

WHITEPAPER

# The Top Email Marketing Power Trends for 2007

By Joel Book

Like many marketers, you probably started 2007 with a resolution or two. Not a resolution to go to the gym or stop losing your temper during rush hour traffic (though you may also have those), but a resolution to improve your email marketing program by the end of the year. Perhaps you vowed to design with optimization in mind, kick off a double opt-in program, or drive your click-through rates through the roof.

2007 is halfway over, and it's check-in time. What has your organization done to actually achieve your yearly email marketing goals? And more importantly, are these steps actually improving the effectiveness of your email program?

Whether you've been pouring resources into your email program or have simply been sliding by from month to month, you probably still have some room for improvement. The question is – how?

Speaking with top email marketers from around the globe helps me understand what's working – and what's not working – today. I'm fortunate to travel the world and learn about the challenges, success stories, practical tips, and innovative ideas that hundreds of marketers are eager to share.

This whitepaper is a compilation of the most current and effective trends I've been hearing this year. So, whether your 2007 email program is performing like a shining star or a lackluster penny, I'm confident you'll find these tips and trends helpful for the remainder of the year. Read them. Consider them. Deploy them.

## What's on Your Horizon?

Did you forget to set out your 2007 email marketing goals back in January? Don't worry...it's not too late. Take this opportunity to put together several mid-year goals and use the tools outlined in this whitepaper to help you get there!

## Trend #1: Use SEO/SEM to Find the Right Prospective Subscribers

### What's the challenge?

If you've been working with email over the last few years, you've undoubtedly noticed that batch-and-blast communications are ineffective. Crowded inboxes and cramped schedules make it hard to entice subscribers to open, read, and most importantly, act on your emails. Blasting thousands of emails to a general audience and hoping for a lucky break just won't cut it anymore.

### The winning trend:

Well-executed Search Engine Optimization (SEO) and Search Engine Marketing (SEM) strategies are separating email 'pretenders' from email 'contenders' this year. Search marketing – especially organic search – has the ability to attract the right people to your website. The message is clear: make it easy for prospective subscribers to find your website and understand your email opt-in value, and your active, engaged subscriber list will increase.

### Recommendation:

Once you get the right subscribers to opt-in to your email, don't forget about first impressions. Anne Holland, President of MarketingSherpa, recently conducted a research study to monitor email marketing trends that discovered fewer than 50% of marketers currently send a welcome email to new subscribers (Email Marketing Today, 2006). Set yourself apart from the pack and complete your registration process with a simple welcome message.

## Trend #2: You Built a Website—Now Use It

### What's the challenge?

One of the most common mistakes made by marketers today revolves around ineffective website design: many website designs actually make it difficult for visitors to opt-in for email communications. Think I'm exaggerating? How many websites have you visited that only list an email sign-up on the homepage?

The bottom line is that once you win the battle of getting interested people to your website, it's imperative that you keep them interested (and there's no better way than through email marketing). Don't let these valuable visitors leave your website without pitching the benefits of your email program. It's simply a missed opportunity!

### You Might be Wondering

How can you find the right subscribers?  
You know...the people who actually want your information and will sit up and take notice when they see your message in their inboxes?

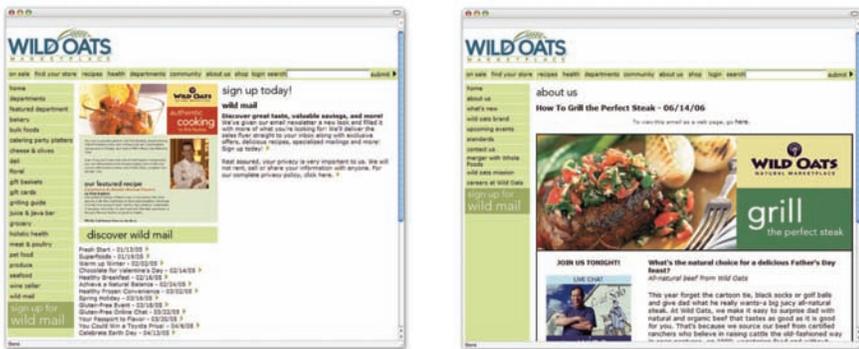
**The winning trend:**

Today's successful marketers promote email opt-ins throughout their websites, including the homepage, product and services pages, event calendar pages and other high-traffic locations. For example, Esssential Brands, owner and marketer of two well-established brands in the home fragrance and personal care industry, Claire Burke® and Vitabath®, has embraced this trend and seen the positive results.

