

EPSILON[®]

EMAIL TRENDS AND BENCHMARKS

Q2 2018





Table of contents

Executive summary	3
Business as usual (BAU) email trends	4
Unique click and unique open rates	5
BAU performance by industry	6
BAU metrics by message type	7
BAU message types by industry	8-11
Triggered email trends	12
Activity rates for triggered email trends	13
Triggered email performance by industry	14
Methodology	15
Definitions	16

Executive summary

As Q2 2018 gives way to the dog days of summer, email performance is still going strong. The channel saw minimal fluctuation overall, while industries like Consumer Packaged Goods (CPG) saw growth compared to last year's metrics. To move the needle on email campaigns and drive up metrics, email marketers must enhance their techniques. The most important best practice to keep in mind is to continue enhancing personalization efforts. 80 percent of consumers are more likely to make a purchase when brands offer personalized experiences. This means that better personalization will not only lead to higher engagement, but will actually get to the heart of business goals by driving revenue.

To help assess your performance and improve your digital messaging strategy, we compile and analyze aggregated data from billions of emails on a quarterly basis to provide email benchmarks. Please note that you should only use this benchmark data as a guideline; specifics for each company is what drive results.



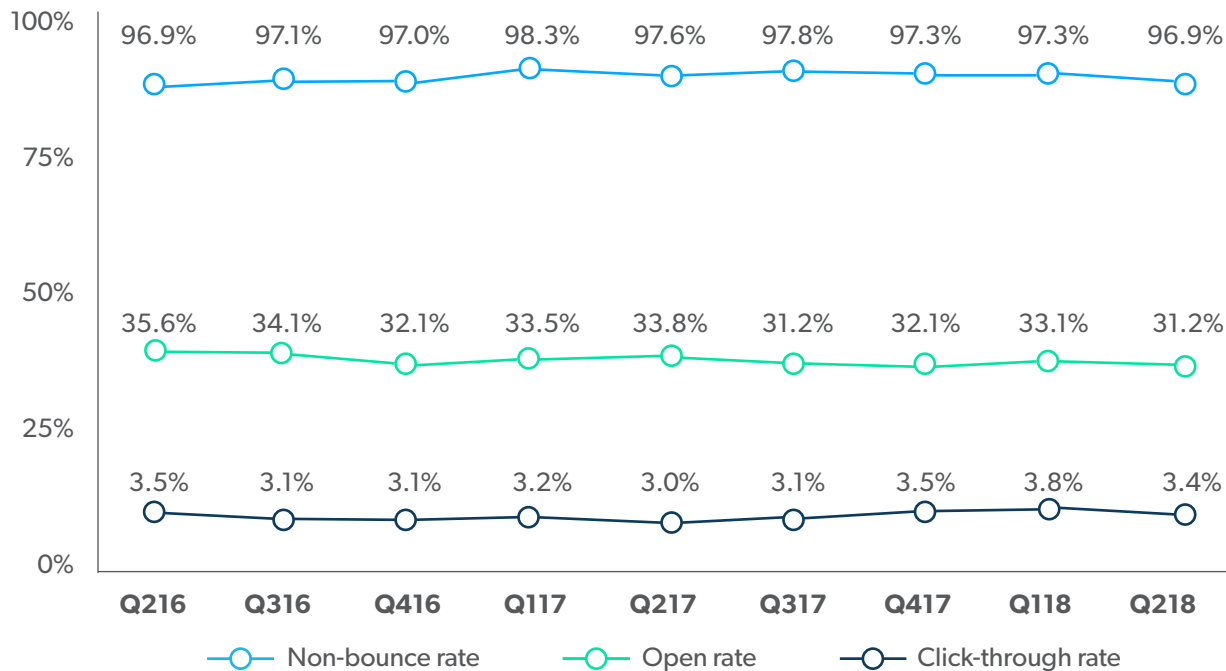
Business as usual (BAU) email trends

The Q2 2018 email trends and benchmarks report analyzed performance trends by industry and by message type for business as usual (BAU) emails. This study was compiled from 13.5 billion emails sent from April to June 2018, across multiple industries and to approximately 190 Epsilon clients. These metrics offer insight into the performance of the company's average email campaigns.

