Latest Benchmarks Prove Email Still An Effective Marketing Channel

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Clickthrough, open rates up from 2010

Email may be one of the oldest online marketing tactics, but it is also one of the top performing. May 2012 data from the CMO Council showed a significant majority of marketers worldwide (67%) rated email the most successful digital marketing tactic.

June findings from the Direct Marketing Association (DMA) provided further, granular evidence of success, showing improvement in US email open rates and clickthrough rates (CTR) for both in-house and prospect-intended emails in 2012, as compared to 2010.

For house lists, which the DMA defines as an email list of both past and present customers generated from a companyâ€™s own database, the average open rate for 2012 was up 2.6 percentage points over 2010, and the CTR was up 1.1 percentage points over the same time period. Meanwhile, the open rate for prospect lists increased only slightly, but the CTR for these emails nearly doubled in the two-year timeframe, pointing to an increased ability to resonate with prospects once they opened an email.

Advances in marketing automation and data segmentation over the past two years have undoubtedly led to more personalized, relevant email marketing programs, and these gains are reflected in increased engagement rates. However, more personalized forms of email communication do not necessarily result in higher sales: Conversion rates for both house and prospect lists declined slightly from 2010 to 2012.

One reason for this decline could be the growing number of digital touchpoints with which email must share its influence. Consumers who once converted directly from emails now find opportunities to convert elsewhere, such as on social media, via search or through a retargeted display ad. Companies with the ability to track multichannel attribution should be able to more accurately determine which marketing influences are in fact grabbing greater conversion share.

Additional Q4 2011 findings from email and multichannel marketing services provider Epsilon offered greater insight into which industries and verticals are seeing the highest email performance metrics. Apparel retailers in North America had the highestâ€”and a near-perfectâ€”delivery rate, not surprising considering the deliberateness, and often judiciousness, with which consumers sign up for these emails. However, credit card and banking emails from the financial services industry yielded the highest open rates, likely due to the fact that these emails are often tied to a personâ€™s banking or investment account and contain critical user information.

General retail and CPG emails saw the highest CTRs, which is attributable to such emails containing the coupons and discounts that consumers value. CPG emails also saw the highest click-to-open rate, again, likely attributed to the inclusion of coupons and discounts.

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