

The impact of social media and email marketing on sales

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Abstract

The sales process is comprised of different practices, and one of them is getting to know customers and establishing strong relationships with them (Molander, 2013). Social media, and email marketing connect people and can help businesses get more information about their customers. They facilitate marketing managers to find out how their company is viewed by their own customers. Thus, giving them the opportunity to make the essential changes in their products or services. Successful managers know to choose them carefully. The scope of this study is to describe the impact of social media and email marketing on sales process using a descriptive research.

Keywords: Sales, Email Marketing, Social Media Marketing.

Introduction

The internet has revolutionized marketing, and not only. Customers around the world are using the web to find products, entertainment and social interaction. Internet has created an opportunity for marketers to reach out for their customers directly (Solomon, 2006). Social media have shaped a new reality of digital communication, which requires new kind of know-how. But all this revolution has put marketing in the midst of a sea change (Armstrong, Kotler, 2011). New devices, social networks, and mobile technologies have fragmented consumer communication channels in ways that are difficult to be managed (Jorgensen, Kevin, 2012).

Consumers may enjoy talking to peers and family through numerous channels, but their engagement with marketers is much more selective. Marketers who don't value the strong function that consumers have in digital world will find themselves uncreative (Stelzner, 2014). On the other hand, those who respect consumer preferences will soon find themselves able to reach consumers in new and more relevant ways across a greater number of channels. That's not only smart marketing—it's a distinct competitive advantage in today's ever-changing marketing landscape (Bird, 2007).

2. E Mail marketing

Email is one of the best and most cost-efficient marketing channels for reaching a broad audience of consumers who already show an interest in company's products or services (Chaffey, Chadwick, 2012). In addition, email users are very active—91 percent of email users' check in at least once a day, and most of users check their email first thing in the morning.¹ As all the marketing techniques have its advantages and disadvantages.

¹ www.exacttarget.com.

Advantages

- Low cost - Everyone has at least one email address, this high proliferation leads to an incredibly cheap implementation cost. Everyone can do a small email campaign from their email account.
 - Powerful tracking - Email marketing has a surprising amount of measurement behind it. Set up correctly we can track who has:
 - ✓ Opened your emails;
 - ✓ Bounced;
 - ✓ Clicked through to your website;
- That has huge benefits, we can see who is engaging with our content, and therefore who may be a warm lead, and we can also measure overall performance and continue to optimize the marketing campaign.
- Easy personalization and automation - generally emails are custom-made to the recipient - to their personal data such as name, location etc. That can help drive better results. We can also automate - i.e. if someone opens an email around "cloud tech" then you can automatically send them your cloud report the following week.
 - Increased sales - most companies get in contact with their former customers via email, as such they are able to increase interest in new product or services. This has been shown to impact sales, in a cost effective manner.

Disadvantages

- Email demands too much of our time. According to McKinsey (2012), the average corporate user will spend two hours and 14 minutes on every workday on his/her email. During that time, he or she will slog through some 114 emails. The most important, time-sensitive matter often ends up lost in a sea of impersonal mass mailings that don't really concern the users.
- Email is not designed for collaboration or sharing. It works at one-to-one communication but cracks down when more people and interaction enter the picture. Social media, while using their instant messaging, make this whole process much easier.
- Knowledge gets trapped in inbox. McKinsey (2012) estimates that unlocking this accumulated knowledge trapped in the inbox could boost productivity by up to 14 percent. He suggests that the best way to do this is to detach partially ourselves from email and direct communications to central, searchable threads and wikis.
- Email is anti-social. It happens that often, the inbox is overloaded. Excellent messages are carefully typed up and mailed, read by one person then and immediately forgotten. On the other hand, social media where messages are shared at the same time with a whole group of followers, who can - in turn - opt to share with their own communities, triggering the viral power that makes social media special. Emails have no share or Like button, thus making it difficult to have instant interaction. That is why many great ideas simply never get the right evaluation.

The future of email. The biggest change we'll see in 2020 is the increasing effectiveness of email readers to help customers identify relevant email. Nowadays, the inbox is still a large and unorganized mess, especially when compared to search engines' ability to provide instant relevant information when needed. And email readers can

know subscribers and their preferences at a deeper level than search engines (Rijn, 2018).

