



# The Fundamentals of B2B Email Marketing

## **Chain Store Guide**

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## The Fundamentals of B2B Email Marketing

### Executing a Successful Email Campaign

Email marketing is fast becoming the marketing method of choice to prove branding concepts, drive website traffic, link to online promotions, measure perceived value and ultimately result in increased sales. Email as part of the overall marketing mix is an effective one-to-one tool to create an interactive communication flow with customers and prospects. Email's speed of delivery, relatively low cost and personalization give it an edge over more traditional marketing methods such as direct mail and telemarketing.

Increasingly, cutting through the clutter and chaos of a business person's email Inbox can be one of the biggest challenges facing email marketers. This white paper will focus on the Top 10 Challenges to executing a successful B2B email campaign with advice on how to tackle these issues:

- 1) Building an Email Address Database
- 2) Choosing an Email Provider
- 3) Tracking & Measuring ROI
- 4) Integrating Brand Recognition
- 5) Writing Subject Lines
- 6) Designing Email Creative
- 7) Formatting Emails to Ensure Deliverability
- 8) Timing the Email Send
- 9) Can-Spam Compliance
- 10) Handling Opt-Outs

### Building an Email Address Database

There are numerous ways to obtain customer and prospect email addresses. Adding a sign-up box to a company website homepage is the easiest electronic method. It is important to communicate to prospects and customers that by providing their email address, they are opting-in to receiving future promotional emails.

Other methods of gathering email addresses that can be just as effective include purchasing or renting lists from reputable companies and collecting email addresses at tradeshow or other business events.

Businesses continually must work to obtain new email addresses, since overall email address turnover is 30% (Carlson Marketing, 2006).

### Choosing an Email Service Provider

With changes in regulations, spam laws, deliverability, and design layout challenges, many marketing departments may not have the resources to bring another dynamic inhouse. Companies hesitant to enter this new realm of emarketing will need to find a reliable data source as well as a dependable email service provider.

When purchasing an email address database, the accuracy of the data will determine its deliverability. Quality data comes from quality research companies such as Chain Store Guide. The source of the data as well as how it is collected determines its accuracy. The database that will give businesses the most value is one that draws from public, private and proprietary sources that they cannot access themselves. Chain Store Guide independently researches information gathered through multiple industry sources as well as the company itself to produce the most accurate and complete email address database. Email addresses are confirmed directly by a company representative to ensure the data gathered is the most accurate available.

In addition, Chain Store Guide offers email sending services to customers who purchase the email address database since most Email Service Providers will not send to a purchased list.

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*Three years ago, only 10% of rentals were deemed safe for reputable emailers, but that figure has nearly doubled because marketers are getting smarter and demanding cleaner, more targeted lists.*  
*(Marketing Sherpa, April 2007)*

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## **Tracking & Measuring ROI**

The best way to measure email ROI is for a company to determine the metrics important to their business and then watch closely as they rise and decline. Having a clean subscriber list, segmenting and personalizing emails, ensuring deliverability, automating campaigns and testing regularly will result in the greatest ROI from an email marketing campaign.

A DMA (Direct Marketing Association) study reported that email marketing efforts return \$57.25 on the dollar where a non-email online marketing effort returns only \$22.52.

Email tracking can be a challenging process for companies sending campaigns through in-house email providers. Outlook, Gmail and all other common softwares do not have any tracking capabilities, with no way of telling how many emails were opened or actually received. Email Service Providers should provide tracking of the most important statistics, which are:

1. Overall sent
2. Bounces (both hard and soft)
3. Spam Reports
4. Opt-outs
5. Opens
6. Click-throughs (clicks on a particular link)

The rate of email click-throughs is one of the key elements to track since it indicates the number of email recipients who opened the email and clicked on a link to gain more information. In contrast, the Open Rate is not as important a measure since many preview panes will report the email as opened even if it was not.

