Is Your Email Marketing Trustworthy?

Best Practices & Findings from Auditing 200 Top Retailers

December 13, 2017

Panel

Sam Silberman
Director of Standards & Industry Relations
Constant Contact

Sal Tripi
AVP, Digital Operations & Compliance
Publishers Clearing House

Jeff Wilbur
Director, Online Trust Alliance
Internet Society
Audit Overview

- 4th annual Audit – best practices based on input from multiple stakeholders
- Expanded this year
  - Looked at entire process – signup through unsubscribe – with more granularity
  - Added two new criteria – pre-populating unsubscribe address and encrypting sessions to unsubscribe page
- Methodology
  - Top 200 online retailers*
  - Signed up in March – captured signup and mailing practices
  - Unsubscribed starting in August
  - Evaluated email unsubscribe link, user experience and honoring of request (through mid-November)
  - Total of 100 points possible, 80% or higher earns “Best of Class”

* Per 2017 Internet Retailer Top 500 Guide, Internet Retailer Magazine

Audit Principles & Objectives

- Move past compliance to stewardship
  - Give consumers choice and control
  - Ability to get off of lists easily
- For senders, strong practices
  - Improve deliverability and level of engagement
  - Enhance your brand reputation
- Bar raised from previous Audits
  - Weighting shifted from all equal to multiple tiers
  - Penalty applied to unsubscribe confirmation emails
  - Scoring criteria tightened for clear & conspicuous, readability, etc.
Signup Practices - Subscribing

**SIGNUP PRACTICES**

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Invitation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Signup on Home Page</td>
<td>-</td>
<td>97%</td>
</tr>
<tr>
<td>- Signup at Top of Home Page</td>
<td>-</td>
<td>8%</td>
</tr>
<tr>
<td>- Easy to Find</td>
<td>-</td>
<td>85%</td>
</tr>
<tr>
<td>- Pop-Up Invitation to Subscribe to Email</td>
<td>34%</td>
<td>31%</td>
</tr>
<tr>
<td>- Promo Offer on Screen for Signing Up</td>
<td>31%</td>
<td>28%</td>
</tr>
<tr>
<td>- Signup Confirmation on Screen</td>
<td>89%</td>
<td>97%</td>
</tr>
<tr>
<td>Data Entry</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Required Email Address to be Entered Twice</td>
<td>16%</td>
<td>11%</td>
</tr>
<tr>
<td>- Requested Additional Information</td>
<td>41%</td>
<td>36%</td>
</tr>
<tr>
<td>- Required</td>
<td>-</td>
<td>28%</td>
</tr>
<tr>
<td>- Optional</td>
<td>19%</td>
<td></td>
</tr>
<tr>
<td>- Required Location</td>
<td>17%</td>
<td></td>
</tr>
<tr>
<td>- Required Account Creation</td>
<td>20%</td>
<td>11%</td>
</tr>
</tbody>
</table>

Signup Practices – Validation

**SUBSCRIPTION VALIDATION PRACTICES**

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Confirmed Opt-In (COI)</td>
<td>7.9%</td>
<td>13.1%</td>
<td>6.0%</td>
<td>2.5%</td>
</tr>
<tr>
<td>CAPTCHA</td>
<td>-</td>
<td>-</td>
<td>3.0%</td>
<td>3.0%</td>
</tr>
</tbody>
</table>

- Continued drop in use of COI is concerning – 4 more retailers stopped using it
- Only 2 sites used both CAPTCHA and COI

CAPTCHA example
Mailing Practices – Subscriptions

- Vast majority send confirmation and newsletters
- 48% made a promotional offer in their confirmation
- 3.5% never sent newsletters

Mailing Practices – Cadence

- Email client was set to not download images, so retailers would see non-engaged subscriber
- Cadence varied widely, from multiple/day to 1/month
- 25% scaled back cadence automatically – e.g., from daily to weekly to every other week – vs 10% last year
- 19% stopped sending altogether without an unsubscribe (vs 28% in 2016) – ranged from 4 to 120 days, averaging 53 days
## Mailing Practices – Authentication

### EMAIL AUTHENTICATION & SECURITY

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>SPF</td>
<td>94.1%</td>
<td>95.3%</td>
</tr>
<tr>
<td>DKIM</td>
<td>97.9%</td>
<td>99.0%</td>
</tr>
<tr>
<td>DMARC Record</td>
<td>50.5%</td>
<td>59.6%</td>
</tr>
<tr>
<td>Quarantine Policy</td>
<td>3.2%</td>
<td>4.7%</td>
</tr>
<tr>
<td>Reject Policy</td>
<td>21.8%</td>
<td>28.0%</td>
</tr>
<tr>
<td>Use of Opportunistic TLS</td>
<td>31.9%</td>
<td>89.6%</td>
</tr>
</tbody>
</table>

