

10 Reasons Electronic Newsletters Can Improve Your Marketing Results

Companies using printed newsletters to communicate with prospects, customers, and partners are spending a lot of money, but may not be reaping the sales leads, revenues, and loyal business relationships that they desire.

One way to energize your newsletter marketing efforts is to offer an e-newsletter. The marketing and communications capabilities of an e-newsletter make it a critical element for any business striving to improve communications with stakeholders and to differentiate itself from the competition.

A Simple Analogy

Picture your printed newsletter as a yacht. It's big, strong, slow, and graceful. It's expensive to maintain, yet it's established and recognized. Even though a lot of people have to work on a yacht to get it sailing, few of us wouldn't want to own one.

Similarly, your printed newsletter can be expensive and cumbersome to produce, yet the finished product is very appealing. It requires the attention and effort of numerous people (marketing, design, layout, production) and the process requires a lot of planning and formality. Printed newsletters are a proven means of communication.

Now picture your e-newsletter as a speed boat. It's small, nimble, and quick. It's not nearly as expensive to acquire and maintain, yet it's not nearly as attractive. You can make short runs often and you can own several speed boats for the price of a single yacht. With e-newsletters, you can cost-effectively communicate to smaller audience segments, manage the process with fewer people, and communicate more frequently.

The Limitations Of Printed Newsletters

While printed newsletters offer a worthwhile means for a company to communicate with stakeholders, they are very expensive to produce and deliver and the production process is long and labor intensive. It is not cost-effective for a business to print a newsletter every time it needs to communicate with its partners or share time-sensitive information with its customers. Valuable information is often left out of a printed newsletter because there is a limit to how many pages you can include.

There is also a tendency for businesses to include topics for all their stakeholders—prospects, customers, partners, investors, and employees. The result is that the newsletter “speaks” to a general audience and doesn't offer the focus and personalization that different audience groups desire.

Is Your Newsletter Just A Promotional?

Since printed newsletters are a major marketing investment, businesses attempt to get a rapid return by making a quick sale. The newsletter becomes a compilation of assorted advertisements instead of a long term, relationship building tool. It turns out that the more you include educational, interesting, and relevant know-how that helps your prospects, customers, and partners, the more likely they will do business with you.

Even the most interesting, informative printed newsletters are difficult for recipients to pass along. In an attempt to solve this problem, many companies create electronic versions of the newsletter in the Adobe Acrobat Portable Document Format (.pdf). These documents can be distributed electronically and posted to a company website.

The Limitations of .PDFs

While .pdf newsletters are easily distributed, they are very difficult to read and manage online. Most printed newsletters use a column format. Reading columns on a computer monitor is a real chore. If your audience reads your .pdf newsletter at all, they usually wind up printing it first.

Newsletters in .pdf format tend to be large files requiring significant time to download. This format does not allow you to include file attachments and other multimedia objects that can make your newsletter more appealing and useful.

Ideally, you would like the content of your newsletter to create an expanding repository of valuable information that all your stakeholders can reference. Content in a .pdf newsletter is difficult to review and search from most websites.

Get Those E-mail Addresses

One of the most profitable assets your company can acquire is a corporate-owned list of permission-based e-mail addresses. Companies offering a .pdf copy of their newsletters from their web sites usually have no way to automatically compile a database of e-mail addresses. Also, it is nearly impossible to measure and track response to a .pdf newsletter.

The upshot of these problems is that your marketing communications efforts don't produce the results they should.

An Electronic Solution

There is another option, however, and it comes in the form of an e-mail or Web-based electronic newsletter. The efficiency and cost-effectiveness of this strategic communications method will enable you to keep in touch with your target audience and leverage one of the most profitable marketing methods available—permission-based, e-mail marketing.

Typically what people talk about when they speak of e-newsletters, is an HTML web page with a series of articles. Summaries of the individual articles are then converted to a plain text e-mail message or HTML e-mail message, and delivered directly to subscribers' inboxes. These e-mail newsletters may include each of the articles from the HTML publication, or brief article summaries with URL links back to the HTML page.