BAU non-bounce rates, open rates and click-through rates:

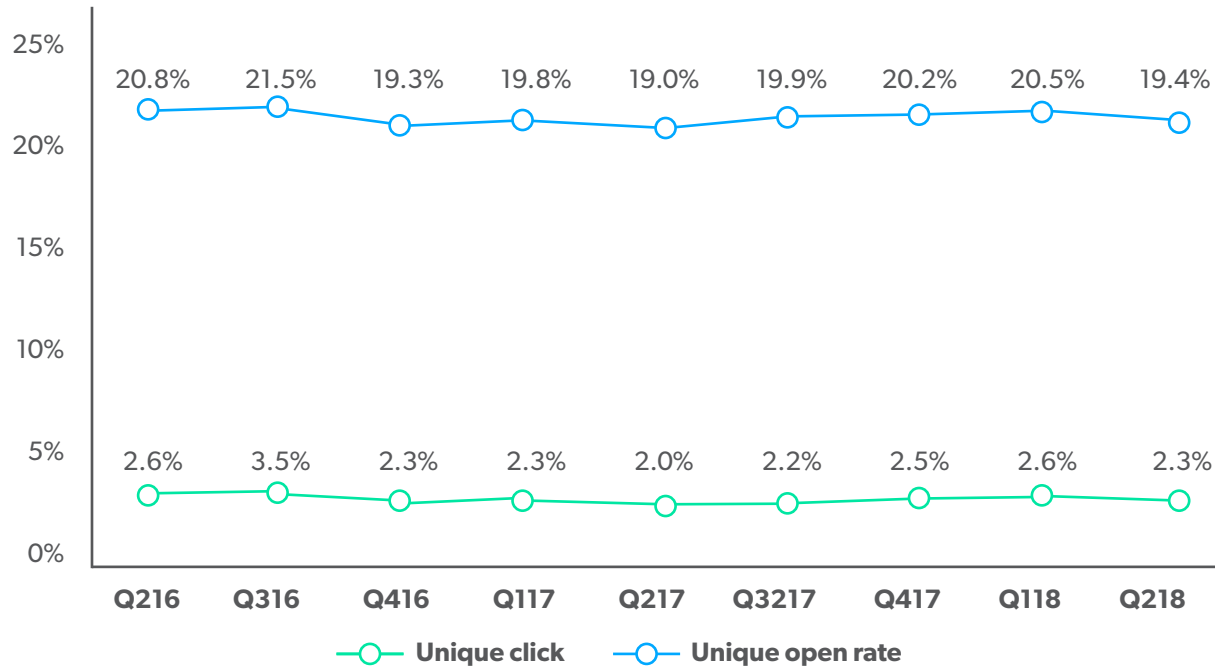
- Coming out of Q1, open rates decreased less than one percentage point, and click rates decreased 0.4 percent.

Non-bounce rate, open rate, and click-through rate trends for BAU emails overall



Unique click and unique open rates












- Unique open and click rates both averaged a decrease compared to last quarter but were slightly higher than Q2 of last year.



While unique open and click rates decreased slightly in Q218 compared to Q118, performance was in line with unique open and click rates in the same quarter last year (Q217).

BAU performance by industry

- Multiple industries experienced a yearly increase of at least five percent in aggregate open, click and click-to-open rates.
- Automotive, travel and financial services CC/banks all saw an increase of more than five percent in unique open, unique click and unique click-to-open rates.
- Financial services, financial services CC/banks and retail general saw declines in open rates that were more than five percent. Consumers have very personal relationships with the brands they engage with in these industries. The results indicate that brands in these verticals have not delivered the personal experiences that customers expect.

