

**KARELIA UNIVERSITY OF APPLIED SCIENCES**  
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Quynh Anh Ho Phan

**PERSONALIZATION IN EMAIL MARKETING**  
**CASE STUDY: DEBIC BRAND AT FRIESLANDCAMPINA**

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Tikkarinne 9  
FI 80200 JOENSUU  
FINLAND  
Tel. +358 13 260 600 (switchboard)

Author (s)  
Quynh Anh Ho Phan

Title  
Personalization in email marketing – Case study: Debic at FrieslandCampina

**Abstract**

The advance of digitalization has brought opportunities for companies to accomplish their digital marketing objectives, led by the development of marketing practices, including email marketing. Email marketing has proved to be an effective channel to continue conversations with customers due to its cost-efficiency and the capability to customize messages. However, not all email marketing campaigns are executed in a proper way to achieve their objectives and obtain valuable data for further development. The overload of emails, particularly irrelevant emails creates counter-effects on customers.

It is crucial to deliver relevant marketing messages to segmented groups. Studies have indicated a positive correlation between personalized email marketing and its performance, which depends on the complexity of personalization and industries. This paper examined the effect of personalization on email performance in the foodservice industry while providing recommendations to optimize email strategies. The paper adopted experimental quantitative research. While the research results showed personalized email boosted performance, its effectiveness varies among different groups of customers. As a result, more research and experiments are recommended to clarify the relation between personalization and marketing performance in different targeted groups on wider coverage of the geographic area for improved email strategies.

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Digital marketing, email marketing, personalization, CRM, marketing performance

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# 1 INTRODUCTION

Marketing plays an important role in business growth, as the purpose of marketing is to make a company, a product or service stand out from the crowd. In the age of digitalization, marketing has shifted to digital marketing. Email marketing is an important component of digital marketing strategies. Businesses and organizations utilize email marketing to communicate with customers and provide customized experience throughout the customer journey. Although social media marketing and other channels have been widely used, email remains one of the strongest and commonly adopted marketers due to its cost-efficiency. A noticeable trend in consumer behavior is that individuals demand and expect to receive customized information on different channels during their customer journey. Therefore, personalized email messages are considered effective to acquire and retain customers.

Nevertheless, a lot of companies are not using email marketing effectively, especially personalized email. The dialogue nature of email marketing communication can be easily perceived as a monologue email. There is a fine line between marketing emails and spams, and it should not be overlooked. Consequently, it is important for companies and marketers to educate themselves with marketing knowledge and implement experiments to optimize email marketing tactics.

Having been exposed to a number of digital marketing journals and articles about personalization, the author acknowledged various ways of how a company can implement personalized emails. Most experiments conclude that personalized email marketing improves performance. However, this also depends on the data availability, the complexity of personalization, brand position and the industry. Moreover, customers have to face both good email practices and mal-practices. This raises the importance of sending relevant emails to the right people. In consideration of these mentioned points, the author came to the conclusion that there should be more research on personalized email marketing and performance in the foodservice industry, whether personalization always improves open rate, click-through rate, and click-to-open rate.

The main research question is to study how personalization affects email marketing performance. The study adopted the experimental quantitative research, which allows the author to conduct the experiment and draw conclusions from the testing results. The experiments were conducted for Debic, which is a premium dairy brand at FrieslandCampina. The targeted groups are Dutch and Belgian subscribers. Thereby, the author could make the recommendation for the company's development.

The research objectives of this thesis are first to study how personalization is currently deployed at companies nowadays and its influence on email performance. This provides a background for experiments at FrieslandCampana to examine the best tactics and possibilities for further testing. Secondly, the author also implemented analyses of the company's external and internal situations to evaluate the challenges and other factors that may influence email performance. The last objective of this paper is to answer the research questions elaborately and share insights in testing results for Debic.

## **2 FRAMEWORK**

### **2.1 Email as a digital marketing channel**

Email marketing is an indispensable component of the digital marketing strategy, which includes content marketing, social media marketing, organic and paid search, and digital events. Email marketing is defined as “an online channel used by the organization to send messages to communicate with potential and current customers” and “the most important firm-initiated tool used to approach customers” (Kannan and Li 2017; Gay, Charlesworth and Esen 2007, 404). Emails connect all the marketing efforts, from providing customers information about the brand, products, service or companies' activities to driving traffic to the website and thereby increasing brand coverage (George 2019). Email marketing is currently viewed as the most cost-saving and effective channel; however, consumers may sometimes consider emails irritating and irrelevant (Hartemo 2016). Kannan and Li (2017) reinforced in their experiment that the overuse of email marketing can have a negative influence on marketing performance. According to a study by Data & Marketing Association (2018), email's ROI experienced an increase, which was up to €28 for every

€1 spent, increasing from €25 in 2017. Meanwhile, businesses made an average of €2 in revenue for every €1 spent on paid advertising. In 10 years, the email channel is said to stay the most powerful channel, with 70 percent of respondents agreeing on it (Litmus 2016).

An average office worker receives on average 121 emails per day (Campaign Monitor 2019e). Together with the contradictory in perception towards the importance of emails from recipients has implied the importance of delivering more valuable and effective emails at the right moment by integrating automatization and personalization (Hartemo 2016; Campaign Monitor 2019c).

### **Email marketing funnel**

An email marketing funnel represents the process of turning a prospect to a customer using email tactics. The email marketing funnel is depicted in the digital marketing funnel in the book *Marketing 4.0: Moving Traditional to Digital* by Philip Kotler, Hermawan Kartajaya and Iwan Setiawan (2016).

The funnel begins with product awareness, followed by conversion and ends with loyalty and advocacy. The first stage is to gain awareness of the brand, product or service, and a company aims to establish relationships with potential customers. Potential customers are learning about the company; therefore, it is not recommended to overwhelm them with detailed and product-oriented emails. Also, this should inspire recipients with the content they are looking for when subscribing to emails, then leading them to the consideration step.

The consideration step takes place when potential customers are highly intrigued by additional information, for example, blog articles, webinars or testimonials, which eventually creates the need for a product or service. As a result, a welcome sequence is essential to convey that information and increase potential customers' interest. The conversion step is crucial in the email marketing funnel. This stage is about striking the balance between convincing the customers to take actions, namely place an order, request samples, and download brochures. This may vary based on the specific goals of a marketing campaign.

Although conversion is the crux of the funnel, the journey continues with nurturing the relationship that has been established formerly. The point of this step is to reinforce customers' decisions to buy products over and over again and in the end, they will become advocates for the brand. Customer advocacy marks the fullest success of a marketing campaign. Some tips in this final step are to design a loyalty and rewards program to keep customers engaged and promote the brand.

Figure 1 shows the email marketing funnel consisting of different phases, goals and email tips.

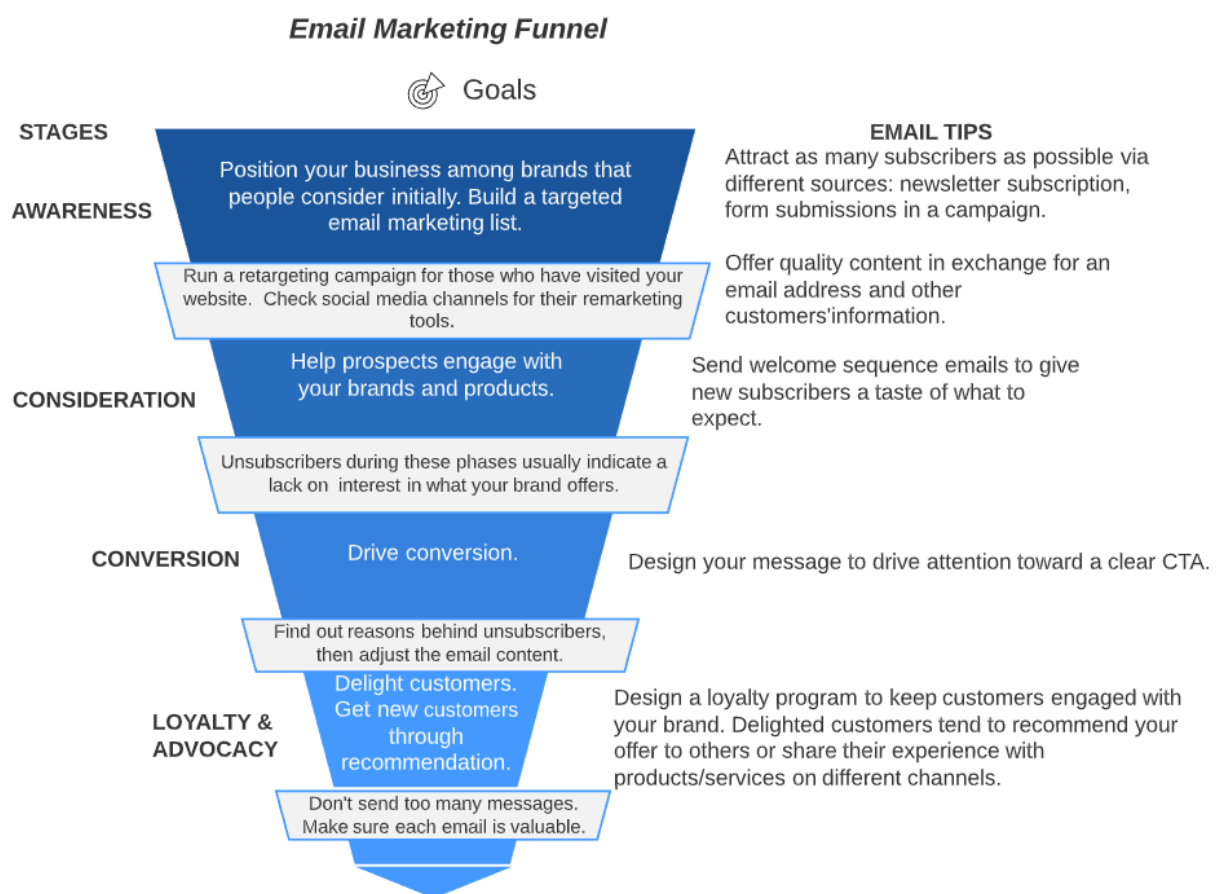


Figure 1. Email marketing funnel, adapted from (Lucid chart 2017)

The digital marketing funnel has evolved to focus more on brand engagement and education. The evolving marketing funnel includes five basic steps as discussed previously but expands into ten steps that accommodate various digital marketing activities (Figure 2). The first six stages happen before and up to the point of sales, while the last four take place after it. Throughout this expanded journey, email marketing plays an important role in every step.

