

Analysis of the application of interactive elements in digital customer communication

International Business Administration B. A.
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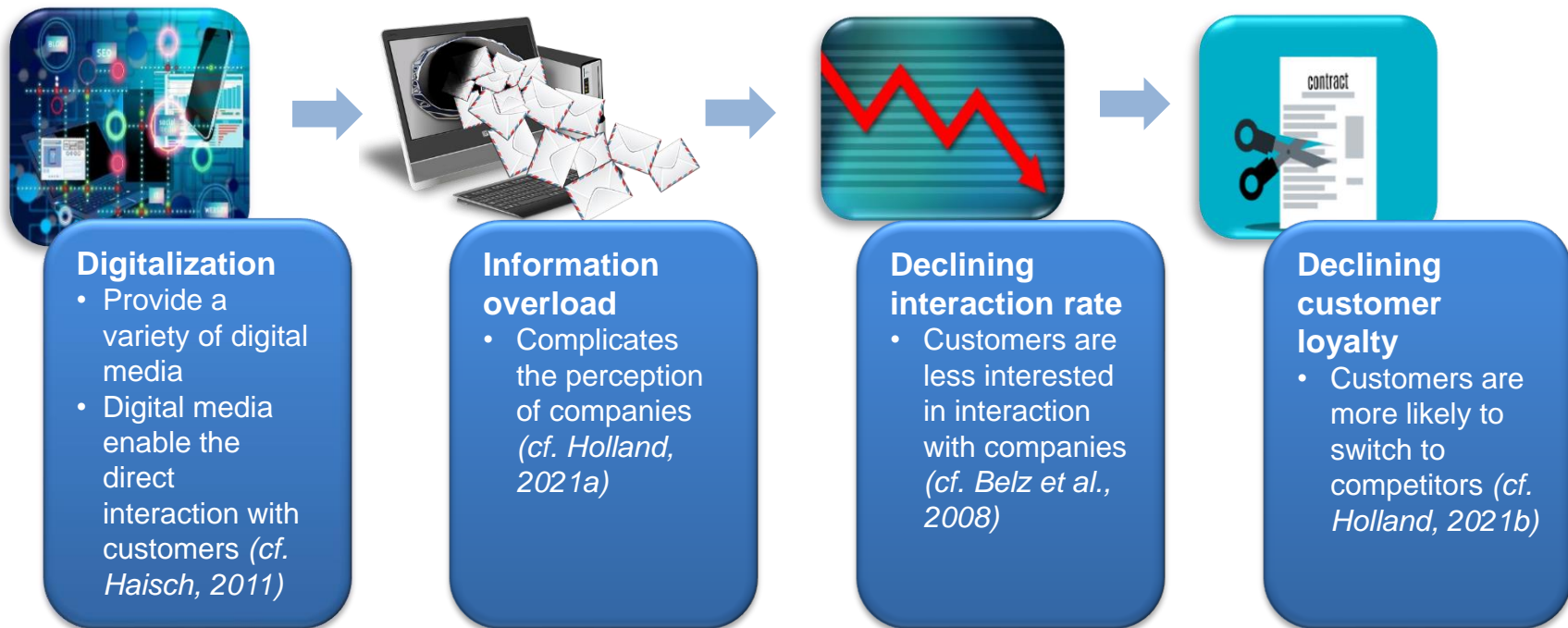
Dr. Anja Fröhling

Dr. Nikolina Mitev

Agenda

1	Motivation
2	Objective
3	Theory of digital customer communication
4	Newsletter – An important type of email marketing
5	Impact of digital media on customer interaction
6	Current status – Newsletter at CosmosDirekt
7	Experiment – Standard newsletter vs. interactive newsletters
8	Summary – Implications, limitations and further research

1 Motivation



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2 Objective

Goal:

Increase of customer interaction through interactive elements (quiz, survey).

Media:

Newsletter of the company CosmosDirekt.

