



@perrier

THE DEFINITIVE GUIDE TO SOCIAL MEDIA ROI FOR THE CPG SECTOR

DASH HUDSON



@dollarhaveclub

Using visual social channels like Instagram to fire up marketing initiatives and get closer to consumers is the smart move consumer packaged goods (CPG) companies are making these days. But not all are adequately taking advantage of this effective medium, often because CPG businesses haven't prioritized the development of brand identities that lend themselves to creating engaging social narratives. The CPG category also tends to be more old school (i.e. they date from pre-digital revolution times), and its marketers may not understand the rewards a business can reap from hatching a strong social strategy. But an even bigger barrier for the sector has been the lack of clarity as it relates to measuring the ROI of these digital activities.

That's what we'll be shedding light on today.
CPG brands, it's time to ramp up your Insta efforts.

WORK THAT LIFT

Before businesses began hopping on the social media bandwagon, visual networking platforms like Instagram and YouTube were just a fun way for regular folks to connect with their peers. Product recommendations happened in private conversations, untraceable word-of-mouth was a great business driver, and flat lay imagery featuring a packaged product lived only in catalogs, store promos, or, later, on websites. And let's be real for a sec—product imagery wasn't that fabulous in a pre-social channel world. There was no persuasive reason to imbue visual assets with creativity when they didn't need to telegraph an evocative brand spirit.

It's fair to say that social media helped the CPG category elevate its game. Items that were once regarded as generic life essentials did not require a grandiose visionary aesthetic, but the necessity of wooing Millennials made a more compelling self-representation on Instagram critical—and it forced CPG companies to reevaluate the status quo. Members of this generation now choose where they'll eat, where they'll travel, what they'll wear, and which products they'll use based on Instagram potential. Is your product good-looking enough

and cool enough to be purchased? And more importantly, is it worthy of a social share?

Life with social media enables product-sharing on a much larger scale, and the CPG sector had to ramp things up when it recognized Instagram as a powerful word-of-mouth vehicle. It's where consumers live, and therefore where businesses need to establish a brand presence by pumping out visual oomph. It's an X-factor that few CPG businesses could have seen coming—but all need to harness.

Social media is now a top priority for companies in the consumer goods sector. They're getting lifestyle influencers involved to keep things buzzy with gifting programs. And they're going for maximal exposure by participating in comped experiences through partnerships with other industries and ongoing collaborations with the right influential Instagrammers.

Yet while channels like Instagram are driving hype, it's always remained fairly challenging for these brands to properly track the return on what they're investing. This is the issue we're about to solve.



The background of the entire page is a close-up, artistic shot of several Pantene Pro-V Intense Rescue Shots hair treatment products. The products are arranged in a scattered, overlapping manner. Some are upright, showing the full tube with the brand name 'PANTENE' and 'intense rescue shots' clearly visible. Others are lying down, showing the 'PRO-V' logo and the text 'TREATMENT TARGETS EXTREME DAMAGE. HELPS PREVENT SPLIT ENDS.' The lighting is warm and soft, creating a golden glow on the products and the surface they are resting on. The overall aesthetic is clean and professional, typical of a beauty brand's marketing material.

MEANINGFUL MARKET SHARE

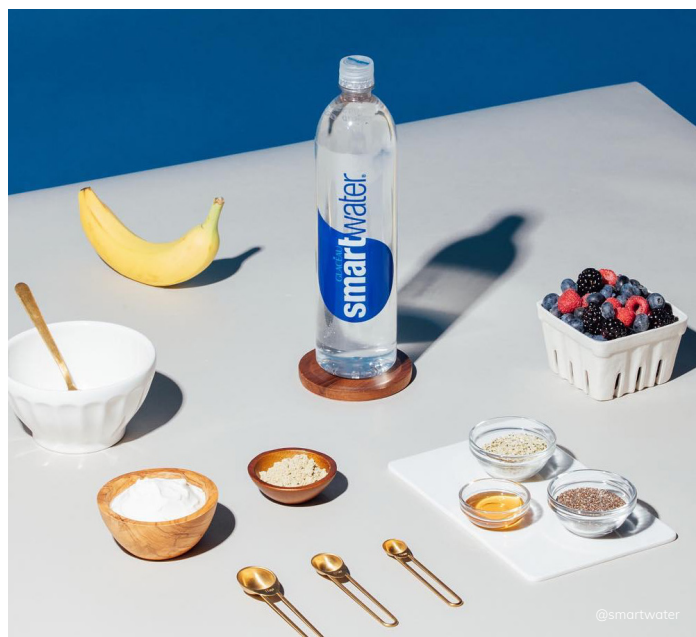
A strong social media strategy yields returns that are both intangible and concrete, although the latter has eluded many businesses and the former is difficult to quantify. Both advantages work in tandem, are complementary of one another, and are equally as important.

