

An Interview with Eric Groves, Senior Vice President, Worldwide Strategy & Market Development - Constant Contact

Hello, my name is Lon Safko, co-author of *The Social Media Bible*, published by John Wiley & Sons, the largest book ever written on the subject of social media. Today we're here with Eric Groves, the Senior Vice-President, *Worldwide Strategy & Market Development* for *Constant Contact*. And we will be speaking more today about Social Media and specifically about email and email marketing. And I've got to tell you, I just love your company. I've been using it for years. I'm a strong proponent and the one thing that I really have to say even before we start the interview is that you've really brought integrity to this market.



EG: Well, thank you so much. It's been a lot of fun.

LS: So, could you tell our listeners a little bit about who you are, what you do at *Constant Contact*, and more importantly, what is *Constant Contact*?

EG: Sure. *Constant Contact* is the leading provider of email marketing and online survey services to the small business and organizational market; and our services, basically, enable our customers to build long-term relationships with their customers, their clients, or their members through on-going professional communications.

LS: I like that; professional communication! And that's really true. Again, the whole integrity issue that I have about *Constant Contact* is; no spamming, no harvesting. It really is a class act!

EG: Well, thanks. To me it really is about building relationships with the people that already know you. That's what the power of email marketing is all about; and email is not designed as an acquisition tool. Although if you do it right, you tend to get a lot of "word-of-mouth" referral business, but it's really designed as a way to build and nurture existing relationships to the point where you can bring your customers back time after time. And it's highly effective in doing that, and very cost-effective.



LS: And when you talk about email marketing, it has really changed quite a bit over the last couple of years. What kind of changes have you seen in this industry and this type of marketing tool?

EG: Well, you know in the old days it used to be that it was okay to create an email campaign and slap into outlook and blast it out to everybody that you knew; and hopefully you weren't putting their email addresses in the [2:30.9] line, you were hiding them in the BCC line. But a lot has changed since then. Email marketing has really become viewed as a really professional way to reinforce your brand with your customers; and it's important to look professional in the delivery, to be putting in really valuable content so that your reader's are looking forward to opening it.

And we always, sort of, challenge. We do a lot of education on the topic. And we, sort of, challenge our customers to be writing content that is so valuable that when the recipient receives it that they have a folder in their email box just for that company. And you know, the content is so good that they want to hold on to it and keep it; and it's really changed and revolutionized the way email marketing is used by businesses, because it's no longer just a, "I'm going to blast it out and try an drive immediate business". It's all about, "How do I send out a communication that builds my reputation with my customers so that they want to come back."

And everybody's getting so much email these days that it's important to raise above, sort of, the chafe and everything that's out there. And the way to do that is to write really good content, and to demonstrate your knowledge. And, let's face it, small business owners go into business because they are experts. And sharing that expertise that they have with their customers turns out to be one of the most powerful ways that you can actually market your business.

LS: And that's interesting that you would emphasize "content" again. We interviewed the 2007 SEO World Champion, and he...I was trying to get the tools and techniques and tips, you know, "How did you win?" And he just kept coming back to "content is king".

EG: Yep!

LS: And David Meerman Scott, who just wrote a recent book *The New Marketing and PR*; again, the whole thing is about content, that if you provide the good, "What's in it for me" for your customers, a good take-away, that you will build a loyal following.

EG: Yeah, and it seems like it is very hard to create good content, but in fact when we sit down and we do our educational seminars or online webinars with small business owners, and we really get to asking them questions about their business, they realize that it has a lot of content already "in the bag".

For example, if you ask a business owner and you say, "What are the three most frequently asked questions that your customers ask you?" And they write them down and then I say, "Okay, that's content!" "Oh, okay, I can do that."

And that the funny thing is that somebody asks you an interesting question, and you write it down and you use it in your newsletter, and you give them attribution and say, "Hey, Joey, my new customer tried to stump me with this one; and here's the answer to the question that he had. And, oh, by the way, if you want to try and stump me, submit your questions to me at this email address."

