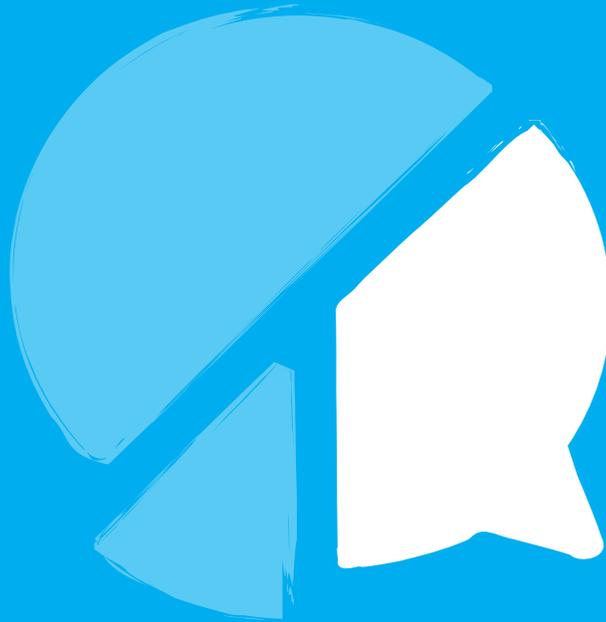




A Primer on Attribution & Social Media Marketing ROI
by the Measurement Geniuses at Argyle Social
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A Primer on

Attribution & Social Media Marketing ROI

A group of marketers talking about social media ROI is a lot like a group of 7th graders talking about sex: everyone talks about it, but no one has ever done it nor does anyone have the slightest idea how.

At Argyle, we spend an awful lot of time thinking about the social media marketing ROI conundrum. In particular, we're most interested in figuring how we can help our customers understand it clearly, measure it consistently, and improve it over time.

We believe that the biggest problem around social media ROI is attribution. That is to say — social media ROI is hard to measure because it is hard to link your social media marketing efforts to business outcomes. It isn't a big stretch to say that if social media marketers can't directly attribute revenue, retention, savings, etc. to their social media marketing efforts, then they're not going to get the budget, resources, promotion, props, etc. that they deserve.

This is a big problem for social media marketers. And while we don't have a silver bullet, we think that we have insight into the fundamental issues behind the problem and some clever thoughts about how to address them.

A QUICK PRIMER ON ATTRIBUTION

Regardless of channel, it is already hard enough to figure out which marketing efforts are pushing customers over the finish line to fill out lead forms, purchase, sign-up, donate, etc.

Are-Oh-What?

ROI, or **Return On Investment**, is a core metric for marketing. ROI is what tells you if a campaign was a success and you should do more like it or if it was a failure and you should try something else next time. While it is a businessy-sounding acronym and therefore worthy of your skepticism, stick with us while we explain a little further.

ROI is dead simple to calculate. Take your return, R, and divide by your investment, I. If you're feeling ambitious, multiply by 100 and add a percent sign. All told:

$$ROI = (R / I \times 100)$$

A quick example: Suppose you're an e-commerce retailer and you run a CPC campaign. If you invest \$200 and sell \$240 worth of product, your ROI is:

$$(240 / 200 \times 100) = 120\%$$

Quite simply, an ROI above 100% means you're making money; an ROI below 100% means you're losing money. Easy.

For example:

Day 1: Customer searches Google for “widget”, clicks on an organic link to your site.

Day 1: Customer then signs up for your email list, clicks a few links over the course of a month.

Day 2: Customer follows you on Twitter, clicks several links over the course of a month.

Day 30: Customer search Google again for “widget”, this time clicks on an CPC ad.

Day 30: Customer purchases a widget for \$200.

Which marketing program should get “credit” for the conversion — SEO, email, social, or CPC? Is a single click from CPC more valuable than several touch points via email or social? Is the first visit more important than the last visit? What about all of the stuff in the middle? Have we done enough to convince you that this is incredibly complex? Have we done enough to make you rethink how you’re making marketing budget decisions?

Most web analytics programs (like *Google Analytics*) employ a “last-touch” attribution model, which means that conversions get allocated to the most recent referrer source for that visitor. So in our example about the widget shopper, CPC would get 100% of the conversion attribution because that was the last marketing “touch” before the conversion. Most marketers already use last-touch attribution and don’t even know it.

