

# EMAIL MARKETING

## LANDSCAPE & BEST PRACTICE IN 2023



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## WHY EMAIL MARKETING IS STILL RELEVANT...

Email marketing remains a cornerstone in 2023 because it excels at delivering tailored content, ensuring cost-effectiveness, and seamlessly adapting to the digital landscape.

Leveraging email marketing alongside other strategies not only facilitates significant business growth but also sustains a competitive advantage in the dynamic online marketplace Cost-effective Targeted High Engagement Measurable Relationship Building

## EMAIL MARKETING EVOLUTION



2003

South Africa's first spam law, the Electronic Communications and Transactions Act, is introduced, prompting marketers to adopt more responsible email marketing practices.

## 1990s

Email marketing emerges as a digital marketing channel in South Africa, with the first basic email campaigns being sent for promotional purposes.

## Early 2000s

Email marketing gains popularity as businesses realize its potential. Companies begin building email lists and sending promotional emails to reach a broader audience.



## Late 2000s

Email marketing tools become more advanced, enabling better personalization and automation. South African businesses start using email for lead nurturing and customer engagement.

## EMAIL MARKETING EVOLUTION



## 2010

Mobile optimization becomes crucial as smartphone usage for email access rises. Marketers adopt responsive email designs to cater to mobile users.

## 2020

Email marketing in South Africa becomes highly personalized, with the integration of AI and machine learning to customize content based on individual preferences. Data privacy regulations like POPIA lead to increased compliance measures.



## Late 2010s

South African companies focus on refining email marketing strategies, utilizing customer segmentation, A/B testing, and data analytics to enhance campaign performance.

## 2021 and Beyond

South African businesses continue to evolve their email marketing efforts, placing a strong emphasis on improving customer experience, engagement, and integration with other digital marketing channels, such as social media and content marketing.

## **KEY BENEFITS OF EMAIL MARKETING**

Direct and individualized Communication:

This substantiated approach enhances engagement and creates a sense of exclusivity, fostering stronger connections between businesses and their guests.

#### Cost-Effective and High ROI:

When executed strategically, dispatch marketing juggernauts can induce substantial profit, making it an essential tool for businesses of all sizes.

#### Structure and nurturing client connections:

Maintaining strong client connections is pivotal for long- term business success. By constantly delivering applicable and precious information, companies can make trust, fidelity, and brand advocacy among their client base.

#### Increased Conversion Rates:

Dispatch marketing serves as a important channel for converting leads into guests. By delivering targeted and conclusive dispatches directly to subscribers' inboxes, businesses can guide implicit guests through the deals channel.

#### Measurable and Data- Driven:

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One of the major advantages of dispatch marketing is its measurability. Businesses can track and dissect colourful criteria, similar as open rates, click- through rates, conversion rates, and overall crusade performance.



# AUDIENCE Consumption

## EMAIL IS STILL RELEVANT IN SA



### **Positive Outlook:**

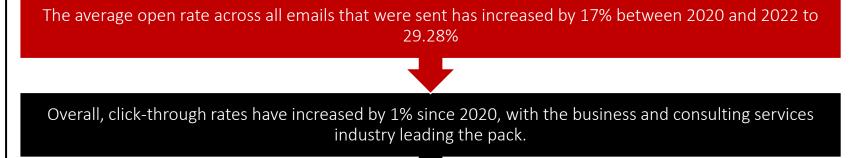
2022 reflects higher open, click, and clickto-open rates compared to 2020, signalling a promising trend for email marketing and the economy after the Covid impact.

### **Privacy Challenges:**

Adjustments in email privacy on platforms like Gmail and Apple Mail have significantly affected open rates, making it increasingly challenging to accurately track user engagement across various platforms

### **Industry Insights:**

Notable improvements in Technology, Business & Consulting, and Education & Training industries contrast with declines in Logistics and Automotive sectors. Market shifts post-pandemic and tailored content strategies could be driving these trends.



Average click-to-open rates are up by 5% from our last Benchmarks report, suggesting that marketing emails have been more effective since 2020.

