

Mobile Email Opens Report

First Half 2011

By Knotice

November 2011



About This Report

Knotice (pronounced “notice”) provides highly-targeted marketing communications through today’s primary direct digital channels of email, mobile, online advertising and the Web. As a result of Knotice’s unique and unified platform capabilities, the company is able to offer an advanced level of analytics as well as key insights on timely and relevant topics – in this case, the degree of email open activity occurring on mobile devices for permission-based email marketing campaigns.

As with Knotice’s previous Mobile Email Opens Report, the mobile email open rate is a measurement of email opens occurring on mobile devices (including tablets) compared to the opens occurring on desktop computers (including laptops). The mobile email open rate is not a measurement of mobile email opens compared to all emails delivered. Knotice’s Mobile Email Opens Report for the first half of 2011 (Q1/Q2) has been updated to document not only the rate of email opens occurring on mobile devices in the U.S., but also includes mobile click-rate metrics. Tracking the share of opens occurring on mobile devices is a specific metric not widely found in the email marketing industry. Supplementing the open metrics with click data offers us a clearer picture of how mobile users are truly engaging with email – from the initial decision to open the email, to the very important decision to take action on the message or not.

The mobile click rate we are introducing in this report is a measurement of email clicks occurring on mobile devices compared to the email opens occurring on mobile devices. This equates to the click-to-open (CTO) rate with which email marketers are well versed.

Overall Mobile Email Opens by Device and Operating System (OS)

The following represents the percentage of all email opens occurring on a mobile device, by mobile operating system (OS) or device, based on a composite cross sampling of approximately 701 million emails sent across 11 industry segments in the first 6 months of 2011. This first table includes percentages for desktop email opens in Q1 and Q2 2011. The lower rows reference those same percentages in Q4 2010.

Mobile - Q1/Q2 2011								Desktop - Q1/Q2 2011			
iPhone	iPad	Android	Windows	BlackBerry	Palm	Total	Windows	Mac	Linux	Total	
12.78%	3.92%	3.15%	0.05%	0.01%	0.22%	20.24%	65.72%	13.87%	0.17%	79.76%	
Mobile - Q4 2010								Desktop - Q4 2010			
iPhone	iPad	Android	Windows	BlackBerry	Palm	Total	Windows	Mac	Linux	Total	
8.74%	2.00%	1.92%	0.31%	0.15%	0.25%	13.36%	70.27%	16.19%	0.18%	86.64%	

Mobile Email Opens Climb, Up by 51%

In the first half of 2011, steady growth in mobile email open rates continued, which should come as no surprise. The share of all email opens occurring on mobile devices in the first half of this year was 20.24%, compared to 13.36% for Q4 of 2010. This represents a 51% increase in mobile open rates in just a few months, which lends further evidence to the accelerating rate of mobile adoption as previously forecast.

Mobile Operating Systems

Mobile is a dynamic environment made up of different combinations of devices, OS, and browsers. Although the above is technically blending devices (iPhone and iPad) with operating systems (Android), we believe this is the most intuitive and useful way to look at the data for summary purposes. (We do provide device-level detail for marketers participating in the report.)

The saying goes: A rising tide lifts all ships. Since the overall rate of mobile email opens is increasing so dramatically, identifying a particular standout from the operating systems and device formats is not so simple. Well-known market trends are reflected in the mobile email opens data: Apple's iOS and Google's Android operating systems are the clear market leaders, while RIM's BlackBerry and Microsoft's Windows Mobile operating systems continue to languish. In this same period, it seems Palm and Symbian have evaporated entirely as business units, if not yet in device activity.

Apple's iPhone and iPad continue to see increases in mobile email open rates that outpace their market share and relative growth trends. The rate of email opens occurring on iPad devices increased nearly 100% since Q4 of last year, while opens occurring on iPhones increased by approximately 50% during the first half of the year. In that time, the Android operating system surpassed iOS in overall market share. While the share of email opens occurring on Android devices increased a healthy 64%, this increase and the overall email open activity doesn't quite map to the operating system's explosive adoption rate and number one market position.

