

EMAIL
MARKETING
for the
ENERGY
INDUSTRY

Benchmark
EMAIL



FOREWORD

"Imagination has brought mankind through the dark ages to its present state of civilization. Imagination led Columbus to discover America. Imagination led Franklin to discover electricity." - L. Frank Baum

Regardless of the national economy's state and whether financial indicators are pointing up, down or sideways, your clients will continue to turn to the Energy Supply & Services industry for their indispensable requirements. But just because the general economy may be in the doldrums, the innate competition within the Energy Supply & Services sector is not diminished. In order to drive additional business toward their services and demonstrate that their offerings hold an edge over the competition, corporate participants in the U.S. Energy Supply & Services industry are gradually realizing that marketing through traditional mediums such as newspapers, magazines, radio, television and Yellow Page advertisements is no longer sufficient. These older and more traditional forms of media are no longer cost effective due to the online communications options that encompass the powerful and effective channels of email and social network marketing that are currently available and generate a far greater Return on Investment.

The Direct Marketing Association conducted a comprehensive 2009 survey of email marketing's return on investment and discovered that each dollar invested in the channel garnered a remarkable return of \$43.62. This rate of return is unmatched by traditional media forms. The mobile, web-enabled device revolution is taking place before our very eyes. Millions of people around the globe have adopted a smartphone lifestyle; these individuals have discovered that the latest generation of mobile phones, tablets and netbooks combined with constant access to internet allows them to experience an electronically social lifestyle that improves quality of life – a thought that would have seemed like science fiction only a decade ago.

This report was designed to assist your Energy Supply & Services business in serving and motivating your customers through information, education and entertainment via the unparalleled power, efficiency and reach of email and social media marketing. Beyond a shadow of a doubt, these are the mediums that all Energy Supply & Services businesses need to implement now.

- Curt Keller
CEO
Benchmark Email

► Introduction

This report, Energy Supply & Services: Powering Progress via Email Marketing, is an overview of the current condition of [email marketing](#) for the use of Energy Supply & Services' promotional directors to refine and focus their online business marketing strategy. Determinations within this guide intend to clarify to members of the Energy sector how to hone their email marketing efforts by applying these tools:

How to construct and implement a social media and email promotional campaign appealing to a new clientele while fostering loyalty among existing customers

Understanding relevant legislation regulating the process of online communications with Energy Supply & Services industry sector customers Analyzing and interpreting primary statistics about strategies employed by other Energy Supply & Services promotional managers around North America Activating results-oriented email marketing customized for your Energy Supply & Services business to achieve and sustain the maximum benefit



Online promotional managers of Energy Supply & Services companies across the United States and Canada were surveyed on their marketing practices; the results of these survey statistics are summarized in this report. Content acquired through this compendium can be reviewed in the Energy Supply & Services Email Marketing Survey section. The goal of this guide is to make clear the questions Energy Services marketing managers need to ask themselves in order to gain valuable insight into the current condition of their email and [social media](#) promotional campaigns.

► Background

There are two distinct primary business models present in the Energy Services industry today: Legally regulated monopolies and more conventional businesses characterized by competitive marketplace. For the operators of the Energy businesses unprotected by monopoly status, the volatile and competitive market is based on volume. Energy consumption can vary by consumers within billing cycles, from a few dollars for a tiny urban apartment to millions of dollars for major industries and institutional or retail complexes. While infrastructure costs required to satisfy the energy uses of the smaller consumers can often exceed the price of the energy sold, the situations of larger commercial users is vastly different.

The Energy Supply & Services industry is exceptionally internally diverse. Some elements of the Energy sector, such as pipeline and transmission grid operators, are entirely invisible to the general public - thus email marketing considerations are strictly in the field of B2B (Business to Business). Others are public utilities that may have a B2C (Business to Consumer) subscription list, numbering in the many millions of consumers. The complex nature of the Energy Supply & Services sector makes industry statistics difficult to generalize; however, this guide includes comprehensive data on the industry's application and results from email and social media marketing.

