



WHITE PAPER

The Bait Shop vs The Revolutionary:

THE EMAIL MATURITY MODEL

Overview

Why should you use a maturity model? Maturity models show the stages of a company's growth and evolution, with each stage tied to a specific outcome.

iPost's maturity model will help you focus your 2019 goal-planning and frame your approach to incrementality in an age when change is difficult. It describes the different stages in the maturity process and lists the main challenges common to that stage and goals to help you progress.

Using a maturity model to plan for growth: As a technology provider that serves both the mid-market and enterprise market, iPost has leading thought leaders maniacally focus on helping companies transform their marketing operations and customer experiences.

Our maturity model will help you identify issues and map out steps for growing your email program. It also meshes with these growth strategies:

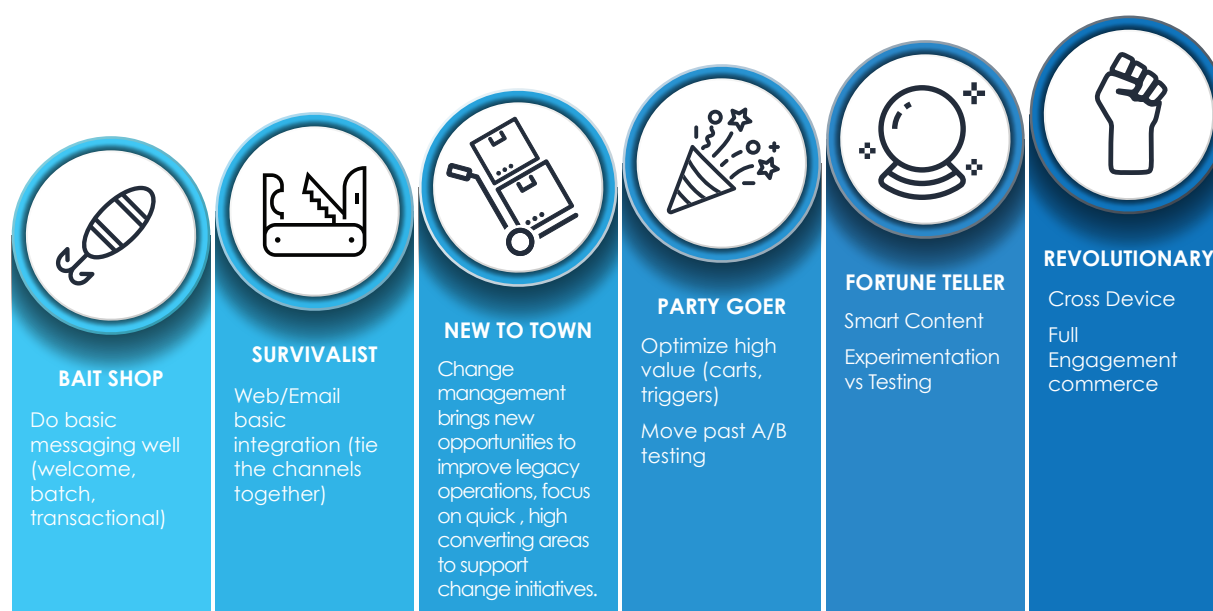
Use benchmarking – Leverage benchmarking to assess where you fit versus your competitors. While a subjective view, it does help you isolate gaps in competitive readiness.

Understand the journey – The customer journey was the most-talked-about marketing concept in 2018. Although the maturity model doesn't focus on that, it will help you understand how mature your thinking is and how you can act on this concept with the constraints you have.

Identify gaps – Models like this help reveal gaps in your thinking or execution. Likely the biggest impact of 2019 will be to identify these gaps and exploit them in beating your competitors.

Set goals – Moving from a cause-effect goal-setting methodology will help you set goals that require iterative actions to achieve. This is the first step in accepting change.

Caution: Creating a maturity model for a marketing channel is difficult because it implies a common environment and we know well that no two worlds are the same. Be careful when comparing your programs against the model to measure health. Even a bad program can win if you run it well with consistent goals.



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The Bait Shop Owner

You know that little shop on the corner that sells bait, tackle and everything else you need for a day on the water. You can sell just about everything to anybody in small quantities, but you are one person sitting in a shop and using a cigar box for your cash register with limited inventory.

