



Abstract:

This white paper provides an introduction to e-mail marketing and guidance on how this effective discipline can benefit your company. Time-tested strategies for developing successful e-mail marketing campaigns and advice on how to get the most value out of your e-mail marketing efforts are also discussed.

Successful E-Mail Marketing Practices

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1. Introduction

E-mail marketing is the wave of the future. Fast and cost-effective, e-mail must become an important part of your integrated marketing and media plan.

Peppers and Rogers Group

Today's businesses are looking for economical ways to stretch their marketing dollars. Many companies have already turned to more cost-effective methods such as e-mail marketing to reach their customers. Although a relatively new marketing channel, more than \$6.8 billion will be invested in e-mail marketing resources by 2006.¹

Implementing an effective e-mail marketing communications platform involves multiple tasks, such as gathering a list of recipients, defining content and format, delivering the message and evaluating the results of your marketing campaign. With successful e-mail marketing practices, companies will experience the return on investment required to justify expenditures.

Having been in the e-mail industry since 1994, L-Soft can provide you with an introduction to e-mail marketing and guidance on how this effective tool can benefit your company. The following pages will serve as a guideline for those who wish to build an e-mail marketing platform and are looking to best utilize this proven marketing tool.

Inside this white paper are time-tested strategies for developing a successful marketing campaign that we hope you will find of value as you strive for success in your e-mail marketing efforts. For more information about e-mail marketing or L-Soft's products and services, please contact info@lsoft.com.

Sincerely,

The L-Soft Team

2. Fast Facts



- ♦ Forty-five percent (119 million) of Americans now use e-mail, a 10 percent increase since 2000 - *U.S. Department of Commerce, February 2002*²
- ♦ There are 95 million e-mail users in Europe holding about 200 million e-mail accounts - *Forrester, October 2001*³
- ♦ About 1.5 billion e-mail messages are sent per day in the United States, nearly three times the volume of direct mail pieces delivered daily by the USPS - *eMarketer, May 2001*⁴
- ♦ The average cost per message of opt-in e-mail is \$.20, significantly cheaper than telemarketing (\$1.00-\$3.00 per message) or direct mail (\$.75-\$2.00 per message) - *eMarketer, May 2001*⁵
- ♦ E-mail marketing messages are sent at a cost of \$5 to \$7 per thousand while direct mailings cost \$500 to \$700 per thousand - *eMarketer, August 2002*⁶
- ♦ Eighty percent of e-mail marketing message responses come back within 48 hours, as compared with the 6-8 week period for traditional direct marketing methods - *Jupiter Research, May 2001*⁷
- ♦ Permission-based e-mail generates click-through rates (CTR) ten times greater (3.2 vs. 0.3 percent) than that of banner advertising - *eMarketer, May 2001*⁸
- ♦ Three out of five consumers prefer text-only formatted e-mail ads over HTML or rich media-based e-mail - *eMarketer, August 2002*⁹

3. Benefits of E-Mail Marketing

1. E-Mail is Inexpensive

E-mail is far less expensive on a cost per contact basis than other advertising options, including banner ads, print advertising and telemarketing. Thirty-five percent of Association for Interactive Marketing (AIM) member companies report that the cost of sending a single B2C e-mail marketing message is less than 1 cent.¹⁰

2. E-Mail Creates Quick Response Cycles

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

3. E-Mail Marketing Campaign Results Are Measurable

Campaign success can be measured using software designed to record responses or sales that are attributable to e-mail marketing efforts. Reports can be generated on the number of e-mails 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.

4. E-Mail Has a Wide Reach

E-mail 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.

5. E-Mail Drives Web Site Traffic and Registration

E-mail is an effective way of driving recipients 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.

6. E-Mail Strengthens Brand Awareness and Builds Customer Relationships

Regularly delivered e-mail messages that contain properly titled subject lines and logos reinforce company and product awareness. Marketers are 10 times more likely to cite branding over lead capturing as a goal of an online campaign. E-mail creates an interactive connection with customers and nurtures long-lasting, quality relationships.

