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Alchemy Worx 100% Email Marketing

Partner

fast.MAP Effective Marketing Research

Email tracking report

2013

Contents

Introduction

I've said it before and no doubt I will say it again, but consumers remain the ultimate judges of how well the email marketing industry is performing. That's why the *DMA Email tracking report* jointly commissioned by the DMA, *fast*.MAP and Alchemy Worx provides such valuable insight for us marketers; it tells exactly what consumers really think about the emails they receive.

The good news is that email is not only delivering for email marketers (the DMA's *National client email report 2013* shows an ROI of £21.48 for every £1 spent in 2012) but continues to be seen as valuable by consumers as well. Some 90% of consumers reported subscribing to emails from trusted brands and 50% reported that at least 1 in 3 of those emails as relevant or interesting. Interestingly those who get more emails each week tend to rate the relevancy of these mails higher than those who only get a few brand marketing emails.

There is further good news for marketers, when we look at what consumers are doing with the emails they are receiving. For instance 54% of respondents cited "clicking through from an email" while 25% of respondents cited "visiting a shop or retail outlet" as a result of receiving an email. This not only demonstrates the immediate impact email can have, but highlights that consumers often react to an email "outside of the inbox" in ways that are much harder for marketers to track.

The research also highlights a number of areas where marketers can improve the experience they bring to the consumer. For example, the number one reason for reporting a message as spam was that the recipient didn't recognise the sender (reported by 44%), perhaps marketers can do more with their welcome programmes when they bring subscribers on board?

The report also takes a look at which sectors consumers feel are "doing" email well and discusses the impact of the smartphone on how consumers are now reading marketing messages.

I would like to thank Alchemy Worx for sponsoring the *Email tracking report*. In my opinion it continues to be a must read for marketers and provides a wide range of valuable insight to drive future email campaigns.

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Alchemy Worx's perspective

Alchemy Worx is once again proud to sponsor the DMA's *Email tracking report*. We have always felt it is one of the most valuable pieces of consumer research available to email marketers because it focuses on what consumers actually think of and do with email in the UK.

Email is the de-facto method to communicate online and this year's report highlights how email is increasingly embedded into consumers' lives. With over a third (35%) having three or more email addresses, consumers are spending more time each day using email. However they are being more selective by signing up to fewer brands and receiving lightly less than in previous years. This is despite the most recent DMA *Email benchmarking report H2 2012* showing a steady upwards trend in send volume. And while data from the *Email benchmarking report H2 2012* shows email marketers become more sophisticated in their offering, consumers are also more adept at managing the emails they receive and carefully maintaining the 'inner circle' or brands they are signed-up to.

So how does the increasingly savvy email subscriber feel about their inbox provider making changes to the way they manage their emails? While the changes to Gmail during the summer of 2013 sparked a great deal of debate within the industry, the 2013 *Email tracking report* is one of the first studies to ask consumers what they think. Almost half of consumers are indifferent to the changes with a third welcoming them. What is yet to be evidenced, at the time of this report's publication, is representative data about how these changes affect subscriber's interactions with promotional emails.

The research also reveals some new data on how email is consumed on mobile devices. While it's clear that there is a degree of email triage happening on mobile devices, they tend to read the subject line and then either delete or save for later – purchasing is heavily weighted towards desktop or laptop computers and those that do transact on their mobile are 40% more likely to spend £10 or less.

The way consumers use email is clearly evolving and adapting to the devices and services available to them. The emergence of data to help us better understand consumer behaviour offers marketers some fantastic opportunities to improve their email strategy, but the cornerstones of effective email marketing remain: provide value to your subscribers on a regular basis and they will be valuable to you in return.

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fast.MAP's perspective

These are exciting times. Even though email volumes are stable and a consumption time-ceiling seems to have been reached, changes are afoot which are destined to keep digital marketers on their toes.

The battleground for those working in this increasingly-mature medium is now centred on targeting consumers with the right message at the right time. This involves technological filtering and sorting to identify those for whom the message will be relevant and interesting.

55% of adults never check private emails at work and two-thirds have multiple email addresses, so marketers need to compartmentalise their communication too.

A third of consumers separate work and personal email-management boxes, so they can carry out their own proactive rational filtering while allowing passive sorting of spam by the email provider into their junk mail box.

Although, if they wish, people can have minute-by-minute email access via a smartphone, most people still prefer to buy at their leisure via a PC, rather than on the move on their mobile.

Unlike marketing via static media such as landline and post, email communication has – since the advent of the smartphone and similar devices – become a constant, complicated game of cat-and-mouse. The mice hide behind multiple appliances and numerous email addresses and the cats use the latest sorting techniques and stalk their prey's behavioural changes to seek them out.

Email is a medium where change happens quickly; so marketers need to be hotwired into technological innovation and consumer whim.

What worked a few months ago might not work now. .. so stay tuned for the next version of the email tracker.

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Executive summary

Main results:

- Most people (69%) have more than one email address, with an average of around 2.4 accounts/user. This is very similar to the result from the 2012 survey (2.5 accounts/user)
- A dedicated email account for "dumping" marketing mail is not a strategy used by most consumers. 35% use different accounts to keep marketing and personal mail separate, but only 13% keep separate accounts as a reaction to too many marketing messages
- There were no major changes in the time spent on email over the last year, with a slight rise in home use. This speaks to the continuing value of email as a communication tool, especially in the mobile era. Equally, email use is not ubiquitous: as in 2012, just over half (55%) never check mail at work
- Consumers are largely indifferent to (48%) or pleased with (33%) inbox tools that automatically sort incoming mail into folders
- Consumers are subscribing to emails from fewer brands than in 2012. For example, the number getting mails from 11 or more brands dropped by 21%, from 43% in 2012 to 34% in 2013
- The volume of commercial email that consumers say they get has fallen, too. Of those signed up to at least some brand mail, almost half (48%) are getting less than three a day on average in 2013, while 41% were doing so in 2012
- Consumers are deleting emails more readily from the inbox. Although 53% still keep marketing emails for longer than a day, this number has fallen from 63% in the 2012 survey
- Saving money remains the top motivation for signing up for mails and is the top content preference
- Marketers are still doing a good job of making emails valuable. Consumers perceive no decline in the relevancy of brand emails: as in 2012, around 50% find at least one in three brand mails relevant or interesting
- Perceptions of relevancy are even higher among people subscribed to more brand emails: 49% of those who get 1-5 mails a week say no more than one in 10 are relevant or interesting. Only 12% of those who get over 41 such mails think the same
- Online retailers are regarded as the best at doing email well and were rated positively by 5% more respondents than in 2012 – the only sector to see an improvement over the previous study. However, users do distinguish between sectors in general and the mails they actually receive. So, for example, while supermarkets were rated lower for how well they do email in 2013, individual brands (like Tesco and Asda) were rated higher
- As in 2012, the click remains the most likely response to an interesting marketing mail (cited by 54%). However, out-of-email and indirect responses (like visiting a retail outlet) also continue to be important, highlighting the significant, broader impact of email on overall business results
- Consumers are most likely to mark as spam those emails that come unsolicited, too often or from senders they don't recognise
- The desktop/laptop is regarded as the main device for email, with never less than 75% of consumers using these devices most often to do various email-related activities. However, 57% access emails at least sometimes on their mobile phone or smartphone
- The most popular email tasks on mobile phones are skimming subject lines and deleting or skimming, opening and deleting
- After seeing a product they want to buy in an email on their phone, the number of users who would wait until they were on a PC or laptop to do so is almost 10 times the number who would buy it straightaway using that phone
- Most consumers (64%) are not sharing emails into social networks

Main recommendations:

Marketers should:

- Further exploit the clear differences between consumer attitudes to marketing mails in general and to mails they get from trusted brands. For example:
    - Consider testing increased frequencies
    - Be more aggressive about promoting the list to existing customers
    - Remind people of the broader relationship with the brand in the email itself through personalisation, purchase-related messaging, stronger brand signals and similar
- Focus even more on list-building, particularly on:
    - Communicating the value of signing up
    - Exploiting all customer touch points for list promotion, particular social network interactions, transactions and offline opportunities where mobile-friendly sign-up URLs and/or QR codes can capture opt-ins in-store, at events, and from print materials
- Exploit the potential of subject lines and content to drive out-of-email response, as well as impact on branding and awareness
- Optimise for the mobile environment, particularly:
    - Optimisation of landing pages
    - Using links, footers etc. to support mobile activities, such as searching for product and local information, social sharing, or use of apps
- Revisit send time tests and consider personalised send times, day of week/month tests, and/or lifecycle and behavioural email approaches
- Test the impact of mobile email and inbox tabs on the optimal duration of short-term promotions
- Review metric changes carefully before seeking to influence subscribers to manually alter automated inbox placements

1. Inbox habits and activity

The way consumers use email has always been of interest to marketers. For most of email's recent history, however, nothing dramatic has happened to inboxes to cause any major changes to email behaviour.

This is no longer the case.

One factor is the massive growth of mobile email. In Q4 2010, the percentage of opens accounted for by mobile devices was put[1] at just over 13%. This figure had reached 47% by August 2013[2].

Mobile email brings with it both diverse display environments and changes in the context of email use, ie when, where and how people use email. But with measured use of mobile email (recorded opens) seeming to differ from anecdotal observations of actual email habits, just how important are mobile inboxes?

The introduction of new inbox management tools, particularly Gmail's inbox tabs, also has many marketers concerned that automated categorisation of incoming email devalues their promotional messages in the inbox. Are they right?

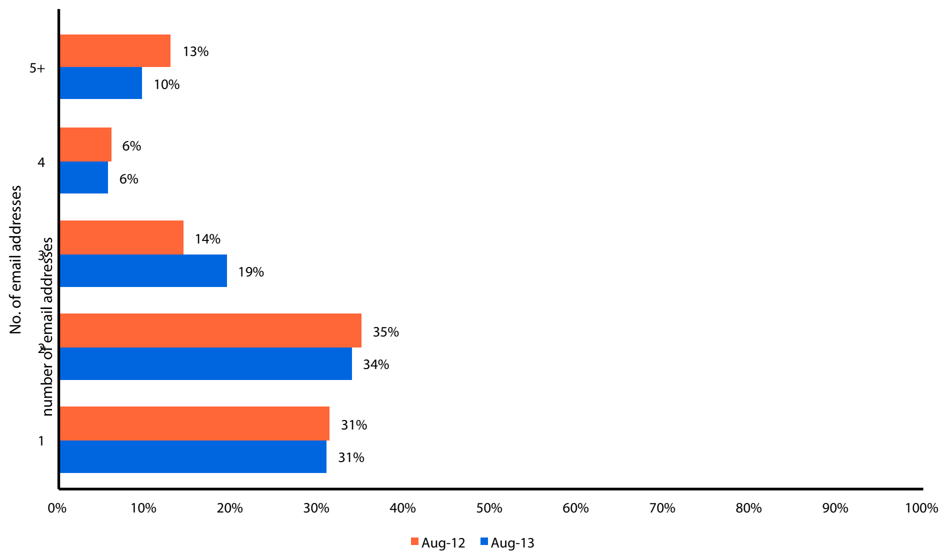
These kinds of questions illustrate a broader need to understand consumer email use, since there may be important implications for how email campaigns are designed and executed. As such, this DMA Email tracking report offers a timely review of inboxes, email attitudes and email-related behaviours from the perspective of those who receive, rather than send, email.

1.1 Number of email addresses

Most people (69%) have more than one email address, with 35% having three or more. Assigning a value of 6 accounts to the 5+ category, the average is around 2.4 accounts per person.

