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# EMAIL MARKETING BENCHMARKS: RELEVANCY, FREQUENCY, DELIVERABILITY AND MOBILITY

Email continues to deliver strong return on investment (ROI) and value for marketers. However, for email to continue that success, marketers must consider how and why mobile use, increases in message volume and frequency and data-driven relevancy impact performance.

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Dear eMarketer Reader,

eMarketer is pleased to make this report, **Email Marketing Benchmarks: Relevancy, Frequency, Deliverability and Mobility,** available to our readers.

This report is a great example of eMarketer data and insight that discuss the current state of email, its performance metrics and trends serving to make email more relevant to customers.

We invite you to learn more about **eMarketer's approach to research** and why we are considered the industry standard by the world's leading brands, media companies and agencies.

We thank you for your interest in the report and **IBM** for making it possible for us to offer it to you today.

Best Regards,

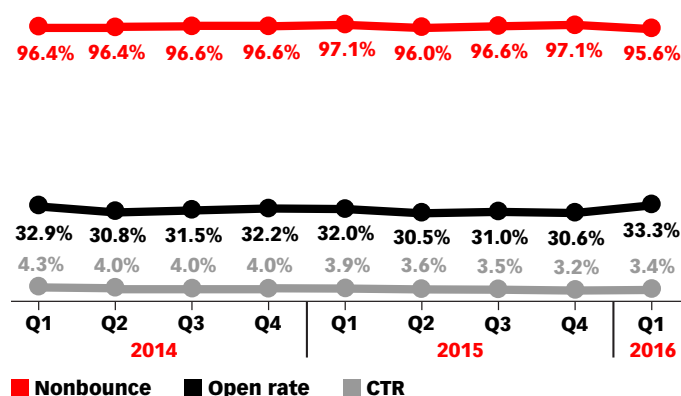Crystal Gurin
SVP President and Publisher

**Email continues to deliver strong return on investment (ROI) and value for marketers. However, for email to continue that success, marketers must consider how and why mobile use, increases in message volume and frequency and data-driven relevancy impact performance.**

- The email audience is growing, engaged and increasingly mobile. Those who opt in to emails expect to receive a benefit, with email updates that are relevant and have the right amount of frequency.

- Across multiple email marketing service providers' performance benchmark data, open rates and clickthrough rates (CTRs) are both steady, though deliverability rates are an area of concern. These performance metrics are influenced by the volume of emails sent. Sending an overly large amount of email not only skews the benchmark data, but it can diminish audience size and cause lower engagement.

- There is a disconnect on mobile: Opens aren't translating to conversions on mobile devices. To avoid this falloff, brands need to design their emails and customer experience with a seamless user flow going from the email itself to the call to action across all devices.

- Maintaining a high level of list health and subscriber quality can combat deliverability concerns. Additionally, making emails more relevant and personalized will drive stronger performance metrics. Advanced marketers are focusing on data-driven, automated strategies, including triggers, workflows, segmentation, personalization and predictive content.

- To reach the customer at the relevant time and channel, integrating email into a larger digital and mobile marketing communications strategy is also an important trend in 2016 and beyond.

**WHAT'S IN THIS REPORT?** Increased mobile use, more frequent email sends and deliverability issues can all hurt email performance. This report will discuss the current state of email, its performance metrics and trends serving to make email more relevant to customers.

**Email Marketing Performance Benchmarks in North America: Nonbounce, Open Rate and CTR, Q1 2014-Q1 2016**
*among campaigns analyzed by Epsilon*

| | 2014 | | | | 2015 | | | | 2016 |
|---|---|---|---|---|---|---|---|---|---|
| | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 |
| Nonbounce | 96.4% | 96.4% | 96.6% | 96.6% | 97.1% | 96.0% | 96.6% | 97.1% | 95.6% |
| Open rate | 32.9% | 30.8% | 31.5% | 32.2% | 32.0% | 30.5% | 31.0% | 30.6% | 33.3% |
| CTR | 4.3% | 4.0% | 4.0% | 4.0% | 3.9% | 3.6% | 3.5% | 3.2% | 3.4% |

*Note: represents activity on the Epsilon platform, broader industry metrics may vary*
*Source: Epsilon, "Q1 2016 Email Trends and Benchmarks," June 29, 2016*
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**KEY STAT:** At 33.3%, open rates were at a high in Q1 2016. On the other hand, nonbounce rates were the lowest since 2014, at 95.6%, implying that fewer emails were finding their way to recipients on average.

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## EMAIL MARKETING TODAY

**Despite whisperings of its decline in recent years, email remains a growing, go-to channel for marketers. "Email marketing continues to be the largest channel for brands to reach their audience, and the one with the highest ROI," said E.J. McGowan, general manager at Campaigner, an email marketing services provider.**

A June 2016 survey of US marketers conducted by the Direct Marketing Association (DMA) and Demand Metric found that email had a median ROI of 122%—more than four times higher than other marketing formats examined, including social media, direct mail and paid search.

### Median ROI for Select Channels/Formats According to US Marketers, June 2016

| | |
|---|---|
| Email | 122% |
| Social media | 28% |
| Direct mail | 27% |
| Paid search | 25% |
| 18% Online display* | |

*Note: *return on ad spending*
*Source: Direct Marketing Association (DMA) and Demand Metric, "2016 Response Rate Report," July 28, 2016*
214049 www.**eMarketer**.com

The study also established that at $10.23 per response, email provided US marketers with the lowest cost per acquisition of all other channels and formats. Online display was next in line for most cost-effective acquisition channel, but it was still $9 more than email.

### Cost per Acquisition (CPA) for Select Channels/Formats According to US Marketers, June 2016

| | |
|---|---|
| Direct mail* | $27.35 |
| Social media | $21.95 |
| Paid search | $21.50 |
| Online display | $19.50 |
| Email | $10.23 |

*Note: for house/total; *cost per response*
*Source: Direct Marketing Association (DMA) and Demand Metric, "2016 Response Rate Report," July 28, 2016*
214048 www.**eMarketer**.com

Agency professionals and in-house marketers worldwide are in agreement about email's effectiveness, according to March 2016 polling from Econsultancy. Both groups named email marketing most frequently as a tactic able to provide a strong ROI, at 80% and 73%, respectively. The study also found that while respondents allocated an average of 16% of their overall marketing budget to email for 2016, the program contributed to 23% of total sales, a ratio that indicates email's positive ROI.

Revenue from email has also improved year over year. A survey from the Relevancy Group sponsored by PostUp found that in December 2015, 24% of US email marketers said email marketing initiatives accounted for over a quarter of their overall revenues. This percentage was up from 13% in fall 2013.

## THE EMAIL AUDIENCE: HABITS AND ATTITUDES

Increases in ROI have been linked to the growing size of the email user base and market penetration. eMarketer estimates that there will be 240.1 million email users in the US in 2016, accounting for nearly 89.8% of internet users and 74.1% of the population. By 2020, that number will grow to 258.9 million users.