7. E-Mail Can Be Highly Customized

When e-mail 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).

8. E-Mail Saves You Time

According to the Association for Interactive Marketing, member companies that use e-mail marketing to administer campaigns rather than traditional direct mailings save 60% in time costs.

9. E-Mail is Easy to Implement and Requires Limited Resources

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

The Value of E-mail

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 you may not have realized many of the benefits of sending your newsletter via e-mail. In addition to saving costs (including paper, printing and postage), e-mail allows you to do things that you would not otherwise have been able to do if you chose the direct mail option.

If you choose to e-mail 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 e-mail 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 direct mail to deliver the newsletter, there is very little you can do to quantify what portions of the newsletter are popular and are being read.

E-mail makes a difference. This is why more and more marketers are turning to e-mail to conduct marketing initiatives.

4. How to Market with E-Mail

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

1. Sending company newsletters and building an online community

Inform IT, a subsidiary of Pearson Education (NYSE: PSO) that provides an online resource for technology information, uses LISTSERV® Maestro to deliver more than 20 newsletters to Web site members about topics ranging from programming to networking. These newsletters have enabled Inform IT to build a strong IT community that subscribers can depend on for up-to-date technology news.

2. Sending announcements and updates

Consulting firm **InterImage** was selected by the U.S. Department of Commerce's Minority Business Development Agency to develop an effective method to market the agency's annual conference. InterImage chose LISTSERV® Maestro's hosting alternative to administer five mailings to 137,000 opt-in recipients with the goal of increasing awareness for the event. After the initial mailing, the agency received 45,000 unique Web hits (it had 233 the day before the mailing) and is experiencing higher registration rates than in past years.

3. Offering special discounts and sales incentives

British Airways maintains more than 70 LISTSERV® lists. Currently, the airline is focused on furthering the development of its customer relationships. British Airways has recently been running targeted personalized campaigns offering customers special discounts and promotions. So far, these e-mails have proven popular with recipients.

4. Offering reminder services

As a free service to its community of women, in 1999 **Lifetime TV** launched the Lifetime Breast Self Examination Reminder Service to raise public awareness of breast cancer and the importance of early detection. Visitors to Lifetime TV's Web site are given the opportunity to register for monthly examination e-mail reminders. Since its creation, the Breast Self Examination Reminder list has been a tremendous success. Today, the subscriber base of the LISTSERV® list is 61,000.

5. Sending order confirmations and billing notifications

In an effort to make billing information more accessible to customers, **Bell Canada**, the country's largest telephone company, decided to offer a service called *Bill Viewing*. Monthly e-mails that included a link to billing information were sent to customers who had subscribed to the service. The monthly billing notifications also served as an effective marketing tool for the company by providing links to special promotional offers and other incentives. In the three years Bell Canada has offered Bill Viewing, the subscriber base of the company's LISTSERV® lists has steadily risen to 300,000.

Database Integration

A unique advantage of e-mail marketing is its 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 a customer's history and buying habits in order to more effectively target and customize your messages. For instance, if you sell outdoor gear, you may configure your e-mail 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.

As an added bonus, database integration allows you to send messages with personalized greetings, like "Dear John," rather than "Dear Customer."

5. Four Steps to a Successful E-mail Marketing Campaign

1. Gather a List of Subscribers

In order to begin any e-mail marketing campaign, you must first compile a list of e-mail addresses from those who have agreed to receive your messages. This is known as **opt-in* e-mail marketing and is a very important part of your campaign. eMarketer reported in May 2001 that only 6 percent of permission-based e-mail is deleted unopened, while 59 percent of **opt-out* e-mail is deleted unopened.¹¹

Building a quality permission-based e-mail list will save you time and achieve more desirable results. When compiling these lists be sure to make your privacy policy clear to your subscribers. 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 e-mail addresses and given you permission to send messages. Depending on how your business operates, there may be opportunities to collect your customers' e-mail addresses through purchase orders or other forms. Or, perhaps e-mail 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.

