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Email is Not a Black Box: How Real-time Data and Analytics Can Improve Email Marketing ROI

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CONTENTS

Introduction	1
Challenges to Relevant, Timely Email	2
<i>Real-Time Visibility for Email</i>	2
<i>Engaging at the Right Time with the Right Content</i>	2
The Solution: Real-time Data and Analytics	3
<i>Benefits of Real-time Data and Analytics</i>	4
<i>Modern Segmentation Cries Out for Real-Time Data</i>	5
Introducing SparkPost	7
<i>Big Data and Real-Time Integration</i>	8
Conclusion	9



Introduction

The old school, campaign-oriented “batch-and-blast” approach to email marketing is no longer effective. Customers are bombarded with messages not only in email, but across multiple communication channels, and only a small portion of them are applicable to their needs and interests. As a result, customers quickly begin to ignore messages. To cut through the noise, companies must evolve their approach to email marketing. They must engage smaller segments and even individual customers with targeted “triggered” messages.

According to the Direct Marketing Association and Gartner, triggered messages earn click-through rates 119% higher than the average business email. And marketers that do trigger marketing right see their marketing messages receive, at minimum, five times the response rate of non-targeted push messages.

Using real-time data to drive personalization is what companies are striving for: taking what they know about customers and pushing messages to them that are not only personalized to the user but personalized to the place, time of day, and device on which the user opens the message.

At the same time, companies want to react to the user’s response to email in real-time. Marketers should be able to find out within a minute when an individual email has been delivered, opened, and clicked.

Doing trigger marketing right means sending email that is relevant, timely, and valuable. Trigger marketing involves sending email in response to a specific user-driven event or activity. The content of the email is specific to a recent activity and optimized for the customer’s preferences. All of this is achieved using real-time data analytics.

This CITO Research paper explores how companies can use real-time data analytics to personalize email for customers and gauge customers’ reactions to those messages in real-time as well, thereby improving engagement and email marketing ROI.



Challenges to Relevant, Timely Email

Sending triggered email is a challenge today. Campaign systems require data that is synchronized with other systems. Many service providers deliver analytics data on a daily basis, complicating data synchronization and making it difficult to ensure that all data is current. As the subscriber base grows, data synchronization becomes a slower, more complex process, further reducing the timeliness and relevance of the messages sent.

Consider, for example, a customer in a retail environment who purchases a pair of running shoes and a fitness tracker. Marketing receives the customer's purchase data three days later, missing the opportunity to send an offer on running apparel—which would be timely, relevant and valuable to the customer and which has the potential to increase revenue and customer engagement. Instead, marketing sends a standard email offer for discounted golf equipment. The email is irrelevant and the customer's loyalty is eroded.

Real-Time Visibility for Email

Getting timely event data for driving triggered emails is one problem. An equally vexing problem is gaining real-time visibility into what happens to those emails. Typically, companies have little or no visibility into email performance and customer engagement as it happens. Emails are sent out, and marketing doesn't know if there is a deliverability problem—or what that problem is—until 1-2 days later, when they observe conversion rates that are lower than expected. In the meantime, the company risks unknowingly building a reputation as a spammer. Neither Operations nor Marketing know when emails are blocked by ISPs or why they are being blocked.

Engaging at the Right Time with the Right Content

Reporting latency also prevents Marketing from engaging with users via relevant and timely content because campaigns are often based on data that is several days old. The more time that passes, the less relevant the content. In addition, marketing campaigns cannot be adjusted in real time based on ongoing campaign performance. Perhaps an offer link included in an email is broken. Marketing doesn't discover the problem until the campaign has been underway for several days and investigates a nonexistent click-through rate. Irrelevant email increases the risk of reduced engagement and poor placement by the ISP (delivering to the user's junk folder instead of inbox), thereby eroding brand perception and sender reputation.



The Solution: Real-time Data and Analytics

The solution to the problem of delayed updates of delivery and engagement data, and therefore knowledge of user behavior, is quite simple. Real-time data and analytics provide visibility into all systems that companies need to deliver timely, relevant, and valuable messages.

