EMAIL & SOCIAL MARKETING PRIMER

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All graphs and statistics in this report are excerpted with permission from the <u>Natural Products Marketing</u> <u>Benchmark Report 2011</u> compiled by <u>Pure Branding</u> and <u>SPINS</u>, from a 44-question survey of 411 natural products companies conducted in early 2011.



Introduction

Natural product marketers don't have massive budgets. They put a lot of energy into their products, and with slim profit margins, need to rely on marketing that is not only effective, but cost-effective.

Online marketing is clearly the least expensive and most quantifiable approach - but it's not always easy for natural product marketers to get started or grow their customer base with email, social media and related online channels.

That's why we created this guide. Using research from Pure Branding and SPINS, plus examples from our customers, we hope to help you find ways to optimize your online marketing and keep growing your natural products business.





The Current State of Natural Product Marketing





Profile of a Natural Product Marketer

Before we examine how natural product companies are marketing with email and social media, let's look at the competitive landscape so you can see where your business fits into the bigger picture.

Experienced

Though the industry is relatively young, its leaders have been with it for years and continue to carry the passion of their mission forward. More than a third of natural product marketers have been involved with natural products for more than 10 years and the majority has worked in the industry for more than five years. And in 41% of companies, marketing decisions are made by the CEO, founder, owner or president.

Mission-Driven

Today's natural product marketers are drawn to natural products because of their personal values and belief in the mission of the company they work for. They are passionate about work, and often view marketing products as being the same as living their personal values.

Microbusinesses

The natural products industry is characterized by startups, family-run operations, local businesses and labors of love. The majority of respondents (51%) are microbusinesses, specifically, companies with fewer than 10 employees.

What Products Are They Marketing?

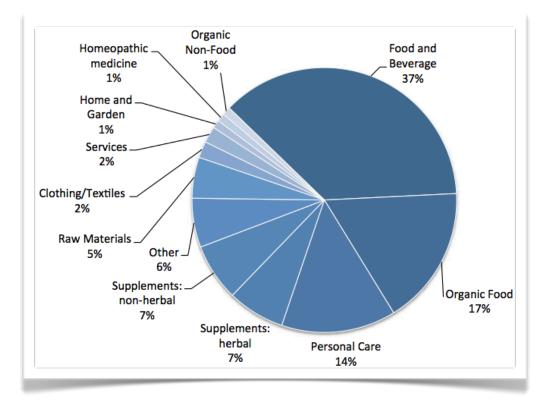
Historically, the majority of natural product marketers have worked in the food and beverage industry. The same holds true for 2011, with **54% marketing food and beverages** (this includes the organic food category).

Another **28% are marketing "whole body" products** in the categories of personal care (14%), herbal supplements (7%) and non-herbal supplements (7%).

Overall, health-conscious consumers are primarily concerned with what they eat (as this is most closely related to their well-being), then on what they put on their bodies, and finally, what they put in their homes.

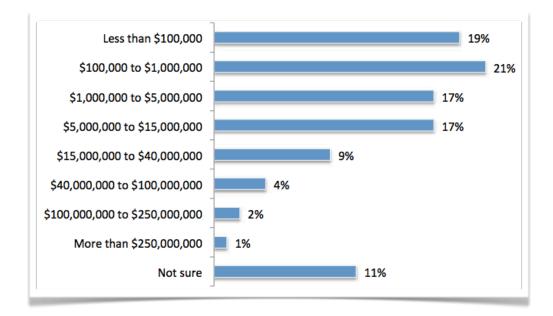
Awareness of toxins in everyday products is increasing, suggesting that sales of body care products may increase. However, as long as household budgets remain pinched, food will likely remain the priority.





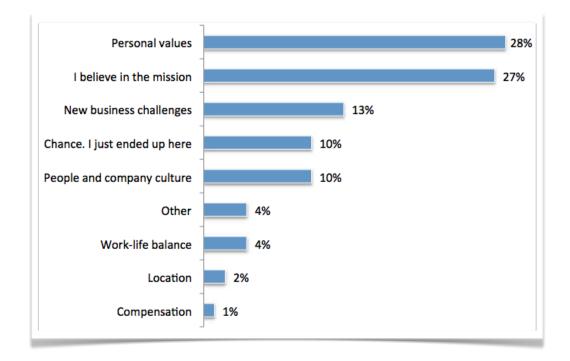
How Much Are Natural Products Companies Bringing In?

