

# The Ins and Outs of E-mail Marketing

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Director of Marketing



## Agenda

- Set an e-mail strategic goal
- Plan your campaign
- Execute your campaign
- Measure results

## **Definition — *E-mail conversation***

A series of e-mails tailored to customers' motivations and sequenced to guide them through the buying cycle

## How marketers use e-mail

Industry survey of 2700 marketers on primary goals for e-mail programs

Engage & build relationships with existing customers	60%
Acquire new customers	41%
Sell products & services	32%
Provide information	31%
Build brand	25%
Drive clicks to site	21%
Up sell & cross sell existing customers	18%

A successful e-mail campaign is a combination of

the **right** offer...

to the **right** list...

with the **right** creative...

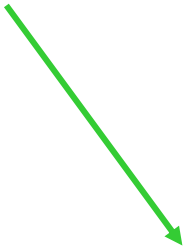
Marketing Template  
Strategy

Strategy

Plan

Execute

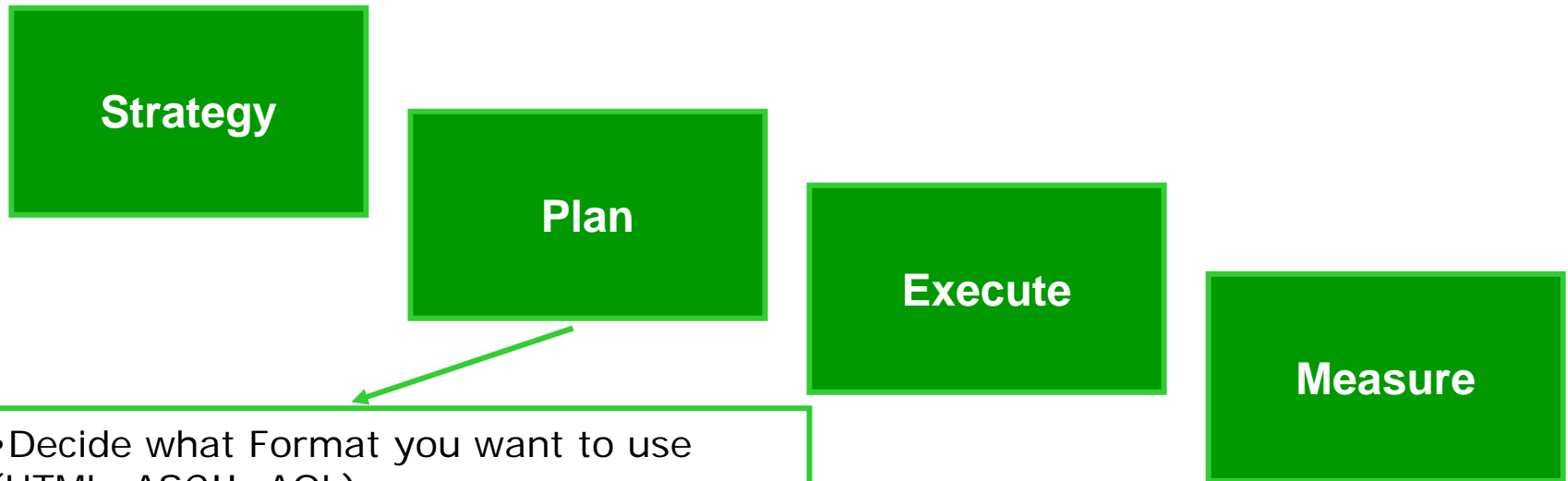
Measure



- Conduct competitive analysis
  - SWOT
- Define target market segment
- Establish goals for campaign
  - Determine how you will measure success**
  - Determine Campaign Purpose**
- Establish Offer
  - Call to Action**

## Determine How You Will Measure Success

- Cost per lead
- Cost per qualified lead –matches your criteria
- Cost per order
- Site traffic
- Site registrations
- Roll out potential to market
- Paid Orders



- Decide what Format you want to use (HTML, ASCII, AOL)
  - From Line
  - Subject Line
  - Preview Pane
  - Header
  - Footer
- What lists to use (opt-in, rentals, house)
- Message content
- Links to action (Limit it to three links)
- Timing (what day of the week, what time)
- Privacy Policy – Legal Compliance

HTML vs. text?

Spam blockers look for HTML messages

There are pros' and cons' for both. Choose based on your audience

**Image Blocking by Major ISPs & E-mail Clients**

Blocking Issue	AOL Versions 6.0-9.0	<u>Gmail</u>	Hotmail	Yahoo	Outlook 2000/XP	Outlook 2003	Outlook Express w/SP2	Outlook Express w/o SP2
External images are blocked by default	Yes	Yes	No	No	No	Yes	Yes	No

## From Line

Who is the e-mail from?

- The first thing recipients look at

There are two components:

- What is displayed in the inbox
- What is displayed when the e-mail is opened

Inbox	Email
The Wall Street Journal Online	WSJ@listserv.punchline.net [on behalf of Wall Street Journal]
Sony Electronics	sonyelectronics@sony.m0.net
E-nouncements from T. ...	noReply@rps-updates.troweprice.com
Hewlett-Packard	[Hewlett-Packard] us-specials@your.HP.com

## Subject Line

Headline seen prior to opening the message. Gives a brief description of what the e-mail is about

- Recipients often decide whether to open an e-mail based on the subject line

### Bob Bly's 4 U's for subject lines

1. Urgent
2. Unique
3. Ultra-Specific
4. Useful

From	Subject Line
JCPenney	Home Sale: Redecorate with Savings
Quill.com	Look inside for sale offers selected just for you
Staples Newsletter	Regina, here's your July newsletter
Lands' End	DESIGN YOUR OWN JEANS

## Preview Pane

A setting in many e-mail programs that allows the recipient to view the first few lines of a message. Can also contribute to getting the recipient to open the message

**From:** DMA Seminars [Seminars@email.the-dma.org] <Seminars@email.the-dma.org> **To:** Ani Luxner  
**Subject:** Build and manage a world class lead generation program **Cc:** DMA Semin  
Unknown cor



## Header

Standard language or design elements seen at the top of a message.

**From:** Soflow membership support [service@soflow.com] <service@soflow.com> **To:** Ani Luxner  
**Subject:** [Soflow] Forum post in Adrants Main **Cc:**

Hi Ani,

The following post has been made to the Adrants Main forum:

Posted by: Christien Louviere

}  
} **ascii**  
{


 May 31, 2005

E-Mail news for advertising, marketing and media professionals

**IAB SmartBrief**



}  
} **HTML**  
{

E-mail this brief to a friend |  Sign up for this newsletter | Search past issues ▶

**Marketing Trends & Research**

Sponsored by:



Thank you for choosing to receive notification of special contests and offers from pch.com's partners. Now, here's an offer from Packmate. (Please note that this offer is not being made by or on behalf of pch.com.)

