

WHITE PAPER

IT PAYS TO READ YOUR CUSTOMER'S EMAIL



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Executive Summary

Over the last 12-14 years, email has evolved as a strong online marketing tool and today is one of the key channels used by online marketers. Clients we work with know that at the push of a button they can deploy a campaign that results in 100's of room nights booked, 10's of thousands of dollars in e-commerce transactions and is an excellent vehicle to communicate content and drive site traffic.

Given this channel and the very clear benefits from it, what is surprising is that *"Less than 45% of companies surveyed recently, responded to their customer service emails at all and of those, only 29% responded within 24 hours!"*

If someone called your company with a question, to place an order or update their contact information would you not answer the phone?

With inbound email, there is no difference, yet as the survey states 55% of companies simply do nothing.

Furthermore, it isn't just about inbound email, it's about those spam challenge emails, soft bounces and others from your outbound campaigns that all contain information that is not just relevant, but valuable. For most people, these emails are just something their ESP deals with, which means they (the ESP) simply suppress them and those names or emails are gone.

If you spend \$10, \$20 or \$50 to acquire that email address and have invested in that relationship do you really just want that info suppressed? You could be talking thousands in lost opportunity costs.

Why not have a method or technology that identifies, categorizes and responds to inbound email but also combs that soft bounce data, identifying change of email address data, or even responding to that spam challenge so you are now getting into the inbox. All for just a few pennies per transaction.

Interested in a free test? <u>Try our two-week test</u> whereby we monitor your inbound email and provide you with a detailed report of what we found.

***Source:**

"Results of our 2011 email responsiveness survey" by Hornstein Associates, October 2011

Inbound Email Management and Why Do We Need It?

Inbound email management helps you capture all the reply emails that come in from your email marketing campaigns, website or direct inquiries so you can efficiently process them and respond to your customers.

Considering that many customer inquiries arrive in email, as it is a natural 2-way communication tool, companies that do not respond to inbound email are in jeopardy of losing their existing customers or prospects because they are not servicing them properly.

Given the cost of acquiring new customers these days, an Inbound Email Management Solution is an indispensible tool that allows clients to quickly and consistently process their inbound emails, thereby increasing customer satisfaction, retaining customers and increasing revenue.

G Fortunately, more marketers are rising to the occasion, according to a recent <u>MarketingSherpa</u> survey of more than 2,700 email marketers.

Top email marketing priorities for 2012, "delivering highly relevant content" ranked first among large and mid-sized companies (70% and 62% respectively), and second among small businesses (71%), **surpassed only by "growing and retaining subscribers" 11***

You understand the value of a retained customer, but here are a few additional metrics for your reference:

Are you spending more on acquisition or retention?

- Acquiring a customer costs 5 to 10 times more than retaining one **eMarketer**
- A 5% increase in retention yields profit increases of 25-100% Bain and Co.
- Repeat customers spend, on average, 67% more Bain and Co.

***Source:**

"Continued Decline in Email Responsiveness Creates Enormous Opportunity" by Scott Hornstein, July 2009

What Qualifies as Inbound Email?

There are different types of inbound email, the most obvious of which are the emails that come from people clicking on the contact us button on your website. In most cases these are then forwarded to an email address where they are monitored or are accepted into your CRM solution. Less obvious are the communications that are received as a result of your outbound marketing efforts.

The issue many clients struggle with though, is the shear volume of spam that comes through this address, to a point where looking for legitimate customer emails becomes challenging not to mention time consuming. (Unfortunately, when an email address is published on a site, many spiders used by spammers will detect the email and then add it to their email lists for promotion.)

One of the hotel chains we work with had a person at each hotel property assigned to monitor this account and then respond or forward to the correct department for them to respond. This was tedious work combing through literally thousands of emails, 95% of which were spam. Therefore, it became a task people disliked and needless to say they did not do it as religiously as they should have.

Among the variety of messages that come in, here are a few types that require special consideration:

Spam Challenge

In order to minimize spam today, some people have installed spam challenge software on their email client. When an email is received from a sender that is not listed in their email client address book the challenge software will send an email to the sender requiring them to complete an action, similar to the one below.

