

ANSWERS TO 5 KEY QUESTIONS ABOUT EMAIL MARKETING IN THE NEW ZEALAND ARTS SECTOR



Measuring email marketing activity in the New Zealand arts sector

Email marketing remains one of the most effective ways that arts organisations can communicate directly with their audiences.

The [Optimiser online marketing benchmarking programme](http://optimisernz.com/)¹ captures and compares sector-wide email marketing data. For the first time, the programme has enabled us to measure the level of use and performance of this important online marketing tool within the New Zealand arts sector. This information was used to address five key questions about email marketing in the New Zealand arts sector.

In the pilot year of Optimiser (1 July 2012 – 30 June 2013) we collected data from the Optimiser participants who were using an email management service (28 of the total 38 participants). We are continuing to collect a second year of data to make comparisons and undertake mini-studies and ongoing analysis of particular trends.

1. How much are New Zealand arts organisations using email marketing?

There is no doubt that use of email marketing by New Zealand arts organisations is increasing.

In 2010, seven out of the 28 organisations we were able to track collectively sent 198 individual email campaigns to a total of 374,890 recipients. In 2013 this had increased to 25 organisations collectively sending 1,538 individual campaigns to 10,766,511 recipients.

The average number of people that each email campaign was sent to grew significantly from 1,893 in 2010 to 7,003 in 2013. This indicates the increasing size of permission email lists that organisations have been building as a result of increased focus and capability in this area. This growth appears to be ongoing – between 2012 and 2013 alone there was 32.35% growth in the average number of emails sent per individual campaign.

Fig. 1: Annual email volumes across Optimiser participants, 2010 to 2013

| YEAR | 2010 | 2011 | 2012 | 2013 |
|------------------------------|---------|-----------|-----------|------------|
| Organisations using email | 7 | 18 | 27 | 25 |
| Number of campaigns | 198 | 468 | 1,472 | 1,538 |
| Average send | 1,893 | 3,131 | 5,291 | 7,003 |
| Individual emails dispatched | 374,890 | 1,465,290 | 7,788,924 | 10,766,511 |

¹<http://optimisernz.com/>

Fig. 2: Growth in Email Adoption, 2010 - 2013

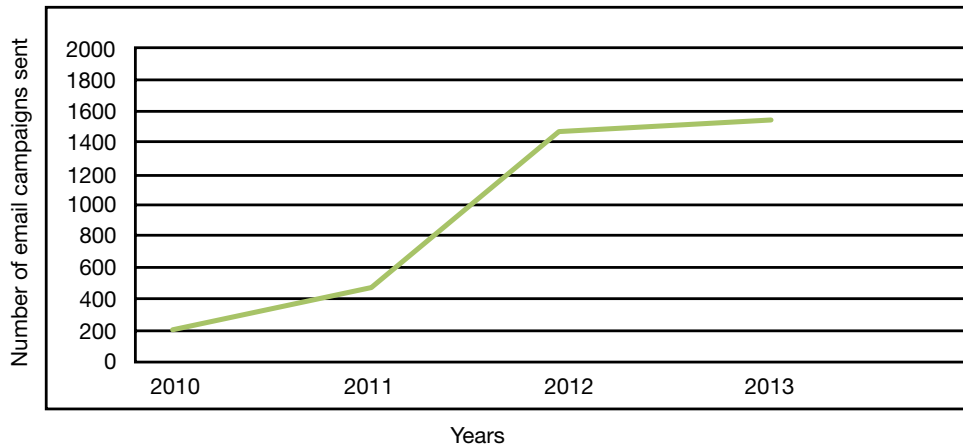
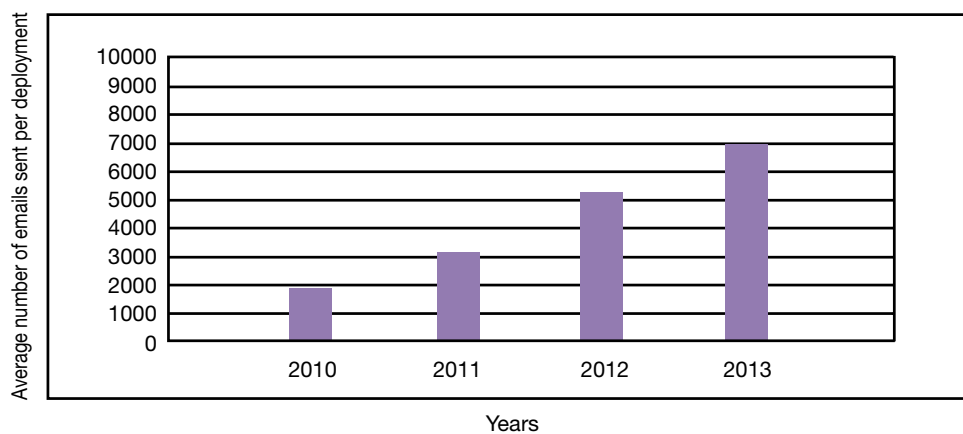


