

Best Practices in Email Marketing

# The New Rules of Email Deliverability: 2011 and Beyond

What B2C Marketers Must Know for Successful Delivery to the Inbox

PUBLISHED BY

StrongMail Systems, Inc.  
1300 Island Drive, Suite 200  
Redwood City, CA 94065  
P 650-421-4200  
F 650-421-4201

StrongMail Systems UK, Ltd  
Prospect House, Crendon Street  
High Wycombe, Bucks  
HP13 6LA  
Telephone: +44 (0) 1494 435 120

Copyright © 2010 StrongMail Systems, Inc. All rights reserved.

No part of the contents of this publication may be reproduced or transmitted in any form or by any means without the written permission of StrongMail Systems, Inc.

STRONGMAIL and the STRONGMAIL logo are registered trademarks in the United States, other countries or both. All Rights Reserved.

StrongMail Systems UK, Ltd is a company registered in England and Wales at 5 New Street Square, London EC4A 3TW. Reg. No. 6398867. VAT # GB 925 07 6228. Trading Address: Prospect House, Crendon Street, High Wycombe, Bucks HP13 6LA.

[www.strongmail.com](http://www.strongmail.com)

## Table of Contents

INTRODUCTION .....	1
A BRIEF HISTORY OF EMAIL DELIVERABILITY .....	2
THE RISE OF EMAIL ENGAGEMENT FILTERING.....	3
THE INBOX GETS SMARTER AND MORE SOCIAL.....	4
<i>YAHOO! MAIL BETA</i> .....	5
<i>THE HOTMAIL INBOX WITH SWEEP</i> .....	6
<i>GOOGLE PRIORITY INBOX</i> .....	7
<i>AOL MAIL: PROJECT PHOENIX</i> .....	8
NEXT GENERATION BOUNCE PROCESSING .....	9
THE FUTURE OF EMAIL AUTHENTICATION AND CERTIFICATION SERVICES.....	10
ENGAGEMENT STRATEGIES FOR BOOSTING DELIVERABILITY .....	11
THE MOBILE EFFECT ON EMAIL MARKETING.....	12
A GLOBAL EMAIL PERSPECTIVE .....	13
STRONGMAIL'S APPROACH TO DELIVERABILITY .....	14
CONCLUSION .....	15
ABOUT STRONGMAIL.....	15
EMAIL DELIVERABILITY CHECKLIST .....	16

## INTRODUCTION

Email has always been a popular tool for connecting with friends and family, but it has also established itself as an important channel for facilitating commerce. In fact, a recent poll of Windows Live Hotmail users found that shopping online, receiving statements, and communicating with businesses were the top three reasons for using email. The rise of social media has also introduced a flood of status updates that keep members informed of the latest news and activities taking place within their social networks.

Each month, this activity generates billions of emails that crisscross the Internet on their way to recipients' inboxes. While this may sound like a significant volume, that's only counting legitimate messages. Most studies find that 90 percent of all email sent is comprised of unsolicited commercial messages, or spam.

ISPs have responded with intricate filtering protocols to help protect their users from spam, phishing attempts and the dangerous content they can contain. At the Spring 2010 MediaPost Email Insider Summit, Carol Catajan, Product Manager at Yahoo! Mail, stated its servers block 60 percent of all incoming messages at the gateway. And of the 1 billion messages a month that it does deliver, 40 percent of those go to the spam folder. Similarly, of the 8 billion emails Hotmail receives each month, 5.5 billion are blocked at the gateway and another 1 billion are marked as junk.

Unfortunately, the protocols the ISPs rely on to protect their users are not perfect. Return Path has found as much as 20 percent of permission-based email is not making it to the inbox<sup>1</sup>. For email marketers, every email that goes undelivered is a missed opportunity to engage a customer or make a sale. Not surprisingly, a November 2010 survey<sup>2</sup> of 1,000 global business leaders found that email deliverability was one of the top three challenges for 2011.

Significant shifts in how ISPs process and deliver email have taken place over the past year, requiring even seasoned email marketers to adapt their deliverability strategies. By taking time to understand past, present and future deliverability trends, you can ensure that the majority of your messages arrive as intended in the inbox. This whitepaper will provide you with this perspective, as well as the tactics that you can implement now to improve your results.

*Maintaining high email deliverability is one of the top three challenges businesses face in 2011.*

**Email Marketing Survey**  
StrongMail/Zoomerang  
November 2010

---

<sup>1</sup> Return Path Email Deliverability Report, February 2010

<sup>2</sup> StrongMail/Zoomerang, Email Marketing Survey, November 2010

## A BRIEF HISTORY OF EMAIL DELIVERABILITY

Before you can fully understand the current and future state of email deliverability, you need to first look at how it has evolved over the past several years. While the general principles of email marketing have remained fairly static since its inception, deliverability has been one area that has seen a lot of change due to actions by ISPs to combat the continued rise of spam, phishing and other email abuse.

In the early days of the Internet, when most users relied on AOL and a 28.8K modem to get online, ISPs mainly used volume levels to decide whether to deliver email from a particular sender. This was largely due to that fact that many of these ISPs could only accept a certain amount of mail to their limited number of servers. However, as technology advances made volume less of an issue, the ISPs then began to look at content as a way to filter spam from legitimate email. This presented significant challenges to email marketers, as they were forced to find ways to promote their products that didn't involve trigger words like "Free" or "Sale."

As ISP email systems became even more sophisticated, they started to build reputation systems to help them understand who, and what, they were letting into their customers' inboxes. Verifying the sender through email authentication was the first step, which began to gain steam with the introduction of the Sender Policy Framework (SPF) protocol in 2003. A host of additional protocols emerged shortly after from companies like Microsoft, Yahoo and Cisco, but today they have consolidated into two main ones: DomainKeys Identified Mail (DKIM) and Sender ID.

During these early stages, it was rare to get actionable feedback on any deliverability failures, which is why most senders resorted to building personal relationships with key contacts at ISPs to help them resolve issues. But even then, the ISPs rarely shared why the problem occurred in the first place, which meant the sender would likely encounter the same problem in the future.

