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Business Intelligence

DMA email tracking report 2014

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Abstract

The DMA with its insight partner fast.MAP and sponsor dbsdata has published the latest results of its email tracking research series. The results are from the sixth wave of the email tracking survey, which explores consumer attitudes and trends for email marketing in the United Kingdom. This article covers findings from the new questions that were added in the most recent offering of the survey and highlights some important trends across the averages reported year-on-year.
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Introduction

Exploring consumers' relationships with email

The Email tracking report 2014 explores real-world consumers' attitudes towards marketing email and gives vital answers to questions marketers raise when examining the consumer–email relationship, such as why consumers are more likely to give up personal data, why they are more or less likely to respond and even how many email addresses the average consumer holds.

More devices, more attention

The findings signify that email's role in the lives of connected consumers who are conversing with brands — at work and at home, thanks to their smartphones — is increasing and consumers are paying more attention to the messages they receive via this channel across the devices they own. Consumers are bombarded with a barrage of marketing information on a daily basis. This is affected by the brands they sign up to and how they interact with these brands. Whether or not these interactions are converting consumers into long-term customers or building positive feelings towards the brand depends on trust, relevance and timeliness of the messages consumers receive.

Entering the circle of trust

It is surprising to see how complicated and sophisticated email marketing has become in a short span of time, but this also opens up a host of avenues for marketers to exploit. Add to this the different Internet Service Providers (ISPs) and their rules plus the power in the hands of the consumer to reject or accept brands' messages with a slide of their thumb and it makes things even more of a challenge. Hence, there is a need for marketers to understand the avenues available to them and exploit them using email marketing. If marketers acquire the right email address (the golden record) it can establish itself in the consumer's inner circle — the inbox and email address that really matters.

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Nurturing email address data

What this wave of research shows beyond any doubt is that data-driven marketers in all channels need to pay close attention to the email addresses they capture, nurturing them with care and ensuring they are used with respect, relevance and as a resource that is not simply renewable. If you are fortunate enough to be trusted with an email address and permission to market to it, this should be seen as the start of a long-term relationship, rather than just a rush towards short-term sales.

Working to maximize cut-through

Those who need to pay careful attention include planners who can identify the different objectives, which range from brand building to sales generation, and technical industry experts who, to maximize deliveries, have the very latest knowledge of the suppression and processing strategies of email distribution companies and inbox management companies, as well as an appreciation of distinct consumer types, how they engage with email and how email fits into a typical purchase cycle. And once all that has been done, the dark arts of creativity, testing, open rates, click-through and real-time statistics must be harnessed.

Proven DM medium

Organizations that strive for continual improvement and deploy a breadth of expertise will reap rewards. Email is unique — a well-established direct marketing medium in which technical innovation is burgeoning and constant. Although email marketers can never rest on their laurels, they are guaranteed plenty of excitement.

Key findings

Time spent with email

Rise in time spent with email

Consumers spend an average of 2.01 hours per day looking at email at home and 0.95 hours per day at work. Once consumers with no email access at work are removed, this average rises to 1.7 hours. Email has grown its share of attention at home, with consumers now spending an extra 15 minutes per day on it, up from 104 minutes in 2010 (Table 1). The trend continues upwards, despite all of the competition for time from other channels, perhaps supported by the use of multiple devices for accessing email (smartphone, tablet, PC, laptop). Note that 'home' here denotes 'personal time', as opposed to 'viewing emails at home'. This could be checking personal inboxes when at work or browsing and sorting emails when commuting.

Brands need to strike the right chord

In a day and age where time is precious, emails and inboxes are managing to eat into consumers' 'me-time' in their everyday life, grabbing more of their attention. If brands can strike the right chord, they can get across to the consumer in those hours they spend browsing their emails.

Table 1: Average time spent on email per day at work and home (hours)

Average time spent on email	March-2010	August-2010	July-2011	August-2012	August-2013	September-2014
Home	1.74	1.88	1.81	1.985	2.065	2.015
Work			0.975	1.145	1.12	0.955

With the right content, brands can ensure that consumers respond or react to the emails they send.

Three segments of email user

Email has become a fixture for consumers at home, with 98 per cent spending at least some time every day reading the contents of their inbox. Three clear segments exist:

- Thirty-three per cent are *casual users* of email and spend less than an hour per day on it.
- Thirty per cent are *moderate users* for between 1 and 2 hours.
- Thirty-four per cent are *heavy users*, with email taking up more than 2 hours.

