

# THE ULTIMATE HAIL MARKETING METRICS GUIDE & TRACKING SHEET]

A Plug-and-Play Tool to **Track, Analyze and Optimize** Your Email Marketing Strategy



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If I gave you \$1 to spend in your business, where would it go?

Your first instinct might be to invest in Facebook ads, or maybe to sock it away and save for the latest marketing software.

But the highest return on investment (ROI) might come from a surprising source: your **email marketing.** 

The Data & Marketing Association said that in 2015, <u>for each \$1 spent</u> on email marketing, companies made \$38 in return.

#### That's a 3,800% ROI!

If you want to achieve this result (and who wouldn't?), you need to figure out if your emails and campaigns are ACTUALLY driving business-building results.

To do that, you need to pay attention to **four email marketing metrics**. Yes, *just four.* 

These email marketing metrics are UNIVERSAL and will help you measure the success of your emails, so you can create effective email marketing campaigns no matter...

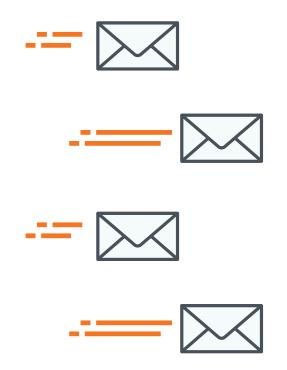
- ...your email list size (whether it's a fledgling or a full-grown eagle)
- ...your type of business (from ecommerce to brick-and-mortar)
- ...the email platform you use (from MailChimp to Maropost)



Today, I'm sharing...

- ...the only four email marketing metrics you need to track (« but you must track them for every email you send)
- ...how to use the metrics to track the two categories of emails
  (« they couldn't be more different)
- ...and most importantly how to figure out if your email performance is good or bad (« so you can actually improve your email marketing!)

Let's get right to it!





#### WHAT YOU MUST TRACK FOR EVERY EMAIL

So, why only four metrics?

Each of these metrics corresponds with a specific, high-leverage part of your email.

If performance dips, reviewing which of these numbers changed can help you understand EXACTLY what happened and HOW to fix it.

The four metrics are...

- **1.** Deliverability
- 2. Open rate
- 3. Click-through rate
- 4. Disengagement rate

Let's dig into each of these and go over what they are and how you'll use them in your own email marketing.

"Open rate describes how well your subject line encourages your email list to actually take the time to read your email." ~John Grimshaw





EMAIL MARKETING METRIC YOU MUST TRACK

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## DELIVERABILITY

First off, we have *Deliverability*, also known as delivery rate, which is calculated by dividing Delivered Emails by Sent Emails.

**Deliverability tells you what percentage of emails sent actually make it to the inbox**. In other words, it clues you into how likely people are to GET your email.

#### Email Deliverability = Delivered Emails divided by Sent Emails

In general, deliverability gives you a sense of how well your emails pass the "spam test" for Email Service Providers (ESPs) like Gmail and Yahoo.

If your emails don't use flagged words and are well received by your audience, your deliverability should be quite high. A healthy deliverability percentage should be in the upper 90th percentile.

Be sure to pay attention to emails with low deliverability. This is a great way to identify language that ESPs don't like, such as...

- No Investment Needed
- Zero Risk
- No Money Down

(**RELATED**: [Download] The 8-Step Email Deliverability Checklist to Generate More Conversions, Revenue, and Customer Engagement)

The next metric is one most people are familiar with...





## **OPEN RATE**

Your email's *Open Rate* tells you how likely people are to READ your email and is determined by dividing Unique Opens by Received Emails.

## Email Open Rate = Unique Opens divided Received Emails

This measures **the frequency with which your emails are opened**, and thus read.

Open rate is one of the easiest metrics to affect, making it a well-known metric that is a frequent blog topic, <u>including for us</u>.

Open rate describes how well your subject line encourages your email list to actually take the time to read your email.

Since you've got roughly 30 characters to catch someone's eye with a subject line, punchy copy can be the difference between 700 and 7,000 people reading your email.

(**RELATED**: [PDF Download] DigitalMarketer's 101 Best Email Subject Lines of 2016 (...and 5 free tools you can use to amplify your email marketing!))

You should use open rate as a barometer of how well your messaging resonates with your target audience.

The third metric is arguably the most crucial because it most closely correlates with sales...

## Use open rate as a barometer of how well your message resonates with your target audience.





# **CLICK-THROUGH RATE**

*Click-through Rate* tells you how likely your audience is to ENGAGE with your email, which means **it indicates the likelihood that someone will click on a link within your email**.

