

# Theoretical Approaches on Successful Email Marketing Campaigns

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## Abstract

*Nowadays, the consumer has extremely varied product options. E-mail marketing could be a tool to complement traditional marketing activities by increasing customer engagement, and which does not involve high costs.*

*While there have been many predictions for years that email marketing will be replaced with something else, it remained one of the most useful ways to reach current and potential customers.*

*This paper aims to bring some clarifications on what could bring success to email marketing campaigns. Responses are related to how sent emails can draw the attention of people (ie how they can be observed), given that, users' inboxes are invaded by messages of all kinds, how to measure the results of a campaign and which are the best practices through which we can get higher returns from email marketing campaigns.*

**Key words:** e-mail marketing, successful campaigns, opt-in, metrics

**J.E.L. classification:** M31, M39

## 1. Introduction

Outbound email marketing is the way to promote any business online by sending emails to current or potential customers (Chaffey et al., 2009). In many countries, companies must obtain permission from consumers before sending an email, otherwise they will be categorized as spam (Morimoto&Chang, 2006).

Email marketing is one of the most accessible and most effective forms of promotion today (Chaffey D., 2016), with immediate effect, both in sales, on the short term and in branding development, on the long term.

For any company, maintaining a close relationship with customers is necessary, and it's exactly what an email marketing campaign does. Any online business "lives" due to the database, announcing their customers about new offers, promotions or liquidated inventories.

Regardless of the message, email marketing used with permission in order to build relationships with clients is an efficient and powerful tool (Reed J., 2012) that can be successfully included in the online marketing mix. Email marketing brings a huge contribution to any company, with minimal promotional costs and very easy to use.

As it is the case with other marketing activities, e-mail marketing requires establishing clear objectives (Stokes R., 2008) such as strengthening the relationship between customers and company; encouraging the business; revenue growth; highlighting the strengths against the competitors; increase online sales; branding; attracting new customers; presenting promotional offers to existing or potential customers; promotion of new products; customer information on certain changes. Regardless the objectives, at first it has to be created the database of people who have already expressed interest in the company's products.

## 2. The implications of email marketing campaigns

Setting goals is extremely important in email marketing and marketers need to consider the click to open rate from call-to-action in the email. The mere open rate of the e-mail does not

guarantee that the user comes to the business website. Often distortions occur between the time the user sees the email in the inbox (the sender address and subject line of email) and when he actually reaches the newsletter and he bounces or deletes it. This distortion is, in most cases, due to the difference the user finds between the theme of the subject line and the content of the email. In other words, the content of the email can be very good but if the user had other expectations (there is a mismatch between the two: the subject line and the content of the email or the subject line was too vague), this leads to a negative attitude towards the content and therefore to taking the necessary measures. Therefore, then setting goals, marketers must prove empathetic to the needs of the target audience and create campaigns with relevant content to users and to business alike.

Of course, when it comes to methods and tools used in marketing, there is always room for improvement. We refer below to some practices that can improve email marketing campaigns.

### **3. Creating databases**

It is absolutely necessary to be based on permission (opt-in, the explicit option to receive emails from the marketer in question is in some countries even a legal requirement), otherwise, customers become dissatisfied and the unsolicited emails end up being classified as spam (Chadwick FE, Doherty N., 2012). Permission-based marketing (Godin, S. 1999) provides a personalized and direct addressing to potential clients.

Godin believes that by practicing permission-based marketing, consumers are paying more attention to marketing messages, fact which is useful not only to them but also to the marketers, like a perfect symbiosis. It matters much more the quality and sincerity of the relationship between marketers and target audiences, who are still people with their own emotions and feelings, with secrets belonging to them exclusively. Respect for the freedom and privacy of others requires reciprocity.

According to Godin, permission-based marketing has three main features: anticipating (consumers expect to hear about brand), individuality (marketing messages directly addressed and customized to each target client) and relevance (the client receives information that interests him, that are relevant to himself).

