



A Harte-Hanks White Paper

Event-Driven Dialog Messaging: Automating the Conversation



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This white paper explores the concept of drip marketing with email. We examine how advances in web, digital messaging and analytics can be combined to deliver a dynamic, synchronous message dialogs that create a brand-engendered customer centric experience in single or multichannel environment. We will present ideas and suggestions that take you step-by-step through building your marketing strategy around these customer dialogs, using digital messaging to move customers towards conversion and loyalty.

Introduction

Situation: You've got a high-end product with a traditionally long sales cycle. How do you keep your name in front of those leads that are in the self-reported stage of "just researching?"

Situation: You've got a line of products that are traditionally sold to moms, that group of consumers that are known to influence 85% of household purchases. How do you get busy moms to remember your product line when they're ready to buy?

For both of these situations, event-driven dialog messaging is an excellent way to accomplish these goals. For the long sales cycle, it's a great way to automatically engage your prospect every few weeks to keep your product and its benefits top of mind. For the busy moms, dialog messaging is a great way to automatically send strategically timed reminders.

Contact strategies for digital channels have been evolving and even accelerating toward a one-to-one messaging model. Advances in technology-enabled triggered marketing programs and highly targeted and personalized transactional programs have led the way. Batch-and-blast scenarios of yesterday are being replaced with highly sophisticated, behaviorally driven contact strategies implemented in real-time via dialogs. A network of such dialogs, coupled with a database and analytic interface, becomes a powerful tool for one-to-one contact strategy.

Dialog messaging is the next evolutionary step in the pursuit of one-to-one communications. Dialog messaging takes on the process of helping you understand your customers, tailor your dialog to their interests and behaviors, and create unique automated messaging streams driven by data metrics that meet these interests and satisfy your marketing objectives. Under this premise, a wide array of options becomes available to assist you with these customer dialogs. For instance, you could target new customers with a series of emails driving toward a stated conversion metric – this could be a sale, a download of software, or signing up for online services. The goal of these dialogs is to allow the data, both implied and behavioral, to be the metrics to support the proposed dialog.

Messages are received more positively if they are timely and integrated with your overall marketing strategy tied to other online or offline activity. For instance, if a subscriber visits your website and browses to a particular product category, favorite brand or specific SKU – and then leaves without purchasing – a message can be triggered instantly to that individual with an incentive to complete their purchase. Likewise, an in-store purchase entered through a POS system could trigger daily follow-up offers – cross-sell or up-sell – to encourage a secondary purchase.

Why Are Two Messages Better Than One?

Ten to fifteen years ago, we learned we should remind customers no less than three times before the message would register. Times have changed; the volume of communications has increased substantially. External factors such as channels of communications have increased in the same way, especially in the digital space. We now have to work with the “Law of 29” in mind. We need to be reminded. We need to be convinced! The Bottom line: We’re communicating with people. We have marketing messages coming at us from a myriad of channels and a myriad of brands. Repetition and precision timing help to garner our attention and elicit desired responses.

Marketers are no longer constrained by the weekly batch or segment-targeted email. Messaging can take a logical automated progression, leveraging both transactional and dynamic messaging systems to deliver content that is meaningful to the consumer, while at the same time leveraging the data to drive them toward shorter conversion windows.

Of course, the ultimate goal is conversion. A variety of sources publish results of at least a 300% improvement and one company claims a 400% improvement in conversion rates when multiple messages are sent. In Marketing Sherpa's 2010 Email Marketing Benchmark Report, a case study was highlighted that used event-triggered messaging to follow up with non-responders on promotional mailings. Each subsequent message focused on additional features and benefits of their offering. In the end, this company experienced a 352% increase in conversion as compared to the conversion metric following the initial mailing.

For many Business-to-Business (B2B) companies, using dialog marketing can actually decrease long sales cycles. The more educated your lead, the quicker your lead can make a decision. According to Aberdeen Group, companies can realize a 40 - 50% decrease in the length of their sales cycle with the use of automated lead nurturing. For these companies, the lead nurture process was primarily designed to educate.

