



What is the True ROI of Email Marketing

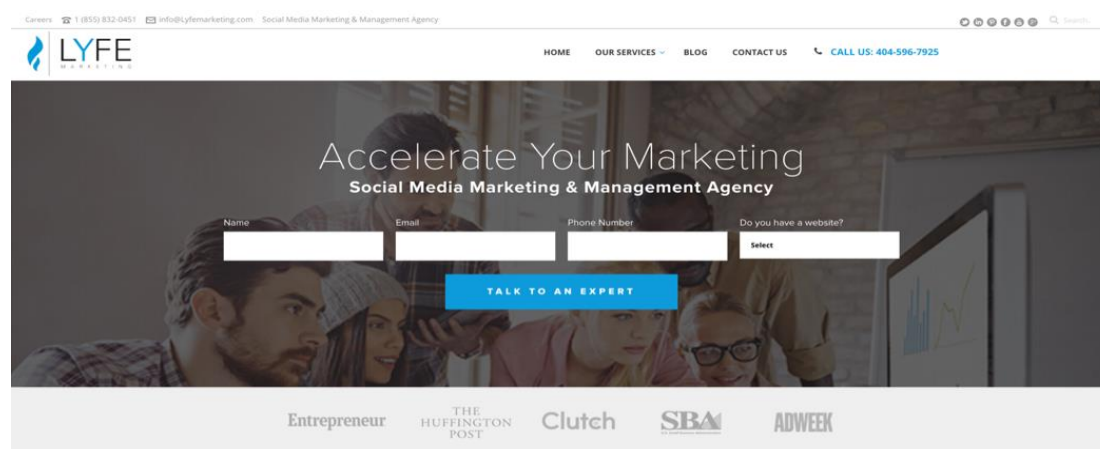


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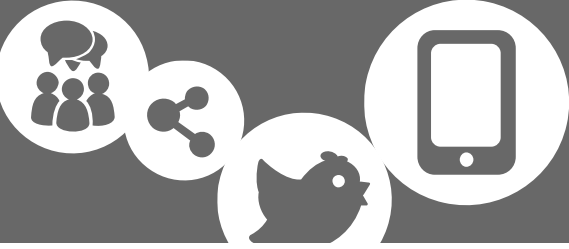
LYFE MARKETING: MEET THE PUBLISHER

LYFE Marketing is a digital marketing agency. We help small businesses develop and implement digital marketing campaigns that drive traffic, leads, and sales.



Learn more about our [digital marketing services](#)

- ✓ Our agency has helped small businesses implement SEO campaigns that has [increased revenue by \\$96,664.98.](#)
- ✓ Our agency has implemented social media management campaigns that have [generated over 54,874 followers.](#)
- ✓ Our agency has implemented advertising campaigns that have [increased sales for small businesses by 457%.](#)
- ✓ Our agency has managed over \$50M in online advertising spend for small businesses on Facebook, Google, and other platforms.



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INTRO

With all of the different digital marketing channels available to the modern marketer, it's fair to ask, is email marketing still a valuable part of your digital marketing strategy?

Yes, yes, a thousand times, yes!

No matter how many other innovative digital marketing tactics emerge, email marketing remains one of the best ways to reach and engage your target audience. Email marketing's power lies in its ability to provide businesses of all sizes an attractive return on investment. In fact, according to an eMarketer study, the median email marketing ROI is 122%. That's four times higher than any other digital marketing channel.

If you think this sounds too good to be true, you're not alone. The best way to break down this incredibly high return on investment percentage is to take a look at the true value of email marketing ROI when it comes to different aspects of your business. Below, we'll explain the different ways that email marketing offers your business a return on investment and how you can measure ROI over the course of your email campaigns.



