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Measuring effects of strategic utilization of social media in business- to- business marketing: Case Greenlux Finland Oy

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ABSTRACT

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Utilization of social media is increasingly common in B2B marketing. Social media is an efficient and cheap marketing and communication channel available for everyone, and thus extremely attractive marketing medium. The more companies get involved in social media the more failures are reported. It is not enough for a company to just be present in social media. Succeeding on it requires hard work, investing time and money, and ability to measure and to monitor performance.

With an increasing number of companies failing in utilizing social media, together with lack of research on strategic utilization of social media focusing on B2B marketing, measuring, and monitoring create a purpose for this research. The aim of this research is to discover methods for measuring and monitoring effects of strategic utilization of social media in B2B marketing. Most relevant financial and non-financial indicators are discussed, and the methods by which these can be monitored and

measured. In addition, effects of strategic utilization of social media on the case company are measured and analyzed.

The research methodology used in this research is a participatory action research, which includes elements of both qualitative and quantitative research methods. The case company examined in the research provides a unique opportunity to follow through all phases of strategic utilization of social media for B2B marketing purposes concluding real effects of social media to the case company, and thus gain a deep understanding about this new marketing medium in the perspective of B2B marketing. Duration of the research period is seven months. During this time, information is collected, measured, and analyzed. Case company does not have any other marketing activities simultaneously which makes it possible to examine social media apart from effects of other visible marketing activities.

Effects of strategic utilization of social media can be monitored and measured in many ways. Methods that should be used depend on goals set for social media. Fundamental nature of social media requires multidimensional assessment, and thus effects should be measured, and monitored considering both financial and non-financial indicators.

The results implicates that effects of strategic utilization of social media are relatively wide ranged. According to the findings, social media affects positively on brand, number of web page visitors, visitor behavior, and on distribution of awareness. According to investment calculations social media is a legitimate investment for case company. Results also implicate that by using social media case company gains conversation, arouses interest, gets attention, and creates interactivity. In addition and as a side note, winter holiday season appears to have a great effect on social media activity of B2B companies' representatives.

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Sosiaalisen median hyödyntäminen B2B markkinoinnissa yleistyy jatkuvasti. Sosiaalinen media on tehokas ja edullinen markkinointi- ja viestintäkanava, minkä avoimuus kaikille tekee siitä erittäin houkuttavan markkinointikanavan. Mitä enemmän yrityksiä sitoutuu sosiaaliseen mediaan sitä enemmän epäonnistumisista raportoidaan. Ei riitä, että yritys on vain läsnä sosiaalisessa mediassa, vaan menestyminen vaatii kovaa työtä, ajan ja rahan sijoittamista sekä taitoa osata mitata ja seurata suoriutumista.

Kasvava määrä sosiaalisessa mediassa epäonnistuvia yrityksiä, yhdistettynä tieteellisen tutkimuksen vähyyteen sosiaalisen median

strategisesta hyödyntämisestä B2B markkinoinnissa, suoriutumisen mittaamisesta ja seurannasta muodostavat selkeän tarpeen tämän tutkimuksen tekemiseen. Tutkimuksen tavoitteena on löytää keinoja sosiaalisen median suoriutumisen mittaamiseen ja sen seurantaan keskittyen erityisesti sosiaalisen median strategiseen hyödyntämiseen B2B markkinoinnin tarkoituksissa. Sosiaalisen median kannalta relevantit taloudelliset sekä laadulliset suoriutumisen indikaattorit ja niiden mittaus- ja seurantatavat tullaan myöskin esittelemään. Lisäksi sosiaalisen median käytön vaikutukset tutkittavaan yritykseen mitataan ja analysoidaan.

Tutkimusmentelmältään tämä tutkimus noudattaa osallistuvaa toimintatutkimusta, jossa hyödynnetään sekä taloudellisia että laadullisia tutkimusmenetelmiä ja analyysejä. Tutkimuksessa tarkasteltava yritys tarjoaa ainutkertaisen mahdollisuuden päästä tarkastelemaan pintaa syvemmältä prosesseja, jotka liittyvät sosiaalisen median strategiseen hyödyntämiseen B2B markkinoinnissa. Tutkittavan yrityksen tarkastelun jälkeen saavutetaan syvä ymmärrys sosiaalisen median hyödyntämisestä B2B markkinoinnillisissa toimenpiteissä. Tutkimus kestää seitsemän kuukautta, jonka ajalta tietoa kerätään, mitataan ja analysoidaan. Tutkittavassa yrityksessä ei tutkimuksen aikana toteuteta muita markkinointitoimenpiteitä, jolloin on mahdollista tarkastella sosiaalista mediaa irrallaan muiden markkinointitoimenpiteiden vaikutuksista.

Sosiaalisen median strategisen hyödyntämisen vaikutuksia voidaan seurata ja mitata monilla tavoilla, joiden valintaan vaikuttaa sosiaaliselle medialle asetetut tavoitteet. Sosiaalisen media luonne asettaa vaatimuksen moniuloitteiselle arvioinnille, mistä johtuen sen vaikutuksia pitää mitata ja seurata ottamalla huomioon sekä taloudelliset että laadulliset suoriutumisen indikaattorit.

Tutkimustulokset viittaavat siihen, että sosiaalisen median vaikutukset ovat varsin laaja-alaisia. Tulosten mukaan sosiaalisen median strateginen hyödyntäminen vaikuttaa positiivisesti ainakin brandiin, internet-sivujen kävijämääriin, kävijöiden käyttäytymiseen internetsivuilla ja yrityksen näkyvyyden maantieteelliseen jakautumiseen. Investointilaskelmien

mukaan sosiaalinen media osoittautuu kannattavaksi ja legitiimiksi sijoitukseksi tutkittavalle yritykselle. Tulokset viittaavat myös siihen, että sosiaalista mediaa hyödyntämällä yritys voi saada aikaiseksi keskustelua, herättää mielenkiintoa, saada huomiota ja luoda interaktiivisuutta. Lisäksi selviää, että talvilomilla on suuri vaikutus B2B yritysten aktiivisuuteen sosiaalisessa mediassa.

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LIST OF SYMBOLS

B2B	Business to business
B2C	Business to consumer
CPC	Cost per click
CPM	Cost per thousand impressions
DMP	Dynamic multidimensional performance framework
GRIP	Growth related to increase in number of posts on social media
GRIV	Growth of revenue related to increase of website visits
IOIP	Increase in number of orders related to increase in number of posts in social media
ITIP	Increase in referral traffic from social media related to Increase in number of posts on social media
KPI	Key performance indicator
ROE	Return on Equity
ROI	Return on investment
ROMI	Return on marketing investment

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1. INTRODUCTION

First chapter presents backgrounds, objectives, research questions, literature review, theoretical framework, definitions and delimitations of this research.

1.1 Background of the study

Before the time of Web 2.0 marketing, in the era of Web 1.0, the communication between a company and its customers in the internet was more or less one-sided. Information used to be static and controlled by the people updating the official Web pages (Green & Welsh, 1988). In Web 2.0, all users can modify existing information and share new content regardless of the place and time (Kane et. al. 2009).

Web 2.0 provides a great deal of different platforms, channels and tools for customers and companies to communicate with one another. These networks are more familiarly called social media. Social media and Web 2.0 have led to a critical mass of people, where customers and companies are participating in one global online marketplace (Linder, 2010; Shankar 2007). This relatively new medium has created a whole new and different environment for marketing activities (Sheth & Sharma, 2005). It is clear that conventional marketing activities are being transformed and the marketing function is reconstructed both in business to business (B2B) and business to consumer (B2C) markets (Vargo & Lusch, 2004). Many studies suggest that social media marketing is efficient and possibly even more effective than traditional marketing (Hoffman et al. 2002).

Social media is currently one of the most researched subjects in the field of marketing. However, most articles and books are either targeting the consumer marketing or treat business to business marketing just as an afterthought (Gillin & Schwartzman, 2011). In addition, there are only a few research papers on strategic utilization of social media, and on how performance in social media can be measured. Lack of research on social

media from the point of view of B2B companies, strategy and measurement create a purpose for this research.

B2B companies have grasped the idea that social media can be utilized in their field for marketing purposes. Even though these companies have realized the possibilities in social media, they are sometimes clueless on what to do there and especially on how to siphon value out of it (Zwilling, 2012). Surveys suggest that B2B companies fail in social media, but what might be the reason behind this? Most likely it is because they lack objectives and effective methods on how to measure their performance (Zwilling, 2012). Many B2B companies do not measure social media performance at all, or they lack the know-how on what to measure and how to measure and how to gather the data and information for measuring (Sexton, 2012). Most of all they lack the ability to use this information for strategic decision making (Blitzer, 2012).

Due to the lack of research on strategic utilization of social media in B2B marketing, measuring and monitoring, in addition to the failure of B2B companies in social media, there is a valid need for this research. There has been debate on to what and how social media affects in companies as well (Uitz, 2012). One of the goals of this Thesis is to discover these effects of strategic utilization of social media, by combining the dispersed theory on the matter and the empirical evidence of social media's effects in the case company. In order to gain a deeper understanding of the measurability of strategic utilization of social media in B2B marketing, the main emphasis of this research is on monitoring, measuring and metrics. Additionally, this Thesis shows that the methods and procedures to monitor and measure do not consume a lot of resources, are easy to implement and can be tailored to one's needs.

1.2 Research problems and objectives

The aim of this research is to explore ways to measure and monitor performance, and to conclude effects of strategic utilization of social media

in the point of view of a B2B marketer. The main objective is to gain a deeper understanding of social media as a strategic marketing and communication tool of a B2B marketer.

The main research problem is:

- How the effects of strategic utilization of social media in marketing can be assessed?

The sub-problems are:

- What are the relevant financial indicators and how those should/can be measured and monitored?
- What are the relevant non-financial indicators and how those should/can be measured and monitored?
- What are the effects of social media utilization in the case company?

1.3 Research methodology

The research methodology selected is participatory action research. It serves best the desires of the case company and the researcher as the case company wants the researcher to design a social media plan for the company and implement it, and the researcher wants to find out to what, and how social media utilization effects in the case company. Available theory is used in forming theory chapters, and selecting the best suiting monitoring tools and measures for the case company. Existing theory is applied in order to make the measures and metrics more appropriate for the case company. The monitoring tools and measures are needed to conclude the effects of strategic utilization of social media.

Participatory action research is usually used for changing and developing organizations (Aaltola & Syrjälä 1999; Heikkinen 2001). In addition, participatory action research can be used for solving different kind of problems (Kuula, 1999). One of the main characteristics of the participatory action research is that the researcher gets involved in operations and works in the organization as one of the employees,

observes, and guides the participants through the duration of the research (Kemmis & Wilkinson 1998; Kuula 1999).

Participatory action research is mainly a qualitative research but it can utilize some quantitative methods (Heikkinen & Jyrkämä, 1999). As Hirsijärvi et al. (1997) suggested quantitative and qualitative research should be used as complementary approaches, not competing. Both approaches are needed especially when the object of the research is complex, and thus difficult to understand broadly otherwise.

The processes of participatory action research are: analyzing present situation of the case company, forming an operation plan, implementing the operation plan, and then monitoring and observing the effects. At the last phase, the researcher ensures that members of the case company are able to continue the operations launched by the researcher (Kemmis & Wilkinson, 1998). This research follows the traditional phases of performing a participatory action research.

1.4 Literature review

Social media is quite a new marketing phenomenon and it has given birth to a big boom in recent marketing literature publishing. Despite the upward trend in social media literature publishing, publications that deal with social media in the point of view of a B2B marketer are rarer. Similarly releases that focus purely on social media marketing measurement are rarer than general marketing metrics books. Dispersion of literature related to this research is the reason why literature review is presented for strategic utilization of social media in B2B marketing, and social media marketing performance measurement separately.

1.4.1 Strategic utilization of social media in B2B marketing

One of the earliest books about Internet in B2B marketing is Barry Silverstein's (1999) book 'Business to business Internet marketing: Seven proven strategies for increasing profits through internet direct marketing'. The book presents strategies for B2B marketers to increase profits,

generate leads with e-mail, using internet events for marketing, and to build customer relationships. This book does not discuss social media, but it is one of the first signs of taking B2B marketing research closer to modern Web 2.0 marketing. New editions of the book have been published, for example, by Silverstein himself (2003), and Susan K. Jones (2008). Mrs. Jones' version discusses website references, internet-use statistics, CRM, search-engine optimization, blogging, wikis, podcasting, and social networks which are closer to the subject researched in this Thesis.

Literature concerning purely social media was not published until 2006, and most of these books are focused on blogging. For example Debbie Weil's 'The corporate blogging: Absolutely everything you need to know to get it right' published in 2006. Blogging is very popular among many B2B marketers, but it is not one of the communication methods used by the case company observed in this research, and thus it is only presented in this chapter, and not examined in further detail.

Books that discuss social media in the point of view of B2B marketing used to be quite difficult to find, but not so much anymore. Paul Gillin was one of the first authors that wrote about social media in a perspective of B2B marketing. Gillin's first book about social media was published in 2007. The book 'The new influencers: A marketer's guide to the new social media' has an emphasis on blogging, podcasting, identifying the new influencers, their goals and motivations, and on offering strategies for both large and small organizations. The book takes theories closer to the theoretical framework of this Thesis, but Gillin's other book 'Secrets of social media marketing: How to use online conversations and customer communities to turbo-charge your business' (2008) does so even further. The book provides advice on strategy, tools and tactics on how marketers can extend their company's brand, generate leads, and engage customer communities. In addition, Trusov et al. published an article "Determining Influential Users in Internet Social Networks" which is also related to this research's framework.

Gillin's and Schwartzman's latest book (2011) 'Social marketing to the business customer: Listen to your B2B market, generate major account leads, and build client relationships' is claimed to be the first book devoted entirely to B2B social marketing. The book is a hands-on guide providing suggestions how to become successful in social media, search engine optimization, and social media monitoring. Other book published in 2011 is David Scott's 'The new rules of marketing & PR: How to use social media, online video, mobile applications, blogs, news releases, and viral marketing to reach buyers directly'. The book's emphasis is on how a B2B marketer can create a social media plan, communicate with buyers, raise online visibility, and increase sales. In 2011 Neal Schaffer's book 'Maximizing LinkedIn for sales and social media marketing: An unofficial, practical guide to selling & developing B2B practices on LinkedIn' was published. This book focuses on activities like networking, leveraging and maximizing social media channel utilization. Similar to Schaffer's book is Bodnar & Cohen's book (2012) 'The B2B social media book: Become a marketing superstar by generating leads with blogging, LinkedIn, Twitter, Facebook, email, and more'. The book's emphasis is on how a marketer can gain leads and revenue utilizing social media channels like LinkedIn, Twitter, and Facebook, and how an effective B2B social media strategy can be built.

Except for the book of Gillin and Schwartzman (2011) all books presented in this section lack theory about social media monitoring and performance measurement. In the next chapter, literature review of social media monitoring and performance measurement is presented.

1.4.2 Social media performance assessment

It is really difficult to find authors that focus on B2B social media marketing and performance monitoring and measuring in the same publication. Same as with a lack of B2B point of view, most social media related books only scratch the surface on monitoring and performance measurement.

In guide-type of social media books there might be one or two chapters devoted to performance measurement (Borges 2009; Solis 2010). For example Bernie Borges' book 'Marketing 2.0: Bridging the gap between seller and buyer through social media marketing' presents only a few online and free monitoring tools, and one financial metric, return on investment (ROI) (Borges, 2009, 105-113).

Measures and monitoring tools presented in guide-type of social media marketing books are usually only a tip of an iceberg, and thus a marketer needs to find additional information about Web– and social media performance measurement and monitoring from publications that focus purely on Web- and social media metrics. Similarly as with social media books, general marketing metrics books devote usually only one or two chapters to Web and social media metrics. As an example, both 'Data-driven marketing: The 15 metrics everyone in marketing should know' by Mark Jeffery (2010), and 'Marketing metrics: The definite guide to measuring marketing performance' by Farris et al. (2010) devote only one chapter to Web metrics.

Novak and Hoffman are one of the earliest researchers focusing on "modern" marketing measurement. Their article (1997) "New metrics for new media: Toward the development of Web measurement standards' is one of the pioneering releases that handles new measures designed for the new marketing medium – the Internet. Few years later Hoffman's et al. (2002) article 'Measuring e-commerce in net-enabled organizations' was published.

Increase in Web- and social media marketing performance measurement book publishing began in 2007. Among the first ones was 'Web analytics: An hour a day' by Kaushik (2007) which guides how to implement a successful Web analytics strategy. This book focuses on Web analytics that are an important part of this Thesis. Two years later another book by Kaushik (2009) 'Web Analytics 2.0: The Art of Online Accountability and Science of Customer Centricity' was published. This book provides

recommendations for example on how to solve challenges such as measuring social media and multichannel campaigns.

The first book that purely focuses on social media measurement was not published until 2010. A book ‘Social media metrics: How to measure and optimize your marketing investment’ by Jim Sterne (2010) presents social media metrics (both financial and non-financial) that can be used to measure the success of social media marketing efforts. Subjects that are dealt in this book are closely related to some parts of this Thesis’ agenda. Another book ‘Advanced Web metrics with Google Analytics’ by Brian Clifton (2010) is also relevant in the framework of this Thesis. The book focuses on Google Analytics, which is used in many measures of the research.

In 2010 Donna L. Hoffman’s and Marek Fodor’s article ‘Can you measure the ROI of your Social Media Marketing’ was published. The article lists a few metrics that managers can use to measure the effectiveness of social media efforts. This article is also closely related to the framework of this Thesis. ROI of social media is calculated in the empirical part of this research. After Hoffman’s and Fodor’s article, Blanchard’s book ‘Social Media ROI: Managing and Measuring Social Media Efforts in Your Organization’ was published in 2011. The book focuses mainly on return on investment of social media whereas the actual investment is not just about money, it is about time.

Slightly after Blanchard’s book ‘Measure what matters: Online tools for understanding customers, social media, engagement, and key relationships’ by Paine (2011) was published. For instance, this book provides tools and ways to measure social media reputation, influence, and authority. In addition to Blanchard’s and Paine’s books ‘Social Media Analytics: Effective Tools for Building, Interpreting, and Using Metrics’ by Marshall Sponder was published in 2011. This book is relevant to the framework of this Thesis due to it giving recommendations that are utilized on the empirical part of this Thesis.

There is nearly up to a hundred different books, and other publications concerning Web and social media measures nowadays, and thus all of them are not presented here.

1.5 Theoretical framework

This research is about examining ways to measure effects of strategic utilization of social media in B2B marketing, discovering relevant financial and non-financial indicators, and finding out how the indicators can or should be monitored and measured. Thus the theoretical focus is mainly on monitoring, measuring, and metrics. Social media utilization strategy's formation- and implementation process are presented briefly in order to gain a deeper understanding about the overall framework of the Thesis, and to familiarize the reader with the empirical part of the research. (See Figure 1.)

The whole research is done in the viewpoint of the case company, and thus strategy creation process, and all metrics, and measurement methods are selected to serve best the case company examined.

