

STUDY

International Email Marketing Metrics Benchmark Study

Engagement Marketing Solutions





INTERNATIONAL EMAIL MARKETING METRICS BENCHMARK STUDY

Summary

How are our email programs performing against our peers? This is one of the most commonly asked questions raised by marketers or their bosses.

We believe that the better gauge of marketing success is whether your email program met, exceeded or fell short of the goals set. However, used correctly, benchmark data can provide the marketer with a baseline scorecard to help understand how far you need to travel in your performance-improvement journey.

With this study, Silverpop takes the typical benchmark study to a higher level in three respects:

1. Deeper Perspective in Benchmarks

Here, you will find the classic list of email marketing benchmarks such as open, click and bounce rates, but with additional computations that deliver a deeper and more accurate picture of reader engagement and action on your email messages.

These include unique and gross open rates, number of opens per opener, the click-to-open rate, clicks-per-clicker and complaint and unsubscribe rates.

2. International Comparison

Most benchmark studies are conducted from a U.S./single-country-centric viewpoint, but we wanted to see if metrics vary among different countries.

Thus, we first report overall statistics and then break down those statistics by three major countries: United States, the United Kingdom and Germany.

3. Benchmarks Beyond “Average”

Benchmarking your progress against your competitors is a necessary step when analyzing your email program’s health, but you have to select the correct benchmarks.

Most studies report “average” benchmarks, but in our view, being average is no longer enough. In today’s hypercompetitive marketplace, “average” has become the new bottom.

Instead, we hope to encourage you to set your sights higher. If you want to be a world-class marketing organization, compare yourself

to those who are doing the best on the benchmarks that are most important to you.

Thus, we present the average benchmark, median and top and bottom performing quartile for each benchmark. Although averages are the most common form of reporting statistics, the median offers a more precise interpretation. At the end of this report, you will find an explanation of the methodology and definitions of the terms used in this study.

Next Step: Benchmark Against Yourself

This study presents a variety of key performance benchmarks among email messages sent to recipients around the world. However, this should be just the beginning for you.

One note to apply with this report: The metrics we examine are all what we call “process” metrics, which measure activity on email messages. These are important measurements that help drive improvements in areas such as creative, deliverability and list hygiene.

However, knowing your open rate exceeds the industry average, even placing your messages among the top performers email marketers, doesn’t necessarily mean that you are meeting your most important business goals.

Understanding where your email program stands on process metrics is one half of the benchmarking equation. The other, and arguably the more important half, is using “output” metrics, such as revenue, leads generated, cost savings, order size or number of downloads, which measure how well your email campaign delivered against your individual company’s business goals.

STUDY FINDINGS

Open Rates

Overview

The Open Rate (both Unique and Gross, or Total) can be calculated in multiple ways. For this study, we calculated the open rate as the number of measured opened messages divided by the number of delivered messages. (Note: This definition is consistent with the new “render rate” proposed by the eec Measurement Accuracy Roundtable.)

“Opens per Opener” is a lesser-known but illustrative metric, which is calculated by dividing the total or gross measured opens by the number of unique opens. In simplest terms, it measures how many times a recipient (or recipients, when the message is forwarded) opens the same message.

Open Rate (Unique Opens)

Open Rate (Unique)	Average	Median	Top Quartile	Bottom Quartile
Overall	22.2%	19.4%	28.5%	13.0%
US	21.3%	18.3%	27.6%	11.9%
UK	22.5%	19.8%	28.6%	13.4%
Germany	24.9%	23.0%	30.8%	16.3%

Gross Open Rate (Total Opens)

Open Rate (Gross)	Average	Median	Top Quartile	Bottom Quartile
Overall	42.1%	29.7%	48.1%	18.2%
US	41.2%	27.3%	45.2%	15.9%
UK	38.3%	29.7%	45.0%	17.8%
Germany	44.3%	35.7%	56.4%	23.5%

Average Opens Per Opener

Opens Per Opener	Average	Median	Top Quartile	Bottom Quartile
Overall	1.66	1.47	1.70	1.27
US	1.65	1.42	1.65	1.26
UK	1.57	1.42	1.65	1.26
Germany	1.68	1.54	1.85	1.34

Observations

While average and median open rates are fairly close, across-the-board, top quartile performers are roughly 50 percent higher than the median and +/- 100 percent above bottom quartile performers. Disparities among the different measures for the gross open rate is even greater, with top performers achieving rates more than 150 percent higher.

