NetCreations consolidates server infrastructure with IBM and Linux.

Overview

- **Application**
  PostMasterDirect custom list management, brokerage and delivery application for e-mail marketing firm
- **Business Benefits**
  $100,000 annual savings on infrastructure costs and licensing fees; 78% decrease in processing time for select applications; enhanced responsiveness to customers; increased resiliency of computing environment; improved efficiency of server administration staff; achievement of aggressive time-to-market goals; ability to focus on core business by relying on IBM Business Partner for deployment
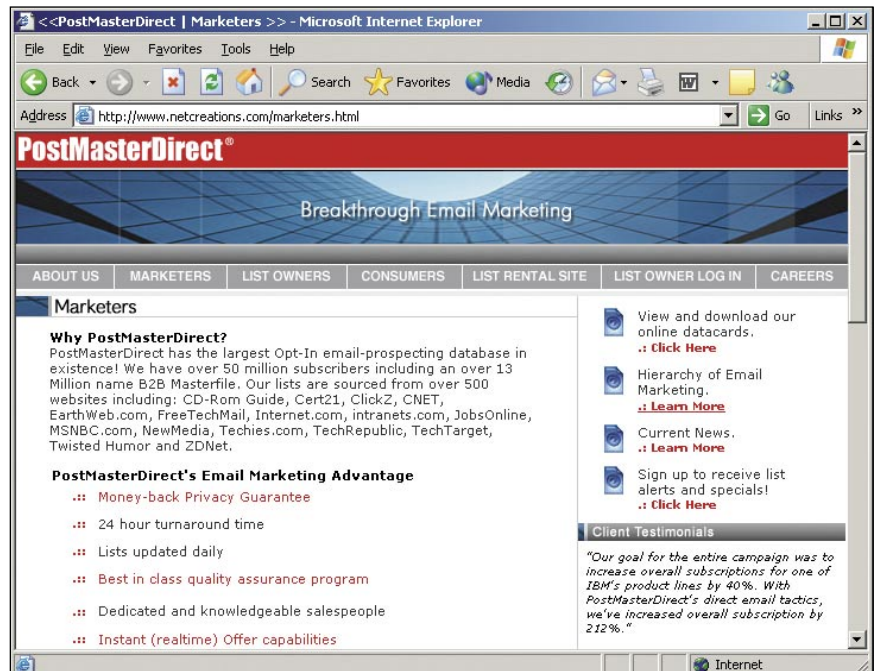- **Hardware**
  IBM @server™ xSeries™ 440 system
- **Software**
  Red Hat Linux Advanced Server
- **Business Partner**
  Saturn Business Systems, Inc.

PostMasterDirect — the e-mail list management and deployment arm of NetCreations — leverages Linux running on powerful IBM servers.
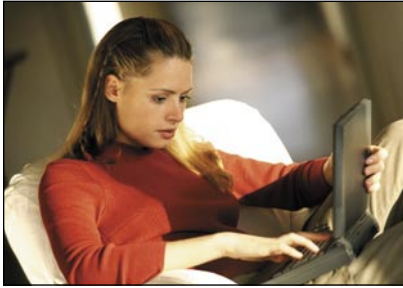
Most of us don't have the extra cash to hire a professional assistant to hunt for the best travel deals or scour the Internet for the latest data on stereo equipment. However, millions of people have the next best thing — opt-in email. With opt-in email, Web-savvy consumers are signing up to receive periodic messages with the latest information on topics they choose, from department store sales to mortgage rates. New York-based NetCreations, Inc. (NetCreations) has been capitalizing on this marketing channel by providing personalized

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— Steven Gittleson, Vice President of Technology, NetCreations, Inc.

and relevant e-mail from clients to double opt-in e-mail subscribers for over seven years. ("Double opt-in" refers to the process of confirming a web-based subscription with a separate e-mail.)

Founded in 1996, NetCreations (*www.netcreations.com*) is a world leader in opt-in e-mail direct marketing. The company serves three client groups, which include:

NetCreations has a worldwide reputation for maintaining the highest privacy standards—thanks to its patented double opt-in e-mail method.

- *48 million subscribers that double opt-in to receive e-mail solicitations*
- *500 partners that operate the Web sites where subscribers choose to participate in double opt-in e-mail marketing*
- *2,000 clients that rent the double opt-in lists to market the products, services and information to subscribers.*

The company serves three client groups—more than 48 million subscribers and the 2,000 customers and 500 partners that market to them. With 35 employees, the company delivers e-mail list management, list brokerage and e-mail delivery services under its PostMasterDirect

brand. Managing a database of custom lists with subscribers grouped by specific categories, NetCreations enables clients to send e-mail solicitations to subscribers who have already expressed an interest in their products, services or market segment.