This insight, coupled with an understanding of how data-concerned consumers are, can allow brands to identify what type of consumers are present on their database.

Number of email addresses

Rise in multiple addresses

The average number of email addresses used by consumers is now 2.4, with a big increase in those who have 3 (up to 23 per cent of all consumers from 14 per cent last year; Table 2). Consumers seem to be divided in terms of why they create new email accounts: 34 per cent still have only one main account for all emails, while 35 per cent have one account for marketing and one for personal use. How can brands identify which email account is on their database and, once this is recognized, how do brands make an impact in those inboxes?

Active life of email addresses

Long-life contact data

The average life of an email address is 6 years. There is a message in this finding to those marketers who still think of email as an afterthought — a relatively inexpensive channel, with acceptable return on investment (ROI) for short-term gains. In reality, it is emerging that email addresses have a long shelf-life and could help build long-term trust if looked at strategically (Figure 1). While longer life for email addresses is good news in terms of data hygiene and record-matching, it is still important to find out regularly whether your customers are aware that they have been in your database for that long. Good practice would be to regularly conduct a re-permissioning exercise, requesting consumers to opt in and correct email details.

Retention of marketing emails

Shorter message shelf-life

While email addresses may now be living for longer, email messages have a reduced life expectancy (Table 3). Where most consumers used to keep

Table 2: Number of email addresses (home and work)

	August-2012	August-2013	September-2014
Average number of email addresses (home and work)	2.3	2.3	2.4

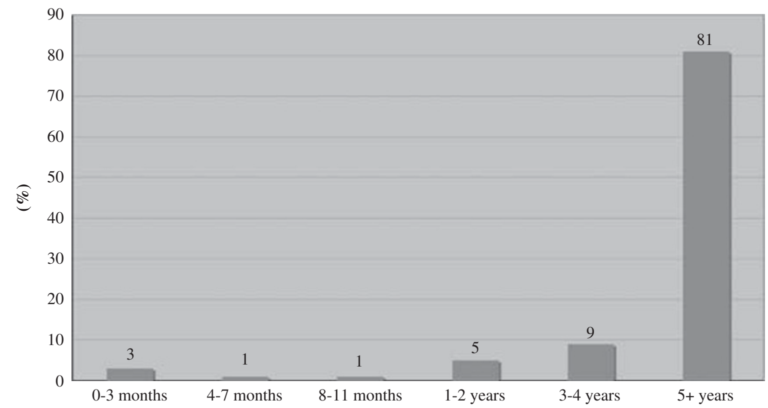

Figure 1: Active life of email addresses*Note*: 5+ years calculated on mid-point of 7 years

Table 3: Average time marketing emails are kept in inbox

Days	August-2012(%)	August-2013(%)	September-2014(%)
1	37	47	44
3.5	37	30	34
15	15	15	15
90	7	3	3
180	3	5	2
Average	15.5	15.5	10.0

emails for just over a fortnight, now they tend to keep them for 10 days. It is important to note the role 'delete' and 'archive' play in this behaviour as this is controlled by the ISPs. Just because emails are lying in their archives does not mean they are important. As soon as an email is marked as spam, junk, deleted or archived, the brand has missed the boat and must wait until the next email arrives.

Persuading to open, not delete

On the other hand, it is a positive sign when consumers keep their emails, actively sort them, mark them as unread, or forward them on to others or to their other email addresses for keepsakes. With the advent of mobile phones and easy-to-use interfaces, it has become much easier for consumers to make a decision on what they want to do with email they receive. It is for brands to concentrate on ensuring that the decision made is in their favour.

