MarketingSherpa

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General Sessions

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Research Keynote

SESSION DESCRIPTION

This presentation will reveal results from an in-depth survey of 1,210 marketers with hands-on Email experience and provide critical insight into improving the odds of your Emails being noticed and read as well as valuable information to help you allocate and justify your Email marketing budget.

ABOUT THE PRESENTER

Stefan Tornquist

Research Director,
MarketingSherpa Inc.

As Research Director for MarketingSherpa, Tornquist conducts primary research studies as well as gathers and evaluates marketing, advertising and PR statistics data from thousands of sources. He uses this data to create MarketingSherpa's annual Benchmark Guides for Email, Search and Business Technology Marketing, among other reports. Tornquist has been a featured speaker at events held by the Advertising Research Foundation, the Direct Marketing Association, Web Marketing Association, TechTarget and KnowledgeStorm, among many others. He has been quoted in a variety of publications, including The Wall St. Journal, BusinessWeek and Inc. Magazine and appeared on CNBC's Street Signs. Prior to joining MarketingSherpa, Tornquist co-founded Bluestreak, the pioneering marketing technology company that started out in rich media and grew to become one of the industry's largest ad servers. He also co-founded and ran marketing for technology start-ups, 9th Square Inc. and Waterworks Interactive Inc., as well as his own marketing and public relations consulting company.

About MarketingSherpa Inc.

MarketingSherpa is a research firm publishing a wide range of Email Benchmark Guides, Buyer's Guides and How-to Reports. It boasts 600+ Case Study Library. The site was praised by The Economist, Harvard Business School's Working Knowledge Site and Entrepreneur.com. More than 237,000 advertising, marketing and public relations professionals read MarketingSherpa publications every week.

Visit the award-winning firm's site at www.MarketingSherpa.com.

PRESENTATION

FLINT MCGLAUGHLIN: It's wonderful to have everyone here today. It's a full room and we've been giving you just a few minutes so that people could find their seats. I think they've prepared something for me, I'm not sure I'm actually going to read it but I will read the second line.

It says, "Welcome to the Third Annual MarketingSherpa Email Summit. It is the world's largest event of its kind". So there you go, but I know something else.

I know in this room are really - there's a large contingent of people who were here yesterday who took a certification program in online testing and I wanted to start just by recognizing you. If you were here yesterday for that event - most of them have received their certificates. We're still grading examinations, but if you were here for that event and you likely graduated, would you please stand to your feet for just a moment? I'd like to point out that these are among the smartest people in the room now. If you have questions, just ask them anything. Anything, ask them. Can we give them a hand?

I think there's 150 members from MarketingSherpa who are here and we want to welcome you also and thank you for being a part of this event. We have a long day ahead. We have 47 speakers lined up for the next two days and we're hoping that with 47 speakers you might learn at least one thing that could be useful or helpful when you get back.

We're going to begin with Stefan Tornquist. How many of you are already familiar with Stefan? I'm rather jealous of Stefan. I have spent a lot of my time locked up in a laboratory and, when I came out, - and people always when I've met them they said, "Well, I thought you would be older or taller", or perhaps maybe had more hair than I have at the present, so I would like Stefan to be my body double if it were possible.

It annoys me that he has this remarkable appearance and he's also very smart. You're not supposed to be smart and exceptional in appearance, Stefan. It's not fair to the rest of us, Stefan. I remember the first time hearing him speak, when I saw him step up, I thought, "Boy, I hope he bombs".

He really works with a team that does an enormous amount of research with MarketingSherpa. It's very impressive all the work that goes into a Benchmark Guide and I'm not sure how he does it. It's day and night activity and he's constantly gathering data, and he's the Research Director at MarketingSherpa. I'm very grateful for his work, very impressed with his work and I want to welcome him to the podium to open up the event for the next two days.

STEFAN TORNQUIST: Thank you very much. That's very kind of you. Good morning. John, I'm not sure if the remote's on, thanks. All right. Just to get things started could you please turn off your cell phones, pagers, BlackBerrys, iPhones, etc.? The next note is one for me, because I've got half an hour and inevitably 50 minutes of stuff to tell you, so let's jump right into it. I'm going to walk around and do the Donahue thing, I can't resist. I mean, they give you a wireless mic, you might as well take advantage.

So our session today is seven lessons from the research that MarketingSherpa has conducted over the course of the last year and I wanted to tell you a little bit about MarketingSherpa's research and the way we approach things, because I get a lot of questions, for instance, "We'd love to hire you to do some research". One of the things that's unique about MarketingSherpa is that you can't.

We do work with research partners, we do that a lot and we'll be looking at data that's the result of efforts that we've undertaken with research partners, but to us that means something different than it usually means in the parlance of marketing. To us, a partner is somebody that brings a unique data set, a unique audience, a unique technology; like the folks at iTools that we use perennially.

So that to us is a partner and we've now sort of expanded that partner program and I urge you, if you have something - an idea you'd like to explore, a question that you've never seen answered or an idea for a piece of research that your company, your group, your association could add value to, just shoot us a note to research@ marketingsherpa.com. There's also a page on the website explaining how the partner program works.

So the most exciting thing to me over the last year is that we've really been able to add to the MarketingSherpa research team. You'll be meeting several of those people over the course of the next two days. In fact, Tim McAtee is going to be leading the next session. He's the lead author of this last year's email book. I can tell you after writing three years' worth of email guides, I wasn't exactly sorry to turn it over to Tim.

So, the new team is allowing us to expand our coverage areas. In just a few weeks, we're going to be seeing the first display advertising report from MarketingSherpa and we're adding several other reports and special reports in the course of the year, thanks to the new talent that we're adding.

Finally, new programs. All of you probably at one time or another have received an invitation to take a MarketingSherpa survey and while we're always going to use the incredible resource of the marketers that receive MarketingSherpa's newsletters as a data resource, we've already moved to expand our data set essentially, and we're going to continue to do so. So if you've wondered in the past, "Well, you know, MarketingSherpa's told me for four years that landing pages are important. Should they still be asking me if landing pages are important?"

Well, landing pages are important, by the way, and we've now really moved outside of exclusively our audience. We're doing a number of large-scale consumer surveys and B-to-B surveys using other data sets and database data and so forth. So, it's a very exciting time for our research. I feel like we've really taken it to a new level and will continue to do so. And I bring it up because I hope that you all benefit from it. We really do try to conduct research that ends up with a practical result, and so let's see if that's true. Let's go through our seven lessons.

So those of you who were here last year may remember a chart very much like this one. This is a temperature-taking chart. We've asked something like this every year for many years and we're asking, "How is the impact of email marketing changing? Is it static, is it getting better?", and if you look at the 2007 data - and I know for the people who are sort of in the middle, right before the back screens, it's probably a little hard to read these.

What we're seeing here is these are the good answers that the impact of email is increasing significantly or increasing a little. So if you take a look at this, it looks pretty good, it looks pretty rosy, doesn't it? But, when you compare it with last year, there's an interesting change. It's just not quite as positive, is it? We see increasing significantly dropped and where it really bumps up is in

the not-changing category. And this is a bigger move than you typically see in one year, so what's happening? Why is there - are there new problems? I would say no, but the degree of problems we're already familiar with has gotten a little bit more intense.

When we asked people about their number-one challenge, by far and away the strongest response, and related to the second strongest response, was that recipient email boxes are swamped and all email suffers. So that presents us all, as good email marketers, with the essential question of how to get beyond that, how to get your emails opened and clicked on, how to produce the content that's really going to provide value to your recipients and hopefully, these lessons will have something to show us.

Finally, I wanted to point out, notice how deliverability is down there at 2% for those in the middle? Deliverability is down there at 2%. That doesn't mean that deliverability has gone away as a problem, not even close, but it's more of a chronic condition than when we asked people about their number-one challenge. Sort of what's intensely occupying you? That's the number one, that's the swamped mailboxes. Deliverability is a constant question. There are a number of sessions over the next couple of days that will help you and inform you about deliverability. It's absolutely still a critical issue in email marketing.

So lesson number one. I, of course, picked this chart because, well, I like bubble charts. Newsletters. One of the most frequent questions I've received over the last 12-18 months is: do newsletters still work? We're seeing our subscription rates level off; it's getting harder and harder to get open rates up above 25-30%. Is the newsletter still viable? Well, I think one of the things that this chart shows us is that it is. So, what we're looking at here is the quality of these different opt-in sources.

So these are all sources of names. The quality is along this axis and the volume is along the vertical axis. So the newsletters are this crimson ball - that's MarketingSherpa crimson - on the right-hand side. And so what that's telling us is that the quality of the opt-in is still the highest. This is B-to-C by the way - we'll be looking at the B-to-B results later this afternoon.

So in B-to-C, the newsletter opt-ins are still the highest quality opt-ins, but what we've seen over the last few years is that that crimson ball has moved down from closer to the top. It was a high volume source of opt-ins. It's now sunk more into the middle of the pack, still better than most, and getting names through various forms and pre-checked boxes. Those are now more commonly the way in which we're getting names.

But the newsletter is still absolutely viable. Now, this is not based on a statistically significant sample. I wanted to find some data about the quality of some opt-ins, so I contacted two organizations that have very deep analytics and asked them to poke around and answer this question, which was, "How valuable are your newsletter subscribers versus other groups in your database?", and we see, in the B-to-B world, the newsletter subscribers were 22% more likely for this organization, which I do believe is fairly representative. So, they were a fifth more likely to enter the purchase funnel than other opt-in sources. So, even the people that had downloaded white papers and so forth were not entering the funnel as consistently as the folks who were receiving the newsletter.

In B-to-C, 41% are more likely to make a purchase in the next 90 days than sweepstakes opt-ins and those other sources. So, in terms of volume, the newsletter is for most organizations not quite what it used to be, but, in terms of quality, - and a lot of us don't have the analytics to really dig into the varied quality of our opt-ins, so what our gauge is: well, we're not getting as many subscriptions, so is it worth investing in the newsletter - for those organizations that can do that digging I strongly suggest you do and I very much hope that you'll find that the newsletter is still quite viable.

Spam is in the eye of the beholder. I'm sure that this is a message that you've seen in a number of different places. Now, this was thanks to a study we did with a research partner, Q Interactive, of many thousands of consumers, some of whom had just clicked the 'this is spam' button and then there was a control group, so those people they - 4,000 of them had just clicked the spam button and then they shortly thereafter received this survey about their experience. It's some very interesting stuff there.

But what we see in this chart is the difference between what people consider to be spam. And the two different colored bars - the blue bar is for when you know the sender, the yellow bar is for when you don't know the sender, and yes, there's a difference, but I think those of us who are opt-in email marketers might hope that that difference would be greater.

And so look at number two here, emails that arrive too frequently. In the eyes of 50% of the consumers who received this survey, from known senders, they consider it to be spam, so half of them are saying, "I don't care if I opted in, I don't care if I filled out the preference censure, I'm receiving it too often". And frequency has been a hot topic for the last couple of years. In fact, I think it's been a little bit myopic. Frequency is a function of content.

One of the great points that Tim really brought out in this year's email benchmark guide, where you'll find all of these charts, was that frequency is, yes, it's something that can be tested. It's a variable that can and should be tested. It's in that chain of valuable tests, but really it's a function of content. If you're invested in a piece of content - I read the newspaper every day, I find it valuable.

We all have, undoubtedly, email newsletters that we're eager to read on a daily basis and different times of the year that we're happy to receive umpteen retail emails, so I just think that we should start looking at frequency not so much in a silo, but absolutely as a function of content. If we're doing a great job in producing content, which is the only real way to jump out in that inbox, then frequency isn't going to be an issue. You're not going to get a lot of people hitting the spam button if you're producing truly great content, no matter how often you deliver it.

Okay, lesson number three. So is reputation in the eye of the beholder. And now, this is a study that we did with Pivotal Veracity and it was a repeat of a study that they did just a few years ago, in 2005 I believe, looking at the percentage of companies in a test set of companies that were affected by false positives. So emails that are asked for and are legitimate end up going into the bulk folder or the spam folder. Why does that happen? Well, as you've heard, the old days of it being entirely driven by content are over and the new days where the reputation of the email sender in the eyes of the Internet service provider or the corporation, what have you, it's that reputation that gets you in or out.

And a few interesting things from this study. Number one, the percentage of companies out of 100 top emailers - so these are companies you would expect to be quite reputable and take quite a bit of care - the percentage didn't drop at all. About half of the companies, 49% were affected by false positives in the course of the study, but more interesting is that only 8% were affected at all three ISPs, so that tells us that in those ISPs, Hotmail, AOL and Yahoo!, the calculation of reputation was quite unique, because you would expect to see fairly consistent blocking if they all took more or less the same view, and so this tells us that they don't.

A single reputation score is very helpful, but may not tell you the whole story about where you're getting. The lesson from that is to monitor ISPs, whether that's in-house or through a provider; you can do that. It's something that can be done and, absolutely, if you're in B-to-C, it's something that should be done. Increasingly, it's also true in B-to-B. We're now seeing something like 40-45% of B-to-B opt-ins are using Gmail or Yahoo! accounts. So are they as of the same value as the business account? Perhaps not, but they can't be ignored.

All right. Lesson number four. We've got a few things on raising opens and clicks and for this I'd like to thank EmailLabs, who made quite a lot of anonymous data available to us to take a look. Now, it's no surprise that segmentation has a huge impact on opens and clicks, and what I like about this chart is that it's just so clear; that these three sets of bars show us the difference between highly segmented and not so segmented campaigns for people that are new to lists, sort of medium to lists and people who have been on for about a year.

And you can see fairly consistently the open rate is around 20%, which is about our average, I believe, from this year's book. So 20% across the board for the less - there was some segmentation. We sort of drew a line in the sand and said, "All right, this is a well-segmented or highly-segmented campaign. Anything less than this is in the low category" and look at the difference between - it's just about two to one as we go down through the time scales, so not a surprise, but right there in blue and yellow and worth noting.

All right, raising opens and clicks. Here's a super practical Sherpa tip here. Titles are getting shorter. I was on the phone with Anne Holland yesterday, who is very sorry she couldn't be here. She's very ill. We were talking about some of the copyrighting lessons for yesterday's session and she said, "You know, my gut is telling me that subject lines are getting shorter. That this is going to be - there's going to be a phase of really short, really punchy subject lines". So I'm going to share that with 800 of you and don't tell anybody else and it will be our secret and your advantage.

So one or two word subject lines, are at least in her mind, may be going to make a run of it. So what's the difference between these two? The one in green: we're saying that's good. In this subject line, we're not occupying much of the precious subject line real estate to tell you where it's coming from. It's very frequent - this is especially true in B-to-B, but more or less can happen anywhere - that a lot of the subject line is occupied by the company name, a repetition essentially of the from line or the name of the newsletter.

All of those things are fine, but they're not informative. You've got people trained, if they'll look at the 'from' line, that's going to determine whether they take note of the subject line. In the old days, we said 50 characters. Nowadays we're saying more like 40-45 characters and I can tell you from Eye Tracking that it's really those first few words.

As we were saying yesterday in the copyrighting session, you can be sure that the first 20 characters are going to get looked at and your certainty of that drops a lot as you move into the second half of the subject line. So if you're using that first 20 characters or so to let them know again, who it's from or what the name of the newsletter is, you're really - you're missing something. And here's a sort of brazen example that people aren't even going to know what the primary article is. This is an average subject line link and one of the reasons that we changed ourselves.

Now, this was the result of another Eye Tracking test and these are the three out of - we looked at hundreds of welcome messages and these are the three that really stood out. And what you can tell about these - and this applies beyond welcome messages. What you can tell about these is that they're action oriented. They're asking people to do something, giving them the opportunity to do something.

So number one, thanks for signing up, here's five bucks. That's pretty, you know – that works well, but even confirm your account. Confirm is an action. People - am I going to get my newsletter if I don't click on this? I guess not. I need to take an action. Increasingly, we're seeing action and clicks and action words to be some of the most effective messaging you can use to get people to open your emails or rather to click on them anyway.

Now, this is the result of a study conducted by NextStage Evolution, and what it looks at essentially is the number of actions in an email and how that relates to the open rate, I believe, in this - or no, this is click rate. And I don't think that the lesson here is necessarily you must only have one action in your email. That is what they found in their study, was that a single action or two actions had roughly speaking, four or five, even 10 times the clickthrough rate of three actions, four actions, five actions.

And the thinking there is, you ask too much of people, they don't do anything. If you ask them to download a white paper, listen to a webinar, get your podcast, etc., if you ask all of those things in a single newsletter it's less likely to happen than if you orient everything around a single action, one request. I think that makes sense. I also think that there are going to be exceptions to this rule, but what shouldn't be an exception is that the orientation around action is something worth testing. Are you going to try to approach several different segments with several different actions? Try it, test it, but think of the number of actions as one of those testable variables.

All right. Good old Eye Tracking. It wouldn't be a MarketingSherpa presentation without Eye iTracking, right? So this is one of my favorites - and I always say that, but this one really is. So this is a time delay Eye Tracking view of how the same group of people saw the same newsletter over several different issues. And I don't know if you can really tell, especially in the back, but there's an ad in the top left corner, and the first time they saw this newsletter, about 65-70% of the recipients noticed and read a fair bit of the copy in that far left ad.

By their second viewing, that had dropped by about 40% and by the third view, you can see, or maybe you can't, that the viewing has really dropped. It's dropped to about 20%. So within three views, you see from 65 all the way down to 20, and this is an important issue, whether you've got ads on your website or in your emails, right?

But one thing that's unique to emails, especially for those of us who use house ads, is that the potential ad rotation is a lot less than it is on a website, because one of the first ways you want to - you can combat this banner blindness is through rotation; something looks different, the eye picks it up.

But what many of us in email marketing face is having a set of house ads or a single sponsor for a newsletter and there are, at best a fairly small single-digit number of ads that can be rotated through that single location.

So, number one, if you can, do a lot of rotation. Number two - and this is something we tested later in the study - is move those ads around. There was a question yesterday, if there are a lot of ads, are they going to compete with my content? Generally speaking, no. If you've got great content, the great newsletter article, that's going to win, that's going to get its attention and then, hopefully, the ads will get some as well.

So ad position. We tried moving that ad down in the page, we moved it into the third column of text. That was an interesting one. It was surprisingly effective because, even though it was below the fold, the readership of the newsletter was so high that people followed the lines of text and then boom -- on the third column below the fold they ran into the ad. Ended up getting much - it didn't get quite the same view as it did above the fold in the first view, but it was about 50%, which is a heck of a lot better than the second and third views.

The other thing we tested was switching the look and feel of the ads. Moving to a text-based list rather than a graphic like we did. Basically, anything that is going to catch the eye by being different in form or - words less so, but certainly form and color, those are the things that you really need to change up. And that's something to consider for those of you who - email marketing, we see a lot of long-term sponsorships of topic areas or topic newsletters and, quite possibly, you've had the same ads – whether it's for your client or yourselves -- the same ads running for a long time and creating a stable of ads that are different sizes, different colors, can really help in increasing visibility.

All right. Top tests. From here we're going to take a quick trip over to the landing page. I bring up this chart because these are changes that you can make very easily. These are very accessible changes to make in your landing pages and in your forms and buttons and so forth that have a truly remarkable effect.

Let's take a look at removing navigation. Over thousands of tests - and this was a study we conducted with SiteTuners. Over thousands of tests, we saw the average impact of taking navigation off of a landing page, so that people would arrive at the landing page, and it was truly focused around that action, whatever that action was; registration or purchase, that was what was happening on the page. There weren't a lot of links, maybe a homepage link. People know how to find the homepage if they need it.

There's usually a lot of internal resistance to removing page navigation, because there's that sort of set page design that comes from the website folks. Fight that, because removing navigation has an average impact of 10 to 50% on conversion, so we're not talking about some sort of secondary metric, like clickthrough or open; we're talking about conversion rates of 10 to 50% higher by just doing that simple thing.

And the other thing I wanted to point out is over here on the far right. This is repeated landing page testing and I know that those of you who heard about the - those of you who attended certification yesterday heard a lot about landing pages in conjunction with email and you may have seen numbers even higher than 400% in some of the examples.

We have seen an average impact of repeated testing of over 40% and we've seen countless examples that go far higher. So if you can build in a culture of testing - I always say, think about what it would take to double your whatever it is; the number of people opting in, the number of people buying products. Well, you can double your media buy or you can spend a fraction of that on testing of landing pages, email templates, etc.

All right, testing the best metric. We're constantly preaching the test, right? And, so I thought it was important to point out one of the most common errors and one of the key things to keep in mind about testing. So let's take a look at this landing page; it's a lovely landing page. It boils down the features and benefits. It's got the red check marks. It follows so many of the best practices landing page rules and it got a phenomenal click rate and it absolutely crushed its competitor, which was this long form copy page. I even hear a couple of people giggling. I mean this is your classic long design page and the clickthrough rate on this one was many times, you know, three or four times the clickthrough rate on this one.

But, as you probably have already guessed, this is the one that made a lot more money. The people that clicked through on that first ad was a much larger group, but they weren't necessarily relevant. The people who made it through this behemoth, they clicked through and they bought. So very often we'll use a secondary metric like open rate or time on site or click-through rate, and, if those are the only metrics you have available, then by all means use them, because you can establish benchmarks and see how things do in contrast with one another. But ultimately if you don't see - if you can't

get through to conversion rate, you may be undertaking - learning something from a test that isn't, in fact, the best lesson.

All right. So action number, item number one and we're just about done. The ability to handle complexity good plus great. This was one of the new elements that Tim introduced to this year's guide. We asked well over 1,000 email marketers about the experience they were having with their technology for sending email and in the next couple of slides we'll see that those who are using ASPs and full-service ESPs are generally much more satisfied and they're doing more. And so I'm - this is not a pitch for you to scrap your in-house and necessarily walk out to one of these vendors. It is possible to upgrade your technology in-house. The point here is that you need to upgrade your technology.

When we're talking about improving content, you can do some of that with great copyrighting, you can - great ideas driven by your internal search. There are a lot of new sources for ideas, but really, it comes down to segmentation, understanding the different segments of your database and delivering content to them individually. And so when it comes to dealing with that kind of ability to deal with complexity, you can see that those on the right-hand side, the full service ESP and the ASPs get a substantially higher rating.

And, even in terms of overall value, this one's perhaps even more interesting, because a lot of people think of ESPs as nice to have but awfully expensive. And those who are actually using them say, "You know what? The overall value is better". And ASPs are just about there, but it's substantially higher than the in-house folks.

All right. With that, your to-do's for 2008 - I already - we talked through almost all of these. The one I did want to point out was conducting an email audit. Those of you who are MarketingSherpa subscribers may have already seen that last week we premiered the first of MarketingSherpa's kits and that is conducting an email audit. You will find a seven-step process. It is very straightforward, whether you are an old-hand at email - will find it a great kick in the butt to go through and really take a hard look at all the different elements of your email campaigns, your email marketing program and for the new folks, it is detailed enough and a good walk through, that you'll be able to conduct this audit as well as the pros.

So with that, thank you very much, and can we get Tim McAtee up to podium? As I said earlier, Tim McAtee was the lead author on this year's Email Marketing Benchmark Guide and Tim will be introducing the panelists for our first general session.

Thank you very much.

Email Research: 7 Lessons for 2008

Stefan Tornquist
Research Director, MarketingSherpa

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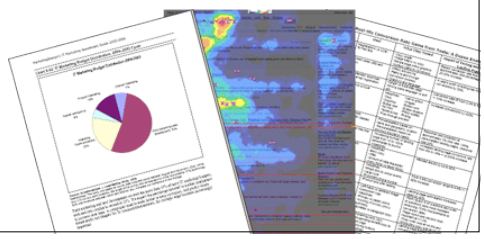

