

DIRECT

[DIRECT - HOME](#) » [MAGILLA MARKETING](#) » [E-MAIL ROI STILL STUNNING, STILL SLIPPING: DMA](#)

E-mail ROI Still Stunning, Still Slipping: DMA

Oct 20, 2009 2:19 PM, By Ken Magill

Another year, another Direct Marketing Association economic-impact study claiming e-mail's return on investment far outshines the ROI of other marketing channels, but is slowly slipping.

Commercial e-mail returned a whopping \$43.62 for every dollar spent on it in 2009, according to the DMA's just-released Power of Direct economic-impact study—an effort the trade organization publishes every year at its annual fall conference.

For comparison's sake, the second highest marketing ROI came from Internet search advertising, which returned a healthy \$21.85 for every dollar spent on it in 2009, according to the study, done by financial-analysis-and-forecasting firm Global Insight on behalf of the DMA.

Meanwhile, non-catalog direct mail returned \$15.22 for every dollar spent in 2009 while catalogs returned \$7.32, according to the study.

E-mail's ROI is down from \$44.93 for every dollar spent in 2008, according to the study, and is projected to dip slightly again in 2010 to \$42.08.

Last year's Power of Direct economic impact study predicted e-mail's return on investment would steadily drop year by year to \$37.99 for every dollar spent in 2013. This year's study, however, only goes as far as 2010.

In any case, not surprisingly to anyone who's in it, the e-mail industry is small.

Commercial e-mail currently employs 110,000 people and is projected to employ 112,700 in 2010, according to the DMA.

For comparison, Internet search currently employs 604,500 people and is projected to employ 620,400 in 2010, according to the study.

Also not surprisingly, spending on commercial e-mail is a pittance compared to other channels.

Marketers spent \$600 million on the channel in 2009 and are expected to spend \$700 million on it in 2010, according to the DMA.

This is compared to \$11.2 billion—with a “b”—marketers spent on Internet search in 2009 and \$12.2 billion they are projected to spend on the channel in 2010.

Moreover, marketers spent \$44.4 billion on direct mail in 2009—down from \$52.6 billion in 2008—and are projected to spend \$45.5 billion on the channel in 2010, according to the DMA.

Also—since e-mail never panned out to be the prospecting medium many thought it would be a decade ago—it should come as no surprise that e-mail drives fewer sales than most other marketing channels, according to the study.

Commercial e-mail drove \$26 billion in sales in 2009—down from \$26.4 billion in 2008—and is projected to drive \$27.9 billion in 2010, according to the DMA.

For comparison, Internet search drove \$243.9 billion in sales in 2009 and is projected to drive \$266.3 billion in 2010, according to the DMA.

The only Interactive marketing channels that drove fewer sales than e-mail were social media, which accounted for \$14.3 billion in sales in 2009, and mobile, which accounted for \$2.1 billion in sales in 2009, according to the DMA.