

Quarterly Email Benchmark Study

Q4 2012 — October, November, December



Q4 2012 Quarterly Benchmark Study

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Q4 2012 Executive summary

The following report details the overall trends for the fourth quarter of 2012 as well as the key performance indicators (KPIs) that shaped the success of Experian Marketing Services' client email programs over the past two years.

- Email volume rose by 5.4 percent in Q4 2012 compared to Q4 2011.
- Unique open rates were up year-over-year by 12.8 percent.
- Unique click and transaction rates matched those seen in Q4 2011.
- Revenue per email increased from \$0.13 to \$0.14 year-over-year, an 8 percent increase.

This quarter in the “spotlight on” section we look at time of day/day of week testing. We've taken a historical look at time of day and day of week results for Q4 2012.

- The ‘best’ time and day to mail varies by industry, however, across all brands and industries:
 - Emails deployed on Saturdays and Sundays had the highest open, unique clicks, transaction rates and revenue per email, yet had the lowest volume deployed compared to other days of the week.
 - For weekdays, Monday had the highest revenue per mail, but Friday had the higher click rate.
 - Deploying emails between 8:00 PM and 11:59 PM and midnight to 4:00 AM proved to have the highest response rates in all areas, yet also had the lowest percent of email volume.
- To optimize results, it is essential to test the best time and day for your individual brand.

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A spotlight on: Time of day/day of week testing

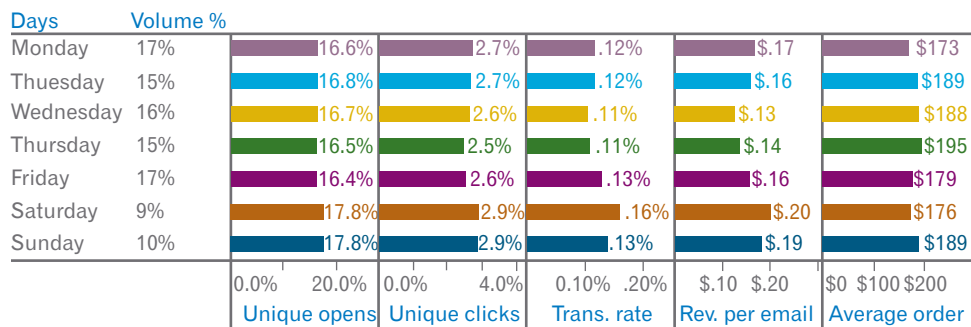
With the amount of data that is being captured, stored, processed and analyzed in today's world, combined with the speed that results boomerang back to the tester, we operate in a time and place where there is no excuse to not continually optimize your email marketing campaigns via some sort of testing procedure.

One of the simplest things to test, that marketers don't often take the time to do, is the best time of day and day of week to email customers. Best-in-breed email programs should regularly evaluate their deployment times. Since the optimal time to mail customers is not a static concept. Optimal mailing time often depends upon your customers' behaviors, inbox crowding and the deployment times of other marketers.

Time of day/day of week testing

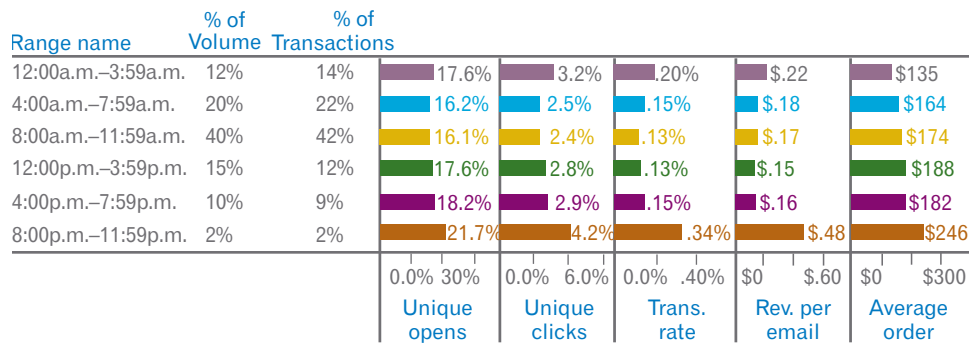
The following graphs show at an aggregate level what was historically observed as the best day and time for an email deployment in Q4 2012.

