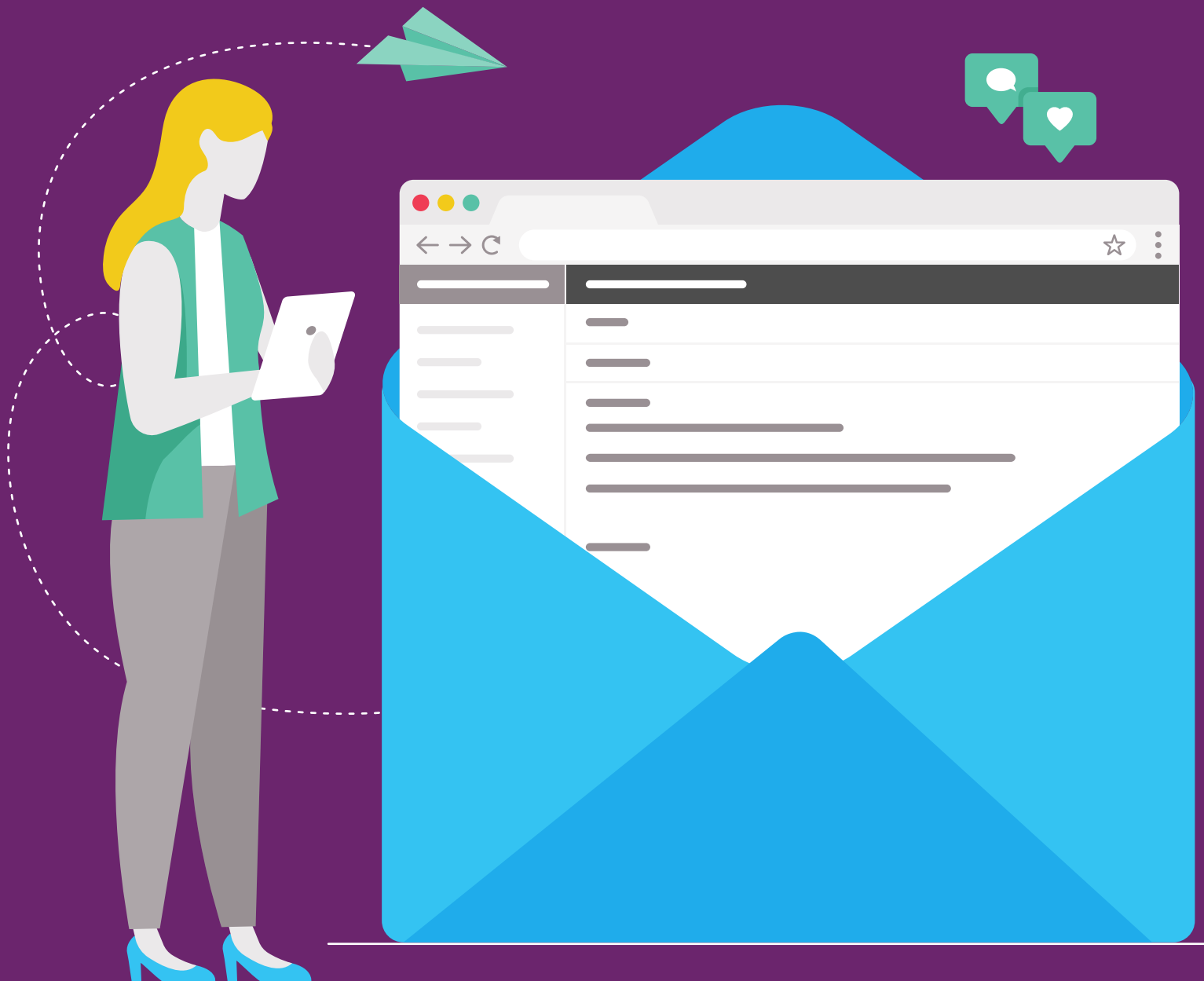# ITERABLE

An Introduction to Modern ESPs:

How to Prepare for Growth

An Introduction to Modern ESPs: How to Prepare for Growth

"Good enough" is a dangerous phrase. Many organizations look at their marketing technology stack and think, "We're hitting industry standard metrics. It's good enough."

And yet, good enough is often indicative of missed opportunities.

With regards to email service providers (ESPs), hesitation to look beyond "good enough" comes from a variety of sources. Whether it's a limited budget, lean resources, or lack of time, too many companies are handcuffing themselves to an entry-level ESP, leaving valuable insights and millions of dollars on the table.

An entry-level ESP—a single channel provider for batch marketing campaigns—is great for laying the groundwork for marketing success. In some cases, that is, in fact, good enough. However, if your company is looking to significantly scale users, engagement, and ROI, these systems' limitations in flexibility and scalability will delay—even halt—progress.

