



Sponsored by



National Email Benchmarking Report Half 1 2012

April 2013 Edition



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Introduction

I'd like to begin by welcoming you to the DMA's National benchmarking report H1 2012 which provides further detailed insight into the email marketing trends in the UK. This report is designed to complement the other research the Email benchmarking hub produce, namely the National client email report and the Email tracking report.

The overall aim of the DMA Email Marketing Council continues to be to develop and promote email marketing as an efficient channel with an unrivalled ROI. To achieve this vision, the Council defines and disseminates best practice and research supporting the effective use of email.

Further the DMA provides its members with leadership, direction and support in their professional activities, and represents DMA members' collective interests to the business community, legislative bodies and public at large.

The continued purpose of this report is to provide DMA members involved in or considering email marketing as a channel, with a reliable series of benchmarks that aid their planning and help them make informed marketing decisions.

This National email benchmarking report H1 2012 released in 2013 contains data collected during the first half of 2012. The survey is completed by leading UK email service providers (ESPs) who deliver the majority of outsourced email messages to business and consumer accounts in the UK. ESPs surveyed include member and non-member companies. Results are self-reported using their own calculations. Data is collected via the DMA with the help of Business Bound. All data is provided on a confidential basis and aggregated and analysed by the DMA's research team.

This report is made possible through the generous time given by certain key individuals.

Firstly and most importantly thanks to Alchemy Worx for sponsoring this study. Secondly, this report, is made possible through the generous time given by certain individuals who constitute the Email benchmarking hub, namely: Matt Simons (Havas EHS); Joe Hunter (ExactTarget), Fiona Robson (RocketSeed), Anthony Wilkey (Emailvision), Stasa Straziasr (Lyris); and Lynn Hewitt (of Business Bound). Thank you to Mark Brownlow (of Email Marketing Reports) for writing the report.

Yashraj Jain (Research executive, DMA) also deserves special acknowledgment for his tireless work in project managing the report; collecting and analysing the data; and helping to structure the document you are now reading.

James Bunting,
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Chair, Benchmarking Hub, Email Marketing Council, Direct Marketing Association



Sponsors perspective

Welcome to the National email benchmarking report H1 2012. Alchemy Worx is proud to sponsor the DMA's benchmarking reports as they are invaluable for UK email marketers, representing the only pan-ESP benchmarks for email metrics in the UK.

The headline figure from this report is undoubtedly the continued growth in email send volumes. Although it has slowed from 85% to 29% since the last report, overall growth since H1 2010 stands at an impressive 58% - and all this in what has been reported as a difficult few years for the marketing industry as a whole. This is not a trend confined to the UK, as we saw the same huge increases in send volumes in the US. Better still, our clients tell us that email is the only marketing channel that is consistently on the up year after year and the report supports this very positive view.

So how has this upward trend affected the key metrics of opens and clicks? Unique open rates have slightly improved since 2011 but are down on 2010, while unique click rates have continued to fall gently since H2 2010. However, the actual number of clicks, which is not included in the report, exceeded half a billion. As conversion rates for email are 60% higher than search, it is no wonder brands are using email to drive traffic to their websites.

Based on these figures alone, it's clear that email is playing an increasingly more important role in the marketing mix. Indeed, it now seems implausible that only a few years ago commentators were predicting email send volumes would fall as senders shunned broadcast email in favour of smaller, more targeted campaigns. In fact, marketers have realised the significant impact send volume can have on the bottom line and have increased broadcast email alongside more targeted campaigns. As a result, the balance between targeted and untargeted is becoming ever more diffuse.

But contrary to popular opinion, successfully sending more email is much harder than sending less. It takes more budget and resource, as well as greater skill in strategy, creative, content, offers, subject lines, reporting & analysis, data management, list building and even deliverability. Our responsibility as email marketers is to step up our game in all of these areas so that we can send more email without any negative impact. And, as email programmes necessarily become more ambitious and complex to achieve that goal, the role of email specialists becomes increasingly more important.

Long may the success continue!

Dela Quist,
CEO, Alchemy Worx
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1. Overview and state of the industry

The DMA's *National email benchmarking report*¹ for 2011 presented a relatively rosy picture of the state of email marketing. Total volumes, opens and clicks were well up on 2010 and this success was reflected in the very positive attitude to email expressed in the *Client email report*².

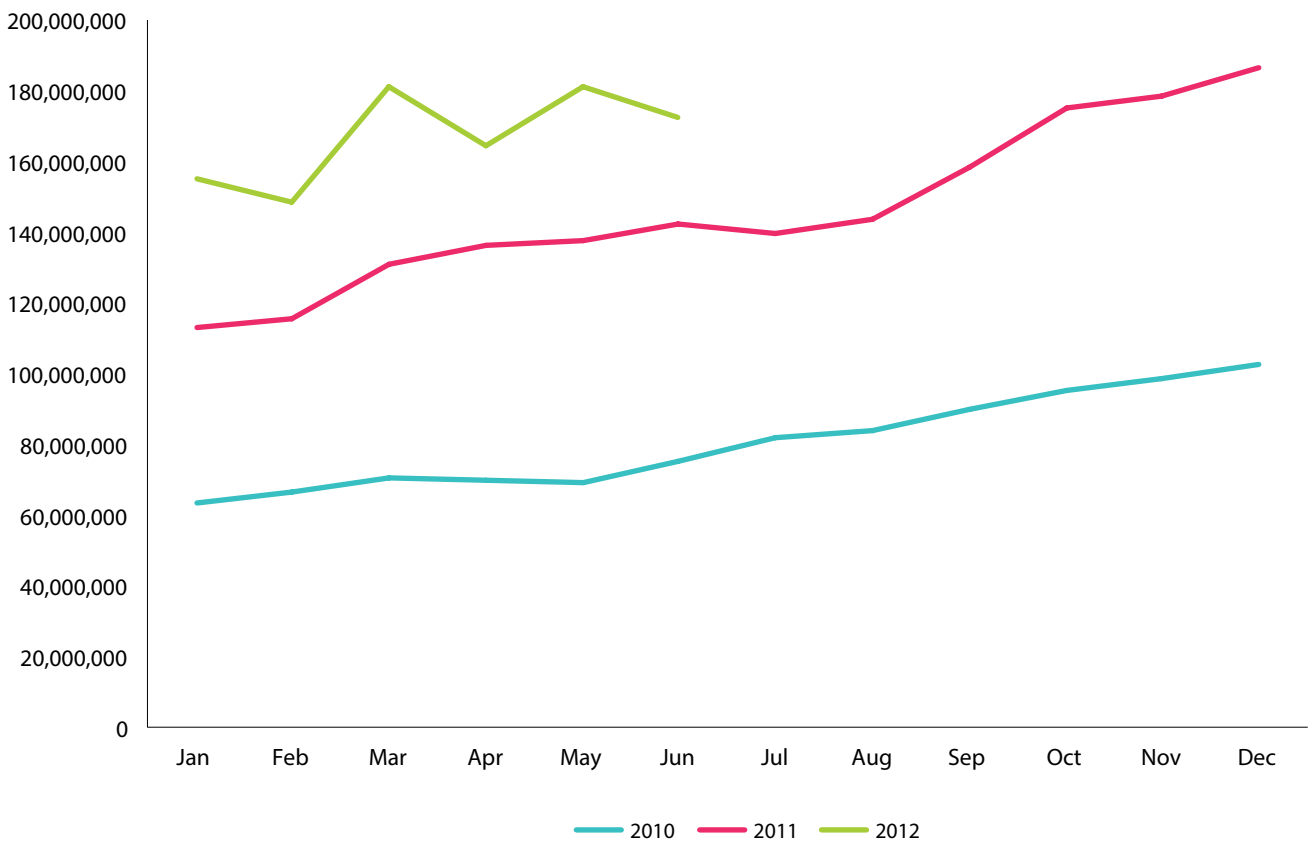
The recession brought about widespread recognition of email's role as a source of cost-effective direct responses. But at the end of 2011, the feeling was that email marketing's image had developed further. Now email was also seen as something more than a direct response workhorse: it had matured into a **durable** and **versatile** channel that belongs in any company's online marketing mix.

But how did the industry then develop, free of the need to vociferously fight its corner? That's a question the H1 2012 benchmarking figures begin to answer. Did email retain its gloss or fall back from the record numbers of 2011? Did the industry push on with new and innovative approaches, or consolidate its position?

1.1 Volume of sent email

The number of emails sent in H1 2012 returned to the typical pattern observed pre-2011: monthly volume dropped back from record Q4 2011 highs, **but was still well up on the equivalent period in the previous year**. This continues the annual trend toward increased volume, albeit at a slower pace. For example, while send volumes were up 78% between Jan 2010 and Jan 2011, they rose "just" 37% between Jan 2011 and Jan 2012.

How many individual emails did you send in the following months?

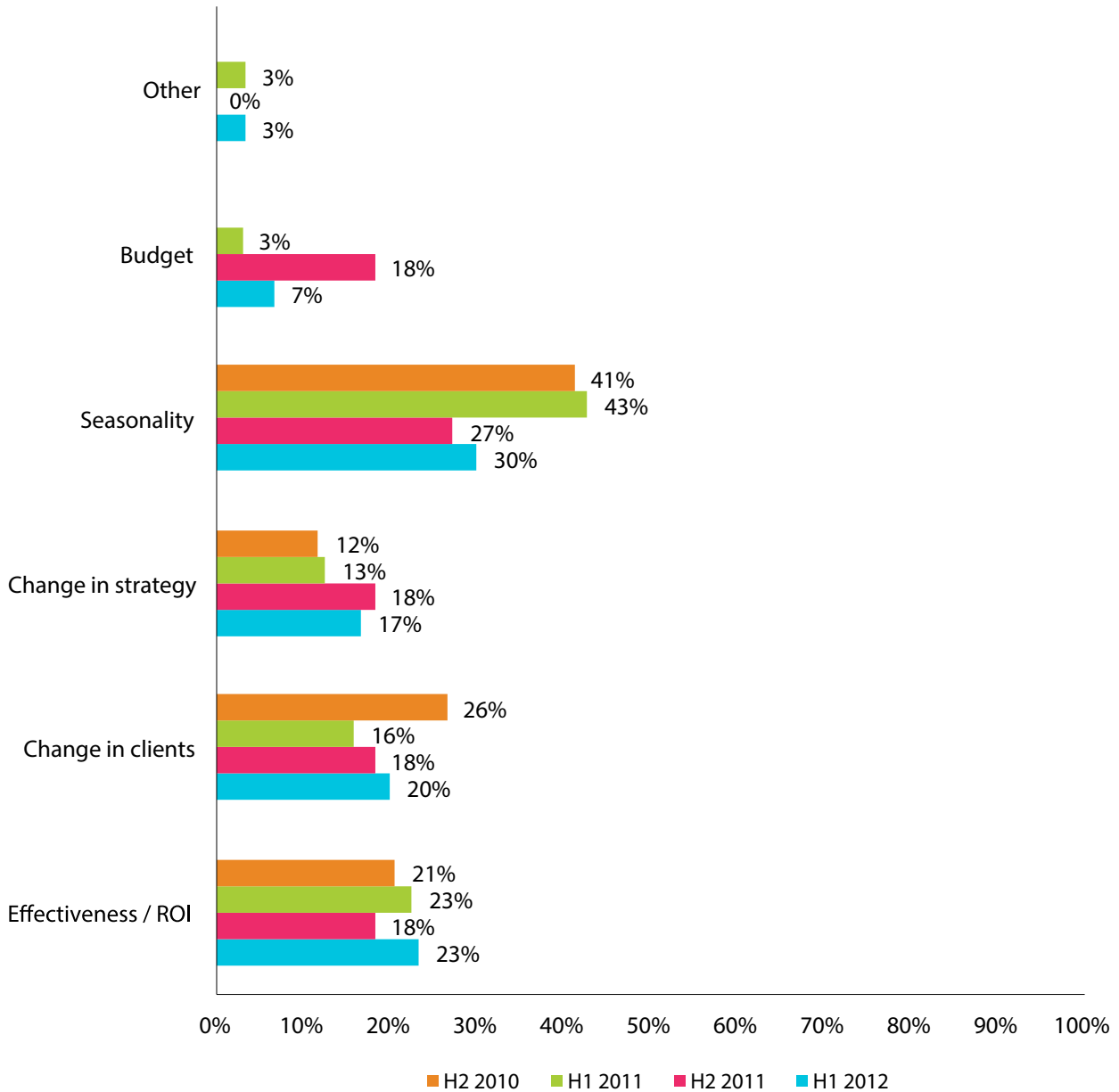


1. [DMA \(2012\) National email benchmarking report 2011](#)
 2. [DMA \(2012\) National client email report 2012](#)

1.2 Volume changes

With email taking a wider range of roles in a wider range of organisations, it's not only seasonality of direct response retail email that drives volume changes. As the following chart shows, email service providers (ESPs) cite a selection of relevant factors.

What do you see as the primary driver of the change in the volume of emails?



Even though email volume dropped from the end of 2011 and year-on-year growth slowed, it's important to remember that year-on-year volume **still increased**. Not so long ago, analysts and experts assumed that email volume might actually drop. They expected senders to abandon regular broadcast email in favour of fewer, more targeted campaigns.

So why does volume continue to grow?

A self-confident email marketing industry is beginning to throw off what Dela Quist³ calls “fear and self-loathing” in email. It is now more “socially acceptable” to send (more) email, and the value of doing so is more widely recognised.

This change in attitude and a willingness to send (more) email is also driven by voices outside the industry advocating email marketing. A recent survey⁴, for example, found 87% of social media marketers also use email marketing, with 61% even planning to increase their email efforts in the near future.

Marketers have also tended to adopt a hybrid model as they move their email marketing forward: retaining broadcast email while developing additional email streams around trigger events and user behaviour.