Day of week performance Q4 2012 – all industry



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Time of day performance Q4 2012 – all industry



Source: Experian Marketing Services

Looking at these results, we see that Saturday and Sunday had higher open, click and transaction rates, but much lower volume. For weekdays, Monday had the highest revenue per mail, but Friday had the better click rate. Volume also plays a role in time of day, as 8:00 PM – midnight and midnight - 4:00 AM had higher responses than the more popular 4:00 AM to noon times. However, as every brand's customers behave differently, it is most likely the case that the optimal day of week and time of day for your email deployments will show a different pattern of performance. It is important to remember that the data from the aggregate graph is retrospective, not a controlled study. When designing a time of day/day of week study for your subscribers, it is imperative that the various day/ time groups be defined ahead of time and in a manner that incorporates random sampling techniques.

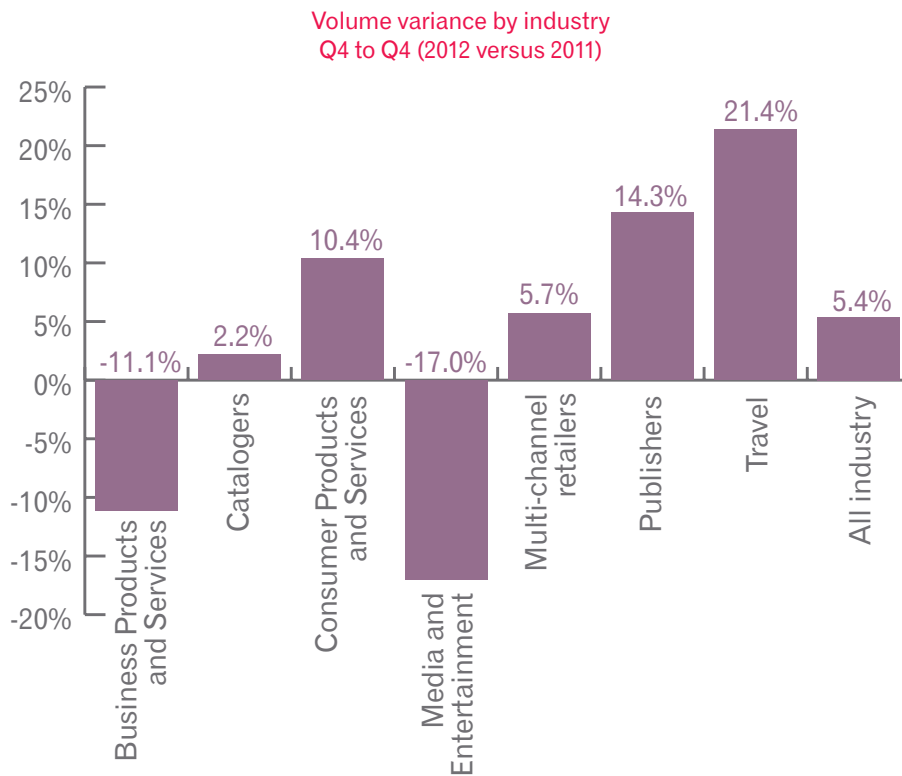
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Q4 2012 Benchmarks

Year-over-year email volume comparison

The following benchmarks report on the year-over-year (YOY) trends for the fourth quarter of 2012 compared to the fourth quarter of 2011. This quarter, email volume rose by 5.4 percent compared to Q4 2011.

