E-mail marketing and its implementation in SMEs in a B2B context

Paper within Bachelor Thesis in Business Administration

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Abstract

The practice of e-mail marketing can be a complex process, where marketers must be able to, with the right techniques, reach their customers and present the message in a customized and relevant way. E-mail marketing is a relatively cost effective marketing tool that attempts to build long-term relationships with its customers and thereby establish a core customer base. Researchers today present e-mail marketing as a highly implemented marketing tool where it remains a significantly more effective way to acquire customers, compared to offline marketing. Due to the dynamic development of digital marketing, the field surrounding e-mail marketing requires constant updating in order for companies to quickly adapt accordingly.

Alongside the development of the digital world, the possibilities of obtaining information and control has generated incentives for establishing more customized and profitable e-mail marketing messages. This study examines the many possibilities of e-mail marketing and the somewhat elusive components of this successful marketing tool and how these have affected various SMEs accordingly. An exploratory case study approach with a descriptive element has been used to find out how SMEs identify the implementation process of e-mail marketing and how efficient this marketing tool is in a B2B context.

The study found that e-mail marketing can be a highly complex and difficult technique to implement unless the appropriate knowledge and expertise is possessed. The techniques accessible for developing a successful e-mail can be a competitive advantage and this study indicates thoroughly how SMEs can retain as well as gain B2B customers through e-mail marketing.

Key words: E-mail marketing, online marketing, cost effective marketing, SME marketing, B2B marketing, web analytics, marketing strategy, digital marketing mix, direct marketing.
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I Introduction

The purpose of this chapter is to ease the reader into the subject. The following chapter include a background with general knowledge concerning the topic, purpose, problem statement and research questions.

1.1 Background: The Dynamic Environment of E-mail Marketing

Everywhere you look when walking down the street, sitting on the subway or at a café you see people with phones glued to their face. When you arrive at work, almost everyone is focused on their computer at one time or another. In this day and age, when the access to digital media is constantly increasing and traditional media, such as newspapers and direct mail gets less focus, one of the most important tools for business to business (B2B) companies to garner the attention of their customers, is digital marketing (Leake, Ginty & Vaccarello., 2012).

The Internet has grown explosively during the last decade and a half, and this evolution has provided companies with a whole new way to reach and serve customers (Armstrong, Kotler, Harker & Brennan., 2009). This development has called for marketers to retain most of the skills and knowledge of traditional marketing but also forces them to add new competencies and usage ways if they hope to be able to compete and prosper in this new dynamic environment (Armstrong et. al., 2009).

Instead of the consumers being an audience as in the offline media environment, they are upgraded to users in the online environment of the digital age. This has implications on how consumers interact with advertising and marketing tools, going from not having much input in what they wish to receive to being able to have more control, in the interactive nature of online marketing (Ha & McCann 2008; Armstrong et. al., 2009). Consumers actively use online media with specific goals compared to offline users, however the general goal of information are practically the same for offline and online consumers (Ha & McCann 2008).

Online marketing provide companies and consumers with benefits that the offline marketing cannot achieve. Since sellers deal directly with buyers infor example e-mail marketing it results in lower costs, both in time and money, and it also offers flexibility since marketers can make on-going changes to offers and receive immediate response in how the consumer interacts with the offer made (Armstrong et. al., 2009). The Internet and its range of usage, such as e-mail marketing, also allow instant access to consumers in various countries. Furthermore, barriers to trade in traditional, offline marketing such as distance, time and money, are no longer of concern even for small e-marketers (Armstrong et. al., 2009).

Digital marketing is a relatively new trend, compared to traditional marketing (Johnson, 2012), it has several different components such as websites, e-mail and social media. Fewer B2B companies consider traditional marketing as suitable alternative when mar-
marketing a product or service to other companies (Johnson, 2012). Easier, faster and direct access to customers through digital devices provides efficient options of displaying the message the seller wants to get across to its customers. In B2B marketing one of the most efficient marketing channels today, after corporate website development, is e-mail marketing (Brosan, 2012). Many marketers consider social media to be the most efficient way of reaching the customers, however there are little evidence that the customers agree. According to Brosan (2012), social media pales in comparison to more traditional online marketing such as bespoke e-mails with a useful content.

**B2B E-mail Marketing**

In this thesis we will focus on the B2B e-mail marketing. Before we continue, it is important to explain the main differences and similarities between e-marketing in B2B and B2C context. Business-to-business (B2B) marketing in the electronic marketplace is one of the fastest growing fields on the Internet (Wilsona & Abelb, 2002). The distinct differences from business-to-consumer (B2C) are that both the vendor and the purchaser are businesses that will buy products to be able to provide their final customer’s wants and needs (Wilsona & Abelb, 2002; Gbadamosi, Bathgate & Nwankwo., 2013). It is predicted that the B2B industry’s yearly gross revenue will to a large extent exceed the B2C sector’s revenue (Wilsona & Abelb, 2002). As a business you have an obligation to be present on the market. The difference to B2C is that a private person does not have these obligations (Wilsona & Abelb, 2002). There are two specific factors that influence a company’s buying decision, namely internal and external factors (Gbadamosi et. al., 2013). The elements the organization can control are the internal factors, such as culture, structure and company policies. The external factors are the factors that the organization is not able to control, for instance political, legal, economic and sociological influences. These elements for both internal and external factors can have both positive and negative effects on the purchasing decisions (Gbadamosi et. al., 2013).

**SMEs**

We chose to narrow it down and focus on small and medium enterprises (SME) (Chong, Shafaghi, Wollaston & Lui., 2010) instead of larger businesses. We made this choice since SMEs usually have scarce resources and a limited marketing budget relative to large businesses and thereby are more dependent on cost effective marketing methods such as e-mail marketing. Furthermore, SMEs also have a limited knowledge to implement more complex marketing practices (Chong et. al., 2010). Therefore SMEs are more interesting and relevant to focus on, compared to larger businesses which usually have more resources and knowledge in an e-mail marketing context. According to Verheugen (2003) the definition of small and medium sized enterprises, SMEs, is made up by enterprises that employ fewer than 250 persons.

Several drivers to motivate SMEs in the adoption of e-mail marketing have been identified, such as; lower operating and marketing costs, enriched overall marketing communications mix, and gaining competitive advantages (Chong et. al., 2010; Armstrong et.
al., 2009). However, as stated above, there is also evidence that SMEs have trouble adjusting to this relatively new way of marketing, this due to lack of expert knowledge in how to use e-mail marketing and other tools to their full potential (Chong et. al., 2010). There is evidence indicating that SMEs have minor problems to keep up to date with the interactive nature of digital marketing processes, which is also a threat to their ability to use it adequately (Chong et. al., 2010). Since e-mail is proven to have a great impact on sales, when used in a proper way (Kaushik, 2009), it is vital for SMEs to have accurate information regarding how it works (Chong et. al., 2010).

1.2 E-mail as a Marketing Tool

E-mail marketing is, as stated, one of the most powerful marketing tactics for B2B organizations (Brosan, 2012; Kaushik, 2009). This thesis will focus on e-mail marketing in a B2B context since it is a less researched area than B2C (Truong, Le, Senecal & Rao., 2012). The reason for researching the field of e-mail marketing instead of for example websites, which is the most powerful e-marketing tactics available (Brosan, 2012), is because e-mail marketing is a more complex practice. Websites are more common to outsource if you lack the knowledge to create them yourself, where the websites are easier to implement than e-mail marketing, and therefore we believe e-mail marketing is more interesting to research. E-mail is also a more direct and customized marketing tool than websites, where there is no direct contact with specific customers (Gay et. al., 2007; Sargeant & West, 2001). E-mail marketing is a form of a direct marketing tool, which enable the sender and receiver to build a long-term relationship and this is often more important in a B2B context than in a B2C context (Gbadamosi et. al., 2013). The relationship between supplier and customer strengthens through the interactive relationship provided through e-mail (Sargeant & West, 2001). However, it is also one of the most abused digital marketing tools used by B2B, a method companies subsequently use whenever sales need a boost (Leake et. al., 2012). Therefore e-mail has to be conducted with caution, treading a fine line between good marketing and spam (Leake et. al., 2012; Frick, 2013). We will investigate different strategic techniques used in e-mail marketing, such as segmentation, relevance, subject line and e-mail frequency, to make it easier for the reader to grasp the field of e-mail marketing.

E-mail marketing is a marketing technique used within the area of digital marketing and has been increasing along the development of the Internet (Armstrong et. al., 2009). The physical cost of e-mail is also substantially less than other marketing tools, but can be as efficient (Chaffey, 2013). Earlier concepts found within marketing, such as direct marketing, is still relevant in the digital era and have implications for e-mail marketing (Chaffey, 2013). We will discuss the theory of direct marketing in the frame of reference to explain its connection to the field of e-mail marketing and its implications for the vendor and the customer.

The world of digital marketing is constantly developing, and in order to keep its relevance and potential, this field requires constant updating. A business engaging in e-mail
marketing needs to combine excellence in devising efficient e-mail campaigns in order to retain its customers, and also adapt along with the fast changing environment (Chaffey, 2013). E-mail marketing gives the unique opportunity to gain an immediate, impulsive response whether or not the message has reached and engaged the intended customer (Kaushik, 2009). To be able to take advantage of the extensive amount of data available from e-mail marketing and to understand what brings success from an e-mail campaign, there are tools named web analytics (Kaushik, 2009). We will delve deeper into this subject later on and explain briefly how to use this technique to ferret out the important information needed to achieve successful e-mail marketing campaign.

1.3 Problem Statement

In SMEs today there is a lack of knowledge in how to compose an e-mail with the purpose of capturing the attention of the B2B customer (Chong et. al., 2010). Furthermore, how to analyze the data gathered from measuring factors such as opening frequency and click-through, to improve the e-mail marketing message (Springer, 2013; Chong et. al., 2010).

There is a lot of existing literature on the subject of digital marketing, however there are fewer that focus on e-mail marketing in particular (Truong et. al., 2012). Many existing studies are economic studies, such as statistical data and we find a lot more quantitative than qualitative data in the field of the electronic market place (Truong et. al., 2012). The research questions we intend to answer and the purpose of our thesis need a qualitative research because a quantitative study cannot answer questions of how, what and why. This since a quantitative study creates standardized and generalized results and no direct explanation behind the answer (Flick, 2009).

We are focusing on SMEs in B2B e-mail marketing, since there is less information about this area in existing studies, compared to B2C (Salo & Wendelin, 2013; Armstrong et. al., 2009). The topic is relevant due to the interactive nature of the e-mail marketing process; this results in past research quickly becoming obsolete. With the constant need for updated information the area is a relevant and current topic that needs regular reviewing (Chong et. al., 2010; Armstrong et. al., 2009).

At first the intention was to interview SMEs about their ability, or inability, to reach their B2B customers by operating e-mail marketing. However, we decided to interview SME companies that work as marketing consultants for SMEs in B2B instead; through this we would be able to investigate the research topic from a consultants perspective.

1.4 Purpose

The purpose of this thesis is to study the implementation, efficiency and success factors of e-mail marketing strategy, by SMEs in a B2B context. We aim to examine whether
SMEs uses the techniques accessible and if they have the expertise to interpret the information to their advantage, to reach their B2B customers.

1.5 Research Questions

In order to fulfil the purpose of this thesis the following research questions will be investigated:

Is e-mail an efficient and up-to-date marketing tool in the opinion of the SMEs and their clients in our case study, and do they have the expertise to implement it to its full potential?

What are the most important success factors for an e-mail marketing message, according to the companies we will interview, and how does this compare to the literature on the subject?

