



NBOX

Annual State of Email Marketing in India

Inbox Report 2015

Table of Contents

1. Research Methodology	4
2. India Email Marketing 2015: Top 8 Highlights	5
3. Email Marketing Engagement KPIs	7
Engagement Rates: Best Day & Best Hour	
Engagement Rates: Best Day & Best Hour by Devices/OS	
Most Active City: 2014 Open % Share	
Most Active Devices/OS: 2014 Click % Share and Open % Share	
Email Open % Share, Clicks % Share and Unsubscribing Reasons by Top 5 Industries: 2014	
a. BFSI: Open Rate %, Click Rate % and Reasons to Unsubscribe	
b. E-Commerce: Open Rate %, Click Rate % and Reasons to Unsubscribe	
c. Travel & Hospitality: Open Rate %, Click Rate % and Reasons to Unsubscribe	
d. Telecom: Open Rate %, Click Rate % and Reasons to Unsubscribe	
e. Education: Open Rate %, Click Rate % and Reasons to Unsubscribe	
4. Voice of India Marketers (#VOIM) on Email Marketing 2015	19
Frequency of Email Marketing Campaigns	
Email Deliverability - Roles & Responsibilities	
Email Marketing Challenges in 2014	
Online Budgets for Email Marketing	
Effectiveness of Email Marketing	
Effectiveness of Behavioral Targeting	
Emails viewed on Mobile Devices	
Influence of Social Media on Email Marketing Campaigns	
Email Marketing Segmentation Techniques	
Top factors impacting Inbox Deliverability Rates	
Email Marketing Practices that Reduce Spam	
5. Octane's View	27
Top 5 Recommendations: How to improve Email Marketing in 2015 - 16	

Introduction

India is witnessing a surge in online usage, led by mobile platforms. With 42% of India users online (75% of the rural online users) via their mobiles, e-Commerce companies like Make My Trip and Expedia are reporting upto 30% of their revenues generated via their mobile presence. We forecast more Websites & Content (emailers) to adopt responsive design best practices.

Online Commerce in India is also growing at a very aggressive pace. According to a report*, India's e-Commerce market grew at a staggering 88% in 2013 to reach \$16 Billion, defying slower economic growth and spiraling inflation. The same survey estimates the country's e-Commerce market to reach \$56 Billion by 2023, driven by online retail.

Usage of digital media for marketing has picked up momentum. Digital is here & now. While social media like Facebook, Twitter, etc. have gained popularity with India Marketers for Digital 1:1 MANY campaigns, Email & SMS continue to contribute to revenue through DIGITAL 1:1 Marketing outreach.

For 2015 - 16, we forecast that there will be a substantial increase in TransPromo** Emails. We anticipate structured Email Marketing (Cart Abandonment, Re-Engagement, Welcome Programs, Partner Promotions, etc.) to gather momentum as there is a direct measurable impact on stickiness and campaign ROI, when compared to Ad hoc emailing (Batch & Blast).

We forecast more brands moving away from affiliate campaigns on databases from unknown sources (bordering on spamming) to highly targeted and segmented partner promotions with respected brand publishers with opt-in databases.

*Indian e-Commerce market grows 88 pc in 2013; to reach \$56 bln by 2023: ASSOCHAM
(<http://www.indiadigitalreview.com/news/indian-e-commerce-market-grows-88-pc-2013-reach-56-bln-2023-assochem/14751?>)

**Refers to the use of transactional alerts as a vehicle for promotional communication. This means that bills, statements or invoices can be used to present promotional or educational messages to customers.

Octane Research's 2nd Annual Inbox Report is the only study on 'Email Marketing' in India. This report aims to provide marketers with an opportunity to understand different ways on using email for successful marketing campaigns. This State of Email Marketing in India report, first of its kind, tracked over 10 Billion promotional emails sent in India in 2014.

The report is divided into two major parts:

1. Email Marketing Engagement KPIs

First part is a collection of facts and analysis of email performance by Best Day, Best Time, Best Device, most active City in general and in the top 5 sectors viz. BFSI, e-Commerce, Telecom, Travel & Hospitality and Education. This part also contains the email open % share, click % share and unsubscribes.

2. Voice of India Marketers (#VOIM) on Email Marketing 2015

This part consists of trending data, on how online marketing space in India has evolved from 2011 to 2015. The study also tracks how Digital 1:1 Marketing (Email & SMS) has changed and how digital marketers in India are leveraging it.

Additionally, this report references to the following research studies:

- **The Digital DNA 2015:** Active participation of 465 Marketers from 399 Companies (Download a copy from <http://octaneresearch.in/research/annual-e-marketing-outlook-2015/>)
- **India Retail e-Marketing Research 2015:** Participation from more than 80+ Retailers across India (Download a copy from <http://octaneresearch.in/research/india-retail-online-marketing-e-commerce-2015/>)
- **India Consumer 2015 - Why do they Unsubscribe:** Analyzed 25 Million+ Emails from 250+ Brands and 1000 different campaigns sent over the last 3 years (Download a copy from <http://octaneresearch.in/research/india-consumer-why-do-they-unsubscribe/>)
- **State of Email Marketing in India 2014:** Reviews over 6.5 Billion promotional emails sent in India over 2013 (Download a copy from <http://octaneresearch.in/research/state-of-email-marketing-in-india-2014/>)



Top 8 Highlights

Top 8 Highlights

02

1. 'Frequency/Volumes of sending' is the most important factor that will impact Inbox Deliverability in 2015, replacing 'Content' as the primary factor since 2011. 'Sender Reputation' is a growing concern for marketers, with 66% increase over the last 5 years (36% in 2015 vs 21% in 2011).
2. 'Reaching out to the target audience' is the biggest Email Marketing challenge India Marketers faced in 2014, with 51% Marketers agreeing to this statement. However, 60% of BFSI sectors believe 'Inadequate Segmentation' to be a bigger issue for them.
3. Over the years from 2012 to 2014, 'Emails being not relevant' is the top reason for consumers unsubscribing followed by 'Do not remember signing up'.
4. Emails viewed on Android and Windows devices have increased by 11% in 2014, abridging the share from Apple products, still desktop views continue to have 67% of all Open % Share.
5. For Click % Share, Mumbai (30%) leads the consumer email activity followed by Delhi (28%), Bengaluru (17%) and Chennai (11%) in 2014 as compared to 2013.
6. For e-Commerce sector, from 9am to 12noon there is an almost 300% increase in Open Rates with Click Through Rates (CTR) not far behind.
7. Shopping Cart Abandonment is an important issue for all Online Retailers. Deploying a simple Cart Abandonment Program (CAP) increases revenue by improving Cart Abandonment Rates. Yet currently only 48% of India e-Commerce Marketers have deployed a Cart Abandonment Program.
8. 100% of large companies (Rs. 5000+ crores turnover) find 'Behavioral Targeting' effective and the number of retail marketers believe that 'Behavioral Targeting' has brought significant change to their campaigns have increased by 24% (77% in 2015 vs 62% in 2014).



Email Marketing Engagement KPIs

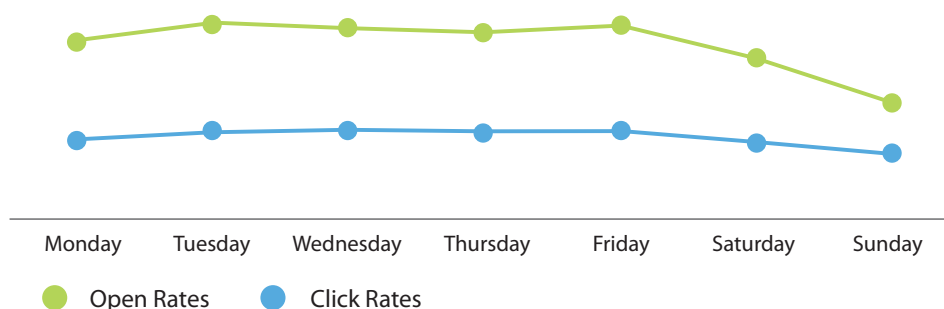
Email Marketing Engagement KPIs

03

3.1 Engagement Rates 2014: Best Day

Tuesday and Friday are the best days when maximum India Internet Users Open and Click on the email communications sent to them.

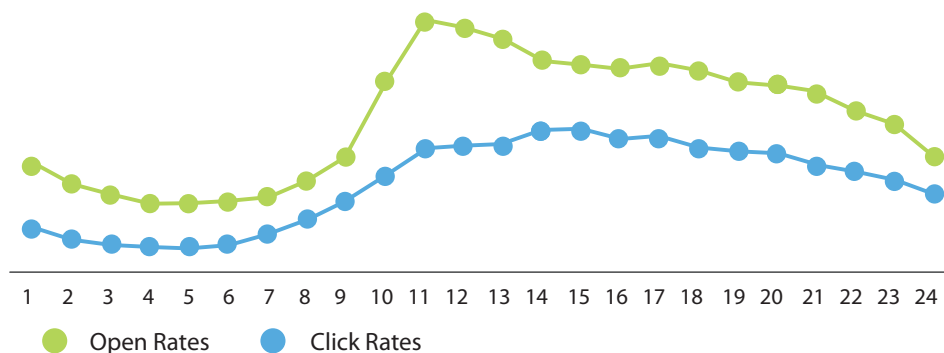
For the year 2014, Friday had the highest Open & Click Rates.



3.2 Engagement Rates 2014: Best Hour

The peak hour for Email Engagement Rate in a day is 11am, and after 5pm a constant decline of Open and Click Rates are observed.

