campaigner ®

EMAIL INTO REVENUE

Improve Your Transactional Email With
Campaigner SMTP Relay

Think of the last message you sent out to a segment of your email list. Do you know if it was a "commercial" or "transactional" message, as defined by the CAN-SPAM Act? If it was one of the many transactional emails you probably send regularly, such as a shipping notification or request for a password update, did you optimize it for the unique issues such messages face reaching your subscribers' inboxes and avoiding the spam folder? Are you also working with a reliable **SMTP Relay partner** to increase message deliverability, improve customer service, enhance your brand and drive more revenue?

Okay, enough questions. Let's give you some answers.

Introduction

As a marketer who communicates with customers via email, you regularly send commercial messages to your opt-in list of subscribers — newsletters or time-sensitive offer coupons, for example. But you almost certainly also send at least as many messages to that same list (and probably far more) that are designated "transactional" by regulators. This category of messages includes shipping notifications, order confirmations and requests for updated contact details, among many others. And they're worth discussing because they present genuine obstacles to your processes, can undermine the overall success of your online business if not handled properly, and can even put you at risk of legal problems.

To deal with these issues, and to turn the potential risks of sending transactional emails into a competitive advantage for your business, you should consider an automated, trusted email-relay solution.

TERMS EXPLAINED

Before we begin, let us define a few terms.

Transactional Content: According to the federal CAN-SPAM Act, "transactional" (also referred to as "relationship") content is a message that *"facilitates an already agreed-upon transaction or updates a customer about an ongoing transaction."* In other words, these messages are typically triggered by actions your subscribers take (or by a time milestone) and represent a communication regarding a relationship already underway.

Commercial Content: CAN-SPAM defines commercial content as a message that *"advertises or promotes a commercial product or service, including content on a website operated for a commercial purpose".*

SMTP Relay: SMTP Relay uses the standard email protocol, SMTP (Simple Mail Transfer Protocol) to send email messages from one email server to another — that is, from yours to your recipient's. Whenever you send email to your subscribers (commercial or transactional), your email server must communicate with theirs, requiring an SMTP Relay. And this, as you'll see below, is where things can go badly if you're not careful.

TWO SPECIFIC RISKS OF TRANSACTIONAL EMAILS

You no-doubt have already taken steps with your email marketing to ensure you send the right commercial messages to the right subscribers (opt-in-only) at the right time… staying on the right side of CAN-SPAM rules and crafting compelling promotional messages that enhance, rather than detract, from your customer relationships.

But what about all of those *other* messages you send, many of them auto-triggered by some action your subscribers take? You might have 10, 20 or 100 of these types of automatic emails for prospects, customers, subscribers and members of the public — most falling under the "transactional" category. They could include any of the following (not to mention dozens of others):

- Delivery confirmations
- Password reset requests
- Content downloads
- Contact-details requests

- Receipts of exchange requests
- Account statements
- Shipping notifications
- Thank-you notes

Here's the problem…

These are not, strictly speaking, "commercial" messages in the sense of promoting a product or service, and yet they aren't personalized, unique messages either. So your subscribers' ISPs or email providers, and federal regulators, treat them as messages somewhere between personal and commercial, but still subject to rigorous rules to reach an inbox. Here are the potential issues you'll face with these transactional messages:

1. The number of transactional emails you send might trigger a "spam" warning and not get delivered.

Most ISPs and email providers (e.g., Gmail) cap the number of SMTP relays they'll allow from specific emailers in a given day or week. This is a perfectly logical response to the spam problem. But it could ensnare you as well, particularly if your list contains hundreds of thousands, or even millions, of email addresses under that ISP's charge.

Imagine, for example, that you count tens of thousands of the customers of a certain ISP or email provider as your customers as well, and during any week a few hundred are actively doing business with you. That means you might need to send each of those customers an order-confirmation email, a receipt, an update on shipping status, etc. That might add up to several emails per day to each address. Those are entirely legitimate emails. In fact, your customers will demand them. Yet they risk getting caught in the ISP's or email provider's spam net and never reaching your customers.