Regarding the Opens Per Opener rate, several factors can drive multiple opens:

- Use of multiple devices: It has become common for email users to scan or “triage” their emails on a mobile device and then view and act on the emails later on their desktop or laptop computers. If images were enabled across devices, then an open would be captured at each access point.
- Relevance/depth of content: Emails that are long, include offer deadlines or are otherwise relevant and have a “shelf life” may be more likely to be opened a second time (or more).
- Viral sharing: When your subscribers forward your email using the “forward” link or button in their email software clients instead of your forward-to-a-friend link, subsequent opens by others would be associated with the original recipient.

It is interesting to note only a small variance between average and top performers. However, the bottom performers saw fewer than 1.3 opens per opener compared to the 1.66 overall average. This suggests that while better-performing messages are opened by significantly more recipients, once they are opened once, they are shared or opened more times at about the same rates.

Because the open rate doesn't accurately capture all opens due to image blocking and other factors, it can actually underreport the number of recipients who view your message. This uncertainty underscores the importance of not over-relying on the open rate as a key measure of subscriber engagement. It does have good value as an in-house benchmark that you can use to establish trends and diagnose issues with your email program.

Click-Through Rates

Overview

The Click-Through Rate (CTR) is the number of clicks on links in the email message divided by the number of delivered email messages in a campaign. The Click-to-Open Rate (CTOR) is the ratio of unique clicks as a percentage of unique opens. It measures click-through rates as a percentage of messages opened, instead of messages delivered. Clicks-Per-Clicker, as with Open-Per-Opener, measures how often a recipient clicks links in the same message. It captures actions by recipients who either click a specific link multiple times or who click more than one link in the email message.

Click-Through Rate

Click Through Rate (Unique)	Average	Median	Top Quartile	Bottom Quartile
Overall	4.5%	2.4%	5.6%	1.0%
US	4.5%	2.3%	5.4%	0.9%
UK	4.8%	2.7%	6.2%	1.1%
Germany	5.0%	2.8%	6.3%	1.1%

Click-to-Open Rate

Click-To-Open Rate	Average	Median	Top Quartile	Bottom Quartile
Overall	18.5%	15.0%	26.5%	6.8%
US	19.1%	15.1%	27.5%	6.5%
UK	19.2%	16.2%	27.7%	6.8%
Germany	17.8%	13.8%	25.4%	5.9%

Clicks-Per-Clicker

Clicks-Per-Clicker	Average	Median	Top Quartile	Bottom Quartile
Overall	1.45	1.34	1.60	1.19
US	1.41	1.31	1.57	1.14
UK	1.37	1.27	1.54	1.00
Germany	1.34	1.25	1.59	1.00

Observations

Across the three click-based metrics, there is very little variance across the countries. Some key findings:

- Click-Through Rate: Top quartile performers were more than 130 percent higher than the median and 430 percent higher than bottom performers.
- Click-to-Open-Rate: While more than a quarter of recipients in the top quartile opened and clicked, fewer than 7 of every 100 recipients in the bottom quartile did so. Top quarter performers were also 77 percent higher than median and 290 percent higher than bottom performers.
- Clicks-Per-Clicker: Top quartile performers were more than 19 percent higher than the median and 35 percent higher than bottom performers.

List Churn Metrics

Overview

The Unsubscribe Rate and Abuse (Spam) Complaint Rate measure reader disengagement: Does your email program (or specific messages) match what your subscribers expected when they signed up for your emails?

