



**Before the  
FEDERAL TRADE COMMISSION  
Washington, D.C.**

**CAN-SPAM ACT RULEMAKING, PROJECT NO. R411008**

**Comments of  
DOUBLECLICK INC.**

**April 19, 2004**

## INTRODUCTION

As a leading provider of email delivery technology, DoubleClick is well-positioned to discuss the implications of the CAN-SPAM Act for legitimate marketers. DoubleClick's email clients send consent-based promotional messages, transactional messages (such as account statements, airline confirmations, and purchase confirmations); email publications; affinity messages; and relational messages. We and our clients are eager to keep spam from filling consumers' Inboxes and obscuring our clients' emails, which are messages that consumers want to receive.

DoubleClick applauds the Commission's efforts in compiling thoughtful and comprehensive questions in its Advance Notice of Proposed Rulemaking ("ANPR"), which are obviously designed to provoke considered responses. Except for a few key areas, we believe that the CAN-SPAM Act provides clear guidance for legitimate marketers. Consequently, we are restricting our comments to those areas.

## PRIMARY PURPOSE CRITERIA

We recognize that the selection of the criteria for determining the primary purpose of an email message is critical to marketers' understanding of and compliance with the CAN-SPAM Act, as well as enforcement efforts under the Act. The questions in the ANPR offered a number of possible approaches for determining the primary purpose of an email message. We believe that the "net impression" standard would provide the best framework for categorizing email messages.

We suggest that the "net impression" standard used to determine the primary purpose of an email message should take into account

- Whether the advertising material is incidental to the email;
- Whether the advertising material is used as a mechanism to support free content within the email (*i.e.*, essentially "paying the postage" for something like an email newsletter);
- Whether the email would still be sent absent the advertising material (assuming that the email could have been sent without the financial support of the advertising);
- The prominence (relative placement, size and conspicuousness) of the advertising material; and
- The form of the advertising material (*e.g.*, whether the advertising material appears in a banner ad, or link in an email newsletter);

Some of these elements should be given greater weight than others. If the email message would have been sent without the advertising content, or if the advertising material is merely "paying the freight" for the message, or if the advertising content is merely incidental to the message, then the primary purpose of the message should **not** be found to be commercial, regardless of the evaluation of the other factors. An "offline" example of this would be a monthly bill statement that consumers receive by regular mail. Marketing messages often accompany these statements, but the primary purpose of the mailing remains the delivery of the statements.

## **TRANSACTIONAL OR RELATIONSHIP MESSAGES**

We believe that the definition of “transactional or relationship message” in CAN-SPAM is sufficiently clear and that the categories enumerated are appropriate. We also believe that messages that are otherwise unambiguously “transactional or relationship” messages should not fall outside this definition just because they contain some advertising content. The “net impression” standard for determining the primary purpose of the message should be applied consistently to “commercial” and “transactional or relationship” messages.

## **TEN-BUSINESS DAY REQUIREMENT**

The ANPR also sought comments about whether ten (10) business days is an appropriate time period for processing the request of a consumer to stop receiving commercial email messages from a sender. We believe that ten (10) business days *is* a reasonable time frame for processing such “unsubscribe” requests. We believe that marketers that cannot currently meet this deadline should invest in technologies to enable them to do so. Reducing the time period, however, would be problematic for those companies that have multiple databases, as it takes time to synchronize these databases.

Contrary to what appears to be the Commission’s understanding (based upon the framing of the questions) about the practices surrounding honoring “unsubscribe” requests, the process does not involve the *deletion* of an email address from a “sender’s email directory or list.” Instead, the email address of the consumer that wishes to stop receiving certain emails from a sender is usually added to a “suppression list” against which the sender “scrubs” subsequent email campaigns.

## **“SENDER” ISSUES**

Pursuant to the authority granted to the Commission by Section 13 of the CAN-SPAM Act, the ANPR sought comment on additional issues in order to clarify and effectuate the purposes of the Act, including several that related to the “sender” of the email messages.

### ***WHERE THERE ARE MULTIPLE ADVERTISERS***

Although CAN-SPAM specifically states that an email message can have more than one initiator (§3[9]), it does not address whether there can be multiple “senders” (“a person who initiates . . . a [commercial email] message and whose product, service, or Internet web site is advertised or promoted by the message” [§3(16)(A)]). It is not uncommon, however, for legitimate marketers to deploy co-branded email campaigns. The ANPR recognizes that identifying *the* sender of a commercial email that promotes the products of more than one advertiser poses challenges.

We believe that the entity whose “brand” appears in the “FROM” line of a commercial email message, who “owns” the email address and the domain that deploys the email list should be viewed as “the” sender in situations where there are multiple advertisers in a commercial email. It is this entity that presumably has the relationship with the recipient, and that should be responsible for fulfilling the obligations that CAN-SPAM imposes upon a sender (*i.e.*, listing its postal address, providing a functioning mechanism for unsubscribing, processing requests to stop receiving commercial messages). Adopting this approach would simplify insuring the security of

email lists as well as the content of email messages, and would make it easier to honor recipients' requests not to receive any more commercial messages from that sender.

