



Are you listening?

Part 1: The give and take of e-mail marketing campaigns.

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Frank Leontis is an experienced marketing manager for a large New Jersey-based pharmaceutical company who has a reputation for experimentation and pushing the marketing envelope. He was one of the first managers to take on the e-business title in 1999, and now in his senior role, he is a regular speaker at e-marketing conferences.

For the first time, Frank is very concerned about his company. Just as the pharmaceutical industry is beginning to seriously rethink the traditional large-field sales-force model and look for alternative, non-personal channels, he is reviewing data that shows that the average web user receives 70 spam messages a day, 69 percent of e-mail recipients report e-mail as spam based solely on the subject line and 30 percent of subscribers change e-mail addresses annually. How can a pharmaceutical product marketing team expect to build a business on such a fickle channel?

Two faces of marketing

Marketing can be separated into two categories: transactional and relational. Transactional marketing is focused on short-term results and looks for low-hanging fruit. Its value is short-lived.

Transactional e-mail marketing can work well as a promotional tool for commodities such as retail (John Grisham's new novel available now for pre-sell on Amazon!) or general broadcast announcements (Register Now for the AMA conference in New Orleans!). It is used for general customer acquisition or as part of an opt-in e-mail newsletter program. These "batch and blast" campaigns think of recipients as numbers used to meet marketing reach and frequency goals. Although there may be a rudimentary level of segmentation (specialization, decile), the targeting and messaging are based on aggregated results from focus-group market-research.

Transactional marketing builds its content from a lowest common-denominator approach to reach as many customers as possible instead of creating a targeted message strategy.

Give to get

Relationship marketing is qualitatively different. It is based on the rules of reciprocity, or "give to get," in which there is a two-way and balanced value relationship. Relational e-mail marketing is based on the CRM principles of identify, differentiate, interact and customize. It uses the channel as a way to listen, learn and respond in ways that are both relevant and value driven.

Relationship marketing takes traditional market research as a starting point, but then uses e-mail interactions as opportunities to refine the research at the individual customer level. By using e-mail to ask insightful questions that get to the heart of a customer's need, marketers can sharpen their interactions and focus their messaging.

Every two weeks or so, *McKinsey Quarterly* sends out a short e-mail to its database of subscribers. The e-mail is about a single business issue, and it

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invites the subscriber to take a short survey with the promise that all participants will receive the aggregate report within a week. The topics are timely, the surveys are well written, and there is often an additional offer of a recent white paper from their business journal as a thank you.

McKinsey has taken a very progressive approach to its e-mail marketing strategy, using a business survey to create relevance and the promise of timely insight to provide engagement. It is classic rela-

tionship marketing, and over the past several years, McKinsey has built rich profiles of its members' interests, perspectives on business and responsiveness to e-mail as a communication channel. The rules of reciprocity are in effect, with both parties receiving value from the ongoing conversation.

Redefining e-mail marketing

To think about e-mail marketing as a market-research channel requires rethinking both activities. It means broadening the definition of e-mail marketing and using it more as a social-networking tool than as electronic direct marketing. And it means opening up the constraints on valid market research by capturing and analyzing response data from e-mail marketing as a way to improve individual interactions and provide tailored value.

There are three steps to turning an e-mail marketing campaign into a market-research channel. In Part 2, I'll describe each of the steps in detail and give you tips on how to sell a relational e-mail marketing campaign in your organization.

Want to continue this discussion? Get in touch with DAVE ORMESHER at dormesher@closerlook.com.