

FEDERAL TRADE COMMISSION

July 11-12, 2007

**S** PAM

**SUMMIT**

THE NEXT GENERATION OF THREATS AND SOLUTIONS

# Identifying Best Practices for Businesses

## Moderator:

Phillip Tumminio, Attorney, *Division of Marketing Practices, FTC*

- What can businesses do to distinguish themselves from malicious spammers?

# Identifying Best Practices for Businesses

- **Matt Blumberg**, Founder and CEO, Return Path
- **Jerry Cerasale**, Senior Vice President, Government Affairs, Direct Marketing Association, Inc.
- **John Ingold**, Director, Security and Risk Assessment, BITS
- **John Mathew**, Vice President, Operations, Epsilon
- **Alastair Tempest**, Director General, Federation of European Direct and Interactive Marketing (FEDMA)
- **Mike Zaneis**, Vice President, Public Policy, Interactive Advertising Bureau (IAB)

# Matt Blumberg

- Founder and CEO, *Return Path*

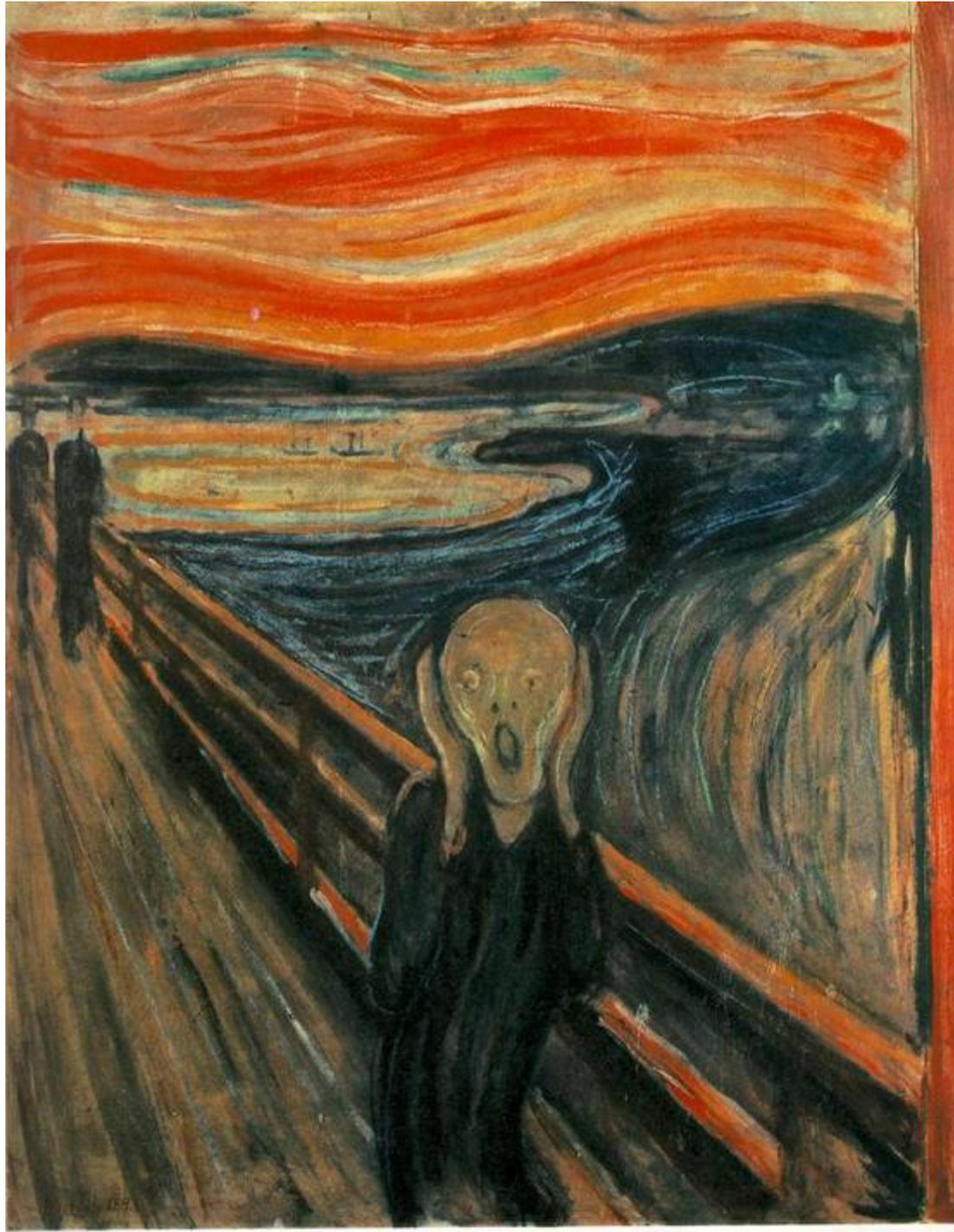


# A line in the sand

*July 12, 2007*

**Matt Blumberg**  
**Chairman &**  
**CEO**  
**Return Path, Inc.**





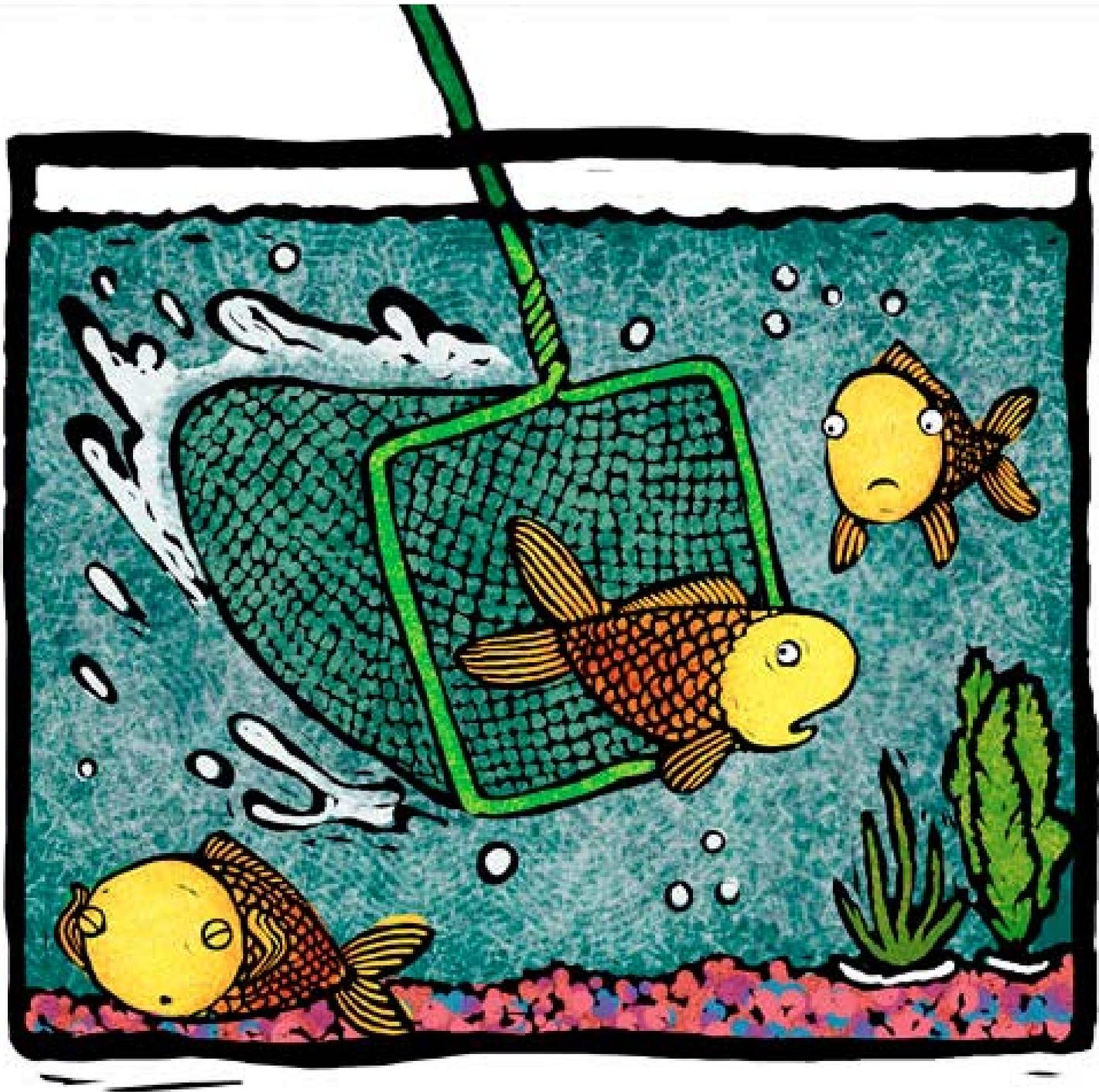


**Get 'em on**

**Get 'em off**

**Treat 'em right**

**(And do it the right way)**





*Photo by Sgt. Jeff Lowry*



**SPEED**

**LIMIT**

**65**



# NEW JERSEY

 Motor Vehicle  
Commission

CLASS: D  
BOAT

## AUTO DRIVER LICENSE

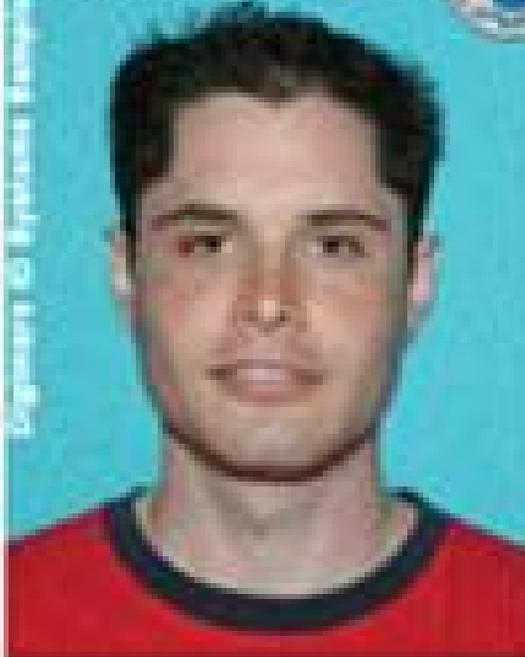
*Don L. ...*



**X9999 99999 99999**

**DOB: 09-15-1969**

Logan & ...



**FIRSTNAME M LASTNAMEXWWXXMMXX**  
1313 ANY STREETXXXMMXXWWWXXMM  
GARDEN STATEX NJ 08666-0000

**ISSUED: 09-15-2003 EXPIRES: 09-15-2006**

**ENDOR: HNPTMXXX RESTR: 145LNOPQRSXX**

**SEX HGT EYES INTERLOCK DEVICE**  
**M 5-10 BRN 05-30-2003**

**TEMP IMMGR STATUS**

*Zachary Sample*