Susan Baier, Manager of Multi-Channel Marketing for Esssential Brands, discussed the relationship between website design and email list growth at the recent Online Marketing Summit in San Diego: "If you do not include an email opt-in link in multiple site locations, you're missing a huge opportunity. Not every visitor lands on your homepage." By effectively designing high-traffic web pages for email opt-in, the company has dramatically accelerated list growth for both brands.

**Recommendation:**

Include a description of email content and display an example eNewsletter whenever you can. This will help sell potential subscribers on the value of your email program. Wild Oats Markets, a full-service supermarket chain featuring high-quality natural and organic food, archives Wild Mail eNewsletter online for potential subscribers to view (Figure 1). By educating website visitors and setting correct expectations from the beginning, Wild Oats Markets has successfully increased conversions and decreased the likelihood that uninformed subscribers will file spam complaints in the future.



**Figure 1**  
Wild Mail eNewsletter examples posted on website

### Trend #3: Use Preference Centers—Marketers Aren't Mind-Readers

#### What's the challenge?

Almost every marketer thinks they know exactly what their customers want – yet many fall short of delivering it. But the good news is you don't have to read your subscribers' minds to give them what they want. You can just ask them.

Email preference centers are simple tools for understanding your prospects and customers. Yet, even today, many marketers fail to use them effectively. Well-designed preference centers allow marketers to understand prospect and customer interests and can deeply impact the effectiveness of an email marketing program.

#### The winning trend:

Create a profile center strategy that will help you gather information you can actually use. Profile centers can provide insight regarding product preferences, subscriber demographics, events, and an infinite number of other data-rich possibilities that are important to your organization.

Wild Oats Markets, for example, features an extensive profile page during email registration where subscribers are asked about their favorite foods, diet preferences, lifestyle choices and interests (Figure 2). Preference data then drives dynamic portions of each Wild Mail message to ensure subscribers receive the most relevant information. The company also delivers special events, eCoupons and news based on information gathered through their preference centers.

#### Recommendation:

Feed preference center data back into internal systems (like a CRM solution) or specific profile attributes in your email solution – and then use it. JupiterResearch confirms that personalized email content based on customer data – including purchase history, website browsing behavior and product interests – is four times more effective than communications that rely on “batch and blast,” “one size fits all” broadcast mailings (The Road to Relevance, 2007).

For an easy way to get started using data, collect frequency information on your preference center, and then honor how often your subscribers request you mail to them. Remember, if you don't actually use the data you get from your preference center to deliver more targeted communications, you're just letting opportunities pass you by.

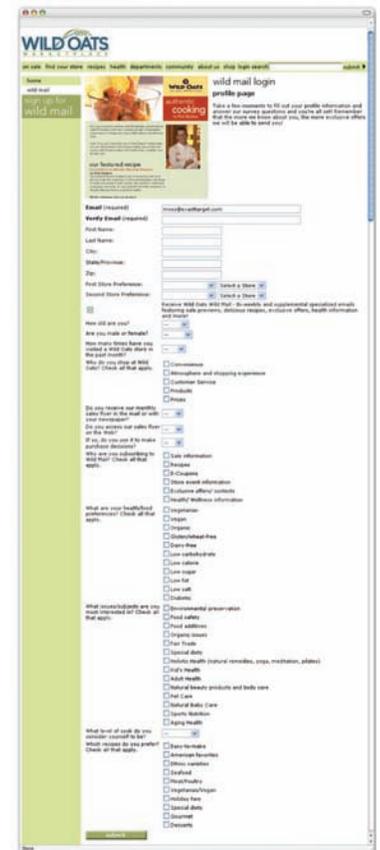


Figure 2  
Wild Oats Preference Center

## Trend #4: Drive Relevant Email Content with Web Analytics Data

### What's the challenge?

What if your marketing department and your sales team never spoke? The sales team wouldn't be able to provide the most effective materials to prospects, and your marketers wouldn't understand what tools were really needed to win a deal. Obviously, this disconnect would be illogical and could ultimately hurt the company.

It's just as illogical for your website and email programs to be disjointed. Your email marketing efforts are intended to generate results, right? That's why measuring and taking action on website activities is an increasingly critical component of successful email marketing. Web analytics software makes this data measurable and customer behavior trackable. Email makes it actionable. If you're not capturing web analytics data (or aren't actively using that data), it's time for a wake-up call.