A multi-touch communication stream, especially for a product or service with a long sales cycle, helps to build awareness and to keep your brand top of mind for your hand-raiser. As you educate them on your product benefits, you are also reminding them each time of your brand.

We'll focus on email in this paper, but drip tactics can be a mix of channels – emails, direct mail, mobile messaging, and/or social media. A successful campaign may speak to the prospect or customer using a single or multiple channels. For example, an automotive company might send a beautiful vehicle brochure to the home of a hand-raiser. The company can build excitement for

the brochure by sending email before, and then as a follow-up with a strong call to action after the brochure's arrival in the customer's mail box. Multiple touches to the hand-raiser will increase their knowledge and excitement and ultimately send them to their local dealer to drive the car and close the sale.

Let's Get Started

A relatively simple dialog can guide customers through an acquisition process. Based on the behaviors exhibited by the recipient, new and more aggressive offers can be sent in sequence to engage the recipient into a conversion. At that point, the "converted" recipient (one that becomes a paying customer), is automatically segmented in the online database as such and the acquisition program ends for that recipient. This is just one example of how dialog messaging technology can conduct a "lights out" relationship-building campaign on your behalf.

Follow these steps to assemble your dialog:

1. Develop a Plan

As with any marketing communication, you must start with a plan. What do you want the dialog to accomplish? Who is your target audience? How will you acquire them as well as engage them into the communication stream? How will you measure success?

2. Map the Conversation

Think about your recipients and the different ways they could respond to your initial message. Did they open? Did they click? Did they convert? Develop the dialog script by walking through all of the possible scenarios. What does the message creative need to convey?

3. Check Your Data

Effective dialog messaging relies on data to decide what to do next. What data do you need? Do you have the ability to collect and store the data needed to make the next decision? Do you have timely access to the data?

4. Put It All Together

Now it's time to bring that dialog script to life. By assembling all of the pieces, you can validate your plan, fine-tune your script and tweak the messaging.

5. Activate!

Ah, but this isn't the end. It's just the beginning. Like any other process, you must monitor the program's effectiveness. Is the dialog meeting your stated objective(s)? What can you do to improve performance? Constant program monitoring will allow you to make small modifications to dramatically increase performance.

Program Ideas

Let's walk through the five steps to build a few dialog programs that every marketer should have.

Welcome/ Lead Nurture

At the moment a subscriber provides their email address to you, your brand is top of mind. They have a desire, *and an expectation*, to hear from you. To capitalize on this desire to engage with your brand, you must begin to cement your relationship immediately. We live in a fast-paced world. Your new subscriber will soon forget about you unless you take action and give them reasons to remember you.

A great way to nurture this new relationship is with a series of messages that introduce your brand and set expectations of future communications (emails in

this example) your subscriber can expect from you. Retailers might simply send a set of sequential messages introducing their product offerings and letting the subscriber know how they can buy – on-line, in-store, or both. B2B companies, or those whose product sales require a face-to-face sales meeting, can use dialog messaging to qualify leads, help set appointments, and to follow up.

Retail Welcome Dialog

Scenario: On-line retailer acquiring new subscribers using a Web-based registration form

1. Develop a Plan

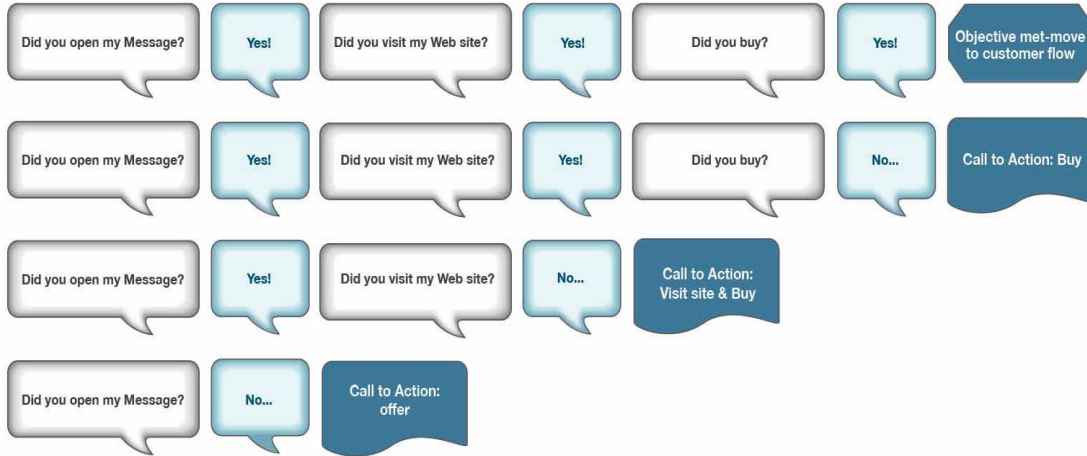
When a Web site visitor completes the on-line registration form, converse with the visitor until you see evidence that the visitor is engaged with your brand.

