

Month 2: Ensuring Success as You Launch Your Campaign

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During this month, you will learn quite a lot about how your entire marketing plan is executed and how to continually optimize in accordance that plan. We'll take you through the components to launch your campaign, measure your progress, and manage your reputation.

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Week 1: Sending Your First Campaign

Reporting and measurement are going to be a central part of your first week of sending email messages. Your primary task this week is going to be focusing on reporting data that will highlight challenges, such as email deliverability issues, as well as data that will pinpoint opportunities, such as identifying subscribers who appear to be engaged and profitable. Marketers often gravitate to the success metrics, focusing only on the positive results, and do not take the time to dive into the data to understand what is causing the list to perform or underperform. Month 2 is all about monitoring your data and responding to what you find. Here we will provide you with the necessary tactics to ensure you are making appropriate use of the data available to you.

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Monday: What to Do Once You Hit Send

Congratulations, you have sent your first email message to start your first campaign. Multiple studies show that the first 48 hours after sending your mailing produce 80 percent of the response behavior. With so much of your list response at stake, you need to focus on the most important tasks after you click the Send button.

You must take two steps immediately. The first is to monitor your *seed list*—that portion of your list that contains addresses for mailboxes you monitor. Your seed list should contain the following types of addresses:

- **Your work email address.** This will ensure you are getting a copy of the mailing.
- **Company employees involved in the marketing campaign.** You need to know those individuals within your department who worked on the email campaign.
- **Customer service management.** It is also important your counterparts in your call center or customer service departments have a copy of each email campaign on file that they can refer to, should customers have any questions.
- **Store managers, sales, and field staff.** An internal distribution list of employees who work in the field, such as store managers, should also keep a copy of each mailing on file.
- **Dummy email addresses to which you have access.** Create a handful of email accounts at the top domains on your list, such as Yahoo, AOL, Gmail, Hotmail, and AIM, that you can access so you can quickly verify that your email actually reached these top-tier domains.

- **Deliverability services seed list.** As discussed in previous chapters, you will want to work with a delivery services provider such as Return Path, Pivotal Veracity, Habeas, or Lyris that can provide delivery seeding capabilities across hundreds of domains and can report on the delivery disposition—inbox, bulk (spam) box, missing, and so on—of your messages. Appendix A lists these and other service providers.

The second step is to watch the initial results come in via your application's reporting dashboard. This reporting will provide insight into how much mail is being delivered as well as aggregate open and click rates.

In addition, you will want to work with your ESP to understand how it is handling bounced messages. There are two primary types of bounces. *Hard bounces* are those that are dead on arrival, such as “mailbox does not exist at that domain” or a malformed email address; these should be less than 10 percent of bounces. *Soft bounces* are emails that did not reach the intended inbox for one of a host of reasons, including that the mailbox was full or there was a connection issue with the ISP. Your ESP can provide you with the details of how it treats these soft bounces and at what rate and interval it retries them. For example, these soft bounces may be re-sent as many as five times over a period of days until the messages are either delivered or moved into the failure or hard bounce category. Typically these addresses are not removed from a list unless they soft bounce five or more times within the retry pattern on a single mailing. Understand how your ESP treats these failures and messages as well as how they are calculated into your overall email delivery rate. The Email Measurement Accuracy Roundtable at the Email Experience Council suggests that email delivery rates should include all hard bounces and failures so that the delivery rate is representative of the messages that could not be delivered.

Write This Down: Eighty percent of marketing emails that were opened were opened within 48 hours after delivery. By the sixth day, 95 percent of the people who opened had now done so, according to the 2005 “Email Marketing: The First 48 Hours Are Critical” report. (Source: MarketingPros)



Tuesday: Reading Reports

Your email results are going to come in very quickly, typically within the first 24 to 48 hours after you hit Send. Here are some critical reports and metrics you must use to gauge the effectiveness of your mailing:

Domain Delivery Report This report (Figure 7.1 shows an example) will allow you to understand how much of your email was delivered at all the top domains that make up your email list. This report can quickly pinpoint whether one ISP dropped a significant portion of your email or whether you are having potential reputation-based issues at

a particular ISP. If you notice that your open rate is below its historical average, this is usually a telltale sign that you have a delivery issue at one of the ISPs that makes up a significant portion of your list. The domain delivery report can further validate this suspicion, or it can confirm that all your email was delivered and that your low open rate is being driven by another reason, such as a poor subject line that is not relevant to a portion of subscribers or a sending frequency that is too high.

Additional Metrics						
Opened HTML Email more than once	7185					
Aggregate Clickthroughs	9280					
Clicked on more than one link	819					
Clicked on one link multiple times	496					

Domain Deliverability						
Domain	Sent	Bounced	Read	Clicked	Total Unsubscribed	Unsubscribe - Spam Complaints
@aol.com	351461	207 (0.1%)	7684 (2.2%)	1563 (0.4%)	332 (0.1%)	203 (0.1%)
@yahoo.com	328952	125 (0.0%)	10284 (3.1%)	1335 (0.4%)	260 (0.1%)	84 (0.0%)
@hotmail.com	179755	117 (0.1%)	6955 (3.9%)	730 (0.4%)	147 (0.1%)	83 (0.0%)
@msn.com	69592	46 (0.1%)	3687 (5.3%)	380 (0.5%)	58 (0.1%)	24 (0.0%)
@sbcglobal.net	49009	109 (0.2%)	3701 (7.6%)	367 (0.7%)	47 (0.1%)	12 (0.0%)
.rr.com	45188	90 (0.2%)	5927 (13.1%)	378 (0.8%)	39 (0.1%)	1 (0.0%)
@verizon.net	34922	24 (0.1%)	4047 (11.6%)	288 (0.8%)	34 (0.1%)	3 (0.0%)
@gmail.com	28283	2 (0.0%)	1419 (5.0%)	246 (0.9%)	51 (0.2%)	0 (0.0%)
@earthlink.net	25539	218 (0.9%)	2849 (11.2%)	145 (0.6%)	21 (0.1%)	0 (0.0%)
@comcast.net	15416	14064 (91.2%)	194 (1.3%)	20 (0.1%)	7 (0.0%)	0 (0.0%)
@charter.net	14897	3358 (22.5%)	1817 (12.2%)	109 (0.7%)	13 (0.1%)	0 (0.0%)

Figure 7.1 A domain delivery report

Open Rate This is the number of HTML message recipients who opened your email, usually stated as a percentage of the total number of emails sent. The open rate is considered a key metric for judging an email campaign’s success, but it has several limitations. For example, notice in Figure 7.1 the column labeled “Read.” Well, that is a misnomer—just because an email has registered as open does not necessarily mean it was actually read by a person. The email could have been registered as read just by the user previewing it in the preview pane of an email client application, such as Microsoft Outlook. The second problem with the accuracy of the open rate is that it measures the number of emails opened out of the total number sent, not just out of those that were actually delivered. Recall that the open rate is calculated by placing an invisible 1-pixel GIF (known as a *beacon*) in your email; this means that when images are blocked, so is this beacon image. And since this metric relies on images, it means that opens also can’t be calculated on text emails.

The open rate can be directionally useful, as we mentioned, for its ability to spot potential delivery issues. Understand when you are reading your report whether the open rate is an aggregate open rate or a unique open rate. Unique open rates are more useful to the marketer because they show the actual number of individual subscribers who opened the email; by contrast, aggregate open rates can be flawed by preview panes and users who may open the message multiple times. Because opens

cannot be calculated on text emails, some ESPs add opens for those text emails that registered a click because it is safe to assume that if the user clicked it, the user would have had to open it. Speak with your ESP to understand how it is calculating the open metric.

Opens Over Time This is typically a unique subscriber-oriented view into open rates to detail which subscribers are opening your email repeatedly on which days and what time of day. This metric can be meaningful if you are doing advertising-supported email, because this data may be valuable to get the sponsor to pay more for its email placement if it is in a mailing that has a high percentage of subscribers who tend to view their messages multiple times. On average, an email is opened one and a half to two times. However, most marketers should focus instead on click behavior and conversion data within their reports.

Total Time Email Was Open This metric, which some ESPs offer, is essentially a timer that shows the average amount of time a consumer had your email open. Although this might be an interesting factoid, many variables can skew it, such as preview panes, and it is not something you are ever likely to use as a segmentation attribute. Additionally, since it is based on the open beacon, it is subject to all the flaws and misinformation that we've noted for open rates.

Total Clicks This is a great stat to bring to your boss to demonstrate how many clicks—visits to your website—your email program delivered. It is a directional metric and, as we discussed in Chapter 5, something that could be incorporated into an engagement metric.

Unique Clicks Also referred to as the *unique click-through rate*, this details the unique number of times each subscriber clicked an individual link. For example, if you have two links in your email and the user clicked the first one just once and the second link three times, the unique calculation would register as two clicks.

Clicks by URL This will tell you exactly which URLs in your email were clicked and how many times. This data helps you understand the kind of content your subscribers prefer. For instance, do they respond better to white papers and research articles or to special offers and promotions?

Conversion Rate This will show the number of people who made it through the entire shopping cart process or landed on a registration page—whichever page you decided to tag in order to measure that the desired task had been completed. Tagging a page requires a web beacon and typically dropping a cookie. Nearly every ESP has this capability to tag and beacon pages.

Unsubscribe Rate This is the rate at which people unsubscribe from your list. It is typically half of 1 percent or less.

Abuse Complaint Rate This is the number of subscribers who report your email as spam. Increasingly, ESPs are adding this statistic to their email reporting. It is one more measurement that you should watch carefully.

Revenue per Mailing This metric can be displayed a number of ways in aggregate, detailing both the total amount of revenue that was delivered in a mailing and the average order size, which divides the number of orders into the total revenue. This is another great metric to show your co-workers and boss in order to “Hollywood” the results from your email marketing program. Imagine showing a graph like Figure 7.2 at the big project meeting.

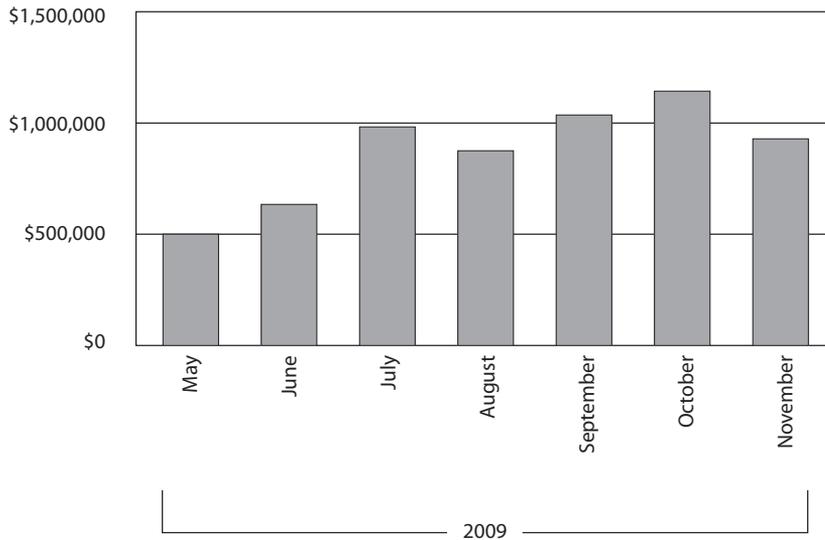


Figure 7.2 A graph of email revenue by month

These metrics can begin to inform your segmentation strategy, such as focusing on identifying individuals who are and are not clicking or those who purchased and those who did not. Additionally, enlisting website traffic behavior from web analytics solutions can provide a richer set of data to make your segments even more granular. We will cover some of these additional segmentation strategies later in this chapter.

Wednesday: Managing Customer Service Replies

Your outbound email will produce a number of inbound replies, some of which may be out-of-office messages that can be quickly categorized and deleted. Other messages will require a bit more work. For example, you will likely get some unsubscribe requests from clients who did not want to use the Unsubscribe link in your email. These people

need to be identified, suppressed from any future mailings, and sent a confirmation message that they were removed from the email list. Other inbound emails may need to be routed to customer service or sales, such as from those who may have general questions about items in your promotion or customer service concerns, perhaps from previous orders with your organization.

Your inbound email inbox must be monitored for such customer service messages, and it is important to resolve those questions quickly and respond to the subscriber in a timely manner. Most consumers expect a response within one business day, so after a send on a Monday, by Wednesday you should have all your service-related replies handled.

Write This Down: A 2007 JupiterResearch “Customer Service & Support Metrics” report found, via a dummy customer service email sent to hundreds of online businesses, that only 50 percent resolved email inquiries within 24 hours and that 31 percent of sites took three days or longer to respond or were completely unresponsive. (Source: JupiterResearch)



Use customer service data as a segmentation attribute. If your subscribers are emailing you service-related queries, whether they are generated from your outbound email or from your website, this data should be used as a segmentation point to pull out from mailings those subscribers who might be potentially upset with you. Additionally, you can focus on these service-oriented subscribers, sending them offers with deeper discounts in order to win them back, sending them surveys to better capture their attitudes, or potentially mailing to the problem subscribers less frequently.

To ensure that these addresses are monitored in a timely fashion, use a unique reply-to address that can be pushed into its own mailbox. This will make it easier to identify your marketing-related inbound mail and assign the proper priority to answering the messages quickly.

Thursday: Matching Your Response Rates to Your Forecast and Plan

There is a classic saying in sales: “Plan your work, and work your plan.” This encapsulates what you must adhere to in every mailing; do not become complacent with your results, and test every variable that may be driving your results lower.

To ensure you are comparing apples to apples, you must first understand what your ESP or email application is reporting and how those metrics are calculated. This will ensure that your goals are reasonable and your planned metrics are being reported as you imagined they would be.

However, even with such an understanding, you may still find that your results are not what you had initially planned. In week 2 we will offer detailed tactics to employ specific metrics when your results are far off your plan.

First map out the deviation between your plan and the results, whether that is positive or negative, and track that in a spreadsheet or a custom-built report within your email marketing application. Do this on each mailing to develop a historical perspective of your mailing’s performance. A funnel report like the one in Figure 7.3 shows how well your email list is performing as a whole, or it can be run for individual campaigns.