Today, ISPs provide more detailed information on failures via bounce codes, but the information isn't standardized across providers. That makes it difficult for senders to get aggregate data on the causes of deliverability issues. Furthermore, ISPs are increasingly filtering on engagement, which is driving marketers to shift from following simple delivery protocols to creating compelling content that gets the recipients to open, click and interact with their messages.

While the aforementioned tactics all still play a role in determining whether or not your email gets delivered, the relative weighting has changed, and varies even further by geographic region, if sending internationally.

Understanding how the email deliverability landscape has changed provides a good perspective for evaluating how ISPs are currently refining their techniques to protect their users and provide them with the tools they need to identify and interact with their most valued messages.

*"StrongMail has been an invaluable partner in getting our email messages delivered to the inbox, which is no small feat given the challenges presented by changing ISP rules and filters."*

**Alison Shaffer**  
Marketing Operations  
Cisco WebEx

## THE RISE OF EMAIL ENGAGEMENT FILTERING

In order to combat spam, improve the accuracy of identifying a member's most important messages and reduce false positives, top ISPs are starting to monitor email engagement as part of their overall reputation-based systems. Yahoo and AOL led the charge in engagement monitoring, and in August 2010, Hotmail announced that it would begin to filter based on engagement metrics as well.

It is important to note that ISPs aren't just looking at standard engagement metrics like opens, clicks, spam complaints and unsubscribes. They are now looking at more passive indicators of engagement based on how recipients interact with a message on the whole. Take Hotmail for example. According to Return Path founder and president George Billbrey<sup>3</sup>, Microsoft has stated that it would be looking at numerous metrics, including:

- Messages read, then deleted
- Messages deleted without being read
- Messages replied to
- Frequency of receiving and reading a message from a source

Yahoo! Mail product Manager Carol Catajan has also confirmed that Yahoo is tracking how many emails are being read, open and clicked on, which it is then using to hone their reputation system. In other words, if most of a sender's emails aren't being opened or clicked, their sender reputation will be adversely affected.

Similarly, Google is embracing engagement metrics with Gmail's new "Priority Inbox." This new feature flags mail that it feels its users will want to see. It makes this determination based on the level of engagement it has seen from the user with certain types of emails. They look at the mail you have read and the mail you have replied to and elevate those messages in priority. When you log in to your Priority Inbox for the first time, you get a pop-up showing how a sampling of your messages has been prioritized and then are giving the opportunity to change the prioritization.

Hotmail and Gmail also respond to prolonged inactivity by turning a user's account off after 270 consecutive days without a login. Hotmail will give users an extra 90 days to reactivate the account, but after that, the account is deleted to make the storage space available to active users. Yahoo is even more severe, closing accounts after only 160 days of inactivity – although this doesn't apply to paid Yahoo! Mail Plus accounts.

With the lack of any activity (i.e. engagement) negatively affecting sender reputation, marketers need to make sure their programs are focused on increasing engagement, and that means leveraging customer data to better understand what interests them. Of course, this is in everyone's best interest. These changes mean that companies can no longer afford to simply send the same email to every customer in hopes that a small percentage will open and respond. Instead, marketers need to ensure that they are gathering the data they need to maximize campaign performance and engagement – before it becomes the only metric that matters to the ISPs.

*"Switching to StrongMail has enabled us to cost-effectively grow our email marketing programs while also improving deliverability and providing our customers with more relevant messages."*

**Suzanne Weschke**  
eCommerce Marketing Director  
Rawlings Gear

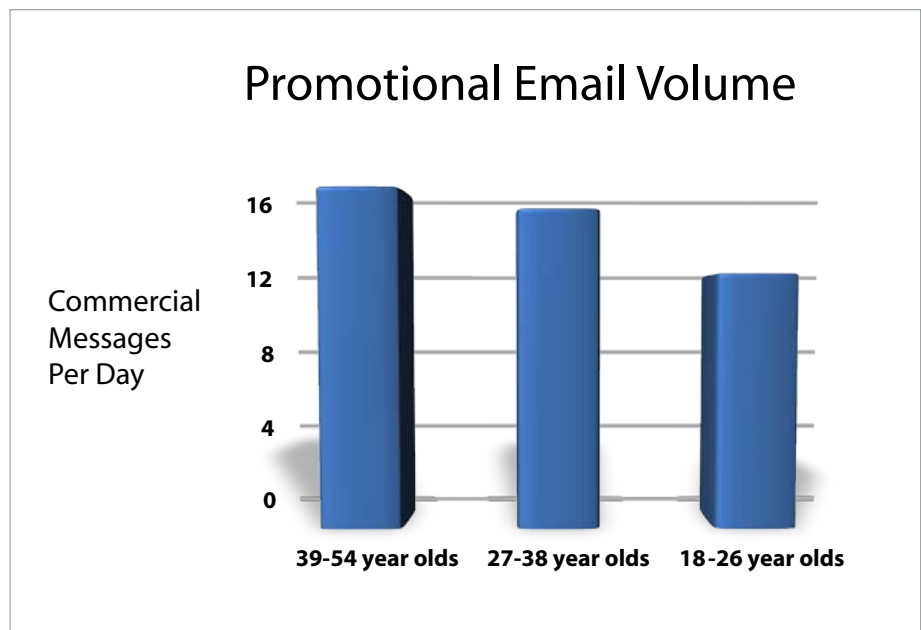
<sup>3</sup> MediaPost, "Hotmail Using New Metrics to Consider Inbox Placement," September 2010

## THE INBOX GETS SMARTER AND MORE SOCIAL

Consumers are getting more messages than ever before. According to MarketingSherpa<sup>4</sup>, consumers aged 18-26 receive an average of 12.4 emails per day from companies, while those aged 27-38 receive 14.9 and the 39-54 group receive 15.9. In order to help its members better manage their inboxes, they are implementing new features to bring the most important ones to the top. In addition, many are also adding social media functionality, as well as the ability to view and send messages across multiple channels – email, IM and SMS.

The end goal is to create a one-stop communication portal, which simplifies communication for consumers and provides the ISP with more traffic and ad revenue. It is also seen as a strategic initiative to help ward off competition from social media sites such as Facebook, which launched its Facebook Messages platform in November 2010 to enable its members to connect across multiple channels.

