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The Global Email Deliverability Benchmark Report, 1H 2011

Deliverability Failures Remain a Challenge for Commercial Email Senders With Only 81% of All Email Reaching the Inbox

Return Path, the global market leader in email deliverability solutions, reviewed data from 149 ISPs in North America, Central and Latin America, Europe, Asia and the Asia Pacific territories from January through June of 2011. What the data shows is that email deliverability still plagues commercial email senders worldwide.

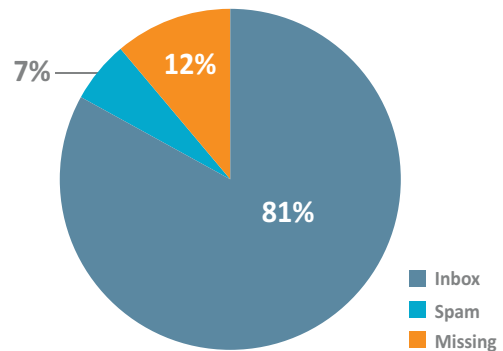
What's Inside:

- How Much Mail Doesn't Make It To The Inbox?
- Business Inboxes Still Difficult To Reach
- Deliverability Rates Vary In Major Global Markets
- Three Reasons Why Deliverability Is Still a Crisis for Commercial Email Senders
- What Senders Can Do To Improve Their Email Deliverability

How Much Mail Doesn't Make It To The Inbox?

In today's email landscape, only 81% of all permission-based email makes it to the world's inboxes. Globally, one out of every five emails lands either in a spam or junk folder (7%) or simply go missing—blocked by ISP-level filtering (12%).

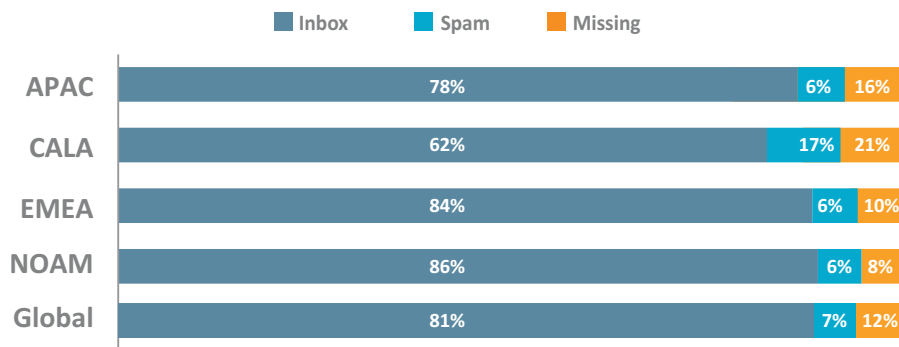
Email Deliverability - Global, 1H 2011



North American inbox percentages still face 14% of all email sent not reaching the inbox, marked as junk or simply going missing. The first half of 2011 showed an inbox placement rate (IPR) of 86% for permission-based commercial email in the United States and Canada.

This is an only slightly better picture than what European mailers are seeing with 84% of mail delivered to the inbox. Of this 16%, 6% of email was sent to spam or junk email folder while another 10% was missing or not delivered at all. Asia Pacific is sadly lagging behind both Europe and North America posting only 78% inbox placement rate with 6% of email sent to the junk folder and a staggering 16% going missing.

Email Deliverability - Global Regions, 1H 2011



Unfortunately for Central and Latin America, the numbers appear even more grim. Only 62% of permissioned email is making it to the inbox, with 17% being sent to a “junk” or “spam” folder and 21% simply going missing.