Plain Text E-mail Newsletter



HTML Web Page

Hyperlinks

Hyperlinks



HTML E-mail Newsletter

Not only can you proactively communicate with your prospects, customers, and channel partners, if done right, you can engage these audiences in an ongoing dialogue and streamline your entire sales and marketing process.

The **10 reasons** you should use an electronic newsletter are:

1. Cost Savings
2. Deliver Relevant Communications
3. Measurability
4. Viral Marketing Effects
5. Dynamic Knowledge Bank
6. Richer Content
7. More Efficient Publication
8. Global Reach
9. Quicker Response
10. Immediacy

Let's take a closer look at each one.

Cost Savings

An e-newsletter is significantly less expensive to produce and deliver than any printed publication. Postage and printing fees are nonexistent and the time it takes to put together an e-newsletter is shorter because you don't have all the layout and production requirements. Newsletter software packages or hosted services make creating, formatting, delivering, and tracking an e-newsletter a simple and quick process.

DoubleClick's DARTMail estimated that the average e-mail costs \$.25 per unit to send versus \$1.25 for a direct mail piece. Digitrends estimates the average e-mail cost per e-mail message in the U.S. is less than \$.01, compared to \$.75-2.00 for direct mail.

If your quarterly print publication goes out to 10,000 recipients, and you can encourage half of those people to transition to your e-newsletter, the savings are approximately \$3,700-5,000 per quarter or \$14,800-20,000 per year. Not bad. Those numbers get even more exciting as your subscriber base grows, you convert more readers to your electronic publication, or increase your publication frequency.

Keep in mind that these figures only reflect the direct cost savings attributable to an e-newsletter. They don't include the increased sales, new clients, and satisfied partners that result when your business communicates frequently and effectively. Another key benefit is that with an e-newsletter, you can shorten the "Idea Cycle" time. This means that the time it takes you to think of an idea, communicate it to your customer, get a response, and have some action taken, is much less with electronic publications versus printed newsletters.

Deliver Relevant Communications

The primary reason newsletters do not generate the sales and marketing results they should is that they are not "personalized" for the different segments of a company's audience. The high cost of a printed publication usually forces companies to include information for investors, employees, retirees, customers, and prospects into a single publication. The trouble with this approach is that the information requirements of a prospect are very different from those of a customer who has purchased a particular product, or from those of a distributor or other partner.

When we speak of personalization, we don't mean just inserting a subscriber's name into the subject line of an e-mail message or addressing the newsletter with a name and title. Although these techniques have proven to be valuable in some business-to-consumer applications, we believe the real idea of personalization for business-to-business marketers is to think about the know-how and expertise your business has, and then map that to the information needs of your target audience.

Put on your customer, prospect, or partner shoes. What information and knowledge would you want to know? How can this company (your company) help you operate more efficiently, save money, increase revenue, or be more productive? What topics would you find interesting and useful?

This is the information that will make your communications highly personalized, extremely relevant, and anticipated.

A Practical Example Of Personalization

For example, if you sell any kind of complex system or equipment like a multi-protocol router, you know that it will require routine maintenance at 6 months and 1 year. You know that a series of system updates will be released quarterly. You know that customers who are using this router in a manufacturing environment will want to optimize the settings in a certain way. You also routinely get help desk calls about a variety of topics.

Each of these situations highlights an opportunity for your business to share ideas that will help your customers get more value from that router. Providing this content gives your company a valid reason to stay in touch with your audience, sets you apart from your competitors, and helps you deliver an exemplary level of service.

Measurability

Electronic newsletters are ideal for business marketers looking to establish a measurable return on their marketing investments. You can measure who is opening your e-newsletters, which content is most important, who is joining and leaving the conversation, and link this data to who is making purchases. Moreover, when your audience is actively engaged with your business, you will receive a steady stream of comments, questions, and feedback that you can use to strengthen relationships and discover opportunities.

Viral Marketing Effects

E-newsletters are easy for your audience to pass along to other interested parties. This “viral marketing” or “pass-along” effect can supply your business with new referrals and fill your sales pipeline with qualified leads. When linked to a web-based subscription form, you can make it very easy for new people to join the conversation.

