The welcome email report:

Benchmark data and analysis for engaging new
subscribers through email marketing

Experian℠

Marketing Services

An Experian white paper

Introduction

Whether it is an automated text-based opt-in confirmation or a branded welcome message, the first email that a new subscriber receives from your company sets the stage for developing a stronger customer relationship through your email program. The key components of a welcome program are proper representation of your brand promise and the setting of overall expectations for your business's future email communications with its subscribers.

The ability to deliver a well-designed welcome email, or welcome email series, to new subscribers in a timely manner is a key competitive advantage that savvy marketers use to drive results. These programs allow marketers to engage with their prospective customers when their propensities to open, click and transact in emails are at peak levels.

To gauge the impact of welcome messages and determine optimal best practices surrounding them, the Experian CheetahMail Strategic Services Group analyzed the performance and content details of welcome emails in comparison to mass promotions deployed by the same businesses from May 2009 to April 2010. The analysis clearly shows that a welcome campaign is an essential component of a sophisticated email program.
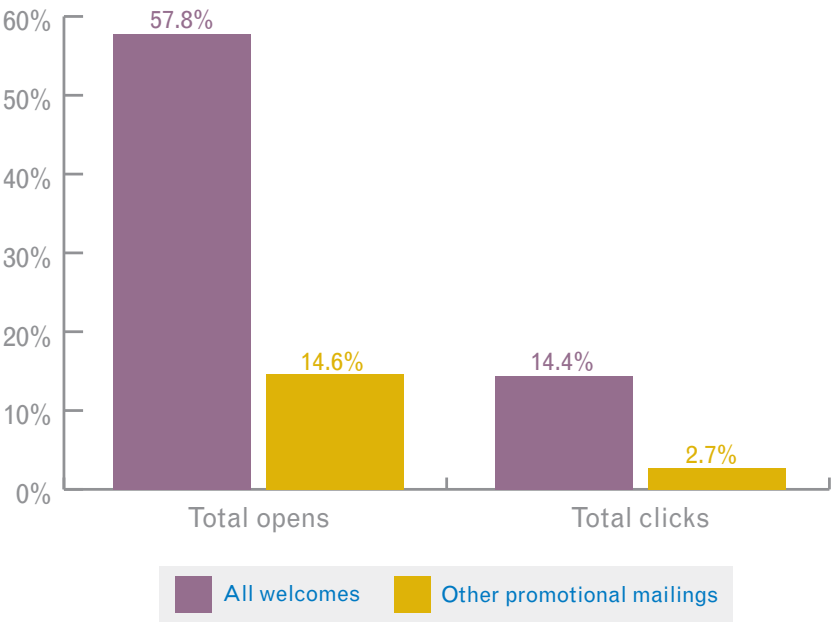
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Welcome email benchmarks
Open and click rates

There is no doubt that welcome emails provide value. Experian CheetahMail's analysis indicates that welcome emails generate four times the total open rates and five times the click rates compared to other bulk promotions. These messages typically have a clear, branded "from" address and include the word "welcome" in the subject line.