}  
} **3<sup>rd</sup> party**  
{



## Footer

Standard language at the bottom of a message. Might include instructions on how to remove your name, a suggestion to forward the message to a friend, how long a promotion will be available, etc.

Questions or comments? Send email to:

[psherman@potomactechwire.com](mailto:psherman@potomactechwire.com)

News tips, press releases. Send email to:

[editorial@potomactechwire.com](mailto:editorial@potomactechwire.com)

To change your subscription email address, please unsubscribe the old address and then subscribe your new email address at:

<http://www.potomactechwire.com>

Tech Wire Mailing Address:

5500 Friendship Blvd.

Suite 2405

Chevy Chase, MD 20815

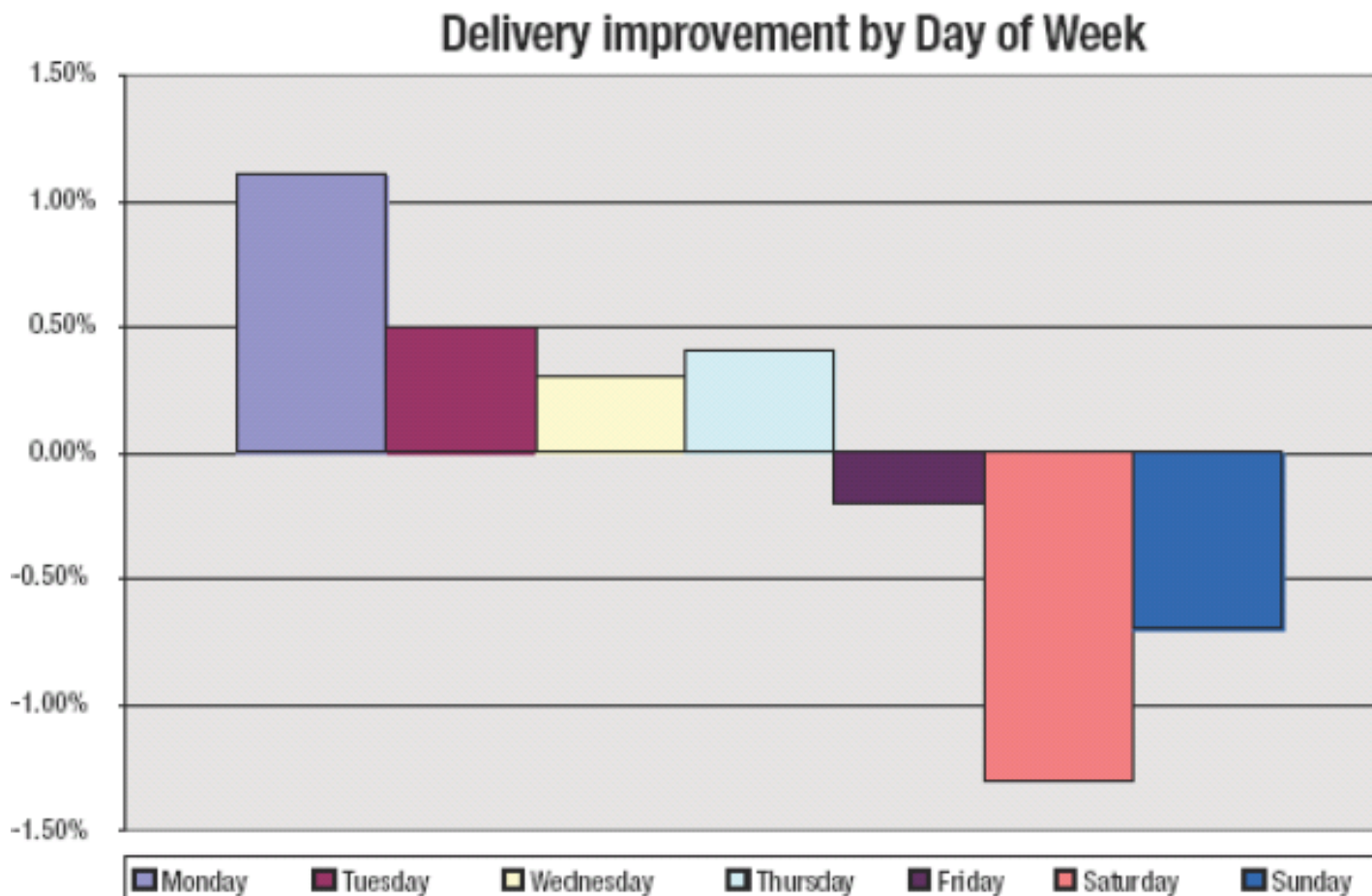
Copyright: CapWire Inc. 2005

You are subscribed to potomactechwire as [ani@ani-mba.com](mailto:ani@ani-mba.com).

To unsubscribe, send a blank email to

[leave-potomactechwire-129614S@potomactechwire.sparklist.com](mailto:leave-potomactechwire-129614S@potomactechwire.sparklist.com)

Day of week may improve deliverability however it will depend on your audience and on what you're trying to accomplish.



## Permission, Deliverability & Legislation

We are drowning in a sea of sp@m

- Sp@m now represents over 80% of all e-mail
- Consumers are increasingly annoyed. Trust in e-mail channel is eroding
- About 90% of spam comes from the 150 biggest spammers

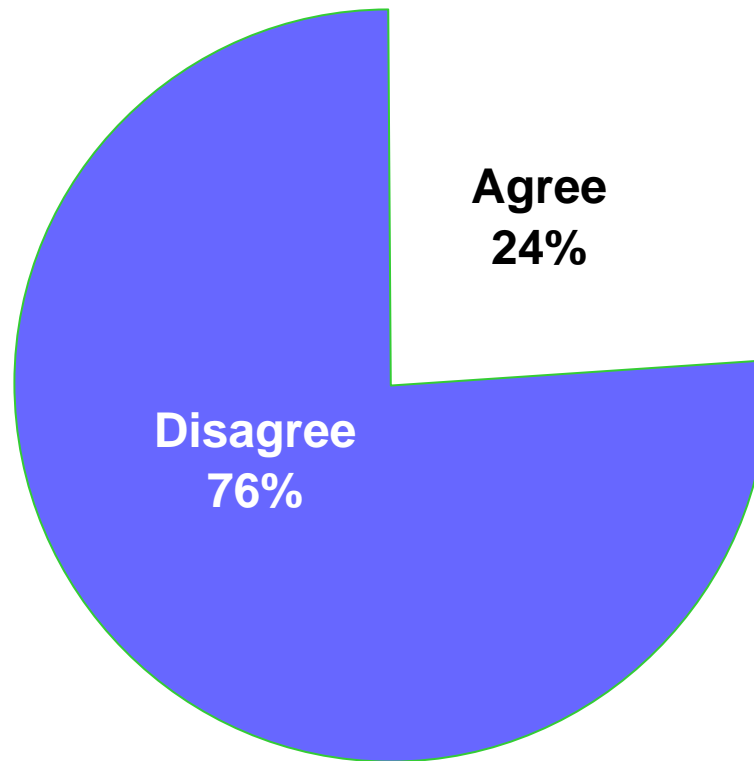


## The Cost of Spam is High for Marketers

- **Consumers** - less likely to open and read e-mail  
More likely to employ filters. 54% of online households employ spam blockers (Forrester)
- **Businesses** - lose productivity (\$3,000 per employee) and increased costs (bandwidth anti-spam tools)
- **Marketers** - lower response & lost contacts due to e-mail address switching
- **ISPs** - increased systems load and more costs + customer dissatisfaction
- **ESPs** - huge investments in systems, reporting and staff to work with ISPs

## Most don't trust marketing messages

"Companies generally tell the truth in ads."

