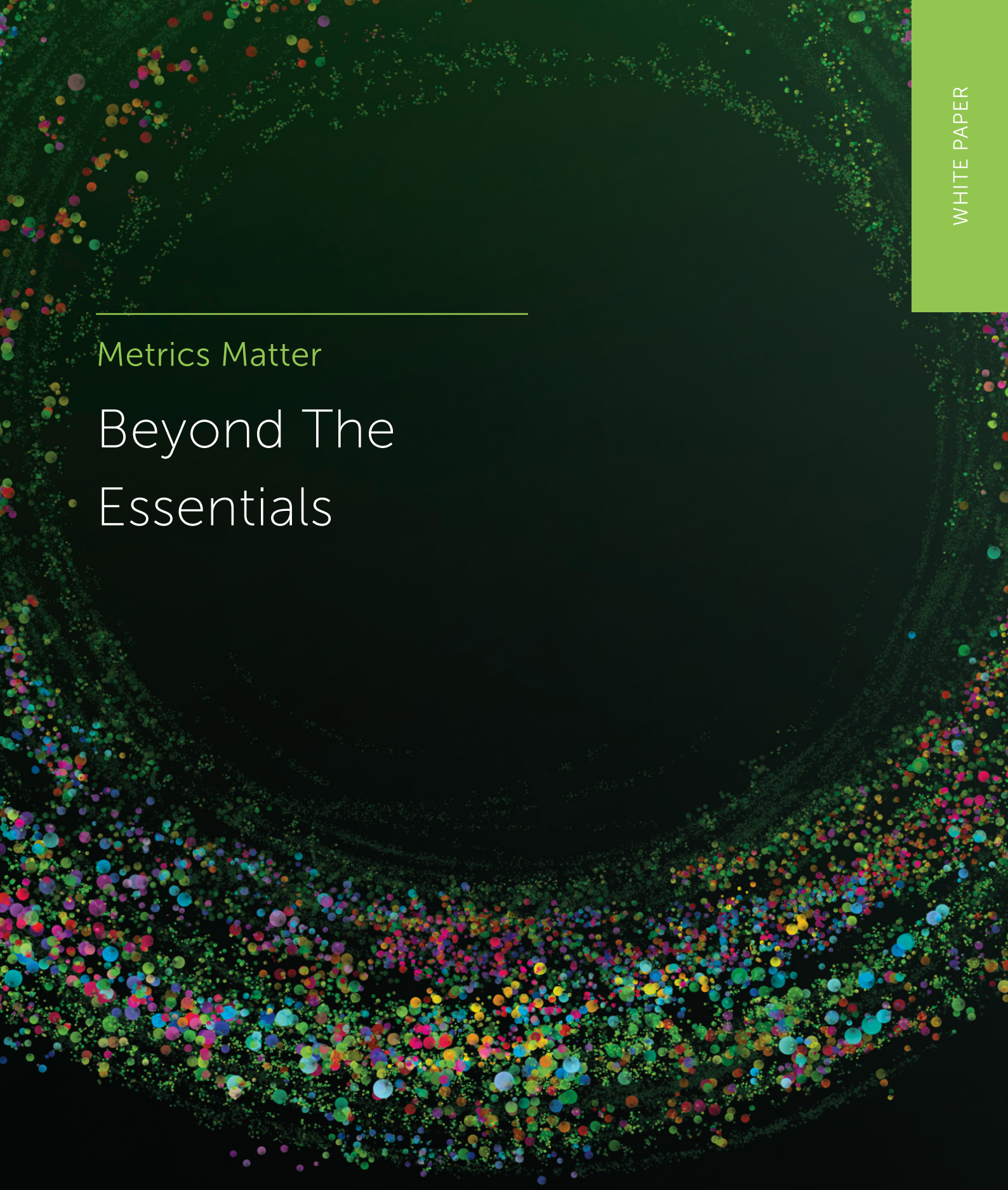


WHITE PAPER

Metrics Matter

Beyond The Essentials

dotmailer



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What can be taken as the ultimate measure?

It goes without saying that most email marketers love the channel for its ability to be measured. We know exactly how well our investment is doing.

The essential metrics – delivered, opened, clicked or click to open – have served us well and generally continue to tell us how we're achieving our objectives.

In some cases however, these metrics may be a blunt instrument. What if someone doesn't click through from our email but buys anyway – is that a failed email? What if our email isn't actually promoting a direct response – how do we measure impact? Can the essential metrics be taken as the ultimate measure over a period of time or are they merely a measure at a point in time?

All of these questions are being asked by email marketers keen to take a more nuanced view of the channel and this refocus makes total sense when seen alongside other key developments such as optimization technologies – email may be digital's old workhorse but it is more than capable of being reinvigorated too. A real focus on measurement is topical. According to Econsultancy's 2014 Email Marketing Census, 36% of marketers cite poor measurement and analytics as barriers to effective email marketing. They know that the right metrics will drive the right business results.



"36% of marketers cite poor measurement and analytics as barriers to effective email marketing. They know that the right metrics will drive the right business results."