3. Social media

Social media has been designed as “a group of Internet-based applications that build on the ideological and technological foundations of Web 2.0, and that allow the creation and exchange of user generated content” (Hill & Moran, 2011). In social media, individuals are connected via social networks and tend to communicate with other individuals in their network (Hopkins, 2013). The co-creation of content and lack of centralized control is what makes social media unique from other technological resources available to the sales force. According to Gurau (2008), the online marketing environment raises a series of opportunities and also challenges for social media marketing practitioners. The audiences become more fragmented and proactive, but, on the other hand, the company has the possibility to combine various modes and categories of information in a complex message (Assaad, Gomez, 2011). As all the marketing techniques have its advantages and disadvantages.

Advantages

- Cost-related. According to (Weinberg, 2009) the main advantage of social media marketing is cost-related. The financial barriers to social media marketing are quite low compared to others. The majority of social media sites are free to access, create profile and post information. Traditional marketing campaigns often require a million of dollar budget while many social media tools are free even to economic use.
- Social Interaction. One of the most notable phenomena of new media is how it has increased and created new forms of social interaction. People spend more than a quarter of their time online involved in communication activities, which is equivalent to the total time spent online for general leisure and entertainment (Riegner, 2007).
- Targeted market. Social media offers marketing managers' tools to target audiences and consumers based on site users' personal preferences and what their friends like. For example, if listing classic music as one of musical preferences on a social networking site; most likely the ad will be viewed about classic music concerts and artists.
- Consumer service. Order fulfillment and rapid delivery systems are as critical to e-loyalty development as the other factors. An efficient logistics system that guarantees a fast delivery after the checkout process contributes to customer satisfaction, which in turn contributes to loyal behavior (Gommans et al., 2001).

Disadvantages

Online marketing creates obstacles and challenges for the social media marketing process. The nature of marketing changes in social networks, with the focus placed on establishing long-term relationships that can turn into more sales. Companies should be responsible to supervise each network, reply to comments, answer questions and post product information the customer deems valuable (Barefoot & Szabo, 2010). There are three main disadvantages to be considered on social media marketing

which are:

- Trust and Security. Social media can also implicate trust, privacy and data security issues when promoting one's brand, products, or services. It is important for managers to be alert of these issues and to take measures to minimize their exposure to liability related to personal data.
- User-Generated Content (UGC). Users spent more time and shared more information, thoughts, and opinions with each other easily via the Internet (Barefoot & Szabo, 2010). New forms of content generation, communication, and collaboration have come out on the Internet. Often times marketing strategies involving social networking sites or other social media incorporate user-generated content (UGC).
- Negative Feedbacks. Consumers are converted by social media into marketers. Since they can create positive or negative pressure for the company's' product and its services. This has a great impact on how the company is presented online and on the quality of products and services presented to the customer (Roberts & Kraynak 2008).

4. Methodology

Secondary data are used in order to conduct this study. We have used different on line reports and information about social media and email marketing. Undoubtedly, the revision of literature is based on different articles, books of the social media and email marketing. Some important topics of social media and email are part of a descriptive study. Descriptive study is defined as a research method that describes the characteristics of the population or phenomenon that is being studied. This methodology focuses more on the "what" of the research subject rather than the "why" of the research subject (Creswell, 2013).

Secondary data is data that was collected by other researchers who likely had different research objectives (Thomas, 2001). Sometimes researchers or research organizations share their data with other researchers in order to ensure that its usefulness is maximized (Lohr, 2010). Choosing secondary data is due to the advantage in using secondary data is that often the data collection process is informed by expertise and professionalism that may not available to smaller research projects.

5. Results and Discussion: *Email vs Social Media Usage*

There are many metrics and tools that help a business to better manage email and social media.

ExactTarget (2012) reports show that the majority of consumers check their email first thing, before anything else online. Additionally, these individuals tend to be more task-oriented online than the one who start their day on social media. They approach online interactions with the intention of finding information on new products and promotions.

When asked how *often* they use email vs social media, consumers prefer email with 91% saying that they use email at least once per day.

As a marketer, someone may fear that subscribers will be upset for sending them "sales" on emails. But according to the ExactTarget survey, consumers find that

it is acceptable for marketers to send them promotional messages via email.

