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Email tracking report

2012

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Introduction

Consumers are the ultimate judges of how well the email marketing industry is performing. That's why the annual Email tracking report jointly commissioned by the DMA, *fast*.MAP and Alchemy Worx provides such valuable insight for marketers: it tells us what consumers really think of the marketing emails they receive, the content they prefer, what captures their attention and what turns them off.

The latest study maintains the positive message from last year's research and makes welcome reading. Compared with 2011, the number of consumers subscribing to receive more than 10 emails from brands rose by 10% and the consumer approval ratings of email marketing have surged over the last two years. The number of respondents finding at least half of their brand emails interesting or relevant having tripled since the middle of 2010.

The report also reveals that consumers are signing up to receive regular emails in ever-greater numbers, with 55% of consumers reporting that they now receive 20 or more emails from brands they trust every week. Some of these emails are transactional, but the research suggests that simply increasing frequency remains a strong option worthy of testing for many senders.

It is interesting to see that consumer reaction to email has an impact beyond what simply happens within the inbox. For example, 27% of consumers said that they would "visit the shop or retail outlet" and 22% said they would "go to the company's website via another route". These indirect responses highlight the impact of email beyond the opens, clicks and conversions that marketers typically measure. Another result that highlights this is that 63% of consumers tend to keep emails for longer than a day, emphasising the role of email in generating ongoing brand impression. 'The big challenge this presents marketers is how to measure the overall impact of email on the bottom line. The report includes some interesting techniques that you might want to consider.

I would like to thank Alchemy Worx for sponsoring this report; their support of the study is the email marketing industry's gain.

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Alchemy Worx's perspective

Welcome to the DMA/*fast*.MAP *Email tracking report 2012*, I hope you find the insights in this report as valuable as we do.

The *Email tracking report 2012* is one of the most important pieces of consumer research available to email marketers because it is the only one of its kind that focuses on what UK consumers actually think of and do with email. Once again it shows consumers actively choosing to receive more email from an increasing number of brands.

Consumers have long acknowledged that email is their preferred method of hearing from brands and these findings show that marketers are responding to this preference by delivering more valuable and engaging content. The insights from this study are of great value to the industry and Alchemy Worx is proud to support the DMA and the work of the Email Marketing Council.

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fast.MAP's perspective

In the last wave we saw positive signs for this channel with consumers reporting that marketing emails they receive are more relevant and interesting than ever before. It's therefore encouraging reading to report that this trend is continuing with 1 in 3 consumers saying that half or more of emails they receive are of interest. The credit is in part due to marketers taking a more strategic and responsible approach. But also to consumers who are empowered to choose who they want to engage with and use inbox management tools to their advantage.

Behaviour and attitudes are quick to change however. 37% of consumers keep messages for less than 1 day and the nature of social network interaction means that your impact in a timeline may only be for a fraction of second. It's also important to acknowledge the increase in the amount of inboxes a consumer has. Most social networks offer personal messaging and therefore another inbox to monitor and manage. Additionally, 1 in 3 consumers now have at least 3 email addresses

Trusted brands are still engaged with and consumers are signing up for more emails. Much of this is driven by offers and money-off vouchers and it's interesting to note that the appeal of free delivery has halved to 13% over the last year. What once could be seen as point of differentiation can soon become a condition of engagement

Finally whilst the sales of smartphones and tablets continues to rise, the significant majority of consumers (91%), still normally view emails via a desktop or laptop. Whilst the consumer is becoming more connected, the larger format of the non-mobile device still enables brands to offer a richer more engaging experience.

As with all the DMA / fast.MAP trackers, this study allows us to dip into consumer's lives which are often significantly different in attitudes and behaviour to those working in the marketing industry. It's clear that email is valued and a credible channel for responsible brands to start and develop a direct and personal relationship with their market.

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Executive summary

Shelf life of emails

- Time spent on email has **increased slightly over the last year**, but is still **lower than typical perceptions:** 54% never check email at work, for example, while a further 26% spend less than two hours on email at work.
- Mobile email and improved inbox tools mean email longevity in the inbox has fallen. However, 63% of consumers tend to keep emails for longer than a day, **25% for longer than a week.**
- Email's longevity in the inbox speaks to its role in generating **ongoing impressions** and **delayed responses,** which need accounting for on landing pages, etc.

Number of emails and email addresses

- 69% of consumers have more than one email address. Marketers need to encourage trust and **highlight the value** in their emails through, for example, benefit-oriented sign-up copy to ensure users self-select the "right" email address.
- Most users **receive emails from 5-15 brands,** though 12% are power subscribers receiving emails from over 30 brands.
- Email volume has increased since 2011, but the majority (63%) still get no more than six brand emails a day on average, with **40% getting no more than three a day.**

What should marketers do?

- The relative lack of inbox competition means marketers can consider **increasing frequency** and **mixing traditional promotions with full-price offers and relationship-building content.**
- Marketers need to account for both **delayed action** and **indirect action** to properly evaluate the impact of their email efforts and properly define "inactive" subscribers.
- Email is popular across all age groups, but **28% of young adults (aged 18-24) receive no mail from brands.**
- The two key motivators for signing up are **financial benefits** (e.g. promise of discounts) and a **positive wider relationship with the sender.** Marketers need to better exploit the latter motivation by incorporating sign-up opportunities at all customer touch points.

Consumer response to emails

- The **clickthrough remains the most likely response** (cited by 59%) to an interesting or relevant email. However, 22% would visit the sender's website by another route, 27% would be prompted to visit the sender's retail store and 40% would bear the information in mind for later.
- Subscribers continue to **value "money-off" content highest.** However, free shipping is no longer a useful differentiator in the inbox and there is growing interest in content or offers that reflect the value of the customer relationship (such as advanced notice of new products).
- The number of respondents finding at least half of their brand emails interesting or relevant has **tripled since mid-2010** to 29%. This despite increases in both expectations and email volume. Only 23% find no more than one in ten brand emails interesting or relevant.

Mobile, social media and email

- Only 9% of consumers regard their mobile phone, smartphone or tablet as their **primary email device**, though a much larger percentage likely use them at least occasionally.
- Accordingly, mobile email design needs to either be limited to those clearly identified as mobile email users or include enough **flexibility** to display and work effectively on both mobile and desktop screens.
- Social network use continues to grow, with **78% of online consumers active on at least one social website or network**.
- Only **five** individual social properties are each used by around 10% or more of respondents, namely LinkedIn, Twitter, YouTube, Amazon and Facebook.
- **Facebook is by far the most popular** (cited by 65%) and should typically take precedence in integrated social/email campaigns.
- **However, social network use for business purposes is minor,** with only 10% of respondents doing so and most then for less than one hour a week. The commonest amount of time spent on social networks for social purposes is also less than one hour a week.
- If not sent to known and active social network users, email campaigns focused on encouraging social network activity **need careful handling** or may be irrelevant to most subscribers.
- 22% **have shared a brand email on social networks**, but the majority (78%) have never done so.
- Subscribers cite a broad range of motivations for sharing such emails. "Shareable" content is not limited to exceptional offers, but covers a broad range of material that addresses the **community and conversational needs** of recipients.

1. Inbox habits and activity

Typical perceptions of the inbox environment are clouded by two inevitable biases. The first is our personal experience with email and the experience of those around us. The second is media coverage of email use.

Those who work online or in marketing are far more likely to be email power users than the average consumer, so tend to overestimate email's popularity and the intensity of inbox activity.

Media coverage focuses on outliers, such as cases of email overload. Somewhat paradoxically, it often also pursues a narrative where email use is fading at the expense of, for example, social networks. Both approaches give a false view of reality.

The email tracking report plays a critical role in this context by surveying the actual state of inboxes, email attitudes and email and social network use among consumers. The results provide a more realistic picture of the true state of consumer email, and provide insights into how marketers might adapt their email marketing to account for these realities.

1.1 Number of email addresses

While most consumers (66%) do have just one or two email addresses, a strong majority (69%) have more than one. The results echo 2011 findings from a ContactLab survey[1], which found the average UK consumer had 2.1 email accounts.

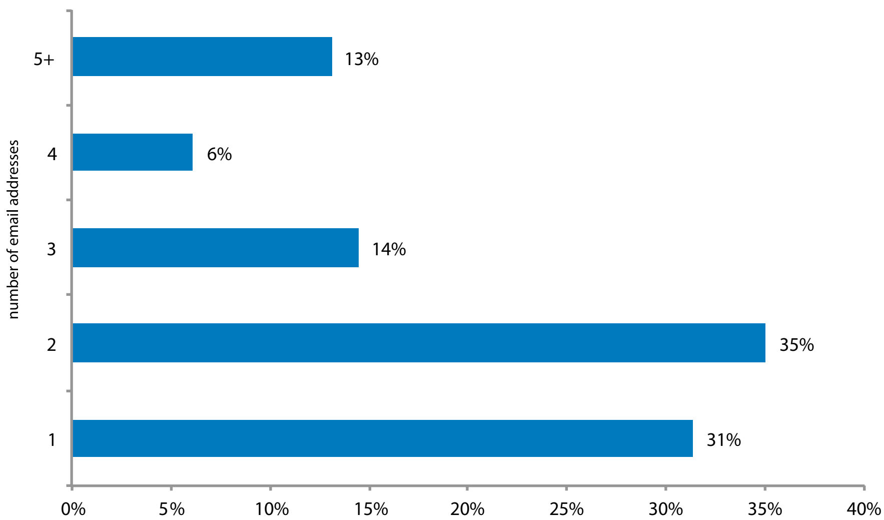
Are all these accounts created equal in the minds of the user? Apparently not: an earlier DMA survey[2] found 35% of those with two or more accounts admitting they have at least one they don't check regularly. Over half said:

"I tend to use at least one to give to companies/websites when I don't want to give away my main email address."

Email marketers need to help would-be subscribers self-select the "right" email address, i.e. the one where future emails are likely to get the most relevant attention from the subscriber. This is typically achieved by establishing trust and highlighting the value of the emails, for example through testimonials, a clear statement of subscription benefits, samples of past emails (those that proved most popular with subscribers), a clear sign-up process and explicit opt-in, a privacy statement (or link to one) and relevant privacy, membership, security or certification seals.

At a macro level, multiple email addresses affects interpretation of benchmark statistics, particularly those concerning the size of the email population and emailing frequency. If an ESP has 100 million email addresses in its database, this does not equate to 100 million individuals. Equally, overall email contact frequency per individual is higher than suggested when looking at average contact frequencies on a per email address basis.

How many email addresses do you have? Please think about work and personal



1. ContactLab "European Email Marketing Consumer Report 2011"
2. fast.MAP/DMA "Data tracking study 2011"

1.2 Time spent on email

The reported time spent on email highlights the discrepancy between typical perceptions of email use and day-to-day realities:

- Just over half of consumers (54%) never check email at work.
- Another 14% spend less than one hour a day on email at work.
- Only one in five consumers spend more than two hours a day on email at work.

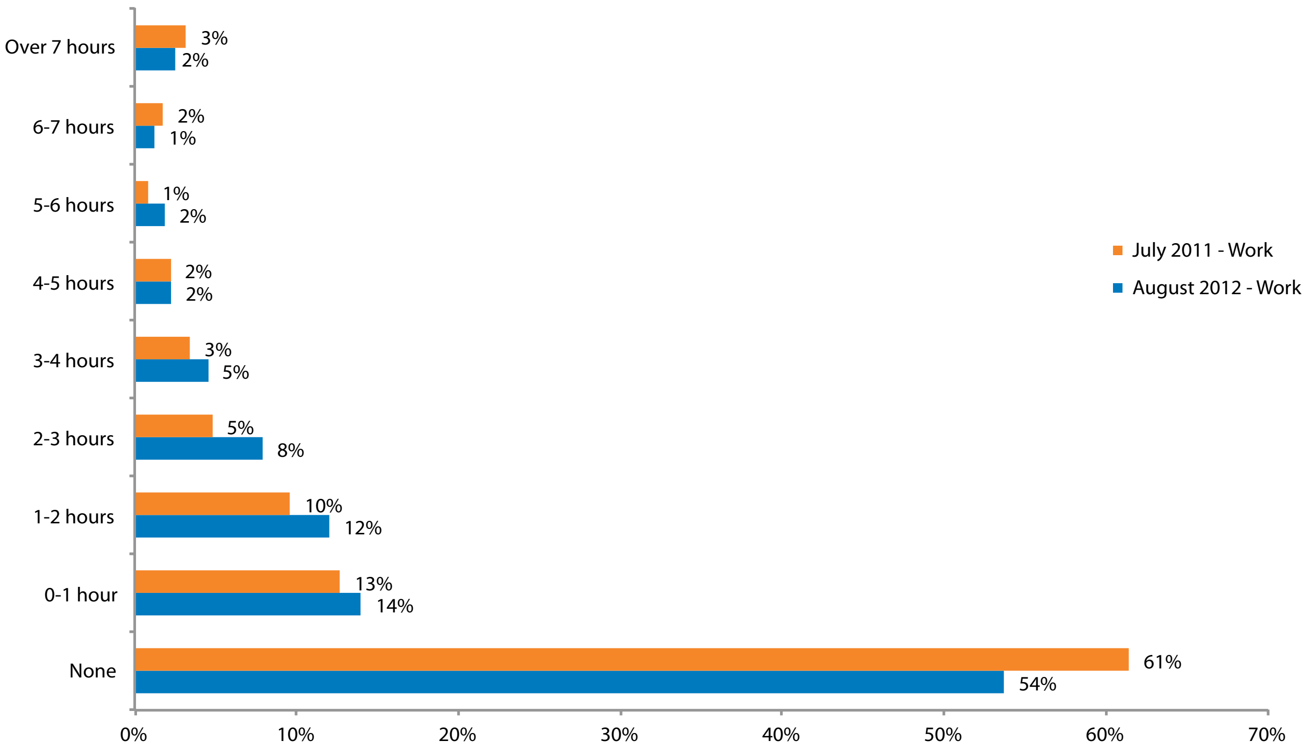
These results should not be surprising, however, given how many consumers are retired, not working or in occupations that involve no contact with email, such as most employees in the construction, transport and manufacturing sectors.

The time spent on email **hasn't changed dramatically since the previous survey**, but there are some indications of a slight increase. For example:

- The figure reporting no time spent on email at work was around 13% lower than in the 2011 survey.
- The number spending at least two hours a day on email at home (34%) was the highest value since the first March 2010 survey.

Further evidence for email growth comes from ComScore[3], who reported a 9% year-on-year increase in the percentage reach of web-based email in the UK internet audience between June 2011 and June 2012.

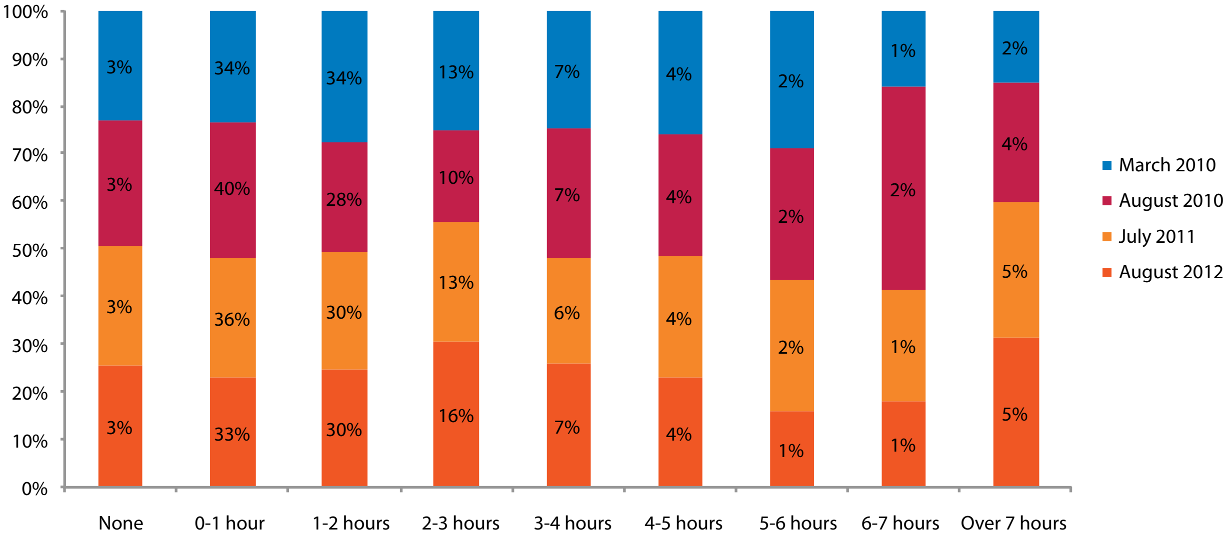
How much time do you spend on email per day at work?



Potential factors for this growth in email time are continuing digitisation of work environments, email notifications associated with social media use or daily deal sites, and the growing popularity of email-friendly mobile devices (see later). Checking email at work, in particular, becomes easier when you can "bring your inbox with you" via a smartphone or tablet.

3. ComScore "June 2012 Overview of European Internet Usage"

How much time do you spend on email per day at home?



These numbers certainly **contradict the popular idea that email use is declining.** Equally, though, they remind us thatpeople are **not continually using and monitoring email.** There is corroborative data from the USA, where the Pew Internet and American Life Project found email was the joint most popular online activity, but "only" 59% of adult Internet users read or send email on a typical day.[4]

The irregularity of email use raises issues around the timing of email campaigns, particular those with offers that expire quickly. Flash sales, for example, might need announcing earlier than has traditionally been the case.

