



How Retailers Can Use Email Marketing to Increase In-Store Traffic

1- Introduction

Technology has now made it possible for even the smallest retailers to build stronger, more loyal customer relationships that result in higher in-store traffic and more profitable sales. One such technology is permission-based email marketing. Email marketing can not only dramatically reduce the cost of touching retail store customers and prospects, but it can also enable the retailer to deliver compelling, "rich-media" content in ways that are impossible to do with traditional direct mail. Furthermore, email marketing enables retailers to quickly and cost-effectively satisfy their customers' desire for useful information and ultimately deepen relationships that drive in-store traffic.

2- Using Email to Build Loyal Relationships

According to the *Journal of Product & Brand Management* (2004) it is a fact that email marketing has a positive impact on brand loyalty. Email-activated consumers tend to express their brand preference by visiting retail stores - the "brand" often being the store itself. Absent any unsatisfactory customer experiences with the retailer, consumers make purchases from businesses with whom they are at least familiar. Email marketing, like other forms of advertising, serves to cultivate familiarity and loyalty with the retail store, but at a much lower cost per sale compared to traditional direct mail and other forms of advertising.

Loyalty is further deepened when consumers are exposed to regular email communications. Retailers should conduct email marketing campaigns no less frequently than once every three months. Ideally, a retailer should execute a campaign once every six weeks to avoid being forgotten. Sending email more frequently than one time per month, however, carries the risk of annoying customers unless the email contains information that would be perceived as being exceptionally relevant or compelling.

Consumers are more likely to become repeat customers when they are exposed to regular "touches" using marketing devices such as email communications. This is significant since repeat customers spend, on average, about 67% more than first-time customers according to a study conducted in 2002 by *Bain and Company*. Furthermore, by the time a repeat customer has made ten purchases he or she has referred as many as seven people to the business.

A regular email marketing strategy has been shown to bring customers back into the store more frequently for two reasons. First, a well-written email can be seen as being a more personal method of communicating with the customer compared to other forms of traditional advertising including

direct mail. Second, an email is an implicit (or explicit) reminder to the customer that the retailer has something that will improve the customer's life in some way. The more often and more personal the reminder the more frequently the consumer will likely visit the store.

Email marketing increases customer loyalty because - contrary to popular belief - 67% of consumers appreciate regular, well-executed email marketing communications from retailers (according to *Emarketer*). As long as the email content is perceived by the consumer as being relevant, entertaining, or valuable it will likely be appreciated. Retailers enhance customer loyalty when they routinely provide information that reduces their customers' efforts to search for relevant information. Ultimately, loyal customers view email as being an effective way to stay in touch with the retailer and to stay abreast of new products or services.

3 - How to Build an Email Marketing List

The key to any email marketing campaign is the quality of the email list. We recommend that a list should NEVER be purchased since it is often difficult to know the true quality of the email addresses being purchased. This is true even for lists that guarantee only so-called "opt-in" addresses. A purchased list almost guarantees that someone who receives the email will consider it to be SPAM and ruin any positive impression that they might have had about the business.

Fortunately, there are a number of ways that a retailer can build a profitable, high-quality list for use in email marketing campaigns. The easiest way to start building a list is at the point of sale. Every customer should be invited to join the store's "Preferred Customer Club" or whatever you wish to call your customer loyalty program. Admittance to the "club" would require the customer to complete a brief form that includes an email address whenever possible.

Retailers can build high quality email lists at networking events such as chamber of commerce functions. Asking for business cards at such events that include the person's email address is a perfectly legitimate way of adding to a store's email database. Time should be set aside to key those addresses into the database so that they are available for the next email campaign.

In-store events offer an excellent opportunity to collect email addresses from highly qualified customers. Registrations for admittance, door prizes, and other give-aways should always include a request for an email address. Once the email addresses are collected and entered into the store database a "thank-you" email should be sent to the list to confirm the accuracy of each address.

Retailers should always give visitors to the store website a way to sign up for newsletters, discount coupons, gift certificates, downloadable "how-to" guides, and more. This can be easily accomplished with a simple web form located above the fold on the site's home page. We recommend two online web form services from [FormLogix](#) and [Caspio](#) that make building web forms a snap. In addition, FormLogix provides a secure online database to eliminate the need for the retailer to re-key submitted names and email addresses into a separate database.

4 - The Cost-Effectiveness of Using Email Marketing to Build In-Store Traffic

Email marketing has changed the economics of marketing and made relationship marketing more viable for small businesses. Even if production (design, copywriting, database maintenance) of the campaign is outsourced to a company that offers managed email marketing services (such as MELCOOPER), the retail merchant avoids the high variable costs of postage, printing, paper, and delivery to the Post Office. After allowing for any fixed costs of campaign production (whether performed in-house or outsourced), the cost of sending each additional email is virtually zero.

While email marketing helps retailers avoid the high variable costs associated with direct mail, this marketing tool can also offer measurable results in a few minutes or hours instead of costly days or weeks with direct mail. The retailer can receive virtually instant reports on the effectiveness of the email campaign campaign as soon as it is executed. Such reports can include who opened the email, who clicked from the email back to the store website to get more information, which emails bounced back due to invalid addresses, who forwarded the email to someone else, and much more.

Near instantaneous reporting allows a retailer to test headlines, calls to action, and other elements in an email marketing message in far less time - and for a tiny fraction of the cost - compared to traditional direct mail. More importantly, immediate results help the retailer understand with a high degree of precision what offers are appealing to customers and which are not. This information can have a direct bearing on building in-store traffic when the retailer understands exactly what motivates customers to visit the store at any give time.

5- Summary

Email marketing enables a retailer to proactively communicate with existing customers or prospects instead of passively waiting for them to return to the brick-and-mortar store. But not only is email marketing a proactive communication medium, it is one that offers the significant cost advantages inherent in sending email over the Internet. And finally, affordable email marketing management tools such as Constant Contact enable even small retailers to understand in near real-time what motivates customers to visit the store and make a purchase.



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