Windows Phone and BlackBerry operating systems continue to lag far behind the leaders. While this reflects overall market trends which have seen their respective market shares shrink in 2011, the overall open rates are nonetheless surprisingly small. Note that some very low numbers may be a product of how an email open is recorded, which is based on downloading email images. Image download (i.e., "show images") is not a default setting for these operating systems (as well as some Android devices). This means the measured number of opens appears to be far lower than what may actually be occurring based on that trigger.

Mobile Email Opens by Industry Segments

	Mobile Email Opens by Industry Segment – Q1/Q2 2011						
	iPhone	iPad	Android	Windows	BlackBerry	Palm	Total
Association	7.67%	4.50%	1.28%	0.00%	0.01%	0.05%	13.55%
B2B	4.66%	0.86%	.92%	0.19%	0.00%	0.06%	6.77%
Cable & Telco	12.84%	3.99%	3.21%	0.04%	0.01%	0.22%	20.42%
Consumer Products	8.65%	2.27%	2.44%	0.15%	0.04%	0.15%	13.73%
Consumer Services	19.97%	2.77%	6.84%	0.16%	0.07%	0.51%	30.49%
Education	11.33%	2.52%	1.62%	0.00%	0.01%	0.23%	15.78%
Entertainment	14.63%	2.73%	3.64%	0.05%	0.04%	0.17%	21.41%
Financial Services	8.35%	1.94%	1.48%	0.02%	0.00%	0.03%	11.86%
Health Care	7.68%	1.77%	1.90%	0.00%	0.03%	0.06%	11.48%
Hospitality	13.33%	3.93%	2.49%	0.08%	0.02%	0.18%	20.13%
Retail	13.31%	3.72%	2.67%	0.05%	0.03%	0.21%	20.07%

Breaking down the mobile email opens data by industry segment provides some interesting insights. Categories such as B2B (6.77%, up from 3.03%), Cable & Telco (20.42%, up from 12.03%), Consumer Services (30.49%, up from 15.61%) and Entertainment (21.41%, up from 7.63%) saw significant increases in mobile open rates, some with more than 100% increase in mobile opens when compared to the last quarter of 2010. It's important to note how much customer behavior and the brand relationship influences the penetration of mobile by segment.

Conversely, the mobile open rate within the Retail segment is essentially unchanged moving into 2011 (20.07% in early 2011 compared to 20.08% in Q4 2010). This may be seen as surprising considering the rising tide phenomenon, which would lead to the conclusion that Retail mobile open rates would be higher in the first half of 2011. However, when considering mobile use within context, it makes more sense. With the assumed spike in mobile open rates during the busy holiday shopping season, the fact that the numbers have remained steady post-holiday and into traditionally slower retail months may in fact reflect the same trends we see in other segments. Data for the first half of 2012 will provide additional clarity on whether or not this is a plateau or increase in mobile email opens activity.

Mobile Email Click Activity by Industry Segment

For the first time the Mobile Email Opens Report includes mobile click-to-open (CTO) rates (measure of click activity within the email once opened). The data reveals that while more and more users are opening emails with mobile devices, the number of users who take action by clicking on links within the email from mobile devices is far lower than the click rates seen for desktop users.

Q1/Q2 2011	Mobile Email Click Activity			Desktop Email Click Activity		
BY INDUSTRY	% Opens	% Clicks	CTO %	% Opens	% Clicks	CTO %
Association	13.55%	9.24%	4.87%	86.45%	90.76%	7.49%
B2B	6.77%	2.61%	5.17%	93.23%	97.39%	13.98%
Cable & Telco	20.42%	12.27%	5.43%	79.58%	87.73%	9.95%
Consumer Products	13.73%	9.39%	18.99%	86.27%	90.61%	29.17%
Consumer Services	30.49%	16.23%	10.83%	69.51%	83.77%	24.52%
Education	15.78%	8.76%	3.54%	84.22%	91.24%	6.92%
Entertainment	21.41%	10.08%	8.28%	78.59%	89.92%	20.11%
Financial Services	11.86%	11.46%	14.32%	88.14%	88.54%	14.89%
Health Care	11.48%	5.11%	11.57%	88.52%	94.89%	27.86%
Hospitality	20.13%	12.34%	9.74%	79.87%	87.66%	17.42%
Retail	20.07%	11.54%	11.00%	79.93%	88.46%	21.17%

