

## ROI CASE STUDY

# SALESFORCE ACTIVISION



### ANALYST:

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### THE BOTTOM LINE

Activision integrated Salesforce Social Studio (formerly Radian6) with its Service Cloud deployment to modernize its service and support offering by introducing a new category of service across its social channels. Consolidating a variety of disparate systems and applications enabled it to listen across multiple segments and more actively engage with customers. Nucleus found this gave Activision greater visibility and productivity while providing actionable insights to product teams and other stakeholders.

ROI: **378%**

Payback: **1.1 years**

Average annual benefit: **\$807,011**

### THE COMPANY

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Activision is a developer, publisher, and distributor of digital interactive entertainment. Some of its more popular video games include Call of Duty, Destiny, and Skylanders. The company is headquartered in Santa Monica, California, and has more than 4,000 employees operating in 15 countries. Founded in 1979, Activision reported \$4.3 billion in revenues in 2013.

### THE CHALLENGE

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Activision had been using a collection of homegrown tools including Hootsuite, Oracle RightNow, and TweetDeck, but recognized that it needed to have a more agile, innovative way to service its gamers while automating listening, triage workflows, and case management. It sought a lower-cost service medium to support the company's portfolio of entertainment properties while increasing customer insights and agent productivity.

**Cost : Benefit  
Ratio | 1 : 2.1**

## THE STRATEGY

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In 2012 Activision began to execute its strategy to centralize the management, tracking, and mapping of customers' social interactions. After researching technology options, Activision chose Social Studio to support its social listening for a number of reasons including:

- Activision believed that Social Studio would be capable of handling the global scale of its enterprise and would integrate with Service Cloud.
- The team believed that Social Studio would be able to designate tasks to the appropriate team member through a clear triage system. This would allow for more timely responses to the most pressing social media commentary.
- Social Studio would allow Activision to identify trending topics, enabling the team to better focus on what interests its community

Activision's project took approximately three months to complete and included:

- Configuring and deploying Social Studio
- Deploying a dedicated social media support team
- Establishing a community of practices including a cross-functional engagement strategy, guardrails, and messaging guidelines
- Integrating Social Studio with Service Cloud
- Defining and implementing reporting and dashboards.

Today, Activision's social support group represents more than 25 percent of Activision's live channel mix, managing more than 100,000 mentions a day, supporting more than 15 Twitter accounts and 6 million fans.

*"Social Studio has enabled us to engage with our customers in a whole new way while unlocking deeper insights and dramatically lowering our operating costs."*

– Noel Feliciano, Senior Manager, Digital and Social Media Support, Activision

## KEY BENEFIT AREAS

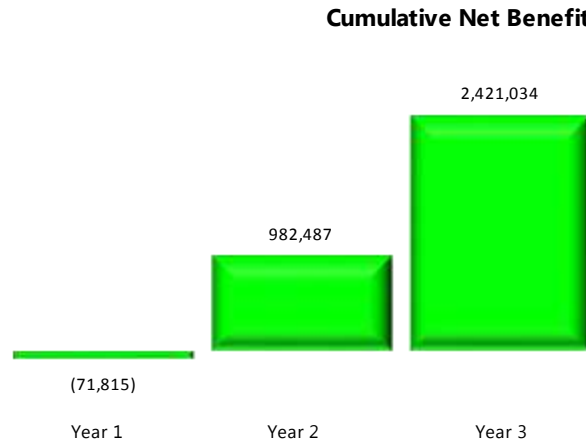
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Modernizing its service and support offering with the support of Social Studio enabled Activision to enable a more agile, lower-cost service medium while enabling an early warning system to identify service and product issues for action by the related product teams. At the same time, this gave Activision broader visibility across its fan base while accelerating the time to problem resolution. Key benefits included increased fan engagement and reduced case handling costs.

## KEY COST AREAS

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Costs of the project included software license subscription fees, consulting fees, and personnel time spent in training and to implement and support the application.



## BEST PRACTICES

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Activision added social as a service channel to deliver the same level of quality service to its gaming community as e-mail, chat, or telephone. With large groups of its gamers active on social channels, Activision was able to maintain the same level of engagement while handling cases at fewer than a third of the staff cost of handling a case on other channels.

## CALCULATING THE ROI

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Nucleus quantified the initial and ongoing costs of software subscription fees, consulting fees, and personnel time to implement and support the application over a 3-year period to calculate Activision’s total investment in Social Studio. The cost of Service Cloud licenses were not included in the calculations as it had already been deployed. Direct benefits quantified included the avoidance of additional staff that would have been required to support the incoming support requests that were deflected by social media and were calculated based on the average weighted cost of completing phone and chat support interactions that were deflected to social. Estimates were correlated to the corresponding drop in phone and chat contact volumes over the course of the deployment.

## FINANCIAL ANALYSIS

### Salesforce

Annual ROI: 378%

Payback period: 1.1 years

<b>ANNUAL BENEFITS</b>	<b>Pre-start</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>
Direct	0	798,031	1,807,316	2,083,561
Indirect	0	0	0	0
<b>Total per period</b>	0	798,031	1,807,316	2,083,561

<b>CAPITALIZED ASSETS</b>	<b>Pre-start</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>
Software	0	0	0	0
Hardware	0	0	0	0
Project consulting and personnel	0	0	0	0
<b>Total per period</b>	0	0	0	0

<b>DEPRECIATION SCHEDULE</b>	<b>Pre-start</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>
Software	0	0	0	0
Hardware	0	0	0	0
Project consulting and personnel	0	0	0	0
<b>Total per period</b>	0	0	0	0

<b>EXPENSED COSTS</b>	<b>Pre-start</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>
Software	153,000	153,000	153,000	0
Hardware	0	0	0	0
Consulting	50,000	0	0	0
Personnel	31,000	482,500	600,014	645,014
Training	346	0	0	0
Other	0	0	0	0
<b>Total per period</b>	234,346	635,500	753,014	645,014

<b>FINANCIAL ANALYSIS</b>	<b>Results</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>
Net cash flow before taxes	(234,346)	162,531	1,054,302	1,438,547
Net cash flow after taxes	(128,890)	89,392	579,866	791,201
<b>Annual ROI - direct and indirect benefits</b>				<b>378%</b>
Annual ROI - direct benefits only				378%
Net Present Value (NPV)				1,106,987
<b>Payback period</b>				<b>1.1 years</b>
Average Annual Cost of Ownership				755,958
3-Year IRR				194%

### FINANCIAL ASSUMPTIONS

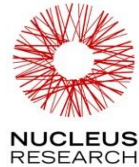
All government taxes	45%
Cost of capital	7.0%



**NUCLEUS  
RESEARCH**

# By the Numbers

Activision's Salesforce project



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Annual Return  
on Investment **378%**

**1.1**

years The total time to value, or  
**payback** period, for the project

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Cost : Benefit  
Ratio **1 : 2.1**

**\$807,011**

Average annual benefit

## THE PROJECT

Activision integrated Salesforce Social Studio (formerly Radian6) with its Service Cloud deployment to modernize its service and support offering by introducing a new category of service across its social channels. Consolidating a variety of disparate systems and applications enabled it to listen across multiple segments and more actively engage with customers.

## THE RESULTS

Supporting more than 15 Twitter accounts  
Listening to more than 6 million fans  
Deflected contacts to channel with <1/3 the cost of others

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**3** Months Total time for the company to  
deploy Marketing Cloud

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- Noel Feliciano, Sr. Manager, Digital and Social Media Support, Activision