

A CNET Direct White Paper

Successful Email Marketing

2009/2010

CNETDirect
Technology Marketing Experts
Direct Reach • Direct Results

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Executive Summary

The rise of digital messaging via email, mobile devices and social networking means successful email marketing campaigns are now hugely challenging. While we can use these new technologies to give us greater access to data and reporting, we must raise our marketing standards to cut through the increased amounts of electronic clutter. Ambiguities arising from these same technologies are also making it harder to report accurately. How can we embrace these factors to maximise the effectiveness of our email marketing?

Synopsis

CNET Direct has collated global broadcast and response data from our email broadcasts over the last 2.5 years (110 million emails.) This report examines the impact of external and internal factors on email marketing response, drawing on our statistics and industry averages for illustration purposes. It examines factors that are shown to deliver positive impact on response and provides examples of successful A/B testing. It concludes with some best practise advice for email and campaign design and some insight into how we continue to strive for improved email response.

About CNET Direct

CNET Direct is a division of CBS Interactive International, with operations in Australia, China, France, Germany, Singapore, Taiwan and the United Kingdom. We aggregate the audiences across the company's media properties and use customised marketing solutions to help technology marketers reach IT decision makers and other professionals in 260 countries.

Our services include email marketing, telemarketing services, sales lead generation, interactive productions, campaign management and post-campaign analysis. We belong to a number of international marketing associations and ensure the confidentiality and security of all our data while adhering to industry ethical standards.

Delivery

The first challenge for any email marketer is to ensure that their message actually makes it into a recipient's inbox. Constant obstacles – ISP blacklisting, unused mailboxes, corporate firewalls and personal email filters – threaten both the deliverability of emails and your company's reputation. Even the smallest blip in your accountability could affect your campaign. Plus, a 'one size fits all' approach simply will not work; each local country has its own set of challenges. In China, for instance, any large email broadcast (more than 5,000 addresses) results in automatic blocking by ISPs.

It is important to do all you can to prevent being blocked by the recipient. Consider some of the following techniques to help strengthen your reputation and ensure maximum email deliverability.

1. ISP blocks are the biggest causes of email failures. Not only do you need an approach to avoid being blacklisted, you also need a clear whitelisting strategy.
 - a. Check your bounce reports. If you are constantly being blocked by the same ISPs, then it's likely that you have been blacklisted
 - b. Read the ISP's spam policy, which is generally posted on its website.
 - c. Submit a whitelisting request to the relevant contact to exempt your emails from blocking filters.
 - d. Keep communication channels open with ISPs and respond to their feedback promptly.
 - e. Ensure that you are able to demonstrate best practise through permission based marketing, relevant and valuable content, and an effective unsubscribe process.
 - f. Test content against up to date content filters
 - g. Use multiple email servers and IP addresses to prevent being perceived as a bulk emailer.
2. Prevent blacklisting on personal and corporate inboxes. Your reports may show a high delivery rate, but your email may have been quarantined at a corporate level or gone straight to junk in a personal mailbox.
 - a. Include your brand in the sender address and subject line to clearly show from whom the email has been sent and why the recipient should open it.
 - b. Always add a clear unsubscribe link and ask users their reasons for unsubscribing.
 - c. Encourage users to add you to their safe sender list.

- d. Set a frequency strategy for contact management and test it by sending relevant messages.
3. Work with specialist companies, such as Return Path and GoodMail, who can advise you on:
 - a. Implementing accurate testing processes across all email clients and devices;
 - b. Maintaining a positive mail server reputation;
 - c. Minimising the amount of email going into junk folders.
4. Stay up to date with DMA guidelines (or contact your local Direct Marketing Association)

During 2007, like many other email marketers, we experienced a significant drop in delivery rates. We began to make changes at a macro and micro level to address this issue, and immediately noticed a steady increase in delivery, which continued into 2008 and 2009 (Fig. 1). Since deploying many of the tactics described in the previous section, we have experienced extremely healthy delivery rates globally, with European campaigns achieving around 97% on all campaigns in Q2 '09.

