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Epsilon Q4 2008 Email Trends and Benchmarks

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Executive Summary

The *Epsilon Q4 2008 Trends and Benchmarks* study shows an increase in deliverability and open rates compared to Q4 2007.

In addition, Epsilon's recent Email Branding Study revealed that email campaigns are influencing on- and offline behaviors and impacting multichannel sales while increasing brand loyalty and favorability among consumers. Combining these insights with the results of the *Q4 2008 Trends and Benchmarks* study, Epsilon reveals that email continues to deliver a healthy return even in the current economic downturn.

In order to drive ongoing email performance despite the challenging economy, Epsilon recommends the following:

- Manage your email list by focusing on both email acquisition and reactivation tactics;
- Review what worked and what didn't in 2008;
- Start thinking about a mobile strategy;
- Use customer data to better target email campaigns;
- Try something new (i.e. social media).

The *Epsilon Q4 2008 Email Trends and Benchmarks* study was compiled from 7.7 billion emails sent in Q4 (October – December) 2008, across multiple industries and more than 200 clients. This benchmark data should be used only as a guideline – specifics for each company will drive results.

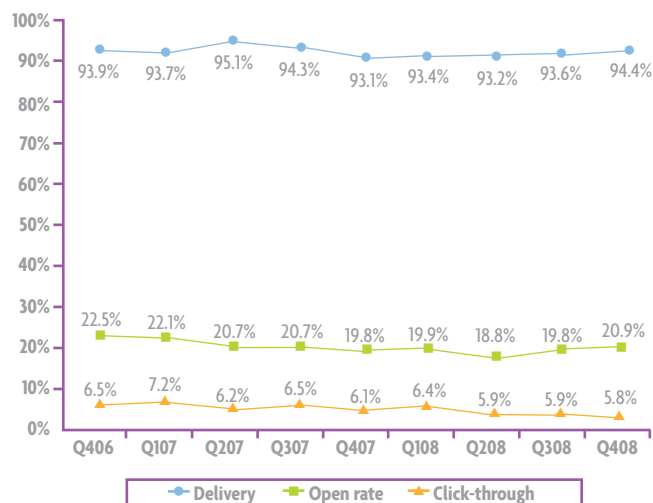
Q4 2008 Overall Performance

■ Click rates dropped .1 percentage point (1.7% overall) from last quarter to 5.8%, which is the lowest seen to date. They are down just 4.9% from this same time last year (6.1%) and 10.8% from 2 years ago (6.5%).

■ Open rates increased for the second¹ quarter in a row (to 20.9%) and are up almost 6% from this same time last year. In the fourth quarter the uptick was largely due to increases in the open rates for Business Products and Services and the Financial Services industries.

■ Average volume per client decreased 19% from last year due to aggressive holiday marketing to more targeted customers.

Q4 2008 Deliverability, Open and Click Rates



Starting Q407, data represents all DREAM and DREAMmail clients

¹On June 24, 2009 the Q4 2008 U.S. Email Trends and Benchmarks were updated to reflect a correction. If you have any questions, please contact Jessica Simon (jsimon@epsilon.com, 212-457-7135).

Industry Performance

Business Publishing/Media, Business products and services and Financial Services CC/Banks saw an increase in all three major metrics – deliverability, opens and clicks – compared to last year.

Q4 08 North American Industry	Deliverability	Open Rate	Click Rate
Business Products and Services General	91.2%	28.8%	7.8%
Business Publishing/Media General	95.7%	18.7%	6.1%
Consumer Products CPG	92.1%	16.0%	8.4%
Consumer Products General	91.2%	22.6%	7.8%
Consumer Products Pharmaceutical	91.5%	21.0%	6.1%
Consumer Publishing/Media General	96.6%	16.4%	7.0%
Consumer Services General	96.2%	19.5%	3.9%
Consumer Services Telecom	95.2%	20.9%	5.4%
Financial Services CC/Banks	93.1%	31.4%	4.7%
Financial Services General	92.5%	35.1%	8.5%
Non-Profit/Education General	90.7%	16.6%	1.7%
Retail Apparel	97.0%	13.1%	3.5%
Retail Electronics	97.1%	20.9%	4.6%
Retail General	96.3%	20.6%	6.0%
Retail Specialty	93.8%	18.7%	4.0%
Travel/Hospitality Travel Services	95.3%	20.1%	4.2%

Red indicates a decrease in that particular metric compared to Q407, whereas green indicates an increase

Conclusions

Be aware that as a marketer you're competing for email inbox space with every other email marketer and not just the traditional competitors in your industry. In order to optimize your email campaigns, scrub your list and improve your deliverability rates as well as your reputation. Maximize the number of email addresses you collect with a prominent offer placed well on your website and communicate the benefits of joining your email program. Organically acquired names perform significantly better than names acquired through external sources. Always remember to set expectations, and have a strong call to action to increase campaign performance.

For More Information

Epsilon Corporate Headquarters

4401 Regent Boulevard

Irving, TX 75063

1-800-309-0505

info@epsilon.com

epsilon.

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