### US Email Users and Penetration, 2015-2020

| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|---|---|---|---|---|---|---|
| **Email users (millions)** | 233.7 | 240.1 | 246.9 | 251.8 | 255.6 | 258.9 |
| —% change | 2.8% | 2.7% | 2.8% | 2.0% | 1.5% | 1.3% |
| —% of internet users | 89.6% | 89.8% | 90.4% | 90.6% | 90.9% | 91.2% |
| —% of population | 72.7% | 74.1% | 75.6% | 76.5% | 77.0% | 77.4% |

*Note: internet users of any age who send an email via any device at least once per month*
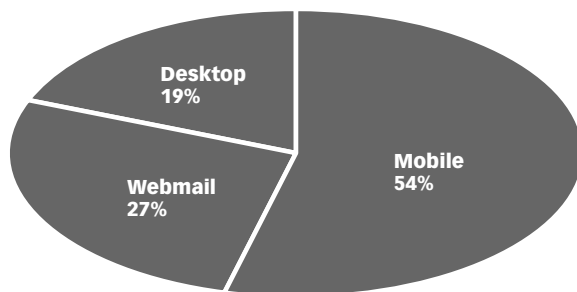*Source: eMarketer, Aug 2016*
214117 www.**eMarketer**.com

Not only is the size of the email user pool growing, but so is mobile usage. According to a June 2016 poll of email users worldwide by email provider Litmus, more than half of respondents used a mobile device as the primary platform to access their email, while 27% used webmail and 19% used desktop.

**Email Marketing Benchmarks Worldwide: Open Share, by Device/Platform, June 2016**
*% of total opens analyzed by Litmus*



Desktop 19%
Webmail 27%
Mobile 54%

**Frequency with Which US Internet Users Find Marketing Emails from Companies to Be Useful, Dec 2015**
*% of respondents*



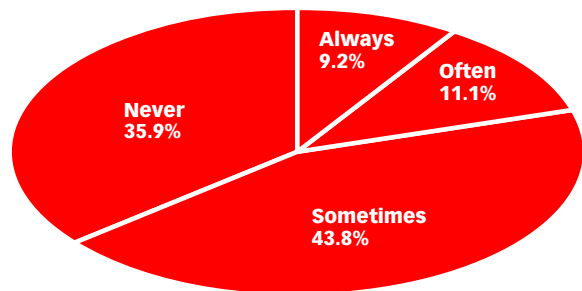Always 9.2%
Often 11.1%
Never 35.9%
Sometimes 43.8%

Consumers may have a variety of reasons for signing up for emails from a brand, but incentives or other rewards tend to be the most popular. For example, when a February 2016 Adestra study asked US internet users why they sign up for marketing emails, the vast majority (85%) cited receiving discounts as the leading reason. Furthermore, a September 2015 survey from mobile marketing solutions provider Vibes, conducted by Equation Research, found similar reasons for engaging via email, social media or text with a brand/company. Incentives, coupons and loyalty or reward points were major factors for more than half of US smartphone users.

"Consumers sign up for emails because they love discounts and sales," said Loren McDonald, IBM Marketing Cloud's email and marketing automation evangelist. "They want that information, to be marketed to. For most people, email is still the No. 1 channel to be communicated to if they get something in return."

But brands need to deliver their end of the bargain. In some cases, they miss the mark. A December 2015 Fluent survey found that 43.8% of US internet users thought marketing emails from companies were sometimes useful; 35.9% said they were never useful. Only 11.1% said marketing emails were often useful, while 9.2% said always.

Additionally, subscribers want to receive email updates that are relevant and not overly frequent. Nearly 60% of US smartphone owners in the Vibes survey had digitally unsubscribed from a brand or company because they received too many messages or updates. And just over half said the information wasn't relevant.
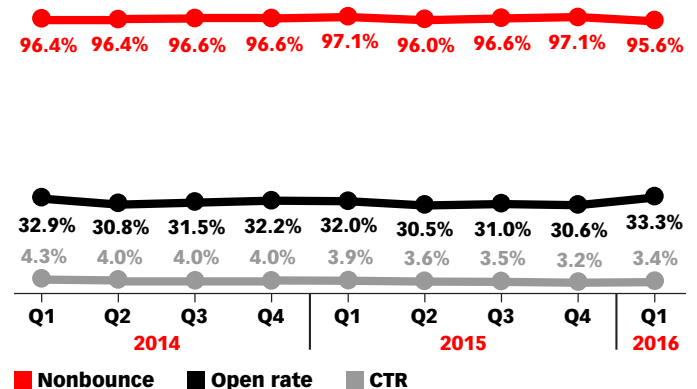
# EMAIL PERFORMANCE BENCHMARKS

**While it is true that email's ROI remains high, marketers must continue to determine the best way to effectively measure their programs' performance, as the audience and best practices continue to evolve.**

A February 2016 survey by analytics firm Origami Logic asked marketing professionals in North America how they used marketing signals or performance measurements "that bridge the gap between raw data and insights." Nearly a quarter of respondents measured and analyzed email performance metrics weekly; 26% did so daily. Nearly a third only tracked up to three marketing signals and a quarter tracked four to six different marketing signals.

Common email performance benchmarks include nonbounce/bounce rate (delivery metrics), open rate (the percentage of emails opened) and CTR (percentage of emails that resulted in clicks). Across multiple email marketing service providers' performance data, these trends emerged for email marketing in 2016: Open rates and CTRs remain steady, and deliverability rates are inconsistent.

Email provider Epsilon's Q1 2016 analysis of all emails sent from its platform to recipients in North America showed open rates on the rise, at 33.3%—higher than all quarters since Q1 2014. CTR, while still on the decline overall, had recovered slightly since Q4 2015, coming in at 3.4%. Most interesting to note was the nonbounce rate (i.e., the percentage of emails delivered), which, at 95.6%, is at the lowest rate since 2014. (This corresponds to a 4.4% bounce rate.)
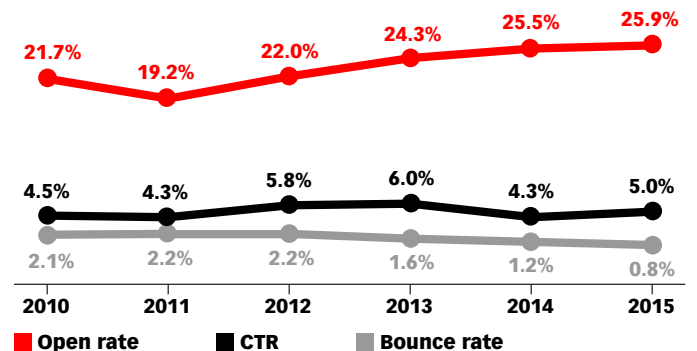
**Email Marketing Performance Benchmarks in North America: Nonbounce, Open Rate and CTR, Q1 2014-Q1 2016**
*among campaigns analyzed by Epsilon*



Nonbounce: 96.4% 96.4% 96.6% 96.6% 97.1% 96.0% 96.6% 97.1% 95.6%
Open rate: 32.9% 30.8% 31.5% 32.2% 32.0% 30.5% 31.0% 30.6% 33.3%
CTR: 4.3% 4.0% 4.0% 4.0% 3.9% 3.6% 3.5% 3.2% 3.4%

Q1 Q2 Q3 Q4 | Q1 Q2 Q3 Q4 | Q1
2014 | 2015 | 2016

■ Nonbounce ■ Open rate ■ CTR

*Note: represents activity on the Epsilon platform, broader industry metrics may vary*
*Source: Epsilon, "Q1 2016 Email Trends and Benchmarks," June 29, 2016*
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Performance metrics from emails sent by Inbox Marketer clients in North America, which include both business-to-business (B2B) and business-to-consumer (B2C) companies, also had a high open rate: 25.9% in 2015, the highest on record since 2010. CTR increased from 4.3% to 5.0% between 2014 and 2015, but this was down in comparison to 2013's strong 6.0% rate. In contrast to Epsilon's deliverability data, its bounce rate (percentage of emails not delivered to the inbox) was at an all-time low of 0.8%.