Real-time data and analytics provide valuable insights into email delivery and content performance. Real-time data on message processing and disposition with metrics like messages delayed, delivered, opened and bounced across different channels enables Operations to know immediately if there is a deliverability problem, instead of when sales start to decline. Real-time data and analytics can also provide precise insight into message and content performance by customer, location, campaign, or custom data segmentation. These metrics enable Marketing to shape messaging operations to impact the performance of current campaigns and improve future engagement rates.

Marketing can also acquire, analyze, and apply data about the customer—including their wants, needs, context, behavior, and motivations—to create messaging that is not only relevant but also of value to users. Data collected can include email opens/clicks, location, time of day, in-store and online purchase history, online activity (searching or browsing), and mobile app interactions. This data can be used to create simple triggered emails based on a user-driven event.

For instance, an abandoned shopping cart can trigger a remarketing email with a limited-time discount offer or free shipping for a specific item left in the cart. Personalized emails can also be delivered based on explicit data/preferences provided by the customer. A user of a travel website might ask to be notified when fares to his hometown go on sale. Or a homebuyer may request to be emailed by a real estate website when a two-bedroom home under \$1 million in zip code 94131 goes on the market.

Finally, the data can be used to send individualized email based on implicit data on a customer's wants or needs. Predictive models build propensity scores (such as propensity to churn or propensity to upsell). When a customer's behavior generates a score, the system will send the relevant email (to retain or upsell).



Benefits of Real-time Data and Analytics

Using real-time data and analytics to drive trigger marketing offers a number of benefits. Real-time data and analytics increase email marketing ROI by helping Marketing better understand users. Marketing can learn how recipients are engaging with content—whether they are opening emails, which links they are clicking on, and how long they are engaged with content—and use those insights to craft future messages and optimize content for recipients' preferences. As a result, Marketing can achieve higher customer engagement and conversion rates.



The data can also be used to take action that may lead to further sales. For example, a services or consulting company may send out an email newsletter that includes thought leadership articles and information about related new offerings. Marketing may tell Sales when a user opens an email and clicks on a link to learn more about a particular service. Sales can then contact the user. Marketing can also use email-related data to personalize web content, presenting specific products or information based on the emails the user opened or deleted and links the user clicked on. Finally, Marketing can tailor and tweak campaigns instantaneously, while they are still happening, to increase customer engagement.

Modern Segmentation Cries Out for Real-Time Data

As a strategy, segmentation based on static data is no longer a best practice; today, using real-time data to personalize messages enables marketers to more deeply engage their customers and prospects.

According to a 2015 study from Evergage, companies that use real-time data to drive engagement cite numerous benefits. Some 73% said that using real-time data to personalize messages increases visitor engagement, 54% said it improves customer experience, and most telling for the bottom line, 53% said that it leads to an increase in conversion rates.

The study looked at the lift rate in conversions when real-time data was used and found that 86% of those surveyed saw a positive lift as a result of leveraging real-time data. Some 37% saw a lift of 1-10%, 18% saw a lift from 11-20% and 21% saw a lift of 21-30%. Additional investments in real-time data efforts are planned by 50% of those surveyed.¹

Email isn't just a message delivery platform; it is a critical component in an omnichannel customer interaction cycle

With real-time data, marketers can send dynamic messages and find out immediately how users are responding to those messages. In this context, email isn't just a message delivery platform; it is a critical component in an omnichannel customer interaction cycle.

¹<http://www.emarketer.com/Article/Real-Time-Personalization-Affects-Bottom-Line/1012689?cid=NL1001>



Take advantage of perishable moments

To send highly targeted and effective email offers, it's critical to listen to clients and see where their interest lies.

Listening entails aggregating all the data that you have about a given customer: order history, items viewed on the web, purchases, email opens and clicks, social media data, and more.

Based on their interactions, you can craft better offers.

Ultimately the goal is to create a segment of one, where each email is exquisitely targeted to a particular user's preferences and interests. For many marketers, this goal remains aspirational, but the point is to keep moving in that direction.

Pay attention to engagement and how the user is engaging with you and, just as importantly, not engaging.

If a user brings in a bike to get it tuned up, but never purchases other cycling gear and accessories across multiple years of interactions, should you continue to send email offers for those items? Or are you better off to pay attention to the user's order history, purchasing patterns, and other interactions? What kind of offers made her open the email? Was the email opened multiple times, once on a phone and once on a tablet? What kinds of email offers merited clicks? Did those clicks turn into browsing sessions and purchases?