Econsultancy, 2014

The alternative and additional metrics

The 'halo' effect

This term is used to describe the indirect impact of an email. According to Google, 92% of purchases take place offline following online activity; more specifically, research by Wanderful Media in the US shows that 60% of email recipients visit a store as a result of reading that email. It's clear therefore that email recipients read - and are motivated to act on an email even if they don't convert directly. Indeed, in some cases, this impact has been recognized even where emails aren't opened, which suggests that the impact of a subject line can still create an indirect response. Even without an online to offline link (such as a discount coupon or loyalty card), identifying this indirect impact can be quite straightforward and increasingly, brands are measuring:

- Overall sales around the period of an email dispatch
- Specific sales by individuals who received an email and made a purchase but not through a direct click

"92% of purchases take place offline following online activity; more specifically, research by Wanderful Media in the US shows that 60% of email recipients visit a store as a result of reading that email."

Google

If a brand sees a consistent trend here, they may start to apply a general percentage 'halo' to all of their email programs to recognize this indirect impact above their direct conversion figures. This may take some enlightened management - after all, as email marketers we're always measured by our direct numbers – but where the evidence exists to back it up, it is being recognized at the top table. Moreover, this approach is in line with the general digital move towards multichannel attribution – the measurement of combined impact across all channels in the path to a purchase.

Ironically too, the measurement of email is simpler in many cases and doesn't involve significant tagging and software investment.

Engagement

If a recipient is regularly opening and reading a brand's emails then we know that they're taking notice; they could be on their way to converting. If they're doing neither then we are probably wasting our time with the current approach and need to think of an alternative. The question is whether we can actually see this behavior, if we're focused only on the bottom line standard metrics. Often the answer is no because we're looking at aggregates not people. Increasingly, the most forward thinking brands are making that switch and are taking seriously the engagement of individuals within their audience. They see engagement as a pre-conversion measure that can drive practical action.

Engagement measurement is being approached in two broad ways:

1 Click & Open Reach

Standard aggregate level metrics look at the overall click rate or ROI of a campaign. But this can mask large swathes of an audience that took no notice of the email or other parts of an audience that skews the results (e.g. a constant 20% open rate may be generated by the same 20% of the audience).

With a full history of events in the platform, most marketers actually have at their fingertips the means to identify individuals and groups by their engagement over time. We can see how often people opened and clicked versus how often they had the opportunity to do so. Brands are using the resulting engagement segmentation to implement strategies such as quarantining (to 'rest' those unengaged groups) or incentivizing (to add the final nudge to those who are actively engaged but not converting).

2 Dwell (or read) Time

Recognizing just how long recipients spend browsing your email represents a more granular degree of engagement measurement. This metric is increasingly recognized as important within webpages. But it is an invaluable measure of engagement within emails too. Especially where they are long or feature multiple content to be consumed wihtin them rather than via click throughs.

Some tools such as Litmus categorize activity by duration so that an email opened for up to 2 seconds is 'glanced' whereas one open for 2 to 8 seconds is 'skimmed' etc. These definitions should be built for your own experience of course. Whilst this technique has its limitations (e.g. it requires images to be enabled) it is a potentially useful proxy for engagement.

Device

What used to be a ‘nice to have’ is now absolutely essential. The explosive growth of mobile devices now means that a growing proportion of recipients will be consuming your email away from their computer. Not only do you need to know this but you need to accommodate it. Generally speaking you can expect around half of your recipients to be reading your email on a smartphone or tablet (2013 Forrester research shows that it’s the most popular activity on a smartphone for 78% of smartphone users) so this is important. Look at the devices and the Operating Systems – and then take the insight into action by ensuring that your emails are designed appropriately (the biggest brands have grasped the importance of this with 72% of Enterprise marketers using responsive design according to Forrester 2014 figures). Remember too that this is often not a case of mobile or desktop but rather often it is both – according to Forrester, 23% of emails opened on a mobile device were later opened again (and 30% of those were on a different device).



Post Click Funnel

It may seem obvious but there are obstacles between someone clicking on your email and completing your conversion objective. These may well be outside of the email marketer’s control but they’re key to meeting objectives. Without some focus on the site conversion funnel, an assessment of a campaign is incomplete. Worse, you may be throwing good money after bad by generating a response that dissipates and fails to convert (no win for you and frustration for the potential customer who may decide not to try again).

Despite a clear focus on site analytics not being advanced, it has value and should be made standard practice for email marketers. The key data may sit in a different system and may even be accessed by a different team but these divisions simply have to be broken down.

Time Of Action

Now that marketers have hopefully left behind the ‘batch and blast’ approach of the past, we’re seeing greater attention being paid to when email automation programs are scheduled and when they’re engaged with. This is a tacit acceptance that the send schedule should not be at the convenience of the brand but should rather be optimized for the customer – it is after all a win-win if it provides an improved response.

Measuring when the email was sent against when it was opened and when any conversion events took place will provide the insight that can be taken directly into automation program planning. Sometimes these times will be self-evident (e.g. where emails feature time sensitive discounts) but in other cases they may well raise some surprises which will drive tests and improvements.

