

Email List Growth: A Benchmark Guide

Thank you for downloading this guide, a production of the Email List Growth & Engagement Roundtable of the DMA/Email Experience Council. We hope you will use this to gauge your email list growth strategies to our industry benchmarks, as well as pick up a few new ideas that you can implement now. List size is not just about growth, it's about engagement. A large list with low activity is worth less than a small, fully engaged file. How you source and recruit new subscribers can make a big difference in the value of your email list.

Please let us know how you are using this information. We welcome your feedback! Please email us at eeclistroundtable@groups.yahoo.com.

Want to join other email industry professionals in sharing knowledge and networking? Join the DMA/Email Experience Council! More info: www.emailexperience.org



Home Page Capture

Description: Invitation to opt in on the home page of the website.

Industry Opportunity: All

Best Measures of Success:

- Ratio of visitors to sign ups
- Opens, Clicks on Welcome Message
- First Issue Unsubscribe Rate
- Complaints on Welcome Message

Benchmarks:

Benchmark to 20-40% of New Unique Website visitors signing up for email.

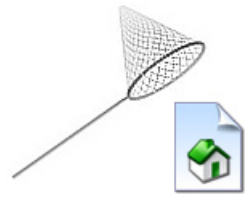
One retailer saw 2.8% with no in store signage, and 3.3% when advertising sign-up in stores.

Suggestions for Better Performance:

- Prominent placement.
- Pervasive throughout site.
- Stronger benefit statement.
- Provide incentive.

Source:

LG&E Roundtable member experience



Search Landing Page Capture

Description: Invitation to opt in on the search landing pages of the website. Results improve when the capture invitation matches the content on the page.

Industry Opportunity: All

Best Measures of Success:

- Ratio of visitors to sign ups
- Opens, Clicks on Welcome Message
- First Issue Unsubscribe Rate
- Complaints on Welcome Message
- Conversions/Downloads related to the search term

Benchmarks:

B2C - Expect 10%-50% of new, unique visitors to sign up.

B2B - Expect between 15%-65% of new, unique visitors to sign up, especially if the offer is relevant to search term

Suggestions for Better Performance:

- Customize offer to page content/context.
- Stronger benefit statement.
- Provide incentive.
- Prominent placement.

Source:

LG&E Roundtable member experience



Capture at eCommerce

Description:

Capture at the point of online purchase.

Industry Opportunity:

Retail, Travel, Other eCommerce

Best Measures of Success:

- Percentage of purchasers who opt-in
- Opens and clicks on Welcome Message
- Unsubscribe rate on Welcome Message

Benchmarks:

With explicit (unchecked) box, expect 45-70% of online purchasers to opt-in for ongoing communications. Using implicit (checked) boxes will increase sign ups, but may lower response rates, as new subscribers may be unaware of the subscription.

Expect the top of that range if incentives are provided.

Suggestions for Better Performance:

- Pre-checked box may sacrifice quality over quantity.
- Provide multiple opportunities for opt-in.
- Promote signup through transactional mailings.
- Position sign-up mechanism close to address.

Source:

LG&E Roundtable member experience



Capture in Retail/Dining Location

Description: Asking customers to opt-in to ongoing email communications during check-out process

Industry Opportunity: Primarily retail. Also used in other sales environments - automotive, real estate, etc

Best Measures of Success:

- Percentage of customers who provide email address
- First issue unsubscribe rate (Note: Best practice is to use a custom welcome message)
- Bounce rates/Complaint rates of Welcome Message

Benchmarks:

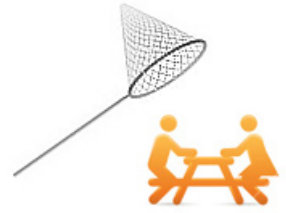
Auto Dealer - 18% Prospect, 28% Purchaser, 40% service customer.
Traditional retailer - between 5-15% of customers making a purchase
Restaurant - 10-12% of customers dining joined email program

Suggestions for Better Performance:

- Employee education on value of email program.
- Appropriate employee incentives (Quality vs volume).
- Intelligent POS system to identify bad data at point of collection.
- In store kiosk for self signup.
- Flyer to promote home signup.
- Personalize initial welcome/confirmation.
- Create program with incentivized offer for in-store dining/purchases when subscribe.

Source:

LG&E Roundtable member experience



Capture at Trade Event

Description: Collecting email addresses at booth during trade show or conference event

Industry Opportunity: Primarily B2B

Best Measures of Success:

- Percentage of Prospects/Leads who opt-in for ongoing email.