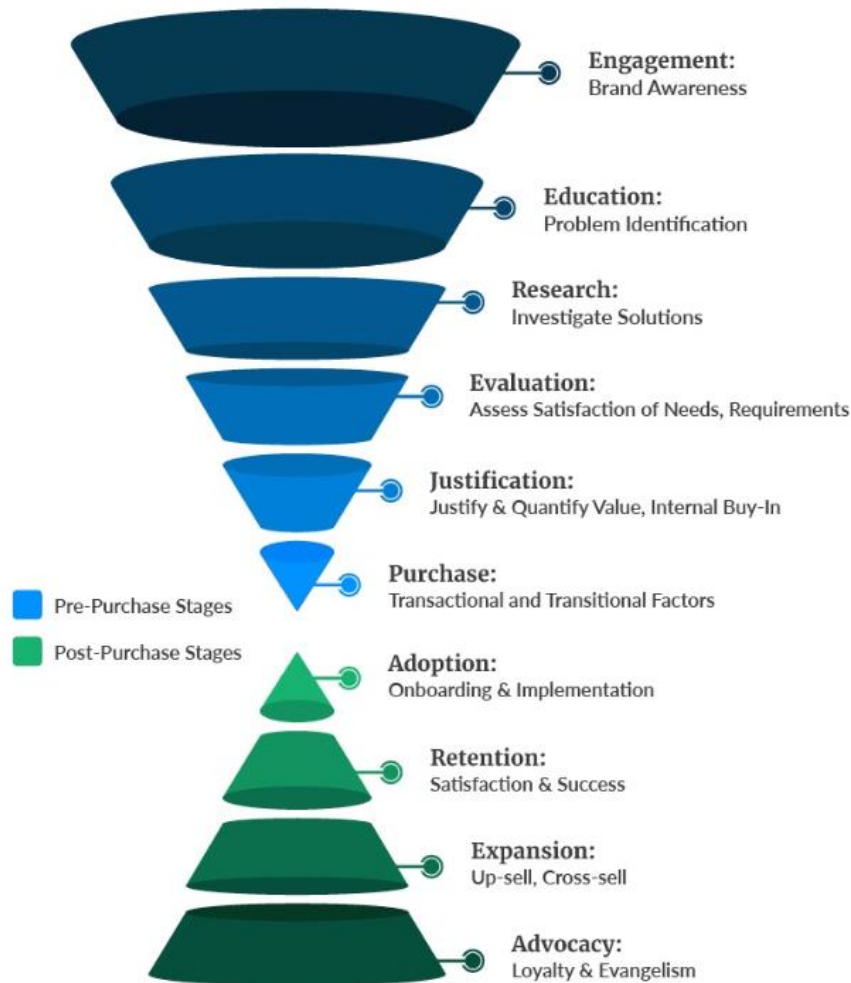


Figure 2. An evolving digital marketing funnel (Taylor 2018)

### Trends and changes in email marketing

According to a study by Litmus (2018), personalization is now one of the trends in email marketing. By 2020, personalization is expected to reach a significant level, together with rule-based triggers, assimilation and creating a connection of data across platforms and channels. Moreover, data and automation will optimize personalized and relevant messages, thereby creating high engagement and conversions.

A remarkable regulation in email marketing is the European Union's GDPR (General Data and Privacy Regulation) which went into effect on 25<sup>th</sup> May 2018. The regulation applies to personal data collection, storage, processing and security both outside and inside the EU and EEA area. In the context of email marketing, this governs the collection and storage of consent to send marketing emails (Litmus 2018) and the consent must not



include pre-checked boxes. This raises the question of whether compliance with GDPR poses a significant influence on email list size among brands. A study by Litmus (2018) found out that 60% of brands fully and partially complying with the regulations saw a maximum of 10% decrease in their email list. These email addresses also count for inactive or unengaged email addresses creating little or no value for the email campaigns. Having said that, companies are suggested to maintain and grow their email list by using organic or paid social media or launching re-engagement campaigns to reactivate and reduce the number of unsubscribes.

### **Email category**

This section will briefly categorize several groups of emails to communicate with subscribers based on a study by Campaign Monitor (2019h). Firstly, newsletters are popular. Their function is to keep the audience updated with blog content, upcoming events or any updates regarding the company that may generate interest from customers. This kind of email is usually sent out on a regular basis.

Another important type of email is promotional emails, which can be easily recognized by the highlight of the product or service on offer. On average, a customer receives 20 promotional emails per day in his/her inbox with the title “X % off” (Campaign Monitor 2019e). Therefore it is important to add more value to the emails about the products or service rather than solely focusing on the offer.

Milestone emails are to celebrate significant moments that a customer goes through on a shopping journey, such as anniversaries and birthdays. With the collection of personal data and the integration of marketing automation, marketers can easily set up an email flow so that whenever a birthday or anniversary rolls out, email can be delivered without any manual intervention. Sometimes customers also receive survey emails that enable customers to gain insights into what they are doing right and what can be improved. It also helps to better understand customers, their interests and preferences.

Transactional emails are indispensable to email marketing. These are automated messages delivered based on sorts of activities such as purchase receipts, confirmation, shipping or password resets (Campaign Monitor 2019a). In 2013, Experian reported that open

rates for transactional emails are up to eight times higher than traditional emails. This type of email, thus, is argued to be an opportunity to strengthen communication with customers after conversion, build brand loyalty and drive revenue.

In hindsight, useful and relevant content is the priority when creating email campaigns (Campaign Monitor 2019g). Nevertheless, the frequency of sending emails also matters. A study conducted by Marketing Sherpa (2015) concluded that 91% of customers want to receive promotional emails and 86% of those would like to receive them at least monthly. This is compared to only 15% who want to get them every day. It indicates that the excessive frequency of sending promo emails may be counter-productive, leading to a decrease in the number of subscribers.

## **2.2 Personalization in email marketing**

This section will study two kinds of personalized emails then investigate what is necessary to personalize emails and their possible effects on customer relationship management.

### **Personalization – Process or technology**

Personalization is considered as a continuous process of collecting, analyzing and utilizing information of individuals to increase the productivity and value of their interactions with the organization (Jackson 2007).

According to Sahni, Wheeler, and Chintagunta (2016), personalization in email marketing can be implemented in two ways. First, it can be done by adding informative content, for example displaying recommended products or products searched for by an individual in the past. Second, it can be implemented with non-informative content (e.g., the recipient's name). Although personalized content can increase the retention of the advertised information over a period of time, their study also implied that the consequences of using non-informative advertising content depends upon the content of the email itself.

The boundary between personalized and over-personalized content in the context of email marketing was examined in a study by White, Zahay, Thorbjørnsen, and Shavitt (2008), stating that higher personalization is likely to reduce the effectiveness of marketing efforts, in particular, when consumers have not yet been convinced or perceived the utility of sent emails. The primary negative reaction to highly targeted personalization efforts mentioned in the study was low click-through intention. Consequently, in order to improve CRM with distinctive personalized messages, companies should increase the perceived utility between an offer and individual preference while justifying the relevance of personal information to the offer (White et al. 2008).

However, personalization is also determined as the fit between personalized offer and consumer personal information (for example address and phone number); or the fit between the target offer and the respondent's personal preference. Having said that, an offer with highly matched individual preferences would induce positive reactions to highly personalized emails (White et al. 2008).

### **Personalization on name**

The first form of personalized email is based on recipients' names. This can be considered as non-informative content (Sahni, Wheeler and Chintagunta 2016). This type of personalization does not change the email content, but the message is addressed to the individual (Kalyanaraman, Oliver and Magee 2010). A study by Campaign Monitor (2019g) revealed that promotional emails personalized by name have a higher open rate than generic emails. In addition, addressing a recipient personally persuades an individual to convert because a customer thinks the recommendations can be trusted (Tam and Ho 2005).

### **Personalization on dynamic content**

Content personalization lies in customers' data to deliver relevant content matching their interests and preferences (Sherbin 2012). The marketers should have an efficient understanding of needs and behaviors, like purchasing histories, future purchasing intentions and preferences in order to customize email messages through a customer relationship management system. A study showed that emails with personalized subject lines are 26% more likely to be opened (Campaign Monitor 2019g).

Furthermore, demographic and geographic data are put into use to offer dynamic content to each customer. This allows marketers to change the entire section of content in an email to make the entire campaign more relevant and appealing. One example of dynamic personalized email content is the email campaigns for the Original series from Adidas (Figure 3). They ensured every subscriber would be exposed to the most relevant items by promoting products based on the subscriber's gender. This would consequently encourage them to make a purchase. In addition, the recommended products at the bottom of an email would increase cross-selling and up-selling based on customers' recent purchases or browsing history.

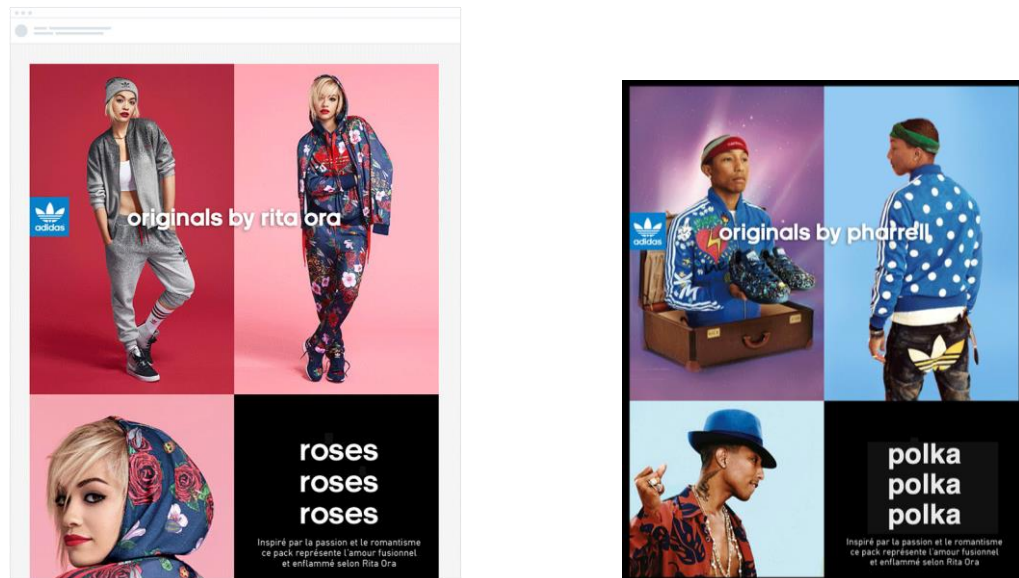


Figure 3. Adidas email campaign example (Campaign Monitor 2019f)

Email marketing personalization and automation are integrated to re-engage customers. According to Campaign Monitor (2019d), an email can be automatically sent to re-engage customers in a certain period after purchase. The data collected at the time the purchase is made is included in email marketing and automation provider. This therefore makes it effortless to enhance a coherent customer journey and stay on the top of the mind with the audience.

### **Personalization techniques for email marketing**

First and foremost, information is essential to personalize emails. The email list should include first name, last name, email, location, gender or birthday. All of this will allow

for segmenting audiences and creating targeted emails. With more insightful customer data, companies can easily set up relevant emails for corresponding groups. There are a few ways to capture customer information, as follows:

- Using email subscribe forms that require customers to fill in first name, last name, company, email address, occupation, gender, birthday, etc.
- Using customer data integration (CDI): According to Rouse (2019), customer data integration is the process of defining, consolidating and managing information across channels and business units. The aim of CDI is to get a 360-degree picture of the customer. It consequently helps marketers to integrate the right content throughout the customer journey and deliver the message at the right time. Companies can integrate it with email marketing software.
- Website behavior tracking: For example, marketers are able to offer subscribers with items left in their digital shopping carts. This is deployed with Google Analytics with Tag Manager.

