

E-Mail Marketing: Doing it Right and Getting Results

By Jennifer Praeger

E-mail is being hailed as the killer app and everyone is jumping in to get a piece of the action. Jupiter Communications estimates that, on average, US consumers will see a 40-fold increase in e-mail volume -- with the average number of annual commercial e-mails received by US consumers increasing from 40 in 1999 to more than 1,600 in 2005.

The reason for the surge in volume is clear -- e-mail is an extremely cost-effective, high-response-rate vehicle, which can acquire and retain consumers, sell and promote products, drive loyalty, and reinforce branding efforts.

However, because the volume of opt-in commercial e-mails is accelerating, in the future marketers are going to have to raise the bar and deliver e-mail campaigns that are clearly a cut above the rest to get great results.

Rick Bruno, vice president of IMT Strategies' interactive marketing strategies group and author of the popular book *Net Results: Web Marketing That Works* (1998, Hayden Books) highlighted a few of the preliminary findings of IMT Strategies' most recent research:

- Compared to click-through rates on banners, which are still clustered under 2 percent, e-mail click-through rates show a wide variance of effectiveness based on best practices.
- Permission e-mail is becoming a strategic issue in upper management. Issues of permission and privacy are making it imperative that senior level personnel become more involved. In terms of delivering the brand message, e-mail marketing is truly a double-edge sword: it can be a tremendous boost to branding efforts, or it can be disastrous. In addition, large companies with many departments and divisions are discovering that it's necessary to centralize or coordinate certain e-mail management functions, so that each division does not interact with customers independently.
- E-mail is not going to remain "a silo strategy," according to Bruno. Up until now, most e-mail campaigns have been standalone efforts. Going forward, e-mail campaigns will be much more integrated into all marketing technologies and strategies. The result will be a much more unified view of the customers and a more consistent presentation by companies.
- E-mail is becoming more integrated across media; for example, when a customer is asked whether he or she would rather be contacted in the future via e-mail, or a TV ad asks customers to e-mail info@whatevercompany.com if they would like additional information. Companies are working to leverage all available channels to capture e-mail addresses from consumers and are becoming more conscious about maintaining message and tone consistency across all media. Marketing professionals, who are up on the trends and know the rules, will be in a position to deliver high response rates. Here are some of the guidelines to live by in developing e-mail campaigns.

Take the High Road with Permission and Privacy

Permission and privacy must be the cornerstones of every e-mail marketing program. If you want to see high response rates, if you want to develop long-term loyalty, if you want to be seen as a business with integrity and a future, you have to abide by the highest permission and privacy standards. There are no shortcuts to obtaining permission, and no gray areas in issues of privacy. Successful e-mail campaigns are based on trust, and if you don't honor permission and privacy - you're not even standing at the starting line when the whistle is blown and the race begins.

In terms of specifics, "opt in" is better than "opt out." The quality of your list will be better if individuals are required to say "Yes, I'm in" as opposed to having to say, "No, I don't want in." It's active vs. passive consent. Also, remember to remind e-mail recipients of your relationship and give them the opportunity with each communication to opt out. In terms of privacy, while your policy might be perfect, be careful about your practices - more than once I've received e-mails where I had to scroll down hundreds of e-mail addresses, including mine, to get the message. I'm sure the sender meant to blind carbon copy these addresses, but instead they put them in the "To:" field. It's surely an honest mistake, but one that does impact privacy and must be safeguarded against.

Customize and Give 'em What They Really Want

Some companies really understand their database, really know their customers, and carefully target offers. Other companies just throw it out there and hope some of it sticks. As an example of the former, IMT Strategies' Bruno said he thinks the travel sites have done a great job of delivering customized, relevant information. He explains that most travel sites will ask you to identify your home city as well as cities that you frequently travel to, so that when specials come up -- and not just distressed inventory -- they'll send an e-mail alert. You can be sure that if you make the trip from NY to LA frequently and you see an e-mail subject "NY-LA \$199 round trip" you'll open it fast. On the other hand, he cites a well-known music site that routinely sends him e-mails that have the subject line, "New Release Available!"

"Now if they had bothered to look at my buying history and my expressed interests they would have seen that I buy a lot of jazz -- so now, if they sent an e-mail with the subject -- 'New Stanley Jordan available!' -- that would get my attention." The best-case scenario is to create relevant content by personalizing messages based on an individual's specific interests and unique buying history.