Only in the Financial Services industry segment do the mobile CTO rates approach parity with those seen with desktop users. In most cases, the mobile CTO rate languishes far behind the desktop rates.

There are many factors at play here. First, the use case for mobile email openers can be far different than for desktop users. These users may simply be quickly reviewing or even purging an inbox on their mobile device with no intent or time to act. It can also be a result of poor email experiences for mobile users. More and more marketers are optimizing email for mobile viewing, but these experiences remain few and far between. Even if a mobile user is interested in taking action, an email designed only with desktop users in mind may make it extremely challenging to do so.

While some marketers resist optimizing email for mobile, rationalizing that a poor mobile email experience can be reopened once the recipient is at their desk, the data clearly shows that is not happening. Only 3.09% of the 701 million emails sampled were opened on both mobile devices and desktop (same email opened on each). And of that 3.09%, only one-third are opening on mobile device first, viewing the same email on desktop later. This further reinforces that the concept of “they can read it later on a desktop version that renders better” just isn’t happening with consumers. Conversely, this means that 97% of the time, emails not properly optimized for mobile are likely being ignored or deleted during “inbox triage” (i.e., prioritizing of tasks, sometimes opening on both desktop and mobile).

It’s worth noting that approximately 16% of all retail emails opened are opened exclusively on mobile, so it’s obvious that mobile optimization remains a priority for email marketers. We anticipate that percentage of mobile-only opens to increase as mobile adoption rates continue to climb.

Mobile Email Click Activity by Operating System

Comparing the share of all email opens occurring on mobile devices with the mobile click-to-open rates (raw number of mobile clicks divided by raw number of mobile opens) brings interesting revelations, as seen below.

Q1/Q2 2011	Android		iPad		iPhone		BlackBerry	
INDUSTRY	% Opens	CTO %	% Opens	CTO %	% Opens	CTO %	% Opens	CTO %
Association	1.28%	9.09%	4.50%	4.02%	7.67%	4.05%	0.01%	200.00%
B2B	0.92%	10.54%	0.86%	4.82%	4.66%	3.41%	0.00%	832.18%
Cable & Telco	3.21%	10.45%	3.99%	5.91%	12.84%	3.38%	0.01%	604.35%
Consumer Products	2.44%	21.83%	2.27%	18.49%	8.65%	15.51%	0.04%	705.56%
Consumer Services	6.84%	15.22%	2.77%	10.06%	19.97%	7.44%	0.07%	549.72%
Education	1.62%	6.85%	2.52%	3.46%	11.33%	2.72%	0.01%	820.00%
Entertainment	3.64%	13.03%	2.73%	9.08%	14.63%	6.34%	0.04%	185.64%
Financial Services	1.48%	19.00%	1.94%	14.86%	8.35%	13.10%	0.00%	400%
Health Care	1.90%	25.00%	1.77%	10.71%	7.68%	8.64%	0.03%	0.00%
Hospitality	2.49%	16.52%	3.93%	9.27%	13.33%	7.54%	0.02%	674.93%
Retail	2.67%	19.49%	3.72%	11.18%	13.31%	7.75%	0.03%	717.70%

