

E-mail Marketing Must Comply With CAN-SPAM

Already in effect since January, the CAN-SPAM Act of 2003 affects how businesses communicate with members via e-mail.

The act, which stands for Controlling the Assault of Non-Solicited Pornography and Marketing, doesn't mean credit unions had to shut down their e-mail marketing efforts. But it may have meant changes to your e-mail marketing programs, according to Ray Parenteau, president and founder, ClickRSVP, an e-marketing services provider in Hopedale, Mass.

While this article focuses on e-mail marketing, it's worth noting the act exempts "transactional" or "relationship" e-mails—messages sent to complete or confirm a commercial transaction; to provide notice of a

change in a previous transaction; or to deliver goods, services, or product updates. So the act doesn't apply to your e-statements or e-mail updates on loan application status.

That said, Parenteau shares these tips to ensure your credit union's e-mail marketing campaigns comply with CAN-SPAM:

- **Collect explicit consent.** You must get explicit permission from members if you use e-mail as a targeted marketing tool. This includes e-mail addresses provided by online

banking and bill payment members. "Just because they do business with you online, that's not considered consent," he says.

Avoid passive opt-in techniques such as requiring the user to uncheck a box to opt out. Also, be sure the opt-in terms are clear and conspicuous. Your record keeping should include some documentation about receiving an explicit opt-in request, including sign-up date, and the Internet address of the originating request.

- **Enable multiple choices** for opting in and out. If you offer members only a vague choice, your opt-in file will grow slowly and not reach its potential. "A better approach," Parenteau suggests, "is to offer specific types of content [information, promotions, and so on] so members can choose what they want to receive from you.

"Members don't mind hearing from you via e-mail. In fact, they enjoy it. But it has to be relevant. So don't send refinance promotions to renters, for

example. One of the best ways to accomplish this is to capture e-mail addresses and permission right on your Web site. Consider a sign-up form allowing members to receive product-specific newsletters or rate alerts."

- **Change your message** for members who haven't opted in. While you still can send marketing messages to members who haven't opted in, those messages must be identified within the subject line as advertisements or solicitations.

Marketing messages also must contain the sender's physical address and a conspicuous opt-out mechanism.

- **Consolidate opt-out processes.** CAN-SPAM clearly prohibits institutions from sending commercial messages to recipients who have opted out. "Maintaining [and using] an updated opt-out file is the single most important thing you can do to avoid running afoul of this legislation," cautions Parenteau.

For many financial institutions, especially those with multiple business units, maintaining an up-to-date opt-out file will be a challenge. The law gives the sender 10 days to comply with an opt-out request. "If you maintain opt-out information in a marketing database updated monthly and you market via e-mail weekly, you'll have to change your list-processing procedures," he says.

Ultimately, all opt-out information must interact with your e-mail marketing engine and/or database. Put in place automated or manual processes that ensure all opt-out requests are suppressed from future mailings within 10 days of the request.

- **Make sure outside vendors** are up to speed. "If they're like our firm, they've been anticipating this legislation for a long time," says Parenteau.

"Your vendor should be able to provide you with centralized, secure e-mail list-management service that can interface with any data source (core data, marketing customer information file, customer relationship management). Make sure your vendor can maintain permission and opt-out status for members across multiple business units."

The CAN-SPAM Act doesn't have to mean the end of e-mail marketing efforts. "It may enhance them by removing the more onerous e-mails cluttering members' in-boxes," Parenteau says. "Just make sure all your e-mail programs are properly modified by your in-house staff or outside vendors to ensure compliance with the act." ■

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