

2019

Hotel Email Marketing Benchmark Report

REVINATE

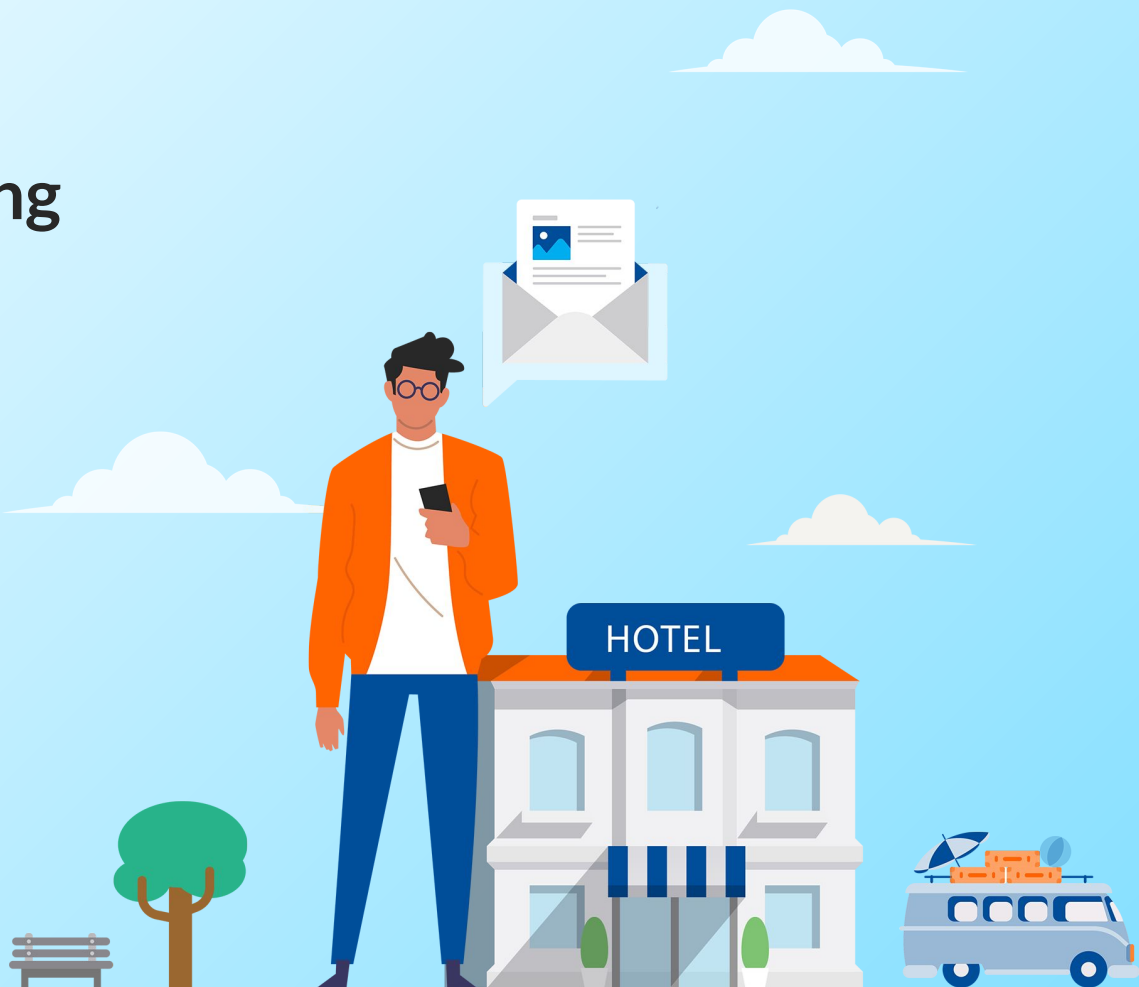
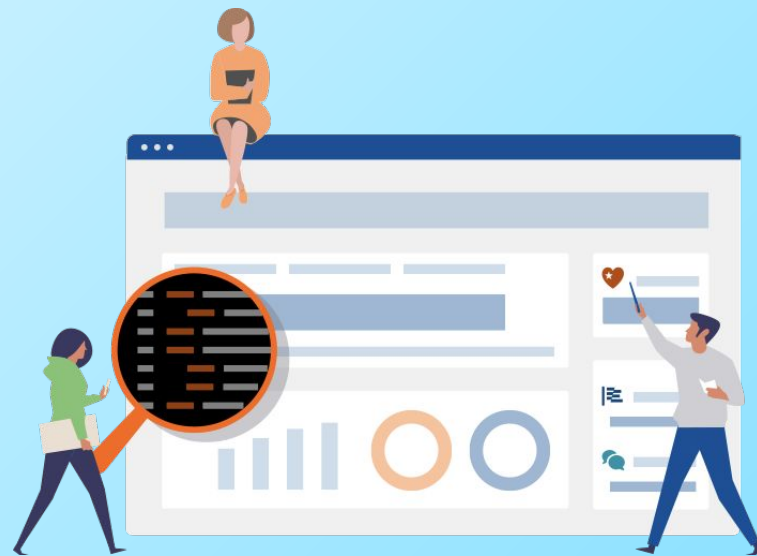


