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Bringing Industry and Client Data All Together

Marketing automation is not new. These platforms have been widely adopted across markets and industries as a standard marketing practice. And the advantages include an ever-growing list of features, functionality, reporting, and strategy opportunities. The rush to adopt has passed, and brands are settling into this new normal. So, how can associations keep up with it all?

By asking ourselves how we do it all right now. We looked into how both our own clients and the larger association market currently run their marketing efforts, and how we could all improve.

As marketing automation evolves, so should our industry reporting. This new report came from humble beginnings - our previous email benchmarking reports offered straightforward analysis on how our clients’ emails performed, year over year. Our client base has grown along with the broader marketing industry. Change begets change, and we knew email marketers had grown, too.

For 2018, we’ve combined our traditional email benchmarking report with a new industry survey focused on marketing automation. This is the first report of its kind strictly for associations.

The email benchmarking data is from Higher Logic association clients across a myriad of organizations, who collectively sent over two billion emails in 2017. We conducted a broader industry survey, with feedback and new data from nearly 200 organizations, representing a myriad of industries in the association arena. We’ve condensed a lot of the survey findings into two primary response categories: trade organizations and individual member organizations (IMO).
KEY FINDINGS

How Are We Marketing? [Client and Survey Data]

Departing from previous benchmarking reports, we focused on analyzing client campaign activity, rather than basic email marketing benchmarks. While the campaigns consistently achieved industry benchmarks (e.g. opens, clicks, and unsubscribes), more notable findings included:

**262% increase in single-message automation**

**387% increase in number of emails sent in a campaign (pro users only)**

**85% increase in users for 2017 (enterprise users only)**

The top three campaign types among all clients were events, renewals, and welcomes, which is consistent with the broader association space.

Overall, we observed email marketing became easier for users, allowing them to maintain or improve standard email metrics across the board. There was an increase in the automatic triggering of single messages, which signals a focus on working smarter, not harder, to simplify marketing while taking advantage of automation.

It doesn’t always have to be a complex web of logic to trigger an email series - saving time remains a top priority for clients.

Keeping our client activity in mind, we started our survey with a simple yet encompassing question: Do you use marketing automation?

<table>
<thead>
<tr>
<th>Survey Question: Do You Use Marketing Automation?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Use marketing automation: <strong>52%</strong></td>
</tr>
<tr>
<td>Don’t use it (but almost half plan to use it soon): <strong>39%</strong></td>
</tr>
<tr>
<td>Have no plans to use marketing automation: <strong>18%</strong></td>
</tr>
</tbody>
</table>

*Pro Users denotes those on the Higher Logic platform powered by Informz.  
**Enterprise Users denotes those on the Higher Logic platform powered by Real Magnet.*
Associations’ Business Objectives Are What Drive Marketing Automation Adoption

Most associations struggle with both the desire and need to adapt to changing technology. Despite marketing automation now being a mainstay, this situation is no different. How can we truly integrate a marketing automation system into our broader marketing (and organizational) goals?

Marketing teams employ these platforms to break through the noisy, content-bloated atmosphere. It should streamline our processes, automate our outreach, and track it all in real-time.

Based on our combined findings, the decision to use marketing automation stems from an association’s business objectives. Most associations are motivated by two primary outcomes: member retention and event registration. These outcomes were a driving force for associations across their consideration, adoption, and programming with marketing automation platforms. More specifically, we’ve concluded there are three areas that define these motivations:

01 EFFICIENCY AND SIMPLICITY TOP THE LIST.
Most associations want to streamline their marketing and communications for top business objectives (renewal/retention, events) as well as personalize that outreach and content.

02 CHALLENGES COME DOWN TO EDUCATION.
Most associations aren’t finding the resources they need from platform providers, revealing a need for more, as well as an opportunity to bolster interdepartmental strategy and planning early in order to set teams up for success.

03 SAVING (AND FINDING) STAFF TIME IS CRITICAL.
Ease of use was the most important evaluation criteria for survey respondents. If associations have efficient platforms with ample onboarding resources, they’re better able to increase productivity on those business objectives.

KEY FINDINGS

RETURN ON INVESTMENT:

“We see a large increase in event registrations and member interaction with the association as a result of taking the time to set up marketing automation.”

-SURVEY RESPONSE
EMAIL PERFORMANCE IN AN AUTOMATED WORLD

In 2017, the volume of emails sent through marketing automation campaigns increased by 110 percent compared to 2016 email volumes. This trend is expected to continue as associations gain a deeper understanding of the benefits and capabilities of marketing automation platforms.

The general open rate remains steadily above industry average, at 35.2 percent. The general click rate is at 15.8 percent, increasing from last year. The general delivery rates maintained at roughly 98 percent (see Figure 1).

