

measuring

SOCIAL MEDIA ROI

Social Media 404



Social Media 404's Balanced Scorecard Approach to ROI

The debate is not whether Social Media is of value, the question is:

how much value?

While many are still saying you can't really measure Social Media's Return On Investment (ROI), that does nothing to inform organizations looking to invest in Social Media.

A hint of not being able to measure ROI is enough to stop most organizations from pursuing Social Media immediately.

Many organizations use a form of the Kaplan-Norton Balanced Scorecard approach to implement performance measurement.

It's been around so long that it has gained very wide adoption as a key tool, and even for those who cannot adopt a complete measurement framework (it's a lot of work), they at least understand the concepts and language.

There are many successful and widely used monitoring tools available

to collect a ton of information, but they do not provide understanding.

The monitoring tools of today typically provide too much data to sift through.

inside

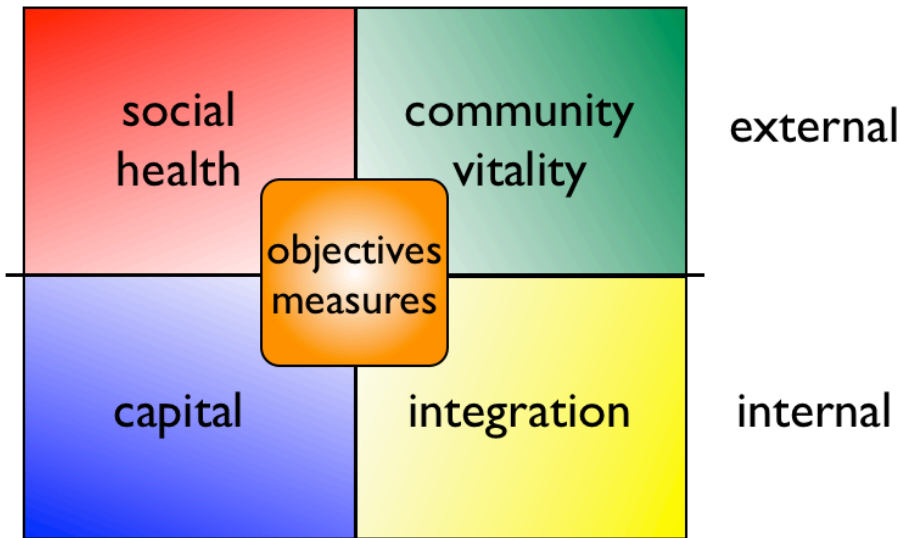
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So what's the fuss about

ROI?

Every organization, for-profit or not, must have income in order to cover expenses. It is a perfectly logical, and legitimate question, to ask what the return is on any expenditure. Investing in Social Media is no different, in our opinion.

That's why we've developed frameworks to both plan your program, and measure what you get out of it. But ROI remains an organizationally-subjective concept, and is not always determined with a hard data result. That's why we hope you'll consider your own balance of measures to monitor your program. It's the only way to determine *your* ROI.



Social Media
Balanced Scorecard

Monitoring tools don't speak C-Level

Monitoring tools today do not significantly (if at all) assist the interpretation of collected data into understanding the achievement (or not) of measurable objectives, which is how organizations run.

That's why we developed a framework that represents "informationalized" data in a familiar grid to organizations: the Balanced Scorecard.

Just as this approach can cascade into customized departmental scorecards in the organization, we're using a custom scorecard developed for just for Social Media.

Simple, balanced measures

In the digram at the top of the page, you can see the familiar quadrant approach immediately, as well as the central focus on objectives and measures. The x-axis delineates the two important balanced perspectives of a scorecard, internal and external.

Each quadrant is seeking to determine an understanding in an area of focus. The system balances external and internal measures, as well as soft and hard data.

Counter clockwise from the upper left quadrant:

"Social Health" seeks to understand how the organization is perceived on the web where no formal relationship exists, and what information can be determined (think [Social](#) or [Value Network Analysis](#)) that may be important to the organization.

"Community Vitality" seeks to understand the mood and emotion of the online relationships an organization nurtures with their community members.

"Integration" examines the people, process, and programs in the organization and where/how Social Media is affecting the inside.

"Capital" tracks the real resources (financial, human) an organization invests to establish and maintain the community.

OASIS^{cc}

Before you get started, know where you're going to end up.

Objectives

Know what you are trying to achieve before you do anything else.

Audience

Your audience have their own needs, capabilities, behaviours. Profile them to make sure you understand them.

Strategy

Select a method/channel to reach your audience. One they want, and one you can supply.

Implementation

Now you can pick the technologies and other resources you need to deploy the program.

Sustainment

Nurture your program with participation, measure the results with the Social Media Balanced Scorecard, adjust your program as required.