Now all of a sudden you've got your readers, not only invested in reading your campaign, but in giving you content ideas. So there're all kinds of great ways to come up with content that's actually engaging and fun. And you know, it's really important, also, to have your personality come through in your communications. You don't want to write it like you're in Parochial school. You want to have some good fun with the content, then your personality comes through; and that's what we're looking for. That's what I enjoy reading when I get an email that's got that kind of flare to it.

LS: Yes, and that's kind of true when I do my conferences around the country. I'll do email marketing, SEO, and now Social Media. I always say, "Ask the questions; don't be shy; there's no such thing as a dumb question. Because if you have that question, odds are that everybody in the room is thinking the same thing, but they just didn't raise their hand."

EG: You bet!

LS: And one of the other things I've just heard you say, which seems to also be a recurring theme in podcasting and blogs, is sincerity. That really comes across.

EG: It does. And if you think about why people turn to a small business owner, it's because they have a relationship with them and they trust them. And trust, in any relationship, is built over time by sharing of valuable information; and that's all you're doing. I mean, if you were a restaurateur it could be as simple as sharing a couple of your recipes. Not that people are necessarily going off to make them, but if they see the care and feeling that you put into the creation of the food that you are serving, well, boy, they're going to come back. You know it could be as simple as finding a great wine that goes with that meal, or giving them ideas on how to fix a recipe if you put too much salt into it how you counteract that.

It all makes you stand out as an expert; and there're just tons and tons of great content out there, and you've just got to look around yourself. One of the hardest things for small businesses to do is to, sometimes, take five minutes and stop and just look at some of the things going on around them; realize that there's a lot of great content there. Because we know that all small business owners need one resource that they don't have enough of "time"! But, boy, if they just take a step back and look around there are lots of great content ideas for them.

LS: And another thing that I just heard you say, a great observation is we are really, even with email, we are talking about building that trusted network.

EG: Yep!

LS: And that was one of the questions I got from the publishers, John Wiley & Sons, when I was doing the table of contents I included a chapter specifically early on in the book, just on email. And I keep getting asked this question; "Email? Is that really part of Social Media? It's kind of 'old school'." And I was answering, "Not in my opinion!" Email is absolutely Social Media, because Social Media really is just about building and maintaining those trusted networks.

EG: Exactly. No matter what kind of Social Media tool you're using, it's all really just different ways to establish and build relationships. And if you turn around and say, "Okay, what do you use most often to communicate with people that you know and trust?" While, certainly there are a lot of other things around, email marketing will probably stand up and be #1 now, and for some time into the future.

LS: Yes! I totally agree with that. Now one of the questions that I often get asked at my conferences is, "How come? I thought there was some legislation on not spamming, but I still get a lot of spam?" Can you summarize what the "Can-the-Spam Act" is?

EG: Sure! Well the Can-the-Spam Act was enacted to really provide some peace to the folks in law enforcement to go after people who are sending fraudulent email. And it does put forth a number of things that people, who are sending email legitimately, need to be aware of.

A couple of those things are that you cannot falsify you sending address or use a bogus email address to send from. And that's one of the reasons why, when you use *Constant Contact* you have to verify the sending email address you're sending from; just to make sure that you're in compliance of that.

Another few things that you have to do are...you have to have your physical address embedded in the actual body of the message. And that's one other thing that we basically put on there for you. One of the other pieces

is that you have to provide your recipient with the ability to un-subscribe. And we have a tool called “*Safe Un-subscribe*” where within one click someone can remove themselves from the list.

Now, by law you had 10 days to remove them from your list, but if you are using *Constant Contact* you do not even have to worry about that. We take care of that for you. And there are a couple other provisions within the “*Can-the-Spam Act*”, but those are the big ones.

LS: And that’s one of the things that I do teach people; that there are some penalties if somebody does get asked to be removed or un-subscribed. And really, using your service is kind of like an insurance policy because it’s fully automated and you don’t really have to worry about it or make the mistake of not taking that person off your mailing list.