The timing challenge is further complicated by the growth of mobile email, which is introducing new reading patterns on top of those traditionally associated with desktop email use. Opens on tablet devices and mobile phones spike in the early morning and late evening.[5]

One implication is that trying to second guess when subscribers are online and using email on any one day may be a forlorn task. Optimisation efforts might be better focused on other issues, or on more subtle aspects of timing. These might include timing based on:

- device use, particularly identifying subscribers who check email on a mobile device (using email analytics, surveys or preference centre information).
- broader periods of opportunity, migrating away from "time of day" to day of week, day of month or lifecycle status.
- triggers, where dispatch of an email is closely associated with a trigger event that implies the recipient is either online now and/or more likely to pay attention to that message when they do eventually check email. Examples include:
    - order and shipping confirmations, cart abandonment and replenishment emails
    - welcome messages
    - post-purchase surveys, review requests, upsells and cross-sells
    - promotional emails triggered by browsing activity at the sender's website
    - replenishment emails

1.3 The competitive inbox landscape

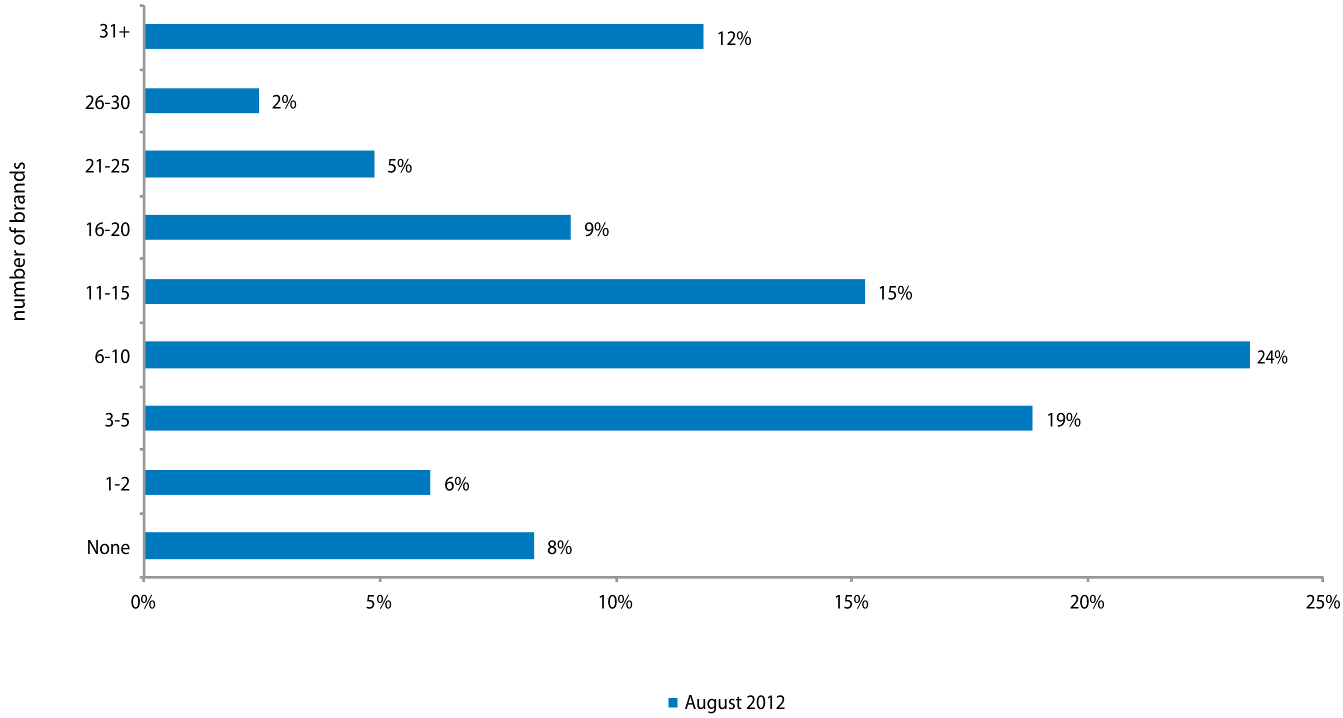
There is a perception among marketers that subscribers are signed up to dozens of email lists, so each sender's offers and content are in constant inbox competition with others in the same market.

For many senders, this is simply not true. Around half (48%) of consumers are signed up to emails from between one and ten brands. Less than one in five are signed up for emails from more than 20 brands. The clear implication is that

4. Pew Internet and American Life Project "Trend Data (Adults)"
5. Knotice "Mobile email opens report 2nd Half 2011"

subscribers are **generally selective about entering commercial email relationships.**

How many brands are you currently signed up to receive emails from?



In essence, most subscribers have a VIP inbox club offering limited membership to brands. This is good news if you can get in, but you need to convince the doorman of your eligibility for what Merkle[6] describe as the "inner circle" (the number of companies the average user gets email from that they actually read). One approach is to use those tactics outlined in Section 1.1 to persuade subscribers of the value they will obtain from your emails and that you can be trusted to handle their email address with respect.

A complementary approach is to exploit an existing, positive, trusted relationship with the consumer. A willingness to subscribe and the perception of future emails often depends closely on the wider relationship with the sender, as Section 2.1 demonstrates. This means ensuring customers are aware of the opportunity to sign-up to an email list.

In this context, particular hotspots for sign-up messages and forms are websites, mobile apps, point of sale, online checkout, and within transactional messages (both electronic and print).

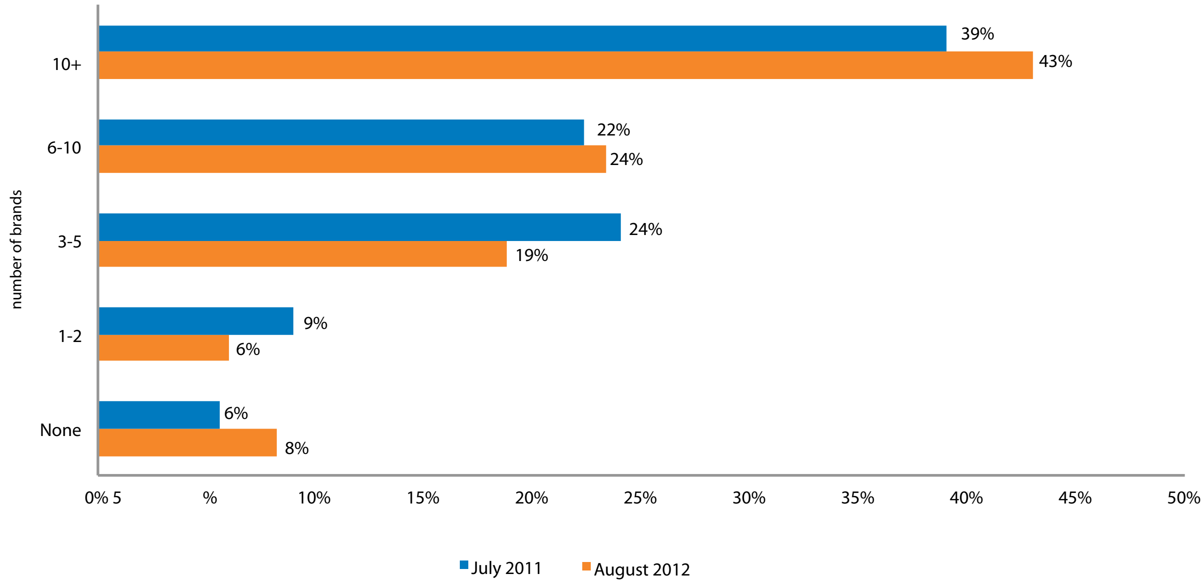
This existing relationship can be further exploited through the emails itself, which should be easily recognisable, with from/subject lines, preheaders, logos, colours, styling and images that allow the recipient to quickly identify the sender.

Given that competitors will commonly not be present in the inbox, brands might also consider mixing special offer campaigns with those featuring full-price offers, relationship-building content or pitched as service-oriented.

The survey does suggest that this inner circle is expanding. Compared with 2011, for example, the number of consumers subscribing to emails from more than ten brands rose by just over 10%.

6. Merkle "View From The Digital Inbox 2011"

How many brands are you currently signed up to recieve emails from?



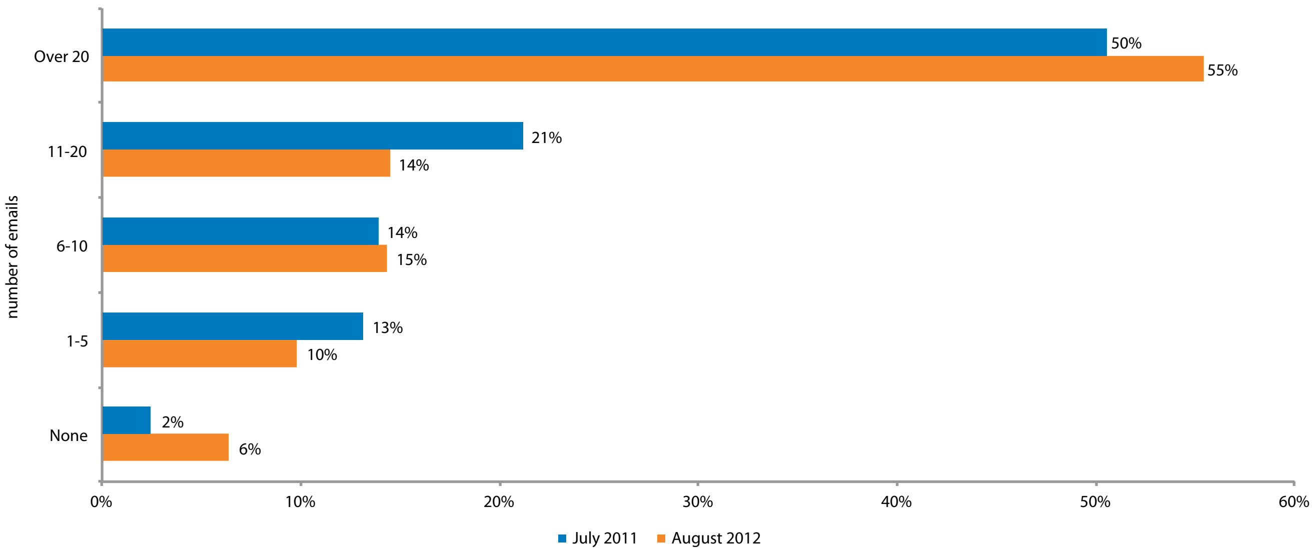
This speaks positively to the general quality of brand email campaigns and the position of email as the consumer's preferred channel for commercial communication: a recent US channel preference survey found 77% of online consumers preferred to receive permission-based marketing communications via email.[7]

All things being equal, we would expect the volume of commercial email to increase in tandem with this growth in the size of the inner circle. There is certainly supporting evidence in the DMA's regular Email benchmark reports, with the latest report[8] revealing new all-time volume highs for email sent out by ESPs in the UK in December 2011. And in the following email volume charts, the number of consumers receiving more than 20 emails a week from trusted brands rose by 10% to 55% in 2012.

1.4 Email volume

Although email volume has risen, around 40% of those who do get brand emails are still getting no more than 3 such emails a day on average and about 63% no more than six.

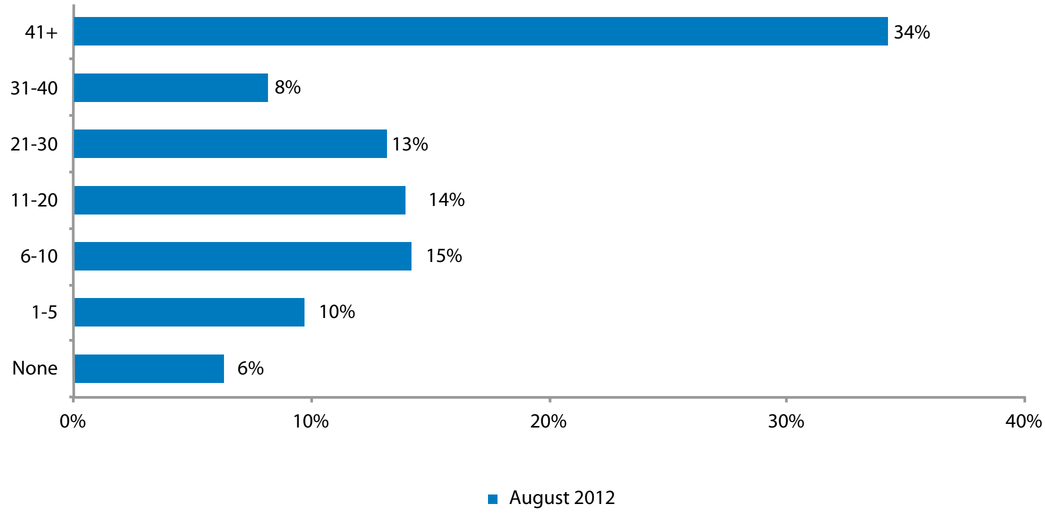
How many emails do you receive in your inbox on average each week from brands you trust?



7. ExactTarget "2012 Channel Preferences Survey"
8. DMA "National email benchmarking report 2011"

Some of those emails are transactional or informational (such as social network notifications) and averages are likely skewed upwards by high-frequency senders (like daily deal sites). The latter may account for at least some of those 34% of respondents getting over 40 brand emails a week.

How many emails do you receive in your inbox on average each week from brands you trust?



The implication, then, is that the frequency of promotional email is still not actually as high as many might imagine. Again, this is supported by the most recent benchmark data from the DMA.[9] Although contact frequency was up 13% year-on-year in the second half of 2011, it was still under 2.5 emails per month per email address per ESP, well short of previous levels (in Q2 2008, for example, each address got an average 5.44 mails per month).

Clearly, a **simple increase in emailing frequency remains a strong option worthy of testing for many senders.**

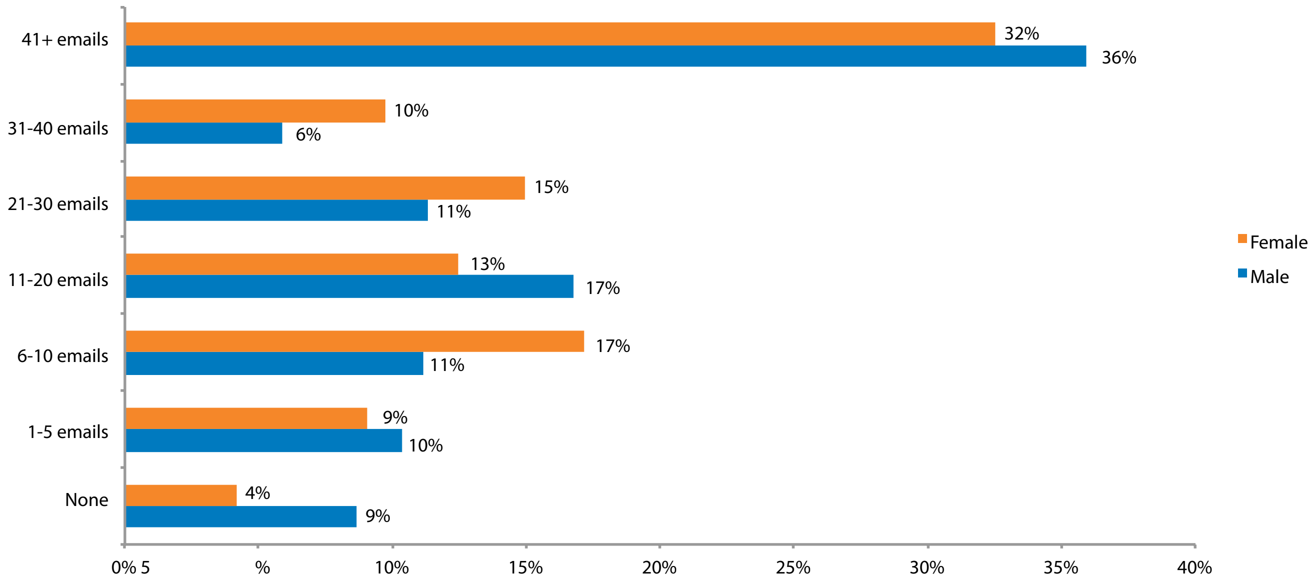
Those nervous of doing so can, of course, reduce the perceived risk by using customer data to better match content and offer to recipients: tolerance to more email is closely related to the value delivered in the email itself.
Other options include:

- One-off "high-value" emails, like a heavily-reduced last-minute offer.
- Emails that deliver information, benefits or service without overtly demanding anything in return.
- Introduce promotional messages to existing, non-promotional email, such as cross-sell sidebar offers in order confirmations.
- Link frequency increases with appropriate seasonal demand (as retailers do during the Christmas shopping season).
- Segment out the "best" or "most active" customers: if someone clicks on every email, they'll likely welcome more.
- Allow people to opt-in to another email stream or more emails, so they can self-select for a higher frequency.
- Introduce trigger emails in addition to more broadcast email, where content is closely aligned to a customer action (like a post-purchase follow-up requesting a product review) or data point (like a birthday message).

The chart below shows inbox volume by gender, though there is no clear distinction between the two. This echoes US research by the Pew Internet and American Life Project, which found[10] no significant gender differences in the use of email per se.

