



Getting the message across

E-mail marketing provides inexpensive way to reach customers

By Angel Abcede

In the days of Mayberry and the corner store, knowing the customer was a matter of face-to-face interaction with folks who regularly walked in the door. In today's high-tech Internet world, that personal touch may seem all but gone—except for the potential of e-mail as a marketing tool.

Anyone with a computer is probably addicted to e-mail as a way of conducting routine business. But the question for petroleum retail and convenience store operators is how this newly commonplace mode of communication can help them connect with customers.

For Jeff Miller, president, Miller Oil Co., Norfolk, Va., the potential for e-mail lies in establishing that all-too-important link between his company and his customers.

“Our history is with heating oil,” Miller says. “With heating oil we had

customer lists—names and addresses. The challenge with c-stores is identifying just who our customers are and then reaching out to them.”

Miller is about to put an e-mail campaign in place, which will coincide with the unveiling of a company Web site. Miller has spent a year collecting names and e-mail addresses using its coffee-club loyalty program; the company hopes to have both the Web site and the e-mail marketing tie up and running this summer.

Another company, Farm Stores Grocery Inc., Miami, initiated an e-mail marketing campaign tied to its loyalty-card program. While officials say it's too early to talk about results, the program looks like a winner.

Flash Foods Inc., Waycross, Ga., has initiated what it calls a “VIP program” tied to the company Web site.

Tim Massey, network administra-

tor for the Flash Foods chain, calls the program “a simple tool” used by Flash Foods to collect information from visitors to the company's Web site. The company asks customers for things such as contact information, shopping frequency and products they purchased most often. Then every month, consumers receive promotional information based on the product categories they selected.

“This program has not been promoted outside the Web site, so consumer participation is relatively low,” Massey says. “Our marketing department is planning to promote the VIP program as time and program details evolve.”

Wallis Cos., Cuba, Mo., is also investigating e-mail marketing possibilities. The chain was able to collect e-mail addresses through a one-time direct mail push using address of existing cus-

tomers (ExxonMobil's Speedpass database helped). A postcard was mailed inviting customers to go online for a free car wash coupon. Wallis was then able to collect e-mails from everyone who visited the site and knows who all those customers are now. Wallis is currently looking to use those e-mails for other promotions.

No spam

E-mail campaigns have their pros and cons, but for retailers, the biggest plus is cost.

"If you look beyond even the postage savings [of using U.S. mail], you've got the brochure or coupon you're mailing, which costs, say, \$1 each to produce," says David Henneberger, a partner with DH Web Inc., Hagerstown, Md. "Then you look at e-mailing and it's free."

Well, not completely free. In many instances, the numbers of e-mail addresses that retailers would ultimately want to use in their campaigns would demand either more robust computers in the office or the services of a third party.



In a flash: Flash Foods' VIP marketing tool allows customers to sign up online, giving the company another way to gain information about its customers.

Henneberger, whose company handles large e-mail deliveries for the National Association of Convenience Stores, says often the sheer numbers of e-mail addresses can overwhelm a retailers' in-house staff and technical resources, which is an area in which the industry finds itself behind compared to other retail sectors.

"Many [retailers] are still operating off of dial-up lines," Henneberger says. "If you're talking about handling 11,000 e-mail addresses, most dial-ups can't handle that kind of volume."

As with any other marketing campaign, retailers can make good and bad choices. With e-mail in particular, Henneberger suggests getting the customers' permission to obtain and use their e-mail addresses.

"You don't want to be a 'spammer,'" he says. "Like telemarketing, [customers can perceive messages to be] intrusive and you can end

up hurting yourself more than you realize, especially if you're trying to build a relationship with your customer."

Henneberger suggests getting permission during the address-gathering process and then allowing the customer to opt out of the mailings by putting an "unsubscribe" choice within the mailing piece.

Building community

The very thought of community brings about ideas of large numbers of people sharing information and doing things together. And so does the thought behind building an Internet community. Greg Naichin, senior manager of alliances, GetActive Software, Washington, D.C., says a number of software options exist to track what people do when they visit a Web site or receive e-mail.

"You can track who opens your monthly newsletter and then send those people a special e-mail or discount," Naichin says.

He suggests focusing on customers who resend e-mails

to their friends. It's also a good way to get an e-mail list going, he says. Rewarding people for sending the c-store's e-mail to others is a good idea, Naichin says, as is basing rewards on the number of friends who end up giving their e-mail addresses back to the c-store.

Building community also involves action, he says. The challenge for retailers is to come up with things that encourage action within their customer base, such as using discounts, promotions, contests, charity or sports events to encourage people to tell others about the activities.

E-mail marketing guidelines

E-mail marketing strategist **David Henneberger**, partner, DH Web Inc., Hagerstown, Md., offers some simple rules for e-mail marketing.

- ▶ Always get permission to use customers' e-mail addresses.
- ▶ Use an incentive such as a free dinner or prize to get people to give their e-mail addresses.
- ▶ Within the e-mail, allow for a person to request that his or her name be taken off the list.
- ▶ Offer something of value, such as a coupon or discount, instead of simply company information in the e-mail.
- ▶ Review company goals and align them with the marketing campaign.

To gather addresses, **Henneberger** suggests a promotion that offers customers some kind of reward (a free dinner or the possibility of a larger prize) for giving e-mail addresses. Once a retailer gets a customer's e-mail address, it's very important to provide content that has value, not just a message about the company, Henneberger says. Also, a discount or some other type of promotion can be tied to overall store goals such as building traffic, he says.

Loyalty ties

Aside from using e-mail campaigns in terms of promotional pushes, another good idea would be to tie the campaigns to loyalty programs, according to one supplier.

Kris Chappellear, president of enablinx Corp., Surfside,

Calif., says technology can tailor e-mailed discounts or promotions to what specific customers actually purchase. This can occur electronically at the point-of-sale as the cashier swipes the customer's loyalty or credit card. That purchase can trigger the e-mailing program to send specific promotions on items that the customer typically buys. This kind of marketing personalizes the shopping experience and strengthens the ties between the retailer and the customer, she says.

E-mail campaigns also can reach people who are otherwise difficult to get to, such as those who live in rural areas or in states like Alaska or Montana, where customers can live long distances from a retail site or gasoline station. Of course, these individuals would have to have computers in the first place but, Chappellear says, people in rural or hard-to-reach areas often rely on the Internet for many of their needs.

Chappellear suggests another way e-mailing campaigns can be effective. She advises retailers target so-called "soccer moms." While business people may be bombarded by spam and other workday e-mails, the stay-at-home parent may be more open to e-mail solicitation. "[A retailer could] sponsor a local children's soccer team as a way to collect e-mail addresses," Chappellear says.

Chappellear's company, enablinx, recently aligned with Arlington, Texas-based The Pinnacle Corp. to provide loyalty options for Pinnacle software users.

In the end, the reward for retailers comes in communicating with their customers.

Miller of Miller Oil says, "We've had great success in the past with targeted [campaigns] to our heating oil customers. We want to bring that success into the c-store side of our operations." ■