

Video 1: Why Measuring Social Media Return on Investment Matters

Hi, I'm Crystal from HubSpot Academy.

Measuring your return on investment from social media is not easy or straightforward. But can it be done? Absolutely.

What is social media return on investment, or ROI? Simply put, Social Media ROI is the results you get from everything you do in social media, ranging from protecting your reputation, building brand awareness and loyalty, retaining and satisfying customers, and directly earning or saving revenue.

Dennis Yu, the Chief Technology Officer of BlitzMetrics, explains:

"Why would you spend money, spend effort on campaigns and not measure things that the CFO cares about? The age of accountability is upon us. Social used to be the kind of thing where you had to be there. You had to be able to check a box, but now you know that doing something on social, if it generates lots of likes and tweets and so forth, has to somehow result in sales. You've got to track that word of mouth, that engagement, through down to the bottom line. That means it's going to go into Google, and someone's going to search for it. It's going to go offline, and you have to track that retail transaction. It'll go through the app, through email, back to social, back into a lead form. And those journeys, there's so many different journeys that go across people and across different channels, the measurement of that, as difficult as it is is something we have to focus on."

Even though social media has been around awhile, ROI is still tough to measure. According to MDG Advertising, forty-four percent of CMOs say that they haven't been able to measure the impact of social media on their business.

While there are some intangibles to consider – for example, it's difficult to measure goodwill or the impact of word-of-mouth as a result of your efforts – but you can, and you should be putting systems into place to regularly track your return on investment. By doing so, you can:

- Understand the effectiveness of your efforts in social media and make adjustments to what isn't working
- Prove the value of social media within your organization
- Show how social media can impact all departments, ranging beyond marketing and sales to HR to engineering to PR.
- Understand and measure brand reputation and gain control of that conversation
- Prove to executives the value of budgeting for your social media efforts.

In this lesson, we'll cover all of these possibilities.

Video 2: The Social Media Audit: The Key to Understanding Your Success With Social Media

You have an idea of who your buyer is, you've figured out what channels to use and have started posting on your social media channels. But how do you know if what you are doing is working? Are you posting the right content? Is your audience responding? Is there a return on investment, or ROI, in your social campaigns? Or, are you even investing in the right things? That's where social metrics come in.

Let's start by learning how to look at all of your data as a whole and set up some benchmarks for future reporting. You'll want to **conduct a social media audit** – a hard look at the data from all your social accounts and the social conversations across the internet about your brand and your competitors.

Conducting a social media audit will help you:

- Develop or adjust a social media strategy that aligns to specific, actionable business objectives and goals.
- Discover trends you can use to create or modify social media campaigns.
- Receive valuable insight into customer sentiment and perception of your brand.
- Provide executives and your team a look into what is or is not working so you can manage and justify social media spend.

An audit gives you the opportunity to see the ebb and flow of your audience engagement, content performance, and what's working and what's not. It's a way for you to put your thumb on the pulse of everything you are doing in social.

As part of your audit, you're going to be looking at a whole bunch of data. There are a variety of ways to record all this information, but many social managers find that developing a tabbed spreadsheet is the way to go. It will be helpful if you have a social analytics tool such as Netbase, Sysomos, Crimson Hexagon, or another type of metrics tool that can aggregate your data, but if not, you can manually pull the data and compile it from each channel's social media metrics. Some of these metrics are easy to acquire by going to the social networks themselves. Every major platform has analytics that you can use to understand your audience and the performance of your social posts.

If you use the HubSpot social tools, you can use reports to analyze some of what is needed, namely your social website traffic and your content post data. You can also review social ad and YouTube data as well.

If you are just starting out with social media, you might not need to conduct an audit yet, but understanding what goes into an audit will help you set up a framework that can help you capture much of this data on a weekly or monthly basis, which will save you time in the long run.

Let's dig in. The metrics you need can be found in a variety of places, whether it's in Google Analytics, on the social network's main pages, or within the account, in the analytics sections for each channel. A spreadsheet can help you keep track of all this information. Note that the metrics for each social media channel will be slightly different based on the available numbers you can measure, but there are a few commonalities that you should look at:

- **List your owned social channels.**

You'll want to start by listing your owned channels – those social handles that your company owns. The bigger your business, the more likely you are to have many channels.

- **Who are the internal owners of those channels?**

Who in your company owns each channel? Who has the passwords or who has been granted access. This will help you know if you need additional governance for your channels. For example, are there people who have access to Facebook that no longer should?

- **How many followers do you have?**

Record how many followers you have on your official social channels. You'll want to keep track of this metric moving forward.

- **Review non-owned channels for legal usage.** Are there channels that are illegally using your assets and logos (and potentially taking a share of your followers?). Are there fan channels that co-opt your branding? Should you consider filing take-down notices for some of these channels, or find better ways to interact with those accounts? If there are channels that are co-opting your logo, name, or other brand visuals, you can report them to the individual networks for removal.

