

Email Acquisition and Opt-in Best Practices

Richard Rushing, June 2009

Overview

One of a marketing organization's most valuable assets is a healthy email list. Proper management and use of this list is critical and can drive very strong ROI for marketers. But, the acquisition of interested, mailable subscribers can often be a challenge. With customers wanting more control over their inbox, and message overload presenting an ongoing challenge, marketers must be more diligent than ever in developing their lists and ensuring that they only acquire high quality leads.

Fortunately, there are a number of strategies and tactics available for acquiring email addresses. The greatest challenge for marketers is not acquiring email addresses, but rather, responsible use of these acquisition tactics, complying with legal requirements, and respecting subscriber preferences, in order to maximize list growth through every customer touchpoint.

This white paper examines three critical areas related to email acquisition:

- Email acquisition tactics, including pros, cons and best practices for each method
- Web site opt-in best practices to maximize completion
- Levels of permission for mailing email subscribers

This whitepaper will inform marketers about methods to attract and retain a loyal, profitable base of subscribers while also meeting customer needs and expectations.

Email Acquisition Tactics

There are numerous ways for email marketers to acquire email addresses and each method has its own benefits and drawbacks. The tables below detail the various methods which are most widely used by marketers today. They are organized into two groups, based on levels of observed effectiveness, but it should be stated that marketers should consider techniques which best align with their desired email acquisition goals. Even methods which are generally viewed as low return, such as list rental, may be worth testing, as each marketer and brand is different.

Marketers should define the value of an acquisition tactic not just from the absolute number of subscriptions generated, but also through metrics which validate the quality of the subscriber, such as: complaint and unsubscribe rates; open, click and response rates; and lifetime value. In order to accurately assess the true value of each method, it's imperative that acquisition source be captured and maintained within the subscriber database.

Recommended / Most Effective Email Acquisition Tactics

METHOD	PROS	CONS	BEST PRACTICES	ADDITIONAL THOUGHTS
Web site Signup (e.g. online registration, preference center)	<ul style="list-style-type: none"> Highest quality subscriptions (best response and lowest bounce and complaint rates) Visitors to the site are more receptive to receive emails, as they have some level of affinity Preference centers allow greater degrees of control for visitors and customers Registration allows the marketer to collect robust information, such as demographic and psychographic 	<ul style="list-style-type: none"> Lengthy registration paths can reduce subscription rate Many who sign up will expect special offers on a regular basis, so context and expectations should be set 	<ul style="list-style-type: none"> Include a prominent email subscription module on all Web site pages, with the home page being the most important placement Include brief value statement, email sample and privacy policy links in the email subscription modules Collect some personal data, including gender and brand/style preference Do not require a full registration in order to maximize list size Keep forms short, simple and clear Create and launch a triggered welcome series 	Site registration is the most common and effective means of acquisition for marketers. Most email subscriptions come from your Web site, and they tend to have the best performance, especially from those who join as a part of the order process.
Point of Sale – Online	<ul style="list-style-type: none"> Higher affinity level due to purchase mindset Email address is a necessary part of most online transactions Customer usually has to confirm their email address, reducing bounces 	<ul style="list-style-type: none"> Smaller percentage of overall customers who transact (versus those who are interested in hearing more/receiving email) 	<ul style="list-style-type: none"> Include a prominent email subscription option during the order process (separate from email collection) Use check boxes (unchecked initially) to collect interest in marketing emails Confirm the subscription via email 	The order process is a natural place to collect email subscriptions, but be clear with the customer and show their subscription options (and allow them to positively opt-in), rather than taking an opt-out mindset. Permission from the customer is still critical. Leaving check boxes pre-checked, though not a recommended best practice, can help build volume quickly, though this negatively impacts list quality.
Point of Sale – Store	<ul style="list-style-type: none"> Higher affinity level due to purchase mindset Convenience 	<ul style="list-style-type: none"> Data entry can be challenge if done manually by the CSR/Sales Person Can slow down the line/increase time at register 	<ul style="list-style-type: none"> Always include an email message on the receipt (e.g. "Sign up for offers via email at www.url.com/email") Use a buck slip/tear-off to collect email, so that the customer has more control over their details and legibility improves 	Most retailers use some form of POS email collection. Trying different methods should be tested. Store operational factors can significantly impact email collection. It's important that associates give a brief explanation of the benefits of the email program.
Direct mail	<ul style="list-style-type: none"> "Stickiness" of piece aids recall, especially for catalogs Can use space to convey the benefit of subscribing Reach of DM pieces allows for many touchpoints 	<ul style="list-style-type: none"> Possible disconnect between channels ...the customer must remember to go to the Web to subscribe High channel cost if a stand-alone piece supporting email acquisition 	<ul style="list-style-type: none"> At the very least, include an easy to remember URL (e.g. url.com/email) for email subscription in all DM pieces Ideally, include some copy supporting the benefits of the email program 	The recommended approach for DM support of email acquisition is to embed those acquisition efforts into existing DM pieces, rather than creating pieces specifically for email acquisition, due to the costs involved. An exception would be for very high value customers, who may justify higher DM spend.

