

# *Outlook special*

## Success factors of email marketing

July 2016

*‘Are you getting  
the best out of  
your email  
campaigns?’*



# Success factors of email marketing

## Dutch Benchmark in collaboration with DDMA

### Introduction

Email was introduced a few decades ago as an electronic replacement for physical mail. Since then, email has grown as a communication channel and is used for many different purposes: we receive newsletters, invoices from our telecommunications provider or concert tickets. In addition, our email address has become a main digital identity since many online accounts use your email address as verification. We can even open a bank account using our email address as account number. All this adds up to a strong digital channel and therefore it is not surprising that email is a popular channel for online marketing. This Entertainment and Media Outlook special focuses on several important trends in email marketing which will show that this type of marketing is not getting outdated at all.

### Role of email in multichannel marketing

Although email is the oldest online marketing channel and many new channels have been introduced since then, it is still by far the most used channel. In many multichannel marketing strategies it has earned a prominent spot in the customer journey: email can spread and store content, link to other channels and alert users about special offers. In addition, email has relatively low costs, which makes it also one of the most cost-effective marketing channels.

Even though email has a vital role in many customer journeys, marketers are raising questions about the relevance of email as they think it is becoming outdated. Especially since the introduction of new online channels such as WhatsApp and social media. An answer can be given based on the research that we conducted in collaboration with the Data Driven Marketing Association (DDMA). This research shows that the recipients of marketing emails still open them and click through to the content as much as ever and this shows no sign of significant decline. Of all the marketing emails that were sent in 2015, more than a third were opened by the recipients. They clicked on at least one link in 7% of all sent emails. These numbers prove that email marketing is still relevant. The report also observed an important trend, which shows a shift to reading emails on mobile devices. In addition, we also found several success factors of a good email marketing campaign: the right timing or technique can make a huge difference for the results of a campaign.

	2015	2014
Open rate	35.20%	35.50%
Click rate	7.00%	7.30%
Source: PwC; Dutch Email Benchmark 2016 (DDMA)		

### DDMA Email benchmark

In collaboration with the Data Driven Marketing Association, PwC analysed 172k campaigns containing 4.4 billion emails. This analysis was used to create the annual DDMA Dutch Email Marketing benchmark.



In order to create a valuable benchmark, linear regression analyses were used to analyse the data. This type of analysis made it possible to isolate the effect of different characteristics of a campaign. For example: what are the most effective days of the week and times of day to send out a campaign?

### Lead authors

Jop Daalmans, Hilde Faber and Joris Heijltjes are the lead analysts and authors of the Benchmark and this Special.

