



# Social Media Measurement: Show me the results!

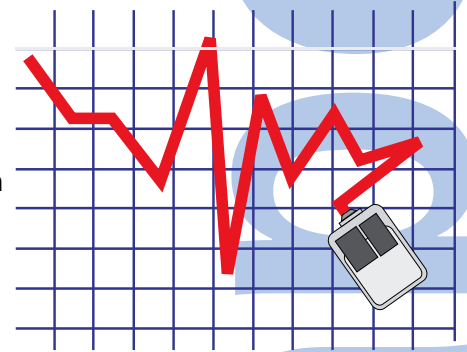
# Social media measurement: Show me the results!

*'You can't measure social media. It's about engaging with your customers! How can you put a price tag on that?'*

*'Social media ROI is impossible to calculate. It's such a new marketing tool, you can't track it.'*

*'We have tons of Facebook "likes" and Twitter followers. Isn't that a good enough measure of our campaign success?'*

If your organisation has taken the plunge into the world of social media (or, is planning to), you've probably heard one of these phrases once ... twice ... a thousand times. And, judging by the topic of this Blue Paper, we guess you can predict where we're heading. All of the above statements are, of course, false. That's the good news!



The bad news is, the mindset that social media can't be measured is alive and well in many organisations that have leapt head-first into a social media strategy. And, unfortunately, what's also true is, if you can't measure the results of your social media programme, it probably won't be around for much longer.

Before we get into the process of social media measurement though, let's talk about the 'why'. What is the point of measuring your organisation's social media activities? According to Brian Solis, expert digital analyst and author of 'Engage!' the mission of measurement in social media falls into four categories:<sup>1</sup>

1. Exposure: Uncovering the degree to which your organisation has created exposure to its content and message via social media channels.
2. Engagement: Finding out who, how and where people are interacting or engaging with your organisation's content.
3. Influence: Recognising the degree to which exposure and engagement to your organisation's social media content has influenced perceptions and attitudes.
4. Action: Discovering what actions, if any, your target market has taken as a result of your organisation's social media efforts.

Thankfully, a sound measurement strategy can help reveal results in all four categories. In this Blue Paper, we'll touch on all aspects of social media measurement, ultimately delivering an 11-step process that will help you move in

<sup>1</sup> Solis, Brian. *Engage!* Wiley, 2011. Print.

the right direction. If you're skeptical, read on: We want to make you a believer that social media measurement is not only important in demonstrating your programme's success, but also in generating positive business results.

### Step 1: Setting objectives. 'Where do I want to go?'

Before beginning any social media measurement programme, you must first decide what you're going to measure. This will depend solely on the objectives you've set for the programme. What goals have you set?

Whilst objectives for your business's social media programme will vary, common objectives include<sup>2</sup>:

- Market research, including gaining insights into consumer preferences and perceptions
- Improve crisis monitoring and response, including reversing an event's negative impact on your brand or organisation and improving your image in a particular market or industry
- Increase the reach and/or effectiveness of other marketing efforts
- Reduce customer service costs and/or improve customer service outcomes
- Increase sales (in terms of frequency, reach or value)
- To give your brand a human touch
- Penetrate new, more technologically savvy markets
- Improve customer relations to help increase customer loyalty

The objective for your social media programme may take on one or more of those listed above. Or, you may have an objective unique to your organisation. Either way, being aware of the programme's objectives *before* beginning its implementation is crucial to accurate measurement once you get going. And remember to make sure your objectives are specific and measurable, not vague and abstract generalisations.

As listed in Olivier Blanchard's book 'Social Media ROI,' measureable and specific business objectives are crucial for the following reasons:<sup>3</sup> They,

- give purpose to a social media programme
- give momentum to a social media programme
- make everyone involved accountable



<sup>2</sup> Blanchard, Olivier. *Social Media ROI*. Que, 2011. Print  
<sup>3</sup> Ibid.

