Email Marketing Best Practices

Winning Techniques for Today and Tomorrow

Introduction

Many companies have turned to cost-effective online communication methods such as email marketing to reach and engage their customers. Looking ahead, companies will continue to invest in email marketing. According to well-established research companies such as Forrester and JupiterResearch, email marketing spending runs into the billions both in the United States and in Europe.

Implementing an effective email marketing communication platform involves multiple tasks, such as building a permission-based list of recipients, managing the list, defining relevant content in the right format, delivering the message and evaluating the results. With best email marketing practices, companies will experience the return on investment required to justify expenditures. With years of experience in the email industry, L-Soft can provide you with an introduction to email marketing and guidance on how this effective tool can benefit your company. The following pages feature facts, expertise, and guidance on key email marketing topics.

This white paper contains time-tested techniques and best practices that we hope you will find of value as you strive for success in your email marketing efforts. For more information about email marketing or L-Soft's products and services, please contact us at: info@lsoft.com. To keep up-to-date with the latest L-Soft news, visit our opt-in email list sign-up page at: http://www.lsoft.com/contact/optin.asp.

Fast Facts

- Marketers rate email to in-house lists as among the most effective forms of online advertising. According to the early-adopter online marketers, email marketing to in-house lists is among the top three best performing online advertising tactics. About a third of these marketers plan to increase the budget for email marketing to in-house lists with 5 percent or more in 2007. [1]

- Despite spam, almost 80 percent of consumers subscribe to receive messages from companies. Permission-based commercial email is relevant to a majority of customers. [2]

- 71 percent of U.S. online marketers have used email marketing in the past 12 months, and an additional 12 percent plan to use it within the next 12 months. [3]

- 45 percent of U.S. email users think that "e-mail is a great way for companies to stay in touch with customers". [4]

- Most B2C and B2B marketers expect the impact of email marketing to increase in 2007. [5]

- Sixty percent of marketers state that to "engage and build relationships with existing customers" is one of their primary reasons for using email marketing. [6]

- U.S. Internet users spend 15 percent of total Internet time one mail. [7]

- JupiterResearch forecasted in 2006 that email marketing spending will grow to $1.1 billion by 2010 in the United States. [8]

- According to Forrester, the value of the European email marketing market will grow by 12% per annum, hitting €2.3 billion in 2012. [9]

- Email has among the highest return on investment (ROI) index of all marketing channels. [10]

- According to marketers who measure their campaigns, 40 percent said email earns the highest ROI, followed by search (28 percent) and direct mail (18 percent). [11]

Email Marketing Benefits

Email is Inexpensive

Email is far less expensive on a cost-per-contact basis than other advertising options, including banner ads, print advertising, and telemarketing.

Email Creates Quick Response Cycles

Email cuts response times down from as much as six to eight weeks for direct mail to as little as 48 hours in most cases.

Email Marketing Campaign Results are Measurable

Campaign success can be measured using software designed to record responses or sales that are attributable to email marketing efforts. Reports can be generated on the number of emails opened by your recipients (open-ups) and the number of times your embedded links were clicked (click-throughs). By being able to quantify the success of campaigns while in progress, marketers can quickly adjust strategies to strengthen response rates.

Email Has Wide Reach

Email is the most widely used facet of the Internet and is part of many people's daily routine. It is a communication medium with an exceptionally large audience that allows recipients to immediately act on messages.

Email Drives Web Site Traffic and Registration

Email is an effective way of driving people to your Web site. Links may be embedded within messages, quickly directing customers to your site. With any luck, this increased Web site traffic will then lead to increased Web site registration. You may then follow up by providing your customers with personalized and targeted content.

Email Strengthens Brand Awareness and Builds Customer Relationships

Regularly delivered email messages that contain properly titled subject lines and logos reinforce company and product awareness. Email creates an interactive connection with customers and nurtures long-lasting, quality relationships.

Email Can Be Highly Customized

When email lists work together with customer databases, even large-volume campaigns can be customized so that messages include specific customer data. Database integration also allows select customer groups to receive messages appropriate for only a portion of database entries (for example, ZIP Code-, gender-, or income-based mailings can be easily selected and targeted for delivery).

Email Saves Time

Compared to traditional direct marketing, email marketing campaign administration is efficient and saves time and money.

Email is Easy to Implement and Requires Limited Resources

Email campaigns can be quickly implemented and executed with only minimal software, hardware and personnel investments.

Example of the Value of Email

Let's take into consideration this situation: Your company is planning to distribute a newsletter to customers, prospects, and other interested parties, and it is your job to decide how to accomplish this task. The monthly newsletter will contain many regular features, including articles, advice, and industry news. You have two options to distribute the newsletter: You can print the newsletter and snail-mail it to recipients - after all, this is how company newsletters have been distributed for many years. This is still an effective option, but have you considered the many benefits of sending your newsletter via email? In addition to saving costs (including paper, printing, and postage), email allows you to do things that you would not otherwise have been able to do if you chose print format.

If you choose to email the newsletter and select an advanced software program to manage the mailing, you will be able to measure what sections of the newsletter are most popular with readers. When you send an email newsletter, recipients click on embedded links to retrieve articles they wish to read. These clicks are measurable and provide you with valuable information that can, in turn, be used to tailor future newsletters to best suit readers' interests. However, if you choose print format to deliver the newsletter, there is very little you can do to quantify what portions of the newsletter are popular and are being read.