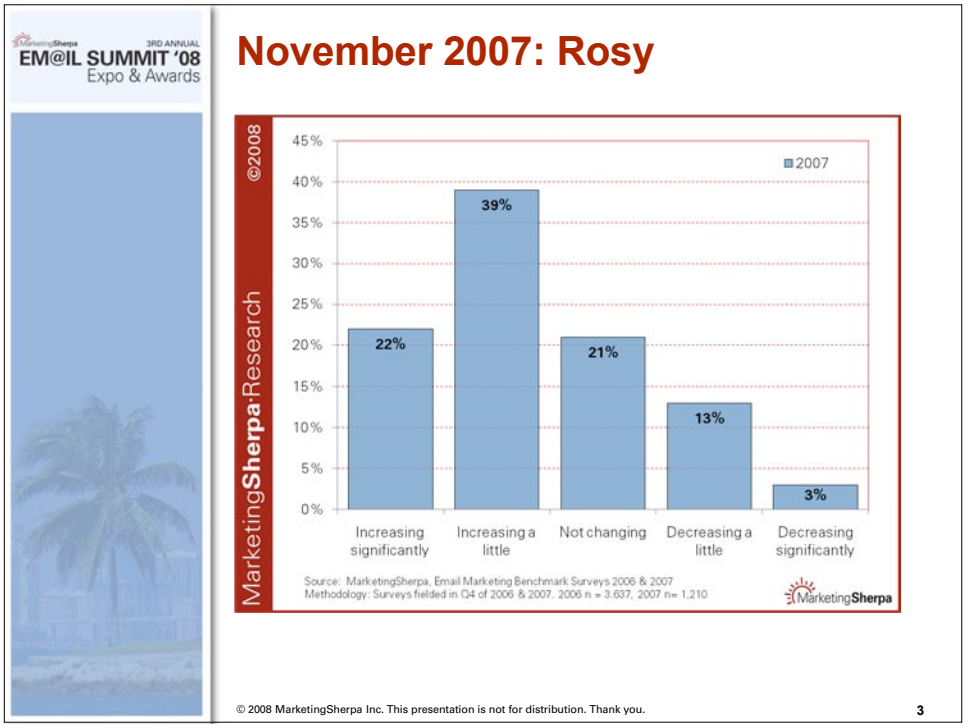

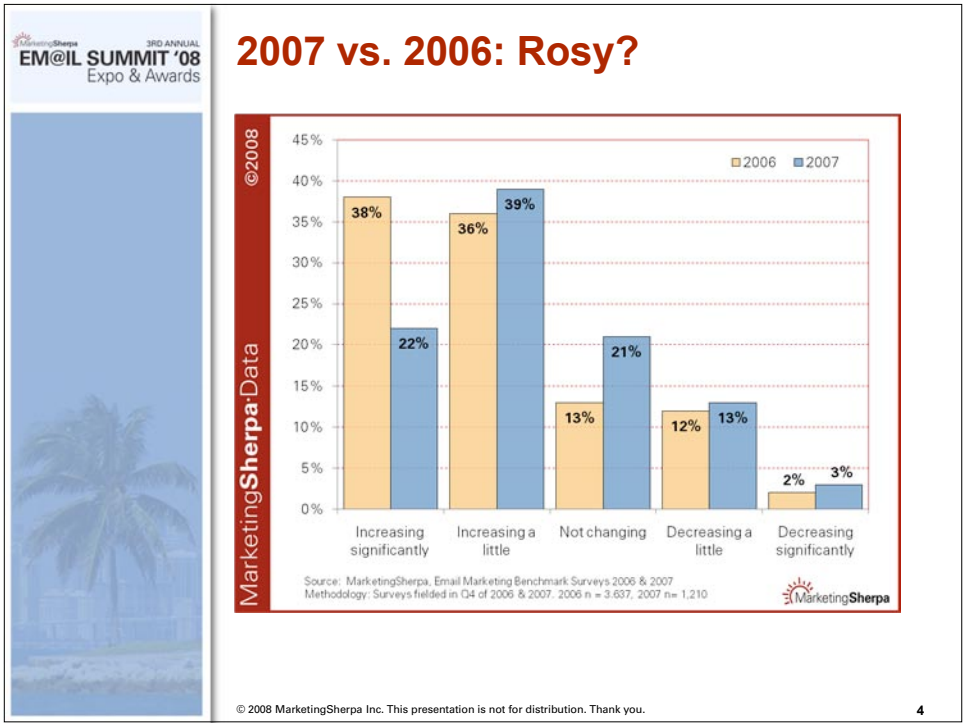

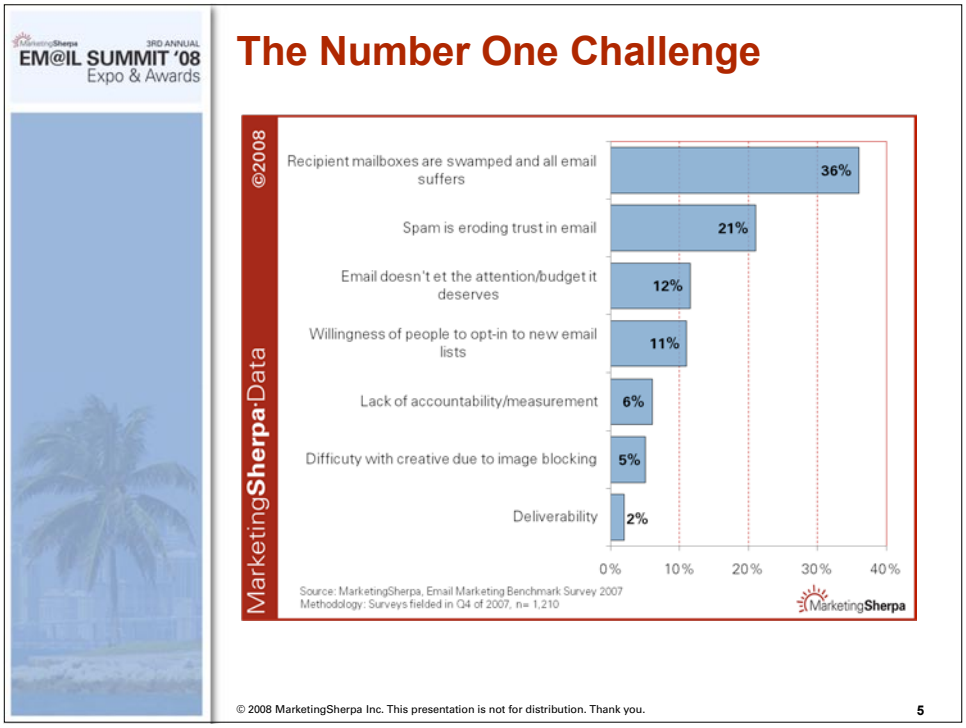

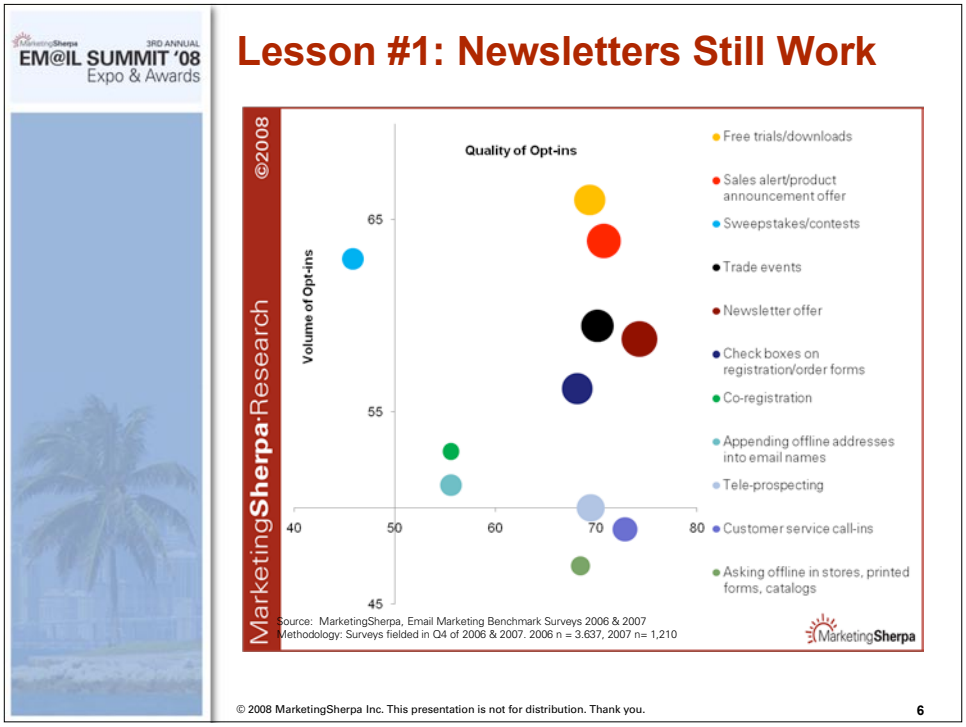

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Lesson #1: Newsletters Still Work

B-to-B	Newsletter subscriber vs Other opt-in (white paper sign up, etc.)	**22% more likely** to enter purchase funnel
B-to-C	Newsletter subscriber vs Other opt-in (sweeps, store sign up, etc.)	**41% more likely** to purchase in next 90 days

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Note: Based on specific site data – not a significant sample.

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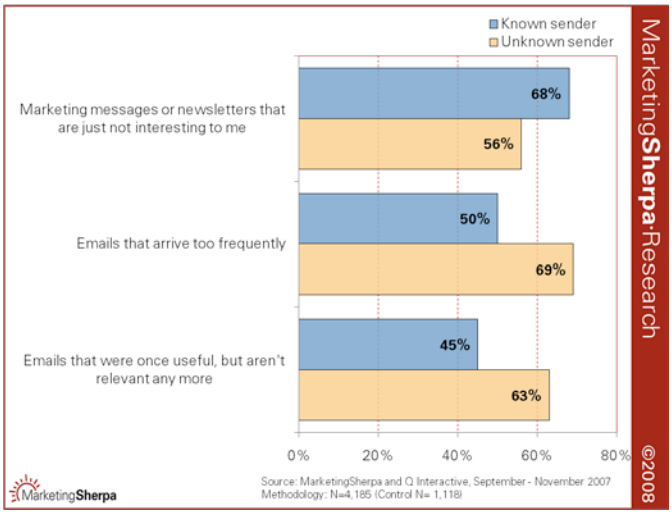
Lesson #2: Spam is in the Eye of the Beholder



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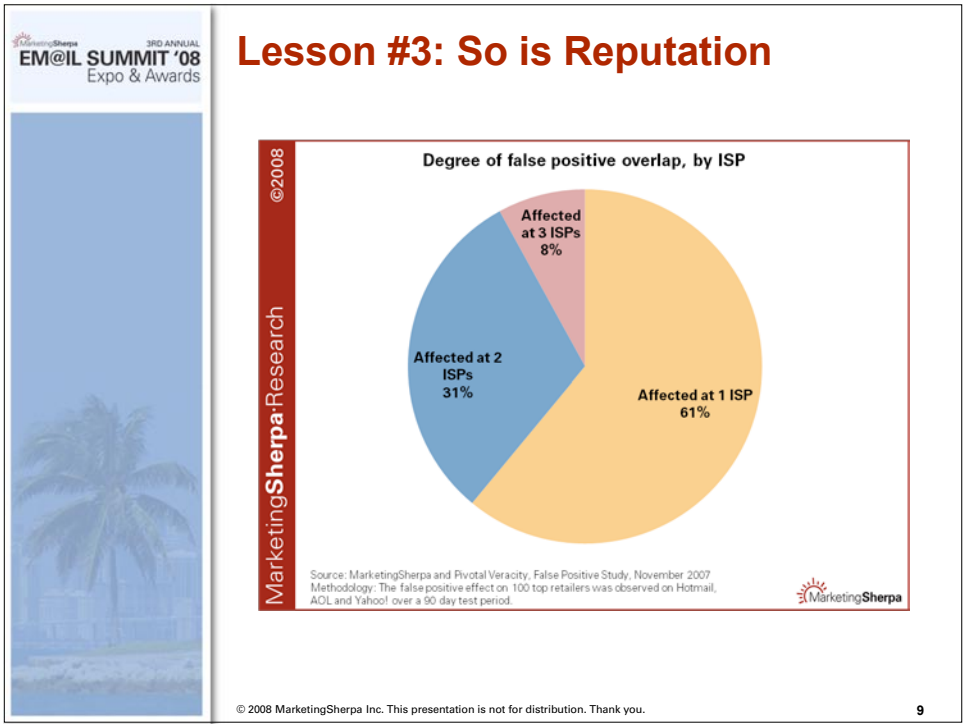

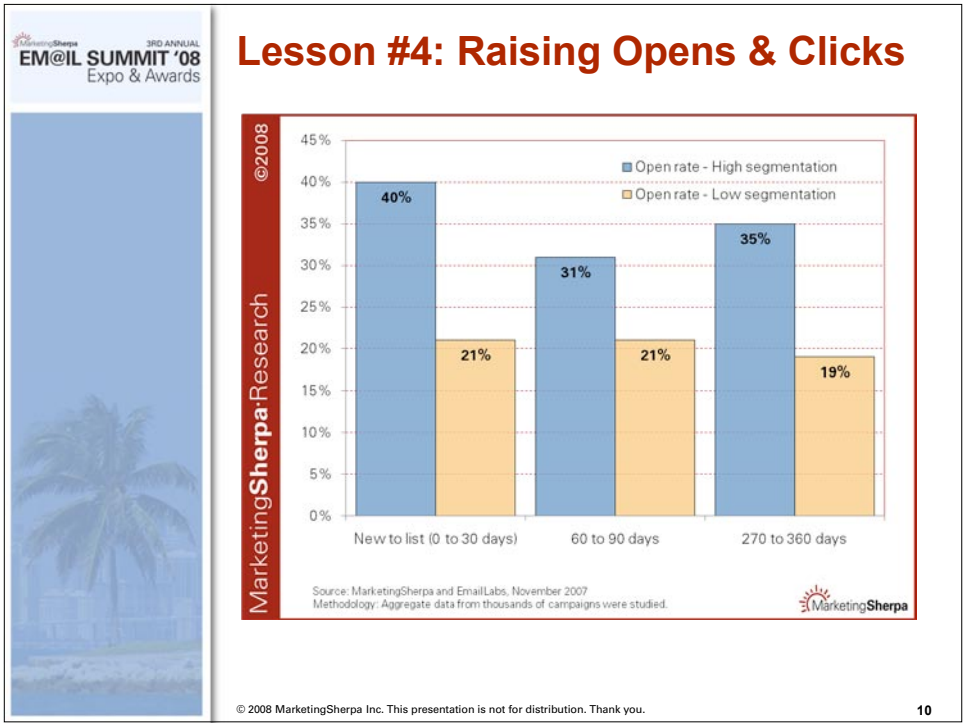

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Lesson #4: Raising Opens & Clicks

Short titles

[B to B] Top Ten Tips for CEO Marketing

[MarketingSherpa B to B] Top Ten Tips f

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Lesson #4: Raising Opens & Clicks

InfoCentralRegistrar/Chi.	Welcome from REALTOR.org registration! - Thank you for registering fo
Membership - Oprah.com	Oprah.com Membership Confirmation - Dear jeff, Congratulations! You .
WinnersEmail	Winners: Thank you for registering for e-Mail - Smart thinking! By signi.
T.J.Maxx	Welcome to T.J.Maxx email! - Problems viewing this message? Never .
TheChildrensPlace	E a..
customer-service	2 W Please confirm your account on .
Road Runner Sports	W b.
OfficeMax	Welcome from OfficeMax.com - Thank you for signing up for OfficeMax.
registration	Welcome to My Nintendo! - Hello jeff, Congratulations! We have activat.
the_team	W
shoppekeeper	1 Thanks for signing up. Here's $5. -
NHL.com	Thank you for subscribing! - Dear Hockey Fan, On behalf of all of us at
clubm	Welcome to Club M at Maidenform.com - Maidenform.com Gift Certific.
Magazines. com	Y in.
eMusic	3 G Get Your Free Downloads al
eSPIN-the-Bottle	W n t.
Membership - Oprah.com	Oprah.com Membership Activation - Dear jeff, You are receiving this e-.
Harvard Business School .	Thank You for Registering - Thank you for visiting Harvard Business On.
EF International Languag.	EF Education Brochure Request Confirmation - Book Now | Contact E..
US_My_Account_Admin	Welcome to Dell Email Subscriptions - Thank you for signing up for De.
British Airways	Your British Airways account details - PLEASE DO NOT RESPOND D.
Jessica	Subscription Confirmation - Thank you for subscribing to the BottomLin.
Bob's Stores	Welcome to Bob's Stores - NEVER MISS A BOB'S EMAIL - ADD BO..

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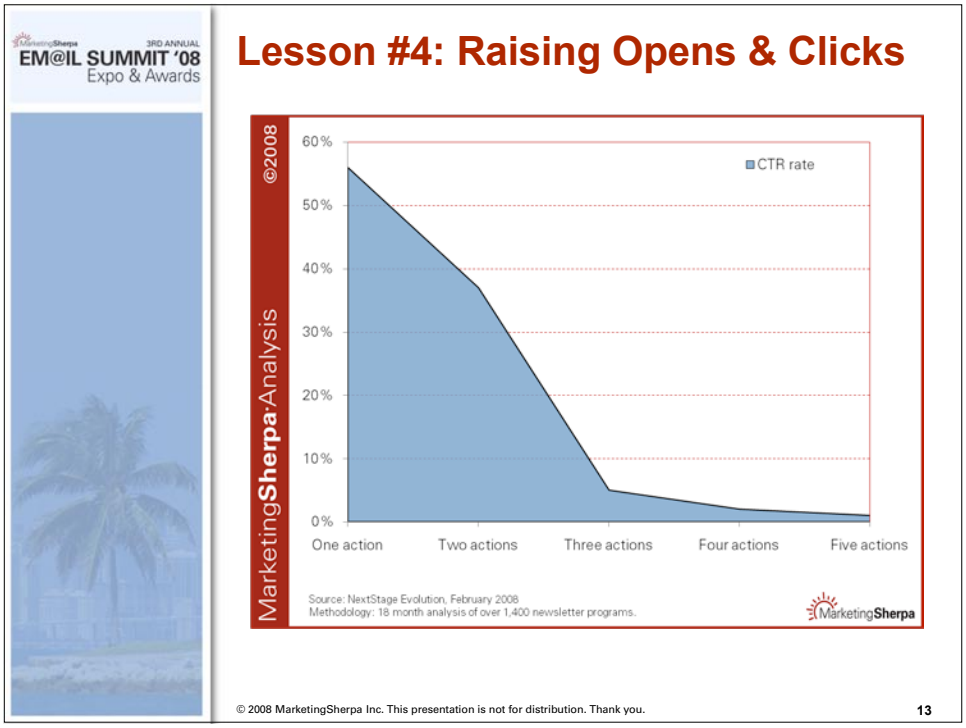

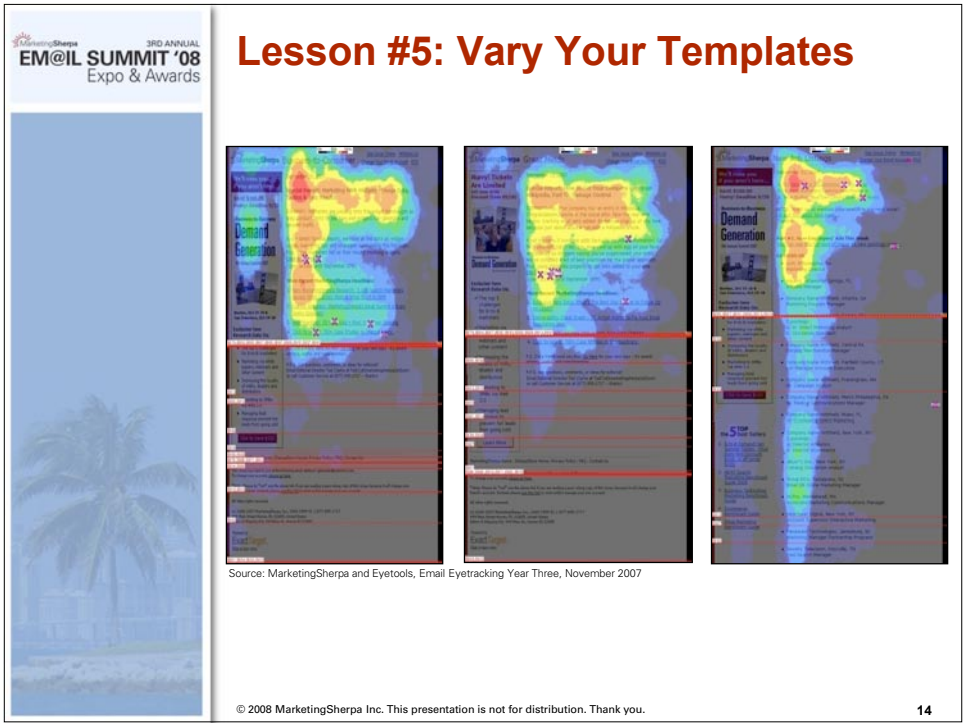

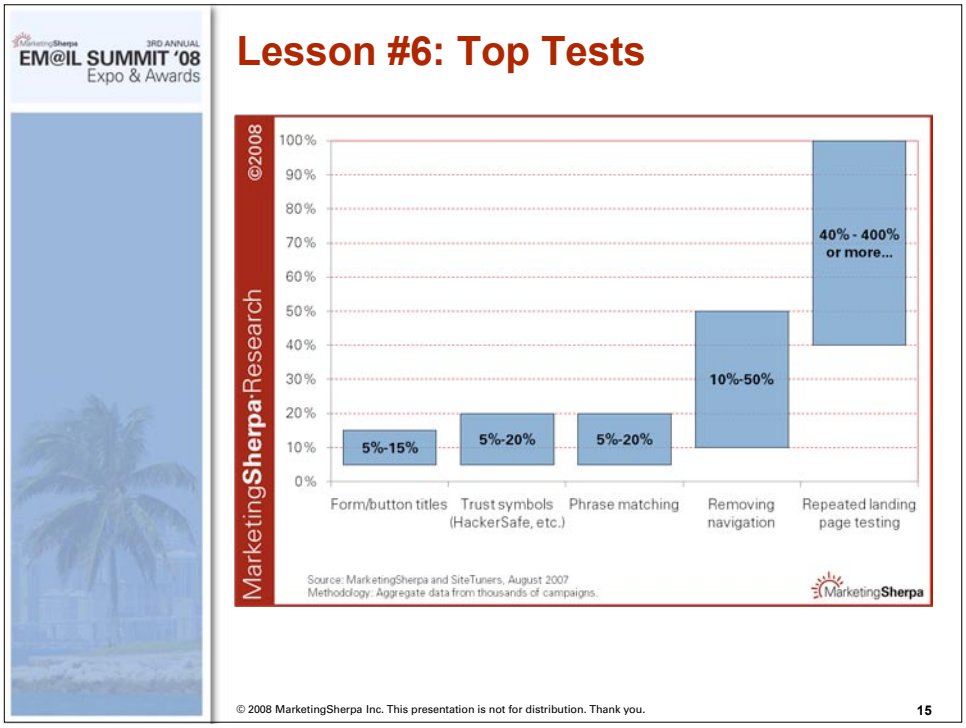

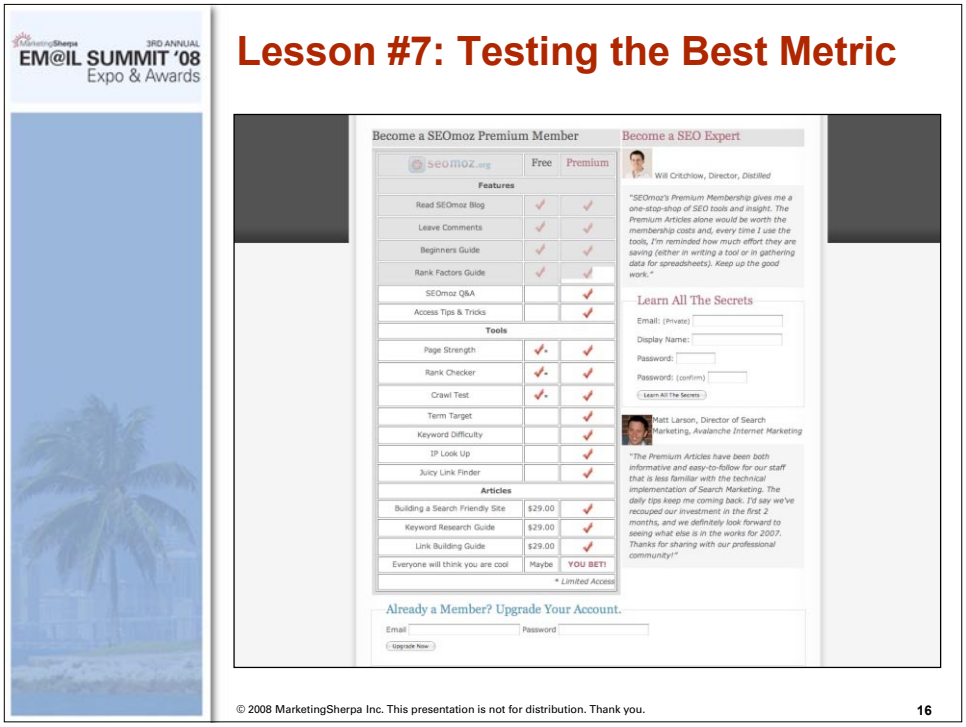

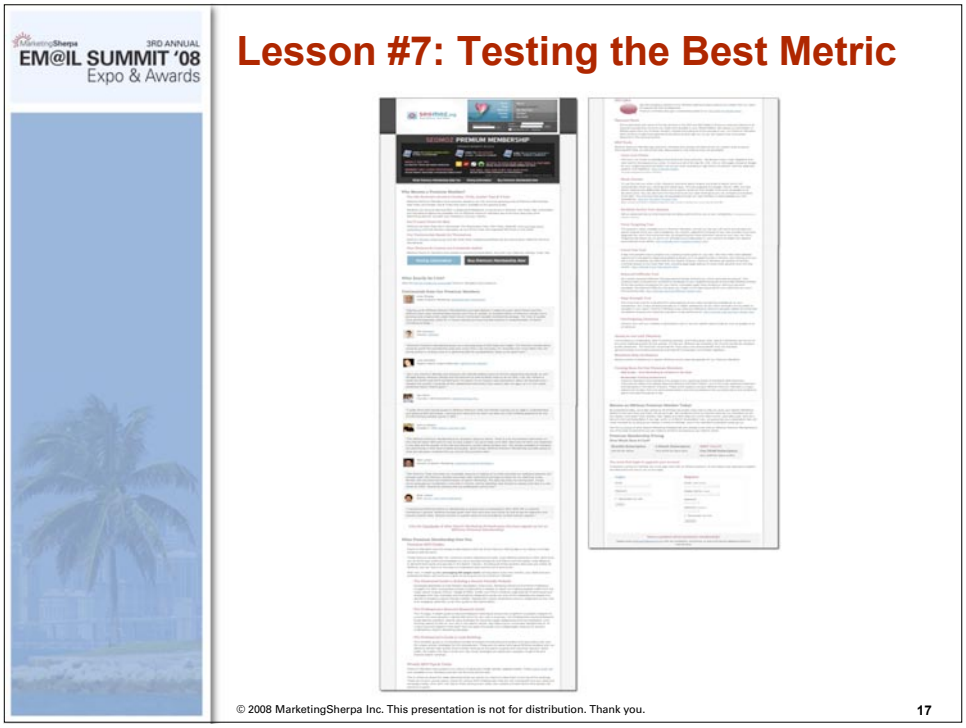

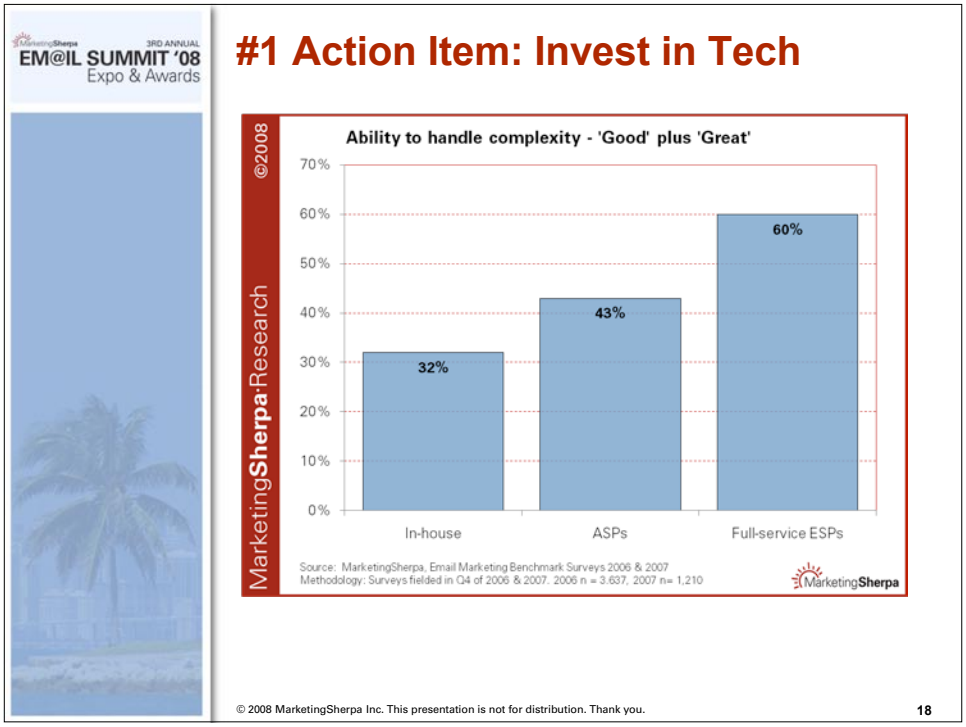

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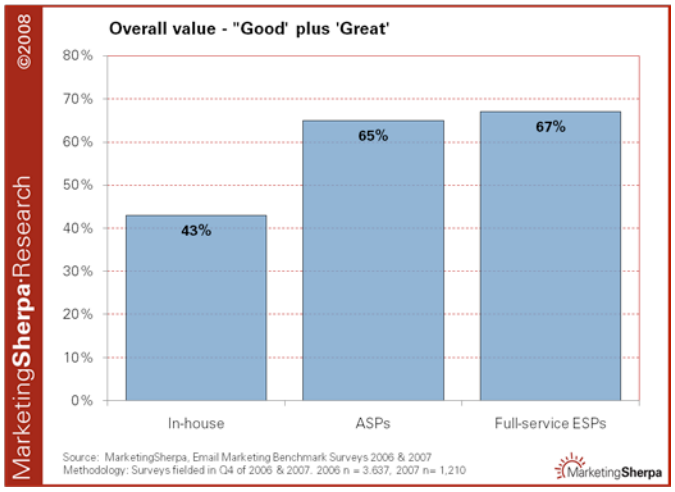
#1 Action Item: Invest in Tech



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To Dos for 2008

1. Conduct an Email Audit
2. Obsess on content, not frequency
3. Reputation – monitor your delivery at multiple ISPs
4. Subject lines – get to the point and focus on a single action
5. Vary your templates
6. Optimize the choke points in the funnel – landing and registration pages
7. Invest in technology

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Office Politics & Email Policy

SESSION DESCRIPTION

Navigating political minefields is nothing new for Email program managers, but has anyone really come up with an operating model that effectively addresses all internal obstacles surrounding best practices? Who gets access to the database and under what circumstances? How do you maintain consistency in Email content when your messages may originate from many different departments within the organization? Who's approving all the copy? Gain expert perspectives from the BtoB, B-to-C and publishing worlds and exert the influence necessary to manage budgets and lists as well as Email messaging and frequency.

