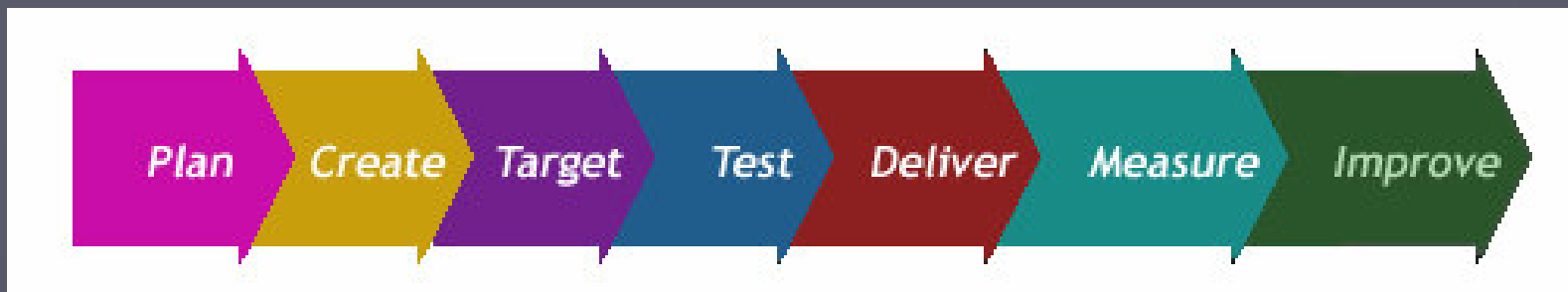


Determining ROI Metrics in Email Marketing

How to understand the effectiveness of your campaigns and set benchmarks to improve them.

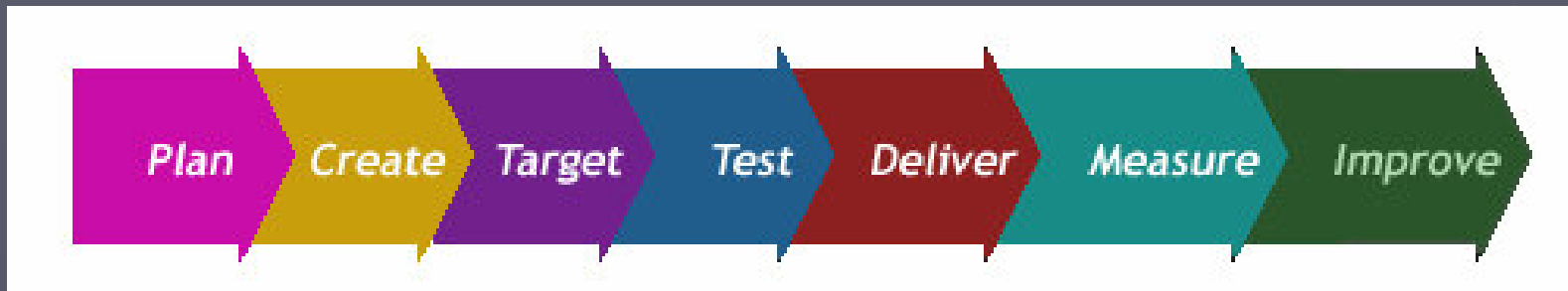


Email Marketing Cycle



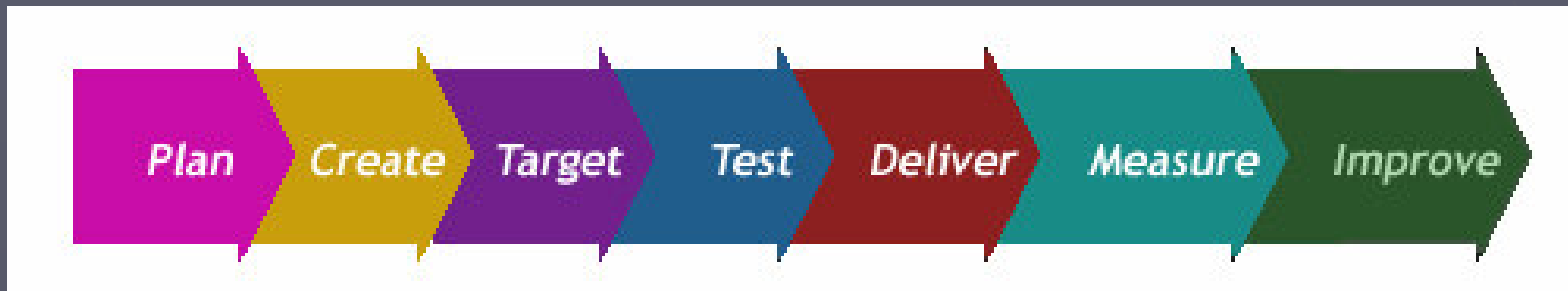
- ▶ Identify all the key stages and unique aspects for your business
- ▶ Each pass through this process learn something new
- ▶ Determine area where improvements will increase ROI the most

