

 voucherify

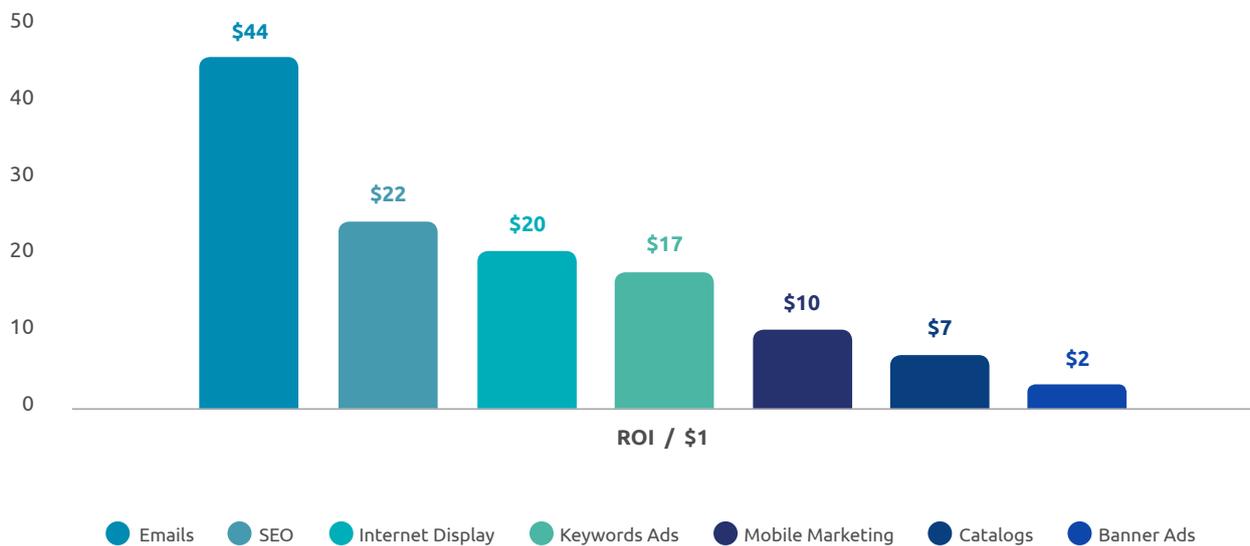


COUPONS IN EMAIL MARKETING

W H I T E P A P E R

According to a recent study, email marketing brings the highest growth in ROI when compared to other marketing mediums. However, worldwide usage has made this kind of marketing both essential and more challenging at the same time. E-commerce researchers claim that the effectiveness of emails is reflected in the quality of content sent out to the customer's mailbox. With this in mind, we have created this guide to demonstrate how to build effective email campaigns equipped with personalized coupons.

ROI per \$1 spent



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When social media serves up mostly anonymous marketing for the masses, emails can be a personalized and subtle way of entering into the private space of your customers. With this guide, we'd like to introduce a sophisticated form of email marketing which includes the most effective e-commerce practices accompanied by coupons. We will give you dozens of field-tested tips on how to get to the next level of personalization, automation, and tracking. Moreover, this paper will show you how the modern generation of SaaS tools can change an advanced, multilevel process of email personalization into a marketer-friendly, automated workflow without harming your time & budget.

EMAIL MARKETING – GOOD PRACTICES

Having analyzed dozens of projects, we have discovered several good practices in email campaigns which stand out and prove high ROI. We have also found that some of them can be generalized and thus used as ground rules for almost every modern marketing team. To make it more memorable, we have coined the EMAIL concept to summarize the key insights:

- E** mphasize your email messages with tailored incentives.
- M** ake your email highly personalized.
- A** cquire consumers attention with an interesting subject and valuable content.
- I** mprove your email campaigns with behavioral segmentation.
- L** everage comprehensive, marketer- and developer-friendly software for detailed personalization and seamless integration with e-commerce tools.

We have bolded developer-friendliness not without reason; although these points intend to guide online marketers in the right direction, they will not get you there alone. In today's data-driven world, marketing teams have to collaborate closely with IT departments. In this guide, we will help you understand why it's necessary and what your role can be in this cooperation.

While 93% of marketers use email marketing, only some of them know how to turn its potential into better sales results. Emails can be an effective, fast, and relatively cheap way to drive profits once you:

- keep in mind the importance of marketing personalization
- add a place for a tailored incentive.

