EMAIL MARKETING FOR ADVISERS

INTRODUCTION

Email marketing is one of the cheapest and easiest ways to reach your target audience. The purpose of this document is to provide some tips on how to deliver an effective email marketing campaign and how to measure its success.

WHAT IS EMAIL MARKETING?

Email marketing is usually used to refer to sending email messages with the purpose of enhancing the relationship of a business with its current or previous customers, to encourage customer loyalty and repeat business, acquiring new customers or convincing current customers to purchase something.

An **email marketing campaign** is a series of marketing emails where the number of emails, their content, timing, and target audience etc. have been strategically planned (and may be combined with other marketing campaign activity) to achieve one or more desired outcomes or objectives.

WHY EMAIL MARKETING?

➢ Salesforce's 2015 State of Marketing report found that email remains one of the most powerful communication tools, is an integral touch point along the customer journey, and has grown in importance since the introduction and popularity of smartphones.

➢ 73% of the 5,000+ global marketers surveyed for the report agreed that email marketing is core to their business.

➢ According to a 2013 report released by McKinsey, email is nearly 40 times more effective at acquiring new customers than Facebook and Twitter combined.

➢ Email offers one of the cheapest and easiest ways to directly reach out to customers and keep your brand top of mind.

➢ A 2016 Adestra survey of over 1,100 marketers found that 73% of companies surveyed rated email marketing as 'excellent' or 'good' when it comes to ROI.

➢ According to a 2012 Transparency Market Research report, email marketing is growing at 20 per cent year-on-year and by 2018 will reach a market value of US$6.8 billion.

HOW DO I KNOW IF MY EMAIL CAMPAIGN IS SUCCESSFUL?

The following metrics can be applied to each email. If an email campaign involves multiple emails, the success of the whole campaign can be measured by calculating the average of the below metrics for all emails sent as part of that campaign.

Metric	Definition	Calculation
Open rate	The total number of times an email is opened (shown as a percentage)	$\dfrac{\text{\# of times an email is opened}}{\text{\# of contacts the email was sent to}} = xx\%$
Unique open rate	The percentage of distinct contacts that have opened an email (does not include when a contact opens the email for a 2nd + time)	$\dfrac{\text{\# of distinct contacts that have opened an email}}{\text{\# of contacts the email was sent to}} = xx\%$
Click-through rate (CTR)	The number of times any hyperlinks in the email are clicked on (shown as a percentage)	$\dfrac{\text{\# of clicks on all hyperlinks in the email}}{\text{\# of times an email is opened}} = xx\%$
Click-to-open rate (CTOR)	The percentage of distinct contacts who clicked on a unique hyperlink in the email (does not include when a contact clicks on a hyperlink for a 2nd+ time)	$\dfrac{\text{\# of unique clicks on the hyperlinks in the email}}{\text{\# of distinct contacts that have opened an email}} = xx\%$
Conversion rate	The percentage of contacts who have taken the action you wish them to take. (e.g. clicked on a link and purchased a product)	$\dfrac{\text{\# of desired actions taken}}{\text{\# of clicks on all hyperlinks in the email}} = xx\%$
Bounce rate	The percentage of contacts who have clicked on a hyperlink, but leave your website straight away	Needs to be automatically calculated
Unsubscribe rate	The percentage of unique contacts who received the email and chose to unsubscribe from future emails	$\dfrac{\text{\# of unique contacts who unsubscribed}}{\text{\# of contacts the email was sent to}} = xx\%$
List growth rate	The growth rate of subscribers to your email list (shown as a percentage)	$\dfrac{\text{\# of new subscribers - \# of unsubscribes}}{\text{\# of contacts in the email list}} = xx\%$
Inactive user rate	The percentage of subscribers who have not opened any email sent to them during a period of time (e.g. 3 or 6 months)	$\dfrac{\text{\# of subscribers who have not opened an email during a set period of time}}{\text{total number of email subscribers}} = xx\%$
ROI	The return on investment of (for example) an email campaign	Revenue (# of sales that come directly from an email campaign) – Expenses (total cost to send your campaign) = Profit/Loss (one conversion needs to be given a $value) $\dfrac{\text{Total \# of conversions achieved due to an email campaign}}{\text{\# of conversions needed to break even}} = ROI\ xx\%$

Other marketing metrics

The following marketing metrics can be used to determine the overall effectiveness of all your marketing activity (including multiple email campaigns).

Metric	Definition	How to measure this
Brand awareness	The extent to which your target market is familiar with your brand/business. Brand awareness is important as one of the strongest drivers in making consumers buy (whether now or in the future) is the ability to recall your brand.	While there is no specific calculation to measure brand awareness, you can use the following tactics to measure and track your brand awareness 1. Survey your target market 2. Monitor your website traffic 3. Use Google AdWords Keyword Planner and Google Trends to check the volume of searches for your brand name 4. Monitor the media, social media and other websites for mentions of your brand
Reach	The potential number of people who may see your brand when it is mentioned/shown.	This can easily be calculated in social media as the number of followers of each author who mentioned you. For other channels this may need to be estimated.
Market penetration	The successful selling of your product or service in a specific market.	The amount of sales volume of an existing product or service compared to the total target market for that product or service
Frequency	The number of times your messages reach the same people.	Calculated by adding (for example) the number of emails you send, and the number of times you post on Facebook or Tweet on Twitter about a particular product or service, with any other communication channels you use such as your website and any external media etc. To increase your brand awareness and the chance of your target market purchasing your product, you should aim for your message to be seen 3 to 7 times, preferably via different communication channels.
Customer retention	The number of customers that continue to buy your products over a period of time (e.g. 2 years).	<u># of customers that bought in both year 1 & 2</u> # of customers for year 1 = xx%
Customer acquisition	The number of new customers you acquire over a period of time (e.g. 2 years).	<u># of new customers for year 2</u> # of existing customers for year 1 = xx%

