

The birthday and anniversary report

Benchmark data and analysis for email marketers



The birthday and anniversary report

Introduction

Increased exposure to marketing media and advertising drives the importance of creating personalized and relevant direct communications with your customers every day. By making a personal connection with a target audience through precise and meaningful communications, such as sending emails acknowledging birthdays or anniversaries, marketers can build brand loyalty, deepen customer engagement and increase sales.

It should come as no surprise that triggered lifestyle and relationship-based messaging results in high response. To pinpoint precise trends and recommend data-driven best practices pertaining to birthday and anniversary-based email marketing, the Strategic Services team at Experian Marketing Services' CheetahMail conducted an analysis of birthday and anniversary campaigns deployed by its leading global client base.

This white paper reveals main takeaways from Experian Marketing Services' analysis and provides proven tactics for applying this research into email marketing campaigns for more precise targeting, stronger customer relationships and increased return on investment (ROI).

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Birthday and anniversary benchmarks and trends

The findings contained in this document are the result of a thorough and controlled analysis of birthday and anniversary email campaigns deployed by 53 Experian Marketing Services' CheetahMail clients throughout 2009 compared to the results of mass mailings deployed by the same group of clients the same year. Birthday campaigns are defined as email marketing messages that acknowledge the subscribers' date of birth with a positive, personalized and celebratory tone. Anniversary mailings call attention to other milestones and calendar days of interest. For example, the subscription date can be used to reward subscribers on the anniversary they joined an email program.

To ensure accurate and actionable results, campaigns were individually analyzed to include the unique deployment frequency and segmentation strategy used. Performance by offer type was also measured to gauge the impact of including various promotions within birthday and anniversary mailings.

Subject lines

Whether the subject line is just a simple "Happy Birthday" or it indicates an offer or a gift inside, the response metrics are strong. Compared to standard mailings, there is less variation in the subject lines of birthday and anniversary emails. The subject lines most often utilized focus on the birthday or anniversary, use first name personalization, promote a gift inside or a discount off, or exhibit a combination of these tactics.

The top five subject lines based on open rates are:

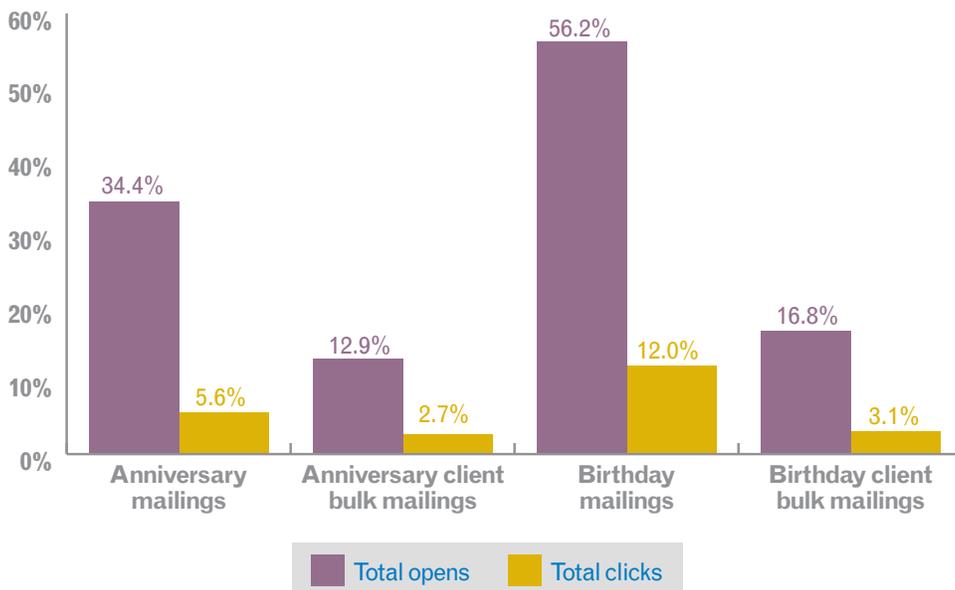
- A special gift for your Birthday
- Happy Birthday %%FIRSTNAME%%
- Happy Birthday From [Company]
- Your Special Birthday Bonus
- A special gift of 20% off for your Birthday

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Open and click rates

Compared to mass-promotion mailings, the total open rates for birthday and anniversary campaigns are 235 percent and 150 percent higher, respectively. Birthday mailings tend to garner nearly 300 percent higher click rates, and for anniversary mailings, click rates are approximately 100 percent higher. The high open rates can be attributed to the fact that birthday and anniversary messages are intrinsically relevant and personalized, enticing customers to engage with the emails. Further supporting this finding, Experian Marketing Services' CheetahMail 2009 Q2 Benchmark Study¹ reported a 40 percent increase in open rates for mailings using personalization such as first name.

