Adobe Campaign guide to email marketing: The next frontier.

Transform your email marketing strategy into a money-making machine.

2014/2015

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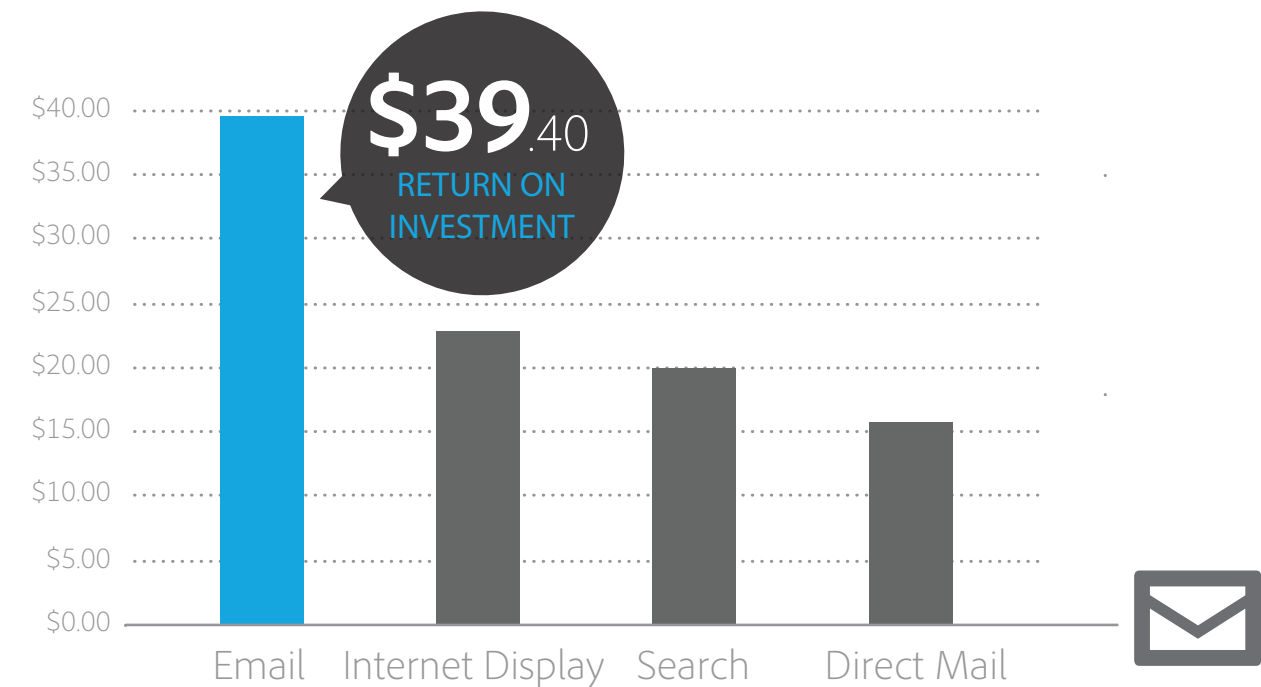
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The next frontier for email marketing

In 1978, the first email marketing message "flooded" the inboxes of 400 users through Arpanet, the predecessor of the Internet. The email resulted in $13 million worth of computer sales for Digital Equipment Corporation. To this day, email remains one of the most powerful marketing channels. Compared to other channels, it ranks No. 1 in ROI, with a $39.4 return on every dollar invested.

But email marketing succeeds at these high levels only for marketers who understand customer expectations and new email trends and explore ways to meet those expectations and play to those trends.

Return on Every Dollar Invested

$39.40
RETURN ON INVESTMENT

$40.00	
$35.00	
$30.00	
$25.00	
$20.00	
$15.00	
$10.00	
$5.00	
$0.00	

Email   Internet Display   Search   Direct Mail

Source: *The Power of Direct Marketing.* Direct Marketing Association, 2011–12.

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Today's consumers respond differently to email. They prefer to first read them on their smartphones and then perform follow-up activities, like purchases, on their tablet or laptop. And they expect emails to be visually attractive and easy to read on each device.

