

*grocery*



E M A I L  
**MARKETING**

# FOREWORD

*“One cannot think well, love well, sleep well, if one has not dined well.” – Virginia Woolf*

Even when the economy is down, shoppers need groceries and will continue to return to your food supply business. As disposable income decreases, many grocery business owners and managers are discovering they need to restructure their stores to emphasize white label and bulk foods. This reconfiguration of products is necessitated by ever-increasing competition as well as skyrocketing overhead costs. Meanwhile, US grocery business owners and managers are coming to realize their investments in conventional media like newspapers, magazines, radio, television and Yellow Page advertisements are no longer cost effective and being replaced by online communications options.

Every year, countless millions adopt Web-enabled mobile lifestyles. These individuals have discovered the latest generations of smartphones, tablets, netbooks and other devices, and find themselves permanently connected to the World Wide Web. Today’s grocery business shoppers live a lifestyle of constant connection with their social circles and cliques through popular social networking sites such as Facebook and Twitter. As social media expands across society, grocery business owners and managers have realized the new opportunity to reach these customers via email marketing newsletter campaigns. In a world where people check their email several times an hour, the marketing opportunities offered by email have been found by grocery owners and managers to be the most effective way to reach both current and prospective shoppers as they continue to grow their businesses.

In 2009, the Direct Marketing Association conducted a comprehensive survey of email marketing’s return on investment and found that each dollar invested in the approach garnered a \$43.62 return. This rate of return cannot be matched by any other promotional strategy regardless of whether conventional media or even any alternative methods

of online communication are utilized.

This guide is designed to assist grocery businesses in the process of serving and motivating customers by educating grocery marketers about the unparalleled efficiencies, power and reach of email and social media marketing. Soon you'll see why your business should strongly consider implementing this approach today!

– *Curt Keller, CEO, Benchmark Email*

## INTRODUCTION

The information in this guide, *Grocery: Satisfying the Hunger for Information with Email Marketing*, was created to provide an overview of email **marketing campaigns** for the particular use of grocery brand marketers. The statistics within this guide are intended to help businesses improve their promotional efforts with the following techniques:

1. Planning and applying an email and social media campaign set up to draw in new buyers while retaining current clientele
2. Understanding applied legislation for email marketing in the grocery industry
3. Identifying the facts and figures impacting your grocery business' bottom line, as well as the approaches implemented by other grocery business brand marketers around the country
4. Implementing email marketing campaigns tailored to your grocery enterprise to gain and preserve the greatest benefits possible

This guide utilizes recently published data from studies conducted by grocery businesses and corporations across the United States. Industry experts were asked for information and opinions about their business units across all levels of the sector. These statistics can be located in the Grocery Email Marketing Survey section. The intention of this manual is

provide information, as well as a series of questions grocery store marketers should ask themselves of their marketing agendas.

## BACKGROUND

The grocery sector is extremely competitive and based more on volume than other industries, as the margins on single unit SKU sales are often so small as to be individually insignificant. Store types range from “Ma and Pa” shops to 100,000 square foot hypermarkets. Along with retailers, the industry also includes grocery suppliers, warehouseers, wholesalers, jobbers, farmer’s markets, specialty retailers like butchers and organic purveyors and even roadside fruit and vegetable stands. The variation of business types in the grocery sector has an equalizing effect on statistics about the industry’s application and results from email and **social media** marketing.

Wholesalers and jobbers underutilize email marketing, while other sectors of the grocery industry - like organic and natural food sellers - tend to use online forms of promotion. Organic and natural food retailers also tend to dominate social networking more than any other sector in the industry. However, even their high levels of participation cannot offset the lack of social media engagement across all sections of the grocery industry, causing the median to fall below average when compared against all industries.

# GROCERY BUSINESS EMAIL MARKETING STATISTICS

A variety of recently published studies and surveys from major industry research sources make up the foundation of this

review. The data was factored in from answers directed to grocery business owners and managers.

## Grocery Businesses Engaging in Email Marketing

Just forty-seven grocery businesses report current engagement in email marketing campaigns; twenty-two percent report plans to launch their own email marketing campaigns in the future; thirty-one percent report no plans to engage in email marketing presently or in the future. Smaller grocery businesses are less likely to participate in email marketing, while larger grocery retailers, providers and distributors state email marketing is fundamental to their corporate promotional activities. Industry engagement charts may be difficult to qualify, as some larger providers and distributors may utilize email subscription lists containing many thousands, even millions of email addresses quantified as a single user. Because of the polar types of businesses within the grocery sector, it is difficult to precisely evaluate current cross-industry email marketing. However, the industry's new media marketing is on average with that of other industries.