Fig. 3: Growth in marketing emails sent, 2010 - 2013



2. Are our email campaigns getting good responses?

Compared with some international email marketing benchmarks related to arts and entertainment, the New Zealand arts sector is showing average to above-average performance for Open and Unsubscribe Rates but below-average performance for Click Through Rates. The results below indicates that we have built up email communities who are happy to hear from us, but we are not succeeding in persuading most readers to take action as a result of our email communications.

The email management systems we had access to during the Optimiser pilot allowed us to collate and analyse the results of 3,279 email campaigns with an average number of 5,190 emails per campaign over the period 1 January to 30 August 2013. These had an overall average delivery rate (arrived successfully in the recipients' inboxes) of 98.6%.

We looked at a number of performance indicators for email marketing engagement across these campaigns combined:

- **Open Rate:** a measure of how many people who received the email actually opened it.
- **Click Through Rate (CTR):** out of all recipients, how many clicked on a trackable link within the email.
- **Click To Open Rate (CTOR):** out of only those who opened the email, how many clicked on a trackable link within the email.
- **Unsubscribe Rate:** the number of individuals who unsubscribed from the list in response to the email sent.
- **Complaint Rate:** the number of individuals who marked the email message as spam in their web mail client.

Open Rates

Across all email campaign deployments we analysed, the **average Open Rate was 24.30%**. Per organisation the average ranged from 21.56% to 53.40%.

Fig. 4: Open Rate across all email campaign deployments

| | Range Min | Range Max | Overall Average |
|-----------|-----------|-----------|-----------------|
| Open Rate | 21.6% | 53.40% | 24.30% |

Global data from the email marketing software provider, MailChimp² (used by a number of New Zealand arts organisations that took part in the pilot) shows that email campaigns in the “Entertainment and Events” category receive average open rates of 20.93%. The average open rate is higher in the “Art and Artists” category at 27.97%. Overall, our results sit between these two, although the organisations achieving open rates at the upper end of our range are performing extremely well.

Click Through Rates (CTR) and Click To Open Rates (CTOR)

Across all campaigns, the **average Click Through Rate was 2.39%**. Per organisation the average ranged from 0.54% to 17.08%.

Our average is slightly lower than the MailChimp global CTR average of 2.51% in the “Entertainment and Events” category and 3.28% in the “Art and Artists” category.

The average **Click To Open Rate (CTOR) was 9.82%** across all campaign deployments. Per organisation the average ranged from 1.36% to 36.14%.

This is low compared with other benchmarks we can find. [Global data from another email software company, Silverpop³](#) found that across all industries the average CTOR was 19.3% and in the non profit sector it was 20.1%.

²Average Email Campaign Stats of MailChimp Customers by Industry <http://mailchimp.com/resources/research/email-marketing-benchmarks/>

³Click-to-Open Rate: Are You Using This Gem of a Metric?, Loren McDonald, Silverpop, <http://www.silverpop.com/blogs/email-marketing/click-to-open-rate-metric.html>

Fig. 5: Click Through and Click to Open Rates across all campaign deployments

| | Range Min | Range Max | Overall Average |
|--------------------|-----------|-----------|-----------------|
| Click Through Rate | 0.54% | 17.08% | 2.39% |
| Click to Open Rate | 1.36% | 36.14% | 9.82% |

Unsubscribe and Complaint Rates

Across all, campaigns, the average **Unsubscribe Rate was 0.19%**. Per organisation the average ranged from 0.15% to 0.96%

This compares well with the MailChimp global unsubscribe average of 0.27% in the “Entertainment and Events” category and 0.29% in the “Art and Artists” category.

