

## E-mailers look to data and sophistication as the channel grows up, *Dianna Diworth* reports

E-mail marketing is showing its age. That comes as no surprise – after all, the channel has been around for more than 15 years. But, like all teenagers, e-mail is going through a complex phase. While it is as sophisticated as ever, many marketers use it as a key part of an integrated brand awareness campaign, not just as a direct sales channel.

“E-mail has become a critical mission for companies,” says John Rizzi, CEO of e-Dialog. “It started off as a slush fund extra for marketers, but now it is getting attention higher up the food chain and becoming more integrated into the marketing mix. We are talking to more CMOs and CEOs than we used to. It is getting more serious attention.”

That attention also includes working to keep up with hungry competitors, which helps set the pace for a higher level of overall quality in e-mail campaigns. Marketers see e-mails from other companies and want to incorporate their strategies, Rizzi adds – which helps set the bar higher.

Others point out that e-mail is no longer simply about pushing a product. “E-mail is not just about selling something, it can be used to engage people,” says Jeannie Mullen, global EVP and CMO of Zinio and founder/executive chairwoman of the Email Experience Council. “For a publisher, an e-mail can be a way to generate site traffic and support ad revenue on a site.”

For example, Zinio, a publishing company that sends e-mails for digital magazines from publications including *Cosmopolitan* and *Elle*, is using e-mail to help increase engagement with the brand. This

# A new age for e-mail

strategic thinking is perhaps why more high-level marketing executives are becoming increasingly involved in the once siloed channel.

But while healthy competition is certainly raising the bar at one end of e-mail, it could be damaging as more marketers move into the channel. Some use e-mail with no real strategy in mind, leading to inbox overload. Consumers are getting overwhelmed by too much information and are fighting back.

According to a recent study by JupiterResearch, *The Brand Delivery Optimization Imperative: Tactics to Build Trust and Restore Email Reputation*, 17% of the online population creates a new e-mail address every six months.

“So many marketers have adopted e-mail recently. Its oversaturation brings a lot of unsophisticated marketers to the table who send batch and blast e-mails,” says Julie Katz, analyst, Forrester Research.

List hygiene also continues to be a challenge for e-mail marketers looking to send to a tuned-in audience. “Even seasoned e-mail marketers are facing a constant battle against list attrition,” says Courtney Caldwell, account supervisor at Agency.com. “There is a struggle to keep consumers engaged and responsive, while still converting e-mails to dollars and proving the e-mail program successful.”

### Better targeting through testing

Whatever is a marketer to do? That’s simple. Test. “Testing will never end in this digital world, whether it be subject line, offer-based, frequency or various segmentation strategies,” says Caldwell. “E-mails need to [go] to people who want [them], want to purchase and want to constantly stay engaged with the brand.”

While testing can certainly help with targeting and relevance, the attraction of newer and sexier channels such as mobile and social networks is taking attention away from e-mail. “Consumers are slowly turning away from the channel and

looking towards new media like mobile and social networks to communicate,” says Katz.

### E-mail increasingly going mobile

However, mobile doesn’t have to be an e-mail killer – many marketers have designed their e-mails to render properly on mobile phones and have optimized their sites for the mobile Web.

“E-mail is not going away, but marketers need to make sure that their messages are optimized for the [ways] that they are being read,” says David Daniels, VP and research director at JupiterResearch. “Not only should an e-mail render correctly on a phone, it should also have an appropriate call to action for the cellphone, and the links should work [to allow] a recipient to browse the mobile Web site.”

Daniels notes that there are many opportunities marketers can take advantage of when integrating e-mail with social media, especially for those marketers looking to target a younger demographic. “If you’ve got a skateboard company, then you should also have an opportunity to ‘become a fan’ on Facebook if you want to reach this target audience,” he explains.

Targeting the appropriate segment with the appropriate message is something that e-mail marketers have long talked about. But these days, more marketers are backing up their chatter with actual strategy and execution, focusing on the use of data.

“One of the biggest challenges is relevance and getting your e-mail to stand out in an oversaturated inbox,” says Rizzi. “I believe that while consumers today are more likely to opt-in, they are also more likely to opt-out if you don’t treat them well. So e-mail marketers need to look at data and evolve to be database marketers.”

Matt Seeley, president of CheetahMail, agrees with that assessment. “The use of data is helping

## 5 top trends in e-mail marketing

Industry experts share their thoughts on the hot topics that e-mail marketers should focus on



### Oversaturation affects consumers

“While an elite group of e-mail marketers are getting more sophisticated, e-mail in general is getting oversaturated and consumers are turning away from it. More marketers are entering the space and sending more e-mail because it is cheap. Even if response rates are going down, these marketers will increase their volume, because they are still getting transactions.”

