

# Media Dojo Tear Sheet

## Exact Target

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**Summary:** Exact Target is a software-as-a-Service (SaaS) outbound communications (mainly email and SMS) provider for marketing.

**The Problem:** Companies incur expensive email and other communications costs in order to speak with their customers. While many of them contract with 3rd parties, the vast majority of these vendors are message handlers alone. Analytics are crude and innovation with other services like Salesforce.com or Facebook is almost non-existent.

**The Approach to the Problem:** Exact Target offers soup-to-nuts email marketing infrastructure as a service. This includes the plumbing to send permission-based email, track and analyze results, comply with statutory (eg. Canned Spam Act) and customer service (eg. unsubscribe request), and create landing sites for click-throughs. The company also offers integrated offers such as Exact Target for Salesforce.com AppExchange, Microsoft CRM, Google Analytics, and Omniture Genesis.

**Customer Base:** It's a horizontal play so the customer base is all over the map in terms of size and industry. However, three industry sectors---travel, financial services, retail---make up the bulk of its most sophisticated users. The company signed up 250 new clients in Q1 of 2009 alone.

**Ownership:** ~\$86 million raised in total including a whopping \$70 million round raised in May 2009 split among Battery Ventures, Scale Venture Partners, and Montagu Newhall.

**Unique Point:** Ditch the spam prejudice here and now. Corporate clients want to do a lot more with email and other outbound marketing than just finding someone to handle the traffic. ET's ability to enable users to peel off relevant content contained within an email/SMS and use it socially is an important advance. This builds on existing tracking and analysis of email/SMS (who opened it and what they did) as well as integration with other customer touching services like SF.com.

**Cloud Angle:** Exact Target wouldn't be able to scale to its present size without a strong cloud presence. Aside from the economics, a primary reason for Exact Target being cloud-centric is to allow it to roll out more integrated outbound customer communications solutions as more customer facing enterprise applications migrate into the cloud. It's already in the cloud, attempting to become the communications plug-in for a host of other enterprise apps.