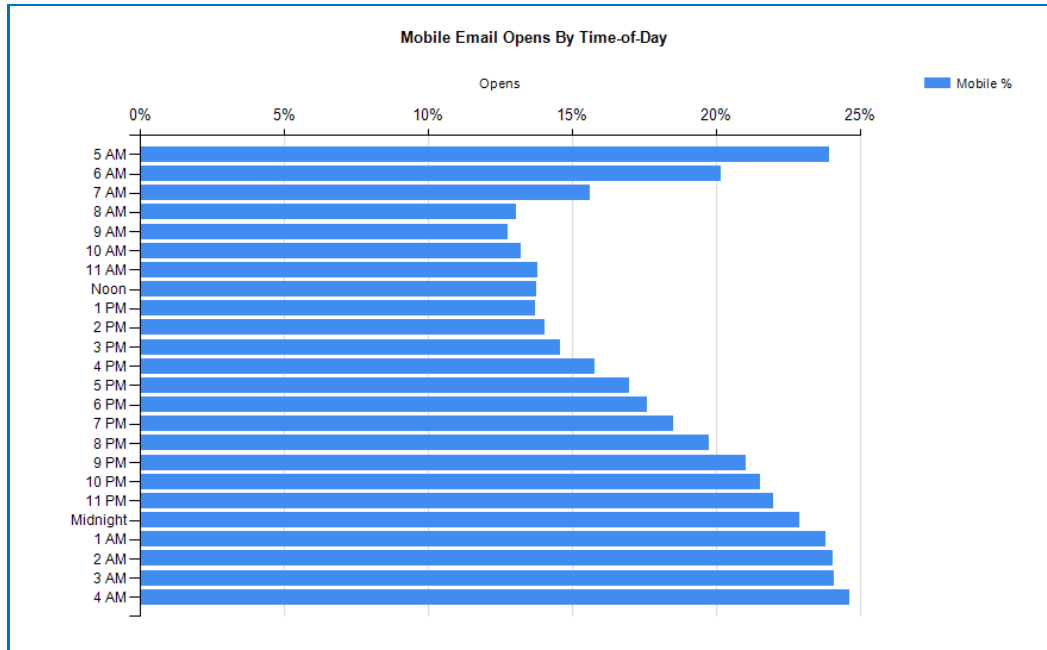
BlackBerry: Still Kicking

We mentioned earlier in the Report the very low mobile open rates from RIM's BlackBerry operating system are lower than reality, based on the fact that email images are not downloaded by default in BlackBerry email clients. Opens for BlackBerry devices will not be measured unless the user changes the default settings. Until now, the disparity between what was measured and the reality could not be specifically identified.

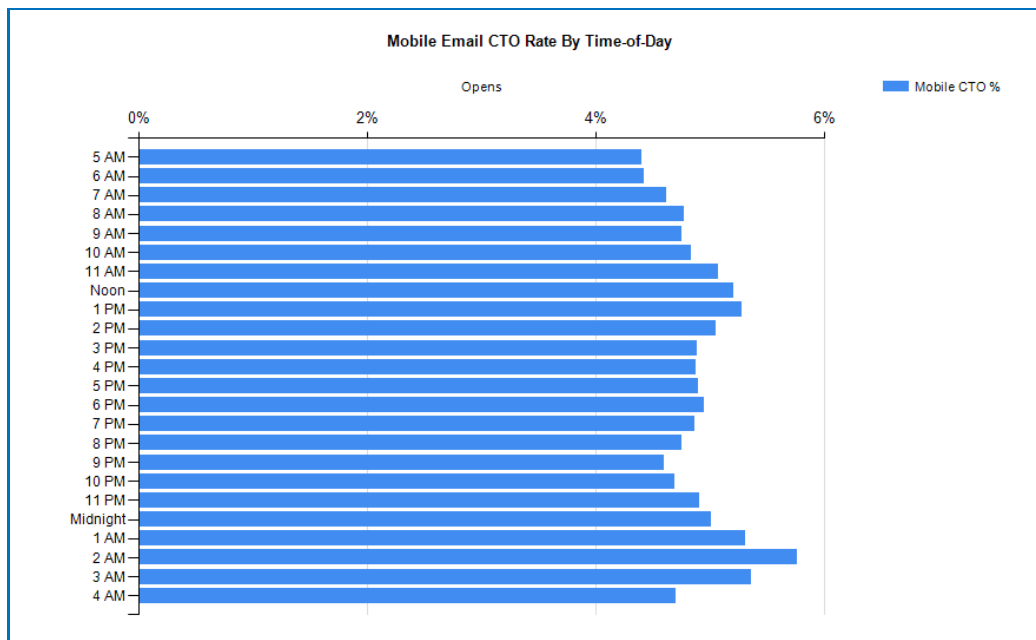
By measuring mobile click data, we get a truer indication of the level of mobile engagement from BlackBerry users. Even though opens are being measured at a very low rate, the click activity is fully measurable. It is clear in every example the number of clicks for BlackBerry users far exceeds the number of measured opens. If we take this click data combined with an average mobile click-to-open rate from the top three other operating systems (5.29%) we can extrapolate a projected actual mobile open rate for BlackBerry users in the neighborhood of 5% to 6%. Compared to the measured BlackBerry mobile open rate of 0.01%, this is a significant and meaningful re-calculation of just how relevant BlackBerry users are – and may continue to be – for email marketers.