### Definitions

**Open rate** = number of unique recipients that opened an email / total number of emails

**Click rate** = number of unique recipients that clicked on a link in the email / total number of emails

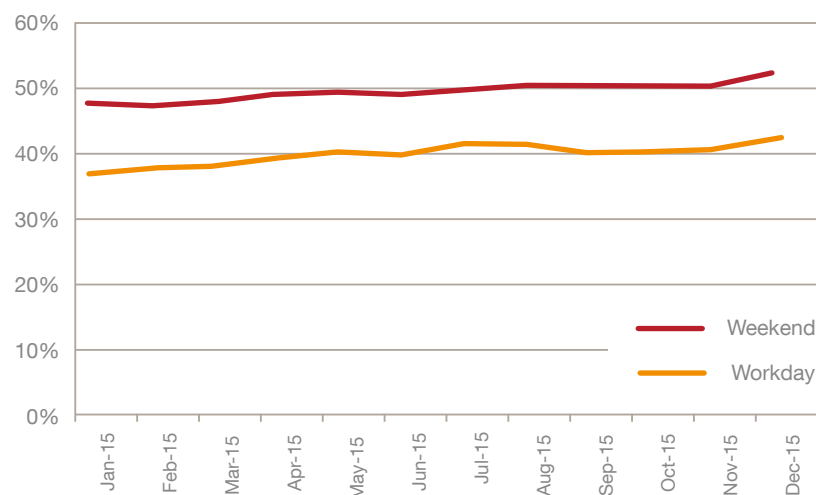


In weekends  
**50%**  
of all emails  
are opened on  
a mobile  
device

### From desktop to mobile

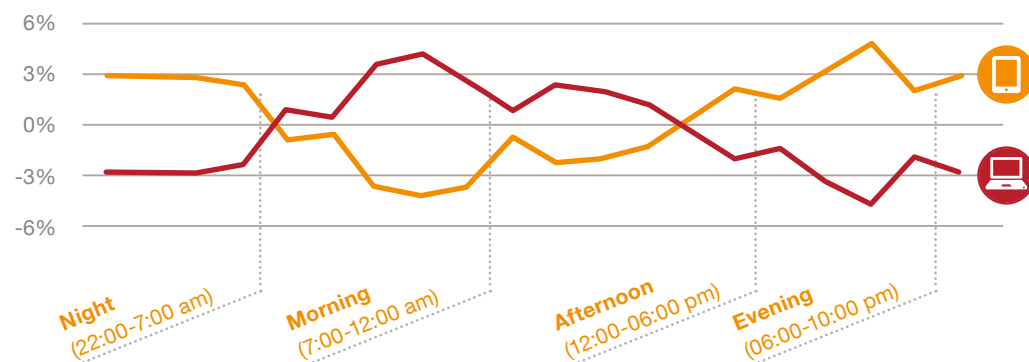
In 2015 the smartphone penetration rate in the Netherlands grew to 76% and Google recently announced that more than 50% of all search queries are performed using a mobile device. Already 68% of the time people use their smartphones to visit social media. Up until a few years ago, emails were mainly read on desktops but the shift to mobile can also be seen in email marketing: a rapid move from desktop to mobile as primary device for reading email is clearly visible. The benchmark elaborates on this and shows that in the second half of 2015, more than 50% of emails were opened on a mobile device in weekends. On workdays, this was 42%.

Figure 1 Email open rate on mobile devices in relation to desktop



Source: PwC, DDMA

Figure 2 Mobile and desktop usage during the day relative to the average ratio



Source: PwC, DDMA

A mobile device gives customers continuous access to their mailbox and allows them to open their email anytime and anywhere. This is not only convenient for the user, as it also provides companies who send emails a great opportunity to reach their customers at a time that is most effective. Later on we will elaborate on the best times to send an email.

### Device preferences throughout the day

When we zoom in on workdays we see a clear distinction between office hours and spare time. There is a tendency to use desktop computers to open emails during office hours, which is probably caused by the fact that people are using desktop computers for their job and use those computers also for checking private email. During the afternoon, starting from 4 pm there is an evident switch from reading email on desktop to mobile. The percentage of emails that are read on a mobile

device keeps rising until 8 pm when the open rate on mobile devices is at its highest point.