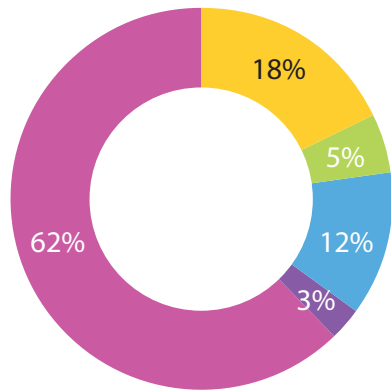
For 2014, Open and Click Rates for Email Marketing Campaigns in India were best achieved between 10am and 1pm on Weekdays.



3.3 Engagement Rates: Device Specific View

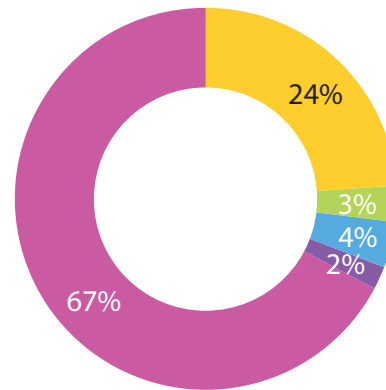
In 2014, number of email views on Android and on Windows devices increased by 11% when compared to 2013.

All up 2013



- Android
- iPad
- iPhone
- Mac OS
- Windows

All up 2014



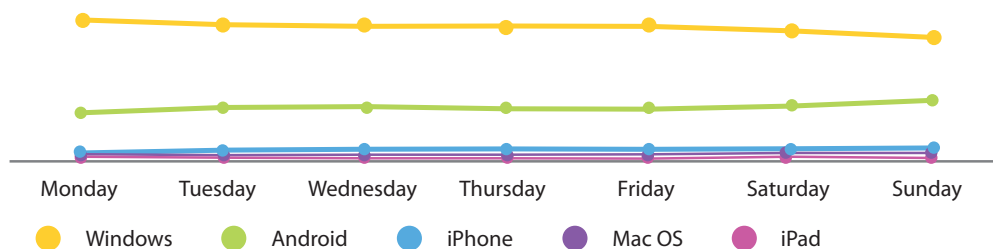
- Android
- iPad
- iPhone
- Mac OS
- Windows

3.3.1 Device Specific View 2014: Day Wise

After Gmail started caching emails on their own servers, Email Opens captured are not 100% accurate. Google reports several email opens as one. With 60%+ India Internet Users using Gmail, the data that may be most relevant is Click Rates on emailers.

We see that usage of Windows is less on the Weekends whereas the usage of Mobile OS like Android increases on Saturday and Sunday which explains the user behavior on Work Days vs Weekends.

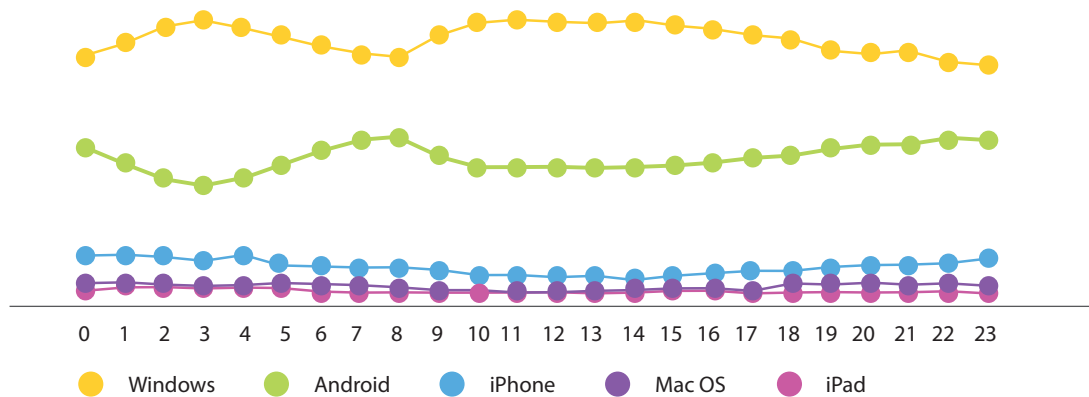
For 2014, we saw a rise in Open % Share by Android devices on Weekends (Saturday and Sunday) which was along expected lines.



3.3.2 Device Specific View 2014: Hour Wise

Mobile OS see the best engagement rates during evening hours from 6pm onwards, however in the morning hours users prefer desktop devices to check their emails.

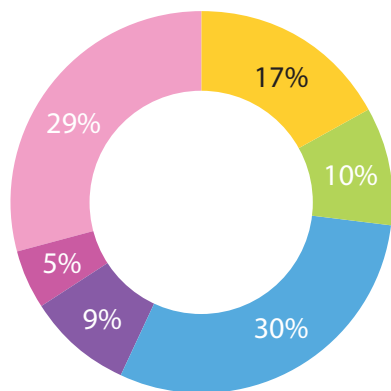
For 2014, we saw a surge in mobile platforms like Android and iPhone in morning hours till 10am when there was increase in the Open % Share of email on Windows platform.



3.4 Which city is the most active: 2014 Open % Share

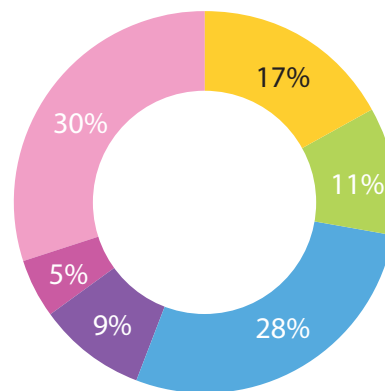
Delhi (30%), followed by Mumbai (29%) saw the best Open Rates on email campaigns compared to all other major cities in 2014, however Click Rates are higher for Mumbai, followed by Delhi and Bengaluru.

City Open % Share



- Bengaluru
- Chennai
- Delhi
- Hyderabad
- Kolkata
- Mumbai

City Click % Share

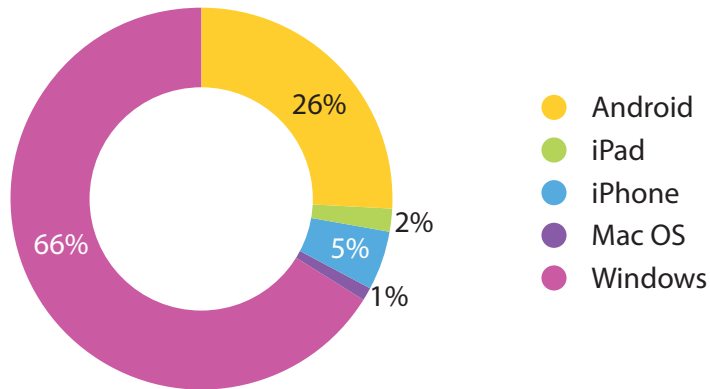


- Bengaluru
- Chennai
- Delhi
- Hyderabad
- Kolkata
- Mumbai

3.5 Most Active Devices/OS: 2014 Click % Share:

Despite an increase of mobile platforms in 2014, a high 66% of clicks were reported on Windows based devices. Next big chunk of Device Click % Share at 26% comes from Android based devices.

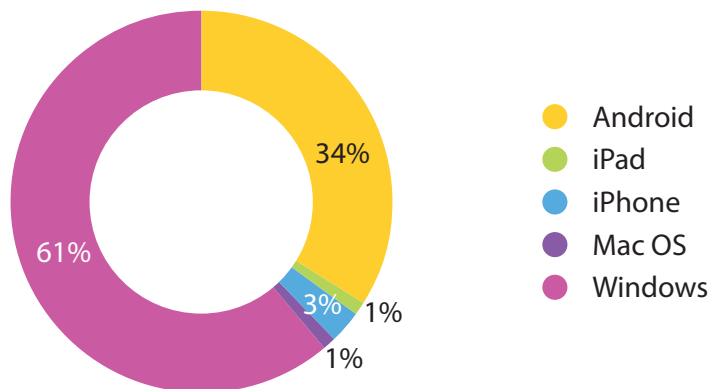
Device Click % Share



3.5.1 Most Active Devices/OS: Q4 2014 Open % Share

However, as the year ended in Q4 2014 (December) we saw a 30% increase in Android device Click Rates % Share.

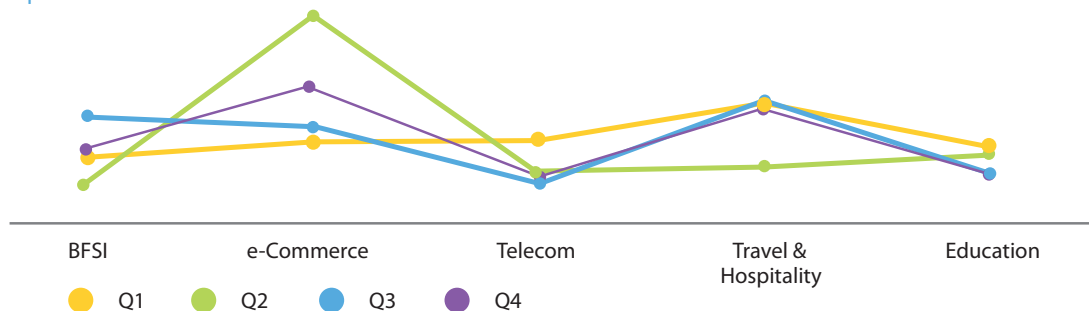
Q4 Open % Share



3.6 Email Opens : 2014 Open % Share by Top 5 Industries

For both the years 2013-14, e-Commerce and Travel & Hospitality continue to be the top 2 industries in terms of Open % Share, with e-Commerce at a whopping 74% share in Q2 in 2014. BFSI Open % Share grew by 31 times from Q1 to Q3 in 2014.