### The winning trend:

Web analytics solutions allow marketers to find out which customer behaviors are most predictive of future performance and provide invaluable data for sophisticated email marketing. Vendors such as Omniture, Coremetrics, ClickTracks, WebTrends and WebSideStory provide the tools and consulting services necessary to help marketers leverage their web analytics data for targeted, behavior-based email communications. Many leading ESPs even offer standardized integrations with the top web analytics vendors, making it easy to transfer web analytics data to your email platform.

According to David Daniels, Research Director for JupiterResearch, triggering email content based on web analytics can have an enormous impact on email effectiveness. "Targeted email campaigns – using click-stream data – drive 9 times more revenue and deliver 18 times more net profit than broadcast emailings," notes Daniels (*The Road to Relevance*, 2007).

Why limit yourself? If you've made an investment in a web analytics solution, find out how many ways you can use that data to improve your business. Take Motorcycle Superstore, for example. An online marketer of motorcycle clothing and accessories, Motorcycle Superstore uses its WebTrends/ExactTarget integration to dramatically refine their customer base – and their email program. The company focuses on the following: customer segmentation (product purchase/interest), triggered, behavior-based email sends, product layout and A/B testing strategies. Sounds like a lot of work? Well, it's working; the company just surpassed \$25 million in sales in 2006 – and it wasn't just luck.

### Recommendation:

It's already halfway through the year, so isn't it too late to set up a web analytics-driven email program? No – you might be surprised how easy it is to begin using basic web analytics data to guide your email strategy. ExactTarget's web analytics connector, for instance, allows customers to quickly (and automatically) append campaign tracking codes to email links and track results in virtually any web analytics tool. Whether you purchase a standardized integration package or use a tool like the web analytics connector to integrate your own systems, the fact is, you can't afford to wait another six months.

## Trend #5: Test (You Might Be Surprised at the Results)

### What's the challenge?

Testing should be the core of every email marketing program, yet too few marketers are devoting time or resources to develop a true testing strategy. Be honest: have you been actively testing multiple variables of your email program? Or are you blindly sending messages and hoping for the best? Many of the marketers I talk to on the road know they should be testing, but aren't quite sure where to start.

The fact of the matter is that even a simple layout change could significantly impact sales per recipient. By establishing a testing strategy and tracking the results, you could see vastly improved responses with only a minimal time investment.

### The winning trend:

Intimidated? Don't be. Email testing can truly improve the effectiveness of your emails – and you can start today.

Below is a list of some of the most important testing components that will help your emails get delivered, opened and drive responses. I'd suggest that you begin testing one or two elements – then slowly add more variables to the mix.

- **Email Content** – Vary words, phrases and graphics. Start by testing one element at a time for easy-to-interpret results
- **“From” Address and Subject Line** – Subscribers should recognize a legitimate address
- **Rendering** – See how your emails appear in different email clients
- **Layout** – Test graphics/text layout for each brand or product line
- **Offer/Promotion** – Consider testing whether your subscribers prefer percentage-off or dollars-off coupons
- **Day of Week** – “Best day to send” varies for each company, so discover what works best for your email program
- **Time of Day** – Learn whether morning, daytime or evening generates the best response
- **Multi-channel Synergies** – Don't underestimate the power of pairing email and methods like print, online ads or SEM
- **Segmentation** – Try segmenting your subscribers based on different attributes until you find the right combination to drive your response rates through the roof

### Recommendation:

Different brands, services or audience may not respond identically to test variables. Esssentual Brands, for instance, tested the impact of percentage discounts versus dollars-off offers. The company found that Claire Burke® recipients responded better to dollars-off discounts – sales per recipient were 64% higher than for the percentage-off discount (Figure 3). However, Vitabath® consumers preferred the percentage-off discounts, and sales per recipient doubled compared to dollars-off discounts (Figure 4). Had the team assumed both brands would respond similarly, they would have been leaving money on the table.



Figure 3  
Claire Burke® Promotion Testing



Figure 4  
Vitabath® Promotion Testing

## Trend #6: Include Video Links to Boost Click Response

### What's the challenge?

I'm sure you get tired of reading text-heavy emails as much as I do – however, we all know that using rich media within an email can lead to deliverability problems. But excluding them from your communications means you're left with a library of powerful video clips highlighting your products, services or your annual user conference. Are they useless?