The formula to calculate click-through rate is the number of Unique Clicks divided by the number of Unique Opens.

#### Email Click-Through Rate = Unique Clicks divided by Unique Opens

Click-through rate is so important because it measures whether or not people are actually taking the desired actions with your emails.

Clicks in an email are what drive...

- Visits
- Engagement
- And ultimately... sales

A low click-through rate usually indicates that your email copy is falling flat and is a sign of a weak or unclear call-to-action (CTA).

An easy way to improve click-through rate is to avoid over-selling your products or services through email and instead focus on getting people to click your link.

The body of the email only has one job: sell the click.

Trying to sell your product in there as well means you'll come up with subpar performance every time.

(RELATED: 4 Emotional Triggers that Increase Email Click-Through Rate)

The last metric is one almost no one thinks about but may give you the most insight into how your email list feels about you and your email strategy.



# EMAIL MARKETING METRIC YOU MUST TRACK

## DISENGAGEMENT RATE

Disengagement Rate tells you how likely people are to HATE your email.

This can be computed by adding Spam Complaints to Unsubscribes and dividing the sum by Unique Opens.

#### Email Disengagement Rate = Spam Complaints plus Unsubscribes divided by Unique Opens

Your emails will always drive some people away – you can't please everyone and trying to will leave your business stuck in neutral.

However, you do need to make sure that the vast majority of readers on your list like what you have to say.

That's why you want to make sure you keep an eye on your disengagement.

With disengagement rate, you can pinpoint messaging that doesn't work, and cut that out of your toolbox.

You absolutely must keep your average disengagement rate below 0.15% for your emails, or **you'll start to see your deliverability drop**.

You've got your four metrics, as well as the basic uses for each of them! Now that you know what you should be tracking, let's talk about how to actually make that happen.



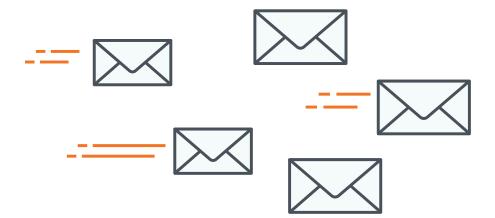
## HOW TO TRACK EMAIL PERFORMANCE (AND THE TWO CATEGORIES OF EMAIL)

Not all emails you send are the same – and the distinction is key when it comes to measuring our four metrics.

There are two different categories of email, but this distinction has nothing to do with the content of the emails. Instead, **these categories describe how emails are delivered to customers**.

The two categories are broadcast emails and automated emails.

Let's start with...





# **BROADCAST EMAILS**

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*Broadcast emails* are manually set up, scheduled, and sent out of your email marketing software to many people at once.

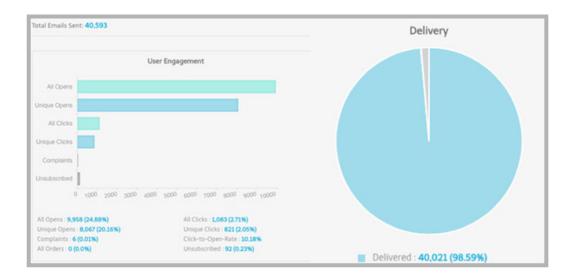
These are **mass communication emails**, closer to a piece of mail you get from your favorite clothing store with a 20% off coupon, like this one from Old Navy with the subject line, "SNAGGED IT: \$12 SHORTS":





And from a metrics perspective, broadcast emails are easy to evaluate; since all the emails are sent at the same time, **data is reported in aggregate about these emails**.

Here's an example of a broadcast email report we would get out of our email client, Maropost.



You can see three of our four metrics are automatically generated...

#### 1. Deliverability

- 2. Open rate
- 3. Click-through rate

And while the platform doesn't actively provide Disengagement rate, it can be easily calculated from the formula provided earlier.

Next is...



# **AUTOMATED EMAILS**

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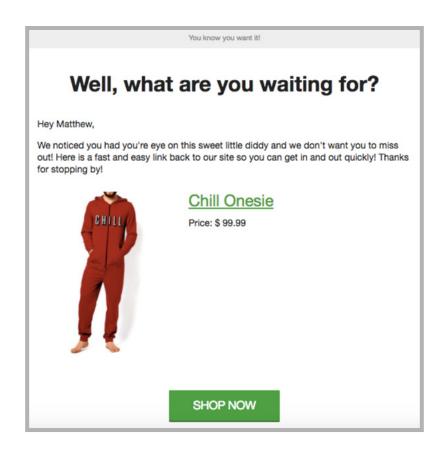
Automated emails, on the other hand, act more like a personal letter.

