Best Practices for Email Marketing

iContact

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Whitepaper Introduction

The goal of all marketing is to attract interest in, build desire for, and generate sales of your products or services. Email marketing is a perfect medium to pick up where other marketing leaves off. Email marketing is still one of the most cost effective ways to contact prospects and customers. It's far cheaper than traditional bulk postage mail and in many cases can have a much larger impact on immediate sales and long-term relationship strength than traditional advertising.

When done correctly, email marketing can be an extremely powerful and effective marketing technique. It's a medium that allows a buyer and seller to freely communicate with one another and build a relationship based on value and trust. When done incorrectly, however, email marketing can be destructive, erode brand equity, and turn your happy clients into litigious flamers.

The goal of this whitepaper is to provide best practice guidelines that will allow your organization to maximize its return on investment from permission-based email marketing. We hope you enjoy the information and can implement it in your iContact email campaigns. Should you have any questions, please feel free to contact us via live chat from **www.iContact.com**, or via **support@iContact.com**. Please also feel free to distribute this whitepaper in print, by email, or on your own web site, provided it is unmodified.

The Ten Most Important Tips for Email Marketers

Let's begin with the most important information first. Here is what we feel are the ten most important tips for anyone managing the email marketing process.

1. Only send emails to persons who have requested to receive them.

2. Only include content relevant to the type of content the person has requested.

3. Be consistent with your sending frequency. Pick a schedule, whether it is weekly, biweekly, or monthly and as often as you can stick to that schedule.

4. In most cases it is best to send business to business emails Tuesday through Thursday. We've found that the best times of the day to send are just after the start of the day around 9:30am or just after lunch around 1:30pm. It is best to avoid sending business to business emails after 4pm or on weekends.

5. In most cases it is best to send business to consumer emails either between 5pm and 8pm Tuesday through Thursday or between Friday evening and Sunday afternoon.

6. To improve deliverability, add a message at the top of your emails that says something like: "To ensure receipt of our emails, please add **something@yourcompany.com** to your Address Book."

7. Make the From Name for your messages either your company name or the name of a person at your company. Once you choose a From Name, keep it consistent. During the split second decision subscribers make whether to open your email, the most important factor in their decision is whether the From Name is familiar to them.

8. Be sure to include both a plain text and an HTML version of your newsletter. iContact will automatically detect which subscribers can view the HTML message and which can only see the plain text message. If you don't include a plain text message, around 5% of your recipients will see a message with nothing in it.

9. Don't use all caps or multiple exclamation marks within your subject line or body. Doing this will trigger spam filters. See our section below on Deliverability Best Practices for additional words to avoid.

10. Build your list at every opportunity you have. If you have a retail location, add a point-of-sale sign-up form. At conferences or events, bring a paper sign-up form or have a laptop with a sign-up form set up and available for interested parties. Finally, add your newsletter signup form to every page on your web site. You can use the sign-up form generator within iContact to automatically generate the code you need.

What is Permission-Based Email Marketing?

Before we proceed any further, let's define exactly what permission-based email marketing is. It is important to note that there are two types of email marketing. One can either send unsolicited email promotions or send out emails only to persons who have requested to receive them. Unsolicited email is, of course, called spam. Sending spam will ruin any legitimate organization's reputation and brand value faster than mold grows on bread that is left outside in the middle of summer. Rule number one of becoming an intelligent email marketer is to not send unsolicited email.

Permission-based email marketing, on the other hand, is used effectively everyday by hundreds of thousands of organizations to build the value of their brands, increase sales, and strengthen the relationships they have with their clients and subscribers. The key difference, of course, is that these senders are only sending messages to persons who have requested to receive them.

Let's take a second to understand the key difference between spam and permission-based emails.

The Axiom of Value

For the last 100 years, companies have relied on traditional advertising in the form of catchy jingles, TV commercials, billboards, print ads in newspapers and magazines, direct mail, hot air balloons, and waving mascots. The technique is to interrupt a radio listener, TV viewer, or magazine reader with an attention grabbing ad that compels the consumer to buy the company's product or at least have the product closer to the forefront of his or her mind next time the individual is making a buying decision.

In most instances, advertising is acceptable to the consumer. Most people don't mind seeing ads while watching television, listening to the radio, or reading magazines—or at least they understand that these ads are necessary in order to receive the content they are seeing, reading, or hearing. While technologies like TiVo, DVR, and satellite radio are challenging advertisers to come up with new methods of advertising, other technologies such as Internet television require users to watch a 30-second advertisement prior to the start of a show. The point is, as long as value is provided, consumers will be willing to be exposed to a few advertisements.

This same axiom holds true online. As long as your web site provides content that people value, visitors will continue returning to the site even if there are a few banner ads or Google AdWords boxes within the page layout. While some web sites, such as WSJ.com, have successfully switched to a subscription based model, many more web sites rely on banner, box, skyscraper, and contextual advertisements to earn the bulk of their income.

The same axiom, that as long as value is provided, consumers will be willing to be exposed to a few advertisements, also holds true with email. As long as one provides value—whether by providing content on a topic a recipient is interested in or a discount off a product related to one purchased previously—people will allow you to continue to contact them. Each and every email you send of course contains your logo, information on your products and services, and links to your web sites. These items are the advertising and should be surrounded on all sides by the items which make the communication actually add value to the lives of your readers.

Spam however, by its very nature, breaks the axiom. Unsolicited bulk email very rarely has any value. Spam is usually irrelevant, always impersonal, and rarely helpful. Everyone with an email inbox knows how aggravating it is to sort through forty new emails to only find two that are from persons you know. While spam may make money for persons in Eastern Europe promoting fake Cialis, I feel strongly that sending spam will always have a net negative impact on any legitimate organization.