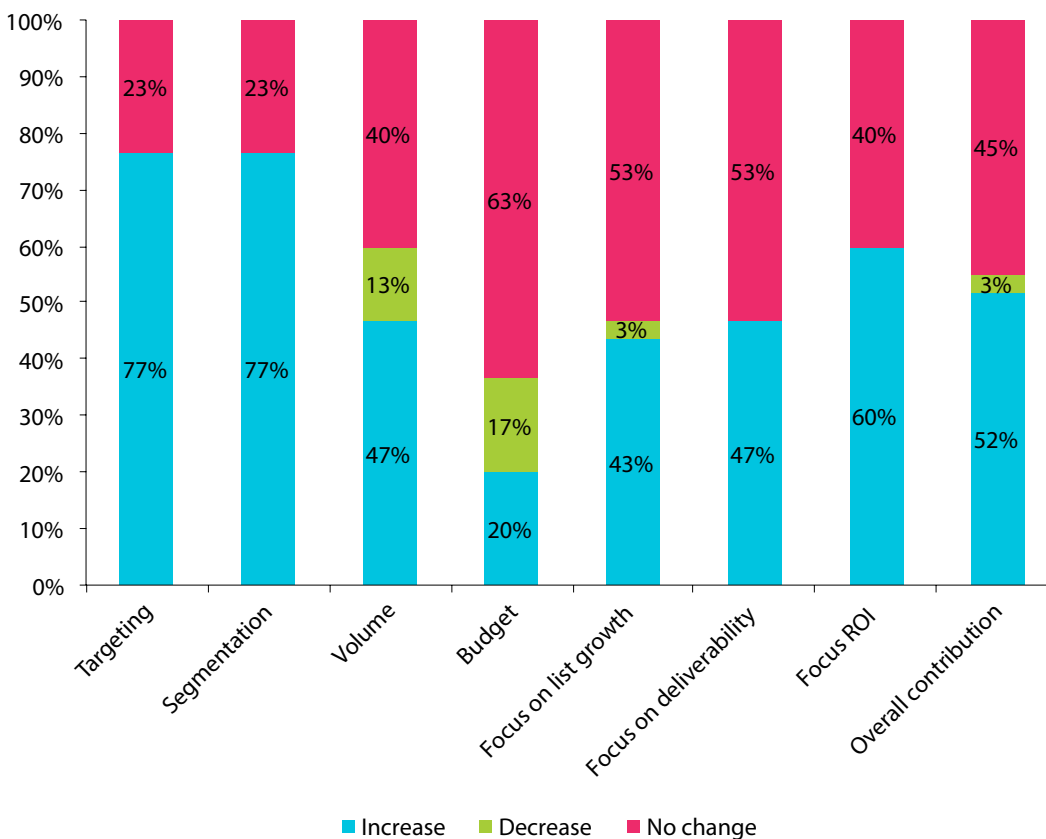
Equally, the development of trigger/behavioural email is not always associated with less email anyway. Imaginative senders are developing an extensive series of relevant communications for each trigger. A product purchase, for example, might result in numerous follow-up emails through the lifecycle of the customer, including order confirmations, shipping notices, product review mails, how-to and informational emails, complementary product offers, upgrade offers etc..

1.3 Impact of market conditions

The conclusions reached in section 1.2 are reinforced by how ESPs believe market conditions changed their clients’ email programmes, with the focus on volume largely remaining constant or increasing. In fact, there were across-the-board net increases in attention given to nearly all aspects of email marketing. Renewed interest in segmentation and targeting was particularly strong. Again, what we’re seeing is the twin development of sending more email, while also looking to add in new targeting approaches.

However, budgets were almost as likely to see a decrease as an increase. So the question is whether interest in segmentation and targeting then translates into action. After all, they can demand investment in new tools, services and/or staff resources.

How have your client’s email programmes changed in H1 2012?

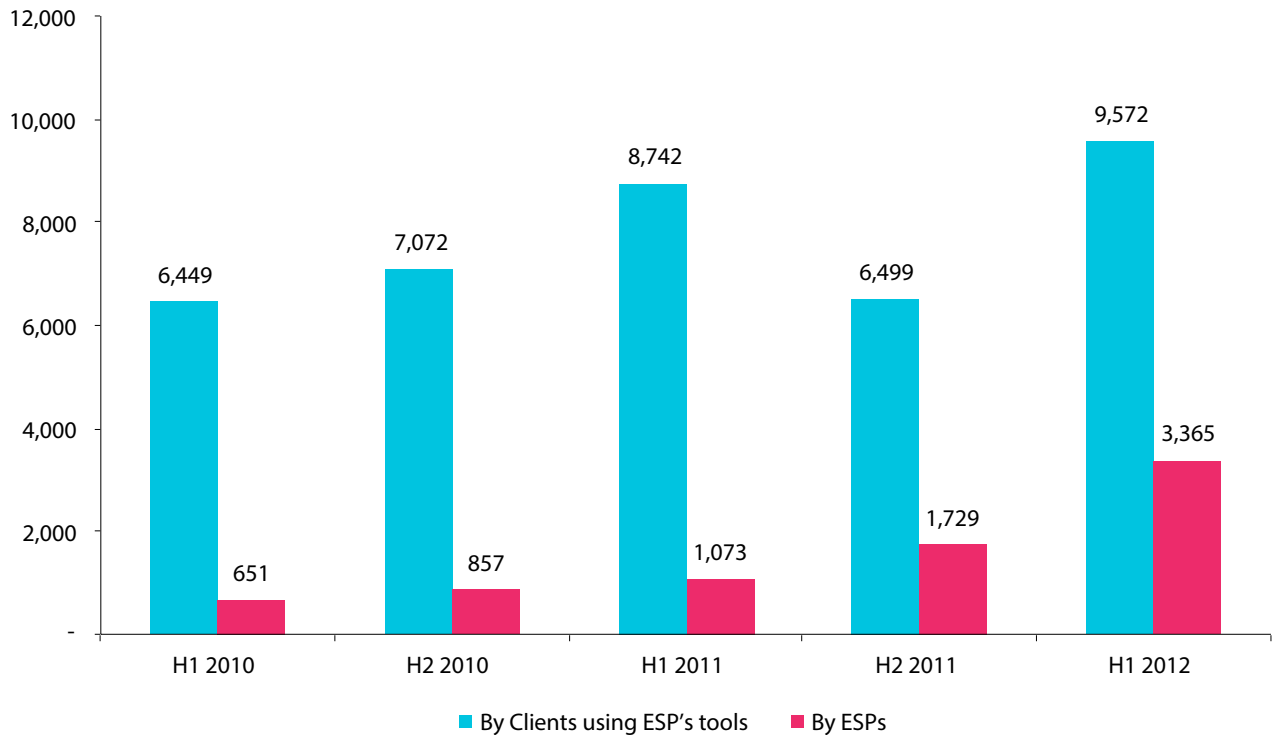


3. [Dela Quist \(2012\) Introducing Fear and Self-Loathing in Email Marketing](#)
 4. [Social Media Examiner \(2012\) 2012 Social Media Marketing Industry Report](#)

1.4 Monthly campaign numbers

H1 2012 saw a huge 57% increase in the total number of campaigns sent out when compared to H2 2011. Around twice as many campaigns were managed by ESPs on behalf of their clients.

How many campaigns per month do you manage? (Please count each trigger campaign once only)



Across the same comparative period, total half-yearly email volume increased only marginally and contact frequency dropped slightly (see Section 1.8). So why the big leap in campaign numbers?

Three ready explanations are an influx of smaller senders, growth in B2B email and the continuing spread of behavioural email campaigns.

Email's earlier reputation as a direct response medium always held appeal for B2C companies. Growing awareness of its role in helping long-term sales and building customer relationships now makes it more attractive to B2B marketers. With the shift towards more positive media coverage of email marketing, it's inevitable that more smaller organisations would also begin to use the channel.

Both smaller organisations and B2B senders tend to have smaller lists, so more campaigns wouldn't necessarily translate into large volumes.

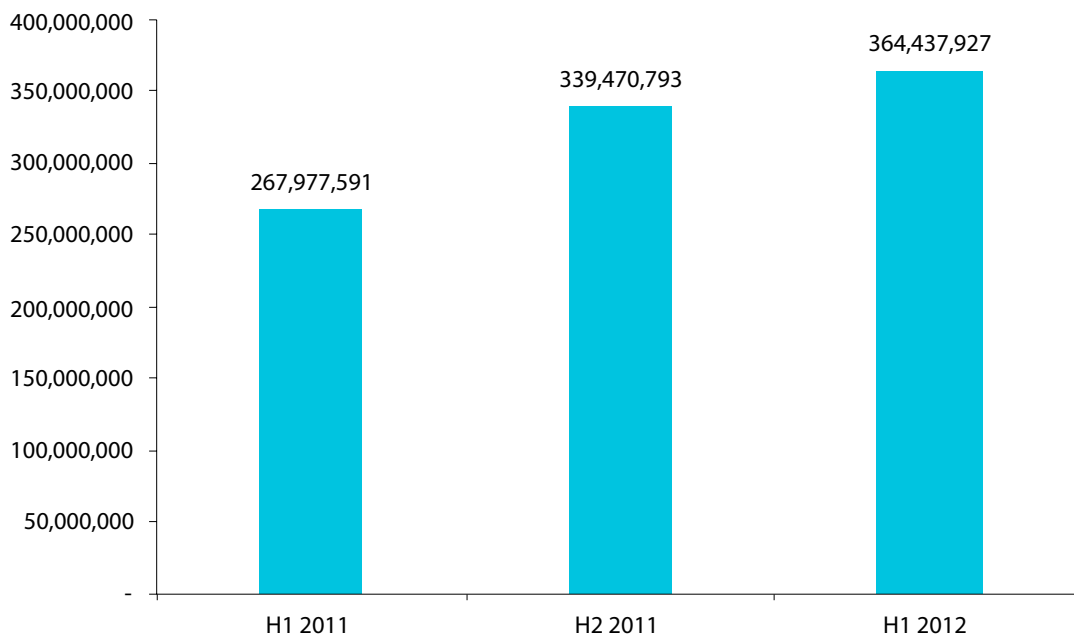
As mentioned earlier, trigger or behavioural email campaigns can lead to large numbers of emails. But many such campaigns will also target a much smaller audience than bulk, broadcast newsletters. For example, companies may develop lifecycle email campaigns only for people who purchase particular high-value products. Cart abandonment campaigns only go out to... people who abandoned a shopping cart.

These developments also help explain the increase in ESP-managed campaigns. While larger retail senders may have plenty of experienced in-house staff able to manage their own campaigns, this is not true of organisations new to email marketing or with less marketing resources in total.

1.5 List size

The increase in the number of email addresses managed by ESPs slowed to 7% between H2 2011 and H1 2012. The first half of 2011 saw numbers rise significantly, attributed to people bringing their lists to ESPs, address reactivation and a focus on subscriber acquisition. List growth inevitably becomes harder once the low-hanging fruit are harvested. In addition, a post-Christmas lull in this growth is not entirely unexpected. Over-zealous Christmas retail email efforts can lead to more unsubscribes. It can also involve sending to dormant or previously unused addresses, many of which might then turn out to be undeliverable so will be removed from databases.

How many email addresses do you currently have under your management?



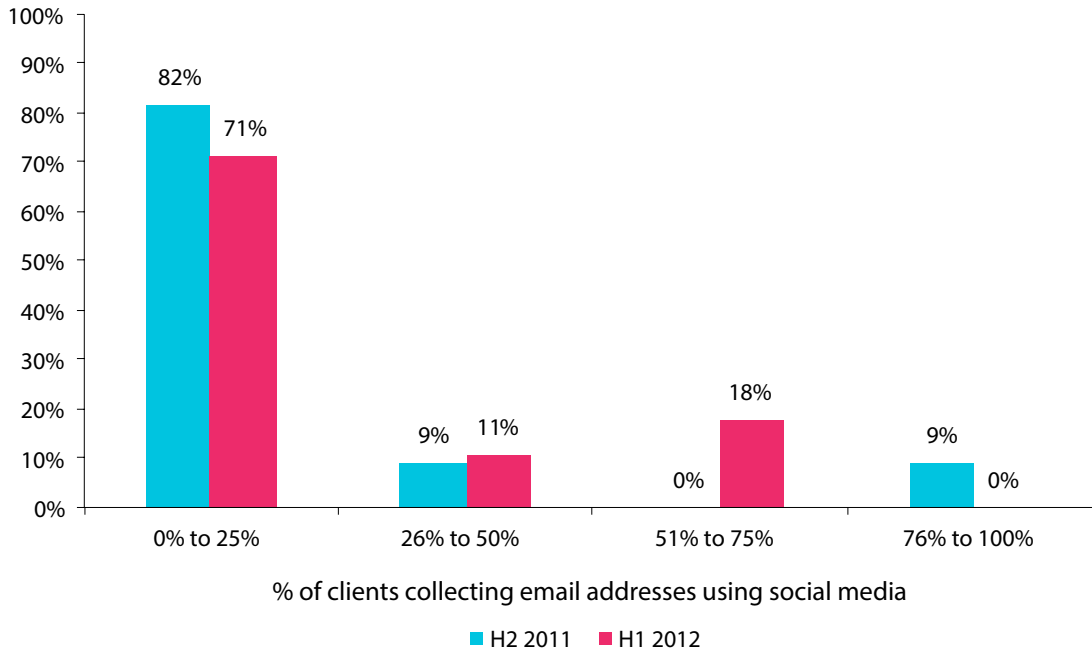
Given the law of diminishing marginal returns in list growth, marketers need to come up with more ways to encourage sign-ups than simply hoping for more website traffic, while also ensuring they have the basics covered. For example:

- Prominent positioning for sign-up links and forms on websites, with a presence across all pages and not just on the homepage
- Optimised sign-up forms, based on tests of form copy, layout, colours etc
- Clear communication of the benefits of joining the list
- Sign-up opportunities at all customer and prospect touch points, such as paper forms or tablet PCs, in waiting areas or at points of sale
- List promotion on customer correspondence, including invoices, business cards, email signatures, packing slips etc
- Integration of opt-in opportunities into transactional processes, like white paper downloads or online purchases
- Use of sign-up incentives.

1.6 List growth via social channels

Another list building opportunity is to use social networks to drive email sign-ups, as described in detail in the previous report⁵.

What percentage of your clients is collecting email addresses using social media?



Given the continuing success of social networks, it's a little surprising not to find more significant growth in this practice. After all, Ofcom⁶ found 64% of the entire online UK audience went on Facebook at least once in March 2012: a huge potential source of subscribers.

Most discussion around integration of social and email marketing covers using social activity to drive email sign-ups or using email to drive social activity.

A more neglected category is how marketers can use social activity **to drive email content**.

For example, marketers might use appropriate tools to monitor conversations around relevant topics, products, brands and organisations to understand:

- Priorities and interests that can shape email content
- Questions and knowledge gaps that can be addressed via email content
- Problems and complaints that can be pre-empted or corrected using email content.

Material produced for distribution via social channels, particularly blog posts, can be repurposed for email programmes. The same applies to user-provided comments or posts, provided you have the right permissions.

Social networks, for example, are an excellent source of testimonials. In the right circumstances, badges indicating follower numbers, likes, recommendations etc. can also act as social proof, particularly on product offers. A recent website test⁷, for example, found the addition of a Facebook "recommend" button lifted software downloads by over 11%.

