

Email Subject Lines

Digital Marketing Best Practices

Goal: Improve open-rate metrics to increase customer engagement with email communications.

Strategy: Optimize the language in email subject lines and use A/B testing to ensure the most effective performance for each audience segment.

Subject lines drive opens. And without opens, email communications simply will not reach their intended audiences. In order to build long-lasting, engaging relationships with customers and ensure the success of program promotions, energy utilities should optimize and test email subject lines to maximize open rates.

Quick, Clear & Specific

An effective email subject line will catch the attention of the recipient and inspire them to open the message to learn more. The most reliable way to do this is to speak directly to the customer's interests or concerns: How would opening the email benefit them?

- Subject lines should be quick, clear and specific; the best length is 50 characters or fewer.
- Use actionable language and active verbs.
- Put the important words at the beginning of the subject line; catch the customer's attention immediately.
- Be consistent: The subject line should match the message.

Residential Program Promotions

Program promotion emails have a benchmark open rate of 23.6%. Residential customers respond well to specific references to their situation; subject lines with the words "you," "your" and "about your" tend to exceed benchmark. The following best practices have also been shown to improve performance:

- Include a promo code in the subject line; subject lines such as "Save XX when you use promocode XXXXX" tend to improve open rates as well as CTOR.
- Mid-range incentives work best. Incentives of \$1,000 or more underperform compared to \$25 to \$100 incentives.
- "We'll Pay Your Bill" incentives are high performers.
- Thermostats and smart-home device giveaways are also top performers.
- Conversely, subject lines with the word "free" do not perform as well.
- Most subject lines with emojis also perform under the benchmark.





Top-Performing Subject Lines

These were the most successful email subject lines in 2019:

Subject Line	Open Rate
4 Reasons to Drive an EV	74.1%
\$400 Rebate for EV Charging Station	62.3%
Act soon for a \$45 reward!	57.6%
Don't Forget: Get up to \$550 for Upgrading Your Heating Equipment!	56.2%
Recycle Your Fridge June 15. Receive \$75. Sign Up Today.	51.1%
Get rebates for home energy improvements	50.4%
Don't Miss Out on Your FREE Smart AC Kit!	48.6%
There's still time to enjoy whole-house efficiency	45.3%
Still thinking about that free Home Energy Analysis?	44.9%
We'll give you \$100 to make an impact this summer!	44.3%

Residential Newsletters

Newsletters are periodic nature; the most successful subject lines engage readers month after month. For that reason, the best subject lines include the name of the newsletter followed by a customized field, such as the lead article title: "Your Energy Newsletter: <Custom article title>." Newsletters that follow this convention exceed the benchmark open rate by 25%.

A/B Testing

An important way to optimize subject line performance with a particular audience is through A/B testing: Sending two versions of a subject line to small sample group, measuring open-rate and CTOR performance, then delivering the "winning" subject line to the remaining mailing list. Through the consistent use of A/B testing over time, an energy utility can narrow down very specific best practices for customer segments.

- Is my sample size big enough? Typically 500 to 1,000 recipients is an effective sample size and will deliver statistically meaningful results.
- How long should the test run for? More than 50% of opens and clicks happen within the first 6 hours after email delivery. However, to eliminate seasonal and day-of-week variables, it's best to test for one full week before determining a winner.
- Is there a clear winner? Depending on the sample size, a good rule of thumb is to look for a 25% to 35% performance variance in order to declare a clear winner.

Recommendations based on Questline research and performance metrics. For more, see the annual <u>Energy Utility Benchmarks Report</u>.

