For two consecutive years, BlueHornet has surveyed over 1,000 consumers across the United States to better understand their behavior and sentiment around email marketing.

By surveying similar demographic groups and asking several of the same questions each year, we’ve been able to identify some changes that have occurred in how consumers view email marketing. And by including new questions for 2013, we can offer insight into possible future trends and behavior patterns that marketers may use to augment their existing subscriber response data.

In addition to providing our 2013 survey results and analysis, this report also includes recommendations for ways marketers may use the information for email program optimization.
# TABLE OF CONTENTS

3 . . . . About the Study

4 . . . . Email Acquisition: How and Why Consumers Sign Up to Receive Emails

7 . . . . Mobile Usage and Sentiment

11 . . . . Email Usage, Engagement, and Purchase Behavior

15 . . . . Advanced Targeting

17 . . . . Why Consumers Unsubscribe from Email Marketing

19 . . . . Conclusion
ABOUT THE STUDY

Methodology

The questionnaire for this survey was developed by BlueHornet with assistance from Flagship Research. The survey was administered to a national panel of 1,002 consumers across the United States between the ages 25 and 40 who live in urban or suburban areas; 77% of whom are employed and 76% with an income over $35,000.

Research Objectives

The primary objective of this research was to gain first-hand responses from consumers about their understanding of and sentiment toward email marketing. Our secondary objective was to identify significant changes in perception from a similar survey we conducted in 2012.

Survey questions were developed and categorized according to these areas of email marketing:

- **Email Acquisition** – How and why consumers sign up to receive emails
- **Mobile Usage and Sentiment** – Use of email-enabled mobile devices and how email marketing is perceived when viewed on a mobile device
- **Email Usage, Engagement, and Purchase Behavior** – Factors that influence engagement and conversion
- **Advanced Targeting** – Consumer trust in and perception of data-based targeting
- **Unsubscribing** – Reasons to unsubscribe and the likelihood of opting ‘down’
EMAIL ACQUISITION: 
HOW AND WHY CONSUMERS SIGN UP TO RECEIVE EMAILS

For the second consecutive year, discounts remain the most important reason consumers sign up to receive emails from companies. And sentiment remains strongly against the practice of sending promotional emails to consumers who, although they’ve purchased from a brand, haven’t specifically signed up for the brand’s email program.

In the past year, which of the following means have you used to subscribe to an email program? (Check all that apply)

- Given email to the sales clerk at point-of-sale: 53.0%
- Wrote email on a paper form: 39.8%
- Entered email within sign-up form at brand’s website: 82.0%
- Entered email on email opt-in page on brand’s social site: 39.7%
- Entered email within sign-up form within mobile app: 28.0%
- Sent email address as text message to the brand: 14.5%
- None of these: 9.4%

In addition to traditional methods, consumers are using mobile-specific channels (apps and text-to-join) to sign up for email programs.

Which of the following is your most important reason for signing up to receive emails from companies seeking your business?

- To receive discounts: 72.6%
- To get product/services updates: 9.1%
- If I love the brand: 8.2%
- To participate in product research: 10.0%
- Given email to the sales clerk at point-of-sale: 3.1%

Consumers love discounts. In fact, they love them almost 11% more than last year.
Are you more likely to sign up for emails if celebrities or experts endorse the brand or their products?

Celebrity endorsements, while not a major influencer of email sign ups, matter more to male respondents (25%) than females (17%).

Do you believe that it’s OK for a company to start sending you promotional emails if you have purchased something from them but you didn’t specifically sign up to receive emails from them?

In 2013, consumers still do not feel that a purchase alone gives brands the permission to send marketing emails.
Key Takeaways for Email Marketers:

- Consumers are comfortable sharing their email addresses with companies via a variety of online and offline channels. Consider adding additional methods of acquisition to your program or try replacing labor intensive point-of-sale collection efforts with a cost-effective and easily implemented text-to-join SMS program.

- In exchange for their email address, consumers expect value, often in the form of a special offer. However, remember that your email program is an extension of your brand persona—not simply a coupon distribution channel. Make sure there is a strategy behind the discounts that you offer, use discounts to elicit a specific strategic customer behavior, and always keep the strategy in alignment with your brand.

- Consumers want email to be on their terms. Avoid making “marketer-centric” assumptions whenever possible, whether they’re related to celebrity endorsements, email opt in, or other aspects of your program. A/B testing and customer surveys are better bets than assumptions.
MOBILE USAGE AND SENTIMENT

Almost 85% of respondents own a mobile device such as a smart phone that is enabled to receive email. Many cite their mobile device as the method they use most often for reading emails and managing their inbox.