Email makes a difference. This is why more and more organizations and companies are turning to email to conduct marketing initiatives.

How to Use Email Marketing

As email has evolved, marketers have discovered clever ways to take advantage of its usefulness. Some common ways companies have integrated email into their communication efforts include:

- **Sending newsletters and building an online community Pearson Education (NYSE: PSO)**, which provides an online resource for technology information, uses LISTSERV® to manage more than 20 newsletters to subscribers about topics ranging from programming to networking. These newsletters have enabled Pearson Education to build a strong IT community that subscribers can depend on for up-to-date technology news.

- **Sending conference announcements, guides and tickets Stockholm International Fairs** is the leading exhibition and congress center in Scandinavia and the Baltic Sea region. In 2002, the company started using LISTSERV® Maestro to provide conference announcements, tickets, and pre-registration opportunities to exhibitors and attendees using email. Stockholm International Fairs has achieved campaign cost savings and improved information distribution to exhibitors and visitors. The number of conference registrations has also increased thanks to the mailings.

- **Sending announcements and improving communities United Way** is a national volunteer organization dedicated to bringing together communities across America. The organization incorporated ListPlex® Maestro into its operations to improve communication with staff, donors, volunteers and those interested in knowing more about their communities. A growing number of LISTSERV® lists have increased United Way's ability to gather available resources and improve communities across the country. Based on this successful foundation, the United Way is currently implementing L-Soft's email list services in its regional and local service centers.

- **Offering reminder services**; for example, in March 1999, Lifetime Television launched a campaign on its Website called the Lifetime Breast Self Examination Reminder Service to raise public awareness of breast cancer and the importance of early detection. Visitors to the site are given the opportunity to register for a free, monthly examination reminder through

email. The company chose the LISTSERV® email list management software to deliver this health reminder to its subscribers. As Lifetime's needs have grown, today, the organization is using LISTSERV® Maestro. Its Breast Self Examination Reminder list has more than 77,000 subscribers. Since its launch, Lifetime TV has started nine other lists about topics ranging from its most popular television shows to special promotions and offers.

Database Integration

A unique advantage of email marketing is the ability to customize messages. This is achieved through integration with your customer database. By incorporating customer demographic information stored in your database, you are able to study customers' histories and buying habits in order to more effectively target and customize your messages. For instance, if you sellout door gear, you may configure your email marketing software to send offers for discounts on overstocked raingear to customers with zip codes in the Pacific Northwest, or likewise send those who reside in the deserts of Arizona similar offers on sunglasses.

Steps to a Successful Email Marketing Campaign

1. **Gather a List of Subscribers**

   In order to begin any email marketing campaign, you must first compile a list of email addresses from those who have agreed to receive your messages. This is known as *opt-in*[1] email marketing and is a very important part of your campaign.

   Building a quality permission-based email list will achieve more desirable results. Be upfront about how secure your subscriber's information is, whether or not you will be sharing that information with a 3rd party, and specific instructions on how your subscribers can opt out of your list. So, with those concerns out of the way, where do you begin? A logical place to start gathering addresses is with:

   a. **Current Customers** who may have previously provided you their email addresses and given you permission to send messages. Depending on how your business operates, there may be opportunities to collect your customers' email addresses through purchase orders or other forms. Or, perhaps email communication may already be the most common way you correspond with your clients, and therefore, a perfect opportunity exists to ask them if they would like to receive newsletters or other offers.

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[1] Opt-in and opt-out are concepts that have been developed to identify two kinds of privacy mechanisms and adapted to permission email. The opt-out method of email marketing involves giving consumers the option of not receiving promotional messages after they have already received a message. Under this system, messages can be sent until an individual asks not to receive messages (i.e., the individual "opts out"). With the opt-in method, consumers do not receive promotional messages unless they have actively agreed to receive such messages. Under this system, email cannot be sent unless the individual has expressly given permission.

Today, email solution providers and consumer protection agencies recommend the double opt-in procedure as a further step to prevent unsolicited email messages. After a respondent checks the permission box, an automated email message is sent to the provided email address to certify that the person did in fact provide permission to receive email. The address holder must then respond, typically within a given time period, to receive future mailings. This process ensures that others cannot sign up unwilling third parties for membership through online forms.

b. **Prospective Customers** whose email addresses may be obtained through sign-ups on your Web site or in-store locations (known as **Point-of-Presence** collection). Advanced email list management software has the ability to interact with your Web site so visitors may automatically subscribe to newsletters without your having to perform this function manually.

A good method to encourage Web site visitors to sign up for your newsletter or be included in your list is to offer them something they would not otherwise receive without being a subscriber. For example, offer members incentives like special discounts, coupons, gift certificates or access to products before release to the general public. White papers are also an inexpensive means of showing recipients that your company is serious about its business.

2. **Develop the Content and Format of Your Message**

Messages should be crafted according to the results you wish to achieve. What are your goals for this campaign? Generating sales? Branding? Driving site traffic? Generally, you should create a strong message that reinforces your brand, describes your products or services and clearly establishes how customers should contact you. The subject line is possibly the most important element of an email message. Create a powerful subject line by combining an action phrase with a response-boosting incentive. An example of a good subject line would be:

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SUBJECT: Last Minute Fare Specials for Weekend Getaway
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At this point you may wish to consider in what format your message will be sent: text-only, HTML, or MIME/Multi-Part format.