ABOUT THE PRESENTERS

Joe Slepski

Senior Manager, Reed Business Interactive

Joe Slepski has been with Reed Business Information for more than eight years, the past five of which have exclusively focused on RBI Email newsletters. During this time, Slepski has supervised message deployment, list management, inbox deliverability, best practice content development and advertisement trafficking. Communicating with an internal user community of more than 150 individuals, Slepski and his team helped usher RBI into the post-CAN-SPAM age, implementing compliance for their 175 unique newsletter products. Additionally, he has bridged the gap between IT requirements and user group needs in developing a host of custom solutions. When not managing 25 million deployments each month, Slepski spends his downtime collecting vintage comic books and original comic art. He is a graduate of the University of Illinois.

ABOUT REED BUSINESS INFORMATION

Reed Business Information is North America's largest BtoB information provider with more than 80 market-leading publications and 55 Websites, as well as a range of services. Reed Business Information is a member of the Reed Elsevier Group plc, a leading provider of global information-driven services & solutions.

Jennifer Rash

Senior Email Marketing Specialist,
Sage Software Inc.

Jennifer Rash has been in Email marketing since 2001, when she oversaw the weekly enewsletter for a major shopping center. She joined Sage Software in 2004 as an Email Marketing Specialist. After consolidating the Email program into a single system, she continues to work to improve Email processes with a large variety of business units. Rash works to improve business partner, customer and lead generation Emails via innovations, streamlining communications and analysis. She earned her Master's in Mass Communication from Arizona State University in 2003. Her thesis, "Understanding Interpersonal and Media Dissemination of Website News," analyzed what news articles people Emailed to others from major news Web sites. It was later accepted for publication in the peer-reviewed Southwestern Mass Communication Journal.

ABOUT SAGE SOFTWARE INC.

For more than 30 years, Sage Software has delivered easy-to-use, scalable and customizable software for accounting, customer relationship management, human resources, merchant services, time tracking and the specialized needs of the construction, distribution, healthcare, manufacturing, nonprofit and real estate industries.

Office Politics & Email Policy

Nicole Fowler

Interactive Marketing Specialist,
Playground Limited Partnership

Nicole Fowler is an Interactive Marketing Specialist with Playground, a premier provider of real estate sales and marketing services for destinations worldwide. She is a dynamic thinker, having developed and implemented unique strategic programs for a diverse client base from startups to multinationals. With more than 10 years of diverse experience in interactive media, marketing and advertising, she provides a fascinating perspective to every challenge.

ABOUT PLAYGROUND LIMITED PARTNERSHIP

The Playground group of companies is the premier provider of real estate sales and marketing services for destinations worldwide. With offices in Vancouver, Montreal, Orlando, Reno, Denver and Lausanne, Playground is dedicated to fulfilling a mission of "connecting people with the ultimate places to play." Playground provides a unique breadth of properties from beach and mountain destinations, to golf and urban locations. To learn more about Playground, visit www.playground.com.

PRESENTATION

NICOLE FOWLER: Hello. If I haven't met you already, hopefully I'll get to meet some of you over the next couple of days. Playground is a provider of sales and marketing services for resort real estate world-wide. We have resorts across America and in Europe, and also we have urban projects. Our head office is in Vancouver. We also have offices in Montreal, here in Orlando, in Denver and in Lausanne, in France.

One of the things we were talking about is just explaining a bit about our structure in our organization to give you an idea of how we approach policy, email policy and also best practice. So our organization, there's different levels and there's different projects. So, on any particular project or resort, we have centralized marketing teams and leadership. We also have Marketing and Sales directly on each project.

The way that we reach customers, particularly through marketing, we focus very much on

strategy and integrated campaigns, strong direct mail programs, as well as on-resort initiatives. So, where email is concerned, we have opt-in programs, we work through our client networks. So one of our companies that we work with is Intrawest. We have a large resort network which we reach through individual resorts on a particular brand, or potentially through the network, itself. We work with out client networks, so accessing customers through their lists or through their projects. We could potentially purchase lists and we have regular programs, as well as campaign email. So that could include monthly newsletters, homeowner newsletters and then individual email campaigns. So that gives just an overview of our organization, and I'll leave it there for now and let Joe talk.

JOE SLEPSKI: I've got microphone problems, so I think I'll sit here. Thanks for standing. I'm Joe Slepski. I'm with Reed Business Information. We're a leading B-to-B magazine publisher. Primarily, we do newsletters, email newsletters. We do about 25 million of those each month and we do an additional 10 million of circulation efforts, surveys, webcasts, webinars, things of those nature. A wide variety of about 1,800 to 2,000 actually unique campaigns each month. We do roughly 2,000 ad server units in those newsletters and my role comes into play with kind of organizing all of that. We've got forty to fifty individual business units that are all their own little – well, their own major publications and our job is to organize them, and to make sure that they're compliant and following the rules, both set by us and by the federal government, CAN-SPAM, and to just make sure they can do the best email marketing that they can do, but also meeting their individual business needs as a unique magazine publication.

JENNIFER RASH: I'm Jennifer Rash. I'm with Sage Software. We're the makers of Sage Products' ACT! by Sage, Peachtree by Sage. On the midmarket side, we handle such programs as MAS 90, 200, 500, SalesLogix, Abra, quite a few accounting and other business software. So our clientele is strictly business-to-business accounting and Human Resources professionals, sales professionals.

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The company is rather large. We do handle around 30 projects, which this entails us having a lot of lines of communication. We have three major groups of audiences; those are customers, prospective customers and resellers or business partners. Because of the complexity of the company, each different program and each channel of communication has a different manager, and part of my job is to coordinate with each of these in assuring them that they have a great email program. We send about 2.5 million emails a month, approximately 300 campaigns a month.

MODERATOR: Thanks everybody. Let's get into this. So, first up. Email is so easy. Everyone can do it for themselves, right? I guess I may have some contradictory opinions on this? So, why don't we start off with – can anyone share any stories about individuals or groups within your organizations acting on their own to the detriment of everybody and how you address this, the best ways that you can think of to help everyone else here go forth in their own organizations and sort of bring everybody together.

JENNIFER RASH: I'll go ahead and start that off. Sage is a company built by acquiring smaller business software. So, when we acquire a company, they often come with their own email marketing program. Also, in one case, before we had a truly electronic marketing department developed, a lot of people were going out on their own. They had gotten a vendor from their bestest bud, they were using their best friend as the designer and these were not optimal solutions. There were a lot of misses during this time.

One of the projects I took on right after I started was building a consolidation team where I worked with each of these individual personalities, who were very controlling in their own rights, to help them see that we needed to all work together, we needed to take advantage of having somebody who just handled email, and slowly, over time, they all consolidated into one program.

JOE SLEPSKI: I think for us at Reed, the best way that we were able to convince people that they had to kind of get on board with making some changes to their email program – we had been doing email since, I think, the late '90s, '97 – '96. We actually had some very early success in it – is you have to get your metrics down. Some of the examples that we're going to talk about, you're going to hear all weekend. You're going to hear about convincing people to do better open rates and segment, and things like that, but the biggest thing is get your metrics in order so that when you take it to the business owners who you're essentially telling them something about their business that they think they know, but they really don't because they're not enmeshed in it, you have to have your metrics in place.

A few years back, we were running into some issues with blockages, and the inbox deliverability everyone goes through. And so my team and my group started putting together the numbers and we started saying, "You're sending out x-number of million emails per month, but you've only really got 2 million names. You're sending 20-some emails per person, per month". And then from there, we'd break it down into more and the numbers get a little better because we do a lot of daily newsletters that are opt-in, and things like that. But you start with some of those shocking numbers, open rates, comparing across the businesses, get them appropriate, get them into their hands and really, it's hard to fight the reality of some of the truth that's out there.

NICOLE FOWLER: The expression 'rogue marketing' always comes into play when I think about our business, a bit. Of all business, or of many businesses, real estate is highly regulated. So there's a few different levels for us as marketers. One of them is there's the legal compliance that goes with our business. Let's say, outside of the company, we're dealing with different provincial, different states, different companies on a global platform, the legal compliance for real estate alone is a big thing to swallow, and from a company organization point of view, centralizing that effort and hiring the correct resources to deal with that was essential, because as marketers, as we're dealing with trying to engage new customers, retain the ones that we have and reach out to them, things like legal compliance are a whole other core competency and expertise, and I think it's really important, from a leadership standpoint, that those particular areas are addressed.

From a marketing standpoint, my core responsibility is to talk to teams and work with teams around best practice. So, as people have mentioned, in terms of compliance, we also have customer compliance and respecting those customers, and what their needs or wants are, and also, between our teams, respecting each others needs and wants. So we work in a very – we're a sales and marketing organization. So, where the customer is concerned – and I think we're going to touch on this in a few minutes – ownership is a hot topic. That's probably where we get into a lot of the politics.

Office Politics & Email Policy

But, where ownership is concerned, I think a key thing for me to bring to the teams is to make sure that everyone is understanding each other's reality and what your key priorities are. So, we work a lot with internal permission-based rules. As you're seeing, once you set up those rules and guidelines, it's a great way to get a conversation started and share that same vocabulary, even, around what the key goals are.

MODERATOR: So, make sure that lead-in list ownership. So, Marketing and Sales are often given competing objectives, where marketers are told to bring in just a vast quantity of leads, where Sales is told to turn around a lot of sales. It's sort of a quality versus quantity thing. How have you addressed that in your organizations, and how would you recommend sort of reconciling the two.

JOE SLEPSKI: One of the issues we came across was we started looking into the deep activity of our users. Of course, we removed bounces, and we, obviously, honor unsubscribe requests and everything. But, we looked at the number of people that were actually interested in subscribing, looked at how long they were on the list, looked at their interest and value, and again, putting that in front of the owners was very shocking. It was very eye-opening for them, and it takes them a little while to come around to the fact that some of the customers that they think they know – and they do know. They do know a portion of their customers. It's just not all of their readers. It's not the entire 100% of your list isn't that super, super targeted audience. So you want to stress to get to the right people at the right time and make all the right decisions to get there.

JENNIFER RASH: Our Sales department likes to see large list numbers. That is one of their big points is they like to see those large lists numbers because, in their mind, when you don't send to a person, that might be the person who makes the sale, therefore it's better to send to 100%. What I've done is I've approached the sales teams with metrics that I'm presenting to them as an additional tool. What I do is I go to them and I tell them, "Look. You guys are doing a fabulous job, but I've got a new tool for your arsenal that will cut down the number of calls you make, that will cut down the number of emails we send, by using the information we have available in terms of opens and clicks to determine who you should be contacting", and that really does help the Sales department cut back on time and they feel, because we're being proactive with it, because we are providing them a tool, they feel more empowered in the end.

NICOLE FOWLER: Yeah, that's a very key point for us, too. I've got all these catch phrases that are popping into my head as we're talking, and now the one is 'spray and pray'. I'm sure a lot of people can respond to that. It's interesting, if I think about – we list ownership. Again, when we're in a marketing world where we talk about customer centricity, we don't actually own anybody, but at the same time, from a Sales perspective, in my business, we're talking about buying a second home. This isn't something even they can click on an email and purchase. That would be nice, but it doesn't actually happen. So, we've actually grown up in a very face-to-face relationship selling environment.

Again, it requires a certain amount of understanding when you see a salesperson, let's say, with a customer on a phone call and that's the way they've sort of grown up, and they're used to dealing with their customers. Now, we're going out and saying, "Okay, we have an email opportunity", and it's kind of two-fold.

In one way, they don't really believe sometimes that email marketing is actually going to achieve their goals, but at the same time, they're now facing growing competition, and so will definitely, when they get the opportunity, email out as many as they can. I think Tim's comment about goals and objectives is a good one because we all have the same goal. We all want, in our case, to connect people with a place to play and purchase a home. I think our objectives differ in the sense of how we want to get there.

Ownerships of lists, I think one of the key things that we've learned on the marketing side, is definitely when we come up with our strategies and our marketing plans, it's absolutely essential that you define those, that you communicate them, and even debate them whenever there's an opportunity, and there should be an opportunity to sit down with the sales team, for example, and let them know what you're planning to do so they can give feedback, too, on how they're going to actually sell through. The comment earlier about conversion was very important because once those emails go out and the customers respond, we, as marketing teams, aren't the ones that are converting to that sale, or carrying it through. So it's very important for us that the sales teams and the Sales leadership have buy-in on what the communication plan is.

MODERATOR: Just a little random factoid here: According to one of our MarketingSherpa surveys, 80% of email marketers actually have no idea what happens to the leads they send to their sales teams. They just

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sort of disappear into this black hole. In terms of sort of creating that closed loop, do you really feel that it takes metrics first and then buy-in, or is there some other magic formula?

NICOLE FOWLER: I would say it's a bit of both. Recent conversations we've been having as a marketing organization is that we had a tendency to – it was also about lead generation, and especially in leading the interactive group, that becomes a big part of our conversation. But what was happening is we were doing a good job with the lead generation, but we were actually taking those leads and throwing them at the wall, or throwing them over the wall. So, we were kind of throwing them to Sales and saying, "Great, here's all your leads. Go for it". Then, that brings up the questions of quality, and you might get some resistance that way.

So, I think the earlier point to analytics was key. You can do some deliverability and look at some of the small step analytics, but I think, where, at least, our business is going, and where we want to go as marketers, is then looking at the follow-through of that email after it gets over the wall, and follow that customer through the path and just track those analytics and as much history as you can, so you can see the process that they're going through, and also, if it's integrated into a CRM, your salespeople will also be able to see that history and those web and email metrics within their day-to-day. So, it's like they're seeing the response and open rates in their black books, so to speak – because I work in a very old-school industry. But, they'll be able to see that in their own day-to-day, and actually, they tend to get very excited and engaged by it.

JOE SLEPSKI: Yeah. An old-school industry is B-to-B print publication. Reed Business, formerly Connors, soon to be determined, yes, for a hundred years, we were enmeshed in print publications and were ad-revenue driven, and amongst some forty-some different publishers and forty-some different magazines, you do find some that are willing to listen, just conceptually, to the kind of changes that you need to do, and all the stuff we're talking about, but then with some of the other stuff, it's definitely a challenge because you're going against some of the set rules for whatever the business is that you're in. For us, some of these rules go against the print-driven stuff. It's print. You want large circulation. But you have to make them understand that with email, you know exactly who's reading it. There's no estimation of circulation numbers and things like that. So I think it's unique to the business, but for our business, it's definitely a mixture of some publishers who get it and trust us to know our side of the business, and then others who just need a little more prodding and a little more –

JENNIFER RASH: Personally, I've found that getting people to buy-in to making changes is the most critical aspect. Once I get that buy-in, even if we run tests and we don't hit the great numbers the first time, they believe now that it's possible, so they're more willing to give it another try, take a second step, and at that point, the metrics really get to play off of the initial buy-in. So I've found that getting that support from the team, selling the team, and then coming back to them and saying, "Look at what we've done" really helps.

MODERATOR: Okay. Let's talk a little bit about just sort of timelines and structure and buy-in. How can we organize things in such a way that the whole thing works as a strategic whole. I know there's no sort of magic answer to this but –

JOE SLEPSKI: If you know the answer to that, I'd be – let's talk.

MODERATOR: But, yeah, if you could address some really tactical things that will help to achieve these larger strategic objectives.

JOE SLEPSKI: What do they say? Think globally, act locally? For us, we have to always think – for my specific team, we always have to think of all the titles. So if one book comes with one thing they want to do and it will cost x-amount of resources to do, etc., we have to immediately balance that with, "Well, this doesn't make a lot of sense. It may be something you want to try as a publisher, but because we're part of such a large organization, we have to roll it out in a certain way". So you always have to think of the big picture, and to successfully do that, we've found, is bring things down to the lowest denominator. Make it very easy for them to understand. Realistically, stand behind the law when you can, saying, "Hey, get the legal counsel". If your company has its own legal counsel, that's great. If not, I'm sure there's some legal counsel available at one point in time. Get them on your side. Have them clearly define some of the CAN-SPAMish standards that you need and that's your defense. You can kind of ram it through, sometimes, and say, "Okay. So we need you to follow this route", and then just look for opportunities. As you're making changes to help convert some of their business – so they're bringing you in on a project and

they're saying, "Okay", take that opportunity to introduce some of these other concepts, because in those cases, you're coming across – you are the expert.

An example is one of the things my team does right now is we manage the advertising traffic for all of the newsletters, but we're also becoming a centralized deployment team. Previously, each of the individual publications had one of their editors actually doing deployments and we were more of a loose referee. We're bringing that in-house to a central deployment team to make everything faster and more efficient, etc. So, I'm taking the opportunity, as we bring books in to say – as example is, one of the books was doing subject lines that were 140, 160 characters long. I refused to take it from them unless they agreed to shorten up their subject line. Me taking it is less work for them. So there's a little bit of a balance there. So, I said, "You have to shorten it. Otherwise, you're still going to do this and everyone else is going to get with the program".

JENNIFER RASH: Well, probably what I would consider one of our best processes was a newsletter that I'm very proud of, and that was one where we were getting a 35% open rate. It was to our resellers. The vice president of that division said, "35% is simply not good enough. It might be above industry standards, but it's not good enough". So, I sat down with the person who handled the communication within the business unit and we developed a plan where we pulled the designer in. We all sat down. We brain-stormed ideas. I made a lot of suggestions, almost all of which were accepted. We made sure that the designer could do it within the timeline we were giving, and we sat down and we reworked the newsletter within three stages.

By the end of it, we were getting – our estimated open rate is around 60% and the business unit is extremely happy with us. But, it was a collaboration effort. It was getting the buy-in from this dissatisfaction and getting the buy-in from the business unit. We had to go through the GMs, we had to go through the vice presidents to get everybody on board. So there was a lot of selling the idea, but when I told them, "You're going to save time. You're going to see better efforts. You're going to see better results", it uncovered a lot of other issues that left us very interested, but it's been a rollicking success. But it was that teamwork, that buy-in, and working together.

MODERATOR: Great. So again, this all speaks to buy-in and this leads very nicely into our next slide. I'm your boss. I don't get what all the fuss is about.

JOE SLEPSKI: I want a raise.

MODERATOR: Convince me. Here's your chance to make your elevator pitch. Explain to the world why it is that you need these changes, why you need these powers, why you need oversight, sort of why all this stuff has to come together and work in a certain way.

NICOLE FOWLER: I think one of the biggest challenges probably many of us face, being in digital or interactive communication, is that it's fast and it can go out in fifteen minutes and it can be super speedy, etc., and everybody really wants to get it out there quickly and wants to do the best job to help your teams. There's a few things that as leaders, we asked ourselves, and then also, we asked our sort of senior management teams to back us on, and one of them was enforcing compliance. So we have certain issues where salespeople, because they want to reach their customers, will be their own mass email machine. So they will potentially bring down the entire business network and get us blacklisted by doing this. It's not that anyone wants to do this, or sets out to do it, but in doing that practice, unfortunately, we have had certain incidences where they risk the entire company network. I hate to say that it takes those examples to bring them forward, but when they did start to happen more and more, and we were getting sort of more exposure as a company to these risks, we definitely had to sit down with the senior management team and say, "We need this enforced, so people hear the message and see the results of the action". So one of those enforcements was a zero-tolerance policy and a set of guidelines to go along with it.

So, you can't just come out and say, "Okay. You can't do this anymore". You have to have the reasons in place. You also have to have a bit of structure in place. So, to say, okay, what is reasonable? It's hard to go to any salesperson, even a marketing person, and say, "You can not speak to your customers anymore". That's just not going to work. So, it's coming up with those guidelines and those baselines that are acceptable and will work within a company structure also.

From a marketing standpoint, what we did is we created briefs. I love process, but it's a hard thing, sometimes, for people to deal with. They don't want to hear it. They just imagine that you're throwing in 40 more people into the timeline and then it's going to extend it. But, we've found with something as simple as a brief – and

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for those of you who work with agency briefs, what we've done is we just created an email brief. So it's a pared down version of an overall campaign. You put the set questions and vocabulary in that brief so that every team member is speaking at least the same language or is asking the same questions. That was a very strong one for us. So, as leaders in our organization, we have to enforce the brief, and it's not easy sometimes. If someone has a "I just want to send out a letter. Just one page. Just one page. Do I really have to fill out the brief?" The perception there is that the brief is going to take eight hours and the email should only take ten, but really, through practice, and I think, enforcement, that one email brief saves about fifteen emails going back and forth between your teams anyway. So that was a strong one for us.

JENNIFER RASH: Well, if you were my boss, or you were one of the general managers – because I have a great, supportive boss, and that's also a good thing. My direct boss is a marvelous man and he is very supportive of these efforts that I take. I want to give him a little kudo there. He's not here, either.

JOE SLEPSKI: But they're taping it, so he'll –

MODERATOR: Yeah, I'm sure he'll see it on-line.

JENNIFER RASH: But, if I were approaching one of the business units, I would sit them down and say, "We have a much greater set of tools now that we can provide you. You can spend less time. You can spend less money. Your effort will go down and we can help you increase your sales by simply using metrics, by trying new things. Doing the same old thing is just not good enough any more, and we can help you kick this up five notches." That really does help. They feel excited by the idea of doing something new and different. The fact that they have to buy into it means that they support it. Even when the results aren't quite what we wanted, they are right there going, "You know, at least we tried and I'm not willing to just sit back and let that go again".

JOE SLEPSKI: Nicole earlier mentioned something about black list issues, and unfortunately, that's the worst common denominator that many of us share. That was an eye-opener for us. At Reed, a couple of years back, we ran into an issue and we had to go – at first blush, it was a lot of accusatories – "What are you guys doing? What are we, as the email administrators, doing? – and what we did, boss man, was we put together all of the various things and rules and business practices that are going on that we actually had no control over, but just is the way the business worked, and put together a list of things that we thought needed a change.

So, we went to our bosses and said, "We need to change these things. We need to start doing this, start cleaning up lists, start segmenting things", and that worked. So, the bad news got their attention, but then we took the opportunity to sell and educate our bosses about stuff that they normally left for us to do. So the lesson there would be to be proactive before you get in trouble, but sometimes – and we were in some cases – they don't listen to that. They don't listen until there's an actual damage that's going on to the business in some way, shape or form.

MODERATOR: Do you think there are some small emergencies that you could possibly use in a situation like that to scare somebody, I guess?

JOE SLEPSKI: Well, we do 35 million a month, but when one person sends an email to the CEO and says, "You're spamming me", that gets their attention. It may or may not be true. They may have absolutely opted in, just as some of the metrics we were looking at earlier. People complain about things they actually subscribe to, which blows my mind. But, those instances are little opportunities. So, it's not something that's actually a problem in reality, but it's an opportunity to – because it goes to legal counsel or it goes to the CEO or some boss, and then when that ring comes down the ladder to you, that's an opportunity for you to get in front of them with whatever the relevant topic is – "Well, this is the reason you got this complaint. This is why I've been proposing that we do a central deployment team for six months. It's to get rid of this, so stuff like this doesn't happen". "Oh, okay". Now, he understands that. He understands the impact of it.

Another suggestion is, if you really want to get their attention, put your boss's email address on every one of your lists. Then they'll get a real impact of the volume that you're doing.

NICOLE FOWLER: That's actually – we all laugh, but we have – I guess a key thing for me is sort of the accountability versus responsibility. There's a lot of people in our teams who have responsibilities, but it was very important that you look at and identify who is accountable. So, we actually have a list in our company for every single email that goes out, and there's probably about 12 to 15 people on that list. It's executive management team down to

marketing directors who may not see every email, but everyone receives every single one. That was a definite eye-opener. I still receive some that weren't on the list, and each time that I do, it's just another opportunity to review that and send it back to, let's say, a sales director or send it back to a marketing leader who is working with that team so that they're aware, because there's so much that can just go on on a daily basis. Again, I can't stress things like analytics enough to say, start looking at each individual email and keep that history because it's important to look at, especially when we were talking about newsletters earlier versus campaign emails. Watch those unsubscribe rates and translate it into a way back to your teams, your leadership, about where those people are going, and remind them that they are people and that they have faces and they've just left your business for good.

MODERATOR: We've got about ten more minutes here, so I'm going to open it up to questions. So if anyone has a question for our panelists, raise your hand. Do we have the wireless mic?

I guess, then, approach the central aisle. There's a microphone right in the middle – if you want to ask a question.

PARTICIPANT: Hi, Todd Greenwood from MTI. This is a question about – in a B-to-B environment, it sounds like – maybe, Nicole, the question might be for you. It seems as though you were talking a little bit about multi-channel issues that occur in your organization. You have folks on the phone who are closing sales, and then you have email campaigns that are going out. Maybe there's a print component. Actually, to any of you, can you talk about some of the challenges of managing and email campaign, segmentation, etc., database issues that go along with operating in a multi-channel sales environment? Thanks.

NICOLE FOWLER: Did everyone hear the question? I'll just repeat it quickly. So the question was how do we deal with email campaigns in multi-channels, when you're dealing with potentially different brands or different divisions. I'll speak to this really quickly because I think Joe has a lot more experience with this, too. One key thing for us is permission. When we talk about permission-based, it's actually internal within our company. So, if you can imagine 12 to 20 different resorts have their own customer database. So that's within the resort, itself. Then we have a collection of resorts, so then there could be an umbrella company that is potentially going out to those customers also for different reasons. In addition to that, there's a company called Playground, which is again dealing with a whole bunch of different customers. So one of the things we need to do ourselves is actually internal permission-based. So, if a resort in Quebec right now has a lot of skiers and everybody is getting a bit tired of the cold, they're going to look to Florida and Florida is going to say, "Well, we want to talk to some of those people in Quebec because they must be tired of the cold now". So, they can't just go out – let's say this is a Intrawest customer, an Intrawest homeowner, they have to ask permission from that specific division or that specific company before it's released. We do work on global platforms, but in that case, again, it's all permission-based, depending on who has the closest relationship to that customer and where the customer opted in to, because that's important also. Even though in the fine print it may say that by opting in to this particular resort, or for this particular product, we can touch you or speak to you from the larger company perspective, we are very, very careful about how we do that.

JOE SLEPSKI: Yeah. In our experience, it's going to cost you money and require control. We have a lot of separate and disparate databases. Circulation, they've got their names – they're all the same names, but there's a circ database, there's newsletter databases, there's mailing lists for DM2, which is our list sales rental arm. So the control part comes in where you have to put together a very, very detailed process flow of where your names are coming from, from the point that they're acquired to how they distribute throughout the company, and then you have to enact controls over that to limit people's ability to send all those various things without your knowledge. You're initially not limiting their ability to do their business at all, and that's never the goal, but you need to know about it. You need to wrap your hands or your mind around how many times are you touching these people.

And then the money comes into play. Unfortunately, you have to get a database together. You have to get a centralized database. We're in the process of building one right now – I'm very excited about it – that is going to give us a very, very good view of how many touch points we are in both telemarketing and through all the email channels, be it circulation, newsletters, etc. But, until we have that in place – we've been working on that for a while – we're actually unable to put any limits and to kind of control that flow because the question has come up, if someone subscribed to a newsletter, we're

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obligated to send that to them, even though Circulation is also wanting to send something to them that day.