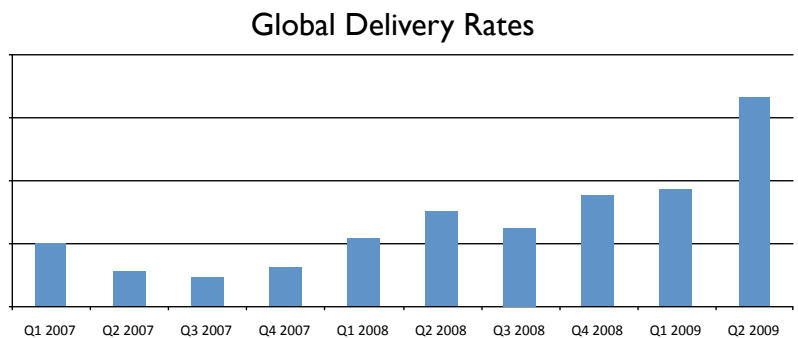


Fig. 1

Opens

Open rates are notoriously impossible to report accurately. As an email open is not triggered until an image is downloaded from the sender's web server, only HTML emails with images enabled will be recorded as opens. On the flipside, emails displayed in a preview pane with images enabled will count as an open even if the recipient does not read or click to open the email. It is increasingly difficult to gain accurate reporting for the following reasons:

- Offline email reading
- ISPs and Outlook 2007 disabling images by default
- Text emails
- Mobile email reading
- Preview panes
- Inconsistency of reporting between different email service providers
- Optimised email design for mobiles

Why, then, do we bother to report open rates? Is it even a useful metric? There is a growing movement within the email marketing community towards discounting open rates altogether. CNET Direct's statistics tend to support this theory. There appears to be little correlation between delivery rates, open rates and click rates over time. For example, although we experienced a drop in open rate from Q1-Q2 2009, both our delivery rate and click rate increased (Fig 2.).

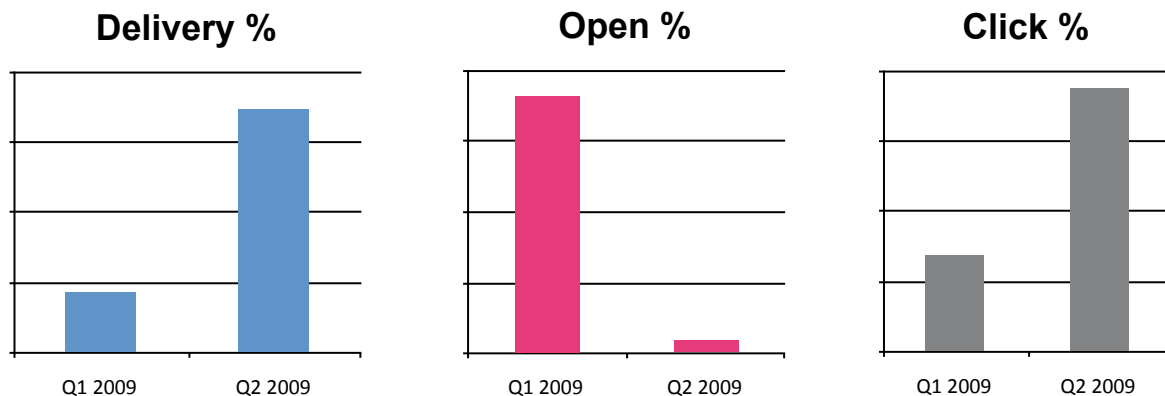


Fig.2

Accurate reporting aside, maximising your open rate is clearly an essential factor in making your campaign successful. Here are some ideas to help you increase your open rate:

1. Use sender addresses that are recognisable and consistent.
2. Experiment with your subject lines. Try including a call to action or some key content teasers. If you're undecided, run A/B tests to see what works the best.
3. Calculate the optimum sending day/time for your audience or database through testing and tracking and monitor it over time. In our statistics, while overall open rates have remained static, there is a marked decline in Friday open rates in 2009 (Fig. 3).

