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Q1 2015 email trends and benchmarks

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Executive summary

Marketers are constantly trying to figure out how to adjust their programs to accommodate for new trends and engage consumers. Mobile has dominated this conversation for quite some time, but as mobile usage flattens the conversation is shifting to what's next for email marketers. The shift we are seeing amongst our clients is towards a content-first approach. In an effort to create and curate experiences that ignite connections with customers, marketers can no longer think channel-first. Rather, they have to think holistically about experiences that inspire consumers to like, act and advocate on behalf of a brand. It's up to marketers to leverage data, technology, process and people to determine what the next experiential expectation of customers is in email and across all channels.

The effectiveness of a content-first approach can be validated by looking at the performance of triggered emails over time. Marketers continue to leverage triggered emails, which take in to account information based on a specific action or interaction, to engage with customers. As you review our benchmark report keep in mind the impact and results of triggered emails and their role in a content-first approach.

Epsilon compiles and analyzes aggregated data from billions of emails to provide brands with email benchmarks to evaluate their respective campaigns. We hope this data will allow you to assess your performance and help improve your email strategy moving forward. Please note this benchmark data should only be used as guidelines as specifics for each company will drive results.

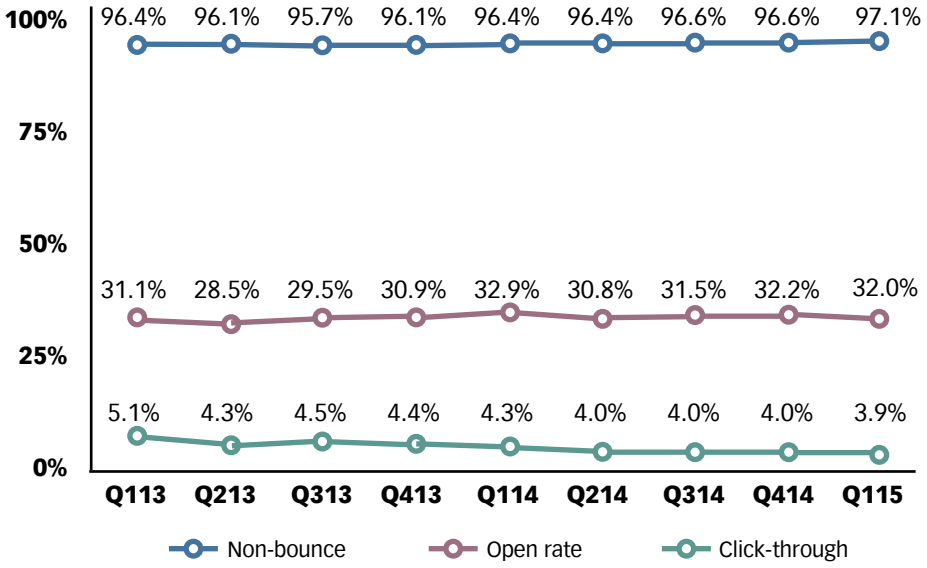
Business as usual email trends

The Q1 2015 email trends and benchmarks analyzed performance trends by industry and message type. These metrics offer insight into how the average company performed across multiple industry categories. This study was compiled from 8.7 billion emails sent in Q1 (January-March) 2015 across more than 140 clients.

Q1 2015 overall performance

- Open rates remained steady at 32%, just slightly lower than Q4 2014 (32.2%) and the same quarter last year (32.9%).
- Click rates at 3.9% were just under last year's average and directly in line with last quarter (4.0%).
- Non-bounce rates increased slightly to 97.1% from Q4 2014 (96.6%) and last year (96.4%).

Open rates continued to perform strongly



Industry performance

Open rates increased for about half of the 13 industries analyzed when compared to last year's metrics: Business Products and Services General, Consumer Products/CPG, Consumer Services/Telecom, Financial Services CC/Banks, Financial Services General, Retail Apparel and Retail General.

Only three industries analyzed had an open rate increase of 5% or higher when compared to last year's metrics: Consumer Products/CPG, Consumer Services/Telecom and Retail Apparel.

Click-to-open rates decreased for the majority of industries, with only five industries experiencing click-to-open rate increases: Business Publishing/Media General, Consumer Products/CPG, Retail Specialty and Travel/Hospitality Travel Services.

The highest open rates in Q1 2015 were in Financial Services/CC Banks (49.0%), Retail General (43.4%) and Financial Services General (39.3%).

The highest click rates were in Business Publishing/Media General (6.8%), Financial Services General (4.8%) and Financial Services CC/Banks (4.4%).

The highest click-to-open rates were in Business Publishing/Media General (26.2%), Consumer Products/CPG (19.1%) and Consumer Publishing/Media General (18.2%).

