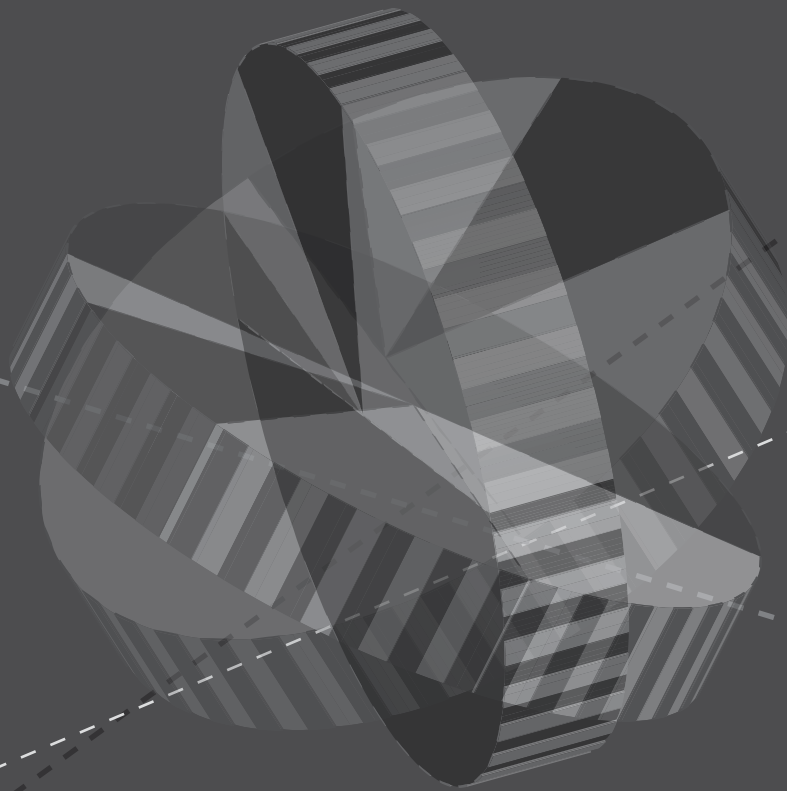


email marketing metrics report

MARCH 2008



74% of All Opens
Occur Within the First 24 Hours

Deliverability Continues to **Increase**

+ many other email marketing trends!

Table of Contents

Introduction

Why Do We Do This?	1
Email Marketing Metrics and Trends	2

Open Rates

Unique Open Rates	3
Why have open rates declined in the past?	3
Open Rates by Industry	4
Open Rate Comparison	5
Case Study: Increasing Opens	6

Click Rates

Click Rates	7
Click Rates by Industry	8
Click Rate Comparison	9

Open and Click Rates

By Day	10
Opens by Subject Line Length	11
Clicks by Subject Line Length	11

Personalization

How Personalization Affects Open and Click Rates	12
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Message Format and Links

Click Rates by Format	13
Clicks by Number of Links	13

Bounces

Deliverability and Bounces	14
Bounce Rates by Industry	15
Bounce Percentage by Mailing Frequency	16

Stabilization

Stabilization of Open Rates	17
Total Emails Opened by Hour (Cumulative)	17

Table of Contents

Open and Click Rates by List Size and Industry

Banking and Finance	18
Computer and Internet	18
Consulting	19
Consumers: General	19
Education and Training	20
Entertainment	20
Government	21
Large Business: General	21
Manufacturing	22
Marketing and Advertising	22
Media and Publishing	23
Medical, Dental, and Healthcare	23
Nonprofit and Trade Association	24
Real Estate	24
Religious and Spiritual	25
Restaurant and Food Service	25
Retail Establishments	26
Small Business: General	26
Telecommunications	27
Transportation and Travel	27
Wholesale and Distribution	28

Closing Remarks

Methodology	29
About MailerMailer	29

Introduction

Why Do We Do This?

As we were preparing this - our seventh Email Marketing Metrics Report - we asked ourselves why we invest the manpower and time to create these twice a year.

Well, first of all, because we can. Email Marketing is extremely measurable and we happen to have loads of data at our fingertips.

Secondly, it helps our industry. We enjoy sharing benchmarks that anyone can use to gauge and improve their own email marketing results.

Thirdly, and most importantly, it is a service that we provide to our own customers. Having access to historical industry averages of open, click, and bounce rates gives them an idea of what to expect from their own newsletters and campaigns.

The data and reports are also being integrated directly into MailerMailer's service so our customers can compare their newsletters and campaigns to industry benchmarks instantly.

Subscribe to MailerMailer's blog at <http://blog.mailermailer.com> for more tips, trends and metrics to improve your email marketing efforts.



Introduction

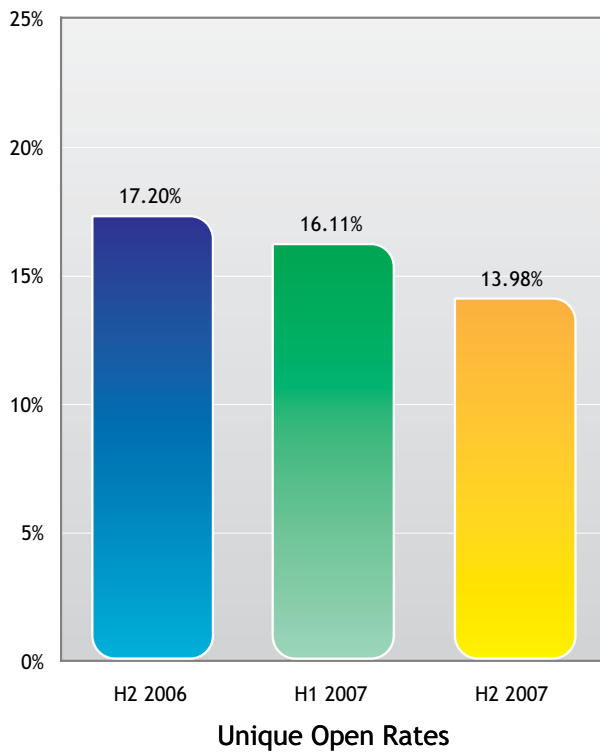
Email Marketing Metrics and Trends

This report tracks email messages sent through MailerMailer between July 1 and December 31, 2007. It also includes data from earlier reports to show trends. See Methodology for details about how this data was collected and measured.

- **Open Rates** - Overall open rates took a nosedive compared to the first half of 2007, dropping over 2% - and more than 3% from the same period a year ago. 74% of all opens occur within the first 24 hours.
- **Click Rates** - Average click-through rates declined ever so slightly, around a quarter of one percent, but remain fairly stable.
- **Best Days to Send** - Mondays, Tuesdays, and the weekends continue to earn higher open and click rates.
- **Subject Lines** - Emails with shorter subject lines significantly outperformed emails with longer subject lines.
- **Personalization** - Emails that used personalization received higher click and open rates.
- **Deliverability** - Overall bounce rates declined slightly in the first half of 2007.
- **Number of Recipients** - In general, as in previous years, emails sent to fewer people were opened and clicked on more.

A smaller list size does not directly affect open and click results. However, mailings to smaller lists may be targeted better, contain more relevant content, or have more recent subscribers.

Open Rates



Unique Open Rates

The overall unique open rate for emails sent by customers in all industries in the last six months of 2007 declined over 2%, continuing the downward trend we have seen for the last several years. This period’s drop, however, was the most significant, possibly due to the proliferation of emails being viewed on handheld devices.

Last half of 2007: 13.98%
 First half of 2007: 16.11%

Why have open rates declined in the past?

Open rates began declining in late 2004 as more people started using email programs that disable automatic image downloading by default.

To track open rates, HTML emails contain a 1x1 pixel invisible image. When a recipient enables images to display when they read the message, the sending servers are able to track when the image was displayed and by whom- this is the “open rate” information you see in your reports. When images are blocked, the “open” cannot be tracked.

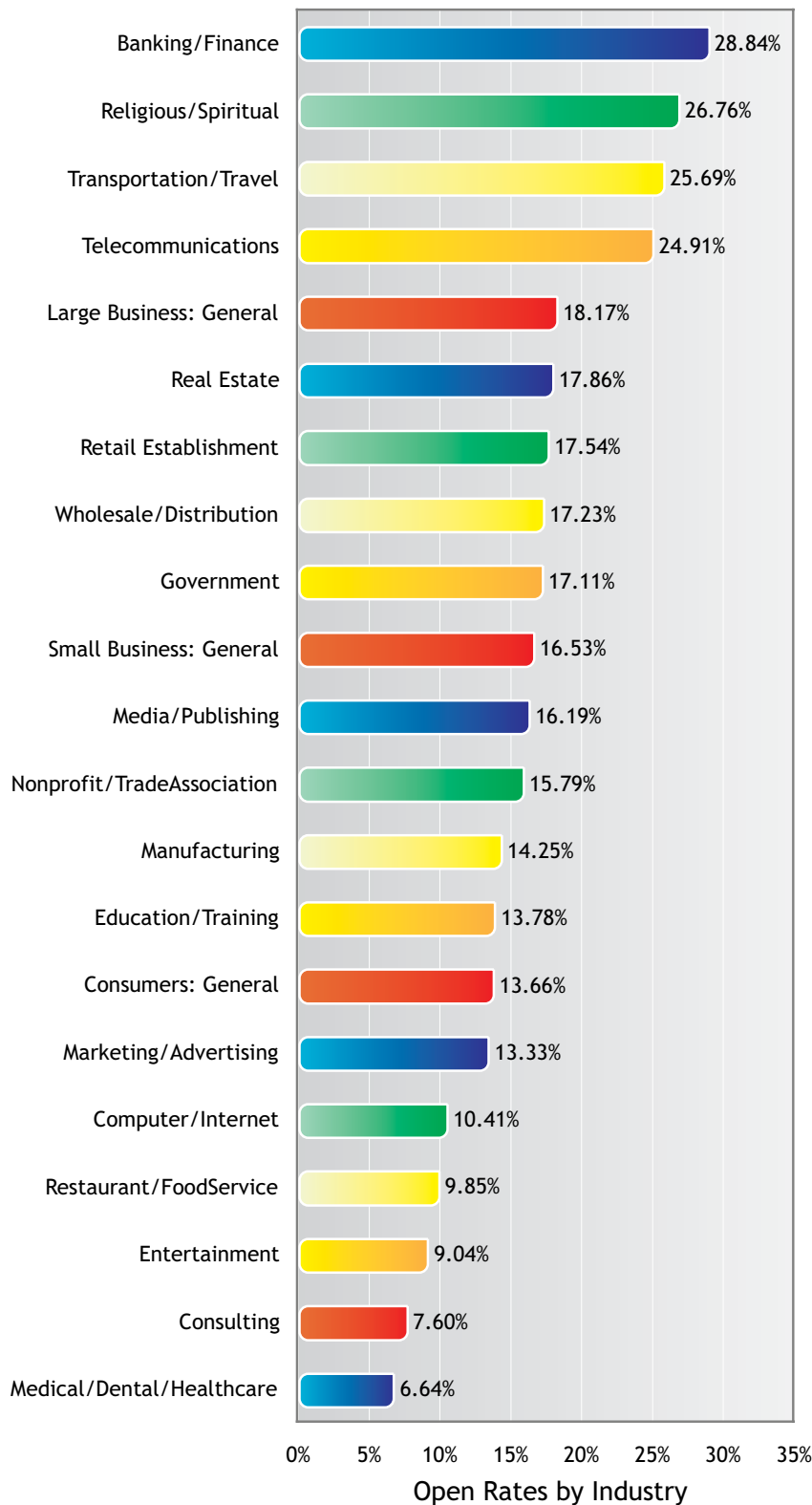
Open rates are becoming less accurate with many people reading email from hand held devices and disabling image downloading. The fact that click rates remained fairly steady suggests that people are still reading the messages even though fewer opens are being reported.

Not all industries experienced a decline in open rates, as the next page shows.

Definition

i Unique opens are calculated as the number of addresses which were tracked as having viewed a message divided by the total number of HTML messages sent. Each address, even if it opened the message more than once, was counted only once; hence, showing unique opens.