EFFECTIVE IF CONVINCING

Whatever your marketing goal is, you need to convince a customer to follow your message. Creativity and marketing personalization are a priority here.

FAST IF AUTOMATED

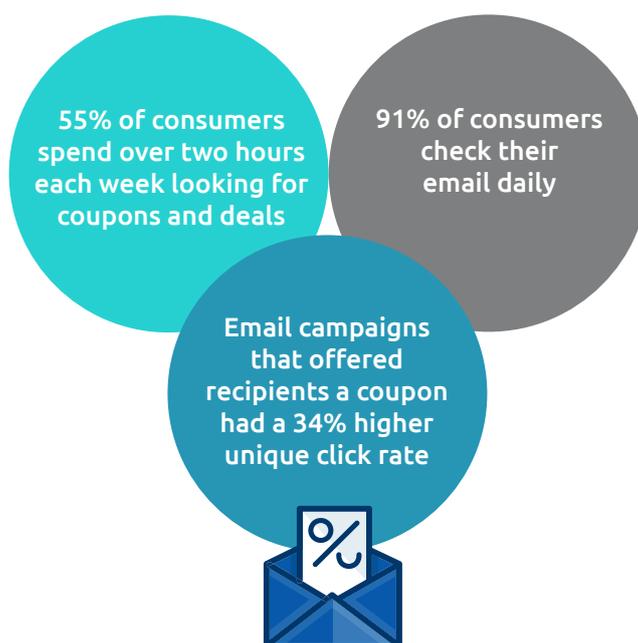
No matter the scale, automation is crucial for using behavioral segmentation and personalized email marketing.

PROFITABLE IF MEASURABLE

No profits can be attributed to email marketing if they are not measured. Comprehensive monitoring and tracking capabilities enable you to experiment and figure out what brings the best ROI.

LESS-COSTLY IF SCALABLE

While coming up with an email strategy, you need to choose software which allows for creative and measurable marketing at every stage of your marketing project.



COUPONS - MEASURABLE & ENGAGING

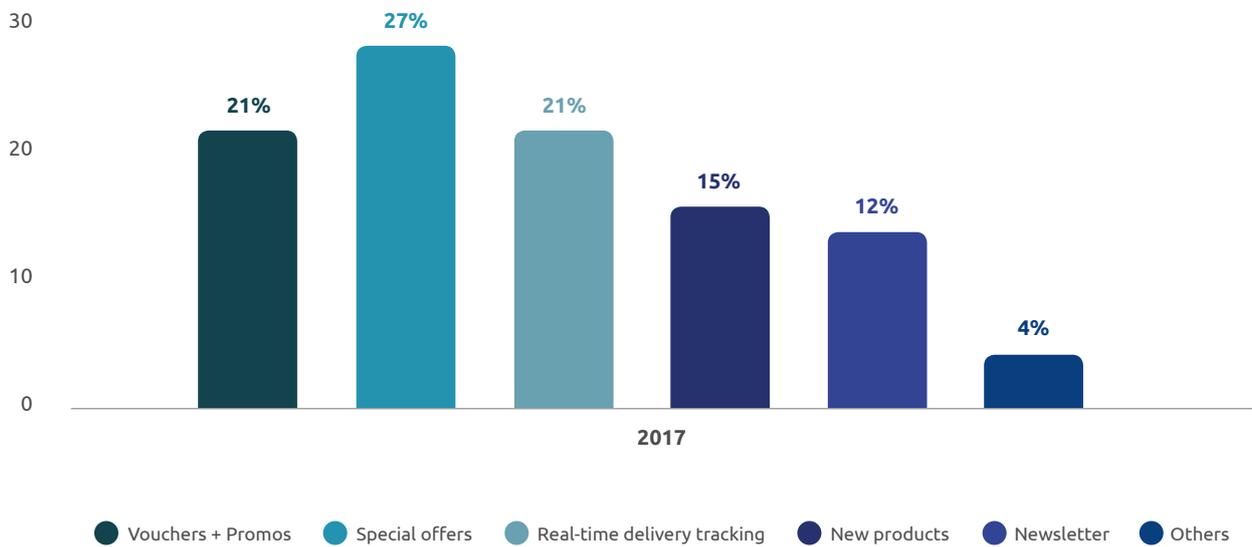
Now that we know what the characteristics of a high-converting email strategy are, let's figure out how to implement it.

