E-mail Marketing: How To Build A Campaign That Gets Results

A FaceTime Marketing white paper

FaceTime Marketing
E-mail Marketing That Connects.

E-mail marketing from
The**Carlon**Group

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E-mail Marketing: An Introduction

A popular misconception is that e-mail marketing is not as effective as it once was, due to the great number of e-mails consumers receive. The reality is that e-mail marketing, when executed effectively, is instrumental in building relationships, raising brand visibility, and helping you grow your business.

E-mail marketing is one of the leading strategies organizations are using to effectively engage, retain, and acquire clients. Currently, the industry has total expenditures of over $1 billion and is projected to grow at an annual rate of 11%+ per year for the next five years. With a 2009 return on investment pegged at $43 per dollar spent and a cost per order of $7 (paid search is $19), e-mail marketing is a highly effective and cost-efficient strategy for any business.[1]

Consider This

- E-mail marketing spending is projected to grow 60% in the next five years to over $2 billion.[1]

- The return on investment for e-mail marketing was $43.62 for every dollar spent in 2009 and is projected to be $42.08 in 2010.[1]

- According to a March 2009 *Forbes* ad-effectiveness survey, e-mail marketing is considered the second most effective tool for generating conversions, just behind search engine marketing.

- Forty-six percent of small businesses surveyed in 2009 by Hurwitz & Associates used e-mail marketing, with another 36% of businesses planning to execute this strategy in the next 12 months.

- Datran Media's 2009 Annual Marketing Survey showed that 58% of industry executives planned to increase their investment in e-mail marketing (only 5.7% planned to decrease).

- A survey of B2B marketers in November 2008 noted that 68% intended to increase spending on e-mail marketing in 2009.[2]

- Fifty-four percent of respondents in a consumer survey conducted by Epsilon said they have a more favorable opinion of companies that send them e-mail.

- A Q2 2009 survey of more than 5,000 senior U.S. executives revealed that the budget item most likely to be increased is the one for e-mail marketing.[3]

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[1] Direct Marketing Association
[3] B2B 2009 Marketing Survey
[4] E-Marketer.com

5 REASONS TO USE E-MAIL CAMPAIGNS

Offer ideas for using your products (e.g., hiking with your company's hiking boots and walking sticks, or ordering your company's pizza for upcoming sports-themed parties).

Ask customers to tell you why they love your products, and feature their testimonials.

Promote upcoming events such as sales or customer celebrations at online and brick-and-mortar stores.

Notify readers of new catalogs or products—keeping in mind that you need to deliver value to your reader and not simply self-promote your business.

Build awareness of charities or community programs your organization supports.

Why should I hire an e-mail service provider (ESP), instead of using my in-house system, to manage my e-mail campaigns?

- ESPs have the time, knowledge, and resources to invest in ensuring that e-mail campaigns are executed and measured accurately. If you choose to work with an ESP for your e-mail marketing, be sure to do your research.

- ESPs have established relationships with Internet service providers (ISPs), who are the gate-keepers of your recipients' inboxes. In fact, companies like MSN, AOL, Hotmail, and Yahoo! prefer to work with ESPs who represent several e-mailers. Those relationships can keep your e-mails from being blocked or landing in your clients' junk folders, and can ensure high delivery rates.

- An ESP will make sure your messages are sent on time, which leaves your marketing staff with one less thing to worry about.

- ESPs use the latest technology, which can save you money and valuable time in the long run. Your organization can harness the power of newer technology at a fraction of what it would cost to purchase new equipment and hire a dedicated IT staff.

- ESPs can provide robust tracking in real time. Detailed, timely data is the first step to understanding what's happening to your e-mails. An ESP can help you decipher metrics like receipts, bounces, opens, clicks, forwards, and sign-ups.

- An ESP will ensure you comply with the law. It can be tricky trying to interpret the CAN-SPAM legislation, especially when you have a large subscriber list. An ESP will manage your opt-ins, bounces, and unsubscribe requests.

