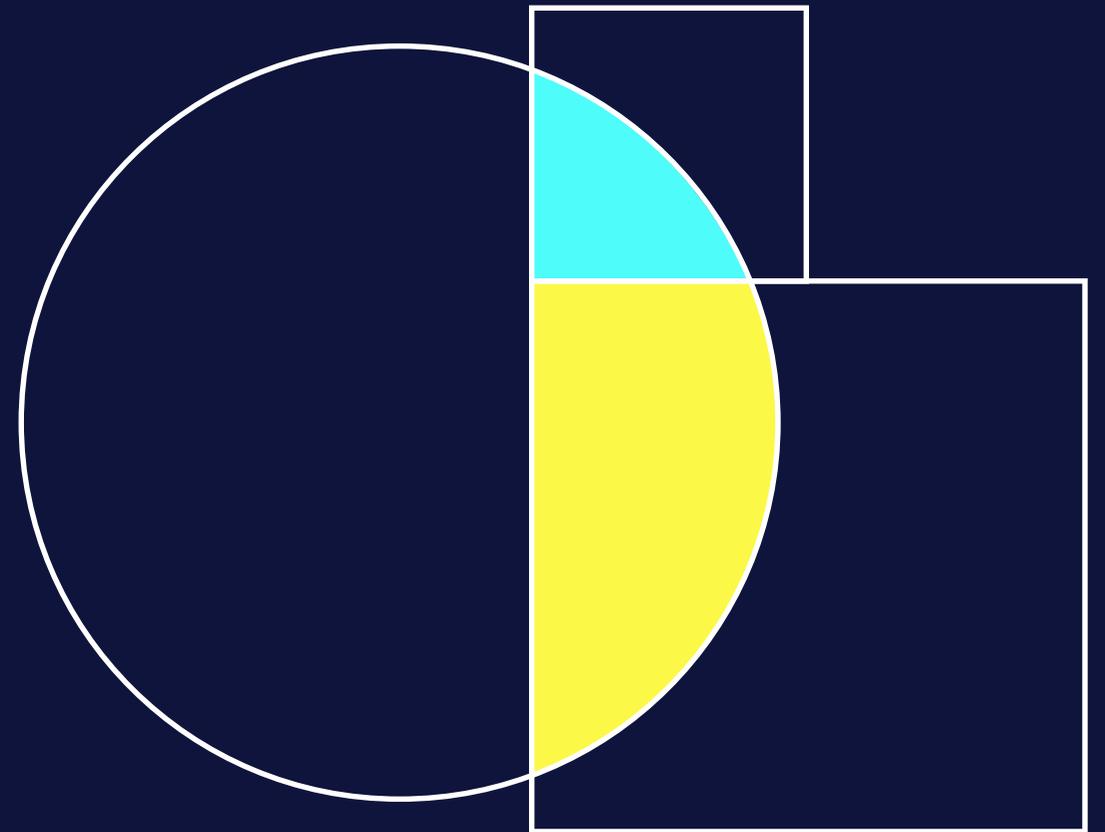


acoustic

COVID-19 Email Marketing Benchmark Report

Email metrics for smarter marketing



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The COVID-19 pandemic has resulted in nearly 9 million cases and 500,000 deaths worldwide through the end of June 2020.

Overview

The shelter in place orders designed to minimize the spread of COVID-19 and deaths from the virus have also resulted in the loss of millions of jobs and the potential closure of tens of millions of businesses permanently.

According to a [report](#) from Facebook & Small Business Roundtable, by May, about a third of U.S. small businesses had temporarily stopped operating, leading to layoffs and furloughs for employees.

Analysis of [several surveys](#) of small businesses by McKinsey, the global management consulting firm, suggests that before accounting for intervention, 1.4 million to 2.1 million of them (25 to 36 percent) could close permanently as a result of the disruption from just the first four months of the COVID-19 pandemic.

Whether due to temporary or permanent closures of businesses, consumer behavior also saw significant changes during the shelter in place orders with customers shifting to an increase in home food deliveries and buying

toilet paper and wine online for the very first time. But many activities such as air travel, attending concerts, eating at restaurants, shopping at the mall, or attending movies at a theater came to a screeching halt.

In March consumers saw a flood of emails from brands that shared their COVID-19 updates, often from the CEO, to their entire database. But as the weeks went on millions of these businesses were unable to conduct business as normal or at all and many simply stopped communicating via email and other channels.

With several thousand brands deploying email marketing programs via Acoustic Campaign, we saw a wide range of sending behavior across our customer base. But more than tracking the ups and downs of email volume sent across various industries, we wanted to understand how the inbox behaviors of consumers and business customers might have evolved during the height of shelter in place orders.

Report highlights

On June 1, 2020, Acoustic researchers collected email marketing data, including: send volume, open rates, click-through rates, click-to-open rates, and unsubscribe rates across several thousand Campaign customers throughout the world.

We analyzed the data for each month during the period January through May and across multiple industries and more than 40 countries.

What we found was that while there were similar patterns of both increases in open rates during March and April throughout the regions of the world, the timing was often slightly different due to when shelter in place orders began.

And while open rates increased significantly in most every region and industry in March, click-through rates remained relatively flat or had only modest increases. One can find the reason behind this difference simply by inspecting one's inbox.

Brands were communicating their COVID-19 policies and updates which drove curiosity and higher open rates from recipients. But messages were often lengthy letters from CEOs and had few links and often no calls to action.

The net effect was that in March click-to-open rates in virtually every region and industry were significantly lower than the January to February period.

Secondly, we saw some industries such as charities and consumer products greatly increase sending volume during the period of March through May. Whereas brands in retail, travel, and leisure industries saw a significant drop in March and April. In some cases, brands made the decision to completely stop deploying email while their operations were severely or completely closed down.

Finally, while many consumers on social media talked about unsubscribing from a number of

these brands that they “hadn’t heard from in years,” our data didn’t support it. We saw no conclusive trends in March through May to validate an increase in consumers opting out of email subscriptions at a higher than normal rate.

Please review the following pages of the report for detailed charts across various geographic regions and industries.

Important note: Unlike our previous full-year benchmark reports, this special report only includes “broadcast” promotional and content-based emails newsletters, but does NOT include automated/triggered or transactional messages.

OVERVIEW AND HIGHLIGHTS

Marketing benchmarks by geography

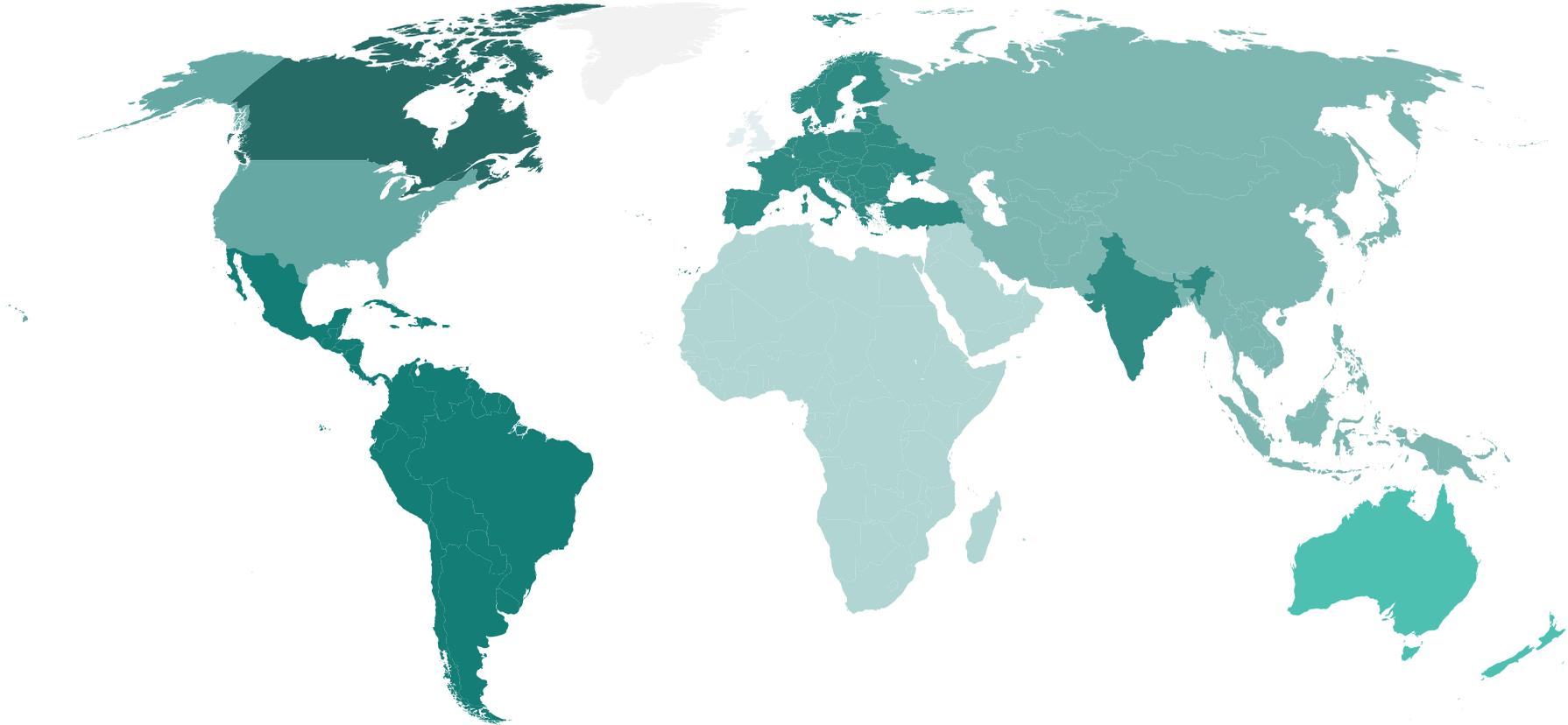
We analyzed various metrics from brands based in more than 40 countries. Where applicable, metrics are reported as Overall and also by these 9 geographic regions:

United States, Canada, United Kingdom & Ireland, Australia & New Zealand, Middle East & Africa, India, Latin America & Caribbean, Asia Pacific and Continental Europe.

