



Email Marketing Metrics Report

AUSTRALIA

July - December 2008

www.vision6.com.au

Overview

General

This report is the fifth in a series of reports being produced every 6 months on the Australian email marketing landscape.

This report aims to:

1. Provide Australian marketers with general benchmark data
2. Help marketers gauge and improve upon their own email marketing results
3. Uncover general trends, provide interpretations and present factors that have the biggest impact on the success of email campaigns

To make sense of this data we have focused on the following key metrics:

Open Rate	General; Industry; Send Volume Categories
Click Through Rate (CTR)	General; Industry; Send Volume Categories; Relative to Open
Industry	Open; CTRs; Send Volume Categories
Domain	Open; CTRs; Industry
By Day	Open; CTRs
By Hour	Open
Bounce & Deliverability	General; Industry

What Information We're Using

This report includes data from over 182 million messages from 186,000 campaigns sent during the second 6 months of 2008. We have excluded campaigns with less than 5 email addresses to minimise data distortion. We also excluded all messages sent by our stand alone resellers and corporate networks.

Interested in Learning More?

Vision 6 periodically releases free whitepapers to aid you in managing your email marketing strategy. To view and download these whitepapers visit www.vision6.com.au/whitepapers.html

Key Findings

Open Rates

Open rates have marginally increased in H2 2008 to 22.52%. Once again messages to a database of less than 1,000 contacts achieved significantly higher open rates than messages to databases with more than 1,000 contacts.

Click Through Rates (CTR)

Overall click through rates have increased to 4.81%. However, this number was considerably improved in smaller sized lists. Also positive to note was the increase in CTRs in the larger sized lists.

Most Responsive Industries

In analysing industry responsiveness no trends were identified from H1 2008 and H2 2008. For the second half of 2008 (H2 2008) Call Centre/Customer Service achieved the greatest CTR of 13%.

Days with Greatest Responses

In a change from recent reports, Monday has taken over as the weekday with the highest % open rate, however send volumes have noticeably evened out throughout the days of the working week.

Bounces & Deliverability

Bounce rates were noticeably improved across the board for the second half of 2008. All three volume categories had improved bounce rates for H2 2008.

Number of Emails Opened by Hour

Over 75% of all recipients who opened emails had done so within 24 hours of delivery. Another 5.9% took longer than a week to open the message. This was consistent with the results in H1 2008.

Summary of Key Findings

This report highlights the 3 factors that have the most significant impact on the success of your campaigns:

1. **Database Management:** Clean, segment and continually profile your database to ensure maximum delivery, open and CTRs
2. **Relevancy and Sender Recognition:** Ensure your emails, subject lines, content and call's to action are relevant to the recipient
3. **Targeting and Segmenting Lists:** Use tools that will help you to easily target, profile, measure and modify your email campaigns for better results.



Contents

Unique Open Rates	04
Unique Open Rates by Send Volumes	05
Unique Open Rates by Industry	06
Unique Click Through Rates	07
Unique Click Through Rates by Send Volumes	08
Unique Click Through Rates by Industry	09
Click Through Rate Relative to Open Rate	10
Bounces	11
Bounces by Send Volumes	12
Bounces by Industry	13
Send Volumes, Open & CTRs for the Top 15 Domains	14
Open, CTR & Emails Sent by Day	15
Time Taken to Open Emails	16
Glossary & Acronyms	17

Unique Open Rates

What

This chart displays the total number of emails opened for the first time (as opposed to being opened multiple times by the same recipient) as a percentage of the total number of emails sent.

Findings

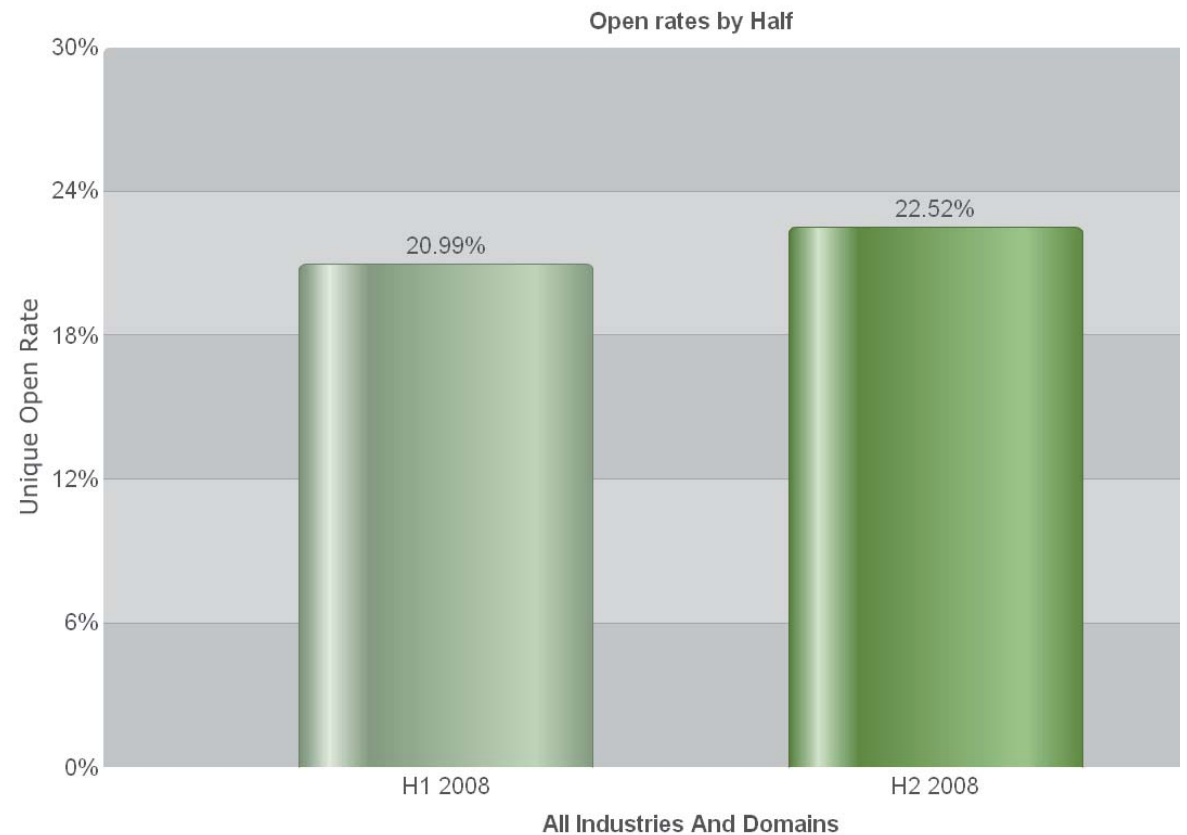
Unique Open Rates for H2 2008 across all industries and domains were higher (1.5%) than the first half of 2008.

