



**Enterprise  
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# A CRASH COURSE IN **EMAIL** MARKETING

For small and medium-sized businesses

**JOHN W. HAYES**

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**MARKETING**  
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John W. Hayes

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www.enterprisenation.com  
HARRIMAN HOUSE LTD

3A Penns Road  
Petersfield  
Hampshire  
GU32 2EW  
GREAT BRITAIN

Tel: +44 (0)1730 233870  
Email: enquiries@harriman-house.com  
Website: www.harriman-house.com

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# About the Author

JOHN W. HAYES is a marketing strategist, public speaker and author who specialises in helping small and medium-sized businesses maximise the potential from their marketing budgets through the development of strategic Thought Leadership Marketing programmes.

He regularly contributes to a wide range of publications and websites on topics including email, content and social media marketing and multi-channel eCommerce.

In 2011 he opened the first international office for iContact (a US-based email and social media marketing company) in London. iContact was acquired in 2012 by the marketing and PR software company Vocus for \$169 million. He also sits on the board as a non-executive director at SellerExpress (a company providing multi-channel retail technology for online sellers) and operates his own training and consultancy business.

Following the publication of his bestselling content marketing book *Becoming THE Expert: Enhancing Your Business Reputation through Thought Leadership Marketing*, he has delivered regular content and email marketing workshops throughout the UK and across Europe.

For updates on John's books, events and other projects, follow him on:

- Twitter – [@john\\_w\\_hayes](https://twitter.com/@john_w_hayes)
- Facebook ([www.facebook.com/becomingtheexpert](https://www.facebook.com/becomingtheexpert)).



# Preface

## My relationship with email marketing

SUCCESSFUL EMAIL MARKETING is built on the back of solid relationships.

My personal relationship with email marketing started way back in the mid-1990s. At the time I was building some of the very first websites (or portals as we rather ambitiously called them), for the newspaper industry. Even back then we were chanting the mantra “Content is King”.

From the earliest days of online publishing we understood that the content distributed via these simple newspaper sites had to go way beyond that of the traditional print product. I needed to take the content from a weekly newspaper and turn it into a 24/7/365 news and information product.

Long before *The Huffington Post* ([www.thehuffingtonpost.com](http://www.thehuffingtonpost.com)) started disrupting the media world, we worked our socks off aggregating, rewriting and creating added value products which were unrestricted by page numbers or print deadlines. However, turning this extended digital content into page views and unlocking the advertising dollars from this precious online resource ultimately proved more difficult than we initially envisaged (it might also be argued that it contributed to the rapid decline in the fortunes of the newspaper industry – but that is best left for another book). Some 20 years on, at times it seems like everything and nothing has changed.

Pre-Google, pre-Facebook, pre-Twitter, the internet was a very different environment. The original online directories didn't really understand the concept of relevance that we enjoy from today's search engine experience. It could take weeks or even months to get your website indexed, only to find it pushed out of sight by unscrupulous, black hat-wearing, SEO dudes. Generating traffic from these spam-filled directories was difficult. Making money from the onsite banner advertising that littered our sites was virtually impossible.

It was plain old email (I hadn't even heard of email marketing at the time) that came to my rescue. People valued the content I was distributing – they just struggled to find it and needed gently reminding as and when to return if I was to maximise the bang for my (albeit limited) advertisers' buck.

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I started collecting readers' contact details via a simple subscription form placed on the homepage of my website, offering a daily news service via email in return. Initially, I managed these subscriptions via a spreadsheet and Outlook (email software from Microsoft Office), but this process was time-consuming and messy.

I then upgraded to a desktop-based bulk email solution, downloaded for free from **Download.com**. I thought this solution to be fairly slick until my IP address was blacklisted as a potential spammer (it only takes a few complaints to do this) and for a number of weeks I struggled to distribute a single email message beyond my own system.

Finally, I discovered a low-cost, online bulk email solution via **Bravenet.com** (a site offering DIY tools for amateur and small business website builders). It didn't feature any bells and whistles, but it helped me manage my lists and ensured the bulk of my newsletters arrived at my intended destinations.

As my list steadily grew in numbers, I realised I had created something far beyond the value of the simple traffic-generating tool I had originally envisaged. Subscribers started contacting me regarding advertising on my daily news alerts. My newsletters were text-based, so advertisers didn't have to worry about building complicated animated banner adverts. Just a couple of lines of text and a direct link to a website (or even just a phone number) would suffice.

Adverts could be written and ready to run in seconds. Just one advertising placement paid the monthly costs of my bulk email distribution tool. In a matter of weeks, email had provided me with a profit centre in an era when online profits were virtually unheard of.

