MARKETING RESEARCH 312

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AGENDA

1 Background

2 Client Objectives | Management Problem | Marketing Problem

3 Research Process | Secondary | Qualitative | Quantitative

4 Research Questions & Data Analysis

5 Implications | Limitations

Background

- Edmonton's Leading Luxury Car Dealership

- Optimal Email Marketing Frequency

- Goal was to find inefficiencies

- Target Demographic: 18-65 year old luxury car owners

Client Objectives

Management

*   What is the best email marketing frequency that will lead to more exposure and action from consumers?

*   The solution includes whether to send emails bi-weekly, monthly, or another specified rate of emails.

*   How can the existing newsletter subscriber list open more emails, and what are the exact reasons why they decide to open emails

Marketing

*   Why are consumers unwilling to open emails and what are some of the reasons they unsubscribe or do not interact with emails?

*   The findings from our in depth interviews, and questionnaire, and other research provide solutions for this problem

Research Process

Collection of secondary data:
Lexus' desire to have a better understanding of consumer email related behavior and preferences → Optimization

Secondary Research

Qualitative Research

Quantitative Research

Literature Review (Secondary Research)

Collection of secondary data:
-Lexus' desire to have a better understanding of consumer email related
behavior and preferences → Optimization

20 scholarly articles:
- Email metrics
- Consumer behavior and preferences
- Marketing metrics and channels

Topics Discovered:
- Improve email response rates by avoiding spam affiliation
- Closely monitor interactions with consumers through email marketing campaigns
- Effects of link placements in newsletters and campaigns
- Habits of large franchises and chains
- Content relativity of emails
- Demographic information
- Optimal Frequency

Qualitative Research (4 In-Depth Interviews)

1st form of primary data collection → Use initial secondary research to form questions to gather opinions, attitudes and beliefs from relevant individuals

In-Depth Interviews
- An automotive mechanic who was also a Lexus customer, an automotive sales and service advisor, an email marketing professional and dealership sales manager
- Synthesized the answers by forming codes in the transcripts, which were then grouped into common themes across all interviews

Common themes: Email Frequency, Segmentation Strategy, Retention Techniques, Mobile Optimization, Collection of Email Data Statistics

Quantitative Research (Survey, n=146)

Bridge the gap between the primary and secondary research → Develop questions to further uncover information surrounding research questions

Questionnaire on Google Forms → distributed through digital platforms

Find consumer opinions and attitudes towards email/marketing metrics, our target market and it's demographic
    Structured and open questions → Responses analyzed using IBM SPSS
144 respondents

Research Question I

What is your ideal frequency of receiving emails from a business/organization?

Frequency Table of Results

Crosstabulation between preference and ownership

- Hypothesis: Bi-weekly
- Very interesting results

Bi-Weekly / Ownership Crosstabulation

Consumer Preferred Email Frequency (Bi-weekly)

	No	Yes	Total
Best	34	39	73
Worst	40	33	73
Total	74	72	146

(Figure B.1 Frequency Table: Consumer Preferred Email Frequency-Bi-Weekly)

Consumer Preferred Email Frequency (Bi-Weekly)

