DELIVERABILITY

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CASE STUDY COLLECTION

Email Deliverability:

5 MarketingSherpa case studies demonstrating key steps for improving inbox placement (and, ultimately, overall results)

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Letter from the Editor

Welcome to this *Case Study Collection*, a compilation of complete MarketingSherpa case studies centered on a vital marketing topic – in this case, email deliverability.

Deliverability is a key challenge in email marketing strategies. At the most basic level, if a sent email isn't delivered for any reason, that individual marketing message is lost. At a higher level, deliverability issues can substantially impact the effectiveness of email marketing through affecting the ability to simply get emails into the inbox.

According to the *MarketingSherpa 2013 Email Marketing Benchmark Report*, 45% of surveyed marketers reported that "improve deliverability and inbox placement rates" was a 12-month organizational email marketing goal.

To achieve deliverability and high inbox placement rates, email marketers must:

1. **Build a high-quality email subscription list:** In the first case study you're about to read, you can learn how Publishers Clearing House built its list organically, largely through entries to sweepstakes.

2. **Validate the quality of the list:** One tactic Publishers Clearing House utilized for maintaining the quality of its list was sending emails to "seed lists" to ensure the email wasn't blocked by spam filters. In the second case study, ArcaMax Publishing used external sources for list building and regularly audited the quality of new addresses coming from those sources.

3. **Track deliverability and email performance metrics throughout campaigns:** The third case study features FedEx's approach using email campaigns personalized to "preference centers" to improve both simply getting into the inbox, and then improving engagement metrics such as click-to-open rates.

4. **Perform list hygiene by removing inactive subscribers:** In the fourth case study, TBC Corporation sought to improve deliverability and its email reputation score by running a campaign to cull its list of inactive subscribers and boosted its sender score, inbox placement rate and overall deliverability in the process.

5. **Dramatic list hygiene can produce impressive results:** Sometimes more is not better. In the case of the Indianapolis Symphony Orchestra, the fifth case study presented, "spray and pray" campaigns resulted in low response rates. The solution was to perform dramatic list hygiene and cut the subscriber base by 95%. Even with the lower number of email recipients, online sales more than doubled.

Deliverability issues will derail even the best constructed email marketing campaign, or even the overall email marketing strategy. It's our hope that these case studies will provide some insight into how your marketing peers met, and then tackled, deliverability challenges.

David Kirkpatrick
Manager of Editorial Content
MECLABS (parent company of MarketingSherpa)

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5 Case Studies Showing How Companies are Improving Results with Better Deliverability

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"Poor-quality data is the biggest barrier to effective email marketing."
(Adestra Email Marketing Statistics, 2013)

Email marketing has been around forever – or at least it seems like it has. Yet, it's getting more complicated and risky every year. Marketers who rely on email as a primary form of communication need to be aware of the growing complexities around email marketing and the risks associated with poor deliverability.

What is that hissing sound? That's all of the air escaping from your marketing plan. Think of all the time and creative brainpower devoted to your email marketing efforts. Despite how compelling your content or offer may be, your audience may not receive your message because of invalid email addresses on your list.

Email verification and hygiene are proven techniques for cleansing your existing list and verifying new subscribers, so you can have the confidence of only sending to valid and safe email addresses.

Ultimately, more delivered messages means higher open and clickthrough rates, increased conversions and more revenue generating opportunities.

You can think of email verification and hygiene as an "email insurance policy" – protecting you against poor deliverability, missed customer opportunities, and the expensive and lengthy process of removal from blacklists.

MarketingSherpa delivers the trusted information that is needed to better understand the risks and how marketers should address their concerns. This Case Study Collection on Email Deliverability covers five MarketingSherpa case studies demonstrating key steps for improving inbox placement (and, ultimately, overall results). Marketers rely on this trusted information and StrikeIron has partnered with MarketingSherpa to make this Case Study Collection available as email hygiene grows in importance.

For more information on why marketers at Fortune 500 companies are relying on email verification and hygiene best practices as part of their overall email marketing strategy, read the white paper "Email Verification Plus Hygiene: Best Practices for Marketers."

How Publishers Clearing House uses "blacklisted" words yet achieves a 99.2% delivery rate

by Adam T. Sutton, Senior Reporter

Publishers Clearing House is a known authority in sweepstakes and direct mail marketing. But times have changed. The company still focuses on sweepstakes, but digital marketing channels have risen to prominence.

"We're very dependent on email to be successful," said Sal Tripi, Senior Director, Operations and Compliance, Publishers Clearing House. "Protecting that channel, to us, is something we invest very heavily in."

Publishers Clearing House (PCH) has millions of subscribers to its six email programs. Each program has a different theme related to winning sweepstakes and prizes. A typical email the company sends achieves:

- 99.2% inbox delivery, as audited by a third-party
- 30% to 40% of recipients clicking through

*Publishers Clearing House works with partners to help build its email database, but **the company does not buy lists**. Instead, partners are required to drive visitors to a PCH registration page. "We do not acquire names other than by having them register on our acquisition pages," said Sal Tripi, Senior Director, Operations and Compliance.*

"We use our iconic sweepstakes to get consumers into our email program," said Josh Glantz, Vice President and General Manager, Publishers Clearing House. "There are a lot of marketers who would probably ask how we retain those customers if all they are interested in are sweepstakes."

Indeed, misusing sweepstakes to build an email database can result in a high number of irrelevant subscribers and poor performance. PCH's high-volume and high-performance email strategy, however, is based entirely on sweepstakes – proving that giveaways can have a part in an effective program.

We sat down with Tripi and Glantz to better understand how an email program focused entirely on sweepstakes could be so effective. Here are the five tactics that drives their success.

Tactic #1: Take control of acquisition

Publishers Clearing House works with partners to help build its email database, but the company does not buy lists. Instead, partners are required to drive visitors to a PCH registration page.

"We do not acquire names other than by having them register on our acquisition pages," Tripi said. "We get a full name and address from all."

Visitors typically arrive on a PCH registration page to sign up for a sweepstakes. The page offers visitors the option to opt-in to receive information about additional sweepstakes from PCH and its partners.