EG: Exactly. We make sure we take care of that for you. And if you re-upload a list, because you can just import and export lists freely within *Constant Contact*, you do not have to worry about those, because we actually leave them in your database and we just flag them as “Do No Mail”. So, yeah, we’ve got you covered from that standpoint, that’s for sure.

LS: I absolutely love that part of it. Bounce back.

EG: Huh?

LS: Can you address that? And the reason I’m going to bring this up is that in one of my companies, *Paper Models, Inc.*, we’ve collected email addresses, literally, for the last 9 years and we’ve never sent out an email. And one of the things that I insisted on as President and CEO is that we need to start building that relationship. So we sent out about a 12,000-name email list and we had a 40% bounce back rate because the emails were so old.

EG: Yeah.

LS: And let me tell you, you “spanked me pink”. (Laughter)

EG: Yeah!

LS: I like that and I was happy to see that. Now can you mention how you manage “bounce back’s”?

EG: Yes, well first of all, there are a couple of things you should know about permission. It certainly is perishable. If I say I would like to join your mailing list and I do not hear from you for six months, I’m going to forget that I gave you permission to join your list to mail to me. And so it’s really important that if you are going to be doing email marketing, you are building a list of your customers that you do communicate with, at least on a quarterly basis.

Umm, so when we send out email it goes out into the internet and gets delivered to ISP, or someone who’s managing the email account for that recipient. And there are a number of reasons why email actually won’t get to its end destination, one of them being that the email address is no longer active, so that person has left or changed or shut down that email account. So it will bounce back because of that. Another is what we call “hard bounces” and it’s important to remove those from your account, but sometimes it’s worthwhile to actually

look through that list because there may be some “nuggets of gold” in there if you’ve got a “champion” of your business and you find out that they’ve actually left their position. Well, you better go find a new “champion” within that company and/or track down that person to see where they went. Because you now have two potential customers. So those are the “hard bounces” and then there’s a number of reasons why things do not get delivered that are more “soft bounces”, if you will.

One of those is that mail servers go up and down and sometimes when you are trying to deliver, the message just cannot get through. And what we do is we actually try to mail, over a 24-hour period, a couple of times if we sense that, to that address. So sometimes it will bounce back and say that it wasn’t deliverable when it actually does get through, because it just ended in a cache on a mail server and flushed its way through every time.

And then sometimes mailboxes are full and we “bounce back” based on that. We also capture the “bounces” that occur because someone set their email to “vacation” reply. And we put them all into “buckets” for you so you can take action of them and understand what’s going on with your delivery.

But those are the primary reasons why things do not get delivered.

LS: And another good feature that you may want to mention is “white list/black list”; being associated with a company like yours is really important that you remain on the “white” list. Could you address that briefly?

EG: Yeah, and the notion of those lists has changed over time, or the definition of those lists has changed over time. What is really important is that when you’re sending your mail, your mail actually ends up in the “in” box. And *Constant Contact* has a third party that actually monitors that on our behalf, and we know that we get about 98% deliveries into the “in” box in the United States.

And we do that because we maintain relationships with the major recipients of email and they know who we are and they know we are very tough on anybody who is deemed to be an “undesirable” sender. And, in fact, we do “fire” customers of ours every month, who just want to push the envelope in terms of not having full permission from their customers because we have over 200,000 customers that depend upon us to get their mail delivered and we want to maintain that high delivery rate.

So we will take people who do not meet our standards and ask them to leave, on occasion. And sometimes great people do silly things. Some will go to a trade show and they will collect a list and they’ll have some problems with it. And we will work with them to help them clean up their list, and take off those “trade show” accounts (where the person just stopped by to pick up that little tsatske and wasn’t really interested in the business) to clean out that list and get back on to good status with us.

But, you know in some cases people just push beyond what we’re comfortable with, and we ask them to leave.

LS: So again, it’s about integrity and it gets back to the trusted network because the network of ISP’s around the United States has a “trusted” relationship with you because of your integrity.