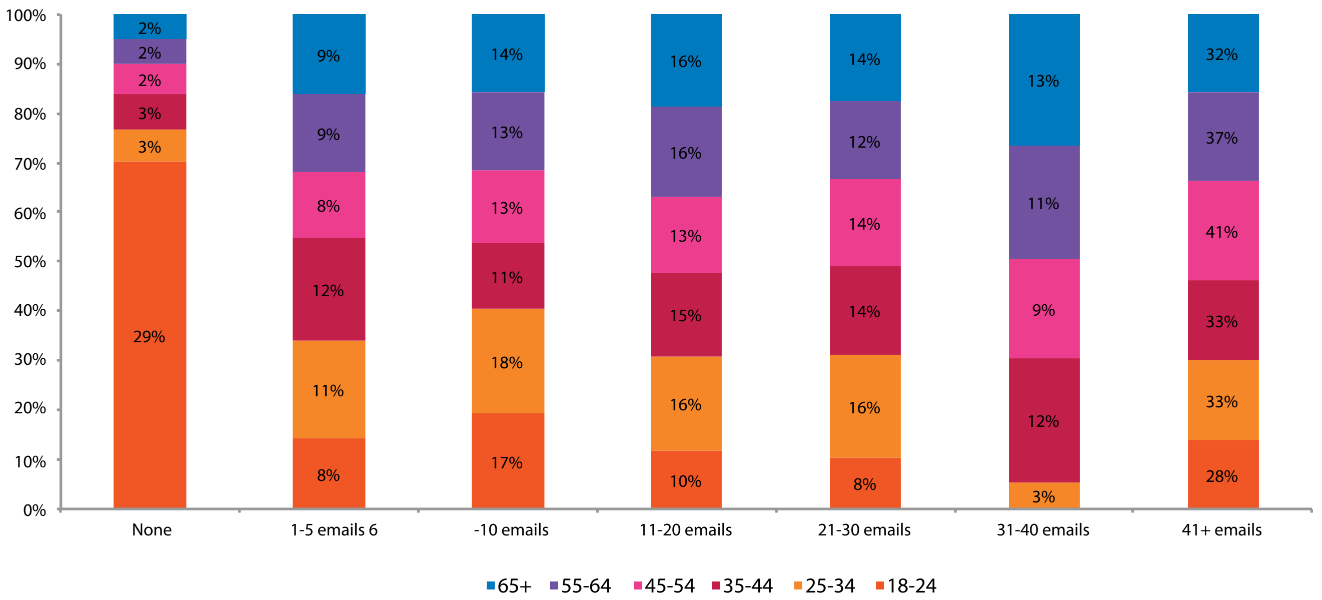
9. DMA "National email benchmarking report 2011"
10. Pew Internet and American Life Project "Search and email still top the list of most popular online activities"

How many emails do you receive in your inbox on average each week from brands you trust?



Significant differences do arise when inbox volume is split by age. Over a quarter (28%) of young adults (18-24) do not receive any emails from trusted brands, while the equivalent figure wwnever exceeds 3% in any other age group.

How many emails do you recieve in your inbox on average each week from brands you trust?



Leaving aside how likely young adults are to consider brands as "trusted", this result speaks to the popular narrative that young people are "growing up" with a range of online communication choices (like social media) and are thus less likely to use email.

Clearly marketers targeting younger age groups cannot rely on email alone to reach their audience online.

However, 72% of those 18-24 year olds do get email from trusted brands and 28% even get more than 40 a week. This again reflects the continuing preference for email as the channel for commercial communications, even among the young. After all, emails from trusted brands are **clearly popular among all age groups,** but particularly those with the highest (disposable) incomes.

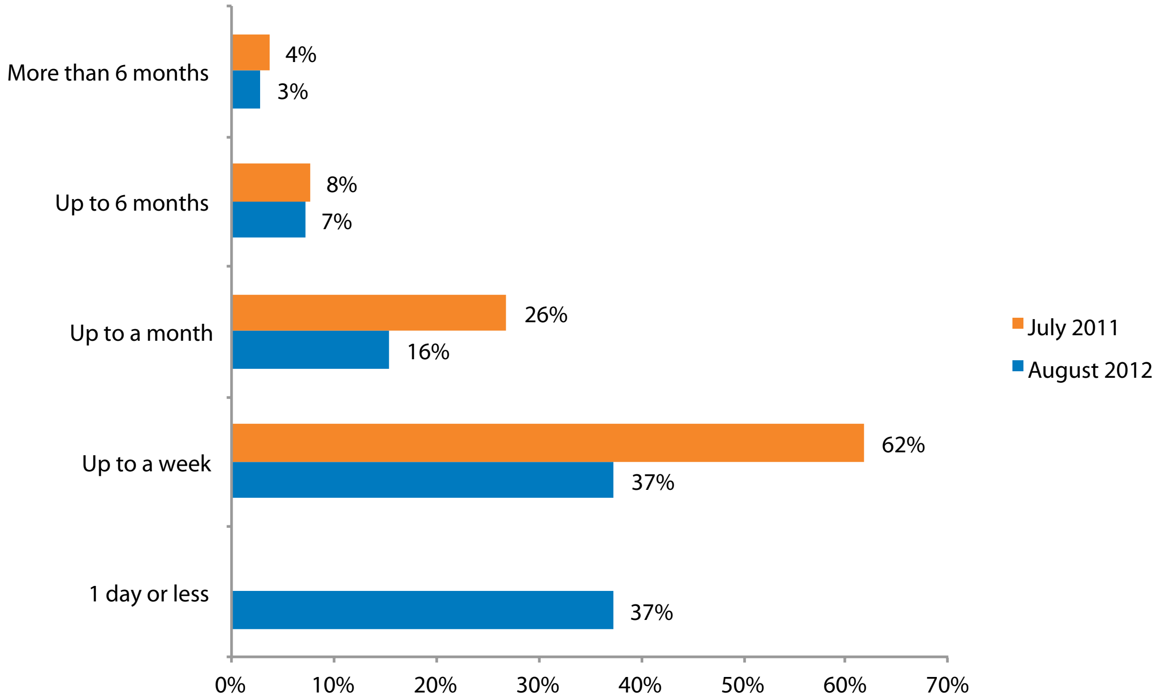
Given overall email use is not declining, the availability of new communication choices per se is not necessarily the critical factor. After all, the use of "alternatives" like social networks is not limited to the under 24s. A UK survey[11] from late 2011 found 95% of the 18-24 demographic on Facebook, but also 88% of 25-34s, 80% of 35-44s and even 55% of the over 65s.

The bigger question, then, is whether patterns of email use established in younger ages continue or change as individuals age, particularly as they enter the workforce. Only time will tell.

1.5 Email durability

Consumers are quicker about removing emails from the inbox than they were a year ago. For example, the number keeping such emails for between a week and a month fell from 27% to 15%. One likely reason is the continuing improvement to inbox management tools. Hotmail, for example, introduced the "Schedule Cleanup" tool in late 2011[12], allowing automated deletion or archiving of all but the most recent email from a sender. Another reason is the growth in email-friendly mobile devices, allowing people to use "lost" time for inbox management.

On average,how long do you keep marketing emails in your inbox?



It remains important for senders to know that emails are not viewed, deleted or moved immediately: 63% of consumers tend to keep emails for longer than a day, 25% for longer than a week.

This has various implications.

First, this persistent presence can mean an email's sender name and subject line might get repeat viewings through time, emphasising the role of both in generating **ongoing brand impressions.**

Second, a true picture of total response to a campaign – particularly conversions, rather than opens – likely only emerges long after the send date. Reporting email success after 24-48 hours may undersell the channel. Campaigns offering longer-term value to recipients (like informational campaigns) may also be undervalued.

Third, links, images and landing pages need to be kept live and updated, so they still communicate a relevant or useful message to recipients returning to them at a later date. When an offer or coupon expires, for example, subscribers can be informed by replacing the image file called in the old email or through an updated landing page. Both might point to alternatives.

11. Umpf "Social Media Usage in the UK"
12. Microsoft "Hotmail declares war on graymail"

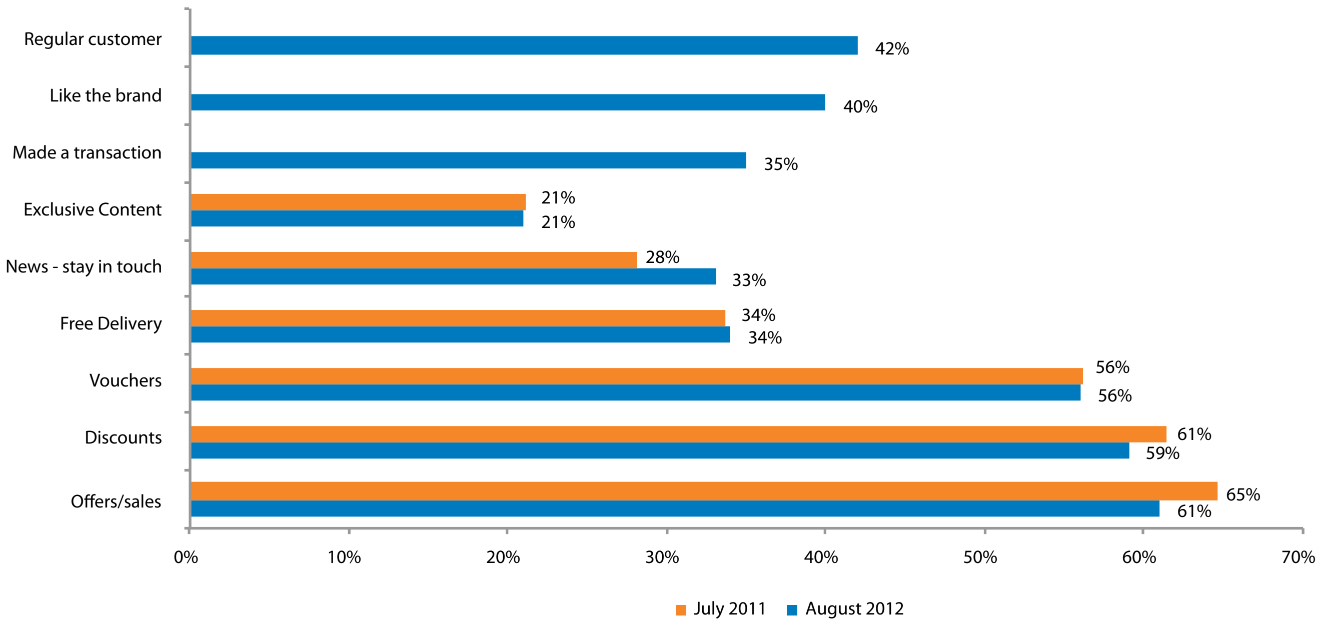
2. What subscribers want

Traditionally, marketers regard the sign-up process purely in transactional terms: subscribers hand over an email address in return for the promise of specific types of content or offers. If you want more subscribers, promise (and then send) them the things they want.

2.1 Subscriber motivation

Subscriber motivation is, however, more complicated than this, as the below chart demonstrates.

What factors cause you to sign up to a brand's emails?



Over the past year, there has been little change in the perceived value of future content/offers to the sign-up decision. Consumers continue to be motivated primarily by the prospect of **saving money,** whether through vouchers, discounts or offers/sales.

However, this decision is also catalysed by the wider relationship with the sender. For example, other factors relevant to the decision to sign-up for a brand's emails are:

- Being a regular customer (cited by 42%).
- Simply liking the brand (cited by 40%).
- Having just made a transaction (cited by 35%).
- Staying in touch (cited by 33%).

In the section on the competitive inbox landscape, we talked about the value of exploiting existing relationships to enter the consumer's inner circle of newsletters. These responses on sign-up factors reinforce the validity and value of this approach.

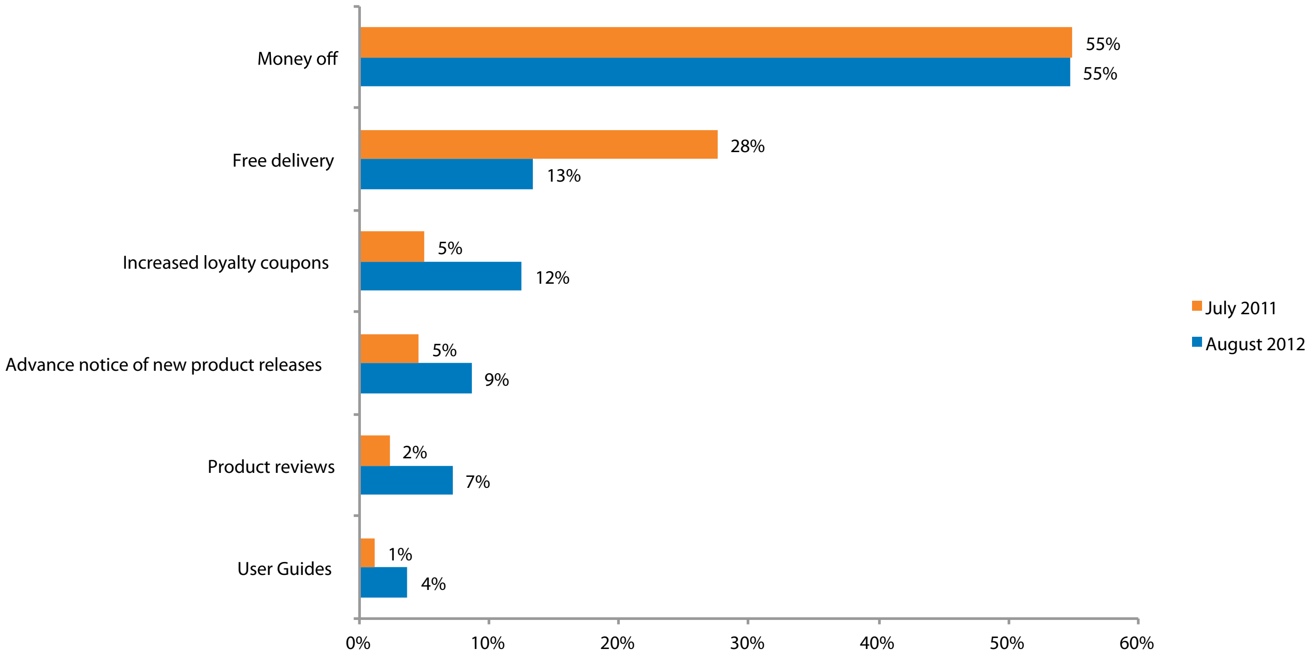
A particularly useful tactic is therefore to integrate opt-in forms into existing interaction points, such as:

- Within the online checkout process.
- In popovers that are activated when website visitors have viewed a certain number of pages or spent a certain amount of time on the site.
- Above the fold on web pages, but also at the end of articles, videos, slideshows, quizzes or other points of strong visitor engagement.

2.2 Email content and offer preferences

Given the economy, it's no surprise that "money off" remains the most preferred type of content or offer to receive in actual emails: 55% place it as their top preference. No other type of content or offer is cited as the best of all choices by more than 13%.

Which type of content/offer do you like receiving the best?



Two other trends are noticeable though. First, the importance of free delivery has slipped, achieving top ranking 13% of the time in 2012, down from 28% in 2011. Free delivery is becoming more of an expectation and has less value as a differentiator in the inbox.

Second, there are small, but uniform, rises in the importance attached to content and offers that recognise the value of the customer relationship, such as loyalty coupons or advanced notice of new products.

These trends reinforce the ideas raised in the section on inbox competition. If inboxes are not full of similar offers competing on price, then senders have an opportunity to include a broader mix of content approaches. While emails that allow recipients to save money will always be popular, a mixed approach can also lift goodwill, loyalty and both direct and indirect revenue. This is of special interest to those senders who do not want to risk educating subscribers to become discount seekers unwilling to ever pay full price for products or services.

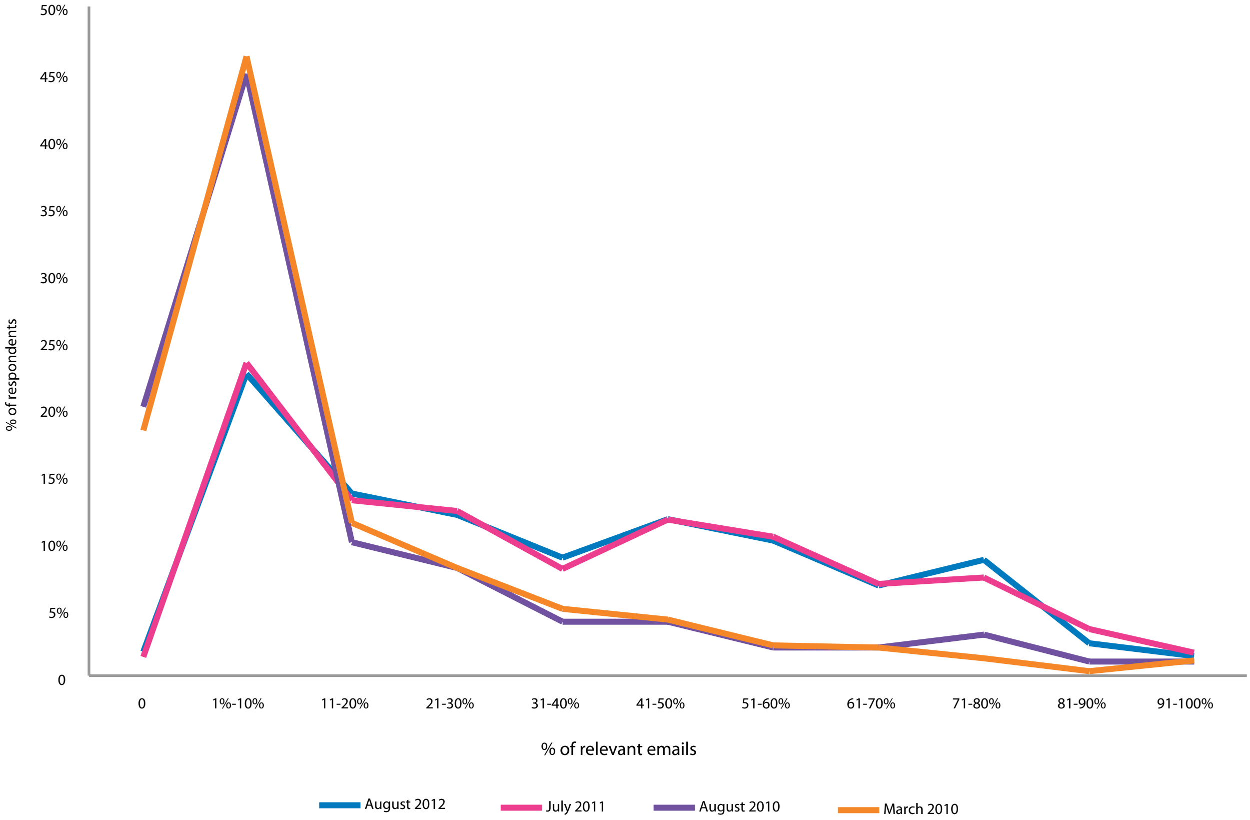
3. Responses and reactions to commercial email

With recipients getting email from more brands than in 2011, does this mean they are finding such emails more interesting or relevant?

3.1 Relevancy of marketing emails

Email relevancy has actually stayed remarkably consistent. For example, the number of recipients finding over half of marketing emails relevant or interesting was 29% in 2012 and 30% in 2011.

