



The 10 Things:

- 1 Email Is Everywhere
- 2 Email Is Cost-Effective
- 3 Email Is Profitable
- 4 Email Demands Permission
- 5 Email Demands Integration
- 6 Email Is Personal
- 7 Email Is Immediate
- 8 Email Is Mobile
- 9 Email Is Flexible
- 10 Email Is Measurable

Bonus:

- 11 Permission Email Is Not Spam
- 12 Email Is Social
- 13 Email Is the Future

NO EXECUTIVE LEFT BEHIND

10 Things Your C-Suite MUST KNOW About Email NOW

There's a saying that marketers are used to recessions. Why? Because they experience them every fourth quarter when budgets are cut to make the numbers.

But this time is different. Clouds of doubt fill the global economic picture due to housing foreclosures, bank failures, and layoffs across an increasing number of business sectors. In the midst of such uncertainty and chaos, it's difficult for many companies to get a handle on what they should do—particularly when it comes to their marketing expenditures. As a result, they usually revert to what they know: cost-cutting across the board.

What does this mean to you? Simply put, it's time to roll-up your sleeves and defend your turf. You cannot assume that your C-Suite understands the critical role played by email in facilitating sales and maintaining strong customer relationships. **You must take it upon yourself to educate your executives about email's strengths.** Why? Because you'll not only help your company steer clear of the "batch and blast," short-term desperation tactics that destroy email deliverability, but you may also make a case that now is the perfect time to invest in the resources needed to realize the long-term potential of one-to-one relationships with customers, prospects, and partners.

To help you in these email educational efforts, we encourage you to incorporate the following *Ten Things Your C-Suite Must Know About Email Now* into your presentation. While many of these points may seem second-nature to you, remember that your C-Suite doesn't spend all day reading the latest and greatest about email marketing on ClickZ, DMNews, and MarketingSherpa.

So, without further delay, we give you *The Ten Things Your C-Suite Must Know About Email Now*. May it help you fight (and win!) the good fight for resources, project priority, and subscriber-centricity both now and in the future.

Regards,

Jeffrey K. Rohrs
VP of Marketing, ExactTarget

99%
of Internet
users use
email.

1 Email Is Everywhere

You would think that 15+ years into the Internet revolution the ubiquity of email would be widely acknowledged as an asset—even in the C-Suite. However, you make this assumption at your own risk.

It is a far better strategy to demonstrate email's universality in the language that your executives understand—numbers. Email remains the Internet's most widely used communication channel and the foundation upon which viral marketing is built. A few facts worth sharing:

- ▶ **Sending and reading email remains the #1 activity on the Internet¹**
- ▶ **99% of Internet users say they use email²**
- ▶ **96% of Internet users check their email weekly or more³**
- ▶ **60% of Internet users checked their email yesterday⁴**

In short, there is simply no other Internet-based, one-to-one communication medium with the adoption rate, reach, and usage maintained by email.

2 Email Is Cost-Effective

The economy demands that marketers look more closely at the return on their marketing decisions. In times like these, email marketing continues to shine through as an excellent investment. It offers marketers a highly engaging, customizable, targeted medium to strengthen customer relationships, drive sales, and increase overall brand experience.

—Richard Castellini, CMO,
CareerBuilder.com

Looking beyond the fact that email is everywhere, there is also no other medium as cost-effective as email.

With television and online advertising, you have to rent “eyeballs.” With paid search, you have to rent keywords. With direct mail, you usually have to rent a list and pay for printing and postage.

With email, you can leverage point-of-sale and other customer interaction data to build your own proprietary list of subscribers who are interested in your products and services. Remember, your subscribers are a company asset that no competitor can replicate. Better yet, email lets you communicate with subscribers through a direct, Internet-based medium that is eminently affordable and delivered instantly.

When it comes to email, what’s not to love?