Choose partners wisely

PCH thoroughly vets potential partners. Companies are required to fill out a brief survey to list business practices, IP addresses, domain names and other information. PCH uses this information to research the company's email reputation among webmail providers and ISPs.

"We probably turn away more publishers than we accept when it comes down to it, because to us, the protection of our brand is more important than any quantity of new members," Tripi said.

Tactic #2: Focus on relevant content and value

People who sign up to receive emails from a company have various motivations. Some want to receive more information from a company they support. Others want to enter a sweepstakes the company is running.

The problem with sweepstakes is that they are not always relevant to a company's brand or email program. People trying to win a prize are not necessarily interested in an email newsletter. Such subscribers can drag down overall performance in a database.

"If you're running a sweepstakes or other promotion and you want to really drive success, the success does not just come from getting people to register and sign up," Glantz said. "The success is getting a relevant audience to sign up and opt-in to your email program and then be responsive."

PCH bypasses this issue by basing its emails entirely on sweepstakes. People who sign up for PCH's emails are doing so to enter a sweepstakes, and they can opt-in to receive information about more sweepstakes. PCH does not offer a typical "newsletter," Tripi said, just information about new opportunities to win.

Highlight relevant value

A person filling out one of PCH's sweepstakes forms is obviously interested in winning prizes – that's why they're on the page. PCH tailors its messages to this motivation when encouraging visitors to opt-in. Here's sample copy from one of its opt-in checkboxes:

"YES! I'd like to be informed about chances to win prizes instantly from PCH Search&Win. I know I can unsubscribe at any time by clicking the unsub link or the 'EZ Unsubscribe' seal in any email."

Tactic #3: Invest in testing and optimization

PCH has a long history of marketing optimization carried over from decades as a high-volume direct mailer. The company has incorporated this testing culture into its email marketing. PCH has at least six people throughout the organization who are "totally isolated from any other regular duties just to execute tests and report," Tripi said.

"We spend an enormous amount of time, money and effort in testing and retesting. We execute about 30 to 50 test emails or test segments every month just so we can really get our arms around what our consumers are saying," he added.

When it comes to email, "nothing is assumed," Tripi said.

The company tests emails' subject lines, timing, content, audience and many other factors. The team sometimes uncovers surprises.

"Most marketers say to keep emails nice and short with a big call-to-action. You know what? We found that absolutely is not the case with us. Our best performing emails probably contain 3,000 to 4,000 words and require the user to scroll down threefold," Tripi said.

*List hygiene is "critical" to PCH's deliverability, Tripi said. The company has screening systems for all incoming addresses to monitor for typos and syntax errors. Also, **inactive subscribers are routinely removed from the database**. The period of inactivity varies across PCH's six email programs.*

Tactic #4: Ensure email delivery

Email marketers have been warned for years against sending emails about "prizes," "sweepstakes" and many of PCH's other key phrases. However, PCH maintains an average 99.2% inbox delivery rate despite using these terms.

Tripi highlighted several ways his team maintains this average.

Multiple seed lists

Before sending a campaign, PCH's marketers send it to two seed lists to ensure the email renders correctly and is not blocked by popular spam filters. The marketers maintain a list of 40 accounts to receive test emails. They also use a third-party provider to maintain a list of about 400 seed accounts and monitor delivery.

Clean the list

List hygiene is "critical" to PCH's deliverability, Tripi said. The company has screening systems for all incoming addresses to monitor for typos and syntax errors. Also, inactive subscribers are routinely removed from the database. The period of inactivity varies across PCH's six email programs.

"No member will remain on our list beyond at the furthermost 90 days, at the shortest two weeks, without some sort of onsite engagement," Tripi said.

Short- and medium-term analysis

PCH has signed up for complaint feedback loops from major ISPs and webmail providers, which report to PCH when a subscriber marks an email as spam.

PCH monitors these metrics and others for every campaign. It also aggregates subscriber engagement and complaint data over a four- to six-month period to look for any aberrations or slow-growing trends.

Tactics mentioned above

The previous tactics mentioned in this article also contribute to PCH's high delivery rate. First, the marketers ensure only valid and relevant subscribers opt-in to the program. Second, they only deliver subscribers the information they were promised. Third, they constantly test emails and monitor metrics to ensure a high level of engagement.

Last, as you can see on this PCH registration form, the company makes it very clear in the check-box description that subscribers can opt-out at any time. This message is emphasized with two "EZ Unsubscribe" badges. All of these tactics help ensure PCH's emails are delivered.

Tactic #5: Display relevant advertising

PCH does not buy third-party information about its subscribers, but the company is constantly learning about its audience. The information is gathered on a "first-party" basis, Tripi said, through registration forms, subscriber activity and surveys.

The marketers primarily use this information to segment their audience and offer relevant third-party advertising in emails. PCH is able to identify subscribers' interests (such as cooking or saving money), match them with relevant advertising partners and deliver the most relevant ads.

The content in each of PCH's six email programs is not typically customized for subscribers' preference. However, the advertising in each email is always customized. This has the double benefit of sending subscribers more relevant offers, as well as connecting PCH's advertisers to more relevant subscribers.

Originally published at: "Email Marketing: How Publishers Clearing House uses "blacklisted" words yet achieves a 99.2% delivery rate"

How ArcaMax Publishing moves beyond double opt-in to avoid 1,000 hard bounces per day

by Courtney Eckerle, Manager of Editorial Content

"In our business, deliverability has become the mission critical function," said Scott Wolf, President and CEO, ArcaMax Publishing.

Primarily driven by email, ArcaMax Publishing is the premier publisher of consumer syndicated content online.

"Anything you can imagine reading the newspaper, you can get from us," Wolf said. "We go to the same sources that the newspapers do and license content that readers typically are very familiar with, having grown up reading them in the newspapers."

Wolf lists comic strips, columns, news, sports and entertainment content as some of the features the company licenses and sends out. All of the content is free to readers, and ArcaMax collects revenue by selling advertising – which can make it a target for some spam filters.

He categorized ArcaMax as "old timers in the space," as it began publishing content online in 1999. "Pretty darn old when it comes to the Internet," Wolf said.