If every entity whose product was promoted in a commercial email were to be treated as a "sender," companies would have to exchange suppression lists, which would present a security nightmare. These lists would be coveted by spammers and any security breach during transmission or transfer among marketers would mean more spam to recipients that specifically expressed a desire to not receive more commercial emails. Each company would have to list its postal address in every message, cluttering the available message space. Not only would this be problematic aesthetically, but substantively, as the promotions would increase confusion as to which address belonged to which product. Confusion relating to unsubscribing would also increase. It would be difficult to make it clear to recipients which opt-out mechanism covered which advertiser. If a recipient sought to unsubscribe from future mailings of a marketer that did not already have the recipient's email address on its list, the marketer would have to create and maintain separate suppression databases containing email addresses that were not associated with any other data.

The entity whose "brand" appears in the "FROM" line, that owns both the domain that deploys the email campaign and the email "relationship" would be responsible for making its identity clear and for insuring that any recipient that wanted to unsubscribe understood exactly whose emails s/he would stop receiving if s/he unsubscribed from future e-mailings.

#### ***"FORWARD TO A FRIEND" SITUATIONS***

Of the different types of "Forward to a Friend" ("FTAF") scenarios, we believe that CAN-SPAM should apply only to those "Forward to a Friend" campaigns where recipients are given an inducement to forward the message to others *and* the sender has access to the "forwarded" email addresses. In these instances, the entity offers consumers incentives for sending its promotions to others, and, usually by a Web-based form, has consumers enter the email addresses of others. We believe that this situation would meet the definition of "procure" under the statute (§3[12]), and, as the company will have access to the email address through the Web form, it should be required to "scrub" the email addresses entered by the consumers against the entity's suppression list.

CAN-SPAM should *not* apply where consumers receive a commercial email and use the forwarding feature within their email programs to send that message to friends. In this instance, the original sender of the message has no way of knowing what was done with its message or to whom it was forwarded, and should not be deemed a "sender" under CAN-SPAM.

CAN-SPAM should also not apply where consumers visit a website and use the forwarding feature of their Web browsers to forward a Web page to friends. Here, too, the owner of the website has no control over the actions of the consumer and has no way of knowing the email address(es) of the person(s) to whom the Web page might have been sent.

Some websites provide a means to forward their Web pages to others. This commonly occurs at news sites as well as at commercial retail sites. Visitors are offered no incentives for forwarding the Web pages, and best practices have dictated that the email addresses entered in this way are not used except to send that particular article or Web page from that particular consumer. Although by providing the mechanism to send an article to others could be considered "prompting" or "encouraging," we do **not** believe that, by offering this additional functionality,

the website can be said to be “inducing” visitors to “initiate ... a message on ... [the website’s] behalf” (§3[12]). Consequently we believe that this practice does **not** meet the law’s definition of “procure” and that this type of FTAF scenario should **not** be covered by CAN-SPAM.<sup>1</sup>

Instances where consumers receive commercial emails that contain a mechanism for forwarding (*e.g.*, a button that says, “Forward this to a friend”), but do not receive any benefit for forwarding the message should also not be subject to CAN-SPAM. Although the original sender may have prompted or encouraged the original recipient to forward the message by including the FTAF button in the message, we do not believe that this “prompting” meets the definition of “procure” in this situation any more than it does in the previous one. In addition, the original sender would have no access to the email addresses of the additional recipients, and could not “scrub” the email addresses against its suppression list.

### **“VALID PHYSICAL POSTAL ADDRESS”**

The ANPR asks whether a Post Office Box and a commercial mail drop should be considered “valid physical postal address[es]” (§5[a][5][A][iii]) for the purposes of CAN-SPAM. We believe that there are situations in which such types of addresses should be considered valid. Legitimate marketers make use of P.O. Boxes or commercial mail drops to insure that responses to campaigns are directed to the appropriate location. (Individual advertising campaigns can have their own P.O. Boxes or mail drops assigned to them.) This makes processing more efficient. In addition, legitimate marketers make it clear in the “FROM” line that the commercial email message is from their company or brand.

The use of P.O. Boxes or commercial mail drops will **not** make it more difficult for law enforcement agencies to find the companies generating these commercial email messages. If the purpose of this provision were to identify where companies could be served with legal process, then the law would have required the listing of a sender’s corporate headquarters or legal “place of doing business.” Law enforcement agencies will not have any difficulty in locating legitimate marketers, whether the address contained in the marketers’ commercial email messages is a P.O. Box or a commercial mail drop.

