2018 NONPROFIT EMAIL DELIVERABILITY STUDY

HOW MUCH DOES SPAM HURT ONLINE FUNDRAISING?
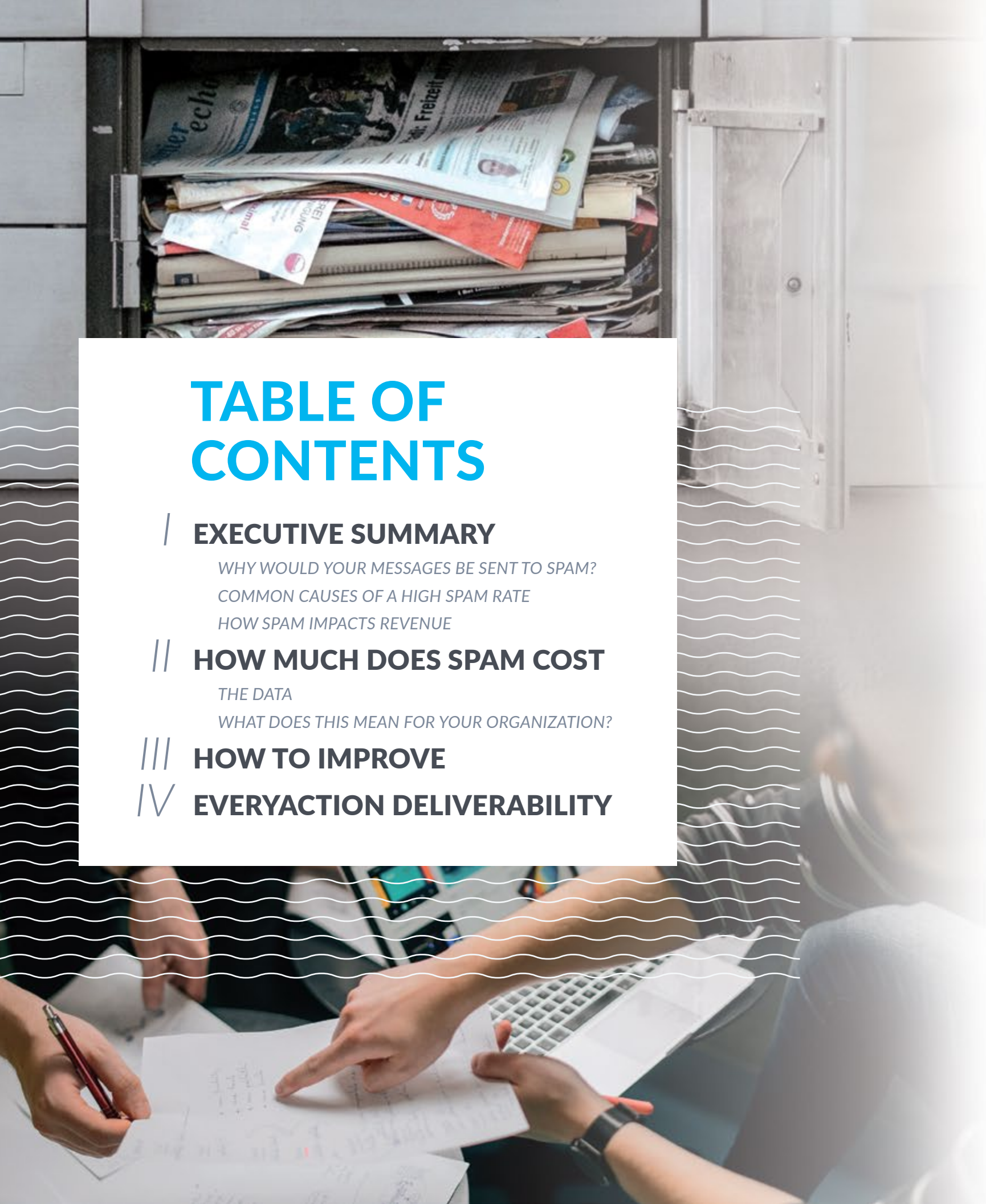
everyaction

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ABOUT THE AUTHOR

With more than a dozen years managing and consulting for some of the largest issue advocacy organizations in the country, **BRETT SCHENKER** is regarded as one of the industry's leading experts on email and deliverability. Schenker has worked on everything from advising associations, nonprofits, and multi-million dollar corporations to technology solutions and email strategy. He has been a featured speaker and panelist at NTEN's Nonprofit Technology Conference and other industry events.