In fact, targeted life-cycle messaging outperforms aggregated industry benchmarks overall. The numbers implore marketers to increase the levels of segmentation they use to target their messages and to include life-cycle messaging, such as a welcome email series, in their programs.
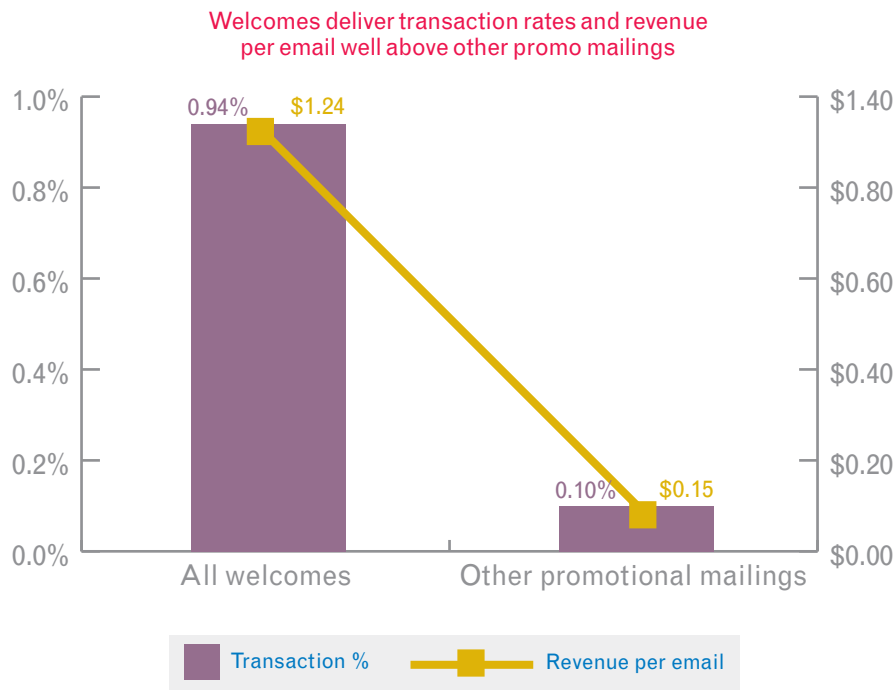
Welcomes enjoy high open and click rates

	Total opens	Total clicks
All welcomes	57.8%	14.4%
Other promotional mailings	14.6%	2.7%

Legend: All welcomes, Other promotional mailings

Transactions and revenue per email

High revenue-per-email results and strong transaction rates demonstrate the significant monetary value that welcome messages can add to any email program. Welcome emails have transaction rates that are nine times higher than bulk mailings. Additionally, revenue per email soars well above bulk rates, with an average that is eight times higher.
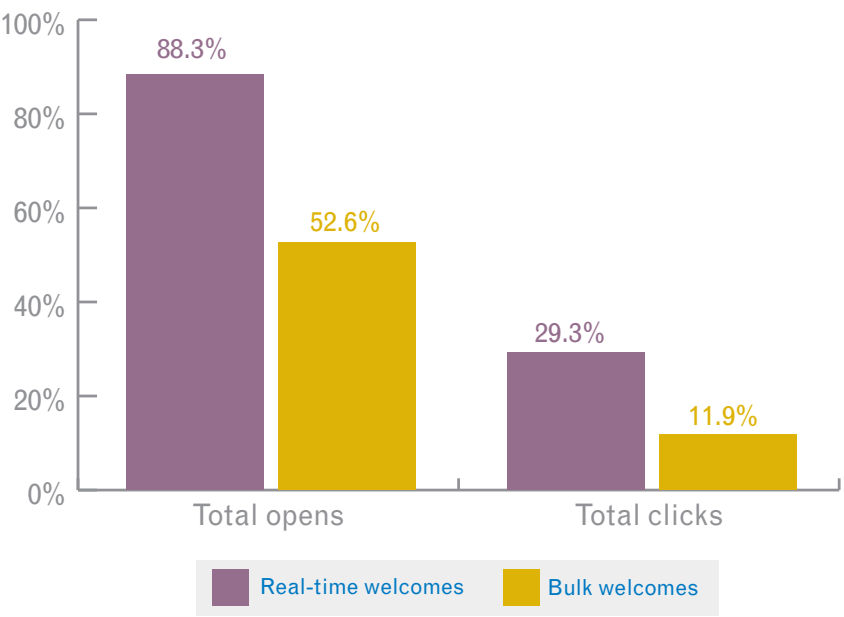
Welcomes deliver transaction rates and revenue per email well above other promo mailings

	Transaction %	Revenue per email
All welcomes	0.94%	$1.24
Other promotional mailings	0.10%	$0.15

Transaction %   Revenue per email

# The welcome email report

Timing and frequency

The welcome campaigns in this study were sent either in real time as triggered emails, deployed through Experian CheetahMail's Event-Based Mailer Technology, or as batch (daily, weekly, monthly) recurrent campaigns. With multiple sources of subscribers, many of the businesses analyzed sent real-time welcome emails as well as bulk welcome campaigns. As illustrated in the graphs below, real-time welcome emails have significantly higher open, click and transaction rates than bulk welcomes.