As the chart below illustrates, there are no accepted standards for email tracking. Below are statistics from multiple Email Service Providers showing the averages for email campaigns:

<b>Email Service Provider</b>	<b>Bounce</b>	<b>Open Rate</b>	<b>Click-Through Rate</b>
Constant Contact (April 2007)	18.3%	37.00%	8.90%
Chimpmail (April 2007)	16.27%	17.76%	14.56%
Bronto (March 2007)	4.70%	23.60%	4.40%
Vertical Response (April 2006)	2.53%	23.61%	7.78%
MailerMailer (June 2006)	5.58%	19.10%	3.28%

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*Email marketing consultants consider an open rate of about 20% and a click-through rate of 4% to 5% to be a highly effective email campaign. 17% report email click-through rates of 16% or more, while 28.9% report click-through rates of 6% to 15%. (Internet Retailer 2006)*

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In addition to the six key indicators above, businesses need to track whether email recipients were moved to action whether it resulted in increased website traffic, downloads, conversions or actual sales. By analyzing click-through rates and other indicators, email marketers can become savvy about what their customers' interests are. With this knowledge, businesses can customize the email message, which will markedly improve response rates.

### **Maintaining Brand**

More than half of all business-to-business email campaigns are used with the intent of branding. Because branding is a critical email feature, businesses need to consider how to most effectively use branding at the time they are setting up their email creatives. Company names should be prominently mentioned in the email copy as well as using the company logo at the top and bottom of the creative. In addition, alt tags using the company name should be added to all email images. An alt tag is a line of descriptive text that shows when an image is unable to display.

### **Writing Subject Lines**

The three most important things to remember when writing email subject lines are: avoid using spam words, limit the character count and make the subject relevant to the email recipient. Perfecting an email subject line will improve the email's deliverability and open rates.

A complete list of spam words can be found at [internetbasedmoms.com](http://internetbasedmoms.com). Here are the Top 10 spam words to avoid:

1. FREE (this includes *anything* in all caps)
2. %, \$, any reference to monetary discounts
3. Stop or Stops
4. Lose Weight (or any derivative of weight control)
5. Wor\*ds th\$at C%nta^in symbols
6. You're a Winner!, Act Now!, Call Now!
7. Credit, Loans, Debt
8. Multi Level Marketing (*no one* wants these)
9. Opportunity, Amazing, Promise You
10. (Body Part) Enhancements, Improvements, Enlargements

The number of characters, including spaces, in your subject line should be 35 or fewer. Recent studies have shown that the majority of email recipients will not take the time to get past the third word in an email subject line. In addition, many business email inboxes with the preview pane enabled, will allow fewer than 35 characters to be shown.

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*E-mails with subject lines of 35 characters or less had a 24% open rate, while those with longer subject lines were only opened 17% of the time.* (DM News, October 2006)

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A simple rule to follow when attempting to write interesting email subject lines is to tell the person, not sell them. Since an email subject line has less than three seconds to capture the recipient's attention, the subject line must be catchy, informative and to-the-point. Ideally, the subject line should include a direct benefit to the email recipient. The easiest way to measure whether an email subject line is effective is to test different subject lines on a percentage of the email recipient list.

### **Designing Email Creative**

The creative layout of a B2B email often determines how well the overall message is conveyed. Challenges to designing creative include image blocking, multiple email programs and formats and deliverability.

Here are the major points to consider for the initial creation of your email campaign:

1. Avoid using images for important content like headlines, links and any calls to action. Never embed an image.
2. Use alt tags for all images and add the height and width to every image to ensure that the blank placeholder for an image doesn't throw your design off. As an exception, an image that contains a call to action or headline should have an alt tag with the same context. Be sure to emphasize brand in your tag as well.
3. Add a link to a web version of the email design at the top of the email, when an html version is available on your website.
4. Ensure the most compelling content is at the top (and preferably to the left). This will help for the reader to see the message even with preview panes enabled.
5. Test the email design in a preview pane, full screen and with images turned on and off before you send it. This will ensure the email's message is visible in all formats.
6. Ask the email recipient to add your company's From address to their address book.
7. Ask a subscriber on initial sign-up whether they prefer text or html emails.
8. Include a link for opt-out and a link for a subscriber to change his/her settings.