### The winning trend:

Engaging readers is harder today than ever before, and retailers, in particular, are discovering a vast range of uses for video material. As Chad White of the Email Experience Council noted in a recent Email Insider article, "At least 18% of major online retailers tracked via RetailEmail. Blogspot have incorporated video into at least one email over the past six months or so. And I suspect that number will grow rapidly, and that frequency of use will increase as well," (The Use of Video In Retail Emails, 2007). No matter what, remember that you shouldn't insert actual video clips into an email. Instead, winning email programs add video links that drive readers back to a website for more information (Figure 5).

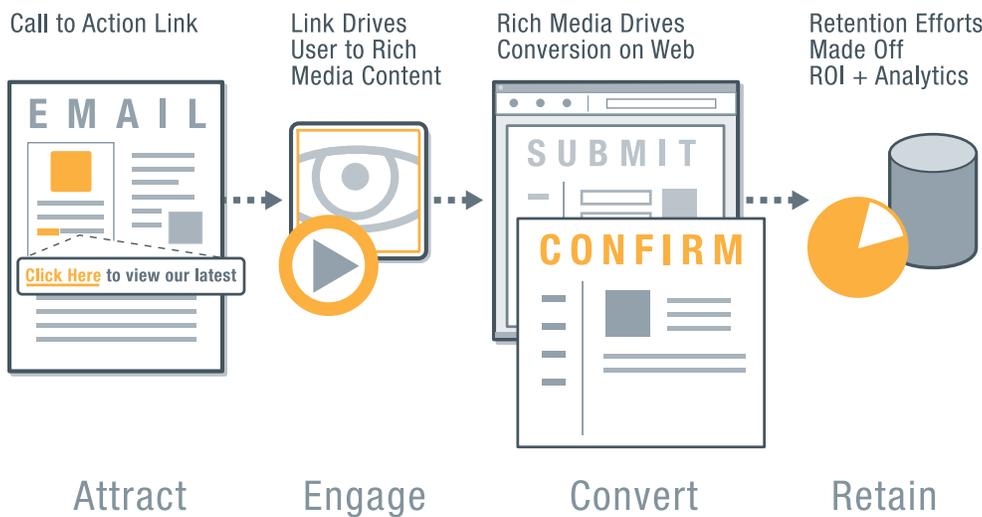


Figure 5  
Rich media and email

### Recommendation:

Get creative. Video isn't just for retailers, so start thinking about innovative ways you can use video to engage your readers. City convention and visitor bureaus (CVBs), for example, have seen great success using video to generate interest among subscribers. Videos links can also be tailored to a variety of audiences; CVBs might include a link to a video testimonial from a large corporation discussing the benefits of holding a conference in a particular location when targeting professional meeting planners. More typical traveler emails might contain video links to area events or venues to drive action and keep subscribers excited about visiting the city.

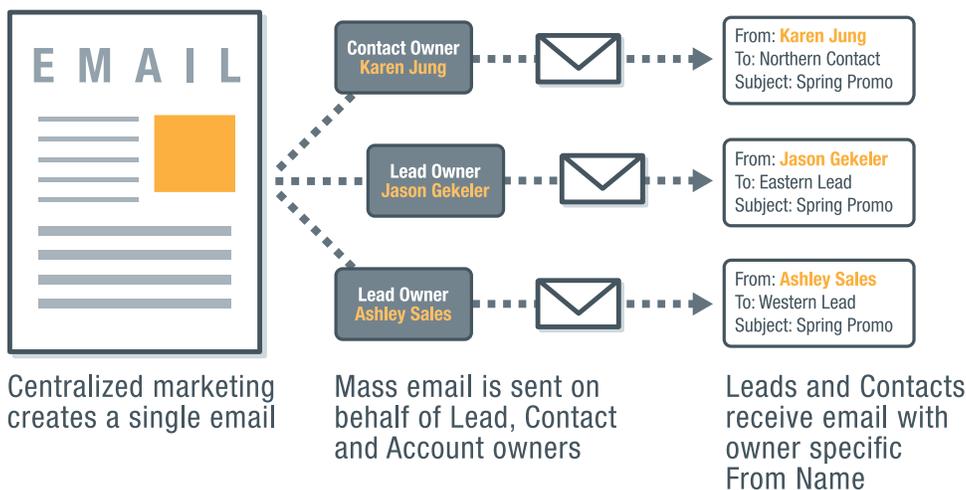
## Trend #7: Communicate “On Behalf Of” Relationship Owners

