

Transcript: Email marketing basics

Welcome to the Digital Master Class Series, part of Glen Eira City Council's Digital Enablement Program. Today's topic is email marketing basics.

We'll be discussing why you should bother with email marketing; the four different types of marketing; email marketing as compared to spam; the key elements of a strong marketing email; and some examples of email marketing.

So why bother with email marketing? Email marketing is a valuable relationship development tool. It turns your database into a marketing tool. In your database, you have already captured an audience of people who've expressed an interest in your brand, and taken active steps to remaining informed. Email marketing is just the next logical step onwards in this relationship.

It's the place where you give the people what they want. Email marketing can cover any stage of the buyer journey. That is: initial engagement, discovery, purchase, and customer retention. It's also an incredibly popular form of marketing on the side of both consumers (in that they prefer to receive communications from brands via email); and on the business side, as email marketing has a very high return on investment. In fact, the 2015 DMA national client email report found that the average email marketing campaign offers around a 38£ return for every pound spent.

Now, this is a worldwide statistic (and nothing specific to Australia has been done at this time). According to Campaign Monitor's 2021 report, Australian consumers are some of the most engaged worldwide. When it comes to email marketing, email marketing campaigns sent by Australian small to median enterprises had an average open rate of 20.6%, and a click-through rate of around 3.1%. These are the four different types of email marketing. The first and most common are email newsletters. These are where brands send updates about their business tools (for consumers to use), and engaging types of thought leadership. For example, if a new trend or a concerning issue has emerged in their industry, the key to an effective email newsletter is to have actual news to include.

In these, if you are emailing them for the sake of emailing, then you will get a very sharp drop-off in readership, as people quickly learn that there's nothing to be gained from your emails. Although consistency is important in marketing, you do not need to send email newsletters weekly. Only send them when you have valuable content that you feel your customers could benefit from.

The second type of marketing email is an acquisition email. These are emails used to turn subscribers into customers, and that move them through to the next stage of the purchasing cycle. They usually contain some kind of incentive, or valuable piece of information, or an offer, that demonstrates the value of being a customer to the particular brand. An example for a service-based business might be something like: a white paper, a free quote, or a piece of data that they've collected (and that is their intellectual property). For a retail-based business, the most common acquisition email strategy is to offer a discount for first-time purchases.

The third type of email marketing is a retention email. These are emails that go to existing customers to encourage loyalty and repeat purchases. In our database webinar we spoke about how working on retaining your customer base can drop the cost per acquisition of your customer base. This is the amount of money that you spend every time you gain a new customer. If the customer spends more over a lifetime, and remains loyal to your business, the cost per acquisition drops substantially. Examples of these retention emails are things like: automated feedback requests, in exchange for perhaps a discount; or reaching out with a loyalty reward, if the customer hasn't been active in a while.

The final type of email marketing campaigns that we'll be talking about today are: promotional

emails. These can be used to entice subscribers at any stage of the purchase life cycle, to do any of a wide range of different things. So: drive sales, sign up to something, repeat a purchase or undertake purchasing a new product. It also applies to seasonal promotions such as Christmas, Valentine's Day, Easter, birthdays and so on.

Before we go any further, let's talk about the elephant in the room: spam. I mentioned that Australians are some of the most engaged email marketing consumers in the world, but that goes both ways, according to the Campaign Monitor survey I mentioned before. Australians are twice as likely as consumers in other countries to click the unsubscribe button.

This isn't necessarily a bad thing, it means you'll know you have an active and engaged audience, which is much better than having an audience who doesn't care about your emails, one way or another. But it does mean you need to be more conscious of what spam is, and how to avoid it. The term spam comes from a Monty Python Sketch, where a couple goes into a café for breakfast, asks the waiter what's on the menu, and then receives a very long list of meals all involving spam, prompting the lady of the couple to remark "I don't want spam".

Spam is implied here to be ubiquitous, unavoidable, repetitive and unwanted – and really addressing these terms is the way we avoid the spam trap. The way to avoid spam is to feed your audience what they actually want to eat.

Don't feed them spam, feed them the burger. The way to do this is to develop campaigns based on what your customer wants, not what you think they should know about your business. To do this, you need to think about things from the customer's perspective. What are the problems that the customer faces that your business solves? That's called a pain point. What is it that they want? Is there something aspirational about your business, that triggers a personal aspiration of your customer base?

These are intangible ideas, so often they require some audience research to uncover and understand. They also may not immediately link back to your product or service offering. You need to think through this process to understand, ultimately, why a customer makes the final purchase decision. However, doing this ensures that you come out of the other side of this thought process with a strong message that speaks to the want (or the pain point) of your customer – not what your business offers.

All of your messages should work like this. They should always centre on the customer. If your campaigns are created around these strong messages, you'll always create emails with purpose, and that people want to read. You'll also probably create fewer than if you were creating campaigns with a sales mentality. While consistency is valuable in marketing, a lot of email campaigns fall down when businesses get lazy about the messages they send, or choose to tell people about their offerings, rather than speak to the customer wants and needs. This is really where the line is drawn between a useful, desirable email; and a piece of spam.

Now we know how to avoid spam and create a strong message, but what else goes into an effective marketing campaign? First of all, there's personalisation. An effective email speaks to the individual, not the masses. A customer wants to be seen as an individual, not as a sales prospect. You can do this through customisation.

Email marketing offers a lot of scope for customisation, from basic things like addressing recipients by name, through to more complex customisation relating to their purchase history or product preferences. Timing is also important here, as it is in every other aspect of marketing. You need to

take the time to identify how your customers move through your sales funnel and base your email approach on this.