As of 2018, nearly two-thirds of marketers agree that the martech landscape has evolved rapidly, but only 28% feel the same about their company's use of martech.
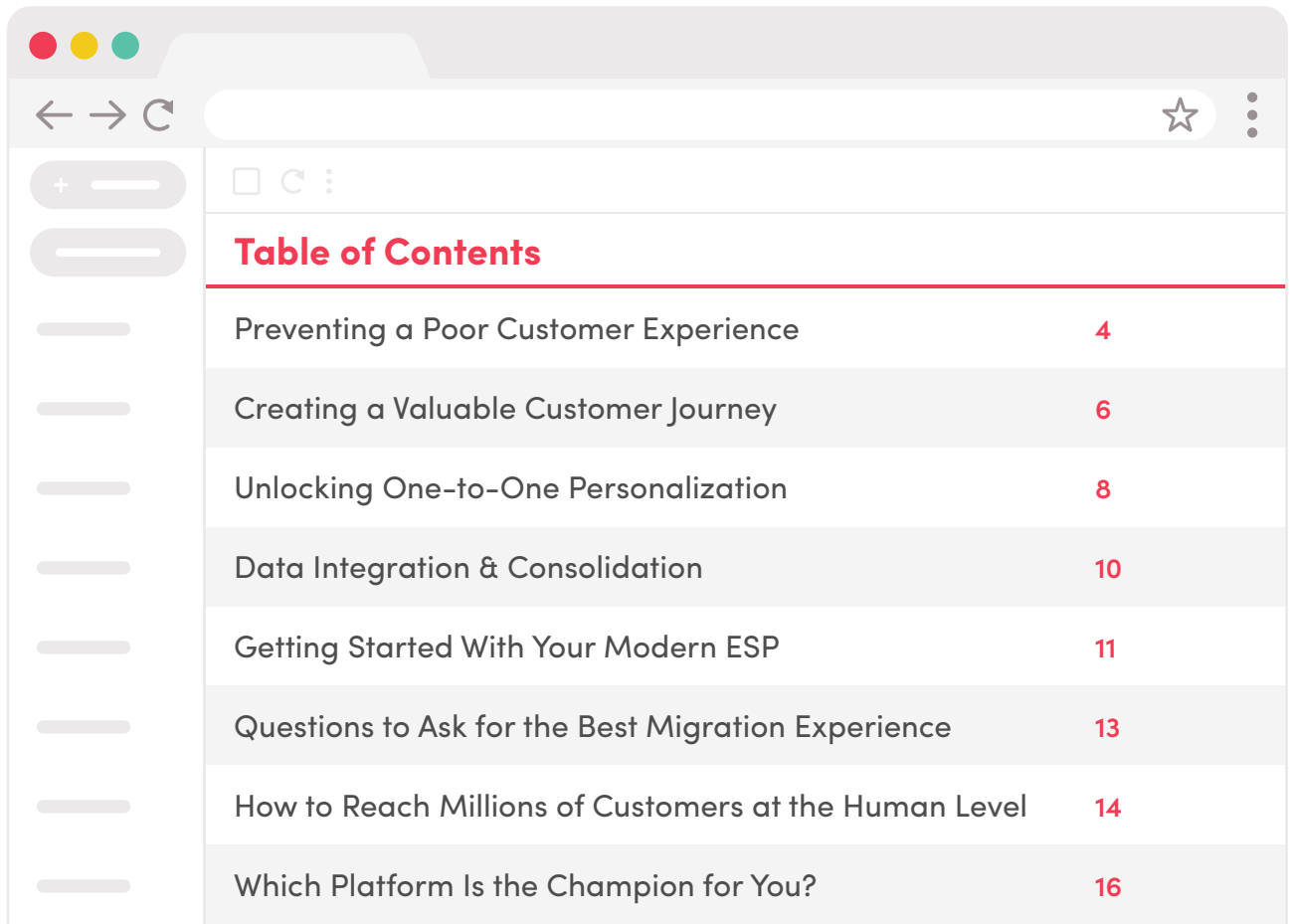
Growing companies reach an inflection point where they stretch their system's user base and data limitations to the max. At this point, it's time to pursue a solution that can handle your success now and into the future.

The modern ESP empowers marketers to build personal relationships with customers at scale. And it's all possible with a lean marketing team.

New Message

OPEN MESSAGE

28% of marketers believe their company is keeping up with martech innovation
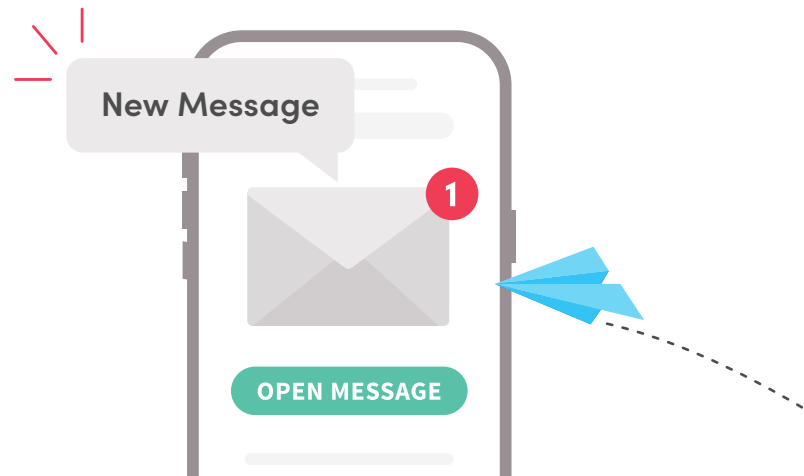
We've Got You Covered

This introduction to modern ESPs is here to show you that moving beyond "good enough" is actually simpler than you think. In the following pages you will find an outline of how a modern growth marketing platform improves upon entry-level concepts and features. You'll also learn what questions you should be asking to find the right platform for your business goals.

Table of Contents

Know Your Marketing Stack

65%

of marketing organizations say they plan to increase their spend on martech in the next year

38%

of marketers feel their martech in place isn't sufficient to perform their jobs effectively

Preventing a Poor Customer Experience

Before we lay out the groundwork of what you should be considering when searching for your modern ESP, it's important to identify the status quo of entry-level systems and how this can negatively impact your marketing strategies without you noticing.

Effective email marketing, as we all know, is about not only reaching the customer, but connecting with them. Customer experience is the key.

According to Gartner (2018), CMOs consider customer experience to be one of the three most important factors in formulating a strong marketing strategy. One of the other two most important factors? Marketing technology.

The case for an entry-level system often follows a standard thread: low cost and minimal resources needed. After all, 41% of marketers reported working on teams with 1-3 other full-time employees and over half don't have additional support from part-time employees or freelancers.

Bottom line: Marketers have to be scrappy and streamlined when designing their marketing campaigns.

