

Executive Summary:
Quantifying the Role of Social Voice
in Marketing Effectiveness

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MarketShare & KellerFay Group

MarketShare 

KellerFay GROUP 
Word of Mouth Research & Consulting

Introduction

As Social Voice (online and offline word of mouth) becomes increasingly influential, brands and marketers are recognizing the need to capitalize on its growing value in the consumer decision-making process. This paper examines the roles that Social Voice plays along the consumer decision journey, including its impact on brand health, consumer online search activity, and revenue generation in the context of marketing optimization.

By quantifying the positive relationship between marketing spend and Social Voice and observing the concomitant impact on sales, this study aims to highlight the significance of Social Voice in the consumer decision journey, and to provide marketers with specific guidance on effective management of Social Voice to optimize marketing investments.

What is Social Voice?

Social voice is defined as online and offline (face-to-face and voice-to-voice) brand mentions and conversations that occur among consumers. Online mentions and conversations are mined and analyzed, including social media channels and network activity of users (i.e. Facebook “Like” and Twitter mentions). Offline conversations are generally measured via consumer surveys, conducted via KellerFay’s TalkTrack solution.

Social Voice and Marketers

With digital media growing in popularity and usage, marketers are recognizing and exploring the benefits of investing more time and resources into digital marketing, and social media. There is also a range of options today for generating word of mouth through specialized agencies, as well as through traditional media designed to generate conversation. Marketers face a challenge in understanding the interaction between traditional media and Social Voice, and how they impact the consumer decision-making process.

This paper examines the roles that Social Voice plays along the consumer decision journey, including its impact on brand health, consumer online search activity, and revenue generation in the context of marketing optimization. Specifically, this analysis is focused on answering the following questions:

- a. What is the impact of marketing on Social Voice?
- b. What is the impact of Social Voice in stimulating online searches?
- c. How does Social Voice impact sales and brand results?

The New Consumer Journey

The advent of the internet has empowered consumers with the ability to discover, research, interact, and make more informed choices around brands. The emergence of social media platforms has allowed consumers to influence and be influenced by their social networks, significantly changing the game for brands.

Recent research supporting the value of Social Voice has shown that customers acquired through word of mouth (referrals from their social network) generates more long term sales than those generated from marketing alone. Customers acquired through WOM tend to stay longer as active customers and thus generate more value over time. A recent study by Google demonstrated that 49% of consumers consider product feedback from family or friends before making a purchase decision.

The impact of Social Voice on consumer behavior has never been more important in this new consumer landscape. Marketing needs to evolve to take advantage of, influence, and amplify these consumer activities and decisions.

Study Approach

To answer these questions and gain insights into the role that Social Voice plays in the consumer decision journey, MarketShare incorporated Social Voice data into several multi-year (3 to 5 years) modeling data sets that incorporated a large number of potential drivers of sales, including:

- Media ad spend
- Non-media marketing spend (e.g., event sponsorships, PR, etc.)
- Offline WOM mentions (from Keller Fay's TalkTrack solution)
- Online WOM mentions and sentiment
- Facebook metrics
- Google Search query volume
- Website traffic

External (uncontrolled) drivers included economy, weather and climate, seasonality, competitor activity, etc., as appropriate.

MarketShare conducted this meta-analysis of brands across several categories, including financial services, consumer goods, and automotive. MarketShare analyzed the data and developed multivariate and multi-equation econometric models to estimate short-and-long-run advertising effectiveness through a series of interrelated equations.

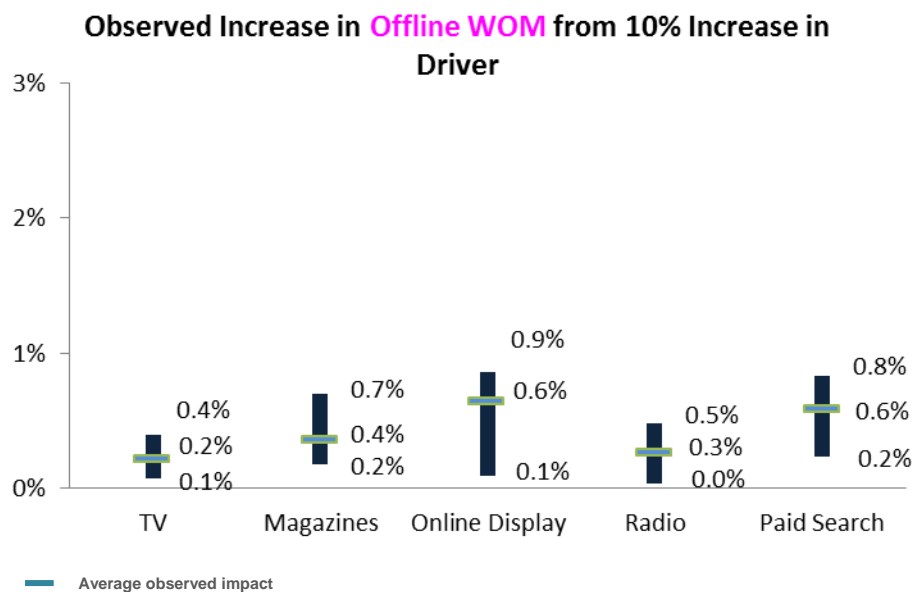
Through the modeling process, relationships were identified to better define the stages in the consumer decision journey, considering the traditional consumer purchase funnel, and incorporating time lags on driver impact, where appropriate.