So if you don't manage your transactional email processes wisely — for example, working with a trusted **SMTP Relay partner** to ensure they get through — you could be both slowing your business (e.g., if customers don't receive your credit-card-update requests) and damaging your reputation (e.g., if customers don't receive timely updates on the status of orders and blame you for it). This means you cannot afford to be sending such transactional messages directly from your web server. You need a relay service, ideally one from a trusted Email Service Provider (ESP).

2. You can't let your guard down; transactional emails are also subject to CAN-SPAM rules.

Another pitfall in mismanaging transactional emails is forgetting that, even though they are typically communications to your *existing* customers, these emails are also subject to several rules under the CAN-SPAM Act.

For example, when sending an order-confirmation message to a customer, you might be tempted to include in the subject line both a note about the confirmation *and a suggestion about a related product.* The rules here are a bit blurry, but it's safest not to do this, and instead to keep the subject line focused exclusively on the order confirmation.

Including other details, especially a promotional message, in a transactional email runs several distinct risks:

a. Your transactional message might mistakenly get flagged as spam.

b. If your message is quarantined by your customer's ISP or email provider, you risk damaging that customer relationship, your business's reputation and your bottom line.

c. If that ISP marks one of your messages as spam, even accidentally, you might find your deliverability rate falls dramatically on future messages to subscribers using the same ISP.

d. Adding promotional content to a transactional message can reclassify the entire email as "commercial," as defined by CAN-SPAM, in which case it will be subject to even stricter rules.

And how serious is the trouble email marketers can find themselves in if their messages run afoul of CAN-SPAM? Take the lifetime value of each subscriber to whom you've sent the in-question message… and then subtract $16,000 from each address! That's how much the federal penalties are for each email sent that is deemed to violate some aspect of CAN-SPAM.
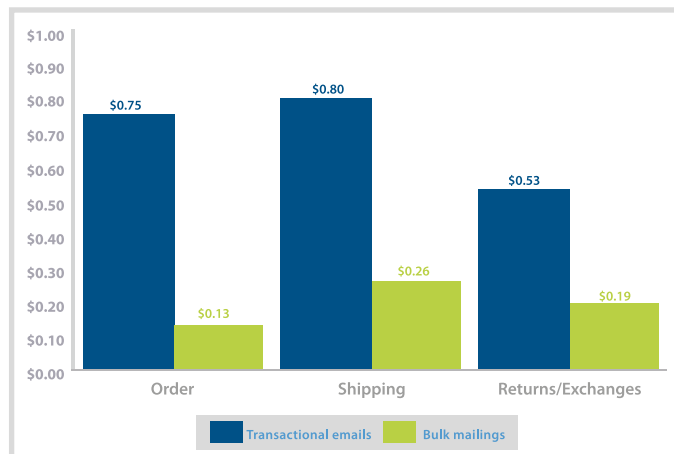
Here are a couple of other areas where you need to be careful in sending transactional emails, to ensure they don't get marked as CAN-SPAM violators:

- Include a **company email address**, with your business's domain, in the **from** line. If that isn't possible for whatever reason, include your company's name, exactly as you use it to do business and as your recipient will recognize it.

- Include all contact information, including your **physical address**, in each message. You might forget or be tempted to send simplified versions of your email template to longtime customers, but remember that the CAN-SPAM rules still apply.