- make analysis easier for social media managers in deciding whether or not a programme's efforts can be deemed successful

If you are unsure of what your programme's key objectives are, consider meeting with appropriate departments, including senior management, for help. Getting the specifics agreed now will pay dividends in the future (no pun intended!).

## Step 2: Connecting objectives to measurement. "What should I measure?"

You may have realised that, in the sample objectives above, some of the goals listed can be directly tied to your business's financials while others cannot. Keep this in mind when moving into the next step: Figuring out what you should measure that will show results in the objective areas identified.

Why make this distinction now? Because the metrics you can measure in social media is tremendous, and it will help you in determining what truly matters. As Blanchard states,

*'If the golden rule of business measurement is, 'measure what matters,' the golden rule of social media measurement is 'just because you can measure it doesn't mean that it matters.'*<sup>4</sup>

With this as our foundation, let's start with a list of what you *can* measure in social media. Then, we'll pare it down to what you *should* measure, based on your objectives.

The list of metrics you *can* measure within the realm of social media is huge. We'll list a few of the most common metrics here, but make sure you do your own brainstorming as well to ensure you don't miss any metrics that could be crucial to proving your programme's success<sup>5</sup>.

- **Twitter™:** Metrics to measure go far beyond the amount of followers you have. Also consider the daily measurement of: Outbound updates, inbound tweets, outbound @ replies, number of re-tweets (RTs) and the number of click-throughs to your site via Twitter.
- **Facebook®:** Facebook fans aren't the end of the story as far as measurement is concerned. Also consider the daily measurement of: Volume of updates, number of likes, number of likes per update,

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<sup>4</sup> Ibid.

<sup>5</sup> Ibid.



number of comments, number of comments per update, number of shares, number of shares per update, number of click-throughs to your site via Facebook and other activity on Facebook (i.e. discussions, downloads, events RSVPs, etc.).

- **Blog:** Blog metrics you may choose to measure include: Daily visitors, unique visitors per post, comments per day and per post, inbound links to your site via your blog, video views and downloads, audio/podcast views and downloads, and other downloads.
- **Sentiment:** In the social media measurement world, 'sentiment' is just a fancy word for 'emotion.' It's a good idea to consider measuring sentiment across all social channels - both positive and negative. Also included here are recommendations and product reviews across the Web. There are a few ways to measure this; more on that later.
- **Customer service-related:** As one of the main objectives of social media for many companies is customer service-focused, there are many metrics that directly relate: Amount of customer service requests received per day and per channel, the number of replies needed to satisfy the request, the amount of time needed to complete a request and the number of positive and negative outcomes from handling requests.
- **Web analytics:** As social media so closely relates to your organisation's online presence, it's important to keep tabs on general web analytics such as the number of online transactions, unique visitors to your website via social channels, and more.
- **Offline metrics:** In the next step, we'll talk more about connecting objectives to the various types of social media metrics. That being said, depending on your objective, you may need to tie it directly to an offline metric to prove success. Such offline metrics may include: store traffic, response to promotional offers, event attendance, number of transactions, sales volume, number of transacting customers, frequency of transactions per customer and average yield per transaction.

Phew. That's a long list, and that's the shortened version! Now, how do you begin to distinguish which of the above metrics you *should* be paying attention to? Because, remember: just because you *can* measure it, doesn't mean it will do you any good. The last thing we want is for you to waste time compiling measurement reports and deep diving into metric analysis if it won't prove anything relevant in the end.

Instead, let's decide on what to measure by looking at your objectives determined in Step 1. This is a two-step process. First, you must establish what your **Key Performance Indicators** will be - or KPIs for short. Then, you can decide which



metrics can directly support your KPIs.

