

TECHNOLOGY REPORT

SELECTING AN EMAIL SERVICE PROVIDER

Choosing Your Next Email Service Provider Should Not Be Simple

BY TIM PARRY



Choosing an email service provider is not a simple task. That's not just because there are a large number of ESPs to choose from but also because you also need to choose what functions, services, bells and whistles are best for your organization's needs.



Thomas E. Smith, president of Goldcoast Consulting Group, points out that ESPs are not one-size fits all. Before you determine which ESP is going to be the best for your needs, you need to put together a list of fundamentals.

For example, you need to ask yourself what your email volume is, and how many subscribers you have. Also, what are your integration needs, and are you planning to host your own database, or have it in a cloud? And how robust does your reporting need to be?

The process of selecting an ESP—or upgrading to a new ESP—is not something that is done overnight, either. New Pig, a manufacturer and supplier of industrial waste clean-up products, is in the middle of implementing a new ESP.

Mark DeYulis, New Pig's director of ecommerce marketing, says the search for a new ESP took seven months to conduct. The biggest lesson he's learned: Take the

time to assess the vendors and their products.

"As we're implementing this, it's going smoothly because we vetted out how it would work and what we would need," DeYulis says. "And so far, so good. Everything is going right on schedule."

Start Somewhere

If you're new to email marketing, you may want to start off with an out-of-the-box, easy-to-use ESP. That was the case with New Pig, and DeYulis says it was the best way to learn about email marketing.

"When we started focusing on emails, we went with the easiest package that we could manage," DeYulis says. "As we

learned more about email marketing, we felt we needed more bells and whistles. It really wasn't the fact that [our ESP] couldn't handle the volume, it was more the fact we couldn't do some of the things we needed to do."

Rodale's is a brand of Rodale, Inc., But the health-and-wellness products seller has email marketing needs that differ from its parent company's media brands, which include Women's Health, Men's Health, and Runner's World magazines.

After starting simple, Megan Nonemacher, ecommerce marketing manager at Rodale's, says she was looking for an ESP that Rodale's could grow with. And the company wanted an ESP that would provide extensive training and support, especially since Rodale's was looking to implement a new platform during the 2014 holiday season.

"Our previous ESP did not have all of the modules we were looking to explore in 2015 under one package," Nonemacher said. "We wanted an ESP that would deliver our daily emails efficiently, with custom reporting available, but also give us capabilities to run new automated campaigns that we didn't have built yet."



It's a similar story for handcrafted jewelry seller Dogeared. As Dogeared grew, customer experience director Ashley Walkley says it needed its emails to deliver a better customer experience.

For example, Walkley says Dogeared outgrew its out-of-the-box ESP, and couldn't do segmentation, or focus on things like transactional messages, which have become the norm for email marketers. Dogeared also wanted to be able to tailor messages, create automated emails, and use emails to cross-sell and upsell to its customers.

And with its first retail store on the horizon, Walkley says Dogeared was also looking for an ESP that would offer a complete omnichannel experience. Customer data needs to be collected in store via the

POS as well.

Here's a look at what merchants need to consider when selecting a new ESP.

Mobile in Mind

If you are a small-sized merchant, you might not have the resources you need, but you can still have emails that look as nice as that of larger merchants. Most ESPs provide customizable email templates, which allow the user to choose a color scheme, add its own content, and drag and drop pictures.

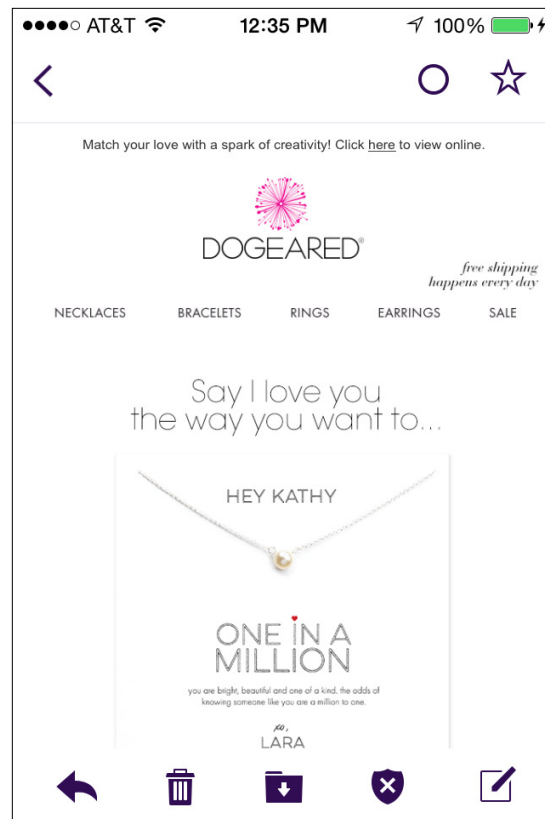
Within that, Smith says you need to make sure they are customizable for different devices. Creatives are usually different on a desktop than on a mobile device, as you'd want to use less content for mobile emails to allow for a better fit on a smaller screen. And you want to have the ability to send a preview to your inbox, so you know how it will render on different devices.

