

Aiming for Deliverability

Best Practices and Industry Trends for the Savvy eMail Marketer

insight

Whitney Hutchinson | June 2005



As both consumers and marketers, we're well aware of the power of email communication as a tool for attracting and retaining relationships. But a poorly timed, poorly crafted, irrelevant email message can almost result in more harm than good. Today's consumer is more empowered and demanding than ever. In the blink of an eye she can take her business elsewhere, her fickle ways easily facilitated—and leveraged—by the tactics and technologies of our competitors.

The spectrum of quality we see in our inbox each morning is broad. From healthcare to travel services, email messaging can range from an intrusive annoyance to a marketing grand slam—the right message at the right time to the right customer. So how can you improve the power of your email communications? At Avenue A | Razorfish, we begin by following these **10(+1) Best Practices for Email Deliverability**:

1. **Become a preferred sender.** Include verbiage at the top of your email communication encouraging users to setup your "from" address in their address book. Copy example:

"To ensure delivery to your inbox (not bulk or junk folders), please add **client name@client name.com** to your address book"

2. **Stay away from spam triggers.** Run your creative through a content evaluator tool to ensure that you are minimizing any spam triggers in your email copy. Most reputable email service providers (ESP) should have such a tool.
3. **Utilize in-box monitoring.** There are many reputable companies out there that can help you seed your list and report back on the number delivered to each type of in-box (junk, spam etc.). Check with your ESP to see if they provide these services. If they don't, utilize one of the leaders in the space.
4. **Get a dedicated IP address.** If you are sharing your IP address (through your ESP) with other clients, blocking issues that might be related to any of the other senders campaigns can affect your ability to deliver your customer messages. An IP address dedicated only to your programs will help ensure your messages aren't blocked based on other marketers' email practices or programs.
5. **Make sure you're white-listed.** Stay on top of your ISP relationships to ensure white-listing status. This is a big job. Outsourcing your email deployment can help as most ESPs have staff dedicated to this effort.
6. **Follow email authentication guidelines.** Specifically, Sender Policy Framework (SPF) and Sender- ID guidelines should be followed. This is a technical requirement that you may need to implement with the help of an IT resource.

Although e-mail marketers say their biggest challenge is getting their messages delivered into consumers' inboxes, more than half, or 54%, say they don't use email delivery auditing tools to proactively improve results."

– Jupiter Research

7. **Manage abuse complaints.** Creating a feedback loop with the ISPs is vital in order to stay on top of your abuse complaints. As mentioned above, your ESP will likely have dedicated staff working on ISP relationships. Make sure they have created this feedback loop and that your list is immediately cleansed of those who report your messages as spam.
8. **Cleanse your list.** Make sure that your list is clean of hard bounces (invalid addresses) regularly. Each ISP has a different algorithm for bounce management such as the number of times they'll attempt delivery before they bounce it back. You should understand these algorithms and actively manage them. Again, outsourcing to a reputable ESP is helpful.
9. **Abide by the law.** Make sure that with each commercial email communication you send out is in compliance with all applicable legislation.
10. **Once your message is delivered, ensure it's seen.** Users may have trouble viewing your email based on their spam filters and/or the email client they use. Allow those who are having trouble the ability to click through to a hosted version of your email. Additionally, consider using alt text and feature important context as HTML text rather than images. Assume that images will be stripped and plan accordingly. See Table 1. below for a list of how top email clients currently manage images.
- +1. **Keep every message personalized and relevant.** Even if your email is delivered properly, it can still easily be lost amidst the clutter. Personalized and relevant communication is more likely to be seen—even anticipated—and most importantly, acted upon.