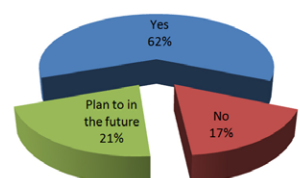
► Energy Supply & Services Business Email Marketing Statistics

Our data was analyzed in conjunction with information garnered from the answers from North American Energy Services business owners and managers.

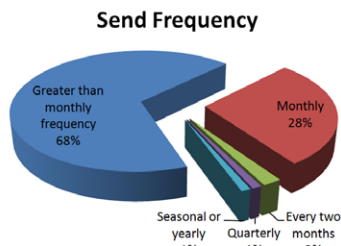
Energy Supply & Services Businesses that Engage in Email Marketing

The results of this survey find that the majority of Energy businesses are currently involved in email marketing with an Engage in Email Campaigns response level of 62

Engage In Email Campaigns



percent; 17 percent of the surveyed report they do not participate in email marketing; 21 percent claim they plan to utilize [online marketing](#) in the future. Overall, marketing trends in Energy businesses are revealed to focus on online resources for communication and promotions.



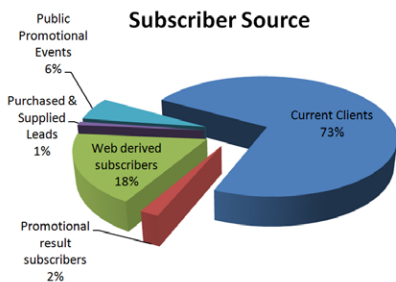
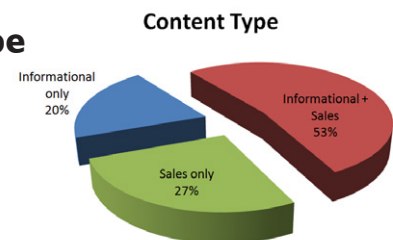
Energy Supply & Services Business Sending Frequency

Energy businesses strongly rely on frequent email newsletter content, employing a Send Frequency of 68 percent overall. Monthly frequencies are reported at 28 percent; bi-monthly, 2 percent, 1 percent quarterly and 1 percent seasonally or yearly. As 96 percent of all Energy businesses engage in at least monthly frequency client communications, and 66 percent report to engage on a more than

monthly basis (some as often as twice per week), Energy businesses are keenly aware of the benefits generated by [email newsletter](#) and email marketing campaign strategies for effective promotion.

Energy Supply & Services Business Content Type

Content Type for Energy companies is: 20 percent informational only; 53 percent informational plus sales; and 27 percent exclusively sales.

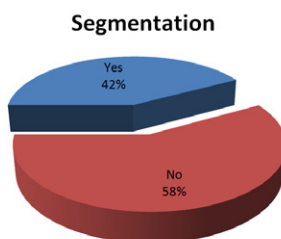
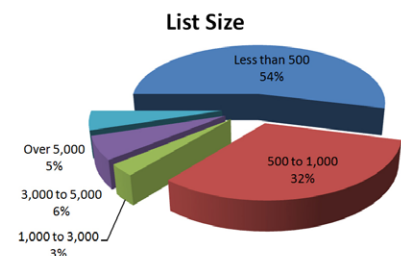


How Energy Supply & Services Businesses Obtain Email Subscribers

Subscriber sources for Energy businesses come predominantly from current consumer base: 73 percent is sourced from current clients. Two percent comes from promotional result subscribers, 18 percent from web derived subscribers, and 1 percent from purchased and supplied leads. Finally, 6 percent comes from from public promotional events.

Typical Energy Supply & Services Business Email Subscriber List Size

The list size of Energy businesses is relatively smaller than in other major industries, with a majority 54 percent reporting less than 500 entries in their subscription list. Thirty-two percent claimed 500 to 1,000 entries; only 3 reported having 1,000 to 3,000, and 6 percent claimed 3,000 to 5,000. Five percent reported more than 5,000 subscriber email addresses.

