Email Marketing and the Importance of Personalization

For small to midsize businesses (SMBs), email remains among the simplest and most cost-effective ways to reach consumers, delivering ROI of up to 3,800 percent, according to the Data & Marketing Association (DMA).1 And, personalized emails can increase conversion rates, basket sizes, and repeat business. Yet, a recent survey of 140 retailers found 120 of them would receive a failing grade for their email marketing campaigns, as they do not understand the power of using digital marketing to reach consumers.

THE POWER OF EMAIL

"For too many SMBs, the inclination is to just continue with the norm. Typically, you have to show them statistics and make them jealous by showing them how well their competition is doing with its email marketing campaign," says Emerson Scherer, digital marketing manager at Celerant Technology.

Scherer says he has changed potential clients' minds when they see the benefit of segmented email marketing software and services. With direct integration to point of sale data, companies can define segments based on live customer relationship management/sales data, allowing them to send personalized email campaigns to the right users at the right times. The goal is to increase open and click-through rates, ultimately generating additional revenue.

Merz Apothecary, the oldest pharmacy in Chicago and one of the oldest pharmacies in the United States at 142 years old, experienced the benefit of segmented emails firsthand. According to Anthony Qaiyum, president of Merz, the natural and specialty personal care products company maintains customer purchasing data in the Celerant retail management system, making it easy to send emails to specific customers based on their past purchasing behavior. "Segmented email is one that you tailor to a specific segment of people," he says. "For instance, if we have people who primarily buy fragrance from us, we don't want to send emails focused heavily on herbal teas and supplements, and vice versa."

"Unfortunately, many SMBs don't understand the power of their data and how it can be used in an email marketing campaign," says Scherer. "Some send bulk emails, and some may not have the resources to dedicate to an email strategy at all. In both cases, these companies don't realize how much revenue can be generated."

To help clients reach this realization, Celerant has an extensive onboarding process for new clients. Companies are given a questionnaire that addresses their current business situation, identifies which items are selling, and homes in on their core specialty. "We guide our clients and tell them the best practices to ensure good open and click-through rates," Scherer says.

RIGHT MESSAGE, RIGHT PERSON, RIGHT TIME

One best practice to ensure high rates is segmenting. This requires SMBs to become more adept at using their customer data to enhance the customer's experience with the brand. With Celerant's fully integrated email marketing platform, the system integrates the data in the point of sale and populates that data into the email marketing platform so the client can define segments. Using those segments enables clients to send more relevant email marketing campaigns to the right person at the right time.

For example, D&D Texas Outfitters uses Celerant's marketing automation tools to segment customers based on their shopping behaviors. The retailer sees which customers bought a specific item from an individual category within a specified period of time and creates messages that are likely to be relevant to them. By sending email communications tailored to known customer preferences, D&D boosted its open email rate from 8 percent to more than 25 percent.

"Basically, the retailer asks the system to show the names of everyone who has purchased North Face coats in the past six months, at which point an email list is generated and an email is sent that will appeal to those customers," explains Scherer. "Retailers that send more targeted emails that speak to a smaller audience have a much higher monthly ROI. And, once a segment is defined, that segment will continue to build over time, and there is no reason to interact with it anymore unless you want to apply a filter to it."

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The Celerant platform supports dynamic content, which ensures a piece of content in an email is relevant to the user. For example, perhaps a retailer wants to set up a coupon campaign. If the average order amount from a particular customer is $200, the retailer may send a 10-percent-off coupon for those who spend $200 or more and a 5-percent-off coupon for people who spend less than $200. "The system sends the correct coupon to the correct segment, based on customers' individual buying history," he says.

GENERATE DOLLARS WITH FOLLOW-UP MESSAGES

Automated workflows are a second element of the Celerant email automation platform that helps convert clicks into sales. A workflow may be an email reminding the customer there are still items in an abandoned cart. D&D's cart abandonment reminder emails have a staggering 37 percent open rate and have significantly helped complete more conversions.