Open % Share

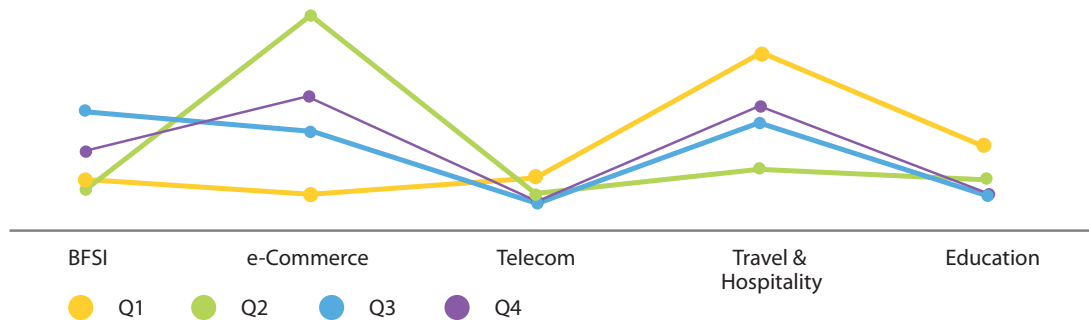


Email CTR: 2014 Clicks % Share by Top 5 Industries

Click % Share varies extensively when compared to Open % Share by industry. With Travel Click % Share declining by 80% from Q1 to Q2 and again gaining momentum in Q3 and Q4. Education industry reports maximum Click % Share in Q1 and then reports a steep dip.

For 2014, e-Commerce led the CTR % Share across all industry verticals.

Click % Share

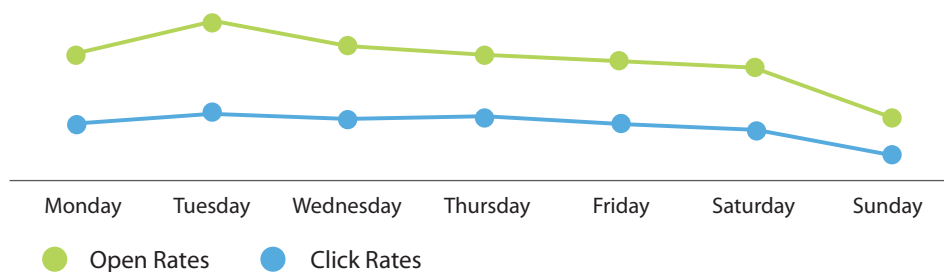


3.6.1 BFSI: Open Rate %, Click Rate % and Top Reasons to Unsubscribe

BFSI Email Marketing 2014: Best Day of the Week

For BFSI Marketers, Tuesday is the day when they see maximum engagement rates for email open rates.

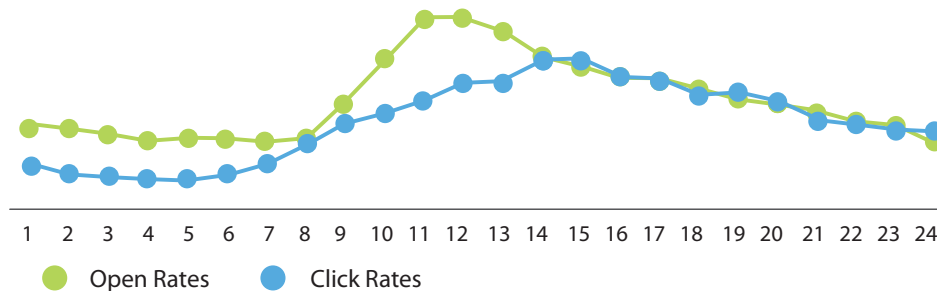
For 2014, Thursday was the Best Day of the Week for Email Marketing Campaign performance for BFSI sector



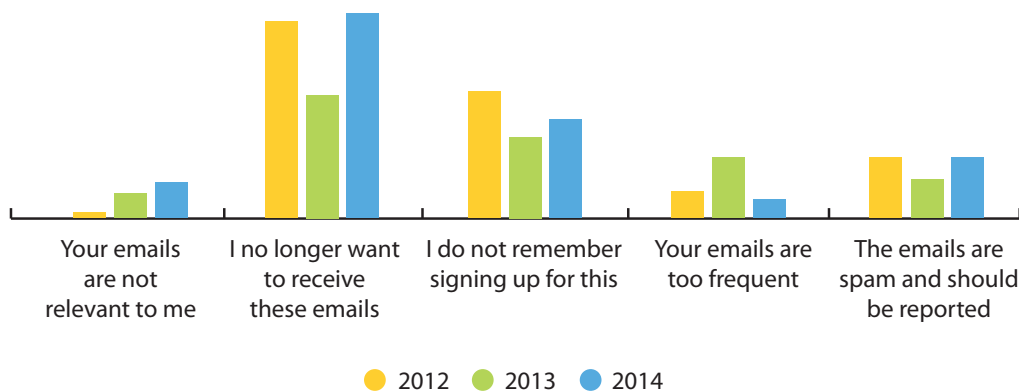
BFSI Email Marketing 2014: Best Hour of the Day

The Best Hour of the Day for Open Rate & Click Through Rate (CTR) for BFSI customers is between 10am to 1pm.

For 2014, 10am - 12noon were the best hours for engagement for BFSI sector.



BFSI Email Marketing 2014: Top Reasons to Unsubscribe

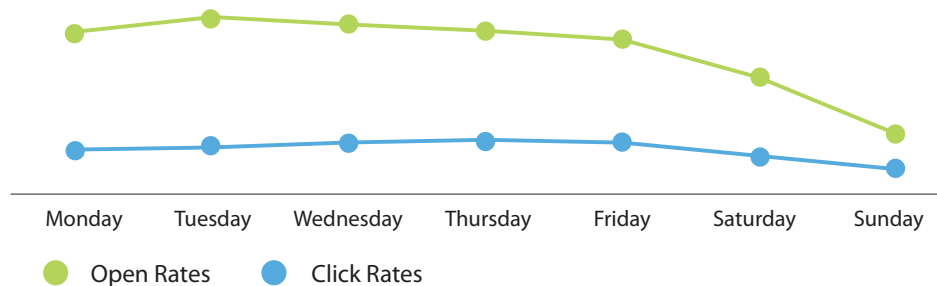


3.6.2 E-Commerce: Open Rate %, Click Rate % and Top Reasons to Unsubscribe

E-Commerce Email Marketing 2014: Best Day of the Week

For e-Commerce in India, though the email Open Rate are consistently high between Tuesday & Friday, the Click Through Rate (CTR) is the highest on Friday.

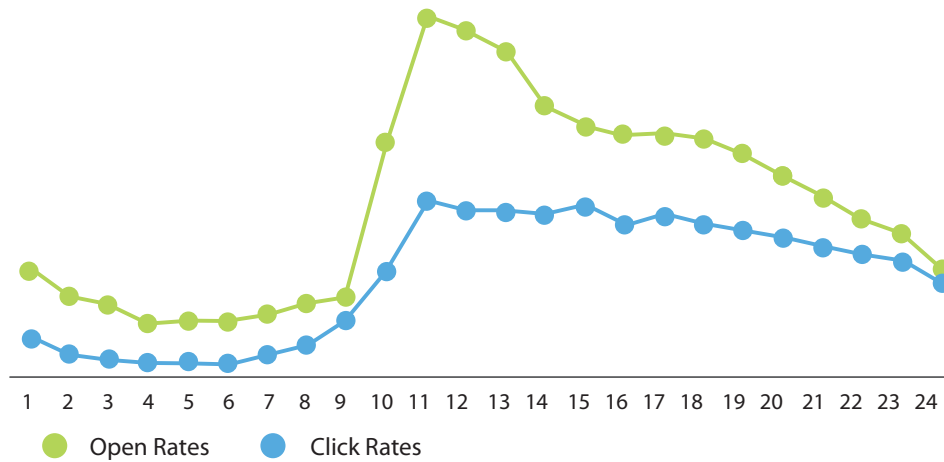
Friday was the Best Day of the Week in 2014 for e-Commerce Email Marketing.



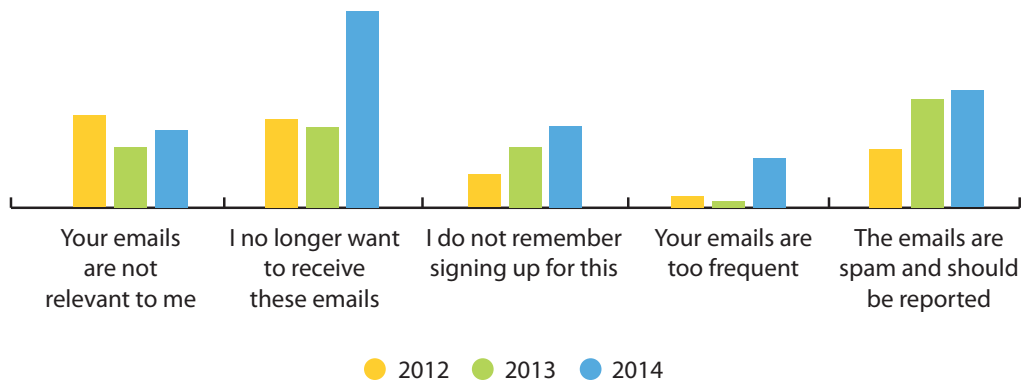
E-Commerce Email Marketing 2014: Best Hour of the Day

From 9am to 11am we see an almost 300% increase in Open Rates for e-Commerce emails with Click Through Rate not lagging far behind.

In 2014, 10am - 12noon were the Best Hours of the Day for the best performing Email Marketing Campaigns for the India e-Commerce.