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01 Introduction

Once a year, Revinate takes a deep dive into the performance of email campaigns from hotels across the globe to better understand the state of hotel email marketing. We look at every aspect of these email campaigns and provide benchmarks to help you understand your own email marketing efforts. We answer questions such as: What's the average open rate for email campaigns? What kind of click rates and bookings are other hoteliers getting? How large should your database be? All of the questions you should be asking as a hotel email marketer. We cover regional differences in benchmarks as well, so you can compare yourself to your competition across the street or around the world.

We analyzed close to 226 million emails from hotels of all sizes and in all regions, and this year, we found that engagement rates are continuing to grow year over year, providing more evidence that email provides the best ROI of all channels in the hospitality industry. While there is often talk of how privacy laws like GDPR have changed marketing, the truth is that consumers still like to get relevant emails from brands they do business with. If you're looking for a way to drive customer lifetime value, look no further than email.

TIP: Learn how GDPR affects your hotel and how to ensure compliance in our [Hotelier's Guide to GDPR](#).

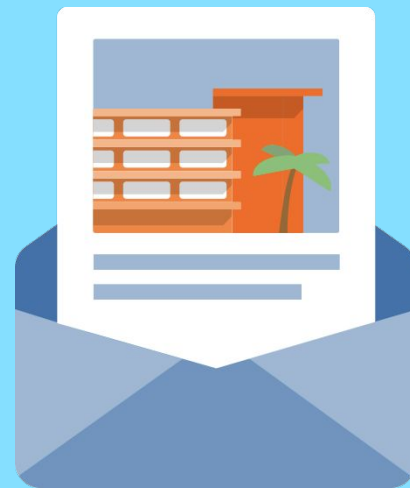


We hope that the benchmarks we provide help hoteliers derive insight into their email marketing performance and find ways to make the most of every guest.

REVINATE: Revinate Marketing seamlessly integrates with your Property Management System (PMS) to send personalized campaigns and track real-time results.

The Case for Email

While email marketing has been around for decades, the emails that companies send today hardly resemble those from even ten years ago. The days of blasting emails to your entire database are long gone. Today, with a Hotel CRM like Revinate Marketing, hoteliers can send highly personalized emails timed to coincide with key milestones in the traveler's journey. With just a little bit of creativity and a CRM to segment your database and automate messages, anyone can become a successful email marketer.



TIP: Learn what it takes to boost loyalty, guest engagement and revenue with email marketing. Check out the [Ultimate Guide to Email Marketing](#).

Why Email Marketing is a Marketing Workhorse



Millennials

This may come as a surprise, but millennials lead the way in making purchasing decisions based on email. Research shows that they already comprise over one-third of the world's hotel guests, with predictions that they will reach over 50% by 2020. Connecting with this segment is critical for long-term success.

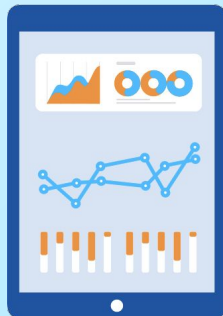


Personalized

Email is a compelling channel for hotel marketers because it allows those with information-rich databases like the PMS to segment their audiences and send targeted messages that are proven to get better results than generic emails.