## **A valuable lesson in failure**

My next (mis)adventure with email came while I was consulting for a large catalogue company. I was tasked with building their online marketplace business (eBay and Amazon), but the company, which was in severe financial difficulty, needed quicker results. I suggested email and the IT Director took the lead.

After a period of several weeks he produced a lengthy list of every single customer email address ever entered into our (rather cumbersome) e-commerce system and insisted the send was managed by an outside agency. Several products were lazily pulled together by the various catalogue managers, who despite teetering on the brink of unemployment did not want the internet to eat into their quickly declining direct mail order business.

Over several days, several hundred thousand completely untargeted emails were delivered to a list which had never really been in tiptop condition. Sales were disappointing to say the least.

I learnt four very valuable lessons from this experience:

1. Your IT Director should never be allowed to influence marketing decisions.
2. Whenever possible, work with people looking to build a bright future and not protect a glorious past.
3. Advertising agencies don't always add value.
4. And most importantly: Unless email marketing is relevant, timely and engaging and sent to a clean, targeted list, it doesn't work.

## iContact

My relationship with email marketing was formalised when I discovered iContact (a company I would later work for), following a series of brief encounters with a range of other solutions.

I stumbled across iContact whilst working as the marketing manager for a large US-based software company. iContact provided a more robust version of the online bulk email marketing tool I was using back in my newspaper days.

I had used other low-cost email marketing solutions in the past but their support was either extremely clunky or simply non-existent. iContact seemed to provide the ideal mix of software and people, which meant when I occasionally had a problem I was able to find the help to get my campaigns firing on all cylinders.

In my attempt to drive *warm* leads into the organisation, I employed and experimented with a wide range of online and traditional marketing techniques, including paid search, print advertising, trade shows, PR, etc., but nothing came close to the success of email.

I loved the fact that once I had built a series of templates, I could create and distribute a targeted campaign and start seeing real results within minutes of hitting the send button. Email would consistently drive downloads of whitepapers, sell event tickets and create opportunities for a hungry sales team. I also employed email marketing to deliver detailed thought leadership for an (at times) overburdened account management team.

It was clear that email could help me acquire and retain customers and I soon became something of an evangelist. This went somewhat against the grain of what was in vogue at the time with paid search and the burgeoning social media scene stealing the limelight.

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When the chance came to work for iContact, I leaped in with both feet. At the time, many technology pundits were predicting the demise of email marketing and as a result a lot of people were confused that I would choose to go work in a dying industry.

I knew different. Email marketing may be one of the most mature online marketing technologies but it continues to pack a punch way beyond its weight (or cost). While paid search became a more complex and expensive solution, as more people jumped on the bandwagon and the social environment failed to deliver on so many different levels, email just kept on working.

The fact is that email marketing, if treated right, works better than any other marketing technique I have tried. It is a relationship I value and one that continues to go from strength to strength.

### **About this book**

Successful email marketers understand that great email relationships are built for the long term. While this book shares a number of strategies for quick email marketing wins, it does not offer shortcuts to business success. Email marketing will only return significant rewards if you are willing to put in the work and follow best practices.

This book is for any entrepreneur, business owner or marketer who values the idea of building and maintaining strong relationships with existing customers and prospects, and forging new connections by creating and delivering timely and targeted content to an engaged audience.

Although email is essentially an online marketing tool, its use is not restricted to internet-based companies. Email marketing can successfully be adopted by numerous types of business, including traditional bricks and mortar or high street businesses (with or without a website – although all businesses really should invest in a website).

I have personally overseen the implementation of strategic email marketing campaigns for organisations as diverse as children's entertainers, colleges, sandwich shops, political parties (of all persuasions), traditional and online retailers, magazine and newspaper publishers, software developers, opticians, orchestras, and even television presenters and famous comedians.

No matter what kind of business you are in, I am convinced you can benefit significantly from email marketing. If you want to start making relationships pay, now is the time to invest in email.

1. Email Marketing is Alive and Kicking







AS ONLINE MARKETING technologies go, email marketing has been around for a very long time. But did you know that email marketing even *predates* the internet as most of us know it?

The very first email marketing message was sent in 1978 via the ARPANET system, a forerunner of the internet initially funded by the US Department of Defence and used in universities and research laboratories.

Sent on behalf of the now defunct computer manufacturer DEC, it hit a list of approximately 400 names. The campaign was widely criticised by its recipients, who had not requested to receive such marketing messages. This makes the problem of spam (unsolicited commercial email) as old as email marketing itself!

In the 35 years since that very first email marketing message was rather naïvely sent, numerous other digital marketing technologies have come and (many have) gone. Internet banner adverts, pop-up and pop-under windows, interstitial web pages, paid search, comparison shopping, social media advertising, and behavioural and retargeting technologies, have all fought for marketing dominance, but none have achieved the success of email marketing.

