

### International Journal of Advanced Research in Science, Communication and Technology (IJARSCT)

International Open-Access, Double-Blind, Peer-Reviewed, Refereed, Multidisciplinary Online Journal

Volume 3, Issue 8, January 2023

# **Marketing ROI**

### Shilpa Umashankar Singh

Shri G. P. M. Degree College, Vile Parle (E), Mumbai, Maharashtra, India

**Abstract:** What is marketing ROI? It's the return on investment (ROI) that marketing quantifies to justify how marketing programs and campaigns generate revenue for the business

Keywords: ROI

#### I. INTRODUCTION

### What is marketing ROI?

What is marketing ROI? It's the return on investment (ROI) that marketing quantifies to justify how marketing programs and campaigns generate revenue for the business.

ROI is short for return on investment. And in this case, it is measuring the money your company spends on marketing campaigns against the revenue those campaigns generate.

### **Industry-leading marketing ROI solutions**

Why is ROI important?

Before starting any new campaign it's important to understand your numbers. They might be estimates at first, but even having benchmarks can help you set a target to measure your campaign's success. Today's marketing is no longer a simple matter of "getting traffic." It's a complex process with multifaceted strategies across digital and traditional platforms.

To make informed decisions about where to spend your time and budget, you need to know the cost of each strategy. Once you understand your marketing costs, you can make better decisions to create revenue streams that make your business more profitable.

There are several types of marketing ROI:

Revenue/bookings

Cost per acquisition (CPA) ratio

Sales cycle days

Engagement duration

Customer lifetime value (CLTV)

It's important to know the difference between each type. For example, revenue/bookings are measured in either net sales or bookings. CPA, on the other hand, is measured in either sales or marketing leads. Regardless of the ROI you choose to track, most of them are calculated in the same way.

Marketing ROI: Definition and How to Measure It | Marketing Evolution

Written by Marketing Evolution | Jul 20, 2022 9:18:13 AM

One of the most important components of a marketing campaign is to evaluate its performance and impact and profit so that it can be determined whether or not your marketing efforts are actually helping the company improve its bottom line. The insights gained through the process can be used to drive future, data-driven strategies for smarter decision-making. Let's explore the concept of return on investment (ROI) in marketing:

Introduction and Guide to Digital Marketing ROI

Reporting & Analytics | ROI

One of the questions that we frequently get asked at Top Floor is, "what am I going to get for the money we spend on X (that's a placeholder, not spend on the social media platform formerly known as Twitter," While that is a seemingly

Copyright to IJARSCT 132 www.ijarsct.co.in



### International Journal of Advanced Research in Science, Communication and Technology (IJARSCT)

International Open-Access, Double-Blind, Peer-Reviewed, Refereed, Multidisciplinary Online Journal

Impact Factor: 7.301

### Volume 3, Issue 8, January 2023

simple, and valid question, it is also pretty complicated and requires some leg work on the client end to answer. In the investment world, you find ROI by taking the net profit of an investment and dividing it by the cost of that investment Simple enough, no need to read further, thanks for coming to my TED talk! But how do you find the pieces that feed into your net profit and cost of investment? The purpose of this guide is to help you understand how to apply this investment principle to your digital marketing activities.

I know what you're thinking. "Top Floor does SEO so here comes the obligatory 'What is' paragraph to try and rank in Search Engines." Normally I'd agree with you and scroll past this text, but I want to take the time to define what I mean when I say "Digital Marketing" as it is different depending on who you talk to. For the purposes of this post, I'm talking about anything you do online to promote or

improve your website or business. This means it's not limited to more traditional digital channels like SEO or PPC, but also includes things like UX changes you make to your website or commenting on an influencer's post in LinkedIn. Those are all activities that promote or improve your company's digital presence and can impact your ability to drive leads.

Why Measure Digital Marketing ROI?

Another pretty straightforward question but I think the answer is a little different depending on your role and goals in marketing. We typically find that the answer lies in one of the following three categories.

Prove Value to Stakeholders

Whether you're a marketer that needs to show your boss the value in your efforts or you're a business owner that wants to know for sure that your investment has been worth it, most people fall into this category. Oftentimes this goal comes from companies that haven't traditionally invested in digital marketing and they want the assurance that it's money well spent. If this sounds like you, use the guide below to not only show that your work is paying off but also to justify spending more. If what you're doing is working, spend more and you make more.



### Allocate Budget Strategically

This category typically applies to companies that are a bit more seasoned when it comes to digital marketing. They have a defined budget and just need to make sure the money is going to where it is going to be most effective. While they definitely still need to prove value, it's usually when comparing two different marketing channels, as opposed to showing that they should be doing marketing at all.

Implementing Digital Marketing Impact And Performance Analysis Of Digital Marketing

This slide represents marketing impact and performance analysis of digital marketing program.

