bluehornet®
A **Digital River** Company

2015

CONSUMER VIEWS
OF EMAIL MARKETING

EXECUTIVE SUMMARY

BlueHornet recently surveyed over 1,800 consumers across the United States to gather insights into how email recipients interact with and perceive marketing emails. This is the fourth consecutive year we've published this report and we're proud of this latest evolution:

- **Our panel size has increased 63% since 2012.**
- **We've broadened the survey to better understand the interplay between email, mobile, and social.**
- **We've included additional industry experts on our data analysis team.**

So, what did we discover? Well, for starters, email is not only still alive, it's kicking. Hard. Consumers readily acknowledge the impact that email marketing has on their purchasing behavior. With the proliferation of mobile devices they are more connected than ever – with more than a third now checking email continuously throughout the day. And our target audiences are savvier than ever… they know what they want, and their expectations are personal.

According to our data, consumers now expect us to understand who they are, and what they do and don't want. They expect us to give them control of how frequently we email them. They expect a seamless experience across, and informed by, all channels.

As in previous years, there were areas where our respondents surprised us. Although mobile usage continues to explode, the majority of people we surveyed still consider their larger-screened laptop or desktop their primary device for reviewing email. Consumers are a bit more forgiving of mobile rendering issues than they were in past surveys (at least they don't delete things quite as quickly). But 42% will delete that badly formatted message – which means that we don't get to slack off. Mobile conversion is still a pretty significant hurdle.

Although some things change and some stay the same, as marketers we need to be prepared for whatever is coming next. We hope the following information provides you with meaningful insights and recommendations to keep you on top – if not ahead – of the game.

Study Methodology

The Consumer Views of Email Marketing survey questionnaire was developed by BlueHornet and the research was fielded by Flagship Research to a national panel of 1,815 consumers. The survey panel was representative of the U.S. population between the ages of 18 and 64. Seventy percent had a household income over $35,000 and participants were evenly distributed by gender and geographic region (East, Midwest, Southern, and Western regions of the United States).

18 TO 64

70% INCOME OVER $35,000
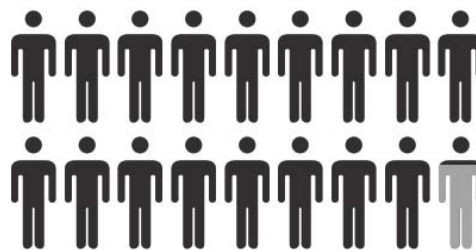
EMAIL USAGE

When we say the email channel is "alive and kicking," we mean it. Our consumers acknowledge that they are impacted by what they receive every single day. They get daily emails from flash sale sites. They are connected 24/7 and receive personalized content from their favorite brands on most of those days. They are asked not only to convert, but to engage, interact, and share.

Simply put, all this digital exposure means our audience is smarter than ever when it comes to digital communications. They've reduced the number of email addresses they use (who has time for all those accounts?), and use multiple devices to stay connected throughout the day. Today's consumers expect personalized content and when they get it, appear to be happy with higher frequency.

How many email addresses do you have?

Respondents have an average of two email addresses, with 82% reporting having between one and three addresses, and just 18% having four to nine or more.

INSIGHT

The average number of email addresses per respondent decreased dramatically within the last year. The down–shift appears to indicate that consumers are consolidating their email inboxes. This is welcome news for marketers who have long struggled to capture subscriber attention in a variety of locations.

Taking it a step further, this digital downsizing may signal consumers' desire for simplification in their electronic relationships. They expect marketers to know what to send to their two addresses (most likely work and personal). And woe to the marketer who doesn't heed consumers' expectations.

1	2	3	4	5	6	7–9+
22.1%	35.9%	24.1%	10.0%	4.2%	2.1%	1.6%

NUMBER OF EMAIL ADDRESSES
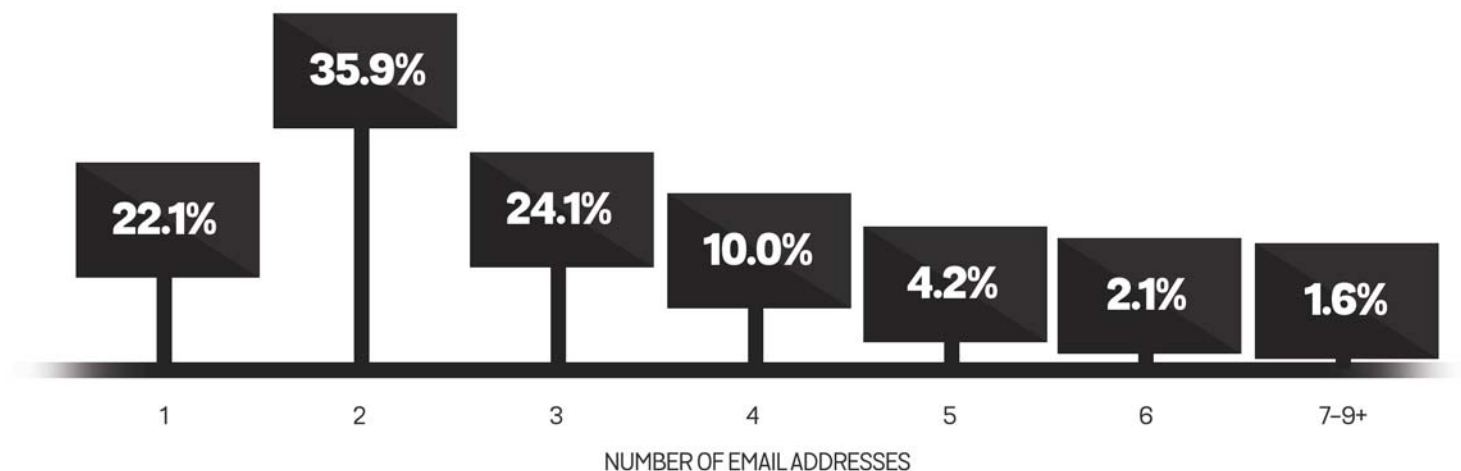
Do you use a separate email address for marketing/advertising emails?

28.6% Yes
71.4% No

INSIGHT

Surprisingly, the majority of respondents (71%) indicated they do not maintain a separate email address for marketing/advertising emails. Again, this is advantageous for us as marketers as it indicates that consumers are opting in with email addresses they actively maintain. We get to join them where they really are.

It's interesting to note that younger respondents (34 and under) were much more likely (44%) to utilize a separate email address specifically for marketing/advertising messages. Marketers with a target audience under 34 may have to fight harder to capture subscribers' attention in an email account specifically relegated to marketing messages.

So, how does one stand out in the inbox, you ask? Here's a not-so-surprising oldie-but-goodie.

ACTION ITEMS & HOT TIPS

Although subject lines may not be the sexiest topic in 2015, we can't escape the fact that they play a crucial role in catching a recipient's eye. We hear about, and see, subject line recommendations all the time (Must be short! Use an icon! Include brand name! Tease! Don't use exclamation points!) So, how should marketers respond? Well, testing, for one. Throw concepts against the proverbial wall to see what does and doesn't stick for each unique audience, and then keep the winners in play. Settle debates with pre-launch testing. And always remember that new ideas are worth trying.
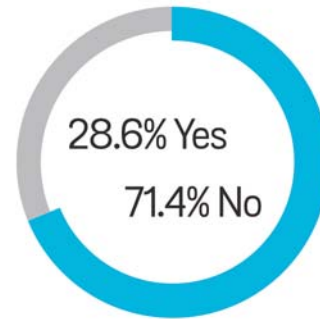
How many times per day do you check the email account where you receive marketing/advertising emails?