41%

reported working on
marketing teams with
1-3 full-time employees
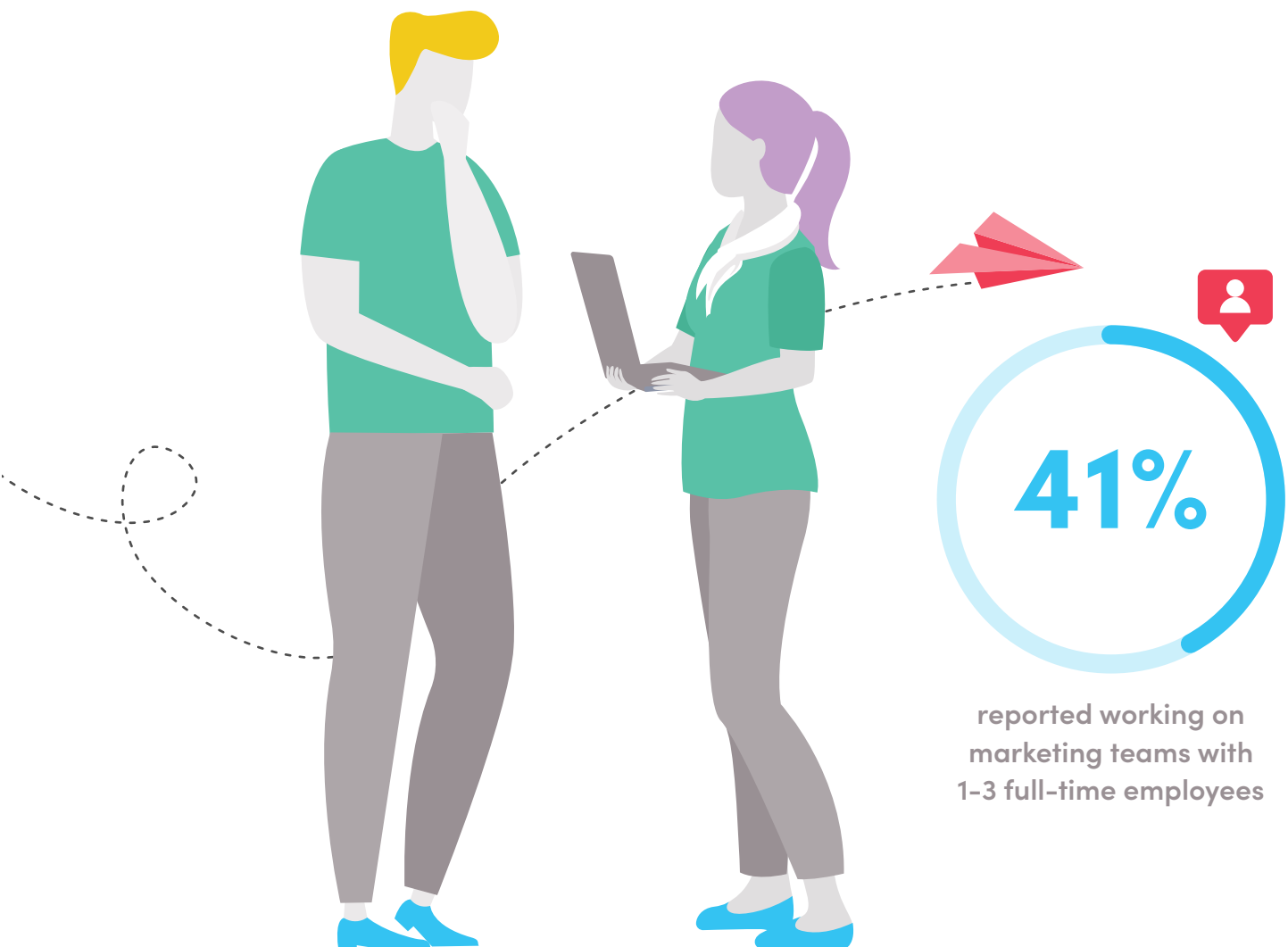
However, while you may initially benefit from lower costs with an entry-level system, you also risk data management, functionality, and flexibility limitations—potentially missing out on crucial opportunities to build brand equity and drive significant ROI.

For example, your system may miss how and when the customer interacts with your brand or if your customer has purchased from you more than once.

An impersonal marketing strategy detaches the customer from your brand and makes them less likely to continue interacting with your content. Today, it's vital to transform your marketing strategies into a one-to-one conversation.

Your customers have to know you care about their interests above your business or they will likely churn due to irrelevant messaging.

Marketers have a monumental task to ensure their brand stands out from the crowd. Messaging, particularly email messaging, is stunted from its true potential in an entry-level system. In the coming pages you'll learn how modern martech solutions prevent poor customer experiences and identify what your team needs to exceed expectations.

✈A✈ ACEABLE

How Aceable Keeps Customers Happy and Compliant

Aceable is an app-based online education company offering drivers education and real estate licensing courses that require state-specific compliance.

Conditional Logic
The company simplified the customer experience by using conditional logic within Iterable to segment messaging by state to prevent customers from receiving the wrong information.

Cross-Channel Communications
Aceable also utilized cross-channel functionality by using SMS communications to outline which documents students needed to complete their courses.

After implementing Iterable's easy-to-use platform, Aceable's one-person email team no longer spent days creating separate email templates. They ultimately **saw a 9% lift in revenue in a single month** by incorporating conditional logic and SMS into their outreach strategies.

9%

Aceable saw a lift in revenue in a single month after integrating email and SMS
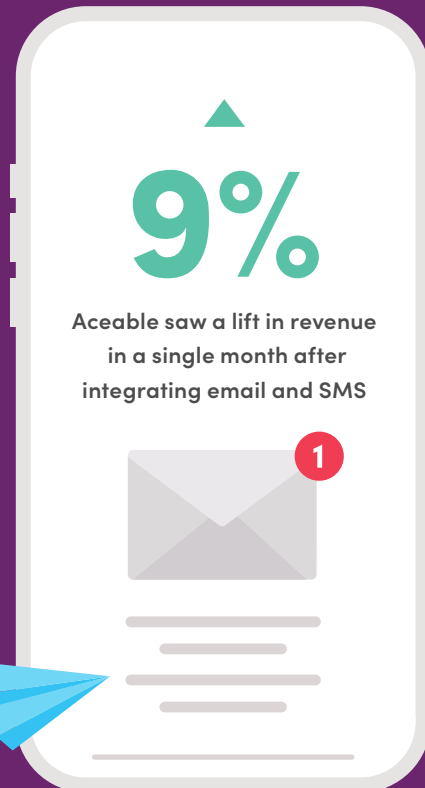
Creating a Valuable Customer Journey