Many marketers use a “first touch” model or “multi-touch” model (The latter are often called “ballers” and sometimes “baller shot callers”). In a “first touch” world, SEO would get credit for the conversion in our little example — the first marketing touch point was the result of an organic search result engineered by the SEO geniuses.

In a “multi-touch” set-up, you would allocate the conversion value across all of the marketing programs. The most common multi-touch model is very simple: all touch points receive an equal share of the credit. For example, a \$200 purchase with 20 touches would result in a \$10 attribution for each touch point. Sophisticated marketers might weight different touch points differently - maybe the first and last split 60% of the value while the remainder gets spread evenly across the middle.

CPC — Yeah you know me!

CPC is an acronym for cost-per-click, an internet advertising model in which businesses are charged each time a customer clicks on their ad.

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WHY SOCIAL NEVER GETS CREDIT

The peculiarities of the social channel make it (*almost*) impossibly difficult to cleanly and accurately attribute conversions to social content. Here are a few reasons why:

1 . Social is rarely the last touch.

Social isn't a direct response channel. Aside from daily deals and coupons, most of the content social media marketers publish is about generating engagement and interactions with your customers. Heck — most of the links you share might not even link back to your website. As a result, social is very rarely the last marketing touch point before a conversion. Thus, it can be difficult to accurately track the impact of your social media marketing campaigns using traditional web analytics tools.

Consider this thought with a couple examples: Check out [Jason Falls on Twitter](#) — most of his social content is about other people or links to other sites. Check out [Gander Mountain on Facebook](#) — most of the posts on their Facebook stream are open-ended questions meant to stir up conversation and drive engagement. Sprinkled amongst the content are the rare links to read some of Jason's homegrown content or calls to purchase special deals at GanderMountain.com that may drive direct conversions, but most of the impact is indirect and relationship-driven

The social channel provides an amazing opportunity to cultivate relationships with your customers...and relationships clearly drive conversions and repeat business. Great social media marketers like Jason Falls and Will Devlin at Gander Mountain get it. But, unlike CPC ads and search, which can immediately harvest intent - social media marketing efforts cultivate, accelerate, and retain relationships over a period of time. They're not last-touch marketing transactions.

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Attribution in Brief

Last Touch: *The last marketing channel a user clicks prior to purchasing gets credit.*

First Touch: *The first marketing channel a user clicks prior to purchasing gets credit.*

Multi-Touch: *Marketing channels are all attributed based on weightings.*

Most web analytics tools use last touch attribution. This significantly under-credits social media marketing for the role it plays.

Want to figure out how to address this?
Read on!

2. Traditional web referrer methods break down in social channels.

Most online marketing analytics platforms categorize visits by site referrers, meaning the site that “referred” the visitor to your site. For example, if you Google “Argyle Social” and then click on the link to argylesocial.com, then google.com will appear as the referrer for the session.

Not to get too nerdy, but it is important to understand the basics of referrer tracking in web analytics platforms. The referrer is one of the standard fields in the HTTP header, which is included in every request sent on the web. The analytics platform grabs the referrer from the request and stores it to a cookie the first time you visit. That way when you come back later the tool will still know the first place you came from.

This method breaks down vis-a-vis tracking social media for two reasons — one technical, the other cultural.

First, the technical issue. When Al Gore and Ted Stevens invented the Internets, we used browsers for everything. Nowadays, we consume our Internets — particularly our social media — through a variety of means, including mobile devices, desktop AIR applications like TweetDeck, email clients like Outlook, and IM chat clients like AIM. These non-browser-based applications do not pass web referrer data. The reasoning behind this is simple. The referrer answers the question “*What web page did you come from?*” When you come from one of these applications, the answer is “*I didn’t.*”

Without web referrer data, your web analytics platform doesn’t know from whence the traffic came and thus tracks this visitor as if he/she typed your-domain.com directly into their browser or clicked on a bookmark. For example, a visitor that clicks on a simple link to your website on Facebook Mobile will show up in your web analytics platform as a “direct visitor.” Clearly this wasn’t the case.

Most clicks from social traffic do not include the data you need to effectively track your marketing campaigns. It’s up to marketers to make sure this data exists!



