

# How to Calculate the ROI of Social Publishing



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## Introduction

Determining the return on investment of social media efforts has been the holy grail of social media marketing since the medium's inception. Everyone wants the answers and information in terms of benefit to their business.

Every vendor, platform and agency wants to tout the ability to decipher and improve on the return from investing in social media, but many brands still struggle to find a way to measure the impact of social media on their bottom line.

But it is possible to directly attribute revenue and cost savings back to social media campaigns, in publishing, listening, and advertising. To do so, you'll need to define the actions that are driving value toward your business, the metrics that result from social media impact, and then tie those back to your overall business. It requires some calculations and assumptions (or a good model, perhaps), but the end result is a definitive dollar amount that can guide future iterations of social campaigns and help streamline and optimize your overall marketing operations. Furthermore, measuring the value of your investment will help you justify your actions and impact to your executive team and gain their support.

In this ebook, we focus on the ROI of social publishing, which includes:

- Social posts on platforms such as Facebook and Twitter
- Social presences on social networks and the open web at scale
- Using these posts and presences to drive conversions and consumer behavior

We look at the different ways to measure ROI for social publishing in terms of:

- How to tie it to business activities
- Which metrics best apply to measuring revenue growth
- Which metrics best apply to measuring cost savings

Throughout the ebook, we'll provide examples to illustrate how you can measure the ROI of your social publishing efforts using various scenarios. And at the end, we'll show you how to add it all up to figure out a final annual ROI calculation.

We've also got a great example from JetBlue, where we'll show you how the company's use of Salesforce Buddy Media has led to real savings in the way they implement social campaigns.

## Value Drivers for ROI

We've divided social publishing into three potential benefits: **1** building brand awareness and growth, **2** driving behavior and conversions, and **3** deploying and managing social presences at scale. We'll talk about each section in more detail, but here is a quick summary:

In the chart below, we look at: the value drivers that result from each of these three areas of benefit, the social impact measures that result from social media activity, and the overall business metrics that improve your team performance and save your company money.

	<b>1</b> Brand Awareness and Growth	<b>2</b> Drive Behavior and Conversions	<b>3</b> Deploy and Manage Social Presences at Scale
Value Drivers	<ul style="list-style-type: none"> <li>Fan and follower growth</li> <li>Earned Media from Social Sharing</li> </ul>	<ul style="list-style-type: none"> <li>Conversion from social offers</li> <li>Socially Influenced Sales</li> <li>Lead Generation</li> <li>Revenue from Social Sharing</li> </ul>	<ul style="list-style-type: none"> <li>Social Application Deployment</li> <li>Social Reporting &amp; Analytics</li> </ul>
Social Impact Measures	<ul style="list-style-type: none"> <li>Redemption rate of social coupons/offers (+)</li> <li>% of inbound site traffic from social sources (+)</li> </ul>	<ul style="list-style-type: none"> <li>Redemption rate of social coupons / offers (+)</li> <li>% of inbound site traffic from social sources (+)</li> </ul>	<ul style="list-style-type: none"> <li>Reduced routine labor costs (-)</li> <li>Reduced internal expense for shared creative &amp; production services (-)</li> </ul>
Business Metrics	<ul style="list-style-type: none"> <li>Decrease cost of customer acquisition (-)</li> <li>Increased marketing productivity (+)</li> <li>Reduced Administrative Overhead (-)</li> </ul>	<ul style="list-style-type: none"> <li>Reduced routine labor costs (-)</li> <li>Reduced internal expense for shared creative &amp; production services (-)</li> </ul>	<ul style="list-style-type: none"> <li>Increased marketing productivity (+)</li> <li>Decreased cost of customer acquisition (-)</li> <li>Increased profits (+)</li> <li>Reduced Administrative Overhead (-)</li> </ul>

- 1 Building Brand Awareness and Growth:** Generating high value earned media and word-of-mouth at scale through content publishing optimizing and social apps across social networks and the open web. Building a network of brand advocates and decreased costs of customer acquisition through building brand awareness. Increasing marketing productivity by expanding brand reach.

Case Study: Read how [Volvo tied its social audience](#) with its non-social audience to educate and interact with its buying demographic of both older and younger drivers.

