

A WORK PROJECT, PRESENTED AS PART OF THE REQUIREMENTS FOR THE AWARD OF A MASTER
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**HOW CAN PT EFFICIENTLY AND EFFECTIVELY ALIGN ITS E-MAIL
MARKETING EFFORTS TO CREATE ENGAGEMENT AND AVOID SPAM?**

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Abstract

For the purpose of advising Portugal Telecom (PT) on direct marketing strategies, this paper seeks to study e-mail marketing best practices and contrast them with what has already been done by the company. The study reviews and evaluates the e-mail marketing literature, surveys Portuguese telecommunications' users and makes an empirical analysis based on PT's e-mails samples and in-depth interviews. The findings reveal that PT already applies important practices in order to build brand loyalty and avoid consumers reporting messages as spam; however, there is still room for improvement and major measures need to be incorporated in its campaigns to effectively succeed. To have an organic, clean and up-to-date database, segment the contact list, customize the content and check for major blacklists are key consensual practices discussed along the study. This paper contributes to e-mail marketing debates by exploring the positive and negative sides of this recent field.

Keywords: E-mail marketing, engagement, Portugal Telecom, spam.

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Introduction

Portugal Telecom (PT) is a Portuguese communications operator, whose activity covers all the segments of the telecommunications sector such as fixed line, mobile, multimedia, data and business solutions. Created in 1994, the company is perceived as the largest telecommunications provider in Portugal. In order to reach a leading position in its different areas of operation, Portugal Telecom articulates its offers through several companies: PT Inovação, PT PRO (PT Empresas), PT Pay, PT Contact and MEO.

During the last year, a restructuration plan has been put in place by PT, in order to merge directions of companies with similar functions. This has required an internal reorganization that passes through the integration of independent structures, such as PT Contact or PT Inovação, in PT Portugal. These changes aim to create a new and faster structure, based on a more strategic and operational alignment.

However, the inherent challenges to the process have been a barrier to the performance of some business units. Among other factors, there is a lack of consistent information and coordination between departments that needs to be addressed. One of the units that has been affected is UTDO (Unidade de Transformação Digital e Online), which includes the departments of Digital Marketing, E-Commerce and E-Care. This Work Project focuses on this area and aims to advise PT on how to best use and measure direct e-mail marketing strategies, as well as to identify potential gaps between brand image and brand identity.

In a world in continuous change, where today's needs will certainly be different of those of tomorrow, one must quickly adjust to novel realities in order to keep up. In the early 1970s, the world witnessed one of the greatest evolutions in communications: the invention of e-mail. From that moment on, this electronic medium of immediate communication has become a necessity

among society and has also reinvented the way companies market and advertise to consumers. During the last decade, the message has been clear: e-mail works; and despite the different and surfacing challenges, its influence will continue into the predictable future.

E-mail remains one of the most important tools when it comes to online marketing and can be sent in different phases of the customer lifecycle. However, and supported by the available, relevant literature review, e-mails are suggested to be sent after the purchase, since it is believed that e-mail marketing campaigns work best as a customer relationship management tool, rather than a sales booster. Nevertheless, despite its well-known benefits, e-mail also carries disadvantages. The unsolicited bulk e-mail (also known as spam) constitutes the worst consequence of this new means of communication. Just because companies can e-mail customers, that does not mean they always should. E-mail marketing campaigns are more effective if they are permission-based, well-timed and include offers that customers are likely to be interested in.

Literature Review

E-mail Marketing

In the beginning of the 20th century, Alfred North Whitehead stated that “fundamental progress has to do with the reinterpretation of basic ideas”, which can represent the evolution of communication up to the present. The emergence and prevalence of e-mail allowed to a reinterpretation of how people interact, affirming itself as a new way of connecting through the written word (Mullen and Daniels, 2009).

Over the past fifteen years, e-mail marketing has grown into one of the most flexible and in-demanding tools among Internet users (Mullen and Daniels, 2009), revealing to be one of the best sources of online traffic since the beginnings of e-commerce (Vasudevan, 2010), as it helps marketers keep in touch with their customers on a regular basis at a low cost (Merisavo and Raulas,

2004), while enhancing the relationship between buyers and sellers (Kotler, 2003; McCloskey, 2006; Chaffey et al., 2003).