The social inbox has implications for how your email will be delivered and read in 2011. Here is how the top ISPs are revamping their inboxes to provide their members with more tools for managing their messages and staying connected with friends.



*Number of commercial emails received per day by age group. MarketingSherpa, "What's Not Killing Email this Year," January 2010*

<sup>4</sup>MarketingSherpa, "What's Not Killing Email this Year," January 2010

## YAHOO! MAIL BETA

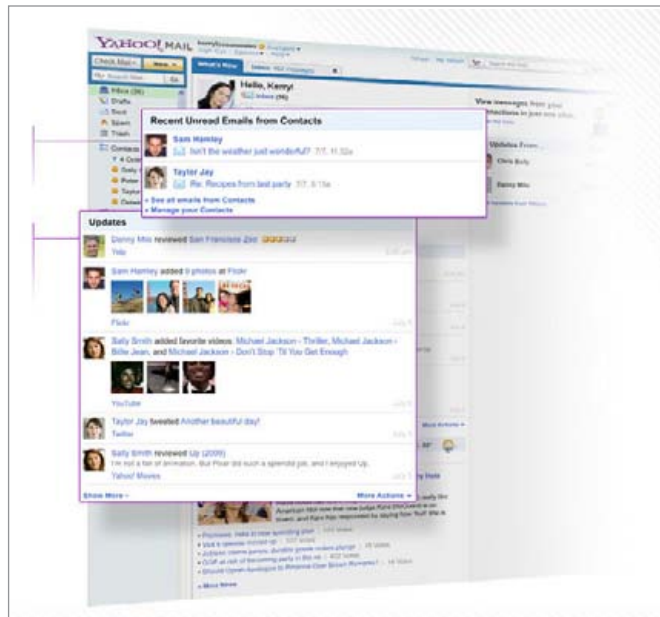
When Yahoo rolled out its “What’s New” overview page for Yahoo! Mail in January 2010, it became the first major web mail provider to help cut inbox clutter by offering up a view of only those messages sent by a sender in the member’s contact list. In October 2010, Yahoo improved upon the email experience even more with the release of Yahoo! Mail Beta. On the backend, the service was completely overhauled to improve performance, but the most obvious change for its members was how they embraced the concept of the social inbox.

Now, when Yahoo! Mail users are taken to the “What’s New” tab at login, they are welcomed by a status box for posting messages to Twitter, Facebook and Yahoo, followed by recent messages sent from their contacts. Next, users are also able to view their status updates from Twitter, Facebook and Yahoo in one stream (they also have the option to view each channel individually via separate tabs).

The social element is rounded out by a list of online contacts in the left sidebar that can be clicked to start an instant message, which can then seamlessly switch to SMS with the click of a button. Conversations can also be docked within the interface to allow multitasking.

Yahoo is banking on these updates to get members to use Yahoo! Mail Beta as a central communication hub, resulting in more time spent on the site. For marketers, these changes present challenges and opportunities. Getting your customers to add your email to their list of contacts will ensure your messages show up on the “What’s New” page, instead of on the Inbox tab where they can get lost with the rest of the messages. Presenting status updates on this overview page also underscores the importance of having a social media marketing strategy that gets users to follow your updates on Twitter and Facebook.

While Yahoo! Mail Beta features some impressive changes to the user experience, it should be noted that most Yahoo! Mail users still use the “Classic” version, which doesn’t include these features. However, Yahoo is clearly committed to this direction and is rolling out programs to encourage users to transition to the new version in 2011.



*Yahoo! Mail shows messages from contacts first, as well as social media updates.*



## THE HOTMAIL INBOX WITH SWEEP

Microsoft appears to be forgoing social inbox features in favor of making the email experience the best it can be. Given that the number one reason that Hotmail users cite for having an account is to receive commercial email, this approach has merit. While it may change in the future, the only real social feature is the ability to chat from the inbox. With the May 2010 “Wave 4” edition of Hotmail, Microsoft delivered on its promise of simplifying email for its users.

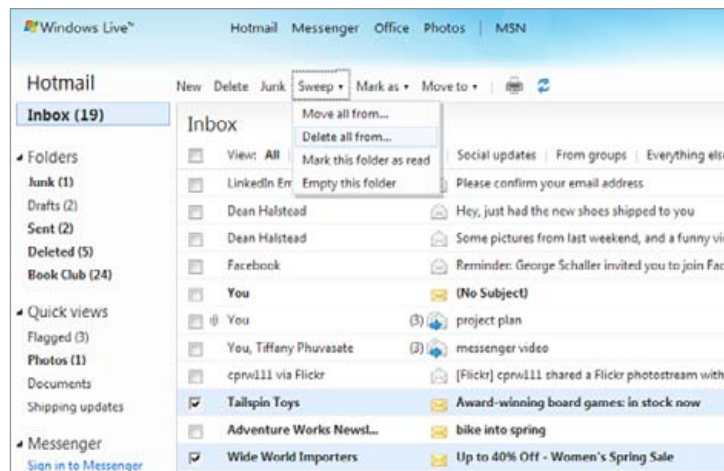
The big change is the new “Sweep” feature, which enables users to easily sweep messages from a particular email address to a specific folder or automatically delete them all together. In addition to cleaning up the current state of the inbox, it also allows users to set up Sweep to apply the same rule to all future messages from the same sender. This has serious implications for email marketers, as users that set up a “Delete All from...” sweep for a brand’s email address will never see future messages – and unlike an unsubscribe request, there is no feedback loop to let you know that they’ve set it up.

Another feature that will confound email marketers is the Filter feature that rests above the inbox. With one click, users can see only emails from their contacts, unread messages or even social networking updates from Twitter and Facebook. With an estimated 15% of a user’s inbox comprised of social networking updates, this is a helpful feature uncluttering the inbox. Ultimately, this filter feature underscores the importance of getting your customers to add your email address to their contact list.

Additionally, Hotmail enables its users to pull in email from other accounts, view entire email conversations at a glance and preview photos and video directly from the message. Microsoft is also partnering with senders to allow users to act on a message without ever leaving the inbox. For example, users can click on a shipping status link in a UPS email and receive an update straight from the email. Similarly, Microsoft is making it possible to respond to social media friend requests and email marketing newsletters directly from the email.