Email volume variance YOY Q4 2012 versus Q4 2011

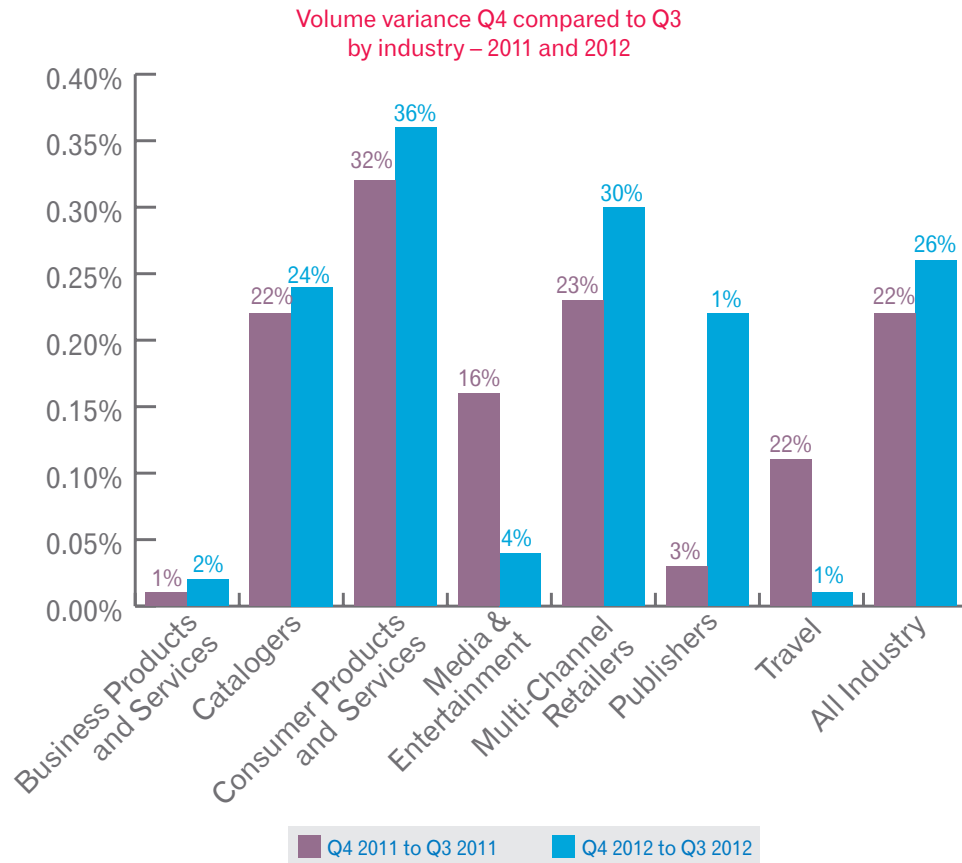


Source: Experian Marketing Services

- As we saw in Q3, Travel had another major increase in volume as two-thirds of travel brands increased mailings in Q4 2012.
- Publishers and Consumer Products and Services also had double digit gains in volume in Q4 2012.

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Email volume variance quarter to quarter



Source: Experian Marketing Services

- All verticals had some gains in volume in Q4 compared to Q3 2012. Consumer Products and Services and Multi-Channel Retailers led the way with increases of over 30 percent in Q4 compared to Q3.

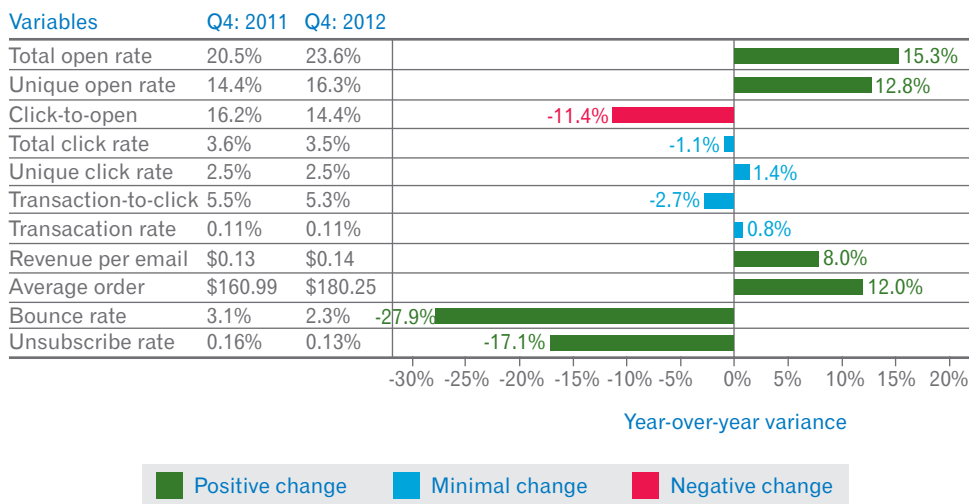
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Email performance analysis