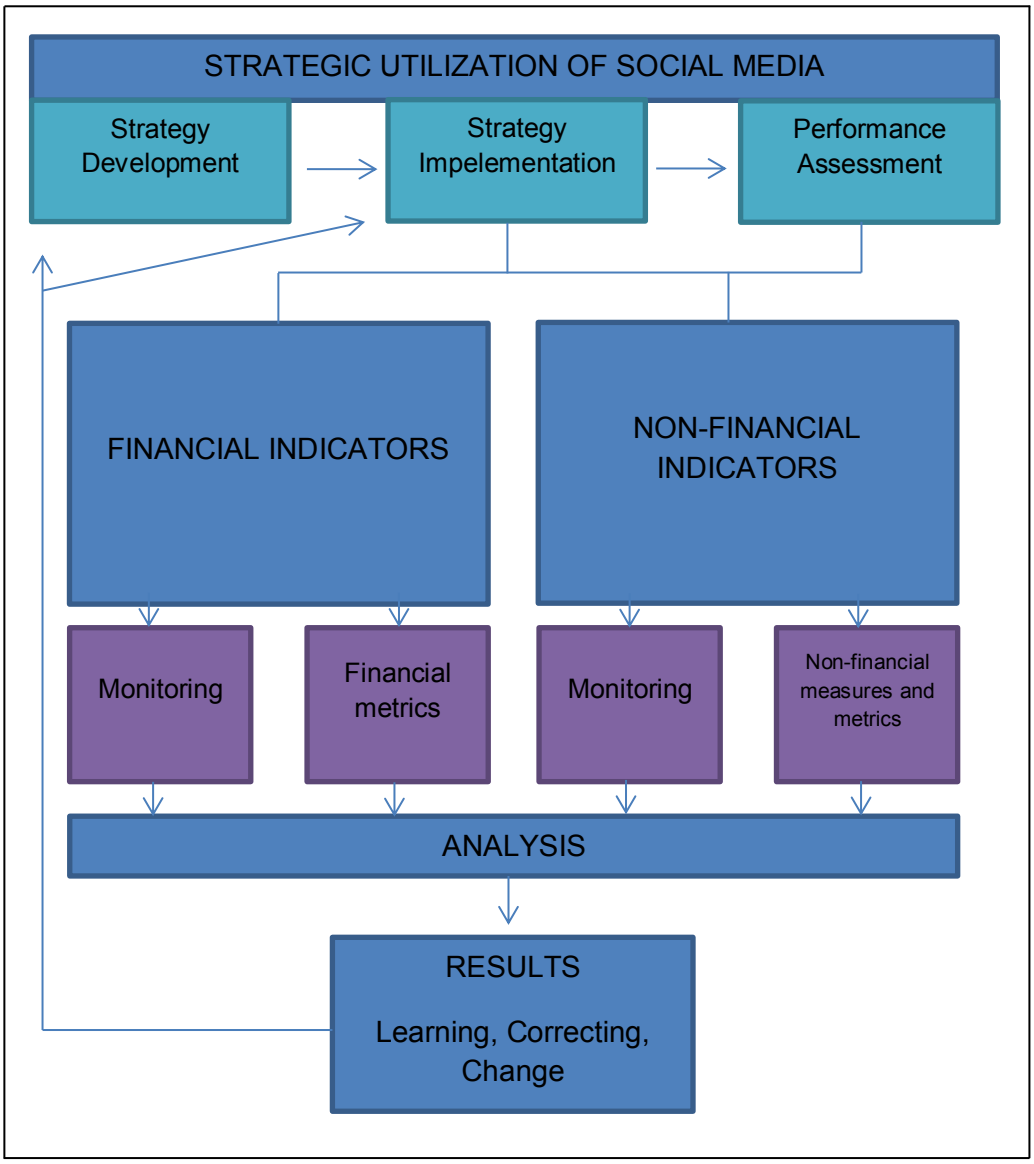

Figure 1: Theoretical framework of the Thesis

1.6 Definitions and key concepts

B2B marketing

Business-to-business marketing is defined as marketing of products and services to industrial and institutional customers who use the products in their own production of products or services. (Choffray & Lilien, 1980)

Strategic utilization of social media

Strategic approach makes the usage of social media meaningful and a significant part of a company's marketing strategy. In order to be

considered strategic, the usage of social media is carefully planned beforehand and has a specific meaning and objectives that are closely monitored, and the results are analyzed. Social media is treated same was as any other marketing/ communication channel in the marketing strategy. (Bernoff & Li, 2008)

Social media performance assessment

Social media performance assessment includes a variety of monitoring tools, metrics, and measuring. These all are usually used for tracking the progress of a social media marketing strategy. (Evans, 2008, 336)

Impressions

In this Thesis there are two types of meanings for Impressions. Impressions presented in Internet/Web metrics and measures chapter are called exposures-to-see (Farris et al. 2010) and they are calculated using equation 13. (see Appendix 1.). The other meaning for Impressions is discussed in the chapter social media measures and metrics. In this context it means the number of views a social media profile has gathered.

ROI

There are two different Returns on Investment equations used in this research. First is ROI, in which investment is measured in monetary terms. In the second ROI, investment is measured in releases on social media.

1.7 Delimitations

The case company manufactures LED luminaries. All industries are different and have their own characteristics and trends. Purchasing and marketing behavior of the companies operating in a certain industry vary as well. Individuality of the industry and market targeted delimitates adaptability of this research.

All theories, approaches, measuring tools and metrics are selected to be applicable to the case company. This delimitates the adaptability of this research. Before imitating anything from this Thesis, consider carefully

whether this study is suitable to reference for the particular company the social media strategy is being planned for.

Some major assumptions are made in some of the measures presented in this research which delimitates the reliability of the measures, distorts results, and thus affect to this research's adaptability. In addition some of the metrics are tailored in order to them being more appropriate for the case company or because the case company cannot provide reliable information concerning the requirements of the measure.

All applied measures and metrics presented in chapter 6 are calculated Ceteris paribus, and thus are rather theoretical than realistic. In addition some major assumptions are made for calculating them, which makes their reliability speculative.

1.8 Structure of the Thesis

This research is divided to two main parts, theory and empirical. The whole Thesis consists of six chapters. First chapter presents backgrounds, objectives, research problems, literature review, theoretical framework, definitions and delimitations of this research. Second, third and fourth chapters form the theory part of the research. Theories are presented for all relevant matters concerning social media measurement. Chapter two presents the link between strategic utilization of social media to monitoring and measurement. In chapter three the methods that can be used for multidimensional monitoring are discussed in further detail. Chapter four discusses both the financial and non-financial measures and metrics that can be used in assessing performance on social media.

Chapters five and six form the empirical part of the research. Chapter five details backgrounds of the empirical research including research methods and how the research is performed. In addition, case company is analyzed and all phases involved in strategic utilization of social media in the case company including preparations, KPI and monitoring tools selection and implementation are presented. In chapter six all calculations, metrics, and measures are presented and analyzed.

In the final chapter, chapter seven, results of the research are presented and analyzed, and empirical results and relevant theories are bound together concluding all that is examined in this Thesis.

2. STRATEGIC UTILIZATION OF SOCIAL MEDIA IN B2B MARKETING

In this chapter the need for a strategic approach in utilization of social media in B2B marketing and phases of strategic utilization of social media linked to monitoring and measuring are explained.

2.1 Need for strategic approach

Development of internet has led to existence of open, online, and global marketplace (Linder, 2010; Shankar 2007). People look and compare information about products, companies and people from the internet and communicate freely with one another through various online channels (Pitta & Fowler, 2005). These online channels where people interact with other people are called social media. Social media includes for example blogs, microblogs, content communities (e.g., YouTube, Reddit), and social networking sites (e.g., LinkedIn) (Kaplan & Haenlein, 2010). Through these online channels people can share experiences, spread knowledge and compare different product/service providers and examine competitors or even potential target markets – the possibilities of social media for B2B marketers are endless (Mangold & Faulds, 2009: Sheth & Sharma 2005).

As the new medium is open to all, information is difficult to control, and thus a strategic approach is essential especially for the B2B marketer. (Goold & Quinn 1990; Felleson 2012; Troung & Simmons 2010) Reputation, references and relationships are important for B2B companies because industrial buyers usually rely heavily on third-party feedback (Nair & Sidhu, 2009). In addition, B2B buyers are claimed to trust more the opinions of colleagues using the products than those of a marketer, when making purchasing decisions (Nair & Sidhu, 2009). This makes it even more rational for a B2B company to get involved in social media, because customers are most likely already there. Like Bernoff (2009) said: “If you sell to businesses, your customers are already a community because they have so much in common. They probably are suffering the same challenges and trying to solve the same problems.” (Bernoff, 2009)

According to a survey conducted by Mike Stelzner (2012), 93% of over 1900 surveyed B2B marketers used social media in marketing their business. There is a radical increase since the 2010 survey (88%). The reason for the increase that occurred in social media usage among B2B marketers can be explained by the encouraging publications about benefits and opportunities provided by social media (Sheth & Sharma, 2005). The article by Bodnar (2012) suggests that social media might be even more suitable for B2B marketing than it is for B2C marketing.

Heller (2012) suggests that social media offers an opportunity for companies to engage in conversations with their target audiences like customers, prospects and industry followers. Participating B2B companies can utilize social media to discover what people think about the company, and thus utilize this information in order to improve the company image, positioning, policies, products, and to increase brand awareness. Weber (2007: 23-24) lists opportunities for B2B marketer as targeted brand building, lead generation, partnership, research, and development to name the few. According to Jones et al. (2009) firms can utilize social media for building relationship with its stakeholders, protecting its reputation whilst enhancing the brand image and value. Kozinets et al. (2010) divide the communication possibilities in into four different categories: evaluation, embracing, endorsement and explanation.

Even if it is rational to get involved in social media, it is not automatic to gain nothing but positive outcomes (Campenhausen & Lübben, 2002; Culnan et al. 2010). Many of the B2B marketers who have begun to use social media in their marketing, fail to utilize it for the benefit of the company – why? As Marty Zwilling (2012) wrote in his article: “Some companies still do not have a clue on how to use social media productively for marketing their business. They randomly churn for hours a day on a couple of their favorite social media platforms, with little thought given to goals, objectives, or metrics; and ultimately give up and fall back to traditional marketing approaches.” (Zwilling, 2012).

According to Bernoff & Li (2008) if a B2B marketer does nothing but gets involved in social media, the failure is inevitable. Failing in social media could cause negative effects on reputation, brand, customer satisfaction, partnerships, and in worst cases sales and the value of the company. Negative effects are emphasized especially if competitors are being successful in their social media marketing or customers value social media communication highly. (Bernoff & Li, 2008)

In order not to fail, Bernoff & Li (2008) suggest that companies need to consider social media more as a strategic marketing tool, not just a place to be present. In addition, Brodie et al. (2007) suggest that by integrating social media to the existing marketing operations and viewing it as a strategic tool, a company is able to leverage value from social media. With a more strategic approach, companies have possibility to achieve broader level strategic business goals (Bernoff & Li, 2008).

2.2 Linking the phases of strategic utilization of social media in B2B marketing to the importance of monitoring, and measuring

Process-based view is selected for this research due to emphasizing the strategic approach (e.g., Payne & Frow 2005; Srivastava et al. 1999). The phases that must be considered consist of various different processes in which monitoring and measuring should be taken into consideration.

Strategy development process includes:

1. Deriving a plan from marketing – and corporation strategy. (Culnan et al. 2010)
    a. Social media strategy should be an extension of overall marketing strategy (Nair & Sidhu, 2009)
2. Including objectives in the plan (Nair & Sidhu, 2009)
    a. Objectives should be simple enough for measuring, and analysis
    b. Only a few objectives should be selected at first, e.g., lead generation, establishing the company as the experts, increasing brand awareness, and generate buzz

   c. Sub-objectives should be selected to help to achieve the main objectives and to make it easier to track progress
   d. Methods and tools should be selected to monitor, measure, and analyze performance
3. Identifying the target audience (Julkunen 2010; Leino 2010)
   a. Who are the people wanted to be reached, served, listened and learned from
   b. Monitor
      i. Observing which social media platforms they use
      ii. Listening to what they are discussing
      iii. Learning from observation and listening, and proceed to discover how the attention of the target audience could be gained
4. Resourcing (Culnan et al. 2010; Nair & Sidhu 2009)
   a. A team responsible for social media should be formed, and everyone should get involved
   b. Making sure to budget enough money and time

As the list above shows, monitoring is an essential part of social media utilization right from the start. Strategy development process forms a base and a red line for implementation and performance assessment of social media utilization (Culnan et al. 2010).

Implementation of social media strategy can be considered as a mix of short-term actions which all aim to achieve the goals (Culnan et al. 2010). First of all, rules for interacting on social media should be formed, responsibilities divided, social media platforms selected and monitoring tools set for both observing online discussions, and collecting data for performance measurement (Heller 2012; Weber 2007; Jones et al. 2009; Culnan et al. 2010). In addition engaging, creating interesting content that adds value for the target audience and interaction can be included to implementation process. (Culnan et al. 2009)

Similarly as with social media strategy, development process implementation requires careful planning, and constant information

management (Culnan, et al. 2009). Discussions change, and trends change – everything changes every now and then. In order to keep the activities on social media up to date, information must be monitored constantly, and plans must be changed if need be (Culnan et al. 2010; Kane et al. 2009). The role of monitoring is not as simple in implementation process as it is in strategy development process. In implementation it can be claimed to have a double role – it is used for both observation and information gathering purposes.

Performance assessment process is all about managing and analyzing collected information. Performance needs to be tracked because it gives valuable information about progress towards sub-goals, and main goals of social media. Through analysis the decisions made for implementation process can be rationalized or changed if needed. If performance is not equivalent to goals, plan should be changed (Parsons 2011; Zwilling 2012; Bodnar 2012).

Because the objective of this research is to get acquainted on how effects, and performance on social media can be assessed, both monitoring and measuring are examined in further detail in next two chapters.

3. MONITORING

In this chapter monitoring as an important part of strategic utilization of social media in B2B marketing is examined in further detail. There is a great amount of different monitoring tools designed to serve a variety of different purposes. In this chapter multidimensional roles of monitoring are presented.

3.1 Monitoring as a source of information for performance assessment of strategic utilization of social media

Monitoring is an essential part of strategic utilization of social media as pointed out in chapter 2.2 (Stoelhorst & Van Raaij, 2004). Monitoring can be used for multiple purposes like listening, learning, and gathering information for further analysis. (Heller 2012; Weber 2007; Jones et al. 2009).

Despite the multiple research papers that encourage companies to monitor their performance, there are still a great amount of B2B marketers who are not capable to collect the information needed for measurement. A study piloted by Columbia Business School and NYAMA (New York American Marketing Association) concluded that B2B marketers' desire to be data-driven is not matched by a consistent effort to collect the data necessary for social media performance assessment (Sexton, 2012).

To reach the goals of the social media strategy, there must be a way to measure performance (Nair & Sidhu, 2009). To be able to measure performance, key performance indicators (KPI) that reflect the goals and are easy to collect and affordable, need to be selected (Solis, 2010). There is unlimited number of different indicators to choose from, but a marketer needs to select only those that can be used to generate value for a specific company (Morgan, 2011). Before selecting methods for monitoring, marketer needs to consider what kind of information is needed, and whether it is available for gathering (Slocum 2005; Morgan

2011). Morgan (2011) suggested the steps to engage in monitoring and evaluating are:

1. Indicator selection
2. Data gathering
3. Converting data into information
4. Turning information into value

To gain full benefit out of strategic utilization of social media, information gathered from monitoring should be wide-ranged (Slocum, 2005). As the fundamental nature of social media is claimed to be complicated and its effects indirect, information gathered should cover multiple perspectives (Slocum, 2005). This is why there is a need for both financial and non-financial data; hard and soft; internal and external (Grunert et al. 2005). Next step is to find methods, and tools to gather the information for formatting, further analysis, and measuring (Morgan, 2011).

3.1.1 Gathering data for further analysis of financial indicators

“Hard” and quantitative information - financial data, consists of various figures from the financial statements of companies. These figures are for example revenues, investments, and costs. They can be extracted from the balance sheet, the income statement, and the statement of cash flows (Bodie et al. 2009).

Monitoring internal financial performance is only a small part of overall performance monitoring system (Natilson et al. 2001). The most important financial indicators used for social media are usually sales revenues and expenditures. Figures monitored depend on the company (requirements of management, size, and age) and its procedures to justify marketing expenditures, and goals set for social media (Morgan et al. 2002; Natilson et al. 2001). As social media is considered to be a strategic marketing tool, recourses invested in it need to be justified in most of companies.

According to Natilson et al. (2001) sometimes it is better to provide less information with meaning, than a lot of information with no explanation. (See also Morgan, 2011). This is also valid in the case of social media

utilization. There is no need to track all figures, but only those that matters the most for goals, further analysis, and measures. Whatever the goals set for social media are, relevant financial indicators, and thus data needed to be collected, and monitored are at least sales and revenues, social media costs, and net profit (Sura, 2011).

Even if sales and revenues are usually difficult to adjust to a certain social media campaign it does not mean that they should not be monitored (Sen et al. 2006). Revenues and costs can be monitored by collecting data frequently, for example on weekly/ monthly basis, and then consolidating them in to a database for further analysis and measuring. In order to use revenues generated by social media in calculations sales need to be examined in further detail and be able to be tracked to social media. Net profit can be examined usually at least quarter-yearly if the company is listed in an exchange, but if not, then at least yearly (Bodie et al. 2009, 77). The financial data gathering is relatively easy if a company has efficient and reliable tools to collect the data automatically. There are several accounting programs that can be set to collect/copy certain figures directly to a separate database, and even make some analyses based on the figures collected/copied. (Price et al. 2007)

In addition to internal financial monitoring, there might be a need for external financial monitoring (Grunert et al. 2005). External financial information can be defined as financial data provided by other companies or industry analyzers. External information can be used to predict economic changes of industry, examine competitors, or use the information for benchmarking (Armstong & Collopy, 1996). It can be gathered through industry reports, or annual reports and analysis of other companies (Price et al. 2007).

3.1.2 Gathering data for further analysis of non-financial indicators

“Soft” and qualitative information - non-financial data is often undervalued by many companies (Banker et al. 2000). Qualitative information can be described as operational information not stated in monetary terms (Warren

et al. 2009). Generally it consists of information like customer satisfaction, innovation, behavior, opinions, demographics, responses and mentions (McDonald & Mouncey, 2009). Qualitative information is extremely important, and through analysis it can be very informative for, for example, forecasting future financial performance of a company (Cumby & Conrod 2001; Banker et al. 2000).

In strategic utilization of social media, the emphasis of monitoring is usually more on qualitative information than on quantitative data (Morgan, 2011). Non-financial data can be generated e.g. by surveys, interviews, keeping track of product introductions, malfunctioning products and complaints, and maintaining a customer data base (Chow & Van Der Stede, 2006). In addition to general non-financial data, information should be gathered (both internal and external) from Web pages and social media (Dörflinger, 2011).

Internal Web - and social media monitoring is considered as observing online engagement and actions of employees of a company (Dörflinger, 2011). (See Figure 2.)

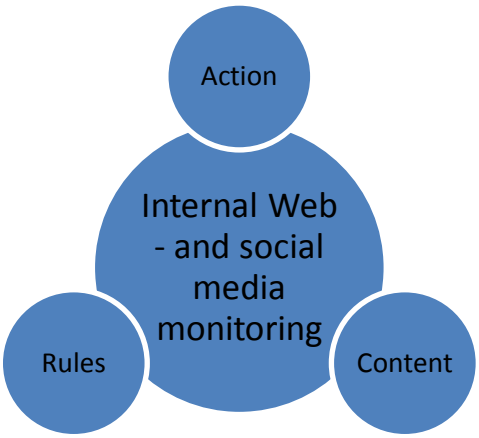

Figure 2. Internal Web - and social media monitoring

Internal monitoring is important in order to manage social media and risks involved in it. It is also important for controlling employees' online behavior, content they create, activities they perform, and for finding out whether the rules set are being obeyed (Solis, 2010). Internal Web and

social media utilization can be monitored e.g. by observing the company's Web pages, social media profiles, and other platforms that are being used by the employees (Lauby, 2010).

In addition to "manual" monitoring, there is a great variety of online tools that can be used to gather and observe information from Web for further analysis, and measuring (Dörflinger, 2011). Both internal and external activities on social media can be monitored by using online tools that are designed for it. Online analysis- and monitoring tools are mostly designed for external Web- and social media monitoring but they can be used for monitoring company personnel's activities also (Stavrakantonakis et al. 2012). The word 'external' refers to the actions of those who are not working for the company (Dörflinger, 2011).

