

E-mail marketing – CRITICAL factors for success

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A complete list of all articles written for the E-marketing Insights column of What's New in Marketing is available at: <http://www.marketing-insights.co.uk/wnimall.htm>.

About the author – Dave Chaffey, BSc, PhD, MCIM	
E-marketing trainer and consultant	Clients include 3M, Barbican, Britvic, The British Council, Computer 2000, HSBC, Intel, Siebel, NCH and Tektronix
Author of 6 best-selling business books	<ul style="list-style-type: none"> • <i>Internet Marketing: Strategy, Implementation and Practice</i> • <i>E-business and E-commerce Management</i> • <i>Total E-mail Marketing</i>
A marketing 'guru'	Recognised by the CIM as one of 50 gurus who have 'shaped the future of marketing'
Visiting lecturer at leading UK business schools	<ul style="list-style-type: none"> • University of Cranfield • University of Leeds • University of Warwick

Table of contents

Introduction	1
The CRITICAL Success Factors for E-mail Marketing	2
Creative	2
Relevance	2
Incentive (or offer)	3
Timing	3
Integration	3
Copy	4
Attributes (of the e-mail)	4
Landing page (or microsite)	4
In next months article	5
References and Further Reading	5
E-marketing Insights article archive	Error! Bookmark not defined.
About the author	Error! Bookmark not defined.

Introduction

This month we start a series of in-depth articles aimed at improving the effectiveness of your e-mail marketing. In this introductory article we summarise the CRITICAL success factors essential to achieving a good response rate to e-mail campaigns and e-newsletters.

E-mail is a powerful tool for marketers as is illustrated by its use by IBM's software group. DMNews (2003) reports that in 2002, the group sent nearly 300,000 messages in 60 separate e-mail campaigns for customers and prospects who had registered an interest at ibm.com.

The response rates from e-mail were significantly higher than for traditional direct mail. The article reported Mark Rosen, VP of integrated marketing communications at the software group as saying: '*One and a half percent is what we typically have seen from direct mail. The 4.1% we saw from e-mail...[is] close to three times [better].* As a result of such successes, e-marketing tools such as e-mail, e-newsletters and online advertising now account for 15% of its communications budget at IBM software, up from 10% in the previous year.

The CRITICAL Success Factors for E-mail Marketing

CRITICAL is a mnemonic I have developed to introduce the E-mail Marketing training workshops I deliver for the Chartered Institute of Marketing. CRITICAL summarises the main factors which affect the success of an e-mail campaign.

Success refers to achieving the objectives set for the campaign – does the campaign deliver the required outcomes? Success of direct response campaigns is often talked about in terms of click-throughs – the number of recipients who follow a hyperlink from the e-mail through to the organisations web site. But what really matters is overall success – how many recipients click through and then take the follow-up action on the site such as purchasing a product, agreeing to attend an event, receiving a visit from a sales rep or entering a competition.

We will now review each of the eight CRITICAL success factors, referring to future articles which will cover these topics in more depth.

Creative

Creative refers to the overall design of the e-mail including layout and use of colour, images and copy.

Key issues which we will return to in future articles are:

- *Which is the best format HTML or text?* The format chosen can significantly affect the response rate since some types of audience have a natural preference for one or the other and some e-mail readers cannot display HTML format successfully.
- *How is the e-mail structured?* Are the structures commonly used in direct mail appropriate for e-mail? What are the benefits of a two or three-column structures?
- *Where are the calls-to-action?* What are the best positions for calls-to-action and how can clickthroughs be encouraged?
- *How is the e-mail branded?* How should e-mail campaigns and newsletters support the established brand and when should brand variants be used.

E-marketing Insight: Always ask e-mail subscribers their preference – Text or HTML (with pictures) when they opt-in to receive e-mails – this is the only way you can be certain your message is received in a suitable form.

