

# Direct E-mail Marketing for Cellular Retailers



***Marketing to Current and New Cellular Users***

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## **Introduction**

Direct e-mail marketing is quickly becoming one of the most effective forms of marketing. Due to the low deployment costs of launching an e-mail campaign, direct e-mail marketing is an attractive tool for cellular/wireless retail businesses. By using today's Customer Resource Management (CRM) technology to leverage their network of contacts, leads, and existing customers, and by taking advantage of the personalization and segmentation that e-mail marketing offers, cellular retail organizations of all sizes can achieve measurable results while increasing profits and customer loyalty.

With the saturation of the maturing cellular market, the once plentiful brand-new customer activations are leveling off. A new customer for one retailer means a lost customer for another. Cellular retailers now, more than ever before, must optimize their customer retention efforts by finding new ways of keeping the lines of communication open.

Marketing data indicates that it costs at least five times as much to attract new customers as it does to keep existing customers. This means that, while retailers have to spend more time and money per new customer, the use of cost-effective methods to help manage and retain their existing customer base helps to increase their overall revenues.

By implementing permission-based (or opt-in) e-mail campaigns, cellular retailers can keep costs down while they effectively maintain and enhance their current client base by providing targeted newsletters, offers, informative tips, and updated product information.

A recent study shows that 55% of consumers currently receive permission-based e-mail from retailers.<sup>1</sup> Consumers are becoming more comfortable with e-mail marketing, and as a result, an increasing percent of consumers are likely to not only view a direct marketing e-mail, but also, more importantly, actually make a purchase in response to that e-mail.

Consumer acceptance of e-mail marketing provides a great opportunity for cellular retail organizations. However, e-mail campaigns should not be developed without first knowing who the recipients are. By using CRM software to properly analyze customer data, cellular retailers can create personalized and targeted e-mail campaigns that cultivate customer relationships and increase sales.

## **Why E-mail?**

Research shows that customer retention e-mail campaigns account for the greatest share of permission-based e-mail marketing spending.<sup>2</sup>

In the US alone, 88% of adult Internet users have personal e-mail accounts.<sup>3</sup> Chances are that most cellular customers also have a personal e-mail account. It is now commonplace for there to be an e-mail field on just about every type of subscription or registration form. Consumers have come to expect a certain level of e-mail from various service vendors, from utility companies to phone companies, and now cellular retailers. Whether it is in the form of customer service, order

confirmation, newsletters, or special offers, e-mail has become an accepted form of communication between businesses and their customers. In fact, a recent study by the Direct Marketing Association shows that close to 50% of consumers would like e-mail to replace all other types of marketing.<sup>4</sup>

## **Is it SPAM?**

The first question any business should ask when creating a direct e-mail marketing program is "Can our e-mail be considered SPAM?" Even though it has been over two years since the CAN-SPAM Act went into effect, 81% of e-mail marketers responding to a WebSurveyor poll said they were unaware of the CAN-SPAM Act's requirements and penalties.

The CAN-SPAM Act's goal is to stem the tide of SPAM. When developing an e-mail marketing campaign, it is necessary to be fully compliant with the CAN-SPAM Act. The Act dictates that e-mail recipients for direct e-mail marketing must opt-in for the initial emails. However, these opt-in rules are different in regards to customers who have a prior business relationship with a vendor, such as a customer and their cellular retailer. For these recipients, the Act takes an opt-out approach, allowing transmission of otherwise unsolicited e-mail from the vendor until the recipient asks for the mailings to cease. Nevertheless, the recipients may still consider these e-mails SPAM if they did not specifically opt-in. To ensure that only customers who want to join an e-mail program are added to the recipient list, CRM software used by the cellular retailer should not automatically opt-in all customers.

Consumers tend to maintain consistent views as to when e-mail is SPAM. While consumers may frequently sign up for e-mail newsletters or special offers, the frequency and relevancy of the e-mails will often determine if they delete the e-mails or create rules dumping the e-mails into a bulk folder.

In addition, if consumers feel e-mail marketers are deceiving them, they are likely to tag those e-mail messages as SPAM even if they willingly opted-in to receive e-mails. This can be hard to track, since the majority of e-mail users simply delete the e-mail messages as opposed to going through the trouble of unsubscribing.

## **Effectiveness - ROI**

By using CRM software tools, cellular retailers can easily measure the effectiveness of their e-mail campaigns. Modern CRM software provides the methods for tracking, analyzing, and optimizing e-mail campaigns to get the highest return on investment. According to Doubleclick's 2004 Consumer E-mail Study, 73% of consumers have made a purchase as a result of e-mail, and 59% have redeemed an online coupon offline. The same study found that customers responded the most to permission-based e-mail containing content based on specified interests (72%), while 68% cited relevance. So, the effectiveness is directly tied to who gets the e-mail, and whether the information in the e-mail is relevant to the recipient.