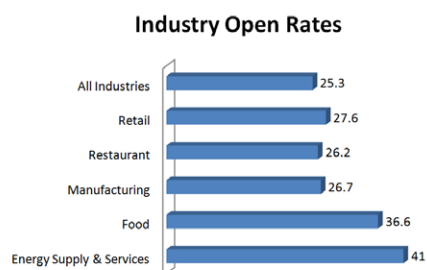
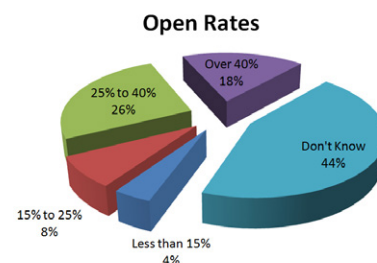


Energy Supply & Services Business List Segments

Just under three 58 percent of Energy business owners and managers claim to not segment their lists at all, while the remaining 42 percent take advantage of the benefits that segmenting the subscription list can offer to any email marketing campaign.

Email Open Rates for Energy Supply & Services Business Campaigns

A total of 18 percent of all Energy businesses' owners and managers stated that more than 40 percent of all their emails were actually opened, 26 percent of whom claim between 25 and 40 percent of their email newsletters are read. Four percent of business owners stated that their opens were less than 15 percent; eight percent claimed an open rate of 15 to 25 percent. A relatively high figure of less than half or 44 percent of all Energy business owners and managers stated that they were not aware of their [open rate metric](#).

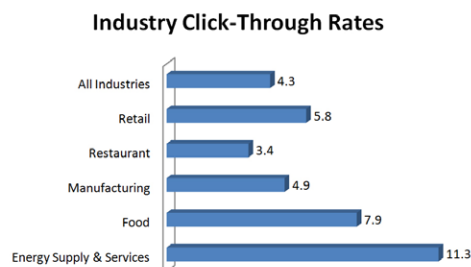
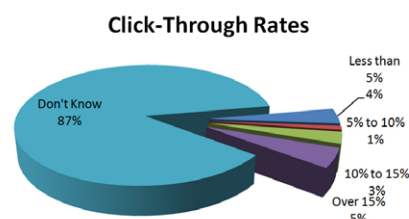


Versus Industry Open Rates

The open rates claimed by the participating Energy business owners and managers are above average. The statistics for industry open rates are: 41 percent for energy supply and services; 37 percent for food; 27 percent for manufacturing; 26 percent for Restaurants; 28 percent for retail and 25 percent for all industries.

Energy Supply & Services Business Subscriber Click-Through Rates

The number of Energy business owners and managers who are not aware of their [click-through rates](#) (CTR) is low. In this sector, fully 87 percent have no idea of their click rate, but among those who are aware of this critical email metric a less than 5 percent rate is claimed by 4 percent. Five to 10 percent is stated by 1 percent of owners; a 10 to 15 percent click-through is stated by 3 percent; and 5 percent claim that their click rate is over 15 percent.



Versus Industry Click-Through Rates

Industry click-through rates are as follows: 11.3 percent Energy Supply & Services; 7.9 percent Food; 4.9 percent Manufacturing; 3.4 percent Restaurant; 5.8 percent Retail; and 4.3 percent All Industries.

► Energy Supply & Services Industry Discussion

The Energy industry hosts a broad range of specific requirements for particular styles of email and social network marketing to suit the customer profiles. These variances span the gamut between strictly B2B and broadly horizontal B2C:

Oil Companies

Oil companies primarily engage in exploration and production of oil, known as upstream activities; the midstream involves oil transportation and refining. Petroleum product wholesale and retail distribution is known as the downstream activities. The largest multinationals are known as the “majors” and are vertically integrated with a full

spectrum of business operations from international exploration to local gasoline stations. Smaller oil companies, known as “independents,” are often only involved in local scale exploration and production. Some oil companies focus only on midstream and downstream activities, as they operate refineries to distill crude oil into its various commercial petroleum derivatives, like solvents, gasoline, diesel, jet fuel and asphalt. Depending on the scope of the business of the specific oil company a wide range of email stratifications and approaches may be desirable. The extremes of the industry have obvious impact on the type of email marketing that each company will choose to engage in. Upstream major companies generally have a very well developed public relations component, thus they may have millions of energy and environmentally aware individuals and organizations on their email list. Independent oil companies may be limited to only strictly B2B email marketing to solicit the availability of their services to very narrowly vertically integrated sectors of the energy industry.