Other studies confirm that multiple accounts are the norm. For example:

- A 2013 MyLife survey[3] of people in the USA who use email and social networks found respondents managed an average of 3.1 email accounts
- A BlueHornet study in the USA found 72% of consumers had more than one email address[4]
- Globally, the Radicati Group estimates some 3.9 billion email accounts[5] exist in 2013, with around 2.3 billion email users[6], giving an average of some 1.7 accounts per user



1. Knotice (2013) Mobile Opens Report Second Half of 2012
2. Litmus (2013) Mobile Opens Hit Record High of 47%
3. MyLife (2013) Social Media Survey Says: We're Overwhelmed!
4. BlueHornet (2013) Consumer Views of Email Marketing
5. Radicati Group (2013) Email Statistics Report, 2013-2017
6. Radicati Group (2012) Email Market, 2012-2016

1.2 Role of different email addresses

One concern of marketers is whether multiple accounts are a strategy for "dumping" marketing mail in an unseen inbox. This does not seem to be a significant motivation for most users, however.

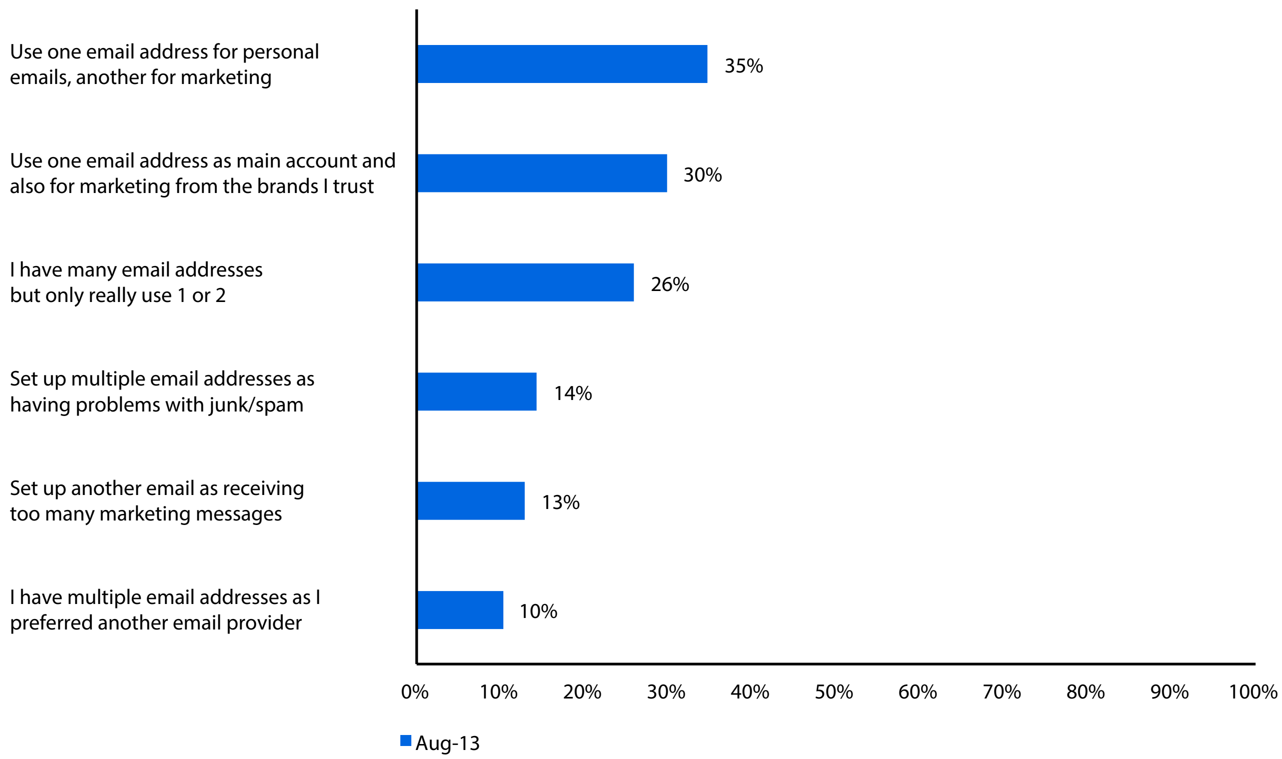
The 31% of respondents with only one email account receive all communications in a single inbox anyway. Equally, separate email addresses does not always imply separate inboxes: at least some users will pull mail from different accounts into one common interface.

Only 13% of respondents said they set up multiple email addresses as a response to receiving too many marketing messages, though 35% did say they use different email accounts as a way of keeping personal and marketing messages separate. Interestingly, 30% said they also use their main account for marketing from trusted brands.

It's hard to predict which of the subscriber's email addresses is the "right one" from the sender perspective. For example, dedicated accounts for promotional mail might get less overall attention, but more attention when the subscriber is in buying mode.

A useful strategy for senders is simply to ensure they use sign-up opportunities to communicate the value of their emails and establish trust. This encourages subscribers to submit the "correct", "high-attention" email address. Senders can:

- Make the opt-in explicit and transparent
- Include a privacy reassurance, but only after testing to ensure a positive impact[7]
- Feature testimonials
- Use benefit-oriented sign-up copy
- Provide samples or screenshots of popular campaigns or newsletters
- Set frequency expectations, but leaving enough flexibility for future expansion of email streams
- Ask for minimal data in the initial opt-in (with subsequent data collection on confirmation pages or through data appends, integration with existing customer databases, email surveys, preference centres and similar)



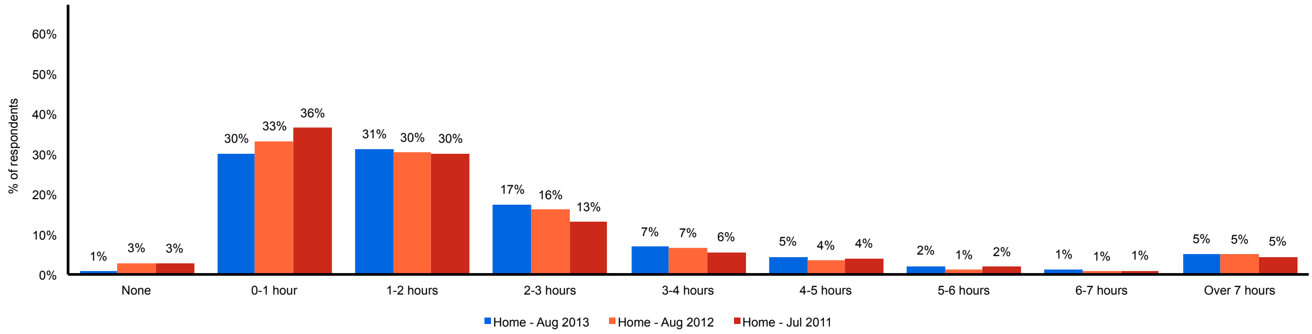
7. See, for example, ContentVerve.com (2013) How Your Privacy Policy Affects Sign-Ups – Surprising Data From 4 Different A/B Tests

1.3 Time spent on email

The reported time spent on email hasn't changed significantly since the 2012 report, although there was a **slight increase in time spent with email at home**: the number spending at least an hour a day rose from 64% to 69%.

Many might expect a decrease in home use, as personal communication shifts to social networks and inbox management tools improve. So why the increase? Possible explanations are:

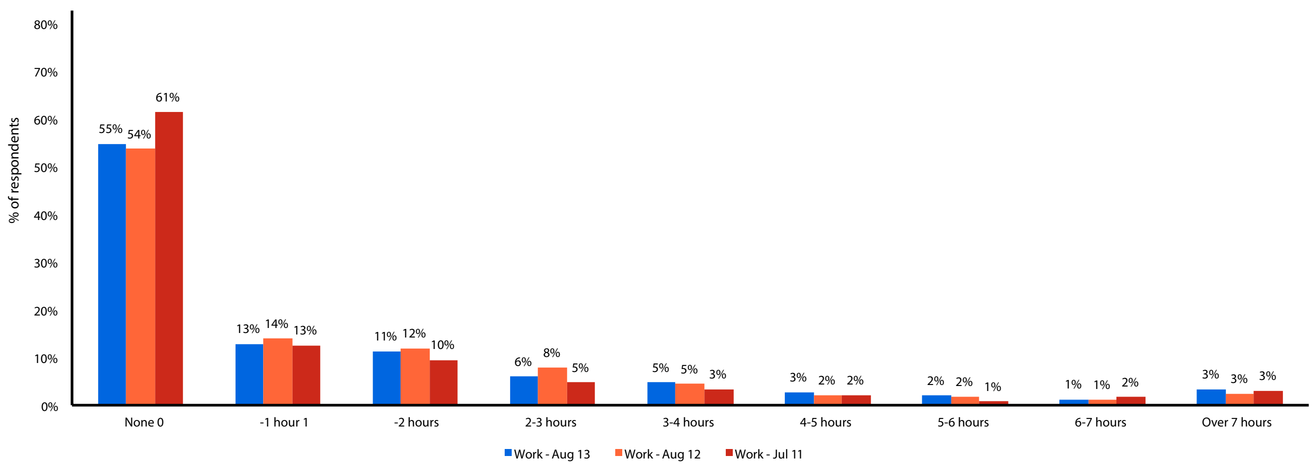
1. The continued value placed on email as a communication medium, particularly for interactions with organisations: an ExactTarget survey found 77% said email was their preferred channel for permission-based promotional messages[8].
2. Mobile connectivity makes email access easier and so more attractive: according to Google, 79% of UK smartphone owners use their device for email[9].
3. Mobile connectivity and smartphone functionality also make it easier (and more tempting) to manage work mails from home: 23% of marketers in a Pure360 survey said they were likely to open a work-related email on the commute to work[10].



The absolute numbers again highlight the reality of email, which differs from the common and false perception of email drudgery and dependency. Email use, while strong, is by no means ubiquitous. For example:

- 55% of respondents never check email at work. This figure often surprises marketers, but accounts for retirees, those out-of-work and the many occupations not requiring email access (like manual construction jobs)
- Of those that do check mail at work, over half spend less than two hours a day on it
- Fewer than 10% of respondents spend more than four hours a day on email at work

Other studies also suggest email use is less all-consuming than many fear. McKinsey found[11] knowledge workers spend an average 2.6 hours per day on email, while a survey of more active users of email and social networks put[12] the number at just over 1.1 hours per day.



8. ExactTarget (2012) The 2012 Channel Preference Survey
9. Google (2013) Our Mobile Planet
10. Pure360 (2013) The Marketer's Inbox
11. McKinsey Global Institute (2012) The social economy: Unlocking value and productivity through social technologies
12. eMarketer (2013) Social Usage Involves More Platforms, More Often

Patterns of email use also raise the inevitable question of which time is best to send email.

There is no silver bullet answer, especially since the fragmentation of email use through mobile is impacting when and how often people check their email. Knotice, for example, found[13] the share of email opens accounted for by phones is highest in the first hours following a campaign send, suggesting mobile users check email more often.

As mobile continues to grow, it makes sense to **revisit send time tests** to see if earlier results still hold. Some organisations have also enjoyed success with personalising send times based on each subscriber's open history: BustedTees lifted[14] email revenue 9% using this approach, and the Girl Scouts of the USA increased[15] open rates 10% with the same tactic.