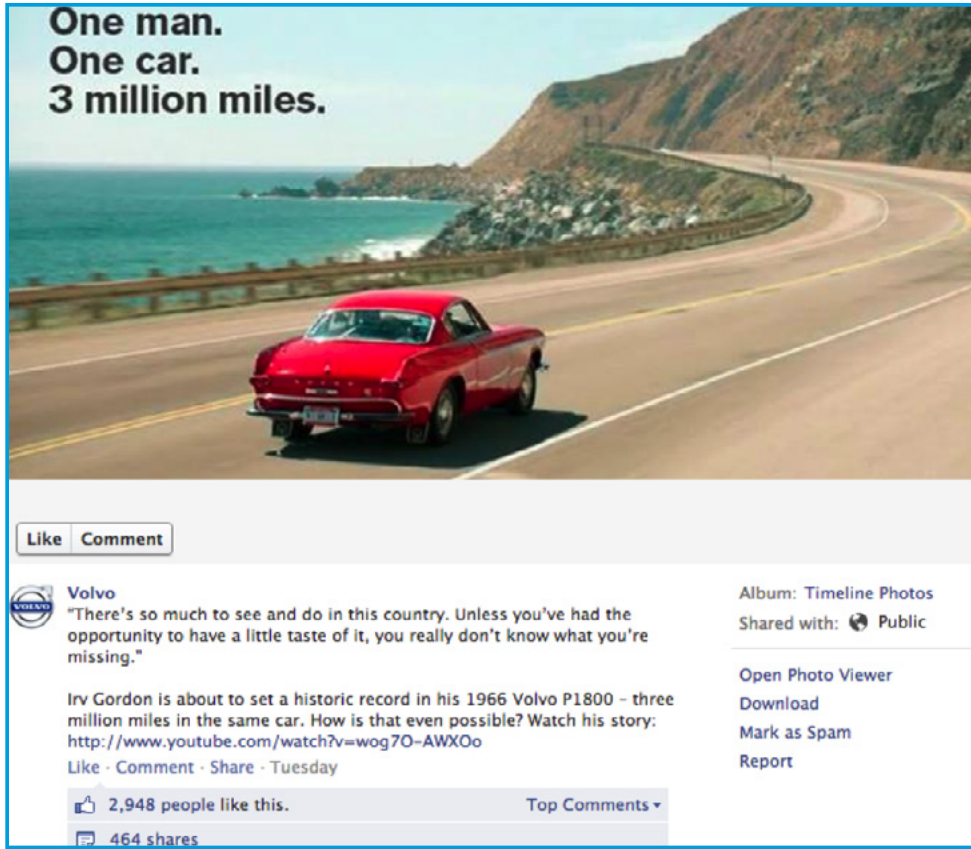
- 2 Driving Behavior and Conversions:** Using social apps to create social experiences that influence desired behaviors while capturing leads or generating sales. Increasing referral traffic, driving form completes, leads and other conversation types, or increasing online sales. Extending experiences into partner networks to drive referral traffic and additional conversions.

Case Study: Learn how [Cycle for Survival used social media to drive donation behavior](#) for cancer research.

- 3 Deploying and Managing Social Presences at Scale:** Displaying unique content to connections, fans and customers by language or country to maintain brand consistency across global markets and affiliates. Repurposing effective content strategies and key learnings to drive efficiency and performance, and decreasing costs of customer acquisition to increase marketing productivity by focusing on productive campaign execution. Key reporting metrics that provide data across social presences and campaigns despite language, location, and disparate teams.

Case Study: Learn how [Recipe.com created and deployed socially enabled content](#) within their own website, increasing traffic to their website without having to recreate major elements of the site.

## Building Brand Awareness and Growth



Volvo uses social publishing to drive brand awareness of its cars, appealing to both young and old drivers.

To increase brand awareness and growth, consider social activities such as:

- Optimizing publishing strategies to maximize engagement across multiple social networks
- Using social applications to create customizable and flexible social presences
- Placing social apps across leading social networks, mobile experiences, and the open web

Detailed Metrics *	
+49%	Increase in Number of Social Posts
+47%	Uplift in Engagement Per Post
+0.05%	Social Assist Rate
\$50	Average value per sale from a social source
+0.9%	Social Shares Per Impression
+0.05%	Conversions Per Share
\$0.14**	Average CPM on Facebook
**Not currently included in example that follows	

## Doing the Numbers: Revenue from Brand Awareness and Growth

BestTech, a regional competitor to Best Buy, currently has **100,000** Facebook fans and **20,000** followers on Twitter. They currently publish an average of **1,005** Facebook posts and **5,850** Tweets per quarter.

BestTech's Facebook and Twitter Engagement Rate is **0.21%** (likes+comments+shares/impressions) and **0.01%** (replies+retweets/impressions), respectively. As a result, the company sees **847,975** Facebook engagements and **61,351** Twitter engagements per year.

