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TODAY'S THE DAY TO START MEASURING SOCIAL MEDIA

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Today's the Day to Start Measuring Social Media

Measuring your initiatives is an important aspect of understanding how your social media efforts are performing, but many find it difficult to identify the specific metrics they need. There is no single way to measure social media success, as each organization aims for different goals. But rest assured, there is a way.

This ebook will help you learn how to:

- Create strong measurement objectives from the start to help you succeed.
- Determine which social media channels are best suited to boost your bottom line.
- Put a dollar value on social media metrics such as Facebook likes.
- Weave social media into your customer service approach in a way that's trackable.
- Focus on the metrics that indicate a shift in consumer mindshare.
- Save money training employees by using social media tools.

Are you ready? There's work to be done so let's get started and dive into the practical applications!



Step 1 / Align your Objectives with your Metrics

For measurement to be effective, it has to align directly with the measurable objectives you've set. Those objectives should follow the SMART methodology, first introduced by Peter Druker in his 1954 book, *The Practice of Management*. The acronym stands for your goals being Specific, Measurable, Actionable, Realistic, and Timed.

- **Specific:** Describe your objectives specific to the results you want. Go deeper than "increase brand awareness" to "increase brand awareness by 10% in the next six months via a targeted social media campaign."
- **Measurable:** You want to use these metrics in the review process to see if you were effective. Having a specific objective will clearly show whether results were met.
- Achievable: Often "100% customer satisfaction" isn't realistic. Your goal of 90% customer satisfaction may be more plausible so consider what's feasible when setting your objectives.
- **Realistic:** Ensure you have the resources, tools and staffing to meet your objectives, or you'll just frustrate yourself.
- **Timed:** Get specific with your objectives and incorporate a time frame. This makes them real and tangible.

Now let's discuss the different types of metrics, starting with awareness, attention, and reach.



Step 2 / Measure Awareness, Attention and Reach

Social media makes it easy for your customers and prospects to share information about your products and services with their family and friends online. It also enables brands to have direct relationships with their customers. How do you measure the effectiveness of these conversations or relationships? Awareness, attention and reach. Let's explore how you might calculate each.

Here's what to track while keeping conversion in mind.

Fans, Followers, Subscribers, and Potential Reach

When you talk about social media connections or reach, be aware that you're looking at potential reach, not actual reach, or the estimated number of potential customers it's possible to touch through your campaign. Not every Twitter follower, blog subscriber or Facebook fan sees or even reads everything you publish. Here are some ways to gather potential reach:

- Tap the social media networks to get raw numbers, such as Facebook Insights.
- If you have daily or monthly peak times and volume statistics for various sites (like your website), estimate what percentage of your fans you can reach with a single post, then a week's worth, and a month's worth, etc.
- Look at the resonance of a single post by watching retweets and shares. This is how you look at secondary reach, or the friends of your friends who might see your posts.

DETERMINE POTENTIAL REACH OF SOCIAL MEDIA

People who Shared Content + Their Networks = Potential Reach

Usually the goal isn't just to gain the follower, but to propel them to action. To prove that, you have to:

- Look at your average monthly reach across all of your online networks.
- Count the number of transactions/conversions that are originating in those channels during that same month.
- Establish the ratio: For every 10 people you're potentially reaching, we can count two conversions, or five new blog subscribers, or whatever your goal is.





Share of Conversation

This is a combination of a few metrics that give you strong insight into how your online activities are directly impacting your goals and objectives. It helps you understand not just the volume of buzz about you, but how prominent you are among the conversations you want to be associated with. If your brand is mentioned in relevant conversations, you'll gain mindshare and therefore increase the likelihood of someone choosing you over a competitor in the same market.

Radian6's CEO Marcel Lebrun's blog post discusses the methodology for establishing the Share of Conversation metric. The high-level process looks like this:

- Determine a topic, subject, or market of focus. For example, if you work for a Diabetes foundation, you might want to look at conversations around "diabetes research" or "diabetes support."
- Within that topic, track and count the posts you want to measure during a specific time period. 30 days is generally a good window.
- Then, track the posts that mention both that topic and your brand during that same timeframe.
- Divide these metrics to get a resulting percentage: your Share of Conversation.

SHARE OF CONVERSATION

Posts discussing topic and your brand

Posts discussing topic

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Strength of Referrals/Recommendations

Time to get an understanding of the paths of online recommendations and referrals. To start:

- Monitor mentions of your brand name, and any variations and common misspellings.
- Look for direct recommendations: responses to a request for information or referrals.
- Look for implied recommendations: posts with positive sentiment, such as, "Bob's Towing is great and I'd use them anytime!"
- Over a period of time (30 days is good), see the percentage of posts that are direct or implied recommendations.
- For a deeper look, map as many names/profiles as you can that are recipients of the direct recommendations.
- Overlay those recipients with your prospect/contact database and see how many have actually entered your pipeline.