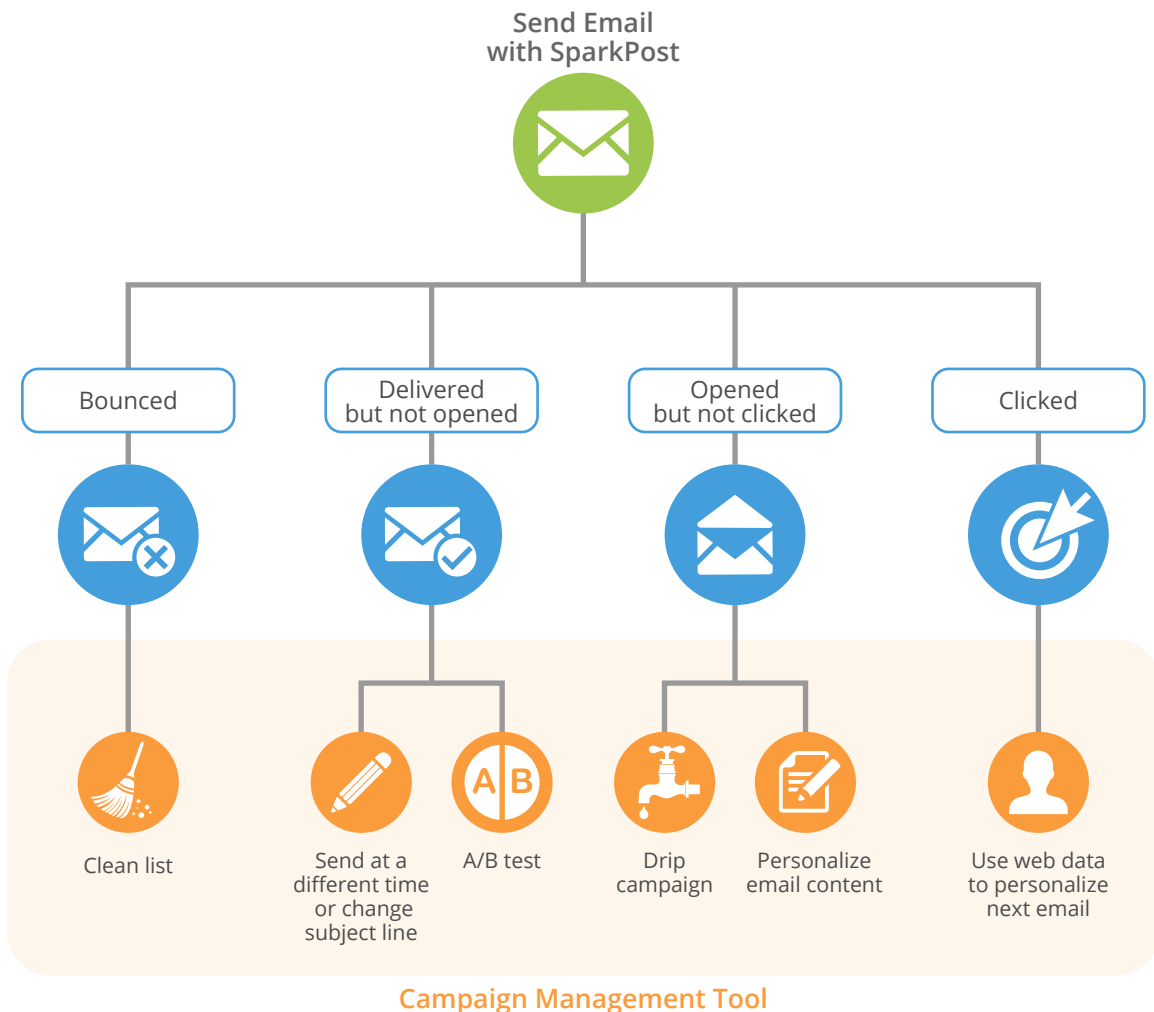
Listening to all these signals can help you determine what represents loyalty and engagement. And all of this information should inform how you design your campaigns. Rather than sending email to everyone, regardless of their engagement level, listen to your customers and tailor your offers to take advantage of perishable moments, which you might identify through website interactions, order patterns, email clicks and opens, support chats, and more. The point is that the closer you can get to a segment of one, the more effective you will be and the greater your email marketing ROI.