Schenker is the **EMAIL DELIVERABILITY SPECIALIST AT EVERYACTION**, where he educates national nonprofits, associations, and labor unions on email best practices and future trends. He also supports organizations with reputation management, mitigating email blocks, and preventing other deliverability issues. His past experience includes over six years of work dedicated to nonprofit email deliverability and serving as Internet Director and Database Administrator for national and statewide campaigns, including presidential campaigns.

ABOUT **EVERYACTION**

EveryAction is a unified platform offering best-in-class fundraising, engagement, and advocacy tools for nonprofits.

Unlike other CRM providers, we've built specific tools and employ a dedicated team to work with clients on applying the latest inbox delivery trends and best practices to their email fundraising programs.

National nonprofits like Greenpeace, Audubon, the Union of Concerned Scientists, NextGen Climate, and Everytown for Gun Safety use EveryAction to improve their deliverability and create substantial gains in their email fundraising.

PART ONE:
EXECUTIVE SUMMARY

THE STATE OF CHARITABLE GIVING IS *DIGITAL*. Online fundraising figures continue to grow, and for nonprofits, email remains a driving force of this trend, contributing to over a quarter of all revenue raised online.

Unfortunately, achieving email fundraising success is becoming increasingly difficult for many nonprofits, due in large part to an obscure but highly consequential metric: the percentage of email that actually makes it to recipients' inboxes and is not filtered into spam folders - we call this "email deliverability."

While nonprofit fundraising and communications teams often regard metrics like list size, open rates, click rates, page views, and money raised as the primary means for reporting on the health of their email programs, the significance of deliverability is generally overlooked—**AND THOUSANDS OF DOLLARS ARE BEING LEFT ON THE TABLE AS A RESULT.**

For the 2018 Nonprofit Email Deliverability Study, we once again analyzed deliverability data for 55 leading national nonprofit organizations against

the latest industry benchmarks to determine the impact that spam and poor deliverability practices have on nonprofits' fundraising outcomes. The nonprofits selected represent a variety of ESPs (email service providers) and email list sizes to ensure the results illustrate trends across of the nonprofit community at-large.

OUR ANALYSIS OF THE DATA REVEALS THAT DESPITE EXPANDING EMAIL PROGRAMS AND LIST SIZES, DIMINISHED ENGAGEMENT AND SOARING SPAM RATES ARE SIGNIFICANTLY WEIGHING DOWN NONPROFIT FUNDRAISING POTENTIAL.

In this report, we'll break down the impact of deliverability, spotlighting #GivingTuesday and end-of-year (EOY) campaigns, to show exactly how much money nonprofits could be losing out on each year because of spam. We'll also discuss common causes of poor deliverability and share tactics you can apply immediately to improve your email program.
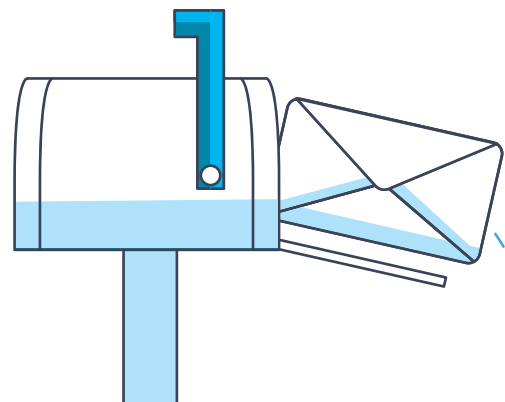
Email Deliverability

is a metric for the rate of success you have at getting your messages into people's inboxes. It's affected by a lot of factors, with spam and spam-related things generally being the primary ones.

"On our old database our open rate was 18% but on **EveryAction** *our average across all the emails we've sent so far is at 32%. It's incredible!"*

– FEEDING WISCONSIN

GET A DEMO

**https://act.everyaction.com/get-demo**

WHY WOULD YOUR MESSAGES BE SENT TO SPAM?

