2023 Email Trends

A TRENDS REPORT FOR UPMO PRACTITIONERS

Bright Brothers

STRATEGY GROUP

A Word From Us

A client recently asked us for industry benchmarks around email as a communications channel. While many email platforms, providers and digital marketing websites track email statistics by industry, **the urban place management organization (UPMO) industry is specifically unique.** And to date, there was no known research or benchmarking available, according to the International Downtown Association.

This presented an opportunity to study the state of our industry — to define standards, identify benchmarks, and help the place management industry gauge performance on the whole. The information and insights are both useful and **valuable for understanding how your specific organization tracks against your peers,** as well as identifying industry standards that can be useful in goals setting, planning and strategic growth.

While some may decrie email as an outmoded medium, the fact remains that **from a performance marketing perspective, email remains the number one channel** for marketing and communications, constituent engagement and supporting your organization's activations, events and initiatives. It should not be overlooked.

Ready to see how you stack up? Read on and let us know if you have any questions!

With sincere regards,
Your Bright Brothers Team

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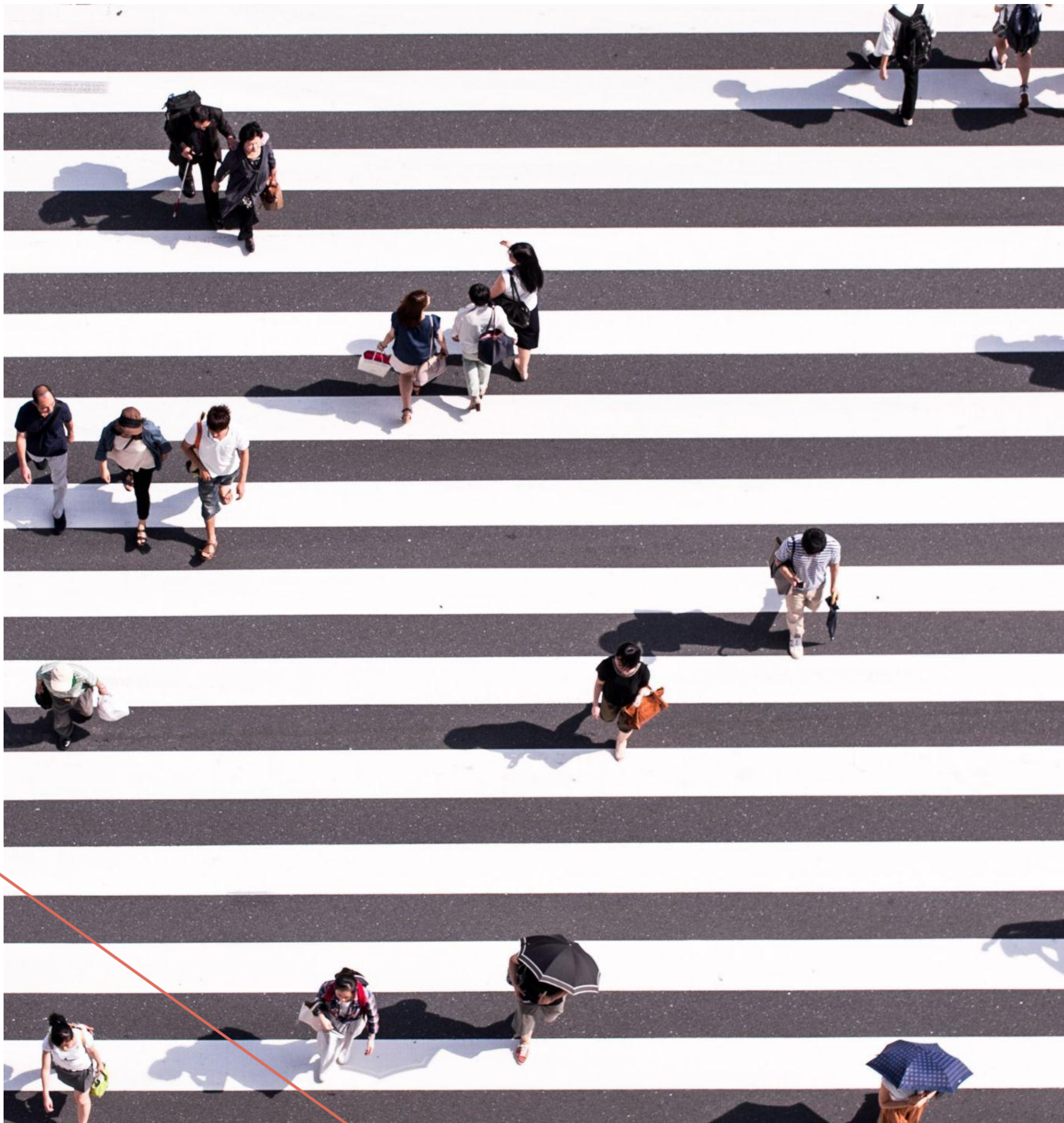
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OVERVIEW

