

eMarketing in the New Millenium: A Business Case for Autoresponse

Marketing

By Susan Lassiter-Lyons

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EMarketing in the New Millennium
A Business Case for Automated Response Marketing
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Marketing, especially for the small business owner, has evolved dramatically with the advent of the World Wide Web. Gone are the antiquated offline methods that produced little or no quantifiable results. The Internet has leveled the playing field in marketing allowing the savvy, well equipped 'netpreneur to compete head on with Fortune 500 sales forces.

What Is Automated Response Marketing?
Better known as an "autoresponder", it is a pre-programmed, sequential follow up application that markets to your database via email. Autoresponders are responsible for boosting profits, increasing staff productivity and improving customer service levels in virtually any organization. In addition, they are a low-cost, high tech way to quantify your marketing plan and implement a Customer Relationship Management (CRM) strategy.

How Does It Work?
Your autoresponders are loaded with personalized, pre-written messages to customer inquiries. The email address associated with the autoresponder is promoted in a variety of methods. Once a prospect trips the autoresponder by submitting a form on the company website or sending an email to an advertised address, the prospect information is dropped into your database and the marketing machine immediately sends out the first installment of the requested information.

Autoresponders can be attached to a banner ad or email and even

used in offline advertising. A good autoresponder provider will offer trackable links so that results can be monitored and quantified. This way you can implement new campaigns quickly to replace ineffective ones.

How Can Autoresponders Help My Company?

There are so many answers to this question that it is almost rhetorical. It would take less time to tell you how autoresponders couldn't help your company. But seriously, clients come to me daily asking for solutions to the following three marketing dilemmas:

1. How do I know what advertising works?
2. How do I follow up with customers without hiring an employee?
3. How do I deliver comprehensive marketing material to prospects inexpensively?

The answer to all three of these problems is to implement an auto response strategy immediately.

Advertising ROI

The small businessperson does not have money to waste on ineffective advertising. Forget about branding or awareness, the function of advertising is to generate sales. If advertising does not generate sales, it is ineffective. Quality autoresponders will generate a trackable link for every campaign. When a prospect trips that link, it is recorded in the stats page and ready for analysis.

If you have spent \$500 to send an email blast to a targeted database of 10,000 people offering a special on your web page that includes the link, you will have a record of how many people "clicked through" to your web page in real time. Then you just count the sales to back into an ROI analysis.

For example, if you had 3000 click throughs and 100 purchases of your \$30 product, it would look like this:

$3000/10000 = 30\%$ click-through rate or CTR

$100/3000 = 3.3\%$ conversion rate

Gross Sales = \$3000

Net Sales = \$3000- \$500 = \$2500

ROI = 500%

Now **that** is an effective campaign! Leave that one alone!

Customer Follow Up

Consider these facts:

--- A recent study conducted by Sales and Marketing Executives International concluded that 81% of major sales are closed after the fifth contact.

--- 80% of people who inquire about a product or service will buy it within one year of their initial inquiry. However, more than 90% of the time they don't buy from the same company they made the initial contact with.

It appears the common denominator is follow up. If you're like me, there aren't enough hours in the day to respond to each new

inquiry personally let alone follow up with past inquiries and current customers. But the facts show that sales are lost or never made at all due to lack of consistent, sequential follow up.

Collateral Delivery

Direct mail is one of the most expensive advertising propositions there is. Not only do you have to pay for postage and mailing supplies, you also have to pay someone to create it and pay to have it printed. Too much paying! A quality autoresponder will let you send messages in text or HTML which means your email could look just as nice (if not better) than your website itself.

More important, there is no incremental cost associated with additional mailings. Send a sales brochure via your autoresponder and follow up 50 times--it will cost you the same as mailing it once.

Who Is Using Autoresponders?

The marketing strategies for autoresponders are limitless. Here are a few industry success samples.

Fitness Clubs

Fitness Clubs, such as 24 Hour Fitness, send messages to prospects very frequently. Topics include recipes, supplements, new club openings, and more. The communication increases customer loyalty and sales of ancillary products have increased dramatically.

Insurance Companies

Insurance companies send out personalized storm warnings via email to all their home policy owners in the area where the storm is expected. The messages include tips on how the policy can protect their home from storm damage and what the policyholder can do to decrease the likelihood of damage. This not only creates an enormous amount of goodwill for the company, it also lowers the amount of claims that they have to pay out. Let's say for example that, on average, this company receives 1,000 claims a year averaging \$25,000 a claim. If these types of email campaigns help reduce the number of claims by just a conservative 1%, the result is a savings of at least \$250,000 per year.

Ski Resorts

I'm in Colorado and skiing is a big part of my life. When I'm at my desk on a Thursday afternoon and an email pops up from a nearby resort telling me that the powder is great, they are expecting more snow and they'll buy my lunch if I come skiing Saturday, I AM THERE! They know I am a skier and they know all the psychological triggers that will entice me. I'm a professional marketer and I know what they are doing, but I don't care--I'm going skiing and enjoying my free lunch. Of course, I will also purchase a few après' ski beverages at the lodge so they have more than made up for the free lunch in addition to generating an incremental lift ticket sale.

Health Insurance Companies

Health Insurance companies are now sending personalized, secure notifications to members on preventative health issues. For example, notifying women that they are due for mammograms at a certain age can prevent potentially larger claims down the road for an undiagnosed illness.

These are just a few of literally thousands of ways businesses are benefiting from automated marketing solutions. The P/L significance of autoresponders in small business is a compelling enough reason to consider implementing one in your own business. However, better communication with your present and future customers and increased productivity for you and your staff could make the difference between having a business and having a life.

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