For this reason, we strongly recommend only sending permission-based email, also known as opt-in email. Permission-based email marketing can be an extremely effective way to increase visitor-to-sale conversion rates, build strong relationships with your customers, and turn your one-time buyers into lifetime product evangelizers who recommend your organization to everyone they know. Permission-based email marketing allows companies to develop and sustain relationships with their prospects and consumers by creating value. Permission marketing is about "turning strangers into friends and friends into customers" as Seth Godin likes to say.[1]

The nature of permission marketing—building a relationship with a prospect or expanding the relationship with an existing customer over time—allows you to concentrate on the prospects and customers who are really interested in what you have to sell and are more than willing to become repeat customers.

[1] Godin, Seth, "Permission Marketing: Turning Strangers into Friends, and Friends into Customers",
New York: Simon & Schuster, 1999

The Five-Step Process of Permission Email Marketing

There is a simple five-step process in putting a successful permission-based email marketing campaign in place. This process is reviewed below.

Five-Step Process of Permission Email Marketing

1. Start using a permission-based email software, such as iContact, that allows you to easily create newsletters, automatically manage subscribes, unsubscribes, bounces, and view reporting statistics like opens and clickthroughs.

2. Decide on the type and frequency of email communication you will be sending. We recommend sending at least a monthly newsletter. You can certainly send multiple newsletters if you sell different types of products. You can also send promotional messages offering a discount or coupon for a product or service.

3. Add a signup form to your web site so you can start collecting subscribers and import any existing lists of subscribers that have already requested your communications.

4. Create a good email template by using a template provided within the email software, having your in-house team create one, or using the custom design services of the email software company. iContact provides over 275 design templates within the software that can be used free of charge and can also develop a custom template for a nominal charge.

5. Develop quality relevant content for your newsletter or message and send it out to your list. Continue sending your newsletters, announcements, or promotions with consistent frequency. As your list grows, you will notice increased traffic (and if applicable, increased sales) on the day of and the days following an email send.

By providing quality relevant content you will succeed in keeping your brand mindshare at the front of the mind of your customers and cement strong relationships with your subscribers.

Now that we've explored the importance of sending permission-based email, let's take a closer look at some of the techniques and practices that the most experienced email marketers use. These best practices can make the difference between rapidly growing your list through word of mouth, increasing your sales, and building strong relationships and losing subscribers to list attrition, aggravating customers, and getting your messages blocked before they even reach your recipients.

From Names & Subject Lines

For most people, a majority of emails received are junk email. As a result, each of us has developed a little ritual we follow when checking our email. Initially, most people looked first at the subject lines to determine whether to read a message. Today, however, studies have shown that recipients glance at the "From" field to see if they recognize the sender's name or email address. Then, only if they recognize the From Name do they look at the "Subject" field to see if it's of interest to them. This is why we recommend using a From Name that is either your organization's name or a well-known person within your organization—and to keep that name consistent with every mailing.

Regarding subject lines, we have found a good strategy to be having one part of the subject line be consistent, and the other be variable. This way recipients can recognize your newsletter when it comes in as well as get a small taste as to what type of information might be featured for that issue.

Some examples of bad subject lines are:

1. The Permission-Based Email Marketing Monthly for September, 1 2009 from iContact

This subject line is simply too long. We recommend keeping subject lines between 20 and 50 characters whenever possible. This 80 character subject line is likely to get cut off in most email clients and could cause the message to have a higher chance of being blocked by a content-based spam filter.

2. [FNAME]'S ENTREPRENEURS CHRONICLE FOR SEPTEMBER

This subject line is in all caps, which will increase the change the message will get blocked by content-based spam filters.

3. Garden Tips

This subject line doesn't provide any information as to what the message is about. We would recommend adding at least what month the message is for.

4. Oxy-Powder Special – Save $10 Today Only Buy Now!!!!

This subject line includes both a dollar sign ($) and multiple exclamation points. Both of these things would cause the message to have a higher chance of being blocked by a content-based spam filter.

Here's is a revised version of each of these subject lines:

1. Permission-Based Email Marketing Monthly for September

2. [fname]'s Entrepreneuers' Chronicle for March

3. Garden Tips Monthly – Are Year Round Orchids Possible?

4. Oxy-Powder Special: 15% Off

By following these tips on From Names and Subject Lines you can maximize the chance of your message being opened by your end recipients.

HTML or Plain Text, or Both?

In the early days of the Internet, say 1998 and before, when most surfers were using Internet Service Providers such as Prodigy, AOL, and CompuServe, all email messages that were sent were plain text emails.

Then, with AOL 5.0 came the ability to send Rich Text messages that allowed you to bold or italicize text, insert pictures, and add links. Still, however, most email clients (the software tools that allow you to view your email, such as Outlook, Eudora, Thunderbird, Hotmail, etc.) did not have the ability to display full HTML messages.

Today, almost all email clients have the ability to display HTML messages. While some organizations still send their emails as plain text, there are a number of advantages of sending your message as an HTML message, especially with the easy to use WYSIWYG (What You See is What You Get) HTML editors that are available. The difficulty is, even today around 5% of email recipients either are unable to view HTML messages or have turned this feature off within their clients. To solve this problem, almost all marketers today send in a format called Multi-Part MIME. Multi-part MIME is a method by which one can send both an HTML message and a text message within the same document. When using Multi-Part MIME, you simply create your regular newsletter, announcement, or promotion as an HTML message and then create a separate text version. Then, when your message is sent, all the persons who can see HTML, will see your regular HTML message, and the 5% or so that cannot will receive the text version of the newsletter. Today's email clients can automatically detect a Multi-Part MIME message and display the proper message.