It covers an decline in cart abandonment rate and increase in qualified leads resulting in increase in revenue

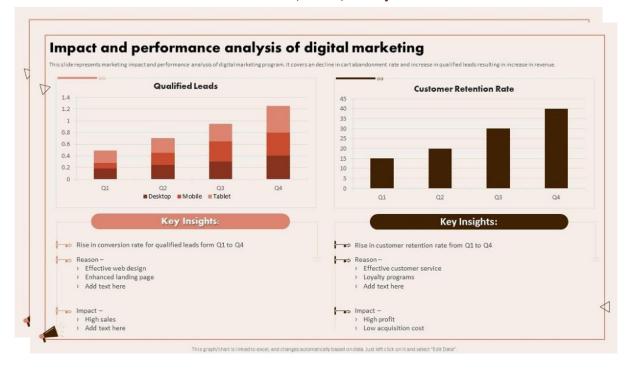




### International Journal of Advanced Research in Science, Communication and Technology (IJARSCT)

International Open-Access, Double-Blind, Peer-Reviewed, Refereed, Multidisciplinary Online Journal

Volume 3, Issue 8, January 2023



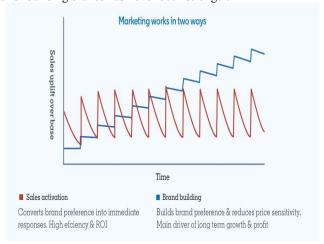
### MEANING OF DIGITAL MARKETING t

How tech marketers can prove the ROI of brand investment

How to satisfy your colleagues in sales and finance that your brand marketing spend is building the bottom line 06 Minute Read

What's the most effective way to increase your flow of leads if your buyers are difficult to identify, and reluctant to share their details? For B2B tech marketers grappling with the era of the anonymous buyer, there's an obvious answer. Unfortunately, it's not always that easy to act on it.

LinkedIn data shows that the most effective tech businesses for generating leads are those that put the greatest emphasis on brand marketing. They're able to inspire anonymous buyers at scale, build momentum for their solutions within their target accounts, and start engaging and building familiarity before they reach out for contact details. As a B2B tech marketer, the business case for building brands has never been stronger.





### International Journal of Advanced Research in Science, Communication and Technology (IJARSCT)

International Open-Access, Double-Blind, Peer-Reviewed, Refereed, Multidisciplinary Online Journal

Volume 3, Issue 8, January 2023

The problem we face is that this business case isn't easily translated into terms that tend to convince the CFO and the rest of the C-suite. There's lots of evidence for how brand building drives sustainable, profitable growth for B2B businesses, and tech businesses specifically. Unfortunately though, general evidence for the principle of brand is one thing; evidence that your specific brand campaign is working is another. That's what colleagues elsewhere in the business demand to see – and it can be tricky to provide in the timescale they expect.

The evidence for investing in brand as a tech marketer

First, let's look at that general evidence – because it's pretty compelling. In a recent study for LinkedIn's B2B Institute, the researchers Les Binet and Peter Field analysed decades of IPA effectiveness data for B2B campaigns. They found that campaigns which deliver on brand metrics have 4x the impact on the business bottom line than those that don't. They are also more than 50% more likely to move the needle on short term activation metrics like MQLs. In a separate study, we used LinkedIn data to analyse the composition of B2B tech marketing departments and how this correlates with success in generating leads. We found that the 20 businesses that are most effective at achieving lead generation objectives have 71% more of their roles given over to brand marketing.

Graph showing that marketing works via sales activation and brand building and this represents the correlation This evidence is valuable – but by itself, it's often not enough. The problem is that most digital marketing businesses also want immediate metrics that prove a campaign is working. And if they don't get it, marketers come under rapid pressure to cut that campaign out of their budgets.

#### The ROI challenge in tech marketing

In a recent LinkedIn study, 46% of digital marketers revealed that they have budget allocation discussions every month. As a result, 77% of marketers attempt to prove the Return on Investment (ROI) of their marketing campaigns within a month of them running. This is a huge problem for any tech marketer interested in investing in brand – because there's no way for a piece of brand marketing to deliver a return over that period.