Industries analyzed

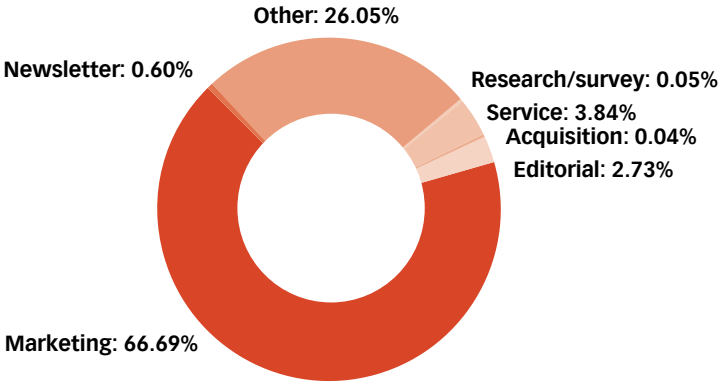
Q1 2015 North American industry	Non-bounce	Open rate	Click rate	Click to open rate (CTOR)
Business Products and Services General	96.9%	26.8%	2.3%	8.7%
Business Publishing/Media General	98.4%	25.9%	6.8%	26.2%
Consumer Products CPG	98.9%	20.4%	3.9%	19.1%
Consumer Products Pharmaceutical	95.6%	27.7%	3.3%	12.0%
Consumer Publishing/Media General	97.8%	17.7%	3.2%	18.2%
Consumer Services General	98.4%	26.9%	3.7%	13.7%
Consumer Services Telecom	96.2%	24.6%	3.8%	15.3%
Financial Services CC/Banks	96.7%	49.0%	4.4%	8.9%
Financial Services General	95.9%	39.3%	4.8%	12.3%
Retail Apparel	91.4%	32.3%	3.9%	12.2%
Retail General	98.8%	43.4%	4.3%	9.9%
Retail Specialty	97.7%	25.1%	4.0%	15.9%
Travel/Hospitality Travel Services	97.3%	31.2%	3.6%	11.4%

Green or red text indicates an increase (green) or decrease (red) over last year's metrics that was over 5%

Campaign performance

The Q1 2015 email trends and benchmarks also analyzed the types of messages sent along with performance metrics. Slightly higher than last quarter Q4 2014 (60%), 67% of emails delivered by Epsilon in Q1 2015 were categorized as marketing messages.

Key metrics analyzed by message type



Key metrics analyzed by message type across industries

Message type	Open rate	Click rate	CTOR	% delivered in Q115
Acquisition	23.8%	1.6%	6.5%	0.04%
Editorial	25.0%	4.2%	16.7%	2.73%
Marketing	23.4%	2.8%	11.8%	66.69%
Newsletter	21.1%	2.9%	13.6%	0.60%
Other	20.6%	2.5%	11.9%	26.05%
Research/surveys	35.3%	4.0%	11.4%	0.05%
Service	66.4%	6.6%	9.9%	3.84%

Key metrics analyzed by mesage type across industries

Industry	Message type	Open rate	Click rate	CTOR	% of total delivered in industry
Business products and services	Marketing	14.2%	1.3%	9.1%	78.4%
	Other	22.4%	1.9%	8.6%	21.4%
	Research/survey	22.8%	3.9%	17.0%	0.2%
Business publishing/ media general	Editorial	31.3%	4.5%	14.3%	99.7%
	Other	11.9%	0.6%	4.7%	0.3%
Consumer products CPG	Acquisition/welcome	77.9%	34.8%	44.7%	0.0%
	Marketing	14.6%	2.2%	14.9%	99.9%
	Newsletter	40.8%	7.5%	18.4%	0.1%
	Other	41.9%	6.4%	15.4%	0.0%
Consumer products pharmaceutical	Marketing	12.8%	2.0%	15.9%	98.5%
	Other	7.8%	1.4%	18.2%	1.5%
	Service	53.0%	1.4%	2.6%	0.0%

Key metrics analyzed by mesage type across industries (cont.)