### **SUBJECT LINE LABELING STUDY**

We believe that the focus should be on the “FROM” line rather than the “SUBJECT” line when identifying commercial email. Studies have shown that recipients pay less attention to the contents of an email message’s “SUBJECT” line than they do to the “FROM” line. The “FROM” line is very important to legitimate marketers, who use it to reinforce their brand names. In fact, the “SUBJECT” line only refines information gleaned from the “FROM” line. The annual DoubleClick Consumer Email Survey, fielded to over 1000 consumers examines this issue year over year. We found in 2002 that consumers placed far more importance on the “FROM” line

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<sup>1</sup> If the Commission were to determine that this FTAF scenario should be covered by CAN-SPAM, it should also take into account that it would be requiring the website operators to collect and store more information about consumers than the operators currently do. We do not think that the purposes of the law would be served by this, as these websites do not send any subsequent messages to these recipients (they do not have the email addresses anymore, after all), and these situations, accordingly, are not the source of the unwanted email that instigated the passage of CAN-SPAM.

than the "SUBJECT" line. This finding was confirmed our 2003 study. Copies of both studies are attached for your reference.

If subject-line labeling were instituted, spammers would not comply, as was made clear with the various state anti-spam laws that existed prior to the enactment of CAN-SPAM, and there would be no reduction in the amount of spam that consumers received.

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We appreciate the opportunity to submit comments on behalf of our email technology customers.

October 2003

[www.doubleclick.net](http://www.doubleclick.net)

# DoubleClick 2003 Consumer Email Study

## ***Executive Summary***

*The fourth of DoubleClick's annual consumer email studies points to an increasing sophistication in consumer usage of email functionality and a corresponding complexity of purchasing behavior. The spam crisis continues to affect consumer behavior online but does not necessarily cloud consumer receptiveness to legitimate marketers: an overwhelming majority of online consumers receive offers by email and have made a purchase online or offline as a result. Consumers are using available tools to limit spam and are employing separate email accounts for purchasing, all in attempts to increase control and improve their email experience.*

*Nearly 64% of consumers cite the "from" line as the most important factor in opening an email.*

### **Objectives/Methodology**

DoubleClick, working with Beyond Interactive and the NFO//net source panel of 900,000 US consumers, polled 1,000 consumers via email from July 30 - August 5, 2003. All respondents recruited use email/internet 1+ times per week, which reflects the usage of the larger online population (94% of the 18+ online population according to Nielsen, 2003). There was an equal segmentation of men and women and the average age was 42.7. This is the fourth of an annual series of consumer research studies and trending information was derived using the data from previous years. The sample mirrored previous studies and is reflective of the online population as a whole.

### **Key Findings**

- The majority of consumers receive some kind of marketing email with special offers from retailers most common
- Sender recognition most impacts open rates, while content relevance increases likeliness to purchase
- Frequency preferences, or how often respondents prefer to receive emails of a certain category, are very specific to the category of email but vary greatly from one consumer to the next; frequency of permission based email is clearly a great concern to consumers and has an impact on what they consider to be spam.
- Email drives multi-channel purchases and has an immediate as well as a latent

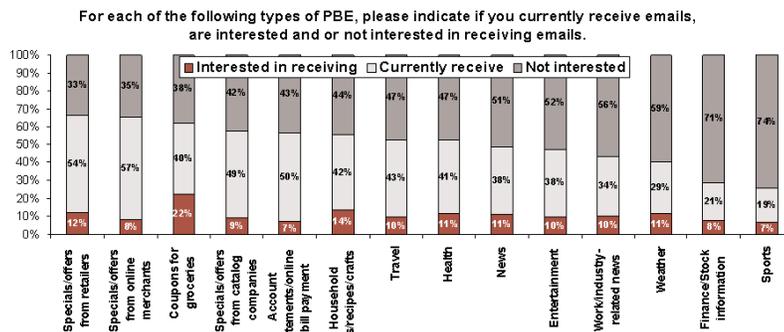
## 2003 Consumer Email Study

impact. It drives consumers most often to the online channel but also results in retail and catalog sales.

- Consumers have become sophisticated in their use of ISP-supplied tools to limit spam and in their usage of various email addresses to manage their varied email activities. Home and free email addresses are most often used for purchasing, with one email address specifically designated for that usage.

them from traditional retailers, and 48.5% receiving them from catalogers. Other popular types of marketing emails included account statements/online bill payment information (received by 49.8% of respondents), travel emails (43.3%), coupons for groceries (40.0%), health (41.1%) and household tips/recipes/crafts (42.1%). Of categories in which consumers do not currently receive emails, respondents are most interested in receiving grocery coupons (cited by 22.1%) and household tips/recipes/crafts (13.6%). Other categories of strong interest were electronics and computer software/hardware, 13.8% and apparel/shoes at 12.3%. Permission-based email also continues to be the preferred method of contact from the favorite retailer regarding new products, services or promotions (preferred by 59% of consumers), while only 32.1% preferred direct mail.

### Special offers from retailers/catalogers received by at least 50% of respondents



- Men and women have radically different ideas of what spam is and different purchasing behavior related to spam. Women are more receptive to promotions and discounts and correspondingly more interested in and tolerant of marketing emails than men.