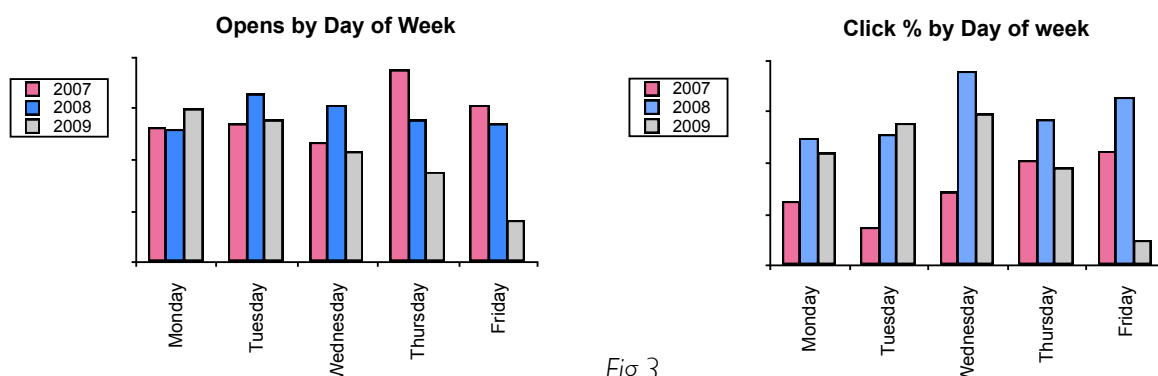


Fig.3

4. Reports on click through rates seem to back up this statistic, so we have reduced the amount of email we send on a Friday and continue to monitor trends.
5. Use the preview pane to your advantage. Many people will see a preview of your email before deciding whether to open it, ignore it or delete it. If the top third of the email contains compelling content such as a key point or call to action, you have more chance to entice a reader to open it. Experiment with pre-headers – the clickable links at the top of an email (Fig. 4).

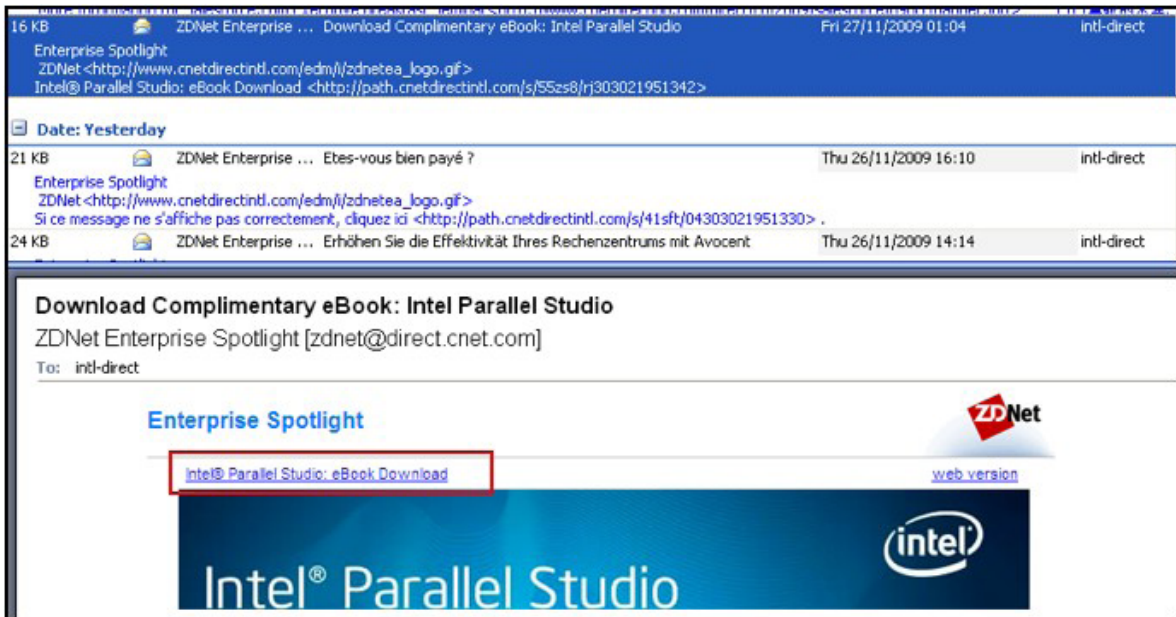


Fig.4

6. Set a strategy for handling dormant emails. Remove anyone who has not opened an email over a set period of time.
7. Offer unsubscribers with options to receive more relevant emails.

Clicks

Most email marketing campaigns include a call to action, which is initiated by a trackable click. For this reason, click through rates (CTRs) have become one of the accepted currencies by which to measure the success of email marketing. They are also one of the most accurate metrics available. It is important to note that CTRs can vary depending on a number of factors, including:

1. List recency and data hygiene. The more recent the email data, the better the response is likely to be. It is important to track performance by email account. The likelihood of a contact responding to an email if they haven't registered

as an open or click over the last two years is slim. You have very little to lose by removing these contacts from your database or at least separating them from your main database while attempting to re-engage with them via specific campaigns.