Industry	Message type	Open rate	Click rate	CTOR	% of total delivered in industry
Consumer publishing/ media general	Acquisition/welcome	17.9%	1.4%	8.0%	0.6%
	Editorial	22.8%	4.0%	17.7%	46.8%
	Marketing	21.6%	2.0%	9.2%	48.1%
	Newsletter	19.2%	5.6%	29.0%	2.0%
	Other	19.1%	3.5%	18.5%	2.5%
	Service	88.8%	30.1%	33.8%	0.0%
Consumer services general	Marketing	16.9%	2.7%	15.7%	100.0%
	Other	56.1%	3.6%	6.4%	0.0%
Consumer services telecom	Marketing	25.1%	1.4%	5.6%	92.7%
	Service	58.0%	9.0%	15.5%	7.3%
Financial services cc/banks	Acquisition/welcome	34.4%	0.9%	2.7%	0.1%
	Marketing	51.1%	5.1%	10.0%	53.2%
	Newsletter	41.6%	3.5%	8.3%	0.0%
	Other	65.9%	8.4%	12.7%	25.3%
	Research/surveys	69.2%	10.5%	15.1%	0.0%
	Service	66.1%	6.2%	9.4%	21.3%
Financial services general	Marketing	30.5%	1.6%	5.1%	83.8%
	Other	37.7%	2.7%	7.1%	1.0%
	Service	80.9%	14.9%	18.4%	15.1%
Retail apparel	Marketing	14.1%	1.7%	11.8%	9.8%
	Service	69.2%	4.0%	5.7%	90.2%
Retail general	Acquisition/welcome	46.1%	4.1%	8.8%	0.0%
	Marketing	27.3%	6.2%	22.7%	22.2%
	Other	12.3%	1.4%	11.3%	77.7%
	Research/ surveys	54.8%	6.8%	12.3%	0.1%
	Service	63.1%	3.5%	5.5%	0.0%
Specialty	Editorial	29.0%	4.9%	17.0%	0.3%
	Legal	10.1%	3.0%	29.1%	0.0%
	Marketing	16.7%	1.4%	8.2%	96.6%
	Newsletter	20.9%	2.3%	11.2%	2.2%
	Other	28.1%	3.5%	12.4%	0.4%
	Research/surveys	21.6%	1.8%	8.1%	0.1%
	Service	57.8%	3.1%	5.3%	0.4%
Travel/hospitality travel services	Marketing	23.7%	2.7%	11.3%	100.0%
	Service	91.6%	8.4%	9.2%	0.0%

Message types are based on emails deployed out of the DREAM or Harmony platforms and defined by the person(s) creating the campaigns which may not reflect the same definitions as your company.

Triggered email trends

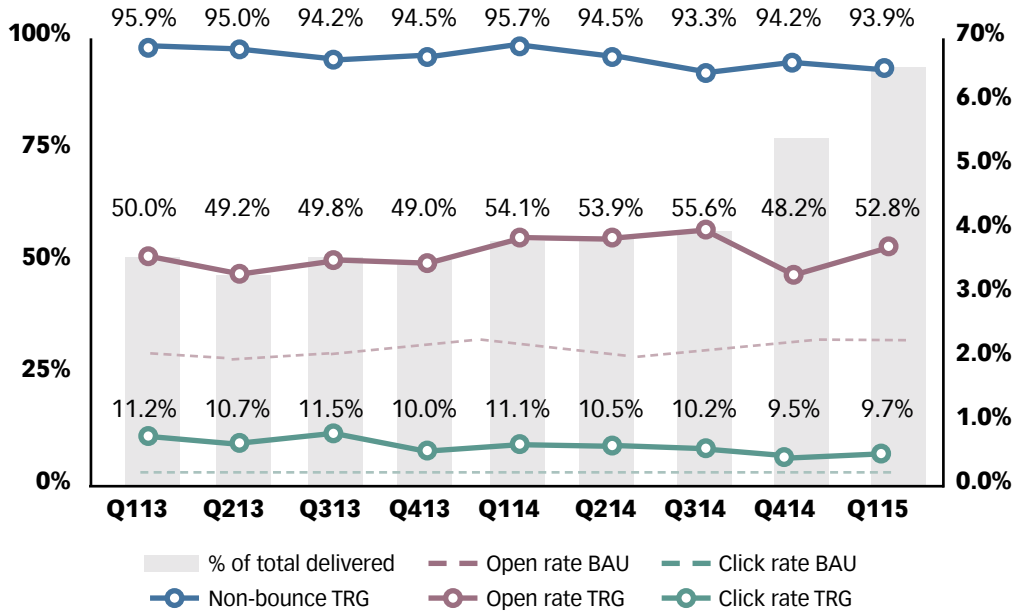
Epsilon's triggered email metrics are compiled from approximately 600 million triggered emails sent from January 2015 to March 2015 across multiple industries. These messages were sent as the result of a consumer action, such as Welcome, Thank You, Abandon Shopping Cart or Confirmation. These metrics also highlight significant differences between triggered email performance and Business as Usual (BAU) email performance.

Because of the lower volumes being reported on, we expect to see quarterly fluctuation as clients target and market to their audience in different ways throughout the year.

