Experian® Data Quality

Ensure holiday emails reach the inbox

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As any consumer can attest, retailers send a significantly increased volume of emails to clients with special offers and promotions during the holiday season. In fact, according to Experian Marketing Services, email volume surged 13 percent higher in the 2013 holiday season compared to the 2012 holiday season. That increase in email volume led to a 9 percent rise in the number of total transactions from email marketing campaigns and an 18.4 percent increase in overall revenue.

It's obvious that email is the critical communication channel for the holiday season. And with increased pressure to perform, retailers look to increase their volume of communications and the size of their database. But, improper database management, especially around inactive subscribers, can leave retailers vulnerable to deliverability issues.

Sending to inaccurate or inactive email addresses can have serious impacts on your email sender reputation. This can affect your ability to effectively communicate with customers and prospects.
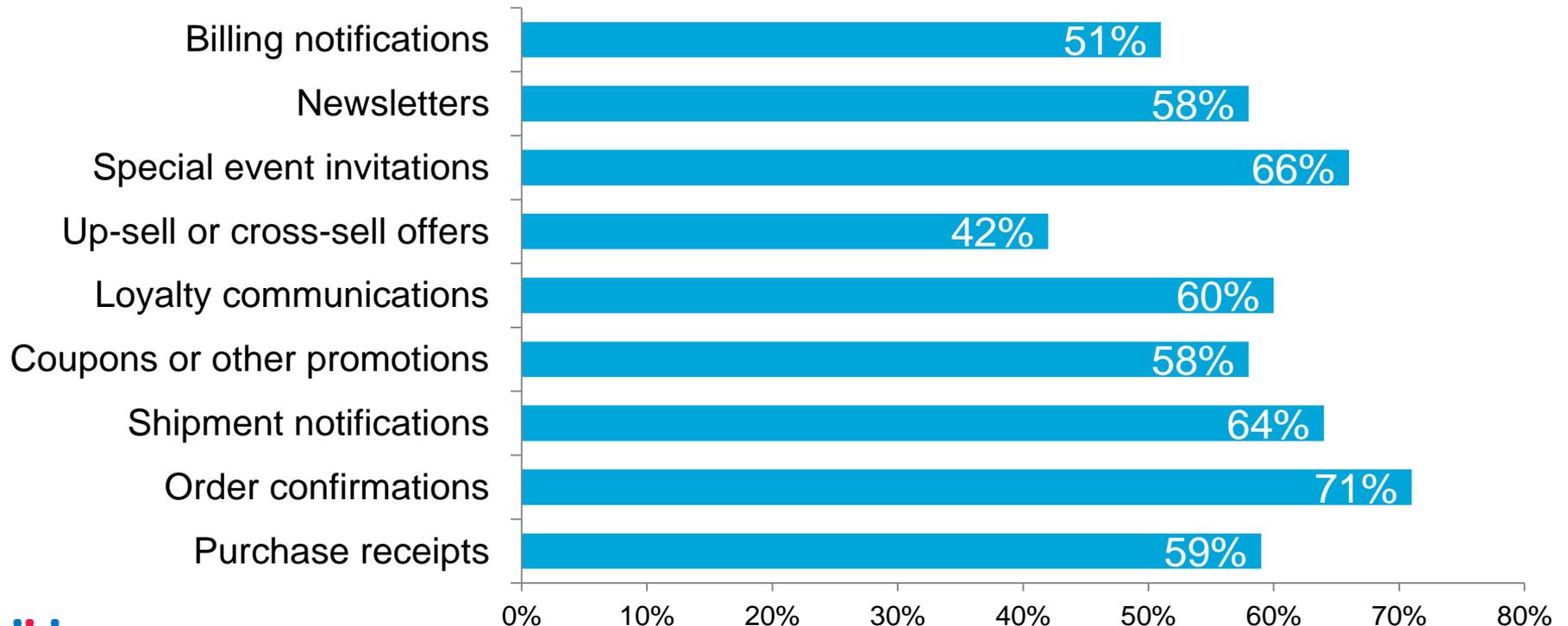
This eBook reviews new research on the prevalence of the email channel and deliverability issues while providing tips for improving holiday database maintenance and email collection practices to ensure that those carefully crafted holiday offers reach the inbox.

