

Marketing ROI Activity

Overall, companies that measure their ROI should take several factors into consideration, which makes the formula more complex. It looks simple enough, but there are many factors that make up some of the numbers. Below is the formula. Plus, there's an example.

$$(Total\ Revenue - Total\ Investment) / Total\ Investment = ROI\%$$

Example

Calculate Your Total Revenue

Total Visits from Campaign = 825
Landing page conversion rate = 14%
Close rate: 45%
Lifetime customer value: \$645

Leads = 115.5 (Visits x Conversion Rate% or 825 x 14%)
Sales = 51.97 (Leads x Close Rate% or 115.5 x 45%)
Total Revenue = \$33,520.65
(Sales x Lifetime Value or 51.97 x 645)

Calculate Your Investment

There are many items that fall into expenses as it relates to investment. This graphic is just a few of the things to consider. You may have more expenses that impact your overall investment.

Total Ad Spend = \$485
Content Creation Costs = \$75
Labor Costs = \$220

Total investment = Ad Spend + Creation Costs + Labor Costs
\$485 + \$75 + \$220 = \$780

ROI Formula

$(Total\ Revenue - Total\ Investment) / Total\ Investment = ROI\%$

$$(\$33,520.65 - \$780) / \$780 = 41.97\%$$

Your Turn

Calculate Your Return

Total Visits from Campaign = _____
Landing page conversion rate = ____%
Close rate: ____%
Lifetime customer value: \$ _____

Leads = _____ (Visits x Conversion Rate%)
Sales = _____ (Leads x Close Rate%)
Total Revenue = _____ (Sales x Lifetime Value)

Calculate Your Investment

Total Ad Spend = \$ _____
Content Creation Costs = \$ _____
Labor Costs = \$ _____

Total investment = Ad Spend + Creation Costs + Labor Costs

ROI Formula Is:

$(Total\ Revenue - Total\ Investment) / Total\ Investment = ROI\%$

$$(\$ ______ - \$ ______) / \$ ______ = ______%$$