

Guide to B2B Email Marketing

Part four : Effective email reporting





Introduction

One of the key attractions to email marketing is the speed with which you can reach a targeted audience with your message. While direct mail can take 4-6 weeks before you start to see any results, with an email campaign it's possible to see leads coming through almost immediately. What's more, fast results mean the ability to track and report them instantly.

Email marketing metrics

With every email marketing campaign, there are a number of Key Performance Indicators (KPIs) that you should be reviewing. These are;

- Delivery rate
- Open rate
- Click-through rate
- Bounce rate
- Unsubscribe rate
- Form completion

These 'external' metrics don't necessarily give you the full story in terms of how successful your campaign has been. For that you also need to look at 'internal' metrics such as your campaign objectives.

Let's look at the idea of external and internal KPIs more closely...

External KPIs

These focus on the email itself and are metrics that you should review for every email you send so that you can spot trends and identify issues. They will help you to identify any problem areas such as low engagement or poor deliverability so that you can tweak and improve for future campaigns.

Here's a breakdown of the key external KPIs and how you should use them;

KPI	Calculation	Used to measure	Evaluation
Delivery rate	% of total emails sent – those which were undeliverable	Deliverability and list hygiene	List quality and deliverability
Open rate	Opened email messages as a % of delivered emails	Interest or engagement Customers opening your email more than once	Could indicate interest in your offer
Unique open rate	Number of delivered emails opened as a % of delivered emails (repeat opens by same recipient not counted)	Interest or engagement	A more accurate reflection of email reach than standard open rate
Bounce rate	Undeliverable emails as a % of emails sent	Deliverability and list hygiene	Highlights issues with list quality and deliverability – even by different target audiences
Unsubscribe	% of email contacts that ask to be removed from your list	Customer engagement and message relevance	Strength of campaign message and brand
Click-through rate	% of clicks on one or more links in the email	Customer engagement and message relevance	Highlights good prospects and those who are just casual browsers
Unique click-through rate	Number of unique recipients who click on one or more links in the email	Customer engagement and message relevance	Highlights good prospects and those who are just casual browsers
Spam complaints	Total number of complaints that the message is spam	Sent automatically by Internet Service Providers (ISPs) or manually by recipients	Strength of campaign message and brand
Referrals/forwarded messages	Number of times your email is forwarded to a new contact	Customer interest and message relevance	Strength of campaign message and brand

Internal KPIs

KPI	Calculation	Measurement
Revenue	Revenue generated during the campaign	Campaign revenue and Return on Investment (ROI)
Average revenue/email delivered	Revenue divided by number of emails delivered	Comparison with previous campaigns and against objectives
ROI	Revenue generated per £ spent on campaign	Effectiveness of marketing investment
ROI per email	ROI per email delivered	Comparison with previous campaigns and against objectives
Leads	Number of recipients registering interest in offer	Message relevance and engagement
Conversions	Number of leads converted to sales as a result of the campaign	Relevance of message Effectiveness of campaign
Customer actions	Number of recipients who follow the call to action in the email – eg. Download a document, register for a prize draw, complete a survey.	Message relevance and engagement

A/B testing

Another useful way to monitor the results of your email campaign is to test changes that you make to the copy or design. By testing different versions, you can optimise your emails for maximum impact. Here are a few examples of ways that you can use testing in your own campaigns;

- Try different subject lines to see which has the best open rates
- Use segmented target groups to test different offers
- Test different images, copy and formats (HTML or plain text) to see which get more engagement
- Send your emails at different times and days to see which works best for your audience

Deciding what to measure

We've covered a lot of different metrics and they may not all be necessary or appropriate for each campaign you run. The last thing you want is to waste precious time measuring things which aren't going to add value so we've put together the following nine steps, that you can follow which will help you to decide what you need to measure for your own campaigns and your own business. You'll be able to use this template for all your future campaigns too!

Step 1

Set clear campaign objectives which directly support your business objectives.

Step 2

Choose external and internal KPIs that will help you to demonstrate the value of the marketing investment.

Step 3

Make sure you or your email delivery service has the software that will allow you to measure the KPIs you've chosen.