What percentage of those that you receive do you consider interesting or relevant to you?



The good news is that senders continue to do a much better job than pre-2011, thanks to the continuing application of solid practices like permission-based email acquisition, segmentation, personalisation etc. **The number of respondents finding at least half of their brand emails interesting or relevant has tripled since mid-2010.**

Equally, the increased volume of brand email has not been at the cost of relevancy.

Subscribers are seeing more email from more brands, but not perceiving a drop in quality. Online consumers continue to be comfortable with email and if growth is not necessarily driven by perceived improvements to relevancy, then improvements in email management features, greater email access through mobile devices, broad increases in online interaction and online shopping are all contributing.

However, with growing expertise and access to better email marketing tools, shouldn't we expect brand emails to score higher for interest and relevancy than in 2011? With wider exposure to brand email and improvement across the broader email and online experience, consumer expectations continue to rise. In that context, unchanging perceptions of relevance and interest mean both have actually improved enough to keep pace with these increased expectations.

There remains, of course, always room for improvement: **a quarter of respondents said no more than one in ten brand emails were interesting or relevant.**

At the same time, more and more senders now realise that making every email relevant to every recipient is an admirable, but unreachable and unnecessary, goal. Here it's important to distinguish between the value of being on the list and the value of individual emails.

For many subscribers, the average value of each email can be low, but the value of being on the list still high if at least one of those emails meets some want or need.

Examples are those subscribed to their preferred flower retailer's email list. They value their subscription, not for the many emails they never open, but for knowing they will get at least one or two critical emails each year to remind them to buy flowers for Mother's Day, birthdays and similar (even offering a discount to do so).

Perhaps the goal is not to make every email as valuable as possible, but to ensure that at least some emails are extremely valuable…another reason to invest in trigger emails.

3.2 Evaluation of email efforts (by sector)

Views on which sectors and brands do email well are broadly in line with expectations, taking into account the constraints and biases introduced by business models, frequency of transactions, consumer expectations, legal issues, and similar factors outside the actual email experience.

In particular, responses are driven by whether consumers are actually in a position to make a judgement call about that sector, i.e. are they actually on relevant lists?

This is one reason why retailers receive the highest scores, since they are also the most popular kind of email list. However, one major change is reduced approval for precisely these retailer emails when compared with the 2011 survey. For example, almost 20% fewer consumers say supermarket emails are done well.

This result seems paradoxical, given that respondents say the brand emails they get are just as relevant and interesting as in 2011. The explanation is that this reduced approval is not due to reduction in email quality, but two external factors.

First, some of the "votes" accumulated by high street retailers, online retailers and supermarkets in 2011 were undoubtedly transferred to the home shopping category introduced in the 2012 survey.

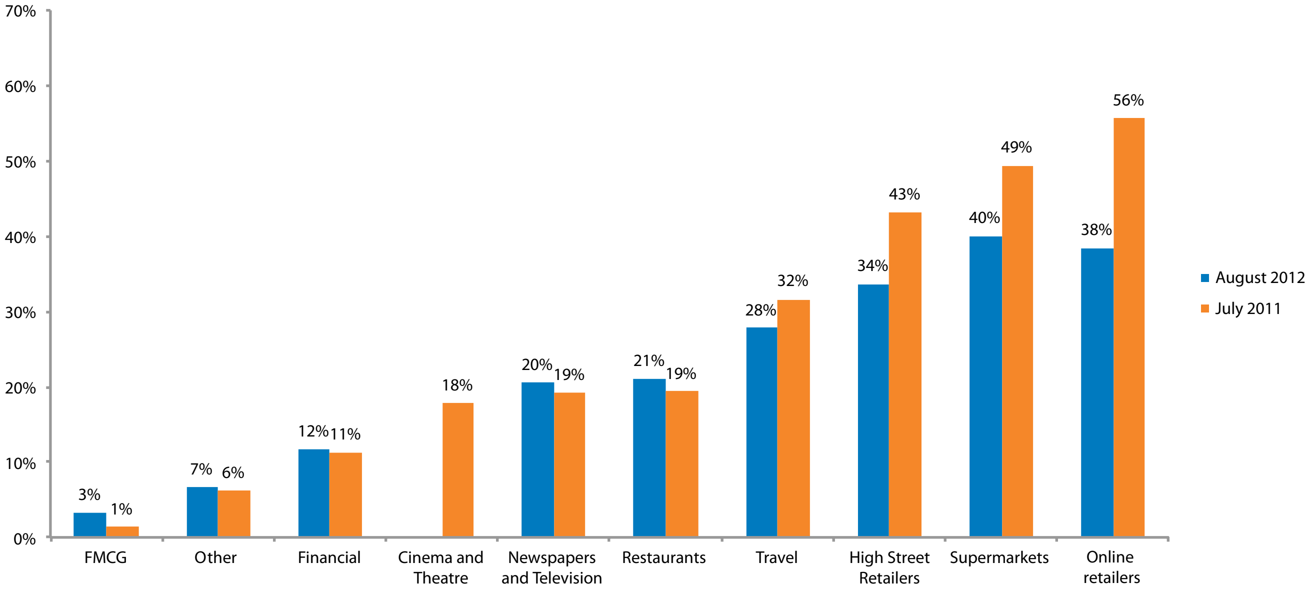
Second, a look at retailer use (see Section 3.3) also shows that the 2012 survey respondents were less likely to use these brands than the 2011 sample. So the apparent fall in approval is also explained by less experience with retailer emails per se: a smaller proportion of 2012 respondents were in a position to actually rate the relevant retail sectors.

The potential to "do email well" increases with more frequent and varied transactions, choice and the ability to speak to an emotional narrative or emotional needs and wants. This is why retail sectors enjoy an advantage over, for example, utilities.

In this context, the financial sector and charities are perhaps underperforming.

Those sectors constrained by relatively few transactions or few products and services to actually sell do, however, have the opportunity to try more informational and content-oriented approaches to engage the emotions of their subscribers

Which industry sectors do you think do email well?

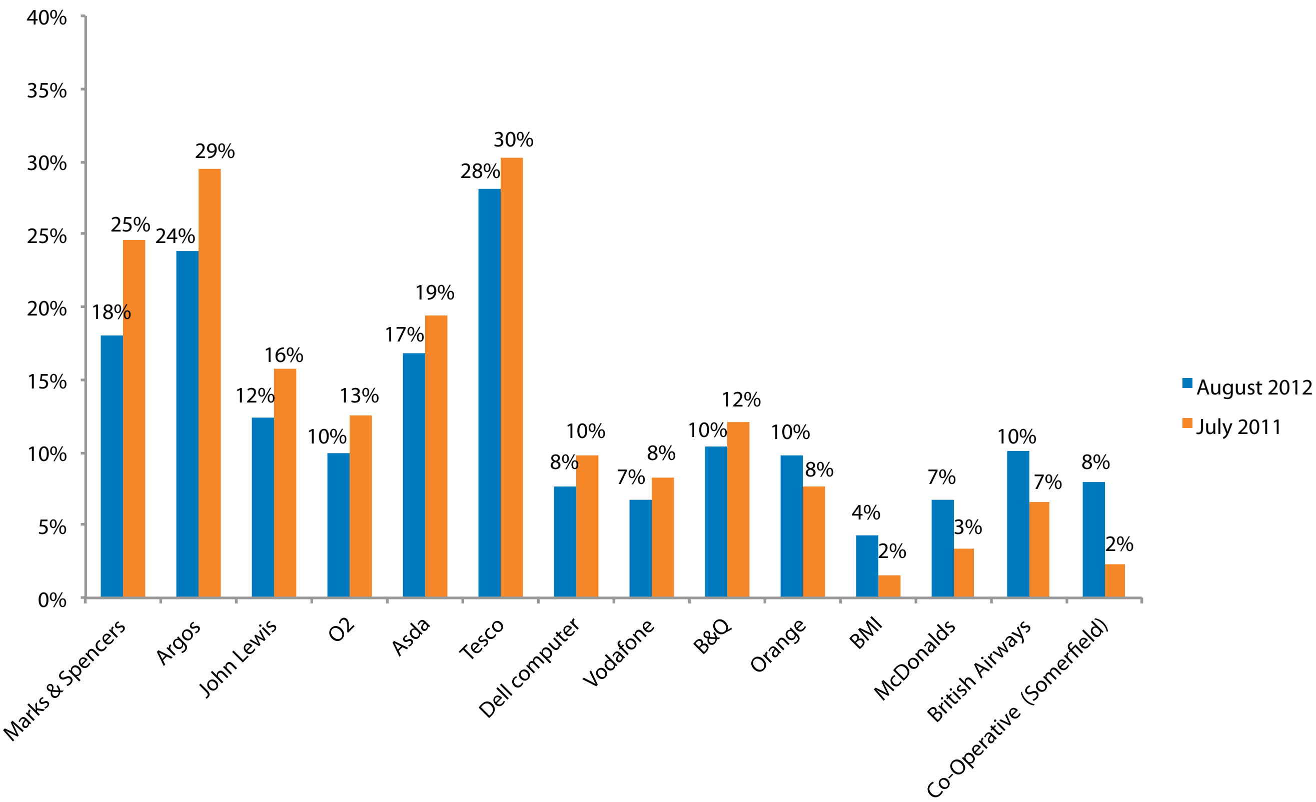


3.3 Evaluation of email efforts (by brand)

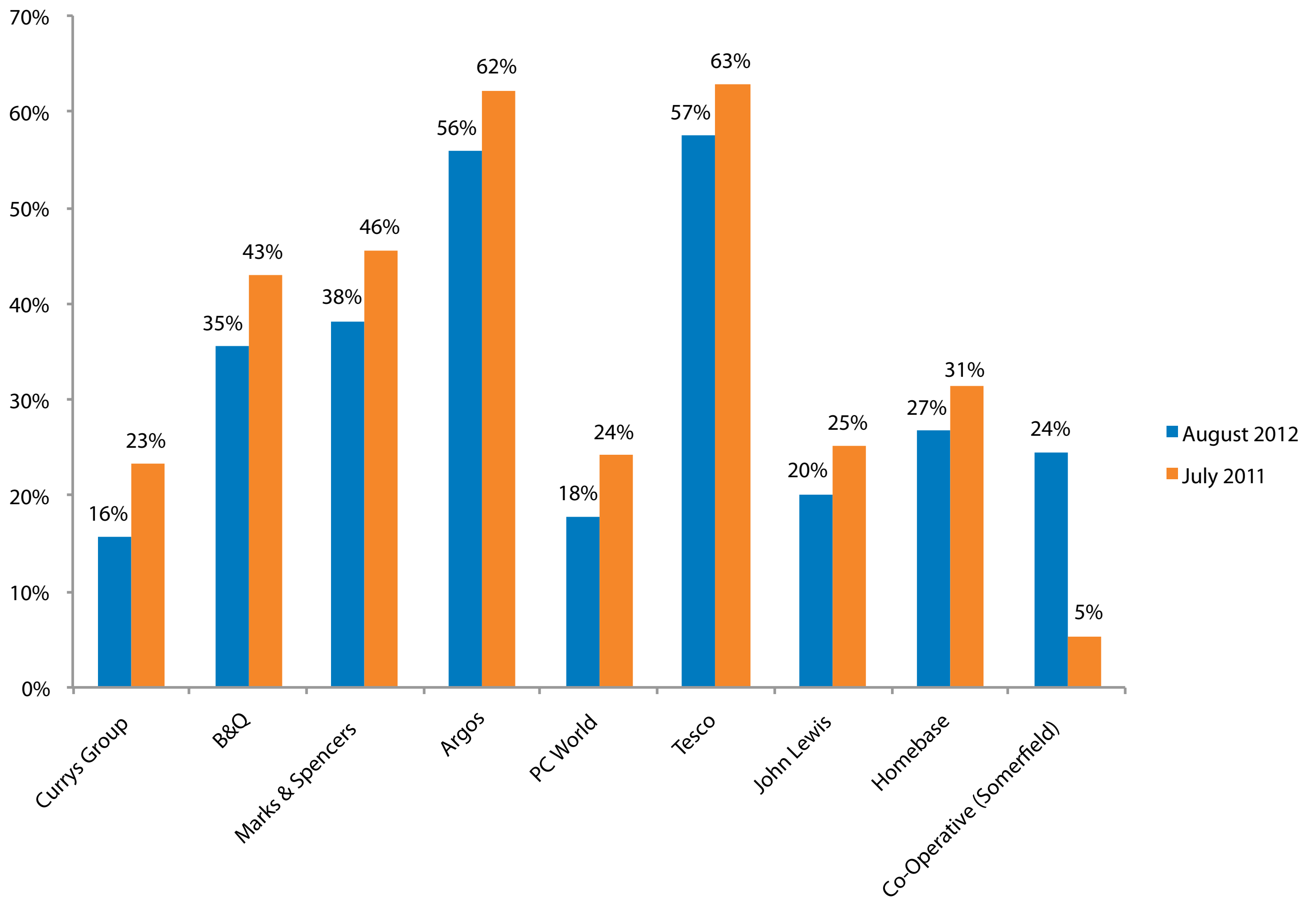
As mentioned above, changes in apparent approval of individual brands show no particular surprises given differences in the use of those brands between 2011 and 2012. Tesco has the highest approval ratings and is also the most commonly used of the retailers mentioned in the survey.

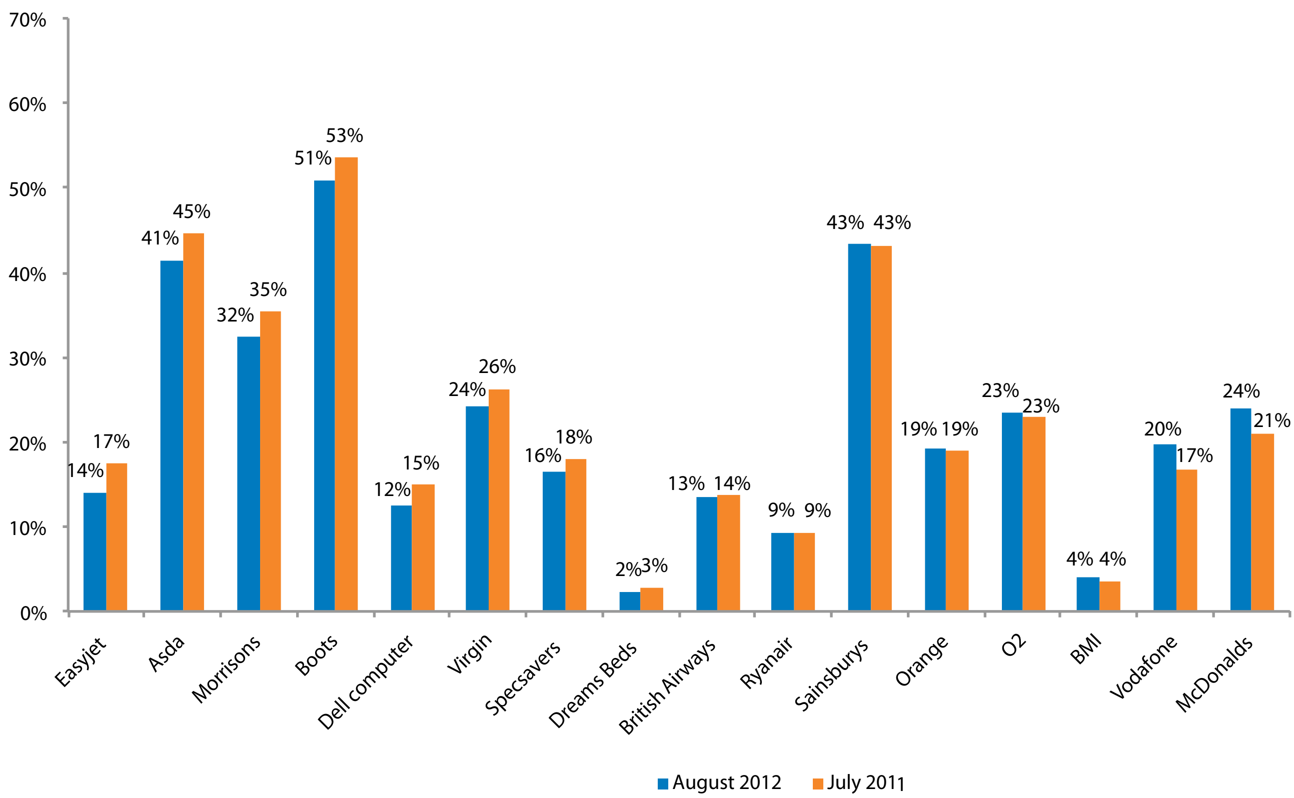
Looking at the more popular retailers, the percentage of respondents citing each brand's emails as done well is between 29% and 60% of the percentage who actually use that brand. So clearly senders should not rest on their laurels. By this measure, John Lewis, Virgin, Tesco and Marks & Spencers have the strongest email programmes.

Which brands do you think do email well?



Which retailers do you use?