With a social assist average rate of **0.05%** per engagement at **\$50** per online sale, BestTech currently estimates sales attributable to engagement valued at **\$22,733**.

Since implementing Salesforce Buddy Media, BestTech has been able to increase their total number of outbound posts per quarter by **49%** with post scheduling and team collaborating. Furthermore, their Facebook and Twitter engagement has increased by **46.5%** to **0.31%** and **0.02%**, respectively. As a result, they now see **1,851,002** Facebook engagements and **133,920** Twitter engagements per year.

With an average of **0.05%** conversions per engagement at **\$50** per online sale, BestTech has seen an aggregate annual increase of sales attributable to social media of **\$26,890**, or **\$49,623** per year.



*Note: BestTech is a fictional company created for the purposes of illustrating this point.*

## Doing the Numbers: Savings from Brand Awareness and Growth

BestTech currently has annual web traffic of **10,000,000** visits and annual revenue of **\$30,000,000**. Since implementing Salesforce Buddy Media, BestTech has increased the sharing of content from its website to social sources.

The **10,000,000** visitors to BestTech's website annually are now seeing an average of four sharable assets per impression on a web page, which totals **40,000,000** sharable assets viewed by web visitors.

With an average of **0.9%** shares per impression, BestTech is seeing a net of **360,000** shares per year.

Additionally, BestTech is also seeing a **23%** uplift in clickbacks per share, resulting in an increase of **82,800** new site visits from these shares.

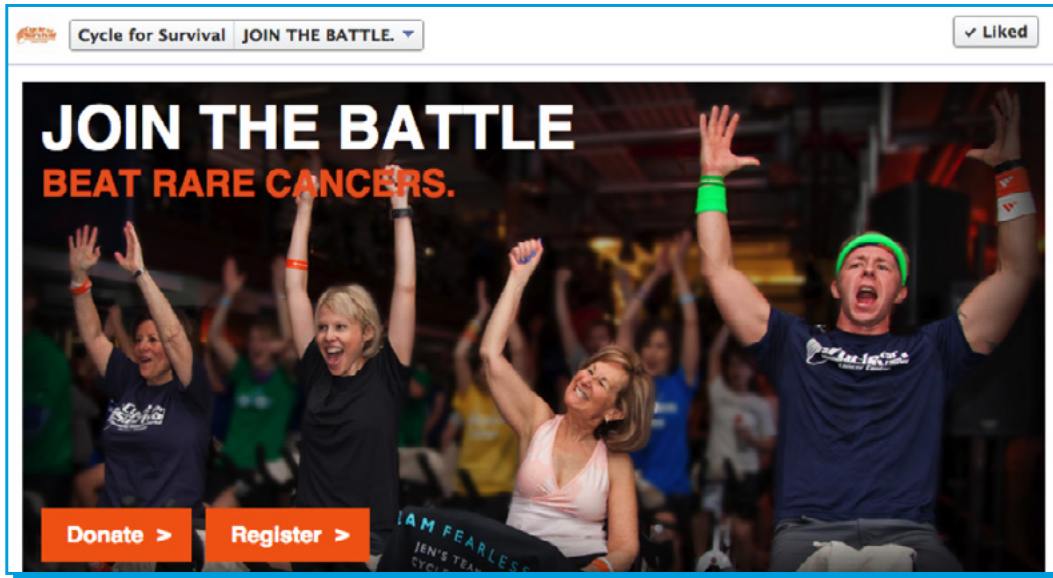
If BestTech were to pay per click for these new visits through paid banner ads, these ads would cost, on average, **\$0.50** per click. As a result, BestTech is saving **\$41,400** per year through using Salesforce Buddy Media that it would otherwise be spending on banner or SEM ads to generate equivalent web traffic.



*Note: BestTech is a fictional company created for the purposes of illustrating this point.*



## Driving Behavior and Conversions



Cycle for Survival created social presences that influenced consumer behavior with the goal of increasing awareness and donations to the organization's cause, defeating rare cancers.

To drive behavior and conversions, try these social activities:

- Use social apps to create social experiences that influence attitudes and behaviors on Facebook, YouTube and the open web.
- Extend social experiences onto websites through partnerships to drive referral traffic and additional conversions
- Add social sharing buttons to your website to make content or products sharable across multiple social networks, such as Facebook, Twitter, Pinterest, Google+, and LinkedIn

Detailed Metrics *	
+27%	Redemption Rate Uplift from Social Coupons and Offers
+15%	Conversion Rate Uplift from Additional Social CTAs
+20%	Increase in Average Order Value
+18%	Increase in online leads from content marketing (whitepapers, webinars, etc...)
+15%	Conversion Rate Uplift from Additional Social CTAs
+20%	Increase in Average Lead Value

## Doing the Numbers: Revenue from Driving Behavior and Conversions

BestTech currently has annual web traffic of **10,000,000** visits and annual revenue of **\$30,000,000**. Of those visits, **200,000 (2%)** can be directly attributed to current social media initiatives.