Hotmail was also one of the first ISPs to activate list unsubscribe headers. As a result, senders can configure their messages in a way that enables Hotmail to show an “Unsubscribe” button at the top of the interface rather than merely a “Junk” button, thereby allowing its users to more easily unsubscribe instead of damaging the sender’s reputation by hitting the junk button.

While Hotmail continues to build upon their current systems, their main goal is to optimize the customer experience, and one way they are doing that is by understanding and working with senders. Whereas Hotmail used to be known for having an antagonistic relationship with legitimate senders, they recently shifted to be much more cooperative. This is positive news for everyone.



*The Hotmail Sweep feature enables user to automatically move or delete messages from specific senders.*

## GOOGLE PRIORITY INBOX

Google followed Yahoo and Hotmail with its own inbox management feature called Priority Inbox, which it formally announced on August 30, 2010. Unlike Yahoo, which only uses engagement metrics to determine whether a message should be sent to the inbox or not, Gmail Priority Inbox uses these metrics to automatically flag messages as "Important" based on prior messages you've read or replied to, or from contacts who you've emailed or chatted with most. It even looks at keywords that appear frequently in recently opened messages. Priority Inbox is an optional feature that isn't turned on by default, but for those opting for the service, their email will be grouped under three default categories: "Important & Unread," "Starred," and "Everything Else".

While initial reviews of the service show that its categorization engine is fairly accurate, Google does let users make the service smarter by correcting mistakes. This is done by clicking the new "Mark as important" plus sign or the "Mark as not important" minus sign in the top toolbar. Marking a message as not important will remove it from the Important section and teach it to treat similar messages in the same fashion.

Users can also customize the types of messages Priority Inbox serves up first via the Setting tab. If they desire, they can show all Important messages, or all unread messages, according to their preference. Priority Inbox can also be set to filter messages according to engagement, regardless of whether a message was previously routed to a sub folder.

Of course, it's unclear yet whether Priority Inbox will become the default experience for most Gmail users, as Google's track record with other services, like Google Wave for example, haven't always been successful. However, striving to meet Google's filtering criteria should still remain a top priority for email marketers.

### Settings


[General](#) [Labels](#) [Accounts and Import](#) [Filters](#) [Forwarding and POP/IMAP](#) [Chat](#) [Web Clips](#)

**Priority Inbox** [Labs](#) [Offline](#) [Themes](#) [Buzz](#)

#### How Priority Inbox works

Gmail analyzes your new incoming messages to predict what's important, considering things like how you've treated similar messages in the past, how directly the message is addressed to you, and many other factors.

[Learn more](#)



---

**Default inbox:** When Gmail opens, go to: Priority Inbox (The unread count for Priority Inbox only includes the unread conversations from the first section.)

---

**Priority Inbox sections:**

1. Important and unread	<a href="#">Options</a>
2. Starred	<a href="#">Options</a>
3. Empty	<a href="#">Add section</a>
4. Everything else	<a href="#">Options</a>

---

**Filtered mail:**

Override filters - Include important messages in the inbox that may have been filtered out.

Don't override filters

---

**Importance markers:**

Show markers - Show a marker (D) by messages marked as important.

No markers

---

**Show Priority Inbox:**

Show Priority Inbox

Do not show Priority Inbox

*Gmail users can easily change their Priority Inbox settings to customize what category of email is served up first.*

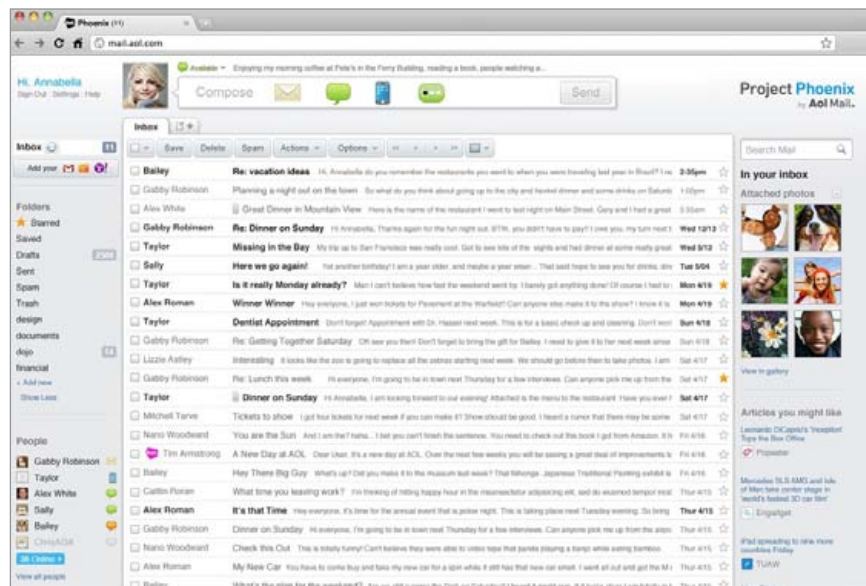
## AOL MAIL: PROJECT PHOENIX

In November 2010, the day before Facebook announced Facebook Messages, AOL announced its own version of a unified inbox called "Project Phoenix." AOL is hoping that its revamped inbox will cause its members to make AOL Mail a portal for communicating with their friends. One of the main features is an all new "Quick Bar" field at the top of the inbox that allows a consumer to quickly choose the channel (email, IM, Status Update, SMS), type a message, and hit "send."

While as of this report, Project Phoenix has yet to be rolled out, a promotional video provides some additional insights. The new inbox borrows a design queue from the new Twitter interface, where any attachments or media files for a message are automatically previewed in a right "Smart View" sidebar. The new interface appears to also allow you to "star" messages and identify contacts as VIPs to quickly view messages from these individuals.

In efforts to win the privilege of being a one-stop inbox for its members, AOL is also making it easy to pull in email from a member's other email accounts, presumably via POP3 or IMAP protocols. Once a member has brought in all of their email accounts into Project Phoenix, they can then send, receive and search all of them at once.