**Email Marketing Performance Benchmarks in North America: Bounce, Open Rate and CTR, 2010-2015**
*among campaigns analyzed by Inbox Marketer*



Open rate: 21.7% 19.2% 22.0% 24.3% 25.5% 25.9%
CTR: 4.5% 4.3% 5.8% 6.0% 4.3% 5.0%
Bounce rate: 2.1% 2.2% 2.2% 1.6% 1.2% 0.8%

2010 2011 2012 2013 2014 2015

■ Open rate ■ CTR ■ Bounce rate

*Note: represents activity on the Inbox Marketer platforms, broader industry metrics may vary; includes B2B and B2C client data*
*Source: Inbox Marketer, "2016 North American Email Marketing Benchmark Report," March 2, 2016*
208360                                              www.**eMarketer**.com

Emails sent by Experian Marketing Services clients in North America provide even more detailed campaign metrics. Out of all the performance metrics tracked between Q1 2015 and Q1 2016, three represented improvements. First, the total open rate improved from 24.9% to 26.1%. In addition, the bounce rate and unsubscribe rate both decreased during this time—indications that a higher percentage of the emails sent were delivered to inboxes and fewer people opted out of the mailing list.

**Email Marketing Performance Benchmarks in North America, Q1 2015 & Q1 2016**
*among campaigns analyzed by Experian Marketing Services*

|  | Q1 2015 | Q1 2016 | % change |
|---|---|---|---|
| **Total open rate** | **24.9%** | **26.1%** | **4.8%** |
| —Unique open rate | 17.5% | 17.0% | -3.1% |
| —Click-to-open rate | 12.4% | 11.4% | -8.0% |
| **Total click rate** | **3.2%** | **2.9%** | **-9.0%** |
| —Unique click rate | 2.2% | 2.0% | -8.9% |
| **Transaction-to-click rate** | **3.5%** | **3.0%** | **-14.1%** |
| **Transaction rate** | **0.06%** | **0.05%** | **-25.4%** |
| **Revenues per email** | **$0.08** | **$0.06** | **-27.8%** |
| **Average order value** | **$182.09** | **$168.70** | **-7.4%** |
| **Bounce rate** | **2.3%** | **2.1%** | **-8.9%** |
| **Unsubscribe rate** | **0.14%** | **0.11%** | **-17.7%** |

*Note: represents activity on the Experian Marketing Services platform, broader industry metrics may vary*
*Source: Experian Marketing Services, "Q1 2016 Quarterly Email Benchmark Report," May 18, 2016*
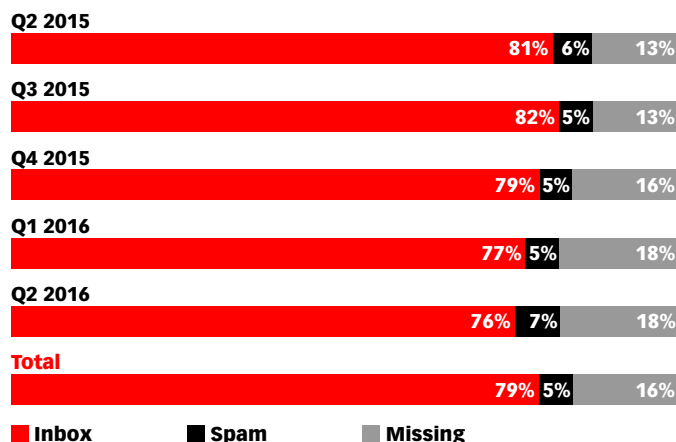211988                                     www.**eMarketer**.com

Although the major metrics have been holding steady, many marketers feel that they need to remain vigilant, especially when measuring deliverability. "It is getting more and more difficult to get your message delivered into the inbox," McGowan of Campaigner said. "If you're not careful, even good senders can suddenly find their mail being junked."

In its annual benchmark report from August 2016, email automation provider Return Path found that in Q2 2016, only 76% of total emails sent worldwide reached the inbox, compared with 81% a year prior. The decrease was due to an uptick in the percentage of emails that went to recipients' spam folders.

**Email Marketing Benchmarks Worldwide: Deliverability Share, Q2 2015-Q2 2016**
*% of total among campaigns analyzed by Return Path*

| | Inbox | Spam | Missing |
|---|---|---|---|
| **Q2 2015** | 81% | 6% | 13% |
| **Q3 2015** | 82% | 5% | 13% |
| **Q4 2015** | 79% | 5% | 16% |
| **Q1 2016** | 77% | 5% | 18% |
| **Q2 2016** | 76% | 7% | 18% |
| **Total** | 79% | 5% | 16% |

■ **Inbox**    ■ **Spam**    ■ **Missing**

*Note: represents activity on the Return Path platform, broader industry metrics may vary; read as in Q2 2016, 76% of emails sent were placed in an inbox, 7% were placed in spam folders and 18% went missing; numbers may not add up to 100% due to rounding*
*Source: Return Path, "2016 Deliverability Benchmark Report," Aug 2, 2016*
214327                                     www.**eMarketer**.com

Additionally, Return Path also found that in an analysis of emails in the US, only 69% reached the inbox in Q2 2016 and nearly a quarter were missing, implying that US marketers are struggling to the hit the inbox compared with the worldwide average.

# FOUR FACTORS TO CONSIDER

Although opens and clicks are important, these benchmarks are just "the tip of the iceberg" for email marketing, according to McGowan, and other factors need to be considered. "In order to really complete the picture, brands need to look at the purpose of the email and measuring that conversion metric and, when applicable, revenue," he said.

Matt Laudato, director of big data analytics at email marketing software vendor Constant Contact, emphasized that opens and clicks cannot be viewed as static events. Instead, they must be put into context to understand email's performance. "When you go under the covers to see when and why people open and click, and how and why people are reopening and reclicking on a different device, you can see there are a number of factors that identify what is driving the behavior of the consumers to interact with email," he said.

# Look Beyond Open Rates

When comparing benchmarks across different sectors, it is critical to compare all metrics, not just open rates. For example, a closer look at Epsilon Q1 2016 data shows that general retailers and financial service businesses had above-average open rates, at least 12% higher than the open rates of other industries. However, they also had lower click-to-open rates (the percentage of opened emails in which a click occurred) than most other industries.

