

er Ads  
Media  
Search  
Campaigns  
Email  
Shows  
b Sites  
zation  
rships

# *New Stats Reveal What's Working in Email*

*Teleseminar on December 3<sup>rd</sup> 2004*

Anne Holland, Publisher



Stefan Tornquist, Metrics Editor

## Today's Discussion

Email in the Marketing Mix.

*How marketers are budgeting.*

Response and delivery rates.

*Opens, clicks, conversions and delivery.*

How to build lists in the age of spam and clutter.

*List building.*

Lessons and Conclusions

Your Top Questions

## Interactive Budget Shifts 2003/2004

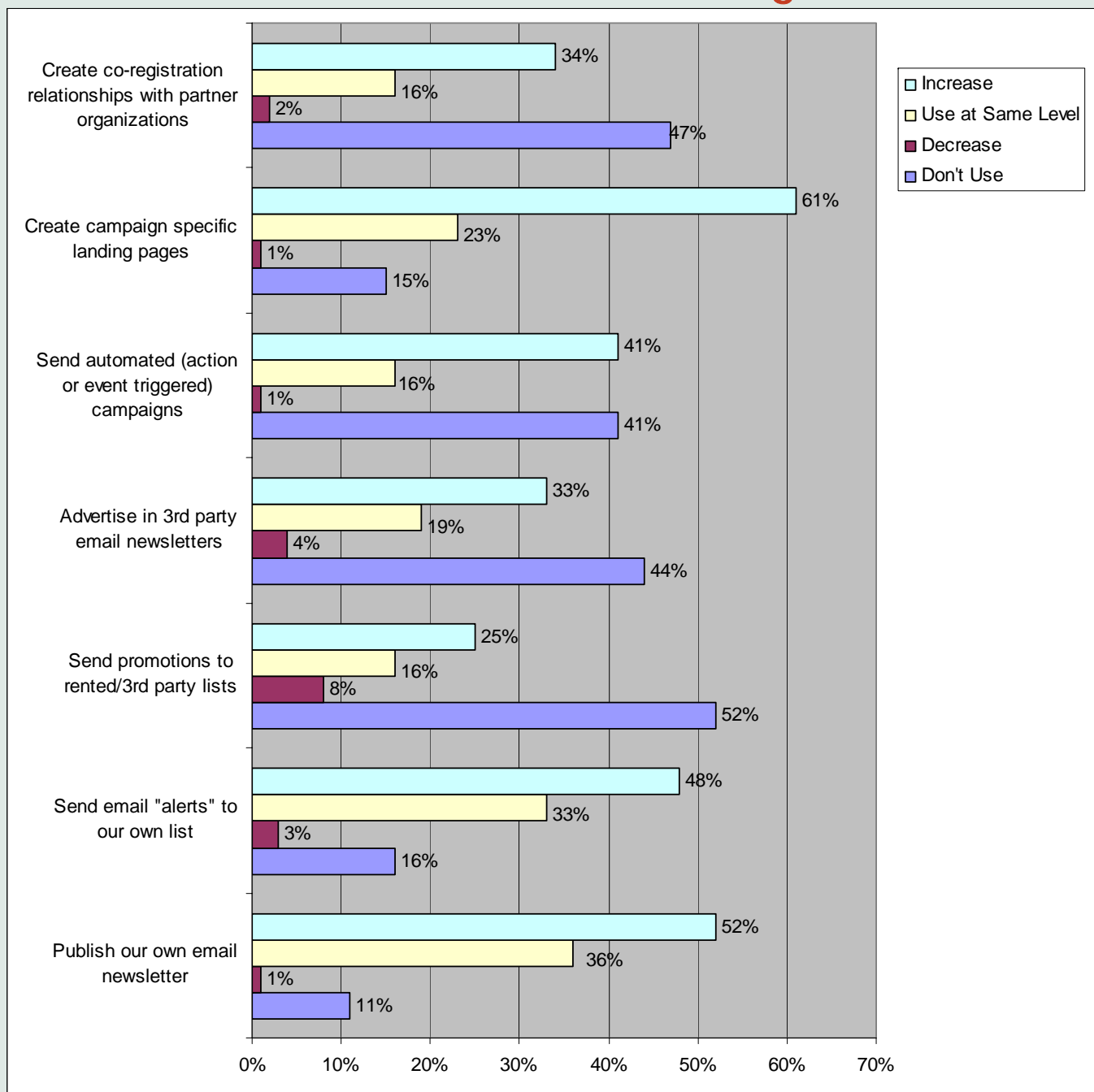
	Do not spend	Decreasing spending	Spending staying about the same	Increasing a bit	Increasing SUBSTANTIALLY
<b>Email Marketing</b>	<b>7%</b>	<b>10%</b>	<b>29%</b>	<b>37%</b>	<b>17%</b>
Search Marketing	8%	7%	21%	<b>43%</b>	21%
Online ads in general	8%	10%	25%	<b>41%</b>	15%
Ad buys based on behavior targeting	23%	4%	20%	<b>38%</b>	15%
Rich Media	<b>45%</b>	8%	13%	23%	11%
Wireless	<b>66%</b>	6%	13%	10%	4%
Custom landing pages	18%	1%	24%	<b>37%</b>	21%
Web site revamp or tweaks	4%	2%	18%	<b>40%</b>	35%
Branded Desktop application	<b>65%</b>	4%	15%	8%	8%

Source: AdTech December 2003 Survey

*82% of marketers describe house list email campaigns as Very Effective and Effective. That's second only to their websites themselves.*

