

Recession-Hit Retailers Still Ignoring Email Best Practices

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Annual benchmark study reveals UK retailers are neglecting simple measures that could quickly increase click-throughs and online sales

- 71% failing to personalise emails
- Over 50% fail to include any viral or forwarding element
- 32% don't meet necessary legal requirements
- Marks & Spencer and H.Samuel top Hitting the Mark 2009; Somerfield and H&M rank lowest

EMBARGOED UNTIL 1st April 2009 at 00:01, London: The dotMailer.co.uk annual benchmark study, Hitting the Mark, released today, reveals that some of the UK's leading retailers are continuing to overlook key email marketing techniques that could increase online traffic and sales, at a time when many are struggling with the onslaught of the recession. While the study recognises retailers such as Marks and Spencer and H.Samuel for using brand-enhancing design and compelling calls to action, others including Somerfield and H&M showed little signs of improvement on 2008, failing to use best practice techniques to engage with recipients.

The benchmark study, available to download at <http://www.dotmailer.co.uk/hittingthemark>, assessed emails sent from 41 UK retailers around 8th December 2008 - the festive season's busiest shopping day, named 'mega Monday' due to the £320m that was spent online alone. Each email was evaluated against 14 criteria based on dotMailer's Hitting the Mark matrix and the DMA's Email Best Practice Guidelines, with each retailer awarded a total score out of 100.

Marks and Spencer and H.Samuel jointly top the study for the first time with scores of 81, moving up from fourth and 15th positions respectively in 2008, closely followed by Ethical Superstore and Argos.

This year, Somerfield and H&M jointly replace Lidl at the bottom of the email marketing index with just 48 points, followed by Schuh and Tog24. Lidl continued to flounder in the bottom five with 58 points, moving up only four places. However, there is good news for 2008's lowest scoring retailer, Office. The shoe retailer boosted their score by 21 points this year to rank in eighth place with a score of 75. Last year's top placed company Topshop ranks joint fourth this year with 78 points.

Whilst some of the lowest scoring criteria from 2008 showed signs of improvement, such as including a valid unsubscribe link and using engaging subject lines, there were some notable areas where retailers failed to deliver this year. For example, 71% failed to use a personal greeting, something that has been shown to significantly increase open rates, and only 29% asked for relevant interests during sign up, in order to target emails more effectively.

Half the retailers also failed to include a forward to a friend link to encourage them to share the seasonal bargains with friends – a great way to increase the reach of any marketing communication and improve conversions. Only two retailers out of the 41 included social network links to help spread their messages virally.

Overall, the average score of 67 was down four points on 2008's average of 71, and only 14 retailers

managed to score 70 points or more this year.

Top Five Performers

1. M&S 81
1. H. Samuel 81
2. Ethical Superstore 80
3. Argos 78
3. John Lewis 78
3. Topshop 78

Worst Five Offenders

37. Lidl 58
38. Tog 24 53
39. Schuh 50
40. H&M 48
40. Somerfield 48

“Whilst the 2009 report shows improvements in certain areas, it’s evident that many of the retailers that we assessed have not taken steps to improve their email marketing campaigns,” said Tink Taylor, dotMailer’s Business Development Director and a member of the Direct Marketing Association’s Email Marketing Council. “Many of the best practice guidelines outlined in the report are very easy to implement and by making these simple changes and improvements, retailers can start seeing some incredibly positive results, very quickly.”

“In the current economic climate and with marketing budgets being tightened, companies can reap dividends by focusing on their email marketing strategies and execution. Email offers a highly cost-effective, trackable and accountable way of communicating with prospects and customers. Spending more time investing in email best practice will reward retailers both now and long after the recession is over.”

Using the information contained within the report, dotMailer’s Tink Taylor has issued five top email marketing tips for retailers striving to ride out the recession:

1. Include forward to a friend and ‘add to social networks’ links – 50% of retailers failed to include any kind of viral link in their email. Viral and word-of-mouth marketing can provide lucrative opportunities to spread marketing messages, drive traffic, collect contact data and increase revenue – at little or no cost to the marketer.
2. Personalise your greeting - Opening an email with a personalised greeting can significantly improve both open and click-through rates by engaging the recipient and helping to establish one-to-one communication. 70% of the emails we looked at failed to do this.
3. Check renderability before sending – 19% of recipients will delete an email unread if it fails to render (display) correctly. There is still more work to be done in this crucial area with only 20% of emails we studied rendering correctly in every type of email account.

4. Make sure your template has a good balance of text to images - as well as helping your campaign to pass spam filters, this ensures an email is readable when images are switched off by the email client – a simple step that can increase open rates by up to 40%!

5. Initiate some action – the key to the success of an email campaign is to help recipients answer these three questions: Who is it from? What's in it for me? and What shall I do next? Make sure you provide clear guidance on what you expect a recipient to do once they have read your email, for example click through to a product page, forward it to a friend, or contact your team. A third of retailers failed to provide a clear call to action.

dotMailer's benchmark report, Hitting the Mark 2009, offers step by step advice on how to run the very best email marketing campaign, with practical advice and real-world examples. The full report can be downloaded at no charge at <http://www.dotmailer.co.uk/hittingthemark> .
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Notes to Editors

Methodology

The 14 criteria in the report were used to evaluate the key factors that need to be addressed by any email marketing campaign to be effective across the four key areas that determine success: deliverability, renderability, open rates and response rates. A range of aspects were considered, including sign-up, unsubscribing, the HTML code used, effectiveness of the design and the subject line. dotMailer analysed a sample of one email from each retailer sent in December 2008. The emails were assessed using a matrix drawn up by dotMailer specialists alongside the DMA's Best Practice Guidelines. Each retailer was awarded a score out of 100.

About dotMailer.com

dotMailer.com is part of the dotDigital Group PLC – one of the UK's leading full-service digital marketing agencies.

An acclaimed and widely used Email Service Provider, dotMailer serves over 3,000 users and has 10 years experience of email and digital marketing.

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