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## **Smart emailing**

*Common terms glossary*

## **kephri.net emailing glossary**

This glossary draws on professional terms used by leading organisations like the Internet Advertising Bureau (IAB) and The Direct Marketing Association (DMA).

### **a) Emailing basics**

**Acquisition:** Any activity where the reason for sending the email is to acquire a new customer. This includes any list rental from cold or prospect lists, and list trades or swaps with partners or affiliates. Does not include emails sent to existing customers where trying to up-sell or cross-sell.

**Average soft bounce rate:** The number of soft bounces divided by the number of emails delivered (in %, also see Soft bounce definition).

**Average hard bounce rate:** The number of hard bounces divided by the number of emails delivered (in %). The average hard bounce rate for a B2B mailing is 6 % in case of acquisition, 2 % in case of retention according to the Direct Marketing Association (also see Hard bounce definition).

**Average unique open rate:** Unique opens divided by number of emails delivered (in %). The average unique open rate for a B2B mailing is 22 % in case of acquisition, 29 % in case of retention according to the Direct Marketing Association (also see Unique email opens definition).

**Average total click-through rate:** Number of total clicks divided by number of emails delivered (in %). The average total click through rate for a B2B mailing is 7 % in case of acquisition, 12 % in case of retention according to the Direct Marketing Association (also see Email click-through definition).

**Average unique click-through rate:** Number of individuals who have clicked through divided by number of emails delivered (in %). The average unique click through rate for a B2B mailing is 7 % in case of acquisition, 12 % in case of retention according to the Direct Marketing Association. (also see Unique email click-through definition).

**Bounce:** An Email that cannot be delivered to the mailbox provider and is sent back to the Email Service Provider that sent it. A bounce is classified as either "hard" or "soft." Hard bounces are the failed delivery of Email due to a permanent reason, such as a non-existent address. Soft bounces are the failed delivery of Email due to a temporary issue, such as a full inbox or an unavailable ISP server.

**Cell:** The combination of content with a group of recipients (frequently called a segment). The content can be unique to this group to improve response or it can be the same in order

to easily test response.

**Conversion rate:** The number of 'take-ups' resulting from the email activity, e.g. the number of credit cards or personal loans offered as a result of the email. Only includes data that is clearly based on known responses to emails. For our purposes that means data received within 90 days of the issuing of the email campaign. Responses after this date are not included.

**Deliverability:** Volume of emails sent less the number of bounces received.

**Dynamic content:** Content that is chosen by the system when the email is being created based on the recipient's attributes stored in the database.

**Email Service Provider (ESP):** A business or organization that provides the Email campaign delivery technology. ESPs may also provide services for marketing, advertising and general communication purposes.

**Hard bounce :** Where the recipient does not see the email due to invalid email addresses, domain failure, ISP blocked etc...

**Inbox:** Within a mailbox provider, the default, primary folder that stores delivered Email messages.

**Individual error codes:** SMTP codes returned when emails are rejected.

**ISP:** A business or organization that provides internet access, and related services to consumers.

**"Junk" or "Bulk" Email Folder:** An inbox-alternative folder, within a mailbox provider, that stores Email messages that are, for various reasons or rationale, unable to be delivered to the recipient's inbox.

**Mailbox Provider:** The Email program, and by extension the server, that hosts the targeted Email address.

**Opt-out:** When a recipient unsubscribes or opts-out of further communications.

**Preview Pane:** A small window within a mailbox provider that allows the user to view some Email content without opening the Email.

**Response rate:** The number of actual responses made as a result of the email campaign, expressed as a percentage of the overall total email volumes and irrespective of take-up.

**Retention:** Any activity where the reason for sending the email is to retain an existing customer. This includes warm prospect emails, customer cross-sell, customer up-sell and newsletters.

**Soft bounce:** Where the email address is valid but the recipient does not see the email

because of a temporary delivery problem, inbox full, server down etc...

## **b) Emailing campaign performance metrics**

### *PERFORMANCE METRICS OF A CAMPAIGN*

#### **Email Conversions**

Although not all Email messages are intended to drive a purchase, most messages have some "call to action," such as a click-through or confirmation. If these kinds of conversions are an applicable metric of success, then this metric attempts to answer the question, "How many registrations, purchases, or other actions were taken as a direct result of this Email campaign?" This metric is a whole number in the form "100,000" or as an Email Conversion Rate percentage in the form "5%". The denominator is Email Delivered.

