

# Best Social Media Metrics: Conversation, Amplification, Applause, Economic Value

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[kaushik.net/avinash/best-social-media-metrics-conversation-amplification-applause-economic-value/](http://kaushik.net/avinash/best-social-media-metrics-conversation-amplification-applause-economic-value/)

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October 10, 2011



I am going to break one of my unspoken cardinal rules: Only write about real problems and measurement that is actually possible in the real world.

I am going to break the second part of the rule.

I am going to define a way for you to think about measuring social media, and you can't actually easily measure what I am going to recommend. [Update: Please see update #2 below, you can now easily measure what's recommended in this post.]

So why break the rule?

Social media is evolving at an incredible pace. Most of us have no idea how to participate optimally in this unique channel – we are doing TV on Twitter (breaks my heart). The impact on the data side of the ecosystem is that massive amounts of data is being generated and much of what goes for measurement in "social media tools" is profoundly sub optimal (I'm being polite). We have IT-minded people engaging in massive data puking (one report with 30 metrics anyone?) and Marketing-minded people who are using lousy measures of success ("I got 158,632 Fans! Hurray!").

I want to propose a framework you can use to measure success using metrics that matter for one simple reason: They actually measure if you are participating in the channel in an optimal fashion.

Isn't that revolutionary? Use data to incentivise our companies to do the right thing by measuring what matters, what makes this channel so unique.

So what actually matters in Social Media?

Not the number of Friends / Followers / Subscribers. Not the number of posts / tweets. Not the ridiculous Followers to Following ratio. Not the... well there are so many horrible ones to choose from.

What matters is everything that happens after you post / tweet / participate!

Did you grab attention? Did you deliver delight? Did you cause people to want to share? Did you initiate a discussion? Did you cause people to take an action? Did your participation deliver economic value?

The "so what? " matters!

Oh, I totally forgot to say this.... the advice in this blog post is only for businesses and brands that participate in social media. Businesses as in Red Bull and T-Mobile and Johnson & Johnson. Brands (all of the aforementioned plus...) as in Mitch Joel and Stephen Colbert and Nancy Pelosi. If you don't fall into those two categories then this social media measurement framework might not apply to you.

I'm proposing four distinct social media metrics we should measure, (and this is so cool) independent of the social channel you participate in.

Excited? Let's go....



## 1. Conversation Rate.

When I say most brands do TV on social media what I mean is that we do the same uninformed shouting and pimping on social media that we do on TV.

We know little about who is on the other end of the TV set and the medium places limits to what we can do. So to make our marketing more efficient we shout more loudly, more frequently!

We don't have to do that. We can get a very good sense for who is following / friending / subscribing to us. We can measure if what we are saying connects to them (in near real time!). And unlike all others, this channel has the word social in it! Social as in talk and listen and discuss.

So why not measure that?

Conversation Rate = # of Audience Comments (or Replies) Per Post

## What to do with it?

A high conversation rate requires a deeper understanding of who your audience is, what your brand attributes are, what you are good at, what value you can add to your followers and the ecosystem you participate in.

That is why I love this metric. It forces you to do the right thing right away. And it is a lot of work.

So aim for a higher Conversation Rate. Build your own watering hole in the digital universe. Have meaningful conversations with your audience. That's Marketing money just can't buy.

You can always be provocative, say silly things and get a high Conversation Rate. Pick Sarah Palin for your topic. :) But that would not be accretive for your brand equity, would it?

Remember we do not measure to manipulate the metrics, we measure to know if we are adding business value.

### How to measure it?

Individually this is not that hard to measure. But across channels there does not seem to be an option.

This is where I need your help. Do you know of a tool that measures conversation Rate easily as defined above across the main social media channels? Please share via comments and I'll add it here. Thanks!

Up next, our second delightful metric...



## 2. Amplification Rate.

Every channel has inherent limitations, often exhibited by the number of ads you can buy. On Google (paid search), on Facebook (display ads), on Radio (audio ads), and all other channels you can think of.

But social media has a profound advantage you can tap into.

Not only do you have a network, but every node in your network has a network of its own! If you follow my advice and post something "incredible, relevant, of value" to your audience then they can allow you to break free of the limitations of your network and

spread your word around to a more massive audience!

Take me as an example. I have, as of today, 57k followers on Twitter and around 12k on Google Plus. That's the limit. Even if every single person who follows me reads every single thing I write, I can at most reach 57k people on Twitter.