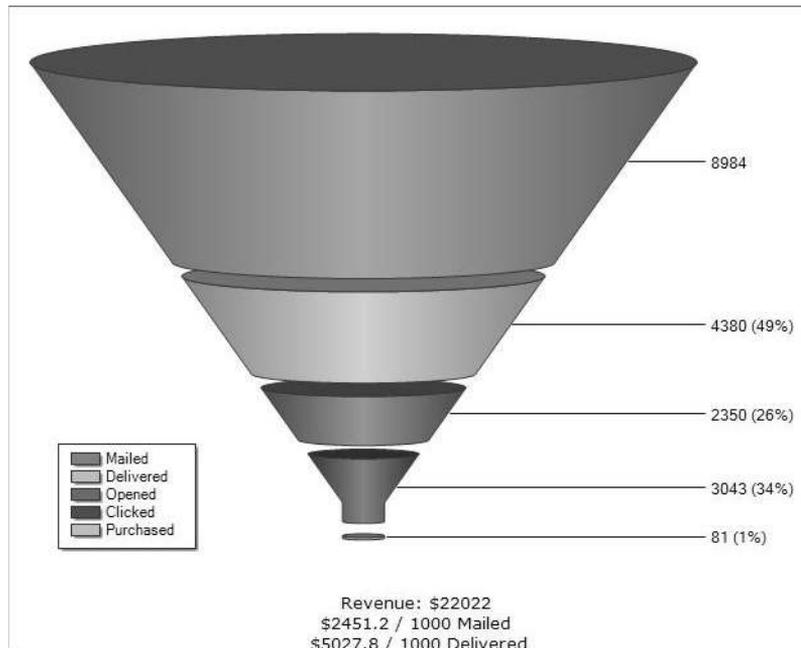


Figure 7.3 A sample funnel analysis report created by Epsilon’s DREAM application

Next, begin to highlight the largest deviations and think of the variables that could be causing such great fluctuations, such as content and timing. Although we suggest specific tests that you can conduct to zero in on the variables that are causing such deviations, at this point you should have enough knowledge to begin to apply some of the lessons from earlier chapters to identify what you may want to test in future mailings. However, if your results are far below what you had expected, this could point to issues of data hygiene and delivery. Figure 7.4 illustrates what this dashboard may look like. The Friday after your first mailing is a good opportunity to spend some time investigating these issues.

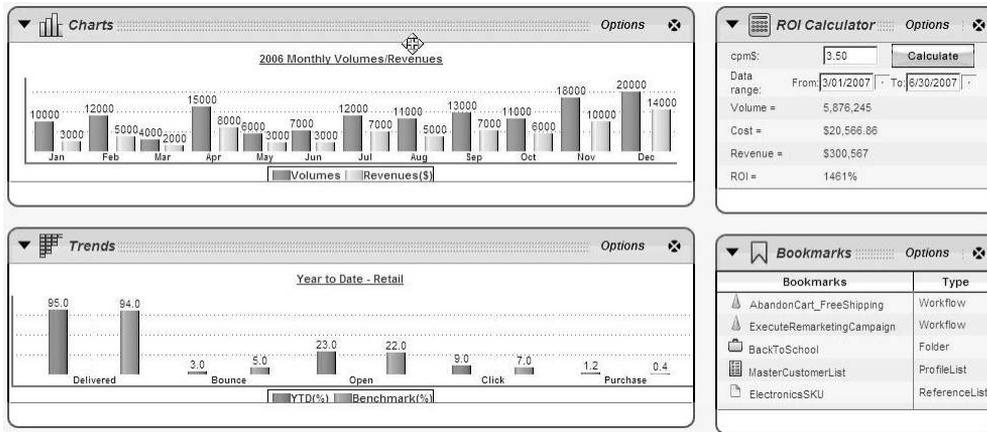


Figure 7.4 A sample email dashboard and ROI calculator

Friday: Keeping Your Database Clean and Your Reputation Strong

Earlier in this chapter we discussed the issues that affect deliverability and bounce handling. Make sure you have the following pieces in place for your ongoing email marketing program to keep your list clean and your reputation strong:

Unsubscribe Suppression Scheme Ensure that all unsubscribes are suppressed immediately and that any customer service replies to outbound mailings are also removed quickly. If you are working as a publisher with other advertisers, or vice versa, it is required under the CAN-SPAM law that you have identified yourself as the sender. If you are using names from other lists—either other sponsors or advertisers—you must also ensure that any names that have unsubscribed from your house list are also removed from the advertiser’s or sponsor’s list. Datran Media’s UnsubCentral offering allows such a mechanism to securely compare and contrast lists to build one master, mailable file.

Authentication Scheme It is necessary for your mailing infrastructure to incorporate SPF, Sender ID, and DKIM. These are the message authentication standards used at MSN, Hotmail, Yahoo, and AOL. Email without these pieces in the header may be blocked, or at the very least get a “spammier” disposition when the ISP looks at the email. Your ESP should be using all these standards, at the very least SPF and DKIM.

Feedback Loops (FBLs) ISPs including Microsoft, AOL, Yahoo, and Comcast provide data, known as *feedback loops*, on which subscribers are marking your email as spam. Of course, you want to remove these subscribers from your list immediately, but you also want to understand your overall IP score at these various ISPs, of which the FBLs are a part. Each ISP has its own approach for setting a threshold that will block your email, but deliverability service providers such as Return Path and others will assist in navigating the ISP relationships for you. To keep your reputation strong, it is critical to subscribe to FBLs, suppress those former subscribers, and understand your disposition with each of the major ISPs.

IP Throttling Ask your ESP whether it is doing domain-level IP throttling. Although the term might sound like technical gobbledegook, it means that if you exceed the domain’s ability to take messages from you, then you will get blocked, and your reputation will be tainted. For example, Comcast limits senders to two simultaneous connections per IP address and 1,000 messages per connection. This varies from ISP to ISP, and often the ISP will reset and change its rules. Although it is important how fast an ESP or piece of email marketing technology can send, it is more important to send email smartly where the rules are different at each different door. Your ESP should be familiar with these throttling limits and manage your email send stream accordingly, because delivery rates can change throughout the day in the middle of the mailing. Figure 7.5 illustrates such a pattern.

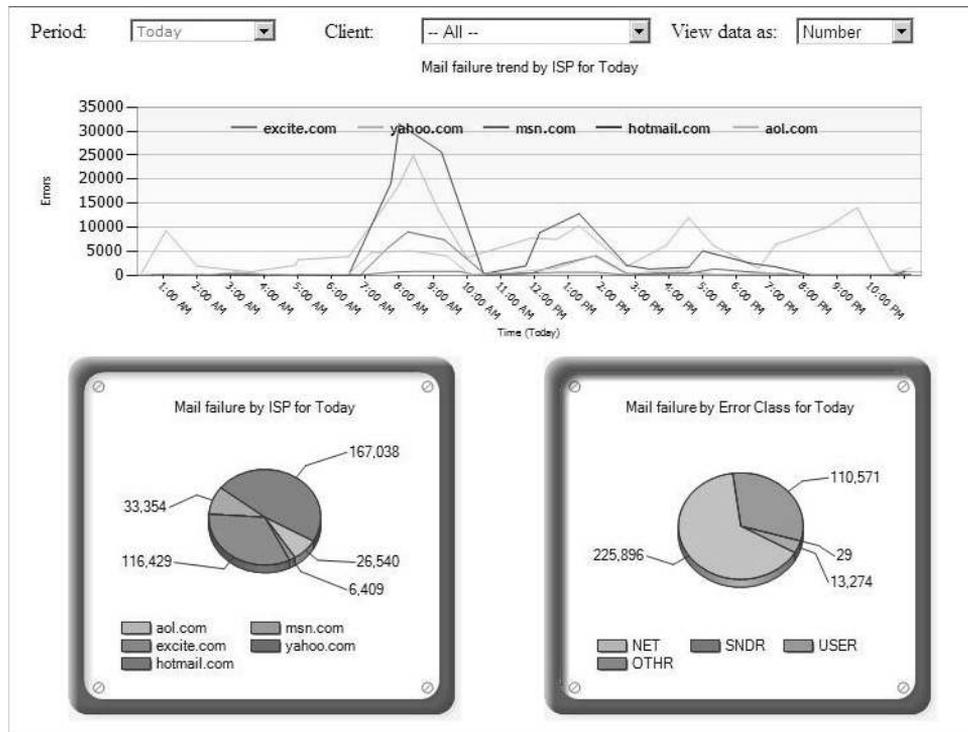


Figure 7.5 An hourly delivery report

Nonresponsive Subscriber Suppression If you have email addresses you have mailed to for eight to ten months at a time and there is no response from those subscribers, they may resolve to dormant accounts. It is important to remove non-responders from your email list, because those dormant email boxes can also impact your reputation. Keep those bad and nonresponsive email addresses off your list.

Welcome Campaigns In earlier chapters, we discussed the benefits of using welcome campaigns. One good reason to use such a campaign, or at least an autoresponder that confirms the email address is valid, is because bogus email addresses will not make your list. It is not uncommon for spam vigilantes to purposely add spam-trap addresses or bad addresses to marketers' lists just to cause them havoc.

Common Email Address Suppression Work with your ESP; most have a common suppression scheme that blocks addresses that are known problems such as info@ or abuse@. Suppressing these addresses will allow you to further keep your list and reputation clean.

Week 2: Creating a Plan to Optimize Your Results

Now that you have your first mailing underway, it is time to recalibrate your expectations and use the data from your first mailing for further optimization. Week 2 is all about selling your mailing success to your co-workers and boss, as well as incorporating their feedback and your subscribers' behavior to enhance your future mailings.

Monday: What your reports are really saying

Tuesday: Analyzing the effectiveness of your creative

Wednesday: Pulling together the comprehensive report

Thursday: Optimizing the opt-in points on your website

Friday: Creating your test

Monday: What Your Reports Are Really Saying

What we offered as a guide to your reporting in the previous week will be utilized thoroughly in this section. So, let's consider two of the primary measures that marketers use to judge their mailing effectiveness: opens and clicks. The following are several scenarios that may stump you after your first mailing and even after our suggestions about how to react to this data:

- **Many unique opens but not as many unique clicks.** It is common to see more unique opens than unique clicks. There are two primary reasons your unique open rate will typically be higher than your unique click rate. The first is that the human subscriber really never opened it or at least never intended to open and look at it for very long. This is the flaw we discussed earlier, in which clicking preview panes registers as opens in clients such as Microsoft Outlook and Outlook Express. There isn't much you can do about this.

The second reason, however, is something over which you have more control. People actually did open your email, perhaps even clicking the button in their email client for the images to render, but after looking at your email, they were not interested enough to click. If the difference between your unique open rate and unique click-through rate is more than 25 points, the data suggests a

disconnect between the expectations you set and the content in the body of the email. Simply put, if this trend continues over time, it means your email is not relevant to that group of subscribers, or it means you are hitting them at the wrong time. The “A Tactic to Apply: A/B Split-Path Testing” sidebar describes *A/B split-path testing*, one of the most important tactics you can employ to further improve your open-to-click ratio.

A Tactic to Apply: A/B Split-Path Testing

Use A/B split-path testing to reduce the amount of content offered in your email copy. On your next send, create two versions of your mailing to send to a representative portion of the group of subscribers who opened but did not click. In the A version, repeat the approach you used in the previous mailing—likely one subject line that communicates the value or content of multiple content assets and promotions in the email body copy.

Now create a new, B version. In that version, use a subject line that speaks to only two options that will be put forth in the email body copy. Those two options could be something such as two different types of promotions. For example, the subject line could be, “David, Choose Your Own Discount.” The body copy could suggest that the subscriber has been selected to “Be Part of Customer Choice Week.” Then create two distinct offers with two separate links. One will be discount-oriented, such as 10 percent off their order, while the second link would offer free shipping.

Although this is a retail-oriented example, you can apply the concept to a variety of industries. In airline travel, for example, the offer could begin as, “Fly like one of our elite passengers, book your next flight, and reap the rewards of our in-flight Elite Passenger benefits.” The second offer could be, “Take advantage of preflight Elite Passenger benefits such as free entry into our Presidents Club room.” You get the idea. Limiting the customer choice in this test will likely drive higher click-through rates as well as identify for which type of offer the subscriber has an affinity. Once that data is collected, it should be noted in the subscriber data table, so you can further target subscribers later based on their stated preferences. This test will also help you determine whether your email body is cluttered with too many offers, as well as which offers are best for which subscribers.

- **Click-through rates that are higher than your open rate.** This would indicate that a significant portion of the images in your email creative are not rendering or that a significant portion of your email is being delivered in a text format. If you are using a multipart/MIME format for your creative, as we suggested in Chapter 5, this could mean that many of your subscribers are opening your email on mobile devices, which could impact your open rate and show higher click-through rates. However, this group will likely show lower conversion rates

since marketers frequently do not have their landing pages enabled for mobile and portable devices (that is, they don't use Wireless Application Protocol-formatted landing pages, discussed in Chapter 8). Tactics to remedy this issue include using fewer images. We will give you some more pointers on optimizing your creative in the next section.

- **Open and click performance that is lower than your historical benchmarks or your plan.** As discussed in the previous section, this could suggest that your email did not get delivered to one or more domains or ISPs that represent 10 percent or more of your list. Utilize your domain delivery report to see whether this is the problem. If delivery to a particular set of domains is not a problem, then it could be the timing or frequency of your mailing. Over time if this problem persists, it could mean you have a larger number of inactive email addresses or simply subscribers who are no longer engaged with your mailings. Previously mentioned tactics such as deploying surveys or sweepstakes offers can be a remedy to check this. However, if this is a one-time anomaly and delivery is not an issue, it could point to a timing issue. Be sure to take holidays into account as well as certain days, such as Thursdays, when there tends to be more email in the consumer's inbox. Thursday is an important day of the week for advertisers, as it allows brands to tell consumers what movies to see on Friday, what sales to go to on Saturday, last minute travel deals, and what cars to test drive. Television programming is very important on Thursday nights, because it is necessary for advertisers to have a large audience for them to deliver their message to. Email marketing is no different, which is why on Thursdays there tends to be more email in the consumer's inbox.
- **Adjusting and testing your mailing frequency, time of day, or day of week are all areas to explore to validate the casual variables.** Doing an A/B test to split the email to the nonresponsive subscribers, and sending either on two different days or at two different times the same day is the first step in analyzing the effectiveness of your email.

