

RESEARCH

Segmented email campaigns increase ROI: study

January 12, 2011



By ELIZABETH ZELESNY



Segmented email campaigns based on consumer behavior is

one way to ensure a luxury marketer's email efforts produce strong return on investment.

Since almost half of marketers say email marketing will eventually increase return on investment, luxury brands should take note and develop a strategy to reach affluent consumers. A study conducted by MarketingSherpa found that 57 percent of marketers surveyed are using segmented email campaigns based on consumer behavior, while 43 percent used segmented email campaigns based on cycle.

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“Past research has shown that segmentation beats non-segmented campaigns every time,” the MarketingSherpa report says. “But many email communications try to

accomplish segmentation by adding a little something for everyone.

"It doesn't work in email because each message is received by one individual," it says. "That individual is only interested in information that's relevant to him or her."

MarketingSherpa is a leading research firm specializing in tracking what works in all aspects of marketing.

The company came up with common pitfalls in email marketing that brands should avoid.

Blatant lack of permission

Companies try to get around the permission issues in search for easy money. According to MarketingSherpa's report, almost half of marketers said email marketing will eventually produce ROI.

A huge reason why marketers do not go for proper permission is that it is hard to get people to opt-in to email lists.

Thirty-eight percent of marketers think that legitimate email being perceived as spam is a very significant challenge to email marketing effectiveness.

Brands should audit each of the ways an email address can be added to a list. They should also implement specific frequency options during the opt-in process which could enable brands to ensure that the emails they send out count.

For example, marketers should allow their databases to decide what kinds of offers they would like to receive and how often they want to get them.

Utterly deficient segmentation

One of the major challenges in 2011 to email marketing effectiveness is targeting consumers with highly relevant content. Unlike static advertisements, which might get second glances, emails once discarded are usually abandoned forever.

Brands should research and discover how their focus groups perceive unique information.

Trends such as age group, purchasing style and geographic region should be considered.

Also, allowing the target audience to decide how often they would like to hear from the brand is worth considering.

Lame welcome messages

Consumers are still receiving welcome messages from far too many brands. MarketingSherpa believes that the more brands can engage consumers from the very start will help to continue to influence that person throughout their purchasing lifetime.

Brands should review their online content and possible offerings. For example, brands could include an offer in their welcome message.

Additionally, they could perform an annual review of their welcome letter about every six

months, which should include reviewing the percent of clicks on the offer.

Frequency decisions made for the wrong reason

According to MarketingSherpa, marketers are in a constant battle on the matter of frequency. If brands send out emails too frequently, they risk annoying the target audience.

This could potentially lead to the risk of losing customers and having a bad email reputation.

On the other hand, if brands mail too infrequently, they run the risk of lower performance.

Brands should first and foremost conduct a test to see how often consumers would like to receive emails. Let consumers pick frequency-specific options such as weekly, biweekly, three times a month, monthly and bimonthly.

This is a great strategy for brands to determine the frequency of the email sendouts.

Institution-to-one messaging

According to MarketingSherpa, the debate on how to personalize company emails is ongoing.

Personalization is about creating a personal communication with an individual. All too often, email blasts come off written as though they are coming from a large institution writing to an individual, according to the study.

The content of the emails may be the same for all recipients, but whom it is coming from should be different.

For example, the email could come from the manager of a local store, even though it is being distributed by headquarters on their behalf.

No real interactivity

Interactivity is not only for social media, according to MarketingSherpa. Marketers treat their emails as blast content.

Sending out blasts does not necessarily create a relationship with consumers.

Brands should make sure an email is interactive on the most basic level, allowing for the recipient to click through to an ecommerce destination, articles, promotions, or maybe the company's social media page.

Deliverability: Content, formatting and lack of self-advocacy

An email successfully making it into consumers' inboxes can be a challenge for email marketers.

According to the report, brands need to use an IP address to send email that no other mailer ever uses.

If newsletters are sent in HTML format, marketers need to make sure it is coded properly.

The most important thing brands can do in terms of deliverability, according to MarketerSherpa, is to improve their sender reputation.

Designing images that appear as red X's

Brands are torn between sending HTML or text-only emails. Although, marketers are improving the way they design their HTML emails.

Some of those eye-catching images are being replaced by the dreaded red X.

Brands should test their designs on different email providers.

Disregarding your BlackBerry and mobile readers

Some consumers believe the quality of mobile email is not as good as it is on the computer, so they will typically wait to deal with commercial email until they are on a desktop.

Marketers should be able to balance the needs of their readers who are on mobile and at their desks, according to the report.

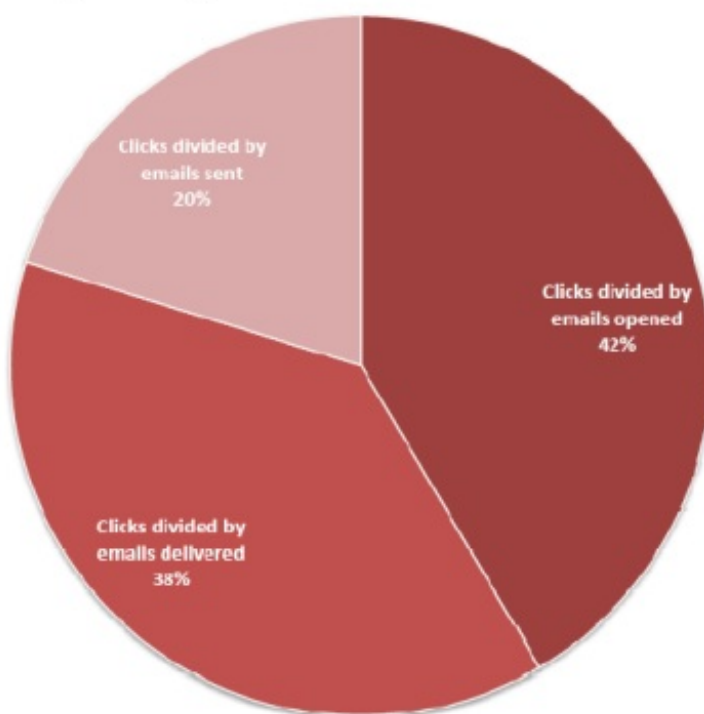
Brands should observe their emails via a mobile device. They should also design their messages so they can be read in numerous formats.

Collecting bad response rates

According to the report, brands need good analytics to determine the effectiveness of their emails.

Brands should calculate their opens, click-throughs and conversions in order to learn and improve the next time around.

Chart: Calculating 'Clickthrough Rate'



Pie chart of how marketers measure emails clicked

Relying on email only

Even if a brand's email is a vital part of its communication, they cannot rely on email alone. It benefits the brand if they complement the newsletter with another channel, such as television and radio spots, roadside billboards, banner ads or telecommunications.

Brands need to reconsider their newsletter strategy. They should also make sure people receive and pay attention to them.

"In the end, all you can do is test the tactic or strategy, and then test it again - because what works is often elusive," the study said. "Your brand is changing before your very eyes, along with your readership and your marketing sophistication and your competition in your inbox."

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