The research behind this Trends Report was conducted via online survey, targeted specifically to the UMPO industry. The survey included mandatory and optional questions, to offer additional insights. Response data was aggregated and anonymized, and all survey participants are:

- place management practitioners
- members of the International Downtown Association
- working specifically within the MarCom team for their respective organizations

The survey collected responses from 8 May 2023 through 29 May 2023. Please note that percentages may not add up to 100% due to rounding and/or the acceptance of multiple responses.

The two main questions we set out to answer were about average Open Rates (OR) and Click Thru Rates (CTR), and we asked for more insights. Participants were happy to share!

So read on to learn so much more about your peers' performance utilizing email as a marketing channel.

Survey Says!

UPMO Email Stats
OPEN RATES

According to Wikipedia, "The email open rate is a measure primarily used by marketers as an indication of how many people "view" or "open" the commercial electronic mail they send out. It is most commonly expressed as a percentage and **calculated by dividing the number of email messages opened by the total number of email messages sent** (excluding those that bounced.)"

We posed the question, **"When looking at email performance over the past year, what is your average open rate?"**

Some districts separate their lists between general consumer lists (the public) and stakeholder e-blasts (ratepayers, members, board members...etc.), so for those who reported two separate figures, we blended their responses to obtain a **fully blended average** (which was not statistically different from standard responses overall).

The total average open rate (OR) is 37%.

INSIGHTS
Responses varied by district — although size of local population and district resources did not seem to have an impact on email open rate performance.

What we found interesting is that roughly 12% of organizations had an open rate at, or just above 50% (well, done!) and 12% had ORs lower than 30%. So if we remove the highest and lowest anomalistic outliers, the average open rate is 31%.

So if your organization's email blasts are being opened **anywhere from 31% to 37%** you are statistically well-performing overall.

When looking at email performance over the past year, what is your average open rate?