The next step to building the road to optimization is to analyze the effectiveness of your creative. We suggest dedicating the next day to this task.

Tuesday: Analyzing the Effectiveness of Your Creative

Analyzing the effectiveness of your creative is where art intersects science. Here you will be guided by the science of the empirical behavioral data from your mailing and by the emotional constructs of your perceptions of beauty and aesthetics. Judging the effectiveness of your email creative is often complicated by a set of loosely defined criteria, steeped in perceptions of your corporate brand image, personal preferences, design best practices, and your vision of what is appealing and potentially effective. Leaving this up to a committee process often will further complicate the issue—as often found

in consumer-based focus groups, where the results usually create more questions than a common set of answers. Over time, you will have a history of mailing performance to further guide your judgment about the effectiveness of your email creative, but for now we offer the following set of criteria to help you begin to assess and optimize your creative. Keep in mind that you can apply this process to all your creative endeavors, including landing pages. This hierarchy builds from the bottom up, and you can identify and isolate the variables that may be either causing you heartache or driving your co-workers to sing your praises.

Mass Convenience

Make sure you have followed the creative best practices we discussed in Chapter 5 regarding HTML table layout and template pixel width. It is necessary to adhere to these loosely defined standards, because all email client software is different. Given that, the first rule of creative optimization must be mass convenience. Can your email be rendered appropriately in one single version on a wide array of email and webmail clients? Is it viewable and accessible not only on those clients but also on a wide variety of mobile email devices? Is your template designed to meet those delivery-rendering best practices? These rules are fluid, which is why it is imperative to use an inbox-rendering tool from a delivery services provider (see Appendix A for a list of providers). Those rendering tools will give you a clear and ultimate picture of how your email appears to your subscriber.

Ease of Use

Get off the computer, and print your email on a color printer. Hand it out to your email team and a handful of co-workers along with three differently colored pencils. Instruct them to take the printout and with the first color pencil circle the first pass of their eye motion, circling the first three things they read in the email copy. In this exercise, remove the subject line—you want them to focus on the body. The next colored pencil is for the next three things they read, and the third and last color is for the last three things they read.

Take those results from your five to eight co-workers and put them in a spreadsheet, with each column being a piece of navigation, content, and links—group those header columns in that fashion. In the nine rows of the spreadsheet (three rows to each color), count the color ticks of each one of those co-workers. Does a pattern exist? If it does, then you are close to having some consensus about how easily your content can be scanned.

If the results vary greatly, then your layout is not well aligned with the expectations of your subscribers, who are meant to engage with these messages. Is there a high number of test subscribers who have the same eye path, and do those paths easily intersect with your calls to action? If not, go back to the drawing table and start the

process again. Remember, if there are too many options or is too much clutter within your message, then the message is not efficient for your subscribers. This will lead most people to frustration, and they will simply give up, delete your message, and go on to the next ones in their inboxes.

Creative Efficiency

Creative efficiency means two different things. First, consider whether the creative elements, the template, and the content assets contained in the message are laid out to facilitate an efficient production process. Does the email creative leverage as much as it can from your content management design to afford quick tests, and is that design reusable in future mailings? Second, did your ease-of-use colored-pencil test prove to be an efficient experience for your test subscribers and co-workers? Did they do the things you wanted them to do first? Ensuring that your creative can both be rapidly deployed internally and be consumed rapidly externally will prove you are well on your way to creating a creative foundation that can be continually optimized.

Clarity

Did your colored-pencil test reveal confusion in your intent of tone and action, or did it reveal a common clarity that you were aiming for? Are your action anchors—your links, your calls to action—above the fold? Are the offers and their intent clear? If not, some creative or graphical redesign and wordsmithing may be in order.

Conciseness

This is another aspect of efficiency. Are you using links in the appropriate manner? In email, your goal should be not to tell a long story; it should be to sell a short one. Teasing subscribers with just enough information to lead them to your website or a dedicated landing page that provides further information should be the primary purpose of your links. There are a couple of exceptions. The first is when the purpose of your email is a newsletter where you are delivering one topical story or article to the subscriber. The second is when you are sending a branding-oriented email whose purpose is to introduce one brand concept or one product. For example, in a message where the creative is one large image, similar to a postcard, the email creative might be meant to deliver information on a single product or concept. In those cases, you can embellish your text a bit more, but even here the general rule still applies: Get them to click!

Consistency

Does your email creative week in and week out use the same layout, navigation, and colors? If it doesn't, it should. Create a standard level of consistency in your mailings so that your subscribers become familiar with your email layout and create a common

expectation of how to interact with the message. Although colors can add flash and call out certain elements, such as promotions, it is critical that you do not make your email too “busy.” Use consistent colors and standard fonts such as Arial and others that render on a wide variety of computers across operating systems.

Personalization

Are you using any personalization, such as the most basic form, which is your subscribers’ names? Are you using personalization too much? You are if you keep reminding your subscriber that you are so tricky that you can use their name in every bit of the creative.

Are you using offers or content assets—news stories or items such as products—that are personalized or tailored to either the user’s preference or their behavior? As discussed in previous sections, personalization, particularly tailoring that is driven by user behavior, is something that has proven to be more effective than sending the same message to every subscriber on your list.

Design Tips from the Pros

To add some perspective, we’d like to share a conversation we had with Aaron Smith and Lisa Harmon, principals of Smith-Harmon, a leading email marketing design shop:

David Daniels and Jeannie Mullen: *To get the best work from your email designers and copywriters, how do you challenge them?*

Lisa Harmon: *The potential for economy, efficiency, even poetry is a virtue of email that makes it not only an effective communication channel but also an engaging form of creative work. I challenge email designers and copywriters to continually strive to find that just-right place where—ah!—form and function meet: where every image, every word, has meaning.*

David Daniels and Jeannie Mullen: *What if an individual shows creative ability in other forms of marketing such as print? Can it be instantly transferred to email?*

Aaron Smith: *While it shares characteristics with both print and web, email creative is a distinct discipline that requires designers to address channel-specific issues. Good email designers must take a results-oriented approach and—just as importantly—have a thorough knowledge and understanding of the many platform combinations across which their designs are displayed.*

David Daniels and Jeannie Mullen: *Can you put your finger on the one or two things that make good email creative?*

Lisa Harmon: *The success of an email design is dependent upon a unique intersection of considerations: your brand, your business objectives, your resources, the inbox environment, and—most importantly—your recipients. Understanding general email creative best practices is only the first step; the second is applying best practices appropriately based on the above factors. What works for Sears does not work for Saks.*

David Daniels and Jeannie Mullen: *Testing is a big component to making email effective. Are there a few keys that you can share with our readers to what makes a successful test?*

Lisa Harmon: *The three keys to creative testing are (1) Build creative testing into your process. Ideally, you should be testing at least one creative element with every send. (2) Keep each test controlled and simple in order to easily identify which variables move the needle. (3) Archive and share metrics with your creative team so that they can “own the results” and leverage the data to inform their work.*

David Daniels and Jeannie Mullen: *We are certainly not immune from making mistakes when creating an email. Are there things that you do to avoid the “gotcha headache” after you hit Send?*

Lisa Harmon: *For us it is the three-question check. Before you hit Send, give your message a two-second scan and ask yourself three simple questions: What is this email about? Why should my subscribers care? What should my subscribers do about it? Do not deploy unless the answers to these questions are immediately obvious.*

David Daniels and Jeannie Mullen: *When it comes to laying out a reusable creative framework, is there one size or one rule that fits all? What is most important, the data or the creative elements?*

Aaron Smith *A flexible email creative framework becomes increasingly important as we leverage more dynamic data and as we increase segmentation.*

David Daniels and Jeannie Mullen: *How much is too much? That is, should marketers attempt to jam an entire store in their email or simply be sending window dressing draped in HTML?*

Lisa Harmon: *An email is like a retail store window; it needs to reveal just enough to compel viewers to enter the store.*

Tomorrow, in your Wednesday hour, we will give you a few examples of reports that you can use to develop a comprehensive analysis of your mailings' performance.

Wednesday: Pulling Together the Comprehensive Report

Most ESPs offer a handy dashboard report that is comprehensive enough for most marketers. They all look a little different; Figure 7.4 earlier in the chapter showed one example, and Figure 7.6 shows another.

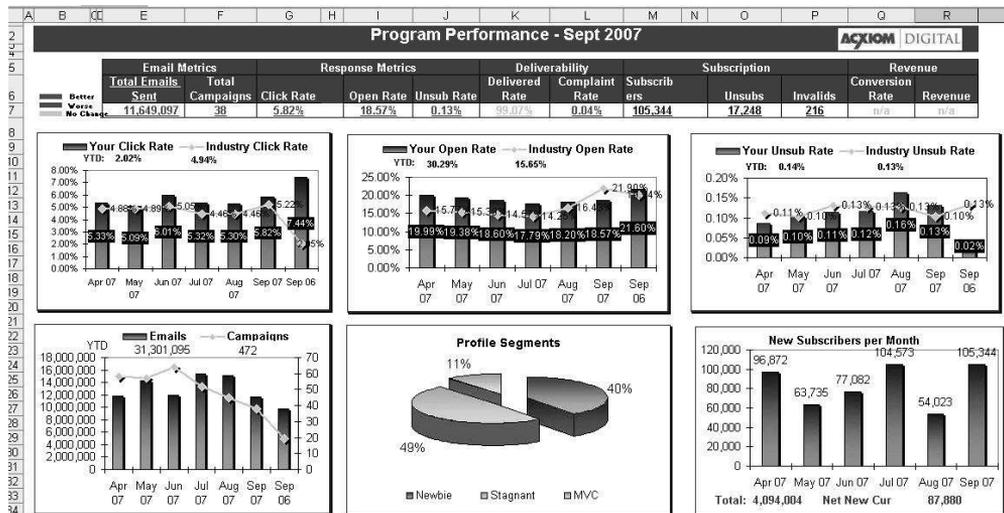


Figure 7.6 An email marketing dashboard

This report should display the following metrics: number of emails sent, total emails attempted (this could be higher than number of emails sent to account for retries because of soft bounces), total emails delivered, total emails missing (sometimes displayed as delivery rate), total conversions, and all of the aforementioned metrics in aggregate and displayed as unique including opens and clicks. Additionally, these metrics should be displayed as a percentage of all the email that was successfully delivered. Check with your ESP to determine whether it is calculating these percentages into the total email sent or into the total number that was delivered. Lastly, you will want to see the number of unsubscribes and spam complaints.

In a previous chapter, we also gave you a recipe for an engagement metric. This should also be included in your dashboard metric to understand the overall health and engagement of your list.

Additional metrics to report on include the following:

- **Click-to-open rate (CTOR).** This is simply the ratio of unique clicks as a percentage of unique opens. The CTOR measures how effective your email message was in motivating recipients who opened it to then click a link. In other words, the

click-to-open rate expresses the measure of click-through rates as a percentage of messages opened, instead of messages delivered.

Loren McDonald is a seasoned email marketing professional at Silverpop and along with David serves as the co-chair of the Email Measurement Accuracy Roundtable of the Email Experience Council. Loren explains the benefits of the CTOR as follows:

“By removing unopened messages from the picture, the CTOR then becomes a better measure of the value and effectiveness of the actual email message content, messaging, and layout. Specifically, the CTOR measures:

- *Relevance of the message content*
- *Effectiveness of offers*
- *Effectiveness of the copy*
- *Effectiveness of the message design and layout*
- *Timeliness and immediacy of the content or offer*
- *Effectiveness of the number and location of text and image links*

“To some extent, it also measures the level of trust recipients place in your brand and its value proposition (the open rate is the better measure of trust, since if trust is lacking, the recipient will not even open the email).”

- **Forward rate.** This metric has become less meaningful over time because in order to understand how many people are actually forwarding your email, you need to include a Forward to a Friend option. Although all ESPs offer such a widget that can be placed in your email, David’s work at JupiterResearch reveals that most individuals forward email to others using the Forward button in their email software clients, such as Outlook. It is impossible to measure forwarding behavior via the general Forward button.
- **Nonresponsive subscriber rate.** This is the number of subscribers who received your message but did not register any opens or clicks. This number should be expressed as a percentage of the total emails delivered. Monitoring this metric over time will indicate whether your subscribers are increasing or decreasing their engagement with your mailing. Remember, we provided a good deal of granular detail earlier related to domain delivery reporting to pinpoint whether your overall engagement is being impacted by undelivered emails to a set of domains.
- **Opt-in rate.** This metric is designed to illustrate the ongoing effectiveness of your opt-in process. The number should be displayed in the following ways. First, you

should measure the percentage of unique opt-ins to unique visitors to your website. Next, you will want to measure the number of opt-ins coming from third-party locations such as co-registration and partner sites. After that column, you should report the number of opt-ins that are being gathered through your external channels, such as your call center, kiosks, or in-store efforts. Lastly, all those numbers should be combined and compared against your total list size and expressed as a percentage of weekly opt-ins or new subscribers.

- **Click-overlay-reporting.** Remember that colored-pencil test we had you do with your co-workers earlier in this chapter? Well, the good news is that many ESPs offer a report that shows a click map on top of your email creative. These reports are usually color-coded, with the number of clicks or click-through rate that the link achieved. This is a wonderful report to print and take to the boardroom to pore over with your co-workers. Although the colored-pencil test is still an accurate measure to create a visual heatmap of where people are looking first, the click overlay reports on the links that were clicked but not the order in which they were clicked. Both tools are valid and should be incorporated into your overall marketing plan.

Although all the previous metrics and reports should be built into your comprehensive weekly reporting, we recommend a third dashboard that takes your critical metrics and cuts them by primary segmentation attributes. This creates a dashboard view of all the metrics that are most important to your most important subscribers. For example, you'll see how different demographics responded—by gender, by age, and by spending history. This will allow you to gauge at a macro level the importance of the demographics and segments that are most important to you and your organization. The report would be laid out like a matrix, with all the aforementioned important metrics across the top and the demographic segments down the side. In this matrix, you should also list the previous mailing's performance so that each week you can gauge whether the needle is moving up or down.

