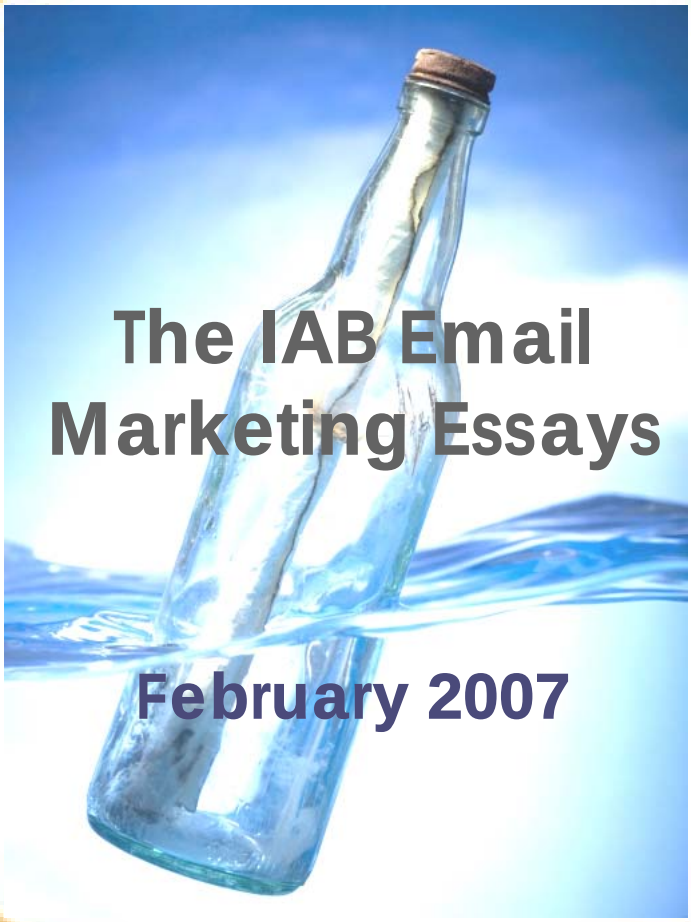

The IAB Email Marketing Essays

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Email at its Moss effective

Guy Phillipson, Chief Executive of the Internet Advertising Bureau

I doubt you'll believe me when I say the reason I'm writing about the recent Agent Provocateur campaign is because it's such a good case study… Whether you're a fan of Kate Moss or not, it's pretty safe to say that 'Dreams of Miss X' has put email marketing back on the map. For those who haven't seen it, digital agency NovaRising used emerging video technologies to stream a saucy video of the infamous supermodel in Agent Provocateur underwear. The results speak for themselves - click-through rates for the email of up to 61% and click-through rates from the campaign video to the online store of around 25% with a further 50,000 hits per day. It's not just miss moss with the impressive figure!

But celebrity aside, what is it that makes an email marketing campaign effective? We know from traditional direct mail that targeting is supposed to be everything… you send your brochures, letters or vouchers to the right people and there's a good chance they'll open it – they might even give you a call or visit your store. But email is an entirely different beast and for the recipient it's far easier to bin than a piece of direct mail. So this begs the question, is email marketing a science, or an art?

There are a number of advertisers in the UK who seem to have it spot on. Tesco, Interflora and Pampers for example have healthy opt-in databases along with relevant and compelling content and in some cases personalised to the receiver. However I must admit my inbox is occasionally violated with rogue SPAM from marketers or retailers who just don't seem to know what they're doing. They don't appreciate or understand their target audience (me, apparently!) They prefer to rely on the ease and cost-effectiveness of email marketing to send out blanket mail-outs time and time again in the hope of getting at least the minimal response rate.

Emails are easy to send, but a great deal harder to get right. The DMA recently found that opt-out rates are far higher when you contact your customers (or potential customers) weekly. So surely it's better to hit them with a more appropriate email less often instead of bombarding them with special offers and your latest trivial company news. What the Agent Provocateur campaign has proved is that an excellent online marketing campaign, regardless of format, can achieve longevity and live on far past its execution. Target the right people and you may get that 9% average click-through (DMA 2006), but only through providing the right creative content will you be able guarantee that extra level of response. My advice? Treat email marketing with the attention it deserves, and then your consumer will do the same.

This collection of essays is intended to provide all the essential facts and figures an email marketer needs, as well as hopefully provoke a bit of debate surrounding the art, or indeed science of using email as an effective communications tool. I'm sure you will have gathered that I have my own particular views on the subject and it would be great to hear yours, just email us at **info@iabuk.net**. And remember to write an attention-grabbing subject line!

How does frequency of contact affect response?

Richard Gibson - Chair, DMA Email Marketing Council: Benchmarking Hub and Commercial Director, RSA Direct

In last year's Q2 Email Benchmarking, the DMA for the first time looked at the effect that the number of times a recipient was contacted can have on the response metrics. Average unique and total click through rates both decreased as the frequency of contact increased, suggesting that the message was having less of an effect on the recipient.

How frequently you can email your database will be dependant on several key factors. Firstly, it will be expectation driven. When the recipients signed up how often did you tell them you would be contacting them and how often are you currently contacting them? In effect, what is your current email marketing strategy? Are communications planned or are they on an ad-hoc basis? Are you sending weekly or monthly or is there no set pattern?

Secondly, the nature of your business and what product you are selling will dictate how frequently you should be in contact. For example, the sales cycle for lower value products might dictate a higher level of frequency for an annual purchase cycle, say in a B-to-B environment where frequency of contact could be far less. Following on from this, the nature of your market and the effect of competition will also play a factor in choosing the right frequency level.

The third important factor will be message content or type of message as this drives engagement levels with the recipient. Are your messages purely sales messages or do they contain more content? Recipient fatigue is likely to be higher when frequency increases particularly on the pure sales messages, less so when additional 'editorial' content is displayed alongside the sales messages, encouraging interaction and continuing to build on brand goals.

It is a very delicate balance between potentially being seen internally as under communicating whilst not over-communicating. Yet it's a vital one to get right.