5. [DMA \(2012\) National email benchmarking report 2011](#)

6. [Ofcom \(2012\) The communications market 2012](#)

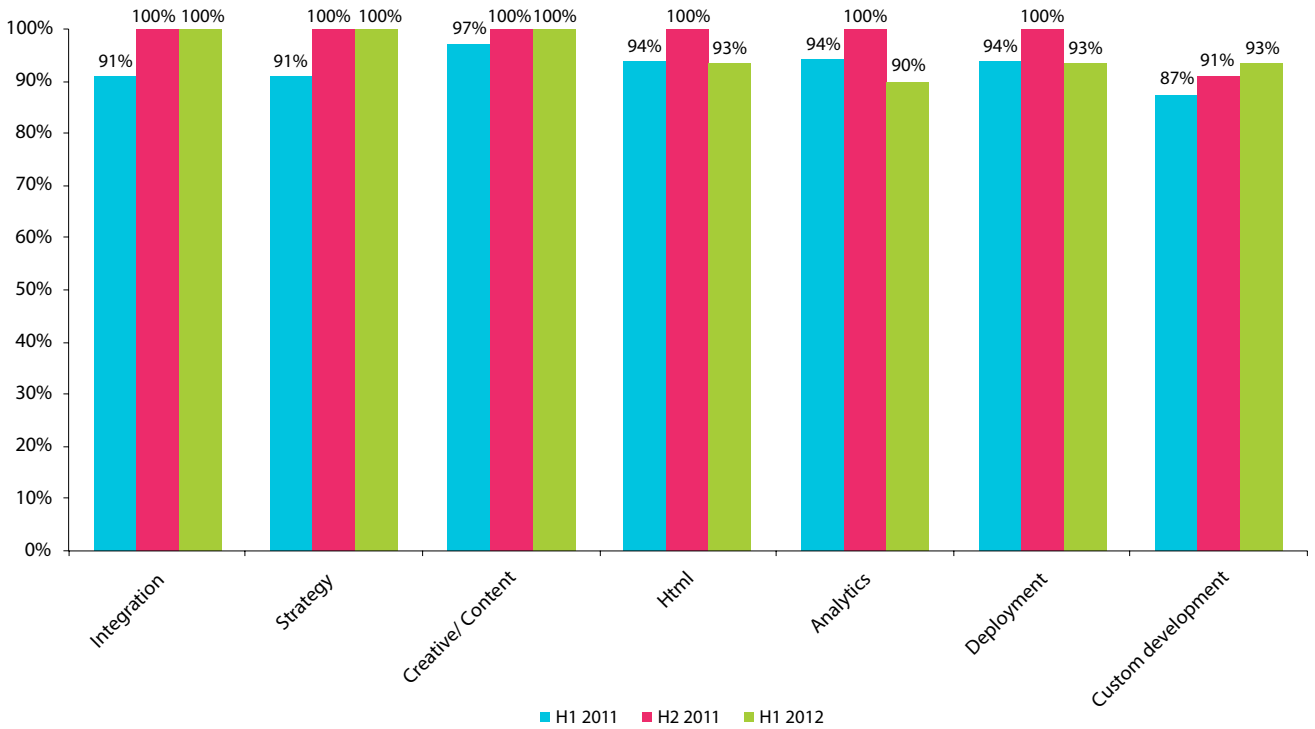
7. [WhichTestWon.com \(2012\) SPAMfighter's Facebook Icon Test](#)

1.7 ESP services

Email marketing is changing from simple broadcast newsletters to a mix of approaches, and is often integrated with other marketing and online channels. This is reflected in the near total availability of relevant add-on services from ESPs.

Although list management and email dispatch remain the key elements of an ESP service, nearly all now provide exactly the kind of tools and additional services needed to conduct or complement modern email marketing.

Which of the following services do you provide to your clients?



1.8 Contact frequency

Contact frequencies fell some 4% to reach a long-term low at just under two contacts a month.

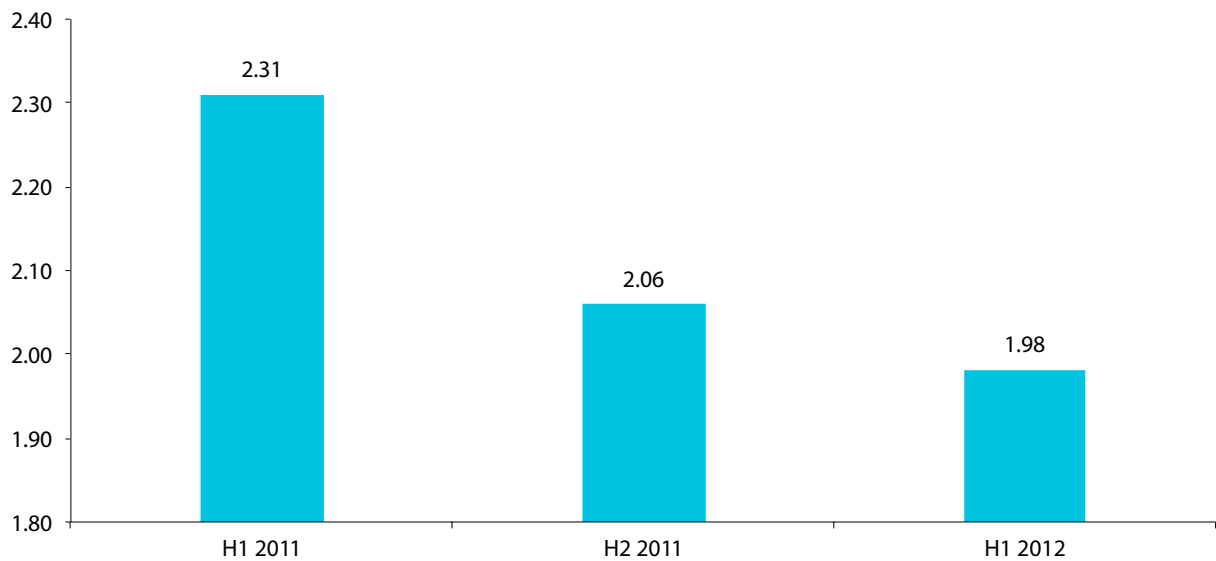
This seems counterintuitive, given how a prominent theme in recent reports and among industry participants has been recognition of the value of simply sending people more email. This potential is supported by figures on consumer email use. The recent *DMA Email tracking report*⁸, for example, revealed:

- Around half (48%) of consumers are only signed up to emails from between one and 10 brands. Less than one in five are signed up for emails from more than 20 brands.
- Although email volume has risen, around 40% of those who do get brand emails are still getting **no more than three such emails a day on average** and about 63% get no more than six.

The report concluded that a “simple increase in emailing frequency remains a strong option worthy of testing for many senders”.

8. [DMA \(2012\) Email tracking report 2012](#)

How many times on average is each address under management contacted per month?



It is dangerous, though, to conclude that senders have genuinely reduced frequency, as the numbers suggest. The average is likely skewed by the new influx of smaller and B2B senders. In both cases, contact frequency tends to be lower than with larger organisations and B2C senders.

Those with a fear of lifting frequency for its own sake can exploit the relationship between this frequency and delivered value.

The “too much email” threshold is not set in stone, but dependent on how much value the recipient gets from those emails. A monthly email can be too much, a weekly email too little... depending on the content and offers they contain.

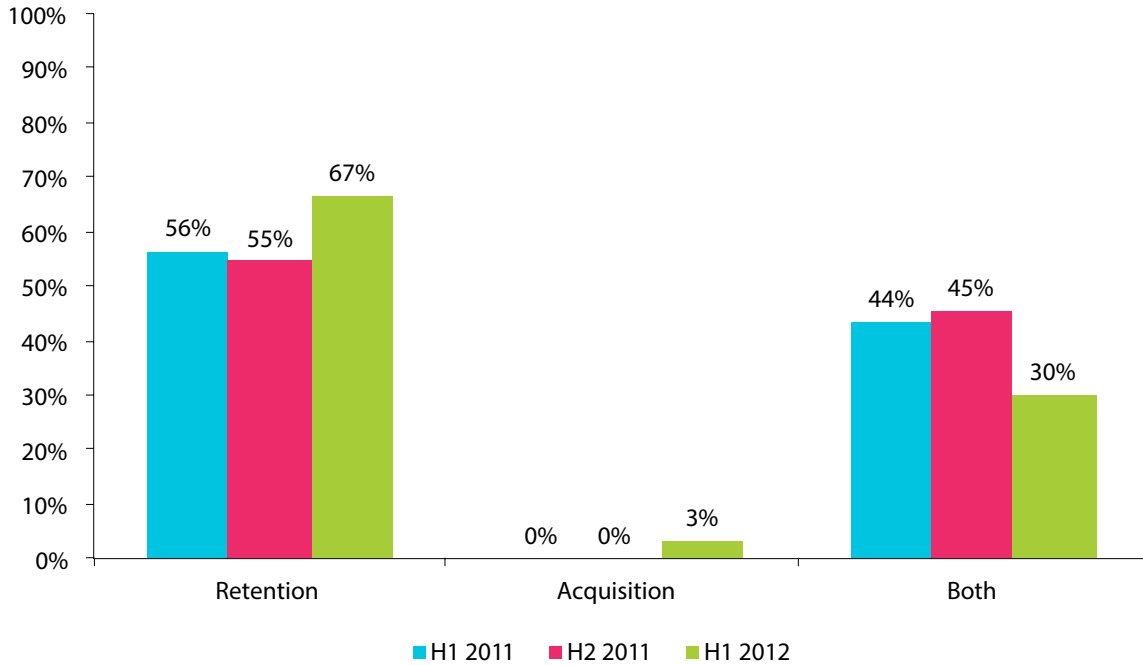
This value doesn’t have to be achieved with heavier discounts, better segmentation or behavioural email. When such approaches are difficult or unwise, other options for increasing value include service-oriented content, personality and even humour.

Tolerance for more email is also influenced by the broader relationship with the sender. High-frequency mails from a favourite restaurant might be okay. The same emails at the same frequency from a rarely visited restaurant might not be okay. Historically, the email industry has neglected to accept or exploit the role of this broader relationship in defining optimal email contact frequencies.

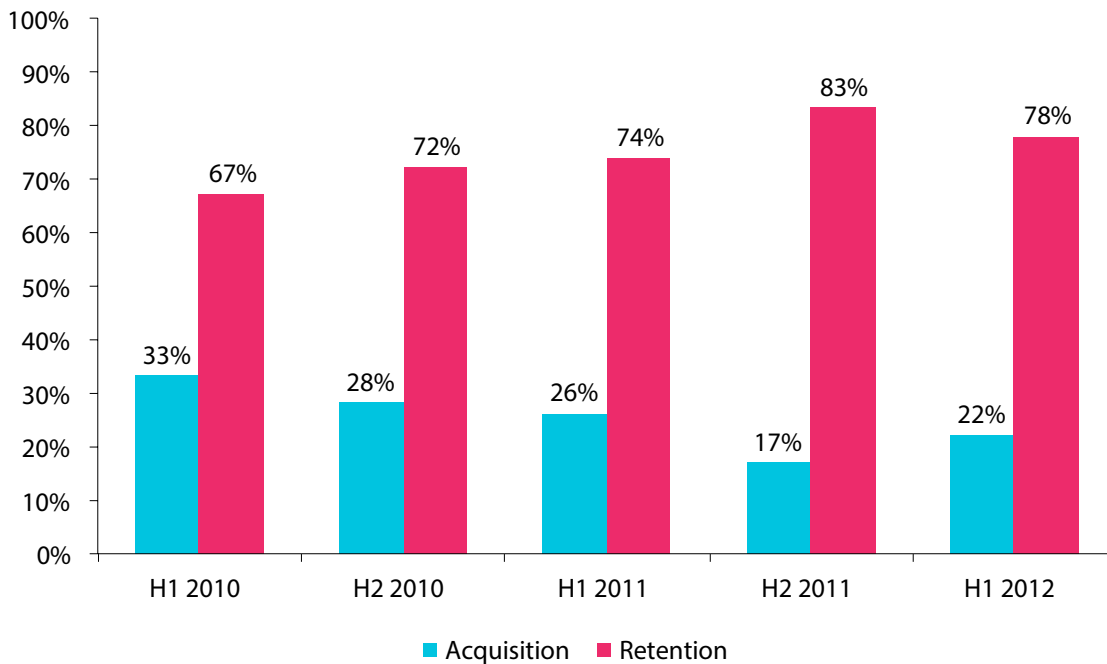
1.9 Retention versus acquisition

Although a greater proportion of senders focused entirely on retention compared to 2011 and earlier, this was not reflected one-to-one in the relative volume of retention and acquisition emails.

What is the main type of email activity undertaken?

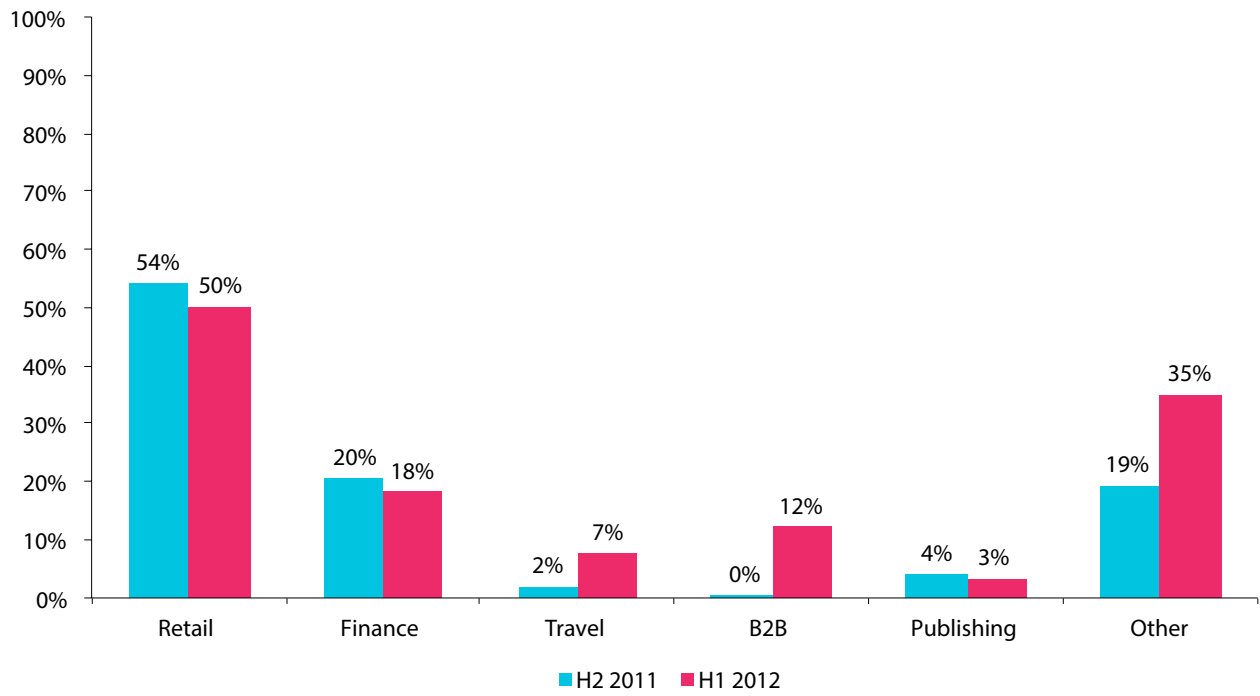


What percentage of your mailing volume is...?