Consumer Preferred Email Frequency (Monthly)
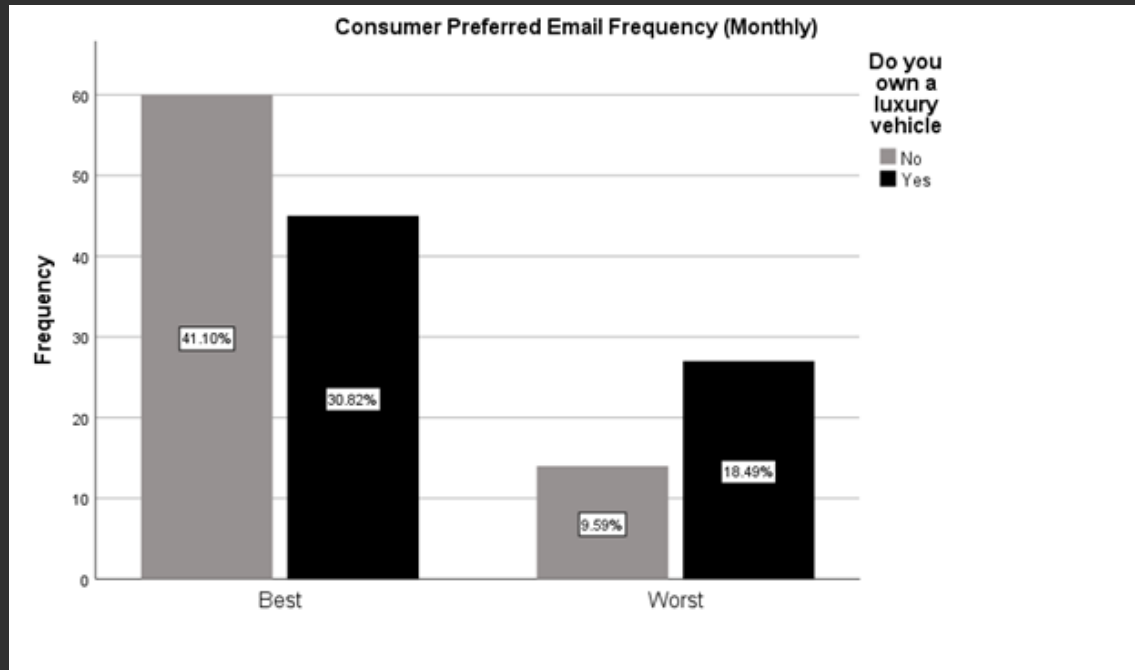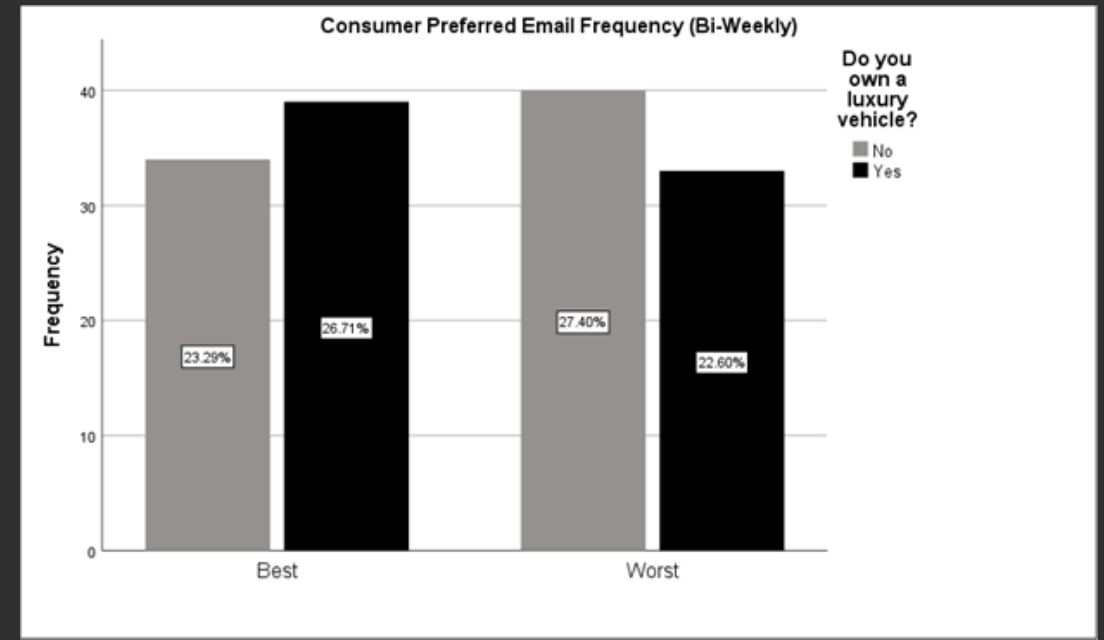
Monthly / Ownership Crosstabulation

Consumer Preferred Email Frequency (Monthly)

	No	Yes	Total
Best	60	45	105
Worst	14	27	41
Total	74	72	146

(Figure B.3 Frequency Table: Consumer Preferred Email Frequency-Monthly)

Research Question II

What is the audience's preferred method of checking emails?

18-25 high usage of mobile devices

26 and higher more computer usage

- Chi Square Test
- Relationship between age and device used
- Correct Hypothesis

Chi-Square Tests			
	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	23.962 a	12	.021
Likelihood Ratio	20.822	12	.053
Linear-by-Linear Association	3.531	1	.060
N of Valid Cases	145		

Age vs Type of Device Used to Check Emails

		Age					
		18 – 25	26 – 35	36 – 50	50 – 65	66 and older	Total
Device/Platform	Smartphone	79	17	11	2	2	111
	Computer	20	3	1	5	1	30
	Tablet	0	2	0	1	0	3
	Fax Machine	1	0	0	0	0	1
Total		100	22	12	8	3	145