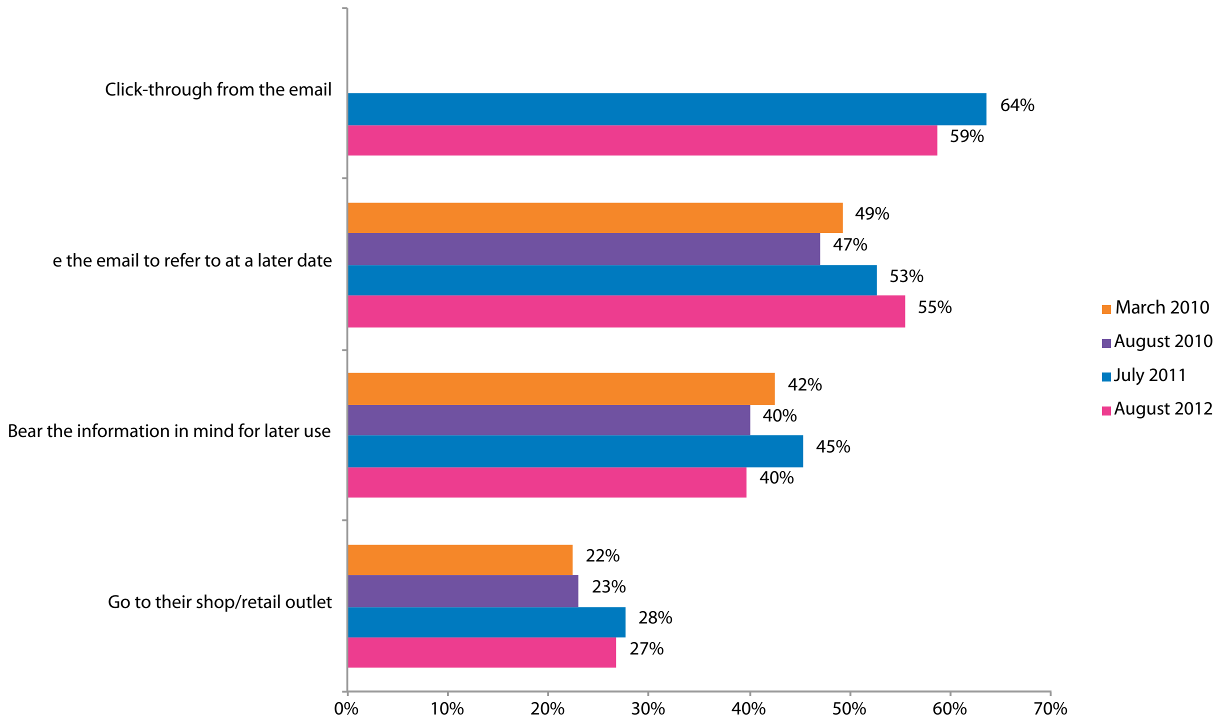


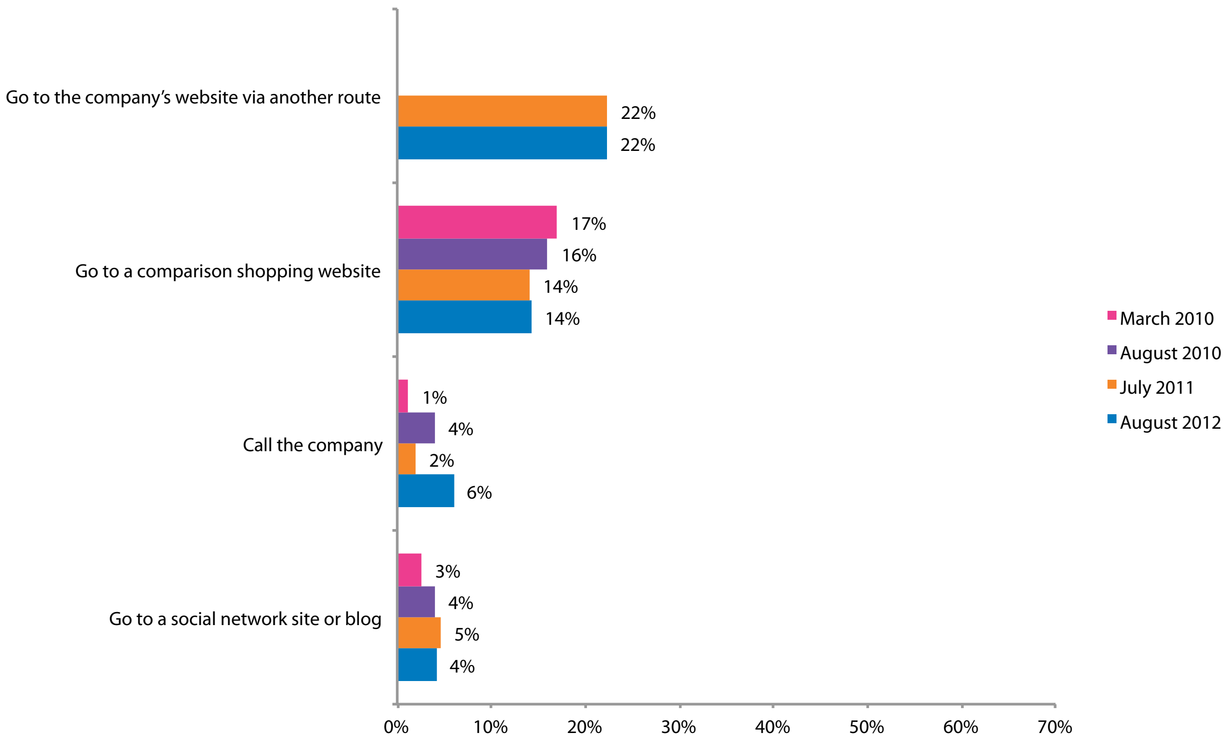
3.4 Responses to interesting emails

Consumer actions after receiving an interesting email remind us that a focus on short-term direct responses **vastly underestimates the true impact of a marketing email.**

A click-through from the email remains the commonest action, cited by 59% of respondents. This click and any further actions taken immediately at the subsequent landing page are typically the primary, often only, measure used by marketers to judge the success of an email campaign. Understandably so, given these measures are relatively easy to capture.

When you receive an interesting email, what do you do? (three most likely actions)





However, this approach ignores the impact of **delayed action** and **indirect action.**

Most opens and clicks take place within a few hours of the send. One ESP found[13], for example, 77% of opens occur within the first 24 hours. Retailer experience often shows that later clicks, while (far) fewer in number, commonly result in a higher conversion rate. So significant sales may occur much later than you would expect from the pattern of opens and clicks through time.

This concept is supported by the survey results, where 55% of consumers mention saving the email to refer to at a later date. This reinforces the conclusions reached in the section on email durability, particularly:

- Response rates, notably conversions, should be measured over a longer time period than is typically the case.
- Campaigns need to remain "active" over a longer time period so people returning to emails at a later date can still take action or can be redirected to suitable landing pages or information.

Other responses are indirect in nature.

For example, 27% mention they would "visit the shop or retail outlet" and 22% would "go to the company's website via another route". Sales, conversions, downloads etc. so generated would not be captured by traditional email marketing metrics.

One obvious implication is that the typical definition of an "inactive" subscriber needs to be broader: a failure to click on emails does not indicate a lack of response to those emails.

Further complicating the measurement issue are indirect impacts that might have a negative effect: 14% suggest one response to an interesting email might be to visit a comparison shopping engine, where a sender's email might then drive a sale for a competitor!

Then there is the so-called nudge effect,[14] where the sender and subject lines drive brand impressions and influence purchase decisions, regardless of whether the actual email content is viewed or not.

Another implication here is the possibility of exploiting these indirect impacts through appropriate campaigns and/or changes to header and body copy.

The big challenge for marketers, though, is how to measure the overall impact of all these effects to gain a true understanding of how their email impacts the bottom line.

Suggested techniques,[15] [16] include:

- Compare sales patterns across all channels with email deployment dates to see if there are matching spikes.
- Compare online traffic patterns (search traffic, pageviews) with email deployment dates to find matching spikes.
- Conduct hold-out tests, where a group of subscribers receive no email. Then compare customer activity, response, sales etc. between mailed and non-mailed subscribers.

The last approach has the advantage of also accounting for organic responses: those responses that would happen anyway, even if you didn't send an email.

The better the understanding of the true impacts of marketing email, the better the decisions on investment, strategy and tactics.

3.5 User definitions of spam

The percentage of consumers who had not ever marked an email as spam remained largely unchanged in this survey at 18%. Given the ubiquitous availability of "report as spam" buttons in email clients and webmail interfaces, this is another indication that email overload is not an issue for many people.

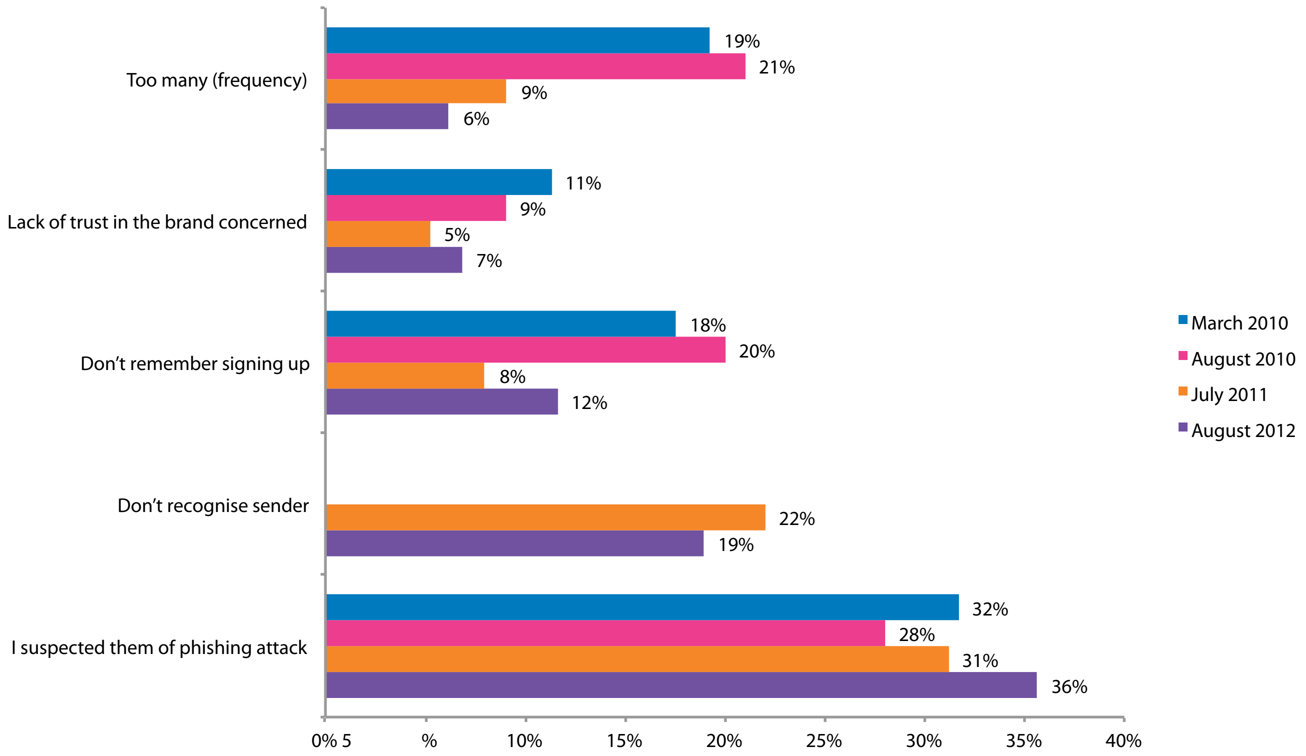
Hotmail, for example, recently announced17 spam accounted for under 3% of the inbox in a typical email account, down 25% since mid-2011, while Yahoo! Mail claimed[18] a 60% improvement in spam blocking since May 2011.

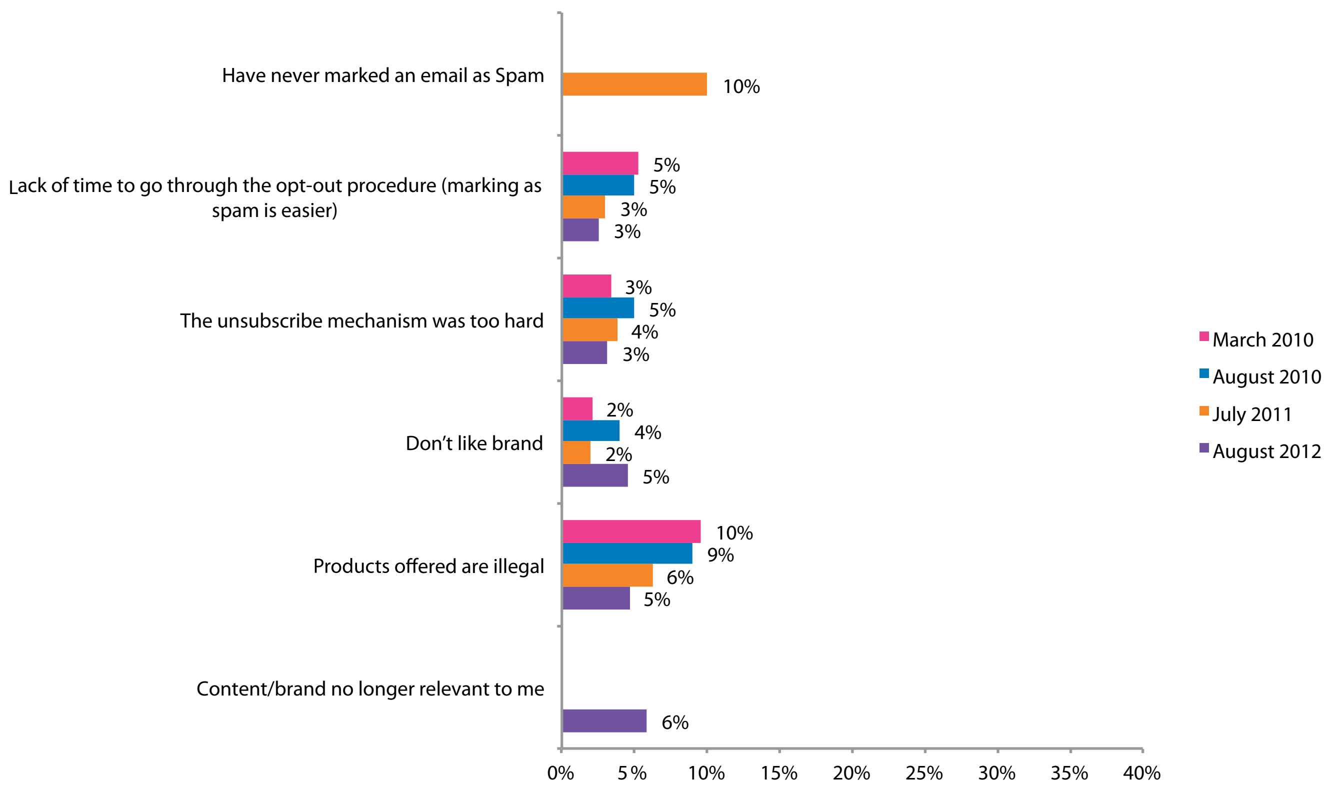
13. MailerMailer "Email Marketing Metrics Report, 2011 Edition"
14. Alchemy Worx "How to create emails that sell – even unopened"
15. Mark Brownlow "How to measure the true impact of email marketing and what you can learn from the results"
16. Alchemy Worx "How to maximise the full impact of email on your brand"
17. Hotmail "We aren't surprised that Hotmail's spam protection is the best in the business"
18. New York Times "Web E-Mail Services Battle Spam, and One Another"

Those who do mark email as spam cite trust factors as the most critical in determining the decision.

The three reasons mentioned most often as the most likely to prompt a spam report were suspected phishing attempts (36%), not recognising the sender (19%) and not remembering signing-up (12%).
Frequency, for so long regarded as the key driver of spam reports, was cited as the top reason by only 6%. However, while frequency may not be the top reason for marking email as spam, it might still be a reason for doing so.

What is most likely to prompt you to mark email as spam?





Clearly subscribers are getting better at distinguishing between legitimate and non-legitimate email. A contributing factor here is ongoing education, particularly by financial institutions, on the dangers of phishing.

As the role of trust in determining online success grows, then senders need to build transparency and familiarity into their email efforts.

Examples or options include:

- Clear and obvious opt-in process, particularly in terms of the language used.
- Transparent privacy policies.
- Care with emailing old lists or after a significant gap between campaigns.
- On sign-up and confirmation pages: links to sample emails or a screenshot of the upper part of a typical email to alert people to what to expect in their inbox.
- Recognisable sender name, avoiding generic titles like "marketing" or "service".
- Appropriate preheader text, colours, logos, images, design, style or structure to clearly identify the sending organisation or brand in the preview area of emails.
- "Welcome" emails to help establish the email signals that the recipient can use to properly identify future messages.
- Clear and detailed contact information in the email itself.

4. Mobile email

All the indications suggest mobile email continues to march remorselessly towards a position of dominance in the email world. For example:

- A March 2012 YouGov survey[19] found almost half of UK mobile phone owners now use (email-friendly) smartphones.
- The STEEL digital agency revealed[20] that 55% of 18 to 34-year-olds in the UK read marketing emails on their smartphone.
- Return Path found email opens on mobile devices grew 82.4% between March 2011 and March 2012[21]
- Knotice found email opens on mobile devices increased to 36% in H1 2012, up from 27% during H2 2011.[22]

The mobile challenge for email marketers is a complicated one. First, true use of mobile email is harder to gauge than the above numbers suggest. Estimates and inferences based on opens are heavily skewed since the images that cause an open to be recorded are far more likely to display on a mobile device (particularly on Apple devices) than in desktop clients. Other pertinent issues include:

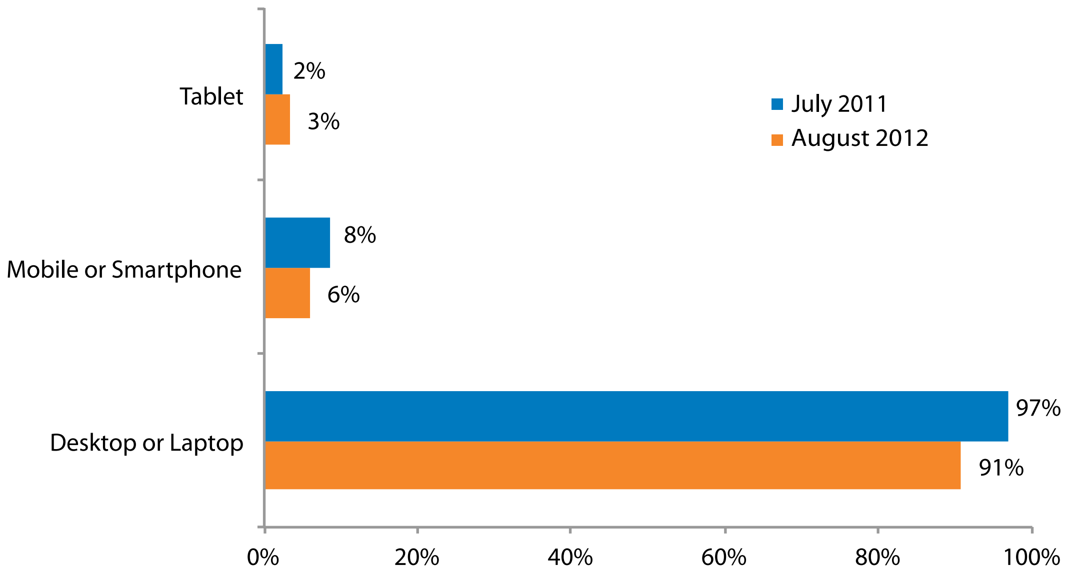
- How is desktop email use changing as a result of mobile's popularity?
- How much email is actually viewed on multiple devices?
- How should that change the designs, tactics, copy and strategies used in email marketing?