It is a very delicate balance between potentially being seen internally as under communicating whilst not over-communicating. Yet it's a vital one to get right. The report also showed that opt-out rates were also affected. When only contacted once a month, the average opt-out rate was less than 1%, which grew to 3.5% and 2.5% for acquisition and retention (respectively) when contact was weekly. Highlighting the importance of maintaining customer relationships, the results also show that current customers are more likely to respond favourably to communication than non-customers.

Are the reports being analysed enough inside your organisation? Have you tested how a change in frequency affects sales? Do you know at what point emailing more frequently depresses the response? Do you know the cost to your business to acquire a new recipient when someone unsubscribes?

Email marketers need to find the right balance between maintaining current relationships while not irritating with over-contact. One solution is to let the customer choose. Providing customers with options regarding content and frequency of contact could ensure high click through rates are maintained and less customers are likely to opt out.

Whilst there are no hard and fast rules about frequency of contact, all of the above considerations need to be taken into account. Email marketing gives the marketers an advantage in its ability to analyse quickly, to segment, to test and to ultimately send relevant messages and so keep engagement levels high.

Email – effective, or just plain annoying?

Grant Keller – Director, Acceleration eMarketing

Email has come a long way since the "killer app" was considered to be buying an opt-in list and making the recipients an offer. Sophisticated marketers now understand that the true potential of email lies in the ability to unlock the hidden value of databases. It is this area that has seen the most significant development over the past few years.

In the bad old days, marketers would blast a single email message to an entire database and hoped for the best. Measurement and testing took place, but minimally, and the results were always a little disappointing. As email became less of a novelty and more of an annoyance, results became even more unacceptable.

As technology evolved, so did the approach to email. Marketers started segmenting databases and gearing offers or content towards specific customer segments. Further still, customised messages could be timed to reach recipients when they would be most receptive.

Although this method gradually started to create small amounts of ROI, it was time-consuming, prone to human error, and largely static. People's needs change fast, much faster than static profile fields, captured at the point of opt-in, allow for. While this approach was a vast improvement on what came before, it too is now part of email history.

Today, email programmes must be built around the real needs of prospects. Not what marketers think customer's needs are, or what they will be in three months time, but what their actual needs are today.

Today, email programmes must be built around the real needs of prospects. Not what marketers think customer's needs are, or what they will be in three months time, but what their actual needs are today. This means that customers must be listened to, all day and every day. Whether marketers like it or not, the power has shifted - customers are in control and they prove it to us everyday within ROI metrics.

Only once this shift in power has been acknowledged, and behavior has been modified to embrace it, will a point be reached where messages are welcomed into inboxes. This will mean that products are no longer being sold via email, but that email is being used to respond to a specifically identified, real and immediate need. At that point, marketers are no longer selling, customers are buying. This is when email marketing is truly effective.

All this makes good sense - but it is really achievable? How can the needs and desires of our customers and prospects be anticipated?. Once they are, how can they be delivered in a way which does not place an enormous strain on business resources.

As with anything complex, the way to achieve it is to break it down into small, manageable tasks. Although each marketer will face some unique challenges, the tasks below are a very good place to start:

1) Go back to basics, segment your databases into useful segments, ensuring that mechanisms are in place for customers and prospects to move between segments as their situation and needs change.

2) Define the appropriate strategy for each segment. This could include conversion, retention, deeper share of pocket or re-activation.

3) Breathe life into the strategy, and apply it to each individual in every segment. This is the important bit, and the key is to listen to what customers and prospects are saying. To do this effectively, email platforms must be in tune with what web analytics tool are reporting.

4) With the necessary integration in place, define each and every 'Business Event' that prospects may trigger. The place to start is to capture any event that may reveal something about the state of mind of the customer.

   At the simplest end of the spectrum, this may be a registration. While at the more sophisticated end, it may be an individual who has gone through four stages of a check-out process, but failed to complete the final stage.

5) Listen to what each 'Business Event' is saying about customer needs and desires and define an appropriate response to each. These responses become 'Business Rules' and to be effective, they need to define both the content and timing of the response.

6) The simplest way to deliver this is to develop a 'Messaging Matrix'. Segments (and related strategies) mapped across the horizontal axis and 'Business Events' mapped on the vertical. What naturally fills in at each point of intersection are the 'Business Rules'.

7) With the 'Messaging Matrix' defined, attention can be paid to creative messaging and dynamic content creation. With the rule set defined above, it's a relatively simple process to extend this into rules for building and deploying creative on the fly.

With the hard work done, it is key is to ensure that all these processes are automated from the outset. All too often I have seen sophisticated programmes, which seem manageable at first, spiral out of control when traffic increases. Automation from the outset means that programmes can be built confidently, without fear of resource or administration nightmares in the future.

This does mean an extra bit of work to start with, but once defined, automated and deployed, marketers can get back to being marketers and focus on the important business of delivering results, rather than scrambling to keep up with the administrative needs of an email programme.

For more information, visit www.acceleration.biz

Can email marketing be effectively used to aid an online viral campaign?

Tink Taylor - Account Director, dot Mailer

To demonstrate what constitutes effective email marketing I would like to draw upon the example of PlasticsEurope's 2006 'Kick To Give' campaign. The brief from PlasticsEurope was to create a viral email campaign through the PlasticsEurope website, that would encourage repeat visitors and promote the name of PlasticsEurope in a favourable way.

PlasticsEurope represents plastics manufacturers all over Europe and aims to act as a centre of competence and information, as well as taking on the co-ordination of political communications and public relations work.

Each year PlasticsEurope funds a campaign to raise awareness of their organisation and the work of their designated charity. The 'click to give' concept was ideal for this – the company agreed to give the charity a small amount of money for each individual who visited (clicked on) a promotional website. The company then helped the charity mobilise its supporters to spread the word. We had employed the 'click to give' concept in previous years to resounding success and 2006 was no different.

It was essential to get the counter going as quickly as possible in order to give the feeling of mass involvement, so to kick start the campaign we created an email campaign to be distributed to around 20,000 PlasticsEurope subscribers. The aim was quite simple – it needed to be as engaging as possible in order to instigate viral activity and drive high numbers of visitors to the site itself. We launched the 'Kick To Give' campaign on 1st June 2006.