Consumers also give their time and attention selectively. Spray-and-pray emails are out; personalized and relevant emails are in. You must know your customers to determine which content and offers resonate. And you must deftly deliver those experiences while taking into account the customer's location, device, on-site behavior, and relationship with your brand.
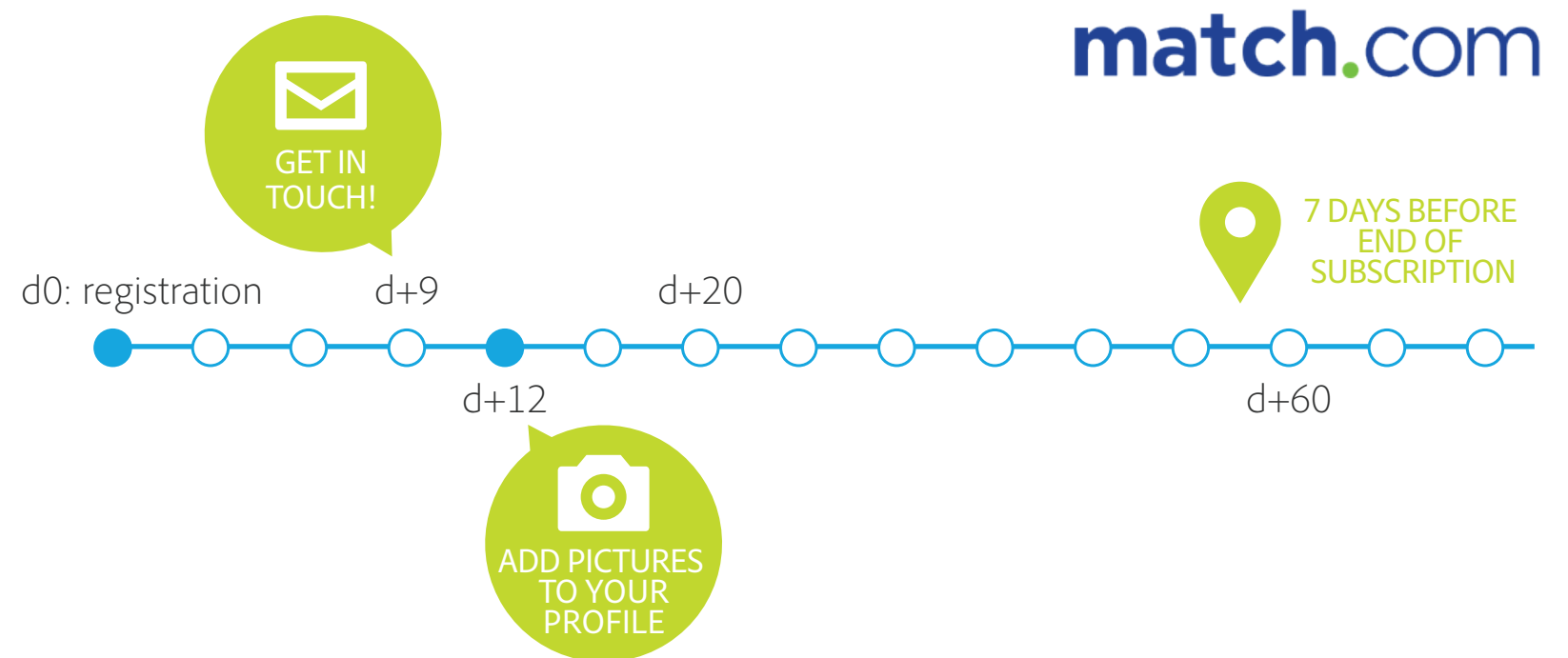
This guide explains innovative email marketing tactics and offers practical advice on using them. It addresses following the customer through the customer lifecycle and serving tailored content within the context of location and device. The guide provides proof that these approaches work by looking at ROI and other success measures.

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Follow the customer through the consumer lifecycle

When creating email marketing campaigns, consider the stage of the customer relative to the customer lifecycle. Have they converted and become customers? Are they active, repeat customers? Are they loyal customers and brand evangelists? Have they stopped interacting with the brand? Each stage requires a different approach and content.