3

Email Is Profitable

Email Profitability

TACTIC	ROI
Email Marketing	\$45.06
Non-Email Online Marketing	\$19.94
Non-Catalog Direct Marketing	\$15.55
Catalog Direct Marketing	\$7.28

Source: Direct Marketing Association

Perhaps no drum has been beaten as loud and proud in email marketing circles as the Direct Marketing Association's annual finding that email delivers the highest return-on-investment (ROI) of any direct marketing tactic—online or off.⁵ In its 2008 survey, the DMA found that email generated \$45.06 for every dollar spent. That's an ROI of over two times that of other online marketing tactics surveyed and over six times that of catalog direct marketing.

So, according to the DMA, email delivers the most bang for your buck. However, the danger of sharing email's ROI prowess with the C-Suite is that they may latch onto it as a justification to send more email—instead of more permission-based, relevant email.

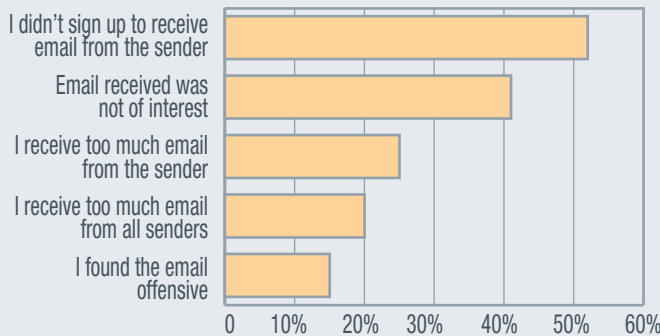
Thus, when citing email ROI statistics, emphasize to your C-Suite that:

- ▶ **Email is not direct mail**
- ▶ **The inbox is not the mailbox—it's a far more personal space**
- ▶ **Email subscribers dictate the terms of their marketing relationship with you**
- ▶ **"Batch and blast" is not a strategy—it's a recipe for subscriber revolt and delivery disaster**
- ▶ **Higher ROI comes from developing and executing a long-term email marketing strategy that builds relationships**
- ▶ **Email is best used for customer retention and lead nurturing—other tactics such as search marketing are better for customer acquisition**

Once your C-Suite understands that email profitability is tied to subscriber satisfaction, they will be more inclined to eschew short-term, "more more more" email tactics in favor of long-term communication strategies. The net impact is easy to spell: it's R-O-I.

4 Email Demands Permission

5 Reasons Recipients Hit “Spam” or “Junk” Button



Source: MarketingSherpa and Q Interactive, November 2007, Methodology N=3,063

A point that bears repeating with your management team is that the inbox is not the mailbox. For the most part, the only recourse a recipient of “junk mail” has is to pitch it in the garbage. Such actions do not compromise your company’s ability to deliver that same piece of direct mail or different mail to other recipients.

In the inbox, however, aggrieved recipients can—rightly or wrongly—hit the “Report Spam” button and potentially block your company from sending any email to other recipients at that domain. In fact, a recent survey by MarketingSherpa and Q Interactive found that 48% of those who use the “Report Spam” button do so for a reason other than to report truly unsolicited commercial email.⁶

According to the study’s authors:

Among the most striking findings of the study is the fact that the definition of spam has effectively changed from the permission-based regulatory definition of “unsolicited commercial email” to a perception-based definition centered on consumer dissatisfaction.

In other words, you must convey to your C-Suite that a majority of subscribers now lump all of the following into the “spam” category:

- ▶ **Email that is not requested**
- ▶ **Email with content that is irrelevant, uninteresting, or annoying**
- ▶ **Email that is sent too frequently**

As a result, if your company does not honor subscriber preferences with regard to communication, content, frequency, and channel, it will find itself treated like a spammer—and it will suffer the consequences of impaired email deliverability and declining ROI.

