

Moving from Transactional to Conversational email

New ways to use email to engage prospective buyers and grow sales

By The Fearless Competitor

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Executive Summary

“The email inbox is the most competitive piece of digital real estate in business today. Your email is scanned with a finger over the delete key. Email is the lynchpin of marketing, but there are many other channels of importance today.”

Experts in email marketing such as Joel Book of ExactTarget, John Rizzi of E-Dialog and Ben Rothfeld of Acxiom shared those insights. It’s clear email marketing has changed.

This white paper will explore this new and dramatically different world of email marketing – a world that’s changed dramatically in recent years. We’ll cover the challenges of email today and why techniques used in the past have declined in effectiveness. We’ll explore why some marketers get great results and others getting virtually nothing, and you’ll learn the difference between the two.

You’ll also learn new ways to use social networks like Facebook and Twitter to turn the “email blasts” of the past into a two way conversation which engage prospective buyers. Without further ado, let’s dive in.

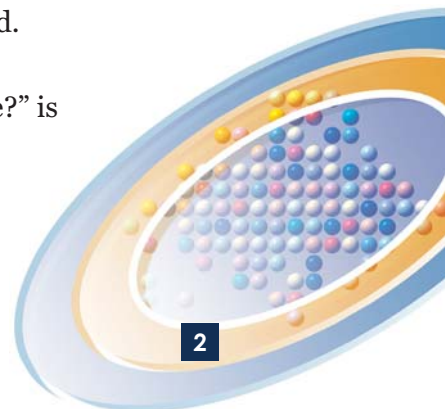
WHY CHANGE?

This is the most important question to address. After all, “If it ain’t broke, why fix it?” Companies are short-staffed, budgets are shrunken, and there’s a world of pressing issues. So undoubtedly you’re asking “Why should we try to improve email marketing?”

Good question. Bottom line is that big improvements can be gained with minimal time or effort, so why not? Email’s so inexpensive and easy, it’s simple and quick to blast out a campaign at the end of a quarter. We get a handful of responses so we pat ourselves on the back. But it’s also very easy to get dramatic improvements.

Ben told me that Acxiom client Heinz Foods says “There’s no meal we cannot improve.” Ben feels a good corollary is there is no email campaign that cannot be improved.

Sure, you can improve, but why MUST you? The corollary to “Why change?” is “What happens if we don’t change?” Is standing still a recipe for disaster?



Email is so popular that standing out in the InBox is harder than ever. Here are a few shocking statistics about email (Fun to share at parties too.)

- 247 billion emails were sent each day in 2009. That's an email every 0.00000035 seconds.
- In the time it takes to read this sentence, some 20 million emails are sent.
- \$13.4 billion – the number of direct marketing dollars forecasted to be spent on email in the USA in 2009
- 1.4 billion email users in 2009, expected to increase to 1.9 billion by 2013.
- 81% of all email traffic is spam.

59% of US and UK Internet Users said the reason for not regularly opening/reading email marketing messages is that they come too frequently.

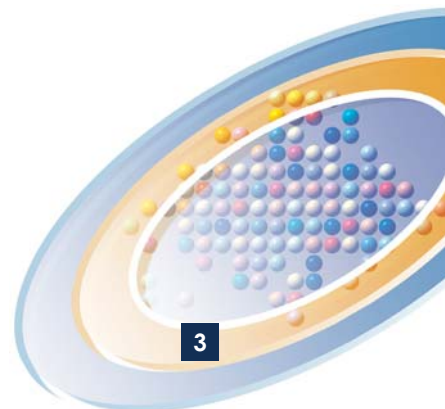
e-Dialog "Manifesto for E-mail Marketers: Consumers Demand Relevance" (2010)

With the explosion of email, users have gotten smarter. They ignore or unsubscribe. And they want it personal.

E-Dialog found that more than half of US and UK email recipients said they would be more receptive to emails from marketers if they were more personal and highly-targeted. 85% of consumers surveyed want their preferences set at registration. When such large majorities speak, we ought to listen.

It's clear that if your business is going to stand out in this chaotic world, you need to move differently. Let's look at how to do it.