Nearly a fifth of these companies generated less than \$100,000 in 2010. Another fifth fell between \$100,000 and \$1 million. Around 17% make somewhere between \$1 million and \$5 million, while another 17% hover between \$5 million and \$15 million. 11% are unsure of their revenue.





Why Are They Marketing Natural Products?



Nearly a third of natural product marketers cite their own personal values as their main reason for working in the natural products industry. For another 27%, belief in the industry's mission is their main reason.

Compensation, generally considered a primary reason for working in any industry, barely registers as a motivator in this instance.

Newer arrivals to the industry (those with less than five years' experience) and those who don't hold leadership roles tend to focus on more individualistic reasons, including "new business challenges" and "people and company culture."

As with every industry, each new generation of employees tends to focus more on their own specialized functions, as opposed to their companies' evangelistic mission.



The Challenges of Marketing Natural Products

Marketing in a tired economy is challenging. When your products are natural, it's even trickier. But that doesn't mean it's impossible.

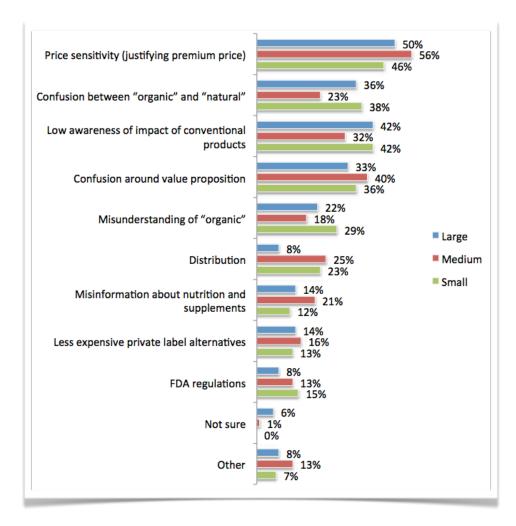
With the right techniques, you can overcome those challenges, both internal and external, that crop up. Let's take a look at what those challenges are likely to be.

External Challenges

The biggest challenge from the outside is pricing. The natural product industry is relatively young, and many products don't have pricing precedents set.

The pricing problem is compounded by market confusion. Natural products are widely misunderstood. What is "natural," really? How much does "organic" matter? Most consumers have don't know.

Therefore, they also don't know why buying natural would benefit them. Hence, natural marketers find it difficult to justify their necessarily high pricing.





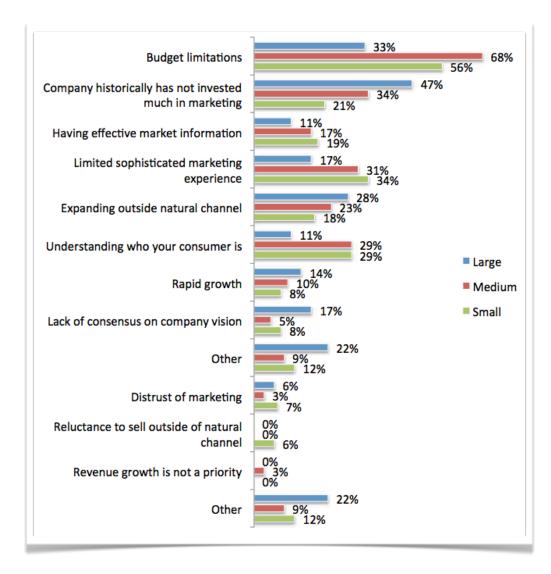
Internal Challenges

The surveyed marketers reported budget limitations as their greatest internal challenge.

Beyond that, the next biggest challenge for most natural product businesses is a lack of marketing sophistication.

In this young industry, marketers have little practice, little data to draw on and a disconnect between the challenges they're met with and the solutions they attempt.

From an internal standpoint, there is a desire among these marketing decision makers to convince people within their company of the value of marketing. However, the industry as a whole tends to use sales tactics to solve marketing challenges.