Levels of success are indicated by the type of behavior exhibited – opening an email, clicking through to your website, requesting more information or completing a purchase.

2. Map the Conversation

Your visitor should receive a registration confirmation email immediately after completing the form. This initial message should thank them for joining and ask them to complete their customer profile (sometimes via a Preference Center form) with any additional profile information.

Follow-up messaging should be based on their response to the registration confirmation message:



Continue to build out your conversation map for subsequent messaging. For initial non-responders, we advise sending no more than two follow-up messages. For subscribers who open the initial message and click through to the Web site, we advise sending up to four additional follow-up messages to try to close the first sale. Of course, the Welcome program should be ended for a subscriber at the point at which they buy.

All program messages should be consistent in branding and tone. Your new subscriber should see consistency between the email creative, the Web site and the registration form. A quick glance should give them confidence that they know who you are.

Message copy should be centered on education rather than promotion. You want to get your new subscriber comfortable with your brand and confident in your product quality and service. While tempting, this is not the best time to push your current promotion! Once that trust is built, the subscriber will be more likely to convert to a customer. Of course, an incentive to make that first purchase is a

great idea. Once you see evidence of engagement – perhaps a message open – an incentive pushes them along to close the sale faster.

Ideally, message content will change based on what you learn about your subscriber. If your subscriber completes more of their profile (in the Preference Center form or via ongoing email surveys), use this new profile data to dynamically alter the next follow-up message. The more targeted and personal the message, the more relevant it will be to your customer, thus driving a faster conversion.

