



Email Marketing and Mobile Devices:

A survey of consumer habits and perceptions

An Acxiom Point of View

Email that Merges Data with Propensity Generates Higher ROI — and Enhanced Customer Engagement

Remember a few years ago when digital experts from Facebook on down were predicting email was on its last legs? We haven't heard that lately. Email is thriving primarily because companies are endorsing the channel in order to communicate successfully with their customers.

Our new survey, *Email Marketing and Mobile Devices: A Survey of Consumer Habits and Perceptions*, reflects the essential and growing role email plays in everyday lives. A whopping 73% of respondents said they preferred email to direct mail, text messages or a combination of channels.



Email continues to be, at its core, an engagement medium in which the marketer and the consumer can form a relationship. Many companies focus this relationship only on short-term price discounts.

However, case after case shows how marketing messages that merge data with propensity generate higher return on investment (ROI) and better customer engagement — as well as stronger customer reception of the messages marketers are delivering.

Why is this vital? The days of repeated discounts are coming to an end as ISPs and consumers alike focus on relationships based on relevance. Marketers must push themselves to rely more on a data-centric approach and to challenge their teams to do so as well.

Instead of discarding email for SMS text messages or social network postings, as so many had predicted, users are creating a rich fabric of digital communications. Each channel is a strand in that fabric and serves a specific purpose. However, email continues to be the essential thread that weaves all these channels together.

What the survey told us

You'll find a complete description of our survey methodology, database, demographics and research goals in an appendix at the end of this report. Below are a couple of points to consider as you review the survey findings:

- We targeted the opt-in survey to U.S. residents ages 25 to 45, living in urban or suburban areas.
- Data was collected via 1,006 interviews between April 16 and April 22, 2013.

This information assures you that our data is as current as possible and includes the perspectives of younger email users, who some say are growing less dependent on email for both personal and commercial uses.

Survey findings:

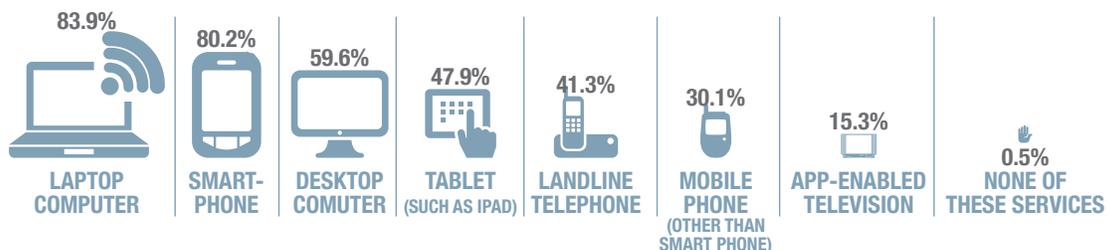
1. The world is growing more portable.

As the digital landscape changes, we are seeing a fundamental shift in usage and adoption of mobile technologies and associated behavior. These shifts in time, place and device indicate that consumers are not only increasing their dependence on mobile devices but are also continually looking for optimal ways to access their connections.

As you see in the chart below, more people in our survey own laptops (83.9%) and smartphones (80.2%) than desktops (59.6%). Tablet ownership (47.9%) is closing in fast on desktops. This portability allows readers to do their online business wherever they are – on a commuter train, on the sidelines at their kids' soccer games, while watching TV or even just walking down the street.

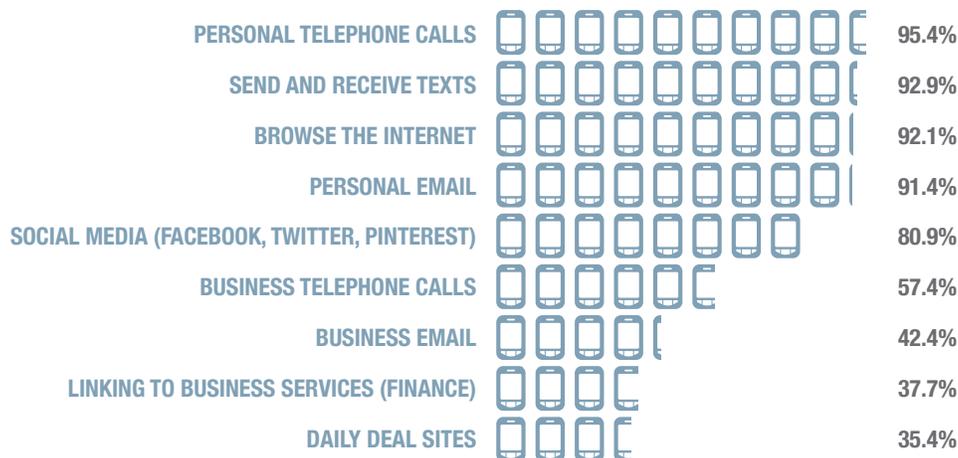
We are seeing a fundamental shift in usage and adoption of mobile technologies.