Open Rates



Open Rates by Industry

Industries that earned the highest unique open rates in the last half of 2007 were the same as the first half, but in a different order:

	H1	H2
Banking/Finance	28.07%	28.84%
Religious/Spiritual	23.78%	26.76%
Transportation/Travel	26.53%	25.69%
Telecommunications	26.46%	24.91%

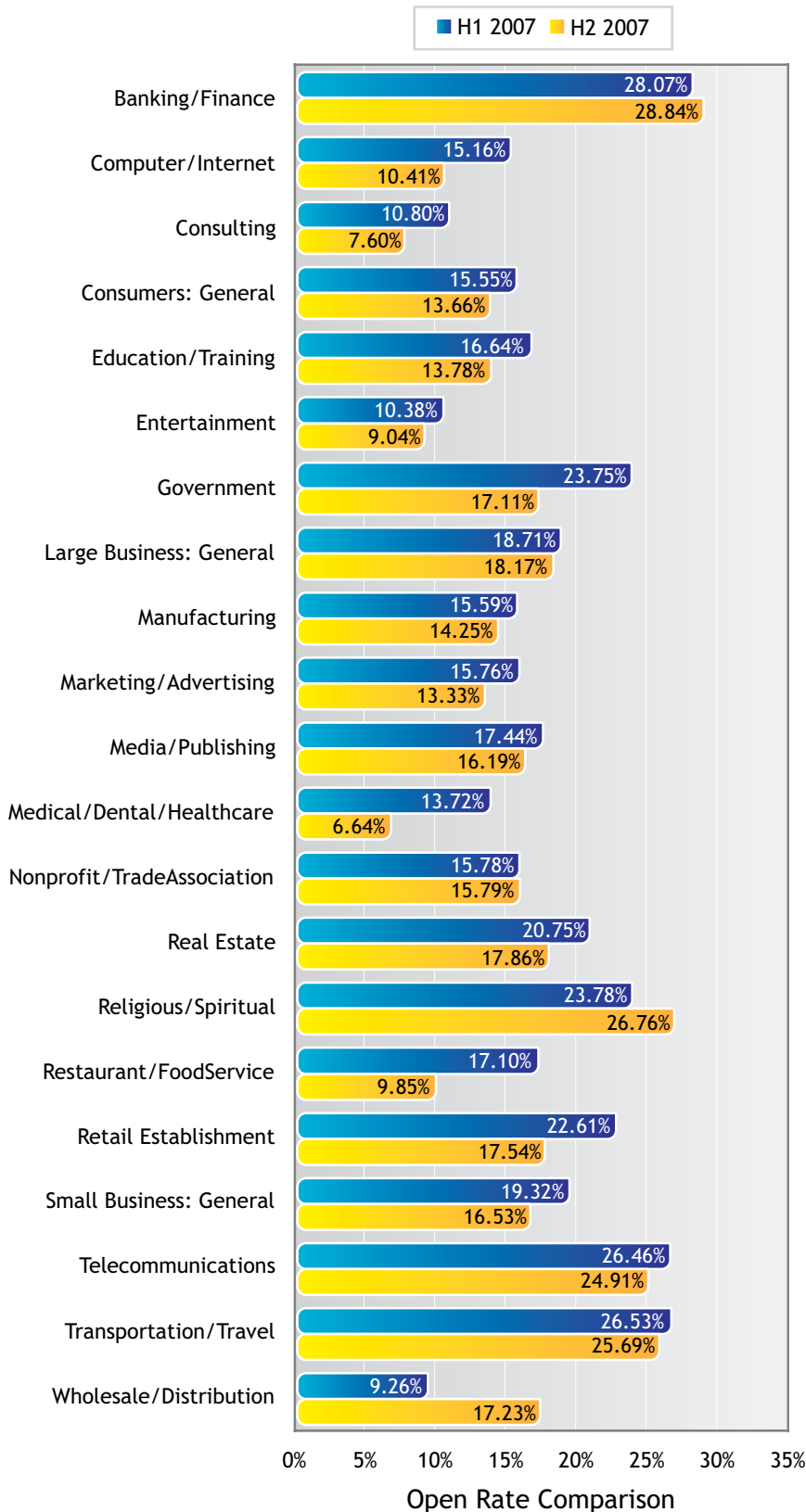
Emails sent by the following industries were least likely to be opened:

	H1	H2
Entertainment	10.38%	9.04%
Consulting	10.80%	7.60%
Medical	13.72%	6.64%

Tip

i The biggest factor in determining whether someone will open your message is your subject line and your “from” address. Subject lines that read like spam are often confused with spam so be sure to include your brand name to help increase recognition with your readers.

Open Rates



Open Rate Comparison

Open rates for some industries increased while most decreased.

Biggest Winners:

- Banking/Finance
- Religious/Spiritual
- Wholesale/Distribution

Biggest Losers:

- Medical/Dental/Healthcare
- Computer/Internet
- Government
- Restaurant/Food Service

Tip

i Send a welcome message to subscribers as soon as possible after they sign up. Ask them to put your email address on their safe senders list to increase the chances of delivery into their inbox, not bulk mail folder.

Open Rates

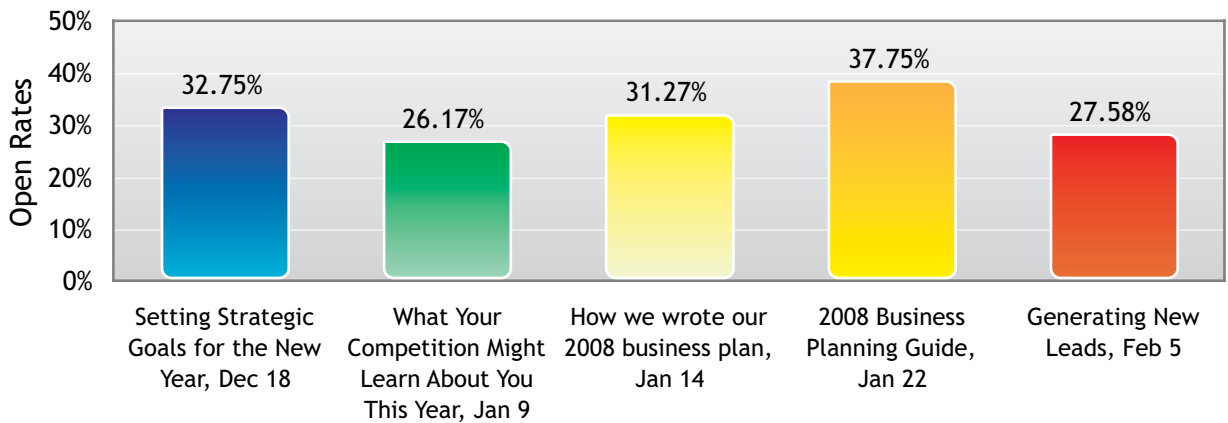
Identify your recipients' hot buttons and you can increase your open rate overnight.

Case Study: Increasing Opens

Increasing Opens 10% by Knowing Your Readers' Hot Buttons

Our MoreBusiness.com site is a fairly popular destination for small business owners looking for information on business and marketing plans – it is a top search result on the term “sample marketing plan”. Thousands of individual small business owners visit the site every day, many of whom signed up for our bi-weekly newsletter (to sign up, visit MoreBusiness.com - the newsletter info is on the top right).

For each issue, we look over the articles featured in the newsletter and toy with variations for our subject line. Over time, we found that terms that included or were related to business planning garnered a significantly higher open rate than other terms. Even when we thought that readers interested in business planning would be interested in other business related topics, such as lead generation, our results proved otherwise. Example:



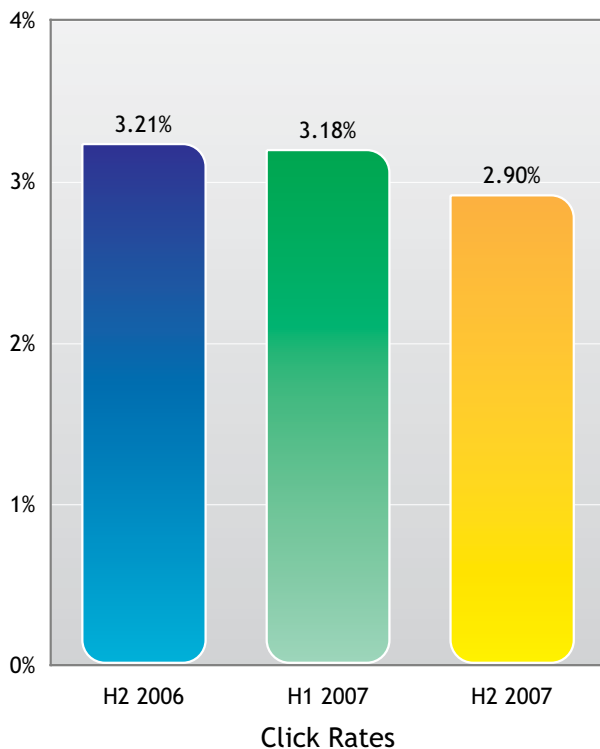
Subject Lines

Notice the pattern. Every time the subject line includes terms like “planning”, “strategy”, or “goal” – all related to business plans – the open rate is over 30%. The moment we deviate and include other terms that we think people might respond to, like “competition” or “generating leads”, the open rate drops below 30%.

Look at the last two subject lines. There is a 10% increase in the open rate for the one about our 2008 Business Planning Guide compared to our information on Generating New Leads.

These numbers make it clear: our MoreBusiness.com readers want information to help them set goals and write a business plan. It is not surprising - we have over 100 free sample business plans they can view on our site. The surprising point is how connected our readers are with terms related to business planning, strategy, and goal setting. These terms are our audience’s hot buttons.

Click Rates



Click Rates

Click rates record how many times the links in an email message were clicked. It includes clicks from both text and HTML format recipients. Overall click rates declined slightly since our last report.

Last half of 2007: 2.90%
 First half of 2007: 3.18%

Although open rates experienced a sharp decline, the fact that click rates edged downward by only a marginal amount suggests that emails are probably still being opened at earlier rates but that the tracking ability is diminished due to image downloading being disabled.

Definition

- i Click rates are defined as the total number of unique clicks (i.e., the first time a person clicks on a link) divided by the total number of opportunities to click. It is calculated as follows: the total number of unique clicks divided by the product of the number of links in each message and the number of total recipients.

- i For example, a message sent to 100 people with 5 unique links in it that get 10 unique clicks would have a $10 / (100 * 5) = 2\%$ click rate

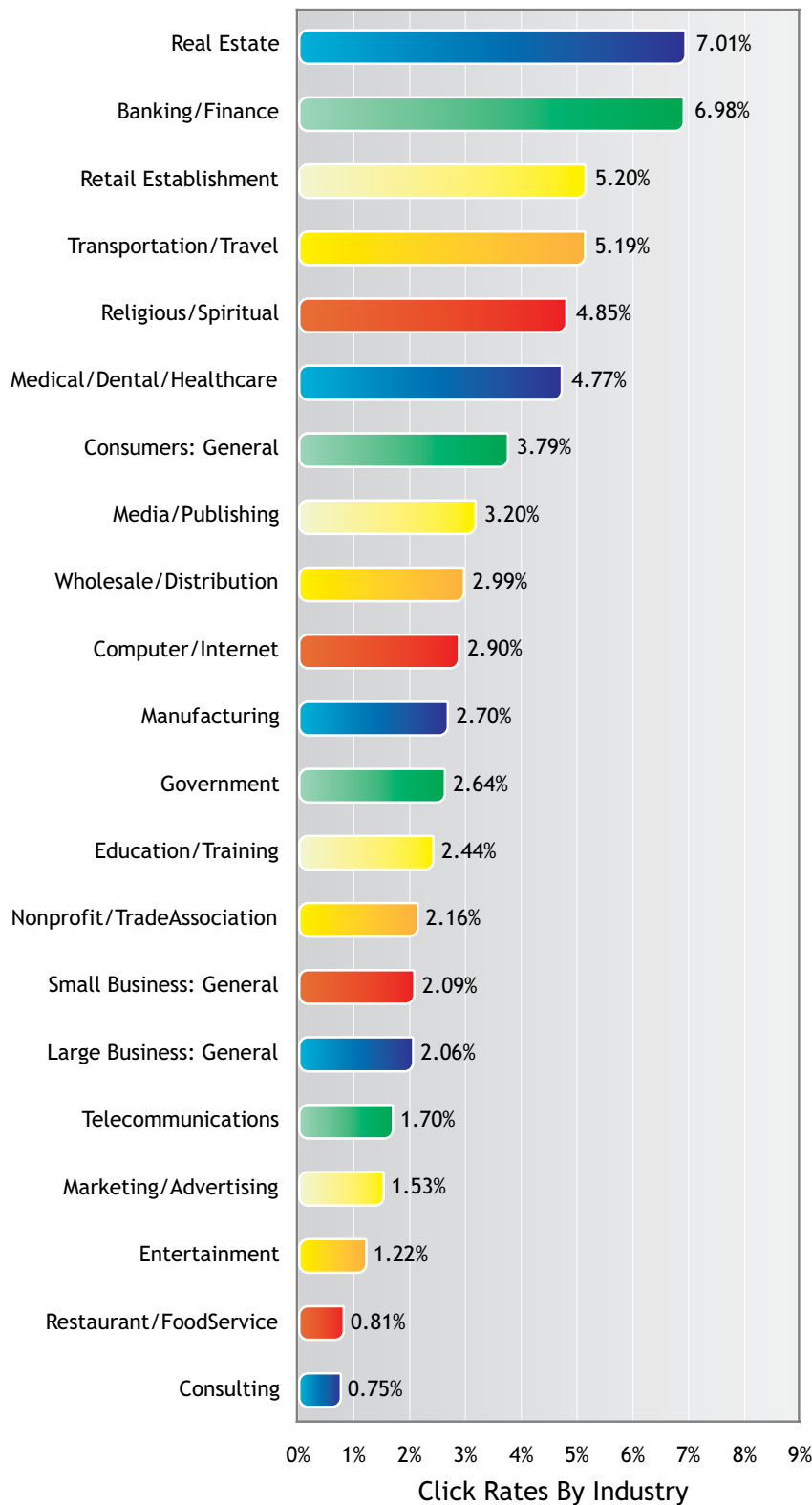
Tips

- i Readers click more often on attractive, well designed emails that offer useful and interesting information.

- i Knowing your reader's hot buttons (terms or offers they historically react to) can also increase click rates.

- i Give your readers a reason to click. Include a "Buy Now" button or a link to "Read the full story." Put just enough content to whet their appetite so they want more.