Benchmarks:

Recommend requiring prospects to submit a lead card with explicit opt-in for ongoing email program. If this is the case, then 20%-40% of leads submitted should opt-in for email

Suggestions for Better Performance:

- Tailor campaign contact strategy to trade event.
- Recognize that business card drop off does not guarantee interest.
- Personalize initial welcome/confirmation.

Source:

LG&E Roundtable member experience



Capture at Customer Service Call

Description: Empower customer service reps to capture email address and permission during appropriate calls.

Industry Opportunity: All

Best Measures of Success:

- Conversion from call volume
- First issue unsubscribe rate (Note: Best practice is to use a custom welcome message)
- Purchase/conversion activity in first 30 days

Benchmarks:

Conversion from request is typically 65%-85%. This is for subscribers who previously had not provided email address

Suggestions for Better Performance:

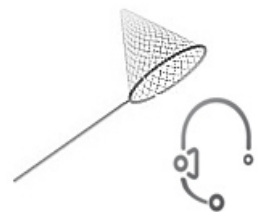
- Employee education on value of email program.
- Appropriate employee incentives (Quality vs volume).
- Intelligent system to ID bad data at point of collection.
- Personalize initial welcome/confirmation.

Resources:

Email Opt In Best Practices: <http://bit.ly/7efk0> and <http://bit.ly/URyFf> and <http://bit.ly/IGtqG> and <http://bit.ly/1aysEf>

Email capture tips from Papa John's Pizza: <http://bit.ly/S6Cvh> and Sierra Trading Post: <http://bit.ly/vgrx7>

Great customer service tips (not about email, but good): <http://bit.ly/hndo0>



Co-Registration - B2C

Description: Form of lead generation where consumer is given the option to submit information to one or multiple lists after an initial registration. Best practice is to have an active checkbox for every point of permission.

Industry Opportunity: B2C

Best Measures of Success:

- ROI (quality) and to a lesser extent volume (quantity)

Benchmarks:

Varies greatly from industry to industry. Cost per lead can range anywhere from 50 cents a lead for CPG coupons to \$100 a lead for niche segments like education, auto and mortgage.

Suggestions for Better Performance:

- Collect additional information that can be used to customize messaging but do so sparingly.
- Set expectations around what subscribers should expect.
- Offer signup incentives that are compelling but relevant to your business confirmation.

Source:

LG&E Roundtable member experience



Co-Registration - B2B

Description: Form of lead generation where business professional is given the option to submit information to one or multiple lists after an initial registration. Best practice is to have an active checkbox for every point of permission.

Industry Opportunity: B2B

Best Measures of Success:

- ROI (quality) and to a lesser extent volume (quantity)

Benchmarks:

Can be \$2.50 - \$100 a lead. B2B leads often include profile data (e.g.: title or purchasing power). Expect to pay more for every field added to the form. Longer forms lower conversion significantly.

Suggestions for Better Performance:

- Suggest business address only.
- Negotiate scrub against your existing list.
- Provide low bar for participation.

Source:

LG&E Roundtable member experience



Email Newsletter Ads / Online Banner Ads

Description: Online display ads for subscription signups in newsletters or website

Industry Opportunity: Companies that are using online banner ads in email newsletters

Best Measures of Success:

- Percentage of clickers that opt in into your email program

Benchmarks:

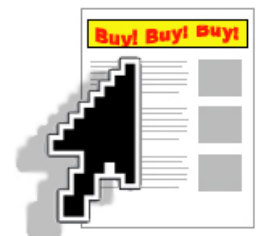
Publisher newsletters earn 0.55% - 2.0% click-through rate

Suggestions for Better Performance:

- Place ad near similar content.
- Size that is visible - within content placed inline with content.
- Ad unit that is easily read, can be seen without scrolling.

Source:

Rodman Publishing and other LG&E roundtable member experiences



Email List Rental

Description: Sending an email to a list that is owned by a 3rd Party. 3rd Party deploys email - you are NOT buying a list

Industry Opportunity: All

Best Measures of Success: Number of sign up that complete the registration process.

Benchmarks: For one publisher, 45% of initial clickers completed registration process. Click through rates range from 0.01% to 1% - variables are call to action, targeted data, recency of data

Suggestions for Better Performance:

- Vet all partners carefully.
- Use a call to action that matches the likely sales cycle position of prospects.
- Use simple call to action and offer, assume you have no brand recognition.
- Do ROI analysis to determine appropriate level of targeting.
- Check with legal counsel regarding CAN SPAM considerations.

