### **Chapter 1**

# Adding E-Mail to a Successful Marketing Mix

#### In This Chapter

- ▶ Deciding where and how to use e-mail marketing
- ▶ Using e-mail messages effectively
- ▶ The benefits of e-mail marketing
- ► Understanding E-Mail Service Providers

alking into a business where the first dollar of profit is framed victoriously on the wall always reminds me how important the first customer is to any small business. Your first customer represents validation of your business idea and proof that your products and services are valuable enough to cause someone to part with his money in order to obtain them.

The first dollar of profit is certainly cause for celebration. However, no matter how useful, important, unique, beneficial, or fitting your products or services are to consumers, no one will purchase them if you can't effectively demonstrate that their value exceeds their price.

Demonstrating your value takes a lot of communication as well as the application of sound marketing principles. E-mail, Web sites, business cards, signs, and postcards are all good ways to communicate your value to consumers, but some mediums are better than others for certain kinds of objectives, and all your marketing mediums have to work together to have the greatest impact.

In this chapter, I show you how to use e-mail in combination with other marketing mediums and how to apply basic marketing principles to your e-mail marketing strategy so your framed dollar of profit won't start to feel lonely.

### Fitting E-Mail into Your Marketing Strategy

Including e-mail in your marketing mix isn't as simple as transferring more traditional message formats into electronic formats or abandoning more expensive mediums in favor of e-mail delivery. Maximizing your business' e-mail marketing potential involves two ongoing tasks:

- Analyzing the strengths and limitations of each medium in your marketing mix
- Developing messages that work harmoniously across multiple mediums to achieve your objectives

Determining which mediums are likely to work together to make a significant, positive impact on your business is a matter of some trial and error. At the same time, though, some mediums have obvious advantages for small businesses. E-mail is one such example because it's cost effective and because the returns on permission-based e-mail campaigns are generally outstanding.

According to the Direct Marketing Association (www.the-dma.org) economic impact study released in October 2006, e-mail marketing returned \$57.25 for every dollar spent in 2005. The study also found that print catalogs generated \$7.09 and non-e-mail Internet marketing generated \$22.52 for each dollar spent on those marketing mediums.

Combining e-mail with another medium can improve the returns on both mediums. The next sections explain the benefits of combining e-mail and other mediums together, and include tips for using various combinations.



Sending commercial e-mail to complete strangers is illegal. To keep on the right side of the law, combine at least one other medium with e-mail in order to initiate relationships with prospective customers. For more information about the legalities of sending commercial e-mail, see Chapter 3.

### Combining e-mail with other mediums

Delivering your messages by combining different mediums is an effective way to market your business, but you'll probably find it more affordable to lean heavily on a few communication mediums where delivering your message results in the highest return.

Using e-mail for targeted follow-up is one of the best ways to maximize your overall return on the marketing dollars you spend. Here's how you can employ a targeted follow-up:

- 1. Your business uses traditional marketing mediums to initiate contact with new prospects.
  - For example, if you have a pizza place, you can position an employee holding a sign on a busy sidewalk to talk to potential customers.
- 2. You collect contact and interest information from the prospects who respond to your initial contacts.
  - In exchange for a free slice of pizza, you ask potential customers for an e-mail address and what kind of coupons they'd be interested in receiving via e-mail.
- You send e-mails containing personalized messages based on the information you collect.

If your potential customer indicates an interest in chicken wings, you can send coupons for, um, chicken wings. You can also ask your customer to print the menu — that you cleverly included in the e-mail — and forward your offer to a friend.

### Branding your message across all mediums

In marketing, you're likely to employ several mediums and messages over a period of days, weeks, months, and years to communicate everything necessary to attract and retain enough customers. Keeping the design elements and personality of your messages similar or identical over time — *branding* — reinforces each of your messages and makes each successive message more memorable to your audience.



Consumers are more likely to respond positively to your e-mail messages when they can identify your brand and when the content of each message feels familiar to them. Plan all your marketing messages as if they were one unit to ensure that each message contains design elements that become familiar to your audience when multiple messages are delivered.