Prevalence of email

According to the recent study, the top three go-to-market channels for companies are email, company website and physical location. To support the email channel, 97 percent of companies acquire customer email addresses from a variety of sources. The top channels for collecting email addresses are the company website, point of sale and events. 49 percent of companies collect email addresses through the call center and another 41 percent collect them through mobile devices.

The volume of emails sent is quite high for many organizations. Half of companies send over 1 million emails annually and 18 percent of companies send over 10 million emails annually. These emails generate a large amount of marketing revenue, but also support a host of operations.

Communications sent through email

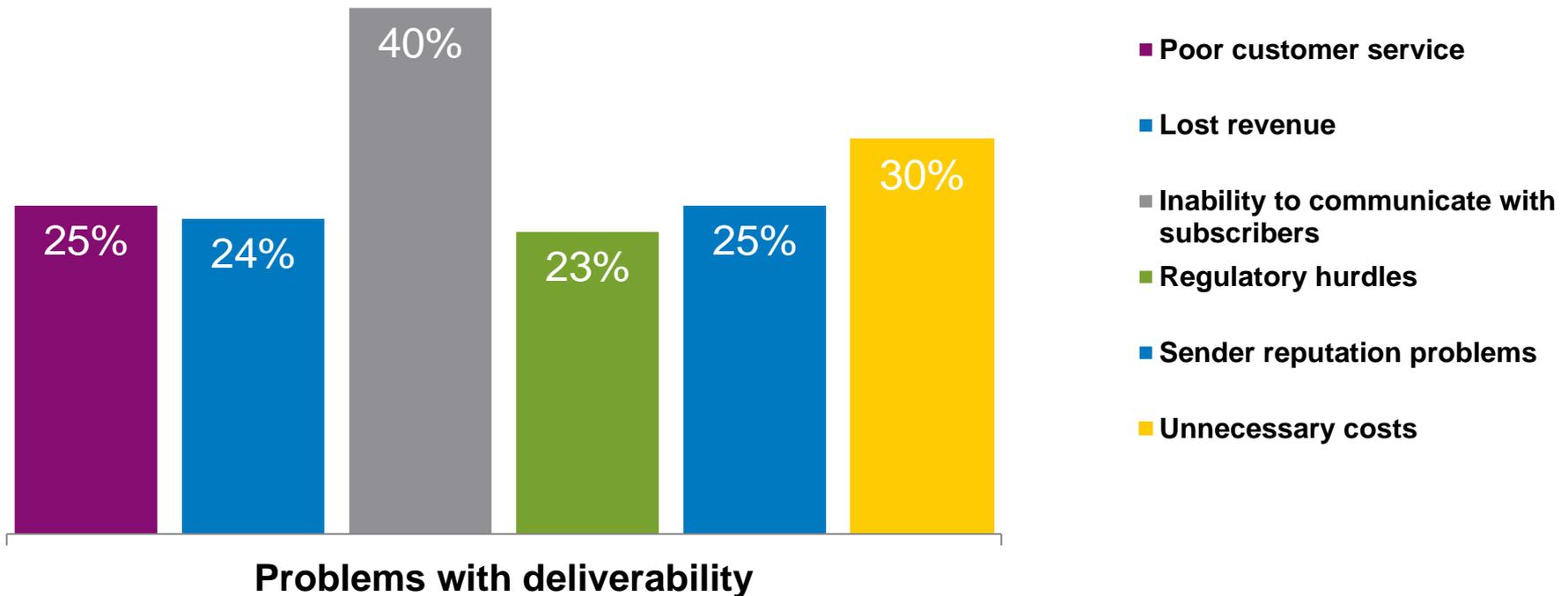| Category	Percentage
Billing notifications	51%
Newsletters	58%
Special event invitations	66%
Up-sell or cross-sell offers	42%
Loyalty communications	60%
Coupons or other promotions	58%
Shipment notifications	64%
Order confirmations	71%
Purchase receipts	59%

Email deliverability issues

Email deliverability problems refer to any issues that stop the email from reaching the intended recipient. This can relate to anything from a technical issue to a bad email or a poor sender reputation. Issues with email deliverability have resulted in an inability to communicate with subscribers, poor customer service and lost revenue.

