Transactional Email
Behavior and Best Practices

A MailChimp Study
Introduction

What is transactional email, anyway?

For many of us, transactional emails are becoming essential to the way we interact with applications and services on the web. You know those emails from Facebook letting you know someone’s commented on a photo, or those receipt emails you get from Amazon? They’re transactional emails, with content that’s tailored to you. Transactional email is a type of one-to-one email. It’s different from bulk email, which goes to many people with the same content.

Transactional emails might invite us back to a web service after a period of inactivity, let us know what’s happening online while we’re away, or encourage us to purchase items we left in our shopping cart.

The idea of the term “transactional” may vary across industries—it doesn't necessarily infer e-commerce, as not all transactional emails are related to purchases. Many people refer to transactional emails as triggered, automatic, real-time, or even personalized. Use whatever term makes you comfortable—the goal is to make sure everyone in your organization is speaking and understanding the same language.

Types of Transactional Email

You may receive a transactional email when you:

- Sign up for a service, site, or newsletter
- Forget your username or password, and request a new one
- Make a change to an account profile
• Have updates or notifications sent from an account
• Make a purchase or donation online or in a brick-and-mortar store (some retailers will now offer to email a receipt to you)

![Square email example]

Figure 1 / This email from Square is an example of a transactional email that our interview participants considered to be helpful and well designed.

• Leave items in an online shopping cart
• Renew a subscription to a site or service
• Get a reply to a comment on a blog or social media site
• Get a response from a contact form or online survey

Generally, transactional emails aren't considered marketing emails, but they can contain a marketing message along with the transaction details.
Research Participants

We observed and interviewed a sample of people who send and read transactional emails, in an effort to learn more about the behavioral trends in this space and identify some best practices that can help make these emails successful.

Transactional Senders

We interviewed four MailChimp customers who send transactional emails to determine their needs as senders and discover what kind of transactional emails they’re sending. One of the transactional senders we interviewed currently sends through Mandrill, MailChimp’s transactional email service. The other three participants use different transactional sending services.

Transactional Readers

We interviewed 13 people who have purchased products online, bought tickets to events, booked travel, signed up for services, received bills via email, and received other types of transactional email. These 13 people were a mix of MailChimp customers and people in our professional circle.

We asked the readers to look over some examples of transactional email we provided, and we looked at transactional emails the readers archived for the interview. Some of the emails our readers shared came from familiar services like Amazon, Apple, airlines, and hotels. They also shared emails from local vendors and local transportation companies.
Our readers’ occupations included a medical office operator, a Rabbi, a photographer, four marketers, five designers/creative professionals, and one Chief Technology Officer.
Observations

Filtering

As we noted in our mobile email study, almost all of the participants we interviewed reported a behavior we call filtering. Few people read every word of an email right away, even if they have time. If they don’t, they either mark the email as unread and go back to it, save it in their inbox to read on their desktop, place it in a to-do folder, or, most likely, delete the email.

Transactional emails are similarly filtered, in that they’re acted upon right away (account signup, forgot password), deleted (blog comments, social updates), or saved for later (order confirmations, event or travel tickets).

Some readers reported saving transactional emails in their inbox as a to-do list, but other readers reported using apps or other means to save the data contained in their transactional emails. Often, readers would immediately add an event to a calendar, use apps like Delivery Status (shown in figure 2) to get package-delivery notifications, or use Triplt to aggregate travel events. One reader uses a separate email address for purchases, while another sends important emails to Evernote to act on later.
Figure 2 / To easily track orders and packages, readers like to aggregate their tracking numbers in Delivery Status rather than save order confirmations in their inbox.

Skimming

While transactional emails contain important information, they’re not immune to being skimmed rather than read.

Readers easily differentiated between important transactional content and marketing content through the use of clear sections in the email and bolded or highlighted text for transactional details. Several of our readers commented that using different text colors to highlight sections was more distracting than helpful, and they preferred a clear hierarchy instead. (figure 3)
Figure 3 / This email from a utility company shows a mixed bag of transactional design. They include important billing details clearly at the top of the email, but distract the reader with red text that asks them not to reply to the email.
Best Practices

Reply-to Address

Transactional email readers are split between “indifferent to” and “opposed to” regarding the use of “noreply@” or “donotreply@” as the reply-to address in email correspondence. Marketers who are also readers understand the motivation behind “noreply@”: the person who handles support questions may not be the person sending the email, or there may be a better way to contact the sender that’s highlighted in the email.

Readers who are opposed to the use of “noreply@” mentioned that it seems impersonal, lazy, and rude. If a reader takes the time to read your email, a “noreply@” address gives them the impression that your time is more valuable than the reader’s time. It’s easy to see how the use of “noreply@” implies one-way communication rather than open communication.

Transactional emails contain important data. While readers might not reply to the message, and will look for the proper contact channels if necessary, providing a real reply-to address instills comfort and trust.