Segmentation, personalization, email preferences, social networks, testing – there are many ways to break through the noise, engage your buyers and earn trust. Let's examine them.



INTRODUCTION – BREAKING THROUGH THE NOISE

The keys to success in email marketing today are relevance and simplicity, along with making it easy to communicate. Another key element is knowing when NOT to send an email.

John Rizzi, CEO of e-Dialog said the decision NOT to send an email is one of the the most difficult for marketers today. But it is essential. (The data bears it out. 6 out of 10 say the reason for not opening/reading emails is they come too often.)

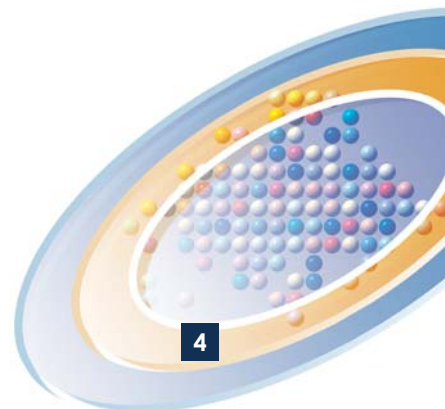
When you do decide to sent me an email, I don't want just any email. I want it written just for me.

That means the email is written to me and me alone. (At least you make me think that.) You've adapted it to my preferences. You've watched my behavior (clicks, offline and website visits) to adapt to what I was doing. It's simple and just for me, so I quickly scan it and understand it and I can continue the conversation with you on Twitter, Facebook and the like.

What happened? What changed? What made changing the way we do email an imperative?

Three key things:

1. The explosive growth of mobile, including Smartphones
2. Popularity of social networks
3. Online Video/Broadband connections



THE EXPLOSIVE GROWTH OF MOBILE, ESPECIALLY SMARTPHONES

Smartphones, capable of a robust email experience, were only 16% of mobile devices in 2009, but is expected to capture 37% of the global cell phone market by 2014, predicts a new report from Pyramid Research.

An October 2009 [report](#) from the Radicati Group suggested there were 139 million mobile email users in 2009. It predicts this number to rise to over 1 billion mailboxes by the end of 2013.

The 2009 Australian Mobile Phone Lifestyle Index [revealed](#) that 36% of Australian mobile phone users had accessed email via their phone

On a numbers basis, there are 4.6 billion mobile phones, expected to surge to 6.5 billion by 2014. Morgan Stanley predicts the phone will be the “first screen” in five years – the mobile web will surpass desktop internet use.

US Mobile Ad Spending Growth, by Format, 2009-2013 (% change)					
	2009	2010	2011	2012	2013
Display	47.7%	59.7%	55.0%	46.2%	45.1%
Search	44.4%	71.1%	63.3%	61.9%	53.4%
Messaging	19.2%	24.4%	19.6%	13.9%	12.7%
Total	30.0%	42.5%	40.0%	37.3%	36.8%

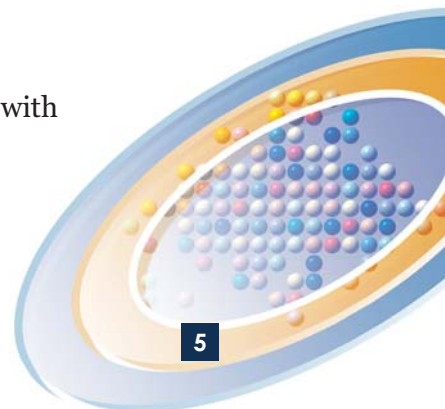
Source: eMarketer, September 2009
106475 www.eMarketer.com

Social networks are the fastest growing app on Smartphones, with 240% yearly growth – up to 14.5 million users. And people use Smartphones to share.

You need to be in mobile.

But being in mobile also means new rules of respect. Smartphones mean near instant receipt of email regardless of time or day of week, and thus has major ramifications for email marketers. Send an email at dinnertime on Sunday? These savvy email recipients are among the first to opt out. So caution’s the watchword.

The growth of email on smartphones means you need to be more careful with email than ever before.



