



Inbox success driven by data integration

*A conversation
on the state of
e-mail marketing*

FROM LEFT TO RIGHT:

DAVID STRAUSS,
marketing consultant

STEPHANIE MILLER,
VP, Global Market Development,
Return Path

JASON SCOGGINS,
online marketing manager,
Southwest Airlines

PETER WESTERMAN,
SVP, Audience Marketing,
Ziff Davis

SAL TRIPI,
director of operations,
Publisher's Clearing House

KARA TRIVUNOVIC,
senior director,
strategic services, StrongMail

EMILY CHRISTNER,
director, marketing,
TVGuide Online

SCOTT KEATING,
senior director,
CRM marketing, ESPN

MARKETERS deal with many moving media parts today. E-mail, with its low costs and sophisticated segmentation capabilities, is often at the heart of the media plan.

DMNews editor-in-chief Carol Krol and associate editor Dianna Dilworth brought a group of e-mail experts to the table, including marketers, service providers and industry experts, to discuss the challenges inherent in this popular, constantly evolving channel. Our thanks to StrongMail Systems for sponsoring this lively roundtable discussion.



Photos by Rohanna Mertens



As people in the company are learning the value of the channel, all of a sudden e-mail has come to the forefront in many people's minds.

JASON SCOGGINS
Southwest Airlines



DMNEWS:
What are the major trends in e-mail marketing today?

STEPHANIE MILLER: The same three things that have always been really important to e-mail marketers: Response, deliverability, and list growth. What I'm hearing is the investment is really coming in the database. Getting the data to be of good quality, but also to get it to talk to the other systems and being able to track a conversion all the way through to lifetime value.

PETER WESTERMAN: We're coming off a year of trying to find out where data has been, in fits and starts, and it has been a little painful. Now, we're starting to look at, what do we do with it now that we feel better about the quality? What kind of triggering systems do we need to have in place? Deliverability, for us, has been a huge challenge over the past year. We probably had 30% churn 18 months ago. I think we're around 50% now. We're finding a lot of our resources devoted to block and tackle: deliverability, keeping the lists clean; that kind of thing.

SCOTT KEATING: In the past two years, we've done a ton of investment in bringing together various sources of data throughout our company, whether that is our registration data or our transactions from some of our online products. We've taken the Omniture source data with those internal types of registration and product purchase behaviors, and we've integrated that all together against a single user. You can't do that without having all of those data pieces integrated. We do a lot of modeling segmentation based on the content that you're viewing on ESPN.com.

SAL TRIPI: As a 50-year-old marketing company, we had an enormous amount of data on a lot of people we had been accumulating over years and years. We migrated online 10 or 15 years ago. It was just offline and then e-mail. We never really put those two together. Now we have multiple online properties. Add Facebook into that and Twitter. Bringing all of this data together is an enormous exercise.

KARA TRIVUNOVIC: We're working with a number of clients who are undertaking data integration. They're looking at it from an understanding of the customer from all sides, being able to have one view of the customer, and being able to better understand how their programs are performing. So, it's kind of a performance exercise. The other side of it really is trying to segment and target. I'm finding that a lot of the clients I've been working with, once they get it all in one place, they're overwhelmed by the sheer volume of it.

JASON SCOGGINS: We're in the process of trying to pull all of our systems together so that we have a single data source. We've had in-house e-mailing for the last 15-plus years, and have just gone with an ESP [e-mail service provider] 12 months ago. All of a sudden, we now know who's opening; clicking. As people in the company are learning the value, all of a sudden e-mail has come to forefront in a lot of people's minds.

DMNEWS:
Is deliverability still a major issue?

EMILY CHRISTNER: Absolutely. You know, 2009-2010 has been a transitional time for us; switching e-mail providers, completely switching our e-mail strategy. With the old strategy we really were struggling for months and months with deliverability issues. We were trying to understand from our ESP what was going on and why this was happening. I think a lot of it has to do with all the issues that everyone has already mentioned. As we build our new program, how do we do that? We went from a newsletter strategy and now we're moving to more of an alert strategy and more transactional messaging.