HTML mail has the ability to strengthen your message by combining graphical images (like your company or brand logo) with text. Studies differ greatly whether HTML or text is more popular overall. Still, it is advisable to allow subscribers to choose their desired form at themselves. Recipient format preference can be stored in your database much like you would store other preference and demographic information.[2]

A **MIME** or **Multi-Part** specification is intended to allow you to send messages in both text and HTML format. The recipient's email program then displays the format it can best view.

3. **Getting Your Message Out**

As your email marketing operations evolve and your mailings grow in size, it will become apparent that the task is too complex and requires too much manpower for your current system to handle. Select software that is capable of managing your lists as they grow and can measure the effectiveness of your campaign. Your software should have the ability to automatically remove bounced or undeliverable email addresses from your list, as you may find the task of manually removing such addresses very time consuming and tedious.

a. **Message Format Testing**

After crafting your message, it is important to test it to make sure it displays properly in many common email clients. Set up your own accounts using popular commercial providers, such as AOL, Yahoo!, and Hotmail. Send yourself or your colleagues the test message to determine if formatting problems exist. This

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[2] Please note that not all email recipients are capable of receiving or reading HTML messages. Furthermore, it is not recommended to "sniff," a questionable method that attempts to determine whether recipients are capable of receiving HTML email, as this procedure simply examines a computer's settings and not necessarily the program used to read email.

testing is particularly important if you are sending HTML mail. Ensure that your HTML message is viewable in all major email clients and that the HTML code is standards-compliant. Pay close attention to how images are rendered. This is particularly important now that many email clients automatically block all external images in the message viewer until the recipient clicks a button to explicitly allow them or adds the sender to the address book. If you are not technically savvy, it is advisable to consult your staff Webmaster or a professional in this field.

b. Scheduling Delivery

A valuable feature of advanced email marketing and email list management technology is the ability to schedule delivery for a specific time and date. This feature ensures that your message arrives in subscribers' inboxes at an opportune time. If you can determine whether you have a recipient's home or work email address, scheduled delivery becomes even more valuable. If you have a worldwide audience, use a time zone correction feature, available in sophisticated software programs, to properly place your message in inboxes during an appropriate time.

Marketers have generally been more successful when they schedule home users for weekend delivery, the time they are most likely to recreationally check their email. Likewise, scheduling deliveries to 'work' recipients Tuesday through Thursday has been shown to be more effective, to avoid overloaded Monday inboxes and distracted Friday employees.

4. Evaluate and Revise Your Campaign

For best results, create a pilot campaign that tests the effectiveness of your message on a select portion of your database. Measure the results from the trial, make adjustments and test another group. Refine your message until you feel comfortable enough to launch a full campaign.

Once you have sent your final message to recipients, you can begin to measure campaign results. Monitoring responses enables you to determine the quality of your recipient lists and the effectiveness of email content. Email marketing programs are capable of recording whether recipients opened up the message, and if they did, whether or not they clicked on the embedded links included. By being able to quantify these activities, you can measure the success of campaigns and, if necessary, make adjustments to achieve higher conversion rates. This is a key component of an email marketing campaign.

Issues to Keep in Mind

Spam

One of the most used words in the email marketing industry today is "spam," or unsolicited commercial email. Unfortunately, because email marketing is relatively inexpensive, unscrupulous culprits have flooded in-boxes with unwanted junk mail. There are several measures you can take to stem the tide of spam and stay clear of problems:

- Follow national laws regarding the use of commercial email.

- Use a recognizable domain that states your company or product name. Also use authentication standards such as SPF, Sender ID, and DomainKeys so that your recipients can verify that the message did originate from your domain.

- Avoid using CAPITAL letters, bombastic wording, or gratuitous punctuation such as exclamation points in the subject line of your message.

- Use clearly stated wording and action verbs to identify the objectives of your message to subscribers.

- Provide clear instructions about how a subscriber may opt out of membership.

- Refer to your local market's codes of conduct to assure that you follow the guidelines of email marketing. This is particularly necessary when operating in or sending messages to Europe.

Viruses

Nothing will bring your email operation to a grinding halt and generate more ill will from customers than inadvertently sending subscribers a computer virus. Preventing an accidental outbreak is quite easy; however, if you choose software with built-in virus protection and an attachment filter that scans all messages and attachments for viruses before they are sent to subscribers.

Privacy

One of the biggest advantages of email marketing is its ability to measure campaign effectiveness on the individual recipient level, unlike other advertising mediums such as print or television ads. However, your marketing objectives may not necessitate individual result gathering. Moreover, subscribers may not give their permission to perform such tasks, or your ability to do so may be curtailed by laws in certain jurisdictions. Therefore, it is important to understand what level of tracking procedures to implement in your campaign.

Personal Tracking involves associating each individual event (such as click-through or open-up) with the specific recipient who triggered it. If this method of measurement does not fit your marketing objectives, you may wish to choose **Anonymous Tracking** or **Blind Tracking**, which measure events but don't associate them with a specific recipient.

Do's and Don'ts of Email Marketing

Do:

- Know your national laws and local guidelines for email marketing and ensure that you follow them.

- Build your list internally, even if it takes time, so the quality of your recipient list remains at a high level.

- Keep an accurate audit of how your company received permission to contact the subscribers of the lists; keep in mind that some people forget they signed up to receive information.