If you’re looking for a succinct way to frame this discussion, we encourage you to review and share ExactTarget’s [SUBSCRIBERS RULE!](#) philosophy:

- ▶ **Serve each individual subscriber**
- ▶ **Honor each subscriber’s unique preferences with regard to communication, content, frequency, and channel**
- ▶ **Deliver them timely, relevant content that serves their needs**

An email program that submits whole-heartedly to this subscriber-centric philosophy will not only avoid the pitfalls of the spam folder, but also help your company develop meaningful, long-term customer relationships.

5 Email Demands Integration

As you guide your C-Suite down the path of subscriber-centricity, you will undoubtedly come to a point where you have to discuss two sticky subjects: resource allocation and data integration. Unfortunately, this is where the cost-effective nature of email relative to other marketing tactics can be a liability.

Consider the case of a television advertising campaign. There will obviously be external costs to create, produce, and run a commercial on third party networks. Similarly, a company undertaking a website development project understands that there will likely be significant third party costs of software, creative design, development, testing, and maintenance.

Email marketing, however, too rarely appears as anything but a small line item near the bottom of a marketing or campaign budget. As Ken Magill from Direct Magazine recently said, “[W]hile e-mail’s ROI far outpaces every other channel, spending on it lags far behind, possibly because it remains primarily a retention vehicle and its deployment costs are far lower than other channels.”

Savvy email marketers understand that email deployment is only a small part of the investment required to do email right. The other key components for success are:

- ▶ **Personnel:** Hiring and retaining knowledgeable, committed email marketing experts who are in it to build long-term results rather than pad their resumes with short-term gains.
- ▶ **Data Integration:** Investing time and personnel in a strategy that brings website, point-of-sale, CRM, and response data together in a way that can be leveraged to make all email and one-to-one customer interactions more relevant, personal, and timely.

In these cost-conscious times, the good news is that your company may already have the personnel in place to better leverage its consumer data to improve the personalization and response of your email marketing efforts. Therefore, what is needed is a clear, long-term vision of how the company can pool its customer intelligence to enable more timely and relevant one-to-one communications in the future.

To make this happen, you must forge an alliance with members of your IT and CRM teams. Done right, integration can eliminate deliverability challenges, spare IT from skunk-works maintenance of home-grown solutions, and even cut down on IT’s burden by empowering Marketing with more WYSIWYG control over the content of transactional messaging.

With your IT and CRM allies in tow, you’ll be in a far better position to demonstrate to your C-Suite that data integration provides significant, long-term organizational benefits that go far beyond email. Moreover, you’ll convey that email shouldn’t be considered an afterthought, but rather an integral component of the much larger IT and CRM silos.

Over
76%
of marketers surveyed felt they were not realizing the full revenue potential of their current customers.

—2008 CMO Council Survey, “Maximizing Routes to Revenue”⁷

60%
of marketers surveyed are introducing better segmentation, profiling and targeting strategies, while 49% plan to add or improve database marketing systems and 30% intend to acquire new analytics capabilities to better target and engage.

—2008 CMO Council Survey, “Maximizing Routes to Revenue”⁸

6 Email is Personal

With data integration in place, your company will be able to introduce increasing levels of segmentation and personalization into your email marketing program. This effort will translate into email capable of honoring what we call “The Four Rights:”

- ▶ **The right message**
- ▶ **Sent to the right person**
- ▶ **At the right time**
- ▶ **Through the right channel**

In explaining this to your C-Suite, it is imperative that you demonstrate that personalization is about far more than beginning your email with, “Dear [Subscriber].” It is about using the information your subscribers share with you, combining it with data you know about them from point of sale, CRM systems, and previous online interactions, and then delivering content that actually aligns with their needs and interests.

Examples include:

- ▶ **Delivering account status information**
- ▶ **Tailoring product content inclusions based on predictive or behavioral modeling**
- ▶ **Populating email content based on abandoned cart contents or site search and browsing history**
- ▶ **Moving individual subscribers to a less frequent email schedule based on explicit subscriber requests or automated response analysis**

If these types of emails sound exciting to your C-Suite, they should. They are some of the highest ROI email marketing possible today. The call for greater segmentation and personalization is not a hollow mantra, it is a time-tested means to increase customer spend and retention—which are attractive destinations given the current economic climate.

