

Keys To Great Email Strategy

David Baker, July 2009

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The foundations of strategy don't change, but transferring it to email require a different level of thinking these days. I was teaching my daughter backgammon and talking about the strategy of the game. She very simply said, "My strategy is to win." After laughing, I said "Winning isn't a strategy, it's a result." But she had a good point; we seem to think very cause and effect in our business. We either think too narrowly in determining what winning means -- or we think so long-term that we lose sight of the strategic things that really worked.

Strategy to me is an evolving thing that includes establishment of goals, objectives, tactics, and an iterative methodology that allows you to create dimensional approaches across many segments, products and channels.

To be successful in email strategy doesn't start with a communication strategy. It starts with a framework for how you'll make decisions. Here are some elements that should be included in this framework:

1. **What are your monetary goals** and objectives for your program, and how do they change by segment and/or product mix? This isn't just a revenue view; it's a profit view, a cost of reach, direct and indirect value of response, and the variables associated with the cost of running your program. These are all critical levers you'll have to make decisions on "in-motion."
2. **What are the consumer actions and motivators** that drive a purchase decision? Not just, why do they buy? But, what motivates them to buy, what type of information do they need in what part of the lifecycle? How does it evolve by segment? What type of support does your site, call center, or sales force play in this? What are the tasks your customer must take to complete a purchase -- and how does your operations support those?
3. **What competitive considerations** are important to your business -- and how do they impact the ways your customers make decisions? This isn't as simple as saying, we offer a better product or our competitors offer a competitive product cheaper. You must develop a strategy that can react quickly to market conditions and competitive promotions and adjust to consumer demands. How will you gather this competitive insight, consumer response and make decisions on this information? It's critical that you set some business rules upfront for how you will react to competitive considerations. This includes creating "and/IF" scenarios and outcomes. If you don't create strategy around this, you will find yourself in reaction mode without well-thought-out plans, ultimately distracted from your program and strategies.

4. How you **create customer segments** is critical to effective strategy. You'll quickly find that if you make it too complex, you'll never develop a complete strategy that is doable. It's critical that you create actionable segments that can be catered to in-program. Just because you can create dynamically driven segments and event-driven communications doesn't mean you will have the time or resources to truly optimize all the segments. Your strategy should define the core primary and secondary segments and prioritize each. I typically put them into "high value," "low value" and "invest" categories, allowing for variations in approaches and techniques.
5. Lastly, your framework should include simple **hypothesis-driven testing**. Sounds simple: You want to learn something, so you test it and get a result. But anyone who's worked in this space long enough knows that test results are rarely "pure" and rarely tell a complete story. At best they inform direction, not tactics. Your strategic testing framework should include how often you'll test, what hypothesis you want to solve, and what are the actions you'll take once you've proven or disproven this thinking. (it may be frequency, it may be price sensitivity, types of communications that drive what actions etc..). It's critical that you lay out this framework early in the year. If you wait till the campaign brief to form thoughts around testing, you'll end up learning little, creating unneeded complexity and generally confused about what works.

Strategy is something that needs investment and fresh perspective. I've seen lots of tactics, some that worked and some that didn't -- but I've seen very few strategic plans that were set up properly for email marketing or eCRM. With a well-planned strategy, you'll see fewer and fewer obstacles. "Obstacles are those fearful things you see when you take your eyes off your goals" -- and goals begin with a foundational strategy.

About the Author



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Baker is the Vice President of eCRM Solutions at Razorfish. He leads a global eCRM practice working with all the agency network in developing, delivering and optimizing CRM and eCRM programs. He works with clients and teams from across the network spanning Pharma, Financial Services, Technology, Entertainment, Travel and Hospitality, Automotive and CPG industries. He has a deep experience with eCRM technologies, analytics and multichannel program coordination.

Baker is an active speaker in the industry and a well know authority on eCRM and eMarketing. He's a weekly Media Post columnist "Email Insider" and advisory board member for Media Post.

Baker has more than 15 years of experience in marketing and advertising and hails from Agency.com where he served as the vice president of email and analytical solutions. In that role he was directly responsible for developing the email and analytical business practice the entire Agency.com's national and international network. Prior to that he held various senior roles with

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