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ROI CASE STUDY SALESFORCE BUDDY MEDIA JETBLUE

THE BOTTOM LINE

JetBlue deployed Salesforce Buddy Media to have a more streamlined and flexible way to create and execute on social media marketing campaigns. Nucleus found moving to a standardized platform enabled JetBlue to increase productivity, spend less on routine campaign development and execution fees, focus its agency investment on more strategic activities, and gain better visibility into the relative success of various social media marketing campaigns.

ROI: 140%

Payback: 8 months

Average annual benefit: \$72,916

THE COMPANY

JetBlue is New York's Hometown Airline, with other focus cities in Boston, Fort Lauderdale, Los Angeles (Long Beach), San Juan, and Orlando. Known for its award-winning service and free inflight entertainment as much as its low fares, JetBlue offers the most legroom in coach of any U.S. airline. JetBlue is also America's first and only airline to offer its own Customer Bill of Rights, with meaningful and specific compensation for customers inconvenienced by service disruptions within JetBlue's control. JetBlue serves 78 cities with 800 daily flights.

THE CHALLENGE

JetBlue prides itself on its unique brand as well as its way to reach both business and recreational travelers in unique ways. The airline started experimenting with social-media based sweepstakes and promotions a few years ago, using outside agencies to build out microsites, develop the creative content, define and execute on the official rules, and deliver on fulfillment of prizes to winners. However, as JetBlue recognized the value such promotions had for brand awareness it wanted a more streamlined, templated way to manage promotions that would enable it to more quickly act on promotional opportunities while maintaining a consistent brand voice.

THE STRATEGY

JetBlue began looking at various social media marketing applications in early 2011 and, not surprisingly, found that the nascent nature of the market meant there was a wide variety in the features and capabilities of tools being marketing as social media marketing applications, from monitoring and analytics to community building to Facebook and Twitter platforms. After a careful exploration of its options, JetBlue chose Salesforce Buddy Media, largely because of its strengths in creating and managing Facebook tabs.

The decision was made in August 2011 and it took the JetBlue team about 2 months to get up and running on Buddy Media. During that time, a small team of people from the branding and promotions group attended approximately 20 hours of Buddy Media-provided training each. Today, instead of hiring an outside firm to build microsites and execute on campaigns, JetBlue's relatively small promotions team can quickly activate and manage Facebook campaigns with Buddy Media.

"Before if we wanted to do a promotion we would hire an agency to build out a microsite, set up the official rules, and manage the creative and the fulfillment – basically the entire sweepstakes. With Buddy Media we can use the templated platform to create sweepstakes and contests without having to pay an agency for microsites and creative. We were also able to bring creative in house, which is important from a brand perspective."

– Sean Williams, JetBlue Customer Promotions

Since the initial deployment, JetBlue has expanded its use of Buddy Media to include social application publishing, social publishing, social conversion tracking, and analytics to understand the relative success of different promotions. The company runs approximately 6 promotions a year and is exploring how it can use social application publishing to create interactive surveys on social media sites.

**Cost : Benefit
Ratio | 1 : 1.8**

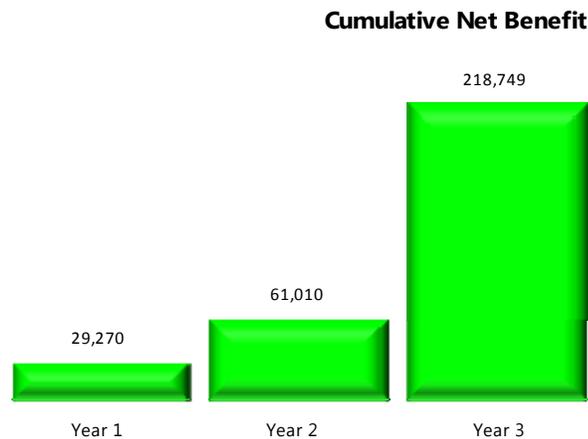
KEY BENEFIT AREAS

Moving to the Buddy Media platform has enabled JetBlue to more quickly and cost-effectively take advantage of promotional opportunities via social media and social networks such as Facebook and understand their impact. Benefits of the project include:

- More efficient management of creative services. Before Buddy Media, JetBlue was often "reinventing the wheel" with outside agencies to build microsites and content

for each new campaign. Now, JetBlue can take advantage of the platform to focus its agency investment on more strategic activities and spend less on routine campaign development and execution fees.

- **Increased productivity.** Buddy Media has impacted the productivity of the JetBlue promotions team in two main ways. First, the analytics make it easier for them to track and analyze the relative success and impact of different promotions. Second, because Buddy Media enables them to schedule execution times for various phases of a campaign, they can schedule a number of events at once and they don't have to be physically at their desk at the time of execution (which is often on evenings or weekends).
- **Greater visibility.** Analytics in Buddy Media allows JetBlue to quickly understand the reach, volume, and impact of a campaign, and understand how participation in a particular promotion is aligned with demographic and psychographic profiles of the audience.
- **Better promotion execution.** Having a standard consistent platform for promotions enables JetBlue to retain its brand image and communication style while quickly activating campaigns and promotions based on changing market dynamics or specific events.



