Drive more sales through integrated ecommerce email marketing

Increase your revenue with more than 20%
by using ecommerce email marketing.

Content

Legal disclaimer!

The white paper describes marketing initiatives, which may be restricted according to law in different countries. Dynamicweb recommend that you consider local rules and seek proper legal advice before implementing.

Introduction

Email may be one of the oldest digital marketing channels still in use, growing out of the early internet. It has endured because of its ability to adapt to new digital circumstances, and because it continues to prove its worth in conversions and on the bottom line. Recent DMA return of investment (ROI) figures show an increase from €35.71 last year to €54.43 this year, which indicates that not only is email marketing still alive, it is resurgent.

However, email marketing is no longer a stand-alone activity, but something that integrates well with other channels and platforms. It is merging with ecommerce and other marketing tools to support personalized and automated experiences across channels. The combined approach offers a whole new valuable potential for increasing revenue.

Most organization are aware of the opportunities, but are having difficulties executing because their email marketing and ecommerce are working separately as two isolated siloes. The consequences of not exploiting the full potential are inadequate marketing efforts and missed sale potential.

Our objective with this white paper is to demonstrate how you can generate more sales by having a proper integrated ecommerce email marketing setup that enables you to drive data driven ecommerce email marketing. The following four operational techniques will be introduced in this white paper:

- **Personalize content to drive more sales**
- **Use vouchers for improved customer retention**
- **Activate abandoned shopping carts to improve sales**
- **Retain and drive loyalty through a customer club**

Based on customer data and best-case examples, we will demonstrate how these four techniques combined can increase your revenue with more than 20%.

Email marketing trends in 2015

Looking at the numbers, recent analysis found in the [Email Marketing industry Census 2015](#) shows that on average, companies are attributing 23% of their total sales to the email marketing channel, compared to 18% in 2013. This equates to a proportionate rise of 28% in just one year. The number confirms email marketing's reputation as a trusted marketing channel that pulls its weight and consistently delivers a positive return.

It is however important to note that the positive development is driven by marketers who succeed in incorporating new email marketing trends and techniques – and not by those who rely on status quo.

A recent survey by [Email Vendor Selection](#) shows a common denominator among professional email marketers, who all agree that the key to succeeding in email marketing comes in a user-friendly email marketing setup:

"Consider the Cessna pilot who climbs into the cockpit of a Boeing 747: That pilot will be confronted with a lot more dials and gauges, and not be sure how to fly the bigger plane. That's what it can be like for marketers when confronted with new platforms that offer an increasing number of features along with an increasing amount of complexity." - Marco Marini, CEO of ClickMail Marketing

This raises a series of challenges for companies using external or stand-alone email marketing providers, as they are forced to handle multiple systems that continue to evolve as separate units – meaning that integration becomes more and more complex. Companies using an integrated email marketing setup on the contrary, may not experience the same challenges, since new technology is simply added to a single platform that automatically combines content, ecommerce and marketing.

Before looking at the different techniques, here is a brief recap of the differences between a stand-alone and an integrated setup.

Stand-alone or integrated?

The choice between an integrated vs. a stand-alone platform often depends on professional requirements, ambitions and budget. The following illustration shows the architectural difference between the two setups:
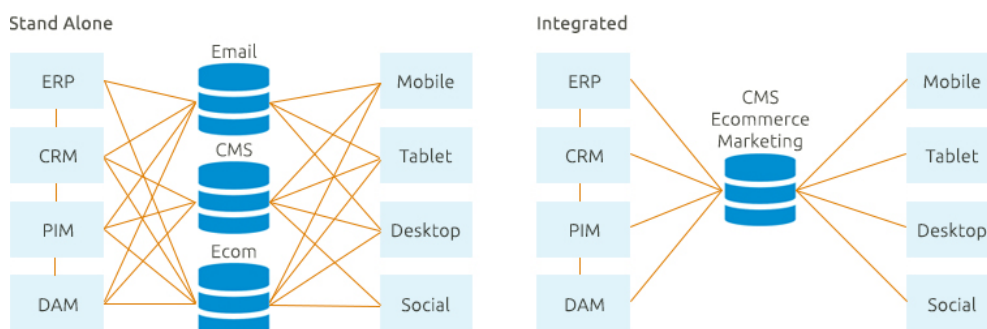
The stand-alone is typically a cheap and efficient choice for companies who only wish to establish a basic email marketing presence with occasional AB split testing and basic personalization. However, for companies who want an online marketing machine to support their business goals and processes, any stand-alone solution becomes insufficient at some point. It would require the stand-alone software plus a lot of plugins, maintenance and integration.