Where possible, we report data as:

- Median
- Mean
- Top quartile
- Bottom quartile

Once you've read the report, [schedule a 30-minute consultation](#) and learn how to build smarter marketing campaigns.



IMPLICATIONS AND RECOMMENDATIONS FOR THE FUTURE

As shelter in place orders are rescinded and both businesses and consumers transition back to a semi-normal way of life, there are both strategic and tactical lessons for digital and email marketers. These include:

Data

One observation that was clear from the volume of COVID-19 messages sent out was that many brands simply didn't have their data house in order. Between the growing number of regulations such as GDPR and CCPA, brands must make data hygiene a high priority and ensure the data they capture about customers is not only current, but highly actionable.

Marrying behavioral analytics with marketing automation

Consumer behavior changed dramatically and almost overnight for many businesses. It will be vital that brands integrate their customer and behavioral analytics data with their marketing automation programs so that they can ensure superior experiences with both existing and new customers as they purchase products and services in new or different ways.

Segmentation and personalization

One of the areas of email marketing that a bright light shined on during COVID-19 shelter in place orders was the need to communicate to subscribers and customers based on their psychographics and location. Highly personalized messages will move from being a nice to have to a must have in the coming years. To make this a reality, brands will need to rethink their approach to data collection and increasingly move to deploying highly automated messages and processes.

Customer retention

With changes in buying patterns, many brands acquired first-time customers or saw existing customers switch from the normal channel they used. Email can be a vital tool to educate and onboard these customers to ensure you retain them for the long term. Leverage purchase and engagement data to be pre-emptive putting customers showing potential signs of churn into automated messaging tracks designed to address common circumstances that lead to disengagement and non-renewals.

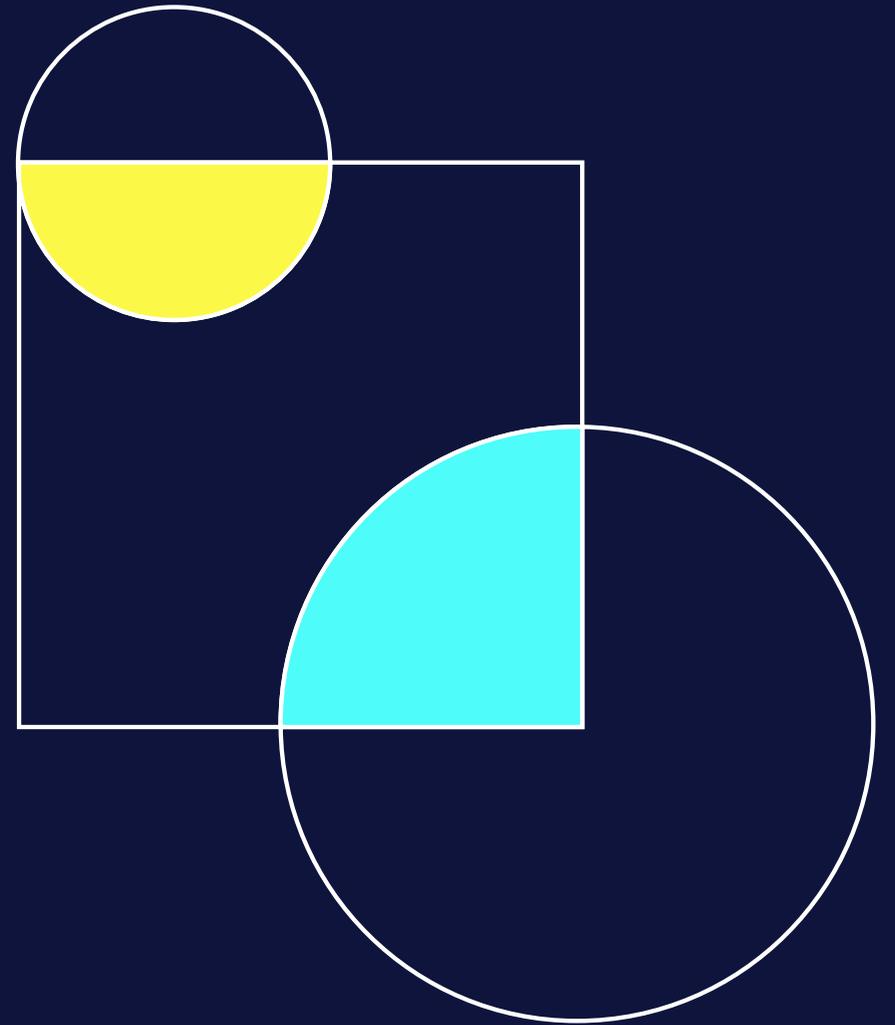
Agility and flexibility

Does your company have the ability to turn on a dime? Brands that had agile marketing processes in place were able to respond to market conditions and revise email marketing campaigns and messaging almost overnight. For Marketers: now is the time to rethink and reinvent your processes if you can't meet the 24-48 hour test of deploying a message to your customers.

Empathy and responsibility

Brands must be cautious with the content and tone in their email marketing messages, ensuring they reflect the circumstances society and their end-readers are confronting. Increasingly, consumers are expecting companies to take stands on issues and expect email messages to be a key channel for communicating the essence of the brand, and not just the latest 10% off discount offer.

**Open and
CTRs by region**

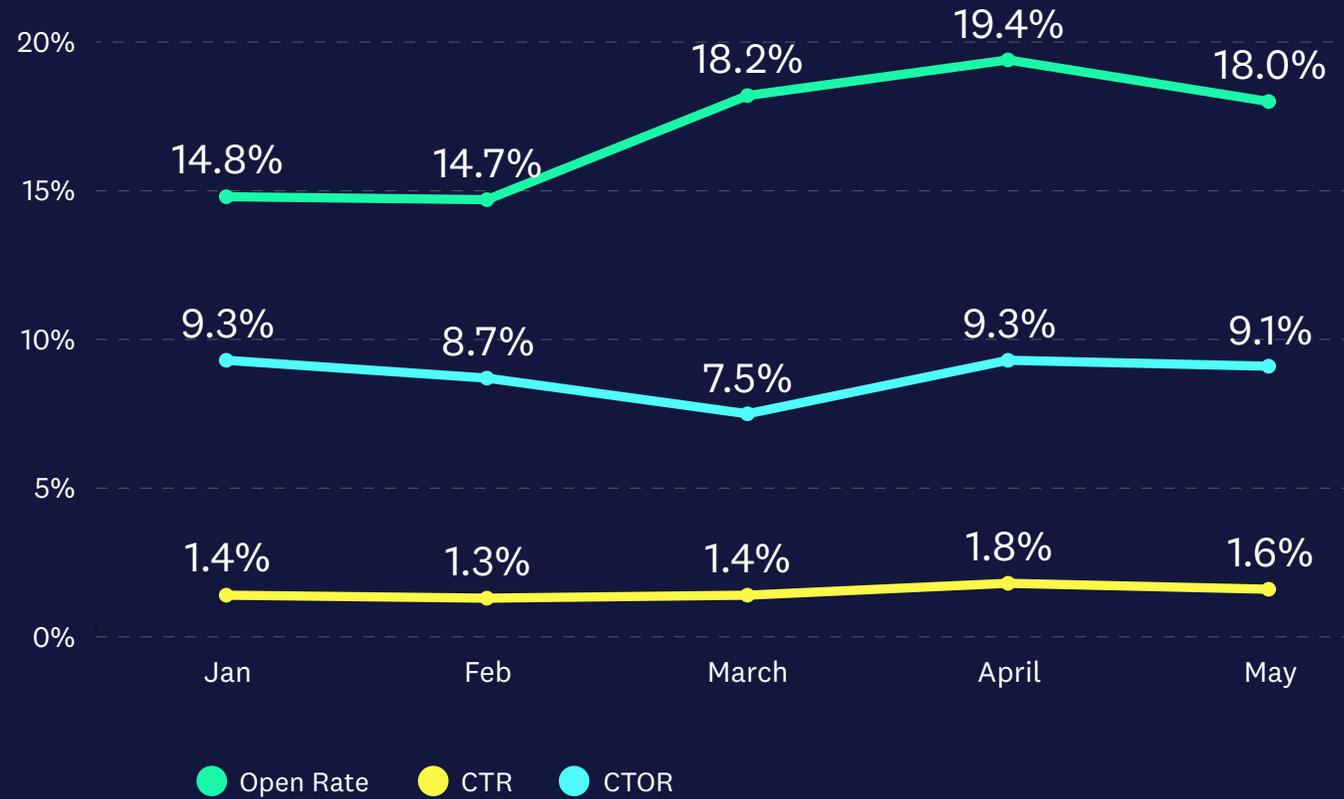


4.7%
Globally, open rates increased an average of 4.7 percentage points from February to April

With click-through rates increasing at one-third the rate that open rates rose from February to March, the click-to-open rate gap widened significantly.

With many brands sending “An important message from our CEO” type emails, recipients were intrigued to open and glance at the message content, but not motivated to click to learn more or take an action.

