Return Path

Email Win-Back Programs:
Everyone Recommends Them, But Do They Work?

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Yes, But Not the Way You Think

Talk to a permission-based email marketing expert long enough and sooner or later the subject of win-back campaigns will come up.

Also known as lapsed-customer and reactivation campaigns, email win-back programs are considered must-haves in the email marketer's tool kit, according to the experts.

Not surprisingly, email win-back programs are very common, at least in theory. A recent study by email technology provider StrongView found that 50 percent of marketers plan to focus on win-back campaigns to reactivate inactive subscribers.

But do win-back campaigns work? The answer is yes, but not in the way most experts think. More on that later.

With mailbox providers using engagement indicators, such as marking email as spam and the percentage of recipients that read a campaign, as at least part of their spam-filtering formulas, win-back programs are universally accepted as one way to increase customer and subscriber engagement and the likelihood of getting commercial email delivered to recipients' inboxes.

How Common Are Email Win-Back Campaigns, Really?

Win-back or reactivation campaigns are a staple in direct-marketing, particularly in catalog marketing. But catalogs are expensive to send and recipients who don't purchase cost money.

As a result, it's common for inactive catalog customers to receive mailings with warnings on them, that this may be the last time the company contacts them.

The case for win-back efforts in cataloging is a no-brainer. Inactive catalog recipients are a drain on precious resources.

The case for email win-back campaigns in email isn't nearly as straightforward. After all, email costs very little to send. So if an email address doesn't bounce, why remove it?

Return Path identified 33 retailers that employed win-back campaigns from April 1, 2013 to January 31, 2014.

This small number shows that email win-back campaigns aren't as common as many of the experts would have us believe.

Why Email Win-Back Programs Matter

One of the methods mailbox providers such as Yahoo!, Gmail and Outlook use to determine whether or not incoming email is spam—and should be treated as such—is monitoring how engaged recipients are with a marketer's messages.

Do they log in? How frequently? Do they open and read or delete and ignore? There is some debate as to truly how important engagement metrics are, but the more people who positively interact with a marketer's messages, the less likely that marketer's email will be treated as spam.

Another important metric mailbox providers use in their spam filtering systems is how many email addresses that have been recycled as spam traps a marketer hits. Inbox providers turn some addresses that have shown no log-in activity for a long period of time into spam traps. Hitting recycled spam-trap addresses is a sign of a serious lack of list hygiene. Spammers aren't known for cleaning their lists.

As loath as most marketers are to trim email addresses from their files—email lists are so hard to build—there comes a time when inactive addresses should be removed in order to avoid sending to unknown users or recycled address spam traps and lift engagement metrics to an acceptable level.

But simply culling an email list of inactive addresses without trying to reactivate them is unwise. Hence, the wide—albeit not universal—acceptance of win-back campaigns as a necessary tool for any email marketing program.

Inactive Subscribers Defined

There is an important distinction to be made here: Email marketers define "inactive" very differently than mailbox providers, mainly because of the type of data to which they have access.

Marketers define inactive subscribers as those who have not interacted with their messages for a certain period of time. How long depends on the email marketer's business model. A seasonal retailer may define inactive as someone who has not opened or clicked on a message for two years, for example.

Mailbox providers define inactive subscribers as those who have not logged in for a certain period of time, and the percentage of recipients that reads a given campaign. Most mailbox providers consider an address inactive if the address holder has not logged in for 12 months.

A key question: Is the address inactive, period? Or is it just inactive with the marketer's brand? It's a question email intelligence can answer.

Either way, most email marketers have a great deal of dead weight on their files. According to Return Path data, marketers on average send 20 percent of their email to inactive subscribers.

That's a lot of room for money savings and deliverability improvement.

Who's Who in Your Subscriber Lists - How Mailbox Providers See Your File

Super Users

This subscriber type loves email, and could be considered disciples of Inbox Zero. They read most of the email they receive, but tend to be picky about what they subscribe to judging by the lack of promotional emails in their inbox. However, they read their promotional emails when delivered to their inbox.

Message Percent: 9%

Subscriber Percent: 6%

Engaged Personal

This type of subscriber also loves their inbox. They log into their account almost daily and unlike the Super Users, they don't adhere to Inbox Zero, and are happy only reading what's of interest to them.

Message Percent: 20%

Subscriber Percent: 11%

Super Subscriber

Inbox Overload isn't a myth with these subscribers. It's a reality. These subscribers not only receive a disproportionate amount of promotional email, they also read very little of it, likely because they receive so much of it.