You might be able to identify this in terms of anecdotal evidence as a business owner, watching people come in and out of your shop. Or, you might want to look into more sophisticated tools like Google Analytics. Basically, the sales funnel deals with the idea that a customer makes certain decisions in patterns over time. You might notice in your business that customers initially come in, browse a product, maybe price the product, and then go away for a certain period of time, before coming back to purchase.

Once you understand how this pattern works, you can increase the likelihood that they come back and make the purchase, by emailing them at the right time. If there's a two-week lag between the initial browsing and the purchase after 10 days, you might email this customer, offering a small discount, or simply remind them of products that they have been looking at on your store, or on your website. This can encourage purchase.

Creating a content calendar, to identify events well in advance of them happening, is another key way to ensure that your emails are well-timed. This relates more to seasonal events, such as Christmas, for example. Again, this is based on what you observe your customer behaviour to be across Christmas.

Across the Christmas season, you might get early bird shoppers in October. Then you might get everybody else browsing in November. And then, mid-December, you'll start getting last-minute shoppers. Those are three different, specific groups, engaging in three different behaviours that you can market to, with three different campaigns.

For the early bird, you might start by offering an email campaign in early October offering a discount for an early bird Christmas shopper who wants to get their shopping done early. In November, for the browsers (which might be the majority of your customer base) you might want to send out a product catalogue, or a curated selection of your Christmas products. And for the December lastminute shoppers, you might want to send out an email campaign, listing your trading days right up

to Christmas – and even advertising late-night trading on certain nights, to encourage them to come by your store. Minimise jargon and selling talk. Keep industry talk to a minimum, and keep your message short and snappy, so it doesn't go over the customer's head, and they don't feel like they're being talked down to.

Finally – and perhaps, most importantly – always have a strong call to action on your emails. It should appear at the top, and the bottom of the email, and be both specific: as in, asking the customer to do a particular thing like browse, book, purchase, subscribe, respond; and ideally be something that the recipient can execute from the email. A button that goes to your ecommerce shop, or to a booking function, or an email reply, or a telephone number if they're looking at the email on their phone. Something that they can immediately do, that totally removes the friction for them between reading the email, seeing something that they want, and taking the next step in the buyer journey.

Now let's look at an example of an email marketing campaign. In this scenario, a local mechanic wants to contact their existing customer base via email, to boost revenue after a COVID slump. The way that they've approached this is by creating a promotional email. It says: "The summer road trip season is over, it's time for a tune-up." Let's look at this. Is it a good or a bad email? What is it missing? First of all, there is no personalisation here, so it's a very generic email. It's probably going out to the entire database, and it's probably not relevant to everybody.

Second, the timing. This email relies on the idea of time running out, summer being over, autumn coming up, you want to get your car in, ready for the coming winter. Although this is timed correctly, with timing considerations taken in, it doesn't really suit the needs of the business. It doesn't really align what is being sold because mechanics don't shut down over winter. You can get a car tuned up any time of year; there is no real need for the customer to rush and get the car tuned up before the weather changes.

Next is the message: get your car tuned up. This is simple and straightforward, but it's also quite vague. Again, as mentioned before, it's not specific to the recipient. If this went out to an entire database, it would be received both by people who had their car tuned up last week, and people who sold their car two years ago and no longer need the service. Immediately, you're going to get people from your database who don't open the email, meaning your open rate will drop because they know, just by looking at the title, that it doesn't apply to them. You may also get people unsubscribing because they feel that what your business is talking to them about is not relevant to them.

Finally, we have a call to action: "hurry, spaces are filling up". Now, that is a call to action, but it is weak. It doesn't have any real incentive; there is no way for the reader to take any kind of immediate action from the email; there's no phone number; booking apparatus; link, anything like that; and once again, it's hinging on the idea that time is running out to go to a mechanic, which is not true in a seasonal sense.

Let's look at this email campaign by taking another approach. We have the same scenario with the local mechanic who wants to boost their sales, via their existing customer base. This time, instead of a promotional email, this is a retention email. Immediately, we can see some differences. It's personalised: we can see from the heading that the email is customised to the individual and their car, so it immediately signifies that the business knows who their customer is, and that the customer needs to take action – they're speaking to them specifically. This is a very high-level of customisation (knowing both the customer's purchasing habits and the car) and simply automating emails around the buyer's habits, in that it was six months since the last tune-up, is enough here to make the email persuasive.

Always addressing a person by their name is also a best practice. It has a clear message: the car is old and it's due for a service. The implication here is: if the car is not serviced, it is going to break down. This doesn't need to be said, it's just implied. There's no technical jargon there for someone who is not mechanically savvy. They won't feel intimidated, or like they're being talked down to. Now timing: there is very specific timing here and it's personalised again. The car needs a service every six months. That is the timing schedule that a mechanic should be relying on, and it also means that because they are the experts in car mechanics, they know when a car needs to be tuned up. This immediately says to the customer, "oh well, they are the experts, I guess I will go with what they know best". So, there is no questioning of the timing for the need for it to happen. The call to action (the blue, "book your service online") is a link. The reader can click the hyperlink and book a service online, plus they have an incentive to book. As the promotion runs out soon, there's an additional implication here, and that is that if the reader keeps opening emails from the mechanic, there is a good chance that there will be future rewards in them. This is a strong incentive to continue engaging with the businesses' communications.

That concludes this webinar. If you'd like more information on Glen Eira City Council's business support services, please visit the email address above, and if you have any questions, please send them to cityfutures@glenaira.vic.gov.au. Thank you.