Visual social marketing is an ecosystem with various degrees of advantages for each layer of commerce. Everything you do intersects, and the abstract value points of Instagram consistently converge with the more tangible, measurable ones. To fully grasp the return of all those PR gift boxes you send out, it's important to properly grasp the more elusive visual social marketing benefits that help your business thrive. Here are four key points to keep tabs on.

1 | Awareness

How does a granola bar brand differentiate itself among fierce competitors? And how does a packaged product stand out in a sea of lifestyle scenes? It uses social media channels and influencer marketing to spread the good word about its photogenic packaging, innovative new units, or how its items will improve people's lives. Platforms like Instagram are today's primary discovery tool, where users come upon brands they never would have had on their radar otherwise. For some CPG businesses, especially in the direct-to-consumer sphere, it's their only marketing tool.

Awareness sits at the very top of the marketing funnel for a good reason: the first order of business for any brand is being discovered and gaining equity. If you want people to know about your products, establishing a strong social presence, and using influencers, is your best bet. Instagram users willingly follow the companies whose content they're fond of and whose shaving cream they're most inclined to purchase.



2 | Communication

There's no greater gift to marketers than a direct line of communication with their consumers. And communication on social is delightfully multilayered (just like your new range of ready-to-serve soups). It literally means that your business can have firsthand interactions with your customers by way of liking, commenting, or direct messaging. Cementing that feeling of community—or providing a customer service experience by answering user questions—drives loyalty, the holy grail of consumer sentiment.

But in terms of bigger picture, social also enables your company to enter the conversation and reach its target demographic through well-crafted imagery in real-time. Millennials speak in visuals and if you're not creating that kind of dialogue, others will. When it comes to visual communication, your company has to be present to be relevant, whether you're a multi-brand corporation that dominates retailer shelves or vertically-integrated with your own distribution channels. Creating those bonds with followers will entice them to try your goods without waiting for a promotion to roll around, and will ultimately drive hype and boost your engagement.

3 | Loyalty and Advocacy

Nothing tugs at your Instagram audience's heartstrings like a #goals lifestyle moment, amiright? The thing about visual communication is that it's really efficient at creating emotional connections through photos and videos, which is the secret to unlocking the most coveted gift from a consumer: loyalty. Or in the case of a CPG brand, the burning desire to use a product.

When you're interacting with the community you lead, those followers often feel compelled to engage back with you, ergo cinching that yearned-for relationship status. The simple fact is, the accounts that are going to succeed on Instagram are those that understand how to connect with audiences through a crafted narrative of photos and videos. A consumer's positive association with a brand or establishment can turn into advocacy real quick in this sector. Take that insight and run with it.

4 | Brand World

Social media presents CPG companies with a chance to create a larger-than-life brand. In fact, there are thousands of popular items that people use every single day that haven't been optimized by visual social advancement. That's a missed opportunity.

These days, it's in a marketer's best interest to get clever and conceive attractive packaging to encourage social shares and recognition. Creating a hyper-focused brand world and telling a story on these channels will help set your company apart—but first you need beautiful visuals and a perfected narrative. You'll win over consumers and become celebrated by your rivals. A powerful brand aura is not exactly quantifiable, but it's the source of life and meaning for all your other activities.



VELOCITY VANGUARDS: LET'S TALK KPIS

Of course business reports need to contain actual numbers, and social media metrics begin and end with the following five key performance indicators. Tracking them is vital to measuring what you're getting for all the marketing money you're spending. Sidebar: we mentioned earlier that all matters of social media activities are intertwined and affect one another in some way—same deal with your KPIs. Their communal health is integral to accelerating growth and driving conversions.

1 | Organic Reach

Your brand receives organic impressions every time another account mentions it in their caption or tags it in a photo. This is also known as earned reach, and it occurs only through auxiliary users. Let's just cut to the chase: it's priceless exposure.