Email Marketing ROI #1: Increase Company Revenue

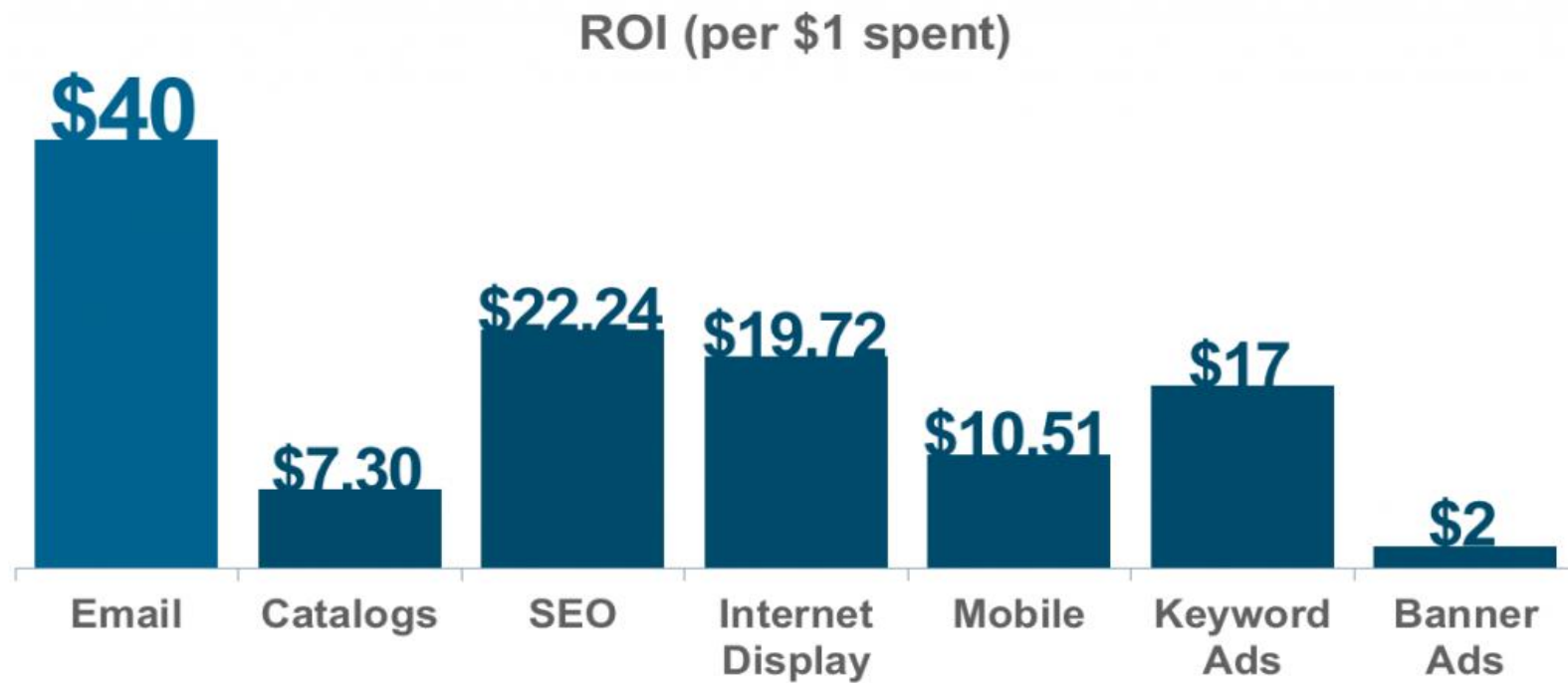
Though there are many different tools in your digital marketing toolbox, email marketing continues to be the greatest driver of revenue for many businesses. Furthermore, revenue from email marketing ROI continues to improve year over year. This suggests that consumers are continuing to engage with brands through email marketing year after year.

There are a few different reasons for this. The number of email users in the U.S. continues to grow each year. By 2020, the number of email users is estimated to grow to about 259 million. As more and more people sign up for an email address and use it on a regular basis, they also start to use this communication channel to keep in touch with their favorite brands.

The number of new email users is not the only contributing factor to high email marketing ROI when it comes to revenue growth. The general affordability of this digital marketing tactic also makes it an attractive option for brands that want to grow, reach, and engage their target audiences, while still enjoying the fruits of their labor.



Email Marketing ROI #1: Increase Company Revenue



When it comes down to the amount of revenue your company can stand to gain through email marketing, Constant Contact reports that for every \$1 a company spends on email marketing, they can expect to earn \$38 of revenue on average. While a survey from eMarketer reveals that email marketing drives 25% of the overall revenues from those companies surveyed. The affordability coupled with the potential for excellent revenue growth makes email marketing one of the best digital marketing tactics for small businesses with limited marketing budgets.



Email Marketing ROI #1: Increase Company Revenue

With proper attribution, your company should be able to determine how much revenue is generated through your email marketing campaigns, down to the very email that finally convinced the consumer to make a purchase. Using email analytics to track and measure purchases made by consumers after they click on email content, you can add the sums of these purchases together to determine revenue.

If you are unable to track the exact revenue of each email directly, you can still calculate the average return on investment when it comes to email revenue. Multiply the number of conversions you have made through email by the value of an average order. This helps give you a better idea of how much revenue you are generating through your email marketing even when exact numbers are not available.