Click Rates



Click Rates by Industry

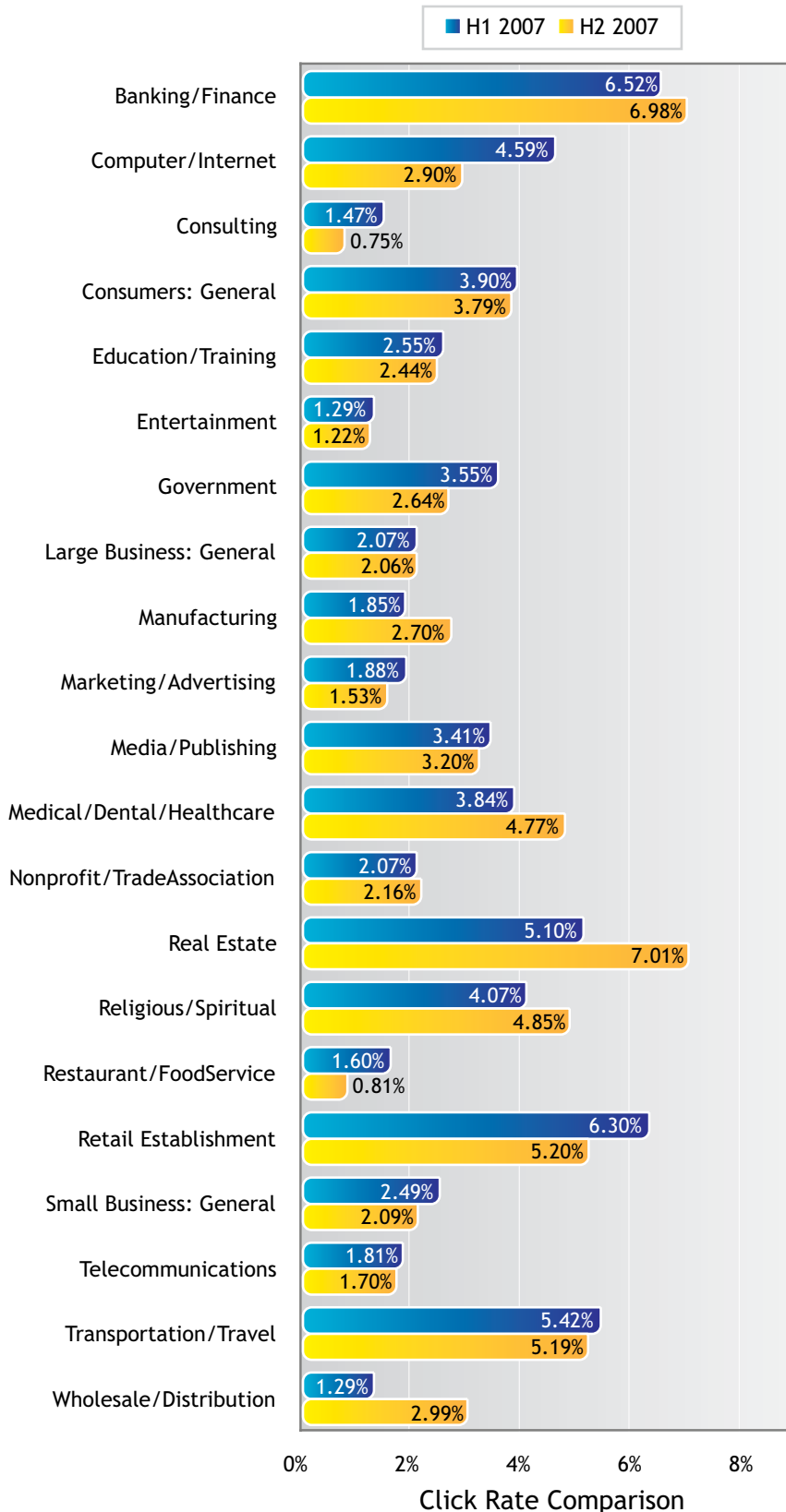
The same industries that topped the best click-through rates in the first half of 2007 continued to dominate the second half:

	H1	H2
Real Estate	5.10%	7.01%
Banking/Finance	6.52%	6.98%
Retail Establishments	6.30%	5.20%
Transportation/Travel	5.42%	5.19%

Emails sent by the following industries in July - December 2007 were least likely to be clicked on:

	H1	H2
Marketing/Advertising	1.88%	1.53%
Entertainment	1.29%	1.22%
Restaurant/Food Service	1.60%	0.81%
Consulting	1.47%	0.75%

Click Rates



Click Rate Comparison

Although overall click rates remained steady, several industries saw some fluctuation compared to six months ago.

Biggest Winners:

- Real Estate
- Wholesale/Distribution
- Medical/Dental/Healthcare
- Manufacturing
- Banking/Finance

Biggest Losers:

- Retail Establishment
- Government
- Computer/Internet
- Small Business

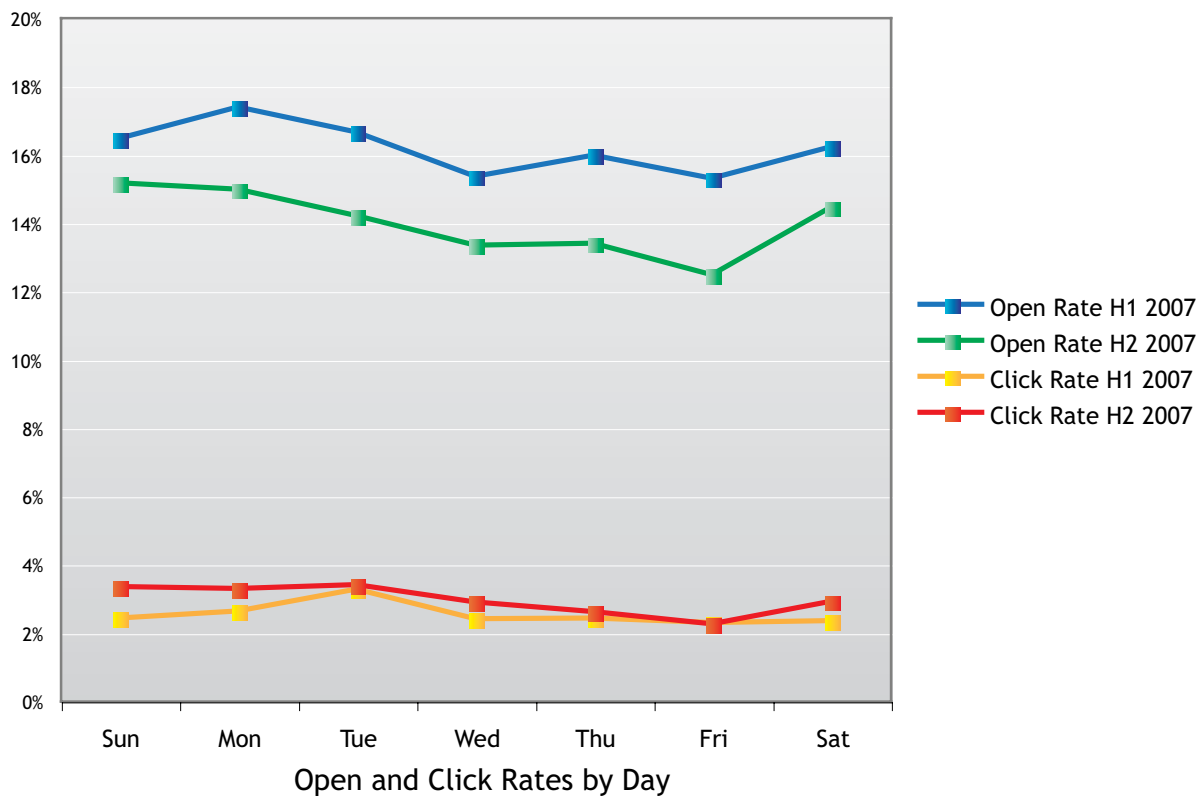
Open and Click Rates

By Day

Emails sent early in the work week or on the weekends earned higher open and click rates; Mondays being the best. Weekend readership experienced an increase.

Like the first half of 2007, recipients were least likely to open emails sent on Fridays and messages sent on Tuesdays garnered the highest click rates.

*Best days to send:
Monday, Tuesdays,
and Weekends.*



Tips

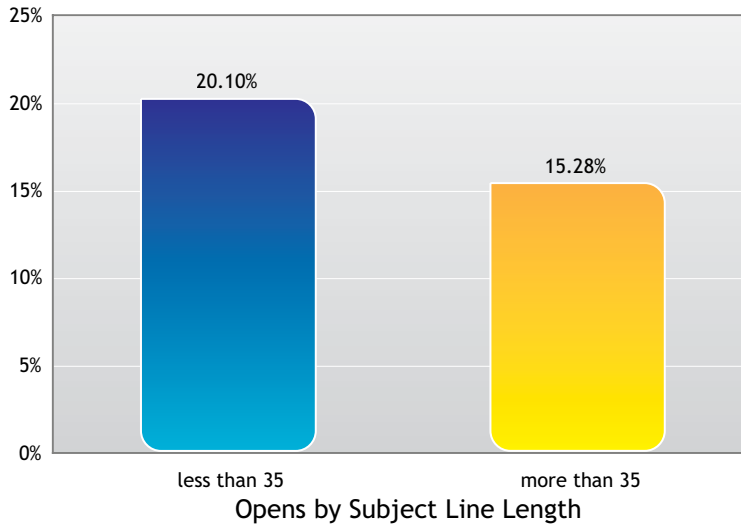
- i** To increase your open and click rates, try sending early in the week or on the weekends.
- i** Keep in mind that some organizations such as entertainment venues, restaurants or retail establishments may get better results later in the week.
- i** Experiment and find out what works best for you!

Open and Click Rates

Opens by Subject Line Length

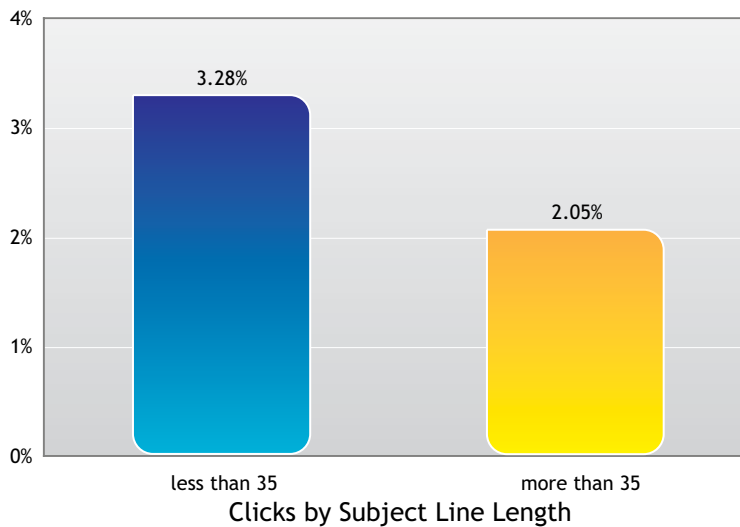
Continuing a trend we have seen for a few years now, email recipients were significantly more likely to open messages that used short subject lines (35 or fewer characters).

Shorter subject lines result in dramatically higher open and click rates.



Clicks by Subject Line Length

Readers also continued to click more often on emails with short subject lines. Always use short, descriptive subject lines.



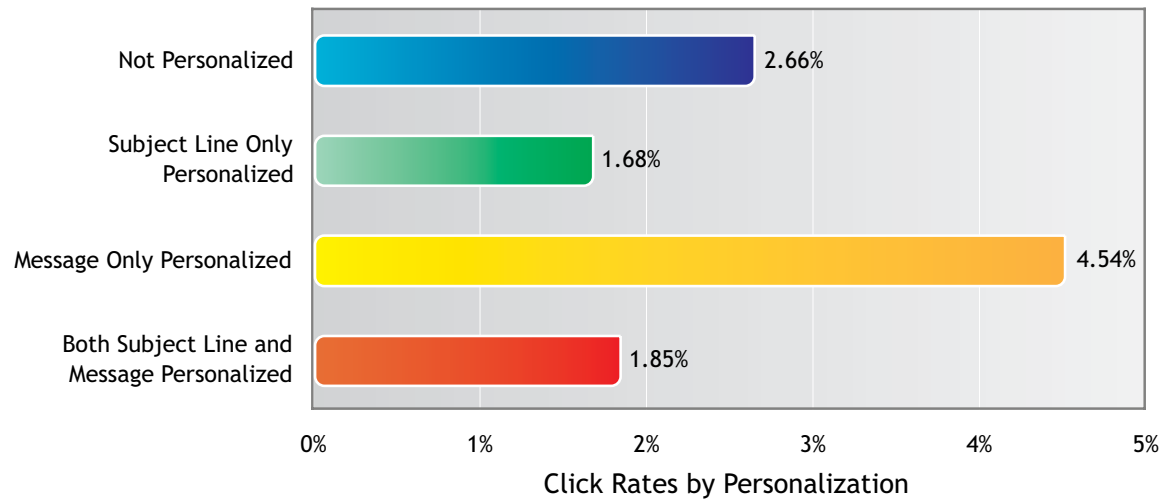
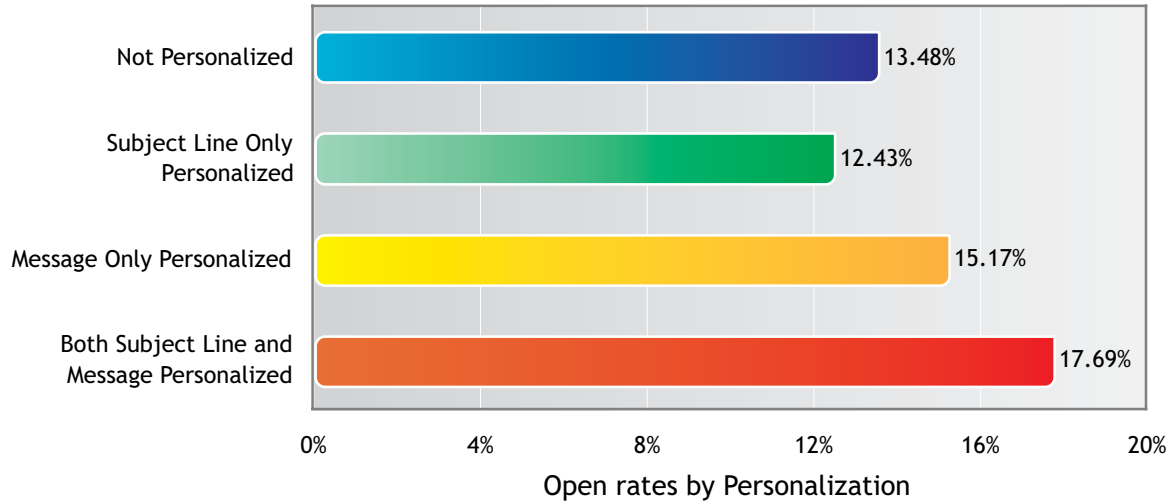
Tip

i Avoid words and symbols that spammers use such as “FREE,” “!!!,” or “\$” as these can hinder delivery.

