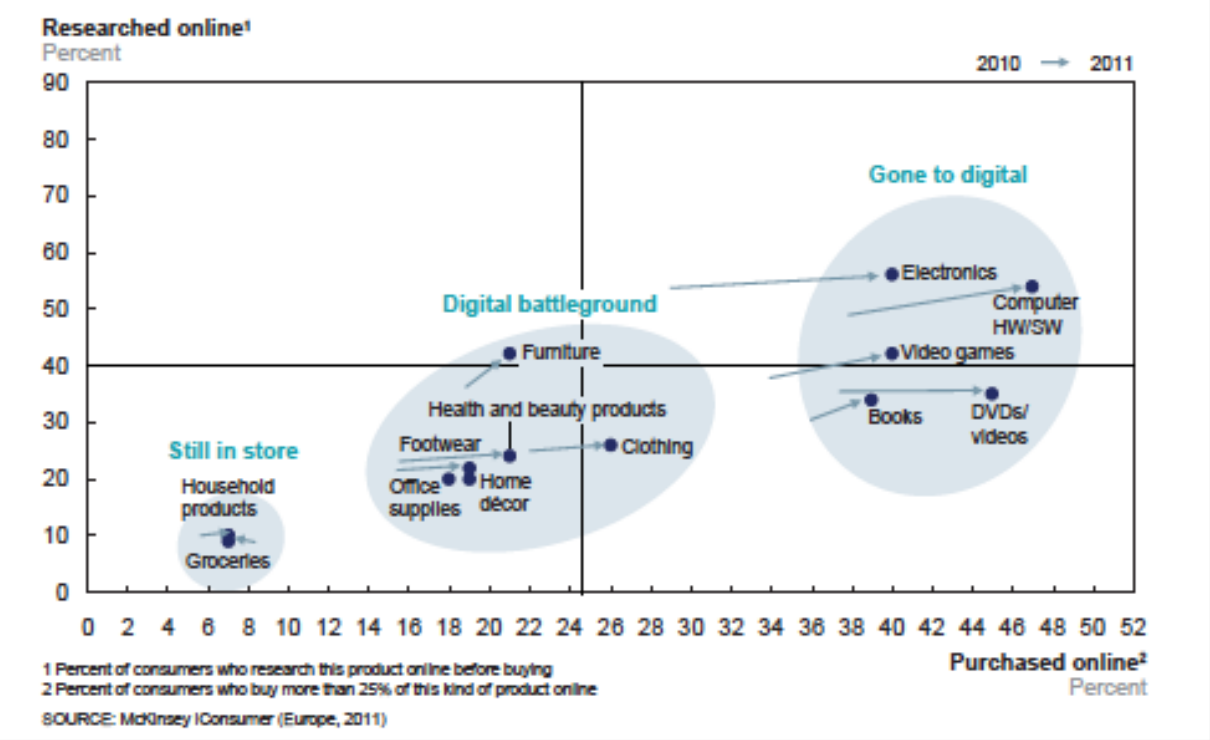


Figure 79: Influence of online channels on purchasing behavior per industry
Source: Mc Kinsey & Company (2013)

Appendix 2: Social Media Landscape

Figure 80: Conversation Prism
Source: Solis (2016)