Marketer can select among a great variety of different Web analysis and monitoring tools. There are both free and chargeable tools, tools that collect information from a certain Web page, tools that focus on content, tools that monitor a certain group of people or platform, and tools that filter information (Slocum, 2005).

Figure 3. External Web – and social media monitoring

Figure 3 presents the components of external Web and social media monitoring. By using monitoring tools it is possible to discover, where, what, how, and how often the audience interacts with a company online. Information gathered using external monitoring (via online tools or manually) can be used e.g. for learning, changing implementation plan, further analysis, and measuring (Stavrakantonakis et al. 2012).

3.1.3 Preparing data and information for further analysis and measuring

After the data is gathered it might need to be modified in order for it to be useful and suited better for further analysis (Morgan, 2011). In addition the information gathered should reflect the reason of why it was collected. As Morgan (2011) said: “Data without meaning have little value.”

The ultimate purpose for monitoring is to provide suitable information for purposes of decision making (strategy and planning), operational tasks (implementation), and measuring and analysis (performance assessment) (Morgan, 2011). Meaningful data for measuring and analyses is information that can be used further to indicate performance, and track progress towards sub-goals and ultimately strategic goals (Morgan, 2011).

If monitoring is carefully planned and systematically performed it should provide enough information for measuring and analyzing all relevant financial – and non-financial indicators, and thus measuring effects of strategic utilization of social media (Morgan, 2011). In addition, monitoring enables anticipation of future changes in the business environment, enhances capability to adapt rapidly to constantly changing environment, and helps the company to identify, segment and gain better understanding of the customers and their needs (Stavrakantonakis et al. 2012). In order to gain these benefits, monitoring should be linked with strategy and reporting, and information management process should be constant (Morgan, 2011).

For further information about monitoring and tool selected for the case company, see the empirical part of the research.

4. MEASURING

In this chapter the aspects of measuring are explored in order to gain a deeper understanding of the one of the most important phases of strategic utilization of social media. In addition, methods that can be used in measuring effects of social media in B2B marketing, analyzing, and tracking performance are presented.

4.1 Underutilization of available information

Many academic papers suggest that measuring and analyzing are important for reaching goals and gaining value for a company as stated before (Morgan 2011; Miller 2007). Measures help to understand progress towards the sub-goals and goals, and assess performance (Kaushik, 2008). Without assessing it is really difficult to evaluate whether the efforts are causing desirable outcomes or not (Reh, 2012). As Morgan (2011) said: “What gets measured gets managed” (Morgan, 2011)

In today’s business environment it is really important to understand what is working and what is not in order to improve marketing programs, and refine forecasts (Blitzer 2012; Reh 2012; Creese & Kahlow 2003). Despite this, many of the B2B marketers are not measuring the results of their efforts at all, and therefore failing to connect value leveraged from the visible efforts on social media to the organization (Blitzer, 2012).

According to survey conducted by Pardot in 2012 the main reason why some companies do not measure the effects of their marketing efforts is lack of time or /and recourses to create, and analyze reports (40% of the marketers surveyed). In addition, the other common reason for underutilization of available tools and information is lack of know-how (Sexton, 2012). Almost every B2B marketer understands the importance of measuring but do not know what to measure, how to measure, or how to analyze the results to the purpose of improving marketing performance on social media (Sen et al. 2006; Sexton 2012).

It is not enough to have the information and data gathered it is essential to do something with them. Raw data – numbers and other information do

not give anything valuable by themselves. The data and information is needed for performing measures and forming analyses. (Reh, 2012)

4.2 Towards multidimensional measures

Traditionally senior managers of companies used to require detailed, numerical information to justify marketing expenditures (Homgren et al. 1994). However, as business environment changes so does the procedures to justify marketing expenditures. This does not mean that marketers are not constantly pressured to be accountable for, and how money spent in marketing is generating value to a company. The methods that are used have changed and became more suitable for the new business environment. (Doyle, 2000)

Measures that focus on financial performance alone are becoming less appropriate to deal with the issues of today's marketing, and thus are more commonly used for assessing overall corporate performance or other less complicated mediums (Ahn 2001; Ambler 2000; Ittner & Larcker 1998; Kaplan & Norton 1996). The main problem with financial performance measures is the fact that they focus only on the past, and thus it does not reflect the importance of current recourse decisions for future financial performance (Pont & Shaw, 2003). This could also be the reason why financial measures and metrics are not usually providing much of valuable information about performance on social media (Merrill et al. 2011).

Non-financial performance measures should be used beside the financial performance measures as fundamental nature of social media is suited better for qualitative performance measuring and financial performance that could be realized in the future (Clark, 1999). Non-financial performance measures are claimed to be better predictors of long-term financial performance than financial measures (Maines et al. 2002). Non-financial performance measures are also argued to help managers to refocus on the long-term effect of their actions (Banker et al. 2000).

Usage of both financial - and non-financial performance measures underlies frameworks such as Kaplan & Norton's (1992) balanced

scorecard, and Maltz's et al. (2003) dynamic multidimensional performance framework (DMP). DMP includes five success dimensions which are financial, market/ customer, process, people, and future. According to Maltz et al. (2003) each company should use the components of the framework differently, because there is not a single set of measures that is suitable for all companies.

Table 1. Dynamic multidimensional performance framework

Measure type	Characteristics
Financial	Traditional approach to organizational success
Customer/ Market	The relationship between organization and its customers
Process	The organizational efficiency and improvement
People	The level of employee skills, commitment to technical leadership, and personnel development
Future	Expressions of foresight

Table 1 presents characteristics of each success dimension in DMP framework. It consists of financial – and non-financial- , present- , and future measures. The results can be analyzed, and used for learning, improving, justifying, and forecasting. (Maltz et al. 2003)

To select appropriate set of metrics and measures, key performance indicators (KPI) need to be identified. Key performance indicators are a set of measures focusing on those aspects of performance that are the most critical for the current and future success of the organization (Parmenter, 2010). In the framework of the research, this means that measures and/ or metrics (financial and/or non-financial) that are reflecting those aspects of performance that are critical for achieving the goals of strategic utilization of social media, need to be discovered.

4.3 Financial indicators and assessing performance of strategic utilization of social media

Social media marketing expenditures are challenging to justify in financial terms. The main challenges with social media more or less the same as with any other marketing medium. These challenges are: Relating marketing activities to long-term effects (Dekimpe & Hanssens, 1995) and separating effects of individual marketing activities from other actions (Bonoma & Clark, 1988).

For the most part, financial benefits of social media can be claimed to be indirect, and thus social media marketing efforts might not be seen in sales right away after a certain social media campaign (Merrill et al. 2011). Social media marketing efforts could be seen in sales through e.g. positive word of mouth, or increased brand awareness, months after a campaign (Merrill et al. 2011). In addition indirect effects of social media could be realized in a form of cost reduction, and thus it cannot be seen in sales at all (Uitz, 2012).

Despite the indirect nature of social media efforts the most common financial indicators used for assessing social media performance are sales and expenditures (Morgan et al. 2002; Natilson et al. 2001). These figures can be used for traditional market return metrics, such as sales volume, and ROI (Gruca & Rego, 2005).

The basic metrics are not the only ones suggested for measuring performance of social media marketing efforts in financial terms (Uitz, 2012). The measures vary, and the actual mix of measures and metrics depends on the objectives (Uitz, 2012). One might want to measure incremental sales, operating margin or ROMI, and the other wants to measure effects from the point of view of marketing expenditures and thus calculate measures like cost of lead, or costs of communication (Elliot 2012; Kallas 2012).

Most companies provide many different financial reports. Reports can be either targeted for outsiders, or the insiders of the company. Traditionally

results of financial measures are reported annually or quarterly (stock exchange listed companies), and they are targeted for outside investors, and other stakeholders. In addition there are usually separate reports targeted for the purposes of company's management. Depending on the requirements and procedures, the content and frequency of reports varies. (Bodie et al. 2009)

Depending on the company and its targets it might be justified to measure financial effects of social media monthly or even weekly, in order to gain closer to real-time information (Elliot, 2012). More frequently presented measures are usually tailored, and targeted for the marketing department itself, not for the company's senior management, and thus reports are usually different, focusing e.g. on development of sales (Elliot, 2012).

The academics continuously disagree about reliability of methods used to indicate a relation between social media efforts, and financial returns (Uitz, 2012). Some marketers and academics think that there is not enough reliable evidence that would support claims of financial effects of social media. Some marketers and academics on the other hand believe to have been able to point out a measurable relationship between social media efforts and sales (Merrill et al. 2011).

There is also some evidence supporting multiple benefits of social media, and Web 2.0. According to a study by Bughin & Chui (2010) there is a link between Web 2.0 utilization and multiple different business benefits. For B2B companies the benefits, they concluded, are increasing speed of access to knowledge, reducing communication costs, increasing satisfaction of suppliers, partners and external experts, increasing speed of access to external experts, reducing travel costs, reducing time to market for products, reducing supply chain costs, reducing product development costs, increasing number of successful innovations for new products, and increasing revenue (Bughin & Chui, 2010).

4.4 Non-financial indicators and assessing performance of strategic utilization of social media

Use of purely financial methods has proved inadequate for justifying marketing investments. Financial measures are being criticized for encouraging short-term decision making and are therefore not suitable for modern business environment (Banks & Wheelright 1979; Hayes & Garvin 1982; Kaplan 1984; Pearson 1985). As mentioned before financial measures focus on past and thus there is a need for measures that consider present and future as well if effects of social media are to measure properly (Maltz et al. 2003).

Non-financial measures are usually being used for measuring the performance from the "soft" data point-of-view. The word "soft" in this context means data that is not presented in monetary terms (Clark, 1999). Even if non-financial measures are defined as soft, it does not mean they are less important than financial measures (Farris et al. 2010). Non-financial indicators are claimed to be more effective than financial indicators, because they deal with causes rather than effects, are hard to manipulate, and can be calculated more rapidly (Singleton-Green, 1993). Many academics agree with the suggestion that non-financial measures can be used for indicating future financial performance, and thus are considered as drivers of future success (Kaplan & Norton, 1996a, 8).

According to Singleton-Green (1993) most important non-financial indicators of performance are products that satisfy customer needs, quality of the products, and delivery time. Some other might think that the most important indicators are new product introductions or safety. In multidimensional performance framework presented before in chapter 4.2, non-financial measures can be used in evaluating performance from the point of view of customer/ market, process, people, and future (Maltz et al. 2003).

Most commonly used non-financial indicators and measures in companies are customer satisfaction and customer complaints because they are

claimed to indicate long-term performance most clearly (Anderson & Sullivan 1993; Hauser et al. 1994). In addition, market share is among the most common measures, even though importance of Web- and social media measures is increasing, and thus their usage as a part of traditional non-financial measures is growing (Anderson & Sullivan, 1993).

The increasing importance of social media and Web in marketing has led to the situation where indicators that are designed for measuring online marketing performance are becoming more common. Indicators concerning e.g. brand awareness, engagement, word of mouth, and ROI of social media are continuously getting more and more attention among marketers (Petersen et al. 2009; Hoffman & Fodor 2010; Ball 2010).

There are various non-financial measures to choose from which can be used for a great deal of varying purposes. Just as with financial measures, a mix of non-financial indicators and measures depends on targets set by the company (Maltz et al. 2003).

5. EMPIRICAL PART: STRATEGIC UTILIZATION OF SOCIAL MEDIA IN THE CASE COMPANY

The role of empirical part of this Thesis is to clarify all that has been discussed in the previous three chapters. First the backgrounds of performing the research including how the research is being performed are presented. After the backgrounds, case company is introduced, and all the phases involved in strategic utilization of social media in the case company, including preparations, KPI and monitoring tools selection and implementation are presented.

5.1 Backgrounds of the empirical research

Empirical part provides a real-life example of how social media can be utilized as a strategic marketing channel, and how performance on these channels can be monitored and measured.

5.1.1 The case company

The case company Greenlux Finland Ltd manufactures LED luminaries for industrial customers. The company was established in 2007, and thus it is a relatively young company. Currently the company has only eight employees, which implies that it can be considered a small company. Despite its youth and small size, the company has managed to gain a great deal of unique references, and has been growing and internationalizing rapidly.

Rapid growth, internationalization, extremely limited recourses, and the will to get attention from the industry influencers or as the employees called them “the big players” caused the motivation to get involved in social media.

5.1.2 Performing the research

The research follows traditional phases of a participatory action research where the first phase is to analyze present situation of the case company, and get involved. In order to gain an adequate understanding about the

case company's starting point, SWOT- analysis is performed, development of the company's financial status and industry is analyzed, and customer satisfaction is assessed.

Next phase is to begin developing a plan for change. This means that goals and sub-goals for social media are set, a more detailed plan for achieving the goals and sub-goals is created, and key performance indicators are identified. In order to utilize multidimensional framework properly for evaluating performance, both financial and non-financial indicators are used.

The indicators are identified, suitable monitoring tools are selected, measures and metrics are used for assessing performance. Monitoring and measuring are continuing through the whole research period from October 2011 to April 2012. In addition to actual research period, similar time period before the research is included for comparing before and after, and evaluating development.

After implementing the plan, the results are summarized, analyzed and conclusions on what the social media effects in the case company are made.

5.2 Phases of strategic utilization of social media in the case company

In this chapter all phases of strategic utilization of social media in the case company are presented. The timeframe of analyses includes before, at, after, and in the future. All equations used for analyzing the case company are presented in Appendix 1.

5.2.1 Company analysis - SWOT

SWOT analysis is considered to be a strategic planning tool that can be utilized to evaluate strengths, weaknesses, opportunities, and threats involved in a company or a certain project. Strengths and weaknesses represent internal factors of a company, and opportunities and threats external factors. (Humphrey, 2005)

Table 2. SWOT-analysis of the case company

	Positive	Negative
Internal factors	**Strengths** Rapid growth and internationalization, unique references, and high quality products	**Weaknesses** Small size, youth (high risk), and lack of resources
External factors	**Opportunities** Growing business, changing values and increasing demand for environment friendly products	**Threats** "The big players" of the industry, increasing competition

Strengths of the case company are its rapid growth and internationalization. Calculations of growth are evaluated simply using profit and loss account. The profit and loss accounts are examined from year 2010 to 2011. Because of the young age of the company, it has not been able to gain profits. By analyzing development of profits it is possible to discover whether the results are improving or not (Farris et al. 2010). For analyzing development of profit, basic equation of Year-on-Year Growth (%) is used. (See equation 1).

$$\frac{Value(Euro,\%)\mathrm{t} - Value(Euro,\%)\mathrm{t}-1}{Value(Euro,\%)\mathrm{t}-1} \quad (1)$$

where '$Value(Euro,\%)\mathrm{t}$' is profits in year 2011 and '$Value(Euro,\%)\mathrm{t}-1$' is profits in year 2010. Profits in 2011 are -131759,30 euros and -334940,50 euros in 2010. Even if the profits are still negative in 2011, the development of losses is showing positive signs when measured and evaluated by Year-on-Year Growth (%). Result of the equation is -0,606, which means that from year 2010 to 2011 the losses of the case company have decreased by 61.

To analyze financial status of the case company even further. Development of turnover is examined in further detail. For analyzing

development of turnover, the same basic equation of Year-to-Year Growth (%) is used. (See equation 2)

$$\frac{Value(Euro,\%)\mathrm{t}-Value(Euro,\%)\mathrm{t}-1}{Value(Euro,\%)\mathrm{t}-1} \quad (2)$$

where '$Value(Euro,\%)\mathrm{t}$' is turnover in year 2011 and '$Value(Euro,\%)\mathrm{t}-1$' is turnover in year 2010. Turnover in 2011 is 1702909,54 euros and 590014,83 euros in 2010. Year-On-Year Growth (%) of turnover results at 1,886, which means that the turnover of the case company has increased by 189% from the year 2010 to 2011.

In addition to development of profit and turnover, the case company's ROE is calculated and analyzed. Return on equity is a simple but very informative metric. It measures the gained net profits for the amount of equity invested in the company (Bodie et al. 2009). Return on equity is a ratio of *Net profit (euro)* divided by *Equity (euro)* invested in the company (Bodie et al. 2009). In the evaluation of the case company ROE is calculated for both years 2010 and 2011 to be able to compare them and conclude the development of it. (See equations 3 and 4)

$$\frac{Net\ Profit\ (Euro)}{Equity\ (Euro)} \quad (3)(4)$$

Net profit is -334940,50 euros and Equity 82363,62 euros in 2010. ROE results at -4,06 in year 2010. ROE is highly negative. The result means that the case company has caused losses of over 400% for the investors in year 2010. Negative ROE is quite normal for a young company like the one examined in this research (Bodie et al. 2010)

Net profit is -131759,31 euros in year 2011 and Equity is 116303,52 euros in year 2011. ROE results at -1,132 in year 2011. ROE is still negative in year 2011 but it has improved dramatically. Losses of investors are decreased by 72%, and this by itself is a positive sign for the investors especially if the direction continues same as at the time of measurement.

Generally if return on equity is negative, the value of the company is in its growth expectations. Negative ROE means that the company has not been able to produce profit for the investors. Thus negative ROE means usually that the investors presume that ROE will turn positive or continue to grow in the future. (Bodie et al. 2009)

In addition to growth and ROE calculations, some qualitative aspects are analyzed. Customer satisfaction is considered to have an impact on future financial performance (Banker et al. 2000). Because of the complex operating system of the case company there is no trustworthy way to measure customer satisfaction directly. Customer complaints (%) gives an insight to customer satisfaction and are therefore used to evaluate things like likelihood of repurchases, and thus future financial performance (see also Farris et al. 2010, 58-59). This metric also indicates quality of the products (Harris & Poole, 1997). Quality valued by the customer effects on company's reputation and whether the customer recommends the products to their partners. All in all this metric has a connection to brand. (See equation 5).

$$\frac{Complaints}{Sold\ products} \tag{5}$$

In equation (5) customer complaints (%) is measured using information gathered inside of the case company. According to information there are at least 15400 sold products and only four reported malfunctions. Customer complaints (%) results at ~0,03. The result implies that only ~0,03% of all sold products are reported as being malfunctioning. This indicates high customer satisfaction, and high quality of products.

In order analyze maturity of industry and technology used in manufacturing products, new product launches should be calculated. New product launches mean the number of products introduced for the first time in a specific time period (Farris et al. 2010). This measure is simple but it reflects effectiveness of a company's research and development department and speed of development of technology (Farris et al. 2010). For measuring development of technology and effectiveness of the case

company's research and development department the following equation is used. (See equation 6).

$$\frac{Months_1}{New\ product\ reviews\ during\ Months_1} = \frac{Months_2}{x} \quad (6)$$

where x is the number of new product launches during $Months_2$. Case company has introduced 20 products from 2008 to 2011. By May 2012 there were already eight new products introduced in 2012. If the number of new products introduced in three years is compared with the time period of five months, there should be only three (2,7) new product introductions. The result implies that in theory the technology used in the products and their manufacturing is developing more rapidly than in years 2008-2011, and the case company's research and development department has been effective.

Summarizing all decreasing losses, increasing turnover and decreasing negativity of ROE reflects growth and positive development of financial status, and future value of the case company (Farris et al. 2010).

In addition to positive financial signs, customer satisfaction is positive, number of local and foreign customers is increasing, and the reference base is getting wider. Green values, changing attitudes toward the environment, and aim for sustainability and environment friendly has set the demand of products like those of the case company high. The business is growing rapidly, and thus the threat of increasing competition is present. The case company is still a small company with extremely limited recourses. It does not have monetary recourses to compete with large corporations in the industry like Phillips. Even if the reputation of the case company is good, its financial status is improving and its customer base includes unique references, its future is still very uncertain.

5.2.2 Preparations for strategic utilization of social media

Pre-evaluations of the case company give a great motivation for beginning to utilize social media because it is cheap, and effective marketing and

communication channel. The planning phase begins by setting goals for social media utilization.