TURN CLICKS INTO SALES

When retailers start sending the right message to consumers, they can achieve open rates of 20 to 25 percent and click rates of 15 to 17 percent. "This can add up to significant dollars over time," says Scherer. The key is to keep things simple:

• **Send more emails to fewer people more often.**

• **Don't inundate the message with 30 different offers; keep it around 10.**

• **Include a key-value proposition, a call to action.**

• **Offer information rather than a sales proposition.**
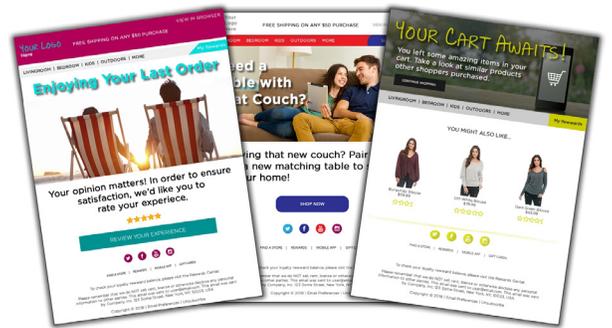
"By following some of these strategies, we have clients getting 15 percent conversion rates on an email," says Scherer.

Qaiyum concurs: "Conversion rates (translating open emails into sales) from segmented emails have been significant for us," he says. "In fact, email campaigns account for about 22 percent of our total online revenue. In addition, email marketing is the number two driver of traffic to our site (right behind search engine keyword pay-per-click campaigns). But in terms of ROI, email marketing is number one by far, making it one of the lifelines of our business."

A sure way to test the strength of your email is an A/B test. Try two varying subject lines (maybe one including a sales promotion and the other a more personalized, less sales-related subject) and use the email platform to run an A/B test. The system will send a portion of the emails with subject A and another with subject B. The system will automatically send whichever results in the highest open rate to the rest of the email list. Scherer recalls one Celerant client that did not A/B test and had too many offers in its emails. "At one point, the company was making just $500 a month via emails, but by making minor adjustments they wound up earning upwards of $5,000 per month."

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Finally, consider if your emails are mobile-optimized. Scherer says one retail client saw 80 percent of its online traffic and interactions coming through mobile devices, yet its emails were not formatted for mobile. Interestingly, just six of the 140 retailers in the DMA study send 100 percent of emails optimized for mobile. And 83 percent don't send any mobile-optimized emails. Scherer says it is crucial that emails are mobile optimized and can be easily and automatically reformatted properly regardless of the device on which they are opened.

FLUID PLATFORM

While Celerant's client base has benefitted from the subscription-based service, Scherer points out that the platform is continually evolving. As clients recognize a need, Celerant can implement that addition for all to benefit from it. "Making these additional customizations is something most other digital marketing platforms cannot offer," he says.

These customizations stem from the long-term partnerships Celerant forms with its clients. By getting to know their businesses and integrating both online and in-store data, Scherer says the Celerant platform can increase traffic to its clients' websites and brick-and-mortar stores.

OUR HISTORY

Celerant Technology was built from the ground up to help retailers easily manage every component of their operation in a single integrated platform. From the first line of code to the most recent system updates, Celerant Technology's retail management solutions put the power of scalable enterprise class technology into the hands of mid-market and small retailers alike with user-friendly interfaces at accessible price points. Easily customizable to the unique needs of specific business models and verticals, Celerant gives retailers the best tools to satisfy the most discerning customers throughout their omnichannel shopping journeys. Robust back-end reporting capabilities and visibility into centralized inventory levels, provide real-time intelligence that empower retailers to make the best decisions that can optimize their operations.

Celerant Technology gives single and multi-location retailers, access to the same functionalities that easily scale with growth. Our technology integrates POS, warehouse, inventory management, sales back office, data mining, mail order/catalog and E-Commerce operations with advanced features like abandoned cart recovery, channel partner integration, best store fulfillment, loyalty club management, CRM, and mobile POS.

At Celerant, providing impeccable service is as important as developing industry leading software. That's why we partner with clients to ensure implementations are seamless and customize solutions for retailers that have complex needs. Between our award winning system engineers and 24 hour support team, Celerant provides all the IT support necessary to keep retailers operating with zero down time. Our continuous mission to remain a progressive company that provides outstanding customer support and superior software products remains our top priority. Celerant remains steadfast in the delivery of integrated solutions that simplify retail and give merchants the tools they need to succeed.

Founded in 1999, Celerant Technology is a leading provider of enterprise retail management software for optimizing operations in store, online and mobile. Our 350+ clients use Celerant's omnichannel solution that combines POS, E-Commerce, CRM, inventory management, fulfillment processing, marketing automation, analytics to enhance the shopping experience and accelerate business growth and efficiency. Celerant is recognized as a top retail software provider on the RIS Software LeaderBoard and TopCommerce Provider by Multichannel Merchant.

Reference
1. Binns, Jessica. Which Brands Are Doing Email Marketing Right? Apparel Magazine, Oct. 24, 2017, https://apparelmag.com/which-brands-are-doing-email-marketing-right.