Oil Services Suppliers



Oil services suppliers provide the full range of outsourced operational support to all sizes of oil companies, such as conducting seismic testing; owning and renting out oil rigs; and transporting equipment. The volume of business for these companies is directly linked to the price of petroleum: when the barrel price increases, oil companies increase their drilling in order to sell the petroleum at the highest price possible, and slow down when the price plummets. This type of volatility leads to business volume and revenue roller coasters for their oil service supply contractors. In July 2008 the price for a barrel of oil hit \$145, while barely five months later in December the crude oil spot price fell to just \$30. Although little can be done by oil services suppliers to override these spikes and troughs, email marketing can help in the slower times to consolidate equipment, promote services for the busy times and continue to nurture the breadth of B2B relationships necessary to ensure long term success in the industry.

Pipeline Operators

Pipeline operators own and manage untold thousands of miles of petroleum product and natural gas pipelines. Many of these types of companies also operate petroleum intake terminals, engage in a variety of commodities trading and energy marketing, and operate natural gas storage facilities or petroleum refineries. Unlike the majors, pipeline operation companies may not be well known household names. The largest companies report annual revenues sometimes tallying several billions dollars – a sum comparable to the income of a medium-sized oil company. Pipeline operators are unknown by the general public; therefore, their email marketing requirements are strictly B2B and essentially similar to those of oil services suppliers.

Utilities

“Utility” in the Energy Supply & Services industry is actually a generic term referring to gas utilities and all types of power generation companies such as: government-owned utilities, investor-owned utilities, municipal power companies and rural electric co-ops, as well as non-utility generators (NUGs) and independent power producers (IPPs). Utilities differ widely in terms of their types of business, as some are no longer in the energy generation business and are primarily distribution companies with power lines as main assets while others may own and operate regulated power plants (they may also own NUGs or IPPs). As the electricity market became widely deregulated and chaotic in the early new millennium, many IPPs sold off assets piecemeal to larger utility holding companies or financial institutions. More than almost any other type of Energy industry sector, utilities have the greatest requirement for successful B2C email communications, with some having email lists totaling in the millions of individual addresses.



Transmission Grid Operators

Transmission grid operators, generally referred to as Regional Transmission Operators or Independent System Operators, provide power generation dispatch functions to regional electricity markets. Generally, they do not have an ownership stake in the actual electrical transmission lines, but direct how much, when and where electricity is generated to ensure that supply and demand are balanced at all times. These types of businesses also have little need for B2C email communications and concentrate their online communications efforts on the B2B side exclusively.



Equipment Manufacturers

Equipment manufacturers make pumps, boilers, compressors, turbines, pollution control devices, software control systems, well drilling and pipeline construction equipment and industrial batteries. A number of them also supply engineering services and construction as well as installation of their equipment. As in the previous cases, their requirements for online communications are almost exclusively B2B.

Government Agencies

Government agencies at the federal and state levels legislate the energy markets and regulate public energy policies as well as the various protections for the environment. Federal agencies are primarily located in Washington, D.C., while each state has agencies in its state capital. The requirements for government agencies for email promotion are consistent: Each agency must have a component of online communications specifically directed towards businesses throughout the Energy industry; however, federal agencies have constituents numbering in the hundreds of millions, therefore it is imperative to keep a well developed and refined email communication strategy in place in order to keep citizens informed about energy issues in America.

Energy Services Firms

Energy service firms assist individuals and companies in any sector to reduce their overall energy costs. The usual operation of an energy service firm is conducting a comprehensive energy audit to determine where energy expenditures are being directed (electricity, heat and, in the case of commercial ventures, industrial processes). Then the energy service firm physically implements energy-saving measures within the location of the client, whether it be a home, a commercial building or an industrial facility. These measures can involve investments and activities such as upgrading the HVAC systems, replacing incandescent light bulbs with CFL equivalents and placing them on motion sensors, negotiating better rates with the utility suppliers or, in the cases of large corporate or industrial power consumers, they may be able to develop a cogeneration power plant adjacent to the location. In many cases the energy service firm receives payment for these services as a share in the net energy cost savings that the client enjoys.