Source: LG&E Roundable member experience



Lead Generation (Online)

Description: In the most general sense, acquiring a lead by getting a prospect to fill out an online form. Different forms of lead generation include co-registration and full page lead generation. Full page lead generation uses a full page form for each offer.

Industry Opportunity: All

Best Measures of Success: ROI(quality) and to a lesser extent volume(quantity). Most advertisers consider ROI to be the best measure of success

Benchmarks: Varies greatly from industry to industry. Cost per lead can range anywhere from 50 cents a lead to \$100 a lead for niche segments like education, auto and mortgage.

Suggestions for Better Performance:

- Ask clear clarification questions (Why do they want to hear from you).
- Fewer fields = better close rate. Only use fields that you plan on acting on.
- Consider balance of volume and depth of data.

Source: LG&E Roundable member experience



Direct (Postal) Mail

Description: Include email capture in a direct mail piece, or dedicate a postcard to capturing email address. Typically refers prospects to a landing page, rather than using a BRC.

Industry Opportunity: All

Best Measures of Success: One year lifetime value (LTV) and cost per response (CPR) methods based on the cost to acquire a new subscriber.

Benchmarks: For retailers, catalog or postcard conversion to sign up can be 5%-25%

For a stand alone postcard, one publisher saw a 22% capture rate for new email records

Suggestions for Better Performance:

- Test location on the piece as well as offer.
- Ensure the landing page creative matches the DM piece and offer.

Source: LG&E Roundable member experience



Viral - Forward to a Friend

Description: Initial email is sent to an opted-in subscriber. Subscriber forwards content to a friend. Friend has the ability to sign up for ongoing email from original sender

Industry Opportunity: Any industry. Provided that content in initial email isn't private, confidential or secure

Best Measures of Success: Forwarding activity: (Total Forwards/Total initial messages sent). To measure signups, (Total Opt-ins/Total Forwards)

Benchmarks:

- Rarely forwards are above 1%
- Subscriptions from forwarded messages can be as high as 85%

Suggestions for Better Performance:

- Do not incent forward, allow original subscriber with opportunity to include personal message, provide opt-in opportunity for recipient

Source: LG&E Roundtable member experience



Viral - Share with Social Network

Description: Encourage subscribers to share an offer/email subscription link with everyone in their various social networks. Can be automated to update the subscriber's status update with the offer/call to action.

Industry Opportunity: All

Best Measures of Success:

- Conversion from sign up form (use a dedicated landing page to track)
- New audiences (friends of fans)

Benchmarks:

- Some retailers see a share rate of up to 3%
- Conversions from social networks can be hard to track unless sign ups use a dedicated URL or offer code

Suggestions for Better Performance:

- Do not allow the sharing of personally identifiable information.
- Provide clear opportunity to opt-in from shared content track source (social network) and evangelist (initial sharer).

Source: LG&E Roundtable member experience



Social Networking Sites

Description: Use social networking services (e.g.: MySpace, Facebook, Twitter) to encourage email subscriptions. Typically done through a "fan" or "corporate" page.

Industry Opportunity: All

Best Measures of Success:

- Conversion from sign up form
- New audiences (friends of fans)

Benchmarks: Facebook Fan Pages: Starbucks, OMS, Victoria's Secret, Lands' End, Lenovo
Twitter: @SierraTP, @Starbucks, @RubberMaid

Suggestions for Better Performance: Be authentic in all things social marketing. Keep it to a very soft sell. Make the email program invite and benefit statement very clearly about the conversation. "Special offers" do not a conversation make.

Resources: Insider info on Facebook: <http://bit.ly/3NCop>

MySpace Advertiser Info: advertise.myspace.com

Twitter for Business: (from Chris Brogan) <http://bit.ly/f0j08>



Text Capture

Description: Signage encourages potential subscribers to Text in (SMS) their email address from their mobile phone to a specified short code. Upon submission, the new subscriber is then sent a confirmation email to the address specified

Industry Opportunity: Retail, political, live events (bands, concert promoters, sports teams)

Best Measures of Success:

- Most text-in permission are one time only and may not represent active email program permission.
- Text-in programs at retail or B2B events can be as high as 3-5%, but typically off a large base of attendees.