- Strong adoption of authentication – helps prevent spoofing
- Dramatic rise in TLS – prevents eavesdropping in transit

### Scored Best Practices

1. Copy and link should be “clear and conspicuous”
2. Easily read by all ages and on all devices
3. Use commonly understood terms
4. Include the “unsubscribe header”
5. Provide a mechanism to opt-out of all email
6. Serve an unsubscribe confirmation web page
7. Branded unsubscribe page
8. Pre-population of unsubscribe address (new in 2017)
9. Preference center / opt-down option
10. Solicit customer feedback
11. Encrypted session for unsubscribe page (new in 2017)
12. Remove unsubscribes without delay

- Send unsubscribe confirmation email (penalty)
- Honor request within 10 business days (compliance)
- Physical address in message (compliance, new in 2017)
Unsubscribe Practices

**AUDITED & SCORED BEST PRACTICES**

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clear and Conspicuous</td>
<td>80.4%</td>
<td>97.3%</td>
<td>81.4%</td>
<td><strong>75.9%</strong></td>
</tr>
<tr>
<td>Easily Read / Size</td>
<td>96.8%</td>
<td>98.4%</td>
<td>92.6%</td>
<td>93.8%</td>
</tr>
<tr>
<td>Commonly Understood Terms</td>
<td>86.2%</td>
<td>94.0%</td>
<td>88.8%</td>
<td>91.7%</td>
</tr>
<tr>
<td>Unsubscribe Header</td>
<td>75.7%</td>
<td>85.2%</td>
<td>88.8%</td>
<td>92.2%</td>
</tr>
<tr>
<td>Opt-Out All Email</td>
<td>93.7%</td>
<td>97.3%</td>
<td>99.5%</td>
<td>99.5%</td>
</tr>
<tr>
<td>Confirmation Web Page</td>
<td>95.2%</td>
<td>94.5%</td>
<td>98.9%</td>
<td>100.0%</td>
</tr>
<tr>
<td>Branded Page</td>
<td>85.7%</td>
<td>90.2%</td>
<td>92.6%</td>
<td>93.3%</td>
</tr>
<tr>
<td>Pre-Populated Unsubscribe Address</td>
<td>-</td>
<td>90.7%</td>
<td>92.0%</td>
<td><strong>95.3%</strong></td>
</tr>
<tr>
<td>Preference Center and/or Opt-Down</td>
<td>91.0%</td>
<td>61.7%</td>
<td>58.5%</td>
<td>58.5%</td>
</tr>
<tr>
<td>Preference Center</td>
<td>-</td>
<td>55.7%</td>
<td>37.8%</td>
<td>37.8%</td>
</tr>
<tr>
<td>Opt-Down</td>
<td>-</td>
<td>44.8%</td>
<td>33.0%</td>
<td>33.2%</td>
</tr>
<tr>
<td>Optional Customer Feedback</td>
<td>24.9%</td>
<td>24.0%</td>
<td>22.9%</td>
<td>20.2%</td>
</tr>
<tr>
<td>Encrypted Session to Unsubscribe Page</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td><strong>51.8%</strong></td>
</tr>
<tr>
<td>No Delay on Removal</td>
<td>82.5%</td>
<td>83.1%</td>
<td>85.6%</td>
<td>88.1%</td>
</tr>
</tbody>
</table>

- Nearly all improved, two new criteria

Unsubscribe Results

**UNSUBSCRIBE RESULTS**

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unsubscribe Confirmation Email</td>
<td>4.8%</td>
<td>2.7%</td>
<td>2.7%</td>
<td>2.1%</td>
</tr>
<tr>
<td>No Delay on Removal</td>
<td>82.5%</td>
<td>83.1%</td>
<td>85.6%</td>
<td><strong>88.1%</strong></td>
</tr>
<tr>
<td>Violate CAN-SPAM/CASL (total)</td>
<td>10.9%</td>
<td>7.1%</td>
<td>5.9%</td>
<td>5.7%</td>
</tr>
<tr>
<td>Failed to Honor Unsubscribe</td>
<td>-</td>
<td>1.6%</td>
<td>5.9%</td>
<td>4.1%</td>
</tr>
<tr>
<td>Broken Unsubscribe Link</td>
<td>-</td>
<td>5.5%</td>
<td>0.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Physical Address not Listed in Email</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1.6%</td>
</tr>
</tbody>
</table>

- Eight retailers didn’t honor the unsubscribe
  - One stopped, then started after 30 days from another domain
  - Two only sent one message past the 10 days
  - Two stopped after the second unsubscribe
  - Three never stopped
- Three retailers didn’t list a physical address
Best of Class