## Grocery Business Sending Frequency

The send frequency for grocery businesses is one of the highest reported in any industry, with 71 percent issuing email missives more often than monthly. Less than 25 percent of all grocery businesses send out monthly **email newsletters**, while three percent send every two months, one percent send quarterly and one percent send on a seasonal or annual basis.

## Grocery Business Content Type

The content type utilized by grocery businesses skews toward sales-oriented material: 21 percent of all content is informational only; 41 percent mixes information and sales; and 38 percent is exclusively sales.



## How Grocery Businesses Obtain Email Subscribers

Subscriber sources for grocery businesses tend to be composed of current customers. A total of 56 percent of the subscriber list is composed of current clients; 14 percent, promotional result subscribers; 21 percent, Web-derived subscribers; three percent, purchased and supplied leads; and six percent of subscribers are gathered through public promotional events.

## Typical Grocery Business Email Subscriber List Size

Grocery business' list sizes are evenly distributed across the spectrum. Seventeen percent of all businesses report less than 500 email addresses on their list; 32 percent claim 500 to 1,000; 32 percent claim 1,000 to 3,000; seven percent report between 3,000 and 5,000 subscribers; and 12 percent state more than 5,000.

## Grocery Business List Segments

The **email segmentation** rate among grocery businesses is low when compared to other sectors. Seventy-eight percent of grocery business owners and managers state zero list segmentation, while just 22 percent segment their lists.

## Email Open Rates for Grocery Business Campaigns

Twenty-four percent of all grocery business managers and owners could not quote their **email open rates**, however the industry average is above that of most sectors. Thirty-one percent report open rates between 25 and 40 percent, while 27 percent claim to have achieved an above-40 percent open rate. Eleven percent showed an open rate between 15 and 25 percent, while only seven percent reported a less than fifteen percent open rate.

## Versus Industry Open Rates

Average open rates for the grocery industry are 36.6 percent, higher than the overall average for all industries by almost 50 percent.

## Grocery Business Subscriber Click-Through Rates

The **click-through rate** for the grocery industry is high. Ten percent of the surveyed claim a more than 15 percent click-through rate; 15 percent show a rate between 10 and 15 percent; 21 percent report 5 to 10 percent; and 13 percent show less than 5 percent click-through.

## Versus Industry Click-Through Rates

Overall average industry click-through rates are 4.3 percent for all industries: the rate for grocery businesses is almost double that median at 7.9 percent.

# GROCERY INDUSTRY DISCUSSION

It would be difficult to create a comprehensive list of all the different types of businesses within the grocery industry. The grocery industry encompasses ethnic food stores; convenience stores; supermarkets; hypermarkets; delicatessens; butchers; bulk food warehouses; natural and organic food stores; health food stores; specialty food stores that cater to diabetic or gluten-free diets; farmer's markets; and even the roadside fruit and vegetable stands found in rural areas in the summer and fall.

The profile of the grocery industry consumer base is equally varied. An ethnic food store in downtown Los Angeles specializing in home grown Filipino staple products has a different client demographic profile from an imported wine and

cheese boutique in Beverly Hills just a few miles away. Though income demographics may be taken into consideration, the fact is that these two stores do not share a single SKU!

Within every consumer base exists a number of specific groupings of characteristics. These dictate not only the products people buy but also incentives and motivations to obtain their loyalty and ongoing business that can be harnessed through an **online marketing** strategy. In hard-hit economy zones, such as Michigan, Ohio, Nevada, Arizona and Florida, there are places where housing vacancies exceed 50 percent, and families must be frugal to make ends meet: in these cases, an online promotional strategy emphasizing economy, bulk food purchasing and deep discounts will be the most effective methodology. The process of motivating your customer base in a tough economy when competition is high and margins shrink on a daily basis can be vexing for grocery business owners and managers.

Honing the content of your email marketing campaign to suit the particular needs of your retail locations and your specific customer profiles is critical to success in any grocery business' online outreach program. The best way to achieve focus is through extensive segmentation efforts in your subscriber list. By sectioning out the entries according to demographic, geographic and behavior-based segments, you will develop specific content that meets the requirements and preferences of your consumer base and serves their needs more comprehensively.