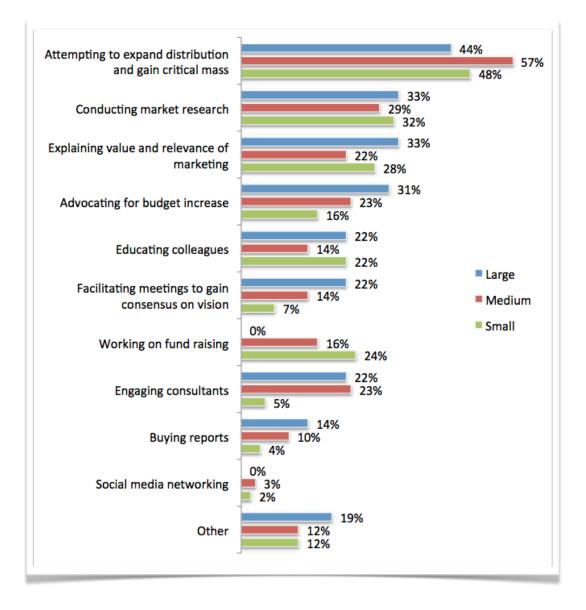




How To Overcome These Challenges

For the most part, companies are planning to expand their distribution, falling back on the idea of simply putting more products out there. With limited marketing dollars, it seems putting products on the shelves *is* the top marketing strategy.

However, the data suggests that the products already available need more marketing support before new products are introduced.



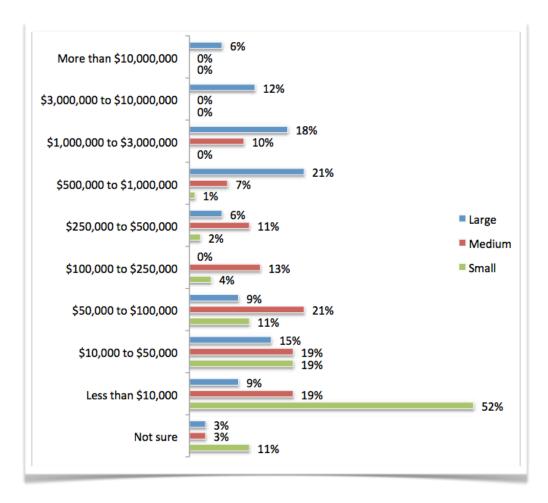


Marketing Budgets

Let's take a look at that greatest internal challenge: limited budgets.

Not surprisingly, in 2011, most natural product businesses spent less than \$100,000 on consumer marketing. The amount they spent was directly proportional to the size of the company.

In general, the majority of small companies (revenues less than \$1,000,000) spend less than \$10,000. Medium companies (revenues of \$1,000,000 to \$15,000,000) spend between \$10,000 and \$250,000.



Large companies (revenues over \$15,000,000), spend between \$500,000 and \$10,000,000. In terms of gaining awareness among consumers, the extra dollars put larger companies at a definite advantage.

On average, natural product companies spend 3.26% of their revenue on marketing. Compared to budgets for industries across the board, this is fairly low.



While larger companies spend larger dollar amounts on marketing, smaller companies actually invest a larger portion of their overall revenue in marketing than bigger brands.

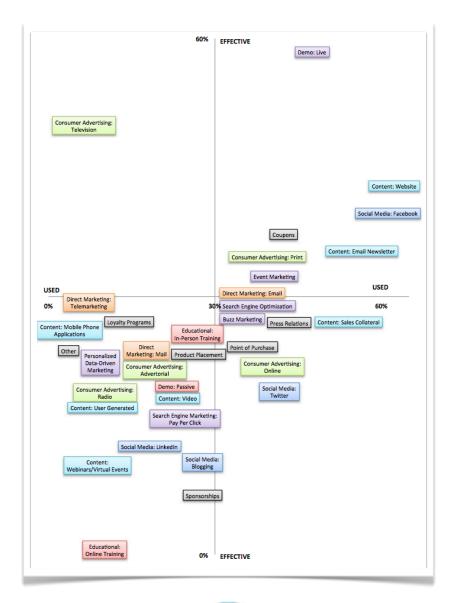
This could be because larger companies enjoy the negotiating power that comes from already being established and experienced in their field.

Small companies still need to build up their customer base, while larger companies can benefit from returning customers and word-of-mouth referrals.

Marketing Tactics

As the natural products industry has evolved from its 1970s roots in print, radio and television to online marketing channels, today's marketers face different challenges.

