

EMAIL MARKETING FOR FRANCHISES

Benchmark
EMAIL

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FOREWORD

"Look after the customer and the business will take care of itself." - Ray Kroc, founder of McDonald's

Economics experts may argue about the date when the recent recession ended; they may even debate whether or not United States is still firmly in a recession mode. But it's undeniable that the economic slump has impacted franchises all over the country. Economic realities have forced franchise owners and managers to consider new strategies for driving customers to their outlets - and they are finding investments in conventional print and broadcast media such as newspapers, magazines, radio and television no longer yield the most profitable results.

When the Direct Marketing Association conducted its recent survey of email marketing Return On Investment, they discovered that for each dollar invested in a professionally crafted email marketing newsletter campaign, \$43.62 was returned in profit. There is no other advertising or promotional medium that comes close to that rate of return. The recent explosion in mobile web-enabled devices, such as smartphones, tablets and netbooks, and subsequent ability to meet potential customers directly and efficiently through them has proved this: The most effective profit-generating method of conducting promotional campaigns is to launch an email marketing strategy.

In a sluggish economy, franchise business owners and managers want to know their promotions and advertising investments garner the greatest impact possible. Use this guide to learn about the most cost effective means of reaching out to your customer base through the power of email marketing. The information you are about to read will show you why an email marketing campaign is your business' best way to ride out the economic storm into a clear market of profitability and growth.

- Curt Keller
CEO
Benchmark Email

► Introduction

This report, Franchises: Taking Customer Service to the Next Level with Email Marketing, was created to provide information about email campaigns for the benefit of franchise promotional managers. This white paper was written to help sector members focus their [email marketing](#) efforts by applying these methods:

- 1) Understanding how to conceive and implement an email and social media promotional campaign and draw new subscribers while maintaining the support and minimizing the dissatisfaction of current ones
- 2) Understanding email marketing legislation for the franchise industry
- 3) Reviewing industry statistics to obtain perspective on strategies applied by other franchise promotional managers
- 4) Executing a powerful email marketing campaign specifically targeted to your franchise company for success

Promotional managers of franchise ventures around the US and Canada were surveyed on their opinions to obtain the information within this manual. Statistics has been pulled from all companies of all sizes within the franchise industry; these statistics can be read in full in the Franchise Email Marketing Survey section.

The goal of this white paper is to put forth a series of questions franchise marketing directors should be asking of their business units, and to gain an overview understanding of the current state of [email marketing campaigns](#) in franchise operations.

► Background

There are two separate administration levels that determine advertising placement and spending for the franchise industry. Franchisors collect advertising fees from franchisees to engage in regional and national advertising while their franchise contracts demand that all franchisees also spend approximately two percent of gross income in locally placed promotions. Although many franchisees automatically assume the local promotions they must carry out are restricted to conventional media types such as newspapers, magazines, radio and television ads, the majority of franchisors use online communications as an integral part of the local territory advertising mix.

The information contained within this report concentrates exclusively on email and [social media marketing](#) adoption and implementation rates of franchisees alone, as opposed to franchisors. As part of their national advertising mandate, franchisors habitually maintain massive online presences expressed through email marketing newsletter campaigns as well as social media interactions on all major networks including Facebook and Twitter; to combine the statistical data from franchisors with that of franchisees would result in difficulty assessing the participation of franchisors in online marketing activities. Local franchisees often lag far behind in their adoption of online promotions, but the gap is closing and there is great opportunity to show franchisees that email marketing is the most effective way to spend their local ad dollars.

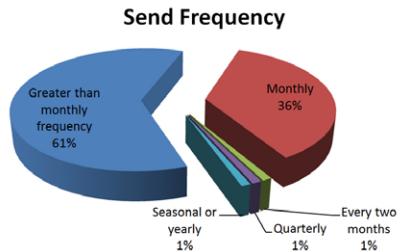
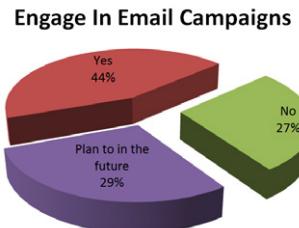


► Franchise Business Email Marketing Statistics

The facts contained within this report were compiled from recent studies, surveys and data about the implementation of email marketing within the franchise sector. Data was combined with quantitative information given by franchise business owners and managers.