Mobile Email Activity by Time-of-Day

The graph below illustrates the mobile email open rate by time-of-day. Compared to the Q4 2010 results, the overall trend has not changed significantly. The trend curve has become much more consistent, as the mobile open activity is clearly being seen as an early-morning and late-evening behavior. This helps crystalize two archetypal mobile email use cases: checking email on the mobile device shortly after waking up, and using mobile devices to check email (and other activities) in parallel to other “downtime” activities like watching TV in the evening.



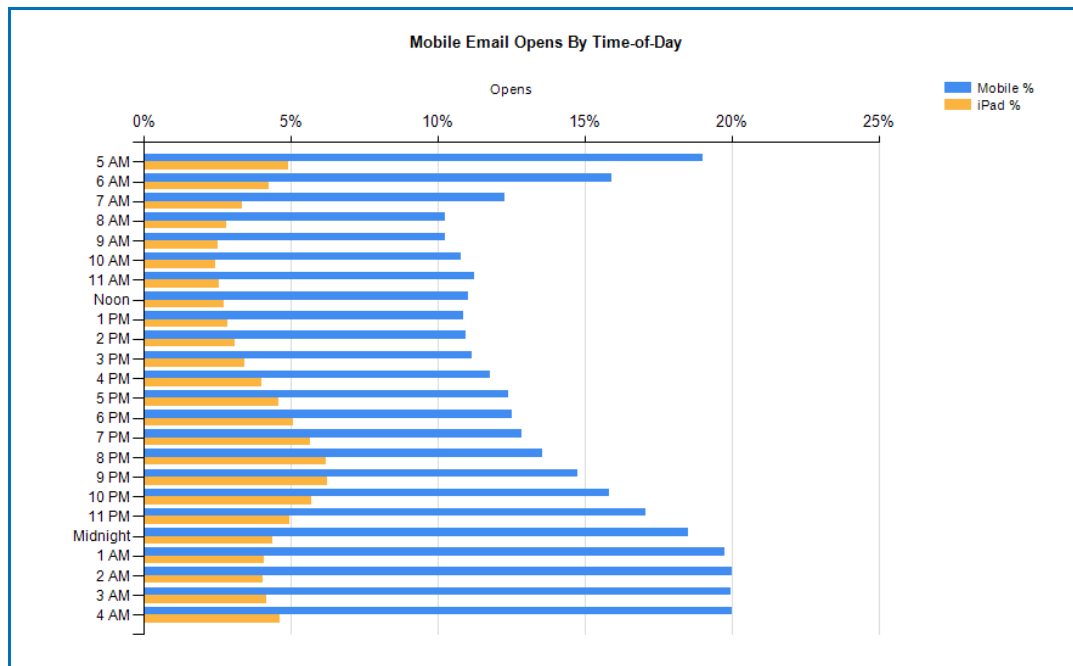
When we look at the correlating graph for mobile email clicks by time-of-day, we see a far less pronounced peak-and-valley trend. Instead, the mobile click-to-open rate remains relatively consistent during the day. In fact, the mobile click-to-open rates are lowest in some of the hours of the day when the mobile open rate is the highest. The conclusion? While mobile users are opening emails at high rates during the morning and evening hours, they are not necessarily taking action.