In fact, 61 percent of organizations in the past year have experienced events that could damage their sender reputation. Organizations continue to expand their online communication strategy, but in doing so, often neglect the impact of inaccurate data, specifically related to their email sender reputation.

Chart: Problems with deliverability

- 25% — Poor customer service
- 24% — Lost revenue
- 40% — Inability to communicate with subscribers
- 23% — Regulatory hurdles
- 25% — Sender reputation problems
- 30% — Unnecessary costs

Problems with deliverability

Legend:
- Poor customer service
- Lost revenue
- Inability to communicate with subscribers
- Regulatory hurdles
- Sender reputation problems
- Unnecessary costs

Top factors impacting sender reputation

A majority of email deliverability issues result from poor sender reputation. Internet Service Providers (ISPs) all calculate sender reputation differently, which is why addressing all the underlying factors is so important. However, many organizations are facing these issues and seeing their deliverability suffer as a result.

The top factors impacting sender reputation are:

- Use of email authentication
- Volume of email sent
- Complaint and hard bounce rates
- Spam trap hits and blacklists
- Content of email campaigns
- Consumer engagement (inactive subscribers)

Customer engagement

Use of email authentication

Volume of email sent

Complaint and hard bounce rates

Spam trap hits and blacklists
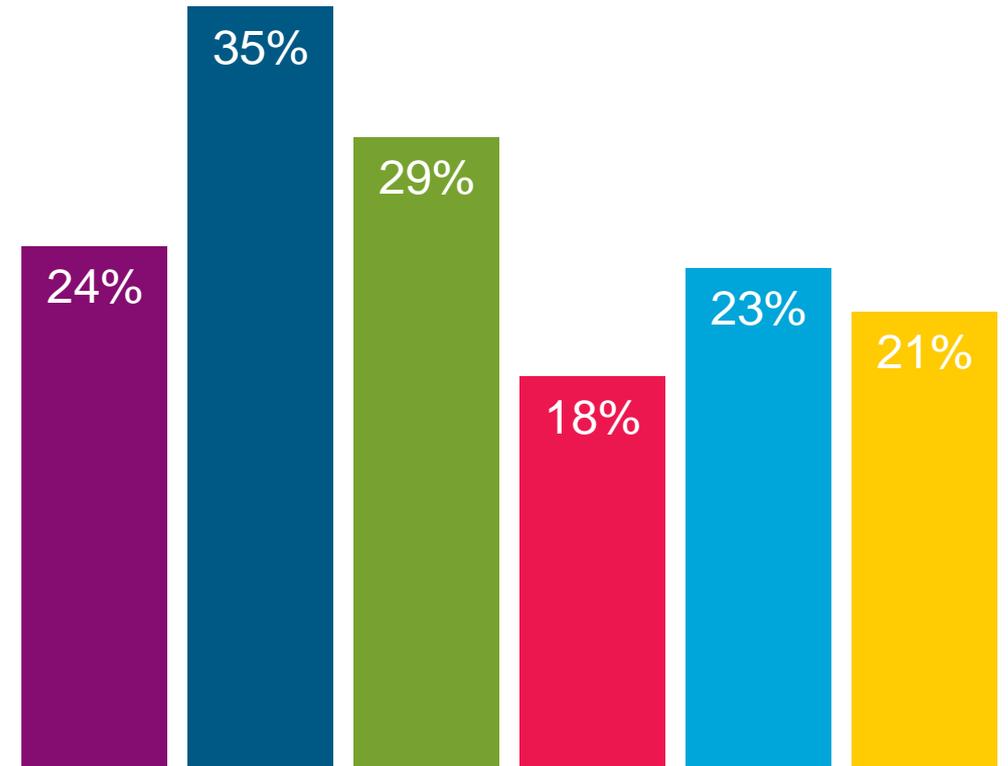
Content of email campaigns

Increased volume leads to vulnerability

As volume picks up during the holiday season, so does the risk of deliverability issues. This increased volume can exacerbate any problems that may exist with the email database.