Overall performance

- Triggered messages accounted for 4.4% of total email volume in Q1 2015, 24.5% higher than Q1 2014 (3.6%).
- Non-bounce rates continued to drive strong results, only 3.3% lower than BAU.
- Triggered open rates were 65.0% higher than BAU in Q1 2015. This is in line with the Q1 2014 lift of 64.5% over BAU.
- Triggered click rates continued to perform well, reporting 148.5% higher than BAU. Q1 2014 triggered click rates showed a 160.3% lift over BAU.

Activity rates for triggered messages consistently higher than BAU



Q1 2015	Triggered	Business as usual	Difference
% delivered in quarter	6.6%	93.4%	
Non-bounce	93.9%	97.1%	-3.3%
Open	52.8%	32.0%	65.0%
Click	9.7%	3.9%	148.5%

Triggered email by industry

The highest open rates for triggered messages were in Financial Services General (69.0%), Retail General (62.1%) and Consumer Products/Pharmaceutical (61.7%). The highest triggered email click rates were reported in Retail Apparel and Consumer Packaged Goods (14.3%), Retail General (13.6%) and Consumer Publishing/Media General (12.1%). Triggered emails tend to have higher open and click rates as they are deployed based on a consumer action. The categories with the most notable difference in triggered open rates compared to BAU open rates were in Consumer Publishing/Media General (+208.3%), Consumer Packaged Goods (+149.7%) and Consumer Products/Pharmaceutical (+123.1%). The most notable click rate difference between triggered and BAU messages were reported in Consumer Publishing/Media general (+277.3%), Consumer Packaged Goods (+267.4%) and Retail Apparel (+262.9%).

Industry	Non-bounce	BAU non-bounce difference	Open rate	BAU open rate difference	Click rate	BAU click rate difference
Business products and services general	98.1%	1.2%	46.1%	71.9%	4.5%	93.2%
Consumer products CPG	96.9%	-2.0%	50.8%	149.7%	14.3%	267.4%
Consumer products pharmaceutical	88.3%	-7.6%	61.7%	123.1%	7.9%	138.9%
Consumer publishing/ media general	95.5%	-2.4%	54.6%	208.3%	12.1%	277.3%
Consumer services general	92.4%	-6.1%	33.9%	26.3%	6.7%	80.8%
Consumer services telecom	91.0%	-5.4%	53.9%	119.2%	9.3%	147.0%
Financial services cc/banks	90.7%	-6.2%	53.9%	10.0%	7.2%	64.6%
Financial services general	97.2%	1.3%	69.0%	75.4%	7.1%	47.1%
Retail apparel	89.9%	-1.7%	44.9%	39.2%	14.3%	262.9%
Retail general	95.2%	-3.7%	62.1%	43.2%	13.6%	217.2%
Retail specialty	96.5%	-1.2%	47.0%	87.2%	9.7%	143.5%
Travel/hospitality travel services	95.0%	-2.3%	55.8%	78.8%	9.7%	172.5%

Conclusion

Mobile device usage has dominated the email marketing conversation throughout the past two years. But with mobile usage flattening in 2014, email open rates also remained stagnant with little change in open rates by device type through 2014 and in to 2015. As the consumer's path-to-purchase continues to get more complex, it is important for marketers to begin to truly drive a content-first approach in an effort to deliver better customer experiences across all channels. Email continues to be a highly effective method to engage consumers in this way but measurement of the effectiveness of an email program should go beyond standard email open and click rate metrics. Marketers must take a more holistic view when analyzing the performance of their email program, taking in to account the influence their emails may have had throughout the entire path-to-purchase, both online and offline. This will allow marketers to truly understand how consumers value email as a mode of communication with brands and how they do or do not use it.

Methodology

The performance metrics examined averages across all companies within the stated categories. The averages listed are unweighted and do not reflect mail volumes by any one company. This is done to provide a measure of average company performance in the category, removing the effect that large mailers can have on category averages. Unless otherwise stated, all results are aggregated.

Metrics used in this report are defined as follows:

- *Open rate:* Total opens/emails delivered
- *Click-through rate:* Total clicks/emails delivered
- *CTOR (Click to open rate):* Total clicks/total opens
- *Bounce rate:* (Bounce and/or undelivered)/emails sent
- *Non-bounce rate:* 1 – bounce back rate. Calculation does not include ISP or inbox filtering

Industry categories used in the report are defined as follows:

- *Editorial:* Content consists primarily of articles, critiques, commentary, news, or opinions
- *Legal:* Content contains legal information or notification for clients, e.g. product recall notice
- *Marketing:* Content contains merchandise information and incentives for purchasing
- *Other:* Contains content that does not fit other categories
- *Research/surveys:* Research functions to conduct research on subscribers, e.g. the template contains a survey
- *Service:* Provide subscriber-requested information, such as banking statements

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