



Email Myths and Realities

by David Bancroft Avrick

Bulk unsolicited e-mail is dead. When you rent a list (even a double-opt-in-list) and send your offer--that's unsolicited e-mail. And it's dead.

This article doesn't concern e-mails to your customers. Customer relationship management (CRM) is the most logical and viable use of the Internet. It's highly successful, misunderstood and greatly underutilized.

Similarly, unsolicited e-mails to highly targeted professionals are successful. These are lists of hundreds of names of individuals with a refined business specialty. If you're sending them exciting, current information about their specialty, e-mail can be effective.

This article pertains to the mass amount of e-mails companies are sending out. This includes list brokers who offer huge lists of individuals who have registered their areas of interest in return for something--a bribe (e.g., sweepstakes, free lottery, coupons or samples, redeemable points).

When I signed up on one of these sites, indicated my areas of interest and agreed to receive e-mails, I never understood that I was opening my in-box to an onslaught of e-mail messages, most of which I didn't care about.

In this article I'll list some e-mail myths and their 21st century realities. Dot-com disasters are well known, but most disastrous e-mail campaigns are not front-page news. Why? Because dot-coms are public companies and their health, or illness, is public information. The failure of e-mail campaigns, on the other hand, is hush-hush. The reality is that e-mail is in exactly the same condition as the dot-coms.

You must accept the negative reality of this amazing marketing media--but also understand the enormous profit potential.

Myth: E-Mail Is The Greatest Advertising Media.

Reality: There's overwhelming evidence that e-mail as the perfect marketing medium is one of the biggest myths of the last decade--a farce perpetrated by those with a vested interest. E-mail is effective for customer retention and the delivery of product information. Your customers love the ability to instantly learn what's hot, on sale, new and different.

The mass audience hates the interruption. E-mail doesn't provide entertainment like radio or TV. It doesn't have information like newspapers and magazines. It does nothing for the consumer but fill up his in-box. Most who are involved in e-mail marketing didn't rise through the ranks of direct marketing. Their vision is narrow, and the work they produce reflects this.

Myth: E-Mail Is A Cheap Way To Get New Customers.

Reality: Acquisition costs are similar to traditional direct mail. E-mail is probably at its end as an acquisition tool, unless direct marketers accept the reality that there is no free lunch. Thousands of companies discovered that sending e-mail is cheap; then they rushed to fill everyone's in-box.

How effective would your direct mail package be if everyone received 200 of pieces of mail a day? E-mail is no more effective than any other medium. It lacks the audience-grabbing capability of TV and the cache of newspapers

or magazines. And it doesn't have the ability direct mail has to deliver a well-executed package.

Myth: E-Mail Is A Great Way To Sell.

Reality: E-mails are sent at a rate of 1.5 billion a day. This number is expected to increase ten-fold in five years--to 15 billion a day. It's a deluge. The only way to effectively use e-mail is to build a relationship with the recipient. Share ideas and offer information more often than you pitch.

Myth: There Are Rules That Regulate The Economics Of E-Mail.

Reality: Cost regulates direct mail, not rules. You can't just dump garbage into the mail because each envelope costs 40 cents to 50 cents.

But sending e-mail is virtually free. There's no economic restriction to regulate what's dumped into the e-mail system. Marketers with bad ideas rapidly go broke with direct mail; in the world of e-mail they can continue to dump millions of poorly conceived e-mails into the system. Ninety-nine percent of all spam would self-destruct if the senders had to pay a minimal amount of money to send it out.

Myth: E-Mail Pulls Two Or Three Times Better Than Direct Mail.

Reality: Not if it's an outside list or a mass list. The concept of 5-percent to 10-percent response is nonsense. If a direct mail offer pulls 5 percent, an e-mail campaign with the same offer would be lucky to get 0.1 percent to 0.2 percent. If direct mail costs \$400/M, a 5-percent response equates to a cost of \$8 per reply. If e-mail costs \$5/M, a .01-percent response equates to a cost of \$5 per reply. E-mail leads, and e-mail buyers, haven't been proven to be as valuable as direct mail generated responses, probably because it's too easy to "click" and respond.

Myth: The Rules Of Direct Marketing Have Been Suspended.