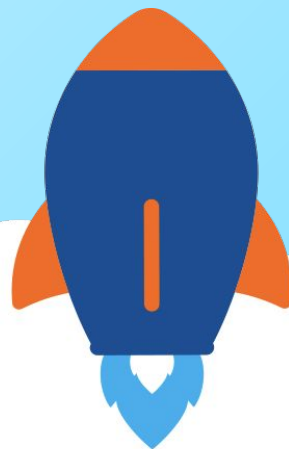
Measurable

Another benefit of email marketing is that it's easy to test and improve over time. Email marketing solutions allow marketers to measure open and click-through rates. And, if an email solution is integrated with the PMS, hoteliers can easily attribute bookings and upsell revenue to the email campaign.



Highest ROI

Finally, email continues to deliver the highest ROI—more than four times higher than other marketing channels including social media, direct mail and paid search (source: DMA and Demand Metric).



02 Database Size

Hoteliers looking to drive direct room bookings or ancillary revenue need to focus on continuously growing their databases. We suggest that you collect guest data when guests want to share it. For example, ask guests to complete a preferences questionnaire pre-arrival or collect their email in exchange for free wifi on site. Hotels should also try to capture data during check in.

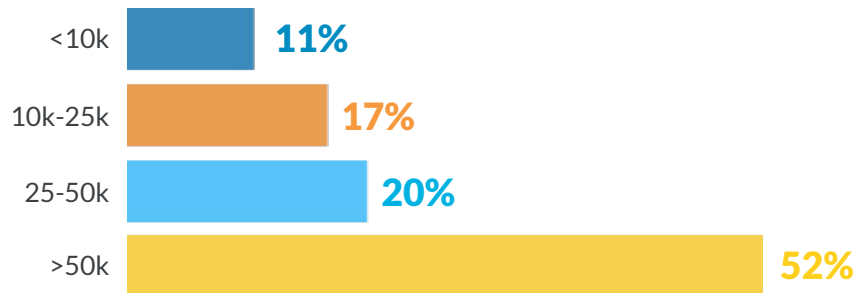
While growing your database is important, you also want to make sure that you periodically weed out duplicates and junk emails as poor email deliverability can affect your sender rating (you don't want your emails to end up in spam filters!). In other words, to be a successful email marketer you need to focus on both the quantity of guests in your database, as well as the quality of your data.

REVINATE: Arrivals Reporting allows teams to know more about their guests and enhance their stay experiences.

REVINATE: Database Insights allows you to drill into key insights from your PMS data to make more informed marketing decisions. [Learn about your top booking channels, locations, lead time for reservations and more.](#)

Across all regions, almost 70% of properties have more than 25K profiles with email addresses.

Database Size



Database Size by Region

Last year, we surmised that UK and Ireland, which previously had the largest guest databases, would be surpassed by other regions given the strict email laws in those countries. Unsurprisingly, this year Scandinavian countries proved to have the largest guest databases, followed by the US, Canada and the Middle East.

| | <10k | 10-25k | 25-50k | >50k |
|-----------------|------|--------|--------|------|
| US & Canada | 9% | 19% | 15% | 56% |
| ME & Africa | 15% | 20% | 9% | 56% |
| Scandinavia | 0% | 20% | 20% | 60% |
| DACH | 16% | 15% | 30% | 39% |
| LATAM | 11% | 19% | 17% | 53% |
| Southern Europe | 6% | 17% | 33% | 44% |
| UK & Ireland | 14% | 17% | 16% | 53% |
| Benelux | 6% | 11% | 33% | 50% |
| APAC | 11% | 13% | 26% | 49% |

