

EBOOK

Three Tactics to Increase **Email Click-Through Rates**

Movable **Ink**



Introduction

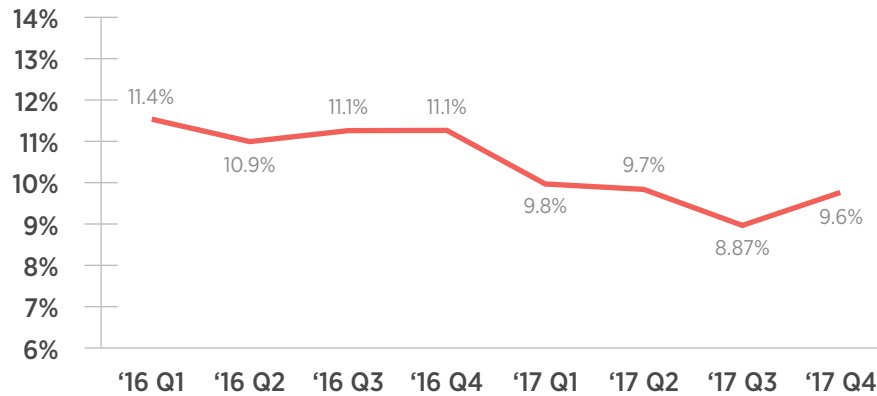
Click-through rate — it's the ubiquitous metric that email marketing professionals obsess over. Cited as the top metric used to measure success, CTR has been a primary stress point over the last few years. Why? Because it has been in steady decline.

While there are many ways to evaluate the success of an email marketing practice (i.e. increased loyalty) the fact is that if your CTR is not up to par, you're getting fewer leads, and in turn fewer conversions, which means a direct impact to your bottom line. This is the reason why the industry emphasizes getting more subscribers to click.

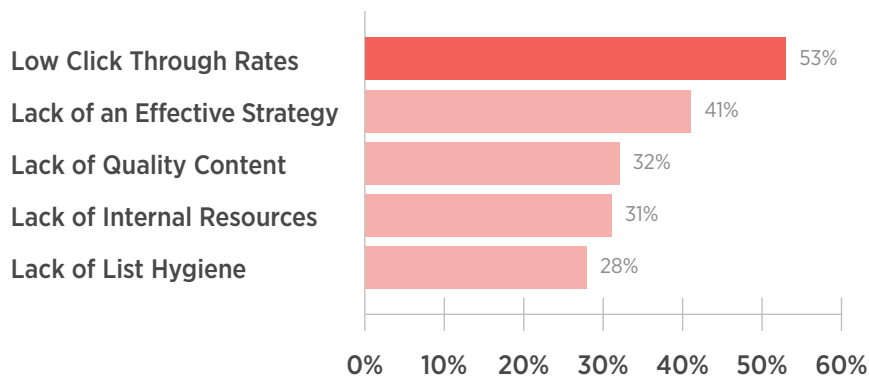
In this whitepaper, we'll go over three tried-and-true strategies that can help you optimize your email click-through rates: Message Personalization, List Segmentation, and Testing and Optimization. At the end of this article you'll be armed with powerful tactics that, when incorporated into your email strategy, will result in increased subscriber engagement.

Landscape Overview

So, how have email click-through rates performed recently?



On average across all industries, there has been a 15.75% drop in CTR between Q1'16 and Q4'17.¹ While different industries have been impacted in different magnitudes, the declining trend makes this the biggest challenge for all email marketers.



When surveyed, 53% of email marketing professionals cited low click-through rates as their biggest challenge — well above simply having an effective strategy in place.² Content, lack of internal resources, and list hygiene rounded out the list.

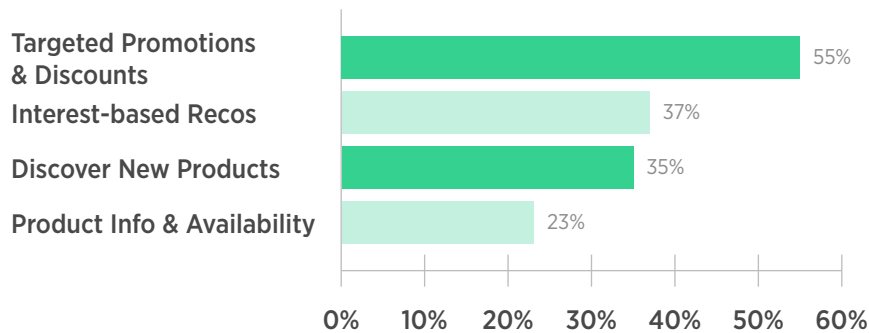
The solution to the problem is not elusive. At least at a high-level, email professionals know what they can do in order to buck the trend. A study by Ascend2, which surveyed email professionals, asked them to list the tactics they currently employ or would employ to increase engagement and rank them across effectiveness and difficulty of implementation. Among their list of tactics², we find the following:

- **Message personalization**
- **List segmentation for targeting**
- **Testing and optimization**
- Creating meaningful CTAs
- Focusing on mobile friendly design
- Crafting a solid drip/event-triggered campaign strategy

The first three, which are the focus of this whitepaper, were ranked as the most effective, but also as being very difficult. So while the high-level strategies to improve click-through rates are widely known, we find many email marketers are unable to make progress against their optimization goals. So how can email marketers execute against these tactics?