- **Do your profiles have consistency?**

Do all your social channels have a similar look and feel? Does your profile imagery (such as your covers, icons, and avatars) adhere to your company brand guidelines? Is your tone and voice consistent across the channels?

- **Analyze your content performance.**

This is a big one, and you'll want to analyze each channel individually. Afterward, you can also use this data to determine if some of that content might resonate differently or better in other channels.

Ai Addyson-Zhang, Founder of Classroom Without Walls

"Social media analytics are so, so, so important. I love the saying, 'If you cannot measure, you cannot improve.' So you really have to understand and pay close attention to our analytics. I look at my own analytics every single day, because those are free focus groups, right? Our consumers are making an effort to tell us they love this piece of content, they don't resonate with that piece of content, and then listen to them. Use the numbers to strategize our social media content."

Some of the metrics you should track include:

- Best- and worst-performing posts
- Posts with the most engagement (things like comments and likes)
- Post frequency
- What types of content have the best and worst performance
- The publish time of posts that have the best engagement
- Video views
- Click-through to content
- Post reach and impressions
- Number of Twitter mentions
- Effective keywords
- Response rate (are you responding in a timely manner?)
- Sentiment (note that some tools enable you to measure positive and negative sentiment)

Don't forget about advertising.

If you do a lot of social media advertising, you might want to **conduct a separate, in-depth audit using the analytics in the ad tools** found within the networks where you're advertising. You'll want to track similar metrics to the above for content performance, but also look at budgets, ROI, a/b test results, and areas for opportunity.

Analyze your competition.

Go to each of your competitors' social media channels and take a look at how they use their networks. How are your competitors using social media? How many followers do they have compared to you? How is their content performing? What types of content perform the best? How

do they engage with their followers? By examining the competition, you can get a sense of how you stack up, but also where you might have gaps that you need to close.

Seeing all of this information in one place is a powerful way to analyze the effectiveness of your content and tactics. You can identify weaknesses in your approach, determine what is working well so you can do more of the same, stop ineffective programs, or understand if you need more resources to do a better job. Even better, now you have the metrics you need to argue for those additional resources.

Conducting an audit might take some time, but analyzing your social media will help you:

- Develop new benchmarks and KPIs
- Determine the best mix of content on the right channels at the right times
- Identify opportunities to better engage with customers
- Adjust budgets and calculate ROI
- Identify how you need to make resource changes to boost social media efforts

Be prepared to **conduct an audit of this depth every 12-18 months at minimum** – more often if you don't have strong metrics you regularly track. With the rapidly changing social media landscape, you'll want to always have an eye on how your efforts are making an impact.

Now step back and take a look at this overall audit. Consider your buyer persona and your business goals. What are the metrics that your executives will care about most? Pull those details out and prepare a shorter, more condensed version that you can deliver on a weekly or monthly basis.

There you have it – all the basics of measuring your social media, a step that can be a gamechanger for your business.

Video 3: How do you measure social ROI?

We talk a lot about how your business goals need to align with your social media goals. There are a number of metrics you can measure to determine your return on investment but having a system in place for how you're mapping social actions to those business goals will make it much easier.

Christine Scarlett, VP Marketing Communications, Cotiviti

"Looking at data on our social media activities is extremely important. Especially as we've been building this program over the last eight or nine months. We look at engagement, we look at the effectiveness of our posts, we look at activity, we look at the number of tweets, retweets. And sometimes we can get a little bit too involved in all of the data that's there. But I think the data is really key because it tells you the plan that you have, the strategy that you have, if it's working. And

areas that it's not working and how you can revise and rebuild. So, as you move forward, your program only becomes stronger."

Most marketers are measured by how their programs and campaigns perform in generating leads and revenue. While positive brand sentiment and a high level of customer service are important, your boss wants to know that the time you're spending on social media is actually translating into leads and customers.

Essentially, revenue is the ultimate indicator of social media marketing success, but depending on your sales cycle, it can be months before you've closed new customers from a social media campaign. Because of this delay, it's important to use leading indicators of revenue success, such as the following:

- **Sign-ups for email, webinars, and events:** At HubSpot, we even have people sign-up for reminders about our live events.
- **Product downloads and trials**
- **Purchases:** How many people buy your product or service as a result of an action in social media?
- **Downloads of marketing materials**
- **Visit-to-lead conversion rate:** Of the social media traffic you're generating, what percentage of those visitors become leads?
- **Sentiment analysis:** How the internet feels about your brand can be an indicator of satisfaction, passion, and loyalty.
- **Competitor benchmarking.** Understanding how you stack up to your competition can help you pivot and make better business decisions.
- **Website traffic**
- **Reach and engagement:** This includes likes, shares, and comments.
- **Audience size**
- And finally, **campaign results.**

Jacqueline Babb, Associate Professor and Chair of Marketing, Aurora University

"In terms of specific metrics for social media ROI, revenue attribution is obviously the big one. Did people buy something? But beyond revenue attribution, another great measure for looking at brand engagement is sentiment analysis. How are consumers perceiving your brand? That will give you a good look at the long-term view of how your customers are feeling about you and drive some of your short-term strategies."