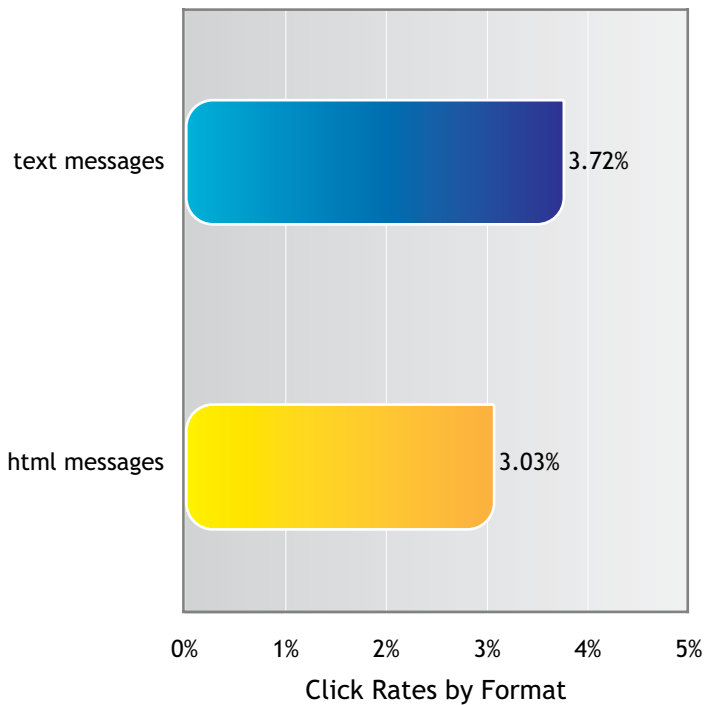
Personalization

How Personalization Affects Open and Click Rates

Personalizing only the subject line shows a decrease in open and click rates, possibly because it is becoming a tactic commonly used by spammers to trick people into opening messages.

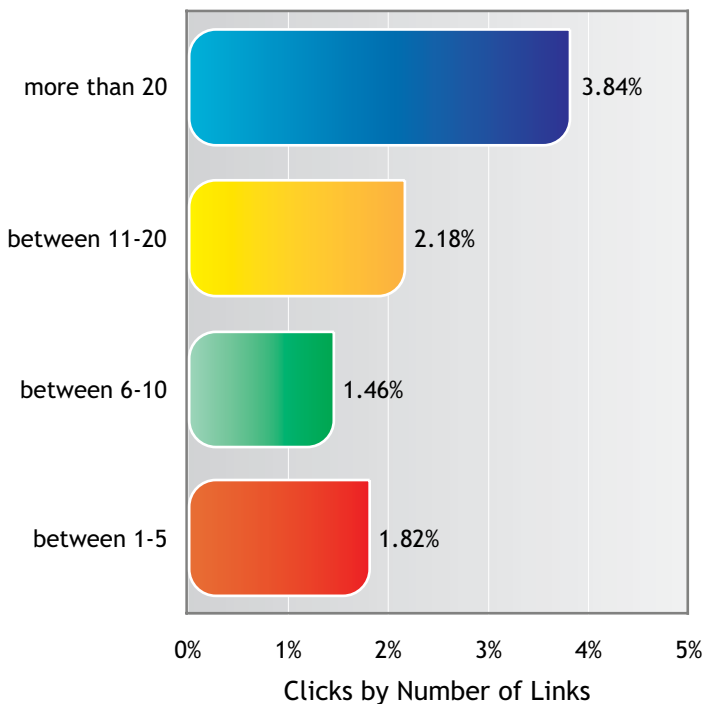


Message Format and Links



Click Rates by Format

There was a slight difference in click rates between HTML and text messages. Our data shows about a 0.7% difference in click rate but the vast majority of our customer's recipients, over 95%, opt to receive HTML formatted messages instead of text. As a result, we had far fewer text-only messages in our data set so the click rate may be less statistically valid. In prior years, HTML messages showed a slightly higher click rate.



Clicks by Number of Links

Emails containing a roster of items to click on garnered higher click rates than messages with fewer links, with a sharp increase for messages having over 20 links.

Tip

i To improve your click rates, try including multiple links to your landing page.

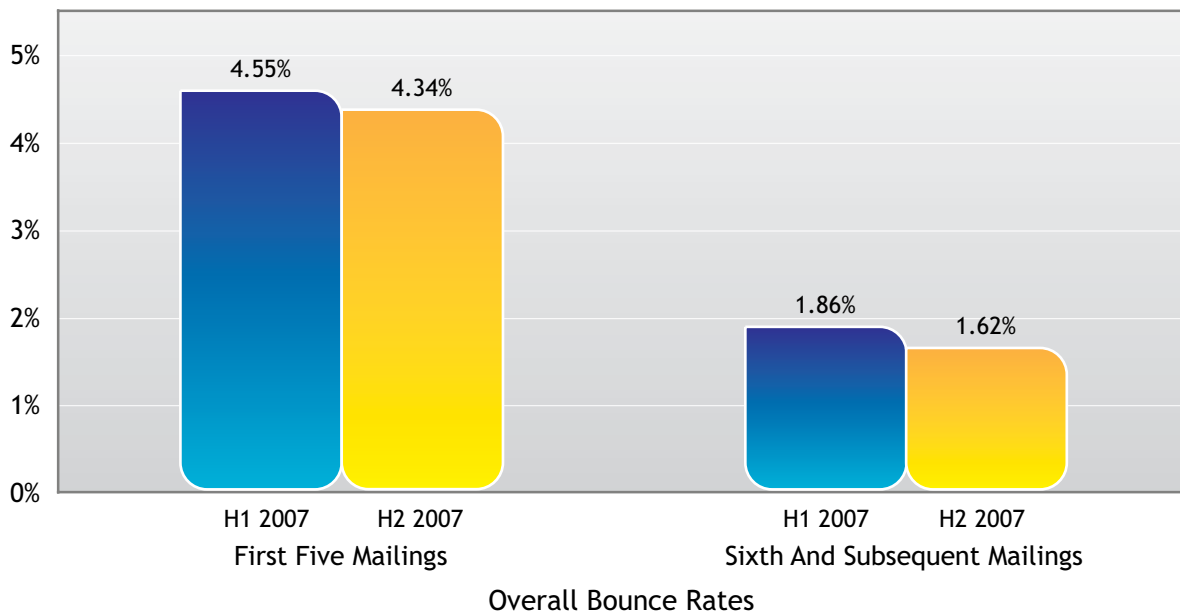
Bounces

Deliverability and Bounces

For a full year now, deliverability continues to increase (bounces decrease), reversing a trend seen in years past. All email campaigns result in a percent of messages that are undeliverable. An email may “bounce back” due to several reasons:

- Subscriber’s email address has changed
- Receiving server is temporarily unavailable
- Message inadvertently flagged as spam

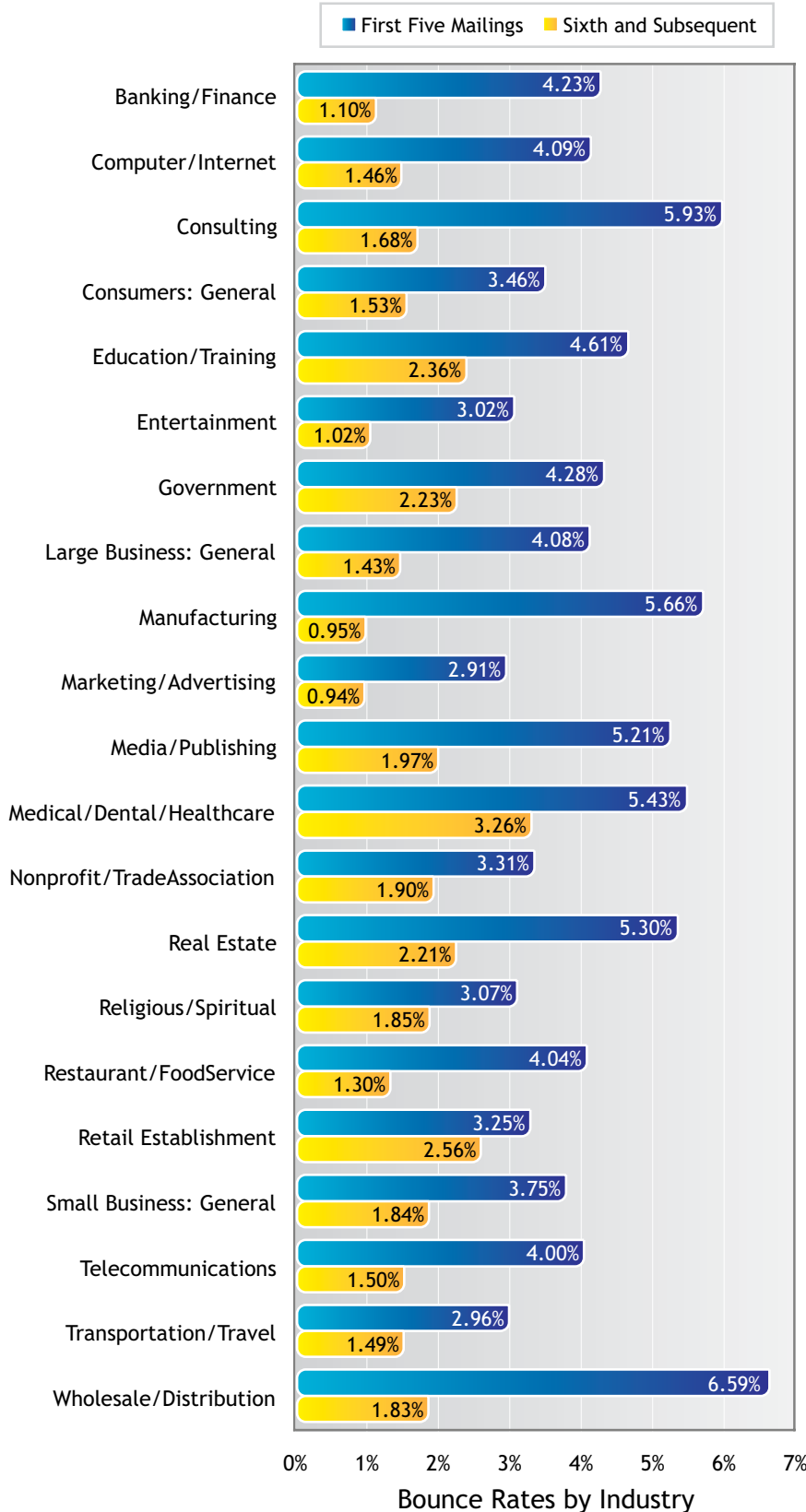
MailerMailer automatically records and purges email addresses that result in bounces from our customers’ lists after their fifth mailing with us. Due to this, our customers’ bounce rates generally decrease noticeably after their fifth delivery using our system.



Tips

- ❶ Bounce rates for the first five mailings depend largely on how well an existing list was managed prior to using our service. We use several screening procedures for our new customers and for new lists that minimize inclusion of older or unreliable addresses.
- ❷ The average bounce rates for the sixth and subsequent mailings are affected by several factors including the frequency in which a customer sends messages to a particular email list. See Bounce Percentage per Mailings.