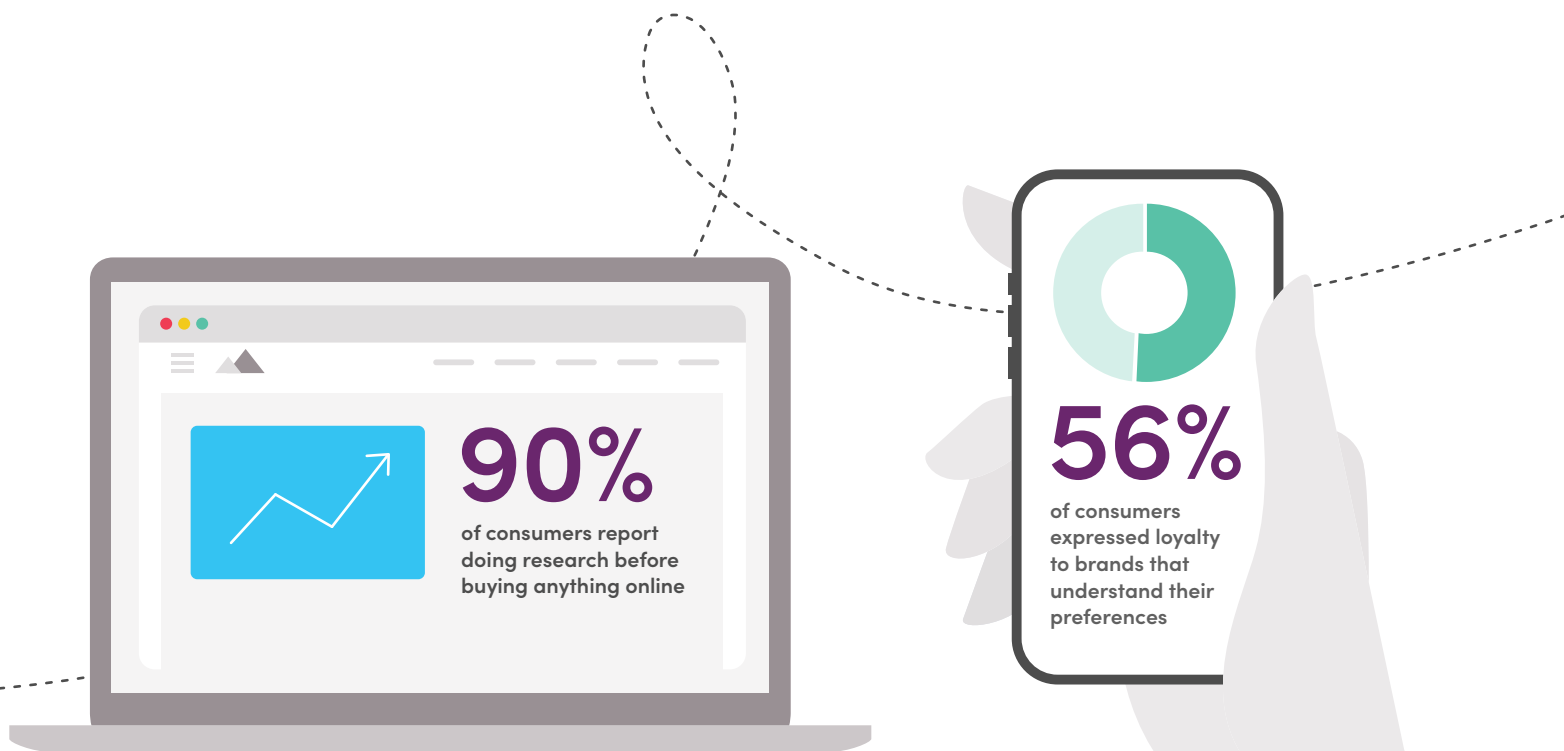In the on-demand digital age, today's consumers are more educated than ever before. Almost 90% of consumers report doing research before buying anything online or in the store.

As such, your customers are in control of their journey when engaging with your brand. For many, the decision to buy comes down to the depth of connection with their favorite brands, as 56% of consumers expressed stronger loyalty to brands that showed an understanding of their core preferences and priorities.

Entry-level systems impede personalization by ignoring key behavioral data that provide rich insight into a customer's preferences. Batch emails or messages from entry-level ESPs are good introductory touchpoints, but due to data limitations, advancing the customer through the stages of the customer journey becomes difficult.

The chances of converting that customer to tangible ROI diminish, even disappear. Your customer journey should promote continued engagement and transactions. U.S. companies lost over $130 billion annually due to avoidable customer churn. One-off purchases aren't sustainable as a business model, especially for companies looking to scale.

90%
of consumers report doing research before buying anything online

56%
of consumers expressed loyalty to brands that understand their preferences

As you look towards graduating to a modern ESP, consider one that provides comprehensive support for all of the customer lifecycle stages: Activation, Nurture, and Reactivation.

The Stages of the Customer Lifecycle

ACTIVATION

Initial stage of the lifecycle where companies seek to activate consumer attention and interest.

- Welcome Series

- Getting Started & Onboarding

- Free Trial to Premium

NURTURE

Ongoing lifecycle stage where companies nurture and engage consumers to strengthen relationships.

- Sales & Promotions

- Newsletters

- Product Announcements

REACTIVATION

Re-engagement stage of the lifecycle where companies reactivate customer engagement to drive retention and loyalty.

- Cart Abandonment

- Post-Purchase

- Upsell & Cross-Sell

Providing personalized, relevant messaging at each of these three stages builds a complete, satisfying customer journey to promote long-term customer loyalty.

SeatGeek

How SeatGeek Increased ESP Returns with Sophistication and Precision

The ROI for email marketing has been reported anywhere from 37:1 to 44:1. Undeniably high, but this can provide a false sense of comfort. Email's absolute return doesn't improve until more investment is put into the sophistication of email programs and platforms.

SeatGeek faced the challenge of personalizing their messaging to a variety of customers with vastly different interests. The company turned to Iterable for increased email sophistication, as well as the ability to consolidate email and mobile marketing efforts into one tool. The result: enhanced precision in knowing which messages and channels to use for each customer.

"We didn't want an email application with mobile capabilities bolted on or vice versa. We wanted a platform that was architected to support the channels we use now as well as the ones we plan to use in the future. That requirement ruled out pretty much every solution except Iterable."

