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181. Does Cold Email Work?

Janice Hostager: [00:00:00] Hey, and welcome to My Weekly Marketing. Okay, so let's say your calendar is looking a little too empty these days. Maybe referrals have dried up. We all know that ads are expensive, and you're starting to wonder if maybe your next client even knows you exist. So you think, "What if I just start emailing people?"

Seems harmless enough, right? Well, hold on to your coffee because that little marketing experiment could do more damage to your business than you think. So I was having lunch recently with a small business owner friend of mine who was in this exact situation. She was frustrated that she wasn't getting enough referrals, and she wanted to drum up some new business, so her solution was cold emails.

But my response? "Well, before you hit send, we need to talk," and here's why. For starters, do not use your regular email marketing platform, not Kit, not Mailchimp, not HighLevel. It's a violation of their rules, and it could get you flagged or even kicked off. But the platform rules are just really the tip of the iceberg.

If you send 100 cold emails, and according to an analysis of more than two million cold emails, on average, you will get less than one person who's actually interested. One hundred emails without even a single interested prospect. So today, we're talking about when cold email makes sense, when it can backfire, and how to reach out to potential clients without burning bridges or tanking your email delivery.

And stick with me to the end, 'cause I'm gonna give you a simple three-question test to use before you email anybody who isn't on your list. It'll tell you in about 10 seconds whether or not you're sending a thoughtful note or a blast that could cost you in the long run. Okay. So today we're talking about how to get clients without cold email and without the legal headaches that tend to tag along with it.

So I've gotten this question from actually a lot of clients over the years. It's a slow month. The calendar [00:02:00] has a few too many open spots and somewhere, maybe your inbox, maybe in an ad, there's a tool promising you five hundred personalized emails a day tempting, right?

We've all seen those offers. When you need clients right now, cold email looks like a shortcut. You skip all the slow stuff, and you go straight to asking for the sale. But that shortcut comes with a price. Three of them, actually. So here's our plan for today. First, the math on cold email in twenty twenty-six and why it's worse than it looks.

Second, three ways that can backfire on you, . And third, what actually works for trust-based businesses like ours. Okay, here we go. All right. Point number one, the math. First, let's get clear on what I mean by cold email.

Cold email is when you send a sales or marketing email to people who never asked to hear from you. Often, you'll send them out all at once, usually from a list you bought or maybe you scraped off the internet or pulled off some app, maybe LinkedIn. And usually it's the same message to everybody with their name and company swapped in.

That's different from emailing a person that you actually know. We'll get to that later because there's a real line here, and I want you to know exactly where that is. Okay, so the numbers, they're not so great.

The average reply rate in 2026 is somewhere between a half a percent and four and a half percent. So that's a big range, so let's get into it. Nearly all of those studies have one thing in common: they're published by companies that sell cold email software. So think about that for a second. These are the folks who want the numbers to look good, and even still, their numbers don't look good.

So let's take it in the middle. Let's say you get a reply rate of maybe 2 or 3%. That sounds not terrible, except a reply isn't a yes. A reply could [00:04:00] be, "Take me off your list." It could be, "Who is this?" It could be, "Stop." Personally, when I get emails like this, I mark 'em as spam, and the email programs like Gmail take notice of this.

I'll talk more about that later. One study looked at more than two million cold emails sent earlier this year. The average reply rate was about 2%, but only one in seven of those replies was actually positive. So the interested reply rate is about six-tenths of 1%.

So in plain English, you send 100 cold emails and you get less than one interested person. You send 500 and maybe you get three, maybe. But here's the thing to remember, interested does not mean they're a client. That's just somebody who said, "Sure, tell me a little more." You have to have that conversation.

You have to earn the trust, and you still have to make the sale. So a reply isn't a yes, and a yes isn't a sale. Now, think about the time that goes into it. Finding or buying a list, cleaning it up, writing the emails, setting up the tool, and then following up because a big chunk of replies come from follow-ups, not the first email.

And then the sorting through all the unsubscribe me replies. That's hours and maybe even days for less than one interested person in 100 emails. And it's getting worse, not better. Across several studies, average reply rates have been cut roughly in half in just the last few years because aI made it super cheap to send a personalized, you can't see my air quotes, email, so now everybody's doing it. And our ideal clients can spot a mail merge email from a mile away. Now, to be fair, . Small hand-researched campaigns under 50 people do a lot better than big blasts, close to three times better.

