

E-MAIL MARKETING STRATEGY IN INCREASING CUSTOMER RETENTION IN E-COMMERCE

Popo Suryana

Pasundan University, Bandung, Indonesia

ARTICLE INFO

Keywords:

Strategy, E-mail Marketing,
Customer Retention, E-commerce

ABSTRACT

The rapid growth of e-commerce has increased competition in the market, making it important for companies to maintain customer loyalty. E-mail marketing is considered an effective communication tool in retaining customers. This research aims to analyze and identify effective e-mail marketing strategies in increasing customer retention in the e-commerce industry. This research uses a qualitative approach with descriptive methods. The research results show that e-mail marketing strategies can effectively increase customer retention in the e-commerce industry. In-depth analysis of customer behavior and preferences through data collection proves that personalization of messages, exclusive offers, and useful content can inspire customer engagement. The use of e-mail automation in sending personalized messages has a positive impact on campaign efficiency and effectiveness. In addition, collecting customer feedback via e-mail proves the importance of company responsibility to customer needs and input, which in turn increases consumer trust and loyalty. Overall, the research results confirm that implementing a holistic and coordinated e-mail marketing strategy can make a significant contribution to customer retention and strengthen long-term relationships with consumers in the e-commerce sector.

E-mail:

popo_suryana@unpas.ac.id

Copyright © 2022 Economic Journal. All rights reserved.

is Licensed under a Creative Commons Attribution-NonCommercial 4.0

International License (CC BY-NC 4.0)

1. INTRODUCTION

Electronic commerce, or e-commerce, has become a fundamental pillar in the transformation of the modern business world. Essentially, e-commerce includes all forms of trade transactions carried out electronically via the internet (Turban et al., 2017). Involving various business models such as online stores, digital marketplaces, online auctions, and business to business (B2B), e-commerce is not only revolutionizing the way we shop, but also changing the traditional paradigm of commerce by bringing ease of access, speed, and global openness (Semerádová & Weinlich, 2022). With society's increasing dependence on digital technology, understanding and exploring the concept of e-commerce becomes increasingly important in embracing an era of business that is constantly changing and developing (Boateng et al., 2022).

Managing a successful e-commerce business is not just about maximizing efforts in getting new customers, but also requires wisdom in retaining existing customers (Williams et al., 2009). Retaining customers in an e-commerce context is often a complex challenge. As competition increases, business owners must face the reality that customers have many choices and can easily switch to competitors (Pralhalad & Ramaswamy, 2004).

The importance of customer retention in the e-commerce realm lies not only in revenue stability, but also in the potential to increase customer value and optimize long-term retention (Aghamirian et al., 2015). In facing these challenges, e-commerce business owners need to focus on building strong relationships with customers through superior customer service, personalization of the shopping experience, and attractive offers and promotions (Bilgihan et al., 2016). Effective strategies for retaining customers in e-commerce also involve leveraging customer data to understand their shopping behavior, preferences and needs. The challenge of retaining customers in an e-commerce business is not only an obstacle, but also an opportunity to continue to innovate, adapt to market trends, and build customer trust (Al Tamer, 2021).

Retaining customers is a critical aspect of business strategy that cannot be ignored, especially in the context of competitive e-commerce (Damanpour & Damanpour, 2001). With increasingly fierce market competition and customers having many options, building strong and sustainable relationships

with them has become a must. A customer retention strategy involves a series of efforts to provide a satisfying customer experience, from responsive customer service to offering relevant, quality products or services (Weinstein, 2012).

In the digital era, using customer data is also key in understanding their needs and preferences. Personalizing communications, exclusive offers, and effective loyalty programs can be efficient means of increasing customer retention (Hansemark & Albinsson, 2004). Through innovation and adaptation to market trends, e-commerce companies can maintain their appeal to existing customers, create ongoing loyalty, and in the long term, increase overall customer value. Retaining customers is not just a business strategy, but an investment in sustainability and sustainable growth (Loucks et al., 2010).

One effective approach in retaining customers in the e-commerce realm is through e-mail marketing strategies. In a digital environment full of information and intense competition, e-mail marketing has emerged as an efficient tool to maintain direct communication with customers (Rowley, 2004). Through the use of e-mail, companies can convey up-to-date information, offer special offers, and provide personalized and relevant content. By understanding customer behavior and preferences, e-mail marketing strategies can be tailored more precisely, creating a more personal and satisfying experience (Marinova et al., 2002).