**ORGAN DONOR WR94112000047XXXX ES DUP00 005.00**

R-Bus Mechanic Without Passenger





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- **Mike Zaneis**, Vice President, Public Policy, Interactive Advertising Bureau (IAB)

# Mike Zaneis

- Vice President, Public Policy,  
*Interactive Advertising Bureau (IAB)*

**Mike Zaneis – Vice President,  
Public Policy**

**Interactive Advertising Bureau**

July 12, 2007



# Interactive Advertising Bureau

- ◆ The IAB is the only association dedicated to helping online, Interactive broadcasting, email, wireless and Interactive television media companies increase their revenues.
- ◆ The quality of the IAB leadership, membership and industry initiatives, such as standards, research, advocacy and education, benefit the membership as well as the industry as a whole.
- ◆ IAB's eMail Committee, in partnership with the IAB Public Policy Council, brings together the entire email community – senders, receivers, and technology companies.

# Three Primary Areas of Focus

- ◆ Industry Best Practices
- ◆ Implementing Technologies and Services
- ◆ Education and Enforcement

# Industry Best Practices

- ◆ The eMail Marketing Pledge – IAB has joined with the ESPC and TRUSTe to develop this set of industry guidelines requiring consumer consent for the use of email addresses.
- ◆ Ethical eMail Guarantee – IAB guidelines for obtaining email lists. These guidelines enable advertisers and agencies to feel more at ease with list sourcing methods.
- ◆ eMail Metrics Definitions – New IAB document standardizing email definitions and metrics across all industry segments.