**Email Marketing Performance Benchmarks in North America, by Industry, Q1 2016**
*among campaigns analyzed by Epsilon*

|  | Non-bounce | Click-to-open rate | Open rate | Clickthrough rate (CTR) |
|---|---|---|---|---|
| Consumer publishing/media—general | 99.3% | 23.6% | 22.2% | 5.2% |
| Consumer products—CPG | 98.6% | 21.3% | 20.3% | 4.3% |
| Consumer services—general | 97.2% | 7.9% | 33.7% | 2.7% |
| Retail—specialty | 97.2% | 11.9% | 29.0% | 3.5% |
| Financial services—general | 97.1% | 9.4% | 45.2% | 4.3% |
| Travel/hospitality—travel services | 97.1% | 8.0% | 35.3% | 2.8% |
| Financial services—credit cards/banks | 96.0% | 7.2% | 48.4% | 3.5% |
| Business products and services—general | 95.2% | 6.7% | 26.5% | 1.8% |
| Consumer products—pharmaceutical | 94.9% | 12.7% | 21.2% | 2.7% |
| Consumer services—telecom | 94.7% | 14.0% | 22.3% | 3.1% |
| Retail—general | 92.4% | 8.7% | 50.7% | 4.4% |
| Retail—apparel | 88.9% | 9.0% | 27.1% | 2.4% |

Note: represents activity on the Epsilon platform, broader industry metrics may vary
Source: Epsilon, "Q1 2016 Email Trends and Benchmarks," June 29, 2016
212834                                                www.**eMarketer**.com

Consumer publishing/media, consumer packaged goods (CPG) and pharmaceutical verticals all struggled with their open rates, according to Epsilon. Yet despite lower-than-average open rates, consumer publishing/media also saw the highest performance across all three other metrics: CTR, at 5.2%, was nearly 2% higher than the standard CTR across industries; a nonbounce rate of 99.3% was nearly 4% higher than the average; and finally, the click-to-open rate was 23.6%, the highest across all sectors. This analysis indicates the importance of examining multiple metrics across industries, as an open rate by itself isn't enough to determine an email campaign's success.

# Volume Is the Common Denominator

The number of emails sent impacts all other performance metrics. Take Experian's campaign metrics from Q1 2016, for example, which found that revenue per email was down by $0.02 (27.8%) year over year. At the same time, the volume and frequency of emails sent through Experian's service increased greatly, with the overall email volume rising by 25.9% annually compared with Q1 2015.

Many experts who spoke with eMarketer agree that the decrease in engagement and revenue correlates with the increased volume and frequency of email messages. "Oversaturation and frequency within the email channel are negatively impacting engagement, which can ultimately impact deliverability," said Pam McAtee, senior vice president of digital solutions at Epsilon. "Just because the channel is a cheap pick, doing it as kind of a blanket marketing to consumers can absolutely negatively impact engagement, which can affect deliverability and even revenue."

The most important metric to analyze is email's volume, according to Spencer Kollas, vice president of global deliverability at Experian Marketing Services. "It changes, the denominator for all of the other percentages. For example, in the benchmark data, the unique opens decreased but that doesn't mean there were fewer unique opens [in absolute terms]. This is just because the volume denominator is increasing at much a faster rate."

McDonald explained that it is critical for email marketers to keep what he dubbed "the frequency effect" in mind when looking at performance metrics. "When you see the lower open and clickthrough rates, that's not unexpected, because the opportunity for a subscriber to open or click is spread across a higher number of emails," he said. "It's natural that those rates are going to be lower when considering the cumulative number of touches."

The volume of email not only skews the benchmark data, but it also damages the audience pool size. "There is a negative effect of this increased cadence of emails when it comes to list churn. You're driving a lot more people out, and over time you will erode your audience," McDonald added.

Despite the negative impact that overly frequent emails can have on an email marketing strategy, only 24% of digital retail marketers polled in North America determined email frequency to customers based on the subscriber's indication of how many message they want to receive, according to a June 2016 Campaigner poll.

**Factors that Determine Email Frequency to Customers According to Digital Retail Marketers in North America, June 2016**
*% of respondents*

**Frequency of their brand's promotions**
76%

**Random frequency**
46%

**Automated frequency**
39%

**Subscribers' indication of the frequency they want to receive messages**
24%

**A/B testing**
15%

Additionally, for more than three in four respondents in the survey, email frequency was determined by their brand's promotional calendar; for close to half of digital retailer marketers, the frequency was determined at random.

# Mobile Use Blunts Conversion Rates

As more consumers continue to access their email on mobile, smartphones have become the dominant device for opens. In one example, smartphones accounted for more than half of total opens on Movable Ink's platform in Q4 2015. However, those opens do not translate to conversions on mobile, as smartphones only accounted for 20%, while desktop received 51%.

**US Email Marketing Performance Benchmarks: Open and Conversion Share, by Device, Q4 2015**
*% of total among campaigns analyzed by Movable Ink*
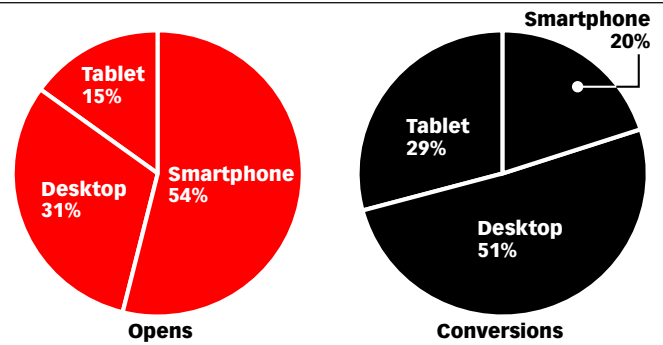


Opens: Tablet 15%, Desktop 31%, Smartphone 54%
Conversions: Smartphone 20%, Tablet 29%, Desktop 51%

McDonald called this "massive falloff and disconnect" the "smartphone paradox," in which consumers are opening emails on their mobile but not completing the action on that device.

"Opens, for the first time ever, have surpassed desktop on mobile devices and yet the conversion rate, particularly on smartphones, is nowhere close to desktop," he said. This skewed pattern is present across all channels—it's not just email that is seeing these lopsided effects.

Not only are mobile conversions low, but user behavior with mobile email also results in multiple opens on individual emails. Kollas explained that many users will do email triage on their smartphones—delete items that aren't of interest and save priority emails to be read later on their desktop. "It's actually going to show multiple opens, so your overall open rate might increase, but your unique open rates might go down," he said.

Brands that don't account for mobile users in their email strategy and customer experience will also have deliverability issues and lose subscribers, according to Litmus and Salesforce Marketing Cloud's July 2016 study. Nearly half of US internet users surveyed said they unsubscribed from or marked a brand's promotional email as spam because the email/website didn't display well on a smartphone, and 34% did so because the mobile app didn't work well.

**Reasons that US Internet Users Have Unsubscribed from/Marked a Brand's Promotional Emails as Spam, July 2016**
*% of respondents*

Unsubscribed because emails/website didn't display or work well on smartphone
**45%**

Unsubscribed because mobile app didn't work well
**35%**

Marked as spam because emails didn't display or work well on smartphone
**34%**

*Note: ages 18+*
*Source: Litmus and Salesforce Marketing Cloud, "2016 Mobile-Friendly Email & Landing Page Trends," Aug 1, 2016*
214331                                                            www.**eMarketer**.com

# Timing Is Everything

Another factor for improving email performance is "figuring out which different days or times will result in stronger interactions," McGowan said. "[This] can let you really take advantage of timing and position in a person's inbox."