Email Image Blocking	AOL 6.0+	Gmail	Hotmail	Outlook 2000/XP	Outlook 2003	Outlook Express	Outlook Express +SP2	Yahoo
External images blocked by default	Yes	Yes	No	No	Yes	No	Yes	No
User-controlled image-blocking	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes
User can click a link to enable email images	Yes	Yes	Yes	No	Yes	N/A	Yes	No
Images enabled if sender in address book	Yes	No	Yes	Yes	Yes	Yes	Yes	No
Alt tags displayed when images disabled	No	Yes	No	No	No	N/A	No	No

Table 1. Email Client Image Management¹

¹ <http://www.emailtools.co.uk/tips/email-image-blocking.htm>

Industry Trends

With 2004 now behind us we can look back at overall industry metrics. Open rates trended down throughout 2004 based on the increase in spam blocking software and technologies; however, all other metrics remained fairly stable throughout the year signaling the continued strength of email communication. The following tables illustrate the variance of email success rates by industry in Q4 2004²:

Industry	Bounce Rate	Open Rate	Click Rate
Business Products	13.0%	38.8%	8.6%
Consumer Products	10.8%	35.6%	10.3%
Consumer Services	11.9%	31.4%	7.7%
Financial Services	12.7%	35.8%	8.2%
Travel	6.6%	33.7%	7.8%
Retail & Catalog	7.9%	28.7%	5.6%
Publisher – Business	8.1%	34.4%	8.3%
Publisher – Consumer	7.1%	30.2%	10.4%

Open rates declined from 36.8% in Q4 2003 to 32.6% in Q4 2004 primarily to the increase in image/pixel stripping by the major ISPs. This was true of all product categories with the exception of Consumer Services.

We also saw just a slight decrease in average click through rates from 8.4% in Q403 to 8.0% in Q404 (a decrease of 4.8%) while at the same time we saw a 14.3% increase in conversion rates—from 4.2% to 4.8%. Conversion rates from deliveries also increased 34.6%, up to .35% from .26%. Revenue per email delivered in the fourth quarter of 2004 was \$0.26 while the median order size attributable to email was \$89.²

Note: Benchmark data should be used for guidance only as results can vary greatly by program and by ESP.

Conclusion

It's possible that open and click through rates may continue their decline in 2005, however we see the power of a thoughtfully structured email program as only increasing in value. As email messaging continues to mature, we'll see more targeted and relevant communication between the marketer and the consumer resulting in increased conversions in the short term and increases in the lifetime value of the customer in the long term.

Case Study: Specialty Retailer

Avenue A | Razorfish developed a custom CRM program and mapped it to the customer lifecycle as it related to the retailer's product line. Email messages were dropped twice a month and customized depending on which stage in the customer lifecycle the recipient was in. This program was incremental to the standard promotional program that highlighted sales and special promotions.

Results:

- 1-2 incremental contacts per month with no cannibalization of existing program.
- Increased email driven site visits by 26%.
- 33% unique open rate, 44% aggregate open rate.
- 14% click through rate.

Note: Conversion rates not available as transactions occurred in the store.

² DoubleClick Q4 2004 Email Trend Report

About the Author

Whitney Hutchinson **eCRM Strategist**

Whitney is responsible for overall strategy and campaign planning for Avenue A | Razorfish client eCRM campaigns. Whitney has over 10 years of marketing experience, primarily focused on direct marketing. Prior to joining Avenue A | Razorfish, Whitney managed the direct marketing efforts for Airborne Express, a Fortune 500 transportation company, where she was responsible for the small business customer communication as well as all direct marketing for the corporation. Whitney is a past board member of the Seattle Direct Marketing Association, and a graduate of the University of Washington. Whitney has been with Avenue A | Razorfish for 5 years.

About Avenue A | Razorfish

Avenue A | Razorfish (www.avenuea-razorfish.com) is the largest interactive agency and an operating unit of Seattle-based aQuantive, Inc. (NASDAQ: AQNT), a digital marketing services and technology company. Avenue A | Razorfish solutions are entrenched in deep technology, rigorous analytics and a rich understanding of customer needs, including award-winning online advertising media and creative, search marketing services, email marketing, and world-class design and implementation of websites and intranets/extranets. Avenue A | Razorfish operates three regions – East, West and Central – with 11 offices located in major U.S. markets. Clients include AstraZeneca, Best Buy, Kraft, Microsoft/MSN, Ralph Lauren, and Wells Fargo.

Avenue A | Razorfish
821 2nd Avenue, Suite 1800
Seattle, WA 98104
Voice: 206.816.8800
Fax: 206.816.8808
www.avenuea-razorfish.com