Tactics like triggered emails and remarketing can start, strengthen, or breathe new life into customer relationships by emailing customers with offers at opportune times.

match.com

GET IN TOUCH!

7 DAYS BEFORE END OF SUBSCRIPTION

d0: registration   d+9   d+20

d+12

d+60

ADD PICTURES TO YOUR PROFILE

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Trigger emails at key moments

The timing of an email message makes all the difference between relevance and irrelevance. A welcome email after joining a loyalty program, a follow-up message after cart abandonment or a customer service call, or a thank-you email after making an online or in-store purchase—triggered messages like these let you react in real time to key moments in the customer lifecycle.

These types of emails can have a significant, positive impact on a customer's relationship with the brand. Northern Europe fashion retailer, Lindex, used this tactic to increase open rates from 18% to 35%.

As illustrated here, triggered emails can lead to more personalized communications. An in-store purchase triggers a customer survey that produces a net promoter score for each customer. This score, which indicates the customer's affinity and loyalty to the brand, is used to group customers. Each group then receives different, highly relevant online and offline communications.

But beware of wearing out your welcome. Customers receive volumes of unwanted email, sometimes even from brands they love. You can use fatigue rules to take heed: When they don't respond to a certain number of emails, adjust the channel and frequency of your communication.

CUSTOMER makes in-store purchase

2 DAYS LATER **COMPANY** emails customer a survey (Not more than one a year)

CUSTOMERS grouped by responses

DETRACTORS

PASSIVELY SATISFIED

PROMOTERS

Trigger customer service calls to improve customer experience

Train store managers on improving customer experience

Trigger personalized emails that sustain loyalty

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Leading bookseller sends personalized, event-triggered emails

One of the largest retail booksellers in the US combines its vast customer knowledge from its customer data warehouse with real-time preference and behavioral data captured by its campaign management solution to send personalized, event-triggered emails. For example, based on past purchases and inferred interests from on-site behavior, customers receive personalized new release announcements.

Tactics like this helped the company to generate positive ROI from its solution in less than one year.

- Well-timed emails to customers who purchased a book from a series, but not the next in the series, outperformed other emails by over 300%.

- Genre-specific newsletters significantly outperformed batch mailings. Revenue per email grew 194% for science fiction and 167% for romance.
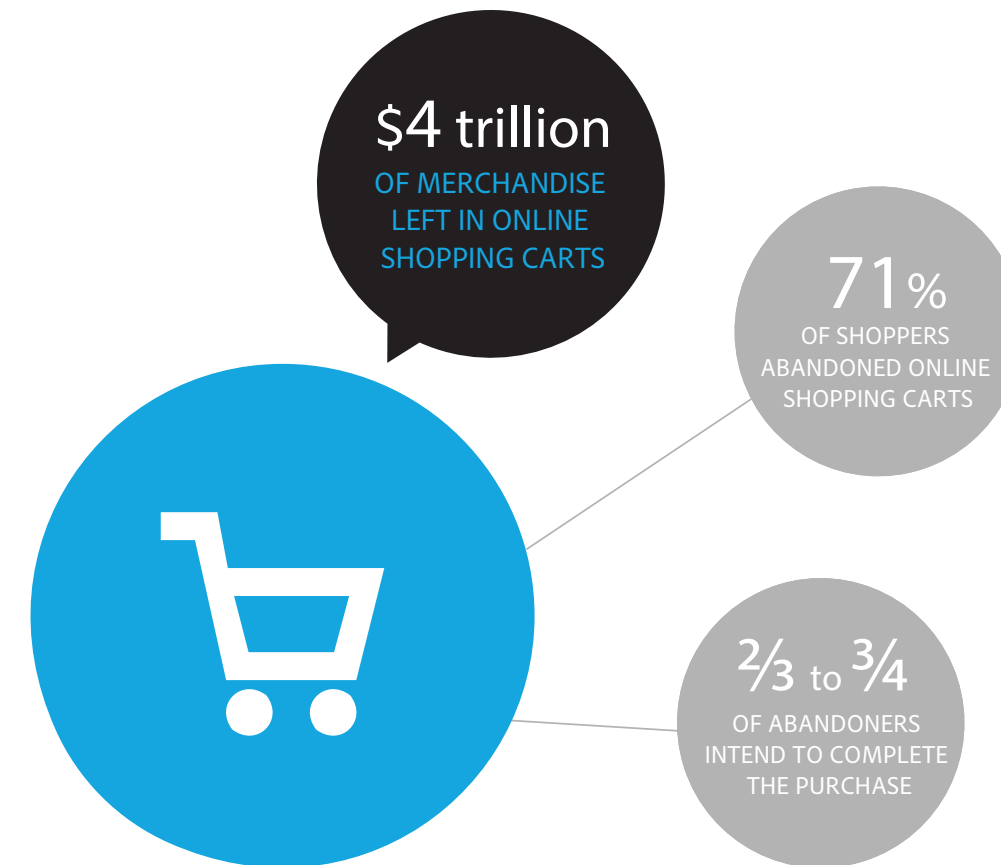
Remarketing: An opportunity not to be missed