Birthday/anniversary campaigns are naturally relevant and personalized



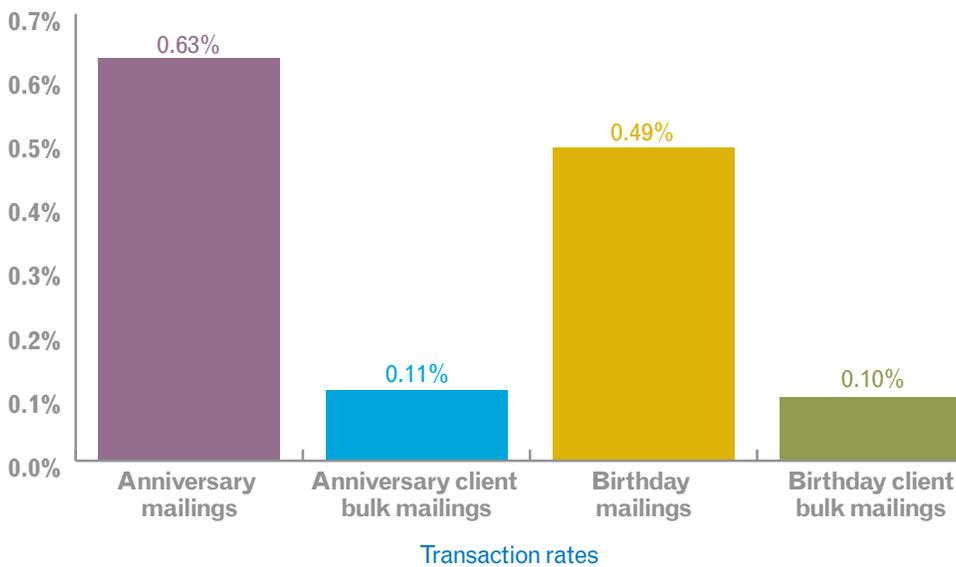
¹ Analyzed subject lines from 324 Experian CheetahMail clients from January to June 2009

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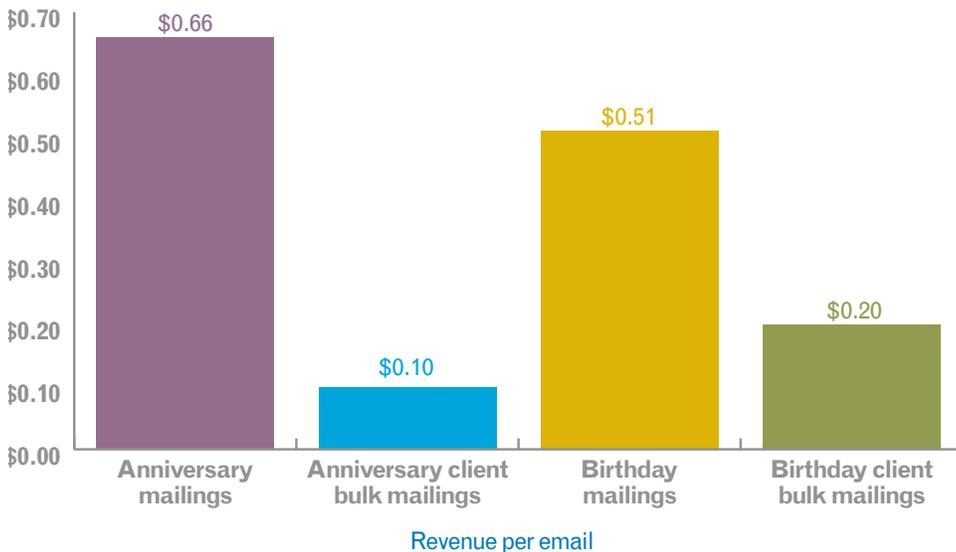
Transactions and revenue per email

Transaction rates are five times higher for birthday and anniversary emails than they are for bulk campaigns. Additionally, revenue per email soars well above bulk rates, with an average of \$0.66 garnered by anniversary messages, and birthday emails pulling \$0.51 per email. These revenue numbers translate to 675 percent and 250 percent increases over standard promotional mailings for anniversary and birthday campaigns, respectively.