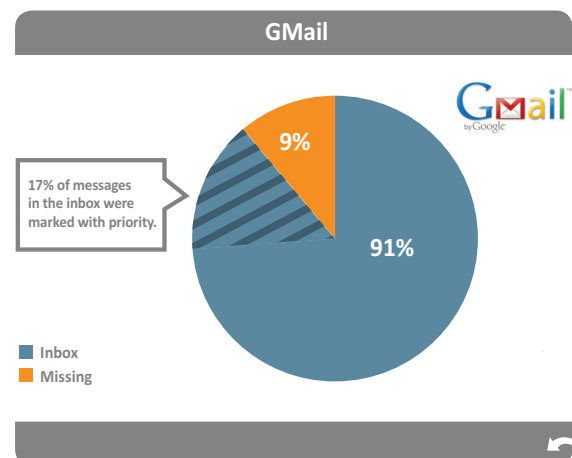
Three Reasons Why Deliverability Is Still a Crisis for Commercial Email Senders

1. **The Bounce Rate Myth:** Senders are generally given reports month after month that show a “delivered” metric that tends to be about 95% to 98%. In most cases, this delivered metric is actually the bounce rate. The system is reporting the number of messages sent through the pipe and subtracting the number that return a hard bounce. This means that unless your email was a hard bounce, you will not be notified if your email doesn’t reach the inbox. The delivered rate doesn’t take delivery to the junk/spam folder into account. Top-tier marketers keep very clean lists and the system itself is set up to clean out those hard bounces quickly (usually before the next send). What senders really need to understand is their inbox placement rate (IPR) – the number of emails that actually arrive in the inbox.

Return Path analyzed a panel sample of 30,000 Gmail mailboxes from July 1, 2011 through August 10, 2011. The data showed that:

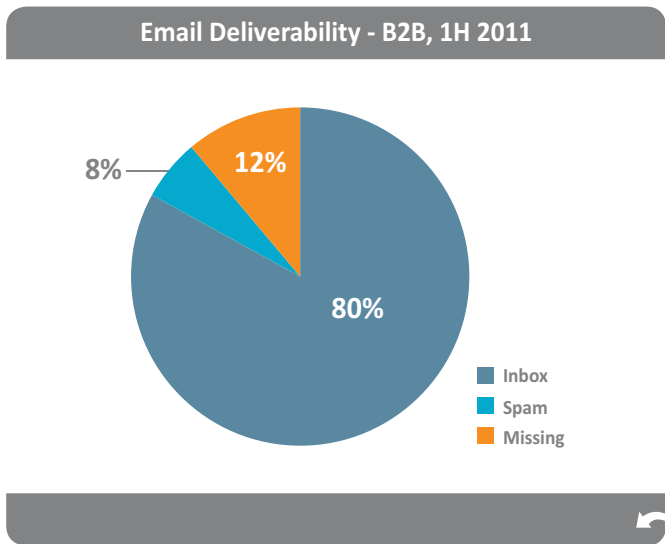
- 81% of the Gmail mailboxes analyzed have priority inbox enabled, with the percentage of adoption steadily increasing during that time.
- For all mail observed during that time, average inbox placement was 91%, with 9% missing.
- Average placement of messages in the priority inbox out of those that went to inbox was 17%.

From a best practice point of view, marketers with much focused segmentation, strict data hygiene and strong content strategy tend to not see any dramatic shift in their campaign response due to these new inbox developments. By carving out message streams that are highly relevant to their subscriber base, they’ve developed a very loyal following.



2. **Revenue Masks a Lot of Sins:** Email generates a lot of revenue. So, while deliverability failures cost businesses money, this can be masked by the revenue generated by every campaign that goes out the door.

3. **Change is Hard:** Many senders are still resistant to implementing the best practices that make email deliverability more likely and more consistent. We still see programs with high frequency, low value and lack of segmentation. Research done by Return Path Professional Services shows high percentages of top brands missing basic best practices like welcome messages, efficient opt-out procedures and appropriate permission levels, which all can strengthen email deliverability.



Business Inboxes Still Hard to Reach

Reaching business addresses is still difficult because these inboxes are protected by systems like Postini, Symantec and MessageLabs. Only 80% of email is delivered to the inbox through these enterprise systems. While this is a 5% improvement from 2009 when just 75.2% made it to the inbox, the multiple company-level filtering methods used for business email addresses mean that deliverability is still a major concern. At the default setting, a lot of mail remains undelivered.