### Receptiveness to Marketer Emails

The vast majority (91%) of consumers receive some form of permission-based email with 57.2% receiving special offers from online merchants, 55.4% receiving

### Sender Recognition, Content Relevance Most Impacts Purchasing, Consideration Behavior

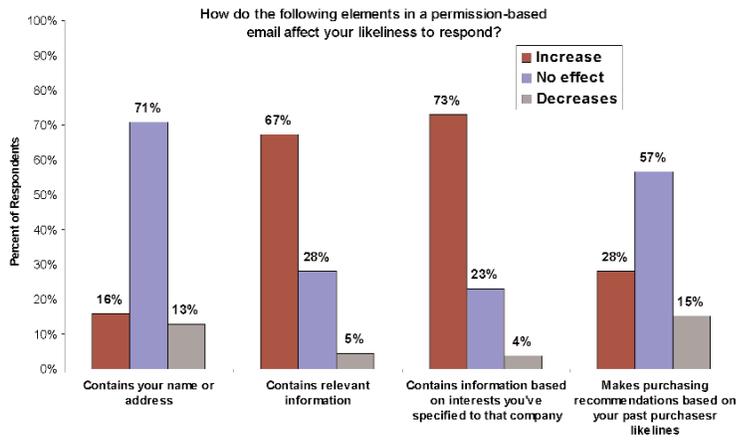
The “from” line continues to be the most compelling reason to open permission-based email, cited by 63.3% of all respondents, an increase from 59.9% in 2002. This speaks to the growing significance of user recognition of sender and the power of brands — even more important in an era of spam. Of all types of subject lines, discount offers are the primary motivational factor for opening permission based email (increased to 59.5% of all respondents from 56.7% in 2002), while compelling news and information fell from 57.6% of all respondents to 48.6% in 2003.

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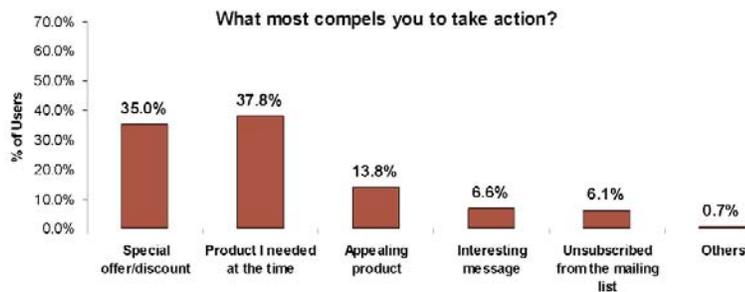
**Relevant content, information specified by user increases likeliness to respond**



When asked what most compelled them to take action on a permission based email, “product I needed at the time,” a reflection of the relevancy of the offer, was noted by 37.8% of all respondents, outranking the next most common choice, “special offer or discount,” cited by 35.0% of respondents. Likeliness to respond could be increased if an email “contains relevant information” (noted by 67.3% of respondents) and

**Consumers take action on emails corresponding to “product need”**

• While discounts have impact, relevance is even more important



“contains information based on interests specified to that company.” Consumers found recommendations based on past purchasing behavior less appealing (noted by only 28.1% of all respondents). Consumers clearly want a degree of control over what marketers send them and would like their specified interests taken into account.

Consumers are also very specific in their frequency preferences, with news and weather most often preferred daily, special offers from retailers, online merchants and catalogers most often preferred weekly, and account statements/bill payment communications monthly. However, there are significant numbers of consumers who vary in these preferences, with just over 20% of those who receive special offers and discounts from retailers, online merchants and catalogers preferring the communications to come monthly. In accordance with specified frequency statements, when asked what concerned them about their inboxes, frequency of permission-based email was second only to spam, cited by 42% of respondents. This danger is even more pronounced considering only 28% noted “frequency of permission-based email” as a concern in 2002. Clearly marketers need to test for optimal frequency and solicit customer preferences.

**Email Drives Multi-Channel Purchases — But at the Expense of Offline Retail**

Permission-based emails clearly drive purchases. Sixty-seven percent of respondents received an email offer from a

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## 2003 Consumer Email Study

retailer, cataloger or online merchant that resulted in a purchase. Top purchasing categories were: apparel/shoes at 83.4% making a purchase, computer software/hardware at 81.4%, gifts/flowers at 77.6%, travel at 77.2%, electronics at 77.1% and food at 71.7%. The only underperforming category was financial products and services at 41.5%, which could relate to the high consideration necessary for these products, the incidence of spam in this category or lack of interest due to the economy.

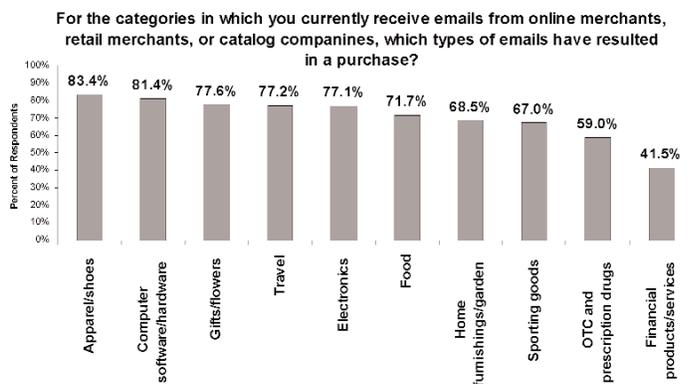
### Email marketing promotes use of the online channel.