Just as Nair & Sidhu (2009) suggested there are only a few main goals selected, and they are simple, measurable and achievable. The main objectives are to generate leads, increase number of customers and attract potential investors and partners, and revenue in the future.

After setting the main goals, sub-goals are selected. Sub-goals are chosen to help to achieve the main goals and to track progress towards them. In order to achieve the main goals using social media, getting online attention among the target audience is the most important thing. Therefore the sub-goals selected for social media are: to increase awareness, generate buzz, attract and arouse interest among the target audience. There are not any specific financial goals determined in monetary terms, because benefits of social media are expected to be partly realized via non-financial goals in the future. Through social media goals, number of leads – partners and investors are expected to increase, and thus revenue gained in the future is expected to increase.

5.2.3 KPIs and monitoring tools

The goal setting phase leads to discovering methods, and tools for monitoring, measuring, and analyzing performance. Key performance indicators consist of both financial and non-financial indicators, and thus Maltz's et al. (2003) multidimensional framework is adapted to evaluate effects of social media and to track progress.

The financial indicators selected for the case company is return on marketing investment and return on investment. As there were no detailed financial goals selected for the case company, profitability of investing in social media is considered as financial KPI because the case company wants to leverage monetary benefits from its social media activities in the future. In addition, if social media proves to be a profitable investment there are still possibilities to improve returns gained from it, and thus investment calculations are considered as a suitable way to assess

financial performance on social media in this case. Return on marketing investment indicates profitability of the medium, and return on investment of social media indicates relation of monetary investment to mentions generated on social media. Information for measuring the financial indicators is collected using the case company's financial statement and social media mentions.

All the rest of KPIs selected for the case company are non-financial. Non-financial indicators are selected due to them being able to indicate most about the progress toward the goals set for social media. The mix of non-financial KPIs selected is wide, and they are divided into traditional-, internet/Web-, social media-, and applied indicators. Traditional non-financial marketing performance indicator selected for social media is brand equity. Internet/web marketing performance indicators selected are: impressions, net reach, cost-per-click, cost-per-thousand impressions, visits, new vs. returning visitors, traffic sources, referral traffic, contact efficiency, pages-per-visit, average visit duration, and bounce rate. Social media marketing performance indicators are: followers, mentions, buzz, digs, and in addition ROI of social media. Applied marketing performance indicators are: GRIP, GRIV, ITIP, and IOIP.

Because of the emphasis of this Thesis is on discovering effects of social media utilization, tools set for gathering and analyzing information focus on external monitoring (see Figure 3.). This means that instead of reporting actions made by the case company's employees, the outcomes caused by these activities are reflected, evaluated, measured, and analyzed.

Monitoring tools are selected to gather information for measurement of all non-financial KPIs of social media. Data for financial indicators is gathered manually. The monitoring tools selected for gathering non-financial information are Google Analytics, Google Alerts, SocialMention, and HootSuite. All tools but Google Analytics are free of charge (Google Analytics, 2011).

Google Analytics is selected because of the comprehensive set of information it provides (Google Analytics, 2011). In the case company it is mainly used for collecting and analyzing information about Web page traffic, visitors, and target audience. Google Alerts is selected for tracking what is being said about the case company, its products, news releases, and other publications. It sends an alert to preset email-address when it finds new results that match the search terms selected (Google Alerts, 2011). SocialMention is selected to be utilized alongside Google Alerts. It is similar to Google Alerts but it has been developed for social media. In the case company it is selected for tracking social media buzz, mentions, and sentiment of mentions. SocialMention is integrated in to a RSS-feed, and thus all new results are sent to preset email-address (SocialMention, 2011).

HootSuite is a social media dashboard that can be used to manage and measure company's networks (Hootsuite, 2011). In the case company HootSuite is used to manage company's LinkedIn- and Twitter-accounts, monitor mentions about the brand and analyze social media traffic.

5.2.4 Implementation

The social media channels selected for the case company are LinkedIn and Twitter. LinkedIn and Twitter are selected, because after careful "listening", the target audience of the case company appears to be involved in these channels.

After selecting the channels a team and rules for the team are formed. Social media team includes the researcher, Sales- and Marketing Director, and the CEO. The rules set for the users include communicating only in English, keeping publications quite formal, and posting link to the case company's web page on all releases and communication.

The channels and the team are selected, monitoring tools are set to track these channels, and HootSuite is set up to be used. Monitoring and data collection begin before any online action is made for the purposes of the research. Monitoring and gathering information for the purposes of the

measurement and analysis is constant, whether there is any activity in social media channels or not, and it consists of all tools selected for the case company.

Content that is published on social media includes company-related news, and matters. In addition team members constantly aim to discover new groups in social media that include members of the case company's target audience, and to engage in these groups, providing interesting content that adds value.

6. RESULTS AND ANALYSIS OF MEASURING EFFECTS OF STRAGIC UTULIZATION OF SOCIAL MEDIA

This chapter presents results of all measures, and metrics selected for the case company. Monitoring and measuring period was from September 2011 to April 2012. All equations used for calculations are presented in Appendix 1.

6.1 Financial measures

As mentioned before financial indicators selected were: ROMI and ROI of social media measured in monetary terms.

6.1.1 ROMI

ROMI is a relatively new marketing metric which differs from other ROIs on the initial nature of the investment. In general ROI calculations monetary recourses are “tied” up in the subject while in marketing the resources are “risked” and expensed in the current period. (Farris et al. 2010)

Return on Marketing Investment is the contribution attributable to marketing (net of marketing spending), divided by the marketing funds “invested” or risked (Farris et al. 2010). In this case ROMI is calculated using adaptation of social media as a marketing campaign. Equation for ROMI is derived from a set of different equations (see equations 7-11)

Revenue return to incremental marketing is the first equation used for calculating ROMI. (See equation 7.)

$$(Y_2 - Y_1)/(X_2 - X_1) \quad (7)$$

where, $(Y_2 - Y_1)$ is additional revenue generated by an incremental marketing investment and $(X_2 - X_1)$ is cost of that specific investment (Farris et al. 2010). Social media is expected to increase revenues by 10% from 170290,54 euros to 1873200,50 euros and thus $(Y_2 - Y_1)$ is 1873200,50 euros minus 1702909,54 euros. Adapting to social media in addition to regular marketing spending (62700 euros, including flyers, exhibitions and contact lists budgeted) is costing 67909,65 euros and thus

$(X_2 - X_1)$ is 67909,65 euros minus 62700 euros. Revenue return to incremental marketing results at 32,68 which is 3268%.

The second equation is revenue attributable to marketing. (See equation 8.)

$$Y_2 - Y_0 \quad (8)$$

where $Y_2 - Y_0$ is the increase in sales attributable to the whole marketing budget (Farris et al. 2010). Y_2, is 1873200,50 euros as social media is expected to increase revenues by 10% from 170290,54 euros to 1873200,50 euros, and Y_0 is 936600,25 euros as baseline revenues with no marketing are estimated at 936600,25 euros. Revenue attributable to marketing results at 936600,25 euros.

The third equation used for calculating ROMI is revenue return to total marketing. (See equation 9.)

$$(Y_2 - Y_0)/(X_2) \quad (9)$$

where $(Y_2 - Y_0)$ is the revenue attributable to marketing and (X_2) is the marketing budget (Farris et al. 2010). $Y_2 - Y_0$, is taken directly from equation (8) resulting at 936600,25 euros. X_2, is 67909,65 euros. Adapting to social media in addition to regular marketing spending is 62700 euros, (including flyers, exhibitions and contact lists budgeted) plus cost of social media. Social media is expected to cost 29,95 euros/month plus the consulting fees of 5000 euros, totaling at 5209,65 euros in the period of October 2011-April 2012. Revenue returns to total marketing results at 13,97 which is 1379%.

The next equation is the equation of return on marketing investment (ROMI). (See equation 10.)

$$[(Y_2 - Y_0) * Contribution\ Margin\ (\%) - X_2]/X_2 \quad (10)$$

where $(Y_2 - Y_0) * Contribution\ Margin\ (\%)$ is the additional net contribution from all marketing activities and X_2 is cost of those activities (Farris et al. 2010). $Y_2 - Y_0$, is taken directly from equation (8) and

contribution on revenues after parts and labor is expected at 24,1%. X_2, is totaling at 67909,65 euros. ROMI results at 2,32 which is 232%.

The last equation is return on incremental marketing investments (ROIMI). (See equation 11.)

$$[(Y_2 - Y_1) * Contribution\ Margin\ (\%) - (X_2 - X_1)]/(X_2 - X_1) \quad (11)$$

where $(Y_2 - Y_1) * Contribution\ Margin\ (\%)$ is the incremental net contribution due to the incremental marketing spending and $X_2 - X_1$ is amount of incremental spending (Farris et al. 2010). $Y_2 - Y_1$, is 1702909,96 euros, contribution margin 24,1%, and $X_2 - X_1$, is 5209,65 euros (67909,65 euros minus 62700euros). Return on incremental marketing investment result at 6,87 which means 687%

According to Farris et al. (2010) the marketing spending is deemed as justified if the ROMI is positive. Social media utilization is justified in this case as ROMI resulted at 232%. However it is important to remember that the expectations presented previously are only estimates, and thus do not necessary get realized.

6.1.2 ROI

In this context ROI of social media is measured using impressions of the company's social media profiles as returns. Information for impressions was gathered using SocialMentions and Google Alerts. Note that impressions used in ROI calculation here are not the same as those impressions that are calculated in the context of internet/Web measures and metrics. Even if ROI is calculated using simple equation (12), it gives valuable information about investing in social media. Equation of ROI was tailored for this research as data for returns of social media was not available. (See equation 12.)

$$\frac{Impressions\ (Frequency)}{Investment\ in\ social\ media\ (Euro)} \quad (12)$$

Impression of social media from the research period from October 2011 to April 2012 is 993, and investment in social media is 5209,65 euros

including social media costs (29,95 euros/month) and social media consulting fees (5000 euros, no consulting fees were paid in October 2011 and in April 2012). Social media ROI results at 0,19 which means in this case that by each euro invested in social media the case company gained 0,19 impressions in social media.

Even if ROI is positive it should be improved or at least compared with previous ROI calculations. If the ROI improves in the future, then investing in it becomes even more profitable. In this case this is not possible as this is the first time ROI of social media is calculated for the case company.

Using actual monetary returns would provide even more valuable information. This would have required careful tracking of customers and how they made their purchasing decision, and tracking sales on to social media.

6.2 Non-financial measures and metrics

There are multiple non-financial measures and metrics to choose from, and thus they are divided to four categories: traditional-, internet/web-, social media- and applied metrics and measures.

6.2.1 Traditional non-financial marketing measures

Traditional non-financial measures are those measures that are generally used among all marketers. It is important to know whether social media has affected these traditional non-financial marketing measures or not.

Brand equity

Measuring brand equity in social media is complicated, but it can be measured by using brand name or employees names (Farris et al. 2010; Bick 2009). In this case brand equity is measured using the name of the brand ‘Greenlux’. Numbers for the calculations are collected from Google Analytics during March 2011- April 2012. This timeframe is selected because it is important for the research’s validity to compare numbers from periods similar in duration. Each month is investigated separately in order to conclude the trend in keyword usage (See Figure 4.)

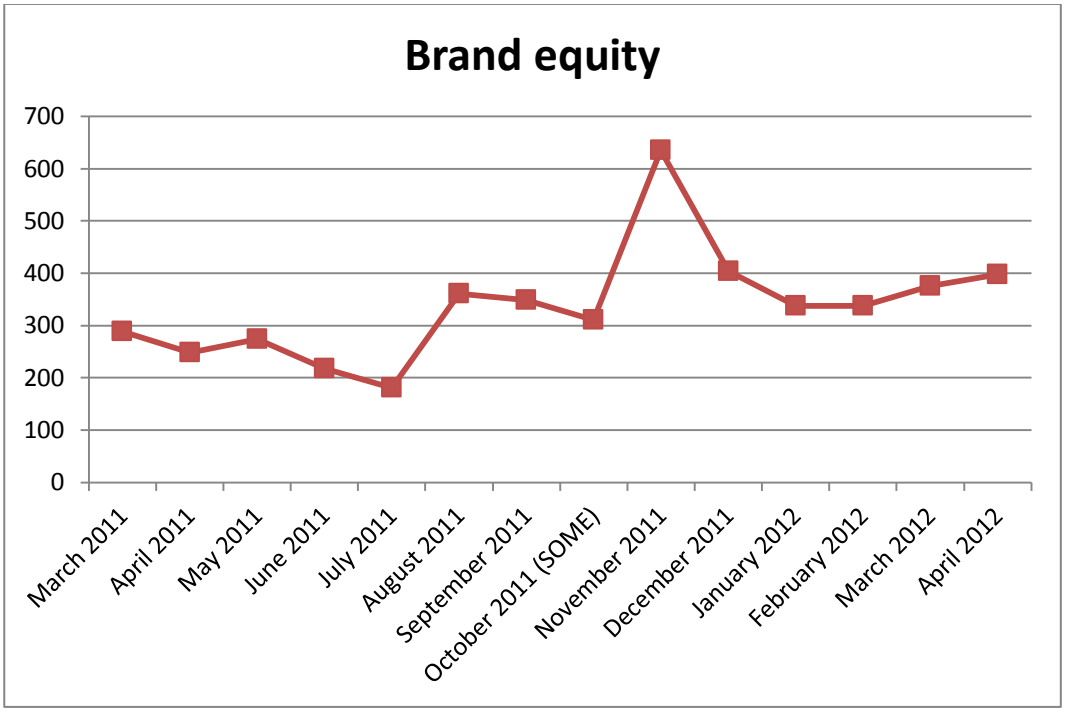

Figure 4. Brand equity using brand name 'Greenlux'

After beginning to utilize social media in October 2011 there is a remarkable increase in usage of the keyword 'Greenlux'. According to Farris et al. (2010) if there is an upward trend in visitors in the company Web site, who searched by brand name – one knows that the efforts in social media are positively affecting the brand, and "buzz" has been created. At the time of these upward trends seen in Figure 4, social media utilization can be claimed to have generated buzz and affected positively on the brand.

During December and January the curve of brand equity declines. The reason for this decline should be attempted to find out. Some researchers have studied the effects of holiday seasons to business activity. Miron & Beaulieu (1996) found that business activity declines in summers and Christmases among B2B companies. In addition these declines in business activity seemed to occur especially in European countries (Matas-Mir & Osborn, 2003). Findings of Miron & Beaulieu (1996), and Matas-Mir & Osborn (2003) could be able to explain why the curve of brand equity declined during winter holidays.

The peak that occurred in July 2011, before social media utilization, was caused by something else than the social media actions of the case company, so it isn't taken into consideration for analysis.

6.2.2 Internet/ Web metrics

In this part all measures concerning Web/internet are presented. Some of the metrics are modified to relate better to what is wanted to be measured. Internet and Web metrics are included in the research as social media is most likely to have an effect on Web page variables. Equations used in this chapter can be found in Appendix 1.

Impressions

Impression is generated each time a link or advertisement is viewed. Note that impressions presented here are not the same as the ones used in ROI calculation before. The number of impressions achieved is a function of a link's/ad's reach. It is calculated by multiplying the number of people who have seen the ad, by the times they have seen it. Impressions are called exposures-to-see (see equation 13). (Farris et al. 2010)

$$Number\ of\ people\ seeing\ the\ ad\ x\ Number\ of\ times\ people\ are\ seeing\ it \quad (13)$$

Impressions are used for understanding how many times a link or an ad is viewed. In this research 'ads' are considered as case company's Web page. The information for measuring impressions is collected from Google Analytics. Impressions does not add much value in analyzes if they are examined only once. This is why it is important to compare different spans of time to each other, and thus impressions before-, at the beginning- and at the end of the research periods are compared with one another.

According to data gathered from Google Analytics, most (61,65%) of the visitors has visited the company Web page once. The rest of the people are assumed to have seen it twice. This assumption is made because, according to Google Analytics, most of the visitors that came to the Web page visited once or twice. The rest of the people visited more than that, but the fraction of these people is so small that it does not have a big

effect on impressions and thus they are not included in the calculations. The assumption that is made for impression calculations affects the reliability of the result.

According to data gathered from Google Analytics, 426 people out of 589 have seen the case company's Web page once, and 163 twice in March 2011. Impressions resulted at 752 which implicates that the reach of the case company's Web page is 752 in March 2011. According to information gathered from Google Analytics 526 people out of 799 saw the Web page once and 273 twice in October 2011. Impressions resulted at 1072. This means that people viewed the company's Web page 1072 times in October 2011 at the time of beginning to utilize social media. After beginning to utilize social media, the reach increased by 320. At the end of the research period 606 people saw the company's Web page once and 180 twice. At the end impressions resulted at 966. This means that company's Web page was seen by people 966 times. In order to notice development of impressions, all results are being presented in the same Figure. (See Figure 5)

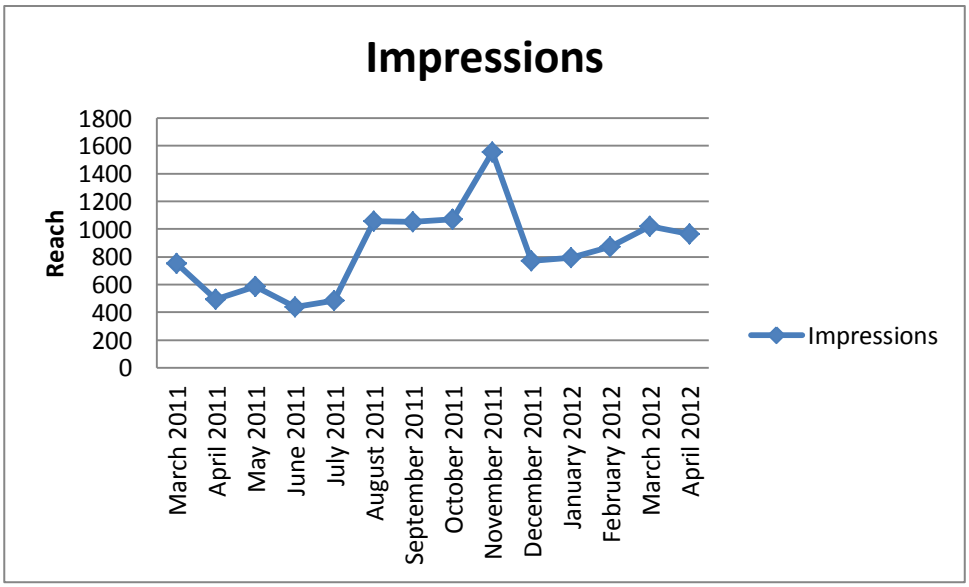

Figure 5. Impressions from March 2011 to April 2012

Exposures-to-see is changing all the time. Highest increase in Impressions month-by-month seems to appear in July 2011 - August 2011. Once again this increase in the curve of impressions is not analyzed in further detail as

it is not caused by the case company's own activities in social media. Social media utilization caused a peak in the curve of impressions as well, in October - November 2011. Similarly as with the curve of brand equity, impressions increase during October 2011 to November 2011. A month after beginning to utilize social media, impressions reached their top in the time-frame examined in this research. After the peak, impressions decreased dramatically. Decline occurs at the same time as with brand equity (see Figure 4.). Same as with brand equity, one of the possible reasons for the decrease is the seasonal variations in business activity - in this case winter holiday season and Christmas.

Net reach

Net reach measures unique viewers of an advertisement (in this research link). It is simply the number of people who receive an advertisement or clicked a link to read a certain Web page (Farris et al. 2010). Information for measuring Net reach is collected from Google Analytics in this research.