Nevertheless, the ability to obtain customer information and the consumers' willingness to share information affect the extent of personalization (Chellappa and Sin 2005). Chellappa and Sin found out that consumers are likely to share personal information in exchange for the convenience of placing orders. In particular, privacy concerns have been more prevalent than ever before due to the European Union's GDPR. What this means in the context of email marketing is that a good marketing email should provide value to the recipient and clarify the terms of consent (GDPR EU 2019). Companies can only send emails to their customers if they explicitly opt-in. Customers can choose to opt-in or opt-out for emailing and agree on how their information will be stored and used.

### **2.3 Effects of personalization on email marketing performance**

## Email marketing metrics

An analysis of email marketing performance varies according to different goals of the campaign (e.g., generating leads, form submission or growing customer database). However, there are some basics metrics that a marketer is recommended to measure. Table 1 demonstrates seven essential metrics.

Table 1. Email performance metrics (Campaign Monitor 2019b)

Metrics	Definition	How to calculate it?
Delivery rate	The measurement of whether an email actually get into recipients' inboxes.	Emails delivered/Emails sent
Open rate	It is vital to understanding how well the receivers are receiving your messages. Open rates can give an insight into the success of the subject line.	Email opened/Email delivered
Click-through rate (CTR)	CTR measures how many people click the links in your email. It also shows if call-to-action buttons are effective to engage customers.	Total clicks/ Emails delivered
Click to open rate (CTOR)	This number indicates how effectively the email message performs and if it generates a level of interest by the recipient to click-through to learn more about the content within the email.	Unique clicks/Unique opens
Unique click rate	The percentage of visitors who click on a link (no more than once) contained in an email that was sent to them.	Unique clicks/Emails delivered
Unsubscribe rate	Number of people who unsubscribe to the mailing list.	No. of unsubscribers/Emails delivered
Bounce rate	Bounce rate measures how many email addresses do not receive your email. Along with the open rate, it says the quality of the subscriber lists.	No. of bounces/Emails sent

## Effects of personalization on email performance

Personalization is considered effective because it focuses on individuals' needs and demands. A study by Campaign Monitor (2019g) suggested that email with personalized subject lines are 26% more likely to be opened. The open rate for the personalized email was 18.8%, compared to 13.1% without any personalization. Consumers demand and expect relevant and customized content and experience throughout the customer journey, regardless of it being online or offline. In addition, relevant subscribers only receive relevant information. This leads to a high delivery rate and low bounce rate. The open rate of personalized email was 18.8% compared to 13.3% of generic emails, and personalization also improved the click-through rate by 10% (Statista Research Department 2016).

According to a report by Litmus (2018), list segmentation influences the email marketing result. By narrowing the focus and sending relevant messages to a targeted group, open and click-through rates showed a significant improvement. To be more specific, segmented email campaigns have an open rate that is 14.32% higher than non-segmented campaigns (Litmus 2018). Segmented email campaigns based on database fields get 54.79% higher clicks than non-segmented campaigns. With the segmented email lists based on data like location and job title, open rates increased by almost 19%, and click-through rates by almost 22% compared to its non-segmented counterpart (Litmus 2018).

Nevertheless, personalization is not the only component that affects email performance. Research by Maslowska, Smit and Putte (2013) reveals tailored messages are more highly appreciated among individuals who have a higher need for uniqueness. It is important to investigate other factors, for example, the complexity of personalization, brand position, email content, operating environment and competition.

#### **2.4 Personalization in email marketing and customer relationship management (CRM)**

According to Jackson (2007), CRM is:

A business strategy for managing a company's acquisition, development, and retention of their customers in order to achieve mutual long-term value and benefits. Components that are required to deliver or implement CRM include strategy, people, process, analysis, and tools...Personalization and CRM are complementary to each other.

In agreement with Jackson, Redding (2015) defines CRM as "a system that allows the business to identify, acquire and retain customers with a database at its heart". On the other hand, Ekhlasi, Maghsoodi and Mehrmanesh (2012) argue that CRM is "a business process identify, choose, acquire, retain, develop and serve customers in a better way with the use of information and purchase history".

In general, the purpose of CRM is to improve the organization's relationship with individuals such as customers, service users, colleagues, and suppliers. A conclusion by Salesforce is that CRM may refer to one of these three things: technology (also known as CRM system), strategy and process (Salesforce 2019). Personalization in email marketing has a close correlation with customer relationship management because email marketing helps to acquire and retain customers, thereby developing customer database and optimize the customer journey both online and offline.

### **3 RESEARCH METHODOLOGY**

The topic of the research is not relatively new and has not been frequently conducted in an academic environment. Instead, several conclusions and suggestions have been drawn in a practical environment, namely A/B testing at companies. It is worth mentioning that the A/B testing result varies among industries. Therefore, it is empirical that this research is conducted in a business environment and data and information are reliable, accessible and thorough enough for further discussion.

The research approach is an experimental quantitative method. This is one of the most common methods which allows a random selection of research sample and control of variables. The goal of an experiment is to determine a cause-and-effect relationship between defined variables (Tanner 2018). In the case study of FrieslandCampina, the author conducted experiments on a control group and a variable group and analyzed results. In each test, there is a hypothesis so that the author could further investigate the experimental results.

The tests were run based on classic A/B testing used to compare several versions of the same elements to decide which one brought a higher open rate, click-through rate and low unsubscribe rate. Each email version was delivered to 50% of the mailing list. At the end of the email campaign, the winner was determined based on the above-mentioned metrics and the author analyzed and discussed the findings in the light of frameworks, objectives and provided recommendations for the case company.



## **4 CASE STUDY: DEBIC BRAND AT FRIESLANDCAMPINA**

This chapter aims to provide background information about FrieslandCampina and the foodservice industry in which the author was doing an internship as an International Digital Marketing intern. This will help to have a better understanding of the context of experiments and eventually determine factors in the operating industry impacting email performance.

### **4.1 FrieslandCampina and Debic**

Royal FrieslandCampina, which will be named as RFC, is a Dutch multinational dairy cooperative and was founded in December 2008. It produces and sells consumer products such as dairy-based beverages, infant nutrition, sports nutrition, cheese, butter, cream and many more in European countries, Middle East & Africa and Asia. At the moment, RFC has branch offices in 33 different countries with approximately 23,769 employees (FrieslandCampina 2019.). This makes the company the world's biggest dairy co-operative and one of the top five dairy companies in the world, with an annual revenue of 12.1 billion euros (Royal FrieslandCampina N.V 2018).

One of FrieslandCampina's brands is Debic, which is the focus of this study. Debic is a premium brand dedicated to professional chefs and bakers present in six countries: the Netherlands, Belgium, Germany, France, Italy, Spain, Poland, Denmark, and Sweden. Debic was established in 1920 by a young milk collector Jean Debije. The vision of Debic is to: "Provide chefs and bakers with a solid base of dairy tools that they can trust blindly" (Royal FrieslandCampina N.V 2018).

As a reliable partner for professional customers, Debic always strives to inspire them with high quality and highly functional products, along with up-to-date recipes and other supporting materials such as magazines and brochures.

## Debic products

The brand offers a wide range of products for chefs and bakers, which is categorized into six groups: cream, ice & shakes, desserts, fillings, and butter. Debic offers more than 40 different products in total. See examples of Debic products in Figure 4.

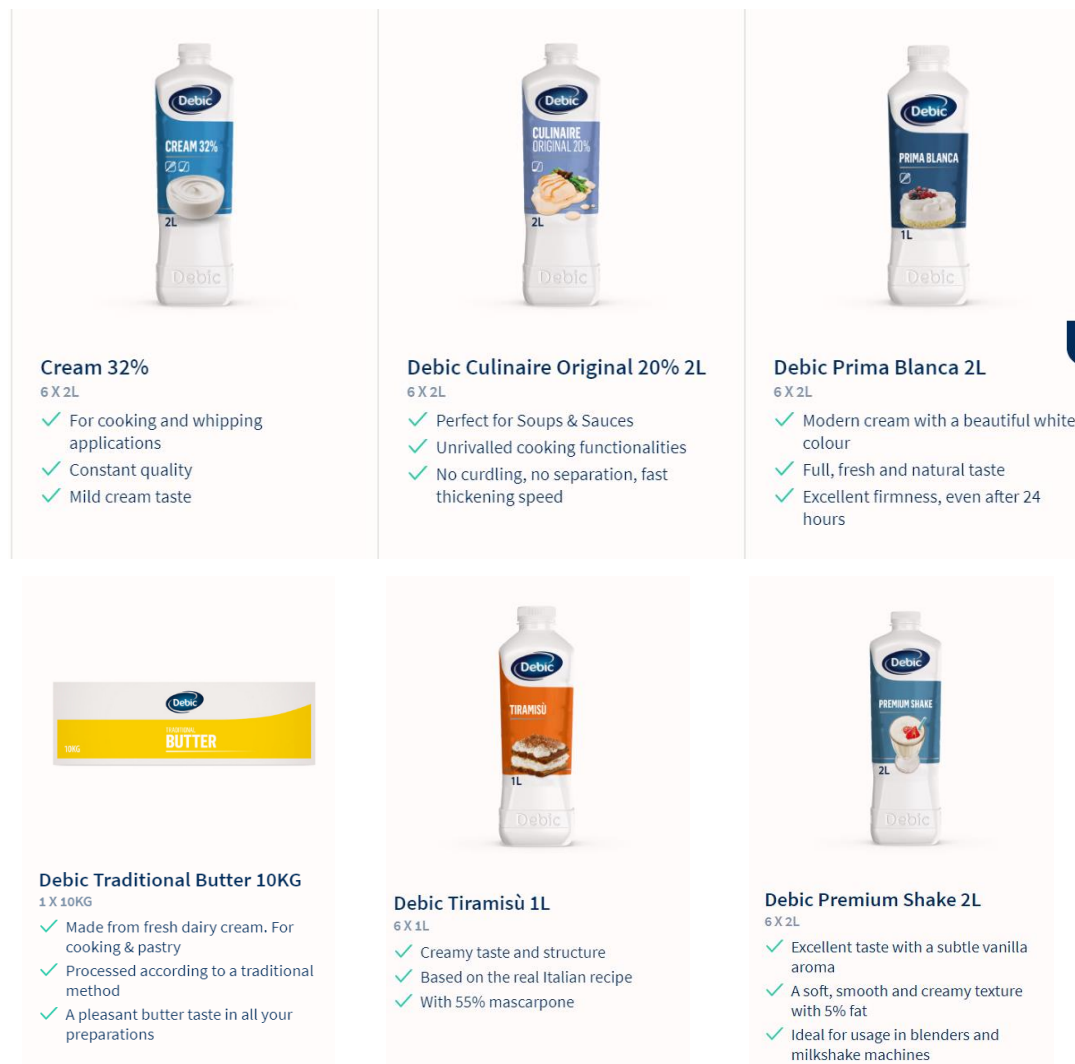


Figure 4. Debic products

Debic products focus on two aspects: possibilities and usage. Possibilities mean incorporating expertise into products that encourage professional customers to create dishes that they could not do easily without Debic. Usage refers to the convenience when chefs and bakers use Debic in their recipes, which helps to take steps away in preparation while maintaining authenticity.

