

Keep Marketing in Tough Times

Use Email as an Essential Part of your Integrated Marketing Plan



In challenging economic times, your marketing efforts are critical to your company's financial well-being and future. This is no time to let marketing activity grind to a halt. Instead, use the cost-effective options that make the best use of your marketing budget. Interactive campaigns – especially email marketing – can help your company survive and thrive, and be well-positioned for the return of better days.

If you stop advertising and marketing, you may inadvertently give your customers and prospects the impression that you've gone away or given up. Don't set the stage for your competition to shine. Instead, move your dollars to more effective marketing channels that give you maximum return and results. And if your competition is pulling back, all the more reason to seize the opportunity to make your company more visible, and build awareness and relationships for the long term.

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Consistent efforts pay off

Research shows that companies that consistently advertise even during recessions perform better in the long run, according to a Knowledge@Wharton article titled “When the Going Gets Tough, the Tough Don’t Skimp on Their Ad Budgets.” A McGraw-Hill Research study looking at 600 companies from 1980 to 1985 found that those businesses which chose to maintain or raise their level of advertising expenditures during the 1981 - 1982 recession had significantly higher sales after the economy recovered. Companies that advertised aggressively during the recession had sales 256% higher than those that did not.

David Sable, vice chairman and chief operating officer of Wunderman, a brand-building agency within a global marketing firm, The WPP Group, advises advertisers to protect and preserve the brand equity they’ve nurtured for years, with continued investment in and support of branded products. While companies must preserve product quality and good distribution systems, Sable suggests that clear brand association and leadership comes through communication. “If you cut the communication, you have a major problem.”

If companies cut deeply into advertising and communications in a down period, the cost to regain share in the market once the economy turns around may be four or five times more than cuts saved, according to Sable. “You must really keep a balance in times like this. Don’t go dark when customers and consumers need you because they need you as much as you need them.” (Read the full article from November 26, 2008, at: <http://www.knowledge.wharton.upenn.edu/article.cfm?articleid=2101>.)

Shift to higher-ROI email techniques

Instead of slashing your spending, re-allocate it and put your marketing dollars to work on lower-cost efforts with a higher return on investment (ROI). Email marketing is an effective, low-cost tool that can offer quick results – a definite must for your interactive marketing toolbox. If your overall marketing budget is tightening up, why not use a tool that works, and doesn’t take a huge bite out of your budget?

Email marketing’s ROI was \$45.06 for every dollar spent, according to a study released by the U.S. Direct Marketing Association (DMA) in October 2008. Other types of Internet marketing had an ROI of \$19.94, while catalog marketing delivered an ROI of \$7.28.

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In 2008, email marketing's return on investment (ROI) was \$45.06 for every dollar spent.

According to new survey research by Epsilon, the benefits of permission-based email marketing campaigns extend far beyond ecommerce transactions and have a significant impact on purchasing behavior and consumer loyalty in the brick-and-mortar world. Consider the following findings:

A majority of survey respondents (57%) said they have a more positive impression of companies when they receive emails from them.

Forty percent said that simply receiving email has a positive impact on their likelihood to make a future purchase from a company.

An impressive 71% remember email communications when making purchases at a company's Web site.

Fifty percent said they are more likely to buy products from companies that send email, whether they make their purchases online or at a place of business.

This research demonstrates the importance of email marketing as part of a multi-channel communication strategy: Email builds loyalty and brand awareness and drives on- and off-line behavior.

Tips for using email marketing effectively

Despite tough times, there are still clients and prospects who need and want what your company offers. You can use email marketing as one tool for creating a powerful call to action and getting that message to those clients and prospects quickly and cost-effectively.

Have a clear purpose and message. First, decide who you want to target, and choose your list(s) accordingly. Then decide what you want to say and why you want to say it. If the purpose of your communication is to reinforce your expertise and maintain a relationship with clients and prospects, you might provide helpful tips instead of a hard sales pitch. For example, a travel agent might send an email newsletter that highlights the five best deals for a popular vacation destination, and invites the reader to click to the agent's Web site for more information or to call with questions about booking a trip.