Careful consideration was given to the content of the email and the subject lines to ensure that emails would bypass spam filters

The target was to generate 6 million clicks, upon which the sponsors would donate €250,000 to the Johan Cruyff Foundation and to 'Kits for Kids', to help underprivileged children improve their quality of life through sport.

The site needed to be interesting enough to warrant repeat visits - to help avoid 'charity fatigue'. With the aim of refreshing the rather stale 'click to give' concept and taking our creative inspiration from the sports theme and the World Cup fever that was sweeping the globe at that time, we created a groundbreaking 'beat the goalkeeper' game and the world's first 'Kick to Give' campaign was born!

Each user would have to attempt to score a goal and each day they tried, a charitable donation would be made. Following this, the user was invited to take part in a daily quiz and then to complete a form to 'tell a friend' about the site to increase its viral awareness. The incentive to do this (as it would stimulate a further donation) was the opportunity to be entered into a prize draw to win one of the World Cup footballs.

A new identity was created which eliminated any heavy sponsor branding and the site and the emails were created in seven languages (English, French, Polish, German,

Italian, Spanish and Dutch). Careful consideration was given to the content of the email and the subject lines to ensure that emails would bypass spam filters and to guarantee 'buy in' from all the recipients, it was sent from the email address of the CEO of PlasticsEurope.

The launch email was sent to a 20,000 strong audience, including all PlasticsEurope staff and users who had previously opted in to be informed of future campaigns of a similar nature from the previous PlasticsEurope click to give campaigns.

Since the user was restricted to just one attempt each day (that counted as a donation), we encouraged them to return by signing up to a daily reminder email. The site also included an online quiz, with questions based on the use of plastics. This gave each user an extra chance to kick if they answered a question correctly. This was supported by the 'Tell a friend' feature for viral effect, as every friend told was worth an additional kick to the user. Follow-up emails were distributed in all languages at each stage of the campaign - for example, when key stages of the target were reached and when Johan Cruyff presented donations. Each of these campaigns contained a call to action encouraging the user to continue 'kicking' and telling friends about the site.

Calls to action:

- Daily Reminder Email (One kick per day)
- Online quiz (Additional kick for correct answer)
- 'Tell a friend' (Additional kick per friend)
- Follow-up emails throughout campaign
- Target Reached Announcement

All emails were sent out as multipart, so an HTML and Text only version of the email was sent and depending on the third party technology, the relevant version was delivered to the user. The HTML email was branded consistently with the site and the Text only email was laid out in such a way as to be striking by creative use of characters.

Each email was sent out using dotMailer®, our Email Marketing platform, which includes a full editing and reporting suite, making it simple and efficient to compile the content.

The reporting suite enabled us to see the percentage of emails delivered, who opened the email, how many times, who forwarded it and how many times and finally how many clicks this had generated. By 7th December 2006, the campaign had reached its target of 6 million clicks. This compares to the previous years 'Aquaplastics' campaign that was sent to 50,000 initial users and generated 1.5 million clicks.

The reports also detailed which emails 'soft bounced' (due to "out of office", inbox full, or server interruption), which 'hard bounced' (invalid email addresses) and which users had unsubscribed. All reports were broken down by language and region.

At dotMailer, we understand that every company, charity and situation is different and the key to campaigns such as these is in the planning - the concept of the campaign, the wording of the initial emails and the tie-in between sponsor and donor.

The key to the success of the ‘Kick to Give’ campaign was the striking brand and launch emails sent, enhancing the idea of a simple click to give site and exploiting the element of fun. Equally the full email loop, from initial mail out, to the viral ‘tell a friend’ feature, to the daily reminder, ensured that visitors were fully engaged. All activities were presented in a linear fashion, so each time a user completed one there was a call to action to the next. It was due to the successful synergy of all these elements, that PlasticsEurope achieved their target of 6 million clicks.

Testing times for better email marketing

Geraldine Tosh - Managing Director, ipoints.co.uk

Email is fast becoming the primary means of communication in both our business and private lives. More and more brands are also beginning to use email marketing as part of their communication strategy to target customers as its highly measurable, generating higher response rates quicker than other marketing tools currently available.

Email marketing is both cost-effective and relatively easy to set up, with measurable results available within hours of implementation. Compared to traditional media such as TV, direct mail, telemarketing and print advertising, email marketing is quick to organise, easily adapted for a specific target audience and highly responsive. It is also interactive and encourages a two-way dialogue.

However, many marketers are confused by all the jargon and find it hard to understand how email marketing works and what role it can play in the total marketing mix. Email marketing can be used to support many marketing disciplines, such as customer acquisition, customer retention, upselling and cross selling and market research.

The quality of email data that is available can be a real bone of contention. One of the first key lessons is to obtain lists of email contacts from a trustworthy list provider. People do switch their email addresses with relative frequency so marketers need to be happy that the list they use is up-to-date and they are actually buying the data targetable by the variables & permissions they need. Recency of data is hugely important in any part of DM and even more so with email - people change email addresses much more than home addresses and digital marketing is all about 'instant' and timeliness. Marketers need to know the recency of interaction between the brand and the customer.

As well as data quality and profiling, testing subject lines & creative are crucial

At ipoints.co.uk we may be best known for our online loyalty programme but as an internet company we have a vast amount of data on members, which enables us to see when members are generally browsing online at certain times of the day, we know what websites our members have visited and what products they have bought we can identify those people appropriate for a particular client's requirements. The great thing about this is that these leads are based on real behaviour, not reported behaviour, on what people are actually doing and combined with lifestyle information, it can prove to be an incredibly powerful tool in email marketing.

As well as data quality and profiling, testing subject lines & creative are crucial as for the majority of people using non-work ISP email addresses this is all they will view. The aim is to increase open rates and in turn increase click through rates sending customers to transact at client websites. While there are the obvious areas to test, i.e. target audience, creative, open, click throughs, frequency of communication; there are a number of timing-related measurement factors (that are being forgotten) that can make

all the difference to response – based on where and when the customer accesses email, and when they may be more inclined to respond.