Total average open rate (OR) is 37%

CLICK THRU RATES

Total average click thru rate (CTR) is 7.22%
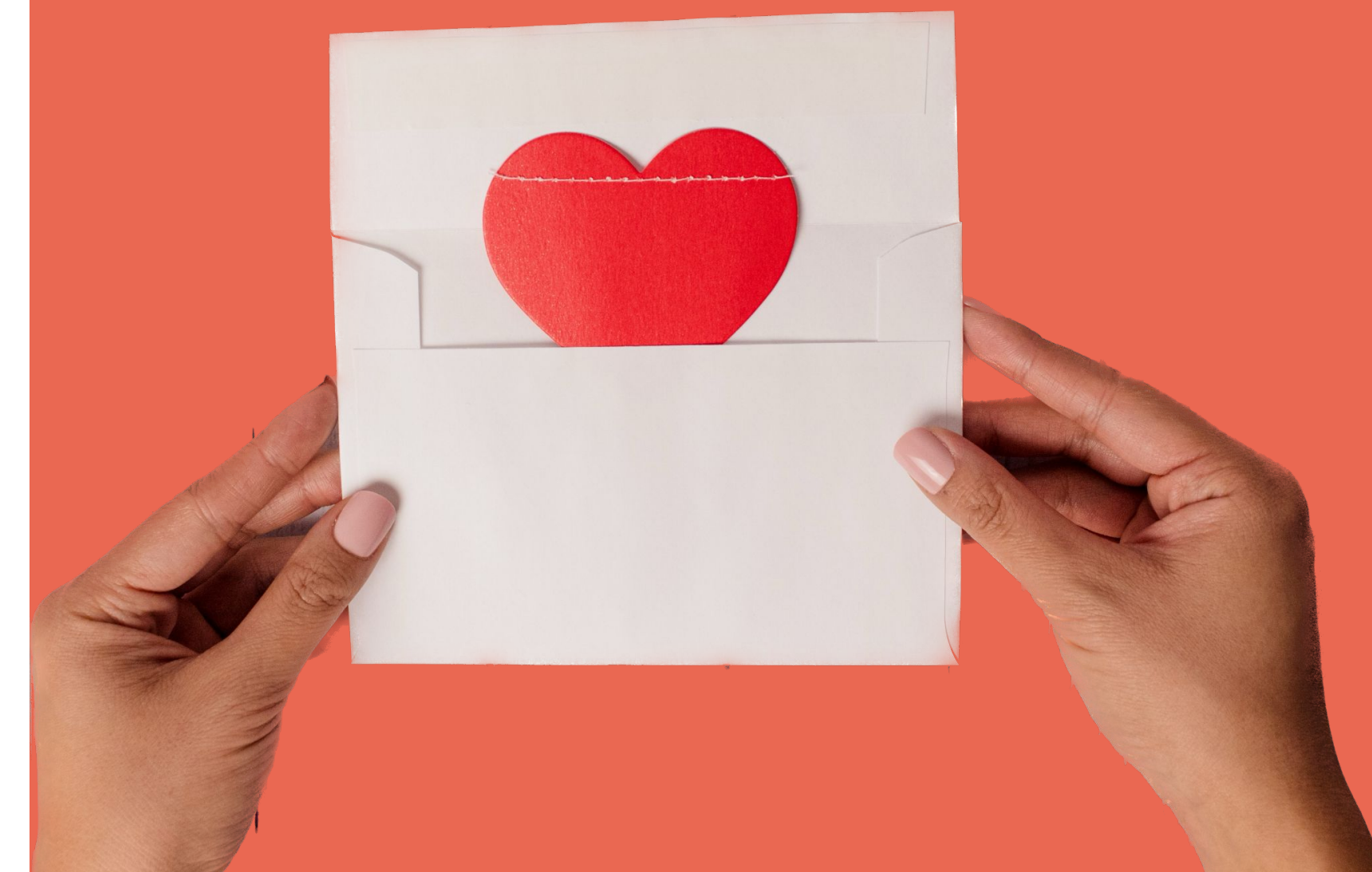
According to top-rated industry platform MailChimp, "The click-through rate represents the percentage of people who not only opened the email but also clicked on the link or ad in the email". Please note, that we prefer the simplified spelling of "click thru rate" or CTR and use this nomenclature in this Trends Report.

We asked respondents, "**When looking at email performance over the past year, what is your average Click Thru Rate?**"

For districts that send different emails to public and stakeholder lists, the trend intuitively showed that stakeholders had a higher CTR than the general public. Or at least, one would hope your stakeholders, members and ratepayers click through more than the general public. This was statistically substantiated for the roughly 12% of responding orgs that reported back separate rates.

To ascertain an overall average CTR, we blended all rates responded, and **the total average click thru rate is 7.22%.**

INSIGHTS
Click thru rates again varied wildly across organizations, (with no correlation between district size, staffing or number of residents) although to a much lesser degree than the delta on open rates. To gain a truer sense of CTR, we removed the top and bottom anomalous outliers in responses, and honed in on the median CTRs. After removing super high and very low responses, we get a truer number of 4.50% average click thru rate.

Of note, the lowest CTR we saw (for a public list) was >2%, and the highest came in at a whopping 37%! So if your organization's email content is being clicked on **anywhere from 4.5% to 7.22%** you are statistically very well performing overall.

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Districts have different audiences types and most districts separate their stakeholder lists (think ratepayers, members, board) from their general consumer or public-facing lists. It makes sense to segment in this fashion. While the general public want to hear from you about activities, events and "things to do" within your district. they probably don't give a hoot about municipal A-frame requirements, changes in tax levies or façade improvement grant application deadlines, right?