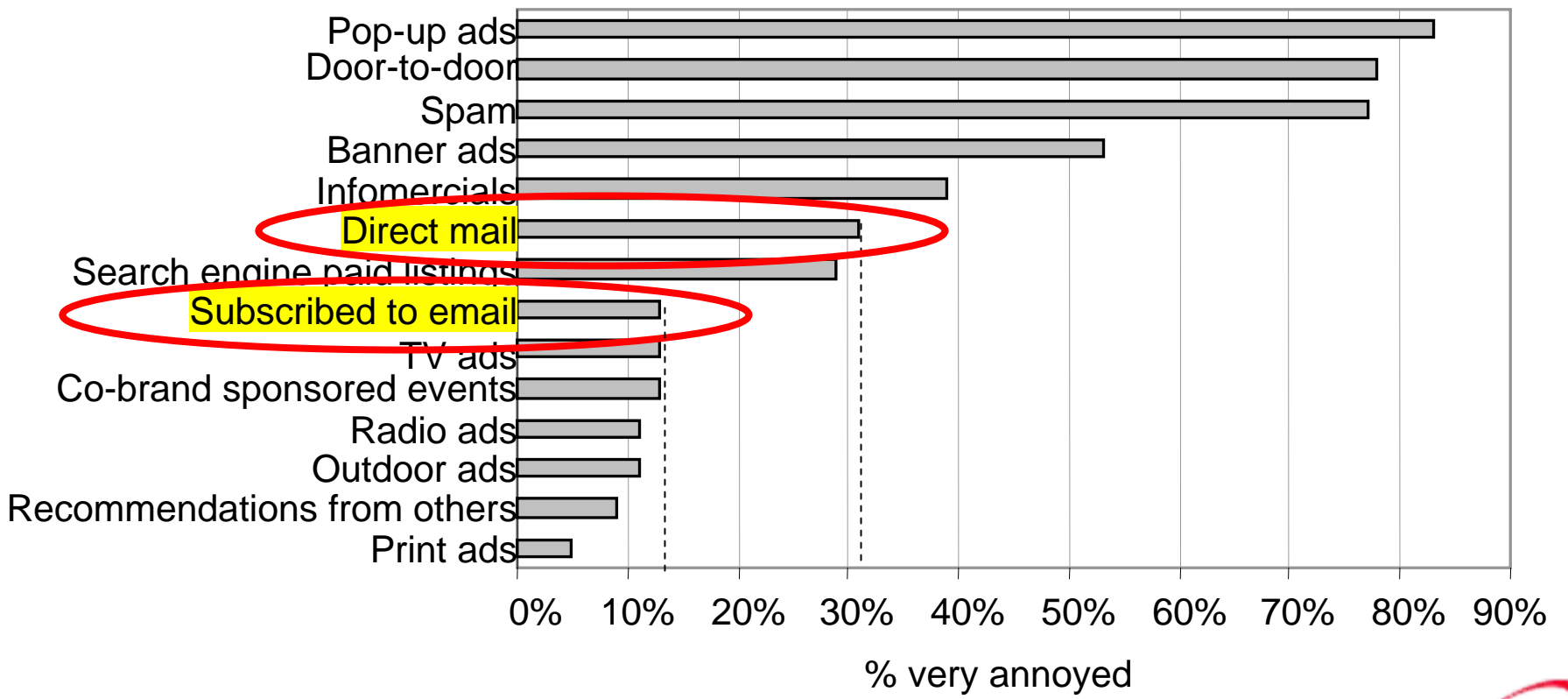


Base: 470 responses

Source: Forrester Research, Inc and Intelliseek

# Permissioned email isn't annoying . . .

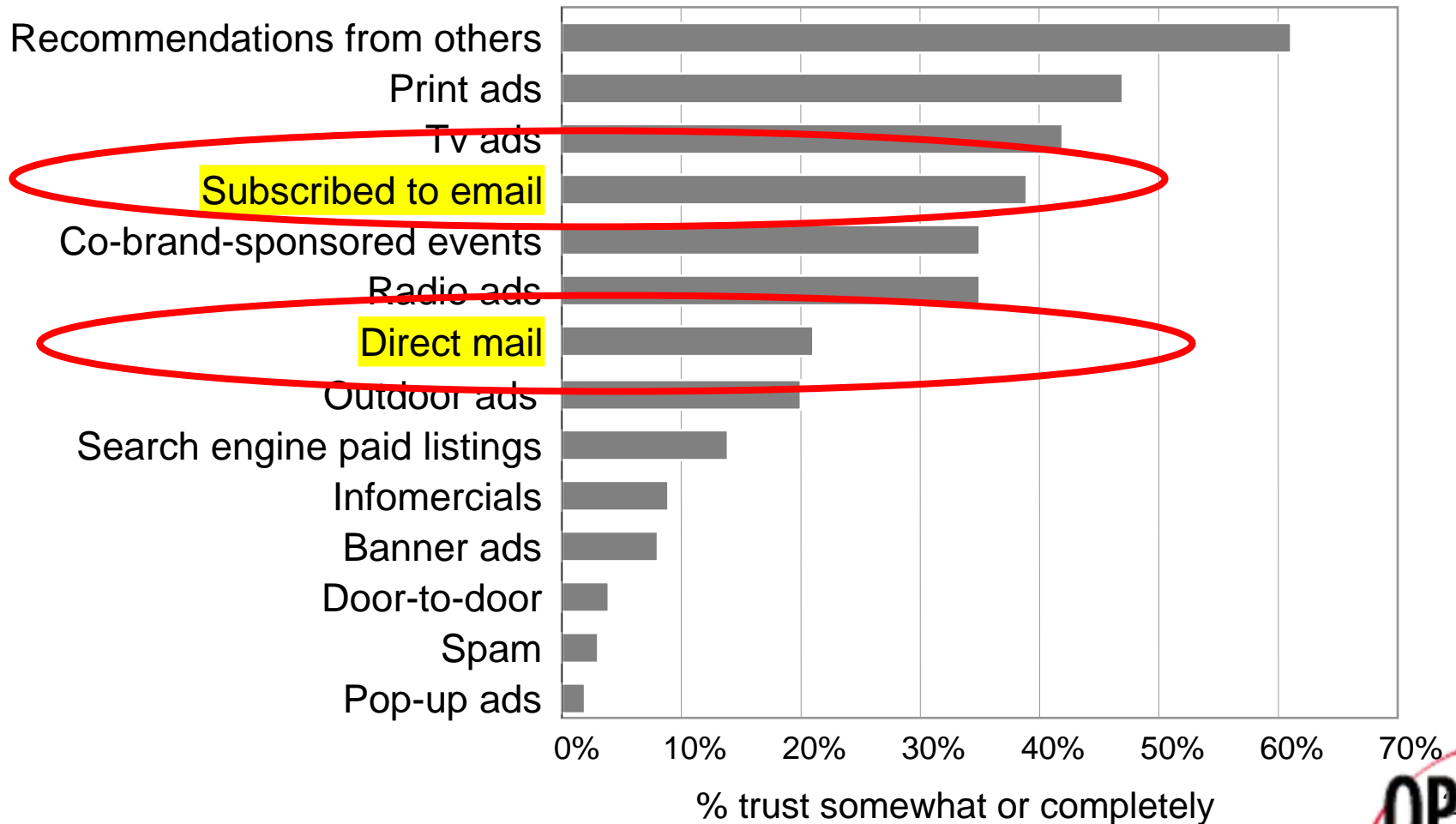
Level of annoyance for types of marketing/advertising