But the size of my second level network (the unique people who follow the people who follow me) is 6.3 mil. My real "reach" it turns out is not 57k, it is 6.3 mil!

So measure Amplification, the rate at which your followers take your content and share it through their network.

On Twitter:

Amplification = # of Retweets Per Tweet

Amplification = # of Shares Per Post

On a blog, YouTube:

Amplification = # of Share Clicks Per Post (or Video)

(Share clicks as in number of times your social media buttons were used to spread the content.)

### **What to do with it?**

As you post and tweet and you rock and you roll... measure what pieces of content (type) cause amplification (allow your social contributions to spread to your 2nd, or even 3rd, level network). Understand times and geo locations and topics and things.

Then do more of the type that increase amplification. You'll get more sharing and spreading of your content. But this is very, very important: You'll be giving your audience content they consider to be of such incredible value that they want to share it (and hence you'll know what your audience wants / loves).

Oh, oh, oh and.... over time your 2nd level network becomes your 1st level network... because they discover that you rock!

Marketing, relationships and a reach that money, honestly, can't buy.

### **How to measure it?**

I don't quite know how to do it easily across all the channels. Individually you can, see image above, pull out Excel and make magic!

Do you know of a tool that precisely measures Amplification across all channels as defined above? Please let me know via comments, and I'll add it here.

Now on to a metric that had us at "hello"...



### 3. Applause Rate.

I'm sure you've noticed my secret evil plan to force you to understand your audience (and not just pimp your agenda in Social Media).

One powerful, more immediate way, to understand them is to measure Applause.

On Twitter:

Applause Rate = # of Favorite Clicks Per Post

On Facebook:

Applause Rate = # of Likes Per Post

On Google Plus:

Applause Rate = # of +1s Per Post

On a Blog, YouTube:

Applause Rate = # of +1s and Likes Per Post (or video)

#### What to do with it?

Simple... you want to know what the audience likes (to use the Facebook terminology) and what they don't. You get a much deeper understanding of what your audience likes so much that it will +1 your content (or contribution) and allow for that to be then shown to others in their social graph.

And consider this...

If you +1 this blog post, you'll not help me understand its relative quality, but when someone in our extended social graph does a search on Google for Social Media Metrics your endorsement of this content will show up in the search results. That's reassuring to your social graph, and it is great for me because your endorsement makes this post stand out over others and I get a relevant visitor/customer.

Sweet, right? Your selfless social media contribution comes back to assist you in driving valuable business outcomes.

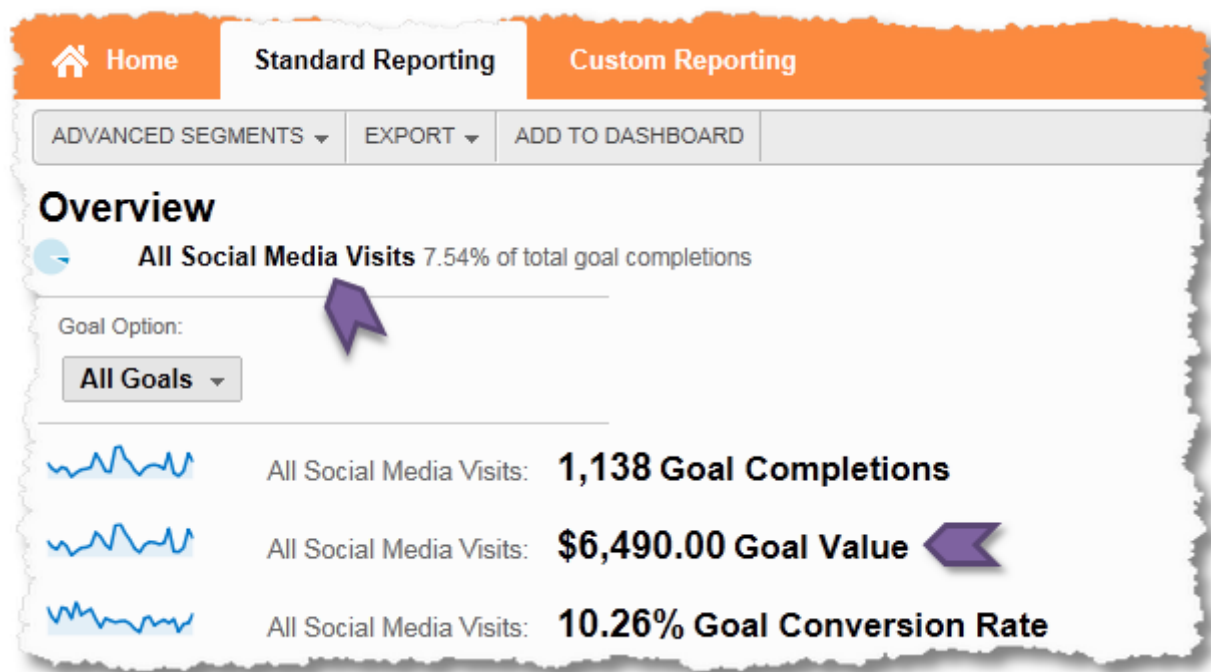
That's why you measure Applause. It matters in ways you can't imagine!