# Implementing Technologies and Services

- ◆ Authentication – Technology protocols that establish the true identities of senders and allow for the development of a sender's email reputation.
- ◆ Accreditation Services – 3rd-party programs that certify sender policies and practices and contribute to a sender's email reputation.
- ◆ Reputation Services – Monitors that gather all available data intelligence on senders and aggregate a global reputation score.
- ◆ ISP whitelists and automated feedback loops – ISP-level tools to help identify “good” senders and facilitate email delivery – reputation at the local level.

# Education and Enforcement

- ◆ Engaging all segments of the industry is imperative.
- ◆ Best practices mean little without widespread adoption.
- ◆ Going beyond just the “spam” problem to improve infrastructure security.
- ◆ Continued cooperation with law enforcement – International, Federal, and local.
- ◆ How can industry help you?

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# John Mathew

- Vice President, Operations, *Epsilon*

Email Deliverability Best Practices  
for Businesses  
FTC Spam Summit

July 2007



## Background

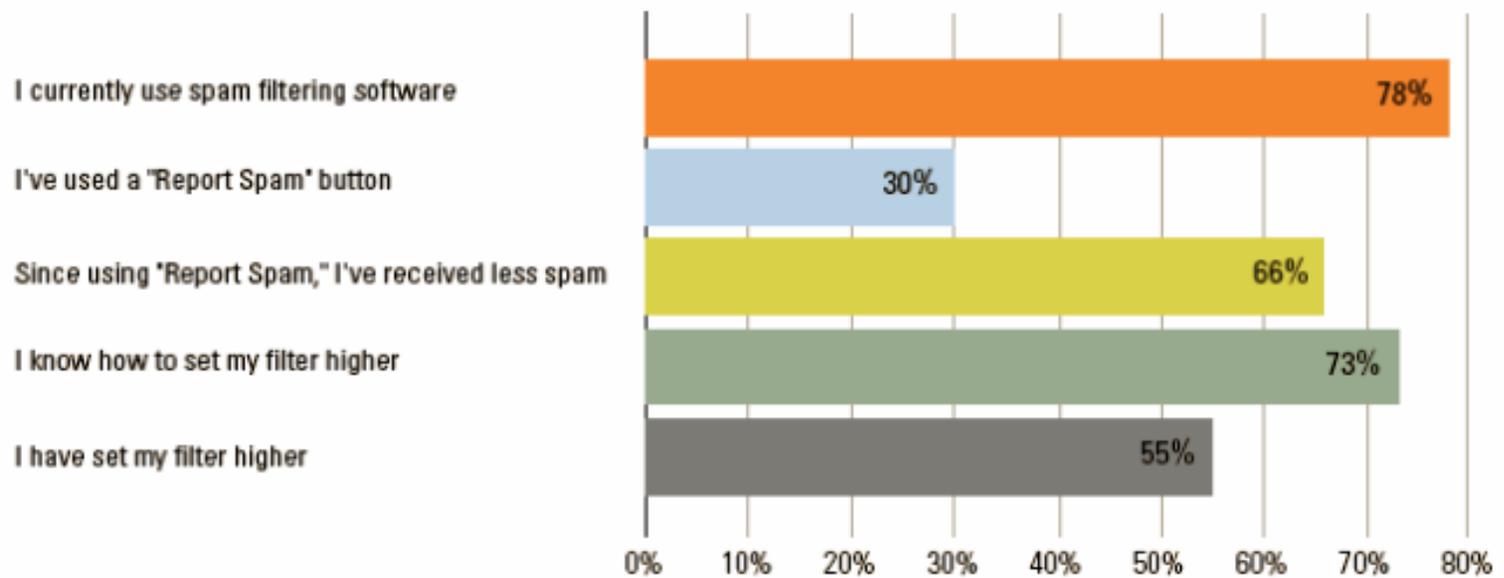
- SPAM
  - AOL filters: As much as 85% of all email received at the gateway today is spam or malicious email.\*
  - Effect: NOISE
- Phishing
  - Identity Theft
  - April 2007 Stats\*\*:
    - 23,656 unique reports
    - Country hosting most phishing websites: US
    - Average time online for site: 3.8 days
  - Effect: FEAR



\* Source: Charles Stiles, AOL, DMA Email Policy Summit, May 18, 2007

\*\*Source: Anti-Phishing Working Group

## 2007 Epsilon Study: Consumers Taking Control

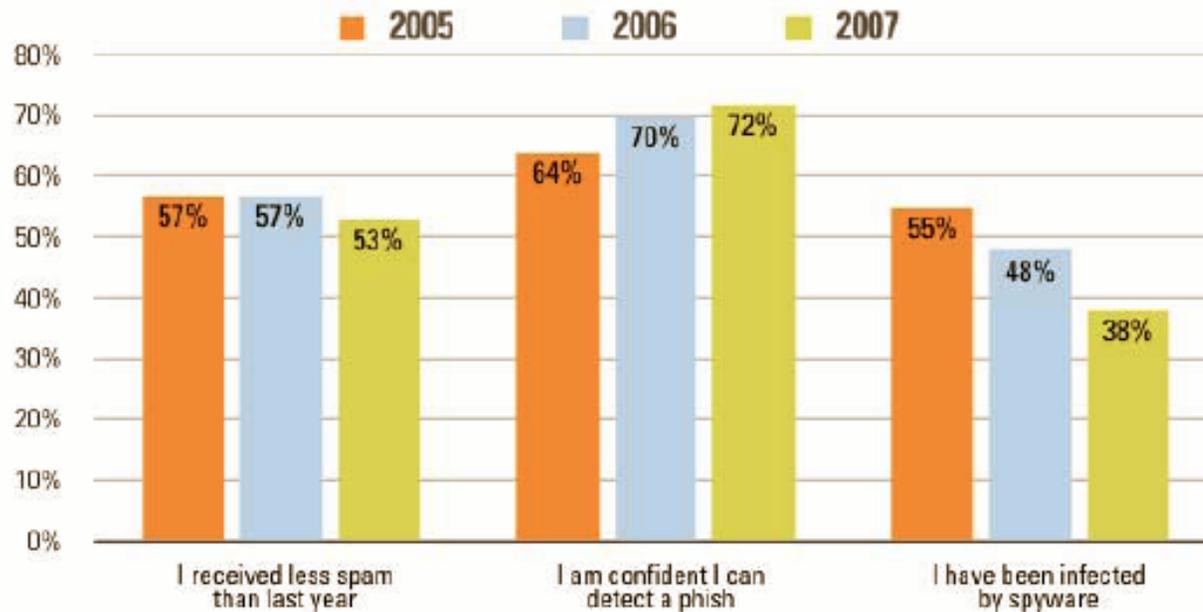


\* Source: Epsilon/GfK Custom Research North America, "Email and Spam: Consumer Attitudes and Behaviors," February 2007.



