

The Social Media Dilemma:

What's Your Return on Investment?



Zmags Social Media Whitepaper Series – **Part 3**

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Article Summary:

Six out of 10 business-to-business marketers plan to increase their social media resource allocations in 2010. Yet higher payout means increased risk. How can marketers ensure their social media campaign spend delivers the strongest financial return, and is it possible to increase ROI over time?



The Value in Tracking Social Media Return

With thousands of likes, diggs and re-tweets echoing through cyberspace with every status update, it's hard to imagine your social media activities could possibly be generating a mediocre or negative financial return. Yet, if not from quantity of followers and forwards, how does a marketer accurately measure and quantify their return on investment for social media activities?

The Value in Tracking Social Media Return



While the size of your fan base is certainly an important factor to consider when judging campaign success, it is not the only metric. According to Retail Wire, the value of a single Facebook fan can range **from \$0 to \$270.70** depending on that individual's product spend, brand loyalty, propensity to recommend, brand affinity and earned media value. Clearly financial success cannot be measured by mere popularity alone because, while social media influence can build a brand, notoriety can also destroy your balance sheet just as quickly.

Companies able to attract a windfall of interest from high-profile positive plugs can also face a slew of public complaints that wreak havoc on their reputation. This translates into increasing public relations, crisis management and marketing costs along with a downward spiraling financial return.

So what is the best strategy for measuring the financial return of your social media campaign? The first step is defining clear campaign goals and metrics for success.



Define Goals and Success Metrics

Due in part to its convenient content sharing capabilities, the use of social media in marketing has expanded dramatically over the past decade. For a business, word-of-mouth customer recommendations to a personal group of tight-knit friends or a trusted social network can be far more effective in garnering revenue than any national ad campaign.



This alone is extremely appealing, and millions of companies nationwide have initiated their own conversation on venues like LinkedIn, Facebook and Twitter.

Social Media Overview



The screenshot shows a Zmags article page. At the top, there is a navigation bar with links for Home, 60 Second Videos, Quick Tips, 60 Second Articles, Marketing Toolkit, Services, and Contact Us. The main content area features the article title "Top 52 Social Media Platforms Every Marketer Should Know" by Annie Taylor, Chief Content Officer at 60 Second Marketing. The article text discusses the importance of social media for marketers and provides a practical roadmap for success. A green book cover titled "HOW TO MAKE MONEY WITH SOCIAL MEDIA" is displayed. On the right side, there are several widgets: a "Quick Links" section with icons for Video, eBooks, Services, Do-It-Yourself, Blog, and Books; a "This Blog Delivered To Your Inbox" section with a text input field and a "Subscribe" button; and a "Download Your Free Chapter Now" section with a "Download" button.

How to Make Money with Social Media. At Fine Bookstores Everywhere.

According to a recent MarketingProfs article “**B2B Marketers Using Social Media to Boost Search**” (September 21, 2010), an astounding six out of 10 business-to-business marketers plan to increase their social media resource allocations in 2010, citing their top five goals as follows:

- 1. Building brand awareness**
- 2. Increasing website traffic**
- 3. Generating sales leads**
- 4. Providing deeper engagement**
- 5. Improving search results**

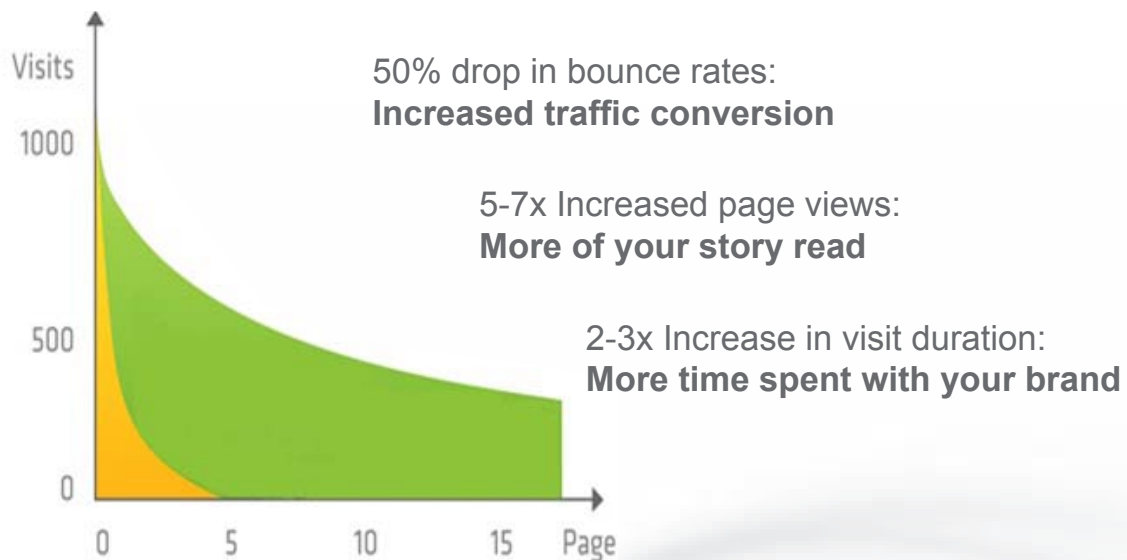
Authors of the study also found that those companies reporting increased Web traffic as a result of their social media efforts had designed their campaign to specifically concentrate on those five objectives.