Suggestions for Better Performance:

- Provide Signage with short code for opt-in
- State benefits of email opt-in (value proposition)
- Provide incentive for opt-in
- Send triggered email to confirm subscription.
- Consider double opt-in

Source:

LG&E Roundable member experience



Viral - Coupon

Description: Tie email opt-in to coupons posted on coupon sharing or affiliate sites. Be sure to make it clear that downloading coupons will also opt-in for email promotions. For higher quality and more engaged subscribers, do couple the requests and ask for the opt-in in the email that shares the coupon link, rather than assuming long term subscription.

Industry Opportunity: Retailers - especially those whose coupons end up on coupon sharing sites

Best Measures of Success:

Number of opt-ins/number who were served the opt-in message. Coupon redemption rates

Suggestions for Better Performance:

- Set low threshold for the number of opens prior to showing sign-up message
- Provide same offer as coupon for sign up
- State that coupon is only available to registered email subscribers

Source:

LG&E Roundable member experience



Mobile Program Co-Reg with Email Program

Description: Opt in to mobile program from existing email programs

Industry Opportunity: Companies that are using complementary email and mobile customer communications

Best Measures of Success:

Number of people who completed registration and confirmed additional opt-in to mobile program

Benchmarks:

Speakers at Marketing Sherpa event claimed 60% of subscribers will opt-in to a mobile program from email and typically have a 3% or less opt-out rate. Other tests had results in the 20% sign up range.

Suggestions for Better Performance:

- Ensure the call to action is for information desired and appropriate for a mobile device.
- Try to avoid incentives in order to improve quality.

Source:

Email Summit 2009, MarketingSherpa



Email Append

Description: Send a file containing records from their customer database that are missing email addresses. Vendors will perform the match processing and send a Welcome Email to all appended email address. Companies will receive back a file containing the deliverable appended emails and a file of opt-outs.

Industry Opportunity: All, especially Retailers, Catalogers, Publisher, Non-Profit, Political Organizations, B2B Marketers, Automotive

Due to typical vendor minimums, companies should have at least 25,000 records that need updating

Best Measures of Success:

- Responsiveness of emails provided compared to the existing housefile.
- Match rates are also a common measure of success.

Benchmarks:

Typically, appended emails will perform at about 40-60% of the level of a true opt-in email address after 6 months.

Match rates range from 15-25% for Consumer files and 12-20% for B2B files.

Suggestions for Better Performance:

Ask the appender send out a email on your behalf inviting your customer to join your email list. By only adding email addresses where you have permission from the consumer, you will reduce ISP complaints and improve quality.

Source:

Walter Karl Interactive client experiences.

Resources:

Append vendors include:
www.wkinteractive.com
www.experian.com
www.axciom.com
www.freshaddress.com



Email Update / Email Change of Address

Description: Companies are able to send a file containing their invalid or bounced email addresses. The provider is able to update a portion of these records with a new email address. Vendors will perform the match processing and send a Welcome Back Email to all updated email address. Companies will receive back a file containing the deliverable updated emails and a file of opt-outs.

Industry Opportunity: All
Due to typical vendor minimums, companies should have at least 25,000 records that need updating

Best Measures of Success:

- Match rate
- Responsiveness of emails provided compared to the existing housefile.
- Update rates are also a common measure of success.

Benchmarks:

Typically, updated email addresses will perform at about 40-60% of the level of a true opt-in email address after 6 months.

Match rates range from 5-15% if the input file only contained email addresses. Update rates can range from 7-25% if the input file contains name, postal address and invalid email address for each record.

Suggestions for Better Performance:

Send an initial campaign to updated addresses inviting them to receive your email under their new address. Consumers may not want to receive your email at their "new" address so obtaining permission at the new address will ensure quality and a positive consumer experience with your program.

Source:

Walter Karl Interactive client experiences and experience with additional ECOA providers (Fresh Address).
LG&E Roundtable Member Experience

Resources:

Append vendors include:
www.wkinteractive.com
www.experian.com
www.axciom.com
www.freshaddress.com



This Benchmark Guide was produced in 2009 by the List Growth & Engagement Roundtable of the Email Experience Council of the Direct Marketing Association. Many thanks to our contributors: Nate Romance of Exact Target, co-chair; Arend Hendersen of Q Interactive, co-chair; Luke Glasner of Rodman Publishing; Kim Santos of Reader's Digest; Kristen Paxton of National Association of Realtors; Chris Kolben Schlag of Merkle Quris; Dan Babb of Walter Karl Interactive; Sally Lowery of Bronto Software and Stephanie Miller, Return Path. Special thanks to Bronto Software for the design services.