Fig. 6: Unsubscribe and Complaint Rates across all campaign deployments

| | Range Min | Range Max | Overall Average |
|------------------|-----------|-----------|-----------------|
| Unsubscribe Rate | 0.15% | 0.96% | 0.19% |
| Complaint Rate | 0% | 0.06% | 0.01% |

The average Complaint Rate is negligible – 0.01% average, with 0.06% being the top of the range. As a comparison, Mailchimp’s average is 0.04% for both relevant categories.

New Zealand arts organisations should be measuring and tracking their email campaigns and comparing their own results over time as well as against these sector averages. In his webinar “[Email marketing that converts to revenue](#)”⁴ in the Creative New Zealand 2014 Optimise Webinar Series, email marketing specialist John Voight from L2 Interactive⁵ suggests, “split testing emails to find out what drives opens and clicks”.

3. Are some days are better than others for sending email?

We discovered the best day overall to send emails to the arts community in New Zealand is Sunday. Thursday and Friday are the best working days to send emails. This is broken down below:

- Open Rates are highest for campaigns delivered on a Sunday (31.02%) and lowest for those delivered on a Monday (23.92%).

⁴Creative New Zealand 2014 Optimise Webinar Series – “Email marketing that converts to revenue”, John Voight, L2 Interactive <http://youtu.be/IgCDoCT3rEw?list=PL5BD757B2i70oADD2>

⁵<http://www.lynch2.com/>

- The weekdays (non weekends) on which campaigns received the highest open rates are Thursday (25.86%) and Friday (24.49%).

However engagement with emails measured by CTOR is highest during the week:

- Click To Open Rates are highest on a Wednesday (11.50%) and lowest on a Saturday (7.03%).

We came to the above findings by breaking down the 3,279 individual email campaigns by the day of week they were sent to see what impact this had on the key engagement metrics.

This aligns somewhat with results from Experian’s Asia Pacific: [Quarterly Email Benchmark Study](#)⁶ for Q4 2012, which found that “Monday was the preferred mailing day for Kiwis but other days have better engagement, with Sunday being the highest”.

Fig. 7: Email Campaign Deployments by Day of the Week

| DAY OF WEEK | MON | TUE | WED | THU | FRI | SAT | SUN |
|--------------------|--------|--------|--------|--------|--------|--------|--------|
| Open Rate | 23.92% | 23.80% | 24.47% | 25.86% | 24.49% | 27.51% | 31.02% |
| Click Through Rate | 2.15% | 2.40% | 2.81% | 2.34% | 2.49% | 1.93% | 2.70% |
| Click to Open Rate | 9.01% | 10.10% | 11.50% | 9.06% | 7.03% | 7.03% | 8.71% |
| Unsubscribe Rate | 0.17% | 0.20% | 0.20% | 0.21% | 0.23% | 0.23% | 0.27% |
| Complaint Rate | 0.01% | 0.01% | 0.01% | 0.01% | 0.01% | 0.01% | 0.01% |

We were interested to find that weekends were receiving higher open rates and explored this further by segmenting the data by weekdays versus weekends.

We found the following:

- The open rate for weekdays overall is 24.25% compared with a much higher rate for weekends of 27.76%.
- However, the Click Through and Click To Open Rates are higher for weekdays. CTR is 2.39% on weekdays compared with 2.04% at weekends. CTOR is 6.38% on weekdays compared with 4.52% at weekends.
- Unsubscribe rates are marginally higher at weekends (0.25%) than weekdays (0.19%).

Further research during the next phase of the pilot will explore whether the use of mobile devices at weekends could be contributing to the higher Open Rate, but lower Click Through Rate.