It is for this reason that one should always create a text version of every newsletter that is sent out. Without a text version, the message will either show up blank or show up as garbled HTML code for the percentage of recipients who cannot view HTML messages. On a final note, you can go about creating your text message one of two ways. The first option is to recreate the message in the text-only section by copying and pasting the text from the HTML message. If you choose this method, be sure to type out the URLs of each link). The second option is to upload your HTML message to your web site and then send a message like the one below:

Dear [fname],

Your September edition of the Gardening Tips Monthly Newsletter is now available. You can read it online at **http://www.gardentips.com/newsletters/septnews.html.**

Regards,

Betty Sampson, Editor
Gardening Tips Monthly
http://www.gardentips.com

When to Email

In marketing timing is everything, but with email marketing it can make the difference between emails being read and being trashed. Naturally every person has his or her own preferential time to deal with email, but there are a few general rules of thumb for when it is best to send email messages.

If you're mailing to business recipients it's best to send email Tuesday thru Thursday, between 9:30 am and 3 pm. Studies found that Monday's are generally reserved for meetings, organizing, and catching up on all the tasks left over from the week prior and emails sent Friday afternoons are often ignored or show up at the bottom of the list when downloaded on Monday morning.

If you are emailing consumers directly, emailing between 5 p.m. and 8 p.m. is generally more successful than other times of the day. Friday thru Sunday emails are the most effective, generally because consumers are more likely to be online over the weekend and have more leisure time to ponder your offer.

These mentioned times may change based on which time zone you are in and which time zone most of your customers are in. For example, if you are based in San Francisco but most of your clients are on the East Coast of the United States, you may wish to adjust the sending windows by three hours. In some cases, we have seen some international clients segment their list by geographic location to be able to more easily send messages during the most optimal time window.

Email Sending Frequency

As with all marketing, balancing the frequency of your messages is extremely important. If you don't send enough messages, it is difficult to remain in the forefront of your customer's mind and be considered when they are ready to buy. If you send too many, you may annoy your recipient and cause them to unsubscribe.

We have generally found that either a bi-weekly or monthly sending schedule produces the best results. This may vary, however, based on your type of newsletter and subscriber that you have. One strategy could be to create a signup form that allows your subscribers to specify what mailing frequency they prefer. Then you could tailor how much material you send to each specific subscriber preference. Make sure, however, that each message you send has something of value to the end recipient. We've found that it is better to send a high quality monthly newsletter than a medium-quality weekly newsletter.

Personalization

Email marketing tools like iContact generally have a powerful method of improving open rates and response rates. This method is personalization. Message personalization can be done by inserting what is known as mail-merge fields into your message. For example, if you wanted to insert the first name of a subscriber into a message subject or body in iContact you would just type in [fname]. Take a look at the two below messages and see the difference inserting mail-merge personalization fields can have.

Message 1 - No Mail-Merge Personalization Fields

Dear Subscriber,

Thank you for purchasing one of our products in the past. Today we have launched a new online catalog that may help you in your future purchases. You can find this catalog at http://www.autobodycorp.com/catalog/.

We appreciate your business. Please know I am always here if you have any questions about your past purchases.

My warmest regards,
Frank Desean,
President Autobody Products Corp.
http://www.autobodycorp.com

Message 2 - Using Mail-Merge Personalization Fields

Dear [fname],

Thank you for purchasing [productname] on [purchasedate]. Today we have launched a new online catalog that may help you in your future purchases of [productcategory] products. You can find this catalog at http://www.autobodycorp.com/catalog/.

We appreciate having the business of [businessname]. Please know I am always here if you have any questions about your purchase of [productname] or any [productcategory] purchases that you may make in the future.

My warmest regards,
Frank Desean,
President Autobody Products Corp.
http://www.autobodycorp.com

As you can imagine, message #2, using mail-merge personalization fields, is a much more personal communications and would likely lead to a greater message response rate.

List Segmentation

There is no doubt that specifically targeted emails with valuable and relevant content work the best. By dividing your database either by interest or demographic, you will be able to appeal to the needs and wants of your consumer and improve your sales results. An effective segmentation strategy, however, begins with the sign up form. Make sure you are collecting the information during the initial signup that you will want to segment by later. iContact includes a list segmentation feature that makes it easy to segment your lists by any field in your subscriber database.

Building Your Lists

For many marketers, the gold is literally in the list. Building a list of subscribers, prospects, and customers is one of the most important activities your business can undertake. Once built, a permission-based email list can create sales for your company for years to come. Here are some tips for building the size of your lists.

Networking

Whether you have an online or offline business, networking has always been an effective way to build relationships and generate sales. There are numerous organizations such as: Small Business Support Centers, specialized industry groups, charitable organizations and business clubs that get together to share ideas and support one another. In

most cases, during a meeting people exchange business cards. Ensure that you are receiving explicit permission from these individuals prior to adding them to your email list.

> *Tip: After a networking opportunity, get in the habit of sending a quick email message (no more than 3 days later) to all the people you spoke with. Start by recapping your conversation then ask them for permission to be added to your email list.*

Trade Shows

Trade shows are an excellent resource for good sales leads; consumers that attend trade shows tend to be some of the most qualified buyers. After all they're paying an entrance fee to come to a show that is of great interest to them. To build up your database, guest books, contests, sweepstakes, or membership or discount cards work well. If you're in B2B sales, consider going to a trade show for the sole purpose of gathering leads. As long as the majority of exhibitors would be part of your target market this is a wonderful resource for top quality contact information.

> *Tip: Send a follow up email to everyone from the trade show. Mention that you met them at the trade show booth, explain how you can help them and ask permission to include them on your email list.*

Seminars

Seminars are a wonderful opportunity to solidify relationships and give clients a value added service. Whether you put on a free seminar or charge an attendance fee, seminars give companies an opportunity to interact with their customers in an entirely different environment. It's perfectly acceptable to hand out sign-up forms at public speaking engagements or seminars, so seminars are a perfect opportunity to have customers "opt-in" for another value added services, such as: newsletters, training workshops, whitepapers, product trials, etc. One effective technique is to offer advance registration, and to ask permission to send regular emails to update customers during the promotion. By doing so, in essence you have permission to communicate with those that may not be able to attend a particular seminar, but were interested in receiving information.