Appendix 3: Referrals from search versus social media to company websites

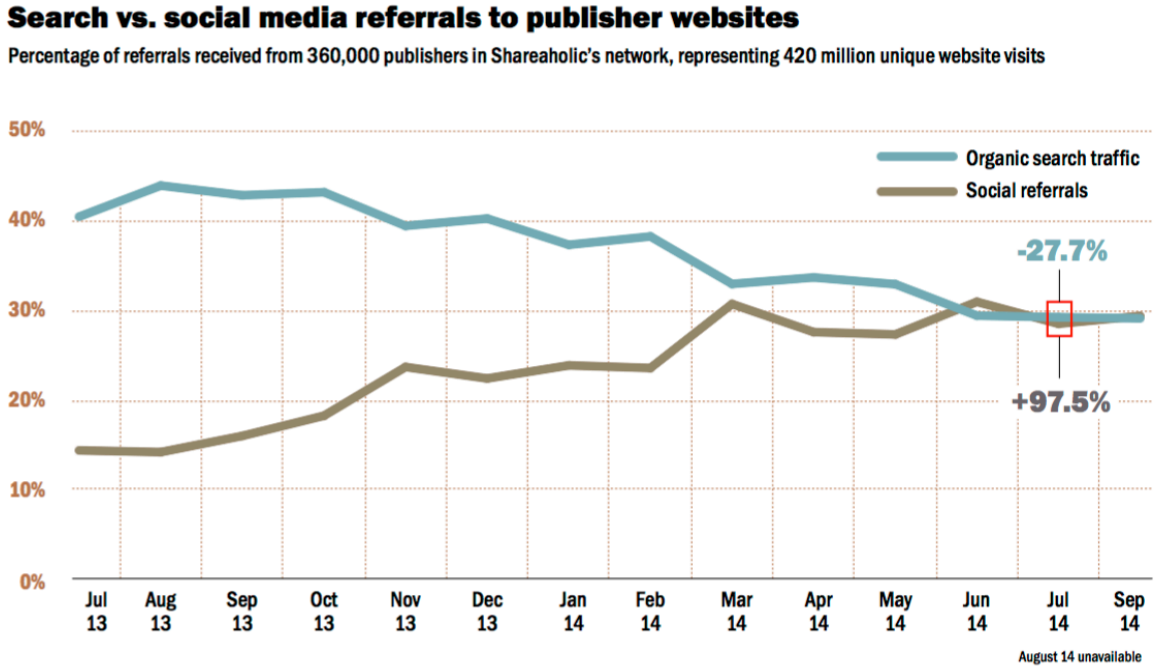


Figure 81: Referrals from search vs. social media to company websites
Source: Forbes (2015)

Appendix 4: Local Websites & Social Media Channels Case Company

No	Country	Website	Facebook	Instagram	Twitter	YouTube channel/playlist	In all channels?
1	Algeria	yes	yes	no	no	no	no
2	Argentina	yes	yes	yes	no	no	no
3	ANZ	yes	yes	yes	no	no	no
4	Austria	yes	yes	no	no	yes	no
5	Azerbaijan	no	no	yes	no	no	no
6	Belgium	yes	yes	no	no	no	no
7	Brazil	yes	yes	yes	yes	yes	yes
8	Canada	yes	yes	yes	yes	yes	yes
9	Colombia	yes	yes	yes	no	no	no
10	Croatia	no	yes	no	no	no	no
11	Czech Republic	yes	yes	no	no	no	no
12	Denmark	no	no	yes	no	no	no
13	Egypt	no	yes	no	no	no	no
14	Finland	yes	yes	no	no	yes	no
15	France	yes	yes	no	no	yes	no
16	Germany	yes	yes	yes	no	yes	no
17	Greece	yes	yes	yes	no	yes	no
18	Hungary	yes	yes	yes	no	no	no
19	India	no	yes	no	no	no	no
20	International	yes	yes	yes	yes	yes	yes
21	Israel	no	yes	yes	no	no	no
22	Italy	yes	yes	no	no	yes	no
23	Japan	yes	yes	yes	no	yes	no
24	Latvia	yes	yes	yes	no	no	no
25	Lebanon	no	yes	no	no	no	no
26	Lithuania	yes	yes	no	no	no	no
27	Mexico	yes	yes	yes	no	no	no
28	Netherlands	yes	yes	no	no	yes	no
29	Norway	no	no	yes	no	no	no
30	Pakistan	no	yes	no	no	no	no
31	Poland	yes	yes	yes	no	no	no
32	Portugal	yes	yes	no	no	yes	no
33	Russia	yes	yes	no	no	yes	no
34	Slovakia	yes	yes	no	no	no	no
35	South Africa	yes	yes	no	no	no	no
36	Spain	yes	yes	yes	no	yes	no
37	Sweden	yes	yes	yes	no	yes	no
38	Taiwan	no	yes	no	no	no	no
39	Turkey	yes	yes	yes	yes	yes	yes
40	Ukraine	no	yes	no	no	no	no
41	United Kingdom	yes	yes	yes	no	yes	no
42	United States	yes	yes	yes	yes	yes	yes
43	Switzerland	yes	yes	no	no	no	no
	TOTAL	**32**	**40**	**22**	**5**	**18**	**5**