So what trumps what? So do we hurt our circulation efforts in order to get them something that they've – let's say they've signed up for a daily newsletter. Variety does a daily. PW Daily does a daily. That means we would never be able to send them a newsletter. So you have to get your hands around the information. We're finding that a central database is the key. Unfortunately, that's going to cost you a little bit of time, money and effort, but it's definitely well worth it.

MODERATOR: Just curious. Would you ever consider combining certain newsletters or looking at traffic patterns to kind of figure out where –

JOE SLEPSKI: Yeah. Well, Variety is actually a very good example. This goes back about five years. They had a newsletter for movies. They had a newsletter for TV, radio, music industry, totally different segments. They looked at the numbers. They realized that they were sending to a lot of the same people; certainly not all of them, but a lot of cross-over information, and that cost them a lot of money. So, instead of sending twelve emails out a day, they reduced it. They send one email out with segmented, targeted things – and this goes back a few years – but they saved a significant amount of money. I wish I had the percentage in my head, but it was a significant amount of money because they are now not sending – they're sending 1/12th the number of messages. They're saving money on messaging and they're also saving annoyance factor to their readers.

MODERATOR: Any other questions? I saw a whole lot of hands up there a minute ago. Are you afraid of the mic?

JOE SLEPSKI:That's it?

MODERATOR: Oh, we've got one in the back.

NICOLE FOWLER: We were promised some heckling too. So, you know, good stuff.

JOE SLEPSKI: Any personal questions? We're open. Really. If you need advice, love life, personal, do it.

PARTICIPANT: Hi. My name is Jonathan Estra and I'm from Fiserv. My question is have you had any opportunities or any situations where, through your email system analysis, you have seen opportunities for market segmentation, based on your list growth and list analysis, that might be different than a traditional sales segmentation breakout, and how do you align that segmentation strategy with the sales area?

NICOLE FOWLER: Well, that sounded like you were asking about the relationship between behavior on the email and segmentation. Is that right?

PARTICIPANT: That's correct. Again, if you see opportunities within your email for a way to segment your population, your target market, differently to be more effective in the email world, but yet that segmentation may not be what your sales area traditionally looks at as their market, how do you align those two?

JENNIFER RASH: Well, I've bumped into that a couple of times, and the sales department usually welcomes anything that will increase sales. So when I sell it to them as, "This is a brand new avenue, a new opportunity", the sales department likes it. So I really have not had too much trouble selling that concept, but I do present it as a boost in sales, a new idea, really getting the salesperson to agree to it.

NICOLE FOWLER: I'll just actually – one thing we've noticed – I'm a marketer at heart, so I love magic and pictures and I want to tell long stories before I touch the customer they get to convert. A salesperson in our business wants to know how many bedrooms, and are you ready to buy tomorrow. So, I think the biggest change we've noticed also, though, is in our customer's readiness and propensity to buy. So what happens to us from a segmentation level is – about ten, fifteen years ago, the behavior was somebody would buy after potentially five or six visits to a given resort, and then they would be ready to buy. But now we're seeing that cycle is much longer. So what we need to do as marketers, is we look at our segments as how long have they been in our lives or how short have they been in our lives? We can generally judge how long that pattern is going to be for the buy. So, we're segmenting, actually, more based on individual pathing and story and what content those people are looking for. From a sales perspective, it doesn't change so much, because again, we're both looking at the buyer readiness, propensity to buy. So, as marketers, we're finding that our job is actually – we need to keep those leads and those customers warmer longer through the process, but at least by the time we get it to the salesperson, they see that as an increase in the quality of that lead. And a lot of people in this conference are probably thinking or talking about rating

these days. So you can align those kinds of ratings based on where the customer needs to be for the salesperson to actually engage and interact with them.

MODERATOR: We're actually just about out of time. Is there a quick –

JENNIFER RASH: If there's any other questions, just come and see any one of us afterwards, or during the break, and we'd love to talk about it more.

MODERATOR: Thank you very much. We really appreciate you guys coming.

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Email Policy & Office Politics

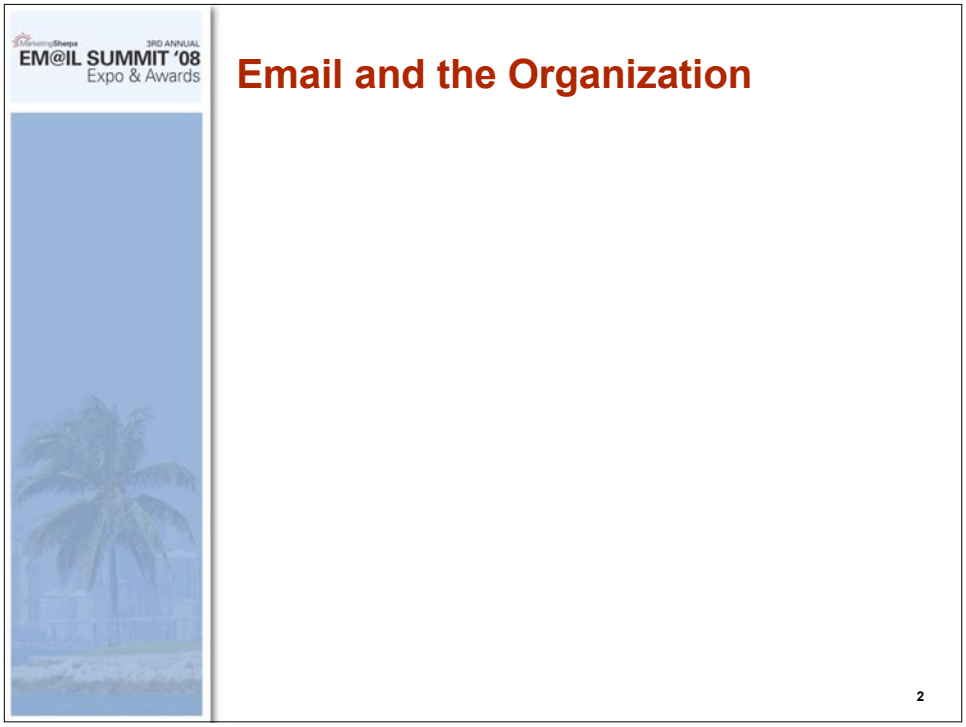
How to Address Organizational Issues in Email Marketing

Nicole Fowler, Playground/Intrawest
Jennifer Rash, Sage Software
Joe Slepski, Reed Business Information

Moderator: Tim McAtee, MarketingSherpa

Monday, February 25, 2008

MarketingSherpa 3RD ANNUAL
EM@IL SUMMIT '08
Expo & Awards



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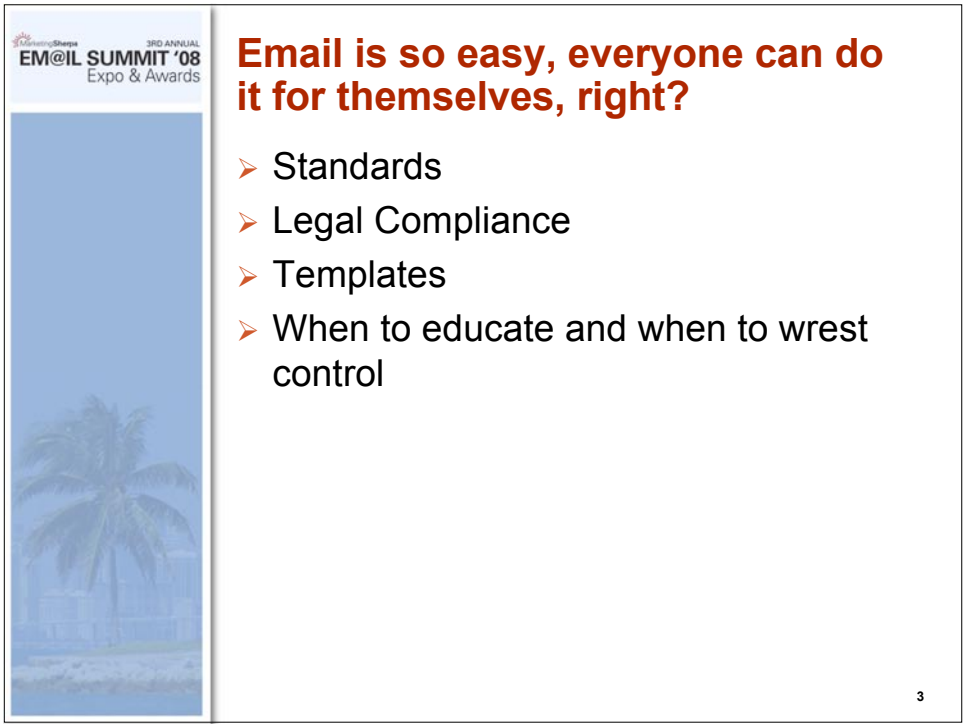

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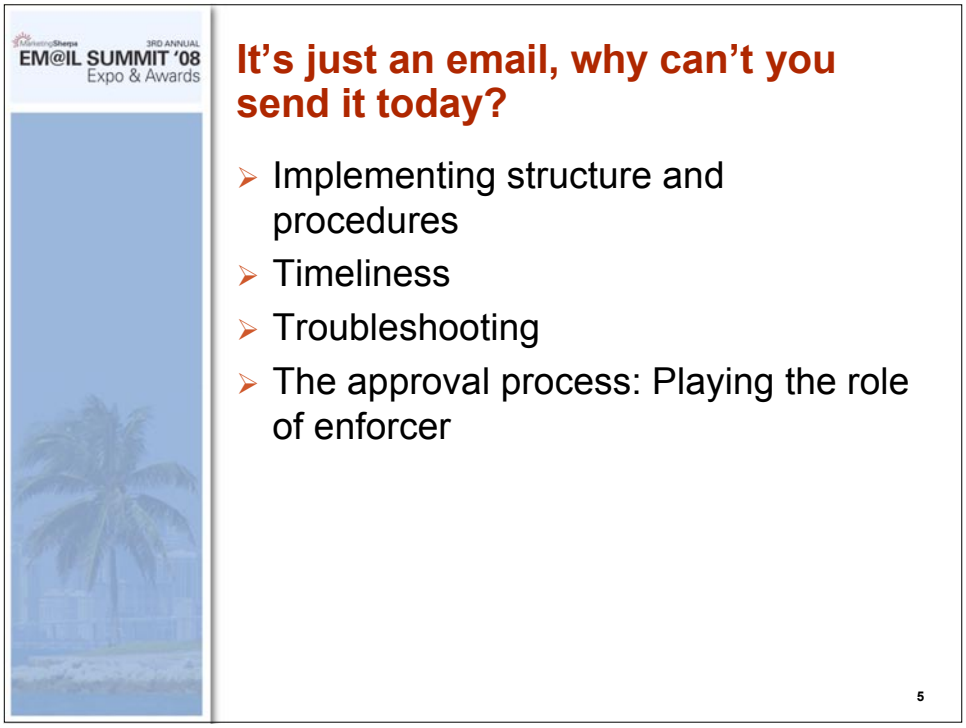

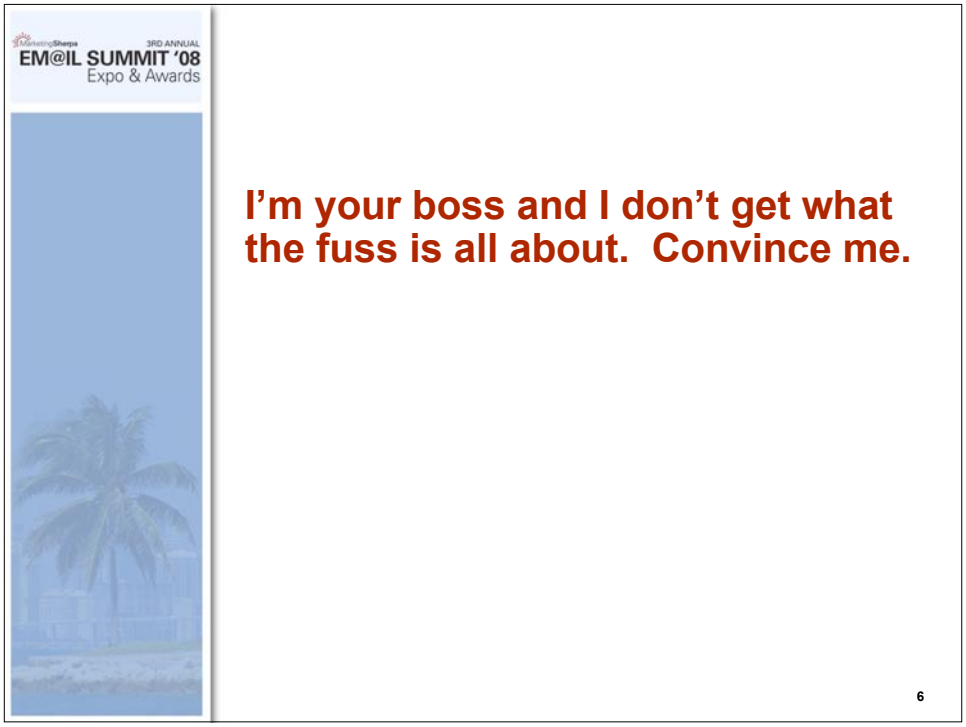

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Relevancy Case Studies: Sending Email that Inspires Action

SESSION DESCRIPTION

Four featured case studies will provide real-world answers for the question that is always on the mind of every Email marketer: How do I increase response rates, revenue and customer satisfaction? Panelists will address re-opt-in campaigns, response channel tests, segmentation, and strategies for Emailing customers who are increasingly sophisticated consumers of digital content.

ABOUT THE PRESENTERS:

Annette Promes

Director of Email Marketing,
Expedia Inc.

Annette Promes is Director of Email Marketing for Expedia, the largest online travel service in the world. Promes has worked in direct marketing for more than 12 years and has held various marketing and analytics positions at Microsoft, AT&T/Cingular Wireless, Quickmarketing.com, Exponent and MSI Consulting Group. Most recently, Promes has worked with Email, direct mail, text messaging and telemarketing. Promes specializes in data-driven customer base and lifecycle marketing, as well as in behavioral targeting and testing. Throughout her career, Promes has championed the value that marketing provides to the consumer, especially when it is timely, relevant and based on behavioral triggers and predictive models. Annette has a Bachelor's degree in English from the University of Washington and a Master's degree in Business Administration from the University of Phoenix.

ABOUT EXPEDIA INC.

Expedia Inc. is one of the world's leading online travel companies with a mission of helping everyone everywhere plan and purchase everything in travel. Expedia's brands and businesses work together to share best practices and leverage geographic reach, scalable business models and customer-related synergies.

Sarah Nelson

Senior Strategist,
500lb Marketing Solutions

As Senior Strategist at 500lb Marketing Solutions, Nelson manages strategic consulting services and product development. With expertise in online content strategy, web design and usability, systems development and good ol' MarCom under her proverbial belt, Nelson believes that the best marketing strategies are founded on having a dialogue with customers, not a monologue. With a focus on "closed loop" marketing, Nelson has helped attract pioneering clients, such as Trader Joes, GoldToeMoretz and the Young Presidents Organization, to the client list for 500lb. Before joining the 500lb management team, Nelson served in senior management roles directing global internet strategy for InFocus Corporation and FLIR Systems Inc. Nelson is a graduate of Scripps College, with graduate degrees from the University of Melbourne and Portland State University.

ABOUT 5OOLB MARKETING SOLUTIONS

500lb. Marketing Solutions is a full-service marketing agency specializing in fully-integrated, technology-enabled marketing systems. They help clients use Email to communicate a vision for a new product or service, increase lead conversions and revenue, decrease support costs and errors, improve efficiency and customer satisfaction levels and enhance the credibility of their company. 500lb Marketing Solutions capabilities include website creation and refinement, technology design and implementation, marketing campaign creation and management, creative production, systems integration, value measurement (ROI) and strategic consulting.

Relevancy Case Studies: Sending Email that Inspires Action

Uwe Michael Sinn

Managing Director
rabbit eMarketing

Uwe-Michael Sinn is one of the pioneers in Email marketing in Germany. After he founded a company that developed one of the first Email marketing systems in Germany in the late 1990s, he became managing director of rabbit eMarketing in 2003. Sinn is an expert in executing highly individualized Email campaigns both on a national and an international level. He is a well-known author of reference books and articles on Email marketing in Germany. One of his most complex, demanding and successful projects is the implementation of very targeted and individualized Emails for "Wer liefert was," one of Germanys biggest publishers of business related information. He has a Master's in Business Administration.

ABOUT RABBIT EMARKETING

Wer liefert was? ("Who is delivering what?") is a publishing firm specializing in delivering business-related information. It is the most successful search engine for suppliers and is widely used by sourcing departments of mid-size to very large enterprises in Germany and Central Europe. The business model can be compared with the one of the Yellow Pages: Standard entries are free, eye-catching entries with additional information sold. Most of the day-to-day-business in Email marketing at "Wer liefert was?" is performed by rabbit eMarketing, a communication and advertisement agency that is completely focused on Email. With managing directors Uwe-Michael Sinn and Nikolaus von Graeve, it is one of the biggest Email agencies in Germany with more than 150 customers in Germany, Europe and the United States. In its international branch, rabbit eMarketing especially focuses on helping US companies that want to work successfully in Europe.

Kimberley Talbot

Senior Group Manager
WW Relationship Marketing,
Adobe Systems Inc.

Kimberly Talbot has worked with leading direct marketing agencies, including Rapp Collins Worldwide, Grey Direct and McCann Relationship Marketing. She focused on database marketing for loyalty programs like TLG's Canadian Airmiles program, Hyatt Hotels and Bennigan's. Talbot has applied those loyalty principles for non-traditional programs for DirecTV, Dell Computer and Microsoft. In 2006, Talbot joined her former client Adobe Systems Inc. There, she manages global relationship marketing for Adobe Creative Suite and Adobe Photoshop, integrating Email and direct mail with search, in-product messaging and the Web to ensure that Adobe delivers consistently engaging and effective experiences to key customer segments.

ABOUT ADOBE SYSTEMS INC.

Adobe revolutionizes how the world engages with ideas and information. The company's award-winning technologies and software have redefined business, entertainment and personal communications by setting new standards for producing and delivering content that engages people anywhere at any time.

PRESENTATION

MODERATOR: Good morning. My name is Jeanne Hopkins and I'm the Chief Marketing Officer for MECLABS Group.

So, we really think this is a wonderful opportunity. There's a lot of great people here with a lot of fantastic information. And as a matter of fact, for those people that don't know we had almost 200 speakers submit proposals to speak at this particular event. It was absolutely outstanding. It's twice what it was last year. And we had a hard time selecting speakers and we wanted to make sure that the content was what you wanted to hear. So, we know the case studies are so important to you. You want to hear what real marketers are doing in real time, and you want to be able to ask them questions.

So, right now for the next hour-and-a-half, we have four speakers that are going to be presenting each of their case studies. Each of the sections are 20 minutes long, and at the end of that session we will have time for question and answer, and following that Q&A, we will go to lunch.

So, at this point I'm going to turn this over to Annette. Thank you, Annette.

ANNETTE PROMES: Hey everybody, so I'm going to kick off this section about relevancy case studies and first a little bit about myself. I work at Expedia and I am the Director of Email Marketing there. I am responsible basically for all of the email marketing programs for Expedia North America Leisure Travel, and that doesn't mean that we only do leisure travel, it means that we also cover a segment of customers that we consider to be unmanaged business travelers. They are not a large enough corporate client to go through our Corporate Travel group, so they do a lot of business travel booking through our Expedia.com website.

In addition to being responsible for email in North America, my team's responsible for all of the marketing strategy and tactics for our program, as well as owning all of the operational systems that keep all of our infrastructure up and running.

To give you some sense of size, in our business, we're the second largest tracked marketing channel for the company, so Brand Marketing would be our largest marketing channel, and of the Tracked Marketing Channels we're second to search engine marketing. What that translates, in terms of dollar value for the business, is several millions of sales a year for Expedia.com that we drive. So, what I want to talk about is how we do a better job of that.

To kind of give you a background on our channel, we do not use email as a branding channel or an editorial channel at Expedia. It's purely a transactional channel. Everything that we do gets measured on the number of sales for the business, then it ends up driving to our bottom line. So, we care a lot about trying to decide what offers to put out there in front of customers that will do a better job of converting them and turning them into a transactor.

One of the things that we do with offer testing is we try to come up with offers that are very relevant to the existing customer base so that they are more likely to interact with that email and more likely to then purchase something from us.

In this particular case study, we're talking about a segment of our customers that have signed up to participate in Expedia's rewards program. Expedia launched this rewards program about a year ago and it's called the "ThankYou Network". Anyone here heard of ThankYou Network? Raise your hand. Couple of you, okay.

The ThankYou rewards network program is a program where a customer who's an Expedia customer can create an account called the ThankYou Account, and they'll get a ThankYou account number. And once they have that, when they buy certain types of travel with Expedia, they will qualify for awards points; kind of like a frequent flyer or a mileage program. You can take these points as you accumulate them and you can turn them in at a later point in time for travel rewards, or you can go to ThankYou.com and you can turn them in for other non-travel related rewards. You can get restaurant gift certificates, you can get jewelry, you can buy electronics and things like that.

Now, there are only certain types of travel that we sell on our site that will qualify you for rewards points. And one of the things that you buy that does not qualify you for rewards points are airline tickets. The margin on airline tickets isn't enough for us to be able to give award points for that, so what we try to do is we try to talk to

customers in the program, and we try to get them to add certain things to an existing air ticket that they've purchased that will then qualify them to earn rewards points on the whole thing.

So, one of the things that we've done with this base of customers is this offer testing. It's how can we put an offer in front of these customers that means a lot to them that will increase their future purchase of travel that is high margin for us? And for this particular test what we did is we're looking at customers who bought stand-alone air and we are trying to sell them a hotel and that is a high margin sale for us, so we're really trying to drive hotel attached with this base of customers. So, what offers can we put in front of them that will better do that? And we tested three.

The first thing that we did is we talked to them about the ThankYou program and how they could earn their ThankYou points. So, this particular offer was if you add a hotel to your existing air purchase, you will earn one point for every dollar that you spend including the dollar value of that air purchase. Now, the thing to note with this is this is not actually an offer other than the baseline value proposition of the ThankYou program, but we wanted to message it explicitly to the customers to see if that would drive incremental behavior.

The second offer that we put in front of them is kind of our standard tried-and-true: "Add a hotel and we will give you a coupon." And we did two different kinds of coupons here, one is a $20.00 off for a three-night stay, and the other is a $40.00 off coupon for a four-night stay.

And then, our control messaging is what we just kind of do as a baseline test all of the time, which is there is no offer, there's no get something extra. It's just to message to those customers who have purchased that flight, but not that hotel, that if they add a hotel they'll save some money and we throw up a lot of very low price points in the market that the customer's traveling to see if can get them to buy it that way.

So what I have here, copies of our creative. This is our ThankYou points offer test, and you can see that it says, "Hey, do you need a hotel for your trip? If you book a hotel then you can earn ThankYou Points", and then it talks about the value proposition and how they would go about adding that hotel to their itinerary to earn those points. We also, in almost all of our emails, will populate price points in there to get the customer interested and to get them to click through to come to the site and add that hotel.

Here's our second test, which is our $20.00 to $40.00 coupon offer. It says, "Exclusive for email subscribers." It gives the customer a coupon code and again provides them with opportunities to click through in the email to come to our site, add in that coupon code, and qualify for that discount.

And the last step here is our control offer. It basically says, "Hey, we've got some really great rates on hotels. Why don't you click through and add a hotel, buy a hotel, save some money?". So, how did they do? Anyone have a guess? Anyone think the ThankYou offer did the best? The money, you think the money? How many people think the money? And the control offer? Okay. The figure that we thought.

The ThankYou points offer had an 82% lift in clicks, and what we're using here is our baseline, that control offer, as our standard measurement. Eighty-two percent lift in clicks, 347% lift in transactions, and a 61% higher opt-out rate. Our coupon offer, our money offer, 24% lift in clicks, 106% lift in transactions and an 18% higher opt-out rate.

So, basically what we decided to do in looking at this, going forward, is we'll absolutely for a base of customers that has clearly indicated they have interest in a particular rewards program, is we will message that rewards program. A couple of reasons that this is better for us is this is actually a much lower cost offer for us as a business than it is to present a customer with a coupon, which is very margin destroying. And when you present customers with a coupon you might get incremental sales today, which we clearly did. But, you can also get them addicted to coupons, and we consider coupons to be crack and we hate - we hate giving coupons to our customers because it means you trained them not to buy from you in the future, unless you're going to present them with another coupon. So, you can get that transaction today, but you might not necessarily as easily get that transaction tomorrow.

The ThankYou points, because it is a very cheap way for us to reward the base of customers who've already signed up for it comes out of different program dollar buckets than margin does. Again, much better, much more effective way for us to talk to this customer base

and put an offer in front of them that is very meaningful to them.

One thing to note, too, is the higher opt-out rates. So opt-out rates are absolutely a double-edged sword because what it really indicates to us is people opened the emails. When we see really, really low opt-out rates, it generally means people are just deleting the emails and they're not bothering to interact with them at all. So, you have to balance the tradeoff between getting that customer to click and getting that customer to open, but at the same time you're getting that customer to do something, which means they are also going to be more likely to do something like opt-out. So, we have to balance that. We have to look at the overall value that this particular email message is driving to us as a company, and trade that off against the cost of losing a viable marketing channel to a certain set of customers going forward.

Now that's said, what you don't see in here are actual opt-out rates, and the actual opt-rate is really, really, really low, so even seeing a 300% list in that opt-out rate is only a handful of customers more that are opting out with this message versus what they would be doing in a baseline message.

So, another thing that we look at is frequency management, and when you have a group of customers like this that have purchased a piece of travel but have not yet traveled, they're kind of a prime target for us to do a lot of cross-sell offers to. So, we have to look at the windows of when all of those other kind of trigger-based cross-sell offers that we would normally send out are touching this base of customers, and try to take these marketing messages and send them at a different point in time, So that you don't have a week that a customer is hitting with 15 different messages. You want to kind of space it out, and that also help mitigate the risk of having a customer opt-out because they're being touched too frequently.

And that's it for me. I wanted to thank a couple of people here who are pretty key in putting these programs together for us. Carey Dietz on the email marketing team, Rosie Campbell who runs the ThankYou rewards program, and Cheryl Trew who is one of our analytics people who put all of this great information together for me. Thank you.

KIMBERLEY TALBOT: Hi, I'm Kimberley Talbot, and I'm with Adobe Systems. I am the Senior Group Manager and I manage worldwide relationship marketing for two key customer segments for us, the creative professionals and then the digital imaging professionals.

Before I begin, let me ask a question of the audience: How many of you in the last week have reviewed materials created in Photoshop or Illustrator? Keep your hands up. How many of you have reviewed a PDF file? Yeah, so you guys know a little bit about Adobe. Let me give you a little bit more background.

We are headquartered in San Jose where it is now not even 9:00 yet - I'm just saying. We made $2.5 billion in revenue in 2006, last year we brought that to $3.1 billion, so we've had, in the last five years, double-digit growth, which is very exciting for us. We were founded in 1982, so we've been around for 25 years. And those of you who have been in the industry for a while will remember how much Adobe changed, our industry in particular, with Photoshop and Illustrator with PostScript fonts. Those of you who work in the digital realm know how Flash changed the area of web design, and now, we're working in the area of mobile with things like Flashlight.