*According to eMarketer, "**opt-in**" and "**opt-out**" are concepts that have been developed to identify two kinds of privacy mechanisms and adapted to permission e-mail. The opt-out method of e-mail 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, e-mail cannot be sent unless the individual has expressly given permission.

Today, many governments, e-mail solutions providers and consumer protection agencies recommend "**double opt-in**" procedures as a further step to prevent unsolicited e-mail messages. After a respondent checks the permission box, an automated e-mail message is sent to the provided e-mail address to certify that the person did in fact provide permission to receive correspondence. 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 e-mail addresses may be obtained through sign-ups on your Web site or in-store locations (known as **Point-of-Presence** collection). Advanced e-mail 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.

c. List Brokers - companies that specialize in compiling opt-in e-mail lists. However, please remember to follow the old adage, "buyer beware!" when choosing to take this route. Some list brokers sell unsubstantiated or unusable addresses.

List Brokers

Buying or renting a list from a broker may be a risky proposition for many reasons:

1. The list may contain old addresses or consist of people who did not knowingly give permission to have their names sold.
2. The list may not consist of people meeting your specific demographic requirements and are not good prospects.
3. The list may have been sold or rented previously to your competitors or simply been sold so many times that the recipients are receiving countless other offers.

Even if you choose to purchase or rent a list from a vendor, understand that the best lists will always consist of names of people that you have compiled yourself. When asked to name the most successful element of an e-mail marketing campaign, 84% of marketers chose "Quality of List."¹² Check with the Direct Marketing Association (DMA) for a directory of reputable list vendors. <http://www.the-dma.org/>



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 membership. 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 and should not be confused with spammers.

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 e-mail 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:

SUBJECT: Last Minute Fare Specials for Weekend Getaway

At this point you may wish to consider what format your message will be sent in: text-only, HTML (text capable of containing embedded graphics) or MIME/Multi-Part format.

HTML mail has the ability to strengthen your message by combining fully graphical images (like your company or brand logo) with text. Studies differ greatly whether HTML or text is more popular overall, but some trends have been established by non-partisan research. For instance, less experienced e-mail users tend to desire HTML mail, while more seasoned users seem to favor text-only.¹³ Still, it is advisable to allow subscribers to choose their desired format themselves. Recipient format preference can be stored in your database much like you would store other preference and demographic information.*

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

*Please note that not all e-mail 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 e-mail, as this procedure simply examines a computer's settings and not necessarily the program used to read e-mail.



A Word About Spam

One of the hottest buzzwords in the e-mail marketing industry today is "spam," or unsolicited commercial e-mail (UCE). Unfortunately, because e-mail marketing is relatively inexpensive, unscrupulous culprits have flooded inboxes with unwanted junk mail. By 2006, U.S. e-mail recipients will receive 1,671 spam messages per year, up from 738 in 2002.¹⁴ Most likely, legislative and judiciary bodies will continue to debate how best to combat this growing problem for years to come. In the meantime, there are several measures you can take to stem the tide of spam and stay clear of problems:

- ♦ Use a **recognizable domain** (address) that states your company or product name
- ♦ **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 jurisdiction's codes to assure that you follow the **latest guidelines** of e-mail marketing (this is particularly necessary when operating in or sending messages to Europe)
- ♦ Choose **reputable companies** to fulfill both your e-mail list software and list brokering needs

It Doesn't Pay to Spam

Seventy-seven percent of unsolicited e-mail is deleted before it is even opened,¹⁵ so there is very little incentive to send messages to those who have not opted-in for your mailing. In fact, U.S. Internet users cite the fact that they "know and trust" the sender as the primary reason for responding to e-mail marketing messages.¹⁶

3. Getting Your Message Out

As your e-mail 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 e-mail 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 is properly formatted. 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. If you are sending HTML mail, it is extremely important to check whether your message is viewable in both Microsoft Internet Explorer and Netscape browsers. If you are not technically savvy, it is advisable to consult your staff Webmaster or consult with a professional in this field.

b. Scheduling Delivery

A valuable feature of advanced e-mail marketing and e-mail 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 e-mail address, scheduled delivery becomes even more valuable.



