

# THE MARKETING COMPASS

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Insights to Help Guide You to True Marketing Intelligence from Ruf Strategic Solutions

## How to Make the Most of Your Email Marketing Efforts

With nearly 150 million people across the U.S. using email virtually every day, it's no wonder that email marketing is growing at an explosive rate. But, along with this growth comes technology that can help or hinder marketing efforts. Email marketers must continually strive to make their efforts more effective.

As is often the case when looking to improve a process, the first step is to review what you have done in the past. Try to determine what worked and what didn't.

One way to accomplish this is by reviewing recipient feedback, assuming you had some form of feedback mecha-

nism built in (such as a feedback email account or even something as simple as an "unsubscribe" option in the email correspondence). Review any feedback emails received over the course of a year for both positive and negative comments. If your feedback is primarily limited to unsubscribe notifications, then check to see what percentage of

by Mike Mahoney

Mike Mahoney is a national account manager for Ruf. He has over a decade of sales experience along with extensive expertise in direct marketing from his time with infoUSA. His accolades include numerous sales awards and the respect of his peers as a direct marketing expert.



### Email Marketing Best Practices

- Use a quality email list.
- Time email distributions appropriately.
- Carefully word subject lines to generate interest and get through spam filters.
- Design your email content for impact.

the recipients asked to be removed after each mailing.

If you have conducted reader surveys, this information will be critical to your evaluation of past efforts. Look for repeated issues in the responses (such as

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## Propensity Marketing — The New Age of Response Lists

Anti-marketing capabilities through technology are now commonplace. TiVo, DVD recorders, caller ID, and anti-spam software are making it more difficult for marketers to reach their target audiences. Add to that the vast media choices available, from narrow-cast TV to specialized magazines, and the reach of any single message channel has become pencil thin. Consumers are atomized into hundreds of market segments, defined not only by demography but by product preferences as well.

So how do marketers overcome the anti-marketing technology, fragmented media and highly defined audience segmentations? Micro marketing - forced as much by necessity as by opportunity. But, how can marketers micro target and still remain profitable?

Just as technology has created problems for marketers, it also provides the solutions. Database technology combined with CRM analytics empowers marketers with the must-have answers they seek.

Intelligent micro marketing holds great promise:

- By focusing advertising where it will have the most impact, advertising costs will go down.
- Through a better understanding of buyer behaviors, marketers can get their offers to prospects at the right time.
- Messages and offers can be cus-

by Kurt Ruf

Kurtis Ruf is a recognized authority on database marketing and co-author of *Contemporary Database Marketing: Concepts and Applications*. This book offers powerful, cutting-edge information and training tools for students and practitioners of database marketing.



tomized, increasing relevancy and decreasing noise.

But with all the concerns and legislation about privacy, marketers may feel as if they're banging against a brick wall. Companies have to be very careful and very explicit with customers on how the data they collect will be used. Sharing across companies of customer data without consent is no longer acceptable. No-call lists and opt-out selections offer potential customers additional avenues to block marketing efforts.

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## Propensity Marketing *continued from page 1*

So, without access to specific, direct intelligence on consumers, how can marketers successfully micro target? Propensity marketing. Marketers can select lists in much the same way they used to purchase response lists. Rather than selecting targets based on their responses, marketers can select based on consumers' propensity or likelihood to exhibit a specific behavior, attitude or preference.

Through strategic partnerships with national data compilers, such as

### Gramm-Leach-Bliley Act of 1999

#### Summary of Provisions

##### TITLE V — PRIVACY

- Requires clear disclosure by all financial institutions of their privacy policy regarding the sharing of non-public personal information with both affiliates and third parties.
- Requires a notice to consumers and an opportunity to "opt-out" of sharing of non-public personal information with nonaffiliated third parties subject to certain limited exceptions.
- Clarifies that the disclosure of a financial institution's privacy policy is required to take place at the time of establishing a customer relationship with a consumer and not less than annually during the continuation of such relationship.
- Requires that rules for the disclosure of institutions' privacy policies must be issued by regulators within 6 months of the date of enactment. The rules will become effective 6 months after they are required to be prescribed unless the regulators specify a later date.

Experian, national market researchers, such as Simmons Market Research Bureau, and database/analytical innovators, such as Ruf Strategic Solutions, targeted propensity marketing is not only possible but highly successful.

Experian collects and maintains credit and demographic information on approximately 215 million consumers in 110 million households and more than 15 million businesses across the U.S. Simmons collects information on over 8,000 brands in 460 product categories from nationwide interviews and marries this behavioral data with transactional data from companies like Nielsen Media and MasterCard. Ruf integrates the data from these sources, and others, and produces predictive indexes incorporated into tools marketers can use to profile and target specific geo-demographics as well as lifestyle, behavior, brand preference and media usage propensities.