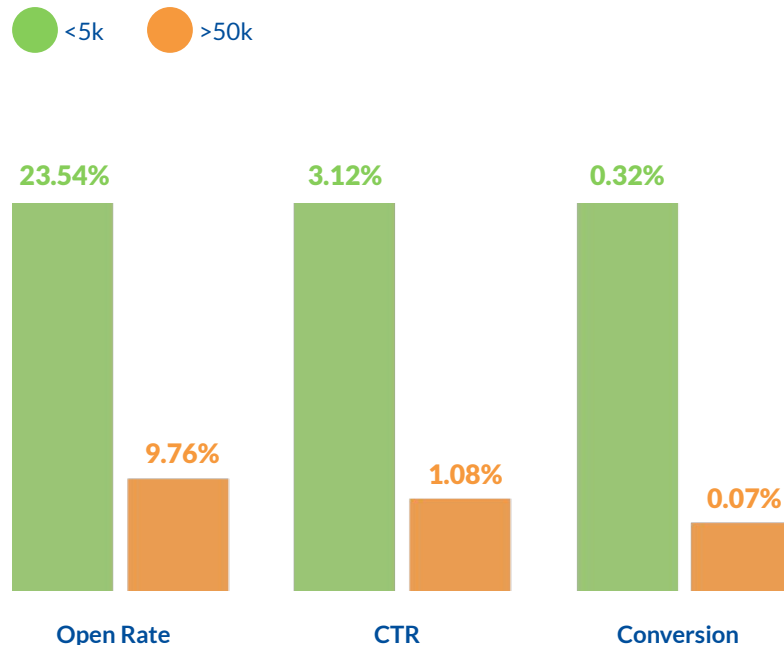
03 Segmentation

Database segmentation allows marketers to send the right email to the right audience. For the most accurate segmentation, you must connect your email solution to the hotel PMS, where customer profiles, including behavioral and demographic attributes, are stored.

It's critical to target your messages to the right audience to increase engagement. According to our data, segmented campaigns of 5,000 or fewer recipients see significantly higher open rates, click through rates (CTR), and conversions than campaigns with more than 50,000 recipients.

To prove the importance of segmentation, we analyzed one-time promotional emails sent from Revinate Marketing customers. Globally, campaigns going to less than 5,000 recipients get opened more than twice as often as campaigns going to more than 50,000 recipients.

Global Engagement by Segment Size



In addition to having greater open rates, campaigns sent to smaller audiences have 5x the conversion rate of campaigns sent to larger audiences, which makes sense when you consider that you can more easily personalize an offer when it's being sent to a discernible segment. If a property has 50,000 emailable profiles in their database and can find a way to segment their profiles and send more personalized emails, they can generate a lot more money, as the adjacent example proves.

With the same amount of customers being emailed, you can drive five times the number of reservations with segmentation.

As the chart on the following page illustrates, most regions see a significant increase in the CTR and conversion with smaller email sends.

TIP: Learn what it takes to boost loyalty, guest engagement and revenue with email marketing. Check out the [Ultimate Guide to Email Marketing](#).

Scenario 1: Hotel sends **1** email to **50k** people

$$\begin{array}{ccccc} 50k & \times & 0.07\% & = & 35 \\ \text{Emails} & & \text{Conversion Rate} & & \text{Reservations} \end{array}$$

Scenario 2: Hotel sends **10** segmented emails to **5k** people each

$$\begin{array}{ccccc} 5k & \times & 0.37\% & \times & 10 & = & 185 \\ \text{Emails} & & \text{Conversion Rate} & & \text{Number of Groups} & & \text{Reservations} \end{array}$$

Engagement by Region

| MARKET | OPEN RATE | CTR | CONVERSION RATE |
|-----------------|----------------|--------------|-----------------|
| APAC | 14.35 - 17.63% | 1.45 - 2.56% | 0.11 - 0.19% |
| Benelux | 5.15 - 29.66% | 0.70 - 4.87% | 0.01 - 0.51% |
| DACH | 22.26 - 32.09% | 3.63 - 5.61% | 0.15 - 0.59% |
| Southern Europe | 15.7 - 41.37% | 1.94 - 2.91% | 0.09 - 0.50% |
| LATAM | 10.72 - 19.93% | 1.88 - 2.67% | 0.13 - 0.47% |
| ME and Africa | 5.8 - 20.22% | 0.47 - 1.4% | 0.05 - 0.11% |
| Scandinavia | 16.29 - 33.04% | 1.25 - 5.51% | 0.08 - 0.74% |
| UK and Ireland | 12.82 - 29.62% | 1.2 - 4.57% | 0.05 - 0.36% |
| US and Canada | 10.15 - 20.25% | 1.17 - 3.01% | 0.08 - 0.35% |

04 Campaign Performance

One-Time Campaigns

When we think about revenue driving email campaigns, we consider two different types:

1. One-time campaigns. These emails are manually created and sent ad hoc
2. Automated campaigns. These emails are triggered based on recipient behavior and timing rules. *For example, a pre-arrival email is sent 2 days before check-in*

Globally, hoteliers are getting more astute at crafting messages and offers that resonate with guests and reaping the rewards. Today, Revinate Marketing customers see an average open rate of 19.7% and an average CTR of 2.6% with one-time campaigns.