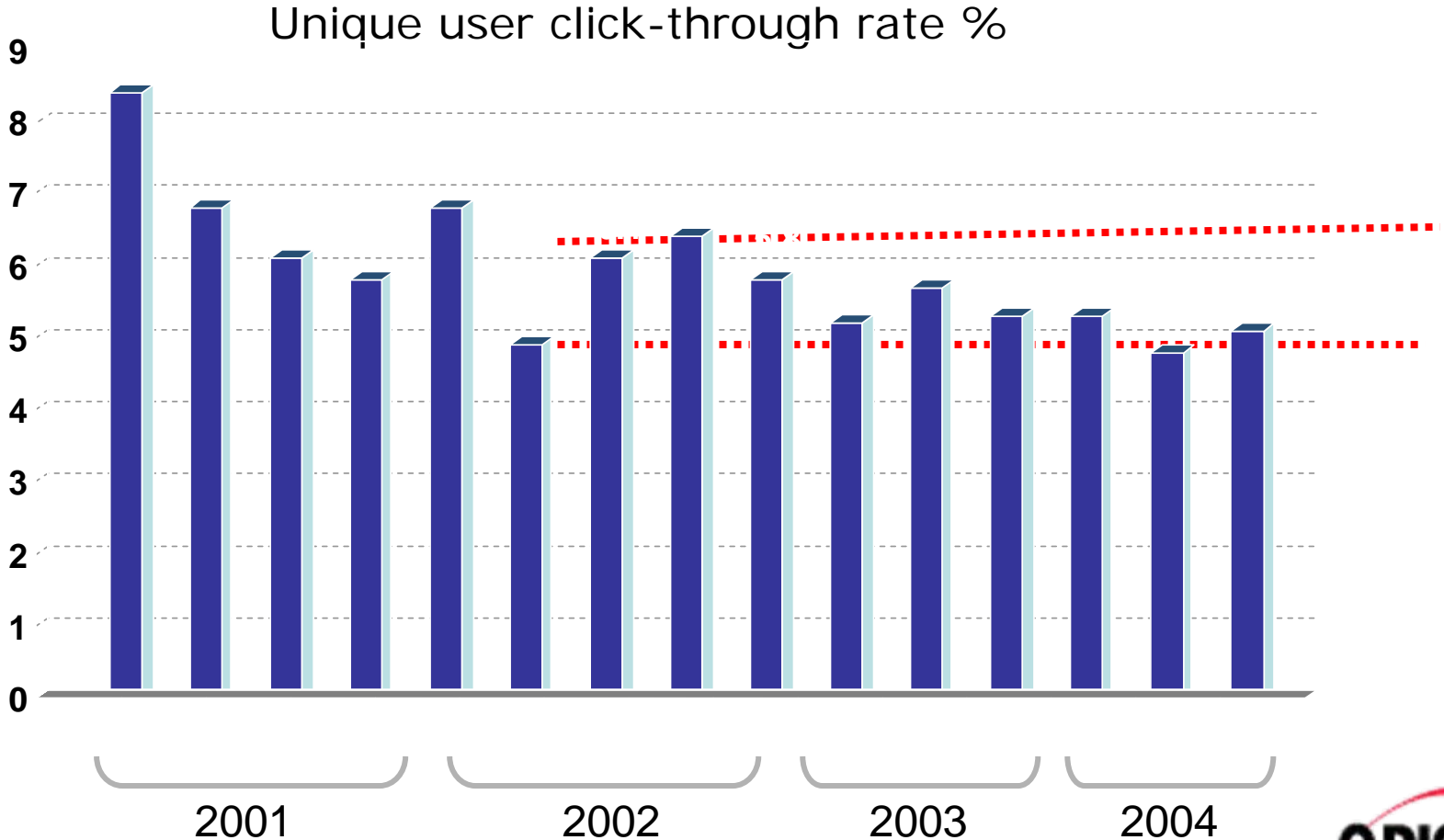
Source: PlanetFeedback

... Earns trust ...