The advantage of an e-mail marketing strategy also lies in its ability to increase long-term customer engagement (Fariborzi & Zahedidard, 2012). By crafting targeted and engaging e-mail campaigns, companies can build stronger relationships, increase customer loyalty, and even stimulate more frequent purchasing activity. In addition, through data analysis and e-mail campaign performance metrics, companies can continue to improve and optimize their strategies, making e-mail marketing a dynamic and responsive tool to changing customer and market needs (Ibeh et al., 2005). Thus, e-mail marketing strategy is not only a marketing tactic, but also an effective means of achieving customer retention goals in the ever-growing e-commerce business environment (Samantaray & Pradhan, 2020).

This research aims to analyze the effectiveness of e-mail marketing strategies in increasing customer retention in the e-commerce industry. The research focus includes evaluating open, response, and conversion rates of e-mail campaigns, as well as identifying customer preferences regarding e-mail content and sending frequency. In addition, the research also aims to assess the influence of personalization in increasing customer engagement. The benefit lies in contributing a deeper understanding of optimal e-mail marketing strategies, enabling e-commerce companies to design campaigns that are more effective and tailored to customer needs, thereby increasing customer retention and loyalty.

2. METHOD

This research uses qualitative research with the aim of exploring problems that arise in a social context, referring to the theoretical framework explained by Moleong (2014). This research methodology adopts an approach that focuses on in-depth understanding of the research subject's experiences, including behavior, perceptions, action motivations, and other aspects. This approach focuses on holistic descriptions using language and words as a medium of analysis. This research is descriptive in nature, with the aim of providing a clear picture of a particular situation, event, population or area. This descriptive approach is supported by the concept of Anggito & Setiawan (2018), which explains that descriptive research aims to systematically, factually and accurately describe the facts and relationships of the phenomena being investigated. During the research process, all collected data is analyzed and organized to compile research findings which are then presented in the form of scientific writing. Thus, this research adopts a descriptive approach to provide a comprehensive picture of the topic being researched.

3. RESULTS AND DISCUSSION

Email marketing is a digital marketing tool that is very effective and powerful in connecting companies with potential customers. The main advantage of email marketing lies in its ability to deeply personalize messages. With careful analysis of customer data, companies can craft messages tailored to individual preferences, behaviors and needs, creating more personal and relevant experiences. This personalization not only increases the chances of conversion, but also strengthens customer engagement by registering that the company understands and provides added value according to their desires (Chaffey, 2006).

In addition to personalization, email marketing also provides the ability to connect with relevant audiences on a more specific basis. By segmenting customer data, companies can send messages tailored

to specific target groups, maximizing the impact and relevance of campaigns. This allows companies to respond more accurately to the needs and wants of each customer segment, strengthening ties with a more focused audience (Hartemo, 2016).

Furthermore, email marketing serves as an effective tool for collecting customer feedback. Through embedded links and responsive forms, companies can quickly get customer feedback on specific products, services, or campaigns. This feedback is not only a valuable source of information for improvements and improvements, but also builds transparency and trust with customers. By using feedback data, companies can continuously optimize their email marketing strategies, creating a continuous cycle of increasing customer engagement and retention (Watjatrakul & Drennan, 2005).

An e-mail marketing strategy can be the key to success in increasing customer retention in the e-commerce industry. First of all, a deep understanding of customer behavior and preferences through data analysis is the main foundation in designing a successful e-mail marketing campaign. Data analysis can provide valuable insight into purchasing preferences, reveal purchase frequency patterns, and identify favorite products that customers are interested in. By understanding these elements in detail, e-commerce companies can develop more targeted and effective strategies in building interactions with customers via e-mail.

In the context of purchasing preferences, data can reveal the most popular product categories, brand preferences, or even specific colors and features that customers prefer. This information becomes the basis for crafting more specific and interesting messages. Purchase frequency provides insight into customer engagement levels, allowing companies to determine when it is appropriate to send offers or purchase reminders. Meanwhile, knowing customers' favorite products enables deeper personalization, ensuring that every e-mail sent is truly relevant to individual wants and needs.

By summarizing this data analysis, companies can produce e-mail campaigns that are not only more personalized and relevant, but also more efficient in driving action from customers. Building a data-driven e-mail marketing strategy gives companies a strong foundation for optimizing customer retention, increasing customer value, and creating sustainable relationships in a competitive e-commerce environment.

Secondly, the use of e-mail as a means to convey exclusive offers, special discounts, or loyalty programs has proven to be a very effective strategy in building customer engagement and retention. By sending exclusive offers via e-mail, companies signal to customers that they are valued and given preferential treatment. This can include access to limited sales, special discounts for loyal customers, or even exclusive gifts that are only available via e-mail. This strategy not only creates a sense of urgency to open and respond to e-mails, but also encourages customers to stay active and engaged.

Providing incentives for customers to remain loyal is a strategic step that can significantly increase customer value and satisfaction. By offering exclusive benefits via e-mail, companies build closer relationships with customers, motivating them to choose the same product or service time after time. Special loyalty programs via e-mail can take the form of reward points, additional discounts, or exclusive memberships that provide additional benefits to loyal customers. This not only stimulates customer engagement, but also creates a stronger bond between customers and brands.