When customers place an item into an online shopping cart, they may have intended to buy it, but found the checkout process too difficult or time-consuming to complete. Or they might just be satisfying a craving to shop, or perhaps pricing the full cost of the item with shipping for a later purchase or for comparison shopping.

Placing an item in a cart can represent an important step along an often circuitous purchase path. Customers abandon merchandise to the tune of approximately $4 trillion each year. One survey determined that as much as $2.65 trillion, or 63%, of that abandoned value could be reclaimed.

Remarketing, sometimes called retargeting, is one of the biggest opportunities for revenue gain. Remarketing isn't limited to abandoned shopping carts—you can also remarket to those who have completed purchases with related offers and products.

$4 trillion
OF MERCHANDISE LEFT IN ONLINE SHOPPING CARTS

71%
OF SHOPPERS ABANDONED ONLINE SHOPPING CARTS

⅔ to ¾
OF ABANDONERS INTEND TO COMPLETE THE PURCHASE

As much as $2.65 trillion can be reclaimed through **remarketing**

Source: Shopping Cart Abandonment: Online Retailer's Biggest Headache Is Actually Huge Opportunity. *Business Insider*, May 2014.

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Target emails based on a 360-degree customer view

Serving smarter, better-performing, and more personalized content requires deep knowledge of each customer. You have to understand the customer's interests and preferences—expressed directly or inferred from interactions with your marketing channels. You want to capture and use information like demographics, the device being used, and where the customer is.