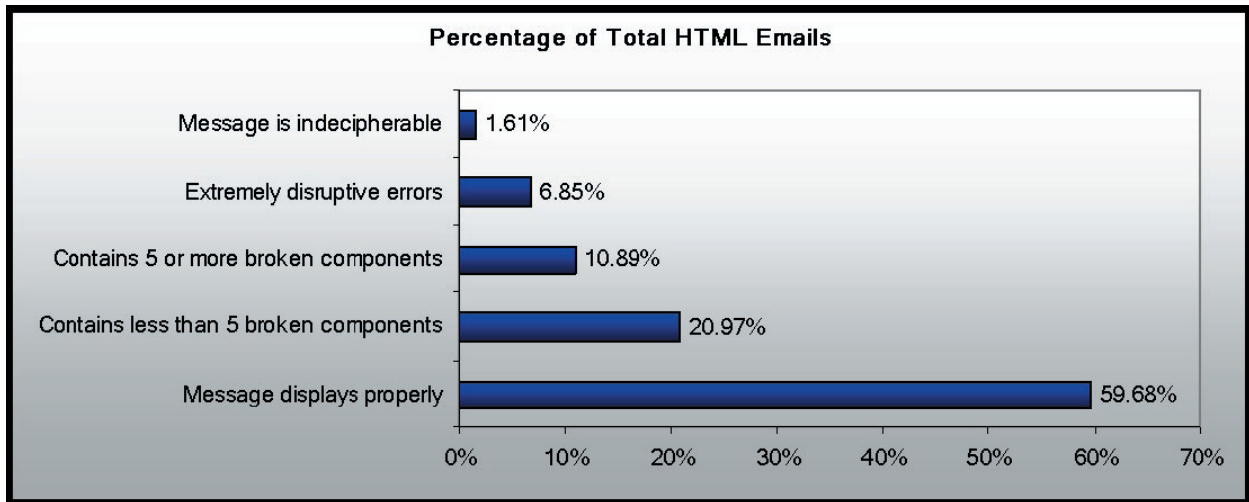
### **Formatting Emails to Ensure Deliverability**

The decision whether to send text or html emails is based on two factors – the message and the format preferred by the subscriber. Multi-part messaging allows for both formats to be created for each email campaign and will be delivered to a subscriber's inbox based upon the email client's settings. Include the relevant email message in the copy, not images, in either format.

Most complex emails (advertisements, newsletters, etc.) are best sent in an html format. If the marketing message is similar to a graphic postcard or promotional mailer, it is best sent as html, which allows greater control of overall design (colors, layout, graphics, etc.)

Five years ago, many companies sent html emails that included animation, video, sound and other interactive means. Today, new obstacles make html emails less likely to arrive in an inbox the way they were intended. The Outlook 2007 introduction has resulted in a major change to the default acceptance of images in emails. The default setting denies images, setting the stage for text-only messages. The same is true for the newest versions of Gmail and Microsoft's new Windows Live email.