Its model has remained "pretty consistent" over the years, he said, because it has always added subscribers to its list using double opt-in.

"If there was a bad address that was submitted to us, it didn't confirm. So, we really didn't have that issue of having bad data on our subscription files," he said.

Wolf said he felt pretty secure relying on that practice – after all, according to the *MarketingSherpa 2013 Email Marketing Benchmark Report*, only 39% of marketers even maintain an opt-in only subscriber list.

The stringent double opt-in practice has enabled the company to "survive like we have, and be able to grow, because we've been able to build a very solid reader base of people who want to get [emails] from us."

But, as ISPs have evolved in its approach to spam filtering, ArcaMax has become more diligent.

"Deliverability has not been the challenge for us along the way that it has been for many, but as time has gone on, we've had to be more and more scrupulous in our practices," Wolf said.

The "spam issue," he added, has become "an important part of our business … it's a constant challenge to always stay abreast of what's happening in the deliverability world."

Sending advertising is an integral part of ArcaMax's business model, so the issue for Wolf has been in reconciling the business model with a solid sender reputation.

"People don't want spam, and spam is always advertising," Wolf said, "[so] how do you identify yourself as a legitimate sender?"

The challenge that must be met, he said, is to "continue growing our business, get our mail delivered and generate revenue."

CAMPAIGN

The precipitating question that pushed Wolf to re-evaluate ArcaMax's sole reliance on the double opt-in system and begin this campaign was, "so how many confirmation emails are you mailing that aren't really good addresses, and to what extent is that a problem?"

"The truth was, I couldn't answer that question," he said. "Because we didn't track it – these were people who didn't confirm, we were filtering them out and focusing on those who did, and growing our business that way."

The natural process the team had always relied on "was causing difficulty," he said, because of the amount of confirmation emails they were sending.

"Depending on how aggressive we are at any given time, we're sending a lot of confirmation emails. We are averaging anywhere in the 8,000 to 10,000 subscriber-per-day range," he said.

Starting in January, Wolf decided to integrate into the system a platform to cut down on the amount of confirmation emails ArcaMax was sending by discovering which external sources were sending them bad names.

Up until they began this campaign, the team's only clue about bad addresses was: "Do they confirm or not, and what percentage of them confirm … but at that point, we've already emailed these people," he said.

From there, the team analyzes those sources to cut off bad names before the confirmation emails go out, and see if there are changes they can make to increase the number of legitimate names coming in.

Because running bad names through the team's usual process might injure ArcaMax's carefully built sender reputation, to stave off hard bounces, "it is advantageous to us to validate these names before we even send them an email," Wolf said.

"Deliverability is a fundamental part of our business, [so] it has real value to us," he added.

Step #1: Validate sources of new subscribers

Wolf said the team began the process by validating all of their sources. Not only did this apply to current sources that were providing them with names, but any new ones that come in as well.

"Any new source that comes on board, we validate from the beginning. Our ability to acquire new subscribers well, efficiently and profitably is a big determinant in our company's success," Wolf said.

External sources ArcaMax works with are usually co-registration placements, or banners that drive people to forms to sign up for a specific newsletter.

Wolf gives the example that "someone might be registering on … a religious site, and we'd say, 'by the way, get daily Bible verses from ArcaMax.' Or a cooking site, and we'd offer our recipes newsletter when they sign up on that site."

The process of investigating all of its sources serves as an initial screen in terms of the overall quality. If the name is bad, ArcaMax saves its sender reputation a potential hit by not following through on the subscription request.

"We're not losing people who would have confirmed if their name hadn't popped up. These are addresses we shouldn't be mailing in the first place," Wolf said.

Within the first month of this campaign, Wolf said the team discovered almost 5% of the total confirmation emails going out were emails they "did not want to be sending," and that group came from external subscription offer placements.

> *"If we have a source that has an inordinately high percentage of bad names, we know we have to investigate that source," said Scott Wolf, President and CEO, ArcaMax Publishing. This has become an important step in the process because it allows the team to potentially correct the problem, instead of constantly having to fix it. "**If we're getting a lot of bad traffic from a source, something's wrong there**. We probably don't want to be doing business there," he added.*

Step #2: Investigate sources with a high percentage of bad names

"If we have a source that has an inordinately high percentage of bad names, we know we have to investigate that source," Wolf said.

This has become an important step in the process because it allows the team to potentially correct the problem, instead of constantly having to fix it.

"If we're getting a lot of bad traffic from a source, something's wrong there. We probably don't want to be doing business there," he said.

In other instances, when looking into sources providing ArcaMax a majority of good names, the team discovered what practices in outside sources work best – for instance, some sites were already doing validation themselves.

In some cases, Wolf said, its network passes a sub ID allowing the team to look individually at a source and filter out the placements they don't want to receive subscribers from.

"We're able to say 'sources A, B and C are good, but D, E and F are not good and we don't want any of their traffic, but we want more of the good traffic' – helping us optimize our ad buy with them," he said.

Generally, Wolf said, if they find more than 1% of the requests are not good, "we look at it more carefully. There are typos, there are things that happen, but we just found that you could stratify the results."

Wolf listed one source had close to 10% of the traffic flagged by the system, "and we ended up cancelling that campaign because we realized, OK, something is wrong here."

Step #3: Manage expectations

A big part of the process of reviewing the sources is about managing expectations, and tracing a subscriber's path to an ArcaMax subscription.

"Successful email is all, ultimately, about permissions. It's setting proper expectations with the reader and then fulfilling those expectations," Wolf said.

In some cases, he said, the newsletter doesn't match up with the site it is being offered on.

"There are going to be some placements where the recipient is clear, the permission is strong, they really want our newsletter, it's relevant to what they're doing on that website, and we fulfill their expectations … those are going to be great subscribers," he said.

On the other end of the spectrum, he added, if "the conditions aren't ideal … we're going to get a lower confirmation."

There are many factors to investigate for a mismatched experience, and in evaluating a partnership source.

"Sometimes, it's a function of how are people getting to that site. Maybe the people on that site aren't having a good experience, or there's fraudulent traffic. There's so many things … it's still the Wild West out there in many regards," Wolf said.