Message Percent: 24%

Subscriber Percent: 9%

Engaged Secondary

This subscriber type is somewhat engaged and active with their inbox and reads relatively few messages that they receive. This account is likely the email address they give out to businesses in fear of being spammed.

Message Percent: 15%

Subscriber Percent: 8%

Unengaged Secondary

This type only engages with their account a couple of times a month and thus reads very little mail. This is likely a secondary account that is used sporadically for specific subscriptions.

Message Percent: 12%

Subscriber Percent: 10%

Inactive Personal

These mailbox types have not been used over the past 30 days but receive an extremely high percentage of personal looking mail.

Message Percent: 0.9%

Subscriber Percent: 0.4%

Inactive Secondary

These mailbox types have not been used over the past 30 days and look to be like they were never heavily used accounts. Because of the higher than normal promotional emails received, these email addresses were given to separate promotional email from personal.

Message Percent: 19%

Subscriber Percent: 25%

Idle Account

These mailboxes have neither interacted nor received mail over the past 30 days.

Message Percent: 0.15%

Subscriber Percent: 31%

Email Win-Backs Work, But Apparently Not Right Away

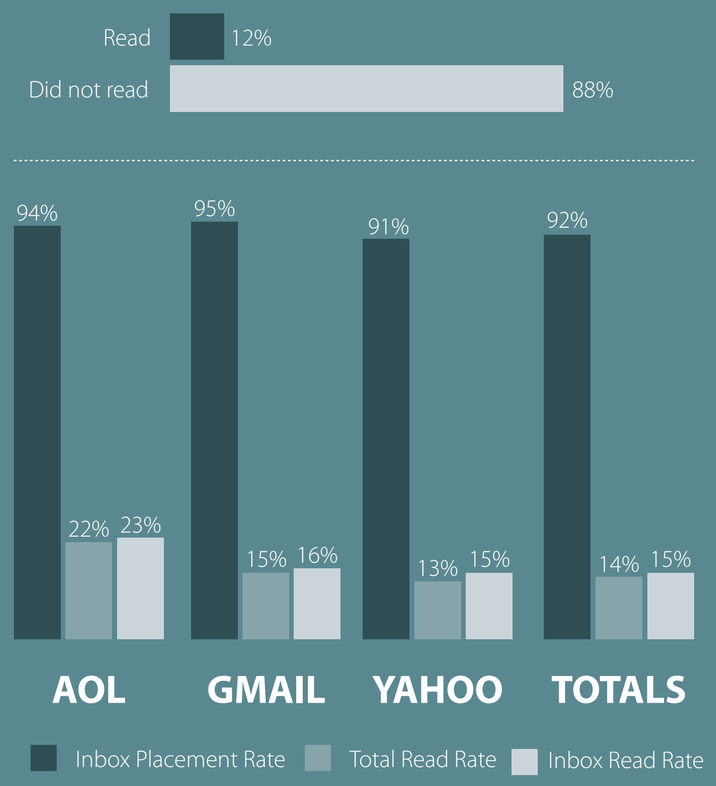
While email experts consider win-back campaigns a must-have marketing tactic, rarely do they discuss if or how they work.

Return Path studied email win-back campaigns sent by 33 retailers.

The numbers are revealing. First, win-back emails are for the most part making it into subscribers' inboxes. According to Return Path data, the inbox-placement rate for brands using win-back emails is 92 percent.

The overall read rate for retailers sending win-back emails was 14 percent, compared to a 12 percent read rate for win-back campaigns. AOL subscribers had the highest read rate at 23 percent. Yahoo! subscribers had an average read rate of 15 percent and Gmail subscribers had a read rate of 16 percent.

TOTAL WIN-BACK RECIPIENTS



Studies have shown AOL users tend to skew older and spend more, so they may be more receptive to email win-back campaigns.

Only, 12 percent of people who received win-back messages read them. But while this means 88 percent of recipients didn't read win-back messages sent to them, a 12 percent read rate for disengaged customers is still a pretty good result.

Where things Get Interesting

While win-back emails have a respectable engagement rate, what happens after those messages go out may surprise some:

24%	45%

45 percent of recipients who received win-back emails read subsequent messages. And of that 45 percent, just 24 percent had read win-back emails.