### How to measure it?

Individually the numbers are available in most tools. Easy to find in Google+ (see example in the end). For Facebook the number is included in Facebook Insights, though it is not available as easily in a simple way (at least not as expansively as outlined above). For Twitter, sadly I could not find it anywhere (inside Twitter or other tools).

So help me. Do you use a tool that will allow us to measure Applause Rate? Please share via comments.

Finally the metric any company leader will adore...



### 4. Economic Value.

I am smiling. I know that the long time readers of my blog would know that I would **never** let you get away without measuring hard business bottom-line impact of any digital effort!

It is foolish to believe that just Conversation Rate, Amplification Rate, Applause Rate will get you the eternal love and gratification (and perhaps budget!) of your company's leadership. Yes they care a little bit about this "social media thing." But if you want their

adoration (and let me repeat: budget!) you are going to have to quantify the economic value created via social media.

You don't participate in social media to only drive business outcomes. I cannot stress that enough. If that is your primary objective you are going to suck at it (and the above metrics will reflect very efficiently how much you suck).

But.

A small percent of the people in your company / brand's social graph will come to your main digital outpost (usually your company website) and choose to do business with you. Some of them will buy something, others will sign up for your email marketing list, others still will order a catalog or write reviews for products on your site or sign up as an affiliate or create wish lists or marriage registries or phone your call center to order something or... stay with me.... buy your products or services in your supermarket / store / real world thing.

And you know what all of those things are? Macro and Micro Conversions!

And you know what you can do with macro and micro conversions? You can measure Economic Value!

On all social media channels:

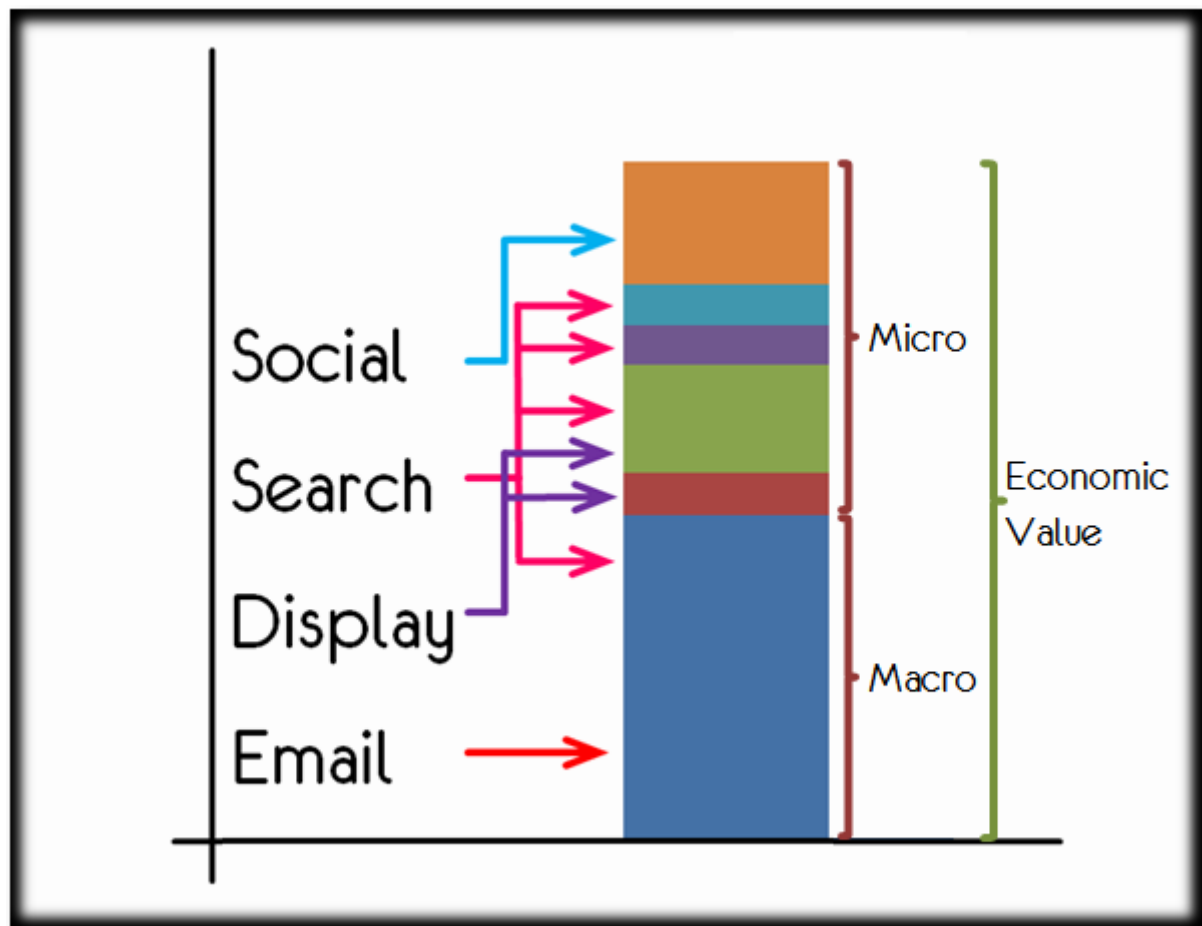
Economic Value = Sum of Short and Long Term Revenue and Cost Savings