There has to be a natural flow of events, he said.

A problem can be that "the funnel, the thought sequence, doesn't really take place on one landing page. It takes place in all these disparate pieces."

There are "a lot of different pieces, and a lot of them are out of our control," Wolf said.

In some cases, ArcaMax may be working with a network where they initially don't know the ultimate website where it is being placed.

Flagging and investigating these sources has been a way to take back some control and optimize the system, he said.

RESULTS

The biggest impact from this campaign, Wolf said, is "it changed my thinking about the role that our confirmation traffic has on our overall deliverability."

He amended his thinking that it was enough for ArcaMax to just send confirmation emails.

"That made us the good guys already … I think we've saved ourselves some trouble over the years. I didn't realize how much of an issue it really was that we were … sending 20,000 to 40,000 bad emails a month."

The expectation for ArcaMax's future is that "30,000 emails that you shouldn't be sending is too many, and you need to do what you can to fix that," he said.

- Validated 700,000 address, and flagged 30,000 per month
- Stopped an average of 1,000 invalid emails per day
- Identified between 2% to 5% of new subscription requests every month from certain sources contained invalid or undeliverable addresses

"How much better off are we because four percent of our confirmation traffic isn't going out the door anymore? I can't tell you," Wolf said. "We don't have a golden ticket into the inbox with every email we send … but just intuitively if we can avoid sending thousands of bad emails every month into the world … it can only be a good thing," he said.

ArcaMax still has to stick to the rest of its practices meant to protect against hard bounces and preserve its sender reputation to ensure emails are delivered to its 1.5 million subscribers.

> *The biggest impact from this campaign, Wolf said, is "**it changed my thinking about the role that our confirmation traffic has on our overall deliverability**." He amended his thinking that it was enough for ArcaMax to just send confirmation emails. "That made us the good guys already … I think we've saved ourselves some trouble over the years. I didn't realize how much of an issue it really was that we were … sending 20,000 to 40,000 bad emails a month."*

"From a business standpoint, it's just a level of responsibility. I don't want our name out there on emails people don't want to be receiving," he concluded.

Originally published at: "Email Deliverability: Publisher moves beyond double opt-in to avoid 1,000 hard bounces per day"

How FedEx increases deliverability and clickthrough rates with preference centers

by Adam T. Sutton, Senior Reporter

One of the challenges of effective email marketing is making everything work in unison. Calendars, priorities and goals need to be aligned across departments. This is true for any company and it's particularly true for companies with multiple business units, like FedEx.

The global logistical services provider is made up of many companies, such as FedEx Office and FedEx Express, that "operate independently and compete collectively," said Andrew Bailey, Marketing Specialist Advisor, FedEx.

Before Bailey joined, FedEx's companies had independent email programs separated into global regions. For the last several years, he has worked to centralize all of them under a single platform.

"The platform officially was global about six months ago with every region integrated into the one platform with one vendor serving as our email service provider. That was all under my leadership and guidance," Bailey said.

This task continues today with Bailey's team working to apply the lessons learned in some regions to improve performance in others. Metrics have improved as the platform has grown:

Deliverability:

- 91.96% – Global rate for FY09
- 95.28% – Global rate for first four months of FY11

Click-to-open:
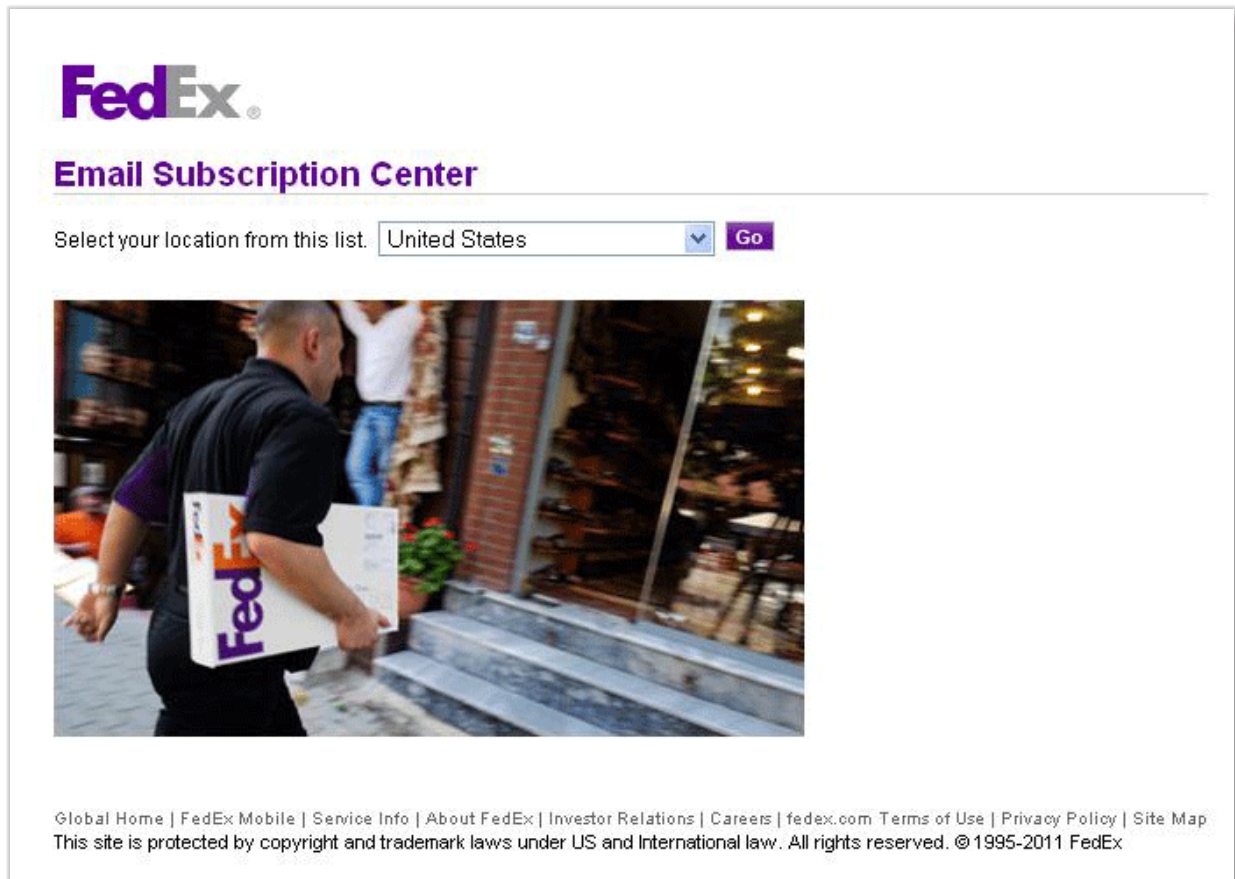
- 6.64% – Global rate for FY09
- 10.53% – Global rate for first four months of FY11