Consumer sentiment around mobile coupons and purchasing from mobile emails is generally favorable. However, tolerance for poor mobile design or rendering is very low.

Do you own a mobile device such as a smart phone that is enabled to receive email?

![Email-enabled mobile device usage is up 8% from 2012.]

Where do you most often read your emails?

![43% of consumers say they read emails most often on a mobile device.]

<table>
<thead>
<tr>
<th>Device Type</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Desktop or laptop computer</td>
<td>56.3%</td>
</tr>
<tr>
<td>Smartphone</td>
<td>36.4%</td>
</tr>
<tr>
<td>Tablet</td>
<td>6.9%</td>
</tr>
</tbody>
</table>
Do you use your mobile device to sort through your emails before you read them on your desktop?

In 2013, about 7% more consumers report using their mobile device to triage emails some or all of the time.

How likely are you to show your mobile phone to a store cashier to redeem a discount code, barcode, or online coupon instead of printing the coupon and bringing it to the register?

Consumers like the idea of using their mobile device to redeem discounts and coupons.
How likely are you to buy an item or service from an email you read on your mobile?

63% of consumers say they may buy from an email read on a mobile device.

If you get a mobile email that doesn’t look good, what do you do? (Check all that apply)

- Don’t know: 12.7%
- Read it anyway: 6.3%
- Look at it on my computer: 13.5%
- Unsubscribe: 18.0%
- Delete it: 69.7%

The number of consumers who may unsubscribe after receiving a mobile email that doesn’t look good has increased significantly since 2012.
Key Takeaways for Email Marketers:

- Because of the ubiquity of email-enabled mobile devices, email programs must be developed to be viewed, managed, and engaged with on consumers’ mobile devices. Making sure that your email creative and user experience is optimized for mobile is no longer optional.

- Survive mobile triage efforts—keep subject lines relevant and focused on consumer value. Use pre-header text.

- Want a win over the competition? Make it easy for subscribers to redeem your coupons from their mobile device.
EMAIL USAGE, ENGAGEMENT, AND PURCHASE BEHAVIOR

Once consumers subscribe to your email program, they expect to receive a welcome email from you. In return, you can expect access to their eyeballs throughout the day, and sometimes access to their social networks.

Consumers are most likely to open emails when the subject line is aligned with their purchase behavior. They’re most likely to buy from your email if the price is right and they’ve done business with you in the past.

Do you expect to get a welcome email when you sign up?

Expectations around receiving a welcome letter remain high.

When do you typically read personal email?

Consumers see marketing emails throughout the day.

What do you share to your social networks (Facebook / Twitter)?

Sharing email to social networks is down slightly in 2013.
Generally speaking, if you don’t immediately open and read an email, what do you do with it?

- 63.0% Save it for later
- 25.6% Delete it
- 7.3% Put it in a folder
- 4.1% Don’t Know

Consumers save unopened emails to read later.

What is most likely to cause you to open and read an email from a retail brand?

- 45.4% Subject line mentions a discount or special offer
- 35.7% Subject line promotes a product you’re interested in
- 7.0% Subject line refers to a product you recently looked at online
- 6.8% Don’t Know
- 4.2% Subject line is humorous
- 0.9% Subject line includes your first name

Consumers indicate that subject line relevance trumps efforts to be clever or overly familiar.
What types of emails are you most likely to open? (Check all that apply)

How much influence does each of these factors have in causing you to purchase from an email? (Please use a scale of 1 to 7, where 1 means very little influence and 7 means a great deal of influence.)

Consumers say that each of these factors influence whether they will purchase from an email.
Key Takeaways for Email Marketers:

Viewed collectively, consumers’ email usage, sentiment, and purchase behavior point clearly to one thing: the value of a strong relationship between your brand and your customers.

- The relationship starts early. Send a welcome email that sets expectations you’re willing and able to meet or exceed.

- The relationship might be serious. Our survey respondents didn’t take to fun or overly personal subject lines, but yours might. Be sure to test often.

- The relationship should be unique. While only 15% of the consumers we surveyed picked content emails as the ones they’re most likely to open, those types of emails can be valuable relationship and brand builders. Consider adding a content-specific offering to your email preference center.

- The relationship wins you business. Develop targeting strategies based on purchase recency, frequency, and monetary value.
ADVANCED TARGETING

Consumers seem cautiously optimistic about the use of their data to conduct the types of advanced targeting efforts that are intended to provide added consumer convenience and/or value.

If you received an email from a retailer promoting products that you just looked at on their site or put into an online shopping cart but did not purchase, which of the following best describes your perception?