In comparison, the integrated setup offers a single and comprehensive platform gathering all customer data and content in one single place. The equation is pretty simple – less time spend on technical setup means more time for executing and improving your ecommerce email marketing.

Here is a case based on Dynamicweb customer data that shows just how many hours can be saved and utilized on a yearly basis by using an integrated setup:

HOURS SPENT PER EMAIL	STAND-ALONE	INTEGRATED
Update users in different systems	1	0
Create content	3	2
Import pictures	0,5	0
Check links	1	0
Update prices	1	0
Split-test	0,5	0,5
Time spent per email	7 hours	2,5 hours
Per year with 2 emails per month	**168 hours**	**60 hours**

The numbers clearly show the advantages of not having to spend time cross-checking products and prices, copying content or updating user data between different platforms. All the processes can be automated in the integrated setup, which gives you extra time for executing your ecommerce email marketing and increasing your sales.

1. Personalize content to drive more sales

According to a study performed by Experian Marketing Services, personalized emails are capable of increasing transaction rates and revenue per email six times higher than non-personalized emails. Experian also claim that personalized promotional mailings has 29% higher unique open rates and 41% higher unique click rates.

The numbers clearly argue in favor of personalized emails as an engaging marketing strategy capable of increasing and retaining your customers. However, the Experian survey also revealed that the majority of companies included in the study collects customer data, but 70% fails to utilize the data for personalizing their emails.

One of the reasons is complexity caused by the lack of integration between their ecommerce and email marketing system. The other reason is the lack of knowledge and inspiration on how to utilize customer data for email personalization.

Here is an example from OpenTable, a company offering online restaurant reservation, which uses personalization to provide a great mix of interesting stats that tell a nostalgic story tailored to the user's experiences in 2012.

It features some of the restaurants the user went to, while promoting the value of using OpenTable by showing the amount of points accumulated.

The best part is the alignment between the use of personalized data and call-to-actions, which encourages the users to make more reservations in order to improve their personal stats! The full edition of the email also includes recommendations to nearby top-rated restaurants matching the users' own favorite foods. It is a great example of how to collect and utilize customer data to retain customers and drive more sales by profiling users on behalf of their behavior and preferences.

Looking at your own ecommerce email marketing approach, how do you personalize your content? Are you using some of the same methods as in the example above, or are you still sticking to the one-size fits all? If so, try to consider your own inbox preferences for a minute. We can probably agree that personalized and targeted content has a much stronger appeal.

2.   Use vouchers for improved customer retention
As an email marketer, you have probably heard of customer retention emails, which essentially means; we want you back!

Retention campaigns represent one of the highest ROI opportunities in digital marketing at a notably small cost. Analysis by [Experian Marketing Services](#) show that past buyers open, click and transact at much higher rates compared to non-buyers. In fact, transaction rates for buyers are almost double compared to non-buyers.

Marketers can use a variety of retention methods to ensure their brand stands out. Sending inactive customers an enticing voucher after three months, is a strategy employed by many brands that has seen a lot of success. All you have to do is to determine the triggers, and then let automation handle the rest of the sales cycle:
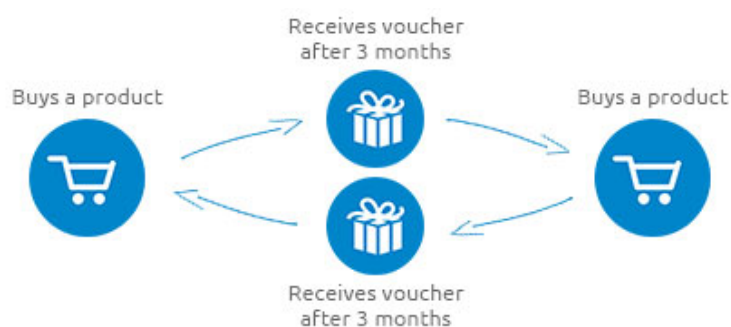
If you are not using vouchers – either because your ecommerce email marketing setup do not support it, or because you are depending on technical assistance to get it up and running, then you are probably missing out on a +5% revenue improvement. Here is a Dynamicweb customer case that demonstrates how:

	RATES	MONTH
Daily visitors	1,000	30,000
Conversion rate	2,13 %	639 orders
Average order size / revenue	€ 128	€ 81,655
Email vouchers sent per month		639 emails
Conversion rate vouchers	6%	38 orders
Revenue from vouchers (minus 10 % discount)		€ 4,370
REVENUE IMPROVEMENT		**+ 5 %**

Experience from current Dynamicweb customer cases show that a simple way to reactivate is to create a trigger three months after the customers' last purchases with a 10 % discount voucher. The campaign should then be repeated until the customer completes a new purchase, and then started all over again. The goal is to implement and automate the sales cycle as illustrated above to make sure that customers are continuously reminded of your products and offerings. So when your customers are ready to purchase, then your shop will be top-of-mind.

