

Ways to Slice and Dice Your Email List and Measurement

BY REGINA BRADY (published in Target Marketing Magazine, April, 2009)

As direct marketers, you know “the devil is in the details.” Being able to drill-down on results is important to determine future strategies. It takes discipline and the application of direct marketing tenets. But you can fine-tune your results, target better and reap the rewards. Here are a few thoughts to help you do so.

Conduct an Annual Physical of Your List Fitness

It’s wise to make an appointment with your doctor for an annual physical. It’s just as important to determine the health of your list. Use your “churn” rate as one metric to assess your overall list fitness. Churn is a measure of names you lose due to a variety of reasons.

Picture a bucket with a leak. Once you determine how much fluid leaks out, you can determine how much additional liquid you’ll have to add to keep the level in the bucket even or how much is needed to increase capacity. With email the negative factors that will reduce list size are opt-outs, hard bounces, soft bounces that are retired after a certain threshold is hit, and spam complaints. The frequency of email campaigns will also affect churn. A monthly email will result in losses to your list size; campaigns that are sent twice weekly (or eight times a month) will incur many more opportunities for reduction in list size.

To examine churn you’ll want to plot the number of names you have at the start of a year and then plot over time the average patterns you’ve seen for each of the negative factors mentioned. Create a simple spreadsheet and chart this activity for a full year based on the frequency of your campaigns. This will allow you to see how many new names must be added to stay steady, or how many new names you need to increase your list by a factor that you set.

Examine Attributes that Affect Performance and Make a Difference

Your email database should be composed of multiple fields. Now may be the time to re-think the data fields you collect at sign-up and add additional fields.

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Most email systems allow you to run queries and analyze performance based upon the data fields that have been set up for the list. It takes pre-planning to do this right. And, there is no magic bullet. What is right for one marketer may not be practical to another. Here are a few areas that should be worthwhile.

Maintain the source of each name. For example, you might separately code site email sign-ups, names collected from contests or sweepstakes, appended names, trade show leads, and more. Each source is likely to perform differently, so the addition of this field to your database should give you valuable insights. For example, you may find contest and sweepstakes as a source yields very low opens and click-throughs while email addresses collected during check-out perform remarkably well. This allows you to fine-tune your marketing strategy and invest in efforts that will yield the most responsive names.

Look at other attributes that are collected at sign-up or added to your email file from information that resides in your offline centralized customer database. It is relatively easy to import information from your centralized data repository to your email file. You might want to identify customers, online buyers, leads, multi-buyers or those who purchase in multiple channels. Think about how valuable this information could be to planning email communications, since you'll understand more about their past activity and can zero in on these patterns in your messaging. Or, you may have collected gender, interests, state or region information during sign-up and this information can be useful in planning targeted efforts.

Study email behavior. It's important to be able to look at those who have not opened or clicked an email in a certain period of time. You can then plan re-activation campaigns for this group.

Campaign Analysis Ideas

Any good reporting system will report on the standard email metrics. You'll want to analyze each campaign in terms of sent, delivered, bounces, total opens, total click-throughs, opt-outs, and new additions to your list (if you include a sign-up link within your emails). All calculations for activity should be based on delivered emails, not gross names sent.

Here are some analytic approaches designed to give you additional insights.

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Clicks to Opens. This is a measure of how engaged recipients are with your messages. Given the assumption that someone has opened your message, it's helpful to see how many of those who opened actually clicked through to your site. Let's say that your open rate is 20% and your click-through rate is 5%. The Click to Open rate is 25% (5% divided by 20%). As you examine the different types of campaigns you send (new product announcement, discounts and sales, emails with ratings and reviews, etc.) you'll be able to determine the average for each type and see well they stimulate engagement.

If you see certain types of campaigns are standouts, you can drill down deeper in an attempt to figure out why. Was it the subject line? Was it the design? Was it the way you presented the call-to-action?

Clicks on primary links. There are likely to be many links in an email campaign. In addition to your primary offer you may have site navigation links, a link to view the HTML version, opt-out and other administrative links and secondary offers. If you just look at overall click-through results, you may be missing a piece of the puzzle.

Drill-down further on click-through activity and determine what your click-through rate is for primary, secondary and administrative links. This may also shed light on how well your template is working.

Conversions. E-commerce marketers will want to measure how many of those who clicked-through on a link actually made a purchase. In the instance where a marketer wants recipients to register for a contest or promotion, it is helpful to know what percentage of click-throughs did so. Not all email reporting systems are able to report specific site activity, but you can also look at your web analytics to determine the conversion rates.

Revenue per Thousand. E-commerce marketers who can track sales can also examine their campaigns to determine the revenue derived per thousand emails delivered.

Product and revenue analysis. Determine which products or categories generate the highest revenues.

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Product Type	CTR	Clicks	Click/Open	Revenue	RPM	% Mailings	% Revenues
Apparel	9.6%	120405	21.9%	\$139,866	\$111.52	40.9%	61.7%
Accessories	6.4%	17841	15.4%	\$15,900	\$57.04	9.1%	7.0%
Shoes	4.8%	53539	11.1%	\$25,860	\$23.18	36.4%	11.4%
Sale Items	13.1%	54835	30.2%	\$45,000	\$107.50	13.6%	19.9%
sub-total	8.0%	246620	18.5%	\$226,626	\$73.89	100.0%	100.0%

Here the marketer looked at emails over an extended period of time to determine revenues generated by product category, the revenues per thousand emails, what percentage of the emails promoted certain product categories and the overall mix of revenues derived.

Examine what approach works best. Many marketers use a mix of content emails and promotional emails.

Type	CTR	Clicks	Click/Open	Revenue	RPM	% Mailings	% Revenues
Promotional Focus	5.8%	81002	14.2%	\$157,000	\$112.62	45.5%	69.3%
Content Focus	9.9%	165618	21.8%	\$69,626	\$41.62	54.5%	30.7%
sub-total	8.0%	246620	18.6%	\$226,626	\$73.89	100.0%	100.0%

Here the marketer identified promotional versus content-focused emails. While most of the revenues are generated from promotional emails, the inclusion of meaty content serves to keep their recipients engaged and opening all emails sent.

We've just scratched the surface on some aspects of email measurement. But these areas should serve you in good stead. If you take the time to analyze and look beyond aggregate results, you'll be poised to better understand your list and create more successful campaigns.

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