According to Radicati's E-mail Statistics Report, 2015-2019 (2015), "worldwide e-mail usage continues to grow at a healthy pace" and, by the end of 2015, e-mail users will be nearly 2.6 billion – of about 4.4 billion accounts – with an annual growth of 3% until 2019, when over one-third of the worldwide population will be using e-mail.

For financial reasons, it is easy to understand why e-mail communication is escalating so fast. Compared with print mail, the cost of sending a massive number of e-mail messages is considered to be marginal (Merisavo and Raulas, 2004). Nevertheless, the extensive adoption of e-mail for marketing purposes has other advantages such as targeted distribution and affordability by small and medium companies (Moustakas et al., 2006). Generally speaking, e-mail marketing is used to share information about products and services, to promote them, to grow brands, to link readers to web sites, to alert customers, and to notify about orders status (Merisavo and Raulas, 2004).

Nowadays, marketers use different approaching techniques to get to the reader, which include newsletters, community involvement and loyalty programs (Brondmo, 2000; Roberts et al., 2001). According to Brondmo (2000), "newsletters are perhaps the most common vehicles for establishing ongoing dialogue with customers, probably because they provide a terrific mechanism for communicating a highly personalized blend of information, entertainment, and promotions." Pavlov et al. (2008) find e-mail marketing to produce about twice the return on investment (ROI) of other major forms of online marketing.

In sum, e-marketing can be perceived as an enriched way to "deliver the right messages to the right people at the right time" (Kumar and Sharma, 2014).

Despite the fact that online marketing activities offer a lot of opportunities for companies to market themselves and their products inexpensively and effectively, there is a less satisfying dimension of the growing e-mail marketing environment; “E-marketing has huge potential, but, like any new technology, there are also pitfalls” (Kumar and Sharma, 2014). Therefore, companies can use this tool for strategic objectives but should also be careful not to make an abusive use of the e-mails of the users (Delafrooz, 2009).

Loyalty

Discussion of how to define brand loyalty has come a long way (see Dick and Basu, 1994; Odin et al., 2001). According to Jakoby and Chestnut (1978), brand loyalty is a form of repeat purchasing behavior reflecting a conscious decision to continue buying the same brand. That is to say that, for brand loyalty to exist, a pattern of repeat purchase must be accompanied by a positive attitude towards the brand (Merisavo and Raulas, 2004).

Pioneers of e-mail marketing are constantly experimenting to find out what works in this new environment and understand the real advantages of such powerful means. Even though the response rates have been good, it is still not proven that it represents an increase in sales. This motivates a general agreement that states e-mail marketing may be best as a customer relationship management tool (Wreden, 1999). Although literature still in general recommends that companies must always include an offer or some other element of direct response in their campaigns (Merisavo and Raulas, 2004), e-mail should not be used as much for sales as for service (Brondmo, 2000) and for creating engagement. According to Karen Askey, senior vice president of consumer marketing at Preview Travel, “e-mail marketing enables companies to push a brand out instead of trying to pull prospects in. (...) Often, these e-mails rekindle relationships and boost traffic to our site. We are believers in

e-mail marketing to increase brand awareness while also improving customer retention and loyalty.”

Nevertheless, to create and strengthen engagement, companies need to continuously work on maintaining a healthy relationship with their customers (Aaker, 1996; Fournier, 1998; Kapferer, 1998; Keller, 1998). Berger and Mitchell (1989) argue that repeated exposure potentially enhances brand attitudes by allowing the customer to process more information. By doing so, positive affective responses (emotions, feelings, moods, satisfaction) about the brand are evoked in the consumer’s mind (Dick and Basu, 1994). One way to do this is to keenly and actively interact with customers, creating value by providing them with relevant information and by reducing their efforts to search for information. Besides that, ongoing communication can be a way to reassure customers that they are using the right brand, which helps to remove cognitive dissonance (Newman and Staelin, 1972; Merisavo and Raulas, 2004). In this sense, consumers create and strengthen relationships with brands to make the buying and consuming processes fast and easy, and to maintain a perceptive consistency, comfort and gratification (see, e.g. Sheth and Parvatiyar, 1995).