Other Email Acquisition Tactics

METHOD	PROS	CONS	BEST PRACTICES	ADDITIONAL THOUGHTS
Search Engine Marketing	<ul style="list-style-type: none"> Opportunity with paid search to redirect to an email acquisition landing page 	<ul style="list-style-type: none"> Most searchers are focused on information gathering or purchase intent, not email subscription 	<ul style="list-style-type: none"> Focus on the information searched for, but include a prominent email subscription module on all Web site pages 	It may be worth testing a more email acquisition-focused paid search landing page, but this method is usually not a good performer for direct email acquisition
Banner Ads	<ul style="list-style-type: none"> High visibility on various targeted sites 	<ul style="list-style-type: none"> Cost associated with placements makes them better candidates for response goals rather than email subscription Hard message to convey: "Click here to go sign up for email" 	<ul style="list-style-type: none"> Include a prominent email subscription module on all site pages, including the transactional path for response campaigns 	Test a secondary message on the banner in support of email, but expected response rate would likely be low
Co-registration	<ul style="list-style-type: none"> Customers who are presented with co-reg options are usually in a conversion or registration funnel and have a greater chance of being in a subscription mindset May generate high subscription volume 	<ul style="list-style-type: none"> Clutter associated with numerous subscription options being presented Generally poor response from co-reg, as customers forget they opted in or show low interest 	<ul style="list-style-type: none"> Try to be near the top of the list of options Make sure co-reg partners are relevant to your audience Monitor performance by email subscription source 	Co-registration may help build your list quickly, but may negatively impact your list quality and performance. Co-reg subscribers may have a greater propensity to bounce, complain, unsubscribe and underperform. Their performance needs to be closely monitored.
Product registration / warranty cards	<ul style="list-style-type: none"> Can be certain these are customers Customers are willing to give more complete contact and personal data on these cards than on a regular email subscription page online Can track value of customer based on price, brand, style, etc. 	<ul style="list-style-type: none"> Low completion/return percentages (depending on brand) Customers are focused on warranty registration, rather than subscribing for email Possible data entry considerations when the card is received 	<ul style="list-style-type: none"> Include the value of subscribing to email on the card 	Product registration cards tend to have limited success in driving email subscriptions, but an email opt-in message should be included on them, as they are already a sunk cost for most.
Customer Service center	<ul style="list-style-type: none"> Customers are highly receptive during customer service calls Service rep can directly ask for email and can use a script 	<ul style="list-style-type: none"> Service rep must enter email, easy for errors to occur 	<ul style="list-style-type: none"> Only collect email on "positive" calls (i.e. customer is happy or just has questions, not a complaint) Be sure rep reads back email address Require double entry by rep 	The Customer Service center can be an effective driver of email subscriptions, since it offers more human, direct way of asking for the email address. A script should be prepared and followed. There should ideally be two scripts: one for order path and one for other interactions, since the approach for asking for the subscription is slightly different.