Once you have identified the particular segments present in your subscription list, it is time to determine and implement incentives for fulfilling your call to action. Invitations to private events, prize draws, membership in a VIP club that presents specific discounts, sneak peeks at new products and access to other particular facilities or events can be used as incentives to motivate your email newsletter subscriber to take the actions you have designed your content to facilitate.

The question that often stymies grocery business owners and managers is how to collect these email addresses in new ways. The solution lies in consistent and focused efforts to



garner as many email addresses from every avenue. Some of the locations where grocery businesses have had success in gathering email addresses include:

- At community events
- At food fairs, trade shows and expos
- At fundraisers and food bank events
- At restaurant openings
- At sports events
- At the customer service desk through a business card drop
- By sponsoring little league and other local teams
- By training staff to ask for the email address in person and on the phone
- From collaborative local businesses in the field of nutrition or health
- Via a guestbook
- Via a website signup page

Every email address collected by your grocery business must be accompanied by evident permission from that specific customer to be placed on your newsletter subscription list. By proceeding in the collection of email addresses for your newsletter ethically and legally, your list will soon grow by bounds and the additional entries will provide you with opportunities to further segment your **permission based email list** and drive sales in your grocery business. Taking the time and care to craft a coherent and alluring email marketing campaign is your best promotional investment, bar none!

# GROCERY BUSINESS EMAIL MARKETING GOALS

Your email marketing strategy should provide your grocery business with a constant stream of shoppers, from the homemaker to the professional chef. It does not matter if you are operating a roadside fruit stand or are the owner or manager of a huge mall supermarket: each type of customer

must be provided with specific information that both educates and entertains them with regards to your grocery business and keeps them coming back.

## Short Term Goals

The short-term goals of an email marketing newsletter campaign expertly designed to meet the needs and expectations of your grocery business can be expected to produce these types of results:

- Customer participation in sales events and drives
- Find new customers
- Location loyalty
- Extend online presence and authority
- Location recognition
- Same quarter sales
- Word of mouth

## Long Term Goals

Over the long term, grocery businesses can anticipate that the creation and implementation of a fully featured and professional email marketing campaign will produce:

- Enterprise loyalty
- The expansion of customer base
- 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
- Trade Media visibility
- Year on year sales

# BEST EMAIL PRACTICES

The full range of your grocery business' services may not be immediately obvious to your potential customers. They may know of the location of your outlet by passing by your signs, but they may not know that you are offering the exact truffle oil, Spanish saffron or bulk pasta they need. In order for your grocery email campaign to appeal to the right prospects, the following factors must be taken into consideration.

## Implementation

Traditional forms of advertising - such as newspapers, magazines, radio, television and Yellow Page listings - are subject to a different set of legal criteria than email marketing. These differences are particularly evident in the cases of **opt-in subscription lists**.

## Compliance

Though it may not be unusual for your grocery business to gather customer information through signup sheets and business card drop boxes, federal law requires customer information be entered on to your list only after your business receives explicit and documented permission from the prospect. Violating these regulations is a crime, with penalties including heavy fines and potential incarceration.

## Federal CAN-SPAM Law Regulates Email Marketing

The US **CAN-SPAM Act** regulates the way commercial marketers are beholden to subscribers. CAN-SPAM is an opt out form of legislation, demanding that any business that sends emails to subscribers must immediately remove an email address from their list at the subscriber's first request. Failure to honor the subscriber's initial request opens up the grocery business owner or manager to extensive legal penalties, including fines and imprisonment.

## Facilitate Unsubscribing

When a customer wishes to no longer receive your newsletters, federal law requires that your promotions must contain an accessible and easily visible unsubscription link in all outgoing email marketing campaign sends. Once the unsubscribe request has been performed, your company must act immediately to delete all the customer's personal data from your computer systems and ensure that no further commercial emails are sent to that email address under penalty of law.

## Control Bouncing Emails

Any email sent out by your grocery business, regardless of whether it is a personal message, a commercial reply or a campaign newsletter, results in one of these three end points:

1. **Successful:** The email is delivered properly.
2. **Soft Bounce:** The email is delayed, possibly indefinitely, because your customer's inbox is too full, or there are network problems.
3. **Hard Bounce:** The email cannot be delivered because the email address cannot be found or has been blocked.