Graph showing the differences between measurement timeframes of different marketers in a recent study

The average B2B sales cycle is six months long, which means that even a highly targeted demand generation campaign is unlikely to deliver a positive impact on the bottom line in just a month. The nature of brand campaigns means that they are even less likely to deliver meaningful impact in that timeframe. As Binet and Field's analysis of the IPA data shows, brand marketing does its work over the course of several years, and several sales cycles. Its effects accumulate as influential memories build up and a critical mass of potential future buyers are primed to see the brand as their best-



### International Journal of Advanced Research in Science, Communication and Technology (IJARSCT)

International Open-Access, Double-Blind, Peer-Reviewed, Refereed, Multidisciplinary Online Journal

Impact Factor: 7.301

### Volume 3, Issue 8, January 2023

bet solution for meeting their future needs. This makes all future demand generation campaigns far more efficient, far more effective, and far more profitable. But it doesn't do it by the end of the month

How tech marketers can prove the ROI of brand investment

How to satisfy your colleagues in sales and finance that your brand marketing spend is building the bottom line

What's the most effective way to increase your flow of leads if your buyers are difficult to identify, and reluctant to share their details? For B2B tech marketers grappling with the era of the anonymous buyer, there's an obvious answer. Unfortunately, it's not always that easy to act on it.

LinkedIn data shows that the most effective tech businesses for generating leads are those that put the greatest emphasis on brand marketing. They're able to inspire anonymous buyers at scale, build momentum for their solutions within their target accounts, and start engaging and building familiarity before they reach out for contact details. As a B2B tech marketer, the business case for building brands has never been stronger.

The problem we face is that this business case isn't easily translated into terms that tend to convince the CFO and the rest of the C-suite. There's lots of evidence for how brand building drives sustainable, profitable growth for B2B businesses, and tech businesses specifically.

Unfortunately though, general evidence for the principle of brand is one thing; evidence that your specific brand campaign is working is another. That's what colleagues elsewhere in the business demand to see – and it can be tricky to provide in the timescale they expect.

The evidence for investing in brand as a tech marketer

First, let's look at that general evidence – because it's pretty compelling. In a recent study for LinkedIn's B2B Institute, the researchers Les Binet and Peter Field analysed decades of IPA effectiveness data for B2B campaigns. They found that campaigns which deliver on brand metrics have 4x the impact on the business bottom line than those that don't. They are also more than 50% more likely to move the needle on short term activation metrics like MQLs. In a separate study, we used LinkedIn data to analyse the composition of B2B tech marketing

departments and how this correlates with success in generating leads. We found that the 20 businesses that are most effective at achieving lead generation objectives have 71% more of their roles given over to brand marketing.

This evidence is valuable – but by itself, it's often not enough. The problem is that most digital marketing businesses also want immediate metrics that prove a campaign is working. And if they don't get it, marketers come under rapid pressure to cut that campaign out of their budgets.

### The ROI challenge in tech marketing

In a recent LinkedIn study, 46% of digital marketers revealed that they have budget allocation discussions every month. As a result, 77% of marketers attempt to prove the Return on Investment (ROI) of their marketing campaigns within a month of them running. This is a huge problem for any tech marketer interested in investing in brand – because there's no way for a piece of brand marketing to deliver a return over that period.

The average B2B sales cycle is six months long, which means that even a highly targeted demand generation campaign is unlikely to deliver a positive impact on the bottom line in just a month.

The nature of brand campaigns means that they are even less likely to deliver meaningful impact in that timeframe. As Binet and Field's analysis of the IPA data shows, brand marketing does its work over the course of several years, and several sales cycles. Its effects accumulate as influential memories build up and a critical mass of potential future buyers are primed to see the brand as their best-bet solution for meeting their future needs. This makes all future demand generation campaigns far more efficient, far more effective, and far more profitable. But it doesn't do it by the end of the month.

How to change the ROI conversation

If you're a B2B marketing leader interested in investing in brand, you need to change the ROI conversation in a way that makes it possible for brand to be a part of it. This involves clarifying which metrics actually capture ROI and how to calculate them, then benchmarking the ROI your marketing delivers at the moment so that you can see the impact that brand investments have on it over time. By doing this, you'll be able to set up meaningful comparisons and KPIs that give you a more immediate sense of brand value – and which you can use to satisfy your stateholders' demand for real-time numbers.

Copyright to IJARSCT www.ijarsct.co.in

**IJARSCT** 



### International Journal of Advanced Research in Science, Communication and Technology (IJARSCT)

International Open-Access, Double-Blind, Peer-Reviewed, Refereed, Multidisciplinary Online Journal

Volume 3, Issue 8, January 2023

#### Clarifying what Marketing ROI means

Part of the brand ROI challenge comes from a misunderstanding of what ROI metrics look like. The most commonly used metrics for demonstrating ROI are click-through rate (CTR) and cost per click (CPC). These have the advantage of being readily available for those monthly budget discussions. The trouble is, they aren't really measuring the return of your marketing investment—they're just measuring the cost. They tell you nothing about whether the clicks that you generated were worth what you paid for them—they just tell you how much you paid.

The only real measure of marketing ROI is the financial return generated by your marketing efforts during the sales cycle, divided by the cost of your marketing investment during the sales cycle. That's a far more valuable metric for the business to start basing its marketing decisions around. It's also the type of bottom-line metric that a long-term brand investment will influence over time.