"As our list database continues to grow—we currently manage 80,000 lists—we are continually looking for attractively priced options to provide additional computing power to support our online direct marketing services," explains Steven Gittleson, vice president of technology at NetCreations. To that end, NetCreations decided to replace its two existing Compaq Alpha servers with an IBM @**server** xSeries 440 system running Red Hat Linux Advanced Server.

Seeking an open standards-based environment for greater development flexibility, NetCreations decided to move to Linux as an operating system for the server consolidation solution. And with savings on floor space and software licensing fees, the company now has a scalable, cost-effective infrastructure to support its growing list database. "We invested in Compaq Alpha servers about three years ago—at considerable expense," says Gittleson. "By migrating

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>
> *– Steven Gittleson*

our operations to a single x440 system running Linux, we are saving $100,000 annually in infrastructure costs and licensing fees—not to mention the initial cash outlay for hardware, which was a fraction of what we paid for the Alpha systems."

Brokering success with xSeries

When NetCreations was ready to move to another server environment, the company solicited bids from several resellers. Although the resellers had similar product pricing and availability, IBM Business Partner Saturn Business Systems (Saturn) distinguished itself as being the most proactive and willing to help manage the deployment process. Saturn identified the x440 as the system that could meet NetCreations's need for scalable performance in a Linux environment. In just a few weeks, Saturn replaced NetCreations's two eight-way Alpha servers with one x440 system. "Saturn really helped us to meet aggressive time-to-market goals with its system installation and testing services, which have also helped us to stay focused on our core business and ahead of the competition," says Gittleson.

Users select their interests at one of NetCreations's many partner Web sites to receive special promotions and information.

xSeries scale-up features, such as XpandOnDemand, provide NetCreations with the flexibility of adding processing power according to its needs. Gittleson explains: "With the Intel Xeon processor, we have the ability to scale our current 8-way processing up to 16-way processing, and that's what led us to go with the x440 system. We looked at Compaq and Dell, but we are not aware of any other company today offering the option to scale to 16 processors. The fact that we can add processing power rather than replace the entire system is a boon for us because it will lower our infrastructure costs in the long run. And by going with IBM, we have the peace of mind that its proven server architecture will continue to meet our business needs."

NetCreations uses Oracle9*i* running on the x440 as the foundation of its PostMasterDirect service. The database manages NetCreations's subscriber and demographic information, enabling clients to request segmented, targeted lists. Since installing the x440, the company is seeing improved server performance and higher application availability—with up to a 78 percent decrease in processing time for select applications. "For example, with the x440, list generating processes that used to take well over an hour to complete are now done in just 20 minutes," says Gittleson. "We do around 400 jobs each day and with more processing power, it's much easier for us to respond quickly to customer requests for new lists."

Ease of administration and resiliency are other benefits resulting from NetCreations's successful server consolidation. The OnForever™ autonomic computing features of the x440 deliver self-managing capabilities that have helped NetCreations to extend its IT resources. "We used to require 16 people to manage our old IT infrastructure, but now we need only 9—freeing our staff to focus on other tasks," notes Gittleson. "In fact, we have just one person managing the IBM x440 in addition to our other servers."

Linking lists with Linux
To deliver its services, NetCreations uses a double opt-in process. Subscribers opt-in at any one of the company's 500 partner sites, such as Internet.com, TechTarget.com and ZDNet. Using a standard Web browser, the information is routed to NetCreations's Linux-based Web servers. The action triggers an e-mail confirmation to the subscriber listing the selected areas of interest. Once subscribers reply to the confirmation request, they are added to the Oracle9*i* database—ready for marketing.

According to Gittleson, this double opt-in e-mail method has served NetCreations well: "The benefit of the double opt-in approach is that it outperforms all other forms of online marketing with a response rate that's significantly higher than our competitors."

Once in the database, subscribers' data is categorized so that NetCreations can create targeted e-mail lists that clients, such as AT&T, Columbia House and IBM, use for Web-based direct marketing campaigns. "Clients either call or e-mail our sales team to coordinate their online direct marketing programs," says Gittleson. "We do the work for them, including e-mail distribution to subscribers, so all they are concerned with is the demographics and pricing."

It's been several months since the server consolidation, and with the performance advantages of Linux and xSeries, NetCreations has a platform to offer the utmost in targeted e-mail campaign management. Gittleson concludes: "The x440 system is a wonderful addition to our IT infrastructure and with IBM, we know that we have a system on which we can rely today, and tomorrow."

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