



November 2009



# Email Engagement Index Q1 – Q3 2009



*Vertical Market Benchmarks and Trends*

**PIVOTAL VERACITY**

## Introduction

Ensuring that consumers are engaged with your email communications isn't just necessary for driving response anymore—it has become essential for getting marketers' messages delivered to the inbox in the first place. Pivotal Veracity was the first to report on radical changes taking place in how ISP process email—most importantly, that top ISPs have begun to introduce engagement metrics such as opens, clicks and forwards into their deliverability equations—in addition to the more traditional factors like user complaints, spam-traps, and high bounce rates.<sup>1</sup>

What does this mean? Improving message relevancy and response—especially as compared to other mailers<sup>2</sup>—can mean the difference between having deliverable email campaigns that drive a high ROI, or campaigns that are blocked and sent to peoples' spam folders. **Enter Pivotal Veracity's Email Engagement Index**, the first and only solution to provide insight into how engaged your customers are with your email program. The Index leverages statistically significant panel data to shed light on a host of fascinating new metrics that go well beyond open and click-through rates.

In this report, we are pleased to share vertical email engagement metrics tracked by Pivotal Veracity between Q1 and Q3 2009 across the Retail, Financial, Technology/Telecommunications and Travel/Hospitality sectors. These are metrics every marketer should be thinking about—and aspiring to beat!

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<sup>1</sup> Pivotal Veracity: "What's in Store at the ISPs: 2009 – 2010," October 2009.

<sup>2</sup> Many ISP filtering and whitelisting systems dynamically evaluate sender performance against other senders in real-time.

## Email Engagement Index



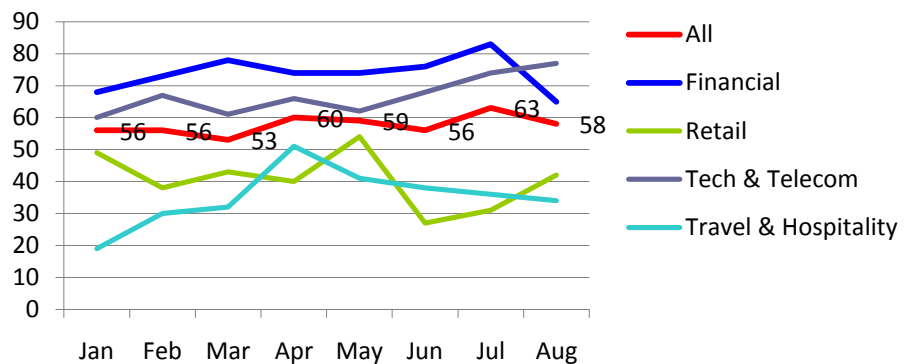
Pivotal Veracity's Email Engagement Index is the only true, industry-wide measure of recipient engagement in email campaigns. Leveraging a statistically significant panel of email subscribers, the Email Engagement Index provides marketers with an objective, 3<sup>rd</sup> party view of their relative customer engagement as evidenced by 1) the frequency and deliverability of their communications, 2) their missives' importance and appeal, 3) relevance to customers and response, and 4) the average time elapsed between when messages are sent and actually read.

Financial services, technology and telecommunications firms scored highest on the Email Engagement Index, successfully engaging customers during the first 3 quarters of the year (averaging 77 and 65, respectively), with retail, travel and hospitality markers faring the worst (42 and 34, respectively).

Financial Services marketers that send critical communications such as balance statements and payment reminders saw the highest levels of engagement on a steady basis, followed by the "heating up" technology and telecommunications sector which has witnessed an explosion in smart phone interest and sales over the past year.<sup>3</sup>

The results for retail and travel marketers clearly reflected the impact of seasonality, with travel marketers seeing a substantial rise in engagement in April and May, just before the peak summer vacation season. Meanwhile, retailers saw the biggest decline in engagement while people were on those summer vacations, with the number rebounding in August as consumers went back to school, back to work, and returned to shopping mode, and also as the economy and consumer confidence levels began to rebound towards the latter half of 2009.

### Email Engagement Index



<sup>3</sup> Nielsen, "With Smartphone Adoption on the Rise, Opportunity for Marketers is Calling," September 15, 2009.