It's not clear whether AOL will be bringing in status updates from other social networks, but a separate AOL service called Lifestream currently allows them to consolidate all of their updates in one place. Since this technology is already in place, it's probably only a matter of time before they incorporate this into Project Phoenix. More information will be made available at the official launch, but in the meantime, it's clear that these changes underscore the importance of sending relevant messages that earn your brand VIP status in an AOL user's inbox.



The new Quick Bar in the Project Phoenix AOL Mail inbox lets users choose multiple channels for sending messages.

## NEXT GENERATION BOUNCE PROCESSING

For many marketers, bounce management often sits near the bottom of the priority list, but the fact is that effectively managing bounced messages is critical for keeping lists clean and improving email deliverability. Continuing to send to bad addresses or abandoned email addresses will eventually damage your sender reputation at receiving ISPs.

For many marketers, the challenge lies in capturing and understanding the data to be able to respond appropriately. Because ISPs offer differing bounce codes, it can be very difficult to categorize and take action on them. The confusion around the codes also makes some marketers hesitant to remove addresses, in case they could incorrectly remove a valid record.

Fortunately, the right email marketing provider should be able to normalize all the different bounce codes into logical categories, such as hard bounce, soft bounce, block and technical failures. Once you have this data, you can then set up rules to automatically remove hard bounces due to unknown users or other permanent failures. Having a plan to remove soft (or asynchronous) bounces after a number of pre-determined number of consecutive failures is also important, as sending to unengaged users can also harm your sender reputation.

Having the ability to practice smart bounce management is key, which is why marketers need to make sure they have a reliable system that is constantly updated to keep pace with ISP changes. By being diligent, you can keep your lists clean and maximize deliverability.

Flash-sale site HauteLook is rigorous about its bounce management, and in turn it enjoys 99 percent inbox deliverability. This is key, as email drives 75 percent of its revenue. HauteLook also uses bounce data to proactively manage its sender relationship with ISPs. HauteLook closely monitors the reputation of all its IP addresses, and if they are approaching a deliverability threshold, they can reduce volume by choosing to suppress addresses that have recently soft bounced or that belong to inactive users.

Bounce management doesn't have to be a chore, and with the right system it can be a seamless process that automatically contributes to better deliverability. If you are unable to quantify your delivery rate, isolate the exact reasons for failure, diagnose the underlying causes and take corrective action to proactively manage their email lists, you are putting your sender reputation at risk.

*“StrongMail’s bounce management reporting is a significant step forward for us and something we’ve been hoping to have for a long time. It makes bounce management and deliverability monitoring much easier. With the advanced level of information now at our finger tips, we can take immediate action on the known culprits, keeping our list clean and allowing us more time to focus on what is important – the best possible consumer experience.”*

**Jennifer Mueller**  
Global CRM Technology Manager  
Travelocity



Challenges to Bounce Management

## THE FUTURE OF EMAIL AUTHENTICATION AND CERTIFICATION SERVICES

With all the deliverability changes in 2010, many email marketers are wondering how recent developments like engagement filtering have affected current email authentication systems and “good sender” certification services. The short answer is that email authentication remains as important as ever and that ISP participation in third-party certification services is currently in flux. The latter point makes it important for senders to evaluate the value that certification services might provide to their business based on the makeup of their list.

The shift to filtering emails based on engagement doesn’t change the need to verify the sender of an email message. This means that marketers should continue to be verifying their email with the most popular standards available today, which starts by publishing a valid SPF record and then ensuring that DomainKeys, DKIM and Sender ID are set up properly.

Missing or invalid authentication records are major contributors to getting a message sent to the recipient’s junk folder. Worse, these errors can be seen as phishing attempts by the ISPs, resulting in such a message being marked as “dangerous.” In order to avoid this scenario, email marketers should have processes in place to check that email authentication is set up and working properly. Deliverability services offered by companies like Return Path and StrongMail enable marketers to check for proper email authentication as part of the overall testing process, including spam check, email rendering and inbox placement.

There have been more significant changes to certification services, which allow reputable senders to give preferential treatment in an ISP’s inbox as long as they meet certain standards. Goodmail has been a popular provider of such services. Although, they lost Yahoo as a client in February 2010, Goodmail still offers guaranteed inbox placement with images intact for AOL, as well as for AT&T, Cox and Comcast addresses, so senders with a high concentration of email addresses from those domains could still find value from using the service. At last check, Goodmail was also in negotiation with Microsoft to offer the service for Hotmail.

In direct competition to Goodmail is the Return Path Certification service, which offers whitelisting services to Yahoo, Hotmail and other Microsoft domains, Time Warner Cable, Road Runner along with hundreds of smaller ISPs. However, while Return Path has more ISP relationships with Goodmail, the Certification services does not guarantee inbox placement. Instead, it promises to improve inbox delivery by an average of 27 percent, which some clients seeing as much as a 40 percent lift in inbox delivery rates. As a fee-based service, senders need to determine if the potential bump in inbox placement is worth the cost.

ISPs are continually refining their techniques for protecting members from spam and dangerous email, and as a result senders should continually review how the latest developments affect established practices like email authentication and email certification. For example, it has been reported that some of the top ISPs are currently looking at building their own reputation systems based on a sending domain, rather than the IP address, which is currently the standard. If this occurs, there could be a shift away from current authentication standards.

In the meantime, as AOL, Comcast, Yahoo and other ISPs continue to test using DKIM signatures to authenticate senders for their domain-based reputation systems, and senders can take advantage of this situation to isolate their practices for maximum deliverability. Instead of sending all customer email from one IP address, brands should set up different addresses and IPs for triggered, promotional and service-based emails, which allows the practices of one department to negatively affect another.

Domain-based reputation will eventually allow senders to change IPs, or add additional IPs, for a current sending domain without the need for a long ramp-up period because the reputation will already be established for that sending domain.

*“By improving our deliverability and enabling us to easily segment and engage our users with relevant messages, StrongMail has greatly increased the results of our database marketing efforts.”*

**Justin Plumridge**  
B2B Product Manager  
Workopolis

## ENGAGEMENT STRATEGIES FOR BOOSTING DELIVERABILITY

Email recipients are more than just customers or subscribers; they are potential advocates for your brand. These are individuals who have chosen to engage with your organization via email and likely a variety of other channels. In exchange for this participation, it is your responsibility to continue providing content and information of value to keep them engaged in your messaging. Given the volume of email that individuals receive on a daily basis, your users are likely feeling some level of “information overload,” which means that you need to use your content to stand-out in a crowded inbox.