Q1. Which of the following devices do you own and use?



What are people doing on their smartphones? Amazingly, given all the functions that today's smartphones offer, making personal phone calls is still the No. 1 activity. Texting, internet browsing and checking personal email run neck and neck for second, third and fourth place, respectively, while business functions (work-related calls and email) are farther back in the pack.

Q2. Which of the following activities do you use your smartphone for?



Takeaway for marketers: This data doesn't necessarily mean email recipients are checking their inboxes more often (see numbers on that in another finding). But it does imply that people are multitasking on their devices, facing more distractions and experiencing less time to concentrate on the mass of messages that fill their inboxes daily.

It also means marketers must take mobile design and formatting seriously. Messages that look beautiful and function perfectly on a wide desktop screen don't always translate well on tiny screens and mobile operating systems.

Marketers must take mobile design and formatting seriously.

Bonus stat: 33% of iPhone users have tried the Passbook mobile wallet app.

They used Passbook mainly on services offered by early adopters in the mobile payments field: buying movie tickets (33%), redeeming coupons (25%), accessing payment/account info (19%) and displaying boarding passes (15.2%).

Marketers can jump on this cross-channel opportunity by using email to encourage customers to install and use Passport or similar wallet apps and to drive more email conversions by including an "Add to Passport" button in email offers.

This multi-channel option, although small compared to the entire universe of mobile devices, could also provide some interesting behavioral markers that show behavioral or attitudinal markers that might influence future segmentation.

2. Email attention is fragmented among multiple accounts and distracting activities.

Email users have learned to cope with the volume and complexity of personal email messages by creating multiple email accounts. In contrast, most business email users have just one account.

Here's how the numbers break down:

Personal email account use:

1. Two accounts: 38%
2. One account: 27%
3. Three accounts: 21%
4. Four accounts or more: 15%

Business email:

1. One account: 57%
2. Two accounts: 11%
3. Three accounts or more: 5%
4. No business account: 27%

Bonus stat: Nearly 49% have email accounts for messages they rarely intend to open. That most likely includes marketing messages from senders they don't trust or care much about.

What else is going on when email recipients are checking email? Most often, it's nothing; they're bored and need something to engage their attention (or they're in the bathroom — yes, we've all done it).

Q6. During what events during your day do you read email?



Bonus stat: 60% of readers who save email to read later never go back to it.

Takeaway for marketers: The challenges for personal (business-to-consumer or B2C) marketers and for business-to-business (B2B) marketers are somewhat different. But the findings do make it clear that all marketers must work harder to capture attention and convey the value of their email programs to encourage more opens, more careful reading and more conversions.

B2C: It's not enough anymore to bypass spam filters or junk folders. Consumer marketing emails have to reach the inbox to be seen. Most importantly, they have to show up in the primary, most trusted inbox.

B2B: Work emails must stand out in the inbox through accurate and informative inbox information.

- Stress the benefits recipients get from email over just signing up for messages
- Make the entire process from opt-in to opt-out as trustworthy as possible
- Be sure messages show the sender line recipients would expect to see (the company, newsletter or brand name, not “do-not-reply” or an unfamiliar personal name) and a compelling and accurate subject line
- Test adding sample creative and address what the consumer can expect from future emails

Use a strong, compelling call to action supported by enough essential information to encourage readers to act immediately rather than saving it for later. Although boredom inspires many to check email, they aren't necessarily in the mood to act.

Marketers must work harder to capture attention and convey the value of their email programs.

3. Value-focused and relevant email messages drive purchase decisions.

Email has more influence on purchase decisions than direct mail, SMS messaging or social media, with emails containing discounts or information about relevant products or services ranking highest for influence on purchase decisions among our recipients.

The table below shows the average influence ranking for each message type on a scale of 1 (no influence) to 7 (highest influence).

Media Type	Mean Rating
Emails that have discounts	4.9
Emails that have content about a product or service that I am interested in	4.4
Direct mail	4.0
Facebook posts from friend about products	3.6
Text messages from companies that I have opted in to	3.4
Facebook posts from companies	3.2
Brand names and subject line of emails I do open	3.0
Getting an email from a company but not opening it	2.9
Tweets	2.7

Takeaway for marketers: This ranking enforces our view that value and relevance must be paramount in your email communications, but it goes beyond just dropping a 20% discount into every email. Instead, your data can tell you which discounts to offer to different segments of your customer or subscriber base.

