



# Social Media Marketing ROI: Winning the Numbers Game

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As marketing becomes more and more technology driven, today's most progressive companies are looking for chief marketing officers (CMO) with a firm grasp of social media marketing return on investment. An often-quoted statistic, released by the research and consulting firm Gartner in 2012, predicts that by 2017, CMOs will be spending more on technology than chief information officers. Much of this bill will be spent on tracking success.

*Harvard Business Review* assesses the stock of CMOs will continue to rise as they embrace their new role as "part strategist, part creative director, part technology leader, and part teacher."

"I am seeing my role more as functioning as a change agent," says Jeff Davidoff, most recently CMO of the international campaigning and advocacy firm ONE. "I am focusing on customer engagement by embracing technology and capturing data not only to demonstrate the effectiveness of social media to drive messaging but also to keep ONE's advocacy relevant with a growing customer base of Millennials."

## **Rise of the Millennial Generation**

Before Baby Boomer C-level readers turn the page, consider that Millennials will be the primary consumers driving the economy in the decades ahead. Marketing strategies can no longer be determined solely by the desires and behavior of those born between 1946 and 1964. The Millennials, sometimes known as Generation Y, are born between 1982 and 2004, according to William Strauss and Neil Howe, authors of *Millennials Rising: The Next Great Generation*. As Millennials come of age, the in-touch CMO knows that they are more highly educated than Baby Boomers and they outnumber them—84 million Millennials compared to 77 million Baby Boomers.

Word-of-mouth marketing once ruled the world, and, with Millennials, it still does. Their word of mouth, however, is Facebook, Twitter, Google+, LinkedIn, Pinterest, Instagram, Foursquare, SCVNGR, Tumblr...thus the rise of social media marketing, which is simply word of mouth amped up by technology.

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Recent analysis shows the Fortune 500 are increasingly embracing social media marketing. In 2008, the University of Massachusetts Dartmouth Center for Marketing Research released one of the first studies on social media use by the Fortune 500 and has repeated the study annually. In 2014, the study found:

- 157 companies (31%) have corporate blogs
- 413 companies have corporate Twitter accounts with a tweet in the past 30 days
- 401 companies (80%) are now on Facebook, a 10% increase since 2013
- Foursquare enjoyed the largest increase in adoption (42%), while Pinterest use increased by 27%, and Instagram by 12%.

### Measuring Impact

As with any marketing tool, social media marketing must be strategically targeted, measured and realigned to effectively build relationships, increase repeat business and grow customer base.

“Successful CMOs must know their audiences and the specific social media platforms that communicate best with each to launch, manage and optimize customer engagement,” says Gary Briggs, Facebook’s CMO. “To effectively measure social media marketing ROI, you must define your target outcomes carefully and ensure you have the best customer engagement tools in place to position yourself to reach them.”

That’s exactly why the most erudite CMOs will be spending more on technology than chief information officers by 2017. While traditional advertising venues rely on estimates of impressions, the digital world, like baseball, measures EVERYTHING. You can quantify your goals, set targets and know if your program is a home run based on reach, sharing behavior and monetization.

### Technology Rules

“The key is for corporations to tie their technology choices to their strategic business goals,” says Briggs. “It’s not just about being aware of how many people are talking about your product or service and what they’re saying, but how to turn that information into meaningful customer relationships that positively impact your bottom line.”

All of the data is there. Just like a box score. To that end, the effective CMO leverages innovative technologies available to assess social media marketing and better understand the brand perception, drill down to target audiences, drive sales, enhance the customer experience, and, ultimately, innovate to stay ahead of competition.

“It’s all about starting a conversation and then measuring the impact of that conversation through the right tools,” says ONE’s Davidoff. “Marketing used to rely on carefully assembled focus groups. Today, the world is our focus group.” ■