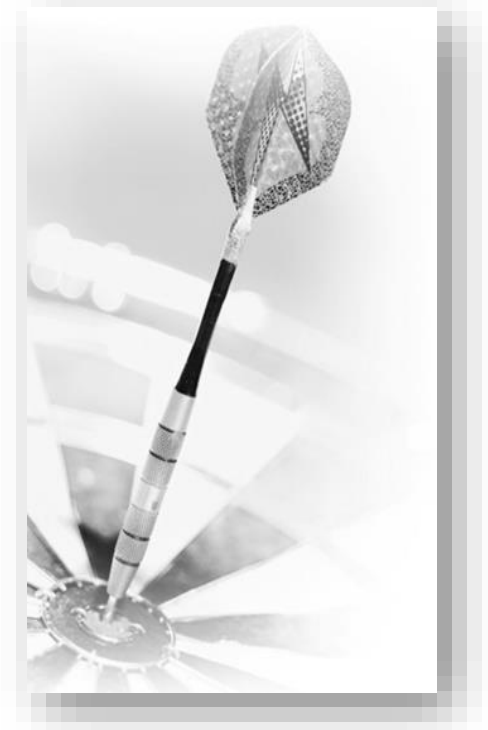
Experiment:

Hypothesis 1 (H_1):

Interactive elements in a newsletter increase the interaction.

Hypothesis 2 (H_2):

Interaction in a newsletter can be further increased if customers expect an additional value provided by the interactive element (survey > quiz).



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3 Theory of digital customer communication

Definition

= *communication between companies and customers through digital media*

Most important advantages of digital media (cf. Spandl, 2020):

- Global reach
- Cost effectiveness
- Fast dispatch and flexibility
- **Interaction possibilities**
- Clear and fast evaluation of success

3 Theory of digital customer communication

Email marketing

- Most successful instrument of digital customer communication (*cf. Schwarz, 2017*)
- 320 billion emails are sent every day (*cf. The Radicati Group, 2021a*)
- Used by 98% of the companies (*cf. absolut, 2021*)
- Highest Return on Investment (ROI) (*cf. Schwarz, 2017*)

Types of email marketing (*cf. Bucher et al., 2016*):

- Trigger mails
- Transaction mails
- Stand-alone mails
- Multi-stage campaign
- Newsletter: most widely used instrument of email marketing (*cf. Bucher et al., 2016*)

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4 Newsletters – An important type of email marketing

Definition:

Newsletters are most often used to engage customers and prospects by providing content which is useful to them. Newsletters are also frequently used to create communication occasions and to present new offers to the target group. (cf. Lammenett, 2021).

Characteristics:

- Regularly dispatch and thus interaction with customers (cf. Bucher et. al, 2016)
- Promotional or editorial content
- Essential tool for customer retention (cf. Kreutzer, 2021)

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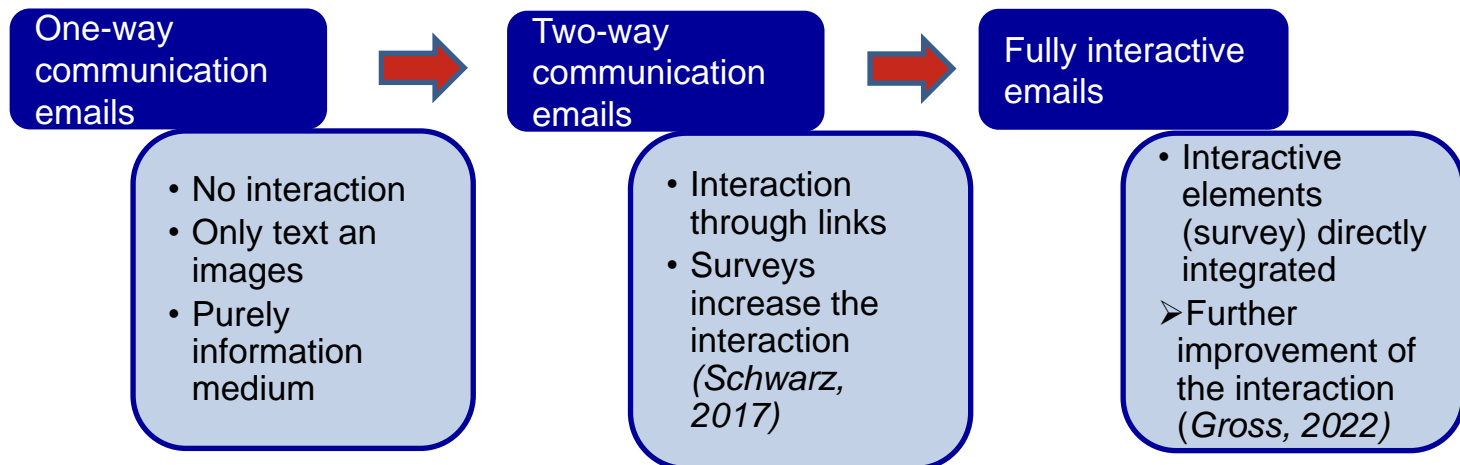
5 Impact of digital media on customer interaction