Trust of types of marketing/advertising



### . . . And sees fairly steady response



Source: DoubleClick

## Federal CAN-SPAM Legislation

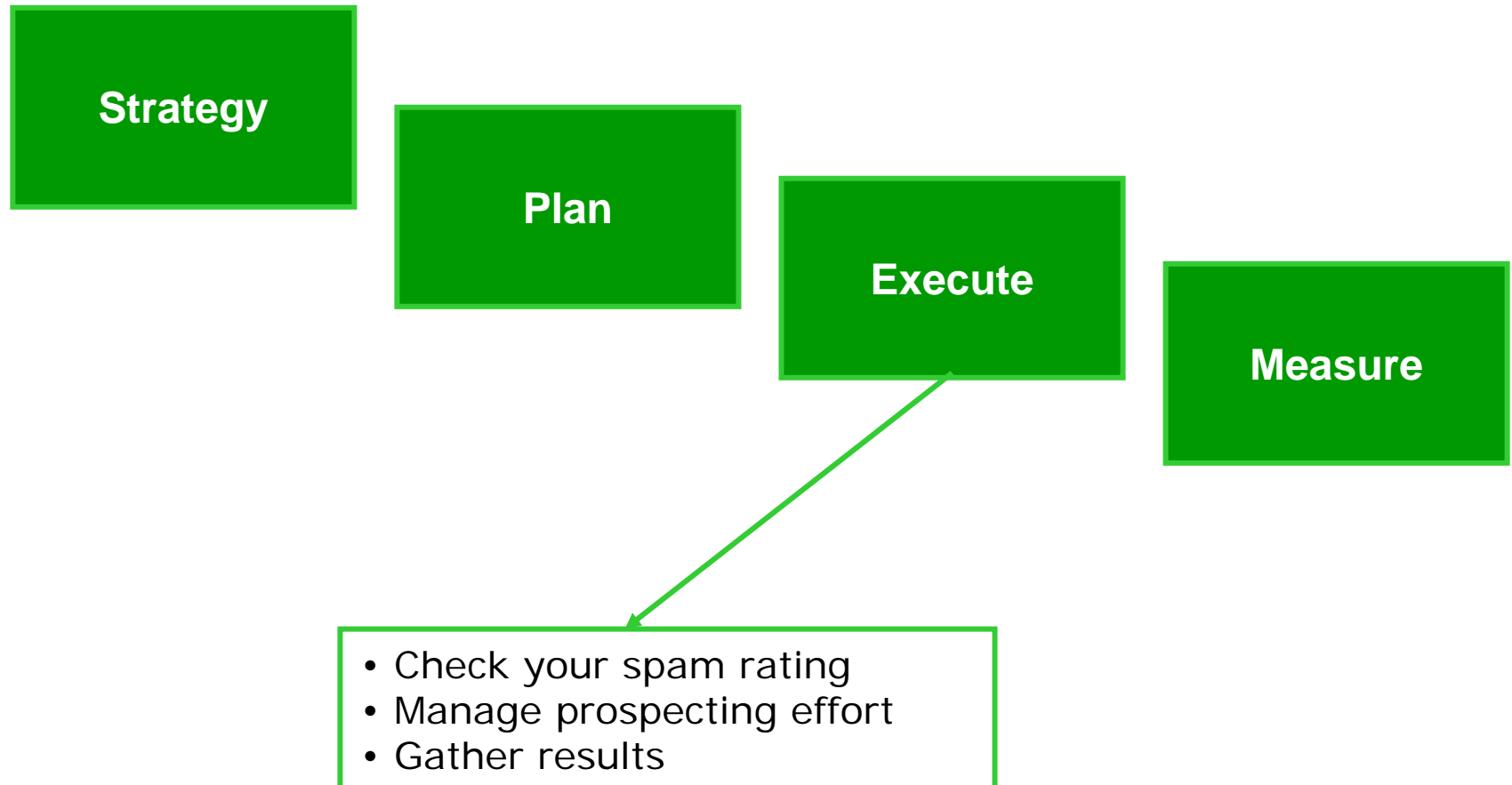
### What the Law Requires for all Commercial e-mail?

1. Give clear and conspicuous notice of the opportunity to opt out
2. Provide a functioning opt-out in every commercial e-mail message (Opt-outs must be processed within 10 working days and honored for all subsequent activity)
3. Provide a valid physical address of the sender
4. Be clear that the e-mail is an advertisement (for non-permission-based, non-opt-in lists)
5. Use a valid, non deceptive header (from line)
6. Use a valid, non-deceptive subject line

## Federal CAN-SPAM Legislation

### What CAN-SPAM Does Not Require?

1. The act permits the sending of commercial e-mail to anyone who has not opted-out of receiving e-mail from your company
2. The act does not require an established business relationship (EBR to be in place between sender and receiver)
3. The FTC is not required to implement a national do-not-e-mail registry



Before you start implementation check your spam rating

### **Three great online resources**

<http://spamcheck.sitesell.com>

Free site that will test your email and report what elements may be caught by spam filters

[www.lyris.com/contentchecker/](http://www.lyris.com/contentchecker/)

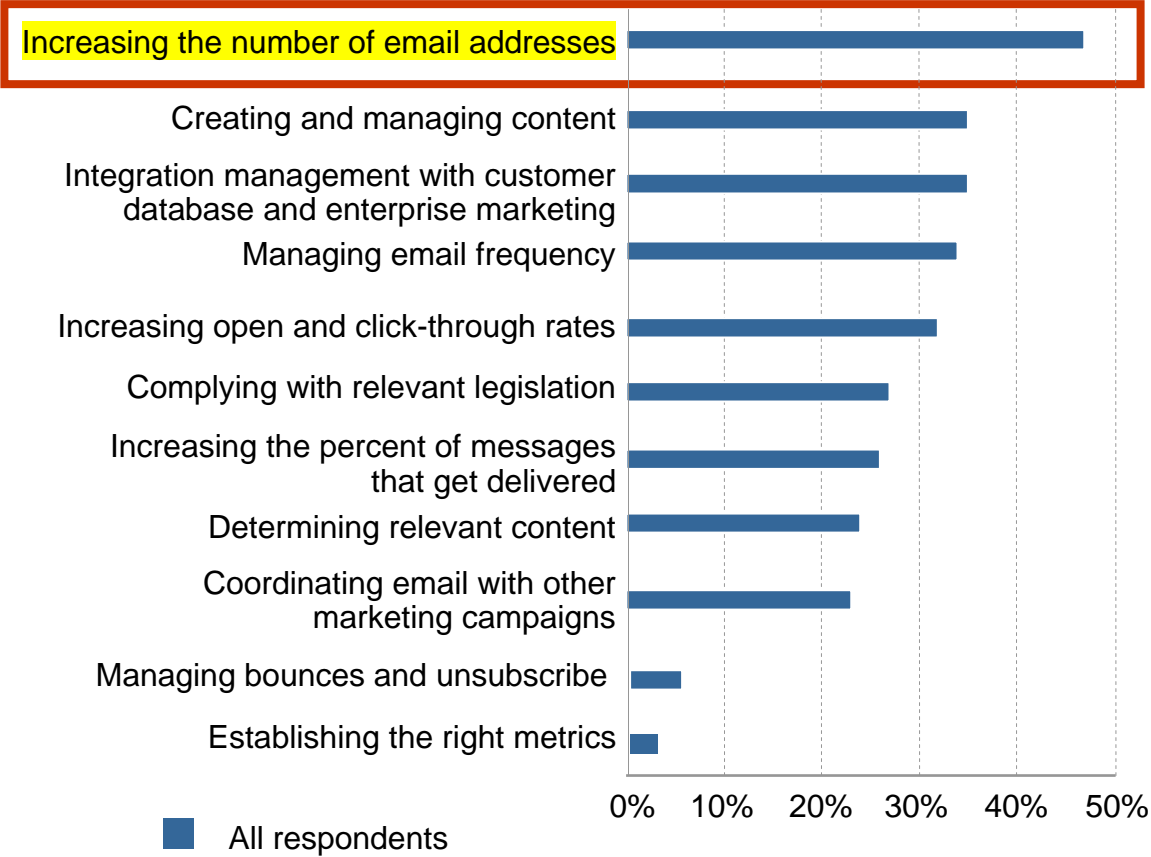
Free site that will test your email based on spamassassin's rules

<http://validator.w3.org>

free site that checks your HTML code against conformance standards

# Marketers' biggest challenge is growing e-mail address database

“What are the biggest email challenges you expect to face in the next two years?”