ST: Consumers are getting less tolerant of unwanted, stale, generic mail. They're more apt to hit the "report spam" button and to unsubscribe. ISPs, appropriately, are raising their standards as far as what's going to make it to the in-box and what's not. As we move more towards domain name reputation, it's not going to be as easy for people to hide behind a new block of IPs or to continually migrate. We're continuously monitoring the trends.

PW: It also requires a huge amount of resources. I think one of things that surprised me when I came to Ziff was the amount of time that we had to spend focusing on deliverability, because you have to be so vigilant.

ST: What are the key metrics that you focus on when looking at deliverability trends?

PW: We have a very simple KPI dashboard. You know, inbox delivery, the various kinds of complaints, abuse blocks, blog bounces, soft bounces, hard bounces. We're now centralizing all of the data that we're getting from our ESPs in one place. We've done that with our other data. But it's just recently that we have all of that logging information coming back from various places.





DMNEWS:

Is that true for other folks?

SK: From the resources standpoint, certainly. We haven't had too many issues with deliverability. That's not to say that it's a technical issue. We've really put some heads against it, so we've dedicated resources to actually take care of it.

DMNEWS:

How do you handle frequency management?

JS: Some of our mailings are very much set by a schedule. Our scheduled fare sales go out on Tuesdays. If you're flying, you're going to get an e-mail four days prior; you're going to get one 30 days prior. You're also going to get a welcome home e-mail two days after you've returned. We're trying to put a priority over which e-mail you are going to receive. If you're purchasing a ticket, you want your receipt and we're not going to hold that back. But there are other messages that maybe can be delayed a day or sent early.

ST: This is an internal conversation that we have on a very regular basis. Most of our customers are very heavily engaged and will receive promotions up to every day. Some of them are on multiple campaigns. And some of them, we have a core group of people that engage with us, some of them, 30 times a month. We're delivering something that has some perceived value. But whittling people off that file and taking off the non-responders and putting them on a different cadence strategy, to us, became a big focus.

DS: I think it's not only a question of frequency. It's really the order. In the context of an integrated campaign, what is its role is an important question that needs to be answered. The role will vary maybe from one campaign to the next. Do you touch them with e-mail before or after mail [or] telemarketing? All of this needs to be tested.

DMNEWS:

So is that one of the biggest challenges for creating an integrated marketing strategy?

SK: We have a ton of content going out. It's our sense that if fans are coming to us and raising their hands, saying, "I want to receive this content," we're going to deliver it to them. Where we get into the prioritization is really the marketing type of messages that we would have going out.

PW: We have a couple of lines of business that have specific financial goals or customer contact goals that we have to reconcile every month. Our research busi-

ness, for example, does a tremendous amount of mailing. Those mailings generate a higher level of complaints than other things that we do. We have to spend time with our research guys trying to educate them about how to mail better.

DMNEWS:

Are you integrating your e-mail with other channels?

KT: All of our clients identify the same challenge typically, which is centralizing data and making it actionable. If you do not have a single view of your customer and understand how they want to communicate with you and when, it makes it very difficult to execute e-mail marketing programs effectively.

JS: We've had a lot of success this last year using mobile as an acquisition [tool] for e-mail. Our customers are most engaged with us when they're in the airport. We started pushing a text-to-sign-up campaign. We've got our number 83793 everywhere now. Jet bridges, peanut bags, napkins. Flight attendant announcements: "We've just landed. You can use your cell phone now. While you're using your cell phone, send us your e-mail address."

DMNEWS:

Is anybody integrating e-mail with direct mail?

ST: If I roll back the hands of time to when e-mail first got started, everybody said, "This will be the death of direct mail." I'm pretty sure we're going to find the same thing with e-mail as we migrate over to mobile and social. But each of them has its own unique characteristics that consumers like engaging with. The key is to try to have them all working together. We sent a letter telling people to watch their e-mail box for a special sweepstakes. It drove the campaign through the roof.

KT: Integration truly speaks to putting the customer in greater control of your marketing messages – achieving the holy grail of one-to-one messaging. Providing an integrated marketing campaign to your customers allows you to speak to your customers everywhere they want to hear from you.

