



# Putting email marketing **IN CONTEXT.**

Make your emails relevant and save money doing it.

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# **For 20 years, email marketing has proven a vital thread in the tapestry of DIGITAL MARKETING COMMUNICATIONS.**

In fact, even today, email remains one of the most lucrative digital channels for marketers, returning an estimated \$39 for every \$1 invested, according to the Direct Marketing Association. The Radicati Group, a technology market research firm, estimates some 694 million emails are sent every minute. For the average consumer that translates to somewhere north of 416 email marketing messages a month—most of them opt-in communications from brands they've interacted with before.<sup>2</sup>

Your email marketing program is contributing to that chaos. Most people don't have the time or inclination to read 416 emails a month, so how do you make sure your brand is one of the few that captures their attention—and prompts them to open their wallets?

The first step is to accept that the email marketing techniques of a decade ago are not the ones that will help you achieve your future brand aspirations. To engage consumers today, your email communications must combine content with context—the visual cues and subtle clues that make a message relevant to the recipient. Through an emerging strategy called contextual email marketing, you can overcome the traditional barriers and challenges marketers face with personalization.

As an email marketing professional, you know your organization needs to do a better job with personalization because the tactics that made email a powerhouse in the marketing mix during the late 90s are delivering diminishing returns. Buyers are fatigued, and the days of simple “Dear [insert name here]” personalization are coming to an end.

And yet most organizations continue to measure email marketing success with archaic metrics like email list growth and the volume of messages sent. Many email marketing communications attempt to personalize content, but they don’t address the context in which that content is consumed by the recipient. As we’ll demonstrate, context is actually quite easy to embrace in email marketing, but it does require marketers to challenge traditional tactics and success metrics.

According to a personalization survey from EpiServer, nearly seven out of ten marketers plan to invest in more personalization, suggesting it’s working for their brands. However, research from the Economist Intelligence Unit in 2013 found that 70% of consumers feel “jaded” and that they view personalization efforts as “superficial” at best.<sup>3</sup> There’s clearly a gap between consumer expectations and marketers’ perceptions. In order to translate these findings into recommendations, we should focus less on how consumer expectations aren’t being met and more on why. Despite access to a deluge of data and real-time channels—web, email, mobile, social, etc.—marketers still struggle to take personalization to the next level. According to Forrester, “Email is a natural entrance into contextual marketing precisely because of its dynasty...it’s ingrained, inexpensive, immediate, and interactive.”<sup>4</sup>

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# The **CHALLENGES** of personalization and email.

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Just because customer data exists in your organization doesn't mean that this data is readily available for use in email marketing communications. This can be a frustrating reality for email marketing professionals, who are under constant pressure to increase conversion, minimize fatigue, grow the list, and meet exceedingly high customer expectations.

A [2013 study](#) from Adobe and the Direct Marketing Association identified several common challenges with real-time personalization:<sup>5</sup>

- **Complex and disconnected technology.** Do you talk about your customer data in terms of the systems that manage that data—i.e. ecommerce data, web analytics data, email marketing data, point of sale data, etc.? This approach is a byproduct of fragmented customer data that often resides in systems that may or may not support real-time personalization.
- **Data privacy concerns.** In many markets, regulations limit the type of customer data that is even available for use in email marketing campaigns.
- **Data governance and quality.** Incomplete or inaccurate customer data in an automated campaign can have a negative impact on the brand—especially in the age of social media.
- **Skilled Staff and Training.** Email marketing tactics have remained fundamentally unchanged for decades, resulting in a skills gap among email marketing professionals. When it comes to contextual marketing tactics, many email professionals still need practical advice on how to execute real-time personalized campaigns and measure success.

# The theory and practice of **RELEVANCE.**

Personalization, however, is only a part of effective email marketing. The real differentiator is relevance. These days, there's a great deal of talk about relevance in messaging. In theory, relevance is about satisfying the conscious and subconscious needs of your target audience, delivering the right message at the right time in the right channel to the right customer. In practice, you can achieve this goal through a one-to-one message tailored to each recipient or by targeting a population of similar recipients. The challenge is that you need ways to deliver relevant content at scale. Email provides an ideal vehicle for deep personalization through content and context, which are both necessary for relevance.

