

Digital Marketing Institute

# Measuring Success in Social Media Campaigns

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# coming up

1. Applying Business Values to Campaign Metrics
2. Basic Forecasting
3. Attribution Models
4. Future Trends
5. Summary

# The Age Old Dilemma

Half the money I spend on advertising is wasted; the trouble is I don't know which half.

John Wanamaker

# Formulas

Revenue per like =  $\text{Revenue} / \text{Likes}$

Revenue per 1000 impressions =  $(\text{Revenue} / \text{Impressions}) \times 1000$

If either of these metrics are positive then your campaign was profitable

Why are these metrics useful? [FORECASTING](#)

**IMPORTANT:** Measure your campaign metrics over time and use past metrics to help forecast future performance and set baselines

# Defining Business Metrics

Direct response campaign = revenue or conversions directly generated by the campaign activity

Awareness/Brand or Non-DR campaigns = changes in relevant business metrics (revenue, conversions, conversion rate, brand search etc) from baseline, ie.

Baselines are **defined by you** they are how your key business metrics look when there is no active promotional activity

# Basic Forecasting

Scenario #1 – How many likes do I need?

Business Goal = €1,000 in revenue

Cost per like = €1

Revenue per like = €1.50

Media spend required =  $(\text{Business Goal} / \text{Revenue per like}) \times \text{Cost per like}$

ROI =  $(\text{Revenue} - \text{Spend}) / \text{Spend}$

Use forecast ROI

# Basic Forecasting

Scenario #1 – How many likes do I need?

Media spend required = (Business Goal / Revenue per like) x Cost per like

$$(\text{€}1,000 / \text{€}1.50) * 1 = \text{€}666.67$$

ROI = (Revenue-Spend)/Spend

$$(\text{€}1,000 - \text{€}666.67) / \text{€}666.67 = 0.49$$

ROI on this campaign would be +49%

# Basic Forecasting

Scenario #2 – How many Impressions do I need?

Business Goal = €35,000 in revenue

Cost per 1000 impressions (CPM) = €8.41

Revenue per 1,000 impressions = €7.805

Budget required = (Business Goal / Revenue per 1,000 Impressions) x CPM

# Basic Forecasting

Scenario #2 – How many Impressions do I need?

Business Goal = €35,000 in revenue

Cost per 1000 impressions (CPM) = €8.41

Revenue per 1,000 impressions = €7.805

Budget Required =  $(€35,000/€7.805)*€1.41 = €6,322.86$

# Basic Forecasting

Scenario #3 – How many clicks do I need?

Business Goal = €2,000 in revenue

CPC = €2.80

Revenue per click = €2.92

Budget required =  $(\text{Business Goal} / \text{Revenue per click}) \times \text{Cost per click}$

# Basic Forecasting

Scenario #3 – How many clicks do I need?

Business Goal = €2,000 in revenue

CPC = €2.80

Revenue per click = €2.92

Clicks Required =  $(€2,000/€2.92) = 685$

Budget required =  $(\text{Business Goal}/\text{Revenue per click}) \times \text{Cost per click}$

Budget Required =  $685 \times €2.80 = €1,917.80$

# Basic Forecasting

Scenario #4 – How many website visits do I need w/campaign traffic?

Business Goal = 250 conversions

Conversion Rate = 1.25%

Cost per click = €0.55

Traffic required =  $(\text{Conversions} / \text{Conversion Rate})$

Paid traffic represents 25% of traffic mix

Paid budget =  $(\text{Traffic Required} \times 25\%) \times \text{Cost per Click}$

# Basic Forecasting

Scenario #4 – How many website visits do I need w/campaign traffic?

Business Goal = 250 conversions

Conversion Rate = 1.25%

Traffic required =  $(\text{Conversions}/\text{Conversion Rate})$

Traffic Required =  $250 / 0.0125 = 20,000$

Cost per click = €0.55

Paid traffic represents 25% of traffic mix

Paid budget =  $(\text{Traffic Required} \times 25\%) \times \text{Cost per Click}$

Budget Required =  $(20,000 * 0.25) \times 0.55 = €2,750$

# Attribution Models

Attribution modelling isn't perfect, each will have pros and cons. It's important to know how each model can help understand conversion journeys and marketing performance

## Examples of Attribution Models

- Last Click attribution Models
- Post Impression Attribution Models
- Post Click Attribution Models
- Advanced Attribution Models

# Future Trends

There is no perfect model for attribution in relation to conversion, but there are a number of companies working on better models, it's unlikely they will ever design a flawless model but there are things we can do now and will be able to do in the future that can help add clarity.

These include:

- Unique user session IDs
- CRM integration
- Signed-in tracking
- Geo-targeted POS tracking for offline conversions

# Summary

Every attribution model has built into it biases and opinions that often struggle to stand any intellectual scrutiny, or the simple laws of common sense.

*Avinash Kaushik*

# Thanks

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