In order to enhance our understanding of what's happening by Industry, we have created views that look at all metrics and compare Q4 year-over-year for 2012 versus 2011. The following is a legend for each of these views:

All industry

Q4 all industry year-over-year performance analysis



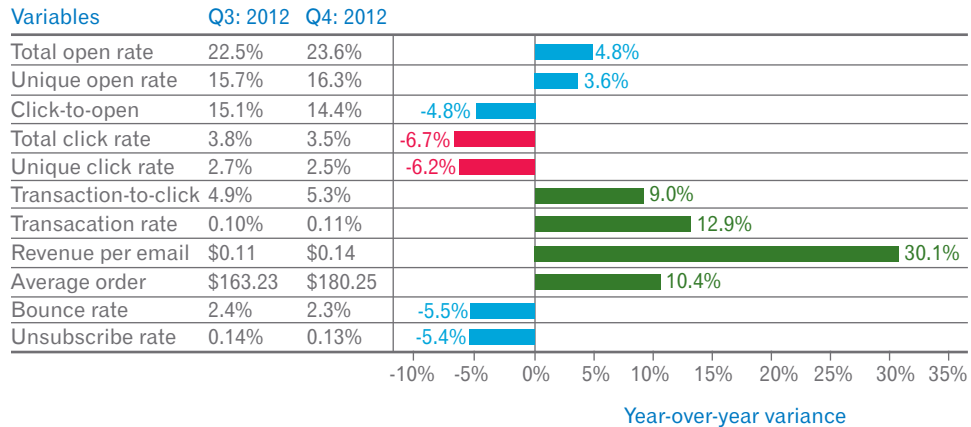
Source: Experian Marketing Services

- In Q4 2012 total and unique open rates were above the Q4 2011 rates, while click rates matched those seen in 2011.
- Transaction rates were the same as Q4 2011, while revenue per mail and average order rose nicely by 8 percent and 12 percent respectively. Fifty-five percent (55%) of brands had statistically significant increases in revenue per email this quarter.
- The \$0.14 revenue per email achieved in Q4 2012 is 30 percent higher than the \$0.11 seen in Q3 2012.

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All industry quarter to quarter

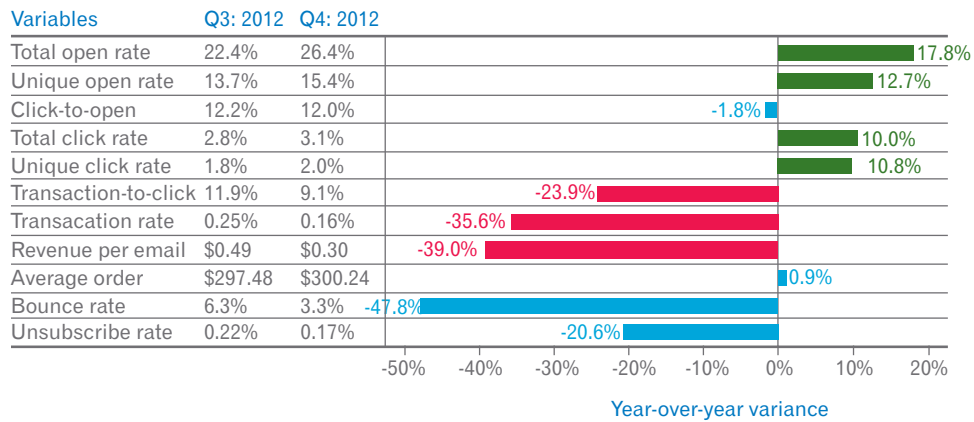
Q4 compared to Q3 all industry performance analysis



