

Tracking the Success of Your Direct Email Campaigns Accurately

Okay, so we all know by now that targeted direct email campaigns using qualified opt-in lists are one of the most effective ways of promoting and selling a product (if you are unfamiliar with direct email campaigns please refer to our "email marketing" article section -- [Click here to go there](#)). However, many still don't know how to track the success of a direct email campaign properly. Many don't know how and even more are clueless about what stats need to be tracked.

In this article, I'll sum up the most crucial data you should be collecting and simple ways of collecting it. So let's skip the small talk. Here's the data that should be collected from an email campaign in order to track the success of your email campaign...

1) Finding The Open Rate (HTML mailings only)

The first statistic you should be tracking in an email campaign is your email "open rate". Now this has always been an area of debate because in truth, there isn't a 100% accurate method for tracking this. On the other hand though, almost all statistics leave a margin for error. The method that I'm about to show you is the easiest and most accurate way possible of tracking your email open rate.

For all of you who don't know, the email "open rate" is the amount of people that open your email compared to the amount of people you've sent emails to. So for example if you sent your promotion to 50,000 people and 5000 people opened, then you know that your open rate is 10% (if you're not sure on how to calculate this, I'll be showing you how to do this as well.)

Measuring your email open rate is simple. However, it currently can only be tracked if you send mailings using HTML. All you need to do is make an invisible graphic and give it a unique filename. This can be done easily by creating an invisible GIF file or by simply making a 1 pixel by 1 pixel graphic that's the same color as the background of your html email.

Place the image somewhere near the top of the page and bingo... every time the special image loads, your server logs will track it. Then all you have to do is use a stats program to analyze the server log file to see how many times this graphic was requested. As I mentioned earlier, this method is not 100% accurate but the margin for inaccuracy is relatively nominal. When all is said and done, measuring your open rate this way will still give you an adequate picture of how many people are opening your email opposed to how many aren't.

Armed with this data, you can determine whether the subject of your email is enticing enough. If not just tweak it until you get the desired open rate.

You can also calculate this data as a percentage or ratio. Again, this is pretty simple. All you need to do is take the number of people that opened your special promotion email (let's say 5,000) and divide it by the number of people that you actually sent the email to (let's say 50,000). The resulting number should be .10 -- in other words, the amount of people that opened your email was 10%.

You can also interpret this data as a ratio. To do this divide the total amount of people you sent the email to (again 50,000) and divide it by the amount of people that opened the email (again 5,000). This should leave you with 10 -- in other words 1 out of 10 people you send your email to, opened.

2) Tracking Click-throughs Against Total Emails Sent (or More Accurately Total Emails Opened)

For most mailings, the email that is sent to people promoting a product should link to another web page. This web page usually "tells the rest of the story", whereas the email itself should be used to lure the potential customer to the actual web page. In essence, the email should stay relatively short and to the point and should link to a web page that does the actual selling.

With that said, it's quite obvious that data be collected for the amount of people clicking on the link in your email that brings them to the web page.

Again this data is measured very easily and there are 2 methods to accomplish this.

a) The first method requires you to make sure that a new unique web page is made for the special promotion you are sending out. So for example, if I sent out an email selling clearance golf clubs, I would set up a brand new page specifically for that offer and link to that page only from my special email.

All you need to do after is use a stats package to track how many unique visits went to that special offer page. Because people can only get to it through the link on the special promotion email, this number stays relatively accurate. Of course there's always room for people to tell friends about the special email or to forward the email off to someone else. In most cases however, these instances are rare and don't affect the data too drastically.

b) The second method of measuring the click-through data is to put an actual tracking link in the email. When people click through this link, it registers as a click through. It's pretty straight forward, and you can find this kind of functionality in most stats packages and online stat services. I recommend that you check out hypertracker.com or clickalyzer.com. Both are great services that can do this for you for an affordable monthly service fee.

Once the data is measured, take the number of unique visitors or click-throughs to your

special offer page (let's say 500) and divide it by the number of people that opened your email* (again, 5,000). The number that results should be .10 -- in other words 10% of the people that opened your email clicked further to read more about your promotion or special offer.

Again, you can also work this number into a ratio. Just take the number of people that opened your email* (again, 5,000) and divide it by the number of unique visitors or click-throughs to your special offer page (again, 500). The number that results should be 10 -- in other words 1 out of 10 people that opened your email clicked through the link in the email to read further about your special promotion.

*Note: As I mentioned earlier, the open rate can only be measured if you're sending mail-outs using HTML. However, if you're sending out emails using text only, you should be comparing your unique visitors or click-throughs to the total amount of emails that were sent. This of course is not as accurate, but if you measure this the exact same way each time you do a direct email campaign, you'll know what ratios you need to hit in order to be a success.

3) Tracking Buy-throughs Against Total Unique Visitors or Click-throughs

Now the moment of truth... How many people made it to buying your product or service through your special promotion?

If you run a shopping cart system, which most people do, make a special promotion id so that each product bought can be tracked by the special promotion id. If you don't have a shopping cart, make sure that you create a separate order-form that can deliver you a receipt via email with a special id every time someone buys through that special form.

Now all you have to do is take the number of people that buy (let's say, 50) and divide it by the number of unique visitors or click-throughs to your special offer page (again, 500). The number that results should be .10 -- in other words 10% of the people that clicked through actually bought into the special promotion.

Once again if you work this into a ratio, your result should be 1 out of every 10 people that clicked through or visited your special offer page, bought your product.

4) Miscellaneous Data

By the end of your promotion, you should have collected the total dollar figures from the special offer. Using these figures, you can interpret 2 other important stats that will come in handy.

a) The first being your email value. This is calculated by simply dividing the total amount of dollars made from your special offer (let's say, \$5000) by the total number of emails sent (again, 50,000). The resulting number should be \$0.10 -- in other words each email that you sent out is worth 10 cents.

b) You can do a similar stat analysis and find what each unique visitor or click-through to your special offer is worth. Take the total amount of dollars made from your special offer (again, \$5000) and divide it by the number of unique visitors or click-throughs to your special offer page (again, 500). The number that results should be \$10 -- in other words, each unique visitor that goes to your special offer page is worth \$10.

These stats are good to keep around incase you're ever in a position to buy qualified traffic from another source (i.e. banner ads, pay-per-click listings, third-party opt-in lists etc.). Armed with these numbers, you'll know exactly what you can afford to spend to get a visitor, click-through or email address.

5) Recommended Data Analysis Software

Don't have an idea of what stats package to use? Well, I can tell you that out of all the packages I've encountered, Funnelweb Analyzer (http://www.quest.com/funnel_web/analyzer/ -- trial and freeware versions are available) seems to be the most accurate for me -- we use it religiously here at Internet Marketing Challenge. Web Trends is also a comparable analyzer (<http://www.webtrends.com> -- you can also find a trial version of this at their site). However, our benchmarks have proven to us that their program is less accurate as Funnelweb (at least for analyzing our stats).

Funnel Web and Web Trends are just 2 of the products that we've put our time into. However, there are a variety of different analysis software packages available to the public today. Regardless of what stats program you chose to go with, make sure that they can accurately track images (crucial for measuring your open rate) and unique visitors (crucial for measuring the amount of people that visit your special offer page).

Get the skills without the spills!

- Boris Chow

About This IMC Contributor

Boris Chow is a seasoned Internet marketer and member of the IMC Think Tank, the team of Internet marketing professionals who gather in the IMC Private Site to spill the beans about Web marketing breakthroughs -- as they happen!