You need a central place to see the progressive view of the customer. Within this view, you should be able to enter attributes based on customer interactions and augment this information with customer attributes from other enterprise and third-party sources.
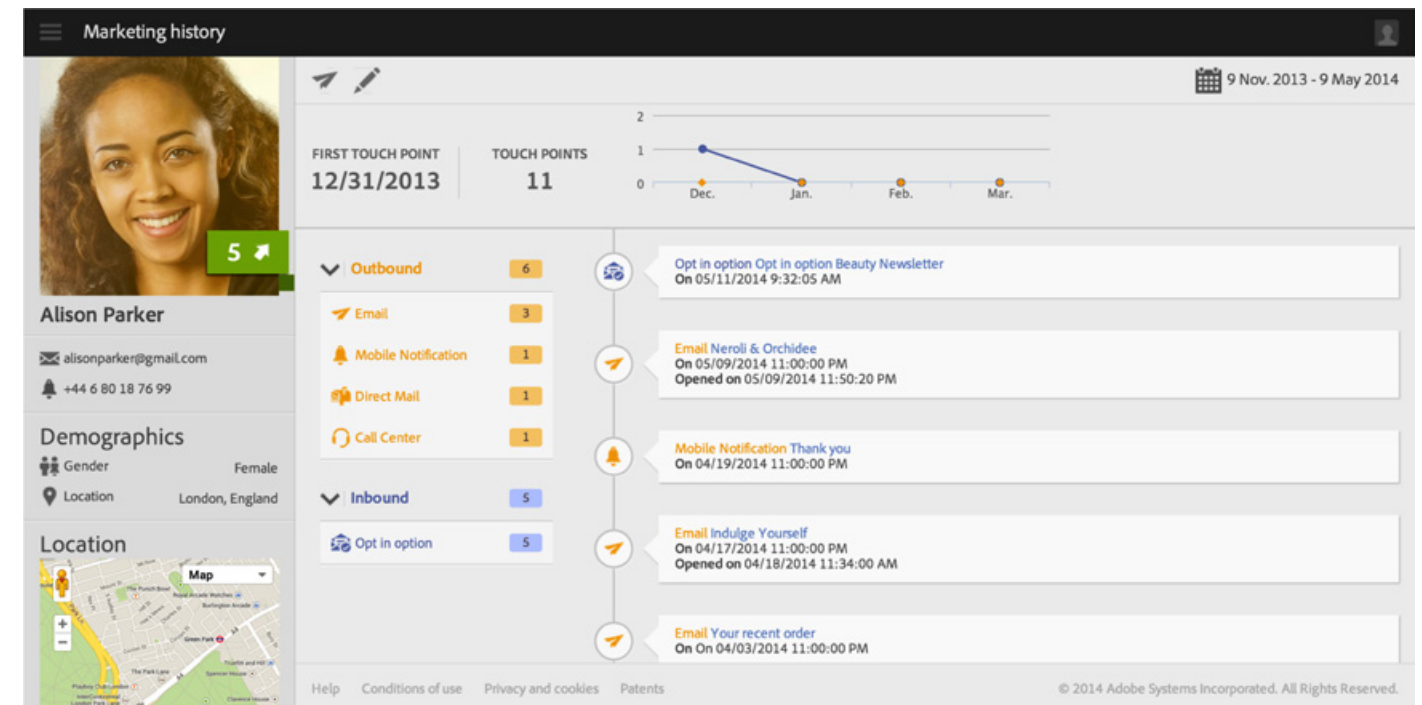
Putting customers in charge of their email experience

Putting customers in charge of their email experience is one great way to engage and retain them. One of the best ways to do this is to have a "preference center." Information collected about your customer's preferences will help you create a more personalized experience for them that could result in deeper engagement, a higher retention rate, and ultimately, better responses.

Obviously, the preference center allows them to unsubscribe easily, but it can do so much more. Your preference center can allow them to "opt down" and choose a lesser frequency of email delivery or change their topics of interest. They can choose how often they want to hear from you, and you might even let them choose what day of the week they'd like their emails. You can find out their interests and increase the likelihood that they will engage with your mailings.

Your customers want to make their own choices, and if they can't find an easy way to unsubscribe or hone their choices, they might classify your mailing as spam. Careful thought and design of your preference center can significantly increase your awareness of customer needs and increase the customer's confidence in your brand.

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Tailor content for each customer and context

The 360-degree view paves the way for serving each customer the right email content at the right time, no matter where the person is and which device is being used. Leaders in email marketing already offer these highly tailored experiences. They use capabilities like responsive design, which automatically delivers emails formatted for the user's device, and personalization that provides relevant content based on what you know about the customer.

Additionally, you can expect real-time inboxes that dynamically update emails with the most relevant offers and content based on constantly changing data, like inventory levels, weather, and customer location.

Of course, all this tailored content requires designers to create a lot more content. You need to find ways to reuse content so that you get the most out of your investment.

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Real-time inbox: Coming to an inbox near you

After you send an email, its content is set. End of story.
But what if that email could dynamically update while sitting
in the customer's inbox?

For example, as tickets for a popular concert sell, the email could
be updated to show the number of tickets remaining. As customers
changed locations, they could receive maps showing a store's
nearest retail. Or the email could contain weather-appropriate offers
as the weather changed. Email content could even update based
on the content your testing and targeting solution, or multi-variate
testing solution, determines to be the winner at any given moment.

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Render emails using responsive design

When smartphones first came out, marketers quickly realized that what looked good on a laptop or desktop computer was awkward to view on a smartphone. Then tablet devices came out. Soon every brand under the sun was developing content for a smartphone and tablet device, along with traditional laptop and desktop computers. The practice of responsive design arose from a need to serve web content and emails that rendered appropriately based on the device on which they were viewed or opened.