The explanation again lies in the increase in small and B2B senders, who tend to focus more on retention, but who have less impact on total volumes. Nevertheless, the proportion of total volume accounted for by retention email remains high at 78%.

What percentage of your mailing volume is...? (By sector)



2. Strategy and segmentation

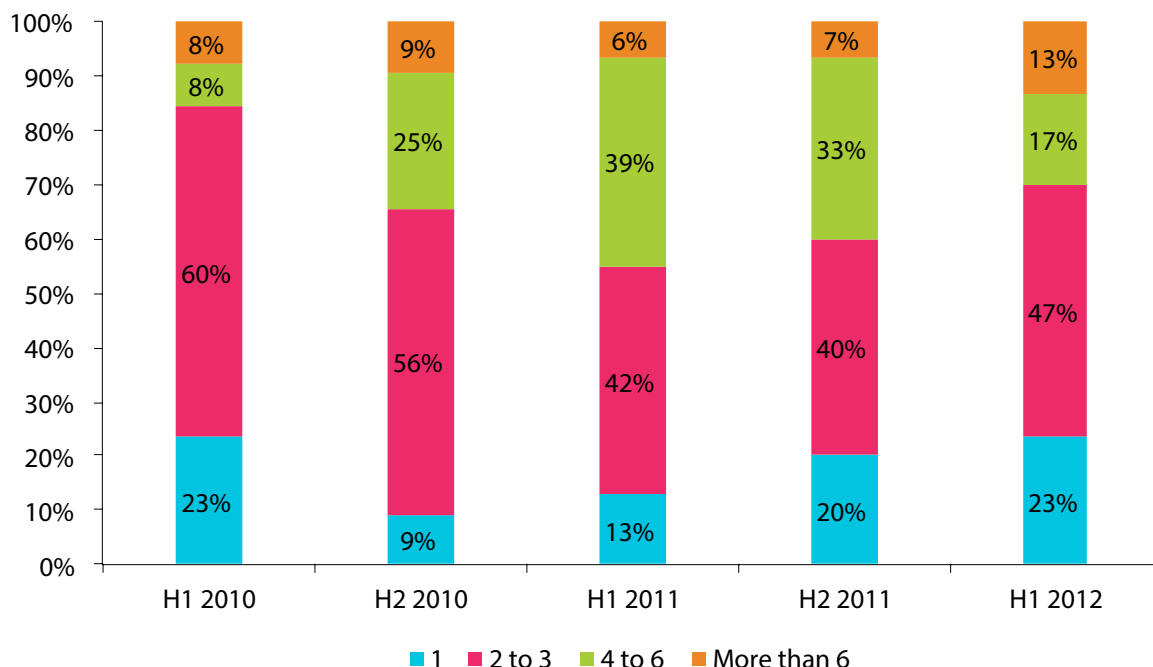
2.1 Segmentation practices

Trends in segmentation practices reflect the more diffuse nature of email marketing. The “natural” development toward ever-more segmented campaigns is complicated by three factors:

- The popularity of the hybrid “broadcast + highly targeted” approach mentioned in Section 1.2
- The new popularity of email marketing among small organisations without the subscribers, skills, resources or (often) need to do meaningful segmentation
- The maturing of email into different success models with different objectives

Beginning in H2 2011, there is a trend towards both more and less segmentation.

How many cells or segments are typically in each campaign?



This paradox is easy to explain in the context of the above factors.

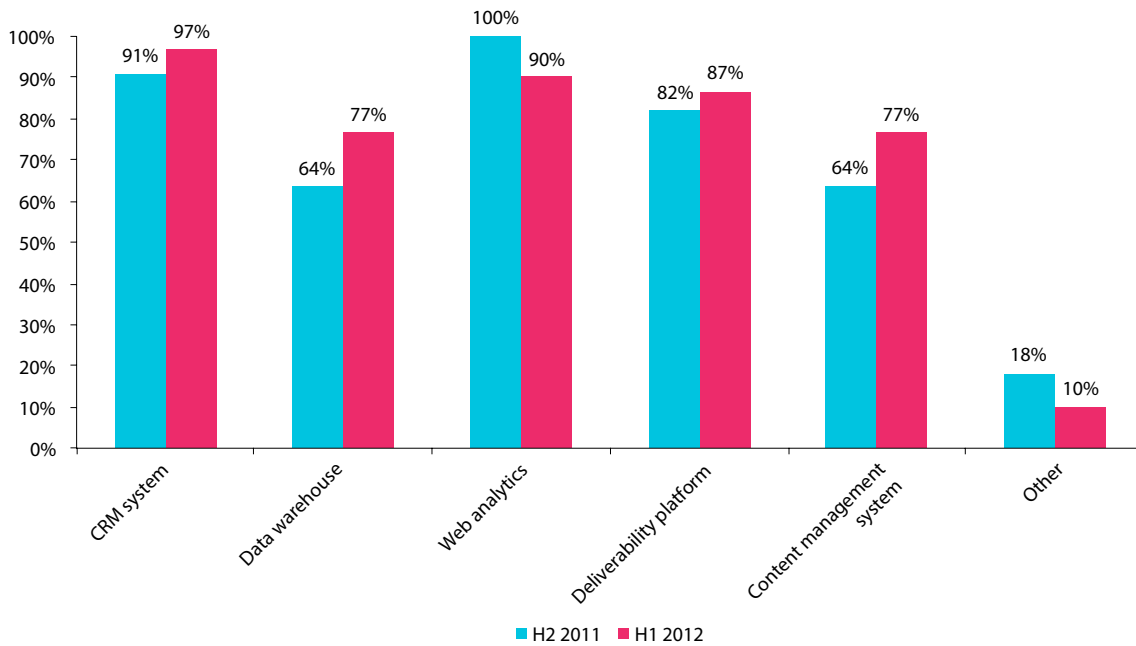
Advanced, resource-rich users are increasingly applying highly targeted approaches involving individualised emails or multiple segments. At the same time, bulk, undifferentiated email is popular for its own sake and with the resource-poor small senders new to email marketing.

Smaller senders may reject segmentation because they don't know how or believe they lack the appropriate tools and data. Yet even value-priced ESPs now make simple segmentation easy. For example, the campaign click data produced by initial bulk emails can be used to build interest segments. And small senders can plan to collect useful subscriber data in the future, for example by including relevant fields in sign-up forms.

As mentioned in earlier reports, the concept of segmentation is also changing. Historically there was a clear path of progression from bulk email to demographic segmentation to segmentation based on email metrics.

With growing integration of email marketing technology with and into, for example, e-commerce, web analytics and CRM systems, there are more ways to target and segment, for example based on product, service and customer lifecycles. As the chart below illustrates, ESPs offer strong and growing support for these kinds of integrations. Integration with data warehouses, CRM systems and web analytics are particularly important for developing lifecycle messaging and behavioural email.

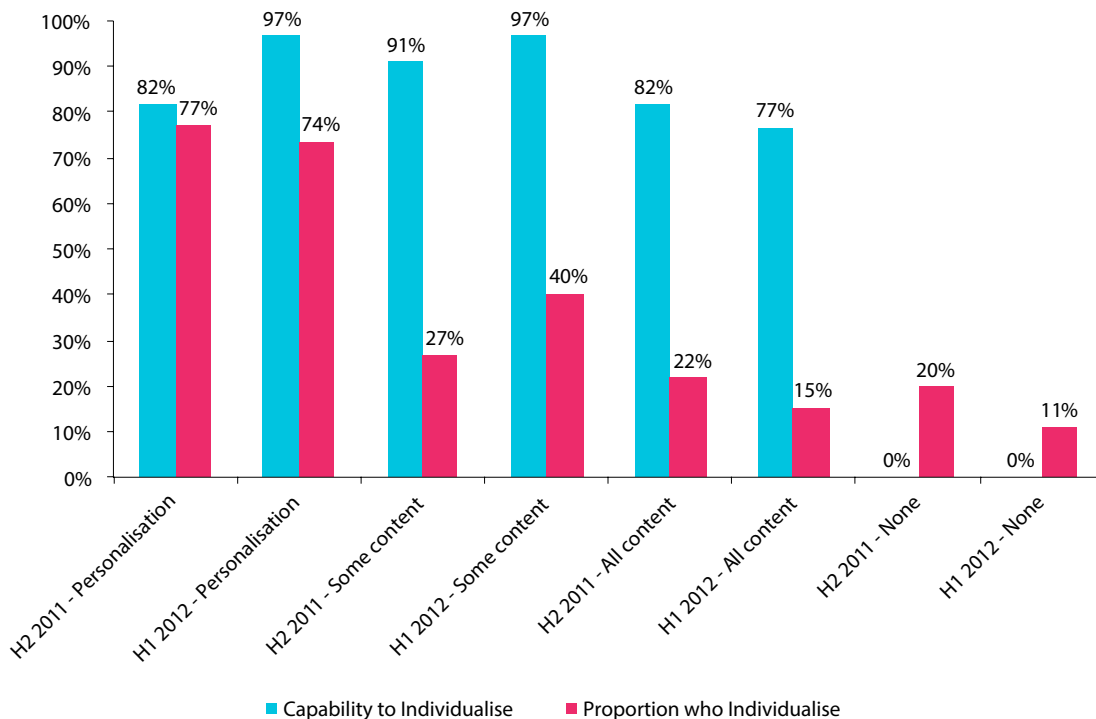
Does your platform integrate with other software tools? (Percentage answering yes)



2.2 Individualisation practices

The continuing gap between the individualisation tools offered by ESPs and actual uptake among their clients reinforces the idea that technology availability is not really the main constraint to better targeting. This is confirmed in the *Client email report*⁹, where marketers listed resources, budget, internal processes and lack of data as their main barriers to success.

To what extent do you have the capability to individualise the email campaigns sent? What percentage of your clients individualise their emails?

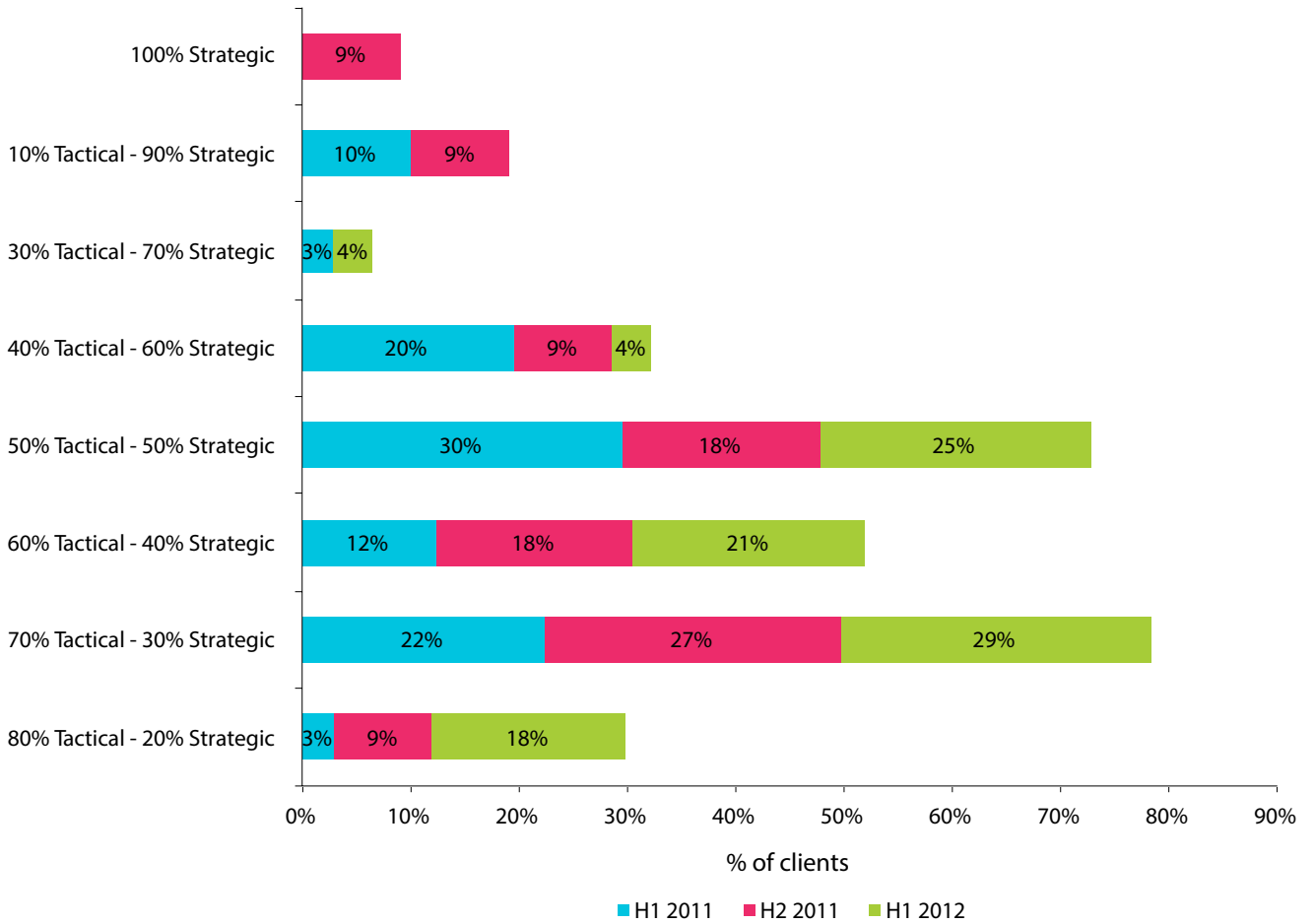


9. [DMA \(2012\) National client email report 2012](#)

2.3 Strategic versus tactical approaches

The arrival of newcomers and small organisations to email marketing is further emphasised in the H1 2012 shift away from long-term strategic thinking to a focus on short-term tactics.