Your send time may be a result of pre-historic data and your response curve will be a bi-product of that send time. Both may be changed for the better if you have a measurement in place.

Value of an Email Address

It may be argued that everything boils down to this. It should tell us how effective all of our efforts are ultimately proving. Surprisingly though, many brands don't measure it. Maybe that's because of the perceived difficulty or the need to agree a time period. Maybe too, it's because we are running so fast to get campaigns out the door that it's hard to find time for the bigger picture. In reality it isn't necessarily difficult if approached on a pragmatic basis.

We'll know the total revenue generated from email campaigns (whether directly or extended to include the halo effect too) which can be divided by the average size of the overall email list over the period of assessment (say, a year or 6 months). This gives us revenue per email address from which we can subtract the cost of acquiring an email address.

In evaluating revenue, we may well want to distinguish between campaign types (pure sales messages versus newsletters versus service messages) amongst other things but this doesn't greatly complicate the process.

In any event, the value to be derived from having this measure at your fingertips is likely to far outweigh any difficulty in creating it because it will drive future planning (you will have a much better idea on what needs to be achieved) as well as future acquisition budgeting (you will know what you can afford to spend on recruiting new email addresses instead of new email addresses).

Don't forget some more day-to-day examples

- Bounce rate – most brands will check their deliverability numbers but it's important to do it over time (to spot trends) and by source (to track relationships between bounce activity and engagement. Are the problems coming from old email addresses as a sign of list fatigue?)
- Net list growth – knowing the number of new subscribers acquired minus the number lost through unsubscribes or hard bounces is crucially important to keeping your audience list refreshed
- Share rate – having the ability to share content either by forwarding or via social networks is great but only if it's measured and assessed. Everyone wants that viral impact but it's easier said than done. Low rates could be because content isn't compelling or the process is difficult. Focus needs to be on both

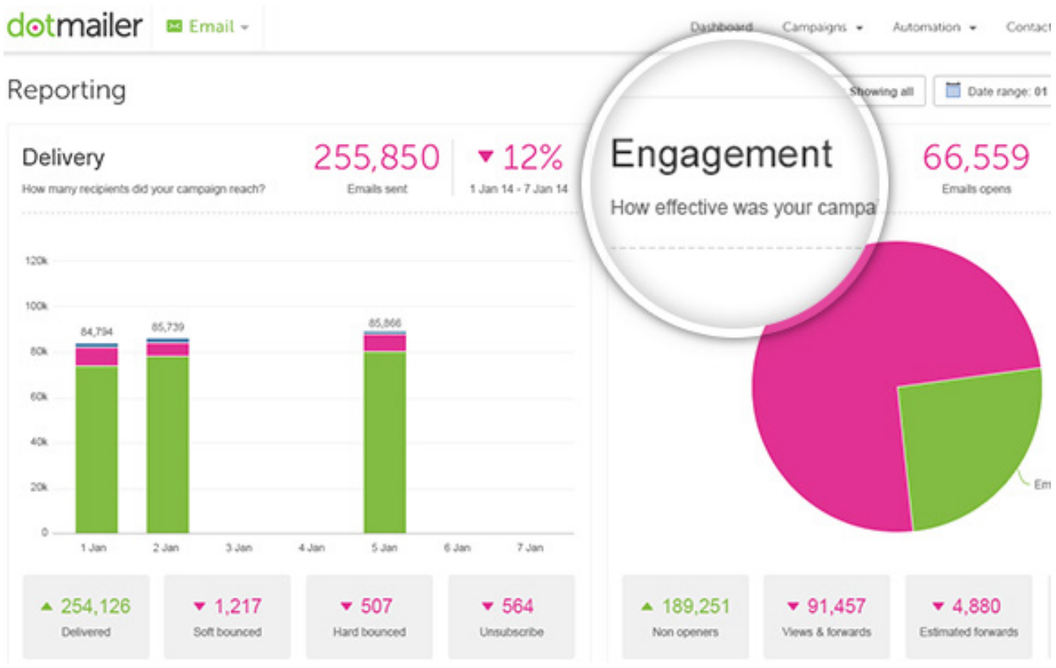
"68% of today's marketers see email's ROI as Excellent or Good - higher than any other channel."

Econsultancy

Ultimately, everyone wants insightful metrics

Ultimately, everyone wants insightful metrics that drive the business. They're the only ones that matter. The Financial Director and the Marketing Director may have different slants but they're looking for the same big picture. The metrics to show that picture are a little more varied and challenging nowadays, as is the environment. Brands' frustration with email measurement is more likely to be about what they do than what they could do. Much of what is outlined here can be achieved from standard platform tools; the difference is focus.

We must focus on achieving a balance between the right metrics being reported on and the right actions being taken as a result. Email is already seen as the best digital channel for ROI (according to Econsultancy, 68% of today's marketers see email's ROI as Excellent or Good – higher than any other channel) so think what could be gained by going that extra mile.



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