International Case Study: Epson's Strategy for European Email Marketing

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Tuesday, March 17, 2009
Epson: a short introduction

The company

- **Epson Germany**
  - One of the leading suppliers of printers and imaging products
  - Product range includes: inkjet, photo and laser printers, scanners, all-in-one solutions, multimedia projectors and original printer supplies & accessories

- **Epson Europe**
  - Epson Europe B.V. (Amsterdam) is the strategic headquarters for Europe, the Middle East, Russia and Africa
  - Employees: 2,400
  - Turnover: 1,854 million Euro (2007)

- **The Epson Group Worldwide**
  - 88,925 employees in 109 companies around the globe
  - Turnover: 8.15 billion Euro (2007)
The Epson Store sells Epson printers, scanners, projectors and inkjet / laser cartridges

Epson Store Germany started email marketing in 2007

In 2008 Epson progressively added another 16 countries, using 14 different languages

2 types of mailings so far:

- weekly promotional newsletter
- very complex opt-in/welcome campaign (which proved to be extremely successful)
Why International email marketing?

**More revenues**
- People simply buy more when they receive emails in their own language
- Variable costs are low – the bigger the international audience, the better the cost structure
- Email campaigns can be produced once and then adapted to many different countries
- Saves significant time and money
- But…a simple translation is not enough: changes have to be made to reflect local cultures
- Comparison of input / email production: processes, effort
- Comparison of output: open rates, click rates, ROI

**More effective**
- Bigger campaigns, scale effects
- Global sourcing. Example: email dispatch costs are significantly lower if German systems are used instead of US one

**Comparability**
- More revenues
- More effective
- Cost Savings
Online marketing in Europe

- Huge market
- Roughly 500 million people
- Mostly well-educated
- Online retail sales in Germany alone: 16 billion US$
- 169 million people are now online across 10 key European markets
- Competition is not as stiff as in the United States
But…it’s a different playing field

A very fragmented place …

Europe means
- 25 countries
- 16 languages
- 12 different character sets

→ huge challenges

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Example: Epson newsletters
Carnival is a very big event in some German states (but by no means all)
It’s more or less unknown outside Germany
Some exceptions: the Venice Carnival, parts of Switzerland (not to mention Brazil)

→ Email design has to be different for other countries
International challenges (1)
Different legislative rules

- The legal situation in member states of the European Union is quite similar. You may send email to recipients that:
  - are customers (some restrictions apply), or
  - gave you explicit permission to send them emails
- Problem: the details still differ from country to country
  - example: in Austria, you have to clean your list against a national do-not-email list
- Major challenge: you need completely different strategies to collect addresses that you may legally use.
- Data protection laws in Europe - especially in Germany - are much stricter than in the US. For example, we are not allowed to do personalized tracking unless we have the recipient’s permission.
- But…there is a major difference between what you are allowed to do and what you do anyway.
- General recommendation: stick to the German rules and you won’t have any problems in other European countries.
Languages

- Obviously, different languages are a challenge. Always use local staff for translations.
- Do NOT use English – even for those well-educated people that have no problem understanding it. Emails get scanned, not read: translating takes time.
- “German” is not the same in Germany, Austria and Switzerland. We use different words and – especially for Austria – adapt the salutation.
- A “word by word” translation is not enough – you need to use a different tone. Let locals do the translation (or at least review it!).
- Practical problem: the same meaning requires different text lengths in different languages. This complicates button design, text area layouts etc.. Example:
  - English: “Click here for detailed information“
  - Polish: „Kliknij tutaj, aby uzyskać szczegółowe informacje“
  - German “Klicken Sie hier für Detail-Infos”
- Different character sets are always a challenge.
Deliverability is also a big challenge in Europe. But it’s not such a major topic of discussion as in the US. Emails sent from the US have a poorer image at some webmail services: email address providers tend to be hypercritical because so much spam comes from the US. There are a lot of very small email providers, particularly in eastern Europe. These are often associated with a local newspaper. It’s difficult to deal with each on a one-to-one basis and often simply not worth the effort. Each individual address provider is small, but together they serve a significant number of people. Germany’s Certified Senders Alliance is an organization that links senders and big email providers. Membership of CSA is a must if you want to have your emails delivered. Check with your email service provider: are they a member? If not, think of using a dedicated provider for Europe.
International challenges (4)

The difference is in the detail

- Use of pictures
  - US stock photos are always politically correct. This approach looks strange to European eyes
- Cultural differences. Marketing in the US and UK is:
  - much more direct
  - “louder”
  - more sales-oriented
  - therefore, carefully adapt the style and tone of your messages
- Different colors and symbols
  - green = hope in Germany, Catholicism in Ireland
  - flags are well respected in Switzerland and east European countries, but not at International challenges (4)
International challenges (5)

Organization

- Quality management in many different languages. Epson solved the problem by:
  - asking local staff for support (cross checking newsletters)
  - working with an agency with an international background
  - producing emails in a language you don’t understand will always be a problem
- Professional email marketing systems
  - some systems from Anglo-American countries have significant problems with international character sets
  - we recommend systems that provide templates with different skins, so ONE template can simply be copied and changed to another language
- Response handling, reply-to’s
  - needs staff with appropriate language skills
  - we recommend simply working with students from the respective countries
Lessons and insights

What Epson achieved after one year ….

- Significant sales increases in the Epson Store after every newsletter dispatch
- Some countries are lagging behind in terms of ecommerce, but email marketing is still an efficient way to boost sales there
- Expect surprises. In Switzerland, for example, 25% of all opens went on to order (that’s order, not click)
- Three major lessons:
  - always work with people who are on the ground and know the country
  - never underestimate the complexity of building multinational campaigns
  - learn as much as you can by comparing statistics from different countries
Credits/Thank You

Big Thanks to:

- The Staff at Epson Store
  Nina Rupsch and Sascha Surbach
- The rabbit eMarketing Team
  Katrin Förster, Yvonne Lonstroff, Ilonka Mohr, Timo Heck,
  Daniel Kränkle, Clemens Praetorius and Tim Wiengarten

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