In a different arena, we work with companies to help develop engaging experiences with their customers and their partners with things like Acrobat PDF and server-based products like LiveCycle. Between Adobe Reader and Flash Player, Adobe has presence on virtually every PC In the world, and so our job is to create engaging customer experiences on those PCs. So, for us, relevance isn't just a nice-to-have, it's part of our brand deliverable. Relevance is what you have to have in order to create engaging experiences.

It also means that relevance helps us drive campaign performance, and of course for us that's kind of the bottom line. And it drives campaign performance at every level, so it even affects deliverability. You mentioned deliverability earlier, and you know, if you're getting lots of SPAM complaints, or you're getting blacklisted, your deliverability thresholds are going to be lower, so even at the most basic level, relevance affects your email performance.

Of course it also - if you're not delivering relevant content, you're going to get SPAM complaints, you're going to get unsubscribes. And if you are delivering

relevant content you're going to see an impact in your open rates, your click-through rates, and your response rates in revenue.

So, the case study I'm going to talk with you about today is the launch of Creative Suite 3. Some of you may be familiar with this product. It was the biggest launch in our history, and in this launch we did new versions of 27 products including five new suites and the suites pulled together all of our big products. So, where we might have had in year past - we might have had a launch of Photoshop or a launch of Illustrator in the same year, and that would have been a tough year, this was a launch of everything. And it went to all of our creative professional audiences, so our typical design in print, along with our new audience which we have more appeal to since our acquisition of Macromedia, web designers and developers, our digital video professionals and across media professionals.

And the challenge is that Adobe means different things to all those different audiences. The product offerings are different to all of those audiences. So this could have easily become a quagmire for us of versioning. So, the challenge was: How do we deliver relevant content to all of those audiences in a single campaign, and still get solid ROI, and frankly still not kill our teams?

So, this will probably seem obvious to you when I say we used email to drive customers to the website. Let me explain why that's important. In software, typically when you communicate and announce, your job is to prime the pump. The product's not actually available, and you have somewhere from two to four weeks that you're communicating with people before they can actually buy the product. And in years past, Product Marketing had told us that what people needed was basically a laundry list of the features and benefits that were coming out. They needed all the information delivered to their desktop.

It took probably four years of research to convince them - in a couple waves of testing - to convince them that creative professionals don't want a laundry list. They don't read it, and so what was tough is that some percentage was always responding, so we had to go and actually demonstrate using controls that we could actually double and triple the response if we could give them what they actually wanted.

So, we put most of the information on the website, we made it highly visual, really engaging so that not everything is sitting right up front. They have to kind of dig down to get to it, but, the job of the email was to get them to the site.

The other thing we did with the announce email was use a single call-to-action because the website had navigation that gave customers complete control, and we really wanted to drive click-through and not confuse people. We find that with every additional call-to-action, that response is reduced by some percentage. Typically three is our magic number through testing, but one definitely gets us the highest response. So, for our announce email, we had a single call-to-action to get them to the website.

Subsequent touches gave them a little more latitude, so we wanted to do the shortest distance between them and where they wanted to go. This allowed customers to choose their own areas of interest, and it also helped with the streamline versioning requirements. Obviously, as I said, part of the big driver of that was minimizing campaign costs, but we had to look and say, "How can we minimize those costs without reducing response?" We have to make sure that we've developed versioning that's relevant to the particular segments.

So, the first segment is our design and web segment, and you'll notice our creative approach looks really different from a lot of emails that you see. This was really revolutionary for us. The concept itself was created by Goodby Silverstein & Partners, and it's called Creative License, and basically it's a highly visual campaign. It's designed to have very few words because designers and web designers, they communicate through pictures, they don't read. And so you'll see there's a simple streamlined image next to a very edgy, elegant, sophisticated image, and the tagline that is creative license, "Take as much as you want." You'll also notice that the extraordinary image bleeds outside of the boundaries, so what you're communicating there to the audience that it frees you from boundaries.

Again, the first image, which is the A image, was the announce and we used a high impact subject line. It said, "Today, everything will change," and for designers it really did. For designers, this was a time we could use that without being too promotional. In subsequent releases it'll be updates, but in this case it was really significantly different.

As we got further into the campaign, you'll notice where we have the purple shoe - that's our ship email, and so we come right out and say "It's here". I think the subject line was "It's here. It's Shipping Creative Suite 3.", and we have an order now button for those people for whom it was applicable. And then finally, a reminder email that was a creative license theme as well, and again with the order button.

For our digital imaging professionals, these are our Photoshop users. They don't own other products, they own Photoshop. They're a little bit different. They have some similarities in that they are still a graphic audience, but they also have a different workflow and different needs when the get to the website, and so we had a different version created for them. And you'll notice first, obviously it's a different format to the email. That's driven by the fact that we wanted to communicate that we understand their workflow without saying, "We understand your workflow", so I'll take you through the copy and you'll see what I'm referring to.

Also, rather than starting with a very simple, clean image, we started with a viewfinder, so it conveys that we get it, there's a viewfinder in the beginning. So, the copy reads, "You start with a thought and picture it as something, so you capture it and then you edit it, you enhance it, you perfect it until you own it. Introducing the all-new Adobe Photoshop CS3."

Again, we've got the creative license tagline, "Take as much as you want." And the imagery that we're using here is all photography, it's not vector-based art, where in the other images it's sometimes not clear to us as marketers, but for the designers who are involved, they're clear that you've got vector imagery, you've got motion and they can look at it and see which products those images were created in. So, it's very important for us to stay true to their art.

The landing environment that we created for photographers then had more information, more technical information. The fact is that photographers are more a technical audience than our designers and web designers. They need to know that a specific camera is supported, they need to know that file formats are supported, and so their landing environment was much more information heavy, but still graphically organized in a clean way for them.

The last audience that we focused on was our education segment, and obviously they're different because they're not creative professionals at all. So, you'll notice first that the layout's very different, it doesn't have that same - it doesn't have images trying to convey the concept. We use a language that's specifically targeted for them, so for instance, "Prepare your students for future success. Let everyone at school know." We talk about the fact that it's a licensing purchase where the other emails are much more focused on a purchase of an individual product, and so these are really tailored for their needs. And so, in addition to driving the individual transactions for this campaign, it also demonstrated our brand support for them; that we get the audience and we're there for them.

As important as the creative was, it all sort of began with the targeting. When we talk about relevance, unless you know who your audience is you can't know how your message is relevant. So, obviously, as we discussed, we started with this business group model that sort of told us what people needed in their workflow. We then took a click down and said, "Let's use a propensity model to figure out who's going to purchase". We know our audience pretty well, particularly for the audiences who had suites before, CS1 and CS2., and so we developed a propensity model over time. We focused in North America, particularly on early, mid and late adopters.

And the way we did it was to version the email call-to-action by that adoption status, so the emails I showed you in the beginning were all focused against the early adopter audience, so they're very focused on buy. There's a single call-to-action, it gets them to the store, it gets them to a quick purchase. But, we have these people that just take longer to purchase, and there are several reasons, but at launch, generally it's because they need more information. So, for those audiences the calls-to-action were to learn more, which took them back to that web page I referred to, but also straight to downloading a trial of the product and attending an event where they could see it in person.

Different people learn different ways at different times, and so it's very difficult to predict who's going to want to try it in person, who's going to want to come see it, so we wanted to give that opportunity to everyone.

We also used that propensity modeling to focus our direct mail spend. So, I know we're here to talk about email today, but we have a surprising number of customers, actually, who are opted-in only for direct mail. And so,

we use that propensity model to focus on early adopters and got an 8:1 ROI on our direct mail, which is double our normal allowable. So we were pretty pleased with that model.

We started that model in North America and leveraged it only for direct mail prioritization in Europe because the data quality is different, so we'll be rolling out that model in our next wave in the similar way that we did in North America. We always use North America as a test bed just because the versioning is more streamlined.

The last thing that we did was we prioritized our investment by region based on the importance of the media. So, normally in years past, it's so much easier to get a strong ROI in North America because you have single versions, you have one place that you're communicating, and our systems are all really set up very well, and so we typically would really heavy up in North America.

This time we looked at relationship marketing as a percentage of our total mix, so everybody else always heavys up in North America, too. You've got online advertising, you've got PR, everything's in the same language, and so we always have this big hit in North America. But, in Europe it's so much more expensive to version language - country language versioning - that many of those media are not rolled out in Europe. And so, this time we actually equaled our European spend to our North America spend, and only spent slightly less in Japan, and that was very lucrative for us.

So, in terms of results, I can tell you that I never ever, ever would have committed to these results. I actually sandbagged a little on the projections that I did do and they weren't this high. We ended up with 29,000% ROI in North America. Obviously, the bulk of this was because we were doing a digital campaign, and we're just seeing that that's tremendously profitable for us. But, it's also because we did streamline the versioning and make sure that we're using email and landing pages in the right way.

We were 5,000% ROI worldwide, which is tremendous for us. Typically in Europe, we're happy if we get, oh, 200%. But, probably what should have been the headline on this slide is that when we looked at the email audience versus the no-mail control, we had a 41% increase in the order rate, and a 72% increase in direct sales. And direct sales, of course, are more lucrative for us, so for direct marketing, we're always pushing that way.

The other thing we found is that customers know what they need, and again, this probably seems sort of intuitive to you, but you can imagine that when we've suggested this approach going in, Product Marketing said, "No, no, no, I want to take all the people who own Photoshop and I want to send them to the Photoshop page. And I want to take all the people who own Illustrator and I want to send them to the Illustrator page."

By giving customers the latitude, they were able to go in and see a broader product offering, and they did purchase what we predicted they would purchase. We also had a higher incidence of suite purchases opposed to point product, which was a goal for us.

And then lastly, we did a specific test to see how the targeted messaging performed versus the general messaging. So, it was a little more difficult to do with the photography - the digital imaging segment - so we used education as our test bed and we said, "Let's just look at the general message versus the education message", and we showed a 20% lift in response. So, now we have a baseline that we can measure additional versioning for.

When we got into our next wave, we had another product marketing group that said, "You know, web and design really need different messaging, We need to do something different." We were able to test that and show that we don't get the same kind of lift in response. It's just not as necessary for that audience. So we had a clear target to measure against.

So, the key techniques for this group are to tailor the use of media to audience preferences. Again, if we were going to, for instance, developers about one of our error applications or flex applications, we would have a lot more content in the email, a lot more information for them to read, and it would be much more about establishing credibility. But, in this case, when you're talking about designers and creative people, give them the information the way they want it, visually.

Version for segments whose needs have a material impact on response. We all know you can get really, really granular with versioning, but it's expensive and it takes resources to do, and you can't always measure the effect if you've deluded yourselves. So, we focused on those key segments.

Leverage the subject lines, the imagery and the copy points. I don't know about your Product Marketing folks, ours tend to get really hung up on the copy, and copy is not the high point for our audience, so make sure that you're leveraging all of that.

Then, prioritize the investment against segments for whom the messaging is most relevant, and create user paths to deliver the relevant information and value for each actionable segment.

With that I'll end. I wanted to give you this URL. Adobe, as part of our brand focus on engagement, has started some great work with the Economist Research Unit, and so for us in particular it's very relevant. It talks about the tie between customer engagement and profitability. So, there are a bunch of white papers and examples, case studies up there, and they're terrific for us. Thank you very much.

SARAH NELSON: Good morning. Let's try that again. Good morning. Okay, I always like to do that at the beginning of a talk that happens to be in the middle of a panel, because that way I know when I get done speaking that those of you who are asleep, I'm responsible for that, not the first two speakers.

So, my name is Sarah Nelson and I'm here representing 500lb Marketing Solutions and our client, GoldToeMoretz. How many of you are familiar with the GoldToe socks? Excellent. How many of you have GoldToe socks on today? Okay, well, that's more than me and that's why my feet are cold.

GoldToe is the maker of quality socks for men, women and children, and they are a client of ours. And they came to us - let's see here – I apologize, technical difficulties. My company, 500lb Marketing Solutions, is a full-service marketing agency and we are based in Portland, Oregon, and specialize in helping companies do integrated technical marketing solutions. So those would include things like email, web, CRM and analytics. And in a campaign you're really involving all those elements, and so we work with folks to do an integrated campaign.

We have clients that range from Fortune 100 companies to new emerging companies and everything in between, and our clients are located worldwide. So, GoldToe, when they came to us, they were interested in figuring out a way to get their Auro brand into the hands of moms and kids. The Auro brand is a - GoldToe makes a premium sock, and the Auro brand is kind of their everyday sock, specifically targeted at children.

They wanted to go online, bringing soft marketing into the 21st Century, as they said, utilizing the power of the web because they know that 95% of moms are on the web at least once a day, and they had never done an interactive marketing program before, so they decided to start here. And basically, we worked with them and we also had a partner on the PR side - Maxwell PR - another Portland-based company, to create a baseline and did some early testing to create a campaign strategy and a sophisticated engagement model designed to identify what we called "Brand Evangelists", and so we called that group the Auro Ring, and you'll see why in just a second, and then we went to work with them.

So, the primary goal here was to obviously sell kids socks, and the Auro EZ Match - sorry, technical difficulties again - basically they wanted to express the unique competitive advantage of the EZ Match system. The EZ Match system is really straightforward. On the toes of your socks where, if you're an adult you have a GoldToe, on the Auro socks the kids have a ring, and so it's one ring around the toe for small, two rings for medium, and three rings for large socks. So, moms, when you're doing the laundry you don't have to actually mate your socks, you can just match them. "Oh, two rings". You can make a pile of two rings here and a pile of three rings here, or you can get your kids to help you, sorting by counting, all those good things.

Anyway, the EZ Match system, they wanted to get word out among moms by doing a product sampling, and by word-of-mouth marketing. And because the socks are sold exclusively at Target, the Target customer was busy suburban moms with more than one kid who shop at Target to save time and money.

To introduce the EZ Match system and the Auro brand, the Auro Ring - this is our group of Brand Evangelists - was designed to meet the following objective. So, they were to sample 5,000 pair of socks, to build a well-qualified customer database, to identify specific Brand Evangelists, and enable consumer research. So, for the first one, the sampling - they really wanted to get the product into the hands of consumers, so they had market visibility, and product evaluation. They wanted feedback from moms about whether this is a good system.

The qualified group of customers, they wanted to be able to message to them. They had a previous list that was from a sweepstakes contest in November of 2006, and it had a limited amount of data in it and at the point when they went live with this campaign, it was nine months old and had not been regularly messaged to.

They also wanted to create a group of consumers to speak about the product, people who would be those "Brand Evangelists", specifically consumers who liked their product because they knew that was an active group who could then message their friends, their friend's friends, and speak about the product authentically. They also wanted to capture feedback from consumers and validate the demographic assumptions that they'd made and validate the product assumptions.

So, at 500lb, we're big fans of what we call "Closed loop marketing", and we define closed loop to mean that if you're going to engage with your customer it should be a dialogue, not a monologue. So, you tell them something, then you give them the opportunity to tell you something back, you capture that information and you use it then the next time that you message them.

So, on the user side of things it's the message and action and reward. So, I receive an email, it prompts me to do something, I go along with it, and then I receive something back from my effort. And then you keep the cycle repeating to keep me engaged. So, I've recently come up with a new analogy to kind of explain this process.

How many people in the room have a dog? Okay, in December I got a puppy, and puppies are interesting. They're very cute and need a little bit of training. So, I took my puppy to puppy school and my puppy trainer explained to me very patiently that dogs think differently than humans. Brilliant science. So, we have to talk to them differently. And basically, she explained that working with dogs is really simple. Dogs are always thinking "What's in it for me?". So, "Do I get to eat? Am I going to get a treat? When do I get to smell something interesting?". All those things.

So, basically what she was trying to say is that dogs are motivated by rewards, whether the reward is a treat, a smell, whatever it happens to be. Well, people may think and be able to rationalize differently than dogs, and they do sometimes do things that aren't exactly what we would want or are slightly unpredictable. But, consumers are actually exactly like dogs when you have something that they want. People buy because there's something in it for them, which is something that they want. If you don't have something to offer, they're not going to engage in exchange with you.

So in puppy training, we teach dogs how to get a reward. We give them a command, we wait for them to execute the command, and then we reward them for doing what we told them to do by giving them a treat. So, they learn that this is a pattern which is how they go about getting something desirable. So, I say sit, he sits. I say "Bravo" and he gets a treat. Very easy exchange.

Consumers, same concept. Your message, your email should be your command to the customer, and then we wait for them and they should be doing what you have dictated by your request. If they comply, then they're going to get the reward that you specified for them. So, I know some of you may have read the Eisenberg Brothers book that tells you that consumers are like cats; distractible and independent-minded and all that kind of stuff, but at the moment that your consumer is viewing your email they really only have two choices. They can either do or delete.

So, for Auro their message was "Sign-up". They wanted to get these customers engaged and sign up for the Auro Ring and participate in the program. Their reward was free socks, and so then once we got people engaged, then we could repeat that cycle and engage with them for different exchanges of information.

So, basically the concept is, it's a rewards program, right? If you think of email this way, then you're on-target, because even your newsletter should be some kind of a rewards program. If you send your consumer information, you want them to read it, so you have to make it compelling enough for them to want to engage in it, and that's really what it comes down to. I think Matt mentioned this earlier, calling it a rewards program. You might not think of everything that you disseminate by email as a rewards program, but really it is, because consumers are only going to read it if there's something in it for them.

So, moving on to the actual implementation. Actually, I'll mention one other thing before we go into this. There's an invisible slide here right before this slide that talks about kind of our engagement cycle for customers, because on the back-end of creating a campaign cycle,

you also need technical marketing solutions to execute your strategy, and so at 500lb, we see this as a four-part strategy.

The first part is demand generation. In this case for this campaign that was email, and then later after launch included some online advertising.

The second part is your web destination. If you send a brilliant email and then you send them to a horrible landing page, or worse yet, a dead-end, then you've negated everything you've done today. So, you want to make sure that they have a place to go.

You need a CRM system because you need to be able to capture that consumer data. If you're going to go to all the bother of sending them the message and getting them to do something, you might want to remember what they did the next time you talk to them.

And then the fourth part is a measurement strategy, right? Analytics, you want to be able to calculate how many did you send, who do they go to, who opened them? And then on your website, how many times did they go in five circles, or how little or long did they stay in your site?

So, for this campaign we utilized Exact Target as our email solutions provider, and our PR partner also did some online advertising on Parenting.com about three months after we launched the site. Our web destination was a custom-built website and a custom-built CRM tool was integrated into the site as data tables. And then our measurement strategy was to use Google analytics for web measurement to supplement Exact Target's email tracking.

So, the implementation plan. What did this all look like, then? First of all, we overhauled AuroSocks.com. So there was an existing site at Auro Socks, but it was not well visited and really didn't convey the message that they wanted to convey which was, "This is really easy. One, two, three. Match your socks and go". So, basically we used the site as a hub for all the different marketing campaigns that we ran for Auro.

The second one was the sampling that I mentioned, because the product trial was key for people to understand the EZ Match system. And starting a buzz, we gave away - or planned to give away - 5,000 socks to people who joined the Ring. What ended up happening actually was we had the campaign launched on Monday, July 23rd, at 8:00 a.m. Pacific time, and within less than two hours we had exceeded the 5,000 we anticipated. And by the time we actually pulled the offer from the site, we had over 8,000 pair of socks that we sent out.

So, due to the overwhelming response, the offer was down in less than four hours, which - if you consider that GoldToes' goal was to give away 5,000 pair of socks in 90 days - we did all right. And then after we pulled the free socks campaign, we ran in its place a sweepstakes entry program. And then we also had the sweepstakes entry program - next bullet here - to incentivize people to come to the site and sign up. This was in-place prior to the free socks, but we began promoting it differently after the socks were gone. So, basically you could come to the site and enter yourself in a contest to win a $1,000 back to school shopping spree from Target.

Also, we did bonus entries. Based on if you told a friend about the program and they came and signed up, you were eligible for up to a hundred different sweepstakes entries, so you could refer friends - I think as many as you wanted at a time - and for each friend you referred you got five bonus entries.

We also did a survey. So once folks were on the website - once folks had signed up - we sent an email out notifying them they could participate in the survey, and basically answer questions about socks, their sock-wearing habits, different demographic information, and they were rewarded with a 10% discount code for the GoldToe socks, and they were invited to participate in another program So you'll notice I keep talking about different programs here. Basically we built a loop with our customers and then built another loop and another loop and another loop. So, trying to keep them engaged and active with the brand.

Anyway, if you were eligible to enter to the sock makeover contest, that's the loyalty contest here. Basically, members were given a special key code when they completed the survey, and invited to talk about their child's team or some kind of group that their child was involved in, and why their team or group deserved a sock makeover. And so, the entries were judged on several different elements including creativity, sincerity, quotability, all those things that you can use in advertising. And then five different teams were chosen to receive 20 units of socks for their program.

Also included, we had a newsletter. It was an e-newsletter that highlighted offers and other elements of the program as well as providing seasonal tips and tricks. As you probably know moms are frequenters of places like iVillage and other networking online sites, so being able to send that to them directly in an email helped kind of validate and builds some brand trust about the resources available on the Auro site.

We also did a coupon giveaway. So after the sock giveaway was over, after the sweepstakes was over, we made a $2.00 off manufacturer's coupon available on the website as another part of a cycle. And we also did an online advertising program, so about 90 days after launch when we had originally anticipated that the free socks giveaway would be completed, we launched some online advertising on Parenting.com. And then within two of the Parenting.com's e-newsletters, we also had links.

So, to show you the works. This is the initial email that went out, so this is the email that went out to the original list of 13,300 folks, and those were - like I said before - a list of folks who had entered the previous sweepstakes nine months earlier. And so you can see it is word-heavy. I know some people told you yesterday "You can't do that.", but when you're talking about moms it's a nice friendly letter, and it makes it really simple to see what options they have. You can enter to win the sweepstakes or you can get free socks. Either one we're happy with.

This is the website home page. I know oftentimes it's nice to see where you've sent it to someone, so this is what it looked like. It has general information, it's not a large site, it's I think less than 20 pages, but it expresses right on the home page exactly what the value proposition of the product is. It's easy. One, two, three. Okay, great, I've seen this page and I now understand the entire product concept, and now I'm going to take you to one of these options. Again, identically matching the email are the "Enter to win" sweepstakes and "Join the Auro Ring", and then we also have a button to shop. So, if you were interested in purchasing socks immediately, you could do so.

And this was really step two. We talked about steps: Step one, the email was starting your marketing loop. This is step two: Send them to a fulfillment destination and initiate action. And then this is our "Join now" page. This is the actual form that they filled out in order to join the program. And this is the data they're going to give you so you then can go onto step three which is, "Measure what you did and figure out what to do next."

So, the other thing that's really important that I'll point out here as a good take-away, when you initiate an email program you should always know what the next step in your cycle is going to be. And the reason why is customers are unpredictable. So in this case we fortunately had mapped out several different iterations of where the campaign would go next, so that when our 90-day campaign was done in less than four hours, we knew what we were going to do that afternoon, because literally this was by noon we were done and on to step two. So, even though it might be 90 days out, six months out, you should know in advance of launching your first campaign what your follow-up campaign is.

So, after all of this, how did we do? Well, here are the results. We had a successful engagement with encouraging the product trial, obviously, I told you the numbers, and that was the foundation for building their loyalty program, which was driven by largely word-of-mouth. And then the data up here shows you that they had 23,280 members sign up off of those original 13,300 emails and the handful of ads that we did. That number now these - I pulled these numbers together for the conference in December. That number now sits over 30,000, so they were able to take a list of 13,000 subscribers that were kind of random at that point, and they didn't have a lot of consumer data attached to the individual entries and ended up with a very targeted list of over 30,000 people.

The sampling component was the huge part of the hit, but it also had ramifications that extended past the four-hour window that we had it live. The offer was passed along mom-to-mom as a word-of-mouth offer, which ended up generating site traffic for weeks and months after that. So, even though they weren't able to capitalize on receiving free socks, we continued to receive leads because of the offer.

Now, just to walk through a couple of the other data. Like I said we did more than 8,000 pair of socks. We ended up with 1,600+ members who were referred specifically by friends, and then of those most of them referred to multiple people which is how we ended up with 4,600 folks who were referred, who came and joined the program as well. We ended up with 22,000+

sweepstake entries and with all of the bonus entries for referring a friend, it ended up being in excess of 45,000.

We ended up with 1,800+ surveys completed, which is huge when you consider how many emails we sent out initially, and we had 160 entries into the contest. Our open rate was only 14.3 for the newsletter, but it continued to generate traffic through word-of-mouth, so there were additional folks that got it passed along from a friend, that sort of thing. Anyway, it was a highly successful program.

The other things that we got from this are the consumer data that GoldToe wanted to confirm was confirmed. The demographic data said that basically our target customer was a female, 26 to 45 years old with 2.27 children and they wear athletic socks - fancy that. Ninety-two percent of them also rated the product highly, which meant for GoldToe, they had a successful product and were ready to go to the next step with it.

As well, another interesting piece that we discovered was sort of a secondary target market of grandparents, which is not something they had originally anticipated, and that was interesting to note for multiple reasons: One, that you have grandparents purchasing socks for their grandkids, but also in some cases. grandparents had the kids living with them and they were acting as the primary parent. So, it helped Auro understand kind of an expanded area to target with messaging.

The other thing that we - my missing bullet point here is that we were able to identify 106 Brand Evangelists. So these are elite members who went through the program and completed every step. So, they joined the Ring, they completed the survey, they entered the sock makeover contest, and continued to come back and engage with the site. And so Auro now has 106 folks that they can use for targeted consumer research. When they're interested in launching a new product, they've got this super group of users that they have a special relationship with. And in exchange for things the moms like or the people participating like, be they free socks, Auro has an instant group of folks that they can be in contact with in terms of validating their new marketing ideas.

So, in conclusion the client - GoldToeMoretz - was very pleased with the program and has used the information that they gathered to strengthen their relationship with Target, and the Auro Ring program will be expanded into a robust royalty program this year in 2008.

So, takeaways. What do we have to learn from socks? Well, the first one is - and I kind of rewrote these, so don't pay attention to too much what's up there - but the first one is email is the instigator in a closed loop marketing campaign. If you're taking notes, that's one you got to write down in case you need to tell your boss why email is important. Email is the initiator, and it's not a be-all end-all medium, it's a component. Messaging customers using multiple media is what works. And of course, something else to note about email is that word-of-mouse can often be faster than word-of-mouth.

Two: Your offer must be compelling and easy to understand. So, here's the litmus test for your offer before you write that email, is, "Can you say it in two words? Free socks". Easy. "Pizza coupon". Easy. "Event on Friday". Easy. Also, customers love a deal, so any time you can give away product to encourage them to interact with you, free stuff is always popular.

Number three is "Your campaigns must deliver on the promise of your email", so it's never enough to have a brilliant email all by itself. You've got to have a destination that you're taking them to that fulfills on the promise of that email. To use another analogy: If you don't, you're feeding men fish. If you do, you're teaching men to fish, which is that you're encouraging them to build a habit. Habits are by repetition. You have to give them a reason to come back, and map it out in advance. You want to be prepared, not reactionary, and have tools in place to close your loop and use the information that you've gathered. And don't bore consumers with the same message twice. Every time you communicate to them, it should be a unique offer.

And then fourth: You want to encourage participation because participation encourages brand loyalty. So use Tell a Friend. I can't over-sell the option to allow people to tell a friend, because if you have a compelling offer they will, whether it's a coupon, whether it's free stuff, whether it's an opportunity to participate in something. If you can offer them something, if they find it compelling, likelihood is, their friends will find it compelling, too.