## **4.2 Debic user personas**

Debic user personas help to visualize the group of email recipients and to improve marketing tactics based on the users' behaviors. User personas are formed based on an internal research within FrieslandCampina on the whole customer journey online and offline. In general, chefs and bakers are the two biggest customer groups. They are passionate about their jobs and also aware of a limited amount of time. Both groups look for inspiration from different channels (for example, email and social media) to enhance their customer's experiences at their bakeries and restaurants. This is an important reason to optimize digital marketing strategies, especially email marketing tactics to acquire and retain customers. It is also rational why the author decided to undertake experiments on the email channel for these groups of customers.



## TOM

Chef - Owner of Pannenkoek Restaurant

*"I'm not a chef. But I'm passionate about food - the tradition of it, cooking it and sharing it."*

### Demographics

- Age: 45
- Family: Married, two children
- Location: Rotterdam, The Netherlands
- Owner of a restaurant for 3 years

Practical	Experiement
Creative	Loyal

### Tech

Though I am busy with my business, I keep myself updated with trends by **following chefs** and other professional food channels on **social media**. I also browse recipes on the Internet and **subscribe to newsletter** to receive more inspiration for my menu. I **check my emails** every morning.

### Bio

Most of my time is occupied with my business - creating new dishes to delight my customers and my family. Being a chef has long been my dream since I was a kid. I love being in the kitchen and experiment with my new recipes that reflect my personality and style.

It is a demanding job which makes my work and life imbalance. Therefore, I love using any products that are convenient, for example, dessert products and save me some time to prepare. I am also a loyal customer to Debic because of its high quality. I usually buy Debic products via a wholesaler in the suburb of Rotterdam.

### Motivation & Goals

#### MOTIVATION

- Run a profitable business
  - Stay on top of trends and new techniques
  - Creat dishes and menus that differentiate from others and reflect my personality
  - Get inspired on/offline network
  - **Personalize experience on the online network.**
- Want to check information about new products for chefs on the website and **receive relevant recipes and inspirational brochures** monthly at least.

#### GOALS

- Differentiate
- Save time on preparing
- Serve the right dish to the right person
- How to balance between being profitable vs being creative

### Frusrtrations

- Stress, time constraint
- High customer expectations and demands

Figure 5. User persona 1 - Chef Tom



Figure 6. User persona 2 – Baker Tim

### 4.3 Foodservice industry

The scope of the foodservice industry analysis focuses only on the Netherlands and Belgium due to the availability and accessibility of the experimental groups. The foodservice

industry or catering industry encompasses all businesses, services, and activities involved in providing food consumed away from home (Study.com 2019). Nowadays, foodservice operators encounter ever-increasing consumer demands. The challenges are to provide fresh, quality, nutritious dishes as quickly and efficiently as possible. They also aim to meet new dietary trends while maintaining the costs low and enhancing customers' experience. According to Anchor Food Professionals (2019), dairy is vital to the foodservice industry with €1 of every €5 spent on dairy-intensive foodservice products. That is to say, the analysis of the foodservice industry will be focused on the dairy sector in this research. The analysis examines external factors that influence the operation of Debic in the Netherlands and Belgium.

### **Dutch dairy sector**

The dairy sector is facing a political issue in the Netherlands due to governmental moves to reduce CO<sub>2</sub> and nitrogen emissions in agriculture. It is an important sector of the Dutch economy with dairy export value worth 8.7 billion euros in 2018. It is the second-highest export value in agricultural exports last year which was worth 90.3 billion euros in 2018 (Statistics Netherlands 2019). However, all of this comes at an environmental cost with carbon and nitrogen emissions. A new regulation from the Dutch government is going to cut down on nitrogen emission, including a program to buy up old, inefficient farms and subsidies to help other farms modernize (Corder and Dejong 2019). This has encountered fierce protests from Dutch farmers. It has implications on the cost of production, managing volatility at the farm level and the implementation of new technologies. This will considerably influence the power of suppliers for Debic.

In terms of economics, in 2019, the European Union has entered new trade agreements with Vietnam, Canada, Japan, Australia, and Singapore. As part of the European Union, the Netherlands benefits from these trade agreements, meaning that there are more opportunities to export dairy products at a low tariff. Particularly, Debic can expand its business outside Europe and establish a foundation for further development.

A report by Deloitte (2017) emphasizes four noticeable consumer trends in the dairy sector. Nowadays, consumers are more aware of health and wellness. Consumers are adopting a variety of dietary trends, such as vegan and vegetarian. They are considering more

nutritional content, organic production, and natural or planted ingredients. Another point is safety concerns, which have significant interplay with health and wellness. The attributes of the safety concerns are better labeling and the absence of allergens such as gluten, glucose, and egg. This requires Debic to constantly innovate their products.

One of the ethical concerns is sustainability, which stays at the forefront of minds today. Consumers are more concerned about product origins, environmentally-friendly packaging, and sustainable production processes. This seems to have a low impact on buying decisions. However, the company also needs to communicate this topic transparently and explicitly.

Consumers increasingly anticipate a personal experience with more personalized product offerings. They expect to have a consistent customer journey on both online and offline channels. Customers are also actively looking for information related to products and companies. Moreover, they are searching for inspirations to leverage their creations while maintaining profitability throughout the whole journey: pre, during and post-purchase (Deloitte 2017).

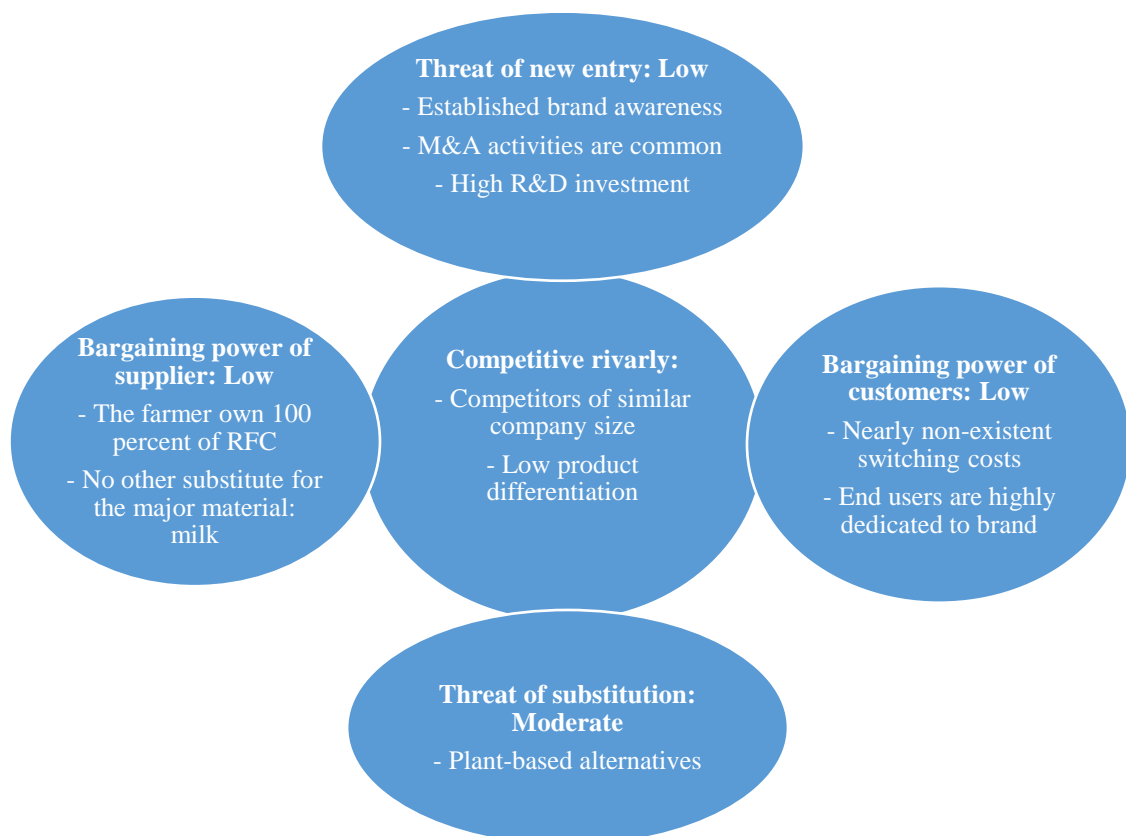


Figure 7. Five Forces analysis of the foodservice industry

An analysis of the operating environment of the dairy sector establishes a foundation for an insight into the foodservice industry (Figure 7).

### **Bargaining power of customers: Low**

Customers of foodservice are the end-users who are chefs and bakers. Buyer power depends on the structure of the markets and the character of the product. The main distribution channel for the professional dairy is wholesalers. End buyers have low bargain power in spite of nearly non-existent switching costs. They are professional customers who are well-educated regarding the products and highly loyal and dedicated to a brand.

### **Bargain power of suppliers (dairy farms): high**

The dairy processors are dependent on a major raw material (milk) and there is no other substitute for it. There are approximately 18,000 dairy farms in the Netherlands with similar production power. In addition, the 18,261 member dairy farmers in the Netherlands, Germany, and Belgium own 100 percent of RFC, meaning that the supplier power in the dairy industry can be relatively high.

### **Threat of substitute product: Moderate**

Dairy products are important in the foodservice industry and they are used directly or indirectly. Nevertheless, it is possible that consumers replace conventional dairy products with vegetable alternatives, such as almond milk, soya milk, coconut milk and many others. This is accompanied by new dietary trends and allergens that were discussed in the analysis of the dairy sector. Overall, the threat of substitute dairy products can be assessed as moderate.

### **Threat of new entrants: Low**

The food service industry has various entities that offer a wide range of options to switch from one brand to another. However, some companies have already had established brand awareness, such as Nestle, Danone, FrieslandCampina, Arla Foods, and Unilever (Figure



8). In the Netherlands, two main players are RFC and Unilever. This makes it difficult to enter the market. For the third year in a row, there are no new entrants to the top dairy companies due to the lack of elephant deals (Rabobank 2019). In addition, M&A activities remained active in the industry. FrieslandCampina entered into a contract manufacturing agreement with Germany's largest dairy cooperative, leveraging its position in the list of global top dairy companies.