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## Most Consumers – But Not All – Feel Better Protected Against Spam and Other Email Borne Threats

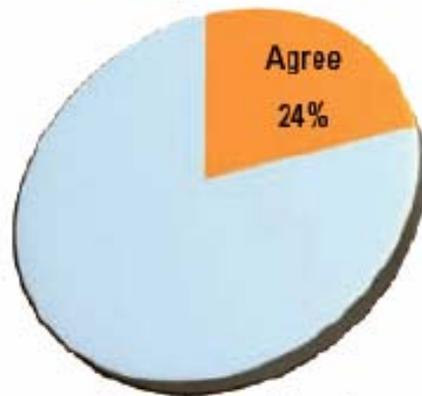


\* Source: Epsilon/GfK Custom Research North America, "Email and Spam: Consumer Attitudes and Behaviors," February 2007.



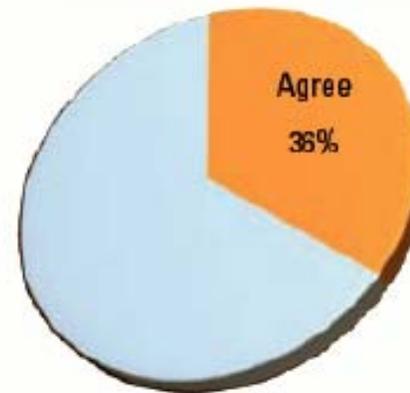
## False Positives Still a Top Challenge for our Industry

An email message I wanted sent to me recently did not arrive



(base: 414 home email users)

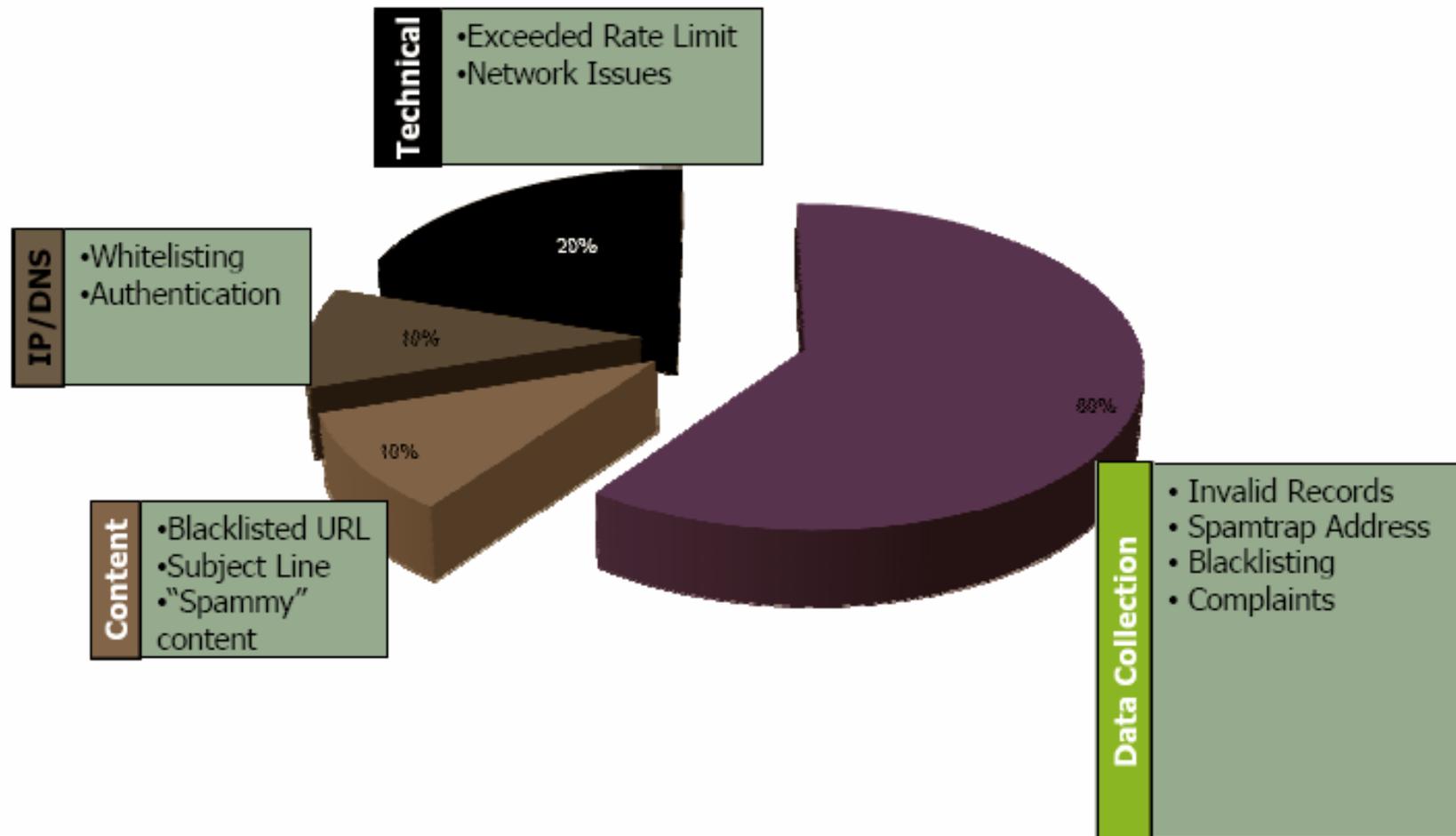
An email message I wanted sent to me was misdirected into my junk folder