Point-of-Sale Sign-up Forms

Retailers have an ideal opportunity to interact with customers and gather information for their database. If you're a retailer, consider adding a point of purchase display that offers a free subscription to your newsletter. Make sure you include the benefits of signing up for the newsletter such as product coupons, special news updates, and valuable related content. Also include approximately how often the person will be contacted.

Events

Parties, concerts, gallery openings, or any other occasion where people gather together provide an opportunity to build your email address list. If you're hosting such an event, consider having your guests fill in a registration form or go to a check-in booth to leave their contact information. Another possibility is to have an associate with a clipboard work the room. It's always a good idea to offer some kind of incentive to boost sign-ups, however, make sure that it's an incentive that can be delivered by email.

Customer or Prospect Calls

Whenever a customer service representative has a customer or prospect on the phone, it's a perfect opportunity to obtain additional contact information, as well as information about specific customer preferences. Consider instructing all customer service representatives, call center staff, as well as your sales staff to ask customers and prospects a few vital questions that would help out your email marketing campaign. By asking good questions you will show your customers and prospects that you care about their opinions. Studies show that when good questions are asked, it gives the perception that the inquirer is knowledgeable, caring and courteous.

Post Cards

Post cards can be a cost effective way to approach prospects and customers and get them to opt-in or subscribe to your email promotions. It's especially effective for customers that have given you their mailing information but not their email address. Consider sending a post card with your website address and an enticing opt-in sign-up offer that would be of value to your customers and prospects.

Catalogs

Regular catalogs that inform customers and prospects about products or services are an effective way to remain in the forefront of your customers' minds. The downside is that they can be costly to produce and unless your catalog can generate sales, it can be a fairly expensive marketing tool. Consider creating an electronic catalog that can be emailed to customers in a user friendly and widely accepted format, such as a PDF.

One-to-One Email Messages

Many non-selling employees, such as accounts payable, or repair and maintenance personnel communicate regularly with prospects or customers directly via email on a one-on-one basis. By embedding an opt-in request and enticement within employee email signatures, you can increase your exposure and build up your database with every message you send.

Other Places to Include Information on How to Subscribe to Your Newsletter

6. On customer satisfaction surveys
7. On product shipping forms
8. In confirmation or transaction emails
9. On credit card receipts
10. On warranty and product registration cards
11. On Invoices
12. Within articles
13. Within press releases
14. On trade show lead forms
15. On sweepstakes entry forms
16. On shopping cart order forms
17. Company publications

Tips for Creating an Effective Sign-up Form

There are many aspects that make a sign-up form effective. Follow these guidelines when including a sign-up form within your marketing campaign.

1. **Positioning** - It stands to reason that the more often your prospects are exposed to your sign-up form the greater the chance that they will notice it and actually sign up. But as with anything else, people also have a saturation point and if they are exposed to a message too often it can backfire as well. It's always best to strategically place your sign-up forms and approach a prospect and customer when they are the most receptive. We have found the best places to put a sign-up form are either on the top right of a page, on the left hand navigation bar, or at the bottom of the page directly after the content.

2. **Enticement** - An effective sign-up form is only as good as its enticement. Your "enticement line" will play a key role in attracting attention and convincing people to trust you enough to give you their contact information. It's best to explain the benefits of your enticement and include a few samples, testimonials and a strong call to action. An example "enticement line" would be: Subscribe to the Garden Tips Monthly Newsletter now to receive tips, tricks, and techniques from experts on how to better grow and care for the most beautiful garden in your neighborhood."

3. **Offer Opt-In Incentives** - There are a variety of incentives that when used properly will significantly increase conversion rates. Added bonuses like, whitepapers, discounts and special reports have been proven to entice prospects into leaving contact information as well as their permission to be contacted with further information. Within your welcome message, you automatically provide a link to an extras that you promise or include coupon codes.

4. **Form Design** - A well-designed registration form can substantially improve conversion rates. Far too often complex registration forms, that are not clearly explained, make a consumer skeptical. Unless you integrated your sales lead form with your newsletter subscription form, it's wise to keep your registration form simple and the information you request to a minimum. Focus on the key contact information first and throughout your relationship request additional details. To maximize subscriptions, most site owners will just ask for first name and email address initially. On your form, make sure you clearly outline your privacy policy, as well as what customers will receive after they sign-up.

iContact provides a sign-up form generator that allows users to easily generate professional sign-up forms for their newsletters.

The Deliverability Challenge

As the volume of spam has grown, ISPs have been forced to take extraordinary measures to protect their network and customers. According to Deirdre Baird, President, Pivotal Veracity, an estimated 70 to 80% of all email traffic is spam.[5] According to AOL, spam is the number one complaint among its 27 million members. And, the ISP recently announced that it has surpassed filtering 2.7 billion spam emails per day.

The concern to legitimate permission-based mailers, of course, is the number of false positives that ISPs block. A false positive is a legitimate permission-based email message that is blocked for having either content or sending attributes that cause the ISP filtering software to believe the message is spam.

Regardless of whether you are using web-based email marketing software, such as iContact, or sending emails on your own, it is important that you understand the rules of deliverability so that you can overcome certain challenges and maximize the chances that your email messages reach their destination. Below you'll find some information on improving your deliverability rates.

Getting Added to Recipients' Address Books

One of the most important things we encourage our users to do is ask their recipients to add their sending email address to their address books. This is very important as an increasing number of ISPs are starting to block all email from being delivered that are not approved in advance by recipients. In order to remind your customers to take the step of adding your From Address to their address book, we recommend that companies add a single, explanatory sentence at the top of their emails.

Here are a couple of examples:

To ensure receipt of our emails, please add something@yourcompany.com to your Address Book. Thank you!

