



for **Retail Reloaded News**
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Can a Typical Retailer Really Turn \$1 Into \$43.52 By Leveraging the Most Effective and Most Targeted Marketing Tool for Reaching Consumers?

(The answer may surprise you because this seemingly outrageous claim is actually based on solid facts. Keep reading.)

Think about it. What if you could generate as much as \$43.52 worth of sales for every \$1 you spent on advertising and marketing? This was the conclusion of a study conducted by the highly-respected *Direct Marketing Association* (DMA) in 2009. The DMA study focused on a particular marketing strategy that actually returned \$45 in sales for every \$1 spent on marketing. Furthermore, the strategy earned an average ROI more than 150 times greater than other, more familiar traditional marketing methods. (Of course, your results may vary.)

Whoa! Invest \$1 in marketing and get back almost \$45 in sales?

This sounds "fishy", I know. But don't take my word for it. You can Google the DMA's findings yourself after you finish reading this article.

This marketing strategy - already used heavily by virtually every big-box retailer - actually encourages customers to spend MORE than they would otherwise for products and services!

Another study conducted by Merkle, one of the largest database marketing companies in the United States, focused on the same marketing strategy mentioned in the DMA study. Merkle's study revealed that 38% of customers surveyed actually spent more money on average when exposed to this marketing strategy. Furthermore, fully 50% of those surveyed said that this strategy definitely influenced their decision to buy.

So, **what marketing strategy is getting all the attention from retailers - especially during one of the most serious economic downturns in more than 30 years?**

Email Marketing: The Perfect Marketing Tool for Small Retailers

Email marketing offers the proven performance and return on investment that other forms of traditional marketing simply cannot match.

The Bad News

Many small retailers miss out on the benefits of email marketing. Why? Because most are simply too busy or too under-staffed to devote the time needed to produce, execute and monitor a scheduled email marketing campaign.

The Good News: Managed Email Marketing Puts This Strategy Within Reach of Small Retailers

The ideal solution for many smaller retailers is to outsource their email marketing campaigns to a company that provides managed email services. Such companies offer the expertise, creative talent, and other resources to insure that a scheduled email marketing campaign is expertly produced, properly executed, and regularly monitored. Best of all, managed email marketing services can be acquired for a monthly fee that starts at less than \$5 per day.

How Email Marketing Benefits a Typical Retail Store

A managed email marketing campaign can benefit a typical retail store in the following ways:

1. Create More Store Traffic

Imagine that you are a customer of a retail store and you receive an email alerting you to an "exclusive" sale or event intended for "preferred customers" such as yourself. Would you be more likely to visit the store? Sure you would! Recent studies confirm that email marketing has a proven impact on building store traffic.

2. Increase Word-of-Mouth Advertising

Coupling an online coupon or other incentive with an email marketing campaign becomes a powerful, low-cost way of generating significant word-of-mouth exposure. Customers naturally tell others about new products or services from trusted retailers.

3. Get Closer to Customers

Properly conducted email marketing campaigns serve to deepen and solidify relationships with customers in between store visits. Almost half of all customers who were "touched" by email marketing were more likely to do business with the retail store. (DMA, 2009)

4. Build Higher Customer Loyalty

Scheduled email marketing tends to increase customer loyalty by keeping customers informed with valuable, relevant information.

5. **Increase Awareness**

Email marketing keeps the retail store at the top of the customer's mind without relying on costly traditional advertising. Nearly 50% of consumers are more likely to buy products from companies that send them email, whether their purchases were online or at a place of business. (*Epsilon*, 2009)

6. **Gain Better Insight Into Customer Preferences**

Email marketing provides results quickly - often within 48 hours of campaign execution. "Open rates", "opt-outs", email forwarding, and other highly trackable behaviors tell retailers what offers appeal to customers and which do not - all without risking big dollars on traditional advertising.

7. **Generate Repeat, Up-sell, and Cross-sell Opportunities**

Email marketing offers a fast, low-cost method for encouraging customers to purchase upgrades, accessories, or other add-ons after the original sale.

8. **Email Marketing Generates New Customers**

Relevant, valuable, and informative email tends to get passed along to people who were not originally on the retailer's email list. "Forward-to-a-friend" links in emails results in new recipients being added to the retailer's list at no incremental cost.