Al Gore (left) & Ted Stevens (right)
Co-creators of the Internets

So, yes, a big chunk of the direct visits to your website are people that click on links to your site on mobile devices and on other non-browser technologies that don't pass web referrer data. It is pretty safe to assume that a large chunk of this traffic is unattributed social.

The cultural issue amplifies the problem for marketers. We are an increasingly mobile society. For example, Facebook announced 100M mobile users in February 2010... and then announced 150M mobile users in July 2010. That's 50M new users in less than 6 months.

Avinash Kaushik, Analytics Evangelist for Google, posits that 78% of people consume Facebook and Twitter content via applications. Marinate on that for a moment: 4 out of 5 people read your social content on an application that doesn't pass web referrer data, which is the core nugget of information that enables your web analytics platform!

If you're blindly tracking your social media marketing efforts in Google Analytics, then you're probably doing it wrong.

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3. Organizations suck at managing social.

Social snuck up on most organizations. It began as an experiment and slowly evolved into a meaningful channel and for many organizations will very soon become a strategic channel.

So instead of a well-planned, top-down implementation, enterprise marketers are trying to wrap their arms around the masses of independent tweeters and bloggers inside of their organizations. Small-business marketers are trying to figure out how to turn a freewheeling experiment into a strategic marketing channel.

Social's grassroots origin has led to a few problematic marketing personas that we see day in and day out at Argyle:

The experimenter: *Instead of using a few tools and methods and using them well, some social media marketers tend to experiment with an arsenal of them. This breeds disorganization and a lack of measurement discipline.*

The lazy linker: *Because social is such a high-volume channel, it is often impractical to build "smart" links for every single Tweet and Facebook post. So marketers publish "naked" links — links without appended campaign attribution parameters — and social attribution goes out the window.*

The true believer: *Direct engagement with customers and prospects is most certainly the sparkly-fairy-dust that makes the social channel great. But watching for and participating in conversations is only the first half of the social media tracking problem. We see way too many marketers that excel at engaging, but ignore whether or not their engagement efforts actually drive meaningful business outcomes.*

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HOW YOU CAN ADDRESS THE PROBLEM

(As you might imagine, this is also the part of the whitepaper in which we begin describing our own awesomeness.)

If you've made it this far, dear reader, then hopefully you've come to agree with us that tracking social media through traditional means isn't the answer. Here's what we're doing about it:

Build smarter links.

For example, if Jane Doe shares a link to <http://foo.com> on Twitter as a part of the December Launch campaign, then [Argyle Social](#) will shorten the link to <http://doma.in/foo> and then unpack the link as:

http://foo.com?utm_source=twitter&utm_campaign=december_launch&utm_term=jane_doe

Most marketers use web analytics platforms like Google Analytics or Omniture to attribute online conversions to their social media marketing efforts. And we've spent the first 5 pages of this document explaining why this approach is problematic. So we'll just skip ahead to the part about Argyle Social...

Analytics Parameters

Parameter:	utm_campaign: <input type="text" value="%%campaign_code%%"/>	X
Parameter:	utm_content: <input type="text" value="%%user_code%%"/>	X
Parameter:	utm_medium: <input type="text" value="Argyle Social"/>	X
Parameter:	utm_source: <input type="text" value="%%channel%%"/>	X
Parameter:	utm_term: <input type="text" value="%%time%%"/>	X
Parameter:	Add Parameter	

Link social content to conversions.

Every single URL that marketers publish through Argyle gets automatically appended with web analytics parameters. [Argyle Social](#) dynamically defines additional parameters based on the context your social content.

After a one-button set-up, our application builds the link tracking parameters automatically so that you get richer information and better context in your web analytics platform. All of your links get all the right magic sprinkles, all the time, automatically.

And because the parameters are baked inside of a short URL, you avoid the aforementioned problem vis-a-vis social traffic from mobile devices, desktop AIR clients, etc. disguised as direct traffic. All of your social links get proper attribution in your web analytics platform, regardless of referrer source.

Smarter URLs are great, but they don't address the core issue. Link parameters get the right data into your web analytics platform, but remember that your web analytics platform is most likely tracking conversions on a last-touch basis. So unless your social content has a consistent call-to-action, it is very unlikely that social will rank high as a conversion source.

Our proprietary conversion tracking tools go far beyond URL parameters. Using [Argyle Social](#), marketers can understand which social content influenced conversions on their site, even if the content doesn't link to a website they own.

