

AT-A-GLANCE

CUSTOMER'S BUSINESS:

Fast-growing company for mobile daily deals

CHALLENGES: A small IT team handling hundreds of thousands of emails a month, while software is their primary focus

RACKSPACE SOLUTION: Cloud Servers for applications, databases, load balancing, monitoring, and reporting; SendGrid for transactional emails

BUSINESS OUTCOME: Greater agility and fewer headaches; developers can focus on software, not email



SCOUTMOB USES SENDGRID TO ELIMINATE THEIR EMAIL HEADACHES

By using SendGrid with the Rackspace® Cloud, the mobile deals company saves significant time and money

Scoutmob, which bills itself as "mobile deals for the local curious," was founded in 2009 by Dave Payne. The Atlanta-based company launched in January 2010, and now has a staff of 32, with plans to hire 13 more in the next six months. The daily deals site sets itself apart with its business model, which doesn't require users to buy deals in advance. Instead, users get deals delivered for free to the Scoutmob app on their smartphones, which they show at local businesses to redeem the coupon.

Their plan seems to be working: Scoutmob now has deals in 13 cities, and plans to be in more than 20 by the end of the year. Scoutmob has salespeople and writers on the ground in each of the cities they operate in, giving the deals a truly local spin.

THE CHALLENGE: TRANSACTIONAL EMAILS

Loren Norman is the lead developer at Scoutmob. Before he was hired in September 2010, all of Scoutmob's IT was outsourced, and to date, he remains the company's sole developer.

That means that all the IT tasks—including email—fall to him. And Scoutmob sends a lot of emails. "Our list size was about 10,000 on day one," says Norman. "I imagine we're definitely typical in the daily deals space, but daily deals are atypical of everything else."

Norman explains that daily deals have had a profound effect on the email business. "We're sending massive email, but it's not spam," he says. "It's good stuff, people want it—they ask for it. The email industry got a shock: email spam filters had to figure out how to let this through. We're a part of the movement of new high volume qualified email sendings, like Groupon and Living Social."

Scoutmob sends hundreds of thousands of emails a month, and many of those are transactional emails, the one-offs sent to individual users when they sign up for the mailing list or use a deal in their city. While Scoutmob knew from the start that they'd need a tool for the daily emails, they continued to send transactional email themselves, through SMTP¹ servers. "That was never ideal, but it got worse over time,

and it started causing problems," says Norman.

That's when Scoutmob turned to SendGrid, a company offering cloud-based email infrastructure, relieving businesses of the cost and complexity of maintaining custom email systems. Rackspace and SendGrid have a strategic relationship, which provides Rackspace Cloud customers with access to SendGrid's email infrastructure—all running on top of the Rackspace Cloud. Rackspace customers can log into their Rackspace control panel,

"Leveraging the Rackspace Cloud and SendGrid together for our online application has been the best decision we've made to make sure our computing needs can keep pace with our business."

Loren Norman,
Lead Developer, Scoutmob

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“We send hundreds of thousands of emails a month, and with SendGrid, it’s been easy from the start. We’re a fast-growing company, and the Rackspace Cloud lets us scale as quickly as we need.”

Loren Norman, Lead Developer, Scoutmob

click the link to SendGrid, and easily start using SendGrid to send emails.

Moving to SendGrid for transactional emails couldn’t have been easier, says Norman. “Because we were using SMTP before, and that’s how SendGrid attaches, I didn’t actually have to add any code. Maybe four lines of configuration code, that’s all. SendGrid took five minutes or less to set up, and that headache was gone. Suddenly, our email was sending great.”

For Norman, SendGrid immediately removed a major pain point. “It was as if I was sending my own emails, but it was happening in some magical place. I want my servers to be as commoditized as possible. I don’t want to care about an individual box—that’s why we use the Rackspace Cloud. I don’t want to think about hardware; I want to think about software. Email is another failure vector, another use of bandwidth, and SendGrid solves that for me.”

Scoutmob experienced unexpected benefits, as well: SendGrid’s whitelabeling feature helped the reputation of their sending IP address. “Our sending IP address was immediately much better,” says Norman. “IP address reputation is a really big deal. Being able to look at our IP address as a separate thing, and not have email bound up in that, is great—that’s how it should be. SendGrid’s whitelabeling service makes it easy to take good care of your reputation.”

Norman also appreciates the metrics that SendGrid provides. “They give good reports and data,” he says. “They make it easy to flag what kind of email you’re sending. You can include a category for the different type of emails you send, and at the end of the day, they send you charts with that data. With SendGrid, I can spot problems and spikes at a glance and make judgment calls about this market segment versus that one.”

SendGrid’s reports been helpful for Scoutmob in other ways. The reports have given Scoutmob analytics to hone their email strategy, and they can send the reports to merchants and customers to demonstrate the benefits of offering deals through Scoutmob.

A PERFECT EMAIL SOLUTION FOR THE CLOUD

“There are a lot of headaches with email,” explains Norman. “We’re an agile startup, trying to move fast and get business. Just trying to learn how to do email well is crazy and really intense. The SendGrid guys know this, and you can tell they knew this was an issue and needed to be simplified. They totally nailed it.”

“The relationship between Rackspace and SendGrid is great—this is a perfect email solution if you’re hosting on the cloud,” says Norman. “Since we started using SendGrid with the Rackspace Cloud, I sleep better at night. The infrastructure I’m in charge of has one less failure point. When I want to turn on 20 boxes, not having to deal with email makes that one less thing I have to turn on or off. SendGrid handles all the heavy lifting.”

A GOOD BUSINESS GETS EVEN BETTER

For Scoutmob, using the combination of SendGrid and Rackspace solutions has been a major boon for their business. “We’re more effective than before,” says Norman. “You get to a point where you have to stop trying to do it yourself, or get really good at doing it yourself. It didn’t make sense to hire ten email developer gurus, or a build a datacenter. Email is just a building block that needs to be in place, and that’s what SendGrid does. I hadn’t yet built out a complex email system, but now I’ve got one, and it’s cheap.”

“SendGrid has reduced our team’s cognitive load,” says Norman. “And it has made it easier to scale hardware. The kind of work they’re doing for us is unbelievable, and it’s definitely saving us money. We’re a higher-functioning company as a result.”

¹ SMTP is an Internet standard for email transmission across IP networks.

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