

Marketing Channel ROI



Lead Generation is important in a business and knowing what channels give you the best ROI is important

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Introduction

We have put this together to assist business management and marketing teams stay abreast of current trends.

And also to ensure that they are educated on the best channels to market their company's product or services.

A pertinent point to be mindful of is that what has worked in the past often has little bearing on what will work in the future.

Huh.....how is that true? History is usually a good indicator of trends

Since the birth of the internet, as businesses, we need to acknowledge the change in the way people buy.

What has this got to do with ROI?

It is results that count. How can the yield of advertising be judged?

In the last few years, return on investment (ROI) has become the most popular key performance indicator to evaluate the selected media mix.

- 93% of Chief Marketing Officers (CMOs) say that they are under more pressure to deliver measurable ROI.
- 50% of B2B marketing executives find it difficult to attribute marketing activity directly to revenue results as a means to justify budgets.
- 81% of marketers would increase spending on digital, mobile, and social channels if they could better track ROI.

Outbound Marketing Channels

Glenn Turnbull

Television

Television advertising is a very hard channel to get a true ROI calculation from.

That being said, surveys indicate a ROI of 60% i.e. for every \$1 spend we would expect a return of 60 cents.

When surveyed, only 1 in 3 companies believed that TV gave them the best ROI compared to other advertising types.

Almost 10 years ago I advertised on TV with a construction product with solid expectations. I discovered that the TV advertising returned a great response initially (yes I tracked results) in the first week but by the 3rd week the advertising had lost a lot of effectiveness.

After investing so much time and money into the production and filming of the commercial, I persisted but generally stopped TV advertising within 9 months to pursue other marketing channels that not only had a better, measurable ROI but also activities that were less risky in the area of performance.

I should conclude that I believe TV advertising has great value in contributing to brand awareness which is difficult to measure – if at all.

Print Media

Marketing in print media is usually defined by newspapers and magazines.

Recent surveys indicate that the ROI on print media activities is 120% i.e. for every \$1 spend we should expect a return of \$1.20

Personally, I have seen print media lose its effectiveness in some industries.

A decade ago, we used to regularly and reliably get great results and a much higher ROI than 120%, when advertising for the supply and install of a home improvement product.



Basically, within a 6 month period the results in print media dwindled to a point where I had to consider other channels to keep work up to my team.

Radio

Like TV, radio has a low ROI when measured with the same formula as measuring other marketing channels.



Surveys show that radio had a ROI of 80% i.e. For every \$1 invested we would expect a return of 80 cents.

I should conclude that I believe radio advertising has value in contributing to brand awareness much the same way that TV does.



Billboard, bus shelters, outdoor signage.

Outdoor signage has been prevalent and effective in advertising since the dawn of time – Times Square, New York is proof of that.

73% of Australians find billboards to be most useful for driving them towards a website.



Again, the measurement of ROI is difficult to calculate but there is great value of driving brand awareness for a company.

Car signage has been a favourite of mine that I have seen firsthand how effective it can be yielding business.

In my opinion, outdoor signage highlights the opportunities available in marketing your business across many channels to utilise the notion of force multiplication.

Inbound Marketing Channels - Some Examples

Glenn Turnbull

Website

I believe that your website is the most valuable marketing tool in your arsenal.

Ideally, all of your customers or potential customers are hopefully browsing your website and are finding the answers and solutions that they were searching for.

Measuring the ROI of your website would be a long term overview.

All of the previous channels that I have written about are rented.

Huh? By rented, I mean we pay an invoice to allow our business to be advertised for a set period of time i.e. TV, radio, print media. E.g. TV advertising campaigns can be scheduled well ahead – usually a month, whereas advertising in a newspaper is generally a one day offering.

We rent the space on either medium for a length of time.

Your website is an asset that is owned by your company and it just keeps on advertising.

Email

Email marketing as an activity is your best friend in many ways and interestingly has the highest ROI than any other marketing activity.

Email ROI is 3800% i.e. for every \$1 spent you expect to get \$38 in return.

It is really the only way to communicate to potential customers on a 1 on 1 basis on a large scale – it can also be very personal. '

Through this content is easily shared and we see being invited into a person's inbox a privilege.

59% of marketers say email is the most effective way of generating revenue.



Google AdWords

Depending on the company and the industry, an average expectation of ROI with a Google AdWords campaign would be 200%.

for every \$1 spent I should expect a return of \$2

There is much skill involved in getting good reliable results in Google AdWords.



I know here at Search & Be Found that we invest time and energy each year to be current with our skills and knowledge in being a Google Partner.

Online strategy is constantly evolving therefore there is a need for us to do the same.

SEO (Search Engine Optimisation)

- 61% of global Internet users research products online.
- 44% of online shoppers begin by using a search engine.

SEO generated leads have a 14.6% close rate, while outbound leads (such as direct mail or print advertising) have a 1.7% close rate.

The statistics for SEO strategy in the modern day sell themselves. All content that businesses post on the internet need to embrace some acknowledgement to SEO to be truly valuable.

SEO online is a way of life.

Social Media

- 52% of marketers cite difficulties in accurately measuring ROI as their biggest source of frustration in social marketing
- Only 8% of companies say they can determine ROI from their social media spending.

Social media is a channel that is best utilised to engage your audience with compelling content that directs them towards our website.

Important Takeaways

Takeaway 1

Three out of 4 marketers across the globe prioritise an inbound approach to marketing.

Takeaway 2

Proven marketing ROI unlocks budget. But you have to be tracking ROI in the first place, which not everyone is doing.

Takeaway 3

Inbound campaigns achieve higher ROI than outbound. This holds true across different company sizes and budgets.

Takeaway 4

Both inbound and outbound marketers rank paid advertising as the #1 most overrated marketing tactic.



Next Steps

Hopefully this gives some insight into understanding ROI across different marketing channels.

Some channels are more difficult and long term whereas other channels are easier to measure in the short term.

You should have an emphasis on being across many channels to enhance our marketing reach and maximise your ROI from a cohesive perspective.

Companies also need to acknowledge the emergence of online and the change in which consumers are using the web as the start of the buying journey.

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