To ensure delivery of this newsletter, please add newsletters@yourcompany.com to your email address book.

Adding this language to the top or bottom of your message can, over time, greatly improve your deliverability rates.

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[5] Deirdre Baird, Pivotal Veracity "Pivotal Veracity" May 2009

Understanding Can-Spam & Relevant Legislation

Spam is the electronic equivalent of junk mail. It's the less targeted "unwanted" email that most consumers find annoying. The trouble is that the term "unwanted" is fairly vague. What one individual may perceive as unwanted and annoying, another may find valuable and beneficial. As such, it is important to clearly understand anti-spamming legislation, blacklisting, filtering and a few other key elements that are pertinent to the handling of spam.

Before doing any email marketing, to ensure complete compliance, your business should be aware of the following legislation "The CAN-SPAM Act of 2003", which can be read online at:
http://www.ftc.gov/bcp/conline/pubs/buspubs/canspam.htm.

We recommend following the guidelines of CAN-SPAM, whether you are in the United States or not. There are six basic requirements that you must diligently follow so that your emails are not considered or labeled as unsolicited commercial email:

The Six Key Provisions of CAN-SPAM

1. The email message must not have misleading of falsified header information.
2. The message must not have a misleading subject line.
3. The message must come from a functioning return email address.
4. Senders must remove all unsubscribe requests within 10 business days.
5. Commercial email must display the physical postal address of the sender.
6. Any unsolicited emails must clearly identify that it's an advertising message, and contain a prominent notice that gives the recipient the opportunity to decline further emails from you.

It is important to note that iContact ensures that each message you send is completely CAN-SPAM compliant.

With the introduction of the CAN-SPAM Act and other recent legislation, maintaining opt-out lists becomes increasingly important. All emails sent must provide a return email address or another Internet based response mechanism that allows a recipient to ask you not to send future email messages – and you must comply. The law states that once an opt-out request has been received, your have ten business days to stop sending emails to the requestor's email address. This is where email marketing software such as iContact, that can automate this unsubscribe process, become so vital.

One thing is for sure; the more complaints received by Internet Service Providers (ISPs) the more likely the government or major industry groups will intervene to make it harder to send permission-based email messages. Most ISPs make reporting spam a very simple process. AOL for example, encourages its customers to simply click a button to report spam and all complaints are analyzed carefully.

This means that for email marketers, it's necessary to make sure that any customers stored within your database can be removed quickly and properly. iContact has built in subscriber management that automatically will process unsubscribes.

As well as knowing the key points of the CAN-SPAM Act of 2003, it's advisable that U.S.-based organizations that send a large amounts of emails also review other aspects of compliance including:

- The TCPA of 1991 (regarding, among other items, unsolicited facsimile traffic)
- The Digital Millennium Copyright Act of 1998
- The Children's Online Privacy Protection Act
- Child Online Protection Act
- The Michigan Children's Protection Registry Act of 2009
- The Utah Child Protection Registry Act of 2009

Understanding Blacklists

If you're sending out emails using your own software and receiving many spam complaints, chances are you'll eventually get blacklisted. A blacklist is a list of Internet Protocol (IP) addresses (the numbers that operate as an online address for your web server) that have been reported as sending unsolicited email.

If you get blacklisted, we recommend contacting the blacklist administrator and asking what the procedure to be removed is. In most cases, if you can provide evidence that you are only sending messages to persons who have requested them (by, for example, providing the blacklist administrator with the IP address and timestamp when the person opted-in), your sending IP address will likely be removed within a few days. You can check whether your sending IP addresses are on any blacklists at **http://www.openrbl.org and http://www.dnsstuff.com**.

If you're using a web-based email marketing service, it is generally the responsibility of the software provider to build relations with the Internet Service Providers and blacklist administrators so their sending IP addresses remain off blacklists and your messages can get through to your subscribers. The largest blacklists include Brightmail, SpamCop, Spamhaus, SURBL, and SORBS. iContact has built strong relationships with all the major ISPs and maintains feedback loops with AOL, United Online (Netzero, Juno, Bluelight), Microsoft, — ensuring industry leading deliverability rates for your messages.

Words to Avoid

Large ISPs, such as AOL, MSN, and Yahoo block millions of spam messages every day based on content alone. These content-based spam filters take a close look at words with in the subject lines or message body. Here's a list of some of the more commonly used words and phrases that the most common spam filters tend to dislike:

Words to Avoid Using in Your Email Message

Free	Act Now	All New
50% Off	Call Now	Subscribe Now
Earn Money	Discount	Double Your Income
You're A Winner!	Million Dollars	Opportunity
Compare	Removes	Collect
Amazing	Cash Bonus	Promise You Credit
Loans	As Seen On	Buy Direct
Get Paid	Order Now	Please Read
Don't Delete	Time Limited	While Supplies Last
Why Pay More	Special Promotion	Information You Requested
Stop	No Cost	No Fees
Satisfaction Guaranteed	Serious Cash	Search Engine Listings
Join Millions	Save Up To	All Natural
You've Been Selected	Excessive $ or !	

Simply using one of these words or phrases will likely not cause your message to be blocked. If possible, however, we would suggest using a synonym or rewording and making your best efforts not to use more than one of these phrases in the same email message.

Tip: Avoid putting capital letters and punctuation symbols, such as quotations, dollar signs, or exclamation points into your subject lines, as they tend to trigger email filters.