How does SMEs implement the accessible web analytic tools for interpreting the information gained from e-mail marketing? For example whether or not an e-mail is opened and what the customer interacts with in the e-mail.

Contributions

With our research questions we intend to contribute to a better understanding of the e-mail marketing strategy of SMEs in a B2B context. The answers will provide awareness and strategies for SMEs to be able to more efficiently use e-mail marketing to reach their customers. One benefit with this study is that SMEs reading our thesis will be able to make better use of their e-mail marketing, to be more cost effective.

Delimitations

Our study will be a qualitative one; therefore we will not be able to provide a generalization, which is possible with a quantitative study. Since this thesis focus on SMEs, larger companies will not find this study interesting for their businesses. We also narrowed the study to a B2B context, which will limit the study to that field. As we mentioned earlier online marketing is a constantly changing environment, where research often tend to be short-lived because of constantly changing habits and new technologies and therefore this study might not be relevant some years from now.
2 Frame of Reference

In this chapter contemporary and previous studies within e-mail marketing are presented to build a theoretical basis for analysis of the empirical findings. We will also focus on two contemporary models that we will discuss and review. We will present the models so that the reader will better grasp the problem articulated in the thesis. The two models chosen are the 10 C’s of Internet marketing and Information Process Model.

2.1 Information Process Model

In a world full of messages being passed back and forth and information overflowing, there is always something sent, obtained and processed. In the world of e-mail marketing this is the case, and when broadcasting the message some of the impressions will stick in the receiver’s memories, and some will not. To be able to create a message that reach and engage the customer is crucial in all types of marketing (Engel, Blackwell & Miniard., 1994). Consumer behaviour studies are focused on understanding the process of what is remembered and what is not, this is and has always been an important topic to study for marketers, to create an understanding of what works (Engel et. al., 1994). This is of importance for our research since it explains what customers recognize as interesting and important information, and because of this, engages in the e-mail received.

When receiving an e-mail, customers process information and stimuli in the same way as if it were a physical letter they received (Engel et. al., 1994).

According to Engel et. al., (1994) information processing refers to “the process by which a stimulus is received, interpreted, stored in memory and later retrieved”. Mcquire (1976) developed a model about information processes that we find relevant for our research, it was later further developed and explained in length by Engel et. al. (1994). The information processes that occur when a person is exposed to stimuli that activate at least one of the 5 senses are: exposure, attention, comprehension, acceptance, retention and memory. Below is the model with a thoroughly explanation of the information process from Engel et. al., (1994) presented:
Before actual exposure to something manifests, a stimuli must happen to start the actual processing of the information, catching the receiver’s attention. When this happens the receiver will provide meaning to the stimuli related to it’s own person and start interpreting and understanding it in the comprehension stage. Interpretation is affected by the receiver’s previous experiences and education. To be able to take the message to heart the customer needs to accept it, because even though the customer receives and understands it, if he does not believe the message to be true he will most likely dismiss it. The final step of the model is retention; this is where the information is stored in the long-term memory. According to Engel et. el., (1994) memory is important through all the steps, because if for example a customer is interested in buying a car, then the person will be more observant when a message about this is coming through. The important aspect here is that the stimulus must go through all the stages above to actually reach the memory, because of this the composer of the information must get their message across in such a way that customers can see, understand, believe and remember it.
Exposure and Attention
People are constantly subjected to different stimuli but not all the stimuli can move ahead the pre-screening into attention, the second step in the model. To be able to convey a message that captures the attention of the customer is difficult. In e-mail marketing, a message needs to attain the customer’s attention and then be interesting enough for the customer to pursue the information given, in order for the information process to continue. As stated, the determinants of information is personal, there are a number of influences that urges a person to pay attention such as needs, motivation and attitudes. These are all factors that the marketers need to take into consideration when composing a message. Humans also have a short attention span, the constant flow of information directed at them is another challenge to reflect on.

Comprehension
Comprehension means understanding, this process is about the interpretation of a stimulus, how the receiver compartmentalizes and elaborates the stimulus in terms of current knowledge. There are different stages when comprehending a marketing message and Engel et. al., (1994) describes the stages as stimulus categorization, stimulus elaboration and stimulus organization. Categorization is when the receiver use concepts stored in the memory to interpret the information. Companies try to position themselves in customers’ minds by getting the customer to associate the brand with something positive, for example fun or quality. The same with e-mails, once a message is received it is evaluated according to the receivers previous experiences and knowledge. Elaboration is when the receiver put together the new knowledge gained from the message with the previous one from their mind, adding their own experiences to the new stimuli. Organization is about how the recipient organize the stimuli in their mind, first in as simple terms as possible and secondly into figure and background. What is perceived strongest becomes figure and the rest is background. If for example the message in the e-mail is remembered but not the company then the message is the figure and the company the background. Personal determinants also influence how the customers perceive the marketing message. If the stimulus is relevant to a person’s needs, then the message will delve deeper in the memory of that person.

Acceptance
The acceptance of a message depends on how persuasive a stimulus is. The knowledge, attitudes and behaviour gained from a received message indicates the persuasiveness of a message. Even though a customer has read and understood an e-mail campaign does not mean it has persuaded the recipient to go through with the campaign.

Retention
The last stage of the information process is retention. This is when the interpretation of the stimulus transfers into the long-term memory. The most important aspect for mar-
keters is to try to make the message as interesting as possible for the customer in that way that they store it in a positive light in their long-term memory.

**Summary of Information Process Model**

The information process is interesting for our research as it shows how the customer processes a message and the underlying factors that influence when, if at all, and why a customer engages in the e-mail sent. The model explains the process of selection, memory and memory retention, which is relevant for e-mail marketing to be able to create the most appropriate message for a company’s specific customers. The theory by Engel et al., (1994) is created from a marketing point of view with advertising as focus and is therefore suitable for our type of research. It explains on a deeper level why one should engage in, for example relevance and segmentation, in the process of communication marketing and in this context e-mail marketing.

**2.2 The 10 C’s of Internet Marketing**

The ten C’s provide a useful framework for marketers assessing the digital market (Gay, Charlesworth & Esen 2007). When reviewing the 10 elements it is crucial to do it from a customer’s perspective, as the customer is the target of the marketing and thus the most important actor. Below a model with explanations of the 10 C’s from Gay et al., (2007) is presented:
Customer
The customer should be the focus for any organization and marketing activities should be designed to achieve high levels of customer satisfaction. From satisfaction comes loyalty and from loyalty comes improved profitability through selling, cross selling, referrals and acquisitions. The Internet makes the customer even more powerful and demanding with tools like search engines, price comparisons and expectations of real time and multi-channel offerings fed by user-friendly technology.

Corporate Culture
A shared vision, common goal and commitment are crucial in any organization. An Internet based operation has the same priorities, although it has other issues to take into account such as risk, appropriate IT architecture, front and back office systems and partnerships. Some firms already have innovative and entrepreneurial culture, positive towards technology. Online vision goes beyond providing a corporate website and other channels but actively seeks ways to increase traffic, brand awareness and sales.

Convenience
The Internet and other digital media have enabled greater freedom, flexibility and convenience. The ability as consumer to shop whenever they want has signalled a significant shift in power away from the retailer to the consumer. The consumers do not require to be able to access an always-open online store, they also expect a range of convenient delivery options and all hours’ support. Digital technologies also provide mobile convenience for consumers; this include among others tablets and smartphones.

Competition
Technology has made the competitors fast and unpredictable, and the competition does not have any physical boundaries any more. The Internet has brought a greater transparency with regards to price, promotions, public relations (PR), new products and organizational developments.

Communication
The Internet has brought on an age of paperless office and the minimization of regular mass media, we now use e-mails a lot more, but suffer from spam. The development of the digital world has made it easier to mass mail electronically. News, PR and online sales promotions come more quickly and more frequently through newsletters and e-mail marketing campaigns. Style, tone and an attractive offer, or reason to buy or read on, remain crucial elements of successful correspondence.

Consistency
Consistency is needed across all communications and channels to ensure that the brand experience is unswerving. Brands reflect the company’s personality and positioning as
well as something in the customer’s self image. Consumers levitate towards brands they trust and enjoy even in the online environment.

**Creative content**

To ensure customer retention, the content on for example the website has to be informative, topical, stimulating and of course relevant to the needs of the target market. Content should be current and modernizing the site should be high priority for any industry. Site content can also play an important role in the online customer service on your website, well designed responses to frequently asked questions (FAQ’s) can resolve many minor customer problems.

**Customization**

The term customization refers to the more personalized and tailored systems that can be implemented. The better we know the client, the better an e-mail, website or other Internet marketing tool can be tailored. This demands resources and time but it provides a competitive advantage.

**Coordination**

For the effective operation of an e-business the real time dissemination of information from customer to shopping cart need to be short. The ordering and dispatching of a product requires a scalable IT infrastructure supported by organizational competence across all supporting functions.

**Control**

The Internet has the power and ability to test events and activities. Response and measurements are provided with the statistical and financial accountability to further champion the electronic cause with organizations.

**Summary of the 10 C’s of Internet Marketing**

The model of the 10 C’s is an interesting tool for us to use in the analysis since it provides a view of how to strategize Internet marketing and, in our case, e-mail marketing. The model created by Gay et. al., (2007) is done from an online marketers point of view and is therefore relevant for our research. It goes through different important steps and provides a check-list on what should be considered in the process of Internet marketing, and in this context, e-mail marketing.

We will use this model and compare it to how the interview subjects conduct their own and their clients e-mail marketing. The model explains several success factors for e-mail marketing, which is relevant since knowing what specific parts are important to focus on in the process of making e-mail marketing efficient and successful.
2.3 E-mail Marketing Strategy

Internet users send and receive e-mails, both for personal purpose but also for conducting business over the Internet environment (Jackson & DeCormler., 1999). Compared to any other Internet marketing approach available today, e-mail marketing delivers the highest return on investment (Jenkins, 2009). A great number of firms do not have the capital required in order to invest in large advertising campaigns or other cost intensive initiatives, however e-mails’ low cost makes it accessible to most companies. This indicates another great benefit of e-mail; its versatility (Jenkins, 2009). E-mails potential as a marketing tool is highly attractive and there is no doubt that e-mail marketing arguably is the most powerful tool for building any business. The great benefit of this cost effective approach is that it is a way of building relationships that drive business success, it also is the simplest form of staying in touch with customers (Groves, 2009).

However, even though e-mail messages are highly cost efficient, it is crucial for companies to be aware of that customers have a low tolerance for e-mail messages that are considered junk or spam. The people who are the most motivated to use e-mail are also the ones most likely to find spam and junk e-mails as an intrusion (Groves, 2009). The way to resolve this problem is to develop e-mail campaigns that are easy to unsubscribe for the customer, and this is called opt-out. Opt-out is when the customer will continue receiving e-mails until they request to be taken off the e-mail list. This diminishes the risk of receiving what the customer perceives as junk and spam mail (Sheehan, 2010). In order to use e-mails as an efficient marketing tool it requires e-mails that introduce your business, prompt the recipient to open your e-mails and determine an appropriate sending frequency. This leaves positive impressions in the minds of the recipients (Groves, 2009). What is mentioned above indicates the importance of developing an appropriate subject line, putting effort into segmentation and deciding on an appropriate e-mail frequency.

Subject Line

The recipient should be presented with an incentive to open an e-mail, which emphasizes the importance for creating a interesting and engaging subject line. With just a few words to make your e-mail compelling and specific, the subject line should capture the attention of recipients and encourage them to engage in the content of the e-mail (Groves, 2009).

