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# The Harte-Hanks Postfuture Index™ E-mail Response Metrics for January-June 2007

## Executive Summary

The Harte-Hanks Postfuture Index™ E-mail Response Metrics for January-June 2007 reveals that marketing and transactional e-mail messages received from two industry segments – Travel/Hospitality and Entertainment – resulted in the highest delivery, open and click-through rates of eleven industries measured.

## Overview

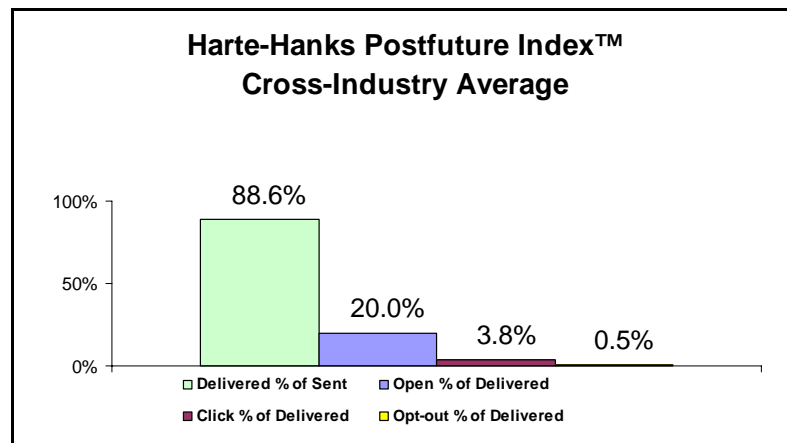
The Harte-Hanks Postfuture Index™ provides comparative e-mail metrics in aggregate, examining business and consumer e-mail campaigns tracked by Harte-Hanks Postfuture® Enterprise Edition e-marketing suite. First-half 2007 data represent more than 6,800 single-send broadcast and more than 1,200 triggered e-mail campaigns across eleven industry sectors: Automotive, Conference Events, Consumer Packaged Goods/Manufacturing, Entertainment, Financial, Government, Pharmaceutical, Restaurant, Retail, Technology and Travel/Hospitality. Each report is based on unweighted averages for delivered, unique opens and unique clicks for each sector total.

## January–June 2007 Cross-Industry Metrics

- Overall delivery rates across all industry sectors and campaign types averaged 88.6% during first half of 2007.
- Open rates averaged 20.0% of all delivered messages.
- Click-through rates across all industry sectors averaged 3.8% in aggregate of all delivered messages.
- Opt-out rates were less than one-half of 1%.

*The Harte-Hanks Postfuture Index™ is designed to serve as a benchmark report for marketers to measure and optimize their own e-mail performance.*

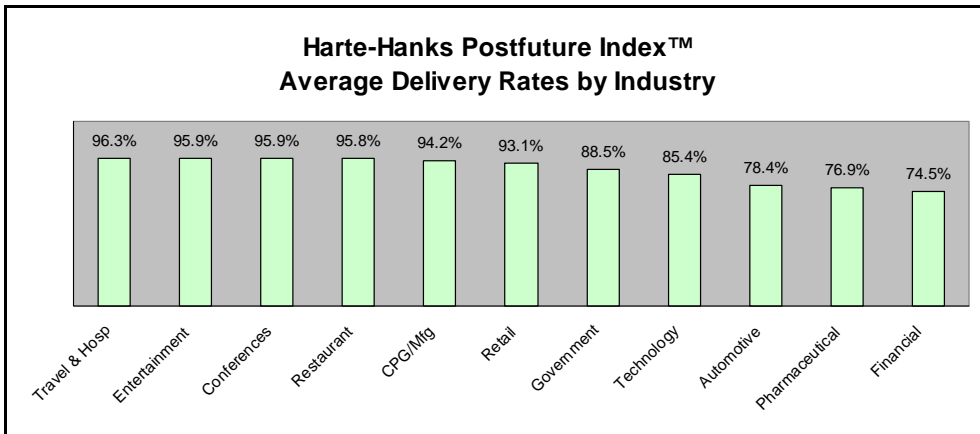
*Delivery rates are determined by excluding any transmissions that repeatedly receive hard bounce system messages. Open rates are determined by including any transmissions that do not record an explicit open but do receive click activity.*