So we asked the question, "**Does your organization maintain separate lists for consumers (locals, event attendees, general public) and stakeholders (ratepayers, district merchants, businesses)?**"

A majority **88% of districts segment their lists** between general public and stakeholders. That's not surprising.

INSIGHTS
We wanted to take deeper look at performance of the districts that do NOT separate or segment their email communications, and what we found was interesting. Of the roughly 12% of district respondents that do not separate lists:

- Half serve a local population of under 100K residents, and half fell into the 500K - 1MM category. *In this case, size doesn't matter.*
- 100% of these districts had smaller staff sizes with only one or two dedicated MarCom employees leading the communications charge. *Lean, mean MarCom machines!*
- 100% were statistical outliers at the top of the scale when looking at both Open Rates and Click Thru Rates. *Their dedicated teams are killin' it!*
- Half sent emails weekly, and half every other week. *Frequency, and staying top of mind may lead to better performance.*

UPMO Email Stats
FREQUENCY

If you're a fan of the band REM, you may recall them asking the seminal question, "What's the Frequency, Kenneth?" — but here we're looking at *how often* UPMOs send out e-blasts to their subscribers. In our survey, we asked, "**In general, how frequently does your organization send out informational e-blasts?**"

Survey respondents chose from multiple choices, and the spread was fairly regulated:

- The top answer was **"Weekly" with 57%** of districts doing it every week
- The next largest sample of respondents noted that they blast **"Every Other Week", clocking in at 31%**
- And finally, the smallest number of respondents answered **"Monthly" with just 12% of orgs** doin' it with the moon.

INSIGHTS
Of the districts that only blast monthly, **they consistently had VERY high Open Rates (of about 47%)** and average CTRs, and were among the smallest MarCom staffs — with roughly **one person managing all of their Marketing and Communications** for the district. This begs the question, does scarcity incite demand? Possibly.

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We all know that email compliance to regulations like the federal CAN-SPAM Act, and other rigorous legislation domestically can seriously impact your ability to do business. It's best to err on the side of caution, and use a vetted 3rd party platform for sending e-blasts to subscribers.

Additionally, easy-to-use WYSIWYG templates and email builders empower your communications with eye-catching design, the ability to deliver responsive blasts that look great on any device, and include tools, dashboards and metrics for easy management. So we weren't surprised to learn that all respondents confirmed they use a 3rd party platform.

When asked, "**Does your organization use a 3rd party email platform like Constant Contact, Citylight, MailChimp...etc.?**" — **100% of respondents concurred** that they do.

INSIGHTS
The U.S. Congress passed the **CAN-SPAM Act in 2003**, and compliance is overall fairly logical and easy, especially when using a vetted 3rd party platform. The penalties for non-compliance are severe, including fines and penalties totaling up to $43,280 for each email sent if found to be in violation.

Additionally, **some states have specific data privacy requirements** that pertain to email marketing, like California's CCPA, which require companies that market services or products to consumers in California to comply with email marketing guidelines to **protect data privacy**. While CCPA doesn't directly regulate email marketing, its rules are relevant to eblasts, as the personal information the law refers to, can include email addresses and other data collected through email marketing. Violations can be costly with a maximum fine of $2,500 per unintentional violation and up to $7,500 per intentional violation! Best to play it safe!

UPMO Email Stats
ADVERTORIAL

Conceptually somewhat similar to influencers, certain publishers allow you to sponsor content in their e-blasts to reach their subscribers. This is a proven form of media buy, if the publisher maintains a good list. For example, let's say your district is hosting a "wine & dine" event. You may wish to sponsor the local culture rag's e-blast and send a targeted email to fans of their food and drink list to promote ticket sales or event attendance.

While considered a vetted method, we were somewhat surprised by the responses when we asked in our survey:

Has your organization ever purchased in-email advertising, advertorial, sponsored content or paid an outside publisher or platform to get your message to their targeted list?