POPULARITY OF SOCIAL NETWORKS

Twitter continues to explode, with 1,382% growth year over year as of May 2010. 4.5 million unique visitors – just in the USA alone. Even bigger was Facebook, with 65.7 million unique visitors. Anytime we have the number of people engaging in the tens of millions, it's a serious platform for marketers today.

ONLINE VIDEO/BROADBAND CONNECTIONS

In 2008 121.4 million people viewed online video at least once during a month. That's 59.7%. But by 2014, that's forecasted to jump to 193.1 million, 77%. It's clear that the world is undergoing rapid change.

Broadband penetration in the USA is over 95% at home and over 98% at work. Only 1.47% connect at 56K or less at work.

Speed has lead to dramatic growth in video, which has major ramifications for marketers today.

More than 1 billion people will be accessing email on their mobile phones by the year 2013. This is compared to fewer than 200 million in 2009.

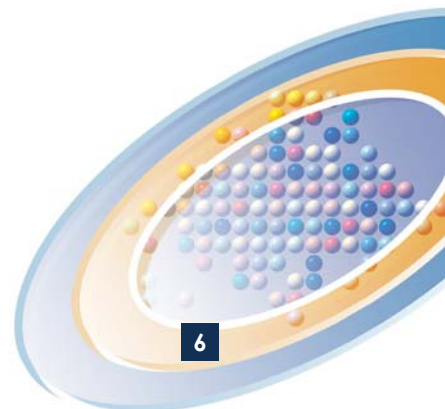
The Radicati Group (2010)

There were more than 267 million mobile phone users in the US for the third quarter of 2008 - a 6% increase over the fourth quarter of 2007, which saw 251 million users.

DMNews (2009)

Only 9% of those surveyed preferred getting marketing messages via SMS (text) instead of email.

ExactTarget "2008 Channel Preference Survey" (2008)



HOW TO STAND OUT IN THE INBOX

Now that we've explored what's happening, let's look at 6 specific things you can do to stand out in the Inbox.

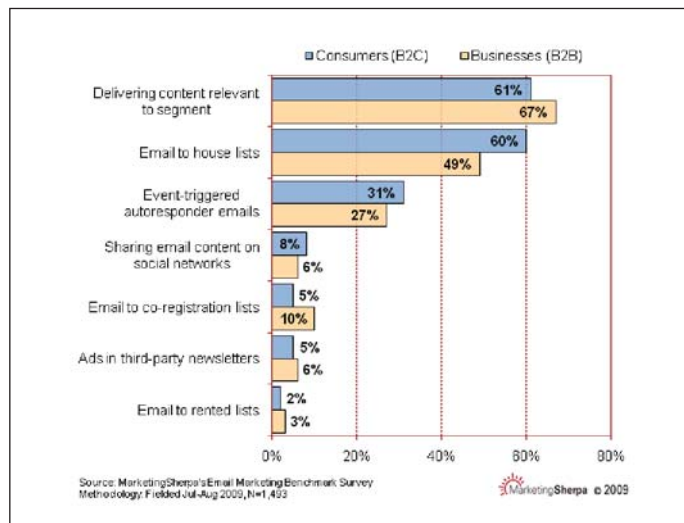
As you can see from the MarketingSherpa chart at right, personalized content is far better than blasting emails to rented lists. The lesson: the more you invest in segmentation and content, the higher your ROI.

1. Increase Testing

Ben Rothfeld of Acxiom called it the "Curse of the low price." Direct mail was tested ad nauseum because it was expensive. Email on the other hand is dirt cheap, so testing is often omitted. But that's a mistake. Big improvements of 10-20% can be gained from simple tests like Subject Line.

Even bigger gains can be had from testing various designs, offers, image size and placement, etc. There are a great many email testing sites. One great and free source is MarketingExperiments. <http://www.marketingexperiments.com/email-marketing-strategy> In addition, Google's Website optimizer has a free A/B testing and multivariate testing tool.

The bottom line is that testing has a very high ROI, so if you can only afford to send one email to your entire list, make it the best you can.



2. Improve Segmentation

It would be easy to segment by male/female. But you'll get far better results if you think before you segment. What if you segmented your best and worst customers? Send your best customers more frequently and your worst customers less frequently. You can also segment by industry (manufacturing, financial services) or title (Operations, Sales, Marketing). Finally, if you know something specific about that person, perhaps he's on the Board of Directors for a non-profit – think of how to weave personalization into your message.