Our tests have revealed that a large percentage of our customers access the site from their workplace. As part of our email strategy we have looked and tested sending emails out to customers based on the time and day that they either joined or visited the site. After analysing these results we were able to see a clear correlation and a 15% increase return on email opens and corresponding click through rates.

Testing emails using offer lead versus brand led subject lines is good practice and we have found that particular sectors work better with one or the other. Our results have shown that combining product offer and brand in subject lines work better than pure offer lead on financial emails e.g. 0% on balance transfers for 12 months with Company name versus 0% balance transfer on credit cards. With average 16% increases in open rates on the combined offer/brand-led emails rather than offer lead emails this is a significant result for us in increase results for future campaigns. Although it may not come as a shock to those that work in the financial sector, it is a factor that is often ignored when testing campaigns.

For a number of companies with niche, or new products, it can be difficult to identify relevant data sources, which means that they tend to email vaguely targeted people for whom it's difficult to gauge the relevance of the product or service. For these companies it's important to carry out testing and engage with the consumer via market research. We can identify highly targeted lists of people by carrying out an online survey, or i-poll, where we ask direct questions, which will qualify them as a hot-lead. As we collect it in real-time and can send out a campaign to these people the same day (when they still remember answering the question) it makes this kind of lead generation extremely powerful.

Lastly, it's vitally important not to over-use email marketing but having said that it can bring huge returns. Marketers need to make sure they track every email opened, every click through and every purchase or action, in order to build up a profile of their customers & engage in a relationship to deliver effective marketing campaigns.

Email marketing; mastering the art of conversation

Gavin Sinden, Director, EM2 Digital

conversation
• ***noun*** *an informal spoken exchange of news and ideas between two or more people (Compact Oxford English Dictionary)*

Many UK marketers would do well to remember this definition when considering their e-mail marketing. Too often emails are reduced to poorly targeted sales messages fired into someone's inbox at a time that suits the company sending them more than the recipients receiving them. If one starts with the concept of email as a "conversation", then the first factor to consider is how best to engage someone in conversation.

A good conversation generally starts with the following criteria being true:

- started at a time when both participants actually want to talk about the subject
- the participants are happy, or at least don't mind, speaking to each other
- the conversation opens in a way which interests both parties

Conversations are by their very nature informal and two-way involving the exchange of "news and ideas". Both parties have an input into the conversation and both sides leave having gained something. Quite often conversations will only pass on small amounts of information, but it is through the hundreds or thousands of conversations we have over time that our knowledge of a people, places, subjects or concepts are formed.

For a conversation to be helpful in our daily life it should be at least one of these things:

- Informative
- Relevant
- Enjoyable

Even if you don't learn anything specific, a relevant and enjoyable conversation tells you that the other person is interested in this subject and is a person worth dealing with.

Most emails are still the conversational equivalents of being hounded down the street by a salesman with a megaphone!

Comparing these concepts with the average attempt at e-mail marketing shows how far we are failing the art of conversation online. Most emails are still the conversational equivalents of being hounded down the street by a salesman with a megaphone! There are some companies who can get away with this, for instance if someone signs up to e-mails with a niche supplier specialising in their favourite hobby then it is much more likely that a long list of offers relating to that hobby will engage with them, but its still not ideal. An article or two on a subject related to my hobby even if it is only short alongside the offers would mean I am more likely to read the e-mail and engage with the brand.

The issues of SPAM emails are gradually being solved. Junk mail filters and new legislation are working harder to keep our inboxes clear of unwanted emails. The next big challenge for the industry is that many people will now have submitted their e-mail to a large number of organisations so how do you make your communication stand out? By screaming at them to buy something in the way the SPAM mailers do, is a sure fire route to unsubscribe or for them to just not open the next one. The key trick is making sure that everybody who opens that e-mail can get something out of it. When you open a conversation you do not necessarily know where it will lead or what the other person is interested in. Within e-mail marketing you need try to anticipate what the recipient will be interested in talking about with your brand, but it is rare that you will absolutely know!

The first step in this process is data capture. It is always easier to have a conversation with someone who knows us well and remembers our interests and foibles. Data Capture online needs to take into account 3 key areas to be really successful:

1. Commercial relationship with the brand - often the most challenging for organisations
2. What have they directly told us – sign up forms, questionnaires, application forms, etc.
3. Web analytics – knowing where they have been on the website, what have they clicked etc.

To collect and use this information means that you need to have your data protection completely sorted at the point of sign up, but for the sake of this article we will take that as read. By combining these three sources of data capture we begin to learn a lot about our email recipient. These three things are the equivalent of their replies to our side of the “conversation”. Do not think for e-mail marketing to be a conversation that we have to have them e-mailing us back! Listening to their answers to our side of the conversation is done through these three areas. Email is usually the opening gambit of the conversation, the reply and the extended conversation will probably happen through the Website, Microsite, web forms and hopefully through your sales process.

One key area many companies struggle with is how then to use this information. People are often uncomfortable if a person knows too much about them and nobody would willingly hold conversations with a stalker! Information needs to be used sensitively through personalisation and should ultimately further the conversation by fostering interactivity. Give them incentives such as relevant content or whitepapers to get the e-mail recipient to tell you a bit more about themselves. For instance give them a choice of three white papers on different areas related to you business and see which one they download. Some of the best incentives have nothing to do with free prize draws or offer coupons, but simple relevant content of genuine value. The return on that incentive is a tracked click which tells us a bit more about the recipient’s interest areas.

I mentioned above that it is only rarely that you really know when and what someone wants to talk about. Those moments in e-mail marketing are vital. If someone has just read a product description or placed an item in their online shopping cart, you can be fairly sure that they are willing to talk about this further. The use of trigger mailings which are automatically sent a day or even an hour after such events take place are often the most successful yet are still relatively rarely used. Keep the content and the message focussed on what you are fairly certain they are interested in. This is the opportunity to

start the conversation when they want, not when it is most convenient to you. The other side of this is the monthly newsletter, anymore irregular than monthly the recipient will probably have forgotten they have signed up with you! The recipient here needs to be given a variety of hooks of offers, content and interaction devices (such as games or questionnaires) as you just don't know what they are in the mood to converse with you about today.