Bounces



Bounce Rates by Industry

Industries that received the lowest bounce rates for their first five mailings (and therefore, the best delivery rates) were:

Marketing/Advertising	2.91%
Transportation/Travel	2.96%
Entertainment	3.02%

The following industries earned the lowest bounce rates (and therefore, the best delivery rates) on their sixth and subsequent mailings with MailerMailer:

Marketing/Advertising	0.94%
Manufacturing	0.95%
Entertainment	1.02%

Bounces

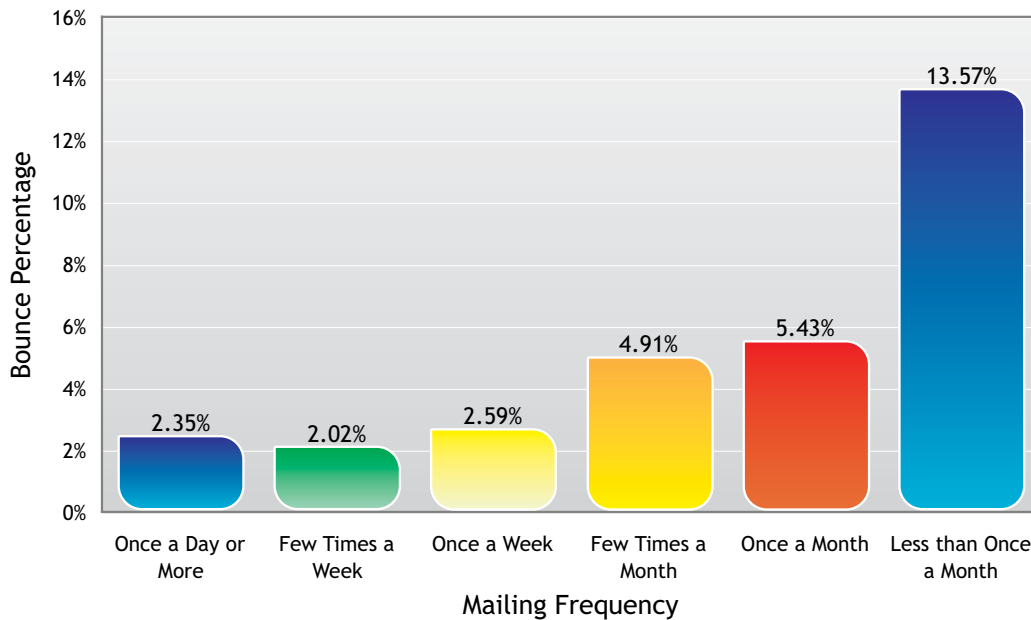
Bounce Percentage by Mailing Frequency

A percent of people change jobs and/or email addresses at any given time which results in natural attrition (churn) for all email lists. There is also a relationship between the frequency in which you send emails to a list and the bounce percentage per mailing.

Deliverability is higher for frequent senders.

Bounce percentages are most likely lower for more frequent senders due to inactive addresses being purged from their lists regularly. In addition, recipients are less likely to mistake your message as spam if they receive emails from you frequently.

Deliverability also affects bounce rates. According to SenderScore, MailerMailer’s deliverability was 98.9% during the period covered by this report.



Tip

- Send emails to your list at least once a month so your recipients don't forget they signed up.

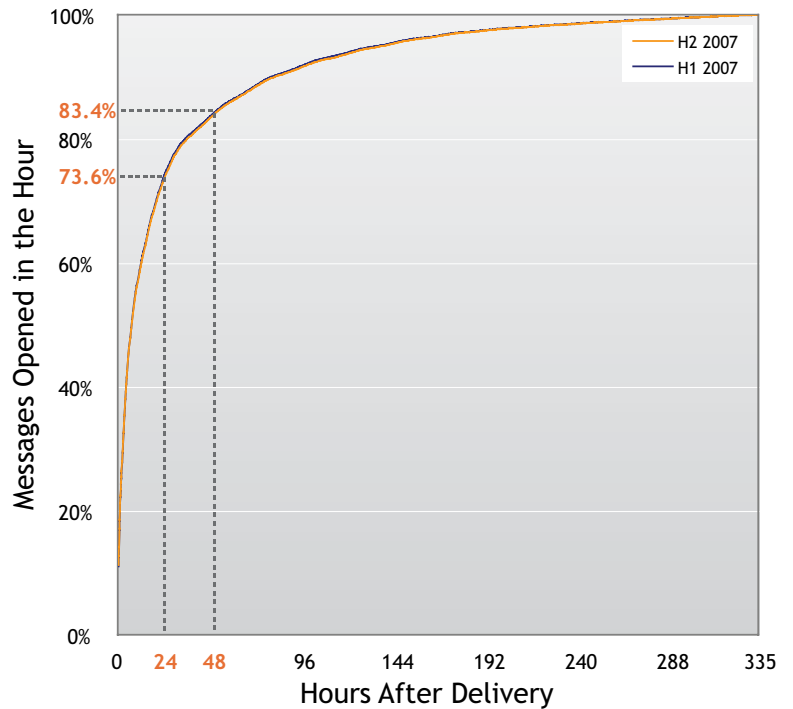
Stabilization

Stabilization of Open Rates

How soon do recipients open emails?

This chart shows how soon after delivery a percent of those subscribers who would eventually open a message actually opened it. Nearly three quarters of all opens occur in the first 24 hours.

(This data is based on unique open rates and does not include forwarded emails or those opened multiple times by a recipient.)

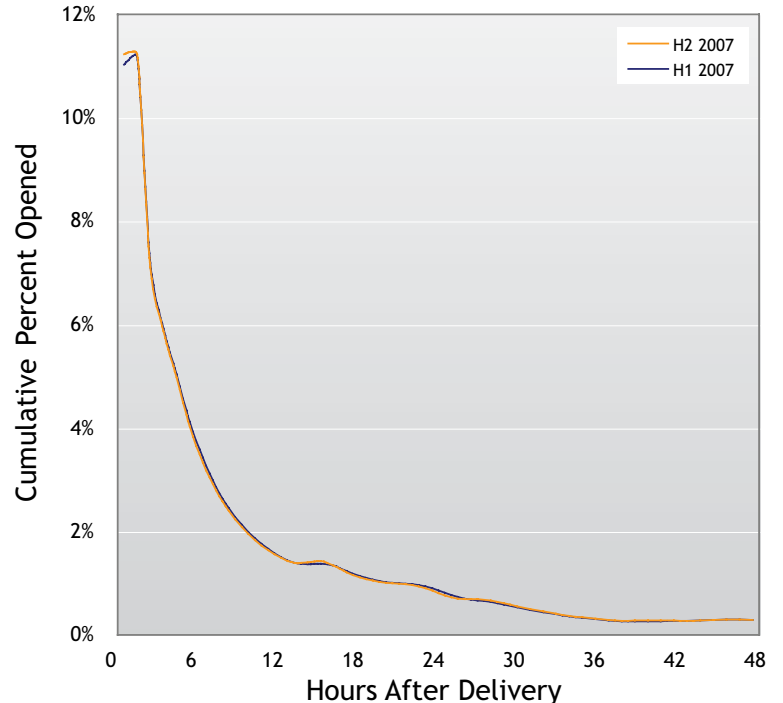


Total Emails Opened by Hour (Cumulative)

Most of your recipients will open your email within a few hours of delivery if they are going to open it at all. Be prepared to receive the majority of customer responses within two days.

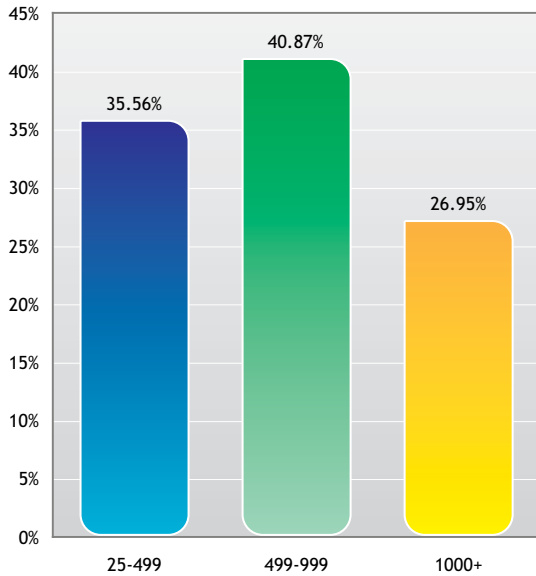
Tips

- Some recipients will open your email a couple of weeks or even longer after delivery. Make sure that your images, links, and landing pages remain accessible to them.
- 26.4% of all opens occur after the first 24 hours.