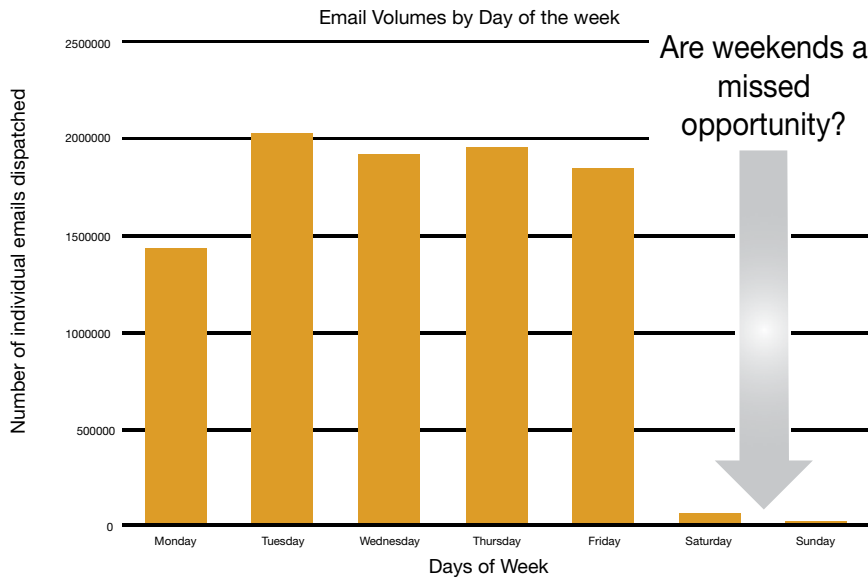
⁶Experian’s Asia Pacific: Quarterly Email Benchmark Study, Q4 2012 <http://www.experian.co.nz/assets/marketing-services/white-papers/ems-email-benchmark-q4-2012.pdf>

Fig. 8: Email campaigns deployed – weekdays versus weekends

| | Weekdays | Weekends |
|--------------------|-----------|----------|
| Campaign | 1,684 | 50 |
| Dispatched | 9,200,784 | 98,927 |
| Delivered | 9,200,784 | 98,176 |
| Delivery Rate | 98.06% | 99.24% |
| Unique Opens | 2,187,720 | 27,250 |
| Open Rate | 24.25% | 27.76% |
| Unique Clicks | 215,246 | 2,001 |
| Click Through Rate | 2.39% | 2.04% |
| Click to Open Rate | 6.38% | 4.52% |
| Unsubscribe Rate | 0.19% | 0.25% |
| Complaint Rate | 0.01% | 0.01% |

Despite the higher Open Rates at weekends, arts organisations in New Zealand send most email communications during the week. 97% of email campaigns are sent on weekdays mostly between 9.00am and 5.00pm. With only 3% of email campaigns sent at the weekend when open rates are typically higher, it seems we could be missing a significant opportunity to get more response from our email communications.

Fig. 9: Email Volumes by Day of the Week



4. What types of email are getting the best results?

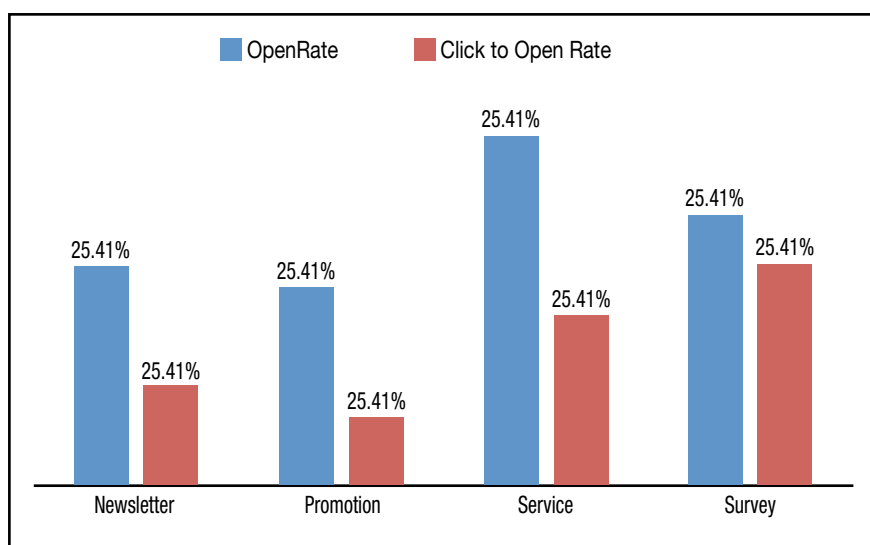
Overall we found that that arts audiences in New Zealand are responding best to emails of an informational and customer-service related nature. Open and Click Through Rates are lowest for the promotional messages that should be aiming to convert recipients into a purchase or other action.

Breaking down the 3,279 individual email campaigns by type gave us a clear view of the sorts of emails that are most likely to get engagement from New Zealand arts audiences. We defined and used four categories:

- **Newsletter:** Editorial-style, informational, regular communications, often with a title such as “Q-notes”.
- **Promotion:** Promotional in style, such as an e-flyer, with a distinct message or offer.
- **Service:** Providing a customer service such as show or parking information or updates.
- **Survey:** Invitation and link to a customer survey for research purposes.