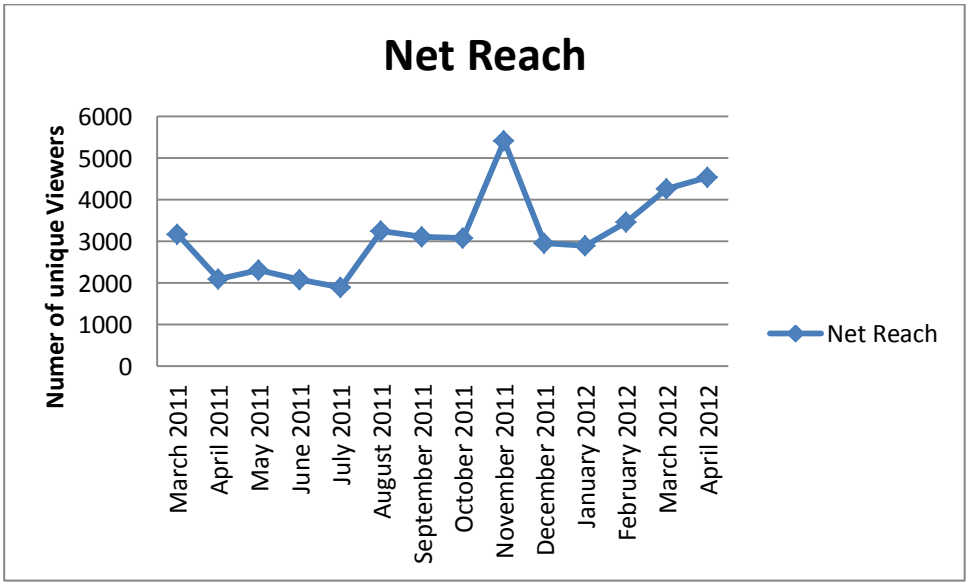

Figure 6. Net Reach from March 2011 to April 2012

Figure 6 above shows the variations in Net reach. Unique visitors collected from Google Analytics were used to generate the curve. The curve is looking similar with the curve of impressions and brand equity (see Figures

4 and 5). However Net reach -curve makes even steeper increase at the time of when social media began to be utilized. The reason for the steep increase in the unique page views could be simple. A link to the company's Web page was added to every social media release. These links attached to the releases might be the reason why the curve is turning upwards so steeply. This might implicate that people are following the case company in social media, and thus ending up clicking links attached in social media releases. After the increase there is similar decrease, same as that with Brand equity, and Impressions.

All curves behave similarly but in order to understand to which social media winter holiday season affected the most, increases and declines are compared with one another using percentage changes.

Table 3. Increase that occurred in October 2011 to November 2011

Measure	October 2011	November 2011	Change(%)
Brand equity	310	635	104,9
Impressions	1072	1556	45,1
Net Reach	3079	5406	75,6

As can be seen in Table 3, implementation of social media seems to have dramatic effects for these metrics. The metric affected most was Brand equity. The increase of 104,9% in Brand equity might be caused by the increased 'buzz' generated by implementation of social media. However, it would require further study to conclude whether it was social media or some other external factor that caused the increase. At least, the increases timing with the implementation of social media indicates that it did have a positive effect on Brand equity. Net reach increased by 75,6%, which is very significant. Impressions was affected the least, but it still increased by 45,1%.

Table 4. Decrease occurred in November 2011 to December 2011

Measure	November 2011	December 2011	Change(%)
Brand equity	635	403	-36,5
Impressions	1556	770	-50,5
Net Reach	5406	2957	-45,3

According to Table 4, winter holiday season affected most on impressions which declined by 50,5%. Decline was quite significant with Net reach (-45,3%) and brand equity (-36,5%) as well. It is interesting to find out that the metrics that increased the most from October – November 2011, decreased the least in the winter holiday season.

There were differences between increases of the curves after the decline as well. The reason why this is analyzed is to find out which of the curves reacted fastest to increasing business activity.

Table 5. Increase occurred in January 2012 to April 2012

Measure	January 2012	April 2012	Change(%)
Brand equity	337	397	17,8
Impressions	794	966	21,6
Net Reach	2893	4536	56,7

The curve of Net reach appears to climb more rapidly than Impressions or Brand equity (See Table 5.). This might imply that after winter holidays, business activity increases, and so does social media activity. As mentioned before, links to case company's Web page were attached to all releases on social media and if the activity on social media increases so does Net reach. Increase in Impressions (21,6%) supports this claim in addition as they are affected by people seeing the case company's Web page. It is interesting to find that Brand equity, which increased most rabidly from October to November, was also the slowest to recover after the winter holidays.

To conclude, the fluctuations in these metrics and the reasons behind them require further research. It would have required more careful note-taking and analysis during the time when these dramatic fluctuations occurred to understand this phenomenon. One possible explanation is the content of the releases, particularly the appeal of them. The company would have needed to listen to the target audience more closely and to change the style of releases accordingly to keep the appeal up.

Cost-per-click

Cost per click is commonly used for charging sponsored search advertising but it can be also used as a metric to measure how much each click on desired link costs (Jeffery, 2010). This metric has a strong relationship with search engine optimization and content optimization of a company's Web page (Duguleana & Duguleana, 2008). (See equation 14)

$$\frac{Cost}{Click} \tag{14}$$

Cost-per-click is calculated by dividing advertising costs by number of clicks generated. Cost-per-click is used to measure the cost-effectiveness of advertising (Farris et al. 2010). In this research there is no advertisement bought from external sources, so costs are considered as money invested in social media.

Costs of utilization of social media are considered as costs that can be derived directly to social media. (See table 6.)

Table 6. Costs of social media

Costs	**Euros/ Month**
Cost of social media	29,95
Cost of consulting	1000
Total	1029,95

Clicks are considered as visitors of the case company's Web page. Note that for this measure an assumption is made that all visits were caused by social media and the links attached to the social media releases. The

assumption made for the metric affects its reliability, as it is not quite realistic that all traffic to the case company's web page came from social media.

To calculate this metric all visits are summed from the time period of October 2011 to April 2012, and costs are summed together from the time period of October 2011 to April 2012. According to Google Analytics there were 7444 visits in the time period of October 2011- April 2012 and the costs of social media were 5209,65 euros. Note again that there were no consulting costs in October 2011 or April 2012. CPC results at 0,69 which means that the company paid 0,69 euros for every visit in their Web page during the research period. Without the consulting costs the CPC would have been 0,028 euros per visit in the company's Web page.

To discover whether the price paid for every visit was worth it CPC should have been compared to sales, cost reductions, number of leads or should have been reflected to first contacts concerning purchasing intention generated through these clicks (Creese, 2003). For this research, this was not possible, because the case company could not provide this information.

Cost per thousand impressions

Cost per thousand impressions is a measure of cost per advertising impression reckoning impressions in thousands. This metric is used to measure cost-effectiveness of the generation of impressions (Farris et al. 2010). (See equation 15.)

$$\frac{Cost\ of\ advertising}{Impressions\ generated\ (in\ thousands)} \quad (15)$$

Costs for calculating CPM are the same as with CPC calculation. Impressions for CPM are calculated by summing all Impressions (presented in Figure 5.) together from the time frame of October 2011 to April 2012 resulting at 7053. In addition similar assumption is made - all Impressions were caused by social media. CPM results at 738,64 euros

which means that the case company paid 738,64 euros to generate thousand impressions. In other words the company paid 0,73 euros to generate one impression. Same as with CPC, the assumption made for CPM effects on its reliability, and thus the result should not be considered as realistic.

Visits

Visits usually refer to the number of viewings of web site. Analyzing visits it is possible to find out whether social media has had an effect on it. This is a method to analyze audience traffic on a company's web page (Farris et al. 2010). Google Analytics is used to collect information for this metric. (See Figure 7.)

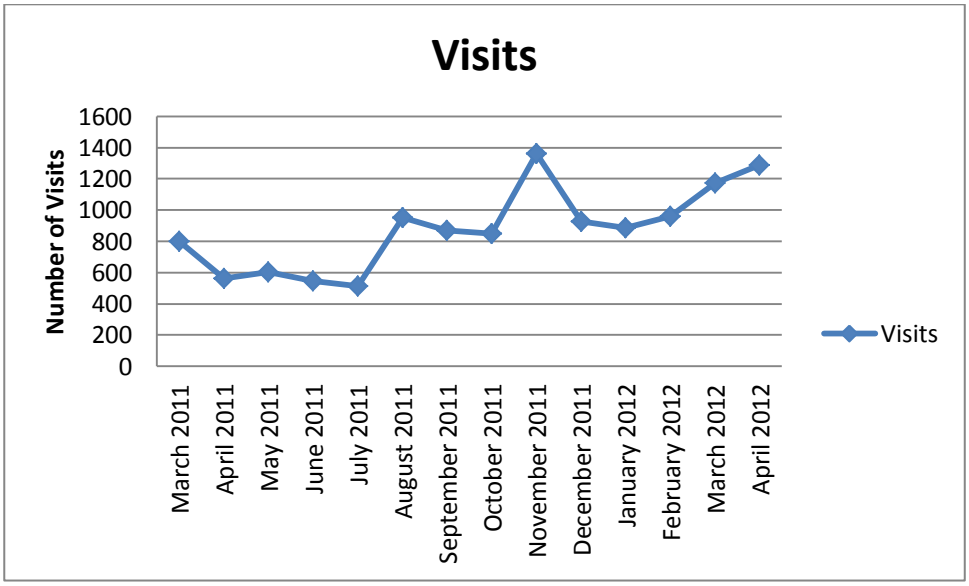

Figure 7. Visits in the case company's Web page

Number of visits has mostly increased after social media was adapted to case company's marketing and communication. Despite the decrease in visits in December 2011 (again similar decrease as with Brand equity, Impressions, and Net reach), the overall development of visits is showing positive signs. This might imply that social media has a positive effect on this measure.

Even if visits have increased, further information is needed. Visits alone do not give much of valuable information, and thus information about visitors

themselves and their behavior on the Web page is needed to be examined.

Pages per Visit, Bounce rate, and Average visit duration

Pages per visit measures how many pages a visitor views during one session (See Figure 8.). Pages per visit increased during September-October 2011, and decreased in August 2011 and November 2011. When number of pages viewed is decreasing it might imply that the information looked for on the web site is found more easily than before, or number of accidental visits is increasing.

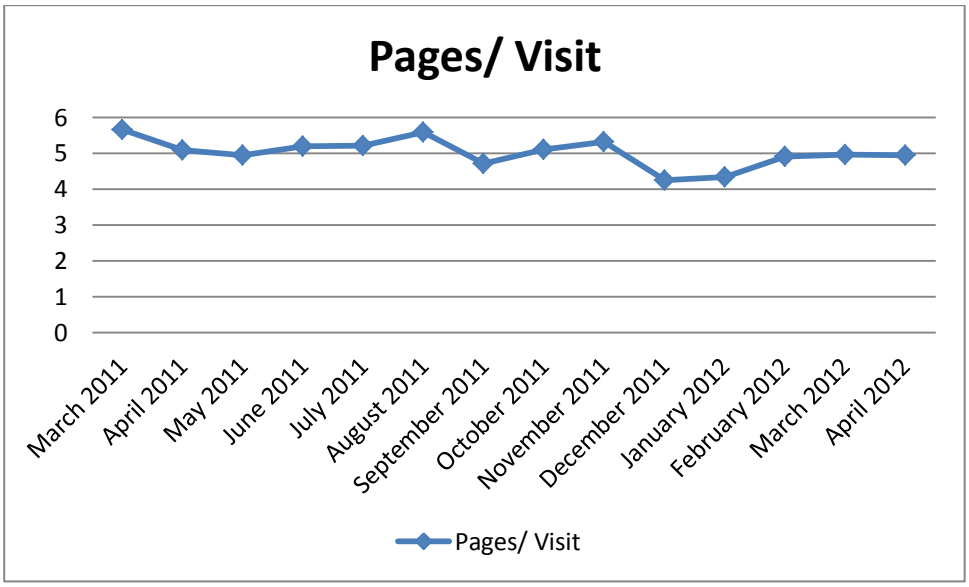

Figure 8. Pages/ visit

By calculating and examining Bounce rate it is possible to conclude what is the reason for decreasing number of Pages/visit. Bounce rate is a fraction of website visitors who view a single page, and then exit the Web page (Google Analytics, 2011). (See Figure 9.). Bounce rate can be considered as an indicator of website's relevance and ability to generate visitor interest (Farris et al. 2010). This metric is calculated by Google Analytics, which makes it much easier to measure Bounce rate.

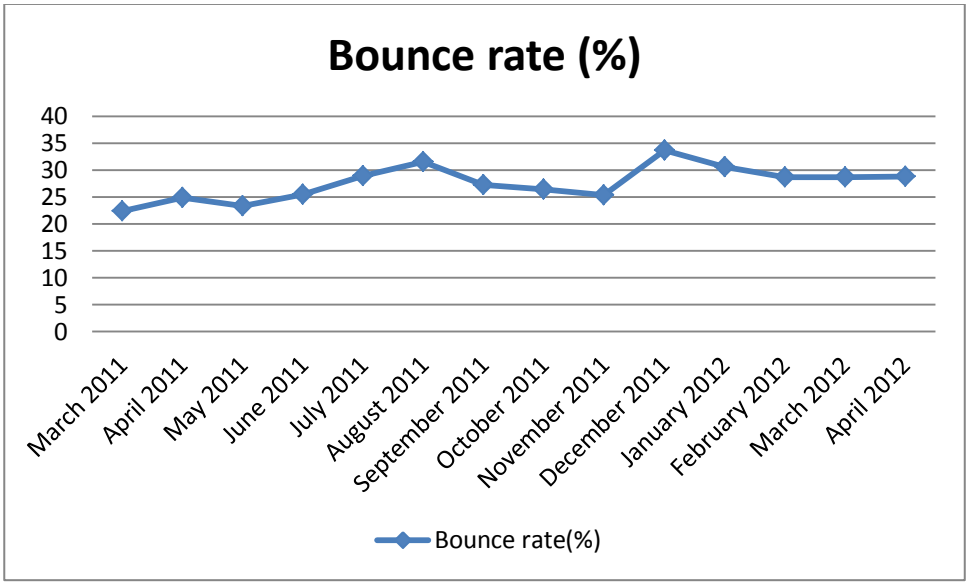

Figure 9. Bounce rate (%)

As Figures 8 and 9 shows while the Bounce rate goes upward, Pages/visits goes downwards as in e.g. November 2011. This phenomenon might be caused partly by social media as some people clicked a link posted on social media and then ended up on the company's website by accident.

Positive about both Bounce rate and Pages/visit is that after beginning to utilize social media they have developed mostly to the desirable outcome. Bounce rate has been decreasing and Pages/visit increasing. Pages/visit turns downwards in December 2011 similar with Net reach, Impressions etc. Winter holidays were suggested to be the cause of declines of the curves, and it seems that winter holidays affect to Pages/visit also.

Time in site/ Average visit duration implies how long people stay in company's Web page in average (Figure 10.) Time in site, previously mentioned Bounce rate, and Pages/visit are related with one-another (Evans, 2008). In this Thesis the metric is measured by using Google Analytics.

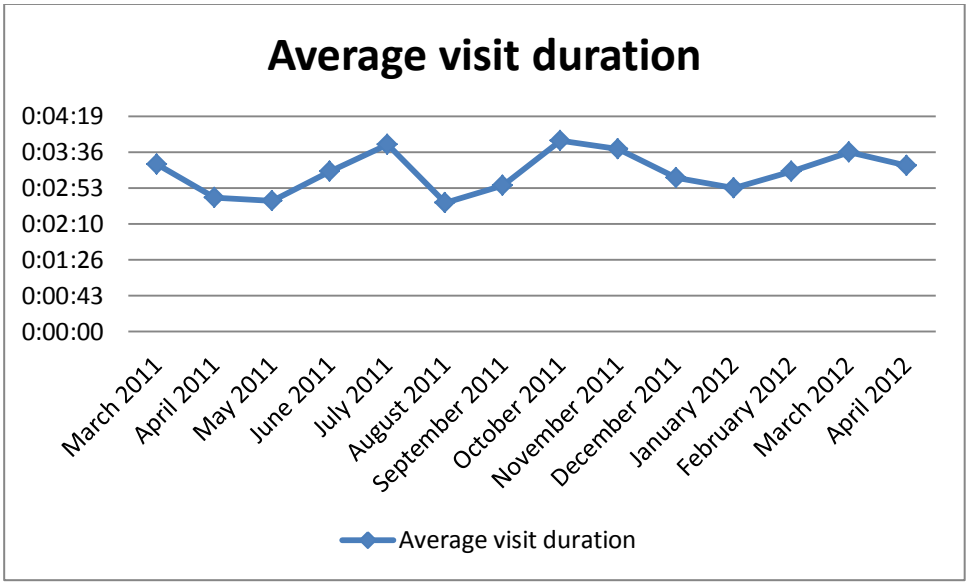

Figure 10. Average visit duration

Curve of average visit duration should look similar with Pages/visit, as more pages people views the more time they should be spending on the website. In addition average visit duration should be related to bounce rate similarly as pages/visit. In this research findings concerning relations of average visit duration to pages/visit and bounce rate were not supported. Perhaps this unusual phenomenon could be caused by social media, as links attached to social media led directly the specific Web page in which the news release was published on? A hypothetic explanation for the phenomenon: People who came to the case company's Web page by following a link attached to social media release ended up directly on desired Web page. After this they viewed a few previous news releases as well making bounce rate decrease and pages/visit increase.

As the number of visits continuously increase, it is interesting to examine whether visitors are new or returning visitors. The Figure for new vs. returning visitors is built on the information gathered from Google Analytics. (See Figure 11.)

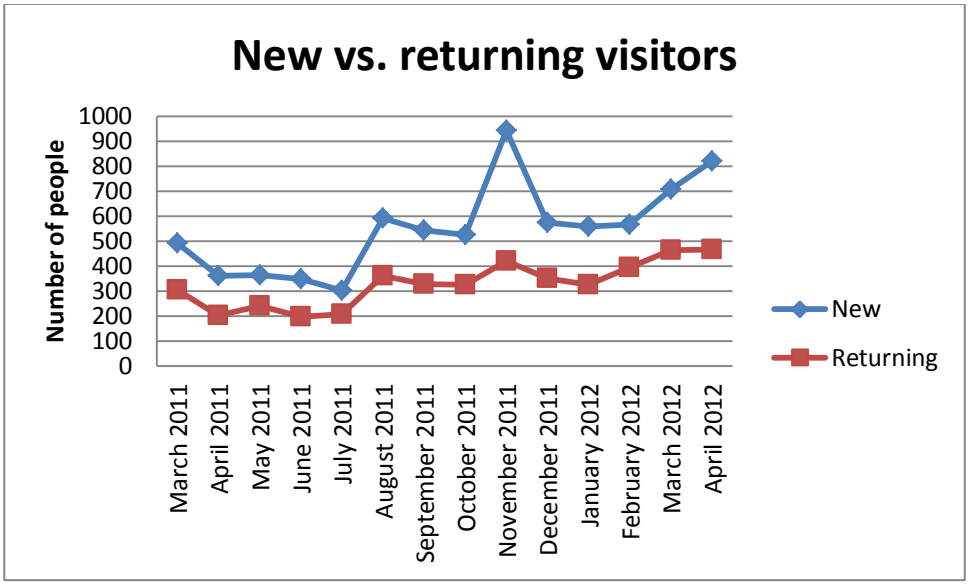

Figure 11. New vs. returning visitors

As the Figure 11 shows there are more new visitors than returning. Only in January 2012 the number of returning visitors increased more than number of new visitors. As for social media utilization number of both new and returning is implying positive signs as both of them increased at the time of social media started to be utilized. In the end of the research period number of returning visitors stabilized while number of new visitors continued its upward trend.