7 Email Is Immediate

“Everyone I know checks their email a number of times a day, with few exceptions. Facebook probably causes people to look at their email [more often] because of its email notifications. I personally check my email constantly while I’m on my computer, which is about half my waking hours.”

—18 Year Old Respondent
2008 Channel Preference
Survey, ExactTarget

Another attribute of email that often goes unspoken is its immediacy. When you push “send,” your message is delivered nearly instantaneously to every recipient. As a result, the email medium affords companies an incredible channel through which to manage the unforeseen crisis and exploit the unexpected opportunity.

To do so, however, takes two things:

- ▶ **Permission to send your message**
- ▶ **A detail-oriented email marketing team with a broadcast mentality and extraordinary attention to detail**

We have already addressed the importance of permission in building your subscriber base, but it bears emphasizing that permission-based email subscribers often include your most loyal and engaged customers. As a result, maintaining happy, engaged subscribers should be an important part of any company’s crisis management and proactive marketing plans. After all, if an issue should arise, who better to have a “send button away” than your most engaged, online customers?

The second attribute that the immediacy of email demands of your company’s email marketing team is a “live broadcast mentality.” This is because once you hit “send,” you can’t recall your message—you can’t put the toothpaste back in the tube. This differs from most other forms of advertising where there is at least a production window in which your campaign can be retracted. This also differs from the traditional “launch and fix” philosophy that pervades most web application development today.

Why is this “live broadcast mentality” important? Because not everyone is built for the pressure or attention to detail that email marketing requires. As a result, you need to identify and retain top talent that shows a proclivity for managing your email production process.

A long-term, email marketing strategy requires committed and passionate people to execute it. Encourage your C-Suite (beg, if you must) to invest in email marketing talent when you find it. Such talent is worth its weight in gold in an economic environment where customer retention is more important than ever.

8 Email Is Mobile

Let's not mince words. The iPhone is revolutionizing the mobile web. Websites, interactive maps, and search engines are now just a touch away from consumers hungry for on-demand information.

In discussing the iPhone and its envious, smartphone brethren, don't forget to point out to your C-Suite that email is along for the ride. Thanks to Apple's decision to delay multimedia messaging (MMS) capabilities for the iPhone, email is the principal way that iPhone users have to share photos, videos, and links with distant friends.

Combined with the increasing use of smartphones for business, it is clear that mobility hasn't killed the email medium. Mobile devices have only made it more critical that you determine if your subscribers are mobile and, if so, that you go the extra mile to tailor your email messages for mobile devices. The modest investment of time will be rewarded by increased response from mobile email users.⁹

The introduction of the iPhone 3G in July and Apple's expansion into many more countries helped propel the vendor to second place globally, taking it above RIM in the quarter and resulting in higher shipments than for all the Microsoft-based smartphones combined.

—*Canalys Estimates, November 6, 2008*

“[T]oday,
12%
[of consumers]
use mobile email
at least weekly.”

—*Who Uses Mobile Email?,
Forrester Research,
July 23, 2008*

Abandoned cart notifications
 Franchise communications
 Product recalls
 Account alerts
 Invitations
 Product releases
 Affiliate communications
 Lead nurturing
 Order confirmations
 Contests
 Loyalty club
 Sale notifications
 Corporate communications
 Membership renewals
 Satisfaction surveys
 Coupons
 Membership rewards
 Service reminders
 Cross-sell messaging
 Monthly statements
 Service updates
 Customer service
 News alerts
 Shipping notices
 Drip campaigns
 Newsletters
 Store openings
 Event notifications
 Product alerts
 Upsell messaging



Email Is Flexible

When you discuss email in detail, the medium can begin to seem monolithic. It bears reminding your C-Suite, however, that email is the most flexible communication channel ever developed. Ponder for a moment all of the different types of email messages that are sent by your organization.