KEY COST AREAS

Key cost areas of the project included software license subscription fees, consulting, personnel, and training for Buddy Media. JetBlue didn't invest in any additional consulting at the beginning of its relationship with Buddy Media but as it expanded use of the components of the solution it invested in consulting to help maximize returns from the application.

BEST PRACTICES

As companies begin to expand their social advertising strategies, they often find themselves "recreating the wheel" each time they have a new campaign or promotion,

which can quickly become costly when relatively small budgets for things like external microsite design add up. By adopting a common platform, JetBlue was able to experience direct cost savings while taking advantage of the fourth-order benefit of improving brand consistency.

CALCULATING THE ROI

Nucleus calculated the initial and ongoing costs of software license subscriptions, consulting, personnel, and training over a 3-year period to quantify JetBlue's total investment in Buddy Media.

Types of Benefits



Direct benefits quantified included the reduction in creative services costs JetBlue realized by using the Buddy Media platform to manage its own campaigns. Indirect benefits quantified included the increase in productivity driven by time savings around streamlined conversations and analytics, and were calculated using an estimate of the average annual fully loaded cost of a JetBlue employee on the promotions team, using a correction factor to account for the inefficient transfer of time between time saved and additional time worked. Not quantified was the benefit JetBlue gains by taking advantage of the platform to focus its agency investments on more strategic activities.

FINANCIAL ANALYSIS

Salesforce Buddy Media

Annual ROI: 140%

Payback period: 0.7 years

| ANNUAL BENEFITS | Pre-start | Year 1 | Year 2 | Year 3 |
|-------------------------|------------------|---------------|---------------|---------------|
| Direct | 0 | 150,000 | 150,000 | 150,000 |
| Indirect | 0 | 12,413 | 12,413 | 12,413 |
| Total per period | 0 | 162,413 | 162,413 | 162,413 |

| CAPITALIZED ASSETS | Pre-start | Year 1 | Year 2 | Year 3 |
|----------------------------------|------------------|---------------|---------------|---------------|
| Software | 0 | 0 | 0 | 0 |
| Hardware | 0 | 0 | 0 | 0 |
| Project consulting and personnel | 0 | 0 | 0 | 0 |
| Total per period | 0 | 0 | 0 | 0 |

| DEPRECIATION SCHEDULE | Pre-start | Year 1 | Year 2 | Year 3 |
|----------------------------------|------------------|---------------|---------------|---------------|
| Software | 0 | 0 | 0 | 0 |
| Hardware | 0 | 0 | 0 | 0 |
| Project consulting and personnel | 0 | 0 | 0 | 0 |
| Total per period | 0 | 0 | 0 | 0 |

| EXPENSED COSTS | Pre-start | Year 1 | Year 2 | Year 3 |
|-------------------------|------------------|---------------|---------------|---------------|
| Software | 60,000 | 60,000 | 96,000 | 0 |
| Hardware | 0 | 0 | 0 | 0 |
| Consulting | 0 | 0 | 30,000 | 0 |
| Personnel | 4,381 | 4,673 | 4,673 | 4,673 |
| Training | 4,089 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 |
| Total per period | 68,470 | 64,673 | 130,673 | 4,673 |

| FINANCIAL ANALYSIS | Results | Year 1 | Year 2 | Year 3 |
|--|----------------|---------------|---------------|------------------|
| Net cash flow before taxes | (68,470) | 97,740 | 31,740 | 157,740 |
| Net cash flow after taxes | (37,658) | 53,757 | 17,457 | 86,757 |
| Annual ROI - direct and indirect benefits | | | | 140% |
| Annual ROI - direct benefits only | | | | 122% |
| Net Present Value (NPV) | | | | 98,649 |
| Payback period | | | | 0.7 years |
| Average Annual Cost of Ownership | | | | 89,496 |
| 3-Year IRR | | | | 114% |

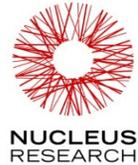
FINANCIAL ASSUMPTIONS

| | |
|----------------------|------|
| All government taxes | 45% |
| Cost of capital | 7.0% |



By the Numbers

JetBlue's Salesforce Buddy Media project



Annual Return
on Investment **140%**

8.4 months
The total time to value, or
payback period, for the project

Cost : Benefit
Ratio **1 : 1.8**

\$72,916
Average annual benefit

THE PROJECT

JetBlue deployed Salesforce Buddy Media to have a more streamlined and flexible way to create and execute on social media marketing campaigns. Nucleus found moving to a standardized platform enabled JetBlue to increase productivity, reduce outside creative services fees, and gain better visibility into the relative success of various social media marketing campaigns.

THE RESULTS

Increased sales force productivity by 15%
Increased manager productivity by 10%
Reduced communication costs

Number of **users: 6**

2 Months
Total time for JetBlue to deploy
Salesforce Buddy Media

“With Buddy Media we can use the templated platform to create sweepstakes and contests without having to pay an agency for microsites and creative. We were also able to bring creative in house, which is important from a brand perspective.”

- Sean Williams, JetBlue Customer Promotions