Tactic One: Message Personalization

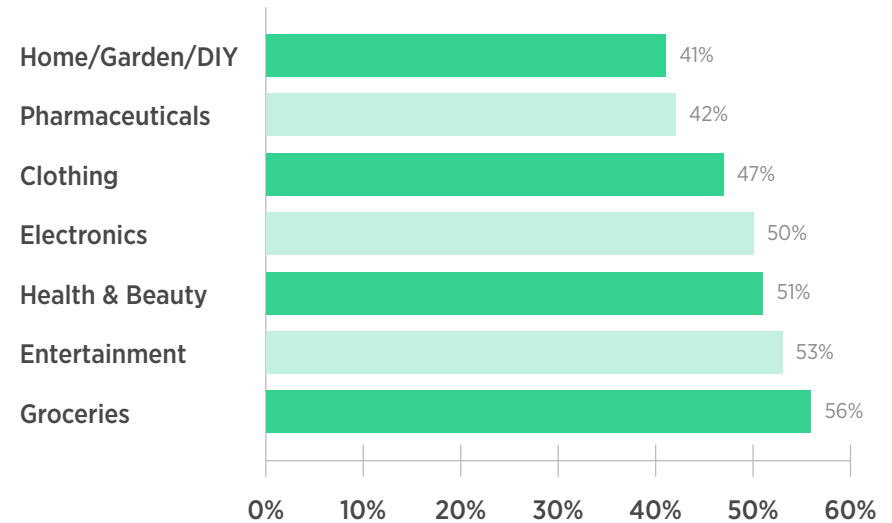
It's no surprise that personalized messages yield better results. 95% of email professionals say that personalization results in increased click-through rates.³ Personalization is all about optimizing the experience and messaging for the individual. So, what do *consumers* want from these personalized messages? And what data are *marketers* using to deliver the 1:1 experience?



From targeted promotions, to product information,⁴ consumers are looking for brands to communicate with, and acknowledge them, as individuals, providing content that resonates with their unique preferences and prior engagements with the brand.

For example, while consumers discover new products through personal research (59%) and through advertising (58%), a whopping 96% expect brands to actively inform them of new products based on their individual engagement with the brand!⁵ The trend applies to every other touchpoint — from targeted promotions to interest-based recommendations.

Consumer desire for personalized marketing messages holds true across industries. Consumers are in favor of data-driven personalization regardless of what they are purchasing, with some industries, such as Groceries (56%) and Entertainment (53%) leading the pack.⁵



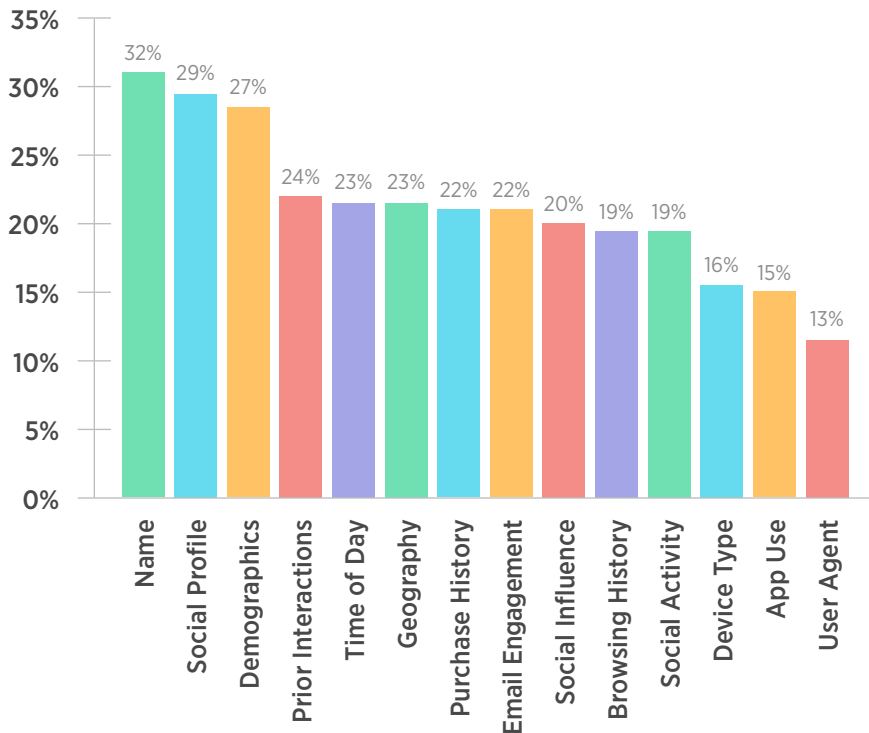
86% of consumers state that personalization has at least *some* impact on what they purchase, and one-quarter (25%) say personalization *significantly* influences what they purchase. Unfortunately, many consumers are not getting what they want. For example, one-fifth of consumers report that they have never experienced any kind of personalized offers based on previous purchases. Similarly, 19% have never experienced product recommendations based on previous purchases.⁵

So, what can brands do to create these personalized experiences?
Answer: Integrate the email program with multiple data sources to drive dynamic content.