In case number two and three, an Internet function called a Mailer Daemon will send you an email notification indicating your send was not delivered and an explanation why. Although soft bounces are not the sender's fault, it is considered good email practice to attempt to contact the customer through other available means to inform them your emails are being returned. A hard bounce is a more serious problem, as the fault lies with the sender. When emails are repeatedly sent to addresses that are non-existent or blocked, the sender will be identified by ISPs as a spammer and placed on a **blacklist**. At that point, the sender will no longer be able to transmit email marketing newsletters or personal or business emails.

## Privacy Policy

Though it may be tempting to visit a competitor's website and duplicate their privacy policy, not developing your own business-specific policy opens up your organization to potential legal liability. A business attorney should always draft a custom tailored privacy policy for your specific online business.

## Segment Your Subscription List

Some grocery store marketing departments create a single periodical email newsletter to send to their entire subscriber base without utilizing segmentation opportunities. By segmenting your list, you can provide a different message for each demographic, income and behavior group – meeting the client where they are. Your territory might encompass very disparate earnings groups, and you should tailor your content to each one. Segmentation allows you to separate these groups and create specific newsletter content appealing to individual wants and needs.

## Test Your Email Content

Few grocery business owners or managers report to be currently testing their email content. The A/B split test is one of the most effective and well-known tests available, allowing you to determine how subscribers respond to varying elements within an email. The effects of changing a single aspect of the email, such as the main link or image positioning, can be analyzed by reviewing the open and click-through rates. By repeated A/B split testing, you will be able to identify the email elements most effective for maximizing your email marketing strategy.

## Solicit Your Customer's Personal Data

Demographic information is of critical importance to the proper segmentation of your subscription list. However, many of your grocery business' shoppers will be recalcitrant to provide that data. [Online surveys](#) are a successful way for grocery stores to

obtain this information, as are physical signup sheets near the cash registers or posted to a community bulletin board.

## Analyze Your Customer's Behaviors

Email marketing metrics such as open and click-through rates are primary indicators of a customer's general behavior patterns when they receive your grocery business' emails. Some customers don't open your emails at all, and should be deleted from your subscription list. Other subscribers open and read your emails but rarely follow through with online clicks. These customers should be kept on your subscription list, since they are at least being reached by your emails, and may be the types of shoppers likely to be aware of your ongoing grocery promotions and sales through other mediums. The third group is the customer who both habitually reads and clicks through to your **landing pages**. These are the most desirable prospects. Their response to your campaign is easily quantifiable, thus they provide valuable data to assist in your segmentation procedures.

## Good Email Practice

Industry standard email practices should be integrated into all of your email marketing campaigns. Subject lines and preheaders should be finely crafted to ensure customers have an incentive to actually open the email and read it. Your email template should have cross-browser display, and your strategy should include multiple landing pages designed to dovetail with your segmentation and subsequent A/B split testing efforts.

## Email Metrics

The statistics in this guide demonstrate that over 40 percent of grocery business owners and managers are not currently aware of their campaign's click-through rate; nearly 25 percent are also unaware of their open rates. By not grasping these basic **email marketing metrics**, grocery business managers or owners cannot accurately analyze the particular factors that



indicate the performance of their overall online marketing and promotional campaigns.

# BENCHMARK AS YOUR GROCERY BUSINESS' EMAIL MARKETING CONCIERGE

## Thoroughly Renew Your Email Marketing Strategy

You can now team up your grocery business with the top ranked email service provider professionals at Benchmark Email to affordably and efficiently reach your grocery shopper base. Benchmark Email is one of the most successful email service providers, preferred by more than 73,000 enthusiastic users. After many years of experience catering to the requirements of grocery businesses such as yours, Benchmark Email is now proposing a complete and comprehensive **Grocery Email Marketing Solution**, which will provide the assurance that your expertly crafted email and social media marketing and promotional activities are professionally put into action. Return On Investment is one of the most significant metrics of any email marketing plan, and the range of features found in Benchmark Email's advanced DIY online communications solution for grocery businesses is available in an easy to use Web interface and at a remarkably low price.

## Opt to Have Benchmark Email's Top Marketing Concierges Do the Work for You

Consider adopting a hands-off approach to your email marketing campaigns by delegating a project to the savvy

messaging professionals at Benchmark Email. Your grocery business can take the next step by participating in the **We Do It for You Full Service Email Marketing** process, a service where the pros at Benchmark Email take on the functions of your own direct email and social media communications facilitators - all you need to do is to provide your subscription list, along with a notation of the primary elements you prefer to publicize in your email marketing campaign, and Benchmark Email will get your campaign activated in short order.