**They are customized to the individual recipient**, usually containing more details about a customer and their interests.

These emails are sent out based on actions customers have taken – they can be triggered to send when customers do things like...

- Fill out a form
- Purchase a product
- Visit a certain webpage

Here's an example of an automated email from Paragon Apparel with the subject line, "Did you see something you liked?" after visiting one of their product pages:





While the higher personalization means these emails typically perform better than broadcasts, they are also more difficult to track and evaluate because data isn't always automatically aggregated for these and **reporting is provided at a contact level**.

Here's an example of what I mean:

1-50 of 1,484,885	50		‡ per page	< 1 2 3 4	5 6 7 8 >		
Name	Sent By	Status	Total	Start Date	View Report	Email Title	Sent
Your invitation EXPIRES today	System	Completed	3	01/19/2017 1:38 PM	View		3
[MACHINE] Video #3 Plus a FREE e	System	Completed	1	01/19/2017 1:38 PM	View		1
An even more exclusive membershi	System	Completed	1	01/19/2017 1:37 PM	View		1
Where are you? Everyone is waiti	System	Completed	1	01/19/2017 1:37 PM	View		1
Our \$10 per day traffic rollout	System	Completed	1	01/19/2017 1:37 PM	View		1
Oh no "Contact.FirstName", you'r	System	Completed	1	01/19/2017 1:36 PM	View		1

This granular reporting makes it hard to see the big picture and evaluate performance because you have to compare hundreds or thousands of individual reports.

But you need to track BOTH of these kinds of emails **if you want to level up your email marketing**.

To level up your email marketing, you MUST track it...



#### TRACKING EMAIL PERFORMANCE WITH METRICS

We've covered why the tracking of broadcast emails is actually quite easy. Meaning, your only job with broadcasts is to put the metrics into your email marketing data warehouse (more on this later).

## But tracking automated emails, or broadcast emails without proper reporting, is much trickier.

Since tracking isn't happening within the platform, we have to look to other solutions to get our answers...

If you want fast and easy tracking and don't mind spending a little money, there are two great solutions from which to choose.

Both <u>Litmus</u> and <u>Email on Acid</u> provide aggregated, in-depth analytics for all your emails. To get started, simply add an HTML snippet to your email template...





Email on Acid is the more robust of the two options, with click tracking included in the service.

Unfortunately, neither piece of software reports on deliverability, but even so, these are the fastest and easiest way to get the bulk of your analysis up and running.

If you're using a lean startup model and don't want to shell out the money for these platforms, there is a workaround you can set up using <u>Google</u> <u>Analytics</u> and <u>Bitly</u>, two free tools.

You can use event tracking in Google Analytics to report on email opens, meaning you'll have your email performance data right there alongside your website information.

This great article from Dyn walks through how to set this tracking up stepby-step.

To track clicks, we'll turn to Bitly, a friend of social media managers everywhere because of its ability to shorten links.

But Bitly can do more than shorten links – it can be used to track link clicks as well. This makes Bitly a friend to email marketers, too.

**Create a Bitly for every link you include in your email** – the Bitly platform walks you through how to do this when you sign up for your free account.





By doing this, you'll be able to compare total clicks, as tracked in Bitly, to total opens, as tracked in Google Analytics, **giving you click-through rate.** 

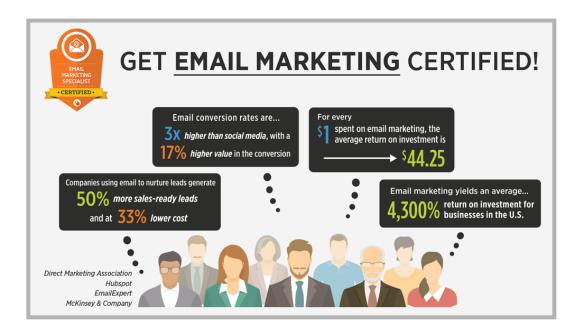
And you can compare opens to emails sent, which should be easy to pull out of any email platform.

Deliverability and disengagement won't be possible, but you'll have WAY MORE insight than most with this information.

Now that you know how to track all the information, we need to discuss how you're going to store all of the email marketing data, and how this will help you avoid a mistake many marketers make...

(**NOTE**: Want a plan for truly effortless <u>automated email marketing</u>? Check out DigitalMarketer's Email Marketing Mastery! Generate at least 200% more sales and conversions from the list you already have... even if it's tiny! <u>Learn more now</u>!)