More than just offers and incentives, this strategy involves more personal and focused communication. By understanding that customers appreciate preferential treatment, companies can create more personalized experiences and shape positive perceptions of their brand. By combining exclusive offers, special discounts and loyalty programs, this strategy can become a pillar in efforts to build and maintain mutually beneficial relationships between companies and customers in a dynamic e-commerce context.

Third, providing useful and relevant content via e-mail is an important strategy in strengthening relationships with customers in the e-commerce context. Information that provides added value to customers, such as tips for using products, can increase customers' understanding of the products they buy. By providing helpful guidance or advice, companies not only show they care about customer satisfaction, but also build trust and deeper understanding regarding the products or services they offer.

Additionally, providing the latest information about products or industries via e-mail can keep customers informed and connected to the latest developments. This creates the impression that the company is not just a seller, but also a partner who wants to provide added value to customers through updates and innovation. Customers who feel constantly updated and engaged with a brand are more likely to remain loyal, considering the company provides more than just a buying and selling transaction.

Providing exclusive content also plays a key role in building a strong bond with customers. Sending content that can only be accessed via e-mail creates a sense of exclusivity, making customers feel special

and more attached to the brand. By providing access to exclusive content, such as special offers or product sneak peeks, companies can create unique and engaging experiences, increasing customer loyalty in the long term.

Fourth, implementing e-mail automation in marketing strategies is a smart step to increase efficiency and customer engagement in the e-commerce context. By leveraging automation tools, companies can send personalized messages automatically, providing quick responses to customer activity. One effective example is sending purchase reminders, where customers who have abandoned their shopping cart can receive a reminder e-mail, encouraging them to complete the transaction.

E-mail automation also makes it possible to send product reviews in a timely manner after purchase, taking advantage of the moment when the customer's experience is still fresh in their minds. This can stimulate customer participation in providing feedback, build brand credibility and help potential buyers in decision making.

Additionally, automation's ability to customize offers based on customer purchase history increases the relevance of messages sent. By analyzing previous purchase data, companies can target customers with offers that match their preferences and needs. Personalized offers like these not only increase conversion potential, but also strengthen customer perceptions of the value provided by the company.

Overall, email automation is not only an efficient solution, but also a smart way to strengthen customer engagement. By automatically delivering relevant, timely and personalized messages, companies can create more immersive and engaging customer experiences, contributing to customer retention efforts in a dynamic e-commerce environment.

Fifth, Collecting feedback via e-mail is a very valuable strategy in increasing the company's understanding of customer satisfaction and identifying areas that can be improved. By including responsive links or forms in e-mails, companies can extract direct insights from customers about their experiences with products or services. This information is an important basis for evaluating the extent to which customer expectations are met and understanding elements that can be improved to improve service quality.

Responding to customer feedback is a crucial aspect in strengthening relationships with customers. By responding proactively to feedback, whether it's praise or criticism, companies show that they truly care about and value each customer. A quick and solution response to customer complaints can give the impression that the company is not just aiming for sales, but is also committed to providing a positive experience and meeting customer expectations.

Furthermore, collecting feedback via e-mail allows companies to build a culture of continuous improvement. By detailing the actions taken based on feedback, companies can demonstrate a commitment to continually adapting to customer needs and implementing relevant improvements. This creates a responsive and progressive environment, which can increase customer trust and strengthen loyalty in the long term.

Thus, the strategy of collecting feedback via e-mail not only provides valuable data for the company, but is also a real step in building mutually beneficial relationships with customers. By aligning company actions based on this feedback, companies can solidify their position as a caring and reliable partner, having a positive impact on brand image and customer retention.

By combining e-mail marketing strategies, e-commerce companies can design campaigns that are not only marketing strong but also effective in maintaining and strengthening long-term relationships with their consumers. A comprehensive approach involves personalizing messages, providing exclusive offers, providing relevant content, leveraging e-mail automation, and gathering customer feedback. Customizing content and offers based on customer behavior and preferences helps create deeper engagement, while exclusivity and incentive strategies provide additional incentives to maintain consumer loyalty. At the same time, e-mail automation ensures timely and focused messaging, while collecting feedback provides a valuable window into understanding customer satisfaction. By bringing these elements together, e-mail campaigns can be an effective instrument for retaining and strengthening customer retention, creating mutually beneficial relationships in the dynamic e-commerce industry.