FedEx did not flip a switch and centralize its email marketing, though. The multi-year effort was broken into phases, followed a strategy, and continues today. Below are some of the key tactics Bailey has used to pull the process together and improve overall results.

Tactic #1: Create customized preference centers

A key part of centralizing FedEx's email programs internally was to centralize them in the eyes of FedEx's customers. Bailey's team worked to create preference management pages where subscribers could view all of the FedEx email programs in their regions and pick what they wanted to receive.

Subscribers can visit FedEx website, select their country and see a list of available email programs from FedEx companies in their regions.

In the U.S., there are four programs for each of FedEx's businesses:

- FedEx Express and FedEx Ground
- FedEx Freight
- FedEx Office
- FedEx Custom Critical

There are several types of emails within each program that subscribers can choose to receive. They include:

- Product service updates
- Offers and promotions
- Service disruption alerts
- Developer resource emails
- Partnership-related emails

Although there have been many changes to FedEx's email marketing over the last several years, allowing subscribers to update contact information and preferences has had the largest impact on global metrics such as deliverability and clickthrough rates, Bailey said.

"You are able to send customers what they want instead of trying to figure out what they want," Bailey explained.

Tactic #2: Start with good templates

FedEx's email programs in the U.S. are high performers. According to Bailey, metrics improved dramatically after adding a preferences management center. Current average metrics for the team's U.S. email programs include:

- 99% deliverability
- 14% click-to-open rate

Bailey said the team used the U.S. preference center as a starting point to work with his peers in other regions to build their subscription centers. This is an approach he has used to apply other tactics to improve regional programs as they've been brought into the global system.

"We take all the pieces and collectively work together to improve the overall FedEx email strategy for everybody, no matter which operating company or region you are in," Bailey said.

*Although there have been many changes to FedEx's email marketing over the last several years, **allowing subscribers to update contact information and preferences has had the largest impact on global metrics** such as deliverability and clickthrough rates, according to Andrew Bailey, Marketing Specialist Advisor. "You are able to send customers what they want instead of trying to figure out what they want," he explained.*

Tactic #3: Encourage visits to preference center

Subscribers need to use your preference center for it to help your program. The team will send an email roughly twice a year asking subscribers to update their preferences. The request can take the form of a "thank you" letter or might touch on the most recent email the subscriber has received.

"One of the approaches that FedEx did when we first got the preference centers was that we tied it to a sweepstakes," Bailey said. (see creative sample on the next page)

Bailey has also been working to add links to the preference center to prominent pages on the various FedEx websites and in emails.
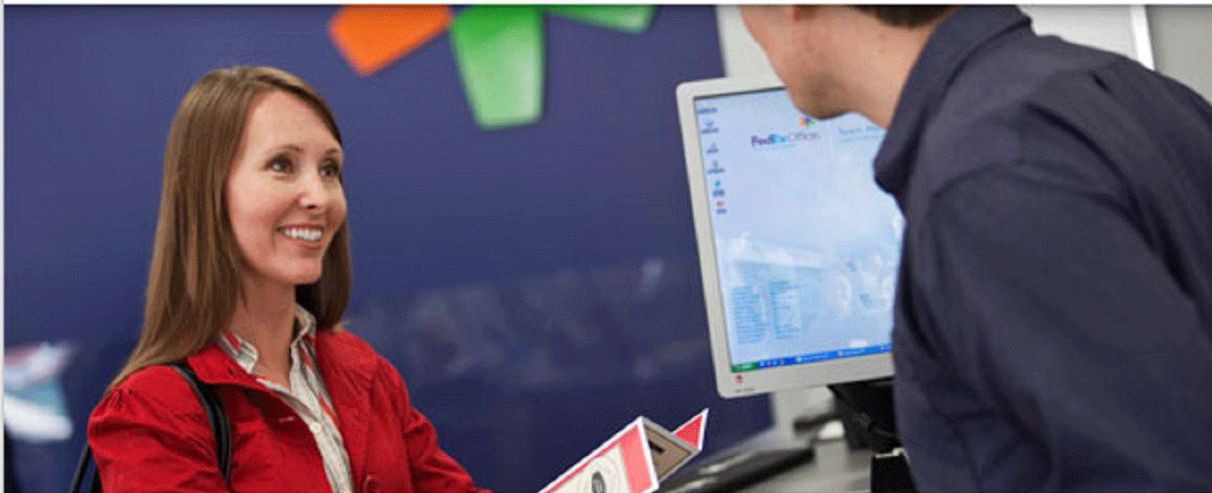
"We want to be proactive and put tags in place where we are driving them to their content area where they may want to receive additional information from FedEx."

Tactic #4: Don't let the metrics fool you

FedEx offers many services in dozens of countries to a variety of customers. This scope has given rise to a number of different email programs with a broad range of benchmarks, which can make cross-regional comparisons difficult.

As Bailey integrated FedEx's email programs around the globe, benchmarks for the overall program shifted lower as less-optimized programs entered the platform. Undaunted, his team worked with peers in other regions to apply what they had learned from the email programs in the U.S. and eventually pulled global deliverability above 95%.

Applying best practices

One example of work the team did on newly incorporated email programs centered on the addresses that subscribers were allowed to submit.