Studies show that today, people open 61% of emails on mobile devices. A full 80% of them will delete emails that don't look good when they open them, and 18% will actually unsubscribe. Case studies show that responsive design in emails works, increasing open rates by 15%–17% and click-through rates by 21%–24%.
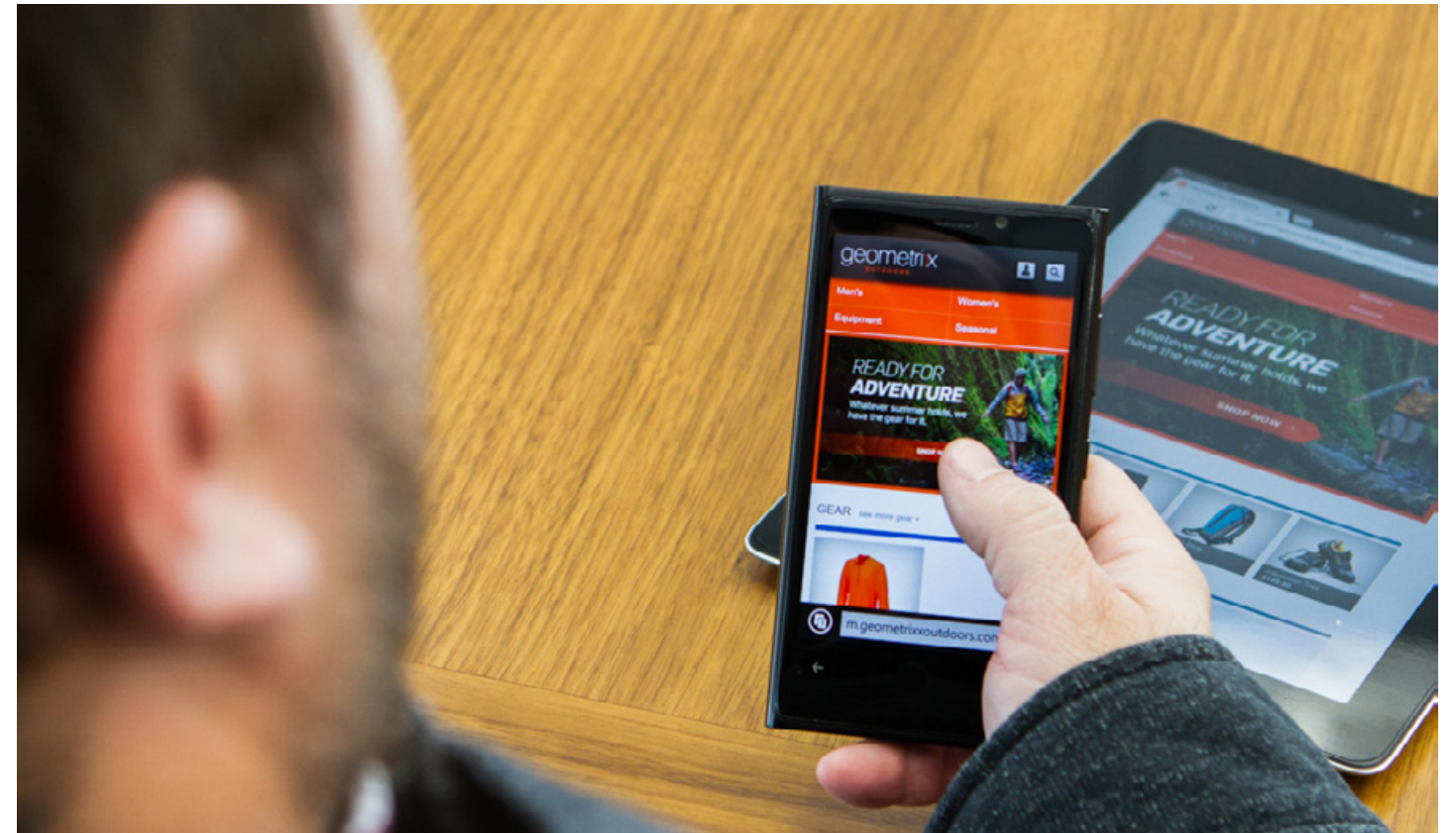
Show customers you know them with personalization

Spray and pray, batch and blast—these one-size-fits-all approaches to email campaigns must be put out to pasture in favor of campaigns that treat recipients as individuals, not members of a herd. Tactics like A/B testing help you determine which different versions of email content and offers resonate most with each customer. Offer management lets you dynamically choose the best offer or content for a given customer and insert it in a designated spot in an email template. Serving your customers personalized content using tactics like these increases the likelihood that they'll take the action you want them to take, like click-through to a product page or make a purchase.