33.8% — ACTIVELY CHECK MY EMAIL THROUGHOUT THE DAY

4.2% — 10 OR MORE

4.8% — 7 TO 9

16.6% — 4 TO 6

39% — 1 TO 3

1.6% — NEVER
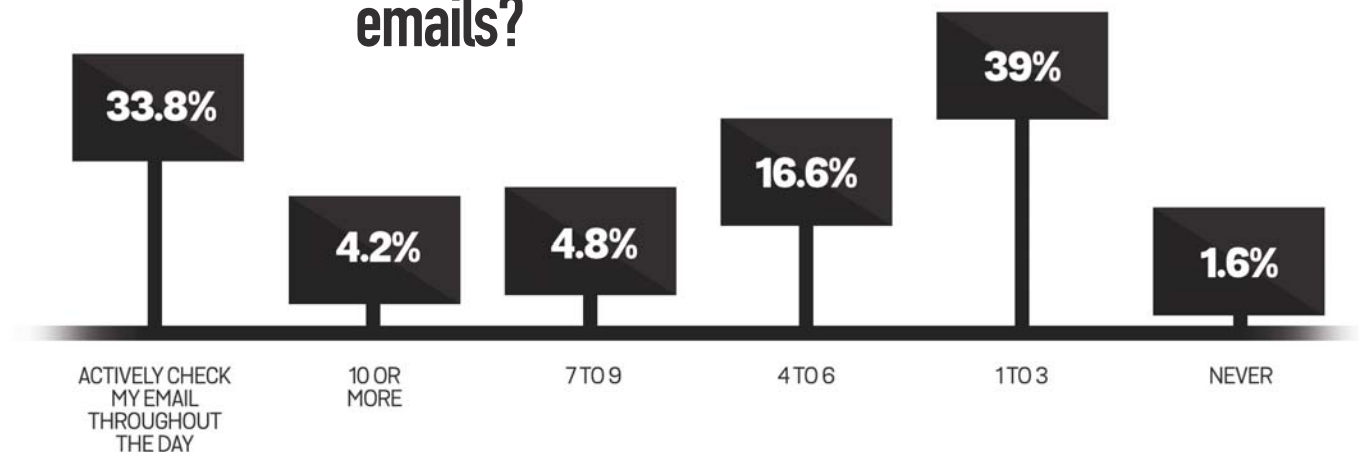
INSIGHT

Email remains an integral part of consumers' lives with 34% of respondents indicating they check email continuously throughout the day. Of course smartphone penetration has played a key role in this trend. Consumers are becoming hyper–connected. On average, consumers check their mobile devices as much as 150 times per day. [1]

This data shows that consumers are checking email frequently, presumably from multiple devices, and often on the go. For marketers this presents interesting implications around the best time to send.

ACTION ITEMS & HOT TIPS

- **Time–of–day testing may be less of a priority as continuous email checking becomes the norm.** If undertaking time–of–day testing, focus on determining the best time of day for achieving the specific goal of the email. If the goal is generating sales, be aware that the time of day that has the highest open and click through rates may not be the same time that drives the most revenue. Consumers may be willing to scroll through an email while riding the bus, but they may not be willing to pull out their credit card sandwiched between two strangers.
- **Nearly nonstop checking of email also underscores the need to design for optimal viewing across devices and screen sizes**. Consider our own habits. How many of us:
  - Check email on cell phones in the early morning before work or while commuting?
  - Peruse inboxes throughout the day on an office desktop or laptop?
  - Whip out the tablet while watching TV, making dinner, or sipping wine later in the evening?

Make sure the digital experience is delightful, and consistent, regardless of where folks read that all–important email.

INSIGHT

While consumers report using multiple devices to check email, the device they consider their primary device is a desktop or laptop. In no way does this downplay the importance of mobile in our email strategy. In fact, 54% of younger respondents (aged 18 to 24) are more likely to check email primarily from a smartphone, with 40% considering a laptop or desktop as their primary device. And, according to Litmus, 53% of all email messages are now opened on a mobile device. [2] So, how do we use this information to our advantage?

ACTION ITEMS & HOT TIPS

It's more critical than ever to optimize email design for viewing across devices. At a minimum, as marketers we need to embrace mobile-first email design. But for now, we'll make it easy with five mobile-sized tips.

5 TIPS FOR MOBILE EMAIL DESIGN

1. **Think skinny.** Adopt a template 300 to 500 pixels wide to avoid making the reader scroll right to see your most important content.
2. **Worry about fat fingers.** Make buttons at least 44 x 44 pixels for easy thumb-tapping.
3. **Enlarge those fonts.** Make sure text is legible on small screens. (That typically means at least 14 pixels for body fonts and 22 pixels for headline fonts.)
4. **Shout it out.** Provide a prominent call-to-action (CTA) above-the-fold. Tell the reader what action to take in the first 300 pixels.
5. **Consider whitespace.** Cut the clutter to get the campaign objective across.

Beyond these mobile takeaways, marketers should explore the ROI and brand impact of responsive design, especially for automated lifecycle programs and your most critical promotional email campaigns. Incorporating well-coded responsive design offers huge marketing perks. In addition to allowing emails to render properly, responsive design provides a more robust and engaging experience for anyone using a larger screen.

SELECT ALL THAT APPLY

Which of the following devices do you own and use to check your email?

93.3%
LAPTOP OR DESKTOP COMPUTER

67.2%
SMART PHONE (IPHONE OR ANDROID)

42.3%
TABLET (SUCH AS IPAD, KINDLE FIRE, SAMSUNG GALAXY, MICROSOFT)

6.1%
APP-ENABLED TELEVISION

18 to 24 group, which of the following devices do you own and use to check your email?

90% LAPTOP OR DESKTOP COMPUTER

87% SMART PHONE

34% TABLET

4% APP–ENABLED TELEVISION

What device do you use most often to check email?

7.2% TABLET

29.1% SMART PHONE

63.7% LAPTOP OR DESKTOP COMPUTER
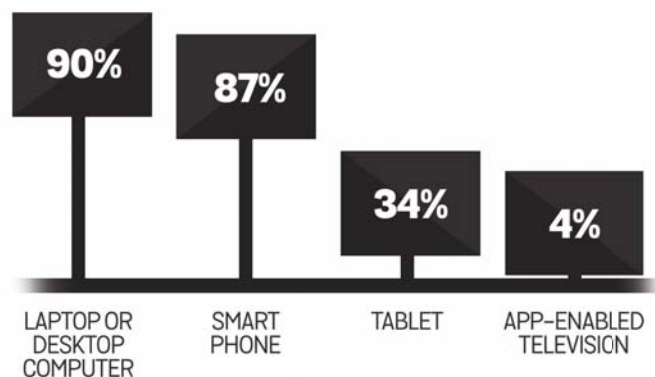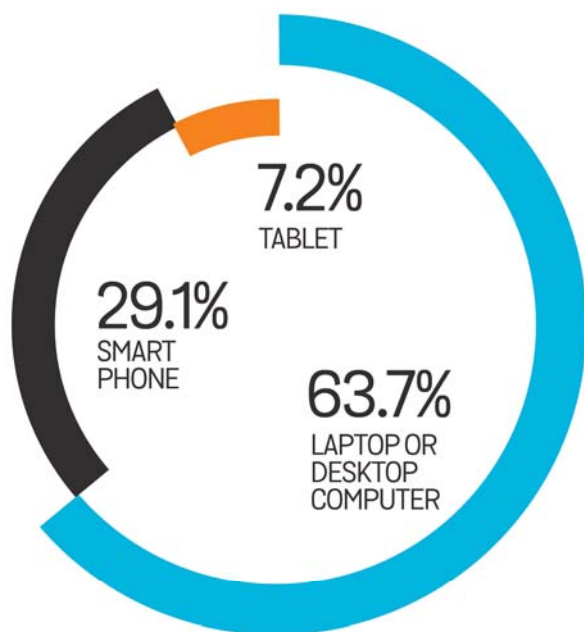
18 to 24 group, what device do you use most often to check email?

6.0% TABLET

54.1% SMART PHONE

39.9% LAPTOP OR DESKTOP COMPUTER
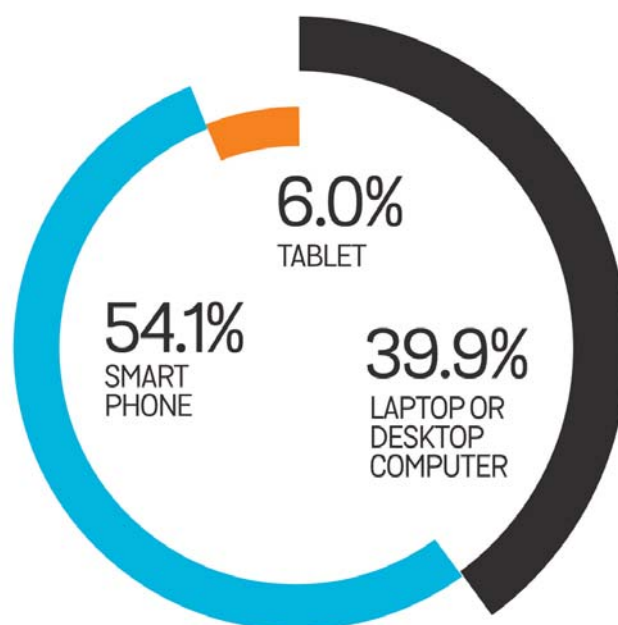
How often do you prefer to hear from companies that send you marketing/advertising emails?

INSIGHT

Forty-four percent of respondents expressed a preference for weekly email communication. In last year's survey, respondents stated that they received an average of just under three emails per week per brand and 53% felt that the frequency was just about right. This data indicates, in general, weekly frequency can be considered a safe baseline cadence for marketing communications. There were no significant differences in preferred frequency by gender or age.