In that sense, PT should improve its approach in order to best meet the recipients’ interests and build a long-lasting relationship on the basis of trust, while at the same time creating a positive feeling towards the brand – “inform about new products and how to use them, provide news about the product category in general, encourage and guide respondents to web pages for more information, and inspire them to participate in events” (Merisavo and Raulas, 2004).

Spam

The term spam was coined after the processed meat eulogized in a Monty Python sketch, and was sent to a computer for the first time in 1978 (Kumar and Sharma, 2014). It can be defined as “the

practice of indiscriminate distribution of messages without permission of the receiver and without consideration for the messages' appropriateness" (Turban et al., 2000).

According to Swartz (2004), it is estimated that approximately more than half of all e-mails received can be categorized as spam. One of the reasons for the exponential growth of spam is the commercial e-mail, which has provided a cheap and neat instantaneous mode of communication worldwide (Hassan et al., 2006). The growth in the use of e-mail marketing has been accompanied by a huge increase in the amount of UCE (unsolicited commercial e-mail) (Oliva, 2004; Moustakas et al., 1997).

The high volume of spam has led some users to mistake legitimate commercial e-mail for spam. This type of situation occurs when a user receives e-mails from a subscribed mailing and both legitimate and spam messages have a similar appearance, as when messages include HTML and graphics (Vasudevan, 2010). As reported by the e-mail services company Return Path (2008), legitimate e-mail servers averaged a delivery rate of 56%; 20% of the messages were rejected and 8% were filtered.

This requires companies to incur in careful and meticulous practices, in order to be recognized as a trustworthy sender whose messages are worth delivering to e-mail inboxes. Among other proceedings, it is strongly suggested to adopt a permission-based policy (Ellis-Chadwick and Doherty, 2011) and build an opt-in list of recipients (Wreden, 1999; Vasudevan, 2010; Yapp, 2015). Additionally, it is also highly recommended to review the server IP reputation on a regular basis and even consider having a sender warranted certification (EConsultancy's Best Practice Guide, 2014).

To ensure consumer confidence in this new marketplace and its sustained growth, consumer concerns about spam must be addressed. “It is important for Web merchants to create consumer’s trust in e-mail marketing, as the issue of spamming violates the consumer’s privacy, which ultimately results into negative impact towards e-marketing practices” (Kumar and Sharma, 2014).

This is an extremely important matter and thus PT must address it properly. At this point, the company is not making the necessary efforts to access spam data and deliverability issues regarding their e-marketing actions, which can ultimately reflect negatively in their key performance indicators (KPIs).

Methodology

In order to define the optimal direction of the project, it was crucial to draw a clear and reliable path forward and gather insights about not only the UTDO unit but also the company itself and its customers. Due to the lack of quality and consistent information, this revealed to be a limitation along the investigation, which required the adoption of diverse methodologies and types of data.

The first step was to get an internal perspective of e-mail campaigns performed by PT, focusing on understanding its digital strategies, marking out key digital experiences throughout the customer journey and learn about strengths and weaknesses along the process. For that purpose, a set of in-depth interviews was conducted to key PT collaborators, considered specialists in Digital Marketing. Even knowing this tool is usually used for marketing research purposes, the guidelines suggested by Malhotra in his “Marketing Research: An Oriented Approach” book were adapted to meet the interviews’ set objectives (Malhotra, Birks and Wills, 2012). Since the questions performed did not request measurable and accurate answers, and considering the restricted number of respondents, the findings were merely qualitative. Moreover, a direct approach was preferred, in order to obtain solid and complete responses; the interviewees were explained beforehand the

purpose of the interviews and given an interview guide to properly prepare (see Appendix I). Note that it does not have a rigorous structure, since the main goal was to engage in a fluid conversation and probe hidden information with the use of follow-up questions.