What percentage of your clients has a strategic versus tactical approach to their email marketing?



3. Benchmark performance metrics

So how did these changes to volume, frequency etc impact performance metrics?

3.1 Metrics overview

Unique open rates rose slightly compared with H2 2011, arresting the decline observed in the previous year. They are now 12% and 22% respectively for acquisition and retention email.

This improvement is not unexpected, given:

- Growth in B2B email and small senders with smaller lists. Both tend historically to have more engaged subscribers than large B2C emailers
- The trend towards more targeted, trigger and behavioural email.

However, unique click rates did not follow the same pattern, dropping to record all-time lows of 2% and 5% for acquisition and retention email. Compared to H1 2011, the fall in unique click rate is about 28% for retention email.

Are these figures cause for alarm?

People are not turning off commercial email. After all, open rates are up and unsubscribe rates remain at historically very low levels of under 1%. The *Email tracking report*¹⁰ revealed consumers found marketing emails just as relevant in 2012 as in 2011. The report also notes:

“The number of respondents finding at least half of their brand emails interesting or relevant has tripled since mid-2010.”

Is perhaps the propensity to click reducing, irrespective of the relevancy of the actual email?

This might be a consequence of increased mobile email use, itself boosted by Christmas 2011 smartphone sales. A May 2012 YouGov survey¹¹ found 47% of UK mobile phone users had an email-friendly smartphone. They expect that number to hit over 55% by May 2013.

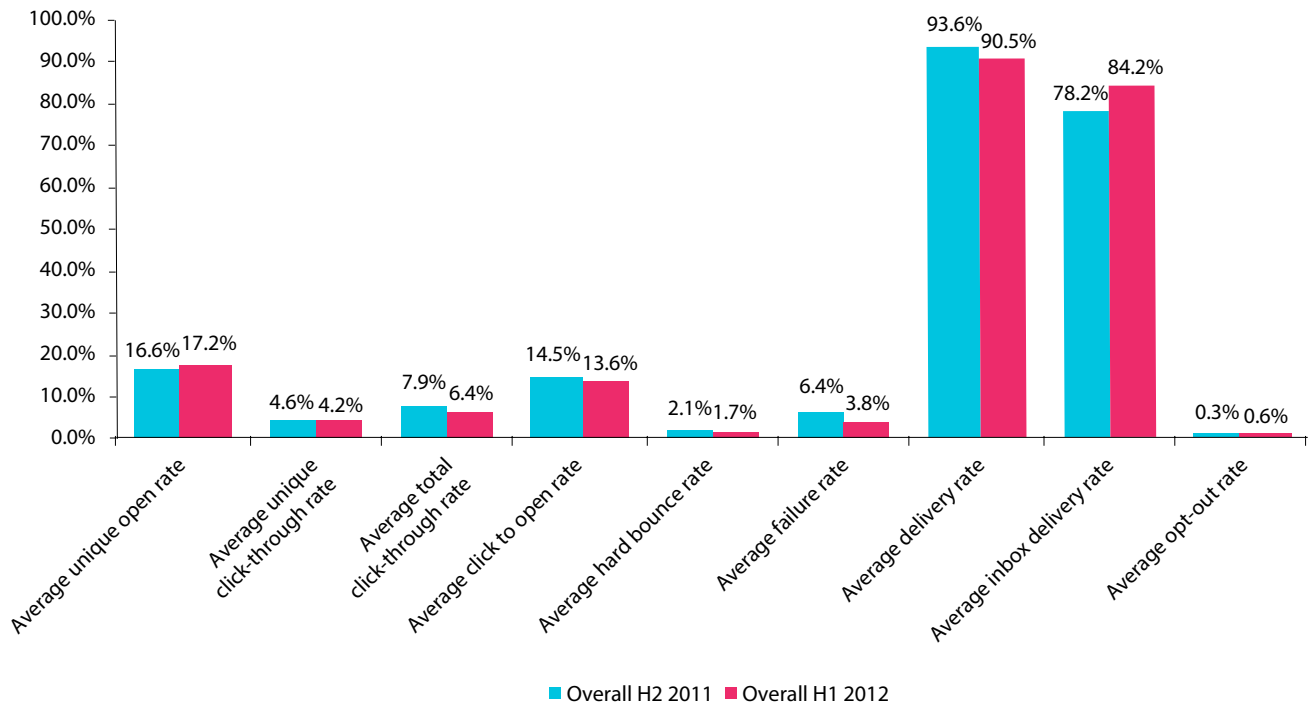
There is clearly a need to ensure emails are more mobile-friendly. The most critical point here is designing links for small screens and touch. The use of thumbs and fingers instead of a cursor has two particular consequences:

- Recipients can't tell what is a link just by hovering over it with their finger, unlike with a mouse cursor. So links **need to be clearly identifiable as links**, through colours, wording and graphical and text highlighting.
- Fingers are far less precise than cursors. So links need to be spaced out and large enough to respond to clumsy prodding. Apple recommends a 44 x 44 point space for a link.

10. [DMA \(2012\) Email tracking report 2012](#)

11. [YouGov \(2012\) Smartphone growth in the UK?](#)

The spread of mobile email might also explain some of the open rate recovery: the native email software on Apple devices like the iPhone does not block (tracking) images by default.



3.2 Sector performances

Unique open rates rose across all sectors, bar B2B, which saw a slight fall of one percentage point. The biggest improvement was in the publishing sector, where unique opens rose from 13% to 17%, a jump of over 30%.

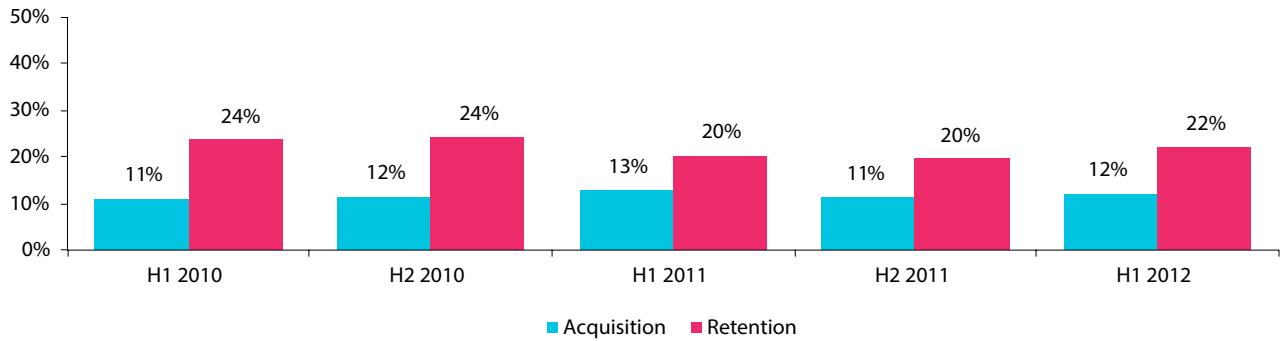
Unique click rates did not fall across the board as might be expected from the overall drop in this metric.

The main contributor to this broad drop is clearly the retail industry, where the click rate fell some 27% (the biggest drop of any sector) to 4.9%. The travel and publishing sectors also saw a decrease, while the finance and B2B sector showed marginal improvements.

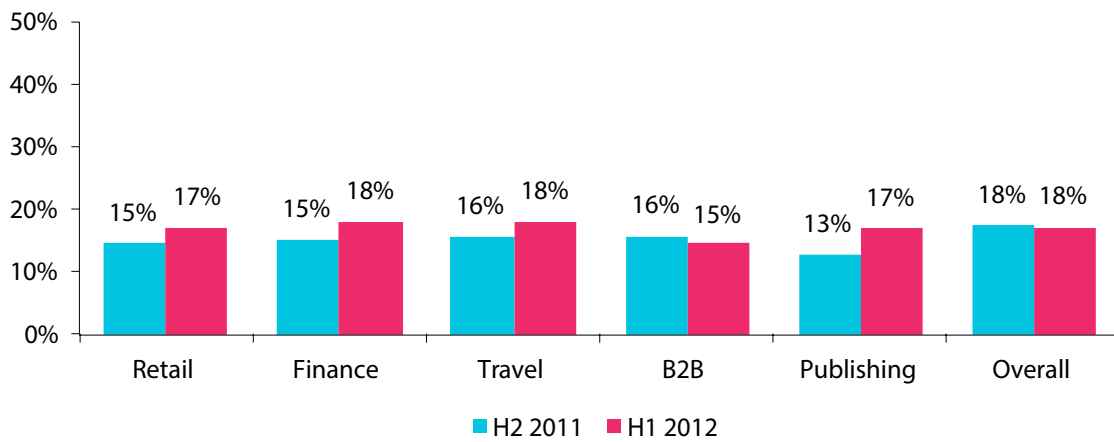
Unsubscribe rates remained largely unchanged. They did double for the finance sector, but to a still very low 0.18%.

3.3 Unique open rates – data charts

Average unique open rate (in %)

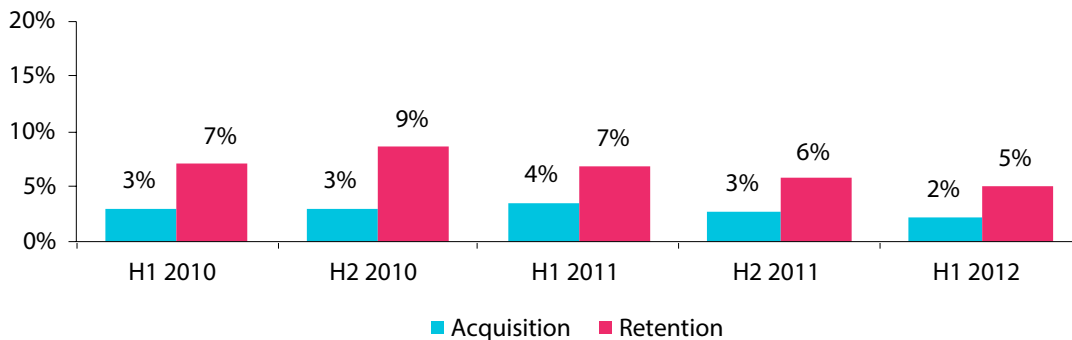


Average unique open rate (by sector, limited sample)

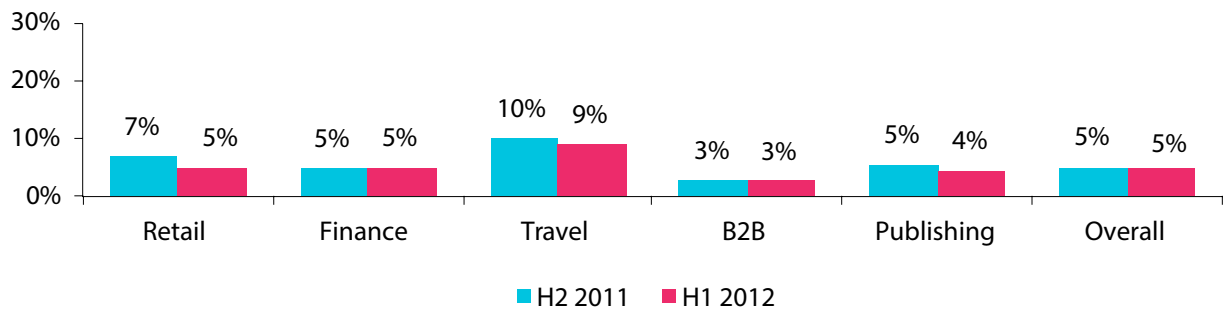


3.4 Unique click-through rates – data charts

Average unique click-through rate

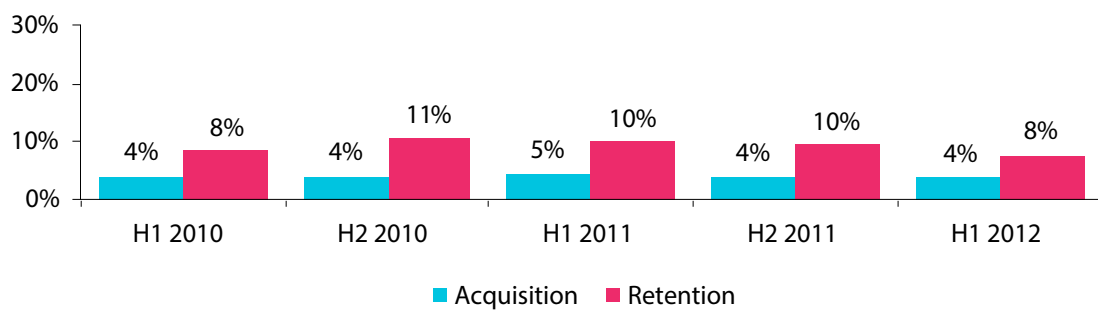


Average unique click-through rate (by sector, limited sample)

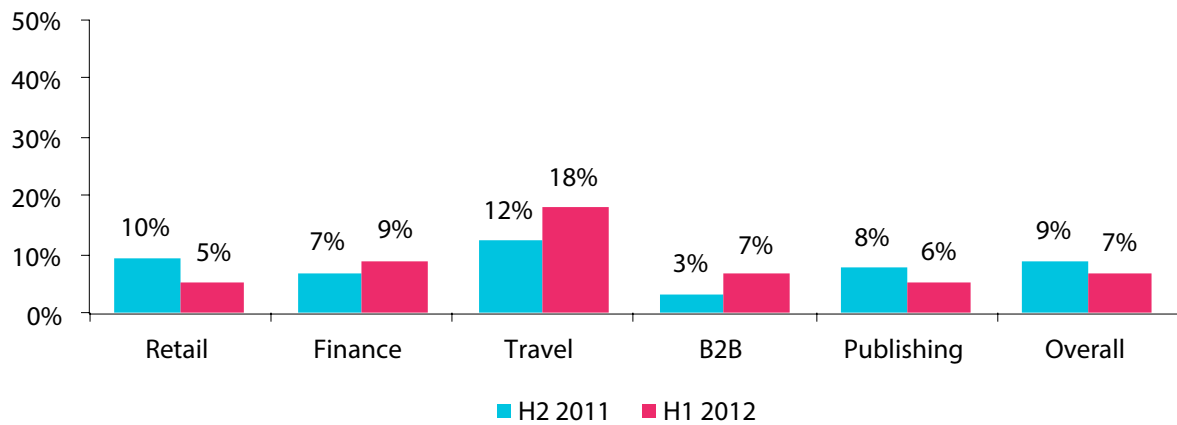


3.5 Total click-through rates – data charts

Average total click-through rate

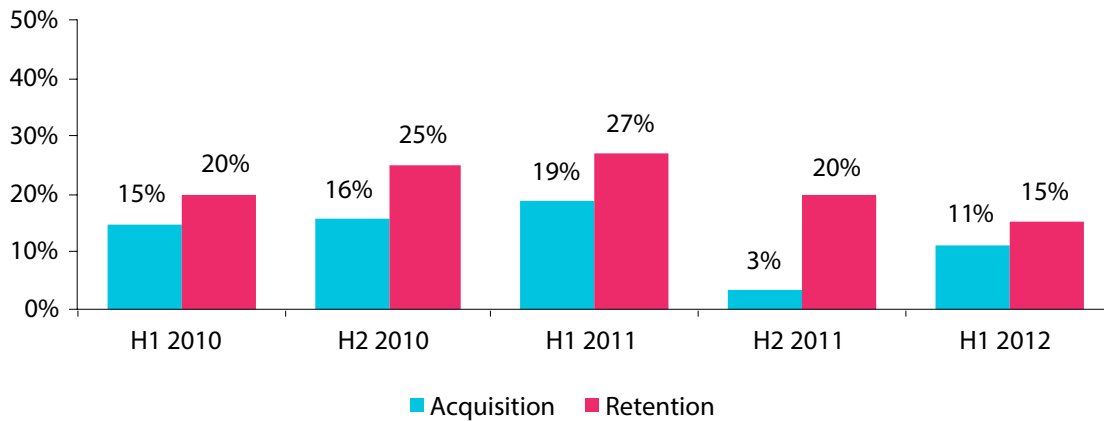


Average total click-through rate (by sector, limited sample)

