



WHITEPAPER

# Transactional Email Marketing: The Next Generation

## The Power of Transactional Emails

You've heard it before: the mantra of successful email marketing is to send personal, relevant and anticipated emails. No other message is as personal, as relevant, and as anticipated as a transactional email. Organizations around the globe rely on email to communicate with their constituents on every level of the business, and the importance of transactional communication continues to grow exponentially.

Today, most organizations have little or no visibility into the performance of transactional emails – from the most basic deliverability characteristics to more sophisticated behavioral data about transactional emails once they are sent. With this limited visibility (and even less control to make changes to the emails being triggered) marketers have been unable to fully use transactional emails for additional sales or to build customer retention. The end result is an overwhelming number of missed marketing opportunities.

This whitepaper looks at the future of transactional emails: a future that might be closer than you think. Read on for important insight and recommendations on what you can do to achieve the next-generation of transactional messages that will deliver results today.

## Looking Back: The History of Transactional Email

Sending an email to an individual in response to an event is widespread across organizations, from customer service to sales to product support. Classified as transactional emails, these messages have historically been:

- Sent by business systems not controlled by marketing. For example, a new ListEngage customer recently shared with us that it previously took up to six months working with their IT department to change the copy included in their transactional welcome message.
- Text-based, with no pictures, links, personalization strings, dynamic content or marketing messages (See Figure 1, next page).
- Sent “into the dark” without any analysis of deliverability or effectiveness.

It comes as no surprise that the historical approach to sending transactional messages is no longer assumed to be the best approach. While in-house technologies may scale to handle the large volume of transactional messages required to conduct business, they cannot provide the visibility and functionality required to move beyond “blast” messages. As a result, the performance of transactional emails as marketing opportunities has not been optimized.

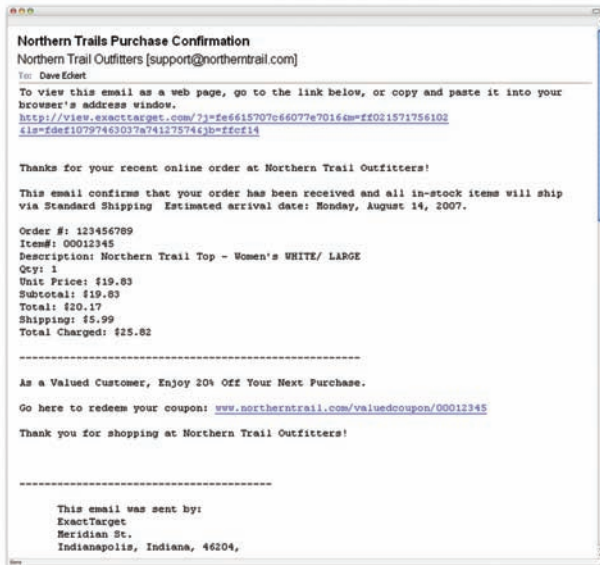


Figure 1  
 Traditional transactional emails lack appeal and result in missed marketing opportunities

## Commercial v. Transactional Email

If you're a permission email marketer, you're familiar with the CAN-SPAM Act of 2003. To review, CAN-SPAM delineates between two types of emails – commercial and transactional. According to the CAN-SPAM Act:

- A commercial email is any electronic mail message in which the primary purpose is the commercial advertisement or promotion of a commercial product or service (including content on a website operated for a commercial purpose).
- A transactional or “relationship message” refers to an electronic mail message with a primary purpose (among other things) to:
  - Facilitate, complete, or confirm commercial transactions that recipients previously agreed to enter into with the sender.
  - Provide—at regular periodic intervals—account balance information or other type of account statement with respect to, a subscription, membership, account, loan, or comparable ongoing commercial relationship involving the ongoing purchase or use by the recipient of products or services offered by the sender.

The following table outlines some common events that may trigger an email, and the classification of that email under CAN-SPAM.

Event	Commercial Message	Transactional Message
Customer order processed		●
Shopping cart abandoned	●	
Product recall		●
Upcoming seminar reminder	●	
Product registered online		●
New account created		●
Subscription expired		●
Website search	●	

**Figure 2**  
Common Events Triggering Email by CAN-SPAM Classification

## Transactional Email Opportunity for Optimization

Today, organizations need more than a mail engine to blast out transactional messages. They need visibility, brand control, and the ability to capitalize on transactional emails as the marketing opportunities they are.