Source: Experian Marketing Services

Business products and services

Q4 Business products and services Year-over-year performance analysis



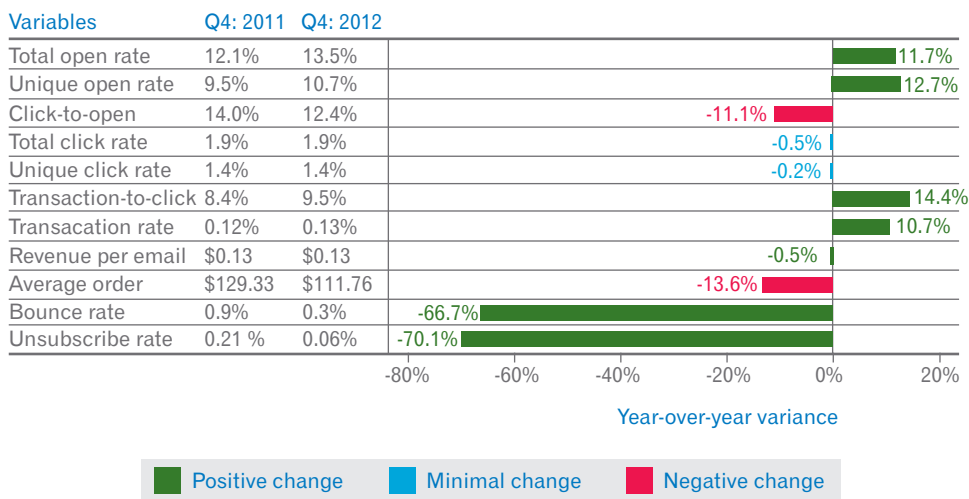
Source: Experian Marketing Services

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- Both open and click rates rose for Business Products and Services in Q4 2012. Sixty percent (60%) of brands enjoyed a statistically significant increase in total open rates.
- Luxury brands saw declines in transaction rates and revenue per email in this vertical.

Catalogers

Q4 Catalogers year-over-year performance analysis



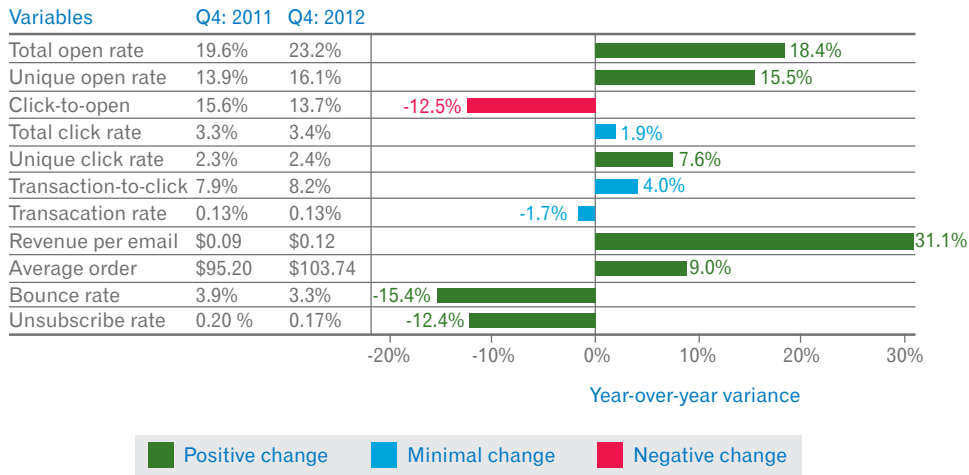
Source: Experian Marketing Services

- Open and transaction rates rose for catalogers this quarter, while click rates matched those seen in Q4 2011. Seventy-nine percent (79%) of brands saw statistically significant increases in unique opens, and 64 percent had significant increases in transaction rates.