## **Consumer segments in South Africa are most likely to open and engage with email marketing campaigns**



Women



Millennials



Affluent Consumers

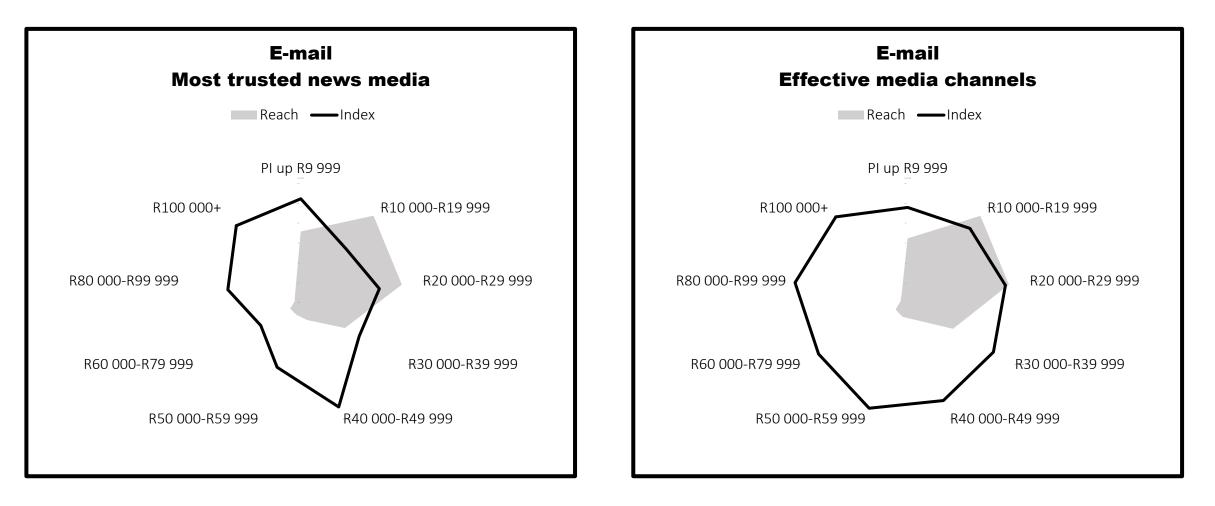


Customers receptive to deals & new products / service

## EMAIL CONSUMPTION IN SOUTH AFRICA



## **Email channel effectiveness & trust base geared to higher income groups**



## **TOP EMAIL WEBSITES USED IN SA**



### Top email sites

Ran	ank  Website  I Vebsite		Catego	Category 🕕			Rank Change 🛈	
1			Computer	Computers Electronics and Technology > Email				
2	2 m mimecast.com		Computer	Computers Electronics and Technology > Email			*1	
3	3 C list-manage.com		Computer	Computers Electronics and Technology > Email				
L	4 sendgrid.net		Computer	Computers Electronics and Technology > Email			• 1	
Ę	5 G gmail.com			Computers Electronics and Technology > Email			<b>*</b> 3	
	hat trendeo	n the top 100 🛹 d up in rank within the top 100 in Septemb	on 2023		hat tren	own in the top 100 😒 ded down in rank within the top 10	می 0 in September 2028	
Rank	Website		Monthly Change	Rank	Web	site	Monthly Change	
45	🙀 a	pus5.com	- 42	72		chpok.site	- 30	
84		7813967289.sharepoint.com	- 12	41		tempsmss.com	- 27	
43	o instantly.ai		- 11	66	ih.	researchdivine.com	- 26	
n	b	urgerkinguniversity.com	- 10	88		live.co	* 25	

### **Open percentages by Industry**

		Mean	
By Industry	2019	2020	% Change
Overall	26.1B	24.97	-5% 🔻
Agriculture & Environmental	26.33	25.02	-5% 🔻
Automotive	27.26	25.41	-7% 🔻
Business & Consulting Services	25.55	23.40	-8% 🔻
E-commerce	17.89	17.58	-2% 🌹
Education & Training	29.22	30.97	6% 🔺
Financial Institutions	30.82	29.14	-5% 🔻
Hospitality, Travel & Tourism	25.36	23.75	-6% 🌹
Industry, Trade & Manufacture	22.18	20.33	-8% 🔻
Lifestyle, Arts & Entertainment	32.56	31.29	-4% 🔻
Logistic Services	23.09	27.80	20% 🔺
Medical & Healthcare	28.99	28.71	-1% 🔻
NGOs	26.36	25.76	-2% 🔻
Property & Real Estate	25.14	24.19	-4% 🔻
Publishing & Media	21.28	20.23	-5% 🔻
Retail & Wholesale	22.94	22.57	-2% 🔻
Technology & Science	26.71	20.62	-23% 🔻

# LANDSCAPE UPDATE

## THE IMPORTANCE OF EMAIL MARKETING

### 1. Direct and individualized Communication

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### 2. Cost-Effective and High ROI

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Maintaining strong client connections is pivotal for long- term business success. By constantly delivering applicable and precious information, companies can make trust, fidelity, and brand advocacy among their client base.

### 4. Increased Conversion Rates

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### 5. Measurable and Data- Driven

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## LANDSCAPE: TRENDS



### Hyper-Personalization:

Email marketers are likely to increasingly use AI and data analytics to create highly personalized email campaigns. This includes personalized product recommendations, content, and subject lines based on individual user behaviour and preferences.

#### **Interactive Emails:**

Interactive elements like quizzes, polls, and surveys within emails can boost engagement. South African brands may adopt this trend to make their emails more engaging and informative.

#### Segmentation and Targeting:

Marketers will continue to refine their email lists and segment subscribers based on behavior, demographics, and interests. Segmentation ensures that recipients receive relevant content.