- An ESP will work with your team to develop a strategic e-mail campaign that integrates fully with your entire marketing program. As your partner, an ESP will advise your team on industry best practices and e-mail design.

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E-mail presently generates 21.6% of total revenue from marketing campaigns.

21.6%
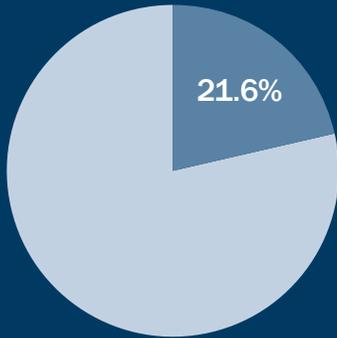
Source: Direct Marketing Association

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First Things First: Develop a Strategy

You've heard the saying, "If you don't know where you want to go, any road will get you there." The same is true with e-mail marketing. You need to develop a well-planned strategy.

What's Your Strategy?

☐ Build new relationships

☐ Strengthen existing relationships

☐ Create top-of-mind awareness

☐ Execute direct sales

☐ Drive traffic to your website

☐ All of the above

Understanding your customers and prospects will help you get a clearer picture of your strategy. You may have more than one strategy, which is okay. You just need to be aware of what it is that you are looking to achieve so that your messaging, tactics, and frequency match up.

Remember, throwing a bunch of stuff against a wall might be a good way to test your pasta (actually, it isn't), but it's not a good way to test your e-mail marketing.

Setting specific goals will give you laser focus on the end result you want, as well as allow you to measure the success rate of your e-mail campaign and make modifications as necessary. Be certain your e-mail campaign aligns with other marketing campaigns you are executing. You certainly don't want to send mixed messages to your audience.

Find Your Partner

Once you have determined your objectives, you'll need to determine which tools will work best for your needs, and with your budget. You'll need to consider whether your in-house IT system can accommodate an e-mail campaign or if contracting with an ESP is the better solution. Consider the Web tools you'll need to measure your campaign. If you are using an ESP, its Web analytics and monitoring tools will capture the metrics you want to measure.

For example, do you want to measure the "pass-along," those e-mail messages that get forwarded by subscribers to nonsubscribers? Perhaps you need to know the "click-through rate," the percent of recipients who clicked on a particular link within the e-mail message. Be certain that the tools you use will cover your needs.

Content Is King

A recent in-depth study on animal behavior found out that in general, dogs bark because they like to hear themselves bark. The same study found similar results in the human world; it's evident in meetings held in company conference rooms across the country. The point is, people are interested in receiving content that is appealing or helpful to them. They really don't care about your business as much as they do about their own. If you forget this, they will forget about you.

A key success factor for a well-planned e-mail campaign is the understanding that consumers receive massive amounts of e-mails in their inboxes, and they have a limited amount of time to choose which e-mails to read and which to delete. Smart businesses send e-mail communications that provide *value* to the consumer. Consumers do not want to receive advertisements in their inbox. Rather, they want e-mails with content that saves them money, provides entertainment, and/or makes their life easier.

There is no e-mail content that is interesting, engaging, and valuable to everyone. But you do need to get into the mind-set of your customers and view the world through their eyes. The good news is that there is enough "bad" e-mail out there, so putting even just a little effort into your content by law of contrast will make your stuff look pretty darn good.

> **Consumers receive massive amounts of e-mails in their inboxes, and they have a limited amount of time to choose which e-mails to read and which to delete. Smart businesses send e-mail that provides *value* to the consumer.**

Don't try to reinvent the wheel. You can provide your subscribers with links to interesting articles and videos. Connecting to established content will save time and increase the effectiveness of your e-mail.

Be Real

Consumers know and like your business, so don't change your corporate personality in an attempt to create a unique e-mail marketing campaign. The look and tone of your company's e-mails should align with your normal brand image, which includes fonts, graphics, and word choices. Your e-mails should always deliver value for the reader rather than self-promotion of your company.