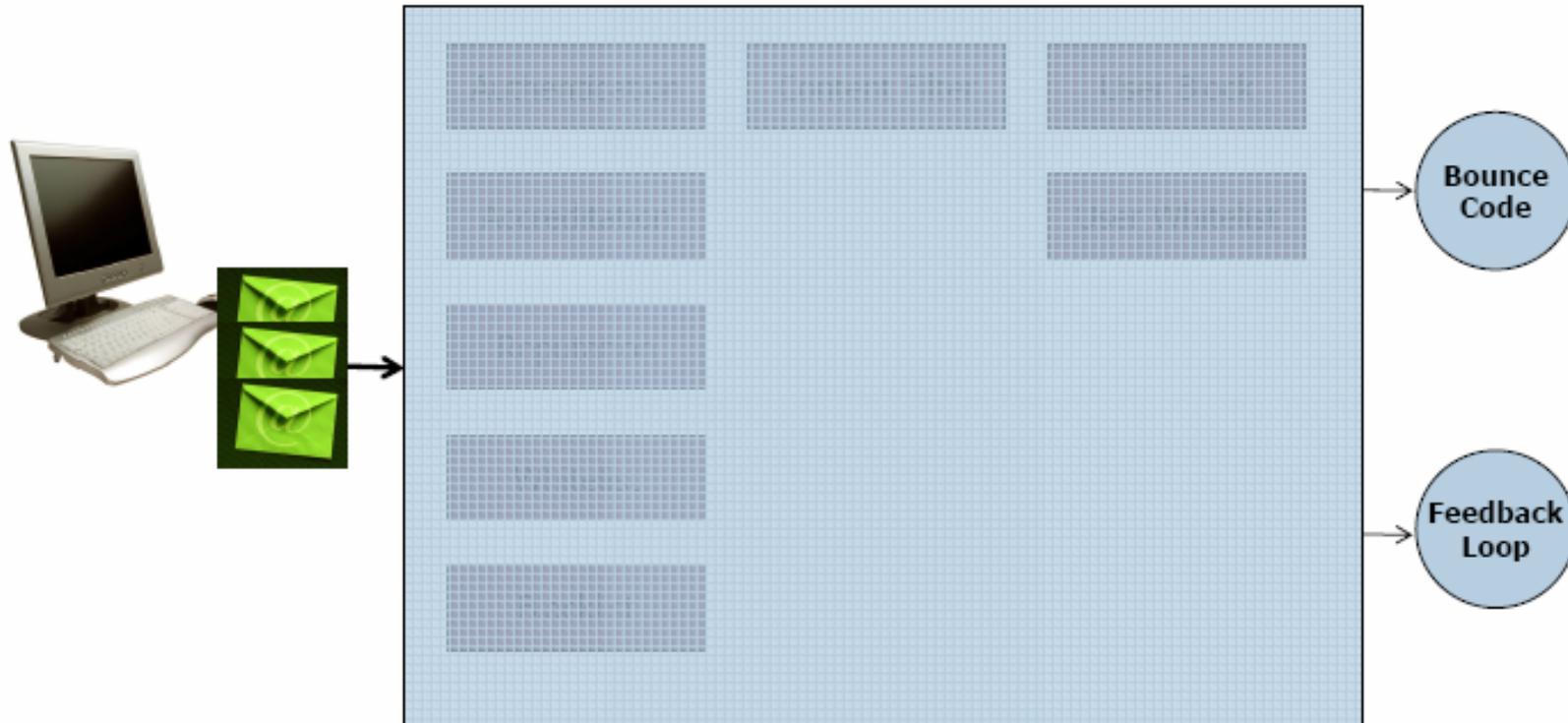
(base: 418 home email users)

\* Source: Epsilon/GfK Custom Research North America, "Email and Spam: Consumer Attitudes and Behaviors," February 2007.