E-Commerce Email Marketing 2014: Top Reasons to Unsubscribe

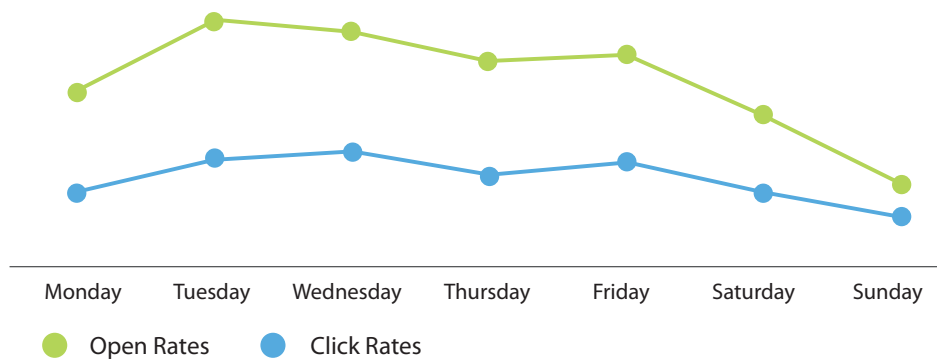


3.6.3 Travel & Hospitality: Open Rate %, Click Rate % and Top Reasons to Unsubscribe

Travel & Hospitality Email Marketing 2014: Best Day of the Week

Travel & Hospitality industry is doing well in terms of volumes of email sent; it only comes second to e-Commerce industry, the best day of engagement being Tuesday. However the high spam rates have been reported by consumer as one of the reasons to unsubscribe which should be a concern for marketers.

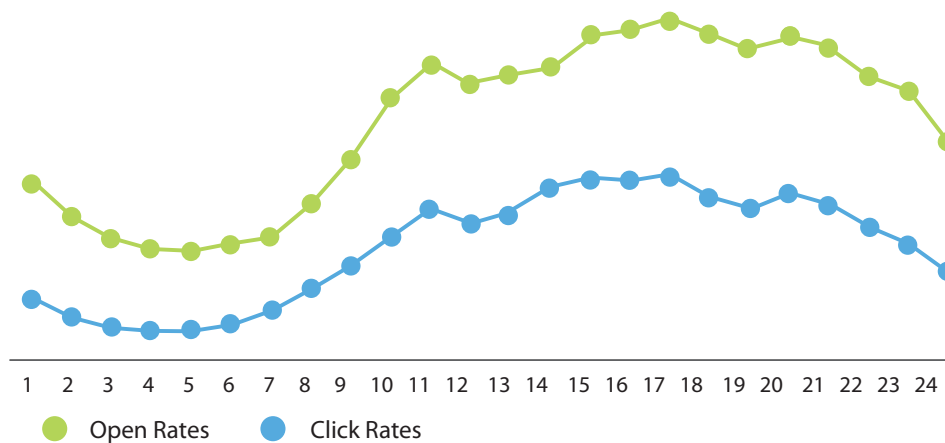
For 2014, the best engagement (Open % Share, Click % Share) day was Thursday.



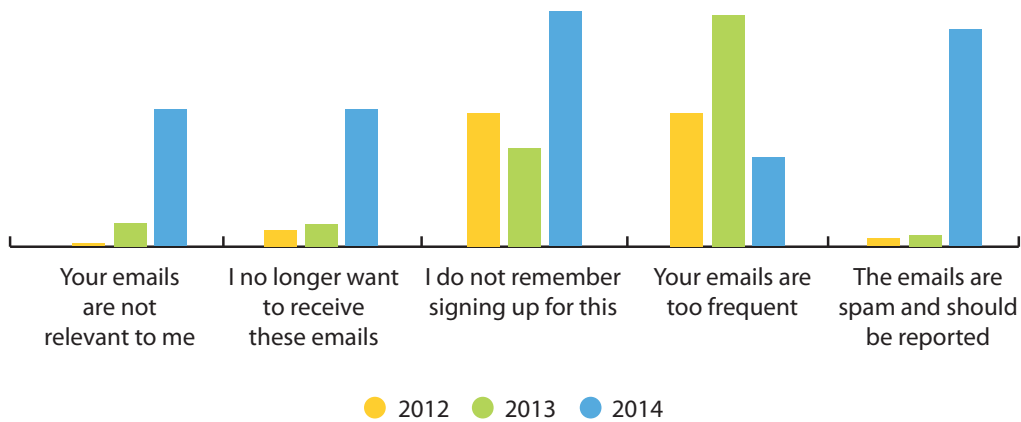
Travel & Hospitality Email Marketing 2014: Best Hour of the Day

Open and Click Rates for best hour go hand in hand for Travel & Hospitality industry, following the same rhythm. With 3pm to 5pm as the best hour for engagement.

For 2014, 10am - 4pm were the Best Hours of the Day for Email Marketing Campaign performance for the Travel & Hospitality sector.



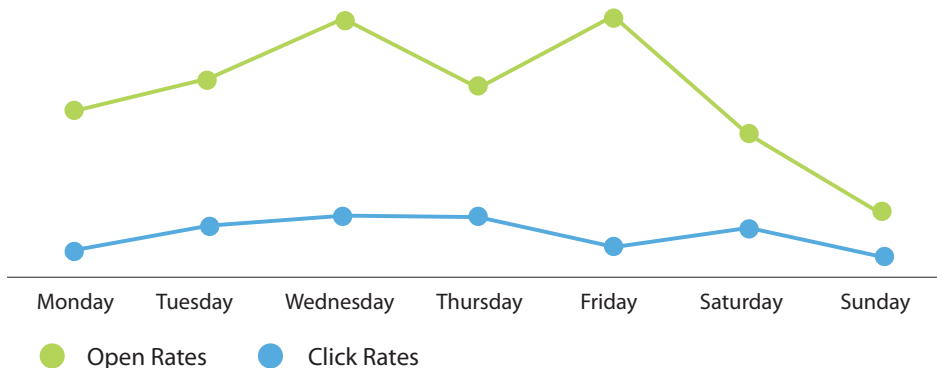
Travel & Hospitality Email Marketing 2014: Top Reasons to Unsubscribe



3.6.4 Telecom: Open Rate %, Click Rate % and Top Reasons to Unsubscribe

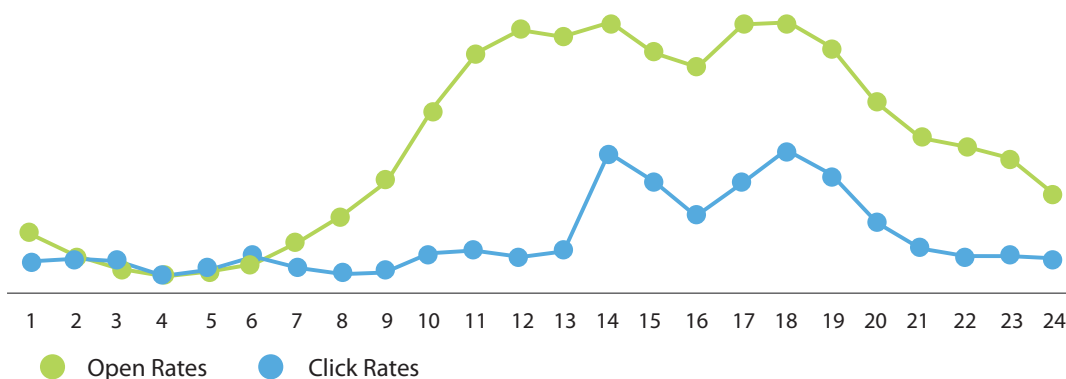
Telecom Email Marketing 2014: Best Day of the Week

Wednesday and Friday were the best days for email engagement (Open % Share, Click % Share) for Telecom companies in India.

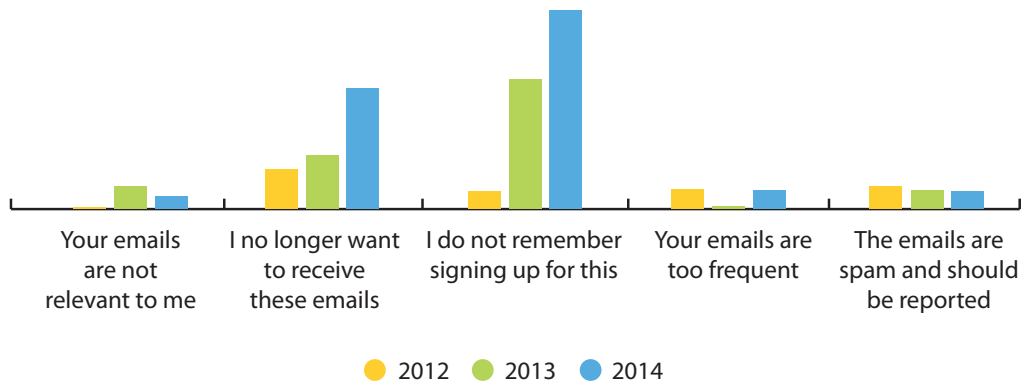


Telecom Email Marketing 2014: Best Hour of the Day

For Telecom sector emailers, India consumer show best engagement twice in a day at 2pm & 7pm.



