

Email marketing in 2021: The importance of measurement, ROI, and budgeting

ARTICLE | **NOVEMBER 23, 2020**

Jeremy Goldman

Having a strong understanding of an email program's return on investment (ROI) remains a competitive advantage. It might be surprising that given how great an ROI email can provide, many brands don't actually have a good handle on how to measure its success or lack thereof.

"While email is highly efficient, it has never gotten the lion's share of attention around the boardroom," said Ross Kramer, CEO of marketing automation platform Listrak.

The fact that email displays strong ROI can be a blessing and a curse: As businesses understand email's importance and impact, approval processes can become lengthier and, on occasion, bloated.

Because marketers don't consider their measurement systems to be perfect or even great, they don't feel comfortable with their ROI calculations. That makes it harder for them to know how much money they're leaving on the table when they don't wholeheartedly embrace techniques like personalization. According to a September report by Litmus that surveyed over 2,000 marketing professionals—

including vice-president-level and C-level leaders and email practitioners—45% said their email marketing measurement was either poor, very poor, or nonexistent.

Despite these measurement-related shortcomings, it seems clear that many marketers are doubling down on email. Many marketing budgets saw cutbacks in response to the pandemic and economic downturn, though many organizations continued to invest in email as a channel. According to a June 2020 survey by Ugam, a Merkle company, 51% of marketers at major US and UK brands said that their email marketing spending increased, and just 16% of respondents reported a decrease. In fact, the only channels which saw higher response rates were chat features (56%) and mobile app functionality (55%).

It seems that, rather than cutting budget consistently across the board, smart marketers will continue to reinvest in certain channels that have proven to deliver the best ROI, such as email, and focus their budget cuts on areas that have not provided evidence of strong or consistent returns. “The thing about marketing budgets is they’re the first ones to get cut and the last ones to go back up when things get better,” said Melissa Sargeant, CMO of Litmus. “The world we’re in today is how it’s going to be for marketers [for the near term]. So, when you’re going into your 2021 planning, you’re really looking at it from the perspective of ‘How can I get the most ROI across all of my channels?’”

To learn more about maximizing ROI through email, Insider Intelligence subscribers can read our recent report:

Report by Jeremy Goldman Nov 11, 2020

Email Marketing 2020