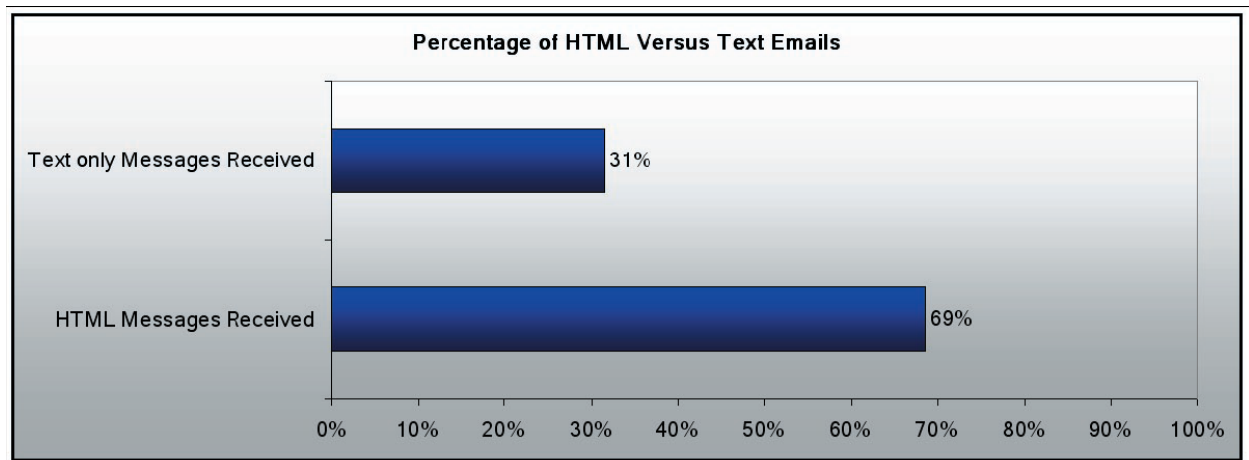
These new software versions present a large variety of obstacles for the designer of an email campaign to ensure those with the newer versions can still receive the same quality messages that those with older software are able to receive. As the graph below shows, fewer than 60% of the emails sent as html displayed properly.



Silverpop, 2005

All basic emails (welcome letters, thank you's, or anything on letterhead) are best sent in a text-only format. Text can be delivered universally to different platforms including BlackBerries, cell phones and pda's. When using the text format, all hyperlinks must be put in full context (including the http://) to allow for an active link within the text email.

As the chart below shows, text-only emails represent only 31% of the email messages received.



Silverpop, 2002

Here are a few suggestions to ensure emails arrive in an inbox the way they were intended:

- 1) Alt tag and size tags are crucial in alignment and layout of any email that contains multiple graphics. Always name the alt tags exactly what the graphic is portraying so that the message will not be missed.
- 2) Use regular text to convey the call to action, or at least repeat the offer multiple times within the email message if you use the graphic for the call to action.

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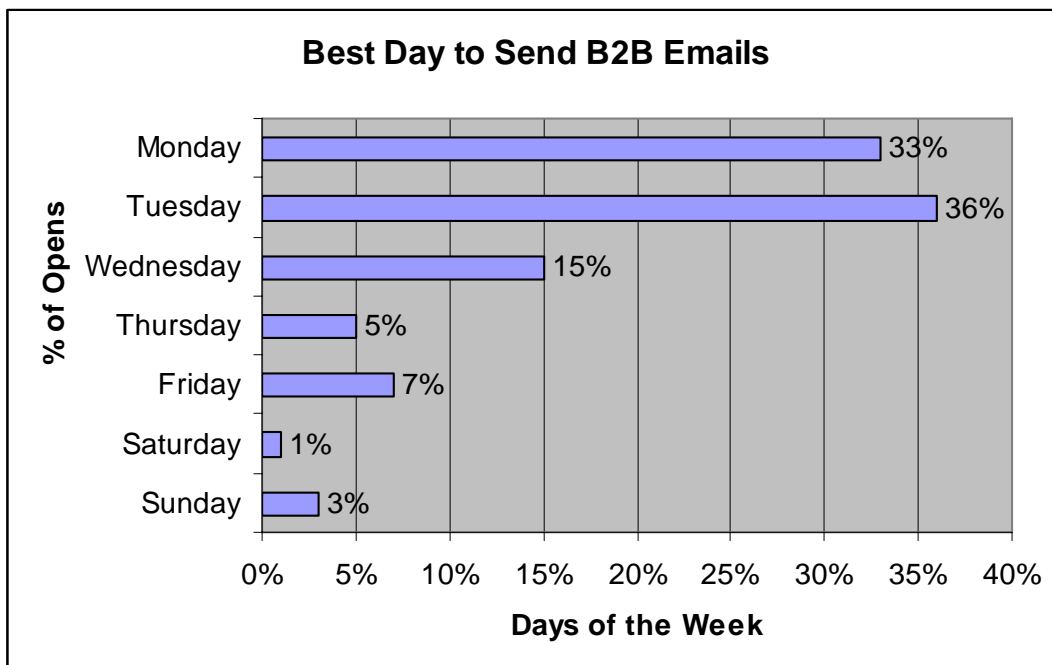
*21% of the emails reviewed appeared completely blank when images were turned off, or stripped inside a variety of email clients. An additional 28% showed relevant copy, but had no working links.*  
(Email Experience Council, January 2007)