The next move consisted in the discussion and elaboration of a customer-oriented survey, in order to study their perceptions regarding PT's e-mail campaigns (an overview of this survey can be found on Appendix II). Based on the research software Qualtrics, the survey was prepared together with PT's Market Studies division and disclosed via social networks – Facebook and LinkedIn – and e-mail. The final outcome consisted of 913 completed and finalized responses, from 1322 respondents. In order to obtain conclusions based on the same information, incomplete answers were not taken into consideration. To better evaluate the relevance and timing of the e-mail campaigns performed by PT, the first analysis started by gathering information about the type of topics clients consider to be interesting to receive in a newsletter (see Appendix III – 1). Since respondents had a list of six options and could mark as many as they wanted, these variables were transformed into binomial ones – 1 corresponds to “marked” and 0 corresponds to “not marked”. By doing this, it was possible to have the percentage of people that chose the specific topic as an interesting one and understand what type of content should be included in PT's campaigns in order to engage customers. Furthermore, it was asked the respondents to rank, from 1 to 5, how much they agreed with certain statements regarding the e-mails sent by PT (see Appendix III – 2). The results allowed to a very important and revealing correlation analysis between the different factors that may affect the success of e-mail marketing. This required a series of independent hypothesis tests, under the null hypothesis of no correlation between two determined factors, tested with a 95% confidence level. This type of test proves, for example, how the relevance of the content may be correlated to the messages being reported as spam by recipients. Finally, the respondents were

asked about the ideal periodicity of the e-mails (see Appendix III – 3). The survey analysis was entirely computed using SPSS.

Moreover, a documentary analysis was made – both internal and external documents were taken into consideration, as the information proved to be complementary. Regarding internal material, it was used “The Essential Style Guide”, a manual with written principles and recommendations that must be followed by employees when communicating in representation of the brand. Additionally, it was also used a sample of e-mails provided by the different departments of UTDO, which resulted in the collection of qualitative and quantitative data concerning digital marketing campaigns executed by each one of them. The e-mail database included 266 specific e-mail campaigns performed in 2015, representing a total of 20.665.004 e-mails sent, later organized in 28 different types across the areas – even though some of this categorization had been already specified, most of the data collected was not organized and required systematization. Also, this database included very relevant KPIs, which, due to the lack of consistency and reasoning in the way they were computed, needed adjustments.

Since there was a large diversity of e-mails, it was decided to arrange them by area, phase of the customer journey and category (marketing, notification and transactional). Furthermore, as a consequence of this organization, e-mails were also characterized by scope and objective, target information (database source, segment and specific target), process information (periodicity, delivery time and automation status) and template (sender info, subject line and message length).

In what concerns external accessed data, a set of scientific papers was crucial to support arguments and future recommendations. To make sure the exposed ideas were being sustained by reliable information, the documents used were carefully selected from Nova School of Business and Economics’ library. However, since e-mail marketing is a recent field of study, associated to a

mainly practical and very fast changing environment, scientific research tended not to properly accompany change. For that reason, secondary data regarding best practices was also used, in order to incorporate strategies and tactics applied along the years, from different, interesting and complete points of view. One of the main sources of secondary data information (EConsultancy's Email Marketing Best Practice Guide) was provided by the UTDO unit, in the beginning of the project.

As a result, the data collected along the different methodologies allowed to understand PT's performance in the field of study, as well as to collect, revise and provide a set of best practices. The confrontation of the two sides resulted in the identification of the gap between brand image and brand identity, and the possibility for the company to overcome potential deviations.

Best Practices and Recommendations

This section aims to discuss the results of the study, enabling a fluid reasoning by directly benchmarking e-mail marketing strategies with what is currently being done by PT. After an extensive review of the available literature, a group of consensual best practices was selected to fundament recommendations and provide PT with a reliable analysis.