Franchise Businesses that Engage in Email Marketing

Less than half of all franchise business owners and managers are currently engaging their customer base through an [email marketing newsletter](#) campaign. Twenty-nine percent of franchise business owners and managers intend to implement a campaign in the future, while 27 percent do not intend to engage in email marketing at any time in the future.

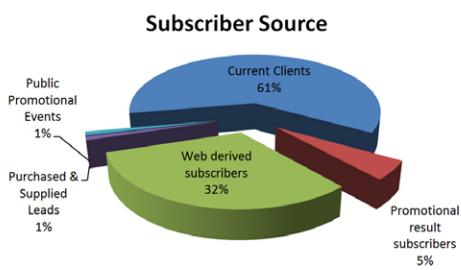
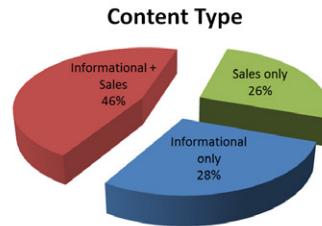


Franchise Business Sending Frequency

Sixty-one percent of franchise business owners and managers engage their subscribers on a more often than monthly frequency; 36 percent issue their newsletters monthly. One percent of newsletters are issued every two months and another one percent are issued quarterly; the final one percent are sent on a seasonal or yearly basis.

Franchise Business Content Type

Three out of ten franchise businesses issue email marketing campaigns containing exclusively informational content. An equal number provide only sales related content while just under half of all email newsletter campaigns for the franchise industry contain a mix of informational and sales content.



How Franchise Businesses Obtain Email Subscribers

Subscriber sources for franchise businesses skew toward current customers: 61 percent of all email subscribers are current clients. Thirty-two percent are Web-derived subscribers; five percent result from promotional activities; and two percent come equally from purchased/supplied leads and public promotional events.

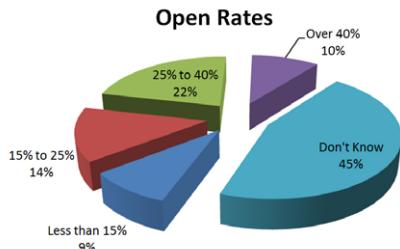
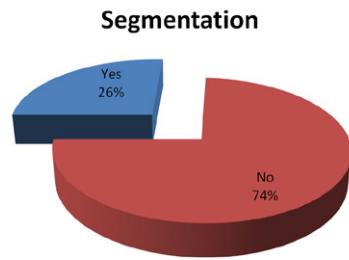
Typical Franchise Business Email Subscriber List Size

Seventeen percent of all franchise business owners and managers report less than 500 email addresses on their list; 29 percent claim 500 to 1,000; 24 percent state 1,000 to 3,000; 11 percent have between 3,000 to 5,000; and 19 percent say the total number of subscribers on their email list is over 5,000.



Franchise Business List Segments

Only 26 percent of all franchise business owners and managers report the application of any form of segmentation process and separate their lists by demographic, geographic and behavioral-based categories. Seventy-four percent reported zero segmentation.

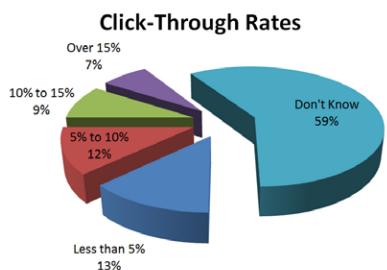
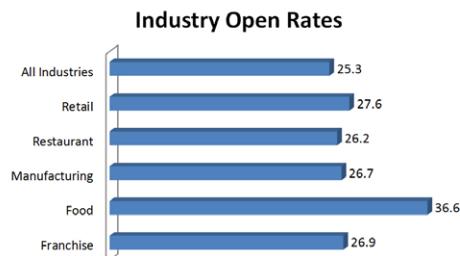


Email Open Rates for Franchise Business Campaigns

A successful email campaign cannot be implemented without proper tracking. If a business is unaware of the number of emails sent actually opened and read, they are operating blindly. Forty-five percent of franchise business owners could not state their [email open rates](#). The 55 percent who did report open rates showed a fairly even distribution: nine percent reported less than 15 percent; 14 percent between 15 and 25 percent; 22 percent between 25 and 40 percent; and 10 percent say that over 40 percent of their emails are opened and read.