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Consumer products and services

Q4 Consumer products and services year-over-year performance analysis



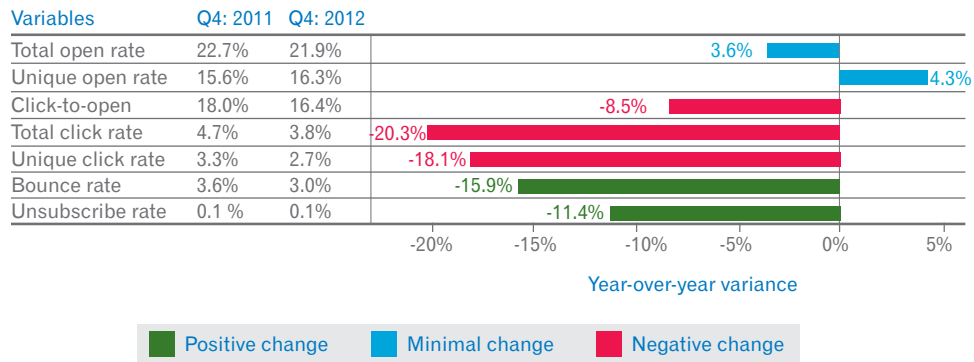
Source: Experian Marketing Services

- Unique click rates rose in Q4 2012 as over 53 percent of brands had a statistically significant increase compared to Q4 2011.
- With a strong performance from Beauty and Grocery & Pharmacy brands, revenue per email rose over 31 percent. Fifty-seven percent (57%) of Consumer Products and Services brands had a statistically significant increase in revenue per email in Q4 2012.

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Media & entertainment

Q4 media and entertainment year-over-year performance analysis

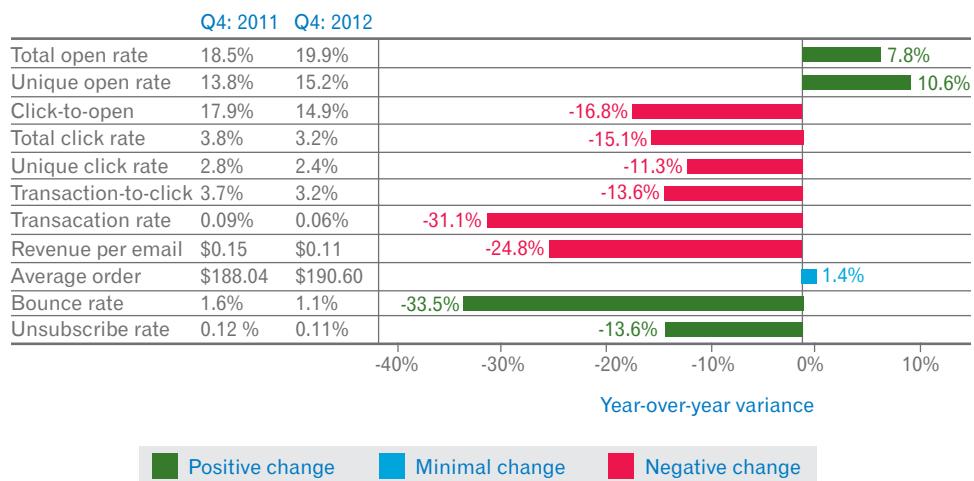


Source: Experian Marketing Services

- While total and unique click rates declined year-over-year for the Media & Entertainment vertical, they rose over 10 percent from Q3 2012 (from 3.5% to 3.8% for total clicks and from 2.5% to 2.7% for unique clicks).