DS: Certain things can trigger other things in terms of announcing that something is arriving in the mail. I think the risk is if a marketer actually attempts to use a medium the wrong way. Whether it's too lengthy an e-mail, for example, vs. something that's very pithy. [A marketer might use] direct mail to tell that story in a fuller sense.

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KARA TRIVUNOVIC
Strongmail





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SCOTT KEATING
ESPN



SM: Yes. Another application of that is catalogers. You get a catalog in the mail. Sending an e-mail prior to the catalog's coming or after the catalog has arrived is also a very effective strategy. And then follow-up e-mails that say, "Did you check out page 54 for the most amazing new spring line?"

DMNEWS:
How are you using social media in your e-mail programs?

KT: We see clients using socialized e-mail in three ways today: as an enhanced share functionality for both their e-mail messages or content within their messages; as a way to drive e-mail subscribers to their social sites; and finally, as a way to motivate evangelistic behavior to drive new customers out of their engaged subscriber base.

EC: Moving forward, that's going to be a big focus for us, as well as using mobile. We're moving to more of an alert system; not just for TV shows that are on, but for your online DVR on TVGuide.com where the latest episode of Lost is available for viewing. We're going to allow a lot of flexibility with frequency. Also, we really have to look at when we should do social; when we should use e-mail; when we should use mobile, and how they can all work together.

KT: Is there a clear line of demarcation on the brand side who owns social vs. e-mail? We're finding as we start working with clients a lot more that trying to integrate them is more difficult, less from a marketing standpoint and more from a silo effect that's happening internally.

JS: Social is owned by our corporate communications group. E-mail obviously is with online marketing. As we move forward, we're definitely working together a lot more. I keep seeing all these industry articles about [how] social should always fall under the e-mail folks, because the e-mail folks have the history in direct communication in the online channel. Unfortunately, what I've seen with us and then with a lot of other companies, is that it's not. Social has kind of gone more the route of PR. The fact that social is housed under corporate communications has allowed our social to have true voices.

PW: We've taken a different approach. Our social network presence started out really as being editorially managed. We recently moved one of our most senior editorial people into our audience marketing group. The former editor-in-chief of *EWeek* is now working in my group. [She does] outreach in all the social networks to figure out for us what the right code is going to be for us to be successful there. Part of the reason we did that is we started to have our

Web operations people and my marketing people looking at those things, but it tended to be a mechanistic approach. I think what we're learning is that it's a lot more organic process.

DMNEWS:
How are you measuring e-mail campaigns?

ST: When we look at an e-mail campaign, we not only track total delivery, inbox delivery, clicks, but we also take it to conversions. Looking at the life span of the campaign beyond just the e-mail metrics to us was eye opening. Our most successful campaigns did not prove to be our most profitable campaigns.

KT: One of our clients addresses this challenge in an interesting way. InterContinental Hotels Group measures e-mail effectiveness strictly by engagement. They measure revenue by customer and let each channel optimize towards maximum performance. This holistic approach prevents its various marketing channels from competing against each other for revenue and enables email to be the backbone of the customer lifecycle.

PW: A lot of our revenue is driven through lead generation programs and we're sponsoring seminars. It's profitable conversions. I think the particular challenge we have is because each of these things has different sponsors and their different products and there's different content involved, it's very hard to infer what the performance of one campaign is going to be vs. another. We have to look at an enormous amount of data to even get within 30% standard deviation rate of what a campaign is going to do.

DMNEWS:
What are the big challenges to measurement?

SK: I guess there's just no one metric that you can point to and say, "This is our metric that we follow." Depending on the campaign, it could be any number of metrics. We typically look at consumption ... not only against that product but against our broader ESPN.com content.

DS: I've used a model to determine what prospects to go after. But we've never asked the question, what was it about those customers that brought them in the door in the first place? What was the marketing mix of tactics that got them there? We've looked at scoring prospects in terms of who to go after, but it's intriguing to think about what communications acquisition channels we're using in the very first place. ●

