Promotion and communication through e-mail marketing campaigns

Raluca Dania TODOR

Abstract: The main purpose of this article is to try to emphasize the e-mail marketing campaigns importance and efficiency and the way they increase the interaction between a company and potential customers and to increase their interest in a company’s products and services and finally trigger the buying decision. Also the present paper’s aim is to exemplify how business can gain benefits by using marketing automation tools like e-mail marketing campaigns which is considered nowadays a form of direct marketing which is less expensive than the traditional direct marketing alternatives.

Key-words: e-mail marketing campaign, marketing automation, direct marketing

1. Introduction

As communication moves at the speed of light, the speed of channel switching is reaching unprecedented levels. Organizations need to be ready to engage on all channels, communicate with one voice and consistent content and style, be relevant and nurture relationships, opportunities, and trends.

Through experience, innovation, and expertise, companies make use of the technology platforms and the business processes to advance awareness, education, and demand for the services and products presented to the market.

E-mail marketing is typically a starting point, lead to revenue management is usually for the one with direct sales models, behavioral marketing automation being the next generation of digital marketing for users focused on orchestrating the customer journey.

In the recent past, e-mail marketing quickly became the preferred method of contact for business looking to cut expenses, connect with buyers and increase profits. (Fariborzi, 2012)

For the past 10 years, US online marketers found email marketing to be the most effective cost option for customer retention, new customer acquisition, consumer awareness and customer conversion, also producing the greatest ROI.

1 Transilvania University of Braşov, raluca.todor@unitbv.ro
Due to the evolution of lifestyles, to the degree of urbanization, to the increase of life expectation of the population, the expectations of customers were greatly diversified. These have generated changes in the behavior of consumers and have led to the emergence of new consumer segments in the market (Bârbulescu, 2015).

2. Advantages and disadvantages of e-mail marketing

As any other marketing tool e-mail marketing has his own advantages and disadvantages (Fariborzi, 2012).

The main advantages of e-mail marketing are:

- **Easy recover of investment**: studies have shown that for every unit of money invested companies can expect over 40 units in terms or return, which can make it possible to say that the ROI (Return on Investment) is higher than for other marketing methods.

- **It is easy measurable**: companies can easily get very accurate statistics regarding a certain campaign. They know how many e-mails were sent, how many of them were opened, the click rate or the unsubscribe rate.

- **E-mail marketing is fast and efficient**: in a world where competition is tremendous timing can be of a crucial importance and traditional channels cannot provide possibility to reach customers in very short time as e-mail campaigns can do.

- **Very meaningful**: the message for different customers can be customized by proving contents and promotions that are consistent for their profile.
Main disadvantages of e-mail marketing:

- **The risk for e-mail not to be delivered**: many of nowadays ISPs are using very complex junk-mail filters, so there is a risk for the e-mail not to reach the inbox.

- **The high rate of unopened e-mails**: customers are overload with e-mails and sometimes they simply don’t open many of the received e-mails.

- **The rising rate of unsubscribing**: it is not easy to keep subscribers engaged with the company for a long period of time.

- **Renderability**: some of the browsers cannot display the creative content and for this reason the recipient might instantly close the window.

- **Costs**: even though e-mail marketing is at the first sight very inexpensive, in order to deliver sophisticated e-mail newsletter to the customers, technology resources are required, otherwise the company risks to send useless spam messages.

When choosing different marketing instruments, analyzing advantages and disadvantages becomes very important. Also companies have to bring into discussion other aspects such as: how to link marketing to quantifiable financial outcomes and how to assess marketing productivity— the so called „return of marketing” (Tescasiu, 2015).

### 3. Marketing automation

Marketing automation is the use of software to automate marketing processes such as customer segmentation, customer data integration, and campaign management. The use of marketing automation makes processes, that would have otherwise been performed manually, much more efficient, and makes new processes possible. (Todor, 2016)

Behavioral Marketing Automation (also referred to as B2C Marketing Automation) is the combination of an individual’s behaviors and automation to drive personalized interactions. Combining the two elements together creates a new opportunity for marketers, with repeated studies showing higher rates of opens, clicks and conversions on emails triggered by recipient actions as opposed to generic „batch and blast” messages.

For many companies this could be viewed as the next generation of e-mail marketing as these features are becoming more common in traditional e-mail marketing platforms. Delivery of these capabilities relies on having a strong SaaS marketing platform (marketing database and automation engine) that combines the key features of email (dynamic personalization, scalability, deliverability, etc.) with features such as scoring and campaign automation leveraged from lead to revenue management.
Email Marketing has been around the longest (15 years or so) and at this point is used by the majority of marketing departments regardless of business type (B2B or B2C), company size and industry. The term is usually used to refer to: sending e-mail messages with the purpose of enhancing the relationship of a merchant with its current or previous customers, to encourage customer loyalty and repeat business, sending e-mail messages with the purpose of acquiring new customers or convincing current customers to purchase something. Heavy senders of e-mail include retail and e-commerce, media, travel and financial services. (Adikesaran, 2014)

Lead to Revenue Management (also called Marketing Automation) is focused on managing the interaction and hand-off between marketing and sales. A company needing lead management technology is usually generating more leads (typically through a content-based marketing strategy) than their sales team can handle. They need to determine which inquiries should be turned over to sales as they are ready to buy (scoring) and which inquiries should go into nurture programs (automation) until they exhibit stronger buying signals and are ready for direct sales interaction. Use of lead management programs helps to manage the lead flow (through scoring) and reduce lead waste through nurturing (automation).