Half 1 - 2008:	20.99%	■
Half 2 - 2008:	22.52%	■

Interpretations

H2 2008 once again represents an increase in the open rates when compared to H1 2008. This open rate of 22.52% is the highest open rate that has been achieved since this report was first produced using data analysed in H2 2006.

These results seem to be carried by the increase in open rate results for sends to mailing lists larger than 1,000 contacts. See page 5 for categorised sends by volume.



Unique Open Rates by Send Volumes

What

To remove any bias associated with large sends we have broken the Send Volumes into 3 categories based on the number of contacts: 5 - 499; 500 - 999; 1,000+

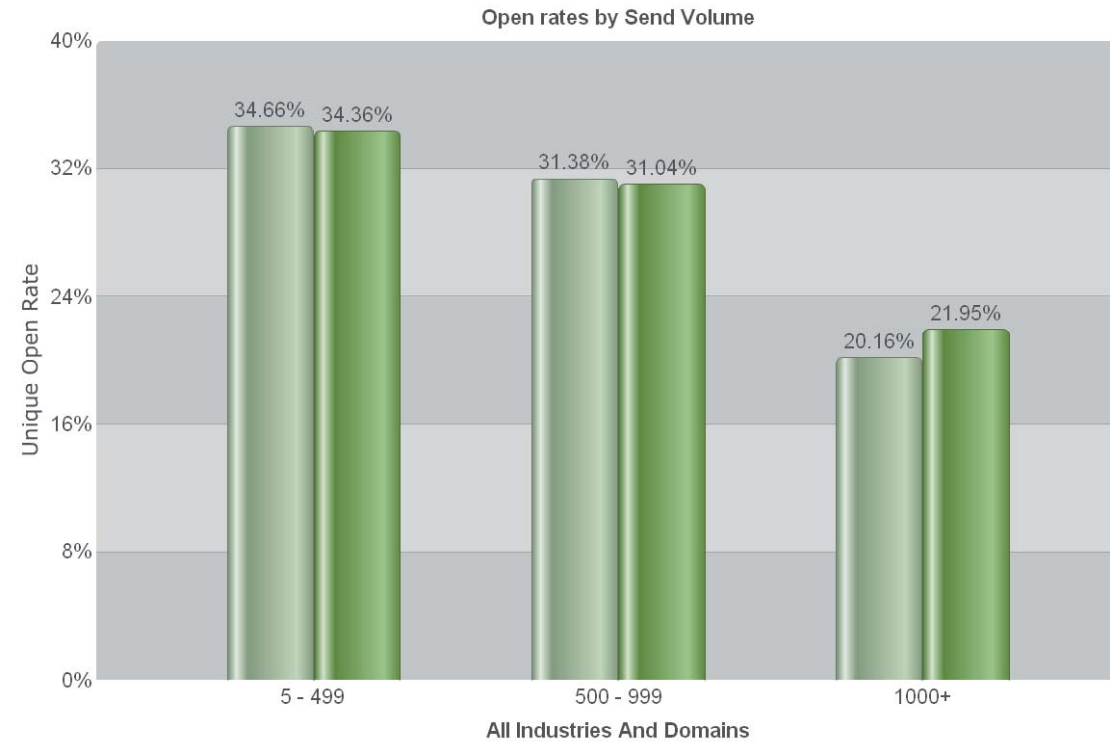
Interpretations

When compared to the average Open Rate of 22.52%, sending to smaller (presumably cleaner and/or segmented) databases, has a positive and substantial effect on Open Rates.

We attribute this result to 3 main factors:

1. Marketers are focusing more on quality rather than quantity and focusing on growing databases with the right types of contacts rather than a large number of contacts who may have no interest in their product.
2. Marketers have access to more detailed information and tools that allow them to profile and segment databases.
3. As a result of (1) and (2) marketers have become savvier in their approach to marketing and no longer use a one size fits all approach. The consumer is then more willing to respond to messages that appeal to his/her own interests.

However, it should be noted that for only the second time since this metrics report was produced for the period of H2 2006, lists of more than 1,000 contacts have experienced an increase in their average open rate compared to the previous half.