### **4. Segmenting used email lists**

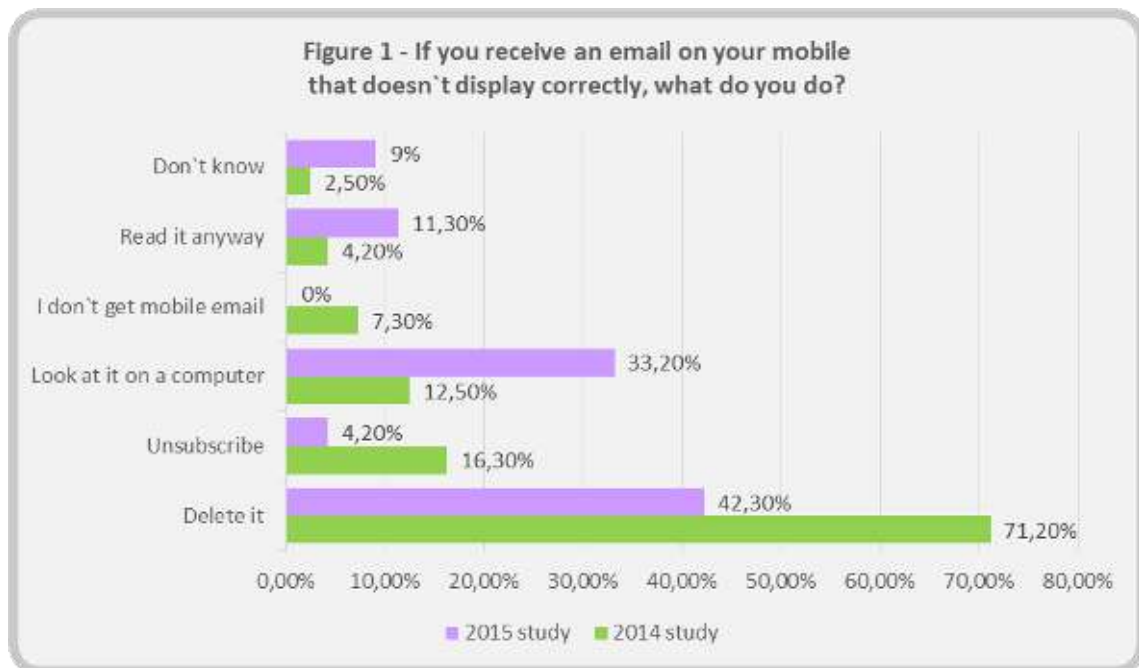
The use of segmented subscriber lists is the soundest approach in order to have successful email marketing campaigns. (Thomas L., 2011).

Each of email subscribers behave differently, have different interests and expectations and react differently. It is therefore important to know to whom the emails are sent so that messages are relevant to segments of subscribers to whom they are addressed. This will increase the click to open rate and will also reduce the rate of unsubscribes.

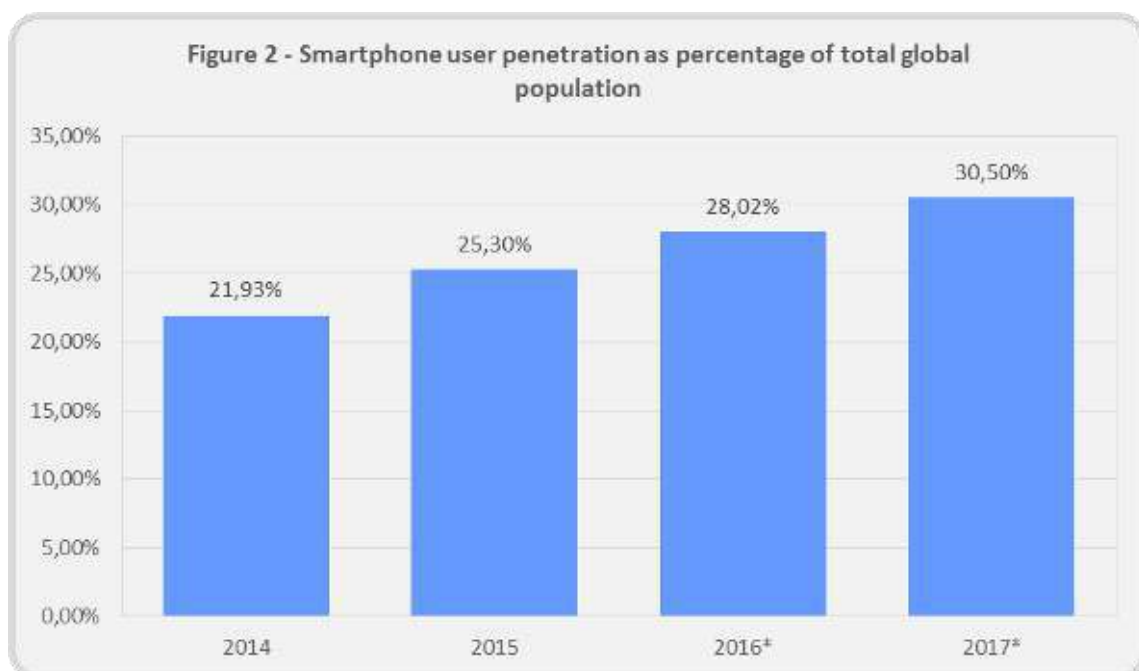
### **5. The creation of responsive emails**