Bailey's team designed the preference management system to keep an eye on incoming email addresses. Subscribers who offer addresses for "role accounts," such as "admin@ example.com" or "mail@example. com," are prompted to provide a personal email address. "Most ESPs don't allow those types of addresses in your platforms because multiple people can be associated with them," he said. "If you register with a role account and ten other people use it, obviously there are nine people who may not have opted-in."

Bailey's team designed the preference management system to keep an eye on incoming email addresses. Subscribers who offer addresses for "role accounts," such as "admin@example.com" or "mail@example.com," are prompted to provide a personal email address. (see creative sample on the next page)

"Most ESPs don't allow those types of addresses in your platforms because multiple people can be associated with them," he said. "If you register with a role account and ten other people use it, obviously there are nine people who may not have opted-in."

Originally published at: "Email Marketing: FedEx increases deliverability and clickthrough rates with preference centers"

September 1st, 2010

FedEx Express Ship&Save

Dear Craig,

FedEx has recently improved its email systems to better deliver special offers and promotions to those customers who wish to receive them. Your email address, _____, has the appearance of being associated with a role or group of people. Soon, FedEx will stop sending these valuable offers and communications to addresses like this.

If you would like to continue receiving special offers and promotions from FedEx, please click here to update your contact information.

Thanks!

© 2010 Federal Express Corporation. The content of this message is protected by copyright and trademark laws under U.S. and international law. Review our privacy policy. All rights reserved. Unsubscribe

How TBC Corporation increased delivery rate from 60% to 99% by separating inactive subscribers

by Adam T. Sutton, Senior Reporter

CHALLENGE

Marketing teams with good email strategies are not immune to problems with deliverability. One person who can stand witness is John Kavaliauskas, Manager, Email Marketing, TBC Corporation.

TBC sends emails from a dedicated IP address, which gives the company more control over its sender reputation and deliverability. Despite the team's commitment to segmentation and personalization, its average delivery rates struggled to break the 50% to 60% range.

Kavaliauskas manages email marketing across Tire Kingdom, Merchant's Tires, Big O Tires and other TBC brands. He thought the problem stemmed from the inactive subscribers in the company's list.

"We were sending to our entire list from one IP address, regardless of whether [subscribers] were engaged or unengaged," he said.

Kavaliauskas did not want to lose these subscribers, but he also did not want their poor engagement rates to tarnish TBC's reputation and pull down delivery rates. He needed to isolate this group to stop it from hurting the entire program.

CAMPAIGN

TBC ran a test in late 2011 to see if separating the inactive subscribers would improve deliverability and inbox placement across the program. Kavaliauskas hoped it would also provide an opportunity to reactivate a portion of the dormant list.

Almost all the work for this campaign was done in-house. The team took these four steps:

Step #1: Have control of your reputation

Email services provided by companies such as AOL and Google monitor your reputation as an email sender. They use it to decide whether to deliver your emails, block them or toss them into the junk box. They track reputation by IP address.

There are two types of IP addresses for sending emails:

*A **shared IP address** is used by two or more companies to send emails. They are often established by email service providers (ESPs) and used by customers. Since ISPs and webmail providers track reputation by IP address, the companies that share IPs also share sender reputations. **If you're on a shared IP, then part of your reputation is in the hands of other companies**. This gives you less control over your reputation, but it also spreads the risk that you'll harm your deliverability through mistakes if you're inexperienced.*

*A **dedicated IP address** is used by a single company. It is "dedicated" to that company, which means the company has full control over the email sent from that IP and its reputation as a sender. **The reputation of a dedicated IP is only as strong as the email program it serves**. They are recommended for experienced email marketers who have large programs.*

There are two types of IP addresses for sending emails:

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Since ISPs and webmail providers track reputation by IP address, the companies that share IPs also share sender reputations. If you're on a shared IP, then part of your reputation is in the hands of other companies. This gives you less control over your reputation, but it also spreads the risk that you'll harm your deliverability through mistakes if you're inexperienced.

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The reputation of a dedicated IP is only as strong as the email program it serves. They are recommended for experienced email marketers who have large programs.

A word of caution

If you want to set up a dedicated IP, make sure you have a firm grasp on the best practices. Otherwise you could accidentally drive your reputation into the ground and bury your delivery rates with it. For marketers with only a few thousand subscribers, a dedicated IP is often unnecessary.

Step #2: Separate the inactive subscribers

TBC had a single dedicated IP address for its email marketing. Kavaliauskas' theory was that using this IP to send emails to inactive subscribers was harming the program's reputation. To stop this, the team wanted to establish a second IP for inactive subscribers.

The team split TBC's list into two groups:

1. Inactive subscribers: People who had not opened or clicked an email in six months or longer.
2. Active subscribers: People who had opened or clicked an email with the last six months.

The team reached out to its ESP to set up a second dedicated IP address to be used solely for emailing the inactive subscribers. The original IP would only be used to reach the active list.

Having two IPs split TBC's sender reputation. Kavaliauskas hoped this would prevent the poor engagement rates of the inactive subscribers from harming the reputation of the larger program.

Talk to your ESP

Many ESPs offer dedicated IP addresses. To establish one (or a second one), reach out and ask about the required steps. Do not be surprised if you're asked to prove that you can maintain a good reputation. A good ESP will want to make sure you have the ability to succeed.

"Each ESP does it a little differently, but I think most that I have dealt with are able to handle breaking it out," Kavaliauskas said.

Step #3: Respect the good list, improve the bad

Since the inactive list no longer weighed down the reputation of TBC's main program, the team only had to stay the course to improve its reputation and deliverability. Over time, the stronger engagement rates among these subscribers lifted the reputation of the IP address and improved deliverability metrics.

For the other list, Kavaliauskas worried that the concentration of poor engagement rates on a single IP could spell disaster for this portion of the company's email program. Without any good subscribers receiving emails from the new IP, would its reputation plummet?

Instead of letting the list go into a tailspin, his team took the following steps:

- Cut the frequency: Subscribers on this list received one email every four to six weeks. Normal subscribers received an email every two to four weeks.

