



The Importance of E-mail

... And why it should be part of your marketing mix

If you follow Internet marketing, you've likely been inundated with coverage of the importance of search engine marketing, blogs, RSS feeds, etc. Each of these techniques may have a place in your marketing planning, but it's time to underscore the importance of e-mail as a critical component of your planning.

As a retention and loyalty-building channel, e-mail even can surpass direct mail, the industry's "workhorse." Here are nine reasons why e-mail should be part of your marketing mix.

1 It is cheap. The cost to communicate with existing leads, prospects and customers can range from almost no cost (if you send e-mails internally) to very low cost (\$1/M to \$10/M) if you outsource delivery. A good retention e-mail marketing program should represent less than 5 percent of your entire marketing budget.

While most readers of this column are direct mail marketers, you can't argue with the facts: Direct mail is expensive; and soon, rates will rise even further with the postal increase. E-mail affords you the opportunity to reach out and touch your audience more often to create a deeper relationship.

2 It provides a substantial return on investment (ROI). A well-constructed e-mail stimulates interaction. Recipients are motivated to purchase a product, register for

an event, request more information or read additional Web content. On average, retention e-mails generate a 7 percent click-through rate. These are individuals interested enough in your message to learn more. Studies have shown that between 4 percent and 5 percent of those who click will purchase. When coupled with the relatively low communication cost of e-mail, this response means a strong ROI.

3 It is the primary way to leverage the investment in your Web site. Most sites actually get enough traffic. The real issue is that more than 80 percent of site visitors never return. This is a lost opportunity. If you prominently feature on your Web site a value proposition that establishes why visitors should sign up for your e-mail program, you'll receive permission to begin developing and sustaining a relationship with these prospects. They've specifically told you they want to hear from you. What a wonderful thing!

4 It is a great way to leverage other marketing activities. There have been many studies done on the importance of multi-channel marketing and the substantial increase in sales marketers gain from customers who purchase through more than one channel. If you're sending a direct mail campaign, consider using e-mail to pre-announce your mailing. Include your toll-free number

in every e-mail to allow customers to order from your call center if they prefer. Drive retail traffic by promoting store locations or even a particular store near a customer.

5 You get tracking "on steroids." Direct mail marketers would die to know how many people opened their mailings. E-mail marketers can track a message's open rate (assuming it's HTML). And, they can track what particular parts of the message got attention, down to the level of which customers or prospects clicked through on a specific product, piece of content or offer. You have the ability to easily track every click-through on an aggregate and an individual level.

6 You can personalize and speak directly to your audience. Even the most basic e-mail solutions allow you to personalize subject lines and salutations. We all know that the eye is drawn to our own name in any medium. This tactic will increase interaction.

But that's just the beginning. Advanced e-mail capabilities allow you to present prior order histories, particular products based on prior orders, or geographically pinpointed messages. You can use triggered messaging to pre-establish alert and reminder messages based on market conditions or timing that are tailored

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to the interests of your customers. Examples include renewals, cross-sell and upsell offers based on prior purchase, last chance announcements for customers to take advantage of a promotion, or even to alert customers with abandoned shopping carts that they can complete their order. The beauty of this technique is that you create the message and contact rules once and messages automatically are sent when the condition arises.

7 You get deeper segmentation options. All good e-mail tracking provides tracking information down to the individual level. You easily should be able to drill down to determine who clicked through on items of interest. One click may not be a powerful indicator. However, if you have the ability to analyze activity over multiple campaigns, you can identify a group of recipients who show an interest in a particular facet of your communications through multiple

clickthroughs. Now, you have information to build a specialized and targeted effort based on specific interests. For example, a marketer of music CDs can identify specific genres and artists of particular interest to a group of customers based on their click-through activities over several campaigns and tailor subsequent offers based on that knowledge.

8 Customization doesn't mean confusion. Direct marketers are schooled in analysis. Advanced e-mail techniques, such as dynamic personalization, easily allow marketers to customize and personalize messages. All recipients may receive a campaign, but only one portion of the e-mail might be customized to individuals' particular interests, demographics or geographical area. As a marketer you can begin to capitalize on the specific interests of each customer or prospect.

9 Your customers expect it. Today, consumers—whether at home or in business—want to control the relationship. They want to understand your company and do business with you on multiple levels. They want to develop a sense of who you are, what you do and whether you care. A well-constructed e-mail program can buttress the relationship.

Consumers want to be in touch with you on their terms. I was surprised by Silverpop's recent study of major retailers that represented brand names we would all recognize. Slightly more than 30 percent did not appear to have an e-mail program. They are missing the boat!

So, don't ignore a vital channel. When done right, it won't break the bank—e-mail should be a low-cost and effective way to build your list of qualified prospects and customers, stimulate awareness and loyalty, and return a healthy ROI. ■

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