87 percent of UK consumers and 85 percent of US consumers state that companies should ask about their e-mail preferences during the site registration process.

e-Dialog "Manifesto for E-mail Marketers: Consumer Demand Relevance" (2010)

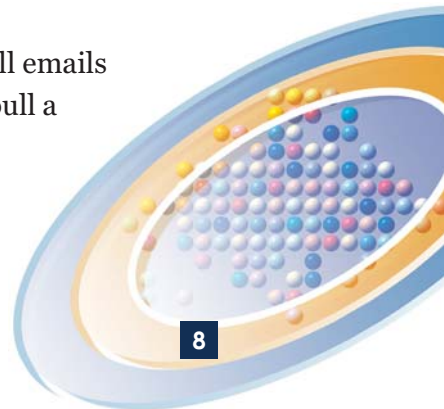
3. Change Your Point of View

Looking at program level view creates problems. Why? Take the example of a bank doing email marketing. They have five divisions

1. Retail banking
2. Commercial
3. Credit card
4. Loans
5. Stocks and mutual funds

It's the end of the month and management wants 100 more credit card holders. So they blast out an email. But they didn't notice that the retail banking and loans groups also sent out emails. As a result, the customer is inundated with emails.

A better way is to set up your system to see the customer's point a view – all emails received – and to track customer lifetime value. Without technology, just pull a few customer records and audit them.



4. Content, Baby, Content

Without question, in marketing, especially for Business to Business selling, content is King. Actually, it's King, Queen, Prince and Princess. It's really that big today. You need great content. But the art you really need to master today is no longer just the art of creating content. It's the art of sharing exactly the right content with the right person at the right moment in time.

What does the right moment mean? It means you have to listen and react. Watch their behavior. Did their behavior change? Maybe it's due to a new baby? What about a new house or a new job? Those changes can have a dramatic effect on the success of your email campaigns. So use analytics to track online behavior along with a rules engine to drive personalization.

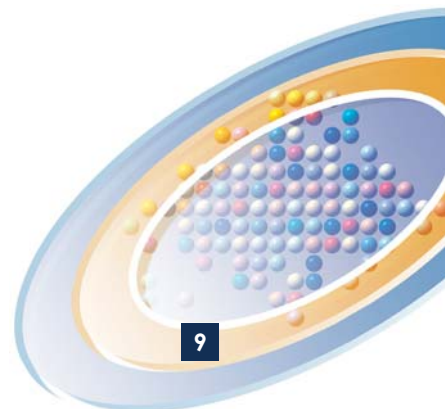
44% of marketers surveyed believe the biggest challenge in email is providing relevant content.

eMarketer (2006)

5. Harness Social Networks

Social networks are big and as Joel Book shared, Twitter is becoming a serious platform for marketers. While in the past you wanted email subscribers, today you also want Twitter followers and Facebook fans. In addition, LinkedIn is a popular destination for business people.

Social networks such as Twitter, LinkedIn and Facebook play an important role in every marketing program, for both business to business and business to consumer. A presence on those social networks simply makes you an easy business to connect with. A prospective customer might call you, send you an email, send a Direct Message in Twitter or post a comment to a social network. You need to make it easy and simple.



The first action item is to make your emails easy to share. Include Retweet links in every email. Include “Like” us on Facebook. Today you now only need email subscribers, but Twitter followers and Facebook fans are critical. Measure all connections – emails and social network followers.

6. Take Social Networks to the next level

Social networks are an important place to listen and react to what is being said. But with the explosion of traffic on social networks, a new category of tool has emerged – the listening platform. As we live in a world of 7 x 24 new cycles, your company and products can be damaged or enhanced in moments. Listening tools like Visible Technologies or Radian6 let you monitor online conversations see the influence of the commenter, and to respond quickly if needed. Defuse issues, resolve complaints, and find supporters – all in real time.

