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Using a service provider to deliver your email is effective but can be costly. Robert McLuhan discusses what to look for in an email specialist.

## Press for support

**E**mail has more than lived up to its early promise as a marketing medium, able to reach large numbers of consumers cheaply and at the press of a button. But any illusions that it is straightforward to manage are fast disappearing.

In a survey by e-consultancy and Adestra, only 39 per cent of respondents were satisfied with their delivery rates, and nearly half agreed that strategy planning and measurement of results urgently need improvements. As many as 42 per cent saw the lack of skills and training as the biggest barrier. Unsurprisingly, many companies are now abandoning the attempt to handle email campaigns in-house and are turning much of the responsibility over to the experts.

### Ask an expert

At the very least, using an email service provider (ESP) will help ensure that offers actually arrive in consumers' in-trays, instead of being bounced back or shunted into spam filters. According to the DMA, about a quarter of all bulk email is never delivered. But a good ESP can also provide a whole raft of other services, including creative design, campaign planning and strategic consultancy, as well as advising on data and other issues.

Bryan Black, managing director of Email Reaction, says he gets two or three approaches a week, often from quite large companies that have developed their own

software but are getting low delivery rates. But that's not their only problem, and Black says he is always surprised by the naïveté of some email marketers.

"In a recent case, a client had bought some software and was blasting out 50,000 emails a day," he says. "They came to us complaining they were only getting 60 per cent delivered. When we went through their data we found they hadn't done any cleaning at all, and were contacting people who are dead."

As regards deliverability, getting an ESP to carry out the broadcast makes sense for most, as the problem of spam has created a minefield that is hard for the uninitiated to navigate. In fact, managing email delivery is getting ever further beyond the ability of company marketing teams to handle.

Two years ago, the challenge was to avoid using content that might be flagged up as spam; putting the message through a content validation filter would identify potential problems, such as too many images, the use of words such as "win" or lots of different fonts. That still applies, but these days, experts say, the main focus is on the sender's reputation, with organisations such as SenderScore and SenderBase monitoring email broadcasters on behalf of network administrators and ISPs in order to identify potential spammers.

Guy Hanson, business development director at Database Group Interactive, explains: "If you are a bulk sender, you will be on their radar. They look at your



## A company can learn from an ESP's experiences of its other clients

Denise Cox, newsletter specialist, Newsweaver.

volumes, and the number of bouncebacks you generate, also the number of 'complaints', identified by recipients who send the message straight to the junk folder. They will also take a view of the broadcaster, so a well known bluechip will do better than a garage start-up."

Companies and ISPs that use these reputation-based services will block any message whose sender scores poorly. This means that by using bad data, companies are not just getting poor response rates to their campaigns, but also run the risk of their brand being black-listed.

In effect, a company's reputation score at any one time is an accurate reflection of the delivery rates it is generating, Hanson says. "The closer to 100 the better. SenderScore say that you should be getting scores of 70 or above to be a reputable sender, and if you are below that threshold you need to reappraise one or more aspects of your email broadcasting."

This is where using a good ESP should pay dividends, its expertise helping to identify ways to improve results. In one example, a client had been broadcasting to a pan-European database and wanted to see if its response rates could be improved. Database Group Interactive identified possible improvements to the copy, which was being sent out as a simple large image, and broke it down into smaller components, replacing image text with plain text where possible.

It also tested alternative subject lines that would be less contentious to spam filters. It then conducted a head-to-head test, broadcasting half of the campaign while the company broadcast the other half itself. The agency's open rates proved to be 33 per cent higher, with click-through rates up 50 per cent.

### Beyond delivery

But if the case for using an ESP is made, how does one go about choosing the right one? Hanson recommends asking prospective partners to show what deliverability metrics they can demonstrate across their client base.

"I would want to know whether they have achieved white listing with the top domains like Yahoo, Hotmail, and AOL, and are accredited with companies like SenderScore," he says.

It's a mistake to suppose that a good ESP is one that can guarantee a 99 per cent deliverability rate. That is not how it works, warns James Bunting, head of client services at Communicator Corp.

"It's more about knowing how to collect data and talk to it in the right way," he says. "A good ESP can provide advice on this as well as having the right infrastructure and the relationships in place. The real value is in understanding what the ISPs are looking for, how to collect the data to ensure you don't get complaints, and how to build content that doesn't trigger the filters."

However important deliverability may be, it should not be the key differentiator. Simone Barratt, managing director of e-Dialog, argues that any ESP worth its salt

should have its relationships with ISPs sorted out and that the cleanliness of the data and the relevance of the offer are much more important in generating response.

"It's like an iceberg: a lot of the important stuff sits below the waterline," she says. "The creative might win awards, but you can't see how clever the company has been with its data, and how it has been used for segmentation or dynamic content."

While this applies to all direct marketing, success with email involves specialist knowledge that an ESP is best placed to provide. "It is a real-time medium, with content driven by consumers' stated preferences or behaviour," Barratt says. "Automated tools can be put in place to extract relevant data from shopping carts, warranty renewals and searches. But traditional direct marketing agencies don't always have a good understanding of these web technologies and how one can maximise that behavioural data in a real-time environment."