- Make membership to your email deliveries valuable by offering deals that non-members cannot receive.

- Make sure that your company's name (or product name) is clearly identified in the domain name that appears in the "Sender" line of the email.

- Use clearly stated words that describe what you want customers to respond to in both the "Subject" line and the body of your message.

- Provide recipients with a clear way to contact you for more information, including telephone number and email address.

- Provide subscribers with clear instructions of how to be removed from future mailings.

- Plan mailings for specific, opportune times so subscribers are expecting your messages and are in a position to respond.
- Personalize messages with recipients' names and tailor them for different target segments.
- Choose software that can perform as your opt-in email lists grow, scan outgoing messages for viruses and measure the effectiveness of your campaign.

Don't:

- Send messages to those who did not request to receive information.
- Purchase or rent lists from brokers who are not reputable and who cannot provide current, verifiable double opt-in permission.
- Use exclamation points, capitalized letters, or other blatant marketing techniques that are synonymous with spammers.
- Send irrelevant offers to members of your database. For example, if you run an online travel agency, do not send special airfare incentives that originate from airports that do not correspond with the zip codes members have provided.
- Overload recipients with too many emails; only offer truly special deals.
- Cram too many messages into a single email or send large attachments that may clog subscribers' inboxes.
- Neglect to test messages, especially HTML messages. In particular, test how images are rendered in common email clients since many automatically block all external images in the message viewer until the recipient clicks a button to explicitly allow them or adds the sender to the address book.
- Rely on your email program's spellchecker. Always have colleagues proofread your message for spelling and grammatical errors.
- Sell or rent your email lists to other organizations unless you have been given explicit permission to do so.
- Expect that every campaign will be an immediate home run; crafting quality messages takes time and requires feedback.

Legal Aspects of Email Marketing

Over the last couple of years, both the United States and the European Union (EU) have adopted legislation that establishes requirements for those who send commercial email messages. Below is a summary of Federal U.S. and EU laws.

CAN-SPAM (United States)

The CAN-SPAM Act of 2003 (Controlling the Assault of Non-Solicited Pornography and Marketing) "covers email whose primary purpose is advertising or promoting a commercial product or service" (FTC Website, "Facts for Business"). The CAN-SPAM Act took effect on January 1, 2004.

- CAN-SPAM is based on the principle of opt-out. In other words, commercial email messages can be sent to a person until the individual explicitly asks to be removed from further mailings. Commercial email messages that are covered by the law need to include a return email address or other type of Internet-based response mechanism that

allows the recipient to ask for further communications to cease. That request must be honored.

- It bans false or misleading email header information. The "From", "To", and sender information, including email address and originating domain name, must be accurate.

- It prohibits the use of deceptive subject lines to mislead the recipient about the content of the email message.

- Commercial email messages must include a clear notice that it is an advertisement or solicitation and that the recipient can unsubscribe (opt-out) from further communication. In addition, commercial email messages must also include the sender's physical postal address.

In the United States, there are also several state laws regarding commercial email messages. Where applicable, the federal law preempts state laws.

EC (European Commission) Directive on Privacy and Electronic Communication (EU)

As of October 31, 2003, all EU member states are covered by Article 13 in EU's Directive 2002/58/EC.

- EU's Directive on Privacy and Electronic Communication is based on the principle of opt-in. Email marketing messages can only be sent to natural persons (consumers) who have given their prior consent. However, there are several exemptions from the requirement of opt-in.

- If there is an existing customer relationship and said customer has not initially refused commercial contact via email, a seller of a product or a service has the right to market to the customer its own similar products or services. In this case, the sender has to offer the recipient a free-of-charge and an easy-to-use mechanism to say "no" to future emails.

- It is okay to send commercial messages to legal persons (business owners and employees) without prior consent. In this case, the sender also has to offer the recipient a free-of-charge and an easy-to-use mechanism to say "no" to future emails.

- It is prohibited to disguise or conceal the identity of the sender in a commercial email message.

- It is prohibited not to include a valid address to which the recipient can send a request that further communications cease.

Each member state has implemented the Directive into its national laws. Member states are entitled to impose stricter legislation than outlined in the Directive.

L-Soft's Approach to Addressing Email Marketing Legislation

L-Soft is an avid opt-in advocate. The single best advice L-Soft can give you to comply with email marketing legislation is to adopt an opt-in policy for all your commercial email deliveries, including business and consumer communication. We recommend our clients impose an opt-in-only approach. We think it is in the best interest of all parties, including sender and recipient. In addition to keeping you from breaking national opt-in laws, your organization will benefit from using opt-in by achieving increased responses and better results from your email marketing campaigns.

Tips on Complying with the U.S. Legislation & Building Trust with the Sender[3]

- Never give the recipient a reason to doubt who has sent the email by using vague or misleading sender information. Never use false headers to hide your true identity.

- Make it easy for recipients to get in contact with you. Include your office mailing address, telephone number and an email address that is monitored by a person.

- Don't mislead your recipients with subject lines that don't correspond with the actual content of the email.

- Make it easy to unsubscribe from your email deliveries by including an easy-to-use automated unsubscribe feature. Use a solution that automatically and directly removes the email address from your email list.

Tips on Complying with the European Union Legislation & Building Trust with the Sender[4]

- Ask for permission before sending commercial email messages to your customers. L-Soft recommends that you ask for permission for business-to-business communication as well.