Social media participation, done right, adds value to the company's bottom-line. Some of it can't be computed. That is okay. But some of it can be and it is your job, nay duty (!), to quantify that.

It is not very hard to do. Read the two posts immediately above. They share very specific guidance for businesses of different types (B2B, B2C, A2K) about how to identify the macro and micro conversions and then compute economic value.

### **What to do with it?**

Those of you who have been at one of my recent keynotes have seen this slide:



Your job is to identify that blue arrow, and the orange box (what it stands for and what the amount is). It is not very hard, just takes a little patience and imagination.

And here is the incredible, amazing, magical thing. Once you have your highest level segmented view of the acquisition strategy, above, you can in two seconds segment down to individual channels you participate in.

Your view will look something like the one below, from Google Analytics:

Source/Medium	None	Visits ↓	Macro C	Micro C1	Micro C2	Micro C3	Micro C4	Goal Conversion Rate	Per Visit Goal Value
social-media / twitterfb		3,568	0.00%	1.32%	0.59%	0.11%	0.34%	12.50%	\$0.68
t.co / referral		3,198	0.00%	0.38%	0.44%	0.00%	0.09%	4.10%	\$0.24
facebook.com / referral		1,354	0.00%	0.89%	0.22%	0.15%	0.15%	4.87%	\$0.26
twitter.com / referral		996	0.00%	3.31%	1.10%	0.00%	0.20%	9.94%	\$0.64
stumbleupon.com / referral		892	0.00%	3.48%	1.35%	0.11%	1.35%	25.00%	\$1.43
m.facebook.com / referral		186	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	\$0.00

I can focus on the Per Visit Goal Value (economic value delivered by visitors from social media channels across my macro and micro conversions – note the 0% in the macro conversions column, ouch!) for each channel. StumbleUpon rocks (\$1.43), Twitter takes



the next spot (around \$0.60) and then comes Facebook (\$0.26, clearly not a winner for me).

Now, not only can I tell my CEO what the small amount of direct value added to the business is, I can also report to her/him exactly which channels are contributing how much. You can't be in every social channel that pops up. The above data can give you guidance on where to be.

You do Economic Value and you will never, ever have to beg for investment in Social Media, and your career will get on the fast track. I promise.

And just to repeat one more time. A vast majority of value your business / brand gets from social media will be owning your message, building the watering hole I've mentioned, having a direct relationship with your customers and so much more. But showing some direct economic value will get you permission to do more of that. Without it you are just another "smarty pants" promising "vague outcomes" via "the next hip thing."

### **How to measure it?**

Use Google Analytics, Omniture, WebTrends, CorelBMInsights, etc.

Takes less than five minutes to set up. Provides a lifetime of joy.