Global: Email Open, CTR and CTORs: January - May 2020

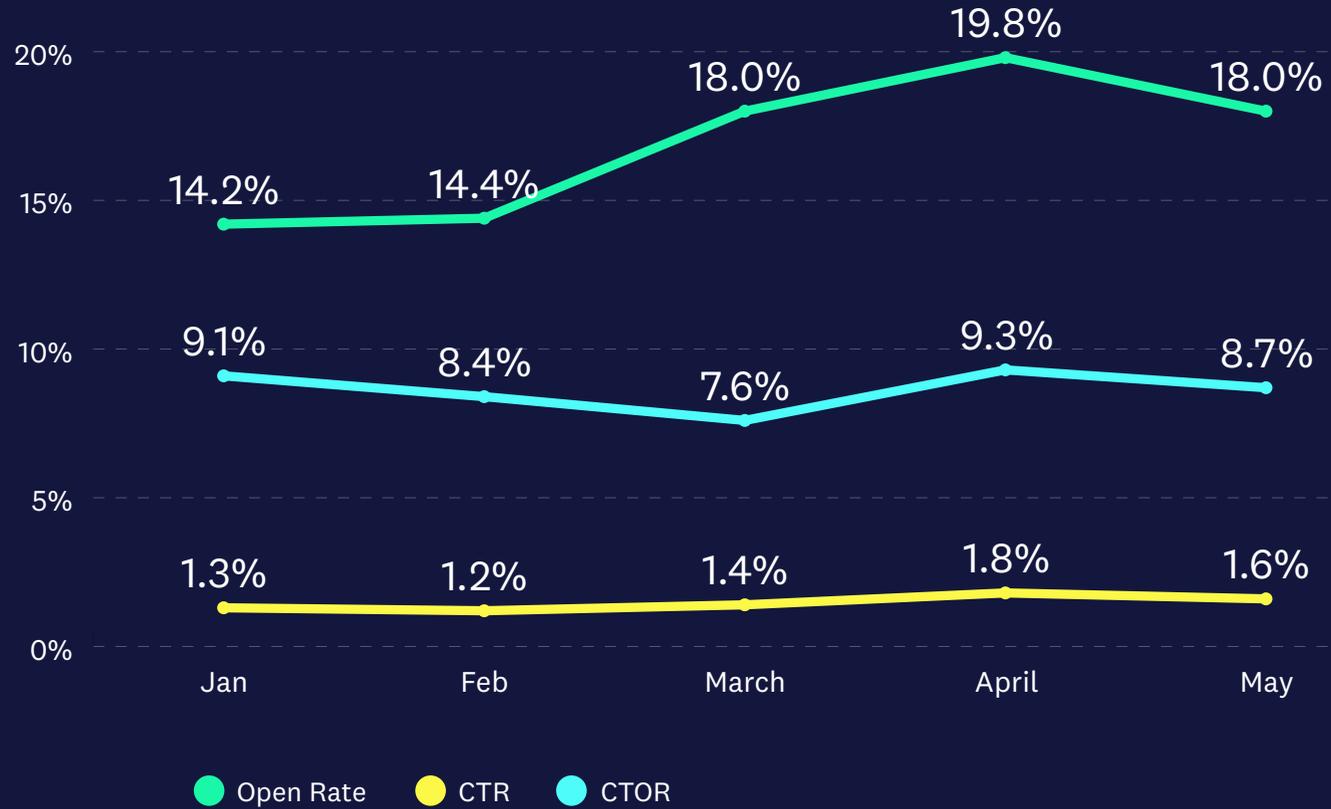


5.4%

U.S. and Canada saw open rates increase an average of 5.4% percentage points from February to April

The open rate jump was a whopping 38% increase in April versus February. While emails in March tended to be “COVID-19 policies,” messages in April tended to have greater value and communicated “how to do business with us” - which led to both higher open rates, but more importantly an increase in click-through rates.

North America: Email Open, CTR and CTORs: January - May 2020



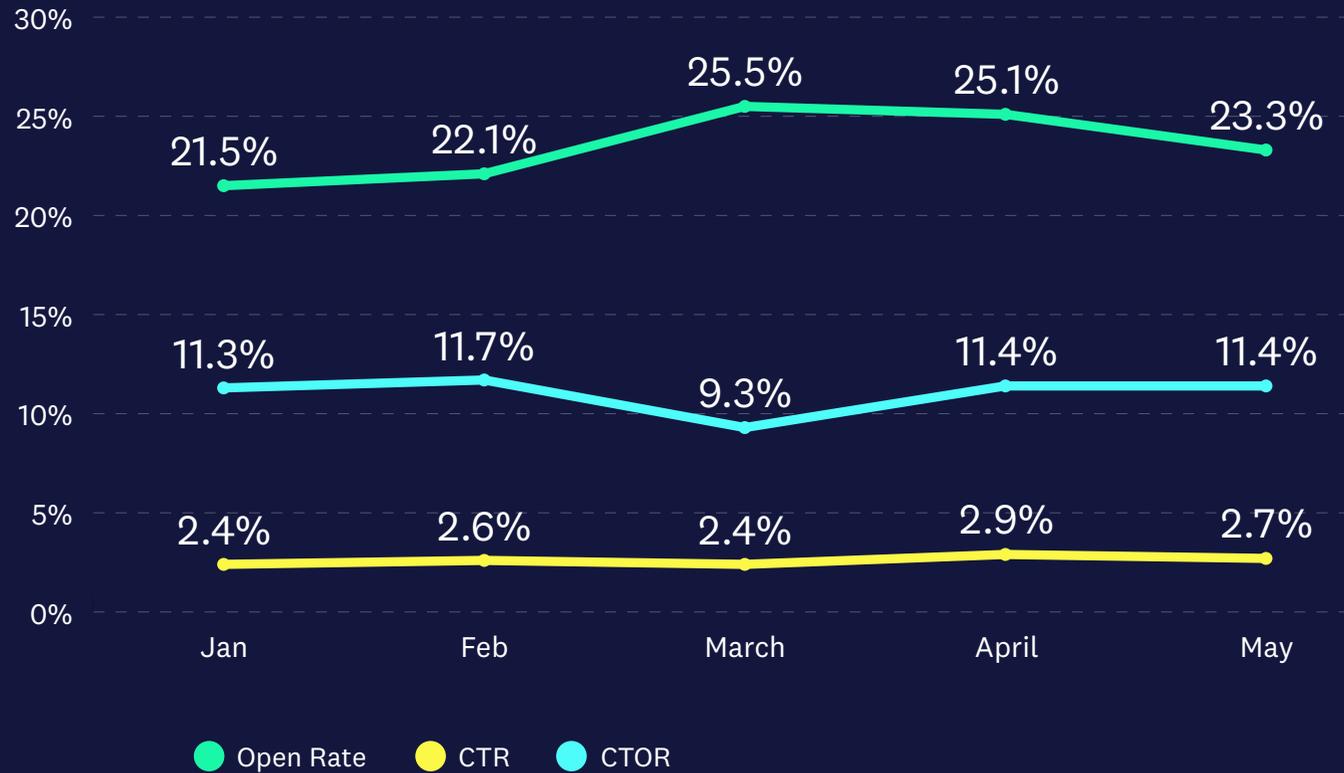
3.4%

U.K. and Ireland saw open rates increase an average of 3.4% percentage points from February to April

The open rate jump was only an 13.6% increase in April versus February, roughly one-third the lift in North America. However, shelter in place orders began earlier in the U.K. so open rates peaked a month earlier in March.

Like most regions of the world, U.K. and Ireland saw their peak click-through rates in April.

United Kingdom & Ireland: Email Open, CTR and CTORs: January - May 2020



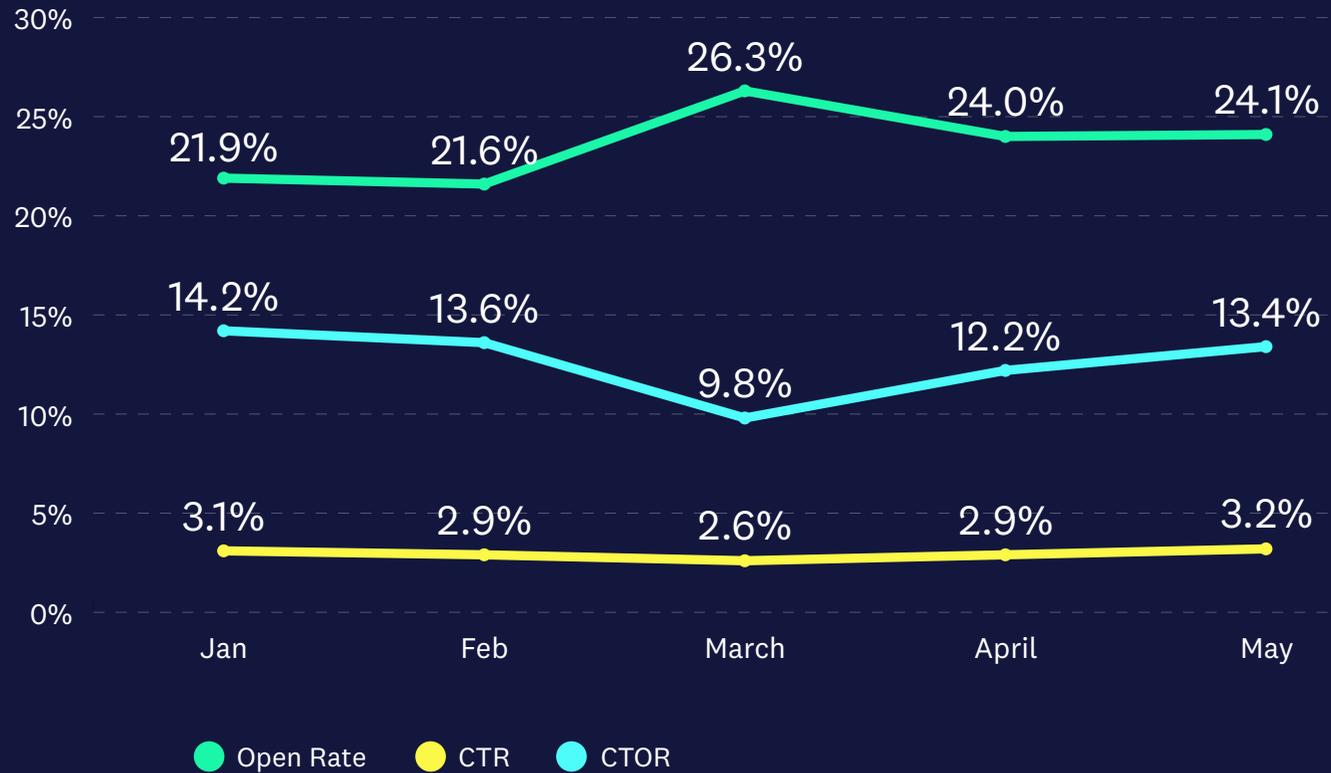
4.7%

Continental Europe saw open rates increase an average of 4.7% percentage points from February to March

The open rate jump was a solid 21.8% increase in March versus February. March also had a lower CTR, which led to a 27.8 percent decline (3.8 percentage points) in CTOR.

Interestingly, while open rates were basically flat in April and May, CTRs increased steadily in April and May from the March low point.