- Remove bounced addresses: Servers will "bounce" an incoming email when it is sent to an invalid or unavailable address, and alert the sender of a failed delivery. There are "hard bounces," which indicate the email address is invalid, and "soft bounces," which indicate the address has a full inbox or is unavailable for another reason.

  It is common to stop emailing "hard bounces" after a single occurrence and to stop emailing "soft bounces" after three to five consecutive occurrences.

- Update addresses: The team worked to correct typos in the addresses in its list, and also ran an Email Change of Address (ECOA) campaign which encouraged inactive subscribers to provide a current address.

Step #4: Send re-engagement campaigns

Kavaliauskas' team wanted to turn dormant subscribers into high performers again. To re-engage them, his team

took random samples of the inactive list (about 5,000 subscribers for each treatment) and tested different subject lines to see which earned the highest open rates.

"We're continuously doing this on a monthly basis," he said.

Kavaliauskas has a background in statistics and ensures the tests are valid.

The team usually tests four or five subject lines per campaign. The subject line shown to have the highest open rate is used in a final email to the remainder of the list. Any subscribers who open or click an email are moved from the "inactive" list and onto the "active" list on the other IP.

Strong offers and good content

The team sometimes tests more than 10 subject lines for a campaign. For a recent promotional email sent to this group, the team tested 12 subject lines. Here's the winner:

"One Weekend Only: ♥ For Friends & Family"

Although this email focused on discount offers, the team normally avoids sending re-engagement emails that focus solely on promotions unless they offer a strong discount.

"We have found [promotional emails] really drive the complaint rates up and the frustration up. So what we are trying to do is send either our newsletter or a sample of the newsletter with promotions built in, but really trying to give them a reason to stick around in our list and become engaged," Kavaliauskas said.

RESULTS

Kavaliauskas hoped this strategy would improve deliverability rates for TBC's most active subscribers. He was surprised when he noticed improvements in both groups.

"They both improved significantly, especially the engaged [list]. I'm glad the unengaged IP improved as much as it did, but it did not improve as much as the engaged one," he said.

Results among the most active subscribers:

- Sender score now ranges in the high 90s* (a more than 40% improvement)
- More than 50% improvement in average inbox placement rate
- More than 99% average delivery rate

*SenderScore.org is a free service run by Return Path that scores sender reputation of an email server from 0 to 100.

"We have seen a great increase in response rates from all of our recipients," said Kayleigh Walsh, Email Marketing Analyst, TBC Corporation. "We have seen increases in deliverability, clickthrough rates and open rates."

Results among the inactive subscribers:

- 30% improvement in sender score
- About 90% average delivery rate

On average, the team's re-engagement emails convince 3% to 5% of the inactive subscribers to click or open an email, which shifts those subscribers to the active list. The team measures opens and clicks since subscribers view and click an email without images enabled, which would not register an "open" in tracking software.

"It doesn't seem like much, but when we're mailing millions, it adds up," Kavaliauskas said.

*Going forward, the team wants to establish another IP address and **segment subscribers into three groups: engaged, semi-engaged and unengaged**. "That is our long-term goal," John Kavaliauskas, Manager, Email Marketing, TBC Corporation said. "With ISPs looking at engagement as a big factor, the theory is that on the very-engaged IP we are going to have the best placement and the best deliverability."*

Third time's a charm

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Originally published at: "Email Marketing: Delivery rate increases from 60% to 99% by separating inactive subscribers"

How Indianapolis Symphony Orchestra cut a house list 95% and doubled sales

by Adam T. Sutton, Senior Reporter

CHALLENGE

When Mark Newman, Vice President, Marketing and Communications, Indianapolis Symphony Orchestra, joined the team at the performing arts organization in 2008, they had an email database that reached into the tens of thousands of contacts.

However, the list suffered from an unclear strategy, Newman said. The team had relied on a "spray and pray" approach, reaching all contacts with the same emails and managing sends without a schedule. The result was a large list with poor performance.

"Our response rates were very low in relative terms," Newman said. "We had people who had been receiving emails from us for some time, but we weren't very confident in how well they were received."

This presented a challenge, Newman explained. The chronically low metrics undermined tests on subject lines, copy and calls-to-action. The team needed a new baseline to build from.

CAMPAIGN

Newman and the team decided to launch a re-engagement effort coupled with a new email marketing strategy. They asked every subscriber in the database to declare they wanted to continue receiving emails from the Orchestra and specify the type of content they wanted. Those who did not reply were removed from the database.

Mark Newman, Vice President, Marketing and Communications, Indianapolis Symphony Orchestra, and the team decided to launch a re-engagement effort coupled with a new email marketing strategy. They asked every subscriber in the database to declare they wanted to continue receiving emails from the Orchestra and specify the type of content they wanted. **Those who did not reply were removed from the database**.

Here are the steps the team followed to turn its large low-performing list into an efficient, high-powered marketing channel.

Step #1: Plan new content strategy

The team knew that one great way to engage subscribers is to segment them based on their interests and send them relevant content.

The team established the following database segments to send separate newsletters:

- Classical
- Pops
- Family
- Happy hour (for young professionals)
- Outdoor summer series
- Yuletide
- Educational and community activities

Newsletters would have similar templates with unique content and subject lines (see creative samples below). The team set a schedule to send newsletters every two weeks. Establishing these segments and setting a schedule ensured that subscribers would receive content they wanted on a regular, predictable basis, which the team hoped would keep subscribers more engaged.

Step #2: Send re-engagement emails to most-active subscribers

The team wanted to send an email to all subscribers asking them to opt-in to receive one of the new newsletters. Breaking the process into three phases, Newman felt, would be a good strategy.

First mailed were database's most active subscribers – those who had opted-in, contacted or purchased within the last year. The team sent an email that included an offer of a free ticket to a performance. It also included:

- Subject line: "Email never sounded so good with SymphonEmail! Confirm Now!
- Mention that the newsletter has been redesigned
- List of newsletter benefits
- "Yes" and "No" buttons for recipient to indicate preference

Those who clicked "No" were automatically removed from the team's database. Those who clicked "Yes" were brought to an account preference page, listing seven available newsletters they could subscribe to. (see creative samples on the next page)

After subscribers opted back in, they immediately started to receive the new biweekly newsletter.