Email Marketing Cycle: PLAN



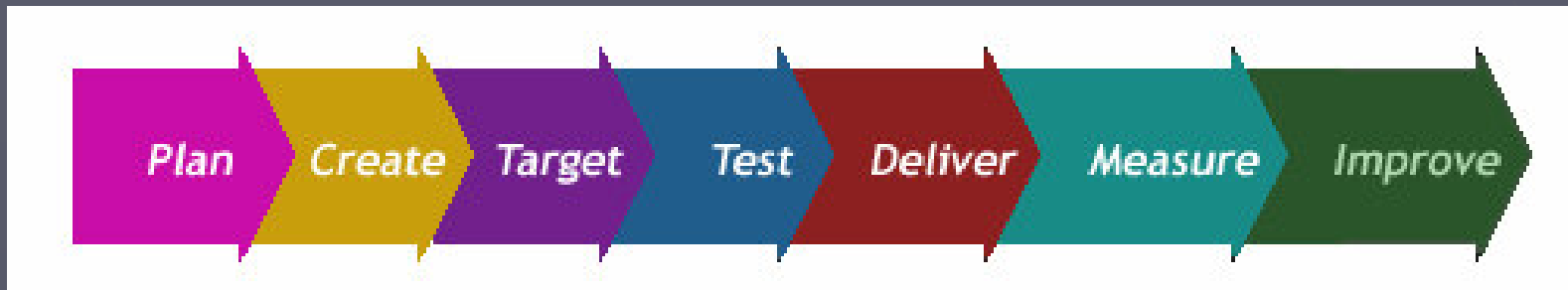
- ▶ Determine objectives and goals
- ▶ Make a hypothesis
- ▶ Draw from non-electronic experiences

Email Marketing Cycle: CREATE



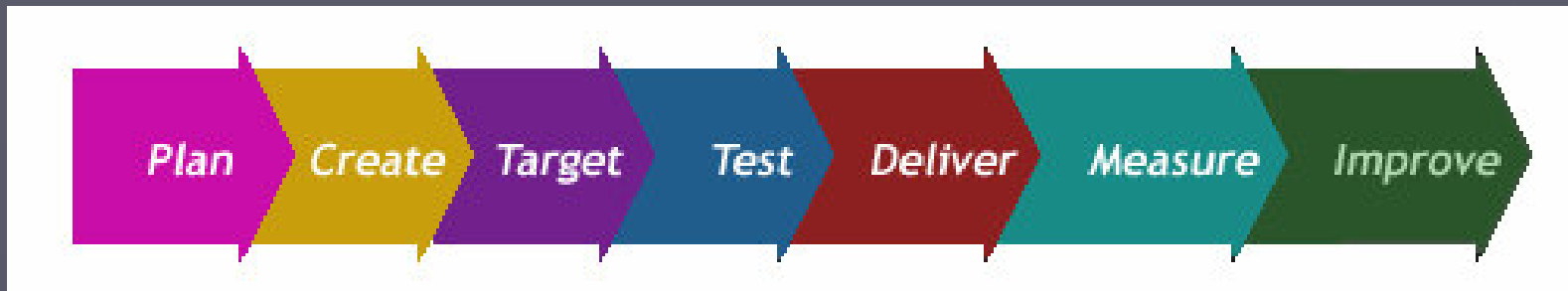
- ▶ Leverage what you have
- ▶ Creative can have minimal impact on ROI
- ▶ Treat it like valuable real-estate
- ▶ Integrate with your website