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#### WHY YOU ABSOLUTELY, POSITIVELY MUST OWN YOUR OWN EMAIL MARKETING METRICS

When your email platform provides all of the metrics for analysis in a neat package, it's easy to conclude that all your work is done – just check individual email marketing metrics and move on to the next thing.

This is a HUGE trap (that many people fall into) when it comes to email marketing because it feels efficient at the time.

## To build a sustainable, long-term email strategy, you need to take any data you get in your business and hold it yourself.

There are two key reasons this is critical.

"To build a sustainable, long-term email strategy, you need to take any data you get in your business and hold it yourself." ~John Grimshaw





## **BEING PREPARED FOR MIGRATIONS**

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The first is that platforms come and go.

Your business will grow and its needs will change over time, meaning that a migration is almost assuredly in your future. Storing email marketing metrics externally makes it easy to be prepared when the time comes.

Take us for example...

Since 2011, DigitalMarketer has leveraged FOUR different email platforms.

If I wanted to compare a campaign we ran in 2011 or 2012 to one we ran today, or just see what the year-over-year trend in open rate was, I'd be out of luck without our platform-agnostic historical data.





## TURNING YOUR EMAIL MARKETING METRICS INTO DECISION-MAKING TOOLS

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Keeping all your information in one place, ideally, one that lends itself to data modeling, helps you turn your email marketing metrics into a decision-making tool.

A simple chart looking at dates and deliverability can help you track how well you're maintaining compliance over time and whether or not you need to adjust your messaging.

Also, having a unified place for all your email marketing metrics makes **it much easier to analyze and evaluate big chunks of data**. You can track trends over time, by the category or the content of the email.

Clearly, it's important to have somewhere you can track these four metrics and the emails they represent that...

- isn't tied to any one platform...
- and can be used to explore your data to find trends and opportunities...

...but that doesn't mean it has to be complicated, as we'll talk about next.



#### STORING EMAIL MARKETING METRICS CAN BE SIMPLER THAN YOU THINK

The fancy term for this external storage is a "data warehouse," but **it can be as simple and low-tech as a spreadsheet**.

Here's what the data warehouse DigitalMarketer uses looks like:

	A	0	c	D	6	F	0		1		к	L	M	N	0	P
1	Date Sent	Subject Line	Email Type	Campaign	Email in Sequence	# Sent	# Delivered	Delivery %	Opens	Open %	Clicks	Click Rate	Click / Open %	Unsubs	Complaints	Complaint %
2		Why you should plan to attend T&C 2017		Sell T&C SM	1	200	198			20.20%	12	6.06%	30.00%	2	3.00	0.13
3			Promotional					#DIV/0!		MDIV/01		#DIV/0!	#DIV/0!			#DIV/01
4								#DIV/0!		#DIV/0! 1		#DIV/0!"	#DIV/0!			#DIV/0!
5								#DIV/0!		#DIV/0! "		#DIV/0!"	#DIV/0!			#DIV/0!
6								#DIV/01		NDIV/0!		#DIV/0!	#DIV/0!			#DIV/01
7								#DIV/0!		#DIV/0! "		#DIV/0!"	#DIV/0!			#DIV/0!
8								#DIV/0!		#DIV/0! "		#DIV/0!	#DIV/0!			#DIV/0!
9								#DIV/0!		NDIV/0!		#DIV/0!	#DIV/0!			#DIV/0!
34																
35	TOTALS					200	198	#DIV/01	40	#DIV/0! "	12	#DIV/01	#D(V/0! "	2	2 3	0,12

You can grab a copy of the tracking sheet DigitalMarketer uses <u>here</u>.

Just visit that link, then, click **File > Make a Copy**, and you'll have one you can edit added to your Google Drive!





	Share						
1	New +						
	Open 80		C	D	E	F	G
	Rename	:t Line	Email Type	Campaign	Email in Sequence	# Sent	# Delivered
		&C 2017	Content	Sell T&C SM	Sequence 1	# Sent 200	Delivered 19
2	Make a copy	002017	Promotional	Sell Tac Sivi		200	10
1	Add to My Drive		rionosonar				
	i Move to trash						
	Import						
	See revision history #+Option+Shift+H						
	Spreadsheet settings						
	Download as						
	Publish to the web						
	Email collaborators						
	Email as attachment						
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This sheet will make it EASY to track BOTH broadcast and automated emails and **get you started with your very own data warehouse**.

Tracking **broadcast emails** is self-explanatory – you just plug the performance for each individual email into each row.

For **automated emails**, you'll want to add an update to the sheet every time you get 100 new clicks on each email. That way, you'll have enough data to give you representative performance metrics.

Now that you know your email marketing metrics and how to track and organize them, there's one step left.