## The Right Time



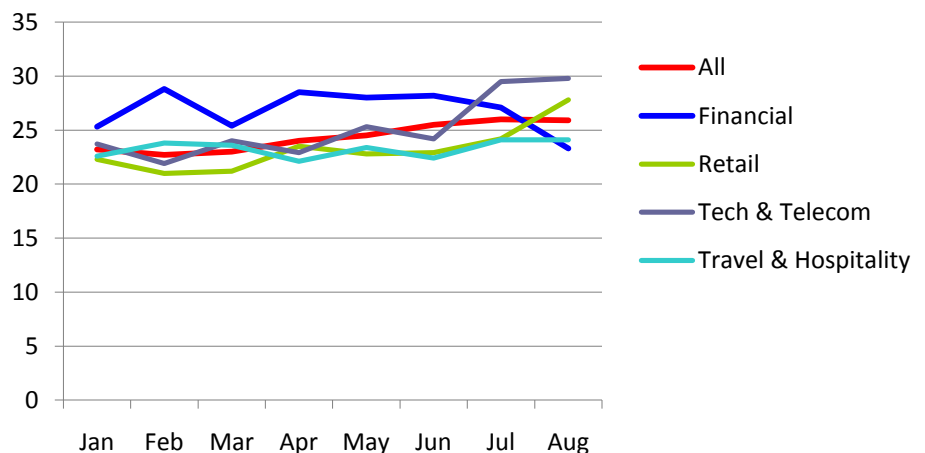
Did you ever wonder how much time typically transpires between the time you first clicked send and when your customer first accesses their mailbox and sees your message? By the time your message arrives in the customer's inbox, is your message at the top of the list, buried at the bottom, or not even on the first page of results?

Many email recipients—especially in the B2C context—don't access the personal mailboxes they use to receive marketing offers anywhere close to as frequently as they check their work accounts, and this can result in a substantial delay between when messages are first deployed and when they appear to the customer for the first time. Getting your timing right can make your email more visible and relevant in the consumer's inbox. As they say, timing is everything!

During the first 8 months of 2009, Pivotal Veracity documented that the average elapsed time between when messages are first sent to when they are first seen grew from 23.2 hours in January to 25.9 in August. This may reflect the additional competition for attention that email marketers are facing online as consumer participation on social networking sites and reliance on mobile phones has grown by leaps and bounds over the past year.

If you're mailing time sensitive email campaigns you should consider that the average consumer would not see your email for more than 24 hours. Depending on your marketing objectives, it may be worth sending a "preview" campaign that provides your customers a glimpse of what's to come and builds interest prior to the actual time-sensitive news, offer or announcement.

## The Right Time



## Importance & Appeal

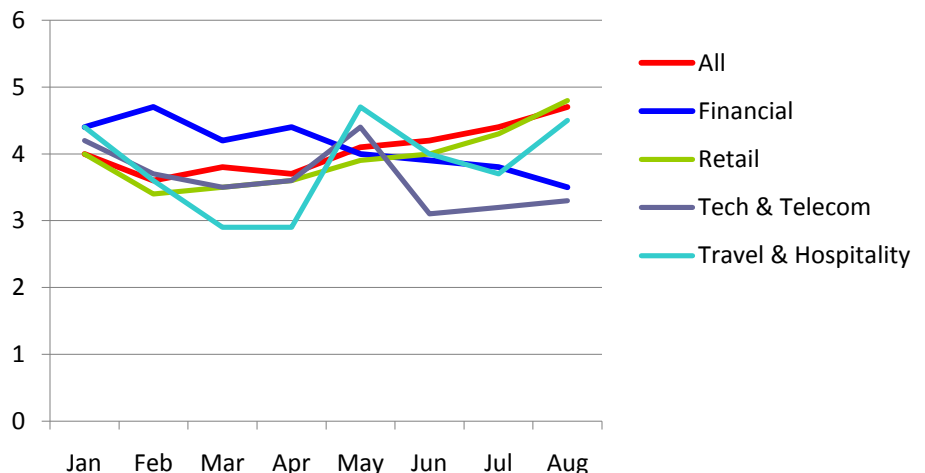


Getting a consumer to see your message is just the beginning—an even larger question when it comes to engagement is how much time transpires between when your customer first notices your message and when the customer actually reads it. This is another metric made uniquely identifiable by Pivotal Veracity’s Email Engagement Index technology.