Marketers have generally been more successful when they schedule home users for weekend delivery - the time they are most likely to recreationally check their e-mail. 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.

*Also note that 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.

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 e-mail content. E-mail marketing programs are capable of recording whether recipients open up your message, and if they do, whether or not they clicked on the embedded link included within the text. 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 e-mail marketing campaign.



Privacy

One of the biggest advantages of e-mail 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 results 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 into 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** (see Glossary of Terms for explanation of terms).

Once you have determined the method with which you wish to measure data, you need to choose your preferred method to view tracking data. You may wish to view results online in real time or download data into spreadsheet software, such as Microsoft Excel. With either option, you have the ability to create highly intuitive reports that help you evaluate the strengths and weaknesses of your e-mail marketing campaign.

Viruses

Nothing will bring your e-mail 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.

6. Twenty Tips for Establishing a Successful E-Mail Marketing Campaign

Do:

- ♦ 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 - some people forget they signed up to receive information
- ♦ Make membership to your list valuable by offering deals that non-members cannot receive
- ♦ Make sure that your company's name (or product name) is clearly stated in the domain name which appears in the "Sender" line of the e-mail
- ♦ 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 a staffed telephone number or e-mail address
- ♦ Provide subscribers with clear instructions of how to be removed from future mailings, and make sure that your Privacy Policy is easily accessible
- ♦ Plan mailings for specific, opportune times so subscribers are expecting your messages and are properly suited to respond
- ♦ Personalize headers with recipients' names, and tailor messages that are ideally suited for different target segments
- ♦ Choose software that is capable of performing as your lists grow, scans outgoing messages for viruses and can 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
- ♦ 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 airfares incentives that originate from airports that do not correspond with the zip codes members have provided
- ♦ Overload recipients with too many e-mails - only offer truly special deals
- ♦ Cram too many messages into a single e-mail or send large attachments that may clog subscribers' inboxes
- ♦ Neglect to test messages for formatting errors, especially when sending HTML messages or when contacting AOL users
- ♦ Rely on your e-mail program's spellchecker - have several colleagues proofread your message for spelling and grammatical errors
- ♦ Sell or rent your e-mail lists to other organization unless you have been given specific permission to do so
- ♦ Expect every campaign will be an immediate home run - crafting quality messages takes time and requires feedback

7. How E-Mail Marketing Software Works



Although many marketers prefer to concentrate less on the technical side of e-mail marketing and more on the content of the messages, it is important to have a basic understanding of how e-mail marketing software works. In order to efficiently conduct an advanced e-mail marketing campaign, it is essential to employ professional e-mail 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 e-mail address to an e-mail recipient list for future mailings.

Your e-mail list management software should have the ability to automatically handle all list subscriptions and sign-offs as well as bounced e-mail messages. The software should also be capable of connecting to your database and pulling out specific information about your 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 e-mail responses is an important part of an e-mail 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 e-mail that you may one day require. The quality of your e-mail delivery system determines the rate at which e-mail is delivered. Your company may find it worthwhile to invest in a faster and more robust e-mail delivery software to guarantee that your e-mail 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 e-mail industry. The company's **LISTSERV®**, **LISTSERV® Maestro** and **LSMTP®** software products, and **ListPlex®** and **EASESM** hosting services keep more than 2,500 worldwide customers' e-mail operations running smoothly and effectively.