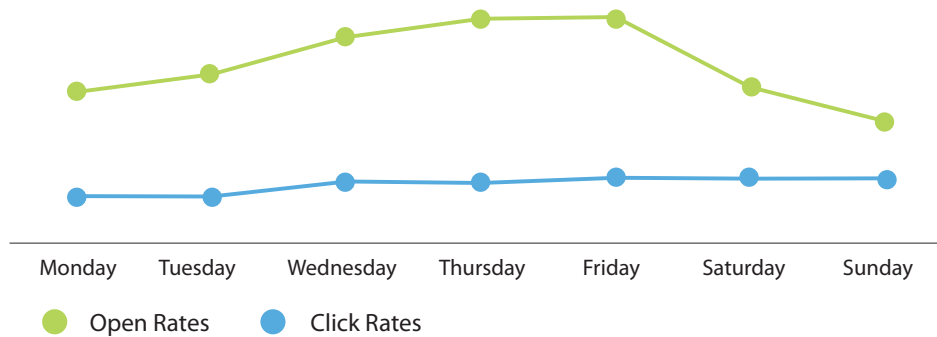
Telecom Email Marketing 2014: Top Reasons to Unsubscribe



3.6.5 Education: Open Rate %, Click Rate % and Top Reasons to Unsubscribe

Education Email Marketing 2014: Best Day of the Week

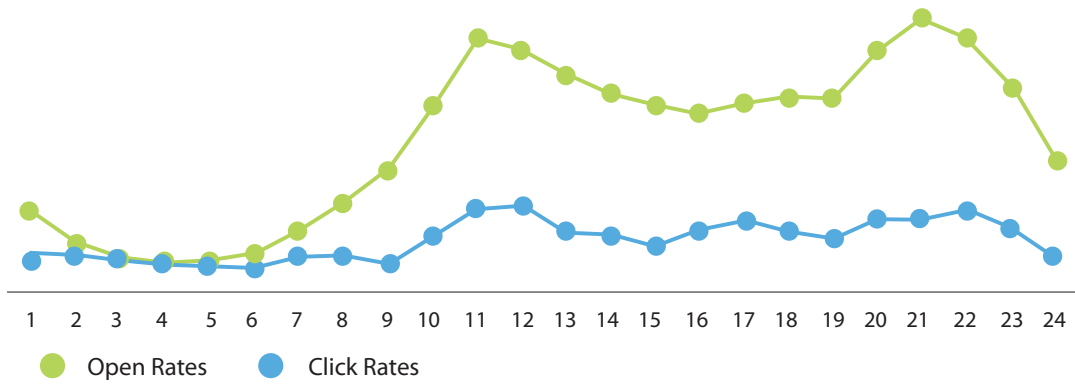
Education as an industry stands out with almost a steady Open Engagement Rates throughout Weekdays with a slow downward drop on Weekend.



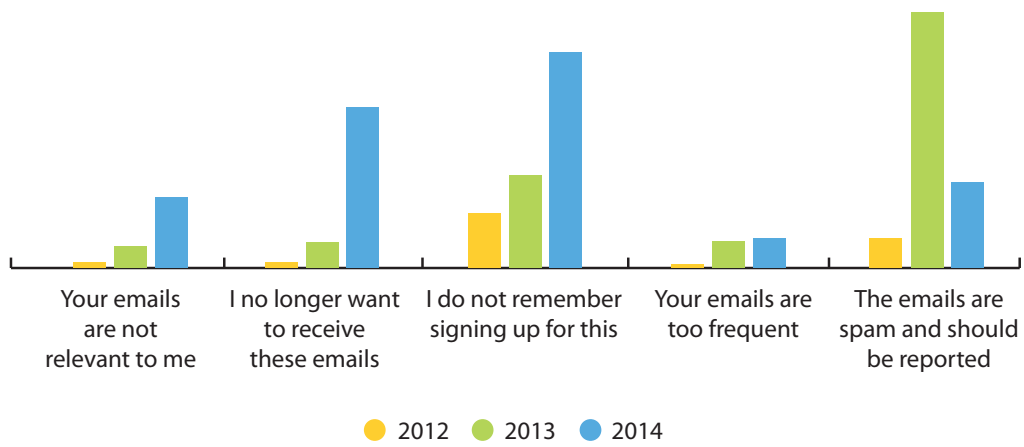
Education Email Marketing 2014: Best Hour of the Day

Education industry sees maximum engagement during the late hours from 8pm to 10pm. While the Click Rate is high during the night as well as 11am to 12noon.

For 2014, we saw twin peaks of higher performance in terms of Best Hours of the Day for Email Marketing performance (9-10am, 7-9pm) and Saturday as the Best Day of the Week for campaign Click Through Rates (CTR) for Education sector.



Education Email Marketing 2014: Top Reasons to Unsubscribe



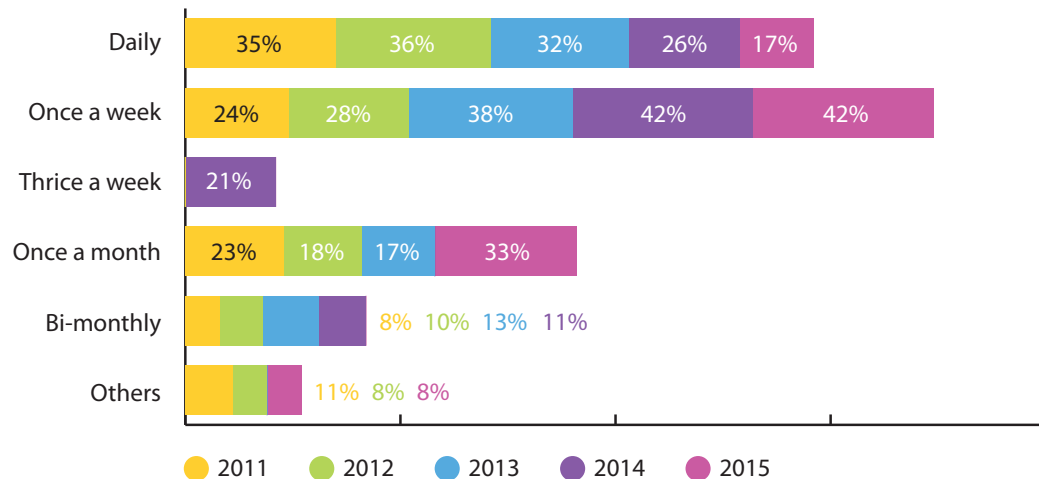
Voice of India Marketers (#VOIM) on Email Marketing 2015

Voice of India Marketers (#VOIM) on Email Marketing 2015

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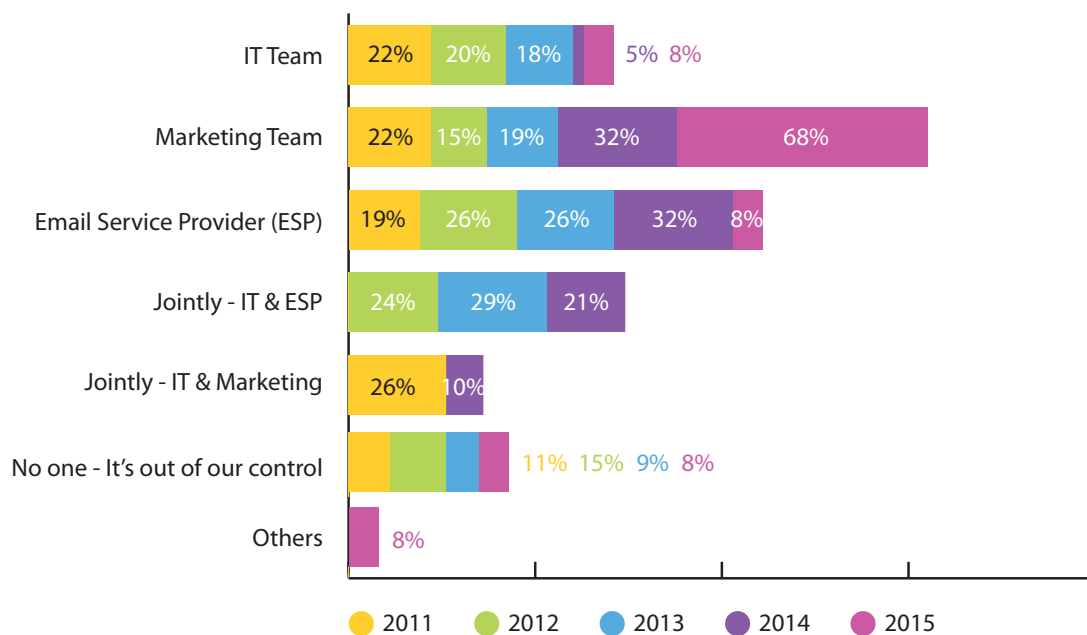
4.1 How often do you send Email Marketing Campaigns:

In 2015, 59% of Marketers send at least one email every week. This reinforces that email is an important Digital 1:1 direct medium of communication and it is here to stay.



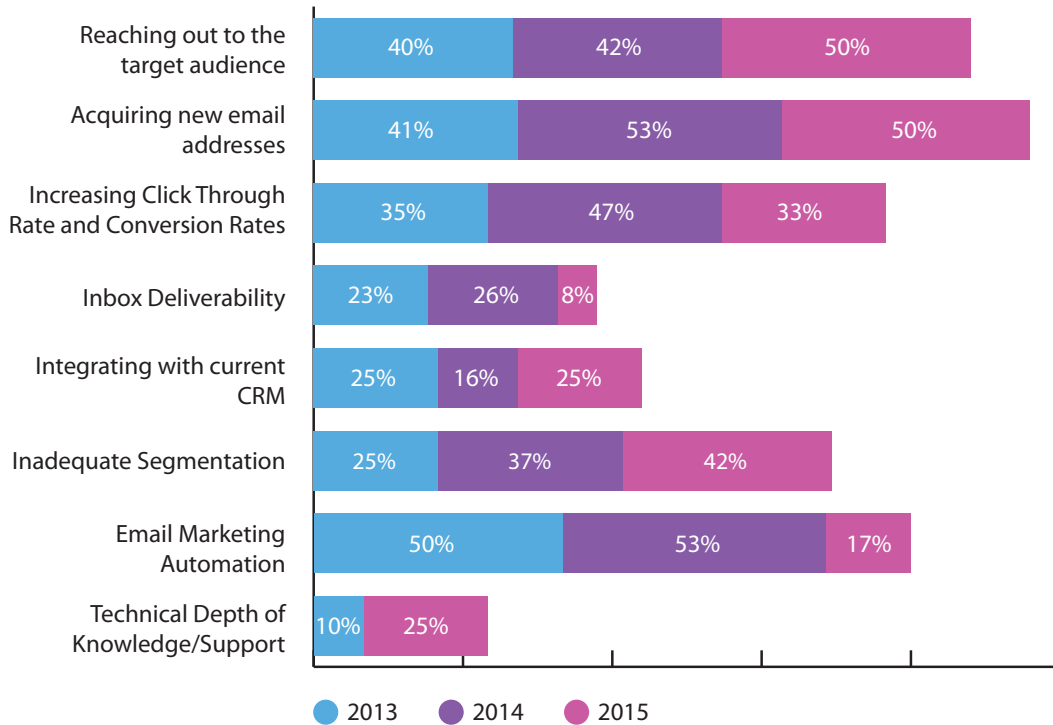
4.2 Email Deliverability - Roles & Responsibilities:

In 2015, 68% of Companies are dependent on their Marketing Team for Inbox Deliverability.