Within an email database, there are many different types of emails, including inactives, unsubscribes and outdated email addresses. Some of these emails, which should not be mailed to on a regular basis, may be included in holiday campaigns.

In fact, the amount of poor data is very high. On average, U.S. organizations believe a quarter of their data is inaccurate. This is reflected in the challenges organizations have faced in the last 12 months, including spam trap hits, blacklisting and trouble reaching the inbox.

Deliverability events

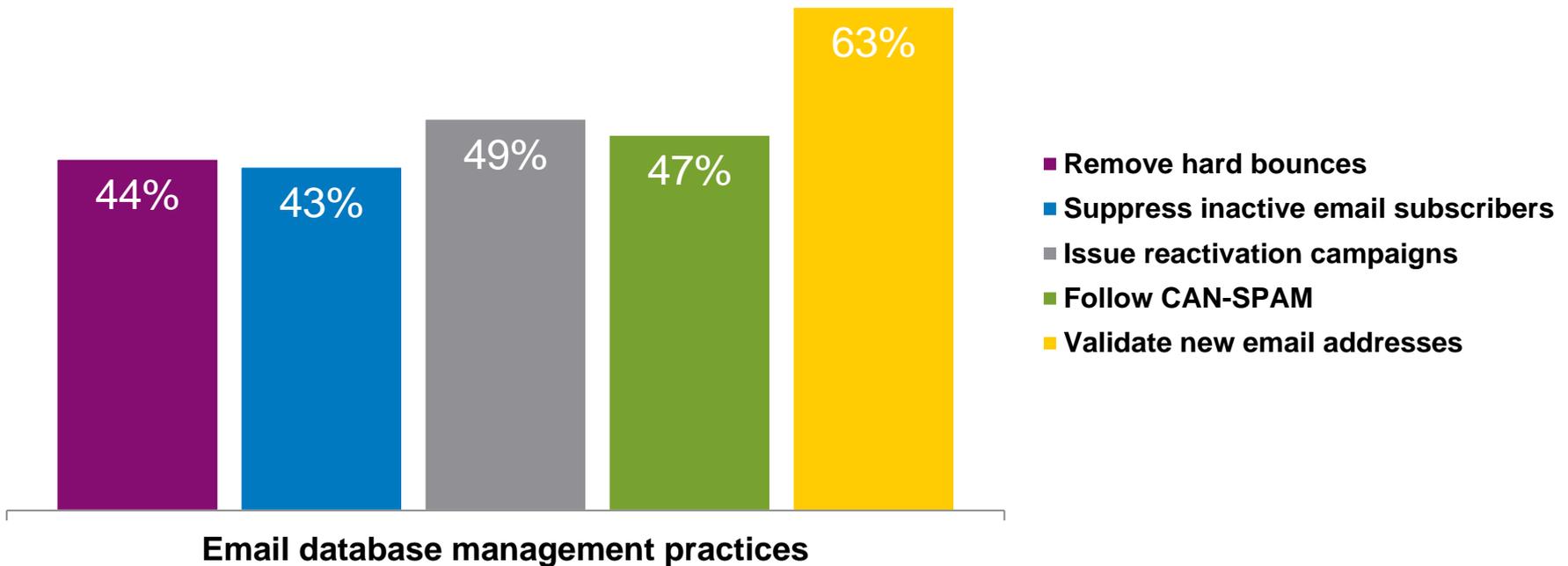| Category	Value
High bounce rates	24%
Spam trap hits	35%
Trouble reaching the inbox	29%
Blacklisting	18%
Low deliverability rate	23%
Complaints	21%

Legend:
- High bounce rates
- Spam trap hits
- Trouble reaching the inbox
- Blacklisting
- Low deliverability rate
- Complaints

Manage your database before the holiday

According to the recent study, companies are taking steps to manage their email database. Currently, 88 percent of organizations manage their email database in some way. The top method of managing an email database is to validate new email addresses. In addition, 49 percent of companies use reactivation campaigns to encourage inactive subscribers to take action again. However, there are many management techniques that marketers ignore or fail to execute flawlessly on that could have a big impact on the health of their email database.