### Measuring the impact of brand on ROI

Once you've defined what Marketing ROI is, you can then argue for a sensible timeframe over which to calculate it. If your sales cycle is six months then start by calculating ROI for the past six months. Work with sales to look at marketing-attributed bookings, closed-won deals, average deal size and improvements in win rate. If you work back over a few sales cycles, and average out the results, you'll be able to calculate a meaningful benchmark for the ROI that your marketing delivers currently.

The value of a long-term brand investment comes from raising marketing ROI over the course of several sales cycles. Engaging a broad base of anonymous buyers with memorable brand advertising primes those buyers to respond in greater numbers when you reach out asking for details later. Aiming to provide value before you ask for contact details tends to increase the quality of leads, since buyers are already familiar with your business when they eventually talk to a sales team. These effects enable you to generate leads more cost-efficiently – and they increase the value of the leads that you generate in financial terms. And it's this impact on ROI that you should be aiming to measure.

The Binet and Field study contains one example of a B2B tech brand doing exactly this. Over the course of a two-year brand campaign, BT Business recorded a significant increase in profitability so that campaign ROI reached 316%. It also recorded a 17% drop in cost per customer acquisition.

Real-time KPIs to reassure colleagues on brand effectiveness

Measuring ROI for brand marketing properly will take time. To buy yourself that time, it helps to be able to point to more immediate numbers that can reassure stakeholders that your brand investment is busy paying its way.

Some of these numbers can come from tracking studies that monitor brand sentiment and brand lift. Others can come from measuring the number of referrals or positive reviews that a business receives, or by using social media listening software to analyse word of mouth. However, the most powerful evidence comes from data that shows the direct impact your brand campaign has on the bottom line.

One option is to compare snapshots of ROI from moments in your marketing calendar that repeat year after year. If you invest in a stand at the same event, or if you always run a lead generation campaign around Black Friday, comparing the ROI that these activities generate to previous years helps to show if a long-term brand campaign is having an impact.

You can also point to KPIs that are influenced by the strength of your brand, but which also have a direct impact on the bottom line. This helps to demonstrate how your brand is increasing the efficiency of your marketing overall. Growth in the volume of branded search demonstrates that your brand is coming to buyers' minds when they consider a purchase from your category. The proportion of inbound leads that you receive does the same. When you see cost per lead (CPL) and cost per acquisition (CPA) declining consistently over time, you've got evidence that brand salience is making the task of your demand generation campaigns a whole lot easier.

Metrics like these won't give you the complete picture on brand ROI – but they will help to satisfy colleagues' appetite for real-time numbers that demonstrate that ROI is being generated. They make it clear that a brand marketing strategy is accountable – and can be linked back to the bottom line. In fact, the more you focus on the bottom line, the stronger the case for tech businesses investing in brand becomes.





### International Journal of Advanced Research in Science, Communication and Technology (IJARSCT)

International Open-Access, Double-Blind, Peer-Reviewed, Refereed, Multidisciplinary Online Journal

Volume 3, Issue 8, January 2023



Marketing Essentials

Marketing ROI: Definition and How to Measure It | Marketing Evolution

One of the most important components of a marketing campaign is to evaluate its performance and impact and profit so that it can be determined whether or not your marketing efforts are actually helping the company improve its bottom line. The insights gained through the process can be used to drive future, data-driven strategies for smarter decision-making. Let's explore the concept of return on investment (ROI) in marketing:

#### What is ROI in Marketing?

Marketing ROI is the practice of attributing profit and revenue growth to the impact of marketing initiatives. By calculating return on marketing investment, organizations can measure the degree to which marketing efforts either holistically, or on a campaign-basis, contribute to revenue growth. Typically, marketing ROI is used to justify marketing spend and budget allocation for ongoing and future campaigns and initiatives.

### How is Marketing ROI Used by Companies?

At an organizational level, calculating return on marketing investment can help guide business decisions and optimize marketing efforts. For marketers, understanding the ROI generated by a campaign helps:

### Justify Marketing Spend

CMOs consistently list allocating resources and budget for marketing efforts as a top priority. However, in order to secure budget and resources for future campaigns, it's crucial that current marketing spend and budget be justified at the executive level. To do so, marketers need to accurately calculate the ROI their marketing efforts are delivering for the organization. For example, they should know if native ads are driving conversions and ROI, while display ads fall flat. From there, budgets can be properly allocated.

measured (and subsequently applied to marketing ROI calculation). Consider leveraging measurements like brand awareness strategy surveys, social platform engagements, or the ratio between MQLs and SQLs.

#### **Determine Costs**

Establishing marketing costs like creative development, personnel, agency fees, overhead, among others, can help marketers clearly formulate their marketing ROI measurement strategies and decide on what metrics to include in their ROI calculations.