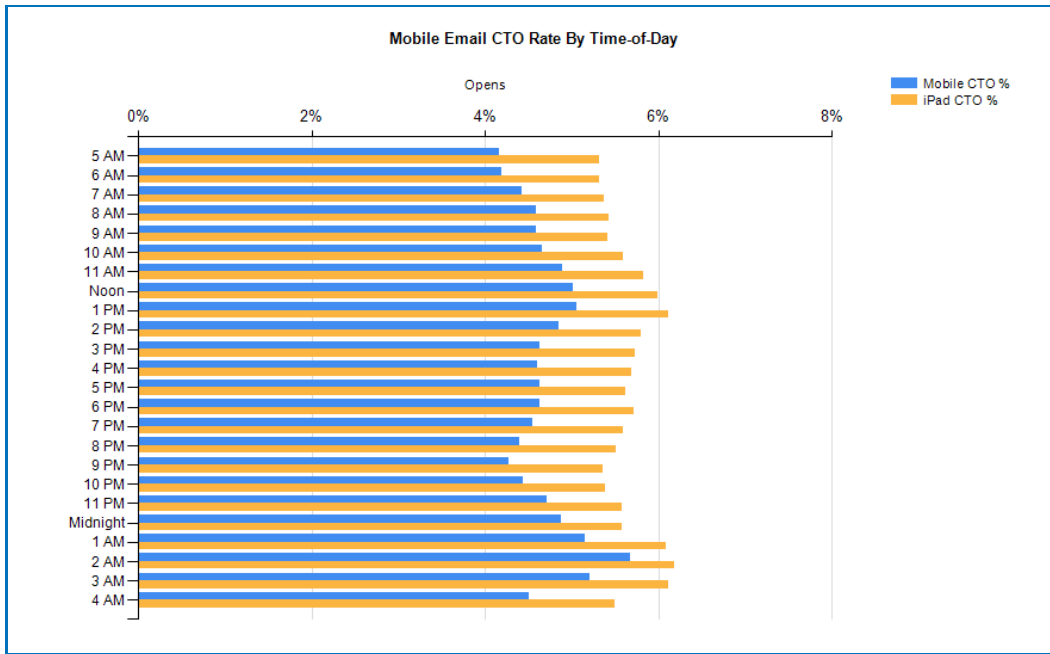
As mentioned in the last report, marketers need not only to understand how segment demographics can impact decisions on how to optimize email for mobile viewing, they also should be aware of how targeting certain times of day with email delivery can intentionally or unintentionally impact mobile interactions. Sending email in the very early morning, as many marketers do, may increase in the ratio of mobile interactions (as consumers scan their inbox first thing in the morning) in contrast to an email delivered mid-day when recipients are more likely to view the email in a traditional desktop setting.

Comparing Tablets and Smartphones

The graphs below represent all mobile activity across operating systems and platforms – both smartphones and tablets. When we isolate the tablet-open activity (specifically the iPad), we see the nature of the difference between tablet users and smartphone users. In the charts below, the yellow bars indicate email opens from iPads alone, while the blue bars indicate email opens from all other mobile devices, primarily smartphones. The iPad use case is more similar to a desktop or laptop computer – clear spikes in email open activity in the morning, but most usage during primetime evening hours. The true portable nature of smartphones means the evening activity trend continues to increase throughout the night, whereas the iPad open activity tapers off as users put their tablets to bed for the night.