Ben Clark
Vice President of Customer Retention, SeatGeek

3x
Revenue from Email and Push

50%
increase in users reached by adding push notifications
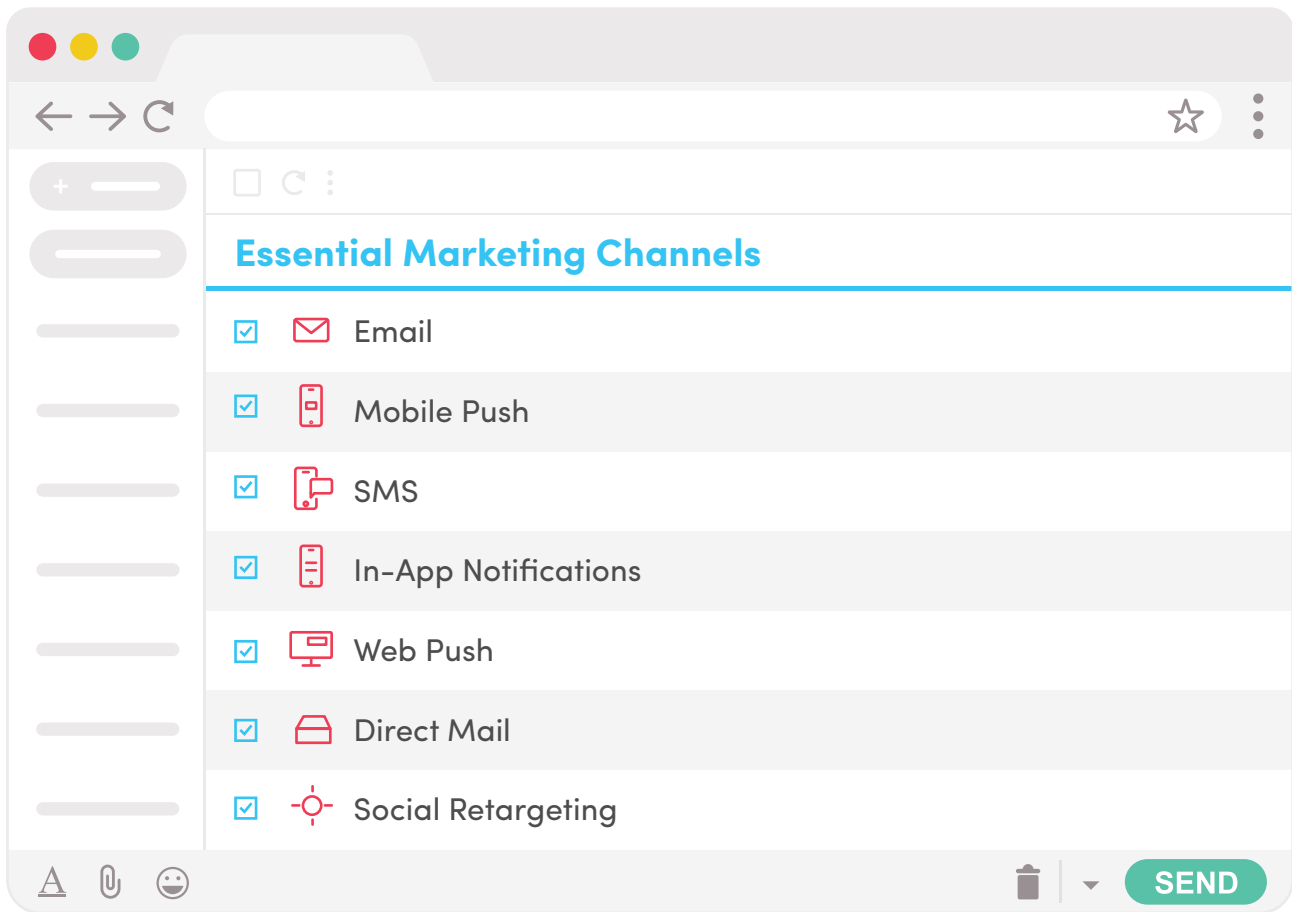
Unlocking One-to-One Personalization

Using our framework from the previous section, you can design your customer's journey. What next?

In an entry-level ESP, this means you send out email campaigns and...pray? The amount of data collected is limited to basic demographic information like name, gender, and location, making each proceeding step in the workflow more and more difficult to personalize.

By upgrading to an innovative growth marketing solution, you unlock the possibilities for personalization—a growing priority with CMOs now spending 14% of their budget on personalization efforts.

Personalization has also proven to garner loyalty, which drives ROI. Think of it as you would in a one-on-one conversation: the more personal your message, the deeper the relationship you build. And after cultivating this relationship, loyal customers spend 67% more than recently-acquired customers. The results are so strong, you can't afford to miss out.

At this point, it's time to determine which channel works best for each and every customer.

Essential Marketing Channels

- ☑ ✉ Email
- ☑ 📱 Mobile Push
- ☑ 📱 SMS
- ☑ 📱 In-App Notifications
- ☑ 🖥 Web Push
- ☑ 📭 Direct Mail
- ☑ ⊹ Social Retargeting

SEND

Email undoubtedly reigns supreme, but the digital world has expanded. Push and in-app notifications are crucial for any mobile-friendly organization. Only 33% of marketers report having a core mobile marketing solution—a telling gap in functionality that ignores the increase in mobile usage.

84% of customer-centric brands understand the consumer lift generated from a great mobile experience. Yet, many of these same brands view mobile messaging and app engagement as mutually exclusive entities. What these brands fail to realize is that mobile messaging is critical to overall app engagement! Consider that nearly two-thirds of consumers will only engage with personalized marketing messages—with consistent, individualized mobile messaging, you can all but guarantee long-term engagement.

Don't forget more classic channels like direct mail. As marketing changes, so do the tastes of consumers. Direct mail provides a tangible reminder for consumers both of promotions and your brand. If the messaging is relevant, the consumer is likely to save your mailer, putting your brand front and center in their homes.

With 48% of consumers leaving brands due to poor curation, you can't afford to market with incomplete data on the wrong channel. When upgrading to a modern growth marketing solution, be sure to look for the ability to support cross-channel engagement and the ability to capture accurate data for better personalization.
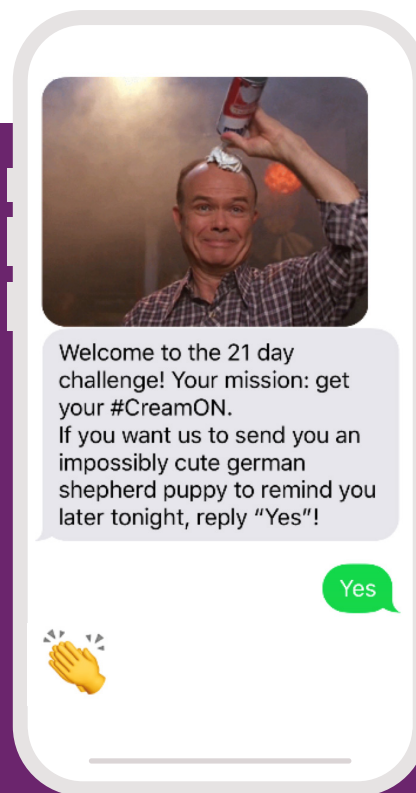
Curology

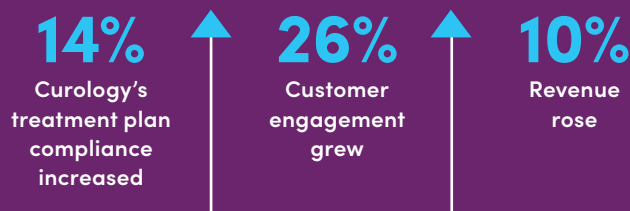## No App, No Problem: How Curology Uses Text Messages to Drive Engagement

Curology provides personalized prescription skincare to tens of thousands of subscribers, but faced the challenge of offering that personal touch at scale. Data silos hindered their ability to build adequate subscriber profiles and deliver personalized messages in real time.