Real time welcomes have significantly higher open and click rates

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Exceptionally high transaction rates and revenue per email are generated by Real-time welcomes

	Transaction %	Revenue per email
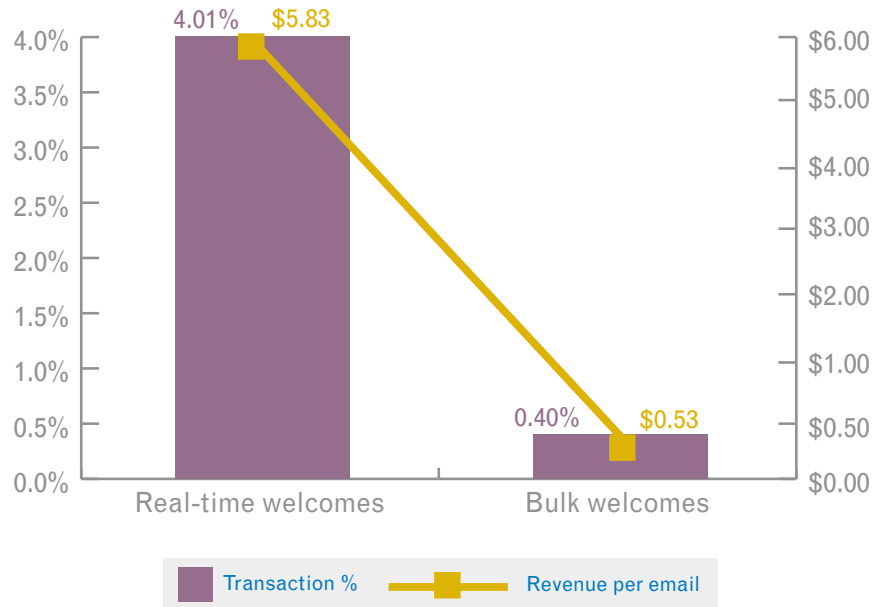
Daily mailings outperformed weekly and monthly mailings
in total opens, transaction rates and revenue per email, but monthly
mailings had higher click rates.

Frequency of bulk welcomes	Total opens	Total clicks	Trasaction percentage	Revenue per email
Daily	53.08%	14.55%	0.50%	$0.68
Weekly	48.16%	9.08%	0.27%	$0.34
Monthly	46.05%	17.05%	0.21%	$0.43

Welcome campaigns can be triggered by the initial registration of an email subscriber or as a result of a customer's first purchase. Both types of programs are successful. Higher click rates are seen on campaigns to initial subscribers, perhaps as they are learning more about the offers and products (total click rates of 15.1 percent for email sign-ups, versus 11 percent for first purchase). Post-purchase welcome email recipients are slightly more likely to repeat a purchase, as they had 10 percent higher transaction rates than email sign-ups (transaction rates of 0.51 percent for post-purchase versus 0.47 percent for email sign-ups).
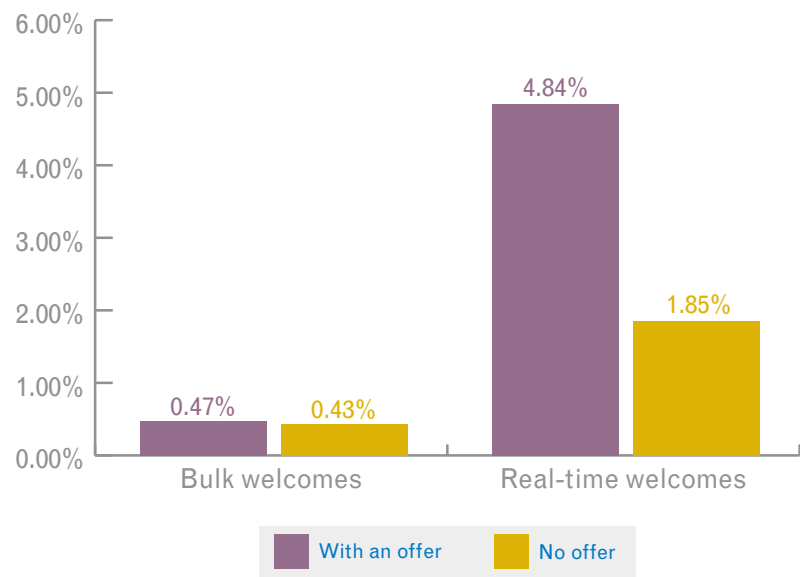
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Customizing your welcome email campaigns