Inbound Links

Inbound links are online currency, contributing to things like your visibility in Google. Look at your other web analytics tools, such as Google Analytics, to see if any of your prospects' websites are top referring sites to your website.

Social Bookmarks

Tracking social bookmarking sites like StumbleUpon or Delicious helps establish the resonance of the content you produce. Do a search on these sites for your company or blog name to see hits for bookmarks. How many people have bookmarked your particular link? Look at your referral analytics to see where these sites sit on the referring site list. You can likely correlate traffic volume per month with the number of bookmarks in the same time period.

With all of these different metrics, choose the ones that help you illustrate progress toward your goals. Now let's look at measuring leads, conversions and sales.



Step 3 / Measure Conversions and Sales

Most beginners think social media measurement is about counting the number of eyeballs. But what really matters is the actions those people take as a result of your social media efforts. This can also be known as a conversion. A conversion means taking action, whether it's clicking a link, filling out a form or making purchases on your website. It all depends on your organization's goals. For more information on conversions, check out this post by Avinash Kaushik.

Attribution

In the CRM world, there are three main kinds of attribution: first action, last action and multiple action.

First action attribution is the one most likely to show social media as driving conversions. This gives credit to the activity that first made the prospect aware of your company. Last action attribution identifies the last thing a prospect encountered as the driver to contact your company for more information. Multiple action tries to blend both. You need to decide which makes more sense for your company.

Correlation

This approach tracks your overall sales and website referrals and then compares them to your online activity. If your fans/followers, blog subscribers, and social shares have all increased along with sales, you can indicate a positive correlation between social media initiatives and sales. If social media activity goes up but the sales stay flat or go down, something isn't working, or the social media piece of the sales puzzle might not be effective.

A correlation can also be in ratios. So, for example, a \$50,000 investment in social media (time, money, or both) correlates with a \$250,000 increase in sales over the same time period. Note that this is not precise because this is measuring an investment in a single channel against total sales. But you can look at the proportion in sales or lead traffic increase over the time period in which you track your social media activities, and extract a relationship between the two.

Now that we've clarified the nuances of attribution and correlation, let's look at a few of the things you might measure.



Value of a Facebook Like (Fans)

Let's track the value of a Facebook like (fans) in monetary terms. To start, track the revenue generated via leads and traffic originating from your Facebook efforts. If your Facebook page does not drive leads or sales, it may be too difficult to determine the value of each Facebook like.

To determine the value, use this equation:



Pulling the number of likes is easy, but how do you determine the total revenue in 30 days from Facebook traffic? Here's how:

- 1. Build landing pages within your website that are only accessible via Facebook.
- 2. Use your analytics software to track referral traffic from Facebook.
- 3. Look at the percentage of conversions to leads from Facebook traffic (i.e., they filled out your contact form or emailed you for more information), and then through your sales/CRM database, track which ones become customers. Or, if you have e-commerce on your site, track the completed transactions that originate from Facebook.

Note, this is attempting to say that the value of a Facebook like (fan) is directly tied to the revenue produced by that social network. It doesn't take into account outside factors such as past correspondence or offline influence. Consider cross-referencing your Facebook likes with your sales database for the bigger picture.

Conversion Rates

The real value of conversion rates comes when you look at the aggregate of all of your social media initiatives. Conversion, in this case, means anything you would qualify as a successful interaction according to your goals, be it an email newsletter sign up, a blog subscription, a contact form submission, a content download, a contest entry, or, of course, a purchase.

Another way to look at this metric is to identify conversions of leads to sales that have a social network affiliation but didn't necessarily originate there.



- When a lead comes in through any channel, cross-reference it with your email subscribers for your blog, Twitter list, or Facebook likes. Indicate the associations in your database.
- Look at the conversion percentage of those that have social network associations versus those that do not.
- **Bonus:** Do leads associated with your social networks convert to sales more quickly or more slowly than those that aren't? That would be the time from the date the lead is opened in your database to the date of the sale.

Direct-Response Sales

The key here is to provide a unique way for people to buy from you that is exclusive to your social media channels. That can be:

- A promotional code you distribute only inside your online community.
- A specific and unique landing page you create only for your Twitter followers.
- A coupon available only to your Facebook fans (and that they can share with their friends).

Then, track the sales that are generated through those initiatives.

This is the one place you can calculate true ROI. To calculate ROI, you have to:

- Account for the time, resources and expenses you put into a specific social media effort.
- Account for the direct sales that come from that effort, by tracking them as specifically as possible.



Learn more about social media ROI in our recent ebook, *ROI of Social Media: Myths, Truths and How to Measure*. Our next step is all about tracking leads.



Step 4 / Track and Measure Social Media Leads

Whether you're using a spreadsheet or a CRM system to keep track of your prospects, you'll want a way to designate a lead source. You can even split that source into specific social channels: blog subscribers, Twitter followers, LinkedIn contacts, etc. For example:

- Note leads that come from a direct source, like a blog subscription.
- Include a field on your website's contact form that asks visitors how they found you.
- Note leads that come in from offline events.
- Note referral traffic to your site from social networks.
- Map a contact form submission or a click on a "Contact Us" email link.
- Track landing pages with the social networks they were shared on.
- Track requests for content downloads from email signups.
- Overlay names on your followers list with your lead pipeline.

