

## MEASURING THE EMAIL METRICS THAT MATTER

A 2012 Forrester study revealed that 66% of marketers use open rate as their primary metric of focus for email analysis - we were shocked! Open rates will inevitably always be relevant from a volume perspective (you can't drive conversions if your customers don't first see your message), but the ultimate metric for email optimization is the total value output of each message: total revenue per send for retail and something along the lines of pageviews per message (a proxy for ad revenue) for publishers.

### Quality vs. Quantity

To best understand the quality/quantity quandary, consider our [2013 Holiday Data Report](#), which took a deep dive into the impact of the Gmail promotional tab on holiday email performance. There was something of a marketing panic following the widespread rollout of the Gmail promotions tab in late summer 2013, but we paused for a moment to answer a bigger question: regardless of any fluctuations in opens, what happened to the value output of each email?

Not surprisingly, Gmail opens declined year-over-year for the 2013 holiday season (whereas the weighted average of Yahoo, AOL and Hotmail showed an increase), but at the same time, conversions from open to purchase increased 7.2% for Gmail whereas they declined 1.7% for the other combined segment. In other words, *quantity declined, but quality improved*. The most important question a marketer can ask in this situation is: *is the uptick in quality enough to offset the decline in quantity?* (It varied in this case.)

Consider another example, where Sailthru client Business Insider aggressively tested responsive design (with the initial aim of improving clickthrough rate). Interestingly, clickthrough rates varied by vertical (and even declined in a few places), but pageviews per click (a signal of the subscriber's engagement after clicking through the email) improved materially, enough to yield a 51% lift in pageviews per open. Had Business Insider focused on clickthrough rate, they may have found the responsive design initiative was not worth the effort, but the total value output told a very different story. Another Sailthru client, retailer Cult Cosmetics, saw similar effects with responsive design testing. They had mixed results on clickthrough rate, but an 11.2% improvement in cart completion and ultimately, more purchases per send.

There's always incremental lift to be had via opens and clicks, but keep your eye on the real prize: the "net-net" return of each message, or estimated total value of each email you deploy. The Sailthru UI makes it easy to track these numbers with default campaign statistics around PV/M (pageviews per thousand emails deployed) and Rev/M (revenue per thousand emails).

### Contextualizing Your Performance Goals

In addition to discerning between quantity and quality, it's also important to make sure your performance goals are contextualized to the type of email you are sending. If you are sending a re-engagement email, for instance, you should be less concerned about opens or even revenue and more concerned with the "take rate." That is, what portion of disengaged users were you able to recapture with that message.

### Beneath the Surface

All too often marketers will take their performance metrics at face value, but there is actually a wealth of data and insights that lies beneath the surface. Breaking your email KPIs down by signup cohort or acquisition source are just two simple examples of how to develop these insights. In the case of signup cohorts, often we see that more recent subscribers boast higher open rates, meaning we need to get aggressive with combatting message fatigue for "older" subscribers. In the acquisition source example, your open rate could look weak, but it could turn out that your primary list growth lever was a poor-performing channel (with low open rates), thereby bringing down the overall list performance.