Email and Marketing Automation Metrics

Based on annual association email volume in 2017, most organizations are sending between one and five million emails during the calendar year (see Figure 2). But those organizations that sent less than one million emails saw the highest open rate of 39.3 percent (see Figure 3).

Figure 1: While volume has increased, general open and click rates have remained steady for email campaigns.

Figure 2: Most associations sent between one and five million emails during 2017.

Figure 3: The cohort of associations that sent less than one million emails saw the highest open rates.
EMAIL PERFORMANCE IN AN AUTOMATED WORLD

This “less is more” targeted approach carries over into monthly email distribution breakdowns (see Figure 4). For most of our client organizations, the number of emails sent per month to their membership varies. But we found that out of all members (AKA association subscribers), about 72 percent received an average of one to five emails per month.

Furthermore, those organizations that segmented their recipient lists saw the best results in terms of open and click rates. Organizations with recipient lists of fewer than 500 had the best open and click rate, at 45 percent and nearly 20 percent, respectively. (see Figure 5).

Survey results report 87 percent of associations consider marketing automation an important component of their current strategy. In terms of priority, 55 percent of trade associations reported marketing automation as being “very important,” compared to 41 percent of IMOs.

“We’ve been able to target our fringe members and capture them at a higher rate.

-SURVEY RESPONSE

Figure 4: Over 70 percent of members receiving emails from an association, received between one and five per month.
Differentiating Email Campaigns: Subject Line, Links, and Day of Send

In conjunction with industry reports and best practices, we’ve found our own clients’ email performance also is fairly subjective for subject lines, number of links, and the send day:

01 Shorter subject lines did yield the best open rate by a margin of only three percent.

02 The click rate increased with the inclusion of more than one link, but results are fairly even in terms of number of links.

03 The day of the week seems negligible for performance, with all seven days fairly comparable in terms of both open and click rates.

Results by Subject Line Length

Results by Number of Links

Results by Day of the Week

Figure 6: Shorter subject lines had a marginally better open rate.

Figure 7: Links seem to improve the click rate, but results are inconclusive in terms of the optimal number of links to include.

Figure 8: We can surmise that the best day of the week for email campaigns is subjective and dependent on an association’s audience and market.
HOW (AND WHY) ARE WE USING MARKETING AUTOMATION NOW?

Based on survey results, most people want to leverage marketing automation for their main business objectives: boost membership, increase event registrations, and improve overall efficiency (see Figure 9). Events were consistently a top goal across associations, as reflected in results from multiple survey questions.

Associations’ Marketing Automation Goals

- Increase membership renewals/retention: 16.01%
- Increase event registration: 15.76%
- Deepen member intimacy due to personalization: 14.53%
- New member recruitment: 13.92%
- Cross-sell and upsell products and services: 11.95%
- Reduce staff costs via efficiencies: 9.85%

This is consistent with Higher Logic client data: a popular and important choice for marketers was to first automate email programs that directly drive revenue and engagement. If your primary business objectives are member retention/renewal and event registration, then those also should be your primary goals for a marketing automation strategy.

Figure 9: When asked what goals they hoped to achieve through the use of marketing automation, respondents listed member renewal/retention as a top priority.

Figure 10 above details the average open and click rates of marketing automation campaigns in 2017 across all Higher Logic association clients. The top two motivations for using marketing automation from the survey - boost membership and increase event registrations - are also reflected here in client campaigns.

Segmented by organizational type, it’s trade associations that are more likely to use marketing automation for promotion of ongoing products and services, while IMOs are more inclined to automate new member recruitment.

Overall, goals deemed most important to associations surveyed were increasing membership renewals/retention, personalization, and new member recruitment (with increasing event registration and reducing staff costs close behind). According to survey respondents, the goals achieved most successfully were increasing event registration and increasing membership renewals/retention.
No matter the size or depth of your marketing automation strategy, inevitably, all associations are faced with challenges. When asked to describe challenges in launching marketing automation, survey respondents stuck with two common themes in their open responses:

01 **Lack of Platform Knowledge.**
A common hurdle for associations is understanding the platform they need (or just bought). The most respondents reportedly struggle with a lack of platform knowledge. There’s a need for better, more accessible resources on how marketing automation platforms can help associations achieve business objectives.

02 **Lack of/Disjointed Strategy.**
Many respondents also reported disjointed strategy across departments. If stakeholders aren’t adequately communicating, it could significantly hinder efforts to accomplish any predetermined business outcomes.

**How Can We Better Leverage These Challenges for Future Success?**

Fundamentally, a marketing automation platform reduces manual labor and automates repetitive steps. This provides immediate benefits through operational efficiencies. If the primary challenges include understanding how to set up and strategically manage a platform, then it’s up to platform vendors to ensure the right educational and training materials are available.

