Aberdeen Group
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Measuring Social Media Marketing

In the age of metrics-driven marketing, measuring the impact of social media can be a challenge. While there are plenty of tools that support the ability to track social followers and click-throughs, the practice of connecting social media with measurable business results remains elusive for the majority of companies. Using data from Aberdeen's report *B2B Social Media Marketing: Are We There Yet?*, (published in March 2012, and based on a survey of more than 500 companies conducted in October through December 2011) this Research Brief will look at several social media marketing measurement trends.

Research Brief

Aberdeen's Research Briefs provide a detailed exploration of a key finding from a primary research study, including key performance indicators, Best-in-Class insight, and vendor insight.

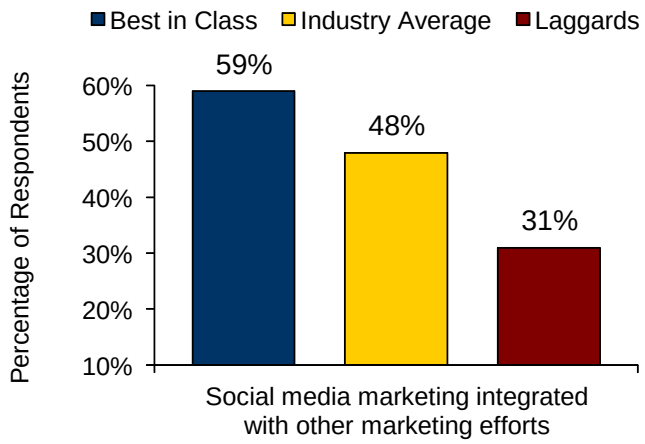
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Check out Aberdeen's social media marketing measurement report

Social Lead Management Emerges

Lead generation is the driving social media marketing strategy for a super-majority of Best-in-Class companies (see Best-in-Class definition on the next page), with 60% citing it as their primary or secondary strategy. This begs the question: are companies also using lead-oriented metrics to track the effectiveness of their social media marketing efforts?

Figure 1: Best-in-Class Companies Integrate Social Media Marketing With Other Marketing Efforts



n = 520

Source: Aberdeen Group, December 2011

To execute on this strategy, Best-in-Class companies are integrating social media with established marketing channels, processes and metrics at a higher rate than other companies. This integration can take many forms, for example, incorporating the social identity of the company and / or its

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executives on the corporate website, using Twitter hashtags during a live webinar, or embedding social sharing links within promotional marketing emails. And while adoption is nascent even among Best-in-Class companies, this integration also extends to lead management practices, such as lead nurturing and scoring.

While Aberdeen's research shows that nearly all Best-in-Class companies (99%) and even 77% of Laggards are measuring the percent of marketing-generated leads acquired through social media channels, a closer look at the adoption of specific social media measurement capabilities and technologies suggests that the true impact of social media on the marketing funnel is murky for most companies.

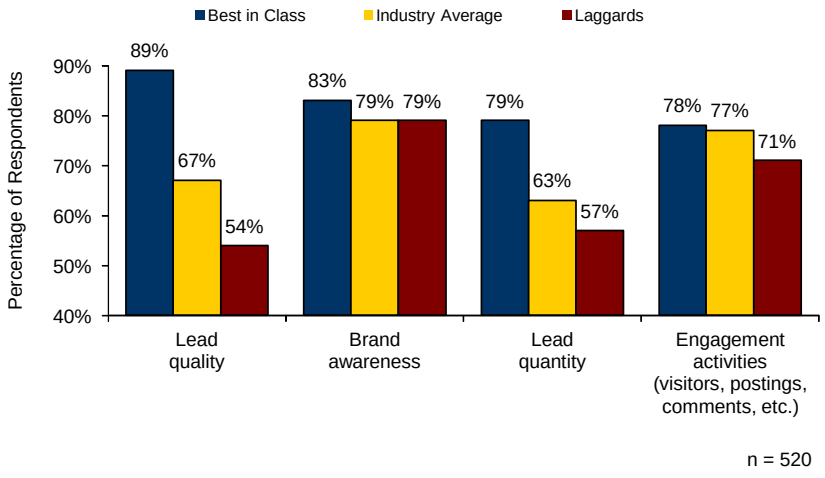
Identifying Approaches to Social Media Marketing Measurement

Through this research, Aberdeen has identified several ways in which companies are evaluating the success of their social media marketing efforts. We arrive at these findings by looking at several data points:

- The relative value companies place on different types of metrics for social media marketing
- The reported performance management capabilities of companies
- The specific metrics that companies are currently using to measure social media marketing

Figure 2 looks at the relative value that respondents place on various social media marketing metrics. Actual use of the measure wasn't a requirement for response, and thus the percentages are quite high across the board. With this in mind, it's all the more interesting to note that Best-in-Class companies are much more likely to identify lead-oriented metrics as valuable compared with other companies.

