

# SA's email lockdown open rates higher than Black Friday month

By  JD Engelbrecht

16 Apr 2020

While South African business owners scramble to mitigate the devastating economic impact of coronavirus and an extended national lockdown, marketing teams have to adjust quickly to a radically altered business and communications landscape.

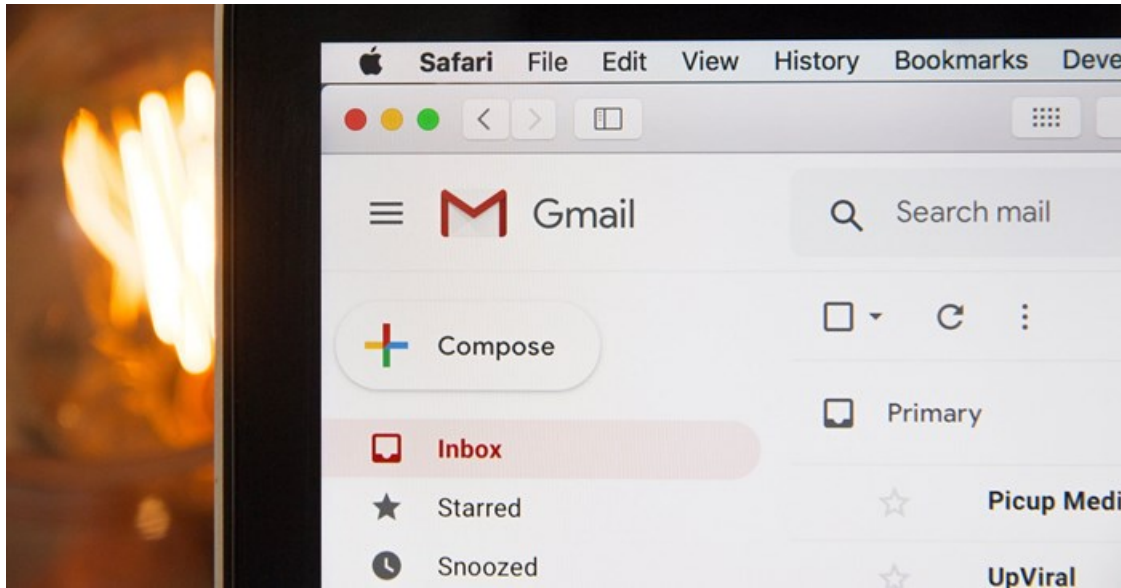


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During the lockdown, we have seen remarkable – and unexpected – email open rates (outperforming what is experienced during the annual Black Friday shopping bonanza month of November), indicating that consumers are both highly receptive and attentive at this time. For marketers, it's imperative to harness this unexpected window of opportunity by keeping up the momentum with thoughtful, well-crafted messaging across multiple channels.

Importantly, while consumers are already feeling the economic pain induced by Covid-19, their day to day needs are unlikely to change much. However, for marketers, the brand conversations and value propositions placed before them must be adjusted and tailored. By leveraging smart digital messaging tools and data-driven insights during the crisis, marketers can reach consumers in an affordable, impactful way, at scale.

The capacity to do so, of course, depends on how marketing teams and leaders adjust their existing strategies and budgets to cope with the unexpected shock of the pandemic. During the lockdown, we have observed interesting behaviour from marketers sitting within businesses that cannot operate virtually. Some marketers are 'hoarding' marketing communication spend until after the lockdown when consumers are more able to act upon their calls to action. Other C-suite executives are 'banking' the budgeted marketing expense to put a band-aid on the haemorrhaging of lost income - thus leading to abrupt discontinuation of marketing communications.

## SA is tuned in

Yet such a halt on messaging makes little sense when assessing how responsive and engaged many consumers are at this time. Indeed, in terms of consumer attention within the context of direct messaging, engagement rates are phenomenally high.

There are various potential reasons for this, such as: there are fewer messages competing in inboxes; consumers are more open to communication whilst working remotely; many temporarily economically displaced consumers have discretionary time available to spend reading messages; or consumers' entertainment and social time (out of home) has been clamped down on and they now have more time to read messaging via digital channels.

Arguably, a combination of these factors could be triggering the high engagement levels during a turbulent period. As South Africa's leading multi-channel bulk and automation-drive messaging platform, the scale of Everlytic's data offers a holistic perspective. Email open rates are 26.95% higher during lockdown compared to the Black Friday month of November 2019 - whereby marketers staggered their offers across the month last year, and the click rate registers 6.38% higher during lockdown.