8. How to Choose an E-Mail Marketing Solution

By 2006, more than \$6.8 billion will be spent on e-mail marketing solutions. As the industry continues to grow, more and more vendors will offer products and services to satisfy the demand. But, as we have seen during the last few years, technology companies can disappear just as quickly as they enter the arena. How then can you be certain that your investment in e-mail marketing software and services will be sound? Here are a few key questions to consider before you decide to purchase an e-mail marketing solution:

1. Will the Software Scale as My Needs Increase?

Most likely, one goal of your e-mail marketing agenda will be to grow your list and perhaps create additional lists. If you purchase an e-mail 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 e-mail 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 e-mail 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 an e-mail 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 e-mail 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?

E-mail 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 e-mail marketing needs to companies that offer such services before bringing operations 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 Money's Worth?

E-mail 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 business sense for your company.

Hosting vs. Licensing

Before selecting a solution, you must evaluate which arrangement will best suit your needs: hosting or licensing. If you choose to license software, you will conduct all operations on your premises. With hosting, e-mail marketing operations (all functions except content creation) are run by another company that has expertise in that field.

Hosting vs. Licensing		
	Hosting	Licensing
Benefits	<ul style="list-style-type: none"> ◆ Requires less investment of time ◆ Lower initial investment - no need to buy hardware or software ◆ Low human resource investment ◆ Quick set-up 	<ul style="list-style-type: none"> ◆ 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 host - ask your provider for a threshold number of messages that reflects the point at which licensing becomes more cost effective
Requirements	<ul style="list-style-type: none"> ◆ Personnel experienced with creating e-mail marketing messages 	<ul style="list-style-type: none"> ◆ Server hardware ◆ Appropriate bandwidth ◆ Proficient and experienced personnel capable of maintaining hardware and bandwidth requirements ◆ Personnel experienced with creating e-mail marketing messages
Limitations	<ul style="list-style-type: none"> ◆ Less control over your campaign ◆ More expensive in the long run ◆ Dependency on your provider 	<ul style="list-style-type: none"> ◆ Higher initial investment that is recuperated if e-mail traffic is large.

9. Do I Need a CRM Solution to Conduct E-Mail Marketing Campaigns?

The short answer is a resounding "no." CRM, or Customer Relationship Management, is a concept that has become well known over the last five years. The term 'CRM' is rather vague but can best be described as, "comprising of the methodologies, software, and Internet capabilities that help a company manage customer relationships in an efficient and organized manner." The downside of CRM solutions is not in principle, but in what they actually deliver for the price.

Without question, one of the most important elements of a customer relationship platform is e-mail marketing. However, this is where CRM solution providers fall short. According to the Aberdeen Group, companies that have invested in costly CRM solutions are disappointed with CRM's lack of functionality in this area¹⁷. Aberdeen suggests that companies are now turning to true e-mail marketing technology suppliers to provide the mission-critical solutions that CRM vendors cannot offer. In addition, these companies are finding that e-mail marketing vendors can accomplish the customer relations objectives for a fraction of the cost CRM providers charge.

When investing in technology, always choose products and services from companies that have demonstrated solid expertise and years of experience in a specific field.

Taking Action

Now that you have a solid foundation of knowledge for what will be needed to achieve your e-mail marketing objectives, it is now time to begin capitalizing on this innovative opportunity to drive sales, build company and brand awareness and build quality long-lasting relationships with customers.

Here is what you need to do:

1. Research Providers

Web sites, white papers and industry analysts, such as Forrester Research, Aberdeen Group and Gartner Group, are the best places to start your search. Search engines should point you to the multitude of online product evaluators that have undoubtedly covered all the vendors you would be interested in. You may also want to check with trade organizations, such as the DMA, to make sure that the company you do business with is favorably recognized within the industry.

2. Investigate Possible Integration and Other Resource Problems

If you have heavily invested in a customer database, eliminate any vendor from your list of candidates that cannot properly integrate its solution with your database. Also, make sure that you have the proper bandwidth, hardware and personnel in place to orchestrate a sizable e-mail marketing campaign. If not, perhaps an outsourced alternative is an appropriate solution.