Here are some branding ideas to help you give all your marketing messages a familiar look and feel:

#### Make your logo identifiable and readable in all types of print and digital formats, with color schemes that look good online and in print.

In general, your logo and colors should look consistent on

- Signs
- Order forms
- E-mail sign-up forms
- Your Web site
- Receipts
- · Business cards
- E-mails

#### **✓** Include your company name in all your marketing.

Incorporate you name in

- E-mail From lines
- E-mail addresses
- Your e-mail signature
- Online directories
- Your blog

#### ✓ Format your messages consistently across mediums.

When repeating messages in multiple mediums, make sure the following elements are formatted consistently in your e-mails:

- Fonts
- Layouts
- Images
- Headlines
- Contact information
- Calls to action



Make sure that you can also communicate your brand effectively by using words if you want to take advantage of words-only messaging opportunities, such as radio, podcasting, and text-only e-mail delivery. You can find tips for using effective wording in Chapter 8.

# Applying Basic Marketing Principles to Your E-Mail Messages

Convincing consumers to part with their money to obtain your products or services usually involves communicating one of two basic messages:

- ✓ Your products or services are unique and unfamiliar to consumers.
  - Your challenge is to educate consumers who are likely to need your products or services so they will buy from you.
- ✓ Your products or services are easily identifiable and widely available.
  - Your challenge is to convince consumers that your business is the best choice among the competition.

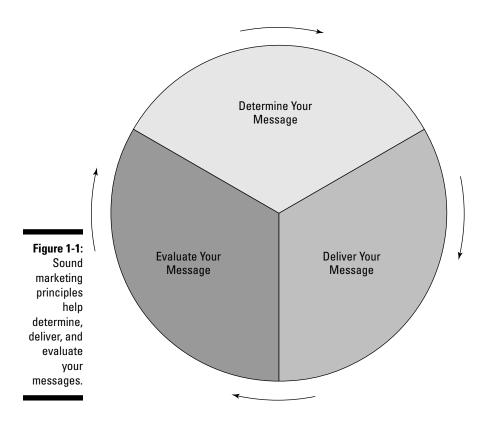


Communicating a memorable message almost always takes multiple attempts to get consumers to respond. Effective marketing communications also require you to apply a fair amount of strategy and tactical thinking so that your messages stand out from all the other messages that consumers receive.

Applying basic marketing principles to your e-mail messages helps ensure that your marketing communications are in tune with your audience and your overall objectives. Although you can apply literally hundreds of marketing principles to the e-mail strategies and tactics throughout this book, begin building your message strategy with a few general principles in mind.

Marketing message strategy is an ongoing cycle of three basic steps:

- 1. Determine your message and the best audience for your message.
- 2. Deliver your message by using the medium that is best suited for your audience and your message.
- 3. Evaluate your results and apply your experience, as well as more refined marketing principles, to determine your next message.
  - Figure 1-1 illustrates these three steps.



The following sections discuss some basic marketing principles that help you determine and evaluate your e-mail messages and related content. Using marketing principles to determine each message and then evaluating each message allows you to begin with a sound message strategy and continue to refine your messages and your strategy over time. I cover e-mail delivery in Part IV of this book.

# Determining what your e-mail messages should say

E-mail is a great marketing tool, but you can't simply communicate any e-mail message multiple times and expect the messages to result in sales. Make your e-mail messages as concise as possible; people usually scan e-mails rather than take the time to read every word. Clear and concise messages are by far the best choice for e-mail content, but your messages should include the following content at a minimum:

- ✓ Your value proposition: A *value proposition* is a statement that tells consumers why your products or services are worth paying for. A good value proposition shows consumers that your products or services solve a problem or fulfill a want or need better than anyone else can. Here are some examples of value propositions:
  - Don't put Rover in a cage for the holidays. Our pet-sitting services make your vacations worry-free and allow your pets to enjoy the holidays too — in the comfort of their own home.
  - Want it tomorrow? Our free shipping is the fastest available.
  - Just because a diamond is forever doesn't mean your payments have to be. Our home equity loans can help you pay off high interest debt and our service is more personal than the big banks.
- ✓ Information to support your value proposition: Value propositions rarely entice someone to make an immediate purchase all by themselves. Most of the time, you'll need to support your value proposition with additional information to convince buyers to take action. You can include this supportive information along with your value proposition in one e-mail message, or you might need multiple support messages delivered over periods of time. Examples include
  - Testimonials and facts
  - Directions to your office, store, or Web site
  - Incentives to help someone justify taking action
  - Images and other design elements to reinforce the text
- ✓ One or more calls to action: A *call to action* is a statement that asks someone to take a specific type of action in a specific way. Calling for action is important because people tend to delete e-mails after they read them if they aren't told what to do next. For example, just because your phone number appears at the bottom of an e-mail doesn't mean that people will automatically pick up the phone and dial the number. You'll get better results if you ask your audience to phone you for a specific reason; of course, provide the phone number. However, an effective call to action doesn't necessarily entail asking for an immediate purchase decision. Sometimes, your prospective customers have to take many steps to end up with a store receipt their hand. Examples of calls to action could include
  - Call now and ask for a free consultation.
  - Click this link to add this item to your shopping cart.
  - Click this link to download the informational video.
  - Save this message to your inbox today.
  - Print this e-card and bring it with you for a free cup of coffee.

You can read more about creating effective calls to action in Chapter 10.



Determining the most effective wording for your e-mails usually entails some testing combined with educated assumptions based on how your customer perceives your business and your products or services.

Here are some questions to ask yourself to help determine what your e-mail messages should say. As you answer each question, think in terms of what your customers find beneficial about your business instead of simply stating your own interests.

- ✓ What are the features of your products or services?
- ✓ How will the features of what you sell benefit your consumers?
- ✓ How you are different from your competition?
- ✓ Why are your differences worth paying for?
- Can you summarize your answers to the previous four questions in a paragraph? Try to use two lines of text or ten words or fewer.



If you aren't sure how your customers would answer these questions, rewrite the questions and ask a few of your customers to respond. You might be surprised by their answers!

## Determining how your e-mail messages should look

Design elements, such as images and colors, are important parts of every e-mail message because they can reinforce the words that you use or cause your words to feel differently to the reader. Figure 1-2 shows a plain e-mail message before any design elements are applied to it.

Figure 1-2: This e-mail lacks the design elements necessary to reinforce

message.

Since there aren't any real holidays coming up we're inviting you to create your own special holiday. Call it whatever you want, but make sure you choose your special holiday and book it by the end of this month because airfares are lower than ever right now and there are no restrictions. There's never been a better time to take time off and enjoy yourself with one of our special travel packages. Choose a holiday below or call us to create your own!

We're Having a Vacation Sale!

Lighthouse Vacation
Imagine yourself surrounded by beautiful water and magnificent sunsets.
Choose this vacation by e-mailing us or calling today!

Beach Vacation
Our private beaches are perfect for relaxing or an aquatic adventure. Scuba diving, deep sea fishing, and snorkeling are just a few of the activities you can enjoy. Choose this vacation by e-mailing us or calling today!

Vacations must be booked by the end of the month to receive special airfare discounts. Some date restrictions may apply. Ask about dates when you call or e-mail us.

Save 25% Book your holiday vacation by the end of the month and you will save an additional 25% on a car rental. Offer Expires: at the end of the month

A text-only e-mail not only fails to reinforce and enhance the value proposition, but it's also difficult to scan and read. Even simple design elements can have a significant impact on the look and feel of an e-mail message. Figure 1-3 shows the same e-mail with simple added design elements that support and reinforce the message.



Figure 1-3:
This e-mail
includes
design
elements to
enhance the
message.

