

EMAIL TRENDS AND BENCHMARKS Q2 2017

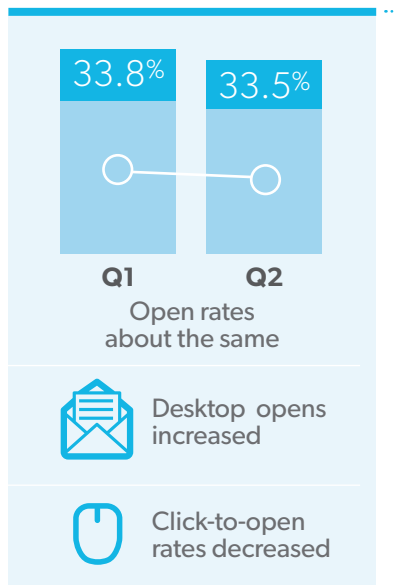


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Executive summary



With [back-to-school](#) in the books and the [holiday season](#) upon us, now is the time to reflect on past successes and understand how your performance compares to benchmarks.

Q2 2017 highlights include

- **Open rates remained about the same** as Q1 2017 (33.8 percent versus 33.5 percent), but rates are slightly lower than Q2 of 2016.
- **Desktop opens increased for the second quarter in a row with mobile seeing a decline.** This may be due to the fact that, based on a recent [comScore study](#), the amount of time the average person spends on mobile has flattened out at around three hours per day after a four-year increase.
- **Click-to-open rates decreased** for the majority of industries, which isn't surprising considering the average person receives [over 120 emails](#) per day to their business account.
- **Click rates continue to see only slight fluctuations** from quarter to quarter.

About the email trends and benchmarks report

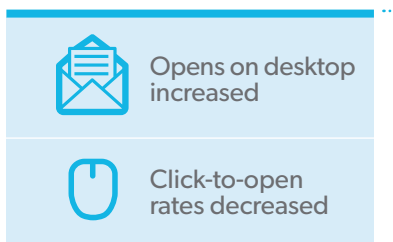
The purpose of this report is to help you assess your performance and improve your digital messaging strategy moving forward. Please note this benchmark data should only be used as a guideline as individual results will vary.

The Q2 2017 email trends and benchmarks report analyzed performance trends by industry and message type. This study was compiled from 13.5 billion business as usual emails sent in Q2 (April - June) 2017 across multiple industries and approximately 150 Epsilon clients. These metrics offer insight into the performance of the average company's email campaigns.

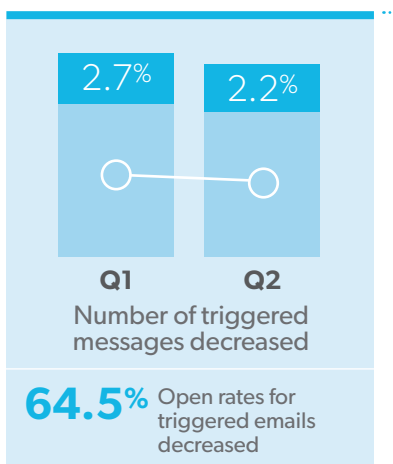
The Q2 2017 email trends and benchmarks report also analyzed triggered email metrics from approximately 3.6 billion emails sent from April 2015 to June 2017, across multiple industries. These messages were sent as the result of a consumer action, such as welcome, thank you, abandon shopping cart or confirmation.

For your convenience, we've organized the most notable trends and benchmarks into four sections: overall performance for Q2 2017; triggered email performance; performance by email type; and performance by industry. For a more detailed look, see the charts in the appendix.

Q2 2017 overall performance



- **Opens on desktop increased slightly from Q4** of last year into Q1 of 2017, driven by a drop in opens on mobile devices.
- **Click-to-open rates decreased** yearly for most industries.
- **Our inbox placement exceeded** what [Return Path](#) cited as the global email deliverability rate in their 2017 report.
- **Activity rates for triggered messages were consistently higher** than business as usual (BAU) trends.





Triggered email performance

- In Q2 of 2017, triggered messages accounted for 2.2 percent of the total volume, which is slightly lower than both last year (3.0 percent) and Q1 of 2017 (2.7 percent).
- Non-bounce rates continued to drive strong results, coming in only 1.3 percent lower than BAU industry metrics (this does not account for inbox delivery).
- Open rates for triggered emails were 64.5 percent higher than BAU in Q217. This is higher than Q2 2016's lift of 61.7 percent over BAU.
- Triggered click rates continued to perform well, reporting 115.9 percent higher than BAU. Q2 2016 triggered click rates showed a 141.6 percent lift over BAU.