It's my party, and I'll buy if I want to



Personal special occasions drive higher revenue per email

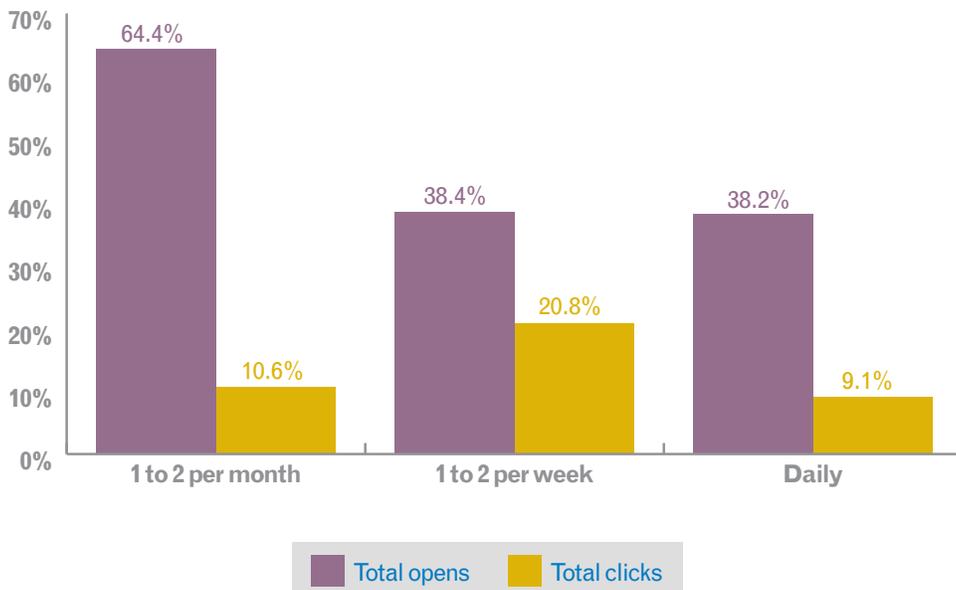


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Mailing frequency

The mailing frequency for birthday emails tends to vary more than expected. Most anniversary campaigns and the majority of birthday-focused emails are sent one to two times a month. With birthday emails, a significant number of businesses mail one to two times a week, and the remainder trigger birthday messages daily. Birthday mailings that were sent one to two times a month garnered the highest open rates at 64.4 percent, and those that mail weekly batches yield the highest click rates (20.8 percent).

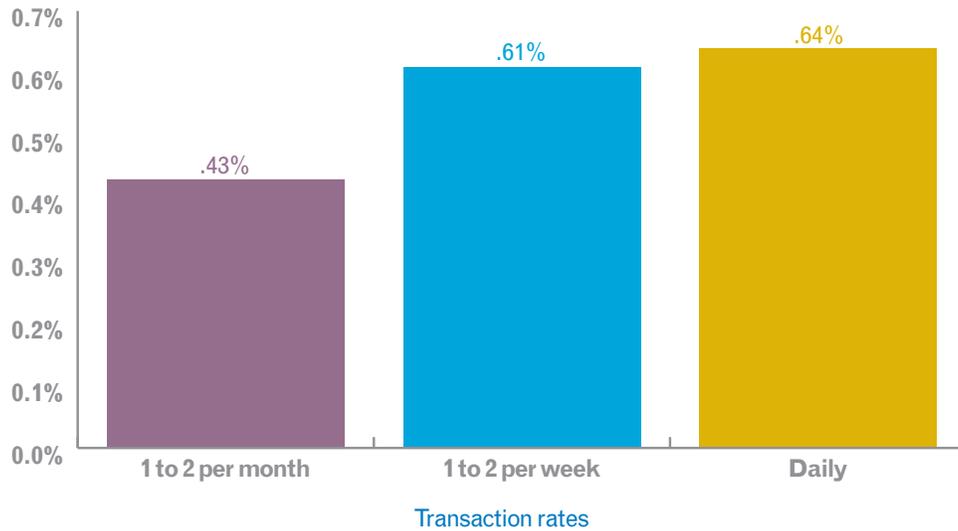
Less can mean more in terms of open and click response



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Daily deployments of birthday emails tend to experience higher transaction rates than the birthday emails sent at a lower frequency. However, the difference is slight when compared to weekly deployments and more extreme when compared to monthly. Birthday emails sent daily pull only 5 percent higher transaction rates compared to weekly deployments. Both daily and weekly mailings pull more than 40 percent more transactions than those deployed monthly.