Data from US retail email campaigns sent by Listrak clients analyzed open rate, click-to-open rate and conversion rate across the days of the week. Monday, Tuesday and Wednesday saw the highest open rates but the lowest click-to-open rates. Friday was the worst day for open rates and Monday was best for conversions.

**US Retail Email Marketing Performance Benchmarks, by Day of Week, 2015**
*among campaigns analyzed by Listrak*

|  | Click-to-open rate | Open rate | Conversion rate |
|---|---|---|---|
| Sunday | 17.4% | 12.2% | 4.2% |
| Monday | 16.3% | 13.3% | 4.6% |
| Tuesday | 16.5% | 13.2% | 4.2% |
| Wednesday | 16.8% | 13.1% | 4.3% |
| Thursday | 17.1% | 12.5% | 4.0% |
| Friday | 17.4% | 11.9% | 4.4% |
| Saturday | 17.4% | 12.6% | 4.4% |

*Note: represents activity on the Listrak platform, broader industry metrics may vary*
*Source: Listrak, "2016 Email Marketing Benchmarks for Retailers," March 21, 2016*
209090                                                            www.**eMarketer**.com

Experian Marketing Services also did an analysis of the marketing emails sent by their clients, comparing the percentage of total emails sent to the percentage of total transactions conducted by both days of the week and daypart. Sunday, Monday and Saturday were the only days that saw a percentage of total transactions conducted higher than that of total emails sent, showing that emails on those days were more successful in driving revenue.

**Email Marketing Performance Benchmarks in North America: Emails Sent vs. Transactions Conducted Share, by Day of Week and Daypart, Q4 2015**
*among campaigns analyzed by Experian Marketing Services*

|  | % of total emails sent | % of total transactions conducted |
|---|---|---|
| **Day of week** | | |
| Sunday | 12.3% | 15.3% |
| Monday | 15.6% | 16.7% |
| Tuesday | 14.4% | 12.3% |
| Wednesday | 15.0% | 14.8% |
| Thursday | 16.2% | 14.4% |
| Friday | 15.4% | 14.4% |
| Saturday | 11.0% | 12.2% |
| **Daypart** | | |
| 12am-4am | 6.6% | 11.6% |
| 4am-8am | 22.1% | 23.7% |
| 8am-12pm | 33.2% | 26.3% |
| 12pm-4pm | 18.4% | 16.5% |
| 4pm-8pm | 15.8% | 17.1% |
| 8pm-12am | 4.0% | 4.8% |

*Note: represents activity on the Experian Marketing Services platform, broader industry metrics may vary; read as 12.3% of emails are sent on Sunday and they generate 15.3% of the total transactions for the week, while 6.6% of emails are sent between 12am-4am and generate 11.6% of the total transactions for the day; numbers may not add up to 100% due to rounding*
*Source: Experian Marketing Services, "Q4 2015 Quarterly Email Benchmark Report," Feb 16, 2016*
205977                                                            www.**eMarketer**.com

Emails sent from midnight to 4am were not high in volume, accounting for only 6.6% of total emails sent, yet they drove 11.6% of all transactions. Conversely, 8am to noon was the daypart with the highest percentage of emails sent, at 33.2%, but it drove just 26.3% of transactions.

## KEEPING EMAILS RELEVANT

**As factors such as mobility, deliverability and frequency continue to affect email performance, relevancy becomes more critical for email marketers.**

"The standard 'batch-and-blast' mentality doesn't help with relevance," Epsilon's McAtee said. "Clients tend to be shortsighted on the revenue and not longsighted enough about engagement. They're not looking at the long-term impact of customers being lost or opting out of the channel because they're not happy with the messages they are receiving."
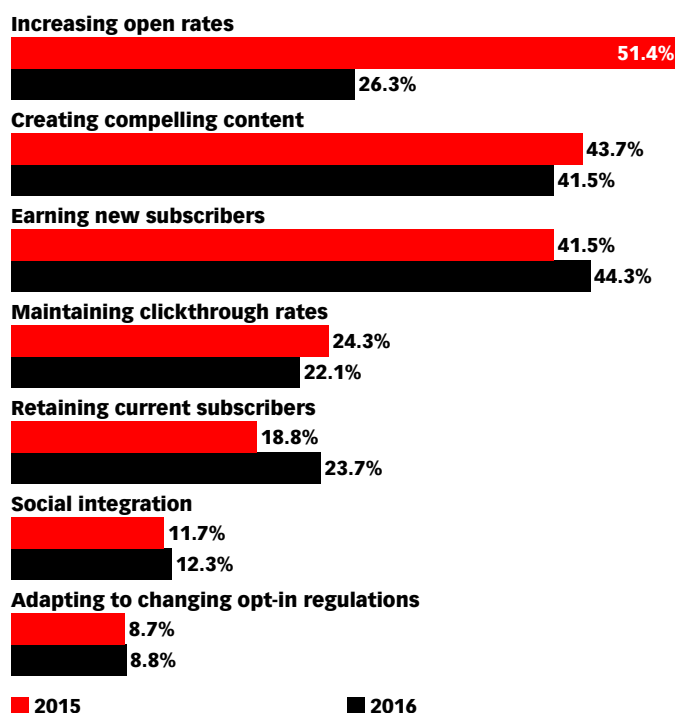
In order to make emails more relevant for the customer, a few tactics are increasingly being used: list health; designing for mobile; data-driven, automated emails; and channel integration.

## LIST HEALTH

According to a January 2016 study from Campaigner, earning new subscribers and retaining the current ones—both aspects of maintaining list health—were named as some of the biggest email marketing challenges among US email marketers, cited by 44.3% and 23.7% of respondents, respectively.

**Biggest Email Marketing Challenges in 2015 vs. 2016 According to US Email Marketers**
*% of respondents*

**Increasing open rates**
- 51.4%
- 26.3%

**Creating compelling content**
- 43.7%
- 41.5%

**Earning new subscribers**
- 41.5%
- 44.3%

**Maintaining clickthrough rates**
- 24.3%
- 22.1%

**Retaining current subscribers**
- 18.8%
- 23.7%

**Social integration**
- 11.7%
- 12.3%

**Adapting to changing opt-in regulations**
- 8.7%
- 8.8%

■ 2015   ■ 2016

*Note: respondents selected their top 2*
*Source: Campaigner, "2016 Insights Survey," Jan 20, 2016*
203346   www.**eMarketer**.com

Quality is another central component of list health. An April 2016 survey from Return Path and Ascend2 found that increasing email list quality was an important goal of an email list strategy for more than seven in 10 B2C marketers polled worldwide. Another Acsend2 study from early 2016 found that for nearly four in 10 marketers, poor email subscriber quality was a leading obstacle to a successful email list strategy. In addition, inadequate list hygiene practices were a challenge for 35% of respondents.