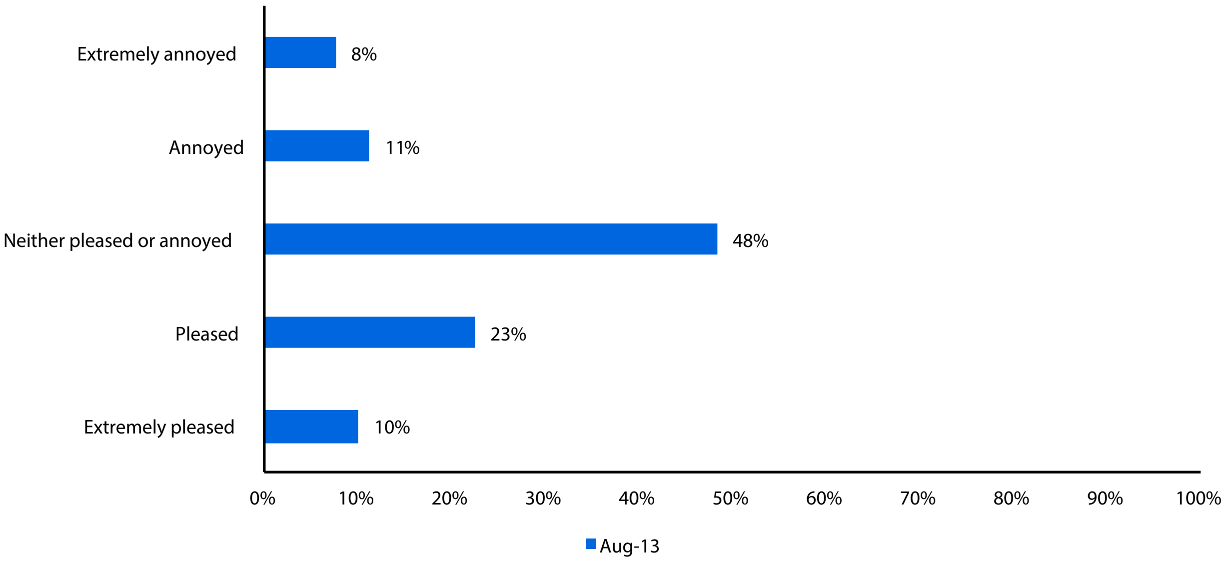
Other approaches to send-time optimisation include switching focus away from time of day to:

- Day of week and day of month optimisation
- Messaging based on product purchase (and customer) lifecycles
- Trigger mails, where messages are sent in response to specific customer behaviour (eg abandoning the checkout process) or a customer-related event data point (e.g. birthday)

1.4 Impact of automatic folders and tabs

Timing issues have become more relevant through the appearance of new tools that automatically sort incoming mail into different folders. Gmail, for example, introduced inbox tabs in mid-2013 that place marketing mail in a dedicated promotions folder[16].

Consumers are **indifferent to or broadly happy with such developments**, with 48% neither pleased or annoyed and a third pleased or extremely pleased.



These results echo a Strongview study[17] of consumer reaction to Gmail's new tabs, where 37.4% said it made inbox management easier and 15.3% said it made it harder. Google itself claims[18], "The reaction has been really positive".

While there may be different motivations behind inbox changes[19], anything that helps inbox management is likely to work to the long-term advantage of email marketers provided their marketing emails are wanted and valued.

13. Knotice (2013) Mobile Opens Report Second Half of 2012
14. MarketingSherpa (2013) BustedTees' personalized send times increase email revenue 8%
15. Silverpop (2011) Girl Scouts of the USA Increases Conversion Rates by 12 Percent
16. For details, see SmartInsights (2013) New Gmail tabs – what email marketers need to know and do
17. Strongview (2013) Consumer Attitudes towards Gmail Inbox Tabs
18. MarketingLand (2013) Q&A With Google On The New Gmail Inbox Tabs
19. See Dela Quist (2013) Google Is Rewriting the Rules of Email Marketing in Its War With Facebook. What Can Marketers Do?

The danger for marketers is to react too quickly to changes at webmail interfaces. The impacts on marketing mail (positive or negative) take time to emerge, since:

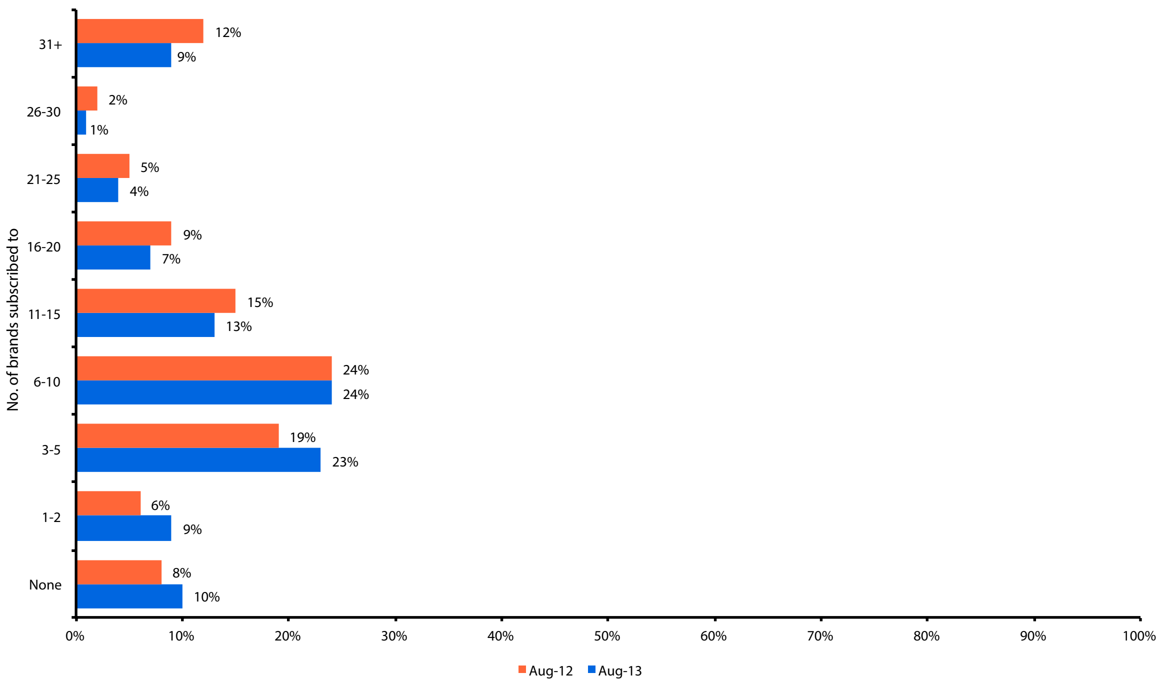
- Users need time to adapt their behaviour
- A new feature may take weeks to roll out to all users
- If people can switch a feature on or off, then true uptake may not reveal itself immediately

For example, many marketers quickly sent campaigns asking Gmail subscribers to move their messages out of the Promotions folder and into the Primary folder. However, Return Path noted[20] that "...for most email marketers, Gmail's Tab feature is a positive development in its first week" and added that read rates increased slightly for highly engaged users, dropped slightly for moderately engaged users and dropped significantly for those who rarely engage with marketing messages anyway.

One possible consequence of automated filtering is that recipients may delay looking into a promotions folder until ready to shop. While positive in the long term, this may cause problems for short-term sales and deals. In the Strongview survey, for example, just under half of respondents said they **check the promotions tab less than once a week**.

1.5 The competitive inbox landscape

Some **90% of consumers are getting mails from trusted brands**. However, the **number of subscriptions is dropping**. In 2012, for example, 43% of respondents got mails from 11 or more brands. This number fell to 34% in the current survey.



As Chart 3.1 shows, consumers are finding brand emails just as relevant as last year. So the drop is likely explained by a more mature, discerning audience, and possibly stronger competition from the vast choice of online communication channels available to users.

Given just over half of those subscribed to brand mails have between three and 10 subscriptions, it's clear that getting into this "inner circle" is the challenge for email marketers. This in turn demands **stronger focus on all aspects of list-building**. Marketers should begin by reviewing their existing acquisition sources for optimisation potential. In one recent survey[21], for example, researchers opted in to emails from 160 brands, but failed to receive any emails from 15% of them.

20. Return Path (2013) Gmail Tabs Analysis: Don't Panic Just Yet
21. ExactTarget (2013) Email Opt-In Audit Imperative

If consumers are more discerning in who they choose to subscribe to, then marketers also need to take more advantage of any existing relationship they might have with the customer or prospect.

One promising strategy here is to view social networks as a first stage of engagement that requires less commitment from the consumer than an email subscription. Marketers can then exploit that pre-existing online relationship to move people to email – a channel supporting more direct and commercial content.

Useful tactics here include:

- Linking to sign-up pages from social network profile pages
- Using social network updates to promote the list per se, to give advance notice of exclusive email offers and content, or to highlight recent email promotions
- Enhancing the visibility of these promotional updates through paid advertising, such as Twitter's Promotional Tweets, Facebook's Promoted Posts and LinkedIn's Sponsored Updates
- Embedding sign-up forms or other list-building devices (such as sweepstakes) in custom tabs in Facebook pages

The relatively small size of the inner circle also means senders will often face little inbox competition from similar commercial emailers. This opens up more opportunities for campaigns that are not based solely on costly discounts.

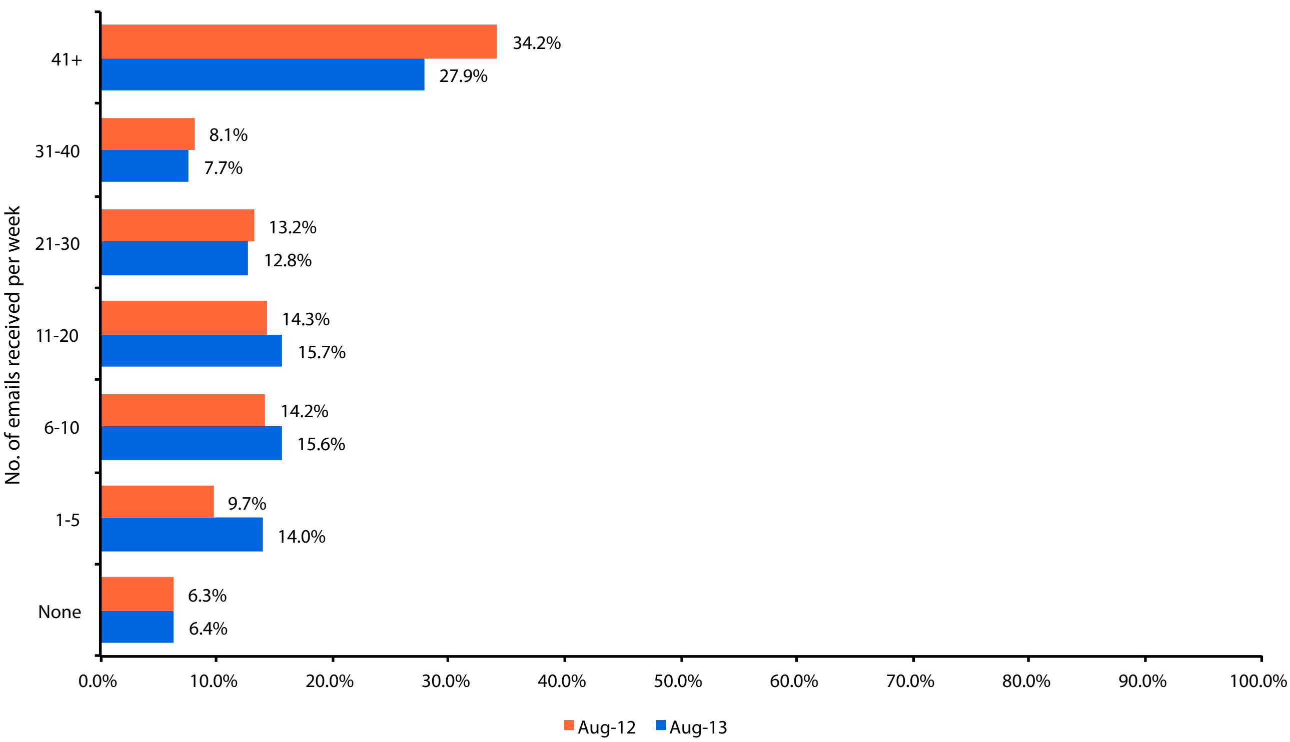
1.6 Email volume

The perceived volume of commercial email has **fallen slightly**, in tandem with subscriptions.

Of those who do get brand email:

- Half (48%) are getting less than three such emails a day on average (up from 41% in 2012)
- 70% are getting less than six a day (up from 63% in 2012)

This suggests UK inboxes **are not overloaded with opt-in commercial email from trusted brands**, especially when you consider at least some of these mails are likely to be notifications or transactional messages. This implies there is still considerable scope for brands in that inner circle to test **simple frequency increases** as a way of improving email results.