What Did We Find?

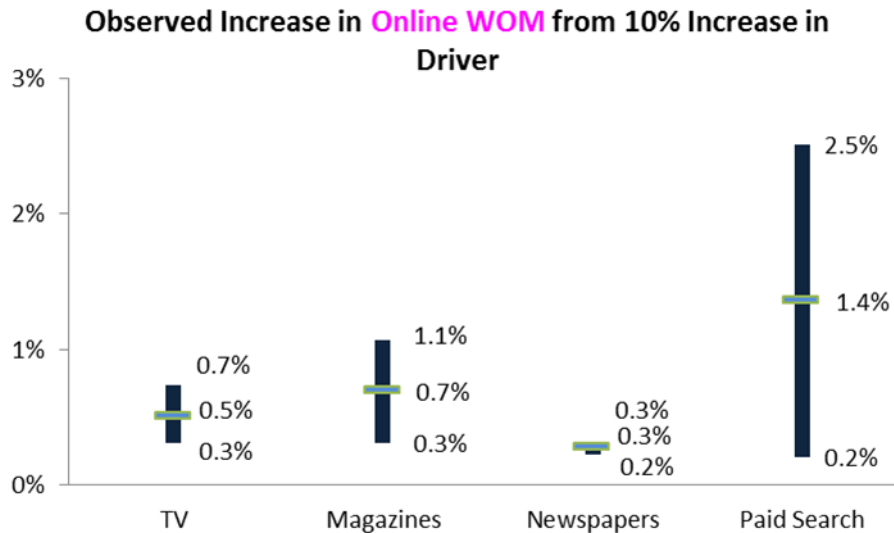
The models that MarketShare developed identified and quantified the impact of Social Voice along the consumer decision journey. More specifically, we observed a statistically significant impact of marketing on Social Voice, of Social Voice on online search, and of Social Voice on business results across these diverse industries.

We found that marketing was amplified through Social Voice for the brands that were analyzed, where both marketing and Social Voice are present.

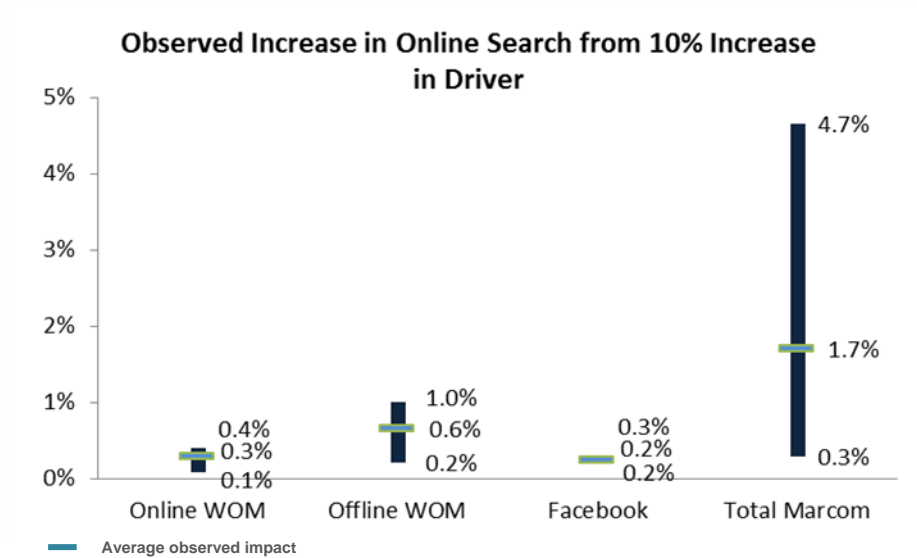
- **Social Voice is an amplifier of marketing spending:** Our analysis revealed that a 10% increase in marketing spend would result in a 0.2% to 2.5% increase in Social Voice across both Offline WOM and Online Social Media for these brands. Furthermore, in these cases, the relative increase in Online Social Media mentions resulting from marketing is roughly double that of the increase in Offline WOM.
- The study observed the impact of a 10% increase in marketing spend on Offline WOM ranged from 0.2% to 1.0%. The use of TV, OOH, Online Display, Paid Search, Magazines, Newspapers, and Radio were all found to have a positive impact on offline WOM activity



- The study also observed that marketing has a strong impact on Online WOM, with a 10% increase in marketing spend resulting in an increase in online WOM within a range of 1% to 5%.