Reality: The same tried-and-true principles of direct mail apply. You spend tens of thousands of dollars to create a new direct mail package or TV commercial. Can you reasonably expect to spend pennies on e-mail and attain the same results? You hire world-renowned copywriters for your direct mail and DRTV, yet expect a young computer wizard with no direct response experience to create ground-breaking and effective e-mails. You use the finest direct marketing agencies and consultants to assist you with direct mail or DRTV, but think you can accomplish the same results internally when you create e-mails. You focus on attention, interest, desire and action (AIDA) when creating direct mail or DRTV but ignore these fundamental principals when doing e-mail.

Myth: With E-Mail, You Don't Need Compelling Headlines And Benefit-Oriented Copy.

Reality: Whether it's direct mail, direct response television or direct response e-mail, you need headlines, benefits, features and urgency. AIDA has not been retired. Copywriters and graphic designers labor over direct mail packages for weeks. E-mails are created in minutes. The technical people have no concept of what the word "offer" means. They don't know the difference between features and benefits, nor do they understand the importance of creating a sense of urgency, etc.

Myth: There's No Reason To Pay For Professional Copywriters--It's Only 50 To 100 Words.

Reality: One of the key reasons e-mails don't work is amateurs are doing the writing. Professionals know 90 percent of the work is creating a compelling offer, and it's harder to do that in 50 to 100 words than in a four-page letter.

Myth: Old-Time Direct Mail Writers Don't Understand This New Media.

Reality: These are the writers who have mastered the principles of direct response--the same principles required for e-mail marketing.

Since the technical person is the only one who knows how the technology works, he gets the job of "marketing." You'd never ask your printer to do your direct mail creative. I regularly consult with fine copywriters, and none are creating e-mails. The "because you can" principal creates e-mails that flash, move and animate. The technology is "cool," but it detracts from the message, and annoys the reader. Marshall McLuhan was wrong; the medium is not the message--just the transportation vehicle.

Myth: HTML Is The Best Because You Can Graphically Enhance Your Sales Message.

Reality: Most consumers have slow dial-ups. The consumer will "kill" your message before the HTML has enough time to load. The offer is more important than the graphics. Consumers' attention spans are even shorter with e-mail than other media.

Myth: The Prices For E-Mail Lists--\$100/M To \$250/M--Are Realistic.

Reality: Loads of names are being rented at \$5/M. There are people offering to sell you one million names at \$5/M, and give you a second million free. I've personally been offered \$1.50/M to sell (not rent) my e-mail names and addresses.

Do research and some negotiating. The same rules of recency/frequency/monetary should apply to e-mail lists, but they don't. People who market e-mail lists, even traditional list brokers, seem to forget the basics. There are dozens of e-mail list databases that will work on a cost-per-click, or cost-per-action basis. Postal mailing list data cards are a thousand times more realistic than e-mail data cards.

Myth: When You Send Out E-Mails, They All Get Delivered (Or Bounce So You Know They Were Not Delivered).

Reality: Fifteen to 50 percent may not get delivered. ISPs can arbitrarily make the decision not to deliver your mail. If you have a legitimate offer for a permission-based list, you

can fight for delivery, but the original campaign is history. Since the seller rarely sends out the e-mails, he has no idea how many were delivered or opened. People change e-mail addresses constantly, especially with free services such as Yahoo! and Hotmail.

Myth: When You Send Out 50,000 E-Mails--50,000 People See Your Message.

Reality: Probably fewer than 10 percent open marketing e-mail. You may be paying \$50/M to \$250/M for a list (includes sending out the e-mails). That means you're paying \$500/M to \$2,500/M for the e-mails that are actually opened. Even then, many of those people will open it, scan it and delete it.

Myth: I Don't Have To Deal With Opt-Outs.

Reality: Dealing with opt-outs is a monstrous problem, especially because consumers constantly change e-mail addresses. Nothing will cause you more problems than consumers who have requested to be removed from your list, continuing to get e-mails.

Myth: Permission Is Legitimate.

Reality: It's a con. Permission is the first step in spam. People don't realize they'll be deluged with junk e-mail when they complete an online opt-in form. Mass e-mail list compilers are renting names and hiding the relationship between the consumer and the list owner. When you send out e-mail the consumer has no idea how you got his e-mail address. Your e-mail is received, and dealt with, just like spam. For all practical purposes it is spam. Phony sender addresses exacerbate this. By using the real sender address, very little e-mail will get opened. This is proof the consumer doesn't want to receive your e-mail messages. Phony subject lines infuriate readers. Yes, you can get them to open the e-mail, but they resent the bait and switch. And consumers have wised up to the absurd "this is not spam" messages. They're a weak attempt to hide reality.

Myth: The Recipient Knows The Difference Between Permission-Based E-Mail And Spam.

