

E-Mail Newsletters Can Be Affordable and Effective

By **EDWARD SEGAL**

Periodic free e-mail newsletters can be one of the most cost-effective ways to market your business. The primary benefit is in the branding they can afford new companies.

Just ask Mitchell Levy, president of ECnow.com, an e-commerce management firm in San Jose, Calif. He sends a free monthly e-mail newsletter to thousands of subscribers.

"Readers around the world are reminded every month that I'm here. When opportunities for potential business arise, the monthly e-mail helps them remember that I can meet their needs," says Mr. Levy, who teaches e-commerce management at San Jose State University.

In addition to branding, e-mail newsletters can help you find a steady stream of qualified leads, establish and maintain client relationships and position you and your company as experts in your field. For example, Mr. Levy's newsletters help sell his book, "E-Volve-or-Die.com" (New Riders Publishing, 2000), fill his marketing seminars and secure speaking engagements and consulting assignments.

The tv Corp., a Los Angeles start-up that markets and sells domain names with the extension ".tv," says its monthly HTML e-mail newsletter has helped generate immediate sales, as well as preregistrations for new product offerings. Up to 8% of its approximately 180,000 subscribers become customers, according to the company.

The newsletter also serves another important function: to test-drive and fine-tune new marketing promotions. The company tracks the responses via special purchase codes.

"As a start-up that can't afford to turn to expensive market-research firms, we've been able to [use the newsletter] to make key decisions on what we choose to offer on our site and what new products to offer," says Aviva Rosenthal, a company spokeswoman.

Do-It-Yourself?

Whether you can produce these marketing missives yourself or should outsource this function depends on the complexity of your newsletter and the depth and

breadth of your resources. Skills you'll need include copy writing, database marketing and graphic design, says Tricia Robinson, vice president of marketing communications for Socketware, an Atlanta seller of software that helps entrepreneurs use e-mail to market their companies.

Every two weeks HireStrategy, a recruiting firm in Reston, Va., sends 9,000 recipients a newsletter that's researched, written and produced in-house. The greatest cost incurred is the staff time -- at least 15 hours per newsletter -- to write, research and format articles. Production is easy since the company uses a template and sending it "takes a minimal amount of time," says M. Scott Laemmle, HireStrategy's director of operations.

Are e-mail newsletters the right way to help promote your start-up? With only so many hours in the day, entrepreneurs must carefully choose what will provide the best return on their investment of time, money and resources.

While Mr. Laemmle admits the time spent on the newsletter could be spent elsewhere, he says, "we believe that we receive significant benefits from the newsletter that more than justify the costs."

Outside help to produce and send your newsletter can cost anywhere from a few hundred dollars to several thousand, depending on its complexity, use of graphics and frequency. There are several vendors that can help distribute a newsletter, including Lyris, Microsoft's bCentral and Listserve.com. The costs can begin at a few hundred dollars a month.

The following are steps you can take to make sure that your e-mail newsletter is worth the effort.

Define Success

Determine how many units of your product you'll need to sell through your e-mail newsletter in order to make it worth your while. Then, outline your goals and list the results you hope to achieve.

"Too often, companies decide to begin a newsletter program without understanding what they hope to accomplish," says Mr. Laemmle. "This reminds me of the saying that if you don't know where you're going, any path will take you there."

Before launching its newsletter, HireStrategy reviewed its overall marketing program and decided which audiences it wanted to reach. This exercise helped shape its newsletter's content, format and frequency. "One reason for the success of our newsletter is that the content matches our overall marketing effort and is tied into our other viral or guerrilla marketing strategies," he says.

Get Permission

It's important to get recipients' permission to send a newsletter to them in the first place. "Even though you have e-mail addresses from direct mailings or point-of-purchase sign-up sheets, make sure you have permission from them

before you send e-mail," says Ms. Robinson. How? Send a direct-mail postcard or a one-time e-mail asking for their approval to include them on your distribution list. "If you don't ask permission, you run the risk of [annoying] people and being labeled a spammer," she says.

You can invite members of your target audiences to subscribe and make it possible for them to do so on your Web site. Plus, encourage people who like the content to forward the newsletter to their friends and co-workers. When you speak with someone on the phone or make contacts at networking events, ask if they would like to be added to your newsletter.

While it might be easier to simply buy a list of potential subscribers from a vendor, a list grown in-house, says Mr. Laemmle, "will be more robust, more interested in your content, more likely to respond to your message and less likely to unsubscribe."

Concentrate on Content

Avoid the temptation to turn your newsletter into a commercial for your company. That's a sure way to turn off your subscribers. If you want people to read your newsletter, it must contain [content that's interesting and useful](#). If you understand and write for your audience, you'll do a better job of providing information recipients want to read.

Ms. Rosenthal says her company offers a tips section in its newsletter that includes a frequently asked question (FAQ) drawn from a poll of customer reps. "We see a huge -- more than 50% -- drop-off in that question being asked," she says. "That tells us not only is our customer base receiving the newsletter, but they're reading it and can retain the information we provide."

Honor Your Subscribers' Privacy

As important as the information you send to subscribers is your obligation to protect their privacy and trust in you. Don't sell or trade your subscription lists, and don't send unsolicited copies of newsletters just to inflate your list of readers. Once you've lost the trust of your audience, it can be difficult, if not impossible, to get it back. By producing a quality e-mail newsletter, you have the opportunity not only to effectively and efficiently promote yourself and your company, but also increase the knowledge and understanding of your audience as well.

-- Mr. Segal, author of *"Getting Your 15 Minutes of Fame, and More: A Guide to Guaranteeing Your Business Success"* (John Wiley, 2000), conducts workshops on media training, presentation skills and effective public-relations strategies. His Web site is www.publicrelations.com. You can reach him at edwardsegal@aol.com.