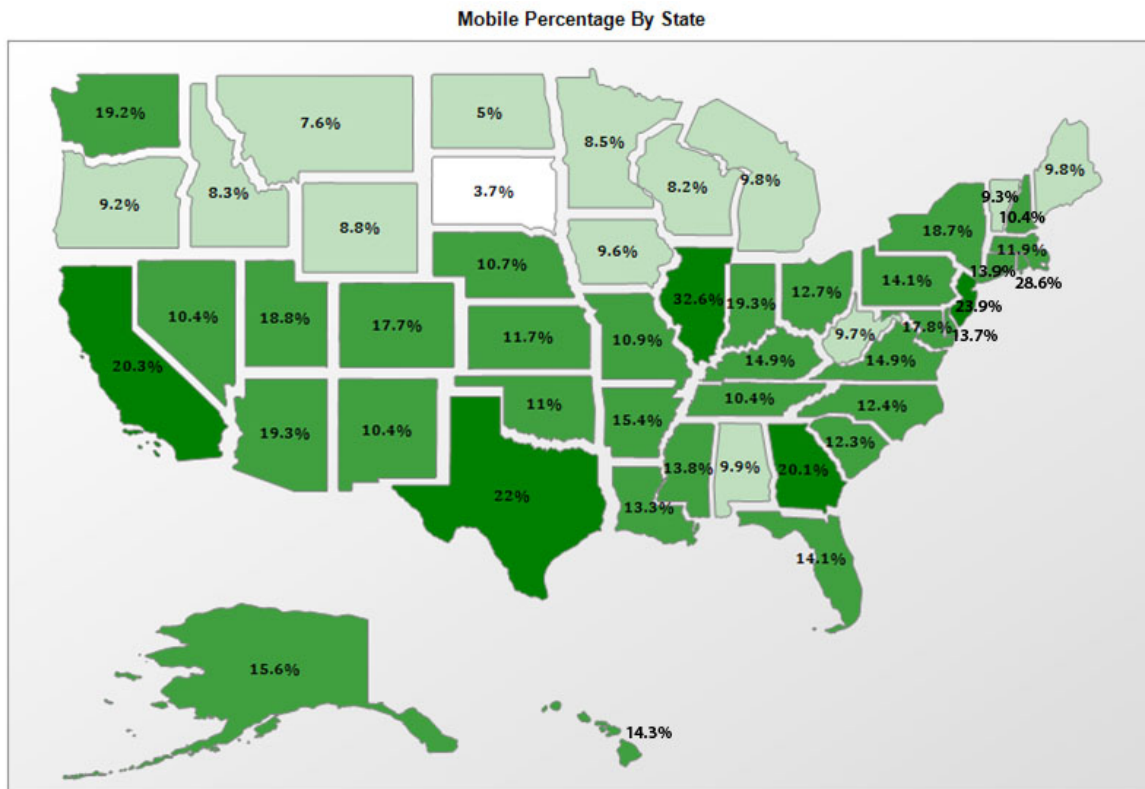


Looking at the click-to-open rates for iPads compared to all other mobile devices by time-of-day in the chart that follows, the use trends seem to coalesce. Based on the email open activity trends in the graph above, we may assume two very different click activity trend lines, but they just aren't there. Instead, click activity trends seem to be nearly identical between iPads and all other mobile devices, yet the overall trend line is almost the opposite of the email open trend. It actually appears that the click activity is lower during the peak mobile use times (early morning and late evening), but this is not the case. The click activity is expressed as a click-to-open rate, and this rate is visibly lower at times where the peak amount of open activity is occurring. That is, many more users are opening but not clicking, than the users that are opening and clicking at these times. If this graph was expressed as a raw click-through rate, the trend line would likely look more like the mobile email open trend line.



Mobile Email Opens by State

As noted in the previous Knotice Mobile Email Opens Report, tracking the location of mobile activity is done by IP address which, in the mobile device and network ecosystem, is less accurate than we expect in the desktop ecosystem. Geo-location by IP address – whether in a mobile or desktop context – is not 100% accurate, but can serve as a general indicator. Nevertheless, we see clear trends being established where the higher mobile open rates seem to coincide with larger metropolitan markets in states like CA, GA, IL, NJ, NY and TX.



