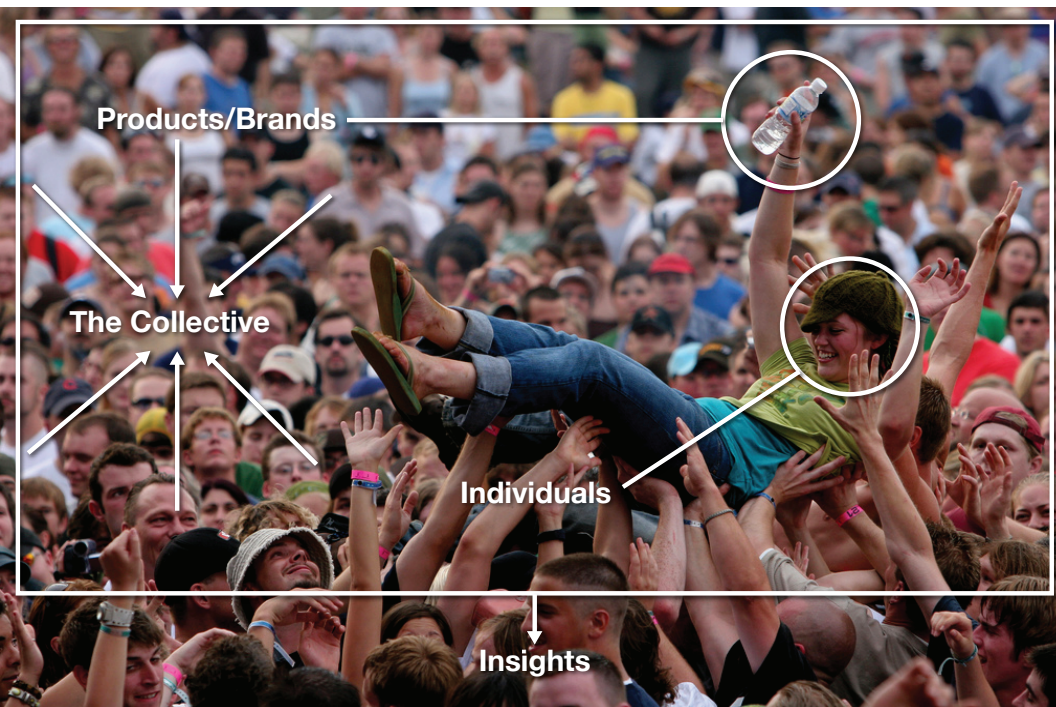


The Collective Is the Focus Group

Revolutionizing ROI Through “Return on Insight”

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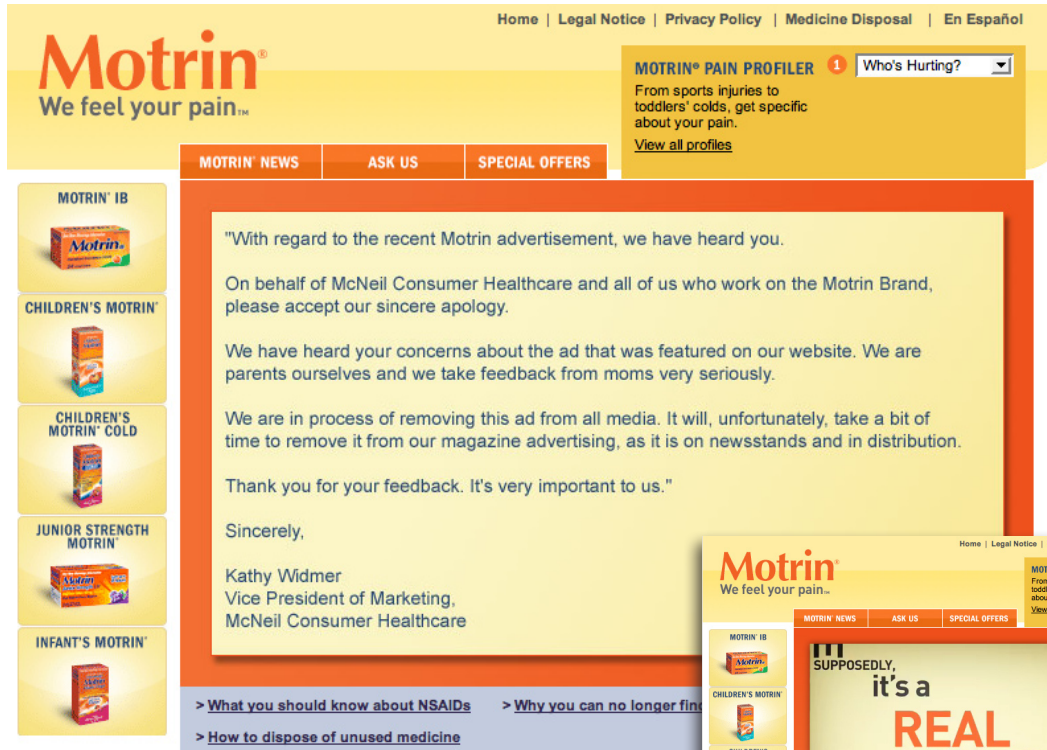
There’s probably been no better time than now to ask the question “what’s the return on investment?” for a particular initiative your organization may be contemplating. Given the uncertainty of economic times, it’s understandable. Right now, companies who have served as pillars of financial growth, are finding themselves in situations we could have never predicted years ago. This points to a flaw in the predictive model—that it’s not easy to predict a likely outcome, and yet we try to predict the return on investment for initiatives to determine what gets funded and what doesn’t.