ESPs determine whether or not your emails will be delivered based on hundreds of different metrics that are constantly changing. If an ESP notices that emails you send are often marked as spam, deleted immediately without being read, never opened, or not engaged with in general, they may begin routing your email to spam folders, or worse, completely blocking you as a sender. Since our last report, ESPs have placed an increased emphasis on authentication and security, but the fundamentals like relevant content, opt-in, and list management still hold true.

ONCE YOUR IP ADDRESS HAS BEEN FLAGGED BY AN ISP AS A BAD SENDER, IT CAN TAKE MONTHS OR EVEN YEARS TO RECOVER.

COMMON CAUSES OF A HIGH SPAM RATE
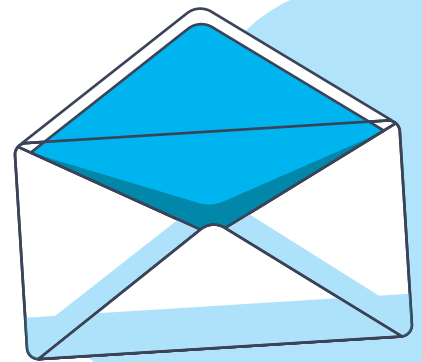
MAKING UNSUBSCRIBING DIFFICULT.

When the process to unsubscribe from emails is difficult, exasperated users tend to simply mark messages as spam instead, which is far more harmful to email deliverability than unsubscribing. Single-click unsubscribe links should be included in every email you send.

USING AN OUT-OF-DATE EMAIL LIST.

Email addresses change fairly regularly, and sending to lists that are bloated with abandoned or out-of-date addresses is a surefire way to worsen deliverability rates. If your messages to an email address have not been opened or engaged with in the past six months, it's likely outdated and should be removed from your regular send list.

SENDING IRRELEVANT EMAIL.

Poor list segmentation (or none at all) can result in very different audiences all receiving the same messaging and, to many subscribers, the information will be irrelevant, resulting in lower opens and clicks and higher spam rates. Dynamic content, thoughtful list segmentation, and personalization can help mitigate this.

HIGH COMPLAINTS.

An email program is a two-way conversation that involves permission and expectations. Sending email that's not relevant, with the wrong messaging, and at a frequency or volume that the receiver finds too aggressive can all result in high complaints or people tuning you out.

HOW SPAM IMPACTS REVENUE

WHAT DOES SPAM DO TO YOUR EMAIL FUNDRAISING?

A STORY OF 2.4 MILLION EMAILS SENT.
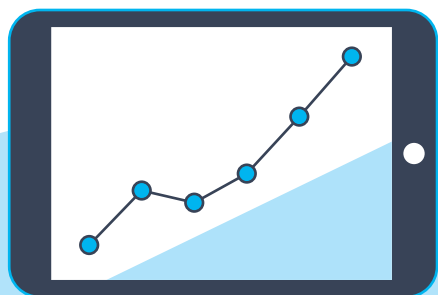
For all of the deliverability examples listed we used these baseline email metrics: a 100,000 subscriber email list being sent 2 emails a month. These are our results.

A *Perfect* Deliverability Spam Rate

2,400,000 EMAILS ARRIVE IN INBOXES

360,000 EMAILS ARE OPENED

10,080 PAGES ARE CLICKED

1612.8 PAGES ARE COMPLETED

$122,572.80 IS RAISED!

A *1 Percent* Spam Rate

2,376,000 EMAILS ARRIVE IN INBOXES

356,400 EMAILS ARE OPENED

9,979 PAGES ARE CLICKED

1596.672 PAGES ARE COMPLETED

$121,347.07 IS RAISED.

An *Average* Deliverability Rate

1,820,160 EMAILS ARRIVE IN INBOXES

273,024 EMAILS ARE OPENED

7,645 PAGES ARE CLICKED

1223.14752 PAGES ARE COMPLETED

$92,959.21 IS RAISED.

PART TWO: HOW MUCH DOES SPAM COST NONPROFITS ANNUALLY?