SPECIFIC BENEFITS OF TRANSACTIONAL EMAILS

We've discussed the dangers of not managing transactional emails properly: damaged customer relationships, weakened reputations, lower bottom lines, and even legal exposure. But are transactional emails only a necessary evil, messages you need to send to do business but which have no upside? To the contrary!
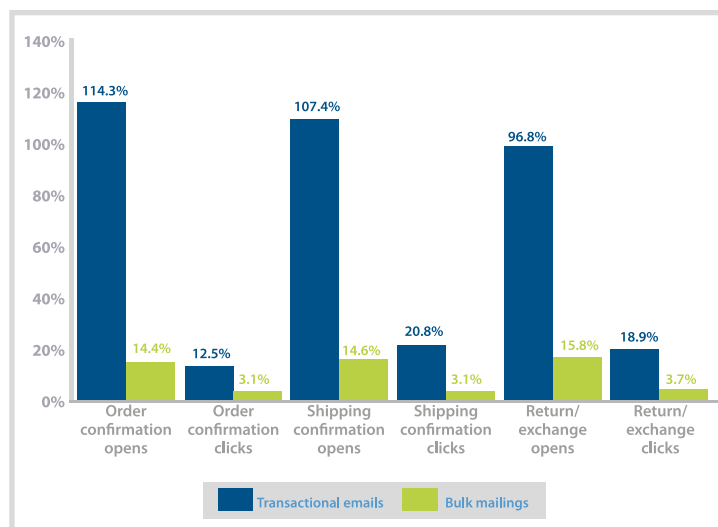
Transactional messages actually generate higher revenue per email than do commercial messages.

Source: Experian, "The transactional email report." [1]

In fact, as you can see from the chart above, compiled by Experian in its "Transactional email report," the average revenue generated by a transactional email is two to six times as much as the revenue from a promotional or commercial message.

Why? Because your customers anticipate, and want, your transactional emails. The open-rates are extremely high, and research also proves that customers actually open these messages repeatedly. That presents you with real opportunities.

Source: Experian, "The transactional email report." [1]

campaigner®
EMAIL INTO REVENUE

Consider the following research points from Experian's "Transactional email report":

1. Transactional emails in general have nearly 100% open rates (sometimes more than 100%, as customers open the same messages multiple times).

2. Order-confirmation emails with a cross-sell message in the body have 20% higher transaction rates than those without. (**Note:** remember not to include promotional messages in the subject line).

3. Transactional emails that include links to social media sites have 55% higher click-rates than those without. Related: 68% of social-networking users say they've become a "fan" or "friend" of a product or brand on social media.

Transactional Messages: Your Untapped Marketing Gold Mine

As many smart marketers are discovering, transactional emails are actually a powerful secret weapon in their email-marketing arsenal. Customers demand them, anticipate them, almost always open them (sometimes repeatedly), and engage with them at higher rates than they do with most other types of email.

And yet, according to research from Heinz Marketing, 53% of transactional emails are not controlled by marketing or sales.[2] They are written by the IT department, customer service or another support arm of an organization, not the people who are most likely to treat these communications with existing, satisfied customers as the gold-mine messages they truly are. Here's what those organizations are missing…

campaigner ®
EMAIL INTO REVENUE

3 REASONS TO DEVELOP A SMART TRANSACTIONAL EMAIL PROGRAM

1. You can generate more revenue

As Experian found, transactional emails generate average revenue per message much higher than do commercial emails. At first this might seem counterintuitive — because the transactional emails aren't even usually selling anything, while commercial messages always are.

But consider who the audience is for your transactional message: they're your customers, people who have already shown willingness to do business with you, and who are now awaiting specific messages from you: receipts, confirmations, status updates, and *maybe even details about related offers they'd like*. Treat these messages as the genuine cross-sell, up-sell and relationship-deepening opportunities they are.

2. You can improve customer relationships and increase engagement

As the Experian report found, customers open transactional emails at extremely high rates — sometimes even more than 100%! — and will engage deeply with whatever is in these messages, if the content is relevant and compelling. They will click on social media links (and even "friend" or "like" the brand), they will click a link to view shipping status (a link that can also have relevant cross-sell opportunities), and they'll come back again and again to check that same link.

Spending some time to craft professional, engaging and approachable transactional emails, which positively reflect your brand, can have a direct benefit to your customer relationships.

3. You'll improve your deliverability rates

Remember, ISPs are in a constant battle with spammers and other malicious email senders.

