

Finance Case Study - Q4

The Value of Social Media Campaigns in Japan

You've started a new rotation in Brand Finance, working as the business partner for Ben & Jerry's in the Foods category, Japan. A Marketing Manager has been trialling an innovative social media campaign on both Twitter and Facebook to promote the new Peanut Butter Jelly flavour ice cream.

The promotion offers consumers 10% off a tub of ice cream if they upload a photo of themselves eating Ben & Jerry's. The best photos will then be used in a future advertising campaign – in line with the latest marketing trends. Consumers can redeem the discount voucher in any national supermarket.

There are mixed views on whether social media marketing campaigns are financially viable. Both campaigns have been running for one week and have the option to finish or continue for the full month. In your role as Finance Business Partner, Marketing are looking to you to recommend which one of the two campaigns is likely to result in the best return on investment if run for the full month.

Email

To: You

From: Kensuke, Marketing Manager, Japan

Subject: Review of social media campaign

Hi and welcome to the Ben & Jerry's team!

I urgently need your opinion on our social media campaign for the new 'peanut butter

jelly' flavour. I'm keen to make it work, but after the first week we're not exactly where I'd like us to be. As you'll see from the report, the results are mixed.

I look forward to hearing your views.

Kensuke

P.S. here are some key points from a reputable marketing blog on uncertainties and issues with calculating ROI and social media advertising.

- ROI from social activity can be elusive, case studies of success are scarce, and conclusions are difficult to apply across industries.
- Eventbrite the event planning organisation claims social media shares could be assigned a revenue value in terms of how much they delivered for the business on average. On Facebook it generates an average of \$3.60 in additional gross ticket sales for each share, on Twitter \$2.90.
- Pinterest claim that the average pin generates 78 cents in sales and drives two visits to company websites. 21% of Pinterest users bought an item in store after pinning, re-pinning or liking the product.
- Procter and Gamble claim to have found a direct relationship between social activity and product sales.

Kensuke Takagi



Unilever

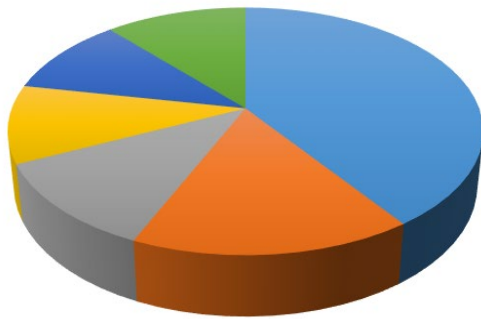
Marketing Manager, Ice Cream

Social media campaign statistics to date

Brand Strategy
Japan

Increase market share by 7% in 12 months

Ice Cream Market Share Japan



■ Private label ■ Lotte ■ Glico ■ Morinaga ■ Ben & Jerry's ■ Haagen-Dazs

% Market Share - Trend

Q1: 10.3

Q2: 11.4

Q3: 11.2

Q4: 11.6

Marketing budget split

Retail 65%

Online 35%

	Facebook \$	Twitter \$
Date promotion live	1 March – 1 April	3 March – 3 April
Price of banner advert for 1 month	9,000	9,500
Design fees	1,500	1,300
Value of 10% discount	0.38	0.38
Cost of discount	1,292	1,444
Product margin	25%	25%
Sales volume	3,400	3,800
Sales revenue	12,920	14,440
% sales uplift actual (forecast)	5.2% (4%)	8.8% (4%)
% market share growth actual (forecast)	1.2 (0.9%)	1.4% (0.9%)
Traffic – unique visitors	950	8700
% visits converted to sales	35.7%	43.6%
% visits converted to Facebook likes / Twitter followers	34%	48%
Gross profit	3230	3610
Campaign costs	5042	5119
Investment as % of total Marketing budget for brand	5.04%	5.1%
% ROI (Gross profit - campaign cost divided by campaign cost x 100)		