### What’s the challenge?

Often prospects and customers do not feel connected to their “relationship owner.” People buy from people. The same truth exists with email marketing; subscribers respond better when they recognize the sender of an email. Increased open and click-through rates are proof that sending emails on behalf of relationship owners is effective. Are your subscribers confused when they don’t recognize the name in the from address of your emails? Are you trying to establish stronger relationships with your prospects and customers? If so, it’s time for a change.

### The winning trend

Many successful marketers send emails on behalf of their sales representatives, customer service agents or local dealerships. Using dynamic messaging technology, corporate marketers are able to automatically personalize and send email communications to prospects and customers on behalf of the sales representative, account manager or customer service manager who “owns the relationship.” Corporate marketing can then maintain control over branding, messaging, timing and design while ensuring subscribers receive communications “from” their primary company contact (Figure 6).



**Figure 6**  
On-Your-Behalf Sending Model

### Recommendation:

Don’t have on-your-behalf email capabilities? Wondering what else you can do? Try choosing one “face” from your company (from address) and stay consistent. Begin building a relationship between that individual and your subscribers. Switching from names leads to confusion and an increased likelihood that recipients will send your emails to the spam folder.

## Trend #8: Integrate Email and CRM Systems

### What's the challenge?

One of the biggest challenges any marketer faces is how to effectively leverage customer and prospect data using a Customer Relationship Management (CRM) system. Organizations spend tremendous effort (and money) gathering valuable customer and prospect data – yet many are unable to use this data in their email programs.

### The winning trend:

Email has emerged as one of the most effective means for organizations to maximize their CRM investment, which is why more and more successful email programs are integrated with CRM. In recent years, ExactTarget has helped over 2,000 customers embrace email/CRM system integrations to better leverage their data. With email/CRM integrations, marketers can keep their data where they want it, instead of shuffling information between disconnected systems, increasing the chances of data synchronization issues. Properly integrated systems pull customer data directly into the email module to create targeted, relevant content – and tracking can be fed back into the CRM system for sophisticated analysis.

### Recommendation:

The top ESPs will offer integrated solutions for leading CRM systems, like Salesforce.com and Microsoft Dynamics™ CRM, and robust API functionality to enable custom integrations with other CRM systems. Ask your ESP about standardized CRM integrations that are available to you – or engage an agency (if you don't have the internal resources) to design a custom API integration between your email and CRM systems. It's well worth the investment!

## Trend #9: Use Email as the Core of Your Multi-Channel Marketing Strategy

### What's the challenge?

Print advertising. Online advertising. Catalogs. Website. SEO/SEM. Email.

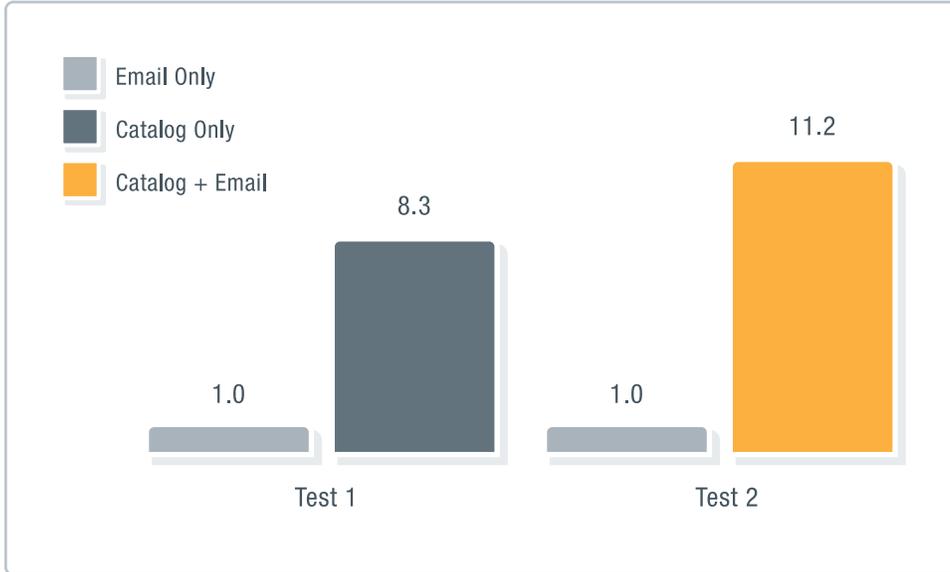
Though each of these channels can be a powerful driver for new business, each one should be part of a broader coordinated strategy. If these channels are disjointed and functioning on their own, you need to reevaluate your approach. More importantly, you need to find a direct communications channel that is effective at maximizing marketing ROI by finishing the customer acquisition job started by indirect media.