Furthermore, organizations should ensure alignment among leadership and departments involved in using the platform. The earlier an association establishes organizational goals and strategy, the smoother its goal-setting and platform launch will be.

**Do Specific Features Factor into These Challenges?**

When surveyed, associations noted price is an important, but not the most important, buying consideration. Ease of use and integration capabilities reigned supreme.

<table>
<thead>
<tr>
<th>Evaluation Criteria</th>
<th>Importance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ease of Use</td>
<td>22.72%</td>
</tr>
<tr>
<td>Integration Capabilities</td>
<td>22.49%</td>
</tr>
<tr>
<td>Price</td>
<td>20.49%</td>
</tr>
<tr>
<td>Features</td>
<td>16.7%</td>
</tr>
<tr>
<td>Technical Support</td>
<td>9.35%</td>
</tr>
</tbody>
</table>

*Figure 11: Above details survey respondents’ most important evaluation criteria when selecting a marketing automation platform.*

When asked about the importance of specific features, the majority of survey respondents did not list lead scoring or retargeting. Although evenly split among Always, Sometimes, and Never, a slight majority did report using web tracking. A clearer majority occasionally uses A/B testing.

Additional features in marketing automation remain important, because to create an effective personalized experience, we need easier ways to fold in all elements of digital marketing strategy.
Marketing Automation Is One [Major] Piece of Your Marketing Strategy

Marketing automation is more than advanced email marketing - today it can, and should be, the foundation of a successful marketing strategy. A marketing automation platform is the unification of all marketing efforts, from web traffic and social media to promotions and even direct mail.

More than an automatic send button for email marketing, it’s about incorporating all digital marketing efforts, so they’re informing each other. Automation should unify these elements.

“So far we’ve been able to track ROI with marketing automation. It’s very helpful to bring back to department heads to show them how much impact our efforts have.”

- SURVEY RESPONSE

Reporting on Marketing Performance

Most associations are reporting on key performance outcomes, which means both the desire and the need to track and prove value exists.

81.5% use marketing automation dashboards to some degree

Almost 40% responded they use dashboards often

18.5% never use dashboards

Note: if we look at the data more on a scale of adoption (bundling responses by Always/Often and Rarely/Never), than the responses are split more evenly. About 48 percent were less likely to be tracking with dashboards, and about 52 percent were more likely to use them.

Marketing Automation Dashboards: Do You Track Key Performance Outcomes?

- SURVEY RESPONSE

Figure 12: How frequently do you use marketing automation dashboards to track key performance outcomes?
THE RIGHT OUTREACH FOR IMPROVED ENGAGEMENT

The basics are still relevant for marketers, and it’s reflected throughout our client and survey data. The focus remains on organization-wide goals. Most are measuring the success of their marketing automation platforms based on performance in event registration, membership renewal/retention, and personalization.

Personalizing the member experience was a top rated goal for organizations across industries and size. Associations and non-profit organizations are getting savvier at recognizing and incorporating personalization into the member experience. The bar for audience expectations continues to rise as the average consumer becomes accustomed to personally relevant, digital interactions.

“Ultimately, by automating our process, we don’t miss anything and ensure every member receives a consistent service/message.

-SURVEY RESPONSE

Customizing email content and cadence can greatly impact revenue goals and audience engagement. A lot of respondents believe they are successful because they have seen the efficiency improvements and a boost in legitimate member engagement.
CONCLUSION

The State of Marketing Automation in 2018 and Beyond

For organizations and staffs of all sizes, it’s a challenge to follow best practices. In the recent past, our email marketing experts preached best practices like customization and personalization. Marketing automation provides an efficient (and easier) way to make this a reality. Our current data proves associations are quickly catching up to the rest of the world - automation isn’t new, it’s just the new standard practice.

Marketing automation helps associations recognize what’s working and increase those efforts, to incorporate more automation into big-picture strategies. This is where the winning combination of campaigns and performance reports gets a starring role. The data doesn’t lie - we’re definitely meeting our goals.

Associations are making progress but still in a learning curve. The future is bright, but training and support are high priorities as we continue blazing trails for marketing automation in this space.
Higher Logic is an industry leader in cloud-based engagement platforms. Our data-driven approach gives organizations an expanded suite of engagement capabilities, including online communities and marketing automation. From the initial web visit to renewal and ongoing engagement, we help you track and manage interactions along each stage of the digital customer experience. Organizations worldwide use Higher Logic to bring people all together, by giving their community a home where they can interact, share ideas, answer questions, and stay connected. Everything we do - the tools and features in our software, our services, partnerships, best practices - drives our ultimate goal of making your organization successful.

Learn more at www.higherlogic.com

Corporate Headquarters
1919 North Lynn Street, Suite 500 • Arlington, VA 22209
202-360-4402 • www.higherlogic.com