Email Marketing Rules For Small Business Owners

Today, I heard some folks at the coffee shop discussing emails and their comments inspired me to write about that topic. How do you like all those unwanted emails? Most all of us don’t!!! It is one of my top pet peeves. However, the next question I ask you is this…. is email marketing effective? Yes, it can be. But, my advice is that you don’t tick-off your potential customers!

According to the Direct Marketing Association, the typical ROI (return on investment) for email marketing is about 4,300 percent. With that kind of effectiveness, it’s definitely a marketing activity worth considering for your small business. But before you blast out your first or next message, you need to know the rules. There are laws to protect people from unwanted email solicitation—you need to abide by the CAN-SPAM Act, the Federal Trade Commission’s “rules and regulations for commercial marketing”.

According to the FTC’s compliance guide for businesses, “It covers all commercial messages, which the law defines as any electronic mail message the primary purpose of which is the commercial advertisement or promotion of a commercial product or service, including email that promotes content on commercial websites. The law makes no exception for business-to-business email. That means all email—for example, a message to former customers announcing a new product line—must comply with the law.”

If you fail to comply, you might find yourself paying a lofty fine. Each individual email in violation of the rules could penalize you up to $16,000. (However, I do not have the statistics of the results of their enforcement.)

Here is a capsule of the FTC’s main requirements to keep in mind every time you create and launch an email marketing campaign:

- Do not try to disguise who is initiating the message by using false or misleading information in the “To,” “From,” and “Reply To” fields. Routing information (such as the domain name in the originator’s email address) must also be accurate so recipients know who is sending them the message.

- Do not use subject lines that are deceptive. You can be creative with subject lines to make them interesting, but don’t attempt to trick readers into opening your email by making them think the contents will be something other than what it is.
Make sure that people know what you’re sending is an advertisement or a promotion if that’s what it is. In other words, don’t use a subject line like, “An Update On Your Account” or something similar that would lead recipients to believe you’re sharing information relevant to their accounts when instead you’re promoting a new product line.

Provide your physical postal address (street address, P.O. box, or mailbox through a commercial mail service that follows U.S. Postal Service regulations.

Let recipients know how they can stop receiving future emails from you. Include a direct and clear explanation of how they can opt out of your email list and give them a return email address or another easy electronic way (like an unsubscribe link) to inform you that they don’t want to receive any more email messages from you.

Act on opt-out requests as quickly as possible—you have 10 business days to honor recipients’ wishes.

Make sure others doing marketing on your behalf are complying with the law. If you contract another company to manage your email marketing, you both bear legal responsibility for complying with the law.

Those points cover the main requirements of the CAN-SPAM Act, and we recommend you read the FTC’s compliance guide for more details to make sure your small business follows the rules.

For additional guidance and insight about marketing and other aspects of starting and growing a small business, contact the SCORE chapter near you for an opportunity to get a free mentor.

Dean L. Swanson
Southeast Minnesota SCORE
c/o Rochester Area Chamber of Commerce
220 South Broadway, Suite 100
Rochester, MN 55904
www.seminnesota.score.org/

*Dean is a volunteer Certified SCORE Mentor and former Regional Vice President for the North West Region of SCORE