With this technology, marketers can:

- Significantly increase their understanding of their existing customers through detailed profiling.
- Target specific segments within their own data or a virtual universe of prospects.
- Select lists by any of over 1,900 lifestyle propensities.
- Through web-based tools, perform "what if" assessments, manage and track campaigns as well as target and customize messages across multiple media channels.

Integrating opt-in customer data can further enhance propensity data. For example, American Airlines' customer data can be combined with propensity

### Anti-Spam Laws A Few State Samples

- **Arizona - 5/2003**; requires unsolicited commercial email messages to include a label ("ADV:") at the beginning of the subject line, and contain an opt-out mechanism.
- **California - 9/2003**; it is illegal to send unsolicited commercial email from California or to a California email address.
- **Kansas - 5/2002**; commercial email messages may not contain falsified routing information, use a third party's domain name without permission, or have a false or misleading subject line.
- **Ohio - 8/2002**; requires unsolicited commercial email messages to contain the sender's name, address, and email address, along with opt-out instructions.

data to generate lists that include both American Airlines' customers and other consumers who have a high likelihood to fly American. Not only can American Airlines use this enhanced indexing for marketing but, because of the opt-in nature of the customer data, supporting businesses, such as travel and car rental agencies, can also benefit.

The face of marketing has changed forever. Mass marketing used to have the advantage of simply being cheap. Now, with increased production and postage costs plus decreased efficiency and consumer receptiveness, this is no longer true. With the growing concerns over privacy protection and the reduced availability of response lists, marketers will soon see the future of micro marketing as propensity marketing. ☺

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## THE MARKETING COMPASS

*Published to provide news, innovative ideas, practical tips, and tools to enhance the strategic advantage of our clients and friends.*

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Ruf Strategic Solutions delivers a full suite of marketing and business intelligence solutions designed to help organizations acquire new customers, retain existing customers, and develop one-to-one relationships to maximize profitability. Founded in 1976, Ruf Strategic Solutions has been helping organizations maximize the return on their marketing investment through superior customer intelligence. Ruf's unique ability to integrate vast arrays of data, technology tools, and 30 years of expertise empowers organizations with truly actionable and measurable intelligence.

Please direct questions or comments regarding THE MARKETING COMPASS to:

[solutions@ruf.com](mailto:solutions@ruf.com)

1533 East Spruce Olathe, KS 66061

Phone (913) 782-8544

Fax (913) 782-0150

Or visit our website at:

<http://www.ruf.com>

## Email Marketing Efforts *continued from page 1*

"not interested") and note any key findings the survey(s) can show you.

If you publish an e-newsletter and have article-visitation tracking setup within your website, take note of the types of articles most often visited.

Don't forget to look at your sales as well. These statistics can show you which emails generated the most sales, determined by either a recorded source code or simply by timing and/or offer.

After compiling all the data you can gain from your past email marketing campaigns, you will want to incorporate this intelligence in with some basic e-marketing best practices. These best practices will help guide you on what to say or do as well as what not to say or do in your emails.

- Build a quality email list. Just because your email list is large does not mean it's good. Despite the conception that email is virtually cost-free to generate, sending emails to large, unqualified lists does cost in time (the recipients') and in goodwill. Your email list will be much more powerful if the contacts have opted or requested to hear from you. In addition and whenever possible, augment your list with the contact's preferences and business responsibilities, if applicable. By targeting your email offers, you can more effectively customize your messages to generate better responses.
- Consider the timing of your email distribution. For business related offers, the best time for distribution is Tuesday, Wednesday or Thursday. But, for consumer offers, many studies have shown that consumers are in more of a purchasing mode on weekends. Whatever day of the week is most appropriate for your offer(s), be consistent. As with many things, consistency can generate a stronger receptiveness.
- Do not arbitrarily use the word "free" in the subject line. Many spam filters will reject emails offering "free" stuff. However, this is not

always the case if "free" is joined with other words like "shipping", "e-book", or "white paper". Be careful to not follow "free" with an exclamation point as this can also trigger a spam filter. Watch out for other subject-line words that can trigger spam filters. As this list of words is constantly growing and changing, one option is to periodically check with some of the leading anti-spam software providers (such as Spam Assassin, McAfee and Norton) and email software providers (such as Microsoft, AOL and HotMail) that include anti-spam protection to see what words or phrases their software filters. Another option, used independently or in conjunction with spam awareness is to test, test, test. Try different subject-line phrasing to see first-hand what gets kicked back and what doesn't. Keep in mind, however, that with many anti-spam systems, your message can appear to go through when, in fact, it was deposited directly into a junk or quarantined folder, never to be opened by the recipient.

- Design your emails for impact. How your email looks is critical to conveying a consistent corporate image, for pulling the readers through the email and for motivating them to take action. A good design can make a world of difference in the effectiveness of your email campaign. In this instance as with your subject line, test, test, test. Track responses to see which layouts work the best.

Okay, you've honed your list, determined your timing, taken steps to clear spam filters, and created a strong design. Now, what other things can you do to increase the likelihood that your email will actually get opened?