Forrester Research believes that social relies on email and does not replace it. They observe that 3 out of 4 North Americans trust email from people they know, while 2 out of 3 say they trust user generated reviews and ratings. When I handled GE, I heard continually about “Voice of the Customer.” You can combine social networks, user generated content and segmentation to turn email into a revenue machine. Forrester observed a 500% revenue increase for those companies who used product reviews in their emails vs. those who did not.

Using social networks to create a trusted relationship – a case study

Jeffrey Haslett is the former Chief Marketing Officer of Kodak. He has no reason on earth to know Jeff Ogden. But today, I'm a trusted friend. How did that happen.

Social networks.

I started by following him on Twitter. He posted a Tweet about his new book. I posted a congratulations note.

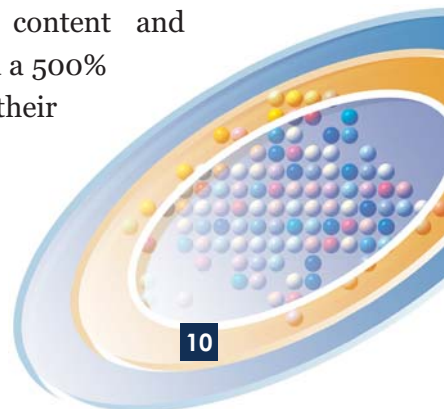
He writes a blog. I wrote a comment.

He's on Facebook. I clicked on “Like” to become a fan.

After some time, he started responding. When he resigned from Kodak, I wrote him a nice note in Twitter and he responded.

We now communicate regularly.

Strangers to friends in a few weeks. It can be done today.



Think about the opportunity in social networks today. If 3/4 want email from someone they know, what if that someone was you? If they follow you on Twitter, visit your fun Facebook fan page, talk on Twitter with you – they get to know you.

7. Integrate all your touch points

Buyers engage in many ways. They have a history with you – purchases, email open data, website visits, form completion. The opportunity for marketers today is to integrate all the data to get a full 360 degree view, offer a tremendous degree of personalization and to provide the right calls to action. But we have a long way to go.

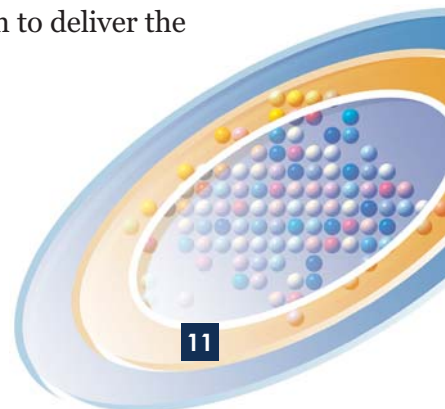
Only 11% of marketers send targeted campaigns that use a buyer's purchase history, click-stream activity, or other data to send a relevant, targeted offer.

Jupiter Research (2006)

6 ACTION ITEMS YOU CAN DO NOW

Let's wrap up by sharing some actions you can take right now. Here are seven things to do right now. The world's changing quickly. Email marketer of today and tomorrow need to continually adapt to this changing world. It's possible to engage in conversations, build trust and listen to the needs of prospective buyers.

1. Increase testing – You get one chance to do it right. Start by doing A/B testing and multivariate testing.
2. Improve segmentation – Personalized emails perform better. Take your database and segment it by as many variables as possible. Refine your segments as much as you can.
3. Change point of view – See the world through customer eyes. Look for reports that give you the view that buyers see, or sample of a few manually.
4. Content, baby, content – People look for value and that comes from great content. Map your content to buyer variables, such as buying stage, title and industry. Map your content to each variable and use marketing automation software like Genius.com to deliver the right content to the right person at the right time.



5. Harness social networks – They’re here and now. Your customers are on social networks – Twitter, Facebook, LinkedIn, etc. Find out where your buyers gather and put your great content where they can find it easily. Incorporate social links into your emails, so they can continue the conversation online.
6. Integrate all touch points – They shop in stores, they use social networks, they belong to infinity groups, e.g. Little League Baseball. Integrate everything. The more personalized you can make the experience, the more effective you will become.