Performance by email type

- Of all emails delivered through Epsilon's DREAM and Harmony platforms, 95 percent were tagged as marketing messages in Q2 of 2017. Other message types include acquisition, editorial/newsletter, legal, research/survey and service.
- There is a big difference in the metrics between marketing emails and other email types:

 Rates by email type	Open rate	Click rate	Click-to-open rate
Marketing emails	18.6%	1.2%	1.2%
Editorial / newsletter	26.5%	3.1%	19%
Service emails	58.4%	9.1%	15.7%

 Rates for consumer telecom emails	Open rate	Click rate
Editorial / newsletter	37.0%	3.7%
Marketing emails	25.3%	0.9%

Performance by industry

[Don't see your industry? Jump down to the appendix to get the data](#)



Financial services

Financial services, along with consumer telecom, had the highest click-through activity across the various verticals — despite the fact that these are the most frequently phished verticals. This suggests increased consumer interest and trust in the messages sent by these brands, as well as the delivery of content that is of interest.

Additional highlights:

- Highest open rate for marketing emails in any industry at 46.1 percent.
- Open rates decreased over 5 percent compared to last year.
- Click rates increased over 5 percent compared to last year.
- Highest non-bounce rate compared to all other industries at 98.1 percent.
- Highest triggered email open rate compared to all other industries at 76.0 percent.



Travel and hospitality

Customers in the travel and hospitality space expect brands to connect with them on a personal level. Therron Hofsetz, Director of Enterprise Applications at Holland America Line, recognizes the importance of [incorporating machine learning](#) and predictive algorithms to enhance digital channels, including email. With click rates on the rise, travel brands have an opportunity to reach customers on a deeper level.

Additional highlights:

- Highest click rate for marketing emails in any industry at 2.5 percent.
- Click rates increased over 5 percent compared to last year.
- Open rates decreased over 5 percent compared to last year.



Business products and services

Click rates were low for this industry, but that's not unusual; B2B activity varies widely from B2C standards. In a [B2B content strategy](#), you are generally sending marketing emails about business products and services. The challenge is making sure the emails you send are relevant to each individual, at every stage in the buying process. Where B2C journeys tend to be short, B2B journeys are long and complex. Despite low click rates and click-to-open rates in this industry, you can succeed by focusing on segmentation, buyer journeys and relevant content.

Additional highlights:

- Lowest click rate for marketing emails in any industry at 0.9 percent (tied with consumer telecom).
- Click rates and click-to-open rates decreased over 5 percent compared to last year.

46.1%	Highest open rate for marketing emails
↓5%	Open rates decreased from last year
↑5%	Click rates increased from last year
98.1%	Highest triggered email open rate

2.5%	Highest click rate for marketing emails
↑5%	Click rates increased from last year

0.9%	Lowest click rate for marketing emails
↓5%	Click rates /click-to-open rates decreased



Consumer telecom

Consumer telecom had the highest click-to-open rate despite a lower open rate than other industries. This indicates that those who opened found the content to be relevant and engaging enough to click through for additional information.

Additional highlights:

- Lowest click rate for marketing emails in any industry at 0.9 percent (tied with business products and services).
- Click rates and click-to-open rates have risen over 5 percent since last year.

0.9%	Lowest click rate for marketing emails
↑5%	Click rates/click-to-open rates increased

Next steps

With inboxes filling up faster than ever and smartphone users maxing out their time on mobile, it is all the more essential to make email marketing strategies heard. To be successful, you need to consider the trends within your own industry and understand how those impact your email campaigns.

Based on Q2 2017 results, here are a few tips to improve your email performance today

1. Incorporate innovations like machine learning to develop more personalized messages.
2. Move toward content that includes a mix of strategies — like employing marketing, editorial and triggered emails — to drive a relevant digital experience.
3. Utilize a more nuanced content strategy for B2B marketing to speak directly to the audience, at whatever phase they're at in the buyer journey.
4. The goal is to continue working toward delivering a relevant experience. Consider more behaviorally driven content, sending the right content at the right time, and diversifying your email strategy to build [loyalty in the inbox](#).

Appendix/ methodology

The performance metrics in this report examine averages across all companies within a category. The averages listed are unweighted and don't reflect mail volume 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.

Note: For triggered email trends, because of the lower volumes being reported on, we expect to see quarterly fluctuations as clients market to their customers in different ways throughout the year.

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 form the DREAM platform.
- **CTOR (click-to-open rate):** Total clicks/total opens.
- **Acquisition:** Used to acquire new email addresses.

Message type used in this report are defined as follows

- **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.

Charts






Overall email trends and metrics by industry

	Q2 2017 North American Industry	Non- bounce	Open rate	Click rate	Click-to- open rate
	Business products and services	95.2%	24.0%	2.2%	9.2%
	Consumer products /CPG	97.9%	17.6%	2.3%	12.9%
	Consumer products/ pharmaceutical	96.9%	15.7%	2.3%	14.8%
	Consumer and business publishing/media general	99.3%	21.8%	3.0%	13.7%
	Consumer services general	98.5%	27.4%	2.5%	9.3%
	Consumer services telecom	98.8%	24.8%	4.8%	19.3%
	Financial services CC/ banks	95.2%	53.5%	3.3%	6.2%
	Financial services general	98.4%	50.0%	5.8%	11.7%
	Retail general	98.3%	52.9%	2.4%	4.5%
	Retail specialty	98.0%	35.1%	2.9%	8.2%
	Travel/hospitality travel services	97.7%	29.6%	2.6%	8.8%