"When contacts don't engage with your emails, it impacts your list quality," McGowan said. Although it might seem counterintuitive, pruning unengaged contacts from your list can help with overall deliverability. For instance, if email service providers see that a growing percentage of a sender's emails get low engagement or that items are moved to the junk folder, that can cause fewer emails to reach the inbox of recipients who actually want to receive the communication.
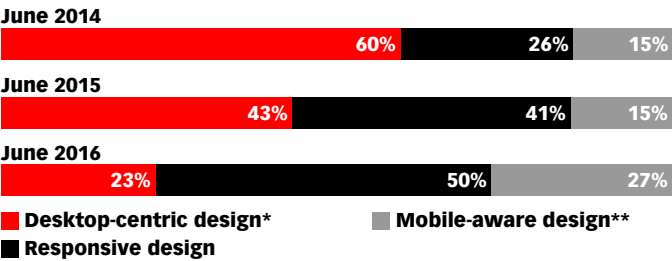
"Removing invalid addresses or unengaged recipients will help drive better engagement and deliverability," said McAtee, who suggested that marketers start looking for email addresses to prune about nine to 12 months after inactivity.

For B2B brand and content marketing service provider Contently, a major goal for 2016 is increasing the size and quality of its email lists. "Since email is such an important vehicle, list growth is of major focus," said Contently senior editor Jordan Teicher, who also runs the company's email marketing programs. "We want the people signing up to be a potential client and engage with our content so we can give them expertise. That exchange of value doesn't work without a solid list."

# DESIGNING FOR MOBILE

With mobile falloff plaguing many marketers, designing for the mobile email user has become fairly standard. Litmus and Salesforce Marketing Cloud tracked the primary email marketing design type used by B2C brands worldwide from June 2014 to June 2016. In 2014, the majority used a desktop-centric design for email marketing. But by 2016, that percentage was cut by more than half, with only 23% being desktop-forward. As of this June, half said they use responsive design and 27% implement a mobile-aware design—with a single column, large text and images, and well-spaced links and buttons.

**Primary Email Marketing Design Type Used by B2C Brands Worldwide, June 2014-June 2016**
*% of total*

**June 2014**

| 60% | 26% | 15% |

**June 2015**

| 43% | 41% | 15% |

**June 2016**

| 23% | 50% | 27% |

■ Desktop-centric design*     ■ Mobile-aware design**
■ Responsive design

*Note: represents activity tracked by Litmus and Salesforce Marketing Cloud, broader industry metrics may vary; numbers may not add up to 100% due to rounding; \*2+ columns, small text and small, tightly grouped links and buttons; \*\*single column, large text and images, well-spaced links and buttons*
*Source: Litmus and Salesforce Marketing Cloud, "2016 Mobile-Friendly Email & Landing Page Trends," Aug 1, 2016*
214330                                    www.**eMarketer**.com

This shift to mobile designs has proven helpful in improving performance metrics, especially when it comes to clicks. According to emails sent by Yesmail clients in Q4 2015, mobile accounted for 58.0% of clicks and 57.2% of opens in responsive campaigns. Nonresponsive campaigns saw a smaller mobile share, with 46.7% of clicks and 51.7% of opens.

**US Mobile Email Marketing Benchmarks: Responsive vs. Nonresponsive Share of Clicks and Opens, Q4 2015**
*% of total among campaigns analyzed by Yesmail*
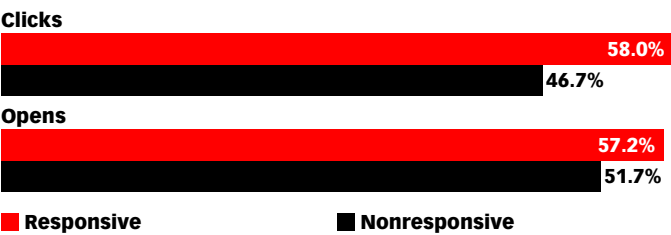
**Clicks**

| 58.0% |
| 46.7% |

**Opens**

| 57.2% |
| 51.7% |

■ Responsive     ■ Nonresponsive

*Note: represents activity on the Yesmail platform, broader industry metrics may vary; read as mobile accounted for 58.0% of clicks in responsive campaigns and 46.7% of clicks in nonresponsive campaigns; 90% of clients analyzed were US-based*
*Source: Yesmail, "Q4 2015 Email Marketing Compass: Do or Die: The Implications of Ignoring Responsive Design," March 3, 2016*
206165                                    www.**eMarketer**.com

However, responsive design isn't the only solution to thwarting mobile drop-off. Marketers can also work to ensure that recipients can complete the call to action in a seamless manner on their mobile devices of choice. In a March 2016 survey from Econsultancy in association with Adestra, 44% of in-house marketers adapted email templates to have a mobile-friendly call to action, while 41% implemented mobile-optimized landing pages.

An advanced mobility technique that more sophisticated digital marketers are adopting is deep linking, according to McAtee. She explained that deep linking allows brands to build a unique mobile link and place it into the email's call to action. This ensures two things: First, that users are delivered to the right webpage or location in the mobile app to complete the desired action, and second, that any potential gaps in tracking the mobile customer path is bridged for accurate analytics.

It is also essential for there to be a frictionless way to buy on mobile. McDonald stressed the importance of alternative payment options like PayPal that make mobile checkout or payment easier. "On a mobile device, no user wants to fill out multiple forms to register or add their credit card information, and brands need to account for that when they think about mobile users in email marketing," he said.

Constant Contact's Laudato believes that over the next year or two, interactive emails that embed the entire transaction or process into the email will be able to solve this mobility problem completely. "The holy grail in some sense is to let users stay inside the email experience and offer the ability to seamlessly complete the transaction," he said.

For 28.4% of US marketing professionals polled in an April 2016 Email on Acid survey, interactive features were a leading email marketing trend for 2016. However, according to Laudato, getting in-email transactional functionality in place still requires more technological development work, in addition to making it clear to consumers that all actions can now be completed within the email, on any device.

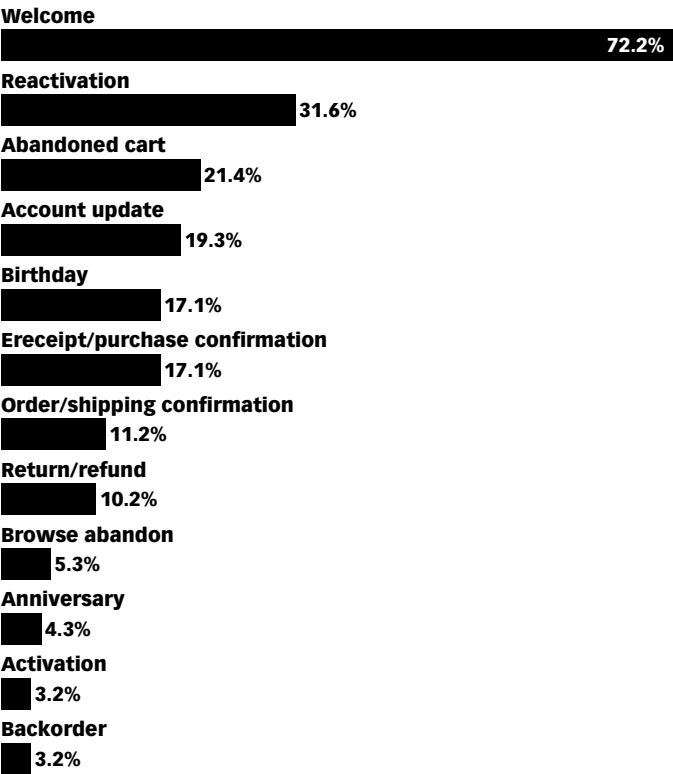# USING DATA-DRIVEN, AUTOMATED EMAILS

A November 2015 survey from Econsultancy and Adobe found that 61% of agency professionals and 54% of client-side marketers use email automation as a data-driven tool. Furthermore, according to a December 2015 survey from Selligent and StrongView, nearly 40% of marketers worldwide planned to increase spending for triggered emails.