Zmags can effectively help social media marketers with each of these goals:

1. Zmags offers a unique and compelling format for **building your brand** by sharing your story and content across countless social media channels.
2. Because the zmag is entertaining and easy-to-share, readers are more inclined to forward content along, thus **boosting web traffic**.
3. Based on analytics, readers spend more time with digital publications than they do with PDFs or website pages. So brands that employ this technology have more opportunities to **generate leads** by placing calls-to-action in unique places. At the same time, forms and links make it easier to track return.

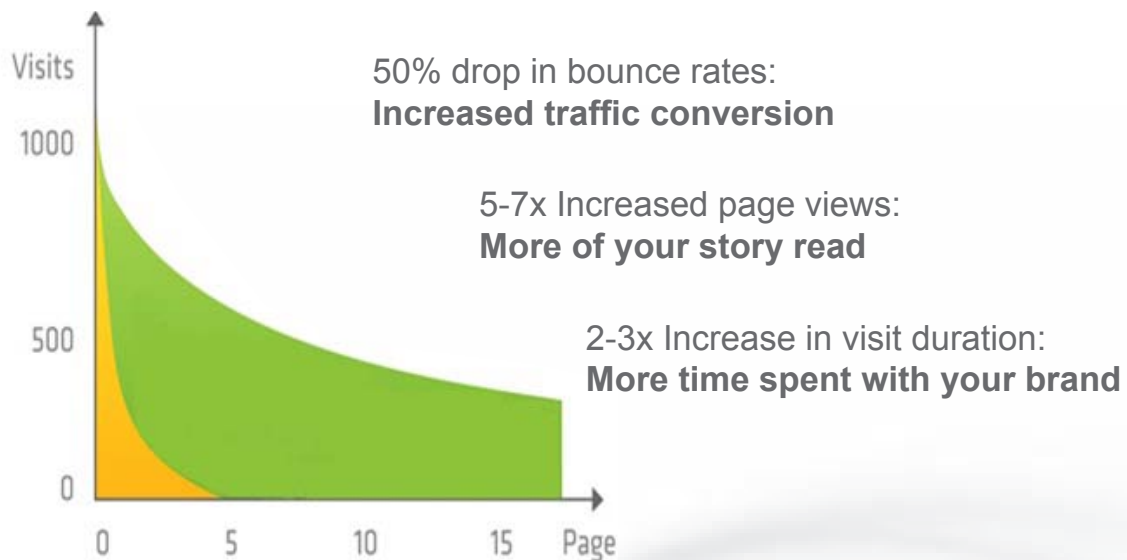


4. The immersive Zmags format captures and retains reader attention. Audiences find themselves engrossed in the story from start to finish. Enrichments like video, audio and flash animation only enhance this experience.



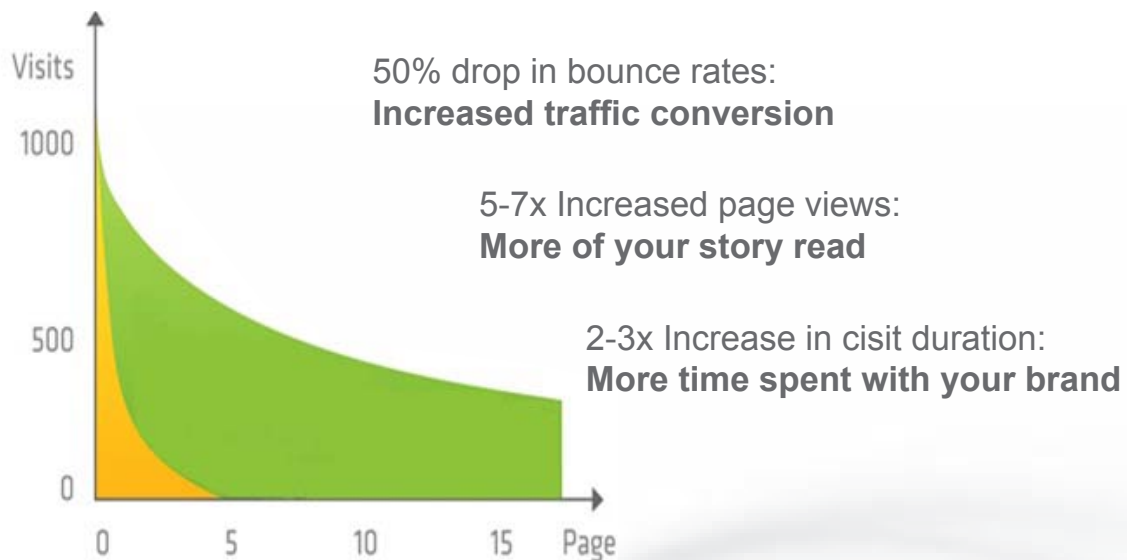
5. Zmags make it easy to track search traffic to and within the publication. Marketers also gain one more popular online content destination prime for keyword optimization or embedded inbound links.

