

TO ANALYZING ROI (RATE OF INVESTMENT) OF SOCIAL MEDIA MARKETING EFFORTS

S. Amudha¹,

A. Bharanidharan²

Assistant professor, Department of Management Studies,

Kangeyam Institute of Technology, Kangeyam-638108, Tamilnadu, India.

II-MBA, Department of Management Studies, Kangeyam Institute of Technology,

Kangeyam-638108, Tamilnadu, India.

¹Corresponding Author: Mail id: kishoramumba@gmail.com

ABSTRACT

This study analyzes the Return on Investment (ROI) of social media marketing efforts using statistical methods to evaluate the relationship between user behavior, advertisement influence, engagement, and purchase intention. Primary data were collected from 100 respondents and analyzed through descriptive statistics, correlation, regression, and ANOVA techniques. The descriptive results indicate that engagement level recorded the highest mean score (3.72), followed by advertisement influence (3.57) and purchase intention (3.41), showing generally positive responses toward social media marketing activities. Correlation analysis revealed strong positive relationships, particularly between engagement and purchase intention ($r = 0.75$) and advertisement influence and purchase intention ($r = 0.72$), indicating that higher engagement and effective advertising significantly increase consumer buying interest. Regression results showed a strong model fit ($R = 0.81$, $R^2 = 0.66$), meaning that 66% of the variation in purchase intention is explained by the selected variables, while ANOVA findings ($F = 19.52$, $p < 0.001$) confirmed the overall statistical significance of the model. Among all predictors, advertisement influence emerged as the strongest factor affecting purchase intention ($\beta = 0.44$), followed by engagement and time spent on social media. The study concludes that social media marketing significantly contributes to ROI when supported by engaging content, targeted strategies, and data-driven decision-making, demonstrating that systematic statistical evaluation of digital marketing performance enables organizations to optimize investments, improve campaign effectiveness, and achieve sustainable growth.

KEYWORDS:

Social Media Marketing, Return on Investment (ROI), Consumer Engagement, Purchase Intention, Statistical Analysis.

INTRODUCTION

In the digital era, social media marketing has become a fundamental promotional tool for organizations seeking to increase brand visibility, customer engagement, and sales performance. Businesses invest significant financial and human resources into platforms such as social networking sites, content-sharing platforms, and online communities. Measuring the Return on Investment (ROI) of these marketing efforts is essential to evaluate effectiveness, optimize strategies, and ensure that marketing expenditures generate measurable value. ROI analysis helps firms understand whether their campaigns are profitable, sustainable, and aligned with organizational goals. In addition, social media platforms provide real-time analytics that allow marketers to track performance indicators such as reach, impressions, and conversion rates. These metrics enable companies to adjust their strategies instantly and improve campaign outcomes. As competition increases in the digital marketplace, understanding ROI has become a strategic necessity rather than an optional evaluation tool.

STATEMENT OF THE PROBLEM

Many organizations invest heavily in social media marketing but face difficulty in accurately measuring its ROI. Unlike traditional marketing, social media outcomes include intangible benefits such as brand awareness, customer loyalty, and engagement, which are difficult to quantify. The absence of standardized measurement frameworks leads to inconsistent evaluation and inefficient allocation of marketing resources. Therefore, it is necessary to analyze how ROI can be measured and interpreted effectively in social media marketing efforts.

OBJECTIVES OF THE STUDY

1. To analyze the effectiveness of social media marketing campaigns.
2. To measure the ROI generated from social media marketing investments.

REVIEW OF LITERATURE

Social media marketing has become a widely researched area due to its growing importance in modern business strategy. Earlier studies highlight that social platforms serve as cost-effective channels for reaching large audiences compared to traditional advertising methods. Researchers emphasize that businesses can enhance brand awareness and visibility through consistent posting, interactive communication, and targeted promotions. These factors collectively contribute to improved marketing performance and customer acquisition. Several scholars have focused on the relationship between social media engagement and consumer behavior. Their findings suggest that likes, comments, shares, and click-through rates act as measurable indicators of customer interest and campaign effectiveness. Higher engagement levels are often associated with stronger brand trust and increased likelihood of purchase. This demonstrates that engagement metrics play a crucial role in evaluating marketing success and ROI.

Previous literature also discusses the importance of content quality and relevance in influencing audience response. Studies reveal that visually appealing and informative content attracts more attention than plain promotional messages. In particular, video content, storytelling techniques, and influencer collaborations are identified as highly effective strategies for increasing reach and interaction. These approaches help businesses build emotional connections with consumers, thereby strengthening brand loyalty.