*In terms of delivery rates, Travel/Hospitality rated highest while Financial rated lowest.*

**Delivery Rates by Industry Sector**

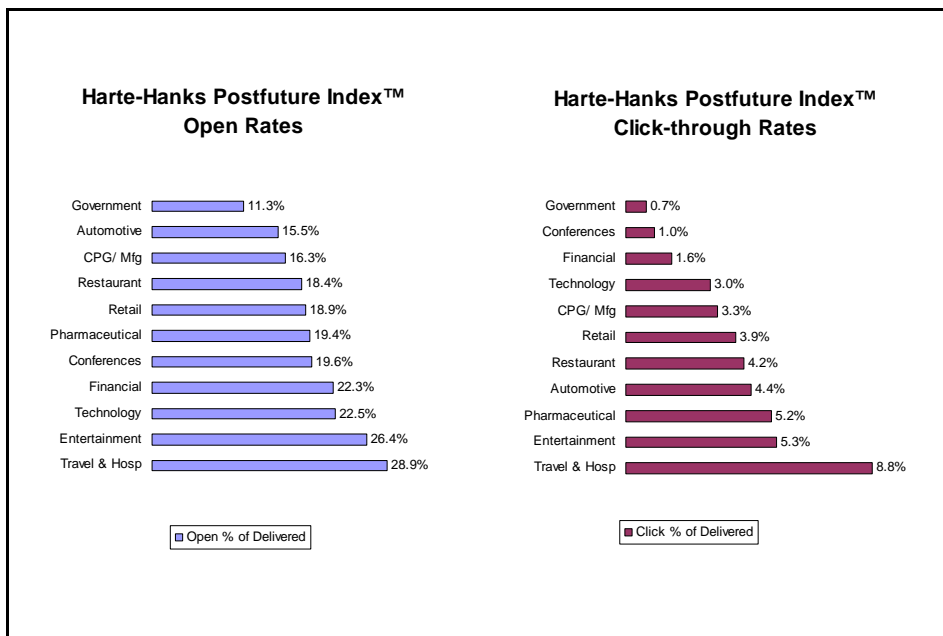
- Top delivery rates were in Travel/ Hospitality (96.3%), Entertainment (95.9%), Conference Events (95.9%) and Restaurant (95.8%) sectors.
- Lowest delivery rates were in Pharmaceutical and Financial sectors with 76.9% and 74.5%, respectively.



**Industry Sector Metrics**

Among those industry categories with at least a dozen campaigns executed during the period, the Travel/ Hospitality sector fared best, recording open rates of 28.9% and click-through rates of 8.8%. Entertainment ranked second for open rates (26.4%) and click-through rates (5.3%). The sector with the lowest rates in both areas was Government (11.3% opens and 0.7% clicks).

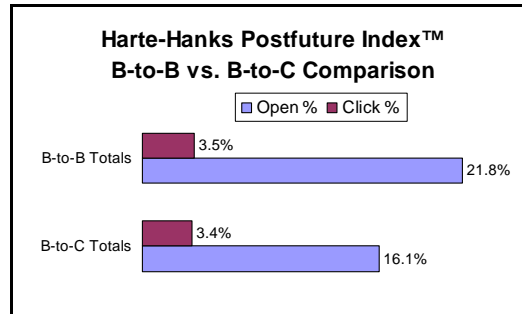
*Travel/Hospitality scored highest in both the open and click rates. This superior scoring coupled with their delivery rates clearly places them in the enviable position of sector with the best overall e-mail rates.*



*View rates for business-to-business mailings continue to beat business-to-consumer rates although click rates are comparable.*

**B-to-B and B-to-C Audience Comparison**

- Open rates for business-to-business e-mail (across all industry categories) for this year’s first half were 21.8%, with an average 3.5% click-through rate.
- For business-to-consumer e-mail, open rates were lower at 16.3% with a nearly even 3.4% click-through rate.