So, in customers we talked about you are way more effective at promoting you than you are at promoting yourself. That's just the nature of trust and authenticity. So, if you've got customers who like you, put them to

work. Make sure that you reward them for their effort, however, because no one likes to be taken advantage of, so make sure there's something in it for them.

So, in conclusion, do you have any questions? Feel free to hit up the panel here or ask me afterwards, but I want to thank you for your time. You've been a great audience.

UWE MICHAEL SINN: Yeah, hello, good morning everybody. My name's Uwe Sinn. I'm one of the Managing Directors of Rabbit eMarketing in Frankfurt in Germany. Well, this is the first speech I ever have to deliver in English, but I'm not nervous at all. At least this is what I'm telling to myself at least 25 times the last 15 minutes.

Well, okay, just to tell you two or three sentences about our company. Rabbit eMarketing is a full service email agency. We do nothing else but email marketing. We are pretty famous in Germany. Here in the United States, nobody knows us at all. Obviously I would like to change that very soon.

We do the full range of email marketing and especially here in the United States. We offer American companies that want to go to the German market or to the European market to help them localize their email campaigns, so I definitely have to talk to the lady from Adobe HR.

I don't want to talk too much about me and my company. I'd like to talk about one of our customers. It's Wer liefert was?, which translates to "Who supplies what?". So, it's the leading supplier search engine for the business-to-business sector in Germany. So, for example, if you are a building contractor and you're looking for 1,000 window frames, that's the right place for you to go to. That's a pretty old company, it's over 75 years old. They started with little books and then those books got bigger and bigger and bigger, and then they switched to CD-ROM and a couple of years ago they switched to the internet. And now they are one of the - no, they are not one of the biggest, they are the biggest website for B-to-B business supplies.

Just to put the numbers in the right perspective, Germany has the population of around 80 million people, so it's one-third of the United States. So, if you see 22 million visits in 2007, that's a niche market, but it's a quite profitable one.

So, the business model of Wer liefert was? is pretty simple. It's a kind of Yellow Pages. They don't want to compare themselves with Yellow Pages, so I'm not allowed to use that phrase, but I think that's the easiest way to explain it to you. So, it's just like you have this space entered which is for free, and it is edited by the staff of Wer liefert was?. There are 380,000 suppliers listed, that's over 95% of the relevant businesses in the German-speaking country.

And the money is earned only by these paid premium packages, so you have different packages which gives you some advantages like being listed on top of the page, having a more detailed company profile or your company logo included. The price range for that is in most cases between $300 and $4,000 U.S. dollars, it might be even more, so if you have a pretty wide range of product then it's getting more and more expensive, obviously.

And one thing that is really important to understand, the subscription is strictly not when used automatically. They simply found out that it's much, much easier to sell their product if they sell a subscription for one year, and after one year it's over. Obviously they want you to renew that and their whole case I'm talking about is how to renew this.

Wer liefert was? started using email marketing to communicate with their customers systematically in 2001, and we have so many different customers that we very fast found out that this one size fits all email simply does not work at all. So, we developed what we call a loyalty campaign which has a few goals. The most important ones, reduce cancellation rates and obviously improve win yield rates. There's one missing bullet point here: This is migrate customers from high-touch points to low-touch sales channels. So they want to have more online win yields and less win yields by the call center or by sales representatives. And of course they want to have all these fancy things like increased customer satisfaction, strength in customer relationship and so on.

The whole campaign consists of four different sub-campaigns. I'll just show you an overview and then I'll show you four different examples of that. First, we have the so-called "Welcome Email Campaign". It's simply greeting a new customer, it's giving information about upcoming emails, and it's introducing the personal customer representative. Then we have some service

emails if the customer does not take advantage of all the benefits that this package has to offer. And a monthly statistics email that shows him how good his entry performs.

Well, from Wer liefert was? points of view, the win yield mail is the most important mail because this is the mail that tells the customer "Please subscribe for another year". And beside that we have a monthly e-newsletter with information relevant for businesses, which is a little bit off topic here. I don't want to go into further details.

It is quite complex. We have slightly different campaigns for new customers, for customers who had signed in less than 24 months ago, and for long-time customers, so the basic idea of the campaign does not change, but the copy is a little bit different and so on. Another important aspect is that it's a cross media campaign, so email is the major way of communication but we also have outbound calls and we have even personal visits.

And a major challenge is that we have very, very small list sizes. It's only a few hundred emails most of the time, maybe a few thousand sometimes. And we have a really very high number of parameters which is an organizational and a technical problem, so if you ever try to find out specific data from your CRM system, it's getting complex really fast.

And then there's another point because it's a cross media. He have also a scheduling problem. It's not only the question - it's "What is the best time to send an email?". So it says, "Is it Tuesday morning or Friday morning?", something like this. It's also the question of "What is the capacity in the call center to make any follow-up calls?". So, we have to take this into consideration for dispatching the email.

We do some tests quite regularly. First we tested the design in the usability lab, and we found out that a conservative and quiet design works best for the audience. Most people they are quite conservative, maybe a bit older than the average, so the design reflects that. And different parts of the campaign tested thoroughly from time to time.

Well, just to give you an idea about the campaign planning - I don't want to go through the slide in detail, it's maybe a bit too complex - so you see there are a couple of different emails and but we also have onsite wizards of sales representatives, and we also have telesales.

Okay, I'll just give you an idea about the different messages or the different email messages. This is the first one. This is the so-called "Welcome Message", and as one important point. It is sent in the name of the sales representative with full contact details and a photo of the customer sales representative. So, what you can see here this is not one of these normal stock photos, it's really the sales representative that is responsible for this person. He called to the recipient, he maybe sent a contract to the recipient, they already know each other. And we found it extremely helpful that the sales representative is inside this email. This really gives it an extra boost.

What do you think is the biggest challenge in doing this email campaign? Getting good pictures of the sales representatives. I can tell you stories later on. Maybe tonight at the Bongo's Cafe I can tell you some stories about taking pictures of sales representatives. Quite funny.

So, this first email contains obviously a link to the paid listing so that the recipient sees what he's paying for. He's got a list in checklist, so as you are appearing in all the categories that you booked, and some kind of an advance notice of delivery of monthly statistics. The goal of this may - it doesn't have to be only friendly, but helpful and, of course, relevant.

The second kind of mail that we are using is a so-called service email. It's a trigger email that calls the customer's attention to features he does not use. So, this enables the customer to take full advantage of the package he booked, and there are two reasons for that. First, of course we want to give the customer the feeling yes, we care for you. But, secondly, as all the subscriptions are not extended automatically, it is in Wer liefert was?' own interest that the customers use all the features of the package they booked so that, well, that their entry's as successful as possible, because if their entries weren't successful they simply will not renew.

The email can be as good as whatever you can think of. If the entry doesn't work it won't pay any money for that anymore. And please note that there is no picture of the sales representative in this service email. We tested it, but then the sales representatives have been flooded by calls with technical issues like "How can I upload a logo, and does it have to be JPEG or GIF or whatever?". And the sales representatives they should sell, but not doing something kind of giving technical advice, but there is

no picture of the sales representative in this email. We did not forget it. There is some reason for that. So the goal of the whole email is the feeling that these guys really care for me.

The next mail is called a statistics mail and this is really the heart of the whole campaign. It consists of highly personalized statistics from several databases. You can see – in the middle of the email you can see these bars and the figures. They give an overview about how good the entry of the recipient works. We, at Wer liefert was? aggregate around 80 different parameters, to individualize every single email, so it's really totally individualized. Of course, it's, again, the picture of the sales representative. It's all his personal contact data and the whole statistic is completely built for exactly this recipient.

We want to make it as easy as possible to get in touch with the representative, so that is his personal email, his personal direct phone with extension, and everything so that somebody can call up the sales representatives if he really wants to. Most important, the whole email words like a personal letter. I'll give you some examples. I wrote this down. We use some quite comprehensive business words to make the whole email not to read as a sales pitch but more of a conversation with a marketing consultant.

For example, the copy looks like this. "I just checked your statistics data. The response is very good. However, if you would like to increase results, I would recommend you to book the following categories, which some of your competitors also do and they have great results." Or it says, "Compared to your competitors, there's some room for improvement. If you would like to talk about further optimization, please do not hesitate to give me a call." So it's really like a conversation. It's quite sophisticated to build this business words, but this was really very crucial for the whole campaign.

Honestly, this is by far the most complex email we ever did and I think it's one of the most complex email campaigns in Germany and I'm really curious to find out – I'm sure there are some examples in the United States that are doing similar and I'm really to find out how the experience is here.

So, our experience about this statistics mail is very good. I just received an email this morning from Henning, that's our project manager, and this email gets the highest opening rate. What do you think – what is the number of – what was the opening rate for that campaign last week? Any idea?

Pretty good. 87.4. 87.4% opening rate. You have to keep in mind that our sample is very small. It's maybe 800 recipients, but I still think that 87.4%, this is quite an impressive number. So, from the point of view from the recipient, the statistics email is the most important one. From the point of view of Wer liefert was?, the so-called renewal is the most important email because here comes the money. The renewal mail is the mail that is dispatched about three months before the subscription ends and simply tells the recipient, do you want to – when your subscription – it's a two part trigger mail. There's only one here. I think there are two or three really interesting things here.

First, we have different response types. We have one click auto button, so just click here to renew this for another year. We have a call back button so that somebody from the call center can call the customer back. And we have a button, "Let a sales representative visit me?" Obviously, Wer liefert was? doesn't want to have so many sales representatives running around in the country and visiting customers, so this link is only included if the customer spends some money. So, not in the $300 U.S. dollar range, but if somebody spends like $5,000 per year, so he will get the opportunity to be visited personally.

And the second thing that I think is quite interesting is that you see this person down here? That's not a sales representative. That's a testimonial and the testimonial is from a business sharing the same category and industry. So, depending on the size of the recipient's company and the industry, we use different testimonials. So somebody in a mid-size company that sells raw material will see a testimonial that fits in that size and respective industry.

So something about the results. The open rates on average are around 70%. On average, every email is opened around four times. The CTR is about 20% and our click- to-order is worth more than $1,000 U.S. dollars. Unfortunately the samples are always very small. Over 10% of the recipients renewed their listing within a few hours of receiving the email. There are a lot of them that simply press the call back button, but anyway, as long as they renew their subscription, that's what we want to achieve.

And we have some lessons learned. First, a high

degree of relevancy clearly drives the results. Secondly, the high response rates after renewal mails would not have been possible without the other emails. So, if you just look at this renewal mail and the high response rate for that, that's not the whole picture. The whole picture is the campaign as a whole and this explains the high response rates from the renewal mail.

And then the 100% relevant content is much more important than a fancy layout. This is really important. We applied for an award in Germany last year and they didn't choose us and they told, "Well, the layout is a bit boring." Well, I was quite upset, but that doesn't matter. I really think they had no idea about direct marketing to be honest. It's a question of façade and not whether they think the layout is boring. We said we tested it and so if the recipients are kind of boring – sorry – then the layout can be kind of boring. That's absolutely okay. That's absolutely okay. If you have the managing director of a midsize company, he doesn't want to have something like Flash presentations and whatever. He's absolutely fine with a layout like this. And what is also important is email alone is not enough. The combination of online and offline activity, for example this infield sales stuff and telemarketing, really makes a difference in this case.

And we have one, but only one. little downside, gaining new customers via email. We tried that. It simply did not work. We think that the product is too complex to explain. At least the target group simply did not like that. They did not like to pay $1,000 U.S. dollars simply by receiving an email. So that did not work. But it worked really perfect when we want to keep the customer happy and this was the whole campaign all about. So that worked really perfect.

Well, I'd like to give some credit first to my colleague, Henning Luksemberg who worked something like 12 hours per day to do this campaign and to Claudia Atsell, who is the Head of Marketing at Wer liefert was? They're really great customers and if there's somebody from an agency here in the room, I only wish you to have customer like them. They're really great and I think the results of the campaign prove that. Okay. Thanks a lot.

MODERATOR: Okay, everybody. We have 10 minutes for questions. I just want to remind those questioners, you are what is keeping these people from lunch. So, no. Anyway, I'm sure you have really good questions out there. We can ask the front of the – anybody in the panel, if you'd like to ask a question. Yes, please.

PARTICIPANT: Hi. I'm from United Methodist Communications and my question is pretty clearly for Kimberley. Your campaigns were great, first of all. I had a question about the timeline. How far in advance did you start preparing for those campaigns?

KIMBERLEY TALBOT: I would love to tell you that we start with plenty of time to execute. We almost never start with enough time. It depends on when you start the clock ticking. So, the creative concept that we talked about, that creative license concept, starts with our advertising team. And so, that starts about nine months ahead of schedule because they're doing focus groups on the concepts and then they're testing different concepts. But I believe we got the final artwork in early March for an April – end of April delivery. So that gives you an idea of what last year this time was like for me. We try every time to accelerate it. And I loved your point about having something – being ready for your next campaign. I wish we could, frankly, because it's an absolutely great point that you should be ready for the next thing. It usually means that the first time that we execute a campaign, we're sticking very close with the advertising concept and then in our later iterations, when we use that concept, it's developed a bit better.

PARTICIPANT: Thank you.

MODERATOR: Great – the table – sorry, sir. We're going to let this woman in the back right there.

KIMBERLEY TALBOT: Actually, can I add one more thing to that thought? So that's our time for creative development. Actually our targeting strategy took a lot longer. So our targeting strategy started in October. We spent about seven months on our targeting strategy, getting that propensity model in place.

PARTICIPANT: Hi, Heather Bisell from UPS. The question is for Mr. Sinn from Rabbit Marketing. Can you tell us a little bit about the size of your sales force and how you gather that personalized information from a salesperson or the customer?

UWE-MICHAEL SINN: Well I guess they have around 50 sales representatives all over Germany and I didn't get the second part of the question. Sorry.

PARTICIPANT: How you gather the personalized information in the messages that the sales person provided to the customer?

UWE-MICHAEL SINN: Well –

PARTICIPANT: The recommendations.

UWE-MICHAEL SINN: Yeah. So, the recommendations are a set of very complex business rules. For example, let's say if you're selling window frames, then you might be in three different categories. But another company that also sells window frames might be in three other categories or one or two more categories. And then they analyze how many more clicks gets the one company that is listed in more categories than the other one and by analyzing this, they simply find out – it's a question of data mining. Well, if this works for this company, it might also work for this company, and then we put this special sentence in.

PARTICIPANT: So it wasn't coming directly from the sales people? It was based on business rules that were established in a centralized manner?

UWE-MICHAEL SINN: Yes. Yes.

PARTICIPANT: Thank you.

MODERATOR: Okay, sir. Yes.

PARTICIPANT: Hi. David Spivak from Design Solutions. My question's regarding the Gold Toe campaign. Where did you get the initial 13,000 email targets to begin with?

SARAH NELSON: I mentioned it briefly, but I didn't go into detail. In November of 2006, Auro did a contest entry sweepstakes, so people would give their name, address, email and so that's where we assembled the 13,300 for the initial send.

PARTICIPANT: Okay. Thanks.

JEANNE HOPKINS: Thank you. Sir?

PARTICIPANT: My question is for Mr. Sinn. I'm impressed with the fact that you have such a small email target. I thought you said a couple of hundred maybe to a thousand. I thought I had a small target. Yours is a lot smaller. So my question is how do you do testing with such a small target?

UWE-MICHAEL SINN: Yeah, that's pretty complicated. We choose the bigger target groups and then make A/B tests. But you're right, it's quite demanding because the statistical data you get from this it's – well, my statistics professor wouldn't like that idea, but it works, but it's not 100% accurate, I guess.

PARTICIPANT: So you are doing testing though, A/B testing?

UWE-MICHAEL SINN: Yeah.

PARTICIPANT: Okay. Thank you.

Relevancy Case Studies: Sending Email That Inspires Action

Annette Promes, Director, Email Marketing
Expedia
Monday, February 25, 2008

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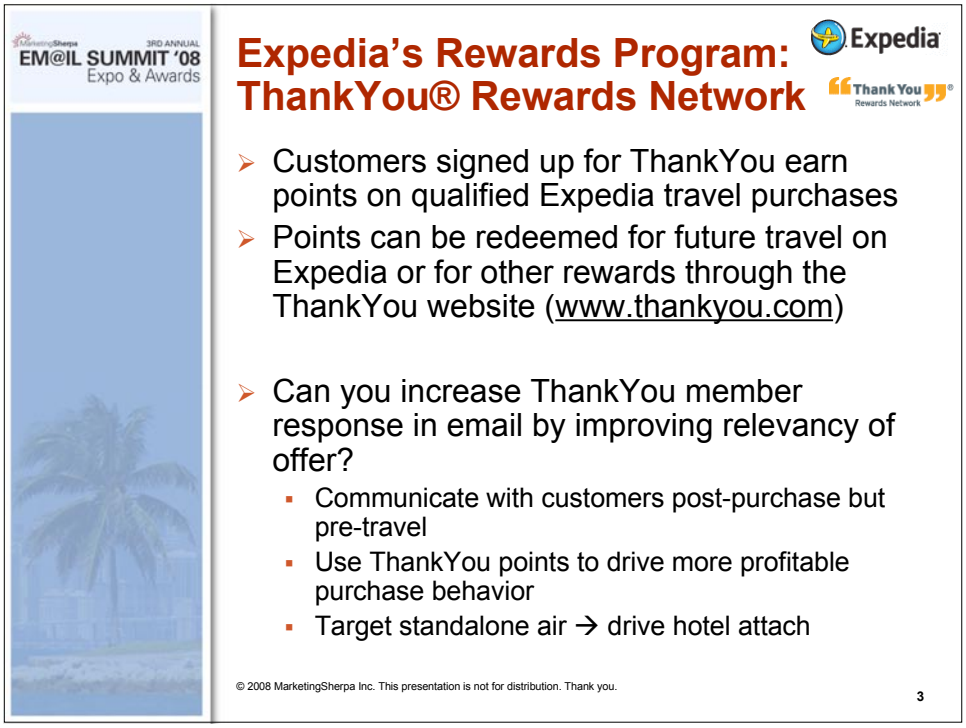
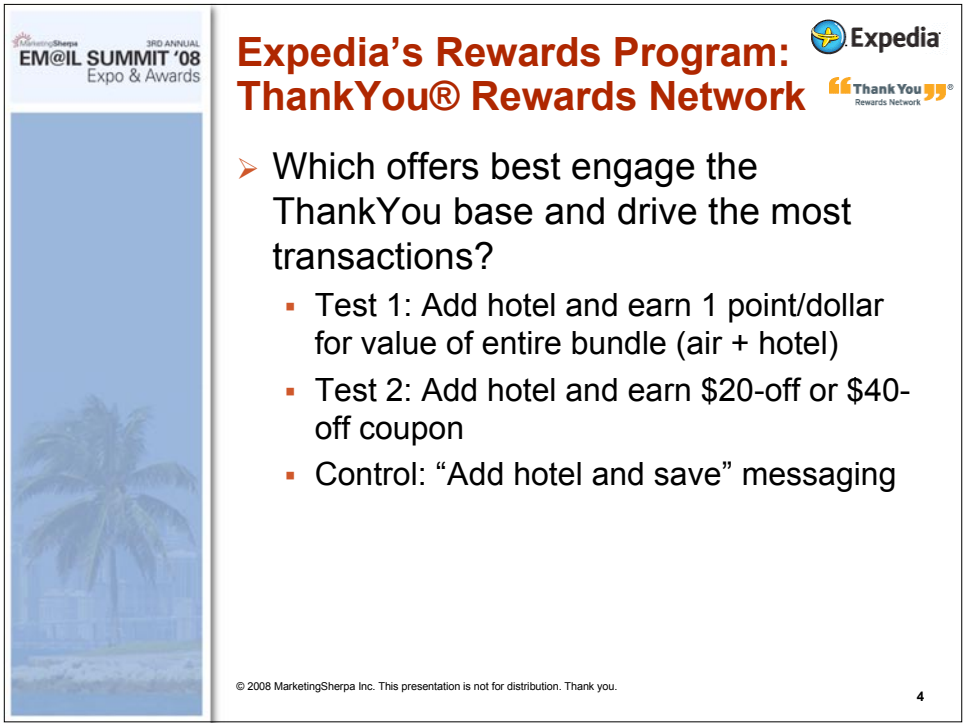
Expedia Customer Marketing

Responsibilities:

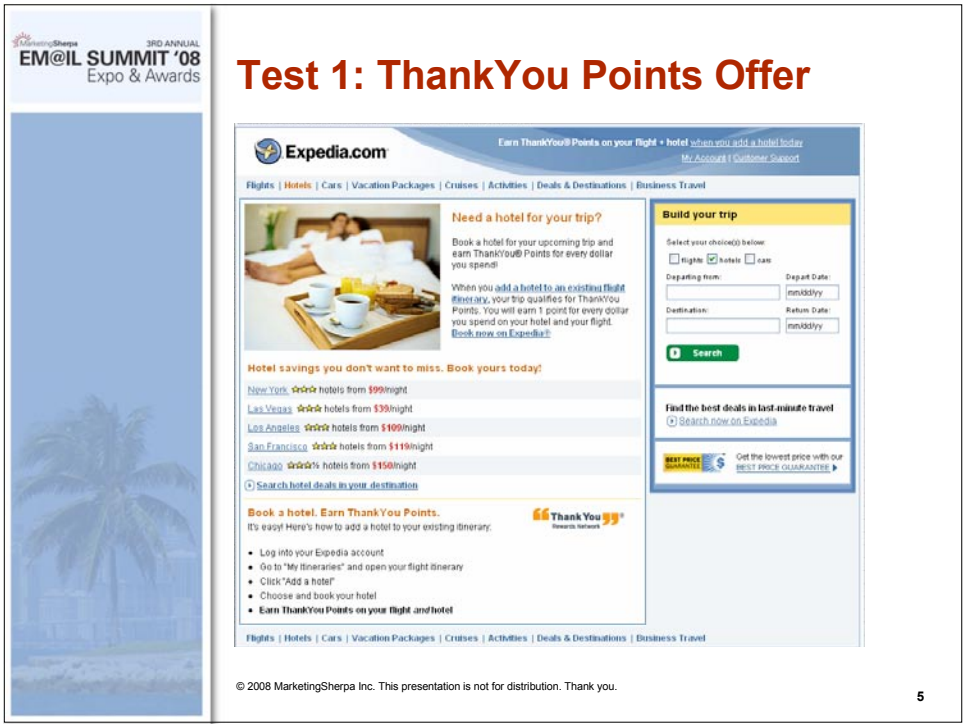
- Strategy and Operations for all email marketing at Expedia.com
- 2nd largest tracked marketing channel
- Driving millions of sales a year

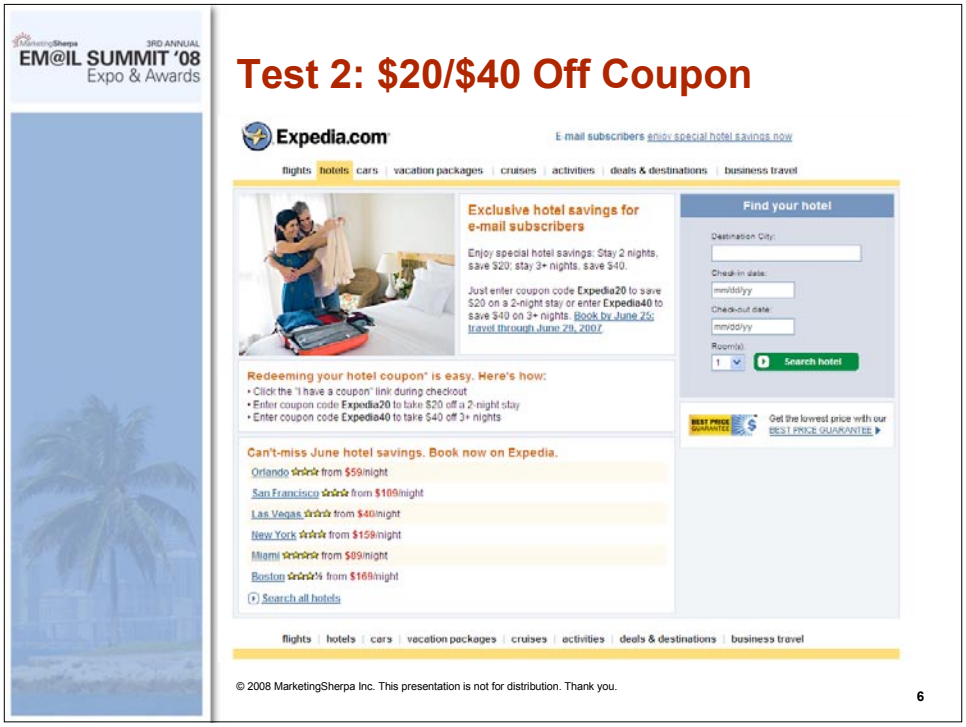
2



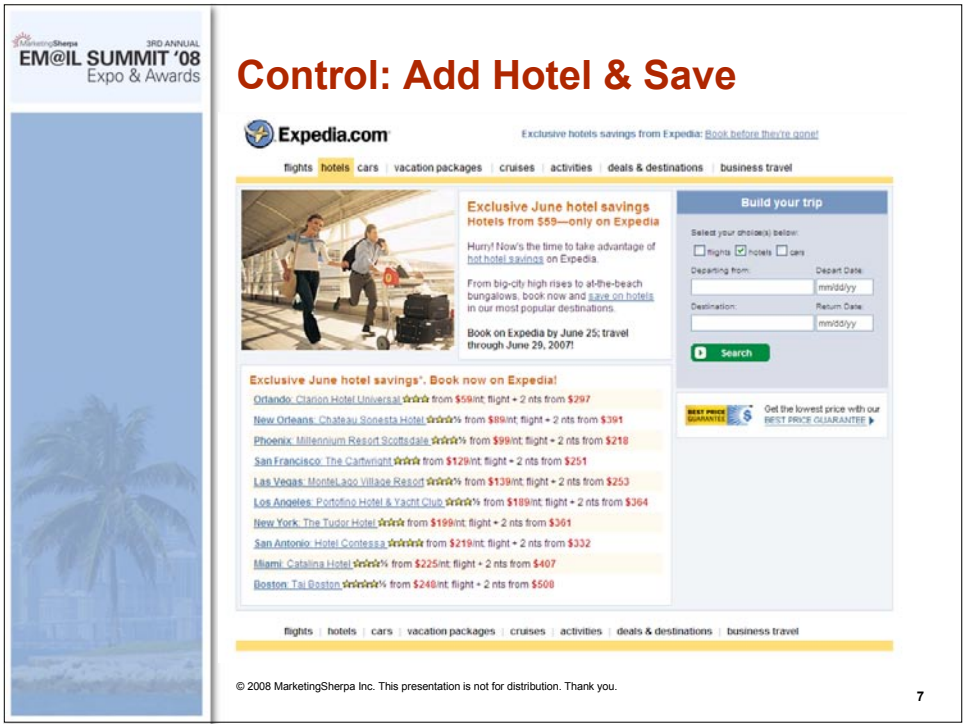


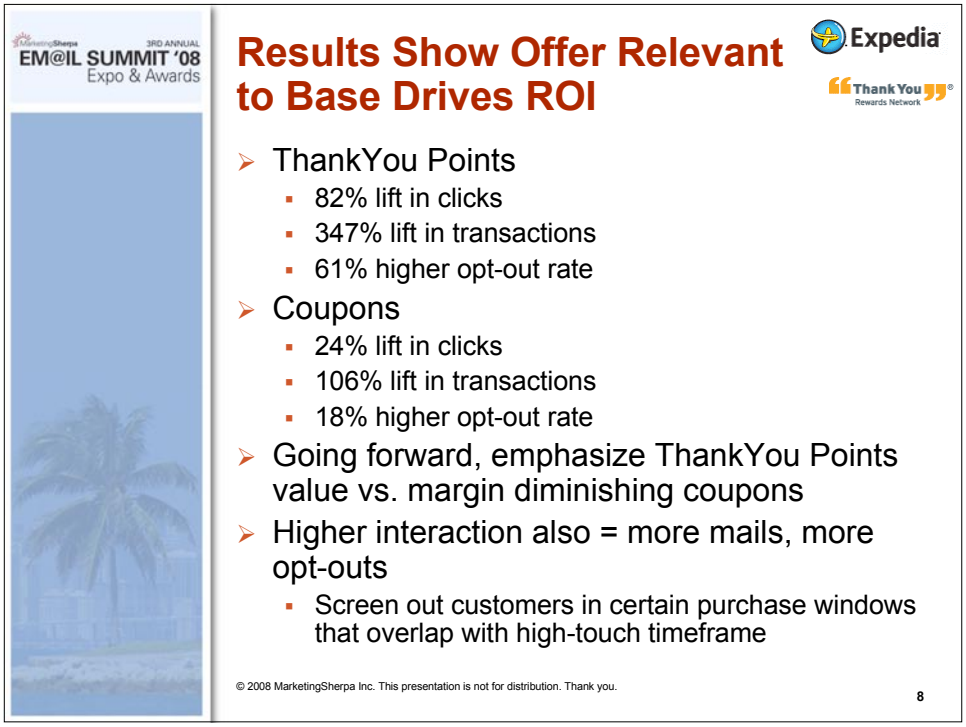
Relevancy Case Studies: Sending Email that Inspires Action





