

Beta Release of ROI Measurement Tool for Social Network Marketing

Social Networking Impressions and Reach Analysis, Monthly								
Site	Connections / Subscribers / Searches	E-Mails Sent <i>(Internal, per month)</i>	Event Postings	Items Posted <i>(per month)</i>	Status Updates <i>(per month)</i>	Photos You Uploaded	Photos Uploaded by Others	Videos You Uploaded
Facebook Group	262	2	4	2	15	50	200	1
Facebook Page	65							
Flickr Photos	20					50	100	
YouTube Videos	20							1
Blog	200			4				
Twitters	200				15			
Flickr Group (Travel)	700							
Plaxo Group (Events)	400							
LinkedIn Group (Travel)	50							
Ning.com Groups (Travel)	1000							
CollectiveX Groups (Travel)	500							
Facebook Groups (Travel)	500							
MyBlogLog	25							
FriendFeed	100							
Google Search (Natural)	500							
Total:	4542							

As social network marketing continues to grow in the marketing mix of companies worldwide, the one area that it continually falls short in is measurement and resulting **Return on Investment (ROI)** for the companies making their initial investments in this space. As a result, our company has embarked on a new project to create one of the first ROI spreadsheets for social network marketing. It's not easy, as the variables to measure are considerably different from the tried and true banner advertising and e-mail marketing used today.

The analysis begins with the basics, quantifying the following content elements used in social network marketing today, in a 1-month period:

1. Number of photos uploaded to Flickr and Facebook
2. Number of videos uploaded to YouTube
3. Number of blog postings
4. Number of Twitter and Facebook status updates

We then focus on the key touch points this content is a part of, including Facebook, Flickr, Plaxo and LinkedIn Groups and pages. Specifically for Facebook, the variables include:

1. how many members does the group or business page have
2. how many Facebook emails were sent to this group
3. How many blog or other items were posted to this group
4. how many events were posted or promoted to this group
5. how many status updates were done for this business page
6. how many photos were uploaded and tagged for this group or business page.

Finessing this information into something that can give a breakdown of impressions each of these content elements provides in these various touch points is where the challenge lies. What we have identified are a series of assumptions based on social networking behavior, assigning each of these assumptions a key factor from which to calculate an estimated number of impressions each content element provides.

1. Social Networks' Viral Reach, based upon a percentage of members estimated to view content in their news feed
2. Facebook Photos Viral Reach, based upon a percentage of members estimated to view content in their news feed
3. Facebook Page/Group Updates Viral Reach, based upon a percentage of members estimated to view content in their news feed
4. Average people tagged per photo
5. Average people tagged per video
6. Factor for same people tagged in all photos
7. Average number of connections per tagged individual or per connection
8. Email open rate (internal e-mails)
9. Factor for photos found by search in Flickr (key word searches)
10. Factor for videos found by search in YouTube (key word searches per month)

From this information, we have created a 1st draft analysis of social networking impressions for blog content, photos, status updates and videos. One area that stands out in this initial analysis is the power of photos in social network marketing. Due to the fact that photos can be tagged and

thus virally spread on Facebook, as well as used in Flickr and integrated in a company's blog, they show as being the dominant source of impressions a business can receive in social network marketing. Thus, the importance of the photos both appearing professional and having a clearly defined title and link back to the business Facebook group, page and website, is even more important than ever before.

The real question becomes how to compare and analyze a social network marketing impression with a banner ad or e-mail impression, as they are not the same. A banner ad has a message, is designed to appeal visually and graphically to the online user and has a primary goal of catching the user's attention and encouraging them to click for more information. Social network marketing elements serve a similar purpose in that the ultimate goal is for an action... a click to a company's website, a signing up for an e-mail newsletter, etc., but the method in which the online user is encouraged to follow through on this action is considerably different. A user has to like what he is reading in the blog, or be captivated by the message in the video, in order to follow through with an action and a click-through to the company's website. What this shows is that if the content elements in social network marketing are able to capture the user's attention, the action of the online user to fol-

low through are strong. Does a series of photos of a business event, or a video tour of a hotel, or a blog posting about a restaurant opening serve as better "impressions" than the banner ad or e-mail? Perhaps. Does social network marketing content serve to better educate and inform an online user, as well as appear stronger in search engine placement, than a banner ad or e-mail? Absolutely yes. If an online user has taken the time to interact with social network marketing content, one can argue that the online user is now more "involved" with the company's message, is better "informed" about the company's message and thus more inclined to "take action" and follow through with a hotel booking, restaurant reservation, sweepstakes entry or whatever else the company doing the marketing has positioned as an action item for this marketing campaign.

Over the coming months, we will continually refine and improve this spreadsheet analysis to more accurately reflect a social network marketing campaign's performance. If this is of interest to any of you, our readers, please let us know. We would welcome the opportunity to collaborate on making this tool the best it can be.

Photo Impressions	Photos by Labels Impressions (Search)	Event Impressions	Video Impressions	Videos by Labels Impressions (Search)	Blog Impressions	Blogs by Labels Impressions (Search)	Twitter Impressions (incl. search)	Total Impressions
23895		1206	393					28114
								0
9450	750							10200
			4	25				29
					160			160
							600	600
7000								7000
80			80		320			480
					40			40
					20			20
20			20		80			120
				500		2000		2500
40445	750	1206	497	525	620	2000	600	49263