Research from the Journal of Advertising suggests that there's a correlation between the relevance of a message and the recipient's perception of engagement with that message. If messages are perceived as relevant, they are more likely to trigger deeper engagement with a prospective buyer.<sup>6</sup>

From a practical standpoint, there's a very basic framework for identifying how to make email communications more relevant through contextual marketing, marketing that is personalized based on behavior, time, propensity to purchase, environment, or device. Relevance is ultimately a byproduct of personalizing content and context for a recipient. Most marketers struggle with the former.<sup>7</sup> Personalized content is cumbersome to manage, and the more personalized that content gets, the more work it is for marketers. But when context is layered into the equation, marketers can deliver more relevance using less personalized content. (See Figure 1.)

## To maximize revenue, marketers must simultaneously deliver:

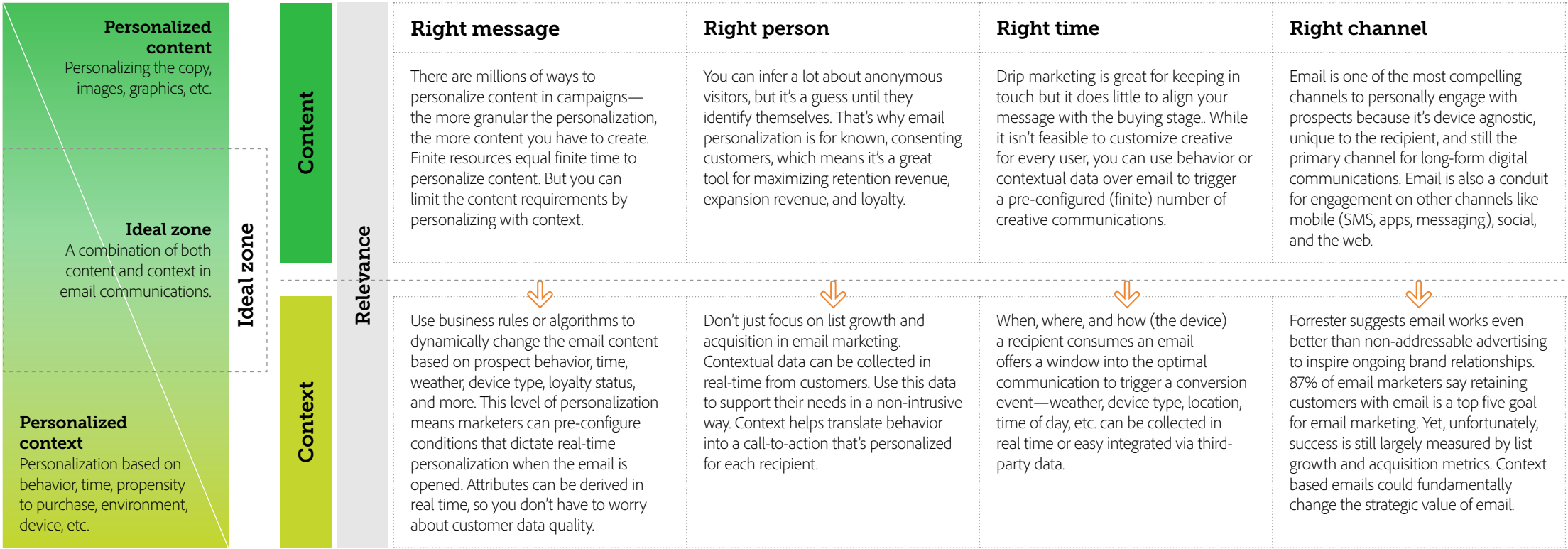


Figure 1: A Framework for Transforming Content and Context into Relevance in Email Communications



# Contextual email is **CRITICAL.**

As mentioned earlier, personalization is nothing without relevance. But the only way to achieve relevance is through context. Contextual email is about making location, preference, and time actionable for personalization in email communications. Traditional content marketing tactics focus on what is being offered, but that's only part of what influences consumer behavior. Marketers also need to layer when, where, and how into the equation. It turns out these factors can be derived in real time when an email is opened, easily extracted from existing customer data, or integrated from a third party.

What's exciting about contextual email is that technology can help you execute more intimate personalization with less effort. Leveraging contextual data, such as weather, can also mitigate challenges with data centralization, data quality, and the exploding demand for personalized copy and creative. That makes contextual email extremely accessible for marketers. Most marketers don't realize that they could configure and execute contextual email campaigns in a matter of days or weeks with the right technology. Early adopters are reporting tremendous returns on contextual email campaigns—as evidenced by the case studies in the next section—but largely because the bar is so low for impressing consumers. (Remember, one out of seven consumers think marketers do a poor job at personalization.)