Loyalty

In order to engage customers, the company must be able to properly recognize their interests and work to continuously meet their wants and needs. E-mail marketing has proved to be a medium of delivering relevant content at an appropriate time, with the plus of being superfast. Moreover, the means marketers can target nowadays are incredibly advanced, with opportunities to tailor messages to the tiniest detail. Nevertheless, as a PT's collaborator explained, there is a very tenuous line between "awesome" and "creepy", which means that just because the company knows a lot about customers, does not mean it should market to the point of being considered too intrusive. In

this sense, there is a set of recommendations that may work best as potential builders of customer loyalty and advocacy, which will be now outlined.

1. List segmentation and content customization

List segmentation is a must. Without this, the company will not be able to filter recipients according to the message purpose and thus ends up saturating customers with inappropriate information. According to the survey conducted, there is a positive correlation (0,462) between “I receive relevant offers/information” and “[E-mails] Allow me to create/maintain a positive relationship with the brand”, for a significance level of 95%, which confirms the need of keeping the content of the campaigns in line with the recipient’s interests (see Appendix I – 2). Currently, PT’s database is already being segmented by geographic and demographic factors, past and present services subscription (e.g.: Sport TV subscription), viability (network and fiber coverage depending on the area) and billing amount information. As a result, every time a department decides to send an e-mail, a target-based audience is chosen accordingly. Nevertheless, the company must also be aware of the consumers’ interests in general and adjust its messages’ content in order to meet them. The survey revealed that people who receive or intend to receive a newsletter are mostly interested in e-mails concerning new products (marked by 86,8% of the respondents), discount coupons (marked by 85,3% of the respondents) and news about existing products and services (marked by 69,6% of the respondents) (see Appendix I – 1).

Segmentation will allow for customization. In a stage of the customer journey where the company already knows about the client, establishing and nurturing a long-lasting relationship is an opportunity not to miss. At this point, marketers can have access to important purchase behaviors and hence patterns of consumption, which allows to softly push to the procurement and potential buying of related products and services. In that sense, up-sell and cross-sell play here an important

role. Note, however, that these additional products and services must ensure to enhance the value that customers get from the company. Furthermore, it is important to treat the customer by the name and adopt a personal conversation style. By doing this, the company is showing them that they are known and cared, which creates a sense of closeness between parts and helps increase affinity and trust. Today, PT does not customize the content of their e-mails, even though one of the practices included in the style guide they claim to follow is precisely to personalize greetings with the client's name and surname, preceded by "Dear". Instead, PT's e-mail marketing campaigns consist in newsletters from the online store massively sent to subscribers and non-subscribers in the database, with no specific personalization. Nevertheless, the company positively and effectively enforces guidelines such as to make the most of the active voice and use the first person of the plural – "We" –, as well as pronouns and determinants.

2. New and fresh subject lines

Additionally, in order to preserve the reader's interest in opening the e-mails, the subject lines must vary from campaign to campaign, keeping the content new and fresh. Also, they must be attractive, yet objective - according to Econsultancy's E-mail Marketing Best Practice Guide, "shorter tends to be better". This avoids saturation and, ultimately, disengagement. Such practice has clearly been applied to PT's current e-mail messages, which proves the company strives to maintain a pleasing communication. Moreover, the company needs to concentrate in the first two to three words, since those are the most important ones as recipients scan through their inboxes. In the case of PT, by offering the best terms for television, internet and phone services, it should include words like "quality" or "save".

3. Space for feedback and reviews

It is also very important to give customers a voice and provide them with spaces to properly express their opinions and exchange information with other users. In that sense, e-mail can help the company gathering insights from customers' experiences, by sending triggered messages asking for feedback. This will allow to understand the strengths and weaknesses of the current products and services, as well as the processes behind, while at the same time enabling to find opportunities to improve. Additionally, this type of e-mails can link to an online platform (e.g.: Website), where customers can insert their reviews, allowing other people to have more information about a certain product or service. Today, there is not a comment section on PT's e-commerce platform, which requires the company to first focus on readjusting it, in order to be able to further align it with a feedback e-mail practice.