Other surveys covering email volume have produced mixed results:

- In a 2012 survey of US adults[22], only 10% described the volume of marketing email as "much more than I'd like".
- A 2013 survey by Return Path[23] found the average subscriber got 13-14 commercial messages a day, whereby daily deals and social networking mails accounted for over a third of these mails.
- Forrester research in 2012 found[24] 40% of respondents said they received too much marketing email (down from 49% in 2010).

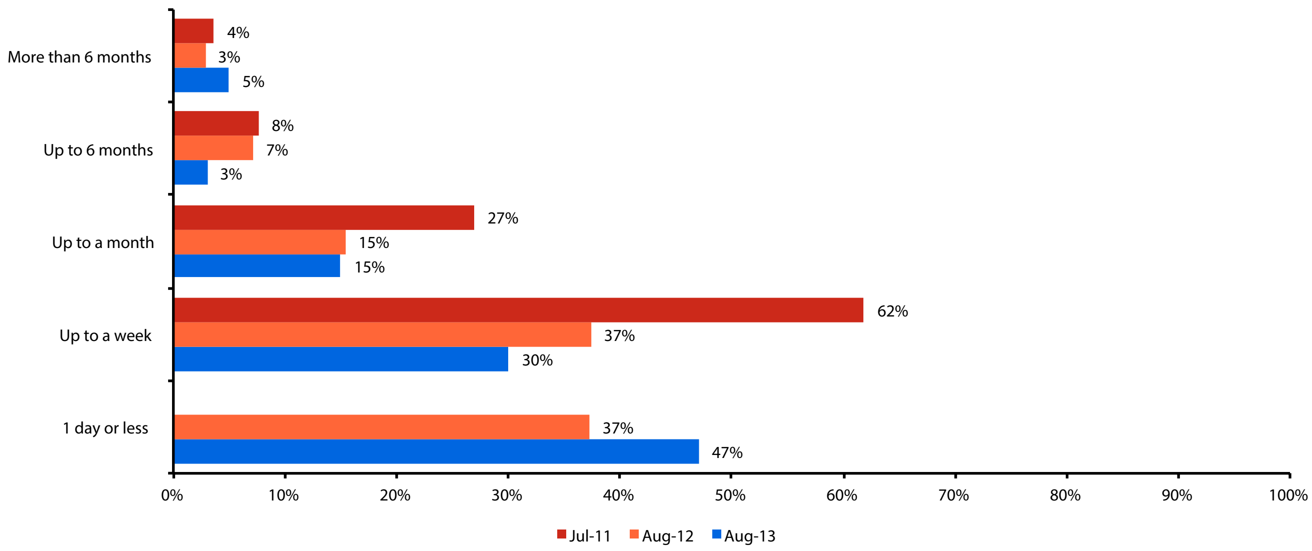
The key point for marketers is to understand the distinction between "marketing mail" and "brand email I signed up for and want". Negative perceptions of "too much" or "obtrusive" or "unwanted" marketing mail in general don't necessarily apply to the latter category, at least while the overall brand relationship is still strong and the emails have some value.

Retaining that special status in the inbox is, of course, helped by increasing the value delivered by messages. Equally, marketers should consider drawing into the email reminders of the broader "trusted" relationship with recipients. Elements worth considering include:

- Personalisation with selected customer information
- Stronger branding of email designs
- More messages relating to past purchases (lifecycle approaches)
- Regular reviews and pre-campaign checks of email "functionality" to reinforce reliability and professionalism. For example, do links and landing pages work? Are there any typos, ambiguities or clumsy expressions? Are all admin functions working (unsubscribes, preference centres, and similar)? Is the design versatile enough to display adequately in all major email display environments?

1.7 Email durability

Consumers are **quicker to remove marketing emails from their inbox**. For example, the number keeping mails there for one day or less rose from 37% in 2012 to 47% in 2013.



This suggests people are becoming ever more efficient at managing their email accounts, likely helped by improvements to inbox management tools and the flexibility of mobile email.

The visibility of email is still strong, though, especially compared to social network updates. A recent study[25], for example, found each user post on Facebook can be "seen" by just 29-35% of a user's network.

22. Blue Kangaroo (2012) Survey on Marketing Emails
23. Return Path (2013) The Inbox is a Battlefield
24. InternetRetailer (2013) Marketing e-mail may be getting less annoying to consumers
25. Business Insider (2013) How Many Of Your Friends See Your Facebook Posts? The Debate's Over, It's 35%

This longevity means senders should:

- Continue to take account of the branding and awareness impacts of their "from" and subject lines, which might be viewed repeatedly by recipients
- Keep campaign links and images live for longer, and ensure landing pages remain up to date

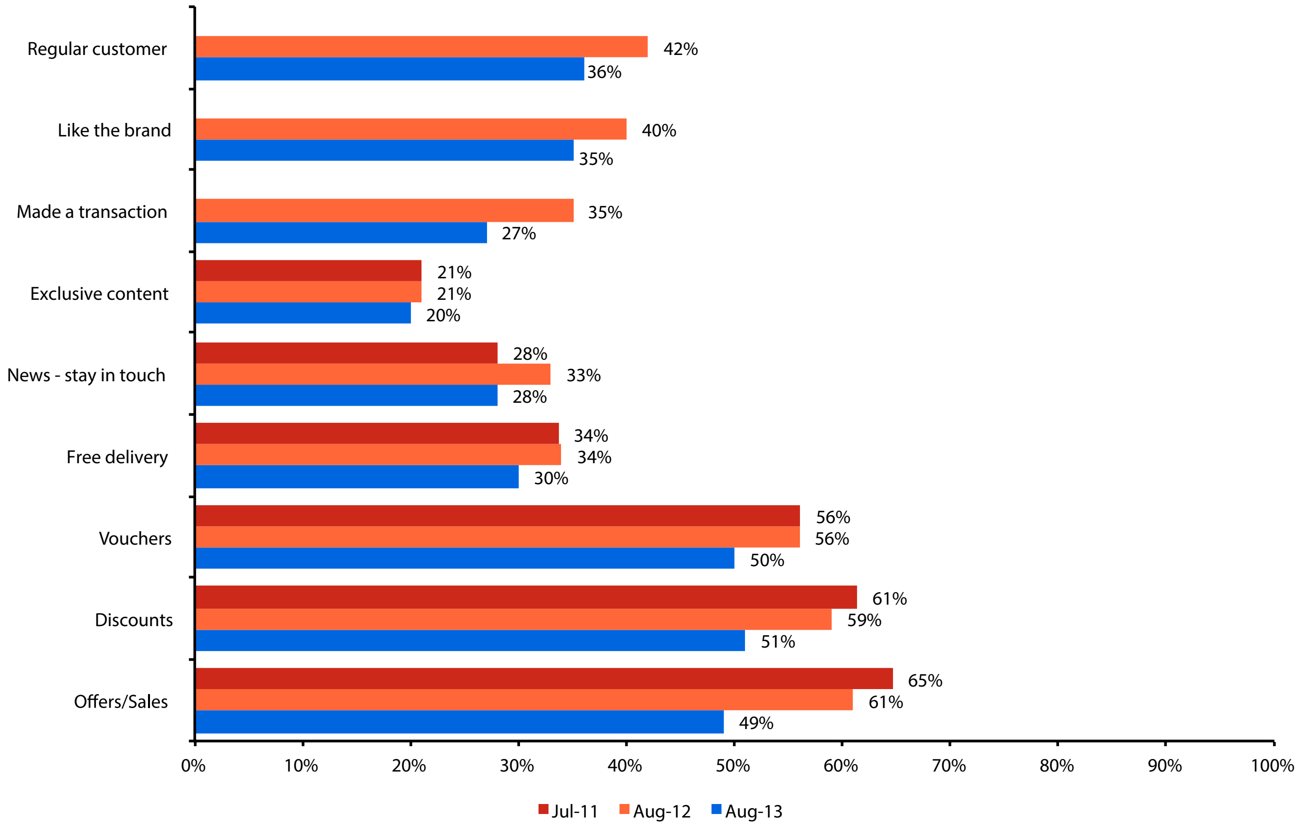
The number of respondents who keep marketing mails for over six months has increased (albeit from just 3% to 5%). The availability of an accessible archive of emails can give organisations a permanent brand presence in the inbox, with the opportunity for campaigns to drive results days, weeks and months after the initial send. Senders can encourage archiving by providing occasional content designed to offer long-term value. An online store, for example, might offer guarantee information and user tips for products and services, while a B2B company might provide occasional in-depth advice articles that don't date.

2. What subscribers want

If list-building deserves even greater focus, and retention becomes even more critical as the inner circle shrinks, then marketers need to know how subscribers value sign-up opportunities and what they want from emails.

2.1 Subscriber motivation

Every factor likely to encourage a sign-up has **fallen in absolute importance** in 2013, mirroring the drop in the number of subscriptions. The **promise of savings remains the top motivation**, though, with vouchers, discounts, and offers/sales each mentioned by around half of respondents.



With customers more selective about their sign-ups, marketers need to do a **clearer job of explaining the value of a subscription** and invest the same effort into sign-up conversions as they would into product conversions on an ecommerce site. Form design, benefits copy, headlines, position on web page etc all need testing and optimisation.

Marketers also need to **better exploit sign-up opportunities when customers are particularly engaged** with their brand. After all, as discussed previously, existing brand interactions and brand relationships are an important opportunity. For example:

- 36% said that being a regular customer was a motivation to sign up to a brand's emails
- 35% cited liking the brand as a motivation
- 27% said making a transaction was a factor

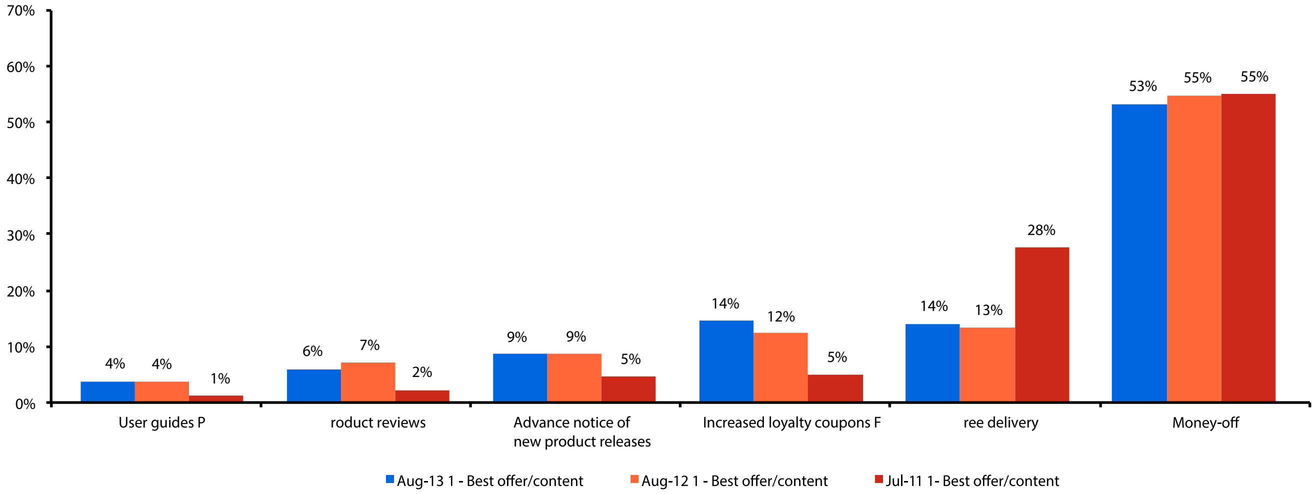
Exploiting existing engagement means going beyond sign-up forms and CTAs at the website. One advantage of the mobile revolution, for example, is that customers and prospects can use their smartphone to sign up online from anywhere. That increases the **potential effectiveness of list promotion at points of high customer attention offline**.