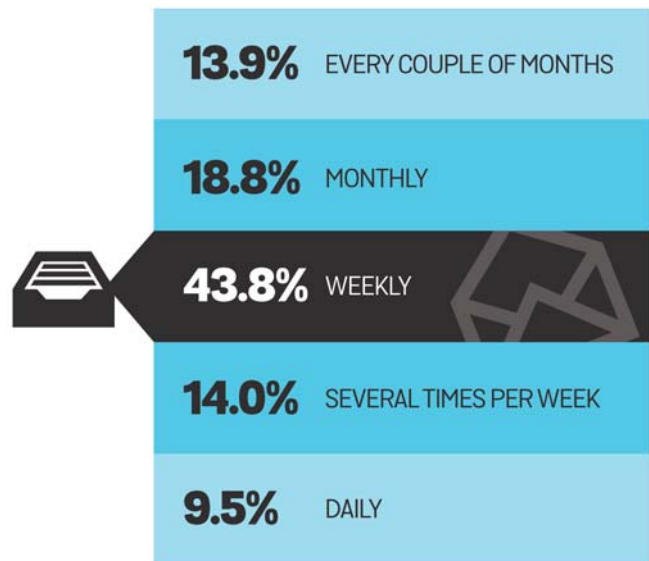A sizable contingent, 24%, prefer to hear from marketers several times per week or even daily. As marketers we need to embrace segmentation to hone in on the appropriate frequency for each subset of our audience.

13.9% EVERY COUPLE OF MONTHS

18.8% MONTHLY

43.8% WEEKLY

14.0% SEVERAL TIMES PER WEEK

9.5% DAILY

ACTION ITEMS & HOT TIPS

- **Respect that there is no magic frequency bullet.** With no "one-size-fits-all" solution, every brand must determine optimal frequency and cadence for their various segments.

- **Go old school.** Employ tried-and-true frequency testing methods to get a sense of your audience's appetite for more. Or less. Track purchase and click behaviors and act on the trends you see.

- **Let relevance be your guide.** Remember, the true indication of frequency should be determined by how often you have something relevant to say.

Which information or interactions do you expect companies to use to personalize marketing/advertising emails for you?

KEY FINDING KEY FINDING

INSIGHT

Consumers are savvy. They expect brands to personalize marketing/advertising emails based on both implicit and explicit data.
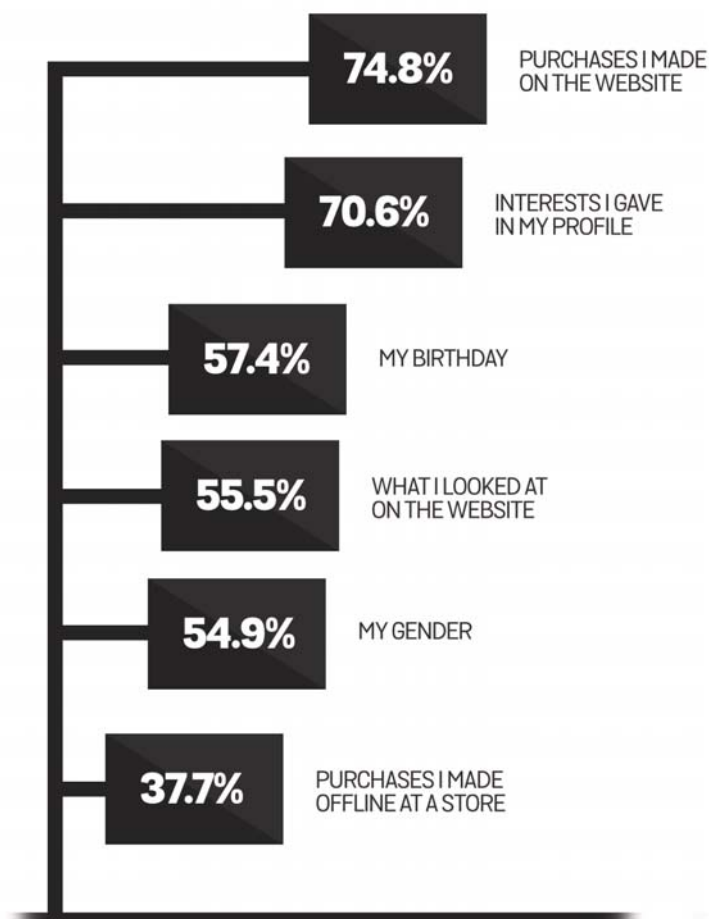
- Nearly three–quarters of respondents expect personalization based on online purchases and self–reported interests in profile.
- More than half also expect personalization based on birthdate, web browsing behavior, and gender.
- 38% even expect marketers to personalize emails based on offline purchases.

ACTION ITEMS & HOT TIPS

Don't skimp on fulfilling consumer expectations. Give them what they want. Consumers expect brands to be active listeners, reacting to the interests they share, and their online and offline behavior.

- **Gather.** Put out feelers and gather the data consumers are sprinkling around the digital ecosystem.
- **Organize.** Aggregate and organize your data, focusing on what will have the most impact. Which pieces of data are important varies program to program, but one rule of thumb is to focus on the most recent data you have – whether it be preference data, purchases, or recent browse behavior.
- **Leverage.** Use this data for segmentation and personalization in both standard promotional campaigns and automated lifecycle programs.

Of course the holy grail of a holistic customer view is no easy task. Marketers consistently report challenges in accessing and leveraging consumer data. Marketers need to bridge this gap by finding ways to aggregate data across different systems and cleanse it so it's in an accessible format to inform email campaigns.

74.8% PURCHASES I MADE ON THE WEBSITE

70.6% INTERESTS I GAVE IN MY PROFILE

57.4% MY BIRTHDAY

55.5% WHAT I LOOKED AT ON THE WEBSITE

54.9% MY GENDER

37.7% PURCHASES I MADE OFFLINE AT A STORE

If you decide to unsubscribe from a company's marketing/advertising emails, what if, anything, can that company do to keep you on the list?

40.7% — NOTHING I'LL UNSUBSCRIBE ANYWAY

40.6% — GIVE ME THE OPTION TO RECEIVE EMAILS LESS FREQUENTLY

16.7% — SEND ME PERSONALIZED EMAILS BASED ON PREFERENCES/INTERESTS I INDICATED

16.1% — SEND ME MORE PERSONALIZED / RELEVANT CONTENT

12.4% — SEND ME PERSONALIZED EMAILS BASED ON PAST PURCHASES

8.9% — SEND ME PERSONALIZED EMAILS BASED ON WHAT I BROWSED ON THE WEBSITE

14.1% — LET ME "SNOOZE" MY SUBSCRIPTION

INSIGHT

The good news is that 60% of the survey respondents indicate they can be saved once they have made the decision to unsubscribe. The simplest tactic to retain the most subscribers is to offer them a reduction in frequency. Moreover, 54% say that sending them more personalized content (based on past purchases, content browsed, etc.) will stave off an opt-out.

ACTION ITEMS & HOT TIPS

- **Don't ruffle their feathers.** In a perfect world, we are keeping our customers happy and engaged by sending relevant email exactly when and how often they want to receive them. Although perfection is impossible to achieve, having a thoughtful approach that strives to understand the preferences of your segments goes a long way toward limiting discontent.

- **Mitigate churn... automatically.** Prior to unsubscribing, consumers typically stop engaging with your program. Look for the initial indications of inactivity and try to re-engage with early outreach efforts. Ensure that these programs are automated to prevent them from falling to the back burner.

- **Embrace personalization.** Leverage the rich data you're collecting on customers to tailor email content. Everything from self-reported preferences to past purchases and recent browse behavior is fair game – and expected.

- **Think opt-down, not opt-out.** No matter how close we get to perfection, some consumers will decide that they want out. When this happens, provide them with meaningful choices in the form of reduced frequency options. Some marketers use standard 'X per week' selections, but another option – one that is usually easier to execute – is to provide opt-down based on the types of content your brand sends. Include in the description both the type of content and the expected frequency (e.g., "Weekly Newsletters," or "Promotional Offers typically sent 2x per week").

From Retention to Conversion: Purchase Behavior

Consumers are onto us. They are more connected and have higher expectations than ever before. What's more, they are aware that the emails they receive impact their purchase decisions.

Consumers sign up to receive the offers and discounts they want (usher in the era of free shipping), and in turn we get to drive more purchases, increase spend, and direct them to additional channels.

Although this is a win/win relationship, the burden remains on us as marketers to recognize consumers are all different and to provide the appropriate experiences that will meet each individual's needs and expectations. We must make it easy for them to convert – from wherever they are.

But how easy is it to drive that conversion? Let's see what our panel has to say about it.

Do marketing/advertising emails influence your purchase decisions?