Reducing the Risk of False Positives

Following these emailing guidelines will reduce the chance of your message being blocked or reported as spam:
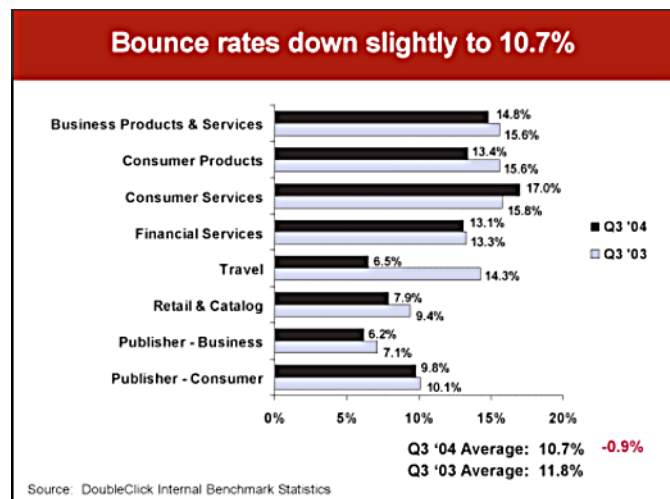
1. Use the above listed trigger words sparingly.
2. Remove content that may be offensive to others. Content, which annoys, harasses, threatens, defames, or abuses others in any way.
3. Never post or disclose information about individuals under the age of 13, without verifiable parental consent.
4. Avoid linking to or publishing any information about controlled substances, pyramid schemes, gambling, illegal drugs and drug contraband, alcohol, weapons, pirated materials, foul language, extreme violence, pornography, illegal goods, escort services, instructions on making, assembling, or obtaining illegal goods or weapons, information used to break copyright or trademark violations, to destroy others' property, or to harm any people or animals.

Reducing Bounce Rates

Managing and reducing email bounces is a crucial component of email marketing. The more emails that get through, the lower the email delivery costs, and the higher the conversion rate and return on investment will be. Bounces are generally caused by one of four reasons. Common bounce reasons include:

1. The recipient inbox is full.

2. The recipient email address does not exist or is spelled incorrectly.

3. The mail server at the ISP of the end recipient is temporarily down or unreachable.

4. The mail server is blocking the message due to content-based or blacklist-based filtering.

On average, bounce rates are around 10%. For the first few sends, this ratio may be higher as the initial bounces are processed and removed from your list. iContact includes an automated bounce management system. The system automatically removes any email address that has bounces five times. We decided on the number five as we wanted to minimize the chance we would remove an email address that is good but was simply full for a few weeks.

Bounce rates down slightly to 10.7%

	Q3 '04	Q3 '03
Business Products & Services	14.8%	15.6%
Consumer Products	13.4%	15.6%
Consumer Services	17.0%	15.8%
Financial Services	13.1%	13.3%
Travel	6.5%	14.3%
Retail & Catalog	7.9%	9.4%
Publisher - Business	6.2%	7.1%
Publisher - Consumer	9.8%	10.1%

Q3 '04 Average: 10.7% -0.9%
Q3 '03 Average: 11.8%

Source: DoubleClick Internal Benchmark Statistics

Here are some tips to help you reduce the number of bounces.

1. Includes subscription management links in your emails and encourage subscribers to update their information if it ever changes. IContact will automatically add a "Manage Your Subscription" link at the bottom of each email. Encouraging users to use the link within the body of your email if their information ever changes may be helpful.

2. Use an email marketing service that will automatically remove multiple hard bounces.

3. Use the mail or phone to update the email address of anyone who is repeatedly bouncing.

4. Remove any abuse@ or postmaster@ "spam flag" addresses.

5. Consider Using An Email Change of Address (ECOA) Service such as Return Path, TowerData, or Experian if you find that many users are changing their email address but forgetting to provide you with their updated information.

The Pros & Cons of Double Opt-In

Double opt-in refers to the process of requiring new subscribers to confirm their subscription by clicking on a link within a confirmation email. A list that requires users to double opt-in will generally have a much lower spam complaint rate, a lower unsubscribe rate, a higher response rate, and a lower bounce rate. As such, a number of email newsletter publishers are transitioning into using double opt-in during their newsletter subscription process.

These benefits noted, there is a downside to using double opt-in. Our data shows that around 40% of subscribers that initially opt-in fail to ever confirm their subscription. This means, that out of every 100 new subscribers, you would never be able to reach 40 of them. Losing 40% of your newsletter subscriptions over the long run could have a large negative impact on your sales. That noted, the added qualification of confirmation could be just what you need to ensure your marketing efforts are spent on only those truly interested. While some services require double opt-in confirmations, we prefer to leave the choice up to each individual client.

The Largest ISPs & How They Manage Spam

For all ISPs, spam is a real concern, especially for the larger ISPs. They have many filters and guidelines in place to help fight forgery of email domains, as well as various types of spam.

Today, many are creating "whitelists". Whitelists are lists of IP addresses that have built a good relationship and reputation for following emailing standards. If you are on a whitelist, your mail has a much better chance of being delivered, so request to be whitelisted. As mentioned above, iContact maintains whitelist status on all the major ISPs that offer Whitelisting including AOL, Yahoo, Earthlink, Juno, and Netzero. Here is some further information on how each of the major ISPs fights spam.

AOL

AOL continually evaluates standards that provide enhancements to spam fighting for AOL members and the Internet community as a whole. Since the significant majority of spam is forged, AOL uses Sender Policy Framework (SPF) records. SPF distinguishes forgeries from real mail before the message is transmitted. iContact ensures SPF record compliance and has also set up a feedback loop and established whitelist status with AOL. AOL allows each member to control their individual mail preferences and what goes into their spam folder. You can visit **http://postmaster.aol.com** to review AOL emailing standards.

Microsoft: (MSN / Hotmail)

Microsoft has been working with its customers as well as others across the industry to better protect email as an essential communications tool. The company is embracing email authentication technologies like the Sender ID Framework (SIDF) and continues to invest in anti-spamming, anti-spoofing and anti-phishing initiatives. Microsoft uses a new content filtering technology called SmartScreen, which has a sophisticated filtering system. Microsoft also uses a commercial blacklist provider, known as Brightmail to filter junk email. You can visit **http://postmaster.msn.com** to find out more. iContact maintains an active feedback loop with Microsoft so we can monitor our performance among Microsoft recipients and ensure that our deliverability is excellent.

