



# THE CMO'S GUIDE TO EMAIL MARKETING

**Email Marketing ROI:**  
What leads to better returns?

Want better ROI from email marketing?  
Our State of Email Survey findings point  
the way to higher returns.



Email offers the highest return on investment (ROI) for marketers year after year. And with 60% of marketing executives saying they plan to send more email in the future, it's crucial to get the maximum return from every email send. Our most recent survey shows that the ROI for email is 36:1, but there are ways to even increase that impressive number.

The results not only show email's powerful ROI, but illustrate which email marketing tactics and strategies offer the biggest benefits to marketers. And they also show which tactics don't pull much weight when it comes to generating ROI.

Whether you're leading a team of one, or a team of hundreds, these findings will likely help you make decisions as you plan and strategize for your email marketing program for the rest of this year and into the next one.

## Executive Summary

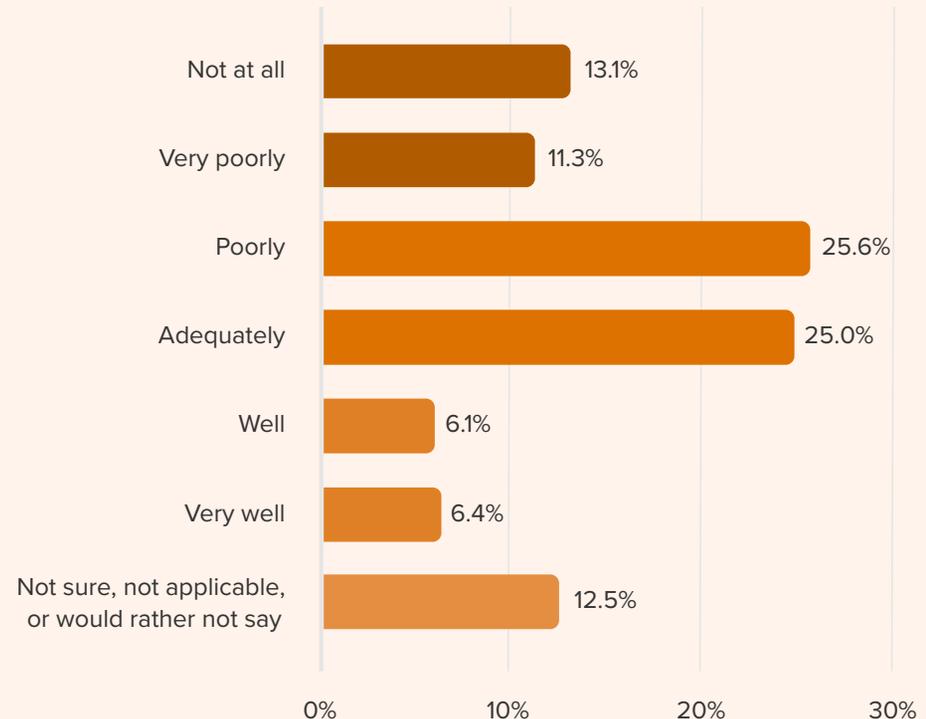
- **Regulatory compliance could actually lead to a higher ROI.** ROI in countries with stricter compliance laws see 12% higher returns in email.
- **Adding resources to your team could increase your ROI.** Investing in a well-resourced team could lead to a 15% higher return for your email program.
- **A larger list does not mean a larger ROI.** This trend has changed from years past. There is now a point of diminishing returns.
- **Sending too few or too many emails per month hurts email ROI.** 9-16 emails per month tends to be the sweet spot.
- **QA, A/B, and spam testing your emails leads to higher ROI.** Enjoy up to a 28% higher return when you put testing to work for your email program.
- **Personalizing content leads to higher returns.** Use dynamic content, animated GIFs, and live content (while you can).

# How well are companies measuring ROI?

In order to optimize your email marketing ROI, you have to be able to measure it. According to our research, 25% of companies state they adequately measure ROI from their email efforts. In fact, less than 13% reported they are doing “well” or “very well” in analyzing results from their email investments. Although measuring ROI helps marketers validate their efforts, it’s still a challenge for many. In fact, 50% of our survey respondents reported that they measure ROI “poorly,” “very poorly,” or “not at all.” Because we want our ROI calculations and findings to be as accurate as possible, we excluded these respondents from our results.

