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How one association
effectively uses e-mail
marketing campaigns.

Breaking into e-mail marketing isn't easy, say Jennifer Drumluk of the Center for Economic Growth and Joe Tyler of Informz. But the payoff is well worth the hard work.

CRACKING CRACKING

the E-Mail Marketing Code

BY JENNIFER DRUMLUK AND JOE TYLER

ARE SPAM FILTERS SHOOTING YOUR e-mail marketing messages into oblivion? Do the members who do receive your messages complain about being bombarded with too much e-mail from your association? Are you having trouble keeping the e-mail addresses in your database current?

While your answers to these questions may all be affirmative, e-mail marketing is still well worth the effort when you compare its results with other options. At least that's what eMarketer, an e-business research group in New York City, reports. According to eMarketer, telemarketing calls continue to be met with customer resistance, average click-

PHOTOGRAPH BY MICHAEL J. OKONIEWSKI

rates from banner ads have slid to less than 1 percent, and direct mail only generates an average of 1–2 percent in response rates. By way of comparison, permission-based e-mail messages average a 3.2 percent click-through rate, while internal customer lists (which your association is more likely to use) often result in 10–20 percent response rates.

A case in point: The Center for Economic Growth (CEG), Albany, New York, considers its e-mail marketing efforts key to marketing efficiently, increasing event attendance, and boosting membership. In addition, it annually saves nearly \$100,000 in postage, as well as hundreds of staff hours. In 2002, the program's first year, attendance at CEG-sponsored events grew by 75 percent. In subsequent years, the organization increased its number of subscribers—both members and other interested parties who agree to receive messages—by a factor of five, from 1,400 to 6,800 recipients.

Sound too good to be true? Well, we're here to tell you that an effective e-mail marketing effort *does* take time, energy, and investment—but in the end the payoff for your association can be considerable.

Shaking up the status quo

Similar to what many associations have done since the emergence of electronic communication, CEG, a regional economic and business development association serving New York State's Tech Valley, began to look at updated technology tools to improve its marketing efforts. The organization's goal of luring high-tech companies and top-notch talent to the area is a daunting charge, both in terms of geographic area—the region spans 18 counties—and interested parties, especially when you consider that CEG counts on a staff of only 20 employees. Then, too, CEG was dissatisfied with the cost and response rate of its print marketing efforts when it came to publicizing its many events, initiatives, and programs to its prospects and members—more than 300 businesses of all sizes as well as several colleges and universities.

Four years ago, the association decided to shift much of its marketing activity to e-mail, working with one of its member companies, Informz, Saratoga Springs, New York, to develop a comprehensive plan for an efficient, effective marketing

program with e-mail as its centerpiece. The plan was intended to reduce the costs of mailing newsletters, invitations, and solicitations, while improving the response and the quality of information the association was able to gather.

Taking advantage of more tech tools

CEG took the usual steps of easing its members through the transition by explaining the reasoning and goals for the new system; gathering an accurate, comprehensive list of e-mail addresses; and gradually moving much of its print marketing material to an e-mail format.

The association also used specific personalization and advanced targeting tools to better connect with each member. For example, CEG inserts personalization codes into its marketing e-mails to greet recipients with their first name and their company affiliation. The targeting tools allow CEG to dissect the entire pool of subscribers, sending additional messages to a specific subset, or, for example, second invitations to recipients who have yet to RSVP for an event to which they've already received an initial invitation.

Once the e-mail program demonstrated significant cost and time savings, CEG began to employ other technology capabilities that further increased member responses and event attendance. Success has come in part from going beyond the basics of e-mail marketing to employ technology tools that measure metrics and tailor messages to members.

By deploying some of the inherent functionality of its technology, CEG can learn more about its audience with each e-mail campaign, and after analyzing the relevant data, it can refine subsequent communication for a better response. By monitoring messages and measuring results CEG has accumulated a wealth of useful information to improve its future communication. Here are a few ways it has made the most of its e-mail campaigns.

Using a reporting function. By employing the technology's automated reporting function, the organization tracks the number of e-mails sent, opened, and forwarded, as well as the number of users who clicked on imbedded links.

For example, in a recent six-month period, CEG sent 245,000 e-mails to its subscribers; 190,000 of these messages were opened, with nearly 35,000 recipients clicking on links to Web sites for additional information. That's a nearly 78 percent open rate with nearly 20 percent of people going on to learn more about CEG, a specific event or program, or an affiliated group.

Another function of this tracking capability allows CEG to monitor communication choices so that members can specify what *type* of information they'd like to receive via e-mail, such as notices about events or educational materials on the specific topics. By tracking these preferences, CEG can specify which segment of its contact list should receive a particular e-mail notice.

CEG staffers currently use this analysis to make manual adjustments to members' records so that they can more effectively target outgoing messages. Depending on the available budget, however, the e-mail and association management system software can be integrated.

Regardless of how the data is collected and reviewed, data analysis can provide several benefits:

- **Collecting marketing information.** Through analyzing data related to each message as well as the patterns that emerge based on multiple-message distributions, the evaluation process provides invaluable market information, even identifying the best time to send an e-mail and which subject lines are most enticing.
- **Controlling overload.** While tracking and analyzing preferences can reduce and customize the messages received by any one individual, your association also needs to monitor the *total number of messages* that members receive from various departments in a given time period. CEG can employ its system's functionality to set a maximum number to be received by a member in the course of a month, for instance, as well as establish a minimum number of days between e-mail messages. These conditions help to ensure that members are not inundated with messages.

At CEG, the vice president of communication manages these aspects of the marketing plan. In other associations, department directors might employ a communication calendar to coordinate electronic mailings among disparate groups and initiatives such that members are not overloaded with messages.