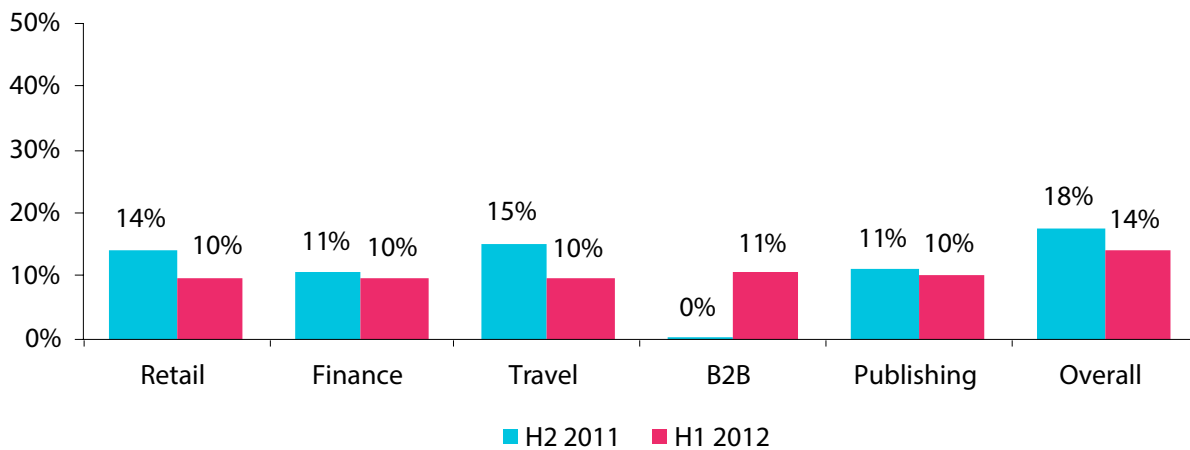


3.6 Click to open ratio – data charts

Average click-to-open ratio?

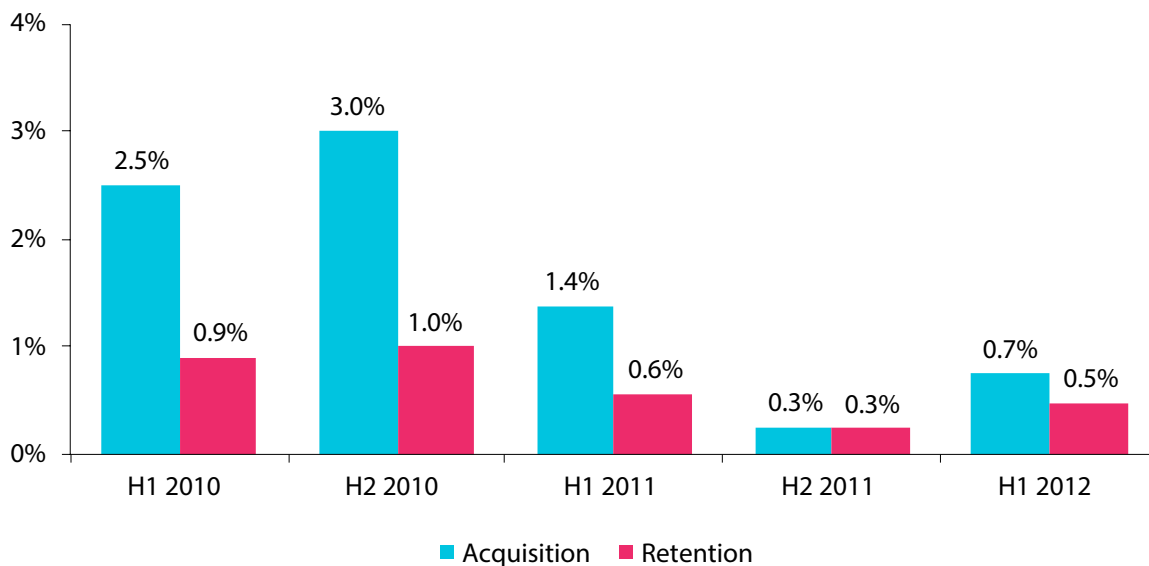


Average click-to-open ratio (by sector, limited sample)

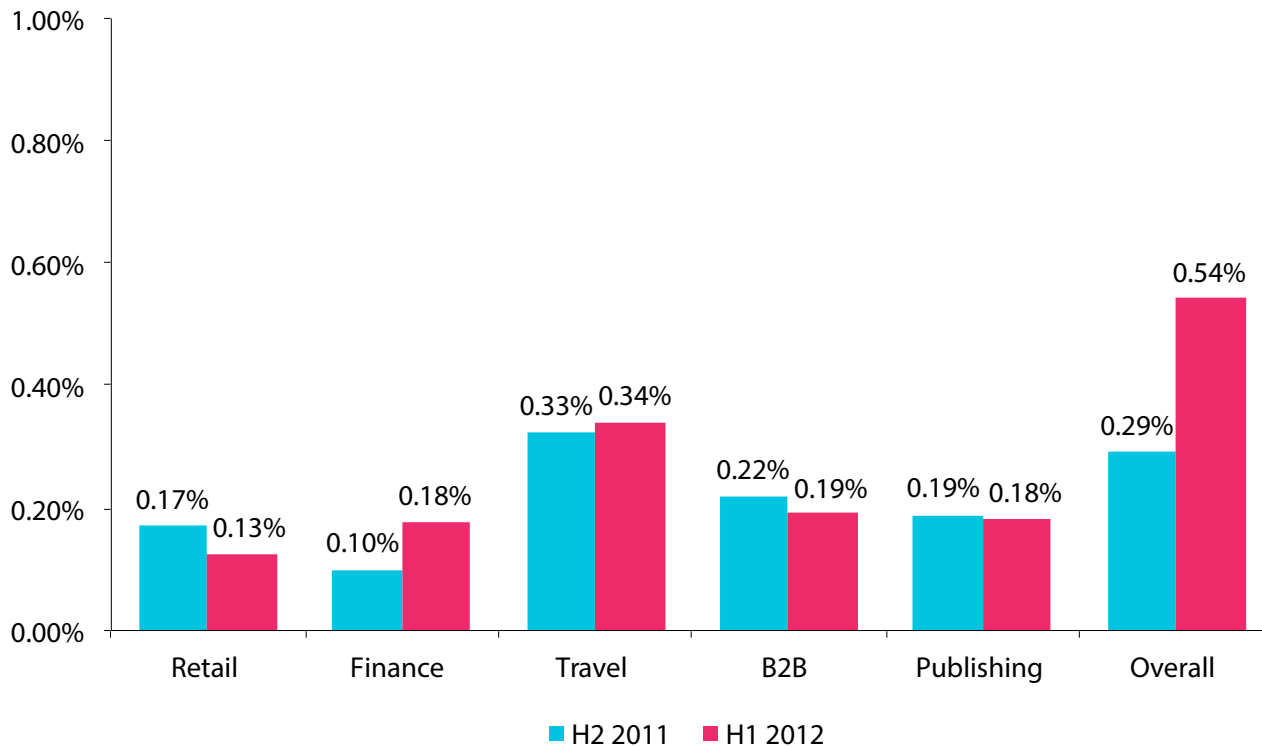


3.7 Opt-out rate – data charts

Average opt-out rate



Average opt-out rate (by sector, limited sample)



4. Benchmark deliverability metrics

In 2011, inbox delivery rates hit a long-term low. But did things pick up in H1 2012?

4.1. Deliverability overview

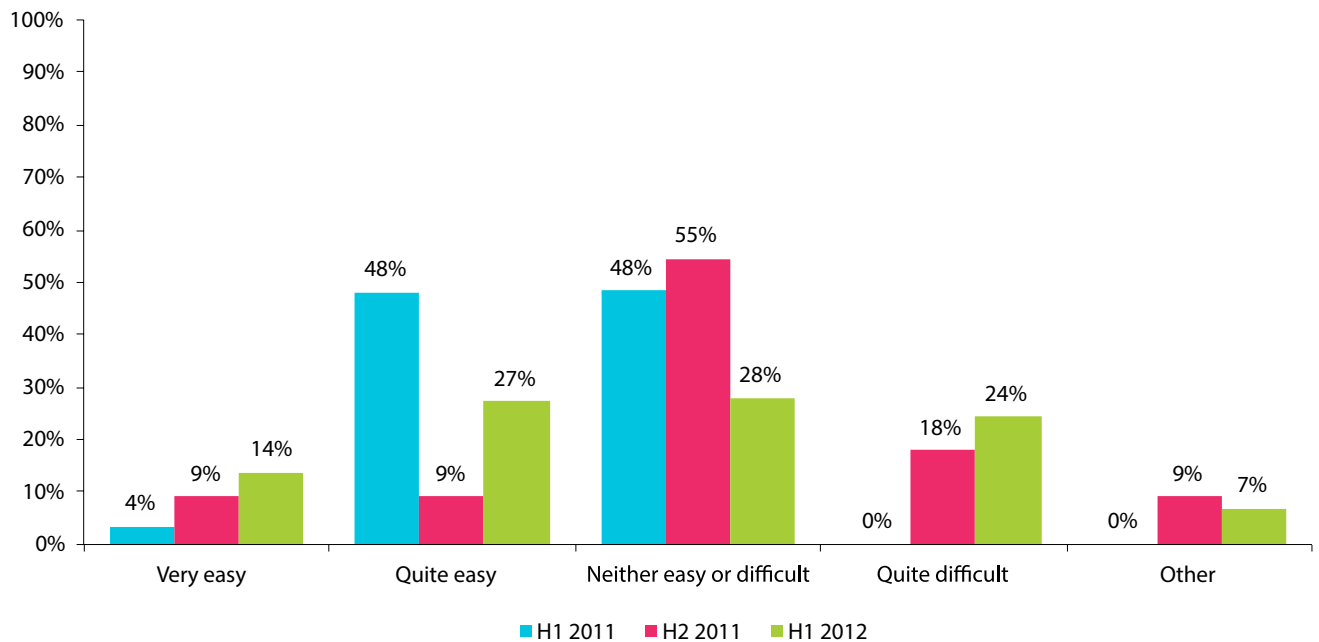
Deliverability continued to see a divergence in performance between acquisition and retention emails.

Average delivery rate for retention email has stayed constant at 97% for the last 18 months, the figure for acquisition email fell some 15% from H2 2011 to a poor 74% in H1 2012.

The divergence is even stronger in inbox deliverability. Retention email recovered from H2 2011's poor performance and increased over 10% to a solid 94% inbox delivery rate. This is near to the maximum levels achieved pre-2011. Inbox delivery for acquisition emails also improved (by around 6%), but still only reached a disappointing 64%.

The deliverability issues highlighted in the H2 2011 report certainly seemed to divide ESP opinion, with the number finding delivery quite easy almost the same as the number finding it quite difficult!

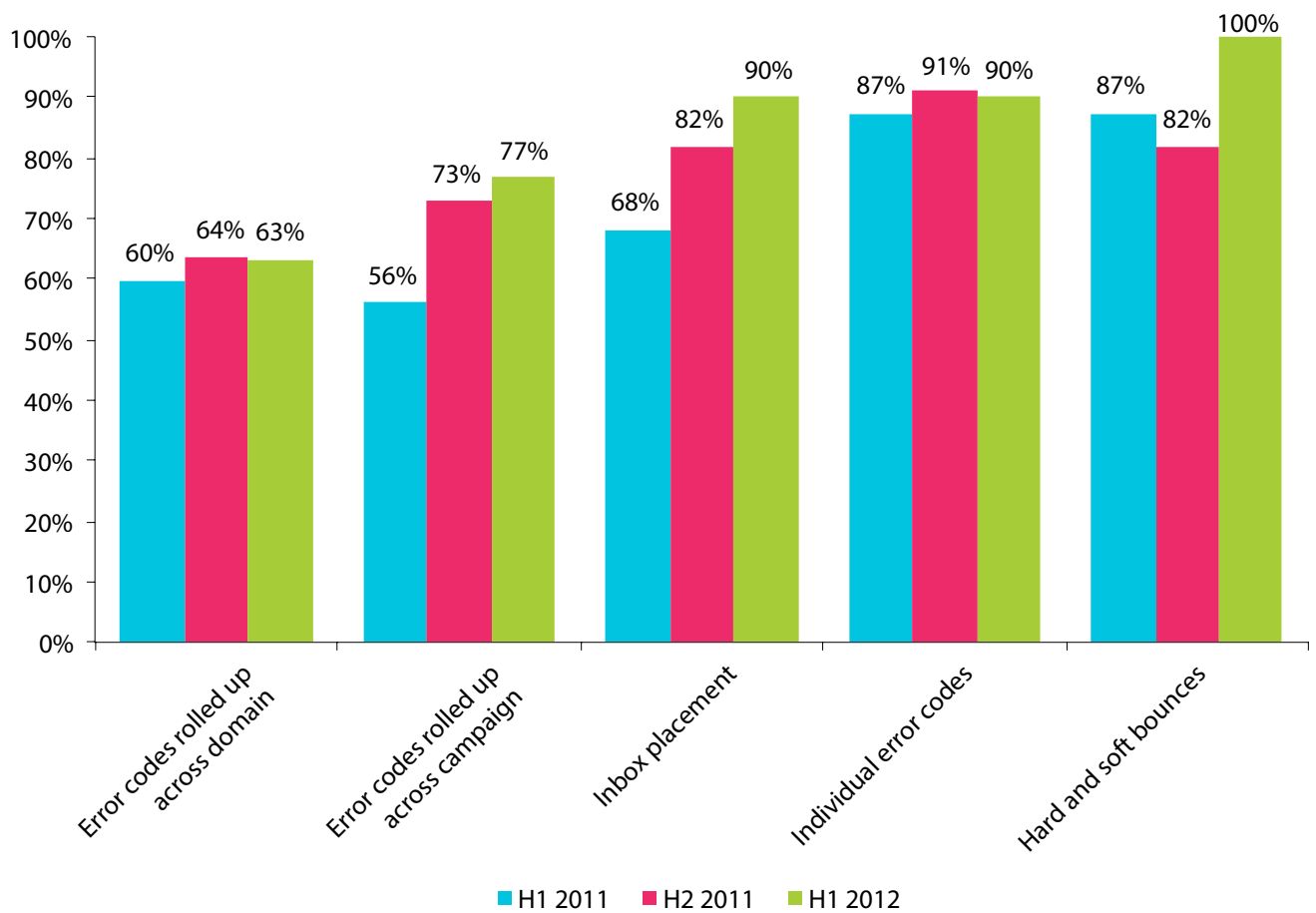
Given the technological changes in email, how easy do you find it to deliver email messages to the recipient's inbox at the moment?