Thursday: Optimizing the Opt-In Points on Your Website

Now that you have measured the performance of your opt-in sources, you can begin to think about how you might want to begin optimizing your opt-in points. Let's revisit a couple of key points to the opt-in process:

- **Promote your opt-in newsletter registration.** Place it above the fold on your website. Give it the space and attention it deserves.
- **Don't ask for too much information.** Keep it simple; gather only the information you are going to use to target your subscribers when communicating with them.
- **Communicate expectations.** Provide an example of your newsletter through a clickable thumbnail graphic that opens in a new window. Let the reader know how often you will be mailing them.

- **Sell the benefits.** Ask yourself why someone should opt in to your newsletter. What are the benefits they are going to receive? Discounts, breaking news, exclusive “member” benefits, and being the first to know about new products and offers—these are all appropriate benefit statements that should accompany your opt-in page.
- **Properly formed forms.** Let the subscribers know which fields are required. Use standard form field names so that the autocomplete functions in browsers and browser toolbars (for example, the Google Toolbar) match up and it is easy for subscribers to quickly complete your form.
- **Privacy policy.** What are you doing with the subscribers’ data? Let them know in plain English on the opt-in page, and then provide a link to your full privacy policy that is full of all the legal terms and conditions.
- **Promote opt-in across channels.** Print ads, call centers, in-store signs, banners, and even TV commercials should highlight the benefits of joining your email list. In earlier chapters, you saw some unique examples, such as the airline that posts a banner at baggage claim areas telling passengers to send an SMS text message with their email address to get miles for their trips. This is a great vehicle to get subscribers to join your list. Can you leverage that tactic in your cross-channel marketing efforts?

Now let’s move beyond those basics and focus on what you can do to harness more of your website traffic:

- **Use dynamic landing pages.** Do you use dynamic landing pages for when people click your search engine results listings? Congratulations! But you should also be promoting your newsletter registration. A study that David conducted at JupiterResearch found that most retailers using dynamic landing pages did not include any reference to their newsletters on that page. Most companies simply promote the newsletter in one or two places on their websites but hardly ever on these dynamically generated pages. As we showed in Chapter 5’s discussion of using your website to build your email list, by using personalization technologies it is possible to not only include a reference link to your subscription page but also to use the client’s own words from the Google search in that page. Specifically, Figure 5.3 used the example of leveraging the search string *Flat-Panel TV* as in Figure 5.3 and placing that dynamically into the section that promotes the newsletter subscription to make it more relevant for the subscriber. The next step would be to collect that *flat-panel* attribute as a segmentation attribute and send the subscriber a series of welcome messages that pertain to flat-panel TVs. Then, over time, you would move these subscribers into your normal set of weekly mailings. Although this concept does take some production effort, it is something you can begin to map out to improve the relevancy of not

only your opt-in process but also the relevancy of the messages that those subscribers will receive. Additionally, we have found that it works particularly well for those companies that have a very broad product line.

- **Make web analytics your best friend.** That is right. Outside of all the tools that you will be using to optimize your mailing, web analytics tools are powerful tools to improve the effectiveness of your mailings. Applying your web analytics data to your opt-in process is an insightful way in which to optimize it. Do you know the top entry pages and the top exit pages to your website? If you don't you should; go ask your web analytics guru to share their wisdom with you. Now take those top entry and exit pages and make sure your email registration and opt-in offer are at the top of both pages, or at the very least well promoted. Also test opening a new window as subscribers exit the purchase process and ask them whether they would like to sign up for your email newsletter.
- **Make opt-in part of your purchase or download process.** Always include a check box for subscribers to tick off the option of opting into your newsletter on order and download confirmation pages. Make this easy, and, again, clearly set the expectation of what they will be receiving.
- **Include opt-ins on order confirmations.** If they didn't opt-in at check out, or even if they did, hit them again on the order confirmation or other service or transactional message. There are technically two approaches here. The first is harder, which is to present this option dynamically only for non-subscribers. The second and easier approach is to include the opt-in message on all outbound service related messages and simply suppress for duplicate addresses when you mail. The issue with this second, easier approach is that subscribers may think you are not in tune with them. When you present a generic offer to all transactional email recipients, they may not think you have your act together, or they may fear they will get even more email from you. Although it's more elaborate, the first option ensures your list will be free of duplicated addresses and removes the risk of suppressing addresses unnecessarily. Addresses that tie back to a profile might have richer demographic or behavioral information than purely an email address.
- **Include the Subscribe link in your email newsletters.** Do this especially if you are using the Forward to a Friend widget from your ESP. However, since most individuals simply use the Forward button in their email clients, you should include a Subscribe link in your email, particularly if you offer a virally oriented newsletter (with words like *funny*, *newsworthy*, and *discount-laden*).
- **Are you on social networking sites?** Some of David's most interesting research recently at JupiterResearch details the shifting communication patterns of individuals to social sites such as Facebook. Does your organization have a brand

page or group on Facebook or MySpace? If not, you should. This should feature a link to your email subscription page so that this group of subscribers can easily opt in to your newsletter. Figure 7.7 shows this example in detail.

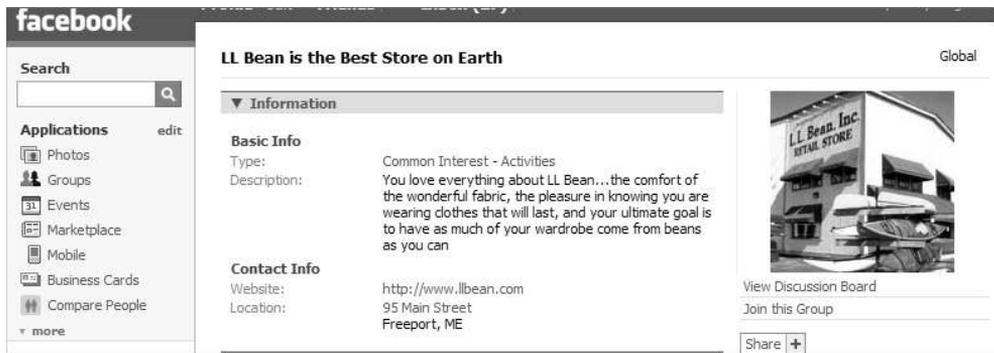


Figure 7.7 Fan of a product on Facebook

- Provide an incentive.** This works well in B2B settings, for example, “Register for our mailing and get this free white paper.” You may not want to use this tactic in a B2C setting, unless your company is known as a discount brand. The concept of providing an incentive to opt in is further complicated by the CAN-SPAM Act, particularly because it refers to the notion of “consideration.” That is, if you promise something to someone, you have to deliver it. Moreover, this process can get complicated if you are using “consideration” to get other subscribers to act on your behalf by offering incentives to build your list. Since we are not lawyers, we urge you to look at the CAN-SPAM requirements with your legal counsel.
- Footprint the opt-in.** Use a time and date stamp on the opt-in as well as the source. Keep this in your database in case you are ever asked to produce it as the CAN-SPAM regulation stipulates: “The recipient expressly consented to receive the message, either in response to a clear and conspicuous request for such consent or at the recipient’s own initiative.” This means that although the CAN-SPAM law is based on the notion of opt-out, it prohibits you from harvesting email addresses (for example, by copying them from a website using a dictionary attack). The burden of proof that the user “expressly consented” is on your shoulders. Document each opt-in. Some marketers even put this in the footer of each message, personalized to each subscriber: “You opted into receive this message on this date, at this time, and at this website.” This approach can also help remind an individual that your message is not spam.

In Chapter 5, we provided a host of additional sources, such as co-registration and working with affiliates, to further build your list. Remember to always source

those email addresses differently so you can always identify which sources are performing better than your house list.

One last thought on opt-in is your opt-out page: Although the newest CAN-SPAM requirements that took effect on July 7, 2008, require your opt-out process to be “easy” (meaning no passwords, roadblocks, or a ping-pong process that puts your subscriber through multiple steps), you are not prevented from asking the subscriber to *opt down*. The opt-down process is simply asking the subscriber whether they would like to stay on the list but receive fewer messages. This of course implies you will create a separate segment or list of subscribers that you will mail to at that longer intervals. This is something to experiment with.

A large financial provider reported that its new credit card offering was getting opt-out rates that were well above its historical benchmarks for its other email newsletters to its other credit card subscribers. So, why, the company asked us, might this be? How can a newer list have a higher opt-out rate than older lists?

The answer is that lists that have been in existence for five to ten years likely have scores of email subscribers who opted out using the “this is spam” button, which predated the ISP feedback loops that have been around since 2007 as formal mechanisms. So, keep in mind that improved feedback loops, the inclusion of Unsubscribe buttons in ISP clients, and “this is spam” buttons may result in higher unsubscribe rates than your peers may have seen in historical industry benchmarks. This is one case where such benchmarks will cause you nothing but heartache and problems. Remember our rule of thumb: All business is local. This means you should benchmark to your own historical performance and not those competitors or peer groups that likely have very different lists, email frequencies, and perhaps even metric methodologies. Until there is a consistent method that all email technology providers use to calculate email performance, such benchmarks must be taken with a cup of salt—these differences of variables are so great that a grain of salt won’t even give you the proper adjustment or calibration.

With so many differences in performance across marketer types and categories, the best tool to optimize your mailings is testing, which is what you will focus on in Friday’s lesson. Until then, highlight the top three opt-in optimization initiatives from this section that you will undertake and commit to them.

Friday: Creating Your Test

John Wanamaker, one of America’s first department store owners, famously said, “Half the money I spend on advertising is wasted. The trouble is, I don’t know which half.” Thankfully, in today’s world of email marketing, we have plenty of data that Wanamaker didn’t have. We can make informed decisions based on determining just what parts of our marketing spend are falling on deaf ears and which parts are resonating in the triumphant sound of the cash register’s ring. And it is no secret: Testing is the tactic to sway some of that silence into the harmonic bells of commerce. As a

marketer, testing will always be your primary instrument of optimization and your primary agent of change.

To be comfortable with the concept of testing, you must be comfortable with the notion of failure. That is right, failure! What we are talking about here is that if you are not testing, then you are not giving yourself the opportunity to succeed. And we all know that one cannot succeed all the time and that, through testing, we might fail sometimes; it is only then that we can see what actually is working. Such lessons will demonstrate what is actually moving the needle of effectiveness and optimization. As an email marketer, you must embrace the notion of failure and be comfortable with it, because it is the only road to success. So, with that framework in mind, what should you test to begin your optimization process? Well, only you have that answer; it is in the data you have already begun to scrutinize.

By the middle of your second week you should have analyzed enough data to have some questions that need answers. These questions—or, as we like to think of them, variables—are the levers you need to adjust so you can focus on what you are trying to optimize. Here are a bevy of tactics that will help you develop a proper test:

- **Create a control group.** First create a control group that doesn't get exposed to any of the tests. This group should get your standard mailing. The subscribers in this control group should stay in this segment for at least ten months. You can roll your control group over as your marketing program matures, but to maintain and understand the effects of your test, you must maintain a control group that does not get exposed to any of your optimization. This is difficult since a portion of your list may potentially underperform as your successful optimization tactics are employed across the broader list. This control should be statistically relevant, representative of your list as a whole, and representative of your different demographics, domains, and spending. Most email marketing applications will automatically build a statistically relevant random sample control group, but even with small lists, this group should contain at a minimum 1,000 subscribers.
- **Create random test groups.** In a typical A/B split-path test, you will test one permutation (the B version) against your A version, which would be your control subjects, or the “business as usual” group. Just as when selecting a control group, most email marketing applications easily allow you to develop test cells that are random and a statistically valid representation of your list.
- **Test one element at a time.** When you begin testing, you want to test only one variable at a time so that you measure what impact that part had on the performance of your mailing. Once you have tested that element and understand it, you can begin to incorporate additional variables into your test. For example, you may want to begin testing the day of week. After you have established the impact of that test, you could begin to test the subject line.

- **Conduct time-based tests.** One area to start testing is the day of week or the time of day. If you are testing the impact of the day of week, keep both test sends within the same week. This allows you to understand a send on Monday versus a send on Wednesday, without the fluctuations of what the next week may have in store. Additionally, you can experiment with testing sends at different times of the day, morning versus later in the evening, for example.
- **Conduct From line tests.** Although you must keep your actual email sender address (you@you.com) the same, the friendly From display name such as “Your Company” can be changed and tested over time. For example, some business-to-business marketers will experiment with placing a salesperson’s name to achieve a “friendly” From field such as “Joe Doe of Your Company.” This can be achieved through personalization merge fields, particularly if you have your salespeople’s names associated with different clients in your database.
- **Conduct subject line tests.** This is a popular test where you are determining the impact of your subject line, and the primary measure of success here is open rate as well as the subsequent measures such as click-through. A common test is to try using personalization in the subject line of the test group and to do the control without any subject line personalization. In addition to personalization, newsletter publishers will often test the impact of placing an author’s or story’s name in the subject line.
- **Conduct multivariate testing.** In this test, you are running multiple permutations of your test element against your control group. This is also referred to as A/B/C/D (and so on) testing, where each letter represents a different element you are testing. In the previous subject line test, you could try one with personalization, one without personalization, one that mentions a dollar-off discount, and one that mentions free shipping. The power of multivariate testing comes from the ability to test many of these variables within one test. Setting up complex multivariate tests generally requires the help of an expert in the field.
- **Test email copy.** Testing offers, copy, and product assortment in the email body allows you to determine the appropriate number of products or offers in or the size of the assortment. In these tests, you will want to validate your test by reviewing the click-to-open rate (CTOR). A compelling or winning test should drive a higher CTOR. In copy tests, you can test promotional tone versus branding-oriented tone as well as compare both to general benefit statements. You can also test the length of the copy, comparing longer to shorter. Many marketers also use this tactic to test creative elements such as color or the greater or lesser use of graphics. As with subject line testing, you can also test price sensitivity, 10 percent discounts versus 15 percent discounts, and so on. When testing offers or copy-related elements, be sure to keep the other creative elements, such as the layout and colors, the same from version to version.