Though some companies struggle to measure their efforts, all marketing teams want to get the highest returns they can. Any company can continually iterate and improve on their email marketing program, but it’s much easier to quantify results if ROI can be analyzed.

How well does your company measure the ROI of its email marketing efforts?



Discover how much email-driven revenue you’re leaving on the table

Litmus’ ROI Calculator helps you quantify how much you could potentially increase your conversions, profits, and results with the Litmus solution.

[Try it today](#)

# What factors influence ROI?

We took a look at a wide range of factors and were surprised by some that were associated with an increased ROI and some that weren't. We broke down the factors into five major categories to make this information easier to digest, including:

- 1) [Company](#)
- 2) [Email Program](#)
- 3) [Testing](#)
- 4) [Personalization & Content](#)
- 5) [Analytics](#)

## 1. Company

### Regulatory environment

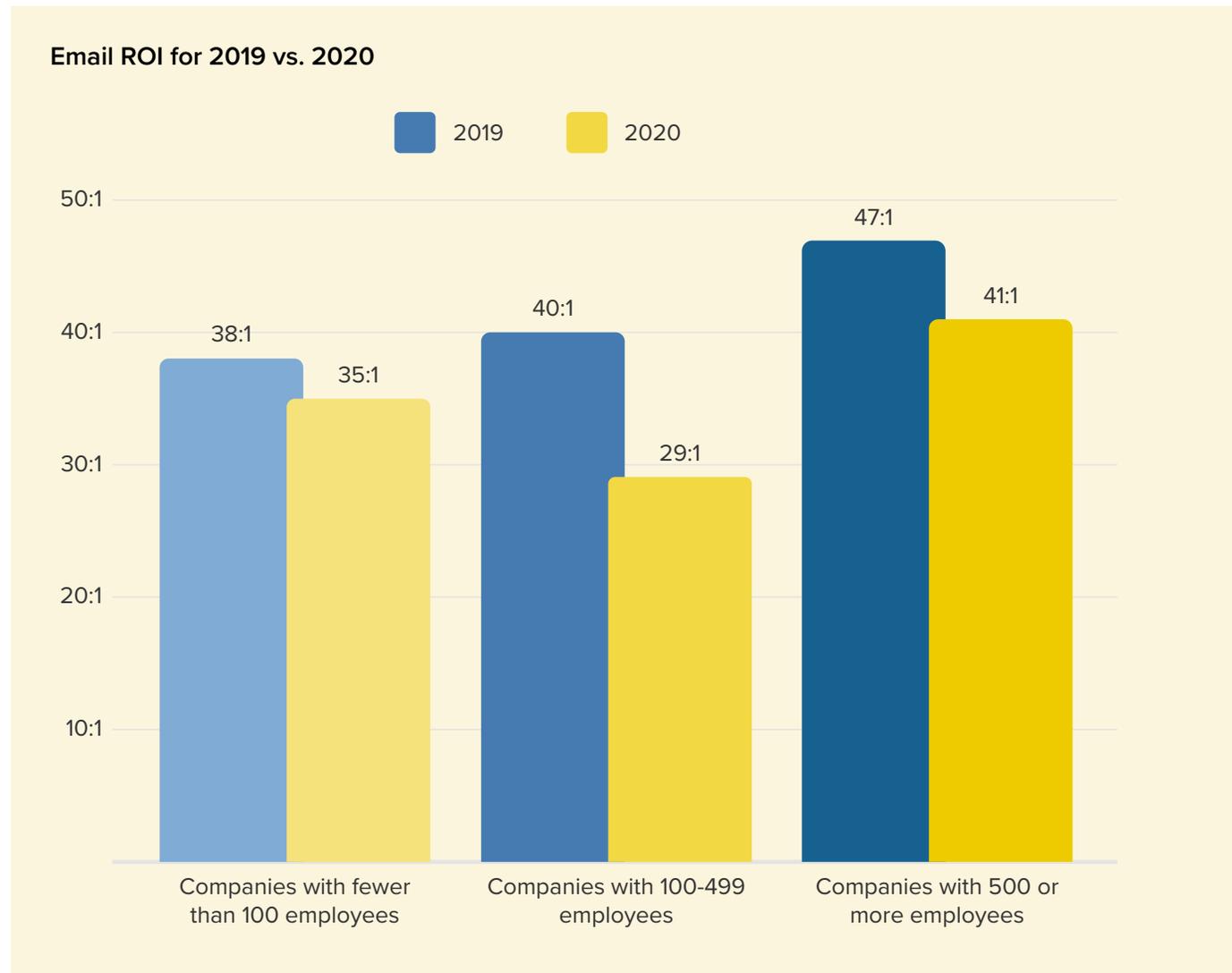
The European Union (EU) and United Kingdom (UK) have the strongest anti-spam and privacy laws in the world—and [GDPR](#) made them even stronger. On the other hand, the United States (US) has traditionally had relatively lax email marketing laws, but with state regulations like CCPA coming to fruition and others likely to follow suit, times are changing. With the [death of the third-party cookie](#) in 2023 in the US and [Apple's Mail Privacy Protection](#) going into effect later this year, the regulatory landscape is shifting to being a huge part of your email strategy, and therefore ROI, which might not be such a bad thing.