Relevance goes hand in hand with discounts for influencing purchase decisions. This means capturing information about your subscribers and incorporating it into your messages:

- Collect interest and preference information through surveys and behavior (browse and purchase) and use that data to segment your broadcast email database with different content, offers or even discounts based on that data.
- Integrate your email and ecommerce operations to create a series of targeted and triggered email communications, either to drive activity (e.g., flash sales based on browse or purchase behavior) or to build on actions (confirmations, product updates, upsells/cross-sells, etc.)
- Look to propensity models and cluster analysis to incorporate the influences of attitude in the communication streams
- Always encourage subscribers to update their preferences regularly (or placement)

Bonus stats: 54% of respondents have signed up for SMS marketing messages or notifications.

Although our findings show SMS ranks below email, direct mail and Facebook friend posts in perceived value, they also indicate the potential for text messaging as part of a cross-channel marketing strategy, especially for retailers and hospitality companies.

SMS subscribers favor national brands (31%) and restaurants and other local businesses (30%) over airlines/travel services (20%) and financial institutions (15%).

Relevance must be paramount in your email communications.

4. Social media interests and behavior often are aligned with email.

Although many pundits predicted social media would kill email, we've learned that email and social media must work together to boost the entire digital marketing plan.

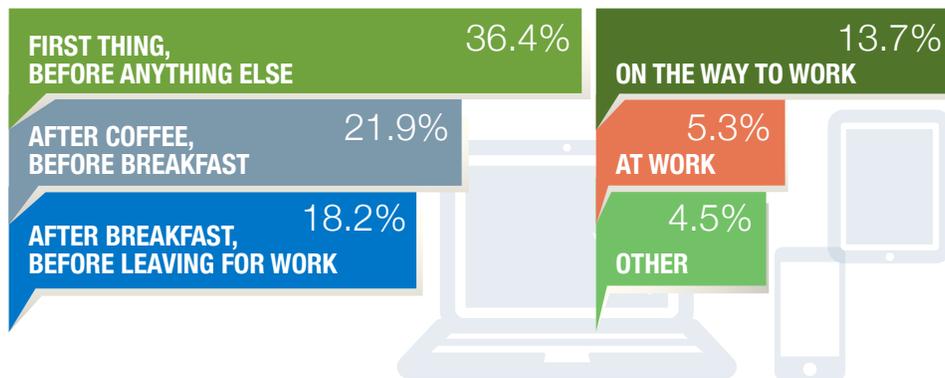
Facebook users told us they connect with companies for some of the same reasons people subscribe to email:

1. To receive deals and specials: (35%)
2. They love the brand (14%)
3. To resolve customer issues (8%)
4. For behind-the-scenes information (5%)

Bonus stats: 65% of Facebook users peek at their personal pages while at work, and nearly half check Facebook four to six times a day or more. However, 76% of respondents say that they check personal email at work. Just over 2 in 10 said they check it three to five times a day.

Checking for messages cross-channel is now a regular part of the digitally connected consumer's life. In fact, 36% of respondents said they check emails, text messages, social media and voice mail as soon as they wake up every day, while more than 75 percent check messages at least once before they head out the door to work.

Q14. How early do you check email, text messages, social media and voice mail *after* you wake up in the morning?



Takeaway for marketers: When integrating social media and email, leverage your Facebook footprint. You can showcase your email content in a Facebook post and sign up new subscribers using a dedicated tab on your brand's Facebook page.

Conversely, your email messages can promote your Facebook campaigns or conversations and recruit followers. Facebook and Twitter are the breaking-news pages for many marketers, while email, with its longer shelf life, can deliver essential follow-up information, instructions or details.

Time-of-day stats can be misleading for both social media posting and broadcast email distribution. Your emails might generate lots of opens early in the morning, but this doesn't mean people are ready to act.

Early morning might be the best time to send triggered notifications and alerts, such as payment reminders or shipping notices, when it's enough just to have people view the message. Send offers, confirmation requests and similar emails when your stats show people are more likely to act.

Early morning might be the best time to send triggered notifications and alerts.

5. Customers are actively involved in managing their email, from signing up for messages from companies they value and trust to opting out when annoyed or no longer interested.

More than 63% of our respondents have signed up to receive email or text messages from companies seeking their business. Discounts and deals remain the prime attraction, but more than 4 in 10 respondents are looking for information as well.

Q18. Which of the following is your most important reason for signing up to receive emails from companies seeking your business?