Marketers around the world use countless different practices and tools. They are different for various business models and scale. Although there is no silver bullet rule, it is hard to find something more universal and proven for convincing and measurable marketing than coupons. This is because they:

- **help marketers actually measure ROI** - coupons help attribute revenue to particular channels
- **engage customers** - coupons and special offers constitute nearly ~50% of preferred email types

Coupon meets expectations

THE MOST PREFERRED TYPES OF EMAILS ON MOBILE DEVICE



10 EXAMPLES OF COUPON CAMPAIGNS IN EMAIL MARKETING

According to the latest Qubit analysis, e-commerce experiments such as creating a sense of urgency, recommending products or sending abandoned cart offers have the biggest chance to uplift your RPV (Return per Visitor). No matter which of them you use, each of them can be reinforced with an appropriate coupon incentive:

- **Sense of urgency - expiring coupon or limited usage**
(for first 50 shoppers)
- **Recommending products - up-selling promotion**
e.g. get 10% off Apple products if you buy
an Apple Watch this weekend
- **Abandoned cart - get 5% off your next purchase**
if you complete the order today

QUBIT ANALYSIS (2017)

examined 6700 online experiments, and by using statistic models, estimated which work the best for e-commerce and bring the highest RPV.

Whatever email tactics are used to achieve marketing goals, virtually all of them have one thing in common - they can be easily managed with coupons. The power of coupons lies in their flexibility and multi-level personalization. Let's take a look at 10 email campaigns you can enrich with coupons to get better engagement.

NEWSLETTER AND FOLLOW UP EMAILS

Acquire customers with your sign-up form and keep them engaged down the road. Create tailored incentives based on customer preferences and send them periodically to build long-term relationships.

ABANDONED CARTS

If your offer wasn't convincing enough for some reason, try sending an email with a discount on chosen items. The message needs to be sent right after visitors leave your site, and primarily, it has to fit the customer's cart.

REWARDS FOR LOYAL CUSTOMERS

Reward them and make them aware of how appreciated they are. Be personal and use all those tracked details to choose the most customized type of discount, products or timeframe.



PROMOTING NEW PRODUCTS/SERVICES

Recommendation of new products can be tricky. Trying to keep customers informed about every update can easily turn into making them feel spammed. Split customers into segments and don't forget about incentive targeting. If you aim at the wrong group, no matter how good the email and incentive are, it can only harm your brand.

CROSS- AND UP-SELLING

Use coupons to make the most from each purchase. Once your customer gets into spending mode, send him/her an automatic email with discounts on related products.

SEASONAL DEALS

Creating a sense of urgency is not so high by accident in Qubit rankings. By defining a particular timeframe, you can cut buyer hesitation and boost conversion rates. There is a plethora of both global and local events you can tap into to offer a seasonal deal.

REFERRAL PROGRAMS

Use emails to drive sales and brand awareness with referral programs. Ensure appropriate rewards (e.g. a coupon or gift card) for the referrers endorsement and monitor the entire process to avoid fraud.

FIRST-TIME SHOPPER

Once you catch a new customer, try to turn him/her into a regular. Start building long-term relationships by sending automatic, customized emails with a coupon right after the new client joins your audience.

REMINDER/GO BACK

Create a dynamic segment of customers who haven't purchased anything during recent weeks (months or years-define yourself) and send them a reminder message. Clever messaging and subtle incentives might convince a customer to revisit your site without feeling intrusive. Plus, having a dynamic segment guarantees that if a client decides to utilize the coupon, he/she will automatically drop out of this segment and won't be discounted in the next iteration.

EXCLUSIVE DISCOUNT/PROGRAM

Launch a coupon campaign dedicated only to a particular group of customers and create a feeling that they get something far more than standard.