Many marketers are looking at metrics and determining how to best measure and define engagement, with the ultimate goal of understanding which components of their email communications are actually driving that engagement behavior. While the real answer is “it depends,” the majority of what is driving engagement is ultimately your content.

Providing content that the recipient deems valuable, finds interesting or wants to continue receiving or engaging with on a continual basis is paramount to your success in realizing an engaged audience.

*The following are some tips for increasing engagement:*

**Enhance Your Welcome Program** – One of the most important opportunities for driving increased engagement is at the point of subscription. The most successful email marketers use welcome programs (a single email or a series of communications) as an opportunity to set expectations for a relationship via email. Welcome programs allow brands to (1) confirm subscription, (2) introduce new subscribers to the communications that will follow, and (3) gather preference data. Each of these results in a cleaner, more engaged subscriber base.

**Get Relevant** – There is nothing more important to engagement than the relevance of email content. Each email communication must deliver unique value to the subscriber and enhance the feeling of trust between the consumer and the brand. Data-driven content based on segments, specified preferences, or behavior should be a part of every email communication.

**Win-Back Programs** – Regardless of a brand’s level of effort, subscribers simply open and click email less frequently over time. To counter this common trend, consider offering special incentives to drive increased engagement from email subscribers who have stopped participating. Programs that lead with “We missed you” or “We want you back” and then offer a unique incentive are often very successful.

**Know When to Say When** – Most email marketers realize that a large portion of their email file is inactive. “Inactive” can be defined a number of ways, but in general inactives are subscribers who have not opened or clicked an email in a defined period of time. The time period depends heavily on email frequency. In general, inactive addresses should be segmented out of a brand’s primary mailing list after 6 – 12 months of inactivity and targeted for re-engagement, as they are likely to impact delivery to major ISPs.

*“StrongMail has also been a great partner in improving our deliverability, which we’ve improved to 96% using StrongMail’s smart bounce management, authentication support and deliverability tools. Plus, as an in-house solution, StrongMail gives us total control over our sender reputation.”*

**Dave Heilmann**  
SVP of Product Development  
BabyFit.com

## THE MOBILE EFFECT ON EMAIL MARKETING

Mobile is an industry that has seen profound changes recently. The rise of the iPhone, Android-based devices and other smart phones means that more users are seeing full HTML messages on their phones, instead of a text messages with limited interactivity. Marketers are responding in kind, with total mobile ad spending projected to have increased by 79 percent in 2010, according to MarketingSherpa<sup>5</sup>. The same study predicts that mobile message will increase from \$228 million in 2009 to \$422 million in 2011. It's also interesting that mobile users aren't just accessing email and the Internet "on the go." In fact, the majority of mobile users say they typically visit from home.

The increase in mobile ad spending is being driven by a steady increase in mobile internet users, which are projected to be half of all mobile phone<sup>6</sup> users by 2013.

The rise of mobile adoption is the one trend that all marketers need to be aware of and ready for. The unique characteristics of mobile marketing make it one of the few channels that enable marketers to understand exactly where their customers are located at any given point in time. Finding an effective way to use this information to trigger location-based offers is a growing trend that is expected to generate the highest ROI in mobile advertising spend.

According to a November 2010 survey by StrongMail<sup>7</sup>, 63% of respondents identified building smart phone applications as the most popular mobile marketing activity in 2011, surpassing SMS alerts at 51%. Mobile advertising (33%) and location-based marketing (31%) were the next popular planned activities for the 43% of marketers planning to leverage mobile marketing in 2011.

As an increasing number of consumers get access to more capable devices, faster carrier networks and ubiquitous wireless broadband, marketers now can now take advantage of richer engagement tactics to shift the focus of campaigns more toward the top of the purchase funnel.

Brands need mobile to stay relevant. Mobile devices are not likely to do away with desktop computers or big-screen TVs anytime soon, but they are becoming a more widely used conduit to web-based content and services, simply because of their omnipresence. The amount of time consumers spend with their mobile devices is also growing at a far quicker pace than either PCs or TVs, meaning that marketers who want to travel along with their audience will have to focus more attention on mobile advertising. The key to staying relevant is showing up in the right place, on the right platform, at the right time.

*How should email marketers be preparing for what could finally be the "year of mobile?" Here are some thoughts:*

**Invest in Mobile Opt-In** – Brands should offer unique content to mobile subscribers and promote that content on the web, in email and across other channels. For example, some of the most successful mobile programs we have seen start with mobile opt-in at point of purchase; a consumer is browsing in a store and comes across an offer that requires a mobile subscription to receive a discount code. While many brands will not have defined 2011 mobile programs that require or leverage mobile opt-in, it is key to start this process now and build an asset (your mobile subscription file) that can be used later.

**Add Value through Applications** – Like email, mobile programs must focus on delivering value to the subscriber. Mobile applications offer a unique engagement experience that can simplify and enhance a consumer's relationship with a brand. Already, companies like American Airlines and Travelocity have introduced iPhone applications that provide critical information around trips or loyalty programs. Other brands, like Starbucks and, more recently, Apple have created extensions of the shopping experience within mobile applications. From locating stores to purchasing products, these applications allow the consumer to interact with the brand from anywhere, anytime.

**Respect the Mobile Relationship** – While consumers have grown accustomed to receiving telemarketing calls at home or promotional offers in email, many are much more protective of their mobile devices. Consumers expect communications in the mobile channel to be critical in nature, both from a content and timing perspective. Understand that mobile communications should not replace or replicate communication strategies from other channels but should be used to create completely new experiences that are time sensitive and urgent.