Our research findings show that EU countries plus the UK enjoy an average ROI of 41:1 edging out America's 36:1. Based on that, it would seem business fears around tougher email and privacy regulations might just be overblown. Tighter rules appear to have a neutral to slightly positive effect on the returns seen by legitimate marketers, while improving the overall email environment by reducing spam and giving consumers more control.

### Company size

“The larger the company, the higher the email ROI,” no longer holds true. It looks like the pandemic hit medium-sized companies with 100-499 employees the hardest going from an ROI of 40:1 in 2019 to 29:1 in 2020. That’s a 27.5% drop.

Companies with fewer than 100 employees saw the lowest percentage change of about 8% with a drop in ROI from 38:1 to 35:1. Large organizations saw almost a 13% drop from 47:1 to 41:1. One could suggest that smaller companies were able to be more nimble, and larger teams were better resourced to cope with the pandemic.





### Email team size

The size of your email marketing team similarly affects returns. For example, programs with two or fewer full-time employees generate an ROI of 30:1 on average, compared to 42:1 for programs with three to five full-time employees. Staffing is a critical element of resourcing, and resourcing levels correlate strongly with email marketing success. [40% of marketers also report they're under-resourced](#), so adding resources could be the answer to a higher ROI.

### Industry

ROI also fluctuates based on industry. The retail, ecommerce, and consumer goods or services industry reported substantially more ROI (45:1) than software and technology companies (36:1).

This may be due to the retail industry's knowledge of email tactics and ability to pivot in a year needing accelerated change. Think: curbside pick-up, app improvements, and more. These industries also tend to have a more measurable call-to-action—with email campaigns designed to lead to immediate purchases—that makes it easier to attribute financial gains to email marketing.