- 50% said "No, we haven't"
- 18.75% said "We have in certain special circumstances as part of an integrated marketing strategy or media buy, but it's not something we typically do"
- 18.75% said "Yes, we have"
- 6.25% said "We'd like to but not sure where to begin"

INSIGHTS
Depending on the size of the list, the quality of the list and the publisher, sponsored e-blasts can be excellent tools for growing awareness, promoting consideration and/or driving sales or attendance with a solid call-to-action.

Note that not all respondents answered this question.

TEMPLATE DIFFERENTIATION

Different people have different needs, as the Depeche Mode song "People Are People" reminds us. And that's why districts might use a different template to communicate with a different audience. **Since 100% of responding place managers use a 3rd party platform** to send out their eblasts, swapping the templates should be pretty straightforward and easy to do. We wanted to know how many districts differentiate their template based on the audience they intend to reach, and their message. So we asked:

Does your organization utilize different email templates for different needs/audiences? Example, general public template, stakeholder template, event-specific template (farmers market, wine walk, art festival).

In a fairly resounding response, the majority or **85% of districts use different templates for different messaging needs/audiences.**

INSIGHTS
Looking for a correlation, we dug deeper into the responses, and of the districts that did NOT use different templates, their Open Rates were average to well above average, and their CTRs were average to the top of the scale in terms of percentages. So no correlation there. Perhaps the lack of different templates is anomalous, or statistically insignificant, since **only 15% of districts use the same template for all messaging needs.**

MULTIVARIATE TESTING

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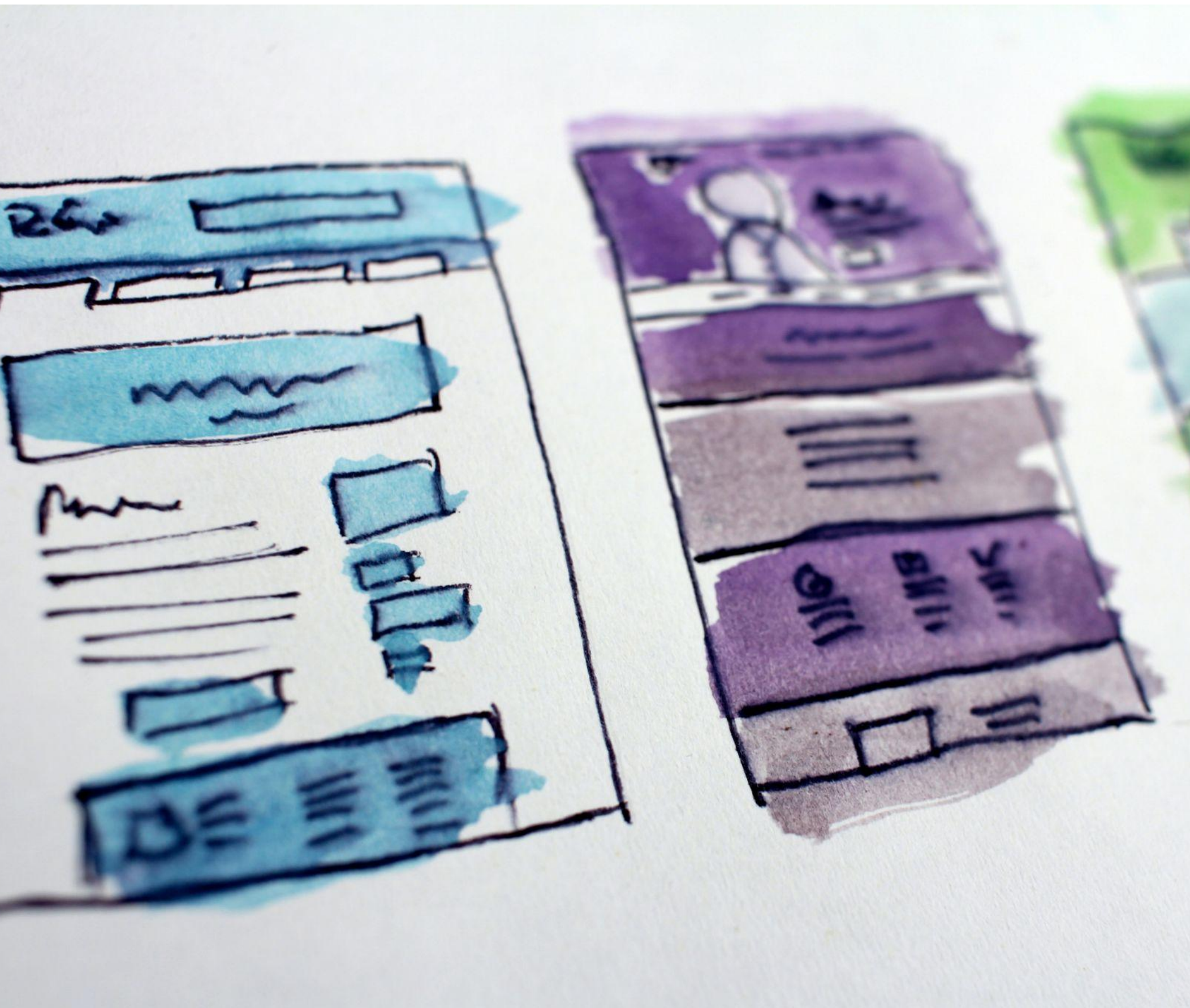
"Vive la différence, as the French are known to say! Embracing differences can lead to quantifiable outcomes. In this scenario **we're talking about A/B split testing and multivariate testing**. And when it comes to emails, there are all sorts of things marketers can test; from the design of an eblast template, landing page design, testing different versions of copy, imagery and more. It requires thoughtful planning, consideration of your target audiences, as well as your goals as an organization. The question we posed to survey respondents had multiple possible answers, and we've distilled the responses, based on the way they answered. We asked:

Does your organization utilize multivariate or A/B split testing for emails, templates, imagery, content or landing pages? Please select all that apply:
- Template
- Imagery
- Copy
- Landing Pages

INSIGHTS
85% of respondents do NOT do multivariate or even A/B testing. Of the 15% of districts that do multivariate tests (in all 4 categories) — they had an average Open Rate of 39% and a 4.4% CTR -- so they're statistically middle of the road against both metrics.

"Design is the intermediary between information and understanding."

— Hans Hoffman, artist and teacher

UPMO Email Stats
GRAPHIC DESIGN

In looking at how graphic design is handled by your peers, we asked:

Does your organization have dedicated, in-house graphic design resources that assist in developing email content? Examples: email headers, event graphics, buttons...etc.

- 50% answered "Yes, we have paid staff who handle this"
- 31.25% said "No, we outsource our graphic design needs"
- 18.75% answered "We have a hybrid model with some things designed in-house and some developed by an outside entity/agency/freelancer"

INSIGHTS
Districts that outsource graphic design tended to be **"middle of the road"** from a staffing perspective (makes sense), with an **average of 2.1 MarCom staff and a total staff size averaging at nearly 12 headcount.** They were neither large enough to employee graphic design staff in-house, and not too small, where one or two folks are managing all district operations.

UPMO Email Stats
CHANNEL VALUE

Admittedly, the MarCom team in any organization is one of the most heavily relied-upon, and often ends up as a catch-all for endeavors, initiatives and projects of all kinds — if there's even a remote aspect of "creative" involved. The marketing landscape is ever-evolving and with technology leading the way, MarCom managers must stay abreast of the latest changes, trends and platforms to remain competitive and meet your target audiences where they're at. So from social media to content strategy to events and activations to annual reports and more — email marketing is but one piece of the media mix puzzle. As the number one performance marketing channel, we asked survey respondents to rank email's importance for their org:

On a scale of 1 to 5, with one being the lowest, and five being the highest, how important is email communication to your overall marketing mix?

The average answer was 4.5 / 5 overall, and the responses broke down as follows:
- 56.25% answered 5 or most important
- 37.5% answered 4 or somewhat important
- 6.25% answered 3 or neutral

INSIGHTS
The level of importance UPMO marketers place on email is justified. According to leading 3rd party provider Constant Contact — **More than 90 percent of businesses say email marketing is important to their company's overall success. 41 percent say it's very vital—up nearly 30 percent since before the pandemic in 2019**. Hence, email is considered one of the most effective channels for marketing, with 79 percent of marketers placing it in their top 3 (and customers ranking it as #1!)

