

Best Practices in Email Marketing

Put the Action in Transactional Email

Transforming your service-based messages into revenue opportunities is easier and less expensive than you think...with the right strategy and infrastructure solution.

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While transactional email offers the highest open and click-through rates of any type of email, most companies continue to send plain-text email¹ with no branding or dynamic cross-sell offers. This white paper will show you how to put the action in your transactional email to gain a competitive advantage through superior customer engagement.

THE TRANSACTIONAL EMAIL OPPORTUNITY

With spam filters wreaking havoc for email marketers, the convergence of marketing and transactional email isn't surprising. Unlike bulk marketing email, transactional messages stand a better chance of reaching the inbox and being opened since they contain valuable consumer information that is desired and expected.

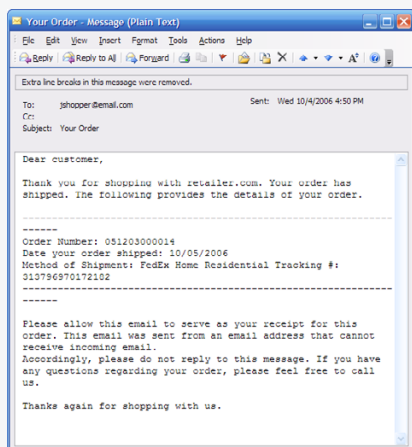
However, most companies aren't leveraging this effective communication channel for marketing, branding or other revenue generating activities. In fact, less than one percent of email marketing funds are spent industry-wide on transactional email.²

This lack of investment in transactional messages is evidenced by the plain-text emails that often confirm a new subscription or product purchase. These generic emails rob companies of an incredible opportunity to reinforce their brand perception and to leverage the customer's positive decision by showcasing relevant products and services. Moreover, static transactional emails are completely inconsistent with the richly interactive website experience that caused the email to be sent in the first place.

Now is the time to transform transactional email into an extension of the website experience. By capitalizing on this opportunity, companies can generate significant incremental revenue while reinforcing their knowledge of and respect for the customer relationship. All they need to do is dynamically generate HTML-based transactional email that incorporates relevant cross- and up-sell offers based on customer data already in their eCRM and other databases.

Of course, generating relevant marketing content isn't just a good sales technique; it's also critical to respecting the balance between the transactional and marketing message components. Maintaining this balance helps ensure that customers don't mistakenly identify an important transactional email as spam. Furthermore, keeping the messaging predominantly focused on the transaction is a requirement of CAN-SPAM, which will be discussed later in this paper.

What's Wrong with this Email?



- No Personalization
- No Branding
- No Dynamic Content
- No Cross- or Up-sell

¹ Harte-Hanks metrics, 2005. (70% open rate for transactional email vs. 33% for opt-in marketing email; 15% transactional click-through rate vs. 8% marketing)

² JupiterResearch, "E-mail Model," November 2005. (\$947 million for retention and acquisition vs. \$3 million for transactional estimated for 2006)

Transactional Marketing for the Masses

While there are legislative and technical requirements to consider, marketing with transactional email doesn't have to be limited to the Amazon.com's of the world. There are affordable solutions that companies of any size can use to get started quickly, easily and cost-effectively. In addition to their transactional capabilities, these technical solutions can also offer improved email deliverability and tracking to maximize ROI.

Getting started now can significantly boost your bottom line. JupiterResearch estimates that the average online retailer could generate \$500,000 annually by improving the delivery and cross-selling abilities of transactional email³. And that doesn't take into account the value of offering a consistent brand identity across every customer touch point.

Putting the action into your transactional email is easier than you think, and this paper will show you how to get started and be successful.

Key things you will learn

- ✓ Real-world benefits of adding marketing and branding to transactional email
- ✓ Guidelines for meeting CAN-SPAM requirements
- ✓ Technical requirements for leveraging transactional email
- ✓ How to get started with a marketing program for transactional email

EXTENDING THE WEBSITE EXPERIENCE

When it comes to establishing an online identity, companies spend a lot of time and resources on building an interactive and engaging website to acquire customers and promote follow-on sales. Sophisticated websites can recognize a returning customer and offer up dynamically generated banner ads and personalized messages based on their page views, purchase history and other behaviors. This is a smart use of the customization capabilities made possible through advances in Internet technology, web design and data retrieval. However, these same companies often fail to leverage similar opportunities with the most effective communication vehicle they have – the transactional email.

Once a company succeeds in getting a customer to sign up for a newsletter or make a purchase at its website, an email is automatically generated to confirm the interaction. And that's where the disconnect happens. When the website session ends, so does the one-to-one interaction. The confirmation email usually arrives with none of the branding or customization that the customer has experienced on the website. The company thereby misses the opportunity to reach beyond the web session with the kind of personal messaging that will drive customer back to the site.