The formatted e-mail uses images, links, colors, borders, fonts, and effective layout to reinforce certain elements in the message and also makes the main idea of the message easier to grasp because of the holiday vacation theme.

Here are some questions you can ask yourself to help you determine how your e-mail messages should look.

- ✓ What emotions or circumstances cause people to think of your products or services?
- Which words, fonts, images, and colors communicate those emotions and circumstances?
- ✓ What other mediums are you using to deliver your messages?
- What limitations and advantages of each medium could affect the look and feel of your messages?

Chapters 8 and 9 cover design elements that you can add to your e-mails to effectively get your message across to your subscribers.

### Targeting your e-mail messages

When you're excited about your business, thinking of almost everyone as a potential prospect is easy. You might indeed identify a large audience that needs your products or services, but plenty of people won't buy from you for one reason or another.

At the same time, pockets of opportunity for communicating your messages might exist that you haven't thought of. You can make your e-mail messages more effective by targeting prospects and customers who are most likely to make a purchase decision and also excluding people who are probably never going to buy. Here are some questions you can ask yourself to help determine to whom you should send your e-mail messages:

- ✓ Who is most likely to need your products or services?
- Who already buys other products or services that are similar or identical to yours?
- ✓ Who buys other products or services that could be perceived as substitutes for yours? Who buys products or services that compliment yours?
- Who has already purchased from you and when will they be ready to buy again? How many messages does it take to get someone to repeat versus attracting a new customer?

### Developing e-mail content in accordance with consumer interaction

Your e-mail content should match how consumers tend to interact with the medium so that your audience can easily internalize and take action on your message. Consider the following comparison between using e-mail to deliver a message and using a billboard to deliver a message.

Imagine planning to put up a billboard next to the highway where people drive by at 65 miles per hour. You aren't likely to get good results if your billboard message includes two paragraphs of text along with an office phone number, cell phone number, fax number, e-mail address, and detailed directions to your office because no one driving by on the highway can internalize such a detailed message so quickly.

And some of the information on the billboard is also difficult for people to take action on even if the billboard's layout makes it easy for drivers to see. For example, drivers aren't likely to send an e-mail to an unfamiliar e-mail address in the body of the billboard message because (hopefully) the drivers aren't in front of their computers then.

People interact with e-mails in much the same way that they interact with bill-boards because people tend to hastily scan through the content of an e-mail to see whether anything is worth responding to or reading in more detail.



Be sure to use headlines, images, links, and text in ways that allow your audience to internalize your message as they scan.

In contrast, people take action on e-mails much differently than they do from billboards and other indirect mediums. People who see a billboard have to employ another medium (such as a phone or a computer) to make contact with the related business, but people can actively respond to e-mail messages by using the medium itself. For example, people can easily respond to an e-mail by

- Clicking a link in the body of the e-mail
- ✓ Downloading a file linked within the e-mail
- ✓ Forwarding the e-mail
- ✓ Replying to the e-mail
- Clicking a phone number in a mobile e-mail
- ✓ Printing the e-mail
- ✓ Saving the e-mail to their inbox

### Evaluating your messages

Continuously keeping track of the effect your e-mail messages have can help you refine your strategy and make educated changes while you determine future messages.

Message evaluation begins by stating measurable objectives. It then continues while you track and measure your results to determine whether your objectives are achieved. Measurable goals could include the following:

- ✓ Increasing the number of Web site visitors by a certain amount
- ✓ Increasing the number of orders or purchases by a certain amount
- Receiving feedback and information on a specific issue
- ✓ Increasing event attendance by a certain number
- ✓ Changing opinions or perceptions over a set period of time
- Increasing the size of your contact database by a certain number



Tracking and measuring your message results can be a snap with an E-Mail Service Provider (ESP). (Read more about ESPs later in this chapter.) An ESP tells you exactly who opens your e-mail and who clicks the links in your e-mail message. Figure 1-4 shows a sample of an e-mail click-summary report.