#### WHAT DOES SUCCESS LOOK LIKE? HOW TO BENCHMARK YOUR PERFORMANCE

Figuring out how your emails stack up can be very tricky.

One of the biggest questions I get from people about their email marketing metrics is, **"What kind of performance do you see at DigitalMarketer?"** Unfortunately, the answer to that isn't useful for most.

Looking at...

- different markets
- different products
- different email lists

...won't help YOU decide how YOU'RE doing.

#### You need to look closer to home.

Thankfully, there are two great resources to help you define what success looks like.



#### BENCHMARKING YOUR PERFORMANCE BY KEEPING AN EYE ON YOUR PEERS

The first resource is other people in your industry.

If you're a law firm, knowing how email marketing generally performs for other businesses offering legal services will give you a great benchmark for what success should look like.

This data will be more FAR MORE useful than the law firm comparing itself to a clothing store.

The same goes for all industries. – if you know the general habits of people in your audience, you can evaluate your results.

So, how do you go about this?

Luckily, Mailchimp has created the best resource ever for **taking a peek into your peers' email marketing metrics**.

<u>This resource provides averaged email performance data for 46</u> <u>different industries</u>, ranging from Arts and Artists all the way to Vitamin supplements.



And because Mailchimp sends over 10 billion emails a month, **the information is extremely representative of behavior patterns.** 

## If you know the general habits of people in your audience, you can evaluate your results.

Here's a look at some of that email marketing data:

Industry	Open	Click	Soft Bounce	Hard Bounce	Abuse	Unsub
Agriculture and Food Services	24.71%	2.98%	0.58%	0.43%	0.02%	0.29%
Architecture and Construction	24.78%	2.90%	1.50%	1.08%	0.03%	0.36%
Arts and Artists	27.23%	2.85%	0.61%	0.44%	0.02%	0.29%
Beauty and Personal Care	18.48%	1.96%	0.38%	0.38%	0.03%	0.32%
Business and Finance	20.97%	2.73%	0.66%	0.55%	0.02%	0.23%

The other resource you should use to evaluate your performance is **your own data**...



#### BENCHMARKING YOUR PERFORMANCE BY LOOKING TO THE PAST

Looking at past performance is **one of the best ways to get a sense of where your email marketing program is at the moment**.

To turn your historical data into something usable, you need to compile it.

This can be done pretty easily – generate averages for your fourmetrics looking at the past...

- six months
- year
- and three years

...to see what direction performance is trending and to come up with benchmarks to compare your current performance to.

Whether or not your email marketing is where you want it to be today, **the only way to start improving it is to understand where you are at the moment**.

## The only way to start improving it is to understand where you are at the moment.



Leveraging these two different sets of data will give you reasonable expectations and help you understand how your email marketing shapes up.

In addition to the details on how to improve individual metrics, making your audience more or less specific is the next best way to improve performance.

#### To beat your baseline, try experimenting with a smaller list, targeted by topics you know they're interested in.

And experimenting with the email's subject line and body copy is a great way to boost performance.

#### (RELATED: [Swipe] Digital Marketer's Best Email Body Copy)

Focus on improving one email marketing metric at a time – that way you can figure out what's causing the lift.

What's next, you might ask?

Well...



#### **PROVE, THEN AUTOMATE**

Now that you've got the basics of tracking and using your email marketing metrics, you can take it one step further by leveraging your broadcast emails to improve your automated emails.

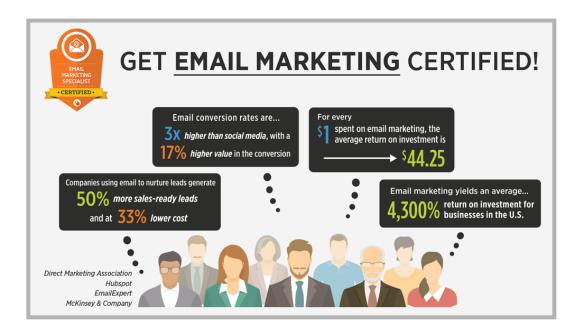
Once you have a good sense of what exceptional performance looks like, you can **cherry-pick your best broadcast emails and turn them into automated emails**.

That way, every time you send a broadcast, you're also working in your email marketing laboratory – testing and improving your campaigns!

And by keeping a close eye on these four metrics, you can figure out how to create and maintain effective email marketing campaigns.

(**NOTE**: Want a plan for truly effortless <u>automated email marketing</u>? Check out DigitalMarketer's Email Marketing Mastery! Generate at least 200% more sales and conversions from the list you already have... even if it's tiny! <u>Learn more now!</u>)





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