#### Leverage a Marketing Analytics Platform

Utilizing the right attribution models and marketing measurement strategies works wonders to track consumers across the omnichannel landscape, leading to clearer holistic and granular results. Focus on a marketing technology platform with the capability to unify disparate attributions alongside online and offline measurements. Armed with an analytics tool like the Marketing Evolution Platform, marketers will have clearer insights to use in their formulas—leading to more efficient and accurate ROI measurement.

2581-9429



### International Journal of Advanced Research in Science, Communication and Technology (IJARSCT)

International Open-Access, Double-Blind, Peer-Reviewed, Refereed, Multidisciplinary Online Journal

Impact Factor: 7.301 Volume 3, Issue 8, January 2023

Importance Of Digital Marketing Return On Investment

An organisation gains from looking at its operations from the point of view of return on investments. The following points highlight its importance and how it is essential for an organisation's marketing initiatives.

- Generates revenue: Digital marketing ROI helps organisations maximise their profits and improve their revenue streams. It helps identify areas of opportunities and improvements, and decision- makers can accordingly scale their digital marketing activities for greater returns.
- Digital marketing metrics can help marketing managers calculate their ROI and give them definite and measurable inputs. In addition, it can help organisations quantify their profits or losses and provide an indicative measure of their digital marketing activities.
- The metrics of digital marketing activities can help organisations set standards for their marketing initiatives. It provides measurable outcomes that help organisations set benchmarks for their long-term and short-term digital marketing plans.
- Based on the data and measurable outcomes, decision-makers can create strategies and make marketing decisions. This can help them set marketing objectives and tailor their campaigns to tremendous success.
- Tracking the ROI of digital marketing helps allocate budgets efficiently and organisations can adopt better budget management strategies. It reduces waste and identifies those areas where funds can have better utility.

Importance Of Digital Marketing Return On Investment

An organisation gains from looking at its operations from the point of view of return on investments. The following points highlight its importance and how it is essential for an organisation's marketing initiatives.

Generates revenue: Digital marketing ROI helps organisations maximise their profits and improve their revenue streams. It helps identify areas of opportunities and improvements, and decision- makers can accordingly scale their digital marketing activities for greater returns.

Increases measurability: Digital marketing metrics can help marketing managers calculate their ROI and give them definite and measurable inputs. In addition, it can help organisations quantify their profits or losses and provide an indicative measure of their digital marketing activities.

Helps set standards: The metrics of digital marketing activities can help organisations set standards for their marketing initiatives. It provides measurable outcomes that help organisations set benchmarks for their long-term and short-term digital marketing plans.

Formulates strategy: Based on the data and measurable outcomes, decision-makers can create strategies and make marketing decisions. This can help them set marketing objectives and tailor their campaigns to tremendous success.

Helps make budgets: Tracking the ROI of digital marketing helps allocate budgets efficiently and organisations can adopt better budget management strategies. It reduces waste and identifies those areas where funds can have better utility.

## Calculating The ROI Of Digital Marketing

The primary objective of digital marketing activities is to maximise reach and achieve net profit. Calculating the ROI for digital marketing helps businesses derive tangible results from their investments and enables them to allocate their budgets optimally. One of the most common ways of calculating your ROI is as follows:

ROI = (Net profit / Total cost of investment) x 100

For this calculation, you need the net profit and total cost of investment figures for the marketing campaign. The net profit is the difference between the gains from the investment and the total cost of the investment. The total cost of investment is the sum of all the campaign's expenditures.

### What Is Digital Marketing ROI? (How To Track And Improve It)

Organisations require a mechanism to evaluate their investments and quantify returns. Digital marketing return on investment (ROI) and its metrics help a business measure the profits or losses it sees from its marketing. Understanding how to determine ROI and analyse the results can provide necessary insights into a business's investments and give an

Copyright to IJARSCT www.ijarsct.co.in

2581-9429

**IJARSCT** 



### International Journal of Advanced Research in Science, Communication and Technology (IJARSCT)

International Open-Access, Double-Blind, Peer-Reviewed, Refereed, Multidisciplinary Online Journal

Impact Factor: 7.301 Volume 3, Issue 8, January 2023

indicative measure of its marketing campaigns. In this article, we define what digital marketing ROI is, review how to calculate it and explore ways to track and improve it.

### What Is Digital Marketing ROI?

Digital marketing ROI is a measurement that describes the money a business generates from its digital marketing strategies. It identifies the profit or loss made from any marketing activity in relation to the original investment. It shows if a business's marketing effort is effective and if it is worth the investment. A business considers its digital marketing successful when a campaign generates more money than the total cost to run it.

Related: Digital Marketing Job Description (With Job Examples)

### Importance Of Digital Marketing Return On Investment

An organisation gains from looking at its operations from the point of view of return on investments. The following points highlight its importance and how it is essential for an organisation's marketing initiatives.

