

What is the value of a social action in online commerce?

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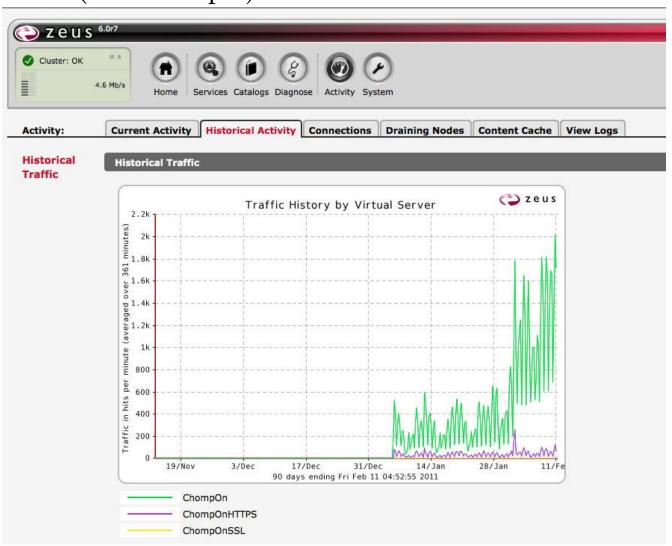
## THE QUESTION

# o"What is the value of a social action in online commerce?"

- Short term analysis
  - Only attributing for immediate next sale
  - Means we're underestimating value

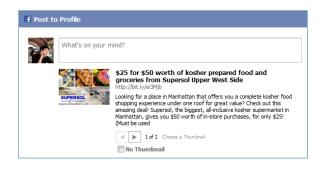
### CHOMPON TRAFFIC

• Topping off at 2k hits per minute during peak commerce hours (9 am to 1 pm)



## VALUE (IN GROSS REVENUE PER ACTION)

Again, please note we are only attributing for the immediate next sale



**r**∆Like

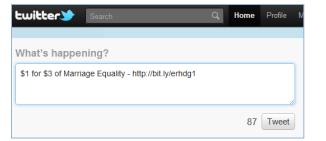




\$14

Facebook Like

**\$8**\*



9,571 people like this.



Twitter Tweet

**\$5** 

Twitter Follow

**\$2**\*



\*Admittedly, we believe the true value for likes and follows to be much higher due to creation of long-term loyalty.

Additionally, it is not possible to directly attribute traffic from these actions so it was necessary to estimate (see methodology).

#### METHODOLOGY

- For **shares** and **tweets**, we were able to directly attribute sales to the original action, so we simply took the total revenue attributed to each action and divided it by the total number of shares/tweets.
- For **likes** and **follows**, we had to estimate attribution by looking at our traffic references and subtracting out purchases made through shares/tweets as well as purchases made through direct traffic.
- None of our analysis captures long-term value of customers acquired through these social channels which means the true value per action should be even greater.
- Gross revenue depends on the products/services being sold, but due to the diverse set of ChompOn publishers, we still feel the comparison between actions is reasonable.

#### JUST THE TIP OF THE ANALYTICS ICEBERG!

- ChompOn is tying social with e-commerce by optimizing the incentives that drive sales and resonate with users.
- Future analysis:
  - Pricing perception when **bundling products/services** according to social/demographic data
  - Incentivizing social actions with discounts
  - Showing **friend purchases** and analyzing effects on conversion rates
  - Product/service conversations' effects on sales (experimenting with Facebook's new commenting widget)
  - Scarcity manipulation through limited/blackout dates
  - Credits' conversion rates and ROI