Figure 82: Local Website and Social Network channels case company
Source: own research

Appendix 5: Survey results country managers case company

How do you currently track the metrics of your SKP country digital channels?						
Platform	Contact Int. Digital Team	Contact agency	Access analytics platform	Access the platform	No tracking at all	N/A
Twitter	0	3	0	0	5	8
YouTube	1	0	0	0	8	7
Instagram	1	7	0	1	3	4
Facebook	2	7	4	3	0	0

How often did you roughly track your digital marketing platforms in the last year (May 2015-May 2016)?

Platform	Never	Yearly	Semi-Annually	Quarterly	Monthly	More than monthly	N/A
Twitter	7	0	0	0	3	0	6
YouTube	9	1	0	1	0	0	5
Instagram	5	0	1	2	5	1	2
Facebook	1	1	0	1	12	1	0

How important do you perceive the following digital marketing channels for the success of the business in your country?

Platform	Very important	Somewhat important	Neither important nor unimportant	Somewhat unimportant	Very unimportant	N/A
Facebook	14	2	0	0	0	0
YouTube	3	8	2	0	0	3
Instagram	9	4	2	0	0	1
Twitter	0	4	6	1	1	4

Do you have defined metrics (e.g. fan numbers) to measure your activities on your local digital marketing platforms?

Platform	Yes	No	N/A
Twitter	2	3	11
YouTube	6	10	0
Instagram	6	6	4
Facebook	10	6	0

Which of the following metrics do you currently track or would like to track of your local SKP SOCIAL MEDIA CHANNELS (Facebook, Instagram, Twitter, YouTube):

Metric	**Votes**
Reach/Impressions/Views of videos	16
Engagement (likes, comments, shares)	16
Number of fans/subscribers/followers	16
Hashtag (#) performance	13
Number of own posts/videos	12
Number of Unfollowers/Unsubscribers	10
Other	2

Number of fans that do not see any of our posts (have blocked us)

As much info as possible

Where do you personally see challenges of monitoring digital marketing platforms within SKP?

Challenge	**Votes**
Lack or no access to analytics platform	12
Connecting data with marketing targets/business impact	10
Split between many platforms (Facebook, Twitter, Instagram)	7
Understanding the metrics	6
Setting targets for selected metrics	6
Findings the rights metrics to measure	4
Other	2

time constraints

Correct investment of the budget in the selected targets

Which of the following brands do you perceive as a benchmark to your social media activities?	
Competitor	**Number of managers**
L'Oréal Professionnelle	11
Wella Professional	6
Other	4
Redken	3
TIGI	2
Goldwell	2
Bumble & Bumble	1
Kevin Murphy	1
Matrix	1
Davines	0
Sebastian	0
KMS California	0

Please state special meetings or occasion where you are in need of analytics about your digital marketing platforms.
It will be great to have analytics of skp website and apps in order to have a valuable inputs of how the traffic of the users comes . I think that to have a best local digital planification and to take decisions over the Budget (to invest in digital) will be great to convince and gain valuable support.
Marketing team meeting (quarterly) + marketing plan (june)
brand review / national meeting
Bi-monthly sales meetings
march/September: EL app throughout the year after social media campaigns from international (f.ex osis bloggers, vip tester, fibreplex contest)
After launch/Relaunch
Every month we need to meet with the Digital Agency to know the analytics of our main platform Facebook and update the website with the new launches and products. We also check the prios of the next month, incluiding the promotional salons plan.
SME meetings every second wednesday of the month.
We need monthly analytics in order to confirm a that the local/International strategy is going on the right move. It is a must to have analytics of all the platforms in order to analyze the traffic and with this information build strong arguments in our Local Marketing Meetings to invest more Budget in digital. If we do not have data we do not have enough strength to "fight " the Budget.
MDM monthly meeting (part. GM, MKT, SALES, PPS)
Quarterly APAC business reviews; Yearly activity plan/budget meeting review

