

Email Trends Report

Q4 2006



Prepared by:



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Introduction

The year in review...

As 2006 comes to a close, we decided to mix things up a little in the report. First, instead of splitting results by industry, we've split results by email type. Rationale: If you're sending a newsletter, doesn't it just make sense to compare your results against other newsletters?

We've also included a new type of click rate. In addition to our regular clicks as a percentage of opens, we've added clicks as a percentage of all delivered email. Rationale: Different ESPs calculate click rates differently, so including two common ways of click rates calculation will make your click rate comparisons a little easier.

Key Definitions

Delivery Rate: The total number of emails sent (which is always 100%) minus the total number of email bounces (*includes both hard and soft bounces*)

Measured Open Rate: The unique percentage of times an email was opened by a recipient. It is very important to note that open rates vary by subject line, type of list (customer list vs. prospect list), from name (is the from name recognized), along with day of week sent, time of day sent, etc. Emails to opt-in house lists always outperform compiled or third-party lists when it comes to opens. It is also important to note that measured open rates are just an indicator of actual opens. For example, it is impossible to track opens on a text email since open tracking tags cannot be included. Also, there are tracking open challenges due to the adoption of image blocking filtering mechanisms by several major ISPs and email programs (such as Outlook). Image blocking systems are a response to protect readers from potentially graphical or offensive spam messages. However when an image is blocked, it is also impossible to identify the email as opened making the side effect appear to be an apparent reduction in open rates.

Click-Through Rate: The unique percentage of times a recipient clicks on a link (URL) in an email. It is very important to note that click-through rates vary by industry, type of offer, day of week sent, time of day sent, etc. Some awareness emails have low click-through rates while emails with compelling offers have much higher click-through rates.

Key Definitions - Email Types

Newsletter: Newsletters are considered informational emails with at least 3 different stories linking to landing pages. Frequency is typically consistent, i.e. monthly.

Bulletin: Bulletins are similar to newsletters but more focused on one or two stories. They are generally shorter with fewer links. Frequency is typically consistent.

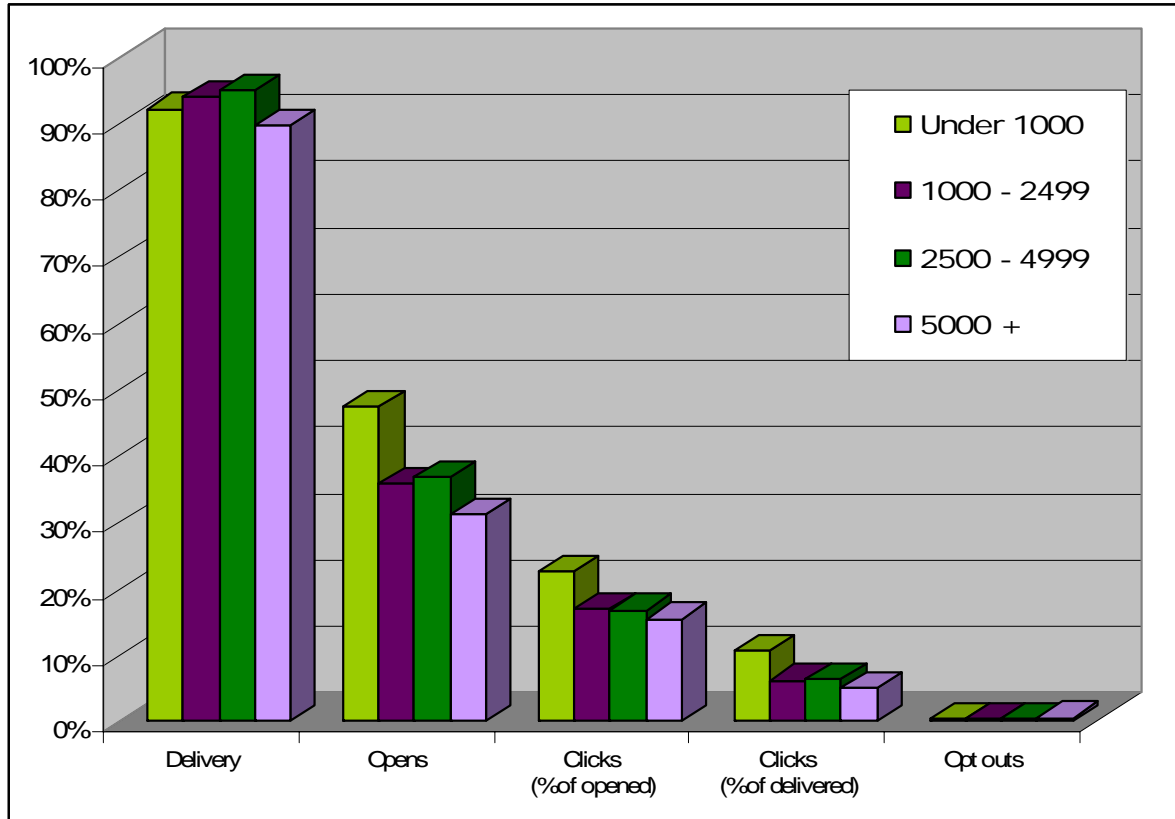
Sales/Promos: A marketing email with the sole purpose of selling or promoting a product or service. Frequency is typically related to sales cycles.