Step #3: Send re-engagement emails to other subscribers

The team planned to send the re-engagement email twice more to reach the remainder of its database.

The second send targeted a portion of subscribers who had not yet received the re-engagement email, as well as those who did not respond to the first. It went out approximately six months after the initial email.

The third and final send targeted the remaining subscribers who had not received the re-engagement email, as well as those subscribers who had not responded to the first or second sends. It went out approximately six months after the second email.

Using this process, the team sent subscribers three emails over the course of 18 months. Those who did not respond were removed from the team's database.

Warning: Database size drastically cut

This strategy cut approximately 95.9% of the team's database – an enormous cut for any email marketer. Newman was concerned, but he and his team knew they were starting from a solid foundation.

"The reward was we were now getting people who really wanted to get emails from us. These are engaged people," he said.

Step #4: Respect and grow the list

The team stuck to the promise it made to subscribers. It delivered targeted content on a consistent, biweekly basis. The additional value the team brought helped the list grow naturally through referrals. They also helped boost subscribers with the following tactics:

Thank You!
You have been unsubscribed from this publication.

- To resubscribe or view and edit your subscriptions to other publications from **Indianapolis Symphony Orchestra**, visit the Subscription Center
- To view and edit the information you have given us and manage how **Indianapolis Symphony Orchestra** communicates with you, visit the Profile Center

Profile Center

Subscription Center

Help

Profile Center

Welcome to your subscriber profile page. You may use this page at any time to change or update the information you have provided us.

On This Page
- ⇩ My Personal Information
- ⇩ My Preferences
- ⇩ Unsubscribe From All

My Personal Information

Add or edit your personal information here. Once you have made changes to your information, click the **Update** button.

* Indicates a required field

Email Address:	[_____] *
First Name:	[_____]
Last Name:	[_____]
Lilly Classical Series:	Yes ▾
Printing Partners Pops Series:	Yes ▾
St Vincent Family Series:	Yes ▾
Happy Hour at the Symphony and other Young Professionals events:	Yes ▾
Marsh Symphony on the Prairie:	Yes ▾
Duke Energy Yuletide Celebration:	Yes ▾
Educational and Community Events:	Yes ▾
Mobile Number:	[_____]

[Update]

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Online sales

Customers buying tickets online are asked for their email addresses and whether they'd like to subscribe to one of the newsletters.

Ticket giveaways

The team regularly holds contests at festivals and outdoor concerts. Contestants are asked to fill out an entry slip with their name, contact information and email address.

Winners are often announced via email. After the contest, the team will then send an engagement email to contestants, similar to the one described above, which encourages them to subscribe to one of the newsletters.

Phone calls

The team uses the phone to build the email list in two ways. First, callers into the box office are often asked if they would like to provide an email address, and subsequently, if they would like to sign up to receive a newsletter.

Second, the team also has out-bound callers for fundraising purposes. At the end of calls, these telemarketers also ask for email addresses.

Step #5: Practice good list hygiene

Consistently delivering targeted content helped keep re-engaged subscribers engaged. In addition, the team regularly scrubbed its list to remove duplicate and non-working email addresses.

Non-working email addresses are easily identified by the bounced emails they generate. Duplicate email addresses can easily be found by sorting the database by email address in a spreadsheet. This process can also be automated by some email marketing platforms.

This ensured that the team did not have any dead weight in its database that would drag down performance metrics and efficiency.

"Our email program paid for itself easily and generated incremental revenue beyond. It's an invaluable asset to us," Newman said. *Online sales have more than doubled to 35% of all the company's purchases since the re-engagement started. 40% of all subscribers have purchased tickets from the Symphony. While the team initially cut 95.9% of its list size, it has grown the list by more than 500% from that low point. The list is now approximately 24.8% of its size from when the team started – but it is far more responsive, Newman stated.*

RESULTS

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Furthermore, Newman said the program has helped the company's reputation.

"The image of our organization has been enhanced by the fact that we have such a robust campaign in place."

Sample promotion

The team's email list is now a channel through which it can consistently promote shows and sell tickets. A recent discount promotion sent in the team's Pops newsletter for a series of Wayne Brady shows offered two floor tickets for approximately 20% off. The effort captured about a .4% conversion rate.

"On its own, that doesn't sound like a big number. But if you compare it to the costs we incurred from sending the email and the amount of time we invested [there is a huge return]," Newman said.

Originally published at: "How Cutting a House List 95% Helped Double Sales: 5 steps"

Email Deliverability: 5 MarketingSherpa case studies demonstrating key steps for improving inbox placement

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Further reading on email deliverability and marketing:

Email Deliverability: 8 tactics help you overcome rising B2B challenges

Email Deliverability: 5 tactics for 99% (or greater) delivery across millions of subscribers

B2B Email Deliverability: 11% of B2B email is classified as spam, these 6 tactics will help

Marketing Research Chart: Improving email deliverability

Email Marketing: Inactive lists and deliverability

Email Marketing: Nonprofit cleans list and lifts open rate 225%

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EMAIL DELIVERABILITY

Welcome to this *Case Study Collection*, a compilation of complete MarketingSherpa case studies centered on a vital marketing topic – in this case, email deliverability.

Deliverability is a key challenge in email marketing strategies. At the most basic level, if a sent email isn't delivered for any reason, that individual marketing message is lost. At a higher level, deliverability issues can substantially impact the effectiveness of email marketing through affecting the ability to simply get emails into the inbox.

Deliverability issues will derail even the best constructed email marketing campaign, or even the overall email marketing strategy. It's our hope that these case studies will provide some insight into how your marketing peers met, and then tackled, deliverability challenges.

Learn how Publishers Clearing House uses "blacklisted" words yet achieves a 99.2% delivery rate

Learn how FedEx Increases Deliverability and clickthrough rates with preference centers

Learn how ArcaMax Publishing moves beyond double opt-in to avoid 1,000 hard bounces a day

Learn how TBC Corporation increased delivery rate from 60% to 99% by separating inactive subscribers

Learn how Indianapolis Symphony Orchestra cut a house list 95% and doubled sales