



Why Opt-in Email Lists Are More Effective

We all want to see our businesses grow, and many of you are already using email marketing to help out. One of the main challenges many of our clients ask about is email address acquisition. Not only is it difficult to capture the email addresses for your existing customers, what's more difficult is capturing addresses of prospects. This challenge pushes many businesses to take the easy road, purchasing cheap lists (often called spam lists) of email addresses from a non-reputable source. What these companies don't understand, however, is that not only is emailing to a "spam list" bound to get them into trouble with their ISP or an anti-spam organization, it is less effective than mailing to a permission-based, opt-in list.

What is an opt-in list? An opt-in list is comprised of email addresses provided by consumers that have agreed to allow an organization to send them email - they have "opted-in" to receiving communications from this organization. This is a proactive act on the consumer's part and gives that organization, and only that organization, the permission to send emails to that consumer regarding the information, goods, or services the individual agreed to receive.

As defined by Internet marketing pioneer Seth Godin, Permission Marketing is the notion that all communications with your prospects and customers should be anticipated, personal and relevant. A permission-based email list is comprised of customers that have all "opted-in" to receiving the information from a specific organization. Having opted-in, these consumers will anticipate receiving emails from the organization. The organization will have a better idea of who the customer is and what they are interested in, which allows them to send a more personalized and relevant message. Is this important? Yes!

Here are the Main Reasons Opt-in Lists are More Effective:

1. Response Rates are Higher with Opt-in Lists!

Consumers or businesses anticipating marketing communications are more likely to respond to them. The permission they gave to you turns into a trusting relationship. Their knowledge of who you are will make them more receptive to what you have to say. Your knowledge of who they are, allows you to more effectively tailor the message to their needs. Since the customers on a permission-based list are all interested in what you are selling, your communications will be relevant to the audience, which makes them more likely to be read. This is true for both email newsletters and product promotions; email is most effective when it is anticipated, personal, and relevant.



Opt-in lists often see open rates as high as 60% and response rates as high as 35%, versus open rates of 10% and response rates of 1% or less for unsolicited email. As Seth Godin says, "Permission Marketing cuts through the clutter and allows a marketer to speak to prospects as friends, not strangers." Developing this trusting relationship is the key to retaining customers and building future revenues.

2. Opt-in Messaging Reduces Costs

Many marketers believe in "firing" their worst customers. Why is this? It is because the cost of communicating with these customers is higher than the revenue received from them. In much the same way, using your resources on customers who have not opted to receive information from you is wasteful. Two mailings to 500 people wanting to hear from you is much more effective than one mailing to 1,000 people who don't know who you are. Frequent communications with consumers expecting to hear from you efficiently uses your resources only on people likely to respond.

3. Ignoring Email Etiquette could be Disastrous for Your Company

Permission-based email marketing is not only the standard accepted by most reputable firms, it is the only form of email marketing that is acceptable to a large number of anti-spam organizations. Sending spam or unsolicited commercial email (UCE) could have very negative consequences for your company. For example, many anti-spam organizations have the ability to add you, and your servers, to a "black-hole" list. A black hole list lists the IP addresses of known spammers. Many ISP's subscribe to these lists to reduce the high number of server-taxing unsolicited messages received by their members. If your company is listed as a spammer, 10% to 50% of your messages may never reach their intended audience. The Can-Spam Act can also land you in some serious trouble!

4. Frequent Mailings Reduces Customer Attrition

Once you have developed a relationship with your customers, and nurture it on a regular basis via opt-in email newsletters and promotions, you are less likely to lose those customers.

5. Permission is an Asset

Permission **IS NOT** transferable from one organization to another. Therefore, opt-in lists are an asset to your company. Each name on an opt-in list represents a relationship, and that relationship has value. That is why anyone offering to "sell" you an opt-in list is probably pulling your leg. Opt-in names are too valuable to sell. However, you can "rent" names from reputable provider of opt-in email names such as Postmasterdirect. This organization specializes in opt-in email marketing, and since they have the permission, they actually send the email on your behalf.

How do you collect your own list of permission-based (opt-in) names? There are several ways to do it. For example, if you own a brick and mortar store, you can get



this permission from your customers at the cash register. If you attend trade shows, you can ask for permission to send email to the folks that visit your booth. Online, you can capture the opt-in by placing a place for consumers to sign up for your newsletter on your home page, or by giving them an opt-in checkbox when they are buying a product, signing up for a free white paper, or registering for a contest. Overall, it is your promise to "add value" for the customer in exchange for their email address, that secures the deal. How do you add value? You do it by providing your prospects with free information, giving competitive pricing on future promotions, a contest registration, etc.

Permission and privacy must be the cornerstones of every e-mail marketing program. If you want to see higher response rates, develop long-term customer loyalty, and uphold the name of your good business, you'll need to abide by the tenets of permission-based marketing. Doing it right might take a little more effort than doing it wrong, but the payoffs of doing it right are huge. Successful email communications, just like successful customer relationships, are based on trust. In the long run, you'll be ahead of your competition if you follow that rule when you develop your email list.