

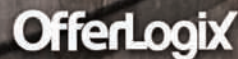
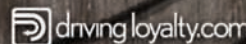
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TIER|10 MARKETING



JANUARY 2014



Peter **Martin** marketing solution

E-MAIL MARKETING FOR THE FUTURE

Why Google, Yahoo, and Hotmail are Controlling Your Business

As we welcome in 2014, e-mail marketing continues to be one of the most effective marketing tools for driving sales. But lately, ISPs have made it harder to get past the dreaded spam filter, so old e-mail marketing strategies are no longer working.

Consider some facts: According to a study by *Exact Target*, 77 percent of consumers prefer to receive permission-based marketing communications through e-mail, and 44 percent of e-mail recipients made at least one purchase last year based on a promotional e-mail (convinceandconvert.com). A 2012 Blue Kangaroo study found that, from a service department standpoint, seven in 10 people say they made use of a coupon or discount from a marketing e-mail within the last year. We know e-mail is an important piece of our marketing strategies, but how do we stay competitive and get our message delivered?

There are several hurdles, the first and biggest being Gmail. Gmail does not like commercial e-mails and is making it harder than ever to reach their users' inbox. We have found that at least 60 percent of the e-mails in a dealer's CRM are comprised of Gmail, Yahoo or Hotmail, with Gmail being the largest percentage (many of our dealers totaled more than 70 percent of these three ISPs). This holds true for DMS data, as well. So, as you go into 2014, you can expect that a large percentage of your marketing list will be routed to the junk folder unless you rethink your marketing strategies.

Gmail – 425 Million Users Worldwide: We've found that Gmail can "fingerprint" certain e-mail content, flag it and send it to the spam folder based on that content. *Dealership domains, call tracking numbers, verbiage in disclaimers and CRM addresses* are examples of

content that Gmail identifies as "triggers" to keep your e-mail out of the inbox. *The most common way dealerships end up getting flagged by Gmail is by using poor sending practices.*

Yahoo – 281 Million Users Worldwide: In August of 2013, Yahoo announced that it will be reclaiming inactive e-mail accounts and re-assigning them. This is a huge issue that every e-mail marketer needs to be aware of. For example, your dealership is located in Maryland and you sell a car to johndoe@yahoo.com. But, after a few years, John stops using that e-mail address, so Yahoo reclaims it and gives it to a John Doe who lives in California. You are unaware of this transition and continue to market to the e-mail address, thinking that it belongs to the same person to whom you sold a car. The e-mail will either be ignored and negatively impact your engagement rate, or, most often, John in California will mark your e-mail as spam. For some ISPs, if just three people per 1,000 mark your e-mail as spam, your delivery rate will start to suffer.

Hotmail – 400 Million Users Worldwide: Over the past year, Microsoft has overhauled Hotmail and rebranded it as Outlook.com. The key to their filtering technology is the SRD (Sender Reputation Data) network. This is a random group of users selected worldwide who score your e-mails. If they are scored below a certain level, they will be deemed as spam, resulting in all your future messages automatically being routed to the spam folder. Thus, the content in your e-mails and how they're formatted is critical. Using ALL CAPS, bright red lettering and loud offers will most likely get you on the blacklist.

User Engagement: The next challenge for the future is "engagement," or whether your e-mail was opened or clicked. Hotmail, Yahoo and Gmail are now factoring in engagement to varying degrees to determine if your e-mail will reach the inbox.

Consider this common scenario: You send out a mass campaign to 1,000 Yahoo users in your CRM or DMS. Yahoo routes 80 percent of this send to the inbox, but you have a low engagement rate (less than five percent). On your next campaign to the same 1,000 users, Yahoo will route only 20 percent of your e-mails to the inbox, and the other 80 percent to spam because of the poor engagement of your first campaign. This type of real-time performance monitoring is very common with Yahoo, Gmail and Hotmail today. You now have to consider the value of every mailing you hit "send" on, because a poorly crafted e-mail can not only cause your audience to unsubscribe or hit the "spam" button, but it can also cause them to ignore or delete your e-mails — further lowering your engagement rate.

It is important to be aware of these issues in e-mail marketing in order to stay on top of the algorithms and ensure delivery to the inbox. Mass messaging is a thing of the past, and personalized and relevant messaging is the new future.

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