# What are Marketers Planning for 2005?

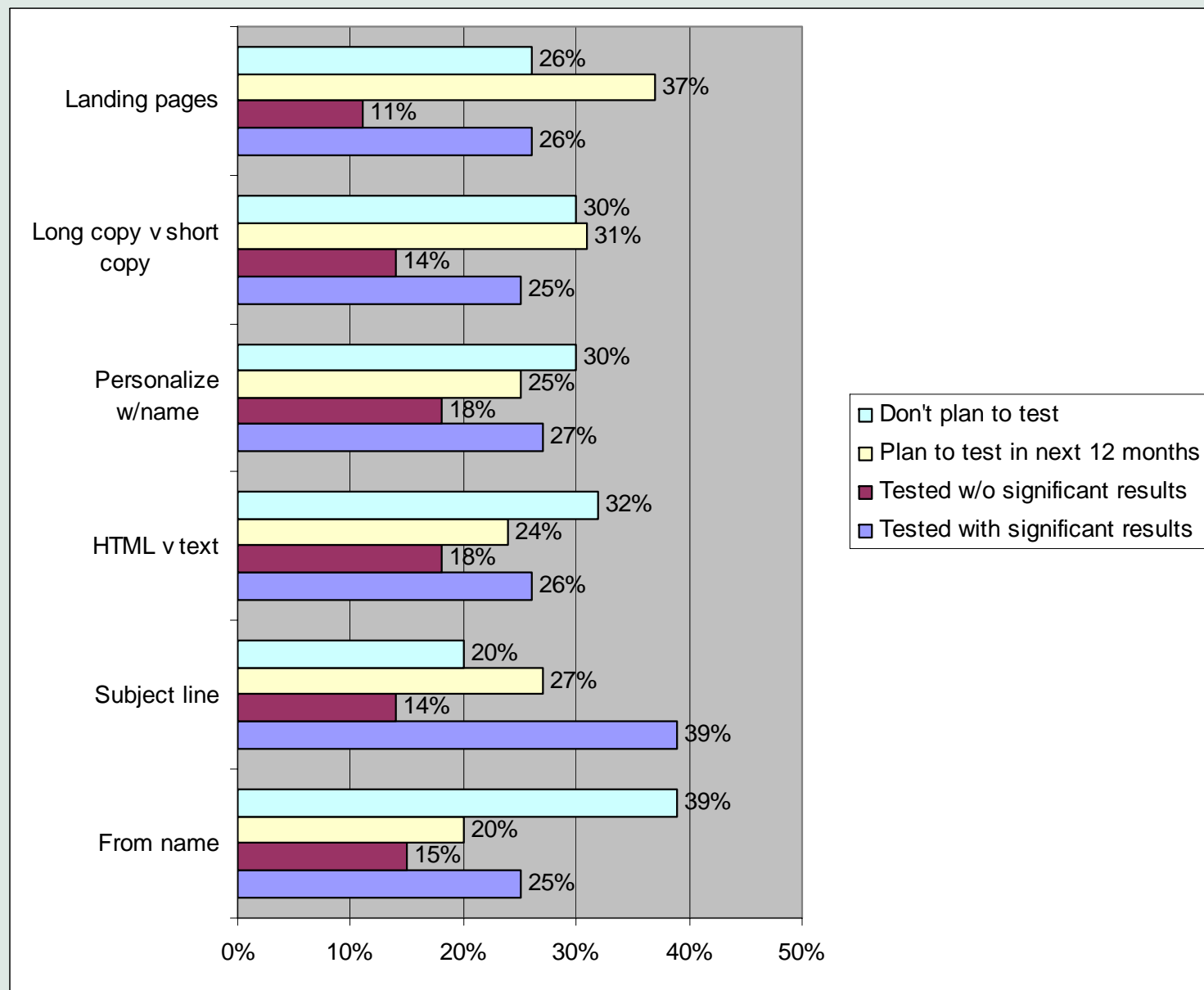
*Almost half of respondents plan to increase their use of automated campaign elements in 2005.*



Source: 2004 MarketingSherpa Email Metrics Survey

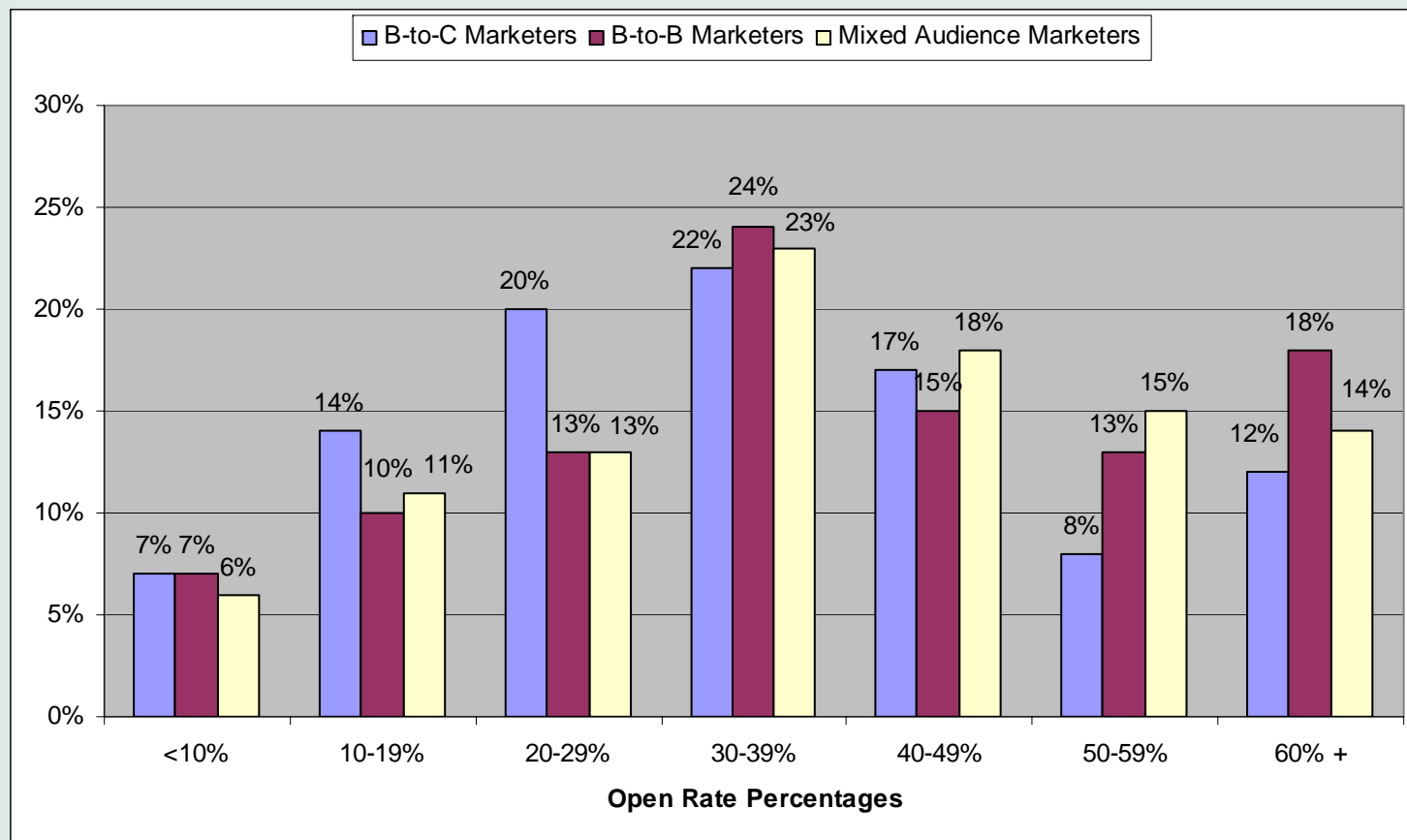
# What Email Variables do B-to-B Marketers Test

*Our experience suggests that testing and tweaking of landing pages has a strongest effect on conversion rates*