The level of deliverability tracking has generally improved. Nevertheless, over a third of ESPs are still not tracking inbox deliverability.

The discrepancy between delivery rates and inbox delivery rates makes it clear how important inbox delivery is to understanding how much email actually gets to the recipient. It's also important as a baseline for calculating and comparing follow-on metrics like open and click rates. Marketers unable to gauge this inbox figure through their ESP should use standalone email analytics and inbox monitoring solutions.

To what level do you track deliverability?



Hard bounce rates dropped to long-term lows (just 1% for retention email) and default settings for removing soft bounces dropped from an average 3.75 in H2 2011 to 2.68 in H1 2012, meaning bad addresses would be removed more quickly.

This suggests improvements to inbox delivery rates look to have partly come from improved list hygiene and the subsequent impacts for sender reputation.

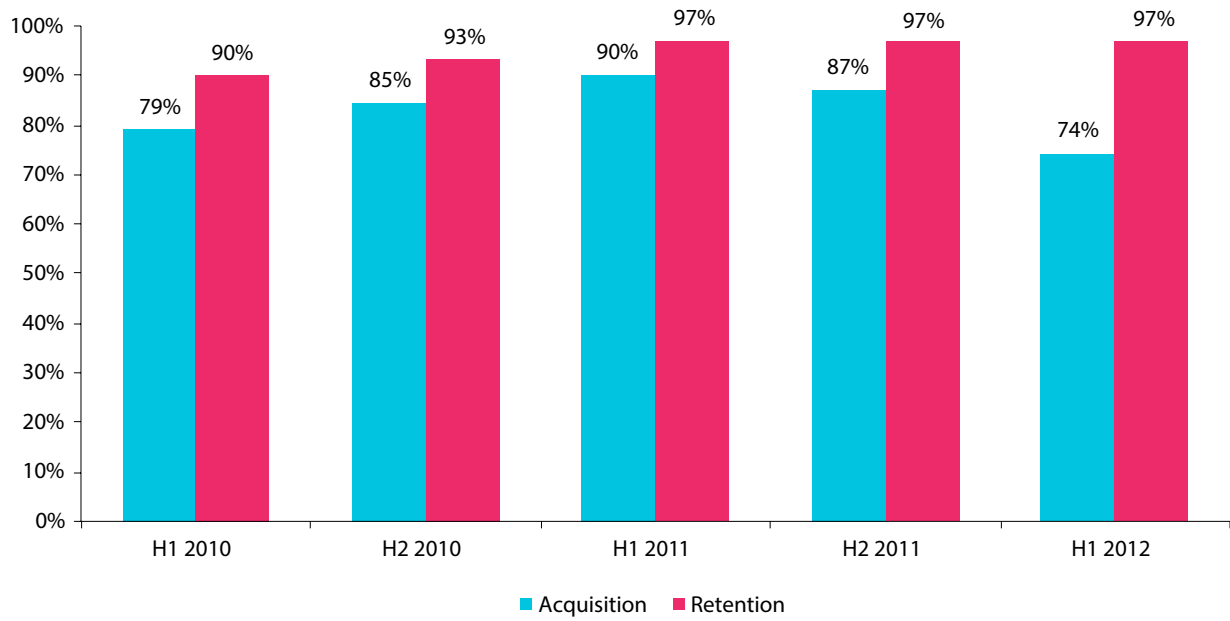
4.2 Sector performances

Those ESPs able to provide figures by sector revealed that average delivery rates improved across all sectors in H1 2012. Retail again performed best, with only the finance sector achieving less than 98% deliverability.

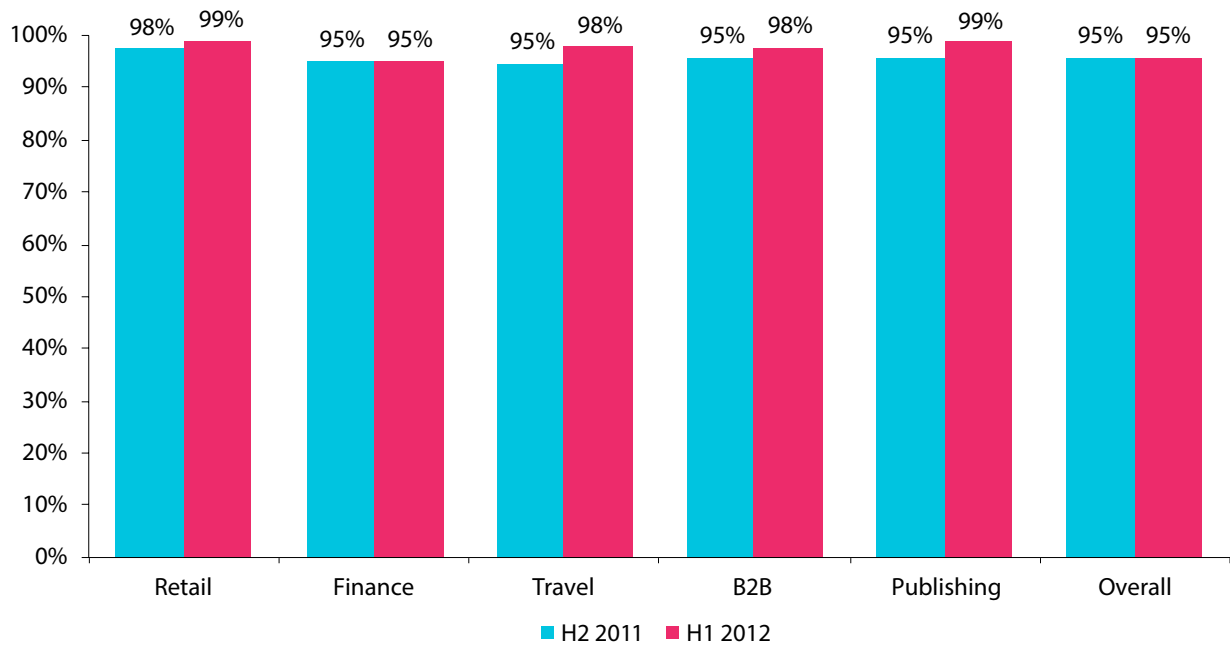
Although inbox delivery rates fell across all sectors, they still remained relatively positive at 93%-94%. Publishers, however, saw inbox delivery drop to 90%, down 8% on the H2 2011 result.

4.3 Delivery rates – data charts

Average delivery rate

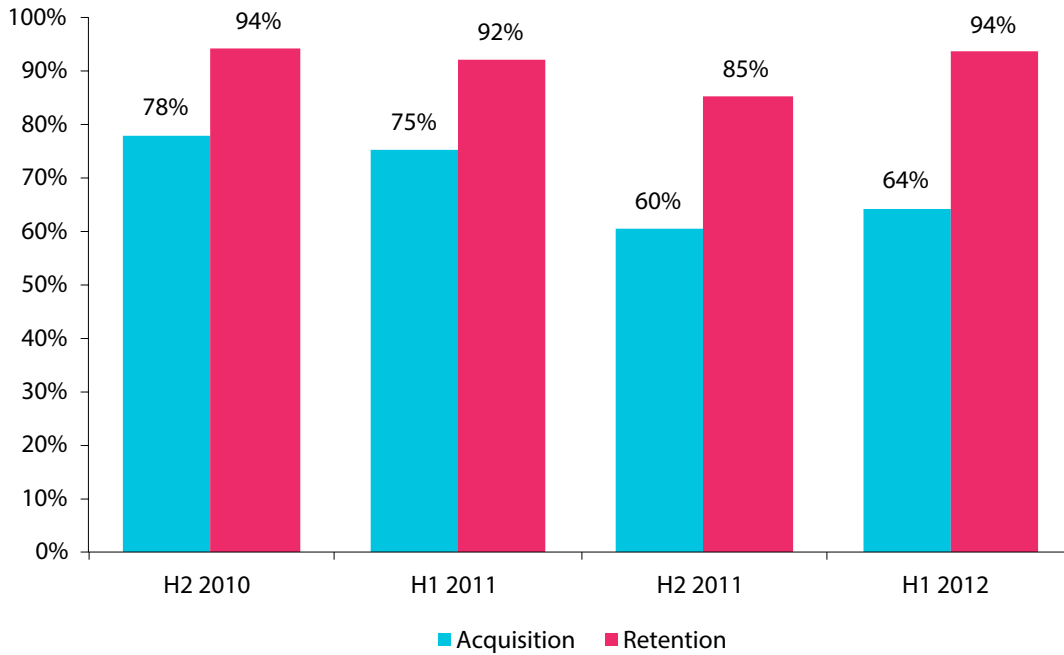


Average delivery rate (by sector, limited sample)

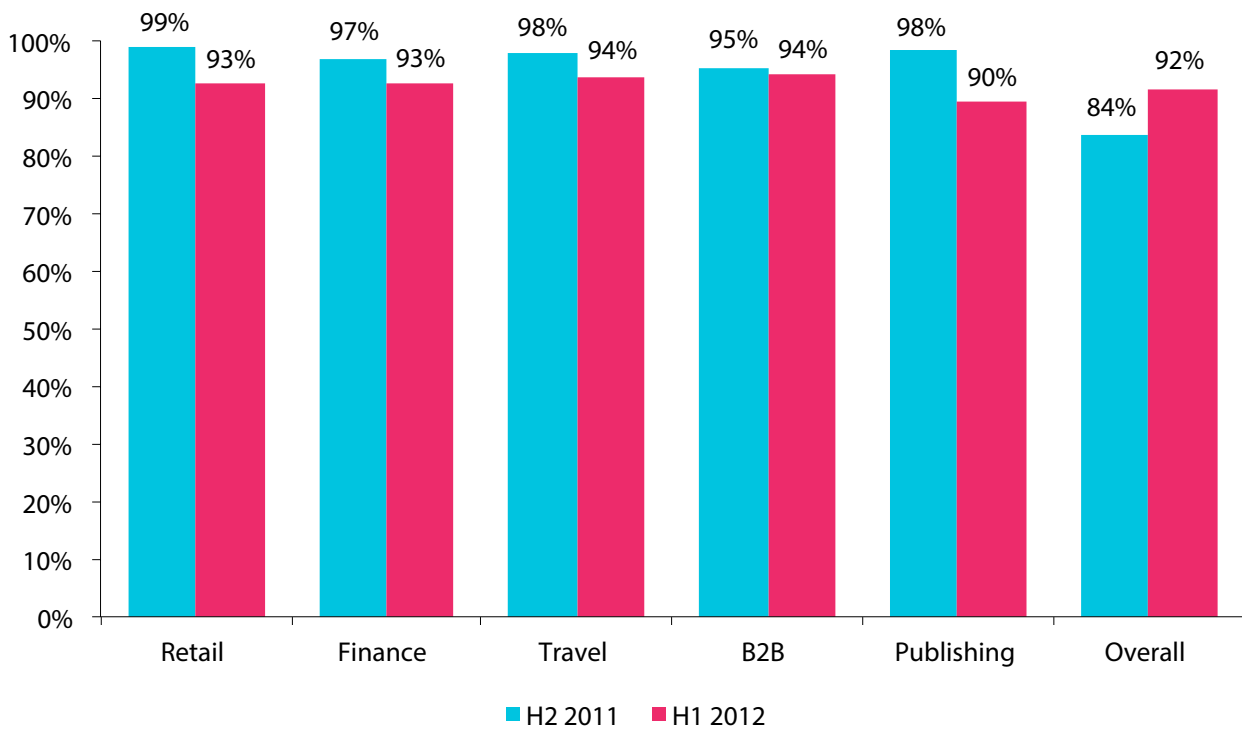


4.4 Inbox delivery rates – data charts

Average inbox delivery rate

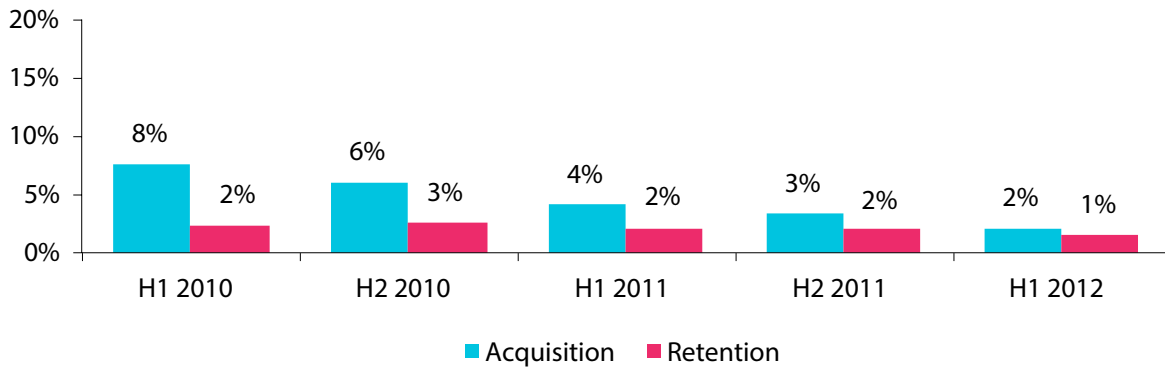


Average inbox delivery rate (by sector, limited sample)