Brand email marked as spam

ISPs filtering out trusted senders

The finding that ISPs filter out trusted senders is particularly interesting as it reveals the other side of the coin — what do consumers do with emails lying in their junk/spam mail box? With ISPs offering to auto-sort and filter emails into folders and groups, consumers are realizing that this is not always 100 per cent foolproof. As a result, one in two consumers are retrieving emails from their junk mail box that are relevant and are from brands they trust at least once every 2 months, and one in four say they retrieve emails from their junk/spam box more than once a week (Figure 2). Clearly, a proportion of consumers have an interest in emails

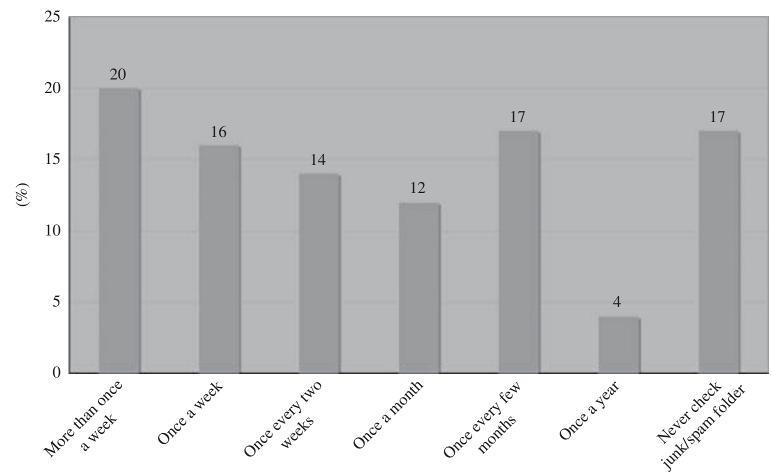

Figure 2: Brand emails sent to spam folder

Table 4: Number of brands from which signed up to receive emails

	August-2012	August-2013	September-2014
Average	11.93	9.87	11.5

Table 5: Average weekly email receipt from trusted brands

	July-2011	August-2012	August-2013	September-2014
Average	9.4	25.2	22.6	24.7

from brands they trust and are going the extra mile to look for them in their junk/spam box and, more importantly, finding them and retrieving them.

Opting-in to brand emails

Ensuring that messages are relevant

Consumers are receiving 2 dozen emails a week from brands they trust. On average, they are signed up to receive emails from 12 brands. These could be across different sectors and these emails could be the result of different stages of a customer lifecycle with different messaging. The key here is relevance, giving the consumer the control and choice in what they want to receive and when they want to receive it, and regularly updating them on the things they have asked about (Tables 4 and 5).

Conditions of perfect email

The frequency, volume and content of emails is perfect at the level where:

- emails do not annoy customers and unsubscribe rates are low;
- emails help brand recall from time to time;
- emails stand out from the 24 other emails received;
- emails engage consumers once in a while — not all consumers are going to respond to a call to action in every email they get.

Three levels of email receipt

The weight of email received each week by consumers differs significantly across three groups. Excepting the one in five who claim to receive no emails at all, these are:

- *Low volume* — Twelve per cent of consumers are getting less than one email per day from the brands they trust.
- *Moderate volume* — Twenty-nine per cent of consumers get roughly one or two emails each day.
- *High volume* — The majority of consumers (52 per cent) say they get more than 3 emails each day, or over 21 every week. It is notable that fully one-third of consumers sit in the *super-heavy* category of 41 emails each week. This would mean more than 2,000 emails delivered to their inboxes each year — a considerable degree of clutter, but one that they must have signed up to.

Level of relevance

Negative perception of relevance

With the sheer volume of emails that enter a consumer's inbox, it is not possible to evaluate and judge each one. Consumers say that only one in three emails they receive are interesting or relevant. The number has increased from 2010 by 22 per cent, but there is still some important ground to cover on this front. If these numbers are looked at from an NPS viewpoint, we get a score of −78 per cent, with 83 per cent detractors and only 5 per cent promoters (Table 6).

Persuading that the brand will handle data responsibly

Channel roles in relationships

The DMA's previous 'Letterbox to Inbox' report rated direct mail and email as the most trusted channels. If there was a template for an ideal long-term integrated marketing campaign, it would be incomplete without one of these two channels at the start. Going by the research, it is more likely that primary channels like direct mail will help acquire customers; it is then up to the other channels to act as catalysts and improve this relationship by keeping the consumers engaged (Figure 3).

Combination of four critical factors

It is clear that a range of factors come into play to provide reassurance to consumers at the point of acquisition:

- *Trust* — The dominant requirement for consumers is trust in the brand, as mentioned by 26 per cent. This gets built by a range of factors, from the product itself through marketing, and by other influences, such as a positive customer experience.

