



WHITE PAPER

How to Sell More

Three Simple Strategies for Email Marketing Success

PRESENTED BY

TOPICA

“25% of offline sales are a direct result of online advertising – including email marketing campaigns.”

Source: Shop.org

Introduction

Today’s successful retailers are developing online marketing initiatives that leverage their channels and push sales. One recent study by MSN revealed that online advertising can increase sales by as much as 12.5 percent. Permission-based email marketing tops the list of effective online advertising methods by having the ability to send valuable content and promotional material on a continuous basis. It is a highly cost-effective way to convert prospects into first-time buyers, and first-time buyers into loyal customers.

The rewards are great for businesses that strategically attract and convert qualified leads into customers. Consumers are shopping more – and spending more money – online every year. Forrester Research reported a record \$64 billion in online sales during the first half of 2004 – a 32% increase over 2003. And they predict that figure will hit \$184 billion by the end of 2004.

Email marketing campaigns can help businesses generate new customers, strengthen customer loyalty, and sell more when they incorporate these three strategies for success:

- 1. Plan for Success**
- 2. Focus on the Customer**
- 3. Follow up Quickly and Relevantly**

Read on to learn how easily you can add these proven email marketing techniques to your marketing mix.

The Email Marketing Advantage

For both online and brick-and-mortar retailers alike, permission-based email marketing campaigns present a tremendous low-cost opportunity to reach prospective and existing customers. Company Web sites must contain a mechanism to capture both contact information from visitors and permission to communicate with them via email. When businesses deliver valuable information and promotional material on a regular basis to those who have requested it, the recipients are open to the message — and more likely to respond, or remember the sender when they are ready to buy.

Email is Fast

Putting together a direct mail campaign can take weeks. An email campaign? Only a matter of days or even hours. Recipients can respond immediately, therefore the impact on sales is immediate too. As a matter of fact, research shows that the average lifespan of an email campaign is 48 hours during which 85% of transactions occur.

Email is Effective

Email marketing campaigns are more cost-effective than either direct mail or Internet banner ads. Email generates 14% more revenue than direct mail per dollar spent, without creating any of the fixed costs, such as printing and postage. Email is also more cost-effective than telemarketing. It generates 32% more revenue than telemarketing per dollar spent.

Jupiter Research forecasts that online advertising will grow to \$14.8 billion in 2008, when online advertising will be 6% of the size of total U.S. ad spending.

Email is Everywhere

According to Messaging Online, Inc., in 2000 over 435 million email addresses existed world wide. Since then, the volume of Internet traffic has been doubling every 100 days. Tremendous opportunity exists for anyone who can find and attract qualified leads from that giant pool.

Strategy #1: Plan for Success

Use Lead Capture Forms

Most businesses drive traffic to their Web sites using online advertising such as banner ads, affiliate programs, and paid search. Online marketing expenses are rapidly growing – Google’s paid search revenues alone are anticipated to climb 83% this year to a staggering 1.7 billion.

Your business should let visitors know that it will not share, rent, or sell their email addresses and that it values their privacy. The best plan is to place a link to the company privacy policy next to the lead capture box.

This translates directly into rising customer acquisition costs for businesses engaged in online marketing, and an essential need to optimize traffic conversion. One way to maximize these traffic-driving initiatives is by placing lead capture forms on the landing pages where traffic arrives, and then giving visitors a reason to want to receive email campaigns. Businesses must offer something of value – a sneak peek at the latest merchandise, free offers, tips and advice (for example, a ski shop might offer free snow reports). By capturing email addresses on the initial visit, businesses can increase their odds of converting more prospects into loyal customers.

As the email program grows, a business will want to send more targeted information to different segments of the list. But in order to segment an audience, a business must first capture specific data, such as demographics and product preferences about the prospective customers. For example, if it is important to target based on gender, then a business should collect this information when subscribers sign up for the list. Effort made early on to collect useful information will pay off later with higher open and conversion rates and increased sales.

Create a Comprehensive Schedule

Businesses should determine a schedule that works for both the sender and prospective or existing customers, while ensuring that all emails are professional looking and CAN-SPAM compliant.

Businesses should choose a frequency that works for their schedule and for their target audience. Most merchants choose a bi-monthly or monthly campaign schedule. Anything less than that and readers may forget their subscription and view the email as SPAM. If unsubscribe rates start to climb after more frequent mailings, then businesses should revisit how often emails are sent and survey customers to find the right balance.

Businesses should integrate polls and surveys into their regular email campaigns to continuously increase their knowledge about prospective and existing customers.

A recent study by eROI suggests that Monday is now the best day to send email campaigns. The chosen day must make sense both for the sender and its intended audience. For example, a business shouldn't expect high returns from a Monday campaign if it targets restaurants that are typically closed on the first day of the week. It's also important to account for holidays, three-day weekends, and promotional schedules when finalizing email marketing campaign schedules.