It is easy to get started if you have the right ecommerce email marketing setup. You only have to decide on the triggers and values of the vouchers – the rest is handled automatically. That means you can generate additional sales and improve customer retention without having to compromise your current business processes.

3. Activate abandoned shopping carts to improve sales

Recent analysis by ComScore show that 67% of all shopping carts are abandoned without completed transactions. There are several email marketing experts discussing the possible reasons and motives for why shopping carts are abandoned, but the most important question is how you can reactivate them?

Our experience shows that the abandoned shopping carts are hot sales opportunities, and that reactivation can improve total ecommerce revenues with up to 12%. All it takes are three automated emails…

1. An email reminding them about the cart.
2. A second email asking them to finish their purchase.
3. A final email offering a discount to complete their purchase.

By now you are probably wondering whether it is worth the effort. Fact is that if you are not already reactivating abandoned shopping carts, then you are losing out on a major 12% revenue improvement. We have compiled the following calculation based on feedback from our ecommerce customers using abandoned shopping cart emails:

	RATES	MONTH
Daily visitors	1,000	30,000
Conversion rate	2,12 %	636 orders
Average order size / revenue	€ 156	€ 99,470
Abandoned shopping carts	67,45 %	1,318 carts
Conversion potential with email	6%	79 carts
Revenue from abandoned carts		€ 12,356
REVENUE IMPROVEMENT		**+ 12 %**

The same analysis by ComScore indicates that 57% of online customers abandon their shopping carts because *"they were not ready to purchase, but wanted to get an idea of the total cost with shipping for comparison against other sites"*.

So the purpose of using abandoned shopping carts emails is somewhat similar to vouchers – to keep your customers in the loop until they are ready to buy. The important difference with abandoned shopping cart emails is that you can provide your customers with a direct and convenient shortcut to the exact products they have shown interest in - and the easier it is for your customers to purchase the more likely it is that they will complete the order.

4. Retain and drive loyalty through a customer club

It is often 5-10 times more expensive to acquire a new customer than selling to an existing. Not only that, but according to INC, current customers on average spend 67% more than new customers. That means that a simple 5% improvement in customer retention rates will generate a 25 to 100% increase in revenue.

Not to say that companies should entirely refocus their attention to existing customers, but one thing should not eliminate the other. Because in light of statistics like these, businesses should think about what they are doing to retain their customers, and this is where loyalty points and customer clubs proves their worth as effective and valuable upselling tools.

Take the international super brand Weber for example, who encourage all their Danish Weber grill customers to sign up for the customer club called "Weberklubben" (The Weber Club). It currently has more than 72,000 active members, which provides Weber with an extremely valuable foundation for driving loyalty and additional retention sales.

Without going into specific details about Weberklubben, here are three essential offerings that help retain and expand their customer club:

- Knowledge sharing - members can access a vast database of recipes and cooking techniques that will keep them occupied and interested in their Weber grill.

- Training - members can sign up for specific cooking courses and challenges that wary according to complexity and challenge.

- Get discounts – members can access a separate webshop for members only, where they can get discounts and offers on everything related to the product.

Question is, how can offerings like these increase your revenue? It is actually quite simple, because as customers interact with each other, discover new recipes or participate in cooking courses or challenges, they automatically start expanding their interaction with the brand. They simply become brand ambassadors and at the same and enable Weber to increase sales, by providing relevant and timely offers on product accessories and upgrades.

Every business needs new customers, but don't ever forget that your easiest and most predictable source of new revenue is right under your nose: It comes from the loyal customers who already know your company.

— Donna Fenn, Contributing Editor, Inc.com

What is holding you back?
We have demonstrated how the key to running a profitable webshop is the ability to convert new customers and re-sell to existing ones. That makes email marketing an indispensable and powerful tool, but only if it has direct access to your customer data. Despite the obvious advantages, some companies are still missing out. Question is – what is holding them back?