Versus Industry Open Rates

Overall average industry open rates are almost precisely in line with the results from franchise businesses. The average open rate is 26.9 percent among franchise businesses and 25.3 percent among all industries.

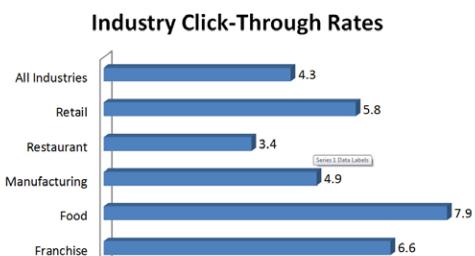


Franchise Business Subscriber Click-Through Rates

Fully 59 percent of franchise business owners did not report their open rates. Among those who reported this critical email metric, 13 percent claim less than a five percent rate; 12 percent claim between 5 and 10 percent; nine percent claim between 10 and 15 percent; and seven percent claim a rate over 15 percent.

Versus Industry Click-Through Rates

The overall average industry [click-through rate](#) is 4.3 percent - considerably lower than the 6.6 percent rate reported by franchise business owners and managers.



► Franchise Industry Discussion

Some franchise business owners and managers have found it more difficult to conduct business in recent years, due to the economic slowdown and severe credit restrictions from lenders. Thriving franchise owners have committed to long term, extensive marketing techniques - realizing that it is paramount to draw the greatest benefits possible from the smallest promotional expenditure. This is why more franchise business owners and managers are turning to email and social media marketing. Statistics show email marketing returns approximately fifty dollars for every one dollar invested, making the cost of any franchise business' email marketing the best promotional or advertising expense, and dwarfing older conventional media such as television, radio, newspapers, magazines and Yellow Page listings.



Successful approaches focus on how aspects of operations appeal to specific demographic, geographic or behavior-based categories within segmentation groups. An optimal plan for online franchise marketing would balance the appeal of a nationally recognized corporate chain with the local connection to an individual franchisee and their community/consumer base in the immediate region. The marketing strategy emphasizing the "we are your neighbors" aspect of the local franchisee, while expressing pride in the impeccable standards practiced by the national chain franchisor, has been implemented with great success by many franchisees in their email newsletter campaigns.

The application of a corporate [email template](#) consistent with the franchisor's logos, mascots, leitmotifs and color scheme allows the consumer to identify the company image they know so well and still feel an upsurge of familiarity when they recognize a missive was issued by their local outlet. By inserting local information – like promotions, discounts, retail hours, special offers and events right in the community – the business owner draws in regional residents.

Your regional customers will react strongly to offers promising rewards and incentives. VIP clubs that earn discounts on goods or outright free purchases are just some of the many incentive approaches proven to work in a franchise successfully; offering your subscribers a mix of educational and informational content tied to your brand is also a beneficial method. How-to guides, timely reports, Q&A or FAQ sheets - and even short e-books dealing with topics of interest to your audience - can impact the performance metrics of your campaign.

In order to keep the email marketing campaign expanding after initial success, the franchise business marketer must work at consistently growing the subscription list. Franchise businesses find the email address collection process can be achieved through these methods:

- At community events
- At franchise sponsored events
- At sports events
- At the checkout counter via business card collection
- At the franchise location through bulletin board signups
- By sponsoring little league and other local teams
- From collaborative local businesses such as suppliers and partners
- In the guest area through a guestbook
- Via their website signup page



Your subscription list is one of the most powerful assets for ensuring online presence and impact. Although the costs of email marketing campaigns are minimal in comparison to advertising through regional print or broadcast mediums, conventional contractual franchise structures allow online expenditures to be rolled into a local ad fund - just like placing a display ad in the newspaper or a run of schedule on a local radio station.

In many franchise systems, the franchisee is required to contribute a sum of money, known as the advertising fee, to regional and national advertising. Collective pooling of promotional marketing funds allows numerous franchisees to create a larger advertising impact by promoting the overall brand rather than the individual locations. Advertising fees are generally calculated on a percentage of your gross sales and collected monthly; these amounts vary from fractions of a percent to five percent or more, depending on the franchise. Some franchisors do not collect an advertising fee at all, while others levy a flat fee.