4.1 Device preferences

The below chart reveals that **only 9% of consumers normally view their emails on a mobile phone, smartphone or tablet.**

This number is not a true reflection of total mobile email use, since it does not include "desktop/laptop" email users who also check their email at least some of the time on their mobile device. Nevertheless, it is a reminder that a focus on opens as an inappropriate measure of use and overfamiliarity with working environments where mobile email is the norm typically lead marketers to overestimate mobile email's popularity and underestimate the continuing role of desktop clients. Survey data[23] on daily unique website visitors, for example, show mobile device traffic still at about one tenth of desktop traffic.

What device do you normally view your emails on?



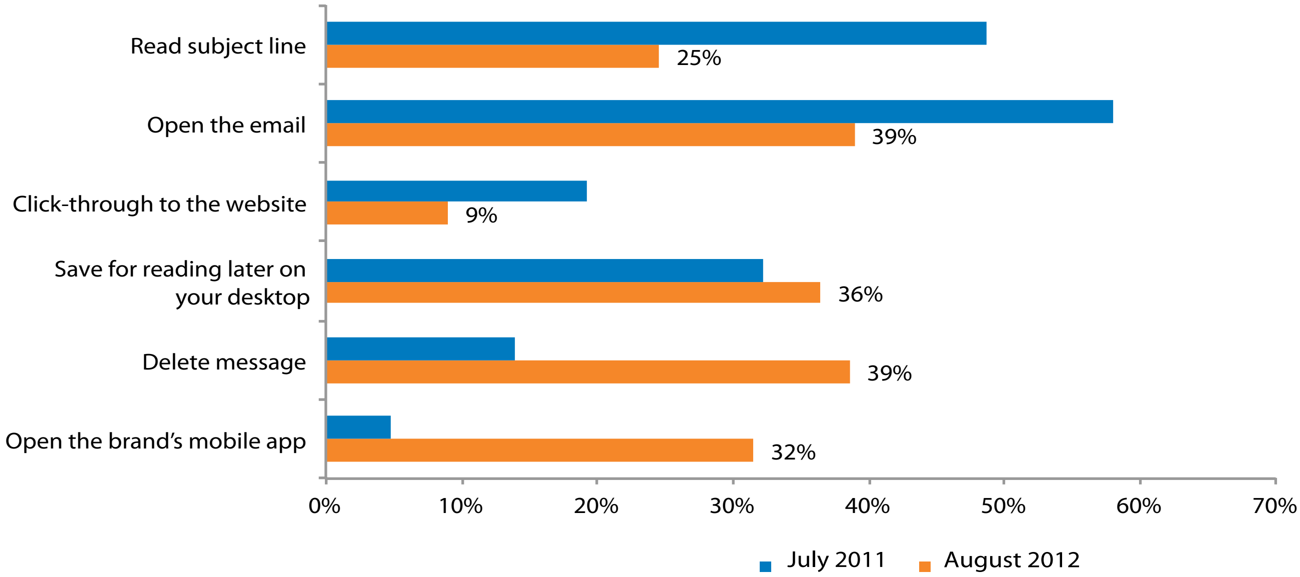
19. YouGov "Smartphone growth in the UK?"
20. MarketingWeek "Shining on the small screen"
21. Return Path "Email in Motion: Mobile is Leading the Email Revolution"
22. Knotice "Mobile Email Opens Report 1st Half of 2012"
23. Net Applications "Usage share statistics for Internet technologies"

At this early stage in the mobile email (r)evolution, we can only conclude that true use of mobile email is lower than most marketers imagine, but **a significant and growing number of people use their mobile to check email at least sometime.** It's not that an email will be seen on a mobile device, but it certainly **might** be seen on one.

4.2 Mobile email behaviour

The complexity of the mobile challenge is further emphasised in the following chart.

What do you do when you recieve an email from a brand you trust via your mobile?



There is no one "mobile email behaviour". Increasingly, senders are faced by a disparate range of email user types, and users who can also easily switch between types as they change or upgrade devices, switch jobs or just get older:

- Users who read and act on email exclusively through mobile (but perhaps on both a tablet and smartphone).
- Users who check and manage email on a mobile device, but leave reading and interacting with email to the desktop.
- Users who read and act on email using a mobile device or a desktop (or both) depending on current circumstances.

Then we have users who read mobile email using native mobile email clients, those who use webmail apps and those who use the device's web browser. Not to mention those who are prompted to open a brand's mobile app after receiving that brand's email!

Given this complexity, what can marketers do?

The urgency of any mobile email strategy depends on first getting a handle on actual mobile email use among a sender's specific audience. Email analytics tools offered through ESPs and standalone services can help here.

We are, however, still some way from defining the challenges and opportunities and understanding how to deal with them.

For the moment, two clear strategies are emerging on the design front.

The first is to build in design flexibility, where the email's display adjusts to the viewing environment, for example through fluid layouts using the @media query.[24]

The second is to make traditional email designs more mobile friendly, but without destroying the greater richness possible with designing for the bigger screen. Strong possibilities here are:

- Narrower one- or two-column emails.
- More spacing of links to make it easier for people "clicking" using touchscreens.
- Shorter subject lines and copy with fewer topics or competing calls to action.
- Cleaner layouts with larger fonts.

Longer-term, the challenge is adjusting strategy and tactics to a more disparate mobile email

24. See, for example, Campaign Monitor "Applying fluid layouts to HTML email design"

5. Email and social networks

There continues to be strong interest in the role social networks play in email marketing. The DMA's *National client email report 2012*[25] defines three early-stage integration approaches here:

- Using social networks to grow email databases, e.g.
  - Announcements of forthcoming emails or newsletter issues.
  - Distribution of links to archived emails.
  - Linking to sign-up pages.
  - Embedding sign-up forms and copy in social network sites.
- Using email to drive social network activity, e.g.
  - Email content as topics for discussion.
  - "Share with your network" links.
  - "Follow", "Like" etc. links or campaigns.
  - Promoting Facebook chats and competitions.
- Sharing content between social and email, e.g.
  - Monitoring social conversations for email topics and customer interests.
  - Repurposing social and user-generated content.

Using email to drive social network activity is perhaps the most popular approach at present, particularly encouraging subscribers to share/recommend emails or email content on social networks or follow the sender on these networks.

Best practices are still being established here and many strategic questions are yet to be fully answered.

For example, if email is better suited to driving direct sales, how much effort should go into encouraging subscribers to connect with the sender on social networks? Is there a danger that they then abandon email for a lower-converting alternative?

Regardless, two key issues for marketers looking to encourage social action through email subscribers is the popularity of social network use and the propensity to share brand information and brand emails on these networks.

5.1 Social network use in general

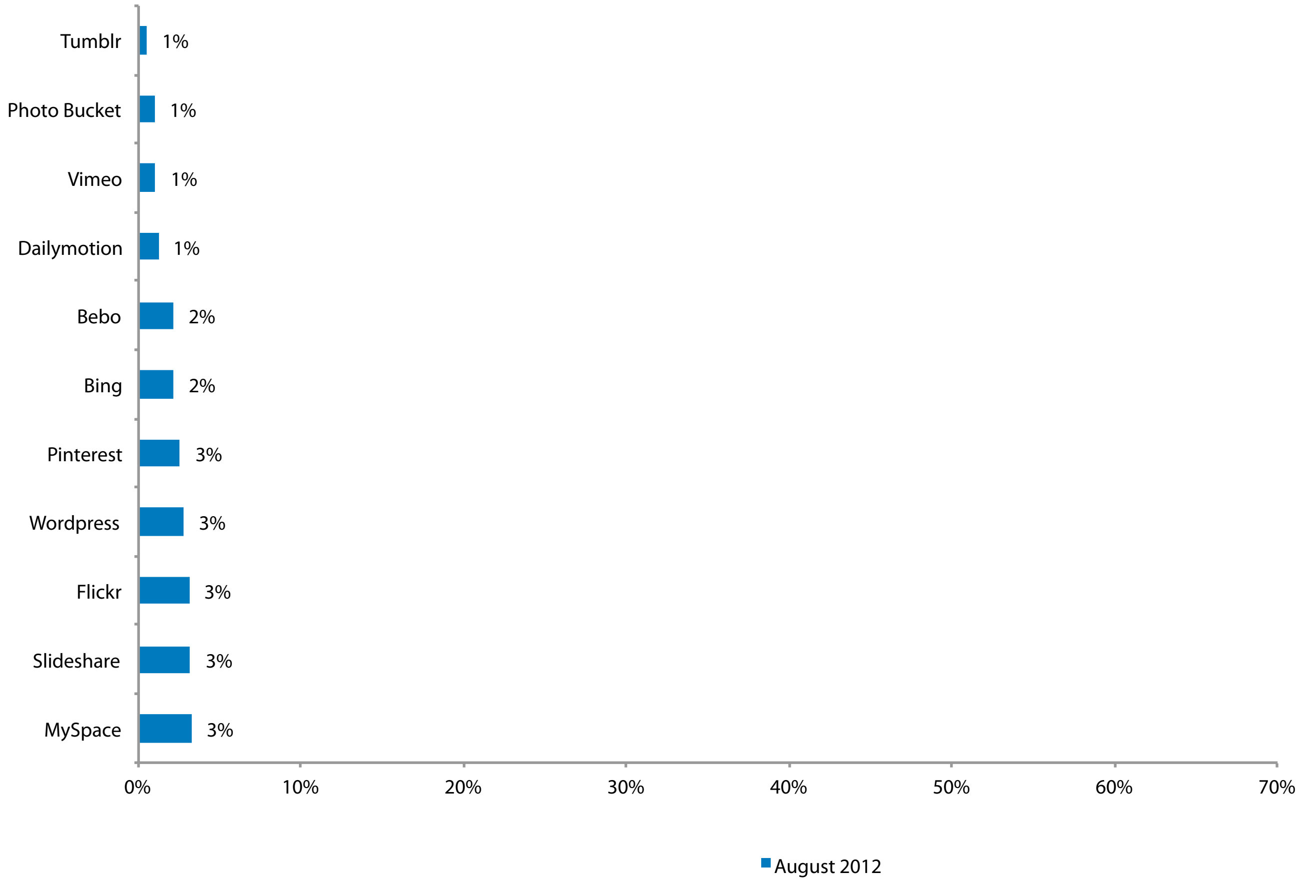
The below chart shows that 78% of online consumers are active on at least one social website or network, the highest number since the email tracker began.

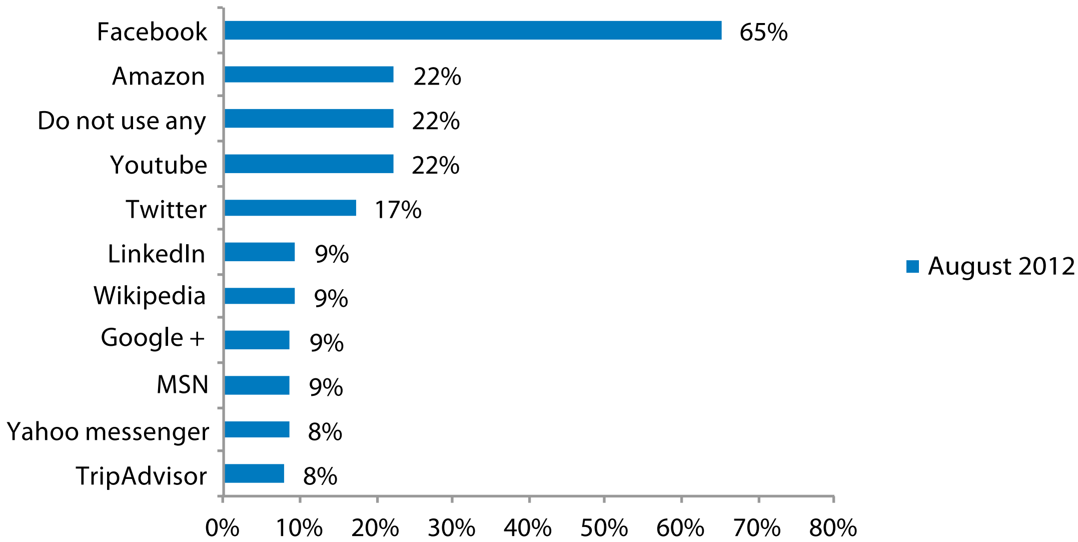
Only five individual social properties are used by around 10% or more of respondents, namely LinkedIn, Twitter, YouTube, Amazon and Facebook. The latter is by far the most dominant social network, with almost four times the popularity of its nearest rival (Twitter).

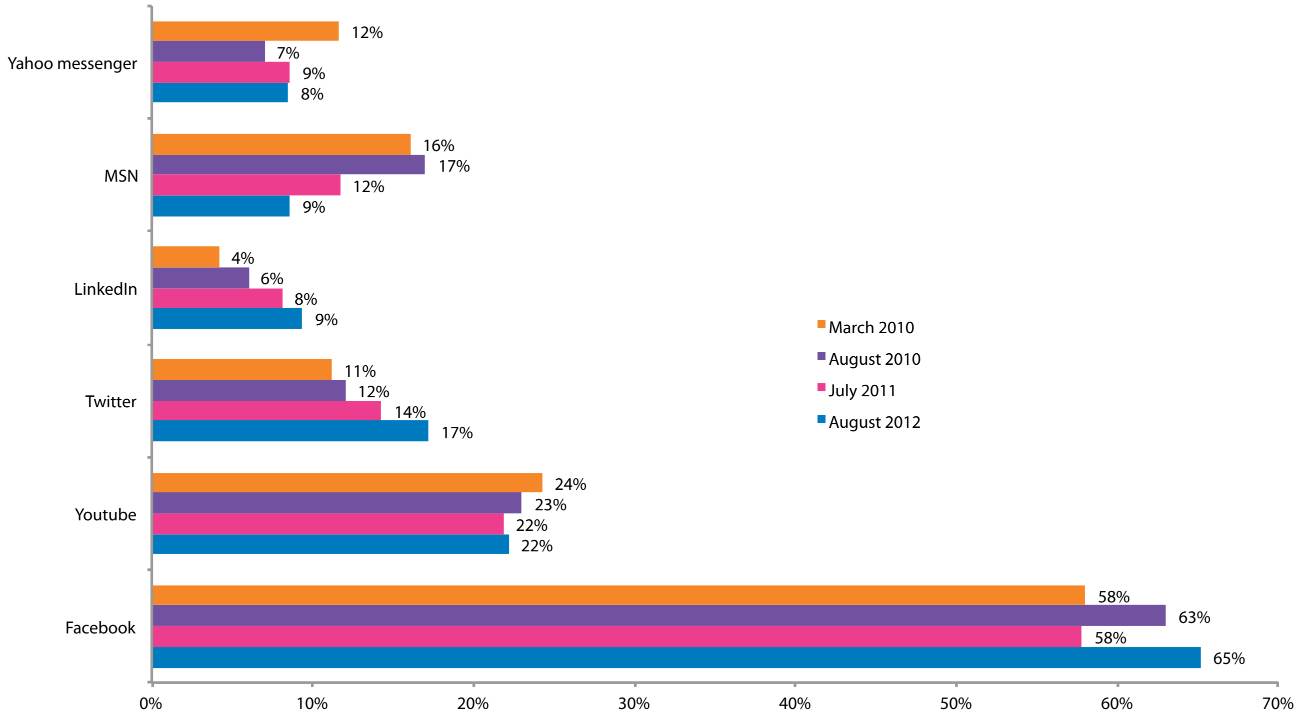
Facebook's dominance is confirmed in other UK surveys. YouGov, for example, also found[26] 65% of online consumers on Facebook (23% on Twitter), while Umpf reported[27] a higher figure of 77% (and 32% on Twitter).

25. DMA "National client email report 2012"
26. YouGov "Social media 'growing up' in UK"
27 Umpf "Social Media Usage in the UK"

Which of the following social networks do you use?







From a user base point of view, it is clear that Facebook should normally take precedence in email/social integration campaigns. Equally, marketers should be aware that even campaigns that focus on Facebook will be entirely irrelevant to over a third of subscribers. And there are additional factors that need considering.

The first is, of course, the social network preferences of each specific audience. A simple example is that a typical B2B list is likely to have a higher proportion of LinkedIn users than a B2C list. Senders can accumulate social data by:

- Collecting social network preferences using subscriber preference centres, dedicated subscriber surveys, or in sign-up forms.
- Using social sign in for email acquisition.
- Tagging new subscribers signing-up or sourced from the sender's social network pages.
- Appending data from in-house databases or using third-party services.
- Tracking clicks on social network links in past campaigns.