Let's start with an example to better illustrate this process<sup>6</sup>:

- *You are a florist*
- *The social media programme objective is to increase the sale of tulip bouquets*
- *Your target is to sell an additional 5,000 tulip bouquets during Q4 of this year*

With this background in mind, what would be your KPI? Your KPI would simply be to sell more tulip bouquets in the fourth quarter of the year. Selling more tulip bouquets demonstrates that you are achieving your objective and can see measureable progress towards the objective of 5,000 additional bouquets sold which is therefore a "key performance indicator." See, this is easier than you might have expected!

Now that we know our KPI, let's match up which social media metrics will help support our objective by affecting the KPI. Keeping in line with our florist example, metrics you choose to measure may include:

- Positive online mentions of tulip bouquets leading up to Q4
- New 'Likes' of tulip bouquet content on your company's Facebook page
- New click-throughs of links leading to tulip bouquet content from your social media accounts
- Redeemed coupons and discount codes for tulip bouquets in Q4

As you can see, each of the above metrics directly relate, not only to the social media programme's target and objective, but also the KPI. These items are what *should* be measured out of everything that *can* be measured.

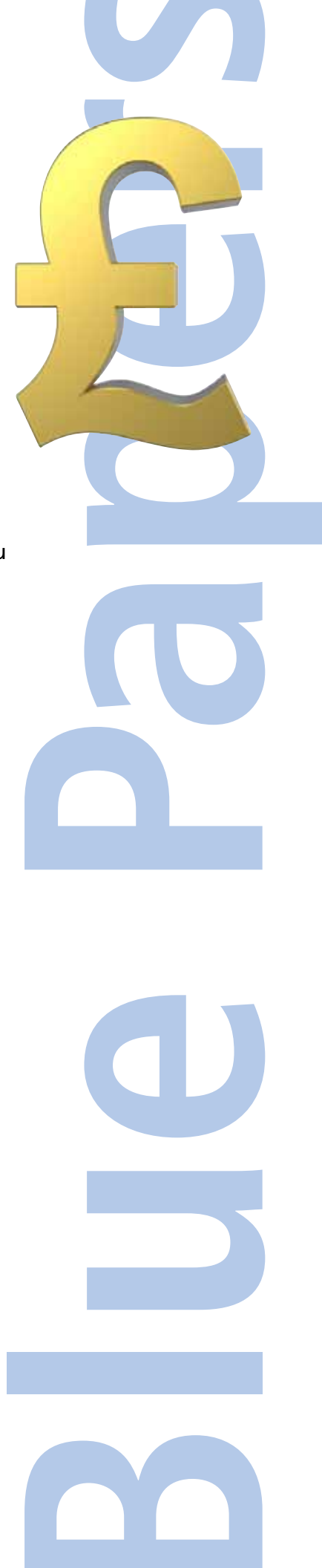
Going through this exercise before implementation of your programme begins will help to set the stage for measurement and analysis later on. As an added benefit, it gets rid of all the other data that's actually irrelevant but you may otherwise measure it, just because you can!

### **Step 3: Conducting a measurement audit. "What's already being measured?"**

You've set the targets and objectives for your programme, connected them to KPIs and assigned relevant metrics. Bravo! You're already well on your way to

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<sup>6</sup> *Ibid.*



setting a solid foundation for social media measurement.

The next step is rooted in collaboration between roles and departments within your organisation. It's time to do some investigative work and find out what is already being measured.

It's likely that your IT department or web team is already measuring the company's site analytics via a tool such as Omniture™ or Google Analytics™. Your PR team should be measuring online reputation and sentiment. Your marketing and advertising team (or, agency) is hopefully measuring impressions and reach, at the very least. So on and so forth. Take an inventory of what's already being measured, and then compare that list to what you may need to measure later on. Why? So you don't end up doing double the work, of course!

#### **Step 4: Choosing the right measurement tool. "How do I know what's best?"**

Once you know what's already being measured, you need to look back at the programme objectives and KPIs. Referring to these will ensure you choose the measurement tool, programme, software or process that best fits your needs.

