The Five Keys to Results-Driven E-Newsletters

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The Five Keys to Results-driven E-Newsletters

While opt-in e-mail marketing is a powerful technology, creating a successful e-mail marketing campaign is not simple. E-mail users are inundated with messages, and even when the user has opted in with permission to receive your e-mail, blatant self-promoting advertisements are often viewed by customers as spam, and may be treated the same way - with disdain and their trusty Delete Key.

One truth to keep in mind about unwanted, useless e-mail messages is that recipients need far less effort to get rid of them than they need to throw away a print direct mail piece or to hang up on an annoying telemarketer making the same unwanted useless phone call. When done incorrectly, a bad e-mail campaign can not only produce a poor ROI, but also alienate good customers and possibly turn them away from your business for good.

A successful opt-in e-mail campaign must be a win / win situation. Recipients must feel that senders are providing useful information and that their time is being well spent reading the e-mail messages.

At the same time, the sender's business goals must be achieved, whether these be sales, enhanced customer relationships, branding, new customer acquisition, or existing customer retention.

To achieve a solid win / win, five fundamental rules are critical to follow. Combined, these rules will guide you to create effective, purposeful e-mail messages that your customers are more likely to open, read, appreciate and respect, rather than neglect or delete.

To make these five rules memorable, we have entitled them using the acronym representing the word "e-mail:"

The Five Rules of Effective E-mail Marketing

E - Easy & Simple to Read
M - Meaningful Messages
A - Action Oriented
I - Informative Metrics
L - Loyalty Inspiring

THE GROWTH OF E-MAIL MARKETING

E-mail marketing is quickly becoming the preferred tool of marketing departments in businesses of all sizes. Several recent studies have provided data that reveals the reason for e-mail marketing's popularity:

1. According to a survey conducted by the Direct Marketing Association, more than one half of US companies claim that sales increased in 2001 as a result of using e-mail marketing. Some details of the study released in April 2002 included:

- 66 percent of companies indicated that e-mail increased their sales. Medium sized businesses reported the best results with a 59.8 percent increase in sales in 2001, while large enterprises saw a 47.1 percent increase in sales, and small companies, a 42.6 percent increase.
- 63 percent of respondents said that e-mail marketing was their most effective customer retention tool.
- 37 percent said that it was an effective customer acquisition tool.
- Of the companies polled, 15 percent of their total online sales came from e-mail-based promotions in 2001.

2. The research firm GartnerG2 said in March 2002 that more US businesses are using e-mail marketing campaigns instead of traditional direct mailings. The firm claims that direct mail has reached its peak, and will account for less than 50 percent of mail received by US households by 2005, a decline of 15 percent from 2001. They suggest that e-mail marketing has become a more cost-effective way to acquire and retain customers, and that e-mail advertising revenue is expected to reach $1.26 billion in 2002, up from $948 million in 2001. By 2005, e-mail advertising is expected to total $1.5 billion.

"E" FOR EASY & SIMPLE TO READ

Considering the dozens if not hundreds of messages that most e-mail users receive each day, the most important goal of your e-mail message must be that it is easy for recipients to receive and read. As stated above, e-mail has become a well-accepted aspect of daily life for millions of people, but this does not mean that users cherish spending unnecessary time reading e-mails. In general, it should be your tacit guideline that users want to get in and get out quickly, that is to say, they want to download their messages, read them, and make a decision about what to do with each message in seconds, not minutes.

Easy is thus synonymous with simplicity, shortness, and honesty. Your content must be simple to read, straightforward, and to the point. E-mails packed with verbose articles, chock full of advertising, or overloaded with hyperlinks to outside web sites are likely to be perceived as blatantly self-serving on the part of the sender, and a losing proposition for the recipient who won't want to invest his or her time in reading them.

Easy also pertains to the appearance of your messages. One rule of thumb is that your e-mails must not surprise users with their download time. This is especially true for the increasingly popular HTML newsletters. If your recipients see that your messages are poorly designed and

that the images take an excessive amount of time to download, they are likely to unsubscribe. Users expect an e-mail that won't hog their bandwidth or their time.

In addition, with millions of users operating different e-mail clients and logging onto a multitude of Internet providers, it can be risky to offer a complex, sophisticated e-mail message containing "rich" media (such as streaming video) that not all users can access. Always use technology that can reach the lowest common technological denominator. A recent case study from Opt-In News really illustrates this point. One company attempted a streaming media e-mail campaign only to discover that it was unpredictable which recipients could view the video, even when they had the correct software to do so. The marketing executives in this company therefore concluded that rich media capability is still not popular enough to warrant multimedia messaging campaigns.