"As an astute marketer, you probably already collect customer data and have built the rules for personalized interactions at your website," said Dave Lewis, vice president of market development at StrongMail Systems. "Why not use these resources to reach beyond the web session and drive customers back to your site. Why not use them in your transactional email?"

"As an astute marketer, you probably already collect customer data and have built the rules for personalized interactions at your website. . . Why not use these resources in your transactional email?"

Dave Lewis
V.P. of market development
StrongMail Systems

³ JupiterResearch, "Optimizing Transactional E-mail Messages," May 2005.

Bringing a Customized Experience to Transactional Email

Knowledge is power, and that extends to the customer information in your eCRM systems and other databases. Leveraging that data to extend relevant cross- and up-sell offers into your transactional email only makes sense. And that's only one of the benefits.

Transactional email has the added value of being 'event-triggered.' Generally speaking, a marketing message appropriately conceived to leverage an event will always outperform a broadcast one because you're more likely to hit an in-market customer. In the case of transactional email, the transaction is the event. Following on the event with the right marketing message based on customer data is the most effective way to capture your customer's attention.

There are many other advantages to transforming your static, plain-text transactional email into a dynamic communication tool, including:

- > Delivery of a fully branded message that is consistent across the entire online experience
- > Personalized communication that builds rapport by acknowledging the existing customer relationship
- > Increased cross- and up-sell purchases based on current purchases or other real-time interactions
- > Higher open and click-through rates from a message that is 100% relevant, anticipated and personal
- > Access to an in-market consumer who has already demonstrated an interest in your company

WORKING WITHIN CAN-SPAM'S LIMITATIONS

The CAN-SPAM Act does place restrictions on what you can and can't do with transactional email. However, these restrictions do allow companies to take a responsible approach to integrating marketing messages into their transactional email. Once you understand the rules, it's fairly easy to design messages that conform.

The rules issued by the Federal Trade Commission (FTC) under the CAN-SPAM Act are very straightforward. They're intended to keep the focus on the transactional nature of the message. And that's in your best interest as a marketer too. Keeping the focus on the transaction maintains the relevancy of the message so customers are less likely to ignore them or choose another, more costly contact method.

"For most senders of mixed content emails, the safest course would be to adhere to the higher standard of commercial messages..."

J. Trevor Hughes
Executive Director
NAI / ESPC

CAN-SPAM Provisions

The Email Service and Provider Coalition (ESPC) offers a compelling interpretation of CAN-SPAM's provisions that can be easily understood and applied to the design of your dynamic transactional email. Of course, you'll want to get guidance from your own legal counsel as well.

CAN-SPAM Act & FTC Regulations

Factors to Consider for Mixed Commercial and Transactional Messages

J. Trevor Hughes, Executive Director, NAI / ESPC

Transactional messages are subject to fewer regulations under the CAN-SPAM Act than 'commercial' electronic messages. For most, deciding whether their message is transactional or commercial under the Act is relatively straightforward.

Examples of Transactional Messages

The Act describes certain familiar types of 'transactional' messages, such as:

- Warranty information
- Product recalls
- Changes in terms or features
- Subscriptions
- Material relating to accounts or loans
- Account balance information
- Employment information
- Delivery of specific goods or services

All of these examples are operational messages that flow from an already existing agreement or contractual relationship with the recipient. Generally speaking, such messages are not advertisements, and are not considered commercial.

Mixed Transactional Messages

However, sometimes transactional messages may also contain some commercial content in the body of the same message (e.g. an advertisement for other services or for services from partners) that can convert them to 'commercial' status under the Act. To determine whether a mixed transactional message can avoid triggering the additional compliance requirements associated with commercial messages, the FTC's regulations on the subject focuses on two aspects of the message: the subject line and content placement.

Subject Line Test

A transactional message cannot contain a subject line that would lead a reasonable recipient to think that the message contains an advertisement or promotion. For example, a subject line that says "Your monthly account statement" would likely satisfy this standard, whereas "Stay cool with hot deals this month!" probably would not. A subject line that says both would probably be problematic as well.

Content Placement Test

The regulation also indicates that all or the substantial part of the transaction content (and not the advertising part) of the message must appear at the beginning of the email message. The idea is to look to the first part of the message that a receiver will see. If they see the transactional content and the rest of the advertising falls toward the end of the message, then the rule is likely satisfied.

PREREQUISITES FOR LEVERAGING TRANSACTIONAL EMAIL

Realizing the potential of transactional email takes more than swapping out plain text for HTML. It also takes more than balancing your transactional and marketing content, satisfying CAN-SPAM requirements, or applying other best practice tips. The core challenge comes down to whether you have the right infrastructure to generate transactional email with the right marketing message in the first place.

The core challenge comes down to whether you have the right infrastructure to generate transactional email with the right marketing message in the first place.