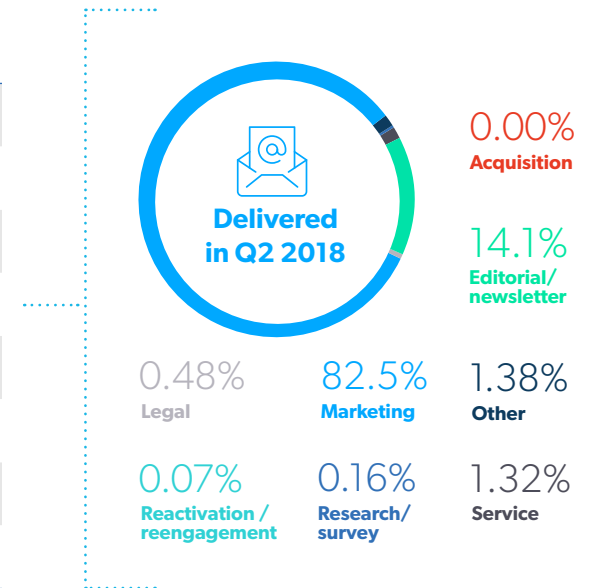
Industry	Non-bounce	Open rate	Click-through rate	Click-to-open rate	Unique open rate	Unique click rate	Unique click-to-open rate
 Automotive	96.8%	47.6%	3.6%	7.6%	28.2%	2.6%	9.2%
 Business products and services	93.5%	22.2%	2.4%	10.9%	11.3%	1.6%	13.7%
 Consumer products / CPG	93.8%	20.4%	3.3%	15.9%	14.4%	2.0%	14.2%
 Consumer products pharmaceutical	94.3%	16.6%	2.8%	16.6%	10.0%	1.7%	17.2%
 Consumer and business publishing / media general	98.5%	22.5%	3.4%	15.1%	16.3%	2.3%	14.4%
 Consumer services general	98.6%	26.7%	3.2%	12.0%	17.2%	2.0%	11.8%
 Consumer services telecom	97.5%	32.4%	2.4%	7.3%	20.4%	1.7%	8.2%
 Financial services CC / banks	98.1%	48.9%	4.4%	9.0%	31.9%	3.5%	11.0%
 Financial services general	98.7%	41.0%	5.8%	14.0%	20.3%	2.3%	11.3%
 Retail general	97.4%	24.5%	2.8%	11.4%	16.3%	1.9%	11.8%
 Travel / hospitality travel services	97.6%	30.2%	3.2%	10.6%	19.5%	2.3%	11.6%

Red or green text indicates an increase (green) or decrease (red) by 5% or more.

BAU metrics by message type


- 83 percent of emails delivered through Epsilon were tagged as marketing messages in Q2 2018.
- Legal messages and editorial/newsletter messages performed the best in engaging subscribers, reaching 27.2 percent and 26.1 percent click-to-open rates respectively.
- Comparatively, marketing messages only achieved a 7.0 percent click-to-open rate.
- Service messages achieved a notable open rate of 61.4 percent.
- Campaign types that had the highest open rates, like acquisition and reactivation, saw low click-through rates indicating that once the message is opened, brands are not meeting the expectations of the consumer. To drive click-throughs that lead to revenue, brands need to deliver on the level of personalization consumers now expect.

Message type	Open rate	Click-through rate	Click-to-open rate	Percent delivered in Q2 2018
Acquisition	37.7%	4.0%	10.6%	0.00%
Editorial / newsletter	11.3%	2.9%	26.1%	14.1%
Legal	25.3%	6.9%	27.2%	0.48%
Marketing	17.1%	1.2%	7.0%	8.25%
Other	53.6%	3.8%	7.1%	1.38%
Reactivation / reengagement	21.9%	2.4%	10.7%	00.7%
Research / survey	18.9%	2.2%	11.9%	0.16%
Service	61.4%	9.6%	15.6%	1.32%







*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.



