

SPECIAL REPORT

The Awesome Power of Newsletter Marketing

**By Jim Palmer
The Newsletter Guru**



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Who I Am and Why You Should Believe What I Say

My name is Jim Palmer, and I am the founder and president of Dynamic Communication and No Hassle Newsletters. I am also the publisher of Success Advantage. I've been writing and designing custom newsletters nearly 30 years for clients in many industries.

Several years ago, one of my corporate clients was so over-the-top happy with his newsletter that he called me "the newsletter guru." I liked the way that sounded, and I've been using it in my marketing ever since!

How I Discovered Relationship Marketing and the Awesome Power of Newsletters

I first experienced the power of relationship marketing in the early 80s. I just didn't have a name for it back then.

I was in my early twenties and my wife and I already had the first of our four children. I was managing a bicycle shop where I earned a bonus based on the store's profits.

I am thankful for this experience because it taught me early in my career to focus on the net, not the gross. There is an expression I like and encourage you to remember.

"Gross is for vanity. Net is for sanity."

I figured that selling more bicycles was not the best answer to increased earnings. Bicycles generally have a low profit margin and take time to sell and assemble. We needed to concentrate on selling something else. So I did some research.

I discovered that bicycle clothing had the highest margin of any items in the store. I'm specifically talking about the fancy shorts, jerseys, helmets, shoes, etc. They're common today, but back then no casual bicycle rider wanted to be seen in the tight black shorts and colorful jerseys you see everywhere today.

But as a cyclist myself I understood their benefits. Whenever I explained the advantage of the clothing to customers in the store they would buy it.

So I thought that if I could simply educate a lot of people about the benefits and advantages of bicycle clothing, we would sell a lot more of it. Then our profits would increase and so would my paycheck.

The best way I thought to communicate with a large audience was to write a newsletter and send it to all our customers. I typed it out - yes, on an electric typewriter! Without doing any research I did some things that researchers tell us will dramatically improve results.

For example, I wrote the newsletter in a conversational tone, as if I was carrying on a one-on-one conversation. Research tells us that writing in a conversational tone is a critical part of relationship building.

I explained the benefits and advantages of the special clothing, just the way I would with a customer in the store. Research tells us that customers won't buy if they don't understand the benefits for them.

I mailed the newsletter to every customer I had on record. Research tells us that existing customers are the people most likely to buy from you again.

I also mailed it to the members of the various bicycle clubs in the area. This way, I was also using the newsletter as a prospecting tool – effectively targeting my competitor's customers! Researchers tell us that tools like newsletters can help build the awareness you need to begin to create a customer relationship.

To put it mildly, the newsletter worked! In just a few years we increased our clothing sales from \$10,000 to over \$100,000. Now that's a huge increase! I still remember the excitement I felt when the customers and the orders started coming in.

At that point I was sold on the power of newsletters as an effective marketing tool. I understood that when you sent them out consistently, people bought things. But I didn't understand the relationship-building part yet. That wouldn't happen for several more years.

By then I was the director of operations for a national franchise. I also had responsibility for much of the company's marketing. Naturally, a regular newsletter was a key part of marketing efforts..

Whenever a franchise prospect contacted our company, in addition to our regular 'franchise information,' I immediately added their name to our mailing list and left it there. I would soon discover how that simple procedure could begin to create a relationship with a customer.

Then I met a new franchisee who had renewed his interest in our company after a lapse of several months.. When he came in for his pre-opening training, I asked him why he waited so long before moving forward.

"Well," he told me, "at first I wasn't sure about the stability of your company. But the more I read about you the more I trusted you and the more it seemed like this was an outfit I wanted to be part of."

A light bulb went on in my head. I knew about the power of newsletters as a marketing tool. But until that moment, I didn't see the other side.

Newsletters are a core part of a style of marketing that I call "Relationship Marketing." They're a core part of a process that creates a customer by creating a relationship with a prospect. That relationship becomes the reason why people continue to buy from you.

The Big Lesson

So, the BIG lesson is, whether you sell a \$20 pair of bike shorts or a \$150,000 franchise, customer newsletters are an awesome marketing tool and can play an important role in your company's growth efforts.

