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DoubleClick Q1 2003 Email Trend Report

Executive Summary

Q1 2003 DoubleClick DARTmail data attests to the continued effectiveness of email as a marketing vehicle. Despite industry concerns about spam affecting performance, click-through and open rates for legitimate marketers have increased from Q4 2002, and bounce-back rates have continued to decline for the second quarter in a row.

Total click-through rates increased 11% in Q1 2003 from the previous quarter.

For information on DoubleClick's email marketing solutions, please call: 1.866.459.7606.

Overview of Data

The DoubleClick Q1 2003 Email Trend Report contains aggregated data from DoubleClick's DARTmail email delivery technology, based on approximately two billion emails sent by hundreds of clients. All categories/data reported represent a significant sampling of customers. In Q1 2003, DoubleClick now further breaks out performance of the Consumer Products and Services category into Consumer Products, Consumer Services and Financial Services performance.

Quarterly Overall Performance

- Average click-through rates increased 11.3%, to 8.9% in Q1 (compared to 8.0% in Q4).
- Open rates increased 7.7%, to 39.2% in Q1 (compared to 36.4% in Q4).
- Bounce-back rates declined 8.0%, to 12.5% (compared to 13.5% in Q4).

- More than half (57%) of all companies decreased volume, which could reflect seasonality or increasing sophistication of marketers with respect to segmentation and frequency. At the same time, 43% of marketers increased their volumes.

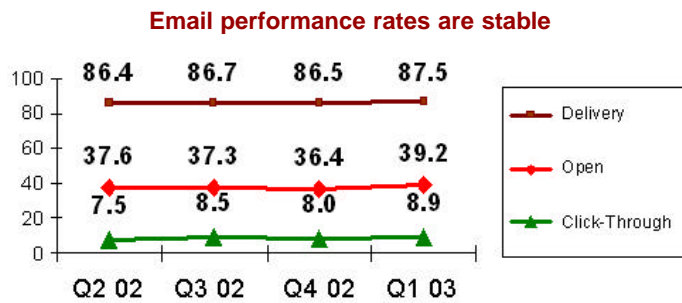
Industry Category Performance

- Business Products and Services continued to have the highest open rates (47.6% in Q1 vs. 41.2% in Q4) and click-through rates increased 14% to 7.9%.
- Retail and Catalog emails (which experienced a strong seasonal open rate growth in Q4) continued this performance and even increased their open rates slightly, to 38.5% from 38.0%. Click-through rates for this category also increased from 7.1% to 7.6%.
- Travel emails, which had the most dramatic decline in performance in

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Q4, increased in both open rates (43.4% from 40.9%) and click-through rates (from 5.8% in Q4 to 8.4% in Q1).

- Consumer Products emails have the highest click-through rates at 14.0%, followed by Publisher, Consumer Audience at 11.5% and Consumer Services at 8.6%.



Delivery (sent emails minus bounce-backs), open and click-through rates stayed relatively consistent over the past year.

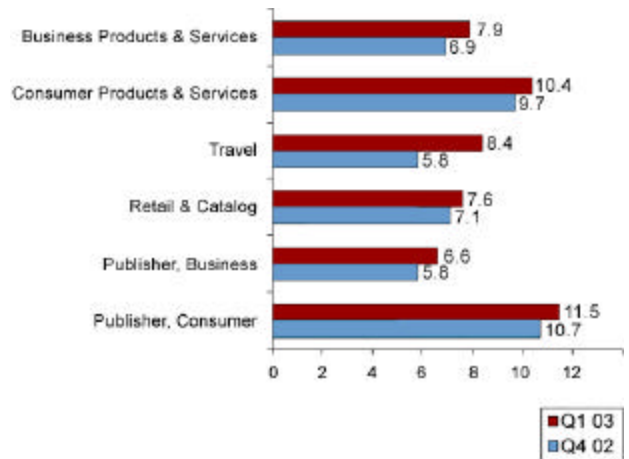
- While overall bounce rates declined slightly in Q1, (all-company average at 12.5%), Business Products and Services email bounce rates grew from 16.5% to 18.5%. Travel bounce rates also increased from 13.3% to 14.9%.
- Unlike in other forms of direct marketing, day-of-week sent is a significant variable for email. Tuesday continued to be the most common day of the week for emails sent (average of 26%), with a range of 16% (Financial Services) to 30% (Retail and Catalog) of all emails per category sent on that day.

More Than Just One Click

While many marketers consider emails to be “one-click” marketing vehicles, consumer behavior is somewhat different—consumers who click do so 1.54 times per email on average. Publisher, Consumer Audience emails (which tend to be newsletter-focused, with many links to more information) have the greatest click-throughs per email at 1.77 clicks per email, followed by Business Publishers at 1.57 and Consumer Products at 1.54.

Marketers should also consider “unique user clicks” as well as overall click-through rates to develop a *customer* rather than *campaign*-focused mentality when assessing email performance.

Click-through rates now average 8.9%



Consumer Products and Services and Publisher, Consumer continue to have the highest click-through rates.

Conversions

Analyzing the results of companies in the Retail and Catalog category who track conversion (purchase activity) through DARTmail shows that:

- For every thousand pieces of mail sent, more than 2.35 purchases result.
- The order-per-email-delivered rate was 0.26%.
- Average order size was \$110.18.
- The revenue-per-email-delivered was \$0.28.
- Conversion rates are down slightly from the Q4 holiday shopping period, where average order size was \$111.72, the order-per-email-delivered rate was 0.28%, and the revenue-per-email-delivered was \$0.32.

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Example Campaign Results for the Average Retail Cataloger

Action	Customers
Mailed	1,000
Delivered	907
Click	65
Buy	2.35

9.3% Bounce Rate

7.2% Click-Through Rate

3.6% Conversion

Conclusions

During a period of great concern about the continued effectiveness of legitimate marketer email, the DoubleClick Q1 2003 Email Trend Report shows that email—when executed strategically—has maintained, and even increased, in performance. The increase in open rates and click-through rates attests to continued trust between legitimate marketers and consumers, while the continuing decline in bounce rates speaks to more effective list cleansing techniques. This strong performance data also speaks to DoubleClick's strength in ISP relations; DoubleClick keeps its clients informed on the latest spam-blocking and filtering techniques employed by ISPs and helps these legitimate marketers ensure successful delivery.

As expected, mail volumes and conversion rates are seasonally down, but travel picked up along with post-holiday winter and spring vacation bookings.

Methodology/Data Included

1. The data has been aggregated on overall industry level and category level:
 - Business Products and Services
 - Consumer Products
 - Consumer Services
 - Financial Services
 - Travel
 - Retail and Catalog
 - Publisher, Business Audience
 - Publisher, Consumer Audience
2. Open Rate is defined as HTML Opens divided by (HTML Delivered + Multi-Part Delivered). Click-Through Rate is Total Clicks divided by Emails Delivered. Bounce Rate is Soft Bounces plus Hard Bounces divided by Emails Sent. Delivery Rate is Emails sent minus the Bounce Back Rate.

DoubleClick clients receive a quarterly account review, which includes complete access to this data.

The DoubleClick Strategic Services Group is available for email marketing audits that include benchmarking your own results against category performance. For more information, email strategicservices@doubleclick.net.

For more DoubleClick Trend Reports, visit Knowledge Central at www.doubleclick.net/us/knowledge