59% Yes
41% No
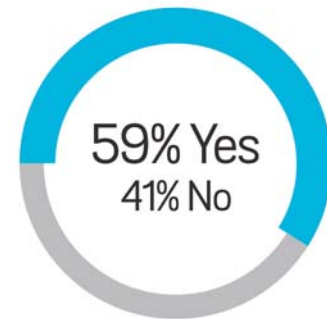
How often do you buy products and services from marketing/advertising emails?
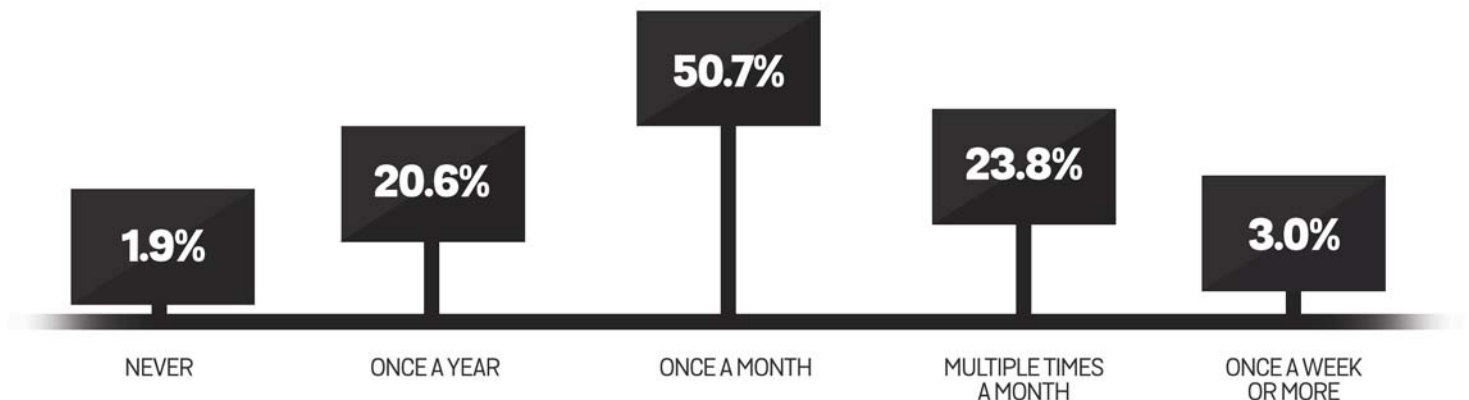
1.9%	20.6%	50.7%	23.8%	3.0%
NEVER	ONCE A YEAR	ONCE A MONTH	MULTIPLE TIMES A MONTH	ONCE A WEEK OR MORE

KEY FINDING

INSIGHT

There couldn't be a more resounding statement on the impact and effectiveness of email than this finding from our consumer panel: email marketing campaigns do indeed shift consumer behavior. Almost 60% of consumers acknowledge that email marketing campaigns influence their purchase decisions.

- 78% of consumers surveyed make a purchase at least once a month as a result of an email campaign.
- Email campaigns drive more than a quarter of respondents to purchase multiple times a month.

These findings support marketers continued and increasing allocation of marketing budget to the email channel. They also echo the results of the 2015 DMA Response Rate Report which indicates that email has the highest ROI of the seven marketing channels studied. [3]

ACTION ITEMS & HOT TIPS

Keep fighting for budget. What marketers are doing is working, but that doesn't mean there isn't room for improvement. As the industry and our consumers advance over time, it will take resources and the appropriate tools to stay on top. Data, content personalization, frequency, personalization, multiple device rendering, etc. – all deserve our attention. Keep fighting for your well–deserved piece of the digital advertising pie in order to continue to optimize and grow.

In which of these ways do marketing/advertising emails influence your purchase decisions?

44.9%

MARKETING/ADVERTISING
EMAILS REMIND ME TO SHOP

44.3%

I PURCHASE MORE OFTEN
AFTER RECEIVING

34.9%

I PURCHASE OFFLINE AT A
STORE AS A RESULT OF AN
EMAIL OFFER

25.2%

I SPEND MORE AS A RESULT
OF RECEIVING

5.7%

SOME OTHER WAY
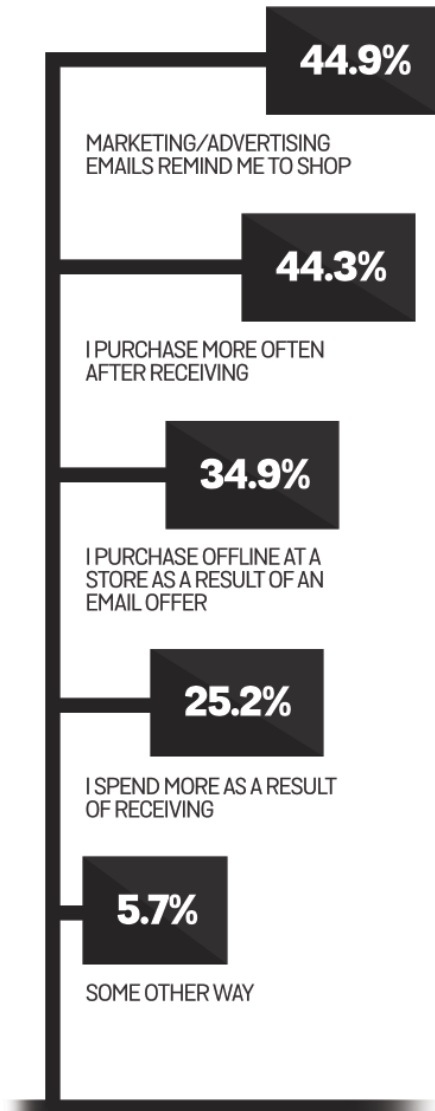
INSIGHT

Email marketing influences consumers in a number of ways:

- 44% say email campaigns remind them to shop and lead to more frequent purchases.
- 35% say that emails cause them to shop offline.
- 25% spend more as a result of email campaigns.

Email continues to be the marketing juggernaut, dominating other channels with its remarkable and continuously high ROI. Email marketing shifts consumer behavior, getting consumers to buy and influencing spend.

Forty-four percent of consumers are consciously aware that email campaigns cause them to shop more often and remind them to purchase, and a full quarter of consumers spend more because of it. More women than men indicate that email plays a role in their purchase decisions, 63% for women versus 55% for men. And the more everybody feels like email is relevant (e.g. is "helping" them), the more these numbers will continue to grow. In short, be relevant… or go home.

ACTION ITEMS & HOT TIPS

Measure how email impacts your business. Email performance should not be a guessing game. Hold-out cells are the gold standard for tracking the true incremental impact of your marketing campaigns. In today's world, measuring direct sales from an email campaign is a given. But how do your email efforts affect consumer behavior beyond what you can see? By suppressing a small portion of your audience from receiving email campaigns, you will be able to understand sales in a more comprehensive way, including sales that happen outside of a direct link from email to your website and offline sales. Of course, attributing sales is much easier for online brands than brands with offline stores. Two methods can help you recognize your online customers when they are offline:

- **Loyalty programs increase customer recognition.** Utilize a value-based rewards programs to increase match back from offline sales. Providing your customers with clear benefits compels them to 'register' every purchase regardless of channel – not to mention the advantages of keeping customers happy by rewarding their loyalty.

- **Go green:** Use email receipts for offline purchases. Offering the option of an e-receipt provides a strong benefit, and increases the number of customers we can match back. Be sure to take advantage of the opportunity to secure an opt-in.

What type of offer do you prefer in marketing/advertising emails?

INSIGHT

Free shipping takes the #1 spot! In our 2014 survey, there was an age split in preference for dollars off vs. free shipping, but this year, free shipping discounts take the top spot in every single age group surveyed.

The most notable increase was in the 25 to 34 age group – where only 14% preferred free shipping offers last year. Our 2015 survey also shows that percentage–off offers dropped from the top spot last year to third place this year. And while these offers resonated well with the 18 to 34 group, older respondents told us that "percent–off" promotions didn't do as much for them.

No Go on BOGO

The least compelling offers across all age groups are buy one, get one free, free gift with minimum purchase, and loyalty or referral programs. This speaks to consumers' preference for offers that have low barriers and are easy to understand – those that provide clear answers to the all–important questions, "What's in it for me?" and "What's the catch?"