METHOD	PROS	CONS	BEST PRACTICES	ADDITIONAL THOUGHTS
Viral marketing	<ul style="list-style-type: none"> Brand advocates forward their email or use FTAF functionality to forward an email FTAF is easy to implement in emails 	<ul style="list-style-type: none"> Limited scope/low usage Direct forwards (from the inbox) cannot be tracked 	<ul style="list-style-type: none"> Most retailers' emails should include a Forward to a Friend link, as it is an easy way to control and send the content onwards FTAF pages should collect: First and Last name of referrer, email and First Name of friend, and space for a brief personal message Forwarded emails should have a brief intro at the top to give the context for why the email was sent, followed by the personal message 	<p>Viral marketing allows a brand advocate to send on an email or Web page to a friend/colleague. Generally, however, the number of people doing this is low. Inclusion of FTAF in email should be standard, as it is fairly easy to implement. But realistically, viral methods will only slightly increase list size.</p>
Email append	<ul style="list-style-type: none"> Matches email addresses to current customer physical addresses, giving more messaging options 	<ul style="list-style-type: none"> Match rates vary significantly May match an old email address Tends to be high cost Not everyone wants email (thus the reason they may not have an email on file already) Low acceptance rates from users when sent a confirmation email 	<ul style="list-style-type: none"> Test with high value customers first Send an email asking the recipient if they want to opt-in to receive email (do not use an opt-out approach) If opt-in is accepted, send a triggered welcome stream, as if the customer were a new subscriber 	<p>Email append sounds very good, logical, and simple, but in reality it is difficult to do effectively and the audience quickly narrows down. Challenges include low match, delivery and response rates. A thoughtful approach may be successful, however, especially if best or most recent customers are appended first. Testing should be conducted, however. An alternate method is to use DM pieces to support email acquisition.</p>
Third party / List rental	<ul style="list-style-type: none"> Broad reach Robust targeting capabilities (depending on source) 	<ul style="list-style-type: none"> Channel is better suited to response-driven campaigns than pure email acquisition High cost, low return for pure email acquisition Increased targeting results in higher pricing Data may be old Poor list performance on an ongoing basis Opaque reporting from suppliers 	<ul style="list-style-type: none"> Monitor performance by email subscription source Include dual opt-outs in the third party email (one for the third party list, and one for the marketer) 	<p>For most marketers, list rental performance is poor, or highly variable. While this method may be worth testing, in general, it generates poor results for the price paid. An average CPM is anywhere from \$150 to \$250, depending on level of targeting desired.</p>
Sweepstakes	<ul style="list-style-type: none"> Can quickly add subscribers/build list size High incidence of forwarding and viral activity 	<ul style="list-style-type: none"> High cost and usually low return Performance of subscribers through this method usually starts low and stays low Higher propensity for bounces and complaints 	<ul style="list-style-type: none"> Monitor performance by email subscription source 	<p>Sweepstakes can quickly build subscriber lists, but that growth is usually overshadowed by the poor performance of those acquired through this method. If sweepstakes are used, it is imperative that subscribers' performance be monitored at the subscription method level over the long term.</p>

Web Site Opt-in Best Practices

The biggest source of email addresses is usually Web site visitors, and so an efficient, easy-to-use Web site opt-in experience is critical. The opt-in process should ideally consist of two parts:

- An opt-in module on each page promoting email subscription and collecting basic information
- An opt-in preferences page which is longer, collects more information, and finalizes the opt-in process.