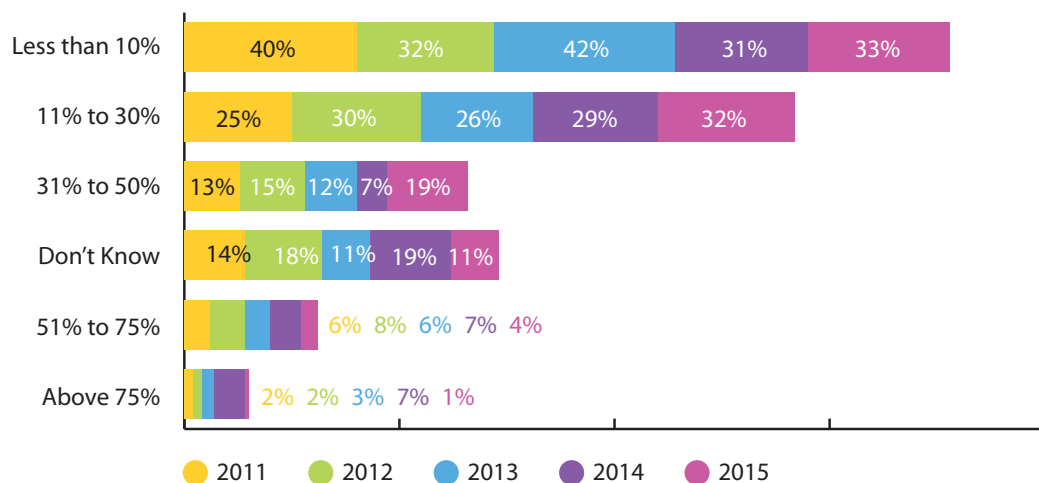
4.3 Email Marketing Challenges in 2015:

'Reaching out to the target audience' is the biggest challenge marketers face in Email Marketing (seen an increase of 18% from last year 50% in 2015 vs 42% in 2014), with 'Acquiring new email addresses' coming in at number two.



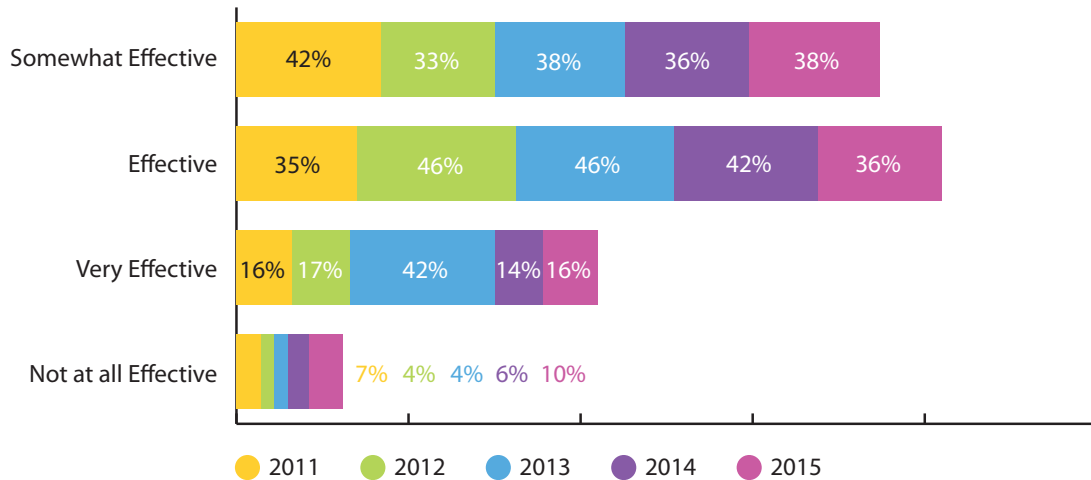
4.4 Online Budget for Email Marketing 2015:

The year-on-year trending data shows that maximum India Marketers (51%) want to increase the Email Marketing budget by between 11% to 50%.



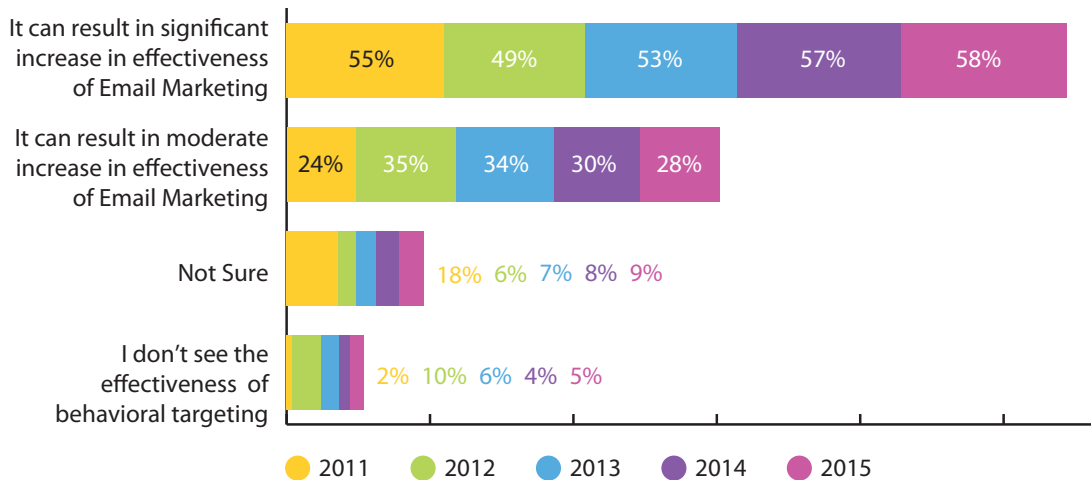
4.5 Effectiveness of Email Marketing

The YoY data analysis shows that Education and Travel & Hospitality industry have seen a maximum shift from 'Somewhat effective' to 'Effective', when it comes to Email Marketing Effectiveness.



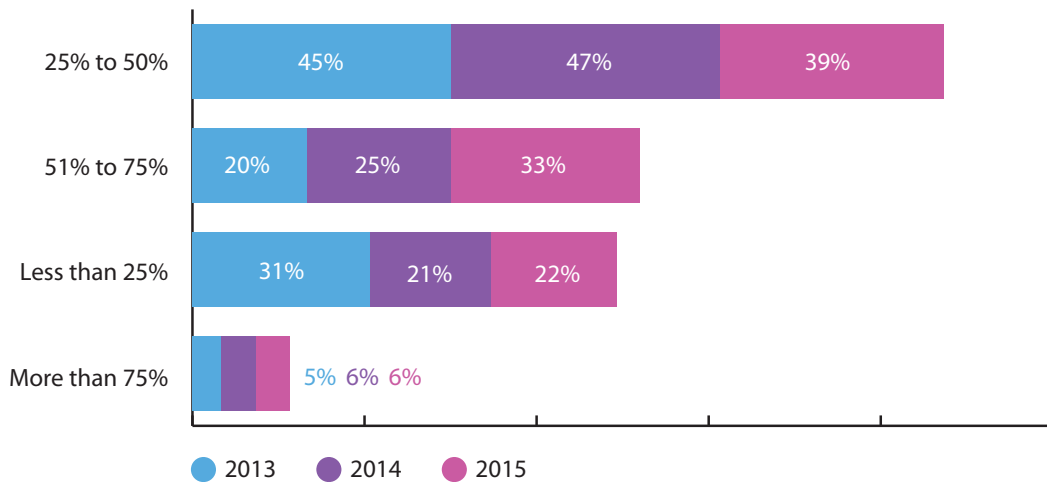
4.6 Effectiveness of Behavioral Targeting

100% of large companies (Rs. 5000+ crores turnover) find behavioral targeting effective and the number of retail marketers that think behavioral targeting has brought significant change to their campaigns have increased by 24% (77% in 2015 vs 62% in 2014).



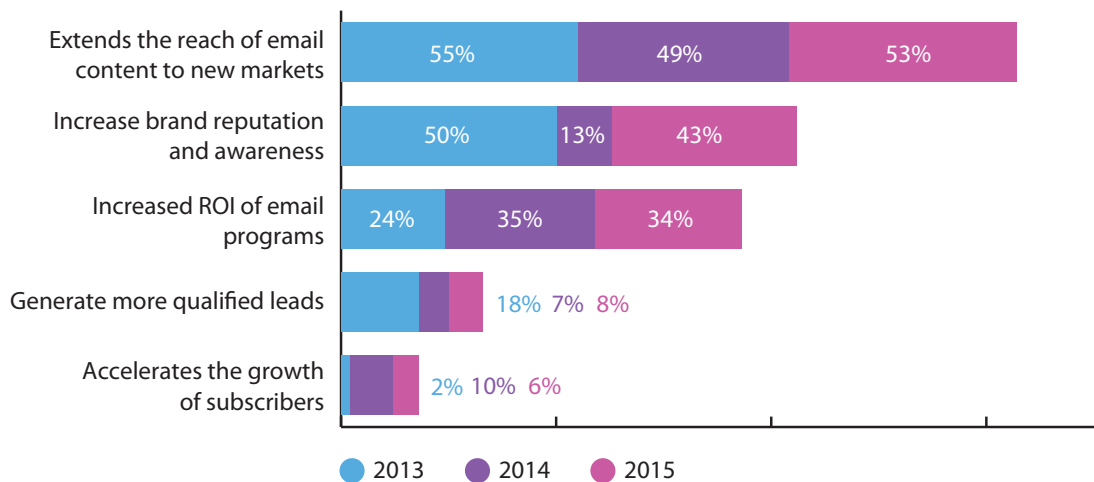
4.7 Email viewed on Mobile Devices:

India is reporting a surge in mobile internet. 33% Marketers say that 50%+ Emails will be seen on Mobile Devices, which has grown 25% YOY.