Half 1 - 2008

Half 2 - 2008

5 - 499: 34.66%

500 - 999: 31.38%

1,000+: 20.16%

5 - 499: 34.36%

500 - 999: 31.04%

1,000+: 21.95%

Unique Open Rates by Industry

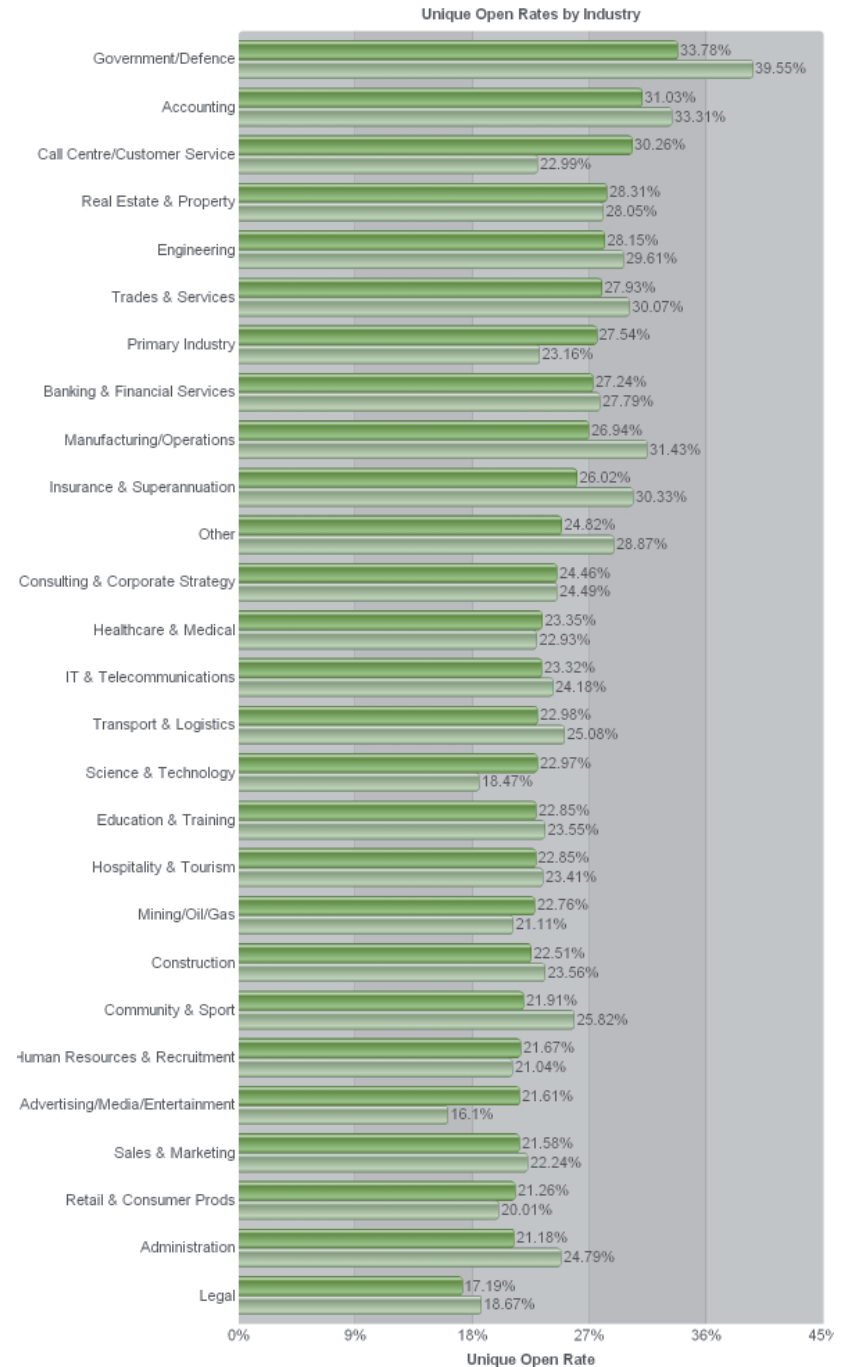
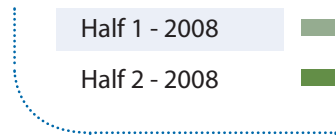
What

This chart displays Unique Open Rates for messages sent by key industry sectors for H2 2008.

Findings

The industry with the highest Unique Open Rates for H2 2008 was Government and Defence with an Open Rate of 33.78%. However, this was a significant drop from 39.55% in H1 2008.

Legal took over as the industry with the lowest open rate of 17.19%.



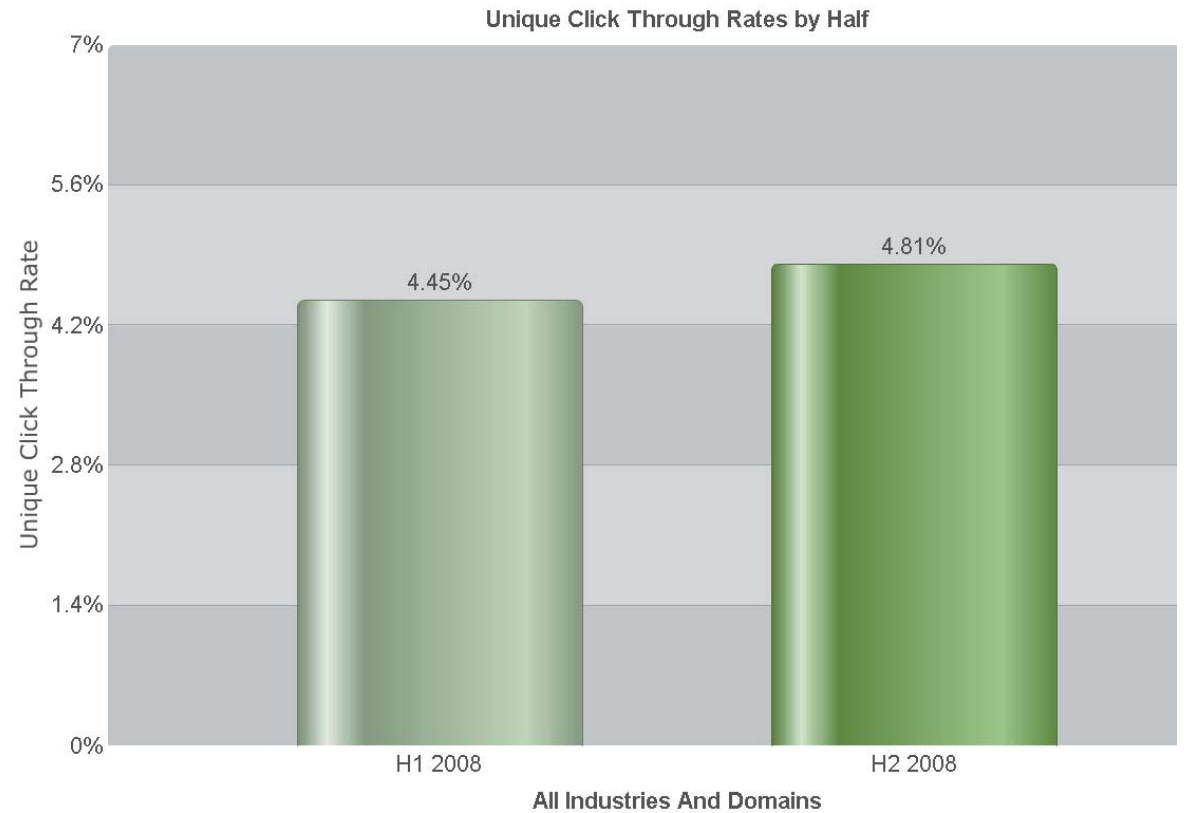
Unique Click Through Rates

What

This chart displays the total number of unique link clicks as a percentage of the total number of emails sent.

Findings

Unique CTRs across all industries, domains and send volumes were higher for the second half of 2008.



Unique Click Through Rates by Send Volume

What

This chart displays unique link clicks as a percentage of the total number of emails sent whereby send volumes are broken into 3 categories based on the number of contacts: 5 - 499; 500 - 999; 1,000+

Findings

Unique CTRs were substantially higher in each of the two smaller send categories.