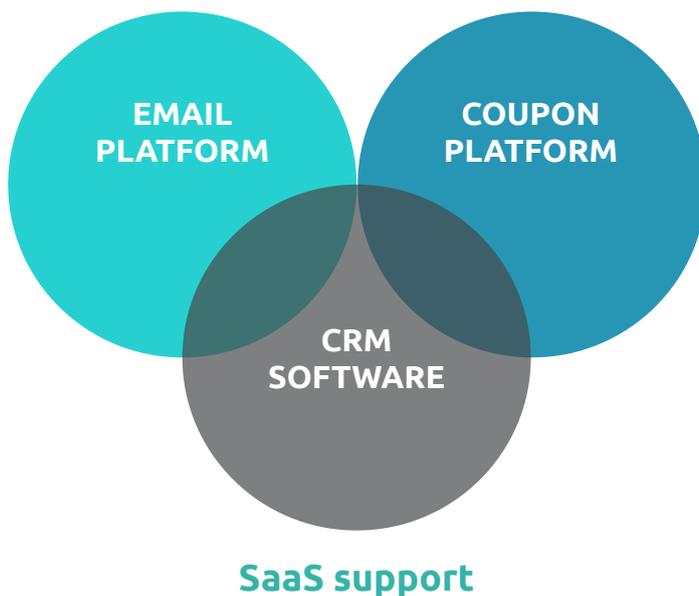
3 PLACES YOU HAVEN'T PUT A COUPON... THOUGH YOU SHOULD

1. 21% of customers claim that the most preferred type of email contains real-time delivery tracking. By adding customized coupons to the delivery details, the email still meets expectations and additionally, increases chances for the next purchase.

2. Thousands of invoices are sent to your customers each month, why not to include a coupon and encourage customers to revisit?

3. If your company sends emails to measure client satisfaction (e.g. Net Promoter Score), incentives will help marketer

HOW TO PUT COUPONS IN EMAILS



So far, we've seen why and how coupons make your email campaigns more convincing and measurable. But there are still 2 important features to cover: automation and scalability. Without them, achieving high personalization is very hard or almost impossible.

Take the email to Anna as an example.
How many personalized features can you see?

INBOX: <team@voucherify.io> Anna, did you know it's your birthday today?

Hello Anna,
we would like to show you our appreciation
for your 2 years subscription.

To celebrate this day, we've created a list
of your favourites at special prices:

- Coconut Milky Scrub \$18
- Almond Concentrate B. Art \$20
- Emulsion B. Art \$14

**All your favourites are 30% off
until the end of this week!**

Use the unicode under purchasing or scan
the QR Code on your mobile device

9u6P46AQ



... only 3% our customers get this discount ...

P.S.
That's not all!
Just for next 24 hours, you can also use a code
for \$5 discount on all items in our stores in Denver:

DENVER8743



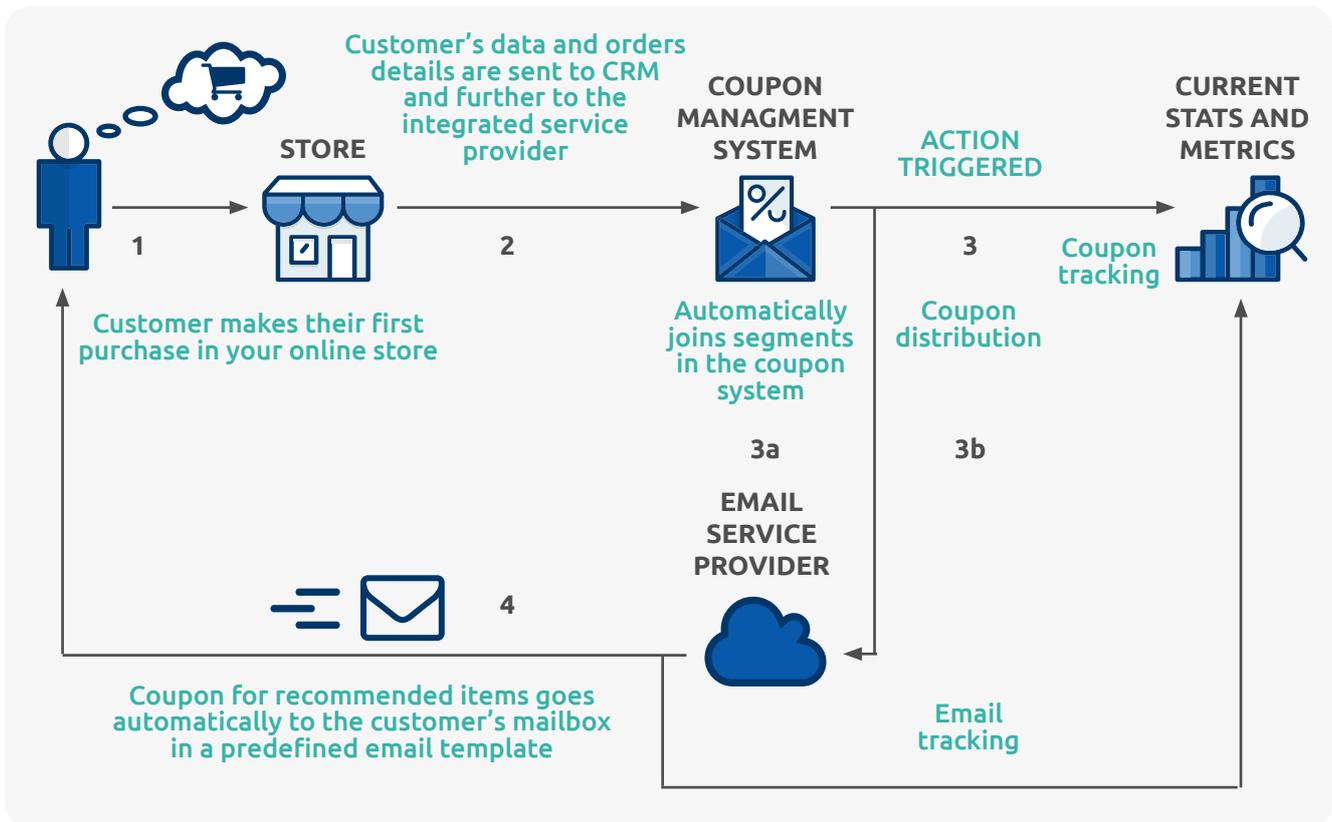
***Limits and rules: one coupon per customer,
one coupon per order. For more details visit our site
voucherify.io**