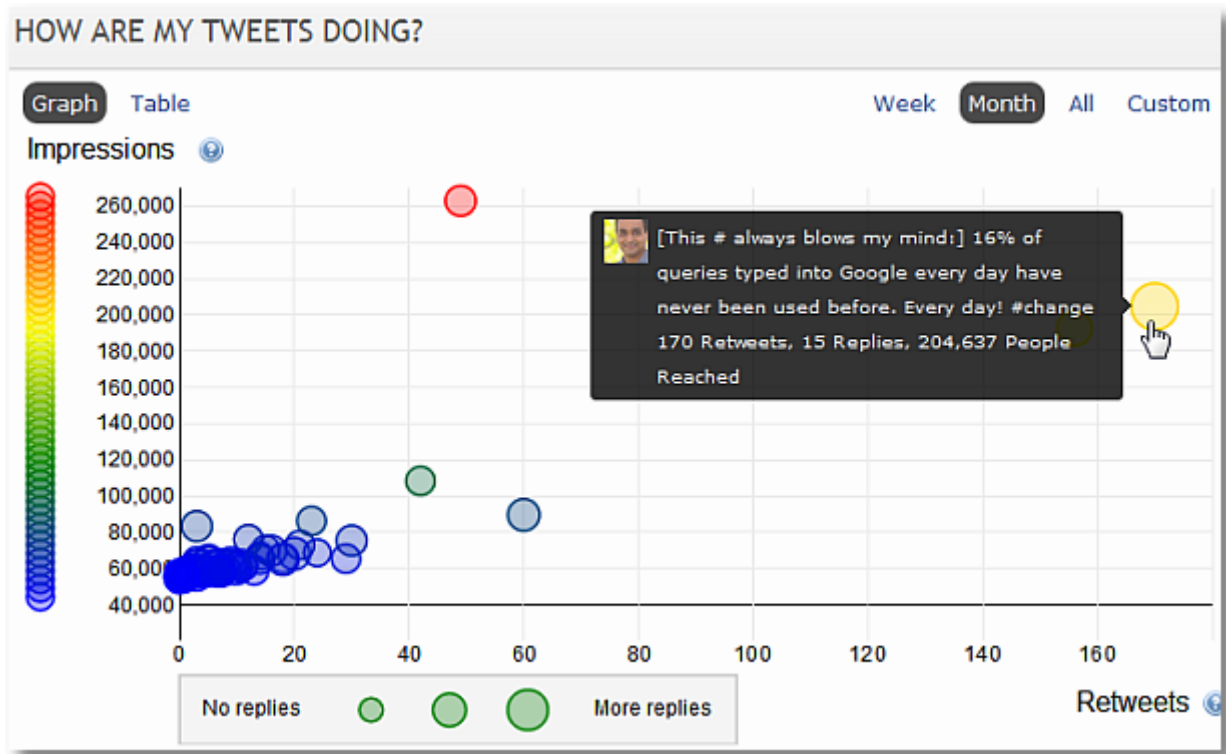
### **Four Metrics That Rock.**

Conversation Rate. Amplification Rate. Applause Rate. Economic Value. Four simple measures that get you to focus on the right thing from a social media participation perspective, help you understand how well you are doing at it, and quantify the business impact.

The challenge is that thus far it is hard to pull them all together in one place. As I had mentioned earlier, Excel is your bff for now. My hope is that vendors will stop creating tools in silos (just do Twitter or Facebook or Google Plus or YouTube or...) and start to think of real world needs of Brands and Businesses and pull together metrics we need into one place (from all social channels).

There are small signs of hope.

Crowdbooster has a very interesting view of twitter:



You can see Retweets (x-axis) and Replies (size of the circle) overall and individual tweet perspective. So both Conversation and Amplification. The other two metrics are missing, but it is a start.

All My + is an early prototype of data from Google+ and provides three of the four metrics recommended in this blog post:

It is missing Economic Value. But you can get that out of Google Analytics or Site Catalyst in five minutes.

If you are a tool vendor... I would love for you to adopt the aforementioned metrics, and definitions, into your tool. All I ask for is a donation of one million US dollars to Doctors Without Borders. Doable?

### What About Social Media Advertising?

If you are engaging in brand advertising on social media channels then the metrics you should solve for should be the first three. If you do a Promoted Tweet or Facebook Like campaign or whatever Google+ decides to come up with then you want to measure resulting Conversation, Amplification and Applause (of course only if you did not stink at your campaign).

If you are engaging in direct response advertising on social media channels then the fourth metric, Economic Value delivered, comes into play from a strategic perspective. It covers both the immediate value (revenue via macro conversions) and the longer term value (economic value via micro conversions).

For tactical reporting of your direct response social media campaigns, the metrics you'll use will be the ones I've recommended for all other advertising channels (paid search, display, affiliate, whatever).