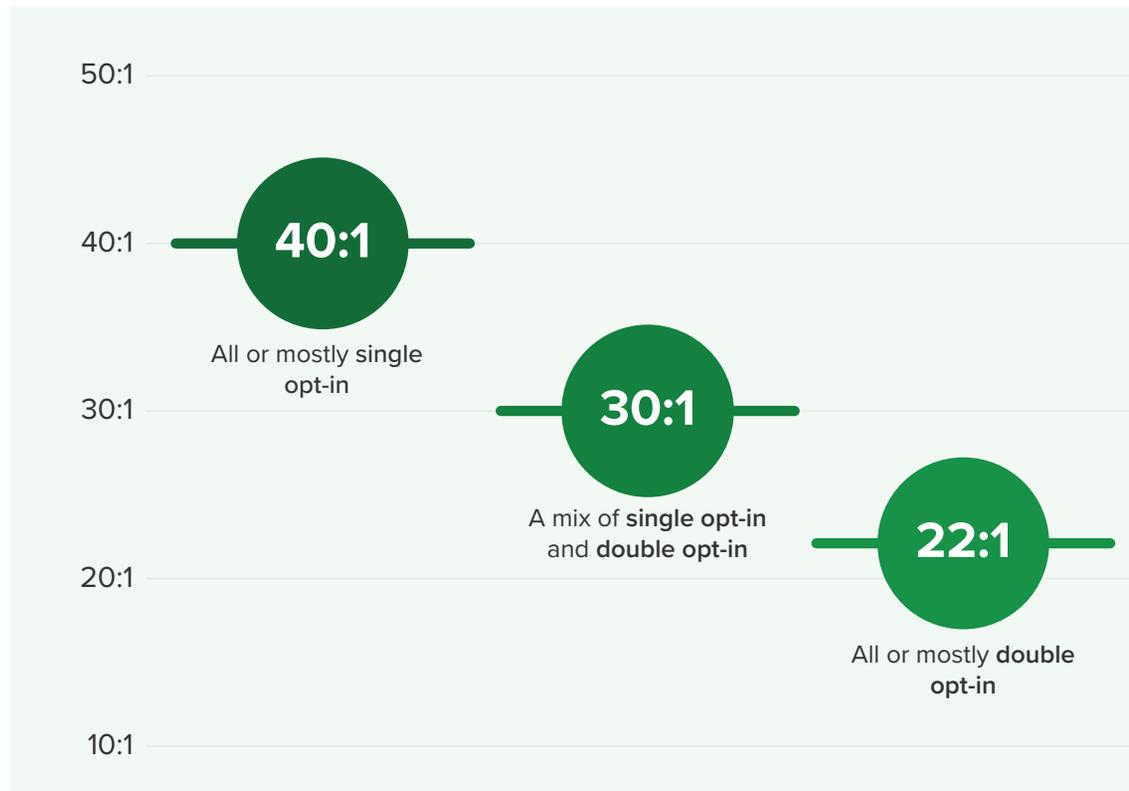
## 2. Email Program

### Email list size

How many subscribers are on your list? This has a significant impact on ROI. Brands with less than 500,000 subscribers reported an ROI of 33:1, whereas those with more than 500,000 generate an ROI of 42:1. There is a point of diminishing returns though. Teams with a list size larger than 5 million subscribers only reported returns of 37:1. The true power here isn't in the absolute size of a list, but in the engagement and productivity of that list. It's not enough just to have a lot of subscribers—you need subscribers that engage with your emails. We think that's the real lesson: More subscribers engaging with your messages lead to better returns.