Figure 2: The Best-in-Class Prefer Leads - Percent of Companies Rating Social Media Marketing Metric as Valuable



n = 520

Source: Aberdeen Group, December 2011

Defining the Best-in-Class Social Media Marketing

Aberdeen used four key performance criteria to distinguish the Best-in-Class (top 20% of aggregate performers) from the Industry Average (middle 50%) and Laggard (bottom 30%) organizations. The top 20% of companies achieved the following performance metrics:

√ Average annual company revenue growth of 20%, compared with 8% for Industry Average and -3% for Laggard firms

√ 10% average year-over-year improvement marketing leads that result in closed business, compared with 3% for the Industry Average and 1% decline for Laggard firms

√ 44% of sales-forecasted pipeline generated by marketing, compared with 10% for the Industry Average and 5% for Laggard firms

√ 73% customer retention rate, compared with 27% for Industry Average and 7% for Laggard firms

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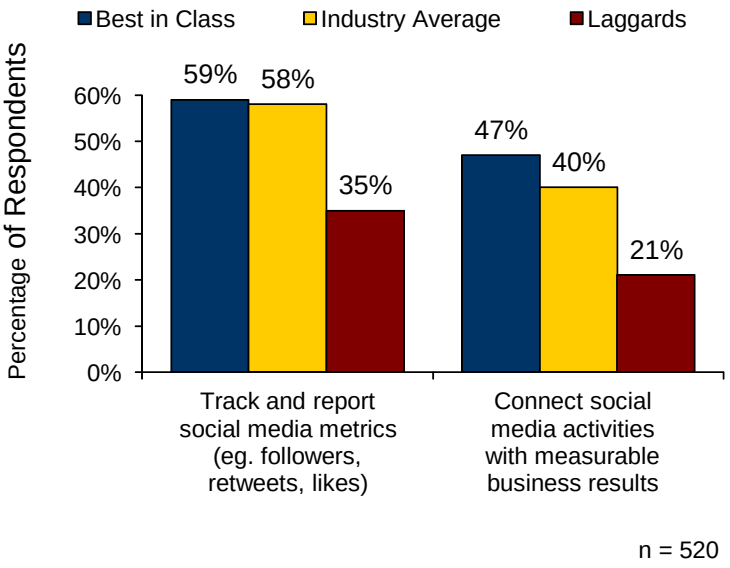
While Best-in-Class firms are more likely than others to cite lead generation as a top social media marketing strategy, it's also a top-cited strategy for Industry Average companies. What explains the relative lack of importance that mid-performing marketers place on lead-oriented metrics then? One possibility is that perception of value correlates with the ability to execute, i.e. to actually measure the value.

In fact, Figure 3 illustrates that Best-in-Class companies are 18% (59% vs. 50%) more likely than other companies to track and report on "activity-level" social media metrics, such as the number of followers, fan, re-tweets and likes, but 38% more likely (47% vs. 34%) to be able to connect social media activities with measureable business results, such as in-bound website traffic or marketing responses and conversions.

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√ Best-in-Class companies are 65% more likely than Laggards to favor lead-oriented social media marketing metrics