That's the potential increase in email fundraising revenue for a nonprofit sending 24 fundraising asks a year with a 100,000 person email list. The average nonprofit of this size missed out on a whopping $29,613.59 last year due to spam filtering (See **FIGURE 2**). While much of the email marketing conversation revolves around list sizes, open rates, and clicks, it's clear that ignoring the impact of deliverability is a costly oversight. In a study of 55 organizations, EveryAction found that, on average, 24.16% of email was delivered to spam folders monthly in 2017. April saw the highest spam rate (32.64%) and October, the lowest (16.35%). To compare this with the data we explored in previous years, nonprofits sent about 21 fundraising emails

per month; one more per month than in 2016, but about 3 fewer per month than 2015's rate. Open rates increased by 5.74% in 2017 (to 21.27%), after holding steady around 15%-16% for the last two years.

However, despite increasing sends and open rates, a climbing average spam rate of 24.16%, nearly 6% higher than 2016, and a whopping 17% higher than 2015 cuts significantly into many nonprofits' fundraising potentials, undercutting the gains in other metrics. Despite this, on key fundraising days such as Giving Tuesday and EOY, spam rates fell slightly below average (20.34% and 21.36%, respectively), offering a slight boost to fundraising potential.

1% SPAM EQUALS *$1,225.73* LOST PER YEAR

FIGURE 1: SPAM, OPENS, AND SENDS BY MONTH IN 2017

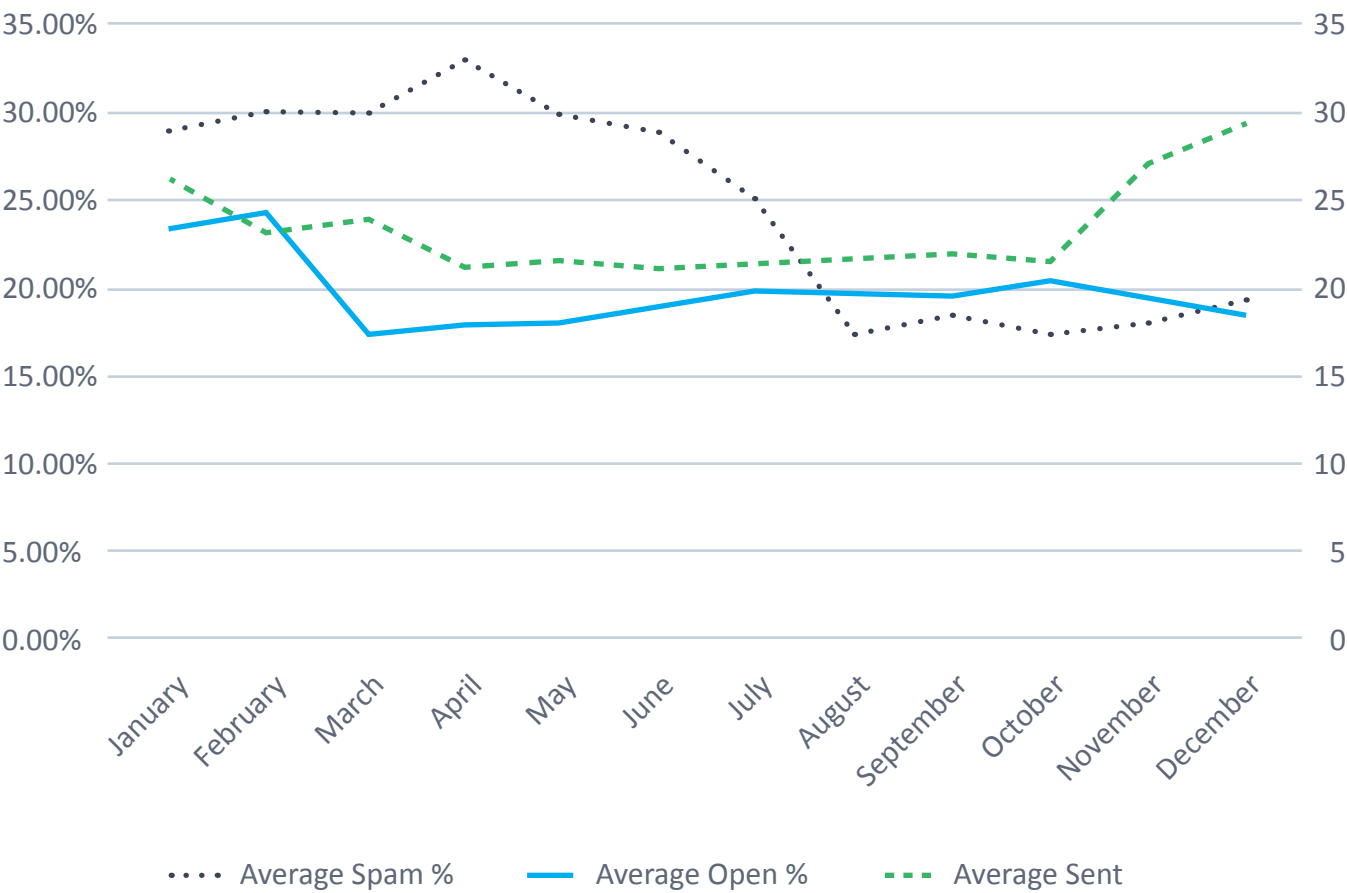···· Average Spam %   ──── Average Open %   ---- Average Sent