In comparing the typical channel purchase behavior of respondents in a variety of categories to where they were most likely to purchase after receiving permission based email, the results show that respondents are more likely than usual to use the online channel for purchasing after receiving a permission based email; this is true in all categories except financial services. In apparel/shoes, where 31% would typically buy online, a permission-based email resulted in an increase of online channel usage to 58%, gifts/flowers saw online channel lift from 45% to 61%, and electronics from 45% to 60%.

For consumers who receive email offers from retailers in the apparel/shoes category, email marketing does increase use of the catalog channel. Of those who receive emails from catalogers, 16% reported that they typically bought via catalogs. This number rose to 23% saying they had purchased though a catalog after receiving permission based email. This example illustrates the direct connection between catalog drops with effectively sequenced email marketing used as a purchase driver.

### Permission-based offers generate sales

- Apparel/shoes leads for purchase; 59%+ respondents/category (except financial services) said email resulted in a purchase



The channel purchased in as a result of permission-based email is highly specific to the category of product: travel had the highest incidence of online purchase at 70% with only 13% purchasing by catalog/phone/mail, while apparel/shoes had a relatively high incidence of online purchase, 58% with 41% purchasing via offline retail and 23% via catalog, and over the counter and prescription drugs had equal levels of online and retail purchase at 32%.

### The Latent Impact of Email Marketing

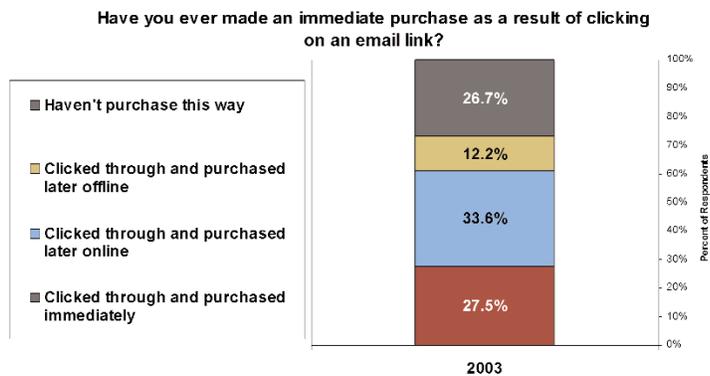
Most action taken in response to email marketing does not result immediately from the click. While 27% clicked through and made a purchase during that same online session, an even greater number, 33.6%, clicked through to find out more information then purchased online at a later date. An additional 12.2% clicked through to find more information and then purchase offline through catalog or retail.

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### Latent impact: nearly 46% purchase online or offline some time after clicking through an email



As was demonstrated by the great interest in discounts and special offers, email usage for couponing is on the rise and has offline — thus latent — impact as well. Seventy two percent of respondents reported having used coupons or offer codes (an increase of 57% over the 46% who reported using them in 2002). Fifty-eight percent of respondents used the coupon or offer code at an offline store. All of this latent activity resulting from email marketing demands that marketers increase their own cross-channel sophistication in data capture: unless they are measuring both online and offline purchase activity, immediate and latent impact, they are not capturing the full effect of their email performance.

#### Consumers Become More Selective in their “Open” Practices, Increasingly Use Tools to Limit SPAM

Email volume as reported by consumers was up but not markedly so (264 emails

per week vs. 254 in 2002). Spam remained the number-one concern about their email box, noted by 89% of respondents (consistent with last year). The percent of email received that was spam — 56% — was also consistent with 2002. What has changed is their opening practices: Only 27% opened 90% of their permission based email, while about a third (30%) did so in 2002. In regards to what they are most likely to do with spam, an increasing number are deleting without reading (65% as compared to 60% in 2002) and only 4% are reading to determine whether it is of interest (as compared to 5% in 2002 and 18% in 2001). The likeliness of unsubscribing has declined markedly (from 33% in 2001 to 24% in 2003). Perhaps consumers have gotten fed up or decided the activity was futile.

When asked what specifically they were doing to eliminate or limit spam, a vocal minority, 36.1% reported using a spam function of their email program, 15.9% downloaded spam filtering software and 13.7% created a secondary email address for making online purchases.

A key finding of the 2002 study had been the usage of on average 2.6 email addresses per respondent. This year, respondents have clearly become tired of the complexity of managing those accounts: this year, only 34% reported having more than two addresses while 44% reported having that many in 2002. Respondents seem to be consolidating, with an average number of accounts at 2.3 in 2003.

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### Respondents with multiple accounts likely to use a free one for online purchases

- Home addresses are considered the primary address, while those with free addresses likely to use them for purchases



With more than one in-box, what do consumers consider the primary address? Perhaps in relation to the amount of job instability and the desire of having a more permanent address, the home address was considered the primary one. Of those with multiple addresses, 74% had a specific email address that they used for online purchasing, with either the home

address (cited by 48.3%) and a free address (cited by 39.7%) as this purchasing address. Retail-oriented email marketers clearly need to make special efforts at improving deliverability among the major home ISPs and free email providers as this clearly will impact overall performance.

