



How and Why to Measure Social Media ROI



Chances are, if you've been working in social media management and/or marketing for any length of time, you've at least heard about ROI (Return On Investment). Social media ROI is often thought of as elusive by many. While measuring the effectiveness of social media campaigns isn't quite as clear-cut as getting the results from, say, a survey, don't let the mystery deter you. Once you understand how to calculate social media ROI, you'll be able to confidently report your findings.

What is social media ROI?

The simple equation to calculate ROI generally is:

$$ROI = \text{Return} - \text{Investment} / \text{Investment}$$

While the equation seems simple enough, you may already be asking yourself what the "return" actually is. The good news is that you and your clients can determine what you think that return should be. Ultimately, your return is what it is, exactly, you want to achieve in your social media efforts. *What is your ultimate goal?*

The investment portion of the equation is how much are these goals worth to you (or your clients). This can, of course, be broken down into whatever tools investments are being used to achieve them: labor, advertising spend, time, etc.

Why measure social media ROI?

The return on investment is the proof that your social media efforts are working and are worth the expense. You and your clients both benefit from knowing if the social media strategies you're employing are successful. Again, since you can determine what the return should be, you can focus your efforts on being successful in precisely those areas. If once you've run your campaign for some time, you see room for improvement, you can shift your efforts to improve your return. That is why measuring social media ROI is worthwhile for both you and your clients.

How to measure social media ROI?

Once you understand what social media ROI is and why you should measure it, how to begin measuring it becomes much clearer:



Step 1: Set Your Social Media Goals

The "return" piece of the ROI equation should help you to craft your social media goals. You may have one clear goal or two or three broader goals such as:

- New followers
- Higher engagement (clicks, likes, shares, etc.)
- Deal redemptions
- Sweepstake entrants
- Online purchase
- Email list sign-ups
- Document downloads

Fortunately, with SocialOwl's cutting edge technology, you can easily create campaigns and easily achieve the goals outlined above. SocialOwl provides licensees the opportunity to easily create and deploy deals and sweepstakes, prompt users to download documents, and even create an online shopping cart for businesses. Furthermore, SocialOwl's built-in analytics and reporting make it easy to track and measure your goals. Which brings us to...

Step 2: Track & Measure Your Social Media Goals

Select the goal or goals you want to measure from the list above and begin organizing and sorting your data. Most of the goals are easily trackable in the Analytics section of SocialOwl where you can pick and choose the data points you'd like to report. For example, you can create custom reports that display follower, demographic, and engagement data from Facebook as well as deals earned, sent, and redeemed in-store. Then, you can arrange the report to your liking, download it as a PDF or email it right from the platform. Website actions such as visits, traffic, and others can be tracked with Google Analytics.

Step 3: Report Your Findings

Make the reporting part of your findings as easy and predictable on yourself as you can. The more you can keep your finger on the pulse of your campaign as it's running and have your reports pre-designed to the extent that is possible will help you avoid unnecessary headaches and anxiety. Follow these best practices to make your reporting work for you:

1. **Predetermine a recurring reporting period:** Whether it's every month, every quarter, or otherwise, if you know when to expect your report to be due, you won't be hit with a surprise request when you're not ready.



2. **Keep tabs on your progress daily (or as often as possible):** The last thing you want is to have your reporting date come up only to find that your social media strategy didn't live up to expectations. By checking in as often as possible, you'll be able to see what's working, what's not, and determine strategies to keep your effort on the track with your goals.
3. **Create reporting templates:** SocialOwl allows its users to create reporting templates complete with the client information, logo, and more. Each time you create a new report, you can simply create the template to use and select the data you want to display. Having a re-usable template to report your findings will save you time and stress no matter how you construct it.
4. **Use everyday language:** You'll want to strike a balance with this one. On one hand, of course, you'll want to exude professionalism in your field through your reports. However, your reporting can be both meaningless and frustrating for your clients if it's laden with too much industry terminology. Try to report your findings in layman's terms so that they can easily be digested, discussed, and acted upon by everybody.
5. **Prepare suggestions for moving forward** (*see make adjustments*): The last step in preparing and reporting your findings is to offer suggestions for how to proceed with your social media strategy moving forward. You can include this in your report or simply prepare yourself to discuss it verbally. If you're being relied upon to provide social media strategies, part of that strategy likely includes road mapping for the future.

Step 4: Make Adjustments

Once you've reported your findings, it's time to take action on them. It's not enough just to prove that your efforts paid off, but to increase the value of your campaigns over time. Armed with the stats that you've compiled, you'll be able to see which aspects of your social media strategy worked well and which ones underperformed.

Consider the landscape you're operating in. How are prospects engaging with your efforts versus the efforts of your competitors? Has the customer behavior or technology changed since you launched your social media campaign? What are some new trends or opportunities that you can capitalize on to have an even more effective social media strategy moving forward? These are just some of the questions that you may consider when developing adjustment strategies for your social media efforts.



Finally, don't forget some of the intangibles that social media brings to the table. If, for example, your brand or product gets endorsed by a social media influencer, that may drive new traffic and interest to your business and social media accounts that are more difficult to quantify.

More Resources:

- Social media ROI is nothing but a numbers game - [Social Media Explorer](#)
- An In-Depth Guide on How to Calculate the ROI of a Social Media Campaign - 60 Second Marketer [_____](#)
- The ROI of Social Media: 10 Case Studies - [The Next Web](#)
- How to Measure Social Media ROI - [WikiHow](#) [_____](#)