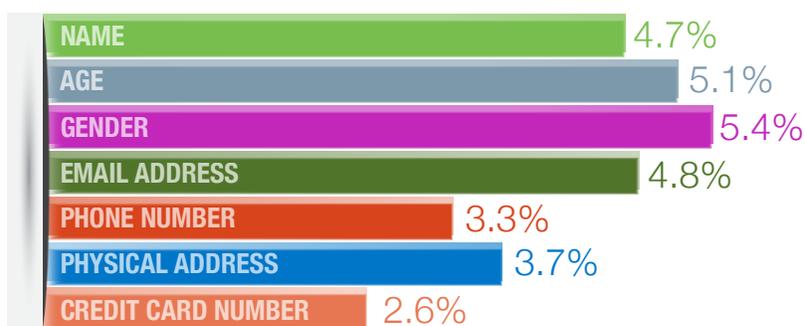


The number of promotional emails consumers receive each month varies widely. 23% of respondents report receiving just 1 to 2, and 33% report receiving 3 to 5 emails per month. 18% report receiving 6 to 10, 13% receive 11 to 20, and another 13% receive 21 or more. A slim majority (52%) report that they are receiving about the right amount of promotional email, while 43% say it is too much. Only 5% say it is not enough.

Privacy remains a hot-button issue. Even those who are poised to make an online purchase say they are not comfortable with revealing crucial information necessary to complete a purchase, such as a phone number, physical address or credit card number.

The chart below shows the comfort level respondents have in providing various elements of personal information to a company on a scale of 1 (extremely uncomfortable) to 7 (extremely comfortable).

Q21. How comfortable would you be in providing each of these elements of personal information to a company that has products or services you are considering purchasing?



Bonus stats: 70% of subscribers opt out when they lose interest in marketing messages. Another 14% will just delete the email each time, and 9% will hit the "Report Spam" button hoping to make the offending email go away.

Takeaway for marketers: They might not look like it, but these findings really are good news for marketers. Subscribers know what they want to receive when they sign up for email at the start of the email relationship. At the other end, a majority is using the proper process to opt out of a mailing list.

Still, marketers need to reach out to the 22% who either don't know how to unsubscribe properly or don't want to use it. A simply worded explanation accompanying the unsubscribe link might clear up some doubts, but a hassle-free process using auto-filled data fields and a minimum of clicks can also result in more successful unsubscribes.

More unsubscribes means less inactivity and fewer spam complaints, and those lead to better email deliverability.

However, a preference center offers a richer opportunity to head off inactivity or false spam reports and even to retain more subscribers by letting them custom design their subscriptions. Make it easy for them to reduce frequency, update email preferences or just change an email address without hassling with unsubbing and resubbing.

Most preference centers build on identifiable information, but as you've seen above, asking for some sensitive information can be a game-ender for some subscribers.

Test to determine how comfortable your customers are in providing phone numbers or addresses or in storing credit card numbers on your site. Stating your privacy and data security policies in simple terms — why you want the data and what you'll do with it at the point you seek it — could help relieve concerns.

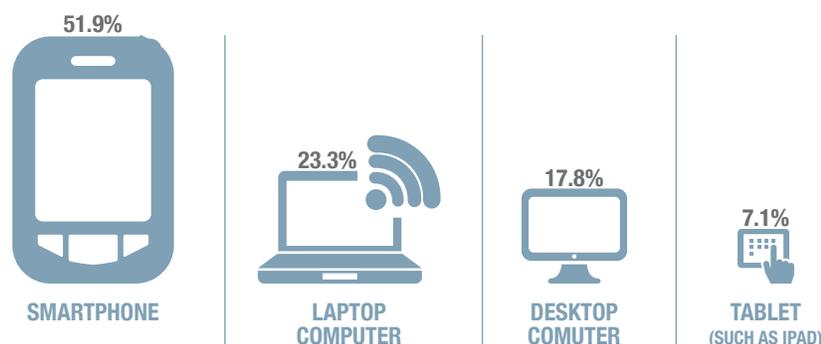
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6. The smartphone is the first-choice message checker for the mobile generation and has raised the bar on email design and performance.

The mobile revolution we've been anticipating for a decade is here. Your customers are reaching for their smartphones first to check email, and then booting up the laptop for a final checking before rushing out the door. Few of them are waiting until the big desktop computer boots up.

Of those who own a smartphone, nearly 94% own either an iPhone (50.2%) or an Android (43.4%). 8.7% of smartphone owners have a Blackberry, and 9.5% have some other type smartphone. (A few respondents own more than one type.)

Q15. What device do you use to first check your email and social media each day?



Subscribers also are getting finicky about mobile email. If a message doesn't look good on their small screens, 70% say they'll just delete it, while 23% will look at it again on a computer and 16% will unsubscribe. Only 9% will try to read the message on their smartphone.

