



Trusted Agent Email Marketing: Techniques That Build Loyalty and Lifetime Value

By Jesse Berst, CEO, IZ Inc.



Executive Summary

More and more companies are turning to email marketing as a highly cost-effective tool for acquiring and retaining customers. However, "Inbox Fatigue" is also causing many prospects to tune-out or delete all but the most compelling emails they receive. What are the factors that distinguish "must-read" emails from the rest of the inbox glut?

One important factor is creating a "Trusted Agent" relationship with the audience. From the corporate side, this relationship is marked by: (1) a personal approach from a recognized authority; (2) brief, frequent and value-rich contacts with the audience; (3) a compelling mix of information, opinion and fun; and (4) a long-term focus on interacting with the audience and building credibility.

This white paper will explore the underlying techniques of the "Trusted Agent" email marketing model. Other white papers in this series will examine the publishing methods and digital technology needed to produce and deliver high-volume email marketing campaigns.

Why Email?

According to Morgan Stanley, email is the world's favorite online tool. For example:

- Virtually all (96%) of the online audience uses email
- Most (72%) check their email before doing anything else online



Active email newsletters arrive from a trusted friend. Each section leads to high-value content on companion Web pages.

When you combine its popularity with the low cost of transmitting email, you have a communication medium that is theoretically 5-20 times cheaper per exposure than traditional print or broadcast advertising.

However, an email that goes unread is no more effective than an envelope that goes into the trash can unopened. To be truly cost-effective, email must be *compelling*.

The 'Best Practices' of Email Marketing

To understand why email gets opened and read, we need to examine a bit of basic human psychology:

- People prefer to read email that comes from another human being, not just a faceless corporation

- People do *not* want to be “spammed.” They want to grant permission (“opt-in”) before receiving email from companies
- People don’t want to receive empty hype; they want companies to communicate in a respectful, value-added manner

It all boils down to this: People want to be treated as *people*, not as targets. Because of this, people evaluate the contents of their inbox by considering:

- Is the sender recognized, trustworthy and credible?
- Is the sender speaking to me in a direct and interesting person-to-person fashion?
- Is the sender offering me something of value? Or are they just after my wallet?

In other words, email marketing is most effective when it resembles a good person-to-person relationship — two-way, mutually beneficial, and based on trust.

Origin of the Trusted Agent

The Internet did not invent the Trusted Agent — it’s as old as human history itself. In fact, email marketing is the latest reinvention of the “old-fashioned service” ethic that some say died out in the 1900s . . .

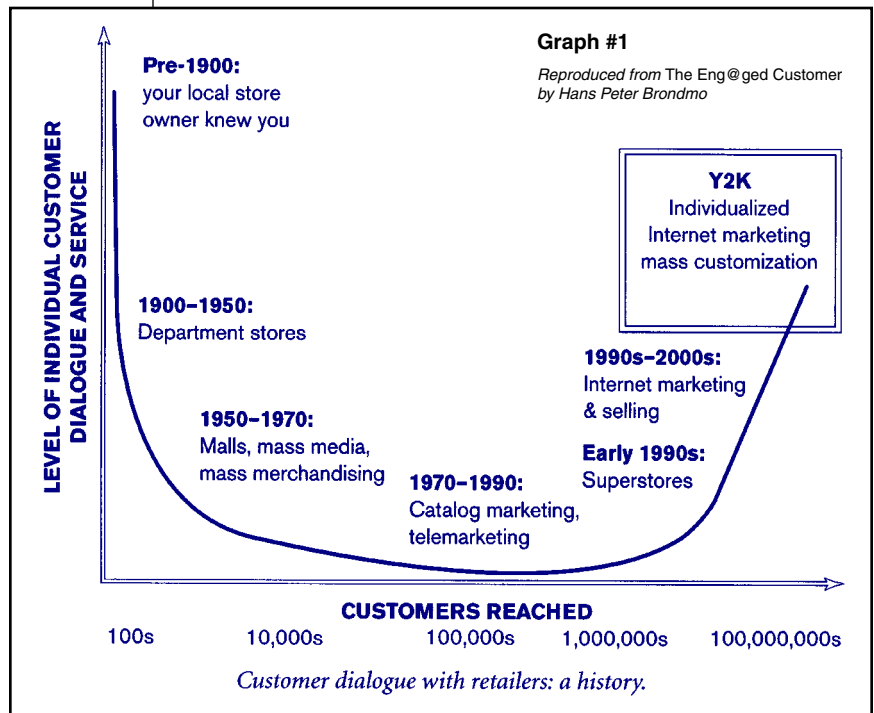
In his book, *The Eng@ged Customer*, Hans Peter Brondmo uses the example of the old-fashioned neighborhood butcher to describe the essence of the Trusted Agent:

“Customers — whether they’re buying online or walking into a store — have always patronized companies that offer good products and services. But that has never been all there is to a purchase decision — and the old-time butcher knew that. He understood four basic principles:

- 1) Recognize and greet every customer by name
- 2) Communicate with each one as an individual
- 3) Reward the best customers
- 4) Provide great service to everyone . . .”

This friendly merchant would likely become one of your Trusted Agents. As such, he might even gain credibility in other arenas. For example, if your car needed repair, you might also extend your trust to his recommendation for good mechanics!

In short, it’s the *quality* of the person-to-person communication that defines the Trusted Agent role. And it’s the mechanism of digital publishing and email delivery that has resurrected it from the history books and expanded it to the global online audience (see Graph #1).



Creating the Voice of a Trusted Agent

Some have likened Trusted Agent email marketing to “the voice of a real person” — someone speaking to you in an articulate, entertaining and informative manner.

This may sound like a simple goal to achieve, but in practice it is quite tricky and elusive. Many companies attempt it but very few ever master the techniques.

Let’s review the hallmarks of Trusted Agent email marketing:

- *Frequency* — build the relationship through regular contacts (weekly at a minimum)
- *Brevity* — keep emails short, respect the audience’s time and hold their attention
- *Personality* — speak in a distinctive human voice with an intriguing point of view
- *Relevance* — let the readers choose the topics that matter to them
- *Interaction* — solicit and publish feedback from the audience, to deepen their emotional ownership
- *Value* — offer content, products and services that are timely, useful and reliable
- *Entertain* — make the relationship a pleasurable experience for the audience and they’ll open your emails first

To succeed, all elements must be present, day-in and day-out. No weak links are allowed — everything must adhere to a well-defined and proven editorial formula.



- Give the audience something valuable every day — wit, a reliable point of view, free downloads, fun activities, etc.
- Use response rates to constantly hone the offering
- Focus on earning the audience's trust for the Trusted Agent format

Our basic approach proved sound, and we honed the process by constantly analyzing response rates and adjusting the process. We created every aspect of the newsletter and companion Web site in great detail, to assure a consistent and high-quality publication. "Reader-friendly" was our editorial mantra, guiding us in every area, even down to the length of headlines and subheads:

"Readers won't suffer through long text documents on a computer screen. Give them scannable stories they can get into and out of quickly. Follow these guidelines for length:

- Headline: 5 to 8 words
- Email deck: 25 to 35 words
- Front page deck: 25 to 50 words
- Lead column: 350 to 450 words

- Secondary story: 150-250 words"

[from the *IZ Style Guide*]

The results? By 1999, *AnchorDesk* was attracting 10 million visitors a month to the ZDNet Web site — 30% of the total site traffic. And with nearly 3 million subscribers, *AnchorDesk* was widely hailed as the world's most popular email newsletter, due in large part to its highly engaging Trusted Agent format.

The Technology 'Engine'

The Trusted Agent editorial process was indeed a breakthrough, but it also required a powerful underlying technology. For example, fast and powerful databases were needed to maintain profiles of individual subscriber preferences. List management systems were required to respond to the audience's ever-changing wishes. And powerful servers were needed to pump out millions of personalized emails every day.

Here's the important thing to note: Many companies think this technology is all there is to email marketing. They completely miss the fact that "must-read" emails result from a superbly tuned editorial process that painstakingly *earns* the trust of its audience.

Editorially Driven Trust

Many people think of ZDNet's AnchorDesk as the "grandfather" of Trusted Agent email marketing. In 1996, ZDNet retained me to plan, launch and host their *AnchorDesk* e-newsletter and companion Web site. I was already a well-known technology analyst, columnist and author, and I saw this as the perfect opportunity to test a new email marketing technique that had been evolving in my mind for years — the Trusted Agent model.

I assembled a crack team of journalists, technologists and marketers, and together we developed a unique blend of high-quality journalism and digital publishing techniques that was guided by a well-defined editorial policy:

- Build trust through frequent opt-in communication with customers
- Talk to your audience in a concise and personal tone
- Respect their time — keep emails short and let readers drill-down as needed
- Use the companion Web site to offer rich, cross-indexed detail
- Involve the audience — survey their opinions, publish their comments and let their feedback help shape the Web site

Other white papers in this series will explore email marketing technology in greater detail. From an editorial standpoint, digital publishing technology is especially critical.