### Permission practices

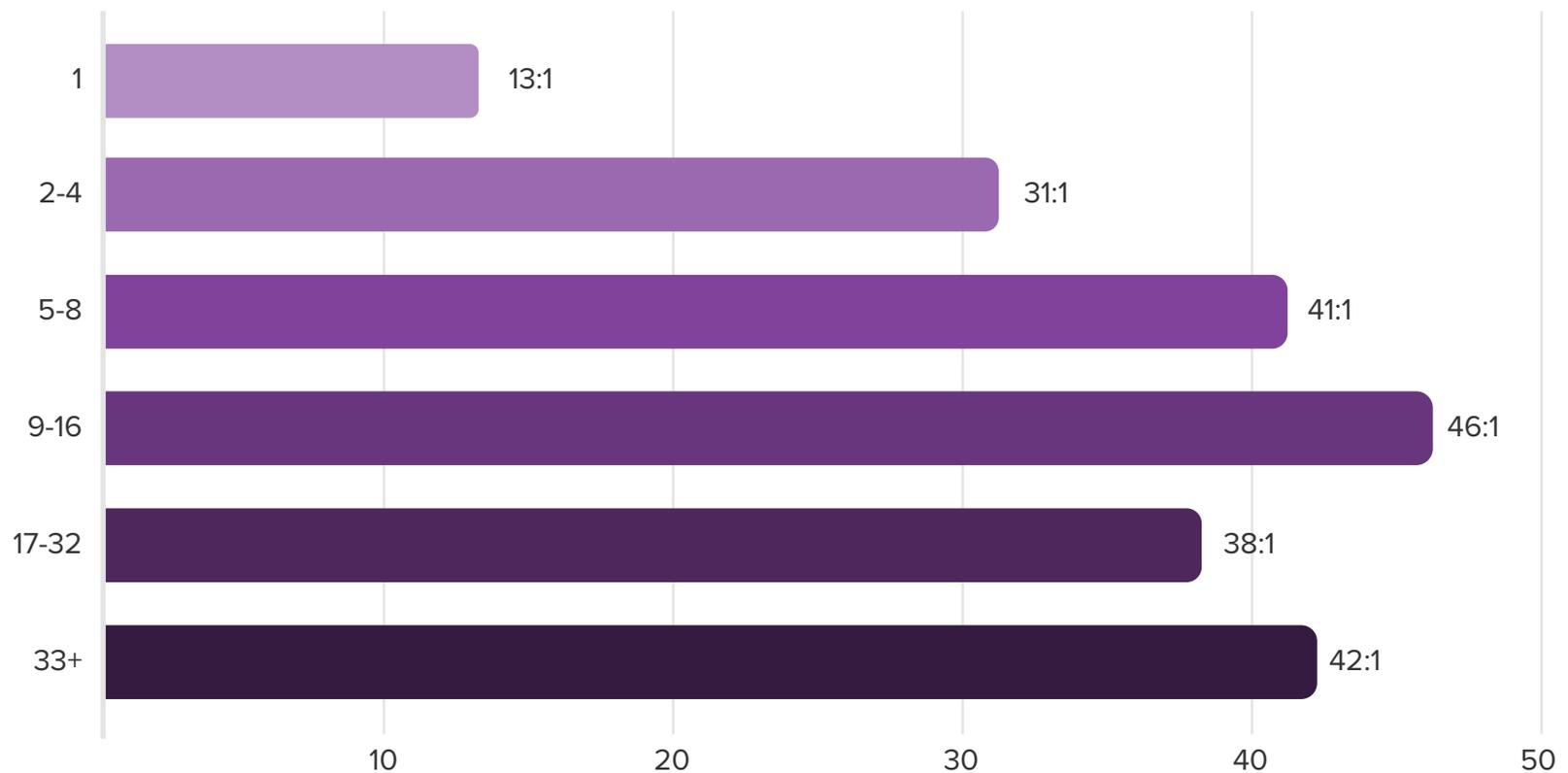
In the past, we've seen single opt-in (SOI) generally boost list size at the expense of quality, while double opt-in (DOI) sacrificed list size to improve quality. Based on survey results, we're not seeing that trend continue. For example, companies that use a SOI process for all or most of their subscriber acquisition sources generate an ROI of 40:1, compared to an ROI of 22:1 for those using mostly DOI. This could be because marketers are being more explicit in opt-in language or audiences are more educated on what to expect when signing up for content, email lists, and more.



## Email frequency

Some marketers believe that more email equals more success—but that's only true to an extent. According to our research, the sweet spot appears to be somewhere between 9-16 emails per month per subscriber. Sending a moderate amount of 9-16 emails generated an ROI of 46:1, while sending less or more yielded lower returns.

### Sending too few or too many emails hurts email marketing ROI



## 3. Testing

### Spam filter testing

Email deliverability is essential. After all, if emails can't reach your subscribers, you'll never see engagement. But 16% of permissions-based emails never make it to the inbox—and those businesses are leaving money on the table. If your emails don't even make it to the inbox, it means wasted time, wasted resources, and zero results.

It's no surprise that companies that run emails through spam filter tests before sending them see a substantially higher ROI (39:1) than those who don't (28:1).



### Make it to the inbox, not the spam folder— with Litmus

Identify issues that might keep you from the inbox and get actionable insights for how to fix them with Litmus Spam Testing. Enjoy a 39% higher ROI with spam filter testing vs. those who don't.

[Get a higher ROI →](#)

### Email preview testing

Testing the rendering and functionality of your emails across email clients ensures that you deliver a great customer experience. When brands don't run quality assurance tests, the performance of their emails suffers. Our research suggests brands that test every email before sending generated an ROI of 40:1 on average vs. those who never test achieved a 34:1 ROI.



### Test your emails in an instant with Litmus Email Previews

Always know when email clients update their email rendering with Litmus Email Previews. Preview your emails in 100+ popular email clients and devices and spot errors before you send. Test with Litmus Email Previews and enjoy a 17% higher ROI than those who don't.

[Learn more →](#)

# How much email revenue are you leaving behind?

Total email marketing revenue is expected to reach **11 billion** by the end of the year—but that revenue is anything but guaranteed.

Tap into the full potential of email's 36:1 ROI and calculate how much the Litmus solution could potentially increase your conversions, profits, and results.