This action requires a human to interpret the verification code and enter it. A spammer simply won't do this, but a real person who is truly trying to email the sender would, thereby minimizing spam.

As an online marketer if you are not responding to these challenges then these clients are lost, as no one responds, ensuring you don't get into the inbox and after a period of time (3-10 campaigns) your ESP will suppress these addresses and they are lost forever.





Out of Office

Invariably with every outbound campaign there is a percentage of Out of Office emails that come back. Whether or not you currently manage your inbound replies to your marketing campaigns, the information contained within an Out of Office response is not always as it first appears to be. Out of Office autoresponse messages very often contain change of email address information which can easily be overlooked by traditional Out of Office filtering and ESP systems.

These messages are usually categorized by your ESP although many just report them as soft bounces which include OOO, Mailbox Full and Non-Delivery Response.

Again, what many don't realize is that Out of Office emails actually contain automated responses with valuable information where people notify you of their updated contact details. Some examples of this are as follows:

Subject: Out of Office

Dear Friends and Colleagues,

Please be advised that I am no longer working for ABC Utility Products. Please direct your questions and emails to Emma Mark (<u>emark***@abcutil.com</u>).

Should you wish to contact me, my new email address is <u>dhammond***@yahoo.com</u>.

Subject: Vacation Reply

I am not using this email address anymore. Please contact me at my new address <u>mtrench**@verizon.com</u>.

Subject: Auto-reply

Please note my email address has changed to <u>bacitt***@comcast.net</u>. Please update your address book.

Subject: Auto Response

!!! NOTICE !!!

The pwr-ltd.COM email domain this message was addressed to is being retired on September 30th. Please update your Contact information or Distribution List information with the correct pwrltd.COM email address to avoid disruptions. Your email will be delivered as usual until September 30th, but the Sender and Recipient will receive this automated notice so the email address can be corrected as necessary.



You no longer have to deal with an inefficient system, such as your own Inbox or rely on standardized inflexible systems! A good Inbound Email Solution offers customizable, flexible business rules so you won't miss valuable information contain in automated customer responses.

Unsubscribes

Since the introduction of CAN-SPAM in 2003, marketers ensure there is an unsubscribe link in the email so consumers can easily unsubscribe from future mailings. In addition ESP's maintain an automated solution that monitors responses to an outbound campaign looking for key words, such as unsubscribe, or something more colorful and unsubscribing those people.

Unfortunately people don't always follow the rules, which is why the ESP's maintain their monitoring solution. The reality though is that they cannot cover every eventuality, so of the email returned from an outbound campaign 3-4% are unsubscribes which are not filtered by the ESP.

Again an example of this is:

From: j****gan@gmail.com I know longer find this content relevant so please exclude me from your newsletter in the future.

Thank you, James

Had the individual said simply unsubscribe somewhere in the subject line or text, most ESP's systems would detect that and treat it as an unsubscribe. Also, had the individual followed the unsubscribe link in the email again they would have been unsubscribed.

The reality is that they didn't and without an inbound email monitoring solution in place it would not have been caught.

Customer Service Emails

Separate from those emails which come from the Contact Us button on your web site, people do respond to outbound campaigns.

These responses can range from be simple updates to more detailed questions regarding a product or service. Again a few examples are below.



Subject: re: ends Sunday: free shipping at our in-store event! Body: I just love the new flavors you have in this ad, but I can't seem to find it online in any of the categories. Can you give me some information on it or send me a link to it? Thanks!

Subject: Re: subscribe Body: I asked to be unsubescribed from your mailing list by mistake. please add me on to subscripe.

Subject: re: happy birthday! celebrate with free shipping.

Body: Yes, it's my birthday. I was all excited to get this free shipping "present" and I was going to your website to check out how I was going to spend some birthday money. Then I read the small print about how this offer cannot be applied to Hawaii, where I live. WHY DID YOU EVEN SEND THIS EMAIL TO ME???? Now I am so disappointed in (Retailer). Sadly, Gene

With an effective Inbound Monitoring system, these Customer Service emails can be sorted, prioritized and dispatched to the correct department within your organization quickly and efficiently so these customers receive a timely response to their question.