If you have been asking for unsubscribe reasons, then you can now use this data. Whilst many of the email addresses may be inactive, some of your contacts will simply have “emotionally” unsubscribed because they are not seeing the value in the emails you are sending them. Tracking and removing non-responding contacts is part of our list management strategy and we have seen a marked improvement in performance as a result.

- 2. Targeting.** We have found that by combining demographic segmentation with behavioural data, it is possible to obtain a much higher return on data, thus achieving more with less. Consider the following: Who would be most interested by your offer and does this match your target audience? It is good practice to check your response expectations against the target audience: it is far more challenging to elicit response from a CIO than from an IT helpdesk executive.
- 3. Incentives.** Incentives will undoubtedly increase the quantity of respondents, but how will they affect quality? For a B2B market or specialist product, incentivisation should be treated with caution. Our most effective incentives are white papers or e-books. We have offered iPhones, cameras and other gadgets in certain campaigns that favour quantity over quality. Using them to generate highly qualified interest is less successful, unless you want to create a warm call base for follow-up telemarketing. As always, realistic expectations are essential.
- 4. Creative.** While we have not yet discovered the holy grail of optimising email creative, we do have some tricks that work best for us:
 - a. Repeat your main point at the top, in the middle and at the bottom of the email.
 - b. Add in a pre-header, as in Fig. 4, and get the call to action in the first line of text to help maximise clicks from the preview pane.
 - c. Use multiple links to provide a greater opportunity for response and to highlight the key points.
 - d. Keep the email short and clean. Long paragraphs can be placed on the landing pages. Bullet points, white space, bite-sized sections and strong images are easier on the eye and encourage more clicks.
 - e. Optimise creative for different email clients and mobile devices. A recent survey of our database revealed that 50% of respondents use their mobile device to read email.

- f. Add links to all images and include snapshots of the white papers, e-books or other incentive being promoted.
- g. Avoid Flash within the creative – not everyone has Flash enabled and it will have a negative effect on deliverability .
- h. If you need to use words such as “Free” then embed them within images to avoid triggering spam filters.
- i. Ensure that the message of the email is clear even with images turned off.

Our BlackBerry campaign gives us a recent example of optimising email creative using some of the techniques above (Fig. 5). Creative B achieved a 20% increase in open rate, 200% increase in click rate and 300% increase in registrations.

Creative A

Creative B

Fig.5

5. Frequency. What is the optimal number of times to email? When are the frequency benefits replaced by data fatigue issues? We suggest capping repeat broadcasts at three per month, and ensure that the creative messaging makes it clear that this is part of a series of emails.

- a. Consider your overall marketing communications: Where else may the contacts have been exposed to your campaign?

- Advertising in different mediums: online, TV, outdoor, print
 - PR/news articles
 - Exhibitions
 - Direct mail
- b. Integrate the brand. Research shows that people are more likely to take action after they have seen a message a number of times. While we do not encourage saturation via one tactic, we do encourage increasing the opportunity for your audience to see your message across a number of media.

Social Networking/Viral/Search

By making your email marketing campaigns search and social friendly, you can extend your reach. Social networking is now one of the most frequently used forms of viral marketing with LinkedIn and Twitter updates linking back to micro sites, articles and marketing campaigns. In theory, your database contacts have networks with similar personal or professional interests. These networks should be seen as an extension of your database, but with greater value as the sharer is a friend/peer rather than a marketer. Sharing to these networks should be facilitated. The age old marketing rule still applies: content is king. If your content has perceived value, then it is likely to be passed on. The image below shows how one of our e-book campaigns for Canon was shared on the O2 Australia fan page on Facebook (Fig. 6). We have plenty of similar examples for campaigns with compelling content.



Fig.6

In order to facilitate social sharing, we have started to add 'Share this' functionality on our thank you pages, post registration, as in the French SAP example (Fig. 7)



Fig.7

Summary

Email marketing exists within a fast paced, dynamic environment. Staying up to date is as important as continuing to experiment and innovate, but it is also essential to remember the key principles of direct marketing: the right message to the right people at the right time. Consumers – professional and non-professional alike – are becoming increasingly savvy about how we are using their data. We should acknowledge this not only by adhering to best practise data protection guidelines, but also by providing them with valuable, compelling and relevant content. Get this wrong and your campaign is at stake, not to mention your brand and the success of future campaigns. Get it right and enjoy your success.

For further information please go to: <http://www.cnetdirect.com/contact.htm>