4. Social interactions encouragement

Finally, it may be relevant to consider including a link encouraging subscribers to pass the e-mail on – e.g.: “forward to a friend”. This is usually referred to as “the social effect” (Solis, 2011) and represents a great medium to have happy customers spreading the company's products, services and, consequently, name. This concept can, as well, be implemented by linking readers to social networks and, eventually, motivate them to share content. As of now, PT has not effectively implemented this practice. Although some of the e-mails include buttons that redirect to social networks, they automatically link to the company's main pages, not giving the readers the option to directly share the message on their platforms.

Spam

One of the pitfalls of e-mail marketing concerns unsolicited messages, commonly known as spam. It is believed that the largest and most persistent problems regarding this type of practice come

from commercial e-mails. In the business environment, companies tend to win customers away from their competitors, resorting to different mechanisms in order to always be one step ahead. Nevertheless, when competition becomes unfair, it also becomes unethical (Well and Spinks, 1996). As a consequence, this fresh reality started requiring strict measurements to protect recipients' privacy, which ultimately have led to a filtration of offending and inconvenient accounts. These policies reveal to be very constraining, which calls for a careful analysis and structuration of the company's e-mail marketing campaigns, from IP reputation to content words, in order to effectively succeed in getting their messages directly delivered in recipients' inboxes. Today, PT is not addressing spam indicators at all, which creates deviations in deliverability information and does not allow to properly create opportunities of improvement. According to the reports carried out by Byside (the company responsible for the spreading and analysis of PT's e-mail marketing campaigns), the only data available concerns the probability of the referred e-mail being reported as spam; however, once again, this information is not being analyzed. In that sense, PT should firstly require specific data regarding spam rates in each of their e-mail marketing campaigns and then continuously work on maintaining those values as close as possible to the industry's. There are some procedures that certainly help marketers overcome trusty sender issues.

1. Organic database

To start, it is important to follow a permission-based e-mail marketing policy. This means that the company has a green light from customers to communicate with them, as they provide explicit consent to receive direct e-mails. In fact, what makes them "opt-in" to the company's e-mailing list is the prospect of receiving contents that match their interests. Although it can be tempting to add a customer's e-mail to the contact list, tactics like these can hurt the business. When adding contacts without their permission, they are not expecting to hear from the company and are very

likely to skip over or delete the e-mail without even reading it. Worse, the message can end up in recipient's spam filters – because they have not allowed their provider know that the company's messages are welcome – or, ultimately, be reported as spam. The performed survey revealed that there is a negative correlation (-0,210) between “I receive relevant offers/information” and “I usually receive/report [e-mails] as spam”, for a significance level of 95%, which proves that recipients are prompted to report messages as spam when they do not fit their needs – and this is very likely to occur when the company sends e-mails massively to inorganic lists (see Appendix I – 2). In that sense, PT should avoid third-party marketing lists, in order to have an organic output and successful engagement. Currently, PT uses a contact list from the company Sapó, which is suitable only for situations in which the purpose of the campaign is aligned with the reasons why recipients first opted-in in Sapó's mailing. Thus, it is advisable that PT carefully analyzes who are the people composing the third-party marketing list and evaluate whether a certain e-mail would be considered appropriate or not.

2. Double opt-in request

Moreover, the company must make sure the person who subscribes is really interested in receiving periodic e-mails. PT already respects this guideline through the “double opt-in” mechanism – recipients receive an e-mail asking them to confirm they want to make the subscription. An alternative method is to request a second e-mail filling during the online form registration to ratify the entered address. This practice, however, do not assure that the person who subscribed was the owner of the e-mail, which ends up not being as effective as the previous one.

3. Clean and up-to-date list

After that, it is very important to keep the list clean and up-to-date. A brand's virtual reputation strongly depends on the maintenance of a healthy database, for what is advisable that the company periodically checks for incorrectly formatted addresses, invalid domains and typos. This practice is facilitated if the company has an automated bounce management system in place, to identify soft (when e-mails are not delivered for temporary reasons) and hard (when e-mails are not delivered for permanent reasons) bounces and eliminate the e-mails that are not operational. An example of a bounce management system is Salesforce Marketing Cloud, which allows for better deliverability rates "due to commitment to, enforcement of, and client consultation on permission marketing best practices." The data provided by PT revealed that both PT Empresas and MEO have very high soft and hard bounce rates, compared to the industry's, which suggests a contact list that has not been well maintained and this can strongly contribute for e-mail service providers (ESPs) to be alert for spam issues.