In addition to the national and regional advertising funds, the franchisor expects franchisees to invest in local promotions not included in primary advertising fees. Local marketing drives business to a specific location, and the majority of franchise agreements clearly state the franchisee is responsible for the costs of implementing local territory marketing each month. Franchisees may also be expected to participate in a series of local co-ops with neighboring franchisees. Some franchisees may not know their franchise contracts clearly state local territory marketing funds may be utilized for online promotional purposes. Email and social media marketing is generally acknowledged by all major franchisors as a valid advertising expense.

► Franchise Business Email Marketing Goals

Your email marketing newsletter campaign must be engineered to appeal to every type of customer (especially in the beginning before you have begun to target or segment your marketing), from casual drive-by clients to dedicated aficionados. It is important to supply the exact type of information each customer category desires so they will turn to your location first.

Short Term Goals

The short-term goals of an email marketing campaign designed by experts to meet the requirements and expectations of your franchise business can be anticipated to produce:

- Competitive advantage over local franchisees and competing franchises
- Customer participation in additional franchise sales, events and special occurrences
- Extension of your local franchise' online presence and authority
- New customers
- Location loyalty
- Location recognition
- Same quarter sales
- Word of mouth



Long Term Goals

Over the long term, franchise businesses can expect that mounting a fully featured professional email marketing campaign will produce:

- Facility loyalty
- Expansion of customer base
- Gaining local and regional competitive advantage



- Higher traffic for a broader range of products and services
- Increased cooperation from suppliers and related businesses (transportation, equipment, fixture and supply wholesalers)
- Online authority translating to sector market leadership
- Year on year sales

Your professionally executed email marketing campaign will bear positive effects on every aspect of your operations. Your prospects may not currently be aware of your full range of products and services. They may only know about your location by passing by your signage, and they may not know you are offering exactly the type of product or service they seek. In order for your email campaign to help prospects find their perfect match, consider the following factors:

Implementation

Email marketing is different from the conventional forms of print or broadcast advertising. One of the key critical differences is the legal criterion that applies to email marketing, as it is much more strictly regulated than in other media forms.

Compliance

Every franchise business has a customer data collection process, whether it is a business card fishbowl, a guestbook or consumer registration forms. Once data is collected, email marketing operation standards require that clear, full and unequivocal permission is granted by the customer before any of their personal information is placed on your email list.

CAN-SPAM Violations Have Severe Consequences

In the USA, regulations on email marketing are incorporated into the [CAN-SPAM Act](#), which describes how any type of business must conduct their email marketing processes. The legislation is known as an “opt-out,” as it is based on the assurance that any subscriber can notify the email sender and be removed from the subscription list immediately. Violation of these federal regulations is a crime and can lead to hefty fines and imprisonment.



Facilitate Unsubscriptions

Federal law stipulates that you must provide subscribers with an easy and immediate channel to be deleted from your list. Failure to act upon a request from a subscriber to be removed from your list violates the CAN-SPAM Act. Every single one of your emails must contain a visible and effective unsubscribe link.

Manage Bouncing Emails

There are three possible results when you send an email:



1. Successful delivery
2. Delivery delayed indefinitely due to your recipient's overly full inbox, network problems or other aspects outside of your control; this is called a soft bounce. It is considered good email practice to attempt to contact the customer via alternate means and bring the issue to their attention.

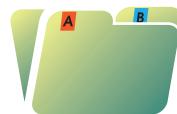
- Delivery unsuccessful and returned as a non-existent or blocked email; this is called a hard bounce. Once you receive the Mailer Daemon notification that your email has bounced hard, any attempts to resend to that email address will indicate to the traffic routing ISPs that you are not paying any attention to your list contents - one of the leading characteristics of a spammer. You may be blacklisted and unable to send future emails.

Privacy Policy

Some franchise business owners simply visit the website of a competitor, copy a privacy policy and paste it to their own site. This act creates duplicate content warranting penalty by search engines; it also creates serious legal liability. Your privacy policy should be drafted by a franchise business attorney and be specific to your business' online activities.

Segment Your List

Segmentation is the preferred and recommended method of focusing your marketing strategies on the demographic, geographic and behavioral features of subscribers. By applying segmentation techniques (known as [targeted email marketing](#)), you can produce newsletter content that precisely fits the varying characteristics of your consumer base in order to provide each category with the information that interests them the most.