BAU message types by industry

Industry	*Message type	Open rate	Click rate	Click-to-open rate	Percentage of total delivered in industry
 Automotive	Editorial / newsletter	81.4%	0.4%	0.5%	0.0%
	Marketing	27.0%	2.6%	9.7%	83.7%
	Other	57.3%	3.5%	6.1%	13.3%
	Research / survey	60.0%	14.6%	24.4%	0.0%
	Service	62.9%	4.9%	7.9%	2.9%
 Business products and services general	Editorial / newsletter	3.7%	0.4%	11.3%	0.5%
	Marketing	12.1%	1.3%	10.3%	97.3%
	Other	45.9%	5.6%	12.2%	0.0%
	Research / survey	12.1%	1.3%	11.1%	1.2%
	Service	3.1%	0.3%	9.4%	1.0%
 Consumer and business publishing / media general	Editorial / newsletter	10.7%	3.0%	28.4%	80.4%
	Legal	83.7%	61.0%	72.9%	0.3%
	Marketing	15.0%	0.9%	6.2%	18.9%
	Other	7.6%	0.8%	10.4%	0.0%
	Reactivation / reengagement	23.5%	3.7%	15.8%	0.0%
	Research / survey	56.6%	9.9%	17.5%	0.0%
	Service	15.0%	2.8%	18.5%	0.3%

BAU message types by industry *continued*

Industry	*Message type	Open rate	Click rate	Click-to-open rate	Percentage of total delivered in industry
 Consumer products / CPG	Editorial / newsletter	27.5%	3.96%	14.1%	4.3%
	Marketing	18.9%	2.1%	11.1%	95.4%
	Other	46.4%	4.2%	9.0%	0.3%
 Consumer products pharmaceutical	Editorial / newsletter	31.5%	5.2%	16.4%	1.6%
	Legal	3.4%	0.8%	24.3%	1.7%
	Marketing	8.5%	1.1%	12.5%	97.7%
	Other	30.0%	1.5%	4.9%	1.1%
 Consumer services general	Editorial / newsletter	29.4%	4.4%	14.9%	0.0%
	Marketing	19.9%	1.5%	7.3%	99.1%
	Other	3.29%	4.9%	14.9%	0.7%
	Service	69.0%	15.6%	22.6%	0.2%
 Consumer services telecom	Editorial / newsletter	41.9%	4.1%	9.7%	1.2%
	Marketing	26.3%	1.5%	5.8%	98.7%
	Reactivation / reengagement	46.0%	3.1%	6.7%	0.1%
	Research / survey	32.6%	6.4%	19.6%	0.0%
	Service	81.4%	1.1%	1.4%	0.0%

BAU message types by industry *continued*

Industry	*Message type	Open rate	Click rate	Click-to-open rate	Percentage of total delivered in industry
 Financial services CC / banks	Acquisition	37.7%	4.0%	10.6%	0.0%
	Editorial / newsletter	29.9%	3.5%	11.7%	0.1%
	Marketing	44.5%	3.0%	6.7%	74.1%
	Other	53.4%	4.6%	8.6%	7.9%
	Reactivation / reengagement	34.1%	1.2%	3.6%	0.0%
	Research / survey	40.2%	6.9%	17.2%	0.0%
	Service	66.0%	10.6%	16.0%	17%
 Financial services general	Editorial / newsletter	46.0%	1.1%	2.4%	0.0%
	Legal	16.4%	0.6%	3.8%	2.6%
	Marketing	17.4%	0.6%	3.7%	96.3%
	Other	48.3%	5.9%	12.2%	0.1%
	Reactivation / reengagement	41.5%	10.2%	24.7%	0.1%
	Service	60.5%	8.0%	13.2%	0.9%

BAU message types by industry *continued*

Industry	*Message type	Open rate	Click rate	Click-to-open rate	Percentage of total delivered in industry
 Retail	Editorial / newsletter	16.9%	1.7%	9.9%	2.2%
	Legal	23.4%	0.7%	3.1%	0.3%
	Marketing	13.6%	1.0%	7.5%	95.8%
	Other	55.0%	3.3%	6.0%	1.4%
	Reactivation / reengagement	17.9%	1.0%	5.6%	0.1%
	Research / survey	21.1%	2.5%	11.9%	0.2%
	Service	45.4%	3.6%	8.0%	0.1%
 Travel / hospitality travel services	Marketing	28.9%	2.4%	8.1%	100.0%
	Other	50.9%	2.5%	4.9%	0.0%

*Message types originate from the DREAM and Harmony platforms only and are defined by the person(s) creating the campaign. These may not reflect the same definitions as your company.