Benefits copy and a short-form URL and/or QR code can be placed where customers spend a lot of time or are obliged to wait, such as at checkout, in reception or at event booths. They can also go on all printed marketing materials, including packaging, invoices, receipts, business cards, posters, print ads and similar.

Mobile apps are another list-growth opportunity, either through address acquisition built into an app offered by the sender or through mobile ad networks that place ads and sign-up forms in third-party apps.

2.2 Email content and offer preferences

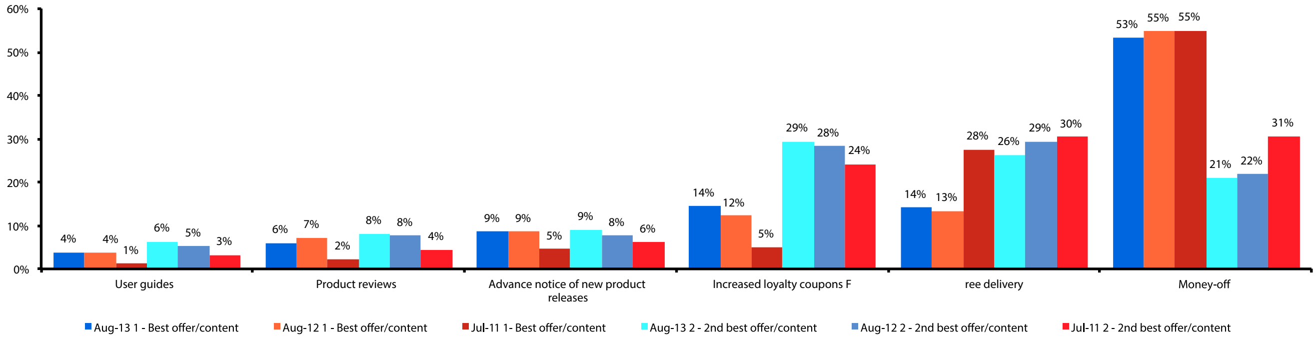
As with sign-up motivations, **savings (money-off) is still the preferred type of content**, cited by 53% of respondents as the content they like receiving best and by another 21% as the second-best content. No other type of content gets close, although the value of loyalty coupons (also in effect a money-saving opportunity) continues to rise.



There are different ways to present money-off opportunities in subject lines and marketers should test, for example, the impact of each alternative. Half price, 50% off, 50% discount, Save £20, £20 off, Only £20 all say the same thing, but may produce different results. A 2013 subject line survey[26] suggests, for example, that "% off" might work better than "half price" or "save". Pay-per-click search engine ad tests can provide insights here.

Money-off campaigns need careful management to avoid turning full-price customers into discount seekers and boosting short-term sales at the expense of long-term profitability (unless discounting is a brand strategy). Equally, if such offers come too often, this can reduce the impact of urgency in subject lines and the response to flash sales or limited time offers.

A closer look at respondents' first and second choices reveals increased interest in content like product news or user guides. This kind of material fits well with the idea of encouraging archiving mentioned in Section 1.7 and with the idea of cementing the brand relationship in the context of 1. less commercial inbox competition and 2. a consumer reluctance to allow too many brands into their inbox.



26. Adestra (2013) Subject Line Analysis Report

3. Responses and reactions to commercial email

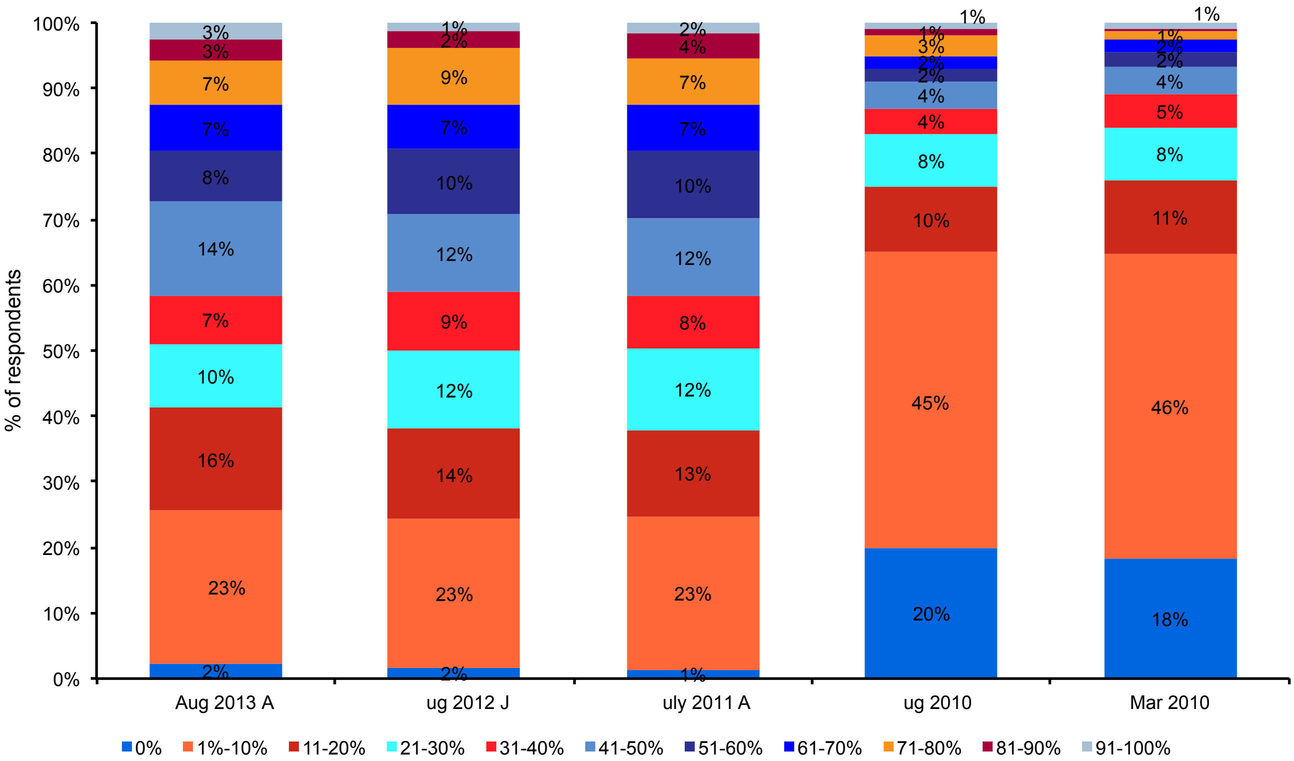
Given people are getting less brand email, is this because the relevancy has dropped? No.

3.1 Relevancy of marketing emails

There are no major observable shifts in recipient perceptions of the relevancy of brand emails:

- The number finding over half of marketing emails relevant was 28% in 2013 (29% in 2012)
- Around half find at least one in three brand emails relevant or interesting (about the same as in 2012)
- 25% find no more than one in 10 such emails relevant or interesting (same as in 2012)

Despite more discerning subscribers with higher expectations, **marketers are still doing a good job of making their emails valuable.**



The apparent relevancy of these emails is **even higher** when you look at the responses of high-volume subscribers.

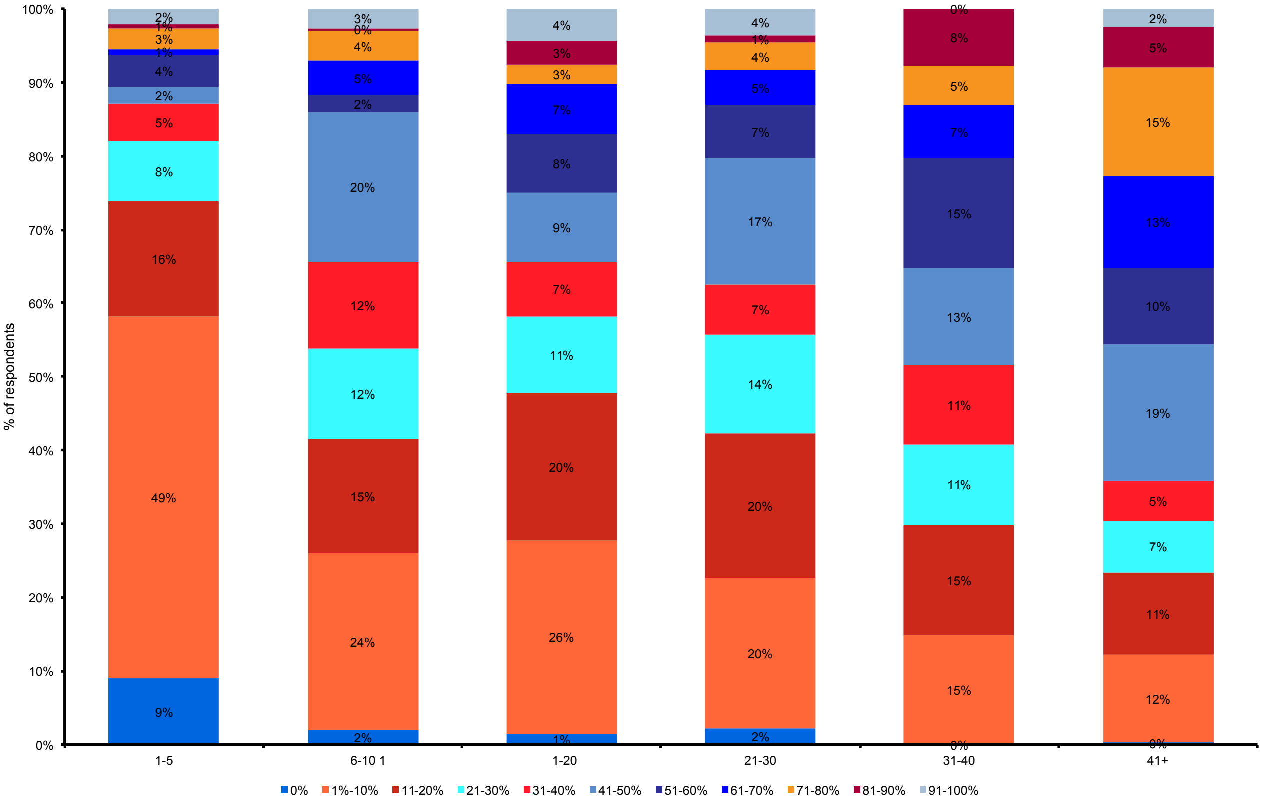
Those who get more emails each week tend to rate the relevancy of these mails higher than those who only get a few brand marketing mails. For example:

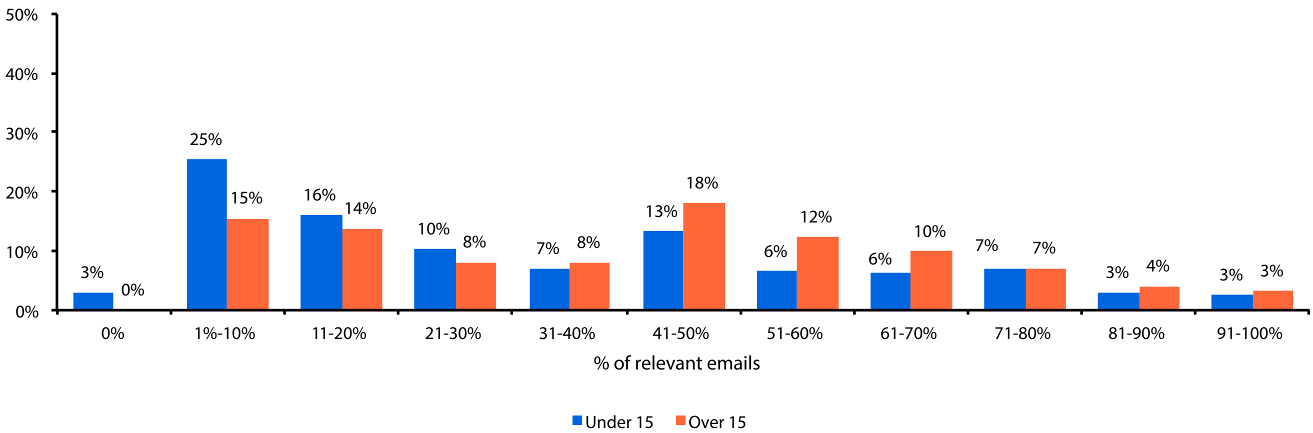
- 22% of those who get over 41 such emails per week say over 70% of them are relevant or interesting
- Only 3% of those getting just 1-5 such emails a week say the same

The picture is similar when you look at those signed up to more brands: only 25% of those signed up to fewer than 15 brands find over half of the mails they get interesting or relevant: 36% of those signed up to more brands do so.