2019	2018	Company	Country of headquarters	Dairy turnover, 2018*	
				USD billion	EUR billion
1	1	<b>Nestlé</b>	Switzerland	24.3	20.6
2	2	<b>Lactalis</b>	France	20.8	17.6
3	3	<b>Danone</b>	France	18.0	15.2
4	5	<b>Fonterra</b>	New Zealand	14.3	12.1
5	6	<b>FrieslandCampina</b>	Netherlands	13.8	11.6
6	4	<b>Dairy Farmers of America</b>	US	13.6	11.5
7	7	<b>Arla Foods</b>	Denmark/Sweden	12.4	10.5
8	9	<b>Yili</b>	China	11.2	9.5
9	8	<b>Saputo</b>	Canada	11.0	9.3
10	10	<b>Mengniu</b>	China	10.3	8.7
11	11	<b>Dean Foods</b>	US	7.5	6.3
12	12	<b>Unilever</b>	Netherlands	6.7+	5.7+

Figure 8. Turnover of competitors in the market (Rabobank 2019)

There are some other high barriers to entry in the foodservice industry, namely laws on food safety, high investment in R&D activities and the requirement of reliable supply chain and distribution channels. However, products are pushed through wholesalers, and there exist risks of them copying and sell them to customers.

### Rivalry among existing competitors:

Competitors of similar sizes exist in the Netherlands and Belgium. They are highly committed players that have been present on the market for around 100 years. Although professional customers are loyal to the brand, there is low product differentiation (Figure 9).



Figure 9. Unilever product (left) and Debic product (right)

In conclusion, the operating environment of Debic is an oligopoly due to the small number of players in the market. The company has to excel in product innovation, marketing strategies, and services in order to create loyalty to retain existing customers and acquire new ones.

#### 4.4 Email marketing at Debic

This sub-section will investigate the strengths and weaknesses of email marketing at Debic while looking at the opportunities and challenges of email activities.



Figure 8. SWOT analysis of email marketing at Debic

Debic is perceived as a premium brand for chefs and bakers in the Netherlands and Belgium. It has been present on the market for 100 years. During the internship at FrieslandCampina, the author discovered that marketing campaigns are actively running throughout the year on different channels, including printed materials, social media platforms such as Facebook and Pinterest, points of sales and events. This has significantly reinforced the brand position and its presence in targeted segments. In addition, the launch

of a new website in early November 2019 with the more interactive interface has created more opportunities to engage them with inspirational content, thereby capturing more customers' information via form submission. This helps to grow the database of Debic, which is vital for email marketing activities.

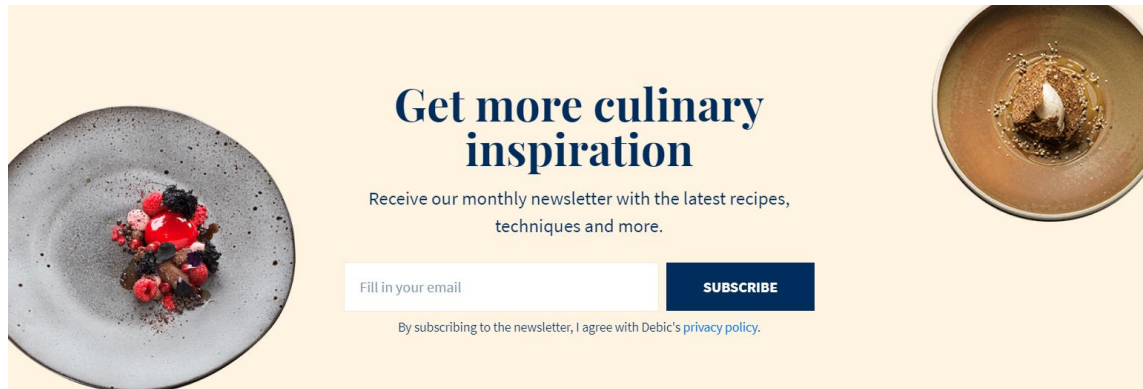


Figure 9. Newsletter subscription form

However, the brand has a traditional sales approach to communicate with customers due to the characteristics of products and channels, and customers are not fully aware of Debic's presence on different marketing channels. In addition, each country has its own CRM tool for the Sales team. It has led to a gap in customer database because online and offline activities are not synced, which can be difficult for email marketers to implement personalized emails. For example, there is no record on how many Debic orders a customer has made, even though there is information about the product that customers mostly use. Therefore, Debic is not able to do create the dynamic email content.

One significant weakness of Debic is the new name. The brand used to be called 'Hollandia' and changed to Debic in 2015. Professional consumers are loyal to products. Therefore they complained and switched to another brand since they considered a new name as a new product. This has caused a loss for Debic and made it challenging to gain as strong a reputation as before.

Furthermore, the brand does not have any structured email tactics. Email marketing activities were being set up from the beginning with a new mailing tool (Salesforce Pardot). This poses a high chance of losing connection with online consumers because Debic does not provide inspirational content and product information as they expect when subscribing to the newsletter.

Digital transformation in the foodservice industry, together with improved tools and technology, is an opportunity for Debic to leverage email marketing activities. Automation in email marketing makes it easy to set up triggers and email flows, making it less manual work and the right moment for customers. Digital solutions allow the company to personalize messages for customers and deliver them at the right times. Data can be gathered by various sources, including points of sales, events, websites, emails, and social media can be used for strategic decision-making. As mentioned in the sub-chapter 4.3, more dietary trends are coming, which helps to generate more and more relevant and insightful content. This is an opportunity for Debic to impress consumers about highly functional but authentic and up-to-date products with ingredients that meet customers' demand. Another point is GDPR that helps to clean up the mailing list and exclude consumers who do not want to opt-in to the mailing list, hence improving email performance (for example high delivery rate and low unsubscribe rate). On the other hand, Debic can also establish an email flow to re-engage opted-out people.

Cybersecurity and filter emails are the two main concerns in email marketing. Consumers are reluctant to view and read emails from an unknown source and it is strongly advised to revise the sender's email address from Debic to increase reliability. In addition, fake email accounts generated by the machine can also make the mailing list unhealthy, leading to imprecise email performance. In terms of filters in Inbox, the new system of filters, for example, Promotions tabs, may sort out emails that look like Promotion. This affects engagement from customers. Fierce competition from other players on online platforms with offers and deals also affects email performance.

#### **4.5 Conclusion**

Debic has strengths and opportunities to implement and improve email marketing activities. In spite of the fact that the brand is operating in a traditional and sensitive sector with challenges regarding sustainability and environmental issues and cybersecurity, which affects suppliers and buyers, opportunities in digital marketing and content creation will enable Debic to gain reputation, increase the coverage across multiple platforms and ensure customized experience.

Having acknowledged the strengths and weaknesses of the brand, the author decided to deploy three A/B tests to determine the optimal email strategies. Another goal of implementing A/B testing is to answer the research question of how personalized emails can influence performance.

## 5 IMPLEMENTATION PROCESS

This chapter will go through the implementation process of three A/B tests that were conducted together with local marketers in Belgium and the Netherlands and a third-party agency. The aim of this chapter is to provide background information of experiments, including hypothesis, groups of testing, email content and the procedure.

As specified in Chapter 2, personalization has been a top priority for marketers because customers want to be seen as individuals. In order to evaluate the effect of personalized email marketing on Debic customers, the author of this thesis conducted three A/B experiments. Given that Debic is having the first step in digital transformation and growing its customer database, personalization was employed on the basic level.

### 5.1 Experiment 1: Segmented mailing list in the dessert campaign 2019

**Group of the experiment:** Subscribers in the Netherlands, including caterers (who are having a catering business) and operators (business owners in general).

**Personalization method:** Segment the mailing list

**Hypothesis 1:** Emails sent to segmented mailing lists have a higher open rate, click-through rate, and click-to-open rate.



Dessert campaign is an annual campaign at Debic that provides recipients with inspiration for their business and trending dessert recipes. It is to raise awareness of Debic dessert

products, educate subscribers, thereby driving them to actions to request printed materials and order products.

The dessert campaign 2019 of Debic started in September, and the author of this thesis had been involved in the implementation of an email campaign from mid-September. The email campaign was undergone by a third-party agency, and Debic used Salesforce and Salesforce Pardot to retrieve mailing lists and send out emails. Regarding content creation, Debic's Marketing Manager, together with the Communication Manager, Country Managers, and Culinary Advisors came up with the storyline and content for each email. A remarkable distinction between the dessert campaign 2019 and the one in 2018 is the mailing list. The former campaign includes two segments: the operators and caterers, while the latter one does not segment the list.

The first email, which is the introduction email, was delivered at the beginning of September. This was followed by a reminder email that has the same content as the introduction email. The subject line changed to emphasize that this email is going to give a lot of inspiration and tips in the catering industry. If recipients open this reminder email, they will be moved to a flow in which they receive the flow of email about business tips, creativity with the menu, how to improve their guest's experience and an inspiration dessert recipe. The results of the dessert campaign 2019 were investigated three weeks after the last email was sent out.

Figure 12 depicts the email flow of the dessert campaign, including visuals and the content:

	Dessert campaign 2018	Dessert campaign 2019 (Caterer segment)	Dessert campaign 2019 (Operator segment)
First email	Do you need help with your desserts?		
	 <p><b>Zet eens een keer wat anders op de kaart!</b></p> <p>De komende 7 weken, willen wij onze favoriete desserts met jou delen! Natuurlijk ben je welkom om ze als jouw eigendom te claimen.</p> <p>Schrijf je in en ontvang desserts die:</p> <ul style="list-style-type: none"> <li>- In een paar minuten te bereiden zijn</li> <li>- Ruimte bieden voor een creatieve twist</li> <li>- Moesteloos je marge verbeteren</li> </ul>	 <p><b>Iedere chef heeft een geheim recept..</b></p>	 <p><b>Makkelijk te bereiden desserts</b></p>
3 days later	Get inspired for your dessert menu!		
	 <p><b>Eik laagje een verrassende smaak!</b></p> <p>De klassieke trifle is een nagerecht uit de Engelse keuken en bestaat uit meerdere lagen in een glas of een glazen kom. Wil meer van dit soort inspirerende recepten ontvangen?</p> <p>Schrijf je in en ontdek onze inspirerende desserts!</p>	 <p><b>Iedere chef heeft een geheim recept..</b></p>	 <p><b>Makkelijk te bereiden desserts</b></p>
5 days later	How to increase revenue by selling desserts?		
	 <p><b>Een smakvolle margemaker</b></p> <p>Het maken van klassieke desserts kost veel tijd. Maar dat hoeft niet. Met desserts van Debic duurt het maken van het perfecte dessert slechts een paar minuten.</p> <p>Dus terwijl je geen waardenloze uren hoeft te besteden aan mixen en platen, krijg je toch de perfecte smaak en verdien je geld!</p> <p>Ontdek hoe je nog meer marge kan maken.</p>	 <p><b>Heerlijke desserts in een fractie van een seconde.</b></p>	 <p><b>Heerlijke desserts in een fractie van een seconde</b></p>
A week later	Be creative with your menu		
	 <p><b>De perfecte basis om creatief te zijn!</b></p> <p>Veel chefs kennen de mogelijkheden van desserts wel maar onderschenden zich niet. Met de desserts van Debic kun je in een handomdraai een creatieve draai geven aan jouw desserts.</p> <p>Ontdek de vele mogelijkheden en laat je nu inspireren!</p>	 <p><b>De kunst van het samenstellen van een menu.</b></p>	 <p><b>Winstgevende desserts creëren</b></p>