### The winning trend:

Understanding the relationship between email and other communications media can help you optimize the tactics used to attract prospects to your website and convert them to customers. When email is used to deliver relevant information to prospects moving through the evaluation, trial, purchase and post-purchase phases, you'll see fewer defections and more repeat purchases.

Susan Baier, Manager of Multi-Channel Marketing for Essential Brands, recently commented in an interview about the synergies of an integrated multi-channel campaign. "We do all prospecting with direct mail. The catalog and call center try to convert them to buying on the website so we can collect email opt-ins," explains Baier. "Between 65-70% of first-time buyers buy online. For second-time purchases, 95% buy online. At that point, email becomes another tool we can use to extend and reinforce our message."

Essential Brands' tests have shown that pairing email and catalog touch-points leads to 11.2% higher response than when only email is used (Figure 7 - Indexed Response Rates). "The ROI results from combining the two methods were pretty dramatic," notes Baier.



**Figure 7**  
Essential Brands Multi-Channel Testing

**Recommendation:**

If you judge the effectiveness of your email program solely by opens, clicks and conversions, you may be underscoring the true impact of your emails on driving sales. By keeping customers connected to your brand throughout the considered purchase process, it is likely that your email program is influencing sales that are still be attributed to print, online advertising, trade show and search engine marketing programs.

## Trend #10: Integrate Email and RSS to Deliver Personalized Content

### What's the challenge

One of the hottest trends for marketers is the prevalence of RSS web feeds. RSS allows people to automatically receive updates and news from their favorite sites or companies. Feeds usually contain a summary of content from a website or a full-text update, and the fact that individuals actively select your RSS feed ensures high relevance. If you don't currently offer RSS feeds to your prospects and customers, you're missing a potential opportunity to keep the lines of communication open.

### The winning trend:

In a recent report from Forrester Research titled "Interactive Marketing Channels to Watch in 2007," readers see a sharp rise in the use of RSS among marketers. Forrester notes that 40% of marketers surveyed in December 2006 and January 2007 say they will use or test RSS this year. These indications are 10% higher than last year, and Forrester recommends marketers begin adopting RSS now if they want to keep up with customers who are already actively using RSS technology to stay current on industry news and special offers from preferred organizations (Interactive Marketing Channels to Watch in 2007, 2007). Winning marketers are now pushing existing RSS content to targeted audiences via email. If you're new to RSS, consider offering press release or product news feeds.

### Recommendation:

Typical RSS feeds can be difficult to track, leaving marketers wondering if anyone is actually reading the information and, more specifically, who is reading it. Marketers can use a tool like ExactTarget Content Syndication to automatically pull new content (like a press release) into triggered emails – email tracking and reporting gives them visibility into subscriber responses. Looking to build your RSS subscriber list? Try adding a link to sign-up for RSS in your existing email messages. In a world where targeted, relevant message delivery is key, a combination of email and RSS can provide an added level of sophistication to any multi-channel marketing strategy.

## About the Author

Joel Book is the Director of eMarketing Education for ExactTarget, the world's leading provider of software and services for precision email marketing communications. More than 5,500 clients including over 500 agencies and professional services firms use ExactTarget to deliver relevant, timely email communications to customer, prospects and key influencers. In 2006, ExactTarget ranked #56 on the Inc. 500 compilation of the United States' fastest-growing private companies.

An industry veteran with more than 30 years of experience in database marketing, Book serves as ExactTarget's "eMarketing Evangelist," delivering over 50 seminars and presentations annually. He shares proven tactics and best practices used by organizations that use email to accelerate and improve marketing, sales and customer service performance. Book's speaking engagements are packed with first-hand observations and case studies illustrating the strategies that improve email effectiveness. Book is consistently rated by his peers as one of the top speakers and consultants in the industry.