Development of internet: Digital media enable interaction

Interaction (Web 2.0)

Passive information (Web 1.0)

Email marketing as interaction medium: Development



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6 Current status – Newsletter at CosmosDirekt



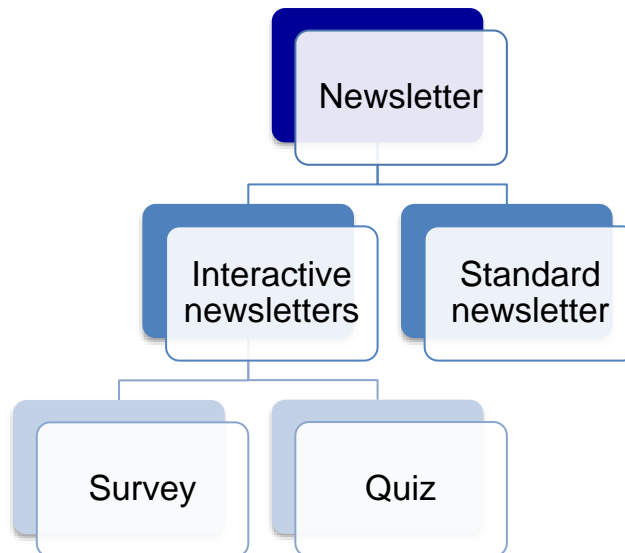
Figure 6: Current status of the Cosmos newsletter

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7 Experiment – Standard vs. interactive newsletter

Methodology



Standard newsletter = control group

Interactive newsletters = experimental group

Investigation of H_1 :

- Comparison of interactive newsletters vs. Standard newsletter

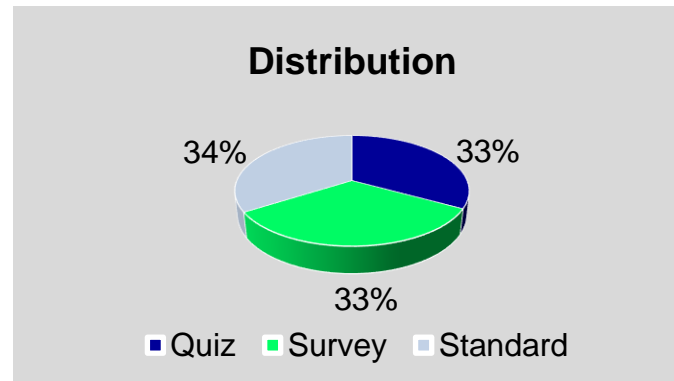
Investigation of H_2 :

- Comparison of the newsletter integrating the survey vs. the newsletter integrating the quiz

7 Experiment – Standard vs. interactive newsletter

Implementation

- Identical time dispatch and sized target groups
- Identical content and structure of the newsletter
- only differ in the interactive element (quiz and survey)
- Development of interactive elements by „Mayoris AG“ and implemented in ELAINE



7 Experiment – Standard vs. interactive newsletter

	Survey	Quiz
Topic	<ul style="list-style-type: none">Evaluation of the monthly newsletter	<ul style="list-style-type: none">Christmas quiz on the category of useless knowledge
Content	<ul style="list-style-type: none">One multiple choice question: related to the satisfaction with the number of topicsText field: Query about interesting topics	<ul style="list-style-type: none">Three multiple choice questions with three answer options each
Objective / aim	<ul style="list-style-type: none">Providing an additional value	<ul style="list-style-type: none">Purely entertaining character