Additional comments:
It will be great to have metrics and analysis of the International platforms to know if the local social media channels are a door to enter in skpf website and download App. I think that will be great to have Access to all the data that it could be share, nowadays we do not have nothing...
I would like to track my competitors in instagram and facebook
In the other question I answer that it is a must to have analytics of all the pages. But I think that will be great to organize an online digital marketing a long term training align with the International strategy.
Would be great to have a 'one slide cockpit' with key metrics for website, social media in APAC

Figure 83: Results country survey case company
Source: Country Survey (March, 2016)

Appendix 6: Social Network landscape competitors L'Oréal Pro and Wella Pro

No	Region	Country	CASE COMPANY					L'OREAL PRO					WELLA PRO				
			Facebook	Instagram	Twitter	YouTube channel/ playlist	In all socia networks?	Facebook	Instagram	Twitter	YouTube	In all channels?	Facebook	Instagram	Twitter	YouTube	In all channels?
1	International	International	yes	yes	yes	yes	yes	yes	yes	no	yes	no	yes	yes	yes	yes	yes
2	WE	Austria	yes	no	no	yes	no	yes	yes	no	yes	no	no	no	no	no	no
3	WE	Belgium	yes	no	no	no	no	yes	yes	yes	yes	yes	no	no	no	no	no
4	WE	Denmark	no	yes	no	no	no	yes	yes	no	yes	no	no	no	no	yes	no
5	WE	Finland	yes	no	no	yes	no	yes	yes	no	no	no	no	no	no	no	no
6	WE	France	yes	no	no	yes	no	yes	yes	no	yes	no	no	no	no	yes	no
7	WE	Germany	yes	yes	no	yes	no	yes	yes	no	yes	no	yes	yes	no	yes	no
8	WE	Greece	yes	yes	no	yes	no	yes	yes	no	yes	no	no	no	no	no	no
9	WE	Italy	yes	no	no	yes	no	yes	yes	no	yes	no	yes	no	yes	no	no
10	WE	Netherlands	yes	no	no	yes	no	yes	yes	yes	yes	yes	yes	no	no	no	no
11	WE	Norway	no	yes	no	no	no	yes	yes	no	yes	no	no	no	no	yes	no
12	WE	Poland	yes	yes	no	no	no	yes	yes	no	yes	no	no	no	no	no	no
13	WE	Portugal	yes	no	no	yes	no	yes	yes	no	yes	no	yes	no	no	no	no
14	WE	Spain	yes	yes	no	yes	no	yes	yes	yes	yes	yes	yes	yes	no	yes	no
15	WE	Sweden	yes	yes	no	yes	no	yes	yes	no	yes	no	no	no	no	no	no
17	WE	Switzerland	yes	no	no	no	no	no	yes	no	yes	no	no	no	no	no	no
16	WE	United Kingdom	yes	yes	no	yes	no	yes	yes	no	yes	no	yes	no	no	no	no
18	RUSSIA	Russia	yes	no	no	yes	no	yes	yes	no	yes	no	yes	yes	no	no	no
19	NA	Canada	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	no	no	no	no	no
20	NA	United States	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	no	yes	yes	no
21	MEA	Egypt	yes	no	no	no	no	no	yes	no	no	no	no	no	no	no	no
22	MEA	Israel	yes	no	no	no	no	yes	yes	no	no	no	no	yes	no	no	no
23	MEA	Lebanon	yes	no	no	no	no	no	no	no	no	no	no	no	no	no	no
24	MEA	Pakistan	yes	no	no	no	no	no	yes	no	no	no	no	no	no	no	no
25	MEA	South Africa	yes	no	no	no	no	yes	yes	no	no	no	no	yes	yes	no	no
26	MEA	Turkey	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	no	yes	yes	no	no
27	LATAM	Argentina	yes	yes	no	no	no	yes	yes	yes	yes	yes	yes	no	yes	no	no
28	LATAM	Brazil	yes	yes	yes	yes	yes	yes	yes	no	yes	no	yes	yes	yes	yes	yes
29	LATAM	Colombia	yes	yes	no	no	no	no	yes	no	no	no	yes	no	yes	no	no
30	LATAM	Mexico	yes	yes	no	no	no	yes	yes	yes	yes	yes	yes	no	yes	no	no
31	CEE	Croatia	yes	no	no	no	no	yes	yes	no	no	no	no	no	no	no	no
32	CEE	Czech Republic	yes	no	no	no	no	yes	no	yes	yes	no	no	no	no	no	no
33	CEE	Hungary	yes	yes	no	no	no	yes	yes	no	yes	no	no	no	no	no	no
34	CEE	Latvia	yes	yes	no	no	no	yes	yes	no	yes	no	no	yes	no	no	no
35	CEE	Lithuania	yes	no	no	no	no	yes	no	no	yes	no	no	no	no	no	no
36	CEE	Slovakia	yes	no	no	no	no	no	no	yes	yes	no	no	no	no	no	no
37	CEE	Ukraine	yes	no	no	no	no	no	yes	no	yes	no	no	yes	no	no	no
38	APAC	ANZ	yes	yes	no	no	no	yes	yes	no	yes	no	yes	yes	no	no	no
39	APAC	India	yes	no	no	no	no	yes	yes	yes	yes	yes	no	no	no	no	no
40	APAC	Japan	yes	yes	yes	yes	yes	yes	yes	no	no	no	no	no	no	no	no
41	APAC	Malaysia	yes	yes	no	no	no	yes	yes	no	no	no	no	no	no	no	no
42	APAC	Taiwan	yes	no	no	no	no	yes	no	no	no	no	no	no	no	no	no
TOTAL			40	21	6	18	6	35	37	11	31	9	14	11	9	8	2
			TOTAL: 85 accounts					TOTAL: 114 accounts					TOTAL: 42 accounts				