Relevancy Case Studies: Sending Email that Inspires Action





Relevancy Case Studies: Sending Email That Inspires Action

Sarah Ellen Nelson, Senior Strategist
500lb Marketing Solutions & Gold Toe Moretz
Monday, February 25, 2008

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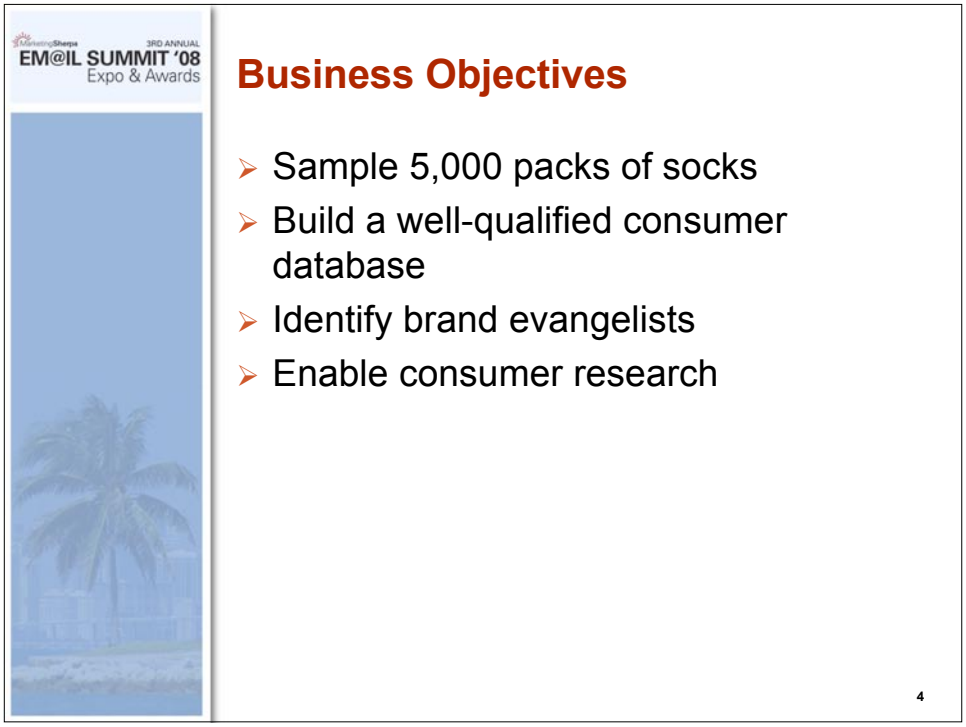
Overview

Gold Toe Moretz launches a new brand of socks for kids… "Auro Socks"

- Target Market = Busy Moms

- Use interactive marketing to build team of brand evangelists
- Use email marketing to drive consumers to take action

2



EM@IL SUMMIT '08 Expo & Awards

Implementation

- Web Site:
  - Overhauled www.aurosocks.com
- Sampling/Trial
  - Free socks to 5,000 site visitors
- Sweepstakes
  - Enter to win a $1000 Back-to-School shopping spree from Target

5

EM@IL SUMMIT '08 Expo & Awards

Implementation

- Bonus Entries
  - Up to 100 sweepstakes entries possible per person through use of "Tell a Friend" feature
- Survey
  - Participation in demographic survey was rewarded with 10% off coupon
- Loyalty Contest
  - Brand loyalists given key code to nominate youth group for "sock makeover"

6

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Implementation

- Newsletter
  - Enews highlighted new offers and elements to program
- Coupon Giveaway
  - After sweepstakes, $2 off coupon used to attract qualified leads
- Online Advertising Program
  - Banner ads on Parenting.com and in Parenting.com enewsletters

7

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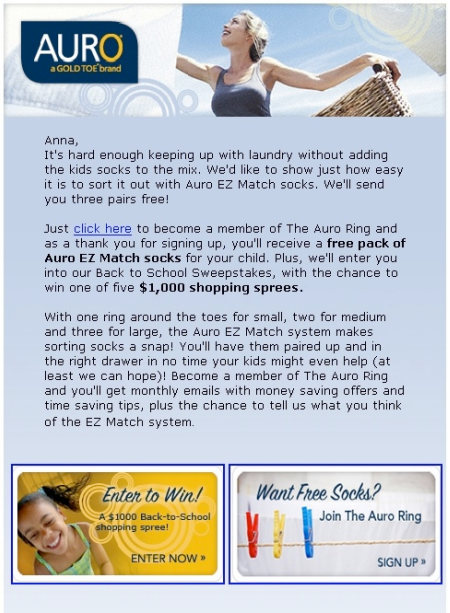
Initial Email



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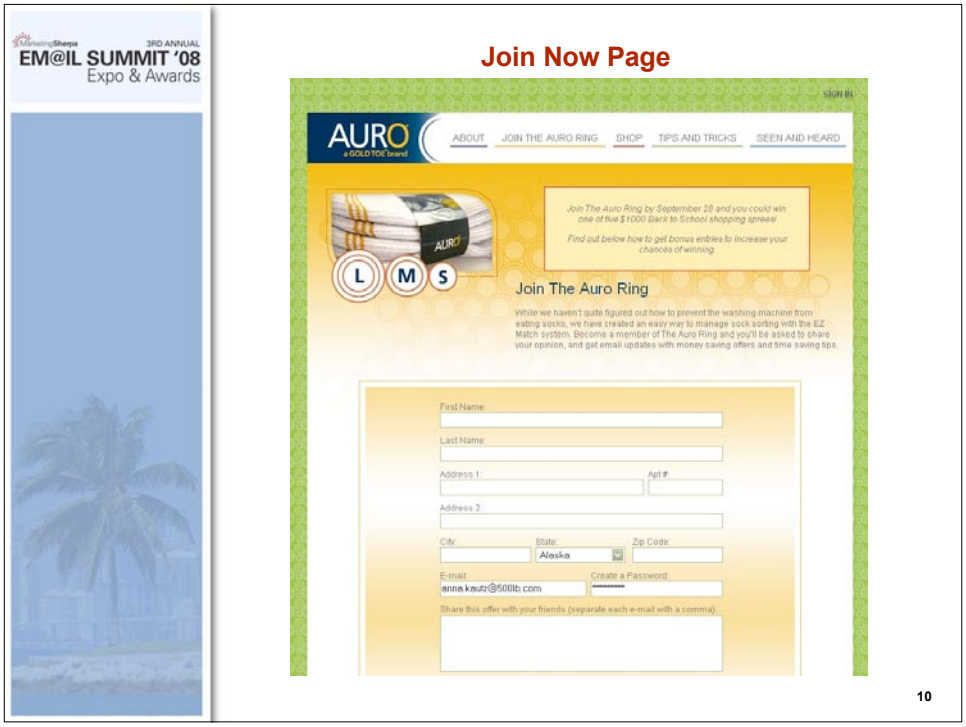
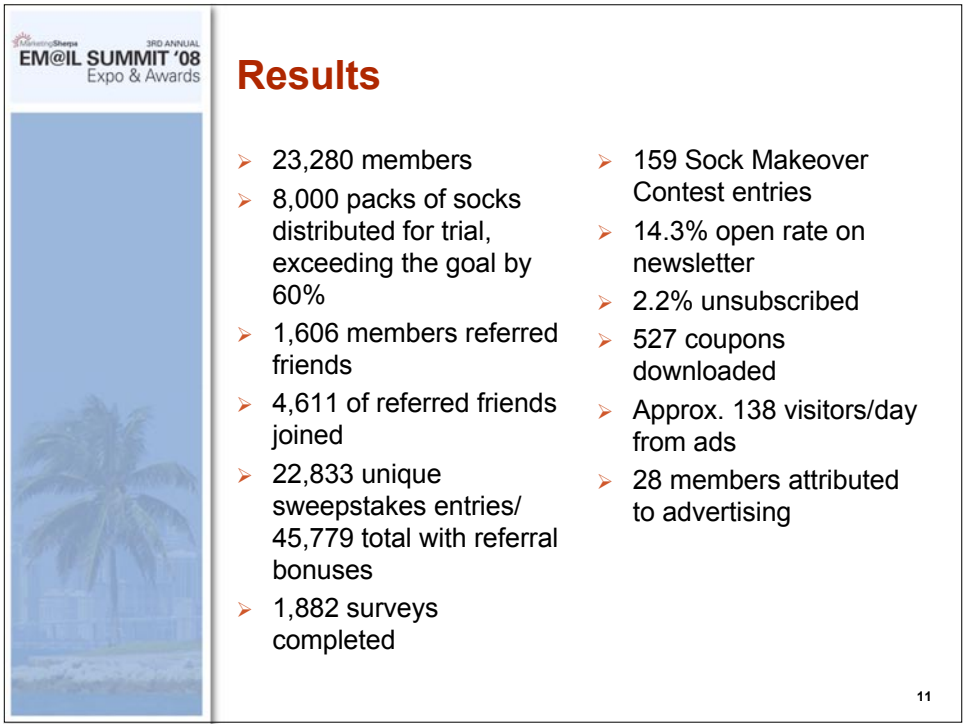
Relevancy Case Studies: Sending Email that Inspires Action



Relevancy Case Studies: Sending Email that Inspires Action



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Takeaways

- Messaging customers using multiple media works
- Consumers love "free" stuff
- Having a unique offer in each message keeps consumers interested
- Encouraging participation from consumers builds brand loyalists

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Credit /Thank You

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Relevancy Case Studies: Sending Email that Inspires Action

Relevancy Case Studies: Sending Email that Inspires Action

Uwe Michael Sinn, Managing Director
rabbit eMarketing
Monday, February 25, 2008

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„Wer liefert was?“: The Company

- "Wer liefert was?“: “Who supplies what?”
- “Wer liefert was?” is the leading supplier search engine for the business-to-business sector in German-speaking countries.
- Customers have relied on “Wer liefert was?” for over 75 years – starting with books, later, CD-Roms, since 1995 online.
- More than 1.5 Million Decision Makers are searching for the right supplier, dealer or service – every month.
- Over 22 Million Visits in 2007: Wer liefert was?“ is by far the most busy German-speaking website für B2B-supply.

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„Wer liefert was?“: The Business Model

- The “Basis entry” is free – and is edited by “Wer liefert was?”-staff. There are around 380,000 suppliers listed – around 95% of the relevant business in the German speaking countries.
- Money is earned only by paid premium entries. There are three different “packages” which entitle to extras like:
  - Being listed on top of page
  - Company profile
  - Company Logo included
- Price range: Between US $900 and > $4,000 per year
- The subscription is strictly NOT prolongated automatically

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Starting Position and Goals

Starting Position:

- “Wer liefert was?” started using Email to communicate with customers systematically in 2001.
- We fast found out that “one size fits all” emails did not work.

Goals of the Loyalty Campaign:

- *Reduce cancellation rates*
- *Improve renewal rates*
- *Migrate customers from high touch (cost) to low touch (cost) sales channels (Online-Renewal)*
- Increase customer satisfaction
- Strengthen customer relationships through continuous engagement
- Provide an additional tool for measuring success
- Allow automated account management workflows

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Relevancy Case Studies: Sending Email that Inspires Action

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Campaign Overview

The loyalty campaign consists of a set of four different kind of Email:

- Welcome Email
  - Greeting new customer
  - Information about upcoming Emails
  - Introducing the personal customer representative
- Customer Service Emails (ongoing field tests)
  - Example: A customer did not take advantage of all benefits of his package
- Monthly statistics Email
  - Detailed statistics about how the entry performs
  - Personal advice on how to optimize the entry
- Renewal mail
  - A two-part trigger email is initiated 3 months before a listing is due for renewal
  - This is where "Wer liefert was?" earns the money ;-)
- Beside that: Monthly newsletter with information relevant for business

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Highly Complex Campaign Planning

- Slightly different campaigns for:
  - New customers
  - Customers which signed less than 24 months ago
  - Long time customers
- Cross-media Campaign that includes:
  - Email as major way of communication
  - Outbound calls
  - Even personal visits
- Major challenges:
  - Very small list size per dispatch (a few hundred – a few thousand emails)
  - Very high number of parameters, both an organizational and technical problem
  - Scheduling: Not only best time to send email but also capacity in the call center
- Testing:
  - Design Tests in Usability Lab proved that a conservative, quiet design works best for the audience
  - Different parts of the campaign are tested thoroughly from time to time

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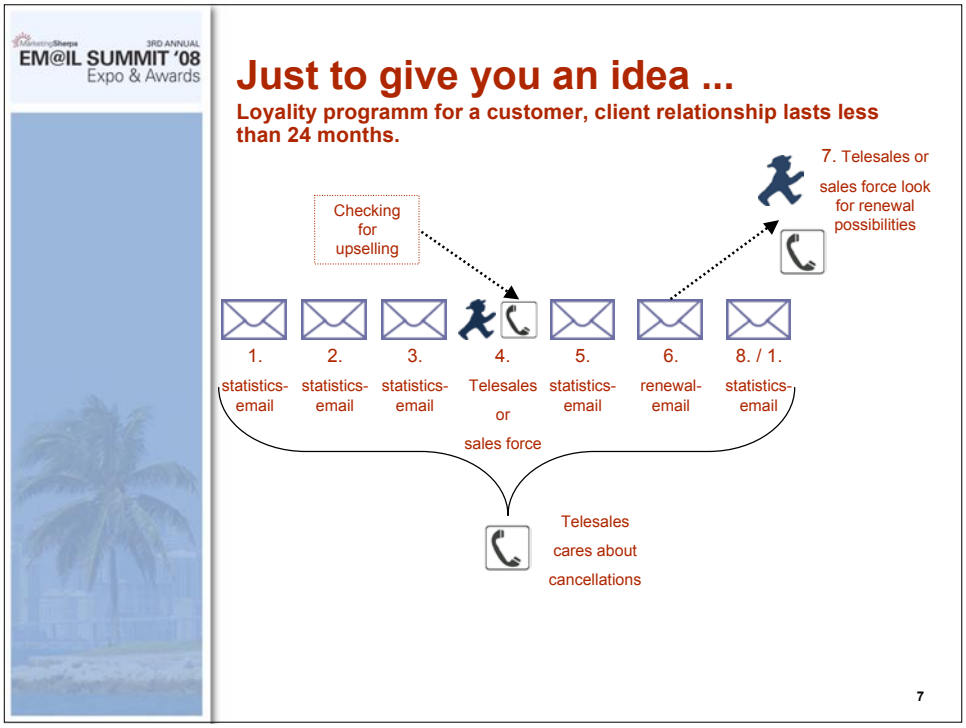
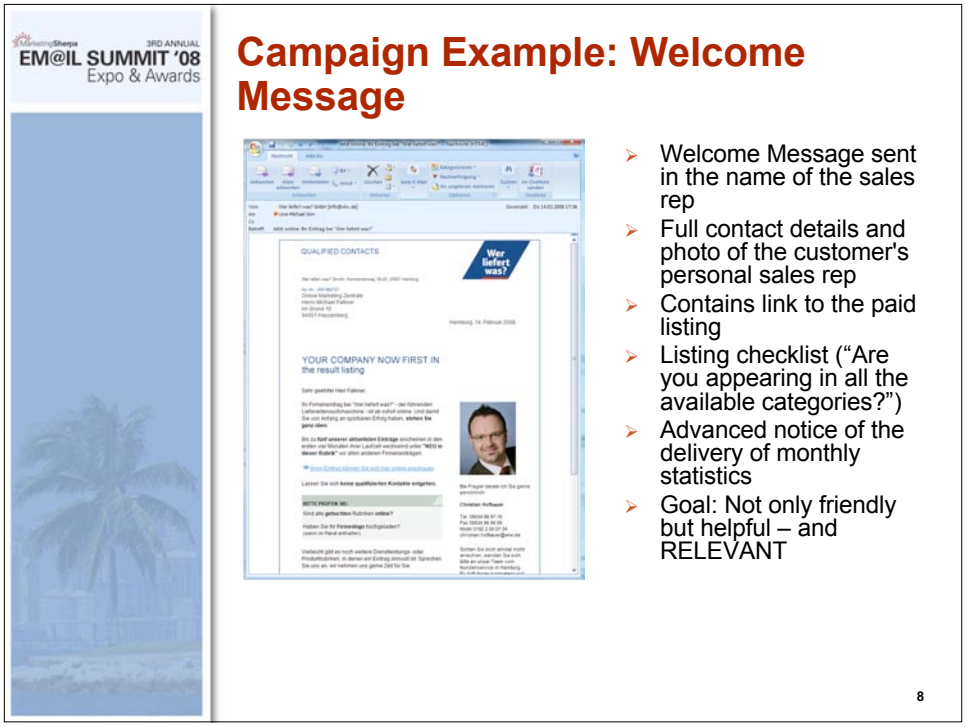
Relevancy Case Studies: Sending Email that Inspires Action





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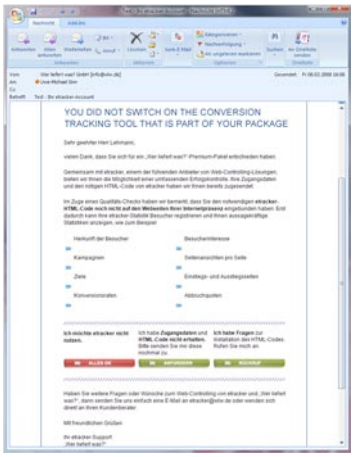
Campaign Example: Service Email



- Trigger-Mail
- Calls the customers attention to features he does not use
- Enables the customer to take full advantage of the package he booked
- Yes, the personal sales rep is NOT included here (otherwise the sales reps would be flooded by calls with technical issues then)
- Goal of the mail: Feeling "They care for me"
- Extensive field test in 2007 / Q 1 2008

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Campaign Example: Statistics Mail

- Highly personalized statistics from several databases
- Aggregation of data from **80 different parameters**
- Sales representatives are intentionally included
- Personal contact with representative through direct email and phone extentions
- Most important: Whole mail reads like a personal letter

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Relevancy Case Studies: Sending Email that Inspires Action

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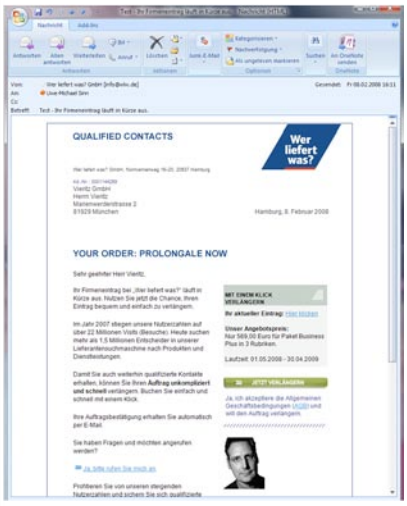
Campaign Example. Renewal Mail



- Here comes the money ;-)
- 2-part trigger-mail about 3 months before subscription ends
- Different response types:
  - Callback button
  - 1-click order
  - „Let a sales representative visit me“ (only when booking an expensive package the first time)
- Testimonial from a business sharing the same size category and industry sector as the recipient

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Results

- Open rates are around 70%
- On average, each email is opened over four times!
- CTR is about 20% (meaning around a third of those who open also click-through)
- Every click to order is worth a four digit US$-number
- Over 10% of recipients renew their listing within a few hours of receiving the email
- Many others get in touch with WLW using one of the communication alternatives listed in the email (for example, they place a call to their rep)

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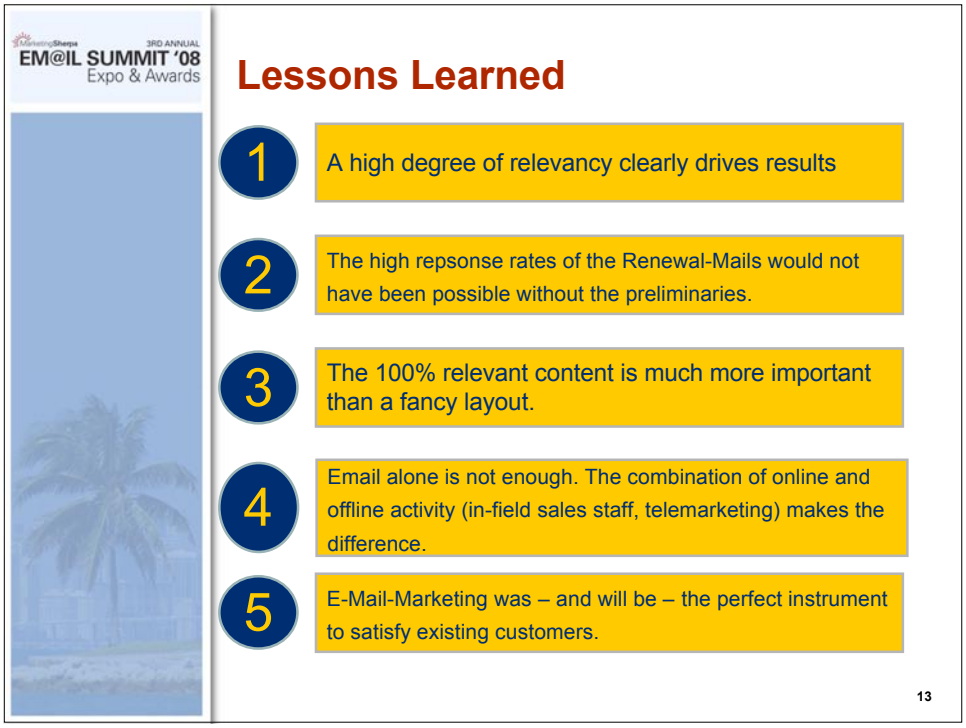

Relevancy Case Studies: Sending Email that Inspires Action

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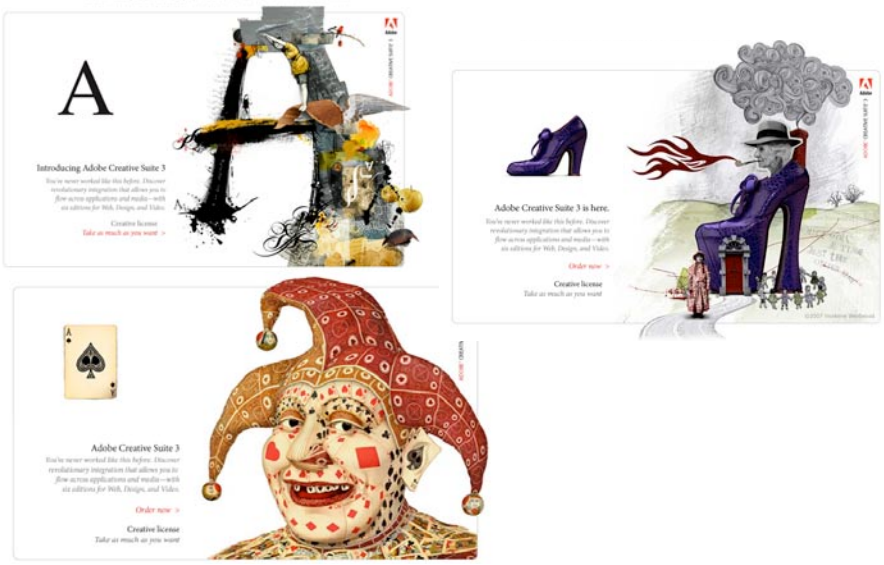
CS3 Creative Approach

- Used email to drive customers to the website
  - Single call to action increased click-through rates at campaign open
  - Subsequent touches provided CTAs tailored to audience interest
  - Allowed customers to choose their areas of interest
  - Streamlined versioning requirements to minimize campaign costs

5

Design and Web Segments



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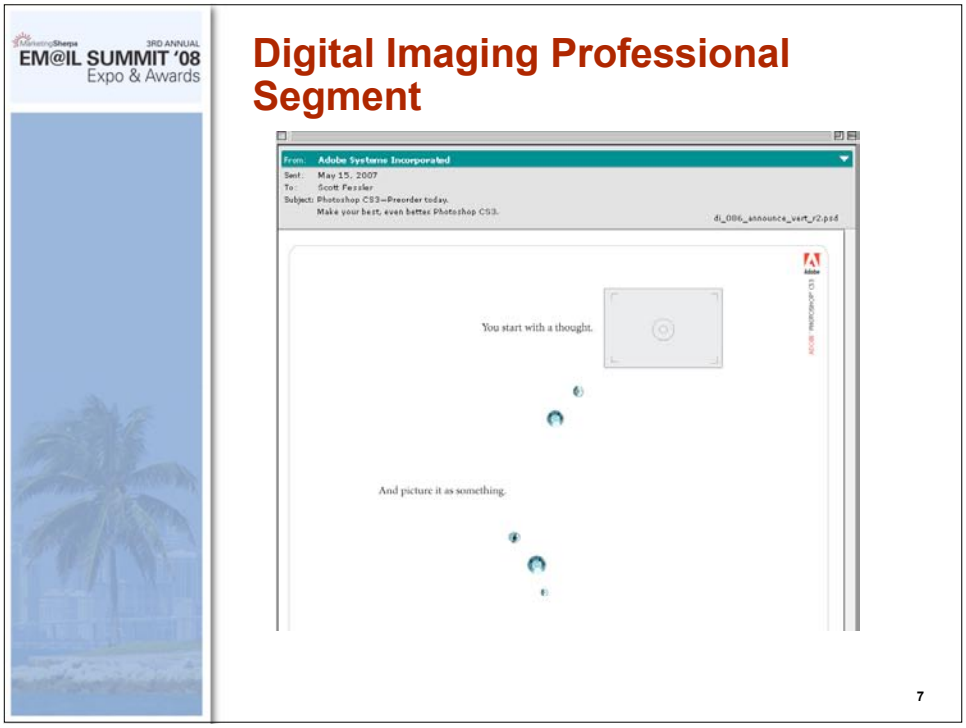