SocialMedia404.com/OASIS

The Balanced Scorecard

Initially a simple measuring tool, it has evolved into a robust measurement and planning system used extensively in all industries around the world.

Visit BalanceScorecard.org for more information.

Quadrants

Internal and external Hard and soft data

Social Health

how the organization is perceived on the web where no formal relationship exists.

Community Vitality

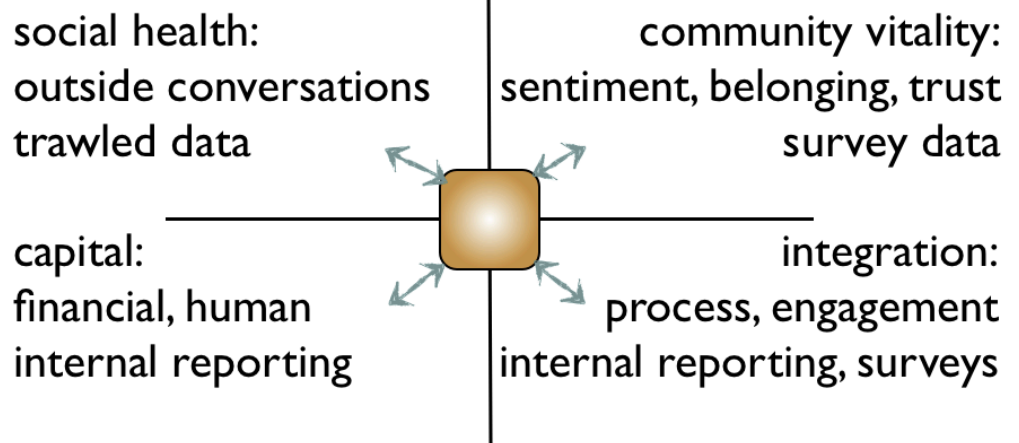
the mood and emotion of the online relationships an organization nurtures with their community members.

Integration

the people, process, and programs in the organization and where/how Social Media is affecting the inside.

Capital

the real resources (financial, human) an organization invests to establish and maintain the community.



Social Media
Balanced Scorecard:
measures & data

Where does this data come from?

The success of any performance measurement system depends on picking the right things to measure, and getting the right data as simply as possible.

The Social Media Balanced Scorecard will typically use this approach:

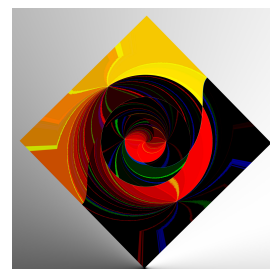
Social Health relies upon monitoring, or listening tools, configured to trawl the vast amount of blogs, discussion areas, and social networks to obtain conversational data pertaining to the objectives at hand. This is the social commentary that exists outside the immediate world of an organization. The type of information you are looking for usually falls into two categories: (1) sentiment (positive, negative, or neutral), and (2) volume (the amount of conversation, if any at all).

Community Vitality¹ is the key to understanding Community Experience (CX) and is best understood by doing primary research with an organization's community members using a survey tool. The SM-BSC looks for Community Vitality using these indicator areas:

- Sense of trust
- Support from other members
- Opportunity to contribute
- Socialization between members
- Sense of respect
- Support from community owner(s)
- Duration and frequency of visit

Integration examines the internal aspects of the program, and will collect data depending upon the objective(s). For example, efficiency and productivity objectives will look for data using internal reporting, such as Time Management Systems. But employee engagement and retention objectives will use survey data to provide measures.

Capital measures are always looking to track the financial and human investments of any Social Media program. In the case where the objective(s) are related to the contribution of Social Media to financial gain, data from sales may also be examined. Conversely, where Social Media is contributing to cost reductions, related measures may be tracked, such as call-center expenses.



¹An adaptation of measures from the [Gross National Happiness Index](#).

How To Get Started

Getting into Social Media starts with **OASIS**. This process will allow you to plan a highly effective program, and now, with the Social Media Balanced Scorecard, you'll know if the program is working.

About Social Media 404

SocialMedia404 is a brand new organization born of the need to bridge the gap between traditional business functions and practices, and the explosive use of new social media technologies.

Founded by two experienced business consultants with over 50 years of combined international experience, we work with clients in all industry verticals across North America.

We use a proprietary framework, called **OASIS**, which clarifies everything you need from measurable objectives to a sustainable implementation. We help you plan and

implement a social media strategy that is authentic and appropriate for you.

Educate. Evolve. Evaluate.

We deliver Education services through workshops and speaking engagements, Evolution services to help you define, build, and measure your program, and Evaluation services to help get your program back on track.

How can we help you today?



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