- Email personalization starts from the very beginning of the message.
- Dynamic segmentation enables you to send an email automatically once the customer matches particular conditions, e.g. becomes a regular client.
- Product oriented discount reflects individual spending habits.
- A/B testing shows which type of discount works the best for a particular target group. You can choose from percent, amount per discounts.
- Short time window ensures a sense of urgency.
- Different formats of code allow a customer to redeem the coupon on a mobile device, vital when you consider that e-commerce is getting more and more mobile each year.
- A unique discount makes the receiver feel valued and encourages that all-important customer loyalty.
- A code for multiple use can increase the number of attracted customers. If it's combined with a specific area, all redemption details can be tracked and monitored easily. You can use location data to create dynamic segments of customers and target geo-located unique or fixed-code coupon campaigns.
- Limits are part of validation process. The main goal is fraud protection and defining and particular customized buying circumstances.

There's one surefire way to get this level of automation and scalability - **software**.

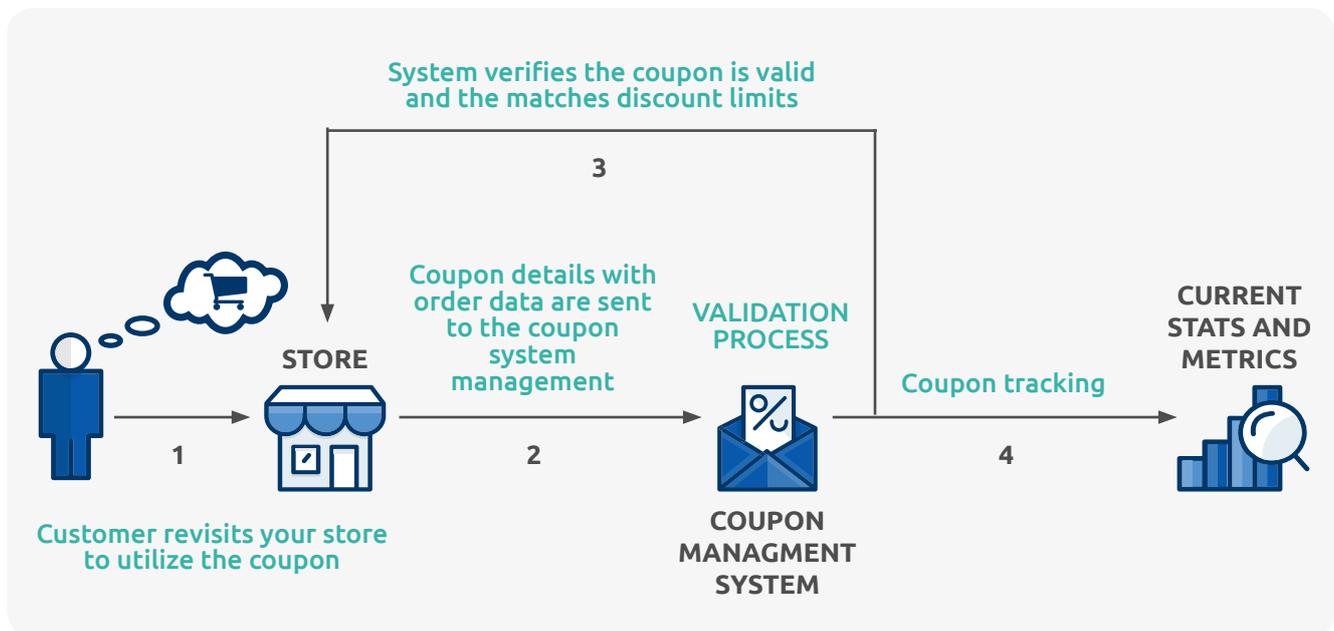
Sophisticated email **personalization and automation** start with software tools which can be easily integrated with your existing infrastructure (e.g. CRM, Email Service Providers). You can, of course, import and segment customers, generate unique codes, and include them in emails manually with spreadsheets, but this takes ages, impedes experiments, and doesn't scale at all.

