

MEASURE THE ROI OF YOUR SOCIAL MEDIA CAMPAIGNS



#MKTOGuide


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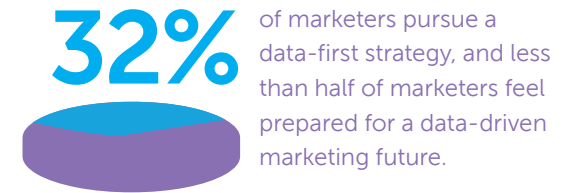
To prove how social media marketing contributes to business growth, you need to know how to connect the right data points. But that is not always straightforward, and you need the right set of tools to do this across all of your channels.

Only 32% of marketers pursue a data-first strategy, and less than half of marketers feel prepared for a data-driven marketing future, according to B2B Marketing and Marketscan. But without the right metrics, it's nearly impossible to know what to optimize in future

campaigns to drive the best ROI for your business. And even more importantly, without the right metrics, you can't even determine the ROI of your social channels in the first place, which makes it hard to make the case for more budget or headcount.

As you plan your social media campaigns, it's important to determine how you will evaluate success. Just as you would with your other marketing campaigns, you will need to take specific steps to make your social media efforts measurable.

The best marketing campaigns have intentional measurement strategies planned in advance. It is very challenging to go back after the fact to measure—so consider what you want to look at in advance and ensure you have the right tools in place to do so.



Source: B2B Marketing and Marketscan

"Content creation is obviously a big deal but perhaps even more important is analytics. We need to be able to dig into data and emerge with insights and truth."

MARK W. SHAEFER Executive Director, Schaefer Marketing Solutions, Speaker, Educator, and Author

"So much of social media used to be simply about monitoring brands and basic KPIs like network size, reach, and engagement. The role social media plays horizontally across the customer lifecycle requires far more comprehensive analytics. There are now far more opportunities for connecting the dots between social awareness, engagement, and conversion."

LEE ODDEN CEO, TopRank Marketing

EARLY-STAGE METRICS

Early-stage content is typically fun, entertaining, or educational to build brand awareness and affinity, so you should be measuring data that indicates how successful your campaigns are at doing this. Of course, if you're limited on resources or bandwidth, your focus may be more on paid efforts, in which you would place more weight on the conversions your campaign generates and how they ultimately translate into ROI (which can be understood by analyzing later stage metrics).

Your social media platforms may have native analytics dashboards that reveal so-called "vanity metrics," which are more important than the name implies. These soft metrics help you evaluate and understand early indicators that are precursors to conversions, like brand awareness and recognition, influence, and mindshare, and include the following:

FOLLOWERS: This tracks the size of your audience on each channel over time to understand how many people are interested in your brand and what you have to say.

ENGAGEMENT: This tracks the interactions social media users have with your social media account, such as clicks, likes, shares, and comments on your posts and time spent watching a video.

REACH: This is an important measure of brand awareness, as it measures the number of people who have seen your post. Essentially, it indicates how far your content has reached and how effective word-of-mouth is at amplifying your voice.

These metrics—followers, engagement, and reach—are especially important for your organic posts, since your objectives with these posts are to build brand awareness and affinity and amplify your voice. And while these metrics are certainly important to understand how your team contributes to brand awareness

and customer engagement, to demonstrate your total impact on the business (especially when you're putting money behind your campaigns—headcount, resources, paid promotion, etc.), you need to measure hard metrics like conversions, revenue, and ROI. To accomplish this, you need to track the conversions (downloads, registrations, subscriptions, purchases, etc.) that your social media posts bring in.

There are two types of conversions you should track:

NEW NAMES: This is the number of people your campaign brought into your database. This can help you measure how successful your social media campaigns are at acquiring new leads into your database or, if you're a consumer marketer, how many purchases that campaign generated.

EXISTING: When your campaigns convert known names (e.g., a prospect in your database who has previously interacted with your brand or a consumer who has already purchased from you), your marketing automation platform calculates their behavior in terms of how they converted (e.g., downloaded a white paper promoted on your LinkedIn page), which adds to their lead score.

For your paid social media campaigns, which in addition to staffing you're investing budget dollars into, you'll want to track the following metrics as well:

COST PER LEAD/ACQUISITION: B2B marketers typically track the cost per lead they acquired through their paid social campaigns, while consumer marketers may track the cost per acquisition (unless you're selling considered purchase products that have a longer customer lifecycle). To calculate the cost per lead/acquisition, divide the cost of your paid social campaign by the number of leads or acquisitions it brought in.

EARLY-STAGE METRICS

As you can see, conversions are critical to tracking how successful your social media campaigns are. For B2B marketers and consumer marketers selling considered purchase products, this reveals how effective your social campaigns are at bringing in leads that you will then nurture. For consumer marketers, this indicates how successful your social campaigns are at increasing purchases.