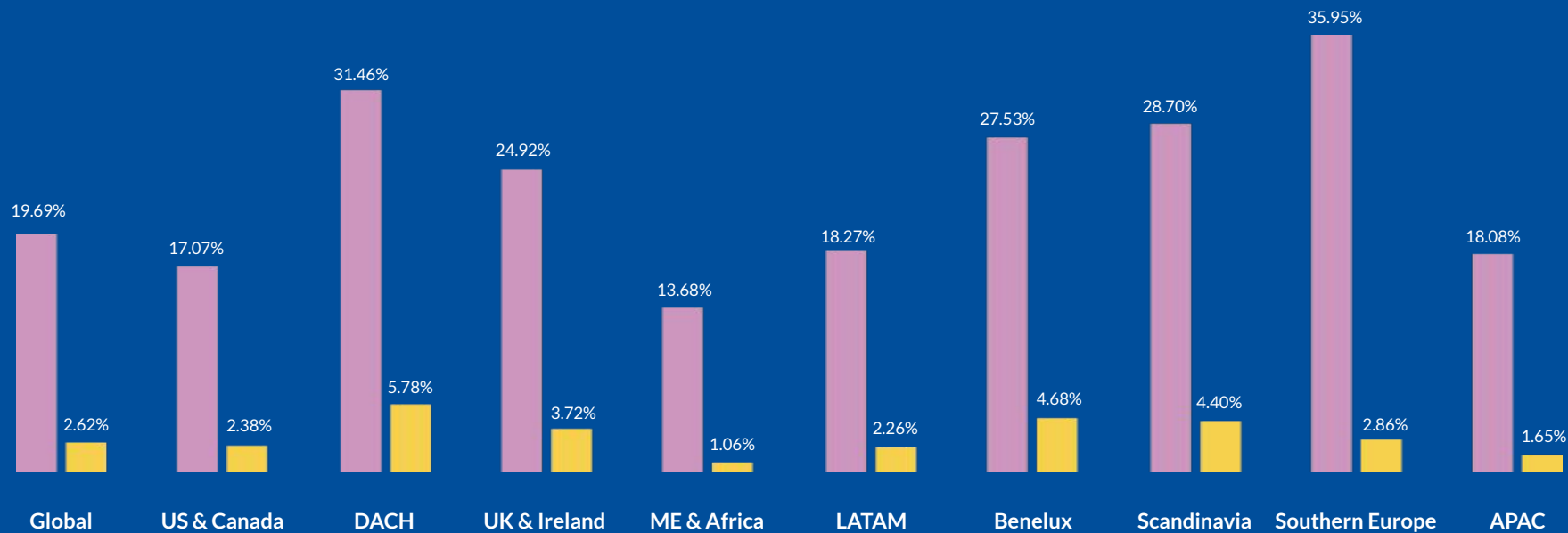
When we look at one-time campaign performance by region for the last 12 months, we can see that DACH campaigns get the highest CTR, but Southern Europe has the highest open rate. Given the strict email regulations in Europe, it's likely that strong campaign performance in Europe is a result of engaged customers opting in to receive communications.

TIP: To increase the value of your one-time campaigns, consider re-sending to a segment of your audience that did not open the initial email, or opened but did not click. For best results, send 3-5 days after the original campaign and try a different subject line.



One-Time Promotions

● Open Rate ● CTR



Automated Campaigns

While one-time campaigns are steady revenue generators, automated campaigns typically outperform one-time campaigns on engagement metrics. Additionally, our data finds that transactional emails see the highest engagement, with automated booking modifications and confirmation emails getting 72.11% open rates and 25.75% CTR, globally.