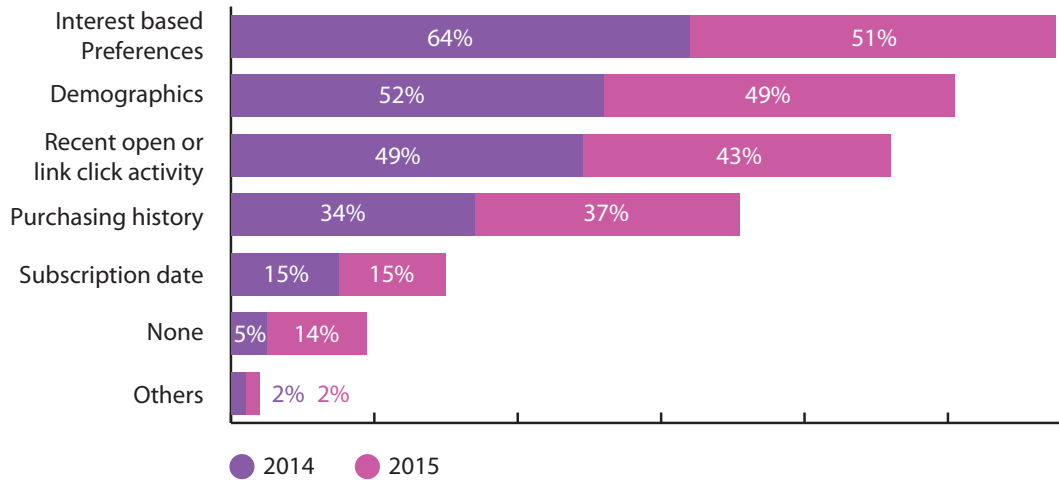
4.8 Influence of Social Media on Email Marketing Campaigns:

Social Media helps in 'Brand Awareness' of a company and integrating social media in Email Marketing helps in increasing business's reputation and accelerates subscriber growth. In 2015, 53% of Marketers said social media on email campaigns help marketers to extend the reach of email content to new marketers & 43% said it increase the 'brand reputation & awareness'.



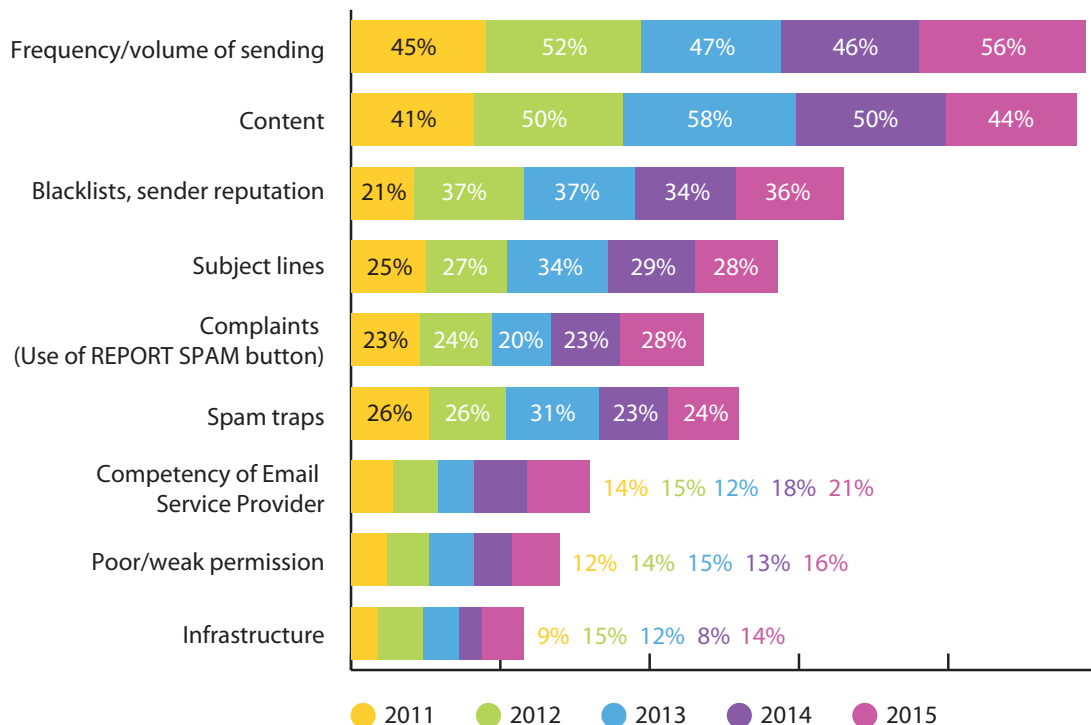
4.9 Email Marketing Segmentation Technique:

Segmentation leads to a better engagement with online consumers. 'Interest based preferences' and 'Demographics' are the most popular segmentation techniques for India Marketers.



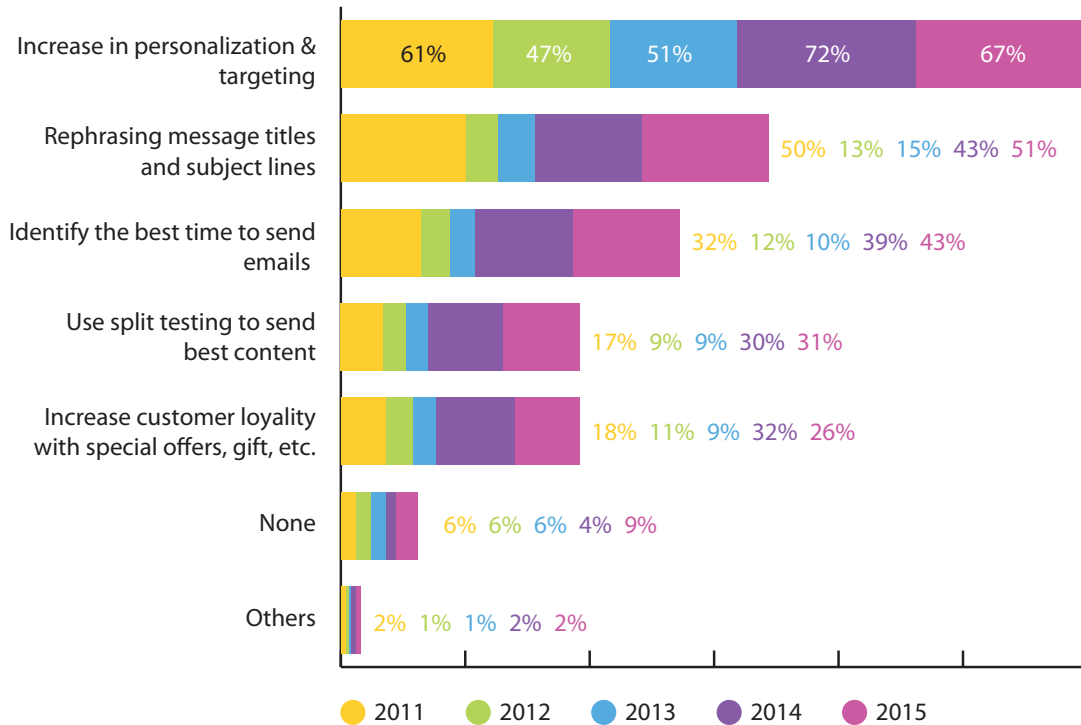
4.10 Top factors impacting Inbox Deliverability Rates:

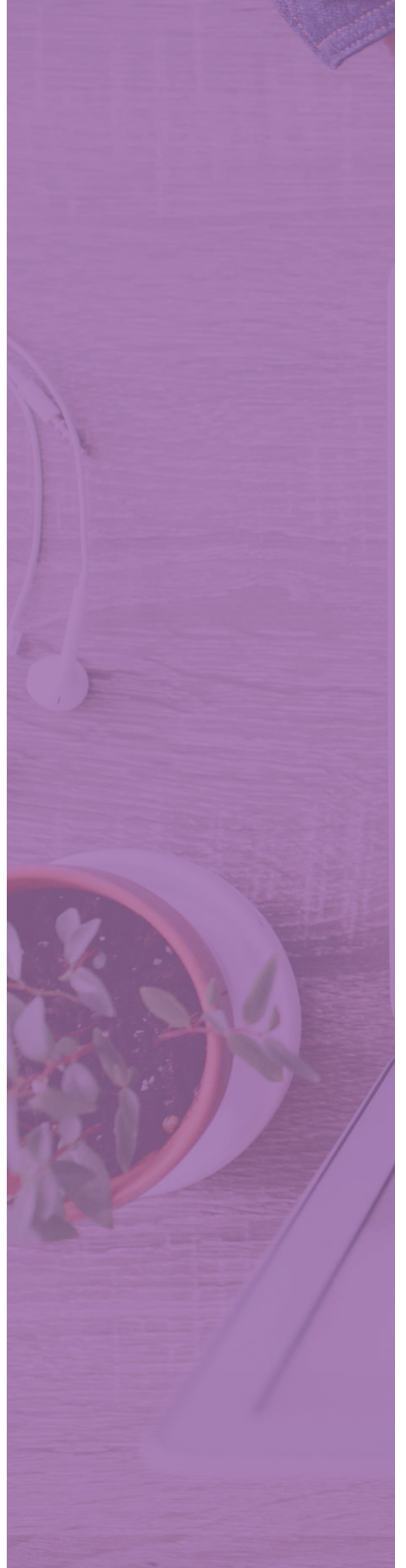
Over the last 5 years we have seen that the top 3 factors that impact inbox deliverability are the same - content, frequency of sending emails and sender reputation. However, we have seen a shift from 'content' to 'frequency/volume of sending' becoming the top factor that impacts inbox deliverability. This is true for BFSI sector (Content - 37% in 2015 vs 63% in 2014 and Frequency of sending - 58% in 2015 vs 44% in 2014) and Retail sector (Content - 50% in 2015 vs 55% in 2014 and Frequency of sending - 60% in 2015 vs 46% in 2014).