Test Your Ongoing Content

Experienced email marketers understand the importance in conducting continual testing on their email campaign content. One of the most popular ways to test content is known as an A/B split. In this test, identical newsletters are sent to a specific segment of the contact list with only a single element modified, such as the position of a link, the content of a paragraph or the name on the "From" line. By comparing the turnout of these two different sends, you'll learn how your franchise business customers are responding and be able to further refine your marketing strategies.

Capture Your Customer's Personal Data

Demographic information is necessary for segmenting your email subscription list, but many of your customers may be uncomfortable contributing personal information. Online surveys are a successful way to obtain this data, as are sign up sheets near the checkout counter. Incentives work wonders in increasing the percentage of customers who participate in this form of polling.

Analyze Your Customer's Behavior

The primary method of analyzing success rates for your franchise business' email marketing is through a comprehensive understanding of the open and click-through rates. Through this form of analysis, it will become clear that there are basically three different types of subscribers:



- The ones who do not open your email, and thus should be dropped from your list.
- The ones who read but don't click through on your emails. These prospects are best kept on the list as they often choose to avail themselves of your franchise business' services in other ways.
- The ones who habitually open and click on your emails. These prospects are the preferred type for analysis, as they respond to your calls to action in a readily measurable way.

Creating specific content to suit these categories of prospects provides yet another opportunity for segmentation. You may find that it is a wise strategy to incentivize your clicks for the second group while providing VIP and other elite services for the third group.

Good Email Practice

In order to maximize efficiency, your email marketing campaigns should adhere to [best email practices](#). Doing so will minimize customer complaints, increase efficiency and have a positive result on your franchise business' bottom line. "From" lines, subject lines and preheaders should be meticulously crafted; mobile and PC browser display abilities must be facilitated in your email template; and you must provide a number of different landing pages that contain specifically targeted content suited for your segmentation and A/B split testing efforts.

► Benchmark as Your Franchise' Email Marketing Partner

Swiftly & Comprehensively Refresh Your Email Marketing Strategy

Team your franchise business with the email service experts at Benchmark Email to efficiently and affordably reach the bulk of your franchise' customer base. Benchmark Email is known throughout the online communications industry as one of the leading and most reputable email service providers, trusted by over 73,000 satisfied users. Benchmark Email is now offering a comprehensive and exhaustive [Franchise Email Marketing Solution](#) that can place into action the full breadth of your successful online promotional strategy. Every franchisee knows that Return On Investment is of primary importance and one of the primary evaluations of any email marketing plan. Benchmark Email's finely engineered DIY email and social network communications solution for franchise businesses features an easy to use Web interface connected with the most advanced and successful email marketing and social media implementations available any-where. Renew your online communications strategies and boost your franchise business' bottom line with Benchmark Email's professional solution today!

Choose to Have Benchmark Email's Renowned Marketing Pros Do It for You

The experienced franchise owner or manager knows when to delegate work to expert personnel; you may employ the adoption of a fully delegated approach to your email marketing campaigns by turning over the entire project to the skilled online professionals at Benchmark Email. Your franchise business can participate in the [We Do It for You Full Service Email Marketing](#) process, a service wherein seasoned experts at Benchmark Email perform the functions of your own email and social media marketing team. To benefit from these advanced services, all you need to do is provide your email marketing subscription list along with a list of the main elements you want to focus on in your campaign, and the Benchmark Email communications professionals will immediately get to work compiling, developing and implementing a state of the art strategy for your franchise business.



Benchmark Email's communications and promotional professionals will manage every phase of up to two totally separate email marketing campaigns for your franchise business. You may even elect to operate additional email marketing newsletter campaigns at the same time for a minimal charge. The team covers every element of your franchise business' campaign, including streamlining and segmenting your subscription list to your precise specifications, launching auto-respond functions and the creation of client feedback channels, which can produce a comprehensive prospect survey to define the full spectrum of your subscriber characteristics so you may accurately focus your marketing efforts.

Industry Standard Features

You can select between Benchmark Email's easy and capable Do It Yourself or the fully integrated We Do It for You service so that your franchise services business can obtain extensive advanced benefits, including:

Advanced Message Scheduling

Benchmark Email can set up your emails to be issued at any time on any date you desire. By implementing technologically advanced auto-responding functions, Benchmark Email can enable your franchise business to set up countdown timers to coincide with any specific occurrences, including the renewal date, an anniversary date or your subscriber's birthday.