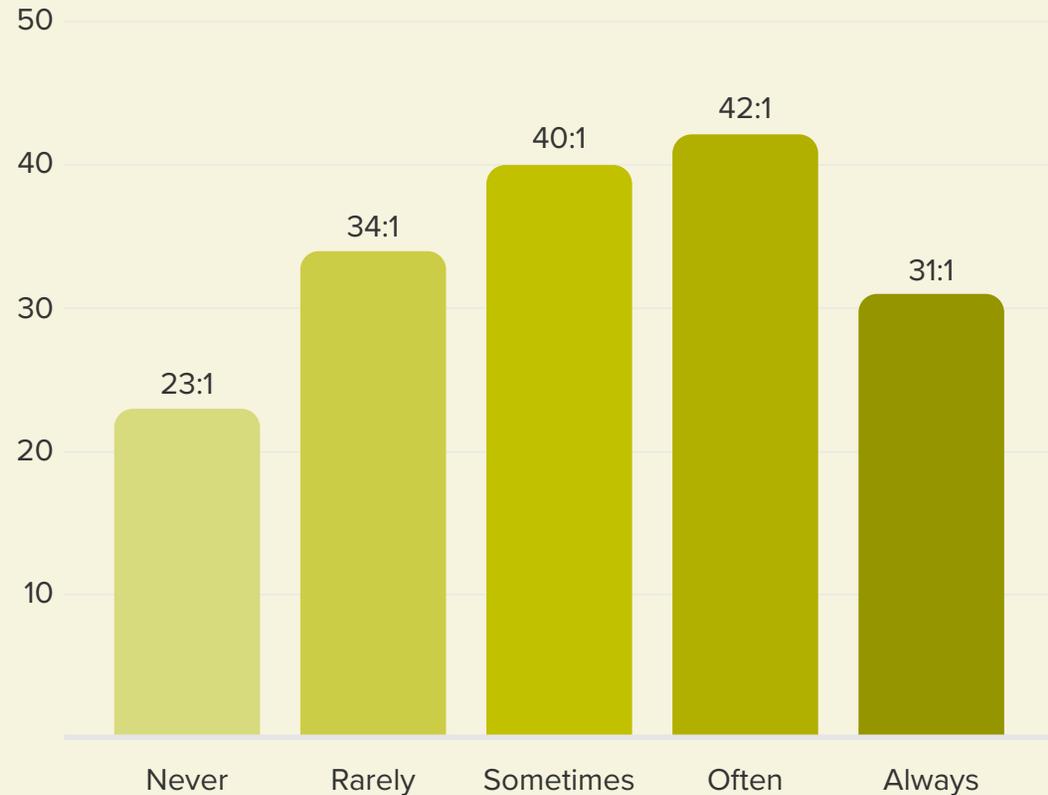


[Calculate my missing revenue](#)

## A/B testing

Analytics give you valuable insights into the messaging that resonates with your subscribers. [A/B testing](#) accelerates those learnings by exposing a portion of your subscribers to one version of an email or landing page and another portion of your subscribers to another version to see which version performs better. The more email A/B testing you do, the greater the benefits. For example, brands that never A/B test their broadcast and segmented emails generate an email marketing ROI of 23:1, whereas brands that often include an A/B test in their emails generate an ROI of 42:1.

## How often does your company typically A/B or multi-variate test emails?



## Pre-send checklist

Before sending an email, it's important to make sure that content is free of spelling errors, renders across devices, has the correct subject line, and so on. How do companies ensure this happens? Successful brands follow extensive pre-send checklists each and every time an email is about to be sent. Our research found that companies that use an extensive pre-send checklist saw a substantially higher ROI (40:1) than those that don't use a checklist (28:1).