(Figure C.1 Frequency Table: Age vs Type of Device used to Check Emails)
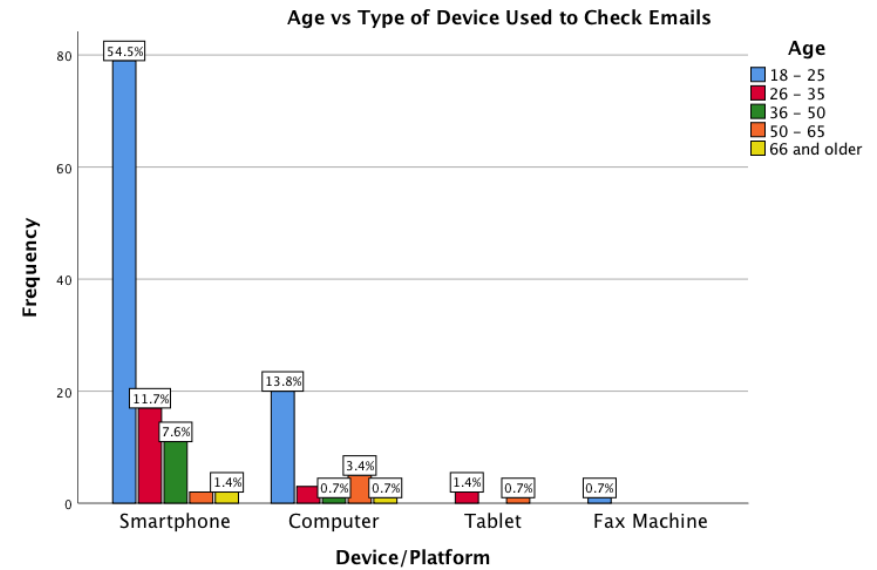
There is a significant relationship based on the Chi-Squared test showing that the older the demographic, the higher the chances that they will use a Computer opposed to their younger counterparts.

HOWEVER

The vast majority of people, regardless of age will still use a smartphone more often than a computer.

Research Question III

What aspects of an email's subject line would attract you most as a consumer?

Ranking Question from 1 (low importance) to 5 (high importance)
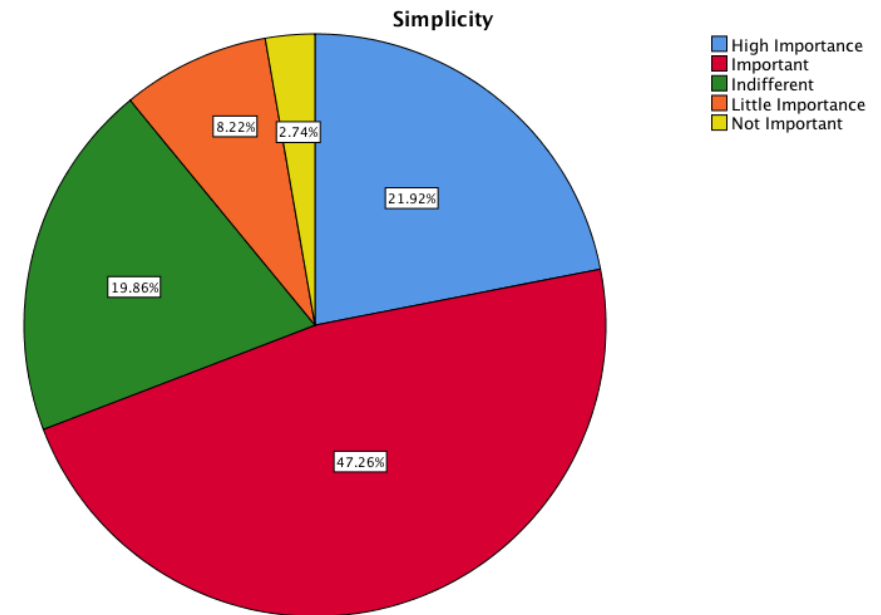
5 areas examined based on previous research

1. Personalization
2. Attractive Title
3. Simplicity
4. Promotional Opportunities
5. Limited Time Offers

Findings: Most Important

Simplicity most important to respondents
- Importance = 69.18%
- Not Important = 10.96%

Findings: Least Important

- Limited Time Offers = 42.47%
- Promotional Opportunities = 42.46%
- High Levels of Indifference 22.6% and 28.77% Respectively
- Correlation with quantitative research
    "I feel like they're always trying to sell me something"

Limited Time Offers

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	High Importance	14	9.6	9.6	9.6
	Important	28	19.2	19.2	28.8
	Indifferent	42	28.8	28.8	57.5
	Little Importance	32	21.9	21.9	79.5
	Not Important	30	20.5	20.5	100.0
	Total	146	100.0	100.0	

Promotional Advertisements

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	High Importance	17	11.6	11.6	11.6
	Important	34	23.3	23.3	34.9
	Indifferent	33	22.6	22.6	57.5
	Little Importance	35	24.0	24.0	81.5
	Not Important	27	18.5	18.5	100.0
	Total	146	100.0	100.0	

Research Question IV

When time of day do you check your emails most frequently?
**What is your current age?**

Purpose and Practicality	Hypothesis Testing

Null Hypothesis (Ho): There are no differences between age ranges in relationship to when individuals check their emails.