Segmentation

There is one golden rule for marketers, namely that segmentation is the key to marketing (Chaffey, 2013). This statement is based on the fact that people are heterogeneous, meaning that different customers want different things. Being able to satisfy customers’ needs requires businesses to provide different solutions for different customers, and acknowledge that people are prepared to pay different prices (Chaffey, 2013). Targeting the appropriate customer segments that should receive the e-mails, and deciding wheth-
er e-mails should be segmented to specific customer groups, are crucial in order to target the right customer. Locating businesses that are interested in what the e-mail marketer represents is easier if an internal list of customers is created, this list prevents customers being exposed to unsolicited e-mails (Phelps, 2004).

The great advantage of digital media is the plethora of new options for planning media placements. Since e-mail marketing is an Internet-based operation, specific target groups of customers based on certain criteria, such as buying behaviour, can be easily tracked. For example geographical targeting allows businesses to exclusively develop unique e-mail marketing campaigns towards certain customers in specific parts of the world. Segmentation can become vastly complex, which makes this tool highly useful for companies operating globally, where different pricing, promotion and product options differ between geographic locations (Sheehan, 2010).

**E-mail Frequency**

When determining e-mailing strategies, companies face several challenges concerning how to conduct the e-mails, and how to segment them, in order to reach out to as many customers as possible. The number of e-mails to send over a given period, frequency, requires considerations since sending out too many e-mails can be counterproductive. However on the other side, sending out too few may lead to opportunity losses. Profitable and loyal customers should receive e-mails at a frequent and appropriate basis, otherwise their propensity to get interested in competitors offerings will increase (Elsner, Krafft & Huchzermeier., 2003).

**2.4 Content Marketing**

Content is, and has always been, crucial for marketing (Solomon, 2013; Frick, 2013). Now even more when businesses work on building a digital reputation as well as a regular one (Solomon, 2013). Content marketing is “the process of creating and distributing relevant and valuable content to attract, acquire and engage a target audience” (Solomon, 2013). It can be used in a number of channels, such as print, social media, websites and e-mail, but instead of using bravado, as in pure advertising, it relies on storytelling (Solomon, 2013). To simplify; if you want to make everyone aware that you are a hero, advertise, if you want to show why you are a hero, have relevant content. Content marketing fosters engagement and increase relevance as long as it is done right (Solomon, 2013; Frick, 2013). It is important that the content of any channel is written in the users vocabulary, with an active voice and correct spelling and grammar. The text should be brief and made easily reviewable for information relevant to the readers, and clearly state the message that is to be received. The content also plays an important role since it should be valuable to the customer, if the e-mail is unwanted the customer will undoubtedly consider the e-mail as unsolicited mail, namely spam (Solomon, 2013; Frick, 2013).
2.4.1 Spam

Over the years the reputation of e-mail marketing has gotten worse because of the huge amount of unwanted e-mails, so called spam, sent out (Frick, 2013). The quantities of spam increased to such extent that there was a law passed on what is acceptable and not. The law, The CAN-Spam Act, set the rules in 2003 and it defines what is acceptable and unacceptable e-mail behaviour (Frick, 2013). The Federal Trade Commission enforces the law, which applies not only to e-mails in bulk but also to “any electronic mail message the primary purpose of which is the commercial advertisement or promotion of a commercial product or service”. (Frick, 2013). The primary requirements of the law include the following (Frick, 2013):

- Do not use false or misleading header information
- Do not use deceptive subject lines
- Tell recipients where you are located
- Honour opt-out requests promptly
- Monitor what others are doing on your behalf

As long as the marketer is meticulous in sending out e-mails that are of relevance to customers there is not going to be a problem with the law against spam. Also, the marketer needs to make sure the statements included are true, provide an easy way for the customer to opt-out and include the company e-mail address (Frick, 2013).

2.5 Direct Marketing

Direct marketing is about understanding what the customer really wants, in comparison with regular advertising, it focuses less on the organization and the product, and instead more on the customers and the communication with them (Sargeant & West, 2001). Direct marketing is using more accuracy and has a diminishing effect on waste in marketing spending, it is one of the solutions to reach through the clutter of mass media (Gay et. al., 2007; Godin, 1999). Even if 98% of recipients gives no response to a marketing campaign, it does not necessarily imply that the campaign was a failure, it can still be perceived as successful as long as the benefits exceed the costs (Godin, 1999).

The concept of direct marketing have increased in popularity, there are four reasons as to why; ascending competition, more emphasis on cost effectiveness, increasing importance of customer retention and loyalty, and lastly the decreased costs in information and communication technology (Gay et. al., 2007). One of the most valuable assets in direct marketing is the customer database, this is where the company keeps information to build profiles on each customer. Why this is an asset of high value is that the more they know about the customer the more relevant marketing messages the different customers will receive. This development creates the possibility that the customer receives messages that are relevant for them, so that the marketing message will transform from
a negative distraction to a positive invitation instead (Sargeant & West, 2001). The database does not only consist of information about the customer’s attributes but also customer’s reactions to former marketing campaigns (Sargeant & West, 2001). Direct marketing fosters long-term relationship and loyalty among the business and its customers (Sargeant & West, 2001). Today it has become time and cost effective, with the database technology; to analyze, record and track customer behaviour (Sargeant & West, 2001).

2.6 Web Analytics

Web analytics is one of the most important tools there is to be able to measure the success of e-mail marketing (Sheehan, 2010; Kaushik, 2009). It is relevant for us to know how aware SMEs are of these tools to be able to assess how efficient they are at e-mail marketing. With online marketing there is a whole new level of accountability available due to its great ability to collect data (Sheehan, 2010). The challenge with the new amount of data is to find the most relevant ways of analyzing it, to make sure that it is useful for the companies. The growth of online marketing is unparalleled by any other growth in marketing, in both breadth and speed of development (Sheehan, 2010). For marketing purposes it is probably most exciting due to the continuous stream of information available, to be used to analyze customer behaviour and measure return on investment (ROI). There is an overwhelming amount of information available and we will look at some of the ways successful businesses turn it into a useful tool for marketing purposes.

Compared to any other marketing medium Internet with all its usage areas has always held the promise to be one of the most measurable mediums available (Sheehan, 2010). Every single action a customer takes online, for example opening an e-mail or clicking on a display ad, can be measured and taken into account when analyzing actions taken and make improvements (Sheehan, 2010; Kaushik, 2009). A problem with this amount of data is to try and sift through it to find the relevant information. There might be too much information, which is making decisions more difficult instead of easier, and this can lead to a firm paralysis (Kaushik, 2009; Sheehan, 2010). The excess data is creating a distracting noise, however most marketers know intuitively that the unnecessary data is counter-productive, thus avoiding this problem (Sheehan, 2010).

To overcome the problem with noise the companies need to use the proper measurements and analytics processes, with these tools online marketing accomplishes a long-term advantage over other marketing media (Sheehan, 2010). To start off any web analytics the goals of the marketing should be aligned directly with what is going to be measured on the Internet (Kaushik, 2009; Sheehan, 2010). With clear objectives and strategies in marketing it is easier to focus on the important web measurements, therefore the first process to focus on is alignment, which means having a clear path from the goals of the marketing to the online measurements. These measurements, which are in line with the marketing goals, are called key performance indicators (KPIs) (Kaushik, 2009; Sheehan, 2010) and should be all in one report on one page. The KPIs show all
the basic measurements needed to make decisions on whether the online marketing effort was a success or failure (Kaushik, 2009; Sheehan, 2010). Web analytics include all types of analytic tools used for online measurements, for example analyzing how many visitors there are on a website, or how many people opened an e-mail (Kaushik, 2009).

2.6.1 E-mail Analytics

E-mail analytics is used to measure the success of an e-mail marketing message, in acquiring new customers and retaining existing customers. E-mail marketing is not only worth pursuing, but it can be one of the most rewarding acquisition channels for any firm (Kaushik, 2009). When analyzing campaigns within e-mail marketing there are multiple sources of data to be dealt with, the first is campaign data and the second is the firms website data, as received when using web analytics tools. There are a number of different analytic tools easily accessible for companies, for example Google provides a free analytic tool called Google Analytics (Kaushik, 2009; Sheehan, 2010). The analysis of the data can be broken down into three important pieces: Campaign response, Website behaviour and Business outcomes (Kaushik, 2009).

2.6.2 The Campaign Response

Kaushik (2009) states that the campaign response is the initial part of the customer’s experience, an e-mail sent out to receive a customer response. There has to be KPIs set up to help analyze the performance of the campaign and they are for example; delivery rate, opening rate and click-to-open ratio (CTOR). Delivery rate means how many e-mails were delivered and did not bounce back. Bounce backs are such e-mails that where never opened and it is not the most accurate method of measuring deliverability, since today there is an increasing use of specific spam-inboxes, the e-mail might have ended up there and not been seen by the customer in the first place. Delivery rate answers the most important question of whether or not the campaign stood a chance at success (Kaushik, 2009). Opening rate is exactly what it sounds like, how many e-mails were opened, however this metric is mostly accurate in direction, since most e-mail programmed today have a preview feature that blocks images and scripts because of the concerns of viruses (Kaushik, 2009). CTOR is an important measure of the e-mailing list quality as well as the relevance and efficiency of the message sent. Here segmenting is a powerful tool to be used since it is possible to see whether text or image messages receive a higher CTOR. Comparisons can be made between for example customers in Jonkoping, Stockholm and Gothenburg, between existing and new customers or different demographics. The second part of the customer experience is when the customer click through from the e-mail to for example a connecting website (Kaushik, 2009).

2.6.3 Website Behaviour

In the opinion of Kaushik (2009), e-mail campaigns rarely measure what happens when a customer goes through the e-mail to the website, they usually just measure the e-mails sent and the outcomes. The reason for this is that marketers are driven by outcomes, however what happens on the website will in turn either deliver a good response or kill
the offer sent out. There are different measurements that can be used for measuring activity on a website, depending on the website, but we will not state them here because they are not integral for our thesis, however it is important not to ignore website behaviour since it is an important part in measuring e-mail campaign success (Kaushik, 2009).

2.6.4 Business Outcomes

One of the most important things to measure is of course the outcome of the e-mail campaign, to do this it is important to measure true costs. Unfortunately most marketers have a difficult time understanding true costs making them rarely measure profitability, instead they measure for example order size and revenue. True costs are, in terms of e-mail campaigns, the cost of getting the e-mailing list, sending the e-mail and resources used plus the costs of creating the services and products. It is more accurate to measure profitability instead of revenue because the costs might exceed the revenues measured and then campaigns that look great at first might be too costly compared to what is given in return.

Both Kaushik (2009) and Sheehan (2010) states that e-mail marketing works, and Leake et. al. (2012) agrees. However all of them put emphasis on the importance of treating your customers right by not making it hard to resist e-mail by putting in extra steps to confirm opt-ins. The need to be relevant is also crucial when creating an e-mail marketing message, always think of the customers value first and foremost have clear options on how to unsubscribe. In short, treat the customer like you would like to be treated yourself (Kaushik, 2009).
3 Method

This chapter presents the research method selection and the underlying reasoning behind.

3.1 Methodological Choices

In this section we will explain our methodological choices; approach, purpose of research and qualitative or quantitative research.