- **Test landing pages.** In this test, you will be evaluating the layout and clarity of the subscriber landing page. In this test, your click-to-conversion rate will be the metric to watch. A successful test will show higher conversion clicks than the number of aggregate clicks to the landing page.
- **Don't make snap judgments.** Give your test results some time to come in. Most marketers will wait at least 48 hours before acting on the test results in order to ensure that enough of the results have come in and the results are a statistically valid representation of the test groups.
- **Do automated testing.** One approach that David has long advocated and that a handful of ESPs can facilitate is to automatically send out the winning version of a test to the rest of the list. In this approach, your application essentially creates three versions: the A version (the control group), the B version (the version being tested), and a C version that, using personalization merge fields and/or dynamic content, is populated automatically with the winning version.

To successfully pull this off, you will tell the application what you want the winning metric to be, for example, clicks, and the time duration you want the test period to run, for example, 48 hours. When using automatic testing, the application will tell you which version won, and you simply click to acknowledge the winner while the system does the rest. Over time, as you build further confidence in this approach, most systems can be configured to mail the rest of the list the winning version automatically.

- **Build time into your production process for testing.** Testing is such a critical part to becoming a successful marketer that you must account for the additional time it takes to build and deploy these tests.
- **Analyze test results.** Don't simply rely on those top-tier metrics to determine the winners. Instead, look behind that metric at the subscribers' long-term behavior, spending levels, and demographics to determine whether other patterns are emerging; for example, perhaps men respond more to free shipping offers and women to dollar-off discounts.

You've learned quite a lot this week. Now is the time to reflect on what you've absorbed and begin to plan for the week ahead, where we will discuss how other channels can impact your email marketing campaigns and how to measure them. For now take a break—you deserve it!

Week 3: Measuring Email's Impact on Other Channels

Email is not for just driving online purchases. As we discussed in Chapters 2 and 4, email plays a role at every part of the customer dialogue, across every channel. The better you become at measuring email's effectiveness throughout this process, the easier it will be to determine where the customer needs additional nudging to be pushed

through the purchase process (or, if you are a publisher, to keep them engaged with your newsletter over time).

Monday: Measuring the role of email in a customer's purchase

Tuesday: Determining the value of your email addresses and campaigns

Wednesday: Increasing email-sending costs to improve top-line results

Thursday: Exploring web analytics and email integration

Friday: Finding and targeting your advocates

Monday: Measuring the Role of Email in a Customer's Purchase

For many marketers, email drives anywhere from 10 to 25 percent of their company's revenue. Let's take a look at how you use and measure email throughout the purchase process and customer life cycle.



Write This Down: Fifty percent of consumers online in the United States report having made at least one offline purchase based upon a promotional email they received. (Source: JupiterResearch)

You have already designed your email strategy, and we would hope that if you are a multichannel business, your strategy includes using email to drive offline purchases. Measuring your email effectiveness across channels depends on your ability to source the effectiveness of the marketing offer across channels. You do this tracking using a unique code that in the direct marketing world is referred to as the *source code*.

Catalog marketers use a source code that is printed on the back of their catalogs to measure the effectiveness of the mailing, the list, and possibly even the segment. You can also apply this tactic to measure the effectiveness of your mailing when a click cannot be recorded in an offline setting such as a store. There are a variety of methods to do this:

- **Use a customer record identifier.** The type of customer record identifier that you use is in part based on your in-store point of sale's ability to capture, store, and report on this additional detail. Record keys that can be used include the following:
 - **Ask for an email address.** Some marketers will ask the customer for their email address at the point of sale so that they can either capture it for the first time or validate that the address on file is the correct address, as well as measure the customer's offline spending and attribute all of that spending, or a portion of it, to the email marketing campaign.
 - **Use loyalty cards and programs.** Using a loyalty card or program allows marketers to record with a high level of accuracy all of a customer's spending history. Research that David conducted for JupiterResearch found that consumers on average belong to seven loyalty programs. These programs

are designed to give the customer something in return for joining the program, such as exclusive member events or sales, discounts, or points that can be redeemed. In most cases, the email address is a key part of these programs because it is often the primary point of communication that marketers use to drive customers through the buying and retention process.

- **Offer specific source codes.** Some marketers would rather have the customer take their email, print it, and bring it into the store for its redemption. In these instances, the offer is redeemable only offline and cannot be used online. Shoe retailer Nine West uses this tactic because it knows that on average its clients spend more in the Nine West offline stores than in the online store. With this insight, Nine West sends email to its subscribers with an offline-only coupon. When this coupon code is keyed in at the point of sale, the company knows and can attribute the sale to its email promotion.
- **Put source codes on direct mail.** Marketers that have integrated email into their cross-channel marketing strategies also will add digits or some identifier to the source code that is placed on their outbound postal mailings to categorize those customers as email subscribers. In this instance, the goal is to attribute some of that revenue to the effectiveness of the email program. This can also be used in print ads in magazines, as Sephora has done, or even in TV commercials, as General Motors has done.

Another consideration for using email to push the subscriber through the purchase process is to set up a series of messages. This concept is similar to what we laid out earlier when we discussed how you should be using welcome campaigns when a subscriber signs up for your email marketing program. For example, hotel and ski resort company Intrawest uses this approach after someone has booked a vacation at one of its resorts. Intrawest's experience demonstrates how you can set up a series of messages around the customer's purchase:

Message 1 This is a confirmation message that gives all the typical transactional details. In this example, Intrawest would include the price, the arrival and departure dates, and links to information about the resort, such as directions and a list of activities that can be enjoyed at the property.

Message 2 This message typically comes a week or two before the customer's planned stay. The goal of this message is to up-sell additional services, such as ski lessons, day-camp services for children, and information about nightlife at the resort, including links to restaurants and promotional information about entertainment, such as bands.

Message 3 This message is sent just prior to the client's stay. The purpose of this message is to tell the subscriber what to bring and what not to bring to the resort. For example, it promotes the pro shop, clothing stores, and other merchants at the location.

Additionally, it provides a weather forecast for the duration of the subscriber's stay at the resort. Finally, it reminds the customer to book those additional services, such as ski lessons, child-care services, and dinner reservations at the restaurants on the property.

Message 4 This is sent while the customer is at the resort to remind them of the activities and entertainment that are occurring at the resort during the week. Typically this message does not have a promotional element; it is simply an informational message.

Message 5 This is a post-stay message serving a dual purpose. The first is a survey for feedback about their experience, and the second and more important purpose is to have the subscriber book their vacation at the resort for the following season. They use a playful and fun tone in the message, such as, "Hope your vacation was a blast; book your next vacation now."

Message 6 There are several variations of this message that continue to be sent throughout the year to promote additional resorts owned by the marketer. This is a retention message that is aimed at subscribers who have already stayed at the resort, which results in a different message stream than those subscribers who have never stayed at the resort. Essentially, this becomes a twelve-month string of messages, meaning that this marketer has two primary campaigns they do in each mailing—one aimed at non-purchasers and one aimed at subscribers who have made a purchase.

Can you think of a way that such a message stream could be applied to your email program? Here are some suggestions for other retail categories:

- **General retail categories such as electronics and apparel.** Use a post-purchase message stream to cut down on support costs. For example, immediately after the customer's purchase, you can cross-sell them to accessories such as cables. More important, you can send two follow-up messages. The first has links to support information, such as FAQs, manuals, and a support forum. The other follow-up message can invite the customer to post a review of the product on your website. This will continue to keep the user engaged, and it is another point where you can measure engagement and participation, perhaps even acting as an advocate with your brand as a whole.
- **Service-related categories, such as financial services.** The same approach can be used as in the previous bullet, where the first follow-up message may ask the subscriber for feedback and the second one may begin to cross-sell or up-sell the subscriber to additional products or services, such as additional credit cards.

Segmenting your subscribers' engagement based on their behavior across this message stream will allow you to further craft messages that are personalized to their individual behavior. Here is a recipe to build the subscribers into distinct segments:

1. First place all your nonresponsive subscribers into one segment. As we discussed earlier, if this segment continues to be nonresponsive, you can employ a number of tactics (surveys, sweepstakes, and so on) to spur them into action.
2. Then create three additional groups. The first consists of those who have already purchased. The second two groups are based on click behavior. The first group is based on subscribers who have clicked one or more links in one or more emails (more engaged), and the second is a group of subscribers who have clicked only once. From this point on, you have four different groups: non-responders, purchasers, engaged, and less engaged. Enlist the following tactics to spur the last three groups into action:
 - **Purchasers.** This is a segment you can continue to mail without using too many promotional elements, unless you have decided to use discount-laden offers continually. This group has already self-selected themselves as individuals who have some affinity for your offers, brands, and products. Test using less of a discount, and test using different frequency intervals in the fold, particularly if your product offering is a considered purchase or one that happens only at a preset interval, such as cruises, automobiles, or large purchases such as home appliances.
 - **Engaged.** With this segment, you are very close to turning them into buyers. This is a segment where after analyzing the types of things they have clicked, you can employ dynamic content to make your mailings more relevant to them. For example, you could create one mailing to this segment but vary the first product offering by targeting them with the category of product they have already shown interest in.

To make this process less complicated, create three to five offers that aggregate the click behavior of the top links that were clicked. In this message template, 90 percent of the content to these subscribers will be the same, but 10 percent will be a dynamic block of content that will change to meet the interests of those three to five distinct groups based on their click behavior. For an apparel retailer, this might represent three groups: those who clicked tops, those who clicked bottoms, and those who clicked accessories. This offer will represent a product or an offer that best meets each one of their interest areas.

Dynamic content can be achieved through nearly every commercial email marketing application. It allows you to easily change one or more portions of your email template to meet the preferences or expressed interest areas of your different subscribers. When the email is sent, dynamic content changes that one portion of the email to render the offer that is best for the subscriber. See the previous section in this chapter for more information.

- **Less engaged.** With this segment, you may need to up the promotional ante to spur the behavior you want. This could involve basic subject line testing to spur a greater number of individuals to open and click the offers in the message. Measure the performance of this group by focusing on the CTOR we discussed previously in this chapter. Using promotional offers too frequently can create a habitual behavior where you are training the subscriber to react only when they are given promotions. However, for those in the less engaged segment, discounts can be used to spur behavior.

Effective Subject Lines

Subject lines can be an effective way to tune your campaigns to drive greater response.

Research from AlchemyWorx, a full-service email agency in London, and other ESPs indicate that shorter subject lines generate higher open rates, which is a measure of reader interest, but they indicate much lower click-to-open rates. Further, longer subject lines earn a much higher click-to-open rate, which indicates real relevance.

More customers open emails when subject lines are shorter—but are they the right customers? We asked this question of Della Quist, who is the principal at AlchemyWorx. This is what Della said of the research AlchemyWorx conducted after analyzing the subject lines of 205 million emails:

“A short subject line, such as ‘Summer starts here,’ containing an offer for discounted Nike trainers is likely to result in a high open rate but low click-through rate. Subscribers are likely to be opening because of their relationship with the brand and/or curiosity. Relevant customers may not realize that the email contains a proposition of interest to them and may not open it and therefore cannot click. A more specific subject line, containing more than one proposition, such as “50% off Nike trainers, the latest from Wimbledon, plus your chance to win a spa weekend,” ensures that all the propositions contained in the email are communicated, maximizing the number of relevant customers who open.

“Strong, valuable, single-proposition emails are the exception that proves the rule that longer is better. A subject line of “Nike trainers—50% off” conveys the entire content of an email, to as many people as it is relevant to, in a clear and concise way. Increasing the number of words or characters in this situation is unlikely to make the content of the email more obvious to relevant customers.”

As we discussed earlier in this chapter, testing is the most effective way to determine which subject lines are working, that is, which ones are driving the correct response. The general rule of thumb here is that shorter is better.

Tuesday: Determining the Value of Your Email Addresses and Campaigns

Now that you have sent some email and have seen some positive results from your marketing efforts, it is time to start placing a value on the success of that email. Here are a variety of attributes that you can begin to look at to determine the value of your email addresses and campaign.

Write This Down: A study of retailers found that, as of 2008, email has an average marketing cost per order of \$6.85 and an average dollar value of \$120.27 per order. (Source: Shop.org Annual Retailer Survey)



Direct Transactions This is the easiest metric to use to calculate the effectiveness of your email marketing campaign. These are orders that were a direct result of clicks from the email. You should also break out what percentage of your overall email subscriber database and your overall client list direct transactions represent. More difficult is attributing the effect of the email campaign on revenue derived from other channels or subscribers who made multiple site visits before purchasing, even if that purchase was originally spurred by an email.

Attribution By using cookies, you should be able to determine how many ads, email clicks, and search engine searches your clients performed before making a purchase. Some marketers will take whatever the client did more of before that sale and attribute the entire amount of the revenue there. For example, if there were two clicks from an email mailing but only one from an ad they viewed on one of your affiliate sites, then the marketer would attribute the entire dollar amount from the sale to the email program. Others will equally break the transaction's revenue into the various advertising touch points; for example, one click for search, one for email, and one for a display ad would be broken into thirds and the dollars attributed in that manner.

Cost Savings If you are mailing fewer catalogs, postcards, or another traditional form of direct marketing with your email mailings, then you can attribute the cost savings from those print, paper, and production costs to email. To make this calculation easier, come up with the average fully loaded print costs (including production and postage), and apply that to the number of pieces by which you have reduced your print mailings.

Although the previous are methods of looking at the overall effectiveness of the campaign, research by the Email Experience Council indicates that many marketers have not begun to determine the value that their email subscribers represent. Here is Stephanie Miller, an executive at Return Path and co-chair of the EEC's List Growth and Engagement Roundtable, to further explain the findings:

"We conducted a survey late last year [2007] and found only two out of five marketers (41 percent) know the cost to acquire an email address,

while 59 percent are either not sure (31 percent) or do not know (28 percent). Two-thirds (60 percent) of marketers are able to determine a monetary value for their entire email database, while 40 percent cannot. Not surprisingly, the most commonly used success metrics around the value of an email file are those that tend to be easy to track today—deliverability to the inbox (56 percent), revenue generated (52 percent), open rate (50 percent), total quantity of email addresses (48 percent), and click-through rate (47 percent). Significantly, 10 percent to 30 percent of marketers surveyed are not using these metrics at all in determining the value of their email file.”