Source: 2004 MarketingSherpa Email Metrics Survey

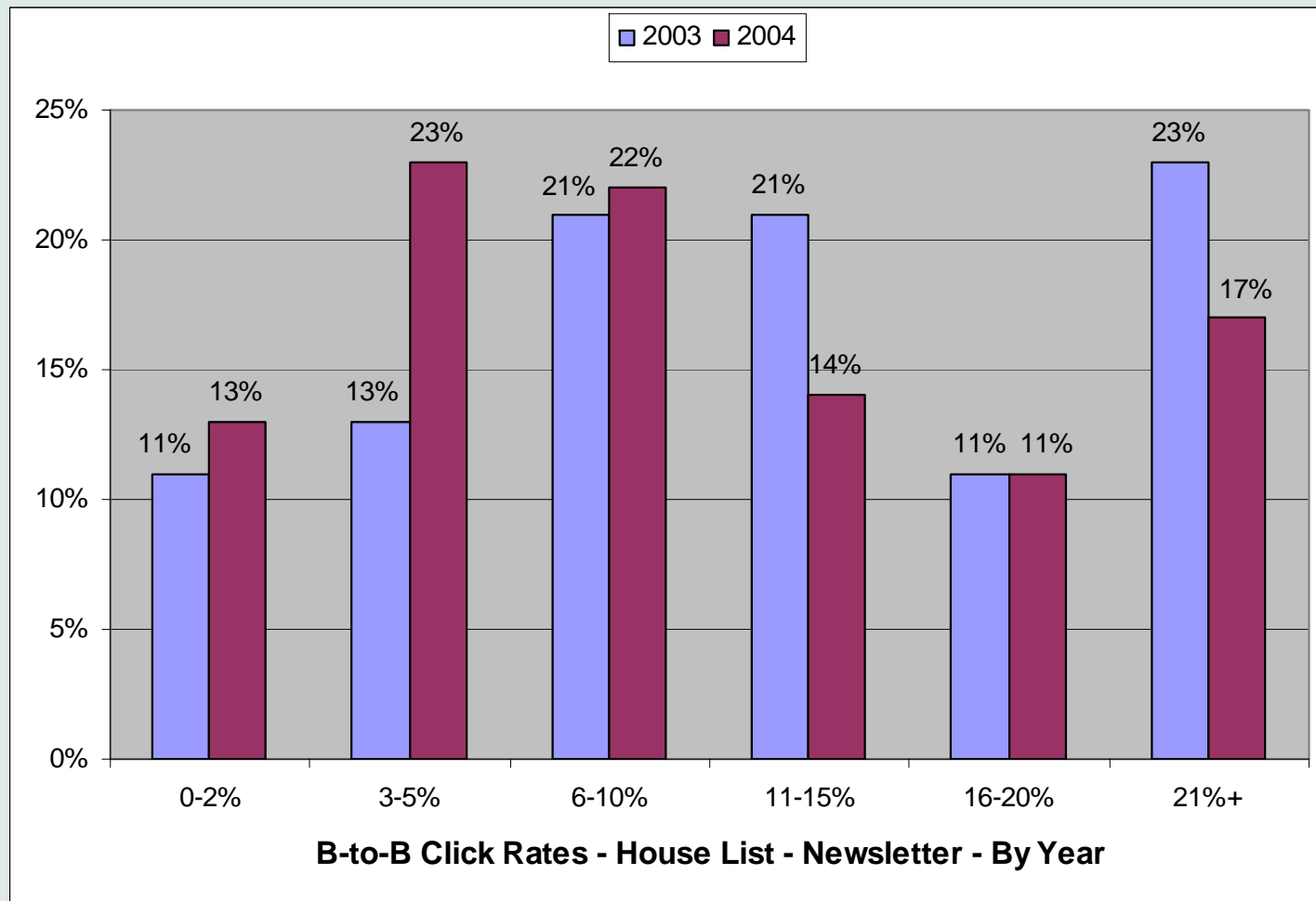
## Open Rates by Types of Marketer



Source: 2004 MarketingSherpa Email Metrics Survey

*Remember, open rates are a vague indication of success – there are too many ways an email can be 'opened' but not read.*

## Sample Clickthrough Rate Trends

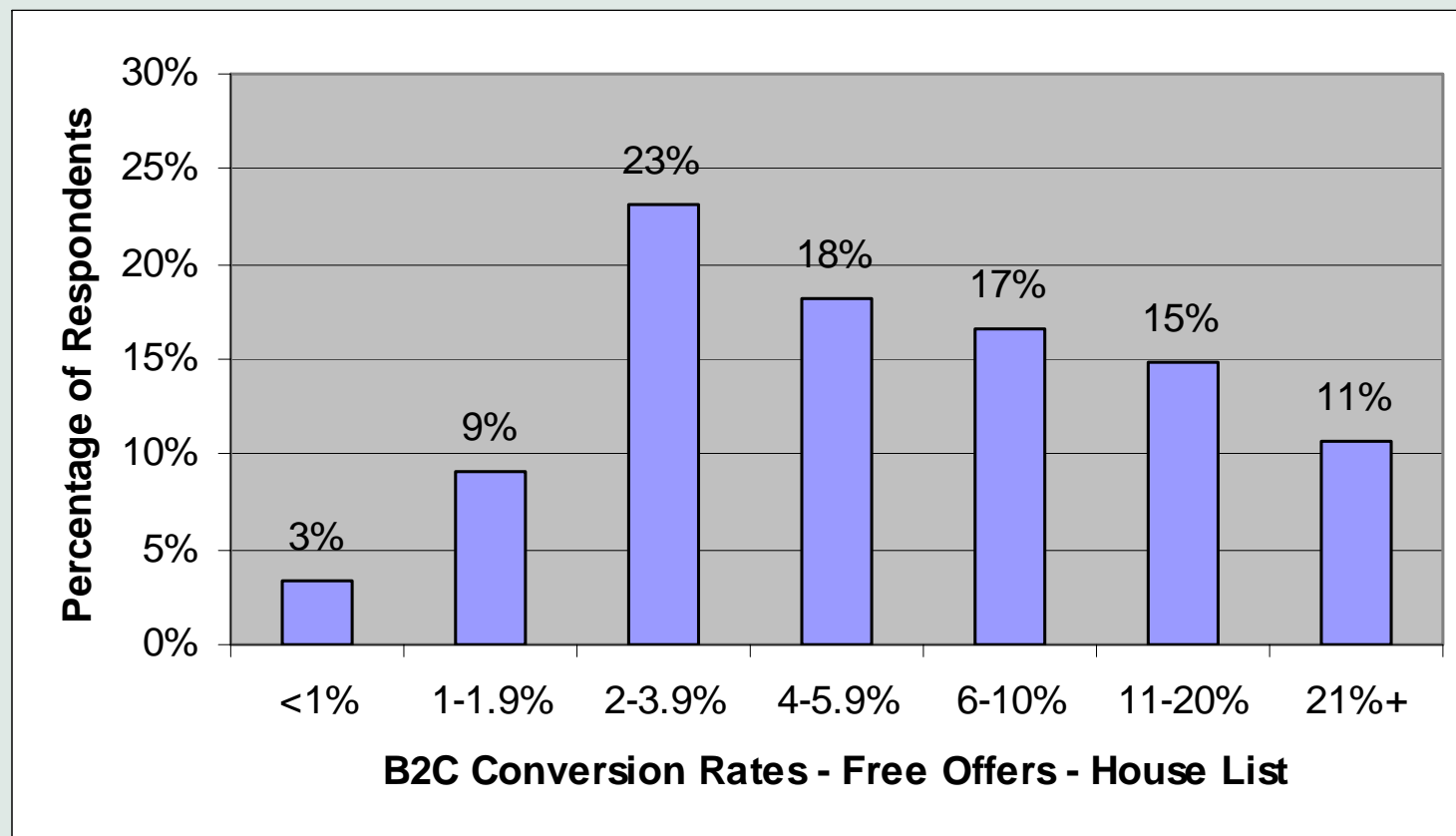


Source: 2004 MarketingSherpa Email Metrics Survey

*B-to-B click rates dropped from a rough average of 15% in 2003 to around 11% in 2004.*