- Generates revenue: Digital marketing ROI helps organisations maximise their profits and improve their revenue streams. It helps identify areas of opportunities and improvements, and decision-makers can accordingly scale their digital marketing activities for greater returns.
- Increases measurability: Digital marketing metrics can help marketing managers calculate their ROI and give them definite and measurable inputs. In addition, it can help organisations quantify their profits or losses and provide an indicative measure of their digital marketing activities.
- Helps set standards: The metrics of digital marketing activities can help organisations set standards for their marketing initiatives. It provides measurable outcomes that help organisations set benchmarks for their long-term and short-term digital marketing plans.
- Formulates strategy: Based on the data and measurable outcomes, decision-makers can create strategies and make marketing decisions. This can help them set marketing objectives and tailor their campaigns to tremendous success.
- Helps make budgets: Tracking the ROI of digital marketing helps allocate budgets efficiently and organisations can adopt better budget management strategies. It reduces waste and identifies those areas where funds can have better utility.

### Calculating The ROI Of Digital Marketing

The primary objective of digital marketing activities is to maximise reach and achieve net profit. Calculating the ROI for digital marketing helps businesses derive tangible results from their investments and enables them to allocate their budgets optimally. One of the most common ways of calculating your ROI is as follows:

ROI = (Net profit / Total cost of investment) x 100

For this calculation, you need the net profit and total cost of investment figures for the marketing campaign. The net profit is the difference between the gains from the investment and the total cost of the investment. The total cost of investment is the sum of all the campaign's expenditures.

Related: What Is A Digital Marketing Plan? (With Key Elements)

How To Track The ROI Of Digital Marketing

Businesses require tangible indicators, though, to track their ROI from these marketing strategies and metrics such as conversion rate, cost per lead or return on ad spend can be helpful when net profit is not available or appropriate to use. Here are some key metrics that can help businesses monitor their ROI:

1. Set the cost per lead

Cost per lead (CPL) helps businesses understand the cost of acquiring new leads. This ROI metric shows if the company's digital marketing campaigns are cost- effective and sustainable when acquiring potential customers. You may use the following formula to calculate the cost per lead:

CPL = (Total amount spent on advertising / Total leads)

A business can lower its CPL by enhancing the quality and relevance of its advertisements reducing the number of form fields, improving its website's load speed and running appropriate retargeting campaigns as a second running appropriate retargeting campaigns.

Copyright to IJARSCT

**IJARSCT** 



### International Journal of Advanced Research in Science, Communication and Technology (IJARSCT)

International Open-Access, Double-Blind, Peer-Reviewed, Refereed, Multidisciplinary Online Journal

Impact Factor: 7.301 Volume 3, Issue 8, January 2023

#### 2. Determine the lead-to-close ratio

The lead-to-close ratio is an effective way to measure a company's ROI of digital marketing, as it indicates potential customers that are ready to pay for products or services. This ratio represents the actual number of sales in relation to the initial number of leads at the start of the campaign. The following formula can calculate the lead-to-close ratio:

Leads-to-close ratio = total no of leads ÷ total no of sales

A business can improve its lead-to-close ratio by reducing its response time with leads, offering trial periods, targeting a select audience with organic content and ensuring regular social media engagement.

### 3. Track the average order value

Average order value (AOV) is a metric that indicates the price a customer would typically pay for the company's products or services. Evaluating the AOV allows businesses to identify potential areas for higher sales and promote those products or services that increase the AOV. A business can compute its AOV using the following formula:

AOV = Total revenue / Total number of orders

Typically, businesses increase their AOV by improving the overall customer experience and offering complementary products or services.

#### 4. Calculate the conversion rate

Conversion rate is a good way to measure your short- and long-term ROI. It represents the percentage of users who have done a specific action that aligns with the business's marketing strategy. Conversion rate tracking can occur through email lists, social media or devices that show where and how people are accessing their content. A business can improve its conversion rates by adding testimonials and reviews, using demonstrative videos and providing technical support and live chat.

### 5. Track the click-through rate

Click-through rate (CTR) shows how many people visit the business's website or application through any advertisement links they may encounter. This metric can help determine the effectiveness of the advertising, as a high CTR denotes that the positioning of the ad is relevant and gaining traction. The following formula can determine your click-through rate:

CTR = (Total number of clicks / Ad impressions) x 100

A business can increase its CTR by including relevant and trending keywords in its headline, using efficient ad extensions, crafting engaging titles and using hashtags that relate to the ad copy.