EG: Well, that’s what we’re hoping to build. We hope that the millions and millions of emails that go out each month, with the power of the *Constant Contact* logo on the bottom of it, we want every recipient to feel confident that not only, has this person captured that name or gotten that email address legitimately, but if for

some reason they want to be removed they can click on that “safe un-subscribe” button and they’ll be removed from that campaign without having to worry about that actually happening.

LS: I like that. I really do. A lot of people ask me, “Is it difficult to start or to set up *Constant Contact* email accounts”? How do you actually start and is it hard to do? What kind of tips would you give us?

EG: Well, first of all it’s very simple to do. We provide a free 60-day trial for up to 100 email addresses. You can come in and set it up and use it. One of the other neat things about *Constant Contact* is we have our communications consultant team where there’s an 800 number right on the front of our website, typically in big orange numbers, that you can call and say, “Hey, I’m trying to do this, can you point me in the right direction and help me get started?”

So we’ve got a resource there that you can call any day. And we have free customer support. If you have a technical question you can call an 800 number. It’s “on our nickel” and as our CEO loves to say, “I pay them to be here, please call them.” And they’re just wonderful with helping people work through any technical issues they have.

In addition to that, we have a lot of wonderful learning program right on our website. There’s a learning center and there’s a daily link to a product tour, where in 45-minutes you can become an expert on how to use *Constant Contact*. We have one for email marketing, we have one for “survey”, and we have one for regional development directors in almost every metro around the United States.

We run seminars on a weekly basis on how to create an email marketing strategy for your business. We’ve got workbooks, we’ve got collateral, and we’ve got everything you can imagine.

No matter how you want to learn how to do this, we will be there to help you through it. And that’s one of the things that make us unique and it’s one of the things that we think is very important for small to medium-sized businesses. Because, let’s face it, they don’t have a lot of bench strength and we’re here to be their bench strength when it comes to marketing to existing customers.

LS: Wow. And that’s absolutely true. They can’t go out and hire marketing firms to actually do this. They’re in there actually rolling up their sleeves and learning it themselves and doing it for themselves.

EG: Yeah. And you know, our price point starts at only \$15 a month. So for less than their spending on Starbucks coffee they could be communicating with their customers. So one of the biggest challenges a lot of them face is they don’t yet have their customer’s email addresses. And one of the things that we give out at our seminars is a little sign-up book which is especially useful for retail. But if you do not have that asset to communicate with, it’s hard to leverage it; so the #1 thing that I tell all small business owners is to start building your list.

LS: Build it “off-line” in the store, at the retail location. But also if you have a website have a sign-up button!

EG: Yep. Right in *Constant Contact* is a little “join-my-mailing-list” button that you can use a little code there; you create it, you copy/paste it onto your website, and anybody that signs up there automatically gets added right into your *Constant Contact* database.

LS: Totally automatic?

EG: Yep!

LS: I love it.

EG: You can even be notified each time somebody signs up; so if you want to follow-up with them you can get notified on a daily basis, if you'd like.

LS: That's neat! Again, the beginner somebody who's just coming into email marketing for the first time, what kind of cautions/misconceptions would you warn them about. Is there anything you can think of?

EG: Well, a couple of things. When you're building your list, always think of quality over quantity.

LS: Umm...

EG: ...you know, building a list of people that know and trust you is very important in being successful in email marketing.

Second, is to think about what you want to have happen when you send out your communications. Are you trying to drive repeat business? Are you trying to get your brand out there? Are you trying to create donations for a non-profit? Because when you know what you are trying to accomplish, then you can start to make decisions, like what type of information you need to collect?

Do I need just the email address or, if I'm a wine store should I be collecting that they are interested in Chardonnay's or Cab's. You know, that kind of thing. And it also helps you figure out how often you should be sending and what type of communications you should be sending. At the end of the day (it is) how you're going to measure success.

Walking through that two-second summary is what we do in great detail at our seminars. Some of them are an hour long; some are three hours long. What you can build is strategy and at our leaning center you can download a workbook that walks you through all that stuff, including how to write great content and how to get your emails open, which is another challenge, and all that good stuff!