Source: June 30, 2004, Tech Choices “The Best E-mail Marketing Service Providers”


## List growth . . . the hard truths

- There is no fast, easy way to build an e-mail list
- 78% of online consumers subscribe to at least one marketing e-mail — unchanged since 2003
- 86% of non-subscribers say they are unlikely to subscribe
- Your list will decay 30% per year
- You can't force, lure, or bribe consumers to be active e-mail customers

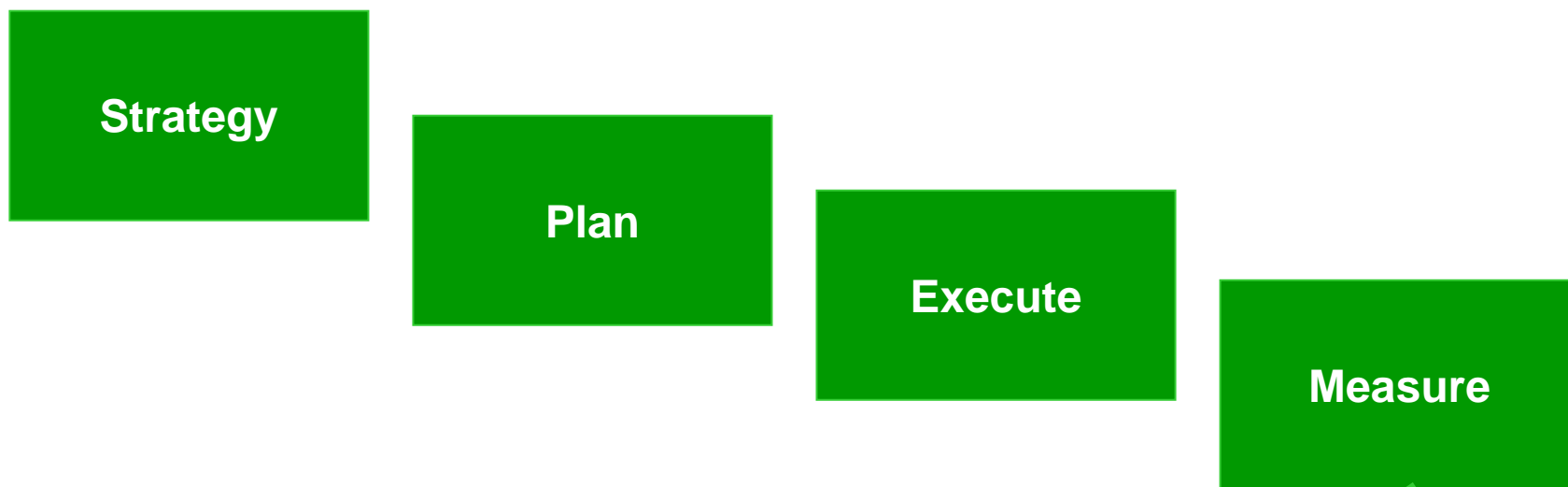
# Standard email metrics

	Metric	Question answered	Process	Vendor
Email Operations	Bounce rate	Was the message delivered?	No. of messages returned Total messages sent	Services • DoubleClick • Digital Impact • Yesmail
	Open rate	Was the subject line engaging?	No. of individuals who open the message No. of messages delivered	Applications • Unica • Socketware • E.pipany
	Click-through rate	Was the message interesting?	No. of individuals who click on a link No. of messages delivered	

## Also track engagement metrics



Metric	Question answered	Process	Vendor
Post-click tracking	Did the consumer have a good experience?	<ul style="list-style-type: none"> <li>• Tag emails and appropriate pages on Web site</li> <li>• Construct special landing pages and examine log files</li> </ul>	WebSideStory Coremetrics iMakeNews
Engagement	Is consumer interest waxing or waning?	<ul style="list-style-type: none"> <li>• Track each individual's open and click behavior for each email</li> <li>• Monitor changes over time</li> </ul>	Bigfoot Interactive Quris
Cross-channel	Is the email impacting business?	<ul style="list-style-type: none"> <li>• Pass identifying information in click-through URL</li> <li>• Synchronize email operation data with customer database or CRM system</li> <li>• Track purchase behavior</li> <li>• Analyze purchase levels of email recipients vs. non-recipients</li> </ul>	CentrPort



- Measure results against goals
- Calculate ROI
- Track and analyze results
- Create new customer segments
- Optimize frequency and format
- Use advanced email techniques
- Generate revenue from your list assets or from your newsletters

Here are some benchmarks

Trend line shows improved deliverability with a decline in opens and clicks vs. 2003