Relevance

It will be no surprise to direct marketers that response rates for e-mails will be higher if they are targeted to the interests of individual recipients. A survey of several hundred US e-mail campaigns summarised in E-mail Marketing Weekly (2002) showed that the average response rate for non personalised bulk e-mails was 4.7%. The response rate rose to 14.8% where the creative and offer in the message was personalised according to details such as name, interests, gender, age, purchase history and message frequency preference. Personalising 3 to 6 elements doubled the response, while personalising more than 7 elements trebled the response.

It is apparent that relevance also relates to the e-mail list quality – you can only target if you have collected sufficient information to profile the individual and really understand their characteristics and interests. For example, CRM and Helpdesk software vendor Touchpaper (www.touchpaper.co.uk) asked prospects about their hobbies and interests as well as the typical questions about their company and role. This enabled them to offer different types of hospitality events.

SPAM is another factor related to relevance. If the recipient thinks your e-mail is SPAM i.e. an unsolicited bulk e-mail because of its subject line, from address or offer they will delete it immediately. In a future article we will look at how to prevent your e-mail being interpreted as SPAM and how to avoid it being blocked by automatic SPAM filters.

E-marketing Insight: Guidelines on using e-mail for marketing have just been clarified in a new 4th March 2003 amendment to the British Code of Advertising, Sales Promotion and Direct Marketing from the Advertising Standards Association (<http://www.asa.org.uk/>).

The main guidance from the relevant sections – 22 and 43, advise that all e-mail marketing communications must be clearly identifiable as such in the subject line, and they must be from a named individual in a named organisation. Significantly, all communications must be now be on an opt-in basis (recipients must have agreed to receive e-mail marketing unless they are existing customers). The option to opt-out of future communications must always be present.

Incentive (or offer)

This is the WIFM factor or 'What's In It For Me' for the recipient. What benefit does the recipient gain from clicking on the hyperlink(s) in the e-mail? There are a range of offers we can use in e-mail which generally fall into the 'Free', 'Win', 'Save' category. In future articles, we will look at the types of offer that can work for B2C and B2B brands.

In a campaign last year, Virgin Atlantic used a powerful offer of 'Free Flights For Life'. Of 190 thousand e-mails sent to rented lists nearly 30% clicked through to find out more about the offer.

E-marketing insight: Secondary offers should also be considered. In the Virgin Atlantic case an online game was used to build a buzz around the campaign. Secondary offers make the total offer stronger. When the offer is strong, it can be used to create viral referrals. In the case of Virgin, additional entries to the prize draw to win flights could be gained if the e-mail of a friend or colleague was contributed. Such viral referrals can often double entries.

Timing

Timing refers to when the e-mail is received; the time of day, day of the week, point in the month and even time of year. It is generally recognised that B2B e-mails are best sent so that the recipient receives them during the working day. All of us have a full in-box to work through first thing in the morning, often containing SPAM and newsletters from the US. So it can help your e-mail stand out if it arrives during the day. It is also generally thought that B2B e-mails are best sent mid-week since Mondays and Fridays are often the busiest days of the week. However, only testing can show this for sure – some e-mail marketers get good results on Friday, when office workers are winding down for the weekend.

E-marketing insight:

Test the timing that works best for your audience by assessing the Open rates for HTML at different times of the day and week.

Integration

This is looking at e-mail as part of your integrated marketing communications? Questions to ask include: are the creative and copy consistent with my brand? Does the message reinforce other communications? Does the timing of the e-mail campaign fit with offline communications?

E-marketing insight: E-mail campaigns often work best when the e-mail piece arrives two or three days after a direct mail piece. The direct mail will have created awareness about the offer, but recipients will likely not have responded to it. The book 'Total E-mail Marketing' describes a detailed campaign tracking example from CRM vendor JD Edwards who ran an integrated campaign to encourage IT managers to attend a new product launch. They found that the first mail piece generated 15 attendees, but the follow-up e-mail generated 29 attendees. Two further e-mails generated another 31 attendees. This shows that e-mail is a good direct response mechanism – it is easier to sign-up for an online event using a web-based form than filling in and posting a card. Indeed CMP Europe Limited, organiser for events such as Technology For Marketing (www.t-f-m.co.uk), finds that around 90% of registrations are now web-based.