Email Marketing Cycle: TARGET



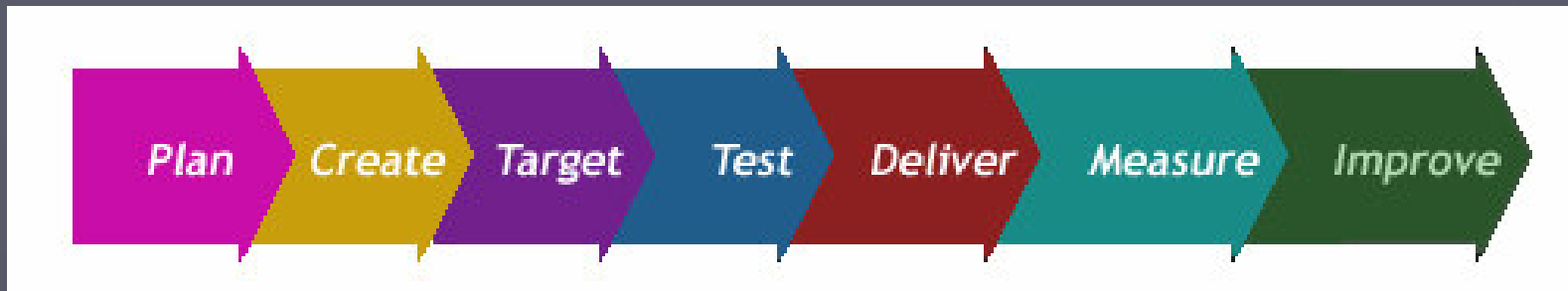
- ▶ Use existing customer groupings
- ▶ Think about activity groupings
 - Historical responses to your campaigns
- ▶ Segment based on frequency
 - How often do they want communication from you?

Email Marketing Cycle: TEST



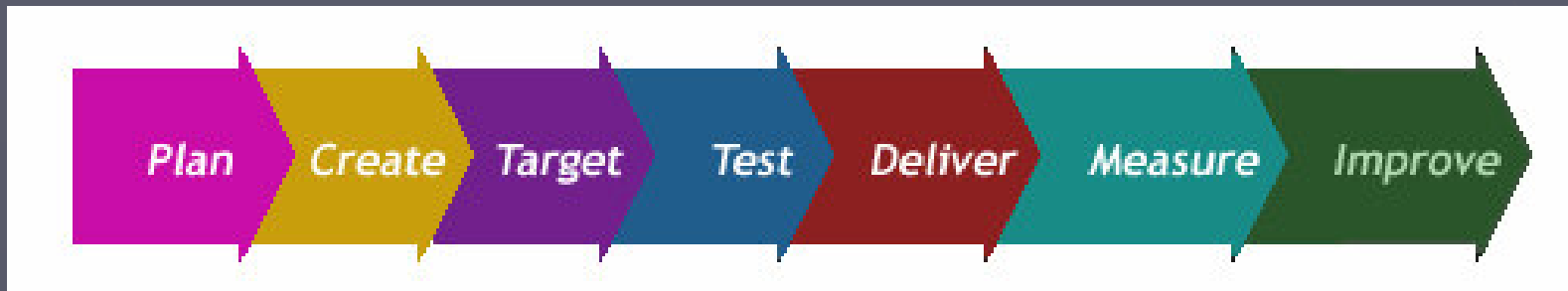
- ▶ The right answer is the one that produces the best results. Trust the numbers
- ▶ Random groupings
- ▶ Demographic breakdowns for post-campaign analysis

Email Marketing Cycle: DELIVER



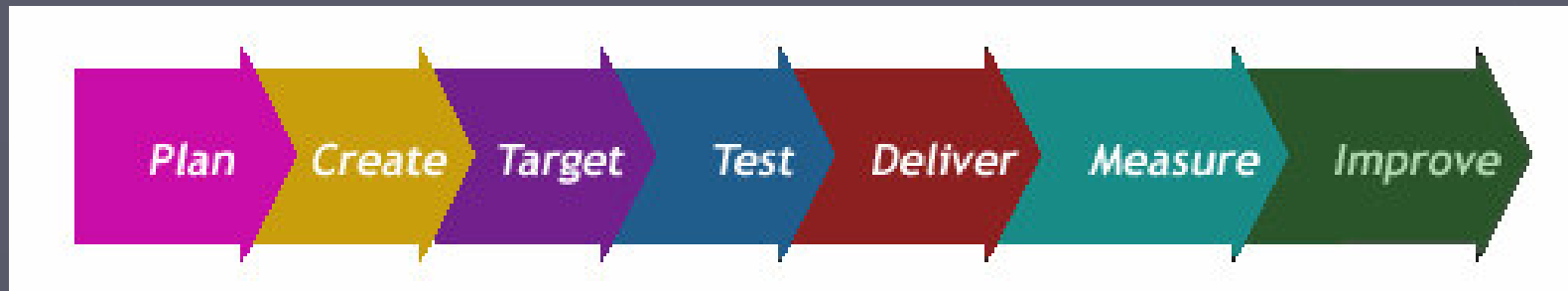
- ▶ Think about time of day
- ▶ Event based triggers
- ▶ Format for specific audiences
 - AOL
 - Hotmail
 - Pine