Do any of these sound familiar?

The fact is your email communications encompass far more than your email marketing efforts alone. In the past, due to the limits of technology, all the marketing department could design, deploy, and monitor were email marketing messages. Today, however, thanks to ExactTarget's custom and third-party partner integrations, companies can aggregate, optimize, and measure much more of their overall email communications across the enterprise.

Accordingly, if your company is still sending out untrackable, text email order confirmations, then now is the time to emphasize the benefits of single-platform email control. Doing so will not only add to your ability to deploy email in all its forms, but also give you the data you need to justify further aggregation and integration efforts.

10 Email Is Measurable

The integration of web analytics with email is a powerful means of driving business value. Companies that use real-time performance data to optimize messaging and offers stand to separate themselves from the pack.

—*Christopher Parkin, Sr.
Director, Genesis
Solutions, Omniture*

The final thing your C-Suite needs to know about email today could have easily been the first thing we chose to mention. In today's performance-motivated marketing environment, email thrives because it is measurable. Thanks to the magic of the Internet and tracking pixels, you can gain an immediate sense of who is receiving, opening, and responding to your email messages.

Today's email performance tracking does not stop there. By leveraging web analytics solutions from providers such as Omniture, WebTrends, and CoreMetrics, companies can easily track post-click behavior of their email subscribers. This, in turn, creates performance data that can be used to assess the ROI of an individual campaign as well as leveraged for future email segmentation and personalization.

Is email your best performing tactic from an ROI standpoint? Does email help you retain loyal customers? The only way to know is to examine your data—something you can, and must do in order to ensure that your company is getting the highest return on its investment in the amazing medium of email.

Bonus Points: Email Is Not Spam

If Ten Things aren't enough to convince your C-Suite to invest time and resources in your email marketing efforts immediately, here are three more points that will help your cause.

There's one in every C-Suite: the know-it-all executive who unilaterally proclaims that "all email is spam" simply because he gets so much of it in his inbox.

There is no question that spam is and will be a problem in the inbox. However, if you are working to honor subscriber permission and send only relevant, timely, and requested content, YOU ARE NOT SENDING SPAM.

If your executive Doubting Thomas isn't convinced, point out that despite the noise in the email channel, consumers continue to give their permission to marketers to communicate with them via email. Across all ages and demographics, consumers prefer email for:

- ▶ **Order confirmations and transactional "thank you" messages**
- ▶ **Financial alerts**
- ▶ **Regular account status updates**
- ▶ **Permission-based promotional messages**
- ▶ **Polls and surveys about known companies**

All spam in the inbox may be email, but not all email in the inbox is spam. Consumers get this. But it's up to you to make sure that your C-Suite does.¹⁰

"We are not facing an exchange of one channel for another. Instead, we are embarking into a one-to-one environment that requires us to listen carefully to our customers and get smarter about relationship marketing."

*—Morgan Stewart, Director of Research & Strategy,
2008 Channel Preference Survey, ExactTarget*

Only
13%
of Internet users
use a social
networking site
like MySpace,
Facebook, or
LinkedIn.com.

—May 2008 Trend Survey,
Pew Internet & American
Life Project

12 Email is Social

Another current philosophy making the rounds is that social media will somehow “kill” email. Digital marketers know, however, that nothing could be further from the truth. In fact, the email inbox is the most widely used social medium today.

The reality is that up until now, your executives’ primary source of education about email and social media is probably their teenage children, and those teens have free reign at the dinner table every night to espouse the virtues of text messaging, Facebook, and Twitter to the near total exclusion of their dear, old, reliable email inbox.

The fact is that only 13% of Internet users use a social networking site like MySpace, Facebook, or LinkedIn.com.¹¹ The deeper irony that underlies social media’s “assault” on email is that every single social network requires its users to have an email address. Social networks use email to send login information, friend requests, news updates, and a wide variety of transactional messages. Indeed, one could say that MySpace, Facebook, LinkedIn, and Twitter are as dependent on the email inbox as they are Web 2.0 technologies.