"Mobile is huge," Dogeared's Walkley says. "The customer is able to have the most seamless experience, no matter what device they are shopping from, or reading messages with."

Smith says you also may want the templates to be versioned, so you can build for desktop and change it up for mobile. And as you're building these emails, you also want to be able switch between those views and see how look on different devices. Based on how your subscribers view emails, you may need five or six different mobile templates.

"Even if you can accomplish that, the conversion rates on a mobile device are much lower," Smith points out. "The conundrum is more shoppers are viewing their emails on mobile devices, but the conversion from mobile devices is a lot less than on a desktop."

If that's the case with your subscribers,



Jewelry-seller Dogeared sends triggered emails which remind the recipient to send gifts to the ones they love.

you may want to use an ESP that allows you to track what time an email is opened on a smartphone. If someone opens and is not ready to react, and you can send it again later when they are home on a desktop.

Segmentation and Personalization

Personalization should go beyond "Dear, John," but not be too creepy, Smith says. It is important to be able to integrate data such as past purchase history and browsing history so you can create more targeted, personalized campaigns. And if you can include offline customer data to match your online data, you can build the perfect predictive piece.

Smith says that while working for an ESP, he had a bicycle retailer client that made both mountain and street bikes. It knew it had customers who were mountain bikers who were thinking about tran-



sitioning into road biking. The ESP could get information about the customer from browsing behavior, or from what the customer was doing in the store. But that's the big divide.

You can match personas online and

offline, but the predictive piece is still dependant on the offline information, which is traditionally used to optimize websites, Smith says.

"If you know someone is a great mountain bike person and they're surfing for

street bikes 20 hours a week, and they aren't buying mountain bike stuff or looking for mountain bike stuff, maybe serve him an email with a totally different offer based on that behavior, even if he hasn't made a purchase in the past," Smith says. "That technology is out there, but sometimes it's hard to get something as fundamental as RFM or purchase affinity from that browsing behavior when it comes to a campaign like email."

Walkley says Dogeared wanted advanced retail segmentation from its ESP, to help the merchant know exactly who its customer is. Data is collected plug and play, which makes the process much simpler from an implementation standpoint. Walkley says Dogeared is not doing a lot of customization with it, but wanted an ESP with the ability to help it grow its segmenting when the time is right.

Automation

Triggers can get pretty sophisticated, depending on what you're planning to do, Smith says. But you want triggers to be a part of your ESP's campaign builder workflow.

You may want to start the new subscriber journey by triggering a welcome email, and if a purchase is made, sending a purchase acknowledgment email and thank-you email. Or, if you send an email and there is no reaction from the customer, you may want to be able to trigger a reminder email.

Nonemacher says she cannot wait to grow Rodale's automated campaigns in 2015. Since the brand launched, Rodale's has had successful welcome campaigns and abandon cart campaigns.

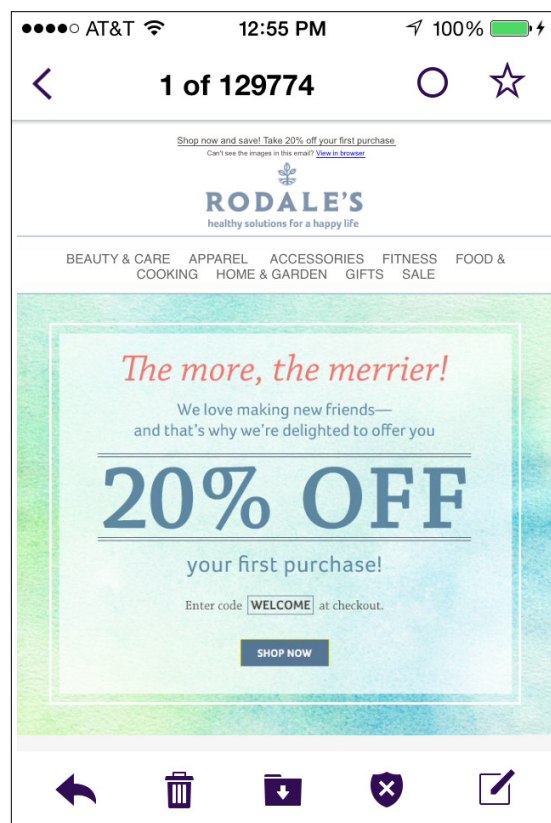
"We're taking it a step further now by adding post-purchase campaigns, a win-back campaign for customers we've lost touch with, or who haven't been engaged with us recently, a browse-and-abandon campaign, and an automated email series that provides personalized, recommended products based on customer search behavior and buying patterns," Nonemacher says. "We know that personalization can increase customer engagement by as much as 22%, so we're going to focus a lot of energy in this area."