There is typically a CRM (Customer Relationship Management) system involved, usually implemented in B2B companies with software and technology as a key industry. Many B2C companies became more interested in these types of features – but used in a slightly different way – and wanted them combined with highly scalable e-mail, this became the genesis for Behavioral Marketing Automation.

The first ability of automation marketing platforms is to deliver highly personalized e-mails based on customer data and behavior. Messages that are relevant and engage to each customer can be created, in order to deliver the right message to the right customer at the right time. A Web-based Editor is used to create dynamic content directly within the body of the message using an intuitive point-and-click interface. Marketers can also test and preview the dynamic content blocks before sending out the emails to the larger audiences.

The second featured capability is the ability to create marketing campaigns, ranging from simple drip strategies to those with complex, multiple touch points through a visual campaign builder that leverages the behaviors of the prospects and customers.

The last capability is the highly flexible ability to leverage data in creating and triggering business rules. Data is really consumer insight and the value of consumer insight is the ability to market to them in the context of their interaction with customers.

Those platforms technology automates highly-personalized interactions at scale by using customer data and each individual’s behaviors to inform and drive every interaction in real time. In today’s customer-driven marketplace, this kind of softwares allows marketers to capture more customer behaviors from more sources and to integrate with best-in-breed technology solutions—giving unlimited options.
4. Key metrics for automated e-mail campaigns

According to HubSpot, in order to assess an email marketing performance, a business must conduct ongoing trend analysis of several key metrics. In this way, it can compare each campaign’s performance against its own averages to know whether a specific campaign outperformed or underperformed the internal e-mail benchmarks.

There is a need to use basic email metrics in order to understand how the constituents are reacting to emails. In order to get the desired performance, a business has to understand also the data points that are needed to track email performance, the most common formulas for standard email metrics, what they can tell, and how to use them to improve results.

As said by Ideal Ware there is some important data that should be collected, like:

- **Messages Sent** - this is the number of outbound emails sent as part of a particular mailing.
- **Messages Delivered** - this is the number of sent emails actually delivered to recipients’ inboxes. Dividing the messages delivered by messages sent, the Contact Rate is calculated.
- **Messages Opened** - this is the number of recipients who open the email to read it. Due to the way open rates are tracked and the rise of image-blocking software, this number will never be accurate. By dividing the messages opened by the ones delivered, the open rate is calculated. Open rate is a measure of how many people on an email list open a particular e-mail from a campaign.
- **Hard and Soft Bounces**. A hard bounce is a permanently undeliverable e-mail, for example, one sent to an invalid email address or to an address that no longer exists. A soft bounce is an email that is only temporarily undeliverable—for example, to a recipient whose mailbox is full. The bounce rate represents the percentage of email addresses in the prospect list that didn't receive the message because it was returned by a recipient mail server. It is calculated dividing the total bounces by the sent e-mails.
- **Unsubscribes** - this is the number of individuals who unsubscribe from the list in response to each mailing sent. Dividing the unsubscribes by the open e-mails, the unsubscribe rate is get. The unsubscribe rate measures how well a business holds its subscribers’ interest over the long run.
- **Click-Through** - this is the number of times any recipient clicks on any trackable link within the email. Ideally, each link should be counted only once, even if it is clicked on multiple times. The click-through data is helpful in order to calculate the click rate. The click rate, meaning the proportion of visitors on a web page who follow a hyperlink to the particular site/landing page, is found dividing the click-through of all contacts by the opened emails.
In order to calculate a campaign performance, the email metrics should be kept between certain parameters. So as to declare the email marketing campaign positive and efficient, the rates must be calculated and comapared to the benchmark data as shown in the table below.

<table>
<thead>
<tr>
<th>Metrics</th>
<th>Formula</th>
<th>Benchmark Data</th>
</tr>
</thead>
</table>
| Open Rate     | \[
\frac{\text{Open Rate}}{} = \frac{\text{Opened}}{\text{Delivered}}\]   | 21.43 %        |
| Click Rate    | \[
\frac{\text{Click Rate}}{} = \frac{\text{Click through}}{\text{Opened}}\] | 2.38%          |
| Bounce Rate   | \[
\frac{\text{Bounce Rate}}{} = \frac{\text{Bounces}}{\text{Sent}}\]     | 4.92 %         |
| Unsubscribe Rate | \[
\frac{\text{Unsubscribe Rate}}{} = \frac{\text{Unsubscribers}}{\text{Opened}}\] | 0.20 %         |

Source: www.mailchimp.com, Email Marketing Benchmarks

Table 1. E-mail Campaigns Metrics

As a final conclusion, e-mail marketing campaigns are highly suitable methods for promoting the offers and communicating with customers considering their lifestyle.

6. References


Bărbulescu, O., 2015. The profile of the lease services consumer in Brașov County. Advances in the area of marketing and business communication. Brasov: Ed. ISEUN.


www.silverpop.com
www.emailanswers.com/2015/03/email-marketing