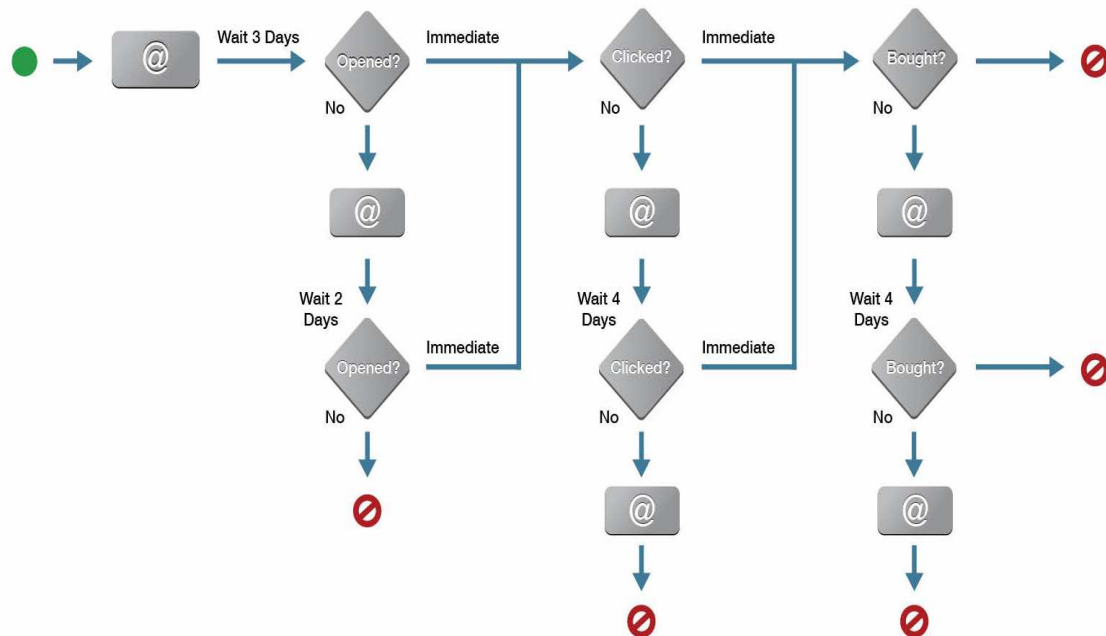
3. Check Your Data

It is critical that the data about your customer's interaction with your email program is readily available. The following questions will help you ensure that your data is in the form necessary and ready to use:

- Does the Web site registration form connect directly with your email marketing platform to be able to immediately launch the confirmation message?
- Can your email platform automatically launch messages based on a schedule *and* based on response behavior to a prior mailing?
- Can you connect on-line purchase data to an email address to be able to measure program success?
- Bonus: Do you have a web form, or Preference Center, that can collect profile information on your subscriber? If so, does the profile data flow directly to your email marketing database to be able to drive more relevant message content?
- Finally, do you have reporting in place so that you can monitor and evolve your program easily? Besides your ultimate goal of purchasers, you also want to know where non-buyers are dropping off, which will enable you to continually improve the program's performance.

4. Put It All Together

Turn your script into a flow diagram, such as this one:



This map calls for six unique messages. Do you have the resources to pull it all together? This is the *Number One* roadblock for marketers – it’s easy to become overwhelmed by the message development. Before downsizing your program, think about outsourcing your message creation tasks. Do you have a creative agency that can step in? What about your Email Service Provider--most providers have creative services available. Remember, this Welcome program can run indefinitely. The creative investment on the front end brings long-term benefits; your investment will not be exhausted after the initial one or two mailings.

Once you have your steps finalized, think about timing. How much time should elapse between mailings? Usually three to five days is a good place to start, but be sure to leverage any learning you have about your customer/subscriber base before making the decision.

5. Activate!

Monitor all aspects of your dialog program including:

- What is the average number of messages sent to a subscriber before they buy?
- For non-buyers, what percentages of subscribers drop out of the program at each drop point?
- What is the unsubscribe rate for each message? Is there one particular message that has a significantly higher rate than another?

Test! Play with the timing between steps. Monitor the unsubscribe rate – are you sending too many messages too fast? Do you have different types of customers who opt-out faster than others based on frequency?

Test subject lines to increase the open rate on the initial message. Test content arrangement to increase the click-through rate on any of the messages.

Although your Welcome program is meant to be totally automated – run “lights out” – things change over time. A new Web site rollout may call for a change in your creative. A new product direction or ecommerce site may call for a change in your messaging and tone. Watch your reporting and watch your bottom line. You’ll know when it’s time to tweak!

Business-to-Business Lead Nurture Dialog

Scenario: Frequent trade shows bring in lots of unqualified leads.

