

How MyLife.com Saves On Acquisition Costs With FreshAddress



The Challenge

MyLife.com, an online hub that allows registered users to manage their online information and connect with people from their past, has millions of registered users. As with every company that maintains one or more email lists, MyLife.com wrestles with churn.

It has been estimated that as many as 30 percent of email users change their addresses in a given year. While the email churn MyLife.com experiences is lower than 30 percent a year, it's high enough to be a concern.

Additionally, MyLife.com's customer acquisition costs are comparatively high, so losing even a small percentage of subscribers is considered serious business.

The Solution

"We've been around for 12 years and we've paid each of those users to come to MyLife.com and register," said K.C. Brotherton, Vice President of Revenue, Search, and Data, MyLife.com. "So when those addresses start to bounce it's a lot more cost beneficial for us to get their new email addresses rather than to try and reacquire those customers—that's why we use ECOA. It's so much less expensive than reacquiring them."

According to Marketing Metrics, "The probability of selling to an existing customer is 60 - 70 percent. The probability of selling to a new prospect is 5-20 percent."

The Process

STEP 1: MyLife.com supplies FreshAddress with a list of subscriber email addresses that have begun to bounce along with their associated profiles.

FreshAddress corrects any typos using its SafeToSend® service, then matches the
STEP 2: supplied list and profiles to its database of millions of people who have opted-into its ECOA service.

STEP 3:

FreshAddress cleans the list again, finds the new addresses it can match back to the old ones, and sends an opt-in permission message on behalf of the company.

STEP 4:

FreshAddress cleans the list for a third time using SafeToSend®, and supplies a list of the new addresses. The list typically includes users who have opted in, users who have opted out and users who have not responded, said Brotherton.

MyLife.com does not, however, simply add ECOA acquired addresses into its house file. It creates special email campaigns to get the lapsed users re-engaged using their new email addresses.

“The messaging is usually something like: ‘We’ve been trying to reach you,’ or ‘A lot has changed since you were last here. Come back and take a look,’” said Brotherton.

He added that ECOA-acquired addresses are treated differently until they engage and opt back in to receiving emails.

“Instead of just restarting them, they’ll be in a re-engagement track where the messages are catered to them,” he said. For example, a re-engagement email may include a free-trial offer, Brotherton said.

MyLife.com uses FreshAddress’s ECOA product once every two years and generally gets from 10 to 15 percent of its bounced users’ new addresses in return. “The last time we did it was about 13 percent,” said Brotherton.

How responsive are the new addresses?

“It depends a lot on time,” said Brotherton. “If I have someone who registered in 2004 and I’m reaching out to them now, the click rate is lower. It varies from a 30 percent click through rate to about 12, depending on how far we are from registration.”

Does ECOA pay off?

“Using those updated email addresses, the ROI has always worked out,” said Brotherton. “We have a chance to reach out to these members that we otherwise wouldn’t, and get them to return to the site.”