Email Marketing Cycle: MEASURE



- ▶ Be a stats hound
- ▶ Setup Action capturing
 - Purchases
 - Downloads
 - Leads
- ▶ Notice time delay to actions and results

Email Marketing Cycle: IMPROVE



- ▶ Find the weaknesses and bottlenecks
 - Improvement will be largest in those areas
- ▶ Check results vs. hypothesis's
- ▶ Determine key ROI drivers

Email Marketing ROI Drivers

- ▶ List Quality
 - Existing relationship
- ▶ ROI Triangle. Opens → Clicks → Conversions
- ▶ The Quick Glance
- ▶ Timing
- ▶ SPAM
- ▶ Automation
- ▶ The Details

ROI Driver #1: List Quality

- ▶ Baseline of Email Marketing success
- ▶ Affects on ROI: 15x
- ▶ Key Factors
 - Recency
 - Demographic data
 - Messaging and Activity History
 - Size
 - Acquisition of data

List Quality: Importance of the opt-in

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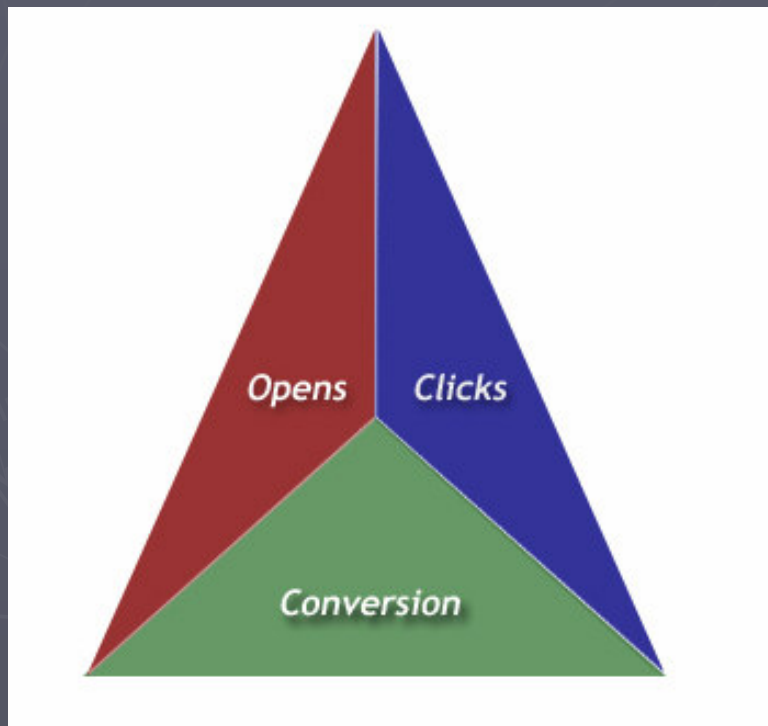
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ROI Driver #2: Opens, Clicks and Conversions



- ▶ **Opens → Clicks → Conversion**
- ▶ **Improvement directly affects ROI**
- ▶ **Open show you have an awareness**
- ▶ **Clicks show a tacit interest (at least)**
- ▶ **Conversion means it worked**