In general, your best bet is to adhere to a mid-range level of current technology, which allows for two types of e-mail messaging: plain text messages and HTML messages. (Plain text is required to be viewable by AOL users and other older (but still common) e-mail clients. Older versions of AOL e-mail can also use what is called rich text, which allows for colors and different fonts.) Several research firms have estimated that between 50% and 70% of e-mail users can receive HTML messages, in which the coding makes the e-mail look effectively like a web page. For users who cannot read HTML messages, it is obviously critical to be able to send a plain text version with the same content, but designed to be equally attractive in plain text, with or without the use of color.

For this reason, if you hire a 3rd party vendor to create and publish your e-mail marketing materials, you must be sure to select a vendor who has the capability of producing both plain text and HTML coded messages. The vendor's e-mail distribution software must also include advanced auto detection capabilities that detect each user's capacity or preferred type of e-mail receipt.

"M" FOR MEANINGFUL MESSAGE

In creating an e-mail campaign, it is easy to let your messages become heavily loaded vehicles to promote your product or service to your customers. However, today's customers are too savvy for skewed self-promotion that does not contain objective, useful information. People today want information of value, which can be loosely defined as content that is personally meaningful to the recipient.

The importance of having a meaningful message is perhaps the major reason that the most effective e-mail marketing tool today is the opt-in e-newsletter. As opposed to blatant spam e-mail advertisements or fliers to customers, an opt-in e-newsletter has the look, feel, and smell of a content-rich, user-friendly, informative guide that your customers will want to continue receiving issue after issue after issue.

According to eMarketing, Inc., the growth of opt-in e-newsletters has been exponential, with one large company publishing a variety of newsletters with a total opt-in subscription base of 50 million subscribers.

Having a meaningful message is not to say you can't promote your products or services with your content. Analysis of e-mail reading habits and click-through rates prove that users are interested in and willing to accept advertising, self-promoting news, and coupons that introduce them to new products and save money. However, it appears true that high quality content boosts the results of your promotional efforts. The research firm eMarketing, Inc. reports that one study showed click-through rates of 20% or greater with e-newsletters, versus 1.5% for other types of permission-based e-mail.

Ideally, it would appear that your best shot at creating a successful e-mail campaign would therefore be to pursue a nicely designed HTML e-newsletter (that can also be delivered in plain text). In each newsletter, your content might include a mix of items:
- short articles about your products or services,
- profiles and success stories from your customers,
- tips and tricks of your trade,
- news updates,
- product recalls,
- analysis of trends in your field,
- customer educational material,
- event announcements of interest to your customers,
- advertisements about your company, and
- coupons offering discounts or special purchases.

BENEFITS OF E-MAIL MARKETING

E-mail marketing is highly effective and has many benefits compared to other forms of marketing, including:

Popularity – E-mail has become part of people's daily routine at work and at home. It is the most popular online activity, surpassing Internet usage. Over 1 billion e-mail messages were sent daily in the US alone in 2001, with between 110 million and 135 million e-mail users aged 14 and older, representing as much as 50% of the US adult population.

Irresistible Push Strategy – E-mail represents a push marketing strategy rather than the pull strategy of most traditional promotional techniques. Even Internet banner ads, which require users to click on them, represent the weaker pull strategy with low rates of response and consequently have disappointed advertisers. E-mail is harder to resist because it simply shows up in a user's box. When it has a reasonably attractive subject line, users tend to at least read some of it, whether or not they eventually delete it.

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Cuts Costs – E-mail costs little to produce. The cost of e-mail marketing can be as low as pennies per person. Compared to direct mail print pieces or media advertising, it is difficult to find a less expensive form of marketing.

Easier to Create & Publish – E-mail messages do not require the time-consuming steps of creating print marketing materials.

Short Time to Market – E-mail achieves results quickly. One research firm notes that e-mail messages are responded to within 48 hours, as compared to 6 to 8 weeks for traditional direct mail methods.

Strengthens Your Brand – E-mail marketing allows for many opportunities to put your brand in front of your customers, starting with the subject line of your e-mail. Opt-in e-mail and e-newsletters are especially valuable for reinforcing your brand among customers who have voluntarily chosen to subscribe, indicating they clearly want your information.

Interactive and Personalized – Today's sophisticated marketers are able to personalize e-mail messages based on its interactivity with recipients. For example, HTML e-mails can be tracked so marketers know how many users open the message, which links users choose to click on and pursue, and thus what products or services might best reflect each user's interest. As a result, each successive round of an e-mail campaign can become more and more personalized.

E-mail Creates Sales – E-mail campaigns can be tailored to lead a customer through the entire sales process, from exploration to decision to buy. E-mail can link customers to a business's web site, a call center, or even allow the transaction to be completed via a reply link built right into the e-mail. One survey indicated that permission-based e-mail has a nearly 7% conversion rate, compared to 3% for typical sales campaigns.