## Sample Conversion Rate

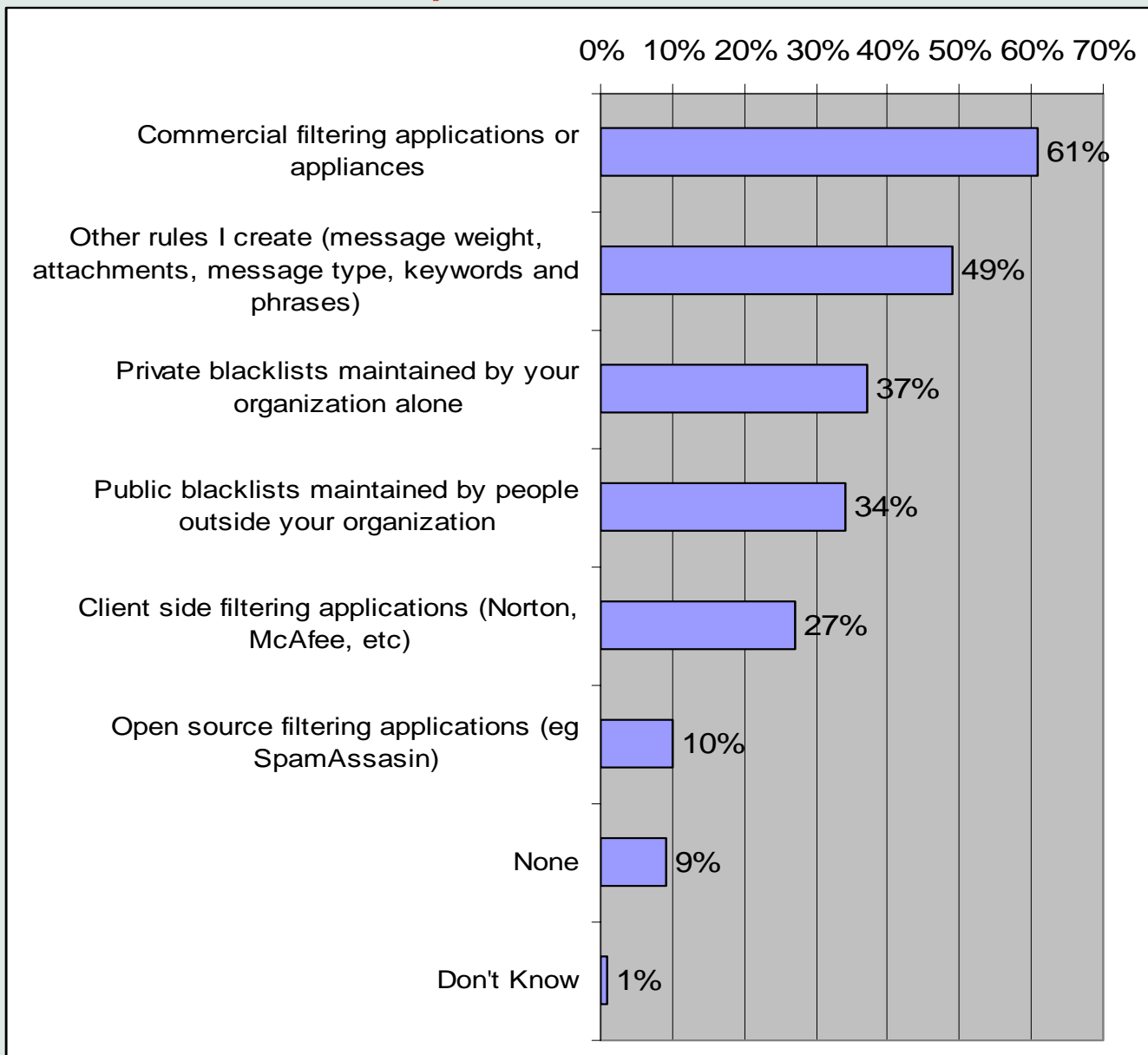
*Conversion rates for marketers who used advanced targeting were 1-4 pts higher than the average.*