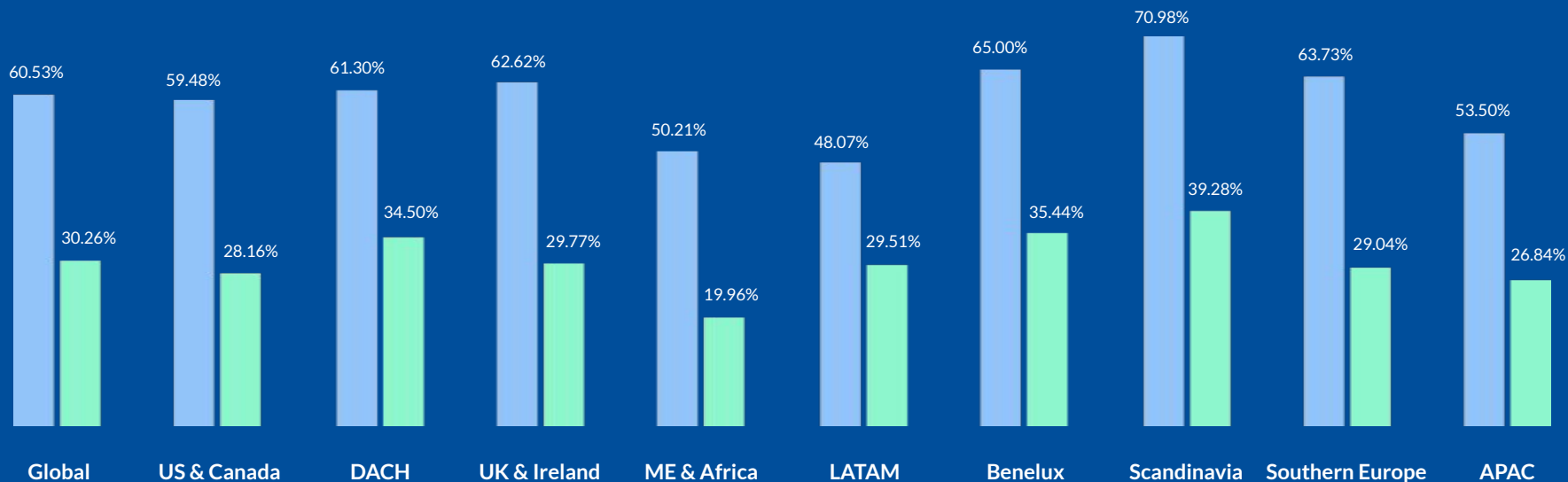
Welcome emails sent to guests upon check-in get an average open rate of 50.11%. They also have an average CTR of 15.79% and present a great opportunity to not only set the tone for a memorable stay but also promote restaurants and additional services.

With a global open rate of 60.53% and a CTR of 30.26%, pre-arrival emails are a great way to drive incremental revenue before the guest arrives on property. Hoteliers should continually test subject lines and send times, since these emails have the highest conversion of all emails.