Info Update: A purely informational email. Examples include news releases, open letters to members, and "quick update" style emails. Frequency is typically inconsistent and as needed.

Greeting card: Postcard-style holiday greeting. Given seasonality, this email type will only be included in Q4 reports.

e-vite: Any email inviting subscribers to attend an event, includes both real-life and virtual events (such as a webcasts).

Summary of Results: List Size

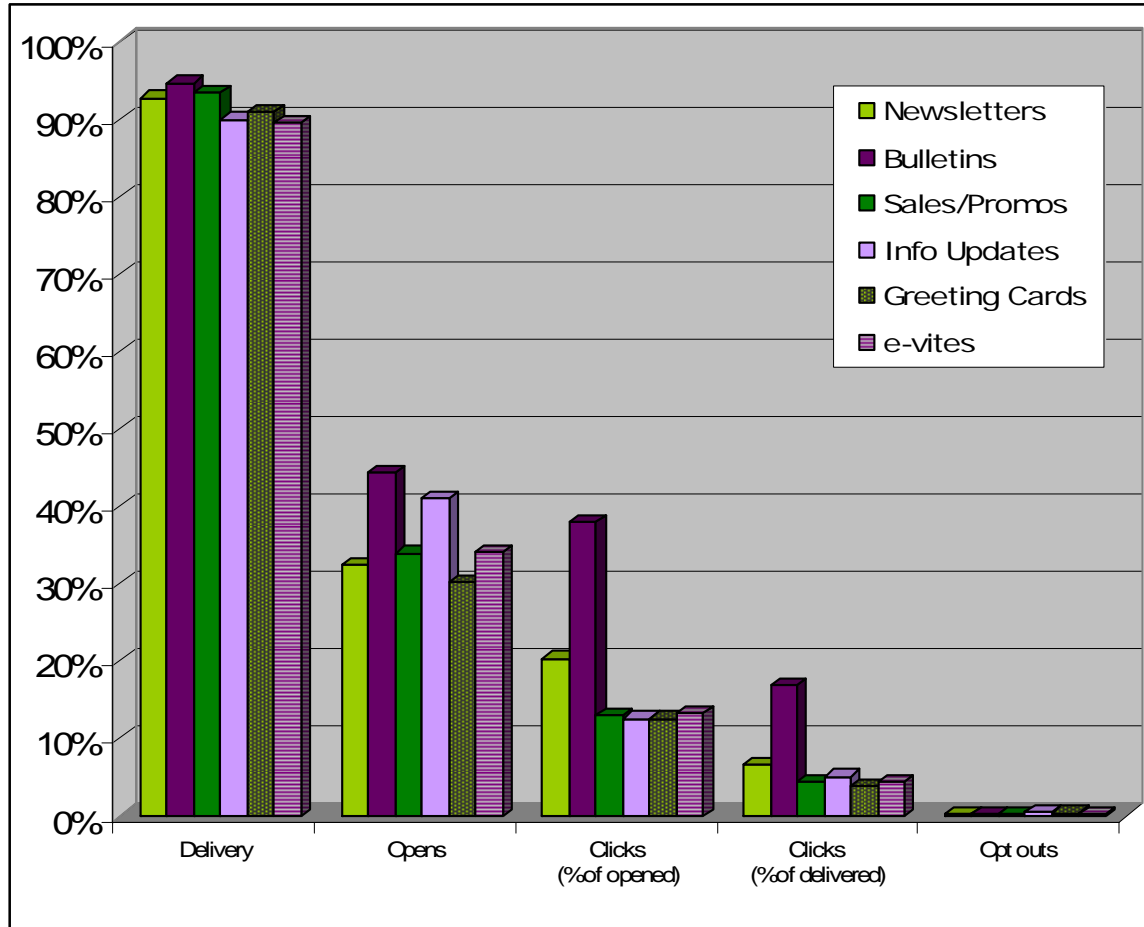


List size	Delivery	Opt-out	Measured Opens	Clicks (% of opened)	Clicks (% of delivered)
Under 1000	92.01%	0.30%	47.18%	22.29%	10.52%
1000 - 2499	93.95%	0.25%	35.56%	16.84%	5.99%
2500 - 4999	94.83%	0.17%	36.64%	16.60%	6.08%
5000 +	89.43%	0.38%	31.07%	15.26%	4.74%

Key Findings - By List Size

- › Smaller, segmented lists perform better than larger lists.

Summary of Results: By Email Type



Type	Delivery	Opt outs	Measured Opens	Clicks (% of opened)	Clicks (% of delivered)
Newsletters	92.65%	0.25%	32.34%	20.37%	6.59%
Bulletins	94.64%	0.17%	44.36%	37.90%	16.81%
Sales/promos	93.45%	0.28%	33.91%	12.98%	4.40%
Info Updates	89.92%	0.55%	40.89%	12.58%	5.14%
Greeting cards	90.85%	0.40%	30.25%	12.57%	3.80%
e-vites	89.41%	0.28%	34.02%	13.23%	4.50%

Key Findings - By Email Type

- > Bulletins outperform other types of email marketing pieces.
- > Info updates have the highest opt-out rate
- > E-vites have the lowest delivery rate

Analysis and Conclusions

- **Smaller lists lead to higher results in deliverability, open and click-through rates.** We've seen this in past reports. Segmentation is crucial to compete in today's crowded inboxes. No surprise here!
- **E-bulletins outperform newsletters:** If your main goal is to keep subscribers regularly up-to-date on company news, industry trends or whatever else, think short and sweet. It's no surprise to us bulletins perform better - they are specific and focused and look easy to digest.