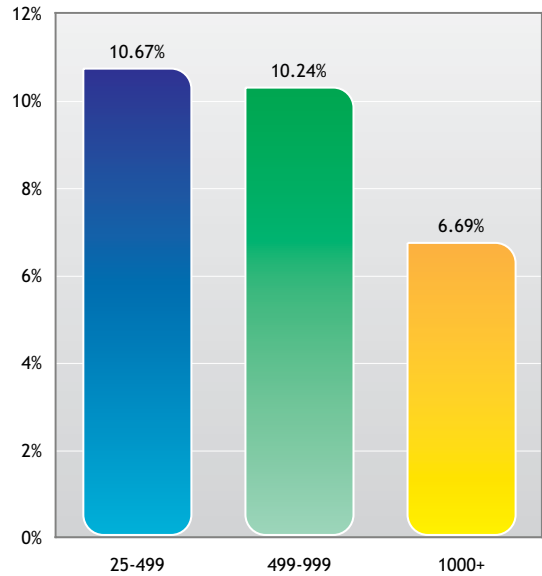


Open and Click Rates by List Size and Industry

Banking and Finance

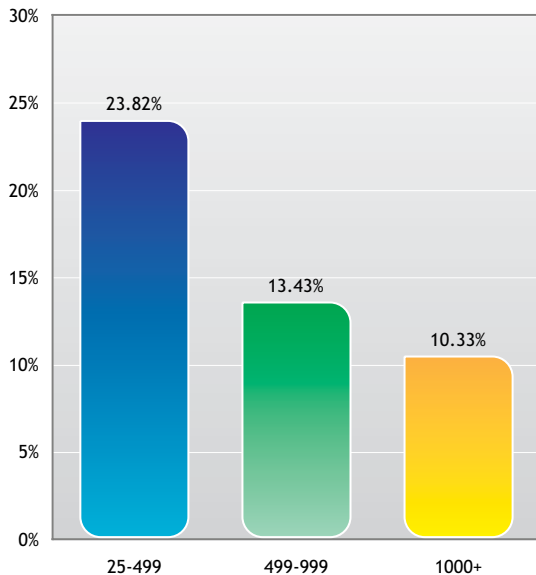


Open Rates by List Size

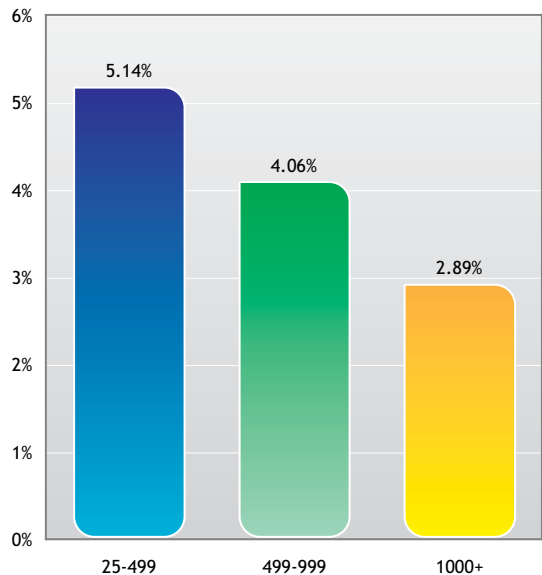


Click Rates by List Size

Computer and Internet



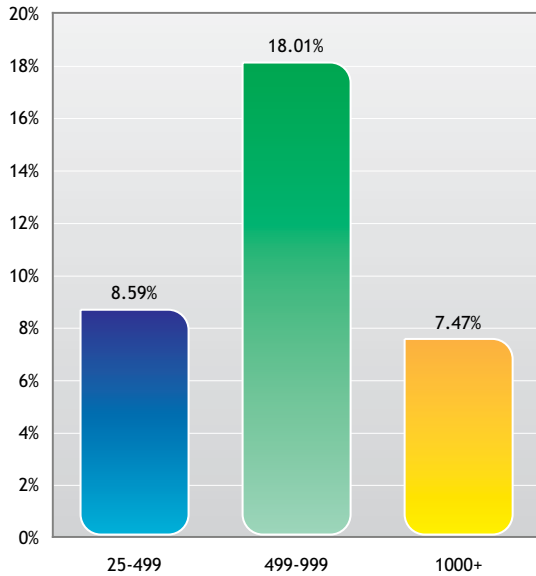
Open Rates by List Size



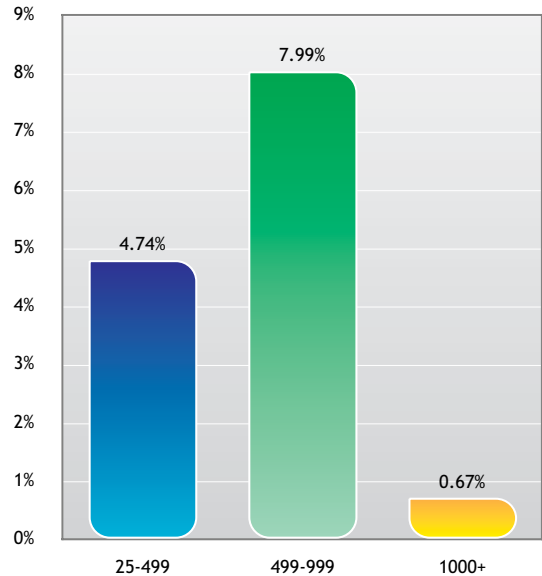
Click Rates by List Size

Open and Click Rates by List Size and Industry

Consulting

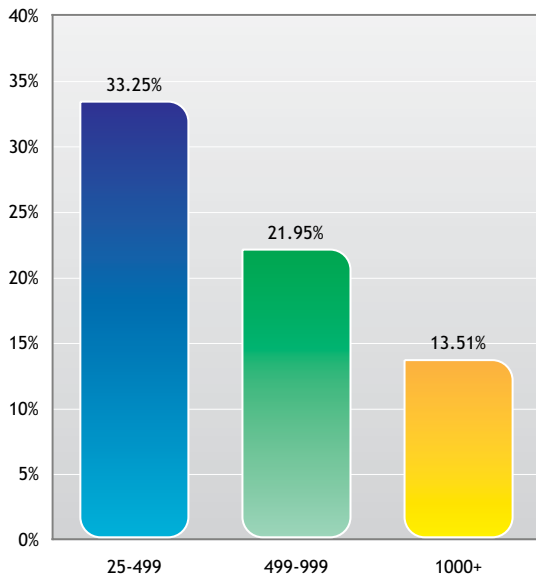


Open Rates by List Size

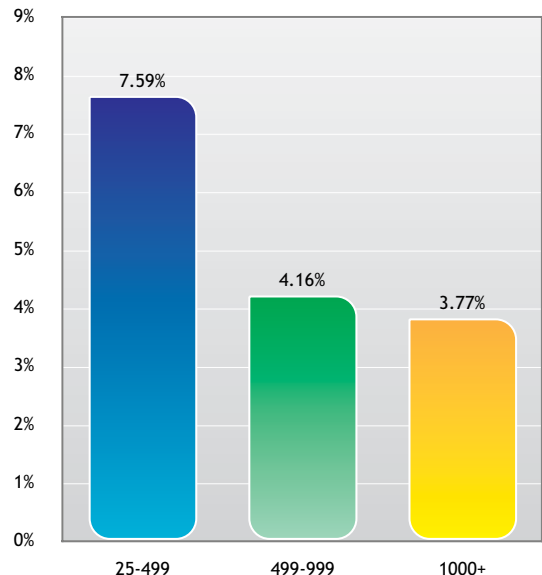


Click Rates by List Size

Consumers: General



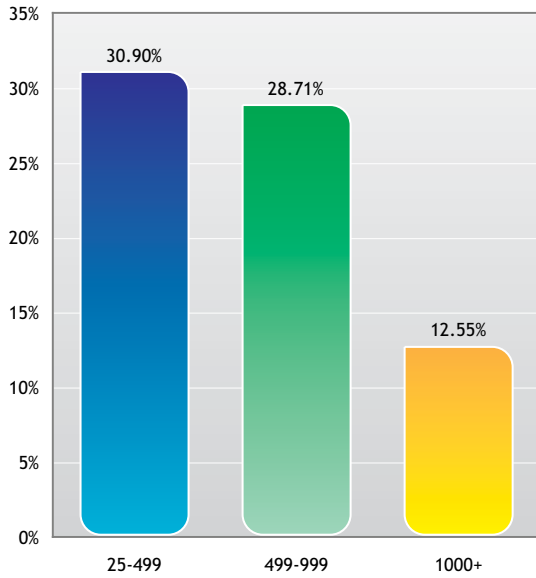
Open Rates by List Size



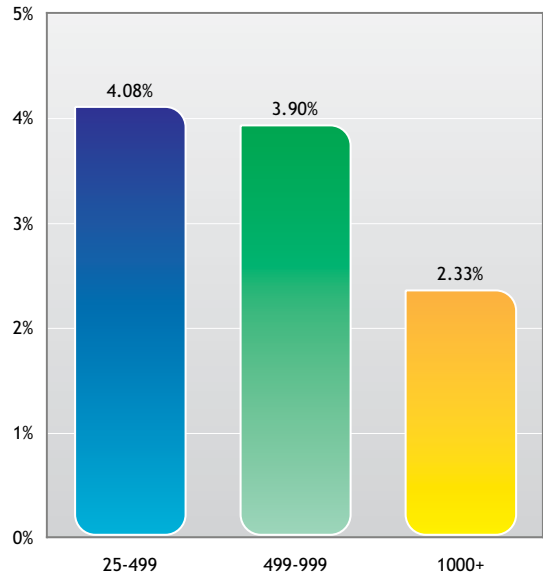
Click Rates by List Size

Open and Click Rates by List Size and Industry

Education and Training

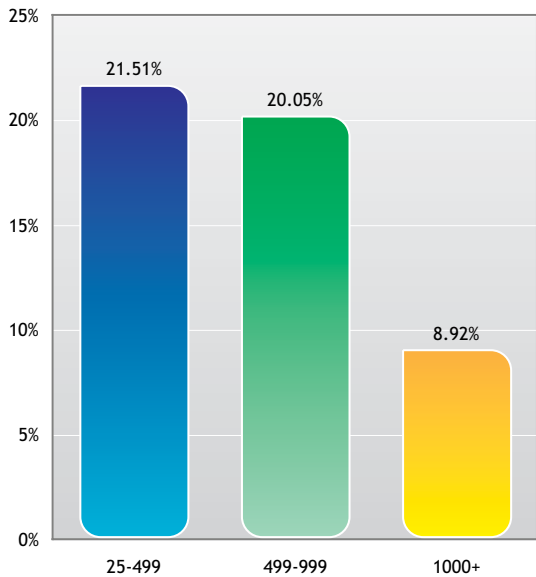


Open Rates by List Size

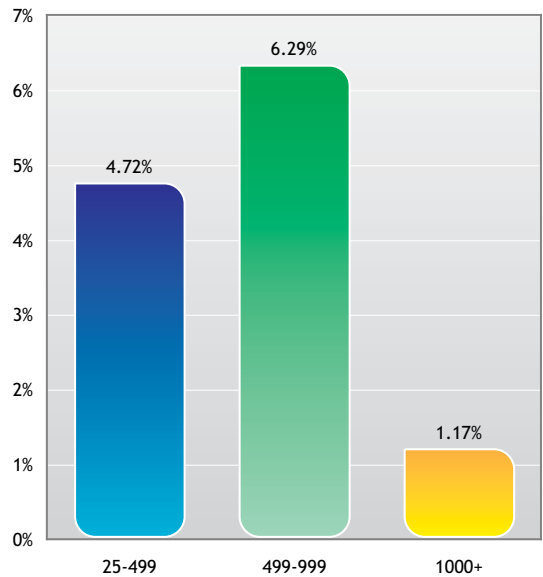


Click Rates by List Size

Entertainment



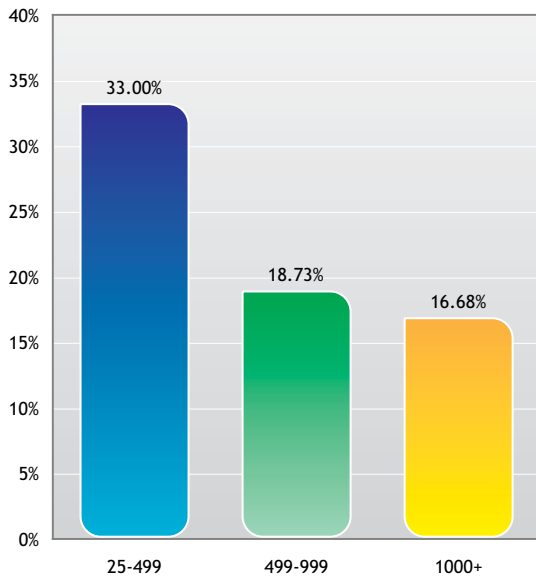
Open Rates by List Size



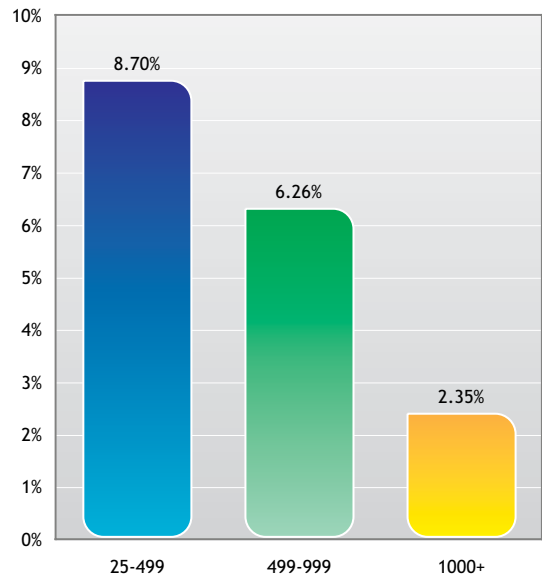
Click Rates by List Size

Open and Click Rates by List Size and Industry

Government

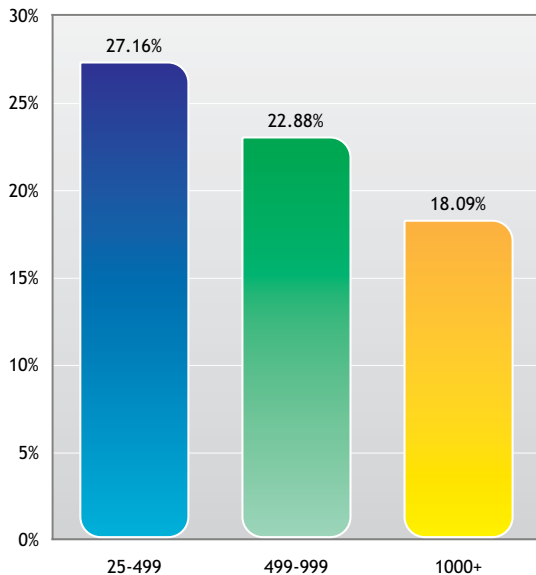


Open Rates by List Size

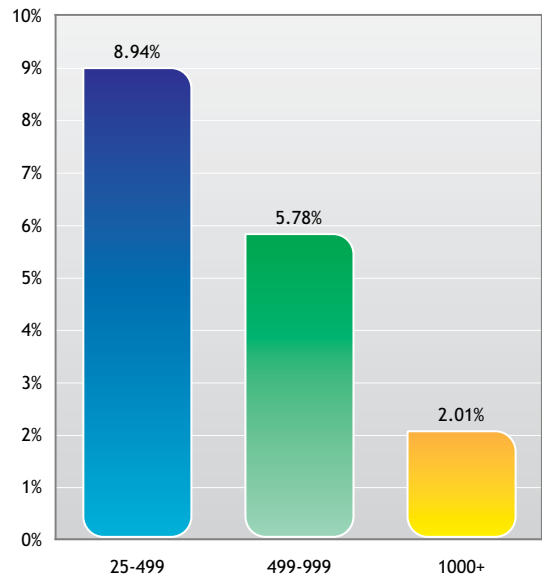


Click Rates by List Size