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With this unique 'lockdown context' in mind, what should marketers do from here?

## Plotting the way forward

In a time of radical uncertainty, we can look to tried and tested models for some possible answers and future scenarios. Game theory, for example, is the science of strategy – and contains some valuable nuggets for marketers in this context. In essence, it is the study of mathematical and logical models that identify dominant strategies amongst strategic decision-makers. (It is also universally applicable, and can be used to determine the best communication strategy going forward).

The following is called a pay-off matrix. This very simple example has two clear strategies available to competing marketers: send or don't send.

		You	
		Send	Don't send
Competitors	Send	0;0	1;-1
	Don't send	-1;1	-1;-1

The numbers inside the matrix simply represent basic outcomes: 0 = no benefit or disadvantage, 1 = benefit, and -1 =

disadvantage.

This simple table shows that when you consistently send well-crafted and valuable messages throughout the lockdown (whilst your competitors don't), you reap a disproportionate share of consumer attention - and the engagement with your messaging is unopposed by competitors. You, therefore, both have a benefit, as well as your competitors being further disadvantaged due to the loss of traction for their brand.

The inverse scenario is also true in favour of your competitor.

If everyone keeps sending, it is business as usual. However, if nobody is sending, this represents the worst scenario because everyone would lose traction and have to rebuild momentum after the lockdown.

Given the above model, sending is clearly the dominant strategy as it provides the best outcome...regardless of which strategies your competitors apply during the crisis.

## Planning for post-lockdown

In our view, this dynamic strategic evaluation can be extended to consider what might happen after lockdown ends.

Arguably, there will be a short-term 'super-influx' of communication across all direct messaging channels which is likely to flood inboxes. This will likely lead to an exponentially geared negative impact on engagement across all channels as the noise drowns out messages (i.e. every competitor that releases its pent up waves of communication will make each individual competitor's message far less likely to be engaged with...as a fixed pool of consumer attention is spread across exponentially more messages).

This further supports the strategy of continuing to communicate to lay the foundation for future success by keeping your brand top of mind through valuable content - and to generate leads to be able to outcompete competitors in the battle for consumer attention once the floodgates open again.

## 'Buying attention' becomes an expensive affair

When considering marketers' complex challenges in terms of performance advertising networks, similar logic can be applied. So, those who banked their marketing budgets for locked down months will not have enough firepower to buy attention on the performance marketing networks, while those who hoarded begin to release their bolstered budgets to seek to make up for lost months (and simply outbid hoarders' normal marketing budget for the month).

This will potentially both drown out those who wrote off budgets, and significantly drive up the cost per engagement on the ad networks - as unusually high volume and concentrated ad buying takes place. Naturally, this equation will burn through the hoarded marketing budgets and create a negatively geared effect where, for example, doubled-up budgets can't unlock double the impact as marketers would have hoped (because prices might double accordingly based on the heightened competition!).

## Future-proof your business now

When testing this theory with one of South Africa's leading search experts, Brett Perlstein, CEO and founder of SearchKings Africa, a strategic partner to Everlytic, he affirmed: "Since lockdown commenced, as most businesses cut budgets or stopped marketing completely, we are seeing cheaper cost per click, lower cost per acquisition and greater impression share on the same or smaller costs."





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Reflecting on this trend, he added: “It is a scary time - we know, but not the time to cut brand marketing spend. Brand building is and always has been a long-term investment. Those businesses that hold their nerve now will be the ones that will survive this period as well as future-proof for the country’s economic roller-coaster ride which will naturally follow.”

According to Perlstein, research demonstrates that companies that increase their advertising and marketing communications budgets during recessions grew sales much faster than their rivals – not only during the downturn but also beyond it.

“In the meantime, as the virus puts a quarter of the global population under lockdown, online viewership is up (and audiences are increasingly engaged) which spells opportunity for your business online,” he noted.

In my view, when interrogating the cause and effect in the context of marketing communications as described above (which are theoretical in nature), the dominant strategy - regardless of what competitors do - is to continue communicating with your customers.

For marketers, the golden thread must be targeted, thoughtful and frequent communications that both nurture and build an existing business to consumer relationships.

## ABOUT JD ENGELBRECHT

JanDirk (JD) Engelbrecht is a commercial technologist who is passionate about finding creative solutions to problems. His experience in digital product development and commercialisation has allowed him to work with various South African market leaders in media, ecommerce, advertising, data science, and agriculture.

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