Takeaway for marketers: The mobile email train is in the station now — it's no longer that far-off light at the end of the tunnel. Your email must look good and function correctly on smartphones. If it doesn't, only a fraction of your subscribers will try to decipher what you're trying to say.

Just a couple of years ago, the answer to the mobile dilemma was a stripped-down website and a basic text email. Today, most newer smartphones will render HTML email more or less as you intended it, but you must still make some design concessions to create a message that will render correctly on the widest range of screens and operating systems.

Some marketers have adopted a “mobile first” position, in which the email design is optimized for both desktop and mobile viewing, while others have moved to responsive design, which detects the viewing device and automatically serves up the best design format for it.

Talk with your email designer to see which approach to take first, and test it frequently before committing.

Your email must look good and function correctly on smartphones.

Conclusion

Email remains the preferred communication link with your customers and has become the backbone of a well-planned marketing program that encompasses social media, text messaging, even direct mail.

To remain welcome guests in the inbox, however, marketers must deliver on promises of value and relevance and accommodate generational shifts to mobile viewing, which affects everything from email content and design to viewing habits and engagement.

The right technology and data insights can help marketers not just meet these challenges but exceed them and prosper from them as well.

Appendix

Study methodology

Acxiom developed the questionnaire for this survey with assistance from Flagship Research. The survey was administered to a national panel of individuals who had opted in to a database of survey participants. About 65,000 invitations to participate were sent to panel members who met qualifications for age, gender and geographic region.

The survey was targeted to people 25 to 45 who live in urban or suburban areas. Quotas were set for males and females within each of the East, Midwest and West regions of the United States, creating six quota cells. We completed a minimum of 167 interviews in each cell, for a total of 1,006 cases.

Interviewing was conducted between April 16 and April 22, 2013. Tabulations were completed on April 23.

Research objectives

The objectives of this project were to develop knowledge about the following areas of email marketing and its interface with mobile devices:

- Introduction – *General use of smartphones enabled for email*
- Email Usage – *The mechanics of handling incoming email marketing*
- Purchase Behavior – *The influence of different factors on purchase behavior*
- Social Media Use – *Incorporating social media in the email marketing mix*
- Email Relationship with Companies – *Reasons for subscribing, reactions to promotional email*
- Email on Mobile Devices – *How email marketing is treated when viewed on a mobile device*

Demographics

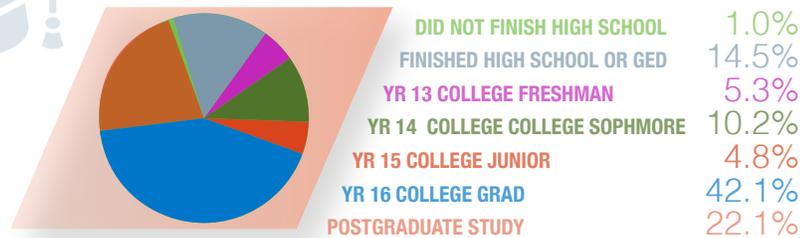
About 62% of participants were between 25 and 34, and 38% were 35 to 45. Almost 37% report living in an urban area, and 63% live in a suburban area. Respondents were asked about their employment status, education level, ethnicity and household income. 47% of respondents report having children living at home. The charts below show the breakdown for each of these variables.



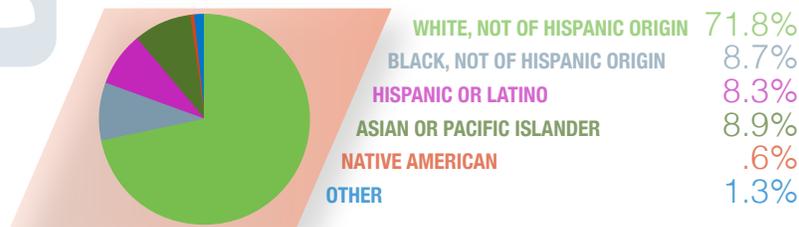
Which of the following best describes your current employment status?



What was the last grade of school you completed?



Which of the following best describes your ethnic or racial background?



What is your total household income?



About Acxiom

Acxiom is an enterprise data, analytics and software as a service company that uniquely fuses trust, experience and scale to fuel data-driven results. For more than 40 years, Acxiom has been an innovator in harnessing the most important sources and uses of data to strengthen connections between people, businesses and their partners. Utilizing a channel and media neutral approach, we leverage cutting-edge, data-oriented products and services to maximize customer value. Every week, Acxiom powers more than a trillion transactions that enable better living for people and better results for our more than 7,000 global clients.

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