Data-driven and automated emails are programmed with a rules-based workflow and triggered to send after a user action occurs. With the rise of these types of messages, "email has reinvented itself," Laudato said. "It is directly targetable, you can do smart things behind the scenes to identify customers, build segments and set up workflows to branch emails based on user action and behavior."

Yesmail tracked the percentage of types of triggers sent by clients in 2015 and found that more than seven in 10 sent welcome emails—sent when a user subscribes to a brand's email list. However, the second most-used trigger message was reactivation, at 31.6%, followed by abandoned cart (21.4%). All other triggers including account update, birthday, purchase and shipping confirmation, and refund/return were implemented sparingly, at only 20% or less.

**Types of Triggered\* Email Marketing Campaigns Used by US Brands, 2015**
*% of total campaigns analyzed by Yesmail*

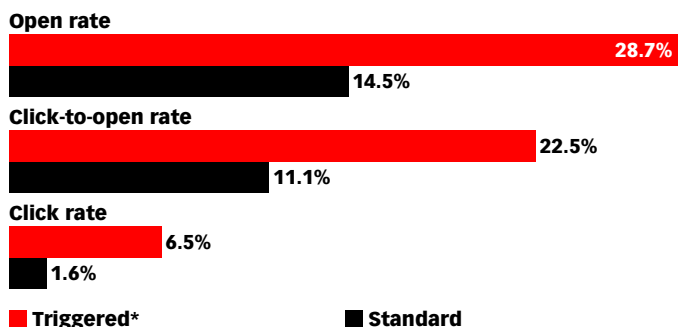| | |
|---|---|
| Welcome | 72.2% |
| Reactivation | 31.6% |
| Abandoned cart | 21.4% |
| Account update | 19.3% |
| Birthday | 17.1% |
| Ereceipt/purchase confirmation | 17.1% |
| Order/shipping confirmation | 11.2% |
| Return/refund | 10.2% |
| Browse abandon | 5.3% |
| Anniversary | 4.3% |
| Activation | 3.2% |
| Backorder | 3.2% |

*Note: represents activity on the Yesmail platform, broader industry metrics may vary; \*campaigns that were deployed as a result of an action (e.g., abandoned shopping cart, confirmation, thank you and welcome)*
*Source: Yesmail, "The Ultimate Email Trigger Report: 12 Triggers That Boost Revenue," July 17, 2016*
213490     www.**eMarketer**.com

Benchmark data from Yesmail, in addition to other email marketing service providers, indicates that triggers are more effective than standard emails. In an analysis of triggered vs. standard email marketing campaign benchmarks from emails sent via Yesmail in 2015, triggers performed better across open rate (28.7% vs. 14.5%), click-to-open rate (22.5% vs. 11.1%) and click rate (6.5% vs. 1.6%).

## US Triggered* vs. Standard Campaign Email Marketing Benchmarks: Open, Click-to-Open and Click Rates, 2015

*among campaigns analyzed by Yesmail*

**Open rate**
- Triggered*: 28.7%
- Standard: 14.5%

**Click-to-open rate**
- Triggered*: 22.5%
- Standard: 11.1%

**Click rate**
- Triggered*: 6.5%
- Standard: 1.6%

■ Triggered*        ■ Standard

*Note: represents activity on the Yesmail platform, broader industry metrics may vary; *campaigns that were deployed as a result of an action (e.g., abandoned shopping cart, confirmation, thank you and welcome)*
*Source: Yesmail, "The Ultimate Email Trigger Report: 12 Triggers That Boost Revenue," July 17, 2016*

213489                                            www.**eMarketer**.com

Among emails sent via IBM's platform in 2015, the effectiveness of triggers vs. standard was even more evident. In fact, the open rate for triggered emails was 47.1%, compared with 21.6% on standard. Also of note was the 5.3% difference in CTR between triggered vs. standard emails.

## Triggered* vs. Standard Email Marketing Benchmarks Worldwide: CTR, Open and Click-to-Open Rates, 2015

*among campaigns analyzed by IBM*

|            | Open rate | Click-to-open rate | Clickthrough rate (CTR) |
|------------|-----------|--------------------|-------------------------|
| Triggered* | 47.1%     | 17.5%              | 8.8%                    |
| Standard   | 21.6%     | 13.0%              | 3.3%                    |
| **Total**  | **21.8%** | **13.0%**          | **3.3%**                |

*Note: represents activity on the IBM platform, broader industry metrics may vary; *order/subscription confirmations or shipping updates triggered by customer/prospect interactions*
*Source: IBM, "2016 Email Marketing Metrics Benchmark Study," July 19, 2016*

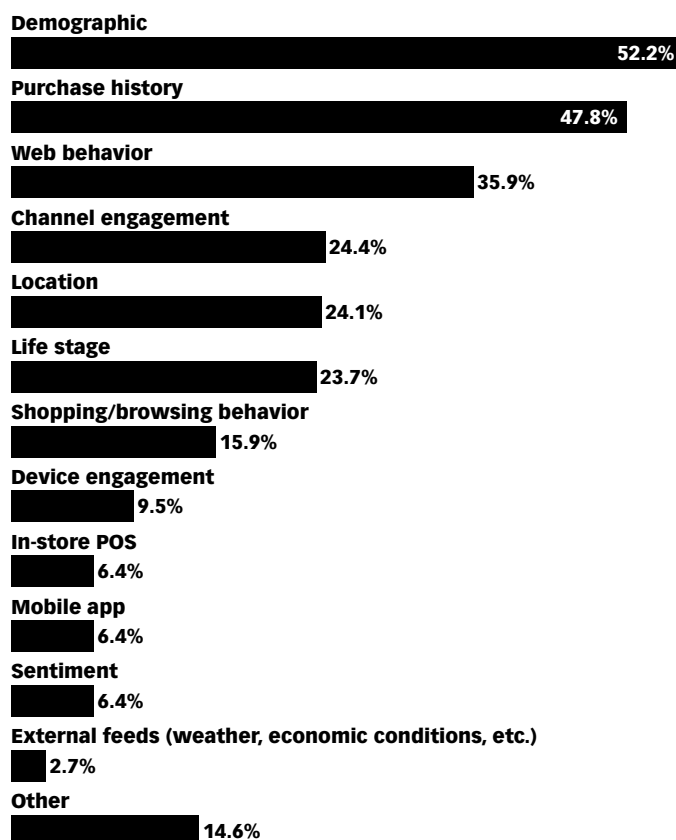213556                                            www.**eMarketer**.com

Ed Kuderna, managing director at Yesmail, noted that triggered emails, though clearly effective, have not been fully adopted just yet. "I'm still really surprised the number of brands to embrace a trigger strategy hasn't increased. Most brands have spent a lot of time on the promotional emails, but they haven't turned that corner, investing in triggers," he said.