## Delivery Issue Forensics



# Delivery Challenges



## ISP Characteristics

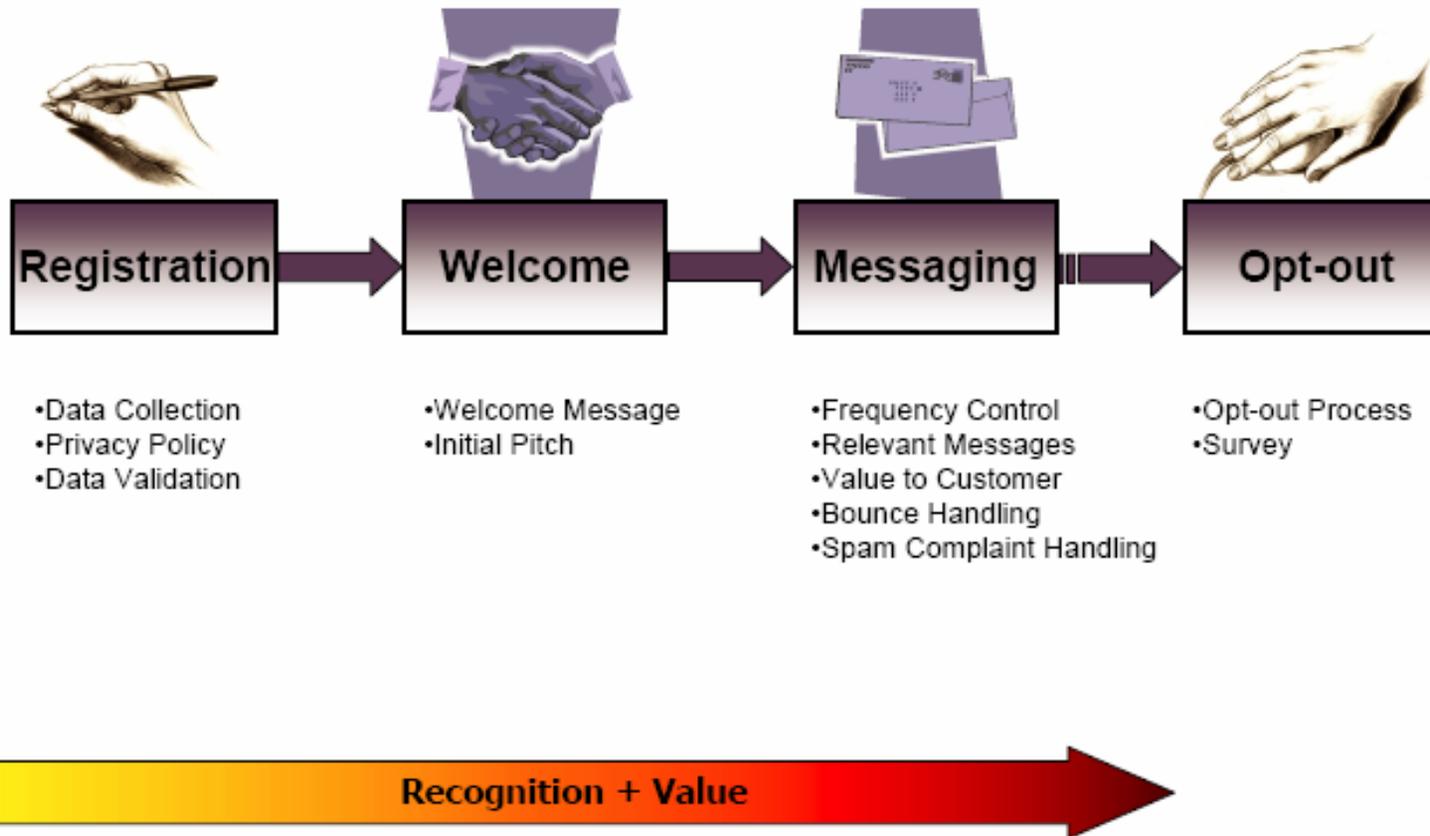
ISP	Domains	White listing	FBL	Authentication	Common Problems	Image Suppression	Known Filters
AOL (Rank: 2)	aol.com, compuserve.com, cs.com, netscape.com, netscape.net, wmconnect.com	Internal, Goodmail, Habeas non-profit		SPF	Complaint Rates, Bounce Rates, Spam Traps		Custom
Earthlink (Rank: 5)	earthlink.net, earthlink.com, mindspring.com			Domain Keys	BrightMail, Complaint Rates, Infrastructure, Bounce Rates		BrightMail, Custom
Gmail (Rank: 4)	gmail.com, google.com			SPF, Sender ID, Domain Keys	Bulk Delivery, User Complaints		Custom
Hotmail MSN (Rank: 3)	hotmail.com, msn.com, webtv.net	Sender Score Certified		SPF, Sender ID	BrightMail, Complaint Rates, Bounce Rates		Brightmail, Smartscreen, User Level Filters
Yahoo! (Rank: 1)	yahoo.com Sbcglobal.net		Beta	Domain Keys	Infrastructure, Complaints, Bounce Issues, Spam traps		Custom

## Reputation Metrics

- **Complaint Rate:**
  - the percentage of customers that report email as spam (using the “Report Spam” button)
  - = # of complainers/delivered to ISP
- **Bounce Rate:**
  - Percentage of messages that were attempted but failed to deliver
- **Functioning unsubscribe:**
  - Test to determine whether unsubscribe method works
- **Honeypot hits:**
  - Number of instances where messages are sent to expired accounts.

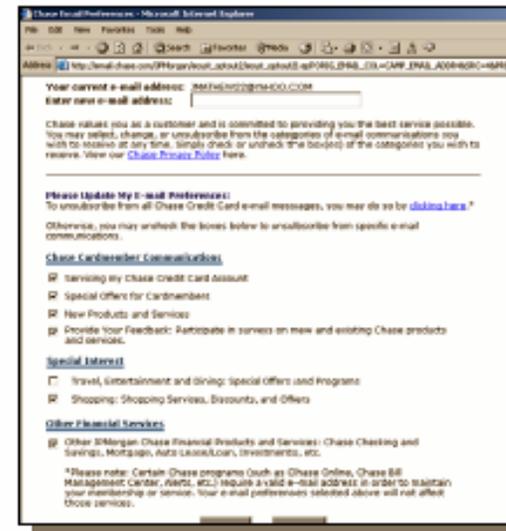


# Deliverability Lifecycle



# Registration

- **Data Collection**
  - ✓ Opt-in
    - FCC Wireless Opt-in
  - ✓ Opt-in Verification
    - IP Address
    - Source ( Web, BRC, Call-center, etc. )
    - Opt-in Date
  
- **Privacy Policy**
  - ✓ Easy to understand
  
- **Data Validation**
  - ✓ Format Validation ( [alias@domain.TLD](#) )
  - ✓ Role address removal ( e.g. [sales@domain.com](#) )
  - ✓ Spam-trap removal ( e.g. [spamuser@hotmail.com](#) )
  - ✓ Real-time validation: prompt for correct address
  
- **Notice of Value to Customer**
  - ✓ Provide details about message content
  - ✓ Provide message samples
  - ✓ Provide offer/value details



## Welcome

- **Add to Address Book**
  - ✓ Remind customers to add email address to address book.
  - ✓ Notice of Frequency
  - ✓ Notify customer about messaging frequency
  
- **Initial Offer**
  - ✓ Send email series: education with valuable offer.
  
- **Rules of Engagement Reminder**
  - ✓ User registered at...
  - ✓ Use Preference page for managing email subscriptions



## Messaging-Outbound

### Frequency

- ✓ Manage message frequency
- ✓ Service vs. marketing

### Relevance/Value to Customer

- ✓ Customers should look forward to each email
- ✓ Segmentation
- ✓ Personalization
- ✓ Dynamic Content

### Subject Line/Content Score

- ✓ Ensure low "spamminess" score
- ✓ Ensure CAN-SPAM compliance
- ✓ Image file name

### Add to Address Book Reminder

### Whitelist/Blacklist Management

- ✓ Monitor daily.
- ✓ Resolve quickly.

### Provide Preference Page Link in Each Email

- ✓ Provides options for customers.