Clearly, your success in determining the value of your subscribers and mailings goes back to your ability to understand your email campaign metrics at a subscriber or segment level. Email addresses have a shelf life. Nearly a third of them go bad every year. Some email addresses are gold, others are duds, and some behave the way you want them to only at particular times of the year.

First, you must understand the customers and prospects these addresses represent. Analyze customer spending, customer behavior, and the acquisition source. Though most marketers associate an email address with an individual, far fewer associate a value with that email address. A JupiterResearch report that David wrote in 2004 found that 71 percent of email marketers surveyed didn't associate a value with their email addresses.

With so few adhering to this practice, email marketers can make decisions about their lists and email practices somewhat blindly. Tactics for high-value subscribers may not work or make financial sense when applied to lower-value subscribers. List churn management can be misinterpreted. You can't fully analyze the merits of email address reactivation tactics, such as sending a postcard or making an outbound call, if you don't know whether the tactics' costs are higher than the value of the addresses you're trying to reactivate. Analysis may reveal Hotmail addresses aren't as valuable as AOL addresses, so you shouldn't use the same reactivation tactics for both. Here are some additional approaches to use to determine the value of specific subscribers:

Customer Lifetime Value One of the more accurate but complicated ways to determine your addresses' value is to link them to your customers' lifetime value. Multiply a customer's average spending on a given transaction by the number of transactions in a year. Apply to this number a factor that represents the number of years the customer remains active and whether transaction frequency increases or declines over time. Subtract servicing costs, and apply other assumptions, such as crediting customers who act as advocates to recognize this goodwill. Though this approach is useful for transaction-oriented marketers such as retailers, it's harder to apply to a publishing model or lists largely comprising new clients or prospects.

Acquisition Source Another approach is to use email acquisition costs as an aggregate proxy for an address's value. Depending on your acquisition sources, you may want to apply a higher value to addresses acquired through partner co-registration agreements and a lower value to addresses acquired on your website.

Fuzzy Math Use a combination of sources. Publishers could assign aggregate sponsorship ad revenues across the active portion (openers and clickers) of their lists. Further refine with the response and delivery differences of the domains that make up the list's active portion. Associate a lower value with domains that are more expensive to deliver to.

Apply the Valuations

Once you have values for your email addresses, apply them to your segmentation scheme and targeting and testing tactics, such as message frequency. More important, use these values to determine which reactivation tactics are warranted.

Computing email address value is a necessary function for every email marketer. The methodology you use can be simple or incredibly complex. When in doubt, start with the simple, back-of-the-envelope acquisition cost approach. If you're a retailer, leverage your existing recency, frequency, and monetary (RFM) scores.

In general, we find a company's approach is largely tied to either how conservative the company is or how much strategic value it places on email as a marketing medium. In the end, you want to understand the value of your addresses and lists. Determining this can be as complicated or as simple as it needs to be for your organization.

One approach is to allocate a relative value for each name or by the acquisition source of the list and then factor in the cost of acquiring the name in the first place. This will give you a relative figure to compare how valuable names are for your organization. Finally, introduce the estimated "shelf life" of these email addresses (based on previous history), because this will greatly influence the overall value. This exercise can help you make more efficient marketing decisions. It can even highlight to the rest of your organization just how valuable your email programs are.

Adestra, a U.K.-based ESP, shares this example of determining whether a client's source for acquiring names is a profitable one. Its client broadcasts a regular email newsletter to 25,000 contacts. The average sale value from the email campaign is £32.68 (determined by the total value of total orders for the last three editions of the email newsletter). This means the following:

- For its 25,000 contacts that it has in the database, it delivers email to 24,550 (98.2 percent).
- Of those delivered, 184 convert into sales (a 0.75 percent conversion rate), each spending an average of £32.68.
- This makes a total revenue of £6,013.12 for each "average" campaign.

- This means each email address it holds is worth £0.24 (£6,013.12 divided by 25,000).
- Thus, if the cost of acquiring an extra email address is less than £0.24 per email, then it is a sensible acquisition route.

Another approach is simply to take the size of your list, apply the average number of converting email subscribers, and apply the average dollar value of orders driven by your email campaigns to those subscribers. Now take the percentage of inactive subscribers, or those who you expect to lapse each year, and apply that to your list size in order to understand how this number will be impacted in the second and third years of your email marketing campaigns.

This is yet another metric that you can build into your comprehensive weekly reporting to determine how this number is changing from week to week.

Such information, whether it is top-line growth or bottom-line cost savings, will provide you with a business case for further funding and respect for your email program within your organization.

Wednesday: Increasing Email Sending Costs to Improve Top-Line Results

In previous chapters, we took you through the basics of improving email deliverability as well as the tactics to use to maintain a good reputation with ISPs and adhere to federal regulations.

However, in recent years, third-party accreditation services have emerged that can help to not only improve your deliverability but also to ensure that your emails are delivered with all the graphics fully rendered. There are a few vendors in this space, with the primary players being Goodmail Systems, Return Path, and Habeas. Although these programs will increase your CPM (ranges vary based on volume), the return on investment for these programs can be measured by higher delivery and higher response/conversion rates. The challenge currently is that the aforementioned vendors do not work with every consumer ISP, so it is possible you will have to work with two of them to get coverage at all the top-tier ISPs. Goodmail, for example, has coverage at AOL and Yahoo. Return Path offers coverage at the Microsoft webmail portals. Determining which solution is right for you involves knowing the domain distribution of your list, for example, what percentage AOL versus Hotmail represents on your list. Additionally, the solution may only be warranted if you are having severe delivery issues at those particular domains.

For publishers, the ROI can simply be placed on higher delivery and the fact that all your images—or more likely, your advertisers' banners—will be rendered in every one of the emails. For transactionally oriented marketers, the ROI obviously is going to be measured in conversion rates and average order value. Although these programs certainly offer all marketers an additional level of value, not all marketers can participate in them. That is, they all have strict barriers to participation, which include your

complaint rate ratio and ensuring that your opt-in and mailing process are all above board. We will leave it up to you to contact those companies to learn their specifics, but let's take a look at some of their case studies to better understand the results that can be achieved through these programs.

StubHub, the ticket marketplace, uses Goodmail's CertifiedEmail to help increase its deliverability rate. StubHub sends a bi-weekly newsletter promoting entertainment events based on a subscriber's preference for events, concerts, and venues. Although StubHub has good mailing practices, it was having issues delivering to AOL, which represents about a quarter of its subscribers. In an interview with DM News, Albert Lee, StubHub's email marketing manager, explained, "We were having issues with spam complaints and bounces in deliverability, and we wanted to get through to our customers so we decided to test sending CertifiedMail against our regular mailing." With Goodmail's email delivery service, StubHub reported a 17 percent increase in the number of ticket orders, a 16 percent increase in click-through rates, and a 36 percent lift in ticket sales directly attributable to email.

Write This Down: In the 2006 report "The State of Deliverability," 69 percent of email marketers reported that they would be willing to pay to participate in accreditation programs to improve deliverability and email send results. (Source: JupiterResearch)



The use of systems such as Goodmail's has been increasing over the past several years. For example, it reported recently that it sent 1.3 billion messages in March 2008 and 1.6 billion messages in April 2008. Similarly, Return Path's Sender Score Reputation monitor is seeing increases in usage, because it now leverages feedback from more than 55 million email inboxes. Return Path's Sender Score senders have its email images and links turned on in Windows Live Hotmail, among other ISPs. Using Sender Score, CNET was able to increase its open rates to top-tier ISPs by 15 percent, which for the publisher meant that more users were viewing the ads placed in its newsletters.

Here are some of the ways you can approach valuing the impact of adding the cost of participating in an email accreditation program:

Higher Ad Revenues If you're a publisher, your ability to guarantee that the images, or in this case, the advertisements, will be rendered will allow you to garner higher CPMs from your advertisers. In this instance, you can begin to charge your publishers not for a flat CPM but for a CPA (cost per action, often referred to as the *effective CPM*) in which the price is based on an action, such as a sale or a subscriber registering on the site.

Higher Transaction Revenues For a promotional marketer, your additional spending on accreditation programs should be compensated by higher conversion rates as well as higher average order values. Overstock.com reported that when it tested Goodmail's

certified email program, its revenue per email increased by 22 percent over the control group that was sent without Goodmail's certified email.

Reduced Deliverability Servicing Costs If fewer emails are getting blocked, it would likely mean you could spend less with delivery service providers or reduce the time your own production staff spends mitigating deliverability failures. To compute this, benchmark the amount of time you or your staff spends on deliverability issues, and compare that amount of time to mailings that are done with the accreditation piece in place.

Lower List Fatigue As discussed earlier in this chapter, you should be beginning the process of valuing your email addresses, if not simply what it costs to acquire an email address. If more of your email is getting delivered, rendered, and consumed (measured in your subscriber's behavior), then you can begin to realize the value that having more active addresses represents to your organization.



Write This Down: Organizations believe the most significant impact on their business models between 2008 and 2013 will be as a result of technology-led operational changes. (Source: Habeas)

If you decide in 2008 and 2009 to participate in one or more of the accreditation programs, you will still be considered an early adopter. We imagine that in a few years these accreditation programs, particularly for large senders, will be standard. Your ability to push your competitors out of the way and be noticed in the inbox will determine the duration of your competitive advantage. Speed and time to market is everything, and this is one area where you can't rest on your laurels.

Thursday: Exploring Web Analytics and Email Integration

Are you ready to integrate and use website clickstream data with your email campaigns? To get started, this section highlights what you need.

First you need to already have a good understanding of the email metrics and reporting data contained within your email program. This would include all the comprehensive reporting that we discussed earlier in this chapter. Next you are going to need a web analytics solution. We would imagine that if you are operating a website online today, you already have one of those solutions in place. Vendors such as Omniture, Coremetrics, WebTrends, Google, Yahoo, Lyris, and Unica are all top providers in this category offering a range of solutions (see Appendix A for contact information). The web analytics solution you select should be one that can measure site traffic through page-tag analysis, which will be easier to understand and apply to individual subscribers.

Next you'll need a mechanism or point of integration between the analytics tool and your ESP. Most of the major ESPs offer quick integration to these solutions. If you opt not to utilize a standard integration, you can export data from the web analytics

solution if you have a common customer key (record key) between the two solutions. However, we find that using web analytics is one of the more powerful segmentation and targeting attributes you can apply to email.

Write This Down: Only 15 percent of marketers actively use website clickstream behavior as an audience segmentation attribute. (Source: JupiterResearch)



The notion of using website clickstream data (which records customer behavior on your website) to create email segments and target email campaigns isn't new. The industry was littered with startups promising to leverage this data to drive truly targeted email communications based on site behavior. The idea was ahead of market demand, relegating many of these firms to the dot-com graveyard or mergers that basically shelved the technology. Until now.

Although adoption is still slow, it is higher now than it has been in the past several years. Still, data from research firms indicate that far fewer marketers actually implement this feature than say they are planning to do so.

Another major difference is that email marketing and web analytics technologies have matured. We've progressed from server-side web analytics (for example, log files) to client-side page tagging, which allows for more efficient and reliable site traffic analysis. The real progress, though, has been within 2008, when we've seen true packaged integration of these disparate disciplines.

Vendors Today Are Doing Real Integration

Here are just a few web analytic firms that have integrated offerings with email service providers (ESPs):

- WebTrends has integrated with ExactTarget. WebTrends' browser overlay functionality allows the user to see the web metrics on top of the email campaign performance. The user can drill into site click behavior to create segments.
- Coremetrics has seven ESPs partners, including Responsys, Yesmail, and CheetahMail. They've built connectors to the application so the data flow easily between the applications.
- Digital River acquired web analytic firm Fireclick and ESP BlueHornet. Though each has mutual clients, the integrated product offering will provide both firms with greater sales opportunities.

Small Doses of Relevancy

This tactic is ideal for improving a mailing's relevancy because it leverages a visitor's actual page-view behavior to craft highly targeted messages. Many companies, from banks to retailers, use this approach to improve campaign performance. One consistent

challenge, however, is the relatively small portion of the email list that lends itself to clickstream targeting.

Clickstream data is collected from nearly all site visitors, but as an email marketer you will have email addresses for only some of them. Similarly, only a portion of subscribers will click through to the site, ultimately lowering the number of individuals who can be targeted with the website data.

Though this approach is effective, it should be used in tandem with existing campaign tactics. It's an iterative process; over time, more of your list can be moved into the clickstream segment. One retailer who uses this approach regards these opportunities as “seducible moments.” You can easily identify pages visitors looked at and where they left the site and then use this information to craft a highly targeted mailing. As we discussed when we discussed welcome messages and other forms of triggered messages, this is where you can leverage the notion of continuity campaigns—those that are triggered by subscriber behavior to automate these tasks.

Clickstream Targeting Correlates with Improved Performance!

Years ago, David wrote for JupiterResearch a series of popular research papers demonstrating that marketers who use clickstream data create campaigns with higher ROI than those who don't. See the “A View into the ROI of Email Relevance” sidebar for more details on this research, which still applies to the market today.

A View into the ROI of Email Relevance

The landmark JupiterResearch report “The ROI of Email Relevance” published in May 2005 is still valid and useful today. The research studied the performance of marketers who use segmentation, particularly based on clickstream web analytics, and compared it to the performance of marketers who sent the same message to all subscribers. Although marketers using web analytics data had larger marketing departments and higher technology costs because of the integration of the email and analytics applications, the results even when figuring in those additional costs were very impressive. For example, the aggregate increase in net profits from these targeted campaigns (triggered through clickstream) was found to be 18 times more than that from broadcast messages, even when figuring in additional costs. These results show additional expenses are well worth the cost. The use of website clickstream as a targeting attribute is particularly beneficial for both top-line and bottom-line results—even after including additional web analytics spending.

Though this targeting approach isn't new, it's promising that easy-to-use, affordable tools are now available, which should encourage adoption. As with everything else, testing will really identify whether this tactic is right for your organization.

The following are several case studies that you can leverage to make clickstream data an important part of your email marketing effort.

Using Web Analytics to Optimize Opt-In Points of Interest

A home improvement and equipment retailer puts a simple opt-in form (email address and a Submit button) at the top of every one of its pages on its website. To better understand a subscriber's interest areas, the company looks at the three previous pages clicked to determine whether there is a common category of products that the subscriber seemed to be interested in, such as gardening, plumbing, or power tools. The company determines that there is a category preference if at least two of the three pages match one category.