The biggest barrier to embracing contextual email tactics is frequently the internal culture and how senior leaders frame the strategic value of email marketing. After all, email is a dynasty channel and it can be difficult to convince decision makers that what worked for the last decade may not be the best strategy in the future. There's also a pervasive misconception about the standard and acceptable metrics for measuring email marketing success. Leaders accept that some level of attrition and fatigue will impact the email list every time a campaign is sent. We accept that list growth or the volume of emails must somehow translate to revenue growth. But done correctly, contextual email challenges these entrenched ideas and introduces a world in which a lower volume of more personalized interactions results in higher engagement and thus minimized list decay.



# Contextual email **WORKS.**

Let's explore some industry examples of how contextual data can boost conversion and customer satisfaction in email. Keep in mind that most of these examples require copy/creative alternatives, which are dynamically pulled into the email template in real time when the email is opened.

- **Contextual email in the software industry.** La Fourchette, the OpenTable of France, uses Adobe Campaign to optimize the reservation experience for members. If registered users abandon a reservation online, for whatever reason, La Fourchette delivers a real-time email reminder about the incomplete reservation. That's a pretty standard reaction, but La Fourchette takes it to the next level by also sending dynamically personalized recommendations and helpful tips to users based on the location of their search, date of the reservation, and other contextual data provided from website behavior, like dinner vs. lunch reservations.
- **Contextual email in the retail industry.** Yves Rocher, one of the largest cosmetics brands in the world, uses email as the central point in delivering a consistent experience across the customer journey. Yves Rocher understands their customers' life events, needs, and milestones. They can deliver timely birthday emails, as well as comment-triggered communications that drive further engagement and brand advocacy.

- **Contextual email in the transportation industry.** Brussels-based high-speed train operator Thalys created a centralized data mart for customer data, which it uses to trigger real-time multi-channel communications after a ticket purchase. The team knew customers valued the convenience of e-ticketing. As a result, when customers purchase a ticket, they now receive a real-time email confirmation along with an SMS text that includes a QR code for the ticket—a service Thalys customers love.
- **Contextual email in the restaurant industry.** Groupe Flo is one of the largest restaurant chains in France. The company uses sophisticated real-time email and cross-channel loyalty programs for customers. Personalized loyalty offers are printed directly on receipts after a meal, with specific content, location, and timing in mind, all linked to their email campaigns.
- **More contextual email in the retail industry.** One of the largest U.S. retail home improvement brands uses contextual email to trigger communications based on regional weather conditions and inventory volume. Geo-targeting helps the marketing team deliver email communications that are personalized based on the customer's location when the email is opened. Emails are dynamically adjusted in real time to let recipients know, for example, that the sun is coming out after a few weeks of overcast weather and that "it's an ideal time to plant sod this weekend." This program helps the retailer manage inventory volumes at specific locations and offers a highly engaging and relevant communication with customers.



# Contextual email can be **MEASURED.**

It can be challenging to champion a contextual email marketing initiative if decision makers are too focused on email as an acquisition tool. There are both quantitative and qualitative metrics for measuring the success of contextual marketing, and it ultimately depends on the type of data you choose to leverage for personalization. For example, it's nice to show weather conditions or a proximity map that updates in real time when an email is opened. But it may be difficult to quantify the value in terms of customer engagement unless there's a conversion path associated with the contextual data.

It's also important to realize you have far more data on customers than on anonymous visitors, and most marketers do a poor job of using available data to maximize customer revenue. You can physically attach a value to retention, lifetime value, an up-sell transaction, or a net promoter score—these are tangible metrics for measuring the success of contextual marketing.

So here are some simple metrics you can use to measure the effect of your contextual marketing campaigns:

- Increased engagement on standard email metrics: conversion, clicks, opens, shares, etc.
- Increases in year-over-year purchase data: purchase frequency, average spend, average product category volume tracked, number of repeat purchases, customer retention, repeat visits, etc.