There are thousands of social media measurement tools out there. Really. You just have to do the legwork to find what's right for you. Find something that fits within your budget and meets your measurement needs.

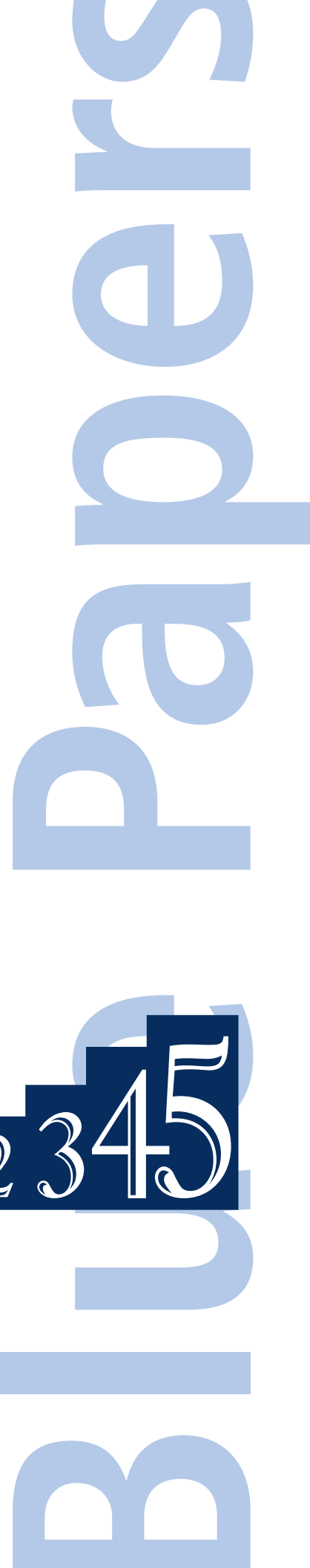
'Social Media ROI' outlines a simple, five-step process, for selecting the third-party measurement tool that's right for you:<sup>7</sup>

1. Write down everything you want to be able to measure online that directly impacts your programme or campaign
2. Look for software that measures that type of data
3. Test the software
4. Organise the software from best to worst – in terms of accuracy, flexibility, reliability and ease of use
5. Select the best software that your budget allows for

Don't be afraid of combining a few different measurement tools to create the perfect finished product. This is an especially useful practice when taking advantage of free online tools, as they may be limited in scope of ability. But, when combined, you could end up with a solution that rivals that of a large measurement software package costing thousands of pounds a year.

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<sup>7</sup> Ibid.



On the topic of selecting the right measurement tool, Blanchard offers two additional pieces of advice<sup>8</sup>:

1. Take control over your measurement software. Sometimes, if a third-party is in charge of your social media measurement, you may never actually see the tools or reports. Make sure you will be allowed access to these tools prior to engaging in any agreement. This will ensure total accuracy in reporting and a better understanding on your part for the way the process works.
2. Also, consider the role of the individual who is responsible for social media measurement. Are they also responsible for the programme's strategy, implementation and success? If so, measurement may not be the smartest addition to their duties. If their success depends on the success of the programme, the measurement structure and reporting may reflect that. In the end, you want unbiased reporting that showcases a connection - or disconnection - to objectives, not what only shows short-term success.

#### **Step 5: Establishing a baseline. "What will I compare my results to?"**

It's time to set up your 'baseline'. Translated into everyday English, a baseline simply showcases where you are now and gives you a benchmark to refer to once your programme gets going.

Let's turn back to our florist example to show this more clearly. One of the metrics we chose to measure was, 'new Likes of tulip bouquet content on the company Facebook page in Q4'. How will we measure progress if we don't know where we currently sit in Q3? That's where a baseline comes in.