When another account posts an image tagging yours, it puts it in front of their followers and gives them an opportunity to convert into new ones for you... And in the CPG world, where hype is generated through scenes that empower people to imagine themselves living them, photos are the most powerful tool there is. Being exposed to audiences other than your own is the number one tactic for fresh exposure and consequently, a business boost.

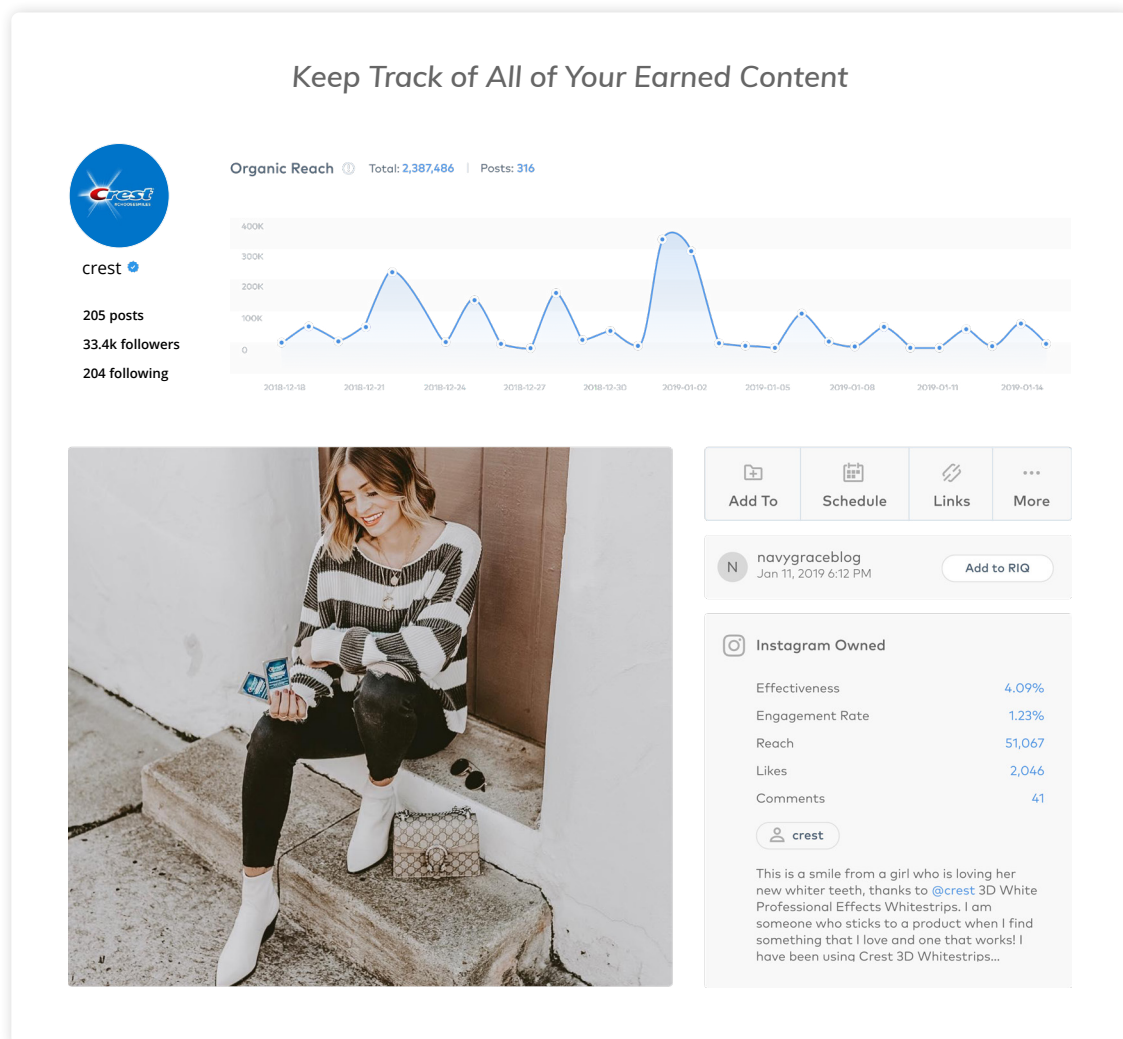
If you want the world to use your toothpaste or buy those new seasonal cookies, you have to harness fan power. Prompting your community to create content around your brand makes for a very positive catch 22: followers feel loved and valued when when you ask them to regram their images, which motivates them to keep producing more in the hopes of being featured again, which also serves as free widespread publicity for your products.