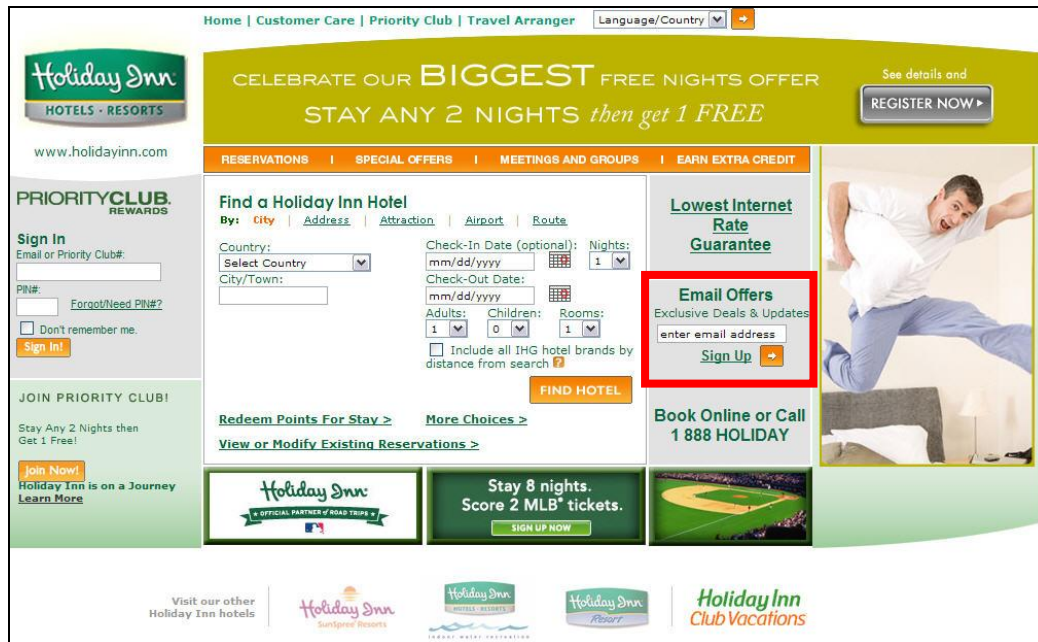
Opt-in Module

Most users are familiar with the ubiquitous email sign-up module, which should be in a prominent location on each and every page of the site. It is critical that this short form be an effective, well-designed, and integrated piece of a marketer's overall email acquisition efforts. The goals of this module are to draw attention to the ability to sign up, give a brief description of the value of signing up, collect some basic information, and then direct the user to a longer form which finalizes the subscription. Ideally, the opt-in module starts the subscription process, with a dedicated, longer form on a following page completing the process. In many cases, marketers miss the opportunity to gather more information from consumers by only collecting an email address from the module.

The following guidelines and best practices will help assure maximum results and usage of the opt-in module by customers.

BEST PRACTICE	RATIONALE/THOUGHTS
Make the form visible and obvious	The sign up form should be on every page, above the fold, and in a consistent location. It should also be easy to see, so be sure to give the area its own creative treatment.
Include a link to the privacy policy	Customers want reassurance that their data and email address will be kept safe and not shared with the world. A simple link to the privacy policy is sufficient to do this.
Briefly convey the benefits of signing up for email	The customer needs to understand the value of getting more email sent to their already crowded inboxes.
Convey expected frequency	An upfront declaration of email frequency helps set expectations. Broad frequency expectations are sufficient.
Show an example	Include a link which shows a sample email, so that subscribers know what to look for.
Focus on the email address first, then get other data	The initial sign-up form should capture only the email address and possibly a name. Leave additional data collection to later pages in the sign-up process in order to lower the subscription hurdle.

Opt-in Module Placement on the Home Page



Opt-in Module Best Practice Examples

LEVEL	BRAND	SAMPLE	NOTES
Good	Honda USA	<p>The screenshot shows a white box with a yellow lightning bolt icon and the text "E-mail Updates Get model information, offers & more". Below this is a text input field labeled "Your E-mail" and a grey "SIGN UP" button.</p>	<ul style="list-style-type: none"> • Home page placement • Brief value description • No privacy policy or samples links
Better	Wal-Mart	<p>The screenshot shows a blue box with a "Rollback" icon and the text "Don't Miss a Single Rollback or Special Offer! Get Email Savings and Updates: Enter Your Email". Below this is a "SIGN UP" button and a link to "See our privacy policy".</p>	<ul style="list-style-type: none"> • Home page placement • Prominent headline and call to action • Privacy policy link • No link to view sample
Best	Responsys	<p>The screenshot shows a grey box with the text "Subscribe & Learn". Below this is the heading "Monthly Email Insights" and the text "Sign up to start receiving our newsletter with:". There are three bullet points: "Email and integrated marketing case studies", "Best practices to improve customer acquisition, retention, and loyalty", and "Industry news and updates". Below the bullet points are input fields for "First Name" and "Email", and a "SUBSCRIBE" button. At the bottom are links for "Privacy Statement" and "Sample Email".</p>	<ul style="list-style-type: none"> • Home page placement • Size of module makes it prominent on the page • Conveys frequency • Good benefits description • Collects First Name • Includes links for privacy policy and samples

Opt-in Preferences Page

The opt-in page allows the marketer to collect more information from the potential subscriber prior to finalizing the subscription. While the opt-in module is intentionally short, the opt-in page contains more data collection points by design. The marketer must be sure to balance the length and amount of information requested, since the longer the page and number of questions, the lower the completion rate. The opt-in preferences page is also the logical place to send a user who has clicked on an email subscription link outside the site (e.g. www.brand.com/email) to start the subscription process.

For marketers requiring an actual account registration, the data collected as a part of email subscription can simply reside within the registration process. The best practices applicable to subscription also apply to account registration.