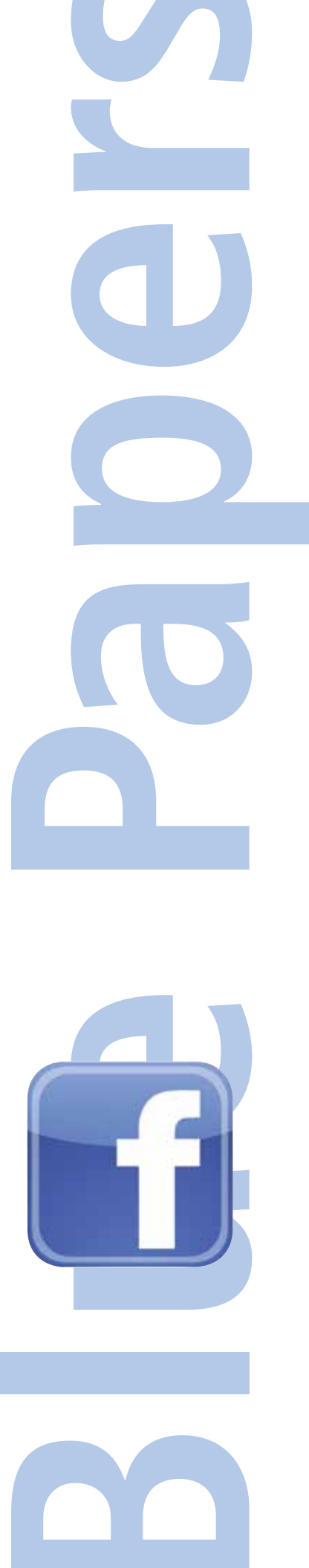
Using our measurement tool or process during Q3, we can find a baseline that looks like this:

*In Q3, our Facebook pages status updates, links, photos and videos related to tulip bouquets received a total of 150 'Likes' from our page's fans.*

Now, at the end of Q4, we'll have something to compare the quarter's results to that will indicate success or failure of the social media effort. Keep your baseline numbers handy for later on, when we delve deeper into actual measurement of results and analysis.

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<sup>8</sup> Ibid.





## Step 6: Assessing the costs. "What are we really investing in social media?"

Calculating how much the social media effort will cost your organisation is crucial prior to implementing your programme. Why? Because you'll need to take that investment into consideration when proving the success or failure of financial-based objectives later on.

But first, let's define 'hard' and 'soft' costs as they relate to social media.

Hard costs are what you physically pay money for in exchange for a product or service. Such items may include technology costs associated with software, servers, computers and other equipment. These are easy to determine in most cases.

Soft costs are harder to determine, yet are often the area of social media costs that have a larger impact on the bottom line. Soft costs may include: Salaries of employees who are working on social media efforts (or hourly rates, including bonuses), time allocated towards social media actions, agency hourly fees and the opportunity cost of spending time on social media programmes versus other potential duties.

In 'Engage!' Solis shares a formula that is useful in calculating the soft resource cost of implementing a social media effort:

*[Number of average relevant conversations per day, per community] x  
[Quantity of relevant communities] x  
[20 (the average number of minutes required to research and respond in social media)] / [60 (minutes)] = The amount of time required, in hours<sup>9</sup>*

From there, you'll need to calculate the actual amount in pounds as it relates to the salaries or hourly rates of employees working on social media efforts:

*[Amount of people working on your social media programme] x  
[Average hourly rate of those individuals] x  
[Hours spent on social media] = Soft cost estimate of money spent on social media*

Then, just add up the hard and soft costs to get your total resource allocation needed to implement a social media programme. This will be an estimate, yes, but hopefully a pretty accurate one. Once you've begun implementation, revisit

<sup>9</sup> Solis, Brian. *Engage!* Wiley, 2011. Print.



your cost formulas and adjust as necessary to account for changes that may occur throughout the course of the year.

### **Step 7: Implementing your social media programme. “Let’s do something that can be measured!”**

You’ve set the stage for your social media programme’s measurement. You know what you want to achieve and what you’ll need to measure. You have your costs calculated and measurement tools in place.