ACTION ITEMS & HOT TIPS

- **What? You expect me to pay for shipping?** Paying for shipping is a barrier to conversion for consumers. Free shipping is a valuable tool in the marketing arsenal if the ROI can be justified.
- **Know your audience and test, test, test.** Understand the demographics of your segments and what they're looking for, then test the offers that work best for each group.
- **K.I.S.S. (keep it simple… and seamless).** Regardless of the type of offer presented, remember to make redemption as seamless as possible for all channels. Embed offer codes in URLs. Be clear about thresholds. Remind customers during the shopping experience how much more they need to spend. Ensure offer reminders and important entry codes remain viewable during mobile checkout. In short: keep it simple!
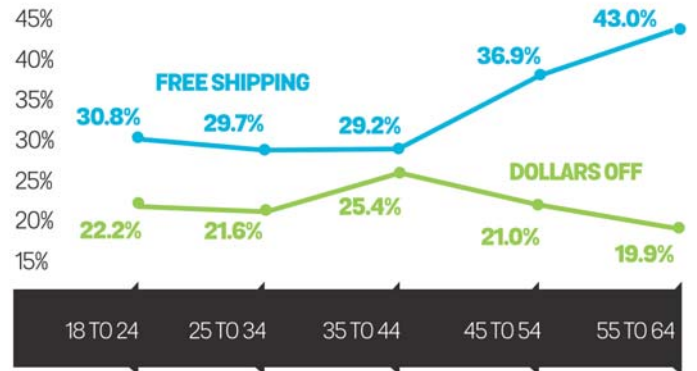
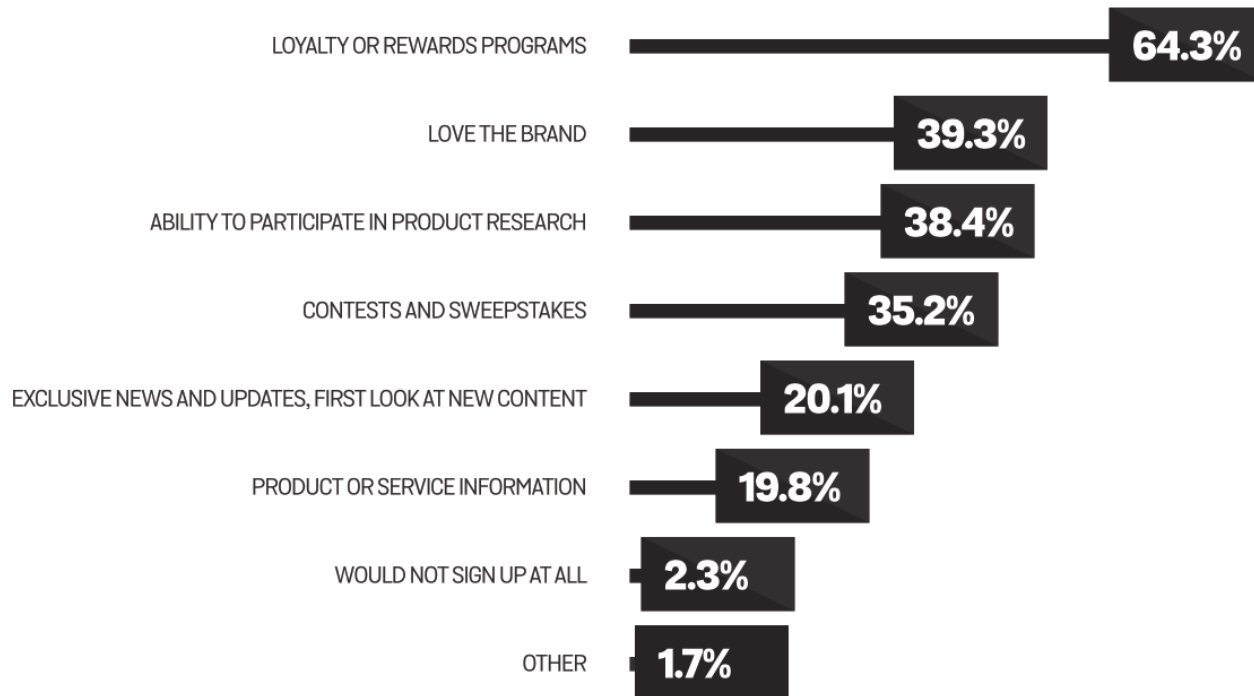|	18 TO 24	25 TO 34	35 TO 44	45 TO 54	55 TO 64
FREE SHIPPING	30.8%	29.7%	29.2%	36.9%	43.0%
DOLLARS OFF	22.2%	21.6%	25.4%	21.0%	19.9%
PERCENTAGE OFF	26.9%	24.2%	22.6%	14.2%	12.0%
BUY ONE, GET ONE FREE	11.1%	10.1%	14.3%	15.0%	16.7%
FREE GIFT WITH MINIMUM PURCHASE	5.6%	4.4%	2.0%	2.8%	1.7%
LOYALTY OR REFERRAL PROGRAMS	3.4%	10.0%	6.5%	10.1%	6.7%

SELECT ALL THAT APPLY

Besides discounts and free shipping, what would compel you to sign up for marketing/advertising emails?

|	
LOYALTY OR REWARDS PROGRAMS	**64.3%**
LOVE THE BRAND	**39.3%**
ABILITY TO PARTICIPATE IN PRODUCT RESEARCH	**38.4%**
CONTESTS AND SWEEPSTAKES	**35.2%**
EXCLUSIVE NEWS AND UPDATES, FIRST LOOK AT NEW CONTENT	**20.1%**
PRODUCT OR SERVICE INFORMATION	**19.8%**
WOULD NOT SIGN UP AT ALL	**2.3%**
OTHER	**1.7%**

INSIGHT

Of course discounts and offers are the primary reason consumers sign up for marketing emails. Not surprisingly, the next reason is to join a loyalty or rewards program, which eventually, well… provides discounts and offers. However, it's great to know that almost 40% will subscribe for less altruistic reasons such as loving a brand or wanting to participate in product research. So, once we build up great brands and incorporate customers into the plan, they will come! On the flip side, being the "first to know" or getting exclusive access to news and updates was not a primary driver.

ACTION ITEMS & HOT TIPS

- **Keep benefits at the forefront.** For all acquisition efforts, remember to focus on the benefits consumers will receive, particularly loyalty points, discounts, or other monetary perks when applicable.
- **Loyalty pays.** If there isn't a loyalty program currently in place, consider implementing one. In addition to the offline tracking benefits, 64% of respondents say they would sign up for email to join a loyalty program. Throw in increased engagement, customer stickiness, plus opportunities for continued dialogue with top customers – and what's not to love?

Are you more likely to buy from companies that include information in marketing/advertising email about their social responsibility/charity efforts?

VERY LIKELY	SOMEWHAT LIKELY	NEUTRAL	LESS LIKELY	NOT LIKELY
11.1%	28.8%	54.4%	2.2%	3.5%
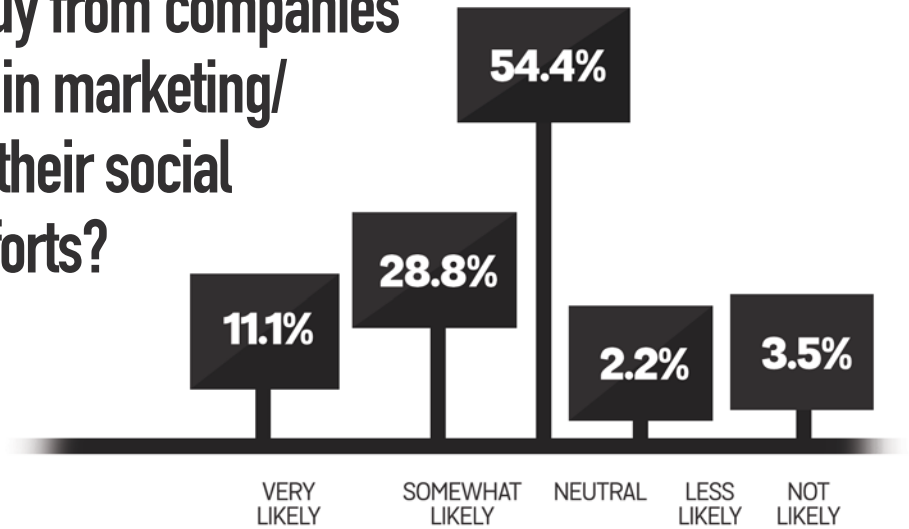
What practices are most important to you?

INSIGHT

While consumers presumably have positive attitudes towards brands committed to social responsibility and charitable giving, when it comes to email marketing, 40% of respondents indicated that social responsibility or charitable giving would make them more likely to buy from a brand.

Of those consumers who felt these practices would impact their purchase behavior, there were only slight variances in interest in:

- Green or sustainable products or services
- Products produced in the US
- Fair labor practices
- Giving back to charities

	VERY IMPORTANT	SOMEWHAT IMPORTANT	NOT AT ALL IMPORTANT
GREEN OR SUSTAINABLE PRODUCTS OR SERVICES	55.6%	39.4%	5.0%
PRODUCTS PRODUCED IN THE USA	62.2%	32.4%	5.4%
FAIR LABOR PRACTICES	67.0%	30.5%	2.5%
GIVING BACK TO CHARITIES	56.8%	39.6%	3.7%

ACTION ITEMS & HOT TIPS

- **Flaunt it if you've got it.** (Just don't bank on it.) Marketers may want to tout social responsibility in email campaigns, especially if it supports your corporate mission or brand promise. However, don't expect that particular messaging approach to have a noticeable impact on conversion.