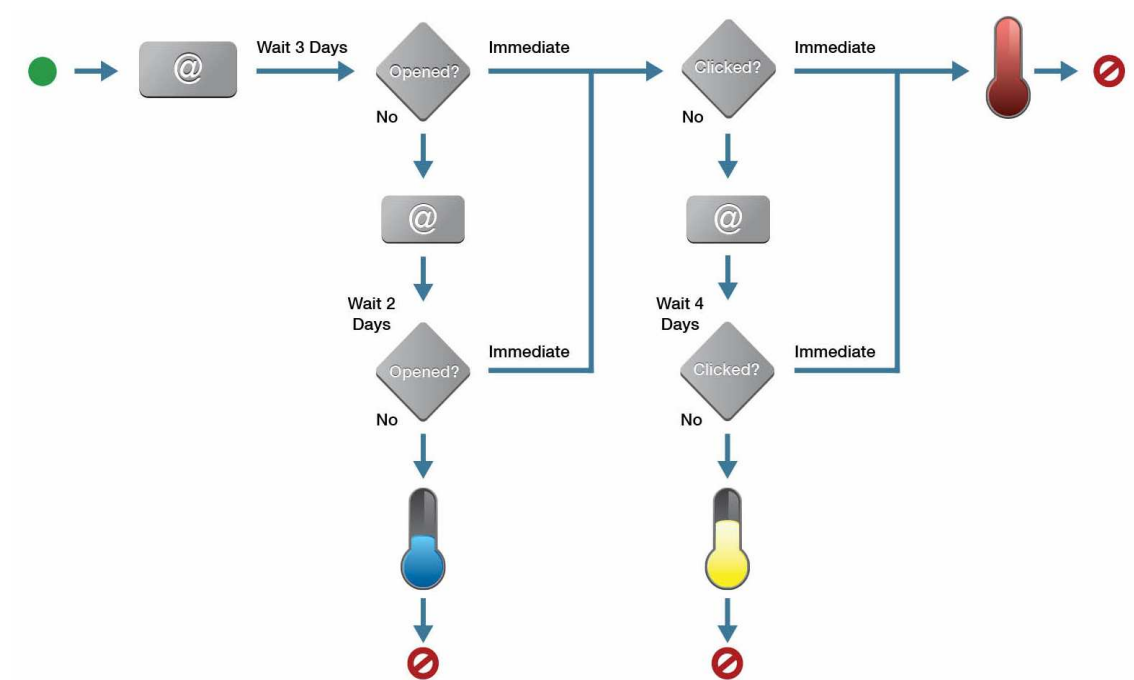
This dialog is similar in concept to the Retail Welcome program. However, rather than a financial goal, the objective of this dialog would be to pre-qualify leads. For companies with high-end products or services, you want your sharp outside sales force calling on the most qualified leads. Perhaps your inside sales force can call on the warm leads. Cold leads can be held aside.

Just as with the Retail Welcome program, you will follow the same steps as we reviewed to get your Lead Nurture program set up correctly. Once done, it’s

there to automatically pre-qualify your leads whenever you get a new batch from the latest show.

For the program illustrated below, we are making the following assumptions:

- If they open a message and click through to the Web site for more information, we mark the subscriber record as Hot.
- If they open a message, but never click through to the Web site, we mark the subscriber record as Warm.
- Cold leads never interact with any of the messages at all.



You can also use dialog messaging to shorten a lengthy sales cycle for your hot leads. If your typical sales cycle is 12 months, you should be engaging your leads at least monthly to continue to educate them about your product or service, and to guide them to the next position in the sales funnel. While your hot lead is in their “just researching” phase, use dialog messaging to keep your product name and benefits front and center.

Limited-time Promotion Follow-up

Event-triggered dialog messaging can be used effectively to increase conversion on limited-time promotions. A simple reminder message can nearly double click-through rates and substantially increase conversion rates.

Let's walk through the steps of promoting an on-line two-week sale on children's clothing. Your target audience will primarily consist of busy moms. Moms are not only the typical decision-makers for their kids' clothing choices, but will also help spread the word amongst their friends and can become influencers. Sending a single promotional email to this multi-tasking audience will *not* result in your best conversion rate. You'll need to include some strategically timed gentle reminders to engage this audience.

1. Develop a Plan

Advertise your children's clothing sale to your subscribers who either have children or tend to buy children's clothing (perhaps Grandma). Send a reminder message to non-responders. Include a Forward-to-a-Friend link to make it easy for the subscriber to share the promotion with their friends and family. Also, if you haven't already done so, profile your subscribers to understand their use of social networking. Then include an option in your emails to allow your subscriber to share your promotion with their preferred social network, such as Facebook.

Success will be measured by Web site purchases made by the email audience.