Survey



Quiz



Figure 7: Interactive newsletter with survey

Figure 8: Interactive newsletter with quiz

7 Experiment – Standard vs. interactive newsletter

Evaluation

- Evaluation after three-week observation period with R (Studio)
- Considered KPI's:
 - Click-Through Rate (CTR)
 - Click-to-Open Rate (CTOR)
 - Number of clicks/ clickers overall and on the individual elements
 - Number of new contracts
- Significance tests were carried out using Fisher's exact test (FET)
 - 95% confidence interval (CI) → Statistical significance for $p < 0.05$
 - H_0 : Number of clickers is independent from the newsletter variant

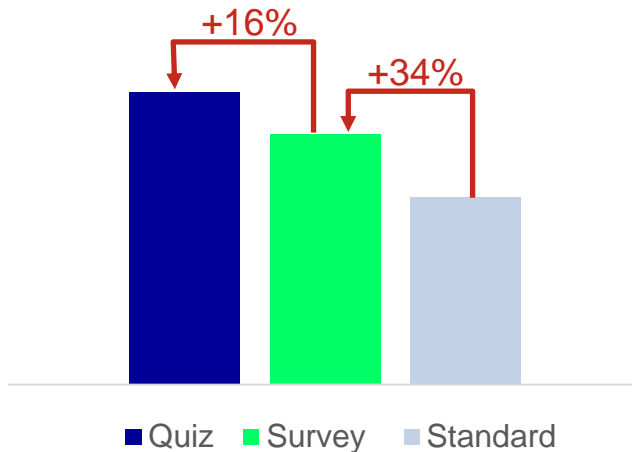
7 Experiment – Standard vs. interactive newsletter

Evaluation – Important KPIs to measure the performance

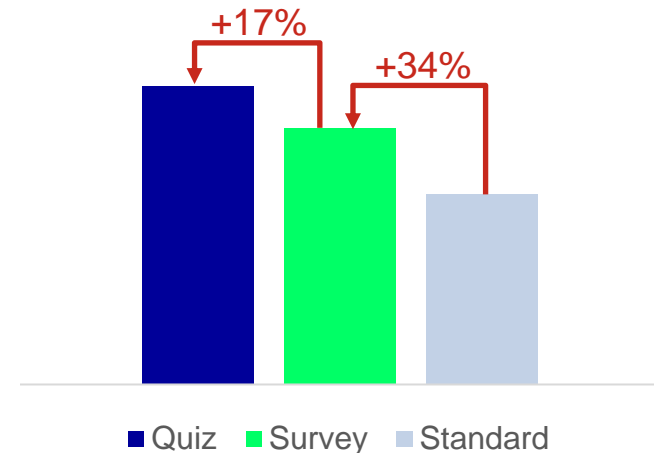
$$CTR (unique^*) = \frac{Clickers}{Recipients} * 100$$

$$CTOR (unique^*) = \frac{Clickers}{Opening\ recipients} * 100$$

Click-Through Rate (CTR)