I hope you enjoy this special report on the awesome power of newsletter marketing, and whatever you do, I urge you to start communicating with your customers, clients, and prospects on a regular basis with a monthly customer newsletter!

To Your Success,



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If you're selling a product or service, you **MUST** be in regular and frequent contact with your current customers, clients, and prospects. This is known as "Building Your Fence." Your fence is designed to keep your clients and customers "IN" (and purchasing from you) and the poachers (everyone that is trying to steal your customers) "OUT"!

In the book *No B.S. Direct Marketing*, author and marketing genius Dan Kennedy says, "My single biggest recommendation is the use of a monthly customer newsletter. Nothing, and I mean nothing, maintains your fence better."

If you're a typical business owner, you've probably invested a great deal of time and money growing your business. Knowing that it costs significantly more to attract new customers than it does to keep current ones; I have a question for you:

"Why has it been months (or longer) since your customers have heard from you?" Let me clear about this: not being in frequent contact with your customers is killing your business.

Why Newsletters Are So Important to Your Business

No matter what business you're in, your current customers hold the best prospect for future growth, and it's less expensive to sell to current customers than it is to attract new ones.

In my opinion, newsletters are, dollar for dollar, the most effective marketing tool available. The following are some of the benefits of a customer newsletter:

- Newsletters increase brand awareness.
- Newsletters help build relationships.
- Newsletters are an awesome way to introduce new products or services.
- Newsletters can enhance your reputation as an expert in your industry.
- Newsletters have a longer shelf life than other types of marketing do.
- Newsletters are often read by multiple readers.
- Newsletters are a great way to differentiate yourself from larger businesses that typically won't do a customer newsletter.

Why Newsletters Are So Effective

According to the late advertising expert David Ogilvy, editorial material is three times more persuasive than advertising. While Americans have developed a negative attitude toward most advertising, they've developed a positive attitude toward informational editorials.

Here's Why a Friendly Customer Newsletter is So Effective:

- Your customers look forward to it.
- It's fun and interesting; people appreciate receiving it.
- It features inspiring and factual good news that makes customers feel more optimistic about the economy and better about themselves.
- It's not just another sales solicitation.
- It can help build relationships.
- It can increase customer loyalty.
- It is an effective way to introduce new products or services to existing customers.
- Customers who read your newsletter are usually in a good position to recommend your product or service to others.
- Your current customers may not be using (or even know about) all your products or services and are much better prospects for new revenue than are people who have not purchased from you in the past.

The 80/20 Rule

Remember the 80/20 rule – 80 percent of your profits come from 20 percent of your customers. Given that, doesn't it make sense to go after more business from your current customers? In fact, most businesses spend the majority of their marketing dollars and efforts on attracting new customers, the hardest customer to sell to. In my opinion, you should spend the majority of your efforts marketing to people who have already purchased from you – a much easier and more profitable sale.

Five Secrets of a Great Newsletter

Based on my nearly 30 years of experience producing kick-butt newsletters that get results, I want to share with you five secrets on how to create a great company newsletter.

Secret #1 – Tell them what else you do.

Here's the deal: customers initially engage with a business by purchasing a single product or service. Over time, many customers will do repeat business, usually reordering the same product or service. This will lead you to believe that your relationship with this customer is strong. However, if your customers are unaware of the other products or services that your company has to offer, you are not maximizing the profit potential. How many times have you heard a client

say, “I didn’t know you did that!” or “I didn’t know you also sold that!”? These are all missed opportunities to increase your revenue and profit.

Secret #2 – Tell them what’s new.

As business owners, we are always coming up with new products and services. A newsletter is a great way to get the word out to people who already trust you and find value in what you sell. This can often be done very effectively by telling customer success stories and using testimonials.

Secret #3 – It’s not about you.

This is a very important point. Your newsletter is not about you or how many industry awards you have won or what you want to ‘tell’ your customers. Your newsletter should be about what’s interesting and informative to your customers and clients. Inform, educate, and entertain them, and they will look forward to each and every issue!

Secret #4 – Recognize the expensive real estate!

The back page of your newsletter is not simply the mailing panel: it is the first thing your readers will see when the newsletter comes out of the mailbox. This is a great place to put important items that you want readers to see.

Secret #5 – Frequency trumps everything.