4. CONCLUSION

E-mail marketing strategies in increasing customer retention in e-commerce involve a series of holistic and coordinated approaches. Understanding customer behavior and preferences through data analysis is a key foundation for designing more personalized and relevant messages. The use of e-mail to provide exclusive offers, useful content and special incentives actively engages customers, while e-mail automation ensures efficiency in the delivery of personalized messages. Collecting customer feedback is

an important element for improving services and responding better to consumer needs. By aligning all these strategies, e-commerce companies can create powerful, effective, and relevant e-mail marketing campaigns to not only retain customers but also strengthen long-term relationships with their consumers. Overall, this approach proves the importance of personalized, responsive, and focused interactions in achieving customer retention goals in an ever-changing business environment.

REFERENCES

1. Aghamirian, B., Dorri, B., & Aghamirian, B. (2015). Customer knowledge management application in gaining organization's competitive advantage in electronic commerce. *Journal of theoretical and applied electronic commerce research*, 10(1), 63-78.
2. Al Tamer, M. (2021). The advantages and limitations of e-commerce to both customers & businesses. *BAU Journal-Creative Sustainable Development*, 2(2), 6.
3. Anggito, A., & Setiawan, J. (2018). *Metodologi penelitian kualitatif*. CV Jejak (Jejak Publisher).
4. Bilgihan, A., Kandampully, J., & Zhang, T. (2016). Towards a unified customer experience in online shopping environments: Antecedents and outcomes. *International Journal of Quality and Service Sciences*, 8(1), 102-119
5. Boateng, R., Heeks, R., Molla, A., & Hinson, R. (2008). E-commerce and socio-economic development: conceptualizing the link. *Internet Research*, 18(5), 562-594.
6. Chaffey, D. (2006). *Total e-mail marketing*. Routledge.
7. Damanpour, F., & Damanpour, J. A. (2001). E-business e-commerce evolution: perspective and strategy. *Managerial finance*, 27(7), 16-33.
8. Fariborzi, E., & Zahedifard, M. (2012). E-mail marketing: Advantages, disadvantages and improving techniques. *International Journal of e-Education, e-Business, e-Management and e-Learning*, 2(3), 232.
9. Hansemark, O. C., & Albinsson, M. (2004). Customer satisfaction and retention: the experiences of individual employees. *Managing Service Quality: An International Journal*, 14(1), 40-57.
10. Hartemo, M. (2016). Email marketing in the era of the empowered consumer. *Journal of Research in Interactive Marketing*, 10(3), 212-230.
11. Ibeh, K. I., Luo, Y., & Dinnie, K. (2005). E-branding strategies of internet companies: Some preliminary insights from the UK. *Journal of Brand Management*, 12, 355-373.
12. Loucks, E. S., Martens, M. L., & Cho, C. H. (2010). Engaging small-and medium-sized businesses in sustainability. *Sustainability Accounting, Management and Policy Journal*, 1(2), 178-200.
13. Marinova, A., Murphy, J., & Massey, B. L. (2002). Permission e-mail marketing as a means of targeted promotion. *Cornell Hotel and Restaurant Administration Quarterly*, 43(1), 61-69.
14. Prahalad, C. K., & Ramaswamy, V. (2004). *The future of competition: Co-creating unique value with customers*. Harvard Business Press.
15. Rosário, A. T. (2021). E-mail marketing: research and challenges. *International Journal of Online Marketing (IJOM)*, 11(4), 63-83.
16. Rowley, J. (2004). Just another channel? Marketing communications in e-business. *Marketing Intelligence & Planning*, 22(1), 24-41.
17. Samantaray, A., & Pradhan, B. B. (2020). Importance of e-mail marketing. *PalArch's Journal of Archaeology of Egypt/Egyptology*, 17(6), 5219-5227.
18. Semerádová, T., & Weinlich, P. (2022). The Broad and Narrow Definition of E-Commerce. In *Achieving Business Competitiveness in a Digital Environment: Opportunities in E-commerce and Online Marketing* (pp. 1-26). Cham: Springer International Publishing.
19. Todor, R. D. (2017). Promotion and communication through e-mail marketing campaigns. *Bulletin of the Transilvania University of Brasov. Series V: Economic Sciences*, 61-66.
20. Turban, E., Whiteside, J., King, D., & Outland, J. (2017). *Introduction to electronic commerce and social commerce*. Springer.
21. Watjatrakul, B., & Drennan, J. (2005). Factors affecting e-mail marketing sourcing decisions: A transaction cost perspective. *Journal of Marketing Management*, 21(7-8), 701-723.
22. Weinstein, A. (2012). *Superior customer value: Strategies for winning and retaining customers*. CRC press.
23. Williams, K. C., Hernandez, E. H., Petrosky, A. R., & Page, R. A. (2009). Fine-tuning useful E-commerce practices. *Journal of Technology Research*, 1, 1.
24. Yulianah, S. E. (2022). *Metodelogi Penelitian Sosial*. CV Rey Media Grafika.