

## LEVERAGING YOUR TRANSACTIONAL EMAIL FOR SUCCESS

# The Rise of Transactional Email

Transactional email has become critical for application based businesses. Not too long ago, email marketing focused heavily on promotional email like newsletters and offers, but now transactional email has been given a boost by web and mobile applications that rely on email to deliver notifications, updates and subscriptions. That's part of the reason why we have been so successful at SendGrid and why our customer base has grown so rapidly.

Transactional email has essentially become business critical for application based businesses. It's the driver by which they communicate with their subscribers, grow their customer base, and drive revenue. Flash sale or daily deal sites rely on transactional email to deliver time critical messages to its audience and once purchased, to confirm the sale. Retailers use email to deliver shipping notifications and order confirmations – both of which provide prime opportunities to upsell other products. Location-based apps rely on the timely delivery of transactional email to connect friends and businesses. Moreover, transactional email boasts the highest open rates in the industry and actively spurs engagement amongst its recipients.

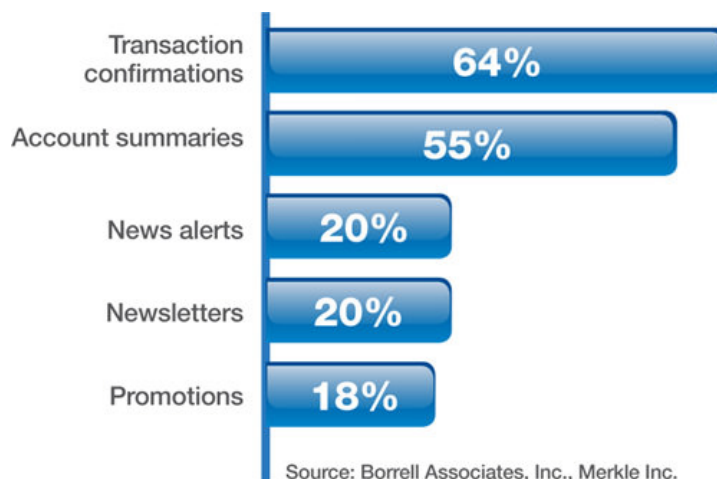
Today, there are a host of “new” uses for transactional email since the rise of web and mobile applications in the marketplace helping transactional email take its long awaited place in the world of email marketing.

## Why is Transactional Email So Engaging?

Transactional email open rates can be three times higher than commercial email. Why? Your customers are expecting them - even welcoming them - because they took a certain action in which they expect to receive a communication from you. They may have placed an order, signed up for your service, submitted a friend request, or asked to be notified of certain events. As a result, they are more apt to open your email.

A report from Borrell Associates, Inc. and Merkle revealed that 64% of consumers consider transactional emails to be the most valuable messages in their inbox.

### The most valuable emails (percent of consumers)



Experian's Transactional Email Benchmark Report provides some interesting findings.

- The average revenue per transactional email is 2-5 x higher than standard bulk mail.
- Transaction rates are 8 x higher than bulk mailings for order confirmations and 4 x higher for shipping and returns/exchanges.
- Customers tend to open transactional emails repeatedly.

With transactional email such a valuable commodity in the inbox, it's imperative for marketers to not only ensure these emails reach their customers, but also to maximize the opportunity to increase overall engagement.

## Use Your Transactional Email to Market Your Application

Traditionally, when we hear the phrase "marketing email", we have visions of colorful HTML newsletters, complete with entertaining images, witty headlines and eye-grabbing call-to-action buttons. We imagine these emails being sent out to a list of users, customers, fans and subscribers. Perhaps the message is delivered in different variations - a subject line change here and an alternately colored button there - and at different times of day, based on the time zone of various recipients.

On the other hand, the phrase "transactional email" brings to mind screenshots of friend/follower/comment notifications, password reminders, registration confirmations and purchase receipts. While it's no ground-breaking discovery that transactional email can also serve as a marketing tool, many companies fail to effectively and legally capitalize on these transactional communications.

## Why Transactional Email is Fantastic for Marketing

**Deliverability:** The BIGGEST advantage of transactional emails over newsletters is deliverability. Transactional emails are more positively perceived by the average recipient. Based on actions of recipients, the relative nature of the content of the two types of email and several other contributing factors, ISPs push a higher percentage of newsletters to the junk folder, as compared to transactional mail.

**Anticipation:** The nature of the transactional email lends itself to be anxiously awaited. When you post a photo on your favorite social network, forget your password, sign up for a new service or purchase a new gadget, you have a tendency to monitor your inbox a little more closely - you want to see who left a comment, find out your new password, click the verification link and receive confirmation that your order is in progress. This anticipation leads to a certain inexplicable excitement and increased appreciation for the arrival of the email and its contents.

**Captivation:** The level of attention, focus and concern for the clickable words within a highly anticipated transactional email results in the proverbial 'captive audience' - ready and willing to read whatever you have to say. Why? Because they know at least part of your message is of a certain value to them.

**Action:** When receiving a transactional email, the recipient is ready to click; expecting to be asked to do something. 'Click here to activate account', 'Navigate here to check the status of your package', 'Login to your account to see more details'. In contrast, when opening a newsletter, the expectation is to consume the information presented and possibly take action at a later time.

## Ideas to Get You Started

**Surveys:** Gain customer feedback by asking them to complete a quick Net Promoter Score survey or answer a single question. A click-to-answer approach would work well here - click here for yes, or here for no.

**Referrals:** Once you've identified your happy customers, transactional emails give you a great chance to ask your happy customers to refer your company to their friends and, of course, earn a reward. We've seen great success with this approach at SendGrid.

**Honest Opt-ins:** Allow your recipients to subscribe to your marketing emails with a link/button within a transactional email. If they appreciate the value in your transactional messages, they may be more willing to check out your other stuff, especially at that very moment. Also, you might proactively offer a link to their email settings, so recipients remain reminded of the fact that they control the emails they receive. These things might seem to resemble items required by the CAN-SPAM Act, but there's no harm in taking those safeguards even when they're not mandated.

**Followers and Likes:** Include a few unobtrusive (and nowadays, almost obligatory) icons to facilitate extra follows and likes on Facebook, Twitter and LinkedIn and Google+.

**Proactive Support:** Include a link to documentation, forums or support page to offer help when the user most needs it. This is a nice gesture and, when implemented with some strategy, can be perfectly timed to fit naturally within certain transactional emails that may be related to support issues. e.g., provide a link to contact your billing department with one click on a monthly invoice email.