Of those visits, **2,000** convert for an average order size of **\$50**. The cumulative order value of those visits is **\$100,000**, which is the current net annual impact on sales from social media.

Since implementing Salesforce Buddy Media, BestTech has seen a **27%** increase in visits from social media this year, resulting in **54,000** more total visits. Furthermore, the conversion rate of web visitors has improved **15%**, resulting in a great number of purchases by the **254,000** customers now visiting BestTech's website from social media.

Additionally, the average order value of each visit has increased by **20%**, to **\$60** per order.

This results in a total increase in sales from social media sources of **\$62,000**.



*Note: BestTech is a fictional company created for the purposes of illustrating this point.*

## Deploying & Managing Social Presences at Scale

To deploy and manage social presences at scale, take a look at these social activities:

- Total flexibility for Page management strategy based on organization structure
- Publish standardized content to local markets, franchisees, local affiliates, or retail locations
- Standardize and templatize everything to limit the amount of repeat work everyone is doing
- Create an asset library to share content

Detailed Metrics *	
+50%	Reduction in project expense creating and managing social media presences
+56%	Reduction in internal marketing employee time spent reporting on campaign activity and results
\$200	Cost per hour for creative service time
\$60	Cost per hour for internal employee time

The screenshot shows a landing page for a sweepstakes titled "The Ultimate Summertime Recipes". It features a blue ribbon graphic with a grill icon and a "\$500 VALUE" badge. The main text says "PLUS! Enter the Ultimate Grilling Sweeps!". Below this is a form to enter an email address and a "Yes! Enter me in the Recipe.com Ultimate Grilling Sweeps and sign me up for the Daily Recipe newsletter!" checkbox. At the bottom, there are five recipe cards: "BBQ Pulled Pork Sandwiches", "Finger-Lickin' Barbecue Chicken", "BBQ Pork Ribs", "Beef Brisket", and "Shredded BBQ Beef". Each card has a "vote for recipe" button and a "get recipe" button with social media icons for Facebook and Pinterest.

*Recipe.com* places socially-enabled content, in the form of a voting sweepstakes, on its website, which drove traffic, created viral content and allowed for easy content management.

## Doing the Numbers: Savings From Deploying & Managing Social Presences at Scale



*Note: In this example, we show how our fictional company, BestTech, saves money from deploying and managing social presences at scale.*

BestTech is currently creating and launching 25 campaigns that require 15 unique landing pages per campaign each year. This results in an average annual production of 375 presences. Due to this large volume, BestTech has been relying heavily on creative and production services and analytics reporting support.

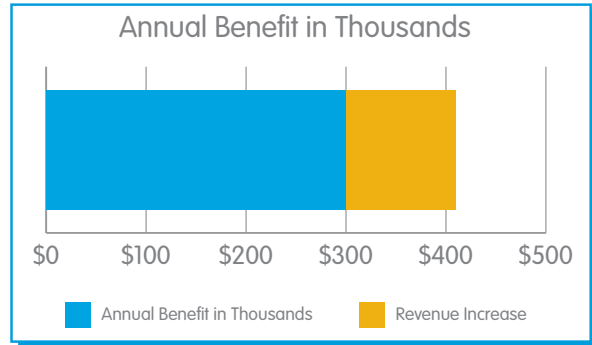
By using Salesforce Buddy Media, BestTech was able to optimize a set of social applications that eliminated the need to create 15 unique landing pages by allowing the BestTech production team to re-use templates that they created with social applications.

Now with the help of Salesforce Buddy Media, BestTech reduced production to the equivalent of 25 unique social presences. Prior to using Buddy Media, creative services, production and reporting costs were \$200 per hour. Since it took four hours for each of the 375 social presences created, the total cost was \$300,000 per year.

BestTech has been able to increase development productivity since implementing Buddy Media resulting in a reduction of creative services costs to \$60 per hour and decreased customization time by 50%. Furthermore, the time to create each presence was reduced by 10%, so creative costs are only \$40,500 per year. The annual cost reduction: \$259,500.

## Adding It All Up

Our fictional tech retailer, BestTech, grew revenue and saved a bunch of money using social media and optimizing its marketing technologies to increase ROI from social publishing. But many companies often want one lump number, both in terms of dollars, cost-benefit ratio, and a payback period, to take to their executive team to justify their social media spend.