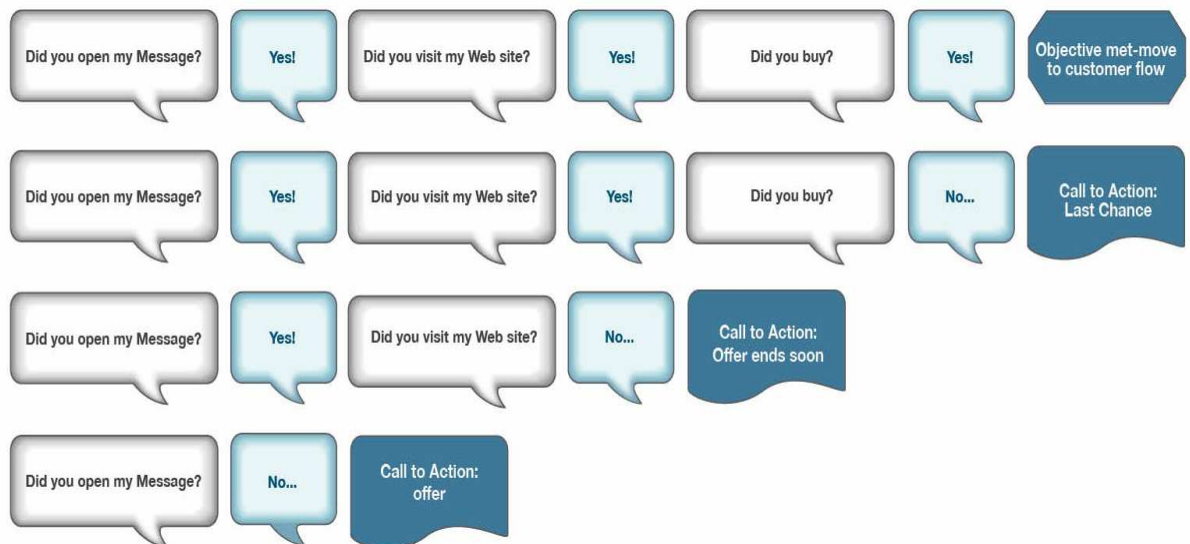
2. Map the Conversation

The first message sent to your audience should outline the promotion and *clearly* state the expiration date. This sense of urgency must be evident in order to get the desired action.

This is a great place for testing. That is, test the location and prominence of your calls to action in any of your promotional messages. Once you've identified

the best placement and wording, use that knowledge when building any future promotional messages.

Follow-up messaging should be based on the response to the initial promotional message:



Continue to build out your conversation map for subsequent messaging by focusing on timing, content and data.

- For a two-week promotion, you might send the first reminder after one week, then a final reminder two days before the sale ends.
- Message copy should be short and sweet. A busy mom should be able to glance (2-3 seconds) at the message and know that there is a sale on kids' clothing and the sale expires soon. Your subscriber should see enough information to recognize a good deal that warrants more attention from them. Remember, the length of your content should be relevant to your audience and what you want to communicate.
- Strategically leverage all available data. Personalizing the message will grab the reader's attention. Harte-Hanks clients have seen personalization double to quadruple standard click-through rates, especially with our Business-to-Consumer clients. Aberdeen Group's research shows a similar lift in that personalization that can increase click-through rates by two to three times.

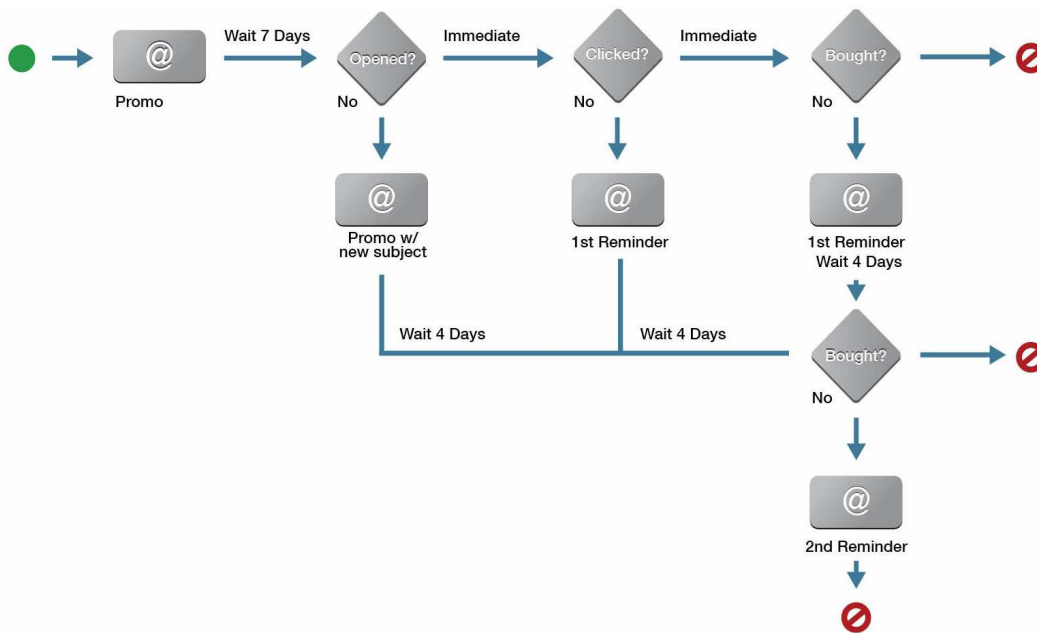
You can also “personalize” the message by ensuring that the initial content your reader sees (above the fold) is something you know will engage them – perhaps it’s an image relevant to them such as a girl, a boy, or one of each that matches your subscriber’s family profile.