Deliverability is up to 90.6%

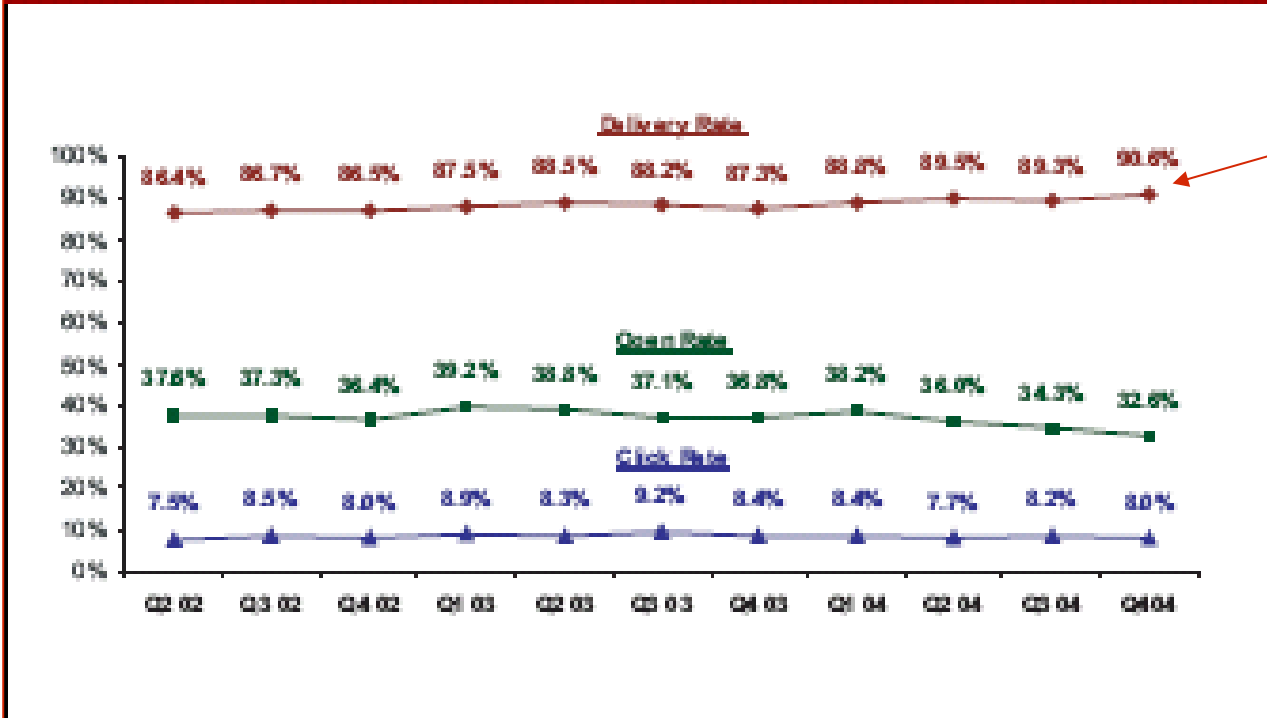
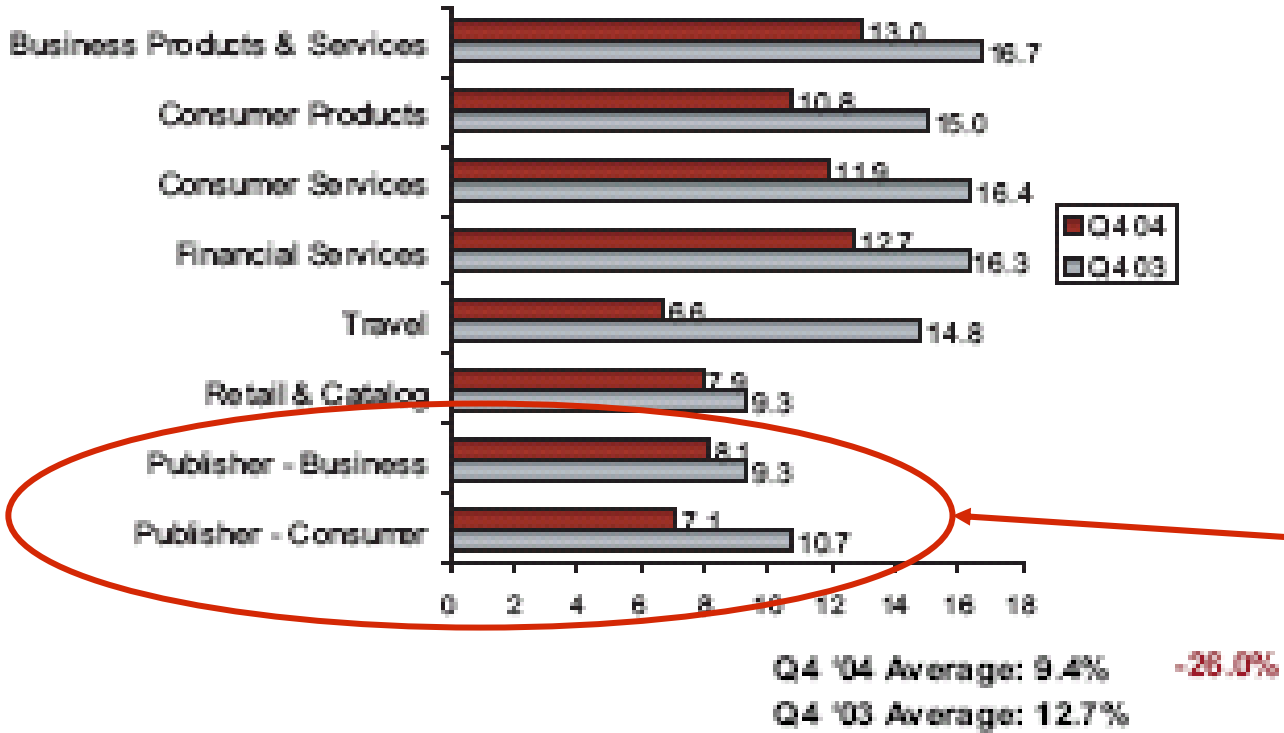