- **Brand pillars may be the exception.** If the cause, however, is something there is a great deal of passion for, consider promoting it. However, remember what we said: consumers are savvy. They'll see right through any insincere or "cause of the week" promotional efforts.

Mobile Matters

Consumers are clearly becoming increasingly connected to their mobile devices. Yet for all of our emphasis on making email marketing more mobile–optimized, consumers are still somewhat slow to embrace mobile purchasing. Ensuring mobile conversion requires the digital orchestration of email, landing page, shopping, and confirmation experiences.

How likely are you to complete a purchase on your mobile phone or tablet?

INSIGHT

There continues to be a gap between consumers' use of mobile devices to engage vs. their likelihood to convert. According to industry research, only 33% of all e-commerce transactions occurred on a mobile device, but that number increased 28% in the last year. [4,5] Our findings echoed this data – 41% of consumers surveyed are very or somewhat likely to complete a purchase on a mobile phone or tablet.

Unsurprisingly, age plays a factor in this decision, with 53% of respondents 18 to 24 likely to purchase on a mobile phone or tablet. Marketers have plenty of room for improvement to make it easier and more comfortable for consumers, especially older consumers, to buy on mobile devices.

ACTION ITEMS & HOT TIPS

- **Less friction, more action.** The simpler, more clear–cut the path to purchase, the better. Increase trust by eliminating extra steps.
- **Mobile design: conversion's best friend.** No matter what the market or what the brand, marketers should always consider the mobile experience when designing a customers end–to–end journey.

VERY LIKELY
18.5%

SOMEWHAT LIKELY
22.0%

NEUTRAL
16.7%

LESS LIKELY
13.9%

NOT LIKELY
28.9%

What prevents you from purchasing on your mobile phone or tablet?

MORE COMFORTABLE PURCHASING ON A DESKTOP OR LAPTOP
49.6%

SECURITY CONCERNS
40.9%

WEBSITE DIFFICULT TO NAVIGATE ON MOBILE
39.6%

HARD TO TYPE INFO ON MOBILE PHONE/TABLET
38.9%

DON'T WANT THE APP
26.2%

TOO MANY STEPS TO COMPLETE PURCHASE
15.6%

COMPANY DOESN'T HAVE AN APP
10.2%

APP DOWNLOAD INTERRUPTS WHAT I AM DOING
8.8%

INSIGHT

The primary factor that prevents consumers from purchasing on their mobile phone or their tablet is that they're simply more comfortable completing the transaction on a laptop or desktop computer. Other hurdles include:

- Security concerns
- Difficulty navigating the website from a mobile device
- Challenge of typing on a mobile phone or tablet

According to comScore, the top inhibitor for smartphone conversion is an inability to see product details. Marketers must consider the entire customer journey and provide a seamless, mobile-friendly experience throughout the conversion funnel, on the website, and in the mobile app, if applicable. [6]

Brands that cater to younger audiences (18 to 24) will have an easier time as that age group is more comfortable purchasing on a mobile phone.

ACTION ITEMS & HOT TIPS

41% of consumers are likely to convert on their mobile device, but any one of the above issues might stop it. So, what can we do to help these customers along the happy path of conversion?

To shift consumer behavior, marketers must not only focus on making email design more mobile-friendly, they must also consider the entire end-to-end experience.

- **Think seamless and cohesive.** Customers expect an easy digital shopping experience. Work closely with the team(s) responsible for the website (and app if applicable) to ensure both clear and detailed rendering of your products, and a simple, pain-free experience from click-through to conversion on a mobile device.
- **Consumers want safe and easy.** Extra steps (e.g. downloading another app) that interrupt their purchase journey or other barriers that add friction to regular shopping behavior are nothing more than "one more reason not to buy". By ensuring the consumer's checkout process is painless, you help with that purchase and set them up for more mobile conversions in the future – anytime, anywhere.

Where do you prefer to purchase from when using a mobile phone/tablet?

	18 TO 24	25 TO 34	35 TO 44	45 TO 54	55 TO 64
MOBILE WEBSITE	35.6%	42.1%	33.7%	35.4%	30.6%
MOBILE APP	34.4%	26.9%	27.9%	15.0%	9.5%
NO PREFERENCE	30.0%	31.0%	38.4%	49.6%	59.9%

Do you use a mobile wallet app like Passbook, Google Wallet or Samsung Wallet?
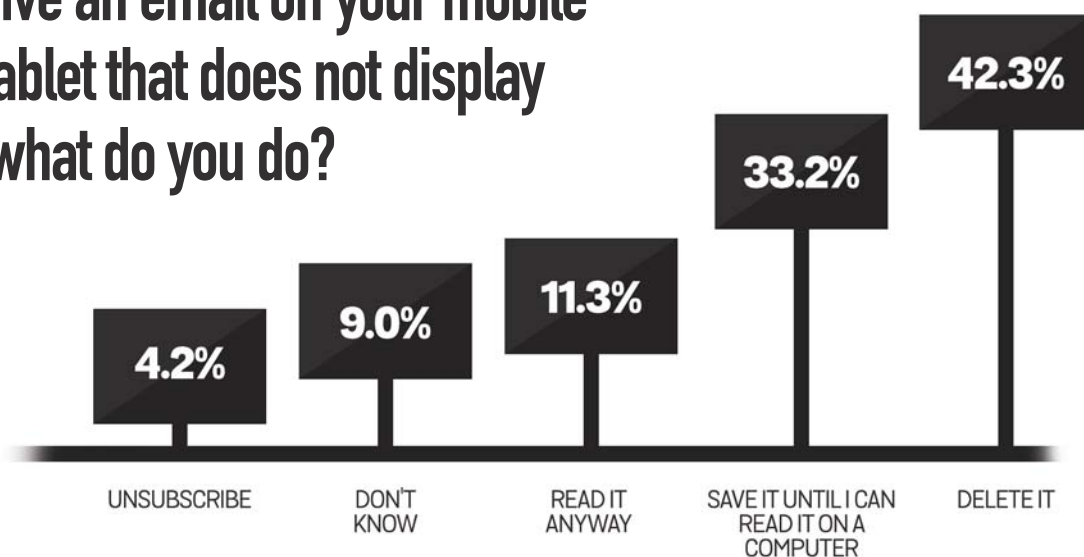
9.9% YES
90.1% NO

INSIGHT

Overall, consumers have no preference purchasing from a mobile website or a mobile app. Those aged 18 to 24 are more likely to download an app than older generations. Marketers should invest in whatever path makes the most sense for their brand: the mobile optimized site, mobile app, or both.

To date, usage of a mobile wallet is quite low. Only 10% of respondents have used a mobile wallet app like Passbook, Google Wallet, or Samsung Wallet. It does appear, though, that after the recent announcement of Apple's "ApplePay" the industry may see an uptick in this number. But the impact on overall adoption of mobile wallets remains to be seen.

If you receive an email on your mobile phone or tablet that does not display correctly, what do you do?

4.2%	9.0%	11.3%	33.2%	42.3%
UNSUBSCRIBE	DON'T KNOW	READ IT ANYWAY	SAVE IT UNTIL I CAN READ IT ON A COMPUTER	DELETE IT

INSIGHT

Are consumers becoming more tolerant of bad rendering? Or are marketers getting better at mobilizing emails? We aren't sure what the underlying cause is, but the trend is shifting. In our 2014 survey, 71% of respondents indicated they would delete an email if it doesn't display correctly as opposed to 42% this year. Likewise, "unsubscribe" saw a reduction from 16% in 2014 to only 4% in 2015. Only 11% say they will read it anyway, and a minority (one-third) say they will save the message until it can be read on a computer.

That said, consumers have progressively less tolerance for email messages that don't display correctly as they age. Fifty-one percent of respondents aged 55 to 64 will delete the email versus just 31% of 18 to 24 year olds.

ACTION ITEMS & HOT TIPS

Although consumers appear to be getting more tolerant, is this what we want? And how do we get the message across if 42% will delete it? It makes clear marketing sense to increase our standards instead of asking our customers to lower theirs. At a minimum, we as marketers should:

- **Think beyond the click.** Invest in a mobile–first approach with cutting–edge, forward–thinking code and a comprehensive understanding of design, devices, clients, and providers.
- **Employ mobile checks and measures.** Even mobile–optimized emails can sometimes render improperly, so establish a QA process tailored to your brand. And be sure to test and validate message rendering across multiple devices.