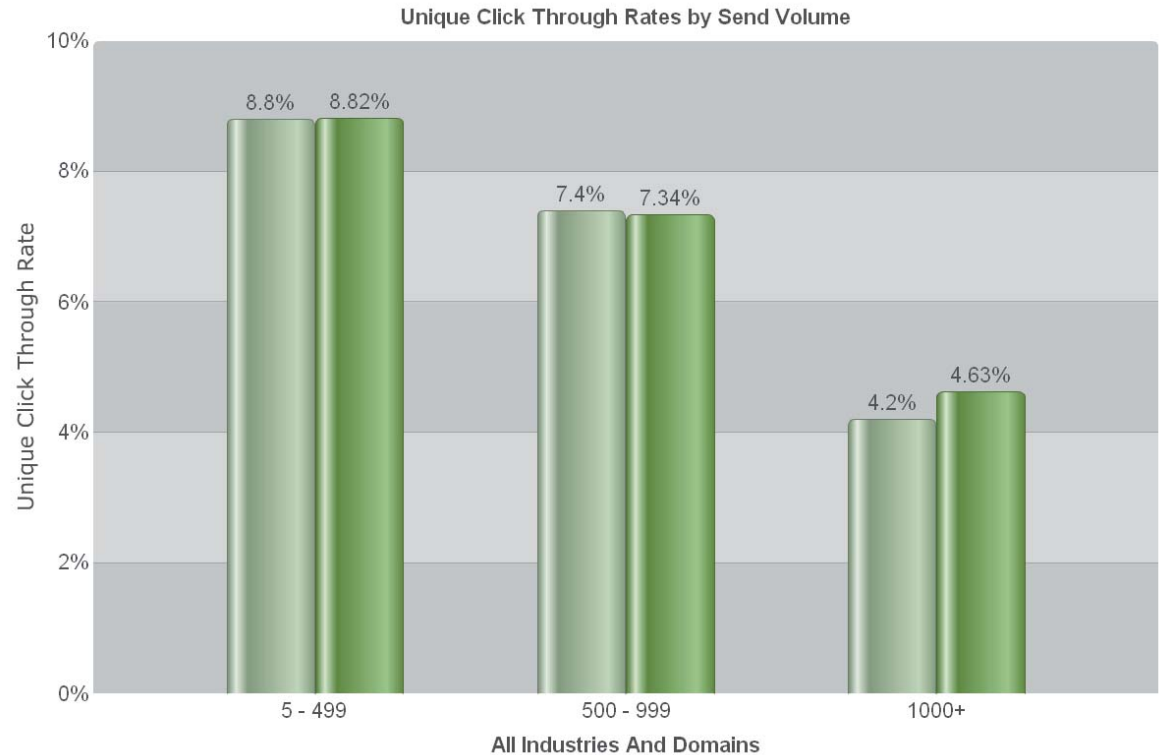
However, the most noticeable gain was in the 1000+ group

Half 1 - 2008		Half 2 - 2008	
5 - 499:	8.8%	5 - 499:	8.82%
500 - 999:	7.4%	500 - 999:	7.34%
1,000+:	4.2%	1,000+:	4.63%

growing from 4.2% in H1 2008 to 4.63% in H2 2008.

Interpretations

When compared to the average unique CTR of 4.63%, sending to smaller list sizes (presumably cleaner and/or segmented), has a positive and substantial effect on CTRs.



Unique Click Through Rates by Industry

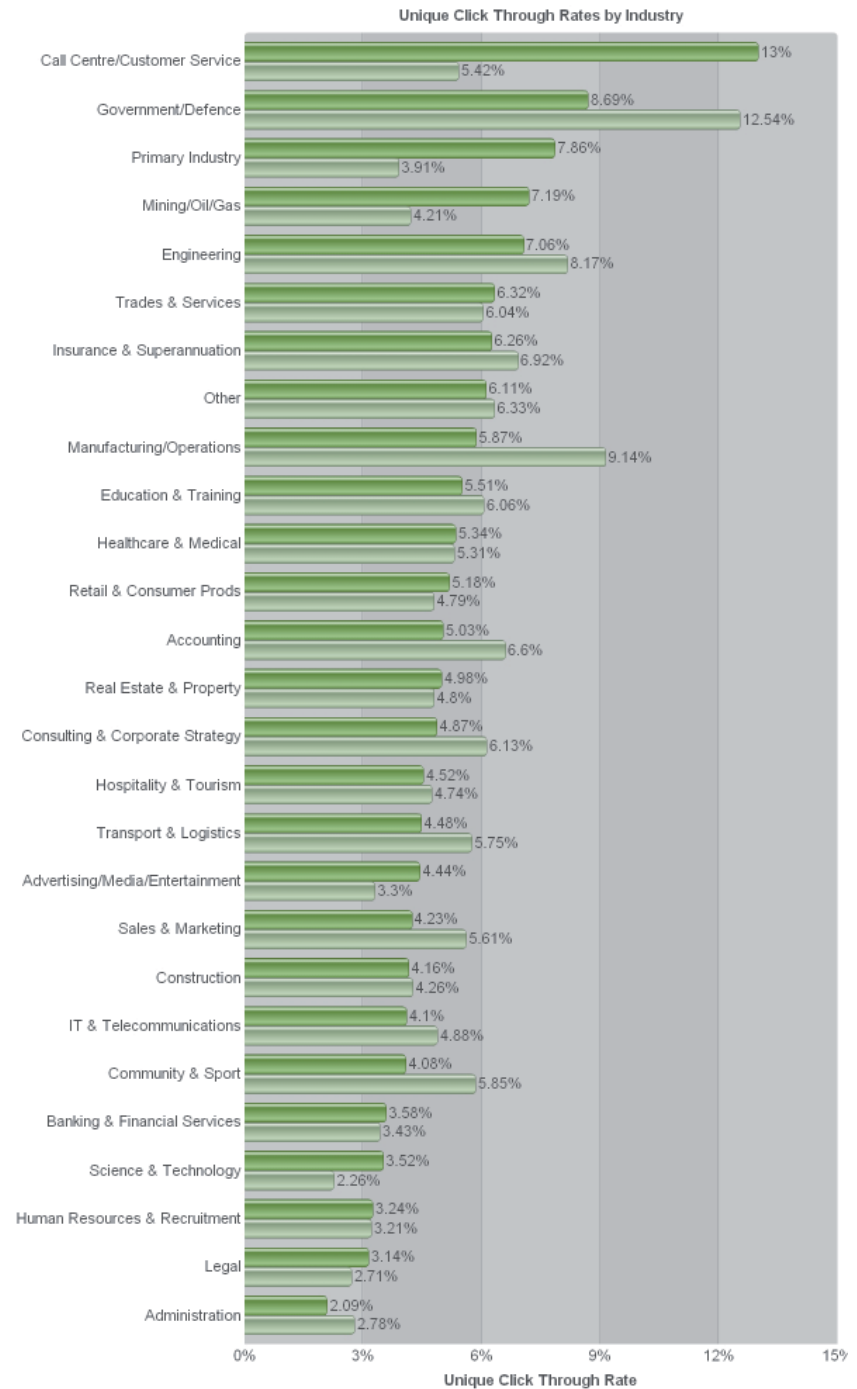
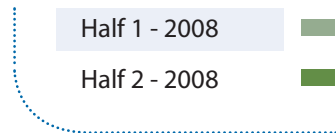
What