#### **Mobile Optimization:**

With the continued growth of mobile device usage, ensuring that emails are mobile-responsive will remain a priority. This includes responsive design and concise, mobile-friendly content.

### **AI-Driven Content Generation:**

Al tools might be used to assist in content generation, helping marketers create more compelling and relevant email content efficiently.

#### Privacy and Compliance:

South African businesses will closely follow data privacy regulations, including POPIA. Ensuring email marketing practices comply with these regulations will remain a significant concern.

#### Automation and Drip Campaigns:

Automated email workflows and drip campaigns can nurture leads and guide customers through the sales funnel. This trend is likely to continue as it can be highly effective.

### Visual Storytelling:

Using visuals, such as videos and GIFs, to tell a brand's story or showcase products/services can be a powerful email marketing strategy.

## LANDSCAPE: ADVERTISING SPEND ON EMAIL



According to a 2022 report by Statista, the total email marketing spend in South Africa is estimated to be R1.4 billion in 2023. This figure is expected to grow to R1.6 billion (approximately USD107 million) by 2027.

Email marketing has the best return on investment (ROI) of any digital marketing channel in South Africa, with an average ROI of 30:1.

Email marketing is extremely cost-effective, costing an average of 80% to 86% less than other digital marketing channels.

Segmented email campaigns have an open rate that is 14.3% higher than non-segmented campaigns.

Click-throughs are around 100.95% higher in segmented email campaigns than non-segmented campaigns.

## **GLOBAL OVERVIEW:**

In 2023, email marketing revenue exceeded \$10 billion, with professionals reporting a doubled ROI in a 2022 survey, showcasing its continued effectiveness.

- Revenue from email marketing will reach 10.89B in 2023
- By 2027, spending on email marketing will reach \$17.9B
- The annual growth rate for email marketing is 13.3%

### How Many Businesses Are Using Email Marketing?

There are 4 billion daily email users. In the past year, more than 40% of marketers have cut email budgets. Approximately 64% of small businesses rely on email marketing to connect with customers.

### What Percentage of Audiences Convert?

The average conversion rate of emails is seventeen percent. The result of this is 75 percent.

This means approximately 18 out of 100 people bought something from the website after opening the email.

## SPEND & CONTENT APPROACH BY CONSUMER SEGMENT PLANIT

A 2022 Everlytic report showed that **email marketing is most profitable among millennials**, with an average ROI of 35:1. Gen Z follows with 32:1 | Gen X with 28:1 | Baby boomers with 25:1.

The report also revealed varying email marketing expenditures across consumer segments: **High-income consumers spend the most**, averaging R125 per month, followed by middle-income consumers at R85 and low-income consumers at R55.



## Millennials

Digital natives and prefer to communicate via email

More likely to be interested in personalized and relevant content

Focus on creating engaging and informative content that is tailored to their interests.



## Gen Z

Even more digital-savvy than millennials and more likely to be social media users

Focus on creating visually appealing and interactive content - consider incorporating social media sharing buttons into your emails.



## Gen X

More likely to be value-driven. Focus on highlighting the benefits of your products or services.

You may also want to offer exclusive discounts or promotions to email subscribers.



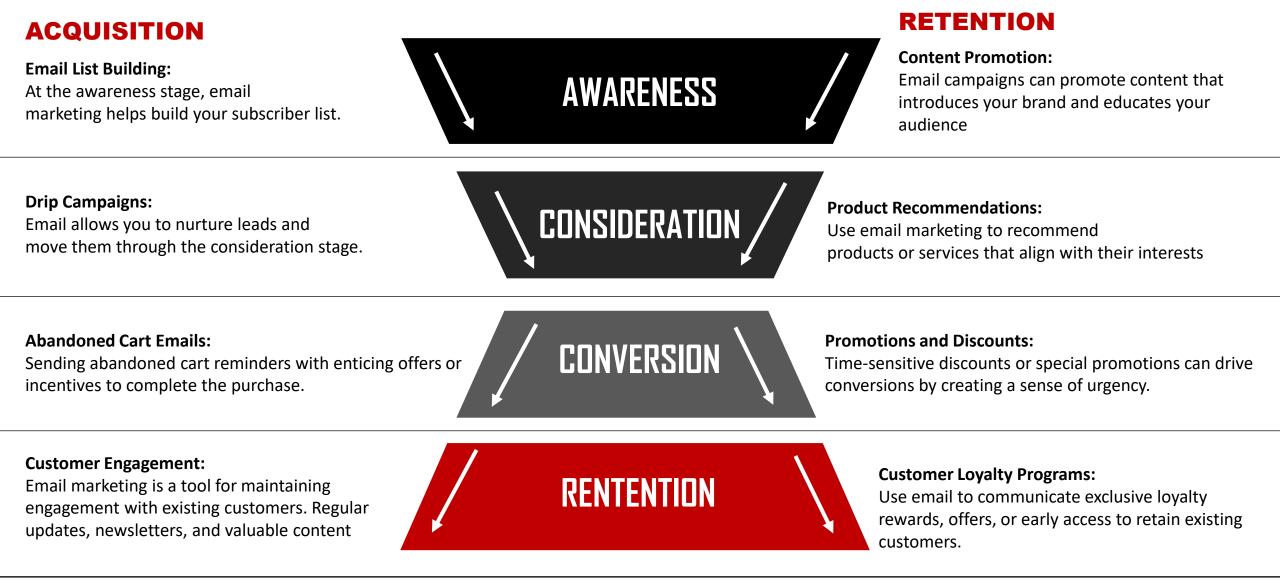
## **Boomers**

More likely to be brand loyal. Focus on building relationships and trust.