To take a deeper look at how social media could affect your business' key performance indicators, or KPIs for short, here are some examples:

- **Lifetime value:** How much revenue do you earn, on average, from a customer?
- **Lifetime value multiplied by conversion rate:** How much is each potential visit worth to you based on the percentage of visitors who convert?
- **Average sale:** How much is the average purchase from social media into your website?
- **Pay-per-click ad valuation:** How much would you end up paying if you were to use ads to achieve the same social media results?
- **Resource savings:** Were you able to have a customer take an action in social that will save the company money elsewhere? For example, watching a video or receiving a social media response rather than a lengthy call into customer support?

Dennis Yu, the Chief Technology Officer of BlitzMetrics, tells us:

"The most important thing to keep in mind when measuring social ROI is using the same metric that you use for all the other channels. So you've got goals, content, and targeting for your business. Maybe the goal is ROI with a revenue counterbalance. Maybe it's number of leads versus a cost-per-lead. Maybe it's a particular product launch that you're trying to get in front of a certain audience at a certain recall rate. The same metrics that you use for any other channel should be the same metrics, shouldn't they be, for social? It's a question of how do you measure that?"

Track your social media expenses so you can calculate ROI against your marketing campaigns.

Here are some things to track:

- Work-hours
- Agency or freelance costs
- Social media software and services
- Content development expenses
- Advertising costs

Once you understand what your social media efforts cost, map those expenses to your social media campaigns to determine your return on investment.

The ROI of a social media action is calculated by dividing the net income by the cost of this action and multiplying it by 100.

For example, let's say a business invested \$2200 dollars on a social media campaign to promote a new product on Facebook and Twitter. Once they completed the campaign, they found they made \$9,500 in profit. The calculation for ROI would look like this:

$$9,500 / 2,200 \times 100 = 432\% \text{ ROI}$$

How awesome is a number like that? While we might not all be able to achieve this sort of success, you'll never know unless you are tracking your efforts.

It's also possible you'll find that your ROI is negative. If so, you'll want to adjust your campaigns or make changes to future campaigns based on your learnings.

And finally, make sure you report your findings back to your team and to your executives.

When it comes to measuring return on investment, the benefits are endless. Brands can find new fans, customers and leads, adjust campaigns to be more effective, and shift spend toward programs that will be more beneficial to the business.

Video 4: How to Tie Metrics Back And Transform Your Business

Social media metrics should have an impact beyond adjusting your social media strategy, efforts, and budget. These metrics also have the ability to make a significant impact in other areas of your business. Let's walk through some of the possibilities.

Social media data and metrics can affect:

- 1. Your product development and roadmap.** Are your customers happy with your products? Are they talking about features they wished existed? Listen to your customers to discover pain points and new possibilities.
- 2. Your marketing campaigns.** Your social media metrics can also affect marketing campaigns that aren't taking place in the social space. Tie print campaigns or outdoor advertising to a hashtag or a website to further measure their effectiveness.
- 3. Your sales efforts.** If your sales team is using social selling to reach prospects, having them tie their social outreach efforts to a hashtag can help track interactions and success.
- 4. Your recruiting efforts.** Understanding which influencers are driving traffic to job applications is powerful and can help you incentivize or forge better relationships with those individuals. You can also track how many applicants come from social channels.

5. **Your public relations.** PR teams are also interested in tracking influencers. Social media data can help them determine the success of online PR campaigns and tracking the reach from news that results from those efforts.
6. **Your customer service and loyalty programs.** Tracking conversions from unhappy to happy customers is only the tip of the iceberg when it comes to how social media can affect customer care programs. Savvy companies often develop campaigns for their most loyal customers. These campaigns contain a mechanism for their fans to share their experience in social media. Tracking the success of those types of campaigns against other types of campaigns can lead to valuable insights regarding the power of word-of-mouth and the value of super loyal customers.
7. **Your employee advocacy.** Brand messages reach 561% further when shared by employees vs the same messages shared via official brand social channels. Create trackable URLs and use specific hashtags for your employees to use. This will enable you to track engagement. If it's low, look for ways to infuse more energy into your employee campaigns.

There is so much data and insight that can be gleaned from your social media networks. By connecting these metrics to business impact, you can fuel many of your most crucial business decisions with valuable and actionable data.