



Perfecting Target Group Marketing – Volvo Accelerates with Email Marketing

Case Study

TERADATA INTEGRATED MARKETING APPLICATIONS: DIGITAL MESSAGING



TERADATA

Highlights

Challenge:

- To generate interested prospects to test drive the new Volvo models
- To address target group specific car buyers through email commercials
- To increase response rates for the Volvo as well as the model newsletter

Solution:

- Production of creative Videomail campaigns with content relevant to the recipient
- Screening of high quality addresses from Teradata databases with age and metropolitan areas
- Send out activity-oriented customer newsletter for the C30, V70 and S80 Volvo models

Result:

- Branding effects, lead generation and customer retention through a communication tailored to the recipients' interests
- Above average response rates with constantly good click rates including an opening rate of 82% for the C30 Newsletter and up to 60% click rates

“Today a continuous communication with our customers is vital for us and we place a high value on close personal contact with them, which is best maintained via email or letter.”

– Oliver Engling
Head of Advertising and CRM
Volvo Car Germany GmbH

By splitting its target group by car range specific email communications, Volvo is consistently achieving extremely high response rates. In addition, the awareness of customers and prospects of the existence of Volvo's newsletter is exceptional with up to 8 out of 10 recipients actually reading the newsletter on a regular basis.

For almost 80 years, Swedish car manufacturer Volvo has committed itself to reach the highest security and safety standards which are then packaged into high quality, attractive Scandinavian design. Many new and exciting car models shape the face of the Volvo brand this year so it's hardly surprising that Volvo is also pursuing new, innovative and successful ways of communication.



Efficiently Complementing Existing Marketing Tools with Email

With the use of email marketing, Volvo are complementing its existing marketing mix, not only alongside traditional dialogue marketing campaigns but also to amplify its other online marketing methods - with the key objective being to measurably increase the response rates of all advertising tools. According to Oliver Engling, Head of Advertising and CRM at Volvo Cars (Germany) it's clear that Volvo customers and prospects gather information and research online and therefore the most natural means of communication is via email. "This is why a continuous communication with our customers is vital for us and we place a high value on close personal contact with them, which is best maintained via email or letter".

A Target Specific Approach is Imperative

At Volvo, regular email communication is target group specific and oriented to the car range. Being a full service supplier, Teradata sent out three specialised newsletters to market the C30, C70 and S80 models, in addition to a general customer newsletter (created by Vancado). Central to its email marketing program is Teradata's Digital Messaging Center, which allows Volvo to carry out complex selections and provides an extensive post-campaign success analysis of the newsletters and campaigns. "In Teradata, we found a partner who understands how to meet our high demands for consistently good target group marketing", says Maike Zill, Relationship Marketing Consultant at Volvo (Germany).

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Innovative Campaigns which Complement their Regular Communications

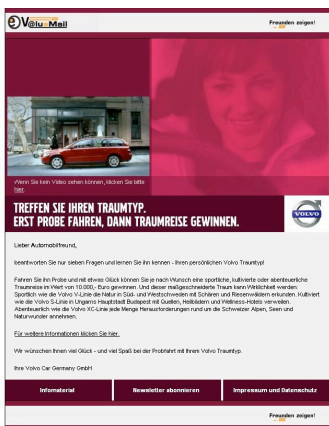
With the claim "Meet the Man of your Dreams", Volvo tested the concept of using the same campaign twice: once in a TV advert and then once again in a video mail campaign which was sent to a 3rd party list. Video mail allows an email to be sent, in which - with the help of streaming - a video clip including sound is directly received in the recipient's email preview pane. The objective of the campaign conceived by Teradata was to generate interest in test drives of the new Volvo models as well as taking advantage of the associated branding effects, which was why a target specific approach was particularly vital for this campaign. 100,000 email addresses from their specified target group (people aged 30+ and living in urban areas) were selected from Teradata's permission database.

Target Group Marketing Pays Off: Volvo Achieves Remarkable Response Rates

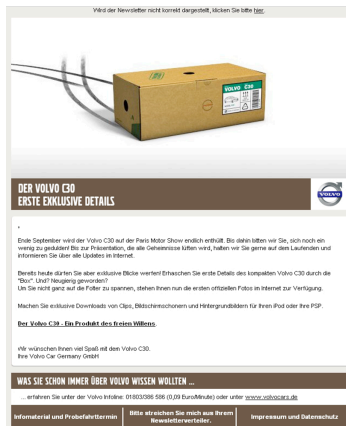
Following the campaign, Volvo is really pleased with the results it achieved. "With our general newsletter alone we have already had above average results", says a delighted Oliver Engling. Opening rates of 48% and click rates of up to 20% are now common in their statistics. And these rates are even out-performed by the one-off newsletters which delivered sensational opening rates of up to 82% and click through rates of up to 60%! The fact that the results of the target specific newsletter campaigns were so much better is not surprising which is why Volvo focuses its communications on the needs of its customers and prospects. "Up to 8 out of 10 recipients regularly read Volvo's newsletter", says Engling. "Relevance is the key to success."

Conclusion

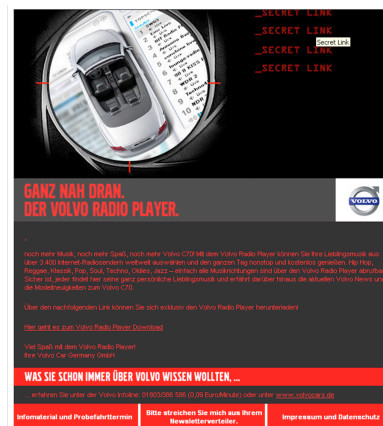
Volvo's case study demonstrates that, for target group specific marketing communications, email is most definitely the way forward, particularly for automotive manufacturers with a broad range of car models targeted at different groups of society. Volvo's high response levels speak for themselves. Such excellent results have only been achieved by 6% of email marketing users in 2005 (source: Marketing Sherpa, email marketing benchmark study, October 2005). One thing is clear: organisations who have thus far remained distant from the online marketing world will increasingly need to engage in online marketing. If your key objective is to win new customers or maintain existing ones, email marketing undoubtedly offers a range of tools which complement the marketing mix. With the help of professional broadcasting solutions, it's possible to carry out complex selection processes and personalisation easily and cost-effectively.



"Meet the Man of your Dreams" Video mail



Special C30 Model Newsletter



Special C70 Model Newsletter

14 St John's Square, London, EC1M 4NL Teradata.com

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