Your social media platforms' native analytics alongside with

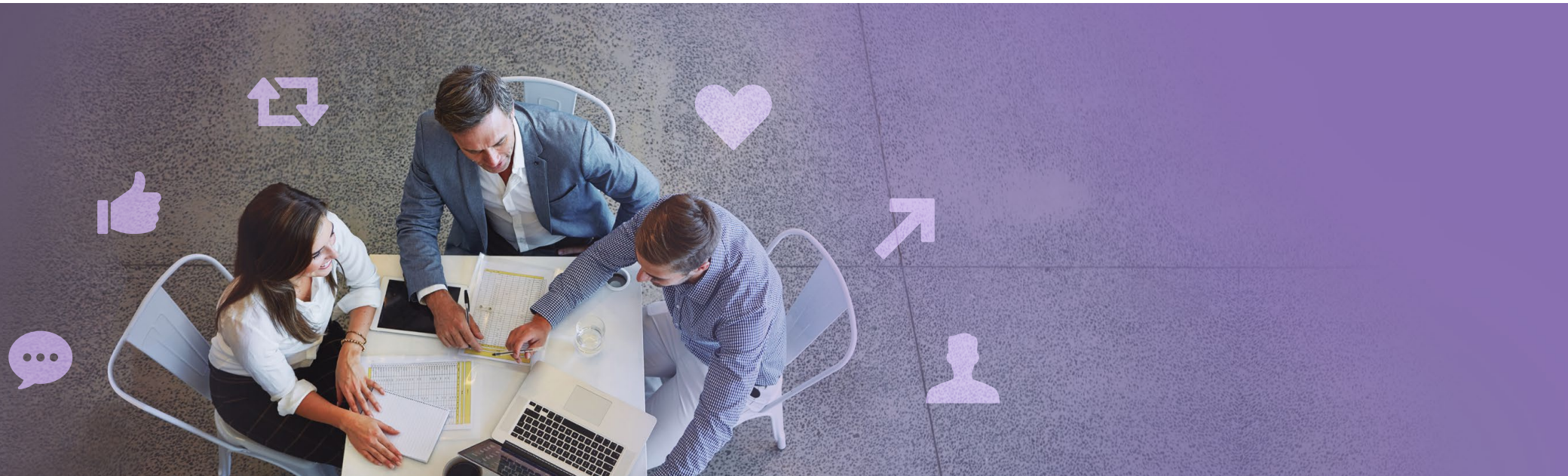
website analytics platforms like Google Analytics can reveal how many conversions each campaign generated. A marketing automation platform that can track unique URLs can complement those systems by showing you who converted.

When you share your content on social media, you typically include a link to your website to drive traffic to a gated or ungated landing page, unless it's purely for educational or entertainment purposes (think: memes and #ThrowbackThursday

posts). While your social media platforms can track how many people see, click on, engage with, and convert from a post (if it's a paid campaign), it's not able to see who actually downloads the asset or makes a purchase.

And even if you add unique URL parameters to track in Google Analytics, you still won't be able to see who clicked on or converted from a post—only how many. This is still useful though, as you can use this data to benchmark your

social media platforms against each other to see which ones are best at promoting specific assets. For example, perhaps LinkedIn is a better channel for promoting your white papers and industry-specific events, while Facebook generates a lot of blog subscribers.



EARLY-STAGE METRICS

For deeper insight, set up campaigns inside your marketing automation platform, like Marketo's, with a smart list or smart campaign that tracks those specific parameters to reveal how many conversions each of your campaigns brought in. Once a social media user clicks on that unique URL and takes an action on that page that counts as a conversion (for example, downloading an infographic), this information is captured on the back end. You can track everything from who converted, which channel the conversion came from (Facebook or Twitter), the type of content used (image or text), to the specific campaign that brought it in (brand awareness).