HOW OFTEN DO YOU USE EACH OF THE FOLLOWING?									
	AT LEAST DAILY		AT LEAST WEEKLY		LESS THAN WEEKLY		EVER		
Email						91%	5%	3%	1%
Facebook				57%	13%		11%		19%
Text messages				57%	11%		10%		22%
'Check in' using location-based social networking			25%	9%	11%				52%
Instant Messenger		24%	8%		16%				52%
Messaging using an app on a mobile device		13%	5%	6%					70%
Twitter	14%	6%	9%						71%
LinkedIn	10%	8%		14%					68%

Source: www.Exacttarget.com

Source: www.Exacttarget.com

2.5 WHERE DO YOU LOOK ONLINE WHEN YOU WANT A DEAL FROM A COMPANY YOU KNOW?		
	1ST CHOICE	2ND CHOICE
Email	44%	27%
Company website	43%	32%
Search engine (e.g. for coupon codes)	6%	15%
Facebook	4%	10%

Source: ExactTarget. 2012 Channel Preferences Survey, February 2012
N = 791 US Online Consumers, age 15 and older • www.ExactTarget.com/SFF

According to the table above, deals and discounts are important for driving sales, so where do consumers go to look for them? When people want to find a special deal, email is the go-to channel. 44% of users check their email for a deal from a company they know, whereas only 4% will go to Facebook.

Source: www.statista.com

	MESSAGE TYPE ACCEPTABILITY									
	EMAIL	DIRECT MAIL	TELEPHONE	SMS	MOBILE APP	FACEBOOK	TWITTER	LINKEDIN		
Confirmation "Thank you" or purchase receipt for transaction you initiated	3.2	4.5	4.2	3.1	3.3	3	2.6	2.3	2.3	
Financial alerts (such as fraud detection) from your bank or financial institution	3.2	4.4	4.1	3.7	3.5	3	2.2	2.3	2.1	
Travel alerts such as flight delays or cancellation from an airline	3.1	4.3	3.5	3.7	3.6	3.1	2.4	2.2	2.2	
Delivery of tickets to event (sports , music , theater , etc) you purchased	3	4.4	4.3	3	3.1	2.9	2.4	2.3	2.1	
Regular status updates or statements on an account you maintain with a company	2.9	4.1	4.1	2.8	2.9	2.8	2.4	2.2	2.1	
Promotional messages from companies whom you have <i>explicit permission</i> to send you ongoing information	2.9	4	3.9	2.7	2.8	2.7	2.6	2.3	2.3	
Customer service messages about general product or service questions	2.7	3.6	3.6	2.7	2.5	2.6	2.4	2.3	2.2	
Polls , surveys , or questionnaires related to a company's products or services	2.7	3.6	3.7	2.6	2.4	2.6	2.4	2.2	2.2	
Sweepstakes invitations from a company you know	2.6	3.3	3.4	2.4	2.3	2.5	2.4	2.2	2.2	
Promotional messages from companies whom you <i>regularly conduct business</i> , but have not asked for ongoing information	2.3	2.8	3.1	2.1	2.1	2.1	2.1	2	2	
Promotional messages from companies whom you have <i>never interacted</i>	2	2.1	2.6	1.9	1.8	2	1.9	1.9	2	
CHANNEL ACCEPTABILITY	3.7	3.7	2.8	2.8	2.7	2.3	2.2	2.2	2.2	

So consumers are totally fine with receiving promotional emails, and they actually *want* to find deals in their inbox. But what is the impact of promotional

emails to sales increase?

According to McKinsey (2012), 66% of consumers agree to have made a purchase as the result of a marketing message received via email. On the other side, only 20% of them have once made a purchase from a social media promotion. Marketers confirm that email is definitely the best channel for generating sales. According to the latest iConsumer survey by McKinsey (2012), email still remains an effective way to acquire customers compared to social media.

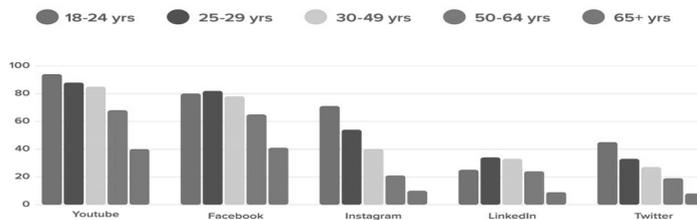
Though some might argue that email marketing is outdated it's clear from these statistics that email is still an extremely powerful channel.

-Demographic Group

While YouTube and Facebook have the lion share of all age groups, Forrester Research has found that decision makers primarily use Twitter and LinkedIn.

Source: www.forrester.com

Social Platform Use, by Demographic Group



So if we're selling products that appeal to teenagers, we should use Facebook and Instagram. And if we sell products or services aimed towards businesses and decision makers, then use LinkedIn or Twitter (Vanessa, 2012).