Don't Try to Say Too Much

You have a finite amount of time to gain and hold readers' attention. Keep this in mind with each word, each graphic, and each "click here" you add to your e-mail campaign. Businesses that keep their communications relevant by immediately addressing their offer and a call to action enjoy positive results. Also, think of the e-mail subject line as a newspaper headline. Write subject headlines that grab attention and make people want to know more, with a "what's in it for me" tone for the reader.

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The number of seconds users spend reading the average e-mail newsletter. The layout and writing both need superb usability to survive the high-pressure environment of a crowded inbox.

Source: Lyris

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Design for Your Audience

Did you know that when car dealers spend the additional time and money to detail a used car, they can generate on average 25% more profit than if they just did a standard "wash and vac" on the vehicle?

You need to take the same aesthetic approach when designing your e-mail. The e-mail needs to have flow, meaning it should clearly identify what and who this is about. On average, people spend five seconds scanning the e-mail in the subject line or in the preview pane. If they have to use their "whole brain" to determine your message, you are going to lose. In a nutshell, here are some key items to address when constructing your e-mail:

Up and to the Left

This is where you need to place your logo and company name. Most e-mail is initially viewed in the preview pane of your customer's e-mail browser. If your company name is placed on the right or too far down "below the fold" your customer will only see a limited amount of your message.

Continuity

The look and feel of your e-mail campaigns need to correspond with your company's website and other marketing collateral. The colors, fonts, and logos all need to be consistent. You don't want your e-mails to look like "ugly ducklings." Your communication should help to enrich and support your brand, not deteriorate it.

Easy on the Eyes

Make sure the layout is simple. Readers will not invest the time to figure out what you are communicating. Use graphics to direct them to links to or a specific call to action. Remember, great e-mail is similar to a billboard. It is intended to be a quick read and easy to navigate. You can always provide more detail linking to specific pages on your site or a link with the option to read more.

Flash

Never use Flash-based animations in your e-mail. Flash elements do not render well, and almost always are blocked. Just don't do it.

The Inbox: Judge and Jury Alike Reside Here

Your customer's inbox is the place where you truly make your first impression, so don't blow it.

In the "from" line of your e-mail, make sure you list your name or your company's name. Using info@yourcompany.com is not a good way to go. Remember, people like a personal touch, not a generic approach. The subject line should give the recipient a specific idea of what the e-mail is about. Whenever possible, personalize the subject line, e.g., "John, receive 20% off on any order through Friday."

Avoid using the words free, pictures for you, or lottery winner notification. Terms like these are almost sure to land your e-mails in recipients' junk folders, and have the potential of getting you blocked altogether from companies like AOL, Yahoo!, Hotmail, and Gmail.

> **On average, people spend five seconds scanning the e-mail in the subject line or in the preview pane. If they have to use their "whole brain" to determine your message, you are going to lose.**

Once your customer opens the e-mail, make the most of the opportunity. Here are a few important items to consider when planning your e-mail campaigns:

Links Back to Your Website

Make links to your website prominent—don't make readers have to hunt for them. If you want your audience to visit a specific page on your website, link directly to that page. Don't send readers to your site's home page and make them navigate.

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Contact Us

Always include a contact link in your e-mails, and make it highly visible. The link should open an e-mail or direct your readers to a contact page on your website.

Landing Pages

If you are encouraging e-mail subscribers to take advantage of an offer or discount, don't just send them to your website's home page. Instead, deliver them to the exact page where the offer resides.

Other Resources

Provide links to white papers, company stats, and other items of interest to your readers. When possible, make them all PDFs so that the user can easily save the document and print it. Remember, any steps you take to make it easy are very much appreciated by your audience.

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E-mail marketing isn't just about getting conversions or "clicks". Rather, it's about getting your customers to interact with your company or brand in a positive way. The more your audience interacts with you, the deeper the relationship becomes, and the more influence you gain.

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Sending E-mail: Timing Matters

The best time to send your e-mails really depends on your audience.

For example, if you are inviting readers to check out your Saturday open house and wine tasting, don't send the communication on Monday morning when consumers are clearing out their inboxes from the weekend e-mail and getting back into work mode.