The welcome email, or series, is the opportune time to include specific calls to action that will benefit the overall email program long-term. The higher propensity for new subscribers to interact with welcome emails means that marketers can manage subscriber expectations and develop relationships via email.
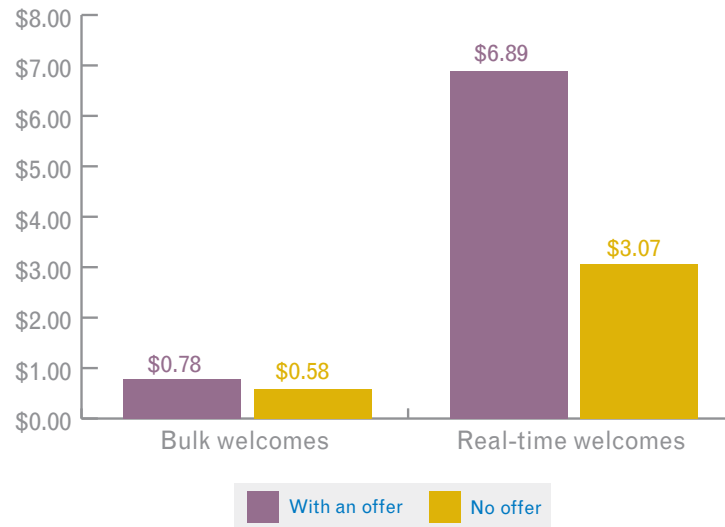
Including an offer

Both real-time and bulk welcome emails with offers tend to have higher transaction rates and revenue per email than those without. In particular, real-time welcomes with offers have more than double the transaction rates and revenue per mail compared to real-time welcomes with no offers. Bulk welcomes with offers show a more modest 9 percent lift in transaction rates and a 30 percent lift in revenue per email compared to bulk welcomes with no offer.

### Including an offer boosts transaction rates

Revenue per email is higher when an offer is included

$8.00

$7.00 ── $6.89

$6.00

$5.00

$4.00

$3.00 ── $3.07

$2.00

$1.00 ── $0.78 ── $0.58

$0.00

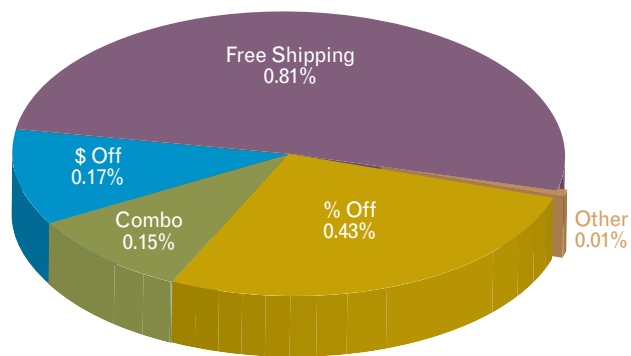Bulk welcomes — Real-time welcomes

With an offer — No offer

Welcome emails with free shipping offers have the highest transaction rates for both real-time and bulk campaigns. Other than free shipping, "15% off" had the highest revenue per email for both real-time and bulk welcome emails.