When evaluating the various transactional email solutions available, you'll want to be sure that they adequately address the following five areas:

- 1 Integration.** Your first priority should be to ensure that your email infrastructure is tightly integrated with your back-end business processes and data sources. By doing so, you'll be able to effectively trigger emails, customize messages to customer preferences and behaviors, and ensure a consistent customer experience across multiple touch points. Without such integration, you simply won't be able to leverage the marketing opportunity that transactional email affords you.
- 2 Dynamic Content.** Having achieved the right level of integration, you'll next need to have a dynamic content engine to assemble and generate relevant messages. This is especially critical for transactional email, since customers have the expectation that you know them. Sending them a generic marketing message is not only a wasted opportunity; it could relegate your transactional email to the same fate as your bulk marketing email – the junk folder.
- 3 Real-Time Delivery.** A transactional email is often a business-critical communication that requires expedited delivery. Any delay can erode profits through an increase in customer service calls. Consequently, you need to ensure that your marketing messages can be automatically inserted into your transactional email and sent promptly and securely to your customers. Anything less and you run the risk of negating the advantages provided by marketing-enabled transactional email and potentially diminishing the value of your brand.
- 4 Visibility.** Sending out transactional email without any visibility into its deliverability or open and click rates is akin to flying blind. Accurate, detailed and real-time reporting is essential to properly managing your service and marketing activities conducted via email. Without such information, you give up the opportunity to default to alternate channels in delivering your important transactional messages or to capitalize on the most successful marketing messages associated with them. The reporting should also provide accurate bounce management data that can be easily acted upon to improve deliverability and maintain clean lists.
- 5 Flexibility.** In order to be successful with your marketing efforts, you need the flexibility to test different creative approaches and quickly adjust your templates accordingly. If you're locked into a rigid process, or one that's costly to change, you'll be powerless to take advantage of new learnings. Scalability is also important to ensure that you have the flexibility to meet future needs.

"With widespread customer adoption of email and the convergence of marketing and service communications, the time has come for companies to embrace digital messaging as a core corporate competence."

Sam Cece
CEO
StrongMail Systems

Taking advantage of transactional email is more than just adding offers and graphics. You have to do it right, and that's only possible with an email infrastructure that can accommodate the factors discussed above. And those are just the base requirements – you should also consider ease of deployment, reliability, control and data security.

If your current email infrastructure comes up short, you'll need to select a new solution that can deliver on all fronts while accommodating future growth. With the right solution in place, you can quickly realize the marketing potential of transactional email.

OVERVIEW OF TRANSACTIONAL EMAIL SOLUTIONS

One reason companies have been slow to adopt the marketing use of transactional email is the perception that the barrier to entry is too high. In fact, there are solutions available today that can be quickly and cost-effectively implemented with minimal IT resources.

Essentially, there are three options for taking advantage of transactional email:

- 1 upgrading a proprietary in-house solution;
- 2 outsourcing to an email service provider (ESP); or
- 3 implementing a commercial in-house solution.

Each option has its pros and cons as illustrated in the following chart and described below.

Comparison of Transactional Email Solutions												
Key	Cost		Technology						Performance			
	Implementation Cost	Ongoing Cost	Ease of Deployment	Flexibility	Reliability	Integration	Control/Data Security	Dynamic Content	Optimized Delivery	Real-time Delivery	Visibility/Reporting	Scalability
Key ● Excellent ◐ Good ◑ Fair ◒ Inferior ○ Poor	○	○	○	◑	◑	◑	●	○	○	◑	◑	○
Proprietary In-House	○	○	○	◑	◑	◑	●	○	○	◑	◑	○
Outsource/ESP	◑	○	◑	◑	◑	◑	◑	◑	◑	◑	◑	◑
Commercial In-House	◑	●	◑	●	●	●	●	●	●	●	●	●

Proprietary In-House Solutions

The perceived barrier to entry is due in part to a focus on the costs and resources required for upgrading a proprietary in-house solution to leverage transactional email.

Given that most custom in-house solutions are cobbled together with freeware and an eclectic mix of disjointed applications, it's not surprising that companies see the process of tying together and maintaining all those systems in support of transactional email as a daunting task.

While the financial and resource hurdle can be quite high for a proprietary system, there are other downsides as well. Once built, these systems are often difficult to manage and lack the flexibility to easily accommodate future changes. Plus, even achieving an ability to deploy transactional email doesn't take into account the reporting on deliverability and other key metrics that marketers demand.

Without accurate and adequate reporting, companies will find themselves unable to identify and address deliverability challenges or measure the effectiveness of their integrated marketing messages. So while proprietary in-house systems do afford the advantages of control and data security, they seldom meet the needs of the service and marketing organizations that rely on them – or the IT departments that are tasked with supporting them.

Outsourced Solutions

Outsourced solutions offer one alternative to the costly pursuit of upgrading a proprietary, internal system. Email service providers (ESPs) have begun to embrace transactional email with solutions that allow companies to add HTML branding and cross-sell offers to these service-based communications.

