

E-Newsletters: The Value-Added Internet Marketing Tool

An oft-quoted rule of thumb in the service-oriented financial industry is that it takes seven value-added, personalized interactions per year, plus the meeting or exceeding of expectations on each interaction, in order to bias a customer in favor of loyalty to the incumbent service provider. In order to acquire and retain customers, many companies high-service industries are searching for ways to increase the quality and quantity of interactions with prospects and customers.

Regular, personalized and value-added interactions can be expensive to execute, whether the medium is a sales representative, direct mail piece, or website. Fortunately, the Internet has reduced the cost of maintaining regular, high-quality contact with customers. One of the most effective (but often overlooked) vehicles is the email newsletter, or e-newsletter for short.

Benefits of e-newsletters

IDG List Services has summarized the benefits of email newsletters succinctly on their Industry Standard Newsletters page:

Emailing your message is a new and exciting direct response medium. The advantages are numerous:

- **Quick lead generation:** *Email has quick output and quick response for lead generation.*
- **Selectivity:** *Email offers the same list selectivity as traditional list rental.*
- **Media reinforcement:** *Email can be an adjunct to any media to quickly reinforce a message, product announcement, seminar date or trade show.*
- **Cost effective:** *Email is extremely cost effective on a per contact basis for customer acquisition.*
- **Higher response:** *Overall responses may be higher as only relevant materials will be sent, which assures a more receptive audience to the offer.*
- **Lower costs:** *There are no production, paper or postage costs – only the cost of the email server companies.*
- **Privacy issues:** *Subscribers choose to receive email [newsletters] through a positive option given upon subscribing, and are always given a choice to opt-out. This addresses the privacy issue directly and again assures a responsive audience.*
- **Customer dialogue:** *As an interactive medium, email establishes a dialogue with new and present customers. Repeated messages can create effective brand awareness or a continued response from and conversation with the customer.*
- **Trackable:** *Email is also a trackable medium as you can direct responders to answer through many types of response vehicles.*
- **No postal undeliverables:** *Undeliverables are quickly identified and an effort is made to correct them and resend.*

Email newsletters not only allow companies to stay in touch with their customers and prospects in a personalized way cost-effectively – valuable in itself – but they also have a high ‘pass-along’ rate. An email newsletter keeps the company in the forefront of people’s mind, swaying purchasing and recommending decisions.

Another essential benefit of e-newsletter marketing is the enhancement of the sending firm’s reputation and positioning in the marketplace. Successful e-newsletters add value to the recipient by providing useful knowledge-building content. By adding value, the e-newsletter marketing company has the opportunity to:

- Brand itself as the expert or thought leader in the marketplace
- Increase readership of newsletters and receptiveness for subsequent offers or solicitations
- Form the foundation of a consultative relationship with its readers.

In a recent survey of decision-makers for corporate legal services, the following data were gleaned:

- 64% say that newsletters are somewhat to very effective at building a firm’s visibility
- 51% say that newsletters are somewhat to very effective at enhancing a firm’s reputation
- 60% say that newsletters are a foundational tool for enhancing client relationships
- Almost 50% said that a timely, well-written article in a newsletter would prompt them to call the solicitor for a consultation.

Source: Peter Zeughauser, Principal, ClientFocus Inc.

In summary, email newsletters can be an effective way to generate interest and leads, build relationships, and enhance a company’s reputation in the marketplace.

Elements of a successful e-newsletter

1. Content

The first rule of e-newsletter marketing is: Content is King. It's a newsletter, not a salesletter; if you offer information that people value, you will gain subscribers, keep unsubscribe rates down, and generate website activity. The leads and sales will come, eventually. In our experience, it can take three or more newsletters before prospects contact us.

Creating good content on a regular basis is the most significant challenge for our clients getting started with e-newsletter marketing. What to write about? We recommend that you first meet with your staff and colleagues and brainstorm on the issues that your customers and prospects would value insight. It is also helpful to speak directly to your stakeholders and ask them – have your sales reps ask the question on sales calls when appropriate.

In general, we find that “how-to” articles are best received, measured both qualitatively and quantitatively. Top-10 lists and step-by-step guides are highly value-added for your readers, and are also relatively easy to write. For example, if you are a recruiter, “How to give a great interview” and “10 things to consider before making an executive hire” will be interesting to your hiring manager readers; if you are a real estate broker, “Is it time to move? Here's how to find out” and “Horror stories – 5 booby traps you must be aware of” will generate healthy response rates for both buyers and sellers.

If there is someone on your team that has a talent for writing, consider this a major bonus. Some firms contract outside copywriters to assist in the writing effort. We recommend that the client write the outlines for articles, with an “impartial” insider or outside service firm to do the fleshing out and/or editing. People can be defensive about their writing, so it is important to establish the expectations up front that there may be some editing of the work. The major benefit to the article writers – they will often be the beneficiaries of the inbound leads!

