

Q2 2010 EMAIL TRENDS AND BENCHMARKS –

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Marketing As Usual. Not A Chance.™



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EXECUTIVE SUMMARY

The Q2 2010 Email Trends and Benchmarks study shows steady open rates compared to previous quarters. In addition, six of the thirteen industries measured saw an increase in open rates over Q2 2009.

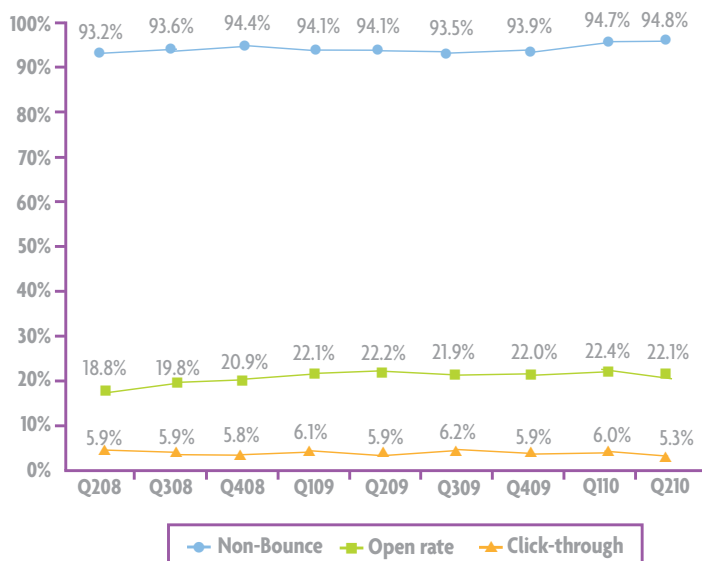
This report also delves into message types and performance trends by industry. Certain types of email messages have the greatest open and click rates, therefore marketers need to leverage these opportunities to communicate with their key audience.

The Q2 2010 Email Trends and Benchmarks study is compiled from 5.6 billion emails sent by Epsilon in Q2 (April – June) 2010, across multiple industries and approximately 160 participating clients. This benchmark report should be used only as a guideline, since specifics for each company will drive results.

Q2 2010 OVERALL PERFORMANCE

- Open rates increased 18.0% from the same time two years earlier, with 6 of the 13 reported industries increasing over Q2 2009.
- Click rates (5.3%) decreased from the same time last year (5.9%).
- Average volume per client is up 10.5% from Q2 2009.
- The non-bounce rate (94.8%) increased slightly compared to this time last year (94.1%).

Email Non-Bounce, Open and Click Rates



Starting Q407, data represents all DREAM and DREAMmail clients

INDUSTRY PERFORMANCE

Travel/Hospitality Travel Services saw an increase in all major metrics – non-bounce, opens and clicks – compared to last year.

Financial Services Credit Card/Banks, Consumer Services Telecom, Travel/Hospitality Travel Services, and Business Products and Services General had the highest increase in open rates compared to the previous year.

Consumer Products CPG had the highest increase in click rates compared to the previous year. Consumer Services Telecom, Retail Apparel, and Travel/Hospitality Travel Services also saw an increase in the click rate compared to the same quarter in 2009.

Consumer Products CPG, Business Publishing/Media General, Consumer Services General and Consumer Services Telecom showed increases in the click to open rate compared to Q2 2009.

Q2 10 North American Industry	Non-Bounce	Open Rate	Click Rate	Click to Open Rate
Business Products and Services General	93.1%	23.6%	4.4%	18.8%
Business Publishing/Media General	96.8%	16.7%	4.9%	29.1%
Consumer Products CPG	92.6%	19.8%	10.1%	51.1%
Consumer Products Pharmaceutical	87.8%	24.7%	6.6%	26.7%
Consumer Publishing/Media General	97.9%	14.9%	5.2%	35.1%
Consumer Services General	94.7%	16.7%	4.3%	24.8%
Consumer Services Telecom	93.9%	25.5%	6.2%	24.4%
Financial Serviced CC/Banks	93.0%	31.5%	4.2%	13.4%
Financial Services General	94.5%	31.5%	6.1%	19.4%
Retail Apparel	97.2%	16.4%	3.8%	23.1%
Retail General	94.5%	22.5%	6.0%	26.6%
Retail Specialty	97.4%	18.6%	3.2%	17.3%
Travel/Hospitality Travel Services	94.3%	25.7%	5.1%	20.0%

CAMPAIGN PERFORMANCE

The *Q2 2010 Email Trends and Benchmarks* also analyzed the types of messages sent and their performance metrics. Nearly 62% of emails delivered by Epsilon were categorized as marketing messages.