This is the foundational stage for email marketing. It's also a comfortable home to many marketers, who see email as a base customer communication tool. They have a fishbowl mentality for collecting data and low-maturity web and mobile strategy, if any.

Personalization is a foreign concept, because customer lists are typically a small representation of the client base. The company hasn't figured out yet that email is key to customer growth, not just a cost-effective tool to reach out.

It's hard to migrate from this level without any leadership-driven organizational change or fundamental business strategy shift. If this is where you are now, don't fret. Most veteran marketers have been here too.

You can learn many grassroots things at this stage, but you will have to master the fundamentals of data quality, customer engagement and patience before you can progress to the next level.

Challenges

- **Limited data**, unstructured data, old data or behavioral data that is difficult or impossible to understand.
- **Few tools** for data visualization, data integration, personalization or segmentation. Messaging "batch and blast." Every marketing strategy, tactic or process is done manually.
- **No cohesive content management.** Data is a huge battle, but content is the greatest challenge to expansion. While data is always a challenge, most at this stage have not fully maximized data capture on site, at the store ending with a fragmented often less valuable view of the customer base. General advertising and branding drive content with little control over how to use it for email. Content was developed for all customers with little or no personalization.
- **Not a budget line item.** This is also one of the toughest stages to justify budget. Without scale, without some close tie to attribution, you are taking from the known to fund the unknown. Best practices and benchmarks won't help. You need to identify clear "wins" to justify additional budget.

Goals

- **Create a value exchange.** Offer special email-only content, coupons and other incentives that create a baseline value for reacting to your email.
- **Find high-value journeys** that intersect with your mainstream marketing/advertising efforts to show some attribution. (e.g New Member Activation programs)
- **Create content chunks.** You must accelerate content and not be subservient to what's on your site. Team up with your social, mobile and advertising colleagues to move content creation upstream and develop a method of chunking content.
- **Grow your email list.** Without scale, you won't win anything. Your email list should be a healthy sampling of your customer base and market opportunity. It must be translated into "They will buy from competitors if we don't do something different" and presented as a risk. Ask for email at every customer touchpoint.

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Survivalist

This is an all-too-common stage for the small- to mid-market operator. Typically, you are a one-person shop and a jack of all trades. You have to justify your email program and budget and grasp at ways to describe and forecast the value of your email program to the business beyond a simple cause/effect argument, since you likely struggle with impactful scale.

Data can be a big challenge in this often-unstructured environment. Measurement can be superficial. While you might pull off glimpses of excellence by following best practices, you know you won't scale your wins without further commitment from your organization. Most in this world start with an apology when talking about their email program.

This land-grab/survivalist mentality gives you just enough time to cover the basics, and you often lead with "It's good enough." But, it also represents vast opportunity to grow, as long as you can tolerate risk, exude confidence and know how to create groundswell in your company.

Challenges

- **Messy data.** Like dirty laundry, data management is a never-ending task and often creates fatigue when you have too much data to manage in an Access database or Excel but not enough to justify further expense to improve the situation.
- **Limited budgets** to do much with content. You've moved up a step, from the Bait Shop's "batch and blast" technique (same content to all recipients) to "batch and personalize" (different content to different segments but really is 1: many vs. 1:1). Still you probably struggle to justify even that extra effort in terms of sustainable lift.
- **Limited social media strategy.** You might have some social media play, both paid and organic, but little coordination between what's happening in that world and how you communicate it through marketing or email. It's typically a Top Five strategy in most worlds, yet one of the most difficult to achieve.
- **Subservient to brand and web.** As a Survivalist, you have to use what's around you. You usually struggle to do creative and strategic things when budget allocations focus on brand and web activities and often you are seen as "downstream" from a creative, or brand voice perspective.