Triggered email trends

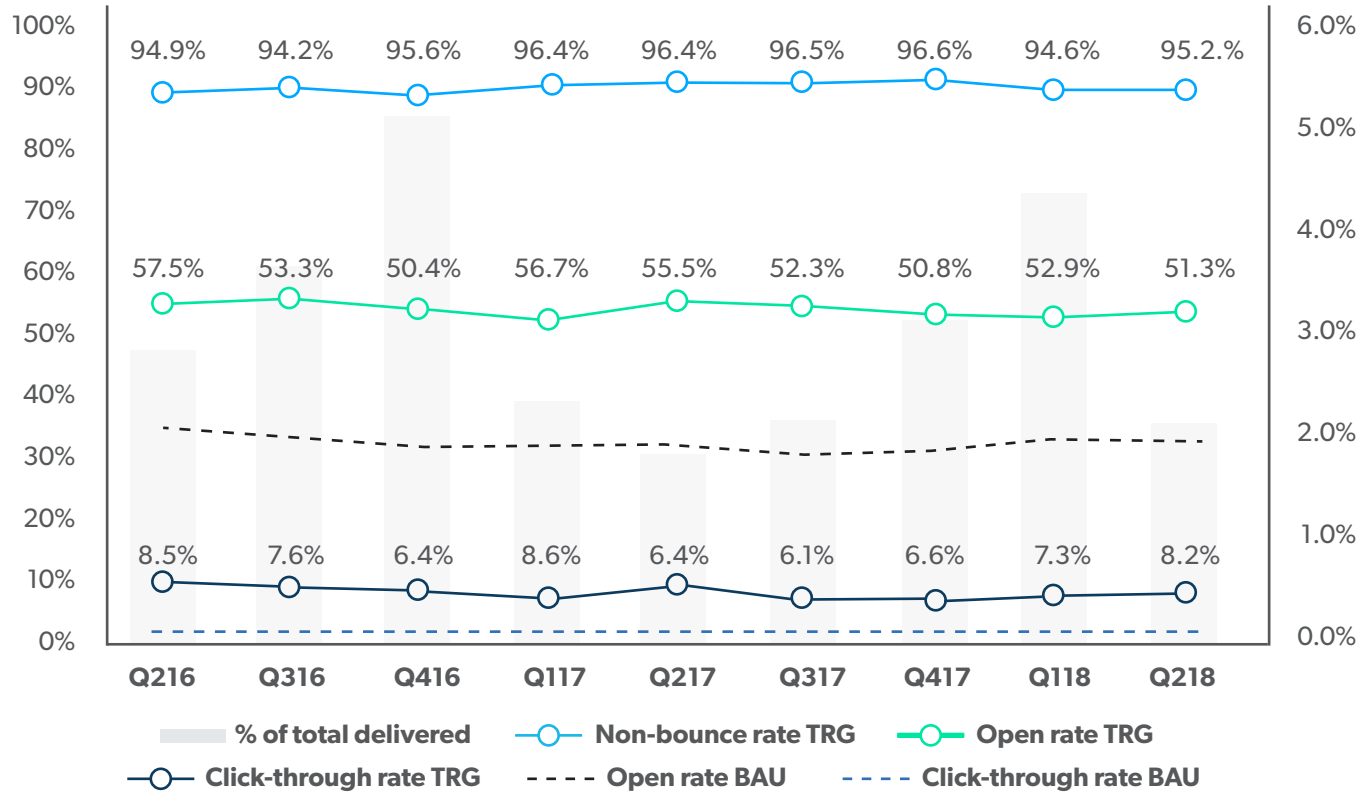
Triggered email trends are compiled from approximately 3.8 billion triggered emails sent from April 2016 to June 2018, across multiple industries. These messages were sent as a result of a consumer activities such as a welcome, thank you or confirmation. Because of the lower volumes being reported, we expect to see quarterly fluctuations as clients' market to consumers in different ways throughout the year.

