



Driving Customer Retention with Email



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In these challenging economic times all marketers are under pressure to deliver smarter, more effective and accountable campaigns. Acquiring new customers will always be important for long-term growth, but the demands of the economic slowdown will lead to a greater emphasis on retaining existing customers – and fortifying their loyalty. Email, in part because of its proven high levels of ROI, can and should play a part in your retention tool box.

Across the globe marketing teams are being asked to deliver more with less, and as a result are reviewing long and short term strategies so that more channels deliver on their promise of accountability. For some time now, smart marketers have been investing more time and resources on projects that deepen their knowledge of their customer base allowing them to deliver highly targeted and therefore more cost effective campaigns; while others are playing catch up.

“Many people don’t understand the value of a customer database,” asserts Tony Cheung, Epsilon International’s regional director, China. “Your database is your goldmine; so the question is how you are going to mine it. When you segment your audience well, you can deliver better-targeted, more relevant messages, leading to more conversion, higher retention and ultimately greater return on your investment.”

Customer retention relies on conversation

Too many marketers believe that sending email newsletters or promotions once a week builds a relationship with the consumer. However, like maintaining any relationship you need to start a two way conversation.

“If you communicate regularly with your customers, invest the resources in soliciting feedback and observing their interactions, you should then have a comprehensive database that is constantly evolving,” explains Tony Cheung. “The more you learn about your customers through a conversation, the more responsive you can be to their needs and priorities, which improves your ability to retain them and build loyalty.”

"We have an e-commerce client in China selling consumer products. They have a massive customer database. They used to send regular promotional newsletters to everyone on the entire database. After a while, they found the open, click through and conversion rates had dropped to extremely low levels.

"They engaged our strategic consulting team, and started to segment their customer database according to interests and spending patterns. We had them look seriously at content relevancy for the 20 new customer segments. This change of practice has increased retention and responsiveness, brought a surge in open rates (increased to 30%) and click rates (17-20%), doubling what they were previously."

Email is the best retention marketing channel

A 2008 *Target Marketing* media usage study revealed that email is the most effective marketing channel for customer retention. Yet how well it works is conditional to the relationship you have with the customer. Good relationships are based on, respect, commitment, mutual interests and great communication. For a marketer that means targeting customers with the right message, at the right time encourages them to commit the relationship with your brand. Achieve so consistently, you soon win another loyal customer.

Checklist for effective email retention campaigns

- 1. One size does not fit all** - analyze customer data so that you can segment based on interests, previous interactions and spending patterns. By focusing on delivering relevant content to each group, you can improve response and retention rates. [[Read more about email relevancy](#)]
- 2. Trusted sender address** – customers are more likely to read emails from people and companies they trust, therefore your sender address must remain consistent, be branded and easily recognizable.
- 3. Deliver value, every time** – If you are unable to clearly demonstrate the value of your email communication to either the consumer or your organisation you should not be sending it – ever.
- 4. Benefit-driven Subject Line** – promote the direct value of your message up front so that your customers clearly know what is in it for them. [[See the latest research on Subject Line effectiveness](#)]
- 5. Key message displays in the auto-preview pane** – optimize your email creative so that the benefits and main points are displayed at the top of the email, and even if your HTML creative does not render because of image blocking your message, ensure the call to action still be clearly visible.
- 6. Delivery Basics** – customers cannot respond to your marketing messages if they do not receive them. Make sure you are up to date with deliverability best practices to ensure your messages are not blocked by ISPs, reported as spam or delivered to the customer's Junk folder.
[[Learn more about email deliverability](#)]