LS: Well, that's another great point that you just made, that I would like to emphasize. I had a conversation and interviewed David Nour of Relationship Economics, and his whole idea is to take a look at, seriously, who your contacts are and assign some kind of a value to them. That it's actually better to put more time into the most valuable contacts than it is to just "shot-gun approach" it, or to just "blast" emails.

EG: Right, and that's another great thing about using an email marketing service like *Constant Contact*. You have the ability to see who opens your campaign, who clicked through on a link that was in your campaign; so you get a lot of great data-feedback to you of who your most interested clients are. In fact, if you use the "forward-to-a-friend" link and they use that link and they forward it off to some friends, you can actually see which of your clients are referring you to other people.

Now you can't see who they sent it to, but you can see that they are (sending) and that's great. Those are the people that you want to be rewarding. And the next time they walk into the store you can say, "Hey, thanks so

much for sending me off to five of your friends. Here, why don't I give you a 20% discount on your next order? I really appreciate that."

The lifeblood of a small business is that referral network and the ability to have some insight into that is one of those things that is an invaluable tool.

LS: And I'm glad you brought that up, because too often when we do email campaigns we forget about the "refer-a-friend" or the "pass-along." It doesn't come to mind but that's a great way because it gets back to the whole Social Media concept of trusted network.

EG: Yep, and another great reason why you want to write really good content, interesting content, is because of people who receive content. Human nature is to "want" to look very intelligent and so if you hear or you see something that makes you look smart, you tend to pass it along, either in conversation with friends when you're out Friday nights, or by forwarding that message off onto others when it comes into your email box. "Hey, look what I've learned." And that's the way you can drive referral by writing great content. And that's one of the things that we really hone in on when we're doing our seminars; how to write great content.

LS: That is great, and that's one of the things that I teach, that when I do the email is to make sure that you always have a really strong "what's-in-it-for-me" in the title and the subject line, it is what, in the first 1.54 seconds that people will look at. And they determine in that short period of time whether or not they are going to continue to read. And then you have 5 seconds for the first paragraph to have them make a decision whether they are going to continue to read the rest of the email. If you lose them at any one of these steps you've lost the process.

EG: Yeah, you're right on. I like to say that when you get an email in your in-box you have to ask yourself two questions; "Do I know you?" (And that's the "fun" line) and, "Do I care?" (And that's the subject line). So have fun with that subject line.

If you're an accountant, they say "two tips for being audited by the IRS (I know it's two and it's their tips, which means they're going to be short). And how to make sure you get audited by the IRS, well that's something I would like to know about.

LS: It got my attention! (Laughter)

EG: You can have a lot of fun with it, can't you?

LS: Yeah, I like that, that's a good example, too, and it's pretty basic.

EG: Yep. Very!

LS: Any statistics you can share; like how many customers you are currently servicing?

EG: Sure. We've announced that we've cost over 200,000 customers, paying customers in over 100 different countries around the globe, and growing every day. So quite a nice gross trajectory, and we are really enjoying servicing just the small-business marketplace. And those are the ones that, if you look at the number of

businesses in the United States, 95% of them I believe, are less than 25 employees, and that's the world in which we live.

LS: Seventy-two million small businesses with one employee, in the U.S. Isn't that amazing!

EG: How many?

LS: Seventy-two million!

EG: Holy cow!

LS: Yeah. Michael Gerber shared that with me the other day; and I said the same thing. That's a staggering number of small businesses; one employee!

EG: Well, our market-opportunity just expanded. Thanks! (Laughter)

LS: Exactly! Geez! Can you think of a success story; something that one of your customers might have told you about using it and having a success as a result?

EG: Sure! There's a company by the name of Rothman's Clothing Store in New York City, and I've know the owner there for years; and about five years ago he started building his email list. He started out doing direct mail to try and drive repeat business, and that's very, very expensive when it's costing you north of a dollar per unit to reach out to your existing customers. So I suggested that we start building an email list. And what we did is we actually got what is called his "Rothman's Flash Email List" for his preferred customers, and we put copy of one of the campaigns at each one of the check-outs with a sign-up book. And why that was really important was (that) in retail, sometimes, it's difficult to get great open-rates. So to the extent that you can set people's expectations to what they're going to receive, at the time that they are signing up for it they're more likely to open it up and read it.