Create A Dynamic Knowledge Bank

In many instances, the content you create in an e-newsletter is a knowledge base that can assist other prospective customers, partners, and even employees to learn more about your business. So long as that information is easily searchable, it becomes a very valuable bank of knowledge. Jupiter Research estimates that consumers will spend \$647 billion offline by 2005 as a direct result of research they conduct on the Web.

Include Richer Content

The types of content that you can include in an e-newsletter make it more useful for your stakeholders and make the content more actionable. Application files, forms, URL links, multimedia objects, graphics, images, etc. are supported in most electronic newsletter software applications.

For example, if your business offers an employee newsletter, you could include articles about:

- Your new 401k benefits package and attach the actual enrollment form in .pdf format
- Changes to the medical insurance offerings and insert a URL link to the update area
- Proper expense reporting and attach a sample expense report spreadsheet
- A new office addition and attach the floor plans.

With an e-newsletter, you can link to existing information on your website or portal and deliver tools that make it easier and more efficient for your audience to work.

A More Efficient Publication

The structure of an e-newsletter is very efficient making it easier for your audience to get an overview of the information you are presenting, and then obtain more detail if they desire. Electronic publications lend themselves to delivering impromptu communications that your company may need to make periodically, such as breaking news, updates, or other time-dated information.

Global Reach

With an e-newsletter, reaching your target audience on the other side of town or across the globe is no longer a challenge. The New York Times estimates there are 900 million e-mail accounts worldwide about half of which (450 million) are in the U.S. Even taking into consideration that people have an average of 2-3 e-mail boxes, you are still left with a lot of folks who are comfortable doing business via e-mail. Studies show that e-mail is the leading reason people use the Internet in the first place.

Quicker Response

According to the 2001 E-mail Marketing Report published by eMarketer, an Internet and ebusiness research firm, 80 percent of e-mail marketing messages are responded to within 48 hours, as compared to six to eight weeks for traditional direct marketing methods. Quicker response means that it will take you less time to test and improve your communications.

Immediacy: Capture Your Stakeholders Attention...Now!

According to market research firm Winterberry Group, the e-mail marketing industry is expected to grow from \$910 million in 2001 to \$3.5 billion in 2005, an annual growth rate of 41%. Permission based commercial e-mail accounts for 10% of the 300 billion messages sent today and the average person receives 36 permission-based e-mails every week.

It has never been a better time to start using e-newsletters to communicate with your stakeholders. As more and more people receive more and more e-mail communications, they will tune out all the “noise.” Response rates are falling and continue to do so. Yet certain businesses are seeing response rates of 12-35% using e-newsletters.

These businesses have already started to incorporate permission-based e-mail marketing, and especially e-newsletters, into their marketing mix. By getting started early, they have learned how to deliver real, tangible value to keep their stakeholders listening and interacting with them.

The Secret To Newsletters

If there's a secret to newsletters, it's that you must include content that is relevant, targeted, and compelling, and you must communicate regularly. Doing so will position your business as one worth paying attention to. The “attention asset” you will build is one that your business can leverage for a long time.

Electronic newsletters are a cost-effective, efficient way to communicate with your customers, prospects, and partners. You won't find a better way to establish an ongoing relationship with your stakeholders and now is the time to get started!

In this article, we consider electronic newsletters, e-mail newsletters, and e-newsletters to be a subset of e-mail marketing. When we speak of e-mail marketing, we mean permission-based email marketing.

About Maarga Systems, Inc.

Maarga Systems, Inc. is a software company based in Iselin, New Jersey. Maarga offers comprehensive IT solutions to small and medium businesses with its strong product and services portfolio. Maarga acquired the kNEWS suite of products from Gallatin Technologies, Inc in 2007. Maarga Systems, Inc is a wholly owned subsidiary of Maarga Systems Private Limited, a leading offshore outsourcing firm, based in Chennai, India offering high quality custom application development, application maintenance and system administration services around the Lotus Notes, Domino platform. Maarga is an IBM Business partner.

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