Continental Europe: Email Open, CTR and CTORs: January - May 2020



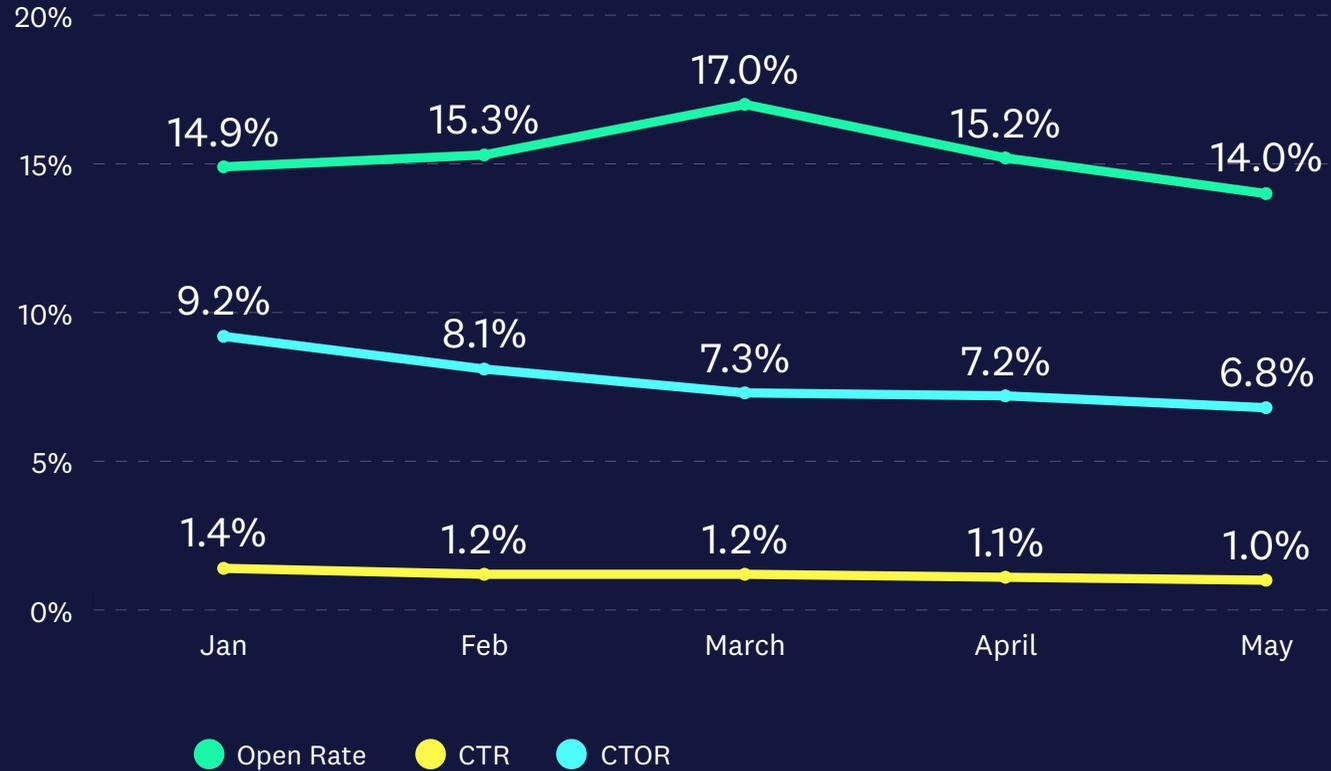
17.0%

Asia Pacific had an average open rate in March, roughly 2 percentage points higher than the other 4 months

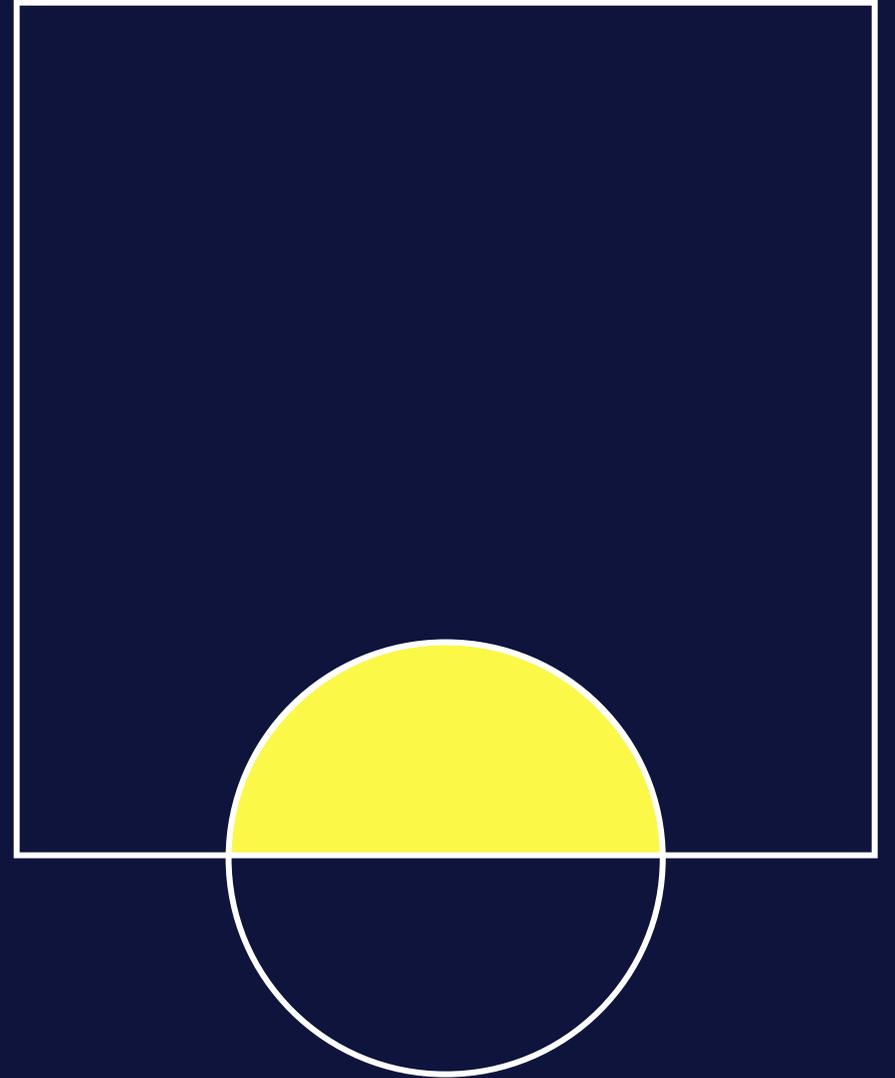
Unlike other regions that saw CTRs rise and fall across the 5 months, Asia Pacific saw a steady decline.

And while open rates rose 1.7 percentage points in April versus March, they stayed in a range of 14% to 15.3% the other 4 months. Combined with lower CTRs, the CTOR declined each month to a low of 6.8% from the January high of 9.2%.

Asia Pacific: Email Open, CTR and CTORs: January - May 2020



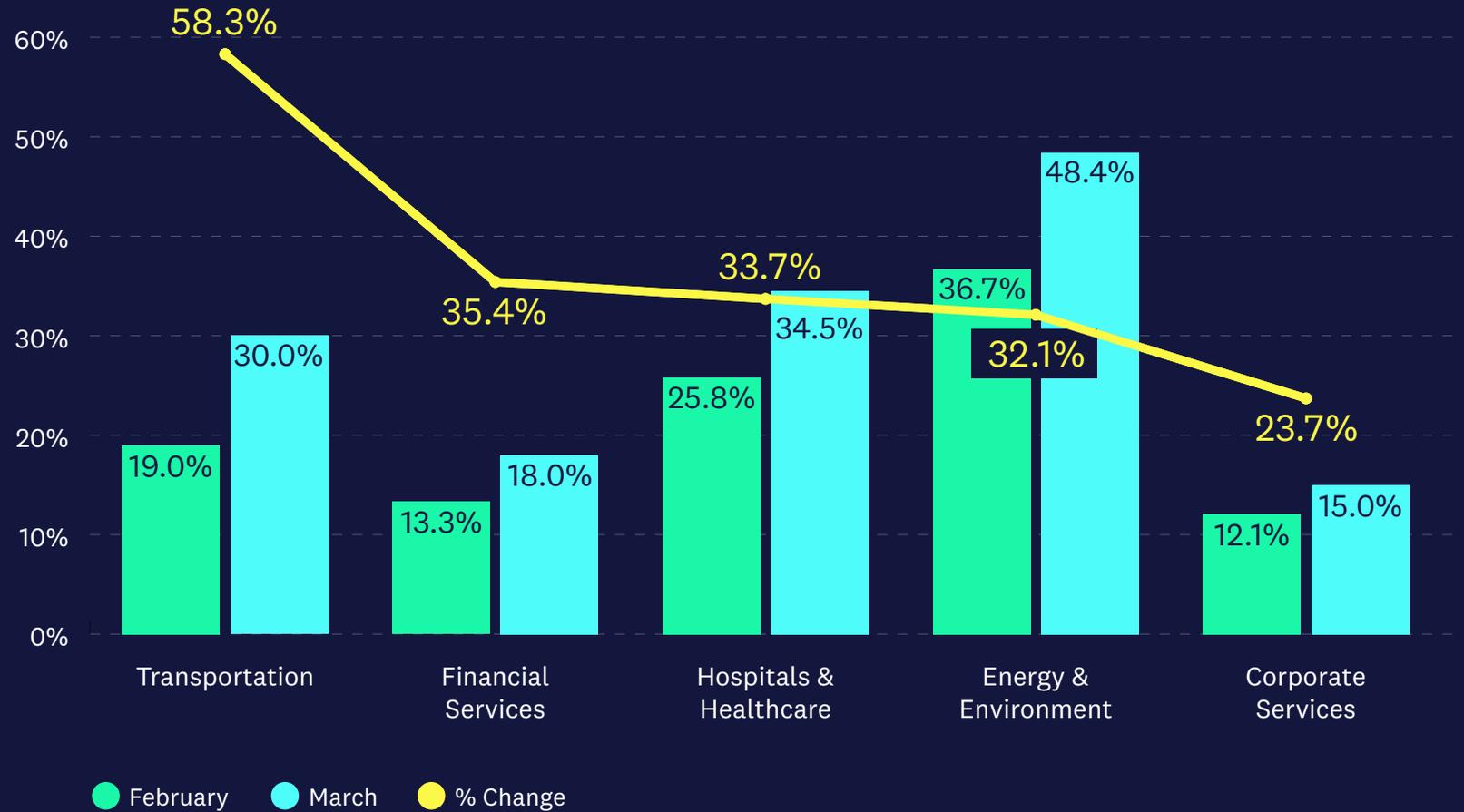
Open rates and sending volume by select industries



58.3%
Transportation
companies saw an
astonishing near
60% one month
increase in open
rates

Airlines and delivery service companies saw their worlds upended suddenly, with some companies grinding to a halt and others unable to meet demand. In either case, customers were clearly highly engaged and seeking information to understand the impact on them or their business.