Reality: Mass e-mail list compilers rent their list and hide the relationship. When the consumer gets an e-mail with "Mike" or "Your order status" as the sender, they don't recognize them as a legitimate opt-in e-mail list owner. Even when the subject is legitimate there's no way the recipient links that e-mail to his registration on a Web site. As far as the consumer is concerned, it's spam.

Myth: You Can Profitably Motivate The Marketplace Using Chat Groups.

Reality: Tightly knit groups, with refined areas of interest, continue to want to exchange specific information. These groups abhor and prohibit commercialization. Chat groups often have moderators who censor you if you try to pitch the group members.

Myth: Spam Is Illegal.

Reality: There are anti-spam laws in some states, but the overwhelming majority of states allow unsolicited e-mails as long as you follow some simple rules. These include: using a legitimate sender name and address; using a realistic subject line; and offering and honoring an opt-out. Some countries, including Canada, have no anti-spam legislation whatsoever.

Most ISPs have software to filter out spam, but that doesn't mean it's illegal. When an ISP receives enough complaints, they usually will shut you down. Illegal spammers use phony addresses in order not to be shut down, and by doing so are breaking the law.

Myth: Spam Still Works Because It's Cheap.

Reality: New software blocks spam, so those who want to block it, do so. E-mails that do get through are resented. No matter how cheap spam is, it's still not worth the effort.

A shady marketer working out of his garage can buy a list of 200 million e-mails and do a massive e-mail blast. But it doesn't work in the real world, because people complain to the ISP and shut them down. This isn't a free speech

issue; your ISP contract specifically prohibits you from doing this. If you're a well-recognized brand, recipients will dislike, distrust and detest your company for sending unsolicited e-mails. You can do more harm with e-mails than any other media.

Myth: If A Consumer Doesn't Like Spam, It's No Big Deal. He Simply Deletes It.

Reality: When he is deleting hundreds, soon to be thousands, of spam e-mails a day, the recipient will be furious. Enormous ill will can be created by failing to accept the reality-- which is that consumers hate spam and resent companies that send it.

Myth: If You Want To Get Off A List, You Simply Unsubscribe.

Reality: It's almost impossible to get off an e-mail list. This infuriates the consumer and undermines the credibility of all e-mails. Some respected advisors tell you never to ask to be removed, since that often triggers adding your name to a "hot" e-mail list since you've proven you open, read and respond to e-mails.

Myth: I Can Append E-Mail Addresses To My House File And That's OK Because These Are My Customers.

Reality: If the consumer is spam-sensitive he'll know he never gave you his e-mail address. And he'll resent you for sending him e-mails. The fact that I ordered a product from you by mail or phone doesn't mean I'm willing to accept e-mails from you.

Myth: My Customers Don't Want To Get E-Mails From Me Constantly.

Reality: Customer retention is the most significant utilization of e-mails. If you've got something interesting, exciting or special--your customers want to hear from you. Although I keep hearing about "overstaying" your welcome, I know of no evidence that supports reducing the quantity of e-mails to your house list. Your customers are always looking for new information, new deals.

You're not the only one who has your customers' e-mail addresses. If they're getting 50 to 200 e-mails per day, how can you justify waiting seven to 14 days? If they receive between 5,000 and 10,000 e-mails a year, can you honestly say it's OK to send them 26, but not OK to send them 52, or 104? E-mails can, and should be, used for providing customers and prospects with valuable information. No other media allows you to do that at such a low cost.

Myth: E-Mail Is A Stand-Alone Medium.

Reality: With few exceptions, e-mail will only be effective as part of a multi-media approach.

Myth: You Don't Have To Integrate Your E-Mail And Print, Or E-Mail And Telemarketing Campaigns.

Reality: Tricking people with a pre-checked-off box on your Web site doesn't translate to opt-in/permission based e-mail. Having consumers volunteer, when asked, for their e-mail address on catalog order forms, and on the telephone gives you a serious, permission based e-mail prospect.

Myth: People Complain About Mailbox Glut, Not E-Mail Glut.

Reality: There is so much spam, and it's increasing exponentially. It's not uncommon for people to receive literally hundreds of e-mails each day. Consumers are pleading with their ISPs to filter out spam. They're downloading freeware to accomplish this on their own.

Myth: E-Mail Is An Easy Medium.

Reality: E-mail is very tough to do well. In order to set up an internal e-mail-marketing department you need to make a significant investment in hardware, software and costly talent.