Step 4

Set up the reports you'll need to complete and track.

Step 5

Review and analyse all the information you've collated so that you can spot any issues and trends.

Step 6

Run tests and compare the results so that you can tweak and enhance your campaign as you go (not to mention future campaigns!)

Step 7

Track results over time, monitoring key highs, lows, averages and means.

Step 8

Review your results against your objectives, noting which you have met and which you consistently fail to meet.

Step 9

Review your learnings and use them to keep making improvements to your email campaigns.

Developing an email campaign model

As you collect more and more information on all your email campaigns, you can start to create a model which will allow you to forecast the results and performance of future campaigns. You can plan campaigns efficiently by basing your decisions on previous results and evidence of what works and what doesn't.

- You will be able to create guidelines to influence future KPIs...
- Do personalised subject lines work better?
- Which days and times generate the best opens, clicks and leads?
- How long does it normally take for customers to take action once the campaign is delivered?
- Are responses improved with personalised content?

Not getting the results you want?

If you've been monitoring your campaigns, but you're not seeing the results you were hoping for, then there are a few possible reasons to look out for;

Reason	Description
Poor permission practices	This can be a key reason for poor results. If you've bought contacts and haven't done your due-diligence, then you may be emailing people without permission. Take a look at Part 2 of our Guide to B2B Email Marketing, where we talk about buying email data.
Incentivised subscribers	If you have incentivised people to sign up to your list with offers, prize draws or free trials, they may not be genuinely interested in your campaign.
False expectations	Don't promise more than you can deliver when you're trying to get people to opt in!
Poor content	If your copy, your images or your format are bad then this will impact your campaign performance. For more information, take a look at Part 3 of our Guide to B2B Email Marketing, where we talk about building great emails.
Irrelevant content	If people have been on your list for a long time, their interests may have changed. Allow them to update their preferences or unsubscribe easily if they are no longer engaged or interested.
Low deliverability	If your emails aren't even reaching your recipients' inboxes, then your campaign will suffer. Monitor deliverability rates and if there are issues, identify which ISPs may be blocking your emails or which addresses are failing. Your email marketing software should be able to remove bounced addresses.
Wrong frequency	Too many or too few emails to your subscribers can cause them to get annoyed or to completely lose interest. Ask your subscribers how often they want to hear from you!
Old list	Your contacts start to 'decay' after 3-6 months and this leads to lower open rates, clicks and conversions. Contact your unengaged subscribers to re-engage them or nudge them to the unsubscribe button...

Of course your campaign doesn't just rely on the quality of your email content but also on the size and quality of your email list. There are a few things here that are worth measuring too...

List churn

This is the rate at which people unsubscribe from your list. For example, if you have 20,000 addresses on your list, and 6,000 drop out in a year (500 a month), then your annual churn rate is 30 percent and monthly is 2.5 percent.

List fatigue

This refers to people on your list who are no longer engaged and have become inactive. They no longer open your emails but have not actually unsubscribed. Remember, your unsubscribe rate doesn't give you the full picture on how recipients feel about your emails. So what leads to list fatigue?

- Too many or too few emails
- Irrelevant content and offers
- Content that is all sales and no value

Email list hurdle rate

As list fatigue and churn deteriorates the size and quality of your list, you will need to calculate your 'email list hurdle rate'. This will give you the number of subscribers/new records you need to acquire, to re-build your email data list and replace the ones you lose through inactive and unsubscribed customers.

Calculation: Total of hard bounces, unsubscribes and spam complaints divided by your current list size.

For example: You may lose 40 subscribers in month one for a monthly hurdle rate of 0.80% (480 over a year). Therefore, if you have a list of 5,000 that you want to grow to 7,000 in a year, you would need to add 2,480 new subscribers over the 12 months, 480 more than the 2,000 needed if no subscribers were lost. This calculation is very helpful when it comes to your annual marketing planning and to forecasting subscribers and revenue.

Conclusion

Effective email reporting plays a key role in the success of your campaigns. It helps you to identify trends and to spot issues so that you can optimise your process and consequently, your results.





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