You may also want to offer personalized customer service via email.

# LANDSCAPE: FUNNEL EFFICIENCY





## **OPTIMIZING EMAIL CAMPAIGNS FOR SUCCESS**



#### 4. Mobile Responsiveness: 1. Audience Segmentation: 2. Personalization: 3. Clear and Compelling Subject Lines: Ensure that your emails are optimized Divide your email list into segments Use recipients' names and personalize Create concise, attention-grabbing for mobile devices to provide a based on demographics, interests, or the content to make the email more subject lines that accurately reflect the seamless and user-friendly experience past behavior to send more targeted content of the email and entice engaging and relevant to each for recipients who access their emails and relevant content. individual. recipients to open it. on smartphones and tablets. 6. A/B Testing: 5. Quality Content: 8. Optimize Send Times: 7. Email Automation: Provide valuable and relevant content

Provide valuable and relevant content that aligns with the recipients' interests and needs, and includes a clear call to action (CTA) to encourage engagement. Test different elements of your email campaigns, such as subject lines, content, and CTAs, to identify which variations perform better and to refine your approach over time.

Utilize automation tools to send targeted, timely, and relevant emails based on specific triggers, such as user behavior or time-based events. Identify the best times to send emails based on your target audience's behavior and preferences, considering factors such as time zones and typical email open times.

#### 9. Monitor and Analyze:

Track key metrics such as open rates, click-through rates, and conversions to assess the performance of your email campaigns and identify areas for improvement.

#### 10. Compliance with Regulations:

Ensure compliance with data protection and privacy regulations, such as the Protection of Personal Information Act, to build trust and maintain a positive reputation with your audience.

## **EMAIL CONTENT BEST PRACTICE**

## IMPORTANCE OF CREATIVE RELEVANCE FOR EFFECTIVENESS:

**Personalize your emails**. People are more likely to open and read emails that are addressed to them by name.

Write clear and engaging subject lines. The subject line is often the first thing people see, so make sure it's attention-grabbing and informative

Focus on the benefits to the reader: Write engaging and informative content. Content should be interesting and relevant to your target audience

**Use strong calls to action.** Tell the recipient what you want them to do, whether it's clicking a link, making a purchase, or signing up for a newsletter.

**Use a consistent tone and voice**. Your email content should be consistent with the overall tone and voice of your brand

Use a conversational tone: Avoid using jargon or technical language that your audience may not understand.

Use images and videos. Visual content can make your emails more engaging and visually appealing.

## **IMPORTANCE OF ACCESSIBILITY**

#### Concise copy is accessible

- · Use shorter sentences.
- · Avoid jargon.

#### Design for easy skimming

- Create a strong hierarchy with text size, color, and placement.
- · Left justify your copy if it's more than two lines long.
- Use a minimum font size of 14px.
- · Keep contrast high.

#### Use screen-reader-friendly email code

- · Use real text (no more all-image emails, please).
- · Create accessible tables with role attributes .
- Include semantic HTML to identify headers, paragraphs, and buttons.
- Pair live text with alt text for images to replicate the look and feel of the design.





## **BUILDING DATABASES**

## Four key steps to start building an email marketing database in South Africa:

### **1. Understand Data Privacy Laws:**

• Familiarize yourself with South African data privacy laws, such as POPIA, and ensure your practices comply with these regulations.

### 2. Identify Your Target Audience:

• Create buyer personas specific to your South African audience to tailor your email content effectively.

### **3.** Create Engaging Sign-Up Opportunities:

- Design appealing sign-up forms and communicate the benefits of subscribing clearly. Consider offering incentives.
- 4. Segmentation and Localization:
  - Segment your email list based on demographics and localize your content to suit South African preferences and languages when applicable.





## SEGMENTATION



Email segmentation enhances targeted campaigns, boosting email ROI by tailoring content to specific audience categories, thus increasing the likelihood of converting subscribers into customers.