"A" FOR ACTION-ORIENTED

In the best scenario, you also want your e-mail messages to spark action on the part of your recipients. In this context, the word action does not strictly and solely imply "buy now." If you can focus on the bigger picture, your goals can include a wide range of emotional and psychological actions that your recipients might have. Indeed, any one of these three goals constitutes a positive response that makes for a cost-effective e-mail marketing campaign that returns on your investment:

1. Your e-mail provides your customers with useful information that educates them and makes them respect your company, thus strengthening your brand name and image in their eyes. Your high quality content shows your customers that you care about their minds, not just their wallets. In general, respecting this higher purpose customer relationship results in higher customer retention, reduced sales costs, and increased profits.

2. Your e-mail provides your customers with positive reasons to refer your company to others. When you provide content that your customers find so useful and interesting that they forward your message to their friends or family, you have initiated what is called "viral" marketing. The ease of forwarding e-mails is, in fact, a significant benefit of e-mail marketing vs. most other traditional forms of marketing. Indeed, it is now clear that e-mail forwarding to friends has become a common practice of daily life, as much as simply reading your own e-mail.

3. Your e-mail provides your customers with motivation to buy from you and a clear path to your buying channels, whether through links to your web site, your phones, or your physical place of business. This last goal is clearly critical to an enterprise's ability to stay in business and must not be overlooked, but as indicated above, your sales goals must be combined with your customer relationship management goals as enumerated in the above two items.

It is likely that you will need to test the waters to find the right balance of the three goals above for your business. It may be that you will need to adjust and readjust the proportion of each goal you put forth in your e-newsletters, as measured by the amount of space you devote to content versus advertising / coupons / promotion. You will also want to experiment with the effort and cost you expend to create content that is so well written that your customers will want to keep it and/ or forward it to others.

"I" FOR INFORMATIVE METRICS

The best way to test how successful you are at creating an effective, action-oriented e-mail campaign is to check with your customers themselves. But how do you do this? Fortunately, the answer lies in the amazing capabilities of HTML e-mail and web technology today that allow you to obtain informative metrics indicating how well your e-mail messages have been received and what responses they provoked. This is true for HTML e-mail only because each time an HTML e-mail is opened or the links in the e-mail are clicked on, the sender's server can use the data to create sophisticated user metrics.

In brief, today's HTML e-mail technology can gather a wide range of data, including:

- E-mail opening - whether or not your recipient opened the e-mail (Note: typical open rates for HTML e-mail usually average between 40 - 60% for opt-in e-mail campaigns, and may be higher for qualified or targeted lists. However, some of our customers have literally seen open rates of greater than 100% because recipients have forwarded the e-mail to friends who then also opened it.) Keep in mind it is only possible to calculate open rates on HTML e-mail. It is not possible to determine open rates on plain text e-mail.
- Click-through rate - measures how many recipients clicked on the links you provided in your e-mail, indicating that they took the time to go to the web page(s) to which your referred them.
- Conversion rate - measures how many of the recipients clicked on your link, then acted when they got to the linked page, such as e-mailed a request for more information or actually purchased your product.

- Intent - with a proper measurement, you can ask customers to indicate their intent to take a specific action. For example, you can measure how many recipients clicked on a link to indicate that they plan on attending an event you are sponsoring.
- Coupon click-rate - measures how many recipients clicked on electronic coupons embedded in an e-mail that are available for printing.
- Forwarding - measures how many recipients forwarded your e-mail message to another e-mail address.

In order to make the above measurements though, your e-mail messages must be interactive, meaning that you must build into your e-mails features that allow for measurement. You must include "live" trackable hyperlink addresses that users click on and go directly to. (Note; if you simply type out a web address for users to retype in themselves, rather than a live clickable link, you have no way of assessing whether someone who types in that web page came from your e-mail. The only way to trace this is to provide the clickable link in your e-mail and use a tracking URL that can be tallied by your web statistics program. Similarly, you must have coupons that are clickable, a special forwarding hyperlink, an event counter hyperlink, and a sequenced set of web pages that allows you to trace product purchasing that stems from your e-mail referral.)

If you outsource your e-mail marketing services, you want to be sure the vendor can provide the technology to include such interactive elements in your e-newsletters, and that they can measure your recipients' usage as indicated above, while providing you with timely statistics.

"L" FOR LOYALTY INSPIRING

In the opt-in world, loyalty is a straightforward yes / no concept - will your recipients remain on your list or will they opt-out (unsubscribe) to your marketing campaign or e-newsletter. The unsubscribe action is your death knell.

Three maxims provide the foundation for why you want to inspire loyalty among your recipients.