Streamlining event registration. Another feature of CEG's e-mail software platform is

fees; it now offers online event registration and payment options within its e-mail invitation. This process is more convenient for potential attendees, and provides CEG with a continually updated roster of attendees, making it easier for staff to plan appropriately, as well as freeing them up to focus on other tasks, such as networking, at the event.

Of course, some of CEG's members prefer to respond to event promotions via phone or fax, and the e-mail marketing

so that attendees can easily provide their information and preferences to stay informed of future events.

Using these three methods, CEG has been able to efficiently grow a targeted contact list. This practice worked well in the early days of the program, and it continues to generate new members. For example, in a recent six-month period, CEG added more than 1,200 e-mail addresses to its list, losing only a few dozen, primarily due to people moving away or switching jobs.

While a program like CEG's has the potential to build an association's member base, it's crucial to maintain a subscriber's trust. Therefore, an organization with an e-marketing program should think carefully about selling its lists or purchasing outside lists. People receiving messages should *want* to receive them; and, of course, federal regulations require associations to honor opt-out requests from those who do not wish to hear from your organization.

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event registration management. While alerting its subscribers to upcoming events, the association can accept registrations and payments, while capturing all of the feedback for future use.

In addition to the efficiency of e-mail delivery of information for CEG's numerous events, the system also reduces the time necessary to discuss, draft, and distribute a message—from one week to approximately one or two hours. Because of this beneficial change, following up on initial invitations, for example, is a simple task. CEG can isolate subscribers who have yet to sign up for a given event and send them targeted reminders and additional promotions before the event occurs. This practice, in part, contributed to the significant increase in event attendance during the program's first year as well as a steady increase in subsequent years. In 2003, for example, the increase was approximately 15–20 percent above 2002 numbers.

Not only does CEG save time while composing and distributing messages, but also staff can now make better use of its time at the event itself. The association previously waited for invitees to mail RSVP cards or phone in their reservations, then stationed staff at the door to collect

system allows an event administrator to accommodate these methods of registration and payment, while still recording the transaction in the system and maintaining the simplicity of a single report.

Building a more robust e-mail list. Coupling technology tools with traditional methods, CEG continually expands its e-mail list to send messages to as many people as possible. While your association, of course, can *purchase* mailing lists, wisely building your own list should result in a much more receptive audience for your messages. Consider these three steps to facilitate easy sign-up.

1. *Post an e-mail alert option prominently on your Web site* so that people looking for more information on the association can easily find a way to stay informed without having to search further than their own e-mail in-box.

2. *Within each e-mail update, include a refer-a-friend option*, which allows recipients to forward messages to others who might be interested in signing up for future updates and invitations.

3. *Make sign-up sheets available at all events*

Addressing e-mail challenges

Federal regulations imposed on e-mail activity, frustration over e-mail overload, and the widening net of spam filters that often block legitimate messages clearly add complexity to electronic marketing programs. Following are some tips for working around these challenges:

Working within federal e-mail regulations.

Currently, the CAN-SPAM Act of 2003 regulates unsolicited commercial e-mail messages. These regulations state that if a subscriber opts out of receiving e-mail from a particular organization, then the distributing association has 10 days to remove that person from its list. CEG keeps it simple by allowing its members and other recipients access to their own profiles. If individuals want to unsubscribe, then they can do it themselves, quickly, and stop receiving e-mails almost immediately. Anyone who misses the link to unsubscribe—or who chooses not to use it—can call CEG to be taken off the contact list. An administrator can easily unsubscribe anyone—and note that information in the database so that the person no longer receives messages.

Counterintuitively, the anti-spam law can actually *help* associations that are establishing an e-mail marketing program. It provides a clear set of rules for how to send marketing missives in a legal, legitimate way. (For details on the regulations, see “Are Associations Spammers, Too?” in the March 2004 issue of ASSOCIATION MANAGEMENT.)

However, associations would do well to remember that the law holds organizations accountable for e-mail distribution, even when they contract with third-party vendors to manage the process. This means that while CEG’s e-mail is distributed via servers at Informz, CEG is still held responsible for its own e-mail.

Avoiding the spam stigma. By informing members early about its intended e-mail marketing program and securing correct contact information, CEG sought to limit the possibility that its messages would be misidentified as spam—and subsequently ignored or deleted. The organization also didn’t want its efforts tainted by the negative connotations inextricably linked to the notion of junk e-mail.

It’s important, though, to note a major distinction between permission-based, or opt-in, e-mail and spam. Permission-based e-mail revolves around the *quality* of the contact list, whereas spam relies on the *quantity* of addresses in the list. That is, spam is a game of volume: as the number of sent e-mails increases, so does the rate of return.

By using permission-based e-mail, CEG mitigates potential backlash against e-mail marketing by maintaining a list of active members and other parties who have registered for e-mails. CEG is careful to send e-mail with content that data indicate will matter to the entire group, or to subsections of the group. Also, each e-mail gives the recipient ample opportunity to opt out of any future messages.

Foiling the spam filters. CEG has taken several steps to avoid its messages being

domain-name server change that made outside spam blockers more likely to let its messages through.

Exploring the implications

Your association can benefit from CEG’s example by adopting a similar e-mail marketing strategy, provided you take full advantage of reporting and analysis tools that measure the impact that your communication is having and revising your efforts accordingly. In a world abuzz with information, judiciously distributed e-mail mes-

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blocked by spam filters. First, the association runs all of its outgoing messages through a spam filter built into the e-mail software platform, which operates as an early-warning system, identifying particular messages that are likely to get mislabeled. Second, CEG staffers receive frequent updates from Informz on tips and techniques to improve e-mail deliverability, as well as important spam-related news. Third, CEG recently made a

sages delivered to people already willing to listen can allow an organization’s message to rise above the clamor to be heard—and addressed. **AM**

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