

Measuring email: the key to maximising email ROI



By [Luke Wingfield Digby](#)

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While social media and search engine marketing might be getting all the attention these days, email continues to be the ultimate ROI powerhouse for marketers, generating an average of just over \$40 for every marketing dollar spent.*

Yet despite this, many marketers still question the relevance of the email channel because they don't know how to measure it. With consumer attention spread ever more thinly, email marketing has become increasingly challenging, and you may need to up your game in order to make it truly effective. Implementing the correct measurement on your email channel is by far the most important thing that internet marketers never do.

So how do you go about measuring and maximising returns on your email marketing?

Establish clear goals

Before embarking on an email marketing campaign, it's vital from the outset that you figure out exactly what it is you're hoping to achieve. Are you aiming to drive sales or rather to promote engagement with your brand? Your marketing objective will ultimately influence not only the design and content of your email campaign, but also the way in which ROI is measured.

For instance, emails designed to encourage brand engagement are most effective when offering added value to customers, usually in the form of exclusive and relevant content. Offer content that is interesting to the reader, and related to the brand. Appealing content will be shared and republished by users. This creates brand advocacy that paid advertising can never achieve. The job of engagement emails is to catalyse this.

But, applying the same logic to emails designed to drive sales could be less effective. Research suggests that up to 90% of purchases are made unconsciously and within seconds, so it's important that you keep your sales emails short and to the point, and remove any unnecessary information that could act as a conversion barrier.

Test

Studies suggest that email open rates can vary significantly based on a number of factors, among them timing and frequency. However, it's impossible to say whether or not your customers prefer to receive emails just after breakfast on a Tuesday - as common email wisdom dictates - without comprehensive analysis and testing.

You'll need to find out what works for your audience. How often do they engage with your emails? What times of day seem

to be most effective when it comes to eliciting engagement? Which types of design templates have resonated most strongly?

Thanks to modern analytics technology, you can now easily keep track of your customers' engagement patterns, meaning that you can give them what they want, when they want it, and consequently exact better returns from your email campaigns.

Create effective metric tools

In order to truly assess the effectiveness of your email marketing campaign, you'll need to figure out how you'll go about measuring ROI. If your sales are exclusively online, this is fairly easy, with tracking links now allowing you to easily establish what actions users have taken as a result of receiving your email. Tracking the number of customers acquired, and multiplying that by the average lifetime value of a customer is the basis of your sales ROI calculation.

But how do you assess the impact of your campaign in the offline world?

You'll need to implement tools that help you to trace the origins of your customers' offline purchase patterns. You can achieve this in a number of ways, whether by making your special offer unique to email, by offering your customers a unique discount code or by simply requiring them to present your email in order to be eligible for any given offer. However you choose to approach this, make sure you leave yourself a clear breadcrumb trail that can easily be followed back to its electronic origin.

Measurement of branding and engagement campaigns can be slightly trickier, and ultimately it will be up to you to assign specific dollar values to any given outcome.

For instance, based on your pre-assigned objectives, you might only choose to assign \$1 to a click-through, but \$20 to a newsletter sign-up, based on each respective action's ability to contribute to your ultimate branding goal. Whatever metric you choose, it is important to take the step of quantifying this value and tracking it. If you don't, you'll have no data to justify future decisions.

At the end of the day, your ability to maximise ROI from your email campaign will hinge on your capacity to learn from testing, cutting losses and reinforcing profit areas as you go. So it's vital that you have accurate metrics in place to allow you to assess your progress, so that you can adapt and refine your approach in order for email marketing to really benefit your bottom line.

** According to a ReturnPath 2012 Email Intelligence Report*

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