ROI Triangle: Opens

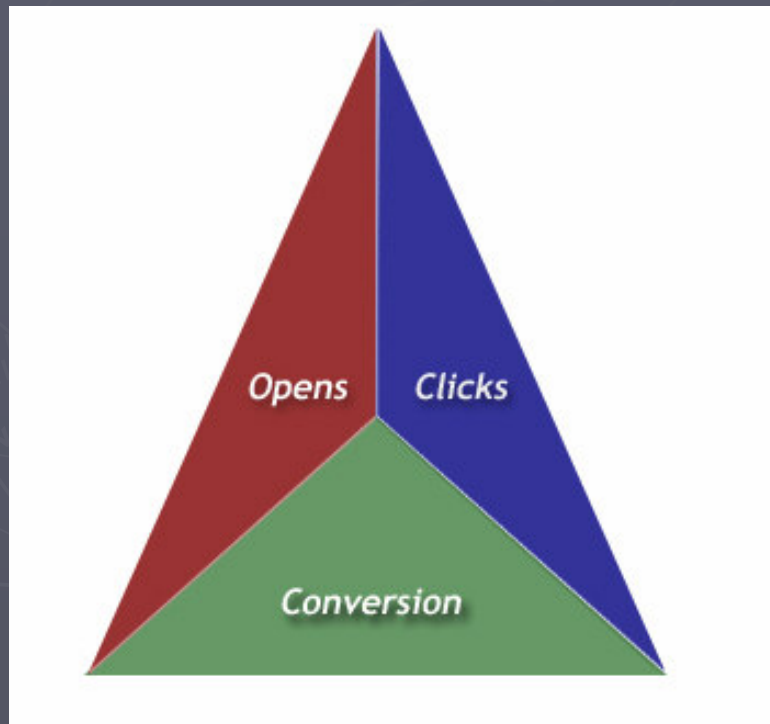
Emails	Open Rate		Clicks Through			Conversion		
Emails Delivered	Open Rate	Opened Emails	Click To Open	# Unique Clicks	Click Rate	%	Sales #	Sales @\$100 Avg
25,000	45%	11250	30%	3375	13.5%	4%	135	\$13,500
25,000	40%	10000	30%	3000	12.0%	4%	120	\$12,000
25,000	35%	8750	30%	2625	10.5%	4%	105	\$10,500
25,000	30%	7500	30%	2250	9.0%	4%	90	\$9,000
25,000	25%	6250	30%	1875	7.5%	4%	75	\$7,500

ROI Triangle: Clicks

Camp. Costs	Click Throughs			Conversion			Financial Return		
	Total Costs	%	#	Cost Per	%	#	Cost Per	Revenue	ROI
\$23,000	1%	500	\$46.00	10%	50	\$460	\$ 50,000	2.17	(\$13,000)
\$23,000	2%	1000	\$23.00	10%	100	\$230	\$100,000	4.35	(\$3,000)
\$23,000	3%	1500	\$15.33	10%	150	\$153	\$150,000	6.52	\$7,000
\$23,000	4%	2000	\$11.50	10%	200	\$115	\$200,000	8.70	\$17,000