From Name

The improper use of a person’s name, as opposed to a company name, as the From Name (figure 4) gives readers pause. While it’s intended to seem more human to use a personal name, it’s unlikely that your readers know or recognize the names of your CEO, marketing manager, or email campaign manager.
If your intention is to form a real connection by including a person's name as the sender, it’s best to use the same name with each send. Then your readers will start to recognize your emails and the person they’re connecting with. If you’re using a different name with each send, readers will have a harder time recognizing your emails, and you’ll run the risk of ending up in the spam folder.

Generally, it’s best to use the most recognizable option—your company name—as the From Name, but, depending on your content and organization, you may find that a person’s name works better for your needs. If you want to use your company name and still form a more personal connection, you can try signing the email with a person’s name, or signing the email from “The Team at Company X.”

Subject Lines

Subject line content is an important part of transactional email. Your subject line lets your reader know right away: Is this an order confirmation? A shipment confirmation? An account update? (figure 5)

Overwhelmingly, order and shipping confirmations contain the order number before the item description in the subject line. How does this help a customer identify their order, or the purpose of the email?
Design

The Look of Transactional Email

When describing a transactional email that they think has good design, readers use words like “clean,” “simple,” “concise,” “straightforward,” “subtle,” and “to the point.” When describing a transactional email that they think is poorly designed, readers use words like “cluttered,” “wordy,” and “unclear.”

The best practices for designing a transactional email follow the same central fundamentals of writing a transactional email: Only include essential elements that communicate your brand, and avoid superfluous elements that might pull a reader’s attention away from your central message.

HTML vs Plain-Text

There are plenty of templates and resources out there to ensure good design for marketing emails. These resources haven’t been extended to transactional emails yet.

Transactional email content and designs are often stored in databases,
CRMs, and source code, and require working with a developer to update. To get around this, senders have generally relied on simple, plain-text transactional emails in order to facilitate quick fixes and updates.

The trend now is to brand transactional emails in the same way as marketing emails, with less reliance on plain-text. Plain-text emails communicate well, but they fall short when it comes to communicating a brand.

At the very least, a transactional email should include a logo to help the reader identify the sender and keep the message from getting marked as spam. Keep some personality and brand recognition in the email, even if the design isn’t fancy. Readers aren’t expecting deep inspiration from transactional emails, but the design should at least be interesting (figure 6).

![ModCloth Email Example](image)

Dear ModLover,

Thank you for placing an order with ModCloth! Here is a summary of your purchase:

<table>
<thead>
<tr>
<th>Item Description</th>
<th>Qty</th>
<th>Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Striped Down Cardigan</td>
<td>x1</td>
<td>$34.99</td>
</tr>
<tr>
<td>Size L</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tree Little Birdies Wall</td>
<td>x1</td>
<td>$19.99</td>
</tr>
<tr>
<td>Hook</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Color No Color</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Shipping Address</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>512 Means St NW Ste 404</td>
<td></td>
</tr>
<tr>
<td>Suite 404</td>
<td></td>
</tr>
<tr>
<td>Atlanta, Georgia 30316</td>
<td></td>
</tr>
<tr>
<td>United States</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Billing Address</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Atlanta, Georgia 30307</td>
<td></td>
</tr>
<tr>
<td>United States</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Thanks for your order!</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Atlanta, Georgia 30307</td>
<td></td>
</tr>
<tr>
<td>United States</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Subtotal</th>
<th>$54.98</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shipping</td>
<td>$0.00</td>
</tr>
<tr>
<td>Tax</td>
<td>$0.00</td>
</tr>
<tr>
<td>Discount</td>
<td>$0.00</td>
</tr>
</tbody>
</table>

| Total                     | $54.98  |

Figure 6/ ModCloth keeps it simple and elegant while injecting their brand and personality into transactional emails. (Half of our participants noticed ModCloth’s branding and pointed out the cuteness of their mascot, Winston the Pug!)
That said, don’t forget to include a plain-text version of your transactional email for readers who prefer plain-text or have their mobile devices set to only display your plain-text version.

Content

Marketing Opportunities

Transactional email is a marketing opportunity, but make sure the marketing content doesn’t overshadow or stray too far from the intended purpose of the email. Provide the important information first, and then offer something awesome.

Marketing messages were noted to be welcome in transactional emails, as long as they’re helpful, relevant, and unobtrusive. Readers said they like coupons, helpful tips about online services, links to download a company’s app, callouts to related items, and notes about upcoming sales or events.

Eventbrite includes a link to their mobile app in their ticket delivery emails (figure 7). Among those studied who purchased tickets through Eventbrite, four of 13 downloaded the Eventbrite App for storing their tickets.
Figure 7 / Eventbrite’s emails show clearly where to print your event tickets, but they also offer a helpful link and ad to highlight their mobile app.

We asked our transactional readers to look at an email requesting feedback from attendees after an event. One reader liked that the reservation company didn’t include marketing content in their post-reservation feedback requests. This reader went on to provide feedback because it wasn’t presented as a marketing gimmick. Some transactional emails might not generate an immediate sale, but they can build trust for the future if they’re straightforward, helpful, and not excessively sales-based.

**Personalization**

The bulk of the content in transactional email is automatically generated. It’s important to test your transactional email system to make sure customers are getting the correct information in the emails they receive.
It’s ok to be human in transactional emails, as long as the important transaction details are the first priority.