So, let's understand what the role of coupon software is and why it's necessary for **automation and scalability**. The diagram below demonstrates an example of an email promotion workflow based on modern software tools.



- (1) Building relationships with new customers starts with the first purchase.
- (2) When order details with a customer's data get to your CRM, they are instantly sent to the integrated coupon software.
- (3a) The coupon system updates customer segments and adds the new client to matching target groups (in the email platform, the client joins the lists of receivers).
- (3b) Entering the segment triggers an action of automatic coupon distribution to the email service provider.
- (5) Meanwhile, email and coupon tracking starts, detailed data is presented in the dashboard and updated in real time.
- (4) In effect, the discount gets to the customer right after the first purchase. It encourages him/ her to revisit and utilize the coupon with the right context and time.

Let suppose the customer decides to go for it:



In this scenario, the coupon software verifies if the discount applies for the cart and eventually marks the coupon as used so that it won't be used again. At the same time, this customer automatically drops out of the segment of "New Customers".

This simple scenario is possible if your coupon solution has the ability to:

- import CRM data (customer details, orders),
- build and maintain dynamic segments based on customer details and behavior
- automatically trigger an email with a coupon if the client joins the segment
- customize the incentive to match customer preferences
- validate if the coupon is applicable to the next purchase
- and provide a marketer-friendly dashboard to manage and monitor campaigns

On top of that, the coupon system should be easy to integrate with a plethora of e-commerce tools which take part in the promotion workflow e.g. CRM, online store, email service provider, tracking tools.

All in all, it is **extremely important to ensure your coupon system has an enterprise API** (application programming interface) and is developer-friendly in general. Otherwise, you will end up with tons of excel sheets being sent back and forth and growing disapproval from developers.

PERSONALISATION & SEGMENTATION

Modern email platforms offer a comprehensive set of templates and personalization features. The way data is gathered and stored enables you to use it in subsequent message customization.

For example, you can start each message with a customer's name simply by adding a merge tag to a predefined email template.

Including receiver's personal information is one way but campaign personalization is also about matching content to a particular target. Creating lists/segments **divides the audience into target groups** to push out various emails adjusted to different expectations.

Segmentation can be:

- behavioral,
- demographic
- or based on any custom factor that describes a customer's profile.