Alternative Hypothesis (Ha): There are differences between age ranges in relationship to when individuals check their emails.

Findings

- Respondents aged 18-35 check emails most
  frequently from 12 p.m. to 12 a.m.

- Respondents aged older are more likely to
  check emails in the morning (6 a.m. to 12 p.m.)
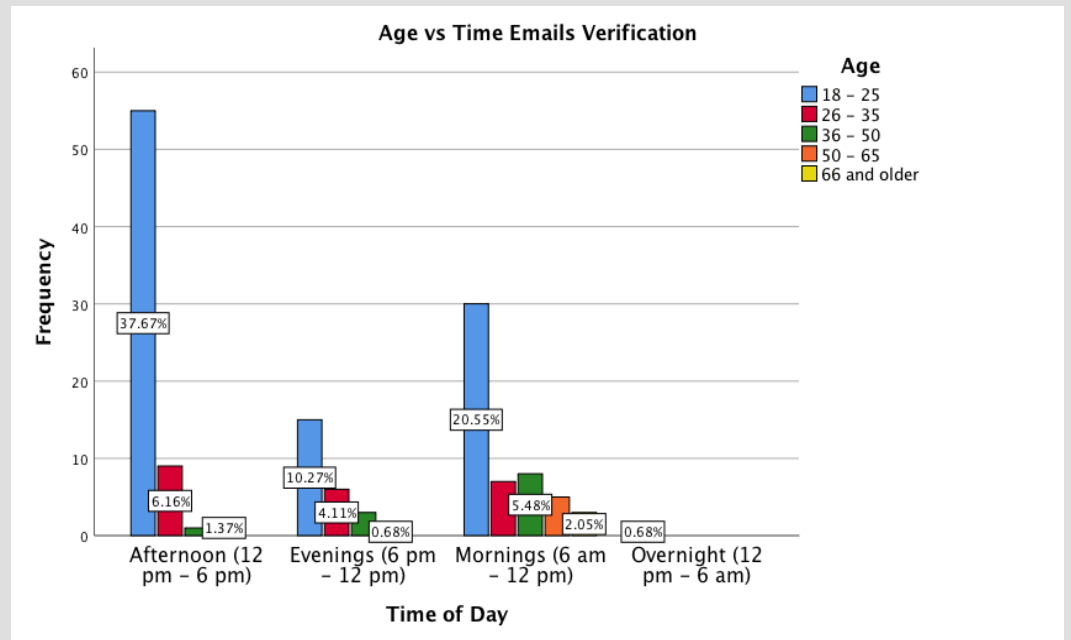
Hypothesis Testing:
Age vs When do you Check Emails?

F-Statistic = 5.273

P-Value = 0.02

Alpha = 0.05

R-Squared = 0.10

Age:

Source	Type III Sum of Squares	df	Mean Square	F	Sig.
Corrected Model	14.428[a]	3	4.809	5.273	.002
Intercept	31.297	1	31.297	34.314	.000
When do you check your emails?	14.428	3	4.809	5.273	.002
Error	129.517	142	.912		
Total	500.000	146			

Implications

INCREASING ROI THROUGH SEGMENTATION

- Email marketing ROI
- Budget friendly
- Demographics

AGE AND MOBILE USAGE

- Up to age 50, preferred device predominately mobile
- 50 and over, very slight incremental change towards computer

EMAIL CONTENT

- Literature review VS Qualitative
- Subject lines drive open rates VS perceived importance

Implications: Lexus

OPTIMIZE FOR MOBILE

- Most of the audience does not see the content how it was meant to be
    - Change ESPS
- Make campaigns for mobile first

DECREMENTAL CHANGE

- Try bi-weekly emails and analyze the results
- Attempt monthly if still not satisfied
- Make campaigns for mobile first

SEGMENT CLIENTS

- Ask clients the email types they want to subscribe to
- Set up different email lists for times of day

ALTERNATE CONTENT

- Events/Promos can be advertised through print marketing campaigns
- Communicate with Lexus CA to prevent oversaturation

Limitations

Literature Review
International Studies

Interviewees
reluctant to share information

Completion
time constraints

Google
Forms

Lack of primary
data from email service provider

Skewness in age
of respondents from survey

Limited experience
with SPSS

Interviewee
Cancelation

Questions?

Thank you for your time!