BEST PRACTICE	RATIONALE/THOUGHTS
Restate the benefits of signing up for email	The customer needs to understand the value of getting more email sent to their already crowded inboxes.
Collect only the information you need and will use	Too many data fields limit completion rates and may seem invasive to the subscriber.
Collect at least First Name	Can be used for personalization.
Limit the number of required fields	Excessive required fields limit completion rate.
Make sure each required field is a logical piece of data to require from the user	Some fields, especially physical address, are not necessary if a user only wants to receive email
Have the user re-confirm their email address and check syntax	Improves address quality by reducing bounces.
Ask some demographic, psychographic or preferential questions	Allows the user to share information which can help the marketer increase relevance and ROI.
If there are multiple subscription options, describe each and offer the ability to view samples	Lets the user choose what they are most interested in.
Convey expected frequency	An upfront declaration of email frequency helps set expectations. Broad frequency expectations are sufficient.
Include a link to the privacy policy	Customers want reassurance that their data and email address will be kept safe and not shared with the world. A simple link to the privacy policy is sufficient to do this.

Opt-in Preferences Page Best Practices

The opt-in page shown to the right supports Harley-Davidson's email subscriptions and account registration.

Observed best practices include:

- Examples of emails are shown
- The pre-checked box has prominent text to call attention to itself
- Link to privacy policy is included
- All required fields make sense
- ZIP is collected for geo-targeting
- Gender and owner status are collected for targeting

HARLEY-DAVIDSON USA DEALER LOCATOR FAQ CONTACT US SHOPPING CART

MOTORCYCLES GET ON A BIKE ACCESSORIES & APPAREL EXPERIENCE OWNERS MUSEUM COMPANY

◀ Back

E-MAIL SIGN UP [Online Profile Help](#)

If you have already created a username and password, you do not need to sign up for e-mail here. Instead, please [login](#) to update your e-mail information in your online profile.

To sign up and receive e-mail from Harley-Davidson®, please provide us with the following information. If you have previously signed up for e-mail on Harley-Davidson.com or have created an Online Profile, **please simply login to the left.**

I WANT TO RECEIVE PROMOTIONAL E-MAIL FROM HARLEY-DAVIDSON/BUELL

By checking the above box, I agree that I have read the [Privacy Policy](#) and that I want to receive promotional e-mail from Harley-Davidson/Buell.

E-Mail Address *

First Name * **Last Name *** **Zip ***

Birthdate (MM/DD/YYYY) * **Gender**

/ / Choose One

Birthdate is required for privacy reasons as we do not collect or maintain information from children.

Are you a current or previous owner of a motorcycle? *

Yes, current owner

Yes, previous owner

No, never owned

By signing up for e-mails, you are also creating a profile on Harley-Davidson.com. After signing up, you will be provided with a username and password, which will also be included in a confirmation e-mail. To make changes in your preferences or personal information, please log in using this information.

Permission Levels

The perception of having given permission to be emailed depends most heavily on the subscriber. If a subscriber believes he has given the marketer permission, regardless of the permission policy and framework of the marketer, then that subscriber is more likely to be accepting of email. If a subscriber has forgotten that they went through several stages of permission-giving, then the marketer will be inherently challenged to overcome the belief that they are spamming the subscriber without permission.

With that in mind, there are several models, or permission levels, which are routinely employed by marketers. Each is described below, with the subtle nuances unique to each identified and clarified.

LEVEL OF PERMISSION	DEFINITION	PROS	CONS
Opt-out	Subscriber is placed on a list and given the option to opt-out	<ul style="list-style-type: none"> • High volume of subscribers • May work reasonably well in cases where there is a strong pre-existing business relationship 	<ul style="list-style-type: none"> • Much higher unsubscribe and complaint rates • Unqualified audiences • Lower response rates • May impact ability to be added to white lists or other reputation enhancing services
Standard Opt-in (a.k.a. Single Opt-in)	User voluntarily subscribes to email, but no confirmation email is sent	<ul style="list-style-type: none"> • Subscribers are self-selected 	<ul style="list-style-type: none"> • Low level of permission • Possible subscriber uncertainty over acceptance of subscription • Time lapse between subscription and first email • High complaint and unsubscribe rates
Confirmed Opt-in (a.k.a. Single Opt-in)	User voluntarily subscribes, and a confirmation email is sent. No further action required by subscriber.	<ul style="list-style-type: none"> • Increased engagement • Lower unsubscribe and complaint rates • Immediate interaction with the new subscriber 	<ul style="list-style-type: none"> • Low level of permission • Potential for high unsubscribe and complaint rates, though slightly lower than with Standard Opt in
Double Opt-in	User voluntarily subscribes and is sent an email which requires a confirmation action to join the list	<ul style="list-style-type: none"> • Highly qualified names • High response rates and low unsubscribe and complaint rates • Eliminates erroneous or fictitious subscriptions 	<ul style="list-style-type: none"> • Large reduction in audience size, generally in the range of 20-50%