Here's that picture, applied to SM DR campaigns:

Our Glorious Marketing	Google+ Campaigns	Facebook Campaigns	
Clicks	50	200	Cute Toddler
Avg CPC	\$1	\$1	
Company Impact (Cost Per Acquisition)	\$5	\$20	
Conversions	10	10	Rockin' Teen
Revenue	\$1,980	\$2,490	
Company Impact (Rev Per Acquisition)	\$198	\$249	
Macro + Micro Conversions	17	14	Adult (Ninja!)
Economic Value	\$5,750	\$3,700	
Company Impact (Value Per Acquisition)	\$338	\$264	

Value Per Acquisition. Shoot for that.

It will be hard. The enchanting temptresses that are Clicks and Impressions and Avg. CPC will try to lead you astray. Resist their charms. Trust me.

Go for Ninja-hood.

### Closing Thoughts.

Social media presents and incredible opportunity to rethink what it means to connect with and influence customers. You need to forget what has worked in the past (and that is why this is so incredibly hard to do. The biggest brands in the world embarrass themselves every day on social media). You'll have to rewire your brain.

In presenting new metrics for you to measure, what I'm really trying to do is provide a very small assistance in helping you think differently.

I hope it works.

## Update: Bonus:

Erik Ohlen was inspired by this blog post to create a very simple, and effective, dashboard where you can track the four recommended social media metrics.

	Twitter	Facebook	Google+	Blog	Youtube
# Posts:	8	9	4	3	4
# Comments:	13	22	5	22	5
# Re-tweets/Shares:	14	19	7	3	3
# Favorite clicks/Likes/+1:	3	81	19	16	28
<b>1. Conversation Rate</b> # Comments per post:	1.63	2.44	1.25	7.33	1.25
<b>2. Amplification Rate</b> # Re-tweets/Shares per post:	1.75	2.11	1.75	1.00	0.75
<b>3. Applause Rate</b> # Favorite clicks/Likes/+1 per post:	0.38	9.00	4.75	5.33	7.00
Imported data from analytics tool 1 time/day					
	Twitter	Facebook	Google+	Blog	Youtube
<b>4. Economic Value:</b> Value per visitor:	0.13 \$	3.72 \$	1.22 \$	1.43 \$	0.74 \$

As I had stressed above, currently if you want to report these metrics exactly as defined above and from ALL the social channels mentioned then you have to do so manually. Small price to pay for communicating the actual impact of social media to your management right?

Sheet 1 is the dashboard itself, with instructions. Sheet 2 is where you type in the raw data. Could not be simpler.

Download: [Social Media Metrics Dashboard](#). Adapt it to your business. Rock a lot!

## Update2: (Apr 26)

When I'd written this blog post it was not possible to measure the metrics that I'd created here. But now there is a very good, still in alpha, tool that allows you to measure the metrics recommended in this post. It's called [TrueSocialMetrics](#).

Here's a sample of what the report looks like...

	Twitter	Facebook Page	Google +	Blog
<b>1. Conversation rate</b> Comments per post	6.70	1.50	4.20	72.33
<b>2. Amplification rate</b> Re-Tweets per post	17.15	0.00	12.35	2374.33
<b>3. Applause rate</b> Favorites per post	8.25	22.00	22.05	180.67
<b>4. Economic Value</b> Value per visitor	1.02	0.80	2.00	0.00

Play with it, and get just the data you need to make smarter decisions when it comes to social media.

As always it is your turn now.

How do you measure the success of your social media efforts today? Got a favorite super lame or super awesome social media metric? Does one of the four (or all four!) metrics above resonate with you? What did I miss about social media? Is there a benefit / outcome / facet that I missed in my measurement framework?

Please share your feedback, critique, suggestions, and cool tools to measure these four metrics, via comments.

Thanks.

**PS:** A few helpful links for you:

A couple of my older posts with thoughts on social media measurement:

~ [Social Media Analytics: Twitter: Quantitative & Qualitative Metrics](#)

~ [Viral, Social, Sentiment, Mobile: 4 Delightful Web Analytics Solutions](#)

A post how to segment your social media data in Analytics (includes a downloadable advanced segment):

~ [3 Advanced Web Analytics Visitor Segments: Non-Flirts, Social, Long Tail](#)

A comprehensive post on the most important gift you can give your business, compute economic value of your digital efforts:

~ [Excellent Analytics Tips #19: Identify Website Goal \[Economic\] Values](#)