And there are businesses where cold outreach can make sense. Think a super niched B2B company with a high ticket [00:06:00] offer selling to a very specific list of companies. But that's probably not you. If you're a coach or a consultant or a service provider, your business runs on

trust. People hire you because they know you, they like you, and they believe that you can help them.

And cold emails ask a total stranger to skip all of that. So let me say that again. Cold emails ask a stranger to skip every step where trust gets built.

So it's sort of like walking into a networking event, skipping the hello, and handing everybody a contract, right? Nobody signs that. Okay, point number two, things that can go wrong. I'm gonna walk you through this in order from the things most likely to bite you to the things that are least likely but most expensive.

Layer number one, your email platform. So back to my client. She wanted to upload a list of contacts into her email service provider, which was Kit, and then send them her offer. Totally understandable. She already has Kit. She already pays for it. Why not use it? Well, here's why.

Because Kit doesn't allow it. Their acceptable use policy specifically bans purchasing lists, and this is important, any list that wasn't built on permission. Their terms say that you can't email people who have not agreed to hear from you. And it's not just Kit. Most email marketing platforms like MailChimp, ActiveCampaign, HighLevel, the ones we use for our newsletters, have rules like this.

So why do they care so much? Because they're sending email for thousands of customers. When one account sends to a list that complains, it can hurt delivery for everybody else who uses their service. So they watch your numbers really close. Kit's policy says that high bounce rates, complaint rates, or unsubscribe rates can get your account reviewed, suspended, or even shut down.

Oof. Think about what that means. You're not just risking cold [00:08:00] email, you're risking the list you actually built, your real subscribers, the people that, who raised their hand to be on your list and said, "Yes, email me." It's like if you borrowed your best friend's car and used it to drag race. Weird analogy, I know, but bear with me.

Even if you don't crash, you're probably not borrowing that car again. And if you're listening to this thinking, "Uh-oh, I already uploaded a list." Well, no shame. Just don't send emails to it. Take those contacts back out of your platform, and if you already sent it, watch your bounce rates and complaint numbers for the next few weeks, and don't send to that group again.

Now, somebody out there is thinking, "Fine, I'll skip Kit and just send them from my regular Gmail or Outlook account." Which brings us to layer two: the inboxes. Gmail, Yahoo, and Microsoft, that's Outlook and Hotmail, all have rules for senders now. Gmail and Yahoo rolled out theirs in 2024, and Microsoft followed in 2025.

One of the big ones is spam complaints. Every time somebody clicks Spam on your email and report it as spam, it counts against you. Gmail wants senders to stay under one tenth of 1% for

spam complaints and never hit three tenths of a percent. Three tenths of a percent sounds like nothing, right?

It's three complaints for every thousand emails. Three people, that's it. Now, technically, the strictest rules are aimed at what Gmail calls bulk senders. So what counts as bulk? For Gmail, it's about five thousand emails in one day to Gmail addresses, counted across your whole domain. And once you've crossed that line, you're a bulk sender.

Many of us at this level aren't sending five thousand emails in a day, so you might be thinking, "Great, that doesn't apply to me." But not so fast. Spam complaints still hurt your sender reputation even when you're small, and if you send cold email from your business email address, that's the same [00:10:00] domain that your clients hear from you on, the same domain that sends your proposals, your invoices, your newsletter, anything that you send out to your list So every time you send an email, inbox providers like Gmail keep a little scorecard on your domain.

They look at whether people open it, if they replied, moved it to the spam folder, moved it out of the spam folder to the inbox. Over time, that scorecard decides whether your email lands in a subscriber's box or the spam folder going forward. We all go through a lot of work to write emails, and we don't want them to be delivered directly to the spam folder.

So think of it like this: your email reputation is like a credit score. It can take years to build up, but way less time to tank. And when it tanks, it's not just your cold emails that can end up in spam. It's your proposals, your newsletter, or anything that comes from you. Now, layer three, the legal side of this.

So quick disclaimer here, friend. I'm a marketer, not a lawyer, so this is not legal advice. If you're doing anything with email that makes you nervous, talk to an attorney that knows this stuff. But I want you to know the basics because there's a patchwork of laws, and the rules change depending on where the person you're emailing lives.