This chart displays Unique Click Through Rates experienced by each industry for H2 2008.

Findings

Even though they were only ranked 3rd in the industry open rates table (page 6), Call Centre/Customer Service were the clear leaders for unique click through rates with an average of 13% in H2 2008. This figure is over 2.5 times higher than the overall average click through rate.

The industry with the lowest click through rates was Administration with a figure of 2.09%. This is well below the overall click through rate of 4.81%.



Click Through Rate Relative to Open Rate

What

This chart displays average unique CTR as a percentage of the total number of unique opened emails.

Relevance

This figure indicates how responsive the recipients who have opened an email are, giving a direct measure of the effectiveness of the emails links and calls to action.

Half 1 - 2008:	21.22%	■
Half 2 - 2008:	21.37%	■



Bounce Rate

What

This chart displays the total number of bounced messages as a percentage of the total number of emails sent. Bounce Rates are often used as a key measure of deliverability.

Bounce Rates include permanent and temporary bounces.

Findings

For the second half of 2008 bounce rates decreased noticeably to 8.9%.

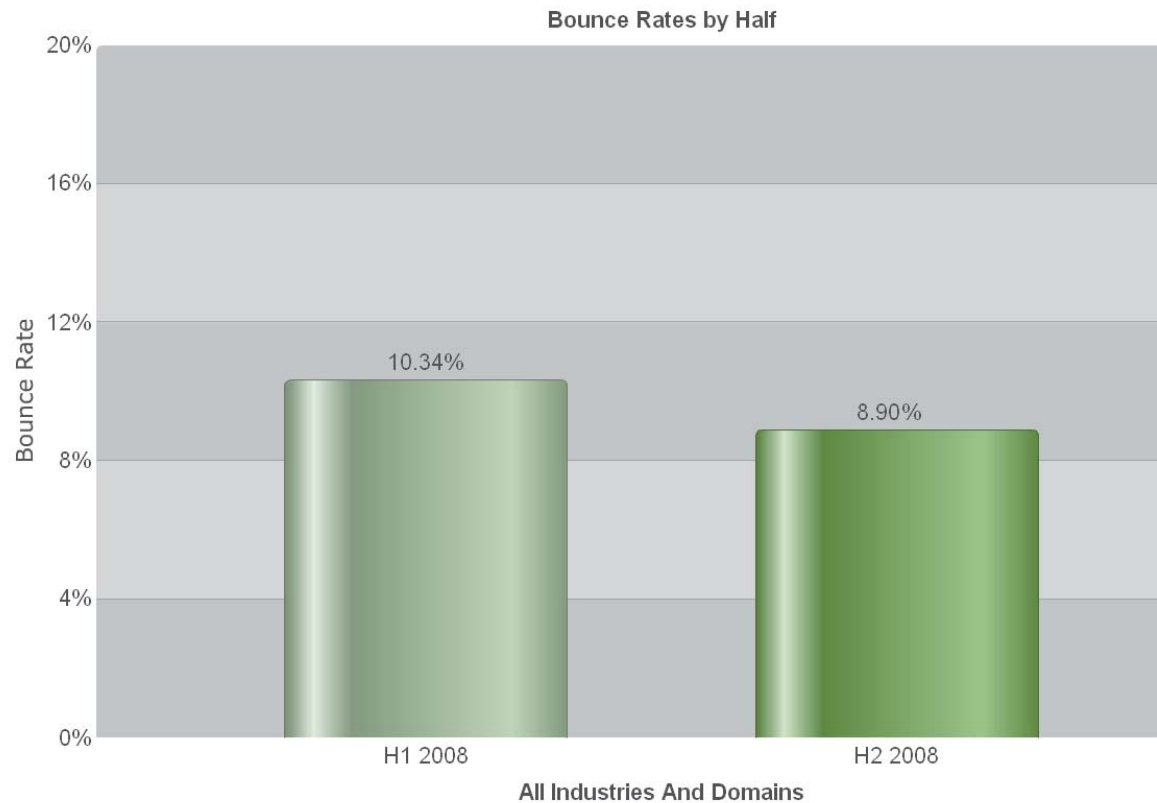
Half 1 - 2008	10.34%	■
Half 2 - 2008:	8.90%	■

Key Message

To minimise bounce rates (increase deliverability) keep a clean database. Update or delete any permanently bounced addresses. Implement double opt-in; use a known From Address and keep the message content and subject line relevant to your recipients. If your vendor provides one, use a content analysis tool to test your messages against Spam Filters.

Further Information

Further information can be found in Vision 6's "Understanding & Improving Email Deliverability" whitepaper which may be downloaded for free from www.vision6.com.au/whitepapers.html



Bounce Rate by Send Volumes

What

This chart displays the total number of bounced messages as a percentage of the total amount of emails sent whereby send volumes are broken into 3 categories based on the number of contacts: 5 - 499; 500 - 999; 1,000+

Findings

H2 2008 saw a decrease in bounce rates across all categories when compared to H1 2008.

Half 1 - 2008		Half 2 - 2008	
5 - 499:	7.29%	5 - 499:	7.25%
500 - 999:	8.09%	500 - 999:	7.68%
1,000+:	10.52%	1,000+:	8.98%

Interpretations

When segmenting databases, or sending to smaller list sizes, the occurrence of bounces is reduced. That is, deliverability is improved.