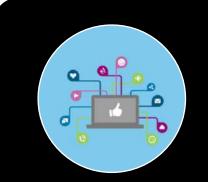
Better Campaign Performance	Deliverability	Targeted Promotions	Improves customer experience	Increases ROI	Demographic	Geographical location	Customer
1.Better Open	1.Sender	1.Targeted	1.Customer	1.Increased ROI:		IOCACIÓN	personas
Rates: Tailored subject lines boost email opening likelihood. 2.More Clicks: Targeted content	Reputation: How ISPs rate your emails affects delivery. 2.Quality Matters: Low-quality	Promotions: Segment your list for personalized content based on interests.	Impact: Experience shapes customer loyalty. 2.Guided	Segmentation drives better targeting and engaging content, leading to higher returns. <b>2.Effective</b>	Behavior	Email activity	Organization type
fosters higher engagement and click-through rates. <b>3.Higher</b>	content can harm your sender score. <b>3.Segmentation</b> <b>Helps:</b> Targeted	2.Convert Better: Define customer personas through	Progression: Segmentation helps tailor the customer journey.	Targeting: Success relies on appealing to your audience and prompting	Stage of the funnel	Where they shopped	Type of customer
Conversions: Personalized campaigns drive better subscriber-to- customer conversion by catering to specific needs.	emails can boost your reputation.	for improved conversion.Content: U insights to3.Boost Loyalty:effective	3.Personalized Content: Use insights to drive	action. <b>3.Diverse</b> Audience: General emails are less effective as different customers have distinct needs and motivations.	1.       2.       3.       4.         Determine criteria       & set up workflows       Content & start sending       4.		

WAYS TO SEGMENT

## LANDSCAPE: LOYALTY & RETENTION

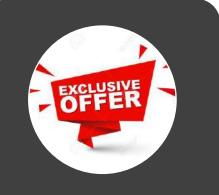


Retaining a customer base with email marketing in South Africa requires a well-thought-out strategy that focuses on providing value, building relationships, and maintaining engagement



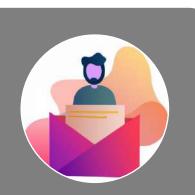
Personalization:

Segment your email list based on customer preferences, behavior, and demographics. Use this information to send personalized content, product recommendations, and offers that resonate with each segment.



#### Exclusive Offers and Promotions:

Reward loyal customers with exclusive discounts, promotions, or early access to new products. Make them feel valued for their continued support.



#### **Engagement Campaigns:**

Keep your audience engaged with regular email campaigns, including newsletters, updates, and relevant news. Use compelling subject lines and content to encourage opens and clicks.



#### **Abandoned Cart Emails:**

Implement abandoned cart email reminders to recover potential lost sales. Send automated emails to customers who have added items to their cart but haven't completed the purchase.



#### Anniversary and Milestone Emails:

Celebrate customer milestones such as the anniversary of their first purchase. Show appreciation for their loyalty with personalized messages and offers.

## HOW PRIVACY COMPLIANCE IS Impacting success

### **Ongoing privacy challenges are impacting effective email** marketing in a number of ways, including:

### Reduced visibility into email performance:

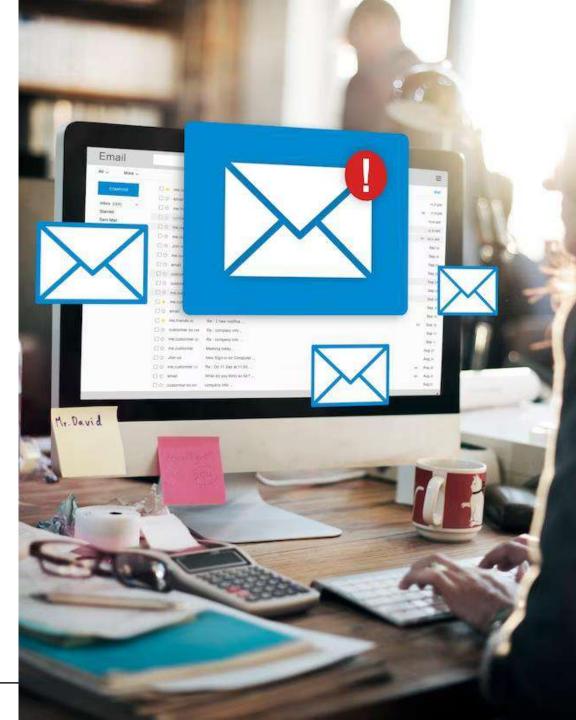
Many email marketing platforms rely on tracking pixels to track email opens and clicks. However, many email users are now blocking tracking pixels, making it more difficult for email marketers to track the performance of their campaigns.

### Increased difficulty in targeting emails:

Email marketers often use personal data, such as customer demographics and interests, to target their email campaigns. However, privacy regulations are making it more difficult for businesses to collect and use this data.

### Reduced trust with email subscribers:

Email subscribers are becoming more aware of the privacy risks associated with email marketing. As a result, they are more likely to unsubscribe from email lists or report spam.



