

Memo

To: The CEO
From: Online Community Director
Date: 1/25/2012
Re: "What is the ROI on our social media?"

Dear Tom,

Thank you for your email last week asking: "What is the ROI on our social media?". Here is the answer to that important question:

Expenses: We are spending \$125,450 on our social media efforts based on a.) 1.2 FTE's - \$95,450 (includes pension and taxes) and b.) applications and tools - \$25,000 for our private social community network application and \$5,000 for subscriptions and applications we use to track and manage our social media programs.

Revenues: We have realized \$156,250 in sales as a direct result of our social media campaigns based on our tracking:

- **Membership** – Improved member recruitment, retention and renewals by 1% = \$34,500.00
- **Registrations** – A 5% bump in conference registrations this year from our social media campaign which equates to an incremental increase of \$116,250 in revenue.
- **Certification** – Our Twitter campaign to promote the certification study course produced sales of \$5,500.

Cost Savings: We were able to substitute social media campaigns for some of our traditional marketing expenses, saving us \$22,000 as follows:

- **Direct Mail:** Eliminated 1 direct mail piece at a savings of \$10,000
- **Display Advertising:** Dropped 1 display advertising piece at a savings of \$12,000

Summary:

Based on the above we realized a total of \$178,250 in revenue and savings compared to an investment of \$125,450 yielding a net positive return of \$52,800.

This means the positive ROI for our social media is 42.1%

Let me know if you need more information or detail!



Online Community Director