

# What Executives Really Need To Know About Email Marketing



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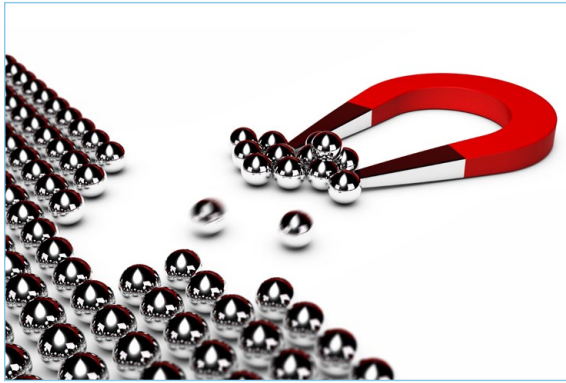
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## 1) How Effective Is It?

To answer that question you have to have a goal to compare results to. For many companies the ultimate goal is likely to be to increase sales. Other goals could be to generate more potential sales leads, generate more qualified sales leads, increase brand awareness and/or perceived value and increase brand loyalty.

If we stick with the goal of increasing sales, the one question becomes two questions: how can email marketing get us more sales and how can we measure results to be sure?



The first question was covered in our recent newsletter, so we'll concentrate on how results are measured and how they go from opens and clicks to leads.

Email tracking software can determine who opened an email, what hypertext links within the message were clicked and by who. It can also track how many times a single email was opened by an individual and how many links they clicked on.

The links embedded within the email typically launch a user's web browser and automatically navigate to a specific web page. Once on the web page, web tracking software takes over and can track what other pages a user goes to, if the user returns to the site and much more.

All of the data collected from this tracking process can be analyzed and an algorithm developed to automate the analysis process and 'spit out' the contacts that are highly likely sales prospects. This process is often referred to as "the sales funnel".

The other contacts remain in the system and continue to be monitored until they are 'tagged' as near-ready to buy. As far as the algorithm goes, a value is generated from the actions of the email recipients. If someone opens an email, that's an action. If the same individual opens the email a second time, that's another action, if this person clicks on a link in the email that's another action. These actions are assigned 'weights' and when a pre-determined threshold of actions is reached, the lead is considered ready to hand off to sales. So basically, we are gauging interest level. When enough interest is demonstrated, the probability of the lead being sales-ready is higher.

Using feedback from sales on the quality and timeliness of the leads received, the algorithm can be optimized. Now for some stats.

- "Open" and "click" stats for B2B and industrial companies in particular: several sources state that their research revealed open rates on average from 11 to 14%, with one source stating 28%. Clicking on links within B2B emails have much lower response rates are typically between 1 and 2%.

Every company is different and many factors besides marketing go in to sales and usually multiple marketing tactics are employed, so tying a specific sale to originating with a specific email action is hard work.

Instead of creating an "impressive" 75 page Ultimate Guide To—Email Marketing,—Inbound Marketing, etc. What follows is an executive summary based on speaking engagements from industry leaders, multi-sourced research results and AAI's experience.

At AAI, we figure you have urgent business matters that require your time, so allocating a lot of your time is something you would prefer to avoid. This report is a concise executive summary on the pertinent facts.

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That said, as far as return on dollars spent on email marketing goes, available statistics range up to 4,425% ROI, though this includes consumer, B2B as well as advertising in email vehicles and there seems to be few sources for this stat. It is also stated as a \$44.25 return for every dollar spent.

In our experience while B2B customers often go to a search engine to find a product manufacturer or service provider, the impressions from email marketing, advertising, PR and other marketing and sales efforts influences their choice from the businesses listed. A balanced marketing approach incorporating email marketing provides a stronger connection with prospects and, if done right, can boost their perception of your company as one that provides value and earns some trust before they buy. Thinking long term about 'keeping the pump primed' through a comprehensive marketing program has delivered a steady stream of new business for decades for AAI's clients.

## 2) Costs?

Stand-alone services for list cleaning and email broadcast are inexpensive but they can't create the three key ingredients: think time, content and production effort.

Using web-based turnkey marketing software can run to over \$5,000/mo. and you still have to supply those key ingredients. While simple email broadcast/management software usage runs from about \$20 to hundreds of dollars per month, it doesn't do the back end functions to create and optimize a sales funnel comprehensive marketing software will do.

It takes time and experience to determine the approach to take to communicate online with B2B sales prospects as well as to write the communications regularly. It also takes a lot of effort to review the data collected, analyze it and program the software to recognize under what conditions it should flag a respondent as ready to pass off to sales as opposed to needing to go back in the funnel. So the bottom line is that there are costs in the creative, production, data analysis and management of the email marketing effort.

## 3) How are results measured?

### How Analytics works.

When an email recipient clicks load images for an email in their In Box or when their email application automatically loads them, it executes tracking code embedded in the email. It is recorded as the recipient opening the message. When a link in the email message is clicked on, it launches the recipient's web browser and when they land on the web page the link took them too, code embedded in the message tracks that they clicked that specific link. Your website landing page can track them from there with tracking code embedded in the site's pages.