Figure 3: Social Media Measurement Capabilities



n = 520

Source: Aberdeen Group, December 2011

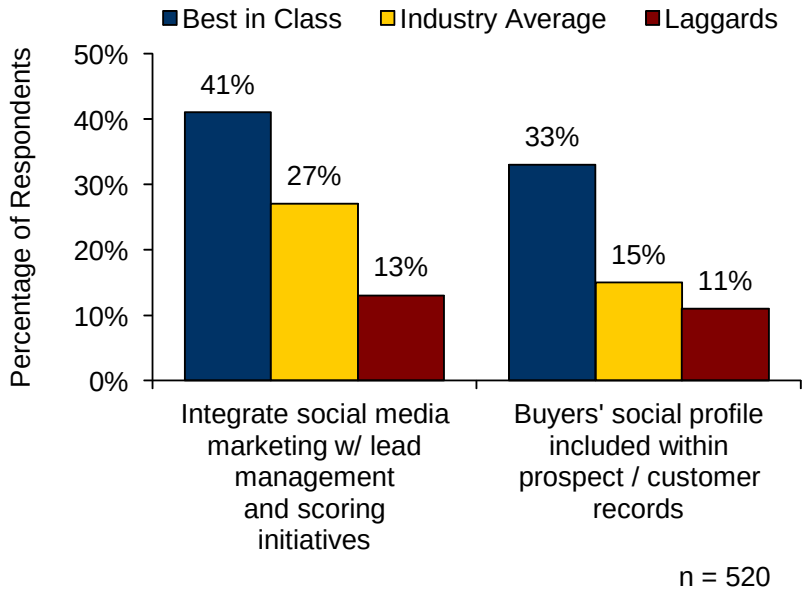
There are certainly a number of methods companies can use to associate social media activity with real and measurable business results, if not actual leads (i.e. marketing response / inquiry). Many companies are using their current web analytics solution to track in-bound links from recognized social networks, forums and blogs. Additionally, URL shorteners are used by 47% of companies, the highest rate of adoption among the technology and services tracked. These services make long link addresses usable on short-form social networks like Twitter, but can also be used to track engagement with content. Examples include bit.ly, tinyulr.com and shorturl.com. Additionally, many social media clients like Hootsuite and TweetDeck, as well as the social networks themselves have URL shorteners built in. Not all of these services provide reporting capabilities, particularly the social network-native services, so companies should be sure the service they use provides the ability to track and report on link engagement. Additionally,

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33% of companies in our study use a social media campaign management and measurement tools which incorporate tracking, analytics and reporting capabilities, including 43% of Best-in-Class, 37% of Industry Average and 28% of Laggard firms.

While valuable in capturing the overall impact of social media marketing activity, these approaches tend to be correlative with the lead generation goals of organizations, rather than directly connected to lead quality or quantity. This is particularly true for marketing of "considered purchases" requiring multiple touches through the marketing and sales funnel. A small percentage of companies are integrating social media with their lead management systems and processes, and while nascent, these capabilities correlate with Best-in-Class performance. For example, as seen in Figure 4, Best-in-Class companies are over 85% more likely than all others to integrate social media marketing with lead management and scoring initiatives (41% vs. 22%), and twice as likely to include buyers' social profile within the prospect / customer record (33% vs. 14%). Marketing technology vendors, including marketing process management providers, have started offering some of these capabilities as an extension of current lead management functionality (see *Marketing Automation Product Updates Give Social Media Lead Gen a Boost,* December 2011).

Figure 4: Integrating Social Media Marketing With Lead Management



Source: Aberdeen Group, December 2011

Recommended Actions

There are certainly many ways for companies to measure the impact of social media marketing. For those approaching social media like other media

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sources, traditional measures of influence and resonance, such as social mentions and even the number of Likes, fans, followers and retweets are likely to be quite helpful, and may suffice. But given the overwhelming focus on social media lead generation, this Research Brief focuses on the measures and metrics companies are using to quantify the impact of social media on their lead flow.


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Just read Aberdeen's social media marketing measurement report

There's some irony in the fact that two of the most significant trends in marketing and demand generation - metric-driven lead management and social media marketing - are seemingly at odds when it comes to the ability to quantifying the impact of marketing activity in terms of qualified leads and revenue. However, there are a number of pragmatic steps marketing can take to start tracking the value of social media marketing on leads. Using encoded URLs, either created through a URL shortener, email marketing or marketing process automation tools (i.e. "Marketing Automation") will allow marketing to establish a baseline for social media engagement. An even more complete picture emerges when combined with web analytics that can track in-bound website visits coming from social networks. However, companies that integrate social media marketing with their lead management processes, including the processes established to measure and compare lead sources, will get a more complete picture of social media's impact on lead generation.

For more information on this or other research topics, please visit www.aberdeen.com.

Related Research	
B2B Social Media Marketing: Are We There Yet?; March 2012 Bloggers Paradise: Best Practices for Business Blogging; January 2012	Marketing Automation Product Updates Give Social Media Lead Gen a Boost; January 2012 The Marketing Executive's Agenda for 2012, Part 2: Channel Conflicts and Resolutions; October 2011

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