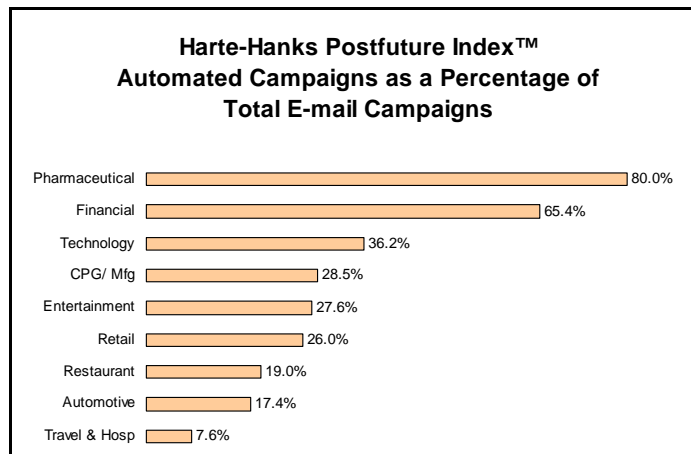
**Transactional E-mail and Coupon Metrics**

- Across all industry categories, the average delivery rate for transactional e-mail was nearly 95% compared to 88.5% for traditional broadcast e-mail.
- The average open rate for transactional e-mail was 50.1%, with an average click-through rate of 11.0% – almost three times the click rate of traditional broadcast e-mail.
- E-mails with online incentives averaged 59.6% opens and 38.1% click-throughs, well over three times the click rate of traditional broadcast e-mail.

**Automated Campaign Comparisons Across Industries**

Automated campaigns include those with established templates for ongoing mailings initiated either by pre-defined time sequences or by external sources using the platform’s API (application programming interface). Triggered and transactional mailings also were included in these types of automated campaigns. Across all vertical markets, broader use of automation occurred as it inevitably leads to better return on investment because of minimized ongoing costs. The chart "Automated Campaigns as a Percentage of Total E-mail Campaigns" shows the percentage of automated campaigns per industry, compared to the total number of campaigns for that category.

*The number of automated e-mail programs and campaigns are growing significantly each year.*



[Note: Two industries not listed – Government and Conferences – did not meet a minimum threshold use of automated campaigns to make their measurement meaningful.]

*Not displaying images in e-mail inhibits an E-mail Service Provider's ability to track opens, resulting in reports of lower-than-actual open rates.*

*For information on Harte-Hanks Postfuture® e-mail marketing solutions, please call (972) 889.2226 in the USA. Or for more information, contact [contactus@harte-hanks.com](mailto:contactus@harte-hanks.com).*

### **Conclusions**

Overall open rates have trended lower as more Web-based e-mail and e-mail client readers are set to hide images as their default behavior. Since accurate view metrics rely on clear pixel tracking, this behavior of hiding images has the side effect of not reporting fully whether an e-mail has been viewed (either through preview pane or explicit open).

Marketers that accelerate rollout of customer-centric e-mail strategies, including personalized product recommendations, behavior-driven messaging dialogues and print-at-home incentives to deliver individualized marketing offers, are more likely to find success in open and click-through, and ultimately more e-mail conversions. The best-performing e-mail campaigns combine personalization and behavior-synchronization, such as combining e-mail offers with in-store or recent online sale activity. Transactional cross-sell also is effective and combines account status e-mail with dynamic product recommendations.

Likewise, momentum continues to increase toward the outsourcing of transactional and customer service e-mail delivery as marketers realize the value of transactional e-mail messages for cross-sell/up-sell marketing. Those companies that use e-mail as part of a multichannel, customer lifecycle strategy continue to see improved customer retention and response rates, serving to help improve return on investment across all channels.

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