2. Structure

E-newsletter structures can vary significantly, from the all-text version with contacts in the “Bcc” field to the highly sophisticated personalized HTML versions complete with links and graphics.

At Eloqua, we employ the teaser style, with short paragraphs that invite skimmers to click links that take them to our website to learn more information. We do this for two reasons: first, we believe that long paragraphs turn readers off and encourage deletes and unsubscribes, and second, we can track the

clickthrough behavior for lead generation and newsletter optimization purposes. Our newsletters are also fully graphical HTML, for more faithful brand representation and readability.

The main disadvantage of this style is that the articles have to be posted on the website, which can be challenging if there is not an effective process in place for new content uploading. In some organizations it is easier get a large budget increase approved than it is to add or change website content! In this case, it will be more effective to put entire articles in the e-newsletter, with appropriate links to existing website content.

Privacy and personalization issues are becoming increasingly important. Wherever possible, personalize the message, especially in the salutation and in the subject line. Always give the reader the opportunity to easily opt-out of future messages.

There is currently a major debate on the requirement for written or digital permission to receive the e-newsletters, or if verbal permission is sufficient. This depends very much on the industry – businesses in the regulated financial and telecom industries marketing to consumers should always require a subscription for the e-newsletter. In general, we recommend that businesses that market to consumers receive written or digital permission, in line with social and legal norms.

The guidelines are not clear-cut for businesses marketing to other businesses. For example, we receive several e-newsletters unsolicited from local law firms, companies that presumably understand both social and legal norms. Even so, we strongly recommend that companies get at least verbal permission to put new prospects on the e-newsletter list.

All customer-facing representatives should habitually ask prospects for their permission to receive your e-newsletters when meeting in person or on the phone. This should be recorded immediately in the contact management and email list management systems. This practice is not merely good manners – it is good business as well. Opening and clickthrough rates are measurably higher for recipients who have given permission.

3. Results

What kind of results can be expected from an e-newsletter marketing campaign? There are several metrics that be tracked:

- Clickthrough rates. A good e-newsletter will receive an 8% or better clickthrough rate; some of our clients have rates upwards of 15%.
- Unsubscribe rates. If unsubscribe rates are over 0.5%, it is likely that the content in the e-newsletter is not valuable enough, or that e-newsletters are

being mailed out too frequently. We recommend a frequency between once per week and once per two months, depending on capacity for producing quality content.

- Website traffic. Website traffic can spike by a factor of 10 after an e-newsletter drop, but interestingly, there is often a sustained uptick in traffic levels. We recommend that back issues of newsletters be posted on the site to add more value to surfers.
- Inbound leads. A tough metric to track, but directly-attributed results of 1 to 10 inbound inquiries per thousand recipients per month is about average for Eloqua and Eloqua clients. Lead generation can be improved dramatically from these levels if sales representatives follow up with e-newsletter readers.

While the measurable benefits of e-newsletter marketing are often enough to justify an investment of company resources, the soft benefits are considerable as well. Increased name recognition, prospects' receptivity to phone calls and offers, employee morale, and customer satisfaction are benefits that are frequently cited by companies that invest significantly in their e-newsletter marketing programs.

The Eloqua Advantages

E-Newsletters sent with Eloqua*Now* have several advantages over typical e-newsletters:

- Eloqua*Now* e-newsletters can be deeply personalized, not only with contact information but also with website behavior data. For example, if a prospect has filled out a form on your website or has viewed a certain page, this information can be used to automatically customize the mailing.
- Eloqua*Now* e-newsletters are individualizable by sales representatives, increasing the relationship-building potential of each mailing. Individualization can be executed on a “mass” basis, where the personalization is done on the reps’ behalf, or on a one-to-one basis, where sales reps can personalize one-off mailings.
- Eloqua*Now* e-newsletters are fully trackable, so sales representatives can identify the interest levels and needs of readers. Powerful purchase intent data like number of visits and time spent on the website are combined with needs analysis data such as the web pages of interest.
- Sales representatives receive lists in their inboxes of the prospects that met qualification criteria by email or in their contact management systems, ensuring low lead wastage.
- Eloqua*Now* has sophisticated list management services, including opt-in and double opt-in subscribing, unsubscribing, bounceback handling, contact management, and contact synchronization.
- HTML-sensing and Personalized Web Replica technologies ensure that 100% of recipients receive the intended message.
- Wizard-like, step-by-step processes make it easy for e-newsletters to be created, customized, and executed.

Eloqua also offers a [complete service](#) for e-newsletter marketing. Our experienced project managers are available to assist you with every aspect of your campaign, including copy and design creation, list management, permission-based address gathering, campaign execution, and follow-up.

Please contact us at sales@eloqua.com if you would like to discuss e-newsletter marketing with one of our sales consultants.