

# Keep Your Customers with Email

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## Keep Your Customers with Email

I have been to a few tradeshow and seminars lately and have taken the opportunity to talk to a wide variety of small businesses. One question I always ask is "how do you communicate with your customers and prospects?" A number of times, the answer has been "well, we send a holiday card every year." I am always surprised at that answer.

While holiday greetings have their place, a business cannot live by one outbound communication per year. Granted, these cases might have been extreme but chances are, you have probably wondered about your own communications strategy. Are you communicating enough?

My advice to businesses is to think about how many times during the year/quarter/month a customer needs you, or your products or services, and let that be your guide to determining how often to reach out and touch your audience. Think of this number as a minimum, then build from there.

Your business could be a marketing consulting firm, a software company, a nonprofit, an educational institution, a car dealership, a florist, a restaurant, a vineyard, a rock and roll band - you name it! Success and profitability is all about creating loyal customers (e.g. clients, users, donors, buyers, diners, drinkers and fans) and driving interest, repeat business and referrals.

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.

According to Bain and Company:

- A 5% increase in retention yields profit increases of 25 to 100 percent.
- Repeat customers spend, on average, 67 percent more than new customers.

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

Communication is a critical part of any relationship. 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 organization 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 any organization's marketing efforts.

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

Email marketing enables you to proactively communicate with your existing customers instead of passively waiting for them to return to your Web site, visit your store or office, call you on the phone etc. 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, 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.

According to DoubleClick, good email marketing wins over consumers:

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

### **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.

### **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 much, much 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 calls-to-action that provide short-term benefits.

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. 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.

### **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 your results going forward.