People are more likely to spend on themselves closer to their birthdays

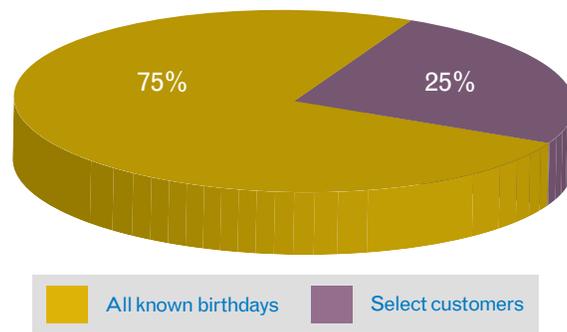


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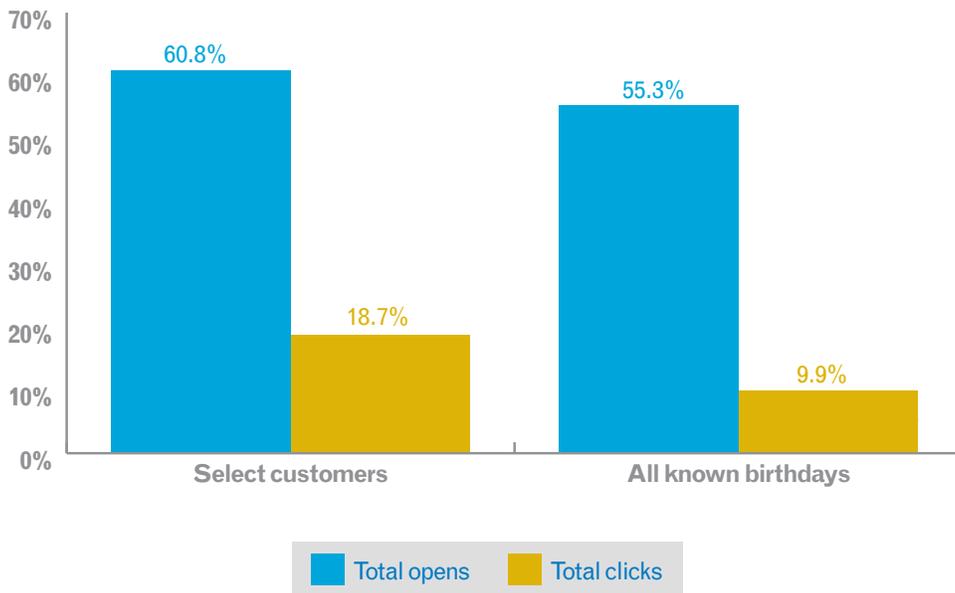
Birthday campaigns segmentation

The level of segmentation applied to birthday campaigns generally influences response metrics. In Experian Marketing Services' CheetahMail study, three-quarters of all birthday email marketers sent emails to everyone on their file with a known birthday. Only 25 percent select specific customers, often including frequent purchasers, credit card customers or loyalty program members, to receive the birthday-based campaign.

The level of segmentation influences response metrics



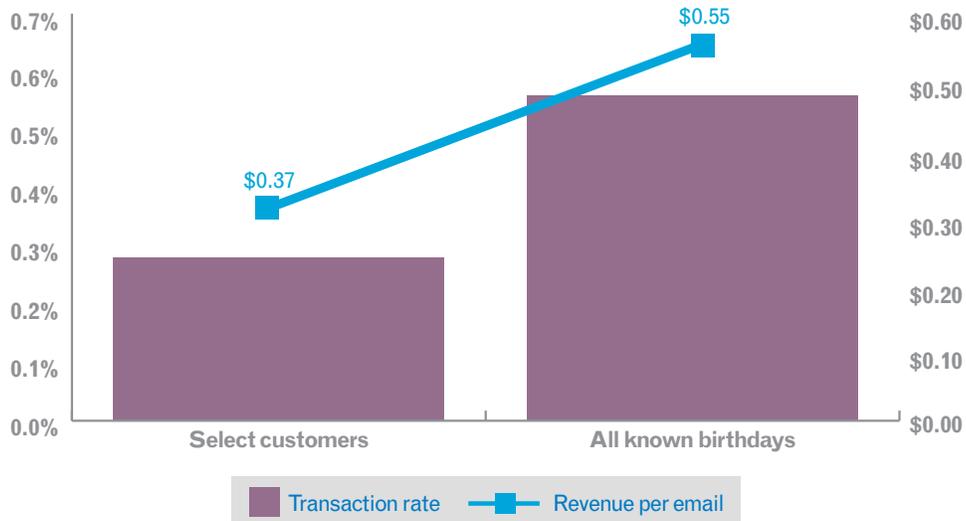
Further segmented birthday campaigns result in high open and click rates