What Does it Measure?

Your reach numbers, the impact of your influencer partnerships and campaign activations, your popularity among fans.

The DH Way

Dash Hudson's tool for measuring organic reach reveals all the important numbers relating to the impact of your earned content, which is important to measure both collectively and individually if you're working with influencers. Instantly compile your reach numbers for a specific timeframe, or for any single post by clicking on an image thumbnail.



2 | Growth Rate

Your growth rate is the percentage at which your audience is growing, and it can be benchmarked on a weekly or monthly basis. Monitor this metric closely to understand whether or not your strategy is working.

But buyer beware: it's one thing to be growing, it's another to make headway with quality acquisitions, aka new followers who are actually fond of your brand and are in the right target demographic. Hence the importance of organic reach, which drives authentic growth. Seeing as most audience expansions are made when another account is featuring yours, tightening your strategy around seasonal launches and leveraging influencer marketing is essential. True fans joining your inner circle is key for ROI lift, as they're the ones who will become engaged members of your community.

What Does it Measure?

The effectiveness of your strategy, the impact of your organic reach, the quality of your content, the general health of your account.



The DH Way

You can track all of your follower growth in the Dash Hudson visual marketing platform. Sort through your audience increases on an hourly, daily, weekly, or custom basis. Correlate your follower spikes with organic content, learn what your weekly follower increase average is, and [inquire about our custom reporting](#) for more granular coverage of your growth rate.

3 | Content Engagement

The number of engagements on your posts is the most relevant figure relating to your content's success, revealing how much your photos and videos are actually resonating with your followers. A high engagement rate is endlessly beneficial, notably alerting the algorithm of your high quality posts to prioritize them in user feeds. It also lets you know that perhaps more organic-feeling photography resonates better than over-produced studio shots. Additionally, engagement rates are very strong indicators of greater velocity, loyalty, advocacy, and other growth opportunities.

Your post engagement percentage can be calculated with this basic equation:

$$(\text{Likes} + \text{Comments}) \div \text{No. of Followers} = \text{Average Engagement Rate}$$

Converting these numbers into a percentage effectively measures engagement because it puts all of your posts on an even playing field as your account grows. Collecting solely the number of likes and comments doesn't enable an apples to apples assessment of your content as your follower acquisitions ramp up.

Learn what's resonating within your posts by monitoring your engagement. It'll point to where your content strategy needs tweaking so you can focus on consistently bringing in extra lit numbers.

What Does it Measure?

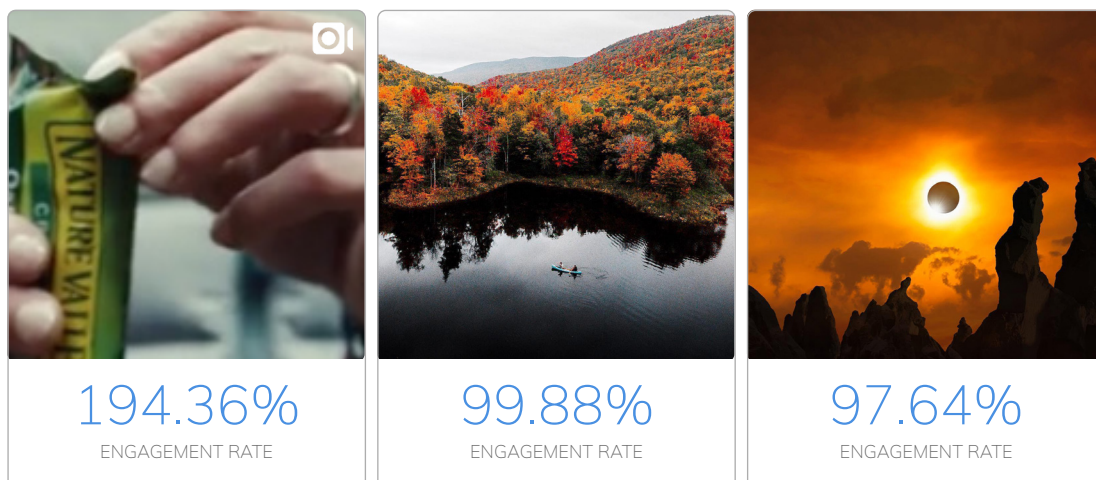
The quality of your content and whether or not your posts are resonating with your followers, fan love, popularity.