- **Social Voice is a driver of online search activities:** We observed both Online and Offline Social Voice driving organic online search activity, and that combined Online and Offline Social Voice can drive nearly as much organic search as traditional marketing activities on their own, when marketing activities are also present.
 - In the cases observed, the impact of a 10% increase in overall Social Voice resulted in a 0.5% to 1.6% increase in online search activity, with offline WOM driving the majority of the increase (0.2% to 1%) in search activity, and Online Social Media contributing 0.1% to 0.4%.

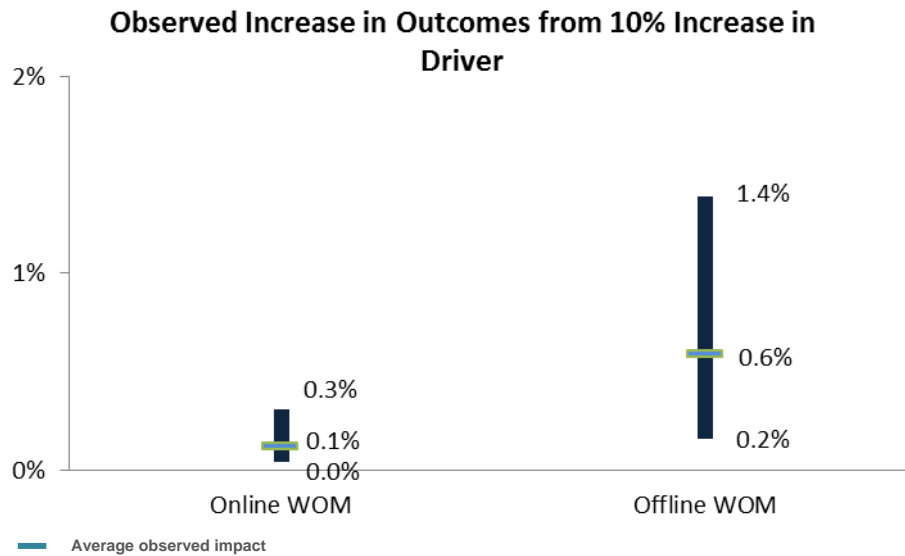


- Marketing via Social Voice has a significant impact on financial outcomes:** Our analysis indicates that a significant percentage of marketing’s impact is delivered through Social Voice – in the cases examined this ranged between 10% and 54% – suggesting that Social Voice is a key element of the consumer decision journey. Social Voice helps bridge the distance between awareness, interest (driven by media), consideration, and, ultimately, sales.

Company	Social Voice Impact as % of Total Marketing Impact
Beverage	25%
Investment Firm	54%
Brokerage Firm	10%
Auto	27%

- Social Voice has a measurable direct impact on financial outcomes:** A 10% increase in Social Voice resulted in sales lift of 0.2% - 1.5% directly in the cases that were studied.

In the cases where we measured both Offline and Online WOM driving sales, Offline WOM had a more significant impact on Outcomes, suggesting that, even in a highly connected world, old-fashioned word of mouth contributes more than social media in these diverse categories.



Conclusion

Social Voice plays a significant role in the consumer decision journey and acts as an amplifier of marketing in all of the brands that we analyzed. Marketers need to account for the pathways through which Social Voice plays an intermediary step in the journey between marketing exposure and financial results in both analyzing the impact of marketing and determining optimal budget allocations.

Marketers can improve their attribution methodologies with a better understanding the role of Social Voice to more accurately estimate ROI of paid, owned, and earned media, leading to improved marketing resource allocation decisions.

Marketing campaigns should be developed to incorporate the benefits of Social Voice and achieve the greatest impact by planning their SEO and SEM efforts in coordination with the expected lift on search activities from advertising. Marketers should be aware of how Social Voice impacts online search, so they can monitor and increasingly invest in keywords associated with brand mentions.

Finally, since Social Voice impacts financial outcomes indirectly through search (and other information seeking activities), as well as directly, creative messaging should ideally be designed not only to call consumers to purchase, but also to encourage Social Voice through sharing and conversations.