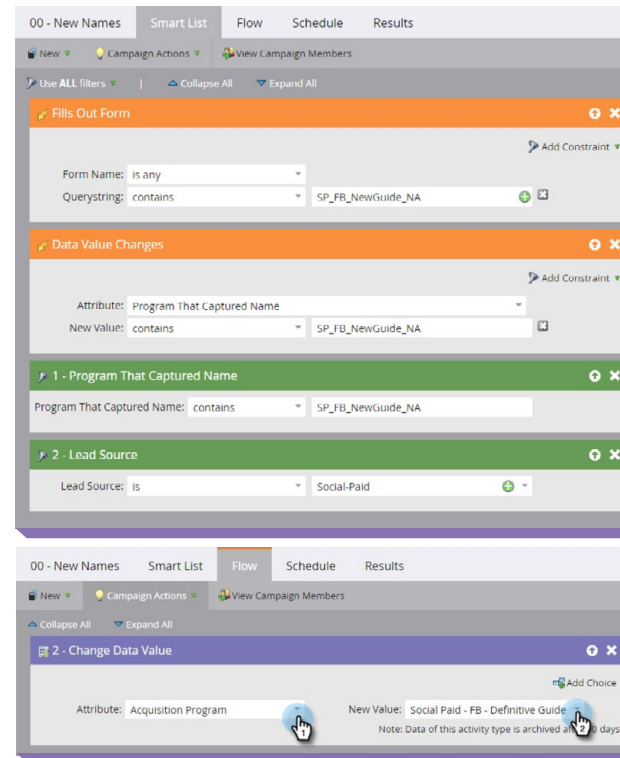
You might want to set up separate tracking campaigns for organic and paid efforts for each of your social media platforms. And if you have a web personalization app, you can

even track social media conversions from anonymous leads. In this case, an unknown lead would come to your landing page via a unique URL you promoted on social media, your website would cookie their IP address, and then track their activity across your website. Even if they don't fill out a form right away (perhaps they're viewing an infographic that's not gated), their activity will continue to be tracked until they perform an action that identifies who they are. From there, you will be able to nurture them toward conversion. After they convert, with a marketing automation platform, you would be able to attribute their social media activity to the revenue generated (a mid-stage metric we'll go into in the next section).



Retention, Upsell, and Cross-Sell

If you're a consumer marketer conducting transactions on your website, the next set of metrics may not apply to you, since a conversion usually indicates a sale. However, remember that the customer journey doesn't end post-sale. According to eMarketer, it costs 10 times more to acquire new customers than to sell to the ones you already have. And based on data from Bain & Company, a 5% increase in retention yields between a 25%–95% increase in profits. Plan a strategy around customer marketing—retention, cross-sell, and upsell—to maximize the customer lifetime value of your hard-won customers.



Example of a Smart Campaign in Marketo that tracks new names brought in by a paid post on Facebook

MID-STAGE METRICS

Your mid-stage content should be educational and engaging to drive your audience towards interacting further with your company. At this point, the data you collected on the conversions your social media campaigns drove will be critical to measuring your mid- and late-stage metrics.

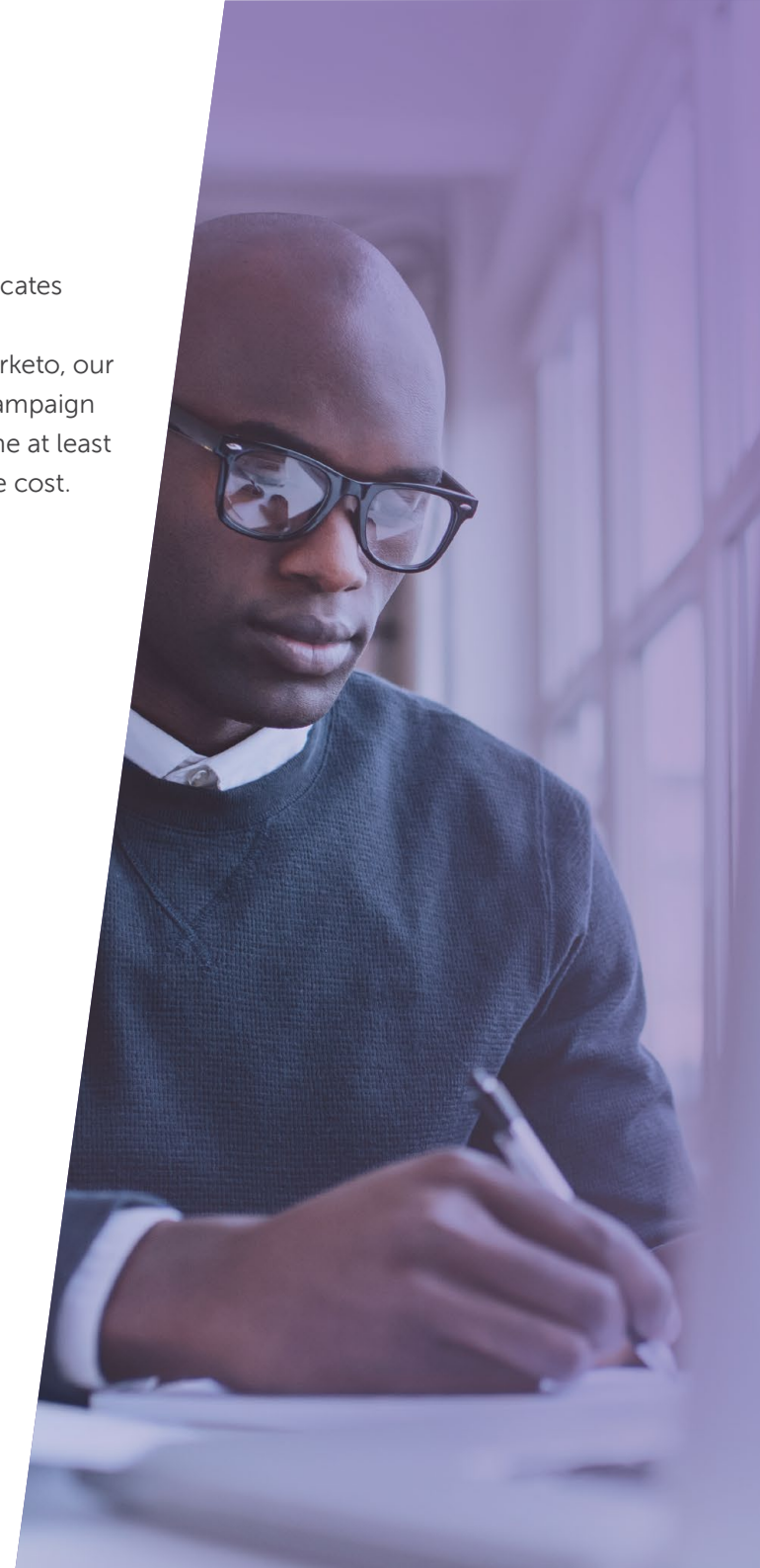
At this stage, you'll need a marketing automation platform, paired with social media, to power your prospects through their journey and your pipeline through ad targeting. You'll need a marketing automation platform to track the following metrics:

MQL: Marketing qualified leads, or MQLs, are prospects who have reached an agreed-upon threshold based on your lead scoring, which takes into account their overall fit, behaviors, and interests. At Marketo, that threshold is 100.

SQL: Sales qualified leads, or SQLs, are prospects who have been qualified by sales as good leads.

OPPORTUNITY: Once a potential customer becomes an SQL, they get further qualified by sales. If they deem that there is a sales opportunity there, they'll become an official opportunity in your system. Although opportunities can take a while to develop since they factor in a buyer's interactions with your brand, it's important to fill your pipeline with as many good leads as possible to generate more customer opportunities. This ties into your activity in earlier stages because the more people you reach and engage on social media, the more relationships you can develop that will hopefully become sales opportunities.

PIPELINE: Your pipeline indicates how many leads your social campaign brought in. At Marketo, our golden metric for a good campaign is one that generates pipeline at least five times the amount of the cost.



LATE-STAGE METRICS

At this point, you can start seeing how your social media campaigns contribute directly to revenue. Track the following late-stage metrics to tie your social campaigns to ROI:

OPPORTUNITIES WON: This number indicates the number of closed-won deals that your campaign achieved.

REVENUE WON: This refers to the dollar amount of the deal size that your campaigns brought in.

CUSTOMER LIFETIME VALUE (CLV): The CLV represents the total value that your relationship with a customer brings your company, across the entire customer lifecycle. For consumer marketers, this may be easier to calculate (average value of sale X number of repeat transactions X average retention time). For B2B marketers, this may vary depending on how

effective you are at identifying your customers' additional needs and cross-selling and upselling to them. As you measure your social media campaigns, the important thing to keep in mind is that social media and marketing automation go hand in hand. You engage your audiences through social media, both organic and paid, but marketing automation tracks the process, gives you the insights to evolve your conversations intelligently, and allows you to measure the impact of social channels and campaigns on your business. Additionally, it allows you to bring your ad channels into a solid omni-channel strategy that creates better customer experiences and moves them faster through the buyer journey.

As buyers engage with your brand more and more, make sure you're making the most of the information

you've collected by targeting them with a more narrow focus. In the earlier stages, you'll want to focus on a broad approach that can reach many of your buyers. But once you've got their attention, you can hit on their unique interests and needs with powerful marketing technology solutions.



ROI



Marketo provides the leading engagement marketing software and solutions designed to help marketers develop long-term relationships with their customers - from acquisition to advocacy. Marketo is built for marketers, by marketers and is setting the innovation agenda for marketing technology. Marketo puts Marketing First. Headquartered in San Mateo, CA, with offices around the world, Marketo serves as a strategic partner to large enterprise and fast-growing small companies across a wide variety of industries. To learn more about Marketo's Engagement Marketing Platform, LaunchPoint® partner ecosystem, and the vast community that is the Marketo Marketing Nation®,

visit www.marketo.com.