Industries with the greatest change in Open Rates: February - March 2020



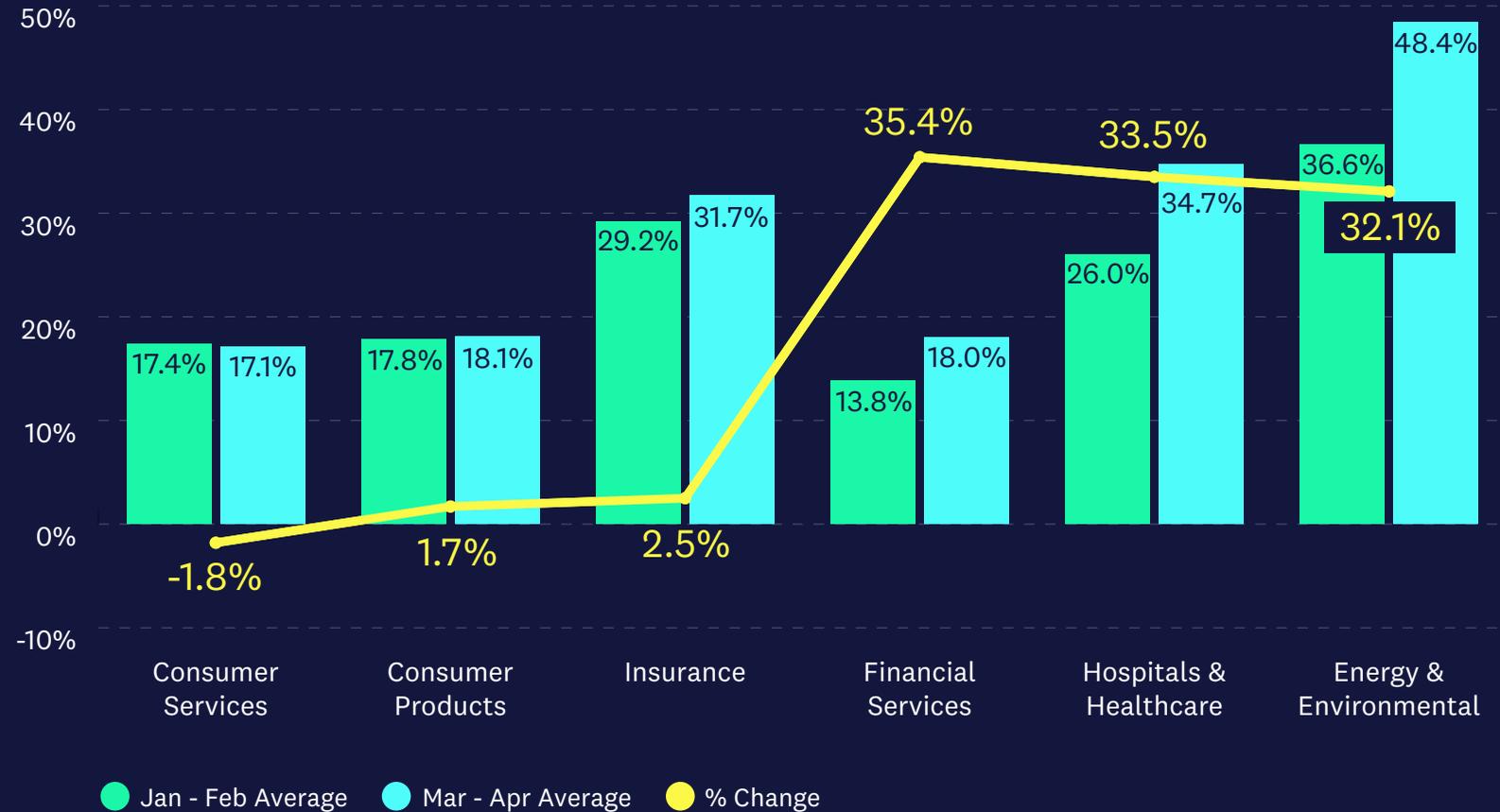
35.4%

Financial services firms saw the highest increase in open rates in March/April

During a global pandemic that has a significant impact on health and the economy, it is no surprise that consumers were more engaged with emails from their banks, investment firms and health providers.

On the flip-side, even though consumer brands greatly increased the volume of emails sent, recipients opened them in March and April at the same level prior to shelter in place orders.

Industries with the most and least change on Open Rate: Jan - Feb vs. Mar - Apr 2020



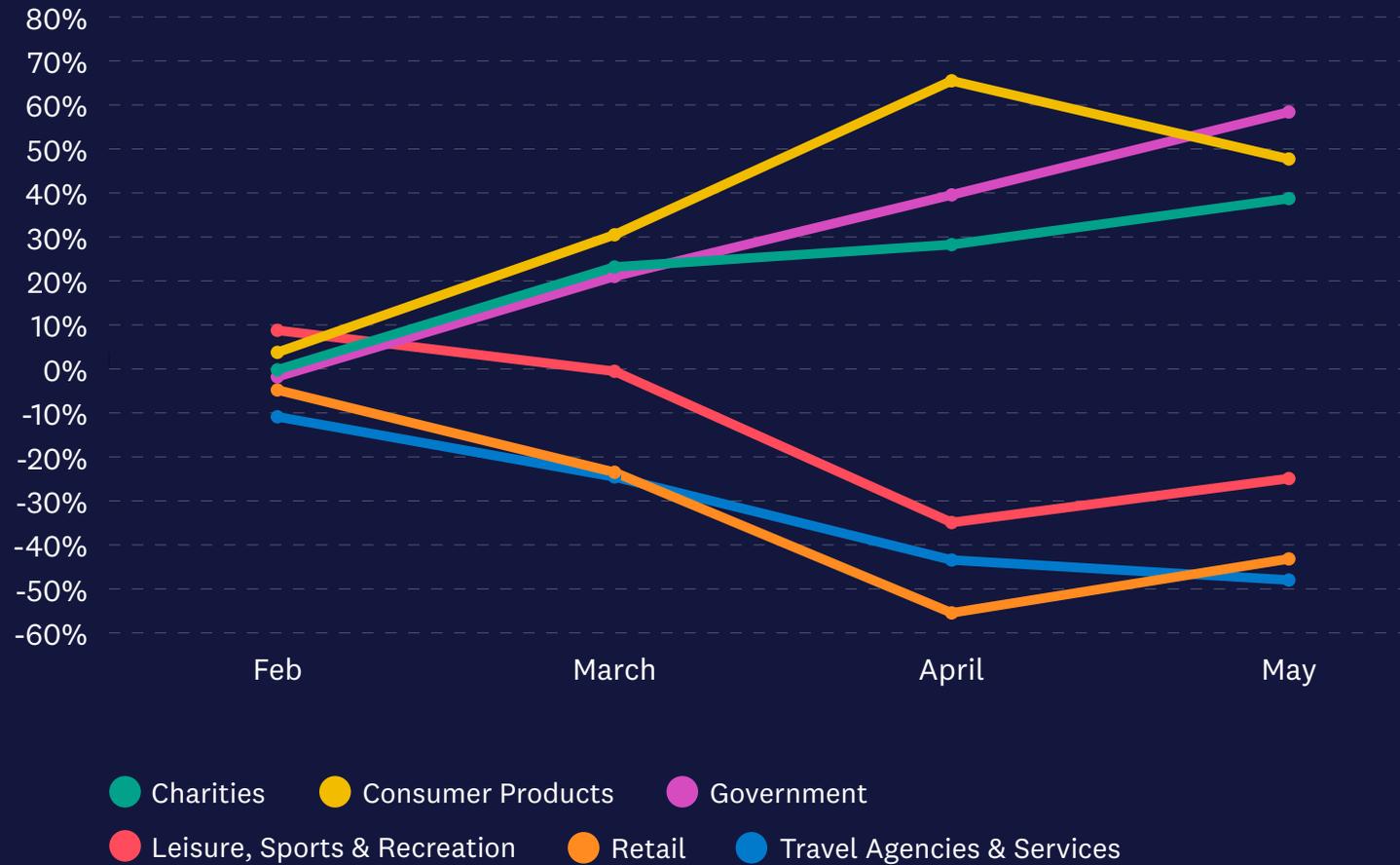
OPEN RATES AND SENDING VOLUME BY SELECT INDUSTRIES