### Mars & Venus: Men Really Are Different From Women in Respect to Email Marketing

Two very specific areas stand out in how men vs. women react to email marketing: men have a much broader definition of spam, while women are much more likely to be active purchasers as a result of permission-based email. More men than women consider spam to fall into these very broad definitions: 65% cited “an email from a company that I have done business with but comes too often” while only 56% of women did so, 61% of men cited “an email that may have been permission based but comes too frequently” while only 55% of women did so and 36% cited “any email that tries to sell me a product or service” while 32% of women did so.

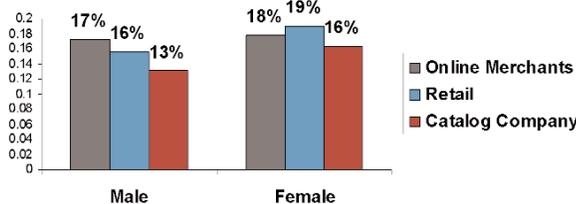
Correspondingly, women are more sensitive to emails of an offensive subject matter (94% women vs. 91% men). Active purchasers, those who purchased in multiple product categories or from various types of companies (multi-channel shoppers) after receiving an email, are more likely to be women than men. All of these data points add up to online behavior that mirrors offline. Women remain the primary household purchasers,

### Women more likely to be active purchasers, multi-channel purchasers

Active purchasing by gender



Active purchasing by gender, by channel



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## 2003 Consumer Email Study

- *For information on DoubleClick's e-mail marketing solutions, please call: 1.866.459.7606.*
- *DoubleClick Strategic Services Group is available for consultation that includes best practices information to help marketers better connect with consumers through email. For more information, contact: [strategicservices@doubleclick.net](mailto:strategicservices@doubleclick.net)*

they are brand loyal but highly motivated by special offers and couponing, and this offline behavior informs their online behavior. Market to women smartly through email by increasing relevance and creating smart promotional offers and they'll be your most loyal customers.

### Conclusions

Email has proven to be one of the most dynamic and rapidly evolving tactics available to marketers today. With four years of data behind it, DoubleClick's Consumer Email Study can be seen as a history of the topic in microcosm. Early editions focused on whether consumers took any kind of action. The study in 2002 took its first serious look at spam, and this year the study examines usage of various accounts and techniques to manage consumer in-boxes along with specific purchasing by category and preferred channels for those purchases. The good news in 2003? Consumers are increasingly sophisticated in their "opening" behavior and their usage of spam limiting tools and at the same time they remain highly motivated to purchase as a result of receiving email. There are product categories like grocery couponing where there is growing demand for email marketing.

What does it take for marketers to succeed in this era of increasingly savvy

consumers? Acknowledgement of the intelligence and the preferences of the consumer. Email marketing is truly a tactic that goes beyond the base level of "permission." Consumers demand relevance to their lives and needs. They trust marketers they do business with and use a simple "do I know who is sending this to me" scan as the most important factor in whether they will ever open an email, relegate it to a junk folder or delete it unread.

Email in the online channel holds extraordinary promise for commerce in just about all product areas — especially for women — and has the power to motivate cross-channel purchases. But it also has given the consumer more power than ever before: they want not just one-directional information and commerce, but communication with customer service via email, reminders of bills and statements online, emails for products that meet their needs in a specific moment in time. The study gives guidance on the future of email marketing and serves as a wake up call to marketers who still believe that email is about mass delivery without customer knowledge. Consumers in 2003 are being direct with marketers when they say: respect me, give me something relevant and I'll take action; mail me too often, keep it generic and I'm gone.

# DoubleClick 2002 Consumer Email Study

## *Executive Summary*

*Permission-based email continues to be an effective form of communication for marketers and publishers. Trust between sender and consumer is paramount as consumers cite the “from line” as the most significant motivational factor for opening an email. Emails are motivating consumers to purchase both online and offline. While privacy is of lesser concern than in the past, unsolicited email volume is now the greatest problem for consumers and marketers.*

*Marketers need to carefully build trust with consumers through their email communication and target offers to customer preferences.*