— Julie Katz, analyst, Forrester Research



### E-mail has become a channel driver

“We’re seeing more of our customers understanding that e-mail is a channel driver, and it affects other channels in a big way — be it in-store traffic, branding efforts or online sales. It’s not just about direct sales anymore.”

— Matt Seeley, president, CheetahMail

increase the relevance of e-mail,” he says. “Knowing your customer is key. Taking this information and integrating it into an e-mail program will increase response rates.”

Still, while marketers begin to practice what they preach, and put catchwords like “relevance” into action, not everything that has been conventional wisdom lately has been adopted. Authentication and reputation have been popular points of discussion in the e-mail space for the last few years – yet according to the Authentication Online Trust Alliance, only 55% of legitimate permission e-mail uses authentication.

“We are still not seeing a large adoption of authentication tools or marketers sending from a dedicated IP address, despite the fact that we’ve been taking about it for years,” says Daniels.

Industry-accepted authentication tools include Yahoo’s DKIM and Microsoft’s Sender ID. Accreditation programs include Return Path’s Sender Score Certified whitelist, which validates a sender’s reputation; and Goodmail’s CertifiedMail, which sends e-mail through a special portal. Daniels says that e-mailers with a good accreditation program can open up opportunities to advance the channel.

For example, video in e-mail, which has often been given a bad name due to deliverability challenges, is being approached again, now that getting delivered is less about the formatting of an e-mail and more about having a good reputation or sending through an accredited portal. Daniels says that with a good reputation, sending video in e-mails can help increase e-mail monetization through things like pre-roll ads in video. Marketers who keep clean lists and maintain good reputations can look to video and other creative options to keep the revenue flowing, while speaking to a smaller, yet more engaged, audience.

Organizational issues are another challenge for e-mail marketers. While CMOs are getting involved with the e-mail program within some organizations,

many companies still have e-mail in a silo that doesn’t work with its overall marketing program.

“There is a real organizational dysfunction when it comes to e-mail,” says Mullen. “E-mail has been owned by the e-mail marketing group, which has nothing to do with other departments in a company. If e-mail is going to work, it has to be tied back to the marketing goals of the larger organization and integrated with other channels.”

### Increasing role for e-mail providers

To combat this issue in an economic climate where more organizations are downsizing than upgrading, many e-mail service providers (ESPs) focus on service. “E-mail is complicated and it takes a lot of knowledge to pull off a program,” says Seeley. “ESPs are going beyond just offering a product and are also offering a service to help strategize these campaigns.”

But a down economy has not hurt e-mail at all. In fact, because e-mail is a cheap way to communicate in real time with many consumers, e-mail continues to grow. “Even with the challenges in the economy, the message across the board is that e-mail is a valuable channel and it is not slowing down,” Rizzi adds.

As the channel gets older and more mature, e-mail marketers are being forced to be smarter and savvier than ever. As consumers become overwhelmed with more messaging than ever, and more channel options, only a targeted and well-executed marketing e-mail stands to grab a consumer’s attention.

“We have gone from near-empty inboxes and curious engagements to flooded inboxes and suspicious consumers,” Caldwell explains. “In making e-mail a viable form of communication and marketing, we have also made our own jobs that much harder. There is a struggle to stand out in the sea of e-mails to prove the brand worthy of engagement.” ■

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Courtney Caldwell, account supervisor, Agency.com



### List hygiene is essential

“E-mail marketers are still sending out a lot that they don’t need to send. If marketers want to get smart, they

should focus on list hygiene and not send to people who are not responding. By being more relevant, they have a better chance of increasing engagement.”

— David Daniels, VP and research director, JupiterResearch

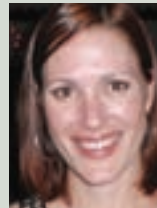


### Not just product promotion

“People are looking for e-mails that make their lives easier. Marketing messages need to promote a lifestyle, rather than just sell a

product — to offer something to the consumer in a time of inbox overload.”

— Jeannie Mullen, global EVP and CMO, Zinio and founder/executive chairwoman, Email Experience Council



### E-mail has become smarter

“E-mail is smarter, sleeker and has earned its seat at the ‘adult table.’ It has proven to be a necessary solution for effectively communicat-

ing with your customers. We’re also seeing traditional marketers turn to e-mail to support their offline and online marketing efforts.

— Courtney Caldwell, account supervisor, Agency.com