The DH Way

You could manually do that math, but don't waste your precious time when it's all automated in Dash Hudson! The platform provides your average engagement rate from the past three months and the engagement rate on each of your posts. Learn what did great and what tanked, and benchmark those performances against your average.

Go deep into content performance assessment with [Dash Hudson's Boards](#), a tool to analyze the efficiency of visual segments. Compare the top and bottom numbers to hone in on your best performing photos and videos for the highest returns, every single time you post.

*Easily identify your top performing posts of all time
to learn what resonates with your audience.*



4 | Profile Engagement

Your content engagement might be the crux of your social activities, but your Instagram profile also receives engagements that should be measured. These are the interactions comprising all the little activity around your page, such as your website click-throughs, content saves, and profile visits.

The importance of a killer profile page is not to be underestimated. People are increasingly searching companies on social rather than going through the old fashioned World Wide Web and it behooves all brands to create an informative, attractive, impressive bio that showcases their point of view at first glance.

But the honey that's first going to attract the bees is your content. If it's high-quality and cohesive within your feed, including your user regrams, you'll get more post saves. And if your captions carry a strong call-to-action, you'll receive more link taps. Awareness of clicks, views, and saves is instrumental in understanding not only your traction, but your potential conversions as well.

What Does it Measure?

The aesthetic of your profile, the resonance of your content, the efficiency of your CTAs.

The DH Way

The LikeShop link-in-bio solution is a game-changer in terms of driving new traffic and revenue. Attribute URLs to your Instagram posts before you push them live to make your feed shoppable or drive traffic to a retailer's page, crush your captions with super strong CTAs, and keep tabs on how many click-throughs your posts received. Link it to Google Analytics on the backend to find out which of those URL visits led to sales. Magic.





5 | Influencer Partnerships

This is perhaps one of CPG's most important elements to track given the sector's affinity for product gifting and collaborations—even though it's not *technically* a KPI. Social managers love to hate Influencer marketing and hate to love it, as they still try to crack how to measure the ROI of their hired tastemakers. What does sending out fifty free boxes of Pampers to be showcased in beautifully art directed baby nurseries truly do for you? Figuring this out is more pressing than ever, given that the practice is set to reach a value of over 2 billion dollars in 2019, more than double what it was in 2017.

The lack of answers pertaining to tangible influencer marketing ROI has been a source of frustration despite the knowledge that Instagram is primarily a means for discovery—which happens mainly with the assistance of paid or gifted social stars. It can be tough to decide to invest in something without understanding how to measure its value, and while a lot of companies grapple with how to approach the trade, the net-net is that it works, and it can make a business go viral faster than you can say ACV.

What Should You Measure?

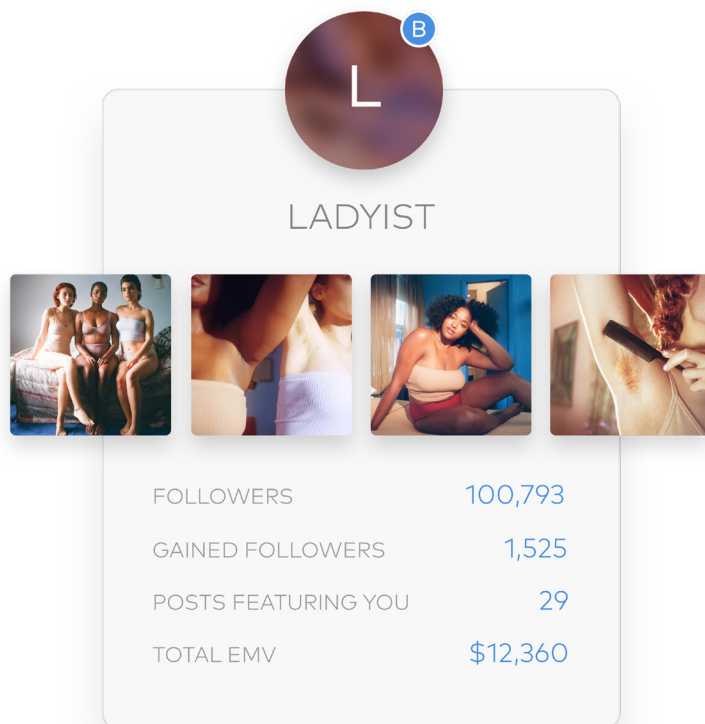
Tapping on-brand partners can help convert their audience members into followers for you, and will probably convince them to buy your small batch dog treats, too. Once you've established who you want to hire and have outlined your goals and scope of work, you need to track the results of your collabs based on those objectives. Depending on what's important to you, keep tabs on your account growth, your sales or foot traffic, as well as the engagement of your collaborators' posts. Things like new followers and link clicks will be quantifiable while other benefits won't, like awareness and clout.