3.1.1 Approach

When conducting a research there are three approaches to choose from, either acquiring data through induction, deduction or abduction. The induction approach seeks to use the research to formulate theories from patterns generated by the observations. Therefore the inductive approach is widely open, in contrast to the deductive. The deduction approach attempts to understand the observations from a theory or earlier studies, to explore if the findings were as anticipated (Johnson & Reynolds, 2005). Since many researches start with a theory or derive from a specific phenomenon, the theory can be revised and modified to some extent if the observations were not the expected outcome. Deduction usually forms a new theory or changes an existing one, which can be compiled for future research (Johnson & Reynolds, 2005). The third research approach is abduction, which is the method we will use, this approach can be described as “reasoning from effects to causes or explanations” (Lamma, Mello, Milano & Riguzz., 1999). This method is used for the purpose of delivering a new approach to a present phenomenon, through the use of both empirical study and creating theory (Kovács & Spens, 2005). The abduction process begins with a real-life phenomenon and observation, where previous theoretical knowledge plays an important role, even if it is not able to explain the phenomenon (Spens & Kovács, 2006).

3.1.2 Purpose of Research

There are three different approaches to choose from when determining the purpose of the research; namely descriptive, explanatory and exploratory studies. The first approach is the descriptive study; this research gathers more specific information of persons, events and situations. This approach requires a clear picture of the problem before the research begins (Saunders, Lewis & Thornhill., 2007). When focusing on building relationships between different variables the research is called explanatory studies. This research approach aim to research correlation between the variables and defining the relationship between them (Saunders et al., 2007). Exploratory study is when the research is of an open nature when the researchers do not know much beforehand, this approach is to examine the area to receive a deeper insight of the problem (Sekaran, 2003). There are several ways to gather information in an exploratory study; the most common are extensive group interviews, observations and interviews (Sekaran, 2003). Exploratory studies have a huge benefit compared to the other approaches; the direction of the research is possible to change. This is an advantage since the problem can be modified...
during the work process, if the researchers develop a new understanding of the phenomenon (Saunders et al., 2007). Exploratory studies are also a suitable approach when part of the information is known, however more data needs to be gathered to conduct a feasible theoretical framework (Sekaran, 2003). Our thesis will be exploratory in nature with a descriptive element.

3.1.3 Qualitative or Quantitative Research

A study can be conducted with both quantitative and qualitative research. The quantitative methods contribute to observations that are more standardized and generalized (Flick, 2009). When choosing whether to use a qualitative or a quantitative method it is important to take certain aspects into consideration. These are; which one is the most suitable for the specific area, which one will enable us to answer the research questions and which one of these methods are implementable in terms of time and resources (Brewerton & Millward, 2001). We will choose one of the qualitative research methods, namely interviews, because we want to know more in-depth how the case studies and their clients deals with e-mail marketing to their B2B customers.

It is essential to know the differences between quantitative and qualitative research. Qualitative differs from quantitative methods in that they provide insider rather than outsider perspective, is person-centred rather than variable centred as well as holistic rather than particularistic and gives depth rather than width. Qualitative methods stand in contrast to quantitative methods also because they do not have the same controlled conditions and distance present (Brewerton & Millward, 2001).

Qualitative research has three primary means of collecting data; interviews, observation and analysis of documents. The interviews are audio recorded, with minimal structure, and with the purpose of yielding long and rich accounts from the interviewees. The study’s ultimate number of cases is dependent upon the quality of the data and when the point of saturation is achieved (Padgett, 2013). Qualitative studies are not meant to be able to generalize in the normal scientific sense, however they should have credibility and wider applicability (Padgett, 2013).

There are different kinds of qualitative methods to be used; one of the most common is grounded theory (Padgett, 2013). Grounded theory is one of the most systematized and proven method and is used to generate theory by using a repetitive process of data collection and analysis. Compared to case study analysis that is mentioned below, grounded theory is used to gain a conceptually rich understanding (Padgett, 2013). Another qualitative method is case study analysis, which is the method that we are using. Case study analysis is the intensive study of a bounded entity, which means a single case or group of cases, and it is widely acknowledged as significant in social and natural science (Padgett, 2013). This method is used to gain information and understanding on a more profound level, about the research subject. We have used more than one case studies because this is suitable when the phenomenon under study includes more than one entity and there is a need to compare them (Padgett, 2013).
3.2 Design of Study

In this section we will present the design of our study; data, research approach and case selection.

3.2.1 Data: Primary and Secondary Data

There are two categories of data that can be gathered in research, primary and secondary. The primary data is new, original research gathered by the researcher. The aim is to answer the research questions and provide a response for the specific problem statement of the thesis (Sekaran, 2003). The secondary data is information obtained from earlier studies concerning the phenomenon being studied (Sekaran, 2003). The secondary data is easier to obtain and in comparison with primary data this is much less time consuming. However, the primary data is more specific in answering the problem statement and has the value of originality (Sekaran, 2003).

Primary data was collected through semi-structured interviews with four companies in this study. This fulfils the purpose of the thesis, which requires first hand information about the phenomena under study. Secondary data was collected mostly from academic articles and books on the subject, otherwise from the interviewee’s company’s websites, to create a foundation for the study.

3.2.2 Research Approach

This study will use a qualitative research, namely interviews. The purpose of interviewing is specifically to gather valuable information concerning our topic (Berg, 2009). Prior to the development of our interviews our main goal is to conduct a simple face-to-face social interaction with our participants, in other words establishing a relaxed conversation. Before engaging in the process of interviewing it is essential to gain some acknowledgment of the interview structures, which is often referred to as the family of qualitative interviews (Berg, 2009).

There are three types of interviews that we want to highlight in this study: the standardized interview, the un-standardized interview and the semi-standardized interview (Berg, 2009). The standardized type of interview is a formal structured interview, where the interviewers are required to ask the interviewee to respond to each question exactly as worded. Using this technique requires no deviations from the questions and no additional questions are supposed to be added. In contrast to the rigidity of the standardized interview, the un-standardized interview operate from a different set of assumptions. The un-standardized interview is completely unstructured, where there occur no specific order of the questions and the interviewer may add or delete certain questions throughout the interview if so wanted. The third type of interview and the type of structure we have chosen to use in this study is the semi-standardized interview. This approach can be located somewhere in between the completely standardized and the completely un-standardized interviewing structures. The structure of the semi-standardized interview is more or less structured, where the wordings of questions are flexible and the interview-
ers are allowed freedom to digress. The reason why we chose this type of interview structure is because we wanted to establish a relaxed discussion with our interviewees, where we could have the possibility to go beyond the answers to our prepared questions. We also wanted to give the interviewee the possibility to deviate slightly from the questions and thereby try to pursue areas spontaneously initiated by the interviewee. The semi-standardized interview structure will more likely result in a process where the participants can go beyond the already scheduled questions, creating a more vivid interview (Berg, 2009).

The interviews were all audio recorded which made us certain that no important information were to be missed. In order to get into depth we constructed open questions letting the interviewee have the possibility of going beyond the questions. Prior to the interview, fourteen questions were specifically developed; creating a solid foundation that could always be returned to. Further into the interviews new questions arose depending on the answers and reasoning received by the interviewee. The theoretical framework and the research questions were the main base for the development of the interview questions, which made the questions accurate and within the field of our topic. The interview guide we used in the data collection is attached in the appendix 7.1.

### 3.2.3 Case Selection – case study

In order to answer our purpose and research questions we selected specific cases for this study and the interviews are our primary data collection. We will use a multiple case study and judgemental sampling. The criteria for choosing the specific companies were the following factors; industry, customers, location and size. Which industry and what customers the company have are important because we had the ambition to interview companies with knowledge of e-mail marketing within a B2B context. In order to retrieve the desired information we interviewed marketing consultant companies. The location was important in order to meet our interviewee face-to-face to establish a more in-depth conversation, where the interviewee could feel free to discuss outside the borders of our interview questions. Moreover, since our thesis is limited to SMEs, the size of our selected companies was also a predetermined factor in the selection process.

When we started interviewing we continued to add cases until the point of saturation was reached, which meant for us that a fifth case would not generate any additional information on the research topic. To obtain extensive and precise information we believed that it would improve our thesis if we collected the information from the perspective of marketing consultants. Since they operate with improving optimal marketing solutions, such as e-mail marketing, on a daily basis these companies have more insight in the amount of, or lack of, knowledge the SMEs have.

After we did three interviews with consultant companies we came to the conclusion that the point of saturation was reached. However we thought it would be interesting and rewarding to include an interview with a SME, not in the marketing consultant business but still working in a B2B context, in order to provide another perspective. The compa-
ny we found was interesting and adequate to interview since they outsource e-mail marketing to a marketing consultant company. Altogether these case studies confirmed our assumptions and provided us with the desired information.

Summary of Design of Study

Four interviews were conducted where each interview was held for approximately one hour. Our main focus was to, as mentioned, establish a in-depth, relaxed conversation where the interviewee could feel free to discuss outside the borders of our interview questions. As mentioned in chapter 3.2.2 Research approach, the interviews were semi-structured which gave the interviewers the flexibility to ask questions not necessarily in the interview guide. When selecting specific companies appropriate for our study we examined the companies and made sure they took part of the different components of e-mail marketing and that they operated on a B2B level. Another important aspect of the selection of companies, included filtering for company size defined by the number of employees, up to 250, this because of this thesis limitations of only examining SMEs. These requirements were established in order to have a comparable basis of analysis where the limitation allows for enough data to be collected without too much complexity.
4 Empirical Findings

In this chapter we have interviewed B2B companies that are SMEs. The cases are divided into three different marketing consultant companies and one within the promotional products industry. The common denominator between the four cases is that they use e-mail marketing, either for themselves or for their clients, to reach B2B customers. The result of the case studies we have conducted together gives a broad and wide understanding of the important aspects of e-mail marketing in these companies. The empirical findings collected in this section are presented in accordance to our purpose and our research questions.

In these case studies the word client refers to the customer of the marketing consultant companies, and the word customer refers to the client’s customer.

4.1 Case One: Bolt Communications AB

Bolt is a strategic all service agency within the industry of communication and advertising, and works as marketing consultants. The company creates solutions, from strategy to evaluation, for all existing media channels, with focus on developing superior communication for its B2B clients. By establishing and maintaining a close relationship with their clients, Bolt creates a thorough understanding of their needs and thereby defines the project's overall objectives they want to achieve. The vision is to create communication that engage and influence people in their everyday life, where focus is to boost sales and increase brand loyalty.

Bolt Communication was established 1994, and has since then grown and become a well-known company in Jönköping. Today the company has 15 employees where everyone together contributes with different characteristics, experiences and knowledge to Bolt.

Anders Selvander, who has been the respondent in this study, is the project leader and market strategist at Bolt Communication. The main reason for choosing to interview Selvander for our study was because of his position as market strategist; Selvander is the specialist within the field of marketing. Selvander has worked at Bolt for three years and has the main responsibility to market and promote new projects. During the three years as an employee at Bolt Communications, Selvander has been in charge for the strategic components of leading projects toward the right direction.

4.1.1 Marketing Strategy

Bolt Communication creates communication and advertising solutions for its customers, this is the specific service this company provides its clients. Together with the engagement of the customer, Bolt creates conceptual solutions and achieving results is the fundamental core of Bolts operations. They are doing so by understanding their client’s needs, the company transforms that knowledge into strategic ideas, which according to
Bolt is one of the cornerstones of business success. For their clients marketing strategy Bolt assist the client with everything in marketing the client wants help with. Usually this involves combining e-mail campaigns with website interaction, as well as newsletter and web catalogues.

Bolt Communication head office and only office is located in Jönköping. The company operates within a B2B context, where its clients are mostly companies in the region of Jönköping. However, lately the company has operated with international clients. This has made it possible for the company to bridge cultural as well as marketing differences and furthermore creates solutions for several different markets.

In order to develop optimal solutions for their clients, Selvander highlights the importance of keeping in touch with clients and thereby establishing professional and loyal relationships. According to Selvander, appearance and putting effort into meeting customers in person and create loyal relationships. Advertising and communication agencies do not market themselves to the same extent as companies operating in other industries. Instead these companies usually participate in competitions where they show their audience what they are capable off.