You don't want to have your legitimate, anticipated transactional emails mistakenly caught by a junk-mail filter because you weren't careful with your **from** or **subject** lines, or because you didn't engage a reliable, third-party **SMTP Relay partner** to ensure you are listed as a trusted sender with all of the ISPs who control your subscribers email accounts.

PUTTING IT ALL TOGETHER: FINDING THE RIGHT SMTP RELAY SOLUTION TO IMPROVE YOUR TRANSACTIONAL EMAIL PROGRAM

If we've convinced you of the tremendous (and largely untapped) benefits of building an effective transactional-email program, the next question is, "How?" Glad you asked.

The most reliable, cost-effective path to getting the most value from your transactional emails is to enlist the services of a proven Email Service Provider and SMTP Relay provider.

Such a provider will act as a trusted intermediary between your messages (commercial and transactional) and your subscribers' inboxes, and help bring your overall email program into CAN-SPAM compliance.

Here's what to demand from your SMTP Relay partner:

- **Detailed, Real-Time Reporting and Analytics**

  If your messages aren't being delivered at the rate you demand, or if you're A/B testing messages, you'll want the details right away. The right SMTP Relay solution will give you a detailed dashboard, which you can access 24/7, with full reporting and analytics on any of your campaigns, along with alert functions to send you updates during a campaign.

- **White-label Yourself as a Sender**

  The right SMTP Relay partner will let you fully white-label your dedicated IP addresses, so you can protect your reputation as a legitimate sender and prevent your messages from accidentally getting caught in spam filters.

- **Fast, Simple SMTP Relay Setup**

  As valuable as adding a trusted SMTP Relay provider can be to your email marketing, such a process should not disrupt your business or be so complicated that you don't fully take advantage of it. The right provider will offer you a service that you can fully integrate into your email program in seconds.

- **Expertise and Trustworthiness**

  The right SMTP Relay partner will have a long track record of successfully managing email services for corporations and large email senders, and you should be able to leverage this credibility to generate higher trustworthiness for your own commercial and transactional emails.

- **CAN-SPAM Compliant**

  Ensure any provider you research as a possible SMTP Relay solution has a process that is fully CAN-SPAM compliant. Not all are.

Conclusion

Often lost in the process of designing just the right email-marketing program, transactional emails can easily be dismissed by marketers as merely pro-forma communications, emails they have to send but that don't provide a direct return.

What a missed opportunity!

As counterintuitive as it might be, your transactional emails are the messages most likely to be opened by your subscribers, most likely to be viewed with high levels of engagement — and, with the right amount of promotional messages placed in the right places — likely to generate more revenue per message than any other email you'll send.

So, given all of the benefits of carefully building, testing, and continuing improving your transactional email program, the question is, *What's the best way to do that?* And the answer is, *With the right SMTP Relay partner, like the proven solution from Campaigner SMTP.*

campaigner ®
EMAIL INTO REVENUE

COMPANY OVERVIEW

Campaigner SMTP Relay is a transactional message solution from Campaigner Email Marketing and part of publicly traded j2 Cloud Services, Inc., the Business Cloud Services Division of j2 Global, Inc. (NASDAQ: JCOM) — a provider of cloud-based business-critical communications and storage services.

j2 Cloud Services offers Internet fax, virtual phone, hosted email, email marketing, online backup, unified communications and CRM solutions and operates a messaging network spanning 49 countries on six continents.

To learn more about Campaigner and our SMTP Relay solution please visit us at www.campaigner.com/email-marketing-enterprise/smtp or contact us at **877-564-9063**.

To learn more about j2 Cloud Services, please visit www.j2global.com.

Sources:

1. Experian, "The transactional email report"
http://www.experian.com/assets/marketing-services/reports/transactional-email-report.pdf

2. Heinz Marketing
http://www.heinzmarketing.com/2011/03/8-common-mistakes-with-transactional-email-and-how-to-fix-them/