### Authentication Credentials

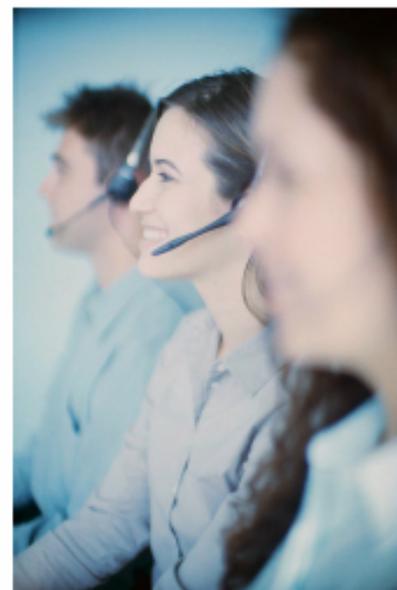
- ✓ SPF
- ✓ DKIM

### Third-Party/Cross-Sell Promotions

- ✓ Include source of registration

## Messaging: Inbound

- **Bounce Handling**
  - ✓ Specific to ISP
  - ✓ Manage retries by bounce code
  - ✓ Handle throughput
  - ✓ Simultaneous connections
  - ✓ Properly clean list
- **Scrub File Processing**
  - ✓ Prompt customers to provide valid email address
- **Undeliverable File Processing**
  - ✓ Prompt customers to provide valid email address.
  - ✓ Utilize Email Change of Address (ECO) or Hygiene service
- **Reputation Management**
  - ✓ Prompt opt-out of spam complainants.
  - ✓ Determine/Address by source of complaint Manage Complaints
  - ✓ Segment by Client Email Age
  - ✓ Segment by Activity
- **Challenge Response**
  - ✓ Set up personnel to manage



## Messaging: Preference Page Best Practice

- Do Not Provide Ability To Change Email Address On Preference Page. User Should Sign In To Account To Change Email Address
- Provide Options For Multiple Email Communication Streams
- For All Communication Streams, Provide Link To Pop-Up Page That Provides Description And Benefits Or Sample
- Include Link To Privacy Page
- Provide Simple Method To Opt-Out Of All Communication. Let User Know If There Are Exceptions To Opting Out Of All Communication ( e.g. Service Message)
- Provide User Option To Receive Less Frequent Communication
- If User Decides To Opt-Out Of All Communication Stream, Find Out Why.
- Bottom Line: Choice & Clarity

The screenshot shows a registration form for walgreens.com. It is titled 'REGISTER' and has two main sections: 'Not Yet Registered?' and 'Already Registered?'. The 'Not Yet Registered?' section includes a sub-section 'STEP 1: Create your account' with fields for 'First Name', 'Last Name', 'Email Address', 'Phone Number', and 'Date of Birth'. Below this is 'STEP 2: Tell us about you' with fields for 'Gender' and 'Date of Birth'. Then 'STEP 3: Tell us about your cat' with fields for 'Cat Name', 'Cat Breed', 'Cat's Age', 'Cat's Sex', and 'Cat's Personality'. The 'Already Registered?' section has a 'Log In' button. The bottom section is 'STEP 4: Select your email preferences' and contains a grid of checkboxes for various email categories, each with a 'See Current Settings' link. A 'Special Advertising Offers' box is also present.

## Opt-out

- **Multiple Options**
  - Link to Preference Page
  - Reply mechanism
  - Global Opt-out
- **Timeliness**
  - Can-Spam requirement: within 10 days
- **Complaints**
  - Automate process of removing from communication stream
- **Manage across all mailings**
  - ✓ Service
  - ✓ Marketing
  - ✓ Third-party
- **Survey**
  - Not interested anymore
  - Didn't know I was signing up to receive email.
  - No value in what I receive



## Resources

- Visit Epsilon's Resource Center to request more information on deliverability best practices: [www.epsilon.com](http://www.epsilon.com)
  - 2007 Consumer Email Research
  - “The Fortified Inbox” white paper
  - “Deliverability Year in Review 2006” white paper
  - Educational Podcasts



Loyalty and Marketing  
Services



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# John Ingold

- Director, Security and Risk Assessment, *BITS*

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# Jerry Cerasale

- Senior Vice President, Government Affairs, *Direct Marketing Association, Inc.*

# Best Practices

Jerry Cerasale  
Senior VP, Government Affairs, DMA  
FTC Spam Summit  
July 12, 2007

The Power of Direct  
Relevance. Responsibility. Results



# Authenticate!

- All DMA members must authenticate e-mails
- Greater % authentication = Greater expectation of authentication
- No “plan” favored
  - Must be compatible with other “plans”
  - Must be easy to use and inexpensive
- Error found for DMA members—not authenticating every e-mail domain

# Follow-Up

- Once e-mail is sent, check its “progress”
- Examine bounce-backs
- Examine opt-out rates per CAN SPAM Act
- Seed the list
- Contact domains to which majority of e-mails are sent

# Know Your “Partners”

- Know with whom you are dealing
- Is the list you have obtained current?—a result of harvesting?
- Is it really an opt-in list?
- What is the reputation of your partner?

# Address Hygiene

- Use correct, up-to-date addresses
  - US Mail to Gerry Cerasale will be delivered to me
  - E-mail to Gerry Cerasale will not make it to my inbox
- E-mail addresses change much more rapidly than postal addresses or phone numbers
- Spend the resources here before you send the message

# Secure Your Servers

- Don't let your server become a “foreign” (not as in national) controlled spam generator

# Honor Consumer Requests

- Make certain your legally required opt-out service works—every time
- Check it
- Check it
- Check it
- In violation even if just an unintended technical error
- Try to honor faster than the 10-day rule

# Some Off-The-Wall Thoughts

- Is it time to focus more on filtering on the originating ISP rather than the destination ISP?
- For the consumer market, should “turn-key” computers be secure from the manufacturer or from the operating system?

**Thanks**

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# Alastair Tempest

- Director General, *Federation of European Direct and Interactive Marketing (FEDMA)*

**FTC Hearing**  
**Washington, 12 July 2007**

**Identifying Best Practices for Business:**  
**what can businesses do to distinguish**  
**themselves from malicious spammers**

by Alastair Tempest,  
Director General,  
Federation of European Direct  
and Interactive Marketing.