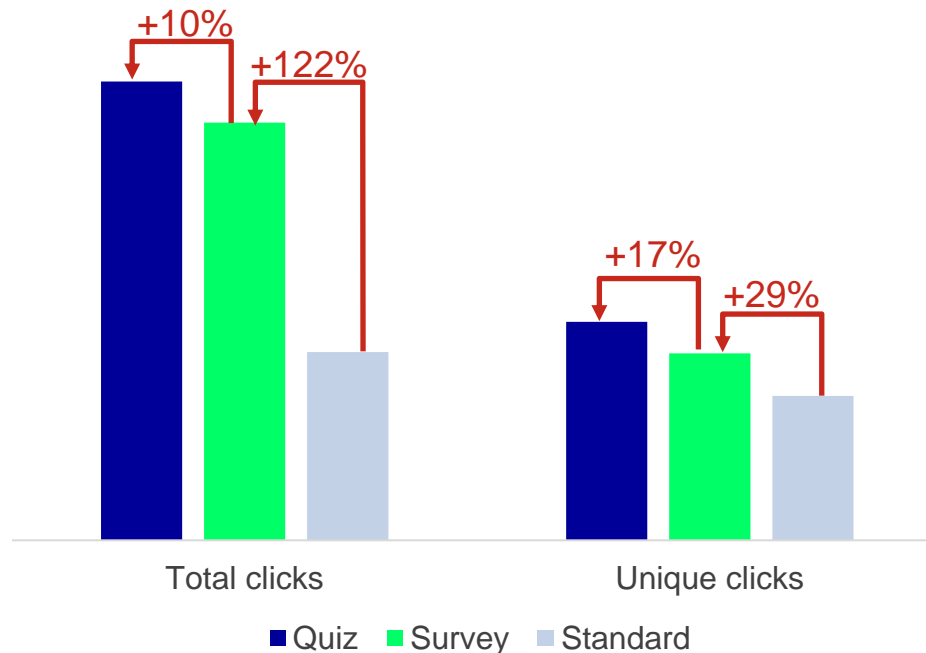


Click-to-Open Rate (CTOR)



7 Experiment – Standard vs. interactive newsletter

Evaluation – Number of total and unique clicks

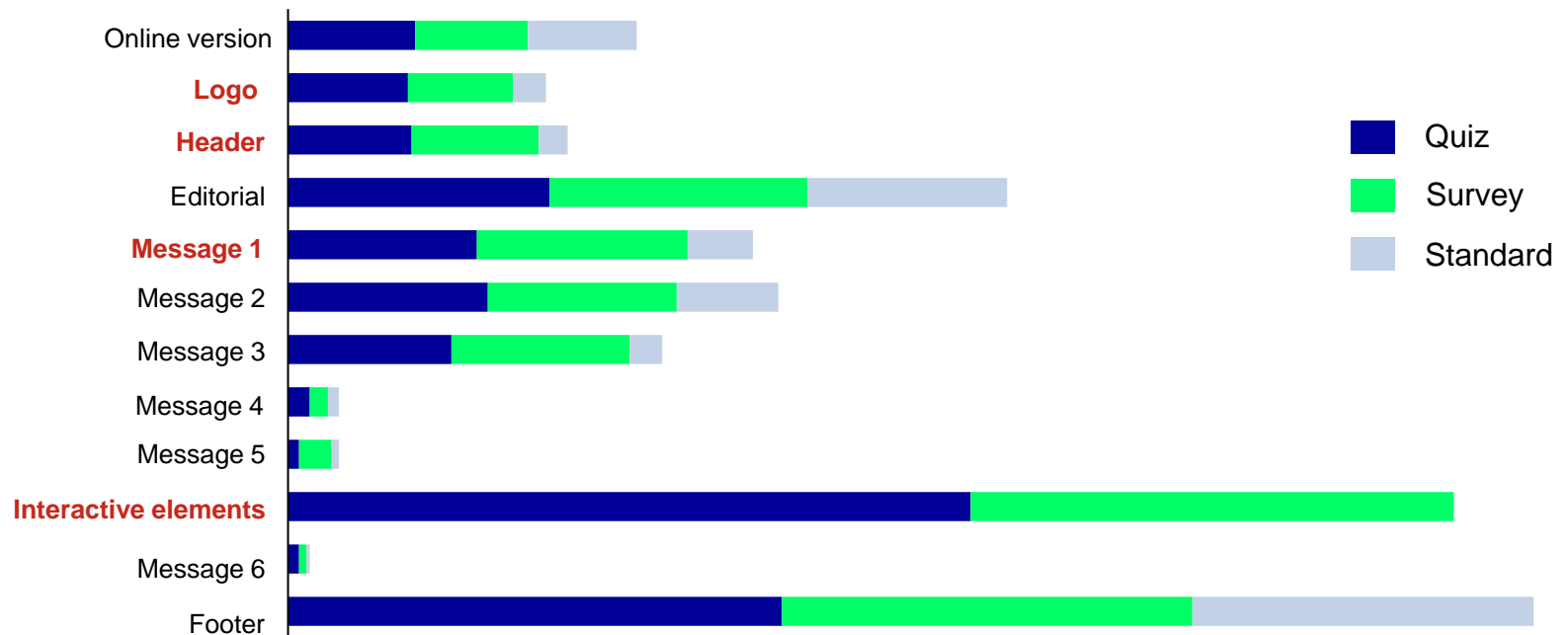


Observations:

- Considerable differences between interactive and standard newsletter for both KPIs
- Significance tests (unique clicks)
- **H₁**: Significant difference between interactive newsletters and standard newsletter ($p < 0.001$, FET)
- **H₂**: No significant difference between quiz and survey ($p = 0.06$, FET)
→ tendency towards statistical significance

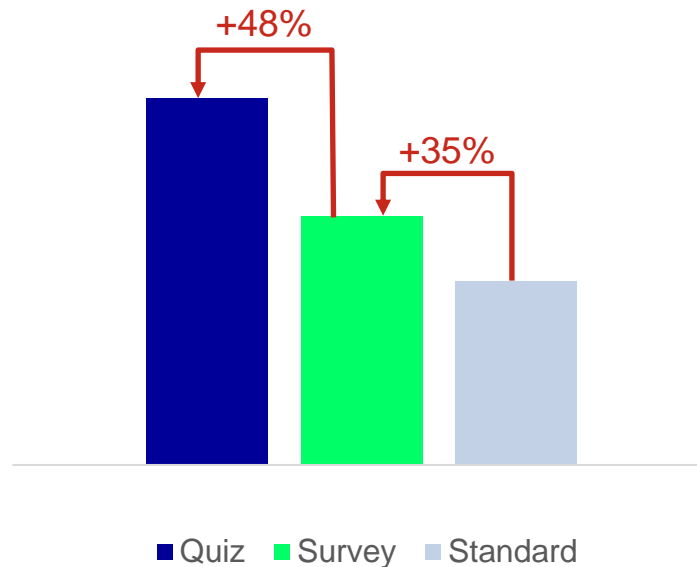
7 Experiment – Standard vs. interactive newsletter

Evaluation – Number of clickers on the individual elements



7 Experiment – Standard vs. interactive newsletter

Evaluation – Number of new contracts



Observations:

- Similar tendency – variant with quiz performed best
- H_1 : Higher number of clickers for interactive newsletters lead to a significant higher number of new contracts ($p < 0.05$, FET)
- H_2 : Greater - but not significant - difference between variant with quiz and survey ($p = 0.18$, FET)

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8 Summary – Limitations, Implications and further research

Hypothesis 1:

- Interaction in newsletter can be significantly increased using interactive elements (quiz, survey)
 - The higher interaction even resulted in a higher number of new contracts
- *expectations of the experiment were fulfilled* ✓

Hypothesis 2:

- Interaction in the newsletter cannot be improved by providing and additional value through the interactive element (survey)
 - Variant with the quiz displayed a tendency to a significant higher interaction and generated considerably more contracts
- *expectations of the experiment were not fulfilled* ✗

8 Summary – Limitations, Implications and further research

Implications

- Planned and targeted implementation of interactive elements
- Too frequent dispatch could lead to customer's aversion
- Integrating interactive elements in a reduced newsletter, i.e. which does not contain so much information

Further research

- Testing interactive elements in other email measurements
- Incentivizing participation in survey
- Performing long-term study to investigate the impact of higher interaction on customer retention

Thank you for your attention!

**Do you have any questions?
Let's discuss 😊**



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Figures – Slide 3

Figure 1: Digital media: <https://pixabay.com/de/illustrations/internet-social-media-netzwerk-blog-4463031/> (access on 08/03/22)

Figure 2: Information overload: <https://pixabay.com/de/illustrations/email-junk-e-mails-müll-spam-6662423/> (access on 08/03/2022)

Figure 3: Declining interaction rate: <https://pixabay.com/de/illustrations/diagramm-krise-kurve-abwärts-5222697/> (access on 08/03/2022)

Figure 4: Declining customer loyalty: <https://pixabay.com/de/vectors/vertrag-zustimmung-rücktritt-6149824/> (access on 07/03/2022)

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Figure 5: Goal: Internal source – PowerPoint template CosmosDirekt

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Figure 6: Current status of the Cosmos newsletter; Internal source CosmosDirekt

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Figure 7: Interactive newsletter with survey – Internal source of CosmosDirekt

Figure 8: Interactive newsletter with quiz – Internal source of CosmosDirekt

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Figure 9: Question mark: <https://pixabay.com/de/illustrations/frage-fragezeichen-antwort-symbol-1015308/> (access on 07/03/2022)