Smith says he once worked with a retailer that sold bulbs and gardening equipment, and it sent triggered emails based on zones and what to plant at what time of the year. But if Mother Nature brought a freak snowstorm to the Northeast, and no one was planting, it would be able to change scheduled messages up based on inventory timetables.

So if the early planting season was thwarted by a blizzard, the retailer could instead send an email about an end-of-season snow blower sale to customers in that area. Or if snow blowers were not available in a certain zip code, it could change the message to talk about snow shovels.

"There's a million ways you can go in terms of the journey, but it's nice to be able to consider the options ahead of time and build in those triggers," Smith says.

Rodale's welcome email series includes a discount offer for new subscribers.





New Pig's welcome email series includes a customer service message... and an offer.

Analytics

You may go with an ESP that can provide you all the bells and whistles for your emails, but deliverability is also key. And you want to make sure you're working with a reputable firm.

You want to make sure you have some kind of reporting to show you who is opening your emails, which addresses are bouncing and who is unsubscribing. And you it all in one central location that's easy to use, whether it's in your email platform or you want to integrate that into your marketing database, Smith says.

Also, does your ESP allow your subscribers to opt out at will, and does it help you stay compliant with international laws, such as the Canadian Anti-SPAM Legislation?

DeYulis points out that as a B2B, New Pig relies on a different set of metrics than a B2C marketer would. He says email marketing's rule of thumb about email

addresses being inactive may be the case for B2Cs, but isn't necessarily the case for B2Bs, and analytics provided by standard ESPs don't always reflect that.

DeYulis says New Pig tries to not just tie in who clicks on emails, but also to tie in who may call the contact center to place an order, or live chat, but then later go to the website. So DeYulis relies on an ESP that also ties into all of New Pig's databases.

"We have all these things going on, and it's not only at an individual level," DeYulis says. "We may email you, and you tell your purchasing agent to go on the site and order."

So now New Pig has the decision maker's email address and the purchasing agent's email address, but doesn't know who is driving the purchase.

"That screws up our metrics because you may not see certain email addresses ordering, but they are driving the sale. So it creates issues," DeYulis says. "Some packages may tell us not to email these people because they aren't buying. But in reality, they are, or they are getting the email and calling in."

Social Media Integration

Email and social media go hand in hand. You have to look at providers that make it easy to share an email via a social media platform. Smith says ESPs are all getting better and better at that.

"So if my daughter gets an email and she thinks it's really cool, you want to make it pretty easy to share on Facebook without her having to copy it, logging in and posting it," Smith says. "If there's the ability to link to social media and be able to share an offer, that's pretty important."

Set Up a Demo Account

It's really hard to compare apples to

apples because every ESP has a different pitch, and every ESP's pitch is going to sound compelling. But it's hard to really know what you're going to get from an ESP until you really get into a live demo.

"Someone is going to come in and tell you everything a platform is going to do, and assuming square pegs and square holes and everything you do fits into their model, then yeah, it's great," Smith says. "But there's always some level of customization that you're going to need, and questions you are going to want to ask."

Let's say you narrow your choice down to three ESPs, and only one of them allows for an extensive demo period. That doesn't really help you out. If you can play with one for a while and not the other two, it makes it harder to make a decision, Smith says.

If you can get an extended period to test an ESP, and you have the time and resources to play with it, that's key as well.

"You never really know how a platform is going to perform until you implement it, and the results we've had in the first three to four months we had it proved we made the right decision," Dogeared's Walkley says. "We know we chose the right partner for right now, and for the future of the company."

Pricing

You can do your due diligence, go through the demo process and decide what you want. But you still need to check the price tag.

You can spend \$1,000 a month on an ESP if you're a small merchant, and you can spend \$50,000 a month on an ESP if you have a pretty sophisticated program and a bunch of systems that need integration. But you're also not going to find out the cost until you talk with an ESP's sales team.

There are also ESPs that will give you volume discounts based on the number of emails you send. But there are others that charge a "use it or lose it" rate, Smith says. And depending on the ESP, if you exceed that rate, you would go into an overage rate as a premium. This means you'd be penalized for exceeding your target. ■