## 4. Personalization & Content

### Dynamic content

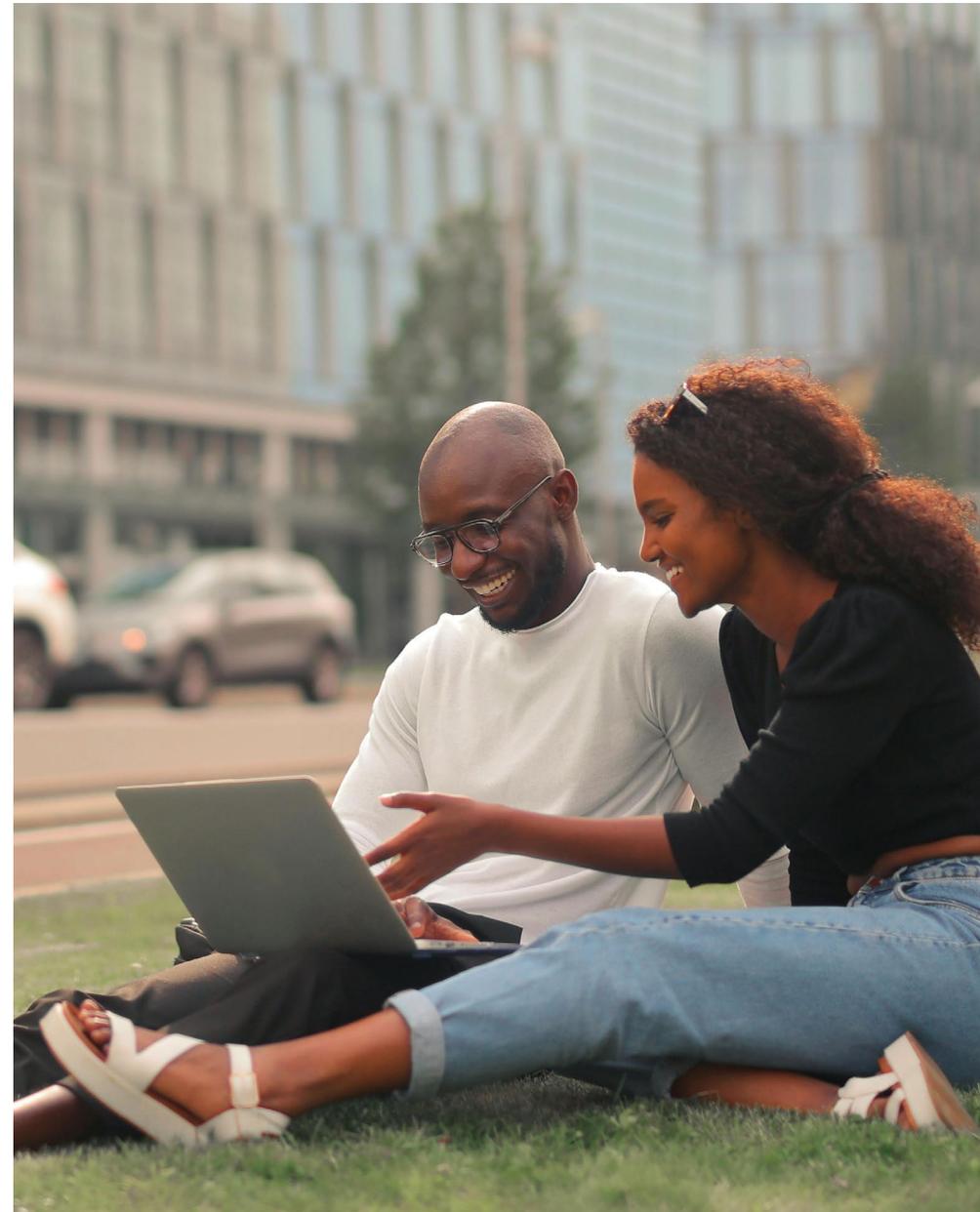
Personalization is a key way for brands to create relevancy in their email messages. By leveraging demographic, behavioral, and other data, it helps brands demonstrate they know and understand subscribers on a meaningful level. Unsurprisingly, the more often you use dynamic content and personalization, the better the performance. For instance, **brands that never or rarely include dynamic content see an email marketing ROI of 12:1, compared to 43:1 for brands that “often or always” include it.**

### Animated GIFs

Companies that included animated GIFs in their emails saw higher ROI than those who did not. **Those who “often or always” included them saw an ROI of 37:1, while those who never included them saw an ROI of 18:1.** This suggests that animated GIFs make emails more engaging to subscribers—and that drives results.

### Live content

Similarly, live content can lead to better engagement and substantial ROI. Those who “often or always” use live content in their marketing emails reported an ROI of 57:1, which is much higher than the average ROI reported. Those who never use live content saw an ROI of 27:1, less than the overall average.