# EFFECTIVE MEASUREMENT

## **KPIS TO MEASURE**



ROS Banner Impressions	Conversion Rate	Bounce Rate	Unsubscribe Rate	Mailer Reach
The total number of times a banner ad is viewed by visitors as they navigate various pages of a website.	The percentage of email recipients who complete a desired action	The percentage of sent emails that could not be delivered to the recipient's inbox.	The percentage of recipients who opt out of your email list after receiving a particular email.	The number of recipients or individuals who receive an email newsletter.
Mobile Open Rate	List Churn Rate	Forwarding Rate	Response Time	Click-through Rate
The percentage of email opens that occur on mobile devices.	The net rate at which your email list is growing or shrinking after accounting for unsubscribes and bounces.	The percentage of recipients who share or forward your emails to others.	Measure the time it takes to respond to customer inquiries or actions triggered by email campaigns.	The percentage of recipients who click on one or more links contained in your email.

## **INDUSTRY BENCHMARKS**

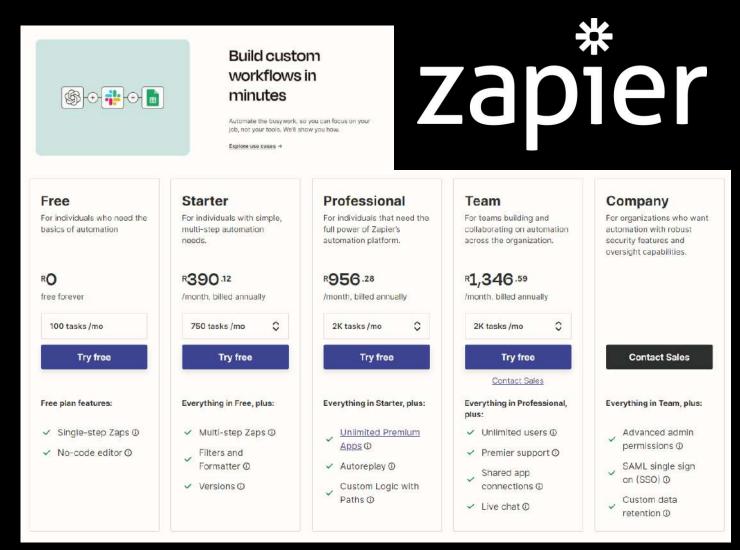
## PLANIT

### <u>ZAPIER</u>

Zapier connects the web apps SMBs use every day so you can save time, reduce tedious tasks, and focus on what matters most.

Working with a larger team? Zapier for Companies offers collaboration and security features that let you bring the power of automation to your entire organization.

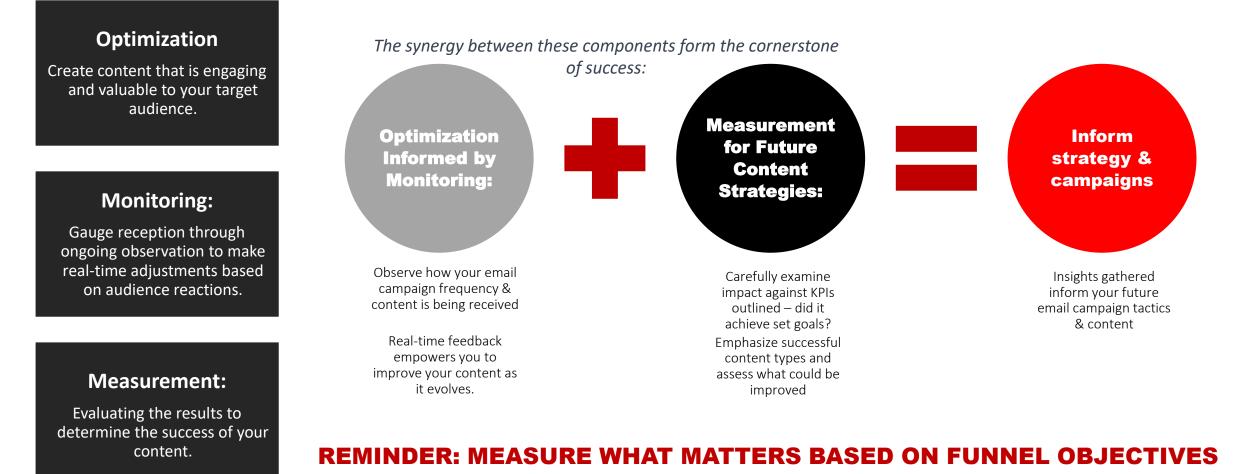
In just a few minutes, you can set up automated workflows that connect over 4,000 of the most popular apps—no code required.