With the remorseless rise of the Web 2.0 band wagon e-mail is often thought of as the slightly old fashioned online communication channel, with instant messenger and RSS trying to take its crown. However it is still the biggest reason for people to be online, both at work and at home. Email will evolve and elements of the newer online communication channels will be integrated with it, RSS may well take over the role of the regular newsletter. The techniques we perfect through email in fostering online conversation which help us understand and sell to our customers better will be vital in how we use new and emerging technology. The technology channels may change, the humans at the other end who like to talk, be understood and helped to make a right decision take longer to evolve.

Unified digital marketing: email, website, SMS plus RSS

Andrew Mobbs - Chief Technology Officer, Myzan Ltd

In October 2005, Chris Sherman – Executive Editor for SearchEngineWatch wrote that "only 12% of all users [involved in research conducted by Yahoo and Ipsos] were aware of RSS and just 4% had knowingly used the technology to read feeds from blogs, news sources and other regularly updated content sources on the web."

How things have changed. Fuelled by big spends from big companies, RSS is suddenly everywhere.

Following early RSS adoption by Yahoo and Google in the summer of 2006, Microsoft finally released its RSS offering in the autumn in its break-though IE7 release. This brought RSS to the masses with built-in support for the standard right inside the browser "favourites folder". Considering their approximated 60% share of the web browser market, it is quite evident that RSS adoption (whether a conscious decision by consumers or not) is already widespread. Firefox (Microsoft's biggest browser competitor) and Safari (for Mac) have also driven RSS adoption through their tight integration with this standard for data interchange and syndication. To further fuel the market for RSS, Microsoft's newly-released Windows Vista has desktop gadgets built-in that are designed to consume RSS feeds and put the power of this standard in the hands and minds of every Windows user.

Giving RSS a try is not about finding a substitute for email marketing or jumping on a bandwagon but rather about making a simple and logical business decision.

So this is an exciting time to be cutting one's teeth on the latest opportunity for simpler, more efficient, effective and measurable electronic marketing / advertising. Giving RSS a try is not about finding a substitute for email marketing or jumping on a bandwagon but rather about making a simple and logical business decision.

Life before RSS

Before discussing the merits of RSS it is important that I highlight some key differences between numerous digital marketing / advertising mediums as they pertain to the delivery of messages to customers.

In the world before RSS (well it's mainstream adoption anyway) there were principally three ways in which we could digitally get messages to our customers:

1. Email
2. SMS / Text Messages
3. Website Content

The first two of these are essentially push rather than pull technologies. Simply put, our customers get information sent to them rather than them requesting the information from us. This has resulted in a number of problems for consumers – not least of which is the abundance of irrelevant spam in their inbox.

The third technology is a pull technology but has the significant drawback of not being able to make our customers aware that we have something new to tell them; and it has been demonstrated time and again that solely expecting customers to regularly visit your website to read your latest messages is a sure-fire way to go out of business. It can be argued that web-based advertising (which could also be classified under website content) has enabled companies with advertising resources to somewhat overcome this limitation by putting brands in the faces of consumers all over the web (thereby reminding them to "check in" every now and again), but this too has come to frustrate consumers with its inherent intrusive nature.

The power of RSS

So it should be clear that we need to offer our customers another option…and into the frame steps RSS. RSS is a pull technology, so it is safe to initially assume that it faces the same problem that websites have always faced – how do we drive customers to our messages. This is where it all becomes interesting with RSS because your customers choose where they are most likely to "check in". For me, it is my Google homepage that I visit most often, and if you think my Google homepage looks like anyone else's you would be mistaken. The information I see on that one page is everything that I currently find interesting; for example: the latest content from websites that I have visited, or emails that I have received which have RSS feeds and headlines that I may like to read more about. Within 5 minutes of opening up my browser every morning I have read the BBC headlines, got the latest weather report, checked the time in Victoria, Canada at our North American offices, read the latest Vecosys blog headlines, spotted the latest travel deals on Expedia and much more! I don't receive emails from any of these companies with this information so my inbox clutter is kept to a minimum, and yet I am always up-to-date on what is happening and I'm regularly clicking through to their sites to read more. This is the power of RSS – it enables me to consume what I want when I want it.

It is easy to get excited about messages that are relevant to us as consumers. It is more difficult (and typically more costly) for us as businesses and as marketing and advertising professionals to achieve this. There are some great RSS products out there that simplify this for us, and if used correctly will provide a great return on investment for any company that uses them.

Getting started

When choosing your RSS management tool, ensure that the product allows you (technologically-inclined or otherwise) to simply create RSS feeds. RSS feeds (for those who don't understand this term) are documents structured in XML (not important) that contain a number of headlines and corresponding summations. An example of one of these items might be a headline which reads, "Interest rates to increase by 0.25%", or "iPod Nano - £110 Special". They can therefore be anything – essentially they are messages. There are a number of products on the market that will help you create, your own feeds, but only a few provide you with a unified, centrally stored repository of your messages, and tools with the ability to manage and distribute those messages in a number of different forms – including embedding them within emails or serving them as dynamic animations on website pages. Very few go one step further and provide full tracking and reporting of impressions or click through analysis - a must if this technology is to be used as part of the marketing mix.

Electronic marketing / advertising messages seldom exist in a vacuum – one form separate from another. It is therefore puzzling why we structure the information we feed those various mediums in silos – completely separate data sources that say the same thing.

With certain RSS products your customers can add your feed to their Google homepage, to Windows Vista's RSS gadget or any other feed reader they may use (and there are loads of these out there). They can also receive your feed in your own email signature or in an email marketing campaign (using an ad-type animated GIF), or for that matter directly on your website using an RSS reader / presentation tool. There are also mobile applications that can be downloaded to view your messages, and these are the same messages you create once within your RSS application - no replication, and therefore a system that is simpler to manage and cheaper to run.

