

MONEY ON THE E-MARKET

It is not the budget, the font, the graphics or the discounts that will drive sales from your e-newsletter. It is your subscribers.

I AM often asked by business people about making money from an e-newsletter. It is an obvious question, but it is one which I think illustrates a common misconception about the role of e-newsletters.

An e-newsletter is not a sales pitch. It is not an electronic form of the 'buy now pay later' push marketing.

The best e-newsletters are conversations between a seller and clients. Like any conversation between people that have an existing relationship, a good e-newsletter assumes a level of familiarity, encourages a dialogue and reinforces a shared interest.

Your e-newsletter should be built on the trust that already exists between you and your client. If your product is no good or the service is lousy, no amount of e-marketing is going to encourage your client to stick with you.

In short, while it is tempting to see email delivery as a means of prospecting for new clients or driving online sales, this is not the real strength of e-newsletters. An e-newsletter's value to your business is as a tool to help you strengthen relationships with, and retain existing clients.

Think about this: if an average sale is \$250 and a customer buys nine times a year and sticks with you for 10 years, their lifetime value is \$22,500.

If your e-newsletter is a component of the strong relationship that encourages that customer to stay loyal for 10 years, then it is making money for your business.

Growing your client base

An e-newsletter can generate new customers however, the link is more complex than an email arriving in a mail box.

How many emails do you get every day? Which do you read and which do you bin?

I can guarantee if you get an email from someone you know, you will read it. It is also pretty likely that you will bin an email from someone you don't know. Like me, you will judge that it could be spam, could contain a virus or you're too busy to even wonder what is in it.

Herein lies the lesson for e-marketers.

You cannot simply get hold of any old database and start mailing. Your open rate will be lousy, you will probably get added to your recipient's 'Blocked Sender' list and you will have definitely blown any sales opportunities.

When it comes to e-newsletters, send to people who know you – your existing customers. If you get the message right to them, they will spread the word for you. In the trade we call it viral marketing.

An email, joke or e-newsletter goes viral when it is spread by people beyond the reach of the original creator of the message.

Indirect revenue

As well as direct sales from your customers and their networks, don't forget to factor in the indirect financial opportunities available to you as the publisher of an e-newsletter.

Become an expert

The business community is hungry for good information, especially the small business community. Give them real insider information about your field. Write articles or give seminars and your profile and that of your business will grow accordingly.

Offer your articles to other publications, even for nothing, because it is great promotion. Alternatively, invite other experts into your publication. If your subscriber base is strong enough, you can sell the editorial space. At worst, it is free copy.