The **relevancy of marketing emails from trusted brands is (much) higher than the general stats indicate**, since the averages are pulled down by people who aren't on many lists anyway.

The negative, public perceptions of marketing email are clearly driven in part by those who are not signing up much. Marketers should not allow their email agenda to be set by those who are not in their target audience. People clearly want mail from brands, so there is no need to "apologise" for sending or promoting emails. There is no need for what Dela Quist calls[27] fear and self-loathing in email marketing.

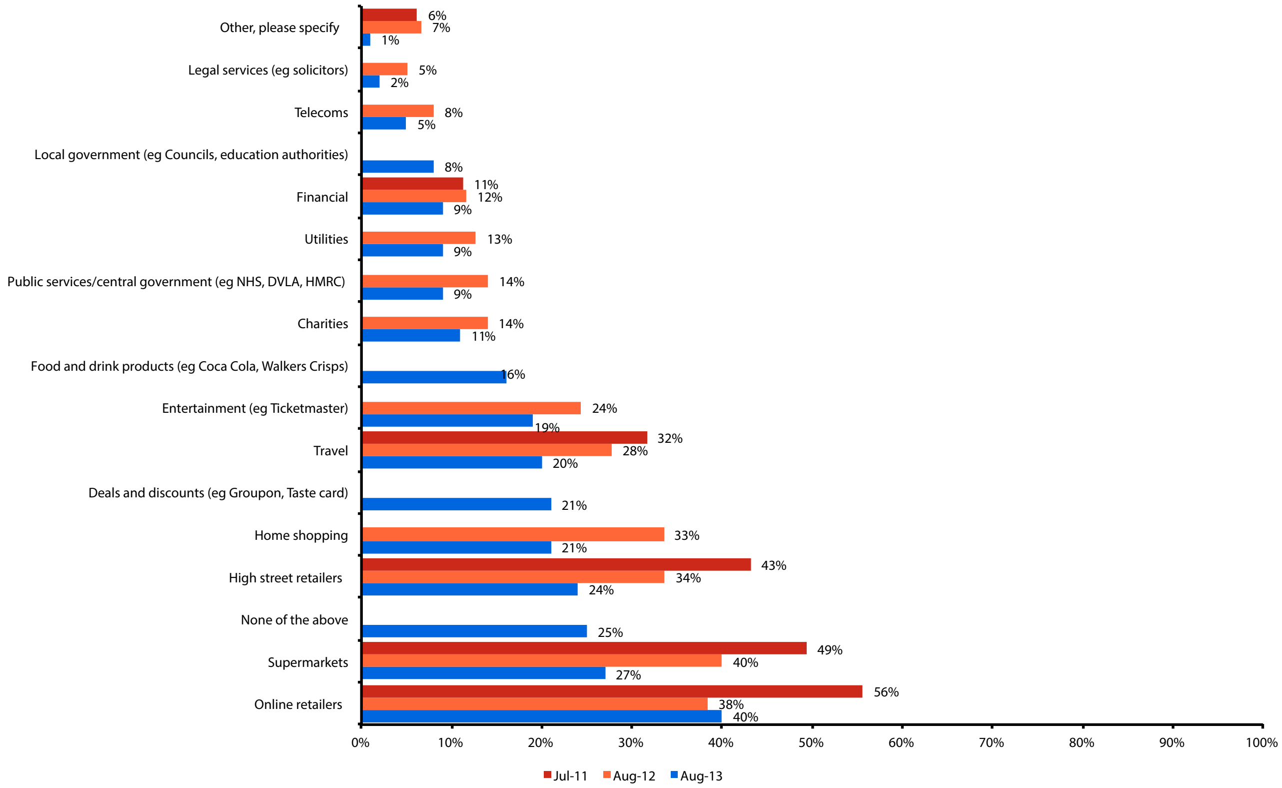




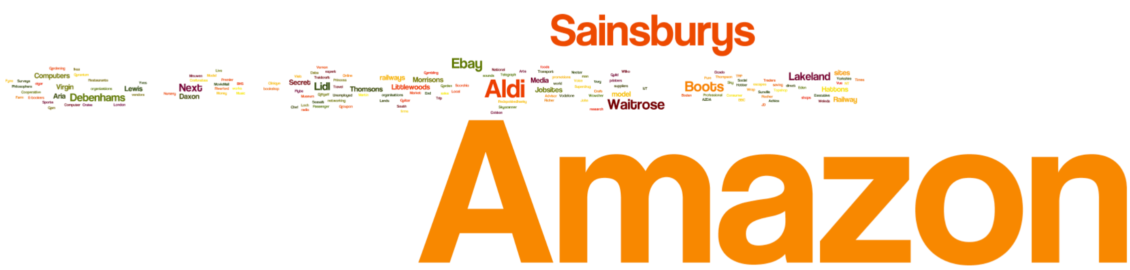
27. Alchemy Worx (2012) Introducing Fear and Self-Loathing in Email Marketing…

3.2 Evaluation of email efforts (by sector)

Online retailers enjoy the best image among consumers, with 40% saying they do email well.



This popularity is partly explained by the Amazon effect: when asked to name specific brands that do email well, Amazon was a far more common choice than any other brand, as this word cloud demonstrates:



Some 25% of respondents said no sector does email well, a figure that corresponds remarkably closely with the number that find no more than one in 10 brand mails relevant or interesting (see Chart 3.1). All sectors bar online retailing were mentioned by **fewer respondents** than in 2012. For example:

- 27% said supermarkets did email well (down from 40% in 2012 and 49% in 2011)
- 24% said high street retailers did email well (down from 34% in 2012 and 43% in 2011)

This general drop might seem surprising given we know perceived relevancy has remained stable. In fact, stable relevancy tells us that the results are not due to email quality per se, but likely reflect two phenomena.

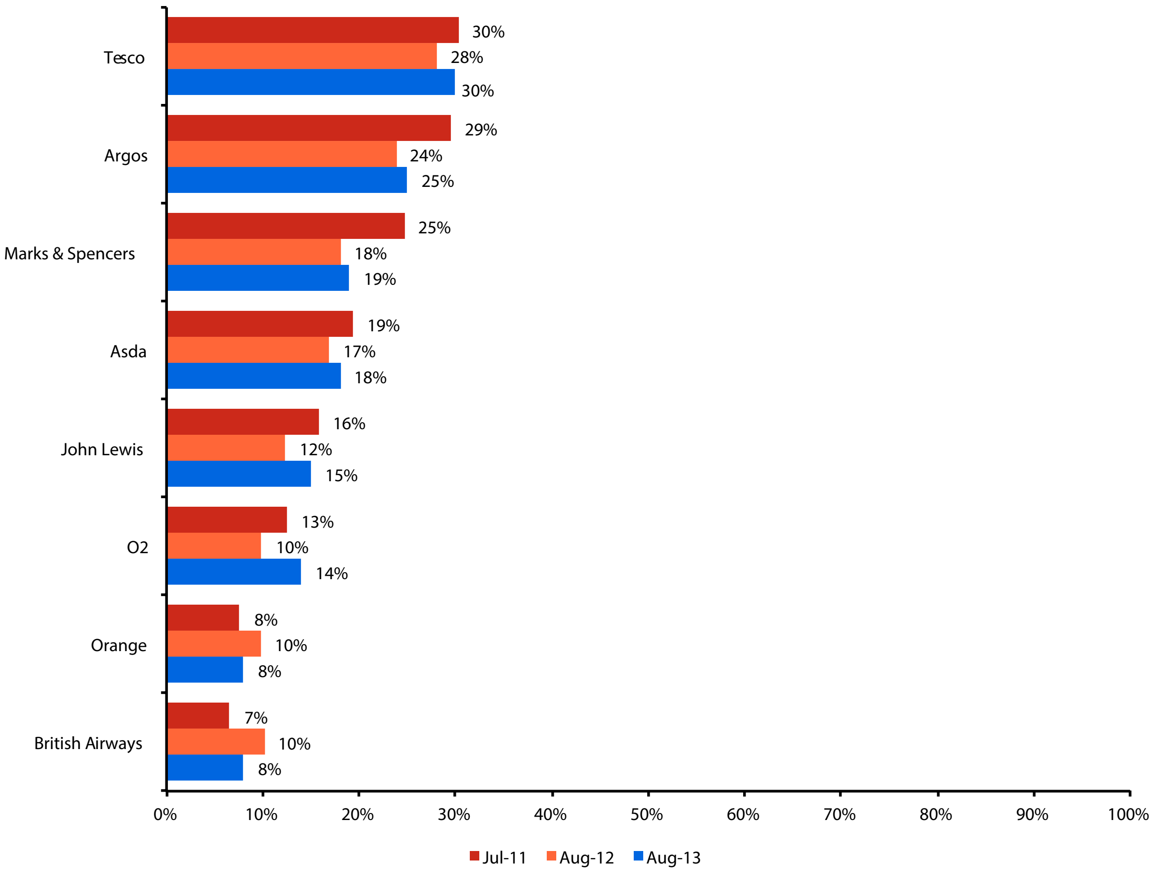
First, people say they are receiving fewer emails from fewer brands. Each industry sector therefore has a smaller pool of respondents in a position to give a positive opinion on that sector's mailing efforts.

Second, there is again a **difference between general perceptions of marketing email and people's own experience with the emails they get from trusted brands**. So while people may be more negative in general about commercial messaging, they are still positive about the marketing mails they actually receive.

This factor can be seen in how people rate individual brands (see Chart 3.3). In the sector chart above, supermarkets in general lost approval, but individual supermarket brands (like Tesco or Asda) were actually rated more positively in 2013 than in 2012.

3.3 Evaluation of email efforts (by brand)

When questioned about specific brands, respondents were broadly more positive than in 2012. Tesco and Argos were regarded as best, and only Orange and British Airways recorded lower positive mentions than in the previous year.



The increase in positive mentions is even more impressive if we assume that expectations have risen and given that fewer people actually get each brand's mail.