### US Mobile Ad Spending, by Format, 2009-2014

millions & CAGR

	2009	2010	2011	2012	2013	2014	CAGR
Messaging	\$228.8	\$327.3	\$422.0	\$476.7	\$528.5	\$602.5	21%
Display	\$91.4	\$202.5	\$334.5	\$489.1	\$693.4	\$887.6	58%
Search	\$83.2	\$185.0	\$295.1	\$451.4	\$681.1	\$858.2	59%
Video	\$12.6	\$28.3	\$50.8	\$84.0	\$133.8	\$201.3	74%
<b>Total</b>	<b>\$416.0</b>	<b>\$743.1</b>	<b>\$1,102.4</b>	<b>\$1,501.3</b>	<b>\$2,036.8</b>	<b>\$2,549.5</b>	<b>44%</b>

Note: numbers may not add up to total due to rounding

Source: eMarketer, Sep 2010

120010

www.eMarketer.com

### US Mobile Internet Users and Penetration, 2008-2014

	2008	2009	2010	2011	2012	2013	2014
<b>Mobile internet users (millions)</b>	<b>50.9</b>	<b>68.6</b>	<b>85.5</b>	<b>101.1</b>	<b>115.2</b>	<b>129.7</b>	<b>142.1</b>
% of mobile phone users	22.3%	28.7%	34.7%	40.3%	45.2%	50.1%	53.9%
% of population	16.7%	22.3%	27.6%	32.3%	36.4%	40.6%	44.1%

Note: CAGR (2009-2014)=15.7%

Source: eMarketer, July 2010

117777

www.eMarketer.com

<sup>5</sup> eMarketer, September 2010

<sup>6</sup> eMarketer, July 2010

<sup>7</sup> StrongMail, "2011 Marketing Trends Survey," November 2010

## A GLOBAL EMAIL PERSPECTIVE

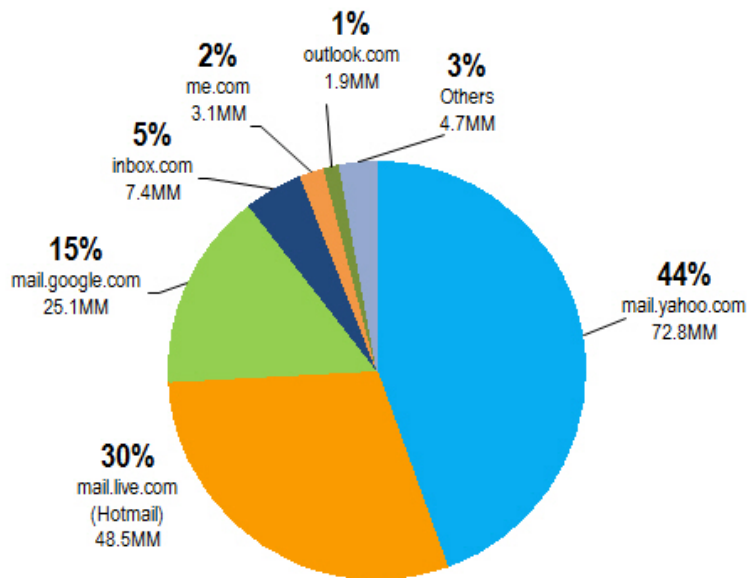
Unless you're regularly sending to an international audience, it's easy to lose sight of email marketing developments taking place across the rest of the world. The Internet has been a major driver of globalization, breaking down the barriers to international commerce. Even if you're not selling globally today, you should be aware of the trends taking place outside of North America.

When business-to-consumer companies look at how their email lists break out by ISP, they usually find that the vast majority of their addresses are distributed across the top three inbox providers: Gmail, Hotmail and Yahoo. According to ComScore, Hotmail is the world's largest web email service with 364 million users, followed by Yahoo! Mail with 280 million and Gmail with 191 million. However, each has its strengths in different parts of the world.

While Yahoo! Mail holds a dominant position in the United States with nearly the same amount of traffic as Hotmail and Gmail combined, Hotmail and Gmail are dominant in other areas across the globe. If you have a significant base of customers around the globe, you should be aware of the dominant ISPs in each region and make sure you are closely monitoring for deliverability issues.

### US Internet Traffic to Web-based Email Clients

(Unique Visitors September 2010)





## STRONGMAIL'S APPROACH TO DELIVERABILITY

StrongMail understands that deliverability is mission-critical to your program goals. Our customers leverage the powerful combination of high-deliverability technology and expert services to realize some of the highest deliverability rates in the industry. With StrongMail, you get:

**Strategic Services** – StrongMail's team of in-house email marketing experts can help you design compelling email marketing campaigns that drive revenue while taking full advantage of the social inbox. From overarching strategy to social media integration, creative development and execution, StrongMail has a full suite of services to help you generate the highest levels of subscriber engagement from your programs.

**Patented Delivery Technology** – StrongMail was built from the ground up to address the delivery challenges created by high-volume mailings. Our patented technology enables companies to send relevant, dynamic messages quickly and reliably. Email is automatically throttled based on a receiving ISP's delivery parameters, which are continually updated via our industry-leading Live Updates service.

**Sender Reputation Ownership** – StrongMail offers dedicated email solutions, which means there's no sharing of your sender reputation. With StrongMail, you own your IP addresses, instead of renting them from an ESP and potentially sharing them with other clients. ISPs rely heavily on sender reputation to determine whether or not to filter incoming mail, so owning your email reputation is critical for ensuring long-term deliverability.

**Smart Bounce Management** – Removing bad addresses from your list is essential for maintaining list hygiene and a good sender reputation. However, every ISP has their own way of classifying bounces, resulting in a deluge of inconsistent and hard-to-understand failure messages. StrongMail's unique Smart Bounce Management technology normalizes all the data to provide clear categories for each failure type, along with actionable advice for addressing each failure.

**Email Authentication** – Authenticating your email via the established protocols (Sender-ID, Domain Keys, DKIM, SPF, etc.) is the first step in achieving solid deliverability, and StrongMail makes it easy to implement and manage. Because our deliverability experts are involved with shaping new and existing protocols, we have unique insight for keeping our solutions current with industry changes.

**Real-Time Reporting** – Finding out that a campaign was blocked at Hotmail isn't as helpful after the send is complete. StrongMail's real-time reporting enables early identification of problems so that they can be addressed in real time. Quickly see delivery rates across your top ISPs and pause mailings to address problems as they occur. Know why your email went undelivered, as well as recommendations for correcting problems.