This is an automated routine that is run, so beyond the initial setup of the rules, there is little or no human intervention. This organization automatically pulls the latest content set up in the company's merchandising solution that houses its weekly specials. However, for other marketers, it may require human intervention to maintain the set of merchandising rules and content assets.

This report then groups the subscribers into categories (gardening, for example) and formats and sends a series of messages that feature products from that category. The next message that the subscriber gets is purely informational, such as "Tips to Make Your Garden Grow," which includes a link to weekly specials for that product category but does not promote any one specific product over another. Since moving to this format, the retailer has discovered the following. Opt-in rates increased 60 percent over their previous one-page subscription layout, simply because the ability to opt in was on every page of its website. However, it has been the use of web analytics that has made its results really shine, with open, click, and conversion rates of 15 percent to 25 percent over the group in which no category preference could be discerned, because they get the general weekly offer.

Optimizing Site Drop-Off Points

One popular method of using web analytics is to determine which were the last pages or products that a customer viewed before exiting the site. This tactic can be used for publishers to see whether subscribers tend to read only one type or category of stories, such as entertainment over sports, which can help optimize future ad placement in newsletters aimed at these subscribers. Retailers can similarly use this tactic to see whether category patterns exist. A swimsuit retailer uses this approach to target its email subscribers into two segments, women interested in one-piece suits and those expressing interest in two-piece swimsuits, and adapts the offers and creative elements accordingly.

Using Web Analytics to Match Back to Demographic Targets

If you are a marketer who relies heavily on demographic segmentation—gender, age, income, and so on—then this web analytics approach may be for you. Most web analytics providers can provide not only site user behavior but also demographic details about those users. The source of the demographic data can vary, either in the form of panel data from third-party data providers such as Experian or Acxiom or from their ability to marry your web analytics data to data you already possess about your subscribers.

Automobile companies and banks often use this approach to group their subscribers into lifestyle segments, such as students, new parents, empty nesters, and so on. In these instances, the demographics are aligned with the product and category preferences that the marketer believes will match those segments. Home improvement wholesaler and retailer BuildDirect has used this approach with Google Analytics. In a Google Analytics case study, BuildDirect’s director of operations, Dan Brodie, said that BuildDirect could see its email marketing channel was not converting as well as he would have liked. After implementing the marriage of website analytics to its subscriber demographic data, BuildDirect doubled its email marketing conversion rate. “Once we began using Google Analytics cross-segment performance analytic tools to identify our customer demographics, we were able to design specific creative tailored to our buyers,” said Brodie.

You can see how these examples of using web analytics data can help make your email mailings more effective. However, two words of caution when using web analytics data: Start small! It is easy to get overwhelmed with the volume of data, and it is very important when harnessing this data to start with one goal in mind. For example, abandoned purchases and single underperforming products are both good places to start looking. Targeting subscribers who have demonstrated an interest or potentially an affinity to a product or category of products is the next approach you should take to working with web analytics data.

This will allow you to test the concept of integrating this data, and it will allow you to determine (using the aforementioned rules of testing) whether this data is having an impact on your top- and bottom-line performance. Remember when calculating this impact to document and calculate the additional employees necessary to use this data effectively as well as the additional costs related to the access and integration of this data.

Friday: Finding and Targeting Your Advocates

Your best customers are usually defined as those who show their love for your company with their pocketbook (or, if you are a content publisher, with their level of engagement). Although this is certainly true and a conventional way to measure

customer performance, it may not give you a full picture of who your best customers actually are.

First, don't confuse evangelism with customer spending. Obviously, customers who spend more than average and do so quite often are demonstrating their advocacy with their wallets. However, another group of customers just beyond that group might be your biggest advocates even if their own spending doesn't indicate it. They may not be loyal, but they act as evangelists. So, how do you know who those individuals are? How can you possibly target them without the spending hook to hang the loyalty or evangelist hat on? Use these five sure-fire ways to identify and target these subscribers:

Forward Behavior While writing this book, we subscribed to hundreds of promotional offers and newsletters. We took a random sample of the top 35 household name brands across a variety of industries and found that only 46 percent of them included a Forward to a Friend option. We told you earlier that most consumers use the Forward button in their email clients, not the forward mechanism in the email. However, shouldn't you include this option to understand which portion of your list is acting as an advocate to others, even if it is the minority? Existing research and books from a variety of sources have long established that trendsetters—that viral group—are always a minority. We recommend you include a Forward to a Friend option not only to build your list but also to identify those subscribers who are acting as a valuable conduit to new customers and generally acting as an advocate for your company. Of course, unless the forwarder opts into your mailing, you cannot mail to them, but you can monitor and act on the behavior of subscribers who are promoting your email newsletter and marketing message to others. You can enlist a variety of tactics to recognize these subscribers:

- **Send more coupons and discounts to the advocate segment.** Ninety or ninety-five percent of a dollar captured is often better than not capturing a dollar at all.
- **Discounts may not be appropriate for every brand, but if they are for yours, this is a good way for your customer to share the message.** Additionally, you could send a campaign to this set of subscribers suggesting they take a survey or post product reviews on your website.
- **Recognize customer advocacy in the subscriber's profile.** You will want to be able to segment your subscribers by the forward behavior you can measure in your email marketing application. However, as we previously mentioned, these advocate subscribers may not appear to be your best customers if their own spending does not meet your definition of a "high-spending" customer that most of us label as "best." To combat this financial difference, we suggest you take your average customer acquisition cost and place it as a positive value on the customer's profile in order to

recognize their goodwill. You could make this more complex by multiplying that average cost against their aggregate forward behavior.

Product Reviews It is no secret that consumers love product reviews, and increasingly more and more consumers are posting them on websites as well as using them to influence their product purchases. If you are using product reviews, you should require your customers to register on your website with their email address. This will allow you to identify those subscribers who are acting as advocates, as well as those potentially writing a series of negative reviews. Enlist the same tactics as mentioned previously, but be sure to include the Forward to a Friend option in those emails so that the consumer can further be your advocate.

Blogs Although generally less than a quarter of the online population reads blogs on a regular basis, they are a powerful group that can influence your search engine listings and even the news cycle (for example, think of CNN's use of blogger content in its news coverage). It is important you are at least listening to what the bloggers have to say about your brand and products. Services such as blog search engine Technorati and others allow you to measure in aggregate how often your product names are being mentioned in the "blogosphere." Often you may find that these sites are being used to "spam search engines" in order for them to compete with your own paid or organic search engine listings. You will be able to determine whether these bloggers are acting as advocates or detractors by listening to them. Again, comparing these individuals to your email subscriber file may lead you to insights that will result in suppressing subscribers or in mailing to them more frequently.

Social and Community Sites In the Web 1.0 world, we would refer to these purely as *community sites*, but the introduction of Facebook, MySpace, and the countless other social sites indicates that consumers generally are developing a new preference for communication and information discovery. Create an advocate or "become a friend of" page on Facebook or the other social sites to further fan the social fire, as well as create a new way to reach this audience in tandem with your email marketing efforts. It is also possible to gather data from these sites and compare it to your subscriber list to determine which subscribers continue to be loyal fans of your brand outside your website. Again, targeting these individuals with messages that recognize their allegiance can help further their behavior as advocates.

Customer Service and Support Although we talk quite a bit more in week 4 of this chapter on working with customer service and support, the first thing you must do to bridge your marketing and service gap is to understand the servicing behavior of your email subscribers. If it is positive, you may want to

mail that segment more. If they are individuals who typically return everything they buy or run up costs of your service team, then you may want to mail to them less or suppress them altogether. Understanding the voice of the customer shows your constituents you are listening. Netflix recently suggested to its audience that it was going to do away with customer profiles—the information that shows what people have rented and reviewed. However, it received such negative feedback from their customers about removing this function that it sent a note to their subscribers saying, “We are keeping Netflix profiles.” This stated, in effect, that “you spoke, and we heard you.” Recognizing customer feedback in the context of marketing a brand or product is a powerful thing.

Central to leveraging all these viral tactics is using a Forward to a Friend link to further boost customer advocacy. Here are some Forward to a Friend best practices to keep in mind:

- **Focus on the forwarding experience.** No Forward to a Friend pages in our sample tests returned subscribers to offer pages after forward forms were submitted. That is, after we were sent to a web page where we entered our friend’s email address, we got a page that said “thank you” or confirmed our simple form post. However, wouldn’t it be better if you took that subscriber, along with that confirmation message, to an offer or perhaps even the main home page of the website? Current implementations use forms hosted by ESPs. After forms post to vendors, however, scripts can be implemented to redirect users to branded landing pages that have relevance to mailings.
- **Check the unsubscribe.** When evaluating a vendor’s forwarding capabilities, consider what the forwarded message looks like. Make sure the forwarded message does not include the Unsubscribe link from the initial recipient. If it does, the initial recipient could be mistakenly unsubscribed by the friend who received the message. As the recipient forwarding the message, is your unsubscribe information still contained in the recipient’s email message? Also, ensure that the recipient of the forwarded message knows they have not yet been opted in to your email campaigns. Promote opt-in: If you were to take a sample of these Forward to a Friend messages as we did, you would be amazed just how many do not promote opt-in to the forwarder recipient. This seems like a no-brainer, but ensure that in the forwarded message you are including a big opt-in link for the new subscriber.

With these rules in mind, you should be able to harness the viral power of your audience and increase your opt-in rates while better understanding just who makes up your list of customer advocates.

Week 4: Promoting Your Email Results Within Your Organization

At this point, you should be approaching rock star status in your organization—if you are promoting your results effectively within your organization. In the following sections, we will provide some suggestions for further leveraging and promoting your email marketing results within your organization. These will help you bridge organizational gaps and processes in order for your company to make the most out of its email marketing dollar.

Monday: Effecting email used in other parts of your organization

Tuesday: Sharing results with your online peers

Wednesday: Sharing results with your offline peers

Thursday: Using your email results for PR purposes

Friday: Looking ahead to dynamic content



Note: The topic of building an effective organization is outside the scope of this book, but if you are not familiar with how to build a spirit of togetherness to ensure that everyone in your organization is on the same page, we suggest you review the proven rules of Total Quality Management and the McKinsey 7S model that people such as Tom Peters established long ago.

Monday: Effecting Email Used in Other Parts of Your Organization

As marketers begin the slow adoption of tactics such as targeting to improve the relevancy of their mailings, the use of email throughout the enterprise is also increasing. However, many companies are not yet centralizing their email initiatives, and even fewer maintain rules to control message frequency, analyze subscriber behavior, or coordinate their messaging initiatives across channels and business units. Although the market will continue to expand, this lack of sophistication and centralization will amplify the volume of messages that subscribers receive. Without centralization, marketing strategies will be undermined to the detriment of their brands. Today's hour provides insight into the current state of messaging deployments and guidance for how enterprises can best organize their email initiatives.

It is always better to ask for permission than forgiveness, particularly when it comes to email marketing. One mistake that marketers make is using a subscriber list for inappropriate cross-marketing. The customer who opted into mortgage offers, for example, may or may not want that used by a different division, such as making them a credit card offer. In companies such as the Time Warner or Sony empires, permission is not transferable across various divisions. Still, it may be appropriate for you to promote new products or product divisions to subscribers in the hope they will opt in or participate in marketing messages advocating those other areas. However, this must be done in a coordinated manner. The following are some general rules for expanding your email marketing efforts across the broader organization.

Purpose

Do the basic constructs of relevancy indicate that an offer from one product team might be relevant to subscribers who exist on a list from another product team? If the answer is yes, then potentially there is an opportunity to cross-pollinate these lists in hopes of creating a company-wide cross-selling effort. However, the rules of relevancy are built on customer preference—what the subscriber has indicated either through their choice to opt in or through their behavior to demonstrate affinity for other products.

Frequency

As we discussed earlier, the primary reason for subscribers opting out is content they don't find relevant, while the second is frequency. If you have agreed with your counterparts that there is a just reason for you to begin to cross-market to your joint subscribers, you must have a master frequency rule in place that ensures that customers are not marketed to too often. Typically most marketers will market to their subscribers no more than four times per month. In some instances, it may be more frequent, such as mortgage interest updates, but even then the best practice is to realize that the customer's interest in getting messages from you on a more frequent basis is tied to the life cycle of a product. For example, Wells Fargo will automatically opt out customers who do not sign up for the mortgage interest rate alerts after 45 days. In this instance, Wells Fargo has determined that clients are usually in the market for a mortgage or refinance for a finite period of time. Wells Fargo will send the customer a series of final messages stating they will be removed from the mailing unless the subscriber says they want to continue to get the information.

Platform

One of the largest challenges that marketers cite is the lack of enterprise coordination as it relates to email marketing. In fact, a JupiterResearch executive survey found that as few as a third of marketers agreed it was easy for them to understand how often their companies sends email to their customers as a whole. This underscores the need to not only be synchronized with your co-workers but, if possible, to be using the same email marketing technology platform to manage frequency caps, suppression rules, and common reporting and metric methodologies. Companies must centralize email technology and management to assert better control and refinement of multidepartment mailing coordination, frequency controls, deliverability and message bounce handling, list management, use of messaging to meet multiple company goals and purposes, and oversight of the production process.

Accordingly, if you are considering a centralized email messaging platform, seek to implement the following tactics to ensure the investment is being properly leveraged and optimized:

- **Synchronize user and publishing controls.** Seek out a platform that allows different users to have different rights and privileges across a wide set of message

types (transactional, promotional, service, and so on). It is imperative that companies control email and manage the ability of users to send email, all while adhering to the federally prescribed CAN-SPAM rules. Such an approach not only mitigates these legal risks but also allows the organization to leverage the investment by taking advantage of scale and widespread usage.