But there are other metrics too:

- **Net Promoter Score.** This number is a measure of how invested your customers are in your brand, and takes into account promoters (likely to buy more, remain customers for longer, etc.), detractors (less likely to engage) and passives (fall in between promoters and detractors). Periodically survey your customers for an annual benchmark of your brand's Net Promoter Score. You may also consider doing this with a population of users who have received contextual emails and a population of users who have not received contextual emails.
- **Market share and brand loyalty.** Can you link market share growth or revenue growth to specific customer populations that can be linked to contextual communications? For example, test out contextual email by targeting a specific user persona and measure the growth—or decline—of this customer persona over a period of months or years.
- **Time spent in email.** Increases in the time spent consuming email messages could be an indication that those messages are more relevant to the customer. In an age when you have milliseconds to capture a recipient's attention, time spent with your message could be a great way to assess content or contextual relevance, even when a conversion event doesn't occur.
- **Return on engagement.** Engagement comes in many forms, not just a sale. Context can help drive more social shares, email forwards, repeat purchases, and advocacy. These are metrics that can and should be measured to justify the impact of contextual messaging, but may be difficult to link directly to revenue.



# DATA is the heart of context.

What does it actually take to implement a contextual email campaign? The good news is most organizations already have the means to rapidly embrace contextual marketing, and it can be implemented in parallel with customer data quality initiatives. You will, however, need technology that supports real-time dynamic email content, business rules, and integration with internal customer records that may augment contextual data.

Ways to collect contextual data:

- Collected internally and stored within internal systems: personal information, purchase history, cross-channel behavior, loyalty status, channel preferences, browsing behavior, offline activities such as point-of-sale transactions, third party data appends, etc.
- Purchased via a third party: weather feeds, aggregate trend data, television use, etc.
- Ascertained when an email is opened: device type, time of day, location, etc.

The key to embracing contextual data is simplicity and testing. Historically, email personalization wasn't scalable because creating campaigns that address every permutation was a very cumbersome process for marketers. In an environment where volume of emails sent is a metric for success, it's no wonder marketers defaulted to a personalized salutation or basic segmentation. The good news is that the data used for contextual marketing generally lends itself to a small number of copy and creative derivatives—hot or cold weather, morning/noon/night, city/block/geocode, smartphone or tablet, etc. That simplicity makes it easy for marketers to test, without significant investments in copy and creative.

Contextual data allows marketers to allocate email communications in an opportunistic way. Not everyone should receive every email all the time, but deciding who gets which message is more easily said than done. You can achieve relevance at scale by combining first-party, personally identifiable information about your customers with readily available contextual data. There are also lots of opportunities for low-hanging fruit. For example, when a user opens an email on a mobile device and clicks a link, contextual data derived in that moment can re-direct the link to a mobile version of the website. That one change could fundamentally alter the entire customer experience for your target audience. Remember, embracing context is really about adding real-time value for the customer, not just providing the right offer or call to action.



# Contextual email is within **REACH.**

It's important to note that contextual email is in a relatively early stage of adoption. It's still an emerging mindset and marketing leaders remain skeptical of the benefits relative to legacy email tactics.

As you're making the case for an investment in contextual email, here are a few things to keep in mind. First of all, you need a technology that can support real-time contextual engagement. Not all email marketing platforms support triggers like time, weather, location, and device type. Additionally, it's very helpful to integrate your email system with other marketing platforms—including web analytics, content management, social analytics, mobile, and paid search—so you can actually measure performance and support cohesive communication across channels. But outside of the technology, there are a variety of tactics you can test with minimal demand on resources, budget, and time.

How do you get started? Here's a list of recommendations from our product experts and experienced partner community.

## **Test small wins first.**

An interview with Erik Insefjord, VP of marketing operations at Adobe partner Digitas, revealed some of the most common challenges they run into when executing contextual campaigns for clients. "Contextual email is simple to launch—it's a matter of days or weeks, not months—but you have to be mindful about how you execute," Erik says. "There's a ramp up that makes sense financially and technologically. Trying to do too much puts an unnecessary strain on resources."

Erik stresses that it's important to understand how you will measure success. "We always try to showcase small wins that can demonstrate value up front," he says. "Consider focusing your attention on shortening conversion experiences, or focus on data recency. Legacy integrations often create significant lag time that can be removed with contextual email investments. For example, lots of our clients struggle with the recency of loyalty data because there's a lag between the time the data is pulled from the internal customer database to the time an email is actually sent. A one-time integration in a contextual email campaign can transform loyalty data into real-time engagement when an email is actually opened—which may even be just after a purchase from a mobile device."