3.4 Responses to interesting emails

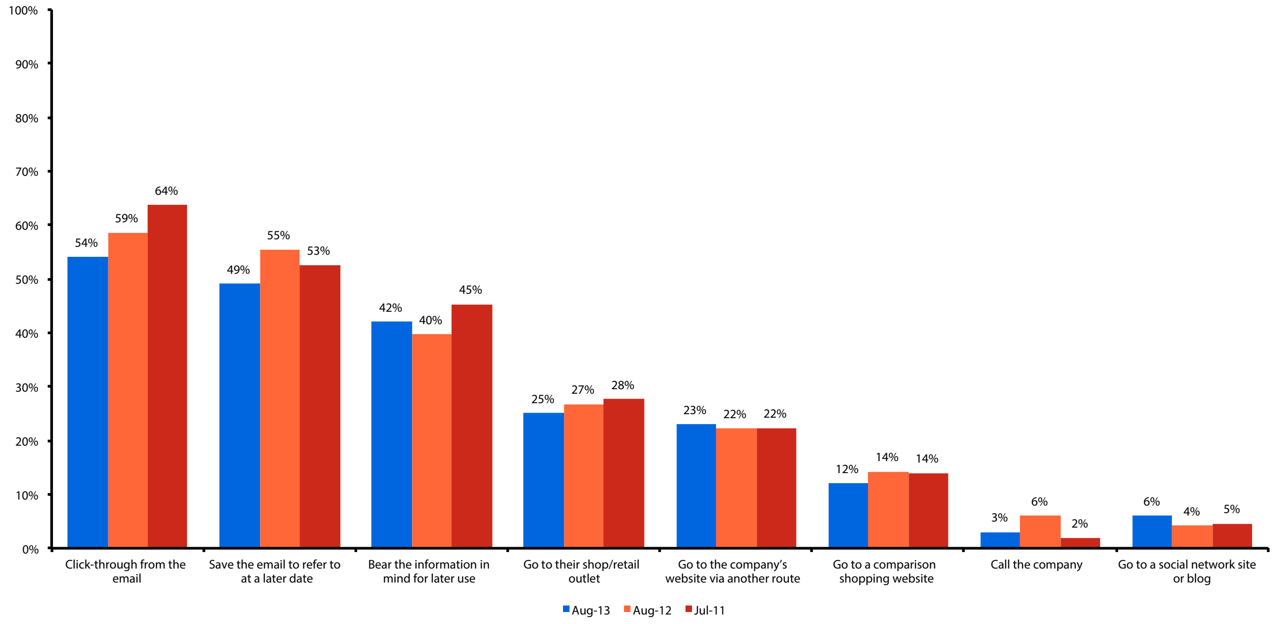
How people say they respond to an interesting email has not changed dramatically since 2012.

The **most common response remains a click**, cited by 54% (down from 59% in 2012 and 64% in 2011). The lower propensity to click mirrors benchmark figures on email marketing click-through rates: unique CTR for retention emails in the UK hit an all-time low of 4.73% at the end of 2012[28].

28. DMA (2013) National Email Benchmarking Report H2 2012

There was also a drop in mentions for "saving email to a later date", cited by 49% in 2013, but 55% in 2012. This dip matches the trend highlighted in Chart 1.7, where people are removing emails from the inbox more quickly.

As in previous years, few people mention going to a social network site or blog as a response to an email.



The results also demonstrate the **oft-forgotten importance of out-of-email and long-term responses**.

Many senders still judge the success of email campaigns based on short-term, email metrics, such as opens, clicks or directly-attributable website sales. However, 23% of respondents mentioned "visiting the company's website via another route" as a likely response to an interesting mail and 25% cited "visiting a shop or retail outlet".

This insight is a reminder to:

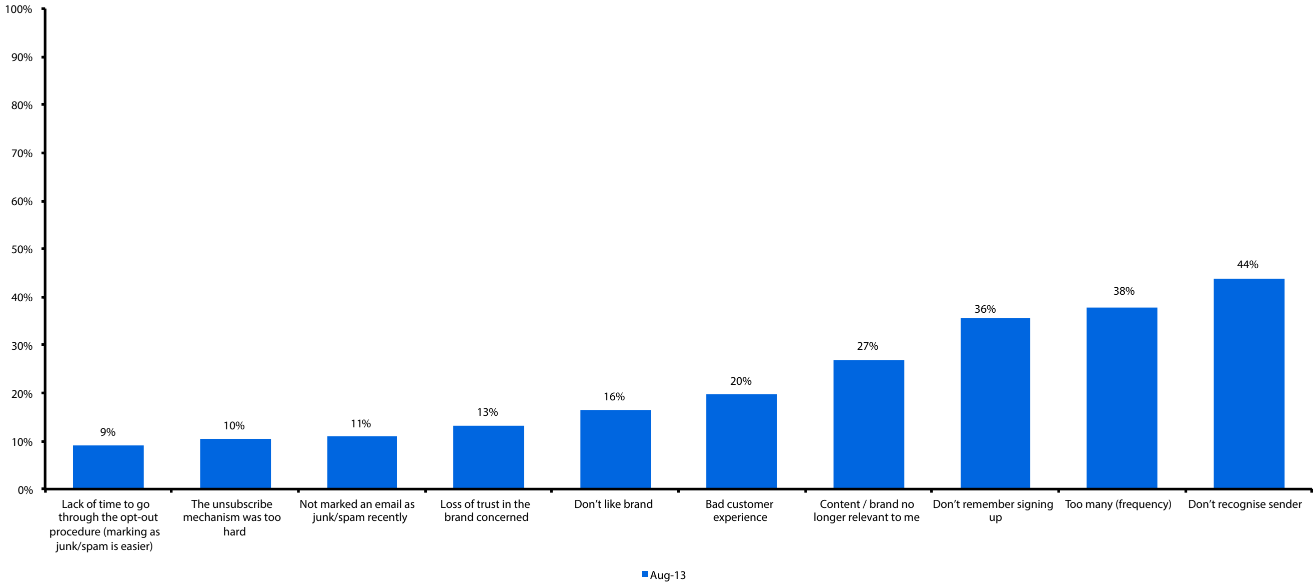
- Use email specifically to drive offline responses (particularly event participation)
- Seek to integrate website and email analytics to get a better understanding of email's impact on website traffic and conversions
- Monitor sales and on- and offline traffic patterns to see how these might correlate with email sends
- Conduct hold out tests to understand the true impact of email across all channels

A wider understanding of email's broader influence not only helps optimise budget and investment allocation decisions, but also helps improve the perception of email marketing within the sender's organisation

Almost half of respondents mention "save email to refer to later" as a likely email response, and 42% cite "bear the information in mind for later use". This speaks clearly to the long-term value of email in building awareness, branding and mindshare through the inbox. It also reinforces the need identified in Section 1.7 to keep campaigns live for longer and use content that encourages archiving, rather than deletion.

3.5 User definitions of spam

Almost 90% of respondents had marked an email as junk/spam recently, suggesting "report spam" behaviour is now an **ingrained part of consumer email use**. The reasons for doing so are varied:



While email marketers can exploit the broader relationship with the consumer in, for example, list growth, this works both ways: senders can lose subscribers through a change in this relationship or a poor consumer experience outside of email. For example:

- 27% mentioned the brand or content becoming no longer relevant as one reason to mark a brand's email as spam
- 20% cited a bad customer experience

Spam reports can be reduced by making unsubscribe links very clear and the actual unsubscribe process as intuitive and simple as possible. If the unsubscribe process is frustrating, people may turn instead to the report spam button (a concept mentioned by 10% of respondents).

The big three reasons for a spam report are:

1. Not recalling having signed up (36%).

Even those who know and trust the brand want to explicitly opt in to an email list. In the BlueHornet consumer survey[29], 78% said it was **not** okay for "companies to send promotional emails if you made a purchase, but didn't sign up to receive emails". It's also important to mail quickly after the initial opt-in and then regularly enough that people don't forget they signed up.

2. Getting too many emails (38%).

Marketers often hold back on frequency increases precisely because "too much email" is commonly given as a reason for unsubscribing or junk reports. As discussed in Section 3.1, however, the definition of "too much" depends on who you are sending to: people want more, not less, engaging, relevant email and less, not more, email that doesn't interest them.

3. Not recognising the sender (44%).

A lack of sender recognition should normally not be an issue for a brand known and trusted by a subscriber. However, ways to ensure inbox recognition include:

- Checking the sender name is recognisable. Unless an individual's name is well-known to the recipient it should only be used with caution or together with an affiliation, eg "Jenny Brown at Company Name".

29. BlueHornet (2013) Consumer Views of Email Marketing

- Building recognition cues into subject lines, preheaders and preview panes, particularly:
    - Brand names, logos and colours
    - Brand design, text and image styles
- Using the confirmation page to provide a screenshot of an email so future mails are instantly recognisable as coming from the sender
- Implementing welcome or onboarding campaigns that:
    - Establish the value of the sign-up
    - Exploit the fact that subscribers recently interacted with the sender and are particularly responsive in the initial stages of a subscription
    - Provide the recognition cues that recipients can use to identify subsequent campaign emails from the sender

4. Mobile email and sharing

The introduction to this report noted how the proportion of email opens accounted for by mobile devices has reached almost 50%. Numerous reports highlight both the popularity of mobile email and the potential for further growth (through the availability of smartphones and other email-friendly mobile devices). For example:

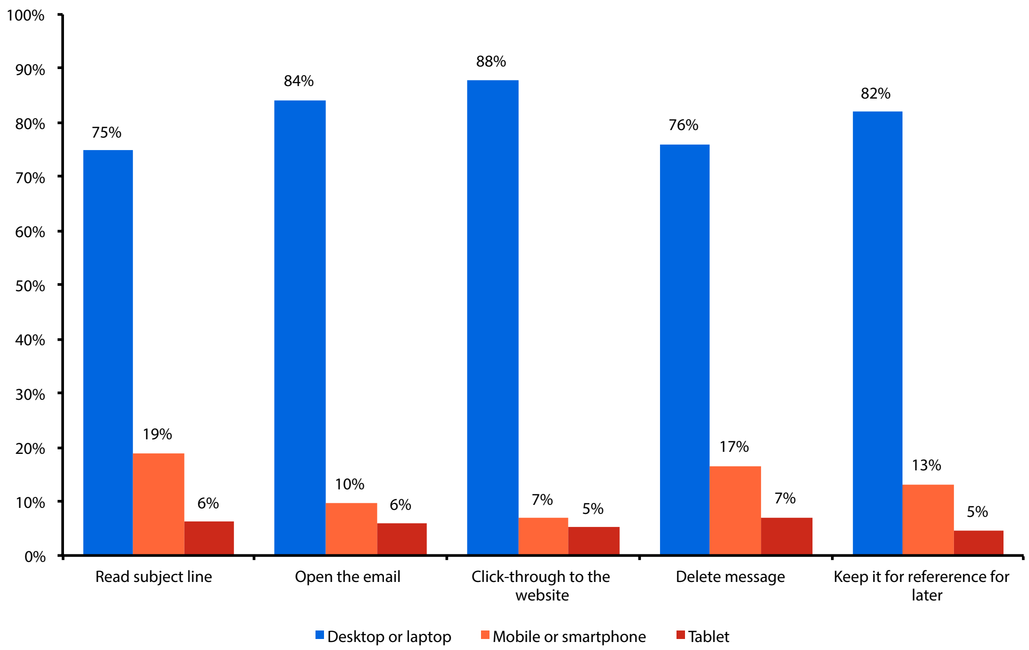
- More than half of all UK adults owned a smartphone in Q1, 2013[30].
- 79% of UK private smartphone owners[31] and 64% of UK tablet owners[32] use their device for email.

There is however confusion about true mobile email habits, not least because marketer measures (like open rate) do not equate to actual subscriber behaviour (paying attention to an email's content).

4.1 Device preferences for email management

There is certainly evidence of that disconnect between marketer metrics and subscriber perceptions. Mobile opens may be frequent, but consumers still **regard their desktop or laptop as where their main inbox attention is focused**. At the same time, it's clear that changes are afoot, with 19% already using a mobile phone or smartphone as the main device to read through subject lines and 17% to delete messages.

These numbers underestimate total mobile email use, since they do not include "desktop/laptop" email users who sometimes check their email on a mobile device. In fact, in answering a question on mobile purchases (see Chart 4.4), 43% of respondents say they don't access emails on their phone, **implying that 57% do**.



The results echo the conclusion from last year's report[33], namely 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 sometimes**. It's not that an email will be seen on a mobile device, but it certainly **might** be seen on one".