Based on our long-term experience in ecommerce email marketing we know that one of the primary reasons are due to ecommerce and email marketing working independently as separate siloes, which generates a maze of unnecessary obstacles that require too much time and too many resources to overcome.
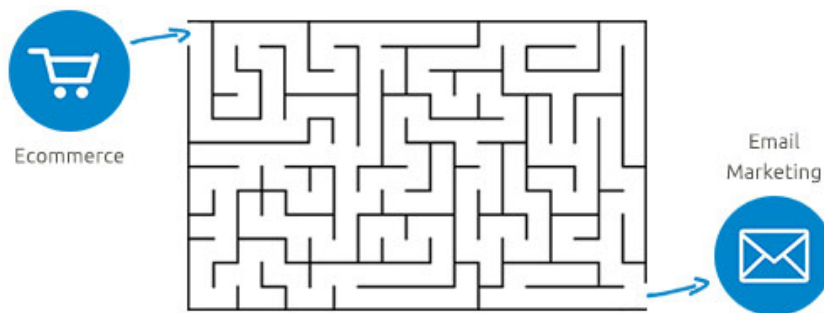
Our solution to the problem is called the Dynamicweb All-in-One Platform, which of course includes integrated email marketing and ecommerce. The benefit is that it enables you to eliminate the distance between your customer data, ecommerce and email marketing, so that you can focus on:

+ Improving customer interaction with personalized content
+ Driving customer retention with vouchers
+ Activating abandoned shopping carts
+ Generating loyalty through customer club
= **Achieving a +20% increase in revenue**

If you are looking to create a business case on what impact ecommerce email marketing can have on your business, then do not hesitate to contact us for assisting you in building a business case.

About Dynamicweb

Dynamicweb is a leading software company developing products that help you grow and optimize your online business. Our All-in-One Business Platform combines Content Management, Ecommerce and Marketing capabilities to create powerful customer experiences across all channels, which increases conversions and optimizes customer lifetime value.

Today, thousands of businesses run more than 12,000 websites with Dynamicweb. We are expanding our services internationally in close corporation with 200 certified partners in 13 countries.
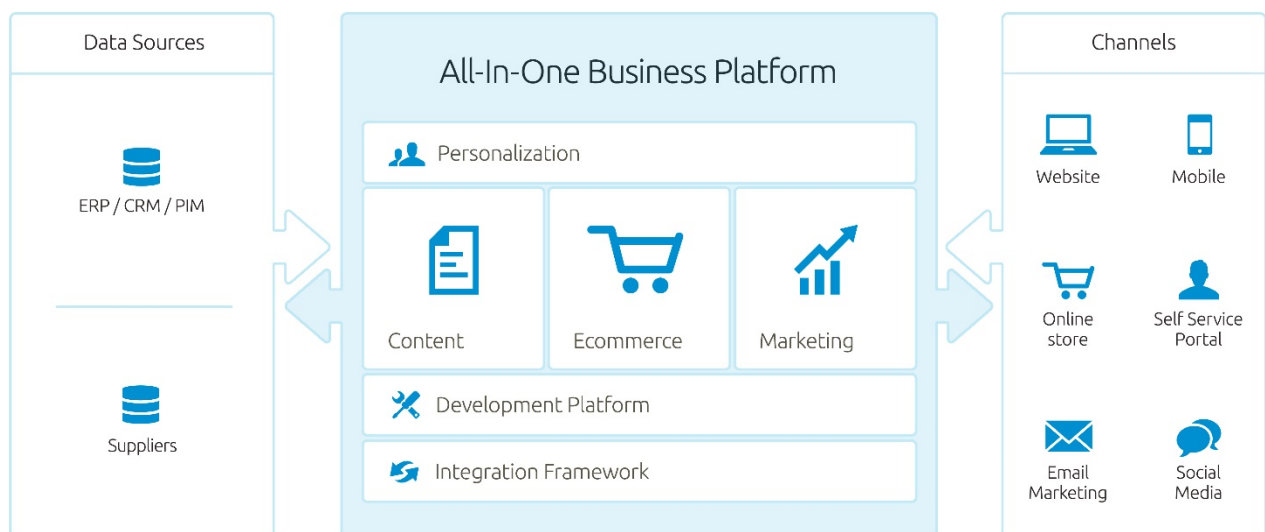
One platform for your (whole) digital world

Dynamicweb's All-in-One Business Platform brings the digital world together in one powerful platform. It empowers you to deliver great online experiences across channels.

The Dynamicweb difference means that all you need for Web Content Management, Ecommerce and Marketing is available in just one platform. With Dynamicweb, all your content can be reused and personalized – your customers get the benefit!

Find out more www.dynamicweb.com.