When discussing which industry or what type of clients Bolt Communication interacts with, Selvander explains that due to the fact that Bolt operates mostly within the region of Jönköping it is difficult to niche towards a specific industry. This has given the company a wide range of clients, however the clients are mainly companies within manufacturing and technology.

The marketing strategy that Bolt has identified as generating the best results and value for their clients are analogous newsletter, which is a physical newsletter sent with e-mail to their clients. When discussing with Selvander to what extent the company markets itself, Selvander explains that Bolt does not use e-mail marketing for their own use, however they develop e-mail campaigns for their clients. The reason for choosing Bolt Communications even though the company does not use e-mail marketing is because of their expertise within the field of e-mail marketing. This gives us valuable information regarding the e-mail marketing strategies that the company helps its B2B clients with. Selvander explains that receiving an analogue newsletter is not as intrusive as receiving an e-mail. Only companies that has been in contact or done business with Bolt will receive the analogous newsletter, indicating that the receiver has chosen whether or not to receive the newsletter. Bolt’s marketing strategy is to send this newsletter four times per year, where they present a finished job and thereby shows their clients what Bolt is capable of and what they offer. When asking Selvander why the company has chosen to use this marketing strategy he explains that by creating an analogue newsletter they establish a more personal relationship. He believes that it is easier to penetrate the advertising clutter with direct mail. However, the disadvantage with direct mail compared to
marketing through e-mail is the possibility to achieve feedback and valuable statistics, where analogue newsletters do not offer such statistics.

Selvander explains that relevance is the key when developing any kind of campaign for example a newsletter. The newsletter should bring some kind of value to the existing and potential clients, indicating that a client should perceive it as relevant. Conducting business in a B2B context requires accuracy, and conducting faulty and irrelevant marketing just one time may harm an important client relationship. Companies in general need to be considerate when dealing with both analogous newsletters as well as digital newsletter, since sending irrelevant information to customers will most likely be viewed as spam or end up as junk mail.

4.1.2 E-mail Marketing Efficiency and Strategy

Efficiency of E-mail Marketing

As mentioned above, Bolt Communications does not use e-mail marketing as a marketing tool to market themselves, however they help their clients with developing successful e-mail campaigns. Selvander expresses that the e-mail is still more efficient than other digital marketing tools when reaching customers. With the prevalence of tablets and smartphones, people check their e-mail constantly and wherever you are it enables you to stay connected to your customers.

E-mail Marketing Strategy

Selvander highlights the importance of always incorporating the clients and letting them be the momentum, where Bolt is the intermediary between the client and the development of the e-mail. Bolt stands for the development of the standards of the e-mail and the client is the actor who finally presses the send button. To help establish a successful and long-term relationship between the client and their B2B customer, it is essential that both Bolt and the client work towards the same targets.

The clients’ customers’ value receiving an e-mail, where the sender has put effort and knowledge into it. When discussing the importance of specific factors such as subject line, visual layout and segmentation, Selvander specifies which factors that bring more value to the e-mails and which might not give as much. The subject line might be important in various cases, however most companies use an e-mail account where part of the message is revealed with a soft-click, meaning that the recipient will see a preview of the message without opening it. This indicates that the subject line will not affect whether the customer opens the email or not to the same extent. When Selvander got the question regarding the importance of segmentation he made it clear that segmentation and thereby relevance is most crucial. The content in the e-mail should be easily interpreted by the recipient and should instantly acknowledge why the e-mail was sent. Also the recipient should instantly identify who sent the e-mail. Selvander continues the interview by shortly mentioning the importance of the concept of responsive layout,
which means that the recipient should be able to open the e-mail with any type of screen resolution, for example with both a smartphone and a laptop.

Selvander emphasizes again the importance of relevance, and indicates the significance in developing e-mails that is of relevance to the recipient. It is important to customize the e-mails to the target group where the recipient should be able to relate to the content of the e-mail. Once again, Selvander underlines that relevance is the keyword of developing a successful and professional e-mail.

**Task Distribution**

Bolt do not have any specific employee who works with e-mail marketing or web analytics on a daily basis since they do not engage in e-mail marketing for their own benefit. However several of their employees are knowledgeable in this area since they are assisting their clients with this.

**Web Analytics**

When asking Selvander about the usage of web analytics, he explains that the company do help their clients with this essential part. However, Bolt does not have the possibility to measure important statistics for their own newsletters, since analogues newsletter are not easily measurable. Selvander explains that the analogous newsletter is perfect for their marketing strategy, but he is aware of being at a disadvantage due to the great benefits web analytics can generate. The utilization of web analytics is a service Bolt is providing for their clients and this gives the clients the tools to improve e-mail marketing and also the possibility to respond to their customers’ needs and requirements.

### 4.2 Case Two: NY Reklambyrå i Sverige AB

NY Reklambyrå i Sverige AB (NY) is an marketing consultant agency and is located in Jonkoping city. The respondent in this interview was Anders Nyström. He founded the company in 1989, and still works in the company as the CEO. The company has grown each year and today NY employs 26 people.

#### 4.2.1 Marketing Strategy

NY’s clients are mostly companies in Jönköping, however they do have clients outside the region as well. NY’s clients are both B2B and B2C companies, however when conducting the interview we focused on their B2B clients. NY is a company that sells services that will help their clients to reach more customers and through this become a more successful business. The services they offer are among others; building large websites, creating and recording commercial as well as everything regarding web analytics and web catalogues. Their most popular service are without doubt building websites, since it requires high competence, hence it is the most common to outsource.
NY is the market leader within Jonkoping today and in the beginning of the company’s development the vision was to one day become just that. However, Anders explains that they still categorizes themselves as underdogs, as they always have been but now the company is striving towards also becoming the market leader in Sweden. To compete with other advertising agencies they usually perform a pitch to try to attract the client, and the agency with the best pitch will get the deal. NY works with marketing and assist clients in achieving valuable marketing techniques; this means that we can call them experts within the field. Nyström put emphasis on how important an easily navigated and attractive web site is; today it is one of the keystones for success in many industries. NY change their own website constantly with updates that will make it even easier for the visitors to interact with the different elements. To increase visitors on their own website they use e-mail marketing, which, after an e-mail dispatch, can increase the traffic of the website 3-4 times. This clearly indicates that conducting e-mail marketing has been a very beneficial tool for NY, where they have created significant customer awareness of their company. NY is also an active user of social media, such as LinkedIn, Twitter, Facebook and Instagram. For NY it is important to appear in several different channels, however it is important to have different kind of marketing languages in different kind of marketing channels. For example, on their Facebook page they have followers that are more or less their fans, where they for example upload pictures of celebrating a new client with cake in the office. The other social media channels they mostly use to reach their closest clients. In order to reach potential clients they often use e-mail as the most successful channel.

4.2.2 E-mail Marketing Efficiency and Strategy

Efficiency of E-mail Marketing

When asked how efficient Nyström believes e-mail marketing is, he says that it is without doubt extremely efficient. According to Nyström e-mail marketing is the best way to spread a marketing message for NY and its clients, especially to potential customers. Since e-mail marketing is a digital marketing tool it is possible to measure every aspect of the response. One aspect is for example whether the e-mail is successful or not which clearly indicates the benefits of e-mail marketing, where instant feedback can be acquired.

E-mail Marketing Strategy

The e-mails NY sends out to their clients are usually every second week, in the form of a newsletter. The most important attribute for a successful e-mail is relevance, to avoid the irritation of spam and to keep it comprehensible for the recipient. The newsletter NY sends out consists of completed jobs they have done for clients, for example commercials and web catalogues. It also includes a link to their website in order to make it easy for the clients to easily find more information about the content of the newsletter. Nyström claims that if the recipients perceive the e-mail such that there is no effort behind the e-mail, the probability of being blocked is high. Relevance is not immediately con-
nected to segmentation, however it can be, but NY does not segment their target market, which could be every company in Sweden since according to Nyström, their content is relevant to all companies in Sweden in need of a marketing consultant agency. Nyström put emphasis on content marketing, it is essential that the e-mail is interesting for the receiver in order to be a successful marketing message. NY sends their newsletters to 1000 companies in each e-mail dispatch. The 1000 receivers are always a mix of new and old clients, and the recipients have not accepted to receive the newsletters in beforehand but they can easily opt-out of receiving the e-mail in the future by a simple click. Out of the 1000 companies they send it to, there is a very low percentage (0.05%) that opt-out. The rest of recipients will either click through and become a potential client (20%) or be a passive recipient (80%). The aspect that 20% will be potential clients is impressive; an e-mail campaign with this distribution is a successful one according to Nyström. The 80% often exist of clients that have received NY’s newsletter before; therefore it is logical that they do not open them every time, but they will still get the perception that NY delivers new jobs constantly. The timing of the e-mails sent are also something NY have researched by testing different days and time during the day. For NY the best timing have been proven to be Tuesdays at 10 am (every second week). In order to recognize the e-mail as professional, it should not take more time than a micro-second to see the logo. The subject line is not the most important, however Nyström mentions that it is a good idea to name the e-mail based on the content of the e-mail in order to not mislead the recipient. For NY it is important to change the content of the newsletter for each dispatch, to attract the clients to open the e-mail.

**Task Distribution**

At NY the distribution of tasks regarding the e-mail newsletters is that only a few employees in the company works with these newsletters and have all of the responsibility. There is also one employee specialized within web analytics that works with NY’s own newsletters and website but also for their clients. This person analyses how many of the receivers who open the e-mail, click through to the website. This is done to examine what content they are interested in, to be able to understand what caught the customer’s interest. With this statistics NY can both assist their clients in their e-mail marketing and modify their own newsletter to be more relevant.

**Web Analytics**

When sending out e-mails to businesses there is no need for consent from the recipients, however when e-mailing private persons there is a law that states that they must accept first. NY takes advantage of web analytics to a high degree. The statistics of every aspect of the sent e-mail can be analyzed and used to an advantage; therefore it is crucial for NY when conducting e-mail marketing for both their clients and themselves. Through web analytics NY can confirm that newsletters containing commercials are the most attractive ones and web catalogues are least attractive marketing campaign.
4.3 Case Three: Wonderville AB

Wonderville AB is an marketing consultant agency, and works with assisting other companies in increasing sales and profit like the case studies above. The company was founded 2009 by Kennet Båth in Orebro. The office in Orebro is still the Head office however they have two more offices located in Boras and Stockholm. Kennet Båth and Anna-Maria Båth are the respondents in this interview. Anna-Maria works as an e-mail marketing consultant at Wonderville, hence not an employee.

Since the start-up of Wonderville the growth has been quite steady for each year and today they are market leaders in Sweden within their industry. In order to understand the success of Wonderville, and how they have reached it in only five years, it is important to know their different way of managing their company. The first thing that strikes us is that the market leader in Sweden only has six employees, but still have a very high turnover in comparison to other advertising agencies in Sweden. The answer is, according to K Båth, their more modern way of working; the company outsource almost every task they do for their clients. This strategy gives them experts within each of the fields required. According to K Båth this provide the best quality and at the same time they keep the salaries down, since Wonderville only pay the specialists for the exact amount of time they spend on performing a job for them. All the fixed costs will be very low, and this suits Wonderville because they are a result-oriented company. Some negative aspects of this way of working could be the time to find the best cooperation and rely on the quality of their work when not having worked with them before. It is also more difficult to obtain loyalty when not having them as employees.