Source: MarketingSherpa Email Marketing Metrics Survey, October 2004



## How Corporations Filter Email

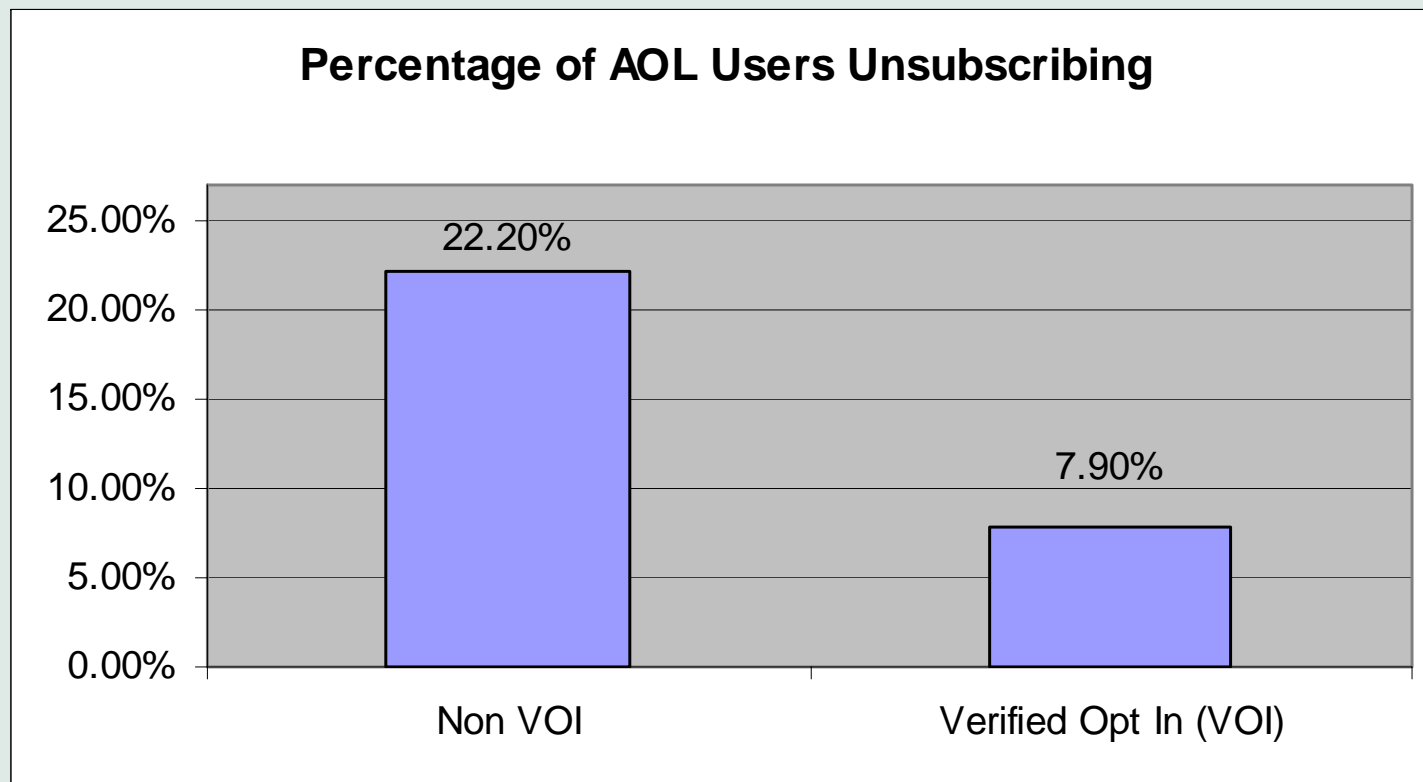


Source: ReturnPath, 2004

*False positive rates for B-to-C emails are estimated to be 20% - and that does not include the filtering at the user level.*

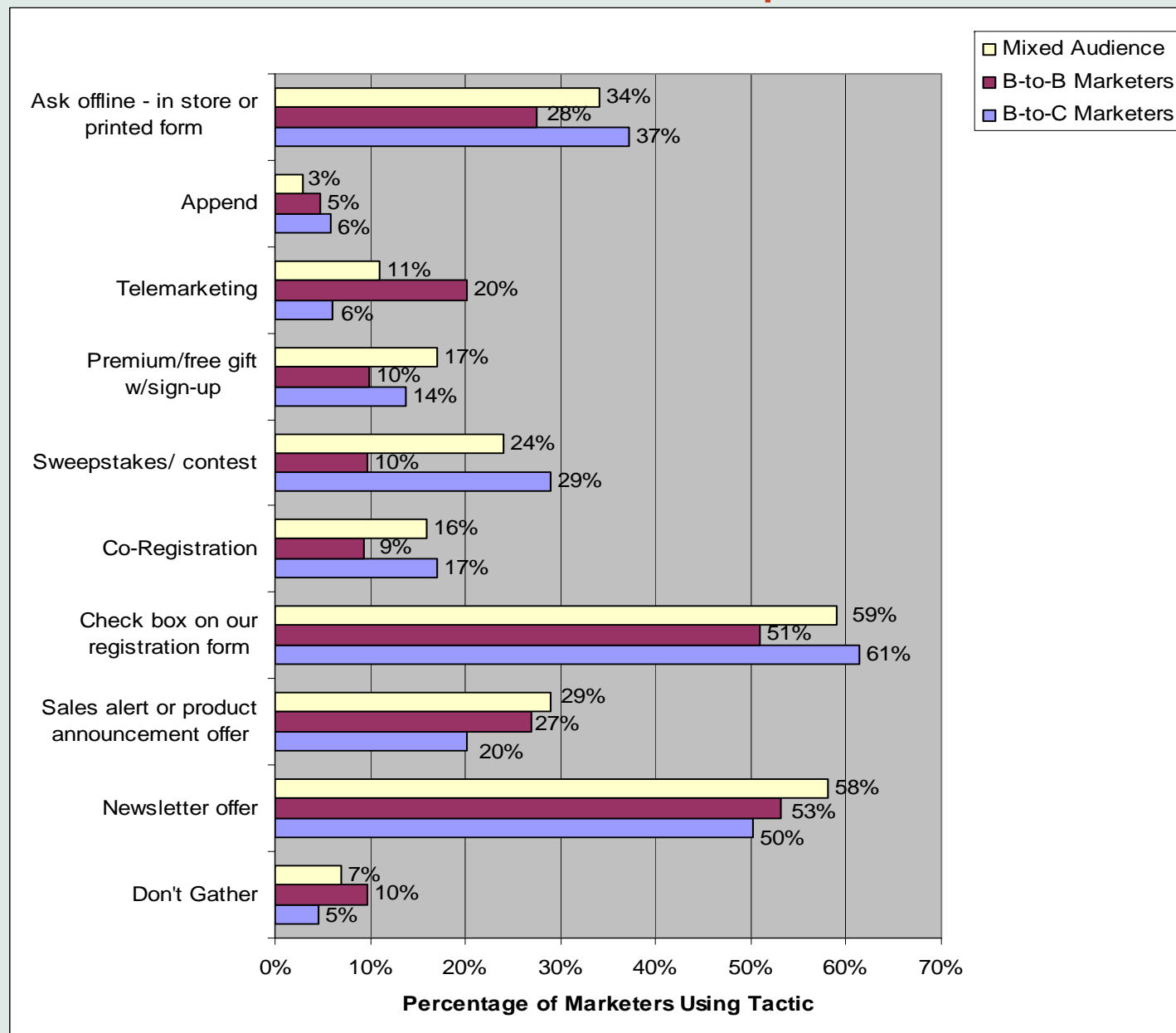
## The Value of Verified Opt-in Users

*AOL users were also 33% less likely to hit the "This is Spam" button if they had verified their opt-in.*