Email Marketing ROI #2: Improved Sales Conversions

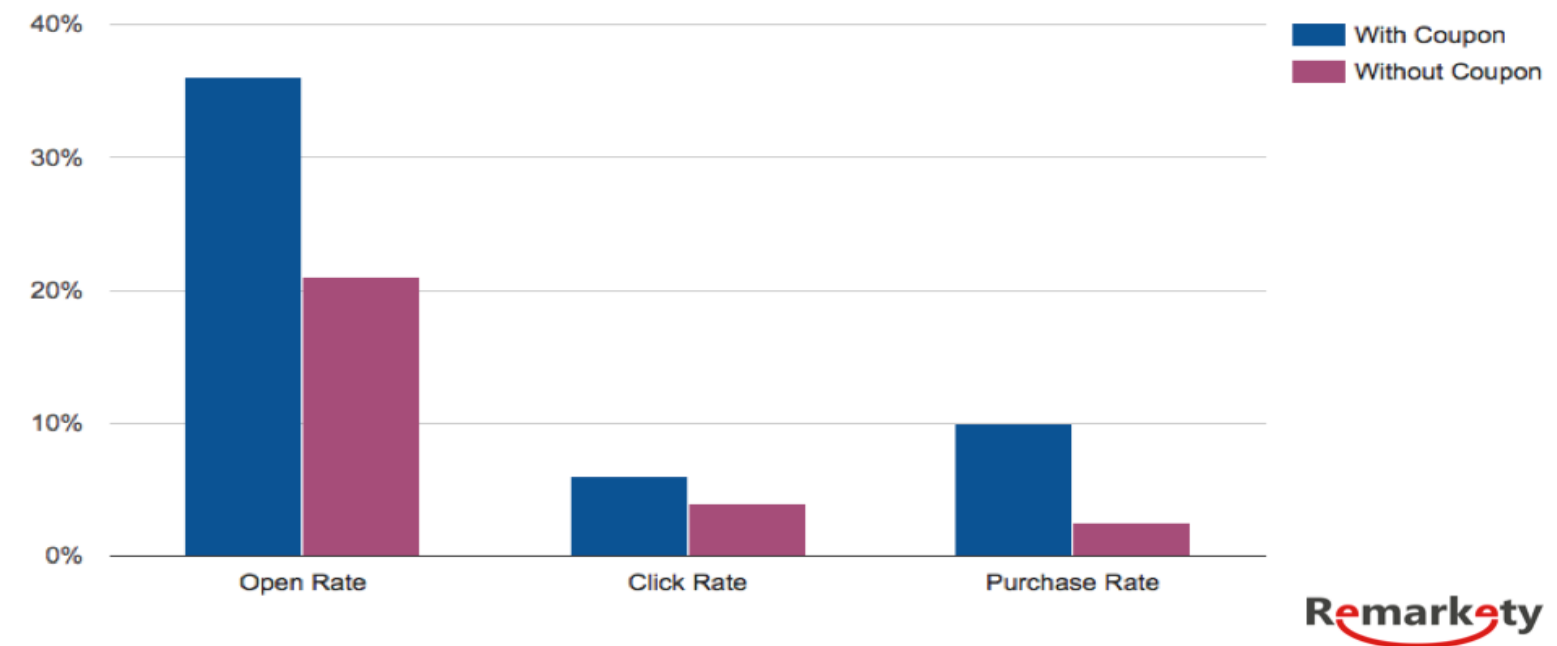
Revenue is not the only important part of email marketing ROI that business owners should be concerned about. Email marketing is also a successful tactic for helping businesses improve the number of sales and conversions. That's because email marketing helps nurture leads and move them through the marketing funnel closer to making a purchase.

For example, let's say that a consumer visits your website a few times but has not yet made a purchase. There are many reasons for this. Perhaps the visitor needs more information or they need some time to consider other options. Maybe they just need a little motivation to finally make a purchase. With email marketing, you can keep in touch with these interested consumers while providing them with the information and encouragement they need to make a purchasing decision.



