



Total Cost of Ownership

When considering whether or not to engage a vendor for your email marketing and database management requirements, it is important to understand the following:

- ✦ Technology cost
- ✦ Your ISP relationship
- ✦ Deliverability
- ✦ Email & application server
- ✦ Spam compliance
- ✦ Support
- ✦ Scalability – future needs

Technology Cost

The main costs areas to consider when going it alone are the product scope, build and ongoing support & maintenance requirements.

Typically your vendor has spent many hours (sometimes 10s of thousands of hours) ensuring their application will support all but the most meticulous buyer.

The highly competitive environment is the main driver causing vendors to provide leading edge technology. This typically means you get the latest and greatest product features and upgrades as and when they become available.

Economies of scale are also achieved by these vendors where they can spread the cost of development and deployment across several thousand users with the cost benefit typically reflected in their pricing models.

When a vendor supports a critical mass of end clients you will also find the aggregated needs of this market have been a driving force in the products development, and therefore, already contain most of the features you will ever need.

Your ISP Relationship

Often overlooked, but the relationship and terms of service you have with your ISP will, to a large extent, determine the rate, and more importantly, the number of emails you'll be able send at any one time.

Depending on your requirements, you may find your ISP may block or terminate your connection when attempting to execute sends of several hundred emails or more.

Most vendors either have their own mail server clusters or agreements with large ISPs to overcome these issues.

Deliverability

Often overlooked, but the ability to deliver your message as intended has a significant impact on the success of your communications.

Due to the myriad of technology obstacles that interrupt the successful delivery of your message - such as firewalls, spam filters, ISP relationships and blacklisting to name a few, it is important your delivery system has been optimised and incorporates email header standards to maximise success rates.

It has been reported by ClickZ that over 25% of legitimate emails get blocked by one or several of the factors listed above.

Vendors have typically been exposed to, and found solutions to help navigate around and through these obstacles. Deliverability can also be dependant on prior relationships with major ISPs or network administrators of large organisations.

Email & Application Server

Depending on your requirements it may be necessary for you to resource and manage both an application and mail server. Costs associated with this include human IT management, hardware costs, hosting costs if external, and bandwidth costs with your ISP.

Most vendors should be able to offer you an on-demand ASP based system with little to no sunk costs, no software, hardware or IT support required by your organisation.

Most vendors should also be able to provide a level of security that rivals and is compatible with (both ASP & installed versions) most large corporate security networks.

You may also find several vendors that enable you to host the application within your environment (installed version) yet they manage the application remotely. This can provide you with an intermediate option between an ASP model and building it yourself.



Spam Compliance

Spam compliance is one of the most important issues facing companies wishing to utilise email as a regular communications vehicle.

Your vendor should be able to provide technology that helps you remain compliant in the following areas:

- ✦ Subscription management
- ✦ Unsubscribe management
- ✦ Obtaining consent
- ✦ Ensuring authorised sender details
- ✦ Bounced email management

Your vendor should also be able to provide you with industry best practice information and an overview of relevant legislation.

Support

Your support requirements will depend on several factors including size of sends, how often, the type of campaign you're going to execute – whether a once a month newsletter or 6 month up-sell campaign, and the amount of reporting required.

Other support factors may include design, execution and best practice. A good vendor should be able to work with you to help fill any gaps or provide information that will guide you in the right direction.

Scalability – Future Needs

You may just want to send a few emails today but may soon see efficiencies in integrating with existing business software and processes.

A good vendor should be able to supply you with a complete set of application interface protocols (APIs) that will help you integrate just about any third party software, based on any business rule you may want to apply.

For example: you may want to capture new registrations to your product / service; send them a welcome email; automatically update their profile once they become a paying customer; send them a birthday wish and special offer the day before their birthday and so on.

This type of business rule, utilising your existing database software, should not present any problems for an experienced vendor. If the vendor has a well constructed set of APIs, you or your organisation should also be able to complete this task with little to no interaction from the vendor.

