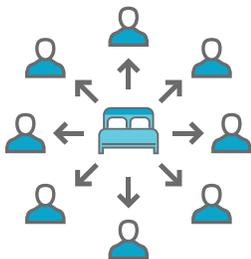


REFERRAL MARKETING BY THE NUMBERS

Mattresses, Bedding, and Home Goods

A deep dive into the results online mattress, bedding, and sleep businesses see from Ambassador's referral marketing technology



If you've ever bought a mattress at a brick-and-mortar store, you'd know that it isn't the most enjoyable — or inexpensive — experience. Sales people hover around you. Variances in product stiffness and quality can make it difficult to choose the right mattress. And, if you do buy a mattress and don't end up liking it, very few retailers make the return process easy.

This is precisely why online mattress companies like [Leesa](#) and [Brooklyn Bedding](#) have been so successful, so quickly. With products that meet or exceed most customers' quality expectations, and a distribution model (free shipping and returns, and 60+ day trial periods) that makes buying a mattress delightfully simple, it's not surprising that customers are flocking to these companies and happily sharing the experience with their friends.

How Referrals Power Awareness for Web-based Sleep Brands

Take one look at the growth of this industry and it's obvious the market opportunity is huge. But we wanted to study this opportunity in the context of consumer activity. How willing are customers to promote brands? And what value can be placed on that word-of-mouth?

To answer those questions, we studied data generated by our customers in the mattress and bedding industry. Here's what we found after analyzing 12 months of referral activity (numbers averaged across multiple customers):



8,465

Average Number of Ambassadors



12.4

Number of Website Visits per Link Share



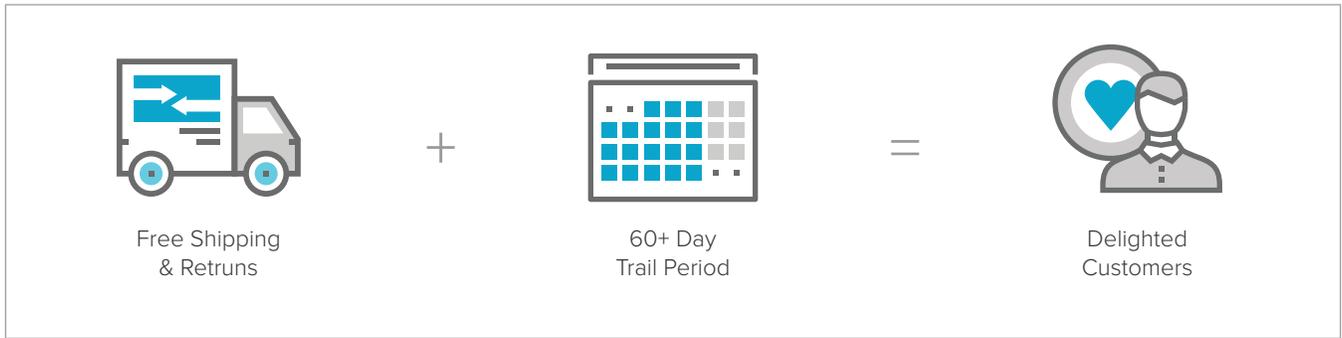
14.5x

Average Referral Marketing ROI in Year 1

Key takeaway: While those numbers may not seem overwhelming, try comparing them against cost-per-click averages for highly competitive keywords through Google AdWords or other paid acquisition networks. With an average of 8,465 ambassadors, three link shares per ambassador, and 12.4 clicks per link share, each mattress brand is generating nearly 315,000 website visits — and, because referral incentives typically hinge on a purchase, they're not paying a dime for those impressions until they convert to revenue.



Products that Meet or Exceed Most Customers' Quality Expectations



The Journey from Impression to New Customer (and Money in the Bank)

Now, let's talk revenue. As most marketers and growth strategists know, impressions are only worth so much. And they only *really* matter if they efficiently and cost-effectively convert to bottom-line revenue.

So, how are Ambassador's online mattress and bedding customers performing in that regard? We'll let the numbers speak for themselves.



Key takeaway: With an average incentive of \$50 per referral, each of these brands spent just over \$34,000 to generate more than \$496,000 in new revenue. That's a 14.5x ROI from a channel that's relatively risk free and easily scalable.

$$\begin{array}{r} \$496,000 \quad - \quad \$34,000 \\ \text{New Revenue} \quad \quad \quad \text{Incentive Cost} \\ \hline = \quad \mathbf{14.5x} \\ \text{ROI} \end{array}$$

Want to find out how Ambassador can help your brand fuel new customer acquisition through referral marketing technology? [Click here to schedule a demo](#) and find out how we've helped several other home goods and housewares brands turn their customers, fans, and influencers into cost-effective revenue generators.