List cleanliness plays an important role in minimising bounce rates or increasing deliverability. It is often the case that the larger the list the 'dirtier' that list will be.

For permanent bounces, we suggest removing them from your list or contacting the address owner and updating their contact details.



Bounce Rate by Industry

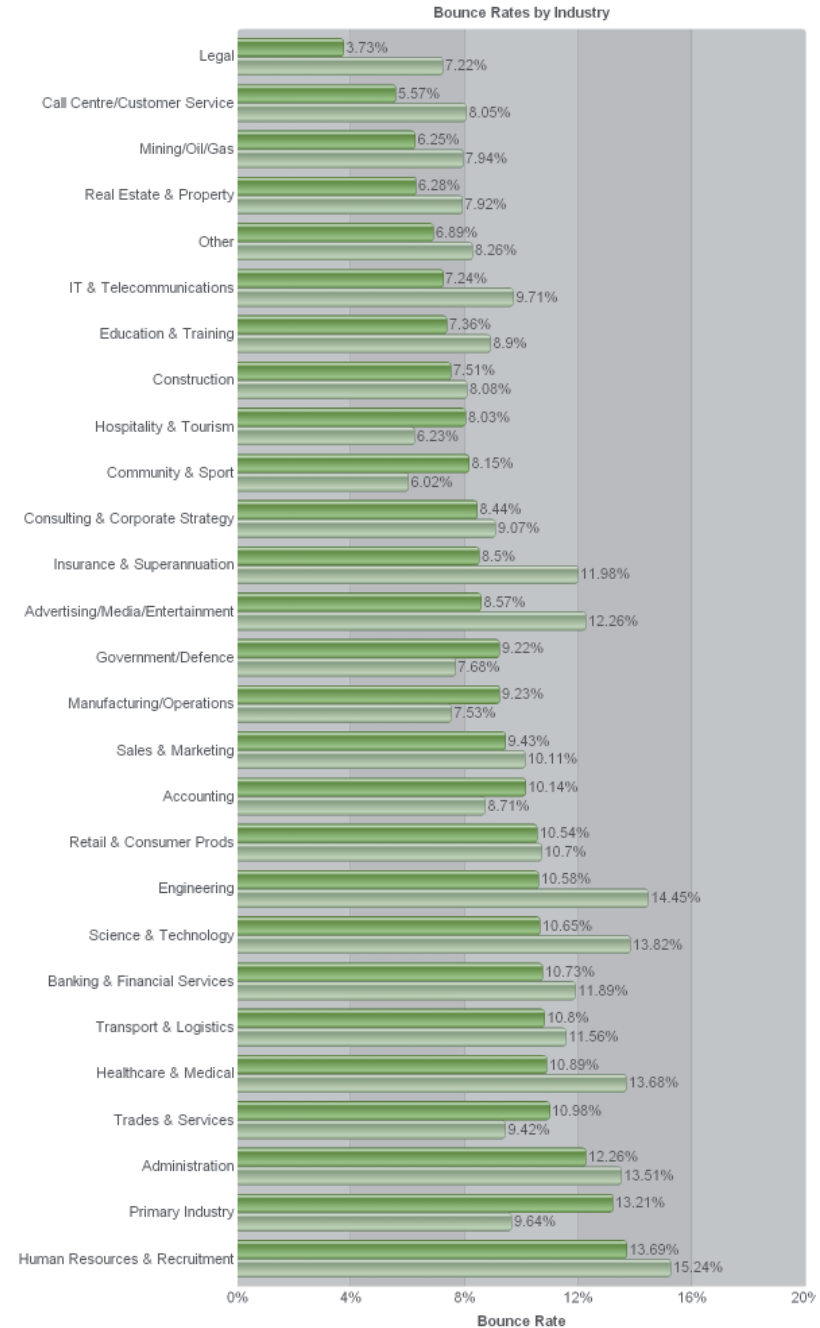
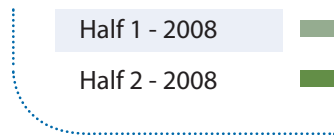
What

This chart displays Bounce Rates by industry.

Findings

Legal achieved the lowest bounce rate (3.73%), well under half of the overall average bounce rate.

Engineering showed the greatest improvement reducing their bounce rate from 14.45% in H1 2008 to 10.58% in H2 2008.



Send Volumes, Open & CTRs for the Top 15 Domains

What

These charts display the top 15 domains by send volume and their associated Open Rates and CTRs.

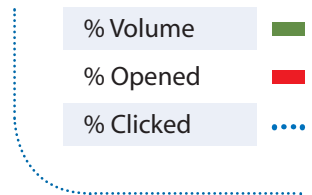
Findings

Hotmail.com once again received almost 5 times as many emails as any other domain (24.94%) with figures in line with H1 2008.

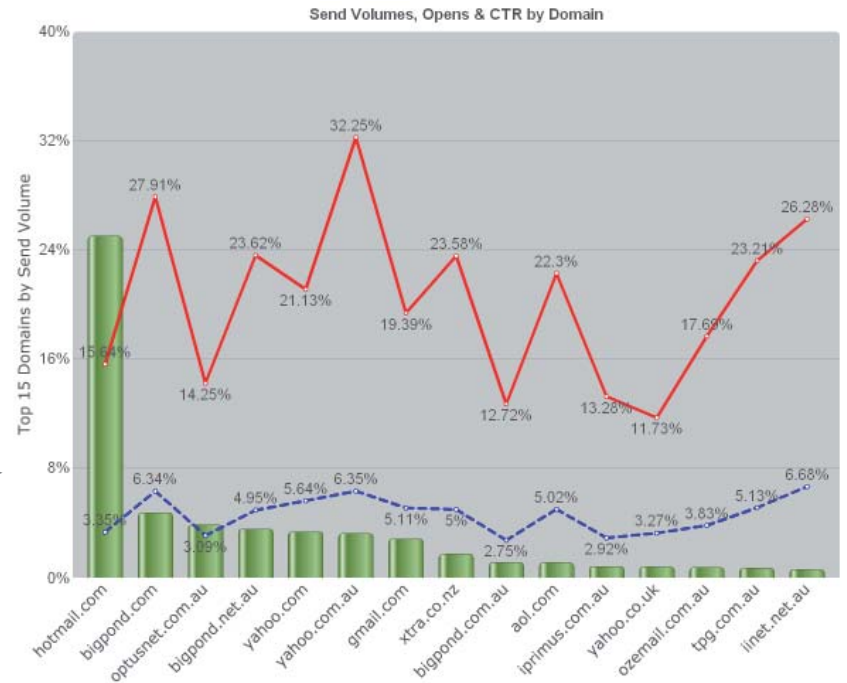
The top 15 domains are all web and ISP based accounts. No business or government domain was listed in the top 15.