Now what?

Get going! After all, we can’t get to the nitty-gritty of social media measurement if you have no data.



### **Step 8: Monitoring. “Where do I begin?”**

‘Monitoring’ simply means ‘listening with purpose’. In this stage, you will pull out all relevant data that you identified in Step 2. No actual measurement takes place yet though. According to Blanchard, at this point you are merely identifying and sorting the data that may need to be measured later on. ‘It qualifies data, but doesn’t quantify it,’ he remarks.<sup>10</sup>

The social media measurement tools, software and programmes you set up earlier will help in the monitoring phase. Use them to sort the data sets that you outlined would be relevant to achieving your objectives. You won’t assign any value or begin to analyse the data just yet though – that comes in Steps 9 and 10.

You may also want to consider outsourcing this step to a third-party agency with the capacity to perform the function with high precision. This is especially true if you’re monitoring sentiment and related reputation-based commentary, as it usually takes a trained eye to identify content efficiently and accurately.

### **Step 9: Measuring. “What matters and what doesn’t?”**

As you’ve probably realised, social media measurement greatly depends on a thorough set-up prior to programme implementation. If you build the right foundation for accuracy, measurement itself is much easier in the long run.

Now, on to quantifying the data we deemed relevant in Step 8.

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<sup>10</sup> Blanchard, Olivier. *Social Media ROI*. Que, 2011. Print.

Let's break the actual measurement portion into two sections: Measurement that aims to quantify non-financial metrics and measurement that quantifies financial metrics. Why separate them? Because non-financial metrics cannot be connected to ROI.

We repeat: Non-financial metrics cannot be connected to ROI.

On the other hand, financial metrics *can* be, so we'll separate them for the sake of this step. It will be simpler to understand; we promise.

So, how do you differentiate between the two? Simply by answering these two questions:

1. Did the measurement metrics you chose earlier - the ones that connected directly to your objectives - have to do with cost reduction?
2. How about increased revenue?

If you answered 'yes' to either of these questions, then you are dealing with financial outcomes. If you answered 'no,' then you are not. If it cannot be measured in currency, it is a non-financial outcome.<sup>11</sup>

We'll start with non-financial outcomes. It should be easy to quantify this data, as you already did the legwork: You selected your metrics and KPIs in Step 2, chose your measurement software in Step 4, and established your baseline in Step 5. Now, all you have to do is to collect the data surrounding the metrics themselves and compare them to your baseline.

If we revisit our florist example from earlier, during Step 9: Measuring, we would do the following:

1. Assess which metrics are non-financial. In this case, the non-financial metrics that we decided to measure were:
  - Positive online mentions of tulip bouquets leading into Q4
  - Net new 'Likes' of tulip bouquet content on the company Facebook page
  - Net new click-throughs of links leading to tulip bouquet content from company social media accounts
2. Measure the change of these metrics during Q4 using our measurement software or other tool solution. Record the data on a timeline. Mark the points on the timeline that correspond with content release dates

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<sup>11</sup> Ibid.



Preparation

(i.e. Release of a Facebook album about tulip bouquets or release of a link on Twitter to a new tulip bouquet on your website).

3. Compare the data gathered to your Q3 baseline data to determine a positive or negative change related to each metric.

Et, voila! You've mastered non-financial outcome measurement. In the next step, we'll talk about how to further analyse this data, but for now, actual 'measurement' stops. Determining what it means and why it matters is more 'analysis' than actual 'measurement'.

Let's switch our attention now to quantifying financial outcomes - the metrics that can be directly tied to ROI. This is a bit more complicated, and may take some practice. However, we assure you that proving the ROI of social media efforts is crucial to continuing to receive funding for the programme. In essence, it's what proves social media is having an impact on the bottom line (hopefully, a positive one!).