Email Marketing ROI #2: Improved Sales Conversions

Email Campaign Performance



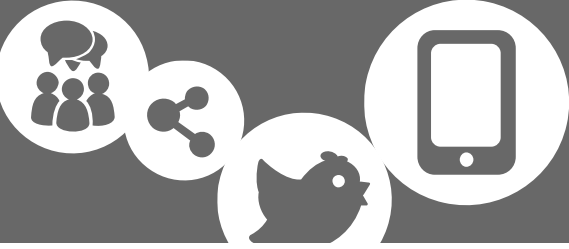
There are a number of different metrics you can measure to determine the return on investment from email lead nurturing. In the end, it will depend on what your goals are and how you measure the success of your lead nurturing efforts. For example, is revenue your only concern? Or are you interested in tracking how quickly your emails help move consumers through the funnel?



Email Marketing ROI #2: Improved Sales Conversions

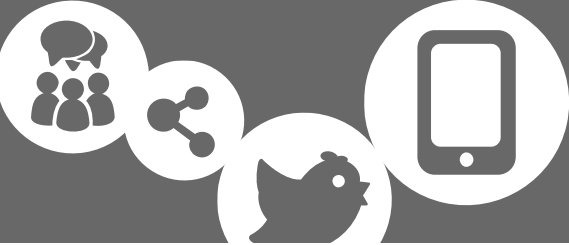
Here are a few different measurements you can look at when trying to determine your email nurturing ROI:

- **Engagement** – By measuring engagement, you are able to see how well your company is interacting with customers. To accurately measure engagement, you'll want to consider the following metrics: open rates, click rates, unsubscribes, and conversions.
- **Lead Acceleration** – Measuring how long it takes your nurtured email leads to move from the awareness stage to consideration and from consideration to the decision stage is another way you can determine your email marketing ROI. For a better understanding of your email nurturing campaign success, you'll want to look at how fast non-nurtured leads move and compare this to those who have engaged with your campaigns.
- **Impact on Revenue** – Though it is not common for a user to make a purchase based on one email, you can measure the impact your campaigns have on your revenue over time across multiple touch points. In order to measure this metric, you'll need to consider the value of each engagement across your digital marketing campaign, including nurturing tactics beyond emails.



Email Marketing ROI #2: Improved Sales Conversions

Measuring the return on investment for your email nurturing efforts can get a little complex as it can be challenging to determine the value of each touch point. This is where a CRM or email automation program can come in handy. These programs have algorithms that can help you more accurately and consistently determine the ROI of your email nurturing campaigns.



Email Marketing ROI #3: Increased Website Traffic

According to HubSpot's State of Inbound, one of the greatest marketing challenges that businesses face is generating website traffic. In fact, 63% of those marketers surveyed said that this was their biggest obstacle.

Though there are a variety of digital marketing tactics that can help you improve website traffic, like SEO and social media management, email marketing can also help provide a return on investment when it comes to driving traffic to your website.

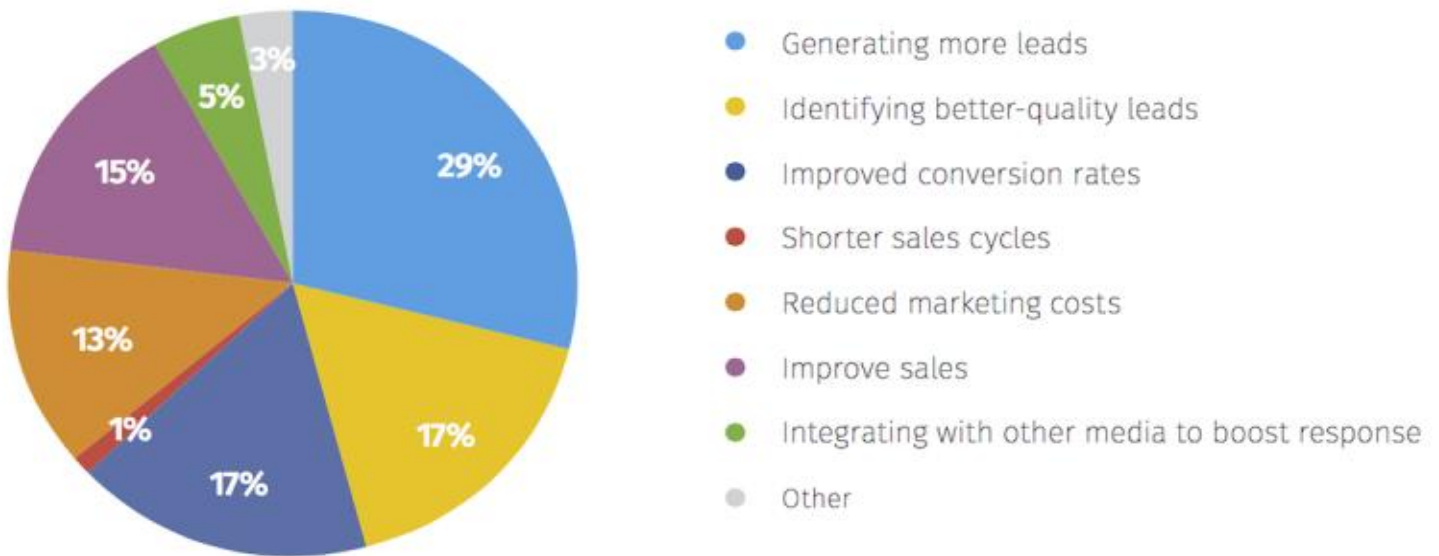
Not only does email marketing help increase traffic back to your website, but it helps make sure that the traffic going back to your site is relevant. If consumers are regularly engaging with your email marketing content then they have already shown an interest in your brand. This suggests not only that they are qualified leads but that they may be likely to make a purchase. The more high-quality traffic that you can drive back to your website, the more opportunities you have to engage these qualified leads and influence more conversions.