iinet.net.au achieved the highest average Open Rate at 34.09%. Yahoo.com.au had the lowest Open Rate at 13.1%

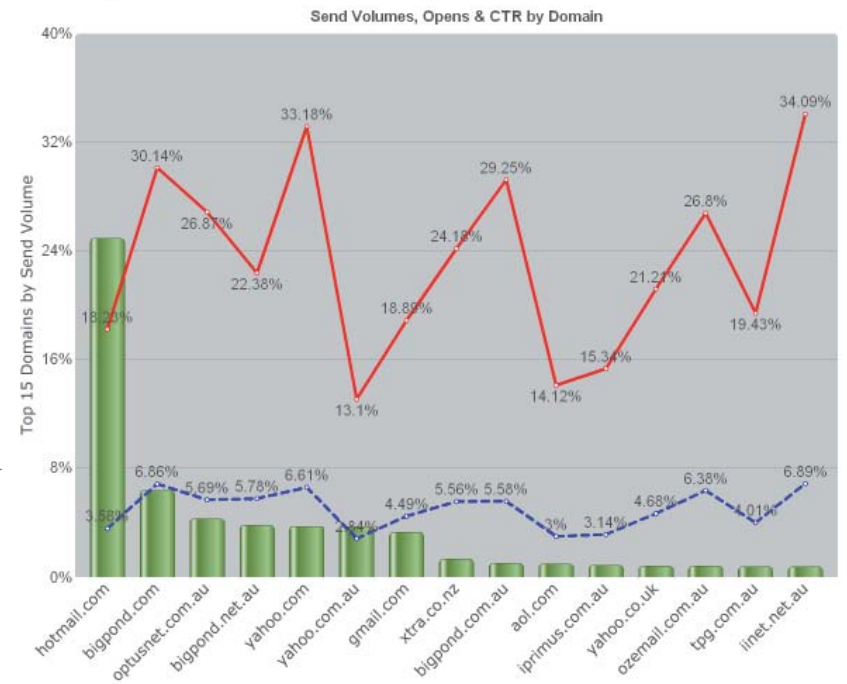
iinet.net.au also had the highest average CTR at 6.89% with Yahoo.com.au the lowest at 2.84%.



Half 1 - 2008



Half 2 - 2008



Open, CTR's & Emails Sent by Day

What

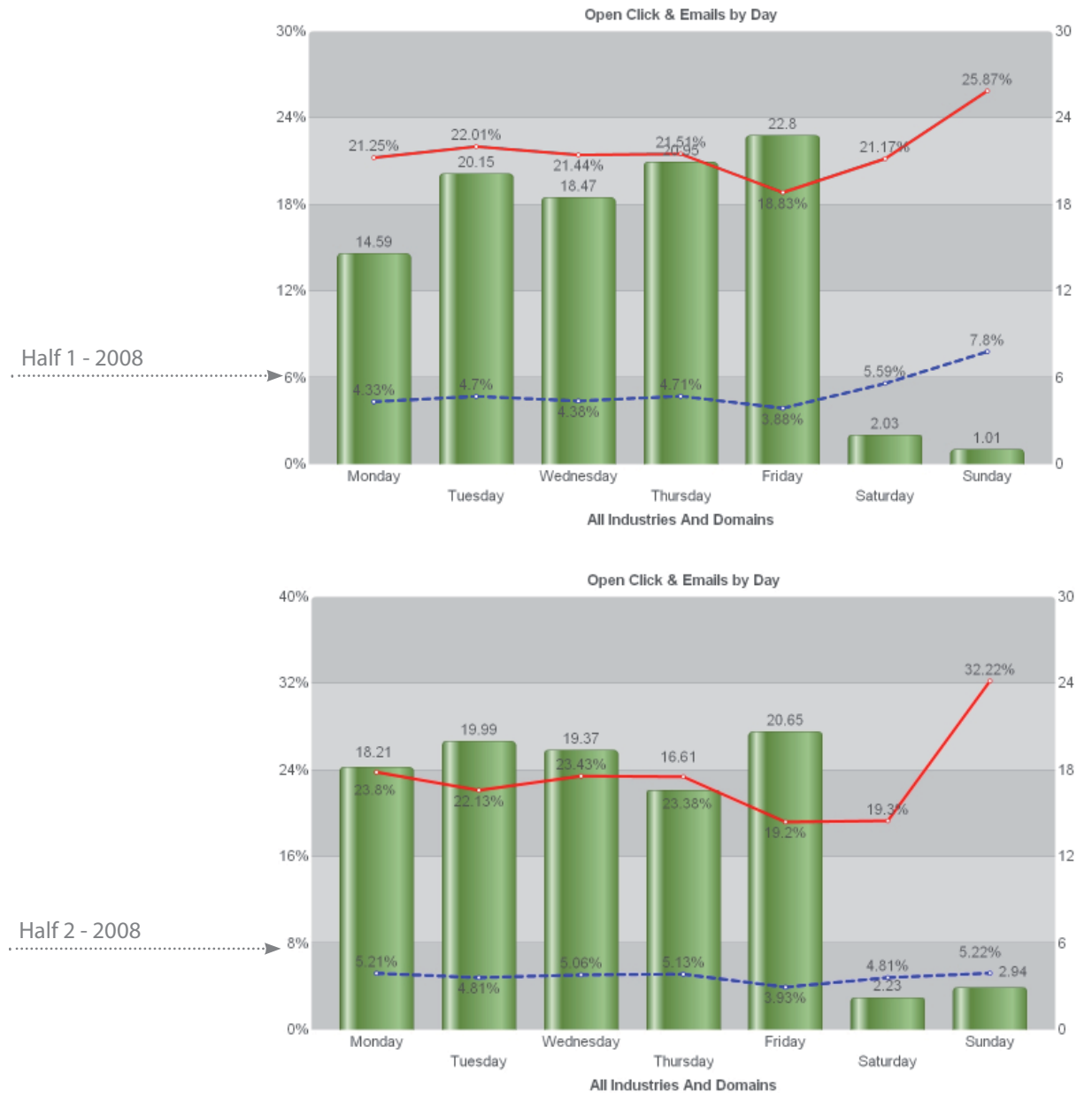
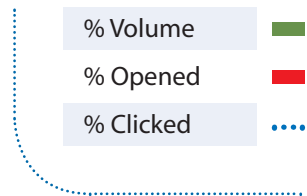
This chart displays the average Open Rates and CTRs by day, and the total amount of messages sent on each day for the first half of 2008.