Not all your e-mail evaluation has to be based on clicks, however. For example, you might ask people to phone you and request more information. Then, you can evaluate your message based on how many phone calls you receive and what people say when they call. Other methods of tracking and measurement include

- ✓ Ask people to print your e-mail message to redeem an offer. You can then count the number of customers who return a printed e-mail to your store or office.
- ✓ Ask people to mention your message when e-mailing a reply. You can track how many e-mails mention the message.
- ✓ **Ask people to fill out an online form.** You can analyze the data collected from the forms.
- Ask people to forward your e-mail to friends and colleagues. You can track how many new subscribers you receive as a result of the forwarded e-mails.
- Track activity in the product lines and services mentioned in your message. You can calculate the difference between the average level of activity and the change in activity.



Courtesy of Constant Contact

# Reaping the Benefits of E-Mail Marketing

Figure 1-4: Use a click-

summary

summary

information for each

report

to find

click.

E-mail might seem like a cost-effective way to deliver your marketing messages. For the most part, it is because you can send personalized, targeted, and interest-specific messages to a large number of people. The value of e-mail marketing doesn't end with the cost, however. E-mail marketing has certain advantages over other forms of direct marketing for your business and for the people who request and receive your e-mails.

### Asking for immediate action

You won't have to wait around too long to determine whether an e-mail message was successful. According to Marketing Sherpa (www.marketingsherpa.com) 2007 E-mail Marketing Benchmark Guide, 80 percent of the e-mail you send is opened in the first 48 hours after delivery.

After an e-mail is opened, it doesn't take long for your audience to take immediate action because people can take action on an e-mail with one click of the mouse. Immediate actions include

- Opening and reading the e-mail
- Clicking a link
- Clicking a Reply button
- Forwarding
- ✓ Printing the e-mail
- ✓ Saving the e-mail

I show you how to ask for immediate action in Chapter 10.

### Gathering feedback

E-mail is a two-way form of communication, and even commercial e-mail can be used to gather feedback and responses from your audience. People can easily reply to e-mails, and many consumers love to share their opinions when it's easy for them to do so. Feedback from e-mails comes in two basic categories:

- ✓ **Stated feedback** happens when someone
  - Fills out an online form
  - Fills out an online survey
  - Sends a reply
- ✓ Behavioral feedback happens when you track
  - · Clicks on links
  - E-mail open rates
  - E-mails forwarded to friends



If you aren't receiving replies and feedback from your marketing e-mails, you probably aren't asking for them. I cover customer interaction in Chapter 13.

### Generating awareness

When was the last time you mailed thousands of postcards, and your customers began crowding around copy machines trying to duplicate the postcard so they can stick stamps to them and forward the message to their friends? E-mail programs have a Forward button with which users can easily

send a copy of your e-mail to one or more people in your recipient's address book. ESPs also provide a trackable forward link that you can insert in your e-mails so you can find out who is forwarding your e-mails.

### Staying top-of-mind

If you send periodic e-mails with valuable content, people who aren't ready to buy right away are more likely to remember you and your business when they become ready to buy. If your content is valuable enough to save, your prospects and customers might even create an inbox on their desktop with your company name on it and start filing your e-mails for future reference. When they pull them out to read again, your message is communicated again. Here are some ways that e-mail can be used for top-of-mind awareness and future reference:

- ✓ Archive your e-mail newsletters on your Web site.
- ✓ Ask people to save your e-mails to a folder in their e-mail program.
- ✓ Ask people to print your e-mails and post them.
- Print your e-mails and place them in a flip book on your counter so you can refer back to recent offers and show samples of the value of your e-mail list.