<u>Yahoo</u>

Yahoo uses a content filter called SpamGuard. SpamGuard automatically directs messages that are considered unsolicited bulk mail and puts them into a separate, "bulk mail" folder within their member's mail account. They also provide a "spam" button located above the message that members can use to manually report spam messages. Yahoo members also set up a blocker to match the address or domain of a particular sender. You can visit **http://antispam.yahoo.com** for more information.

The Sender ID Initiative

Sender ID is the method Microsoft has recently started using to check whether an email is actually coming from the company the message headers say it is coming from. Sender ID is expected to reduce spam as well the number of spoofing or phishing emails that try to steal financial information.

<u>What You Need to Do</u>

If you are sending emails to @hotmail.com or @msn.com addresses (you most likely are) you will need to become compliant with Microsoft's Sender ID email verification program before October 2009. After October 2009 all emails that are not Sender ID compliant will not be delivered to Hotmail or MSN email accounts.

To become Sender ID complaint visit **http://anti-spamtools.org/**, follow the onscreen wizard to create SPF records, and add the mail server IP addresses of your email marketing company to the list of "Outbound Mail Server Addresses" for your domain. If you use iContact, the IP addresses you need to add are:

216.27.93.118
216.27.93.119
216.27.93.120
216.27.93.121
216.27.93.122
216.27.93.123
216.27.93.124
216.27.93.125
74.202.227.41
74.202.227.42
74.202.227.43
74.202.227.44

You may need to ask for help from your IT department or Web hosting company to complete this process. Alternatively, you may wish to consult iContact's **knowledge base solution** regarding Sender ID Authentication.

Glossary of Related Terms

ASP – ASP stands for Application Service Provider. It is essentially an organization that provides a web-based software tool. iContact is an example of an ASP.

Access Database software – Part of the Microsoft Office Suite. Organizations often store customer data in Access databases.

Autoresponder - A set of immediate or timedelayed messages that are emailed to someone after they request it.

Blacklists – Lists of domains and IP addresses that have been reported or accused of sending spam. You can check blacklists at **www.openrbl.org** and **www.dnsstuff.com**.

Bonded Sender – A type of delivery insurance, stamp of approval company for email marketing companies. If you purchase the IronPort Bonded Sender Certificate, they will guarantee that your mail gets delivered to the large ISPs that they have relationships with.

Bounce back handling – The process of dealing with email messages that bounce. Caused by a 'bad' email address or an address that is temporarily over its size quota or on a server that is temporarily down.

Bounces – Emails that have been sent back to sender as the recipient email address was invalid or presently not working.

Built-in WYSIWYG Editor – Allows users to create their own HTML newsletters right on the sending page, without knowing HTML.

Clickthrough tracking – Tracking the number of clicks that occur on each link in an email message.

Customer Relationship Management (CRM) – The ability to keep track of every interaction with every prospect and customer and keeps tracks of trends and tabulates results of such notes on an aggregate scale. Essentially, an intelligent interface that allows keeping notes of every action, sale, phone call, email, fax, etc. Allows businesses to better know their customers and target messages to portions of their customers and prospects. CRM is an integrated system designed to identify, acquire, and retain customers. CRM helps organizations maximize the value of every customer interaction by managing and coordinating customer interactions across multiple channels and departments.

CSV – Comma separated value. A specific format in which each new field is separated by a comma.
Ex: John,Smith,john@smithman.com,male,37.

Custom fields – Fields that one may use to personalize each message (see mail merge personalization). These custom fields allow our customers to import and store additional data such as address, city, state, zip code, country, birthday, spouse's name, dog's name, product purchased, date of purchase, notes, or any other data.

Database – A storing of records. Databases are made up of tables. Tables are made up of columns and rows. Data is stored in a field (aka cell). Popular types of web databases include SQL and MySQL.

De-duping – The act of removing duplicates from a list.

Delivery speed – How fast a emailing software can deliver mail.

Domain – The URL one types in to go to your web site.

Double opt-in (confirmed opt-in) – Single opt-in is when a visitor subscribes to a newsletter via a form on the web site. They have opted-in once. Double opt-in is when a visitor subscribes to a newsletter via a web site and then is sent a confirmation email. The visitor will only be added as a subscriber if they verify their email address and desire to receive the newsletter. Generally, the visitor must either *a) click a link in the email* or *b) reply to the email.* This is called double opt-in. Using double opt-in will give a list-owner a cleaner list (no bounces) and less spam complaints, although they will lose many of their subscribers who, for one reason or another, forget to or do not confirm their subscription.

Email client – What a person uses to view their email. Popular email clients include Microsoft Outlook, AOL mail reader, and Eudora. There are also popular web-based email clients including Hotmail and Yahoo. Often, HTML messages will display differently in different email clients.

Email list management software – Software that allows users to collect, import, and manage subscribers.

Email marketing software – Allows users to send out newsletters to their lists and track results. Standard features include mail-merge personalization, message scheduling, and bounceback handling.

ESP – ESP stands for Email Service Provider. An ESP is a specific type of Application Service Provider (see ASP). iContact is an example of an ESP.

Excel – A spreadsheet program which is part of the Microsoft Office Suite. Used by many organizations to store the data for their lists before import. Can be used to convert data into CSV format.

Ezine – An 'electronic magazine.' Essentially the same as an email newsletter. Usually sent on a regular schedule. Contains content. Not an announcement or promotion list.

Feedback loops – Set up with Internet Service Providers. Once a feedback loop is set up, the ISPs will contact you and ask you to deal with the complaint. If a feedback loop is not set up, the ISPs may blacklist you without giving a chance to defend yourself. AOL, Juno, and Netzero provide feedback loops.

Harvesting Emails – Using a spider to extract emails from pages on the internet, either through a search starting from a single page or a search based on a specific term put into a search engine.