INTEGRATING MULTIPLE DATA SOURCES TO DRIVE DYNAMIC CONTENT

Top email marketers are focusing on the use of multiple data sources in order to create highly personalized emails. Multiple sources allow you to acknowledge the consumer as an individual, because no two consumers behave the same way — especially across data sets.

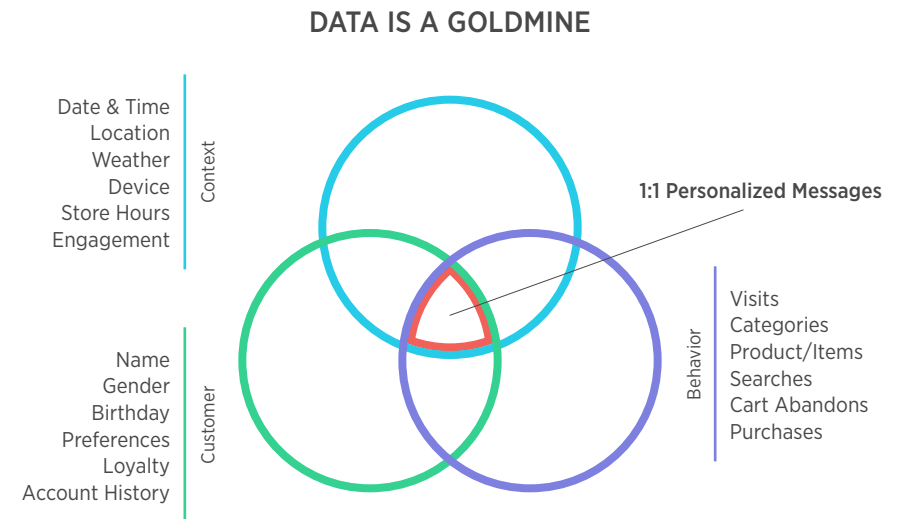
When it comes to the data points that are being leveraged, retailers are making use of everything from name, to geography, to device type, to previous purchases.²



All these data points can be classified into three main groups: Customer, Contextual, and Behavioral.

- **Customer Data** refers to individual-level data points like age, gender, birthday, and marital status
- **Contextual Data** refers to signals that are “sensed” through technology, and includes data points like location, devices types, and weather
- **Behavioral Data** is specific to the user’s engagement with the brand, and includes data points like past purchases, cart abandon, and the products browsed on site

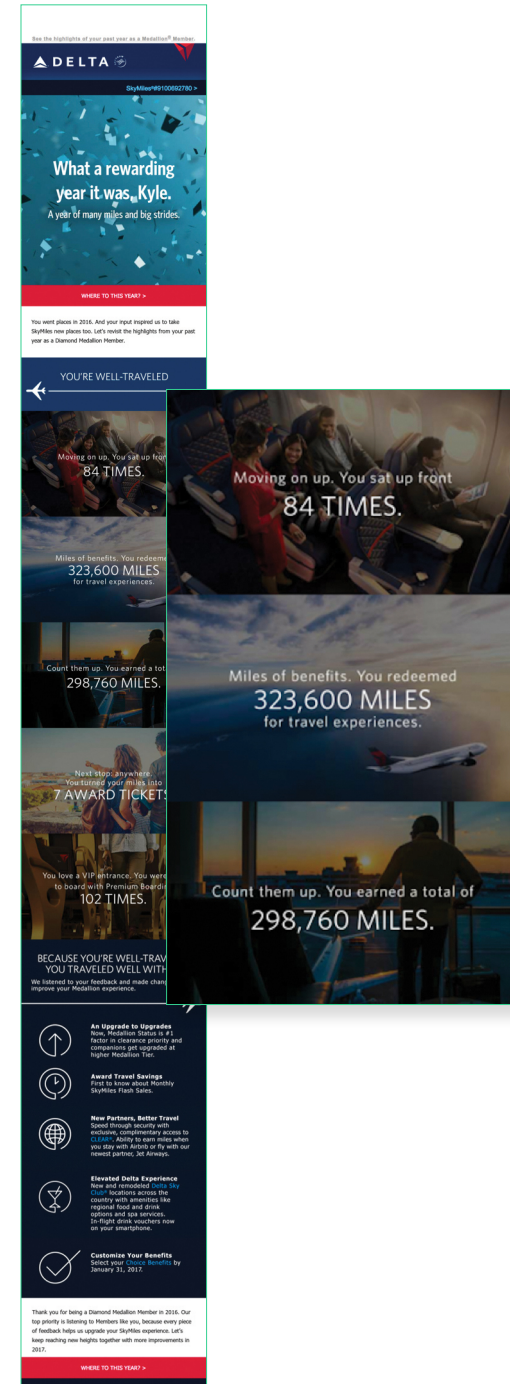
By combining all three types of data, marketers can create true 1:1 messages that resonate with consumers — truly personalized messages on a 1-to-1 level.





