

Email Solutions—White Paper

Impact of Email Marketing—Sales and Branding

Whitney Hutchinson, February 2009

Permission-based email is an extremely efficient and effective channel. This is proven. But do we really know the full impact that email marketing has? What is the impact on sales that don't happen online? What about those sales that are not directly attributed to email via traditional tracking solutions? And what is the impact of the email message on brand perceptions and user experiences?

Some new research is proving that email does have an impact outside of sales that are directly driven by an open or a click—and that it has a positive effect on brand perceptions and experiences.

The Revenue Impact of Email

Commercial email returns \$44 for every dollar spent. It is a highly flexible and nimble channel and typically less expensive than many other channels (digital and offline). Because of that ease to market and relatively low risk factor email is often overlooked as a prime offline revenue driver and a brand builder. A new study by Epsilon Interactive is shining some much needed light on what many in the industry have argued and/or proven through more isolated studies in the past, that email has a significantly higher impact on the bottom line than may be reported.

Email does drive both online *and* offline results. Per the Epsilon study, 66% of respondents said that they typically visit sites directly, versus clicking on an email link. This “click” is of course the primary way that marketers track and associate online purchases with the email channel. Therefore, without that link, the \$44:1 metric is likely under-representing email's true impact on digital revenue. Pair that with 67% of respondents (in the retail category) who said they purchased products offline as a direct result of receiving an email from a retail company and the 50% of respondents who said they're more likely to buy products (online or offline) from companies who send them email, and you can see how this number may continue to be under-representing impact.

Impact of Email Marketing on Consumers

- 57% of consumers feel they have a more positive impression of companies when they receive email from them
- 50% said they're more likely to buy products from companies who send them email, whether their purchases are online or at a place of business
- 40% said that simply receiving email has a positive impact on their likelihood to make a future purchase from the company
- 71% remember email communications when making purchases at the sending company's web site
- 66% said they usually visit sites directly instead of clicking on an email link

Email Is a Branding Tool

The Epsilon study goes on to say that consumers who receive email typically have a better brand perception of a company as a result of that email. 40% said that simply receiving email has a positive impact on their likelihood to make a future purchase from the company. Likewise, 71% remember email communications when making purchases at the company's web site.

Consumers embrace familiarity and email can support that aspect as well. 57% of respondents said that their impression of companies from which they purchase products/services is positively improved when they receive email from the. Likewise 84% of those surveyed enjoyed receiving email from companies that they had registered with. In fact, they said that even if they don't always open the emails, it's good to know that they are there for reference purposes.

The Gender Gap

We know that across channels men and women respond differently, and that too is the case with email. The Epsilon study points out that women tend to use email in a different manner than men. 72% of women versus 63% of men go back and refer to emails, days or even weeks after they've received it. Likewise, 60% versus 49% respectively, regularly save emails to refer to at a later date when making a purchase. The key to this behavior is the matter of trust. Women are likely to save and reference messages from companies that they know and trust. Consistency and frequency likely play into this as well. Consumers are more likely to trust a company with which they have an ongoing, consistent and relevant relationship.

Take Advantage of This Information

So what should marketers do with this information? First, many need to move away from the current norm of batch and blast. Although this is an easy out for many—inexpensive, fast and effective—it is not the ideal situation from a consumer perspective and may not be the most optimized approach based on ROI. A company's email communications are an extension of their brand, so it's critical that companies manage their email communications with consumers in mind. Provide relevant, timely communications and experiences that support where a user is in their lifecycle, as well as communications that support a consumer's profile, behaviors or preferences.

Email makes an impact on sales outside of your email tracking and/or your web site. Keep this in mind as you evaluate the return you receive from your email programs. Set up your analytics package to track both clicks AND impression based on site visits. You may also want to extend your response windows to capture those who may use your emails as reference—specifically the women on your file. Finally, tie in brand metrics to really understand the impact your email campaigns have on your overall business and plan investments into the program accordingly.

Conclusion

On average, permission-based email returns are greater than \$44:1. It is one of the most flexible channels for testing, targeting and relationship building. Because of this it warrants your clear attention, strategic planning and proper investment to maximize its impact.

About the Author (insert bio/headshot)

As Group Director of Razorfish' email/eCRM strategy team, Whitney and her team are responsible for driving client results via email/eCRM strategies and programs. Whitney has worked across industries

including (but not limited to): retail/ecommerce, finance, sports/entertainment, travel, b2b and publishing, to build programs that drive results while strengthening consumer relationships and brand experiences.

Whitney has over 15 years of marketing experience, both traditional and digital, with her specialty in direct marketing and customer communications. Prior to joining Razorfish, Whitney managed the direct marketing efforts for Airborne Express, a Fortune 500 transportation company, where she was responsible for all direct marketing for the corporation.

Whitney has spoken at multiple Direct Marketing Association meetings and is a frequent contributor to MediaPost's Email Insider column/blog. Whitney is a past board member of the Seattle Direct Marketing Association, and a graduate of the University of Washington. Whitney has been with Razorfish for 9 years.

About Razorfish™

Razorfish is one of the largest interactive marketing and technology companies in the world, and also one of the largest buyers of digital advertising space. With a demonstrated commitment to innovation, Razorfish counsels its clients on how to leverage digital channels such as the web, mobile devices, in-store technologies and other emerging media to engage people, build brand loyalty and provide excellent customer service. The company is increasingly advising marketers on Social Influence Marketing™, its approach for employing social media and social influencers to achieve the marketing and business needs of an organization. Its award-winning client teams provide solutions through their strategic counsel, digital advertising and content creation, media buying, analytics, technology and user experience. Razorfish has offices in markets across the United States, and in Australia, China, France, Germany, Japan and the United Kingdom. Clients—many of them served in multiple markets—include Coors Brewing Company, Levi's, McDonald's and Starwood Hotels. Visit <http://www.razorfish.com> for more information.

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Sources:

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