David Armano,
VP Experience
Design

As far as marketing goes, there’s a tried and true model, which has been in service for many years—it’s called the focus group. The premise is simple: create your product or marketing campaign and get it in front of people who you think represent a mid section of your intended consumer. Do it in a lab type setting where you can observe and document the reactions. Then, generate a report which informs the initiative as it moves forward. Initiatives that “test” well are the ones that get support. Theoretically, these have the most promise to deliver a “return on investment.” The model does work—but it’s increasingly becoming less relevant in a fast paced digital world. In this world, a “mass audience” doesn’t really exist and brands that deal in *niche* are rewarded.

Which focus group could have predicted the rising success of a platform such as Twitter? Could they ever have guessed it would empower individuals to communicate during the recent Mumbai attacks in India or enable new behaviors such as the “retweet,” which users leverage to spread content virally? How would YouTube have fared in a lab setting? Would it have gotten the backing required to create what was eventually sold for over a billion dollars in 2006? What if Facebook held a focus group to determine the viability of every new feature they wanted to try out? The problem with hyper-focusing on ROI as a key indicator of future success is that it limits the quality of insights, which can be obtained when an initiative is launched in a *real environment*. This is where the collective comes in. In a rapidly changing digital world, the collective is the focus group.



Motrin.com was temporarily taken down so the advertisement could be replaced with a formal message.



Take for example, the “Motrin Moms” example which gives us an insight into how quickly things move on the Web. If you hadn’t heard about it, the case study goes something like this. Motrin launches a new ad targeted at Moms, which references carrying babies in slings as

“In a rapidly changing digital world, the collective is the focus group.”

of mothers active across social networks. Dubbing themselves the “Motrin Moms,” they quickly organize and voice their dissatisfaction with the tongue-in-cheek tone of the ad. They cause such a huge PR ripple effect that Motrin decides to

“fashionable” but putting a strain on the body. The ad goes over well in mainstream focus groups, but months later a fury erupts on the Web fueled by a small but connected group

pull the ad, resulting in their website being down for nearly a full day.

Focus groups failed to provide the insight that on the web, people like the Motrin Moms exist, and they have the means to influence things like search engines, not to mention the press. This insight means you need to be prepared for scenarios like this. The key takeaway is that while you can’t predict a scenario such as the “Motrin Moms,” you do have to understand the dynamics of communities in the digital space, because ultimately they can put you in a defensive position. What’s the ROI on being able to handle something like that?

