Here’s why tracking marketing ROI is so important

No one wants to pour resources into a campaign that has yielded no successful results. Tracking and measuring your return on investment, or ROI, allows you an in-depth, data-backed picture of where and how your marketing dollars are being spent.

That’s why taking stock of your marketing efforts, down to the number, helps you determine where your time and funds are best spent for maximum effectiveness.

Below, you’ll find a few concrete reasons why measuring and tracking ROI should be a foundational tenet of your marketing routine and how adopting this habit can meaningfully impact your business.

Separating the ideal from the mediocre

Although the instinct may be to cover all your bases when it comes to traditional and digital marketing, isn’t it wiser to choose the medium that’s yielded concrete returns?

Tracking the effectiveness of your ROI creates a clear correlation from where your marketing dollars are spent and how many leads and clients you’ve reaped as a result.

Simply engaging with new clients about where they found your services can give you a good picture.

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If almost all of them found you online, you know that putting dollars toward your digital presence is a better choice than continuing to run print ads.

Casting a wide net isn't always a bad thing, but the more efficient and cost-effective choice is to double down on what you know is working. By tracking and measuring your ROI, you have the hard data to make the right allocation choices.

Determining how much each new client costs

Data measuring can be liberating because it takes abstract concepts and distills them into evidence-based information.

If you take the time to track and measure ROI, you'll know exactly how many dollars you put into marketing last year and how many new clients were generated as a result.

This helps you determine how many marketing dollars you're spending per new client.

Information like this is useful on many fronts: you can determine whether you're spending too much or too little on marketing, which marketing channel is most cost-effective for reeling in new leads and how much profit you're really making on a per-client basis — to name just a few.

Working as your own personal fortune teller

Although you can't account for every foreseeable future scenario, tracking and measuring your ROI is an excellent way to get a glimpse down the road. If you have weeks, months or years or data that show personalized marketing trends, you can make informed decisions based on what's already transpired.

Marketing doesn't have to be a best-guess game. Instead, you can use tailor-made data to make good decisions, time and again, or learn from missteps and avoid making them in the future. This empowers you to waste fewer dollars on unsuccessful outlets and reduce your stress along the

way.

Instead of gambling your marketing dollars, treat your business like the well-oiled machine it deserves to be. Invest the time in gathering ROI data, and you'll be able to make smarter decisions based on a verifiable track record.

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