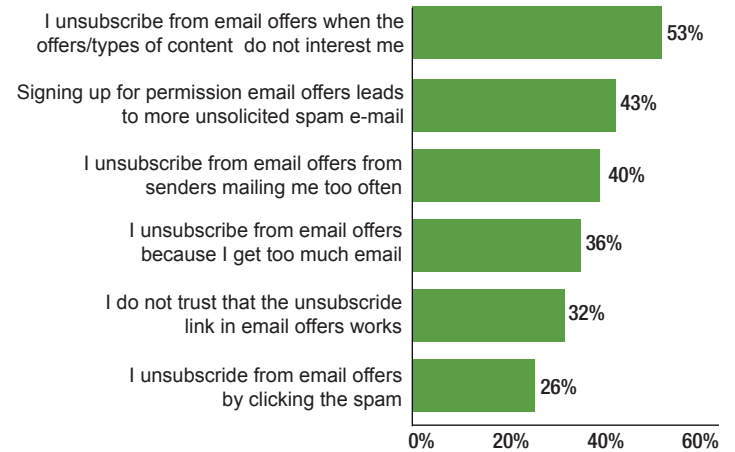
In general, unsubscribers are telling you that your program has missed the mark or no longer meets their needs. Or, they want to change email addresses or preferences but see no option but to leave. In contrast, the spam complaint is an immediate red flag. Your subscriber does not want your email message and doesn't trust your unsubscribe process enough to use it in order to leave the list.

The Bounce Rate measures permanent delivery errors: how many email messages were undelivered because the addresses either don't exist or belong to closed accounts. A high bounce rate indicates problems with accurate data collection at opt-in as well as with email address churn among subscribers.

Each of these rates can be negligible by itself, but, when added together over a year of message deliveries, they can cost you a quarter to a half of your list.

Unsubscribe Rates

According to Forrester Research, people unsubscribe from your emails because they lack relevancy or are sent too often.



Source: Jupiter Research (now Forrester Research), 2007

Bounce Rates

Bounce Rate	Average	Median	Top Quartile	Bottom Quartile
Overall	5.5%	2.4%	1.2%	5.4%
US	4.1%	1.8%	0.6%	4.2%
UK	3.6%	1.3%	0.5%	4.1%
Germany	4.4%	1.7%	0.7%	5.0%

Observations

The Bounce Rate highlights the difference between email's top performers and its average or bottom performers. The average bounce rate in the Overall category is more than four times the rate among top performers, with even greater disparities among the individual countries. This indicates that top performers most likely are more vigilant about verifying email addresses before adding them to the database and about doing list hygiene to remove undeliverable addresses.

Unsubscribe Rates

Unsubscribe Rate	Average	Median	Top Quartile	Bottom Quartile
Overall	0.21%	0.09%	0.01%	0.26%
US	0.23%	0.09%	0.00%	0.27%
UK	0.18%	0.00%	0.00%	0.22%
Germany	0.11%	0.00%	0.00%	0.44%

Observations

As with the open rate, the best use of the unsubscribe rate is by examining it over time for trends. An unsubscribe rate that increases over time, or which remains constant while spam complaints increase, likely signals subscriber discontent.

While the best performing messages have little to no unsubscribers, there's very little difference between average and bottom quartile subscribers. However, the unsubscribe rate for bottom quartile performers is roughly three times higher than median performers.

Complaint Rate

Complaint Rate	Average	Median	Top Quartile	Bottom Quartile
Overall	0.09%	0.03%	0.00%	0.10%
US	0.12%	0.03%	0.00%	0.13%
UK	0.05%	0.00%	0.00%	0.02%
Germany	0.01%	0.00%	0.00%	0.02%

Observations

Abuse (spam) complaints have emerged over recent years as the most critical factor ISPs consider when deciding whether to deliver your messages to the inbox, route them to the junk/spam folder or even block them entirely. Differing practices, such as use of complaint feedback loops, between American-based ISPs and those in other countries contributes to the higher spam-complaint rate reported in the United States.

As a result, minimizing abuse complaints and actively monitoring the number and percentage of complaints for each mailing has become an important aspect of performance monitoring. While each ISP is different, a rule of thumb is to not exceed one to two complaints per thousand messages.