Figure 84 - Social Network landscape competitors L'Oréal pro and Wella Pro
Source: own research

Appendix 7: Social Data Maturity Map by Altimeter Group

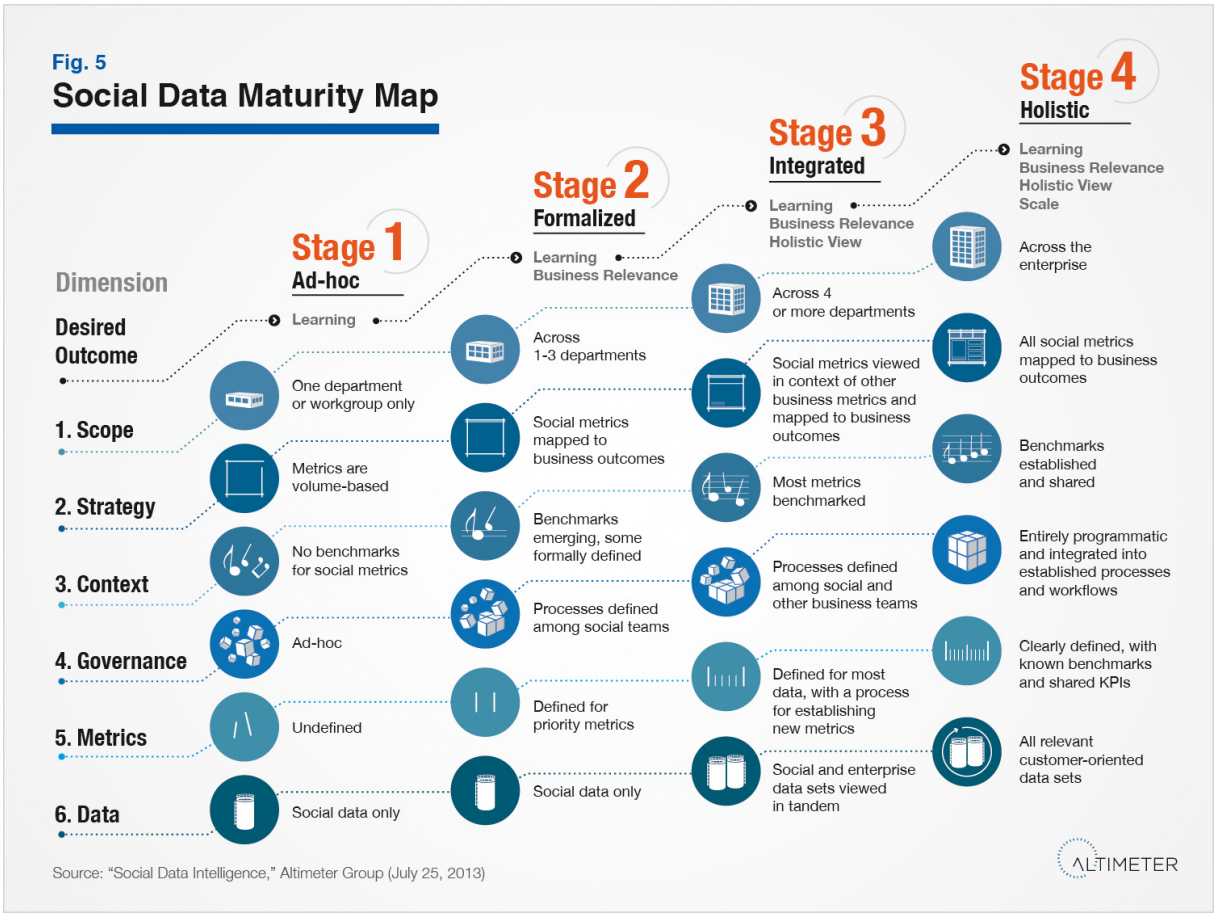
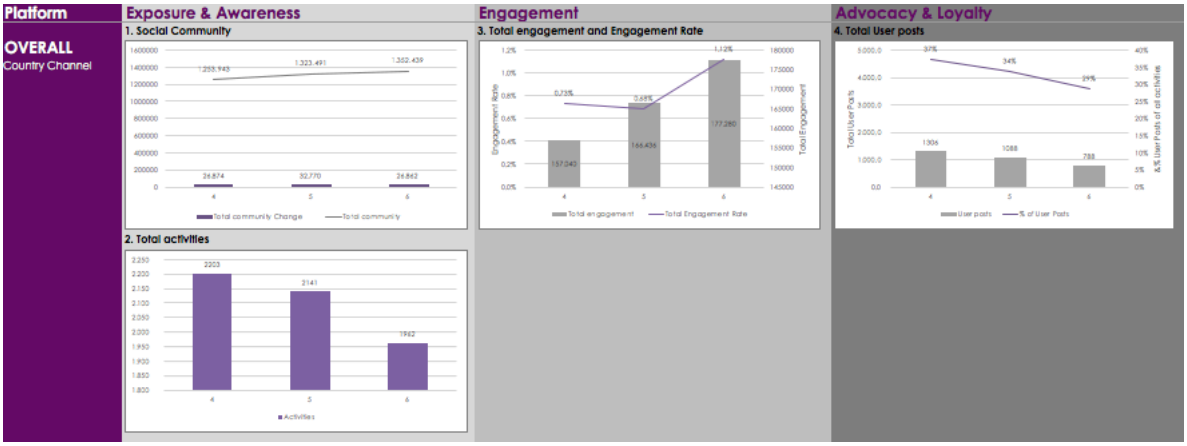
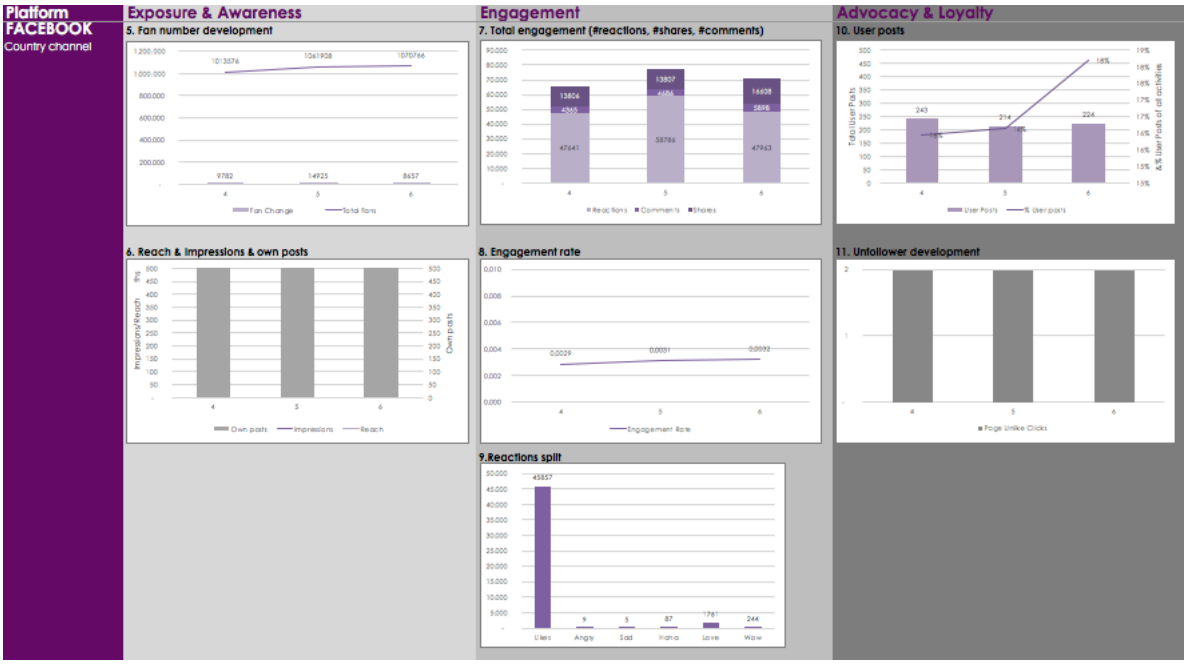