- To avoid any national differences compared to the EC Directive, read the national law of the EU member state to which you are sending commercial email messages. The EC directive sets minimum levels on what countries must include in their national legislation, but they are free to set stricter rules.

- Always offer a free-of-charge and easy-to-use mechanism in each email you send to allow recipients to say "no" to future email messages.

- Never give the recipient a reason to doubt who has sent the email by using vague or misleading sender information. Never use false headers to hide your true identity.

- Make it easy for recipients to get in contact with you. Include your office mailing address, telephone number and an email address that is monitored by a person.

How Email Marketing Software Works

Although many marketers prefer to concentrate less on the technical side of email marketing and more on the content of the messages, it is important to have a basic understanding of how email marketing software works. In order to efficiently conduct an advanced email marketing campaign, it is essential to employ professional email list management software. The software must be installed on a server with a dedicated connection to the Internet. Your Web site and database then communicate directly with the software. When someone visits your company Web site and signs up to receive your newsletter, the software will automatically add the email address to an email recipient list for future mailings.

Your email list management software should have the ability to automatically handle all subscriptions and sign-offs as well as bounced email messages. The software should also be capable of connecting to your database and pulling out specific information about your

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[3] See the next footnote.
[4] Disclaimer: The information provided is not intended and does not constitute legal advice. Please consult your legal team if you have questions and before conducting any type of email marketing activity.

recipients. This information can then be inserted into messages to create personalized mailings. More advanced software, capable of measuring campaign results, will provide your organization with better opportunities to strengthen your marketing efforts. The ability to track email responses is an important part of an email marketing campaign because it allows you to determine how effective your campaign has been. By being able to rapidly quantify results, marketers can make instant adjustments to their campaigns and achieve optimal results.

The average mail server cannot deliver the volume of email that you may one day require. The quality of your email delivery system determines the rate at which email is delivered. Your company may find it worthwhile to invest in faster and more robust email delivery software to guarantee that your email is delivered as efficiently as possible.

L-Soft offers advanced software and hosting services with the most up-to-date features and functions in the email industry. The company's **LISTSERV**®, **LISTSERV**® **Maestro**, and **HDMail** software products, and **ListPlex**® and **EASE**^{SM} hosting services keep more than 3,700 worldwide customers' email operations running smoothly and effectively.

How to Choose an Email Marketing Solution

By 2008, more than $6.1 billion will be spent on email marketing resources. [1] As the industry continues to grow, more and more vendors will offer products and services to satisfy the demand. How then can you be certain that your investment in email marketing software and services will be sound? Here are a few key questions to consider before you decide to purchase an email marketing solution:

1. **Will the Software Scale as My Needs Increase?**

   Most likely, one goal of your email marketing agenda will be to expand your list and perhaps create additional lists. If you purchase an email list management solution and maintain a single mailing list with 1,000 subscribers, the product may not have the capability to function when your success dictates that you run five lists with 10,000 subscribers each. Set realistic expectations for where your email marketing operation will be in one to two years from when you make the initial purchase, and determine whether the product will have the ability to handle the additional workload. Keep in mind that some software products can be purchased in increments and increased in capacity over time.

2. **Can the Software Be Integrated with Other Key Applications?**

   Imagine spending thousands of dollars on an email marketing solution only to find that it will not work in conjunction with your database or other key applications. If you have previously invested heavily in customer database capabilities, finding email marketing software that seamlessly integrates with your database will save time and money.

3. **Does the Vendor Offer Evaluation Kits?**

   Savvy IT professionals will evaluate a product on a trial basis before recommending it. Take advantage of the opportunity to evaluate email marketing software before purchasing to ensure that it performs as advertised.

4. **How Quickly Will I Be Up and Running?**

   Installing any new technology product should be as painless a process as possible. Often, businesses cannot afford to tie up resources for extended periods of time during installation procedures. Have your organization's technical staff review the product's installation manuals to determine how much time and resources will be required to install the software or find out if the company offers installation/configuration services.

5. **Will the Vendor Be There for Me after Purchase?**

Email marketing software is sophisticated, and often marketers find that they are not taking full advantage of every feature. Extended training courses may be necessary to ensure that your organization is getting the most out of its investment. Also inquire about the vendor's support policies, which should cover any technical difficulties you may encounter.

6. **Does the Vendor Offer Both Licensing and Hosting Services?**

Marketers often want to outsource their email marketing operations to companies that offer such services before bringing them in house. Outsourcing is a sound temporary solution, especially for small companies that may not have the hardware, personnel or capital to license software initially. This arrangement also provides a trial period for marketers to determine if the software is worthy of licensing, which is typically a more cost-effective solution in the long run.

7. **Am I Getting My Moneys Worth?**

Email marketing software and services are among the most cost-effective solutions your company will invest in. However, vendors vary greatly in price and the features they offer. Have a clear idea of what features and functions you demand, and evaluate many different products. Also determine whether licensing or outsourcing makes the best business sense for your company.

Outsourcing vs. Licensing

Before selecting a solution, you must evaluate which arrangement will best suit your needs: outsourcing or licensing. If you choose to license the software, you will conduct all operations on your premises. Without sourcing, email marketing operations (all functions except content creation) are hosted and run by another company that has expertise in that field.