Email Marketing ROI #3: Increased Website Traffic

Q: Choose the top benefit of email marketing

Figure 3



One of the most common ways to measure the return on investment for email campaigns meant to drive website traffic is by looking at the click through rate for your marketing emails. This shows you how many users are clicking on links in your emails that lead to certain pages on your website. You can measure the click through rate, or CTR, by dividing the number of clicks by the number of emails that have been delivered. However, since the CTR compares the click rate to the number of emails sent, sometimes this rate will be influenced by the time of day that the email was sent or a subject line that was not quite successful.



Email Marketing ROI #3: Increased Website Traffic

If you want an even better idea of how effective your email content is at driving these clicks, you can also measure the click-to-open rate. The click-to-open rate is measured by taking the number of clicks and dividing this number by the number of emails that have been opened. The content of your marketing emails is often the primary factor influencing your customers to click on your links, and the click-to-open rate is much more indicative of how engaging your actual email content is. This can help improve the accuracy of your ROI measurements when it comes to driving traffic back to your website.



Email Marketing ROI #4: Amplified Brand Awareness

Building strong relationships with your leads is an important part of working to move them onto the next stage of the marketing funnel. Effective email marketing campaigns play an important role in helping your business build brand awareness. By building connections with consumers and providing content that they find valuable, marketing emails work to foster positive and impactful relationships with your leads.

The main reason why email marketing is so effective for amplifying brand awareness is that it allows you to engage with your leads directly and consistently. Rather than just offering one touch point, email campaigns allow you to reach out to leads and engage them multiple times over a longer period of time. This helps you establish a relationship, build trust, and influence more conversions over time.



Email Marketing ROI #4: Amplified Brand Awareness

“Increased brand awareness” is certainly a potential outcome of an effective email marketing campaign. However, it's important that you are able to measure just how important this awareness is when it comes to generating email marketing ROI. In order to effectively measure just how effective your campaigns are at generating brand awareness and to tie this back to return on investment, you'll need to first define what exactly awareness means to you.

Are you trying to make sure that leads are aware of your brand? Or are you trying to make them aware of some certain attribute that differentiates your brand from others? The way that you define awareness will not only impact your strategy for achieving your brand awareness goals but also the metrics that you will use to measure campaign ROI.



Email Marketing ROI #4: Amplified Brand Awareness

There are a few key metrics that you can use to measure brand awareness. One of them is how much direct traffic you have to your site. When you measure direct traffic back to your site, you're looking at how many users are typing your URL directly into their browser versus coming to your site from a link. This shows that the individual was able to not only recall your brand but remember your site's URL. By looking at how many of these visits came from visitors who are also on your email marketing list, you can work to determine how much your email plays a role in building brand awareness.

Another metric that can help you better measure brand awareness is external links back to your site. Link building is an important part of your search engine optimization (SEO) strategy, but it also helps you better understand how aware others are of your brand. Look at where your external links are coming from, and see how many of these links may be coming from those who have received email communications from you.



Take Advantage of Email Marketing ROI

Now that you know all of the ways that email marketing can provide a return on your marketing investment, it's easy to see why so many companies continue to develop and implement effective email marketing strategies. Looking at the different ways that this digital marketing tactic can provide value helps you better understand how you can use email marketing to grow your small business.

Are you ready to take the next step in growing your business? The email marketing experts at LYFE Marketing are ready to help you develop and implement a successful email strategy.