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Email Marketing Success: Open Rates 2012

A Study by Napier Partnership Limited and the University of Chichester

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It is standard marketing practice to calculate email open rates by counting how many recipients download images embedded in the email, despite the obvious potential inaccuracy of this approach. This research demonstrates that in the electronics industry, open rates are approximately double the number suggested by traditional tracking software. The study also finds that engineers are surprisingly receptive to email marketing communications and want to be contacted at least once a month.

HOW ACCURATE ARE YOUR CAMPAIGN RESULTS?

In 2012 Napier worked with the University of Chichester to produce a study on email marketing. This research assesses the accuracy of email open rates in order to improve understanding of the impact achieved by email marketing campaigns.

Open rates provide statistics on how many recipients of a particular campaign have opened the email and therefore can provide valuable information for assessing the success of the campaign. Whilst open rates cannot reflect the time spent reading an email or the engagement level of the recipient, the statistics provide valuable information on the impact and reach of a campaign. Research by MailChimp in 2011 found the average open rate in the electronics industry was 15.51%, a figure Napier has worked hard achieve and exceed when executing campaigns within the industry.

HOW EMAIL OPEN RATES ARE CALCULATED AND DETECTED

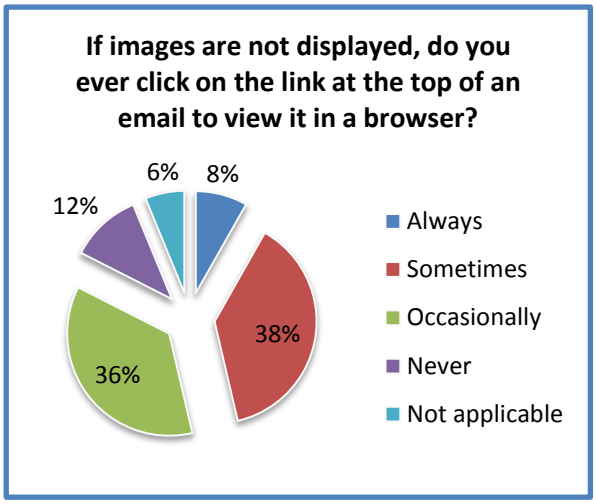
Open rates are calculated by dividing the number of emails opened by the amount of emails sent, minus those which have not been delivered.

The open rate is recorded by placing images within the body of an email message which are downloaded when the email is opened; with this download an "open" is recorded. The image is accessed using a URL that is slightly different for each recipient, meaning the sender is able to assess how many people have viewed the message. The functionality allows the sender to track both opens and unique opens. An "open" is a general measure of how many times the email has been opened (including the same person opening the email more than once) whereas a "unique open" expresses how many people have opened the email message.

Individuals are bombarded with both solicited and unsolicited emails, some of which are fraudulent and aim to lure the recipient into disclosing personal details or downloading viruses. In response to this, many email providers will no longer automatically download images within a message, in order to protect the recipient from possible threats. The recipient must give their consent to view the images by marking a sender as safe. If the email is not marked as safe, images are not downloaded and the open is not recorded. Email open rates are also affected by those who receive emails as plain text with no images as opposed to HTML. If recipients are sent email in text format or do not download the images within the text, traditional tracking is unable to count any of the emails that are opened.