The process starts the same. Referring back to our florist example, we will begin with the following:

1. Assess which metrics are financial. In this case, the financial metric that we decided to measure was:
  - Redeemed coupons and discount codes for tulip bouquets in Q4



This is the only financial outcome, as it is the only outcome that can be directly converted to a financial amount. The amount of coupons and discount codes redeemed for tulip bouquets resulted in actual sales of tulip bouquets. Sales are tracked in currency, and currency indicates a financial outcome that can be connected to ROI.

Which brings us to the elusive question: How do you calculate the ROI of your financial outcomes? Using the ROI formula that is true for every business, every industry and every marketing tactic, that's how:

$$ROI = (\text{gain from investment} - \text{cost of investment}) / \text{cost of investment}$$

(Don't you just love formulas? They make calculations so much simpler!)

Let's tackle the equation piece-by-piece, referring back to our florist example:

1. Gain from investment = How much money in sales was brought in via

coupons and discount codes distributed via social networks?

Let's say, as the florist, you are on Facebook. During Q4, you distributed a coupon code that was unique to Facebook users giving them 20% off all tulip bouquets through to the end of the quarter. The code was FBTULIPS20, and they could redeem it both online and in-store. To calculate the gain from this investment, you simply have to gather the sales data that is associated with that specific coupon code. For the purpose of moving forward, let's say the tulip bouquet revenue generated specific to the Facebook coupon code during Q4 was £50,000.

2. Cost of investment = How much money - in both hard and soft costs - did planning, strategising and implementing the Facebook coupon code promotion cost?  
You already did these calculations in Step 6. Insert your total cost for the promotion here. Again, for the sake of continuing the equation, let's say that the cost calculated was £10,000.

Now that we have all parts of the equation calculated, we can plug them in and calculate the ROI from our Facebook coupon code promotion:

$$ROI = (£50,000 - £10,000) / £10,000$$

*ROI = 4:1, more usually expressed as 400%. This means that for every pound your floral shop invested in the campaign, you received four pounds back.*



Imagine the excitement of senior management when realising that, not only were you able to calculate an actual ROI of your social media promotion, but also that it was so positive. Bravo! (Ok, we realise that you would rarely see an ROI this high, but we can all dream, right?)

At this point, you have a multitude of exciting measurement results – both non-financial and financial. And, they hopefully showcase how your social media programme supports business objectives and drives growth.<sup>12</sup>

That being said, we now have a solid foundation of quantified data to move on to the next exciting step: Analysis. According to Blanchard, the question that every change in data during the measurement phase that you see begins to answer:

*'Is what we are doing having an effect? If yes, how much of an effect*

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<sup>12</sup> Ibid.

*is it having? From there, the puzzle left for you to piece together is, how is this all connected, and what is affecting these specific customer behaviours?*<sup>13</sup>

Before we move on though, we offer one final tip during Step 9: Be careful to not get sidetracked due to the amount of data at your fingertips. Remember what you identified in earlier steps as what you will measure and what your key performance indicators will be. Remember the time frame you set up to see results in. If you keep your focus steady, you'll be less likely to get wrapped up in fleeting day-to-day metric changes or other irrelevant metrics that have nothing to do with your programme's goals.

#### **Step 10: Analysis. "What does it all mean?"**

Often organisations just dive into social media measurement and stop there - with measurement alone completed. However, in order to truly garner the most insight from your social media initiatives (including guiding them into the future) experts recommend going one step further into social media measurement analysis.

During the analysis phase, what you're looking for are patterns in data and how the data supports or refutes the initial objectives outlined for the programme. You're looking at multiple sets of data to try to determine correlations and cause-and-effect. And, you're looking to prove and disprove any relationships you might find.

In the latter, what we mean is simply this: social media measurement alone may give you results that, upon first glance, may seem to prove a relationship. For example, you release a new product tutorial on YouTube™, and product sales skyrocket shortly after. However, during the analysis phase, you may recognise that the sales increase could have been caused by multiple marketing or industry factors, not only the video tutorial release.

How would you determine this?