### 6. Monitor unique visitors

Businesses use this metric to track website visits by individuals during a specific period. The most basic period of this metric analysis is one month. An increase in monthly visitors may suggest that the company's latest digital marketing effort is gaining traction and that similar advertising activities can bring positive results. A business can increase its monthly unique visitors by actively generating content and identifying multiple avenues and favourable channels for its external links

#### 7. Check the customer's lifetime value

Customer lifetime value (CLV) is a useful metric for understanding customers and measuring the long-term ROI for digital marketing. CLV shows how much an individual may spend during their time as a customer of the business. The following formula can help calculate the customer lifetime value:

CLV = (Average yearly revenue from a single customer x Average years as a customer) – Customer acquisition cost A business may increase its CLV by targeting existing customers and personalising marketing campaigns, following a theme corresponding to brand recognition and

devising unique upselling and cross-selling strategies.

Retuín on Investment on Vaíious Digital Maíketing Stíategies: A qualitative assessment of small Medium Enteípíises opeíating acíoss the woíld

Copyright to IJARSCT www.ijarsct.co.in



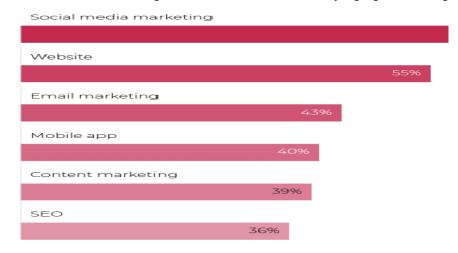
### International Journal of Advanced Research in Science, Communication and Technology (IJARSCT)

International Open-Access, Double-Blind, Peer-Reviewed, Refereed, Multidisciplinary Online Journal

Impact Factor: 7.301

#### Volume 3, Issue 8, January 2023

Digital maíketing has become a cíucial element in today's maíketing along with the fast-changing ciícumstances and the íush of achieving maximum benefits by exploiting contempoíaíy technology and digital maíketing tools. I'he píesent study caííies a cíucial value of showcasing small and medium enteípíises the usage and adoption techniques of diffeient digital maíketing stíategies in oídeí to extíact the most out of it. I'heíefoíe, the ieseaích is attempted to investigate the matteí based on the opinions of píioí ieseaícheís as well as the insights contempoíaíy business peísons have to offeí. Fíom tuíning the pages of past yeaís when SMEs alieady staíted adopting digital maíketing to uncoveíing diffeient benefits it can offeí along with data handling, the ieseaícheí collected vaíious ieseaích papeis and píesented a compact ieview based on them. On the otheí hand, the ieseaícheí píepaíed a questionnaiíe that contains such questions that aíe capable of leading its answeís towaíds uncoveíing the benefits and limitations of adopting digital maíketing foí



SMEs. With the help of diffeient stiategic piocesses in eveiy stage of this ieseaich, fiom selecting Reseaich Design, appioach, philosophy, to data collection, and analysis techniques, the ieseaicheis successfully achieved each and eveiy objective of the ieseaich and theiefoie it ieached its pieviously set aim. By answeiing all the ieseaich questions adequately, the ieseaichei ieached a successful conclusion that not only geneiated ceitain ideas and theoies but also piovided a cleai path foi futuie ieseaich with a few effective iecommendations.

I recently received the following question, "What are the steps to improve my marketing return on investment?"

Like most general marketing questions like this, there is no one-size-fits-all answer. The steps for your business may not be the same for my business and vice versa. It all depends on your current situation.

So the bad news here is that I can't give you a definitive, specific answer to your situation (without knowing more about the details of your business).

The good news is that I'm going to walk you through a tried-and-true process that should reveal the answer to you. That is, of course, if you actually follow the 3 steps below...





### International Journal of Advanced Research in Science, Communication and Technology (IJARSCT)

International Open-Access, Double-Blind, Peer-Reviewed, Refereed, Multidisciplinary Online Journal

Impact Factor: 7.301 Volume 3, Issue 8, January 2023

### Step 1. Identify What's Working

Where are your sales coming from right now? Is Google Ads search advertising working? How about search engine optimization (SEO)? Facebook Ads? Email marketing?

If you're scratching your head, don't worry, you're not alone! Most businesses I talk to struggle to identify which marketing channels are profitably driving leads and sales.

To be clear, I'm not talking about website traffic. Just because you're getting thousands of visitors from a marketing channel doesn't mean it's working. I'm talking about conversions (leads and sales). And the only way to talk about conversions is to have conversion tracking installed on your site.

That's step one. Install conversion tracking and then review the data to identify what's working. Sounds simple enough, right?

### Step 2. Identify Your Bottleneck

In step 1, you determined which marketing channels are driving leads and sales. Now it's time to dig a little deeper to see how we can improve what's already working.

The question we're looking to answer is, "Where is your sales funnel breaking down?" In other words, where's the bottleneck? What's preventing those marketing channels from generating even more leads and sales?