HTML – Hypertext markup language, the basic programming language of the Internet.

HTML templates – An arrangement of graphics within which a email newsletter content can be inserted.

Importing – Bringing subscribers into the system in mass quantities. Once a data file is in the proper CSV format, it can be imported into the system.

IP address – The Internet Protocol Address. Ex. 209.51.151.158. Before the dynamic name server (DNS) system was setup in 1994, one would have to type in numbers (the IP addresses) to go to a web site. The DNS system allows one instead to simply type in the domain name. The DNS translates the domain name into the IP address and then directs the visitor to the server (or part of the server) that the requested domain name is hosted on.

ISP – Internet Service Provider. The provider of dial-up or broadband internet service that a consumer or business uses. Common ISPs are AOL, Juno, Netzero, Earthlink, and Time Warner.

Mail merge personalization – The ability to, on the fly for each email, insert data from the database into specific fields in an email. For example, one may place Dear [fname] in an email. When each email is sent out, a call to the database is made to retrieve the actual first name of that subscriber. It then 'pastes' this data into the email. Dear John or Dear Judy will result. This is a powerful tool as it allows our customers to send out personalized emails to their subscribers. One could send out a message such as:

> **Example:**
> *Dear [fname] [lname],*
> *I wanted to personally thank you for purchasing [product] or [date]. I hope your [disease] is doing better. Please*
> *let me know how you have been and if I can answer any questions.*

Maximum lists – Many of our competitors will only allow the creation of one list. Some get around this by offering different 'interest groups' or 'targeting' within this list.

Message headers – The 'hidden' lines of text/code that is above each email message. Every email sent has a header.

Message preview – The ability to see what a message looks like before it is sent.

Message scheduling – The ability to set a time in the future for a message to start to be delivered to recipients.

Metrics – Term used to refer to message statistics such as open and click through tracking, number of bounces, number of unsubscribes, etc.

Multi-part MIME – All messages have a header on them called Content-Type. A message can be sent as text, text/html, or multipart/alternative. If it is sent as multipart/alternative, the message is sent using formatting referred to as Multi-part MIME. The advantage of sending via Multi-part MIME is that the email will automatically display as HTML if the subscriber's email client can read HTML, but revert to text if the subscriber's email client cannot read HTML, or has it

turned off. Within a Multi-part MIME email, both the HTML message and text message are sent. Between the HTML message and the text message there is a boundary. This boundary is defined in the Content-type header.

Multiple message autoresponder – A series of messages that is sent out at certain time intervals which are set by our customer. One could use a multiple message autoresponder to send out a ten day ecourse for example. One email ("tip") would be sent each day for 10 days. This can be a very good way to increase a visitor to sale conversion rate, build a relationship with a prospect, and improve the likelihood of a prospect or customer remembering your brand.

Open Tracking – The ability to keep track of the number of opens ("reads") a message gets.

OpenRBL.org – Web site through which one can view what blacklists a site is on.

Opt-in – A term that refers to any subscriber that has specifically requested an email newsletter. If they have signed up through your web site, they are opt-in. If you used a spider to harvest emails from the Internet and then added these persons as subscribers to your site, they are not opt-in. This latter tactic is often used by those who send out Spam.

Permission-based – (see opt-in). Essentially, any list that contains only opt-in subscribers and does not contain any purchased lists or lists of persons who have asked to receive one type of newsletter and will be sent what they have not requested, such as additional promotions or newsletters on a different topic.

ROI – Return on investment. The amount of money one makes from an investment divided by initial investment.

Sign-up form – A form that is to be put on a web site and allows visitors to subscriber to a company's newsletters and announcement lists.

Single opt-in – A subscriber that joins via a web form who does now have to 'verify their email address' or reply to a confirmation email to join. Most newsletter owners prefer single opt-in, as it maximizes the number of subscribers on a list, although bad email addresses are possible.

Spam – Unwanted email that was sent without the permission of the recipient. Also known as unsolicited commercial email.

SpamCop.net – A blacklist (but time based). A service that tracks Spam and forwards Spam complaints to ISPs and hosting companies. If one does not have the proper relationships or feedback loop with the ISPs, a few complaints to an ISP or hosting company can get your Internet access and hosting turned off. If you are blacklisted by Spamcop, you need to contact them through their website.

UCE – Unsolicited Commercial Email. Another name for spam.

URL – Uniform resource locator. Another name for a web site address.

Unsubscribe link – The link at the bottom of each email which allows visitors to unsubscribe or modify/update their information.

Web-based – Can log into online.

Welcome email – Email that is sent to subscribers after they subscribe to a newsletter. Doesn't go out unless the client (our customer) sets this option.

Whitelisting – Opposite of blacklisting. Many ISPs have lists of sites with which they have built good relationships with and trust. If your sending fits their standards, it may be possible to add yourself to a whitelist. If you are on a whitelist, your mail has a much better chance of being delivered.

WYSIWYG – Stands for 'What You See is What You Get.' Refers to a type of HTML editor that allows users to use a program similar to Microsoft Word to easily design an email message or web page without having to write any code.

About the Author

Ryan P. M. Allis is the CEO of iContact Corporation, developers of the iContact email newsletter and marketing software (**www.iContact.com**). Ryan is also Chairman of the Board of Virante, Inc., a North Carolina based web marketing and search engine optimization firm, founder of The Entrepreneurs' Coalition, a nonprofit organization dedicated to encouraging entrepreneurship in developing countries, the founder of **www.zeromillion.com**, an online community of and resource for entrepreneurs and business people, and a volunteer with Junior Achievement of Eastern North Carolina. Ryan is the author of the books *Zero to One Million: Building a Company to a Million Dollars in Sales*, available at **Amazon.com**, and *Obtaining a #1 Ranking in the Search Engines*, available at **www.searchenginesguide.com**.