Table 6: Percentage of emails that are interesting or relevant

	March-2010	August-2010	July-2011	August-2012	August-2013	September-2014
Overall relevance score (%)	14	14.59	35.39	34.75	34.89	36.35

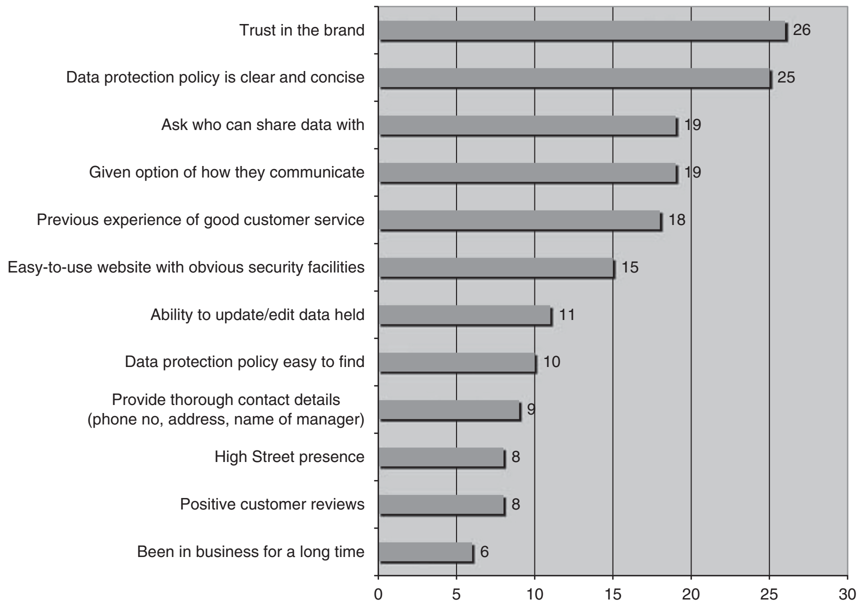

Figure 3: Options that convince data is handled responsibly

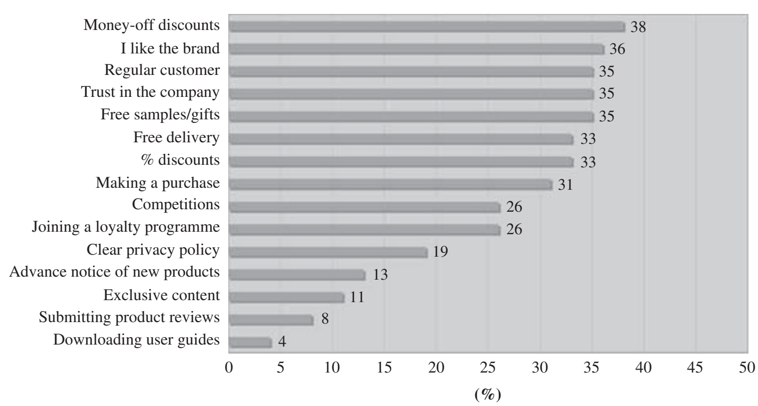

Figure 4: What causes consumers to sign up to email

- *Hygiene* — Brands need to show consumers that they are doing the right things in terms of data protection in a very direct and obvious manner. This includes having a clear and concise data protection policy (at 25 per cent the second highest rating), having obvious security features on an easy-to-use website (15 per cent) and ensuring that the data protection policy is easy to find (10 per cent), together with full contact details (9 per cent). Taken together, this group of factors is actually the most important.
- *Choice* — While choice is a byword in marketing, it also comes into play during data collection. Nearly one in five consumers (19 per cent) want to be asked who the brand can share their personal data with, and the same number want options about how the brand will communicate with them. This suggests that data strategies need to become more flexible in order to win over wary consumers.