Large Business: General



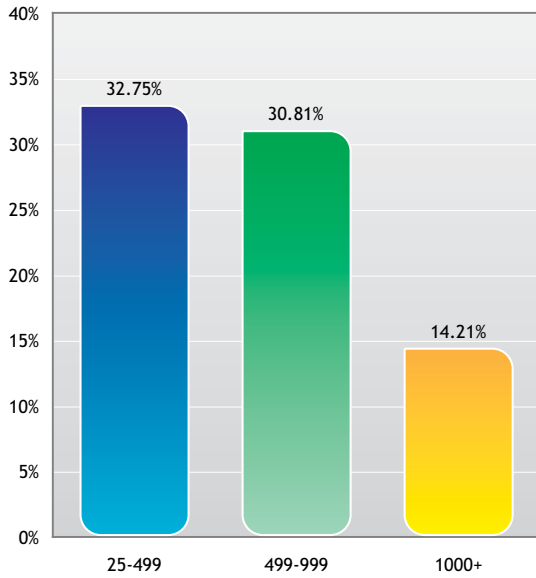
Open Rates by List Size



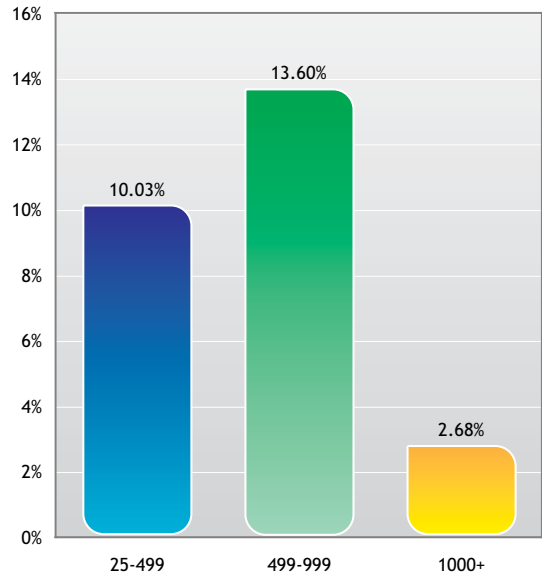
Click Rates by List Size

Open and Click Rates by List Size and Industry

Manufacturing

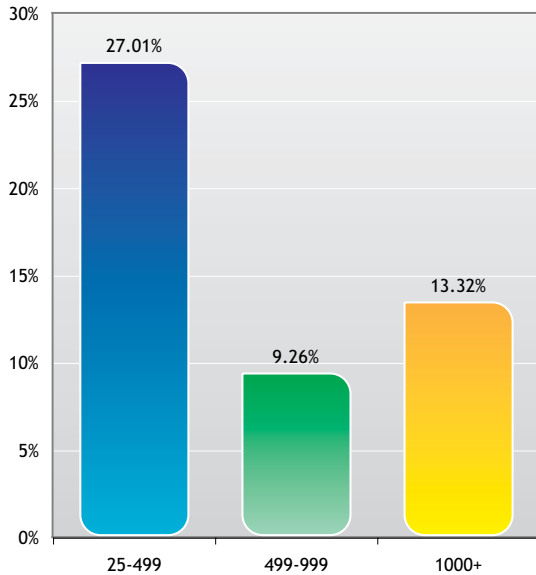


Open Rates by List Size

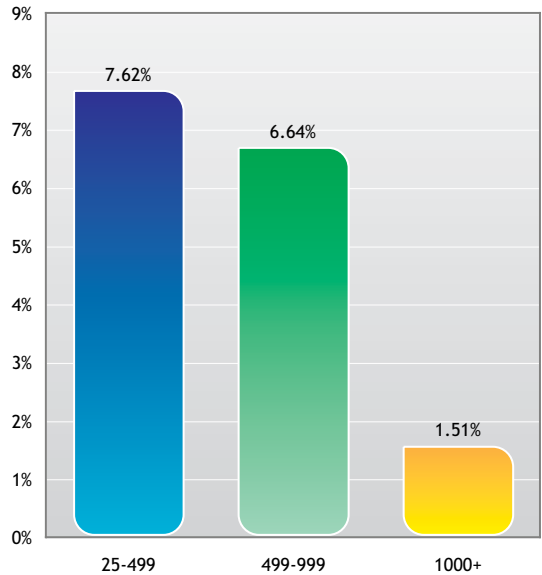


Click Rates by List Size

Marketing and Advertising



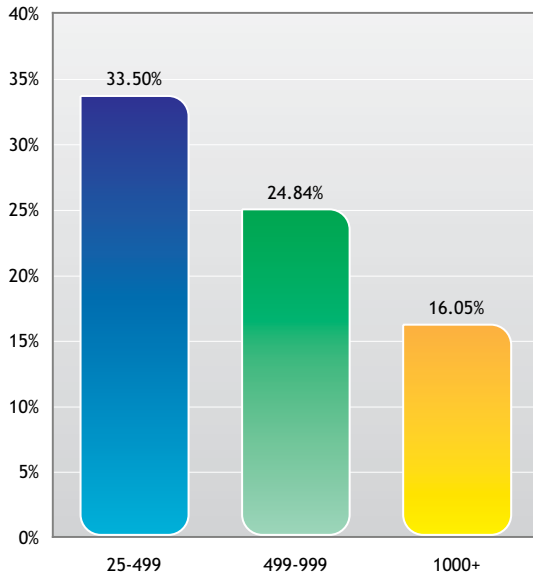
Open Rates by List Size



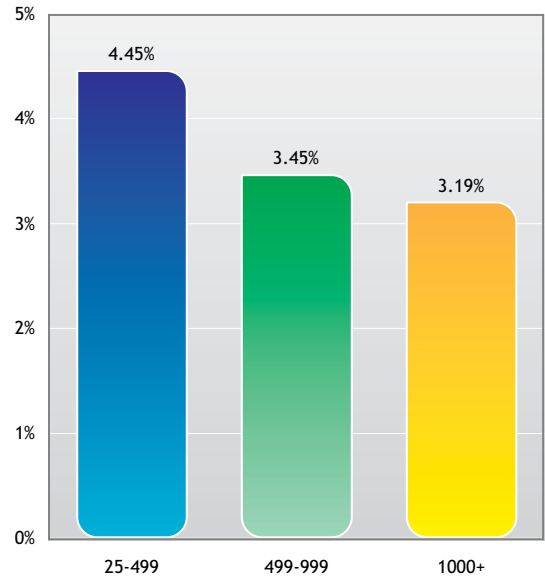
Click Rates by List Size

Open and Click Rates by List Size and Industry

Media and Publishing

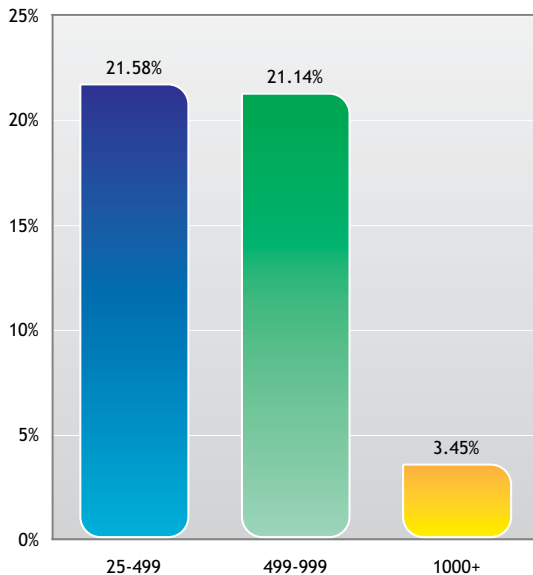


Open Rates by List Size

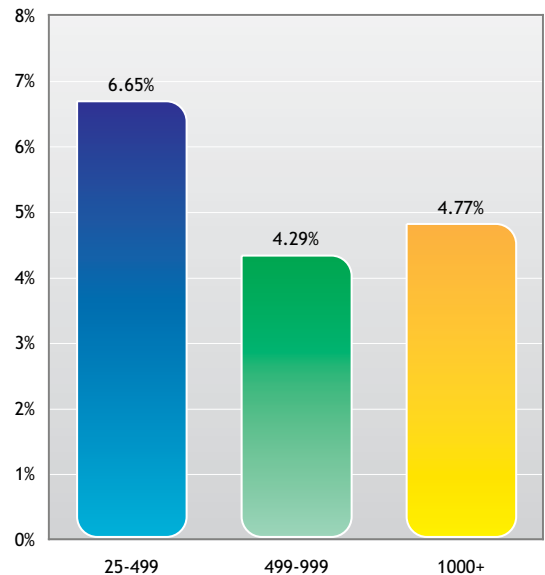


Click Rates by List Size

Medical, Dental, and Healthcare



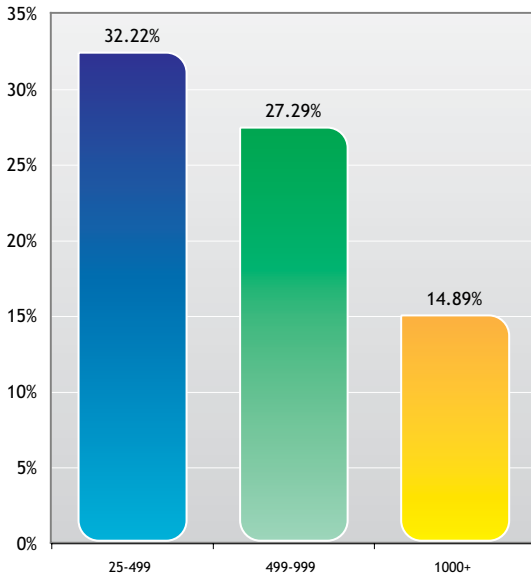
Open Rates by List Size



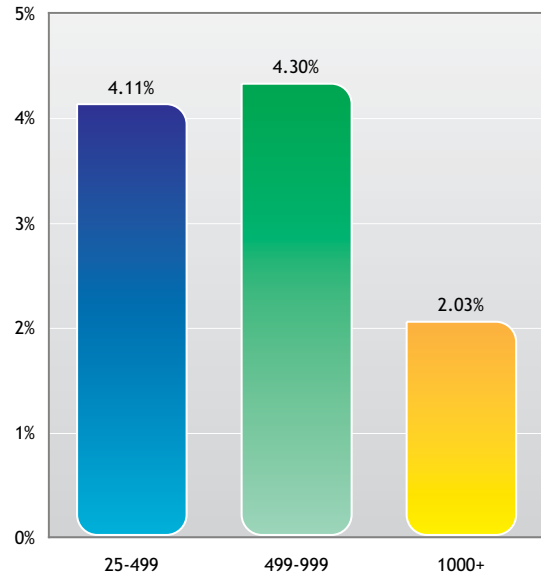
Click Rates by List Size

Open and Click Rates by List Size and Industry

Nonprofit and Trade Association

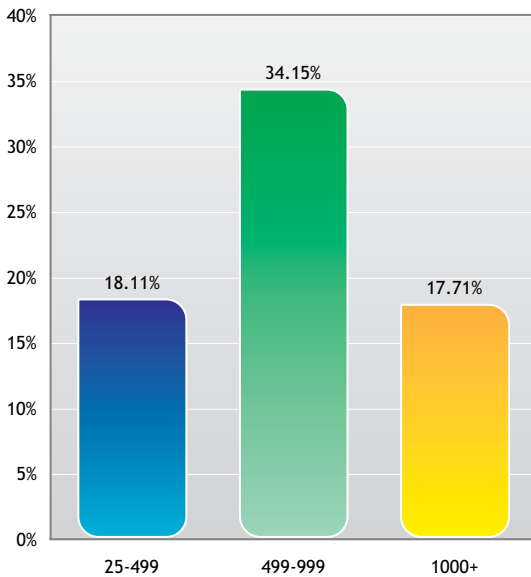


Open Rates by List Size

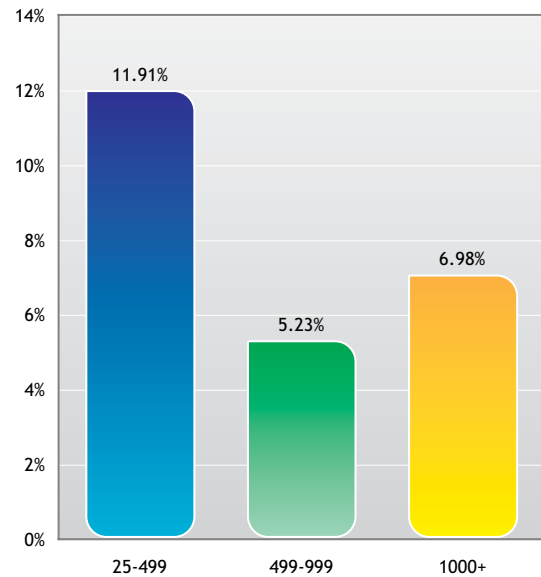


Click Rates by List Size

Real Estate



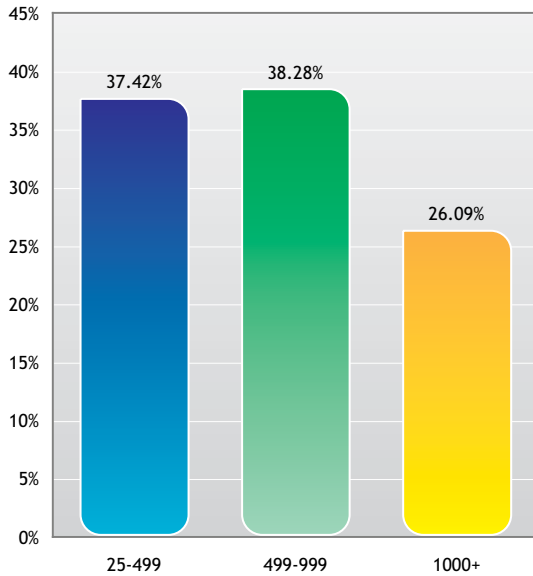
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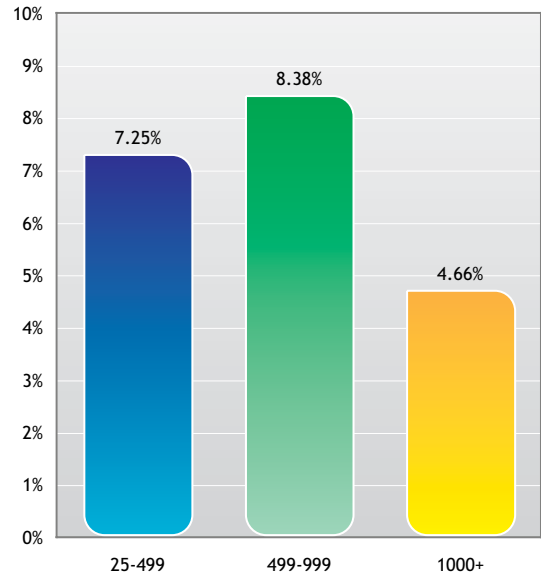
Click Rates by List Size