We don’t greet people in face-to-face conversations by saying, “Hello, John Doe!” or "Hi, 157677-42." Similarly, it’s considered impersonal when a transactional email uses a first and last name or account number as a greeting.

**Other Design and Content Suggestions**

- Order confirmation emails receive more scrutiny than shipping confirmations, as these are the first point of contact after an order. Customers will check to see if the correct items were ordered, confirm the total costs and shipping address, and note the estimated shipping date if one is included.

- For shipping notifications, send a tracking number in the shipping confirmation email. It’s also ideal if the tracking number is clickable and links to a pre-filled tracking field on a website, or links directly to the tracking page of the shipping carrier.

- Images of purchased items are welcome, but not entirely necessary as long as the order details are clear.

- For bills or invoices, always list the amount of the bill in the body of the message. Some people pay their bills through a third-party service or online banking site. Allow these readers to see the amount without having to log in. This also gives people an indication if something is wrong with their bill.

- If an email will likely need to be printed, like event tickets or flight information, keep it short or provide an abridged, printable version of the email. Be sure to test print your emails before you start sending to make sure you’re not causing recipients to print unnecessary pages.

- As with any good email, use appropriately designed and sized calls to action. Avoid using “click here” as link text; instead, use a “Pay Now” or “Track Package” button.

- Always include contact information for support, billing, or other relevant departments that a customer might need.
Unsubscribing

Transaction messages in the U.S. don’t require an unsubscribe function*, but cases have shown that it’s a good idea to give your readers a way to easily remove themselves from your transactional emails. IP address reputation works basically the same way for transactional and marketing emails. While transactional emails are more like basic one-to-one emails in their content, your readers can still mark them as spam. If your transactional emails look anything like marketing emails (for instance, offering a promotional code after a purchase), even if they’re technically transactional, you should provide an unsubscribe link for your readers.

This is especially true when the transactional email is of lesser importance, like weekly account updates and social-media notifications. If you’re sending purchase receipts, it may be unwise to include an unsubscribe option. Laura Atkins of Word to the Wise explains this in nuanced detail on her blog.*Let’s look at a case from MailChimp. In the spring of 2012, we started sending “weekly list status updates” to keep people informed about their account performance and growth. But to turn them off, the customer had to log in to their account, find the notifications section, and manually uncheck a box to stop receiving the emails. Although an unsubscribe link was included in those emails, the unsubscribe form was behind the application’s authentication page, as is common in most applications sending transactional email. Customers expected the unsubscribe process for these transactional emails to work just like mass emails and complained vocally about the inconvenience of having to log in to unsubscribe.
Figure 8/ The number of responses by month to our “Account Closed” survey in 2012.

Figure 8 shows the number of responses to our “Account Closed” survey. By June of 2012 we had our highest number of account closed survey responses of all time. We saw spikes in account closing feedback on Sunday nights, right after the weekly account update emails went out. The following August we built out an unsubscribe process for our transactional emails that’s outside the authentication system, which dropped account closings and complaints by 33%.

Although personalized transactional emails are inherently connected to individual user accounts, and therefore often managed by logging in to your account, they land in inboxes next to bulk emails that have a more direct unsubscribe process. We learned the hard way that recipient expectations trump technical challenges. It may take more time to develop an external unsubscribe process for transactional emails, but it’s well worth it.

Mistakes in your unsubscribe process can cost you customers and erode trust, so consider making your transactional unsubscribe process follow the same easy flow as bulk email.
Wrapping Up

We spend so much time polishing the user experience of our web pages, carefully drafting our copy and calls to action, and painstakingly crafting lovely templates for our newsletters. Our transactional emails deserve the same treatment. Don't set them up once and promptly forget them. Give your transactional emails some love, too.

And finally, let’s move away from thinking it’s “either transactional or marketing.” Transactional emails can be marketing emails. We need developers to set up these email systems for us, but we really need our marketers to work on the layout, copy, and calls-to-action therein.
Resources

We've built a couple of transactional email templates to help you get started. These templates are mobile-friendly, tested in all major email clients, and can be used in both MailChimp and Mandrill, our transactional email platform.

Download a zip file of these transactional emails at:

To use the templates in Mandrill, you'll need to import them to Mandrill from your MailChimp account. http://help.mandrill.com/entries/21694868-getting-started-with-templates

Here are a few more resources to help you get your bearings as you start sending transactional emails:

- An example of a welcome email from Buffer
- An example of a great plain-text email from TopatoCo
- More about transactional email
- About “noreply=” Reply-to Addresses
- Measuring transactional email performance
- Email for Mobile Devices
MailChimp + Transactional = Mandrill

Over the years, we’ve struggled with sending and tracking transactional emails from our own apps, so we decided to create our own solution. It’s called Mandrill. Mandrill is a transactional email service that apps can use to send automated one-to-one email, like password reminders, shopping-cart receipts, and personalized notifications.

Mandrill has fancy tracking and easy to understand reporting that helps you keep tabs on the success of your transactional emails. Use the iPhone and Android mobile apps to check in on deliverability and performance on the go. And of course, Mandrill sends emails on the proven delivery platform that serves millions of MailChimp users.