After you've gathered all this information, look at these stats in total.

- How many leads do you generate each month that are from social media?
- What percentage are from your overall lead pipeline?
- What percentage of that group of leads are unique?
- Can you take leads that are inactive or aged in your database and try to reactivate them through a social media touch point?

Many CRM platforms, such as Salesforce.com, allow you to track the lead stages themselves, whether the lead is brand new, or whether they're in deeper consideration and talks with your sales folks. You can also look at the leads that originate in social networks and see how they're distributed across those stages over time.

Now let's look at cost savings as a result of social media measurement.



Step 5 / Measure Cost Savings

Sometimes, the value in a business endeavor isn't about what goes up – like revenue – but what comes down, like costs. Social media can have some very clear efficiencies, most notably on the customer service side, but also in areas like training or communications. Let's have a look.

Cost Per Issue Resolution

In customer service arenas, most companies have a pretty distinct idea of what it costs to tend to and resolve issues through typical channels, like a call center. To determine what it costs, you need to determine the cost of the resources (i.e. hardware or software) as well as salary and benefits.



If you're tracking this through channels like phone or email and web support, you can also track it through social media. If you have the resources and an established social media presence, you can start by allocating some resources to handle some issues only through social media channels, while others continue to man traditional channels.

Issue Resolution Time

Monitor the speed of issue resolution, or how much time it takes from the moment an issue is captured to the time it's closed and archived. Most CRMs can generate these reports for you.

Nevertheless, you'll need to have tracking in place, at least at a high level, to evaluate this properly. To do so:

- Keep track of issues that originate in social media channels, like a complaint or question arising on Twitter or a blog comment.
- Classify issues that are resolved in social media channels, and how long they take from the initial post to delivery of an answer or resolution.
- Track the hybrid ones, too, such as those that start on the forum, but require carryover resolution through phone or email.



• Compare traditional resolution time (email/telephone support), resolution time that begins on social media and ends through telephone or email, and issues handled exclusively through social media.



Once you have that estimate in hand, you can apply it to the three categories you've broken out (above) and look at your efficiency.

Training, Idea Generation, and Employee Education

There's no doubt that there are costs associated with training employees. Social media capabilities and tools can impact this line item in several ways. Consider:

- Building a knowledge base, like a wiki or other collaborative resource center, to avoid having to reinvent and redeploy training materials.
- Creating a video library of employee-generated tutorials, tips, and ideas based on common training needs.
- Using an internal social network or communication platform, such as Chatter, for employees to share their best practices and learnings on an ongoing basis.
- Attending webinars, Twitter chats, and viewing Slideshare presentations.
- Hosting organized peer-sharing sessions or training sessions.
- Deploying an internal idea capture/voting mechanism to curate ideas for improving business processes, like a virtual suggestion box.

Survey your employees to see if they're taking advantage of these tools, and how they're impacting job performance.

Correlate savings or efficiencies. For example, reduce costs for meeting space and travel by conducting training virtually instead of having employees burn an hour in a less-efficient live session.



CPM/Cost Per Dollar Raised

Let's look at the cost of potential reach in social media. Using CPM (cost per thousand), you can break out the total cost against the total potential reach, and then calculate how much it costs you to reach every thousand people. You'll need to track:

- The approximate/potential reach of a particular effort you deploy in social media.
- The time and effort put into maintaining and managing that online presence.
- Any hard dollars spent for items such as landing pages or ad dollars.

Look at the total potential reach and break down either the CPM or the cost per dollar raised. Compare that to past efforts you've deployed without social media, and look at the difference.

With these cost savings metrics under your belt, you'll be saving time and money quickly with the numbers to prove it. We reviewed a lot of metrics, so now, let's wrap it all up.



Conclusion / Social Media Measurement Wrap Up

The essence of measurement is capturing accurate data and using it to tweak your tactics. There is no universal way to measure each initiative but there are several metrics that can be applied in certain situations. Equations – like ROI – are more or less fixed, but how you derive the elements of that measurement is dependent on your processes and what you choose to track.

That is time-consuming work, but it's impossible to be serious about measurement and bypass the work involved. Measurement is a discipline and it takes a consistent investment in time and effort.

Take this as a primer for measuring your efforts in social media. We've covered the metrics that are the most straightforward and broadly applicable. But there are more metrics available that are applicable to your goals and objectives and new ones are popping up everyday.

If you'd like some more information on social media metrics and measurement, take a look at the ebook, *The Future of Analytics*.

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PRINT ME

As a takeaway, here is a list of all the equations discussed in this ebook. Feel **free to print** it or share it or put it in your back pocket for your next social media strategy meeting.

DETERMINE POTENTIAL REACH OF SOCIAL MEDIA

People who Shared Your Content + Their Networks = Potential Reach

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