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Other goals identified by marketers included establishing themselves as thought leaders, sharing industry insight and gaining more insight into their target audience’s goals, needs and behaviors.

But where is the ROI, and how can we capture it?



Identify Trackable ROI Metrics

Marketers measure social media campaign impact and financial return in much the same way they do for email marketing or paid search campaigns. Beginning with a base point and any available historical data, an organization can capture and track success metrics and reveal any changes or growth following the introduction of social media marketing.

A few trackable ROI metrics that are commonly used by marketers include:

Organic search engine rankings

Quantity of inbound links

Search marketing conversion

Social media conversation volume

Search volume for brand keyword phrases

Website click-throughs

New registrations or sign-ups

Website conversions or sales

Video or webcast views

Document downloads

Drops in standard operational expenses are an equally important indicator of financial gain, such as a decrease in the number of IT support tickets or customer service calls received as a result of proactive social media community involvement.

Zmags enables marketers track efforts for various social media channels to calculate their ROI. The zmag, paired with unique tracking URLs assigned to inbound links, integrates with built-in analytics and reporting features to capture measurable data and help social media marketers monitor campaign progress.



Click-throughs, video views, search volume, referral links, downloads are all tracked, which allows you to easily report on these metrics. In addition, companies may also use this capability to pinpoint exactly which social networking websites generate the greatest return for their investment.

With Zmags, the same publication shared on Twitter may be tracked independently from the publication shared with Facebook fans.

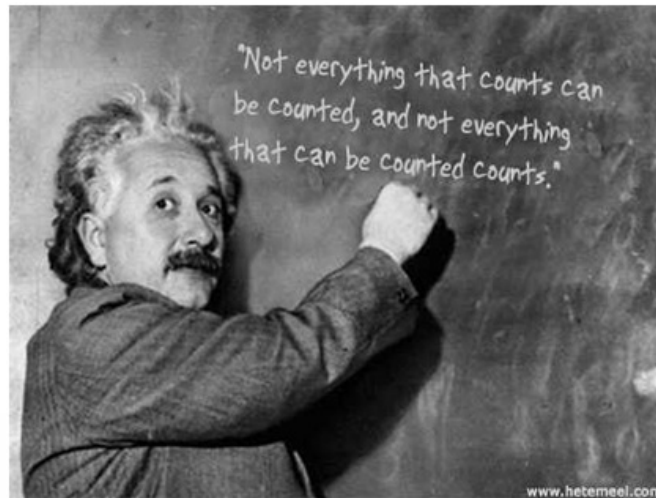
The screenshot displays the Zmags user interface for a specific publication. The publication name is "Social Media and Content Marketing Predictions for 2010". The "Share" section contains a table with columns for various social media platforms and a total count. The "Print count" section shows a table with two pages and their respective print counts.

Page	Emails	Facebook	Twitter	LinkedIn	Other
1				1	1
2				1	1
Total	0	0	0	3	2

Page	Number of prints
1	94
2	01



Calculate Campaign ROI



Social media ROI is equal to the overall net financial gain you've earned after deducting all associated costs. While some marketers concentrate on the precise dollar value, others like to see a general upward trend in lead generation, brand engagement and sales.

Calculate Campaign ROI

Social media campaign expenses will include technology, personnel time and employee benefits, video and podcast production, webinar or digital magazine publication, stock photography and illustrations. If social media activities are managed by an agency, all invoices paid to that company represent the cost of investment.

Social media campaign revenue is determined by the quantity of trackable metrics, such as new registrations or sales that have been generated from social media outlets and identified by inbound tracking URLs, and the financial value of each. Some organizations offer special coupons or promotional codes solely through social media outlets to accurately track resulting sales. Subtracting your total campaign cost from the financial gain realized will yield your total campaign ROI.

Calculating Customer Lifetime Value

The revenue generated by a customer during his or her lifetime with your brand.