### Taking Advantage of E-Mail Service Providers

The days where you could send a single e-mail and blind-copy hundreds of other people are over. Spam filters, firewalls, junk folders, and consumer distrust are all reasons to turn to professionals for help with your e-mail strategy. *E-Mail Service Providers* (ESPs) are companies that provide one or more of the following commercial e-mail services:

- ✓ Improved e-mail deliverability
- ✓ Database and list management
- ✓ E-mail template design
- ✓ E-mail message and content creation
- ✓ Tracking reports
- Advice and consulting

ESPs allow you to accomplish much more with your e-mail marketing than you could on your own. Some ESPs even provide various levels of outsourcing for higher prices if you don't want to do your own e-mail marketing. Here are a few examples of the kinds of benefits that ESPs provide:

- ✓ **Give your business a professional look.** ESPs can help you create great-looking e-mail communications without programming knowledge. Most ESPs provide templates with consumer-friendly layouts to accommodate any type of message. Some ESPs provide template-creation wizards that allow you to control all your own design elements for a low cost, and some ESPs either include professional services to help you with semicustom designs or allow you to completely outsource and customize your template designs. Here are some of the templates that ESPs usually provide:
  - Newsletters
  - Promotions
  - Announcements
  - Press releases
  - Event invitations
  - · Greeting cards
  - Business letters

Figure 1-5 shows an e-mail template that an ESP provides.

- ✓ Keep your marketing legal. ESPs are required to incorporate current e-mail laws in order for customers to easily comply. Reputable ESPs take compliance a step further than the basic legal requirements and adhere to more professional standards in line with consumer preferences. Examples of professional standards include the following:
  - Safe one-click unsubscribe links
  - Privacy statements
  - Physical address added to e-mails
  - Sending from a verified e-mail address
- Help you with logistics and reporting. ESPs can help you manage the data and feedback associated with executing your e-mail strategy. Here are some examples of ways in which ESPs can help you manage your information:
  - Storage and retrieval of subscriber information
  - Reports on deliverability
  - Automated handling of subscribe and unsubscribe requests
  - Tracking information on blocked and bounced e-mail



Figure 1-5: This e-mail template is ready for content.

Courtesy of Constant Contact

- ✓ Help with content. ESPs want you to be successful because if your
  e-mail messages are effective, you will likely reward your ESP by being
  a loyal customer. Many ESPs have resources available that will help you
  develop your content and use best-practices. Examples include
  - Online communities
  - Webinars
  - Tutorials
  - Classroom-style training
  - Consultation
- ✓ Teach you best practices. ESPs can give you valuable information on consumer preferences that would be too expensive or impossible for you to obtain on your own. ESPs send a lot of e-mails on behalf of their customers, and they are good at staying up to date on consumer preferences and professional standards. Some ESPs are willing to share their knowledge in order to make your e-mails more effective. Some things you might learn include
  - Best times and days to send
  - How to improve your open rates

- How to avoid spam complaints
- What to do when e-mail is blocked or filtered
- How to design and layout your content

The following is a list of some of the leading ESPs in various niches:

- ✓ Constant Contact (www.constantcontact.com): Comprehensive service designed for small businesses offering an easy-to-use graphical user interface (GUI), simple list upload, and over 200 templates as well as an integrated e-mail/online survey product. Starts at \$15 flat fee per month and includes unlimited free support and online training.
- ✓ Microsoft Office 2007 (http://office.microsoft.com): Offers template creation through Word and Publisher documents and includes a separate e-mail marketing service for bulk sending through Outlook. Watch out for CAN-SPAM compliance issues and minimal support options. Starts at \$9.95 flat fee per month after purchasing and installing the Office Suite (MSRP is \$399.99).
- ✓ Vertical Response (www.verticalresponse.com): Offers e-mail marketing and postcard marketing integration. Fees for e-mail marketing only are charged on a per e-mail sent basis starting at \$15.00 per thousand with tiered discounts after the first 1,000 sent e-mails.
- ✓ 1 Shopping Cart (www.1shoppingcart.com): Offers auto responders and other types of e-mail campaigns along with the ability to integrate opt-in mechanisms with an online shopping cart. Starts at \$29 per month.
- Exact Target (www.exacttarget.com): Offers an e-mail marketing application with higher-level database integration and advanced features. Schedule a demo for pricing information. An annual contract may be required.



To conduct your own ESP investigation, search for *Email Marketing Solutions* online.