The reason is simple: everybody has an email inbox, and everybody checks their email.

Yes, email is social. The email inbox is where the vast majority of our online communications with friends, family, and colleagues take place. It is where our address book, calendar, historical communications, and archived attachments reside. For many professionals, a major gauge of whether the workday is complete is if the inbox is free of new, unopened email messages.

Instead of mutually exclusive competitors, demonstrate to your executives that email and social media are complementary communication channels. Savvy marketers use social media to get the buzz started, but they leverage email to extend that message to people for whom social networks have little or no appeal. This approach accepts the fact that ultimately, consumers will decide when and through what channels they want to receive marketing messages from your company.

13 Email is the Future

“Your grandfather’s communication is no longer the currency of this new marketplace. This marketplace takes place on a level playing field where all transactions are two-way. The billion-dollar question is this: How well will you fare in a game in which you no longer control the shots?”

—Joseph Jaffe,
Join the Conversation

Congratulations! You’ve just taken a big step by helping your C-Suite understand the importance of email and respecting your subscribers’ wishes. Your executives are no longer pushing you to “batch and blast,” and they count your house email list among the company’s most important assets.

Now, however, they’re asking you about SMS (text messaging), behavioral targeting, and other new forms of one-to-one marketing. They want to be “aggressive” and “push the envelope.”

Your knee-jerk response may be to go home and call it a day. Don’t.

Seize the opportunity to commend your executives for their enthusiasm and point out how new tactics like SMS have even more stringent standards and gatekeepers than email. While the work may never end, the good news is that your email educational efforts will help your C-Suite understand that marketing is evolving to a consumer-as-gatekeeper model. There’s no mass medium to control, only millions of individual conversations to join.

In the end, the winners will be those who ascribe to the best practices of email marketing and aspire to always deliver “The Four Rights” — the right message, to the right person, at the right time, through the right channel.

Conclusion

Hopefully, these “Ten Things” (okay, “Thirteen Things”) will help you educate your C-Suite about the importance of investing time, talent, and resources in your email communication efforts. Ultimately, the fight to evolve your email program will likely be an ongoing battle as most marketing investments are. For this reason, we at ExactTarget are continuing to a “rising tide” educational philosophy, and we welcome you to join in the conversation around email marketing best practices, subscriber-centricity, and one-to-one marketing evolution on our blogs, <http://blog.exacttarget.com> and www.subscribersrule.com, as well as our User Community, ExactTarget 3sixty.

Together, we can champion “The Four Rights,” fight spam, and work to serve subscribers while honoring their preferences and delivering content that serves their needs. It’s just going to take perspiration, not desperation.

¹Pew Internet & American Life Project, *Tracking Survey* (July 22, 2008)

²Center for the Digital Future, USC, *2008 Digital Future Report*. ExactTarget, *2008 Channel Preference Survey* (February 2008)

³Center for the Digital Future, USC, *2008 Digital Future Report*

⁴Pew Internet & American Life Project, *Tracking Survey* (December 2007)

⁵Direct Marketing Association, *2008 Power of Direct Marketing Report*, as cited in “*Why Do Email Marketing,*” *Email Marketing Reports* (October 2008)

⁶MarketingSherpa and Q Interactive, *Spam Complainers Survey* (March 2008), as cited in “*Email Recipients Give New Meaning to Spam,*” Marketing Sherpa, August 2008

⁷2008 CMO Council Survey, “*Maximizing Routes to Revenue*”

⁸2008 CMO Council Survey, “*Maximizing Routes to Revenue*”

⁹*Canalys Estimates* (November 6, 2008)

¹⁰ExactTarget, *2008 Channel Preference Survey* (February 2008)

¹¹Pew Internet & American Life Project, *Tracking Survey* (May 2008)