4. "Unsubscribe" option

Furthermore, it is crucial that companies include an "unsubscribe" option in their e-mail marketing campaigns, so the recipients can manage whether or not they want to keep receiving information – preferentially, the button should be incorporated at the very top left of the message. By having an intuitive and easy way to do so, the recipient feels in total control, for what the probability of reporting the messages as spam for saturation reasons decreases. Nevertheless, some recipients may not want to completely shut down the relationship with the brand. In that sense, it is suggested that, by clicking the "unsubscribe" button, they are linked to a communications preferences center, where they can select the type of information they wish to receive, as well as the frequency of the e-mails. In what concerns this topic, PT already includes an "unsubscribe" button in its e-mail

marketing campaigns. However, besides being at the bottom of the e-mail message, does not provide users freedom to completely customize the contact policy according to their preferences.

5. Spam databases and blacklists monitoring

Additionally, companies must check the major spam databases and blacklists on a regular basis, in order to make sure the company's e-mail has not been added, as well as to monitor the spam filters, to learn about the conditions and make sure they are acting accordingly. Moreover, it is also relevant to consider reviewing the IP reputation. SpamAssassin is a free open software that allows to perform a set of tests to the company's e-mails, based on specific rules, and ultimately concludes about the e-mail proneness to spam. Through this tool, PT can analyze its score and work on improving the way it builds e-mail. Nonetheless, Byside already monitors the most relevant spam databases and blacklists; thus, this is a measurement currently being applied.

One of the most effective ways to avoid being blacklisted is by obtaining a paid certification. By complying with defined terms and following a set of rules, the company's e-mail communications are accredited as worthy of delivery in inbox. Again, Byside already ensures that PT's IP is trustworthy for ESPs, enforcing its virtual reputation. However, as an alternative, the organization Senderscore.org also provides these type of certification, under the payment of an established fee.

As a general recommendation, both to help create engagement and avoid recipients reporting messages as spam, it is advisable that the company carefully addresses the frequency factor. The company should create e-mails that involve recipients and meet their expectations, without overwhelming them with too much information in a short period of time. On one hand, "over-mailing" will lead to higher unsubscription rates and to an increase in the number of inactive users – these are often called the "emotionally unsubscribed", representing users that did not unsubscribe

but no longer wish to receive these e-mails. On the other hand, “under-mailing” means losing opportunities to communicate relevant contents in the right moment to the clients. Note that fixed frequency e-mails tend to underperform in comparison to behavior based (or triggered) e-mails, being a trend in e-mail marketing that the former lose weight to the second ones. In this context, it is key to let the recipients choose the frequency that better fits them. Also, it is important to continuously test different frequencies and check which one provides better results. From the survey conducted, people who receive or intend to receive a newsletter (e.g.: marketing e-mail sent with a stipulated periodicity) revealed that the appropriate frequency is of 20,5 days (3 weeks) (see Appendix I – 3). Moreover, only 32,94% of MEO’s clients surveyed agreed that the e-mails they receive have the right frequency – this value is lower in comparison to the ones shown to NOS and Vodafone (38,89% and 47,76%, respectively). This confirms some concerns presented by a PT’s collaborator: “I believe that we are over communicating with our subscribers. The truth is that our offers do not change that much from e-mail to e-mail”. Currently in PT, the marketing newsletters sent vary from a weekly (7 days) to a fortnightly (15 days) periodicity. Also, the overall communication policy establishes that each person can receive at most two e-mails per week, being only one of them promotional. In addition, subscribers are currently not able to customize the periodicity of the e-mails they opted-in to.¹² According to the survey, there is a positive correlation (0,426) between “[E-mails] Have the appropriate frequency” and “[E-mails] Allow me to create/maintain a positive relationship with the brand”; and a negative correlation (-0,368) between “[E-mails] Have the appropriate frequency” and “I usually receive/report [e-mails] as spam”, both for a significance level of 95% (see Appendix I – 2). In that sense, PT should rethink its frequency policy and adequate it to the contents offered. The results presented also suggest that the company