Another issue in terms of customizing e-mails is asking recipients whether they prefer HTML or text. The issue here is that while HTML messages deliver higher click-through rates (on average, rates twice as high as plain text messages), not all e-mail services support HTML (AOL in particular). The formatting of e-mail messages will probably get more complex as consumers increase their usage of handheld computers and e-mail-enabled cell phones, as well as other platforms.

Add Value

It's not only important to target offers and content. It's also important to make sure that whatever you are putting out there is exceptional, a terrific value, a great offer, and on-target content. As consumers are more inundated and become more jaded, quality offers, products, and content will be the exception and will stand out from the rest.

Write it Right

Never oversell, over promise, or be pushy. While it comes across as very dated (but perhaps still acceptable) when we see it in our offline mailbox, it just doesn't work online. E-mails should be written with a friendly, honest voice that connects on an emotional level.

Another common mistake is trying to sound too business like. Just like casual Fridays have filtered into the rest of the week, the tone of business writing has changed to become much more casual, personal, and down-to-earth.

One similarity between direct mail and e-mail is that it's still important to highlight the benefits for readers. It's human nature. People want an answer to that age-old question "What's in it for me?" So, instead of waxing on and on about your product, tell me straight on what it's going to do for them.

Dear John, XYZ corporation is pleased to announce the formation of a new service to facilitate the process of keeping track of airline miles.

Dear John, Wouldn't it be great if there were a way to effortlessly keep track of all your airline miles? Like the teaser copy on an outer envelope, the Subject and From lines of an e-mail are extremely significant. The objective of the Subject and To lines is to get people to open your e-mail, but it isn't worth it to trick them -- they'll be angry and not responsive. The best subject lines are honest and compelling -- in terms of leaving the reader wanting to know more.

Also, something really bizarre happened when the world went online: We forgot everything we learned in third and fourth grade. You know, punctuation, spelling and grammar. It's become kind of cool (and probably the norm in personal e-mails) to use all lower-case letters and loosey-goosey punctuation. But, don't get overly sloppy when you're a real business entity and you're communicating with customers and folks you'd like to be your customers. There is absolutely nothing endearing about typos and poor grammar. If you're not a good proofreader -- hire one. There are plenty of freelancers out there. Fax your copy to them and you'll have the corrections within a few hours. Print and e-mail are very unforgiving (spoken by someone who once OK'd a blue line for a brochure on "Whipping" books instead of "Shipping" books). Proofreaders are worth every penny.

Be sure that you are making the entire process as easy as possible for the reader. Make your offer easy to understand. Make it easy for the reader to access information. Make it easy for the reader to contact you. Make it easy to access your order form and buy.

Track and Test

Tracking is critical and there are a variety of behaviors that you can track including click-throughs, conversion rates, and costs per action. There is also more detailed information you probably need to know: How many folks opened the message? How many e-mails were forwarded? Testing takes discipline. If you modify the offer, the creative, the list, and the copy every time, you'll never get a handle on finding the winning combination.

Personalize

Personalizing your communications is Direct Marketing 101, and it's pretty straightforward:

- Using a customer's name is good.
- Use a real name indicating the sender in the e-mail -- even if the name isn't in the From line, put a name in the contact information at the end of the message
- Make sure to include all your contact information (including phone numbers) at the end of the e-mail message. Leverage your E-Mail Opportunities

There are lots of good reasons to be communicating by e-mail. In addition to promoting specific products, it's also important to develop non-commerce communications with customers to solidify your relationship. When a customer registers at your site or buys a product, that should always be acknowledged with a "thank you."

Other types of customer communications include new product announcements, upgrades, sales, news that impacts customers, follow-ups on inquiries and orders. Another great tool for relationship building is a online newsletter.

Surveys are an excellent way to gain understanding about your customers so that you can better meet their needs. Surveys allow companies to access the power of e-mail as a two-way channel of communication - using the "dialogue" to drive improvements to both business and services.

The fight is on for consumers and the battle is being waged in their electronic mailboxes. Companies are on the threshold of recognizing the potential of e-mail marketing. And, those willing to invest their time and resources, to first adopt and then define future best practices will be well-positioned to forge loyal relationships with online customers.

To help fine tune and improve your e-mail marketing efforts even more, in the next few weeks we're going to look at the finalists of the ClickZ/Message Media E-mail Excellence Awards, so you can see the best practices and thinking that you can incorporate into your own e-mail initiatives.