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### Timing the Email Send

Email can be sent at all times of the day, every day of the week. Numerous recent studies recommend the best time to send a B2B email is Monday through Wednesday, 10 a.m. - 2 p.m., EST. That's when the most people will read it.

As you can see from the graph below, the percentage of emails read, drops off dramatically on Friday, Saturday and Sunday.



EROI, Inc., 2006

Sending an email late in the day or too early, will negatively affect its open rate. Sending a message at 1-2 pm EST is generally a good time since it is after lunch and business people have addressed most urgent matters. Businesses should test sending their emails at different times of day and different days of the week to track which day and time gives them the best ROI.

## **CAN-SPAM Compliance**

The CAN-SPAM Act of 2003 (Controlling the Assault of Non-Solicited Pornography and Marketing Act) established requirements for companies sending commercial emails. The law covers email whose primary purpose is advertising or promoting a commercial product or service, including content on a Web site.

Email laws vary from state to state. The state from which an email has originated determines the laws that are applicable. Here are the three most important provisions from the federal law that all emailers must follow:

1. Provide recipients an opt-out option for address removal.
2. Give a valid physical mailing address somewhere within the email.
3. Subject lines cannot be misleading on the content and subject of the email.

To find a complete list of spam laws by state, visit [spamlaws.com](http://spamlaws.com). In addition, that site lists the email laws from the European council as well as numerous other countries.

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*81% of email marketers are unaware of the CAN-SPAM Act (WebSurveyor, March 2006)*

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## **Handling Opt-Outs**

Email recipients are increasingly losing patience with the number and frequency of emails they are receiving. One consequence has been confusion differentiating between opting-out of an email and reporting the sender as spam. The best way to avoid being reported as a spam sender is to keep a solid database of active email addresses that have signed up to receive offers. Domain owners, as the gatekeepers of inboxes, have strict guidelines on whom they will allow through spam filters.

As the chart below shows, 7% of email recipients never use the unsubscribe option, while 14% use the "This is Spam Button" all the time.

How do you typically act when you no longer want to receive email from a company?			
	Never Use	Sometimes Use	Use All The Time
Unsubscribe Button	7%	43%	24%
This is Spam Button	24%	41%	14%
Ignore the Email	14%	45%	20%
Set up a Filter	27%	33%	21%

Return Path, December 2006

### Conclusion

As email marketing grows in B2B usage, so will the challenges to developing an impactful and creative email campaign that ultimately results in sales. The playing field for email marketers is becoming very competitive and strategic, requiring them to concentrate on many variables that can help or hinder an email's deliverability.

As the amount of daily emails increases rapidly, it will be more important than ever to pay attention to email fundamentals in order to cut through the clutter. A solid email address database will maximize deliverability with the potential of turning into sales with a measurable return on investment. Few reliable email address data providers exist.

Chain Store Guide collects more than 20,000 personal email addresses of key personnel within the retail and restaurant industries. Chain Store Guide conducts primary research through its in-house staff of dedicated editors and call center professionals. Every company listed in the CSG database is contacted by phone, fax, mail or email to verify the information and ensure that the data remains current and correct.

For more than 75 years, Chain Store Guide has been the trusted authority for restaurant and retail data. Today, Chain Store Guide continues to be a primary source of information that business professionals rely on for timely and accurate data on the evolving retail and foodservice industries.

In addition to its email address database, Chain Store Guide now offers an email sending service. Detailed reports showing the number of opens, click-throughs and successful sends is included in the service.

For additional information on Chain Store Guide's email address database and email sending service, please call 800-465-7661.