KEY LINKS

Where to get more information

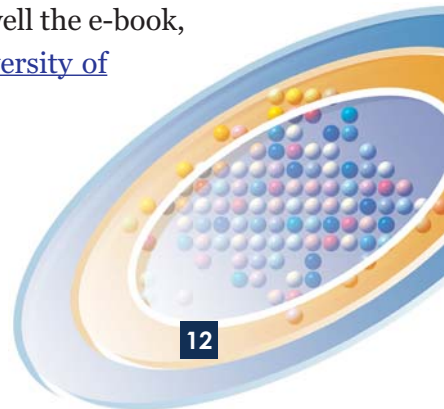
- The Wikipedia definition of email marketing:
http://en.wikipedia.org/wiki/E-mail_marketing

Recommended books and blogs

- E-dialog’s blog on email marketing:
<http://www.e-mailprecisely.com/>
- Joel Book of ExactTarget, who contributed here, writes this:
<http://blog.exacttarget.com/blog/joel-book>
- A very passionate and colorful young lady on B2B marketing [CK Says](#)
- SNAP Selling, a new book by Jill Konrath

BIOGRAPHY

Jeff Ogden, the [Fearless Competitor](#), is President of [Find New Customers](#), a top [lead generation company](#). “[Lead Generation Made Simple.](#)” He’s an expert in [demand generation](#) and also the author of three highly acclaimed white papers, [How to Find New Customers](#) and [Definitive Guide to Making Quota](#), and a new one on email marketing, as well the e-book, [Prospect Driven Marketing](#) and holds a BBA in [Marketing](#) from the [University of Notre Dame](#).



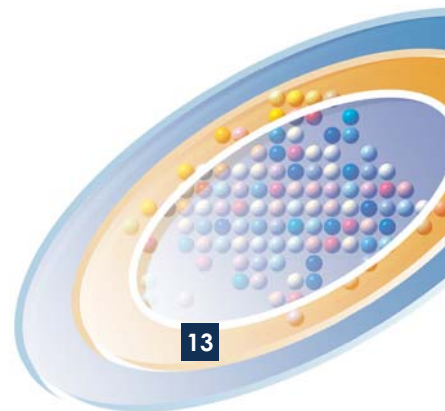
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About Genius.com

Marketing Automation & Demand Generation Platform

Genius.com is the No. 1 provider of social marketing automation, [sales lead management](#) and [demand generation](#) solutions that enable both marketing and sales users to quickly identify and connect with their best prospects, without IT. With hundreds of corporate customers who use Genius solutions to automate email marketing and lead nurturing campaigns, B2B marketers are proving their impact on revenue by delivering the most qualified leads directly to their frontline sales reps, so they can immediately follow-up on their best opportunities and close more deals. Genius delivers a complete sales and marketing solution including: Intelligent email marketing, lead nurturing, lead scoring, website tracking, instant alerts, and closed-loop reporting capabilities to manage and qualify sales leads, shorten sales cycles, drive revenues and prove marketing ROI.

- Genius.com solutions enable "smarter marketing" because we let marketers design flexible campaigns that "wait and watch" prospect behavior on the website in real time. With Genius, campaign logic and workflow rules never get in the way -- as soon as the prospect shows "qualifying behavior", Sales is alerted and the database is updated, instantly
- Genius enables "faster sales" by notifying sales instantly of prospect interest, so Sales can connect at the right time, and by giving Sales full access to replay prospect "online body language" and understand the prospect's areas of interest.



WHAT IS THE GENIUS DIFFERENCE?

Genius.com is the only true SaaS solution in the [Marketing Automation](#), [Demand Generation](#) and [Email Marketing](#) space, providing extremely easy to use marketing and sales interfaces that require no training or technical implementation. Genius offers unparalleled scalability and reliability so customers can send with confidence.

The powerful Genius [cloud computing infrastructure](#) delivers email marketing and marketing automation, with instant-on availability, and ties it with web analytics so companies can deliver and track the results of lead generation campaigns in minutes rather than weeks or months.

Genius has a rich history in both SaaS and marketing. Genius management includes pioneers who built the first successful SaaS company and Sales 2.0 market at WebEx. Genius has a fanatical focus on customer success and ease-of-use which has helped make it the most widely used marketing automation platform on the planet.