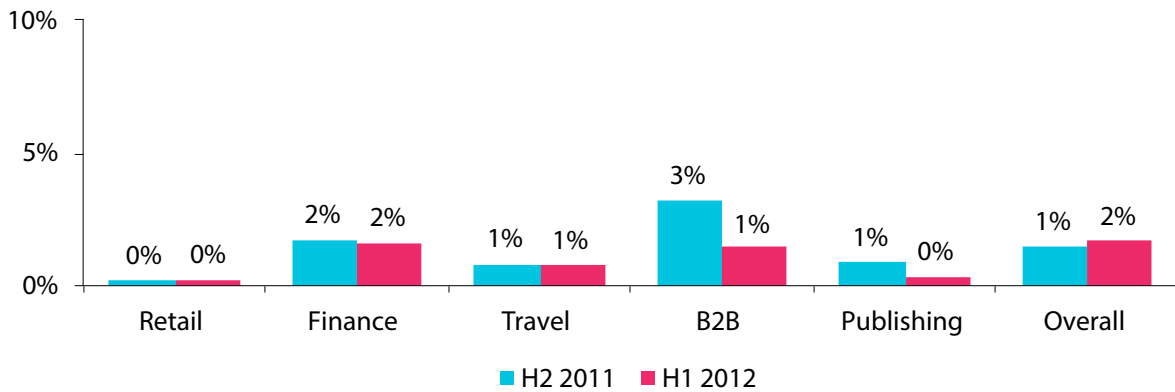


4.5 Hard bounce rates – data charts

Average hard bounces rate

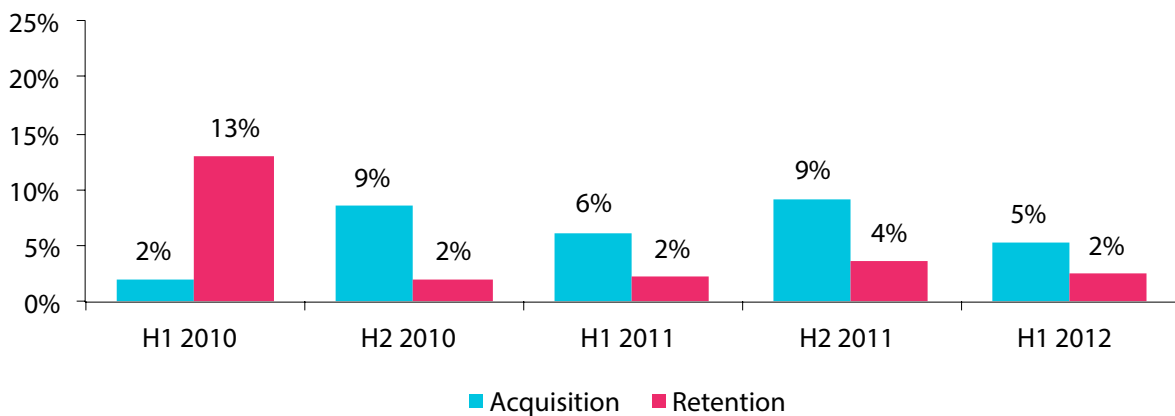


Average hard bounces rate (by sector, limited sample)

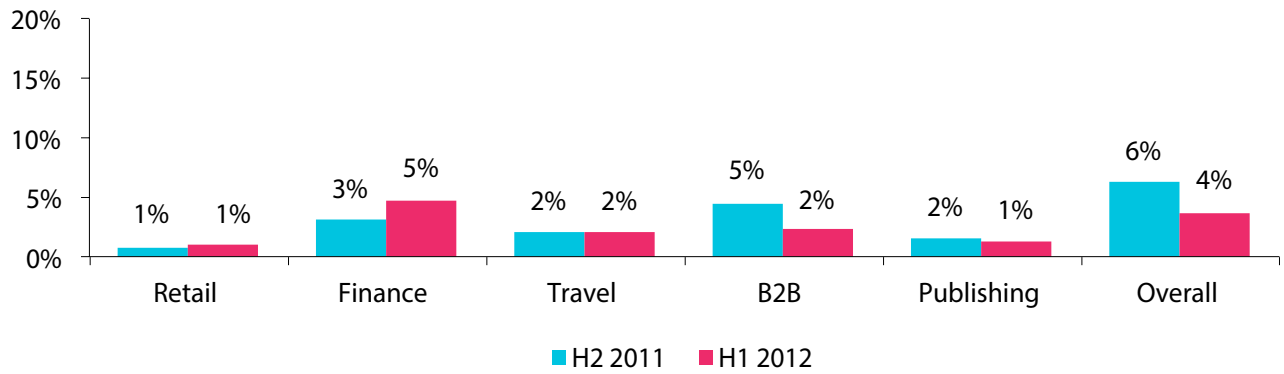


4.6 Failure rates – data charts

Average failure rate

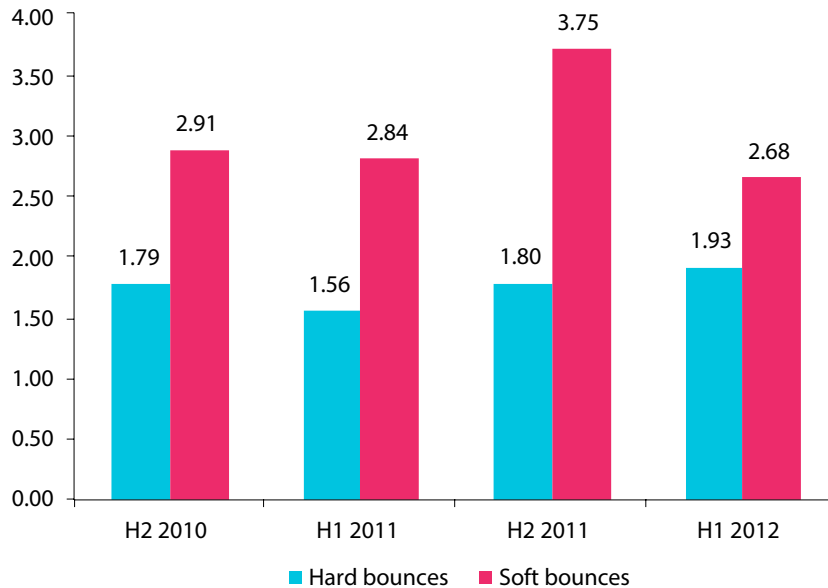


Average failure rate (by sector, limited sample)

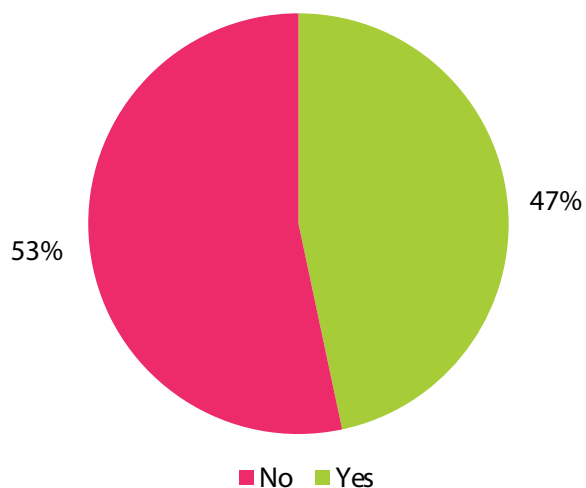


4.7 Default bounce thresholds – data charts

What is your default setting (standard threshold) for removing hard and soft bounces?



Do you distinguish between top-tier ISPs and others?



Methodology

The benchmarking process followed similar lines to those recommended by APQC's International Benchmarking Clearinghouse, whose methodology has been recognised as the best amongst the numerous used throughout the world. Distilled from hundreds of organisations' benchmarking experiences, these steps optimise the process and ensure successful outcomes.

1. Plan - The DMA Email Marketing Council and Business Bound carefully considered the specific study focus area, key measures and definitions. The data collection tool – an online survey / spread sheet – was used. The best way to quickly reach critical mass in terms of market penetration was to involve email service providers (ESPs). Research was conducted to identify the most appropriate suppliers to invite, and these were approached to participate.

2. Collect - The companies participating in this report represent over 75% of UK emails delivered via ESPs. We collected both quantitative and qualitative data. Individual company data is kept strictly confidential and not released or divulged. Only top line aggregated results are published, and not even the names of the participants are revealed. The results are self-reported by the participants themselves using their own technologies and calculations. Also, the collected data comes from a wide range of ESPs and their clients, both large and small. Therefore, whilst we have reported averages, the individual measurements have ranged from one end of the spectrum to the other. It is for this reason that the results of the survey should be used as a guideline only (albeit a valuable guideline) and an insight into the email marketing industry.

3. Analyse – Data collection and analysis is outsourced to Business Bound. The DMA's research department project manages this report. Mark Brownlow, an email expert writes the report on behalf of the Benchmarking Hub of the DMA's Email Council who reviews the outputs and contributes to the reports with their industry insight.

4. Adaptation - By taking the results of this report back to their organisations, companies can assess individual performance and gap analysis will reveal strengths and weaknesses. Where national issues are involved the DMA Email Marketing Council will be able to authoritatively tackle them.

5. Reliability and Validity - A revision to the benchmark survey for H2 2011 has seen data reported for previous intervals recalculated and adjusted on a half-yearly basis instead of quarterly basis. This may lead to some deviations from numbers reported in earlier benchmark reports which had data reported quarterly.

Data was collected half-yearly in H2 2011. To make the figure comparable half-yearly figures were calculated from quarterly figures from H1 2010 onwards. The sample size for this survey was 15 ESPs. In H2 2011 sector data was also collected but not all ESPs could provide us with this data. Due to this and decimals being counted up to two spaces in the calculations, some charts may not add up to exactly 100%. These changes may have had an effect on the reliability and validity of data in this report.

About the DMA

The Direct Marketing Association (DMA) is Europe's largest professional body representing the direct marketing industry. With a large in-house team of specialists offering everything from free legal advice and government lobbying on direct marketing issues to research papers and best practice, it is always at the forefront of developments in the industry.

The DMA protects the direct marketing industry and consumers. It promotes the highest standards through self-regulation and lobbies against over-regulation. The DM Code of Practice sits at the heart of everything we do – and all members are required to adhere to it. It sets out the industry's standards of ethical conduct and best practice.

Our 16 DMA Councils cover the whole marketing spectrum – from the digital world of social media and mobile marketing to the 'real' world channels of door drops and inserts. The Councils are made up of DMA members and regularly produce best practice and how to guides for our members.

We also have a packed calendar of conferences, workshops and discussions on the latest topics and best practice, and 80% of them are free for members and their staff.

As the industry moves on so do we, which is why we've recently launched a number of new services for our members – a VAT helpline, a Social Media Helpdesk and an IP Protection Service.

Visit www.dma.org.uk regularly to keep up to date with all our services.





About the author

Mark Brownlow is the writer, editor and owner behind the independent content site, "Email Marketing Reports". Founded in 2001, the site's "No man is an island" blog is recognized by the AdAge Power150 as one of the world's best marketing blogs.

Mark has written well over 3,000 articles and posts on email marketing topics. His involvement with the industry stretches back to 1998, when he sent his first commercial e-newsletter.

His eclectic career path has included postdoctoral academia, market research consultancy, translations, freelance business and travel journalism and editing, a network of golf websites and a stint as a celebrity agony aunt columnist.

Mark holds three science degrees, including a BA from Oxford University, and still teaches scientific communication and specialist English to BSc and MSc students at Vienna's University of Applied Sciences.

About Alchemy Worx

Established in 2001, [Alchemy Worx](#) is the world's largest email marketing agency. With over 70 employees and offices in London and Atlanta, it uses hyper-specialization techniques to deliver both simple and highly complex life-cycle based email programmes faster and more cost effectively.

Alchemy Worx provides [strategy](#), [design](#), [content](#), [testing](#), [inbox placement](#) and [detailed post campaign analysis](#) to many big-name Brands; including Sony, Skype, Getty Images and Hilton Hotels.

Learn more about our hyper-specialized team [here](#). You can also find techniques that generate real value for your email marketing programs by subscribing to Email Worx [here](#) and following us on [Twitter](#).



Glossary of terms

Acquisition: Any activity where the reason for sending the email is to acquire a new customer. This includes any list rental from cold or prospect lists, and list trades or swaps with partners or affiliates. Does not include emails sent to existing customers where trying to up-sell or cross-sell.

Cell: The combination of content with a group of recipients (frequently called a segment). The content can be unique to this group to improve response or it can be the same in order to easily test response.

Click to open rate: Number of unique clicks divided by unique opens averaged across all campaigns.

Conversion rate: The number of 'take-ups' resulting from the email activity, e.g. the number of credit cards or personal loans offered as a result of the email. Only includes data that is clearly based on known responses to emails. For our purposes that means data received within 90 days of the issuing of the email campaign. Responses after this date are not included.

Deliverability rate: Volume of emails sent less the number of bounces received divided by the number of emails sent. **Dynamic content:** Content that is chosen by the system when the email is being created based on the recipient's attributes stored in the database.

Error codes rolled up across campaign: (transmission) Counts of individual error codes aggregated at the campaign level.

Error codes rolled up across domain: Counts of individual error codes aggregated at the domain level over a period of time or a number of campaigns.

Failed email: A failed email is defined as an email that failed to reach the recipients inbox because it either hard bounced or soft bounced.

Failure rate: Failed email divided by number of emails sent.

Hard bounce: Where the recipient does not see the email due to invalid email addresses, domain failure, ISP blocked etc.

Hard bounce rate: The number of hard bounces divided by the number of emails delivered.

Inbox delivery rate: Percentage of email sent that is delivered to the actual inbox measurement via a seedlist.

Individual error codes: SMTP codes returned when emails are rejected.

Opt-out: When a recipient unsubscribes or opts-out of further communications.

Opt-out rate: The number of opt-outs/unsubscribes divided by the number of e-mails delivered.

Response rate: The number of actual responses made as a result of the email campaign, expressed as a percentage of the overall total email volumes and irrespective of take-up.

Retention: Any activity where the reason for sending the email is to retain an existing customer. This includes warm prospect emails, customer cross-sell, customer up-sell and newsletters.

Soft bounce: Where the email address is valid but the recipient does not see the email because of a temporary delivery problem, inbox full, server down etc.

Soft bounce rate: The number of soft bounces divided by the number of emails delivered.

Total click-through rate: Number of total clicks divided by number of emails delivered.

Unique click-through rate: Number of individuals who have clicked through divided by number of emails delivered.

Unique open rate: Unique number of opens divided by number of emails (HTML and Multipart) delivered.



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