Different energy service firms cater to various markets. A company concentrating on household energy savings would have their email marketing skewed primarily in a B2C model. Firms assisting corporations and industry in the savings of massive energy bills (which often tally up to millions of dollars per year) are naturally focused on B2B email marketing.

► Energy Supply & Services Business Email Marketing Goals

It is critical to note that in order to present the most effective results, your email newsletter campaign must be specifically engineered to appeal to every type of Energy Supply & Services client, from the casual customers who may only be peripherally aware of your operations to the fully dedicated energy-driven companies and energy-aware consumers who avail themselves of your services and have the potential to evangelize your benefits to a wider online and offline audience. It is necessary to provide the precise type of information that each customer category requires so that when they require your form of energy services, they will turn to your company first.

Implementation

Email marketing for Energy businesses is different from the traditional types of advertising placed in the conventional media such as magazines, newspapers, radio, television and Yellow Page ads. One of the most important differences is how federal and state law is generally applied to email marketing as opposed to traditional advertising: Email marketing is more severely regulated than conventional media formats and the manner by which Energy businesses interact with their email newsletter subscribers is precisely legislated.

Compliance

Every Energy business collecting business cards or some form of physical signup sheets to collect information about their customers is required to state that direct and unequivocal approval has been obtained from the clients prior to placing their email address onto a list.



CAN-SPAM Violations Have Severe Consequences

In the U.S., the primary authority governing all forms of email marketing is administered under the [CAN-SPAM Act](#), which illustrates criteria on how all email marketers must behave when interacting with the public. The legislation is based on the facilitation of any subscriber to instantly opt out of your list at their primary request. Violations of the CAN-SPAM Act are considered as a clear infringement of federal regulation and could lead to penalties and even long jail terms.

Facilitate Unsubcriptions

As soon as any subscriber informs your Energy business that they want to be taken off of your email newsletter receiver list, federal legislation specifies that they must be deleted from your list irrevocably and immediately. Your Energy business must make sure that the procedure your customer can follow to be taken off your list is easily locatable in every email you send them and simple to use. Failure to honor demands for unsubscriptions constitutes a crime with serious penalties.

Bouncing Email Management

When any Energy business sends out an email, be it a personal message, a business reply or a marketing campaign newsletter, one of three separate things can occur:



1. It can be delivered correctly.
2. If your email has bounced you will receive a message from the Mailer Daemon informing you of the situation and explaining reasons for the bounce. If the bounce is soft, the condition occurred after the message left your computer. In cases of a soft bounce it is considered good email practice to attempt to contact the customer through an alternative form of communication in order to inform them that the emails are being returned.
3. A hard bounce is a more serious problem, as the fault lies with the sender. If you are repeatedly sending emails to an address that is non-existent or blocked for any reason, the various ISPs that route traffic around the internet will place you among the lists of criminal spammers. Being placed on this type of [blacklist](#) has serious consequences for your Energy business, as you may find that you will no longer be able to send out any email marketing missives whatsoever. The boycott may extend to your personal and business emails as well.

Privacy Policy

Some Energy business owners and managers do little more than click onto a competitor's website and copy their privacy policy in order to paste it verbatim onto their own website pages. Not only does this action create a duplicate content that will affect your search engine position in a negative fashion, but it also leaves your business open to potential legal action. To protect your business, your attorney should draft a completely unique and personalized privacy policy that accurately covers the way you do business online.



List Segmentation

Segmentation of an Energy business' email subscription list is by far the best method to hone your online communications strategy based on the demographic and behavior features of your subscribers. The application of segmentation techniques develops email content that precisely fit the wildly differing characteristics of your subscriber base, so you will be able to offer the types of discounts, offers, products, services, equipment and accessories each is most likely to be interested in to suit their energy needs and consumption volumes.