*Profit is calculated using a 20% margin on revenue

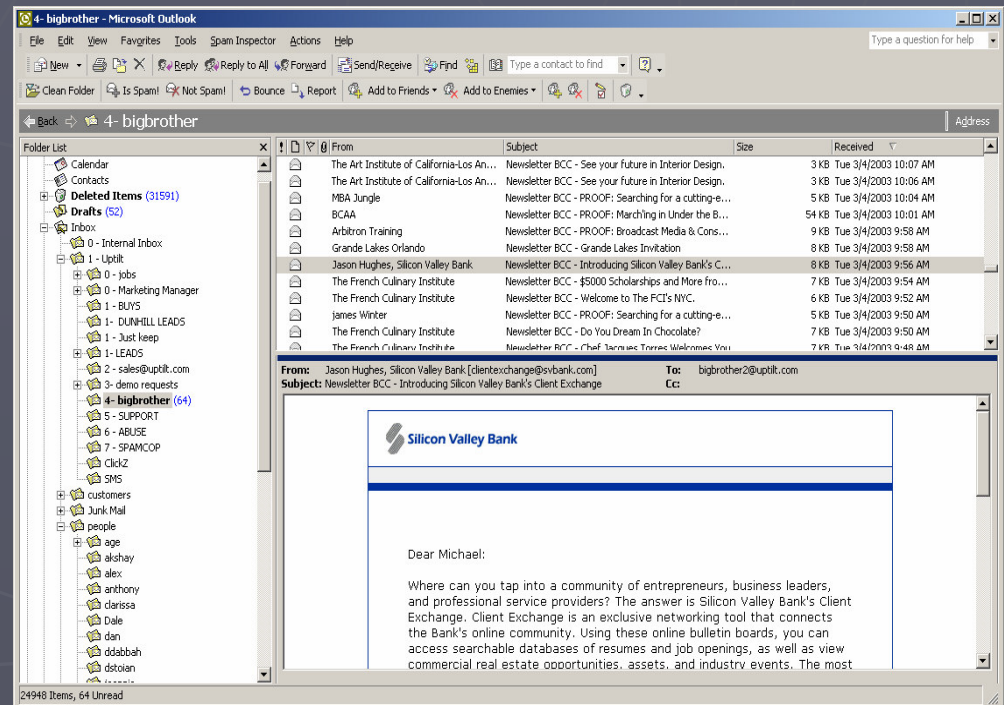
ROI Triangle: Conversion



- ▶ Conversion needs to be precisely defined
 - Lead
 - Sales
 - Download
- ▶ Invest in the ability to track conversions
- ▶ Review historical data

ROI Driver #3: The Quick Glance

- ▶ Reflection on how people read email
- ▶ Glance factors
 - From Name
 - Subject Line
 - Preview Pane
- ▶ Simple is better
- ▶ Reflected in opens




ROI Driver #4: Timing

- ▶ Time of day
 - Avoid Inbox pile up
 - Create a grouping based on Time Zone
- ▶ Frequency specifications on opt-in
- ▶ Segmentations based on open time
- ▶ Action based triggers
 - Transition marketing into sales

ROI Driver #5: No Hate

- ▶ SPAM complaints hurt your ROI
 - Negative customer experience
 - Awareness of violations
- ▶ Automated complaint systems
- ▶ SPAM issues are easily avoided and good for the industry
- ▶ AOL produces vast majority of complaints

From the Editor

Happy April! I'm pretty excited to deliver this issue to you, as we have a new name, an updated look and some great new content to offer you. So I thought I'd share with you the changes we've made:

Our new name - **The Intevation Report**. Why Intevation? Besides being the name of a marketing consulting firm we just acquired, "Intevation" stems from the combination of integration and innovation - two powerful themes that guide us here at EmailLabs.

In the naming process, we've actually given my column a title as well. We're calling it **ViewPoints**, which will cover email marketing more from the ViewPoint of the consumer and the reader, not just the marketer. This month, I'm talking about personality in your emails with an interesting parallel to a very successful online dating service called Match.com.

In the also newly named **Optimization** column, we'll be providing you insights on how to optimize your email marketing efforts for the best results. This month, Loren McDonald discusses email Open Rates and how to make them better. Be sure to check out the 16 factors he lists that affect your open rates.

Starting this month, we've added a brand new column provided by Debbie Weil called **Killer Content Tips**. Every month, Debbie will bring you some quick tips on improving your content. This month, she shares how to write a great teaser. Be sure to check out her tips.

Till next month,

Jeannie Schmetz

The Intevation Report

Statistics

Clickthrus and Opens [View graphical chart](#) | [Demographic](#)

Total Newsletters Sent:	2,263
Total Times Opened:	1,989
Unique Newsletters Opened:	1,067 (47.15%)
Total Newsletters with Clickthrus:	176 (7.78%)

Bounces and Unsubscribes [View graphical chart](#)

Total Newsletters Sent:	2,263
Total Bounced Emails:	55 (2.43%)
Total Unsubscribes:	7 (0.31%)

Spam Complaints: 0

Referred Newsletters

Total Recipients who Referred this Newsletter:	7 (0.32%)
Total Referred Newsletters:	9

Mailing Effectiveness and List Quality [What is this?](#)