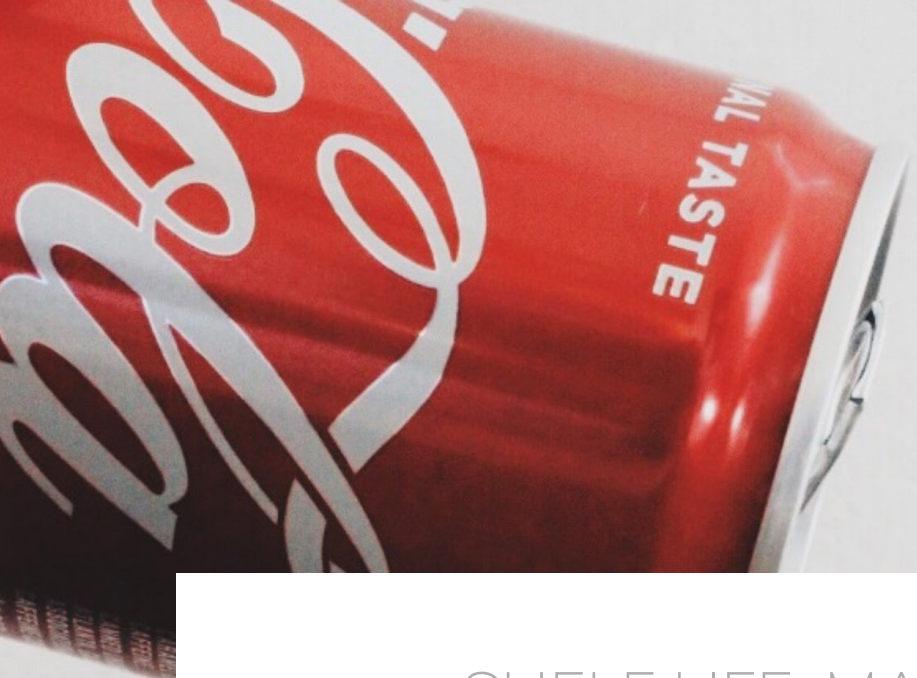
The DH Way

Dash Hudson's sophisticated tool suite includes specific functionality to evaluate the ROI of influencer marketing. Use Relationship IQ, a game-changing tool, to see each one of your influencers' basic stats along with their posts for your brand. It also reveals an estimate of how many new followers each of those posts converted to your account, along with their engagement percentages to benchmark against their average.

The EMV tool (earned media value) also lives here. It attributes a unique monetary figure to each of your influencers and their posts based on their Instagram stats to help you better assess their worth to your business. Go even deeper into results by creating influencer-specific Boards to scrutinize your partner content. You'll be able to make all sorts of correlations to the results of your activations while also pinpointing what works and whose content is most on-brand for you. It's the most granular way to focus on what brings your company the most value.

Keep track of all your influencer partnerships and measure their results.





SHELF LIFE, MAXIMIZED

Social marketing goals will always vary depending on the company and the sector in which it operates, along with strategies on how to reach them. But one common denominator never wavers across all industries: the focus on the bottom line. Profitability is a universal business objective and social media marketing is a really amazing earnings facilitator. Now that we've laid out all the critical knowledge you need to analyze the numbers that matter to measure the ROI of those efforts—as well as all of their more intangible benefits—go on out and apply it!

The Dash Hudson visual marketing platform is a one stop shop for all your social needs thanks to sophisticated tools built explicitly for ROI measurement. Number-crunching has never been easier.

[GET A DEMO](#)