9. **Drive Traffic to the Retail Store's Website**

Well-designed email campaigns offer customers compelling reasons to follow links back to the store's website. This creates awareness of the site (while also increasing search engine ranking) and gives the retailer more opportunities to further engage the customer.

10. **Email Marketing Allows Retailers to Segment Customers More Easily**

Email marketing allows the retailer to segment customers by product or service preference. This reduces the cost per sale, drives up customer loyalty, decreases price sensitivity, and boosts the size of the average transaction at the point of sale.

How a Retailer Can Get Started With Email Marketing

The "List" is the Key

What is the single-most important thing that happens when a customer walks into your retail store?

If you believe the most important thing is when the customer makes a purchase you'd only be half right. Savvy retailers know that the real goal is capturing information about every customer. The more information they have about their customers the easier - and less expensive - it is to market to them. This information-gathering starts with building a customer "list" which is then fed into the retailer's email marketing system. The actual process of building a list involves two easy and quick steps.

The Process of Building an Email Customer List is Fast and Simple

The process of building a customer list involves two steps. First, a retailer should start building a customer list by capturing only two basic pieces of information from every customer: Name and a Email Address. With these two pieces of information the retailer can extend an "online handshake" to the customer and begin cultivating an extremely loyal and profitable relationship.

Note: As the customer relationship develops over time the retailer can present additional opportunities for the customer to provide more and more information. This will make it easier for the retailer to segment the customer list and satisfy specific customer preferences.

Second, a retailer can begin to capture basic information from customers using several proven methods. They include:

1. Invite EVERY customer who visits your store to become a "preferred customer" and receive special benefits via email. A short form only asks for the customer's name and email address. That's it!

(NOTE: Customer's should NEVER be asked if they want to be "added to the store's email list" since that is NOT a benefit of preferred customer status. Receiving special offers or being given special customer status is ALWAYS the benefit.)
2. Add an email sign-up box on the retail store's website. Again, the sign-up box should only ask for a name and an email address.
3. Provide a web form on the store's website. The form should include an online offer such as a downloadable discount coupon, admission to a special in-store event, or some other benefit that the customer will perceive as valuable in exchange for completing the form.
4. Collect names and email addresses at networking opportunities such as chamber of commerce or professional association events.
5. Collect names and email addresses from registrations and drawings at in-store events.
6. Leverage your direct mail and other offline advertising to drive customers to your store's website to sign up for "preferred" membership.

Executing a Managed Email Marketing Campaign

Once the retailer begins building the email list an email marketing schedule should be scheduled for an entire 12-month campaign cycle.

An email marketing company such as MELCOOPER Consulting can plan each campaign to coincide with seasonality, industry events, in-store events, customer purchasing patterns, and external events.

Summary

Email marketing is probably the most cost-effective and most targeted marketing tool for reaching retail consumers available today. It leverages proven concepts of successful retailing by fostering and cultivating loyal customers who then become less price sensitive, more likely to refer to others, and less vulnerable to competitive marketing messages.

A managed email marketing strategy from MELCOOPER Consulting, Inc. puts this valuable marketing tool well within the reach of even the smallest retailers (starting at just \$4.30 per day!) by removing time, resource, and skills barriers that might otherwise prevent such retailers from profiting from this strategy.

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Please visit our website at <http://melcooper.com/offer21>. Complete the online form on that page to receive a customized set of instructions and resources by return email with our compliments. These materials are designed to get you started building your customer list which can then be used to launch your store's managed email marketing campaign. There is no obligation whatsoever to purchase anything to receive these materials.



This article was written by Mel Cooper, President of MELCOOPER Consulting, Inc. MELCOOPER is an email marketing and web design consultancy based in Montgomery, Alabama USA. Copyright 2009 MELCOOPER Consulting, Inc.

Remember, you are welcomed to visit our website at <http://melcooper.com/offer21> and receive a customized set of instructions and valuable resources (with our compliments!) on how to get started right away with a managed email marketing campaign for your retail store.

Or, you may call us at **(334) 272-5444** for more information.