In addition to New vs. returning visitors Contact efficiency is a good measure for evaluating visitor loyalty. Contact efficiency measures relationship between occasional visitors and visitors who return to the web page. This metric gives an insight how many people really follow the company's web page (McDonald & Mouncey, 2009).

$$\frac{Active\ visitors\ (pcs)}{Visitors\ (pcs)} \tag{16}$$

where $Active\ visitors\ (pcs)$ are those visitors who came to the case company's Web page more than once, and $Visitors\ (pcs)$ are all the people who came to the case company's Web page. Contact efficiency is calculated using Google Analytics and by examining numbers for the whole research period (March 2011-April 2012) (McDonald & Mouncey,

2009). $Active\ visitors\ (pcs)$is 4595 and $Visitors\ (pcs)$ is 12293. Contact efficiency results at 0,37. According to calculations contact efficiency is 37%. This means that 37% of visitors returned to the case company's Web page during the research period. In theory 37% of the visitors can be claimed to follow the case company's web page at least at some extent quite actively.

Traffic sources

Traffic sources give important information from where people came to the company's Web page. All information for these analyses can be gathered from Google Analytics. The Figure 12 below presents sources, from where people came to the case company's Web page.

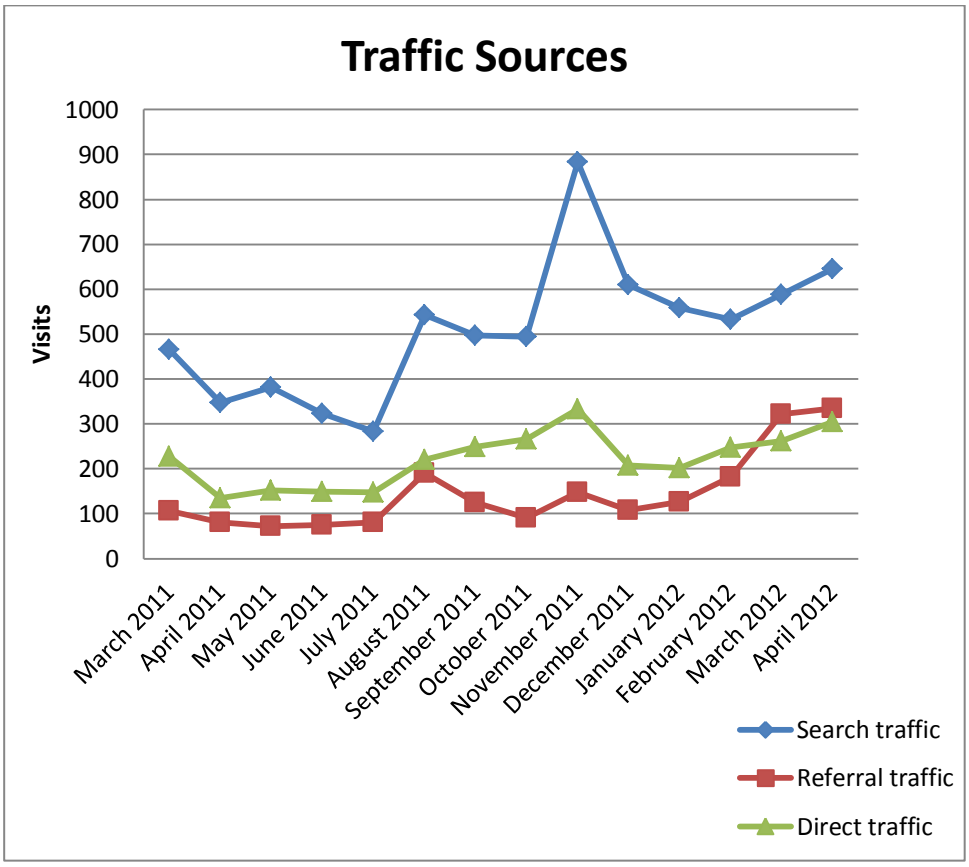

Figure 12. Traffic sources to the case company's Web page

Search traffic (the blue curve with a diamond in the Figure 12) represents number of people who came to the Web page via any search engine (for example Google and Bing) by clicking on links on a search result page.

According to Practical eCommerce (2012) if there is any search engine traffic it usually indicates a good or reasonable good content in the Web page (Practical eCommerce, 2012). Figure 12 presents clearly that the search engine traffic is the major source of traffic to the case company's Web page. According to information collected from Google Analytics the most used search engine is Google (94,81%), and the second most used is Bing (3,16%). The curve peaks dramatically upwards in October 2011. The timing of the peak implicates that social media had an effect on search engine traffic.

Direct traffic (the green curve with a triangle in the Figure 12) shows visitors that came directly on the company's Web page. When a visitor types the company's URL into the browser's address bar, clicks on a bookmark, or on a link in an email, direct traffic is generated. Direct traffic has a connection to brand strength, to success in email marketing, and to offline marketing success (Practical eCommerce, 2012). The curve of Direct traffic is quite stable comparing with the curve of the Search traffic. The changes are not as radical, nor quick as in the case of the curve of the Search traffic. Like in the case of the curve of the Search traffic, the top of the curve of the Direct traffic was reached in November 2011. Since January 2012 the curve of Direct traffic has been upward and almost reached the previous top. In theory it can be claimed that the case company's brand has been strengthened, and offline marketing achievements have been positive most of the time since the research began.

Referral traffic (the red curve with squares in Figure 12) is those visitors who came to the Web page by clicking on a link on another Web page (Practical eCommerce, 2012). Referral traffic has increased from the beginning of the research. The number of referral traffic has increased by 229 (from 106 to 335) in the time period March 2011- April 2012, for instance. It is clear that the significance of the referral traffic is continuously increasing. Referral traffic is even greater than direct traffic despite the positive development of that metric too.

According to Practical eCommerce (2012) positive development in referral traffic can indicate social media marketing success. How much referral traffic was caused by social media is an important question. The answer to the question can be founded easily using Google Analytics.

In Figure 13 below, referral traffic is presented separately to gain a deeper understanding. (See Figure 13.)

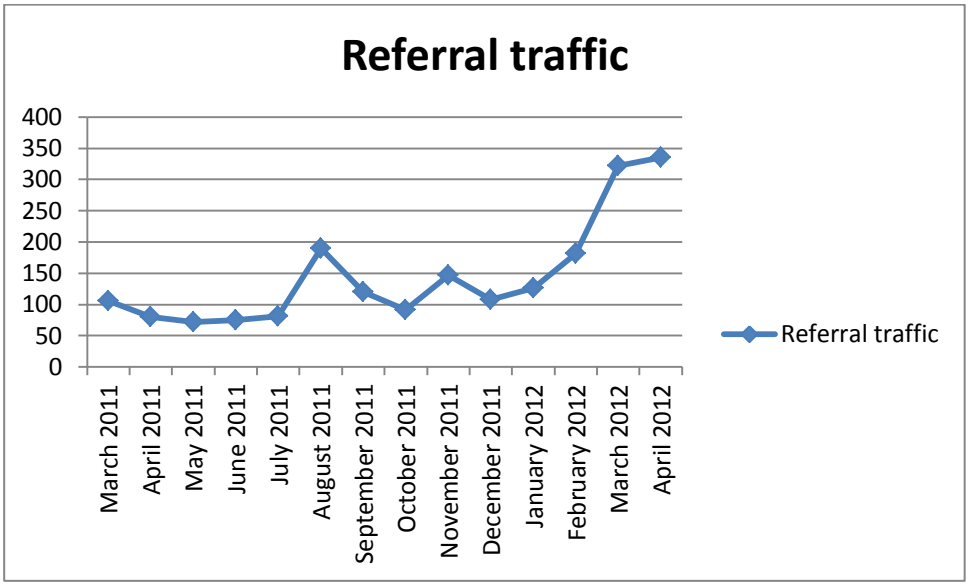

Figure 13. Referral traffic

Referral traffic has increased dramatically since March 2011. There is similar but not as steep variations in the curve of Referral traffic as in the curves of Impressions, Brand equity, Net reach, and Visits. One of the most obvious differences to those is the more radical increase that occurred in referral traffic in July 2011-August 2011. However this increase is not examined in further detail as it was not caused by the case company's online activities. The curve of Referral traffic increases a bit in October 2011 and more dramatically after winter holiday season (December 2011).

It is important to find out whether there is a connection between increase in referral traffic and social media. In order to connect these two, social media is needs to be examined as a part of referral traffic. Figure 14

presents referral traffic caused by social media. Information for the curve is collected using Google Analytics.

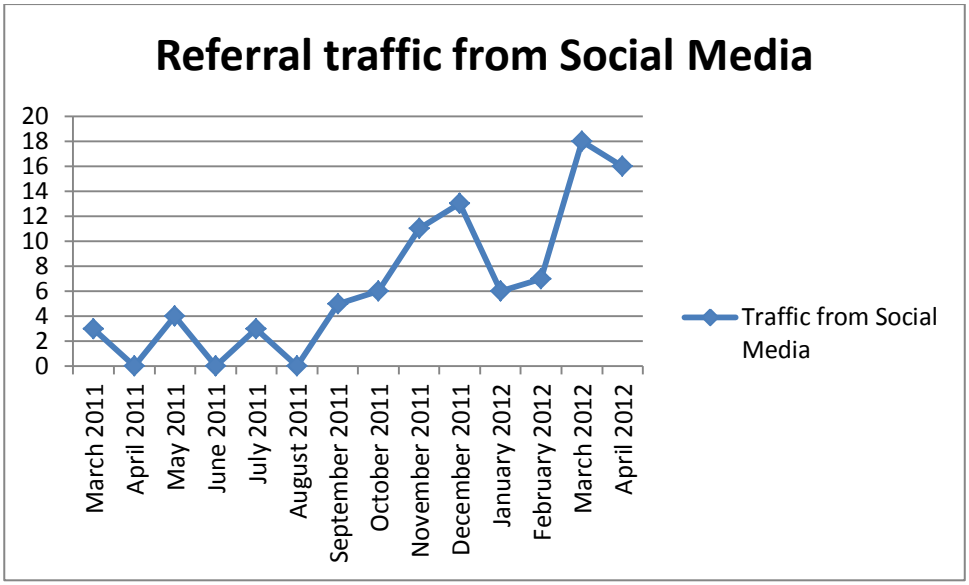

Figure 14. Referral traffic from social media

Before the case company adopted social media to their marketing, all traffic generated from social media was caused by personal profiles of the case company's employees and company's partners in LinkedIn. This explains why there is referral traffic from social media before beginning to utilize social media officially in the case company's marketing and communication. The curve of Referral traffic from social media begun to increase already in August 2011 and the trend continued the same until the decrease in December 2011. This decrease of the curve followed again the same pattern as curves of Impressions, Net reach, Visits, and Brand equity. In January the curve turned upward until March 2012. This month was the official end of the research project – thus the case company's employees continued social media utilization by themselves, and the decline occurred in April 2012 might have been caused by decreased social media activity of the company.

In order to understand the meaning of social media as a part of referral traffic and its development, they should be combined together. (See Figure 15)

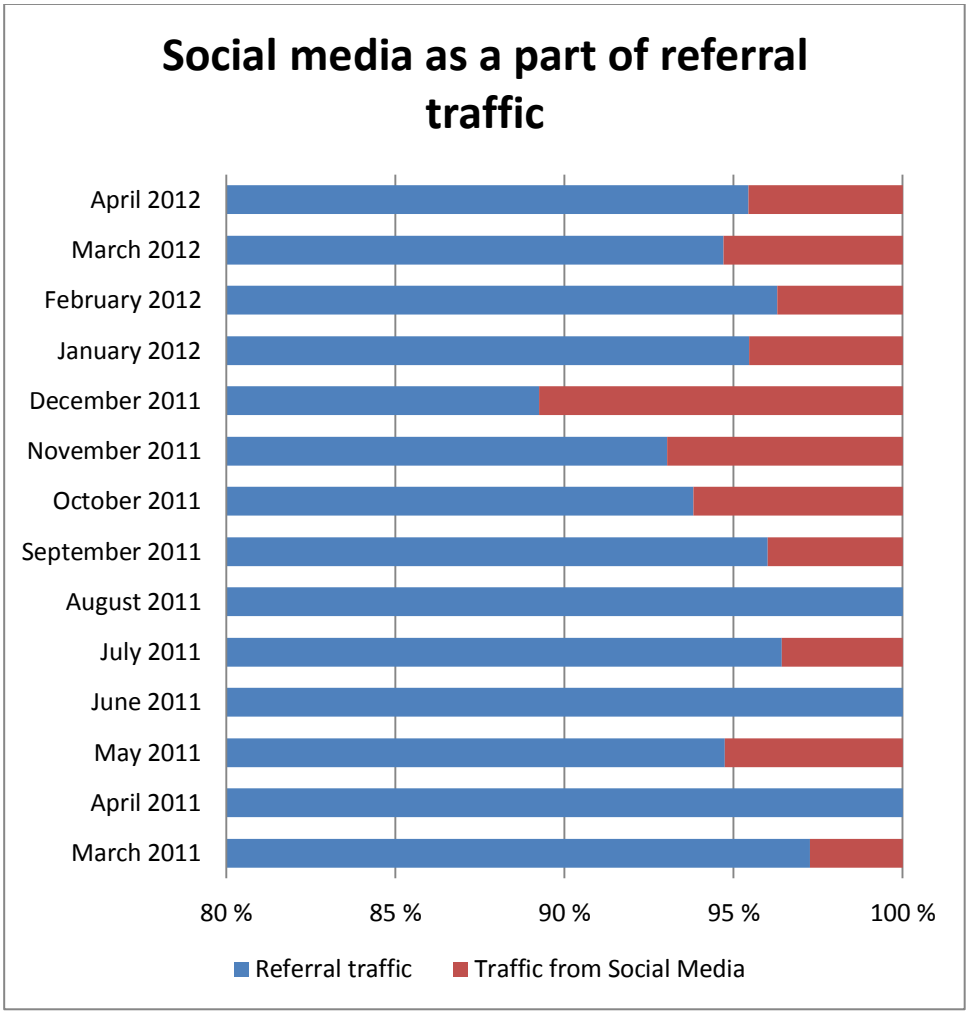

Figure 15. Social media as a part of referral traffic

Even if the flow of traffic that came from social media is still minor compared to all referral traffic it is has clearly become a continuous source of referral traffic since September 2011. Social media as a source of referral traffic was at its highest level in December 2011 after which it decreases dramatically (similar to impressions, net reach etc.). At the highest (December 2011) social media caused 12% of all referral traffic after two months of social media utilization. Before December 2011 social media caused referral traffic only occasionally.

Visitors' profile

Visitors are the number of unique Web site viewers in a given period. This analysis is useful in determining type of traffic coming to a website. Are visitors company's loyal customers or are they just occasional visitors. The

period over which these analyses are made is through the whole project – From October 2011 to April 2012.

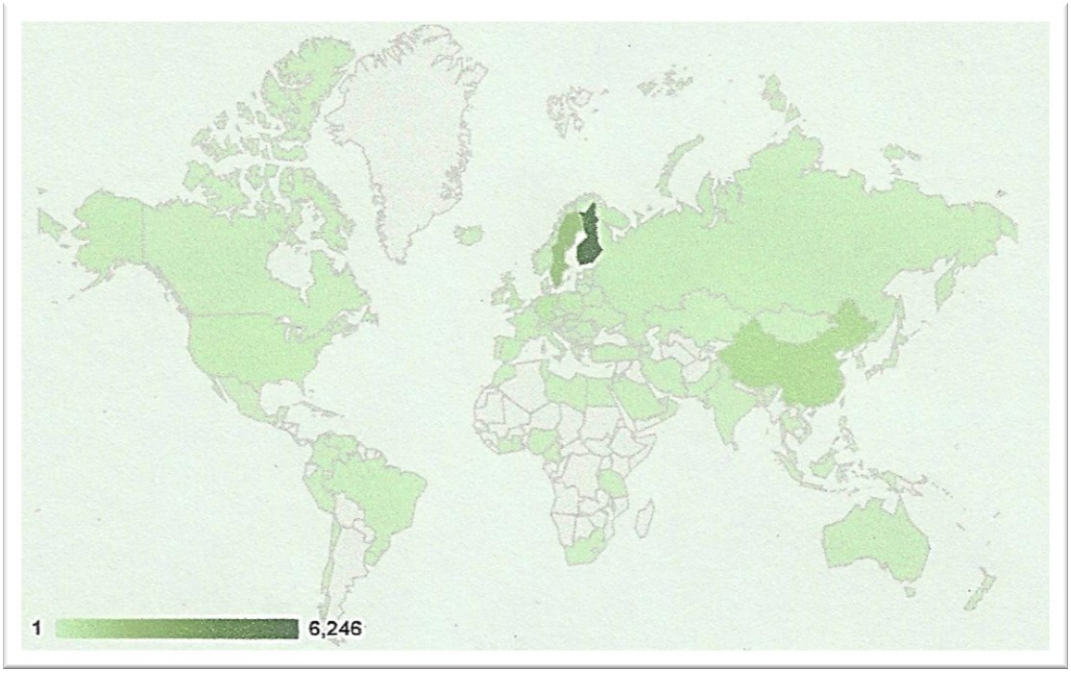

Figure 16. Distribution of visitors in the scale of the whole world

The Figure 16 above is taken from Google Analytics using a print screen. It provides an overall figure of where from the people visited the case company's Web page. More detailed distribution measured in percentages can be found below (see Figure 17).

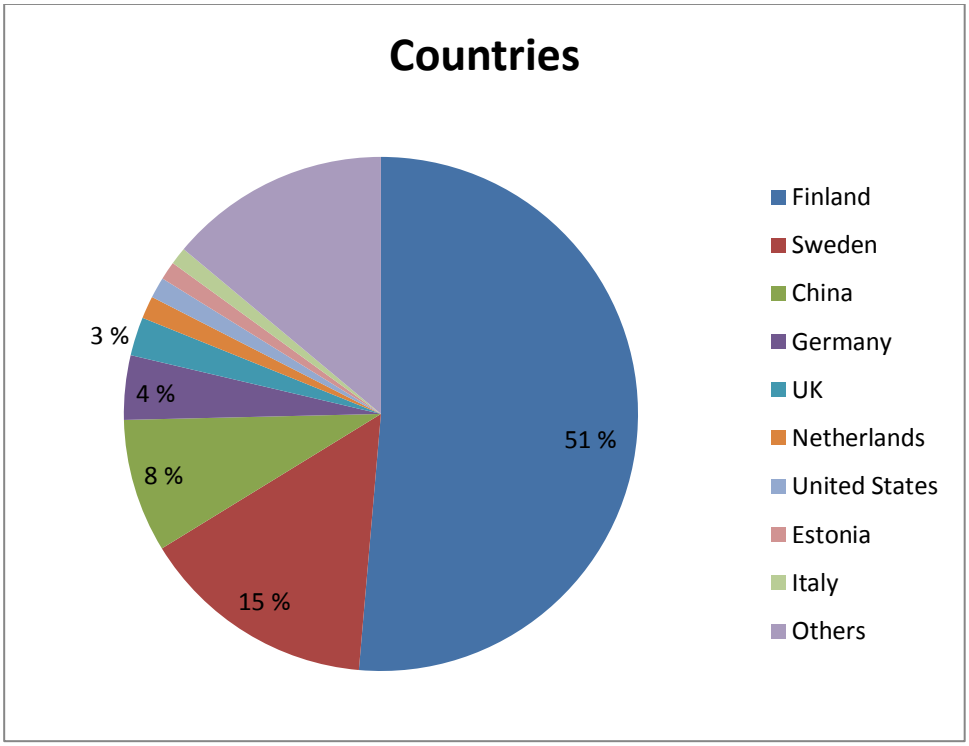

Figure 17. Countries of visitors from October 2011 to April 2012

According to information collected from Google Analytics, 51% of all visitors are from Finland, 15% from Sweden, 8% from China, 4% from Germany, and 3% from United Kingdom. The main languages visitors use were Finnish, English, Swedish, Chinese, and German. (See table 7.)