Test Your Email Content

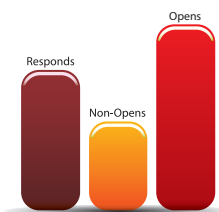
Experienced email marketers are aware of the requirement that they conduct a vigorous and ongoing testing process on their email marketing content. One of the most common tests is called an A/B split test which involves identical content being sent to a particular segment of the subscription list with only a single element changed, such as the [preheader](#), subject line, image or position of a link. By comparing how these different newsletters perform, you can gain valuable insight into what your Energy business customers are responding to in order to continue to hone your content through further testing.

Obtaining Your Customer's Personal Information

Most Energy business customers are hesitant to divulge personal information about themselves. Many email marketers have discovered that motivating surveys or other types of incentivized polling forms can be a boon in obtaining personal data to base segmentation methodologies on.

Analyze Your Customer's Behavior

The primary method of determining the success of your email marketing campaign is through scrutinizing various [email metric](#) statistics. There are some customers on any subscription list who simply will not open your emails at all, and continuing to send to these subscribers is not likely to modify that type of behavior pattern. These email addresses are best eliminated from your email newsletter list. Other customers may open and read your emails but usually fail to respond to the call to action. These subscribers should not be deleted from the list since they are reading your emails, and that often equates to their eventual response to your Energy business in other ways. The most lucrative category is comprised of the prospects who both read and click through to your landing pages, as these are the customers who are the most responsive from an email marketing perspective, and thus very valuable as online communications recipients.



Good Email Practices

It is important to adhere to good email practices to ensure that you will improve client compliance and maintain the highest level of efficiency while bearing overall positive results at your Energy business' bottom line. Lines, preheaders and subject lines should be meticulously crafted; the differing display abilities between PC and mobile browsers must

be accounted for, as well as website landing pages featuring the specific content required to synchronize your A/B split testing efforts and segmentation methods.

Email Metrics

The statistics in this report demonstrate an overwhelming majority of Energy business owners and managers are unaware of their campaigns' click-through rates, while a much smaller number were also unaware of their open rates. While 44 percent were not able to quote their open rates, 87 percent could not state their click-through rates. This failure to comprehend the impact of these basic email metrics when directing an email marketing campaign is a problem that needs to be addressed, especially when it is noted that the differential of nearly double in the rate of open and click-through rate comprehension is a ratio far beyond most industry standard medians. By not understanding the most basic email metrics that are obtained by an online promotional campaign, the Energy business manager or owner denies themselves the overview into the specific factors that indicate how their overall email marketing and promotional campaigns are performing.



► **Benchmark as Your Energy Supply & Services Company's Email Marketing Concierge**

Quickly & Thoroughly Renew Your Email Campaign Strategy

Your Energy Supply & Services business can experience solid bottom line results from a collaboration with the top notch industry professionals at Benchmark Email. Benchmark is universally acknowledged as one of the top [email marketing service providers](#) in the United States and relied upon by over 73,000 satisfied business customers. Established on a foundation of years of expertise in serving the needs of Energy businesses both at home and abroad, Benchmark Email now offers an Energy Supply & Services Email Marketing Solution that acknowledges every factor in making sure your integrated email and social media marketing targets and goals are fully achieved.

Choose to Have Benchmark Email's Renowned Marketing Pros Do It for You

When it comes to your email marketing campaigns, you may opt for an autopilot strategy by delegating the breadth of the job to the experienced professionals at Benchmark Email. Your Energy business can be boosted into the next phase of email marketing when you take advantage of Benchmark Email's proprietary We Do It for You Full Service Email Marketing system. This unique and powerful service will engage Benchmark Email's most experienced specialists to execute the functions of your direct email and social media marketing as if they were your own in-house staff.

► **Industry Standard Features**

Whether you select Benchmark Email's Do It Yourself or the We Do It for You service, your Energy business will gain considerable competitive advantage from the following powerful features:

Advanced Message Scheduling - Your email communication is scheduled to be issued at any time and date best suited to your subscribers. By utilizing advanced [autoresponder](#) technology, Benchmark Email empowers you to schedule a sequence of countdown timers. These timers can be set to particular events such as the date of the first subscription, renewal dates, your customer's birthday or any other anniversary date you desire.