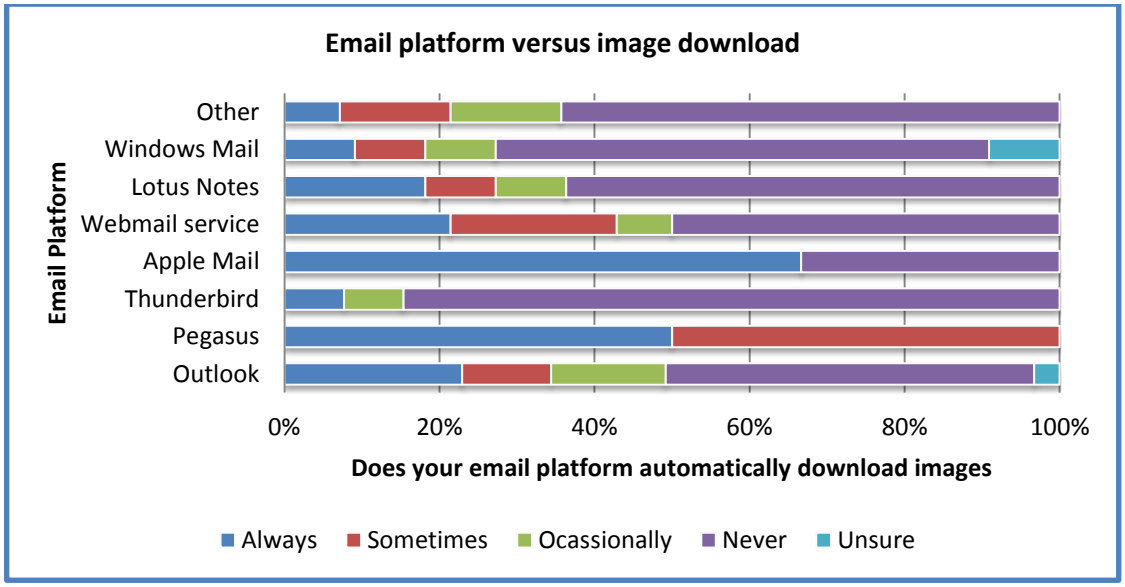
53% OF RESPONDENTS ARE NOT DOWNLOADING IMAGES IN EMAIL MESSAGES

The research found that 53% of email clients never automatically download images within email messages, and a further 25% of platforms were only occasionally or sometimes download images. Only 19% stated images were always visible in email communications, suggesting that as many as 81% of recipients who read an email could be inaccurately recorded as never having opened an email.



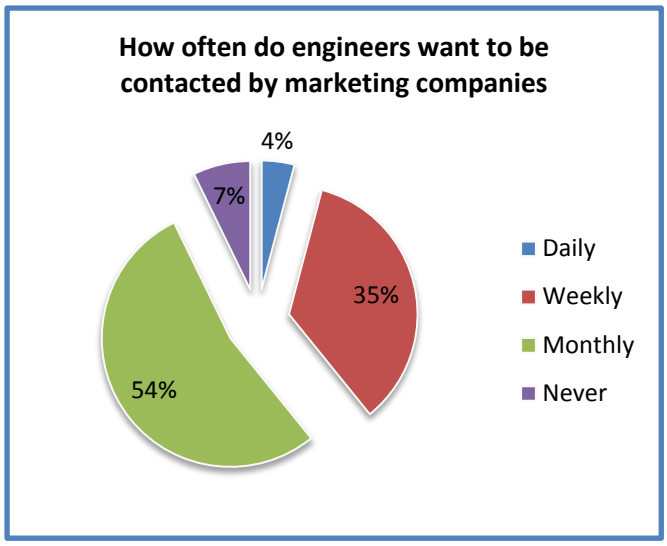
This means that open rates could be under-reported by a factor of almost 5x.

Thunderbird was least likely to display images (84.6%), followed by Outlook (47.5%) and Webmail services (50%). Pegasus was the email client most likely to always display images (50.00%). The majority of respondents used Outlook (47.2%) and Pegasus (10.1%).



45.5% of respondents who used email clients which were set to never download images automatically were not manually marking a sender as safe in order to view the images. A further 25% stated they would either only occasionally or sometimes download images within email communications.

FREQUENCY OF CONTACT CAN EFFECT THE IMPACT OF YOUR CAMPAIGN



Despite concerns about spam, most engineers want to be contacted with marketing information by email. The survey asked how often engineers wanted to be contacted with marketing information; only 7% said "never".