ESPs may be attractive for some companies that don't have the development resources in house to upgrade a custom solution. They also provide the benefit of taking care of all the details for you – from design to delivery and reporting.

Downsides to ESPs may include ongoing costs, reliability, control and data security.

Downsides to ESPs may include ongoing costs, reliability, control and data security. Cost can be a major factor when outsourcing transactional email to an ESP. Not only can the initial setup be expensive, but so can the inevitable changes needed to keep your transactional message responsive to your customers' needs. The lower volumes typically associated with transactional email make it difficult for ESPs to discount their CPM rates and other sending charges.

For companies whose use of email is business-critical, ESPs often can't provide the timeliness for real-time delivery, flexibility for rapid response to changing market conditions or even the reliability needed for maximum availability.

Inherent in any outsourced solution, companies need to contend with the transmission of data back and forth and its synchronization with their own databases. This process can be an obstacle to creating dynamic content, which is a fundamental component of transactional messaging. The upload or relay of sensitive data to/from an ESP can also represent a potential data security risk and pose challenges if the data needs to be readily accessible for compliance or legal review.

Aside from these risks, the need for transmission and synchronization can also inhibit or delay the critical integration of data with CRM systems and call centers. This can

prevent companies from having a global view of customer touch points across the organization and be informed and responsive when interacting with customers. In a world rapidly moving toward real-time interactivity, this is a risk many companies can't afford to take.

In summary, while there is certainly a logistical benefit from having an ESP manage every aspect of your transactional email, the benefit may be offset by the high costs, data security and latency risks, and lack of control.

One way to maintain control of your email operations for maximum flexibility, reliability and data security is to go with a commercial in-house solution.

Commercial In-House Solutions

One way to maintain control of your email operations for maximum flexibility, reliability and data security is to go with a commercial in-house solution. A third-party email solution can combine the performance benefits of an ESP with the control and data security of a custom in-house solution. Commercial solutions can also be much more cost-effective than ESPs or home-grown options. With no CPM charges, the ongoing costs are often much lower than an ESP, which leads to a faster return on investment.

Commercial in-house solutions also offer an advantage in real-time delivery, which is essential for transactional communications. Online consumers expect responses in real-time, and that's only possible through a tight integration with e-commerce, content management and CRM systems.

Because a third-party transactional email solution can be implemented directly into your IT infrastructure, you can easily use available APIs to tie it to relevant databases and systems. That integration enables real-time interaction and ensures that all data is readily accessible for interaction with customers at your call center and elsewhere in the organization – or for legal or regulatory compliance review.

Finally, commercial in-house solutions provide companies with ultimate control over their data and practices. By retaining email expertise in-house, companies have the flexibility to make changes to their email capabilities on the fly. There is no lag time from uploading data or templates to an ESP, or waiting for an account team to respond to your requests. The right commercial in-house solution can provide you with all the technical requirements necessary to build a successful program, as discussed in the next section.

"Embedded in the insource/outsource decision is a bigger issue that your CMO – or even CEO – will want to consider," said Sam Cece, CEO of StrongMail. "With widespread customer adoption of email and the convergence of marketing and service communications, the time has come for companies to embrace digital messaging as a core corporate competence."

GETTING STARTED

Once you've selected and implemented a transactional email solution with all the right infrastructure components, there still remains the challenge of integrating transactional email into your current marketing processes. The following steps will help you evaluate and leverage the transactional email marketing opportunities that exist at your company.

Inventory Your Transactional Messages

The obvious first step is to inventory all of your current and planned transactional messages. When evaluating your various types of customer email communications, keep in mind that transactional messages take on many different forms. While confirmation emails for website registrations and product purchases are the most obvious, don't forget to include warranty information, periodic account balance notifications, product updates and other terms-of-service communications.

Create Objectives for Leveraging Each Type of Message

After identifying all of your transactional emails, you'll next want to determine what kind of marketing messages are best suited for each communication. Cross- and up-sell product offerings are the most obvious marketing messages, but there are many other messages that can drive customer retention and engagement with your brand. These include relevant resources, such as whitepapers and consumer guides, or even information on local weather or events. In some cases, you may just want to reinforce a positive perception of the brand itself. Just be sure your messages are relevant to the transactional message and your audience.

Develop Dynamic Email Templates and Integration

Now that you've associated a marketing message with each transactional email type, you'll need to design a dynamic email template with business rules that pull the relevant information from various internal and external databases. Integration with these systems will enable you to send a customized, real-time message that demonstrates your understanding and respect for the customer relationship.

Set up Tracking and Initiate Testing

The next important step is to set up all of the proper email tracking and reporting mechanisms that will enable you to adjust your marketing programs based on real-time delivery and open and click data. Ideally, your system should offer a universal view of all your transactional and non-transactional marketing efforts.

Of course, you don't want to deploy something as critical as transactional email without proper testing. When setting up a testing program, make sure that you evaluate every aspect of the email – including design, integration, deliverability, tracking and reporting.