Open and Click Rates by List Size and Industry

Religious and Spiritual

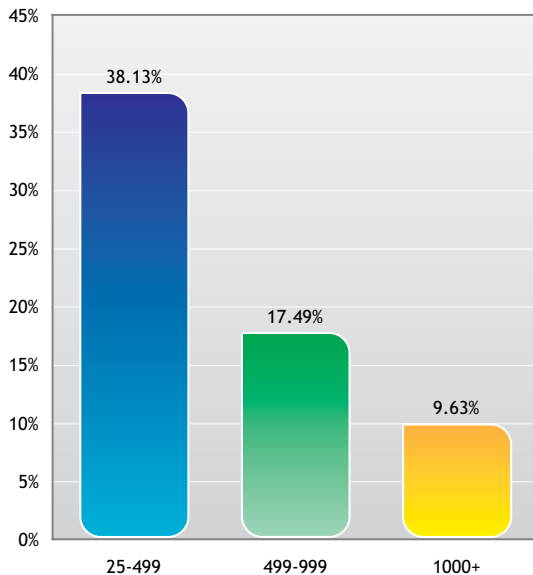


Open Rates by List Size

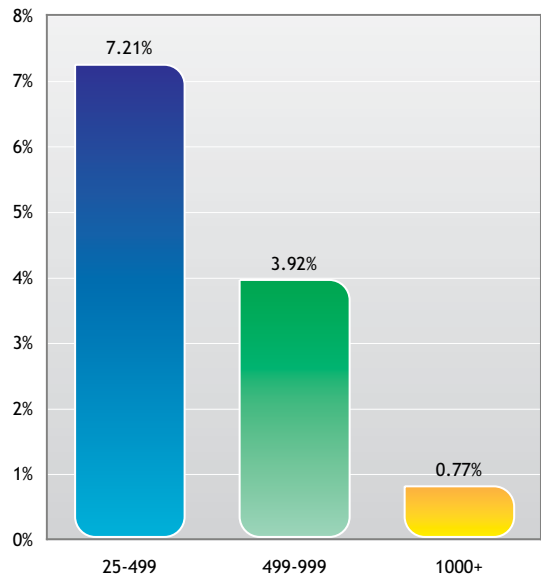


Click Rates by List Size

Restaurant and Food Service



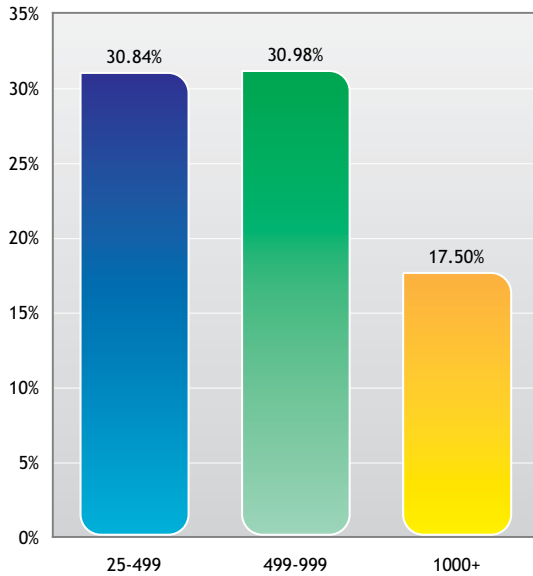
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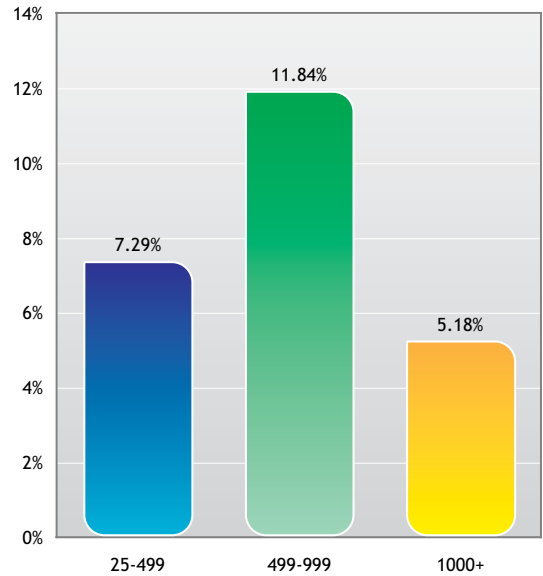
Click Rates by List Size

Open and Click Rates by List Size and Industry

Retail Establishments

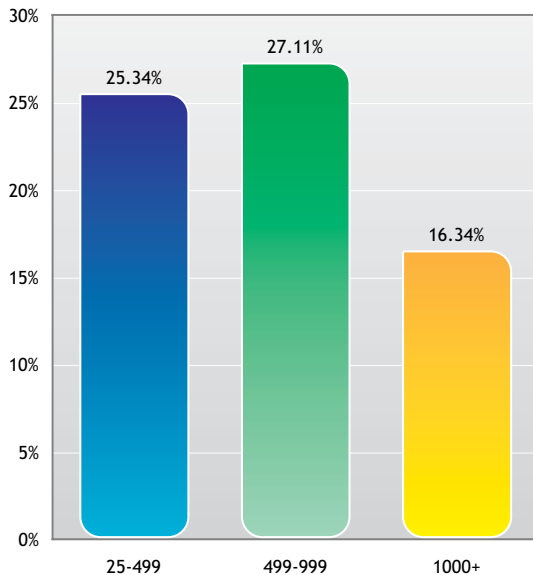


Open Rates by List Size



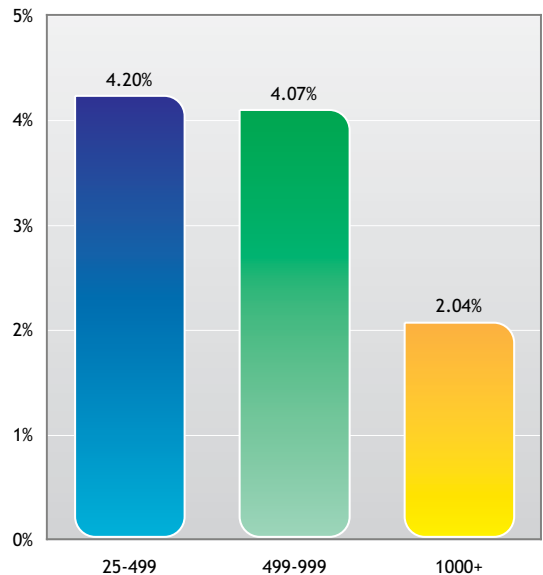
Click Rates by List Size

Small Business: General



Open Rates by List Size

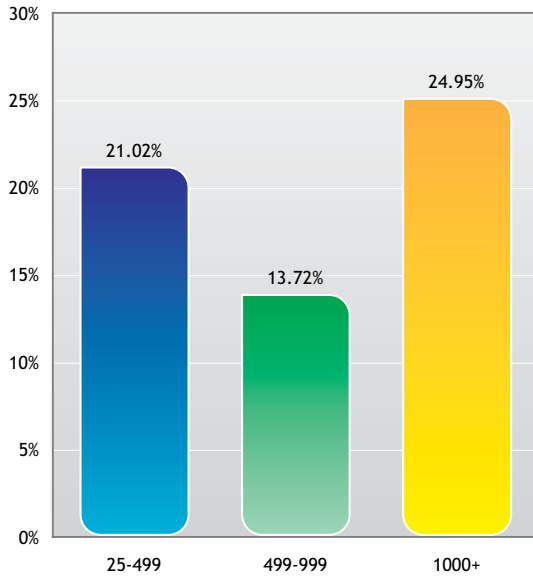
Click Rates by List Size



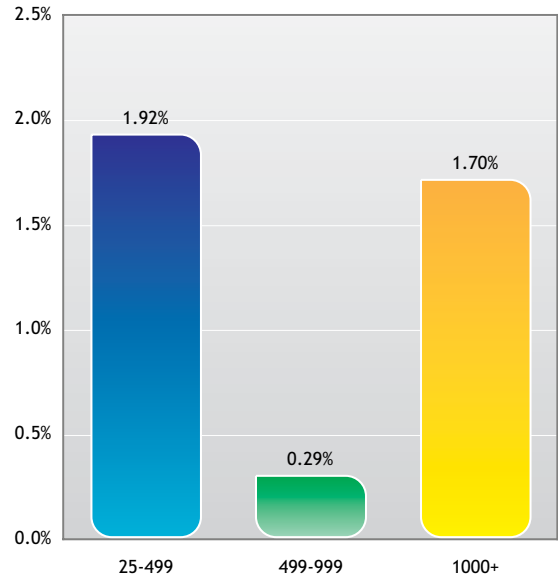
List Size

Open and Click Rates by List Size and Industry

Telecommunications

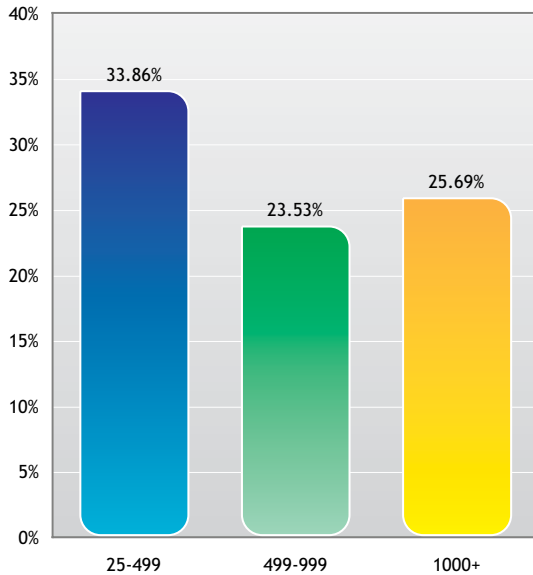


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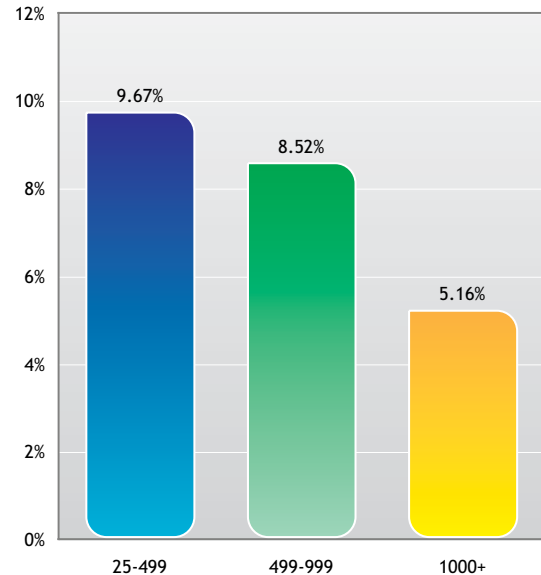


Click Rates by List Size

Transportation and Travel



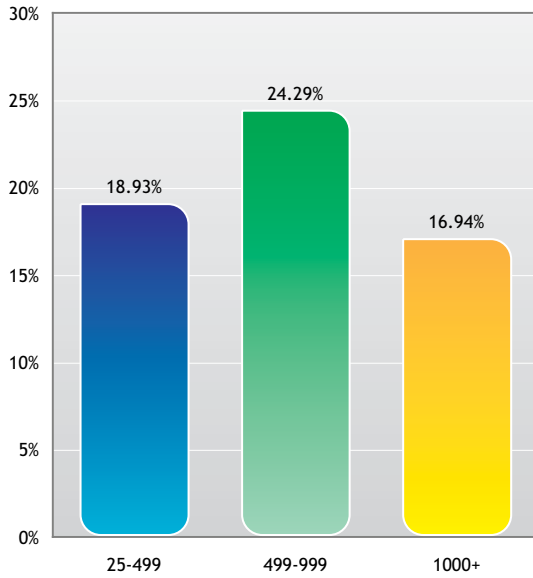
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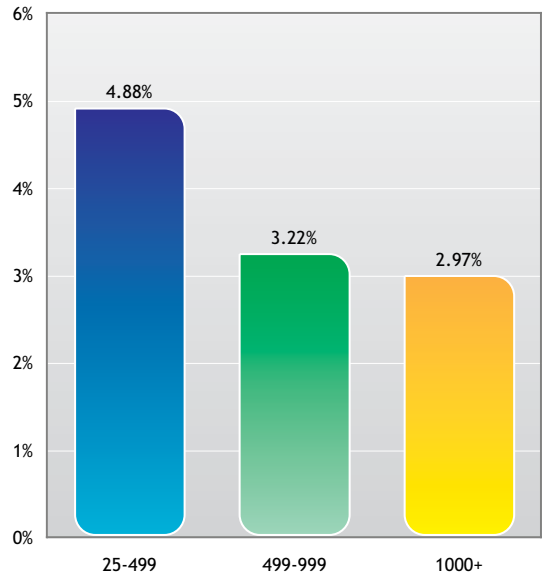
Click Rates by List Size

Open and Click Rates by List Size and Industry

Wholesale and Distribution



Open Rates by List Size



Click Rates by List Size

Closing Remarks

Methodology

We regularly analyze and report aggregate industry data based on our customers' email use. The data for this report is based on email messages sent to 25 or more recipients between July 1 and December 31, 2007, by a sampling of MailerMailer customers. Only industries that were represented by a significant number of unique customers and/or subscribers were reported independently in this report. Click rate calculations excluded emails that contained no links.

Aggregate statistics from over 300 million email messages sent by a sampling of over 3,200 permission-based email senders were analyzed for this report. However, due to the fact that email senders self-reported their industry affiliation and other factors beyond our control, this document does not represent a scientific study.

About MailerMailer

MailerMailer is a web-based email list management service for creating and tracking opt-in newsletters and email campaigns. Create and send personalized, targeted emails based on your subscribers' interests and demographics. This low-cost, do-it-yourself service automates email list set up and maintenance and includes templates for easy management.

Visit <http://www.mailermailer.com> for more information and a free trial.