Where an ESP can really help is with the metrics. Exactly how results are measured will vary from one company to another: it might be revenue earned, the percentage of the database engaged or the lifetime value of the customer, to name only three.

"The first things new clients always want to know, besides what day of the week they should mail, is what their open rate should be," says Barratt. "But there are many different variables that impact on such things. I tell clients not to compare themselves to someone else, but decide on appropriate metrics for their situation and then concentrate on driving them up." This will often be a matter of increasing the offer's relevance, for instance by focusing on where in the organisation the relevant information is to be found and then speeding up access to it.

With multiple clients to consider, an ESP's platform should have evolved to keep up with technology advances and industry trends, and will most likely provide things that an in-house operation may struggle to achieve. It should be well able to personalise elements of an email, with a greater likelihood that emails will format correctly in a recipient's inbox. It can also provide content management systems that make the publishing process easier. It should have better reporting tools too, letting marketers see who opened, clicked or read, together with tracking facilities that evaluate performance and target recipients who indicate an interest.

As with any other application, an email platform needs to be robust, flexible and scalable to meet a company's expanding needs. But again, this is not necessarily a reason for choosing one supplier over another: the survey mentioned above shows that only 11 per cent of email marketers use more than 75 per cent of the functionality in an ESP's platform.

Henry Hyder-Smith, managing director of Adestra, says: "The key to choosing a good ESP is to look at its overall offering – its people, its experience with similar business, its market reputation and its capabilities –



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Bryan Black, managing director, Email Reaction.

including service and strategic advice. Overall, you need to know how well it fits your objectives.”

**Helping hand**

Many large organisations place so much reliance on their email marketing as to make specialist knowledge essential. That’s the case at British Airways where it has become the principle direct customer communications channel, handled through e-Dialog. Stuart Beamish, senior manager, relationship marketing at British Airways, comments: “By working with a dedicated e-mail marketing service provider, we’re able to leverage their strategic and technological expertise to make our communications more effective and to talk to our customers on an individual basis.”

Companies will typically outsource once they have felt the pain of trying to handle email campaigns themselves, or knowing full well that they are unlikely to cut the mustard on their own. But with guidance and practice, some will feel confident enough to take a hands-on approach, using an ESP’s platform and benefiting from its ongoing support.

This is the case at Endsleigh, which uses the Communicator platform for prospect campaigns. It first sets up the list management module to create dynamic lists of people whose insurance is due to expire in 30 days time. They create messages, highly personalised by criteria such as car type, property type, occupation and previous quotations, then schedule them to send automatically as the specified criteria are met, with steady streams of messages distributed weekly. Finally, the system tracks responses, so that content can be tweaked to achieve maximum return.

Endsleigh’s campaigns are now gaining open rates of up to 50 per cent and click through rates of up to 13 per cent. Matt Byrne, e-marketing executive at Endsleigh, comments: “We can develop our own creative, run tests, launch a campaign and immediately receive real-time reports on its success. Just as important, our open rates and click-through rates are constantly improving.”

Advice on how to get the most from email marketing is not the least of the benefits of outsourcing. “The attraction of using an ESP is that a company can learn from the experiences of its other clients,” says Denise Cox, newsletter specialist at Newsweaver. “It should look for one that provides consultancy as part of its standard fees. After all, an ESP should be more of an expert in email marketing than the marketing manager of a company that is doing it for the first time.”

Companies looking for the cheapest per-email pricing may not understand the pitfalls, or how paying more for the service might help them in the long run. The wrong choice of ESP could even see delivery rates decrease, Cox points out, especially if it caters for high volume mailers, as these will care more about winning conversions than about best practice and deepening

relationships with customers.

It’s a naïve buyer who buys on cost per thousand (CPM), agrees Black. “We often get people calling us to ask for a price for blasting out emails, but if it turns out that is all they want to do, we will divert them to a cheap supplier. We are not in the business of upsetting our relationships with ISPs with dirty lists.”

Most service providers would like to think that companies outsource their email campaigns because they value their customer database and want to put it in the best hands possible.

“Clients do shop on price, as they have limited marketing budgets and want to know they are getting the best value. But they don’t do as well as those who look to get the best out of a valuable asset,” says Bunting. “Do you really want to take two million pounds-worth of customer data and give it to a provider who is going to charge £300 pounds a month for your email marketing?”



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If the bare-bones merchants are best avoided, that might also apply to creative agencies who handle email campaigns along with other marketing initiatives, since they may lack expertise in the data and technical areas. On the other hand, there is no reason why email should not be offered as one of a range of services, as long as it is properly integrated.

Besides email broadcasting, The Database Group, for instance, offers database build and development, data processing, sophisticated customer analysis and insight, as well as handling list sourcing and management. It is therefore in a good position to ensure that a client’s marketing database interacts well with its email broadcasting platform and website.

**Smart advice**

In very commoditised areas such as contact centres, marketers may legitimately ask how much outside expertise they really need. That’s becoming less and less the case with email which, despite its apparent simplicity has evolved into a highly specialised medium, and one where a capable supplier is a valuable asset. For some marketers it will be a case of navigating through the deliverability shoals in which they might otherwise founder. But that’s far from being the only reason for outsourcing, with a good ESP able to provide the kind of expertise that can make the difference between spam and success. ■