The company needed a way to enforce patient compliance with treatment plans, but didn't have an app for push notifications. Using Iterable's cross-channel capabilities, Curology added personalized SMS messages to campaigns targeting their primarily teenage audience.

Teens that maintained compliance with their treatment plans were rewarded with funny gifs, further incentivizing them to stay on course with their treatments.

Welcome to the 21 day challenge! Your mission: get your #CreamON.
If you want us to send you an impossibly cute german shepherd puppy to remind you later tonight, reply "Yes"!

Yes

👏

After implementing Iterable

14%
Curology's treatment plan compliance increased

26%
Customer engagement grew

10%
Revenue rose

Data Integration and Consolidation

The average martech stack consists of up to 16 tools. 16! With that many tools, you are often stuck dealing with data silos that aren't communicating.

Entry-level ESPs pose two problems in this situation: either they cannot utilize data from other marketing systems or they require manual entry and bulk uploads. Depending on the amount of data you've collected, this is either a deal-breaker or a tortuous waste of time and resources.

Modern ESPs set themselves apart by offering a consolidated system for data integration across the martech stack.

Your new system should be flexible and agile enough to take advantage of your data in real time and then provide you with detailed analytics about campaign performance. It's an iterative process, a feedback loop to refine your messaging and segmentation as best as possible.

One thing we can all agree on—to the chagrin of some vendors and salespeople—is that the perfect platform doesn't exist. There is no one system to rule them all.

So you have to compromise and adapt. Find a system that uses APIs to integrate with your stack of technologies, pulls data from anywhere you choose for deeper insights, and pushes data into your other systems for greater impact throughout all of your marketing efforts.

Pro-tip
Look at a vendor's partner ecosystem to see if they've taken strides to build upon their strengths, address any weaknesses, and improve your experience as a customer.

up^{habit}

How UpHabit Leverages Dynamic Data Without Engineering

UpHabit, a relationship management app, wanted to improve their overall user experience by enhancing their cross-channel messaging strategy. The company's engineering team built an in-house platform for marketing but struggled with its limitations. UpHabit turned to Iterable to grow their cross-channel experience, explore new depths of personalization and incorporate greater workflow sophistication to guide their campaigns.

UpHabit founder and CEO Neil Wainwright desired a more immersive app experience and strategized a new approach with the Iterable team. Together,

they increased message dynamism by incorporating UpHabit's app-specific data into a 90-node workflow that reaches users on multiple channels—email, mobile push and in-app—that resulted in a **718% increase in subscriber conversion**.

By selecting a martech system that integrates real-time data, you are giving engineers their time back to focus on product enhancements. Bring them into the conversation early so their input is heard, understood, and implemented to make the right choice for the whole company, not just marketing.

Getting Started With Your Modern ESP

Some of you reading this are undoubtedly thinking, "Well, this is all great in theory, but I only have a few people on my team and we have no time for a lengthy, complicated implementation." In fact, 27% of marketers selected implementation as one of the top three martech hurdles.

The reality is, the best modern growth marketing platforms don't require the sort of implementation and ramp up period other systems might need. You too can thrive and scale with a lean team without losing momentum!

Implementation and Migration

Entry-level ESPs often leave you to your own devices until something goes wrong. For a smooth implementation process, the absolute must-have from your prospective growth marketing system is a dedicated implementation team focusing on your success. This can make or break any implementation.

An effective implementation team helps you learn more about the system, ensures the process is completed correctly, and provides strategic advice for better use of data and functions within the platform.

The implementation and migration process is the perfect time to clean up your data and even your messaging. You can help speed up the process by identifying data priorities such as user data by building lists and cohorts. Categorizing and organizing your data beforehand keeps migrations smooth for all involved.

It doesn't seem quite as obvious, but you have to consider your messaging during this process too. Whether it's tagging messages by channel (email, push, SMS) or campaign type (marketing or transactional), the proper organization of messages is key. Modern platforms should be able to migrate these features over, removing the hassle of reduplicating efforts in a new system.

Delays occur when the implementation isn't prioritized, customer support isn't as involved, or data and messaging have not been prepared for migration. If these three pieces are working in conjunction, you can be up and running with your new system.

27% of marketers selected implementation as one of the top three martech hurdles
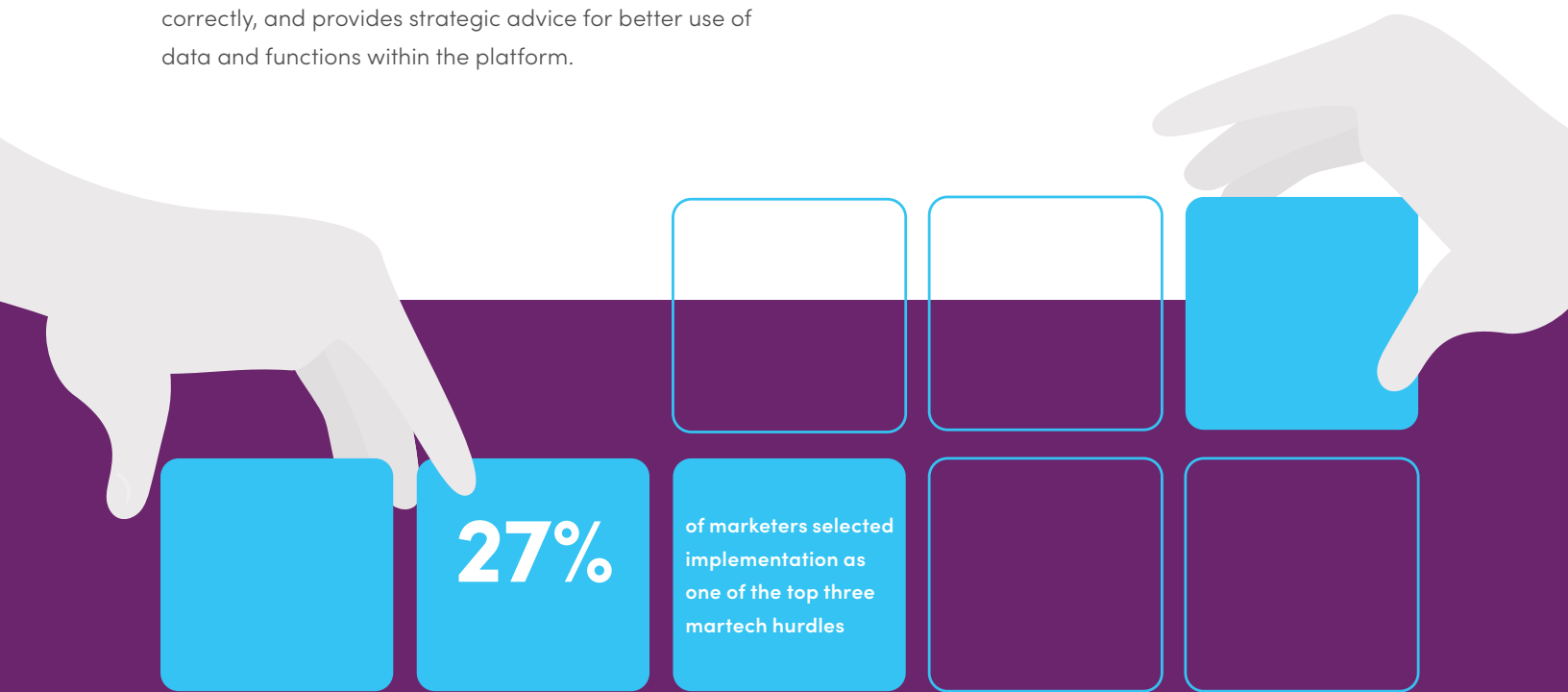
Training