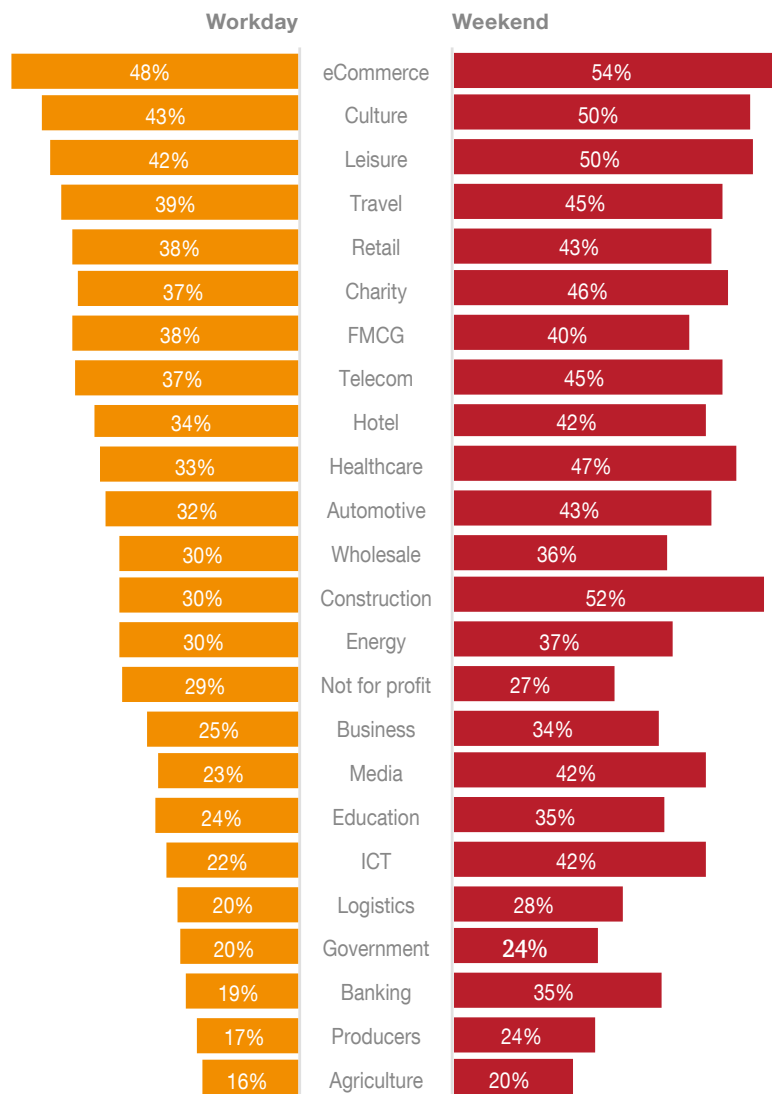
### Responding to this knowledge

So how can organisations take advantage of the fact that mobile email reading is increasing? First, organisations can adjust their timing based on the device they want their customers to open the email on (regardless if an email is responsive or not). For example, when your message is more appropriate for desktop views, the best time to send your email is during office hours.

Another factor that appears to be of high importance is that organisations adjust their emails to mobile devices using a responsive design. This approach changes the appearance of the email dynamically, depending on the screen size, operating system etc. Of all emails clicked, the ratio between desktop and mobile shifts to 2% more mobile clicks when using a responsive design.



Figure 3 Mobile clicks relative to desktop



Source: PwC, DDMA

### Industry specific mobile usage

There are large differences in mobile usage between industries, as can be seen in figure three. In this figure we focused on clicks, since clicks are an indication whether or not the email is adjusted well enough to mobile. The e-commerce industry is by far the most mobile-minded with 49% of all clicks on mobile devices (smartphones and tablets).

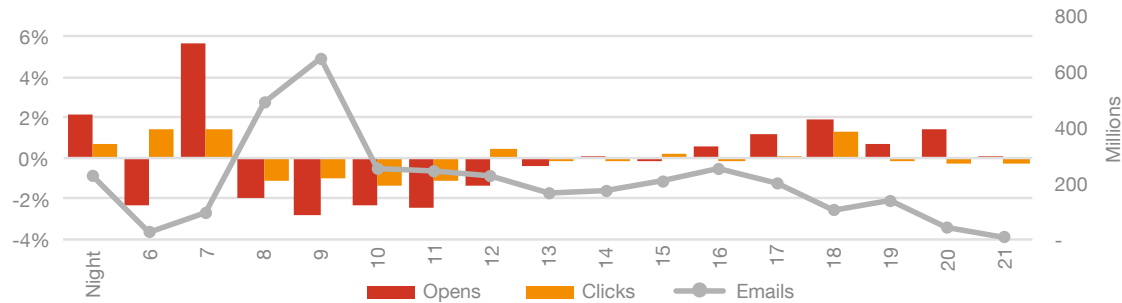
This can be caused by the high adoption (89%) of responsive design in this industry, which is much higher than in other industries. Another observation is that the industries that have high mobile open rates are related to leisure activities, such as shopping and travelling, whereas the industries that have lower mobile open rates are more focused on serious topics, such as banking and government.