In some cases the Inbound Service Provider will do the initial sort, so responses that meet certain criteria receive an almost immediate response. For example someone responds to an outbound email from a Hotel Group in Las Vegas asking if the special in the email applies on set dates for which he has already booked.

The Inbound Service Provider would respond to the customer with in 2-3hours stating the question has been forwarded to Bob in Reservations and Bob will be in touch shortly. This way Bob only gets what is relevant to him and the customer receives a timely response. In another example, a customer requests if there is a shuttle from the Airport to the Hotel. The Inbound Service Provider would then respond from the Hotel Knowledge Base stating that unfortunately there isn't, but that taxi's are readily available outside the terminal and the typical cost is \$5-7. In this case the Hotel Group is not involved although they have access to the online reporting tool to see which actions have been performed.

These same steps and actions apply to email received directly from the website through the Contact Us link.

With an efficient Inbound Email solution in place all these issues are easily addressed and again at a cost of only pennies per transaction.



Your ESP

There are those out there who feel their ESP performs all of the above functionality and there is simply no need to address Spam Challenge, Out of Office, or NDR's. They are wrong. Yes, the ESP will monitor and report on soft bounces, hard bounces (mailbox invalid, etc.) and at the clients request can setup basic rules to implement auto-responders stating that this is sent from a non-monitored email address, or to contact Customer Service call 1-800-555-5555. They will not respond to the Spam Challenge and they won't update records with data received from the Out of Office notifications. They will process unsubscribes through an automated solution which looks for key words, such as Unsubscribe me, but as outlined above it isn't foolproof.

Certainly ESP's do their very best to deliver the outbound mail which today is a huge challenge in itself. ISP's are forever changing the rules on deliverability so if there is an area of focus, beyond the functionality they offer in their platform, it is ensuring the mail is delivered to the inbox. It isn't monitoring, managing or responding to the inbound email.

A Case Study

To get a true sense as to the benefits of employing an Inbound Email Solution, below are the actual statistics from a two week period involving a national retailer.

Category	Auto-Reply	Change of Address	Customer Service	NDR	Out of Office	Spam	Spam- Challenge	Unsubscribe	Total
	222	477	62	9722	1208	350	295	158	12494
	262	494	79	5222	1745	544	252	259	8857
	507	263	35	15195	1485	1261	337	210	19293
	94	161	18	2855	265	119	149	31	3692
	483	878	55	31780	1968	4283	745	399	40591
	33	25	16	901	35	162	120	33	1325
	258	106	21	17971	1738	2764	339	123	23320
	101	165	6	751	353	180	148	152	1856
	83	30	11	3159	29	115	71	106	3604
	572	512	53	14856	2067	784	352	194	19390
	144	86	20	3592	182	1559	150	69	5802
	782	153	21	34254	2964	1594	764	312	40844
	286	388	17	6856	898	1046	259	247	9997
	316	579	20	3221	1280	801	238	340	6795
Total	4,143	4,317	434	150,335	16,217	15,562	4,219	2,633	197,860

As you can see from the chart above, there are some very interesting statistics.



- 1. There were 4,317 change of address emails. If these are ignored, customers will no longer receive your emails and acquisition and communication efforts would be wasted.
- 2. 4,219 of the inbound email volume is Spam-Challenge related. When these emails are not processed, the emails you send do not reach your customers. You may lose revenue opportunities as a result.
- 3. 434 Customer Service items were received. By properly reviewing customer service items you can be aware of how your customers are responding to your communications and respond to their feedback and questions accordingly.
- 4. Based on the lifetime value of \$62/customer, the potential revenue you could realize if you processed your inbound emails for 2 weeks worth of email deployments would be \$529,232. In the event the email was not processed and the client had to re-acquire those email addresses, then the combination of the lost revenue and the acquisition cost would exceed \$630K as per the chart below. (Note this is the actual value that the client uses for the lifetime value and email acquisition cost. This amount would be different from client to client.)