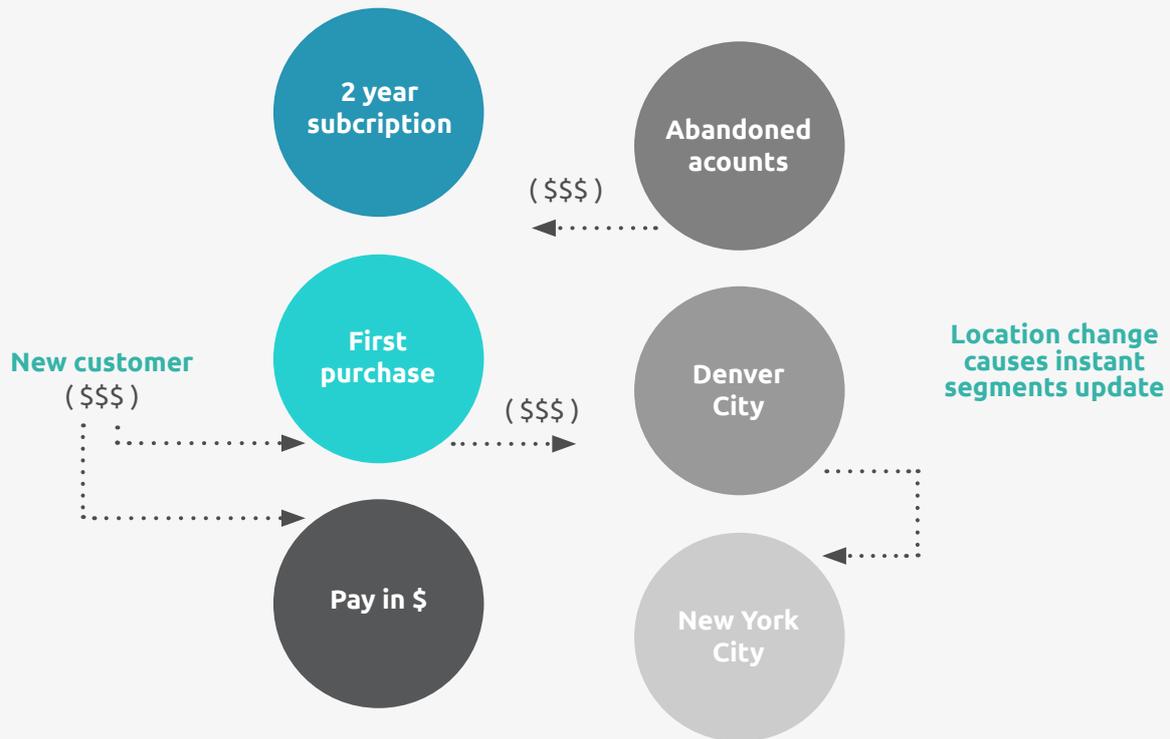
But no matter what features define a segment, most of them change with time. This is why, instead of static, unchangeable segments, it is better to ensure **dynamic segmentation** which works by allowing you to capture changes in a customer's activity and generate an instant, **automatic response**. Furthermore, when CRM data is updated in the segments automatically, marketers can be sure that coupons will find the desired target at any time, without any further effort being put into updates.

A good coupon management system should combine the power of both personalization and dynamic segmentation, meaning that email should be appropriately composed and have a contextual discount. It should also be aware of changes in customers segments and be capable of automatically triggering an email with an incentive in the right context and time. Here are a couple of examples:

- Jane hasn't completed an order this week, send her a re-engaging coupon.
- Tom moved to NY, send him a welcome gift card.
- Harry placed the 10th order and should now be included in monthly deal campaigns.



Examples of dynamic segmentation



In general, automatic email send out enables you to generate a tailored series of messages enriched with a coupon as a matching response to predefined circumstances (e.g. specific date or any customer's activity), for example:

- **Abandoned cart series** - action is triggered automatically once a client leaves a cart. Coupon sent instantly encourages him/her to get back and finalize a purchase.
- **Re-engagement series** - this kind of campaign is based on a specific timeframe. You can define a time window for a customer's absence and when the time for re-engagement comes, the workflow will be triggered automatically.
- **Best promoters/loyalty series** - automatic message with a special coupon is triggered once a new customer appears on your bests list. It allows you to show appreciation and effortlessly look after the most loyal customers.

Of course, we just let you scratch the surface here. There are plenty of scenarios which can be managed with custom email automations.

Now you see why your coupon system should be well-integrated with your e-commerce ecosystems. Getting this workflow up and running with manual data transfer would be cumbersome, to say the least.



CONTEX-DRIVEN INCENTIVE

The second idea worth analyzing in the diagram is the discount itself. To match the context, budget constraints, and marketing goals, marketing teams should experiment with a wide variety of coupons.

The customization starts with the discount value and expiry date, but the tweaking capabilities go far beyond that. Coupon software needs to keep up with your scale and be flexible enough to design multiple, diversified incentives for particular segments and occasions.

This includes:

- Limiting the **number of redemptions**
- Building **product-specific** coupons
- Restricting **coupon usage** to a group of customers
- Changing **discount value** depending on cart structure

Likewise, the format the coupon is delivered in should match the device:

- **Text codes** - online shop coupon box
- **QR codes** - redemption with QR scanner
- **Barcodes** - redemptions with PoS scanners



MONITORING & TRACKING

Whatever marketing practices you choose, monitoring and tracking is simply a must. There is a lot of patience needed in searching and testing solutions which work for your business. The good news is that the effectiveness of emails and coupons, contrary to a majority of direct marketing channels, can be easily tracked. Next, we'll briefly remind you how to monitor your campaign from an email service provider point of view and then elaborate on coupon tracking.