Multi-channel retailers

Q4 Multi-channel retail year-over-year performance analysis

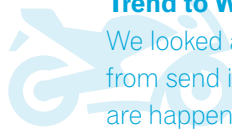


Source: Experian Marketing Services

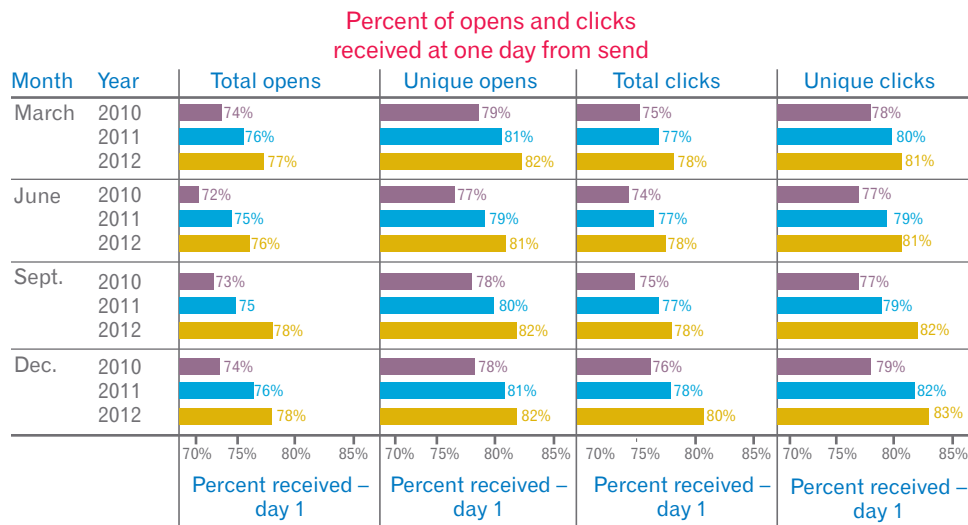
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- Clicks, transaction rates and revenue per email declined year-over-year for Multichannel Retailers, but performance was actually mixed. Half of all brands had statistically significant positive increases in click rates and 56 percent of brands had significant increases in transaction rates.
- Revenue per email increased significantly for 54 percent of the brands, led by luxury brands which saw a 10 percent increase in Q4 2012 compared to Q4 2011.

Trend to Watch: Speed of Response



We looked at what percent of opens and clicks were received at one day from send in 2010 through 2012 and noticed that responses to emails are happening more and more quickly.



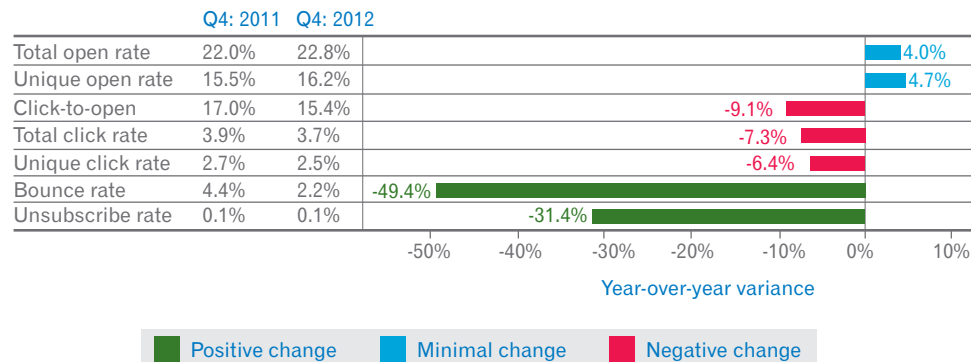
Source: Experian Marketing Services

Across this time period, we see a 5 percent to 6 percent increase in the percent of both open and clicks received in one day. It is likely that the immediacy of mobile is driving this trend as these increases have occurred at the same time that mobile usage has more than doubled.

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Publishers

Q4 publishers year-over-year performance analysis



Source: Experian Marketing Services

- Open rates showed moderate increases, while click rates declined compared to Q4 2011. Click rates have been declining for Publishers for the past three quarters.

Travel

Q4 travel year-over-year performance analysis



Source: Experian Marketing Services

- In spite of a major year-over-year increase in volume, travel brands enjoyed increases in both open and click rates. Many of our travel brands are now reporting transactions in multiple currencies, making it difficult to report on transaction metrics.

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Marketing
forward 

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02/2013