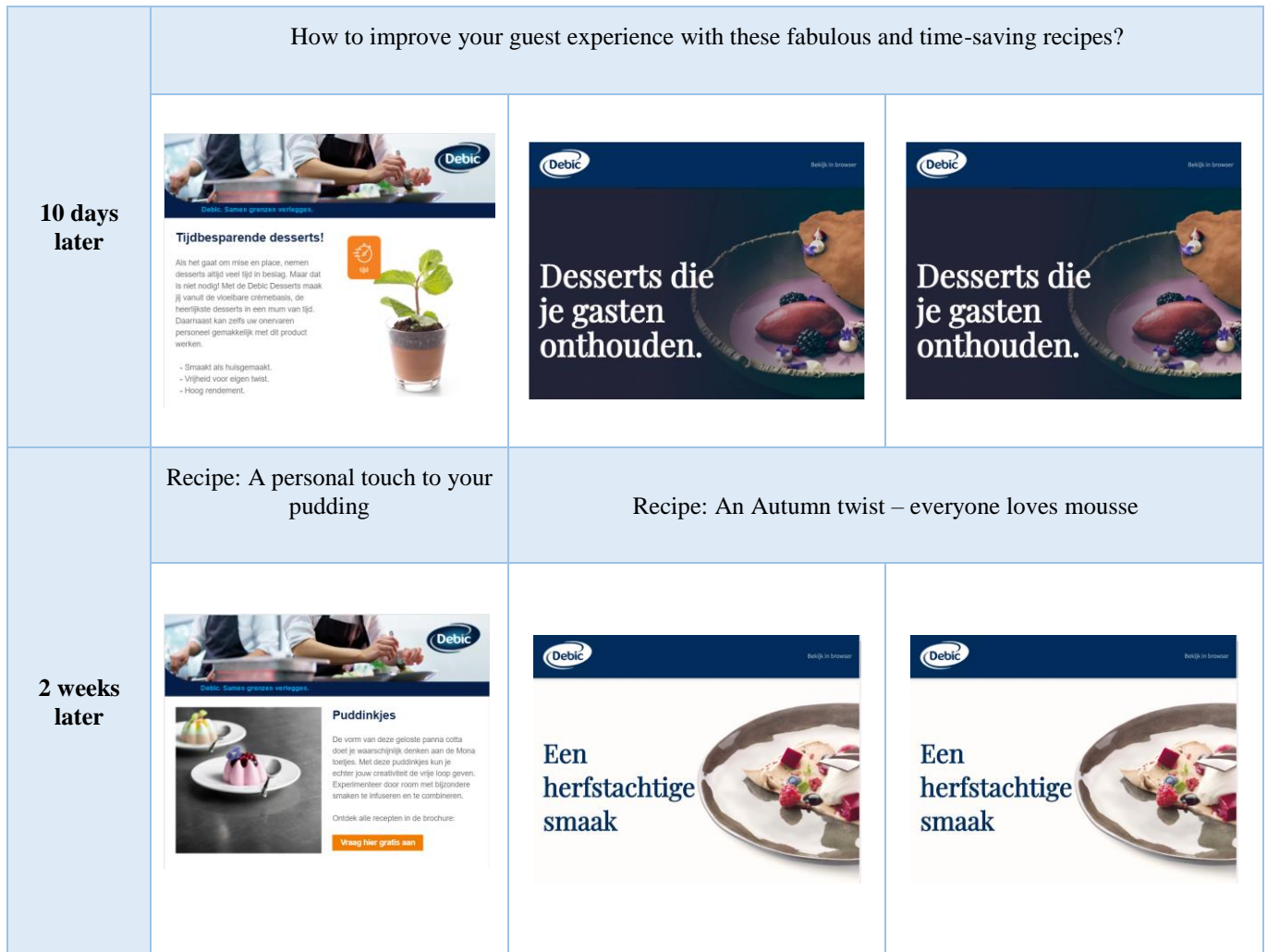


Figure 10. Email flow of the dessert campaign 2018 and 2019

In terms of retrieving data from the dessert campaign 2018, the author used a Salesforce Pardot report to obtain raw data and visualize it with Excel graphs. After that, this report was compared to the result of the dessert campaign in 2019.



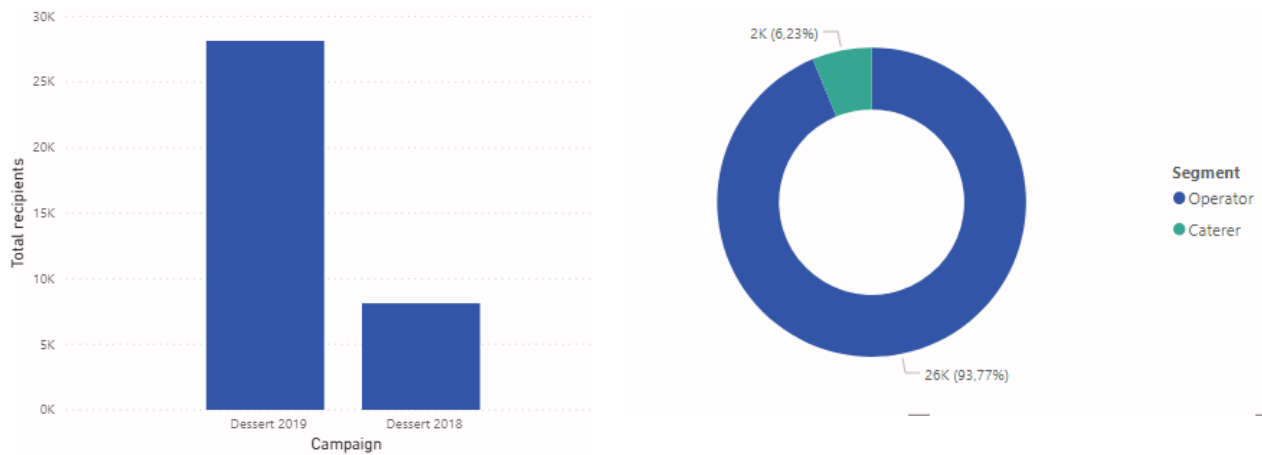


Figure 11. Segments of the dessert campaigns

Clearly, the database of Debic in the Netherlands has grown significantly, and the segment was derived from sales activities and information gathered via social media, form submission and events. The number of operators is higher than the number of caterers, which is worth examining the difference in the performance of each group.

## 5.2 Experiment 2: Personalization in the monthly newsletter in Belgium

The monthly newsletter in Belgium aims to inspire subscribers with exclusive recipes and engaging stories from culinary advisors, food trends and updates of Debic's activities at events.

Together with a local marketing team in Belgium, the author implemented a test to investigate the impact of personalized subject line on email performance. The mailing list was retrieved from Data Outlet and Salesforce, and emails were sent out by the Campaign Monitor. Email content and copy were briefed by a local marketer in Belgium, in two languages: Dutch and French. This is due to the business operation in the local country. The test results were analyzed three weeks after emails were delivered. The data was extracted from the Campaign Monitor tool and then visualized in graphs. As there are two main languages in Belgium, the email segments are divided based on geographic area: BE\_NL (meaning Belgium\_Dutch area) and BE\_FR (meaning Belgium\_French area).

**Personalization method:** Personalize subject line with the recipient's first name.

**Hypothesis 2:** Personalized subject line boosts open rate and click-through rate.

### 5.2.1 Monthly newsletter for HORECA subscribers

**Group of the experiment:** Subscribers having businesses in the HORECA industry in Belgium. HORECA stands for hotel, restaurant, and café.

The mailing list for the Horeca segment is divided into two groups (Table 2).

Table 2. Number of HORECA recipients in Belgium

Region	Control (Generic email)	Variable (Personalized email)	Total
<b>BE_NL</b>	1.745	1.665	3.420
<b>BE_FR</b>	231	221	451

The monthly newsletter was delivered in November 2019. The purpose of this email was to provide information about an upcoming fair in Belgium. It also included a description of an ongoing dessert competition with a CTA button that directs to a submission form. The personalized email is indicated by the first name of the recipient in the subject line and email copy which is highlighted in red. Figure 14 shows the newsletter in the Dutch language.

## Personalized email

Subject: **Stacey, ga gratis naar Horeca Expo dankzij Debic**



Beste Stacey,

Gaat u voor groen? Wij zeker, want ecologie en duurzaamheid zijn niet meer weg te denken uit onze sector. Ook op Horeca Expo, want het thema dit jaar is 'Taste the green future'.

Maar uiteraard draait deze topbeurs rond verrassende smaken en concepten. Daarvoor bent u van harte welkom bij Debic, want we hebben weer heel wat in petto. Leuke creaties met onze **dessertbasissen**, bijvoorbeeld. Of enkele gerechten uit ons **nieuw pastaconcept**. Maar vooral: originele sauzen op basis van de **verbeterde Debic Culinaire Original**. Goed voor een nóg romiger mondgevoel en 10% meer sausrendement\*.

En er is meer! Want u kan aan onze stand mee profiteren van onze beursacties! Gratis naar Horeca Expo gaan? Lees dan zeker verder want we delen gratis duotickets uit!

U vindt ons een week lang in hal 1 aan stand 1100. Kom dus zeker eens langs.

Tot dan!

Het Debic-team

\* Getest in een wittevinsaus in het bijzijn van een gerechtsdeurwaarder. Verbeterde receptuur getest versus vorige receptuur van Debic Culinaire Original.

## Generic email

Subject: **Gratis naar Horeca Expo dankzij Debic**



Beste chef,

Gaat u voor groen? Wij zeker, want ecologie en duurzaamheid zijn niet meer weg te denken uit onze sector. Ook op Horeca Expo, want het thema dit jaar is 'Taste the green future'.

Maar uiteraard draait deze topbeurs rond verrassende smaken en concepten. Daarvoor bent u van harte welkom bij Debic, want we hebben weer heel wat in petto. Leuke creaties met onze **dessertbasissen**, bijvoorbeeld. Of enkele gerechten uit ons **nieuw pastaconcept**. Maar vooral: originele sauzen op basis van de **verbeterde Debic Culinaire Original**. Goed voor een nóg romiger mondgevoel en 10% meer sausrendement\*.

En er is meer! Want u kan aan onze stand mee profiteren van onze beursacties! Gratis naar Horeca Expo gaan? Lees dan zeker verder want we delen gratis duotickets uit!

U vindt ons een week lang in hal 1 aan stand 1100. Kom dus zeker eens langs.

Tot dan!

Het Debic-team

\* Getest in een wittevinsaus in het bijzijn van een gerechtsdeurwaarder. Verbeterde receptuur getest versus vorige receptuur van Debic Culinaire Original.