Brand Your Emails with Flexible Templates

Professionals and new users alike can benefit from the speedy turnaround time that flexible HTML templates provide. They make it easy to brand email campaigns with company logo and colors. And businesses can use the same template every time, or vary it to suit each audience or season. A consistent look and feel will help readers easily recognize the email and avoid hitting the delete key.

Templates also allow businesses to design email layouts that work. Many readers use preview screens that only display the top third of an email, therefore, it is important to position the most important messages and branding at the top of your email. It is also important to use both text and graphic elements for messages. Too much reliance on one or the other can have a negative impact on response rates, while a combination accommodates different subscribers' preferences.

Stay CAN-SPAM Compliant

The CAN-SPAM Act of 2003 outlines what rules to follow so businesses can deliver only legitimate, compliant email messages:

- Don't send false or misleading information
- Don't email after a recipient opts out or objects to your emails
- Don't harvest addresses from the Internet or generate them randomly
- Don't send commercial email from a computer you are not allowed to access
- Include a valid postal address and an opt-out process with every email
- Include a warning label for sexually explicit content in the "Subject" line

Strategy #2: Focus on the Customer

All communications with prospects and existing customers should make them feel welcome and informed, provide them with valuable content, and then ask them to take the next step.

Send a Welcome Message

Whenever anyone subscribes to a mailing list, businesses should send a welcome message that thanks them for subscribing and lets them know what to expect. A prompt first message delivered by autoresponder and with limited promotional material can be a powerful first impression. It should also encourage the new subscriber to confirm their subscription to assure preferred delivery to their ISP.

Figure 1: An Example Welcome Message



The image shows a sample email newsletter layout. At the top left is the 'acme snow sports' logo. To the right is the title 'Acme Snow Sports Newsletter'. Below the logo is a photo of a skier in a red jacket. The main text is a 'Welcome!' message from John Smith, Marketing Manager, thanking Susan for subscribing and providing details about the newsletter's content. At the bottom, there are links for 'Update Profile', 'Unsubscribe', and 'Confirm', and a copyright notice for 2004 Acme Snow Sports.

acme
snow sports

Acme Snow Sports Newsletter

Welcome!

Dear Susan,
Thanks for subscribing to the Acme Snow Sports Newsletter. The best skiers and snowboarders in the world rely on us for the latest in cold weather gear. Each month, we'll send you exciting offers and specials so you can get the gear you need at a price you can afford. Also, watch for updates on the latest ski and snowboard competitions and resort reviews from our staff.

Please confirm your membership by clicking the link in the footer of this email. If you've received this confirmation in error, please click the link in the footer to be automatically unsubscribed

Visit our Web site today, to check out the latest styles! Contact us at info@acmesnowsports.com if you have any questions. And don't forget to Bookmark our site!

Regards,
John Smith
Marketing Manager, Acme Snow Sports

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Address Customers' Tastes and Preferences

By tailoring content to match the preferences of prospective and existing customers, businesses increase their odds of creating loyal customers and achieving high conversion rates. For instance, an avid skier is not interested in a sale for snowboards and vice versa.

Send Quality Content

Quality, not quantity, keeps email marketing campaign messages welcome. Businesses should determine what type of content their audience values, for example: sneak previews, recipes, new listings, or industry advice. Then businesses should combine content with promotional information, such as sale announcements, free offers, multi-purchase discounts, seasonal or Holiday offerings, or specials. Blending valuable content with promotional material can lead to dramatic results in

higher click-through and conversion rates, and ultimately more loyal subscribers.

Choose "Subject" Lines That Work

The "Subject" line should explain exactly what useful information the reader is going to receive, for example: "Recipe for Chocolate Chip Cookies." It should be simple, short, and honest, and avoid common SPAM flags, such as "free," "guaranteed," "\$\$\$," and "!!!"

Call the Reader to Action

Using a call to action in emails, such as "Act now" or "Choose your favorite style" increases conversion rates, as does giving subscribers a deadline. When avid snowboarders know that they only have 48 hours to get those K2 boards at that great price, they will act fast and be more likely to complete the transaction immediately.

Figure 2: An Example of a Targeted Message

acme
snow sports

December Snowboard Sale

Buy Any Boots & Get \$30 Off Any Zeppelin K2 Board!

Dear Frank,

Happy Holidays! Here's a chance to get your favorite snowboarder a dream gift at a price you can afford – a world class K2 142 cm Mini Zeppelin Snowboard, just like the pros have.

Buy a pair of boots in December and get \$30 off your choice of any K2 board in stock. No malls, no hassle. Order today, to assure delivery by Christmas and we'll pay the shipping.