Smart Social Complements

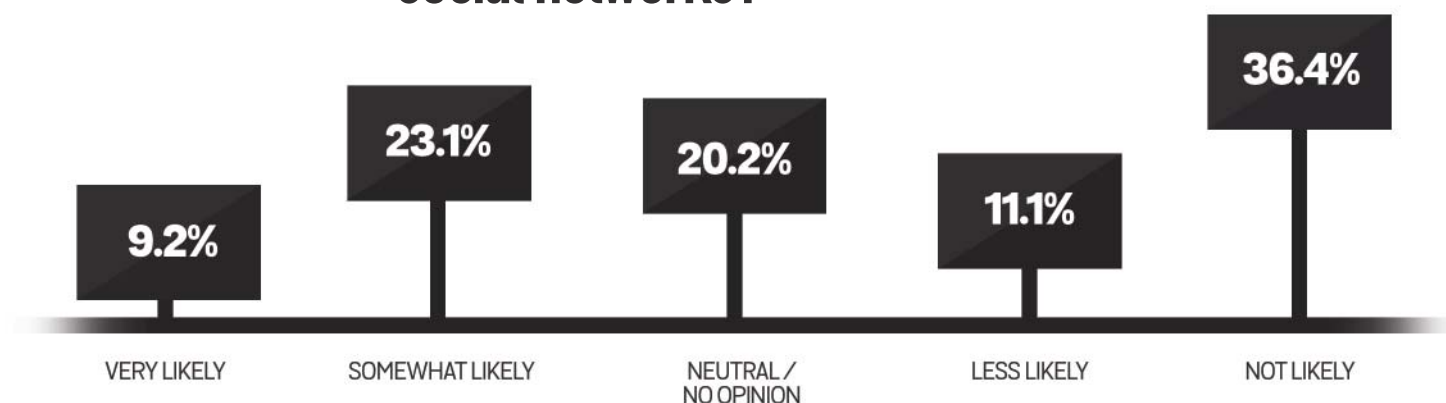**Email and Social Have Different Marketing Objectives... or Do They?**

Although social commerce is currently responsible for a fairly small piece of the ecommerce revenue pie (1% in 2014), its importance in your cross–channel strategy continues to grow.[7] Many brands report increasing spend on social advertising.[8] Supporting this, our survey indicates that – although still in the minority – a full 32% of respondents are likely to follow a brand on social media. And, as with email, the reason many follow these brands is to receive offers and discounts.

At the same time, less than 20% of consumers surveyed are likely to share content they receive via email with their social network. But social networks are reporting that more and more users are engaging with brand content. In Q1 2015, people liked, shared, favorited or commented on brand content across Facebook, Instagram and Twitter nearly 13 billion times – a 52% increase year over year. The biggest driver of increased engagement was Instagram, which had a 138% increase in brand fans.[9] So what does this mean for marketers? How closely should our emails and social pages work together? What content do our customers want to see in each channel? How can these channels work together to drive revenue and customer loyalty?

How likely are you to follow a company on your social networks?

9.2% VERY LIKELY

23.1% SOMEWHAT LIKELY

20.2% NEUTRAL / NO OPINION
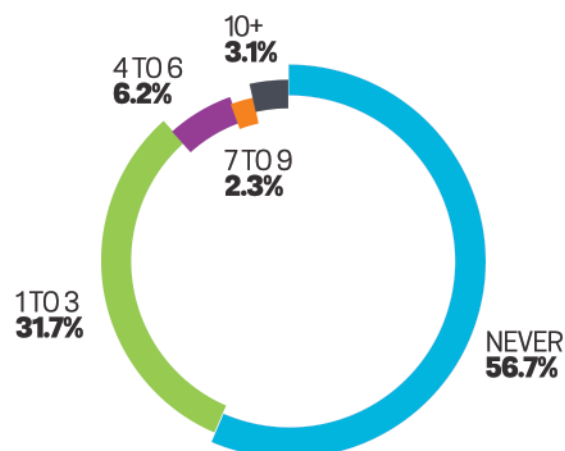
11.1% LESS LIKELY

36.4% NOT LIKELY

INSIGHT

Although more than half of consumers say they never check a company's social site, 32% are likely to follow a brand on social media. So, although email remains the primary channel for driving conversions, establishing a strategy for coordinating messaging across these channels should be a focus for smart marketers.

ACTION ITEMS & HOT TIPS

Coordinate messaging across channels. Customer groups used to fall into three categories: those who received your emails only, those who followed you on social only, and those who did both. Expected growth in social advertising in coming years means that more customers will be seeing your messages in multiple channels. Ensure that all messaging is on–brand and coordinated across all channels.
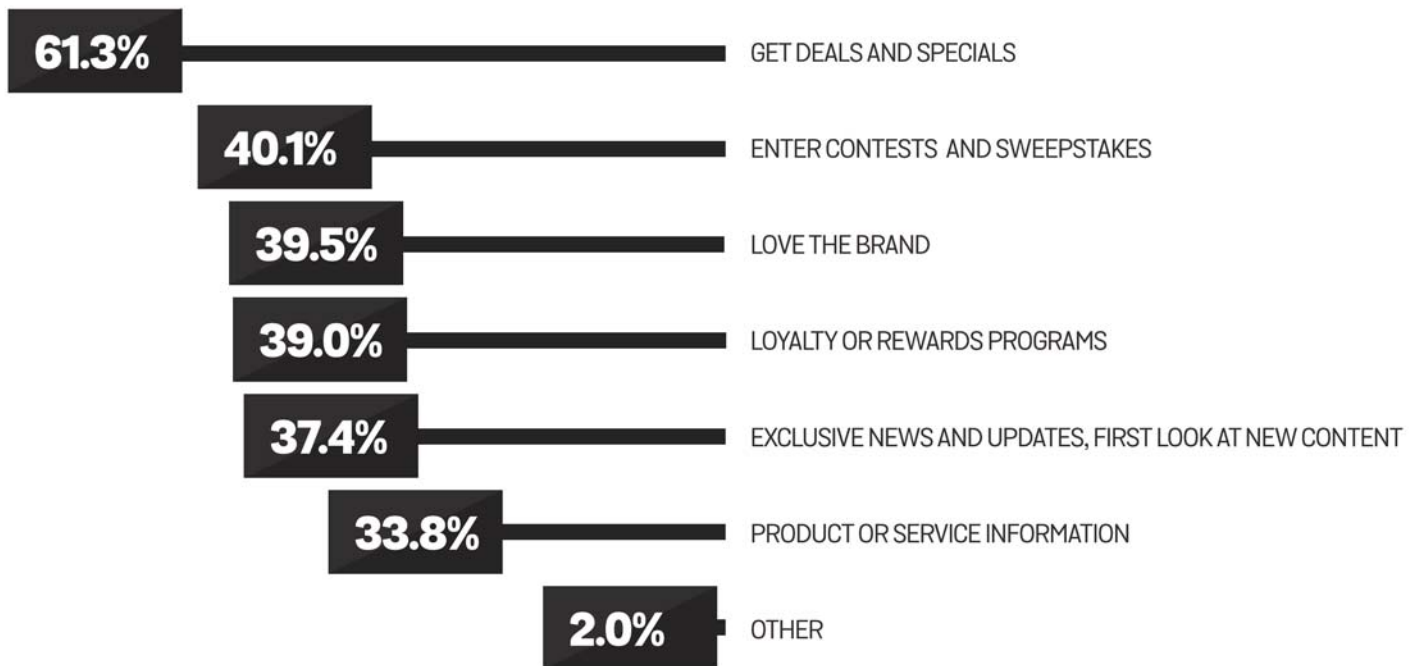
How often do you check companies' social sites (e.g., Facebook, Twitter, Pinterest, etc)?

10+ **3.1%**

4 TO 6 **6.2%**

7 TO 9 **2.3%**

1 TO 3 **31.7%**

NEVER **56.7%**

Why do you follow companies on social channels?