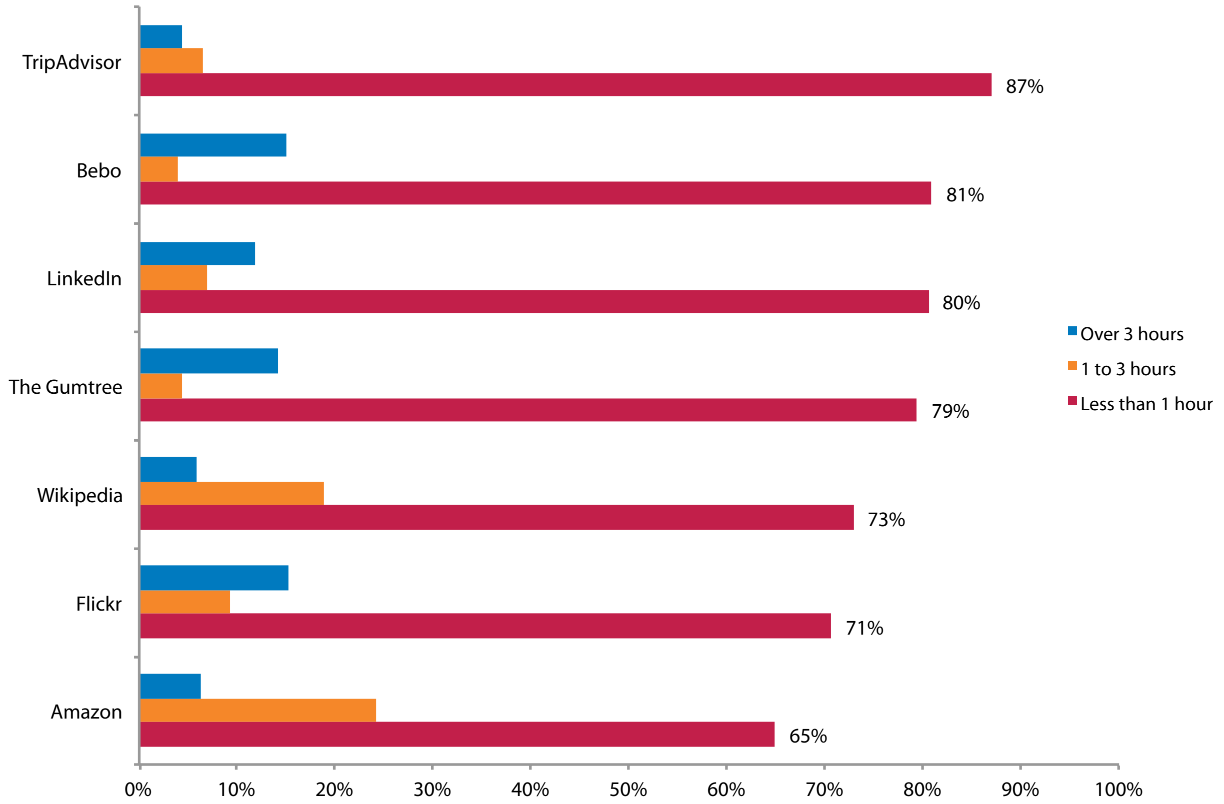
A second factor is how much time respondents actually spend with these social networks.

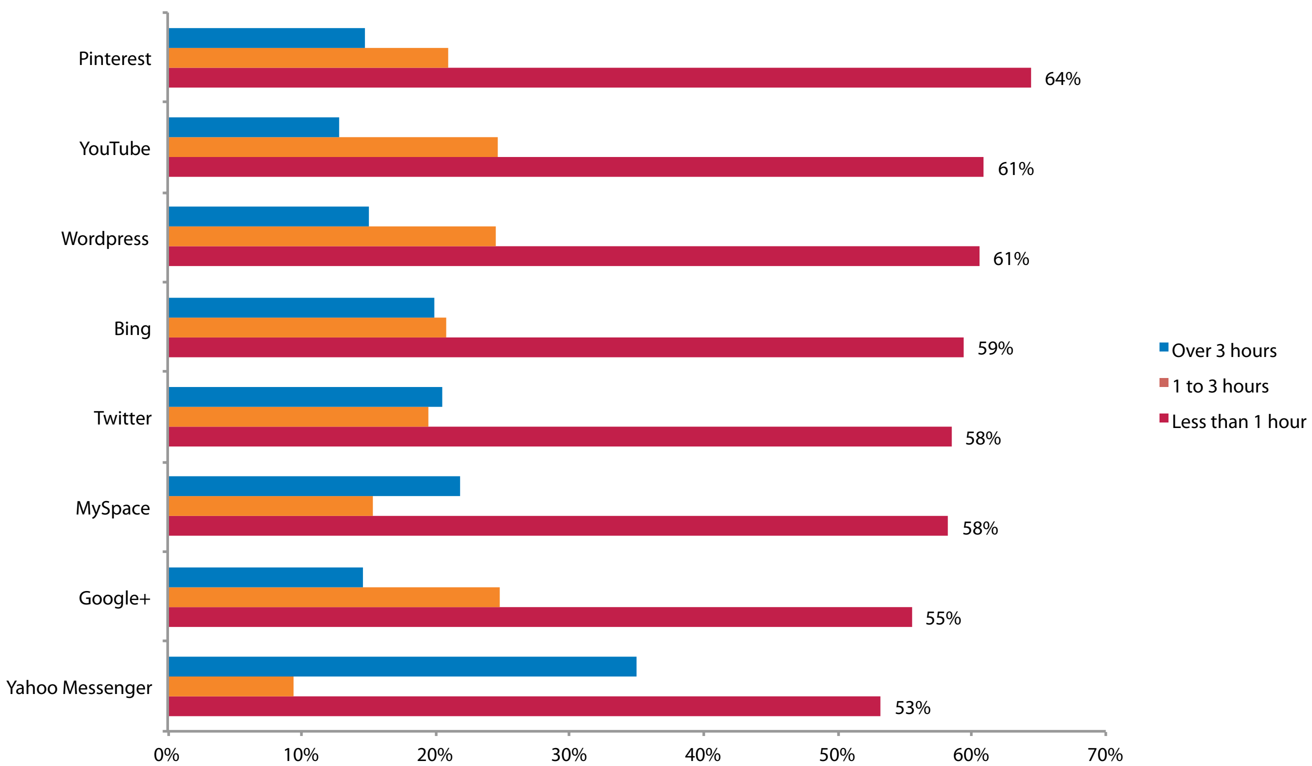
5.2 Time spent on social networks

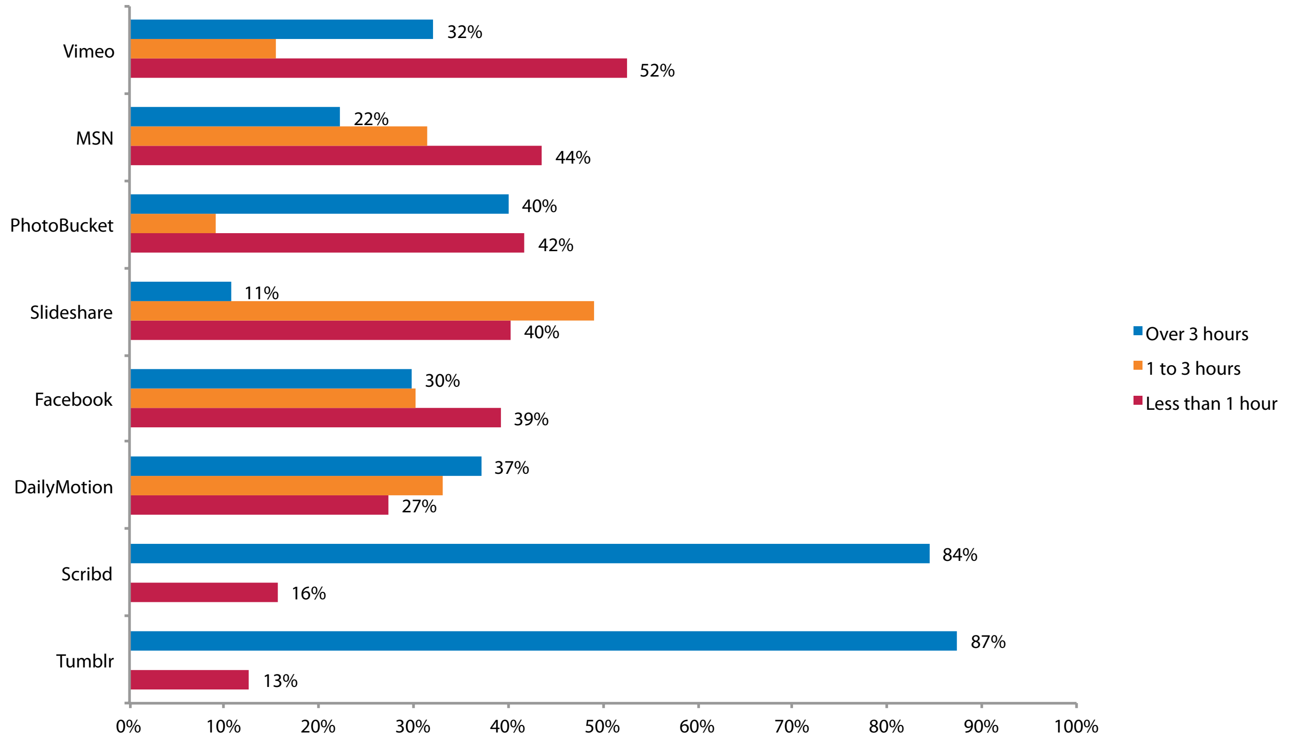
The survey reveals that no one social network is used by more than 10% of respondents for any kind of business purpose. Of those that do, most are only doing so for **less than one hour a week.** This illustrates how figures on social network user bases overestimate the true extent of social network activity. For example, only about 3% of respondents actually use Facebook for business purposes for more than one hour a week.

The situation is marginally better when social network use for social purposes is examined. Even on Facebook, however, the most common level of use is still under one hour per week.

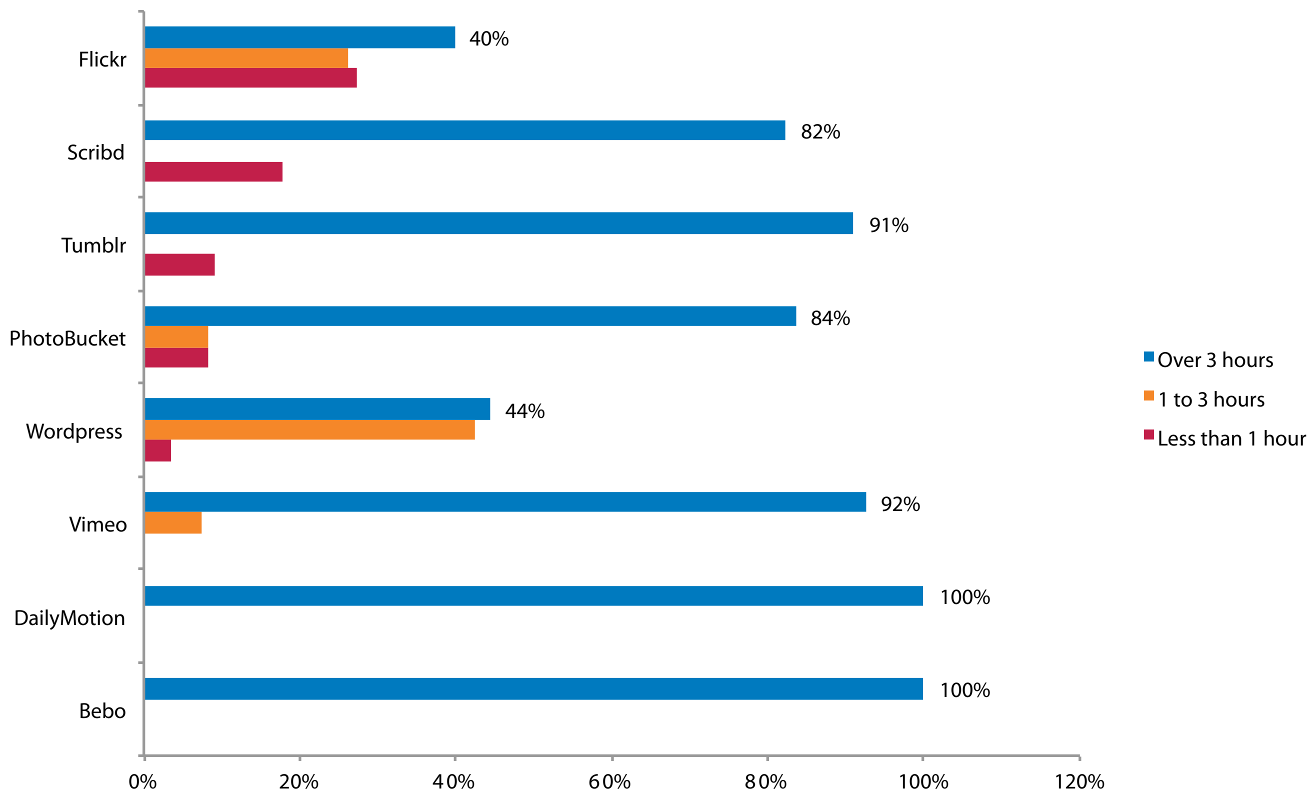
In a typical week how long do you spend on them for social purpose?

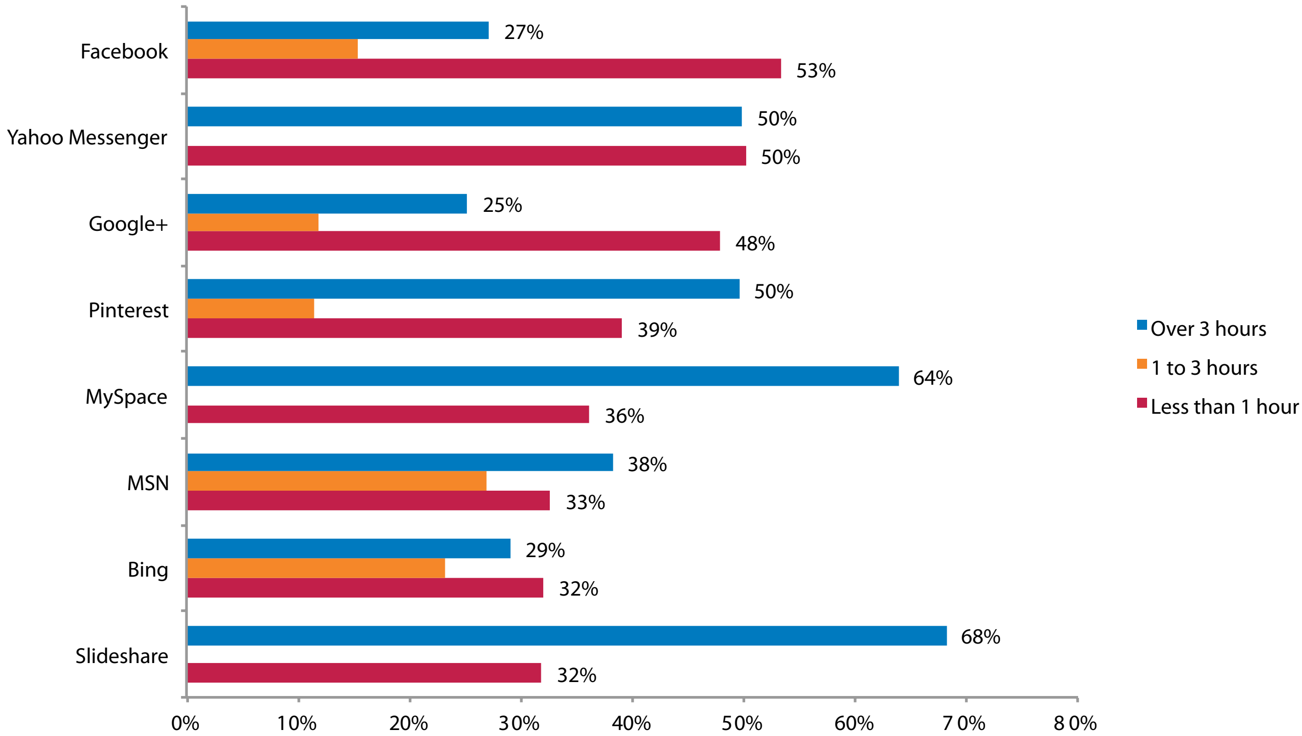


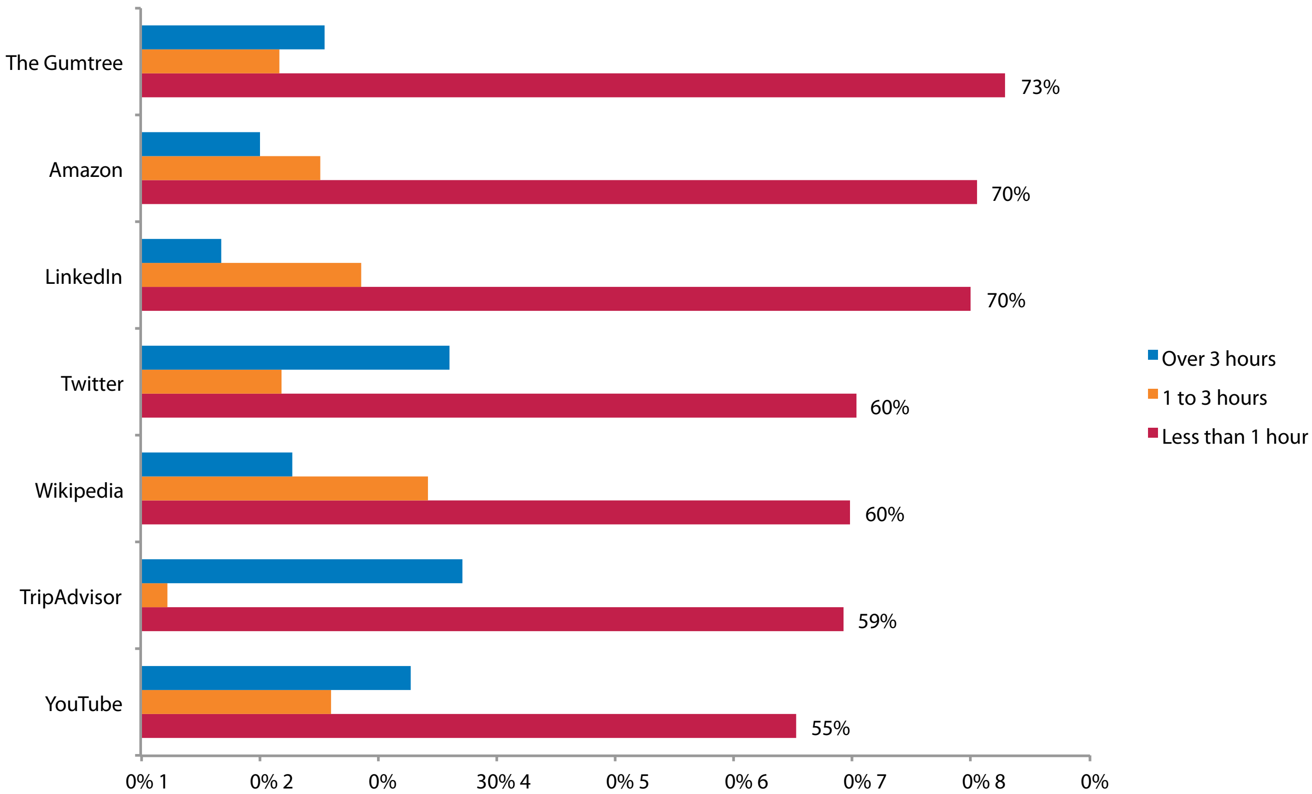




In a typical week how long do you spend on them for business purposes?