Research Methodology

This study examined messages generated in July 2009 by Silverpop's Engage client base. Researchers pulled a random sample set of 7,000 email messages, delivered to a minimum of 50 recipients in the United States, United Kingdom and Germany. Approximately 50 million emails were delivered across the messages to 188 countries. The average message was delivered to 28 countries.

A broad set of email message types was included in the study, from promotional to content-based newsletters sent by companies in a variety of industries. Email campaigns and newsletters comprised the message content examined for the study.

For this study, researchers analyzed various metrics for both the Overall category (all 188 recipient countries, including the US, UK and Germany) and country by country for the US, UK and Germany. We did not perform individual country analyses for any of the 185 remaining countries.

Because the Overall numbers include the US, UK, Germany and all other countries, in some instances the Overall average might actually be higher than the combined average of the US, UK and Germany.

Reporting the Findings: Each performance chart features statistics that include the average, median, and top and bottom quartiles. The standard statistical definition of quartiles was used for this study. The "top quartile" is calculated by taking the median of all data above the overall median, and "bottom quartile" is the median of all data below the overall data median.

Definitions for Terms

Average Clicks per Clicker: The average number of times a recipient clicks a link in an email message. To calculate, divide total clicks by unique clicks.

Average Opens Per Opener: Expresses the average number of times a recipient opens the message and is calculated by dividing the number of total opens by the number of unique opens.

Bounce: This study analyzed "hard bounces," which are permanent delivery failures because the address doesn't exist or the account was closed. "Soft bounces," where a temporary failure occurs because a mailbox is full or the server is unavailable, are not included in the bounce rate statistics.

Bounce Rate: The percentage of sent messages that failed (bounced). To calculate, divide the total number of bounced messages by the total number of emails sent. Multiply by 100 to express the percentage.

Click-Through Rate (CTR): Measures the percentage of email messages that drew at least one click. For this study, it is expressed as unique click-through rate, counting only one click per recipient. To calculate the click-through rate, divide the number of unique clicks by the number of delivered messages and multiply by 100.

Click-to-Open Rate (CTOR): Measures the percentage of opened messages that recorded clicks. To calculate, divide the number of unique clicks by the number of opened messages and multiply by 100.

Open: "Open" refers to an HTML email message whose viewing is recorded by a clear 1 X 1 pixel image. When a message is opened and images are enabled, the image calls the server and the message is then counted as an open. The number of opens counted for this research include both this direct reporting and an "implied open" on text messages that recorded a click on any link in the message or an HTML message whose viewer did not enable images but clicked on a link.

Open Rate (Unique): The unique open rate measures one open per recipient and is expressed as a percentage of the total number of delivered email messages. To calculate the rate, divide the number of unique opens by the total number of delivered emails, and then multiply by 100 to display the percentage.

Total Open Rate: Sometimes called the gross open rate and also expressed as a percentage of total delivered email messages. It measures how many times the email message is opened, either by the original recipients or by those to whom the original recipient forwards the message by using the “forward” button in the email client instead of a “forward to a friend” link. To calculate, divide the total number of opens by the total number of delivered messages and multiply by 100.

Spam Complaint: A complaint registered by a recipient who indicates that the email message is unwanted, whether it fits the classic definition of “spam” as an unsolicited email or simply any message the recipient no longer wants to receive. The majority of spam complaints are received via a direct “feedback” loop with an ISP.

Spam Complaint Rate: The percentage of delivered email messages that generate spam complaints. To calculate, divide the total number of spam complaints by delivered emails and multiply by 100.

To find out more about Silverpop’s Engage solution and how it can benefit your company, please contact us toll-free at 1-866/SILVPOP (745-8767) or email us at info@silverpop.com.

Visit us at www.silverpop.com

Unsubscribe Rate: The percentage of delivered email messages that generate unsubscribe requests. To calculate, divide the number of unsubscribe requests received by delivered emails and multiply by 100.

Resources

- Silverpop Marketing Best Practices and Resources (white papers, research studies, Webinar archives, etc.)
- “Beyond Opens & Clicks: 5 Email Metrics to Boost Results and Prove Your Worth” (White paper)
- “Metrics That Matter” (Webinar)
- Engagement Marketing blog