



# Four Ways to Improve Marketing ROI through E-mail

By John Rizzi, *e-Dialog president and CEO*

Have you made your New Year's resolutions this year? Here is a radical one to add to the top of your list: resolve to make yourself an effective e-mail marketer. Then watch your bottom line improve.

Most top marketing executives pay scant heed to the e-mail component of their marketing efforts. Some may not even be aware they have an e-mail marketing component. Top marketing executives too often are focused on the big mass media—TV. That's where they spend the bulk of their marketing dollars. E-mail, by comparison, is cheap, very cheap.

The reason marketing executives don't pay attention to e-mail is that its value proposition is way out of whack. It can directly boost revenue very fast, making the impact of e-mail disproportionate to its low cost. In fact, e-mail returns \$57.25 for every dollar spent on it in 2005, according to the DMA's Power of Direct economic-impact study released in October 2006.

E-mail may lack the budget impact of TV or the sex appeal of some new online media, but when top marketing executives pay serious attention to e-mail they can get big results. Here are four things you can do with e-mail to improve your marketing ROI.

### **1. Optimize your multi-channel marketing strategy through e-mail**

Marketers are being buffeted by the rapid proliferation of online options—RSS, mobile, blogs, podcasts, Wikis. For most companies, e-mail is the proven backbone of online marketing. They now need to leverage the information they have gathered about their customers from their e-mail campaigns for use in other online channels. The same data, skills and processes that have made e-mail effective for your organization can be readily applied to other online marketing. Watch customer behavior, note what works and what doesn't, and move forward from there.

### **2. Manage your e-mail reputation**

Maybe I should say protect rather than manage your e-mail reputation. A bad reputation is costly and hard to overcome. It directly reflects on your brand. So how do you manage your e-mail reputation? By not abusing your customers through a barrage of irrelevant messages. Today 70% of retailers send e-mail, up from 27% only a year ago. You can assume the people on your list get a lot of messages. To manage your e-mail reputation, focus on maintaining a highly deliverable list, sending well-targeted mailings that minimize complaints, and taking precautions to ensure the privacy of your recipients. Otherwise, they will relegate your messages to the spam folder, which is the graveyard of e-mail marketers with bad reputations.



### **3. Convert customers from offline communications**

Most companies today have e-mail addresses of less than 20% of their customers. With the cost of acquiring a new customer so high, it makes sense to expand the number of channels through which a customer can do business with you. This is simple to do; all you have to do is ask. At the cash register, at the service counter, in the call center, at the bottom of your media ads—invite customers to sign up for your e-mail list with a promise that you'll cherish the address and only treat it with great respect.

This is exactly where the senior marketing executive can use his or her position in the organization to best advantage by directing the offline channels to ask customers as part of almost every interaction to join the e-mail program. In this way, you will continually build an e-mail list of people who do business with you, like you, and want to learn about other offers relevant to them.

This is such a simple thing to do, but few businesses do it. Try this little test: walk into a competitor's business, talk with one of their people as a prospective customer, and see if they ask you for your e-mail address before you leave. Most won't. Then ask a friend to conduct the same test at your business. Effective e-mail marketers pass this test.

### **4. Utilize Behavioral Targeting**

Effective marketers also regularly capitalize on behavioral targeting. Take abandoned shopping carts; most companies delete the shopping cart if the customer doesn't return soon. An effective marketer, however, will send an e-mail message to that customer after an appropriate amount of time reminding them to complete the order and will even include a discount or some other offer as an incentive for doing so. Good behavioral marketers even look at individual visitor searches and follow up with e-mail messages that provide an incentive related to whatever was the object of the search.

These four ways to improve marketing ROI through e-mail are surprisingly simple yet so many marketers seem unaware of them. This past holiday season, I spent considerable time shopping for gifts in stores and at the time of this writing (a week before the holiday) not a single person had asked me for my e-mail address. This year, resolve to set yourself apart.