Real time welcome transaction rates by offer type

Combo 1.76%

% Off 2.28%

Sweepstake 1.39%

Other 3.95%

Gift 0.66%
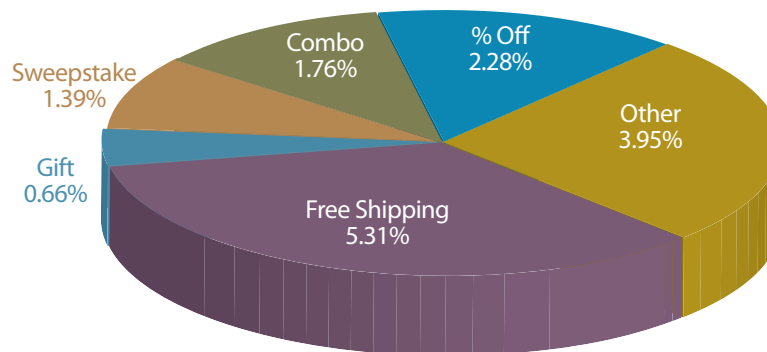
Free Shipping 5.31%

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Bulk welcome transaction rates by offer type

Free Shipping
0.81%

$ Off
0.17%

Combo
0.15%

% Off
0.43%

Other
0.01%

Elizabeth Arden
prominently displays
a free shipping offer
in its welcome email.

Coupons also work well for both real-time and bulk welcome emails, with double the transaction rates of noncoupon campaigns (transaction rates are an average of 1.9 percent with a coupon versus 0.99 percent without).

Pep Boys drives store traffic by using a 10 percent off welcome coupon.

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Linking to social media

Encouraging subscribers to be brand ambassadors by linking to other social sites can garner noticeable lifts in campaign performance. In Experian CheetahMail's analysis, welcome emails with links to social media had 6 percent higher click rates than welcomes without those links.
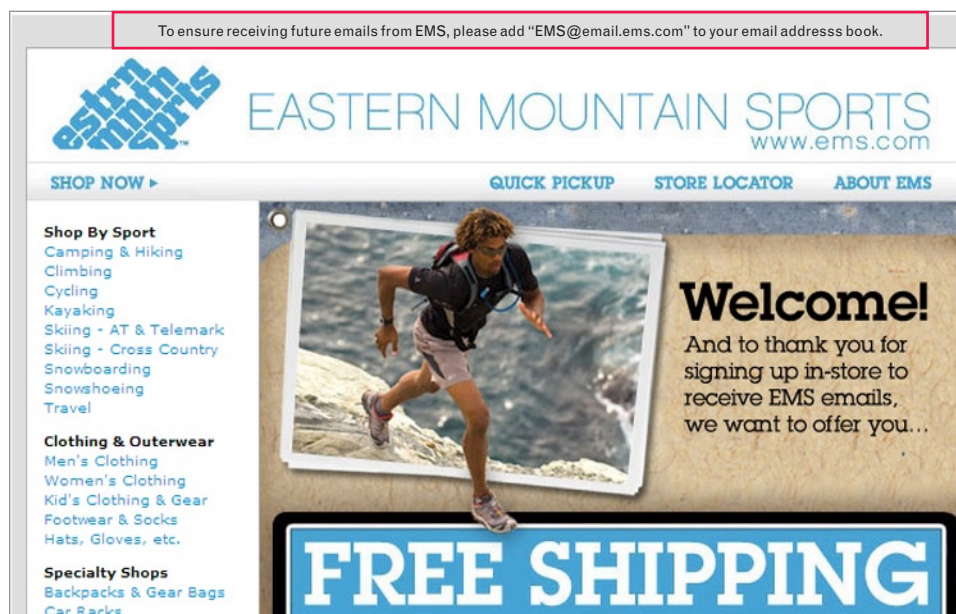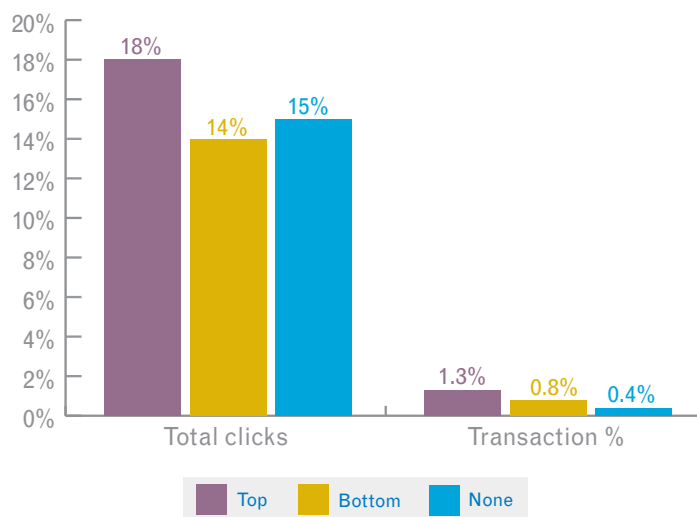
Including whitelisting instructions