We found that Service emails are by far receiving the highest average Open Rates (40.69%), followed by Surveys (31.58%) and then Newsletters (25.41%). Click Through Rates were the lowest for Promotion emails (8.07%) – those that we might hope would drive people to further exploration and purchase.

Fig. 10: Open and Click to Open Rates by type of email



5. Emails by region – is bigger better?

We were curious to see whether there were differences between rates of response to emails sent from organisations in Auckland, Wellington and the other centres. We found that email campaigns from our Wellington and regionally-based Optimiser participants have a much higher open rate on average than those from our Auckland-based participants. The Click Through Rate is also significantly higher for our Wellington Optimiser participants.

Fig. 11: Email Deployments by Region

| | Metro Auckland | Metro Wellington | Regional |
|--------------------|----------------|------------------|----------|
| Campaigns | 2,184 | 805 | 290 |
| Dispatched | 15,305,443 | 1,298,018 | 415,869 |
| Average Send | 7,008 | 1,612 | 1434 |
| Delivered | 15,099,237 | 1,270,482 | 412,623 |
| Delivery Rate | 98.65% | 97.88% | 99.22% |
| Unique Opens | 3,550,744 | 440,964 | 132,023 |
| Open Rate | 23.52% | 34.71% | 32.00% |
| Unique Clicks | 322,782 | 75,862 | 13,471 |
| Click Thru Rate | 2.14% | 5.97% | 3.26% |
| Click to Open Rate | 9.90% | 17.20% | 10.20% |
| Unsubscribe Rate | 0.18% | 0.37% | 0.31% |
| Complaint Rate | 0.01% | 0.03% | 0.01% |

We also segmented the data by organisation size, using the number of full-time employees (FTEs) as a measure. The largest organisations (20+ FTEs) with higher average sends per campaign (and therefore larger mailing lists) appear to be receiving lower average Open and Click Through Rates (23.48% and 9.41% respectively) for their email campaigns. The highest average Open Rate based on organisation size is 33.79% across those with 10 to 20 FTEs. The highest average CTR (14.05%) was across organisations with 6 to 10 FTEs.

Fig. 12: Email campaigns by organisation size

| FTE | 1-5 | 6-10 | 10-20 | 20+ |
|--------------------|-----------|---------|-----------|------------|
| Campaigns | 1,362 | 619 | 670 | 628 |
| Dispatched | 3,435,655 | 682,455 | 1,066,121 | 13,024,378 |
| Average Send | 2,523.00 | 1,103 | 1591 | 20,739 |
| Delivered | 3,417,382 | 659,936 | 1,053,958 | 12,826,958 |
| Delivery Rate | 99.47% | 96.70% | 98.86% | 98.48% |
| Unique Opens | 938,746 | 214,754 | 356,148 | 3,011,879 |
| Open Rate | 27.47% | 32.54% | 33.79% | 23.48% |
| Unique Clicks | 103,124 | 30,172 | 32,927 | 283,312 |
| Click to Open Rate | 10.99% | 14.05% | 9.25% | 9.41% |
| Click Thru Rate | 3.02% | 4.57% | 3.12% | 2.21% |
| Unsubscribed Rate | 0.27% | 0.37% | 0.23% | 0.17% |
| Complaint Rate | 0.02% | 0.02% | 0.01% | 0.01% |

What is Optimiser?

Optimiser is a pilot project in the Creative New Zealand Optimise online marketing capability building programme, led by senior arts marketing consultant Vicki Allpress Hill of The Audience Connection. Online marketing data is collected and benchmarks developed so arts marketers can compare their results against those of other similar New Zealand arts organisations.

The Optimiser Benchmarking Programme is a really important part of the puzzle for us, it is vital for giving us context to our online results”

Lauren Whitney - Associate Director New Zealand Comedy Trust & NZ International Comedy Festival.

The Optimiser pilot commenced early in 2012 and first results were published late 2013. We acknowledge with gratitude our Optimiser project partner Tim Robert of ARTS Australia who made a major contribution to this work during the pilot phase. Tim sadly passed away in April 2014. He spent hours extracting, collating and analysing this email marketing data from the participants' varying email management systems, and as an outcome identified some valuable insights and trends. We are delighted to be able to share his work with you in this paper. Tim's major contribution to this project and the New Zealand arts industry as a whole is much missed.

Read more about Optimiser at <http://optimisernz.com/>

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