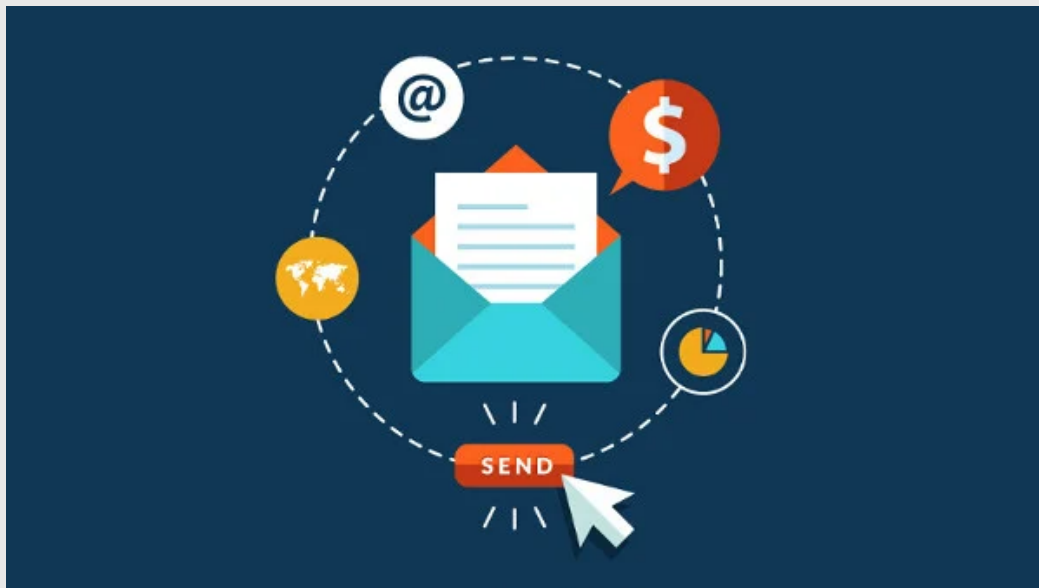


MKTG 333 Digital Marketing Fundamentals – SME Guide

Email Marketing



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Brief Introduction

Imagine you had a way to talk directly to your best customers and suggest products you know they love and reward those same loyal customers with special deals and promotions, how would that affect your business? "Email marketing in the retail, e-commerce, and consumer goods sector, have shown an ROI of 45 dollars per one dollar spent." (Statista,2025). If you are not using email marketing to sell your business, you are letting money walk out the door.

In this guide you will learn what email marketing is, how email marketing works, how to start an email marketing campaign, the key performance indicators and program costs. This information will allow you to implore email marketing to make your business more profitable than you have ever imagined.

What Is Email Marketing?

Email marketing is a powerful digital strategy that involves sending targeted emails to customers and prospects to build relationships, promote products or services, and drive engagement. "Email marketing is a direct marketing strategy that involves sending commercial messages to potential and existing customers via email," often used to "promote new products or services, share news, drive sales, and encourage customer loyalty." It includes various types, such as promotional emails for special offers, newsletters for updates and industry insights, and transactional emails like order confirmations. Automated drip campaigns help nurture leads by delivering personalized content over time. "Automated drip campaigns can deliver personalized content based on user behavior," helping businesses maintain engagement with their audience. Email marketing is cost-effective, has a high return on investment (ROI), and allows businesses to reach their audience directly in a personalized way, this "enables personalized communication, fostering customer engagement and brand loyalty". When done effectively, with engaging subject lines, clear calls to action, and valuable content, it can significantly boost sales and keep customers informed, as Forbes highlights: "When executed well, email marketing can significantly boost sales and keep customers engaged with relevant content".

How Does Email Marketing Work?

As stated earlier, email marketing is a way businesses can communicate and connect with their customers via email. The primary business model for email marketing is subscription-based, as customers can sign up for emails that businesses send out to keep them informed about the latest content.

To use email marketing effectively, it is important to define a specific target audience and understand who they are. You want to find an audience demographic that will fit most with the product or service you are providing. Another important area is to set goals and have a purpose behind each email you are sending. Some examples of goals for email marketing include welcoming new members, promoting products, or sending news. Setting goals is important to keep on track with e-mails and to make sure companies are not overloading customers.

For email marketing, different types of campaigns can be used as a call to action for customers. Some of the campaign types are newsletters, promotional or announcement, re-engagement, content, or autoresponders. Companies should use the goals that they set to determine which campaign would work best to reach their target audience through emails.