Goals

- **Maximize your reach and impact.** Increase your email cadence and targeting opportunities. Look for more ways to show how email drives incremental value it creates a direct conversion event or not. Focus on reach as a total, not purely a campaign-over-campaign view. Say "I reached 5 million people last month" instead of "I have a 25% open rate."
- **Team up with social.** It's critical that you, the email expert, are included in social strategy. As you increase reach and cadence, this will become a natural conduit to collaborate on reusable content and leveraging the organic nature of consumer unstructured feedback.
- **Email-only conversions.** While you want to evolve engagement metrics, you must show how email provides company value- direct attribution. Some classify this as revenue driven by email; so, roll that up as a lifetime indicator. Show how sustained exposure to email lowers the cost of sale, discounting effects, increases frequency of purchase, increased average order value- all lifetime value variables. However, as a Survivalist, you must find that elusive proxy that shows the value in seeing the direct impact of what you do first, before you can evolve past this level.



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- **Automate what you know (predictable programs).** Survivalists, whether in the wilds or the office, are known for their ability to adapt. Automating as many email processes as you can and adding triggers to create more personalized and valuable email are the easiest tactics to drive greater value. With one set of hands there is only so much you can do manually. The more you automate the more you get done.

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New to Town

This stage represents the maturity of the typical long-time worker in the email marketing industry. With email marketers with a job tenure of 4 years and most companies switching ESPs every 22 months, this is a perfect stage for many. Like a politician or football coach, you have 2 years, one to figure it out and the second to drive change. When you are new on the job, you have a brief moment to put your stamp on the business and apply what you've learned from other experiences. This is also most often when companies switch email service providers.

Like a new person in town, you have to figure out your place in the landscape and what you can and can't do while getting to know all the influencers in your company. Tactically, you probably inherited tools and teams that need evaluation and, possibly, change.

For many, it's a fun and exciting stage, albeit brief and often repeated. It also has the biggest risk of repeating safe bets over and over and wondering why the needle isn't moving consistently up.

Challenges

- **Legacy behaviors and internal barriers are the key obstacle**, it's critical that you bring in your experience, experts and quickly do an assessment that has teeth and outcomes tied to it. Changing old behaviors and navigating internal land mines can derail any evolution from this stage.
- **Budget paralysis** is a key challenge. You must find direct and indirect budgets and this is only possible if you design a strategy, get agreement on the outcomes and get buy in to common goals. You should get more than 5% of the marketing budget, and likely won't evolve past this stage if you don't.
- **Channel crossover and turf wars** is where most strategies fail. If you have the scale (size of file is a statistical significance to the customer base), you have leverage and there are many ways to tie the channels together. This is where you design "mini" wins with each, very early. Use your external leverage to drive that.
- **Short window to make sweeping changes** is reality. You have 90 days to build influence, build plan, financial justify it, align the right partners. Now this completely depends on the time of year you take this on. If this is a promotion or new job, take advantage of those first 90 days and start your count down timer.
- **Segmentation to Value** is a gap most can't quite get their heads around. You have data, you have a customer segmentation strategy, you know what you likely want to know, but there is a gap in how everyone interprets this tactically. Email is the perfect channel to build sustainable insight into behaviors, but the #1 key to evolution is integration of email and web. You must know what they do on your site and be able to react to it, even in simple ways.
- **Wrong partners** are where many struggles to evolve. Inheriting vendors is a reality for many. As the old saying goes, hire slow, fire fast. This is 2019, there are many more options, line up a few and don't get married to one til you have confidence the value exchange between vendor and brand are aligned. Decide what type of partner you need. One that holds your hand, one that leads you, one that is visionary, or one that meets your budget and is good enough. All can work in the right circumstances.

Goals

- **Choose what trench you want to live in.** It's critical that you have vested inputs into many trenches. You are the water that flows through all. You must get tied into social goals, mobile goals, ecommerce efforts, data management priorities, media/targeting visions. You should think that you own the customer, not

simply that brief moment in the inbox a few times a week. All your strategies and interactions internally need to have this language.