An Unconventional Process

An inconvenient truth for many organizations is that the ROI argument can kill any initiative before it ever sees the light of day. The reason successful applications such as the advertising-friendly Pandora seemingly come out of nowhere is because they launch in real time environments and are evolved iteratively through user feedback. Employees of the service are active on networks asking for suggestions to make it better and no doubt they monitor conversations happening around it as well. It might just be time for marketers to leverage a less conventional process that looks less like a marketing campaign and more like some of the start-ups that launch and learn as they go. The similarity is that they both begin with an insight—but with the more unconventional process, the insights keep coming after something's been launched. This process is built upon leveraging a constant flow of small iterative loops that will allow the organization to plan, design, launch and measure based on the continual flow of feedback they are getting.

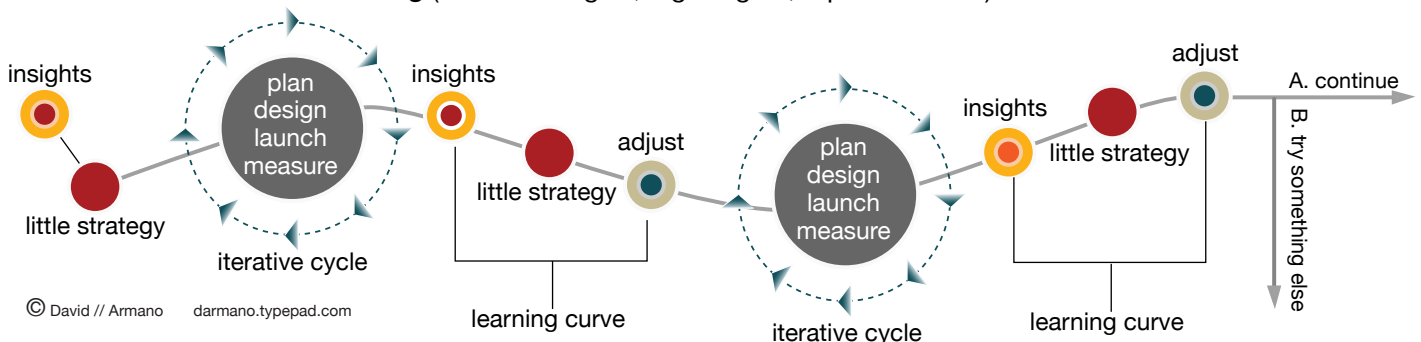
Tips On Getting More ROI (Return On Insight)

The digital landscape has become increasingly fractured, fragmented and niche. In many ways it's the polar opposite of mass media—which marketing has been designed to work with for years. Right now it's more important than ever for organizations to invest in initiatives that not only produce measurable results,

“An inconvenient truth for many organizations is that the ROI argument can kill any initiative before it ever has the chance to see the light of day.”

but deliver findings that embolden the organization to venture into new territories such as the emerging digital experiences of social, mobile, cloud computing etc. In an effort to simplify some of the things you can do, I'll break down an “ROI toolkit” into a 3 pronged framework that you can keep in mind as you move forward with your own projects and campaigns—whether it be raising awareness, driving traffic, generating word of mouth or adding social functionality to your e-commerce site.

Unconventional Marketing (micro strategies, big insights, rapid iterations)



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Listen

There are so many ways to listen to what's being said about your company, product, brand, service and most importantly, related passion points (which may be directly or indirectly related.) There are a number of ways to do this, applying services from vendors like Radian 6, Collective Intellect or Nielson Buzz Metrics, which will uncover and analyze what people are saying both inside of communities and on the open web. For our recently launched Pampers Village community, Critical Mass partnered with Liveworld, which helps us both listen to and moderate user interactions in the community. Trending topics on Twitter can also be used as an indicator for what people are talking about—we call this “*social sniffing*.” Some of the tools can measure the sentiment of a brand or product. The listening phase is not just in the beginning, however, but throughout. It can start with modeling people's behaviors in a persona-like fashion, but needs to extend beyond archetypes. Listening through the life of a campaign or initiative yields insights toward attitudes and identifies who has influence and where the most fertile grounds are to engage consumers digitally.