When using email marketing, it is important to measure the results of how your email performed by using measurements such as open rate, click-to-open rate, and audience engagement. The open rate shows how many recipients have clicked to view the content. The click-to-open rate shows how many individuals opened the email and clicked the call-to-action. At the same time, engagement shows interaction with emails. All these help businesses measure the success of the emails they deliver to their audience. (Adobe, 2025).

Getting Started With Email Marketing

Before getting started with email marketing you have to answer the question as to what email marketing is. With email marketing it allows you to attract new customers, and because you are a newer company and people would not know you they are actually more likely to give you their email instead of buying your product. This then is how you show these customers what your product is and how it is the best available option out there.

With getting started in email marketing you will need to create an effective strategy in order to be successful in email marketing. The first step in your strategy should be defining your audience. You will need to know your target audience for your product in order to know how to successfully get through to your audience in your email marketing. For example, if we are selling apparel to our students here, our target audience would be the students at UWEC and not students at another college. If you are able to focus on the correct audience you can correctly market towards them and hopefully get them to buy your product.

Setting goals is the next step in email marketing, without goals you have no purpose and can not focus on your main objective of email marketing. Setting these goals will help your team and process go smoother and allow you to attract customers to your company and product.

Once you have figured out the two most important things in email marketing you can then figure out what email marketing platform will work best for you. The right email marketing platform for you will help the process be easy and smooth for you. Another thing to look for is how powerful the platform is and how well it would work for the scale of email marketing you are working with. All in all the correct platform should help and keep the weight off your shoulders.

The next few steps are part of actually forming the email. One must determine the campaign type in creating the email that will work best for the target audience you have already determined. Your campaign could be a newsletter, promotion, reengagement, content, etc. When sending out your first email you should stick to a promotional email that shows who you are and what you are selling. The best campaign type will help to keep your audience engaged. Once you have the campaign type it is a matter of building the email list with the target audience you have created. You will create the list with people who fit your demographics and send it out in order to get people to opt in for promotional emails. This first email will need to stand out and get people

excited and interested in your company and products. Segmenting your email list into geography, demographic, behavior are another way you can help your email marketing strategy be much more efficient.

The last step is then actually forming the email based on everything we just went through, and then actually sending out the email and seeing what data you get back. This data will allow you to know what to change on your next email in order to be as effective as possible in sending out emails.

Key Performance Indicators (KPIs)

Key performance indicators (KPIs) are measurable values that companies track in order to determine whether they are meeting these goals. KPIs are essential in determining the effectiveness and success of a specific campaign or company objective. In terms of email marketing, KPIs are used to evaluate certain aspects of an email marketing campaign. The email marketing KPIs that our guide is going to focus on are click-through rate, open rate, conversion rate, bounce rate, and unsubscribe rate.

First, we will look at clickthrough rate (CTR) as it is one of the most important and commonly tracked metric in email marketing. CTR is simply the percentage of individuals who open the email you send to them and click on one or more of the links included in the email. It is calculated by taking the number of clicks divided by the number of emails delivered (Santiago, 2023). This number is then multiplied by 100 to turn it into a percentage. According to Mailchimp, “the optimal CTR for an email campaign is 2.66, however it may range between 1-5 percent depending on the industry” (Mailchimp, n.d.). CTR is important as it reveals how engaging a specific email campaign is and how interested consumers are in what a company has to offer.

Next, we will look into a KPI known as the open rate. This metric is simply just the number of email recipients that open an email that is sent to them. Open rate gives email marketers more insight on how engaged and interested consumers are in what your business has to offer. This metric is most valuable when “you use it as a comparative metric” (Santiago, 2023). For example, if your business sends out weekly emails, you can compare open rates from week to week and try to determine factors that may lead to higher rates.

Moving on, conversion rate is an email marketing KPI that measures the number of individuals who view your email and do whatever action you are asking of them. This can vary greatly depending on the type of business you are, but oftentimes a conversion occurs when an individual purchases a product or fills out a lead generation form via the link in your email. It is calculated by taking the number of individuals who completed the desired action divided by the total number of emails delivered. Again, this number is multiplied by 100 to be turned into a percentage (Santiago, 2023). One the ways an email marketer can track conversion rate is “by creating unique tracking URLs for your email link that identify the source of the click as coming from a specific email campaign” (Santiago, 2023). It’s also crucial that your businesses email platform and web analytics are integrated so this metric is possible to track. Conversion rate is one of, if not the, most important email marketing KPI as it truly reveals the effectiveness of your email campaign.