Wireless service provider C Spire used personalization to drive deeper customer engagement. The company had been sending customers untargeted, blanket campaigns. As part of a new corporate mission to offer "personalized wireless," it began sending personalized emails driven by customer needs, preferences, and behavior. As a result, open rates jumped from 8% to 51%—a 537% increase—and click-through rates nearly doubled, going from 25% to 48%.
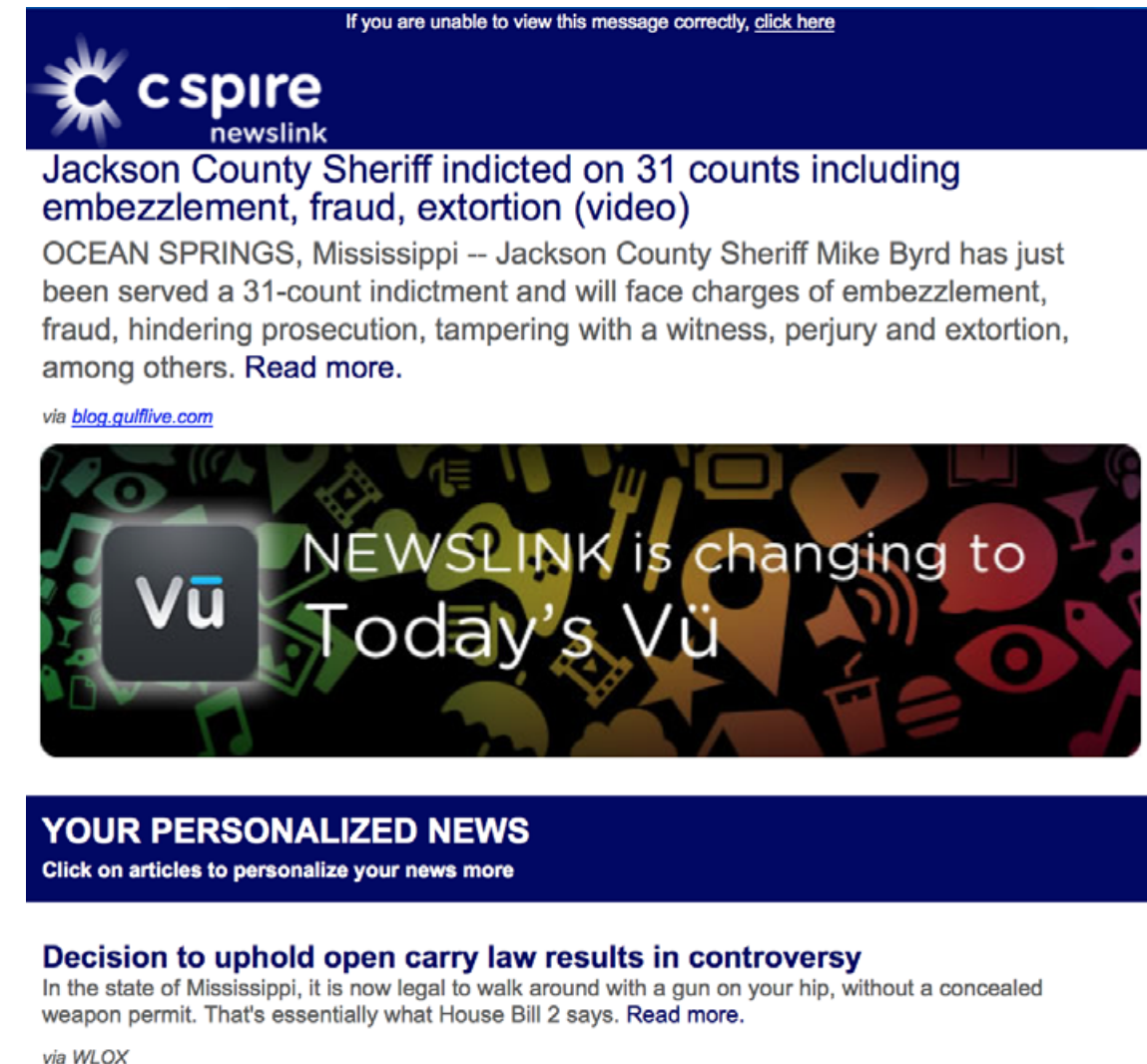
Reuse creative content across marketing channels