And, don't send the communication on Friday afternoon, since people tend to leave the office early on Friday. They likely won't see your invite until the following Monday. Instead, send the communication on Wednesday or Thursday, when many consumers begin planning their weekend activities.

If, for example, you operate a sandwich shop in a business park, don't send a Saturday e-mail that offers "free chips with your sandwich on Sunday." Your customers are likely home enjoying their weekends. Instead, send the communication late Monday morning when consumers are hungry and may have forgotten to bring their lunch to work.

The subject line should be short and clearly state the offer. Test your e-mail campaigns to find out which days of the week work best for communications about your product or service. Keep communication short and to the point, as workweek time for many is limited.

Frequency

Don't send too few; don't send too many. How's that for specificity?

Frequency depends on your industry and the relationship you have with your customers. As a general rule, once or twice per month seems to be the most common and effective frequency. The biggest key to all of this is consistency.

Sending e-mails to promote and develop a business relationship 30 days before a renewal is a little transparent. You need to be predictable in your communication so that you remain visible and top of mind. Sticking to a scheduled e-mail campaign ensures your customers will look to you next time they need help solving a problem, or are in need of a product or service.

Don't Wing It

Whether you're sending monthly or bimonthly e-mails to customers, get ahead of this timeline. The deployment dates will creep up very fast, and you don't want to rush something out the door just to keep on track. Create a calendar that will identify the various stages of the development and deployment for your e-mail campaign. It will help you create clarity with the process and manage the time you need to craft your message.

The Results Are In

Can't I Just Use Outlook to Send E-mails?

If you use the BCC function in Outlook as an e-mail strategy, you are only sending a generic message to your audience. Furthermore, you lose out on the opportunity to learn the results. One of the primary advantages of using an established ESP is the ability to gain detailed, timely data. Tracking metrics like receipts, bounces, opens, clicks, forwards, and sign-ups is the first step to understanding what's happening to your e-mails. But those numbers are more than just metrics—they're your audience talking to you. Listen to what they're saying and then apply it to your future e-mails.

Not only will an ESP manage your e-mail database, but it has the professional tools to ensure your e-mails resonate with your branding, are sent consistently, and comply with the law. How's that for results?

Open Rates vs. Click-Through Rates: What's Good?

First, let's establish the difference between an open and a click-through. An open means the recipient has opened the e-mail sent to them. A click-through is defined as the recipient clicking on one or more of the links contained in the e-mail. Both open and click-through rates provide useful information about your e-mail audience.

So what are good open and click-through rates? The answer really comes down to your industry and a variety of other factors. For example, if you send out 1,000 e-mails to your customer database, it is unrealistic to expect every person on that list to open your message. Realistically, expect an open rate ranging between 15% and 35%, depending on your industry. And of the people who open your e-mails, only 1% to 8% of them will click on a link contained in the e-mail.

It does make sense though, to track your own company's rates from month to month. Over time, your objective is to trend up or, at a minimum, to retain decent open and click-through rates.

To increase your click-through rates, be sure to place your most important content or offer near the top of the e-mail. This ensures your reader will be more likely to see it, even he or she just scans the e-mail. Another way to increase your rates is to remind your audience members to add you to their address book (or white list or safe-senders list) every chance you get.

> **Not only will an ESP manage your e-mail database, but it has the professional tools to ensure your e-mails resonate with your branding, are sent consistently, and comply with the law. How's that for results?**

Reviewing and Using the Results

Knowledge without application is useless. The same goes for the detailed results from your e-mail marketing campaign. Depending on your ESP, you will obtain some very detailed data from your e-mail campaign. Take the time to really look at your numbers and determine what your audience is telling you. For instance, say your monthly e-mail contained an offer for a new product. In reviewing your e-mail response rates, you see the names of the individuals who clicked on a link to get more details. This data might contain the names of some pretty hot prospects, so call them. Following up with interested clients is critical to making the most out of your e-mail marketing. Remember, unless you are specifically an online retailer, you need to invest in advancing the sales process by making personal contact. By making personal contact you will easily separate yourself from your competitors.