- **Reach, cadence and maximize funnels.** You can't win in any organization if you don't have scale. It's why media and search win the budget battle. Massive reach and perceived "intent" are containers for which budget is won. You must take that database and create increasing reach - aka. how many people you touch in a given period of time. And you must maximize funnel interactions. That's just easy money.
- **Operational consistency (streamline content, segmentation).** Most programs that stall at this stage struggle with consistency. Normally this is manifested as lack of budget and resources, but really, it's a matter of prioritizing and a focused strategy. Reuse content, simplify segmentation, be smart about personalization and automate what you can.
- **Consistent structure to content fluid design.** Content is likely the biggest operational challenge. Email marketers will spend over 60% of their time on creative in the entire email campaign process. You must adopt new ways to procure content without long processes. You must incorporate that content in fluid designs for the device shifting consumer.
- **Simple fixes to funnel (site, preference).** To evolve you must own the funnel interactions. Triggers should be how you see the world. The impact is unrefutably, yet most struggle with how to operationalize this and what happens if things change? Don't be paralyzed, divide your messaging portfolio and knock out the easy things.
- **Test acquisition sources.** While 3.2% of your database will decay each month, either through response or natural customer churn, you must continually work your partner channels with acquisition and focus on simple ways to engage and capture email addresses. To evolve, companies at this stage need to think in terms of maximizing moments and intent, not lifecycle and latent behaviors.

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The Party-Goer

The party-goer is confident, gets around and talks the talk, yet, while looking put-together, often has major gaps under the polished surface.

In this stage, you are poised to grow, likely having had some success categorically, but still recognize there are big holes in your ability to shift the boat. You're comfortable with personalization and data. You've used multiple ESPs in your career, lived through a few migrations and know some of the ins and outs.

You understand web/mobile and measurement, yet have constraints on your ability to pull it all together outside of point-in-time views. Justifying new things can be a budget quagmire at times when numbers don't support needed effort. But you are always looking for ways to improve, mostly through watching others rather than your own exploration and exploitation of the environment.

Challenge

- **Testing without ability to act on results:** This group lives by the mantra, "Work smarter, not harder". That happens when budget and internal constraints outweigh abilities and vision.
- **Measurement paralysis:** Often siloed in an organization, it is a constant struggle to make measurement meaningful to internal audiences. The move to engagement over Lifecycle hasn't caught up with how organization measure impact of marketing.
- **Personalization:** While 50% of companies with an ecommerce end point have a personalization initiative in some form, email can typically get left out. This makes budget fights a battle and priorities and how those are negotiated internally some of the most stressful things
- **Budget atrophy:** In direct response advertising, if you do well, you typically allocate more budget. Email marketing is a fixed view of budget, which is counter intuitive to how online marketing works, so many are losing budget or having to spend it. This stage has a never ending battle to protect and justify budget, but is hard to do when they reach 2M unique users over a quarter, vs. advertising that can reach 100M. Best to tie closely to ecommerce team and fight the attribution battle.

Goals

- **Focus on the top 10%:** We have moved to an engagement view of the world, and not a linear one, but to gain executive and departmental peers, you must focus on the top 10% and mine that to find new keys to behaviors. This is where Machine Learning can help build microsegments within this audience that can help you get to the next level.. Plus it helps tell a real customer experience story.
- **Test and sample top/bottom:** the same principles apply to testing. While its good to do aggressive tests on questionable engaged and unengaged audience, really your sweet spot is the top and look at testing differently. You test aggressive with low risk audiences, limit the test with the top 10, and the results will help drive sustained conversion and engagement over time.
- **Own the funnel:** While this is a more mature stage, this group can often get bogged down. There are likely tons of automations, some you don't necessarily review regularly. You must own the funnel and if budget allows even better to allocate people to own stages of this, so you can get the best thinking done.

- **Visualize key interactions:** Journey tools are great for orchestration, but most at this stage aren't doing customer experience mapping, vs. message sequencing. With customer at the center, it can be to their benefit to build a visual customer experience for all the company to see. A banner, a visual of how interactions happen. The more your organization see the flow, and the experience, the farther upstream your conversations with executive will flow.
- **Simplify metrics.** If you can't act on a metric, don't report it. This goes without saying, yet think of a car dashboard. What three things do you look at every day? While you are driving (Gas, Speed and Radio maybe?)... simplify impact metrics. You can organize metrics into key areas and build dashboards , yet few do it with goal setting in mind. Simplify this so everyone can see your impact to the world (Loyalty? Engagement? Reach?), could be represented by a waterfall of your audience data and growth/churn, could be sales and engagement reflected by an engagement score (Open, Click Density and Conversion Values) etc. Remember these are holistic views, so what three data points would "sell" your success internally?
- **Historical trend mapping:** So many email programs rinse and repeat. Rarely do you see companies looking back too far, its just too hard as your program matures. This is critical for review and to show progress in the company. This can a WAR room wall, and a group event each year , it can be a visual map that everyone can see in your department, but you must map the trended experience, noting inflection points of new things you did and you keep a 3 year running view.