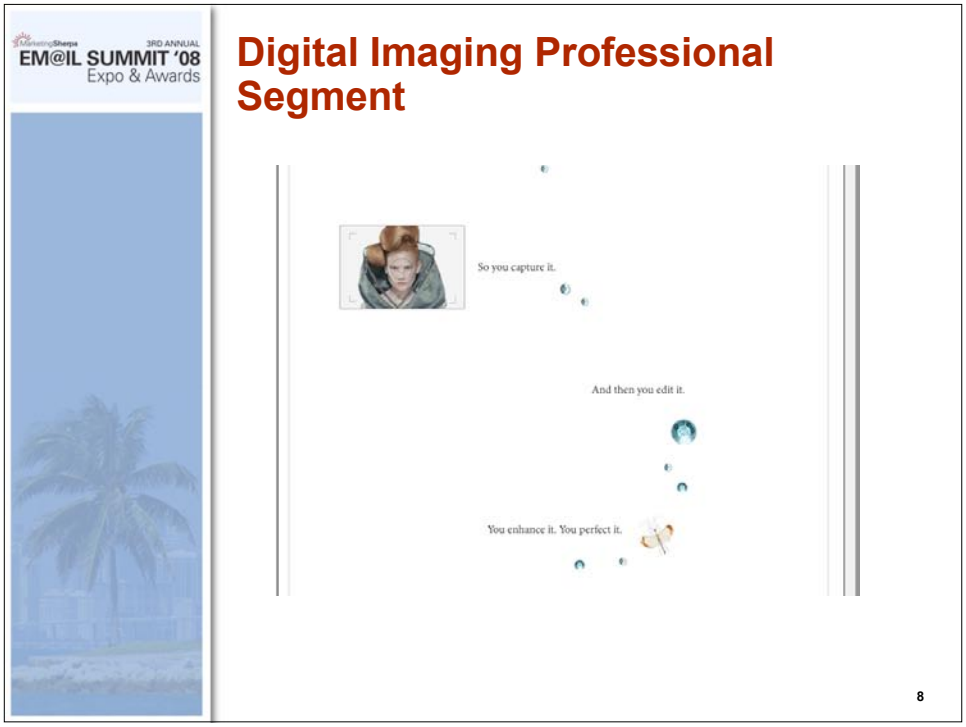

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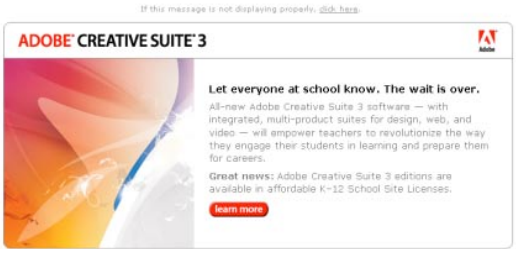
Education Segment



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CS3 Targeting

- Used propensity model to define Early, Mid and Late adopters
  - Versioned email call-to-action and landing destination by adoption status
    - Included consideration tools, such as product trials and events for mid- and late-adopters
- Focused direct mail spend on early adopters, resulting in an 8:1 ROI on direct mail
- Prioritized investment in world regions, based on the relative importance of direct contact from Adobe in the mix

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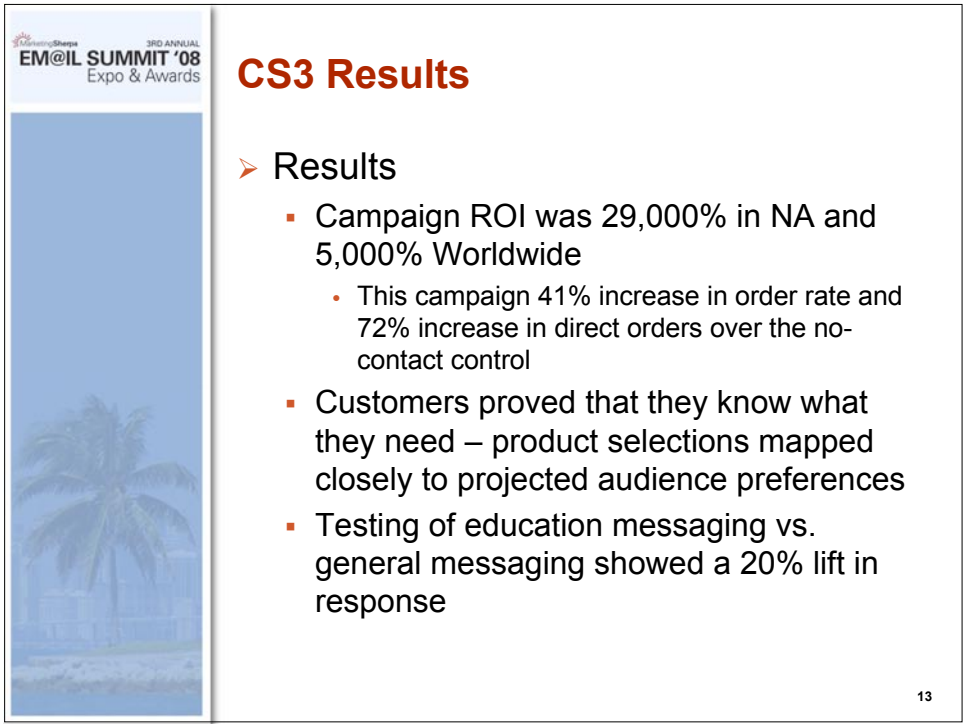

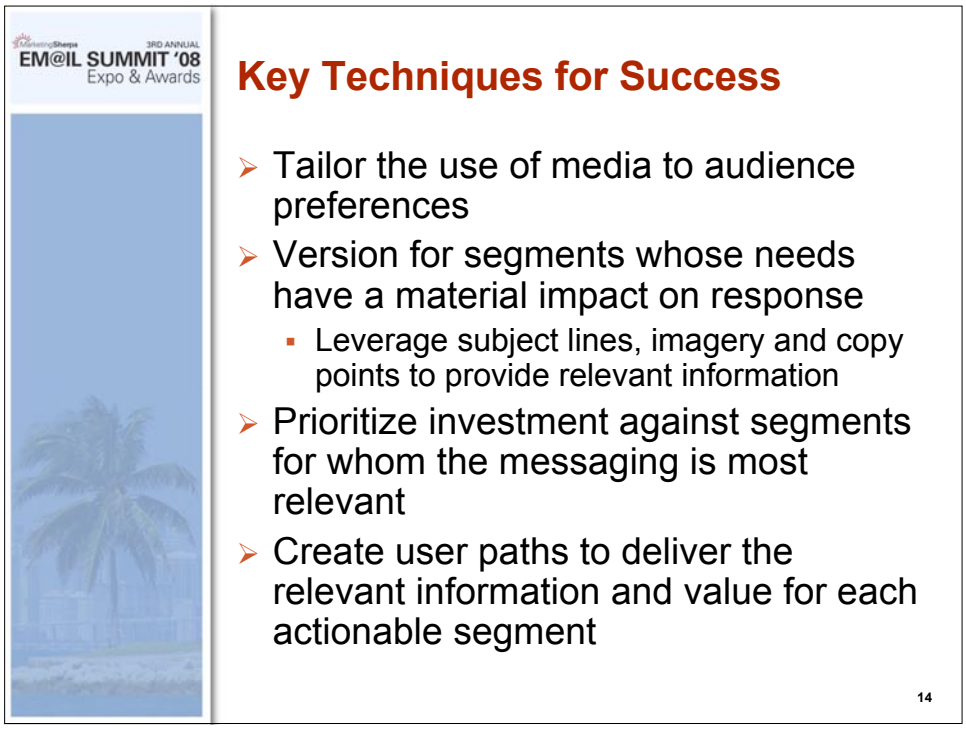

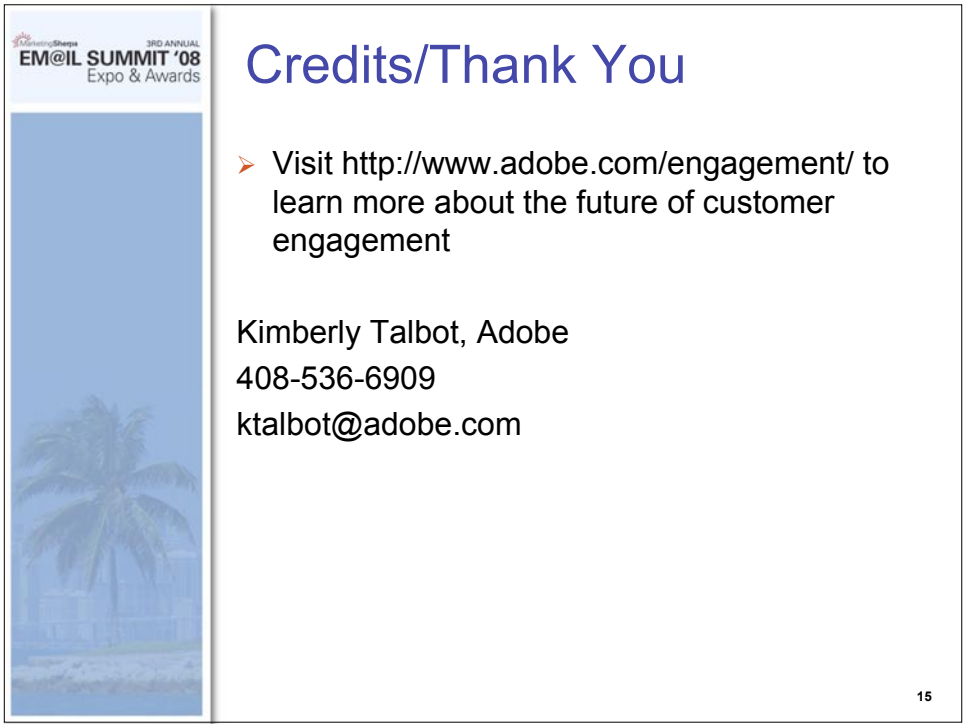

Ideas Into Action: What We Learned at Email Summit '07

SESSION DESCRIPTION

The 2007 Email Summit proved to be a great investment of time for Insurance.com, which operates two sites and sends approximately 80,000 Emails per month. Hear how three individuals turned their program around as a direct result of their participation in the Summit. Areas of positive change included opt-out, list clean-up, testing Email sequences, compliance, deliverability and rendering. Attend this session to get motivated.

ABOUT THE PRESENTERS

Karen Imbrogno

Customer Communications Manager,
Insurance.com

Karen T. Imbrogno is the Customer Communications Manager for Insurance.com Her responsibilities include overseeing all non-verbal communication to the customer base. She has more than 15 years experience in the insurance industry. Imbrogno holds an MBA with a minor in statistics from Cleveland State University and a Bachelor's in Marketing from Kent State University.

Marc Majers

Senior Web Designer,
Insurance.com

Marc A. Majers is the Senior Web Designer at Insurance.com. His 12 years of digital design experience includes tenure at Progressive Insurance, Hits Network and Peerlis. He has also consulted with Wyse Advertising, Adpro, Liggett-Stashower and Arras Group. Majers' achievements include winning the 2001 TechKnow Award for innovative multi-media design for GliddenColor @ Home. Majers co-founded the Web Association in North East Ohio and runs a family-themed technology blog, Leading Hands.

ABOUT INSURANCE.COM

Insurance.com is an independent, unbiased insurance agency located outside of Cleveland. Our goal is to find the insurance company that's right for you. How do we do that? We bring top insurance companies together in one place to compete for your business. You can compare multiple rates and buy the policy that's right for you all in one easy step, either online or by talking directly with our knowledgeable and helpful licensed agents.

Ideas Into Action: What We Learned at Email Summit '07

Ideas Into Action:
What We Learned at Email Summit '07

Karen Imbrogno, Customer Communications Manager
Marc Majers, Senior Web Designer
Insurance.com
Tuesday, February 26, 2008

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A Little Bit about Insurance.com…

- Currently the largest online auto insurance agency in the United States
- Headquartered in Solon, Ohio, Insurance.com employs over 265 people, including 150 licensed agents in our call center
- Wrote our first auto insurance policy June 2001
- Sales
  - Since 2001- 600,000 policy sales
  - 2007- Over 150,000 policy sales
- Insurance Quotes
  - 2007- Provided accurate and bindable quotes to 3 million people
- Insurance.com
  - 15 carriers
  - 650 partners

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Ideas Into Action: What We Learned at Email Summit '07

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Keys to Success: Auto Insurance

- Understand the market
  - 2,300+ auto insurance companies in the U.S.
- Understand how insurance companies rate
  - Insurance companies rate on key variables
- Understand your customers
  - Right message at the right time
  - Consumers will only respond to relevant information
  - Understand motivation of consumer
- Right insurance company at the right point equals customized approach to insurance rating

3

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How We Communicate With Our Customer Base

- Email
- Direct mail/postcards
- Banner ads
- Television
- Radio
- Phone

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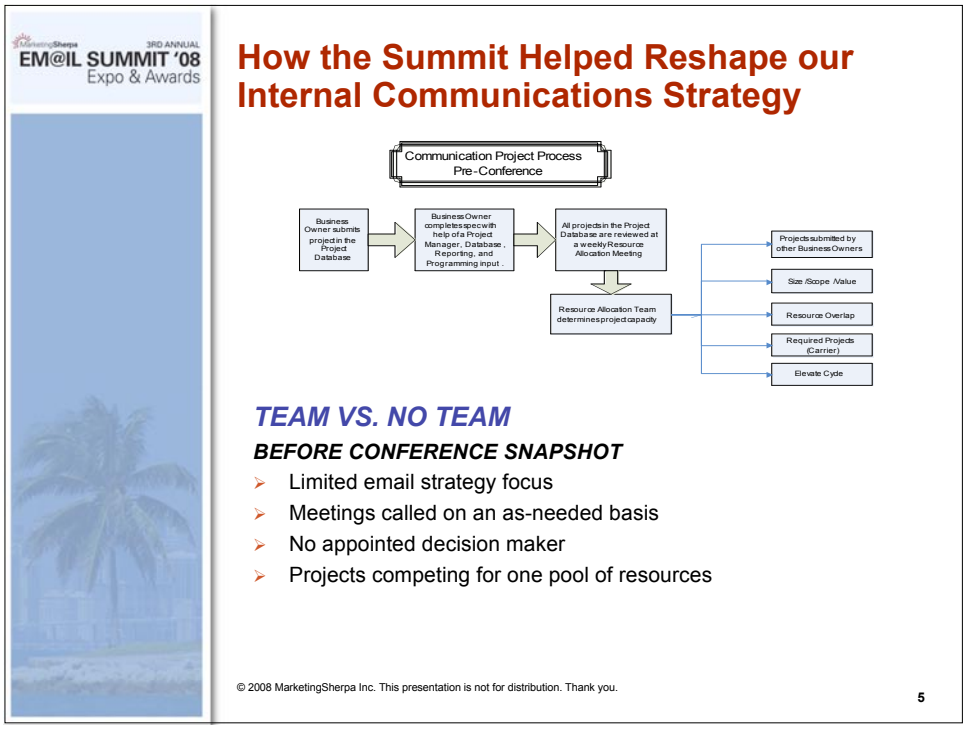

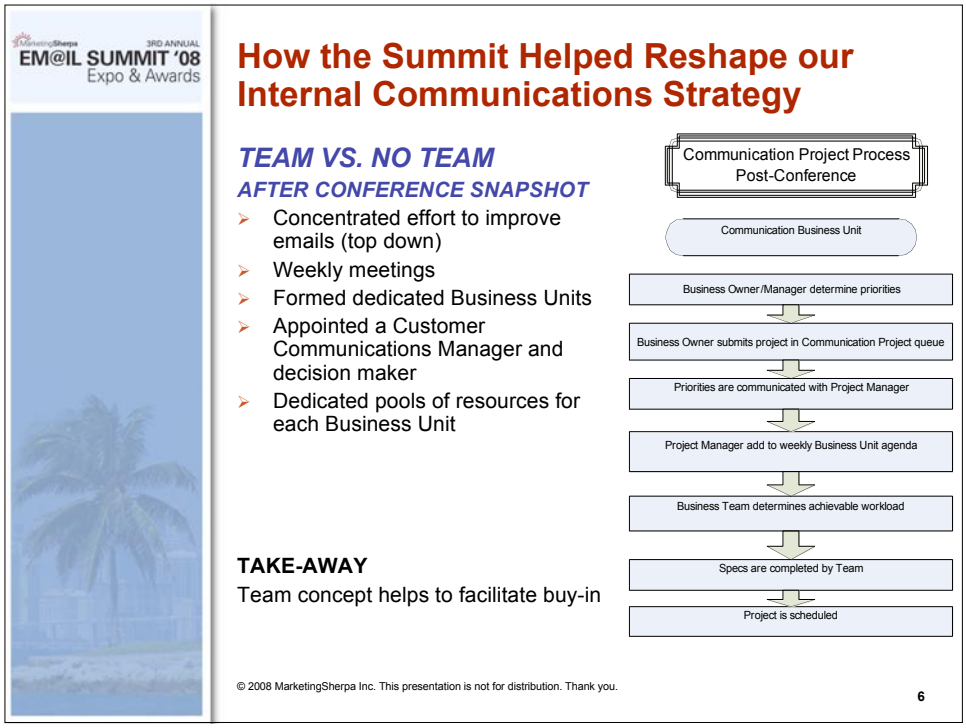

Ideas Into Action: What We Learned at Email Summit '07

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How Email Works For Insurance.com

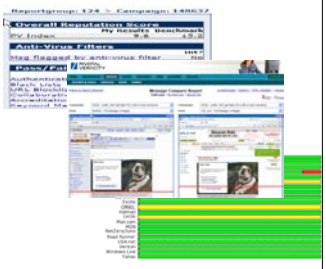
Be Close To The Consumer Experience

"Your customers are not you. They don't think like you, They don't act like you, they don't do the things that you do, they don't have your expectation or assumptions. If they did, they wouldn't be your customer, they would be your competition."

– **Mike Kuniavsky**

All Emails Created In-House

- Email development process
  - Brainstorm creative concepts
  - Design / Code HTML
  - Pivotal Test
    - Delivery test
    - Rendering test
    - Content test
  - Technical Deployment
  - Quality Assurance
  - Measure metrics



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Our View of Email Content

Before and After Conference

BEFORE CONFERENCE	*AFTER CONFERENCE*
Reactive Mode	**Proactive Mode**
Minimal A/B testing	**Established routine of A/B testing**
Standards were outdated	**Established a new set of email standards and specifications**
Different styles of emails	**Create emails within boundaries**
Emails were in old template	**Developed a suite of new email templates**
No consistency	**Consistent brand**
Minimal uses	**Different uses**
Unsophisticated localized testing	**Localized testing with GroupMail**
Stale one-size fits all attitude with messaging and imagery	**Imagery and content are now variant**

TAKE-AWAY

Plan for constant A/B testing (always challenge the winner)

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Ideas Into Action: What We Learned at Email Summit '07

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How We Tested Email Content

Before and After Conference

BEFORE CONFERENCE	*AFTER CONFERENCE*
Testing was stagnant	**Redefined our email testing**
Occasionally checked deliverability, content, link success.	**Running/testing all our emails through Pivotal Veracity Tools** eContent Scorer eDelivery Tracker eDesign Optimizer eReputation Manager
Occasionally run emails through the free spam tester	**Actively Run emails through the Free Spam Tester** – Sitesell

TAKE-AWAY
Your email may look great, but will it reach the consumer?

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More About Content Testing

Think Inside the Box

- Create a challenger to beat the champion
- One size fits all doesn't work
- Create different subject lines
- Create different themes
  - Tell story with creative content
    - Concise Copy
    - Strong Graphics

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How to Declare a Winner

STEPS

1. Understand the purpose of your test

2. Understand how big of a sample size you need and how long your test will need to run before you can accurately declare a winner

3. Understand your metrics- what metric are you trying to improve?

Tools:

MEC Testing Certification Course

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Understand Deliverability/Reputation

STEPS

1. Define and examine what variables influence email reputation

2. Examine each variable to determine future improvements
   - Examples:
     - How can you improve bounces?
       - secure wording, seals
     - How can you reduce spam complaints?
       - Ask consumer how often they would like to receive email from your company

3. Educate others within your organization, about the importance of reputation in determining deliverability.

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Ideas Into Action: What We Learned at Email Summit '07

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Testing Impacts Email Design

OK. So What Does This Mean?

- Test, Test, Test, Test
  - Test your design on paper with others (lo-fidelity usability)
  - Test your design locally with email clients
  - Test your design with free SPAM check
  - Test the deliverability, rendering and content
  - Programmers test
  - QA test links
- Make Strong Choices in Design
  - Call to action noticeable
  - Easy to see purpose of email
  - Balance between text and images (content)
  - Opt-out visible
  - Flexible template to test elements

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Connect with your ISPs

WHY?

- ISP's hold the key to your email metrics
  - ISP's determine what to deliver and where to deliver your email
    - AOL, Hotmail, Yahoo, Gmail
- Build relationships with ISP's or 3rd party vendors that work with the ISP's directly
- Implement feedback loops/white listing with ISP's

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Ideas Into Action: What We Learned at Email Summit '07

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Insurance.com | Case Study

Complete Your Quote Email - Control Group vs. Urgent Email

- About the email:
  We were running the same "CYQ" (Complete Your Quote) email for a period of 4 years, without ANY changes
- Audience: Business to Consumer
  Email is sent to people who willingly gave us their email address and left our interview process, before viewing rates of leading carriers
- Goal of campaign:
  Provide enough motivation and sense of urgency for the customer to come back to our site, click on the email retrieve link, complete their quote and view rates of multiple carriers.
- Test Information:
  Email test start date- April 2007
- Control vs. 9 additional experiences
  Paired down to four winning experiences, highest "Urgent CYQ"

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Insurance.com | Case Study

Complete Your Quote Email - Control Group vs. Urgent Email

- **Design Specifications**
  - Stronger call to action
    - Easy big button
  - User-friendly modern template
  - Quick read in windowpane style
  - Simple and concise messaging
  - Bullet copy
    - Summary our services
  - Inline hyperlinks
  - Image testing- "Urgent" stamp produced highest results
  - Added personal signature

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Ideas Into Action: What We Learned at Email Summit '07

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Insurance.com | Case Study

Complete Your Quote Email - Control Group vs. Urgent Email

- **Testing Specifications**
  - Pivotal Tools
    - Content, Deliverability, Rendering, Link Testing
  - MEC Protocol
    - Document/Relevant Sample Size/Results Analysis
  - Feedback Loops
  - White-listing
  - In-house Testing Team

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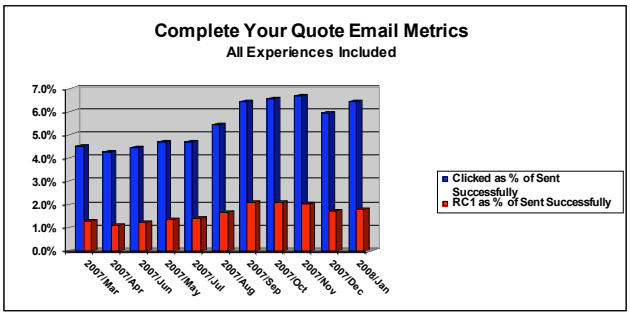
Insurance.com | Case Study

Complete Your Quote Email - Control Group vs. Urgent Email

- **Results**
  - **Complete Your Quote Email (All Experiences included)**
    - Clicks as a % of Sent Successfully- 4.6% to 6.5% (41.9% increase)
    - RateCall1 as % of Sent Successfully- 1.3% to 1.8% (45% increase)



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Ideas Into Action: What We Learned at Email Summit '07

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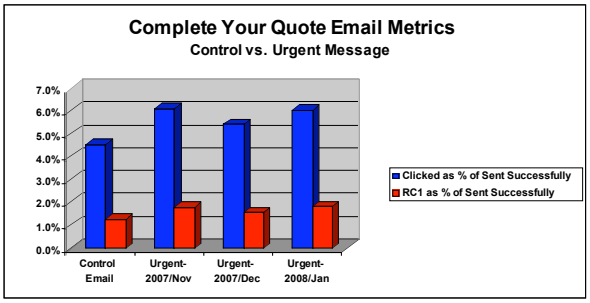
Insurance.com | Case Study

Complete Your Quote Email - Control Group vs. Urgent Email

- **Results**
  - **Complete Your Quote Email (Control Email vs. Urgent Stamp)**
    - Clicks as a % of Sent Successfully- 4.6% to 6.1% (33.4% increase)
    - RateCall1 as % of Sent Successfully- 1.3% to 1.9% (44.3% increase)



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Credits/Thank You

INSURANCE.COM May The Best Quote Win

- Third Party Partners
  - Pivotal Veracity
  - MarketingSherpa
  - MEC
  - Comperemedia
  - GroupMail

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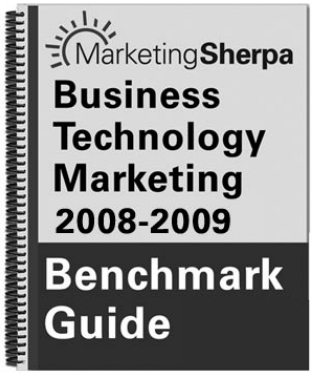
Practical Reports For You From MarketingSherpa

MarketingSherpa Online Advertising Handbook + Benchmarks

Part Handbook, Part Benchmarks – All new and practical to make sure you maximize the effectiveness of your Online Advertising. Includes: fact-based data for online advertising strategy, tactics, and general know-how; 577 advertisers and marketers surveyed; common sense design and scientific targeting; 30 Images/Creative Samples; 116 Tables and Charts
213 pages. Published March 2008 by MarketingSherpa; $497 for instant PDF download plus printed copy!

MarketingSherpa Landing Page Handbook 2008

Newly updated and expanded for 2008, MarketingSherpa's bestselling Landing Page Handbook helps you raise conversions by up to 55% or more for search, email, and ad campaigns for lead generation, ecommerce, and even blogs. Includes: page design & copy instructions; 54 stat & data charts; 114 samples of landing pages to copy; help for search, email, B-to-B, ecommerce, blogs & lead generation conversions
273 pages. Published November 2007 by MarketingSherpa; $497 for instant PDF download plus printed copy!



Coming Soon! Business Technology Marketing Benchmark Guide 2008-09

- Thousands of B-to-B marketers and business tech buyers surveyed
- Practical data on search, email, PR, direct mail, lead generation, trade shows, podcasting, telemarketing, & budgeting

Publish Date - June 2008; PRICE: $397

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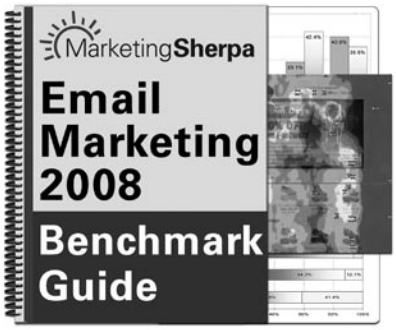
Practical Reports For You From MarketingSherpa

MarketingSherpa Search Marketing Benchmark Guide 2008

New handy guide gives you: 2,475 search marketers surveyed; 184 charts & tables +10 eyetracking heatmaps; 711 search marketing agency execs and staff surveyed; growth rates and ROI of search marketing vs. other marketing tactics; stats on costs per click, conversion rates, SEO vs. PPC, and more.
275 pages. Published September 2007 by MarketingSherpa; $297 for instant PDF download plus printed copy!



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