So let's start in the US. A big federal law is called the CAN SPAM Act, and this surprises a lot of people. CAN SPAM does not ban cold email. They have what is called an opt-out law. You can email somebody who never asked as long as you follow these rules. The email has to be honest, no misleading subject lines.

It has to say who you are, and it has to include your physical mailing address, and it needs a working unsubscribe link, and you have to honors unsubscribes with un- within ten business days. So if you break those rules, the penalty can be more than fifty-three thousand dollars per email. Not per campaign, per email. And they do pursue people. In twenty [00:12:00] twenty-four, a security camera company paid two point nine five million dollar penalty, the biggest CAN-SPAM penalty ever. Their emails were missing a functional opt-out link, and they had some other problems too.

But the FTC does pursue these things. Then there's California. California has its own anti-spam law, and it's not about cold email itself, it's about deception, misleading subject lines or fake or confusing sender info. If an email to a California address breaks those rules, the damages can be a thousand dollars per email.

And in California, regular people, the folks who get your emails, can sue. There's been a whole wave of class action lawsuits under this law lately. Okay, if you get through those two, next, there's Canada. Canada is a whole different ballgame. Their law is called CASL. That's C-A-S-L, and it's an opt-in law.

It means you generally need permission before the first email. There's a narrow exception for business contacts whose email address is publicly posted if your message is relevant to their job, and they haven't posted something like no solicitor emails Penalties can go up to 10 million Canadian dollars for a business.

And here's what you need to know about all of these. CASL, like California or in the US, follows the recipient. You could be sitting in Texas like me, and if you email somebody in Toronto, Canada's laws apply. Same with California. Same with Europe.

So let's talk about that. A big law there is called GDPR, the General Data Protection Regulation. It's a privacy law, and it treats an email like personal data. Like Canada's law, it follows the person, not you. So if you're emailing someone in the EU, it can even apply to your business if it's right here in the US.

Under GDPR, you need a legal reason to use somebody's personal data. For business to business [00:14:00] cold email, the usual reason is something called legitimate interest, which means your email has to be relevant to their job. You have to be able to explain why you're contacting them, and you have to give them an easy way to opt out.

If somebody says, "Stop emailing me," you stop. The fines there go up to twenty million euros or 4% of a company's worldwide annual revenue, whichever is higher. So on top of GDPR, each country has its own rules about actually sending marketing email, so check into each individual country if you think you might be sending emails to the EU.

Okay, deep breath. So why does all of this matter to you? Well, if you buy a list or scrape one or pull contacts from some tool, you have no idea where those people live or which of these laws apply to each one. So you're basically playing legal roulette with every send. That's a lot of risk for less than one interested reply per hundred emails.

Okay, so if cold email is out, how do we get clients? Let's pull out the Trail to the Sale. So if you're new here, the Trail to the Sale is my framework for how strangers become customers. There are eight stages: awareness, consider, compare, evaluate, sell, supersize, serve, and send. Sounds like a lot, but it really is a process.

It's, it's a step-by-step framework for how people discover you and the actions that they take when they're gonna buy from you. So now let's look at where cold email starts. It walks up to a total stranger, someone who's never heard of you, and who's not even in the awareness stage yet, and jumps right to the sell stage.

It skips four whole stages, and those four stages are where trust gets built. And those four stages are where trust gets built.

That's why cold email doesn't work for most of us. It's that you asked for the sale before you ever got on the trail, and during the [00:16:00] time when trust is at an all-time low, it's unlikely to be profitable. So here's what I do instead. Three smart moves. Smart move number one, start at the end of the trail at the send stage.

Send is the last stage, but that's where happy customers turn into referrals, testimonials, and word of mouth. It's the warmest lead source there is. When someone gets referred to you, they show up already trusting you. They're borrowing that trust from the person who sent them. You don't start from zero, you start halfway up the trail.

About ninety percent of my fractional CMO clients and discovery calls have come through referrals and word of mouth. Why? Because they know the referrer, so the trust is already baked in. So here's your homework. Grab a piece of paper and write down five past clients who loved working with you and just reach out.

Not to sell, just to check in and let them know that you've got room for a couple of new clients. Something as simple as, "Hey there, I was thinking about a project that we did last spring, and I've got room for a couple of new clients this month. If anyone in your world is wrestling with the same issue that you were, I'd love an introduction."