Pre-Arrival Emails With Upsell Offer

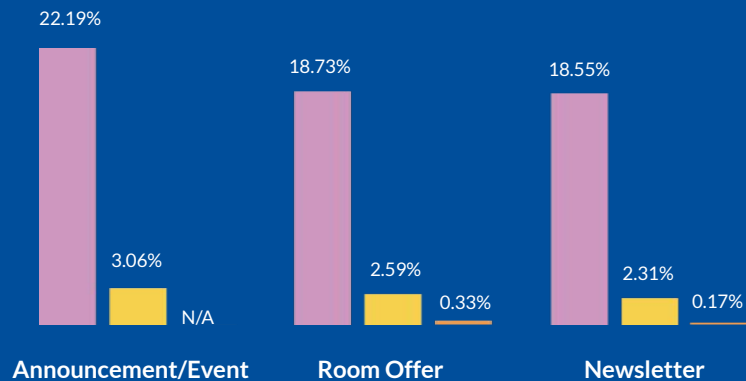
● Open Rate ● CTR



Global Benchmarks for Popular Campaigns

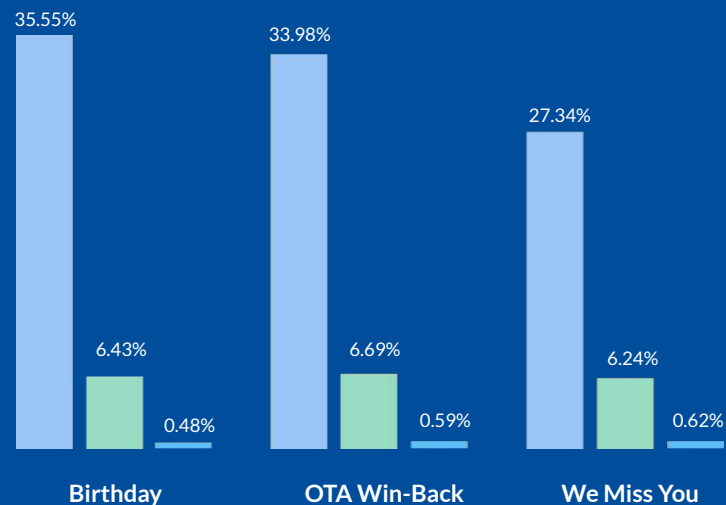
One-Time

Open Rate CTR Conversion



Automated

Open Rate CTR Conversion



05 When to Send

Analyze the Booking Window

When it comes to determining the right time to send email campaigns, it's important to consider the booking window. To determine the booking window across all regions, we analyzed 32 million global reservations.

Globally, 34% of reservations are made 0-6 days before the stay. Hoteliers can use this data to determine the best time to send offers and reminders. For example, if you're promoting Summer weekend specials, send your emails on Monday to drive reservations for the upcoming weekend. With fewer people booking well in advance, your emails, especially for promo rates, can be sent closer to the dates you're trying to sell.

| GLOBAL | 0-6 DAYS | 7-14 DAYS | 15-31 DAYS | 32-90 DAYS | 90+ DAYS |
|--------------|----------|-----------|------------|------------|----------|
| Rooms Offers | 34% | 14% | 18% | 22% | 12% |
| Newsletters | 25% | 13% | 18% | 25% | 19% |

REVINATE: Time your marketing campaigns by understanding how far in advance guests book, their length of stay, lifetime stays, and a breakdown by number of nights. Filter by dates to effectively create campaigns in advance for holidays and seasons.



Best Days and Times to Send Emails

According to global averages, Tuesdays and Wednesdays are the most fruitful days to send emails. However, the story changes substantially when we analyze data from individual markets.

In the US and Canada, for example, Monday is the best day to send emails, with a 0.27% conversion rate. Tuesday and Thursday follow with 0.21% each. Friday has the highest open rate, at 18.37%, although it is tied in second to last place when looking at conversion rate.

In DACH, Saturdays have a 0.71% conversion rate, followed by Wednesdays with 0.62%.

When considering what time of day to send, we find the answer varies by region. However, there is one through line, and that is sending at a time when your recipients are likely to be just starting or just finishing their days.



Best Days to Send According to Conversion Metrics

| | SUNDAY | MONDAY | TUESDAY | WEDNESDAY | THURSDAY | FRIDAY | SATURDAY |
|-----------------|---|---|---|---|----------|---|---|
| Global | | | | Open Rate: 19% Conversion Rate: 0.29% | | | |
| US & Canada | | Open Rate: 17.53% Conversion Rate: 0.27% | | | | | |
| DACH | | | | | | | Open Rate: 35.12% Conversion Rate: 0.71% |
| UK & Ireland | | | Open Rate: 25.13% Conversion Rate: 0.39% | | | | |
| ME & Africa | | Open Rate: 13.80% Conversion Rate: 0.13% | | | | | |
| LATAM | | | | | | Open Rate: 18.19% Conversion Rate: 0.71% | |
| Benelux | | | Open Rate: 28.28% Conversion Rate: 0.56% | | | | |
| Scandinavia | | | | Open Rate: 27.83% Conversion Rate: 0.82% | | | |
| Southern Europe | | | | Open Rate: 40.97% Conversion Rate: 1.11% | | | |
| APAC | Open Rate: 21.64% Conversion Rate: 1.04% | | | | | | |