4.3.1 Marketing Strategy

The clients are often companies that consist of many entities, where each entity is independent, and for example makes its own decisions regarding prices and campaigns. Their clients are a both SMEs and larger companies. Wonderville build digital platforms, for example a website and e-mail marketing campaign, that is suitable for the specific client and then the entities interact with the platforms and for example change prices and which products to promote themselves. What differentiates Wonderville from other marketing consultant companies is their competence in this type of service, which they call automated marketing. They provide this service through their invented and trademarked system called E-Manager, which is an automated platform where they can customize online marketing solutions for their clients. With their expertise on marketing together with the clients expertise within their field, they create this customized platform with the goal to increase customer interaction for their clients. The automated platforms are built to analyze how the clients’ customers interact with for example an e-mail marketing message. The system interprets the information automatically and then sends out a suitable counteraction, for example a different e-mail or a text message. This saves a lot of time and money for the clients of Wonderville, since the system takes care of itself. In each sequence of this event, the system has an pre-decided parameter, if this pa-
rameter occurs the system responds in a certain way. For example, if the client’s customer has opened an e-mail marketing offer but did not take any action within a predetermined amount of time, the system sends out a text-message to remind the customer of the offer. Wonderville and the client determine these parameters beforehand. K Båth explains during the interview that the reason why their customers often are larger organizations is because SMEs often do not have the money to purchase this service.

The lack of knowledge within the area of e-mail marketing is according to K Båth a reason why many SMEs have trouble with reaching customers through e-mail. This is why they usually either outsource it or have a poor e-mail marketing strategy. K Båth claims that SMEs generally do not understand the importance of a database of customers. If SMEs had put more effort into comprehending e-mail marketing strategies before implementing them, they could avoid unnecessary costs, for example creating an e-mail marketing campaign with low response.

The platform, E-manager, which is a complicated system, can keep the cost down for both the clients and Wonderville. From the start Wonderville needed a lot of capital to create the E-manager, now a couple of years later when it is up and running, it is extremely cost effective. E-mail is a small, but crucial building block of the E-manager system. Wonderville’s marketing strategy, when clients want their services, is to put emphasis on a well-structured and planned marketing mix. The marketing mix consists of ten different channels, amongst others; web platform, microsites, prints, posters, social media and control.

Wonderville consider themselves experts on knowing what kind of combination of these channels should be provided for whom. This is often the difficult part; the strategy of knowing how to interweave the marketing mix for each company, which is the key to success according to K Båth. An example of a part of their marketing mix is to build microsites, it means that they buy domains and name them possible search words relevant to the specific company they are working for. For example, for a clothing company Wonderville can buy a domain and name the microsite sweaters.net, then if a customer search for sweaters and clicks on sweaters.net he will be directed to a subsite to the clothes company’s real website. This result in the company getting a higher priority in search engines since the domain name is connected to their website.

Wonderville market themselves through a digital newsletter once per quarter, which is not a lot. They also focus on being featured in a newspaper called Resumé, a newspaper oriented with news within the media and communication industry. One example of how they achieved this was when Wonderville started up a school in Africa. They informed Resumé of their actions and as a consequence Resumé wrote an article about the company and its CSR.
When Wonderville is pitching the services they can provide for their potential clients, they have noticed that they need to tone down the complexity of the online marketing because the clients have difficulties to understand all of the different steps in Wonderville's marketing mix. Their opinion is that many companies, even larger ones, lack knowledge within this area. Even if the companies have used the different digital marketing channels for many years, they use them inefficiently. Many of their clients especially SMEs are not very proficient in using online marketing and in particular e-mail marketing.

4.3.2 E-mail Marketing Efficiency and Strategy

Efficiency of E-mail Marketing

Wonderville uses e-mail marketing to a great extent, however A Båth mentions that e-mail marketing alone is not a particularly powerful channel. A Båth further explain that the most important aspect is to direct the receivers to a professionally designed microsite, where it is possible to go through with either a purchase or a contact with the company. The microsites are often not the company’s own website, it is rather a customized site that is directly connected with the content of the e-mail. To answer the question if e-mail is efficient, the answer is yes if it is surrounded with the appropriate strategy depending on how the customer acts when receiving it in their inbox.

E-mail Marketing Strategy

For their own business Wonderville advertise through e-mail approximately once each quarter, and the format is a newsletter with jobs they have done for their clients. However, when they help their clients with expanding their customer base, they usually start with looking at the clients existing database of their most profitable costumers. Analysing the traits and interests of these already existing customers help them find the most profitable potential customers. After gathering a database with potential customers, they start with sending out an e-mail they for example call 1.0, with a strategically chosen subject line. After this first dispatch Wonderville analyse the results, which recipients who opened the e-mail and which did not. The recipients that opened the e-mail and made contact with the company is of course a success, but the ones that opened but did not take any actions will receive a new e-mail with a better offer. The recipients that did not open the e-mail, will get a new one with the exact same content, but with a changed subject line. This strategy is almost waterproof for success according to A Båth, since as long as there is enough money and time Wonderville have the possibility to reach every single potential customer. However, in practice the campaign is often replaced with a new one before they can repeat the steps enough times to reach all potential customers, but they do reach a substantial amount through this method.

According to A Båth the timing of the e-mail dispatches is generally considered important, but she states that it is not only about a specific day and time, it is also a matter of what the e-mail contains. The commonly recommended days and time are Tuesday
and Thursday around 10 am to avoid being one in the crowd. However, this is common knowledge therefore a Friday afternoon might be a strategic time; after all if the content is meaningful and smart it could fit perfectly. Both A Båth and K Båth agree on that the reception of the e-mail depend more on the content than the timing. This is also true regarding e-mail frequency, it also depends on the client and the content. If the content is interesting enough and relevant to the recipient, then it is logical to send it out more often. Relevance is significant part of the e-mail marketing since it determines if it is classified as spam or not. When sending out an e-mail dispatch the timing is not unimportant, but different content fits with different time.

**Task Distribution**

The task distribution in Wonderville is as mentioned above less traditional compared to many other marketing consultant agencies, for example many of the different tasks are outsourced. According to K Båth this gives them an advantage compared to their competitors, since they become more cost effective.

**Web Analytics**

Wonderville always analyse the statistics from their service they provide for their clients. They measure everything, to make an estimation of how the receiver acts when it is exposed to the marketing message. K Båth told us “We have become world champions on what we do poorly, but at the same time become equally aware of what we are really good at”. Wonderville is in a constant learning process of what type of strategy works for what type of company. Wonderville use web analytics in their daily work, and they experiment a lot to become even better in the field. For example, they can send the same e-mail to 1000 companies, with five different subject lines, to see what type of words in the subject line brings most response and purchasing desire. According to A Båth, one interesting trend within the subject line is to use an informal language compared to a few years ago when it was formal language that was most successful, but she emphasizes that this depends on the target audience. A Båth states that everything within e-mail marketing is constantly changing, which put even more emphasis on how increasingly important web analytics is.

**4.4 Case Four: Wallex AB**

Wallex AB is a company located in Gothenburg, which sells promotional products to B2B customers. We interviewed Ulf Jacobsson, who is the CEO and marketing manager. The company was founded 1988 by Jacobsson and his partner Claes-Ove Hendefors, who both still run the business. The company consist of the owners and four employees. As of recently Wallex is taking a new direction into digital marketing with a new website as the base. The company has, in the past, advertised with physical catalogues since the start-up in 1988.
4.4.1 Marketing Strategy

Wallex’s customers are businesses from Gothenburg. The company does not target specific industries; all companies that are concerned of marketing their brand through promotion products are of interest. The products can be practically anything that the customers want their logo on to be able to strengthen the brand in different environments. The promotional products can be in the form of everything from pencils to larger more complex products as clothes or electronic products.

Historically Wallex had a marketing strategy that did not include that much digital marketing, they did occasionally send out e-mails, however they did not put a lot of effort into the content of the e-mail or used web analytics. What they did as their main marketing was to send four different physical catalogues each year, usually to the same customers. However, Wallex’s new marketing strategy is to turn their activity to fully concentrate on digital marketing. They chose this different strategy since they concluded that it is more suitable and efficient for them. Since they do not have the knowledge and expertise of digital marketing within the company they have chosen to outsource this. So from now on when talking about the new strategy we will include how the outsourcing company implements it.

Jacobsson explains that Wallex will invest all marketing resources in e-mail marketing as well as their new, easily navigated, website. Their new marketing strategy is to try and reach the top search result when customers use search engines for finding products and services related to their business. This will be done through buying microsites linked to Wallex’s website. Microsites, which can also be named mini-sites, are sites bought by companies to increase traffic on their websites.

Wallex will also use e-mail marketing to increase the traffic on their new website, and to strengthen relationships to their customers. The company will still use the phone as a marketing channel, it has historically been an important channel to reach customers and they will use it in their new strategy as a follow up in the e-mails sent. Usually neither the physical catalogues or the e-mails contribute to a customer making contact with them right away, however through receiving this at regular intervals the customer will remember them when they need promotional products.

4.4.2 E-mail Marketing Efficiency and Strategy

Efficiency of E-mail Marketing

Wallex is now in a phase where they are changing marketing strategy and especially changing their strategy regarding e-mail marketing. As mentioned above, the e-mails Wallex sent to their customers earlier were not efficient and the response was low. In order to increase the success of their e-mail marketing they have made a choice to outsource this to a marketing consultant company. To increase the efficiency of e-mail marketing the services Wallex outsource are, to a large extent, the analysis of how the
customers respond and interact with an e-mail marketing message. Wallex state that it is a cost effective way of conveying marketing messages, it only cost them 0.05 SEK per e-mail. Why there is a cost at all is because they send the e-mails through a generator where they have the possibility to send out large volumes each time, this is not possible with the usual e-mail clients such as Hotmail. Each dispatch will be sent to approximately 150 000 customers.

**E-mail Marketing Strategy**

The strategy is to use e-mail marketing as a way to build relationships with the customers and make them aware that Wallex exist, but mainly to enhance the visitors on their newly launched website. This will also, in the long-run, lead to higher rank in search engines which will in turn increase the visitors on the website even more. Each e-mail will have a special offer of one product with a campaign price, which usually 50% off the original price. If the recipient decides to pursue the offer, they will be navigated to Wallex’s website where they find more offers. However, it is only the product in the e-mail that will be 50% off, the rest of the products on the website will have their original price. The plan right now is to send out e-mail offers every sixth week; this due to an evaluation they made through the years to avoid the chance of being perceived as spam. Timing is also important, Jacobsson tells us that they have made a choice of sending out e-mails between 9-11 or 14-16, because according to Wallex it is considered the optimal time for the recipients to receive it. Wallex want to avoid sending e-mails on Friday afternoons or Monday mornings, because many businesses have a lot of e-mail in their inbox that time of the week and they will risk being overlooked in the large amount of new e-mails.

**Task Distribution**

The tasks of the e-mail marketing are distributed such that Wallex have the responsibility for the content of the e-mail. The marketing consultant company is in charge of everything regarding the digital marketing, for example segmentation, visual layout, subject line and analytics. Wallex also has an employee who mainly works with leads, this means to follow up when a customer have shown interest, either on the website or through e-mail. When this occurs he will call that person a couple of days after. The phone call will not be considered a cold call, since the customer already showed interest for the company. Cold calls are when a person call a customer that is entirely new, that has not shown any interest in the company before, and these are less successful.