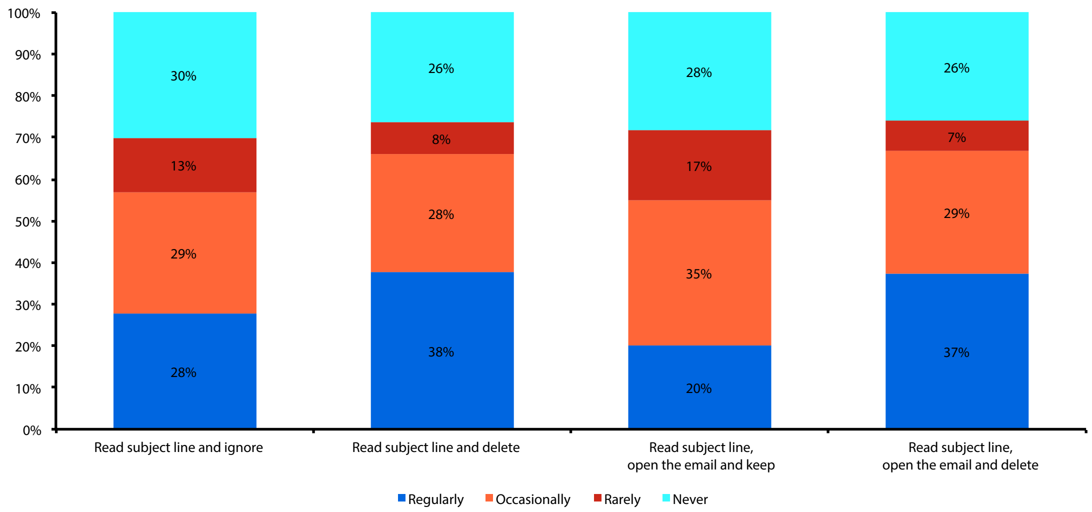
If mobiles are increasingly used to manage inboxes, then marketers need to ensure the combination of sender name, subject line and preheader makes it clear who the email is from, communicates the value of the content and raises enough interest to encourage recipients to open or save the email for later.

30. Ofcom (2013) Tablets and smartphones continue to see rapid growth in take-up
31. Google (2013) Our Mobile Planet
32. YouGov (2013) Frequency of gaming highest amongst smartphone and tablet owners
33. DMA (2012) Email tracking report 2012

One current constraint to more mobile email use may be the landing page experience. For example, mobile devices were least preferred for "click-through to the website". Emails optimised for mobile displays may raise expectations of a similarly optimal mobile website experience, so should go hand-in-hand with landing page optimisation, too.

4.2 Mobile email behaviour

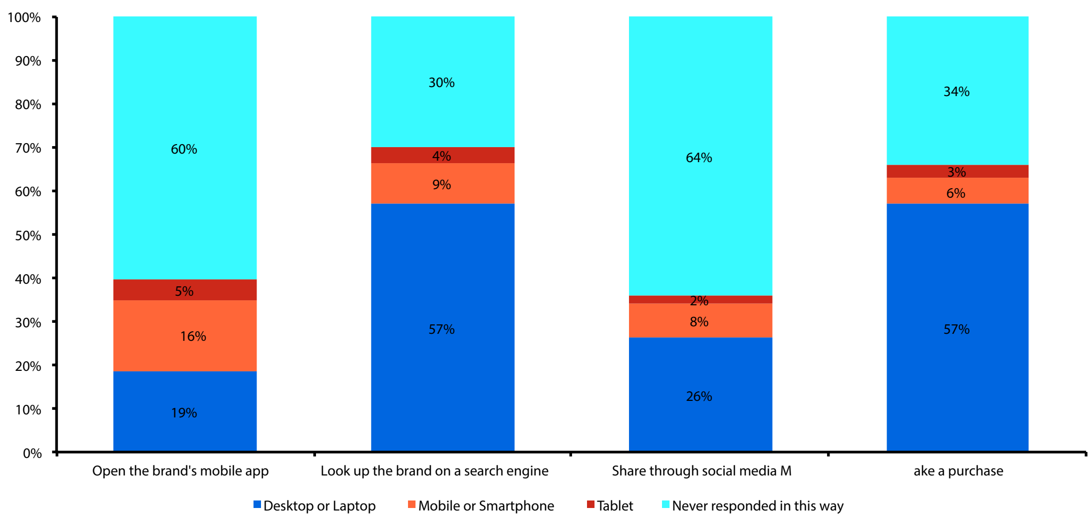
Those using their phones for email are primarily doing so to skim the inbox and delete mails, or to skim, open and then delete.



This chart is certainly evidence that mobile email continues to play a triage role, but is gradually moving beyond this to where people are **actually reading emails on mobile devices**. Again, the challenge for marketers is to facilitate the natural next step in mobile email evolution: interaction with emails and landing pages. There is plenty of room for improvement here. For example, a Yesmail study found[34] that "twice as many people click on an email after opening it on a desktop (23%) than a mobile device (11%)".

4.3 Device preferences for email response

The usability issue highlighted for mobile click-throughs extends to other possible forms of email response. In particular, mobile devices have clearly **much ground to make up when it comes to purchases**. Not only are few people making purchases through email using a smartphone or tablet, but those that do are more likely to be purchasing small value items. While 7% would most likely use a mobile phone or smartphone to buy an item worth £10 or less, 5% would do so for items worth over £10.



34. Yesmail (2013) Yesmail's Email Compass: The Mobile Effect

The challenge is:

1. To build campaigns whose emails and landing pages display and perform well in both desktop and mobile environments
2. To develop campaigns that also exploit the special characteristics of mobile connectivity to lift email metrics

There is still discussion about the best way to design mobile-friendly emails. Many senders have, however, discovered that the redesign process itself leads to improved metrics[35]. In other words, while responsive and similar email design may (or may not) have inherent advantages, the redesign process encourages senders to re-examine marketing priorities and customer needs. This commonly results in campaign and copy approaches that also bring benefits when the email is viewed on a desktop. For example:

- Removal of fluffy content that's "nice" but not necessary.
- Precise orientation of design and text to the desired recipient reaction
- Focus on fewer topics, products, offers or goals
- Punchier, more impactful headlines, subject lines, copy and CTAs

The chart shows that email response is more likely to come through a mobile device **where that action is more closely aligned with the behaviour associated with a smartphone or tablet**. Such devices are commonly used for accessing social networks, for example. Of those that **share** an email through social media, 27% are most likely to do so on a mobile device. This compares with 14% who prefer such devices when **purchasing** through an email.

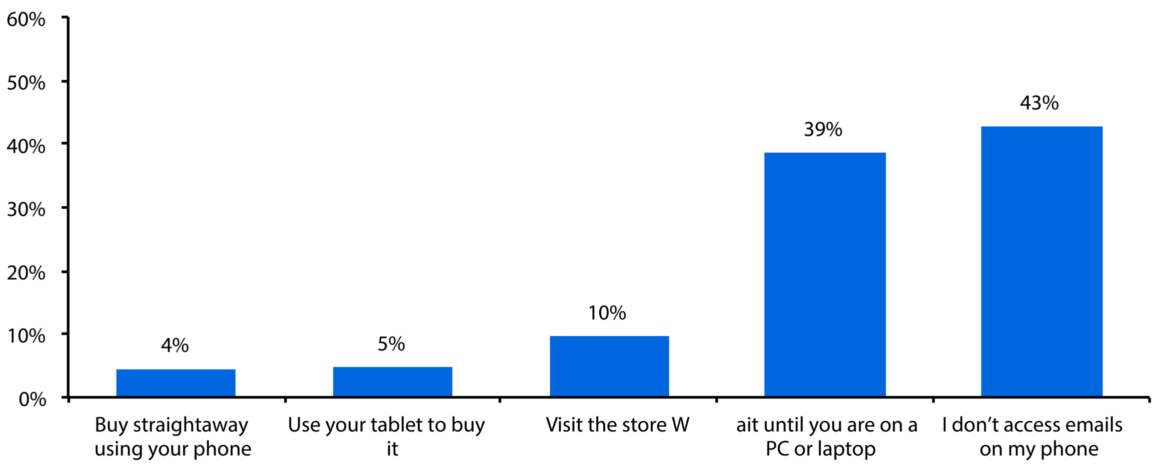
Marketers can exploit this concept in campaigns, by using content that supports mobile activities. For example:

- Promoting apps
- Linking to detailed product info and stressing "lowest price" guarantees or unique selling points for when smartphone owners research and compare products while in a store
- Linking to local offices or stores (based on customer demographic data or geolocation tools) so smartphone users can quickly find contact information, directions and opening times when out and about
- Introducing more social elements into campaigns to exploit mobile sharing

We are still learning how to adapt email marketing practices to mobile, so more tests (and experience) are needed before definite conclusions can be reached.

4.4 Mobile purchasing

The mobile usability problem is highlighted again when consumers are asked how they'd go about purchasing something they see in an email on their phone. For every recipient that would buy straightaway, almost 10 would wait until they got on a desktop or laptop.



35. See, for example, Tim Watson (2013) Email design change driving a 61% click increase

Direct conversions from mobile email are likely to rise as consumers become more comfortable with mobile purchasing and as ecommerce sites improve the mobile experience. IMRG and Capgemini estimate[36] mobile sales already accounted for 23.2% of all ecommerce sales in Q2 2013 in the UK (double the figure for the same period in 2012). eMarketer predicts[37] UK retail mcommerce sales will reach around £6.61 billion in 2013 and almost double by 2015.

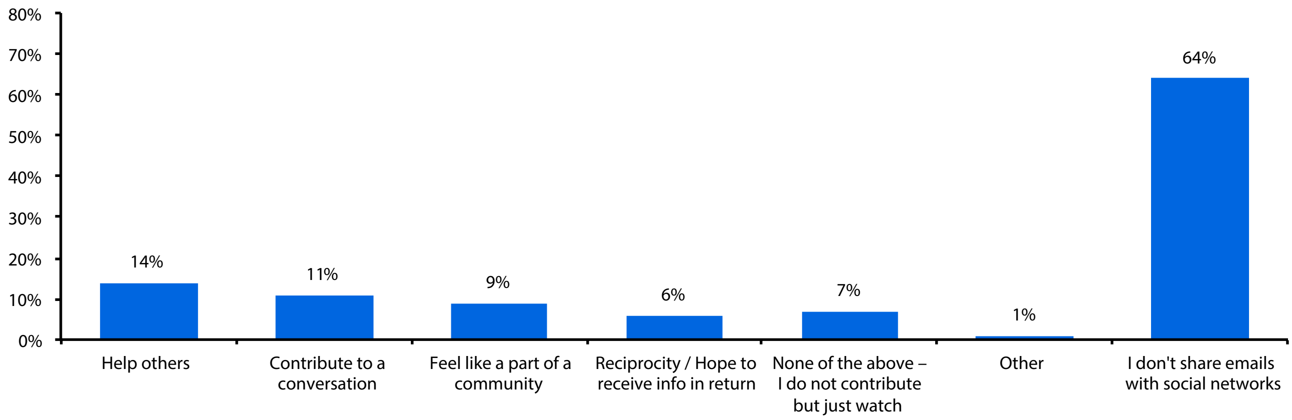
4.5 Sharing

Most consumers (64%) are **not sharing emails into social networks**. As Chart 3.4 showed, this is not a natural primary reaction to receiving an email.

Marketers can obviously improve sharing rates by delivering content and offers worthy of sharing. However, sharing is also more likely if the process is more intuitive and a bridge built between the one-to-one email environment and the one-to-many social environment. A common mistake is to add social network icons to emails and landing pages and simply assume subscribers know what to click and why. Improvements include:

- Making it clear whether social network icons lead to the sender's profile page or are a sharing shortcut
- Including a clear call to action that accounts for the motivations for sharing

According to consumers, the main motivations are to help others, contribute to a conversation and feel like part of a community.



36. IMRG (2013) Mobile Penetration Doubles in a Year
37. eMarketer (2013) Mcommerce Takes 15% of UK Retail Ecommerce Sales

Methodology

- The sample were randomly selected from fast.MA P'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.MA P's Consumer Voice panel
- 19 questions were asked in total
- Survey despatched 6th August 2013 and stayed open until 12th August 2013
- N = 1,337
- Results are re-weighted by age and gender
- Randomisation of answer options was activated to avoid top box bias
- An acceptable completion time for the survey was set to help remove any surveys that were completed in a quicker time
- Constant re-qualification of the panel ensures 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.

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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)

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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, Carphone Warehouse, 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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