Every recipient will see the subject line. If this does not compel them to open the email, nothing else in the email matters. Customize the subject line based on the recipients' preferences

and/or purchase history. Let them know right away that this offer could be of interest to them. Include a call to action, such as a time limit or discount applicable to the offer. If your email offer relates to some current event, make that connection in the subject line.

If the recipient did not opt-in to receive emails from your company, the likelihood that they will open your emails is greatly diminished. In fact, they may resent receiving emails from you and will open the email with the sole purpose of unsubscribing. Not exactly the kind of action you're hoping to generate. That's why a "quality" list is important to increasing the "quality" of your email open rates.

One other element of your email list's effectiveness is the trust you hold with the contacts. If a contact has opted to receive e-newsletters from you, this does not mean that he or she wants to receive other emails from you. Give them a choice to opt-in for your e-newsletter and not for other stuff, and vice-versa. Also, don't pre-check the opt-in boxes on your website. Many visitors may overlook these options and will see your emails as unsolicited. In addition, make certain that every email you send has an unsubscribe option, that this unsubscribe option works, and that you respect the choice and remove them from your active email list. All of these things help to generate a positive impression and trust, which has value even when it doesn't directly generate revenue.

As more and more companies jump on the email-marketing highway, your ability to personalize your email messages will become more and more critical. Personalization does not mean simply using their first name, it means customizing the message and offer to the recipients' preferences and behaviors based on a quality email list. Adding, capturing and utilizing powerful behavioral information can make the difference between email marketing efforts in futility and efforts in success. ☺



## Excellence in Marketing is a Ruf Standard

**Christopher Weeks** has joined Ruf as a database marketing analyst. He is responsible for product development, data analysis and processing. Chris comes to Ruf with six years of IT experience including, management, development and database design and analysis. He holds a bachelor's degree in telecommunications from the University of Alabama, as well as an associate's degree in computer programming from Electronics Institute.



## Account Management Team Gets More Power

**Mindy Allen** has joined Ruf as a marketing account manager. She acts as the primary contact for many of Ruf's clients and their advertising agencies. Mindy has over 13 years of direct marketing experience from both the analytical and creative perspectives. She holds a dual bachelor's degree in marketing and in management from Kansas State University and a business master's the University of Missouri - KC. Mindy has served on the board of the Kansas City Direct Marketing Association for several years and is currently the vice president of marketing.



## Interested in working at Ruf?

Positions currently available include: National CRM sales executive and database marketing analyst. For more information, visit [www.ruf.com/work.html](http://www.ruf.com/work.html).

## Analytical Expertise Continues to Grow



**Eric R. Neyman** has joined Ruf as a database programmer/analyst. His responsibilities include developing and implementing new database marketing products and assisting with analytical services. He has a background in market research and is a graduate of DeVry University with a Bachelor of Science in computer information systems. Eric is currently pursuing his MBA at Keller Graduate School of Management.

## Brian Ruf Joins Executive Leadership for TTRA



**Brian Ruf**, CIO, has been a strong contributor on the board of directors for the Travel and Tourism Research Association (TTRA) for more than three years now and wants to continue contributing. This year, he was elected to serve as the second vice-president for TTRA. Next year, he will serve as the first vice-president and, in 2008, he will serve as the association's president. Having earned the respect of his fellow board members, who recognized him with the President's Award at last year's conference, Brian is excited by the prospect of continuing his work with the TTRA. "I am humbled to be entrusted to help lead this magnificent organization through its fourth decade," Brian stated. "I hope to be able to help TTRA to build upon its rich foundation and history and to continue to fulfill its noble mission."

## Top 10 Things to Consider from a CRM Provider

When looking for a CRM provider, you should consider several key criteria. The top 10 are as follows:

1. **Seamless integration** with existing systems to expedite implementation and minimize costs.
2. **Secure online access** through an easy-to-use dashboard so that all authorized parties can access information at the click of a mouse.
3. **Customer profiling, segmentation and list selection** capabilities to enable intelligent targeted marketing.
4. **Scoring and segmentation** capabilities of **third-party lists** for targeted prospecting.
5. **List cleansing**, address standardization and NCOA, and merge/purge tools to ensure clean mailings.
6. Availability of **campaign monitoring, measurement and evaluation tools** to determine real-time results of your marketing efforts.
7. **Data repository** capabilities sufficient to handle volumes of data and frequent data updates from multiple sources.
8. **Online Analytical Processing (OLAP)** tools including drill-down capabilities to analyze data in meaningful, detailed views for decision making.
9. **Flexibility** to customize front-end controls, standard and ad-hoc queries and reports so you can access your data how and when you need it.
10. Level of **marketing and technical expertise** readily accessible for consultation, implementation and problem solving.

Perhaps the most important question you can ask when evaluating a CRM provider is, "Will their solution provide us with the intelligence we need to truly manage and enhance our customer relationships?" ☺