And so we put the sign-up form right there next to the example of the campaign and over the last four or five years, his list has grown into north of 4,000 email addresses. And he uses that email campaign to offer special offers to his "most-valued" customers; and as a result of that, it provides not only his customers a great way to get a great deal from his store, but also provides him with the ability to generate literally thousands, tens of thousands of dollars in a given weekend right after he sends the campaign out.

And one of the beautiful things about email marketing is that 85% of your response happens within the first 48 hours of when you send that campaign. And, so if he needs to move some inventory out in any given weekend, he can create a selling opportunity on Wednesday and have all of that merchandise sold by the end of that weekend.

So a very powerful use in a retail example! And we literally have examples on our website of every industry you can imagine. If you think about it, every industry where you have a customer base or a membership base you want to communicate with...every non-profit, every association or religious organization, restaurant, retail, professional consultant, they all have this need. And if people are interested in finding an example just like them, if they go to our website and look on the customer examples, they will see them. With 200,000 to pick from we certainly have a lot of great stories!

LS: That is a great story. What more can anyone in retail as for that's better than that! Sending out a relatively free campaign and generating 10's of 1,000's of dollars in 48 hours! That's awesome.

EG: And it's interesting to think, though, when we actually went door-to-door in Atlanta at one point, trying to convince people that they should be doing email marketing. And when we first went down there and we're going around, we realized that we weren't getting a great response. And we figured out it was because people didn't have a list. And that's where we came up this little notion of the, sort of, retail flip-book that you can collect emails with, and just put it right at the checkout. If you don't have a list, you cannot leverage it and that is the #1 thing that people should be doing.

If somebody is in a small business (I think *Double Click* did a study on this) and you ask one of your customers for their email address, 60% of the time they will give you their email address. So if you're not asking, that's an asset that's walking out the door.

LS: And that's a good cross-over between electronic and real-life. You have the person in the store, they're in the store because they trust you, they get to feel the book, it's tangible, maybe your privacy policy is printed right on the book, and collect the traffic, and that's great!

EG: Yep, and then you start communicating with them.

LS: (Laughter) that's the bottom line.

EG: Exactly.

LS: Is there anything else you would like to wrap up, tell our listeners about email, about *Constant Contact*? Kind of summarize what the beginner should go out and do?

EG: Well, you know I think a lot of it is really recognizing that communication is just a phenomenal way to build trust, and there's nothing more important from a business-owner's standpoint than building trust for your existing customers. It generates repeat business, generates referrals, and it's not hard to do. You don't need...you don't have to have technical skills to do it. If you can type in a word doc you can create a beautiful-looking campaign using one of our templates. You've got help here. They're 9 a.m. to 9 p.m. Eastern. You can call our 800 number and get a customer support rep that will help you through any problems that you are having.

We're really here to make you successful and we want to make you more successful. And if you do it and you try it, you'll find an immediate response and it's something that every business should be thinking about. It is, "How do I create a communications strategy with my customer that keeps them coming back?"

LS: That's really cool. How can people where *Constant Contact* is?

EG: It's as simple as typing www.constantcontact.com and there you'll find not only the access to the free trial, but the learning center and all of our tools and educational programs.

LS: Totally cool, thank you so much. I would really like to thank Eric Groves, the Senior Vice-President of *Worldwide Strategy & Market Development for Constant Contact* for being with us here today and sharing those incredible insights about email marketing.

And, truly, thank you so much, Eric, for being here today.

EG: My pleasure, Lon! Thanks for having me on.

And this has been Lon Safko, co-author of *The Social Media Bible*. Be sure to check out our valuable Social Media tactics, tools and strategies that can be found in *The Social Media Bible* and our companion website at www.thesocialmediabible.com.

For more information about me, Lon Safko, go to www.lonsafko.com. And again, thank you again for being here with us today. That's really great information.

EG: My pleasure!