To make it easier, you can even write out an email for them to send to someone about how wonderful you are to work with and how you could help them. Yeah, it's awkward, but it will make it easier for your past client to refer you, basically writing a referral for yourself. They can just copy and paste it.

And don't just stop with clients. Think about other professionals who serve the same people you do. The bookkeeper, the web designer, the business coach. They're all referral partners waiting to happen. Smart move number two, borrow somebody else's audience. This is the awareness stage done in a warm way.

Instead of emailing a thousand strangers, get in front of a room of people who already trust the host. Be a guest on a podcast, speak at a local association event, teach a workshop. Co-host a [00:18:00] webinar with somebody who serves the same people you do but doesn't compete with you.

Start with places that your clients already hang out, their professional groups, their local chamber of commerce, the podcast they listen to on the way to work, and then pitch one clear

topic that helps that specific audience. And yeah, that pitch that you send to that podcaster or to that association, it's a personal note.

So keep it short. Say what you love about their show or their group. Offer one topic, say why it helps their people, their people, not your people. Something like, "I loved your episode on pricing. Your listeners might like a follow-up on how to find clients who don't flinch at prices." And as someone who gets emails like this daily, don't use AI to write these.

A sincere note comes across so much better and more authentic. Believe me, we can tell. So when the host introduces you, they're lending you their credibility. That's the exact opposite of a cold email. And then give them a freebie, a guide, a quiz, something that's useful that gets them on your list with their permission That's the consider stage. And now Kit is happy, Gmail is happy, the law is happy, and you're emailing people who actually want to hear from you

that's how you grow a list that you never have to worry about. Okay, and smart move number three, the personal email. This is where I wanna be really clear about where my line is. I'm not saying never email anybody who's not on your list. A personal one-to-one email to a specific person you've actually researched isn't really a cold email.

That's just being a human being in business. Something like, "Hey Maria, I loved your talk at the chamber lunch yesterday, especially your point about hiring your first VA. I help service businesses with their marketing and love to connect. Let's set up a time where we can talk. That's to one person written by you with a real reason.

If you could send that same email to 500 people, it's not a personal note. [00:20:00] It's an email blast. Oh, and one more thing. That stack of business cards from the networking event or the list of people you met at a conference, I know it feels warm because you met them, but meeting someone isn't the same as them saying, "Yes, add me to your email list."

So don't upload them. Don't, take that s-stack of cards and upload them to your email program. Send each one a personal note instead and invite them to join your list if they want to. Let them say yes. So what does this all look like in a real week? Because I know what happens. We hear three ideas on a podcast, nod along, and then we kind of forget about it. So here's a simple rhythm, about 30 minutes, three days a week. So Monday, send out two referral notes, past clients or referral partners. On Wednesday, send one pitch to borrow an audience. Might be a podcast, a group, or someone's newsletter.

On Friday, send three personal notes to people you met or noticed this week. Every one of them has to pass the test I'm giving you at the end here. That's six warm touches in a week, around 25 in a month, and every single one goes to a real person with a real reason who has a real shot at becoming a client or sending you one.

Compare that to 500 cold emails and less than three interested replies. I know which one I'd pick. Okay, so let's wrap this up. Cold email is a bad trade for most small trust-based businesses.

Here's why. First of all, the math. Send 100 cold emails on average, and you get less than one interested person. And the risk . Your email platform can shut you down and take away your real list with it. Spam complaints can drag down the email domain your clients count on.

And the laws are patchwork that changes depending on where that person lives. So what do you do instead? Start with the send, your past clients and referral partners. Borrow audiences that already trust the host, build a list with permission, and when you reach out to [00:22:00] somebody new, make it a real personal note.

Now, the test I promised. Before you email someone who's not in your list, ask yourself three questions.

Number one, do I know something specific about this person? Not just their job title, but something they said or did or wrote or made. Number two, is there a real reason I'm writing to them and not just somebody like them? And number three, would they be glad I reached out even if they never buy a thing?

If you can say yes to all three of those, send it. That's a personal note. If not, it's a cold email, If you wanna see where your marketing fits on the trail to the sale and which stage needs your attention, grab my trail to the sale quick start map. It's a free one-page visual of the whole trail. Pin it in your office so that the next time a shortcut starts looking tempting, It'll remind you of what your customers actually need next. You'll find it at janicehostager.com/trail, and the link's in the show notes Thanks so much for hanging out with me today.

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