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Birthday campaigns sent to select customers or loyalty members have significantly higher open and click rates than birthday campaigns sent to all members with known birth dates. That said, birthday mailings sent to all subscribers with known birthdays pull much higher transaction rates and revenue per email. This finding indicates that marketers only sending birthday emails to a select part of their list may be unnecessarily over-segmenting a naturally segmented campaign and missing out on potentially higher ROI. Marketers should consider expanding their program to include all members with known birthdays to further increase the revenue potential of the campaign.

Over-segmenting birthday campaigns can decrease revenue per email

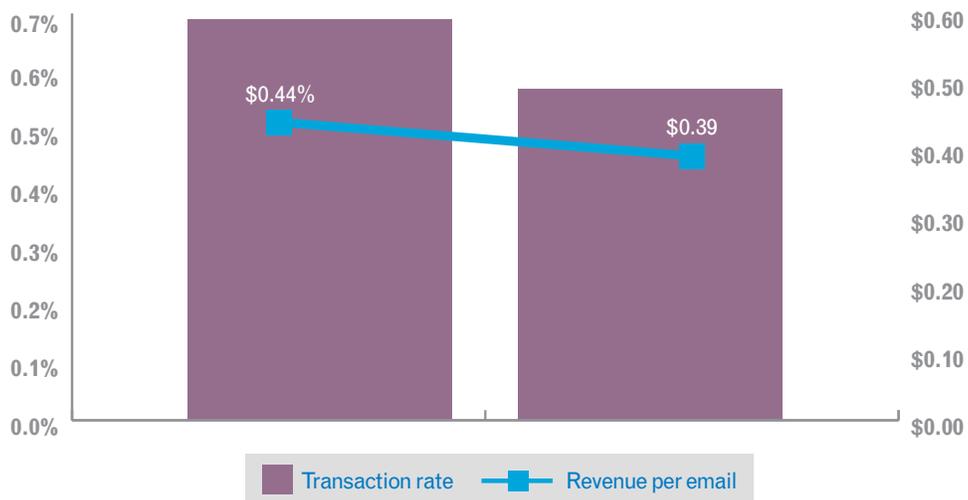


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Birthday and anniversary campaign offers

The majority of anniversary campaigns sent by email marketers include some type of promotional offer or discount. Offers typically range from \$5 to \$15 off or 10 percent to 20 percent off. Both dollars off and percent discounts tend to perform well in terms of customer response. For anniversary mailings specifically, campaigns offering dollars off had higher transaction rates and revenue per email than percent-off campaigns.

Anniversary offers: show me the money



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Although the dollars off and discount amounts for most birthday campaigns tend to fall within close range of those for anniversary mailings, there is more variety among offer types — such as free shipping or points to loyalty members. Similar to anniversary campaigns, the dollars-off birthday mailings have the highest transaction rates and revenue per email. It is interesting to note that offers that required a minimum spend have significantly lower rates and revenue per email than offers without such requirements.

All gifts are good on my birthday, but I like \$\$\$ best



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Birthday and anniversary email best practices

Communicating with your customers in the right way on their special day can lead to significant increases in response. The following best practices draw from the data and analysis within this document, as well as the advice of Experian Strategic Services' experienced industry experts, to help email marketers make the connections that increase customer engagement and boost campaign profitability.

Don't know their birth dates? Ask for them!

If you do not ask for birthday information when your customers sign up for your list, or if you want to add the information for those who did not provide it initially, send an email requesting their birth dates. The content can include an offer or the promise of future offers as well as insider information about your products.