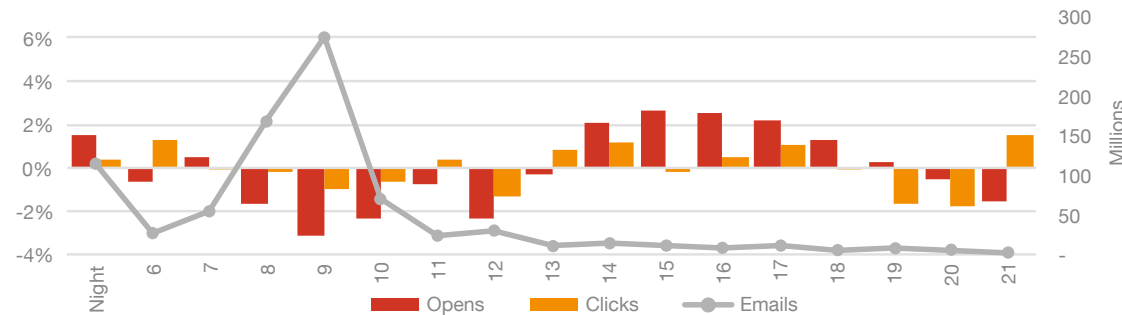




**Figure 4** Effect of time emails are sent relative to average (on workdays)



**Figure 5** Effect of time emails are sent relative to average (on weekends)



Source: PwC, DDMA

#### Explanation graph

The open and click rates indicate the impact of the different days on the average rates. For example, on a weekday between 7 am and 8 am 5.8% more emails are opened compared to the average. The secondary axis on the right shows the total number of emails sent as measured in the benchmark.

#### Best time to send your campaign

Many marketers are looking for the most effective moment to send their email campaign. Remarkably, most campaigns are sent between 8 am and 10 am while our analysis shows that these times have the lowest open and click rates. The best open rates are between 7 am and 8 am, indicating that organisations send their emails too late. However, the causality of this effect is doubtful; there is a significant possibility that the likelihood of opening of and clicking upon emails decreases as the total number of emails received increases. A strong relation is visible between the emails sent and the open and click rates. This can be a reason to use dynamic timing. This means that emails are sent on different times of the day depending on what you know about your recipients. For example: teenagers are expected to open their email at different times of the day than the elderly.

In the weekend people are not opening their email as early as during workdays. In figure 5 we see that the afternoon performs best. Just like workdays, the mornings still perform the least while most emails are sent during this time of the day.





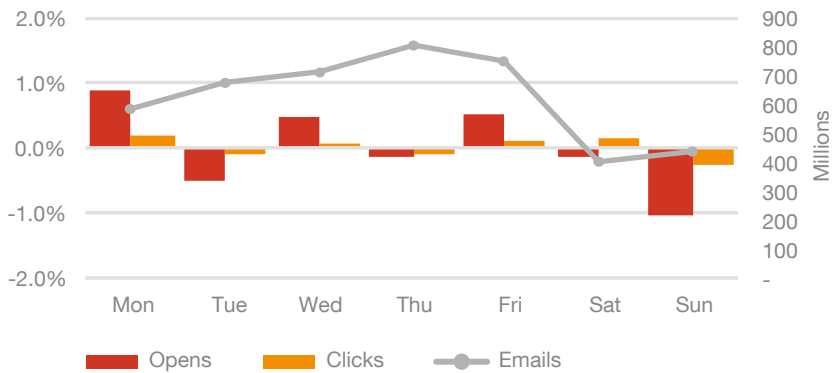
**Best day to send out your campaign**

Which day of the week a campaign is sent out has less impact than the time of day a campaign is sent out, but the effect is still significant. Overall, Monday performs best with 0.9% higher open rates compared to average. With open rates that are 1% lower than average Sunday is the least effective day for sending out an email campaign. On Thursday the most emails are sent while is has one of the lower ratio's. So again, the negative relationship between ratios and volumes is somewhat present.

However, during the weekend the ratios are lower despite low emailing volumes, especially on Sundays. The benchmark contains a separate analysis for the five biggest industries. The data show that several industries actually do perform well on weekends, such as the media & publishing industry and the education industry.



Figure 5 Effect of day sent relative to average



Source: PwC, DDMA

**Using email marketing techniques to improve ratios**

In the previous benchmark of the DDMA that was published in 2015, several trends were identified. Besides mentioning an increased use of mobile devices and responsive design, the benchmark also draws attention to a growing use of dynamic content and personalised subject lines. The use of dynamic content indeed grew again, from 15% in 2014 to 35% in 2015. The use of a personalised subject line, however, remained the same, at around 4%.