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When customers give you positive feedback about your e-mail campaign, get permission to use their comments on your website. Posting the testimonials on your sign-up page will improve future opt-ins.

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Who Do I Send To?

Never buy a list of e-mail addresses—just don't do it. Purchased lists often contain a high number of "dead" addresses and individuals who are in all probability not even close to a fit for your product or service. That being said, there are reputable providers out there who will send your e-mail to a targeted list of subscribers who have opted in to receive offers from third parties such as your organization. There are many choices out there for this approach, so make sure you do your homework.

The Best Contacts Are Your Contacts

These are individuals who are familiar with you and your company. If your e-mails are engaging and valuable, they will be opened and possibly forwarded to friends and colleagues, which extends your reach.

Aim for Your Target

Specifically targeted e-mails help build relationships with new and repeat customers. Use the campaigns to support sales through other channels. For example, use e-mail campaigns to complement your print, in-store, or video advertising efforts.

Focus on the relevance and quality of each message sent. Quickly throwing content into an e-mail and doing a mass "blast" is bad marketing practice and will likely result in your e-mail being sent to recipients' junk mail folders.

Managing Your Database

Every successful e-mail campaign starts with a well-built subscriber list. Many marketers initially take the time to plant the seeds for a good distribution list, but over time neglect to give it constant nurturing.

Instead of crossing your fingers and hoping your distribution list will grow on its own, you need to actively enroll new recipients. This can be accomplished by including an e-mail sign-up feature on your website, as well as a sign-up link in your own e-mail signature. As you make new business contacts, ask them directly if you can add them to your e-mail list. If your business has a brick-and-mortar presence, consider making a sign-up sheet available to your customers.

If you are providing relevant, useful content in your e-mails, your customers and prospects will want to be part of your list.

Who Not to Send To

Don't just merge your Outlook contacts into a new database. Take the time to identify and profile who really is in your contact list. Chances are the e-mail you're planning to send may not align with the interests of everyone in your list.

SPAM

The CAN-SPAM Act of 2003 establishes national standards for the sending of commercial e-mail. In short, CAN-SPAM lays out guidelines to legitimize commercial e-mails. Included in the law are requirements for identifying who the e-mail is coming from, guidelines for honest subject lines and content, and rules for processing unsubscribe requests. As long as you are sending e-mails to people with whom you have a business relationship, or to people who have actively requested your e-mails, you have nothing to worry about.

Q: How can I better understand and stay current on SPAM laws?

A: Visit www.ftc.gov/spam, a site that includes regulations as well as resources for businesses and consumers. Businesses can also download *CAN-SPAM Act: Requirements for Commercial E-mailers* in the "For Business" menu option.

5 WORST PRACTICES FOR E-MAIL MARKETING

Send e-mails to a recipient list that is not your target audience. Carefully scrub your lists so the messages reach your intended audience.

Use subject lines that sound too EXCITED!! Readers are turned off by embellished subject lines.

Load your e-mail with busy graphics and several sizes of fonts. People don't know what to look at first and tend to close it without reading.

Send e-mails too often. No matter how much the recipients like your product or service, they don't like being barraged with e-mails.

Make the subject line too vague. Make it simple so readers can quickly determine what you're saying.

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In Summary

E-mail marketing can provide a tremendous benefit to your business provided that you develop a good strategy from the start and devote the time to execute your strategy on a consistent basis.

How would your competitors handle their e-mail marketing strategy? Would they do it themselves in-house or hire a specialist?

About FaceTime Marketing

FaceTime Marketing is a Denver-based marketing and research firm specializing in providing companies with effective strategies and solutions to further develop client relationships and cultivate new business. FaceTime Marketing's focus is the strategic development, design, and deployment of customized e-mail marketing campaigns. Continually refining strategies based on new technologies and industry best practices, FaceTime Marketing provides companies with a completely turnkey and custom e-mail marketing system.

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