A recent survey asked marketers what was the most effective activity they could undertake. Over half responded, "Creating relevant and compelling content." Yet 40% said this was also the most challenging activity. The more you personalize the emails you send your customers and the more you employ responsive design, the more creative you need. According to a recent Forrester report, spending on creative and integration of email with in-house systems will experience a year-over-year average growth of over 10% from 2013 to 2018.

Investments in creative need to pay off, though. The B2C Content Marketing report, 2014 Benchmarks, Budgets and Trends, from the Content Marketing Institute and MarketingProfs, shows that they do. The report notes that effective marketers spend 32% of their marketing budget on content marketing, while the least effective spend just 10%.

A key way to reduce the cost of creative content while still meeting demand is to share and reuse creative assets across your various marketing channels.

Activity	Most effective	Most challenging
Creating relevant and compelling content	51%	40%
Personalizing email messaging	15%	10%
Segmenting email marketing lists	15%	11%
Testing and optimizing email messaging	7%	8%
Integrating email with other tactics	7%	13%
Sending auto response or drip campaigns	3%	6%
Optimizing email for mobile devices	2%	4%
Engaging subscribers via social media	2%	9%

Source: Email Marketing Benchmark Summary Report. Ascend2, Feb. 18, 2014.

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Next frontier of email marketing

Some companies tend to blaze a trail of innovation, showing us novel ways to do things. You've probably experienced a few already—store receipts emailed to you upon purchase, the ability to use your phone as a boarding pass or event ticket with the iPhone Passbook and Google Wallet, or a mobile app that lets you use your phone to make purchases.

High-speed train operator Thalys is another such trailblazer. The Brussels-based organization first pulled together all its customer data to create a 360-degree view of its customers. This level of insight let the company begin sending personalized emails to the right person at the right time on the right device. It also helped Thalys recognize that its customers greatly valued the convenience of e-ticketing. As a result, when customers purchase a ticket, they now receive an email confirmation along with an SMS text that includes a QR code for the ticket—a service that Thalys customers love.

These cross-channel approaches are rare today, but will become more and more common as companies strive to make the customer's experience more personalized and enjoyable.

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Conclusion

Without a doubt, email marketing represents one of the most cost-effective ways of generating a return on your marketing dollar. While some formerly popular email marketing tactics no longer suffice, new, more savvy ways to connect and grow the customer relationship through email marketing continue to emerge.

Central to these approaches is a deep customer knowledge that gives you the necessary insight to serve customers what they want, when they want it, on the device they're on, wherever they are. Such highly relevant emails find themselves welcome in inboxes far and wide.

As time goes on, expect email marketing to reveal new, innovative ways to use this proven channel and take advantage of advances in technology and shifts in the digital landscape.

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About Adobe Campaign

Adobe Campaign provides best-in-class campaign, offer, and personalization management capabilities for sophisticated automation and execution of marketing programs across all channels— digital and traditional. Adobe Campaign addresses a key challenge for marketers: how to build and extend relationships with their customer base to drive top-line revenue growth and ROI. Adobe Campaign is used by more than 400 of the world's leading brands, including Alcatel-Lucent, barnesandnoble.com, Sears Canada, Sephora Europe, and Sony Music.

Marketers finally have a complete, integrated solution for all their marketing efforts with analytics, social, media optimization, targeting, web experience management—and now cross-channel campaign management with Adobe Campaign. Adobe Marketing Cloud does it all.

Learn more at *www.adobe.com/marketing.*

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