Ideally, your system should offer a universal view of all your transactional and non-transactional marketing efforts.

TRANSACTIONAL EMAIL BEST PRACTICES

As is true in other areas, the best practices for the marketing use of transactional email comes down to respect for the customer – preferences, permission, privacy – and the application of proven direct marketing principles. Here are a few you'll want to consider:

Stay Relevant

This isn't just about putting a pretty face (HTML) on transactional email – though that might help your brand identity. Nor is it about the equivalent of statement inserts for email. This is about leveraging an event to trigger a relevant marketing message.

With that in mind, your first step should be to carefully match your marketing message with the transactional event. Do it right and you stand a good chance of hitting the right customer with the right message at the right time – much like the event-triggered marketing messages generated from your CRM system. In fact, you'll want to use CRM data to help define your messaging rules so you don't inadvertently promote something already owned by the customer.

Relevancy is key to the effective use of transactional email for marketing purposes. Because transactional email suggests a pre-existing relationship, customers will have a higher expectation that you know their preferences and interests. And since you're talking to them in a transactional mode, they'll also expect you to act on that information in your communications. Of course, you'll want to be careful about the personal data you use in your marketing message. Sometimes implying too much personal knowledge can violate the customer's sense of privacy.

Test, Monitor and Modify

As with everything in direct marketing, you'll want to test it thoroughly. Initially, you may want to create simple transaction/marketing message rules (or extend the ones on your website) to determine what marketing content to serve up to customers in your transactional email. But over time, you should carefully monitor performance (opens, clicks, conversions) to modify your marketing content and/or template. Capturing feedback that might be registered at your call center or elsewhere in the company is important as well. Testing, monitoring and modifying will be crucial to your success, especially in the early stages. And that's where the visibility and flexibility afforded by your deployment solution comes into play.

Create Serial Transactional Messages

Smart marketers are always searching for ways to engage with their customers. Extend that thinking into the use of transactional email. Think about how you can structure product or service offerings to allow for 'serial' transactional communications with customers that you can leverage as a marketer. For example, you could create a subscription that automatically sends gifts or flowers on birthdays or holidays. Once a customer signs up, you can generate transactional emails in advance of each event confirming the items selected – and offering the opportunity to upgrade them (up-sell) and/or extend the service to others on the customer's gift giving list (cross-sell). You can extend the same approach to other products such as renewable services or contracts.

Because transactional email suggests a pre-existing relationship, customers will have a higher expectation that you know their preferences and interests.

In your enthusiasm to take advantage of all the opportunities afforded by transactional email, it's critical that you respect the customer's 'reasonable expectation' by keeping things in balance.

Add a Sense of Urgency

Don't look at transactional email as just additional real estate for your marketing messages. Think of ways you can use them to prompt action by customers, such as with limited-time electronic coupons that can be redeemed at your website or stores. This will not only drive revenue, but provide you with a good way to measure the effectiveness of your marketing messages by transaction type, customer segment, creative, etc.

Send Follow-on Marketing Messages

Once you've introduced a promotional offer in a transactional email, that event itself may serve to trigger follow-on messages in the days or weeks that follow. Of course, in this instance you would be sending commercial email, albeit in a transactional mode, so the provisions of CAN-SPAM and industry best practices would apply.

Keep Things in Balance

In your enthusiasm to take advantage of all the opportunities afforded by transactional email, it's critical that you respect the customer's 'reasonable expectation' by keeping things in balance. And this can be a delicate balance since a transactional email is first and foremost about the transaction. You can be compliant with CAN-SPAM and still violate the customer's expectation by overloading your transactional email with too many marketing messages, even relevant ones. And the last thing you want to do is fabricate a transaction for the purpose of getting your marketing message out or send a marketing message under the pretense of it being transactional. Engaging in those practices could get you in hot water with both customers and regulators.

As you monitor the success of your program, keep a sharp eye on all the indicators of customer engagement, both positive (open, click, conversion) and negative (complaint, unsubscribe), and make adjustments accordingly. You may find that brand loyal customers are more tolerant of the type or quantity of marketing messages than newer or marginal ones, so adjustments by segment or lifecycle may be in order. You may also want to alter the mix between promotional and informational offers. One indicator that things are out of balance is if customers begin opting to receive their transactional notices through a more costly medium.

Comply with CAN-SPAM

If you're going to send 'mixed' transactional and marketing messages, there are provisions of the CAN-SPAM Act that apply to you, such as the subject line and placement of the transactional content, as previously discussed under "Working Within CAN-SPAM's Limitations." While other CAN-SPAM requirements may not apply, it's a good idea to comply anyway since they've been generally accepted as industry best practices.