There are a number of quick improvements that can be made prior to the holiday season to ensure the email communication channel stays open. Much of this relates to managing certain types of emails within a database. Marketers should be sure to review opt-out requests, bad emails and inactive subscribers prior to the start of holiday campaigns.

Email database management practices

Legend:
- Remove hard bounces — 44%
- Suppress inactive email subscribers — 43%
- Issue reactivation campaigns — 49%
- Follow CAN-SPAM — 47%
- Validate new email addresses — 63%

Manage your database before the holiday

Opt-out requests

One method of email database maintenance is removing individuals who have unsubscribed from email campaigns. While most marketers have this within their email service provider's system, not all unsubscribe individuals right away. According to the recent survey, only 47 percent of individuals surveyed follow CAN-SPAM requirements for unsubscribes.

Without following this basic best practice, organizations are left open to unnecessary complaints and negative user interaction. Prior to the holiday season, be sure anyone who has requested to be unsubscribed from campaigns is removed and automate the process throughout the holiday season.
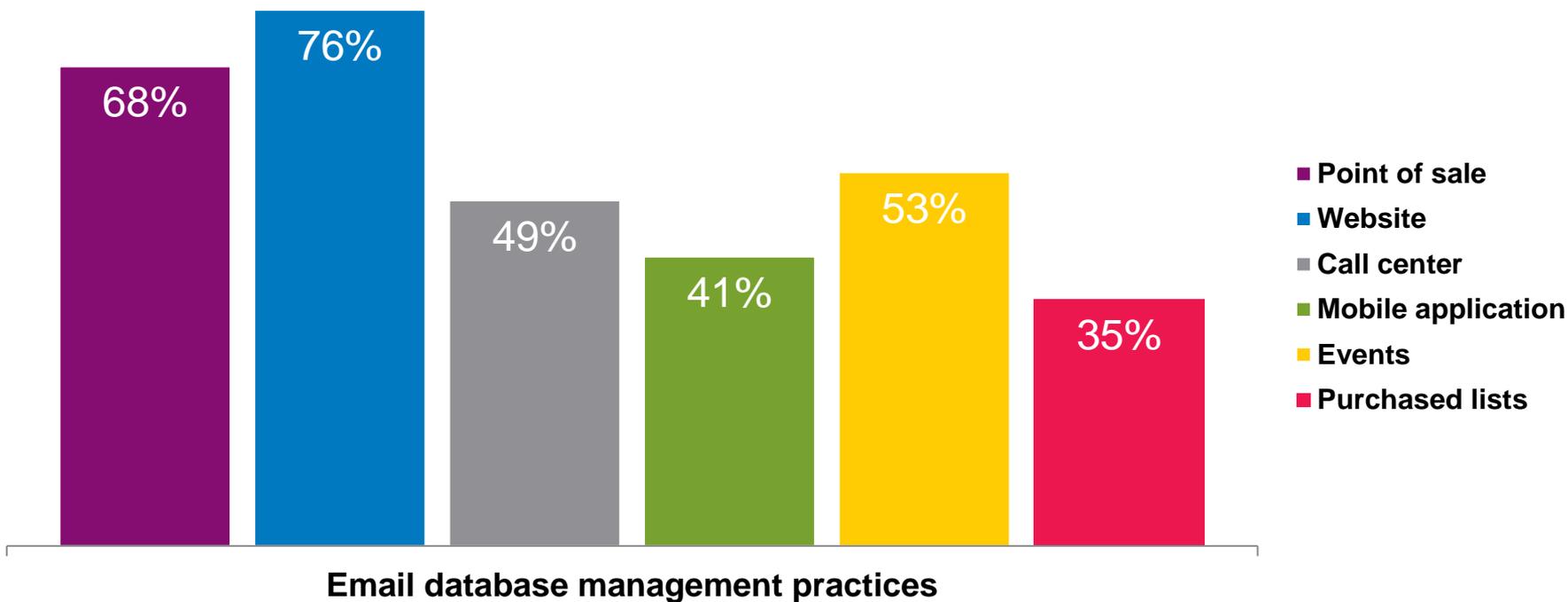

