

Constant Contact®:

## Keep Your Customers with Email

Experts agree and evidence abounds that profitability is all about creating loyal customers and driving repeat business. And since it is roughly six to twelve times less expensive to sell to an existing customer than it is to acquire a new one, the value of customer loyalty and repeat business is just too compelling to ignore.

A 5% increase in retention yields profit increases of 25 to 100 percent.

Repeat customers spend, on average, 67 percent more than new customers.

*Source: Bain and Company*

### **It's All About Communication**

How do you get repeat business and earn customer loyalty? Take a lesson from small businesses that long ago grasped the dynamics and importance of building customer relationships through communication. They nurture their customers over time by learning and remembering individual preferences and interests. They acquire this customer information directly from customers through personal interaction. And they keep in touch with customers on a regular basis ensuring their business remains "top of mind."

Statistics show that it takes six to seven contacts before you can turn a prospect into a customer. All that contact can be expensive, and time consuming. That's where email marketing becomes a critical part of your marketing efforts.

### **Email Turns Prospects and Visitors into Loyal Customers**

Email marketing enables you to proactively communicate with your existing customers, prospects or members instead of passively waiting for them to return to your Web site, visit your store or office, or call you on the phone. With email marketing you can solidify existing relationships, initiate new ones and convert your one-time visitors, buyers and members into repeat business and long-term customers or contributors.

No matter how your visitors, prospects and customers found you; perhaps you paid for search engine placement, sponsored a newsletter, rented an opt-in list, placed a banner ad or two, distributed a flyer or sent a postcard; email marketing adds to your bottom line because it allows you to maximize your investment in those expensive and time consuming marketing efforts and improve the return on investment (ROI) of every dollar you spend to obtain new business and develop profitable customer relationships.



### Why is Email Marketing the Answer?

Email marketing is one of the most powerful marketing tools available today. It is easy, affordable, direct, actionable and highly effective. When you add email to your marketing mix, you spend less time, money and resources than with traditional marketing vehicles (e.g. direct mail or print advertising) And, with email marketing, you can communicate more quickly which means your time-sensitive information is disseminated in minutes, not days or weeks - and you can see the results of your efforts instantly.

Email marketing is at it's most effective when used in communications to your existing customer list or "house list" as a means of customer retention.

Good email marketing wins over consumers:

- Well-executed permission email marketing campaigns can have a positive impact on consumers' attitudes towards companies.
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- 67% of US consumers said they liked companies that, in their opinion, did a good job with permission email marketing.
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- 58% of consumers said they opened those companies' emails, while 53% said that such emails affected their personal buying decisions.

*Source: eMarketer*

### Communicate More Information, More Often

Email marketing is an affordable way to stretch a tight marketing budget. It can cost as little as fractions of a penny per email! With a response rate five times greater

than direct mail and 25 times the response rate of banner ads, email marketing is the most effective way to increase sales, drive traffic and develop loyalty. Unlike direct mail, there is virtually no production, materials or postage expense. So, with email marketing, you can easily and affordably create more communications that are valued by your customer, and you can make those communications support and enhance your brand in a way that substantially differentiates your company from the competition. Your communications can include newsletters, preferred customer promotions, sale notifications, new service announcements, event invitations, greetings and more.

### **Educate Your Customers**

Information and education make your customers and prospects much more valuable because they are more likely to buy when they can make an informed decision. Why force prospects to look elsewhere for the important information they need? Your email communications can gently lead a prospect through the sales process, provide important data and drive the prospect to your website for more details and/or a purchase.

For example, an email newsletter is uniquely suited to accomplish the long-term goals of customer retention and loyalty, while it can still contain a call-to-action that provides a short-term benefit.

For most businesses, a well-educated customer uses products and services to their greatest advantage. And, guess who will be the first in line to buy when something new becomes available?

Studies show that both senders, and recipients increasingly prefer email marketing.

Email is the increasingly preferred method of communication for businesses. In a recent report, Gartner predicts that 80% of companies engaged in direct marketing will send at least one email campaign by the end of 2004.

According to DoubleClick, permission-based email is far and away the preferred method of online communication for consumers. 75% rated it as their preference, with only 25% preferring postal mail and 0% choosing telemarketing.

### **Foster Long-lasting Relationships**

Email is an easy and inexpensive way of establishing early and long lasting relationships with your prospects and customers. And the benefits of these relationships are far reaching. When you inform and educate prospects and customers, they begin to perceive you as capable of addressing their needs. Even better, they may look to you as an expert. This develops trust, opens the door to two-way communication and allows them to share their pain points with you. Using

the information you gain from your prospects and customers, you will be able to better serve their ongoing needs, hone your unique selling proposition and slowly close the door on your competitors. In the process, you may discover hidden sales opportunities that you may not be addressing.

According to DoubleClick:

- Permission-based email motivates consumers to purchase: 78% of Online shoppers have purchased as the result of clicking on an email link.
- Emails have latent and cross-channel impact. Consumers not only made immediate online purchases as a result of an email but also purchased online and offline at a later date.
- 59% purchased in a retail store after receiving an email; while 39% purchased through a catalog and 34% purchased by phone and 20%

### **Easily Measure and Improve Your Results**

The benefits derived from most types of marketing and advertising are very difficult to measure. With email marketing, however, you can easily measure the number of emails sent, emails opened, bounce backs, unsubscribes and click-through rates.

You can also tell who opened your email, which links in your email motivated the most clicks and, even more specifically, who clicked on each link. All of this useful information can help you send highly targeted campaigns to the individuals most likely to respond to your offer, thus improving results going forward.

### **What About Spam and Privacy Concerns?**

The hottest topic in email marketing today is spam. As corporations and Internet Service Providers (ISPs) work to control the amount of unsolicited email entering their systems, they may inadvertently filter out legitimate emails. In industry language, this type of error is known as a "false positive," and the result is that some emails sent to people who have requested them don't ever reach their destination.

But, let's put that into perspective. Even with spam's impact, a good email communication sent to your house list will still be opened by over 40% of the people it's sent to. Given typical response rates to traditional marketing tactics, that's as much as 40 times better than the percentage of people who read your newspaper ads; respond to your direct mail; or return your unsolicited phone calls.

Email marketing represents the first time in history that we've ever been able to cost effectively communicate with our entire customer and prospect base over and over and over again. Not only that, but thanks to the inherently democratic nature of email (i.e. the big boys don't get any more space in the email inbox than the rest of us), email marketing gives us the opportunity to not just compete with, but outperform our much larger competitors for the attention of readers.

And so, while SPAM has certainly reduced some of the effectiveness of email marketing in recent months, this remarkable tool is by no means past its prime.

### **An Email Marketing Service Makes it Easy and Affordable**

There are Web-based email marketing services, like Constant Contact Do-It-Yourself Email Marketing, that are inexpensive and designed to make email marketing easy for the non-technical user. These types of services take care of the heavy lifting to allow you to do what you do best – promote your own product, service or cause. An email marketing service delivers your emails with proper protocols, develops relationships with ISPs and has a full-time staff to gain the highest deliverability rates for your email. Finally, a good email marketing service is Can-Spam compliant and offers a complete solution including list management and real-time reporting.

### **In conclusion**

Email marketing offers business owners an opportunity to reach out to customers and prospects, and increase customer retention in ways that were simply not possible just a few short years ago. Whether you do it yourself, use a service like Constant Contact, or hire an agency to handle the entire process, email marketing should be a big part of your customer relationship efforts.