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Activity-Based Segmentation Is the Future of E-mail

E-mail marketers have typically focused on using demographics to segment lists: gender, age, geographic location, and the like. But that's all about to change.

This year we're going to see a strong shift to activity-based segmentation, which relies on actions—such as who opens, and clicks, and buys, and visits Web sites—to determine how often to contact customers and prospects and which campaigns to send them.

One reason for the shift is that ISPs are now blocking companies based on inactivity—in other words, if they e-mail to too large a group that has had zero activity. Therefore you need to maintain high levels of activity among your e-mail recipients by ceasing to mail to people who don't respond

Over the years, the ridiculously low cost of deploying e-mails has encouraged even experienced marketers to forget almost everything they had learned about best practices. Instead, they just blasted away. There was no need to prequalify leads, qualify customers, use behavioral targeting, or follow any other e-mail best practices, because overdeploying had such a minor effect on the bottom line. And to add insult to injury, over the short term, the more e-mails you blasted out, the more revenue you generated. Volume was (and still is) the number-one driver of sales.

But over the longer term, this practice stands to hurt marketers, and the biggest reason is that it annoys people. Each day, each week, each month, a few more people are unsubscribing in disgust, eventually creating an army of detractors capable of deteriorating the value of a brand. And in the new era of social marketing, there are forums in which they can voice their negative opinions.

And as important as it is that ISPs will start to block a company's mailings due to overdeployment, and online reputation sites will devalue the brand due to overdeployment, and unsubscribes and complaints will rise due to overdeployment, all of these negatives pale in comparison to the fact that you are simply annoying your prospects and customers.

All this to say that e-mail marketing based on activity is the way companies build solid long-term relationships with their customers and prospects and protect their brand reputation. And it needs to start the very day a prospect raises his hand and asks for more information about your company.

Here are some steps you can take to shift your e-mail marketing strategies to one based on activity:

1. Define the prospect honeymoon period and stick to it. Once it ends, if the prospect has not interacted with the company's e-mail, drop that person from the list.
2. Shorten the prospect engagement period, so that even prospects who do open e-mails get dropped from the list if they never click or otherwise engage (visit the Web site, make a purchase, make a phone call) with the company.
3. Analyze your list by recipient behavior—frequent openers, clickers, buyers, site visitors, time-of-day activity—to determine future frequency and timing of e-mails.
4. Define the disengagement process, automate it, and forget about it. Even when people have responded in the past, once they stop responding to e-mail for a set period of time, move on, give them a "last chance" or two to reengage, and if it doesn't happen, say goodbye.
5. Be sure to include Web site visits in your activity-based strategy and execution. Tracking subscriber visits to your site and then sending them content and offering focused e-mails based on specific pages they visited is a great way to reengage nonresponding subscribers on your e-mail list.

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