¹ <http://www.dma.org.uk/uploads/ckeditor/National-client-email-2015.pdf>

² <http://www.smartinsights.com/email-communications-strategy/best-frequency-for-email-marketing/>

should invest in a standard 15-days frequency, which will ensure that the content is relevant to the readers. Furthermore, and as previously stated, PT should also provide them with the possibility to adjust their preferences and customize the periodicity of the e-mails received, through a communications preferences center.

Finally, to complement the previous recommendations, it is advisable that companies always test the different campaigns, in order to properly recognize which combination of elements provides the highest potential for effectively attracting the reader's attention and allows for a positive change in the most relevant KPIs.

Limitations and Future Research

One of the most critical limitations faced during the development of this project was the lack of quality and reliable information regarding best practices to apply in e-mail marketing campaigns, both in terms of deliverability and in terms of content and layout. The fast changing environment characteristic of this new promotion tool makes it hard to find up-to-date scientific papers, with enough robust information to cover all the requirements of the study. To bypass this problem, a set of secondary data was accessed and compared, and the most consensual practices were collected and recommended for future application in PT's e-mail marketing campaigns.

Moreover, it was very difficult to gather consistent internal information regarding the different topics analyzed. The departments do not seem to be properly coordinated and the information does not flow across the different teams as it was expected. Sometimes, it was very challenging to come to conclusions and give relevant recommendations, due to the subjective and uncertain nature of the data provided.

Furthermore, the survey conducted was constrained by the way it was disclosed. Since it was self-administrated, the means of diffusion were mainly social networks and e-mail, which covers a restrict sample, predominantly composed of young people, and thus may not constitute the perfect representation of the Portuguese telecommunications universe.

Concerning future research, it is crucial to keep up with relevant work that may be published, in order to follow the trends and better understand readers' concerns and needs, which are constantly changing.

Finally, it may be relevant to explore how marketers actively review their e-mail marketing campaigns, since it is important to keep track of the results to enhance effectiveness.

Conclusion

E-mail has, undoubtedly, proven to be the most effective online marketing tool. Besides its marginal cost, it allows to create an individual and tailored communication with customers, at a fast and appropriate time. However, it is important to address both sides of the question and recognize that e-mail has also drawbacks. The most influent one has mostly arose with the advent of the commercial e-mail and is commonly known as spam.

In that sense, this Work Project intended to present a set of selected e-mail marketing best practices that were considered fundamental in order to help, on one hand, creating engagement and, on the other hand, avoiding deliverability issues and recipients reporting messages as spam. These best practices allowed to a confrontation with what has been done in PT so far and, in line with that, a set of recommendations was carefully presented to help overcoming potential gaps.

According to the analysis performed, Portugal Telecom needs to adjust its e-mail marketing campaigns to a more tailored and personalized approach, in order to best fit customers' interests

and increase engagement, while at the same time fostering brand loyalty and advocacy. Although some measurements are being actively applied, such as keeping its contact list segmented, there is still room for improvement, especially regarding the way they communicate – it is crucial to switch the mass communication for a more customized one. Moreover, spam issues are not being properly addressed and this constitutes the major failure in PT's e-mail marketing campaigns. It is very important to follow the e-mail journey adequately so the company can properly identify deviations. For that purpose, spam rates need to be a part of the evaluation process, in order to have a more accurate and reliable KPI output and make the necessary changes to become more effective and efficient.

In that sense, Portugal Telecom still has some way to go in terms of achieving an excellent and exemplary e-mail marketing campaign strategy. Besides the improvements in the practices applied, it is crucial that the company solves its main internal sources of conflict, in order to create successful campaigns and communicate the brand to customers in a way that is aligned with PT's strategic goals. To get there, the bonds between the different departments need to be strengthened, allowing for a natural and coherent flow of information.

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