

Social Media ROI - How can it be measured?

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There is no disputing the fact that social media, with its numerous platforms, has enabled companies and brands the ideal opportunity with which to engage and interact more with clients and potential customers. To then be able to gather information that is garnered from these sites and use it to effectively target them with content, products and specials *that they actually want*, is a massive bonus and one that needs to be carefully considered.



Despite this, while engagement, interaction and feedback are welcomed, these aspects can only really be measured in terms of new fans, followers, retweets and status updates. But what about the bottom line, what about the ROI potential that social media offers? Because it's notoriously difficult to track on a social media campaign, and because marketing budgets are tighter than ever, many companies are reluctant to implement strategies that can't be directly linked to conversions, sales, new clients and profits.

ROI is purely a monetary measurement and requires concrete goals and baselines in order to calculate, therefore it's vital that you have a clear idea of these before you set out to measure and monitor your social media returns. These goals could be, for example, to: generate sales, increase website visitors, create leads, build brand awareness, get more subscribers for your email newsletters, increase the number of Facebook fans or Twitter followers, improve brand positioning (get people talking about your company) and reach new target audiences. Make sure you pick the key metrics that most influence your business and help you reach the goals you have in mind.

Once you've decided what your goals are, you can decide which tools you'd like to use to measure them. We've looked at five of the most popular that enable you to measure various aspects of your social media campaigns.

1. [Google Analytics](#) - it's free, easy to set up an account and you can track just about everything you could want to (including incoming links)
2. [Omniture](#) - It's not free, but its tools are used widely to track Twitter and Facebook metrics.
3. [Hootsuite](#) - It tracks your clicks on Twitter to see if they convert to transactions or sales on your other sites.
4. [PostRank Analytics](#) (now acquired by Google) - measures social engagement on various platforms and allows you to see messages and comments from other sites that contribute to your stats.
5. [Twitalyzer](#) - Allows Twitter users to track their use over time. Metrics include how often people pass on information.

Once you have defined your goals, set up your monitoring tools and taken the necessary metrics from them, you need to see how they relate to your goals and how they are affecting them. For example, which coupons or vouchers offered over the different social media platforms led to the sales figures you are seeing, or the increased site traffic (or whatever goal it is that you set.) Which offers performed better on which platform? This is vital information that you can use when planning your next campaign.

It's important to remember that customers might take any number of steps before they perform the ultimate conversion (i.e. buying a product or signing up for a service). For example, they could have been referred, linked from your newsletter or saw your comments on a relevant forum. How do you know which of those steps led to the final conversion? Likely, it's the fact that your brand or company has been visible across the Internet in different places and you need to take this into consideration when you are utilising the various social media ROI tools, so you can analyse accordingly.

For more information on development of a customised social media and online marketing strategy for your business, please visit www.limabean.co.za or email sales@limabean.co.za.

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