

## FOR IMMEDIATE DISTRIBUTION

### **Missing an e-mail trick: Brands failing to connect to loyal customers by e-mail**

*69 per cent of a brand's existing customers would provide their e-mail address if asked*

**LONDON, 29 MAY 2009** – With new customers becoming increasingly hard to come by in the face of the downturn, new research from e-Dialog, the e-mail marketing services provider, demonstrates that many brands are not optimising their existing customer relationships by failing to market to them via e-mail.

In a poll of consumers on the circumstances in which they would be most willing to supply a company with their e-mail address, the research revealed that more than half (57 per cent) of Great Britain consumers would be prepared to include their e-mail address when placing an order through a catalogue and more than 43 per cent through placing an order in response to direct mail. In spite of this willingness, however, just 10 per cent of consumers said that a retailer had asked them for their e-mail in a catalogue order form and just 6 per cent had ever been asked via direct mail.

The 2009 Acquitention Survey, which polled the views of a representative sample of 2,049 British adults, highlighted the importance of “*acquitention*,” the idea that acquiring the e-mail addresses of existing customers is more cost-effective than purchasing new lists. This approach is based on the principle that the more channels by which a customer is contacted, the higher the lifetime value of that customer across all channels. The impact of this multi-channel strategy was clearly illustrated in the research by the fact that nearly a third (27 per cent) of consumers claim to have been motivated to make a purchase in a high street store after being alerted to a product in a marketing e-mail.

Simone Barratt, MD e-Dialog UK noted that the success of the approach has been realised by many of e-Dialog's clients “One of our clients collects e-mail addresses for customers who use the call centre to make reservations and sends them confirmation messages containing opt-in links for promotional mailings. Through this effort, the company increases its customer reach and ability to build loyalty without having to spend on buying lists or assuming the challenge of converting customers from unsolicited e-mail messages.”

### **Brand recognition the key to trust**

The survey revealed that one of the most important factors in a customer's willingness to share their e-mail details was brand recognition. When asked in which circumstances consumers would be prepared to provide their e-mail address, 34 per cent said that they would only be prepared to share their details with an established brand whilst 69 per cent said they would share their e-mail address with a brand if they were an existing customer.

Barratt commented: “This is a huge opportunity that brands are missing out on. The research clearly shows that customers are willing to trust their contact details with established brands or companies with whom they already have an existing relationship – this gives e-mail marketers a fantastic opening to increase the size of their e-mail databases by adding existing customers to their programmes at a minimal cost.

“The latest figures from the DMA<sup>1</sup> showed that the downturn is leading to a gulf between retention and acquisition e-mails. It is crucial, however, that brands realise that their tried and tested e-mail lists are not an inexhaustible resource and, as they focus more of their attention on retention campaigns, that there is a serious danger of increasing the frequency of their mailings to the point where they alienate loyal customers and experience rising unsubscribe rates. There is no getting round it. Brands clearly need to look at financially viable ways to increase their databases.”

### **Communicating the benefits of signing-up**

Whilst there is a clear willingness to share their details in the right circumstances, when asked what reasons they would cite for not sharing their details, just over three quarters (76 per cent) of consumers expressed concern that they would receive irrelevant marketing messages.

Most revealingly though, 37 per cent of respondents said that they would be reluctant to share their e-mail addresses with brands as they do not see what they stand to gain by doing so. This attitude is most notable in the most computer literate and internet savvy age brackets of 18-24 and 25-34 (46 per cent and 47 per cent respectively, according to the survey).

Barratt said: “It is imperative that brands understand that in order to acquire consumers’ e-mail addresses they need to communicate the benefits—such as personalised offers, exclusive previews of products or extra loyalty points—which those consumers will receive as a result of sharing their e-mail address. Why would anyone be prepared to give you their contact details unless you give them a good reason for doing so?”

### **Incentives**

The research clearly showed the need to identify the incentives most effective for each segment of an audience base. The incentives that would be most likely to persuade consumers to share their e-mail addresses were: the prospect of receiving information and offers that were of specific interest to them (50 per cent); access to credits or vouchers for a future purchase (45 per cent); and if it increased their loyalty points (40 per cent). With such a broad spectrum of potential incentives, an understanding of which segments respond best to different incentives is key to successfully acquiring your customer’s e-mail address. For example, the acquitention research showed that free gifts are a big incentive for 32 per cent of 18 to 34 year olds but only interest 27 per cent of 45 to 55 year olds.

“The fact that half of UK consumers surveyed would give their e-mail address if they believed they would receive relevant information, while 76 per cent claim they would be put off from giving their address because they think it will lead to irrelevant messages shows the extent of the disconnect between perceived and actual consumer benefits of e-mail marketing. Brands need to make it clear at the point of sign-up what the incentives are and how the customer will benefit.”

Barratt added: “Acquitention ensures that marketers make the most of their over-stretched budgets whilst at the same time strengthening existing customer relationships.

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<sup>1</sup> DMA E-mail Benchmarking Report

In the current economic environment, this is not only a sensible approach but a profitable one as well.”

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**Research methodology:**

All figures, unless otherwise stated, are from YouGov Plc. Total sample size was 2049 adults. Fieldwork was undertaken between 20<sup>th</sup> - 23rd March 2009. The survey was carried out online. The figures have been weighted and are representative of all GB adults (aged 18+).

**About e-Dialog**

Established in 1997, e-Dialog is a proven provider of intelligent e-mail marketing solutions. Through a unique combination of strategic services and relevance enabling technologies, e-Dialog empowers marketers to take meaningful action on their data in order to deliver contextually targeted communications to customers. Some of the world's most recognized brands, including AirTran Airways, American Eagle Outfitters, Avis Rent A Car, Boots, BMG Music Service, British Airways, CBS, Nintendo, the NFL, Reuters, the Royal Bank of Scotland group of companies, and The TJX Companies, have partnered with e-Dialog to enhance their permission-based e-mail marketing efforts and maximize long-term customer value.

e-Dialog, a wholly owned subsidiary of GSI Commerce, Inc. (Nasdaq: GSIC), is a leader and top performer according to the industry's foremost independent analyst firms.

For more information about e-Dialog's services, visit [www.e-dialog.com](http://www.e-dialog.com) or contact Peter Duffy in the London office on +44 (0) 20 3219 6220 or Arthur Sweetser in the US on 001 781-372-3353.

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