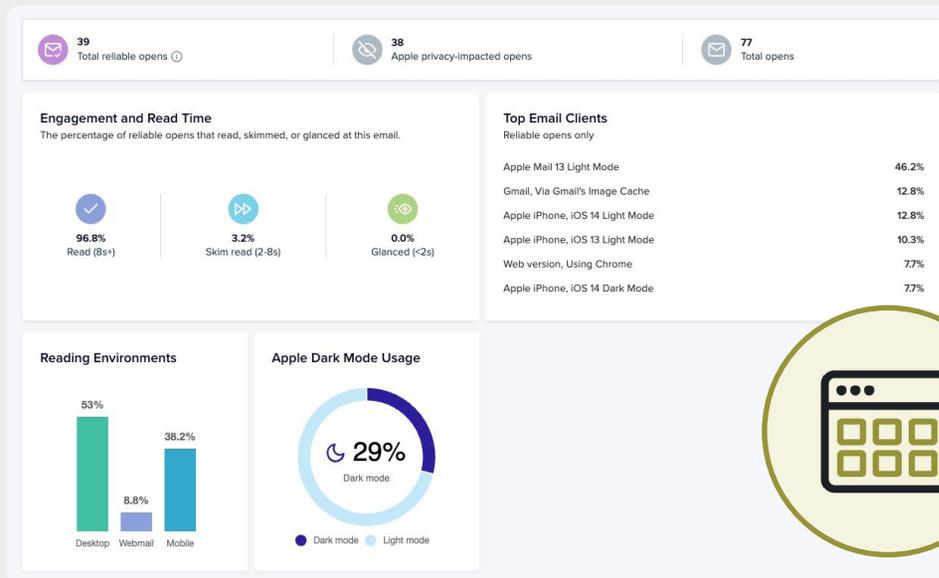
## 5. Analytics

### The use of additional analytics tools

Companies that use additional email analytics tools reported a higher ROI than those that did not, most likely because they are leveraging as much data as possible to iterate and improve on their campaigns.

**Those that use additional analytics tools to supplement the email metrics and performance dashboards provided by their email service provider saw an ROI of 45:1. Those who didn't reported an ROI of 37:1.**

The use of robust analytics tools contributes to a greater understanding of what works and what doesn't—and that's what drives continuous improvement and, ultimately, higher returns.



### Litmus Email Analytics

Get better insights—and higher returns—with Litmus Email Analytics. Brands that utilize Litmus Email Analytics generate an ROI of 45:1 on average. That's 21% higher than the average ROI of brands that only rely on email insights provided by their ESPs.

[Get Insights →](#)



## What you can do to increase email ROI

Some strategies proven to increase ROI require long-term planning. For example, growing your email team can't happen overnight. Similarly, growing your email list in a healthy way requires time and careful planning. But there are ways to see measurable ROI improvements, faster. Consider these actions and check them off:

### **Leverage dynamic, personalized, or animated content.**

Companies that use [dynamic content](#) to personalize their campaigns are better able to engage subscribers—and that leads to higher returns. Encourage your team to explore how you can use insights on different interests, backgrounds, locations, etc. to dynamically serve relevant content. Those efforts will pay off.

**Use a pre-send checklist to test every email.** If your team doesn't use an extensive pre-send checklist yet, it's time to make changes to your workflow. Using an extensive pre-send checklist strongly correlates with higher ROI because a guided, standardized list of checks ensures that each email that goes out is free of errors and fully optimized. Tools like [Litmus Test](#) can help automate and standardize the pre-send testing process.

**A/B test your emails.** A/B testing every email ensures the best version gets sent every time, making it easier to gain ROI from your campaigns. Make continuous A/B testing a priority for your team.

**Utilize spam testing tools to ensure your emails reach the inbox.** Brands that use spam testing tools to catch deliverability issues before they send are more likely to reach the inbox—and are proven to get higher returns from their email marketing. Investing in spam testing tools like [Litmus Spam Testing](#) pays off quickly.

**Use additional email analytics tools.** Although ESPs come with their own analytics dashboards, more robust tools can help you analyze what's working and what's not, so you can ultimately increase ROI.



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**Get more information** about how Litmus  
can help your brand achieve its goals.

[Boost ROI with Litmus →](#)