FIGURE 1 shows how the average spam rate of 24.16% was distributed over the course of the year, month by month. The average number of email blasts sent per month for each nonprofit is included on the right Y axis, along with open rates and spam rates on the left.

Based on these rates and 2018 benchmark online giving data[1], every percentage of email going to spam annually results in a loss of $1,225.73 (per 100,000 email addresses). This startling figure only reinforces the point that every undelivered email is lost opportunity for supporters to take action, raise their voices, volunteer their time, and, most critically, donate to your cause.

THE DATA

To determine how much money nonprofits lose annually from fundraising emails going to spam, we began with the scenario of a nonprofit with a 100,000 person email list sending two fundraising email asks per month. This methodology was chosen to remain consistent with previous years' analyses and industry trends. We then referenced M+R's 2018 Nonprofit Benchmarks Study to determine the established click rate, page completion rate,

and average one-time email donation amount to calculate the expected revenue from a year's worth of email fundraising. The spam rate affects the amount of emails that actually make it to the inbox, which then subsequently affects the total money raised. The chart below illustrates three scenarios for email lists of 100,000 people, sending 24 fundraising messages annually: 0% spam rate (or 100% inbox deliverability), 1% spam rate, and the average 24.16% spam rate.

FIGURE 2: HOW SPAM IMPACTS REVENUE*

	100% Deliverability	1% Spam	24.16% Spam
Reaches Inbox	2,400,000	2,376,000	1,820,160
Open Rate (15%)	360,000	356,400	273,024
Click Rate (0.42%)	10,080	9,979	7,645
Page Completion (16%)	1612.8	1596.672	1223.14752

Based off 100,000 subscribed email list and 24 fundraising messages per year

Some organizations may have a smaller list, send more fundraising asks, or have different opens, clicks, page completions, or average email donation amounts from the chosen benchmarks. However, the figures below demonstrate that spam has a direct relationship to total money raised from email fundraising. According to 2016 data[2], #GivingTuesday saw yet another record-breaking year with over $300 million raised online, a dramatic increase from 2016's $168 million. It is clear that nonprofit supporters consumers are opting to give on line more and more.

On #GivingTuesday specifically, nonprofits sent an average of the 3.29 emails, and as a result

the spam rate for nonprofit fundraising appeals remained high, at 20.34% although it showed an encouraging decrease from a whopping 36.68% in 2016. Despite this slight improvement however, with an average of 3.29 emails sent and an open rate of 18.03%, 2017 #GivingTuesday revenue still took a big hit due to spam. Using our research and benchmark figures, we found that a nonprofit with a list of 100,000, which sent the average of 3.29 emails lost the potential to raise $3,116.41 on #GivingTuesday as a result of spam. Similarly, a spam rate of 21.36% at End of Year caused nonprofits with a list of 100,000 to leave $3,239.97 of fundraising potential unrealized.

WHAT DOES THIS MEAN FOR YOUR ORGANIZATION?

#GivingTuesday and EOY remain key giving days in the nonprofit fundraising calendar. Organizations that send a significant volume of email around these days typically have a higher donation per email amount during that campaign, and could be losing even more money than they realize from spam rates.