Only **47%** of individuals surveyed follow CAN-SPAM requirements for unsubscribe

Manage your database before the holiday

Bad emails

Bad emails are those that bounce, have syntax errors or are loader exceptions into an email service provider's platform. These bad emails are collected across a wide variety of channels through poor acquisition practices. Bad emails will not be delivered and should not be mailed. Currently, only 44 percent of respondents remove hard bounces from their email list.

Be sure to remove any email that hard bounces from your mailing list. Utilize email validation to periodically review bad emails. Any corrected addresses should enter a reactivation campaign.

Point of sale 68%
Website 76%
Call center 49%
Mobile application 41%
Events 53%
Purchased lists 35%

Email database management practices

Manage your database before the holiday

Inactive subscribers

The simplest definition of an inactive subscriber is someone who no longer reads your email, but hasn't yet taken action to stop receiving it. Compared to other channels, sending email is relatively inexpensive, so there is little incentive to remove inactive subscribers beyond solving for deliverability challenges.

Marketers need to avoid unnecessarily removing active subscribers. If you aren't experiencing deliverability challenges, then you should never throw away a perfectly deliverable email address.

If you are experiencing deliverability challenges related to low engagement, then the goal should be to cut only as many addresses as necessary.
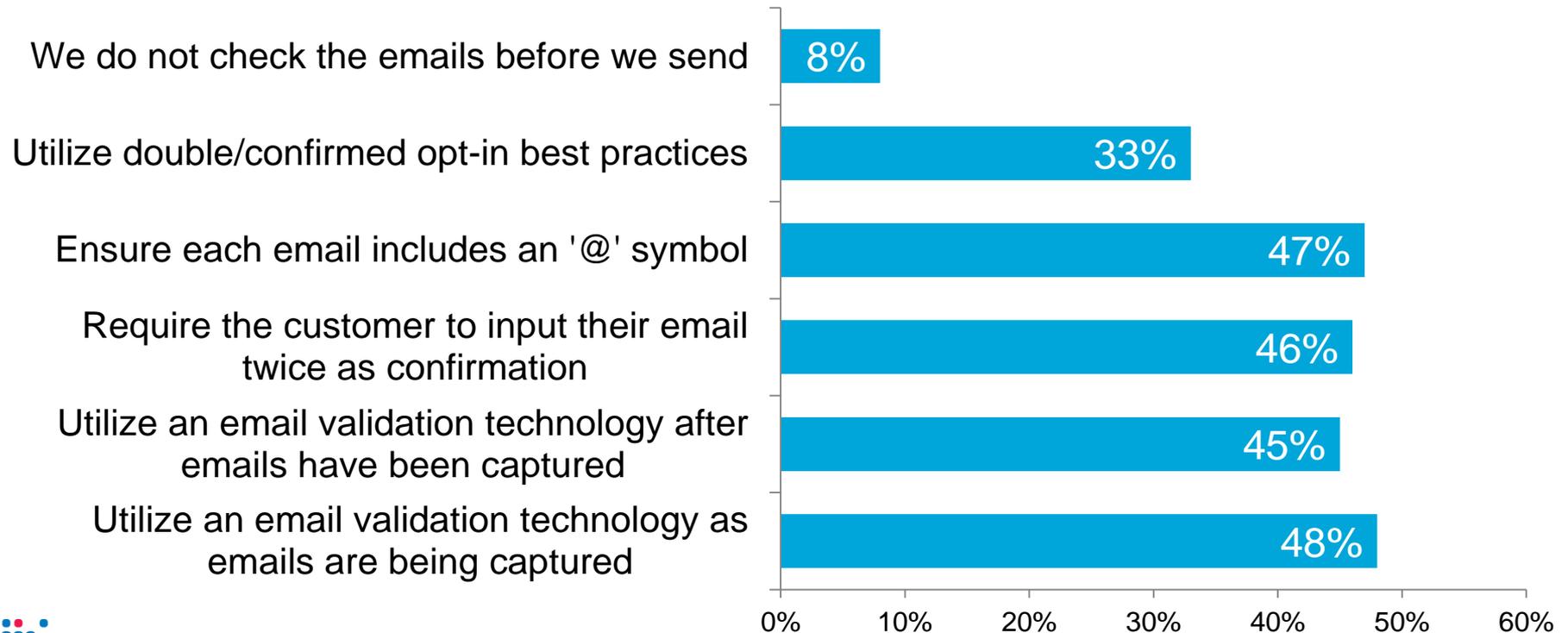
43% of organizations suppress inactive email subscribers from campaigns