Mailing Effectiveness Index™ :	158.26
List Quality Index™ :	118.71

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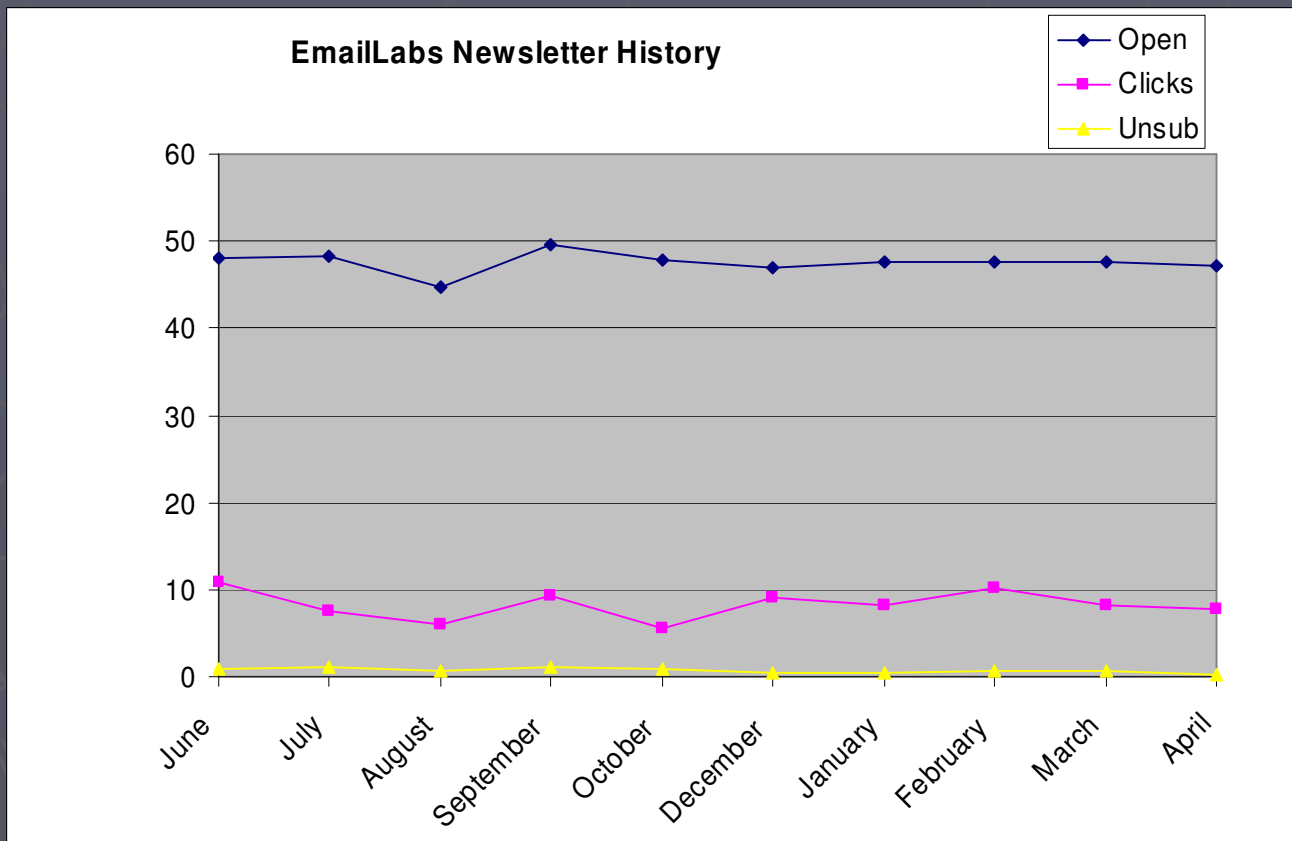
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and then spend all of five minutes thinking about the subject line.

Does SPAM affect solid lists?

	June	July	August	September	October	December	January	February	March	April
Open	47.97	48.26	44.81	49.54	47.82	46.89	47.52	47.67	47.63	47.15
Clicks	10.78	7.57	6.02	9.29	5.58	9.13	8.28	10.2	8.18	7.78
Unsub	0.97	1.07	0.72	1.16	0.83	0.52	0.55	0.69	0.56	0.31

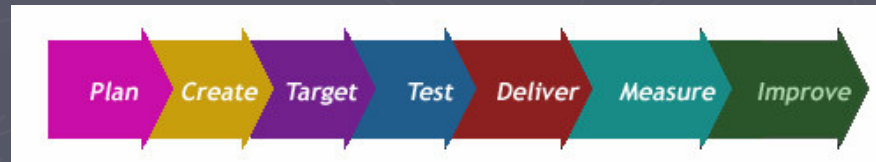


ROI Driver #6: Automation

- ▶ Best for procedural tasks
- ▶ Integration with CRM/SFA applications
- ▶ Dynamic message assembly
- ▶ Customer support call center integration
- ▶ Automation is good timing
- ▶ ROI can come from finding new efficiencies

Conclusions

- ▶ Improvements can always be made
- ▶ Ability to measure puts you in control of the return



- ▶ Enjoy the process www.ExactLeads.com