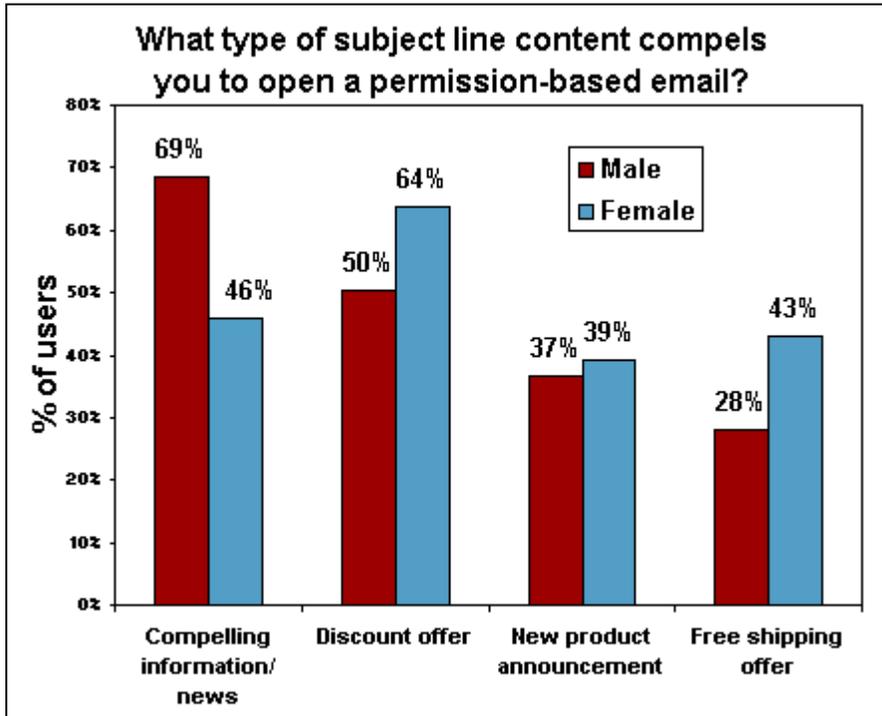
## **Methodology**

DoubleClick, working with Beyond Interactive and Greenfield Online, polled 1,000 consumers in September 2002. All respondents use email 1+ times per week, which reflects the usage of the larger online population (94% according to @plan). There was an equal segmentation of men and women and the average age was 44.3. This is the third of an annual series of consumer research studies and trending information was derived using the data from previous years. The sample mirrored previous studies.

## **Permission-based Email Preferences/Intent to Purchase Motivation**

- The connection between the consumer and the marketer is paramount: the “from” line is the most important factor motivating consumers to open emails; 60% of respondents cited the from line, while 35% cited the subject line.
- News and discounts are what appeals most to consumers in subject lines. Men are more intrigued by news: 69% are compelled to open an email if the subject line contains news. Sixty four percent of women are most compelled

## DoubleClick 2002 Consumer Email Study



*Men are more motivated to open emails based on news, women find discount offers and free shipping most appealing.*

to open an email if the subject line is focused on discounts.

- Free shipping appeals more to women (43%) than men (28%).
- While a discount was the most compelling motivational factor for making an immediate purchase after clicking on an email (70%), merchant recognition was significant at 60%, underscoring the impact of branding on consumer sales.
- Customization can impact sales: 61% prefer it and of those who do, 35% said that customization would impact their intent to purchase.

### Purchasing Data

- Permission-based email motivates consumers to purchase: 78% of online shoppers have purchased as the result

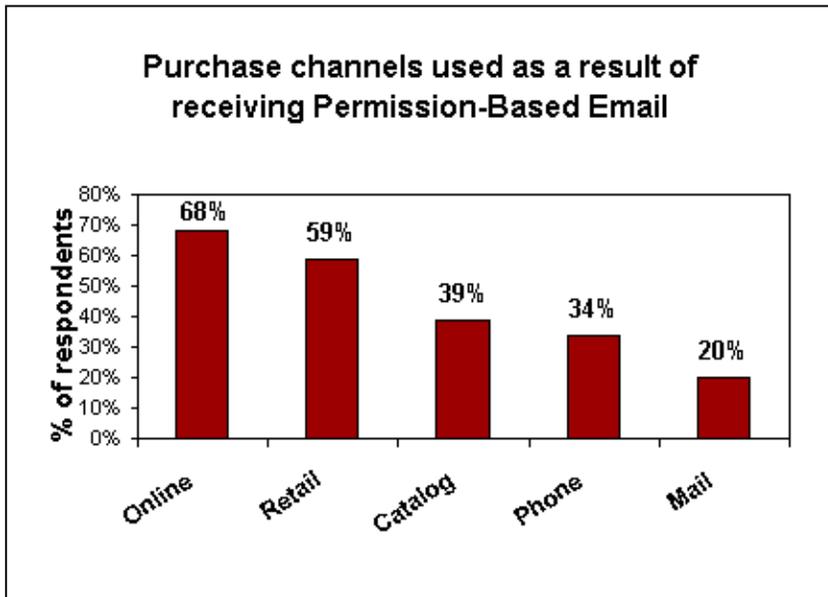
of clicking on an email link.

- Emails have latent and cross-channel impact. Consumers not only made immediate online purchases as a result of an email but also purchased online at a later date and offline as well: 44% of online shoppers purchased at a later point or purchased offline after clicking on an email.
- Emails have a dramatic impact on offline purchasing: Fifty-nine percent purchased in a retail store after receiving a merchant email; while 39% purchased through a catalog and 34% purchased by phone.
- A high percentage of online shoppers (66%) plan to use email to purchase during the coming holiday season, while 48% plan to use email to assist in purchasing for birthdays.
- Over 25% of all respondents have purchased online, up from 19% last year.
- The increase in online purchasing reflects that consumers are less concerned about privacy and safety issues online. The number of respondents worried about credit card theft dropped from 79% to 63% and the number of people who have no concerns about these issues at all increased from 2 to 7%.
- Promotional offers are highly effective at motivating online

## DoubleClick 2002 Consumer Email Study

### Purchasing (Cont'd)

purchase: 49% of those who purchased used a coupon or promotion code.