UPMO Email Stats
CH, CH, CHANGES

Always challenged to stay ahead of the competition, and at the top of their game, we wanted to know **how districts may alter change their approach in the coming year.** So we asked:

Over the coming year, does your organization plan to alter its approach to email communications, by adding or removing resources, allocating more or less budget to email communication programs or switching to a more sophisticated platform?

- 75% answered "We plan to stay about the same"
- 12.5% indicated "We plan to allocate more time, budget or resources to our external email communications"
- 6.25% indicated "We plan on making better use of tracking tools and A/B testing"

INSIGHTS
The marketing smarties over at HubSpot reported that — **QA, A/B, and spam testing your emails leads to higher ROI.** Enjoy up to a 28% higher return when you put testing to work for your email program.

UPMO Email Stats
GOAL SETTING

As the old saying goes, **"that which gets measured, gets done"** and this is especially true in marketing, where we can apply metrics, meaning and plan growth for just about anything we do. We wanted to better understand **how organizations in the place management industry approached goal setting** with regard to email performance, so we asked:

Does your organization have quantifiable goals for email list growth, increased frequency, performance or improved quality of communications?
- 50% responded that, "Yes, we're constantly trying to improve our email efforts"
- 25% responded that, "No. If it ain't broke, don't fix it"
- 6.25% responded that, "Improvements are always on our radar and will likely be prioritized as a future goal for our team in 2024"
- 6.25% responded that, "Working to establish them"
- 6.25% responded that, "We are aware but not really going [*sic*] anything new as long as it says steady"
- 6.25% responded that, "No, too understaffed to put together goals"

INSIGHTS
In looking at the division in responses, overall **the majority of districts have a *kaizen* approach,** meaning they're working toward **"continual improvement"** — and that's good to hear! And of those who responded in other ways, we truly feel for the district that is too understaffed to put together goals. It's kind of like driving around aimlessly in a jalopy with no seat belts or functioning dashboard and just hoping you don't go off a cliff. Maybe they're adrenaline junkies. Maybe they like it that way. We can't say for sure, but we can guarantee you that if you need help with KPIs, measurement or goal setting, we're here to help.

Diving a bit deeper in the goals category, we further asked our survey respondents to tell us more about goals setting and measurement overall. And the results were interesting! If you're struggling to measure the impacts of marketing overall, you're not alone.

Does your organization struggle with accurately measuring the impact of your MarCom programs, KPIs, metrics and outcomes?

- 37.5% responded, "No, we don't need help"
- 18.75 % responded, "We think we're doing a great job but could use a sounding board"
- 18.75 % responded, "Unsure"
- 12.5% responded, "Yes, we struggle to put together goals"
- 6.25% responded, "We struggle with resources being able to have the time to measure KPIs"

INSIGHTS
Basically, **we have three categories of responses here**. Those that are good with how they're measuring MarCom impacts and success, those who think they're on the right path, but perhaps need external validation, and the final group is either struggling putting together their goals and/or finding the time to measure their efforts.

For those doing well, we say keep it up! For the groups struggling or unsure (especially the "sounding board" folks — **this is very common**). In fact, many of our clients are doing a fantastic job, but crave external perspective to say they're on the right path, or they should pivot here, test this, or try that. Just let us know if ya need a helping hand.

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UPMO Email Stats
ANECDOTALLY SPEAKING

While the survey provided a lot of quantifiable data, **we wanted to hear about some qualitative wins and successes from different districts.** We asked the question:

What's the best email campaign or single e-blast your organization has ever sent? Tell us about it, and why it was successful or memorable? The feedback is fun and exciting to read!

- "Generally blasts sent 1-3 days before a big event, with content focused on that singular event, have the best results for us. However, we save these for major events due to staff capacity and not wanting to send TOO many emails. We always include many events in our weekly blasts."

- "Not necessarily by the numbers our "best", but from a content perspective it felt really good. It was during the pandemic (first lockdown) and shared messages of hope and how our local businesses are serving the community during this difficult time. A rare moment in time where everyone is dealing with this giant "thing" (the pandemic) that affected everyone."

- "Our best performing e-blast in the past year was the announcement of our new CEO. Successful most likely because of the anticipation of the choice, as well as their connections."