- Today's world is crowded with companies vying for customers and attention.
- Competition is fierce and if you can't keep your customers, someone else will be happy to take them from you.
- The cost of acquiring new customers far exceeds the cost of retaining them.

Think of it this way: your e-mails are the voice of your company, and as such, the loyalty users show in maintaining their subscription to your newsletter may ultimately reflect their loyalty to your company. If you have a high unsubscribe rate, your recipients are telling you they are not interested in being loyal to you or perhaps in being your customer. You have not provided sufficient motivation and value for them to want to continue hearing from you. It is not a long jump from unsubscribing to your newsletter to forgetting about your company, or doing business with a competitor.

You would benefit, in fact, in assessing your customers' loyalty by creating an e-mail marketing campaign so impressive that your recipients eagerly forward your messages to others. If you recall, this is goal #2 in the action oriented rule above - that, through your e-mails, your recipients end up respecting your company so much that they voluntarily forward your e-mails to others. This point should not be taken lightly, as e-mail communication between friends is becoming almost more attractive than phone communication. According to a poll cited in an eMarketing, Inc. report, a 1999 survey of 1000 Americans indicated that 75% of US residents have a preference for e-mail over the regular US mail and 34% would rather e-mail friends and business associates than use the telephone. This signifies that people do consider e-mail communication among friends as an important element in maintaining relationships. This would seem to indicate that forwarding useful information and content to others is likely to rise in the future.

SUMMARY

Opt-in / permission-based e-mail marketing is fast becoming a preferred method of communicating with and selling to customers. Opt-in e-mails are highly accepted by the online public. This translates into a large market opportunity, according to a Nielsen / Netratings report conducted in January 2002, an estimated at 173 million Americans, roughly 70% of the US population, are on-line users. Opt-in e-mail marketing often takes the form of an e-newsletter, because it has the advantages of not appear ing to be strictly self-promotion and advertising.

Businesses wishing to publish e-newsletters would do best by adhering to five rules pertaining to how they create their e-newsletters:

- **E** - keep them *easy* to download and read, simple, straightforward, and pleasing to the eye;
- **M** - make sure you have a ***meaningful message*** that balances educating and informing your customers with your marketing and sales goals;
- **A** - make sure your e-mail messages provoke ***action*** on the part of your recipients, but action can include reinforcing positive thoughts about your company, enticing your recipient to refer your company to others, and providing recipients with sales opportunities;
- **I** - be sure your e-mail messages allow you to collect ***informative metrics***, using such tools as live hyperlinks that allow you to track and measure how many of your recipients opened your message and pursued your links;
- **L** - ensure that your e-mails inspire ***loyalty*** among your recipients to remain subscribers on your opt-in list, as well as to remain good customers and perhaps to help you attract other customers.

ABOUT SUBSCRIBERMAIL

SubscriberMail is a leading e-mail marketing tool developed by Create-It, Inc., a successful marketing and technology consulting company in business since 1993. Based in Chicago, the firm is privately held with nearly a decade of steady growth and increasing profitability.

The company has focused its efforts at developing profitable business solutions using innovative web and e-mail marketing concepts and creative business ideas using Internet technology for many of America's top companies. This includes many of the Fortune 50 - as well as a variety of successful start-up and entrepreneurial firms.

Our experience has made us a leader in marketing and customer relationship management. Our core competency is, quite simply, helping our clients achieve extraordinary marketing results while delivering world-class service.

SubscriberMail was created in a brainstorm moment, when we realized that thousands of organizations could benefit by having a fast, simple, easy-to-use web-based method of producing content-rich e-mail newsletters for their marketing, sales, and promotional campaigns. Rather than constantly custom designing, writing, and programming each and every e-mail newsletter, any organization could save time and money if they could tap into a web-based "e-mail wizard" that created e-newsletters for them. In 2000, we assembled a team of creative and dynamic problem solvers that helped design and develop the SubscriberMail system, our patent-pending business tool that eliminates the hard work required to create effective e-mail marketing and communication programs.

ABOUT JORDAN AYAN, SUBSCRIBERMAIL CEO

Jordan Ayan has spent the last 20 years involved with the creative uses of technology. A highly experienced technology and innovation consultant, Jordan has worked with many Fortune 500 companies showing top executives how to creatively apply new technology.

Jordan has extensive experience in direct mail. He was previously a Senior Manager with Donnelley Marketing, a Dun & Bradstreet company, where he was responsible for helping many of America's top companies use traditional direct marketing as a successful part of their marketing mix. He was also instrumental in developing a leading on-line business service for the firm. This service creatively leveraged new technology that paved the way for a variety of well-known Internet services. Jordan is the author of two leading books about creativity and innovation, *'Aha! - 10 Ways to Free Your Creative Spirit and Find Your Great Ideas'* and also *'Ignite Your Creative Spark.'*