Source: AWeber, AOL User Behavior Study, 2004

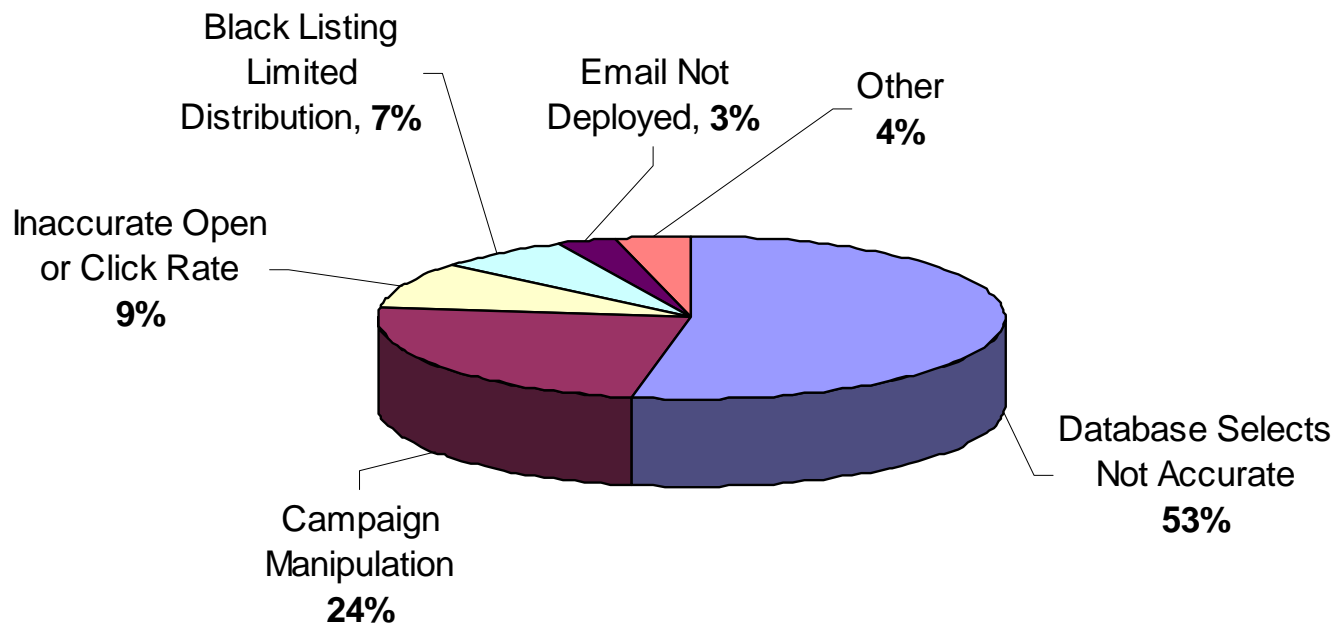
# How Marketers Gather Opt-in Names



Source: 2004 MarketingSherpa Email Metrics Survey

*74% of technology managers have opted into at least one email list in the past 24 months. 14% opted into 10 or more lists, and 39% opted into between five and nine.*

## Errors in Campaigns to Rented Email Lists



Source: Emerging Audit for MarketingSherpa 2002-2004 Data

*Auditing of rented email lists found errors in 12% of campaigns.*

# When to Send Emails – Day of Week Impact on Response Rates

*Research into deliverability by day of week points to Mondays as the best day of the work week, and Friday as the worst.*

	Open	Click	Unsubscribe	Sent (% total)	Sent
Sunday	20.2%	4.3%	.2%	6%	482184
<b>Monday</b>	<b>35.5%</b>	<b>5.9%</b>	.1%	8%	623987
<b>Tuesday</b>	25.0%	3.4%	.2%	<b>29%</b>	<b>2219876</b>
<b>Wednesday</b>	22.0%	3.1%	.2%	26%	1998257
<b>Thursday</b>	32.3%	2.8%	.1%	22%	1739873
<b>Friday</b>	31.2%	4.4%	.2%	7%	571310
Saturday	38.2%	3.9%	<b>.3%</b>	2%	120795

Source: eROI Email Statistics Study, August 2004

## Lessons and Conclusions

Email newsletters have become part of the marketing fabric, and are succeeding despite clutter and deliverability issues.

Despite reporting delivery issues, most marketers don't take the basic precaution of tracking delivery by ISP.

The reputation of rented email lists has dropped sharply, but marketers who spend for top quality lists see positive results.

---

#1. Response rates are stable, predictable and will demand old fashioned adjustment for significant lift to occur.

#2. Invest in metrics.

#3. Don't get complacent with your in-house email programs.

---

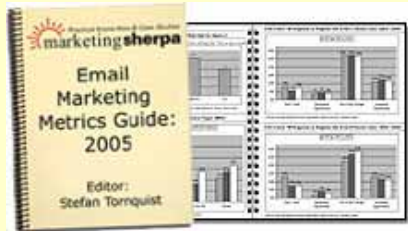
## Your Questions

*Don't forget about your in-house campaigns; set at least a quarterly schedule for testing and tweaking.*

## 2005 Email Marketing Metrics Guide

222-page report with 167 charts and tables on the state of email marketing made up of data from more than 70 sources.

### *Report Overview*



Unique research projects with 3<sup>rd</sup> party partners to drill down on deliverability, usability and performance issues.

Primary data from MarketingSherpa's 2004 Email Marketing Survey, taken by 2,293 marketers in October 2004.

Emphasis is on results in real-world situations; we avoid the "30,000 foot" view in favor of the trenches.

Data on open/click/conversion rates is broken down by marketer type (B2B, B2C and Mixed Audience) and by campaign type (free vs. sales offers, house vs. rented lists, etc.)

## Chapter 1: Planning by the Numbers

Email Metrics: No Consensus on Essential Definitions  
Choosing or Designing a Reporting Infrastructure  
1.01 Table: Interactive Marketing Budget Shifts: 2003/2004  
1.02 Chart: Size Estimates of the Email Industry  
1.03 Table: Success Metrics of Email Campaigns  
1.04 Chart: Tracked Metrics by Marketer Type  
1.05 Table: Diagnostic Metrics for Email Campaigns  
Segmentation - Matching Content to Your Audience  
1.06 Table: Willingness to Provide Personal Data for Personalized Content  
1.07 Table: Consumer Interest in Personalized Content by Age  
1.08 Chart: Marketers Use of Advanced Segmentation  
Segmentation Case Study - Cetaphil  
1.09 Chart: What do B-to-C Marketers Test?  
1.10 Chart: What do B-to-B Marketers Test?  
1.11 Chart: What do Mixed Audience Marketers Test?  
1.12 Table: What Variables to Test  
1.13 Chart: Current Email Marketing Platforms by Marketer Type  
1.14 Chart: Planned Changes in Email Platform by Marketer Type

## Chapter 2: Email Marketing Metrics

### Section 1: Email in the Marketing Mix

2.01 Table: Email ROI vs. Other Marketing  
2.02 Table: Most Effective Promotional Vehicles  
2.03 Table: Performance of Digital Marketing by Tactic  
2.04 Table: Top Methods for Promoting Online Catalogs  
2.05 Chart: Drivers for Digital Marketing  
2.06 Chart: Purposes of Email Marketing  
2.07 Chart: Eretailer Email Marketing Content  
2.08 Chart: B-to-C Marketers Email Tactic Usage Forecast  
2.09 Chart: B-to-B Marketers Email Tactic Usage Forecast  
2.10 Table: Email Newsletter Frequencies and Results  
2.11 Chart: Emailing Frequency by E-retailers: 2004  
2.12 Table: E-retailer Email Frequency During Holiday Season  
2.13 Chart: Multichannel Marketing Customer Spending  
B-to-B Multichannel Marketing Impact