**Web Analytics**

The web analytics is completely outsourced to the marketing consultant company who are experts in the area. The statistics from their e-mail dispatches will be analyzed and the e-mail will be modified accordingly for the next dispatch, to increase the relevance of the marketing message. Jacobsson explains that the reason that they did not analyze
their e-mail statistics before was lack of knowledge, this was the main factor to why e-mail marketing was not efficient to them. The subject line is important, but not Wallex’s area, they give the marketing consultant company all the responsibility for decisions regarding subject line, visual layout and segmentation since they have more knowledge of what works in practice. Companies can for instance block some words so that if the subject line contains for example the word sale, the e-mail does not reach the intended recipient because it is deemed spam.
# 5 Analysis

In this chapter we will use the concepts and models introduced in the frame of reference to explain the empirical observations from the different case studies we conducted.

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| NY: | Relevance - Segmentation (for clients) - Content Marketing - Marketing Mix |

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5.1 The Complexities of E-mail Marketing

Delving deeper into the different components of e-mail marketing and exploring how a successful e-mail is created, truly indicates for us that establishing an e-mail campaign requires both time and expertise. Both researching previous work within the field of e-mail marketing and conducting four interviews with SMEs, together confirms the complexity of e-mail marketing. From our investigation, the content and the message determine the efficiency of the e-mail. If the e-mail can attract the customer to take further action, for example click through to the website or going through with an offer, this indicates the success of the e-mail. For the customer to find the content of the e-mail interesting enough, an e-mail must be customized to catch the attention of the recipient. The bottom line of the e-mail is to mediate relevance through for example segmentation, where the customer can easily interact with the content and take a certain action from the e-mail marketing message.

5.2 How SMEs implement E-mail Marketing in Practice

In the beginning the intention was to interview SMEs about their ability, or inability, to reach their B2B customers by operating e-mail marketing. Furthermore, what the success factors were and how they used the techniques available to interpret the information provided to improve their e-mail marketing success. However, we decided to interview SME companies that work as marketing consultants for SMEs in B2B instead; through this we would be able to investigate the research topic from a consultants perspective.

This perspective has been efficient; we got the possibility to get a deeper insight into how SMEs in B2B practice e-mail marketing since this is one of the areas the consultants are very experienced in. We got an understanding in how they market themselves to clients but more importantly how they develop strategies to reach a greater customer base for their clients benefit. The companies we interviewed gave us inside information about how the knowledge within the e-mail marketing is amongst their SME, B2B clients. As stated above, we interviewed small to medium advertising agencies that work for SMEs with B2B customers. After some research into what companies would be most suitable in our case study, we found NY Reklambyrå and Bolt. NY Reklambyrå is the market leader in Jonkoping and Bolt comes in second, so together they are the top two agencies in Jonkoping. The third agency we found was Wonderville, a company that works within the same field as the two other cases but in a slightly different manner. It was relevant to include them due to the difference from the other two. By interviewing one market leader and one market follower within the region, as well as one market leader in the country we believed we would be able to fulfil the purpose of this thesis. Together these companies worked with several different SMEs and had varying experience in how to implement e-mail marketing, both themselves and how their clients implement it. After interviewing the first three cases we decided that it would be beneficial for the thesis to get the perspective of a SME within B2B that was not an advertising agency, to highlight the critical aspect that some SMEs lack expertise within e-
mail marketing. This company confirmed our assumption in that they did not have the expertise within their company. Instead they had recently outsourced e-mail marketing and through this increased the value for the firm, also verifying the notion that investing time and money to increase efficiency within the area of e-mail marketing is profitable.

5.2.1 Strategic E-mail Marketing Planning

E-mail is the second largest digital marketing channel as we mentioned in the introduction, this is also verified by our case studies. They all stated that e-mail marketing is an efficient, up-to-date marketing tool. When analyzing differences and similarities among our four case studies there are significantly more similarities than differences. The fact that we see a lot of similarities among their marketing strategies is not that surprising due to three of the companies being experts within the field of marketing. An important observation from the case studies is that e-mail marketing alone is not the most efficient strategy to reach the desired outcome. Through our case studies we have learned that there are a number of different factors that influence the success of an e-mail marketing message. The difficult part is to know what mix of marketing factors suits what company and their customers. The combination of marketing channels is not a universal combination that is the best solution for all; it depends on factors such as the target market, industry and the company itself.

According to most of our cases e-mail as a marketing strategy should not stand alone, as stated above. Without a professional web site and follow up strategies after an e-mail dispatch, e-mail marketing could be close to pointless. In order to reach the full potential of e-mail marketing, a good marketing mix surrounding the e-mail strategy is fundamental. All of the companies interviewed agreed that a combination of several marketing channels is the key to success, that e-mail is one of the components in a larger system. This observation does not necessarily prove that e-mail is not powerful, rather the reverse; as previous literature and the case studies also stated, it is an important component and complement to the other parts of the digital marketing mix. The different factors of the digital marketing mix are interdependent to a certain extent.

The results gained from the case studies indicated that the beginning of any strategic marketing planning process must be an appraisal of the current situation. The first phase of a strategic process should be to identify the core user or the core recipient of the specific e-mail, which gives you a clear view of who your target is. The case studies denoted that they do pursue the 10 C’s that were presented in the model The 10 C’s of Internet Marketing by Gay et. al. (2007), however some elements of the model were emphasized. While having the importance and the requirements of a successful e-mail in mind, the components of the model with greater significance are the following; the customer, creative content, customization, coordination and control.

The customer should be the core base of any organization, and for any online activity it is the customer that should be guided in the right direction and also towards the desired action. By creating a creative content, the customer can more easily interact with the
content and better grasp the overall message presented in the e-mail. According to Selvander, market strategist at Bolt Communications, it is important to customize every e-mail to the anticipated customer where the recipient should easily be able to relate to the content. Given the range of analytical systems and software available today, coordination and control should be simple for any business to monitor. However, it requires some basic knowledge within the field of information technology (IT) and web analytics, or access to a program that will help with these functions. These programmes are easily available online according to Bolt and Wonderville. Wonderville emphasized the need for this basic knowledge when discussing their usage of web analytics and how they link the different components of the e-mail. This ending up in that the end customer should without problem be able to click on a specific link and thereby arrive at the desired destination. Thus implying that the sender of the e-mail should undoubtedly possess the ability to test and analyze certain activities made from the e-mail, and thereby be able to use the statistical data collection received by conducting valuable measurements. However in the opinion of Bolt, NY and Wonderville most of their clients, especially SMEs, lack the basic knowledge and proficiency to use e-mail marketing to its full potential.

There were as stated few differences, however one that we found interesting was about the corporate culture. In the model The 10 C’s of Internet Marketing by Gay et. al. (2007) one of the C’s is as mentioned the corporate culture. Gay et. al. (2007) states that while some firms are positive towards technology, online vision goes beyond providing a company website and other marketing channels, and actively seeks new and different ways to market themselves and increase customer activity. Among our case studies both Bolt Communication and NY Reklam does this to a certain degree, however the only company that stated clearly that they are involved in actively searching for new inventive ways to market themselves online, was Wonderville. This also permeated the entire interview. For example K Båth invented the E-Manager himself to be able to more efficiently market his and his clients’ companies online. Wallex is becoming more online-oriented but not to the same degree as the other three.

Another difference between our cases is that Bolt is the only company that does not market themselves online even though they do this for their clients. According to Bolt their analogue newsletter is not as intrusive as e-mail to their specific clients. It is interesting that a company that assists their clients with e-mail marketing states that this practise is relatively intrusive for customers. This is probably due to Bolt’s opinion that they secure enough clients as it is from marketing themselves through, for example, competition. However when we asked further questions on this subject Selvander did acknowledge that this was not a sustainable long-term strategy.

5.3 The Importance of Relevance to Efficiency in E-mail Marketing

Depending on the message the sender wants to convey in the e-mail, the sender can customize the e-mail and thereby choose the most appropriate format. The e-mail can be in
the form of a campaign where the company wants to present a certain offer, here the main goal is to sell a product or a service. The e-mail can also be a newsletter, where the sender puts focus on presenting previous work and news about the company to the customer and thereby let the customer know about the company’s capabilities. Which type of content that generates the greatest value depends mainly on what purpose the e-mail is intended for. A common denominator when conducting our interviews was the importance of relevance, and keeping the information relevant to the recipient in order to establish a more in-depth interaction with the customer. To be able to attain the best response and to avoid the risk of being blocked or considered spam in companies’ inboxes, it is critical to be careful with the content, timing and frequency. Through the case studies we have gained a deeper insight in how crucial it is to do extensive work beforehand, before a company begins the process of developing an e-mail campaign. The relevance will contribute to the recipient perceiving the message as more relevant by being customized.

5.3.1 Information Process Model

Relevance has been a recurring topic throughout our case studies; all of them emphasized the importance of relevance in e-mail marketing. As it was stated in the Information Process Model by Engel et al. (1994), to be able to move beyond the stimuli and exposure stage, and get the customer to actually focus on the message the company is trying to convey, it has to be relevant enough to catch the customers’ attention. Relevance can be comprehended differently, the message is relevant if the receiver perceives it as interesting, that it creates curiosity. However, even if it is evident that the marketing message has to be relevant the challenge is to send the right message to the right customer. According to Wonderville, one way to be able to do this is to concentrate on the company’s most profitable customers historically, from these develop a profile and then search for customers who have the same or at least similar traits. An example of a profile can be that the most profitable customers of a company can be firms that have 20 employees and are located in small towns in Sweden within the shoe industry. So to find profitable potential customers the company starts looking for firms with these traits. Since the company then know from previous experience what kind of marketing message suits these kind of customers best, in that they can comprehend the message, it has a low risk of being perceived as spam and the message will instead be accepted. If the company sending the marketing message succeed in sending the right message to the right customer then the retention stage of the information process model will be complete. This is the last step in the Information Process Model and means that the stimuli is stored in a positive light in the customers long term memory.

5.4 Success factors – Theory and Practice

Prior to our case studies, we examined previous literature to find which success factors companies in general usually emphasized. The subject line, e-mail frequency and segmentation where all factors important for the creation of successful e-mails, according to the literature, and it was these were identified as the main factors. Opposite of what
we expected both Bolt Communications and NY Reklambyrå stated that the subject line does not have much significance due to the complex and well-developed technology companies have obtained today. Depending on what specific program is used, a preview of the e-mail can be viewed without clicking on it, meaning that, in the opinion of Bolt and NY, the subject line has little matter since the content of the e-mail already is previewed. However in the case of Wonderville, the subject line had certain matter and for them the creation of a subject line was a fairly complex activity. When conducting e-mail campaigns Wonderville usually examined different subject lines depending on the recipient, and from there they examined what subject line generated the greatest effect. This practice was done in order to conclude which subject line more customers would interact with. Even though Wallex outsource the management of the e-mails, they articulated and emphasized the great importance of putting effort into the creation of a subject line. Another important aspect that all the case studies agreed on was that the instant the recipient opened the e-mail it should immediately be clear who sent it. One example of how to achieve this is to make the company’s logo highly visible.

As expected e-mail frequency and segmentation were both important components according to our case studies. Knowing when to send out e-mails and sending them in consistent intervals, where the e-mails are not considered an intrusion, pointed out the importance of e-mail frequency. Finding the balance between sending out too many e-mails and sending too few, is a difficult task and requires observations of the targeted customer in order to be on the right track. Keeping the e-mail relevant by executing precise segmentation was strongly highlighted throughout all of our four cases, the customer should be able to relate and interact with the received e-mail.

### 5.5 Benefits Gained from Web Analytics within E-mail Marketing

Being able to gain valuable statistics and measure the success of an e-mail campaign gives the incentive to customize an e-mail to every unique customer, which indicates the importance of web analytics. The information gained from our cases confirmed what we anticipated, that not all SMEs are aware of the small amount of time required to gain expertise of how to implement web analytics. Three of the SMEs we interviewed operate as consultants, where they assist their customers in the development of successful and profit-driven e-mail campaigns. Wonderville, for instance, are astonished that companies do not manage web analytics on their own but instead outsource it, since the amount of time required to implement the technique is small compared to the results that can be achieved from it.

