Some thoughts on the ROI/ROE of social media

Increasingly, I am seeing articles out there about measuring the Return on Investment (ROI)/Return on Engagement (ROE) in social media. This morning, I read an article that went so far as to show you how to calculate the dollar figures of investment and the projected value of any customers you may get from your blog.

The thing is this: what are you using social media to accomplish? Without knowing the answer to that, there is no measurement available. If you are indeed using your blog simply to generate sales, it is easy to calculate if you are getting a decent ROI.

However (you knew this was coming), using social media can help you/your business accomplish many goals, such as:

- Thought leadership
- Image/branding
- Name recognition
- Networking (as in actually meeting other people)

These are not so easily measured in numbers and certainly not in dollars, and yet they all have value.

My conclusion is that you should not waste your time trying to measure your ROI/ROE but instead ask yourself if your social media use is generating value for you. If you are spending hours and hours a day on social networks and haven't made one solitary connection, it is clear that there is no value for you. If you have made connections, improved your image, heightened your name recognition, perhaps that is the value you seek.

What are your thoughts? What makes you use social media for

business purposes?