If you are not yet embracing RSS as a supplemental but vital tool in your bag of marketing / advertising tricks then I suggest you give it try!

Why planning matters

Gareth Phillips, managing director at interactive agency Syzygy

Being effective with email marketing is simple: apply good marketing communications principles and treat it with the same respect and rigour that you would any other form of marketing communication.

Too often brands take the view that because the production costs are lower than other media they can get away with less thinking and sending emails to everybody and anybody no matter what their stage in the customer journey. In our view any communication from a brand, be it a TV ad or a call from a call centre, needs to be of high quality and fit neatly into the customer journey. Inconsistency and incongruity spells disaster.

It is with this in mind that we encourage our clients to approach an email campaign as they would approach a DM campaign; it just happens that the production costs are lower.

But before we explore that thought for further, let's have a look at market place in which we are sending emails.

They are unforgiving of brands that don't live up to their promises: the top two reasons why consumers unsubscribe are irrelevant content and overly frequent emails.

Forrester research shows that the market for email services in Europe will more than double in the next five years to €1.25 billion. But against that positive backdrop, consumers are actively choosing the brands from which they want to receive emails: automatically sending the rest to their junk mail folders and almost 60% of UK online consumers deleting email without reading it. They are unforgiving of brands that don't live up to their promises: the top two reasons why consumers unsubscribe are irrelevant content and overly frequent emails.

Relevancy and trust are critical, so you can safely assume that your emails will have to work harder to be read.

That doesn't mean just better and more compelling creative but better strategic and campaign planning. Think right time to the right person as well as the right message.
Marketers are recognising the power of email marketing: 3/4 of them use email marketing and almost 1/2 of them have done so for more than two years. Yet not all them have well-developed customer databases, which make creating relevant messages, sent at the right time to the right person harder goals to achieve.

But the good news is that the increase in broadband penetration means that consumers are prepared to accept more marketing messages online (after all the inconvenience of receiving the emails is on a 2MB line than a 56k line) and are more likely to buy online, resulting in an increase in opt-in and online purchasing raises email relevancy.

We can conclude that as email gains popularity, it is the limitations of customer databases and the lack of time and resources to conduct rigorous thinking and execution that will be barriers to further effectiveness.

So how do we approach our campaigns? Well we rely heavily on good communication planning. Good communication planning in our view covers two areas: strategic planning and campaign planning. Strategic planning defines what the right message is and what is the right time to send it, and campaign planning is the tactical manifestation of running the campaign.

Let's look at strategic planning first. The first task is to understand what steps customers take along their journey to purchase. That sounds easy, but actually it is quite complex because they are frequently many different routes to purchase, which means that we are working with averages and good dose of subjectivity in order to get a working model. We can remove some of the subjectivity by understanding customer behavioural patterns through analysis of customer databases, web analytics, campaign analytics and sales patterns. At the end of all of this, we should know what the customer journey is likely to be and have a clear view of how email marketing could facilitate purchase, re-purchase, affinity or loyalty. It is still though a set of hypotheses even now.

Knowing where email marketing might potentially influence a journey is one thing, finding the insight to create the right message and the right time that changes the course of the customer journey is another thing. This is where we at Syzygy rely heavily on our clients' databases and a number of key data sources such as TGI and Nielsen to create a strong campaign proposition from which to deliver great creative work.

If we have our strategic planning right then we should have fairly good idea what the right message to say at the right time to the right person is, but now we actually need to send it. Good campaign planning and good execution are key here. We manage the campaign planning ourselves but we partner when it comes to the sending, as sending emails with management of the relationships with ISPs is a complex and fiddly business that we believe is best left to the specialists.

What do we see as good campaign planning? Well nothing that a good direct marketer would not understand: data management; segmentation and profiling of existing data; list purchase and management (for prospects); multivariate testing with creative and copy rotation; and the use of control groups. This may sound a bit complex but it is the best way to change our customer journey hypotheses in customer journey facts.

Investing in communications planning increases the chances of success in an increasingly competitive arena, nothing that would surprise a seasoned marketer but often email marketing is left to the more junior member of marketing team – time for this to change?

Grown-up email marketing; customer behaviour, not campaign statistics, should be the focus of email marketing analysis

Dela Quist – CEO, Alchemy Worx

Email is potentially the most intrusive medium available to a marketer. Every single marketing email is the result of an **individual** giving a brand or company **permission** to come into the personal space of their email inbox. As marketers we abuse that permission at our peril.

As email marketing spend grows – and businesses become more reliant on revenue generated directly or indirectly by email campaigns – the pressure is on to deliver ever-higher return on investment and lower costs.

We believe that the email marketing industry has reached the limit of what can be achieved with campaign-based analysis. We believe a **customer-based** approach to email marketing is the only long-term solution, and that the techniques of off-line direct marketing should show the way forward.

Campaign-based analysis: the standard approach

The first time you see a report on email open and click rates, the impression of extreme precision and accuracy is exciting – this headline works, that one doesn't; this subject line is more effective than that one; nobody's reading the last story. This immediacy and transparency also holds out the promise of delivering quick, easy results.

For example: you want to improve the performance of a monthly customer email whose most recent open rate was 30%. You set a target of a 40% open rate for the next email, and decide to focus on the subject line.

You conduct tests on two alternative wordings, and choose the most effective. The next month's email is sent with the winning subject line, and sure enough, when the performance report arrives, the open rate has jumped to 40%.

We believe a customer-based approach to email marketing is the only long-term solution, and that the techniques of off-line direct marketing should show the way forward.

Mission accomplished. Right?

The limitations of campaign-based analysis

In fact, there are limits to what an exercise like the one described above can teach you about your customers. Think again about what these statistics are analysing: the email. Not the customer and not the customer's behaviour. This approach is necessarily simplistic when it comes to modelling how an **individual customer** might respond to a series of communications.