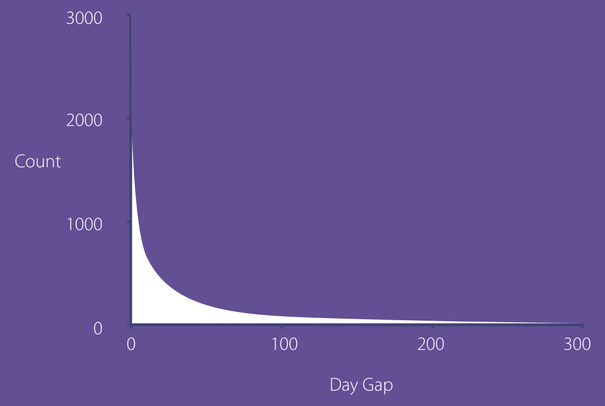
Conversely, of the 45 percent who read subsequent messages, 76 percent had not read any win-back messages.

Also, according to Return Path data, 4 percent of subscribers who received win-back emails stopped getting future emails. However, 85 percent of the 4 percent had read the win-back message.

Moreover, the average length of time between when people received a win-back email and when they read a subsequent message was 57 days - almost two months. What is unknown is whether or not the win-back emails had any significant effect on recipients' engagement with future emails.

Conclusion: Immediately removing people from an email list who do not respond to win-back emails is not a good idea. You may be removing people who are still engaged with your brand or who respond to the message by shopping at a bricks-and-mortar location, or who may reengage in the future.

A wiser approach is to send multiple win-back emails before culling inactive recipients. Even up to 300 days, recipients were still opening email after receiving the subsequent win-back message. 75% of these subscribers clicked on a subsequent message within 89 days.



What Works and What Doesn't

First, what doesn't. According to Return Path data, re-permission campaigns had a dismal 1.8 percent read rate. Re-permission emails, where the sender attempts to get long inactive recipients to opt into receiving email again, tend to be last-ditch efforts, so this isn't necessarily a surprise.

However, reactivation emails with the words "miss you" in their subject lines achieved a 13 percent read rate, and messages with the words "come back" in their subject lines achieved a 12.7 percent read rate.

Also according to Return Path data, win-back emails with $ off discounts in their subject lines were nearly twice as successful as emails with % off discounts at getting people to open and read them. Yet, most marketers use % off in their win-back email subject lines.

Conclusions

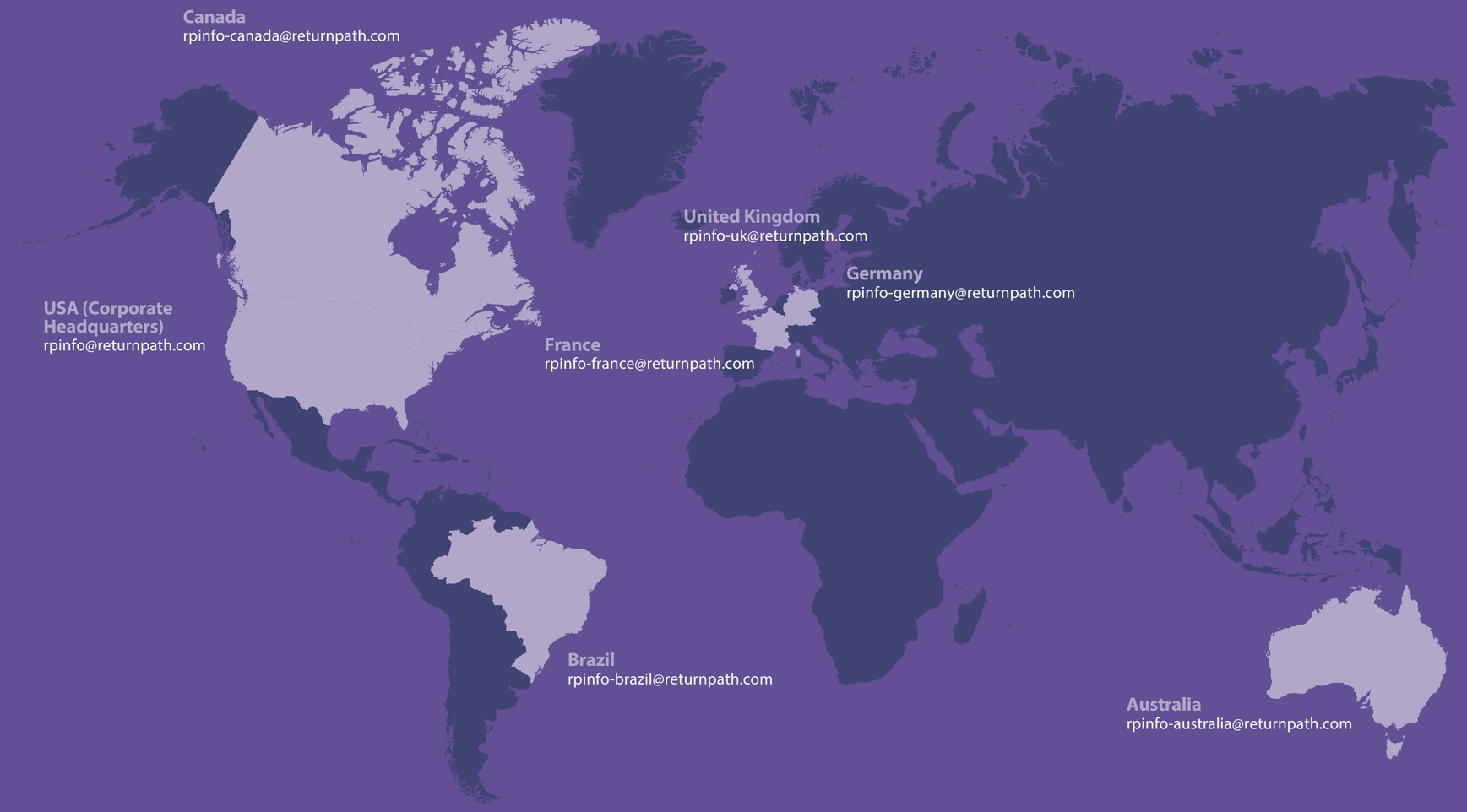
Win-back emails can be an effective way to reengage subscribers as long as marketers use the right data (read rates, inbox activity) know what keywords are effective in subject lines, and test to learn the optimal number and frequency of win-back messages.