3. Check Your Data

- Can you connect Web transactional data to your email subscriber list?
- Can your email platform trigger different messaging based on behavior with a prior message?
- Do you have a report in place that can attribute sales dollars to email campaign responses?

4. Put It All Together

Turn your conversation into a flow diagram, such as this one:



This map calls for two unique messages, the initial promotion and then the follow-up reminders. Since these messages have a limited lifespan, focus on the copy. It’s perfectly fine to re-use elements from the initial mailing to build your reminders. In fact, it’s a great way to build awareness in your subscriber’s busy

head – seeing the same imagery with the same promotional message will reinforce, not detract. Frequency is a great way to build awareness.

Also, consumer behavior has changed with the introduction of social channels. Don't forget to complement your emails with messaging in social and other relevant channels.

5. Activate!

Just as with our other dialog examples, you must monitor all aspects of your dialog program including:

- What is the average number of messages sent to a subscriber before they buy?
- For non-buyers, what percentages of subscribers drop out of the program at each drop point?
- What is the unsubscribe rate for each message? Is there one particular message that has a significantly higher rate than another?

Although it takes longer to develop a multi-step event-triggered dialog than to simply send a single promotional message, your conversion rates should convince you that it was well worth the time.

Test this approach for yourself using a control group that only receives the initial promotion. Measure both the click (they went to your Web site, that's a great start) and the conversion rates side-by-side. Always test, then test some more. You'll find that external variables can affect results.

If your results tell you that this promo/reminder message schema works well for you, use it on any similar promotions you've got on your marketing calendar. However, if you have a promotion that is significantly different (much shorter/ longer timeframe, in-store rather than on-line, purchase price substantially higher), you will want to test again and redesign as needed. Timing and number of steps can make a significant difference in conversion rates.

Other Program Examples

Abandon Cart

If your Web site visitor goes to the trouble of adding an item to their shopping cart, that indicates some level of interest in that item. When they abandon the cart rather than following through with the purchase, it could mean the visitor...

- ...just didn't have time to complete the purchase process – got interrupted by work or family. Send a reminder!
- ...are not entirely sure they've made the right product selection – right size, right color, right model, etc. Suggest an alternative, yet similar product!
- ...was possibly confused by the website layout and didn't know how to progress to the purchase step. Add a Click to buy button in your follow-up email!
- ...decided they should comparison shop elsewhere first. Give them the comparison data! Show them how your deal is the best!

If this potential customer were walking out of your store, you might be tempted to stop them and ask why they didn't purchase the product that they spent so much time examining. However, sending an immediate email following an "on-line walkout" would be a bit like stalking. Use timed dialog messaging to follow-up in a more gentle way. Here is a suggested scenario:

- Wait 24 hours from the cart abandonment and then follow up with an offer good for the product category. For example, if they abandoned a child's shirt, follow up with an offer on children's clothing.
- If they still don't finish the sale, follow-up again two days later.

