Marketing
Ask SCORE

Update: Email Marketing for Small Businesses

Here are some good questions that I have received recently about the use of email marketing for small businesses. Is it still a viable, cost effective marketing strategy? Is this social media stuff going to replace it? If I’m not using it now, is it worth trying to get into this marketing tool? So, let’s take a look at the current status of email marketing in the business arena.

One of the most recent sources that I would site is the fourth annual Email Marketing Industry Census, sponsored by Adestra. This research looked at several issues including the amount and type of email marketing carried out by business organizations, the way that email marketing is conducted, issues affecting the industry and the effectiveness of email compared to other digital marketing channels. Almost 900 respondents took part in the 2010 Census, which took the form of an online survey in January and February 2010. The following points are some of their key findings.

More than half of companies (54%) are now using a hosted email service as the growth of web-based email applications continues. This percentage compares to 47% last year, a third (33%) of respondents in 2008, and only a quarter (27%) in 2007. There are several companies that provide this type of service. Check them out and compare their costs and what kind of help they provide for the small business. The most helpful feature is that for a reasonable expenditure, you can have an email expert on your marketing team.

The amount of companies sending more than 50,000 emails per month (54%) has not changed since 2009. The rise of social media has prompted some commentators to question whether email will continue to be such an important part of the marketing mix. But that is obviously not the case. In fact, it is clear that many companies now are adopting strategies and tactics which harness the combined power of email and social media.

What about the effectiveness of email marketing strategies? Three fourths rated email as an excellent (28%) or as a good (47%) return on investment. This is higher than for any other digital marketing channel apart from search engine optimization (78%). As was the case in 2009, only 4% of respondents say email is poor for ROI. But, the important element is that nearly two thirds of companies are now using measurement and analytics services provided by their email service providers to help them manage and evaluate their efforts.

The integration of email marketing with other sales and marketing activities is an on-going challenge, and there does not seem to be much evidence of significant improvement in this area since the first Email Census in 2007. Only 17% say that their email marketing is “fully integrated”, the same proportion as last year.
E-mail is a well-tested marketing tool, but rising volume and cluttered inboxes mean marketers must find ways to stay relevant to consumers. Writing for your email audience is quite different from that done for traditional direct marketing. You need to think about avoiding spam filters, the use of compelling subject lines to get as many opens as possible and ensuring your message design pushes people to your web site.

My research and experience suggests that when doing email writing one should first focus on what will encourage the email recipient to open your email. It helps to make your “from names” recognizable and effective. It is also important to write compelling subject lines that people want to open. Then after they open your email, design your email so that the preview pane works for you. Present your message so it is easy to scan. Push the recipient to click through to your web site.

An experienced, outside perspective about using and increasing the effectiveness of your email marketing can help your business, so I urge you to contact a business mentor at SCORE, "Counselors to America’s Small Businesses." These volunteer counselors provide free, confidential business counseling as well as training workshops to small business owners.

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