65.5%
Consumer Products
companies saw
the largest volume
increase in April

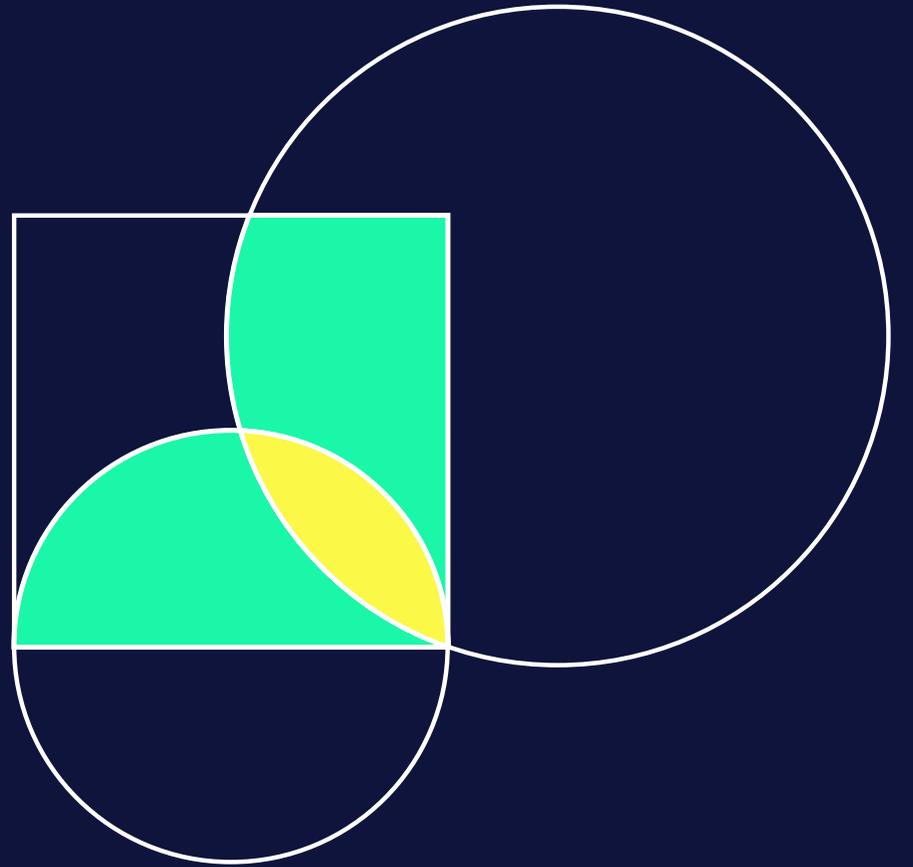
Unsurprisingly, industries that had the largest declines in sending volume, were those like travel, retail, and leisure and sports that were fully or mostly closed during the shelter in place orders.

Charities and government entities greatly increased volume due to urgency of communicating to donors and communities.

Industries With Highest and Lowest Email Sending Volume Change from January



Metrics by region:
January - May



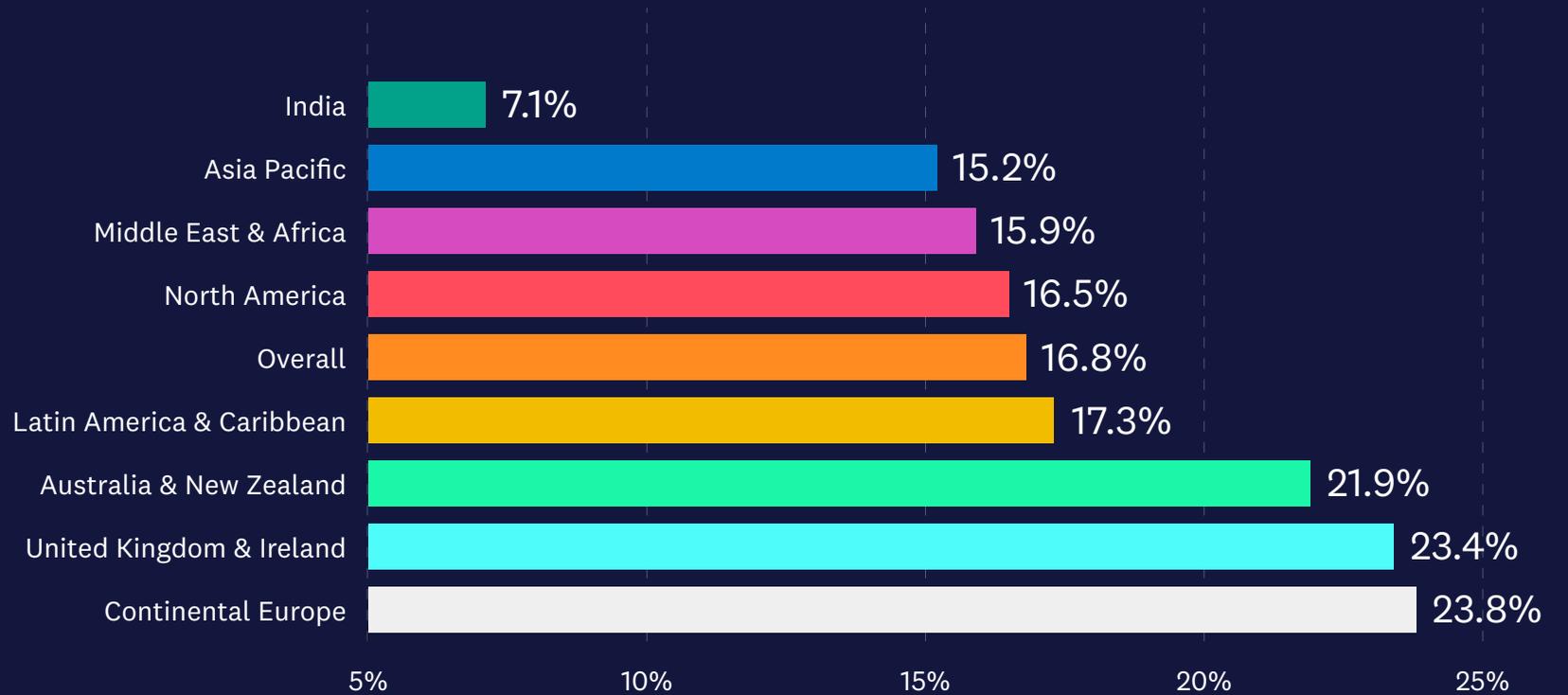
16.8%

Overall average open rate across all regions

Open rates from the five months January through May 2020 ranged widely from a high of 23.8% in Continental Europe and 23.4% in the U.K. and Ireland to a low of 7.1% in India.

North America fell in the middle of the pack at 16.5%, just below the overall average of 16.8%.

Average Open Rate by Geographic Region: January - May 2020



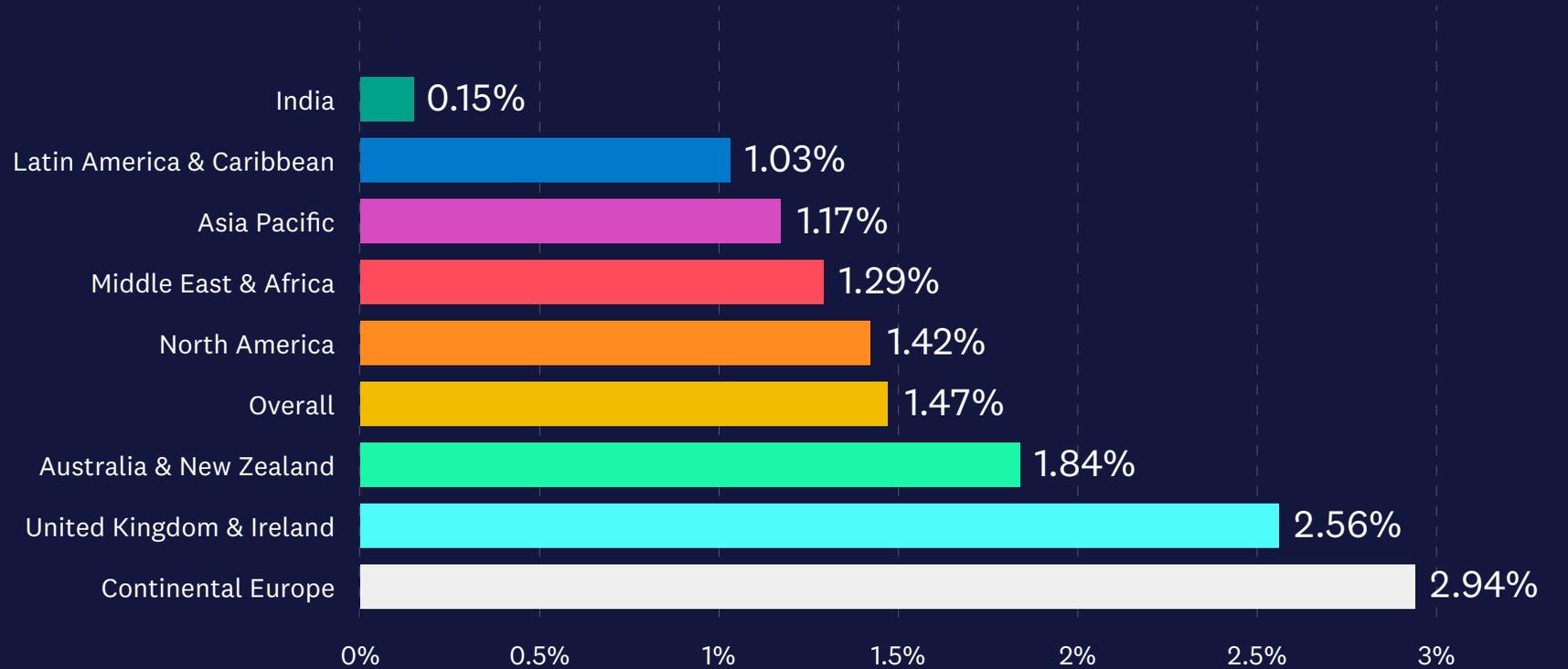
2.9%

Europe and the U.K. outpace the other regions in click-through rates

At 2.94%, brands in Continental Europe achieve CTRs double the global average of 1.47% and 1.42% of companies in North America.

As in our previous full-year benchmark reports, the countries and regions with strong permission and privacy regulations (GDPR, CASL) tend to greatly outperform markets where digital marketing and consumer adoption of email is earlier in its development.

Average Click-through Rate by Geographic Region: January - May 2020



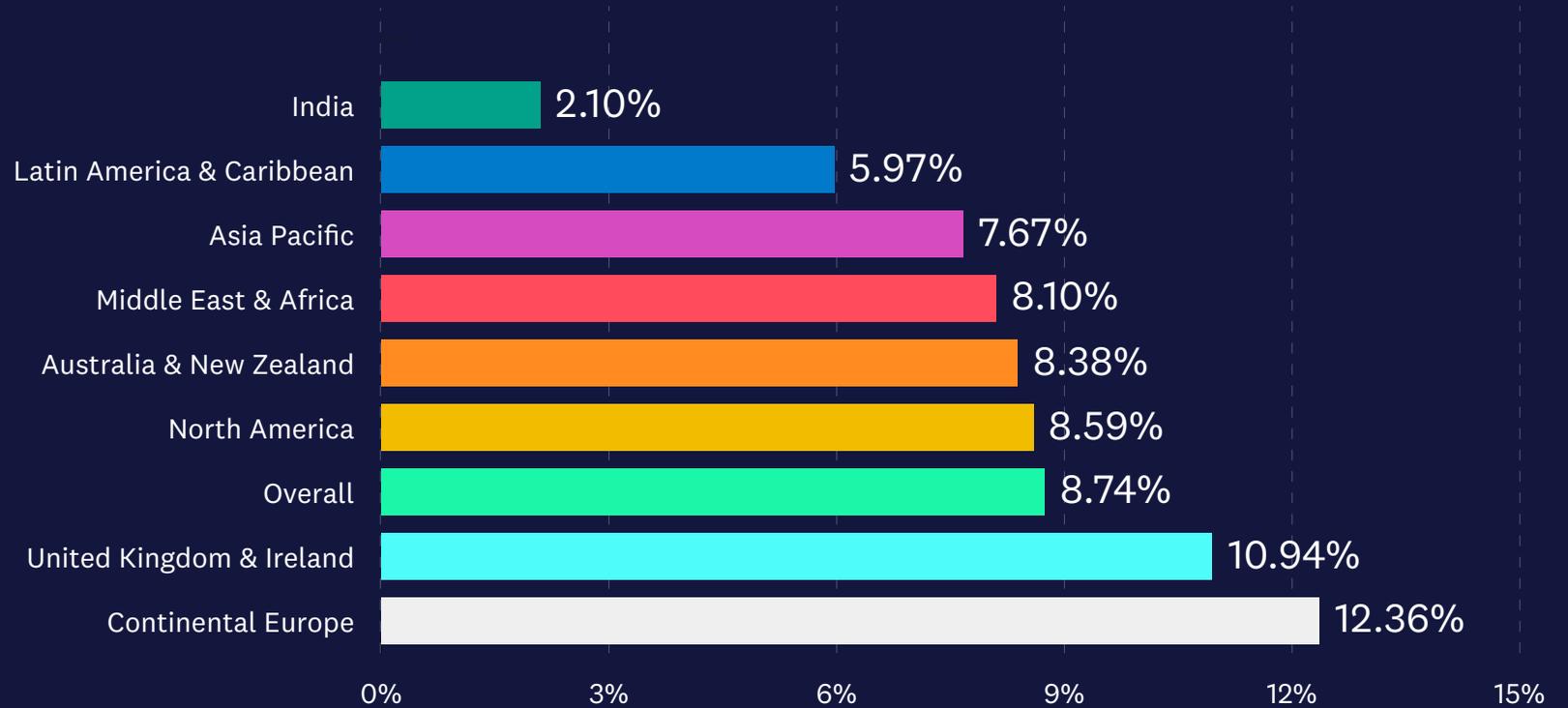
12.4%

Brands in Continental Europe (12.4%) and the U.K. & Ireland (10.9%) had the highest CTORs

Average CTORs for European brands significantly outperform companies from other regions at 42% higher than the overall average.

Four regions: Asia Pacific (7.67%), Middle East & Africa (8.10%), Australia & New Zealand (8.38%), and North America (8.59%) all had CTORs in the +/- 8% range.

Average Click-To-Open Rate by Geographic Region: January - May 2020

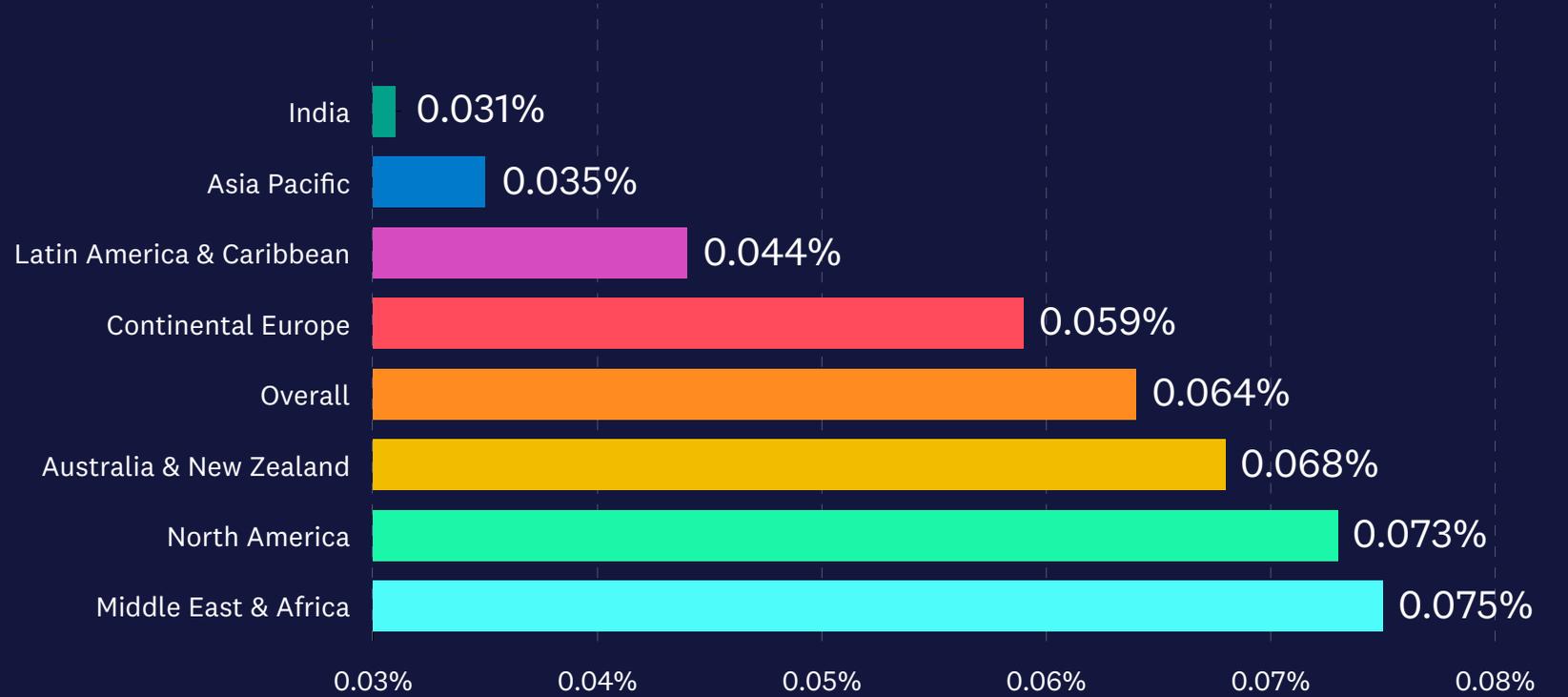


0.06%
People have
touted on social
media that they
opted out of
dozens of emails
during the
pandemic

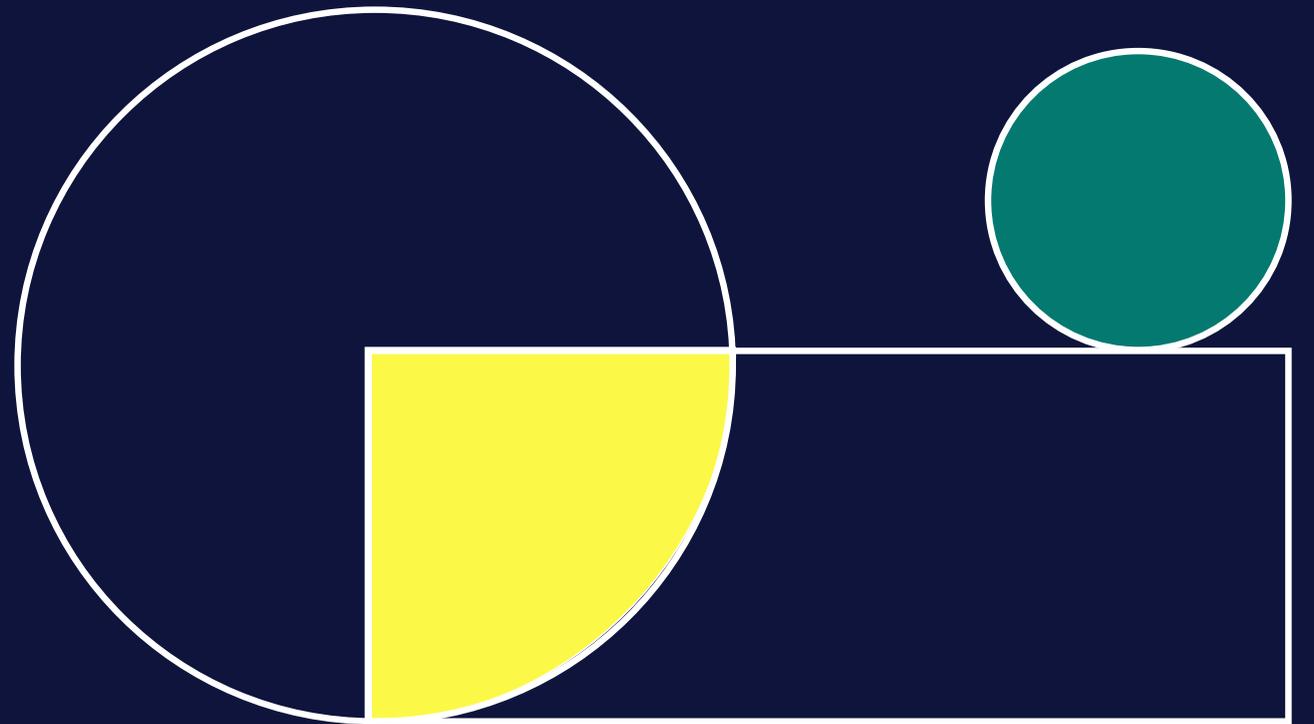
But our data across Acoustic customers didn't bear this out. During April and May, for example, there was no discernable change across industries and regions.

Part of this can be attributed to math; if you send emails more frequently, the total number of unsubscribes will increase, but the rate often stays flat or even decreases.