Table 7. Languages of the visitors

Rank	Language	%
1	Finnish	33,35
2	English	31,26
3	Swedish	13,5
4	Chinese	8,79
5	German	3,81
6	Spain	1,2
7	Russia	1,18
8	Polish	1,07
9	French	0,84
10	Dutch	0,7
11	Italy	0,69
13	Others	3,61

The case company's Web page is translated in three languages. These languages are Finnish, English, and Swedish. Most of the visitors' native language is one of these three languages. English and its rank (2.) can be explained by all content being published on social media in English. In addition links that were attached to publications on social media lead to the case company's Web page translated in English.

Social media seemed to have an effect on visitors as most of visitors were from Finland and Sweden before. During the research period there were visitors from most parts of the whole world. This implies that the case company gained attention from all over the world by adding social media as one of their communications channels.

6.2.3 Social media metrics and measures

Social media metrics presented here are a carefully chosen selection of different social media metrics that are collected from different sources. Metrics are selected to suit best the goals of this research and the case company. Equations used in this chapter are presented in Appendix 1. Note that social media profiles were established before any actual releases were published on them.

The Figure 18 below shows the development of the case company's activities on social media. There were altogether 17 different releases published on both LinkedIn and Twitter. The beginning was quite slow, but number of publications increased in January 2012.

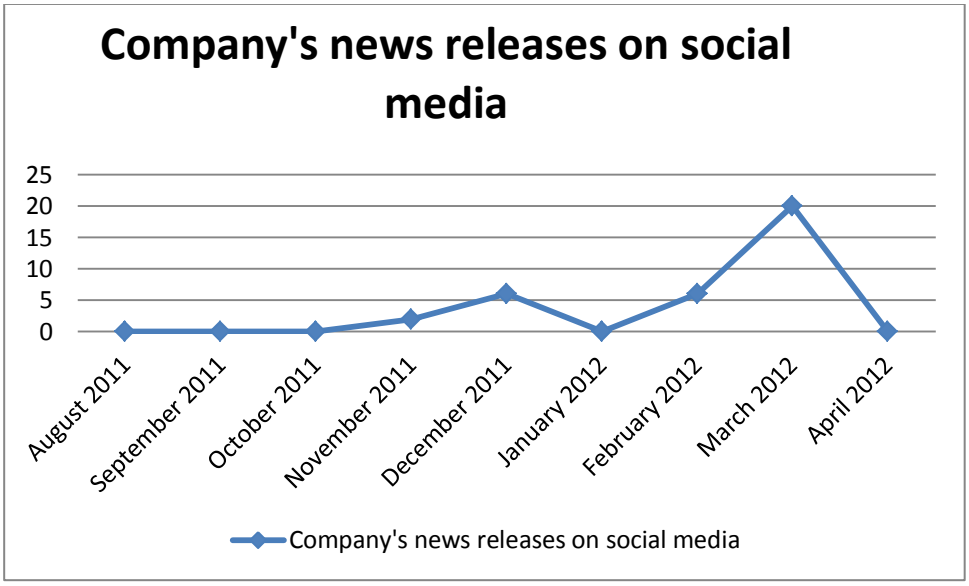

Figure 18. Number of releases on social media

Buzz

Buzz means mentions, discussions or other chatter about the brand or story (Farris et al. 2010). Buzz can be positive, neutral or negative. Buzz is a desirable thing when it is positive. Buzz is hard to measure but when buzz about the brand is positive there is more interest, more job applicants, more sales prospects, more media interest and an easier time for employees to get appointments with prospective buyers (Farris et al. 2010). In this Thesis SocialMentions and Google Alerts are being used to measure buzz. All that is considered as buzz are shown in Figure 19.

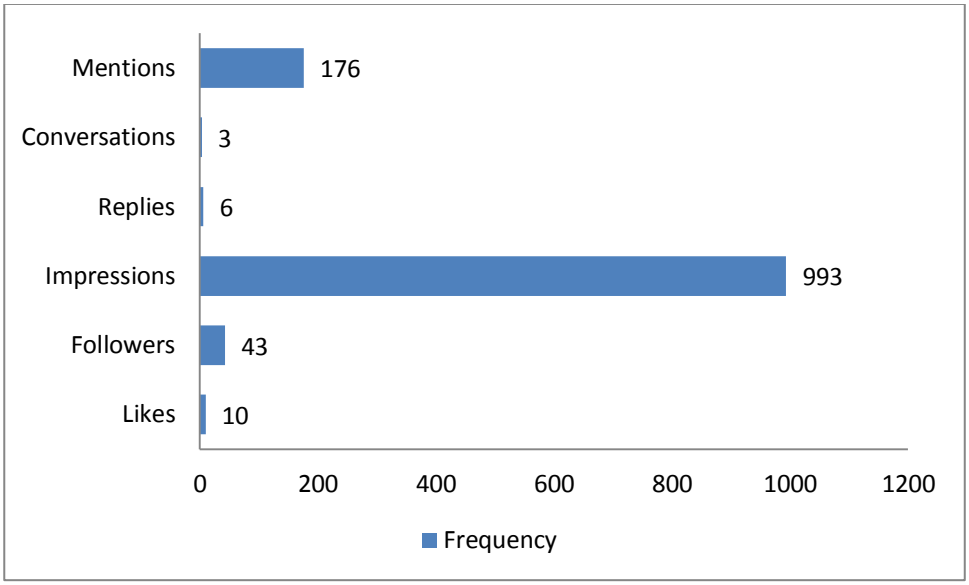

Figure 19. Buzz generated by social media

During October 2011-April 2012, activity in social media generated 176 mentions, 3 conversations, 6 replies, 993 impressions, 43 followers and 10 likes/diggs. These all are desirable outcomes as to generate them, there were only 17 different releases (see Figure 18).

Social mentions can be tracked down easily with different tools designed to monitor all mentions on different online platforms. Tools follow discussions and find specific keywords set by the marketer and whenever someone writes one of the keywords, the tool sends a notification to marketer's email. Social mentions are measured by using HootSuite, SocialMentions and Google Alerts.

As social media began to be utilized the case company started to gain followers (see Figure 20.). Followers per se are not a goal nor considered as "buzz", but are an indicator of being interesting. Followers were gained mostly on LinkedIn. This might imply that the target audience is more active on LinkedIn than on Twitter.

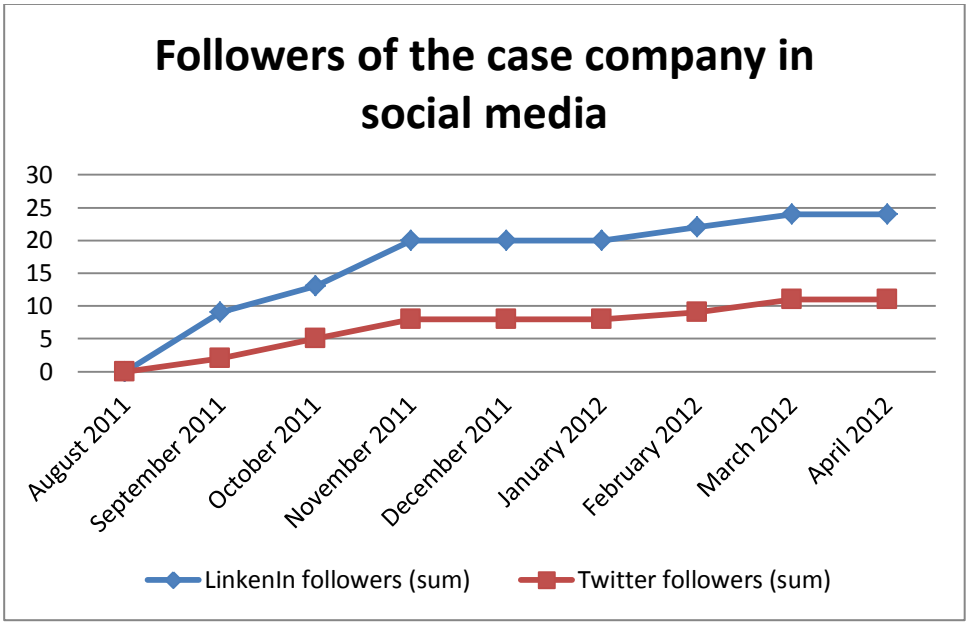

Figure 20. Followers of the case company in LinkedIn and Twitter

Followers were gained through LinkedIn much more rapidly than through Twitter. The curves are similar in shape but LinkedIn generated more followers for the case company. These are comparable platforms as there were no differences in releases on either of them. The case company gained 43 followers during the research period. Note that the reason why there are followers before September 2011 is because social media profiles of the case company were established before any actual releases were published on them.

Mentions as long as they are positive are a positive and attractive thing. Figure 21 below shows the development of mentions.

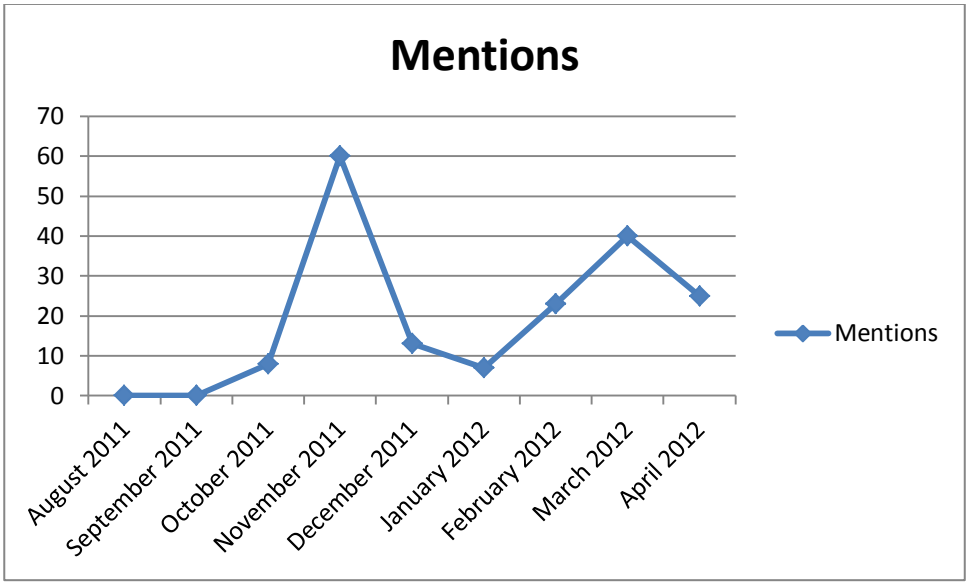

Figure 21. Mentions on social media

Mentions peak in October 2011, and again in January 2012. The case company was mentioned in online discussions 176 times during the research period. According to SocialMentions, all mentions about the case company were positive or neutral. The development of mentions is mostly following trend of activity of the case company (See Figure 18). It seems that the first releases on social media caused more mentions than ones released afterwards. Mentions were also created at the time when there had not been any releases yet.

Impression in this context means number of times the company's social media profile was viewed. Social media activities generated 993 visitors to the case company's social media profiles.

Diggs means likes in social media (Evans, 2008, 338). Usually anyone who reads a post in social media can tell their opinion of the release ether by writing about it (responding) or liking it (clicking "like"-button). Diggs are the number of times people pressed the "like" button in some of the case company's social media posts (Evans, 2008). By a simple equation, the 'Like rate (%) of the case company's posts can be calculated dividing likes by posts (See equation 17).

$$\frac{Likes}{Releases\ on\ social\ media} \quad (17)$$

There was 17 different releases on social media (all together 34 including both LinkedIn, and Twitter) during the research period. These 17 different releases on social media generated 10 likes. Like rate (%) results at 0,29. The result means that 29% of the posts published by the case company were liked in the social media. This is relatively good result compared to only 17 different releases on social media. What could have happened if the case company would have been more active on social media during the time period of seven months remains a question unanswered.

ROI of social media

As Hoffman & Fodor (2010) suggested measuring ROI of social media is tricky because its formation depends on goals set for social media. In this research ROI of social media is measured using mentions of the company in social communities as returns and releases on social media as investment. In this case time/effort invested in social media is used instead of monetary investment. ROI in which monetary investments in social media were used in equation was presented in the chapter of financial performance measures, and thus only non-financial ROI of social media is calculated hare (See equation 18.).

$$\frac{Mentions\ in\ social\ media\ (Frequency)}{Releases\ on\ social\ media\ (Frequency)} \quad (18)$$

Non-financial ROI of social media is calculated dividing mentions by posts on social media. Information about Mentions was gathered using HootSuite, SocialMentions and Google Alerts. There were 176 mentions about the case company during the research period. ROI results at 5,18 which means that the case company gained average 5 mentions for each post published in social media channels (both LinkedIn and Twitter). ROI of social media calculated using posts on social media as “investment” is quite interesting. It gives information about the quality of content published on social media. As every release on social media caused five mentions (average) conclusion can be made that content published was interesting enough and forth of replying.

6.2.4 Applied measures and metrics

Metrics and measures presented in this chapter are tailored and created by the researcher to suit best the case company's - and researcher's goals. Most of these measures and metrics do not exist in any academic publications, and thus their usage should be considered carefully.

These metrics are designed to measure relations between different measures presented before in this research (ceteris paribus). Measures and metrics are named by the researcher. The reason why applied metrics are presented here is to show that all metrics can be tailored and thus more relevant and detailed information which suits best for selected KPIs can be analyzed.

Growth of revenue related to increase in number of posts on social media (GRIP)

GRIP measures how changes in number of releases on social media are related to growth of revenue in a certain period of time (ceteris paribus) (See equation 19).

$$\frac{Growth\ of\ revenue}{Increase\ in\ releases\ on\ social\ media} \quad (19)$$

For this equation basic Growth calculations are used in order to find out the relations between growth of revenue and growth of number of social media releases. $Growth\ of\ revenue$ is 1702909,54 euros minus 590014,83 euros divided by 590014,83 euros.
$Increase\ in\ releases\ on\ social\ media$ is 34 minus 1 divided by 1. GRIP results at 0,057. As the number of posts increased by ~330%, the revenue of the company grew by ~189%. According to the result, relation of revenues to posts on social media is 0,06 which means that in theory when number of posts increased by 1%, the revenue increased by 0,06% (ceteris paribus).

The reliability of this metric, and thus result is speculative in this context because one cannot claim that revenue is solely affected by posts on social media. However this metric could be used in a larger research

which uses a data set of multiple companies and a longer research period. The numerator can be modified according to one's needs. For example GRIP could prove to be valuable e.g. in research where sales can be traced to social media, and thus examine the relationship between sales generated by social media and releases posted on social media.

Growth of revenue related to increase of website visits (GRIV)

Growth of revenue relative to increase of website traffic examines what kind of connection there is between website traffic and revenue. (Ceteris paribus). (See equation 20.)

$$\frac{Growth\ of\ revenue}{\text{Increase in Web page visits}} \tag{20}$$

For this equation basic Growth calculations are used in order to find out the relations between growth of revenue and increase of number of website visits. $Growth\ of\ revenue$ is 1702909,54 euros minus 590014,83 euros divided by 590014,83 euros. $Increase\ in\ Web\ page\ visits$ is 7444 minus 4849 divided by 4849. GRIV results at 3,8. Website traffic increased by ~50% and growth of revenue was ~189%. According to this equation the relation of web site traffic to revenue is 3,8 which means that when website visits increased by 1%, growth of revenue grew by 3,8% (ceteris paribus).

Once again the reliability of this result is speculative in this context because one cannot argue that Web page visits can solely cause such a growth in revenue. It would be more valuable to discover e.g. how website visits, and leads and/or sales are related to one-other.

Increase in referral traffic from social media related to Increase in number of posts on social media (ITIP)

This metric measure the effect of posts on social media related to referral traffic from social media in certain period. The aim of this metric is to measure how activity on social media affects the referral traffic (ceteris paribus). (See equation 21)

$$\frac{\text{Increase in referral traffic from social media}}{Increase\ in\ releases\ on\ social\ media} \quad (21)$$

Increase in referral traffic was calculated gathering data from Google Analytics. Referral traffic from social media was presented in Figure 14. $Increase\ in\ referral\ traffic\ from\ social\ media$ is 77 minus 15 divided by 15. $Increase\ in\ referral\ traffic\ from\ social\ media$ is 34 minus 1 divided by 1. ITIP results at 0,125. Increase of releases was 330% and increase of referral traffic from social media was 413%. The relation of posts to website traffic is 0,125 which means that when number of releases on social media increase by 1%, referral traffic from social media increases by ~0,13% (ceteris paribus).

Increase in number of orders related to increase in number of posts in social media (IOIP)

Orders present future income that has not been realized yet and does not exist in the balance sheet at the time. This is an interesting metric because there is a lot of speculation about social media utilization and whether it has a positive effect on sales. IOIP was calculated using basic Growth equations to calculate how increase in releases on social media is related to increase in number of orders (ceteris paribus). (See equation 22)

$$\frac{\text{Increase in number of orders}}{Increase\ in\ releases\ on\ social\ media} \quad (22)$$

$Increase\ in\ number\ of\ orders,$ is 46200 minus 15400 divided by 15400 and $Increase\ in\ releases\ on\ social\ media$, is 34 minus 1 divided by1. IOIP results at 0,06. There was a 200% increase in orders and 170% increase in posts on social media. According to this equation the relation of posts on social media to orders is 0,06 which means that when number of releases on social media increased by 1%, number of orders increased by 0,06% (ceteris paribus). The result's reliability can be speculated because orders were not able to be directly tracked to social media.

7. CONCLUSIONS

The aim of this research was to find out how the effects of strategic utilization of social media can be assessed. This main research problem was divided in to three sub-problems, to discover relevant financial and non-financial indicators and how they should be monitored and measured, and to what and how utilization of social media affected in the case company.

Answers to the main research problem are concluded through existing academic theory and secondary literary sources. As the usage of social media in companies' marketing is relatively new phenomenon there is only a limited amount of theory, and especially limited amount of academically reliable theory. Using social media as a strategic marketing communication channel is even newer phenomenon, and thus further research was required. In this research, dispersed literature concerning strategic utilization of social media in B2B marketing, monitoring and measuring was combined together and adapted to the case company.

Research methodology selected for this research was participatory action research, which led to the basic structure of conducting the research: analyzing the case company, creating a plan for change, implementing it and measuring the outcomes. Due to using this research methodology, effects of strategic utilization of social media could be concluded.

Social media must be utilized strategically in order to reap the benefits, because the benefits can't be achieved by merely being present in social media (Morgan, 2011). In order for the utilization to be strategic, one must note that strategic utilization includes multiple phases and monitoring and measuring are in the center of it (Bernoff & Li, 2008).

Monitoring is a multidimensional process that must be taken in to consideration in many phases (Stoelhorst & Van Raaij, 2004). The purposes of monitoring are two dimensional, internal monitoring and external monitoring (Dörflinger, 2011). Internal monitoring should be used for managing content that has been posted by the company's employees

and thus ensuring their compliance with company policies. External monitoring in the planning phase includes: identifying target audience, listening and learning. In the implementation phase it has a double role including: observing, gathering information for further analysis and performance measures (Dörflinger, 2011).

In order to find out what should be monitored, how data can be gathered, measured and analyzed, KPIs that are considered to help in achieving the goals set for social media need to be identified (Parmenter, 2010). Fundamental nature of social media sets requirements on the mix of measures and metrics that should be used in justifying marketing expenditures and to measure performance (Uitz, 2012). Only using financial metrics is not enough as effects of social media might not be seen in sales at all (Uitz, 2012). Therefore it is recommended to use a method that takes into consideration the current situation, the past and the future (Maltz et al. 2003). Because of this, non-financial indicators must be used alongside the financial indicators in order to make a solid assessment (Uitz, 2012). The most used financial KPIs for social media are those that use sales and expenditures, even though sales are usually difficult to track to social media (Morgan et al. 2002; Natilson et al. 2001). Sales and expenditure figures can be used for traditional market return metrics, such as sales volume, and ROI (Gruca & Rego, 2005). Instead of sales, investment calculations might be even more valuable as a financial KPI of social media, because investment calculations consider future income and time value of money as well. In addition investment calculations adapt better to be used in social media, because ‘return’ can be something else than monetary, for example mentions. Most common non-financial KPIs of social media are brand awareness, engagement, word of mouth, and ROI (Petersen et al. 2009; Hoffman & Fodor 2010; Ball 2010.