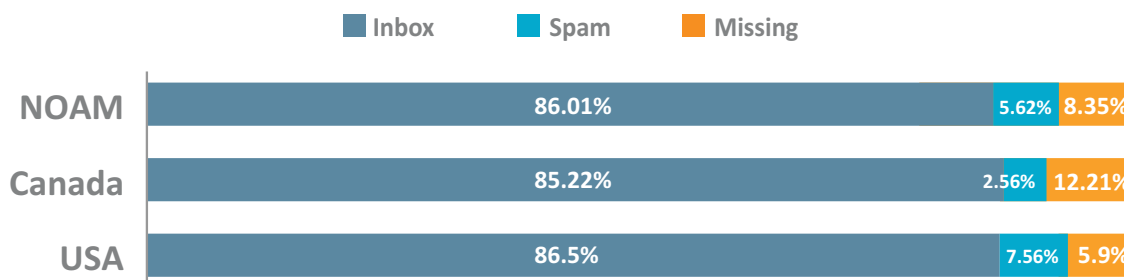
As the adoption of new inbox technologies grows, the benefits are clear: for subscribers, it means more control of their inbox. For the ISPs, it means keeping subscribers in their environment longer. However, the challenge for marketers is to consider how these new user filtering applications will impact their inbox placement.

Delivery Rates In Major Global Markets, 1H 2011

Global delivery rates at 81% mean that one out of every five emails sent are not delivered to the inbox. Seven percent of those emails intended for the inbox end up in the spam or junk folder and 12% simply go missing. In all examined regions, we see that more emails go missing than are delivered to the spam or junk folders – sometimes by significant margins as we see in APAC.

North America

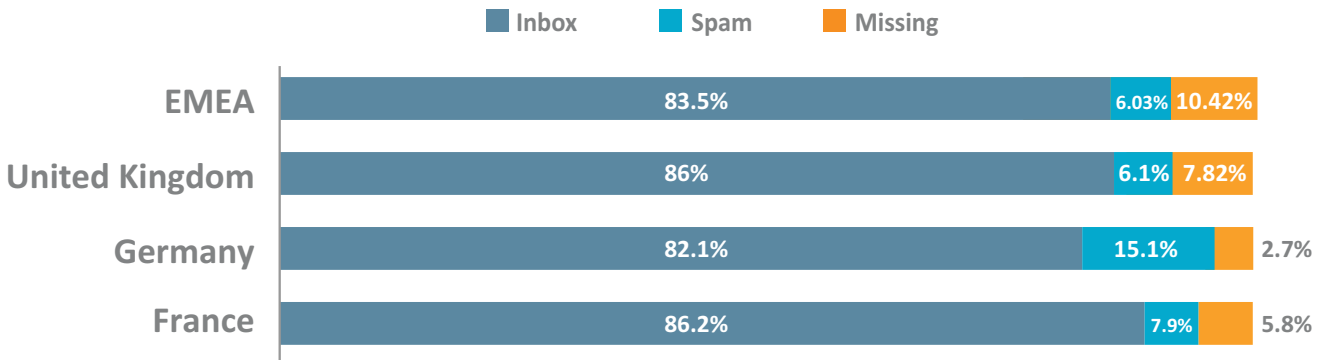
Email Deliverability - North America, 1H 2011



The picture of deliverability in North America shows the highest globally, but is still far from ideal – with only 86% of emails ever making it to the intended recipient. Canada in particular shows a disproportionately high rate (12.2%) of email simply going missing. The USA sees a more equal balance between mail that is missing and mail delivered to the spam or junk folder, but sees a higher percentage of mail delivered to mail or junk at 7.56% than that is undelivered entirely at 5.9%.

Europe

Email Deliverability - Europe, 1H 2011



Overall, the data shows that for the first half of 2011, approximately one in six legitimate emails (16.5%) never reached the inbox of European subscribers. Additionally, more than one in ten commercial emails (10.4%) are going missing completely – not in subscribers’ spam folders or inboxes, blocked by ISPs before reaching their intended recipient. In comparison, the EU lags a full three percentage points (83.5%) behind North American deliverability rates (86.5%).

France

Almost one-sixth of emails sent to French subscribers (14%) went undelivered, with 6% of messages blocked at the ISP level and 8% delivered to spam or junk folders. This is on par with what the UK is experiencing and also 5 percent better than the global benchmark.