- "An email blast about a city-sponsored Open Streets effort (closing 1.1 miles of a major road to cars) got a 64% open rate; people are really interested in what's going on in the neighborhood and eager to participate."

Yep, this all tracks! **And kudos to those of you who mark these wins.** Hopefully there were cocktails involved in celebrating these accomplishments *and* your communities!

UPMO Email Stats
ANECDOTALLY SPEAKING

One list hygiene trend we examined in a previous Trend Report is called an **"Opt Out Strategy".** Subscriber lists experience fatigue. That's normal. Priorities change. People move away. Things happen. That's just life.

Clinging onto disengaged subscribers hardly helps your stats. Regular list hygiene and maintenance is part and parcel to managing a healthy base of subscribers. One district that responded to our survey shared a proactive win with us. They scrubbed their list using logic, as opposed to asking to part ways with bedraggled subscribers. They shared with us:

"We use MailChimp and scrubbed the list of those who had the lowest open rates (approximately 0%–10%) — it ended up being a little over 1/5 of our total list in all. Since the open rate was around 27% previously, naturally this pushed the number up to 38% after we scrubbed the subscriber list."

Way to go for being proactive, and getting those performance numbers up!

UPMO Email Stats
PEER INSIGHTS

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Wanna hear about your peers? In this section we did a breakdown of the data that survey respondents shared with us. about the organization, staffing and communities. Again, we'd like to underscore that any and all published feedback is anonymous, but the data may help you get a sense of where your district sits when compared to UPMO peers who responded to our survey. We asked:

What's the size of your local population?
- 43.75% of respondents support a population of 100,001 to 500,000 residents
- 37.5% of respondents support a population of under 100,000 residents
- 12.5% of respondents support a population of 500,001 - 1,000,000 residents
- 6.25% of respondents support a population of over one million residents

What's the size of your total staff?
- The average total staff headcount is about 14 people
- But, if we take out the top orgs (18.75%) that had staff over 30, the average headcount falls to 7 staff members, which is more aligned with what we see as the norm

And then looking at MarCom staff only:
- The average number of MarCom staff is 2 people
- The largest MarCom staff reported was 4 people
- Conversely, the smallest MarCom staff was ZERO! So that's one person wearing MANY hats!

Note that 75% of respondents plan on attending IDA Chicago this fall, so get ready to meet your peeps in October!

In Sum

In Sum
CLOSING THOUGHTS

While this Trends Report initially set out to ascertain two industry baselines for Open Rates and CTR, it ended up being so much more. And we love that! One of the things we respect most about the urban place management industry is that, on the whole, you love to share with your peers! While in many industries your neighboring districts might be perceived solely as your "competition" — we've met the most amazing colleagues and clients though IDA. And you're always ready to share what worked, what didn't and what could be done better. That helps float all the boats.

Overall, we say "well done, you!" and **would like to thank all the practitioners who took time from their busy schedules to help make our industry better. Thanks for taking the survey!**

For those of you struggling with goal-setting, metrics, KPIs or even just need an unbiased 3rd party to provide a professional opinion, we're here to help. We've developed specialized strategies and custom solutions for dozens of your peers, provide educational and capacity building sessions for stakeholders, help guide your strategic planning and offer professional design solutions.

How can we help you? Give us a shout!

With sincere regards,
Your Bright Brothers Team

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Thank You
FOR READING OUR TRENDS REPORT!

GOT QUESTIONS? WANT TO LEARN MORE?

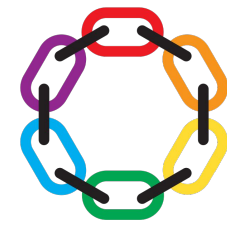josh@bright-brothers.com 267.648.5798

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"We hired Bright Brothers to help us in advance of our new site build. The experience and deliverables were invaluable in defining the tone, copy, voice and needs and wants of our target audiences. We have found the personas to be invaluable – especially during COVID when we had to switch a virtual Annual Conference and set up a new weekly webinar program. And not only myself and the marcom manager use them, but the whole staff!"

Allison Shashok
V.P. MEMBERSHIP, MARKETING & OPERATIONS
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