Welcome emails with whitelisting instructions — the lines of text in an email suggesting that recipients add the sender's "from" address to their list of accepted senders — placed at the top of the email have higher click and transaction rates than welcomes with whitelisting at the bottom of the email or no whitelisting at all.

Place your whitelisting instructions at the top of the email

Legend: Top (purple), Bottom (gold), None (blue)

Chart values:
- Total clicks: Top 18%, Bottom 14%, None 15%
- Transaction %: Top 1.3%, Bottom 0.8%, None 0.4%

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Women's Clothing
Kid's Clothing & Gear
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Backpacks & Gear Bags
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Welcome!
And to thank you for signing up in-store to receive EMS emails, we want to offer you...

FREE SHIPPING

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Welcome email best practices

Expand your welcome program with a welcome series

In addition to the timing of the initial welcome, it is important to consider a welcome series designed to capitalize on the elevated subscriber engagement at the time of sign-up. A welcome series is used to educate new subscribers about your brands, set expectations for the frequency and type of offers they will be receiving, introduce a loyalty program, highlight Website features, and provide information on product categories and store events.

In this study, the second, third and fourth mailings in a series outperformed the promotional mailings sent during the same time period. Welcome series had 40 percent higher click rates, three times the transaction rates and four times the revenue per email of the promotional mailings.

Give a formal introduction

Include your brand name in the "from" address, and be sure to "welcome" your subscribers in your subject lines. Also include whitelisting instructions so that the subscribers can add the "from" address to their list of accepted senders.

Mention the acquisition source

Make your connection to the subscriber clear by dynamically mentioning the source of acquisition, particularly if there is a delay between sign-up and the first email. Reconfirming that the subscriber provided his or her email address and naming the acquisition source will build trust with your brand.

Real-time welcomes shine

If you are not currently deploying a real-time version of your welcome message, you should consider adding it to your program based on the exceptionally high performance Experian CheetahMail's data showed for real-time campaigns.

Ask for their preferences

Remember to add a link to your preference center. There is a higher tendency for new subscribers to respond. This tactic also acts as a reminder to subscribers that they can opt out if they did not realize they were signing up — something especially important for companies using implicit opt-in (automatic sign-up during purchase online).

Gain insight on their interests

Use category navigation links or images and other clever calls to action from which you can infer subscriber interests. Leverage the click-through data for segmentation and targeting from the start of the subscriber relationship with your email program to increase engagement and relevancy.

Optimize offers to increase response

Consider including an offer in your welcome campaigns to maximize transaction rates and revenue per email. If your company uses implicit opt-in, test the return on investment on new buyers who recently provided their email addresses. For subscribers with no previous purchase, test which offers work best for your brand.

Recognize past purchasers

Include dynamic messaging to recognize existing customers who are new to your email program. Using any data you have to drive any communication, even the initial welcome, can make an immense positive impact on the customer relationship.

Methodology

Data in this report was collected by Experian CheetahMail, based on the email campaign performance of 65 clients across all industries with welcome email programs from May 2009 through April 2010. More than 17,000 welcome emails were compared to the bulk campaigns by client for the same time period.

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