Lastly, we will look at bounce rate. An email that “bounces” is one that does not get successfully delivered to the recipients email inbox. Bounce rate is then calculated by taking the number of bounced emails divided by the total number of emails sent multiplied by 100. To further analyze bounced emails, they can be separated by type. Soft bounces are often “resulting from a full or temporary inactive mailbox, or temporary domain failure” (Baker, 2023). There are also hard bounces that are “caused by an unknown domain or user, syntax error” (Baker, 2023). Hard bounces might also include invalid email addresses. Given that hard bounces are likely to never reach the intended recipient, a business can delete those email addresses associated with those from their systems. Email addresses associated with soft bounced emails are less serious and are worth trying to send more emails to.

These are just a few of the most relevant KPIs for email marketers to consider and measure.

Program Costs

Program costs of email marketing are dependent upon a few important aspects: choice of software, number of subscribers, design, volume, and frequency. Email software providers offer a wide range of prices. Some of which involve a flat fee, while others will base off a company’s number of subscribers. More subscribers, require more resources, resulting in a higher price. Utilizing the free or “trial version,” is a great way to review available features of the software before purchasing. Email design also plays a role in the cost of email marketing. Custom designs usually cost about \$2,000 per design. However, some platforms provide a wide range of free designs that includes both in-house and third party upon purchasing, while others will offer designs strictly made by their team. Lastly, email frequency and volume affect program cost. Sending emails daily or weekly will require a higher cost. Providers offer different packages with varying limits on volume of emails. This ranges from 1,000 to 20,000 emails per month or an unlimited option. “The email marketing cost typically ranges from \$51-\$1,500 per month,” depending on the factors mentioned above. The cost of an email marketing campaign can vary from \$3-\$20+ per email via a freelance or \$15-\$100+ per hour via a marketing agency. The cost of designing an email can range from \$25-\$150+ per hour dependent on whether you request a coding-only design or coding and design. Email copywriting costs average from \$35-\$2,000 per email dependent on length, complexity, type of messages, number, and agency expertise. Dependent on budget and needs an email marketing service such as in-house or outsourced can execute your campaign. Cost of in-house starts at \$2,500 per month, whereas outsourced varies from \$300-\$12,000 per month. Another option, working with an email marketing agency, can cost anywhere from \$25-\$1,000 dependent on package selection, agency expertise, and provided services (Ivanova, 2025).

Optimization/Next Steps

Email marketing is the most cost-effective way to promote products and communicate with customers. However, studies have shown that 361 billion emails are sent daily (MacDonald, 2024). That’s a lot of emails which is why learning how to create a compelling optimization strategy will help you stand out and reach your goals. The overall goal of email marketing optimization is to improve open and clickthrough rates (CTRs), ultimately increasing ROI for the company. Although it is not something that will happen overnight, starting with an email

marketing campaign calendar makes you one step closer to optimization. Creating goals and planning ahead will allow you to reach your target audience and achieve results.

Having a successful email marketing strategy starts from the very beginning. It is important to have a recognizable and consistent sender name so that the user feels more comfortable opening it. It is also recommended that the business name be used as the sender, and you use an attention-grabbing subject line to create trust with the user (Mailchimp, 2023). These are just the first steps to increasing traffic through email marketing. Next, when you are crafting your message, you should make your messages personal and engaging. Whether this includes their name or behavioral information about them, it has been shown that people are 22% more likely to open an email that is personalized (Mailchimp, 2023). With that, engaging messages with consistent tone and personality make the user more likely to take action after reading. These are all critical steps to take with your company when optimizing email marketing strategies.

When it comes to designing emails, it is crucial to design with mobile in mind. Studies have shown that 85% of emails are opened on mobile devices (Copper, 2023). This means that you need it to look good across various screen sizes, devices, and apps to account for all the different users. As you write the email, there are some important features to include when aiming to optimize. This includes using graphics and rich text, adding sharable links, and including a strong call-to-action (CTA). All of these are ways to expand the company's reach and get the user engaged with your email.

Lastly, always test your emails before sending them out to everyone. You are able to test variations to see which one has the most compelling content and design that will help increase open and CTRs. Overall, email marketing is a very useful tool to assist companies in increasing sales, boosting customer loyalty, and keeping in contact with buyers. Although there is no timeline for optimization, it is critical to measure analytics and results and tweak your approach from there. It is a learning curve to curate the best emails for your target audience. It's not easy to optimize overnight, however, small changes to the email marketing strategy should produce growth in website traffic and sales over time.

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