The key is not to measure win-back programs as standalone campaigns. Send inactive subscribers multiple win-back messages. Make them enticing offers. Return Path data says "$ off" offers work best, but each marketer should test to determine what works for them.

Give reengagement campaign recipients at least two months to interact with the brand understanding the interaction may not occur with the win-back message.

Tips for Reengagement Campaigns

- Use a shorter template and subject lines (e.g., "We Miss You" or "Was it Something we Said?") that differs from your current emails to try and capture attention.
- Focus on one clear call to action.
- If the email addresses have not been mailed for an extended period of time and the file size is large, send reengagement campaigns from a different IP than that which is used to mail to active, engaged subscribers.
- Create a throttling schedule based on the total size of the reengagement campaign and deploy in smaller quantities to monitor complaints, unsubscribes, and unknown users.
- Don't send only 1 reengagement email. Test a variety of different content and calls to action to try and reengage subscribers.
- If providing an incentive, test different offers. According to Return Path's research, $ off incentives performed better than % off. Make this offer truly compelling and hard to pass up.
- Experiment with the tone and sentiment that will be a good fit for your brand. Test to determine whether your campaigns see a lift with a straight-forward approach or a more emotional appeal.
- If possible, use any existing additional data (beyond last engagement) to personalize the email and increase the chance of reengagement. Remind subscribers about the value of receiving emails from your brand.
- Once the initial reengagement campaign has been tested and deployed, create an optimized triggered campaign that can be sent to inactive subscribers once they hit the defined inactivity threshold.
- Review your reengagement campaign content and metrics regularly to ensure that they continue to drive positive results.
- Solicit feedback. Understanding why these subscribers stopped engaging can help inform future email program strategy and reduce subscriber inactivity.
- Don't remove subscribers immediately after sending a reengagement campaign. Provide the opportunity for subscribers to reengage with your brand.
- When you remove subscribers, be explicit in communicating next steps and honor those statements. It should be clear at what point email messaging will cease.



About Return Path

Return Path is the worldwide leader in email intelligence. We analyze more data about email than anyone else in the world and use that data to power products that ensure that only emails people want and expect reach the inbox. Our industry-leading email intelligence solutions utilize the world's most comprehensive set of data to maximize the performance and accountability of email, build trust across the entire email ecosystem and protect users from spam and other abuse. We help businesses build better relationships with their customers and improve their email ROI; and we help ISPs and other mailbox providers enhance network performance and drive customer retention. Information about Return Path can be found at:

returnpath.com

Methodology

To conduct this research Return Path studied a representative sample of 300 million email messages sent to 100 million consumers by brands in the most recent Internet Retailer Top 500 Guide. Win-back campaigns were identified through subject line analysis and subscriber engagement was measured using Inbox Insight, an email intelligence solution that provides behavioral analysis of the aggregated and anonymous inbox experience of approximately 3 million mailbox users worldwide.