	<p><b>Win een gratis duoticket voor Horeca Expo!</b></p> <p>Dankzij Debic hoeft u niets van Horeca Expo te missen! Wij geven 50 gratis duotickets weg zodat u alle voordelen van onze producten zelf kan komen ontdekken én proeven. Een duoticket in de wacht slepen? Mail uw gegevens (namen van de 2 bezoekers, naam bedrijf, adresgegevens, telefoonnummer en e-mailadres) naar <a href="mailto:horecaexpo@debic@android.be">horecaexpo@debic@android.be</a>. De eerste 50 inzendingen winnen tickets. Snel zijn is dus de boodschap.</p>		<p><b>Win een gratis duoticket voor Horeca Expo!</b></p> <p>Dankzij Debic hoeft u niets van Horeca Expo te missen! Wij geven 50 gratis duotickets weg zodat u alle voordelen van onze producten zelf kan komen ontdekken én proeven. Een duoticket in de wacht slepen? Mail uw gegevens (namen van de 2 bezoekers, naam bedrijf, adresgegevens, telefoonnummer en e-mailadres) naar <a href="mailto:horecaexpo@debic@android.be">horecaexpo@debic@android.be</a>. De eerste 50 inzendingen winnen tickets. Snel zijn is dus de boodschap.</p>
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Figure 12. HORECA emails (Dutch language)

### 5.2.2 Monthly newsletter for Baker subscribers

**Group of the experiments** Subscribers who are running the bakery businesses in Belgium.

The mailing list for the baker segment is divided into two groups:

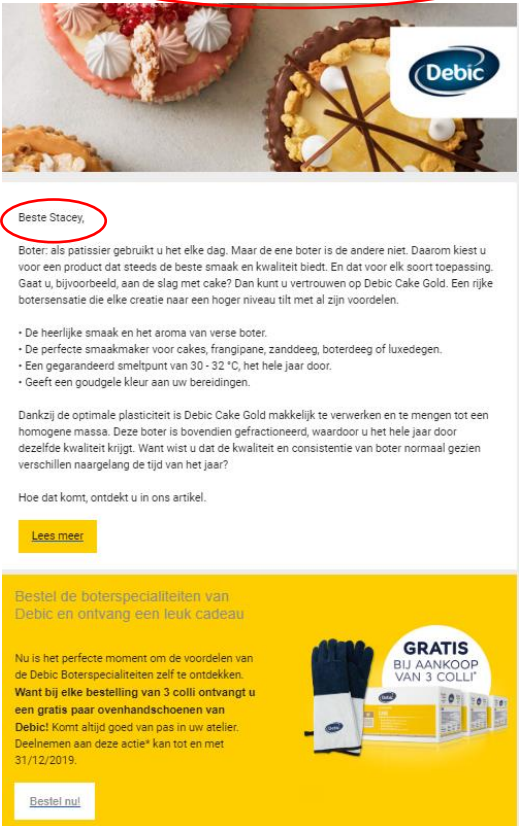
Table 3. The number of baker recipients in Belgium

Region	Control (Generic email)	Variable (Personalized email)	Total
BE_NL	532	549	1,081
BE_FR	231	224	455

The monthly newsletter was delivered simultaneously as the one for HORECA segment. This email was to raise awareness of Debic butter products, specifically the instructions on usage and storage. In addition, there was an offer on the product, which was to buy three packages and get a free pair of kitchen gloves. Besides, it provided recipients with inspiring ideas for sweet treats in the festive season. The personalized email is indicated by the first name of the recipient in the subject line and email copy.

### Personalized email

**Subject:** Stacey, bak de perfecte cake met Debic Cake Gold



### Generic email

**Subject:** Debic Cake Gold, uw garantie voor de perfecte cake

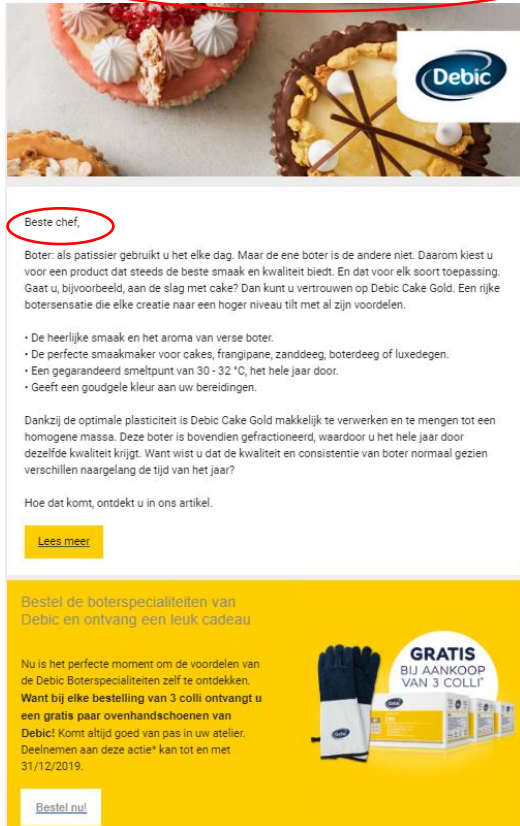


Figure 13. Baker emails (Dutch language)

## 6 RESULTS

The test results were investigated in three main aspects: open rate, click-through rate, and click-to-open rate to determine the credibility of hypotheses.

### 6.1 Dessert campaign 2018 and 2019

Despite the difference in size of the mailing list and email template, the content and email flow were alike: the aims were to convert consumers to request brochures and order product samples. On average, the delivery rate of the dessert campaign in the previous year was slightly higher than that in 2019, which was 99.63% and 98.32%, respectively (Table 4). This implies that the mailing list of the former campaign had a better quality.

Table 4. Dessert campaign email performance 1

Campaign	Sent	Delivered	Delivery Rate	Bounce Rate
Dessert 2018	12.473	12.426	99,62%	0,38%
Dessert 2019	109.977	108.128	98,32%	1,68%

The campaign in 2018 achieved a higher open rate, which was 38.17% in comparison to 23.79% in 2019 (Table 5). This statistics shows the effective performance of the email subject line that encouraged subscribers to open emails. Nevertheless, CTR was considerably low, meaning a small number of clicks to the links in emails. This can be explained by the old email design, insufficient call-to-action buttons and that the content did not offer high value to subscribers. Moreover, images in the dessert campaign 2019 are more consistent in style, which can be a reason that drives people to action. Comparably, low click to open rate indicates the poor performance of email content. Despite the similar story in both campaigns, the email template and copy of the email makes a distinction in performance.

Table 5. Dessert campaign email performance 2

	Open Rate	CTR	Click to Open Rate	Opt-Out Rate
Dessert 2018	38,17%	5,83%	15,27%	0,51%
Dessert 2019	23,79%	13,29%	55,71%	1,54%

A closer look at performance by segments reveals segmented mailing lists engaged better in the campaign by clicking through the links (Table 6). The caterer group is highly engaged with the email: the CTOR is 52,21% despite the small size of the group. However, the open rate of the segmented groups is lower than the non-segmented counterpart. It implies personalized email does not necessarily result in a higher open rate.

Table 6. Dessert campaign email performance by segments

Segment	Delivered	Open Rate	CTR	Click to Open Rate	Opt-Out Rate	Bounce Rate
Operator	107.010	24,91%	14,67%	58,90%	1,50%	1,68%
Caterer	1.118	22,66%	11,90%	52,51%	1,57%	2,19%
Generic	12.426	38,17%	5,83%	15,27%	0,51%	0,38%

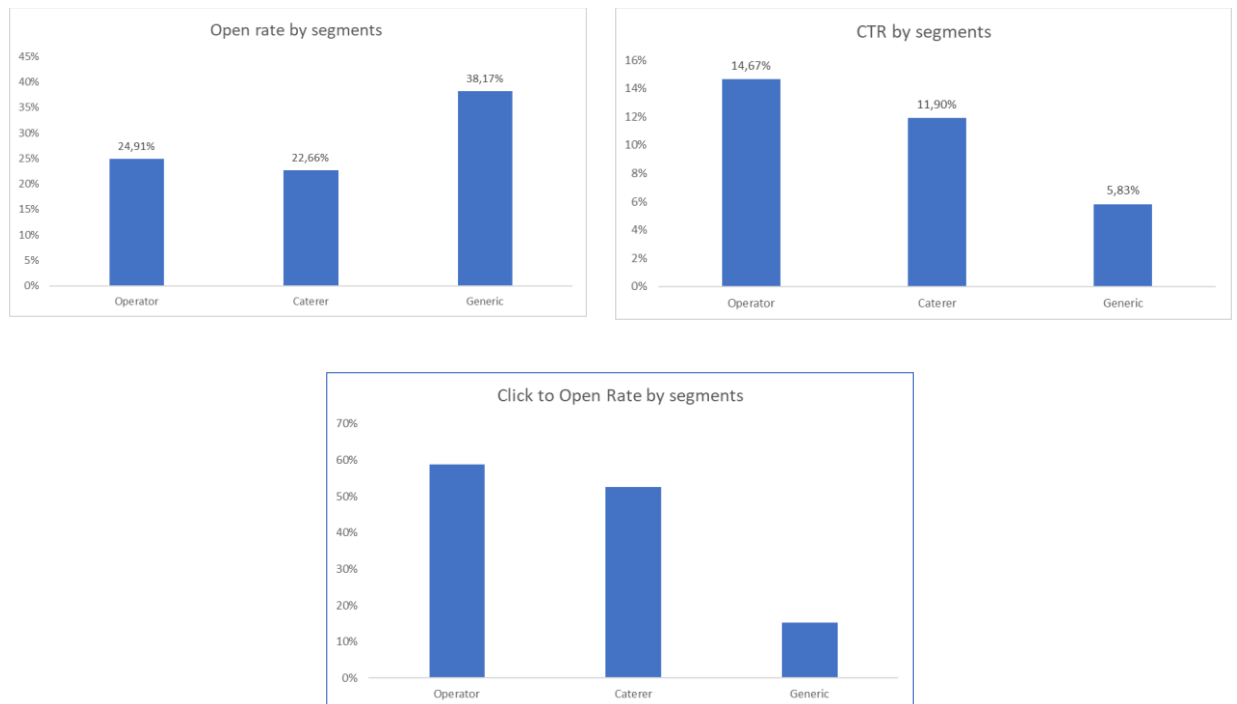


Figure 14. Email performance by segments in graphs

**Conclusion:** The hypothesis that emails sent to segmented mailing lists have a higher open rate, clickthrough rate, and click-to-open rate is partially correct. Emails sent to the segmented list had a higher click-through rate and click-to-open rate. However, they did not achieve as high an open-rate as the generic email in the dessert campaign 2018.

