

Multichannel Opportunity – Database Marketing June 2008

Email is popular with marketers for its immediacy and cheapness, and there is also evidence that it is customers' preferred channel. Recent research by Response One reveals it is 52% more likely than the average to inspire a web visit and serious intent to buy.

But email's distinctive characteristics are arguably best used in combination with other media. According to Jupiter, coordinated multi-channel marketing increases conversion rates by between 27% and 50% over campaigns based on a single medium.

For this to work, the different channels need to be fully integrated, with the creative and timing precisely coordinated. That's hard to do where marketing activities are siloed in different department, often still the case. In a large poll of email marketers by e-Consultancy and Adestra, the Email Marketing Industry Census, more than 80% said they had little or no integration. "This will strangle ongoing email marketing effectiveness," comments Paul Crabtree, marketing director at Adestra. "Not having systems that talk to each other prevents you effectively measuring return-on-investment, and hampers any testing program, particularly in a multi-channel scenario."

However the problem is far from universal, and some other specialists think it is becoming less of an issue. Christopher Combemale, chief operating officer at Emailvision, states, "We are finding that more and more clients have integrated their data. That means they can plan properly and make use of multiple channels simultaneously, providing more ability to measure cross channel impact."

One issue is what combination of channels to use. In a recent DMA survey 39% of responding marketers reported success by combining email with direct mail, and almost as many found benefits using it in conjunction with the telephone. A tried and tested approach is the 'triple-play', starting with an email teaser telling the recipient to look out for an exciting communication in the coming days, followed by a mail shot with glossy picture and detailed information, and finally a phone call to clinch the sale.

"It makes sense to use email in this way, as the cost and value of offline approaches is very high." Combemale points out. In his experience, clients see an uplift of at least 10% and up to 40% in responses to mail piece where an email is sent first.

Similarly, an email can also be a useful precursor to telemarketing, with a message advising that someone will soon call. One Emailvision client almost doubled the response rate from its ongoing telemarketing activity when it added the email element, Combemale reveals. In yet another combination some clients like to send an email as a follow-up to a direct mail piece as a prompt to elicit a response. However this tends not to work so well, he says.

Digital print enable mail pieces to be highly personalized, but it is a costly option, and individual targeting can often be achieved more economically by email. A message sent to an individual, tailored to his or her circumstances, can then be followed by a generic mail piece. This was the approach adopted by Emailvision on behalf of Eurostar as part of last year's multi-channel campaign to raise awareness of the switch from Waterloo to St. Pancras.

Messages were sent out in June and November to 300,000 customers segmented by postcode and advising them of the journey times from their nearest tube station to St Pancras. This achieved a 35% open rate and a 20% click-through rate, and generated a lot of bookings, even though it was geared more to providing information than winning sales. "It was a nice use of email as a support channel for a high-profile event and worked really well," Combemale comments.

Holiday company Thomson uses email to encourage REBOOKINGS. In a campaign run by agency Creatormail, an initial message extended basic offers, with more detailed follow-up messages tailored to the recipient's budget and preferences as revealed by their click-through behaviour. Once a booking has been made, the

customer received a thank you email and offers for car hire, day trips and other ancillary products tailored to their needs.

The email was supported by a mail shot that targeted parts of the same audience, with others receiving solus email or direct mail based on their predicted channel responsiveness. Emails typically landed around two days after the mail piece, though some went out in advance. The campaign delivered open rates of 48 per cent, a clickthrough rate of 29 per cent and engagement rates of 59 per cent.

Email in combination with mail and/or the telephone is often seen in business-to-business approaches. Jarrang carries out European Acquisition campaigns for global IT firm Silicon Graphics as a precursor to telemarketing, either upselling to existing customers or pitching to prospects.

Jarrang's managing director Stafford Sumner explains: "We set up the email so that if someone clicks on a link that the client sees as a priority, it triggers a message to the member of the sales team for that area. Most likely that person will be on the road, but they will be able to pick it up on their Blackberry, with all the relevant contact details, and put a call through within a couple of hours." The success rate is very high, Sumner says. Recipients who open the message but do not click through are treated as lukewarm prospects, who may respond to a further email or a telephone call at a later stage.

At Newsweaver, newsletter specialist Denise Cox cites the example of a training company that uses email as the initial part of the multi-channel path to a booking. The first step is a message with an alert to an upcoming event. Any recipient who fails to open is then sent the information by post, while those who click a specific event link receive a phone call within three days. Cox says the company has seen high end double digit uplifts in bookings since implementing these processes.

"The key to success is having the right permission and relationship in place, and access to the identified opens and clicks from the initial mailings," Cox says. "What I particularly like about this approach is its care not to over-mail, with follow-up only being made to those who have shown interest."

A mistake Cox warns against is to treat email as a duplicate channel for mail, using the same creative. "It's essential to understand how email is read and interacted with," she emphasizes. "Email is considered extremely personal and immediate compared to direct mail. Though the branding may be the same, the way the content is presented and the creative, the pitch, tone and call to action will all be different."

A big development in the past year has been the emergence of social networking sites such as Bebo, Facebook and MySpace as marketing opportunities. These are increasingly on the radar of brands with a strong audience such as the Ministry of Sound, which effectively treats them as mini versions of its main homepage, placing offers, competitions and other communications on its network profiles. Communicatorcorp handles the email element, sending around 1.3 messages a month on upcoming events, promotions and product releases, also newsletters. Data is collected at the door of events, through websites and promotional events, and segmented so that messages are personalized.