E-mail marketing consistently provides an overall return on investment (14.2%) that is higher than other methods of advertising.<sup>5</sup>

## **Relevance and Frequency**

Research shows that that 40% of subscribers of permission-based e-mails from companies to which they feel loyal make more purchases and spend more than those customers who do not feel the same loyalty.<sup>6</sup> To enhance customer loyalty through e-mail marketing, the e-mail messages must contain relevant information. For example, an e-mail containing special incentives for customers who have had their phone service for over a year will not be useful to recipients who just activated their phone service. As described in the following sections, knowing who the customers are, and segmenting customers based on relevant e-mail content factors are key factors for an effective e-mail marketing campaign.

Cellular retailers also need to understand the importance of the proper frequency for sending e-mails to customers. Frequency will vary based on the content. For example, retailers may send out monthly newsletters to a wide variety of customers detailing the latest products and services, but they may send out e-mails to specific customers nearing the end of their service contract that go into more detail about special pricing on new phones or plans. Another e-mail may be sent to customers who have a specific phone, detailing certain tips and tricks that will enhance their experience. Theoretically, one customer could be bombarded with several e-mails from the same retailer on the same day. Even though the e-mail messages are relevant, the customer will undoubtedly not appreciate receiving several messages at the same time.

By using properly configured CRM software (complete with organizational tools and alerts) cellular retailers can avoid the many headaches that manually tracking the various levels of e-mail marketing can cause, without the danger of crossing the frequency threshold.


## **Building a Customer E-mail List**

Since cellular retailers regularly process detailed customer information during activations, they are step ahead of many other industries at acquiring data vital to building a customer e-mail list. With the proper cellular point-of-sale software system in place, they can easily port information into a CRM database for future use in marketing campaigns.

Cellular retailers should promote their e-mail program every time an interaction occurs with their organization, including in-store opt-in forms, on their web site, on order or registration forms, and any correspondence. By not limiting potential e-mail targets to existing customers, retailers can gain vital information on future prospects.

It is vital to the integrity of an e-mail campaign to obtain permission before using customer information. For all contacts, retailers should keep a record detailing how the contact information was obtained and whether the contact agreed to opt-into the e-mail program.

Since cellular retailers require a large amount of detailed customer information as a condition for obtaining cell phone activation, the customer's readiness to provide private information is enhanced. This gives cellular retailers an opportunity to segue into a "would you like us to contact you with any special offers" request for an e-mail address and permission.



The minimum information retailers should request for a solid e-mail campaign includes name, e-mail address, and any other information that can help to enhance the effectiveness of the campaign. Requiring that the customer provide information that does not relate directly to the customer's cellular needs or other services provided by the retailer will cause many customers to refuse permission. Limiting the amount of information requested will increase the likelihood that customers will opt-in. It will also help to convey a certain amount of trust.

### **Personalization - Knowing Your Customers**

The best way to tailor a direct e-mail marketing program to existing customers is to get to know the existing customers. With the vital data recorded daily in the cellular POS system, cellular retailers have most of the required information to create effective and personalized e-mail advertising and customer service programs.

Only 4% of marketers use personalized direct e-mail marketing messages. Of marketers who do personalize their e-mail messages, 76% use five data points or less in the personalization process.<sup>7</sup> That means that by gathering and using only five data points (such as name, e-mail address, phone, street address, purchase history, or various preferences) e-mail marketers are capable of reaping the full rewards of e-mail marketing.

Cellular retailers usually have much more detailed customer information available, which, when used correctly, can provide an added advantage when personalizing e-mail messages. With the right CRM software, these retailers can easily run reports and analyses quickly to determine customer needs, desires, and trends.

Customers will not only appreciate the personalized messages based on their actual needs, they will also appreciate not receiving e-mail messages that do not provide relevant content.

The tracking of customer behavior (including purchase history, customer service inquiries, or responses to past marketing campaigns) provides further insight, allowing cellular retailers to create better-focused email marketing. Retailers can use this information to ensure each recipient receives e-mail messages with the most relevant content. Customer behavior data is especially valuable if the customer did not choose to provide detailed personal information to the retailer.



## Developing Content

Even with a robust customer list, complete with detailed information on each recipient, a direct e-mail marketing campaign will fall flat without compelling and effective content.

Often, e-mail marketers can repurpose content for messages such as "welcome" e-mails detailing available products and services to new customers. In addition, creating basic templates and boilerplate text provide marketers with a resource from which to create consistent content.