The one CAN-SPAM provision that deserves special attention is the opt-out requirement. Under CAN-SPAM, an opt-out opportunity is not required for transactional email. That's because the receipt of transactional notices or statements via email is often tied to your terms of service. Sometimes customers have received a price break by agreeing to accept transactional communications this way. Nonetheless, you should give customers an opportunity to change their terms of service in your transactional email.

This specialized form of opt-out can be as simple as providing an 800 number to call where you ask about their reasons for the request, discuss how it will affect their service, and confirm or capture the data needed to communicate in another medium. Of course, you'll want to closely monitor the reasons given to be sure your marketing messages aren't prompting the requests.

Get Other Stakeholders Onboard

Often the issuance of transactional email is controlled by other parts of the organization, such as services or IT. One of your first challenges as a marketer will be to get those stakeholders onboard with your plans to piggyback their transactional notices with a marketing message. Aside from the obvious corporate benefits of improved brand awareness and increased revenue, you'll want to point out how an integrated approach will benefit them. The benefit may be in improved deployment efficiency, increased visibility into mailing results, broader access to data or a combination of factors. Review the case study at the end of the paper for some of benefits that can be used to get your stakeholders onboard.

Prepare for Success

As with your other email marketing activities, you'll want to be sure that others in the company know what you're doing and are prepared to support you. This is especially important with your use of transactional email to deliver marketing messages since that may prompt customer inquiries about promotional offers into parts of the organization not accustomed to receiving them. Be sure you've anticipated this by alerting your call center operators and others to your plans and their role so they can contribute to your success.

Putting the action in your transactional email can have a huge payoff in terms of improved branding, increased sales, and broader, deeper customer relationships. All it takes is the right deployment solution, adherence to a few regulations, following through with some straight-forward best practices...and your imagination and skill as a good practitioner of email marketing.

StrongMail Systems has enabled some of the world's most recognizable brands to achieve these results. The following two sections provide an overview of StrongMail's solutions and a case study demonstrating how they helped a major online retailer.

StrongMail addresses the underlying difficulties that are preventing businesses from personalizing their transactional email.

THE STRONGMAIL APPROACH

StrongMail offers the most advanced commercial in-house solution for the delivery and management of your business-critical email. Transactional email is a core component of StrongMail's comprehensive email infrastructure platform. Designed to slip easily into any IT environment, StrongMail's Transactional Email Server brings all the technologies required for email delivery, personalization and management into a single 'rack-ready' appliance.

StrongMail's Transactional Email Server addresses the underlying difficulties that are preventing businesses from personalizing their service-based email and leveraging the marketing and branding potential they represent. By modernizing their email infrastructure with StrongMail, companies avoid the scalability problems inherent with

aging proprietary systems and gain the back-end integration necessary to efficiently assemble dynamic transactional messages, and get them to the inbox in a timely fashion.

The functionality of StrongMail's Transactional Email Server is fully integrated with its core email marketing management capabilities, which makes it possible to offer companies one unified view into the deliverability of all their email. This enables marketers to quickly gauge the effectiveness of their entire marketing strategy.

StrongMail makes transactional email marketing possible by offering the following capabilities:

- > A robust email infrastructure with dynamic message assembly capabilities
- > Back-end integration with e-commerce, customer service and CRM systems
- > Integrated reporting on deliverability
- > Visibility into response data (opens, clicks, etc.)
- > Bounce management capabilities
- > Differentiated sending

The StrongMail Transactional Email Server enables you to easily integrate with multiple data sources to create timely, personalized transactional emails that are optimized for maximum deliverability.

The StrongMail Transactional Email Server enables you to easily integrate with multiple data sources to create timely, personalized transactional emails that are optimized for maximum deliverability. You can even apply Goodmail® tokens, or those of other reputation services, to your emails if you choose. Unparalleled real-time visibility into email deliverability and detailed reporting help improve deliverability by enabling companies to identify and resolve deliverability issues. An example of StrongMail's detailed reporting is illustrated in figure 1.