OUTSOURCING vs. LICENSING		
	Outsourcing	**Licensing**
Benefits	• Smaller Investment of time. • Lower initial investment – no need to buy hardware or software. • Low human resource investment. • Quick setup.	• Increased control – the freedom to have complete control over the software and its functions. • Security – no risk to you that the vendor will go out of business or declare bankruptcy. • Messages may be sent according to your schedule. • Once you are regularly delivering a certain number of messages, it becomes more cost effective to license than outsource; ask your provider for a threshold number of messages that reflects the point at which licensing becomes more cost effective.

Requirements	• Personnel experienced with creating email marketing messages.	• Server hardware.
		• Appropriate bandwidth.
		• Proficient and experienced personnel capable of maintaining hardware and bandwidth requirements.
		• Personnel experienced with creating email marketing messages.
Limitations	• Less control over your campaign.	• Higher initial investment that is recovered if email traffic is large.
	• More expensive in the long run.	
	• Dependency on your provider.	

L-Soft's Email List Products and Services

LISTSERV® Email List Management Software

L-Soft's flagship product, LISTSERV®, developed by L-Soft founder and CEO Eric Thomas in 1986, was the first email list management software. LISTSERV® enables users to administer email lists of any size - from as many as several million subscribers to as little as a few. LISTSERV® is currently used to manage more than 425,000 lists and delivers about 35 million messages per day. The software is available for Windows 2003/2000/XP; Unix: AIX (PowerPC), Solaris (SPARC), Tru64, Linux (32-bit, 64-bit and S/390), AIX (PowerPC), HP-UX, Mac OS X; OpenVMS (Alpha), and VM. LISTSERV can connect to most ODBC-compliant (Windows and Unix) databases; Microsoft SQL Server; IBM DB2; ORACLE; and MySQL, allowing great flexibility with your choice of database.

LISTSERV® Maestro Email Marketing Software

LISTSERV® Maestro complements LISTSERV® and provides organizations with advanced software technology for conducting email marketing campaigns. LISTSERV® Maestro has an easy-to-use Web Interface that guides marketers through the steps of preparing email campaigns for delivery, including creating the message, assigning team responsibilities, selecting a targeted list of customers, testing and scheduling delivery, and tracking responses. LISTSERV® Maestro is available for Windows 2003/2000/XP; Unix (Linux 32-bit and Solaris on SPARC 32), and Mac OS X.

ListPlex® and EASE^SM Email List Hosting Services

ListPlex® and EASE^SM email list hosting services provide customers with access to L-Soft's expertise and technology without hardware, software, or personnel investments. Our outsourcing services can be tailored to meet the needs of the largest newsletters on the Internet, or simply help hobbyists keep in touch with others sharing the same interests.

Training and Consulting

L-Soft offers comprehensive training and consulting services to improve customers' effective and appropriate use of our electronic mail products and services. Our customized training services help you achieve your objectives quickly and efficiently by streamlining the learning process and eliminating the frustrating trial and error that often accompanies deployment of enterprise software. Training classes are hands-on courses that are tailored to meet the needs of your individual organization.

L-Soft also offers comprehensive consulting services, providing your organization with in-depth customized assistance throughout the implementation cycle. L-Soft's consultants can help integrate our products and services with your existing systems to more effectively address your email needs and to produce measurable business results. Through needs assessment, planning, implementation, testing, optimization and troubleshooting, L-Soft's consultants will guide you toward meeting your email objectives and achieving your business goals.

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Email Marketing Resources

If you wish to learn more about email marketing, L-Soft recommends these Internet sources of information:

LISTSERV® at Work

L-Soft's corporate newsletter that includes industry information, tips on how to conduct effective email communication and much more.

URL: http://www.lsoft.com/news/newsletter-us.asp (U.S.)

URL: http://www.lsoft.com/news/newsletter-eu.asp (EU)

ClickZ.com

The ClickZ network provides a massive resource center for all types of interactive marketing, including email marketing strategies and tactics.

URL: http://www.clickz.com

MarketingProfs.com

An online publishing company that specializes in providing marketing information, often through hands-on, know-how type of articles.

URL: http://www.marketingprofs.com

WordBiz Report

The newsletter of email and blogging by expert/consultant Debbie Weil.

URL: http://www.wordbiz.com/archive/index.html

eMarketer.com

eMarketer aggregates and analyzes research data about Internet business and marketing. They also publish a daily newsletter and reports on email marketing.

URL: http://www.emarketer.com/

MarketingSherpa

A media company with several newsletters that publishes various types of information, including case studies and articles, about Internet marketing.

URL: http://www.marketingsherpa.com/

Glossary of Terms

A

Above the Fold: The top part of an email message that is visible to the recipient without the need for scrolling. The term originally comes from print and refers to the top half of a folded newspaper.

Alias: A unique and usually shorter URL (link) that can be distinguished from other links even if they ultimately go to the same Web page. This makes it possible to track which message led viewers to click on the link.

ASP: Application Service Provider – A company that offers organizations access over the Internet to applications and related services that would otherwise have to be located on site at the organization's premises.

Attachment: An audio, video or other data file that is attached to an email message.

Auto-Responder: A computer program that automatically responds with a prewritten message to anyone who sends an email message toa particular email address or uses an online feedback form.

Authentication: A term that refers to standards, such as Sender ID, SPF, and DomainKeys/DKIM that serve to identify that an email is really sent from the domain name and individual listed as the sender. Authentication standards are used to fight spam and spoofing.