Best Times to Send According to Conversion Metrics

Global

4:00pm
UTC

Open Rate: 18.68%
Conversion Rate: 0.33%

US & Canada

6:00pm
EST

Open Rate: 23.26%
Conversion Rate: 0.42%

DACH

5:00pm
Central Europe

Open Rate: 32.75%
Conversion Rate: 0.84%

UK & Ireland

6:00pm
UTC

Open Rate: 28.28%
Conversion Rate: 0.46%

ME & Africa

11:00pm
UTC

Open Rate: 14.98%
Conversion Rate: 0.25%

LATAM

6:00pm
PST

Open Rate: 31.15%
Conversion Rate: 0.90%

Benelux

6:00am
UTC

Open Rate: 22.61%
Conversion Rate: 0.86%

Scandinavia

9:00pm
UTC

Open Rate: 44.30%
Conversion Rate: 2.45%

Southern Europe

12:00pm
UTC

Open Rate: 41.50%
Conversion Rate: 1.57%

APAC

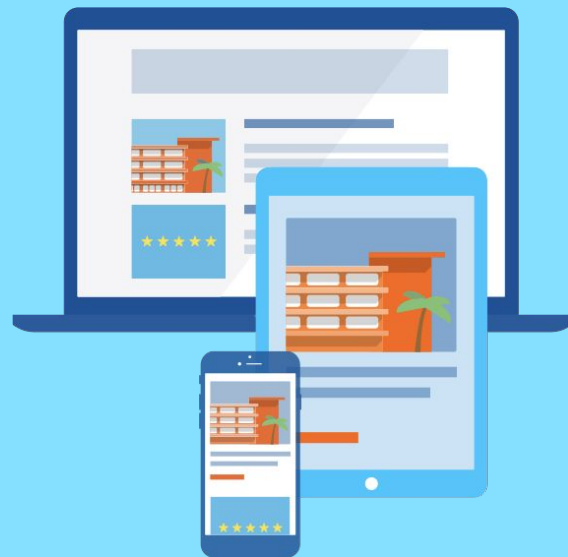
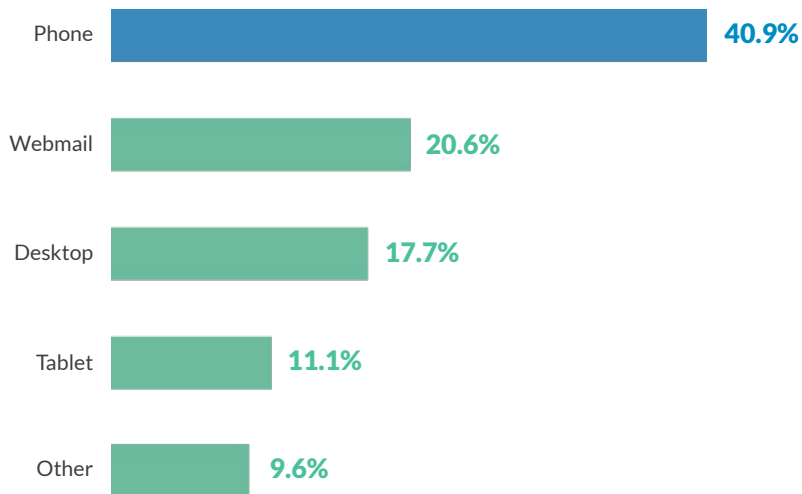
1:00am
Hong Kong

Open Rate: 25.55%
Conversion Rate: 0.82%

06 Email Clients & Devices

No email strategy is complete without first understanding how customers view your emails.

Globally, 40.9% of emails are opened on the phone and 11.1% are opened on tablets. That means that hoteliers must have a mobile strategy and ensure that all emails are designed for mobile devices.



REVINATE: Before sending, Revinate allows you to test your emails to ensure they render correctly across 28 mobile and desktop clients. iOS, Android, Outlook, Gmail and more.

07 Conclusion

In summary, we hope you use this as your apples-to-apples comparison with others in the hospitality industry to benchmark your own marketing efforts. By understanding how others are performing, you can identify areas for improvement.

There are several key takeaways from this research. The smaller and more targeted you can make your segments, the more revenue you are likely to drive, even if your overall database is the same size. Automated campaigns continue to be powerful revenue drivers, which are easy and relatively low-effort to set up. Finally, as most emails are opened on mobile devices these days, be sure that your emails are mobile-friendly.

With email engagement rates improving every year, and the vast majority of Revinate customers driving measurable ROI from email marketing, email should be a core part of every hotel's marketing strategy. Now, with global and regional benchmarks, we suggest hoteliers spend some time comparing their results against other hotels. If results are below the average, more testing and optimization around subject lines, send times, offers, etc. is likely needed.

Revinate Marketing combines the power of a hospitality CRM with world-class email marketing. If you're looking for a partner to help you get the best results from your email program, please [contact us](#).



Download the FREE Hotelier Guide to Email Marketing

Get the skills you need to build guest loyalty, engagement, and revenue with email marketing. Written by Revinate's Hotel Experts, this free resources includes 40+ actionable topics with insights, strategies, and best practices for your hotel.



GET IT NOW