Depending on the content, the e-mail messages may take the form of newsletters or short and simple announcements. Content does not always need to be for selling purposes. It may also simply be informative.

The following are some more examples for creating e-mail marketing content:

- **Special occasions** - Send special offers based on a customer's birthday or for a holiday.
- **Upgrade and New Contract Special offers** - Synchronizing special offers to coincide with the end of a customer's cellular contract term will help to ensure they remain loyal...to YOU.
- **Customer appreciation** - Let customers know they are appreciated by sending offers thanking them for their loyalty.
- **Announce new products and services** - By keeping customers up to date on the latest technologies, they are more likely to return when they want to upgrade their services.
- **Product recalls** - Contact customers who purchased a particular item from you if there happens to be a factory recall for that product. Your customers will appreciate the extra care.
- **Tips and tricks** - Target helpful information to customers with specific types of phones or services. This is also a good opportunity to upsell to the next level of service by providing information on what the customer could accomplish if they opted to upgrade with new handsets or hardware.
- **Request feedback** - Asking customers to provide their opinions on relevant topics not only provides the cellular retailer with useful information, it makes customers feel closer to the retailer and enhances loyalty.
- **Target Inactive Customers** - While many customers will respond to e-mail marketing campaigns (thus providing additional customer data for future campaigns), what is often overlooked is the demographic of customers who can be referred to as simply "inactive". These inactive customers are those who have not responded to any previous e-mail campaigns nor made a purchase in a long time. Reaching these customers requires targeted e-mails with offers and incentives specifically created to win them back.

## **The Direct E-mail Marketing Solution for Cellular Retailers**

CellularManager® is revolutionary web-based software that provides real-time cellular POS and CRM capabilities with tracking features for ESN/SIM/IMEI, carrier activations, cellular commissions, and serialized inventory. CellularManager's powerful customer management capabilities automatically tracks all transactions, sales, activations, and buying trends - thus, allowing cellular retailers to better target their current customers for repeat purchases and position their company to better market current products and promotions.

For retailers using the CellularManager Cellular POS software, full-featured CRM and marketing tools are seamlessly integrated into the system and are included at no extra charge. The information that retailers gather with each transaction is completely accessible immediately for CRM purposes across the entire organization. CellularManager makes it very easy and inexpensive to incorporate CRM into the daily functions of the retail business without any extra implementation or effort.

The CellularManager Cellular POS offers fully-integrated marketing features including a robust yet easy-to-use e-mail campaign engine that harnesses the vast amount of customer data so retailers can create brilliant and professional direct e-mail marketing. Using this built-in e-mail creator, cellular retailers can bring to life engaging marketing newsletters that promote their business, offer discounts, and target former customers for repeat business.

CellularManager's e-mail campaign engine also offers intelligent campaign analysis that allows cellular retailers to DIRECTLY link sales with e-mail campaigns. Now, cellular retailers can finally see the direct, tangible result of their e-mail marketing campaigns. CellularManager is also fully compliant with the CAN-SPAM Act and includes full recipient opt-out management.

CellularManager's robust CRM features track everything processed through the cellular pos software. This allows cellular retailers to "zero in" and truly cater specific promotions and specials to select, targeted customers. For example, by analyzing customer trends and histories, retailers can launch cost-effective e-mail campaigns informing specific customers about upcoming promotions or new products. Furthermore, in the event of a product recall or warranty expiration, retailers can use CellularManager's capabilities to detect all customers who purchased a particular handset or product and notify them immediately via e-mail.

Having the correct tools to track customer behavior is one thing, but having a fully integrated inventory management, activation tracking, and customer tracking system that can then tie everything together is what gives CellularManager Cellular POS users a huge advantage. CellularManager is the all-in-one solution that seamlessly connects all aspects of the cellular retail business to one centralized platform.



The basic tenet of marketing is "know your customer". With CellularManager Cellular POS software, cellular retailers have a wealth of powerful and fully-integrated features at their fingertips. All of the data processed across the organization is instantly available for reporting, tracking, CRM, and marketing. CellularManager creates a completely collaborative and comprehensive environment that allows cellular retailers to achieve the best results possible with minimal investment in time and effort.

## **About Data Guard Systems**

Data Guard Systems, Inc., based in Cambridge, MA, is a leading developer and marketer of online business management software. Data Guard's flagship product CellularManager® Cellular POS provides a comprehensive web-based suite of data management and enterprise synchronization tools with complete point-of-sale integration to independent wireless and cellular retailers, distributors, and master agents. CellularManager® Cellular POS offers the best real-time data software for cellular stores.

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