Benchmark Email's top communications and promotional experts will control every phase of up to two completely separate email marketing campaigns for you. If you wish to run additional campaigns at the same time, they can be supplied at a nominal charge. The impressive range of Benchmark Email's capabilities covers every factor of your business' campaign, including uploading and segmenting your subscription list to your exact specifications; activating auto-respond functions to supply instant replies to your customers around the clock; and create exhaustive prospect surveys and polls to define and compile the subscriber characteristics you need to focus your marketing efforts.

## INDUSTRY STANDARD FEATURES

Whether you opt for Benchmark Email's Do It Yourself or the We Do It for You service, your grocery business can derive benefits from these advanced features:

*Advanced Message Scheduling* – Your email communications can be scheduled at any time you desire, whatever the day part and date best suited to your subscribers. By utilizing sophisticated **autoresponders**, Benchmark Email allows you to schedule a series of countdown timers. These timers can correlate with specific events such as the date of the first subscription, renewal dates, your customer's birthday or any other anniversary date.

*Comprehensive Video Integration* – Benchmark Email proposes an exclusive video email process that allows video productions of any running time to be successfully delivered to your subscribers.

*Contact List Management* – As the volume of your subscriber base increases, it transitions into a far more difficult task to maintain each entry is up to date and verified. Benchmark Email's list management facilities assist you in the tasks of segmenting, streamlining and rationalizing all of your subscriber lists so you can identify groupings based on a sequence of behavior, gender and age specifications.

*Delivery Assurance* – Over the years, Benchmark Email has cultivated highly successful relationships with all the major ISPs to ensure a superb delivery rate. The foundation of this success is Benchmark Email's dedicated commitment to email marketing best practices and integration of exhaustive anti-spam features.

*Expertise & Technology* – The sophistication of Benchmark Email's technical infrastructure is also unsurpassed, allowing for total control over every step of transmission in your email campaign. This technological command ensures that any form of email - from video to HTML to plain text - will be swiftly and properly delivered to your recipient's inbox.

*Full Tracking Reports Incorporating Visual Graphs* – Benchmark Email's extensive **email tracking reports** provide a graphic illustration of all your campaign's results. Each statistical grouping is also defined in basic language without convoluted industry jargon.

*High Volume Plans* – If your Grocery business requires extremely heavy-duty email services for a list exceeding 100,000 addresses, Benchmark Email offers a series of heightened performance features suited to your needs.

*Polls & Surveys* – Develop a customized range of customer participation forms that allow you to target your campaign according to the data provided by your grocery business customers.

*Social Media Tools* – Benchmark Email facilitates comprehensive integration with leading social sites such as Twitter and Facebook. This will ensure that your promotional messaging will be “Liked” and shared among the widest possible circles.

*Templates* – The professional programming, graphics and content experts at Benchmark Email have developed hundreds of extremely specialized **email templates** to suit any variation of your grocery business’ email marketing newsletter campaign. The professional designers at Benchmark Email can even create templates for your exclusive use.

## **BENCHMARK EMAIL UNDERSTANDS YOUR GROCERY BUSINESS**

In order to achieve success with your grocery business’ email and social media marketing, you must take into consideration the primary vectors of customer email address collection:

- Community involvement and volunteering
- Concert, sports and other mass events
- Holiday promotions
- Local and regional promotions
- Promoting word of mouth
- Supplier co-ops
- Sweepstakes and contests
- Team sponsorships

### **Results**

Just a few of the traffic related results that Grocery businesses can benefit from when participating in the premium Benchmark Email Grocery package of services include:

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

## Find Out How Your Grocery Business Can Profit from Benchmark Email's Services

Benchmark Email's Do It Yourself package is a flexible, powerful and effective service, while the We Do It for You package integrates every aspect of email marketing success by placing the entire job in the hands of Benchmark Email's top notch marketing professionals.

When you open your doors to a long line of shoppers, you will be happy you entrusted the critical task of email and social media promotions to Benchmark Email's **Grocery Email Marketing Services**. Your shoppers are tuned in to an online lifestyle and eager to learn from your email how they can eat better, shop smarter and thrive on any level of budget.

# 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-tonone 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 FREE! With our Free List Plan 2,000 you can have up to 2,000 contacts and send up to 14,000 emails per month. Start today at [www.benchmarkemail.com/register](http://www.benchmarkemail.com/register).

## CONTACT US

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 (USA) or 562.252.3789 (INT)

**Email:** [sales@benchmarkemail.com](mailto:sales@benchmarkemail.com)