Travel marketers experienced the highest importance and appeal of any vertical—again during the peak vacation booking season—with an average time between first view and first read of 2.9 hours in March and April. Retailers, meanwhile, had a rough August, coming in at nearly 5 hours. These noticeably map to the “The Right Time” trending, further suggesting the impact of seasonality on vertical markets’ expected level of email engagement.

Remember to consider the impact of your subject line in driving importance and appeal, because as more time lapses between when consumers read your message, additional emails will appear in their list view competing for their time and attention. We recommend testing multiple subject lines to determine the impact they have on opens and clicks, and using this knowledge to improve the importance and appeal of your communications compared to other emails in the consumer’s inbox.

## Importance & Appeal



## Relevance & Response

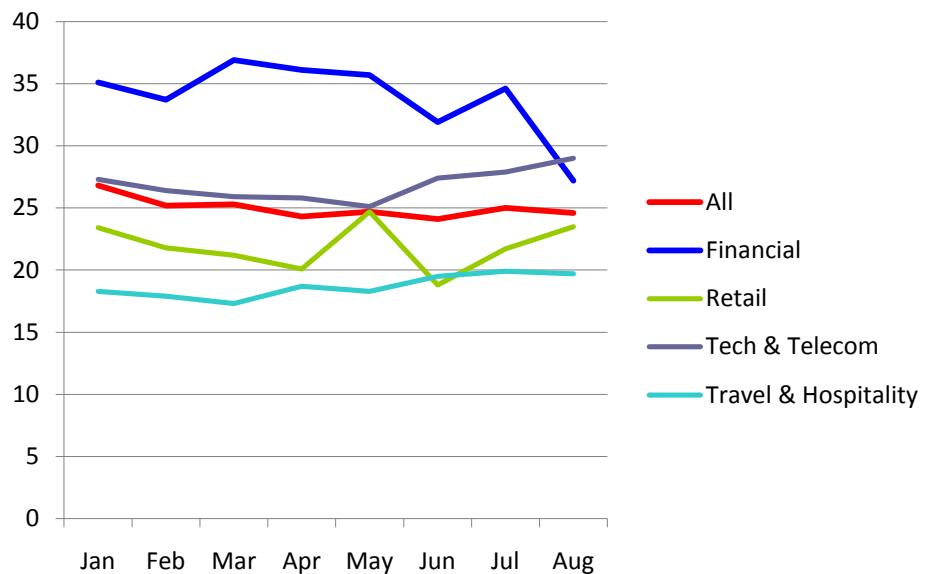


Marketers have struggled with the reliability of open-rate calculations for years. First preview panes superficially inflated open rates; then image blocking began to superficially deflate them. At the end of the day, the most important question has always been which customers are actually reading your email, not just how many “opens” were recorded as a result of pixel-tracking when images are turned on.

The Relevancy & Response metric in the Email Engagement Index solves the puzzle by telling marketers the percentage of email that is actually being read and engaged with. Pivotal Veracity considers a message “read” if a recipient either double-clicks the message, or if it has viewed the message for 5 or more seconds (and regardless of whether images are on or off).

The sensitivity and relative importance placed on communications is evident in the vertical market data collected by Pivotal Veracity: Financial institutions—which tend to send the most critical and time-sensitive communications—experienced the highest read-rates (34%, on average for the year), followed by technology and telecommunications providers (27%). Retailers (21%) trailed the industry-wide average (25%), but not by as much as travel and hospitality marketers (18%).