Triggered non-bounce, open and click rates:

- In Q2 2018, triggered messages accounted for 2.1 percent of the total volume, in line with what we saw last year (2.2 percent).
- Non-bounce rates continued to drive strong results for Epsilon clients; only 1.7 percent lower than BAU industry metrics (this does not account for inbox delivery).
- Triggered open rates were 64.3 percent higher than BAU in Q218. This is also in line with the Q217 lift of 64.5 percent over BAU.
- Triggered click rates (8.2 percent) also continue to perform well at more than double what we had for BAU (3.4 percent).
- Q218 triggered click rates showed a 142.5 percent increase over BAU.












Activity rates for triggered email trends



Click-through rates for triggered messages in Q2 2018 were 8.2 percent, more than last quarter (7.3 percent) and the highest since Q1 2017, when click-through rates were 8.6 percent.



Triggered email performance by industry

Q2 2018 North American industry	Non-bounce	Open rate	Click rate
 Automotive			
 Business products and services	97.3%	49.6%	7.6%
 Consumer products / CPG	95.0%	44.4%	13.6%
 Consumer products pharmaceutical	92.4%	46.9%	6.6%
 Consumer and business publishing / media general	96.7%	32.0%	5.9%
 Consumer services general	97.7%	45.2%	6.6%
 Consumer services telecom	87.4%	69.1%	5.5%
 Financial services CC / banks	95.0%	54.7%	3.8%
 Financial services general	99.0%	54.4%	5.1%
 Retail general	96.4%	50.2%	6.8%
 Travel / hospitality travel services	93.2%	59.7%	6.6%

Methodology

The performance metrics in this report examine averages across all companies within a category. The averages listed are unweighted and do not reflect mail volume for any one company and provide a measure of average company performance in the category, removing the effect that large mailers can have on category averages. The metrics represent how the average company in the category performs.

Note that this benchmark data should only be used as a guideline, as individual results will vary. Unless otherwise stated, all results are aggregated.



Definitions

Metrics used in this report are defined as follows:

- **Bounce rate:** (Bounce and /or undelivered)/ emails sent.
- **Non-bounce rate:** 1 – bounce rate. Calculation does not include ISP or inbox filtering.
- **Open rate:** Total opens / emails delivered.
- **Unique open rate:** Unique opens / emails delivered.
- **Click-through rate:** Total clicks / emails delivered.
- **Unique click-through rate:** Unique clicks / emails.
- **Unique clicks:** Unique clickers in the DREAMmail and Harmony platforms and as a unique link click from the DREAM platform.
- **CTOR (click-to-open rate):** Total clicks / total opens.

Message type used in this report are defined as follows:

- **Acquisition:** Used to acquire new email addresses.
- **Editorial:** Consists primarily of articles, critiques, commentary, news or opinions.
- **Legal:** Contains legal information or notification for clients (e.g. product recall notice).
- **Marketing:** Contains merchandise information and incentives for purchasing.
- **Newsletter:** Contains regularly distributed publication generally about one main topic.
- **Other:** Content that does not fit any other categories.
- **Research / surveys:** Research functions to conduct research on subscribers, (e.g. the template contains a survey).
- **Service:** Provides subscriber-requested information, such as banking statements and service reminders.



About Epsilon

Epsilon® is an all-encompassing global marketing innovator. We provide unrivaled data intelligence and customer insights, world-class technology including loyalty, email and CRM platforms and data-driven creative, activation and execution. Epsilon's digital media arm, Conversant®, is a leader in personalized digital advertising and insights through its proprietary technology and trove of consumer marketing data, delivering digital marketing with unprecedented scale, accuracy and reach through personalized media programs and through CJ Affiliate®, one of the world's largest affiliate marketing networks. Together, we bring personalized marketing to consumers across offline and online channels, at moments of interest, that help drive business growth for brands. An Alliance Data® company, Epsilon employs over 8,000 associates in 70 offices worldwide. For more information, visit epsilon.com and follow us on **Twitter @EpsilonMktg.**

EPSILON®