

Do You Know the Two Types of ROI? Do You Have Both?

Are you making the best of both these crucial metrics?

By Christopher Tompkins

Many organizations focus on ROI (return on *investment*) when marketing their message. When they don't get immediate results, however, they often give up.

But there's another side of the coin: ROI 2.0 (return on *influence*). Many organizations have begun investing more time and money into using social media to increase their influence, credibility, and the value of their brand.

Both ROIs have a place in your marketing strategy. The value of each one will be unique for your organization. Let's delve deeper into them both.

“Each social-media channel is a branding hub.”

Return on Investment

ROI is a vital tool to help you measure your success over time. Knowing your return on past investments of time and energy will take the guesswork out of future decisions. A few pointers:

Know how to budget correctly.

Some people think that spending thousands of dollars on marketing will result in a huge win for their organization. Yes, more money can result in a greater ROI, but what if you don't have thousands to spend? You need to be smart and strategic with what you do have. You'll want to know as much about your target audience as possible. Don't waste your money marketing your message to everyone in the world, when you could be showing your message to *just* your target audience.

Know your KPIs and marketing goals.

Speaking of being strategic, you must know your KPIs (key performance indicators). These are S.M.A.R.T. goals



“Make decisions based on figures, not feelings.”

(specific, measurable, attainable, relevant, time-bound) that you can track.

Without these goals, you're making decisions based on feelings instead of figures. If you aren't careful, you could be spending money on marketing efforts with little to no results.

Track your ROI using analytics.

If you don't already have traffic tracker set up on your website, what are you waiting for? This is one of the easiest ways to see your website traffic, where visitors came from, and what pages on your website had a greater increase in visitors than others. Most social-media sites offer their own specialized pixel so you can maximize your marketing money and “pay” only when someone clicks through to your site.

Return on Influence

While your return on investment is very matter-of-fact and measurable, this isn't always the case with return on influence. This type of ROI is driven by engagement. It's categorized by social-media factors that provide visibility and generate leads, funds, and awareness. Here are the keys to successful return on influence:

Know your measurements – and what they mean.

When you're measuring your level of influence, there's not a fancy equation that will help you deliver the ideal metric. Each organization has its own needs and its own unique focus. For example:

- **Is it important for you** to have a high number of people connected to your profiles? Then the size of your audience will be something that you'll want to measure and keep track of.
- **Are you looking to engage your audience** with your content? Then you want to track likes, comments, reactions, and shares.
- **Want to use social-media links as calls to action** to visit your website? Then you need to track the amount of traffic that you're generating via each site.

Tell your story. Your full story. In real time.

One of the largest returns you can get on ROI in the influence category is being able to tell your brand's story, in real time, while you measure engagement. Social-media marketing is a beautiful complement to a public-relations campaign. You can tell your brand's story fully – without being hampered by deadlines, timing, content lengths, or other restrictions. You can comment in real time to anything in the universe that you can tie to your brand.


Telling your story in this way shows that you're available, trustworthy, and have a finger on the pulse. Who do people fund, partner with, and support? Those they trust.

Position yourself as an expert.

Your social-media channels are an extension of your online presence. Consider them the more interactive version of your website. Here you're not just making claims, you're bolstering your mission. You can craft and share content that brings your target audience closer to you. You can showcase how your mission solves a problem they face.

Each one of your social-media channels acts as a branding and expertise hub that shows your audience the value you bring and why they need to be interested. Having these authentic communications in real time offers positioning like no other.

Make the Best of Both Metrics

While return on *investment* focuses on measurable goals, return on *influence* is about the results you gain from having a presence on social media. Look into how you can factor both ROIs into your strategy and reap the benefits. 

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Manage Social Media, & Measure Your Progress

Using performance measures and taking full advantage of social-media marketing are two powerful paths to success. Do both, using the guidance in articles available at NonprofitWorld.org:

Engage Donors with Social Media (Vol. 33, No. 3)

The Power of Story: Bring Your Brand to Life (Vol. 34, No. 4)

What's All the Fuss about ROI? (Vol. 32, No. 2)

Integrate Social Media into Your Website (Vol. 35, No. 1)

The Nonprofit Branding Exercise (Vol. 26, No. 1)

Using Multi-Generational Marketing to Target Donors (Vol. 23, No. 5)

Key Performance Indicators: Nonprofits Need Them, Too (Vol. 31, No. 2)

Remember Your Brand when You Market with Social Media (Vol. 33, No. 4)

Top Ways to Gain Support Using Pinterest (Vol. 33, No. 2)

Accelerating Fundraising through Social Media (Vol. 28, No. 3)

Benefits & Risks for Nonprofit Leaders Using LinkedIn (Vol. 31, No. 2)

A Better Brand = More Loyal Supporters (Vol. 38, No. 4)

Three Tools to Manage Social Media (Vol. 32, No. 2)