Without getting too deeply in the nerdy details, [Argyle Social](#) uses a small snippet of code you embed in your site, in conjunction with tracking cookies, to understand which links you're sharing to social media sites are driving traffic and conversions on your website. The feature enables marketers to go beyond a first — or last-touch attribution model and to begin to understand how the social media stuff in the middle cultivates influence and accelerates conversions.

Our widget shopper attribution example from earlier in the document provides a great illustration of the concept:

Day 1: Customer searches Google for "widget", clicks on an organic link to your site.

Day 1: Customer then signs up for your email list, clicks a few links over the course of a month.

Day 2: Customer follows you on Twitter, clicks several links over the course of a month.

Day 30: Customer search Google again for "widget", this time clicks on an CPC ad.

Day 30: Customer purchases at widget for \$200.

Using Argyle Social, you can understand which links, content, and social networks, influenced the eventual transaction. And you can understand the percentage of conversions were influenced by social content, regardless of whether or not social was the last touch. We call conversions influenced by social content (*very creatively*) "social conversions." Conversions that happen independent of social content, we call "non-social" conversions.

Most of the webcast sign-ups during this time period have occurred independently of social content, but you'll note a few blue spikes representing social conversions. If you take a look at the entire history of the goal, you can see that social media drives a fair number webcast sign-ups for us:

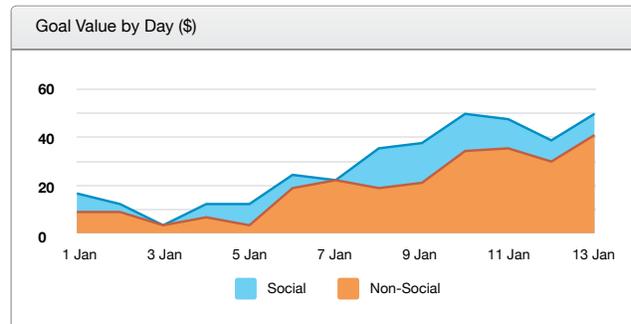
Over the life of this Goal, we've had 138 total webcast sign-ups — 46 of which were influenced by social content. That's pretty strong validation for our social media marketing efforts, especially considering that the same Goal in Google Analytics reflects only 9 conversions influenced by social!

Enable your organization.

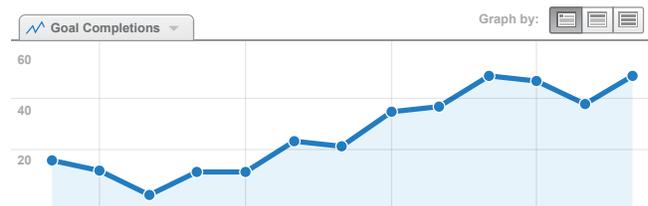
Multiple users using multiple social media marketing tools across your organization is a failure. Not only does it create chaos from a management perspective, it leads to missing marketing data, improper attribution, and social media marketing campaigns that aren't well executed.

Argyle Social is built for teams and organizations. Create permission-based Argyle Social user accounts for social media marketers across your organization and you get all of the tracking, context, and conversion attribution automatically.

This is a great way to make sure that everyone is building smart links, sharing content with the same custom short domain, and using the same campaign management framework.



To illustrate, here is a screenshot from our own Argyle Social account. This graph reflects registrations for our product demo webcasts.



Comparison to Google Analytics. Notice that with Argyle Social, you can more accurately evaluate conversions driven through the social channel.

IN CONCLUSION

Like any new marketing channel, social media comes with its own set of challenges that marketers must solve before it reaches scale and maturity. Social has already proven that it has the potential — what it needs is a set of tools and methodologies that will help marketers to justify the time and money spent.

We're providing innovative new answers to these questions at [Argyle Social](#). We would love for you to check us out.

ABOUT ARGYLE SOCIAL

Founded in 2009, Argyle Social is an innovative software-as-a-service platform for social media marketing management and analytics. The platform helps marketers to easily organize and publish social content, manage customer interactions across social channels and quantify the bottom-line impact of their social media marketing efforts. Argyle customers include Gander Mountain, Sharefile.com, Blue Sky Factory and UNC Kenan-Flagler Business School. The company is based in Durham, NC. For more information, visit www.argylesocial.com