- **Having a consistent email schedule helps deliverability:** Info Updates and e-vites, which are not sent according to a schedule, have a lower delivery rate.
Deliverability tip: Even if you don't need to, try to contact your subscribers once a month to keep the list clean and up to date. You'll also have the added benefit of brand recognition and mindshare.
- **If emailing info updates, be sure the info is timely, meaningful and relevant.** Failure to meet this criteria leads to perceived lack of value and increased opt-out rates.
- **If emailing e-vites, be aware of your HTML to text ratio.** With e-vites, it's easy to design them as you would a print invitation. But doing so threatens deliverability if too much emphasis is placed on images vs. text.

Methodology

- Deliverability is measured as 100 minus bounce per cent (the number of bounced emails divided by the number sent). Opens are the number of opened emails divided by the number delivered; Clicks are the number of click-throughs divided by the number opened AND the number of click-throughs divided by the number delivered.
- Campaigns were sent from small, medium and large organizations in a variety of industries. All individual client results are confidential. All reported statistics are collected through our technology partner, Constant Contact.

About cardcommunications

cardcommunications is an Ottawa-based email marketing service provider focused on creating emails people love to open. Started in 2001, cardcommunications offers solutions ranging from blended to fully outsourced email services, specialized training and customizable programs that meet client's specific needs. Visit www.cardcommunications.com for more details.