Marketing messages had relatively low open (20.6%) and click (4.0%) rates. Services messages had the highest open (42.5%) and click (7.7%) rates.

Key metrics varied by message type across the industries analyzed. Marketing messages performed fairly well for Consumer Products, Consumer Services and Financial Services.



Message Type	Open Rate	Click Rate
Service	42.45%	7.7%
Editorial	22.99%	6.1%
Marketing	20.63%	4.0%
Other	16.71%	3.4%
Acquisition/Legal/Research	15.86%	3.2%

* Message types are defined by the person(s) creating the campaigns and may not reflect the same definitions as your company

Message Types by Industry

Industry	Industry Category	Message Type	Open Rate	Click Rate	% of Total Delivered in Industry
Business Products and Services	Business Products and Services General	Other	11.38%	2.4%	81.3%
		Marketing	20.11%	2.5%	13.7%
		Research	2.64%	0.7%	2.6%
		Acquisition	15.31%	3.8%	2.2%
		Service	89.26%	7.0%	0.2%
Business Publishing/Media	Business Publishing/Media General	Editorial	20.98%	5.5%	74.8%
		Other	20.43%	10.8%	15.1%
		Marketing	26.99%	3.0%	5.5%
		Research	19.53%	3.3%	2.9%
		Acquisition	14.54%	1.9%	1.1%
		Service	45.73%	4.7%	0.6%
Consumer Products	Consumer Products CPG	Marketing	10.08%	2.2%	99.6%
		Other	35.4%	11.1%	0.4%
		Acquisition	173.61%	1.0%	0.0%
	Consumer Products Pharmaceutical	Marketing	20.63%	7.3%	58.2%
		Other	8.97%	1.9%	40.9%
		Service	12.49%	1.1%	0.9%

Message Types by Industry (cont.)

Industry	Industry Category	Message Type	Open Rate	Click Rate	% of Total Delivered in Industry
Consumer Publishing/Media	Consumer Publishing/Media General	Other	17.71%	2.9%	89.4%
		Editorial	36.90%	9.8%	10.6%
Consumer Services	Consumer Services General	Marketing	33.59%	7.1%	92.7%
		Other	41.48%	8.5%	7.3%
	Consumer Services Telecom	Marketing	22.51%	1.9%	100.00%
Travel/Hospitality	Travel/Hospitality Travel Services	Marketing	18.87%	3.3%	98.6%
		Acquisition	27.50%	7.8%	0.5%
		Service	203.28%	65.4%	0.4%
		Other	42.39%	5.3%	0.3%
		Research	71.31%	2.6%	0.1%
Financial Services	Financial Services CC/Banks	Service	40.29%	6.3%	71.1%
		Other	23.73%	2.8%	15.6%
		Marketing	26.52%	2.5%	13.3%
		Research	55.91%	14.4%	0.0%
	Financial Services General	Marketing	29.04%	4.0%	88.3%
		Other	46.55%	7.2%	8.7%
		Service	66.49%	22.1%	3.1%
Retail	Retail Apparel	Marketing	10.44%	1.9%	88.7%
		Other	13.07%	3.7%	11.2%
		Service	67.87%	12.8%	0.0%
	Retail General	Marketing	17.26%	4.5%	59.2%
		Other	14.89%	3.2%	40.2%
		Service	72.01%	34.3%	0.6%
		Research	22.81%	7.3%	0.0%
		Legal	15.28%	2.5%	0.0%
	Retail Specialty	Marketing	17.13%	2.2%	61.2%
		Other	17.02%	2.6%	38.0%
		Service	67.32%	36.9%	0.7%
		Editorial	38.14%	8.9%	0.0%
		Research	68.03%	30.8%	0.0%
		Acquisition	38.47%	9.6%	0.0%

CONCLUSIONS

Email is a core component of an integrated, data-driven multichannel marketing campaign. The best way to improve key metrics and engage customers on a one-to-one basis is to create relevance for each individual customer. Relevance comes from knowing the customer's past purchase behavior, demographics, stated preferences and more. Lookalike models and deep analytics will also provide further insight and lead to more successful marketing campaigns. Additionally, while we explored message types spanning a variety of categories, marketers should consider every communication with a customer as an opportunity to market – for example an account statement can feature messaging tailored to the customer to build brand awareness or promote offers and opportunities to further engage with the brand. A trigger-based relationship is much more lucrative than pure marketing messages. The timing is ideal and marketers are reaching their most valuable customers with highly relevant information. Marketers need to monetize each service transaction, understand that service messaging is as much (if not more) of a representation of their brand as marketing messages. Triggers and data enable a richer conversation with customers.

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