Budgets can go farther online, and results can be measured more directly than, say, tv ads. But competition for search rankings is fierce, and creating content for email newsletters and social media page updates is more time-consuming than one-time ads or direct mailers.





Most Effective Marketing Tactics

The natural products industry has one foot in online marketing and the other in more traditional forms of marketing. In terms of effectiveness, the split is fairly even.

Of the 34 marketing tactics in the survey, the 10 most effective marketing tactics are:



Email Marketing and Social Media

Two of the most powerful marketing methods are email marketing and social media.

Email marketing is growing in popularity with natural product marketers, and social sites (mostly Facebook) are used not only to interact with customers, but also as a popular market research tool.

However, though more companies are stepping out into new media marketing, the complexity of their programs and their level of engagement with their customers are still very low.

It would appear that for the most part, email and social marketing are just getting started in this industry. And with their huge potential and room for growth, they're worth exploring in depth.



Using Email & Social Media to Increase Your Sales





Creating Successful Email Marketing Campaigns

Out of the 34 marketing tactics covered in the survey, email was the 15th most used and the 6th most effective. Email was found to be especially effective for driving sales and inquiries about sales, as well as attracting web traffic.

In the natural products industry, smaller companies and those marketing raw materials find email marketing most effective, but it's gaining in popularity across all industry segments.

Successful email campaigns can provide the highest ROI of any marketing channel, due in large part to the low cost and significant returns.

Why Is Email Marketing So Essential?

The potential audience is enormous. According to <u>60 Second Marketer</u>, "**More than 90% of Internet users between 18 and 72 say they send and receive email**, making it the most popular online activity."

When this 90% subscribe to email, they extend an invitation into their personal space, amidst personal emails. Once you're in the inbox, you're off to a good start.

Finally, email has a two-way nature. Marketers can amaze and delight subscribers with an invitation to reply to marketing emails, then in turn, replying to them.

Email marketing, in short, is essential for natural product marketing. The next few pages present an overview of how to go about starting an email marketing campaign, as well as advice on making the most.

How Do I Get Subscribers?

Whether your business is online or off (and even if you don't have a web site) - there are quite a few ways to attract subscribers:

Sign Up Forms

Sign up forms, also called web forms, allow interested parties to automatically subscribe to your emails. You can put them:

On your web site. Your web site is your company's face on the Internet. Make sure you've got a web form prominently displayed so browsers who stumble across your site in searches can subscribe for your updates.

On Facebook. Put your form on Facebook, and you've instantly made it easy for your fans and followers to subscribe - and to recommend you to their contacts!

On Wordpress. If you blog with Wordpress, you can easily <u>upload your web form</u> to a sidebar so anyone following your posts can sign up for your emails.

Triggered Sign Ups

Automatically offer subscriptions to people who purchase from you or comment on your blog. To do this, you'll need an app that works with your site, which a web developer can build with the <u>AWeber API</u>.



Offline Subscriptions

An in-store pen-and-paper display can be an effective way to collect addresses, as long as you make it obvious that you'll be sending out emails.

If you attend trade shows, conferences or fairs for your business, bring along a way to collect email addresses, whether it's a clipboard, a laptop set to your sign up page or a stack of business cards (or other kitschy items) stamped with a QR code.

QR Codes

On that note, if you hand out any printed literature, include an invitation to sign up along with a QR code (generate one here) that readers can scan to be taken directly to your sign-up page (or hosted form).

What Kind of Messages Should I Send?

Four of the most common types of marketing emails are:

Autoresponders

Autoresponders, or follow ups, are a series of messages set to automatically send to new subscribers. You can include as many messages as you want in your series and schedule them to send at certain time intervals.

Autoresponders are an easy way to make sure that every subscriber, no matter when they sign up, gets properly introduced to your business.

Another way to use autoresponders is running an online class. Lessons, tips and tutorials can be sent as a series of emails to subscribers, who may or may not pay for admission to the list.

Occasional Broadcasts

Broadcasts are for one-time announcements or special offers that happen between your regularly scheduled newsletters. Send broadcasts when you want to announce a special promotion or a seasonal event, or to share time-sensitive updates.

Regular Newsletters

Newsletters are a way to provide weekly or monthly updates on your company's progress, new items and upcoming events. You can also share helpful tips, news in your field and reviews of related products on the market.