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The Fortune Teller

Fortune Tellers are usually mature folks who have an inner confidence about what is coming next. However, both the primary flaw and opportunity for a Fortune Teller is to have little control over the outcome (also called organizational paralysis).

This can be the most satisfying and, at the same time, the most frustrating stage of maturity, because you are so close to doing the things you aspire to do. You have many tools at your disposal but a fragmented spend and departmental competition for resource and budgets.

Most marketers at this stage have a primary goal to improve interactions. Their goals typically roll up to a larger proxy of company performance.

What distinguishes this stage from the next is the ability to scale great ideas and learnings while being limited by organizational or budgetary constraints.

Challenges

- **Budget allocation.** Breaking out budget for new things is very difficult and usually ends with someone asking you, "What will you give up to make this new thing happen?"
- **Commerce or engagement?** Both are goals but often conflict and compete with each other and present hurdles for implementing long-tail programs or changes.
- **Automation and optimization at scale.** Many marketers in this stage use triggers and automations, but few can manage or optimize them. "Build it and leave it alone" is the operating phrase.
- **Complex integrations (partner hub).** Many Fortune Tellers are involved in many company wide initiatives and it can feel frustrating to have input, but little influence. At this stage you must weather the storm and understand involvement can lead to influence, so play hard with vendors, learn fast and find natural values for your business unit.
- **Testing but little learning.** You often test just to show you are doing it. From time to time you see anomalies but know that there is so much more room to optimize if you could ONLY (fill in the blank).

Goals

- **Automate front- and back-end funnels.** This should be your first priority and if able, an area where you assign someone to own. Call it an interaction manager, but their sole function is to own these interactions and optimize customer funnels.
- **Site/Email personalization.** Own the engagement and interaction with some baseline treatment. It's not enough to know what someone did on your site, to evolve you must be in a position to act. Warning: This can be made to be far more complicated than it is. Like anything worthwhile in life, you must take it in doses, start with the highest value behaviors and figure out how to react in the moment. Start simply and work from there.
- **Optimize email like a site using transactional messaging and email triggers.** Automate your highest value interactions. Build testing and optimization into this process.
- **Capture budget from advertising and mobile.** Your channel is mobile and it is advertising, but to a known audience at scale. Fight for that budget, and help your company see the transformational value of the combined interactions on long-term, sustainable growth.

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The Revolutionary

While full maturity never implies perfection, Revolutionary represents the highest level. Here, you do things at scale with a stable of both mature vendors and some upstarts.

As a Revolutionary, you have a solid grasp of data, challenges, channels and measurement, along with a longer leash on spend-versus-results evaluation. Your world typically operates in cyclical patterns, and you probably have a team, or multiple teams, in execution mode.

What makes this level significant is knowing that you have scaled big solutions and have a method to manage incremental change and optimization. You talk about triggers and machine learning and are looking at the future of devices and consumer behavior as a precursor for how your business will evolve. Revolutionaries are also who fuel the contractor and agency worlds. Service is a quality and while technology is the engine, people are the drivers, so build your team “inside and out”. This group is also always grappling with “insource” our “outsource”, A budget dilemma that can impact technology decisions.

Challenges (All cool things)