## **MEASURE & DECODE: CONTENT SUCCESS**

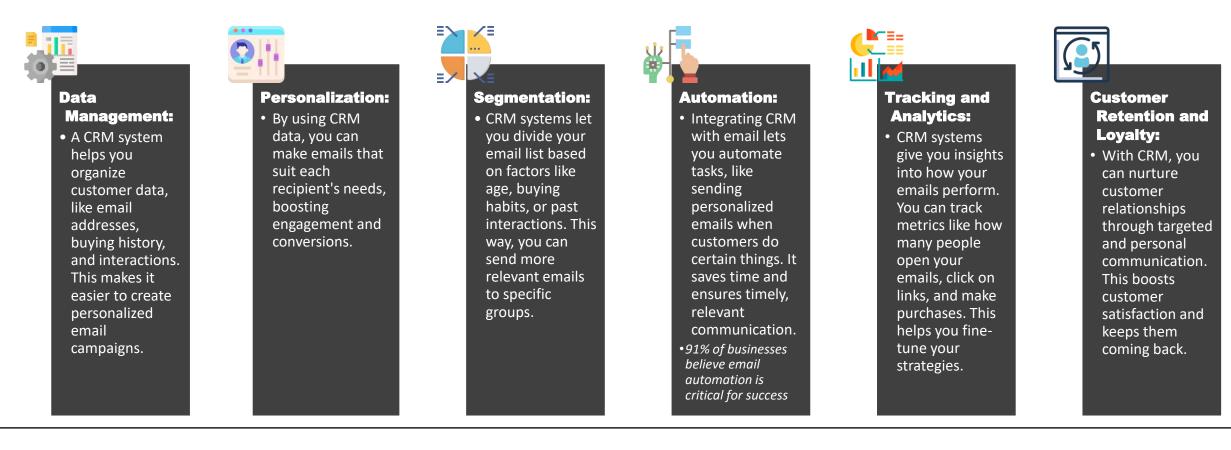


 Optimization, monitoring, and measurement are essential pillars of a successful email campaign or strategy.



## THE IMPORTANCE OF CRM IN EMAIL STRATEGY

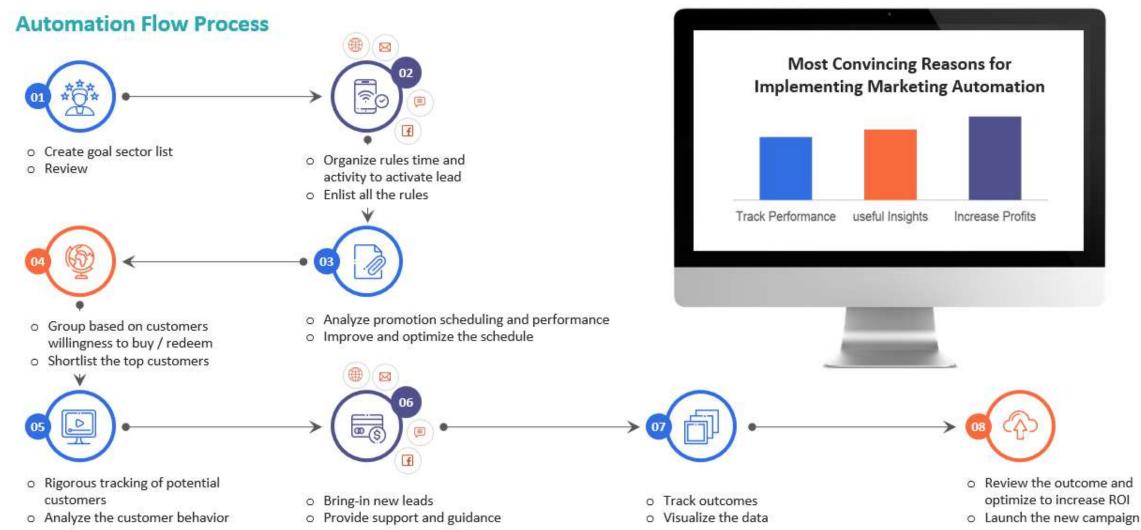
- A CRM system can help businesses improve cost efficiencies in marketing by automating tasks, improving targeting, reducing waste, and improving customer retention.
- For example, a CRM system can automate email marketing campaigns, track website visitors to generate leads, and segment customers to send more targeted messages.
- Additionally, a CRM tool can be valuable for businesses to combat the privacy challenges that are impacting effective email marketing.



## EXAMPLE OF EMAIL JOURNEY MAPPING



• The Key benefit in automation lies in creating triggered, relevant, personalized emails for individual contacts to be sent based on pre-defined time and user action



## **CONTENT GUIDELINESS**

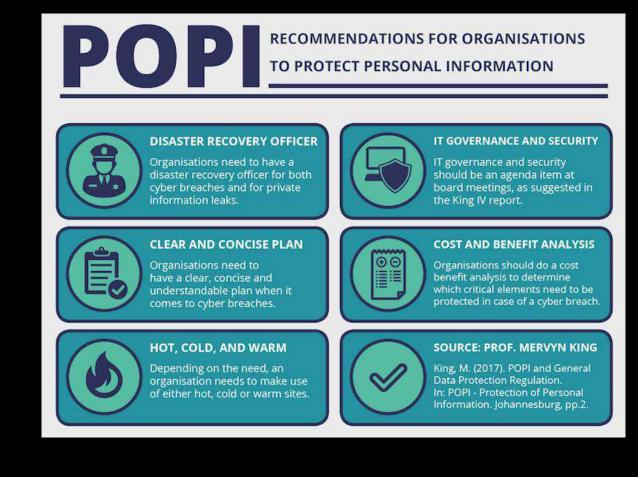


### POPI Act

The POPI Act is designed to align South Africa with international data protection standards and provide individuals with more control over their personal information. It places significant responsibilities on organizations that handle personal data and aims to protect the privacy rights of individuals while also promoting responsible and secure data processing.