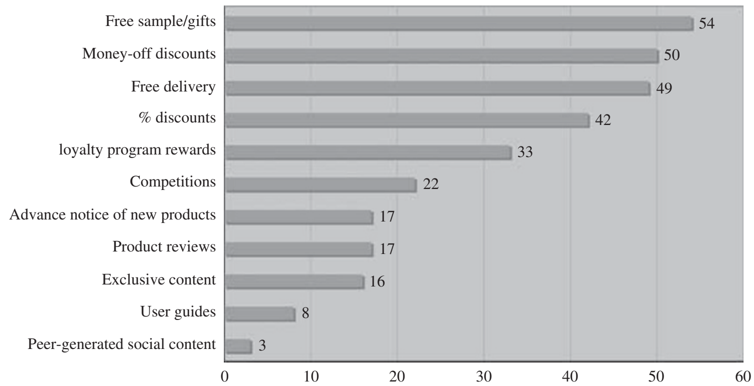

Figure 5: Preferred content types

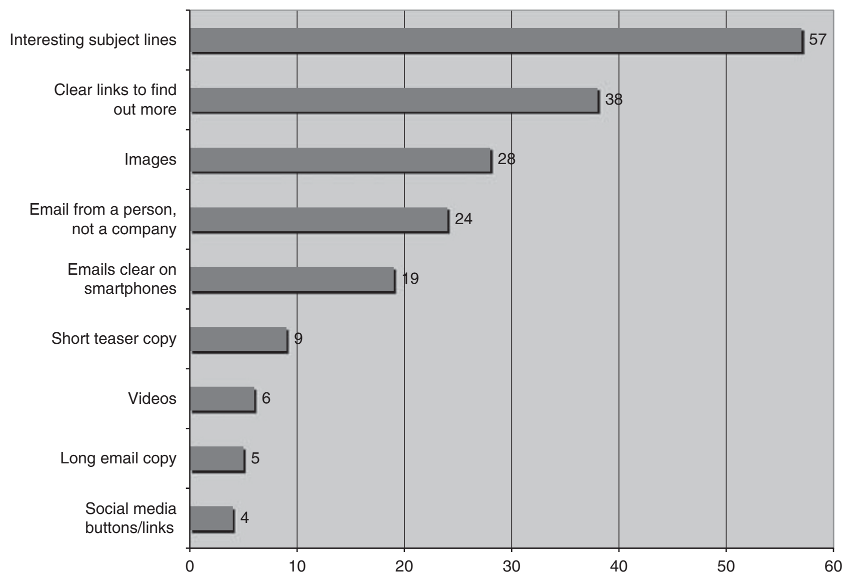

Figure 6: Characteristics most likely to engage consumers

- *Control* — It is notable that 11 per cent of consumers want the ability to update or edit the personal information that is held on them. This right is enshrined in existing data protection law, but has been awkward to exercise — online access and controls are clearly perceived as persuasive that the brand is acting responsibly.

Factors that drive sign-up

Using the right type of content

In the typical two-stage customer journey of acquisition and retention, money-off discounts, free samples and loyalty programmes are the tactical campaign elements that can best help brands to achieve their campaign objectives (Figures 4 and 5). As mentioned earlier, trust in the brand is instrumental in acquiring the right email address from a customer. Very often, marketers get carried away in their quest to try something innovative and different. These findings are a reminder that, when all other doors close, it is the tried-and-tested formulas that work.

Characteristics that engage

Consumers' preference differ from marketers'

On the creative side, social media icons do not seem to have a massive impact on consumer engagement. Subject lines, clear call to action and images are top priorities for consumers. Once the email looks engaging, consumers will be more likely to respond. The response could be going in-store, visiting the website, making an off-line or online purchase, or calling the company. But it all starts with the first look-and-feel of the email. If it does not reflect the brand image across all touchpoints, it will not resonate immediately in the mind of the consumer. If the person sending the email on behalf of the organization is not a well-known individual, this is going to have little impact in getting people engaged, and it is always a good idea to include images in emails to help with tracking benchmarks (Figure 6).

The key challenge is to shorten the conversion time in email, especially in terms of generating sales. Is it or will it be possible to use all that email has to offer, such as new technology, payment platforms and cookies for auto-login, to engage the customer and deliver a one-click sales cycle?

Methodology

The data was collected between 25 September 2014 and 2 October 2014 using an online survey that was sent to a nationally representative UK sample of 1,061 individuals. The survey has been conducted in the same period since its inception in 2010. Most questions in the survey are unchanged, to keep the tracking element of the research intact and to observe longitudinal trends. Every year a few questions are added to keep the findings fresh and up to date with current industry trends.

The full report is available on the DMA website http://www.dma.org.uk/infographic/infographic-inside-the-email-paradox-of-more-interaction-but-fewer-clicks.