Learn

If you don't launch, you don't learn. This is why thinking in terms of “return on insight” is just as critical as thinking about traditional ROI. Pilot initiatives can be quickly launched using prototype methodologies. We will typically perform “*rapid design labs*” engaging multiple stakeholders across multidisciplinary teams, fleshing out objectives and getting into some ideation. By the end of the session, we have the beginnings of something that can be built. Unlike the traditional mindset, part of the goal is

seeing what happens and analyzing findings along the way. Just like the “Listen” portion of the framework, “Learn” is NOT a phase; it must be continual throughout the life of the initiative. The biggest distinction between the “Learn” approach vs. the launch approach of a traditional campaign is in the scope, size and follow through. When launching initiatives in a “learn” mindset, the goal is to start small and keep the momentum going (as opposed to rolling out a marketing campaign and walking away from it). This can be applied to both external and internal efforts as evidenced by P&G's internal Social Media Lab—an initiative that provides insights into the corporate culture of the organization as it evolves. Learning is one of the most important ways to measure “return on insight,” helping to reduce risk and make better decisions. Both are good things in a down economy.

Adapt

If estimating traditional ROI is a predictive exercise, then gauging the return on insight is adaptive. In order to glean both strategic and tactical insights organizations have to be nimble enough to measure what's working, what's not and make adjustments. Think about navigating a small fleet of speedboats vs. a large cruise liner. Analytics play a big role in this—again throughout the whole process. From helping to identify sentiment to measuring the effectiveness of a campaign or initiative, the science behind marketing provides insights into how to move forward. But it's not just about data points—digital media is measurable because it's digital but it requires a combination of analysts, planners and other team members to make sense of the data. In order to adapt properly the team needs to think like “*digital anthropologists*” sifting through the quantitative data that analytics can provide and pulling insights from the qualitative inputs as described in “social sniffing.”

Staging a Revolution Within Your Own Organization

One of the big drivers behind re-thinking the traditional ROI framework is the advent of Web 2.0 and social media itself—they have been nothing short of revolutionary. Prior to these movements, web users were empowered through an abundance of information and ways to personalize experiences. Today, the average consumer can most likely move faster than your organization or brand could ever dream of. They are spending their time differently, including a variety of peer generated media outlets that complement professionally produced media. In fact, the two are becoming less distinguishable. In order to keep up with the changing behavior of customers, your organization may need to undergo its own revolution. As you prepare for this, you might want to factor in the following considerations:

10 Ways To Get ROI (Return On Insight)

- 1. Are you actively listening to your customers in the places they frequent online such as communities?**
- 2. Are you launching initiatives that can be easily updated? Are you enabling a “culture of rapid response”?**
- 3. Are you evaluating current processes and updating them as needed?**
- 4. Are you building a culture where “failure” is acceptable?**
- 5. Are you allowing your teams to create “pilots” prior to scrutinizing them through traditional ROI exercises?**
- 6. Are you planning initiatives that will help your organization learn prior to backing major marketing campaigns?**
- 7. Are you synthesizing qualitative insights in addition to analyzing the hard data points?**
- 8. Are you tweaking your strategy along the way, and adapting where change may be needed?**
- 9. Are you empowering all members of your teams to think and act like “digital anthropologists”?**
- 10. Are you evolving the tools and methods you use to measure success (i.e. going beyond clicks and impressions)?**

These are just a handful of high-level thoughts you can keep in mind as you move forward in day-to-day projects. The main takeaway here is that the Internet has evolved into a highly fragmented and niche medium where the formula of mass communications and even traditional interactive tactics may not be as effective as they once were. Every day, average users are putting out both content and applications which sometimes compete directly with your tactics. Remember that the wildly popular “Scrabulous” was not initially delivered by a brand. Organizations seeking to create something “viral” which gets spread organically through the digital landscape are faced with difficulties predicting what the outcome of their efforts will be. So it’s more

We believe that a **revolution** has caused consumers to evolve their behavior and that organizations need to undergo their own revolution in order to stay ahead of the game. Insights from the collective can help lead our own internal evolution. We hope you will join us.

Let’s Talk!

If you would like to continue the conversation further, please contact Heather Thomas at heathert@criticalmass.com. Or feel free to talk to us on Twitter. <http://twitter.com/criticalmass>

“We believe that a revolution has caused consumers to evolve their behavior and that organizations need to undergo their own revolution in order to stay ahead of the game. ”

important now to have a solid grasp of the nuances that exist online in places such as communities if you want to both get the attention of digital consumers and sustain it. Insights into digital behavior can help us design the kinds of solutions people want as part of their digital lifestyles.