- **Implement frequency controls to optimize relevancy.** Frequency must become the arbiter of relevancy; companies must commit to limiting their customer email communications to a certain number each month. Companies must think of email frequency and the associated mailing as inventory. Take into account all transactional, service, and relationship email, and determine the number of promotional messaging opportunities that exist each month for every subscriber segment. Leverage email goals, such as viral campaigns, account reactivation, and conversion, into all messages, particularly transactional messages, which JupiterResearch finds often go underutilized.
- **Focus on behavior to drive engagement.** Marketers must begin to use subscriber behavior to tailor the tone, content, and frequency of their messages. Previous research by JupiterResearch has found that more than two-thirds of marketers do not use click-through data as an attribute to target subscribers. Additionally, marketers who do target subscribers by behavior generate mailings that on average are nine to ten times more effective than mailings that are simply broadcast. Past behavior is the best predictor of future behavior, and executives must begin to leverage this in their messaging strategies.
- **Implement infrastructure improvements to aid in delivery.** The delivery of email is becoming more complex every day. ISPs and corporate mail gateways alike are constantly tweaking their rules to limit the amount of email they receive, and they are always adjusting their spam algorithms. To maximize message delivery, it is important to implement improvements that can be more easily managed from a central platform, such as these:
 - Sending different classes of mail (transactional versus promotional) from different IP addresses
 - Throttling the sending volume of messages
 - Limiting connections to specific ISPs so as not to overload them
 - Measuring and handling bounced messages consistently
 - Implementing authentication schemes in the headers of messages
 - Optimizing mailing patterns by learning from previous mailings
- **Build testing and optimization into all processes.** Marketers must begin to test on a more regular basis. The importance of being able to leverage previous tests (subject line, and so on) from marketing and apply those tests or their outcomes to other forms of messaging such as transactional or service-related messages

should not be underestimated. Testing must be built into each mailing so executives are able to optimize their practices in real time. Determining optimal frequency patterns as well as the tone and content of messages can be determined only through testing.

Lastly, it is important to know and understand the goals of the other divisions seeking to implement email marketing. It is necessary to understand those organizational and perhaps political differences with your co-workers before a true consensus can be built.

Tuesday: Sharing Results with Your Online Peers

Your co-workers will respond best to what they are most interested in, for example, the metrics and goals by which they are judged and rewarded.

Earlier in this chapter we gave you some insight on how to build a customized dashboard for your own purposes. However, here is an opportunity to build a separate dashboard that focuses on the metrics that most interest your co-workers. The following are common measures of success that are applicable company-wide.

New Subscribers from Paid Search Listings

For your co-workers who are focused on search engine marketing, you want to be sure that you first have insight into how they are measuring both paid and organic search traffic. This is typically done with page tags from the various search engines. Be sure your peers have given you the insight to tag your subscription page(s) with that data so you can, in turn, provide them with a customized report of how their efforts and marketing spending is impacting the opt-in rate of your email marketing program.

Call Center Data

As with new subscribers from search engines, if you are working with the call center to gather or confirm email addresses, be sure to indicate how those efforts are paying off. Before we got involved in the Internet and email marketing, we both had a long tenure working in call centers and running that facet of direct marketing operations. One thing we found to be very beneficial when being the “internal customer” to other groups, namely the broader marketing organization, was to ensure that the call center was meeting the goals of the marketing team.

One tactic that worked particularly well for us was to do random quality assurance taping of call center phone calls and grade the call center representatives on a 10-point scale on how well they did meeting the company objectives. We would randomly select three calls over the course of the month and have an objective quality assurance representative (not their manager) fill out this evaluation. Although the first tendency with this approach is to grade representatives on areas such as tone and their overall “helpfulness” to clients, those measures often ended up not being objective.

Instead, we created quality assurance programs that would grade the call center representatives only on objective measures—did they confirm the customer’s credit card? Did they ask for the source code on the back of the catalog? Did they ask for and/or confirm the customer’s email address? This last one is the gem that you need to focus on with your call center peers because it will serve to benefit the company as a whole. In our call center days when we did this quality assurance, we would actually place more value or emphasis on those items that supported marketing and that grade for the call center representative. We suggest doing what we were able to accomplish, in that those call center representatives that scored above an aggregate score of 90 or better on their monthly evaluations were given small bonuses.

Although this might seem like rewarding people just for doing the job they were hired to do, it enabled us to focus people on the tasks that mattered most. Using such an approach will allow you to broker a better relationship with your call center peers and ensure they are working to support your goals. Although you need to report how well the call center is doing in providing new addresses, your co-worker can provide a measure of how well or how consistently they are asking for the client’s email address. We would imagine at this point that your email marketing is becoming so profitable that you could use the profits of your program to fund the incentive plan, staff, and extra talk time that is required to ensure the success of the integration of the call center and your email marketing program. This program can be particularly effective in industries that are prone to higher call center contact ratios, such as insurance and banking.

Wednesday: Sharing Results with Your Offline Peers

Coordinating and sharing your successes with your offline counterparts throughout the organization is an important part of building a cross-channel integrated marketing strategy. The following are some tips to build corporate relationships by sharing the results of your programs with your offline peers:

Store or Other Channel Information

The same rules of collaboration as described for your search engine and call center peers apply here; be sure clear incentives are in place for those business units to participate and advocate the use of email throughout your organization.

Support, Fulfillment, and Service

Are email subscribers more or less satisfied with your customer support and service than those who aren’t email subscribers? Do they return products or complain at the same frequency as non-email customers? Only you can provide that answer, but it will most likely require a little help from your friends. Although every company selling hard goods has customer-specific return or customer service reporting in place, can yours

be enhanced with the availability of email subscriber data? If you can demonstrate that email subscribers are more satisfied and return fewer products than non-email customers, then we are sure you'll convince your co-worker in the warehouse to put a piece of paper in every outbound shipment that promotes subscribing to your email marketing newsletter. After all, since that package is already going in the mail and the client has paid or at least deferred the postage cost on that shipment, it would be worthwhile to put such a promotion in the box—even in an untargeted manner—simply for the clients who were unaware they could subscribe to your awesome email promotional newsletter.

Banners That Do Not Appear in the Browser

Does your company do offline “in-person” events? Like most organizations, does your company still do a lot in the non-connected world that is not ruled by browsers and media companies? If so, then it probably is in your interest to do the following:

- Pay for new banners or posters that promote your newsletter.
- Report on the effectiveness of customers acquired through and subsequently marketed to via email.

Your event organizers will quickly become your best friends, because you offer them the only measurable link to retention. After all, when someone walks away from a booth at a trade show or a picnic table at summer outing, how can one expect to measure their interest, presence, or intent to interact with your brand? Email. Make email a part of their event; and be sure that when you do that, you can measure the acquisition source of them differently than you would through your other acquisition tools; and, of course, report to this person each month on the performance of those subscribers who they helped bring into the email fold.

Adjust not only reporting but your welcome campaigns as needed to recognize the source of acquisition. It might be very useful to remind a subscriber that they are getting an email because they stopped by your tent at the Texas Old Town Cookout where your company just happened to have a booth. Context is everything and will help endear you to the subscribers you are courting.

Thursday: Using Your Email Results for PR Purposes

What follows are our rules for leveraging your email experience thus far for your promotional efforts. Not all of them are press-release-worthy, but in time your actions and involvement in the greater industry can help your email program get there.

- **Get involved.** Although we are both involved in a board and/or advisory capacity to many of the marketing- and email-specific associations across the industry, we want you to know we are not stating this to serve the purpose of any of those efforts that we undertake in the spirit of benevolence on our own time. We suggest you get involved for the same reason we got involved with associations and continue to stay involved—which is sharing, learning, and collaborating with

professionals in our field who are passionate about what they do. Now, there are a couple of upsides to getting involved with industry associations:

- You will learn a thing or two.
- You will share a thing or two.
- You might find the next member of your email marketing team in such a forum.
- Finally, your successful program may just get noticed. Often, as a member of an association, you will be offered the opportunity to speak at events, write a case study on your successes, or be an interview resource with the press, any of which might be material for a press release from your organization. At this point in your email marketing career, you might be thinking that your expertise with email is not quite pressworthy. But it wasn't so long ago that we were just learning how to hit the Send button ourselves. So, clearly anything is possible, but getting involved helps.
- **Become friends with your vendor.** Although this might seem like a foreign concept to some, think back to those simpler days when your neighborhood grocer or butcher was your friend. They were a vendor, too, right? Although your expectations must be the arbiter of vendor trust and reward, your email technology vendor is always looking for a success story. Sure, they too have something, potentially more, to gain from your success on their platform, but if they helped you get here and if they helped you achieve success, why not share it for all to see? We know, competitive pressure and corporate pressure might prevent you from going on record, but still there is a balance in sharing your secret sauce and the notion that you can say just enough about your successes. Explore this option to boost your results.
- **Talk to a third-party analyst at a research or advisory service.** Although coming from us this appears to be self-serving, we know that companies will want to come in and brief analysts on the successes they have achieved. Although there might be some tough questions—how many people do this? Are you satisfied with your vendor? How did you execute your X, Y and Z?—know that companies that open up in this format are often the ones that are written about by the analyst firms and subsequently the press. As with associations, this can lead to speaking opportunities at events and on webinars.
- **Start a blog.** Certainly, check with your company on its rules of engagement that involve such sharing publicly. Still, companies can endear themselves to their constituents by sharing the inner workings. The marketing team at online shoe retailer Zappo's has begun to twitter about their internal workings. Although this might not seem conventional, it could be very much in keeping with your key demographic, that is, if it is younger consumers who are highly engaged with the Internet.

Friday: Looking Ahead to Dynamic Content

Dynamic content has been around in some fashion since the mid-1990s. Dynamic content is typically constructed using JavaScript coding, but don't worry, you don't need to be a computer programmer to make this feature work within your marketing campaigns. Most ESPs have this functionality available in a simple template or provide intuitive wizards to walk you through the process. Essentially, dynamic content is the use of rules to marry specific pieces of content (images or text) with subscriber attributes.

Dynamic content is useful when you want to change one content block or section in an email so that it best matches the interests of the subscriber. In the most basic example, you could have an email message where one content section is variable. Let's say it has three options. Option 1 is an offer that is geared toward everyone on your list with a ZIP code that is west of the Mississippi River, and option 2 is an offer that is for everyone on your list with a ZIP code east of the Mississippi River. Option 3 is a generic offer that will render for everyone who does not meet the rule. For example, in this scenario, the subscriber might live outside the United States or the ZIP code field on their subscriber record is blank. (This third rule is often referred to as the *null rule*.)

Dynamic content can become quite complex, with multiple content blocks and multiple options for each content block. In these instances, where so many rules are driving your dynamic content, it is often easier to upload those rules outside the ESP's dynamic content editor and instead create an integration table that matches the rules to the content assets. In fact, the entire body of an email could be swapped out dynamically, as illustrated in Figure 7.8.

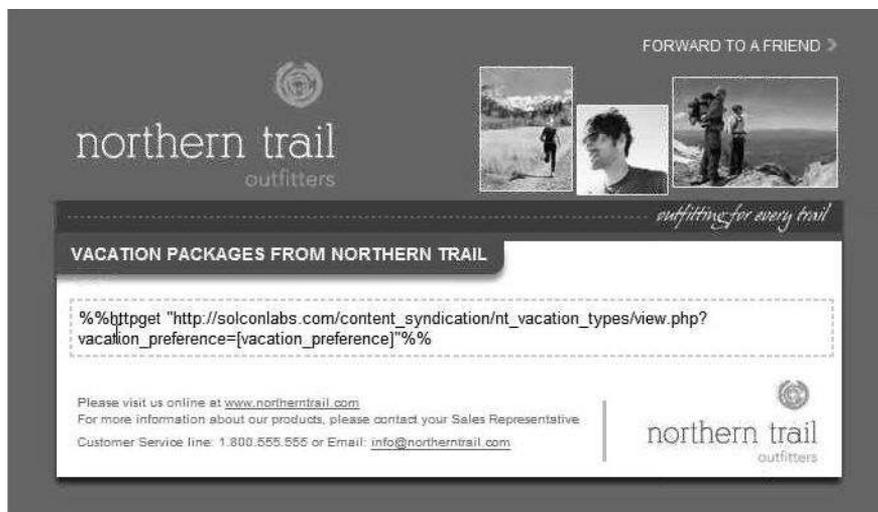


Figure 7.8 Swapping out the body of an email message

The rules you deploy for your dynamic content can be as easy or as sophisticated as you need them to be. Figure 7.9 shows a rather complex query that is doing an inclusion of subscribers based on state.

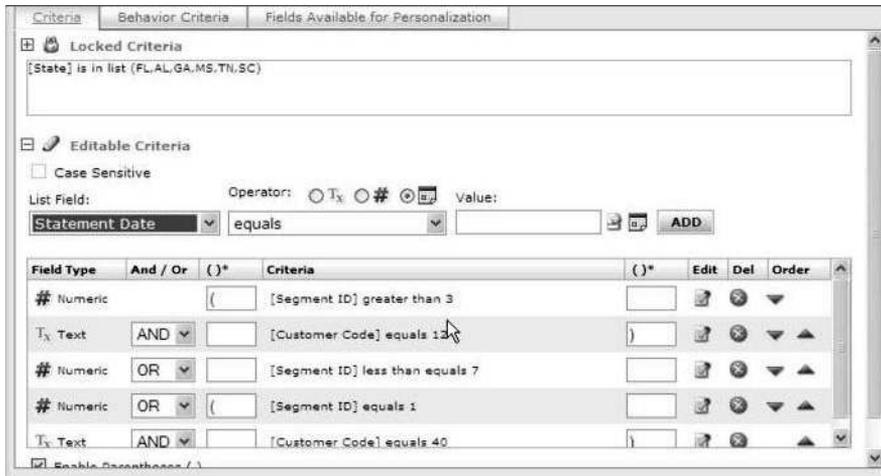


Figure 7.9 Query to develop rules for dynamic content

Dynamic content presents some interesting measurement challenges, because you may have to run multiple versions of the same report to identify which dynamic content version performed best. Don't look just at click-through; also look at the total number of clicks of that dynamic content version in relation to the entire list size. That is, one version of the mailing or that content block may have a very high click-through rate, but that content block may have reached only ten subscribers. Be sure to look at the click rate as a percentage of the entire list.

With this introduction to dynamic content, you are now ready to learn how to put other objects into your email, such as polls and surveys, which we cover in the next chapter.

Test Your Knowledge

Can you get a score of 3 out of 3 and correctly answer these questions?

- What is a seed list, and what are four types of email addresses that should be included in it?
- What are feedback loops, and why are they important?
- What is a control group?