Data for financial measures and metrics can be monitored and gathered manually from a company’s balance sheet, income statement, and/or the statement of cash flows or using certain accounting tools to gather data

automatically. Information for non-financial indicators can be collected from certain online monitoring tools. (Bodie et al. 2009)

In order to conclude effects of strategic utilization of social media in the case company a multidimensional framework of Maltz's et al. (2003) was adapted to evaluate effects of social media and to track progress towards the goals set for the social media, and thus KPIs consist of both financial and non-financial indicators. The main goals set for social media in the case company were: to generate leads, increase number of customers, and attract potential investors and partners, and revenue in the future. These main goals were divided to sub-goals that were chosen to help to achieve the main goals and to track progress towards the main goals. Sub-goals selected for social media were: to increase awareness, generate buzz, attract and arouse interest among the target audience.

KPIs for social media were selected according to the goals. Financial KPIs selected for social media in the case company were: ROMI, and ROI. According to the ROMI calculations social media is a valid investment if the estimated increase of 10% in sales is realized in the future. In this research, equation of ROI was tailored, and impressions were used as 'return'. The reason for this modification was lack of reliable data concerning monetary returns of social media. In order for the ROI to have been calculated as it normally should be sales would have been tracked to social media. According to ROI calculation by each euro invested in social media the case company gained 0,19 impressions. ROI in itself does not implicate much; it should be compared to previous periods or industry peers' results.

Non-financial indicators selected for the case company were divided to four different categories including traditional-, Internet/Web-, social media-, and applied indicators. Traditional non-financial marketing performance indicator selected for social media is brand equity. Internet/web marketing performance indicators selected were: impressions, net reach, cost-per-click, cost-per-thousand impressions, visits, new vs. returning visitors, traffic sources, referral traffic, contact efficiency, pages-per-visit, average

visit duration, and bounce rate. Social media marketing performance indicators selected were: followers, mentions, buzz, digs, and in addition ROI of social media. Applied marketing performance indicators are: GRIP, GRIV, ITIP, and IOIP.

Social media seemed to have a great effect on Brand equity, Impressions, and Net reach. They all increased dramatically in October - November 2011. Brand equity increased most dramatically in the same time as social media began to be utilized in October 2011. In order to find evidence supporting the suggestion that social media caused the increases in all of the curves would have required further research. Brand equity, Impressions, and Net reach all took an upward turn together and later they also decreased together in November - December 2011. One possible reason for the decrease that occurred in all measures could be winter holiday season, as it usually begins in December and ends in January. Information about B2B companies is rarely searched for outside of work, and thus Miron's & Beaulieu's (1996) finding seems to be supported by the results of this research. Miron & Beaulieu (1996) found that business activity declines in summers and Christmases among B2B companies. In addition these declines in business activity seemed to occur especially in European countries (Matas-Mir & Osborn, 2003).

In order to clarify cost-efficiency of advertising or in this case, cost-efficiency of social media marketing, CPC was calculated. The result was at 0,69 euros per visit. CPC should have been compared to sales, cost reductions, number of leads or it should have been reflected to first contacts concerning purchasing intention. Besides CPC, CPM was calculated in order to measure the cost-efficiency of generating impressions (Impressions concerning the case company's Web page not social media). CPM resulted at 0,73 euros per impression. According to CPC and CPM calculations, it seems that it was more cost-efficient to get visitors to the company web-site than to generate impressions.

Further investigation in to the quality of visits and characteristics of visitors, pages per visit, bounce rate, and average visit duration were analyzed.

According the analyses social media had a positive effect on all of the measures. Empirical evidence of this research suggests that number of visits, and pages/visit increased. In addition Bounce rate (%) and Average visit duration declined. Average visit duration should be related with pages/visits- as more pages are being viewed, the more time is spent in a web site. In addition Average visit duration should be related to bounce rate similarly as pages/visit – when average visit duration goes up, bounce rate should decrease. Both average visit duration and paged/visit should have inverse dependence with bounce rate. In this research average visit duration turned downward simultaneously with bounce rate in October-November 2011. The reason behind this unexpected phenomenon could be explained by social media, as links that led directly to the specific Web page in which the news release was published on were attached to social media releases. Winter holiday season had an effect on all measures as well. During winter holiday season number of visits, pages/visit, and average visit duration decreased and bounce rate increased.

In order to analyze visits and visitor behavior further, sources from where the visits were generated, were tracked. As the emphasis of this research was on social media it was important to examine referral traffic and referral traffic generated from social media. Referral traffic began to increase first in October 2011 at the time social media began to be utilized. It began to increase again after the decrease that occurred during winter holidays, in December 2011. Once again an interesting finding was made as referral traffic from social media decreased simultaneously as referral traffic increased dramatically. The reason for this phenomenon is that referral traffic includes all visitors who came to the Web page by clicking on a link on another web page (Practical eCommerce, 2012), and thus even if traffic from social media decreases, referral traffic does not necessarily. In January 2012 curves of Referral traffic and Referral traffic from social media looked similar, but right after that referral traffic from social media decreased again even if all referral traffic continued to increase. Despite all fluctuations, social media became a continuous source of referral traffic since September 2011.

After concluding where the traffic came from it was interesting to know who came to the case company's Web page. According to country analyses most of the visitors were from Finland, Sweden and China but, most importantly, the case company gained attention from all over the world. This is what changed compared to time before social media. Before beginning to utilize social media attention was not as wide spread as it was afterwards. This was a positive achievement even though it cannot be claimed that it was all because of social media. Social media might have been affecting to it, but by how much, would have needed further research.

Using social media measures and metrics it was possible to gain more detailed information about the actual effects occurred in social media. Indicators selected for social media measures were followers, buzz, mentions, likes, and ROI. There were only 17 different publications but even with so little, much was gained. With utilizing social media the case company was managed to gain mentions, conversations, replies and impressions (in this context impressions are number of times the case company's social media profile was viewed), followers and likes. ROI was calculated for social media using releases on social media as 'investments' and mentions as 'returns'. ROI resulted positive which implicates that quality of the content of releases on social media was relatively good.

Applied measures and metrics were designed by the researcher in order to show how easily one can modify existing metrics and measures. Four new related measures were derived from basic equations of year-on-year growth (%). These were: GRIP, GRIV, ITIP and IOIP. Most notable finding of these metrics was that increase in Web page traffic caused biggest increase in growth of revenue (ceteris paribus). The reliability of all the applied measures presented in this research is speculative because some major assumptions concerning variables were made. All applied metrics were calculated ceteris paribus and thus their results are not realistic. However one might find applied measures presented here useful in a

larger research which uses a data set of multiple companies and a longer research period. In addition all variables can be modified according to one's needs or research.

According to results derived from multidimensional measures and analyzes the goals set for social media utilization were achieved in the case company.

Figure 22 concludes all the main findings of this research and links the results to the theoretical framework of the research. Those measures and metrics that were used for analyzing the case company or business environment are not included in the table as they were used for analyzing the case company and technology.

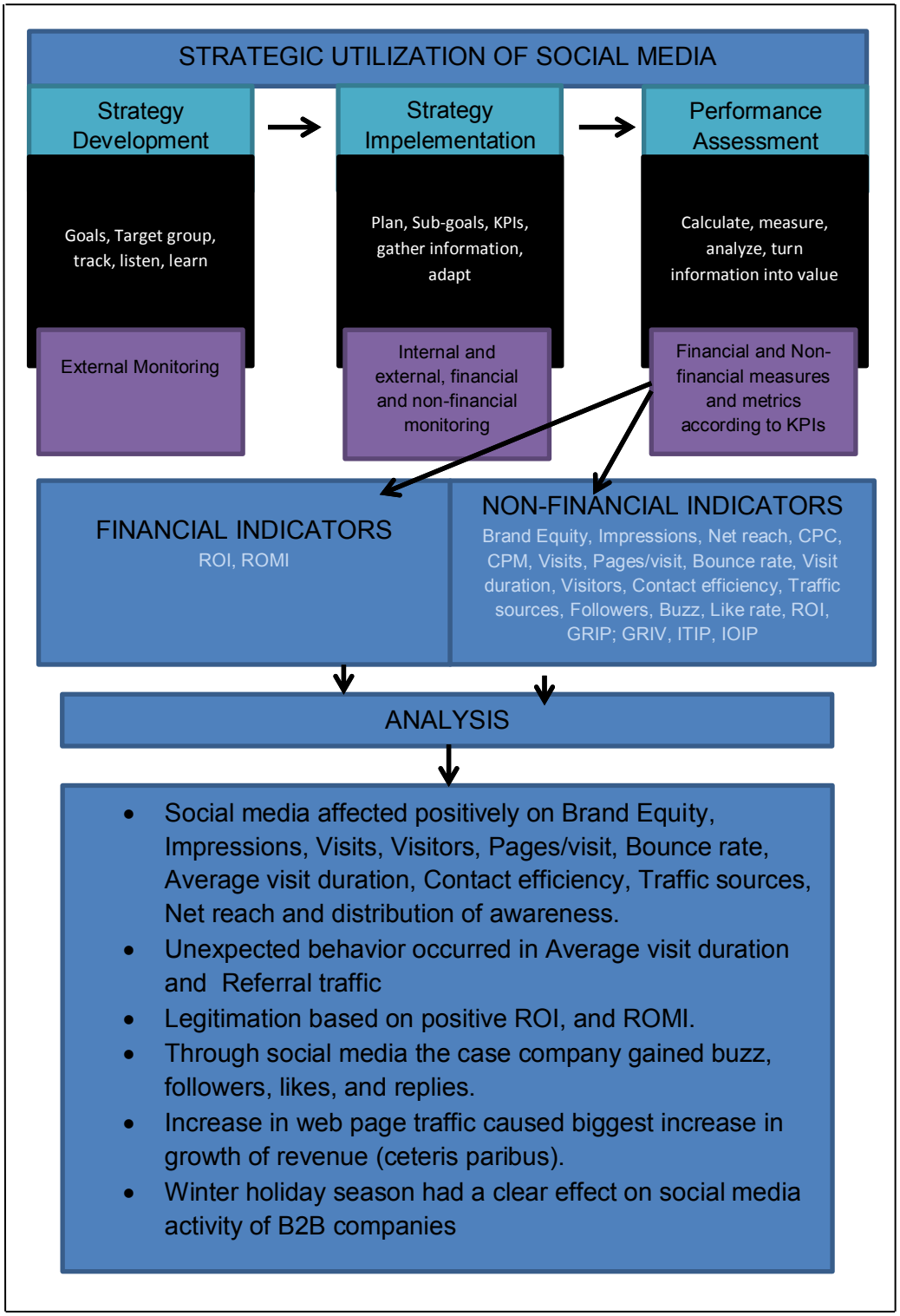

Figure 22. Main conclusions of the research

Managerial implications

Social media should be seen more like a strategic marketing and communication tool than just a channel to be present in. The decision of getting involved in social media should not be taken lightly as succeeding in it does not come automatically – it requires careful planning, constant management and adapting. In addition, adopting social media requires managers to reconsider procedures to justify marketing expenditures. Fundamental nature of social media is complicated and thus effects should be assessed concerning multidimensional measures and analyses, not only financial. The main challenges with financial performance assessment of social media are in tracking sales to social media, relating activities to long-term effects (Dekimpe & Hanssens, 1995), and separating effects of individual marketing activities from other actions (Bonoma & Clark, 1988). As there is no reliable method established for solving the problems yet, it is really difficult to justify social media marketing expenditures in monetary terms by using mere financial data (Uitz 2012; Banks & Wheelright 1979; Hayes & Garvin 1982; Kaplan 1984; Pearson 1985). Unsolved challenges are also the reason why financial measures and metrics provide only a limited amount of reliable and valuable information about performance on social media, and financial effects of it today (Merril et al. 2011). According to Merrill et al. (2011) financial benefits of social media are indirect as benefits of it can be seen in sales through e.g. positive word-of-mouth or increased brand awareness even months after a campaign. In addition effects of social media might not be seen in sales at all. They can be realized in the form of cost reductions as well (Uitz, 2012).

Strategic utilization of social media is not resource intensive, it can be easy to implement and reap great rewards, it can be tailored to one's needs, and if consistently performed, can prove a valuable asset for reaching company's strategic goals (Bernoff & Li, 2008). Without managerial commitment, social media marketing is doomed to fail. It is cheap in itself, but requires the investment of employee's time to be successful.

Theoretical implications

This Thesis attempted to bring cohesion to the fragmented theories surrounding strategic utilization of social media in B2B marketing, monitoring and measuring. Existing theory suggested by various authors was adapted to practice, in order to conclude the effects of strategic utilization of social media in the case company. Using solely financial measures was insufficient, thus a dynamic multidimensional performance framework of Maltz et al. (2003) was considered more fitting. DMP made it possible to examine effects of social media in multiple aspects, including the present, the future and the past, and financial- and non-financial.

Empirical evidence supports the claim that social media had multiple benefits for the case company. The benefits found in this research were reflected to existing literature of social media opportunities for B2B companies. The benefits occurred e.g. in a form of brand equity and geographic distribution of awareness and attention. These benefits found in this research support Heller's (2012) suggestion about social media's opportunities for B2B companies. Findings related to winter holiday season and social media activity support findings of Miron & Beaulieu (1996) and Matas-Mir & Osborn (2003) of seasonal variations in business activity of B2B companies. However closer investigation to the phenomenon would have been required, to exclude other possible variables affecting the factors.

The research suggests that there might be a reliable way to measure financial effects of social media. Methods to use in indicating relation between social media efforts and financial returns like sales generated by social media and ROI are reliable if figures that are used in calculations can be tracked to social media, separated from effects of other marketing activities, and related to long term effects. One suggestion supported by empirical evidence found in this research for relating social media efforts to long term effects was that investment calculations might be even better suited for justifying social media marketing expenditures than static

accounting metrics, because future expectations and time value of money can also be included.

In addition to using existing measures and metrics, four new measures were created for assessing performance of social media. GRIP, GRIV, ITIP, and IOIP were all derived from basic year-on-year growth (%) – equation, establishing relations between multiple different relevant social media related variables. Even if some major assumptions were needed to made, and ceteris paribus principle was used, they might prove useful in a larger research which uses a data set of multiple companies and a longer research period. In addition, all variables can be modified according to one's needs or research, which makes them more adoptable to be utilized in various research purposes or in developing more detailed measures for social media performance assessment.

At least this Thesis has a place in the theory as a starting point for a more coherent theoretical framework for strategic utilization of social media in B2B marketing.

Discussions and suggestions for further research

Due to the delimitations of the Thesis, many things were left undiscovered, or only partly discovered, measured and analyzed. Part of this was due to the nature of the Thesis, which delimits the scope of the research and part was due to difficulties in gathering data from the case company's management.

Due to the lack of information, many of the measures were tailored, which affects research adaptability and reliability. Many other assumptions were also made for the measures used which affect the reliability of the results of the measures and possibly cause distortion to the results. For the tailored metrics, heavy assumptions and simplifications were made e.g. ROI, Impressions (discussed in the context of Internet/Web metrics), CPC, CPM, GRIP, GRIV, ITIP, and IOIP. The metrics themselves aren't flawed, but they would have required a larger database of longer periods and multiple companies, with the ability to track the measures to social media

in order for them to be more reliable. Many of these metrics were calculated for the first time and would have required a longer period of research with multiple observations e.g. ROI, ROMI.

Tracking sales to social media and the metrics surrounding, would provide a fruitful area of research. In addition, relating long term effects on sales and extracting social media effects from effects of other marketing activities would also be interesting to research. This would require for customers to be surveyed, to find out where they found the company and also how social media effects the customer's purchasing decisions and opinions on the company.

In addition, the effects of holiday seasons on social media activity on both B2B – and B2C marketing should be researched in further detail, in order to add to the evidence already in place regarding B2B marketing and winter holiday season found in this research. In addition, comparison could be made between social media marketing, winter holiday season, B2B and B2C marketing. Country dispersion of visitors and social media's effects to it could also be an interesting subject to study.

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APPENDIXES

APPENDIX 1: List of equations

(1) (2) Year-on-Year Growth (%)

$$\frac{Value(Euro,\%)t - Value(Euro,\%)t-1}{\text{Value(Euro,\%)t} - 1}$$

(3) (4) ROE

$$\frac{Net\ Profit\ (Euro)}{Equity\ (Euro)}$$

(5) Customer complaints (%)

$$\frac{Complaints}{Sold\ products}$$

(6) New product launches using period of five months

$$\frac{Months_1}{New\ product\ launches\ during\ Months_1} = \frac{Months_2}{x}$$

(7) Revenue return to incremental marketing

$$(Y_2 - Y_1)/(X_2 - X_1)$$

(8) Revenue attributable to marketing

$$Y_2 - Y_0$$

(9) Revenue return to total marketing

$$(Y_2 - Y_0)/(X_2)$$

(10) Return on marketing investment (ROMI)

$$[(Y_2 - Y_0) * Contribution\ Margin\ (\%) - X_2]/X_2$$

(Appendix 1 continues)

(Continuation of Appendix 1)

(11) Return on incremental marketing investment (ROIMI)

$$[(Y_2 - Y_1) * Contribution\ Margin\ (\%) - (X_2 - X_1)]/(X_2 - X_1)$$

(12) ROI

$$\frac{Impressions\ (Frequency)}{Investment\ in\ social\ media\ (Euro)}$$

(13) Impressions

$$Number\ of\ people\ seeing\ the\ ad\ x\ Number\ of\ times\ people\ are\ seeing\ it$$

(14) CPC (Cost-per-click)

$$\frac{Cost}{Click}$$

(15) CPM (Cost per thousand impressions)

$$\frac{Cost\ of\ advertising}{Impressions\ generated\ (in\ thousands)}$$

(16) Contact efficiency

$$\frac{Active\ visitors\ (pcs)}{Visitors\ (pcs)}$$

(17) Like rate (%)

$$\frac{Likes}{Releases\ on\ social\ media}$$

(18) ROI calculated using releases on social media as investments

$$\frac{Mentions\ in\ social\ media\ (Frequency)}{Releases\ on\ social\ media\ (Frequency)}$$

(Appendix 1 continues)

(Continuation of Appendix 1)

(19) GRIP

$$\frac{Growth\ of\ revenue}{Increase\ in\ releases\ on\ social\ media}$$

(20) GRIV

$$\frac{Growth\ of\ revenue}{\text{Increase in web page visits}}$$

(21) ITIP

$$\frac{\text{Increase in referral traffic from social media}}{Increase\ in\ releases\ on\ social\ media}$$

(22) IOIP

$$\frac{\text{Increase in number of orders}}{Increase\ in\ releases\ on\ social\ media}$$

APPENDIX 2: Original plan for strategic utilization of social media

GOALS FOR GREENLUX ONLINE BOOST PROJECT

1. **Increasing interest, knowledge and attention by target groups**
   - Experts of LED-technology
   - Experts of energy and environment technology
   - Experts of building, real estate and electricity industry
   - Partners
     - International
     - National
     - New
     - Present
   - International support
     - Sponsors
     - Investors
   - Media
     - Industry magazines
     - Economical magazines
       - Kauppalehti
       - Taloussanomat
     - TV
       - News
     - Social media
       - Blogs
       - Online communities and discussion boards
2. **Increasing amount of projects and sales**
   - Via interest, knowledge and attention
3. **Continuum**
   - After the project
     - Search engine optimization
     - Active updating
     - Further developing
     - Communicating
     - Monitoring and measuring
       - Customer satisfaction
       - Visitors
       - Channels
       - “Clickers”
       - Developing