**Dynamic content and personalised subject lines increase effectiveness**

Campaigns that use dynamic content customise the email to the recipient, for example by using a

larger font for older readers. When looking at the effect of this technique, the number of emails that are opened increase with almost 5% when this technique is used and the number of clicks increase with almost 2%.

For a personalised subject line, this effect is somewhat smaller: the opens and clicks rates increase by 1.8% and 0.9%, respectively.

	Dynamic content	Personalised subject line
Open rate	4.80%	1.80%
Click rate	1.80%	0.90%

Source: PwC, DDMA



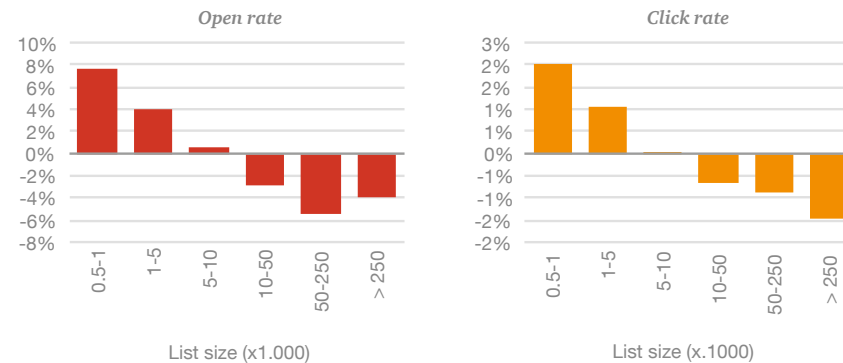
### Being relevant pays off

The research showed that the larger the list size, the smaller the chance that the recipient of your email opens it and clicks on it. When organisations are determining the group of recipients of their email campaign, they have to find the right balance between sending their campaign to as much people as possible and sending it to a specifically defined target group. The more accurate this target group is defined, the more relevant the email is to the recipients. This will result in better open rates of the campaign.

### Can you send out too many campaigns?

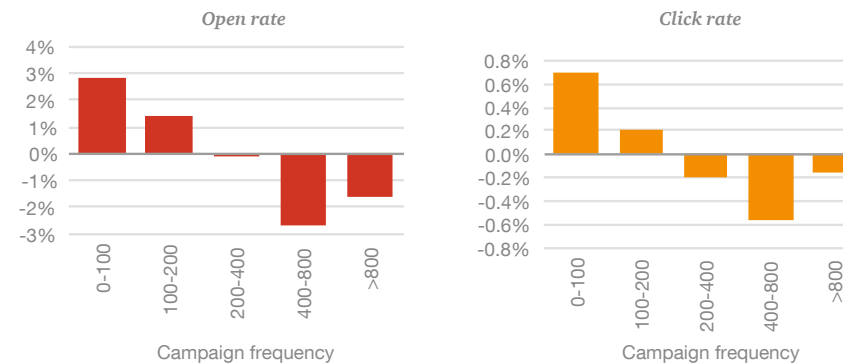
The frequency with which campaigns are sent has a negative impact on both the open and click rates. This frequency is based on the number of email campaigns that are sent by one organisation. The higher the number of campaigns, the lower the open and click rates. This indicates that customers get tired of the emails and will no longer open all of them. However, sending out more campaigns can still increase the absolute number of emails that are read and can increase the brand awareness. But keep in mind, the unsubscribe button is only one click away.

