

TOP 10 TIPS Tips for Calculating Your Email's Return on Investment (ROI)

$$\text{ROI} = (\text{Gain from e-marketing} - \text{Cost of e-marketing}) / \text{Cost of e-marketing}$$

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Understand the limitations of email marketing ROI

Don't expect to get an exact measure of your email's ROI. Say someone received your promo email before work, but didn't act on it. After work they made a purchase at your store or on your website. The email wouldn't be credited for the sale though it was the driving force behind the purchase.

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Determine your marketing goals

Start by determining what goals are most important to your business and assign a monetary value to each of them. Knowing your goals and their value helps to make sense of your ROI.

8

Calculate your email marketing costs

In order to calculate your email's ROI, you need to know how much you spent on it. Your total email marketing cost is equal to the cost of your email service provider over the period that you're measuring plus the monetary value of the time spent on email marketing.

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Track custom URLs

Custom URLs let you measure your visitors' behavior on your website after they clicked on a link in your email. Then you can include any monetary interactions originating from the custom URL to your email's ROI. You can easily create a custom URL with [Google's URL Builder](#).

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Email reservations

Give your email recipients the exclusive opportunity to reserve a particular product that they can pick up at the store. When they come in to pick it up you can actually watch your ROI rise.

5

Offer unique promotions/products

Promote specific products in your emails and don't mention them on any other marketing channel. Then compare the average weekly revenue of the product(s) to the revenue earned during the week you sent the emails. Promoting a product exclusively through email helps give you a

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Use discount codes

Add a unique discount code to your email for your recipients to enter when they purchase or register on your website. When they use the code, you will see how many of purchases originated from your emails.

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Ecoupons

Similar to discount codes, ecoupons allow you to track the purchases that originated from your emails. All you have to do is provide a scannable coupon (with a unique barcode) in your email for your customers to print and provide at the point of purchase.

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In-store surveys

Ask your customers at the point of purchase how they heard about your product or promotion. Also give them an opportunity to sign up to receive your emails while they are in your store to boost future email ROI.

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Utilize Google Analytics

Google Analytics is arguably the easiest and most effective method for calculating your email marketing ROI. Make sure your goals and goal values are realistic and well thought out. You can also use the Multi-Channel Funnels tool to compare your e-marketing ROI to other marketing channels.