- **Targeting first- and third-party audiences.** You know what they do on your site, but likely lack visibility into how “look alike” customers or even first party customers are doing on other sites. This is key to think “audiences” and in the age when Google, Facebook and Amazon offer customer matching, it’s the perfect storm if you can build customer insight cross your site, email, mobile, social and third-party site activity.
- **Optimizing engagement across web, email and mobile. Consumer Internet of Things is next.** It starts with mobile engagement. You must find ways to react to interactions cross devices and channels and link those together in near real-time. This is the future and it’s complex, it’s fast and it’s never constant. Accept that and strive to intermediate this in some way.
- **WAP-to-app engagement.** Strive to think of mobile engagement and notifications and email. In a perfect world you’d deep link from email to mobile engagement to maximize an experience or intent.
- **Deep commerce integration and predictability.** All revolutionaries have visions of deep commerce integration, yet it can be real expensive and if you’re at this stage it can be very time consuming. This is where tag management and data integration are critical investments, but don’t try to boil the ocean, many fail or grow old before they get movement on unrealistic goals.
- **Scalable recommendations.** This is coming, machine learning, collaborative filtering are all things that will help determine what’s next. Content and product recommendations can help you automate at scale, personalization strategies. This is likely one of the most impact areas for any email program for the future, invest your time in this areas as it will set you apart.
- **Cross-channel attribution.** Attribution is like putting a value on each of your children. It’s hard and it may change at different points in your life. But you have to take stabs at it as that is how budget battles are justified. Problem is there is not one unifying way to do it, but attribution tools are much easier now to try different models.

Goals

- **Cross channel engagement metrics.** What is the value of an interaction? This is what you need to strive to answer and what will fuel engagement metrics. But you must be able to visually map the engagement first.
- **Customer journey map to justify spend/segment and messaging strategy.** As the first suggests, like

customer experience maps, you need views of journeys not just from the experience but from the financial side. Cost of touch-benefit.

- **Extend customer behavioral knowledge base.** If you had one wish, and could choose one piece of customer data you'd want, what would that be? How much would you spend on it? Would you need to buy it or "mine" it over time? These are the trade-offs with any data strategy. Investing in propensity models and predictive capabilities in 2019 will help identify gaps in your data and help you justify the cost to append or derive those key data points. It's much like trying to kill a vampire, you have to aim three feet ahead of where they are now. Be a bit of a futurist.
- **Self-learning models.** Machine are simply faster and more scalable than humans. Imagine cars if we didn't have machines? They'd be \$100K and break down every 10K miles. You must find a subset of data and let machines learn for you. Key here is to focus on specific areas and not too broad of areas that aren't actionable.
- **Self-optimizing interactions.** The world doesn't operate in lines, neither do consumer behaviors. The key to self-optimizing interactions is to look at it seasonally. Not longitudinally. Think episodes vs. lifecycle.

How Can You Move Beyond Your Stage?

- **Be honest with what you are.** Most marketers we talk with are tougher on themselves than they have to be. Yet, knowing your capabilities and weaknesses is critical.
- **Treat the budget as if it were your bank account.** You have to be able to do more with less until the less is justifiable and manage risk differently at different points in time. Just remember, the only differences between a \$1M budget and \$10K budget are the number of zeroes, people involved in the decisions and list size.
- **Do the basics well.** Own your funnels and map them now. Automations have become so easy. Use them to scale yourself and capitalize on high-value interactions.
- **Don't limit your creative to the inbox.** While that's the medium, try to build creativity in connected bits that, in aggregate, convey your brand/value. Don't expect to do it all in a single email.
- **Don't wait a year to assess yourself.** Review or assess your performance quarterly. Like anything in life, change requires a commitment to some action each week. When you do quarterly planning, allocate time to review how you've progressed and how your progress will inform your planning.

How iPost Can Help You Improve:

- We developed our platform for evolution, allowing various levels of marketers to do different things at different stages. Like any evolutionary platform, you can do the same thing four different ways depending on your operational style.
- Our versatile content and personalization engine make 1:1 email messaging a natural part of the process. The ability to create content taxonomies with real-time data enables experiences that are both contextual and evolving over time as we learn more about the customer. Think of hours and minutes, not day and weeks. This is the catalyst to capitalizing on market timing.
- Fluid automations and triggers integrate seamlessly with your site, social and ecommerce programs. We don't believe the world is static and we built this to allow for you to be fluid and dynamic as the market and your customers are.
- Easy-to-use machine learning helps optimize streams in motion. Automate what you can predict, test what you think you know and optimize the high value interactions.
- Scalable audience and data visualization. It all starts with you understanding what the customer wants from you, how they'll engage and what competitive and market forces can be interpreted at different times of year and life stages.

Get in touch to find out how we can help you make 2019 the year you move out of the bait shop and join the revolution.

www.ipost.com | sales@ipost.com | 415-382-4000