### Visibility

Before organizations can realize the full potential of transactional emails, they first need visibility into them to answer critical questions like:

- What events are causing transactional emails to be sent?
- How many transactional emails are being sent?
- Are my transactional emails getting delivered?
- What are their deliverability and bounce rates?
- How successful are my transactional emails at driving results? Are they being opened? What is the conversion rate?

## Brand Integrity

Because they are so anticipated, transactional emails get opened. Each transactional email that gets opened is an opportunity for you to reinforce your brand with your constituents. Sending hard-to-read, traditional text emails is not the right way to reinforce the power of your brand.

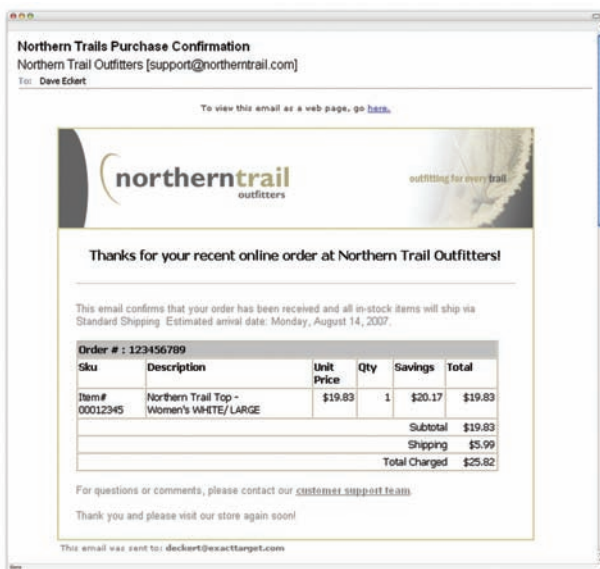
The following are some guidelines we recommend to help drive brand integrity in your transactional emails (See Figure 3 below):

- Format your messages in HTML as opposed to plain text.
- Include your company logo and contact information in all messages.
- Offer links for recipients to opt-in to other communications.

### Did You Know?

75% of consumers open and read transactional emails frequently or very often/always; this compares to a 45% rate for other permission/commercial emails.

—Ecommerce Benchmark Guide 2007 (MarketingSherpa)



**Figure 3**  
Sample HTML Transactional Message

## Optimized Marketing Opportunities

Capturing customers' transactional data – and coupling it with the demographic information you have about them – provides all the information you need to know to optimize the marketing potential of transactional emails. When sending the transactional message, you can use this data to drive deeper relationships and incremental revenue by including relevant cross-sell and up-sell messages (See Figure 4 below).

CAN-SPAM does not prohibit marketers from putting commercial or marketing-driven content into a transactional message. You can lawfully include commercial content in a transactional message and still have that message pass CAN-SPAM requirements; however, commercial content should be included within reason. Though there is no blanket “best practice” for the ratio of commercial vs. transactional content, the following are some guidelines that we recommend to marketers:

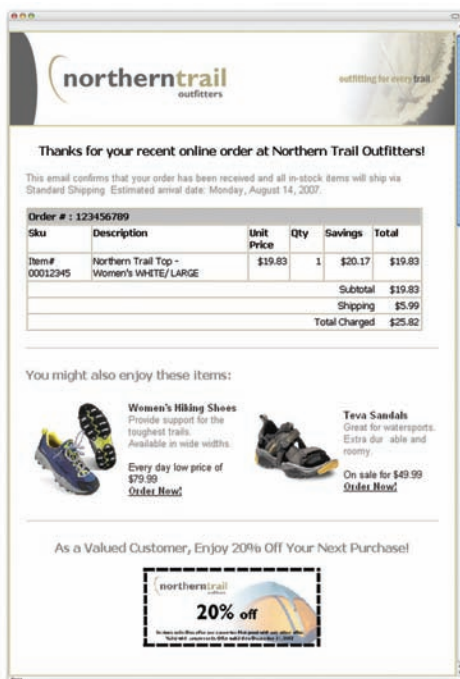
- Always keep the subject line completely transactional.
- Place the transactional components of the message at the beginning of the copy, preferably in the preview pane.
- Marketing-related content should not be the main focus of the message.
- Pay close attention to the tone of the overall email.