Alternatively, you might be looking for a short-term sales bump by making a special offer on clearance merchandise or promoting a new product or service. A hotel chain might use email marketing to let past guests know about a seasonal promotion, and again, invite them to take action.

Email marketing makes it easy, fast, and cost-effective to tailor your message to fit the content and the underlying reason for communicating.

Split testing is more effective via email. Marketers often create two variations of an offer to test with a small subset of a list. Once determining which one pulls better, they roll out the offer to the remaining list. Conducting split testing through email is less expensive than doing so through printed direct mail.

You can try different variables through split testing. For example, you might test two slightly different subject lines, or test different order forms or bonus offers. Or, try messages with personalization and without.

Just be sure that you change only one thing in each version – for example, use different headlines but keep the content the same. If you try to test two different headlines and two different offers at the same time, it will be difficult to tell which element was the trigger if one version gets a better response than the other.

Use attention-getting subject lines for your emails. To prompt the recipient to open and read your message, you've must highlight a key concern or interest that your recipient has. You must communicate the benefit they'll get by reading your email – how will it help the recipient solve a problem or gain desired knowledge?

Stay on target. The key word to remember is “targeted” – as with printed direct mail, scattershot

approaches in email marketing are not effective. Be sure you're sending your message to the audiences you want to reach.

Use best practices to boost ROI

If you implement the email marketing best practices described above and on page six, you should see improvement and better reponse. Why? All these tips are intended to help you create clear, targeted and effective marketing messages that move your clients and prospects to act.

Because email marketing generates such quick responses, you'll know if a campaign is working much sooner than you would with a printed mailing. The ability to do rapid tests of multiple offers lets you adjust your campaign almost instantly – with no reprinting of direct mail, generating new mailing labels, or postage expenses.

At a time when marketing budgets are under pressure to deliver more for less, email marketing is a powerful and practical solution.

By continuing to market now, you better position your company to move ahead when things improve – and you maintain those all-important relationships with clients and prospects alike. Following are ten immediate steps to implement a sound email marketing strategy for tough economic times.

Be sure you're sending your message to the audiences you want to reach.

10 Steps for Email Marketing in Tough Times

1. Build your email campaign with a specific goal in mind – decide what you want to accomplish with an email marketing message, then create accordingly.
2. Engage your busy reader immediately with a powerful direct subject line. The email subject header is your first and best chance to catch the reader's attention, so be bold, not bland.
3. Keep the email subject line short and sweet. Get your message across in 35 characters or less (including spaces).
4. The first line of your email message – what your readers see as snippet text or a pre-header in their email In-box – should reinforce the headline message included in the subject line.
5. Include a strong, specific call to action in the email near the top of the message. If you ask the reader to visit your Web site or view a product, provide a clickable link to the relevant landing page(s).
6. Make your message concise and relevant. Send information or an offer that your customer needs and wants, based on past purchasing behavior or demographics.
7. Personalize your message, and match the right offer to the right person. Don't send the same promotional message to previous buyers as you do to prospects.
8. Limit your use of images, and don't use audio, video or Flash unless you're sure they will work or display properly in the email programs your recipients use. A safer bet is to simply include a clickable link to rich media content on your Web site.
9. Test – so you know what works and what doesn't. This allows you to improve response rates in future email campaigns.
10. Last but not least, get permission to send email to clients and prospects alike. Don't sabotage the goodwill you've built by failing to ask recipients to opt-in.

Remember, by continuing to market now, you better position your company to move ahead when things improve.

About Net Atlantic

Founded in 1995 by Andrew Lutts, Net Atlantic, Inc. is a global email service provider (ESP) offering email marketing solutions, branded reseller programs and dedicated email marketing servers. Net Atlantic's goal is to help businesses maximize ROI with email tools like A/B/N split testing, triggered and sequential mailings, custom surveys, click streaming, spam analysis tools, open database connectivity, and an open API (application program interface for even further customization). Net Atlantic was one of the first email marketing companies.

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