# The EU Can Spam Regulation

## Article 13, e-Communications & Privacy Directive (2002/58/EC)

13.1 The use of .....electronic mail for the purposes of direct marketing may only be allowed in respect of subscribers who have given their prior consent.

13.2 Notwithstanding paragraph 1, where a natural or legal person obtains from its customers, their electronic contact details for electronic mail, in the context of the sale of a product or service, in accordance with Directive 95/46/EC, the same natural or legal person may use these electronic contact details for direct marketing of its own similar products or services provided that customers clearly and distinctly are given the opportunity to object, free of charge and in an easy manner, to such use of electronic contact details when they are collected and on the occasion of each message in case the customer has not initially refused such use.

# Codes of Practice

- Generic or specific codes covering email marketing exist in many EU countries.
- National DMAs and IABs have email marketing councils which are in contact with/cooperate with ISPs in their country.
- Large users of email marketing employ teams who are in constant contact with the ISPs to ensure that their messages are not blocked.

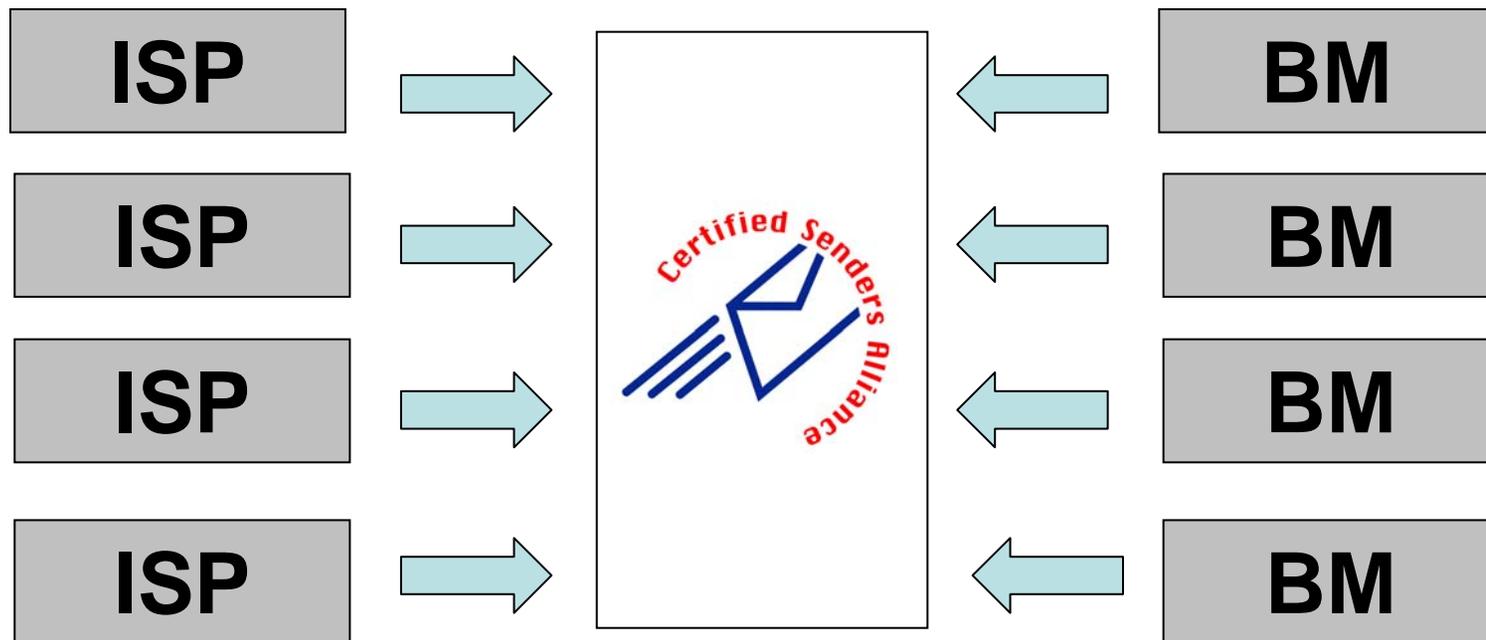


# **But there are a lot of ISPs in Europe!**

- Eurolspa estimates over 10,000 ISPs in operation.
- Other solutions are therefore being advanced, particularly authenticity or “White Lists”.



# Certified Senders Alliance – the Idea



Source: eco



# CSA Whitelist: Advantages

- Voluntary solution based on open standards (XML, SSL, ...).
- The ISPs do not have to pay for participating.
- Efficiency:
  - An IP based filtering is more efficient: the implementation of the smtp protocol needs no extension or change.
  - whitelisting is more efficient than blacklisting: those who want to be whitelisted show themselves voluntarily and subordinate to a certifying process, even to a possible complaints procedure.
- Transparency: the CSA procedures are open.
- Acceptance: eco as a non-profit organisation promotes and supports the interests of the involved parties to use the internet as a business medium.

Source: eco



# Certified Senders Alliance: Documents

- Certified Senders Alliance in co-operation with the DDV (German Direct Marketing Association)
- Documents:
  - Admission criteria
  - Complaints procedure
  - Eligibility requirements for mass senders
  - License agreement for ISPs
  - Price list
- Documents are available under <http://csa.eco.de>



Source: eco



# Signal Spam - France

- Cooperation between AFA (French ISP association), UFMD (DMA) and the Data Protection Authority (CNIL), under the patronage of the Prime Minister's office.



# The Future

- Pressures for effective ways to ensure delivery of *bona fide* marketing emailings.
- Non-homogeneous nature of European market (but smaller language groups still “protected” from major spam).
- Moving slowly but surely towards an authenticity type system (probably on the ECO model).



# Thank you for listening!

**FEDERATION OF EUROPEAN DIRECT  
AND INTERACTIVE MARKETING  
(FEDMA)**

439 Avenue de Tervuren

B-1150 Brussels - Belgium

Tel. +32 2 779 42 68 - Fax + 32 2 779 42 69

<http://www.fedma.org>

[info@fedma.org](mailto:info@fedma.org)



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