Copy

Issues to consider with copywriting for e-mail include the structure, style, tone and explanation of the offer together with the location of hyperlinks in the e-mail. We will look at best practice for these aspects of copywriting for e-mail in a later article.

E-marketing insight: Many initial attempts at e-mail campaigns stick with the direct mail approach of 'saving the best to last'. But e-mail is an impulsive medium. If the recipient likes your offer from the subject line and the opening paragraph, then they should be able to click through straightaway. So in general, e-mails should always have a hyperlink in the first three or four lines and then this call-to-action should be repeated in the close.

Attributes (of the e-mail)

Attributes is an ungainly term for e-mail header used to fit in with my CRITICAL mnemonic. The attributes of the e-mail header include the subject line, from address, to address, date/time of receipt and format (HTML or text). Of these, subject line, from address and format are most important in influencing response.

Think about when you scan your inbox first thing in the morning when processing your e-mails. The reality is that use the from address and subject line for each mail to decide whether it is SPAM and delete it. So it follows that it is essential that your from address and subject line do not look like SPAM.

The subject line gives you as few as eight to ten words to encourage the reader to open the e-mail since with some combinations of screen resolution and e-mail reader that is all there is room to be displayed – everything else is truncated. So the offer should be clearly explained in the first few words of the subject line.

E-marketing insight: Often testing is the only way to be sure of which subject lines will work with you audience. Some tests reported by Site Intelligence News (2003) give a nice indication of this. Web analytics supplier Site Intelligence was looking to invite executives to a series of Executive Briefings. They sent different test e-mails in 3 batches with each identical except for the subject line. The results were reported as follows:

Batch	Subject line	Open rate	Registration rate
Batch A	Website Performance	45%	5%
Batch B	News from Site Intelligence	48%	4%
Batch C	Executive briefing invitation	32%	1%

From those results it can be seen that the first two subject lines are far more successful than the third one: an email sent with the subject line 'website performance' is five times more likely to generate a new registration than an email headed 'executive briefing invitation'. So for future emails the subject line 'executive briefing invitation' was dropped!

Landing page (or microsite)

There may be a temptation when experimenting with e-mail to encourage click through to a web page that is already part of the site such as the home page or a product page. However you will get a much better result from a landing page focused on achieving action. Landing page or microsite is the term given for the page(s) reached after the recipient clicks on a link in the e-mail. Typically, on clickthrough, the recipient will be presented with an online form to profile or learn more about them. Designing the page so the form is easy to complete and reassuring about how their personal data will be used can affect the overall success of the campaign.

E-marketing insight: The conversion rate on the landing page can make a dramatic difference to the success of an e-mail campaign, yet this is often overlooked in favour of

the e-mail creative. Testing and improving landing pages can pay dividends. ClickZ (2002) reported on a test conducted by a marketing company offering a whitepaper where the shorter landing page (<http://i.nl02.net/netline000m/?d=st>) had a 70.5% conversion rate while the longer form (<http://i.nl02.net/netline000m/?d=lg>) had a rate of 48.5%.

In next months article

The next in our series of articles on e-mail marketing will look at setting aims for e-mail marketing and measuring results. We will aim to demystify terms such open-rate, clickthrough, bounce rate and referral rate.

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Dave Chaffey – Contact details

Dr Dave Chaffey, Director Marketing Insights Limited
>> Improving Performance through eMarketing Intelligence >>
E-mail: dave.chaffey@marketing-insights.co.uk
Phone: +44 (0)7740 181 590
Web: www.marketing-insights.co.uk
eResources and Books: www.marketing-online.co.uk