Figure 85: Social Data maturity Map
Source: Altimeter Group (2013)

Appendix 8: Preview of tool





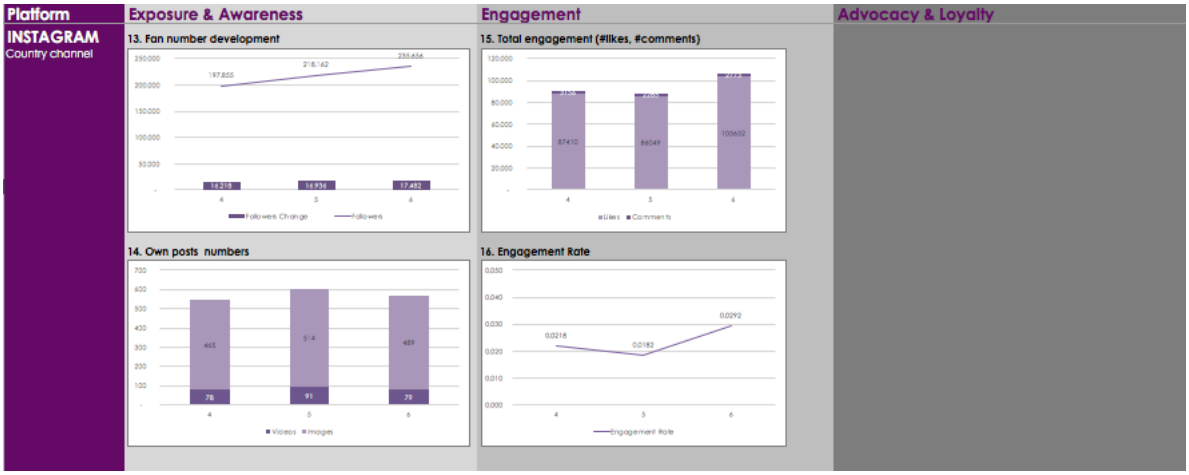


Figure 86: Excerpt of analytical tool provided
Source: own tool