Callan Harris, online marketing manager at the Ministry of Sound, says: "Email marketing is getting more difficult, and if it's going to work it has to be in combination with other channels where the consumers are." He sees email as an excellent way to promote products and content and to drive traffic back to the website, as well as increasing the flow between email links, website and social media. Since the brand restructure is email marketing a year ago its response rates have gone up by nearly a third.

"Segmenting has made a big difference. Our VIP mailing list is much more niche and interactive, so it is giving much better response rates," Callan says.

One example of clear segmentation strategy directly affecting the bottom line is that of Virgin Holidays. Between 2003 and 2008 the holiday company saw around 5% of its sales shift from travel agencies to direct channels as a direct result of an eCRM strategy developed by Underwired. Working alongside Virgin Holiday's DM agency, Underwired started off by developing an understanding of the client's data, the customer purchase cycle and customer behaviours. Last year the agency sent around 5 million emails in around 450 segments,

based on a coordinated strategy across all media. By working closely with the DM agency to make sure creative developed for above the line activities was reflected in the online work, by 2006 the eCRM programme was generating a directly measurable return on investment of 26 to 1.

Some companies are coming late to email, having got used to working with traditional channels. That's the case with investment company Hilton Baird, whose intensive acquisition strategy used to be based mainly around telemarketing, fax and direct mail. The company decided to extent its ready when the growth of the telephone and fax preference services started to impact on its response rates. "It introduced email because everyone else was doing it, but to start with the channel was at the bottom of the chain," says Harry Walston, field sales executive at Communitator, which handles the activity. "However, when we analysed the results we were able to show email was getting the highest response, and within a year it was the primary marketing channel."

A key element at Communitator's approval is to get feedback from consumers about their channel preferences. "We try to get people to provide information and track their behaviour," says Walston. "Instead of just sending generic content we sent them to virtual catalogues so that we can see where they go and what they are interested in. At this point we ask them what is their preferred method of delivery is." Some of the results are surprising: for instance, Walston notes a big increase in business executives handling email on their home address. This has implication for business-to-business email campaigns, as the design of the creative needs to take into account the peculiarities of ISAPs such as Hotmail and AOL, which in b2b are normally ignored.

A prime objective of any multi-channel campaign is to reach as many consumers as possible. Acceleris recently created a national marketing drive for motors.co.uk, the Daily Mail Group's used car web-site, to support its launch of video clips for advertised cars. The method it used was to recruit budding Jeremy Clarksons to produce independent video clips, and since this would require a good deal of effort on the consumer's part it meant spreading the net wide.

An email was sent out to the company's advertiser database as part of an integrated campaign that included print and online competitions, news generation, social networking sites and advertising. Over a quarter of a million people saw the e-shot and/or a viral video, and more than 500 submitted entries. "The fact that we were able to generate so many entries demonstrates the value of bolstering e-shorts with other integrated activity, such as the fun video, press competitions and social networking group targeting, to maximize results," says Louise Vaughan, director at Acceleris Marketing Communications.

Crucial to any integrated strategy, whether executed across email and traditional media, or delivered entirely digitally is a deep understanding of the customer journey. This takes purchase cycles, customer touch points and influencers and combines them to create a model to be used to plan contact strategy.

Felix Velarde, managing director of specialist eCRM and online advertising agency Underwired, believes: "The customer journey is the core of the communication strategy. Behind it is data. We spend a lot of time and effort getting under the skin of our client's data gathered so we can develop a detailed set of customer journeys for each segment."

Velarde says that however the email component is planned, it always forms just one part of a rounded comms strategy. Sometimes even very simple cross media campaigns can produce great results. Peugeot recently ran a campaign following up test drives. An email was sent to 1,000 people following test drives of the Peugeot 308. 52% clicked the link, and 35% wrote a positive review of the car for publication. "Sometimes the simplest combination of channels can work the hardest," says Velarde. "Using email in this way has elegance, and brings communications back to the real work experience of enjoying the car – and actually that experience is probably the best way to sell the product we have at our disposal."

Another key consideration is the technology to make email work with other digital channels. Cadbury's recent Crème Egg campaign drove consumers to both its website and mobile WAP site to enter a competition or play a game. They responded either to an email sent to existing customers or to TV ads by testing an SMS, and once they had registered received follow-up emails. The campaign included a strong viral element, with participants encouraged to forward emails to friends.

All this required a high level of integration, which the brand achieved by using MassMedia's Traction, a multi-channel digital marketing platform. This enable it to manage not just the email broadcast, but also SMS, website registration and competition management from a central hub, as well as integrating with the mobile site and social networking site Bebo. "The part played by email was crucial, as it acted as the glue between different digital touch points to allow for the smooth transition from once channel to another," comments Frisco Chau, Managing Partner at Mass Media Studios.

In a case like this email is part of a marketing mosaic, and requires a good deal of thinking through. But that applies even in less complex set-ups. Emailvision's Combemale recommends that companies test different combinations and inter-media effects, building up their own benchmarks. "That's important, because media consumption and consumer behaviors will all vary by customer and product categories," he says. "While certain things work generally, each client needs to do its own testing to create its own set of benchmarks to work with."

None of this is to suggest email cannot also work well as a standalone medium, and indeed that will be sufficient for many businesses' needs. It can be better to keep a marketing approach simple, than to embark on a poorly planned multi-faceted campaign that merely dilutes its effectiveness. But there is plenty of evidence to suggest that where the resource and expertise are available, combining email with one or more channels will greatly enhance its success.