*Email has cross channel impact: 59% of consumers have purchased offline as a result of receiving a permission-based email.*

### Email as Preferred Merchant Communication

Permission-based email is far and away the preferred method of online merchant communication for consumers.

- Seventy-five percent rated it as their preference, with only 25% preferring postal mail and 0% choosing telemarketing.
- Email is replacing the phone for customer service. Seventy-eight percent have communicated with a merchant this way and the percent that prefers email has increased from 50 to 57 percent in the last

year.

- Email customer care is very important for online merchants. Ninety eight percent expect order confirmation, 88% shipping info and 77% billing info.

### Volume/Unsolicited Offers

The volume of emails consumers receive has grown 60% over the past year. On average, respondents now get 254 emails in their in box each week as compared to 159 in 2001.

- Perhaps in an attempt to differentiate the types of email they receive or reflecting the sheer number of consumers who have personal as well as work addresses, consumers are using more than one email box, with the majority (32%) using two. The average number of email boxes per person was 2.63.
- With increased volumes, unsolicited promotional email is the number-one consumer concern (90%) and 60% are deleting it without reading, an increase from 45% in 2001.
- A significant percent (28%) are also concerned about the frequency with which they receive permission-based emails. Marketers and publishers need to test their lists for optimal frequency.
- Half of all respondents report using a feature of their email program that

## DoubleClick 2002 Consumer Email Study

- For information on DoubleClick's e-mail marketing solutions, please call: 1.866.459.7606.
- DoubleClick's full service email clients receive a quarterly account review, which includes complete access to this study.
- The DoubleClick Strategic Services Group is available for consultation that includes best practices information to help marketers better connect with consumers through email. For more information, contact: [strategicservices@doubleclick.net](mailto:strategicservices@doubleclick.net)

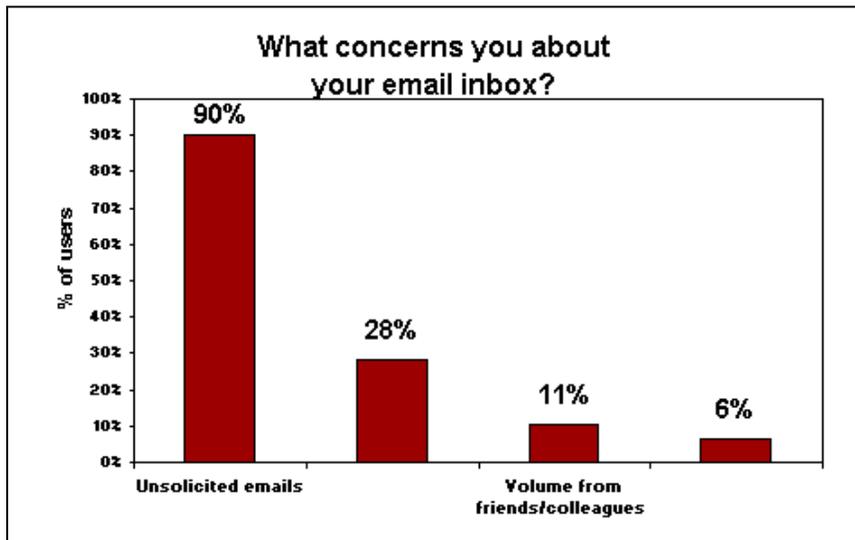
### Volume/Unsolicited Offers (Cont'd)

automatically sorts their email into a bulk folder. Bulk folders are a common feature of free email services and usage of bulk folders is age specific, most likely among the 18-34 demographic.

- Mail that is sorted into bulk folders often remains unopened. Seventy-six percent rarely or never read emails in this folder.

### Conclusions

1. Permission-based email is an incredibly powerful communication tool for marketers and publishers; when used effectively, it increases brand loyalty and motivates online and offline purchase.
2. Because consumers often click through but purchase later or offline, marketers must use post-click conversion tracking for email along with cross channel analysis in order to fully assess the impact of their emails.
3. The increasing volume of email consumers receive is the biggest impediment to its effectiveness as a marketing vehicle. As consumers use more email addresses – perhaps in an attempt to segregate genuine offers and personal communications from unsolicited ones, and adopt bulk folders, it will become more difficult to communicate with consumers via email.
4. Permission-based email marketers need to carefully test for optimal frequency. They also need to differentiate their email from unsolicited communications to prevent it from ending up in bulk mail folders. They should work with technology providers who maintain strong relationships with the major ISPs in order to keep abreast of the latest information on how bulk folders determine which emails will be automatically sorted into them.



For more DoubleClick Primary Research, go to Knowledge Central at [www.doubleclick.net](http://www.doubleclick.net).

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