Along with expanded capabilities, modern martech platforms have focused heavily on ease of use in their product architecture. These systems make campaign creation, template design, and data utilization simpler, enabling more complex workflows.

In your research, take advantage of the sales process: sign up for demos, download resources, and attend webinars. A successful vendor will provide you with the tools and customer support to hit the ground running.

The onus for graduating to an innovative system isn't for the sake of upgrading. Rather, the goal is for teams—no matter how lean—to scale and grow along with their business. If your system doesn't empower you to do more with your time, then it's time to change.

rocksbox

How Rocksbox Scaled a Marketing Team of Two to Achieve Hyper-Personalization

The goal of the modern ESP is to make the most of the resources you have at your disposal. Whether that's through training, data consolidation, or easy-to-use template builders, the modern ESP empowers lean teams to create sophisticated campaigns at scale without turning to engineering for assistance.

When Rocksbox, an interactive, hyper-personalized subscription service for fashion jewelry, upgraded to Iterable in 2015, its initial two-person marketing team was able to send well over 500,000 monthly messages to hundreds of thousands of customers with minimal engineering time and resources needed.

The team runs all customer engagement campaigns, messaging, A/B testing, and more through Iterable, eliminating the need for separate systems and saving them time to personalize messaging and improve customer experience. This testing and personalization has led to a **20% increase** in email open rate across all campaigns.

500,000
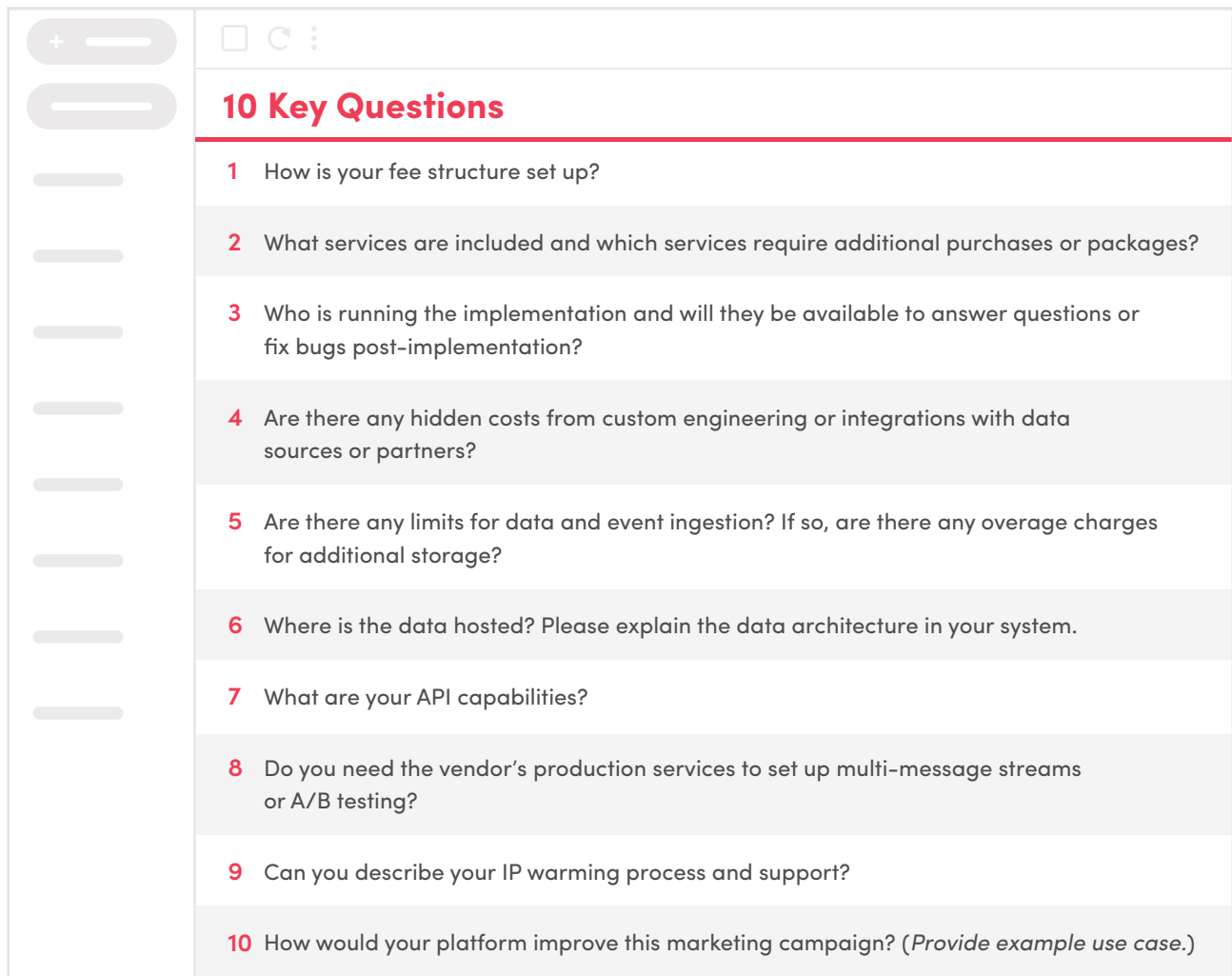**monthly messages to hundreds of thousands of customers**

▲ 20%
increase in email open rate across all campaigns

Questions to Ask for the Best Migration Experience

Before you get started, it's important that you put your prospective modern ESP to the test.