When your newsletter regularly appears in your subscribers' inboxes, it can be a gentle reminder to keep your company in mind.

Blog Broadcasts

A company blog can keep your fans up-to-date on your business, but with just a blog, you have to rely on readers to come back to your site on their own. <u>Blog broadcasts</u> automatically pull new posts, converting them to emails your readers can subscribe to.



Permission to send to your subscribers is a privilege that they grant you; respecting that privilege goes a long way toward keep them happy and engaged.

There are several ways to show respect for your space in their inbox:

Setting the Right Expectations

During your sign up process, it's important to explain the kind of content you'll send and how often you'll send it. This gives subscribers a good idea of what they can expect from your emails, so there are no unpleasant surprises.

Frequency

No matter what day or time you choose, regularly scheduled emails can create an inbox experience subscribers can count on.

Striking the right frequency with that schedule is also important. Send too often, and readers may become annoyed - unless you've specifically set up your campaign for frequent messaging, such as a daily deal system.

Send too infrequently, on the other hand, and subscribers may forget who you are - plus, you may miss out on making sales. Asking your subscribers their preferences can help you establish the ideal frequency for your campaign.

Segmenting

Even though they have given you permission to email them, subscribers may mentally (or even physically) unsubscribe if your content doesn't interest them as much anymore.

Segmentation gives you the ability to break down your subscriber list into subsets of people who show interest in specific topics.

This way, you can send each subset information relevant to their interests without agitating subscribers who have no interest in them.



For more information on segmenting, download the guide to Segmenting Your Subscribers.



Split Testing

With split testing, you conduct a controlled experiment that shows what changes you can make to your campaign to bring in better results.

To split test a web form, adjust aspects of the form's appearance, present both to potential subscribers and track which version attracts more sign ups.

Broadcast messages can also be split test by <u>creating two versions</u>, then tracking which version is opened and clicked more.



For more information on split testing, download the guide to <u>Web Form Split Tests</u>.





Customer Spotlight: Hawaiian Isles Kona Coffee

The key to getting responses to your marketing emails is striking a careful balance between interesting information and offers that appeal to your audience.

Coffee wholesaler <u>Hawaiian Isles Kona Coffee</u> does this exceptionally well. To see how a small business can run an ideal email campaign, take a look at a month of HI's emails - both autoresponders and broadcasts.

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Day 1: Hawaiian Isles: Welcome to Our Newsletter

HI's welcome email covers it all – sets expectations, requests whitelisting, invites feedback and provides an action to take (emailing questions).



Day 2: Hawaiian Isles: Brief Kona Coffee History

By describing the exotic locales of the coffee's origin, HI not only educates its readers, it plays into the <u>American</u> <u>culture code for shopping</u> – reconnecting with life.



Day 5: Hawaiian Isles: Storage Tips

If customers don't properly store their coffee, it may spoil quickly, giving the product a bad reputation. These tips keep the coffee fresh and delicious – good for the customer, good for the company.



Day 6: Bulk Sale on HCR!

After several informative messages, it's time for an offer. HI keeps its recommendations simple and clear.





Day 8: Hawaiian Isles: Cleaning Tips

Like the storage tips, these cleaning instructions not only educate the customer, they keep the coffee tasting fresh.



Day 11: Hawaiian Isles: Brewing Tips

The same applies to the brewing tips – extra value, extra happy customers.

Mahalo!	Thank you for subscribing to our email newsletter.		
		Add Us To Your Address Boo	
Nelcome!	in the word to	s is service that YOU	
You are successfully subscribed and can look forward to		To help ensure that you	

Hawaiian Isles Kona Coffee Company The Warmth of the Islands in Every Cup

Add Us To Your Address Boc

sages

To help ensure that you

To help ensure that you all email messages

History

Kona Coffee History

20

The first coffee plants were brought to Hawaii in 1825 from

Day 13: Hawaiian Isles Email Newsletter: Island Chef's Signature Series

Now that readers know how to care for their coffee, it's time to offer them another chance to buy some. Framed as a signature series, it's evident why this offer is special.

Day 14: Hawaiian Isles: All About Ground Coffee

Any readers who've ordered from the previous day's broadcast can read up on some fun facts about their coffee while they wait for it to arrive in the mail.