Ultimately each organization is different, and as with any email marketing, commercial content included in a transactional message should be timely and relevant to the subscriber. It is imperative that the marketing message makes sense to both you and the recipient.

### Did You Know?

57% of consumers have a positive view of marketing content in transactional emails, so long as the transactional components is readily seen and the marketing content provides information that is relevant.

—Ecommerce Benchmark Guide 2007 (MarketingSherpa)



**Figure 4**  
Sample Email with Cross-Sell and Up-Sell Content

## The Five “Must-Haves” to Move Your Transactional Emails Forward

The following are some must-haves for any organization looking to manage (and optimize) its transactional messages.

### **Must-Have #1: Marketing Mindset**

Transactional emails can no longer be thought of as emails that have to be sent to complete a transaction; their potential to your business is far too great for this. Instead, they must be thought of as a component of your overall marketing strategy, and as such must always reinforce your brand and strive to drive deeper customer relationships and business results.

### **Must-Have #2: Marketing Console**

To achieve any realm of the transactional opportunity spectrum – whether it is visibility, brand integrity or optimization – marketers must have a console where they can see how many transactional emails are being sent and how well they are performing.

Once this baseline of visibility is achieved, marketers must have the tools to make on-the-fly adjustments in response to the results generated by real-time transactional messages. In a matter of minutes, you need to be able to:

- Pause the email engine that is sending the transactional messages
- Make sure no events that are triggering your emails are lost
- Modify email content, including subject line, from name and body content
- Restart the engine, with new content in place
- Pick up where you were when the engine was paused and empty out the backlog of messages
- Monitor the results to determine if the changes made a positive impact
- Repeat the process if the desired results are not achieved

The bottom line is that marketers need to influence the process to ensure that it is not only efficient, but more importantly, optimized.

### **Must-Have #3: Real-Time Delivery**

Today, marketers need to deliver more messages to their audiences faster. The speed and power of the internet has created a culture where consumers want instant confirmation and up-to-date information. If an online registration form is completed, a confirmation email is expected instantly. Customers want to know the instant their order status changes or the minute their account is overdrawn. As a marketer, it benefits you to react quickly if a website visitor performs a specific site search or abandons a shopping cart. To meet these tight timelines, the infrastructure of your email engine must be able to scale to handle massive volumes – sending millions of emails, one at a time.



#### **Must-Have #4: Integration Capabilities**

Having the hardware to send emails quickly is only part of the equation; knowing **when** to send them is equally important. Email engines must have the ability to be tightly integrated to back-office systems, web analytics applications, e-commerce systems or any system where your transactional events are being captured. Flexible and open APIs should be leveraged to tie multiple data sources together and make the data seamlessly and automatically available. Only then can marketers rest assured that emails are being triggered and sent at the precise moment they need to be.

#### **Must-Have #5: Content Creation Tools**

With the peace of mind that emails are getting sent when they need to be sent, it's crucial that transactional messages with commercial content are dynamically personal and relevant to the recipient. Sending the same old "mass blast" message through a powerful new marketing channel only results in more missed marketing opportunities – and potential harm to your reputation and brand.

Dynamic Content rules can ensure that the commercial email content is relevant to the recipient based on the nature of the transaction, demographic data and past behavior. A powerful content syndication tool can easily include existing content from external sources into your email messages, thereby ensuring consistency in tone and brand.

With easy-to-use, marketing-driven content creation tools, transactional emails no longer need to be plain text emails that often get skimmed and then ignored. Instead, they can become cross-sell and up-sell campaigns in their own right. And ultimately, including marketing content in your transactional messages can become another tool in your email program arsenal.

### **Let the Future Begin: Managing Transactional Email with ListEngage**

Let the future begin. For marketers who want to gain control of transactional emails, ListEngage offers a solution that allows non-technical users to monitor transactional emails as they occur and change content on-the-fly to optimize performance without involving IT.

The ListEngage solution provides a user interface and management console that gives the marketer complete visibility and control over every transactional email. Combine the robust integration capabilities, scalable architecture, and easy-to-use precision targeting tools, and you have a solution to take your transactional emails to the next level of success – today.

#### **Looking for More Information?**

To learn more about ListEngage's Transactional Email solution, visit [www.ListEngage.com](http://www.ListEngage.com).