Obstacles to Becoming a Trusted Agent

As stated previously, many companies invest in email marketing but very few ever master the highly effective Trusted Agent strategy. Why?

Here are the most common obstacles to implementing a successful Trusted Agent strategy:

- **Lack of editorial and publishing expertise.** The Trusted Agent message must be crafted by professional communicators — typically journalists — using tested and proven editorial techniques. Very few companies are willing or able to invest in this.
- **Overemphasis on technology.** Email delivery technology is easy to acquire and easy to abuse. Without relevant and compelling content, a company may earn a reputation as a “spammer.”
- **Lack of interactivity.** A companion Web site should solicit and reflect input from its audience through the use of talkbacks, polls, community forums and other interactive features. Without these, the site is a one-sided and passive experience for the reader, and this erodes loyalty.
- **Poor management of opt-in, list management and audience interaction.** Companies will not earn the trust of their audience unless they respond quickly to reader requests and feedback.
- **Short-term emphasis on product/service offers.** Press releases or discount offers seldom qualify as “relevant and compelling” content.

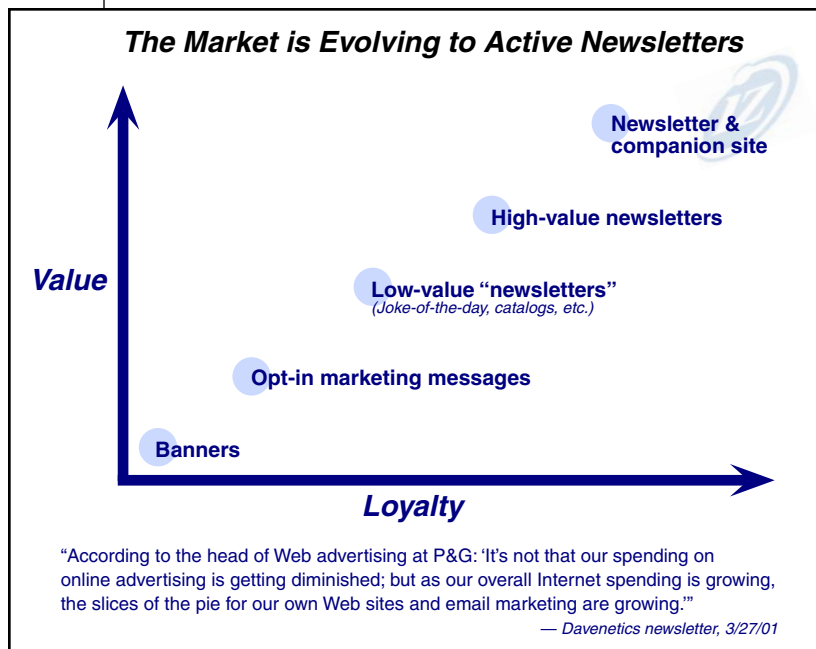
Conclusion and Worksheet

Trusted Agent email marketing is the most powerful person-to-person marketing technique currently available, yet few companies have mastered the broad range of skills needed to tap its full potential.

In general, businesses must abandon a broadcast (“one-to-many”) mentality in favor of relationship marketing (“one-to-one”) — the long-term cultivation of audience trust and the personalization of the dialogue.

This transition will not happen overnight, so companies should seek partners with a proven track record of success in the Trusted Agent email marketing arena. A good partner can be a catalyst that provides both short-term results and a long-term evolution in marketing strategies.

How can a company identify a good email marketing partner? Here are a few qualifying questions you should ask:



1. How many email newsletters (and companion Web sites) have you launched? What were their subscriber growth curves?
2. What metrics do you use to gauge success? How are results used to fine-tune the process?
3. What is your Trusted Agent editorial process? What is the background and experience level of your editorial staff? Do they operate with a well-defined and tested set of guidelines?
4. How many total subscribers have you recruited for clients? What is your “churn” rate compared to the industry average?
5. What interactive opportunities exist for subscribers? How is their feedback reflected in newsletters or on the companion Web site?

Are you ready for IZ Custom Publishing? For a no-obligation assessment of your needs, please contact us at sales@iz-inc.com or 425-626-2600.



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