#### **Email Revenue**

This metric attempts to answer the question, "How much revenue was generated either as a direct result of this Email campaign, or, if Email is part of a multi-channel campaign, as a function of an advertiser-assigned value?" This metric is a monetary amount in the form "\$20,000.00" or as CPM in the form "\$20 CPM". The value will be dependent on the product or service average order value, the strength of the proposition and the company or product brand value.

#### **Email Gross Profit**

This metric attempts to answer the question, "How much revenue was generated as a direct result of this Email campaign, minus any direct costs, such as the cost of deployment, the cost of creative development, the cost of list rental, unsubscribes / lost opportunity, complaints, customer service, etc.?"

#### **Effective Email Cost-per-Thousand (Email eCPM)**

This metric is typically used for list rental and attempts to answer the question, "How much revenue was generated per email impressions delivered? It may be calculated by subtracting costs associated with sending the Emails from revenue generated, then dividing by the number of impressions delivered, and multiplying that number by 1,000.

#### **Total Email Opens**

This metric attempts to answer the question, "How many times did a person look at the Email campaign?" In practice, recording user activity is a way to confirm that the recipient viewed the message. Loading of an invisible pixel is generally sufficient to qualify as an Open. This metric is a whole number in the form "100,000" or as an Email Open Rate percentage in the form "25%". The denominator is Email Delivered.

#### **Unique Email Opens**

This metric is similar to an Email Open, but here, duplicate opens are eliminated. This attempts to answer the question, "How many unique individuals viewed this Email campaign?" This metric is a

whole number in the form "100,000" or as a Unique Email Open Rate percentage in the form "25%". The denominator is Email Delivered.

### **Total Email Click-Throughs**

This metric attempts to answer the question, "How many times did a person click on a link or multiple links within this Email?" This may or may not include clicks on unsubscribe links or other links and you may find it helpful to view click-through reporting by individual link. This metric is a whole number in the form "100,000" or as an Email Click-through Rate percentage in the form "10%". The denominator is Email Delivered and this percentage may exceed 100%.

### **Unique Email Click-Through**

This metric attempts to answer the question, "How many unique people clicked on a link or multiple links within this Email?" To illustrate, if one person clicked on two links, this would only count as one unique click-through. If one person clicked on the same link twice, this would only count as one unique click-through. This metric is a whole number in the form "100,000" or as a Unique Email Click-through Rate percentage in the form "10%". The denominator is Email Delivered.

### **Click-to-Open Rate**

This metric attempts to answer the question, "Of the Unique Email Opens, how many individuals took an action?" This metric is a percentage in the form of "30%." It is generally calculated as either Unique Click-Throughs over Unique Email Opens; or Total Email Click-Throughs over Total Email Opens.

### **Email Forwards**

This metric attempts to answer the question, "How many times was this message forwarded from the original recipient to a new recipient?" Forwards can be calculated using a number of different methods. This metric is a whole number in the form "10,000" or as an Email Forward Rate percentage in the form "0.1%". The denominator is Email Delivered.

## *OVERALL DELIVERABILITY METRICS OF A CAMPAIGN*

### **Email Sent**

This metric attempts to answer the question, "How many did you try to send?" In other words, it describes how many messages were in the queue before any delivery attempts were made, but after any necessary internal suppression has been performed. This metric is commonly used to bill for Email Service Provider delivery, but not for third party list rental. This metric is a whole number in the form "100,124".

### **Email Delivered**

This metric attempts to answer the question, "How many valid Email addresses actually accepted my complete message?" In other words, it describes how many were completely transferred to the intended recipient's mailbox provider without generating a "bounce" or other delivery error. This metric is calculated before the impact of content-based filtering is factored in. If a message is

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rejected by the mailbox provider, it does not count as delivered. However, if the message is accepted and placed in a "junk Email" folder it generally does count as delivered. This is currently the most common metric used to purchase Email advertising by CPM or third party list rental. This metric is a whole number in the form "100,032" or as an Email Delivery Rate percentage in the form "95%" and the inverse of this number is known as the "bounce rate." The denominator is Email Sent.

Feel free to contact me for any question related to this document.

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