With campaign-based analysis, email marketers are effectively driving blind. They have no insight into detail, and **can't identify cause and effect**. In the example given above, it's possible that:

- the previous email coincided with a popular holiday period
- the 40% who open the second mail are a different group to the 30% who opened the first
- the extra 10% are new customer acquisitions from an offline marketing drive
- the second email has alienated core customers, causing a fall in open rates for future campaigns

Analysis of open rates and click rates also falls short when it comes to gaining an understanding of how **customers' behaviour changes over time**. This is a crucial weakness when it comes to long-term planning. Developing a customer retention strategy for the next five to ten years based on open and click through rates alone is, by definition, almost wholly based on supposition.

Looking beyond open and click rates

Because so many of our clients outsource all their email marketing to Alchemy Worx, from strategy to production, problems become our responsibility. If ROI or sales rates fall, our clients quite rightly want explanations. After running into the limitations of campaign-based analysis time and time again, we were looking for a more effective approach to improving ROI through understanding the **ongoing relationship** between email marketer and customer

To this end we carried out a large-scale research project aggregating and analysing data from email campaigns for 12 clients over a period of 12 months.

Looking to direct marketing, we developed ways of **analysing customers' behaviour across time**. We analysed hundreds of mails and millions of data points, and found consistent patterns of customer behaviour, including some unexpected opportunities:

- in 11 out of 12 campaigns, there was a group of more than one in four active customers who had opened **just one email** over the whole period
- in 5 out of 12 campaigns, more than half of active customers had **not opened the last three emails** delivered

Ordinarily this valuable information would have been hidden among aggregated data on open rates. Tracking customers rather than campaigns meant we were able to take advantage of it to develop techniques for **identifying and reactivating dormant customers.**

For instance, more than two-thirds of those who became active again did so **within four months** of becoming dormant, meaning that a well-timed prompt could retain a customer on the verge of unsubscribing – an immediate, cost-effective way to improve customer retention.

This kind of information about **individual customer behaviour over time** is invisible to traditional campaign-based analysis. The opportunities it presents for the serious email marketer are plain.

The lessons of direct marketing

Learning to go beyond campaign statistics and look at customer behaviour isn't impossible. Direct marketing professionals in other media have been doing it for decades and developed robust techniques that are still in use today – because they work.

The ability to track customer behaviour over time means that analytical tools like **frequency, reach and recency** are now available to email marketers. Advanced customer segmentation, targeting and profiling follow, promising cleaner data, better customer retention, and above all a higher return on investment.

In short, customer-based analysis gives email marketing the opportunity to deliver on its promise. Email has always been a great marketing tool: all we have to do is learn how to use it.

Planning and implementing successful email campaigns to acquire new customers

Tom Morgan – Managing Director, EDR

I work in a field about which almost everyone in society has an opinion. As a result, I find myself in turns defending or evangelising the benefits of acquisition email marketing both in and out of the office.

Nevertheless, I'm convinced I'll be spending less time in the future having to defend my profession from often legitimate criticism by advertisers and consumers alike.

That's because the balance between those doing it right and those doing it wrong is shifting in favour of the former thanks in the main to a renewed focus on planning.

The challenge

Email's potential as a transparent, immediate and interactive channel to target new customers was spotted but squandered at an early stage with an explosion of unsolicited email. Even legitimate list owners have done little to improve the public's perception of email by failing to follow best practice guidelines. The results have been predictable: in combination with the problem of unsolicited email (not to mention the defences thrown up by ISPs to combat it), response rates have fallen noticeably. In short, the industry faces a problem of its own making.

The industry's challenge is to live up to the promise and get the message out that proper planning can reduce risks and improve returns dramatically

Therefore advertisers have been disinclined to invest real effort and money in email for acquisition as early experiences were less than positive. At best they ventured limited resources, which could only secure low quality, untargeted data for blanket campaigns. These failures aren't surprising, especially when put in the context of email communications with existing customers where they have control of delivery, data collection/management and a receptive audience. The not-so-tempting prospect of extending email campaigns to multiple 'cold' lists run by third parties was too much.

Things are changing however. The industry is more effectively regulated now, which has helped and the barriers to entry have been raised, with ISPs, technology and compliance all bringing their individual challenges. Most importantly, direct marketing-inspired planning in email marketing is on the agenda, if only to improve response rates. The industry's challenge is to live up to the promise and get the message out that proper planning can reduce risks and improve returns dramatically. The truth is that email can be a killer application and we have numerous clients to prove it. Here's how:

List selection

Lists can be very responsive if you know where to look and diversifying a campaign across several can help you find the requisite number of relevant respondents. With 150 lists - comprising 30 million names - planned across by EDR alone, the opportunity is considerable.

Identifying legislation-compliant lists is vital: the vast majority of those used by EDR have warranties and the remainder are advised by EDR on such things as compliant data gathering strategies, to name one example.

There's also the nature of lists to consider, which respond differently to different campaigns due to the relationship between the owner and respondents. The four principle types are: Lifestyle (such as Experian), Reward/Competition (such as Mutualpoints), Pure Programme i.e. Lead Generation sites and Branded lists (such as ASOS).

It's vital to know about the historic performance of individual lists to appreciate the real value of the data on offer. EDR's tool 'Oracle' was built for this purpose - to forecast the likely success of a campaign and is bedrock to all of our planning.

Segmentation
Email allows you to target your audience with unprecedented accuracy, bringing in variables other than the standard geo-demographic criteria. Retailers can, for example, credit score their target list to make sure only relevant prospects are approached. Behavioural data on transactions are available from some list owners for a more accurate picture of prospects. These are standard selections for DM but have been largely ignored by email advertisers.

De-duplicating must extend beyond an advertiser's own in-house database and a third party list, and occur *between* all the lists. A recipient receiving the same email multiple times will do little to improve customer response or brand perceptions.

Testing
Test, test and test again runs the mantra at EDR. Every aspect of a campaign should be scrutinised, from subject lines to creative content. Experience shows that the most successful emails are personalised to distinguish them from spam. It pays to pre-test responses to variations of the campaign email on different configurations of respondents to find the most receptive profile. Without this approach, it's impossible to build a strategy for the long term.