During analysis, one of the main ways to distinguish key relationships is to overlay marketing, public relations, advertising *and* social media timelines. This will allow you to better correlate cause-and-effect relationships. Without doing so, you may take measurement data at face-value as a win or fail, when in reality, the result was caused by a variety of factors other than solely social media marketing.

Additionally, during the analysis phase, you'll be able to really delve deep into

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<sup>13</sup> *Ibid.*



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your data. Sounds like lots of fun, right? It may not seem like the most fruitful use of your time right now, but pouring over relevant data can be extremely important to tweaking your social media campaigns to maximise future success. Not to mention, data analysis can prove useful in predicting up-and-coming trends and consumer behaviours in response to your social media initiatives.

Analysis takes time.

It takes practice.

It takes precision.

But, in the end it pays off. Always remember: analysis is key to validating your social media programme, by the numbers, to senior management. And, according to Blanchard, analysis identifies the success and failure, opportunities and risks, potential improvements and new courses of action for your social media programme<sup>14</sup> - all benefits that would be missed by skipping this phase and moving straight to reporting.

### **Step 11: Reporting. "Who should I share my data and analysis with?"**

Congratulations! You've made it to the last step: Reporting your results and sharing success with colleagues and management team.

We believe that, when it comes to reporting, it's important to report metrics throughout the course of implementation as well as after the project has wrapped up. Why? Because the true beauty of measurement lies in being able to make changes swiftly to your social media programme, based on success and failures as they relate to reaching your objectives, in real time.

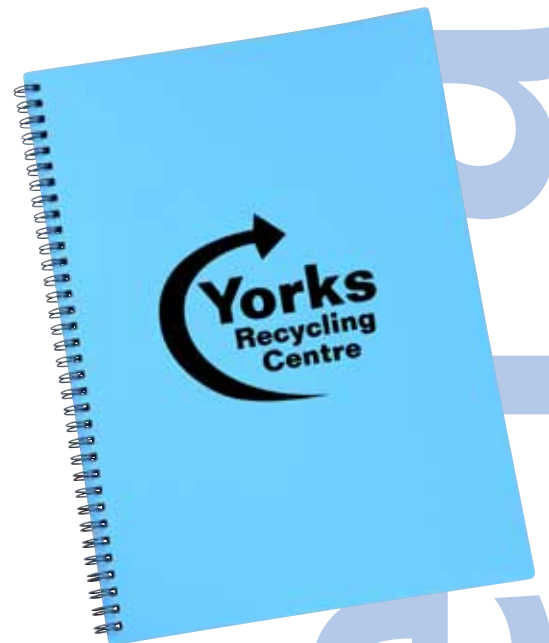
Real time! That's a huge difference compared to traditional marketing mediums wherein you have to wait months, sometimes years, to get results and respond. Being able to make immediate adjustments to your social media programme is the true benefit of a solid measurement strategy.<sup>15</sup> Reporting out - across departments and to senior management - during and after your programme will help you better respond to successes and failures and, most importantly, capitalise on the momentum of the project's wins.

### **Conclusion: Wash, rinse and repeat**

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<sup>14</sup> *Ibid.*

<sup>15</sup> *Ibid.*



Reporters

Although this 11-step 'primer' on social media measurement may seem more like an MBA course, we've only touched the surface. Social media measurement is complex, but well worth your efforts.

Lucky for you, the process outlined in this Blue Paper should be repeated every time a new social media programme is in the works, so you'll get plenty of practice! Go through the 11 steps over and over, tweaking your programmes as necessary to yield the best results. Then, try upping the ante. Focus on analysis, connecting social media to sales and further engaging your customers while producing tangible business results.

As detailed by Blanchard, 'Over time, your social media measurement programme will yield deeper insights, grow simpler to manage and may even become your social media programme's best asset.'<sup>16</sup>

And that's when the real fun begins.



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<sup>16</sup> Ibid.