In the chart below, we give an example of how BestTech can add up all of the revenue and cost-saving numbers from the above examples to churn out summary metrics for social publishing ROI.

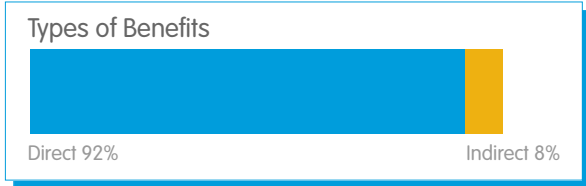
As indicated in the charts above, BestTech saw a ROI (from implementing Salesforce Buddy Media) of 134%, which equates to a cost-benefit ratio of 1:1.3. It would take nine months for BestTech to make back the money spent on Salesforce Buddy Media through increased revenue and cost reduction from social media activities.

Revenue Uplift Metrics	
Direct Social Sales	\$62,000.00
Brand Awareness Attributed Sales	\$26,889.91
Incremental Conversions	\$17,177.28
<b>Total Attributed Revenue</b>	<b>\$106,067.19</b>
Cost Reduction Metrics	
Cost Benefit from Traffic Otherwise Created with Ads (Social Sharing Benefit)	\$41,400.00
Social Application Management & Deployment	\$259,500.00
<b>Total Reduced Costs</b>	<b>\$300,900.00</b>
Summary	
Total Attributed Revenue Increase	\$106,067.19
Total Attributed Cost Reduction	\$300,900.00
Cumulative Buddy Media Benefit	\$406,967.19
<b>Annual Buddy Media Costs</b>	<b>\$174,000.00</b>
<b>Benefit less costs</b>	<b>\$232,967.19</b>
Summary Metrics	
<b>Annual ROI</b>	<b>134%</b>
<b>Cost Benefit Ratio</b>	<b>1:1.3</b>
<b>Payback Period (months)</b>	<b>9.0</b>

## The JetBlue Story

The examples of BestTech, a competitor of Best Buy, are obviously fabricated. Salesforce Marketing Cloud regularly works with clients to determine a strategy for understanding and measuring social media marketing ROI. To show you how an external firm would do this on your behalf, we partnered with Nucleus Research to calculate the net benefits of Salesforce Buddy Media and JetBlue.

The results of the study, which you can view in full [here](#), are similar to those in the example analysis with BestTech above. The primary ROI in the case of JetBlue comes from cost reduction of creative services and production costs. In the graphics below, you'll see some of the key results from the Nucleus Research report, providing a real-world example of the stories we presented through BestTech.



### By the Numbers

*JetBlue's Salesforce Buddy Media project*

**Annual Return on Investment** 140%

**8.4** months **The total time to value, or payback period, for the project**

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**Cost : Benefit Ratio** 1 : 1.8

**\$72,916** Average annual benefit

**THE PROJECT**  
JetBlue deployed Salesforce Buddy Media to have a more streamlined and flexible way to create and execute on social media marketing campaigns. Nucleus found moving to a standardized platform enabled JetBlue to increase productivity, reduce outside creative services fees, and gain better visibility into the relative success of various social media marketing campaigns.

**THE RESULTS**  
Increased sales force productivity by 15%  
Increased manager productivity by 10%  
Reduced communication costs

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**Number of users: 6**

**2** Months **Total time for JetBlue to deploy Salesforce Buddy Media**

*"With Buddy Media we can use the templated platform to create sweepstakes and contests without having to pay an agency for microsites and creative. We were also able to bring creative in house, which is important from a brand perspective."*

- Sean Williams, JetBlue Customer Promotions

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Nucleus Research Report n90 - Salesforce Buddy Media ROI case study - JetBlue

## Conclusion

Calculating the ROI of social media efforts is no easy task; yet, brands are becoming smarter in setting measurable social media objectives. As technology is refined to better provide insights into conversions and overall revenue and cost-saving from campaigns, calculating ROI will only grow easier.




This ebook helps point you in the direction on the metrics to look at and the calculations to make concerning social publishing ROI.

Every business is different; thus, the ways in which brands choose to calculate ROI can vary. But this report should give you a good baseline for understanding how to measure the ROI of social marketing technology, and can be used in part or in whole to help guide your own calculations.



*\* All the metrics used to calculate business value in this study are based on Salesforce CSAT data, publicly available data sources, metadata from marketing cloud products, and rules of thumb we have received through conversations with our customers. If you have any questions about these datapoint please contact Andrew Gothelf at agothelf@salesforce.com.*

Have questions? Contact us:

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