Facebook
27%
53%
Yahoo Messenger
50%
50%
Google+
25%
48%
Pinterest
50%
39%
MySpace
64%
36%
MSN
38%
33%
Bing
29%
32%
Slideshare
68%
32%
0%
10%
20%
30%
40%
50%
60%
70%
80%
Over 3 hours
1 to 3 hours
Less than 1 hour


The Gumtree
73%
Amazon
70%
LinkedIn
70%
Twitter
60%
Wikipedia
60%
TripAdvisor
59%
YouTube
55%
0% 1
0% 2
0%
30% 4
0% 5
0% 6
0% 7
0% 8
0%
Over 3 hours
1 to 3 hours
Less than 1 hour

This narrowing of the active social network user base leads to several conclusions:

- "Share with your network" links (commonly known as SWYN links), recommend links etc. are unlikely to generate a strong response and anecdotal evidence from senders suggest this is indeed the case.
- Given the above, such links should not take precedence in email formats and designs, and are likely better positioned on landing pages.
- Campaigns whose central focus is on social network activity need careful handling, as they are not likely to be particularly relevant or useful to most respondents if no relevant segmentation takes place.

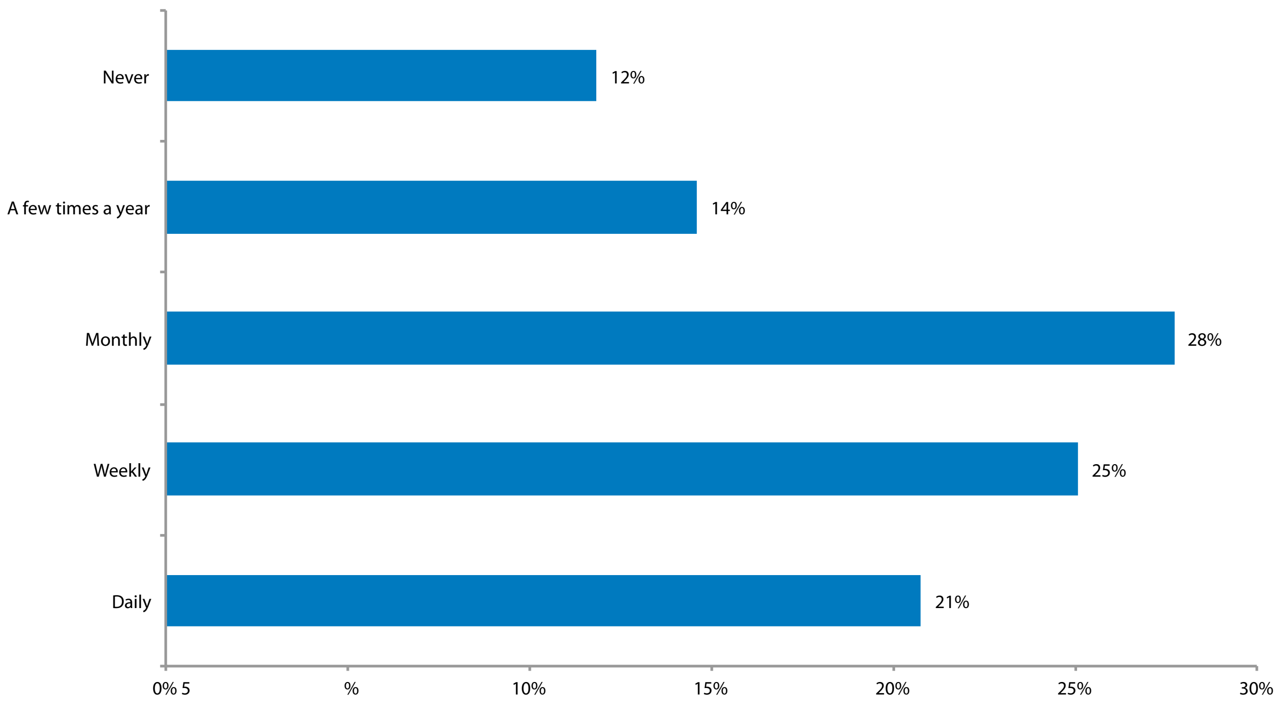
Of course, the advantage of social networks is their multiplication factor: Facebook updates, tweets etc. are one-to-many communications. Clickthrough rates on SWYN links may be low, but even a few clicks can, under the right circumstances, trigger a viral effect.

A third factor in the social/email equation is not just whether the subscriber is an active user of a social network, but whether they actually share brand content and brand emails on that network.

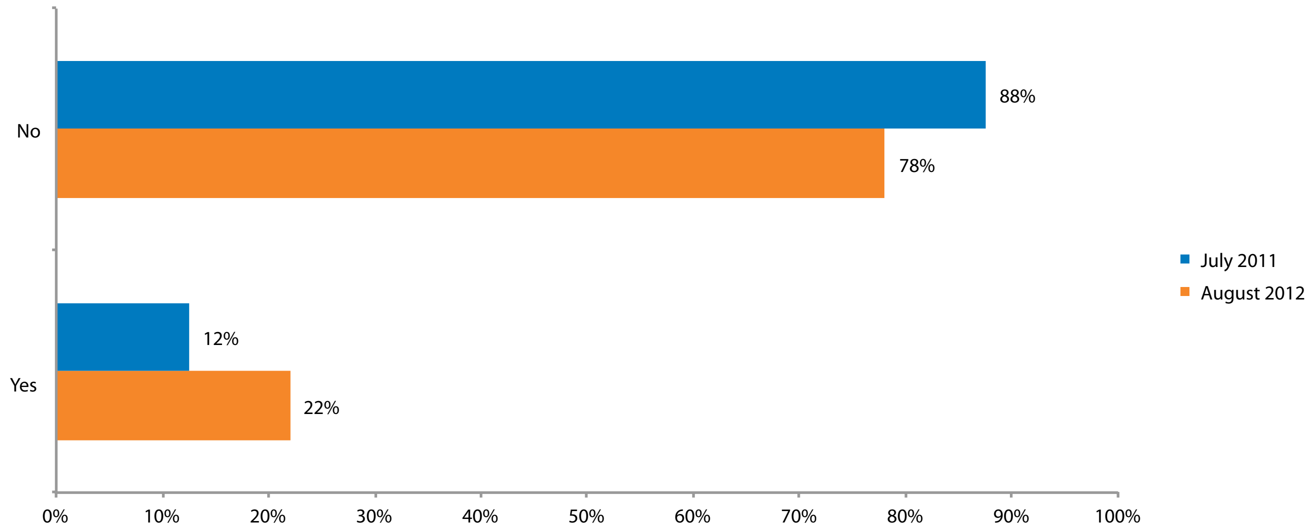
5.3 General social sharing habits

Just over half of respondents share company or product-related information on no more than a monthly basis. Sharing of brand emails is even less frequent: **78% say they never share emails from brands they trust into social networks.** This effectively shrinks the audience for SWYN, "like" and "follow" campaigns even further.

How oftern do you share company or product-related information on social networks?

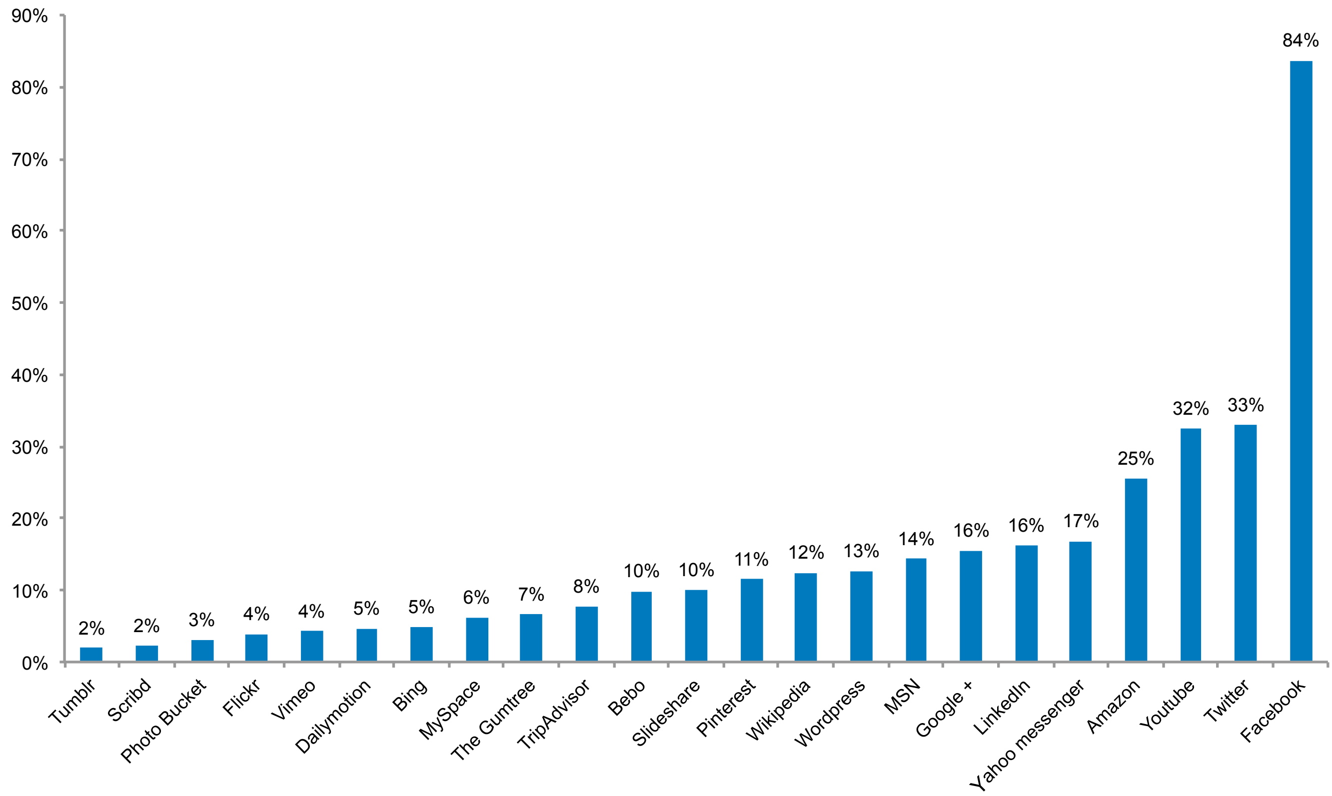


Are you sharing emails from brands you trust into your social networks?



There is good news, however. The number of respondents who do share brand emails increased 83% from the previous survey. Unsurprisingly, Facebook is where most sharing takes place.

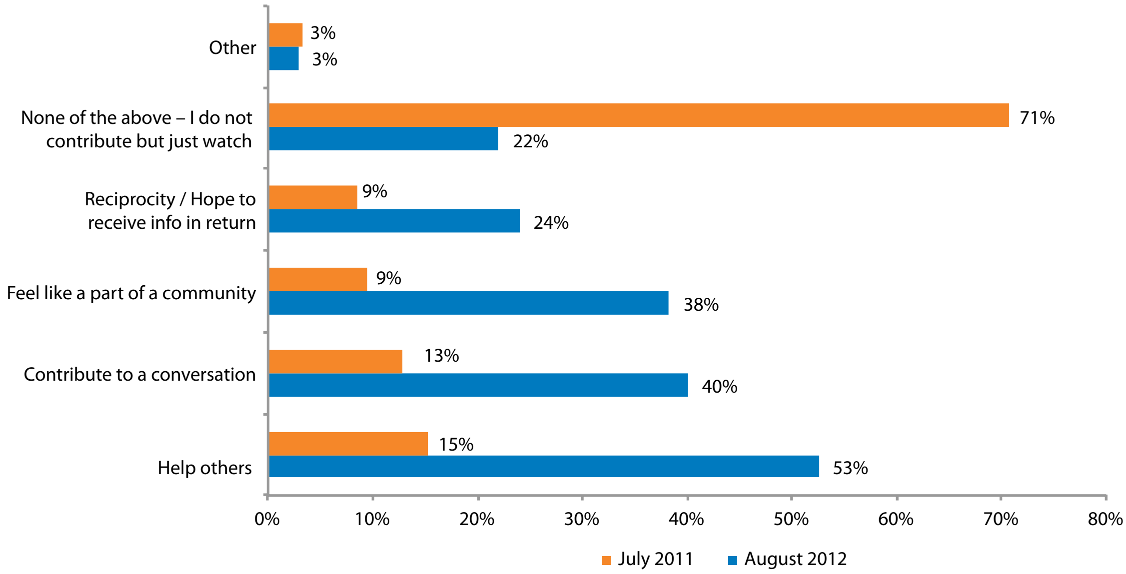
Are you sharing emails from brands you trust into your social networks? YES vs which of the following social networks do you use?



5.4 Motivation for sharing emails

The likelihood to share is, of course, also dependent on the "shareability" of the email content or offer, which ties into subscriber motivations for sharing. Over the last year, the culture of sharing certainly seems to have grown and incorporates both selfish and altruistic motivations: "helping others" is cited most often as the reason for sharing

Why do you share emails into social network?



The clear message is that "shareable" content is not limited to exceptional offers, but covers a broad range of material that addresses the community and conversational needs of recipients. This neatly matches earlier results concerning inbox competition, confirmwing the potential for informational content, video entertainment and other material that goes beyond the traditional concept of "promotional email".

Methodology

- The sample were randomly selected from *fast*.MAP's Consumer Voice panel to gain a sample that's representative of the UK population
- The panel is closed i.e. members of the public cannot voluntarily join. Members are recruited via a number of sources to demographically represent the markets based on age and gender
- Methodology = online self completion questionnaire to *fast*.MAP's Consumer Voice panel
- 23 questions were asked in total
- Survey despatched 26th July 2012 and stayed open until 1st August 2012
- **N = 1,043**
- Results are re-weighted by age and gender
- This gives a statistical confidence level of +/- **2.45%**
- Randomisation of answer options to avoid top box bias
- Acceptable completion time for the survey and removing any that are completed in a quicker time
- Constant re-qualification of the panel to ensure that background variables are updated. Differences from initial recruitment can result in being removed from the panel

About the DMA

The Direct Marketing Association (DMA) is Europe's largest professional body representing the direct marketing industry. With a large in-house team of specialists offering everything from free legal advice and government lobbying on direct marketing issues to research papers and best practice, it is always at the forefront of developments in the industry.

The DMA protects the direct marketing industry and consumers. It promotes the highest standards through self-regulation and lobbies against over-regulation. The DM Code of Practice sits at the heart of everything we do – and all members are required to adhere to it. It sets out the industry's standards of ethical conduct and best practice.

Our 16 DMA Councils cover the whole marketing spectrum – from the digital world of social media and mobile marketing to the 'real' world channels of door drops and inserts. The Councils are made up of DMA members and regularly produce best practice and how to guides for our members.

We also have a packed calendar of conferences, workshops and discussions on the latest topics and best practice, and 80% of them are free for members and their staff.

As the industry moves on so do we, which is why we've recently launched a number of new services for our members – a VAT helpline, a Social Media Helpdesk and an IP Protection Service.

Visit www.dma.org.uk regularly to keep up to date with all our services.

we are the dma

About *fast*.MAP

fast.MAP is an insight partner that continuously connects clients in real-time with their customers.

As exclusive insight partner to the DMA, we run a number of tracking studies designed to give DMA members primary insight into key areas that support the Direct Marketing discipline.

The combined experience of our Directors spans many industries, disciplines and methodologies and the solutions we provide can be executed from within the business.

Industry expertise: Financial, Automotive, Travel/Transport, Charity, Marketing Communications, Media, IT/Technology, Retail, Pharmaceutical, Travel/Transport, FMCG and more

Methodologies: Quantitative: online, telephone and face to face; Qualitative: in-depth interviews and online focus groups

Our aim is to help clients to:

Improve Marketing Effectiveness:

- Branding Studies
- Concept Testing
- Message/Copy Testing - ads (TV, Press), leaflets, direct mail

Understand Markets:

- Demand Estimation and Sizing/Audits
- Market Segmentation and Pricing
- Competitor Analysis

Understand Consumers:

- Attitude and Usage Research
- Customer Profiling
- Customer Loyalty and Satisfaction

For further information visit www.fastmap.com or call Paul Seabrook on 0207 242 0702 (paul.seabrook@fastmap.com)

fast.MAP
Effective Marketing Research

About Alchemy Worx

Established in 2001, Alchemy Worx is the world's largest email marketing agency. With over 70 employees and offices in London and Atlanta, it uses hyper-specialization techniques to deliver both simple and highly complex life-cycle based email programmes faster and more cost effectively.

Alchemy Worx provides strategy, design, content, testing, inbox placement and detailed post campaign analysis to many big-name Brands; including Tesco, Skype, Getty Images and Hilton Hotels.

Learn more about our hyper-specialized team here. You can also find techniques that generate real value for your email marketing programs by subscribing to Email Worx here and following us on Twitter.

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