Emails compatible with any mobile device will have the effect of reducing the rate of deletion of email before even being read. According to the study Consumer Views of Email Marketing (BlueHornet, 2015), 42.3% of respondents assessed they would delete and 4.2% would unsubscribe from an email received on a mobile device if it does not look good on display. The same survey conducted in 2014 (BlueHornet, 2014) showed that 71% of respondents answered they would delete emails whose content is not responsive, and 16.3% would unsubscribe (see Figure 1). Optimizing content for mobile means adapting it for different types of devices so it can be most easily viewed and interacted with.

Most services of email marketing allow you to view content on different devices, which can be considered one of the causes that led to more attention from marketers and also alleviate, in 2015, the negative reaction of respondents to the situation of receiving incompatible email with mobile devices, that while the penetration rate of smartphones has increased in recent years by more than 6% globally (see Figure 2).



Source: Analysis based on data from Bluehornet – digital River Company survey 2014 and 2015 – Consumer View of Email Marketing



Source: © Statista 2016

## 6. Use clear and concise subject lines

As regards to the subject line, it is desirable to say and not to sell exactly what the email contains. Then, through content, marketers create curiosity and cause users to follow the call to action to reach the site and the landing page where they can get more information. Therefore, it is preferable a subject line relevant to the email content than the one that could bring a higher open rate, but where users will give up easily even before reading the content.

Marketers who are conversion-oriented understand that for a higher click to open rates, they should focus on the relevant content of email and the correspondence with the subject line, and not on the open rate. The subject lines must be sufficiently exciting to get users to open emails, whether they present an irresistible offer like "50% discount for product X" or inform consumers

about a special event. For a high open rate, it is recommended a maximum of 50 characters or approximately 10 words.

## 7. Customizing the email and using clear call-to-actions (CTA)

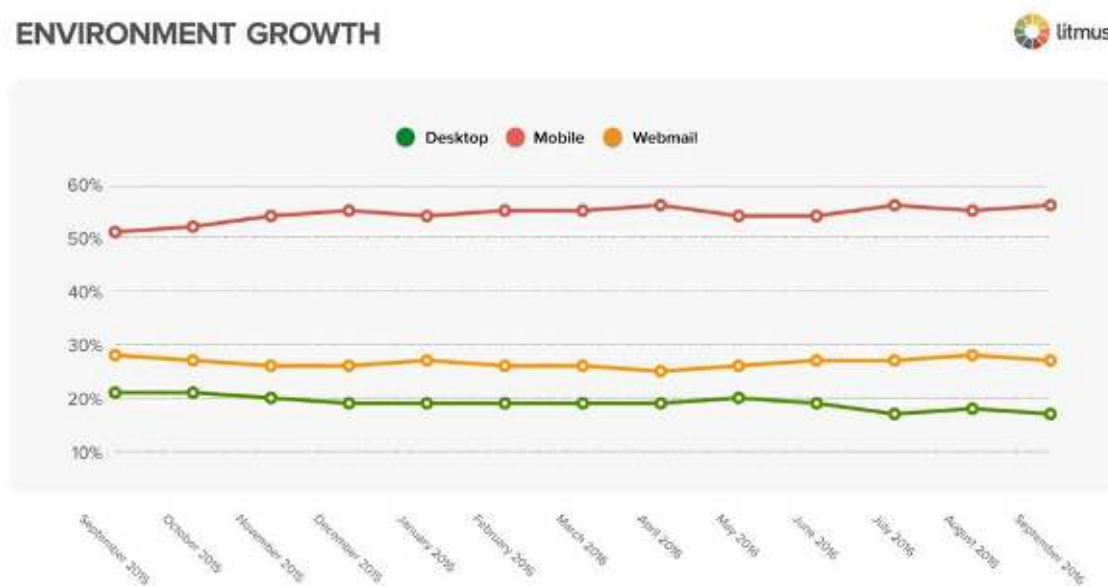
Customizing encourages the recipients to open emails and interact with their content. The more information about the handset is used to customize the emails and subject lines, the greater the effects of a campaign.