4.11 Email Marketing Practices that reduce spam:

The top 3 practice that help India Marketers reduce email spam over the last 5 years are - 'Increase in personalization & targeting', 'rephrasing message titles and subject lines' and 'identifying best time to send emails'. However, 'using split testing to send best content' has grown 80% in the last 5 years (31% in 2015 vs 17% in 2011), wherein it saw a sharp dip of 90% in the years 2012 and 2013.





A top-down view of a person's hands typing on a laptop keyboard. The image is overlaid with a semi-transparent purple filter. The left hand has a watch on the wrist and a ring on the ring finger. The right hand is positioned over the right side of the keyboard. The text "Octane's View" is centered over the keyboard area, flanked by two horizontal white lines.

Octane's View

We are amidst an online consumer revolution, and how today's marketers respond will determine the fortune of many brands and businesses in India.

As Email Marketing continues to grow in popularity as a powerful tool to nurture and engage consumer audiences, we have observed an increased awareness for opt-in Email Marketing amongst India Marketers and a reduction in requests for buying or renting email subscribers list. Though spam rates have come down spam emails still form the majority of bulk email in India.

Traditional Marketing opinion on '**Batch & Blast**' and '**One Size Fits ALL**' is now becoming obsolete. **Segmentation** has become the currency in the data driven 1:1 Digital Engagement with India Marketers now focusing on a personalized and context based personalized communications such as emails.

New programs for engagement like **Welcome Programs**, the **Cart Abandonment Programs (CAPs)**, **Progressive Profiling**, **Re-Engagement Programs**, etc. are gaining momentum in the Email Marketing epoch.

Taking into account some of the current industry trends, here are few of our tips for developing a successful email strategy for 2015 & 2016:

- **Programmatic not Ad hoc Email Marketing:** Programmatic emails are predictable and measurable, produce higher impact whereas Ad hoc emails follow 'Batch & Blast' have lower ROI.
- **Responsive Email Designs:** With Mobiles proliferating, marketers will have to adapt themselves to a multi-screen reality. Based on the device usage Content and Call-to-Action needs be changed and Responsive Design helps do this.
- **TransPromo Email:** Transactional alerts get far more open and click through rates while upsell-cross-sell gives you at least 28% more conversion rate.
- **Track the entire conversion chain, not just opens & clicks:** Tracking just opens & clicks provides an incomplete view of Email ROI. Integrating with higher campaign goals like carts, orders provides a more accurate and realistic understanding of Email ROI as compared to other digital channel.
- **Cart Abandonment Emails becomes a new necessity:** For India online business focussed on top line growth, addressing abandoned carts (only 30% carts convert into purchase) through standard Email and SMS campaigns can add to divert revenue impact in 2015 & 2016.

In conclusion, when it comes to planning your email marketing plan it is important to take all factors into consideration. You must remember to test and evaluate your results in order to see continued success - and don't forget to keep up with technology trends, as these play a huge role in the evolution of Email Marketing. This is not where it ends, for more update on Email Marketing, please visit and sign up with us for our monthly dose newsletter at octaneresearch.in.

Top 5 Recommendations: How to improve Email Marketing in 2015 - 16

1. **Mobile Optimized Emails** - 74% of Smartphone users check email on their phones. In order to improve your Conversions and Click Through Rates, your emails must be easily read on Mobile Devices and optimized for CTA on smaller screen formats.
2. **Agile Content** - Gone are the days of static mailers. In 2015, India Marketers can dynamically change the content of a mailer (even after they have been opened by the subscribers) based on various parameters like location, time and dynamic content feed (social feeds etc.) such approaches improve stickiness and consumer engagement on email & India Marketers need to invest in these initiatives to improve email ROI.
3. **CRM+Email & SMS or Digital 1:1 Marketing** - Treat email as an intrinsic part of a consumer engagement plan and not just Ad hoc push. Programmatic emails that are contextual and based on consumer behavior drive better engagement (open, click, cart & order conversion) than the 'one size fits all' or 'batch and blast' email campaigns.
4. **TransPromo Success** - Incorporating offers within transactional email alerts Transpromo is proving to be effective for many India brands, increasing conversions by as high as additional 28%.
5. **Automated Email Programs** - Subscribers are at their most engaged within the last week or 10 days of signing up to an email subscription. Welcome Programs, use this golden period to onboard & nurture new consumers, increase their stickiness and help drive up conversion (open, click, cart & order conversion).

Notes:



About Octane Research

Octane Research is the research authority in India on how marketers and consumers are engaging through digital channels like Social Media, Email Marketing, Search, Mobile, SMS and the Web. By analyzing data from hundreds of sources and running into billions of touch points every year in India alone, Octane Research provides rich insights and the context for India Marketers towards smart strategic planning, tactical decision-making and business effectiveness for their digital campaigns.



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About Octane Marketing

Octane.in is India's 1st multi-channel platform for integrated marketing campaigns. Marketers can send integrated multi-channel (Email, SMS and Web) campaigns on a clean spam free marketing platform, built on intelligent software which is available on demand (pay-as-you-go, zero upfront investments, zero lead time to implement) or onsite (deployed behind firewalls). Powerful up-to-date software backed by a 24x7 IP reputation management service. 100% Opt-in. 100% Permission Marketing.

For more details, please visit octane.in.

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For more information about our organization please visit octane.in

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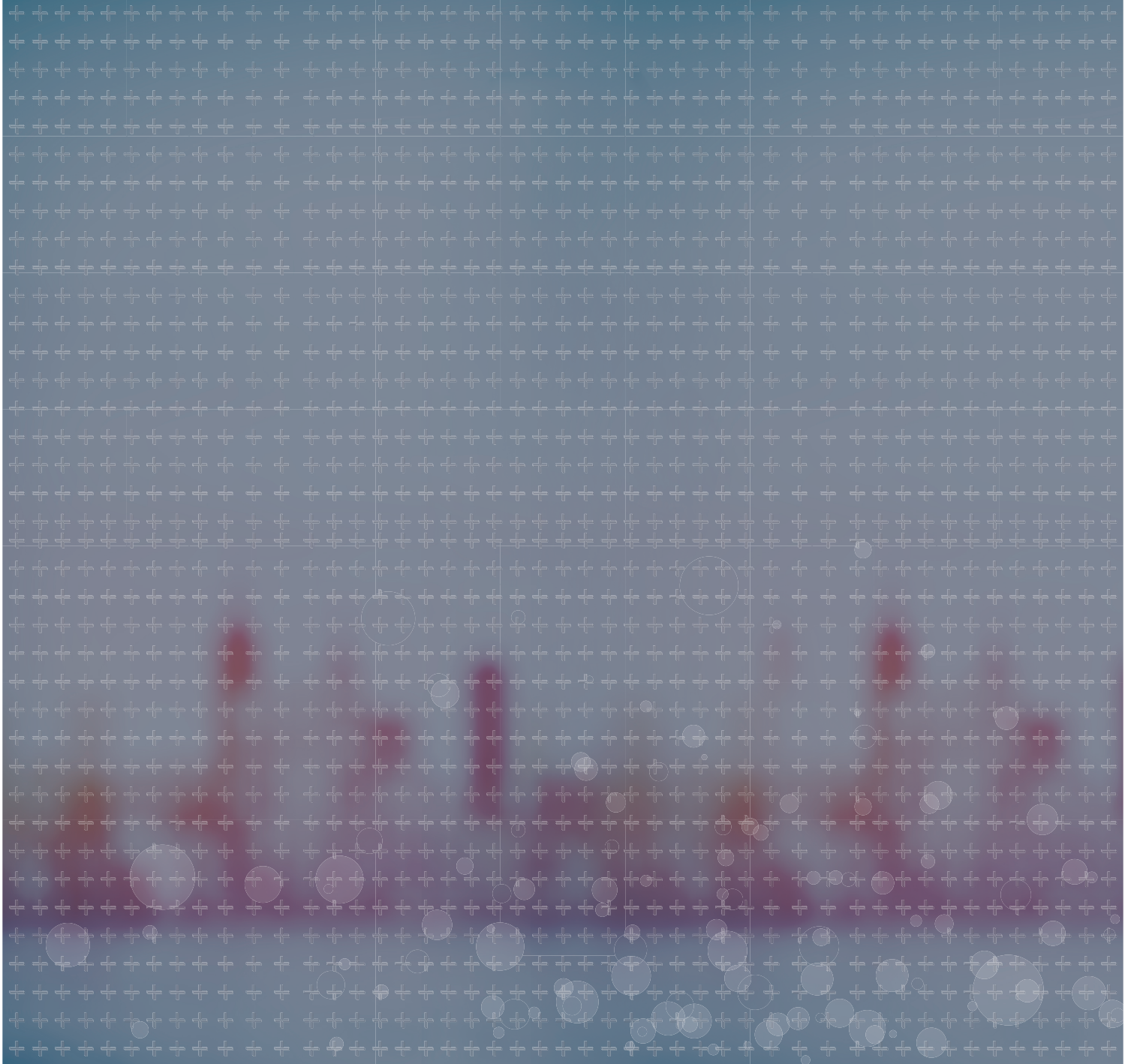
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Annual State of Email Marketing in India

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