EMAIL SERVICE PROVIDER

Choose a service provider who supports you with complimentary analytics of email data and provides:

- **Open rate** - your "Relationship rate" tells you how well you meet expectations and build relationships with customers?
- **Unsubscribes** - how your followers value your content? If these metrics are high, more efforts should be aimed the quality of the message.
- **Click through rate** - how do you target your sales? Poor CTR reflects a disregard for targeting.

COUPON PROVIDER

Tracking coupons is vital in building a well-targeted marketing campaign and relevant segmentation. According to BigCommerce, coupons campaigns (especially those with unique codes) give you precise customer and ROI tracking capabilities at every stage of the customer lifecycle, you can:

- ask for customer information before making the coupon available
- make certain coupons exclusive to certain channels
- track which channel customers use to download coupons
- place specific tracking codes on each coupon to better identify individual buying habits
- control view limits and set dynamic expiration dates



Additionally, well-integrated coupon software gives you the ability to store detailed information about the customer and their order. Summarizing, this is the data you should store and monitor in your coupon system to understand how to improve your coupon campaigns in future iterations:

- **Coupon details** - find out what type yields the best conversion
- **Distribution channel** - figure out which channel works best with a particular discount and customer segment
- **Detailed time of distribution and redemption** - know what the preferences of your customers are, understand what send out time gives the best redemptions
- **Redemption status** - react when a redemption has failed and quickly figure out why in order to reduce the number of dissatisfied customers
- **Customer and order details** – as mentioned earlier in this article, importing and syncing CRM data gives you a plethora of personalization opportunities

To satisfy different roles in the organization, the tracking tool should expose different sets of business reports. For example, the marketer will be interested in the performance of particular campaigns. The marketing lead will request global coupon performance metrics and which channels turned out to be the most effective. Executives might want to know what the quarterly ROI attributed to coupons or referral programs is. Customer service agents will have to help customers understand why their coupon isn't valid. Make sure to set it all up before you run your first coupon email campaign.

NOTE

When it comes to monitoring, there's something equally as important as the data amount and quality - the frequency of data updates. Having the ability to analyze up-to-date data translates into faster experiments and, therefore, fresh insights. This, again, is the reason why the coupons system should be equipped with a wide range of integration capabilities.



COUPON EMAIL CAMPAIGN STRATEGY - RECAP

In the summary of this study, we'd like to mark 7 major tips to help you think through whether you want to build or improve your email strategy.

- 1. Use incentives from the very beginning.** An appropriate coupon encourages customers to interact with your brand and helps in building long-term relationships, resulting in future increase of sales.
- 2. Choose email and coupon providers who can be easily integrated with your existing infrastructure** and meet your marketing needs (support marketers and developers).
- 3. Make personalization paramount.** Email marketing is about meeting expectations and so, knowing your target audience is crucial in order to meet them.
- 4. Split customers into target groups,** use their spending habits, geo-location or other custom attributes which allow for more accurate targeting.
- 5. Ensure your software tools can automate the entire workflow.**
Without automations, it would be impossible to keep up with today's scale and pace.

6. Respect your receivers.

Let them know when, why, and how often emails will be sent. Mention your respect for their privacy and never push out poor, anonymous content.

7. Throw the myth about expensive coupon email marketing overboard.

The times when achieving a high level of personalization and segmentation had to cost a lot are long gone.



In the final part of this article, we'd also like to emphasize **key features to keep in mind when choosing coupon software:**

- K** • The capability for **seamless integration** with your store and your current infrastructure (e.g. email service provider).
- E** • Does it support **fixed-code and unique** (random) coupons?
- Y** • Flexible discount **rules engine** to
 - i) define product- and segment- oriented campaigns,
 - ii) put limits on coupon usage (fraud protection).
- F** • **Automatic** attaching of coupon codes to email templates (merge tags).
- I** • **Mobile app** and the capability of offline redemptions (QR codes for mobile devices).
- N** • **Dynamic segmentation** based on CRM updates.
- D** • Effective, automatic **coupon validation** mechanism which keeps an eye on coupon limits and campaign rules.
- I** • **Tracking and measuring** campaign performance, gathering customer's data and stats, updated in real time.
- N** • **User-friendly** interface to support marketers.
- G** • And finally - **developer friendliness**. With many integrations which build e-commerce infrastructure, supporting developers (facilitations/plugs/examples) puts you one step ahead of the competition. Your emails get extra speed and you have a guarantee of a perfect match to your existing infrastructure.
- S**



THANK YOU FOR READING.

If you're interested in having a consultative talk to help you decide how you should implement coupon email campaigns, let us know at

sales@voucherify.io