Findings

In H2 2008, Monday led as the weekday with the highest percentage open rate at 22.01%. Notably though, send volumes evened out across the weekdays when compared to H1 2008.

Friday remained as the day where most emails were sent, yet where the lowest open and click through rates were achieved.

A final noticeable spike can be seen on Sundays where the highest open and click through rates are achieved yet only 3% of email is sent on this day.



Time Taken to Open Emails

What

This chart displays the amount of time it takes for recipients to open the email after it has been received.

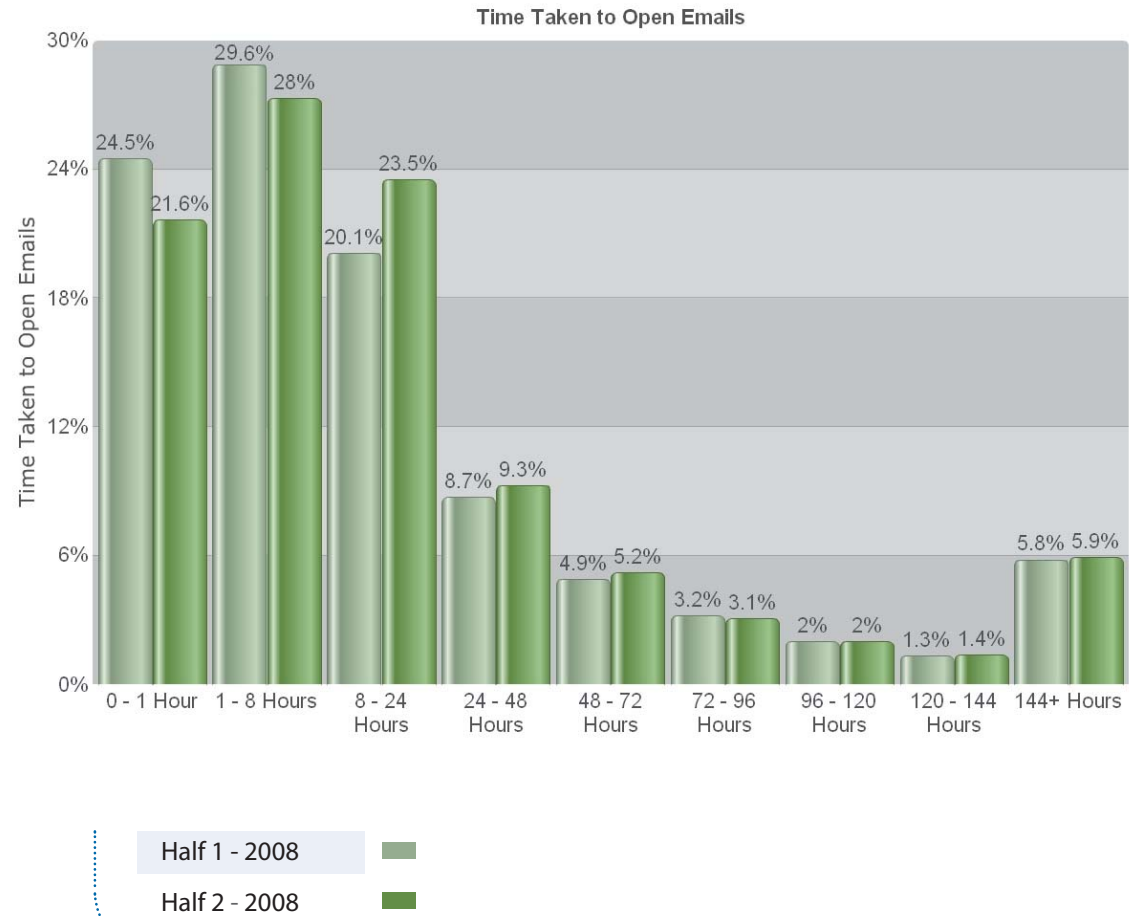
Findings

The findings are very closely correlated to H1 2008. 55% of all recipients who will open an email have done so within 8 hours of delivery. Within 24 hours, over 75% are opened. A remaining 5.9% of recipients will open your message after 144 hours (7 days).

Key Message

Generally, most of your recipients will open your message within the first 24 hours. Therefore, be prepared to receive the majority of responses to your email campaign within the first few days after delivery.

However, some recipients may not open your message for several weeks. Therefore, it is important to keep landing pages and associated campaign media active during this period.



About Vision 6

Vision 6 is a global leader in SMS & Email Marketing and Database Management solutions. Its award winning product VeMail offers a powerful, on demand solution delivering automated marketing, email marketing system analytics, online surveys, Email & SMS creation, sales lead generation and extensive list management all within an intuitive and spam compliant framework.

For more information and a free trial of our software visit www.vision6.com.au or phone +61 7 3257 3906. For more information about this report please contact Lisa Renneisen at lrenneisen@vision6.com.au or Mathew Myers at mmyers@vision6.com.au



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Glossary & Acronyms

CTRs – Click Through Rates

EDM – Electronic Direct Marketing

ISP – Internet Service Provider, e.g. BigPond

Open Rate – Measures the number of times an email is opened by a recipient as a percentage of the total number of emails sent

CTR Relative to Open – Measures the CTR as a percentage of the total number of unique opened emails.

Permanent Bounce – usually means the email address is incorrect or is no longer in operation – sometimes referred to as a Hard Bounce

Temporary Bounce – usually means the email address is temporarily unavailable. The most common Temporary Bounce reasons are 'Server Time Expired' (for receiving ISP), 'Delivery Time Expired' (for sending ISP) and 'Mailbox Full' – sometimes referred to as a Soft Bounce

Unique CTR – measures the first time a link is clicked by a recipient as a percentage of the total number of emails sent.

Unique Open Rate – measures the first time an email is opened by a recipient as a percentage of the total number of emails sent.