Let's face it. Stuff happens. People make mistakes. The world just has a knack for getting in the way. To protect yourself from the elements, make sure your new growth marketing solution is right for you.

Here is a list of 10 key questions to ask your prospective vendors in order to make a mindful decision that's best for your business.

10 Key Questions

1 How is your fee structure set up?

2 What services are included and which services require additional purchases or packages?

3 Who is running the implementation and will they be available to answer questions or fix bugs post-implementation?

4 Are there any hidden costs from custom engineering or integrations with data sources or partners?

5 Are there any limits for data and event ingestion? If so, are there any overage charges for additional storage?

6 Where is the data hosted? Please explain the data architecture in your system.

7 What are your API capabilities?

8 Do you need the vendor's production services to set up multi-message streams or A/B testing?

9 Can you describe your IP warming process and support?

10 How would your platform improve this marketing campaign? (*Provide example use case.*)

In the sales process, vendors will have a tendency to say, "Yes, of course it can be done…" but then fail to dive into exactly how it will be done. Ask for a technical perspective to dive deeper and more fully understand how the platform improves your marketing efforts.

By asking these 10 questions, you guarantee that the platform is flexible and scalable enough for your needs, and that the vendor's team will be present and helpful as an active partner in your success.

How to Reach Millions of Customers at the Human Level

Campaigns are mapped. Data is consolidated. You're ready for growth…now what?

Looking ever so slightly into the future, as you become more comfortable with your new growth marketing system, you should notice that engagement is rising and more and more customers are finding their way to your brand.

How do you scale to handle the influx of attention while keeping users, categories, campaigns, channels, and data—among other crucial pieces—organized?

The glaring limitations of entry-level ESPs become apparent when looking to scale. Companies like Zillow have reached this inflection point with legacy email service providers. Zillow serves the full lifecycle of owning and living in a home with a growing database of more than 110 million U.S. homes. Scalability became a major concern, so they looked to a modern platform like Iterable.

Modern ESPs should have a built-in workflow builder to ensure your campaigns are (1) utilizing real-time data and (2) replicable. Within a fraction of the time it used to take, you can set up campaigns and workflows that support every stage of the customer journey, any number of customers, and the utilization of data for more personalized interactions.

And with the click of a button, you can A/B test messaging at any step of the process to gain even deeper insights.

Zillow serves the full lifecycle of owning and living in a home with a growing database of more than

110 Million

When these campaigns start bringing in new data points, you can update each segment in real time, ensuring each campaign is using the most relevant data. Some entry-level ESPs take 24 hours to update databases and only store your data for a month at a time. In this system you run the risk of campaigns continuing on with inaccurate, outdated data.

Few things are worse than sending a customer something completely irrelevant to them. Imagine sending a cart abandonment email after a customer has already purchased an item—yikes.

Your system has to grow and scale with your business to handle however many millions of customers you throw at it. With this type of system in place, every customer receives the attention to detail they deserve.

Is It Time for an Upgrade?

When getting started in the upgrade process, ask yourself and your team these questions.

Is the creation or scaling of campaigns simple?

How does our entry-level ESP organize our behavior lifecycle campaigns?

Is our data easily accessible?

How quickly does our database update?

Are there storage limitations?

Are we able to add transaction data to our customer profiles?

What if the customer makes more than one purchase?

How often do we rely on engineering to execute on campaigns?

Are mobile and email messages in separate platforms?

Are marketing and transactional messages in separate platforms?

Is it a manual process to pull a list of users with multiple criteria groups?

Which Platform Is the Champion for You?

The entire ESP selection process is about finding the right platform for your organization. Buying a robust solution without a business need ends up being a waste of time, energy, and budget. The system has to address your goals first and foremost.

If your organization is ready to look into a modern ESP, these are the core functionalities you should expect:

Customer Journey
The customer journey must be supported by cross-channel capabilities and customizable workflows to improve customer experience and promote retention.

Ease of Use
Look for an intuitive user experience to reduce engineering need and a smooth implementation process spearheaded by a responsive customer support team.

Personalization
Your data has to be integrated to create robust customer profiles, drive targeted, personalized messaging, and update databases in real-time for personalized messaging.

Scalability
No limits. New ESPs give you freedom to support millions of audience members, store data without time limits, and iterate on campaign and workflow creation for every profile.

Data Integration
The modern ESP should provide integration of data from your full martech stack through flexible APIs and a comprehensive partner ecosystem to fill in any gaps.

Trusting these qualifications ensures you find a platform that thinks like you, addresses your specific concerns, and helps stimulate continued business growth. In your search, it's all about identifying your business needs and what opportunities you have for success.

At the end of the day, a system that is just "good enough" isn't a champion for your success. You've now done your research—it's time to demand a better customer experience.

About Iterable

Iterable is the growth marketing platform that enables brands to create, execute and optimize cross-channel campaigns with unparalleled data flexibility. Leading brands, like Zillow, SeatGeek and Box, choose Iterable to power world-class customer engagement throughout the entire lifecycle.

Data Flexibility at Your Fingertips

Access real-time user, behavioral and event data to trigger personalized messaging at virtually unlimited scale. Support an audience of millions while appealing to each subscriber's unique preferences.

Unified Brand Experience

Orchestrate seamless customer engagement across email, mobile push, SMS, in-app, web push, direct mail and more throughout every lifecycle stage, from activation to re-engagement.

Agile Iteration & Optimization

Launch, measure and fine-tune campaigns with ease to deliver more relevant messaging faster than the competition. Experiment and iterate on-demand to determine the right content, channel and cadence for each user.

Customer Journey Mapping

Visualize the entire customer journey and build sophisticated, cross-channel segments and campaigns with Iterable's intuitive, drag-and-drop Workflow Studio.

If you want to learn more about Iterable, please request a demo.

Trusted By:

box fabfitfun Fender Policygenius STRAVA Zillow