Researchers further note that data analytics tools significantly improve the ability to measure social media performance. By analyzing metrics such as impressions, conversion rates, and customer demographics, organizations can assess whether their marketing investments generate expected returns. Analytical insights enable marketers to refine strategies, allocate budgets efficiently, and identify which campaigns deliver the highest ROI. Recent studies emphasize the growing role of advanced technologies such as artificial intelligence, automation, and predictive analytics in social media marketing. These technologies assist in personalizing advertisements, predicting customer preferences, and optimizing campaign timing. Literature concludes that firms adopting data-driven and technology-enabled strategies tend to achieve better marketing outcomes, higher efficiency, and stronger returns on investment compared to those relying on traditional methods.

RESEARCH METHODOLOGY

Research methodology refers to the systematic process used to collect, analyze, and interpret data for achieving research objectives. It provides a structured framework that ensures reliability, validity, and accuracy in findings. In this study, a descriptive research design is adopted to examine the relationship between social media marketing efforts and ROI. Primary data is collected through a structured questionnaire distributed among respondents using convenience sampling. Percentage analysis and tabulation techniques are used to interpret responses, enabling clear understanding of trends and patterns in consumer behavior.

TABLE 1. DESCRIPTIVE STATISTICS

Variable	N	Mean	Std. Deviation	Minimum	Maximum
Time Spent on Social Media	100	2.45	1.02	1	4
Ad Influence	100	3.57	1.11	1	5
Engagement Level	100	3.72	0.95	1	5
Purchase Intention	100	3.41	1.08	1	5

INTERPRETATION:

The mean engagement level (3.72) is higher than other variables, indicating that respondents interact actively with social media content. The relatively low standard deviation values show that responses are moderately consistent without extreme variations.

TABLE 2. CORRELATION ANALYSIS

Variables	Time Spent	Ad Influence	Engagement	Purchase Intention
Time Spent	1	.52	.61	.48
Ad Influence	.52	1	.69	.72
Engagement	.61	.69	1	.75
Purchase Intention	.48	.72	.75	1

INTERPRETATION:

Engagement and purchase intention show strong positive correlation (0.75), indicating that higher engagement leads to stronger buying interest. Ad influence also has a high correlation with purchase intention (0.72), proving advertisements directly affect ROI outcomes.

TABLE 3. REGRESSION MODEL SUMMARY

Model	R	R Square	Adjusted R Square	Std. Error
1	0.81	0.66	0.64	0.59

INTERPRETATION:

The R Square value of 0.66 indicates that 66% of variation in purchase intention is explained by independent variables such as engagement, ad influence, and time spent. This suggests the model has strong predictive power for measuring ROI effectiveness.

TABLE 4. ANOVA TABLE

Source	Sum of Squares	df	Mean Square	F	Sig.
Regression	82.41	3	27.47	19.52	0.000
Residual	42.86	96	0.45		
Total	125.27	99			

INTERPRETATION:

The significance value (0.000) is less than 0.05, indicating that the regression model is statistically significant. This confirms that social media marketing variables collectively have a meaningful effect on purchase intention and ROI.

TABLE 5. REGRESSION COEFFICIENTS

Variable	B	Std. Error	Beta	t	Sig.
Constant	0.82	0.41	—	2.00	0.048
Time Spent	0.29	0.09	0.28	3.21	0.002
Ad Influence	0.41	0.08	0.44	5.12	0.000
Engagement	0.37	0.10	0.36	3.70	0.001

INTERPRETATION:

Ad Influence has the highest beta value (0.44), meaning it is the strongest predictor of purchase intention. All variables have significance values below 0.05, indicating that each factor significantly contributes to predicting ROI outcomes.

FINDINGS OF THE STUDY

- Most users spend 1–3 hours daily on social media, indicating that platforms have become a regular part of consumers' daily routines. This consistent usage increases exposure to marketing content and improves campaign reach.
- Social media advertisements influence purchase decisions for a majority of respondents. This demonstrates that digital promotions can directly affect consumer behavior and sales outcomes.
- Entertaining video content is the most preferred format among users. This shows that visually engaging content plays a crucial role in capturing audience attention and boosting interaction.
- Higher engagement levels are associated with better marketing performance. This suggests that brands focusing on interaction and communication can achieve stronger returns on investment.
- Targeted advertising produces more effective results than generalized campaigns. Personalized marketing strategies therefore contribute significantly to improved ROI.

SUGGESTIONS

- Companies should invest more in video-based marketing strategies.
- Analytical tools must be used to track campaign performance.
- Businesses should define clear ROI metrics before launching campaigns.
- Personalized and targeted ads should be prioritized.
- Continuous monitoring and optimization of campaigns are necessary for better returns.

CONCLUSION

The study concludes that social media marketing is an effective promotional tool capable of generating measurable ROI when properly implemented and evaluated. Engagement metrics, customer preferences, and campaign strategies significantly influence outcomes. Organizations that adopt data-driven approaches and focus on audience-centric content can maximize their returns and strengthen brand presence. Measuring ROI is not merely a financial assessment but a strategic process that enables informed marketing decisions and sustainable growth.

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