As the last report indicated, the geographic data seems to challenge some of the common sense assumptions, but also calls for more granular data comparing metropolitan areas with suburban and rural to make better determinations. In either respect, it is clear that marketers need to understand the demographic profile of their opt-in email list, and make informed decisions on mobile optimization of email based on this, as opposed to geography alone.

Mobile Email Activity, and Planning for Q4

There is no question that the rate of adoption of mobile devices in the U.S., coupled with user's increasing reliance on and comfort with completing simple to complex tasks on those mobile devices, is quickly creating a more fragmented marketing landscape for digital marketing professionals. As the important holiday retailing season kicks off, there are some meaningful insights for marketers to be applied from the conclusions of this report.

1. **Email is a mobile marketing tactic.** The mobile email open and click activity rates documented in this report should be sufficient evidence to convince marketers of this truth: Email is a foundational component of any mobile marketing strategy.
2. **Lagging mobile click rates suggest room for improvement of email content.** When mobile click-to-open rates lag far behind desktop click-to-open rates, it suggests consumers aren't having desired or ideal experiences when they decide to open an email on their mobile device. This can range from poor rendering for emails and web pages that are not optimized for mobile devices, to "desktop-oriented" content and calls-to-action that are less valuable to mobile users – regardless of how they are rendered. Investment in optimized email content should turn mobile opens into a greater rate of mobile actions.
3. **Understand and adapt to the needs of mobile users.** When optimizing email and web content for mobile users, it's important to optimize the entire experience, not simply how the content renders in a mobile email client or browser. Consider that mobile users are willing to spend less time, but still want to accomplish important tasks. Marketers need to be thoughtful about how the message is rendered, but more importantly, how the user can take action in the most convenient way possible. Whether that means clicking through to a mobile-optimized site, tapping on a phone number to call a customer service or sales agent, or even providing their email address or mobile phone number to have a shopping cart, wish list, product information, or follow-up reminder sent to them via email so they can complete the action when more convenient. The focus needs to be on optimizing the email as well as the post-click experience in tandem for an overall satisfying user experience.
4. **Email is a significant source of mobile impressions – perhaps a marketer's largest source.** With larger brands with substantial email marketing lists, email may be the single most significant source of mobile impressions and mobile leads generated to their web site. If a retailer has 1MM email addresses on its list and sends to each address 4 times between Thanksgiving and Christmas, with a 25% overall open rate and a 20% mobile email open rate (20% of all opens occurring on a mobile device) this represents 200,000 mobile impressions during the course of the month. If we further assume a 10% mobile click-to-open rate we may be looking at 20,000 mobile visits to the brand's web site. If marketers are not prepared for mobile users and adapting their programs and platforms accordingly they risk turning away significant business opportunities, and perhaps worse, losing a long-term customer to a competitor who has embraced mobile as a key component of their digital programs for 2011 and beyond.

Get Your Mobile Email Opens

If you are a marketer and would like to participate in the report, send an email to info@knotice.com with the subject "email mobile analysis" and we'll provide you a snippet to include in your upcoming email campaigns. We will report on your data in aggregate for the purposes of this report, and we'll also provide you with your results back to you. As you'll discover in this report, having your individual results is critical. Although we look at mobile email opens overall, by industry, time-of-day, and geography, nothing has more influence on the mobile activity occurring in your email campaigns than the characteristics of your own prospects and customers.

About Knotice

Knotice (pronounced "notice") maximizes the ROI of direct digital marketing – interactive marketing communications that can be addressed to a specific individual – through process automation, increased relevance and improved performance. Knotice's on-demand software platform, Concentri®, is the only platform to natively unite the vital functions of direct, multi-channel digital marketing. Working with clients across many industries, Knotice provides efficient, effective, and highly-targeted marketing communications through today's primary direct digital channels of email, mobile, the Web and direct display. The company provides a comprehensive offering of marketing services, spanning strategy and planning, creative services, custom development and advanced analytics. Whether a company is seeking a top-tier, channel-specific software solution, or a complete direct digital marketing solution that spans all channels, Knotice saves its customers time and money while improving content relevance and campaign performance.