For example, Delta wanted to engage their SkyMiles Medallion® members with a year-in-review email that showcased their travel activity throughout the year. By tapping into a myriad of data points Delta was able to pull in behavioral and customer data, creating an engaging campaign that celebrated members' travel accomplishments. **The result? 132% lift in click-through rates, and 51% lift in open rates.**

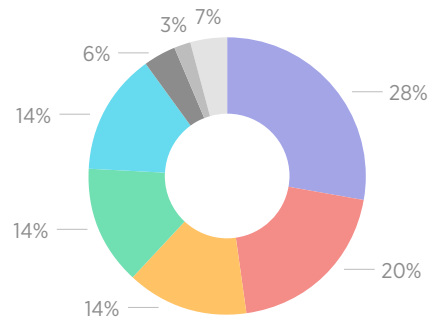
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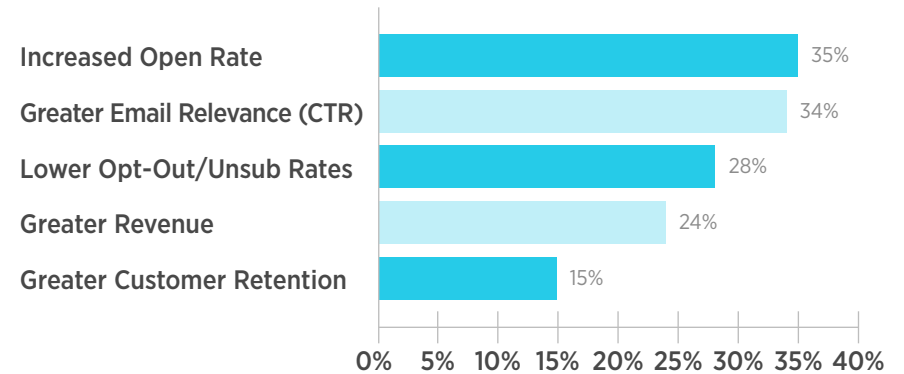
Tactic Two: List Segmentation for Targeting

While true 1:1 personalization (optimizing experiences and messages to individuals) is the holy grail of email, segmentation (the grouping of consumers according to identifiable characteristics) has been the farthest most email marketers have been able to get. According to SailThru¹⁶, 75% of marketers believe that segmenting an audience fulfills the bare minimum for personalization, but many marketers don't have the tools to achieve true 1:1 personalization. This has resulted in a stronger focus on crafting a solid segmentation strategy.

Overall, adoption of customer segmentation is a mixed bag. Over a quarter (28%) of retailers are only targeting between 2-5 segments, but many are targeting to a much greater degree, with 7% personalizing to the individual level.²



The levels of segmentation vary greatly across brands, and the core reason is the difficulty resulting from the lack of technologies that allow them to support their goals and marketing efforts.¹⁶



For those who do implement the right segmentation strategy, the results¹⁰ can have a big impact on email programs. From increased open rates to greater customer retention, segmenting lists is clearly one of the primary keys to a successful email program. How you segment your list can vary based on the data-sets you collect, but through testing you can identify optimal ways to cut your list. For example, when brands segment by interest group, they see 75% higher clicks than non-segmented campaigns, and 26% lower unsubs.¹¹

So how can your brand begin to optimize click-through rates through segmentation? **Answer: employ a customer lifecycle segmentation strategy and optimize for each stream.**

Using Segmentation to Target Across the Customer Lifecycle

A common pitfall to avoid when thinking about the click-through rate metric is that it is *not* a single value for the entire email program. Rather, it is an average collected across multiple email streams. A mature email program understands that it needs to follow the consumer lifecycle. Understanding where the consumer is currently located along the path allows email marketers to communicate with the individual in the right way.

A typical segmentation strategy has multiple categories, each with different email streams. A simple, but commonly used framework may look like this:

NEW USER

- **Welcome Series**

ACTIVE USER

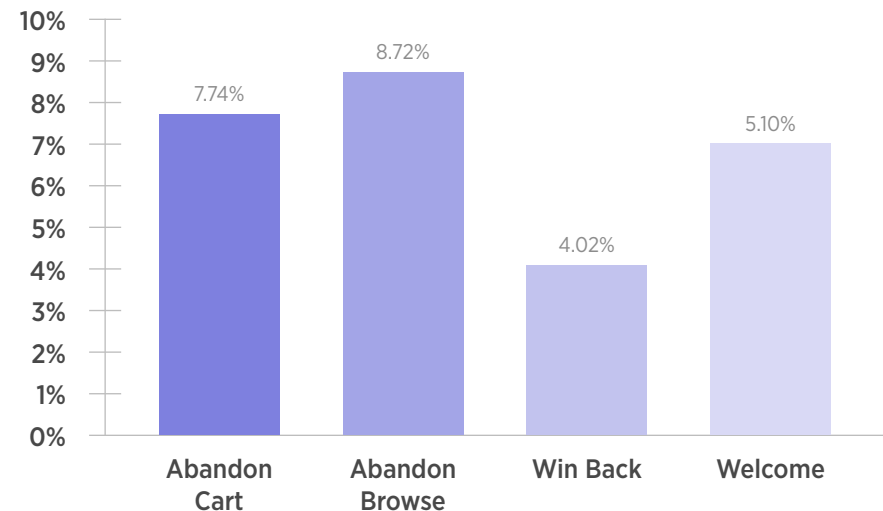
- **Newsletters:** Company Updates, Special Events
- **Product-Focused Emails:** Browse History, Purchase Cycle, Order Value, Prior Engagement
- **Triggers:** Abandon Browse, Abandon Cart, Purchase Confirmation, Shipping Confirmation

CAUTIONARY

- **Re-engagement Series:** Promotions, Special Events

INACTIVE

- **Last Chance Series:** Program Information, Promotions



Each stream within the email program will have its own CTR benchmarks on which a marketer can improve. As the data on the above indicates, the difference in CTR between streams can be over 100%.⁶ Viewing these different stream averages as a single data element will limit the ability to find the focal point to improve the overall health of the email program.

So what's the best way to engage along the customer lifecycle? Here are some best practices to increase click-through rates for consumers based on their current relationship with your brand^{7,8}:

NEW USER

- **Deploy a Series:** Identify the right number of touchpoints to provide all necessary information without being distracting
- **Build Rapport:** Showcase your company, encourage consumers to engage with your brand on social/app, and encourage purchase through discounts
- **Be Timely:** Trigger welcome emails at the moment of sign-up, and test stream delivery frequency to optimize
- **Personalize:** Use what you learned about the consumer in the sign-up process to curate messages for each individual

ACTIVE USER

- **Be Rewarding:** Offer personalized incentives to encourage consumers to remain engaged with your brand
- **Be Visual:** Identify the optimal creative and layouts that consumers will respond to through continuous A/B or multivariate testing
- **Personalize:** Ensure the content in your emails reflects the most recent actions the consumer has taken — purchases, browse data, app engagement

CAUTIONARY

- **Be Proactive:** Segment your list based on appropriate metrics — opens, clicks, or purchase cycle — to maintain healthy engagement rates and deliverability
- **Be Strategic:** Design a 3-touch point stream that grabs attention, provides value, and lets the consumer decide

INACTIVE

- **Be Decisive:** Protect your overall program by trimming your email list of true inactives. Your organization will define “true inactives” in its own way, but as a rule of thumb, ensure that the definition you use aligns with the product purchase cycle.



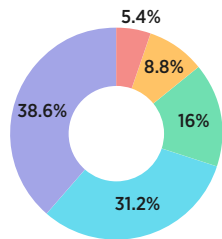
It quickly becomes apparent how understanding different email streams and treating them accordingly will allow you to optimize against your email program’s goals. Admittedly, segmentation (and automation) are not always easy. Manually creating groups of people can be time consuming, and in email, timing is everything. However, by using data to automate segmentation strategies you can achieve the results you are looking for.

Tactic Three: Testing and Optimization

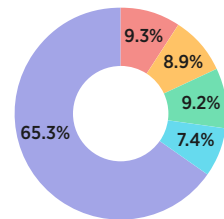
The last tactic email marketers see as a primary lever to increase click-through rates is testing and optimization. This is not a novel concept — A/B testing is embedded into the fabric of our day-to-day jobs. Or so we think.

A recent Litmus study showed that 38% of marketers rarely or never test their batch emails, 65% rarely or never test trigger emails, and 74% rarely or never test transactional emails.¹²

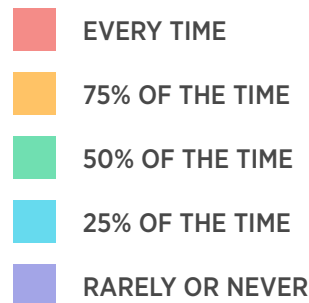
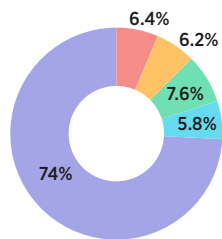
HOW OFTEN DO YOU TYPICALLY TEST BROADCAST EMAILS?