How to Make Money with Social Media.

Zmags provides marketing departments with one single piece sharable across multiple channels – from print to web to social networking sites – while still preserving message consistency.

Measure both quantitative (bounce and read-through rates, time spent per page and content sources) plus qualitative (heat map and searched terms) metrics.

Zmags also integrates polling functionality such as forms and questionnaires.

Over time, marketers will begin to distinguish where most of their attention should lie and how much return they are actually earning through various social media activities. This insight will also help to ensure resources are properly allocated toward those activities offering the strongest return.

Boost Return and Improve Performance

Ideally, a company's social media return should increase in value over time. Measuring the performance of trackable metrics on a regular basis provides an added level of control and predictability over this particular segment of your marketing activities. The more you know about your audience's behavior, the easier it is to repeat activities that lead to the greatest financial gains.

Trackable metrics also offer a clear means for pinpointing the most profitable social media venues and triggers. With this intelligence, organizations may launch **incentives** designed exclusively for network participants to influence their behavior and draw stronger campaign profitability. Though used by marketers for decades, customer rewards within a social media platform should always be presented with absolute transparency, as this form of marketing is most successful when based on honesty and integrity.

According to Ryan Deutsch’s recent article “How to Measure Social Media Marketing Performance” published in the Social Media Examiner (May 19, 2010), programs including bi-directional incentives perform two times better than those relying purely on altruistic sharing activity motivation. These bi-directional incentives might include rewards for influencers who invite friends to participate in your social media program and additional rewards for those invited once they take action.



The image shows a screenshot of a Facebook page for Dunkin' Donuts. The page features a large promotional banner for a "KEEP IT Coolatta DAILY GIVEAWAY". The banner includes the following text and steps:

KEEP IT Coolatta DAILY GIVEAWAY

The Coolatta® is always half full.
When you Keep It Coolatta® your day keeps moving. Ready-to-go, on-the-go, going, going, gone—nothing gets in your way. Show us how you Keep It Coolatta® for your chance to win cool prizes every day, like JetBlue flights, an iPhone, a flat-screen TV, a summer wardrobe, air conditioners, Kangaroo®, FREE Coolatta® beverages and more.

- 1. GRAB IT**
Head to Dunkin' Donuts and grab your favorite Coolatta®.
- 2. SNAP IT**
Coolatta® in hand, say "cheese" and snap a photo showing how.
- 3. POST IT**
• Make that photo your profile picture.
- 4. WIN IT**
Each day you have the chance to win cool prizes! Plus, every

On the right side of the page, there is an advertisement for "Connect With More Friends" featuring a Facebook logo and an envelope icon, with the text: "Share the Facebook experience with more of your friends. Use our simple invite tools to start connecting."

Using Digital Magazines To Boost and Track Campaign ROI

Digital publications like Zmags deliver engaging content within an easy-to-read and easy-to-share online format. Using built-in sharing features, your readers may opt to forward a link to the entire magazine or post a deeplink to a page or passage they're most interested in.

In digital format, your collateral can be made instantly available to all of your customer's friends, followers and business contacts on social media sites. Regardless of publication length, deeplinks offer single-click entry into the precise page and passage intended while still maintaining content and design integrity. Tell-a-friend, wish list and image crop features can also significantly boost magazine readership, social media distribution, email sharing, tweeting, brand engagement and ROI.

The convenient, yet powerful, built-in Zmags analytics engine helps organizations track reader behavior and assess campaign performance in real-time.

Identify changes in trends

Measure readership leads down to the page

Build an accurate customer geographic profile

Understand when readers access content

With its advanced sharing and reporting capabilities, Zmags helps marketers gain invaluable insight to truly elevate the customer experience, boost sales and optimize their social media marketing return.

Sign Up for a Free Trial:

Sign up for a free trial of Zmags to see firsthand how we can help you optimize and track your social media campaigns.

Subscribe to Our Blog:

The Zmags Digital Publishing Blog publishes fresh content daily sharing trends, thoughts and tips to help our readers in publishing, commerce and marketing to meet their content goals.



About Zmags

Zmags, the industry leading rich media marketing software, enables retailers and brand owners to inspire and engage customers online and on mobile devices. Zmags utilizes a familiar linear story-telling format enriched with vivid graphics, video, and interactive flash elements to immerse readers and inspire action. The zmag analytics engine tracks reader behavior and provides metrics-driven insights and analysis to enable its clients to deliver a better customer experience, optimize marketing ROI, and increase sales.

E-Commerce functionality, such as shopping cart, wish list, and integration with commerce infrastructure transforms Zmags into a powerful merchandising solution capable of boosting online and offline sales. Zmags is used by more than 2,500 companies in 50 countries, including 10% of Fortune 500 companies.



Sources

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