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Strategy #3: Follow Up Quickly, Consistently, Relevantly

Follow up never ends. Autoresponders, in all kinds of roles, ensure that no prospect is forgotten, and proper tracking of results makes it easy to adjust campaigns so they are more effective.

Autoresponders: Immediacy and Relevance

An autoresponder is an email campaign triggered automatically by key events like data capture forms or surveys being submitted, campaigns or links being opened or clicked, or key Web pages being hit or not hit. Autoresponders allow businesses to instantly communicate, one-on-one, with prospects at key points in the online sales process, allowing them to provide more detailed information when needed, save shopping cart abandons, send targeted, post-sale cross-sell and up-sell offers, and more. This enables businesses to more closely match the sales process that a merchant and prospect go through offline.

For example, in a brick-and-mortar store, the merchant can answer questions, build rapport, then suggest an appropriate product. Online merchants can do the same by setting up autoresponders to automatically deliver a reminder email, or a pre-scheduled series of emails, to prospects who have demonstrated their interest by opening, clicking or visiting key Web pages. For example, if a subscriber to an online store's mailing list clicked on the picture of a K2 snowboard, the retailer could create an automated email triggered by this action that promotes all available K2 snowboards as shown in Figure 2 above. This sophisticated targeting creates high conversion rates and happy customers.

Follow-Up Where it Counts Most

An especially good use of autoresponders is in saving shopping cart abandons – prospective customers who, for whatever reason, do not complete a purchase they started. Using "Conversion Tracking" enabled Web pages in concert with autoresponders, businesses can

Figure 3: A Shopping Cart “Abandonment Campaign”



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Shopping Cart Problems?

Your Nordica boots are still a great deal. And we're here to help!

Hi Frank,

Looks like you were about 95% done buying these great boots at exclusive end-of-year prices when something happened. Maybe the doorbell rang, Sally started crying – who knows.

We want you to know that we still have your boots and we're here to help should you have additional questions or if you simply encountered problems with our checkout process. Please call or email us at: sales@acmesnow.com if we can help!

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now send tightly targeted email campaigns to these hottest of prospects, offering, help, more information or simply surveying the reason for their departure. So called “Abandonment Campaigns” can reliably boost overall shopping cart conversion by up to 20%.

Measure Results

It is vital to measure the effectiveness of email marketing campaigns from start to finish. Within hours of sending, it is possible to count deliveries and see exactly who opened an email or clicked on a link. By learning which customers are most interested in a current promotion, businesses can more accurately target based on preferences or click activity and gauge response to a campaign. This intelligence gained from online reports – like the number of clicks and opens, or surveys and reader polls submitted – can provide invaluable insight into your prospective and existing customers’ preferences and needs. Use this knowledge to improve subsequent online and offline campaigns, increase response, and sell more.

Conclusion

There’s no better way to stay in touch with existing and former customers, build an email list of potential customers, or reach out to a group of neglected prospects than a permission-based email campaign. Email marketing campaigns are fast, personal, and generate more revenue per dollar spent than either direct mail or telemarketing.

There’s never been a better time to get started collecting high-quality leads, delivering micro-targeted email campaigns, and converting prospects and one-time buyers into high-profit loyal customers. Businesses that do so now will almost certainly get their share of the record-setting spending forecast for this year.

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Figure 4: A Post-Sale Cross-Sell Campaign



May We Humbly Suggest...

Congratulations on your recent purchase of Nordica boots! How about a great bag to keep them in?



If you're like us, your boots are wet, snowy, and often muddy after a hard day on the slopes. Hardly something you want touching the leather interior of your new BMW, right? Toss your boots in one of these handy boot bags from Rossignol and the problem is solved! You'll look great, your car interior is safe and the inside liner of the bag snaps out easily so you can hose it off later.

Since you're such a great customer, we're happy to offer you this item at a whopping 30% off suggested retail. This offer is only good for two weeks, so act now!

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Topica Can Help

Topica provides an Online Marketing and Sales Solution for both online and brick-and-mortar retailers. This complete solution can help any retailer produce professional email marketing campaigns that guide prospective customers through the sales process from prospect to existing customer to repeat buyer.

Topica's solution also helps clients optimize current traffic-driving marketing initiatives and dramatically improve marketing ROI by increasing conversion and lowering shopping cart abandons. This is achieved through advanced features like hosted lead capture forms for list growth, a segmentation features for micro-targeted campaigns, event-triggered autoresponders for immediate and targeted communications, detailed order conversion tracking and shopping cart "rescue" programs.

Founded in 1998, Topica serves over 4,000 customers, including International Data Group (IDG), IBM, Corp. and Hachette Publications. Firmly committed to permission-based email campaigns, Topica is a member of TrustE, the Email Services Provider Coalition and the NAI (National Advertising Initiative), and a member of the Internet Alliance. For more information about the company, please visit www.topica.com.

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