The Information Regulator, established under the POPI Act, is responsible for monitoring and enforcing compliance with the act's provisions. It has the authority to investigate data breaches and privacy violations and impose penalties for non-compliance.

As data privacy continues to be a critical issue globally, the POPI Act represents South Africa's commitment to safeguarding personal information and ensuring that organizations handle data responsibly and transparently.



# BEST IN CLASS

## CASE STUDY: Discovery Vitality

## **Discovery Vitality:**

Discovery Bank and Discovery Vitality launched the new Vitality Travel booking platform, and in June 2022, Discovery Bank further launched the Discovery Account for Vitality members to access generous travel savings through Vitality Travel.

## **Objectives:**

The objectives to achieve this were three-fold: To educate members on how to use the booking platform, inform them of their personalised discounts, and inspire them to book holidays through the platform.

## **Execution:**

The Vitality Traveller is a monthly newsletter, and the first mailer of its kind, was sent to a target audience of 794 377 members and clients.

The Discovery Vitality team explained the images used tell one brand story. This is enhanced by using the same muted colours as well as rounding the corners of the images to create a soft experience on the eye. They also brought in a touch of pink for the Vitality corporate identity.

### **Results:**

- 44% opened the newsletter
- click-through rate was 2.32%
- click-to-open rate was 5.1%.





## CASE STUDY: Old Mutual

## Old Mutual:

Old Mutual Personal Finance wanted to deliver more relevant email offers and experiences to its contacts. To do this, personalisation was applied to elements in an email.

## **Objectives:**

- Run a successful email campaign using personalised variables to target relevant clients at different stages of their lives.
- Educate clients and promote investments pertinent to the client's needs and life stage.

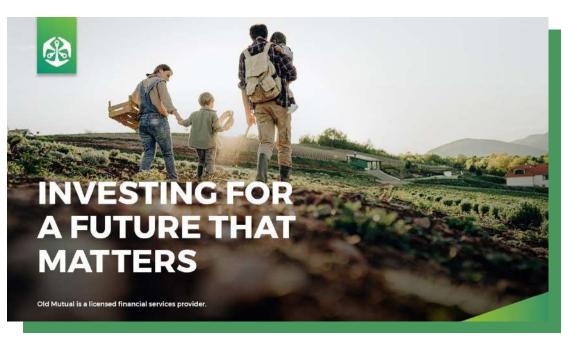
## **Execution:**

Everlytic's Services team custom-created one email template with dynamic content that sent only relevant content to contacts that were grouped into one of three life stages. The following fields were personalised according to the contact's data and the life stage they were in:

The message subject line, the header image, the client's title and last name, their financial advisor's title and last name and, their financial advisor's telephone number,

### **Results:**

- Open rate was 32%
- Click-through rate was 4.3%,





## CASE STUDY: NetFlorist

### Vox:

NetFlorist started delivering fresh fruit and vegetables during COVID-19 lockdown with a one-day lead time, where most retailers could only guarantee delivery in two weeks. They needed to ensure that advertising this new focus was cost-effective.

### **Objectives:**

- Keep business afloat during and after lockdown
- Attract customers to new offering in a cost-effective way

### **Execution:**

NetFlorist decided to put a hold on all advertising expenses, like social media and Google AdWords. With a strong, engaged email database of 1,6 million people, and email marketing being so cost-effective, it was a no-brainer which platform to turn to.

They sent out their first email on 2 April 2020 showcasing their fresh fruit and vegetable offerings. For the rest of the month, they sent emails almost every day, as they knew these were essential goods that people needed in their homes.

### **Results:**

- 14% increase in revenue
- 170% increase in mobile website traffic







# KEY TAKEAWAYS

## **KEY TAKEAWAYS**



Total email marketing spend in South Africa is estimated to be R1.4 billion expected to grow to R1.6 billion by 2027.

## Key benefits:

Cost-effective, Targeted, High Engagement, Measurable, Relationship Building Email is still relevant in SA with Women, Millennials, Affluent Consumers & Deal-Savvy customers most receptive

Creative & messaging relevance should assessed based on funnel objectives

Segmentation allows for better targeting & boosts ROI CRM systems are a valuable tool for businesses to get more value from their marketing budget.

Design trends evolve, but email marketing is a constant that every brand can rely on when done well

# WANT INSIGHTS?

# **GET IN TOUCH!**