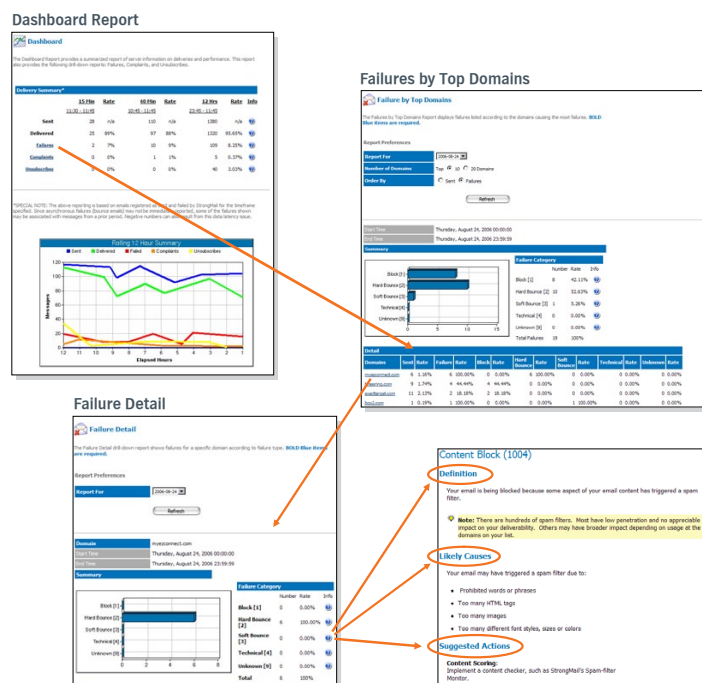


Figure 1. StrongMail's Detailed Reporting

The StrongMail Transactional Email Server is the most cost-effective solution too. As an in-house solution, StrongMail doesn't have the CPM charges common with outsourced solutions that can make sending a high volume of transactional emails extremely costly. Plus, initial implementation costs are a fraction of the cost of upgrading an existing custom solution with the same functionality available with the StrongMail Transactional Email Server.

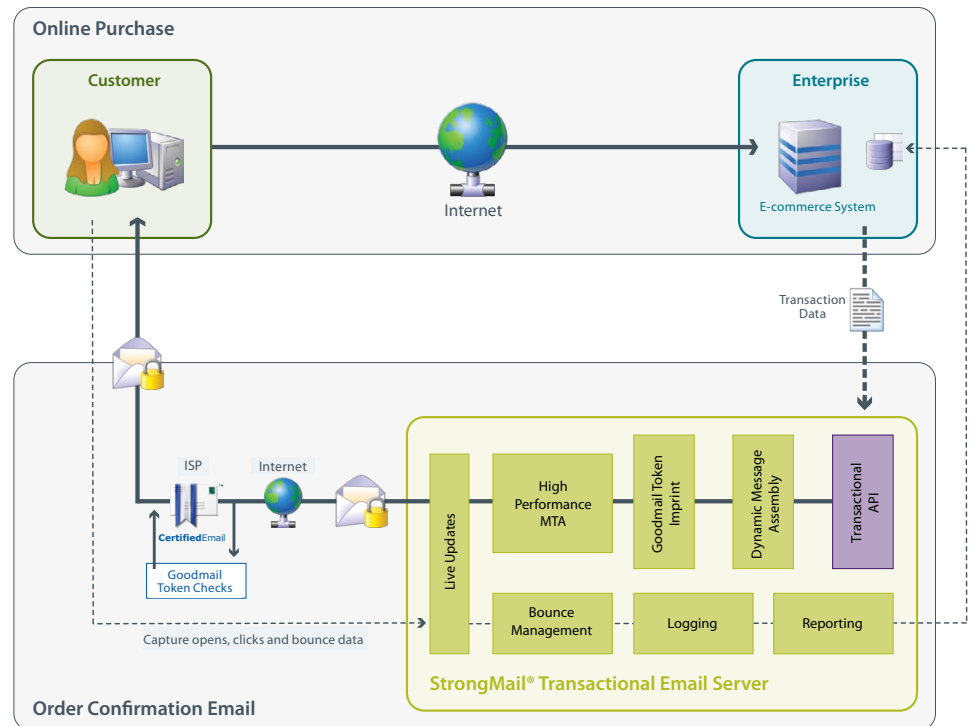


Figure 2. The StrongMail Approach

As illustrated in Figure 2 above, by offering easy integration, full functionality, high performance and ease of use, StrongMail simplifies the process of transforming your transactional email into a branded, highly effective supplemental sales channel. As a result, it's never been easier to put the action into your transactional email.

StrongMail Benefits

- ✓ Decreased cost from customer service calls
- ✓ SOX & FTC compliance
- ✓ Multi-brand personalization
- ✓ Improved email deliverability
- ✓ Enhanced tracking, reporting and customer insight
- ✓ Scalability to handle seasonal spikes
- ✓ Integration with CRM systems and other databases

A TRANSACTIONAL EMAIL SUCCESS STORY

StrongMail has enabled a major online retailer to improve delivery, decrease customer service costs and achieve regulatory compliance by transforming its transactional emails into dynamic, fully branded messages with high-impact personalization.

Before StrongMail, the retailer was unable to send separate transactional emails for each of its brands, and the emails it did send were unable to include updated order status information. This created a costly problem, as the lack of order information and the consumer's unfamiliarity with the parent company's brand resulted in a high volume of calls to its call center. Furthermore, the company's transactional email was not integrated into its tracking system, which created a challenge for meeting SOX and FTC compliance.

With StrongMail, the retailer achieved complete automation of dynamic, customized transactional email delivery through tight integration with its Oracle and Siebel databases. Now customers of its various brands receive personalized, branded emails that reflect the customer relationship and purchase history. Personalized content includes relevant customer service information, purchase history, and marketing cross- and up-sell offers by product. The transformation is illustrated by the 'retailer.com' emails in figure 3.