Steve Madden makes sharing birth dates enticing and rewarding for its customers. This email resulted in click and transaction rates two times higher than those of Steve Madden's bulk mailings.

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Say “Thank you”

Use anniversaries as a time to personally acknowledge and thank those customers who have been with you for the year. Shorter, six-month anniversaries can even be worth celebrating in many cases. It is likely that the relationship will strengthen and that customers will appreciate the recognition. Anniversary mailings can also be marketed as a benefit of being an email subscriber and therefore help discourage unsubscribing. This strategy is particularly strong for businesses that are known to not send a lot of offers.

Use copy to your advantage

Use text within the email to specify, recognize and reinforce the relationship that you have with your customers. For example, something to the effect of, “Because you are a valued customer of brand xyz, we would like to take this opportunity to celebrate your birthday and present you with a coupon with our compliments. Happy Birthday from brand xyz!” Birthday and anniversary emails that help the recipient better identify and acknowledge the relationship with your brand only add to the strength of that relationship and promote a positive response.

Segment your list

All customers have birthdays and anniversaries, but not all customers respond the same way to each offer. Consider sending deeper discounts and offers based on past average order values to your best responders and those that you have not heard from in a while. Birthday and anniversary mailings are a great way to reconnect with and engage lapsed customers. Be sure to test the inclusion of offers to less responsive groups to reduce the risk of lowering margins.

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The screenshot shows an email header for AllPosters.com with a search bar and navigation links for FINE ART, PHOTOGRAPHY, VINTAGE, TRAVEL, ANIMALS, MOVIES, MUSIC, and BEST SELLERS. The main content area features a red banner with the text "7 Days Only - Expires: for anything you like, site wide*" and a large "\$5" discount. Below the banner, it says "\$5 OFF - Use Code:". To the right, the text reads "Happy AllPosters Anniversary! Dear Valued Customer, It's been a year since you joined the AllPosters family, and we'd like to THANK YOU for being a loyal customer. So, here's \$5 for a celebratory gift." It also mentions "We've added thousands of hot new items: posters, prints, T-shirts, canvas, framed art & more. We hope you enjoy the gift, and we hope to see soon!" and ends with "Best Regards, The Team at AllPosters" and a "Shop Now" button.

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AllPosters says thanks to subscribers who have been on their list for one year and segments their list by past average order value. The \$10-off discount was sent to customers who had spent more with them in the past resulting in 12 percent higher click rates and 35 percent higher transaction rates than the \$5 offer that was sent to list members with lower past average order values.

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Have fun

Almost everyone loves to celebrate birthdays. Use this opportunity to have your products be part of their festivities, and you'll enhance the chance of creating a winning situation for all. The email creative should invoke the festive, celebratory emotions associated with birthdays, which can be accomplished with engaging photography, festive colors, animated gifs and animated video .gifs.

Free People engages their subscribers with festive creative in their birthday emails.



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Personalize messages to enhance results

Experian Marketing Services' CheetahMail benchmark data indicates that including the subscriber's first name in the subject line has increased open, click and transaction rates for many catalogers and multichannel retail brands. Businesses that are not confident in the quality of their first name data on their file should first cleanse their list or be more careful in testing this tactic. Assuming the quality of the data is good, run A/B tests including first name personalization in your subject lines to see whether first names will result in higher response for your program.

According to experts from Experian Marketing Services' Data Enrichment² division, it is typically not a good practice to try to recognize your subscribers' actual birth day or age. This is due in part to the fact that it is personally identifiable information, and also because many recipients do not like to see such personal information prominently displayed. For example, it is often better to use a header that reads, "A special birthday offer" rather one such as, "Since Monday, April 12, is your birthday, here is an offer for you!" or "Now that you have turned 55, Happy Birthday and here is an offer for you!"

Methodology

Data in this report was collected by the Strategic Services team at Experian Marketing Services' CheetahMail, based on the email campaign performance of 11 clients with anniversary mailing programs, and 48 clients with birthday programs from January through December 2009. More than 3,000 anniversary mailings and 7,000 birthday mailings were compared to the bulk campaigns by client for the same time period.

² Visit <http://www.experian.com/business-services/data-enrichment.html> to learn more.

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Marketing
forward 

The graphic consists of two overlapping, right-pointing triangles. The front triangle is dark grey, and the back triangle is a lighter shade of grey, creating a 3D effect.

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