Category	# of Email Addresses	Acquisition Cost* (\$) / Email Address	Lifetime Value (\$) / Email Address	Processed	Not Processed	
Change of Address*	4,317	\$24	\$62	\$ 267,654	-\$ 371,262	
Spam Challenge	4,219		\$62	\$ 261,578	-\$ 261,578	
Unsubscribes	2,633			additional CAN-SPAM compliance	n/a	
Customer Service	434			Positive customer impression / increased satisfaction	Negative customer impression / decreased satisfaction	
Total monetary effect to bottom line				\$ 529,232 Gain in Revenue	\$ 632,840 Loss in Revenue	

To better understand lifetime value and prepare calculations for your company, please visit: <u>http://www.dbmarketing.com/articles/Artic282.htm</u>

How Managing Inbound Email Increases Your Inbox Delivery Rate

With ISPs now factoring engagement into their inbox filtering algorithms, smart email marketers are doing all they can to increase the number of opens and clicks for their campaigns. However, one area that is often overlooked is enabling and encouraging replies to the "From" address. It turns out the ISPs also look at replies alongside traditional email marketing metrics. Therefore, encouraging your email subscribers to reply to your email with questions or feedback can actually help improve your inbox delivery.

Along with encouraging customers to reply, which we speak more about in the section "Good-bye DO NOT REPLY", you should also consider the effect of processing Challenge Response (also known as Spam Challenge) and Change of Email Address on your deliverability results.

In regards to Spam Challenges, if your email is not being received by the customer your offer or promotion is not being read – potentially resulting in lost sales. Your campaign delivery metrics will show this message as "Delivered" since it was received by the customer's ISP, however, being "Delivered" does not mean it reached the users mailbox, let alone their inbox.

Similarly, users who notify you of a change of email address will most often also show your message to them as "Delivered". However, they are not receiving the message to their active mailbox and may ultimately appear to be considered a non-responder to your campaigns. If Change of Email Address requests are not processed, your message will not be received by your customer and you will have potentially lost a sale. In addition, there is an acquisition cost associated to re-acquire that address. This may also be considered a data hygiene issue as it relates to how the ISP's view your campaigns.

With the processing of SPAM-Challenge and Change of Address messages you can increase your ACTUAL delivery rates. With increased email delivery you receive more responses and increase sales.

Also, let's not forget that customers who wish to be removed from your list will also reply to messages. With the processing of Unsubscribe requests, you can remove users no longer interested in communicating with you and decrease the chance they will click the SPAM button if they continue to receive unwanted emails; this in turn helps with your Deliverability reputation.

*Source:

[&]quot;3 Tips for Removing "Do Not Reply" From Your "From" Address" by Strong Mail, November 2011

Good-Bye Do Not Reply

Why you should encourage your customers to reply to your marketing messages

Most Marketers consider themselves as being facilitators of conversations with their customers, so a "do-not-reply" email address makes those conversations very one-directional.

Money is invested and outbound email programs are launched and the result is a connection with a desired audience. But before commercial transactions are initiated the consumer initiates a response. Increasingly, this takes the form of an email.

Encouraging customers to communicate with you by simply hitting "reply" will help deter lost contact from an online form or navigating a telephone system or by marking your messages as "Spam". It may also improve your deliverability results as mentioned previously, by providing valuable engagement results as seen by the ISPs.

66 Recently, Tealeaf conducted a survey among attendees at Forrester's Customer Experience Forum and found that 87% believed online customer experience management was 'more important now than ever before'. However, only half had implemented strategies and methods for measuring results.

Many customers reevaluate their relationship with a company with each interaction. How that moment is handled will either reinforce, or blow-up your future potential with that individual, and more. Unhappy customers not only go away... they post, and blog, and tweet, and text. 11×10^{10}



The Solution

The solution is extremely simple. Setup requires minimal integration with your ESP or in-house solution.

All that is required is that all inbound email with the exception of hard bounces be copied to Bamboo Cricket. Nothing more.

The ESP or in-house solution still receives the messages, but copies are also re-directed to the Bamboo Cricket Solution.

Just prior to implementation, the BambooCricket Implementation team, works with the client to develop a Reply Matrix. This Reply Matrix, determines how the mail will be managed, whether it is a self-service solution where the client manages the solution, a hybrid or a fully managed solution where Bamboo Cricket manages the entire process.

This Reply Matrix, establishes unique client rules for the Inbound Reply Processing, Templates and The Knowledgebase that the operators will use when responding to customer replies.

Once implemented, Bamboo Cricket's system processes the mail and categorizes mail that requires operator attention. In most cases the automated component of the Bamboo Cricket System manages 90% of the inbound email, thereby only requiring the client to actually review and manage 10%.

At implementation a process is also established to automate the transfer of Change of Address, Record Updates and Unsubscribes to the clients' database, or the ESP.

Typically setup time is 7-10 days.

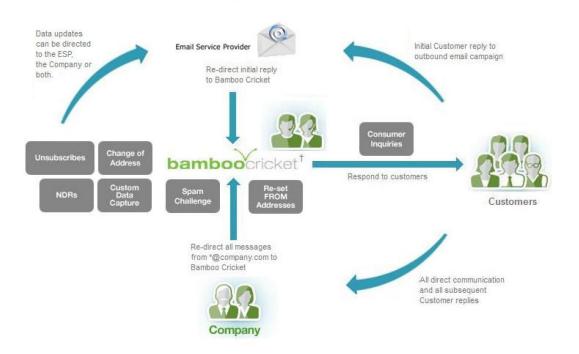
When you use the Bamboo Cricket Inbound Email Management application, you enjoy:

- 1. A web-based application that is easy to set up and use
- 2. Integrated functionality that makes customer communication and data processing much more efficient.
- 3. Templated answers you can pre-load to convey consistent company messaging
- Combination of auto-filtering and manual processing ensures efficient use of your customer service representatives' time

Interested in a Free Test? Simply <u>click here to complete our Online Request Form</u>.



The Inbound Email Workflow



The Conclusion

Enable Higher Marketing ROI

Bamboo Cricket Services enables higher revenues and lower cost of client acquisition, retention and loyalty.

When we set up the inbound email processing for you, you get:

- Improved list management, enhanced customer retention, and decreased attrition with the processing of unsubscribes, change of address requests and Spam Challenges
- Higher customer satisfaction with monitoring and managing of inbound email for quick corrective action
- More responses and increased sales with increased email delivery
- Additional processing and operational expense savings by processing customer requests on first contact

About Bamboo Cricket

Bamboo Cricket was formed in April 2006 with a mission to address online customer service utilizing live chat and inbound email management. The Internet plays a powerful and increasing role for marketers in building awareness, building deeper relationships with existing customers and prospects and in generating sales or supporting transactions.

Customer expectations have also changed. The customer or prospect controls the relationship and there is a growing expectation of timely information and service to meet their needs. Customers expect to be able to communicate in their channel of choice (online, phone, retail, or click to talk with an agent). It is important for businesses to ensure that their customers can switch between channels effortlessly since customers want a unified process of engagement across all the different touch points.

Smart companies focus on innovative ways to engage customers and site visitors and to differentiate themselves from their competition. As a result there is an increased interest in e-service technology as a sales and marketing tool. E-service technologies minimize the number of inbound calls companies have to deal with, thereby reducing costs as well as providing a faster level of service. Companies realize they need to provide a combination of self-service, chat, call back and email channels and to allow a smooth real-time escalation between channels as required by the website visitor.

Bamboo Cricket's focus is to provide e-service solutions that empower large and small businesses to capitalize on client engagement. We combine robust technology with easy-to-use feature sets to empower companies to provide chat and inbound email handling. We are an innovative service provider that helps you complete the communication circle with your customers.

Bamboo Cricket connects businesses with consumers seeking help online. Our technology helps you offer your customers and site visitors a more relevant, satisfying and personalized online experience.

Bamboo Cricket is an innovative service provider that helps you complete the communication circle with your customers. We want to help you improve the online customer experience each of your customers has with your company. The Bamboo Cricket team is here to make your life easier. We consider ourselves an extension to your team.

We want you to get the most out of our technology and succeed.



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