## 6.2 Monthly newsletter in Belgium

In general, the results showed that bakers are more engaged than chefs, and this pattern has been acknowledged by the marketing team in Belgium. Both groups, regardless of email versions, showed an interest in the two items. First, they were intrigued by creative recipes. This was demonstrated by the high number of clicks on recipes and the button to request an inspiration magazine. Another popular link in those emails is the competition (the desert competition in the newsletter for the chef and the pastry truck tour in the newsletter for bakers). Figure 15 shows popular links in the emails:

HORECA email	Bakery email
 <p><b>Debic Dessertenwedstrijd</b></p> <p>Originaliteit loont, ook als het op desserts aankomt. Met de desserts van Debic heeft u alle tijd en ruimte om uw creativiteit de vrije loop te laten. Neem nu deel aan de Debic Dessertenwedstrijd en sleep een unieke KitchenAid-keukenrobot in de wacht!</p> <p><b>Deelnemen</b> 36.64%</p> <p><b>Dessert competition</b></p>	<p>Heel wat inspiratie in uw brievenbus</p> <p>Bij Debic bieden we u niet alleen de beste producten, maar ook inspiratie, zodat u meteen aan de slag kunt. Ook onze laatste brochure zit boordevol heerlijke recepten en tips en tricks. Vraag nu uw gratis exemplaar aan via de website!</p>  <p><b>Ja, ik wil de brochure</b> 26.44%</p> <p><b>Brochure request</b></p>
 <p><b>Pompoenparfait in een glaasje</b></p> <p>Een heerlijk fris herfstdessert</p> <p><b>Bekijk het recept</b> 24.56%</p> <p>Bereid met Debic Parfait</p> <p><b>Pumpkin parfait recipe</b></p>	 <p><b>Sinterklaasboek</b></p> <p>Dit jaar krijgt iedereen wat zoets!</p> <p><b>Bekijk het recept</b> 24.14%</p> <p>Bereid met Debic Crème</p> <p><b>Sinterklaas recipe</b></p>





Figure 15. Popular links in the newsletter emails

### Newsletter performance for the HORECA group

The open rate of personalized emails was higher than that of the generic counterpart. More specifically, in BE\_NL, the open rate of personalized emails was 34.72%, which is approximately 5% higher than generic emails (Table 7). BE\_FR emails shared the similarity (26.54% and 2.56% respectively). This means a customized subject line with the recipient's name encouraging people to open the emails.

However, in terms of click-through rate and click to open rate, personalized emails do not indicate a high level of engagement as the generic emails. The click-through rate and click to open rate of the former is slightly lower than the latter (Table 7). The result also implies the performance of the email content, regardless of personalization or not. The offer of free tickets to the fair received the most clicks. Having said that, personalization by name did not improve the click-through rate or the click to open rate.

Table 7. Newsletter performance of HORECA group, updated on 28<sup>th</sup> November 2019

Region	Email version	Open Rate	CTR	Click to Open Rate	Opt-out Rate
BE_NL	Generic	29,50%	11,26%	16,80%	0,12%
	Personalized	34,72%	8,64%	12,52%	0,18%
BE_FR	Generic	23,56%	10,98%	14,23%	0,29%
	Personalized	26,54%	8,49%	14,02%	0%



## Newsletter performance for the Baker group

Regarding newsletters for bakers in Belgium, personalized subject lines did not bring a higher open rate. Instead, the open rate of generic emails was higher than that of personalized email. It can be explained by the call-to-action of the subject line, which did not indicate any offer/deal for a specific individual; therefore, the generic subject line was equally engaged.

There is a big difference in click-through rate and click to open rate between the two email versions. Most of the recipients clicked on the ‘Buy now’ CTA in the offer of buy three products and get a free pair of kitchen gloves, which proves the importance of email content and offers in the email to drive customers to action.

Table 8. Newsletter performance of the baker group, updated on 28<sup>th</sup> November 2019

Region	Email version	Open Rate	CTR	Click to Open Rate	Opt-out Rate
BE_NL	Generic	38,21%	23,44%	39,23%	0,37%
	Personalized	34,47%	25,27%	51,65%	0,38%
BE_FR	Generic	28,26%	11,92%	24,62%	0,45%
	Personalized	26,58%	22,03%	38,98%	0%

**Conclusion:** The hypothesis that personalized subject line boosts open rate and click-through rate is partially correct. The personalized email did increase open rate, but not click-through rate and click to open rate. This result varies among two segments because the baker group is more engaged in emails than chefs.

## 7 DISCUSSION

### 7.1 Conclusion of the experiments

Three experiments emphasized the importance of relevant emails to the right customers as well as the content and visual creation. From the first experiment with the segmented mailing list, it is essential to segment the mailing list for any marketing campaign so that

the company can set up suitable content to inspire recipients. Besides dynamic email content, the personalized subject line increases the open rate, which was demonstrated by the second experiment with the newsletter for the HORECA segment in Belgium. However, the personalized subject line does not improve the open rate in the segment, although the personalized email copy is proved to encourage people to click on the links. This can be due to the difference of engagement between recipient groups that were analyzed in previous email campaigns by the Belgian marketing team.

The most popular type of content in the newsletter for the HORECA group is the competition and offer of free tickets to the fair. Meanwhile, the baker group is more concerned with recipes and product brochure requests. This suggests future improvement and development in newsletter content and how to incorporate it into the subject line with a touch of personalization.

As the purpose of emails in the experiments is to raise awareness and inspire subscribers, the results did not consider the number of orders or other forms of conversions. Email marketing is not all about open rate and click-through rate. It should be viewed as a medium to continue conversations with customers and in the combination of other marketing channels.

Geographic coverage was successful, especially the fact that experiments were conducted in leading markets where the database is available and accessible to the author. The conclusion and recommendations, however, are not applicable to all operating countries and sectors.

## **7.2 Limitations**

The findings of the experiments are subject to some limitations. One of the limitations is the availability of market research and reports about the foodservice industry specialized in the dairy sector. Even though the author acquired information from experts and experienced salesmen at FrieslandCampina, this may have caused biased views and a lack of objective insight into the industry. Hence, the finding only applies to the foodservice industry. Second, the mailing tools are different in each country and email campaigns are

executed by different marketing agencies. As a result, the email performance metrics were reported inconsistently between two countries, leading to the inconsistency in data analysis. Moreover, the language deficiency of the author is acknowledged because the author is limited in understanding industry reports and checking email copies in Dutch.

### **7.3 Implications for the future of email marketing at Debic**

The author believes that it is essential to keep track of email performance across operating markets consistently, using the same metrics and reporting tools. This will help the digital marketing team and sales team control different touchpoints on the online and offline customer journeys and will be helpful for benchmarking activities. Additionally, it is essential to analyze performance in light of other factors and other digital marketing channels. It will ensure the credibility and objective insight into the performance.

The author also suggests starting to implement more personalization in email marketing. It means improving the current methods to gather customers' data, for example, by adding First name and Last name fields in the current newsletter subscription form or by performing surveys or questionnaires about the new website, new products, and service. This not only gathers more customers' information but also generates more ideas for email content creation. As Debic is at the beginning phase of email marketing, it is important to keep testing different items in personalized email marketing to discover what the best practices are for developing email strategies.

As the email outcome is variable among different types of emails, it is essential to develop experiments on each type so that Debic could optimize email strategies for each of them. This makes sense due to the different mailing lists of recipients of each email and the sufficiency of customer information across countries.

Moreover, Debic is recommended to continuously provide recipients with inspirational content which intrigues their interest. It boils down to the reason why customers subscribe to Debic newsletters, which is to receive inspiration via emails.

#### **7.4 Evaluation of the author's personal and professional development**

Regarding personal competencies, the author has developed her leadership skills, which was demonstrated by initiating contacts with local markets to conduct A/B testing in their countries. With a clear reason and organizing the execution plan, the author convinced two local marketers to start the A/B testing and coordinate throughout the implementation process. It not only indicates leadership competency but also effective teamwork skills. As marketing activities at Debic are planned on the central level (in the headquarters in the Netherlands) and performed on the local level, clear and effective communication with several stakeholders through presentations, conference calls, meetings, and emails are required. Consequently, the author is enhancing communication skills considerably.

In terms of professional development, the internship has motivated the author to specialize in digital marketing, especially in CRM and data analysis. She has been exposed to a variety of practical situations when running marketing campaigns, from which she can learn about marketing strategies, content creation, logic when designing an email, analyzing and reporting the performance to a higher manager. In addition, the knowledge of how to use Salesforce (creating reports on Salesforce and retrieving data) and Salesforce Pardot (email performance report) was acquired. She realizes the importance of technical skills, such as programming, using Excel at an advanced level for visual data as well as the knowledge of the CRM tool, which will leverage her profile in job searching.

#### **7.5 Validity and reliability**

The theoretical part of this paper was based on journals, books and articles related to the topic. The author also referred to the previous research on the same topic. Sources were obtained from e-journals and Karelia's online library. As digital marketing is constantly changing and improving, the studies in the literature review are mainly published recently. Therefore, it gives validity to the research.

The implementation process was conducted in agreement with different parties, including a Digital Marketing Manager, local marketers and the agency. It was well-prepared to cover two operating countries with the most tailored information to each group. At the

time of the experiments, there were no other marketing campaigns delivered by Debic. The test results were collected after three weeks to ensure that a subscriber may still open and click through the email, which would affect the email performance. This ensures the reliability of the test result.

## **8 CONCLUSION**

The findings can help digital marketers to implement personalization in email marketing in the foodservice industry and at the same time, it provides a framework of which email items can be personalized and how to keep track of the performance. With theoretical research and experiments at Debic, the research gives relevant suggestions in adding personalization in the marketing strategy and the necessity to do A/B testing.

High open rate and click-through rate is closely connected with not only personalization but also email content. Besides, the types of emails and characteristics of the segment are important factors. The experiments show that people tend to open emails when their names are mentioned in the subject line in parallel with an offer. Thereby, recipients feel are treated individually and stay engaged in the next emails. In addition, brand awareness and a competitive environment are other components that influence email marketing performance.

Personalized email marketing is incorporated throughout the email funnel, in particular after the awareness stage due to the fact that customers should receive the customized messages after being exposed to the company's products or services. With personalized email, it is important to capture the right customer data so that marketers have sufficient information to make emails customized.

Considering the case of Debic, the communication goals on the email channels are to grow top of mind awareness and inspire customers. Debic has already implemented different types of emails to communicate with subscribers about products and upcoming events. Debic has not had an established email marketing strategy and it is in the process

of migrating its customer database to Salesforce. Therefore, there is room for improvement and optimization with experiments. The plan to improve email performance should include having a framework of KPIs and objectives with email marketing since it is important to set a direction that Debic wants to achieve in the future. Moreover, personalization can start with a segmented list and subject line as was done in the experiments. The test should be executed with a clear hypothesis and repeatedly so that the company can reaffirm the benefits of personalization in email marketing. Not only personalization but also other email elements such as CTA, content, and visuals can be experimented with and combined. Other marketing channels are suggested to be in use to optimize marketing campaigns.

This paper was made to help Debic implement personalized email marketing in the first step and to evaluate marketing performance. These findings indicate that Debic should continue experiments and refine other email elements to keep awareness.

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