Overall metrics by message type

*Message type	Open rate	Click rate	Click-to- open rate	% Delivered in Q217
Acquisition	64.9%	12.3%	19.0%	0.00%
Editorial /newsletter	26.5%	3.1%	11.6%	1.68%
Legal	34.0%	0.4%	1.2%	1.74%
Marketing	18.6%	1.2%	6.4%	95.16%
Other	51.7%	5.6%	10.8%	0.58%
Research /survey	27.3%	2.4%	8.6%	0.10%
Service	58.4%	9.1%	15.7%	0.74%


Key metrics by message type by industry

	Industry	*Message type	Open rate	Click rate	Click-to-open rate	% of total delivered in industry
	Business products and services	Editorial / newsletter	7.4%	0.6%	7.7%	32.5%
		Marketing	13.7%	0.9%	6.4%	66.8%
		Other	40.3%	5.4%	13.4%	0.0%
		Research / survey	32.3%	3.2%	9.8%	0.7%
	Consumer and business publishing	Editorial / newsletter	42.8%	5.5%	12.9%	26.7%
		Legal	100.0%	33.3%	33.3%	0.0%
		Marketing	22.1%	1.5%	6.7%	72.4%
		Other	13.4%	0.6%	4.4%	0.3%
		Research / survey	11.4%	1.4%	12.5%	0.4%
		Service	30.0%	3.8%	12.6%	0.1%
	Consumer products /CPG	Acquisition	64.9%	12.3%	19.0%	0.1%
		Editorial / newsletter	16.0%	1.8%	11.2%	2.6%
		Marketing	17.7%	2.4%	13.3%	97.1%
		Other	45.4%	10.3%	22.7%	0.2%
	Consumer products / pharmaceutical	Editorial / newsletter	37.4%	3.7%	9.9%	2.9%
		Marketing	13.3%	1.8%	13.4%	97.1%
		Service	38.7%	0.7%	1.8%	0.0%
	Consumer services	Editorial / newsletter	52.6%	1.4%	2.6%	0.0%
		Legal	33.7%	0.4%	1.2%	5.9%
		Marketing	19.2%	1.2%	6.0%	92.3%
		Other	55.0%	7.5%	13.6%	1.1%

Key metrics by message type by industry continued

	Industry	*Message type	Open rate	Click rate	Click-to-open rate	% of total delivered in industry
		Research / survey	30.2%	2.1%	6.8%	0.0%
		Service	32.2%	2.8%	8.7%	0.7%
	Consumer telecom	Editorial / newsletter	37.0%	3.7%	10.1%	2.1%
		Marketing	25.3%	0.9%	3.6%	96.6%
		Other	84.2%	23.8%	28.2%	1.2%
		Research / survey	58.8%	8.4%	14.2%	0.1%
	Financial services CC/banks	Editorial / newsletter	41.9%	3.7%	8.8%	0.2%
		Marketing	54.0%	2.3%	4.2%	85.5%
		Other	82.4%	1.5%	1.8%	0.1%
		Service	66.1%	12.4%	18.7%	14.2%
	Financial services general	Editorial / newsletter	35.6%	1.2%	3.5%	0.7%
		Marketing	46.1%	2.0%	4.4%	74.5%
		Other	37.9%	10.3%	27.2%	0.4%
		Research / survey	48.5%	4.7%	9.7%	0.1%
		Service	76.7%	11.5%	15.1%	24.2%
	Retail general	Marketing	18.3%	2.2%	12.3%	99.9%
		Research / survey	67.2%	7.6%	11.3%	0.0%
		Service	61.3%	6.4%	10.4%	0.1%
	Retail specialty	Editorial / newsletter	28.8%	2.8%	9.8%	0.6%
		Legal	57.9%	1.0%	1.6%	0.0%
		Marketing	55.0%	7.5%	13.6%	1.1%

Key metrics by message type by industry continued

	Industry	*Message type	Open rate	Click rate	Click to open rate	% of total delivered in industry
		Other	61.9%	3.8%	6.2%	0.3%
		Research / survey	27.0%	2.2%	8.3%	0.1%
		Service	67.0%	3.4%	5.1%	0.1%
	Travel/hospitality	Marketing	37.0%	2.5%	8.2%	97.6%
		Other	13.8%	1.3%	9.4%	2.4%
		Service	86.0%	7.2%	8.3%	0.0%

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 by Conversant®, 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. Recognized by Ad Age as the #1 World's Largest CRM/Direct Marketing Agency Network, #1 Largest U.S. Agency from All Disciplines, #1 Largest U.S. CRM/Direct Marketing Agency Network and #1 Largest U.S. Mobile Marketing Agency, Epsilon employs over 8,000 associates in 70 offices worldwide. Epsilon is an Alliance Data® company.

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