Frequency is more important than the size, color, and content of a newsletter! Yes, you heard me right –I would actually prefer a homemade, cheesy newsletter published monthly over a professionally designed newsletter done twice a year.

You simply must have frequency to build trust and develop strong relationships. There is a ‘ton’ of evidence that monthly mailing is the most effective formula.

The Newsletter Guru’s All-Important Gauge of Readership

My patented (just kidding) rule of thumb is that if people look at your newsletter and they quickly determine that it can be read in 10 minutes or less, chances are it will probably get read – otherwise it won’t.

Instead, it will likely go into the pile of things that someone intends to read but probably never will.

The Most Common but Least-Read Part of a Company Newsletter

Oh, yes, we've all seen one, the long, drawn-out message from the company president or board chairperson. If you've read such a column, how did you feel afterward? If you must have a column or message from the company president in your newsletter, I urge you not to name it "The President's Corner" or "Message from the President" or "The corner office" or some other cutesy name.

When people see these columns, they instantly move on or fall fast asleep in anticipation. Instead, I suggest pulling the "golden nugget" of information from the article and naming the column based upon the golden nugget.

For example, if your president predicts that company sales are projected to increase 20 percent, I would make the headline of that column the following:

Company Sales Predicted to Increase 20 Percent (followed by this subhead)
Here's How We Are Going to Do It

Now, that might get the column read!

Maximizing Your Success

Maximize your newsletter's exposure and you'll maximize its results. Here are a few suggestions to make your newsletter all that it can be:

- Mail your newsletter to all current and past customers, as well as to prospects who have requested information about your company.
- Your salespeople should hand out copies of your newsletter when on sales calls.
- Place a stack of newsletters at businesses frequented by customers.
- Give out your newsletters at trade shows and exhibition booths.
- Post a PDF copy of your newsletter on your company's Web site.

Added Bonus: Some Critical Mistakes You MUST Avoid!

- Failure to encourage visits to your Web site
- Failure to provide a phone number
- Failure to provide contact information
- Publication of a boring president's column
- Forgetting that it's not about you
- Infrequent distribution

- Late distribution
- Too many fonts
- Not enough pictures
- Weak headlines
- Weak leading sentences
- Failure to include testimonials
- Making it too much about “business”
- Failure to include enough light, fun reading
- Lack of distinctive personality
- Use of too much technical jargon or too many acronyms

Copyright Violations

The most common way newsletter editors can run into trouble is to infringe upon copyrights by illegally reprinting articles from other sources such as print publications and Web sites.

Copyright issues can easily fill an entire book, but let me just say that the only way you can legally reprint a copyrighted article is to get permission (preferably written) from the publication in which it first appeared.

WARNING: What Happens If You Don't Build and Maintain Your Fence?

Let me be clear about this. If you're not in frequent contact with your customers, clients, and prospects, and by that I mean monthly contact, chances are very high that they will forget about you! According to mail-order statistics, customers lose 10 percent of their value each month you do not keep in contact with them.

That means if you haven't done anything to keep in touch with prospects and customers, they'll forget all about you in less than a year.

If that doesn't shake you to your core, nothing will. Let me offer an example that I use all the time with Realtors and mortgage brokers. A few years ago, I refinanced my home and was actually blown away with the level and quality of service that I received. I was so thrilled that I immediately referred this company to a few friends.

But as the weeks and months went past, I honestly forgot its name! To this day, I remember the great experience but cannot recall the name of the company. This happens every day to thousands of companies. Don't let this happen to your business.

Well, I hope you've enjoyed this special report and found some information that will help you. Just in case you haven't gleaned the important message that I am trying to point out, here it is again: there is no business that I am aware of that can't benefit from a good monthly customer newsletter.

To your success!

A handwritten signature in black ink that reads "Jim". The signature is stylized with a large, looping initial "J" and a cursive "im".

Jim Palmer
The Newsletter Guru

Jim Palmer, The Newsletter Guru, has been writing and designing newsletters for clients in just about every industry for nearly 30 years. If you're ready to boost your profits by increasing your repeat and referral business, get Jim's FREE 5-part e-course, *The Awesome Power of Newsletter Marketing*, at <http://www.nohasslenewsletters.com/course>

Some of Jim's Companies

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