Chart 1

Source: DoubleClick DARTmail Internal Benchmark Statistics

## Bounce rates down to 9.4%

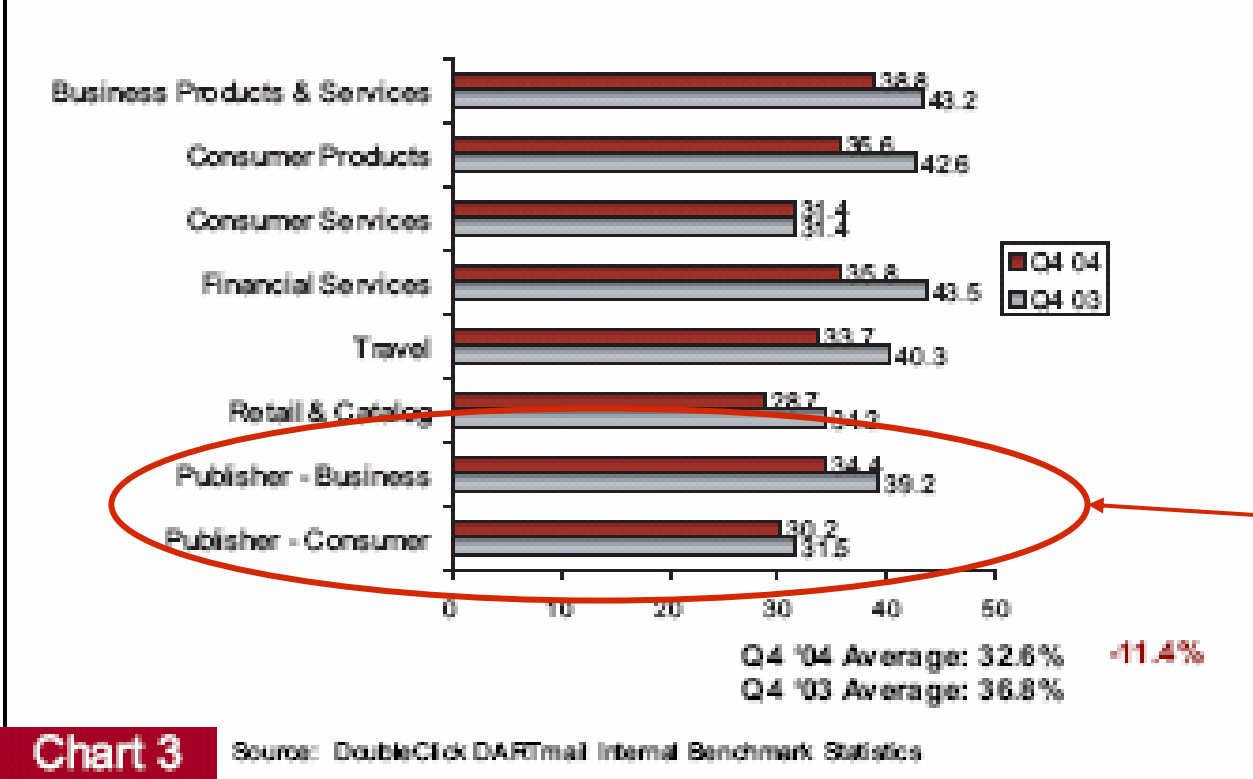


8.1% B2B  
7.1% B2C

Chart 2

Source: DoubleClick DARTmail Internal Benchmark Statistics

## All categories see a decline in open rates except Consumer Services

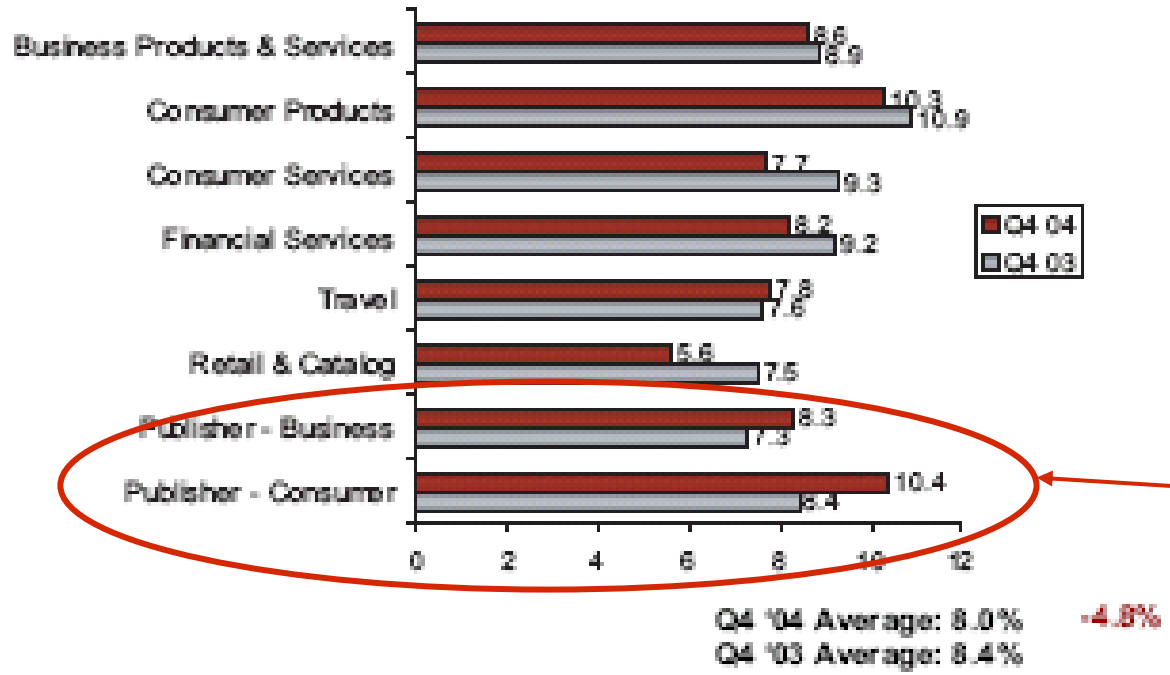


34.4% B2B  
30.2% B2C

Chart 3

Source: DoubleClick DARTmail Internal Benchmark Statistics

### Click rates decline in all categories except Travel and Publisher



8.3% B2B  
10.4% B2C

Chart 4

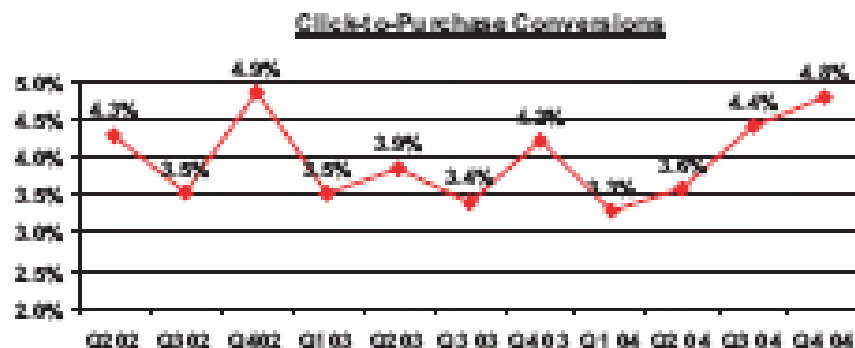
Source: DoubleClick DARTmail Internal Benchmark Statistics

## Email acquisition best practices

- Make online registration easy and obvious
- Promote the benefits of registering on your site
- Show a sample e-mail at registration
- Try co-registration (to increase the number of e-mail addresses in your lists)
  - Consumer chooses multiple emails on one registration form
  - Offered by many media companies
- Preserve opt-outs
  - Try to offer something of value when subscribers try to opt-out
  - Ask them to change their e-mail address and make it easy to do so.

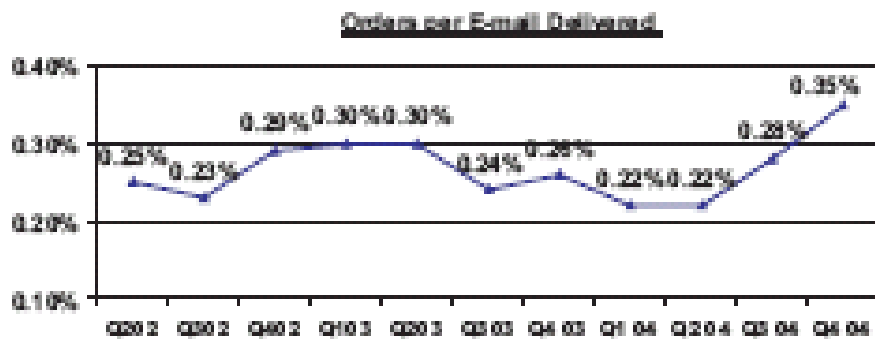
Overall, e-mail marketing is good news with productivity up in click-to-purchase conversions (14.3%) and orders per emails delivered (34.6%).

## Trends in Email productivity



Q4 03/Q4 04  
% Change

+14.3%



+34.6%

Chart 5

Source: DoubleClick DARTmail Internal Benchmark Statistics  
NOTE: New in Q3 2003, averages are calculated unweighted

## Summary

- Consumers are fighting back against ad overload, but still value “permissioned” email
- Marketers must create relevant e-mails to stay “permissioned”
- E-mail conversations create relevance by addressing users’ motivations and purchase process
- Attracting current e-mail subscribers is the best strategy for list growth
- Use engagement metrics to track e-mail marketing success

Thank you!