Hawaiian Isles Kona Coffee Company The Warmth of the Islands in Every Cup Storage Tips Add Us To Your Address Boo iverybody has their own opinion about storing coffee and next of those opinions are different.

Day 20: Hawaiian Isles Email Newsletter: 24 oz Big Bag Sale!

At this point, the follow up series is done, but subscribers still get weekly offers and sale alerts.





Day 27: Hawaiian Isles Email Newsletter – Double Your Kona Rewards Points!

They also get exclusive invitations and rewards, such as this offer for double reward points after a purchase.

Cleaning Tips	<u>Hawaiian Isles Kona Coffee Company</u> The Warmth of the Islands in Every Cup	
Jeaning Your Coffee M	aker	Add Us To Your Address Boo
Make a mixture of 1 part white vinegar to 2 parts Make a mixture of 1 part white vinegar to 2 parts fill your coffee pot. If your		To help ensure that you

Breaking It Down

So how are Hawaiian Isles' emails so helpful? Well, they start by addressing this question:

"If you're using my product (or service), what do you need to know to really get the best experience out of using this product or service?"

Then they move on to this even more powerful question, "What do you probably not know that, if you did, would lead you to buy more?"

Marketing With Social Media

With social media ecommerce set to become a \$30 billion channel <u>within five years</u>, Facebook Storefronts and the like will become increasingly central to natural product sales and marketing.

The majority of natural product marketers (63%) do have Facebook company pages, but rarely are they used to their full potential to engage consumers.

These pages attract an average of 1,898 followers. However, the more followers a page has, the lower the level of engagement (the percentage of followers visiting company Facebook page each month) is. On average, 1% engagement is healthy.

Oftentimes, a large population of followers has been acquired through a sweepstakes or promotion that required a "Like" to qualify. These may have low levels of engagement after the contest.

Curiously, "Likes" often come from people who have never bought your products, yet are interested in special offers or deals related to your products.

Taking Advantage of Underused Opportunities

With so much room available for courting social audiences, savvy marketers can quickly move to the head of the pack with these techniques:

"Following" Back

A very low number of brand pages are followed by other natural brands (on average, 22). Individuals are used to taking the step "liking" or "following" step, yet appear tentative about following when they are representing a company.

However, this gesture of reciprocal following actually conveys a higher level of engagement as a company, as well as a brand unified enough to "Like" something collectively.



Providing Discounts & Special Offers

Facebookers and Twitterites are often looking for exclusive deals and following a brand <u>for just such an</u> <u>opportunity</u>. Yet only 20% of natural brands provide Facebook-exclusive discounts or contests to reward that kind of behavior.

Responding to Customer Posts

Facebook is a forum with the potential to reward consumer loyalty, resolve dissatisfaction, promote and cross-sell products. However, even though 65% of posts on brand's Facebook walls are from customers, it is rare to see the brand respond and engage in those conversations.

Key Social Marketing Strategies

No matter which network you use, you'll be investing time and effort, so follow these tips for the best results.

Make Your Calls to Action Clear

A Facebook or Twitter icon in your email or web page can mean "share this," "like us," "like this," "follow us," etc. Without any text to clarify, your brands fans don't know what will happen when they click. Make sure to provide instruction so they can decide whether they want to click or not.

Give Them Reason to "Like" You

Reserve some offers, discounts or coupons exclusively for social sharing, then encourage people to follow your brand on Facebook and Twitter by clearly explaining how they'll benefit.

Converse, Don't Just Convert

Don't skip the "social" in social media. You can pitch offers, but you can also learn about your customers and show them what your brand is like.

Invite responses by posting or tweeting questions, or use the survey option on Facebook. Respond to every customer post or tweet that you're able to. Link to more information elsewhere, but for the most part, leave the heavy selling for your web site or store.

AWeber makes it easy to create engaging, beautiful emails. Using our <u>drag-and-drop editor</u>, you can include "follow me" buttons to Facebook and Twitter, coupons, featured products and more!





Customer Spotlight: Gardein

With the masses swarming social networks, today's brands have an unprecedented opportunity to both connect on a personal level and increase their visibility in one stroke. To see how it's done, let's take a look at how AWeber customer Gardein markets its line of plant-based foods on Facebook.

Gives Facebookers a Reason to "Like" Them

In order for fans to see Gardein's posts, they have to click the brand's "like" button first, so the brand offers a coupon as an incentive - and a bigger prize for sharing the page with others.