B

B2B: Business-to-Business – The exchange of information, products or services between two businesses – as opposed to between a business and a consumer (B2C).

B2C: Business-to-Consumer – The exchange of information, products or services between a business and a consumer – as opposed to between two businesses (B2B).

Bayesian Filter: A spam filter that evaluates email message content to determine the probability that it is spam. Bayesian filters are adaptable and can learn to identify new patterns of spam by analyzing incoming email.

Blacklist: A list containing email addresses or IP addresses of suspected spammers. Blacklists are sometimes used to reject incoming mail at the server level before the email reaches the recipient.

Block: An action by an Internet Service Provider to prevent email messages from being forwarded to the end recipient.

Bounces: Email messages that fail to reach their intended destination. "Hard" bounces are caused by invalid email addresses, whereas "soft" bounces are due to temporary conditions, such as full inboxes.

C

Challenge-Response: An authentication method that requires a human to respond to an email challenge message before the original email that triggered the challenge is delivered to the recipient. This method is sometimes used to cut down on spam since it requires an action by a human sender.

Click-Through Tracking: The process of tracking how many recipients clicked on a particular link in an email message. This is commonly done to measure the success of email marketing campaigns.

Click-Through Rate: In an email marketing campaign, the percentage of recipients who clicked on a particular link within the email message.

Conditional Blocks: A text fragment that is pasted into an email message only if certain conditions are met (for instance the recipient lives in a certain area). Conditional blocks allow email marketers to create more personalized mailings.

Conversion Rate: A measure of success for an email marketing campaign (for instance the number of recipients who completed a purchase). With email marketing, conversion rates are relatively easy to calculate because of the technology's measurable nature.

CPM: Cost Per Thousand – An industry standard measure for ad impressions. Email has a relatively low CPM compared to other marketing channels (Note: "M" represents thousand in Roman numerology).

D

Discussion Group: An email list community where members can obtain and share information. Every member can write to the list, and in doing so, everyone subscribed to the list will receive a copy of the message.

DNS: Domain Name Server (or system) – An Internet service that translates domain names into IP addresses.

DomainKeys/DKIM: DomainKeys/DomainKeys Identified Mail are cryptographic authentication solutions that add signatures to email messages, allowing recipient sites to verify that the message was sent by an authorized sender and was not altered in transit.

Domain Name: A name that identifies one or more IP addresses. Domain names always have at least two parts that are separated by dots (for instance, lsoft.com). The part on the left is the second-level domain (more specific), while the part on the right is the top-level domain (more general).

Domain Throttling: A technique that allows you to limit the number of email messages sent to a domain within a certain time frame. It is used to comply with ISPs and to avoid tripping spam filters. Many ISPs have their own policies and preferred limits.

Double Opt-In: The recommended procedure for subscribing email recipients to an email list or newsletter. Once a person requests to subscribe to a list, a confirmation email message is automatically sent to the supplied email address asking the person to verify that they have in fact requested to be included in future mailings.

E

Email Client: The software that recipients use to read email. Some email clients have better support for HTML email than others.

Email Harvesting: The disreputable and often illegal practice of using an automated program to scan Web pages and collect email addresses for use by spammers.

Email Header: The section of an email message that contains the sender's and recipient's email addresses as well as the routing information.

Email Marketing: The use of email (or email lists) to plan and deliver permission-based marketing campaigns.

F

False Positive: A legitimate email message that is mistakenly rejected or filtered by a spam filter.

Forward DNS Lookup: A Forward DNS Lookup, or just DNS Lookup, is the process of looking up and translating a domain name into its corresponding IP address. This can be compared to a Reverse DNS Lookup, which is the process of looking up and translating an IP address into a domain name.

FQDN: Fully Qualified Domain Name – A name consisting of both a host and a domain name. For example, www.lsoft.com is a fully qualified domain name (www is the host; lsoft is the second-level domain; and .com is the top-level domain).

G

H

Hard Bounces: Email messages that cannot be delivered to the recipient because of a permanent error, such as an invalid or non-existing email address.

Host Name: The name of a computer on the Internet (for example, www.lsoft.com).

HTML: Hyper Text Markup Language – The most commonly used coding language for creating Web pages. HTML can also be used in email messages.

I

In-House List: A list of email addresses that a company has gathered through previous customer contacts, Web sign-ups, or other permission-based methods. In-house lists typically generate higher conversion rates than rented lists.

IP Address: An IP (Internet Protocol) address is a unique identifier for a computer on the Internet. It is written as four numbers separated by periods. Each number can range from 0 to 255. Before connecting to a computer over the Internet, a Domain Name Server translates the domain name into its corresponding IP address.

J

K

L

List Broker: A company that sells or rents lists of email addresses. Some list brokers are not reputable and sell lists with unusable or unsubstantiated candidates. It is therefore advisable for email marketers to build their own internal lists.

List Owner: The owner of an email list defines the list's charter and policy (i.e. list description and general rules). The list owner is also responsible for administrative matters and for answering questions from the list subscribers.

M

Mail-Merge: A process that enables the delivery of personalized messages to large numbers of recipients. This is usually achieved using email list management software working in conjunction with a database.

Merge-Purge: The act of removing duplicate email addresses from a coalesced list that is composed of two or more existing lists.

MIME: Multi-Purpose Internet Mail Extensions – An extension of the original Internet email standard that allows users to exchange text, audio, or visual files.