Despite its age and the emergence of allegedly more sophisticated marketing techniques, email marketing remains the most cost effective – in terms of return on investment (ROI) – of any marketing technique (both on and offline).

According to the Direct Marketing Association in their 2011/2012 edition of *The Power of Direct Marketing*, email marketers could expect to see a return of just under \$40 for every single dollar spent on the medium. This is compared to \$7.25 from direct mail (catalogues), \$8.26 from telemarketing and \$19.71 from paid search.

Moreover, small and medium-sized businesses are continuing to invest more time, effort and money in email marketing. In an independent survey conducted by iContact at the close of 2012, 56% of businesses said they planned to increase their spend on email marketing in 2013 when compared to the previous year.

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In the same survey, 83% of small and medium-sized business said email marketing is an important or critical part of their marketing strategy, demonstrating how ingrained email marketing is in the modern organisation's marketing approach.

So what makes email marketing so successful? It can be attributed to a number of factors:

### **Solid relationships built through permission and trust**

Permission and trust are the pillars of any successful email campaign. Throughout this book I will talk about how you gain permission as a marketer, build and retain trust, and as a result form solid relationships.

It is important to remember that the moment you find yourself operating outside of these three pillars you risk damaging your reputation and the success of any future email campaign your organisation sends.

### **Retention marketing vs acquisition marketing**

Email marketing is often referred to as a *retention* marketing tool. This means it is used primarily to drive business from existing clients and contacts. Most other online marketing channels, such as paid search, comparison shopping and even online marketplaces like eBay and Amazon (along with many traditional marketing methods like print, radio and television advertising), are *acquisition* channels.

As anyone who has been in business for any significant period of time will tell you, it is much more cost effective to retain an existing client than acquire a new one.

Acquisition marketing will play an important role in any business as it reaches out to find new customers and generate leads. However, if you are paying expensive acquisition marketing rates to acquire the same customers time and time again, your profit earning potential will be severely hampered.

For this reason, I like to think of retention marketing techniques, like email marketing – used to drive repeat orders from expensively acquired customers and generate something called *customer lifetime value* – as the profitable component of more expensive acquisition marketing techniques.

Focusing on this profitability angle, here is an article looking at the profitability of pay per click that first appeared on iContact's Blog ([www.icontact.com/blog/email-marketing-and-social-media-the-profitable-components-of-ppc](http://www.icontact.com/blog/email-marketing-and-social-media-the-profitable-components-of-ppc)).

### **Email Marketing and Social Media: The Profitable Components of PPC**

Have you been stung by pay-per-click (PPC) advertising?

Sure, it's quick and easy to set up, and can be driving traffic to your website within a matter of minutes. But those keywords don't come cheap, and if you operate in a particularly competitive sector you've got to either bite the bullet and invest heavily in search terms or develop a more strategic long-tail keyword strategy (and this will take time).

Naturally you'll want your potential customers to click on your ads. And it goes without saying that the search engines will make it as easy as possible for them to do so. But you'd rather not pay each and every time someone comes looking for you online.

Here's the problem – PPC is an acquisition tool, and acquiring customers via any channel is expensive.

Clever advocates will tell you that to profit from PPC you'll need to understand your customers' lifetime value (LTV). But this doesn't work unless they stop clicking on your ads. Multiple clicks from repeat customers just mean that you are acquiring the same customers again and again.

So how do you ensure maximum profits across your customers' lifetime and encourage repeat visits without paying through the nose for clicks?

It's easier than you might think with these four steps:

1. Develop a strategy encompassing email marketing and social media campaigns to retain and drive repeat business at minimum cost.
2. Optimise your website to make it easy to capture client information no matter how they enter or navigate the site. Visitors should find it easy to join your mailing list, subscribe to your RSS feed or follow you on Facebook or Twitter from every page.
3. Encourage cross-pollination between email marketing and social media platforms. These channels work best when their power is combined.

## **A Crash Course in Email Marketing for Small and Medium-sized Businesses**

4. Don't be afraid to turn PPC campaigns off. Test and monitor. If traffic and conversions suddenly dip, you can always turn them back on again.

Relevant and intelligent use of email marketing and social media strategies will allow you to target existing customers, giving them the opportunity to return time and time again. You can then concentrate your PPC budget and strategy purely on acquisition, helping you build a clearer understanding of your customers' lifetime value. Only then will you discover just how profitable your PPC campaigns are, allowing you to budget accordingly.

### **A more formal business environment**

Email provides a formal business environment where people are happy to receive relevant, engaging and timely marketing messages. We use email to make enquiries, place orders, pitch products and services, host important conversations, store transactional receipts and send invoices. The email marketing inbox is very much a place of work.