Rewards Fans With Coupons

Periodically, coupons are posted for fans. These posts are especially effective at attracting business because fans can repost them, sending their own contacts back to Gardein's page.

Invites Engagement With Contests

Not only does Gardein offer chances at free prizes, it do so in a way that invites fans to speak up with their own ideas - making them want to share the contest, as well.

Responds to Wall Posts

Though many marketers don't respond to follower's posts, Gardein responds personally to comments on their own posts - and the brand voice is friendly.

Shares Helpful Information

By sharing featured recipes, Gardein not only gives followers practical, helpful information, it demonstrates how to use their product at the same time, giving reason to buy more.

The combination of quick responses, openness to hearing from followers, coupons and contests makes Gardein's page a place customers can enjoy.



gardein



Garden Protein International, Inc. produces and markets an award-winning line of tasty, high-protein plant-based foods with a meaty texture. Our premium line of plant-based foods is marketed under the gardein™ brand and sold across the United States and Canada in the 'produce cooler' and 'freezer' at thousands of natural food stores and grocery stores



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gardein is giving away a boatload of FREE product and some cash to people who share plant-based dishes with others and take photos. Check



Gardein Promotes 'Giving Goodness' this World Vegan Day and Holiday Season - NEWS - VEGAN VAGRANT www.veganvagrant.com

Tiew Post - 15 hours ago







Merging Email & Social Media Marketing

Rather than competing against each other, these two communication technologies can actually make a bigger impact when they're combined.

Social media's biggest charm is extending the reach of your email campaigns - getting your fans and followers to see your emails and hopefully, to subscribe for more. Email lets you go deeper by sharing more information than you'd be able to fit in a post or a tweet.

The first step is getting your emails in front of your social followers. Occasionally, you may want to show them a brilliant newsletter. Share a web version of your best messages on Facebook or Twitter.

Once they've seen your newsletter - or even if they've just seen your social posts - followers may want to subscribe for more. Make sure you have a sign-up form on your Facebook page.

To attract even more subscribers, you may even want to offer an extra incentive for signing up. At that point, you aren't the only one who can hype your campaign: your readers can, too. Buttons to share your emails on social networks offer opportunities to promote your message.

Beyond just growing your list, social sites let you track the chitchat. Run searches on these sites to find out where people are talking about you (and what they're saying!) Then, use the topics and questions you find for fresh newsletter content.

By using email and social media together, you'll be able to learn what's being said about your company, reach a wider audience (your contacts' contacts), have informal conversations with your customers and even get feedback on new ideas.



Resources

Marketing with email marketing and social media isn't hard, but it does require a bit of background knowledge.

Use the following links to find out:

How to put a web form on your Facebook pageHow to create a web form to share if you don't have a web siteHow to automatically share broadcasts on Facebook and TwitterHow to set up a custom Facebook application for your brandHow to ask users of that Facebook app for their email addresses

Where to search for mentions of your brand or industry on various networks: <u>Twitter Search | Facebook Search | StumbleUpon Search | Digg Search | Delicious Search</u>





Moving Forward

This guide contains research and excerpts from the Natural Products Marketing Benchmark Report for 2011.

If you're interested in the complete report, with even more information on marketing research, ROI tracking, new product launches and trade show involvement, the book is <u>available for purchase here</u>.



About Pure Branding

<u>Pure Branding</u> serves natural product companies in the United States and abroad with brand strategy, creative and market research services. Pure Branding market intelligence reports are designed to aid action-oriented natural products marketing.

About SPINS

<u>SPINS</u> is the source for quantifiable information on natural product industry sales across retail channels, and on the consumer and market dynamics underlying the industry's rapid growth.

About AWeber

What do leading sites such as Social Media Examiner, Copyblogger, Which Test Won, ProBlogger and Harvard Business Review all have in common?

They rely on AWeber for easy-to-use email and social media tools to cultivate relationships with their readers. Since 1998, AWeber has been the email engine powering the growth of organizations around the world.

Today, more than 110,000 small- and midsize-businesses, entrepreneurs, agencies and nonprofits are making the most of AWeber's sophisticated segmentation and analytics capabilities, social media and testing applications, extensive template libraries, and industry-leading deliverability and live support.

For marketing advice, examples and inspiration, please join us here:



