

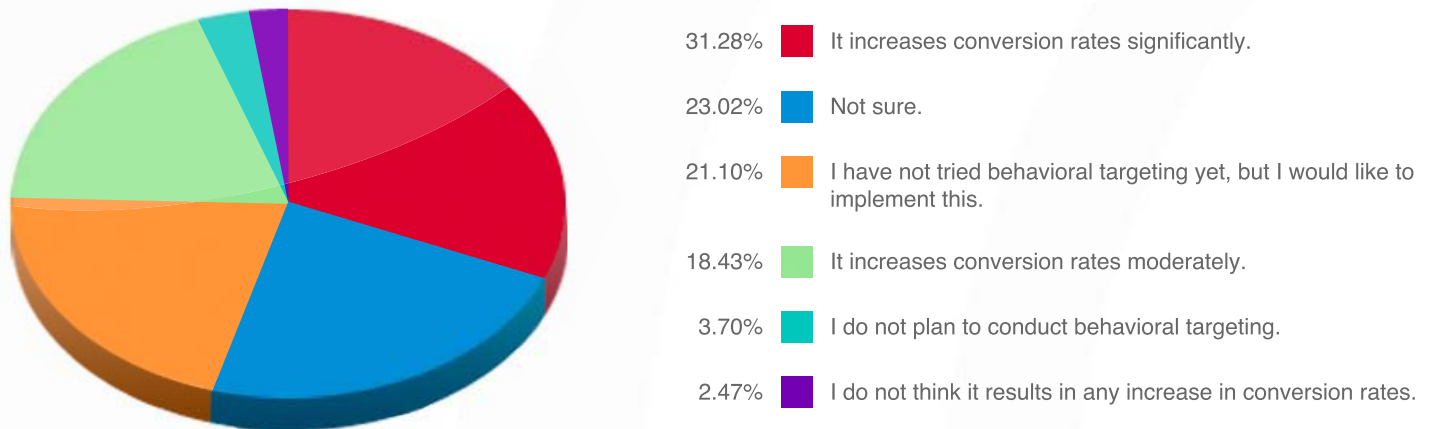
# How Do Small Businesses Use Email Marketing?

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Results and Analysis

June 23, 2010

To what degree do you think behavioral targeting (sending messages based on subscribers' behaviors such as who opened or didn't open, who clicked, etc.) increases conversion rates (subscriber registrations, product sales, downloads, etc.)?



Within the email marketing community, it is generally believed that crafting and delivering campaigns that base their content on subscriber behavior toward previous messages - which messages subscribers open, which links in those messages they click – will produce superior results.

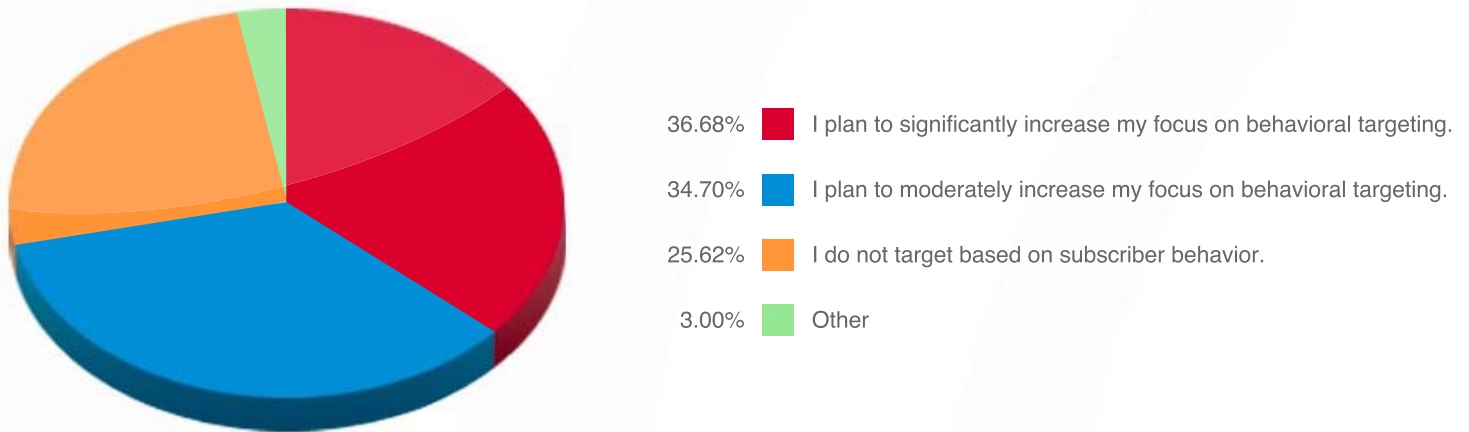
The responses to this question suggest that for many marketers, this is the case; nearly 50% of respondents indicate that behavioral targeting increases conversion rates either significantly or moderately, versus only some 2.47% who believe it does not increase conversion rates.

However, these responses also highlight a divide between those email marketers who are testing behavioral targeting and those who are not. 23.02% of respondents are not sure whether behavioral targeting increases conversion rates, which suggests that they may not be testing this thoroughly, if at all. Nearly a quarter (24.8%) of respondents state that they have not tested behavioral targeting in their email marketing campaigns.

In our view, as more marketers embrace behavioral targeting to create and deliver more relevant email marketing campaigns, subscribers will begin or continue to raise their expectations of how relevant and valuable marketing emails should be to earn their attention. Thus, marketers who fall on the “not testing” side of this behavioral targeting divide risk losing out in the inbox to those marketers who are using behavioral targeting.

An encouraging bit of news is that this divide may be shrinking, since the majority of respondents who say they have not tried behavioral targeting also indicate that they are interested in doing so (21.1%), whereas only a small minority (3.7%) indicate that they do not plan to implement behavioral targeting.

## Do you plan to increase your focus on behavioral targeting in the next 12 months?

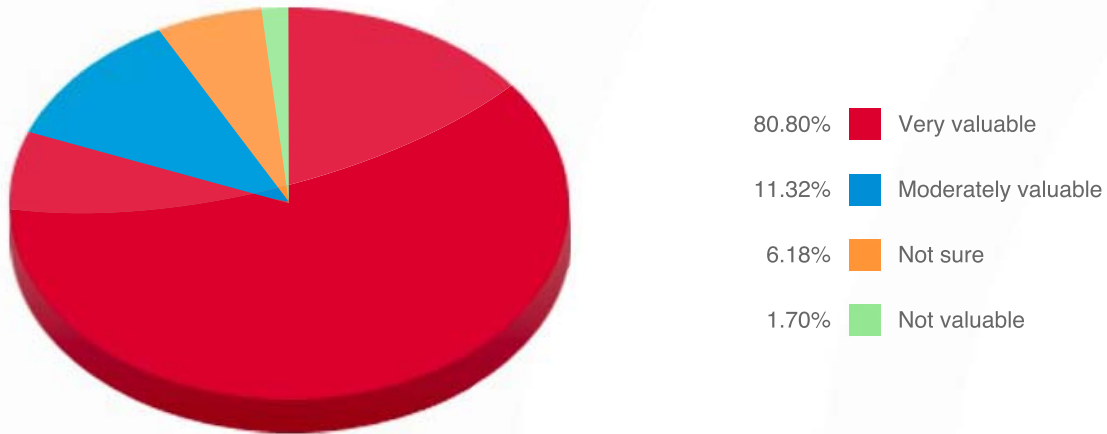


This question relates to the previous one and attempts to determine whether businesses are increasing their usage of behavioral targeting.

Responses to this question suggest that behavioral targeting in email marketing campaigns will rise in 2010, as 71.38% of respondents say they intend to increase their focus on this tactic.

Depending on whether this rise comes from those email marketers already engaging in behavioral targeting or from those who are getting into it for the first time, the aforementioned divide between marketers who do and do not engage in behavioral targeting could either widen or narrow.

## How valuable is it for you to know which subscribers make a purchase as a direct result of a particular email?



As email marketing analytics tools have advanced over the years, so has marketers' ability to track the profitability of their campaigns as a whole and on an individual message level.

This question aims to see whether or not email marketers actually get value from that knowledge.

As the responses indicate, the overwhelming majority of marketers find this information "very valuable" while fewer than 2% say that it is not valuable.

While a full investigation of the ways marketers use this information was beyond the scope of this survey, further surveys centered around this topic could shed more light on how specifically marketers derive value from such information.

## What social media integration tactics did you implement last year? (Check all that apply.)



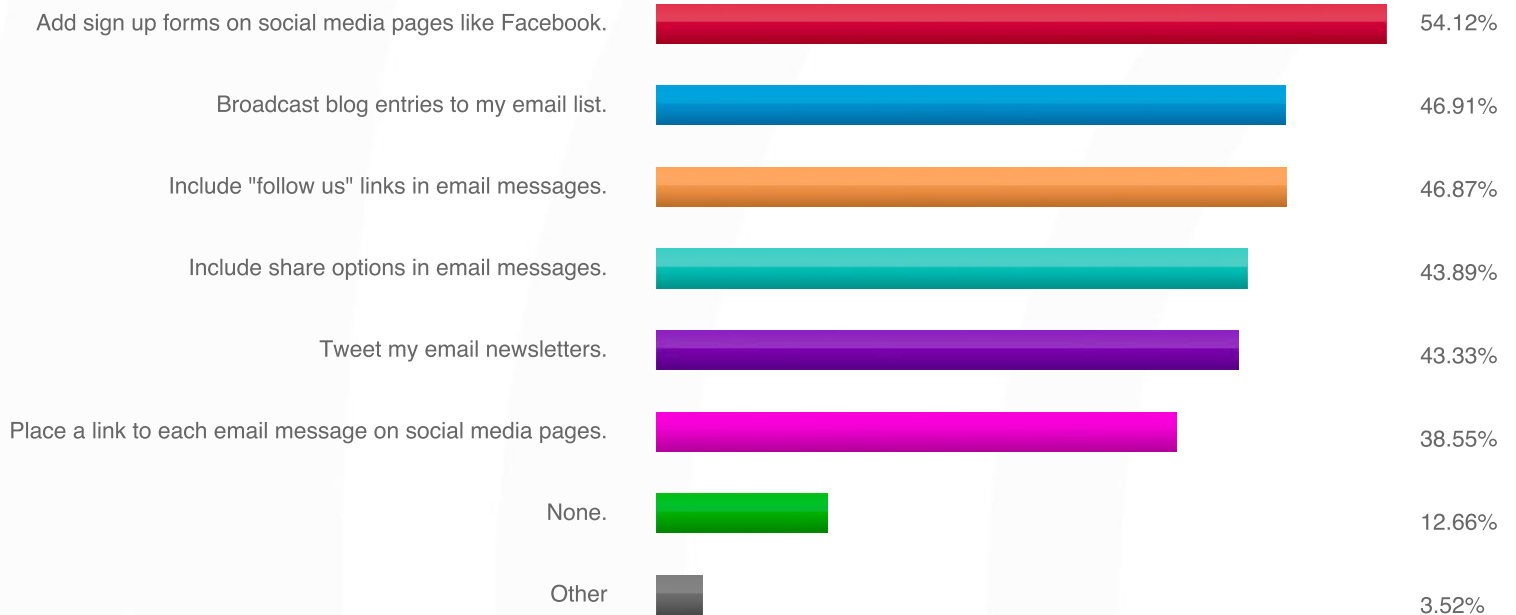
As social media grows in popularity among consumers, it has received additional attention from marketers. However, it is not entirely clear how marketers are incorporating social media into their existing digital marketing efforts (such as their email marketing programs).

This question puts forth a few ways that we have seen email marketers incorporate social media into their campaigns and asks respondents to indicate whether these are tactics that they employ.

The responses indicate that while no individual tactic has yet worked its way into a majority of marketers' email campaigns, most marketers employ at least one or more of these tactics (only 31.87% indicate that they do not use any of the tactics listed).

The most popular tactics at the moment involve spreading content onto additional mediums (sharing email newsletters on Twitter, for example, or delivering blog posts via email). Additionally, marketers see value in driving social media followers and fans to their email lists and vice versa.

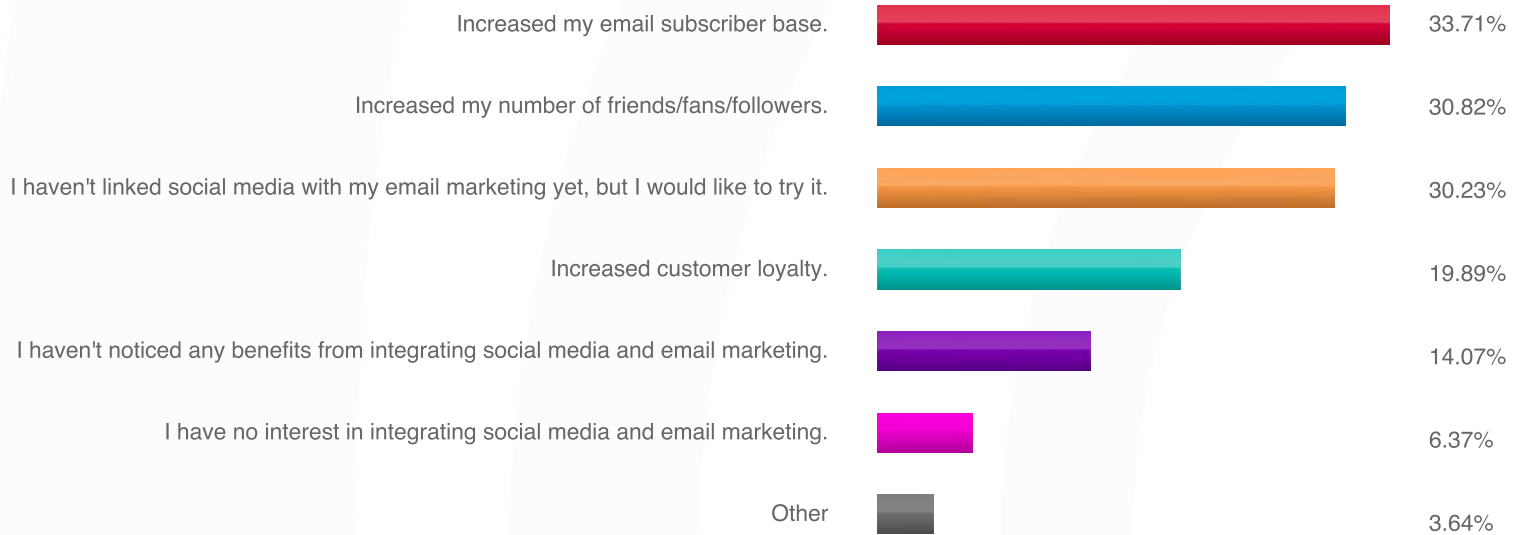
## Which social media integration tactics do you intend to implement over the next 12 months? (Check all that apply.)



This question builds on the previous one and asks email marketers about their future social media integration plans.

Marketers appear to have keen interest in combining email and social media marketing to grow their lists and followings, as well as spread their content. Notably, over 54% of respondents indicate they intend to use Facebook as a tool to help build their email lists, and over 46% indicate they will include “follow us” links in their email messages to grow their social media followings.

## What benefits have you experienced from integrating social media and email marketing? (Check all that apply.)

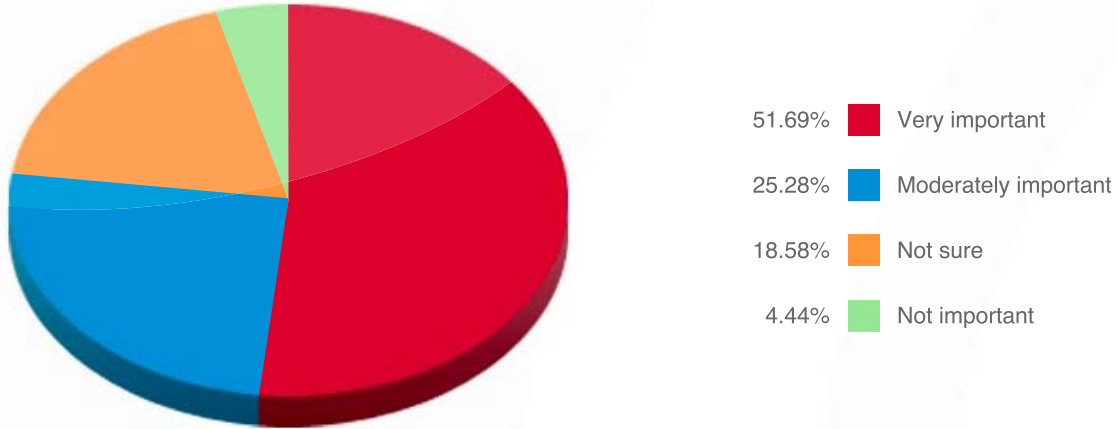


This question asks marketers how integrating email and social media has positively impacted their campaigns.

The most common responses center around the building of email lists and social media followings. This aligns well with our analysis of marketers' interest in and plans for email and social media integration; many see it as a way to reach a wider audience.

Interestingly, 19.89% of respondents indicate that integrating email marketing and social media has increased customer loyalty. One possible explanation for this is that the medium through which customers find businesses may not be the one through which they prefer to continue hearing from businesses; thus, when customers discover that they can choose to hear from a business via social media instead of (or in addition to) email – or vice versa – their satisfaction and loyalty increases.

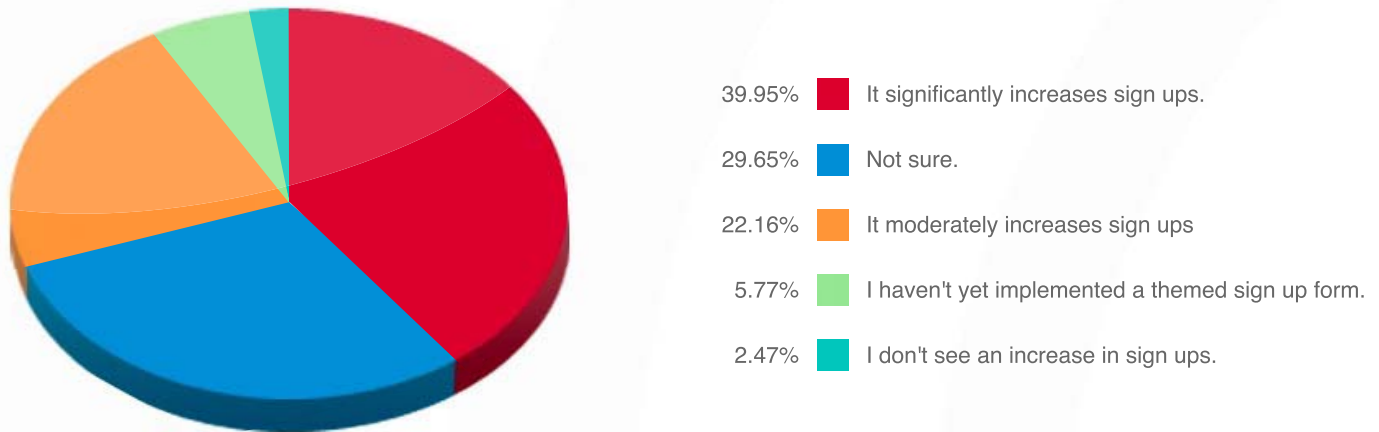
## How important to you is integrating email marketing and social media?



Over three-fourths (76.97%) of respondents indicate that integrating email marketing and social media is either “very important” or “moderately important.”

These numbers correspond fairly well with responses to the previous two questions, in which only 14.07% of respondents say they have not noticed any benefits to integration, and only 12.66% of respondents say they do not plan to implement any of the listed integration tactics within the next 12 months. Clearly, most marketers believe there is value in combining email marketing and social media.

## Do you think having a sign up form that is themed to match your website increases the rate of email list sign ups among those who visit your site?

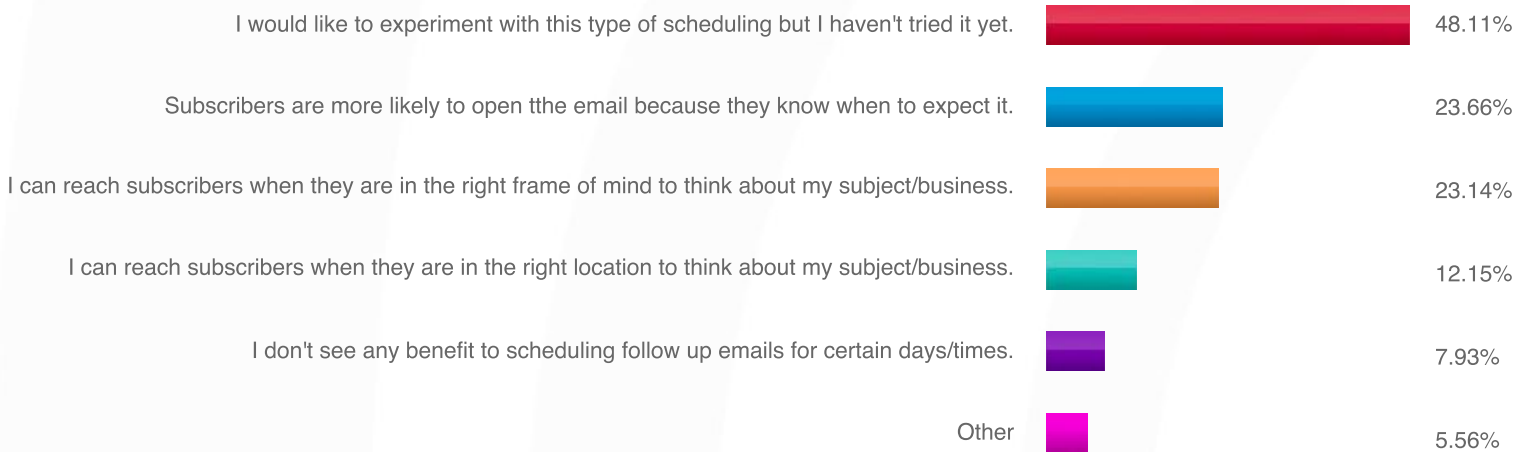


This question asks whether the style of the email signup forms that marketers present to website visitors influences signup rates.

A majority of respondents indicate that this is the case, which is perhaps to be expected; a form that looks as if it “belongs” on the website may convey a certain measure of authority on the part of the party making the offer to visitors. Whatever the cause may be, only 2.47% of respondents indicate that theming their signup forms to match their website fails to lead to an increase in signups.

What is surprising about responses to this question is the large minority of respondents who indicate that they are not sure whether this tactic increases signups to their email list. One possible explanation for this is that these marketers have simply never tried theming a signup form to match their site; another plausible explanation is that these marketers have not tested their signup forms to see how changes to the forms' appearance affects signup rates. With the proliferation of split testing tools available as standalone software or as part of email service providers' (ESPs') offerings, a failure of so many marketers to split test indicates significant room for improvement in the effectiveness and profitability of email marketing campaigns.

## What benefits have you experienced from using Send Windows (scheduling follow up emails for certain days/times)? (Check all that apply.)



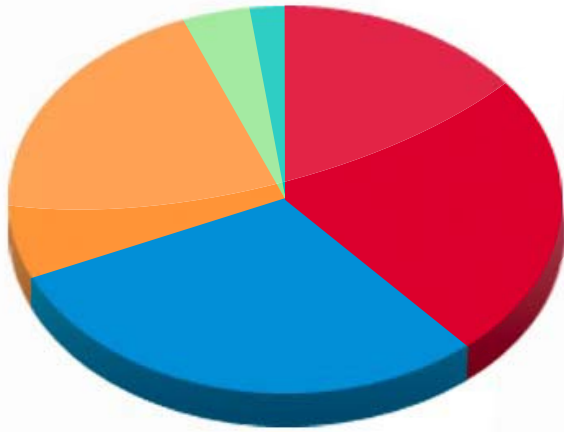
“When is the best time to send my emails?” has been a popular question among email marketers for years. Our view is that while each marketer must determine for himself/herself what the optimal period of time in which to deliver emails to his/her subscribers, each marketer will find that some such optimal period/s of time throughout the day or week will indeed exist. As a result, AWeber developed a tool known as Send Windows that allows customers to define periods of time (“windows”) during the day or week during which emails should and/or should not be sent.

This question asks marketers to report on whether defining those windows has benefited their email marketing campaigns, and if so, in what ways.

While somewhere around half (between 48.11% and 56.04%, depending on how you interpret respondents who say they don't see any benefit) of respondents have not utilized this tool, those respondents who have used it indicate that subscribers are more likely to open the emails because they know when to expect them (23.66%) and that they can reach subscribers when they are in the right frame of mind to think about the marketers' businesses (23.14%).

The primary takeaway from this question may simply be that AWeber has not adequately made its customers aware of the existence of Send Windows, since nearly half indicate that while they haven't used this tool, they are interested in doing so.

To what degree do analytical reports (reports regarding who opened, clicked, what pages they visited on your website, etc.) influence you to change your approach to email marketing?



- 38.53% ■ Analytical reports significantly impact my email marketing strategies.
- 29.64% ■ Analytical reports moderately impact my email marketing strategies.
- 25.94% ■ I don't use analytical reports much yet, but I would like to try them.
- 3.87% ■ Analytical reports do not impact my email marketing strategies.
- 2.02% ■ I don't plan on using analytical reports.

68.17% of respondents indicate that analytical reports either significantly or moderately impact their email marketing strategies. Additionally, out of those marketers who do not use these reports, most (25.94%) indicate that they are interested in using such reports.

As the battle for subscribers' attention escalates, relevance and value are at a premium, and as responses to this question indicate, email marketers are taking advantage of the wealth of analytical data available to them to learn more about subscribers and what they respond to. These data enable marketers to create tightly focused campaigns that garner superior response rates.

Please rank the following types of analytical data in order of importance to your business on a scale of 1 (most important) through 6 (least important).

Average Rank

2.1

Tracking who opens and who doesn't.

Average Rank

2.5

Tracking who clicks links and who doesn't.

Average Rank

3.1

Reports on sales revenue that is generated as a direct result of an email campaign.

Average Rank

3.9

Reports on which ad campaigns or signup forms bring you the most subscribers.

Average Rank

4.7

Split testing results.

Average Rank

4.8

Reporting on the results of segmentation.

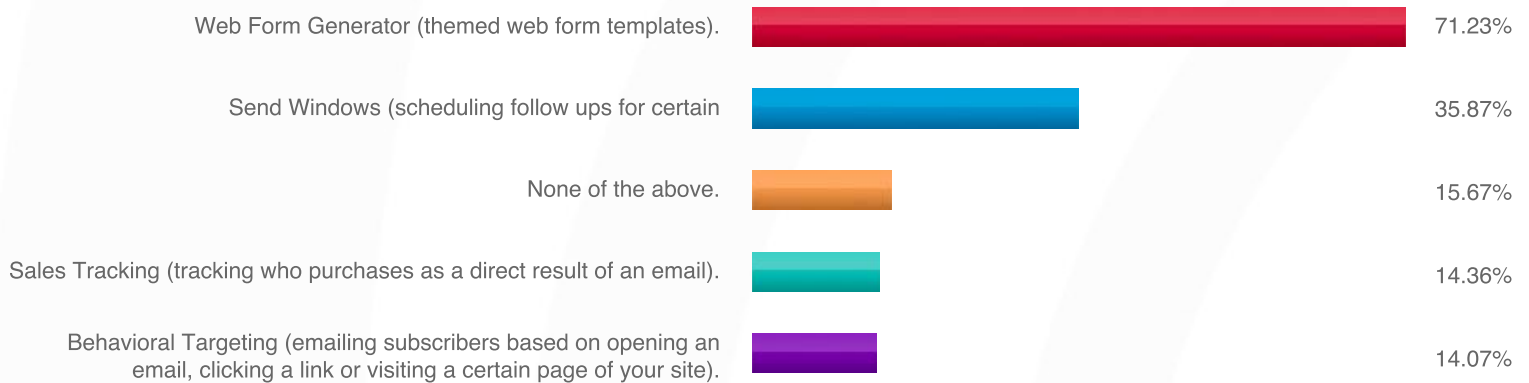
Email marketers appear to be most interested currently in which subscribers are opening emails and which are not.

While an email “open” is certainly not a perfect measure of engagement, it is one that email marketers are familiar with and one that they are comfortable using to draw conclusions about which subscribers are paying attention to their emails.

As ISPs look to deliver to users the email they want, while not burdening them with the email they do not want, delivering email that recipients actually open and click on is becoming an increasingly important key to not only earning high response rates, but also to reaching the inbox in the first place.

The relative importance that respondents assign to email open data suggests that marketers have recognized the importance of engagement. It is natural in such a case that marketers would be concerned with fostering a high level of engagement among subscribers, and in removing those subscribers who are no longer engaged with their marketing.

## Which of the following AWeber tools do you currently utilize? (Check all that apply.)

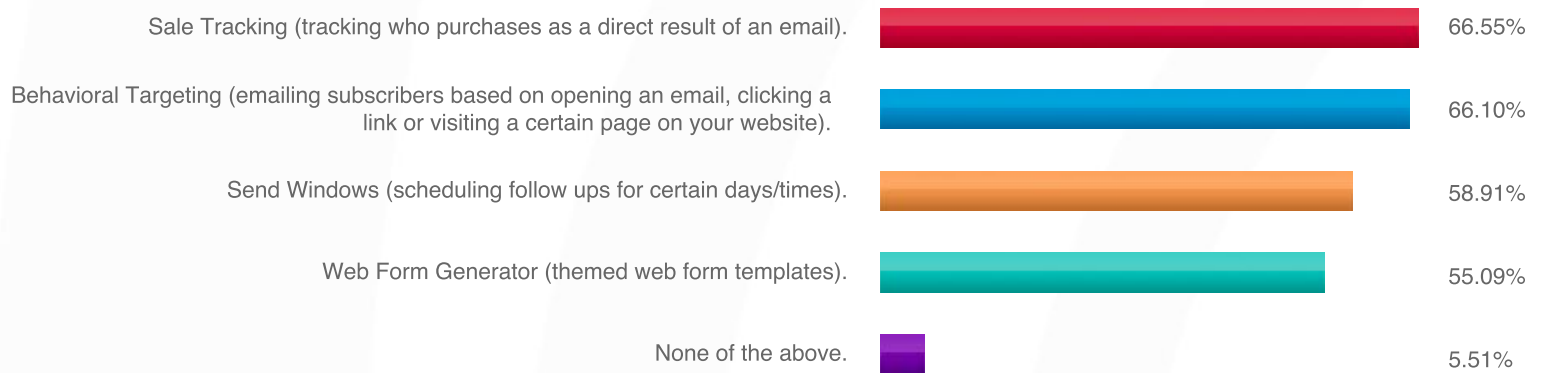


This question asks which of the following tools in AWeber's email marketing software customers are using. Note that the tools selected for this question relate to the tactics discussed in previous questions. This question appears near the end of the survey in part to look for signs of discrepancy between what tactics marketers claim to use in their campaigns and what they actually appear to be doing, based on the tools they are using.

Responses to this question appear to support responses to previous questions about what tactics marketers employ. For example, 35.87% of respondents indicate that they use Send Windows to deliver emails during certain days and times; this is consistent with the percentages of respondents citing what benefits they derive from that tactic.

One interesting takeaway from responses to this question, particularly when also looking at responses to the next question, is that there is much room for growth in the use of behavioral targeting and that more consumers may start to reap the benefits of increased relevance over the coming 12 months as more marketers employ behavioral targeting to deliver more relevant emails.

## Which of the following AWeber tools do you plan to utilize in the next 12 months? (Check all that apply.)

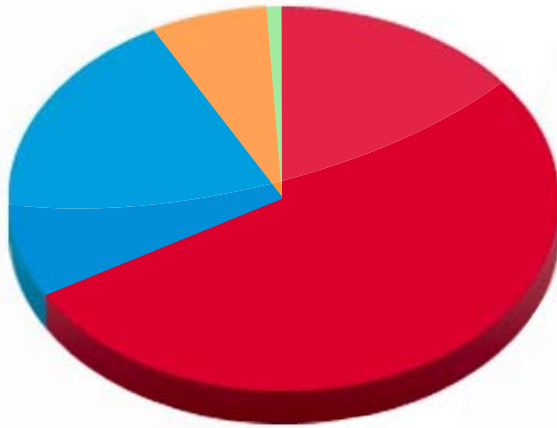


This question builds on the previous one and asks marketers which of the tools mentioned in the previous question they intend to use within the next year.

The main takeaway from responses to this question is that behavioral targeting will be a focal point of email marketing campaigns over the next year: over 66% of respondents indicate that they intend to use behavioral targeting as well as sale tracking in their campaigns.

When looking at these responses in conjunction with responses to the previous question, it seems likely that much of the growth in the use of behavioral targeting over the next 12 months will come from marketers who are not currently employing that tactic. Put another way, it does indeed appear that the “behavioral targeting divide” mentioned earlier in our analysis will shrink over the coming year.