Comprehensive Video Integration

Benchmark Email offers a leading email industry video process allowing for run times of any duration, facilitating promotion of your franchise business' offers, services, discounts, activities and any new or changed products - while keeping file sizes to a minimum.

Contact List Management

Benchmark Email gives you the tools to manage your contact lists, allowing for segmentation procedures to be implemented and you to meticulously target your customer categories based on geographic, demographic and behavioral features.



Delivery Assurance

Benchmark Email is proud of its history with leading ISPs: these relationships are responsible for a consistently elevated [email delivery rate](#). Benchmark Email's reliable delivery assurances are based on a philosophy of best practices and the implementation of thorough anti-spam features to ensure your franchise business will benefit from a sterling email reputation.

Expertise & Technology

The technological infrastructure operated by Benchmark Email is world class and allows for any type or format of email including plain text, HTML and video to be quickly and efficiently delivered to your customer's inbox.

Full Tracking Reports Incorporating Visual Graphs

Benchmark Email's extensive [email tracking reports](#) offer an easily understandable, fully graphic view of all your email marketing campaign's figures. Each category of the reports is also explained in clear English without convoluted technical language.

High Volume Plans

If your franchise business' subscription list exceeds 100,000 individual email addresses, Benchmark Email can implement a series of highly advanced delivery technologies and make your large scale sending tasks effortless and seamless.

Polls & Surveys

Benchmark Email's advanced surveying and polling methodologies are among the best in the industry. These online forms allow your franchise business to precisely target your segmentation efforts according to the data provided by your subscribers.

Social Media Tools

Benchmark Email can post your message into the primary social networking sites of Twitter and Facebook to obtain the most "Shares" and "Likes." These results engage your social networking customers in the conversation modes preferred on those platforms.



Templates

The professional graphics, programming and content experts at Benchmark Email can offer you hundreds of effective email templates able to integrate any form of graphic or video you desire. The pros at Benchmark Email can also create [email templates](#) for your exclusive use.

► Benchmark Email Understands Your Franchise Business

A prime priority in implementing a successful email marketing newsletter campaign is engaging in a sustained and efficient process of subscription list building via these main methods:

- Community involvement and volunteering
- Concerts, sports and other mass events
- Holiday promotions
- Links from main franchisor's website
- Local and regional promotions
- Local website interaction
- Promoting word of mouth
- Sweepstakes and contests
- Team sponsorships



Results

Just a few of the beneficial traffic related results franchise businesses can profit from when participating in Benchmark Email's package of services include:

- Cost / Benefit analysis
- Ease of information exchange
- Professional liaison
- Quick launch
- Scalability
- Sustainability



► Analyze How Your Franchise Business Can Profit from Benchmark Email's Services

Benchmark Email's **Do It Yourself** package is a fully featured advanced service; the We Do It for You package incorporates the most effective tools of email marketing through the dedicated participation of Benchmark Email's professional marketing concierges. Regardless of which Benchmark Email service package selection you select, you can be assured that your franchise business will garner noticeable bottom line results.

Benchmark Email's **Franchise Email Marketing Services** can conquer the critical task of email and social media promotions to grow your customer base and keep current clients coming back for more. Online communications are your best local marketing expenditure - both your franchisor and your banker will be impressed with the results you'll soon be receiving after implementing this revolutionary marketing method.

► About Benchmark Email

Take powerful features by the dozen, sophisticated list management, hundreds of email templates, ultra-precise reports and dazzling email and video email. Now, package all that together for an extremely affordable price. Sound appealing? That's us.

There's a reason – or 100 – that more than 73,000 users trust us with their email marketing campaigns. With a second-to-none feature set, headache-free tools that make every campaign a snap and extremely reasonable price plans, we're the email marketing service for businesses of all shapes and sizes.

At Benchmark, we're more than email marketing experts, we're innovators. Our main aim is to perfect our email marketing service, but we also follow social networking, search engine optimization (SEO) and Web 2.0 just so our 100% Web-based software is completely compatible with the ever-changing Internet world.

No other service gives you this robust, standard range of features for just \$9.95 a month to start. Find out for yourself by enrolling in our free, 30 day trial at www.benchmarkemail.com/register.

CONTACT US

► Contact Benchmark Email

We welcome your feedback and would love to talk with you about your email marketing needs. Please contact us at the addresses below.

Website: <http://www.benchmarkemail.com/>

Call: 800.430.4095

Email: sales@benchmarkemail.com