3. Have a Plan to Acquire Subscribers

Building an opt-in e-mail list is a challenge. Consumers are constantly bombarded with e-mail offers in their inboxes. Outline a plan to acquire subscribers that involves creating value and tailoring messages based on your customers' demographics, online history and preferences. Clearly define your privacy policy for recipients to gain their trust. Word of mouth is important in the online community, and news travels fast. Provide subscribers with quality offers, and they will pass along your messages to friends and colleagues.

4. Explore the Opportunities

E-mail is a fantastic medium for marketing your products and services. E-mail is universally popular, reaches decision makers and is technologically advanced. Apply your marketing experience and expertise to the technology, and you will enjoy the results. It is that easy. If you are having trouble getting started, check out marketing trade magazines such as DM News and various American Marketing Association publications to read success stories and find ideas. The possibilities are nearly limitless, so trust your marketing skills and let the technology do its job.

10. L-Soft Products and Services



LISTSERV® E-Mail List Management Software

L-Soft's flagship product, LISERV®, was developed by L-Soft founder Eric Thomas in 1986 and was the first product created for managing e-mail lists. LISERV® enables users to administer any size e-mail lists - from as many as several million subscribers to as little as a few. LISERV® is currently used to manage more than 235,000 lists and delivers about 35 million messages per day.

The software is available for Windows 2000/NT/XP; Unix: Solaris (SPARC/Intel), Linux (Intel and S/390), AIX (PowerPC), Tru64, HP-UX, IRIX, FreeBSD, BSDi; OpenVMS (Alpha) and VM.

Databases to which it can connect to include IBM DB2, Oracle®, MS SQL Server, MySQL and any ODBC-compliant database.



LISTSERV® Maestro

New to L-Soft's line of products, LISERV® Maestro complements LISERV® and provides organizations with advanced software technology for conducting e-mail marketing campaigns. LISERV® Maestro guides marketers through the steps of preparing e-mail campaigns for delivery: 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 2000/NT and Unix (Linux, Solaris).

- ♦ The easy-to-use Web interface guides marketers through each step of campaign development - from message creation to response evaluation.
- ♦ Marketers can choose the degree of personally identifiable information that is collected for tracking reports to protect the privacy of e-mail recipients.
- ♦ Marketers can view tracking data online in real time or download it for further analysis.
- ♦ LISERV® Maestro is compatible with other solutions and can be implemented rapidly.
- ♦ The outsourced LISERV® Maestro alternative is available for customers who want to manage and track e-mail marketing campaigns without hardware or software investments.



LSMTP® E-Mail Delivery Software

LSMTP® is the fastest e-mail delivery application available on the market. Clients with large e-mail workloads appreciate the performance and ease of use this software provides. A single server equipped with LSMTP® once delivered 1.87 million messages in an hour.

The software is available for Windows 2000/NT and OpenVMS.



ListPlex® and EASESM E-mail List Hosting Services

ListPlex® and EASESM e-mail 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 e-mail 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 e-mail objectives and achieving your business goals.

11. Contact

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12. Glossary

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 e-mail message.

Autoresponder: A computer program that automatically responds with a prewritten message to anyone who sends an e-mail message to a particular e-mail address or uses an online feedback form.

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

Conversion rate: A measure of success for an e-mail marketing campaign. With e-mail 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. E-mail has a relatively low CPM compared to other marketing channels (Note: "M" represents thousand in Roman numerology).

CRM: Customer Relationship Management - The methodologies, software, and Internet capabilities that help a company manage customer relationships in an efficient and organized manner.

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

Customization: The insertion of unique content in e-mail messages based on geographic, demographic or other database-driven information regarding an individual customer or a segment of customers. Customization requires sophisticated e-mail list management software working in conjunction with databases.

Discussion group: An e-mail list community where members can obtain and share information.