United Kingdom

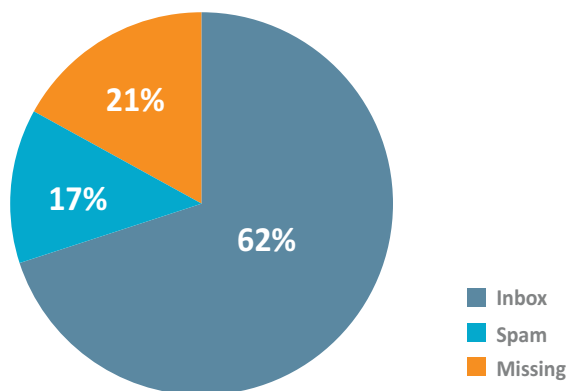
The United Kingdom is seeing almost 14% of legitimate marketing emails failing to reach customers' inboxes. On average one in 12 emails sent to UK subscribers (7.82%) went missing completely and 6.14% were delivered to the spam or junk folders. The UK is leading EMEA in deliverability but still has tremendous room for improvement.

Germany

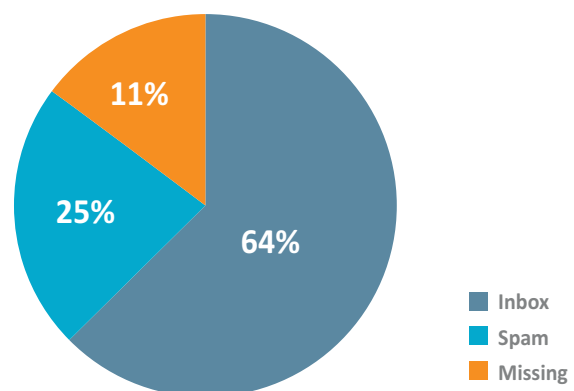
Marketers found it particularly difficult to reach German customers' inboxes. With an overall inbox placement rate of 82.1%, Germany is more than a full one percentage point below the averaged European IPR benchmark of 83.5%. In relation to their European counterparts, German marketers had the highest proportion (15.1%) of their emails marked as spam by ISPs. However, when compared to other European countries, email sent in Germany were the least likely to have their emails go missing (2.7%).

Central and Latin America

Email Deliverability - Central and Latin America, 1H 2011



Email Deliverability - Brazil, 1H 2011

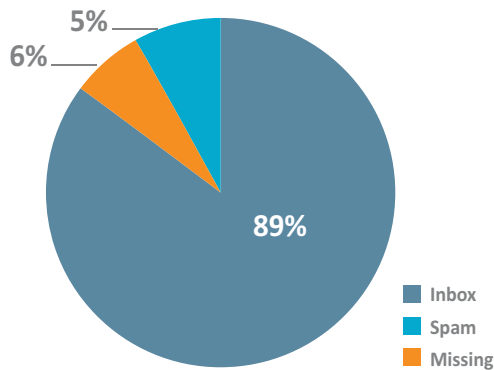


Email deliverability continues to be a major hurdle in Central and Latin America, with only 62% (6 out of every 10 emails) making it to the inbox. The remaining 38% of emails are either rejected by the ISP-level (21%) or put in the junk or spam folders (17%).

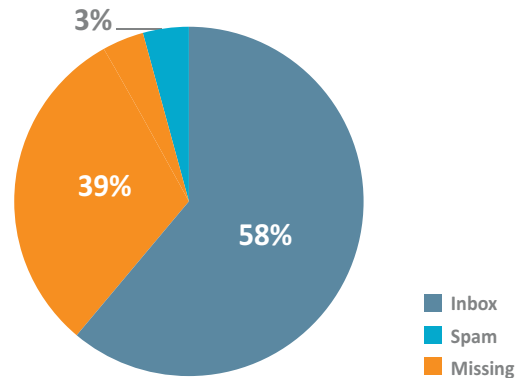
This is particularly a problem in Brazil. With a full quarter (25%) of all permission-based email being delivered to the spam or junk folders and one out of every 10 emails going missing (11%), only 64% of all email gets delivered to Brazilian inboxes. In comparison to the global average of 81%, Brazil shows a clear need for improved deliverability.