### Section 2: Open Rates

2.14 Chart: Open Rate by Industry: 2004  
2.15 Chart: Eretailer Email Open Rates for Holiday Season: 2004  
2.16 Chart: Open Rates by Audience Type to House Lists  
2.17 Chart: Open Rates by Audience Type to Rented/Third Party Lists  
2.18 Chart: B-to-C Open Rate for House Lists: 2002-2004  
2.19 Chart: B-to-B Open Rates: 2004  
2.20 Chart: B-to-B House Open Rate to House Lists by Year: 2003/2004  
2.21 Chart: B-to-B Marketers Open Rate Trends: Rented/3rd Party Lists  
2.22 Table: B-to-B and B-to-C Ezine Open Rate Comparison

### Section 3: Clickthrough Rates

2.23 Chart: Unique Click Rates by Industry: 2004  
2.24 Table: Click Rate by Category: 2003/2004  
2.25 Table: Click Rates by Industry: 2004  
2.26 Chart: B-to-C CTR for All Mailings to House Lists: Trends 2002-2004  
2.27 Chart: B-to-C Click Rate for Newsletters to House Lists: 2003/2004 Trends  
2.28 Chart: B-to-B Click Rate Trends: House Lists  
2.29 Chart: Average B-to-B Click Rates Trends for Newsletters to House Lists: 2003/2004  
2.30 Chart: Clickthrough for Free Offers to House Lists: B-to-B vs. B-to-C  
2.31 Chart: Clickthrough for Sales Offers to House Lists: B-to-B vs. B-to-C  
2.32 Chart: Clickthrough for Free Offers to Rented Lists: B-to-B vs. B-to-C  
2.33 Chart: Clickthrough Rates for Sales Offers to Rented Lists  
2.34 Chart: Clickthrough: Ads for Free Offers in 3rd Party Newsletters

## Section 4: Conversion Rates

2.37 Chart: Average Conversion Rates by Types of Offer: 2004  
2.38 Chart: B-to-C Conversion Rates by Goals of Email Campaigns: 2004  
2.39 Chart: 2004 B-to-B Conversion Rates by Goals of Email Campaigns: 2004  
2.40 Chart: B-to-C Conversion Rates for Free Offers: House Newsletters  
2.41 Chart: B-to-C Conversion Rates for Sales Offers: House Newsletters  
2.42 Chart: B-to-C Conversion Rates for Free Offer Ads: House Lists  
2.43 Chart: B-to-C Conversion Rates for Sales Offer Ads: House Lists  
2.44 Chart: B-to-C Conversion Rates for Free Offer Ads: 3rd Party Lists  
2.45 Chart: B-to-C Conversion Rates for Sales Offer Ads: 3rd Party Lists  
2.46 Chart: B-to-C Conversion Rates for Free Offers Ads: 3rd Party Newsletters  
2.47 Chart: B-to-C Conversion Rates for Sales Offers: 3rd Party Newsletter  
2.48 Chart: B-to-B Conversion Rates for Free Offers Sent to Own Newsletter  
2.49 Chart: B-to-B Conversion Rates for Sales Offers Sent to Own Newsletter  
2.50 Chart: B-to-B Conversion Rates for Free Offers Sent to House Lists  
2.51 Chart: B-to-B Conversion Rates for Sales Offers Sent to House Lists  
2.52 Chart: B-to-B Conversion Rates for Sent to Rented Lists: Free Offers  
2.53 Chart: B-to-B Conversion Rates for Sent to Rented Lists: Sales Offers  
2.54 Chart: B-to-B Conversion Rates for Free Offers Sent: 3rd Party Newsletter  
2.55 Chart: B-to-B Conversion Rates for Sales Offers Sent: 3rd Party Newsletter  
2.56 Chart: Mixed Audience Conversion Rates for Free Offers Ads in Own Newsletter  
2.57 Chart: Mixed Audience Conversion Rates for Sales Offers Ads in Own Newsletter  
2.58 Chart: Mixed Audience Conversion Rates for Free Offers Sent to House Lists  
2.59 Chart: Mixed Audience Conversion Rates for Sales Offers Sent to House Lists  
2.60 Chart: Mixed Audience Conversion Rates for Free Offers Sent to 3rd Party Lists  
2.61 Chart: Mixed Audience Conversion Rates for Sales Offers Sent to 3rd Party Lists  
2.62 Chart: Mixed Audience Conversion % for Free Offers Sent to 3rd Party Newsletter  
2.63 Chart: Mixed Audience Conversion % for Sales Offers to 3rd Party Newsletter

## Section 5: Email Performance Variables and Best Practices

How Subject and From Lines Affect Performance  
2.64 Table: Success Metrics by Size of Email, Subject Length and Number of Links  
Performance of HTML vs. Text in Email Marketing  
2.65 Chart: Text vs. HTML Open Rates: 2001-2004  
2.66 Chart: Percentages of HTML vs. Text Emails Trends: 2001-2003  
Time of Day and Day of Week Impact on Performance  
2.67 Table: Day of Week Impact on Performance  
2.68 Chart: Comparison of Email Read, Click and Volume Levels  
Rich Media Email - Future Passed?

## Chapter 3: List Building Techniques

3.01 Table: Levels of Permission - Pros and Cons  
3.02 Table: Customer Interaction & Conversion Levels by Opt-In Method  
Why Use Verified Opt-in (a.k.a. Double Opt-In)?  
3.03 Chart: Value of Verified vs. Non-Verified Opt-in Users 1  
3.04 Chart: Value of Verified vs. Non-Verified Opt-In Users 2  
3.05 Chart: Email Permission Basis by Audience Type: 2004  
3.06 Chart: Willingness to Register for B-to-C House Lists: 2002-2004  
3.07 Chart: Willingness to Register for B-to-B House Lists: 2002-2004  
3.08 Chart: Willingness to Register for Mixed Aud. House Lists: 2002-2004  
3.09 Table: Consumer Interest in Permission Emailing: 2004  
3.10 Table: Unsubscribe Rates by Industry  
Unsubscribes and the Impact of Brand for Corporations  
3.11 Chart: Brand and Email Across the Organization  
3.12 Chart: Consistency in Organizational Email  
3.14 Chart: Email List Unsubscribe Handling: Failure by Sector  
3.15 Chart: B-to-C Opt-out/Unsubscribe Yearly Trends: 2002-2004  
3.16 Chart: B-to-B Opt-out/Unsubscribe Yearly Trends: 2002-2004  
3.17 Table: Types of Site Opted-Into by B-to-B Managers  
3.18 Chart: How Marketers Gather Opt-In Names: 2004  
3.19 Chart: Use of Co-Registration by Audience Type: 2004  
Email Appends - Correlating Offline and Online Addresses  
3.20 Chart: Use of Appends by Audience Type: 2004  
3.21 Table: Newsletter Metrics Breakdown  
Newsletter Circulation Case Study