• Slight drop in achievement due to many factors, but mainly
  ▫ Lack of “clear and conspicuous” unsubscribe link
  ▫ Not encrypting session to unsubscribe page
  ▫ No physical address in message

Best of Class

• Appendix of report lists all Best of Class with
  ▫ Number of successive years achievement
  ▫ Perfect scores highlighted
  ▫ ^ indicator for complete support of email authentication/security
Perfect Audit Scores

**TOP RETAILERS ACHIEVING A PERFECT SCORE**

<table>
<thead>
<tr>
<th>Retailer</th>
<th>Score</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Blue Nile (4)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Musician's Friend</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Talbots</td>
<td></td>
<td></td>
</tr>
<tr>
<td>HSN (2)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sierra Trading Post (4)</td>
<td></td>
<td>Toys 'R' Us (2)</td>
</tr>
<tr>
<td>Lands' End (3)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>StitchFix (4)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Walgreens (2)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Bold** = Multiple years of perfect score, ( ) indicates how many years

^ = also has all of the following – SPF, DKIM, DMARC with request or quarantine and TLS

- 9 perfect scores this year
  - Down from 23 in 2015 and 12 last year
  - Five repeats, four new
  - Main reason for drop in perfect scores was not encrypting session to unsubscribe page (impacted 6 retailers)

Discoverability Factors – Placement

- Tracked placement this year
  - Seems to be trend to either make link more prominent or less – no middle ground
  - Footers and standalone sentences easy to find
  - Paragraphs difficult unless link is highly contrasted

**Examples of link placement**

This message was intended for [email protected]. To continue to receive our emails directly to your inbox and customize your preferences, add us to your contacts/safe sender list. If you do not wish to receive emails from [email protected], please click here to unsubscribe. To learn more about our Terms and Conditions and our Privacy Policy please check out our website. If you need assistance with ordering or have any questions, please call us at [phone number] or email us at [email].

© 2017 All rights reserved. Online Trust Alliance (OTA)
Discoverability Factors – Text Size

- For reference
  - 12pt type = 16px on web page
  - 12-16px recommended for web pages
- Tracked text size in 2017
  - Vast majority use 10-12px
  - Sizes <10px got no credit
  - 10px is on edge of readability – scoring may be adjusted next year

#### Examples of 8, 10 and 12px text

Discoverability Factors – Contrast

- W3C (via WCAG 2.0 guidelines) specifies contrast ratio levels
  - Minimum of 4.5:1 (AA level)
  - Enhanced of 7:1 (AAA level)
  - Black:white = 21:1
- For links in audited messages
  - 32% were under minimum guidelines (17% were under 3:1)
  - 69% were under enhanced guidelines
Hidden vs. Clear

This email comes to you from ______ which also includes _______. If you’d like to unsubscribe or receive fewer marketing emails, please click here. To read our privacy policy, please click here. This is a product offering of _______. If you have any questions, email _______ or call _______. Please do not reply to this email.

This is the unsubscribe link

Readable or Not?

You are subscribed as: ____________. You are being sent this email because you are a valued customer of ______. We reserve your privacy, so we promise to send only periodic messages with important information about our websites or special offers. If you don’t want to receive any more promotional email messages from this address, click on the following link: unsubscribe.

Very small type, no highlight/contrast for link

High contrast, underlined
Use commonly understood terms such as “unsubscribe” or “opt-out”

- Avoid general terms such as “Click here to Modify your Subscription Practices”
- Use separate links even if they all lead to the same page, e.g.,
  - Unsubscribe
  - Change email address
  - Reduce frequency
  - Update profile
- 76% used the word “unsubscribe” as the link to click
Unsubscribe Header

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unsubscribe Header</td>
<td>75.7%</td>
<td>85.2%</td>
<td>88.8%</td>
<td>92.2%</td>
</tr>
</tbody>
</table>

Adopt the List-Unsubscribe mechanism per RFC 2369

- Google, Microsoft, Yahoo and other leading mailbox providers display an unsubscribe link to the user
- Helps reduce complaints because recipients can easily and reliably unsubscribe

Examples of header-generated link in Gmail and mobile client

Mechanism for Opt-Out of All Mail

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opt-Out All Email</td>
<td>93.7%</td>
<td>97.3%</td>
<td>99.5%</td>
<td>99.5%</td>
</tr>
</tbody>
</table>

Provide an easy mechanism to opt-out of all email

- Not just the program tied to the link
- Required by CAN-SPAM
- If third-party driven, provide a separate link with global opt-out
Unsubscribing From All Mail

Clear choice to unsubscribe from all email

Pre-Populated Email Address

- New criterion in 2017, though data tracked in previous years
- If not pre-populated, ripe for confusion/errors
- Many users combine mailboxes – may have subscribed from an address different than their “default”
Serve an unsubscribe confirmation web page

- Thank users (e.g., “We’re sorry to see you leave”), offer a (re)subscribe if they made a mistake
- Do not send a confirmation email – can be a violation of CAN-SPAM, risks alienating customers
- Provide alternatives to maintain relationship – Facebook, Instagram, Twitter, YouTube, etc.