## Relevance & Response



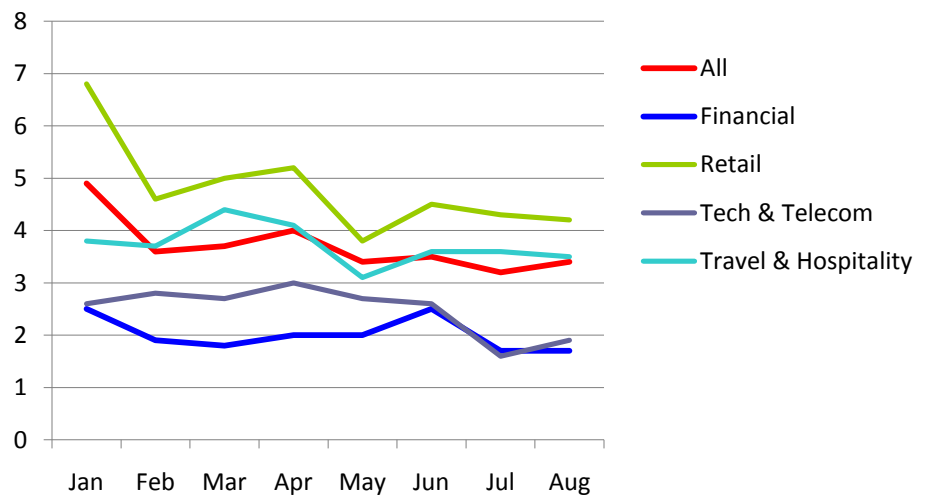
## Contact Frequency & Deliverability



The frequency metric tells you, on average, how many emails each of your customers saw from you this month in their inbox. The verticals sectors with the highest read rates—financial services and technology/telecommunications—also delivered the fewest messages per month (2 and 2.6 on average, respectively). By comparison, retail and travel companies demonstrated much higher velocity (4.8 and 3.7).

If there is a disconnect between the number of emails you have sent and the average number of messages found in your consumers' inboxes, the frequency metric can help you identify deliverability problems. Furthermore, you can leverage these statistics to determine whether you are mailing as much, more, or less than your competitors. If you're mailing less than your competitors and have a read rate that is lower or equal to the industry benchmark, you may be missing out on an opportunity to increase your frequency and capture the attention of more customers, more often.

## Contact Frequency & Deliverability



## Conclusion

As the email technology and deliverability landscape continues to evolve in a direction that prioritizes individual consumer engagement, marketers must create more relevant communications than ever before to ensure they get into the inbox and reap the rewards of greater response and ROI. According to a recent ExactTarget study,<sup>4</sup> on average 40% of email marketers' lists are composed of totally unengaged recipients, with another 44% demonstrating only low levels of engagement – so marketers have a lot of work to do in ensuring that they maximize relevance and avoid sending email to people who no longer want to receive it.

Pivotal Veracity's Email Engagement Index provides marketers with powerful new information about the effectiveness of their campaigns and benchmarks performance against other senders. By identifying—for the first time ever—how much email is actually being read and not just tracked as opened, marketers can more easily understand what works and what doesn't, and craft more relevant messages going forward. Knowing the amount of time that is transpiring between when messages are first deployed and first seen means that marketers can optimize the timing of campaign deployment for maximum visibility in the inbox. Simply put, the unprecedented knowledge afforded to marketers by the Email Engagement Index translates into a competitive advantage that will ensure success in the new age of customer-level inbox control.

## Methodology

The Email Engagement Index is based on multiple proprietary data sources that are aggregated and analyzed monthly across authenticated mailer domains. Metrics for industry benchmarks are compiled by averaging the results of mailer domains that have a maximum sampling error of +/-5% at the 95% confidence interval and require enough unique mailer domains and data to ensure an overall statistical sampling error for the industry benchmark of +/-1% at the 95% confidence interval.

## About Pivotal Veracity

Pivotal Veracity is the number one ranked independent email delivery auditing and optimization company. The company provides a suite of solutions that empower permission-based enterprises with tools and expertise to improve the credibility, deliverability and effectiveness of their online communications. Pivotal Veracity's solutions are offered directly to businesses as well as through a network of more than forty leading email deployment platforms, service providers and agencies worldwide. For more information, visit [www.pivotalveracity.com](http://www.pivotalveracity.com).

<sup>4</sup> ExactTarget, "Is Email Marketing Endangered?" October 14, 2009.



# Thank you!

The Leader in deliverability services!

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The logo for Pivotal Veracity, featuring a blue square with a white diagonal line to the left of the company name. The name "PIVOTAL VERACITY" is written in a bold, white, sans-serif font. Below the text, there is a faint, semi-transparent reflection of the same text.

**PIVOTAL VERACITY**