# 2005 Email Marketing Metrics Guide: Table of Contents

## Chapter 1: Planning by the Numbers

## Chapter 2: Email Marketing Metrics

## Chapter 3: List Building Techniques

## Chapter 4: Deliverability

## Chapter 5: Usability

## Chapter 6: Email Alternatives

## Chapter 7: Email User Population and Habits



# 2005 Email Marketing Metrics Guide: Table of Contents

## Chapter 1: Planning by the Numbers

## Chapter 2: Email Marketing Metrics

## Chapter 3: List Building Techniques

## Chapter 4: Deliverability

## Chapter 5: Usability

## Chapter 6: Email Alternatives

## Chapter 7: Email User Population and Habits

Collecting Email Addresses Offline - Transact Case Study  
 Online Couponing - A Primer  
 3.23 Table: Types of Online Coupon  
 Coupon Metrics - Basic Redemption Data  
 Couponing Case Study - Krispy Kreme  
 Use of Rented Lists  
 B-to-C List Pricing  
 B-to-B List Pricing  
 Validity of Rental List Names and Email Selects  
 3.24 Chart: Rented Email List Errors: 2002-2004  
 3.25 Table: Mailing Frequency and Effectiveness by List Size  
 3.26 Consumer Behavior toward Email Marketing Messages  
 3.27 Table: Attitudes toward Mixing Service and Marketing Messages  
 3.28 Table: Number of Consumer Email Relationships with Businesses  
 3.29 Table: Retailer Response Times to Customer Email Queries

### Chapter 4: Deliverability

Anti-Spam Efforts and Their Impact on Email Marketing  
 4.01 Worldwide Spam Growth Forecast Current and Projected  
 Bounce Rates - When to Take Notice  
 4.02 Chart: Bounce Rates by Sector: 2004  
 4.03 Chart: B-to-C Bounce Rate Trends: 2002-2004  
 4.04 Chart: B-to-B Bounce Rate Trends: 2002-2004  
 4.05 Chart: Mixed Audience Marketers Bounce Rate Trends: 2002-2004  
 4.06 Chart: B-to-C Marketers Spam Complaints Trends: 2002-2004  
 4.07 Chart: B-to-B Marketers Spam Complaints Trends: 2002-2004  
 4.08 Chart: Mixed Aud. Marketers Spam Complaints Trends: 2002-2004  
 4.09 Table: Consumer Attitudes and Delivery of Permission Email  
 4.10 Chart: How Corporations Filter Spam  
 Approaches to Avoiding Filters  
 4.11 Chart: Lost Productivity to Spam - Percentage of Employee Time  
 4.12 Chart: Trends in Cost of Spam to Corporations per Employee  
 4.13 Chart: Spam Category Data: 2004  
 Email Copy and Impact on Delivery  
 4.14 Chart: Impact of Unsubscribe Language on Delivery  
 Unsubscribe Phrases That Do Not Affect Delivery  
 4.15 Chart: Delivery Comparison - "Advertisement" vs. "ADV"  
 Impact of Promotional Language on Email Delivery  
 4.16 Table: Impact on Delivery - Subject Lines with "Mortgage Rates"  
 Impact on Delivery of Promotional Language in Body Text  
 4.17 Impact on Delivery of having Link/IP on URL Blocklist  
 Anatomy of a Spam  
 Other Issues in Deliverability  
 4.18 Chart: Time of Day and Impact on Deliverability  
 4.19 Chart: Day of Week and Impact on Deliverability  
 Impact of Bad Email Addresses on Lead Generation  
 4.20 Table: User Typo Rate During Online Registration: 2002-2004  
 4.21 Table: User's Omission of ".com" in During Online Registration: 2003-2004  
 Email Handling  
 4.22 Table: Compatibility Chart of ISPs with E-Mail Formats

### Chapter 5: Usability

Page Position Tracking Data - How People View Marketing  
 5.01 Diagram: Web Page Viewing Patterns  
 5.02 Chart: Percentage of Format Errors by Top 10 Market Sectors  
 5.03 Chart: Non-Compliant Emails by Top 10 Sectors: 2004  
 5.04 Chart: Top 10 Sectors by Broken Links in Emails: 2004  
 5.05 Table: Email Clients Technology Compatibility by ISP  
 5.06 Image Blocking by Email Client/ISP  
 Gmail Basics  
 5.07 Percentage of Email List Member by Web-based Email Client: 2004  
 5.08 Chart: Campaign Effectiveness by Time  
 Landing Page Best Practices

5.09 Table: Browser Statistics  
 5.10 Table: Display Statistics  
 5.11 Color Depth

### Chapter 6: Email Alternatives - IM, Wireless, Desktop Apps. & RSS

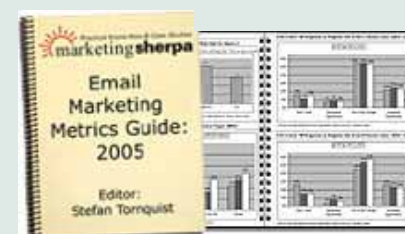
Instant Messaging  
 IM Marketing  
 6.01 Table: Growth of IM and SPIM: 2004-2008  
 6.02 Chart: Instant Message Clients Used by Consumers: 2004  
 Instant Messaging in the Corporate Environment  
 6.03 Chart: Corporate Use of Instant Messaging: 2002/2004  
 6.04 Chart: Types of Communication for At-Work IM Users  
 6.05 Chart: Leading Reasons for Deployment of Enterprise Instant Messaging: 2004  
 Wireless Marketing  
 Wireless Marketing Example  
 Wireless SPAM  
 Desktop Applications  
 6.06 Table: Top 10 News and Information Media on the Internet: 2004  
 6.07 Table: Top 5 Internet Applications by Audience and Reach: 2004  
 6.08 Table: Desktop Application Category Usage Metrics  
 RSS (Really Simple Syndication)  
 6.09 Table: Email vs. RSS - Marketing Perspective

### Chapter 7: Email User Population and Habits

Email User Population  
 7.01 Chart: Online Populations by Language: 2004  
 7.02 Table: Total Worldwide Email Traffic 2004-2008  
 7.03 Chart: Email User Population Trends 2001-2003  
 7.04 Table: US Audience Growth by Age Group: 2002-2003  
 7.06 Table: Broadband vs. Narrowband in US Homes: 2003-2004  
 7.07 Table: Broadband vs. Narrowband by Age Group: 2004  
 Common Online Activities of Experienced Users  
 7.08 Chart: Users Beliefs on Privacy by Online Experience  
 7.09 Table: Hours Online - Trends 2001-2004  
 7.10 Table: Percentage of Users by Number of Years Online  
 7.11 Chart: Hours Spent Online Per Week by Years Online: 2004  
 7.12 Chart: Time Spent per Online Activity by User Experience  
 7.13 Chart: Time Spent per Online Activity by User Experience

Methodologies of Referenced Studies

Recommended Resources



For the complete report, visit  
[www.SherpaStore.com](http://www.SherpaStore.com)  
 or call 877-895-1717