

Permission Marketing

The Key to Efficiency and ROI

Permission may be the most powerful, overlooked word in marketing. Getting permission from qualified prospects to receive updated information about your organization might possibly be the most efficient way to increase your marketing return on investment, and yet many organizations have little understanding of its benefits, economics, and tactical toolkit.

The concept of permission marketing emerged in the mid-1990s Internet boom, when marketers recognized that they could use the Internet to get people to opt-in to receive information via e-mail. Promoted notably by marketing consultant Seth Godin, who helped popularize the term permission marketing, the premise is simple: People who give permission to receive information are far more likely to respond than any other targeted demographic. Despite the logic, very few organizations have strategic permission marketing strategies.

Permission introduces a new level of measurement into marketing, because it enables marketers to track the number and qualifications of people who opt-in to receive information, as well as the sales

and other related activities generated by those people. Tracking how many people opt-in to receive information as a result of a marketing campaign introduces a true quantitative and qualitative measure of results.

Permission marketing requires a frame of mind more related to journalism and entertainment than marketing, because it requires an ability to engage people to raise their hand and agree to receive information. There's no room for fudging: Either people want the information or they don't; they either open the messages and click through or they don't, they either remain engaged or opt-out, etc. Permission marketers often have to combine the information expertise of journalists and the creativity of entertainers to engage and retain qualified prospects.

The Economics of Permission

The results can be measured in very simple terms: response rates. Based on actual e-mail marketing campaigns conducted on behalf of Info-now.com and Selling Communications Inc. e-mail publications, the benefits of getting permission are clear:

Open Rates of E-mail With and Without Permission

E-mail Newsletter With Permission	43% viewed
E-mail Newsletter Without Permission	17% viewed

Based on an actual test of e-mail newsletters sent by Selling Communications Inc. sent to a permission-based audience versus a targeted list of individuals.

These numbers should come as no surprise. It stands to reason that people who want information are more likely to open the messages and respond if the information addresses their needs or desires. Getting people to engage and read your communications doesn't guarantee that they will buy, but it's an important first step to target your most likely prospects. The more people who view your message, the greater your opportunity to generate response.

The 8 Keys to Permission

1. Strategy
2. Technology
3. Getting Permission
4. Trust
5. Media
6. Content
7. A Link to Commerce
8. Measurement

1. Strategy

What are the precise goals, objectives, strategies, plans, and actions related to your permission strategy? Usually, the goal involves improving the economics of customer or prospect acquisition; the measurable objectives involve tracking the cost of opt-ins, the response rate of messages sent to opt-ins, the purchase rate of opt-in based communications versus other communications; the long-term value of an opt-in customer in terms of purchases made over time; the rate of permission retention, etc. Strategies, plans and actions include the specific tactics you will use to capture permission, profit from it, and measure it.

2. Technology

Without Internet technology, companies could not profit as cost-effectively from permission. The Internet makes it possible to easily entice and sign up people who want to receive information, and to send out and track that information based on their preferences. Numerous software technologies make it easy to register people via your site, feed those names automatically into a database, and send out electronic and print communications based on those permissions. Look for solutions that integrate these various functions so that everything operates seamlessly from a single platform for maximum efficiency. This technology should power a management dashboard displaying all of the key activities related to your permission strategy:

- Number of new signups
- Type of content desired
- Format of content desired (e-mail, print, or RSS)
- Demographics of people who have signed up
- Open rates (to the extent this can be accurately measured)
- Click-through rates
- Sell-through rates (if connected to e-commerce or a Customer Relationship Management system.)

3. Getting Permission

If properly implemented, a permission strategy often adds little to your marketing costs, because it can usually be incorporated into current efforts. The key elements are:

- Getting your message to the right audience
- Giving people reasons to opt-in or subscribe
- Making sure you capture permissions through every contact touch point
- Taking advantage of technology to simplify permission management and content distribution

4. Trust

People have to feel certain their permission and privacy will be respected. They won't even sign up without at least some trust, and they'll tune out or opt-out as soon as they've lost that trust. The more you do to earn trust, the more people will opt-in.

Trust is gained by making it easy for people to opt out and block your messages; delivering the information, entertainment, or promotions, etc., as promised; and giving them the confidence that their e-mail or other address information won't be used for anything other than its expressed purpose.

5. Media

Breaking through the clutter is more challenging than ever, so most marketers seek multitouch solutions. Your permission strategy should give people a choice to get the information they way they want it, via the media they desire. Most marketers prefer e-mail because of the low cost and relative measurability, but they also know that up to 20 percent of all commercial e-mail messages get sidetracked by spam filters. So, many marketers have begun to explore another electronic delivery option: RSS for Real Simple Syndication. This enables people to opt-in to receive updated information via their Web browser instead of e-mail, but requires free downloadable software to read the RSS links, and a tiny bit of technical knowledge to opt-in to RSS feeds.

Finally, don't forget print mail. People still open up their mailboxes every day, and they still respond to direct marketing. Today's marketers know they need a mix of media to drive their message home.

6. Content

Most people have enough spam; they will opt-in to receive only information they want. Generally speaking, most people do not want high-pressure, self-serving advertising. Instead, depending on the person, they seek useful information, entertainment,

incentives, games, privileges, social networking opportunities, etc. In permission marketing, the operative word is *engage*, not just sell.

This presents a challenge to marketers: They are trained to sell, whether it's a product, a brand, an image, an experience. But, permission marketing also requires journalists, entertainers, social-networking experts, incentive planners, promotion marketers, etc., who know how to build a relationship with people.

Even more challenging, all of this engagement does have a final purpose: to sell more. The creators of your content strategy have to walk a narrow line between providing useful content, entertainment, games, etc., and meeting the ultimate sales or marketing goal.

7. A Link to Commerce

Engagement does little economic good unless it leads to increased sales or accomplishment of other marketing or outreach objectives. The goal of all of these efforts is to keep your company's products or services top of mind the next time they're shopping. The key is to target people most receptive to what you sell, and that means using content, research, entertainment, games, or other ideas as closely related as possible to your field of interest, so that your message hits the same people who can someday buy. Permission marketing does not rule out advertising your products and services. In fact, it creates the environment and audience most conducive to generating measurable results. It does require a careful balance between meeting the consumer's desire for information or entertainment, and the organization's desire to accomplish a business goal.

8. Measurement

With permission-marketing and media, there's nowhere to hide. You can precisely track your outcomes against the database of people you've developed to find out the source of your business, what they respond to, when they respond, your opt-in rates, your opt-out rates, etc. Whatever the indice you want to track related to Web site visits, click-throughs, e-zines, event registrations, sales, etc., is now within the grasp of almost any company. The result: the ability to focus your dollars where they count most.

Books

Permission Marketing: Turning Strangers Into Friends and Friends Into Customers, by Seth Godin.