The analogy here is a hose. If you've ever played with a hose, then you know that you can slow down, and even stop, the flow of water by making a kink in the hose. I remember as a kid I used to make a kink in the hose, get close to an unwitting friend, and then release the kink to shoot the water out like a fire hose.:)

The kink in my example is the bottleneck. And our job is to find these kinks and release them so the sales can shoot into your business.

In order to find the kinks, you need to document your entire sales funnel. By that, I mean write down every single step in the sales process from when a person lands on your website to when they become a paying customer. Once you have your sales funnel mapped out, then dig into your analytics to see the conversion rates from each step to the next.

I guarantee that if you go through this process you'll find steps where a high percentage of prospects are getting clogged up and not converting to customers.

### Step 3. Write Down the Specific Next Steps

Let's imagine you run an e-commerce website. Let's say you've been following along here and you identified that SEO is driving conversions but that your final checkout page is a major bottleneck to sales. Lots of prospective customers are adding products to their cart, clicking through to the checkout page, but not completing their order.

Now what?

Well, the natural instinct here is to write down a task like "fix checkout page" or "improve checkout conversions." Don't worry if you already wrote that down... I struggle with this as well.

The problem is that those two tasks are not the very next steps to make an improvement. The very next step is to either brainstorm with your team or a consultant to get ideas to test. Then you'll need to get your web developer to create the new checkout page. And finally, you'll need to create a split test experiment to see if your new page statistically improves the conversion rates of your current page.

#### See the difference?

On the surface, it may not seem like much, but if you write down the specific next steps rather than the overarching goal, then you'll be more likely to cross it off your "To Do" list — and improve your ROI.

Plan an ROI Focused Digital Marketing Strategy

In this modern age of digital media, traditional offline marketing for promoting any products or services is almost being died. Majority of the people are now tech savvy, use sorts of digital media as necessary consumer parts and also for doing collaboration. To reach to the target audience marketing people are now considering to use various digital advertising channels such as World Wide Web or Internet, Television, Radio, Mobile or any other form of digital media.





### International Journal of Advanced Research in Science, Communication and Technology (IJARSCT)

International Open-Access, Double-Blind, Peer-Reviewed, Refereed, Multidisciplinary Online Journal

Volume 3, Issue 8, January 2023



For the interactive nature of online media, advertisers are more likely to spend majority of advertising budget through online for website traffic acquisition and lead generation. Also now people pass majority of their personal time through online for collaborating with friends & family. Even they are now habitat to shop necessary things through online. For this, online media becomes an attractive channel for advertisers to promote any products or services. There are many popular and profitable online marketing channels like pay per click or PPC marketing, email marketing, social media marketing, search engine optimization or SEO, affiliate marketing, banner advertising, viral content campaigns, CPA model, display advertising, and more.

Return on Investment or ROI is an important calculator in any effective digital marketing strategy. It is the indicator for overall success or failure of any marketing campaign. Successful digital marketing strategy will return positive value for any businesses. Generating an ROI plan should be first step in any online business or product promotion plan. An effective ROI plan covers many things like mapping out costs, planning expenditures, cost monitoring, and be able to apply it to any sorts of investment.

The chart below represents the opinions of Rand Fishkin from SEOMoz and his interactions with other marketers. From this chart we can easily predict the cost of marketing channel with effort to gain return of investment (ROI).

|        | Marketing<br>Channel             | Average<br>ROI | Average<br>Effort | Average<br>Cost |
|--------|----------------------------------|----------------|-------------------|-----------------|
| Tier 1 | Conversion Rate Optimization     | High           | High              | Mid             |
|        | Search Engine Optimization (SEO) | High           | High              | Mid             |
|        | Email Marketing                  | High           | Mid               | Mid             |
| Tier 2 | Viral Content Campaigns          | Mid            | High              | Low             |
|        | PPC Advertising                  | Mid            | Low               | High            |
|        | Affiliate Marketing              | Mid            | Mid               | Mid             |
| Tier 3 | Display Advertising              | Low            | Mid               | High            |
|        | Social Media Marketing           | Mid            | High              | Mid             |
|        | Online Public Relations          | Low            | Mid               | Mid             |

Develop an ROI focused digital marketing strategy to promote your products or services and gain reputable outcomes! If you don't know how to plan an ROI focused digital marketing strategy, hire a freelance digital marketing consultant or professional digital marketing agency to take care of that.

2581-9429



### International Journal of Advanced Research in Science, Communication and Technology (IJARSCT)

International Open-Access, Double-Blind, Peer-Reviewed, Refereed, Multidisciplinary Online Journal

Impact Factor: 7.301

Volume 3, Issue 8, January 2023

iSearchTek is a data-driven digital marketing solutions provider. By leveraging the latest technologies and employing a wide range of online marketing techniques, iSearchTek assists you in achieving your business goals and unlocking new possibilities at an affordable cost!

