



Maturation leads to saturation

Cost-efficiency pushes e-mail to the fore, but inbox glut means messages must stand out

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There's good news and bad news about e-mail marketing this year. The good news? There's a renewed focus on e-mail because of the struggling economy. The bad? There's a renewed focus on e-mail because of the struggling economy. Marketers increasingly are relying on e-mail marketing as a cost-efficient way to connect directly with their customers and prospects, and, as a result, their efforts have become more sophisticated. At the same time, however, those companies are contributing to the ever-growing problem of e-mail saturation. With more e-mails competing for attention, marketers have to work harder than ever to prevent their messages from being thoughtlessly deleted—or worse, prompting an opt-out.

“Inbox overload is probably the biggest problem marketers face,” said Pilar Bower, optimization and e-mail strategist for Red Door Interactive, an online marketing and Web development agency. “People come in every morning and have 20 e-mails that they signed up for.”

Plus the ubiquitous demand to do more with less in a challenging economy has left many marketing departments strained and unable to give their e-mail programs proper care and feeding. “A fundamental challenge to all e-mail marketers is that there are usually very small teams that are managing e-mail programs on an in-house basis,” said Simms Jenkins, CEO of e-mail marketing services provider BrightWave Marketing and EmailStatCenter.com. “There's always that next campaign around the corner, so there's very little time to do planning and testing. There's not enough bodies to do that, or their technology platform doesn't support it or they don't have a partner that's able to help them.”

However, e-mail remains the marketing channel of choice for many companies. According to Forrester Research's “U.S. Email Marketing Forecast, 2009 to 2014,” published in June, 66% of 286 U.S. e-mail marketers surveyed in the JupiterResearch/ClickZ E-Mail Marketing Executive Survey agreed that e-mail is the most cost-effective marketing tool at their company. Marketers said they enjoy an ROI that is two to three times higher with e-mail than with any other form of direct marketing, according to the Forrester report. Not surprising, e-mail spending is forecast to grow at a 10.8% compound annual growth rate from 2009 to 2014, the report found.

To remain competitive as the amount of e-mail increases, marketers pay close attention to their strategy. “E-mail is still effective, but you've got to work harder at it to get results,” said Heather Blank, director of strategic services for e-mail marketing provider Responsys Inc. “To win that open, you have

to get highly, highly relevant. That's the only thing that's differentiating you in the inbox. And so to get relevant, you have to work harder with segmentation, and triggered messages and dynamic content; and all those are still working very well and producing very good results.”

THE BIG PICTURE

In mapping out an e-mail marketing strategy, marketers should first take a step back and identify their goals, BrightWave's Jenkins said. Many companies still don't have a clearly defined vision of what their e-mail program should be, he said. As a result, their campaigns end up as a knee-jerk reaction to what's happening in any given week, rather than a piece of an overall program with a strategic objective—for instance, creating awareness, generating leads, demonstrating thought leadership or forging long-term relationships, he said.

Jenkins said he creates a scorecard to allow clients to identify how much their e-mail database is worth in terms of how many subscribers they have and how much revenue those subscribers represent. “Defining where you are and what kind of program you have helps to set that initial vision,” he said.

It may seem simple, said Janet Rubio, chief insights officer at Engauge, a branding, digital and direct marketing agency, but marketers have to determine if their database has enough e-mail addresses to justify significant development time and investment. “If you have a database of a million names and you've got only 2,000 e-mail addresses on it, your e-mail strategy is going to be different than if you have a million names and 900,000 e-mails on it,” she said. “You have to ask yourself if you can really do anything with those 2,000 names. If the answer is no, then your e-mail strategy is to get more names.”

Marketers must also consider the message they'd like to convey to their audience, Rubio said. “In some cases, it may be that your story is so complex—you're selling a million-dollar software package to a large corporation—that to tell that story in e-mail would take you so many contacts before you could get the whole story told that people would have tuned you out or opted out before you could ever get there,” she said. “You have to think about the purpose of it before you define the strategy and make sure you align with the realities of what e-mail can do for you. You can never lose sight of the fact that it takes the blink of an eye for them to opt out.”

International corporate law firm Reed Smith, which works with online marketing agency Concep Global, takes great pains to ensure that it's sending relevant e-mail to its clients, said Victoria Gregory, CRM systems manager at Reed Smith. The firm asks clients what information they want to receive via e-mail and manages those requests with its CRM system, she said.

“For every alert e-mail that we send out, there are other law firms doing the same thing,” she said. “It's important to really figure out what the strategic objective is in sending out the alert—what you want to achieve by doing that—and then segment what you're sending out. Don't just send it to everyone you know, but send it out to the people who are going to benefit from it and read it.”

Blank said Responsys conducts a strategy workshop with clients to help them prioritize their objectives, weighing how difficult a goal will be to achieve against its potential return on investment. The exercise

helps the marketer to identify three “quick wins”—objectives that will be the easiest to do with the highest ROI—that it should start with, she said. “That’s a really useful discussion because all the objectives that clients think are the sexy ones they want to do never come out as being high-ROI,” she said. “It helps crystallize for them what really is important.”

DETERMINING WHAT'S WORKING

Once an e-mail strategy is in place, having the right data available to manage that plan is critical, Rubio said. “Making sure you can measure the results to keep making those continuous improvements is the tricky part,” she said. “Just knowing opens and clicks probably isn’t enough if you’ve got a really robust e-mail program. You have to be able to get underneath it to continue to grow it.”

Marketers are beginning to focus more on how their e-mail programs are affecting business wins and the bottom line, Jenkins said. In general, though, marketers don’t do enough with their e-mail metrics, he said. “Metrics should be, to a certain extent, the foundation for planning and strategy so marketers can use that as a baseline to guide them,” he said.

B-to-b marketers have lagged their consumer counterparts in using metrics but are finally waking up to the possibilities, Rubio said. “They realize they can do a lot there and it’s really affordable,” she said.

Tracking metrics also enables marketers to test their campaigns—a practice that can significantly improve results. “Testing provides so much value, whether it’s just figuring out the best subject line, or the best offer or the best way to structure secondary messaging and links,” Jenkins said. “That’s what is ultimately going to help you craft the message that gets the most conversions.”

Marketers can also use metrics to “remarket,” or send follow-up campaigns to recipients who responded to an initial e-mail campaign.

SWEETEN THE OFFER

“Doing those follow-up campaigns, whether it’s sweetening the offer or providing another incentive to move these people further down the sales cycle, is a key part of any e-mail marketing strategy, particularly in the b-to-b world,” Jenkins said. “But it’s something that’s not done by most b-to-b marketers. It’s not overly complicated from a technology or manpower standpoint.”

Finally, metrics will ultimately help e-mail marketers prove their programs’ value to senior management, Jenkins said. Instead of sharing only opens and clicks, marketers should explain e-mail marketing’s success in high-level business terms. “Speak their language. Develop a business plan and a presentation that captures the value of the e-mail program,” Jenkins said. “If I was an e-mail marketer for a brand, for the security of my job alone, I’d have a presentation in my back pocket ready to go that outlines everything that this e-mail program has done. Senior management might not know about things like the increase in site traffic or the amount of leads driven to offline channels.”