Australia and Asia Pacific

Email Deliverability - Australia, 1H 2011



Email Deliverability - China, 1H 2011



With more than 1 in 5 emails never making it to the inbox (78%) across Asia Pacific, Australia posts a strong Inbox Placement Rate of 89% - with only 6% going missing and 5% being sent to the junk or spam folders. The email deliverability situation in China doesn't meet the benchmark for the rest of the APAC region. Only 58% of permission-based email sent is actually reaching the recipient. Largely, email in China is blocked

at the ISP level and 39% goes missing. That leaves only 3% to be delivered to the spam or junk folders.

Conclusion: What Senders Can Do To Improve Their Email Deliverability

It's easy to believe that deliverability failures must be happening to someone else. But what you don't know about your email deliverability leaves your business vulnerable and decreases the amount of revenue you could be generating from the email channel. What's a smart marketer to do?

1. **Get the data you need.** Know where your email goes and why. Don't believe the bounce myth – that whatever gets sent and doesn't bounce must be reaching the inbox. Gaining access to relevant deliverability data is crucial for marketers to be able to make accurate decisions about their program's effectiveness. This report is based on the Return Path Mailbox Monitor system which seeds the databases of our clients with known good email addresses. We then monitor whether or not email sent to those addresses is delivered. These reports often show a wide disparity between the delivered metric shown on the client's standard response report and the inbox placement rate (IPR) which is the actual number of messages that arrive in the inbox.
2. **Take deliverability failures seriously.** Deliverability failures cost businesses a lot of money. There is significant lost revenue from email that does not get delivered to the inbox. Consumer research consistently shows that people do not check their spam or junk folders for marketing messages. And even if they do, most of the non-delivered mail isn't there – it's completely missing. Email that consumers don't have access to will not generate a response.
3. **Don't use revenue or response as a proxy for deliverability.** Assuming a program that generates revenue or gets good response must be delivered to all the inboxes that matter is a mistake. Think about how much

What is "Inbox Placement Rate"?

Inbox Placement Rate (IPR) is the percentage of email messages that are delivered straight to the inbox. This excludes email messages that arrive in the "junk" or "spam" email folders.

money you may be leaving on the table if a significant chunk of your list isn't seeing the messages you send.

4. **Don't accept deliverability failures as inevitable or unfixable.** The good news is that we have clients who are able to maintain consistently high deliverability rates across all ISPs. Remember: 80% is the average. So while that means there are companies at 60% it also means that there are companies at 100%.
5. **Take responsibility for where your email lands.** While your IT team or email service provider can be important partners, you are responsible for the deliverability of your email. Most of the major drivers of poor inbox placement rates are the direct result of marketing practices, not technical ones. These include complaints, which spike when email is unexpected or undervalued by the recipient and spam traps, which are most often found on lists that are old or have been built with poorly sourced data.

About Return Path

Return Path makes email work better by scoring and certifying email senders from around the world. We help marketers, publishers and other large-volume email senders increase their response rates by providing the world's leading inbox deliverability solution. We help mailbox providers and email administrators at ISPs and enterprises block unwelcome and malicious email by providing near real-time IP reputation scores and other data-driven tools. Taken as a whole, these tools and services improve the consumer experience of email by protecting them from spam, phishing and other abuse. Return Path offers free access to Sender Score, the email reputation measure compiled through our cooperative data network of ISPs and other email receivers, at our reputation portal: www.senderscore.org. Information about Return Path can be found at www.returnpath.net.

Methodology

Return Path conducted this study by monitoring data from its Mailbox Monitor service for campaigns conducted from January to June 2011. This study tracks the delivery, blocking and filtering rates for more than 600,000 campaigns that used the Mailbox Monitor seed list system. For each campaign, Return Path recorded whether the email was missing, received in the inbox or filtered to the junk/spam folder (for those ISPs that use such a folder). For this report Return Path reviewed data from 149 ISPs in North America, Central and Latin America, Europe, Asia and the Asia Pacific territories from January through June of 2011.

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