Figure 6 Effects of list size



Source: PwC, DDMA

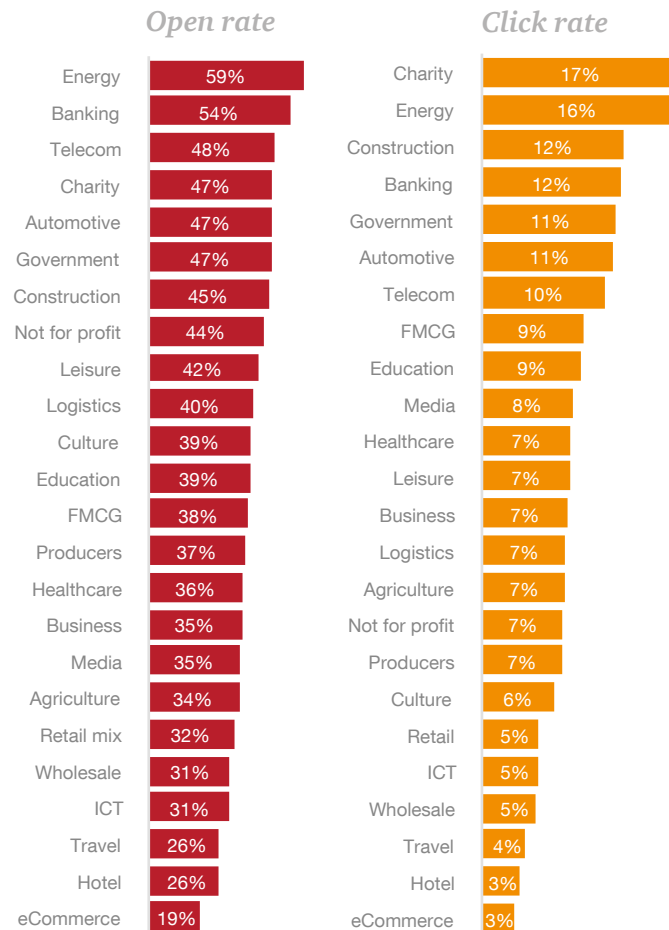
Figure 7 Effects of campaign frequency



Source: PwC, DDMA



Figure 7 Industry specific open and click rate



Source: PwC, DDMA

### Success factors in specific industries

Success factors, such as techniques, attuning to mobile and timing, have all been discussed in this Special. In the following section we will elaborate on the success of using these factors by focusing on two different industries in order to illustrate how influential the factors can be.

### High performing industries

When looking at the overall open and click rates, the energy industry is one of the best performing industries with the highest open rates and second best click rates. This can be the result of several factors. First, the average list size of 7k is small compared to 33k overall. This suggests that selecting a specific target audience to whom the content is most relevant gives a big boost to open and click rates. We also see that the energy industry has a high campaign frequency which should have a negative impact, but in combination with a small list size that negative effect is neutralised. A second success factor for the high rates in this industry is the adoption of techniques, like dynamic content. We see that other industries with a high adoption of techniques also have high open and click rates, for instance the charity sector.

### Is the eCommerce industry failing in email marketing?

By far the lowest open and click rates are found in the eCommerce industry, suggesting that this industry performs below average. When we zoom in on this industry we see a high frequency of email campaigns and a very high list size: 83k compared to an average of 33k in other industries. Both campaign frequency and list size have a negative impact on the open and click rates as discussed before.

However, this is only half of the story. When looking at the absolute number of emails that are read, we see that this is 3.7 million on average for a company in the eCommerce industry, while only 0.5 million emails are read on average for a company in the energy industry. This shows that in absolute numbers, more emails are read when they are part of an eCommerce email campaign, even though the relative numbers (i.e. ratios) are lower. This indicates that all success factors should be considered in perspective, although improvement of the ratios should always be pursued. When comparing your rates to the overall average, it is therefore advised to compare them to your own industry using the benchmark tool on the specific e-mail benchmark website of DDMA:

[www.nationaleemailbenchmark.nl](http://www.nationaleemailbenchmark.nl)





## Summary

When are recipients most likely to open email campaigns?



Between  
**7AM** and **8AM**



When the **campaign**  
*is targeted*



On **Mondays**



When the **campaign**  
*frequency is low*



When the campaign  
is adjusted to mobile,  
using **responsive**  
*design*



When **techniques**  
like dynamic content  
and personalised  
subject lines are used

## Contacts



**Joris Heijltjes**  
Senior Manager Consulting  
Customer & Digital Strategy  
+31 (0)88 792 10 73  
joris.heijltjes@nl.pwc.com



**Jheroen Muste**  
Partner Consulting  
Customer & Digital Leader  
+31 (0)88 792 53 73  
jheroen.muste@nl.pwc.com



**Ennèl van Eeden**  
Partner Assurance  
Entertainment &  
Media Leader  
+31 (0)88 792 45 40  
ennel.van.eeden@nl.pwc.com

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