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Confirmation Web Page</td>
<td>95.2%</td>
<td>94.5%</td>
<td>98.9%</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

Crude vs. Elegant
Eliminate the confusion generated by an unbranded unsubscribe web page
• Let visitors know they’re in the right place
• Branding and key links (home page, privacy policies, etc.) will provide more seamless experience

Unbranded vs. Branded
Use a link directing users to a combination preference center to unsubscribe, opt-down

- Use clear language
- Offer options other than complete opt-out (specific topics, less frequent, etc.)
- Don’t require login to change preferences
- One option should be global opt-out

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Preference Center and/or Opt-Down</td>
<td>91.0%</td>
<td>61.7%</td>
<td>58.5%</td>
<td>58.5%</td>
</tr>
<tr>
<td>Preference Center</td>
<td></td>
<td>55.7%</td>
<td>37.8%</td>
<td>37.8%</td>
</tr>
<tr>
<td>Opt-Down</td>
<td></td>
<td>44.8%</td>
<td>33.0%</td>
<td>33.2%</td>
</tr>
</tbody>
</table>

Preference Center / Opt-Down
Learn & Listen – Get Feedback

<table>
<thead>
<tr>
<th>Optional Customer Feedback</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Optional Customer Feedback</td>
<td>24.9%</td>
<td>24.0%</td>
<td>22.9%</td>
<td>20.2%</td>
</tr>
</tbody>
</table>

Ask for customer feedback

- Improve your program, help reduce future opt-outs
- Simple checkbox/radio buttons can provide quick choices
  - Frequency, relevance, content, timing, etc.
  - “Check all that apply”
- Cannot be required to unsubscribe
- Do not send an email asking why a user unsubscribed

Asking for Feedback

[Image of feedback form]

© 2017 All rights reserved. Online Trust Alliance (OTA)
Encrypting Unsubscribe Session

- New in 2017 – 52% of retailers used HTTPs for their unsubscribe page
- Important to secure sensitive information in transit – at a minimum the email address will be transmitted
- Some pages hosted by retailer, some by ESP – need to make sure encryption is enabled

![Example of encrypted unsubscribe page session](https://www.walgreens.com)

Remove Without Delay

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>No Delay on Removal</td>
<td>82.5%</td>
<td>83.1%</td>
<td>85.6%</td>
<td>88.1%</td>
</tr>
</tbody>
</table>

Remove unsubscribes without delay

- CAN-SPAM/CASL allow up to 10 business days, but why wait when someone says they don't want any more email?
- Only 4 retailers pushed beyond a few days and went close to the 10-day line
- Risk is reduction in user engagement and possible increase in spam complaints
International Considerations

Do you know where your users reside?

- GDPR considerations
  - Goes into effect in May, 2018
  - Requires certain data handling and transparency for
    - EU citizens (wherever they are)
    - For anyone in the EU at the time (even visitors/tourists)
- Important to know where users are from to comply with pertinent regulations

Other Considerations/Observations

- Protect your data – mailing lists and suppression lists
- Do testing and utilize feedback loops (FBLs) from mailbox providers
- Ensure that unsubscribe links are active for at least 60 days (CASL requires 60 days, CAN-SPAM requires 30 days)
- Provide a mechanism for users to update their data (16% provided a way to change the email address)
- Set expectations on unsubscribe timing (25% did this, ranging from 1-10 days, averaging 5.6)
Summary Recommendations

- Regularly examine and verify entire process, from signup to validation to mailing to unsubscribing
- Consider implementing CAPTCHA and COI to verify users and prevent bot signups
- Ensure that subscriptions/confirmations lead to newsletters
- Look at unsubscribe best practices and make conscious decisions about adopting them
- Be sure to use HTTPs for unsubscribe pages
- Honor unsubscribes as quickly as possible

- Providing consumers choice and control will increase engagement, trust and brand reputation

Resources

- Email Marketing & Unsubscribe Audit – [https://otalliance.org/unsub](https://otalliance.org/unsub)
- Email Integrity & Security – [https://otalliance.org/eauth](https://otalliance.org/eauth)
- Site Encryption – [https://otalliance.org/AOSSL](https://otalliance.org/AOSSL)
- 2017 Online Trust Honor Roll – [https://otalliance.org/TrustAudit](https://otalliance.org/TrustAudit)

- Contact – wilbur@isoc.org