When conducting an email marketing campaign, it is absolutely necessary to make it clear what is expected of people to do in the next 4-5 seconds: to buy something, to learn more information, to sign in etc.

## 8. Providing concise content

For the campaigns, which have more content to deliver to subscribers, it is recommended that for each section, after formulating the main idea to provide links to the page where you can find the complete content. This will avoid the subscribers to scroll through all content to reach the next topic, fact that would be even more difficult to achieve on the mobile phone, the rate of withdrawal being, in this case, very high. This is as much important as the mobile phone is the primary device for accessing emails (see figure 3).

Figure 3 – Mobile for email market share



Source: litmus.com

## 9. Testing and measuring email campaigns

Measuring conversions, visited pages or immediate renunciation in marketing campaigns is extremely important because it represents the feedback from subscribers and their analysis enables further optimization. Thus, if the email service does not automatically generate these indicators, it is desirable to add tracking codes for each link in the email to follow what the subscriber does after clicking on the link.

In improving campaigns, A/B testing on subject lines, content or time reference provides valuable information that contributes enormously to the success of the campaign.

## 10. Email marketing metrics

Email marketing metrics are important because it is a way through which you can easily find out if emails perform well and what could be done to improve them.

Open Rate – refers to the number of consumers who open the email. Although it is used by many marketers to measure the success of an email campaign, however, it is not recommended because of the subjectivity and the possibility of manipulation of this indicator (Georgieva M., 2012). For this reason, it is much better to consider click-through rate to measure the success of the email campaign.

Click-through Rate – it is calculated as a percentage of the audience who clicked on one or more links included in an email message (Kolowich L., 2016). It is the basic indicator for many marketers because it provides information directly related to the number of persons in the email list that interacted with the contents of the email and were interested to learn more about the brand and the offers submitted.

Conversion Rate – the percentage of those in the audience who received the email, clicked on a link in the email and who responded to a call-to-action such as buying a product or filling out a form. It is the indicator which ends the measurement of the effectiveness of an email marketing campaign, but which also depends on external factors such as the quality of the landing page on which the audience arrives as a result of accessing a call-to-action in the email.

Bounce Rate – the percentage of the number of emails that could not be shipped to the recipients' inbox. Of these, most are due to the existence of email addresses which are invalid or not existing. They must quickly be removed from email lists to not lose credibility and to not damage the reputation.

Delivery Rate – the percentage of the number of sent emails which arrived in the recipients' inbox. It is linked to the previous indicator, representing the difference from the bounce rate and it is considered a good rate when its value is at least 95%.

Forwarding Rate – the percentage of recipients of an email that shared or recommended to a friend the email content by distributing it through a social network. This indicator shows the extent to which the recipient considered the email content relevant and valuable, and it's also a way to generate new contacts in the address list.

ROI – refers to the return of investment of the email campaigns.

Unsubscribe rate – it is not relevant enough because generally subscribers who were bored to receive emails from a particular brand, do not go through the unsubscribe process, but simply ignore the email in the inbox or delete it immediately. So, it's much more efficient measuring click rates and conversion rates.

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## 11. Conclusions

Email marketing is a powerful way to bring businesses real results and measurable ROI.

Conducted properly, email marketing campaigns can be some of the most profitable channels with high conversion rates. This means they must be communicated only to those who have given their consent to receive messages from the concerned marketer.

Many businesses engaged in such campaigns do measure correctly the effectiveness of sending an email. Moreover, they are not even thinking about segmenting the customers' database. Segmentation is the process by which the database is divided into several lists of email addresses, depending on various criteria, such as customers' past purchases, demographics, preferences, type of offer you want, etc.

Email marketing has a higher efficiency than other methods due to considerations such as: low costs, high conversion rate, better measurability, segmentation and personalized addressing.

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