Average Unsubscribe Rate by Geographic Region: January - May 2020



Resources,
methodology,
and glossary



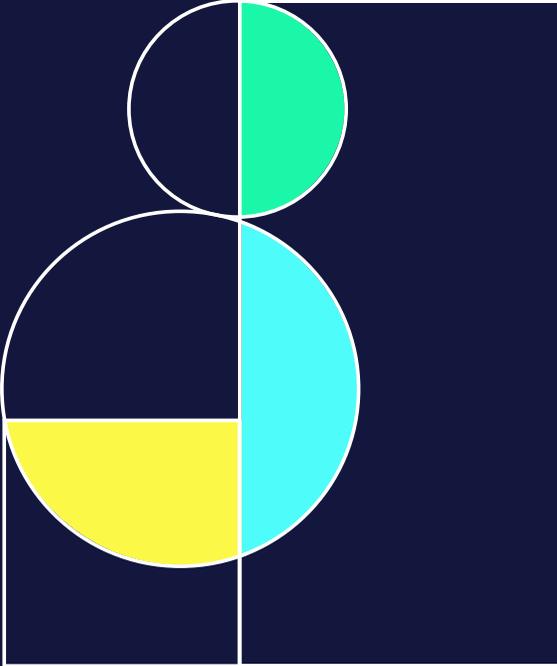
Resources

[Campaign overview](#) 

Explore how Campaign can help you create personalized customer experiences.

[Schedule a 30-minute consultation](#) 

Learn how to build smarter marketing campaigns.

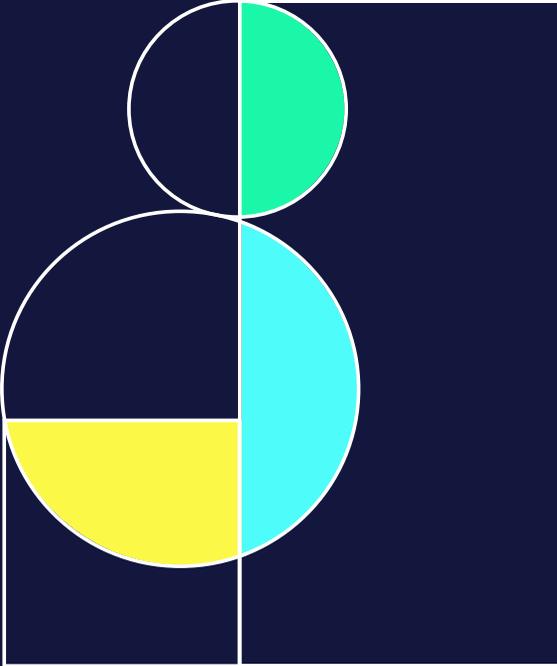


Methodology

This study analyzed email marketing messages deployed from January 1 through May 31, 2020 by thousands of customers that use the Acoustic Campaign marketing automation solution.

Unlike our previous full-year benchmark reports, this special report only includes “broadcast” promotional and content-based emails newsletters, but does NOT include automated/triggered or transactional messages.

Researchers analyzed various email metrics from brands based in more than 40 countries. Email marketing metrics are reported as Overall and, where possible, 1) by 9 geographic regions: Asia Pacific, Australia & New Zealand, Continental Europe, India, Latin America & Caribbean, Middle East & Africa, North America, and United Kingdom & Ireland, and; 2) by several selected industries.



Glossary

Click-through rate (CTR)

Measures the percentage of email messages that drew at least one click within the email. 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 emails identified as registering at least one unique click by the total number of delivered messages and multiply by 100.

Click-to-open rate (CTOR)

Measures the percentage of opened messages that recorded at least one click. To calculate, divide the number of emails identified as registering at least one unique click by the number of opened messages and multiply by 100.

Clicks-per-clicker

The number of times a recipient clicks on links in the same message.

Hard bounce

A message that generates a permanent delivery failure because the recipient's address doesn't exist or the account was closed.

Hard bounce rate

The percentage of sent messages that failed (bounced) because the address doesn't exist or the account was closed. To calculate, divide the total number of bounced messages by the total number of emails sent and multiply by 100.

Inbox message interaction rate (push)

The percentage of any post-open interactions taken by a user on a mobile application inbox message. These interactions include clicks, click to call and open app.

Inbox message open rate (push)

The unique number of times users opened a message in a mobile application's message inbox divided by the number of users who received the message in their app's inbox, multiplied by 100.

Inbox open interaction rate (push)

The number of unique inbox message interactions divided by the number of unique inbox message opens, multiplied by 100.

Non-transactional message

Promotional marketing messages (one-off and automated), newsletters, event announcements, etc., across any channel.

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." The implied open applies to 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.

Opens-per-opener

The number of times individual recipients open the same message. It measures the recurring value of the email's content to recipients.

Glossary (continued)

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.

Simple push (app) opens

The number of times that users click on a simple notification to open the mobile app associated with that push notification on a device such as a smartphone.

Spam complaint

A complaint registered by a recipient who indicates 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 in a direct message via a “feedback” loop with an ISP.

Spam complaint rate

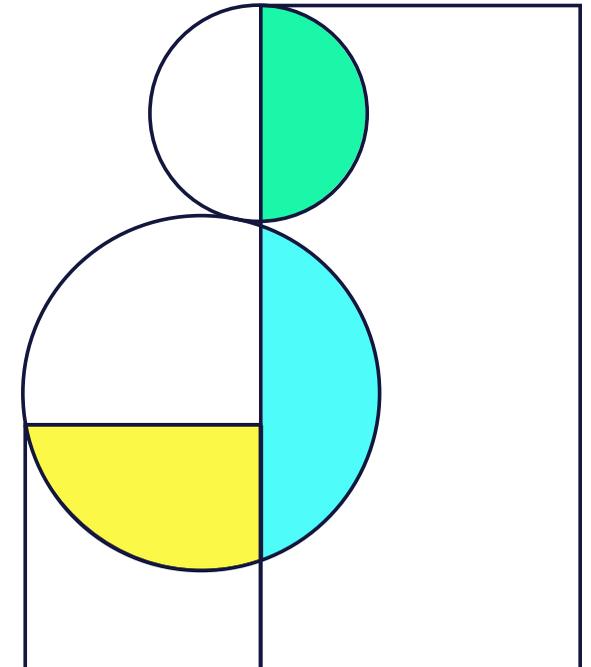
The percentage of delivered email messages that generate spam complaints. To calculate, divide the total number of spam complaints by the total number of delivered emails and multiply by 100.

Transactional message

A message that is triggered by a customer or prospect action such as an order/subscription confirmation or shipping update. Transactional messages can be sent at any time of the day, do not require opt-in and do not need to provide a call to action (CTA).

Unsubscribe rate

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



Industry category definitions

By segmenting benchmark data into various industry segments, we hope that this report provides greater value in enabling comparisons to similar companies. The categories range from fairly narrow to broader segments that combine related but different company types.

For each segment, we required a minimum number of companies to ensure reliable averages and to minimize the chance that outlier results would skew a segment's average higher or lower.

Charities

Nonprofit organizations, charities and trusts

Consumer Products

Manufacturers of consumer products, including those that also sell direct to consumer, but primarily their own products

Consumer Services

Personal services (e.g. spa, optometry), home and miscellaneous services

Corporate Services

Accounting, legal and consulting firms, miscellaneous business services

Energy & Environmental

Energy companies and utilities

Government

Government entities

Financial Services

Banks, financial/asset management, stock brokerages

Hospitals & Healthcare

Hospitals, health management services

Insurance

Providers of all types of insurance products

Leisure, Sports & Recreation

Amusement parks, sports teams, casinos, and gaming

Retail

Traditional and online retailers

Transportation

Airlines, freight carriers, shipping lines, automotive

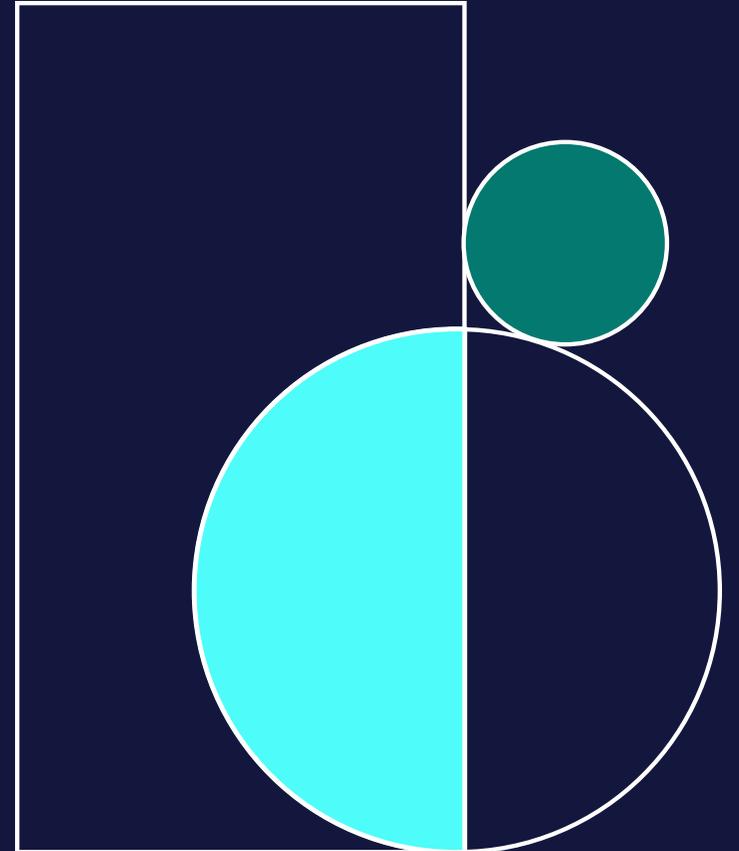
Travel Agencies & Services

Travel agencies and cruise lines

Who we are

Acoustic is an independent marketing cloud platform driven by a mission to unleash the brilliance in marketers. Acoustic offers the industry's leading open marketing ecosystem comprised of intuitive, AI-powered products that are purpose-built for marketers. Acoustic serves an international client base of more than 3,500 brands including Fortune 500 companies, providing digital marketing, marketing analytics, content management, personalization, mobile marketing, and marketing automation solutions.

For more information, visit www.acoustic.com.



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April 2020

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