According to our case studies, one reason for not implementing web analytics is that SMEs lack expertise in the existing techniques, the solution to this is to either gain the knowledge or outsource this area. Some SMEs might not have the resources required to execute this, resulting in poor e-mail marketing practices. However, due to the little time required these SMEs could learn how to use the tool. Time is a scarce resource, and implementing a new application is another task and also another investment, how-
ever it is essential to learn the importance of web analytics in the long run and visualize it as a new opportunity for further growth.

Our interview respondents confirmed our notion concerning the lack of expertise and awareness of web analytics. Using the technique gives a company the incentive to acknowledge what works and what might not work, in other words they get the opportunity to distinguish what they are experts on and what they are doing wrong. According to Sheehan (2010), web analytics is the most important tool available in order to measure how successful an e-mail campaign actually is. There is every possibility to take advantage of the accessibility of web analytics and its great ability to collect data.

Opening an e-mail evokes a plethora of different impressions for the customer. The visual layout, the subject line and the overall content are all components affecting the impact of the e-mail on the customer. Knowing what the customer interacts with and is attracted to when opening an e-mail are vital statistics that can be achieved by web analytics, and are also important to measure for companies wanting to improve their e-mail marketing message.

5.6 Is E-mail Marketing Cost Effective?

Going beyond the information that was evident from our case studies a question has been raised during the study about whether or not e-mail marketing is cost effective. Previous and contemporary literature states that it is, however through the case studies we have gained a new view on the subject even though the case studies stated the same as the literature. After conducting our case studies and probing deeper into the subject we became critical as to if e-mail marketing actually is cost effective. Sending out an e-mail that is not relevant for the intended customer can be considered spam and put an important customer relationship at risk. What is costly when conducting an e-mail is not sending out the e-mail in itself but the process of acquiring the knowledge and expertise required to send out a relevant, well-received e-mail.

You can look upon the question whether e-mail marketing is cost effective or not from two different perspectives. From a marketing consultants perspective e-mail marketing is very cost effective in the way that the cost per e-mail is very small compared to other marketing techniques. It does not require much resource in terms of time and capital for the marketing consultant to create a relevant e-mail marketing message. When looking at the question from a SMEs perspective, not involved in consulting or advertising, then the answer might be different. If you do not have the knowledge required to develop an interesting e-mail marketing message and take advantage of web analytics, the benefits of e-mail marketing may not be as cost effective. Also a list of potential customers to e-mail can be expensive in terms of resources to acquire if you do not already have it.

In conclusion, we would not say that e-mail marketing is as cost effective as the literature and case studies have stated, however we still believe it is one of the more cost effective tools present today. E-mail marketing is very cost effective if you have the re-
sources to compile a thorough research beforehand. If a company miss this step, the response will be low, and the capital invested will be wasted. Gaining the required expertise to implement e-mail marketing efficiently will be a good investment and will undoubtedly generate profit and result in e-mail marketing becoming cost effective in the long-run.
6 Conclusion

In this chapter we will fulfil the purpose of our thesis and present our answers to our research questions.

6.1 Summary of Findings

The literature review at the beginning of this study was consistent in stating that e-mail marketing is an important part of an SMEs digital marketing mix. However it also consistently stated that many SMEs have scarce resources and may lack the knowledge to produce successful e-mail marketing messages. According to the literature, one of the most important tools in creating a successful e-mail marketing message is web analytics. That SMEs lack the expertise to use this, as stated by our case studies, implies that they are not using e-mail marketing to its full potential. Below we will state our research questions (RQ) and the answers we have gained from our research.

RQ 1. Is e-mail an efficient and up-to-date marketing tool in the opinion of the SMEs and their clients in our case study, and do they have the expertise to use it to its full potential?

When interviewing our case studies it was evident that, for them, e-mail marketing is considered an up-to-date and important part of the digital marketing mix. Its usage areas are many and the ease of creating an e-mail marketing message through, for example, different easily accessible programs has made it a very attractive marketing tool. However it is also clear that not all SMEs have invested the resources required to make use of its many advantages, both due to ignorance and lack of resources, such as and time. Many simply do not know what tools there are available to help create a successful e-mail marketing message, for example as web analytics. Some do not believe they have the resources to devote to either outsourcing e-mail marketing, or learning how to make use of the tools accessible. Others do not consider them a worthwhile investment, mainly because they do not know the benefits that come with using them.

One of the most important findings from our observations is that all companies can quite easily acquire the tools needed to practice efficient e-mail marketing, however it requires time and basic knowledge to get the most out of it and to avoid being classified as spam. With a thorough understanding and expertise of web analytics a company can reach out to a large customer base, receiving good responses. E-mail marketing is not on its way out, it increases and improves constantly.

RQ 2. What are the most important success factors for an e-mail marketing message, according to the companies we will interview, and how does this compare to the literature on the subject?

The contemporary and previous literature helped us obtain an solid foundation of our topic, and directed us to what we further wanted to investigate through the case studies. The case studies correspond to the literature on the subject to a certain extent, however
the case studies gave us more in-depth information. The implementation of the success factors of an e-mail is a more complex process than what we first was introduced to from the literature. Even though the factors such as subject line and segmentation are important factors for success, these are only a small part of the strategy for successful e-mail marketing. One of the most important success factors in e-mail marketing is the relevance of the e-mail for the customer. This was emphasized by all our case studies in relation with the content and segmentation. Another important success factor was to implement e-mail marketing together with different parts of the digital marketing mix, what parts depend on who the customer is.

**RQ 3. How does SMEs in our study implement the accessible web analytic tools for interpreting the information gained from e-mail marketing? For example whether or not an e-mail is opened and what the customer interacts with in the e-mail.**

From our interviews with the marketing consultant agencies we came to the conclusion that web analytics is an important tool and that companies can benefit to a great extent by implementing it. The marketing consultant agencies in our case study use web analytics to create relevance and quality in their e-mail marketing messages, both for themselves and their clients. However, they stated that their SME clients in turn rarely use the web analytics tool due to lack of expertise.

Retrieving certain measurements and statistics gives the guidance to alter an e-mail accordingly, and from there create e-mails best suited for the intended customers. Moreover, web analytics gives the possibility to create optimal e-mail marketing messages hence creating relevance for the customer.
Discussion and Further Research

In this chapter we will present suggestions for further research, reliability, limitations and contributions of the thesis.

Web analytics is used to a much larger extent than we thought in the early stages of the research. We gained insight into the endless opportunities web analytics can give to e-mail marketing and online marketing overall. It would be interesting to further research the topic of web analytics. Even though it is used to a large extent today, there is a surprisingly low number of firms that have the expertise within the company. The endless opportunities of measuring everything on the Internet is almost like cheating for the skilled, who are able to receive straight and immediate answers of what, for example, kind of e-mail campaign is a success and what is a failure. The fact is that web analytics gives the answers every marketer have struggled to obtain prior to the Internet era, and at a relatively low cost. Today a SME company without knowledge of basic analytics, who does not outsource, have no possibility what so ever to be a market leader within areas that require online marketing.

A suggestion for further research is to more thoroughly investigate why SMEs do not make use of web analytics and the possibilities there are for more firms to involve the technique into their marketing strategy. To do this would provide a better understanding of why many companies do not seem to realize the long-term profits of investing time and money to increase knowledge in web analytics. An important factor is that every organization does not need to have experts in programming for this to be possible. There are a lot of websites that help the companies with sorting out the relevant information and how to use this data to their advantage in marketing.

Another interesting topic we came across, that did not contribute to our specific research but would be interesting for other researchers, when interviewing our subjects was the way Wonderville manages and markets their company compared to the other two consultant companies. The structure of Wonderville’s company was completely different with only 6 employees compared to for example NY’s 26 but they are still a lot more successful. Their business idea is to have only a few permanent employees and then outsource everything else, such as for example art work and photography. NY keeps most of the competence in-house instead, and they all form different teams that engage in the different assignments for the client. Wonderville states that their business idea is efficient because they eliminate all the waste of time that goes into managing a firm with several employees, which might not even measure up to the standard of certain jobs. Instead they find people who are a perfect fit for a specific assignment and thereby achieving the highest quality.

To sum it up it would be interesting to further research whether advertising agencies would in fact over all be more efficient and produce higher quality when outsourcing everything but the core of their work, instead of having all competence in-house as employees.
A third suggestion for further research is; why are some larger companies, who has the resources needed, inefficient and irrelevant in their e-mail marketing strategy, as stated by Wonderville, and investigate strategies to improve this.

7.1 Reliability

Since all the consultant companies we have interviewed are SMEs working with other SMEs and well established with years of experience within e-mail marketing, the research is reliable to the extent we aimed for. However, had we complemented our qualitative research with quantitative, such as a survey among SMEs in B2B who are not consultants, the research would have been able to generalize.

7.2 Contributions

SMEs that are lacking proficiency in e-mail marketing can use our thesis to gain knowledge on how to improve it. Since they often have less money to spend on marketing compared to larger businesses it can increase their profit to see the benefits of e-mail marketing. If SMEs understand to what extent the benefits exceeds the costs in e-mail marketing and also how cost efficient it can be compared to other marketing channels, they might be more inclined to implement it.

7.3 Limitations

The primary research of the thesis consists of four case studies. Since there are only four respondents and three of these are marketing consultants, it is difficult to make a fair assumption of SMEs in general. There is a possibility that the information gained from the marketing consultants is biased because they are mostly in contact with SMEs that are in need of outsourcing their e-mail marketing. However, this is a calculated risk as we perceived their knowledge as a good source to find out SMEs expertise within the field. Our findings are from the area of southern Sweden and are not enough to draw a general conclusion about e-mail marketing in SMEs in B2B. However it should contain enough information to provide a basic understanding of e-mail marketing in SMEs in B2B and how they make use of the e-mail marketing tools accessible. Even though our research provides useful insight into e-mail marketing in SMEs in a B2B context our findings cannot be generalized, so future studies are recommended on a larger scale to uncover general trends in SMEs use of e-mail marketing.
8 References


9 Appendices

9.1 Interview Questions

Company background

1) When was your company established?

2) How many employees does your company have and what is your position within the company?

3) Who are your customers?

4) What products or services do you offer your customers?

RQ1. Is e-mail an efficient and up-to-date marketing tool in the opinion of the SMEs and their clients in our case study, and do they have the expertise to implement it to its full potential?

5) Does your company use e-mail as a marketing tool? If so what is usually the content?

6) What online marketing tools do you use in addition to emails? Which one of the marketing tools is most efficient for your company?

7) Which type of e-mail content is the most efficient to reach your customers in order to receive high response? Why is this specific content best suited for your company?

8) How do you compare the success of other digital marketing tools compared to email marketing?

RQ2. What are the most important success factors for an e-mail marketing message, according to the companies we will interview, and how does this compare to the literature on the subject?

10) When developing an e-mail marketing message, what are the most important success factors according to you?

11) How much time and money is invested in e-mail marketing compared to other marketing tools?
RQ3. How does SMEs implement the accessible web analytic tools for interpreting the information gained from e-mail marketing? For example whether or not an e-mail is opened and what the customer interacts with in the e-mail.

12) Does your company use web-analytics tools?

13) In order to take advantage of these kinds of analytics, do you have any employees within the company that has specific expertise within the field of analytics? Or do you possibly outsource analytics?

14) In your opinion do your clients have any experience in implementing web analytics?