Collecting new emails

The majority of organizations attempt to prevent invalid emails from entering their database. 85 percent of survey respondents stated that they work to prevent invalids from being added and 68 percent use some form of technology to do so.

Organizations should look to validate all new and existing email addresses. Email addresses are checked instantly, while the customer is engaged. If the email is invalid, associates can confirm the email with the customer and gain a correction. However, there are many companies who prefer to validate email addresses on a regular basis, perhaps nightly or before a bulk send. This uses the same process discussed in step one, but allows organizations to flag and remove poor emails before sending a given message.

Preventing invalid email addresses

| Category	Percentage
We do not check the emails before we send	8%
Utilize double/confirmed opt-in best practices	33%
Ensure each email includes an '@' symbol	47%
Require the customer to input their email twice as confirmation	46%
Utilize an email validation technology after emails have been captured	45%
Utilize an email validation technology as emails are being captured	48%

Methodology

In March 2014, Experian Data Quality commissioned a research study to look at current approaches to data quality. This report, 'Ensure holiday emails reach the inbox,' reviews top deliverability challenges and how they affect the holiday season.

400 respondents in the U.S. took part in the research, produced by GMI for Experian Data Quality. Individuals in marketing, data management, customer service, IT, sales, finance, management and operations departments who had knowledge of data management practices took part in the survey. Small to large enterprise businesses from a variety of industry sectors, including manufacturing, automotive, retail, financial services and travel responded to the survey.
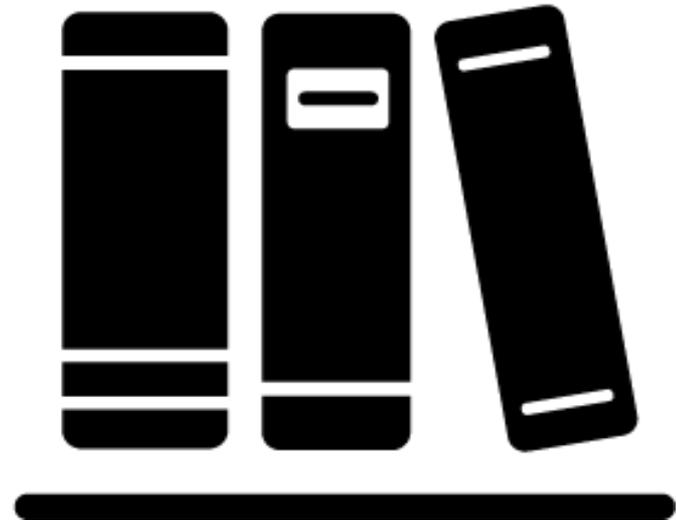
About Experian Data Quality

Experian Data Quality is a global leader in providing data quality software and services to organizations of all sizes. We help our clients to proactively manage the quality of their data through world-class validation, matching, enrichment and profiling capabilities. With flexible software-as-a-service and on-premise deployment models, Experian Data Quality software allows organizations around the world to truly connect with their customers by delivering intelligent interactions, every time.

Established in 1990 with offices throughout the United States, Europe and Asia Pacific, Experian Data Quality has more than 13,500 clients worldwide in retail, finance, education, insurance, government, healthcare and other sectors.

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