## **Manage expectations and success criteria.**

"Clients need to know they will be sending fewer but more targeted email campaigns," says Jason Conley, a director at Adobe partner Precision Dialogue. His firm sometimes helps clients develop a cost-benefit model to justify an investment in contextual email marketing. "Sometimes it's difficult for senior leaders to suspend the notion that the goal of email marketing is acquisition, email volume, and list growth. But what if you could convert every customer one more time a year via contextual email marketing? That's real revenue."

Remember that you're building a business case for increased conversion, engagement, lower opt-out rates, and customer satisfaction. Conley notes two things he wants email marketers to know: "First, the means to support contextual email and relevant communications probably already exist in your organization—it's a matter of creating a strategic plan that can be measured and executed. Second, marketers need to stop thinking about data in terms of the systems that manage it. The customer experience is cross-channel, preference-based real-time."



**Use a single, integrated platform to inform customer engagement if possible.**

That said, centralized customer data isn't absolutely necessary to get started. Conley says a huge challenge he's encountered with Precision Dialogue clients is a lack of integration among customer engagement systems. "The website, ecommerce, in-store point-of-service, email, and mobile customer data is locked inside these separate systems. Generally you want a centralized data mart for customer data because it forces a big, structured, analytic asset that can inform all channels. But you never want a brand to sacrifice a sale or a real-time engagement just because it doesn't fit big corporate data standards. You have to be able to react on the fly—so many times a federated approach to data is perfectly appropriate, especially when you're testing the benefits of contextual email marketing or focused on a high-value customer interaction."

**Use contextual data triggers that can be automated on the fly.**

Email personalization is challenging for marketers because it requires quality data and a fairly significant effort to prepare creative and copy combinations. But contextual data like weather, time of day, location, or device can actually be automated in real time for each recipient. While you'll need to configure a finite volume of customized copy and creative, these triggers optimize relevance for each recipient. In this respect, using contextual email marketing tactics can significantly reduce the number of creative assets you need to support a campaign.

**Using contextual email marketing tactics can significantly reduce the number of creative assets you need to support a campaign.**

**Optimize offers against revenue goals.**

At the end of the day, data-driven personalization is about results. If you're looking for ways to personalize at scale, contextual email tactics are automated and lend themselves to systematic tracking and optimization. Bottom line, your customers have high expectations for your brand, and they expect every engagement to reflect the current state of their relationship with the brand. That means if they just bought a product, they want to see it reflected in their account in seconds, not hours. So your systems have to not only share data quickly, but also let you activate that data in your next engagement with that customer. To get to that point, you'll need to automate your optimization and targeting processes. If you aren't targeting, you aren't testing to drive revenue growth.

# Contextual email should be a part of your **MARKETING STRATEGY.**

Email remains the glue to cross-channel brand engagement, but too many brands continue to rely on legacy tactics that, today, produce diminishing returns. Relevance is a byproduct of both content and context. It's not just what you want to tell your target audience, but also how, when, and where they consume that message.

Contextual marketing tactics are accessible to all email marketing professionals and don't necessarily rely on centralized customer data or clean data. But in order to reap the benefits of contextual email, marketing leaders may need to challenge traditional perspectives on how to justify email investments. In theory, relevance should always lead to revenue growth, but in practice it may not be easy to link investments in contextual email marketing to short-term revenue goals. That certainly doesn't mean the value isn't there, and early adopters of contextual email continue to capture a disproportionate volume of mindshare simply because their customer experiences stand out. Done correctly, it will always produce increased conversion and engagement

**You have the data and the skills to test contextual email today, it's just a matter of finding the right tools to help you implement it. Don't wait for the context that suggests you waited too long.**





# About Adobe Campaign

As a part of the Adobe Marketing Cloud, Adobe Campaign provides best-in-class email campaign, offer, and personalization management capabilities for sophisticated automation and execution of marketing programs across all channels—digital and traditional. Adobe Campaign addresses a key challenge for marketers: how to build and extend relationships with their customer base to drive top-line revenue growth and ROI. Adobe Campaign is used by approximately 600 of the world's leading brands.

Learn more at [www.adobe.com/campaign](http://www.adobe.com/campaign)

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