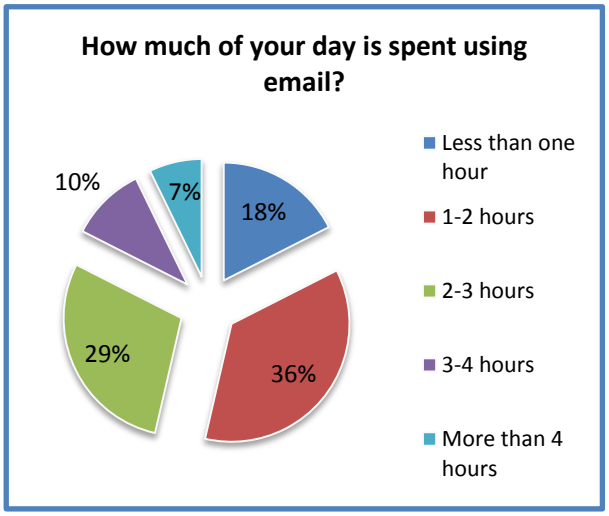
The 93% who did want to be contacted with marketing information varied in opinion with 4% stating they would prefer a daily update, 35% preferring weekly contact and 54% desiring just one email each month.

Those who prefer monthly contact from marketing companies were unlikely to download images, whereas those who desired weekly contact were more likely to always or sometimes download images. This demonstrates that to improve email campaigns and marketing, companies need to understand about their audience's desired frequency of contact to maximise the impact.

DIFFERENT ENGINEERS SPEND VARYING AMOUNTS OF TIME ON EMAIL

Engineers spend a considerable amount of time on email; only 18% spend less than one hour per day reading and sending emails.

The research also showed that those who used email for *less than one hour* or *over four hours* were most likely to click to view images received. This could be due to a lower volume of email received by those using email for less than one hour, or consistent proximity to the medium for those who use email for over four hours each day.



YOUNGER ENGINEERS LIKE IMAGES IN EMAILS

There is a strong correlation between age and the likelihood of downloading images: younger engineers were more likely to download images, whereas 58.1% of those with more than 30 years' experience in the electronics industry stated they would never download images within an email.

CONCLUSION

Email open rates are being dramatically underestimated in the electronics industry. 53% of engineers do not set the email clients to download images automatically, and 45% of these people were never manually download images. Email open rates in the electronics industry must be underestimated by at least 31%.

This figure is a significant underestimate. Around a quarter of the recipients who don't download images automatically only sometimes or occasionally download the images manually. Once we add in the 25% of recipients who only sometimes or occasionally have emails automatically download images, it is clear that using images to measure open rates is an inaccurate measure in the electronics industry. This survey demonstrates **that number of recipients who see an email is approximately double the number given in the open rate calculated by image downloads**. Whilst this research puts a figure on untraceable opens, it is hard to directly overcome these issues.

Although this research has identified a problem, there is no technical solution to accurately measure the number of people who read a marketing email. When comparing an email campaign to other marketing channels, however marketers need to recognize that the reach of their email campaign is probably double the number of recipients suggested by the conventional open rates.

The fact that around half of the marketing emails that are read by recipients do not have images downloaded does have huge implications. Marketing emails must be designed to look good and be readable without images: large headers and big images are likely to make the email ineffective for half the recipients that read it. In fact we strongly recommend proofing emails with no images downloaded to maximize the effectiveness of the campaign.

This research also shows that the vast majority of engineers want to be contacted at least monthly by email. Napier recommends either monthly or bi-weekly email frequency for successful campaigns.

This research has shown email marketing campaigns may be reaching a far wider audience than initially anticipated. Email continues to be a time- and cost-effective medium for reaching a large audience, and as such the use and reach of email should not be underestimated.

APPENDIX – METHODOLOGY

The survey was conducted in March 2012 using a database of engineers working across Europe. A total of 97 questionnaires were completed by respondents. The project was a joint project between the University of Chichester and Napier Partnership Limited and formed part of the final year dissertation of the researcher, Amy Ashford.

ABOUT NAPIER

Napier is a PR-lead, full service marketing agency that specialises in the B2B technology sector. We work closely with our clients to build campaigns, focusing on achieving results that have a significant positive impact on their businesses and which, above all, ensure maximum return on their investment.

Napier's services include training, consultancy and full outsourcing of social media marketing within the engineering and technology sectors.

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