**Expert Deliverability Services** – Given the often confusing and changing nature of deliverability challenges, it's important to have a partner that has the expertise to help you get your messages delivered. StrongMail has a team of deliverability experts that work with our clients every day to optimize campaigns, share best practices and resolve issues with ISPs. By letting StrongMail handle your deliverability, you can focus your efforts on driving more revenue from your programs.

*"StrongMail has the expertise in key aspects of deliverability that we just didn't have - like managing ISP relations and complying with CAN-SPAM. The feedback and advice we have received from StrongMail's deliverability team has been great, and a big change from our prior ESP relationship."*

**Eric Bright**  
Vice President of E-commerce  
FranklinCovey Products

## CONCLUSION

The continual changes happening in the world of email deliverability should be a wake-up call to carefully review your success metrics for each campaign and look for ways to improve performance – whether through segmentation, relevancy, frequency or timing. Finetuning these variables will not only increase current program performance, but also future deliverability as ISPs embrace engagement filtering and use open and click-through rates to rate future messages more highly.

In addition to the deliverability checklist provided on the following page, there are some easy things you can do now to help reduce future impact, such as making “add to address book” calls to action more prominent, and properly leveraging transactional email to promote cross and up-sell offers.

Take a look at your campaigns and see how you can make your e-mail programs more engaging. Leverage your customer data to craft messages the recipients will want to read, and if possible, provide a reason for them to reply to your messages.



## ABOUT STRONGMAIL SYSTEMS

StrongMail Systems provides businesses with commercial-grade, on-premise solutions for marketing and transactional email. StrongMail integrates its proven email delivery, tracking and campaign management software on high-performance servers that are optimized for maximum deliverability.

In addition to providing superior control, security and integration capabilities, StrongMail's in-house approach offers companies a more powerful and cost-effective alternative to homegrown or outsourced solutions. Hundreds of companies worldwide rely on StrongMail's solutions to power their mission-critical customer communications.

A Silicon Valley company, StrongMail is headquartered in Redwood City, CA, and is funded by Sequoia Capital, Evercore Partners, Globespan Capital Partners and DAG Ventures. For more about StrongMail, please visit [www.strongmail.com](http://www.strongmail.com).



## ABOUT NET ATLANTIC

Established in 1995, Net Atlantic was one of the first email service providers and Web site hosting companies. Net Atlantic's goal is to help businesses and non-profit organizations succeed online with effective email marketing services and Internet tools. To learn more about Net Atlantic, please visit [www.netatlantic.com](http://www.netatlantic.com).

Contact Net Atlantic Today.

**877-263-8285**

[sales@netatlantic.com](mailto:sales@netatlantic.com)

Net Atlantic, Inc.  
10 Federal Street, Suite 26  
Salem, MA 01970  
P 978-219-1910  
F 978-744-0037

[www.netatlantic.com](http://www.netatlantic.com)

## EMAIL DELIVERABILITY CHECKLIST

Listed below is an email deliverability checklist that contains the most important actions you can take to maximize the deliverability of your email campaigns. By reviewing this list every few months, you can help ensure that your processes and systems are optimized for inbox delivery.

### ENGAGEMENT

- Add-to-Contacts Request** – Take advantage of pre-header space to encourage recipients to add your sending address to their contact list, and test more prominent calls to action in the body of the message.
- Encourage Interaction** – Develop content that encourages recipients to click or reply. Quick polls, feedback requests, contests or other activities that have a low barrier to entry can be effective at getting customers to engage.
- Solicit User-Generated Content** – Prompt users to rate products they've purchased or comment on current promotions. Feature user-generated content in email newsletters and encourage recipients to join the community.

### LIST HYGIENE

- Data Capture Review** – List hygiene starts with collecting good data. Make sure your sign-up forms prompt users to fix incorrect email address or syntax errors before they are submitted.
- Bounce Management** – In addition to having established policies for automatically removing hard bounced addresses due to bad addresses and unknown users, have similar policies for removing soft bounces after a pre-determined number of consecutive failures.
- Managing Unsubscribes** – Don't wait the 10 days allowed by CAN-SPAM to process unsubscribes. Remove unsubscribed addresses immediately to avoid users hitting the "this is spam" button and damaging your sender reputation.
- Feedback Loops** – Sign up for available feedback loops at your top ISPs to monitor the number of spam complaints generated from your mailings.
- Whitelisting** – Maximize your inbox delivery by signing up for whitelists offered by ISPs and other providers.

### TECHNICAL READINESS

- Commercial Email Server Set Up** – Verify that any server sending email on your behalf is set up properly as a commercial email server. ISPs that are unable to identify the type of server sending incoming email are likely to those messages to the recipient's junk folder.
- IP Warm Up** – When sending email from a new IP address, make sure to ramp up volume slowly to build a sender reputation with the top ISPs, as failure to do so can result in blocked messages.
- Email Authentication** – Verify that your SPF, DomainKeys, DKIM and SenderID records are set up properly using a third-party deliverability tool.
- Domain Throttling** – Check with your email service provider to ensure that you are throttling email according to ISP sending protocols.

## DELIVERABILITY TOOLS

*Use a deliverability service provider to perform the following tests:*

- Campaign Preview** – See how your email renders in top email clients before deploying a campaign.
- Inbox Monitoring** – Find out if your messages are reaching the inbox at key ISPs.
- Spam Check** – Verify that your email isn't seen as spam by ISPs content filters and popular anti-virus programs.
- Reputation Monitoring** – Review your sender reputation at top ISPs.

## MONITORING

- Delivery Reporting** – Regularly check your deliverability rate to identify potential ISP blocks or other deliverability problems.
- Inactive Reporting** – Regularly run reports to remove inactive addresses from your main list and flag them for re-engagement campaigns.
- Complaint Rates** – Carefully watch your complaint and unsubscribe rates to determine what types of messages might be triggering them.
- Frequency Protocols** – Implement protocols so users aren't bombarded with too many messages during a pre-determined period of time.

## PARTNERS

- Deliverability Partner** – Enlist deliverability services from your email service provider or establish a relationship with a third-party deliverability provider to help address problems.
- Marketing Partner Review** – Review current affiliate marketing relationships to determine whether their practices are potentially damaging your sender or brand reputation.