Introducing SparkPost

SparkPost from is a cloud email infrastructure solution that enables enterprises to use a variety of digital messaging channels to reach and engage customers online through email, mobile, SMS text, push notifications, and more. SparkPost provides a comprehensive portfolio of powerful analytics, delivering over 40 different metrics including latency, bounce reports, and engagement data. Instead of providing this data in batches, SparkPost streams it in real time, enabling companies to optimize campaigns on the fly. You are notified that a user clicked on a link in an email within a minute of it happening, and that information is written into your company's database within that minute, thanks to the system's web-hooks API.

Use real-time data from SparkPost to continue the conversation





Big Data and Real-Time Integration

SparkPost integrates with backend transaction systems and big data analytics, predictive, and recommendation engines. In addition, SparkPost's high performance and scalability support big data volumes. This enables companies to send trigger emails based on the master systems of their data. Rather than taking data from the data warehouse, analyzing that data, and then generating an email, SparkPost does all of this right off the source. There's no need to import data into SparkPost; the SparkPost REST API can pull in the latest data available at the time of message generation. This eliminates the delay between updates of delivery and engagement data and knowledge of the customer.

The REST API also lets marketers focus on marketing. Campaigns are frequently driven and monitored through a marketing platform. The SparkPost API brings messaging to the data sources rather than forcing marketing to send the data to the messaging app or service. This deep but simple integration further drives timeliness and ease of use for marketers. But it doesn't end with marketers. The SparkPost's easy to use API allows IT to message-enable whatever applications they want to use to trigger engagement with the customer. Consider customer service systems, product knowledge bases, branded mobile apps, and more; any of these systems can be message-enabled to make it easy to send triggered emails through SparkPost.

Bringing messaging capabilities wherever and whenever needed is one function of the API, but just as important are integrations with the real-time analytics that SparkPost provides, enabling you to close the loop with detailed information about customer engagement that allows you to tweak campaigns and interactions in real-time. Marketers can monitor progress with robust and custom data from any and all events, in as much detail as is desired, and in real-time. Real-time data integration is a hallmark of SparkPost's offering, and the company stands ready to help marketers make sure that they get the benefits from real-time data they are looking for.

SparkPost also combines the target recipient with an email template and content in real-time, efficiently generating the right type of message for the right channel at the right time. Companies typically have some means of pulling different elements of data together and building them into a package they can use to actually define an email. With SparkPost, you can package that up into a REST API that calls out what template to use, and that template drives what content is pushed into it. A message is then generated that is sent based on the user's content delivery preferences. The message may be sent via email, for example, or pushed into the company's mobile app, or it could be a combination of those channels.



In addition to all the capabilities described, SparkPost boasts the highest deliverability rate in the industry (98%). Deliverability was an important factor for Pinterest, which recently switched from a shared public cloud-based infrastructure to SparkPost's dedicated cloud email delivery service.

Conclusion

Email marketing is evolving out of necessity. Not only is it ineffective to send batch-and-blast emails, but this approach can also harm a company's reputation and impact profits. Companies that continue to engage in batch-and-blast messaging will eventually become as irrelevant as the messages they send. However, email continues to be an extremely effective communication channel for Marketing, and all the more as marketers leverage real-time data. When done right, triggered and data-driven emails drive customer engagement and increase sales—improving your email marketing ROI.

At CITO Research, we believe real-time data and analytics is a requirement for successful data-driven email marketing. We find it especially telling that the social networks rely heavily on email to drive engagement and note that more and more organizations wonder how they can use email in this same, personalized, and real-time manner.

We believe that SparkPost, which serves the likes of Facebook and LinkedIn, is the best company to provide the messaging infrastructure for data-driven email marketing for companies of all sizes. SparkPost breaks the batch-and-blast paradigm, effectively enabling companies to deliver relevant, timely and valuable messages to customers—messages that improve customer engagement and conversion rates. Contact Message Systems to learn more about how SparkPost supports real-time marketing and can help you improve your email marketing ROI.

[Learn more at sparkpost.com](http://sparkpost.com) ▶

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