According to the *MarketingSherpa Email Marketing Benchmark Guide 2009*, 45% of marketers use a combination of the above permission levels in their email marketing programs, while 32% use the Single Opt-in method (either Standard or Confirmed) exclusively. Usage of the Opt-out and Double Opt-in method are relatively low, at 17% and 8% each, respectively.

The Opt-out system is still in use by a surprisingly high number of marketers, and is fraught with numerous challenges, not the least of which is that in most cases, users may not want to receive marketing emails.

Single opt-in works quite well for most marketers, especially when used in combination with an effective welcome email program which sets expectations and allows the marketer to quickly identify non-responders to those emails (or allows them to opt out quickly). While single opt-in can scare some marketers (or worse, legal departments) because of the lower hurdle to registration, the more information that the user gives when signing up (i.e. the more time and effort they take to sign up), the better the expected engagement of that user, since they are taking the time to share more about themselves and have more time to reconsider. And the mere fact that they have come to a site in the first place and sought out the link to subscribe indicates that they are already very interested in receiving a company's emails.

While the Double Opt-in method brings much higher quality names, over the long term, these users still require relevant, timely messages, or their engagement will decrease, just as it would with a Single Opt-in system. Areas in which Double Opt-in is recommended are sweepstakes, co-registration or third-party list rental registrations, given the generally poor engagement that would be expected of those acquisition channels. Financial services clients and others handling sensitive personal data should also consider the Double Opt-in method.

Perhaps the most common question asked by marketers relating to permission is: Does a pre-checked box constitute an opt-in or opt-out level of permission? The use of pre-checked boxes is widespread, and the answer to this question largely depends on the view of the customer and their overall experience with the brand and email program, and willingness to receive email marketing. If a pre-checked box is used, then it should be prominently displayed so that users are aware of the box and can make the decision themselves whether to uncheck it or leave it as is.

Conclusion

Marketers should give careful consideration to the email acquisition methods they use, as each presents unique opportunities and challenges which can ultimately have significant impact on the quality of the marketer's list and the response of its subscribers. And regardless of the acquisition tactics used, potential subscribers must still be directed to a simple, easy-to-use opt-in form which balances the marketer's need for information and the customer's desire to quickly opt in. There's no magic formula to email acquisition, and so ongoing testing of various methods is a necessity to identify what works best.

About the Author



Richard Rushing is a Strategy Director in the Email/eCRM group of Razorfish.

Richard came to Razorfish in October 2008 from Responsys, where he was a Senior Marketing Consultant, helping clients such as the NBA, PETCO, Carlson Marketing, LEGO, and Playboy optimize their email and lifecycle marketing programs. He has also spent time as an Email Strategist at Agency.com, working with British Airways, 3M, and Hilton, among others. Prior to fully jumping into the wonderful world of email and interactive marketing on the agency side, Richard spent 4 years at American Airlines in a variety of roles, including revenue management, loyalty and database marketing, and email and Web site strategy. Richard has a B.A. in Criminal Justice from Stephen F. Austin State University, and an MBA from Syracuse University.

About Razorfish™

Razorfish is one of the largest interactive marketing and technology companies in the world, and also one of the largest buyers of digital advertising space. With a demonstrated commitment to innovation, Razorfish counsels its clients on how to leverage digital channels such as the Web, mobile devices, in-store technologies and other emerging media to engage people, build brand loyalty and provide excellent customer service. The company is increasingly advising marketers on Social Influence Marketing™, its approach for employing social media and social influencers to achieve the marketing and business needs of an organization. Its award-winning client teams provide solutions through their strategic counsel, digital advertising and content creation, media buying, analytics, technology and user experience. Razorfish has offices in markets across the United States, and in Australia, China, France, Germany, Japan and the United Kingdom. Clients--many of them served in multiple markets--include Carnival Cruise Lines, Coors Brewing Company, Levi's, McDonald's and Starwood Hotels. Visit <http://www.razorfish.com> for more information.

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