Moderated List: Moderators must approve any message posted to an email list before it is delivered to all subscribers. It is also possible for the moderator to edit or delete messages. A moderated list puts the list owner in the equivalent position as an editor of a newspaper.

Multi-Threading: A process though which a mail server can perform multiple concurrent deliveries to different domains, which greatly speeds up the delivery of large volumes of email.

Multipart/Alternative: A message format that includes both text and HTML versions. Recipients can then open the message in their preferred format.

N

O

ODBC: Open Data Base Connectivity – A Microsoft standard for accessing different database systems from Windows, for instance Oracle or SQL.

Open-Relay: Open-relay is the third-party relaying of email messages though a mail server. Spammers looking to obscure or hide the source of large volume mailings often use mail servers with open-relay vulnerabilities to deliver their email messages.

Open-Up Tracking: The process of tracking how many recipients opened their email messages as part of an email marketing campaign. Open-up tracking is only possible using HTML mail.

Open-Up Rate: The percentage of recipients who have opened their email messages. The open-up rate is often used to measure the success of an email marketing campaign.

Opt-In: An approach to email marketing in which customers must explicitly request to be included in an email campaign or newsletter.

Opt-Out: An approach to email marketing in which customers are included in email campaigns or newsletters until they specifically request not to be subscribed any longer. This method is not recommended and may in some cases be illegal.

Out-of-Office Replies: Automatic email reply messages triggered by incoming email to a user's inbox, typically activated when users are on vacation or otherwise unavailable through email for an extended period.

Outsourcing: An arrangement where one company provides services to another company that would otherwise have been implemented in-house (See also "ASP").

P

Pass-Along: An email message that gets forwarded by a subscriber to another person who is not subscribed to the list (See also "Viral Marketing").

Personalization: The insertion of personal greetings in email messages (for instance "Dear John" rather than the generic "Dear Customer"). Personalization requires sophisticated email list management software that allows for so called mail-merge operations.

Plain Text: Text in an email message that contains no formatting elements.

POP: Post Office Protocol – A protocol used to retrieve email from amail server. Most email clients use either the POP or the newer IMAP protocol.

Q

Query: A subset of records in a database. Queries may be used to create highly specified demographics in order to maximize the effectiveness of an email marketing campaign.

R

Reverse DNS Lookup: A Reverse DNS Lookup is the process of looking up and translating an IP address into a domain name. This can be compared to a Forward DNS Lookup, which is the process of looking up and translating a domain name into its corresponding IP address.

Rich Media: An Internet advertising term for a Web page that uses graphical technologies such as streaming video, audio files, or other similar technology to create an interactive atmosphere with viewers.

S

Scalability: The ability of a software program to continue to function smoothly as additional volume or work is required of it.

Sender ID: Sender ID is an authentication protocol used to verify that the originating IP address is authorized to send email for the domain name declared in the visible "From" or "Sender" lines of the email message. Sender ID is used to prevent spoofing and to identify messages with visible domain names that have been forged.

Server: A program that acts as central information source and provides services to programs in the same or other computers. The term can either refer to a particular piece of software, such as a WWW server, or to the machine on which the software is running.

Signature File: A short text file that email users can automatically append at the end of each message they send. Commonly, signature files list the user's name, phone number, company, company URL, etc.

SMTP: Simple Mail Transfer Protocol – A protocol used to send email on the Internet. SMTP is a set of rules regarding the interaction between a program sending email and a program receiving email.

Sniffing: A method of determining whether or not email recipients are capable of receiving HTML-formatted messages. This procedure is not recommended as it is flawed and may result in inaccurate findings.

Soft Bounces: Email messages that cannot be delivered to the recipient because of a temporary error, such as a full mailbox.

Spam: (Also known as unsolicited commercial email) – Unwanted, unsolicited junk email sent to a large number of recipients.

SPF: Sender Policy Framework – An authentication protocol used by recipient sites to verify that the originating IP address is authorized to send email for the domain name declared in the "MAIL FROM" line of the mail envelope. SPF is used to identify messages with forged "MAILFROM" addresses.

Spoofing: The disreputable and often illegal act of falsifying the sender email address to make it appear as if an email message came from somewhere else.

Streaming Media: Audio and video files transmitted on the Internet in a continuous fashion.

Subject Line: The part of an email message where senders can type what the email message is about. Subject lines are considered important by email marketers because they can often influence whether a recipient will open an email message.

T

Targeting: Using demographics and related information in a customer database to select the most appropriate recipients for a specific email campaign

Tracking: In an email marketing campaign, measuring behavioral activities such as click-throughs and open-ups.

U

URL: Uniform Resource Locator – The address of a file or Web page accessible on the Internet (for example, http://www.lsoft.com).

V

Viral Marketing: A marketing strategy that encourages email recipients to pass along messages to others in order to generate additional exposure.

Virtual Hosting: A Web server hosting service that replaces a company's need to purchase and maintain its own Web server and connections to the Internet.

Virus: A program, macro or fragment of code that causes damage and can be quickly spread through Web sites or email.

W

White List: A list of pre-authorized email addresses from which email messages can be delivered regardless of spam filters.

Worm: Malicious code that is often spread through an executable attachment in an email message.

X

XML: Extensible Markup Language – A flexible way to create standard information formats and share both the format and the data on the World Wide Web.

Y

Z

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