Comprehensive Video Integration - Benchmark Email offers an exclusive video email facilitation procedure that allows audio-visual productions of any running time to coincide with your Energy business' most promotable innovations, discounts, events, products, services, installations or other informational content. The state of the art multimedia integration assures that any format of image or video can be promptly delivered to your subscribers while minimizing the file size.



Contact List Management - Benchmark's [email list management](#) abilities can segment and streamline your subscription lists to facilitate you in precisely targeting your customer categories based on a considerable variety of factors including geographic, behavior and demographic.

Delivery Assurance - Benchmark Email is proud of its long history of collaborative relationships with the major ISPs that control and route much of the internet traffic around the world. Benchmark Email's reliable delivery assurances are based on a commitment to unwaveringly apply the best practices to be found in the email service industry as well as the implementation of extensive anti-spam features to ensure that your Energy business will maintain an absolutely sterling email reputation and avoid the placement of your IP or domain name on any of the ISP blacklists.

Expertise & Technology – Benchmark's technological infrastructure allows for any type or format of email including plain text, HTML and video to be efficiently and swiftly delivered to your customer's inbox.

Full Tracking Reports Incorporating Visual Graphs - Benchmark Email's exhaustive email tracking reports provide a simple, comprehensible graphic display of your campaign's overall performance. Each statistical category is also defined in basic language without falling back on complex industry jargon.

High Volume Plans – If your Energy business' subscription list consists of more than 100,000 email addresses, Benchmark Email can implement a series of advanced technological functions specifically designed to facilitate your sizeable sending volumes.

Polls & Surveys - Benchmark Email is famed for the effective methodologies it uses to design a customized variety of client participation poll and survey forms. These forms permit you to make ongoing adjustments to your campaign accurately and swiftly, in accordance with the data supplied by your Energy company's clientele.

Social Media Tools - Benchmark Email can engineer and direct your entire social media strategy by offering comprehensive integration on leading sites such as Twitter and Facebook that will serve to ensure that your marketing messaging will be "Liked" and shared among the largest possible social circles.



Templates - The experienced programming, content, graphics and marketing professionals at Benchmark Email have engineered hundreds of targeted templates to best display your company branding. The talented designers at Benchmark Email can even create a custom tailored template for your exclusive use.

► Find Out How Your Energy Supply & Services Business Can Profit from Benchmark Email's Services

Benchmark Email's market leading **Do It Yourself** package of services empowers your Energy business to directly and meticulously manage every facet of your email marketing strategy. If you don't have the time, contract us to provide a unique full service **We Do It for You** package of services. This full service package is carefully crafted, engineered and directed by Benchmark Email's masterful online communications experts to fit your specific type of Energy business and increase your profitability while boosting customer satisfaction. Professional Energy Supply & Services owners and managers are well aware that the final results are what really counts, and they trust the professional email marketing craftsmen and technological specialists at Benchmark Email to provide the types of results that really count - the ones on their bottom line!

▶ About Benchmark Email

Take powerful features by the dozen, sophisticated list management, hundreds of email templates, ultra-precise reports and dazzling email and video email. Now, package all that together for an extremely affordable price. Sound appealing? That's us.

There's a reason – or 100 – that more than 73,000 users trust us with their email marketing campaigns. With a second-to-none feature set, headache-free tools that make every campaign a snap and extremely reasonable price plans, we're the email marketing service for businesses of all shapes and sizes. At Benchmark, we're more than email marketing experts, we're innovators. Our main aim is to perfect our email marketing service, but we also follow social networking, search engine optimization (SEO) and Web 2.0 just so our 100% Web-based software is completely compatible with the ever-changing Internet world.

No other service gives you this robust, standard range of features for just \$9.95 a month to start. Find out for yourself by enrolling in our free, 30 day trial www.benchmarkemail.com/register.

CONTACT US

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We welcome your feedback and would love to talk with you about your event marketing needs. Please contact us at the addresses below.

Website: <http://www.benchmarkemail.com/>

Call: 800.430.4095

Email: sales@benchmarkemail.com