- The email is relevant and valuable: 29.4%
- The email is intrusive and “big brotherish”: 32.7%
- I don’t care either way: 29.2%
- I’ve never received an email like that: 8.6%

A slight majority of consumers find re-marketing emails to be relevant and valuable. Less than 1/3 find them intrusive.

If you could sign up to receive location-based offers on your mobile device, so that you could get real-time notifications when you’re near a particular retailer or business, would you do so?

- Yes: 45.6%
- Only if I trust the brand: 24.2%
- No, because I have privacy concerns: 23.8%
- No, reasons other than privacy: 6.5%

Most consumers will only consider opting in to location-based offers if they trust the brand.
Key Takeaways for Email Marketers:

• Regardless of your current email program’s level of sophistication, recognize that almost nothing you do is perceived neutrally by consumers. Instead, every component of your program has the potential to build or erode consumer trust. That trust is valuable to you today and it will increase in future value as you develop programs that rely on customers granting you access to more personal data.

• If you’re not currently conducting cart abandonment or re-marketing campaigns, look to develop a test program today.
WHY CONSUMERS UNSUBSCRIBE FROM EMAIL MARKETING

In 2012, the primary reason consumers told us that they unsubscribe from an email program is because they feel they’re getting too many emails that are irrelevant to their interests and preferences. Frequency came in a very close second. One year later, frequency has moved ahead of relevance as the primary reasons for unsubscribing--by a margin of over 10%. The good news for email marketers? “Opt down” programs can help reduce churn.

When you unsubscribe, what is the primary reason?

If you click to opt out and are presented with the option to “opt down” (change the frequency, subscription topics, etc.) would you remain on the list?

New in 2013: High frequency drives more unsubscribes than relevance by over 10%.

Compared to last year, more consumers will consider opting down instead of unsubscribing when given the option.
Key Takeaways for Email Marketers:

We believe that managing B2C email volume and frequency, along with the accompanying challenges of hanging on to consumer mindshare in an increasingly noisy digital environment, will be among the central issues marketers will face in 2013 and beyond.

- According to our survey, even relevant email programs can get dropped by consumers who can’t manage the volume. Definitely make sure your preference center gives customers ways to manage their number and type of subscriptions, at minimum. Better yet, let them control the frequency, or move to a weekly digest email.

- A number of companies are now providing inbox management tools to consumers, many of which automatically route emails to folders before the consumer ever sees them. While this can seem daunting to email marketers, it can also provide new opportunities to develop a “foldering strategy.” A basic program could include adding urgency to subject lines and offers. A more sophisticated one could leverage the fact that when consumers sit down to their shopping folder, you know they’re ready to shop. What data can you collect and use to maximize each of these occasions?

- Monitor unsubscribes and look for patterns that tie to frequency. Conduct a one-question unsubscribe survey that lets your customers tell you why they’re leaving.
CONCLUSION

One year after BlueHornet’s initial consumer survey, our conclusion is that the overall outlook for email marketing seems more positive than ever:

• Thanks to continued adoption of mobile technologies, consumers are able and willing to take email everywhere they go.

• Because of marketers’ responsible use of customer data to develop relevant email programs, consumers express comfort in joining and engaging with these programs in exchange for value and special benefits.

• Through their actions as well as their statements, consumers indicate an increased awareness in the value that their email address has to marketers. Consumers understand that they have significant leverage with marketers that they can flex via engagement with campaigns as well as through their purchasing power.

• In general, there’s really only one thing consumers indicate that they really dislike about email marketing from reputable brands, and that’s the frequency. Marketers who can find the sweet spot that balances consumer value, email volume, and revenue generation should find an unparalleled opportunity to sell their products to smart consumers who make conscious decisions to buy from them instead of their competitors.

EMAIL DONE DIFFERENTLY.

BlueHornet helps companies do email marketing differently. The world’s most talked-about brands partner with us to turn customers into raving fans. They rely on BlueHornet’s powerful, yet simple-to-use email technology, unique Support² service model, and proactive inbox deliverability management to rise above the noise and put their message everywhere their customers are – whenever they want it. To learn more, contact us today:

BlueHornet
2355 Northside Drive
Suite B250
San Diego, CA 92108
(866) 586-3755
www.bluehornet.com
sales@bluehornet.com
Twitter: @bluehornelemal

Video: Going Beyond the Data

To give a human face to the research in this report and to help shed more light on what people love and hate about email marketing, BlueHornet conducted video interviews with consumers who fit our survey demographic.

Hear what they had to say.
bluehornet.com/consumer2013