Leverage email surveys to learn more about the reason why. Alternatively, polls are a great way to get to similar learning on a more general level. Collect this information and enhance your customer profile, then leverage the learning by updating your communications content, timing and offers.

This simple dialog can usually be automatically triggered from your web analytics data.

Event Notification

Planning an event or perhaps free class on how to use your new camera? Whatever the event, follow-up is a must to not only get registrants, but also to build excitement and remind the busy registrants to attend. Here's a suggested dialog for an event with a one-month lead time:

- Send initial event invitation to your targeted audience.
 - For those that don't register after 5 days, send a follow up to register.
- Once they register, send an immediate registration confirmation.
- Two weeks from event date, send more information about the event
- One week from event date, send event highlights to remind them why this is important
- Two days before event, send a reminder about the event.

New Product Launch

For new product launches, it may be effective to simply send a series of emails about the new product. Think of it as an awareness campaign. As you educate them about your new product and its purpose for them, you'll subtly build interest!

Your messaging will differ depending on how "new" this product really is. Is it a brand new product, or a major upgrade of an existing product? Or is it a product that's been on the market for a while and you're simply re-introducing it? No matter, all of these "new products" can benefit from dialog messaging. Consider a message flow such as this one:

- Introduce the new product
- Wait a few days (2 to 3), describe a feature/benefit, tell them how to buy
- Wait a few days, describe another feature/benefit, tell them how to buy

- Wait a few days, summarize all feature/benefits, make it easy to buy

Don't forget the Call to Action! If this is a product that can be purchased easily, you could include a trigger within the message series that stops the series once a purchase is detected. However, if the series is truly educational, then it could be beneficial for the purchaser to continue along the track.

Summary

Marketing messages are received more positively if they are timely and integrated with your overall communication strategy tied to other online or offline activity. A network of such messages – or dialogs – coupled with a database and analytic interface becomes a powerful tool for an effective one-to-one contact strategy.

Remember that you are communicating with people. People need to be reminded about an expiring offer, reminded of your services and why they should engage, or reminded about your high-end product as they continue to research other similar products. Think about your audience and how busy their personal and professional lives may be. Dialog messaging will help you increase your success rate.

While our focus here was on the email channel, dialogs should be more than email messages. A mix of channels is an effective way to meet your goal. Communicate to your subscriber using any channel the subscriber has offered to you – email, direct mail, mobile, phone, Web, etc. Think outside of the marketing communications box and you are *sure* to reap the rewards!

How to Get Started / Find out More

Of course, the email dialogs outlined here would become one of many such dialogs, each one referencing another as recipients declare their intentions through activity or lack thereof. The Postfuture platform coupled with our experienced email and marketing strategists provides a unique combination of robust capabilities with just the right amount of assistance for your needs.

Our marketing experts can help you create multichannel dialogs that reach your prospect and drive home the offer. Contact Harte-Hanks today to get started.

About Harte-Hanks Postfuture

Postfuture Digital Messaging platform enables marketers to build effective triggered, promotional and e-marketing programs within a multichannel strategy.

Postfuture gives you the power to take charge of your digital communications, optimize your customer contacts, and make every email count. With Postfuture, you can design email campaigns as well as create dynamic digital responses that are triggered by customer actions, such as welcoming new customers, following up on purchases, and delivering targeted offers.

Using Postfuture, marketers can easily send millions of messages per hour with data integrated from virtually any source. Use Postfuture to:

- Develop dynamic strategy, effective communications, and successful multichannel integration
- Create promotional and automatically triggered messages
- Target customers with relevant content using our dynamic multi-content zones
- Build email referral and share to social programs and let subscribers spread the word
- Strengthen your email campaign strategy with all that Harte-Hanks has to offer
- User automated AB testing to quickly and easily determine your optimum content – maximize your ROI with the knowledge of what works best
- Retain active subscribers and maximize ROI with mailing frequency control
- Integrate Web analytics (Omniture, Coremetrics, and Google Analytics) with your email program
- Measure your success with reporting available online – all day, every day

Our team delivers digital marketing expertise with anytime reviews to help build your success. Our experts have powered Postfuture with their knowledge, and they'll power your communications all year round with digital marketing strategy.

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