



## ***In for a penny? – Expect to spend a pound*** ***Why email bandits are giving digital marketing a bad name***

***by Justin Anderson, Managing Director, Frontwire***

Spending a penny doesn't mean what it once did.

Today it is the mantra of the less scrupulous end of the email marketing industry, as a growing number of shady suppliers are spamming practitioners with questionable promises of email marketing dispatch at a penny a name or less.

I regularly receive spam email myself offering these kinds of deals from organisations the world over. The claims they make are quite literally unbelievable because when you call any of these guys up to do a deal and the real conditions of the offer emerge.....

Despite claims made to the contrary not one of the companies offering a penny per send will meet that price for anything under 200,000 names. To meet these kind of prices the chances are that the providers of the service come from overseas, and so sit outside of UK law. If this is the case they have no obligations to abide by the UK Data Protection Acts and there may be problems with Safe Harbour rules whereby data should not be exported overseas. Which means the data concerned is exposed to considerable risk.

Those that are operating in the UK cannot realistically offer these kinds of deal unless they minimise overheads by employing untrained staff on minimum wages which puts a huge question mark over the quality of work produced and whether they will be in business tomorrow.

Regardless of where they are physically based what is most worrying is the skewed view of email marketing these email bandits are creating.

People considering using email, exposed to these less than legitimate claims are being misled to believe anything above a penny is over priced.

Worse still, in order to benefit from the penny per send rate, many are being encouraged to send high volumes, when a low volume campaign is more appropriate, encouraging yet more spam, as if there isn't enough already.

And although these deals sounds cheap at first a positive and sustainable return on investment can only be realised when email marketing campaigns are permission-based, relevant to the recipient and properly followed through. Three characteristics campaigns of such volume at these rates are unlikely to have.

Added to which those organisations with lists of that kind of magnitude would be foolish to cut corners, particularly given the costs of using the channel compared to other media.

Email marketing is my business, and as someone who advises clients and executes campaigns on a daily basis I know too well it is far more than touch-of-a-button stuff. Successful email dispatch and campaign monitoring - whatever the scale - is an involved process that requires time, care and attention.

Most important in the initial stages are the various tests and changes that need to be conducted to ensure:

- The data is clean
- The email addresses are still in operation
- The email can be read by every variety of computer and email package
- The hyperlinks to other areas of the email and the Internet work across all email packages
- The additional functionality built into the email works (e.g. 'Forward to a Friend')
- The selected customer samples responses are within the target response rates
- Personalisation is incorporated and tested



Post-dispatch, in order to assess the real value of each campaign, comprehensive reporting of bounce backs, opens and their duration, click-throughs, replies, forwards and unsubscribes is needed.

Ask the email bandits for these services and you can expect to pay considerably more than a penny. On top of which many are new entrants with no experience or knowledge of direct or digital marketing and so when you come to ask for measuring your ROI the chances are they won't even understand the question.

Which is why I believe urgent action is needed. And you can do your bit.

When you next receive a promotion for such a service take five minutes to respond. Find out what the lowest volume is at the penny per email rate, ask them about previous campaigns they have run and the results of them, see if they'll put you in touch with another client for referral purposes, get their advice on the type of functionality you should use in your campaign, quiz them about how they source, dedupe and manage their lists, enquire about their technology and testing procedures, ascertain whether they adhere to any best practise guidelines....

The answers will give you a good indication of what you really get for your money, and you'll soon realise that the penny in truth covers very little and if you own the data you'd do just as well to send the communication through your local email client – which in itself is an ill-advised path with many pitfalls.

It's all very worrying when you read research findings that predict phenomenal growth in email marketing worldwide. 90.1% of respondents to The Frontwire 2002 Digital Marketing Survey said they would use more digital marketing in 2003 and Jupiter Communications concurs, predicting the email marketing industry will grow from US\$164 million in 1999 US\$7.3 billion in 2005.

The real question is not whether email marketing will grow but what will drive the growth. If too many cost-sensitive marketers elect to use the cheap and cheerful alternative every one will lose out. Marketers will not maximise the potential of the medium for keenly targeted and highly personalised communication. As a result consumers will experience an unwelcome plethora of irrelevant communications.

These factors combined will mean a decline in response rates. Rather than being the most efficient and effective marketing medium available email now risks losing its place in the pecking order to other channels. All at the hands of these bandits.

### **About Frontwire**

Frontwire helps organisations acquire and retain customers in more cost effective ways using digital marketing solutions (with e-mail, SMS and streaming video). Frontwire's core services include: Strategy & Planning, List Building and Rental, Data Management, Design & Editorial, Message Dispatch & Tracking, Response Management, Research & Analysis.

To find out more about our solutions, clients and case studies please visit our web site [www.frontwire.com](http://www.frontwire.com) or call Jason Meads on 020 7368 9700.

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