With higher open rates and lower spam rates in the weeks before and after #GivingTuesday, it's worth building a multi-day, multi-channel fundraising campaign rather than banking on a single day.
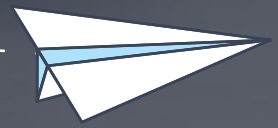
Email Deliverability

Nonprofits could increase email revenue by

$1,225.73*

for every percentage of email that goes to spam.

FOR LISTS OF 100,000

24.16%
of fundraising emails went to spam folders on average in 2017.

Nonprofits lost close to

$30K
on average in 2017 because of spam.

Spam rates on #GivingTuesday and EOY caused an average nonprofit to lose over

20%
of their fundraising potential on these key dates.

PART THREE: WHAT CAN ORGANIZATIONS DO TO IMPROVE DELIVERABILITY?

OPT-IN AND CONFIRM.

Not only should you be explicitly asking individuals to opt-in to your email list, you should also send a follow up email to confirm their address is correct. People mistype addresses. Sometimes they feel forced to provide an address which results in their ignoring your messages or providing a fake email address. By opting-in addresses and confirming them, you ensure the person on the other end absolutely wants to hear from you.

RAMP UP YOUR MESSAGING WITH A WELCOME SERIES.

A welcome series is a great indication of what you can expect from your subscribers in the future. A study by Return Path[3] says that, "People who read all three messages [in a welcome series] read 69% of the brands' email going forward; people who read none continued to ignore the brand's messages, reading only 5% [of future emails]." With this information, you can determine how to best message new contacts going forward.

LOOK BEYOND OPENS AND CLICKS.

Email senders have only a few metrics to go by when determining success for email campaigns: opens, clicks, and conversions. ESPs, however, monitor these metrics and many more to a much more precise degree—and, most importantly, down to the individual. Every nonprofit should focus more on how individuals react, testing engagement with subject lines and content, and looking at how various segments perform.

FOCUS ON BOUNCES.

Explore why bounces are occurring, and what you can do to remedy them. If they happen more than 2 or 3 times, remove them. Repeated bounces can cause alarm bells to ring with email service providers.

PAY ATTENTION TO INACTIVES.

Inactive email addresses are individuals who have not opened or clicked an email in some time. Individuals who drop off in interaction, or don't interact at all, should be messaged differently, focusing on getting them to re-engage with a win back series. If they continue to be inactive for more than a year, remove them from your list. ESPs can turn dead email addresses into spam traps, marking all emails to that address as spam and seriously hurting your sender reputation.

CHECK YOUR HTML.

Tidy HTML is a sign of a good sender. Some email providers look at how "clean" your HTML is and that things are coded properly. With enough issues in your coding, you could wind up having problems getting your email to the inbox.

CHOOSE THE BEST PROVIDER.

Nonprofits deserve a technology partner that's as dedicated to their success as they are. With EveryAction, nonprofits can work directly with expert staff that monitor key deliverability metrics, keep up with the latest best practices, and provide information about sender reputation, helping them raise more money and inspire more action. Choose an email tool with best-in-class features and a support team to match.

PART FOUR: THE **EVERYACTION** DELIVERABILITY DIFFERENCE

- Daily monitoring of client deliverability, sender information, reputation data, email success rates.

- Dedicated staff to both react quickly to troubleshoot issues and guide clients through preventative maintenance to ensure they experience the best deliverability rates possible in today's emailing environment.

- Commitment to continuous education and trainings with authorities in the deliverability community to maintain the highest awareness of trends and best practices.

- World-class support that monitors and maintains EveryAction email tools 7 days a week, 365 days a year.

Looking for better ways to connect with donors?

With **EveryAction**, you have options.

GET A DEMO

https://act.everyaction.com/get-demo

RESOURCES

1 // M+R's 2017 Benchmarks Study http://mrbenchmarks.com/

2 // #GivingTuesday Data Project https://www.givingtuesday.org/data-project

3 // A New Welcome Message Study - Find Your Best Customers, Return Path http:// blog.returnpath.com/blog/stephanie-colleton/new-welcome-messagestudyfind-your-best-customers

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