

# DIRECT

## Your E-mail Drives More Responses than You Know

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Al Gadbut believes you probably have no idea the volume of sales your outbound e-mail drives.

And, the CEO of e-mail database marketing services provider AcquireWeb claims, the more complex your product or service is, the more likely you are to be severely low-balling the channel.

Those unique Web addresses, 800 numbers and coupon codes some marketers use to track their e-mail efforts: They're all just this side of useless, according to Gadbut.

"One of the things that confounds direct marketers more than anything else is that people don't follow the tracks that marketers lay out for them to follow," said Gadbut. "Our data is showing clearly that people don't follow those sign-posts."

Even worse, too many e-mail marketers are tracking the wrong things, he said.

"Some very well-known, highly respected marketers out there are only looking at open and clicks when they send out an e-mail campaign because their back-end mechanism is not able to look at conversions," said Gadbut.

Open rates are under well-deserved fire because an "open" registers when the receivers' machine calls for HTML graphics. With mailbox providers increasingly blocking HTML unless the recipient asks to see the graphics, some e-mails don't register when they're opened. Also, when Microsoft Outlook displays graphics in the preview window, it registers as an "open." As a result, some mail that does not get opened registers as having been opened.

"Why are they tracking something that you can't track and using that as a proxy for success? It's ridiculous," said Gadbut. "And that's the beginning. Clicks are just as stupid [for merchants]."

By monitoring point of sale activity for clients, Gadbut said he has identified five groups of people who respond to e-mail by converting through other channels:

- \*Those who receive the e-mail, don't register as an open, but convert somewhere other than through the e-mail, such as over the phone or at a retail location.
- \*People who register as an open, go no further, but convert through another channel.
- \*People who open and click on an offer in the e-mail, but convert through another channel.
- \*People who open, click, download a coupon, but buy through another channel without redeeming the coupon.
- \*People who open, click, download an e-mail coupon and redeem it through another channel.

The more complex the sale, the higher the likelihood the sale will be completed

offline, said Gadbut. "If there are more questions or something that involves scheduling, they're going to go into the store or they're going to pick up the phone and convert there," he said.

To accurately gage the sales resulting from an e-mail campaign to a house file, for example, Gadbut recommends suppressing at least 20% of the e-mail addresses from the campaign and then comparing their buying behavior to that of the group who received the e-mail.

"If the number of people who converted out of that marketed-to group is lower than the control group, then you've created brand damage with what you were doing with e-mail and you need to stop e-mailing and try and figure out what you were doing wrong before you re-engage," he said. "If the number of conversions in your marketed-to group is greater than the number of conversions of your control group, then that delta is your value of e-mail, regardless of whether those people picked up the telephone, came into a store—it doesn't matter. That delta is the result of e-mail."

He also recommends suppressing 20% of the addresses from any postal mail going out at the same time, so 60% of the marketer's database gets both postal and e-mail, 20% gets only e-mail, and 20% gets direct mail.

"Of that 20% that you only sent postal, you can take a look at what sort of conversions you got there and determine what your pure postal [response] was without e-mail," he said.

Using that technique, Gadbut said he was able to show a telecommunications client that more than 10 times the number of people who were receiving its e-mail marketing were converting through the call center than through the Web site. The reason: The Web site the company was using to catch responses from the e-mail was broken.

"We found that people [who were receiving e-mail] were converting offline at a rate of 11.3 to one, and the marketer thought their e-mail was a flaming failure," he said. "Unless marketers are looking at all conversions across the enterprise and looking at that compared to the group they're marketing to, they're wasting their time."