Implementation
Broadcast technically happens after the planning process, but is an integral component of a successful campaign. Before broadcasting to the selected email addresses and lists, deliverability must be tested to the inboxes of all major ISPs to check it can be viewed properly (and allow modification of the underlying code if required). This can be very labour intensive when monitoring and checking the deliverability of multiple lists and sources, but it is imperative to ensure a successful campaign.

If planning, buying and broadcast are the responsibility of an email agency and supplying original creative is that of the advertiser, then responsibility returns to the advertiser once a campaign has run its course. To the extent that this is possible, email campaigns should be integrated with marketing efforts as a whole and responses recorded as part of the CRM process.

Conclusion
Planning marries the best of DM with the benefits of digital, and helps unlock email's true potential. It is key to lifting performance and reducing risk for advertisers but must be

accompanied by the kind of attention they have lavished on communicating with their own customers by email. In the long term and in combination with measures taken by responsible list owners, it will protect the channel.

But we call for the industry to do more than go through the motions, to adopt a real sense of responsibility to drive change. Improving response rates is important but it's become a question of the survival of email marketing.

EDR client Central Capital agrees: "Proper campaign planning has renewed our faith in email marketing. We've experienced a significant uplift in performance and are convinced that it's improved our standing significantly with respondents."

B2B email marketing – the landscape in 2007 and beyond

Edward Weatherall - Managing Director, Concep

Over the past four years that I have operated a digital communications company, each and every aspect of email marketing has changed in some way. What was once the frontier of a handful of more forward-thinking marketers is now the norm. Every statistic I come across suggests that online spend is increasing both globally and across each and every industry. Email is a large part of this and more often than not, scores highest in terms of popularity and use when compared against its contemporaries such as search and other online channels.

Today no one may claim a competitive advantage simply by using email as a marketing channel. Successful email marketing has grown into an art form. Along with this growth has come a plethora of additional considerations. In 2007 and beyond, I believe the two major considerations to be Segmentation & Personalisation and Deliverability.

Segmentation & Personalisation are email marketing's most valuable capabilities and certainly its most underutilised. The channel offers us the unique ability to deliver relevant content down to an individual recipient/customer/prospect level; the reporting metrics that come standard with most email marketing platforms provide an insight into what each respective audience is most interested in. i.e. are they opening our messages, what links are they clicking on or what pages of our website do they visit based on the trigger of an email campaign? But what do we do with this information? From my experience often the answer is very little. What is the next step? Again, from my experience, the answer is that often no "next step" is taken.

Ponder for a moment the emails you sent to your target audience over the past week. Also think for a moment about the scores (perhaps hundreds!) of marketing-related emails you will receive in your Inbox today. Now, do those emails contain even the slightest level of personalisation? Is there anything even as basic as a 'Dear Mr …' before the rest of the spiel follows? I know that much of what I receive doesn't and god-forbid should any other personalisation follow.

Delivering a personalised email marketing message goes far beyond knowing and including the recipient's name

Delivering a personalised email marketing message goes far beyond knowing and including the recipient's name, however. Through web forms we should be providing options to those who kindly give us their email address. What aspects of our business are they interested in, how often would they like to be communicated with and in what format (HTML, Plain Text, Direct Mail) and so on? Capture this data, record it against that person's record in your database and link (integrate) your email platform with your database. At first this may sound intimidating and extremely advanced however the technology is readily available and chances are that your competitors are doing it already or will be soon.

Hand-in-hand with all this personalisation stuff is segmentation – the practice of taking this data, using it to build profiles of every member of your target audience and

segmenting the database into various groups/lists. How much generic, mass-produced garbage gets passed over our desk and delivered (or not delivered, as we'll cover soon) to our inbox each day? It's not so difficult. If you're serious about email marketing and driving a return from it then, with some effort and solid technology behind you, moving your email marketing program from its current point to one where you are delivering relevant content to audience in a form and timeframe that works for them is not as far away as you might think. Just think: right message, right person, right time.

Whilst you're pondering how to deliver more appropriate messages to your audience, be aware that the biggest barrier to email marketing currently (and for the foreseeable future) is deliverability. Does your email arrive at its intended recipient's inbox and does it appear the way it was intended? Both these points are crucial to the success of the channel and your campaigns. There is no single solution to ensure success, its more a combination of multiple factors to consider. Perhaps the two most important of these are reputation and authentication.

Reputation is an internal method of SPAM filtering based on the senders' reputation or demographic. This is an attractive method for Internet Service Providers (ISPs) as it relies upon the senders' emailing history, their 'track record' if you like, to establish its reputation. For the average business this can be a time consuming and difficult process to administer, hence the rise of specialist companies that provide these services on behalf of their clients, such as Habeas, Return Path, Pivotal Veracity and others.

Authentication is another dicey one. It deals with the process that enables those that actually put emails into people's inboxes (the ISPs and email providers) to verify the alleged identity of the sender. The issue of identity is under intense scrutiny at present, the result of criminals attempting to gather personal details (bank account numbers, passwords etc) by posing as banks or various other financial institutions, a process which is often referred to as phishing or spoofing.

Finally (and if all this wasn't enough!) the email marketer must also take into consideration the idiosyncrasies of the various email clients. Popular web-based options such as Yahoo and AOL through to those used within the majority of business around the world, such as Lotus Notes and Outlook 2003, all have their own ways of processing incoming email. Microsoft's plan for Outlook 2007? Even more stringent measures to come. A basic understanding of the way that these systems handle HTML text and images is key. Often the way an email marketing campaign is intended to appear is very different from the version that arrives in a recipients' inbox strictly due to the email client the recipient utilises.

In conclusion, clearly there is much to consider. Email marketing has developed at a rapid rate resulting in an incredibly powerful and increasingly popular marketing channel. Concurrently the barriers to its success have grown as well. Sound technology coupled with a little effort and the services of an experienced email marketing partner can overcome these barriers and ensure that your email marketing effectiveness is optimised.

The IAB would like to thank the following organisations for contributing to this report:

Further Information

For further information on email marketing or any aspects of internet advertising please contact us on **info@iabuk.net** or call the office on 020 7886 8282. Alternatively you can visit our site **www.iabuk.net.**

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