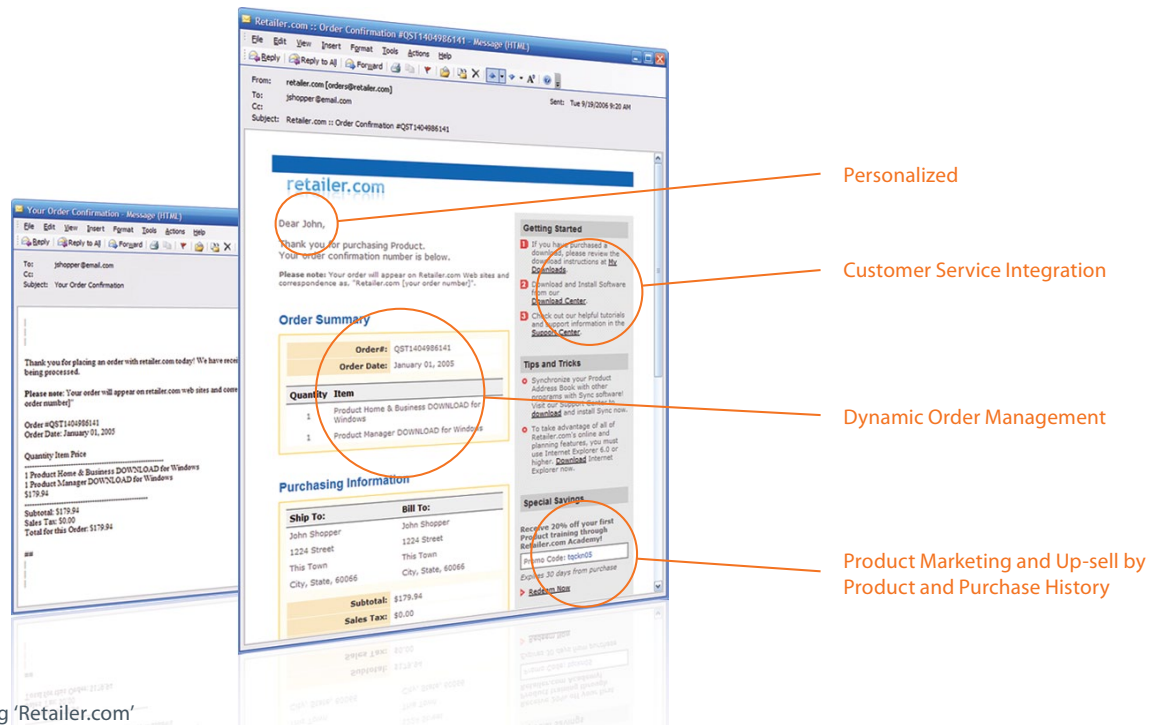


Figure 3. Transforming 'Retailer.com'

In addition to the brand value of a customized HTML email, the clear designation of the sender dramatically reduced calls to the call center. Easy integration with the company's back-office systems provides the company with visibility into all customer touch points, whether email or phone.

Prior to StrongMail, the retailer was also unable to track the plain-text email that it sent or determine its deliverability. Now, the company has unprecedented visibility into its email communications and can deploy that information to the call center and across the organization. Knowing the delivery of all transactional email has enabled the company to optimize its programs and email lists – or even default to another channel if an email can't be delivered. StrongMail has also provided the retailer with the scalability required to meet high demand during seasonal events.

In addition to overcoming these specific challenges, StrongMail's comprehensive high-performance email platform provided the retailer with everything it needed to manage and optimize its outbound messages, including dynamic message assembly, delivery assurance, tracking and management.

This was truly a success story in many ways and at many levels. What began as an initiative to fix the deployment of transactional email ended up yielding benefits across the entire enterprise. It demonstrates the full meaning of putting the action in your transactional email.



ABOUT STRONGMAIL SYSTEMS

StrongMail Systems provides businesses with commercial-grade, on-premise solutions for marketing and transactional email. StrongMail integrates its proven email delivery, tracking and campaign management software on high-performance servers that are optimized for maximum deliverability.

In addition to providing superior control, security and integration capabilities, StrongMail's in-house approach offers companies a more powerful and cost-effective alternative to homegrown or outsourced solutions. Hundreds of companies worldwide rely on StrongMail's solutions to power their mission-critical customer communications.

A Silicon Valley company, StrongMail is headquartered in Redwood City, CA, and is funded by Sequoia Capital, Evercore Partners, Globespan Capital Partners and DAG Ventures.

www.strongmail.com



ABOUT NET ATLANTIC

Established in 1995, Net Atlantic was one of the first email service providers and Web site hosting companies. Net Atlantic's goal is to help businesses and non-profit organizations succeed online with effective email marketing services and Internet tools.

To learn more about Net Atlantic, please visit www.netatlantic.com.

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