Epsilon advises their clients to use triggers more than standard batch emails, according to McAtee. "As it relates to triggers, it is surprising that even though email volume is increasing, the percentage of triggers has been steady year over year even though brands can see higher response rates from triggers." But despite the opportunity, McAtee emphasized that "it comes down to resources and getting the IT support. With many of our clients, it takes three to six months just to get in the queue to get IT support."

In addition to getting technology in place for triggers, it also takes a vast amount of data. "Data is critical to sending smarter messages with behavior-based automated programs based on buyer signals," McDonald said. The Selligent/StrongView study found that the three most common types of data leverages in email marketing programs were demographic (52.2%), purchase history (47.8%) and web behavior (35.9%).

## Types of Data Leveraged in Their Email Marketing Programs According to Marketers Worldwide*, Dec 2015

*% of respondents*

- Demographic: 52.2%
- Purchase history: 47.8%
- Web behavior: 35.9%
- Channel engagement: 24.4%
- Location: 24.1%
- Life stage: 23.7%
- Shopping/browsing behavior: 15.9%
- Device engagement: 9.5%
- In-store POS: 6.4%
- Mobile app: 6.4%
- Sentiment: 6.4%
- External feeds (weather, economic conditions, etc.): 2.7%
- Other: 14.6%

*Note: n=295; *71.5% of respondents were from North America*
*Source: Selligent and StrongView (formerly StrongMail), "2016 Marketing Trends Survey," Jan 20, 2016*

203747                                            www.**eMarketer**.com
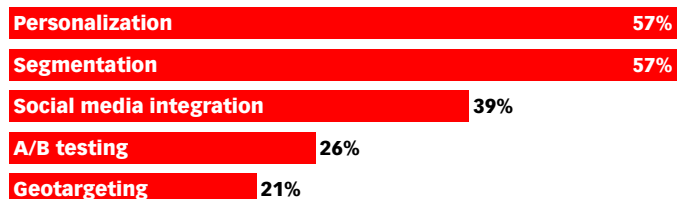
"There's behavior that is just waiting to be mined once that email goes out," Laudato said. But he cautioned that email marketers have to have a good understanding of the goals of the email and track the results in order to tie it back to the database.

When that is done, the data can also be used to implement other sophisticated email marketing tactics. In fact, personalization and segmentation were the most frequently named successful email marketing tactics for driving conversions, according to Campaigner's June 2016 poll of digital retail marketers in North America, cited by 57%.

**Most Successful Email Marketing Tactics for Driving Conversions According to Digital Retail Marketers in North America, June 2016**
*% of respondents*

| | |
|---|---|
| Personalization | 57% |
| Segmentation | 57% |
| Social media integration | 39% |
| A/B testing | 26% |
| Geotargeting | 21% |

*Source: Campaigner, "Internet Retailer First Impressions Survey," June 28, 2016*
212902                                        www.**eMarketer**.com

And just like triggers, segmentation has a huge impact on email marketing performance. Emails from segmented campaigns sent via MailChimp's platform received 63.8% more clicks than emails from nonsegmented campaigns. There was also an increase in open rate, unique open rate and unsubscribe rate. In fact, the only performance metric that didn't get a lift from segmentation was a deliverability measure: bounce rate.

**Email Marketing Benchmarks Worldwide: List Segmentation Effect, July 5, 2016**
*among campaigns analyzed by MailChimp*

| | |
|---|---|
| Click rate | 63.8% |
| Open rate | 14.4% |
| Unique open rate | 10.3% |
| Unsubscribe rate | 9.0% |
| Bounce rate | 0.3% |

*Note: represents activity among MailChimp clients, broader industry metrics may vary; read as emails from segmented campaigns received 63.8% more clicks than emails from nonsegmented campaigns*
*Source: MailChimp as cited in company blog, July 5, 2016*
213473                                        www.**eMarketer**.com

In addition to higher performance metrics, targeted emails can also impact list health and result in higher long-term returns. According to Nicole Oliver, director of brand experience at online eyewear retailer Coastal.com (known as Clearly in Canada), "As we get the content and timing right, we've seen that pool of active customers grow, and we've seen less of a decline in database churn. We send less frequently, because our emails are resulting in higher returns since they are tailored to the customer receiving the email. When you send more in a blanketed fashion, it causes list fatigue and hurts your program's success in the long run."

For the most advanced marketers, email is becoming more predictive. According to Email on Acid's poll, more than a quarter of US marketing professionals plan to use predictive content technology as an email marketing tactic in 2016.

Coastal is also focused on building a predictive email program to infer, with high certainty, where customers are in their lifecycle. The goal is to design workflows that deliver more accurate triggers. "We look at metrics and models to predict when a customer is likely to need to refill on contact lenses and send a personalized email accordingly," Oliver added.

Brands that look at previous purchase behavior and cross-reference that with psychographic and demographic attributes are able to build profiles of their users and create segments, McDonald said. "Brands put people in the email programs based on that data. It is predictive, and the next level, even though we aren't there yet, is machine learning to make those segments and targets more precise as the targeting gets smarter and smarter."
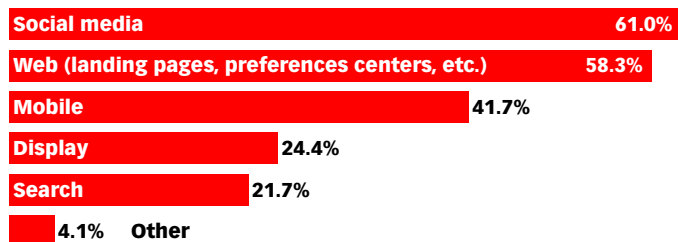
# INTEGRATED CHANNEL STRATEGY

"It all comes back to data," Kollas said, describing how brands should segment customers by what sort of deals or discounts they like, what kind of products they have shown interest in, where they live, browse abandonment and more. "[It's about] utilizing the data and understanding not only the type of user that they are, but understanding the best channel to reach them on."

Marketers are working toward integrating more formats into email. Selligent and StrongView's study found that about 60% of marketers worldwide plan to integrate social media and web into email marketing in 2016. Other formats like mobile, display and search were also listed.

**Formats that Marketers Worldwide\* Plan to Integrate into Email Marketing in 2016**

*% of respondents*

| Format | % |
|---|---|
| Social media | 61.0% |
| Web (landing pages, preferences centers, etc.) | 58.3% |
| Mobile | 41.7% |
| Display | 24.4% |
| Search | 21.7% |
| Other | 4.1% |

*Note: n=295; \*71.5% of respondents were from North America*
*Source: Selligent and StrongView (formerly StrongMail), "2016 Marketing Trends Survey," Jan 20, 2016*

203745                                                           www.**eMarketer**.com

Marketers have to stop thinking of email as an independent channel to reach their audience, according to McAtee. "A lot of clients driving email programs still operate in a vacuum. Someone is responsible for mobile, for social and for email, and we're not seeing a lot of interconnectivity between the three. But I think there's still a big opportunity to do that in 2017 and beyond."

# 2016 Email Marketing Metrics Benchmark Study

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2016 Email Marketing Metrics Benchmark Study

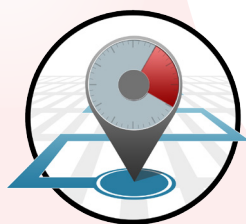**Watson** Marketing

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