61.3% ——————————————— GET DEALS AND SPECIALS

40.1% ——————————— ENTER CONTESTS AND SWEEPSTAKES

39.5% ——————————— LOVE THE BRAND

39.0% ——————————— LOYALTY OR REWARDS PROGRAMS

37.4% ——————————— EXCLUSIVE NEWS AND UPDATES, FIRST LOOK AT NEW CONTENT

33.8% ——————— PRODUCT OR SERVICE INFORMATION
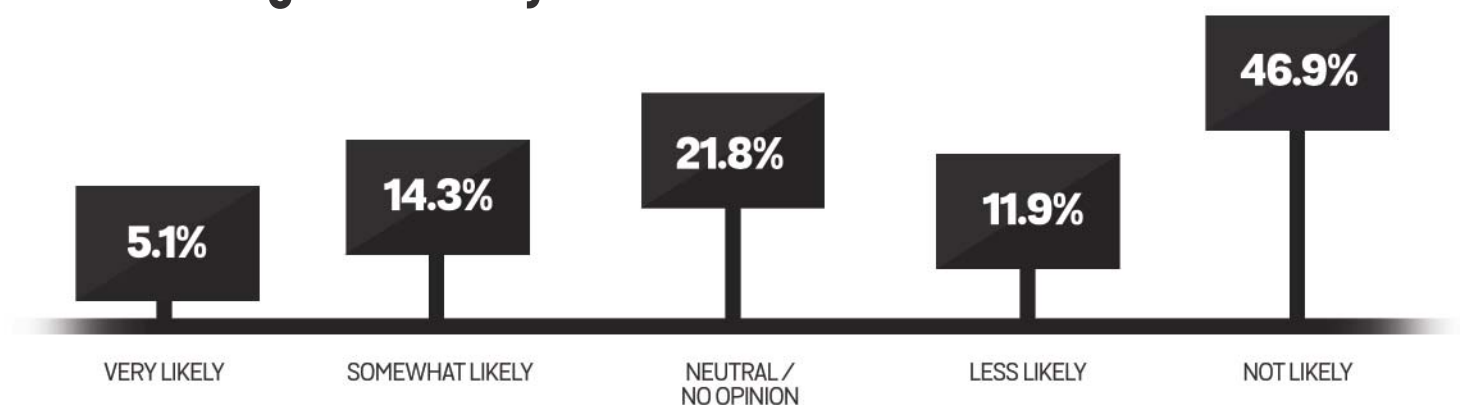
2.0% — OTHER

INSIGHT

Although social often fails to drive direct conversions, the main reason survey respondents follow companies on social sites is to receive deals and specials. At the same time, relatively equal numbers of our respondents follow brands because they love the brand, are interested in loyalty programs, want exclusive content, and are looking for product or service information.

ACTION ITEMS & HOT TIPS

- **Mix it up.** Social posts need to employ a mix of brand messaging and promotional messaging.
- **Test, test, test.** As in email, a robust testing strategy is imperative to determine what resonates best with your audience. Tease followers with posts that link back to your site, and see what generates the most action. And – again like email – be sure to track performance based on the goal of the post. Brand content should be evaluated on clicks, but revenue–driving content should be evaluated on actual conversions.

How likely are you to share messages from marketing/advertising emails on your social networks?

5.1% VERY LIKELY

14.3% SOMEWHAT LIKELY

21.8% NEUTRAL / NO OPINION

11.9% LESS LIKELY

46.9% NOT LIKELY

INSIGHT

Less than 20% of consumers are likely to share email marketing messages via their social networks. But wait, isn't the impact of social growing? Don't we make it easy for subscribers to share with all those cute icons and "share" CTAs?

ACTION ITEMS & HOT TIPS

Effectively integrating social into our email campaigns takes more than just asking a subscriber to share/follow/tweet, etc.

- **Mine social sites for content.** Avoid creating content in a vacuum. We already have great insight into what is being actively shared on social sites. Leverage the most popular content on your social sites within your emails, and encourage sharing appropriately. What are people pinning on Pinterest? Include that in an email with a CTA to "Pin it." What headlines make it to Twitter? Ask your subscribers to tweet them too!

- **Look to your customers.** User–generated content is often more trusted than marketer driven content. (Crazy, we know.) Start a dialog with your best customers about your brand, your products, your site, and your marketing programs. Encourage the use of multiple mediums – videos, songs, etc. – and utilize the best content in your emails.

- **Protect your real estate.** Although cross–channel coordination is important, reserve "share this" calls–to–action for truly "share–worthy" content. Critical above–the–fold real estate is usually better suited to other content than fan us/follow us icons.

IN CONCLUSION

The digital ecosystem is constantly in flux, and as marketers, it's up to us to stay ahead of the curve, delivering our messages in alignment with target audience expectations.

Mobile First

This study amplified the importance of mobile in our world today. Mobile has increased the frequency with which consumers check email, and has given consumers the ability to both engage and convert away from the desktop. In order to capitalize on this trend, we recommended that marketers:

- Make sure all emails render properly and are actionable on any device.
    - At the very least, we should utilize a mobile–first approach.
    - Explore the use of responsive design so users have an optimal experience on every device.
- Ensure the customer experience is seamless and friction–free from the email all the way to conversion – and beyond.
    - Pass through discount codes whenever possible.
    - Make landing pages and check–out easy to see and navigate.
    - Reinforce that the transaction is secure.

Personalized Content and Frequency

Consumers expect personalized content and meaningful choices. They provide preferences, browse websites, make purchases, join loyalty programs – and expect marketers to leverage that information. In exchange, they are willing to receive multiple emails each week. Deliver on the promise with these recommendations:

- Collect actionable data, cleanse, and aggregate across all systems. Although a weighty task, it is the key to providing relevant communications that go beyond simple profile information.
- Acknowledge behavior with triggered communications that reward your best customers. If a subscriber shows signs of disengagement, take early steps to mitigate the risk of them churning.
- When a subscriber decides to unsubscribe, present them with options. Allow them to choose the communications they want and how frequently to receive them. Simply giving them control over frequency will prevent opt–out in many cases.

Smart Social

Although consumers frequently visit social sites, a minority actively engage with brands on these sites. As social advertising increases and more consumers see marketing messages across channels, the need for a coordinated cross-channel strategy grows.

- Test the appropriate content for your social sites. Create a mix of both brand and promotional messaging, and track performance based on the goal of the individual message.
- Mine your social sites for impactful content for email campaigns, and pair it with a CTA that drives to the appropriate social site.
- Reserve prime real estate in emails for marketing messages and driving conversion.
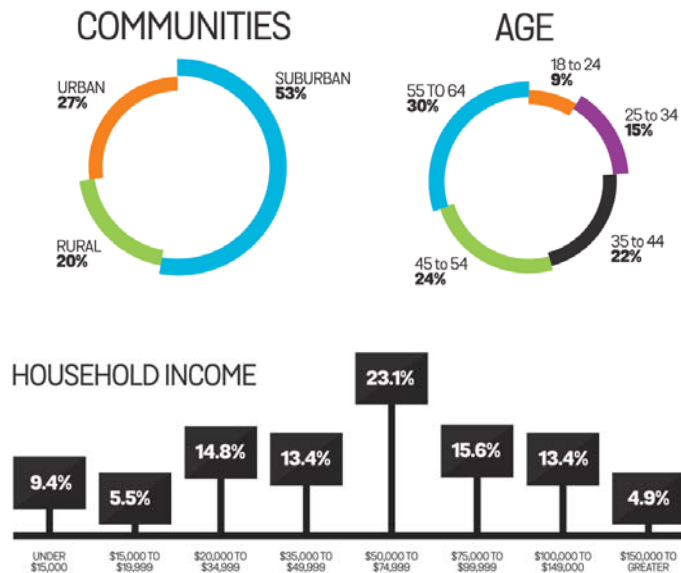- Limit the use of CTAs for sharing, following, etc. within emails to truly share-worthy content.

Email is a Workhorse

Email is an established channel that consistently affects consumer behavior — driving increased purchases and increasing spend – and they know it. With high ROI and the ability to easily test and optimize, email deserves all the attention (and budget) we can devote to it.

We hope this report has provided valuable information to help all of us as marketers consistently and ever-increasingly grow brand stickiness, conversion, and revenue. Happy emailing!

SURVEY RESPONDENTS

COMMUNITIES

URBAN
27%

SUBURBAN
53%

RURAL
20%

AGE

55 TO 64
30%

18 to 24
9%

25 to 34
15%

35 to 44
22%

45 to 54
24%

HOUSEHOLD INCOME

UNDER $15,000	$15,000 TO $19,999	$20,000 TO $34,999	$35,000 TO $49,999	$50,000 TO $74,999	$75,000 TO $99,999	$100,000 TO $149,000	$150,000 TO GREATER
9.4%	5.5%	14.8%	13.4%	23.1%	15.6%	13.4%	4.9%

1. Source: "Modern Mobile Marketing Essentials," Oracle, 2015.

2. Source: Litmus Blog, January 2015.

3. Source: DMA Response Rate Report 2015.

4. Source: "A Year in Commerce," Shopify, January 2015.

5. Source: "Digital Future in Focus," comScore, March 2015.

6. Source: "The M–Commerce Gap: Why Dollars Continue to Lag Shopping Behavior on Mobile," comScore, June 2015.

7. Source: "Social E–Commerce Activity Growing," MediaPost, January 2015.

8. Source: DMNews, "Where Will Marketing Grow in 2015?," January 9, 2015.

9. Source: "Engagement with Brand Content Soared 52% Last Quarter" AdAge, June 22, 2015.

Realize Your Email Potential

Whether your business is large or small, looking to implement basic email marketing programs or develop more sophisticated lifecycle messaging campaigns, BlueHornet can help. Our unique combination of enterprise–scale email marketing solutions and award–winning services will ensure your email marketing program is a success. Contact us for a demo today.

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