HOW OFTEN DO YOU TYPICALLY TEST TRIGGERED EMAILS?



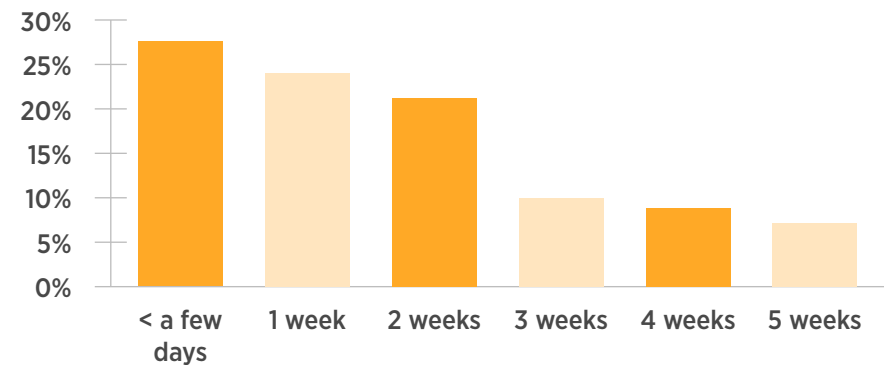
HOW OFTEN DO YOU TYPICALLY TEST TRANSACTIONAL EMAILS?



For Trigger and Transactional emails, it's not surprising to see they are not being tested regularly. We've been trained to think of these as "set it and forget it" tactics. In reality, these are some of the most valuable consumer touch points because they are initiated by a consumer action. These triggers have higher engagement rates than traditional batch mailings — and optimizing to drive the best consumer experience should be an ongoing goal.

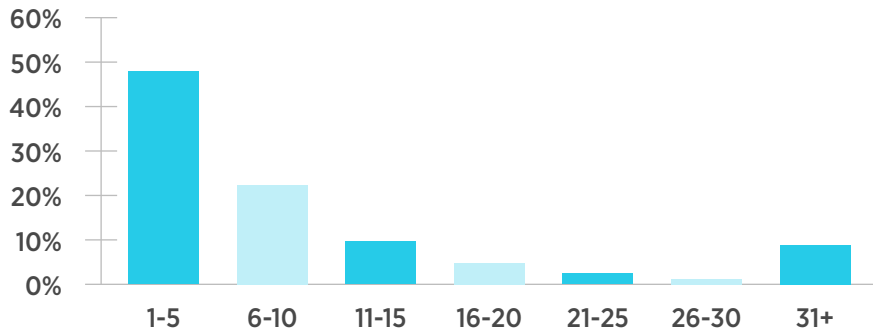
As far as batch mailings, the reason for the lack in testing is rooted in the amount of work it takes to send an email, coupled with a lack of resources. Insufficient staffing has been listed as the #2 biggest challenge by email marketers¹⁴, so it is no surprise brands experience long production cycles.

TIME TO PRODUCE AN EMAIL

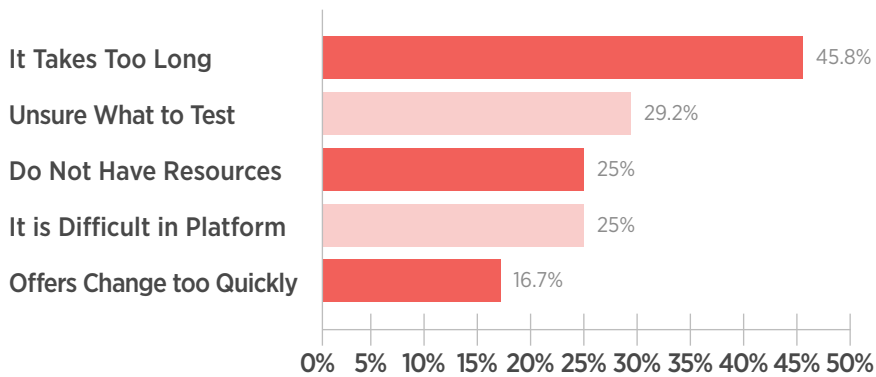


Marketers, overall, spend 2 weeks producing an email on average, but companies with 500 or more employees spend 54% more time on their emails than smaller companies.¹⁵

NUMBER OF EMAILS IN PRODUCTION



With an average of 9.6 emails in production at any given time, and the lack of resources, it is no surprise A/B testing emails falls to the back-burner more often than it should.



Lack of resources is not the only reason email marketers list for the lack of testing. Many are unsure of what should be tested, and even when they know, they find it difficult to execute with their current tools. Couple that with a dynamic business environment where things are changing quickly, there are a lot of variables to overcome

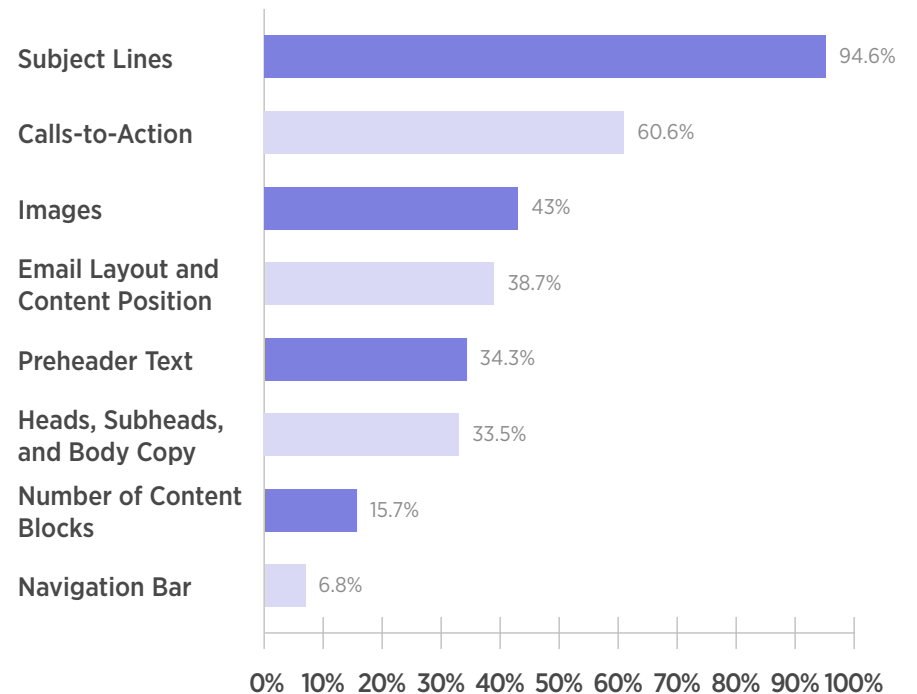
in order to execute against an A/B testing strategy.

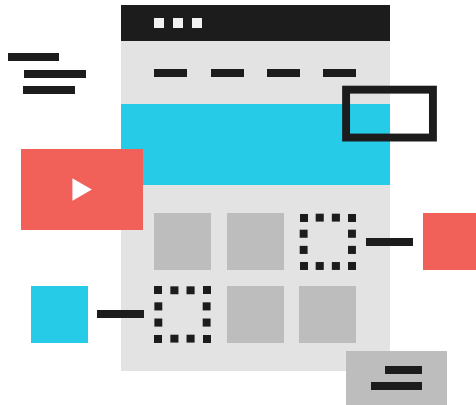
So how can your brand get started? **Answer: Follow the email testing best practices outlined below.**

A/B TESTING GUIDELINES AND BEST PRACTICES

When thinking about what to test, make sure that you have a clear goal in mind. The different elements in your email all ladder up to specific parts of the conversion funnel. As such, you want to make sure that the elements you are testing, and the KPIs you are evaluating, are aligned.

WHICH EMAIL ELEMENTS DOES YOUR COMPANY REGULARLY TEST?





When thinking about what to test, here are some ideas to get started¹⁷ :

- Subject line
- From name
- Day of the week
- Time of day
- Frequency
- Mostly-images vs. mostly-text
- Short copy vs. long copy
- Links vs. buttons
- Number of links
- First name personalization — in the subject line
- First name personalization —
- in the email body
- Animated gifs
- Font colors
- Font styles
- Social share/connect icons
- Delivery by time zone
- Call-to-action copy
- Call-to-action placement
- Post-click landing page
- Social proof
- Tone — human vs corporate
- Copy length

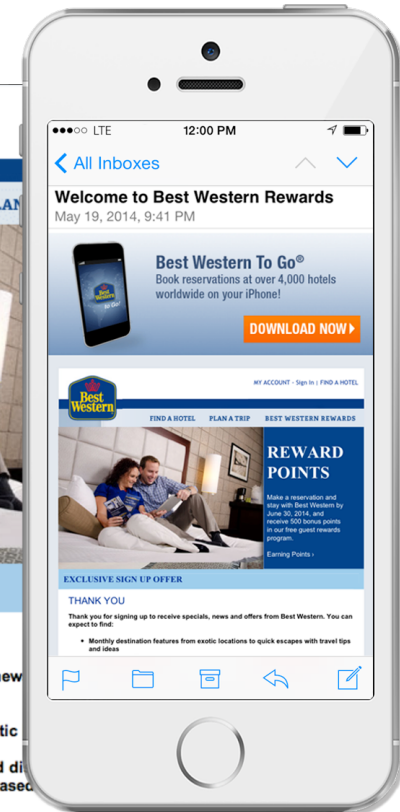
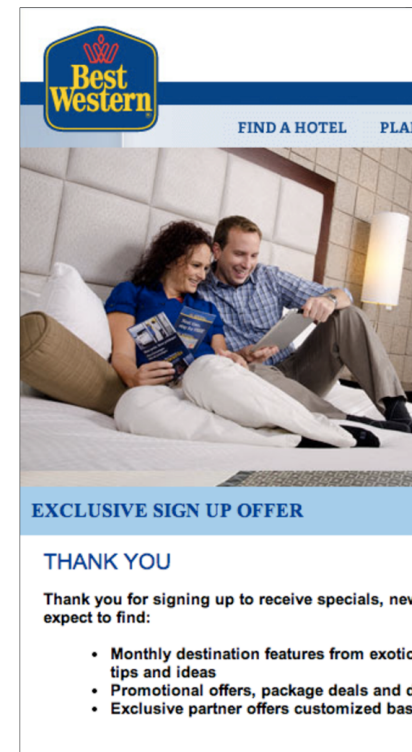
When designing your testing strategy, keep these five recommendations top of mind¹³:

1. **Limit your testing to one thing at a time:** Unless you're doing multivariate testing, keep your tests limited to one change. Having more than one difference between versions makes it difficult to clearly determine which element led to the difference
2. **Have a clear hypothesis:** Don't make random changes just to see what might work. Knowing what you are trying to achieve and having a solid rationale for why you're testing what you're testing will help you achieve the desired goal.
3. **Analyze results down the funnel:** Test far enough down the funnel. The different stages of an email interaction don't operate in isolation. They all work together, because subscribers experience them all together.
4. **Create a clearly defined test plan:** Ad hoc testing is inefficient because it's sporadic and unfocused. To get the most out of your tests, you need a plan. Aim to include a test in at least 50% of your broadcast and segmented promotional emails
5. **Confirm your test results:** Any single A/B test is never conclusive forever. In the long term, consumer behaviors and attitudes change. The composition of your email list can also change over time.

In short, the vast majority of email is not being tested — and the portion that is being tested is definitely not tested regularly. This is a significant missed revenue opportunity — brands that A/B test their emails see an average of 20% incremental revenue.¹³

For example, changes to a Best Western email stream allowed it to deliver hyper-personalized messages with real-time content, thus creating highly engaging, localized experiences. **The result? 20% increase in revenue per email, 12% increase in click-through rate, and 143% lift in mobile app downloads.**

20% increase in revenue per email
12% increase in click-through rate
143% lift in mobile app downloads



Conclusion

With personalized messages driving an average 14% lift in CTR, segmented campaigns driving an average of 75% more clicks, and A/B optimized emails driving upwards of 20% incremental revenue, there is no question that all email marketers should be making these three tactics their primary focus. However, as we've discussed, these can prove rather difficult. The solution to the difficulty? The right partner with the right software.

Movable Ink helps marketers to create rich, relevant, and real-time experiences for their customers. Our intelligent content platform makes it easy to activate content with data and optimize every experience to drive clicks and conversions — all while streamlining the email production process.



RESOURCES

¹ Cheetah Digital “Quarterly Benchmark Report” Q1 2016 to Q4 2017

² Ascend2 “Email Marketing Trends Survey Summary Report”

³ Venture Beat “Early Survey Results: 95% of email marketers see open-rate increase with personalization”

⁴ Marketing Profs “Email Personalization: What Consumers Want from Retailers”

⁵ Infosys “Study: Rethinking Retail: Insights from Consumers and Retailers Into an Omnichannel shopping experience”

⁶ Klaviyo “Ecommerce Email Marketing: Industry Performance Benchmarks”

⁷ Iterable “User Engagement Top 100 Report: Email Marketing in eCommerce”

⁸ Return Path “Email Reactivation Campaign Insights”

⁹ Venture Beat “Marketers See Personalization Results”

¹⁰ HubSpot “Lyris, Inc. Annual Optimizer Report”

¹¹ MailChimp “Effects of List Segmentation on Email Marketing Stats”

¹² Litmus “2017 State of Email Creative”

¹³ Litmus “13 A/B Testing Mistakes that Limit Your Success”

¹⁴ Litmus “2018 State of Email”

¹⁵ Litmus “2018 State of Email Workflows”

¹⁶ SailThru “Personalization vs Segmentation — The Real Difference Matters”

¹⁷ Marketo “What to Test and How to Test”

About Movable Ink

Movable Ink is the leading provider of intelligent content, which enables marketers to personalize email content at the moment of open. Marketers use Movable Ink to provide consumers with engaging on-brand experiences to grow revenues with every customer interaction. Since 2010, consumers have engaged with 500+ billion intelligent content impressions from more than 500 leading brands, including Delta, eBay, Spotify, and The Wall Street Journal. The company is headquartered in New York City with offices in London, San Francisco, Chicago, and Sydney.

Movable Ink

About the Author

Julio Lopez is Associate Director of Client Strategy for Movable Ink. In partnering with clients, his focus lies in helping clients craft and implement novel approaches that help them meet their performance goals. Through research and discovery, his team helps clients drive on broad company objectives that impact the consumer's multichannel experience.