## Do you plan to increase your email marketing efforts in the next 12 months?

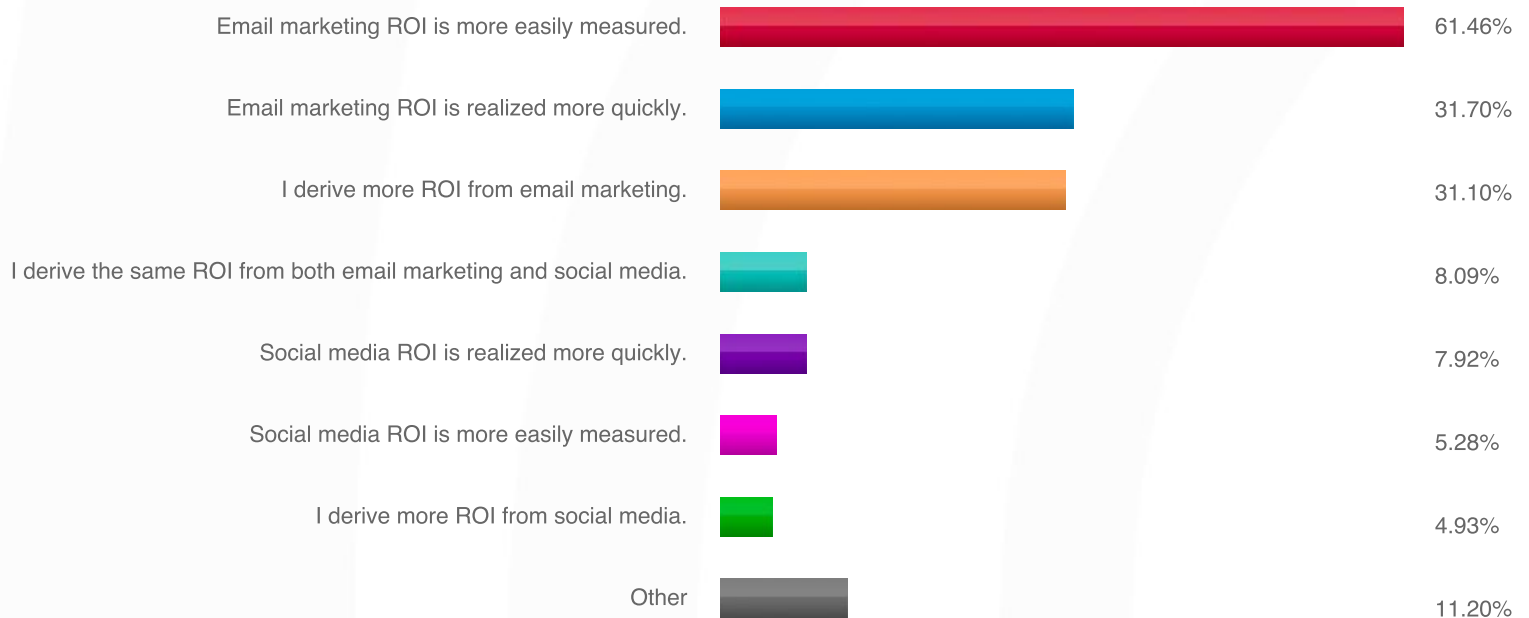


- 66.71% ■ I plan to significantly increase email marketing efforts.
- 25.44% ■ I plan to moderately increase email marketing efforts.
- 7.26% ■ I plan to maintain current levels of email marketing efforts.
- 0.60% ■ I plan to decrease email marketing efforts.

This question and the one following it attempt to gauge the importance and value that marketers assign to email as a marketing medium.

Given that 82.15% of respondents indicate that they intend to either significantly or moderately increase their email marketing efforts over the next year, it seems clear that email brings significant value to businesses and will continue to drive sales through 2010 into 2011.

## How would you rate the ROI of email marketing as compared to the ROI of social media? (Check all that apply.)



Respondents found the return on investment (ROI) of email marketing to be more easily measured, more quickly realized, and greater than the ROI of social media.

Over 11.6 times as many respondents said email marketing ROI is more easily measured than social media ROI (61.46%) as said the opposite (5.28%).

Over four times as many respondents said email marketing ROI is more quickly realized than social media ROI (31.7%) as said the opposite (7.92%).

Over 6.3 times as many respondents said they derive more ROI from email marketing than social media (31.1%) as said the opposite (4.93%).

These responses should not suggest that marketers will or should abandon social media; rather, in our view marketers who can derive ROI from both mediums should and will look to integrate the two mediums (as discussed in previous questions in this survey). However, for marketers who are short on time or other resources necessary to operate both email marketing and social media campaigns, it seems clear that email should receive priority.

## About AWeber

AWeber provides email marketing software to over 80,000 small businesses, bloggers and nonprofit organizations around the world.

Our software helps businesses create profitable customer relationships through email newsletters, autoresponders, RSS to email and other types of email marketing campaigns.

Businesses come to AWeber because we:

- ▶ Deliver reliable, stable service (and have since 1998).
- ▶ Continuously innovate to make email marketing easier and more powerful for small businesses.
- ▶ Teach customers not only how to get the most out of our software, but also how to be better email marketers.
- ▶ Provide exceptional, personal support to our customers - at no extra cost.

To learn more about AWeber, visit [AWeber.com](http://AWeber.com) and find us on the social networks below:

