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Customer acquisition and retention through E-mail Marketing

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[To outsource or bring in-house Hurdles](#)
[Broadband replaces dial-up](#)
[Search engine keyword programs](#)
[BrightWave Marketing](#)

Direct mail marketing is a thing of the past. E-mail marketing has emerged as one of the most cost-effective and targeted ways for companies to retain and acquire customers.

E-mail marketing helps increase revenues and reduces sales costs by enabling more efficient communication with customers and prospects. Response rates for e-mail marketing are also substantially higher than traditional marketing techniques. This is primarily the result of e-mail marketers having a much greater opportunity to target their offer to the interests of the recipient.

To outsource or bring in-house

Should your company outsource e-mail marketing or allow current employees to handle the task at hand? G. Simms Jenkins is the founder and president of [BrightWave Marketing](#), an e-mail marketing and customer relationship services firm located in midtown Atlanta. In a white paper entitled [E-mail Marketing: To Outsource or Bring In-House?](#), he writes, "both small business and Fortune 500 companies should outsource their e-mail marketing efforts unless they have fully trained, dedicated in-house experts who can manage the scope necessary for a successful e-mail marketing campaign."

According to Simms, "an effective e-mail marketing team includes creative designers, content managers, copywriters, programmers, list hygienists, database experts, strategy managers and reporting analysts." Simms finds that as corporations continue to downsize, few employees can devote the necessary time and resources needed to become specialists in e-mail marketing.

Hurdles

Although a significant upgrade over snail mail, e-mail marketing does face an increasing list of problems that include the CAN-SPAM Act of 2003 and lower e-mail open rates.

The CAN-SPAM Act has put some hurdles in front of legitimate e-mail marketers. Not only can inadvertently mailing to a wrong address cost you a potential sale, but you could also end up having to pay a hefty fine for sending unsolicited e-mail to an unwilling recipient. For permission-based e-mail marketers, complying with the recently enacted Can-Spam law is fairly simple: Include an opt-out message and a postal address, and be sure to delete customers who opt out within 10 days of their request. The reality is that this practice is rarely carried out.

E-mail marketers must also cope with the ever-changing e-mail address. According to an October 2003 survey by New York-based strategic solutions firm Bigfoot Interactive and NOP World Research, more than 11 percent of consumers had switched their Internet service providers (ISPs) or e-mail providers within the previous six months. Practicing proper "list hygiene" is crucial for e-mail marketers. Proper "list hygiene" entails making sure an e-mail list contains customers' most recent e-mail addresses without spelling mistakes.

Companies that specialize in e-mail marketing, such as BrightWave, focus on "soft" bounce-backs, which are an "internal, temporary issue. A soft bounce-back is a temporary issue on the recipient's side that does not allow the e-mail to be received - this could be because the company server is down or the mailbox is temporarily full," says Jenkins. "A hard bounce-back would be the result of someone shutting down their e-mail account. Chasing hard bounce-backs is a timely and expensive process."

Broadband replaces dial-up

Nielsen/NetRatings recently reported that at-home U.S. broadband access hit 51 percent in July versus 38

percent last July. As broadband continues to replace dial-up, e-mail marketing will adapt accordingly, but at a slow and cautious pace.

"I think the biggest inhibitor to widespread adoption of e-mail marketing that utilizes lavish HTML design and video clips is that a lot of clients are not going to jump on board until it is proven that 95 percent or above of recipients can successfully open these kinds of e-mails," says Jenkins. "There is nothing that our clients hate more than when someone responds that an e-mail didn't work for some reason. The companies we deal with are looking to uphold their brand and stay relatively conservative with their e-mail marketing."

Search engine keyword programs

"Search engine keyword buy programs are complementary to e-mail marketing. These programs are the best customer acquisition tools out there right now, particularly for smaller companies with limited budgets. If you are planning your honeymoon, for example, you are probably going to start your search on Google. If you are interested in going to Fiji, you might type in 'luxury beach resort Fiji.' We happen to have blanketed target keywords for a client whose hotel is on the Fiji islands and it has proven to be a great lead tool for them."

"For this particular client, we included keywords like 'Turtle Island,' where the movie *Blue Lagoon* was filmed. This allows for our client's name to show up in the search directory when people are searching for the famous resort. This is what I would call an example of pro-active customer acquisition from your competition. The recent Geico v. Google ruling affirms that companies can continue to sell ads which appear when users search for trademarked company names."

BrightWave Marketing

Jenkins has led BrightWave Marketing in establishing a large client list, including marquee clients like GMAC Insurance, CoreNet Global and The Atlanta Journal - Constitution. Prior to BrightWave Marketing, he worked in Sports Marketing and was director of business development at two high-tech start-ups, consulted for Kozmo.com and headed the customer relationship management (CRM) group at Cox Interactive Media.

"We can help clients look at the broad stats like how many people opened an e-mail, how many times it was viewed, and if the message was forwarded to others. We also provide more specific stats like what links were clicked through, what links were clicked on by different customers - this may effect how customers receive follow-up calls."

"Open rates are a great indicator of how successful your message was and why people clicked through or didn't click through. We also realize that although someone may have opened your e-mail, you still need a strong message that upholds your brand. The ultimate goal of your e-mails should not be obtaining a high open rate, but rather to sell a product or to enhance the relationship that you are building with a prospect or customer."

Additional companies in our database involved in the e-mail marketing field include:

[Silverpop](#)

[Socketware, Inc.](#)

[Mansell Group, Inc.](#)

[Revolution D](#)

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