Industry Benchmarks

Another way to measure the overall success of your email campaign is to measure/benchmark your results against your industry averages. Here are a few to get you started.

Industry	Open Rate	Unique Open Rate	Click-to-open rate	Click-through Rate	Bounce Rate	Unsubscribe Rate
Financial services	21.36%	22.1%	12.5%	2.75%	0.60%	0.24%
Insurance	20.60%	28.7%	12.6%	2.14%	0.83%	0.24%

Source: http://www.smartinsights.com/email-marketing/email-communications-strategy/statistics-sources-for-email-marketing/

TOP TIPS ON DELIVERING A GOOD EMAIL MARKETING CAMPAIGN

What makes a good subject line?

The email subject line is the single most important feature of your email as it will determine if your email gets opened. A good subject line generally is:

➢ short, sharp, concise, and no more than 40 characters

➢ reflective of what is in the email

➢ not repeated (keep content fresh and use different subject lines particularly for newsletters etc.)

Examples of subject lines to get your audience engaged:

1. Invoke curiosity: ask a question – e.g. Have you heard?

2. Use humour: use something a little cheeky or nostalgic – e.g. Bummed you missed out? Console yourself…

3. Call to action: use a clear 'do this' message – e.g. 'Vote to win' In just three words this tells the reader exactly what you want them to do. It also piques their curiosity getting them to open the message to read all about what they could win

4. Personalisation: include the reader's name (or some other information about them) in the subject line. E.g. you could combine this with asking a question – Mary, have you heard?

5. Exclusivity/offer: these types of subject lines can be used to make your reader feel special. You could also personalise this type of subject line – e.g. Mary, this is just for you

6. How-to: don't just sell to your readers, give them information that helps them. E.g. 10 tips to retire by 50

Most email programs have excellent spam filters. To avoid your email being classed as spam avoid using $ signs, overusing punctuation (e.g. !!!) and terms such as free, sale, discount, act now, amazing and lifetime in your subject line. Also try not to write your subject line in all capitals as this comes across as shouting.

What should I include in my email?

➢ <u>Less is more</u> – use a small quantity of good content (try to keep it to 200 words or less). Write from the view point of your reader – what do they want to know, rather than what you want to tell them. Email content should act as a teaser encouraging the reader to click through to your website to find our more. Including images also can also increase your reader's engagement.

➢ <u>Knowing your target market</u> is essential, as for best results the content of your email needs to be targeted and relevant to them. You may also segment your email list (e.g. current customers, lapsed customers and prospective customers) which allows you to increase the relevance of your messages so that they add value to your audience, and are continued to be open and read.

➢ Including a <u>clear and compelling call to action</u> in your email also increases the probability of your customers taking the action you want them to take (e.g. make a purchase). A good way to include a call to action is to include a button for the action you wish your customers to take. E.g. a 'Buy now' or 'Find out more' or 'Contact me now' button that links to a page on your website where they can easily do this.

➢ Start a <u>two-way dialogue</u> with your customers, rather than just telling them about a product, focus content on news, trends, events and research that is relevant to their specific interests. Ask for feedback, and use segmentation to increase content relevance.

When is the best time to send an email?

While it does vary between industries, according to 10 email marketing studies, to achieve optimal results from your email campaign the top three days to send emails are Tuesday, Thursday and Wednesday, and the top three times to send an email are 10am, 8pm and 2pm. (<u>CoSchedule Blog</u>)

Who should I send my email to?

Knowing your target market is essential to campaign success, as targeted/segmented emails can drive up to 18 times more ROI than mass/broadcast emails, and up to 5% increase in the average click through rate (CTR) 3% vs 8%
(<u>Non-profit Hub</u>)

How often should I send emails?

How often you send emails depends on who you are sending them to. Again this is another reason why it's essential to know your target audience. A Marketing Sherpa survey of 2,057 people found that 86% wanted to receive a promo email at least once a month.

If you have the technical capability however campaigns that send an email based on an action taken by your customer can get even better results. For example:

1. You send an initial email with a call to action to visit a webpage and download a brochure on your new product/service

2. A second email is sent to any reader who downloads the brochure thanking them for their interest and that you would like to give them a special offer. They may go ahead and purchase the product/service upon which you send them a follow up email, asking how they have found the product/service, OR they may again visit your website, upon which you may send a more personalised email from yourself or a staff member asking how you can help them (or if you have their details, you may call them directly).

Is there any government legislation relevant to my email campaign?

You need to ensure that you adhere to any relevant legislation when sending any email or email campaign.