Compare this to the social media environment. Although social media shares many of the attributes of email (permission, relevance, etc.), it offers a less formal environment and therefore is less welcoming to direct sales and marketing pitches.

Social media is a place where friends and family get together to hold conversations and share ideas and memories. If you can compare the email inbox to an office environment, social media is more like a bar or coffee shop, a place to hang out and not to be bothered by people trying to sell you something.

### **Social media makes email even more powerful**

Just a few years ago, many technology pundits were predicting the demise of email marketing at the hands of social media sites like Facebook and Twitter. Fast forward to 2013 and there is a lot of humble pie being eaten as email marketing continues to grow in popularity and strength. In fact many of these pundits are now positioning email marketing as the first (albeit closed) social network.

As I have already stated, social media does not provide the formal environment required to position itself as a highly valuable sales venue. It is, however, a valuable influencer and will help keep your audience engaged until you have something to sell. In an ideal world you will have the same people following you on social media channels as you do in your email marketing list.

## 1. Email Marketing is Alive and Kicking

Many marketers are now integrating their email and social media marketing efforts to help spread their message beyond the reach of their list of email marketing subscribers and social media followers. Simple social media tools allow subscribers to share email marketing messages with their wider social networks. As *birds of a feather flock together*, a socially shared email has the opportunity to reach a massive, potentially receptive audience.

In this respect, you can now think of email marketing as something of an acquisition marketing tool as opposed to just a pure retention marketing tool. The great thing about using email to acquire new customers via social media is that it is essentially free. This is big news because the word *free* is rarely heard in conversations about acquisition marketing.

### Email marketing goes beyond sales

Yes, email marketing is an amazing generator of profits, but its purpose goes way beyond the closing of the sale. There are a number of strategic reasons why you could employ email marketing. These might include:

- **Positioning your brand/PR:** A regular communication with your subscribers about projects you are working on, people you have hired, company developments, news, etc., can help your business raise its profile within the communities it serves. Don't think monthly newsletter, think PR opportunities as and when they arise.
- **Delivering educational/thought leadership material:** Building a perception of yourself as the go-to person or expert in a particular field will do a lot to raise your profile and ultimately win more sales in the long term. My first book, *Becoming THE Expert*, discusses in detail how any business can exploit the expertise they have in their particular industry to position themselves as an expert and attract attention.
- **Traffic:** Email is an incredibly cost-effective generator of traffic to a website. Traffic is the lifeblood of news and information sites which are monetised by advertising. The more valuable your content is to its readers, the more often you can get away with highlighting it via email.
- **Placing your prospects into a holding pattern:** In more complex sales scenarios, you might not have the manpower to manage (and close) all of your prospects. Or perhaps they are just not ready to drop quite yet. Email provides a fantastic tool to maintain and build those relationships while your sales team work through their prospect lists and develop your customer base.

## **A Crash Course in Email Marketing for Small and Medium-sized Businesses**

All of the above points will of course help you generate sales and build potential profits. There is no getting away from it; email marketing, when combined with a few best practices (as detailed in this book), has an immense potential to generate profits.

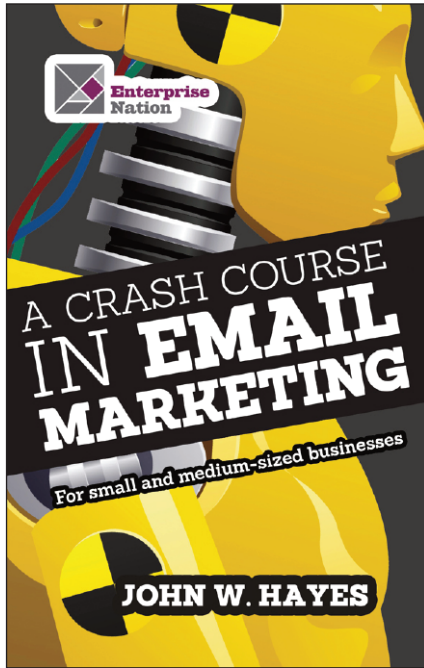
# **The Right Time for Email is Now!**

I speak to marketers every single day who tell me they understand that their business could benefit from email marketing but find excuses not to engage it as part of their marketing strategy. Often, email marketing is at the bottom of a list of things to do, none of which will have the impact of a well-planned email marketing campaign and which will, more than likely, drive up marketing costs and increase workloads with limited returns.

If you continue to ignore email marketing as a strategically important component of your marketing strategy, I believe you are making your working life more difficult than it needs to be. The time to invest in email marketing is now.

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John W. Hayes



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