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A good analytics tool will track and report email response both on an overall results basis as well as details on individuals actions who opened their emails. Even better tools will follow visitors (who originated in response to emails) as they visit the site. Results can range from measuring overall results from email and other marketing efforts to provide solid data that can be used for product decisions and producing immediate sales leads.

### 4) *Best practices?*

Best practices for email marketing encompass three categories: lists, producing material to email and sending emails.

Concerning a list to email to there are three areas with this category to be concerned with: list building, list cleaning, and A/B testing.

Building an opt-in list is the best way to go if you can. Good things happen with a self-built opt-in list. Interest is there, so higher open rates should follow. You avoid being labeled a spammer and you don't have to buy or rent a list. If this route isn't practical you may have to build a list from other marketing activities or rent a list. Be careful with the latter two options as you can be shut down or get diminishing returns.

Even if you have built a good list, email addresses and businesses email server practices change periodically. This means it's a good idea to clean the list periodically to eliminate invalid and unknown addresses. Also decisions can be made on the gray area of "accept all" email server addresses, that accept all emails at first and make rejection decisions later on, that can haunt the sending company.

A/B testing is important to get the most mileage out of your email marketing effort since decisions to open are based on a short line of text in the Subject of an email and decisions to read/save or trash are typically made in only a second or two of reading the subject line and/or scanning the content.

Doing email production right is vital. Content development that is relevant, timely and interesting is what will engage email recipients and keep them coming back for more. Creative - both copy and visual - is important to draw readers through what would otherwise be a mass of text and look like almost all other B2B emails they get. If your communications aren't differentiating your business by appearance, how will readers get through enough of the content to learn about how your products or services are unique and better? When you are sending out a communication like an e-newsletter, the way it's constructed will bear directly on the open rate and even it's sustainability as a communications vehicle.

Once you have a list that isn't the end of this component of email marketing. List management includes tracking and acting on unsubscribe requests, adding new email addresses and re-qualifying good addresses periodically. Also a test email list to a few 'inside addresses' needs to be maintained. A small subset of your list can also be carved out for A/B testing.

Sending emails can require more effort than it would seem at first.



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Blasting out to a list seems like it should be as simple as clicking send button. Opportunities to maximize results by selecting an optimum day, time of day, and in some cases, time of month or year are important considerations. Other considerations include monitoring results and acting on those results, if they aren't going as well as previous blasts to the same list.

Besides other items on this subject covered in our newsletter, AAI performs 30 discrete steps to cover the categories of email development, list acquisition or (if for an existing list) list maintenance, opens and link tracking and analysis, pre-flight testing on major email applications/platforms, blasting to the list, tracking and reporting results.

### **5) How to Implement?**

The content of this executive summary can serve as an outline of the steps needed to implement an email marketing program. Knowing your audience and the Can-Spam laws is important too. One example: starting this past summer, Canada rolled out new anti-spam laws that could affect businesses outside of Canada as well as within. Fines are \$200 per violation up to 10 million (Can) for violators. Getting it right can be difficult without experience. Companies have a tendency to give up on email marketing if they try it and don't get much response. Done right though, the increase to sales can be significant.

### **6) Integrate with sales software?**

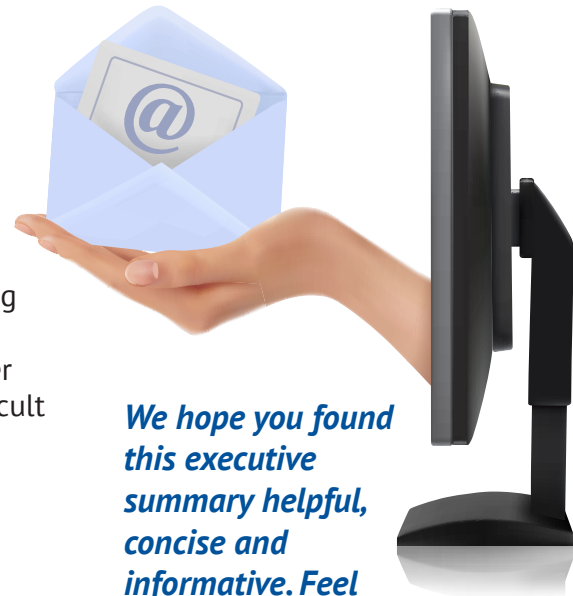
Taking on a soup-to-nuts marketing software application or software-as-a-service (SAAS) can be resource draining and overwhelming. Other approaches include taking it a piece at a time and understanding one piece before adding another or going to an agency that has experience with digital marketing.

Ultimately the decision depends on how automated you want to get to. Even more time needs to be spent analyzing results, determining what to do with prospect data and when a datum is ready to be called a lead and turned over to sales.

### **7) Where can I find a reliable turn-key solution provider?**

Obviously many providers can be found online so this is where we take a minute to beat our own drum. Here's a few advantages to choosing AAI:

- decades of marketing experience with proven results
- reliable strategies, tactics and execution evidenced by the growth of our clients
- personal, pro-active service—where we look for opportunities
- we keep our overhead down to provide services at a cost that will buy more for your marketing dollars
- we're adept at finding ways to maximize the results you get



*We hope you found this executive summary helpful, concise and informative. Feel free to contact Mark (ext. 204) with any questions or suggestions for topics on future newsletters.*

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