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

Download: To transfer a copy of a file from an Internet server to one's own computer.

E-mail: The most popular application on the Internet, e-mail allows you send and receive text, images and audio files. E-mail is known as the "killer-app" because it is the most popular online activity and a vital tool for electronic commerce.

E-mail bounces: E-mail messages that fail to reach their intended destination. "Hard" bounces are caused by invalid e-mail addresses, whereas "soft" bounces are due to temporary conditions, such as overloaded inboxes.

E-mail marketing: The use of e-mail (or e-mail lists) to plan and deliver permission-based marketing campaigns.

Freeware: Free computer software usually made available on the Internet.

FTP: File Transfer Protocol - A tool used for transferring files between computers on the Internet.

Host name: The name of a computer on the Internet, such as www.lsoft.com.

HTML: HyperText Markup Language - The most commonly used coding language for creating Web pages.

In-house list: A list of e-mail 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.

Internet: The largest worldwide computer network.

Intranet: An Intranet is a private network within an organization that is similar to the Internet, but is not capable of being accessed from the outside.

List broker: A company that sells or rents lists of e-mail addresses. Some list brokers are not reputable and sell lists with unusable or unsubstantiated candidates. It is therefore advisable for marketers to build their own internal lists. See "**in-house lists.**"

Mail-merge: A process that enables companies to deliver personalized messages to large numbers of recipients. This is usually achieved using e-mail list management software working in conjunction with a database.

Merge-purge: The act of removing duplicate e-mail 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 e-mail standard that allows users to exchange text, audio or visual files.

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

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

Open-up rate: The rate at which recipients open (read) the e-mail messages they have received as part of a marketing campaign.

Operating system: A program that manages all other programs in a computer, such as Windows or unix.

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

Opt-out: An approach to e-mail marketing in which customers are included in e-mail 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 e-mail reply messages triggered by incoming e-mail to a user's inbox, typically activated when users are on vacation or otherwise unavailable through e-mail 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.**"

Personalization: The insertion of personal greetings in e-mail messages, such as "Dear John" rather than the generic "Dear Customer." Personalization requires sophisticated e-mail list management software that allows for so called "**mail-merge**" operations.

Privacy: A major concern of Internet users that largely involves the sharing of Personally Identifiable Information (PII), which includes name, birth date, Social Security number and financial data, for example.

Protocol: The set of formal rules that describe how to transmit data, especially across a network of computers.

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

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.

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

Server: A program that acts as a 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 e-mail 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 e-mail on the Internet. SMTP is a set of rules regarding the interaction between a program sending e-mail and a program receiving e-mail.

Snail mail: Traditional or surface mail sent through postal services such as the USPS.

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

Spam: (also known as unsolicited commercial e-mail) Unwanted, unsolicited junk e-mail.

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

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

Tracking: In an e-mail marketing campaign, measuring behavioral activities such as click-throughs and open-ups. There are four levels of tracking:

Personal Tracking: Each tracking event can be traced back to the recipient who triggered it. Specific information about the recipient will be traced as well as which links were clicked and how many times the recipient clicked on each.

Anonymous Tracking: The collected tracking data cannot be traced back to a specific recipient but can be associated with an anonymous recipient profile. Specific information about the profile such as region, state, city or age can be retrieved, as well as how many times a recipient clicked on a certain link and how many of the clicks are unique.

Unique Tracking: The collected tracking data is recipient unspecific. The sender is able to know how many times a certain link was clicked and how many of those clicks are unique. However, it is not known who clicked on a certain link.

Blind Tracking: The tracking data is completely recipient unspecific. The sender can only retrieve general information about opened messages and clicked links. It is not known who opened the messages and clicked on the links, or whether these clicks are unique or multiple clicks from the same person.

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

Viral marketing: A marketing strategy that encourages e-mail 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 HTML code that causes damage and can be quickly spread through Web sites or e-mail.

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.

13. Endnotes

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