-Reach – Having 2,000 email subscribers and 2,000 Facebook fans is not the same thing. Email reaches 79% of the people you send it to (this is the global, average inbox placement rate(www.forrester.com)). On the other hand, Facebook's organic reach has declined to about 1-6%, depending on your total number of fans - the average open rate is 21.73%.

That means only 1-6% of your Facebook fans will actually see someone's posts! In order to increase the organic reach on Facebook, people have to actually engage with posts and this can be difficult to accomplish. But with email, we can increase our inbox placement. Twitter's organic reach is more variable, but the highest reach is reported to be somewhere around 30%.^{*} That's better than Facebook, but still pretty poor in comparison to email.

-Higher conversion rates – Email marketing drives more conversions than any other marketing channel – including social and search.

According to another report^{*}–66% of online consumers made a purchase as a result of an email marketing message.

Marketers assume that the main reason for the highest conversion rate for email marketing is the ability to deliver personalized message. With the options given by most email marketing providers, you can deliver highly targeted messages based on the behavior of your subscribers.

-More direct conversions – “Open Moves” is a company that conducts both email marketing and social media campaigns. As a result, it has found that email marketing are more tangible and with better ROI if you are looking to increase sales.*

Better ROI – everything in business is down to ROI and cost of opportunity. In other words, it makes sense to invest in a strategy A if it’s going to make you more money than in you invest in Strategy B.

In a study made by McKinsey & Co (www.mckinsey.com) on how US companies generate new customers, they found that email marketing acquired 40 times more customers than Facebook and Twitter combined.

Table 1. On line conversion impact

Source: Openmove.com

MCF Channel Grouping ?	Assisted Conversions ?	Assisted Conversion Value ?	Last Click or Direct Conversions ?	Last Click or Direct Conversion Value ?	Assisted / Last Click or Direct Conversions ?
1. Direct	2,507 (35.11%)	\$22,820.91 (35.00%)	9,926 (53.90%)	\$36,450.46 (47.85%)	0.25
2. Paid Search	1,608 (22.52%)	\$11,916.83 (18.28%)	3,281 (17.62%)	\$13,499.01 (17.72%)	0.49
3. Organic Search	1,518 (21.26%)	\$10,884.64 (16.70%)	3,276 (17.79%)	\$6,501.84 (8.53%)	0.46
4. Email	872 (12.21%)	\$14,897.11 (22.85%)	1,192 (6.47%)	\$15,970.89 (20.96%)	0.73
5. Referral	256 (3.59%)	\$1,943.95 (2.98%)	408 (2.22%)	\$1,945.43 (2.55%)	0.63
6. Display	238 (3.33%)	\$1,650.48 (2.53%)	137 (0.74%)	\$784.75 (1.03%)	1.74
7. Social Network	101 (1.41%)	\$737.26 (1.13%)	173 (0.94%)	\$1,023.95 (1.34%)	0.58
8. (Other)	40 (0.56%)	\$344.02 (0.53%)	24 (0.13%)	\$8.00 (0.01%)	1.67

-Higher engagement rate – almost all of the marketing experts agreed on 1 thing – social media has higher engagement rate compering to email as data from the figure above argue.

Basilico (2012), found that email increases engagement when he sends traffic to his blog, podcasts and website, bringing more comments and shares.

-Stickiness and virility – social media content is much stickier and provides engagement in the long run. Here we’re not talking only about the ability to pin posts on the top of the Facebook.

-Sharing. Social media performs better in sharing data than email with 57% of global content sharing activities in Facebook and 18% in Twitter. Email sharing only accounted for 4% of global sharing activities.

Conclusions

Email marketing may be a great technique to reach to enlarge market share, but social media channels have a much higher engagement rate than email marketing. Consumers prefer to share on social media, more than using email to engage with different products, and companies.

Email is still the number one channel that consumers use to communicate with brands online.

Social media should be used for driving traffic to the website, and can do that by making content go viral, or by paying for social media ads.

Email marketing should be used for generating leads, driving sales and increasing customer retention (Robles, 2012). Simply we should use social media to drive visitors to the website, where we can convert those visitors into subscribers.

To integrate email marketing with other data systems, we need to use marketing software that allows for that integration to take place. The process of segmentation, combining different marketing techniques, for clear segmentation and ability to better target customers and with efficient email messages. In an integrated marketing system, we should keep buyer needs and desires in mind and focus on the opportunity to target the right target customers with the right message. There is absolutely *no* reason to ditch email for social media marketing.

Comparing email vs social media is not necessary, because social media and email marketing aren't mutually exclusive. Smart marketers use the two *together*.

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