

ISP Deliverability Report Card

Q2 2007

Executive Summary

For the first time, Sender Policy Framework (SPF) authentication is affecting delivery of legitimate messages from email marketers. This discovery comes as a result of the Q2 2007 EmailAdvisor study which tests more than 436,000 production-level, permission-based messages sent via ISP domains in the United States, Canada, Europe and Australia. While SPF authentication is designed to keep junk mail out of inboxes, many marketers aren't maintaining their records. The result is decreased inbox delivery rates.

According to the study, marketers sending permission-based emails to U.S.-based ISPs still land in the junk/bulk folder almost 16 percent of the time. XO Concentric far exceeds any other ISP – banishing 56 percent of invited email to the junk/bulk folder. SBC Global and Bell South both junk 30 percent of permission-based email, while Yahoo! hit 26 percent. MSN Network, GMail and Hotmail all landed at 18 percent. Rounding out the top ten were PeoplePC, USA and Earthlink. At the other end of the spectrum, AOL only delivered 1.94 percent to the junk/bulk folder. European ISPs saw more than 20 percent of permission-based emails in the junk/bulk folder – tripling last quarter's figures.

But most surprising was the appearance of SPF authentication checks in the list of the top ten content triggers that ISPs check. It's the first time SPF checks have appeared in the content filter tests, signaling to marketers that it's time to double check their records to ensure accuracy.

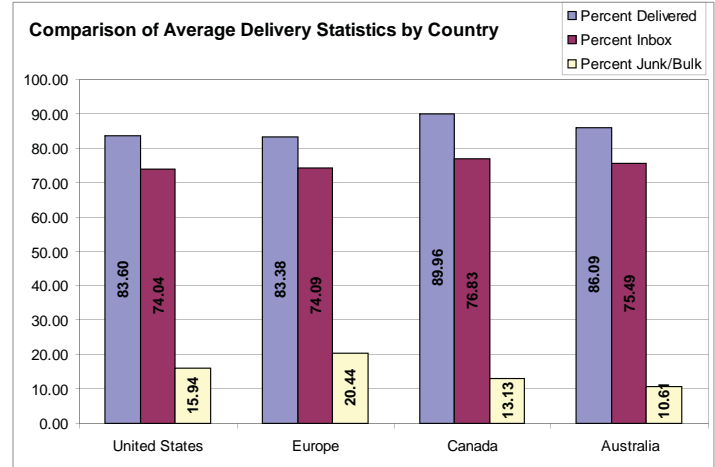
Sender Credibility is at Stake

Failing an SPF check carries a heavy penalty – 2.6 points from the current SpamAssassin test (a Bayesian scale that identifies a message as spam when it reaches 3.0 points or higher). The penalty is more than twice that of any of the other top ten spam triggers identified.

SPF checks compare the sender's return path domain and the IP address to a list of approved IPs the sender includes in their DNS zone. The company in charge of a domain must keep the list of approved IPs up to date. A common – but easily rectified – reason for failing an SPF check is when a company changes IP addresses or email service providers, but doesn't update its SPF records.

Deliverability Comparison by Country

In this quarter, gross delivery and inbox delivery among European ISPs inched downward to match U.S. rates, while Canadian ISPs surged ahead of all other receivers. Marketers sending to U.S.-based ISPs still have to contend with heavy junk/bulk folder delivery, of almost 16% on average for permission-based mailings.



United States

- Of the 25 U.S. ISPs reported on, several of the leading consumer ISPs rank in the top 10 of highest junk/bulk folder delivery including Yahoo (4th), Gmail (6th), and Hotmail (7th). Still absent from the top 10 is AOL which ranked 13th on the list with only 1.9% of email being delivered to the junk/bulk folder.
- While average gross deliverability is around 83.6% for permission-based marketers, all of the top 10 ISPs delivered more than 87% of email received. The lowest delivery rate was seen at Lycos, where only 47.0% of email was received, almost 28% lower than the next-worst ISP, Go.com which delivered 74.8% of all messages.
- While marketers are struggling to improve their overall delivery of emails, decisions by ISPs on placement of messages received are heavily driven by the reputation of the sender. The highest percentage of inbox delivery was 96.7% for AIM.com and the top 10 ISPs continue to have inbox placements in the 80% range. Hotmail managed a slight improvement but still scored fourth from the bottom with only 59.4% of delivered messages reaching the inbox.

1 Top Ten US Domains by Gross Deliverability		
Rank	ISP Name	Percent Delivered
1	AIM.com	96.65
2	XO Concentric	93.25
3	USA	92.98
4	Verizon	92.95
5	SBC Global	91.18
6	Yahoo!	90.14
7	IWon	89.53
8	Google Mail	89.06
9	PeoplePC	88.60
10	RoadRunner SoCal	87.01
AVG		83.60

2 Top Ten US Domains by Inbox Deliverability		
Rank	ISP Name	Percent Inbox
1	AIM.com	96.65
2	RoadRunner SoCal	87.01
3	Verizon	86.98
4	USA	85.57
5	CompuServe	84.06
6	IWon	83.65
7	AOL	82.83
8	Juno	82.42
9	Mac	82.10
10	NetZero	81.72
AVG		74.04

3 Top Ten US Domains by Junk/Bulk Folder Deliverability		
Rank	ISP Name	Percent Spam
1	XO Concentric	56.49
2	SBC Global	29.61
3	Bell South	29.52
4	Yahoo!	25.95
5	MSN Network	17.82
6	Google Mail	17.76
7	Hotmail	17.51
8	PeoplePC	13.27
9	USA	7.40
10	Earthlink	6.46
AVG		15.94

Content Filters Adjust to Changing Spam Patterns

A review of over 1,700 messages from the samples above run through EmailAdvisor's content score* feature shows the listing of the top 10 rules most frequently triggered and associated scores. Authentication checks have greatly increased in importance, and while the presence (or lack) of an SPF record does not affect the points awarded, having an incorrect SPF record carries a heavy penalty of almost 2.4 points. When marketers create authentication records with errors (such as incorrectly identifying the IP address of the sending mail server), they are actively warning receivers that the email is fraudulent and should not be delivered.

Name	Description	Score
HTML_MESSAGE	HTML included in message	0
HTML_FONT_BIG	HTML tag for a big font size	0.26
ALL_TRUSTED	Did not pass through any untrusted hosts	-1
HTML_90_100	Message is 90% to 100% HTML	0.58
HTML_TAG_EXIST_TBODY	HTML has "tbody" tag	0.28
BAYES_00	Bayesian spam probability is 0 to 1%	0
MIME_HTML_ONLY	Message only has text/html MIME parts	0.41
HTML_IMAGE_RATIO_04	HTML has a low ratio of text to image area	1.06
HTML_60_70	Message is 60% to 70% HTML	0.29
SPF_PASS	SPF: sender matches SPF record	0

* While content checkers play a very small part in determining the likelihood of an email being delivered, it is still advisable to periodically perform checks against templates and reduce as many errors as possible.

Europe

- Average deliverability at European-based ISPs ranks almost identical to U.S. counterparts and well below Canadian and Australian ISPs by 6.5 and 2.7 percentage points respectively. (See Country Comparison Chart)
- All of the top 10 ISPs delivered over 90.7% of permission based emails, with NTLWorld in the UK delivering more than 94.4% although inbox placement was only 89.4%.
- The ISP with the lowest delivery rates was Alice from Italy, with only 21% of email being delivered.
- As European ISPs struggle to fight the spam epidemic, false positive filtering problems have dramatically increased for marketers.
- European ISPs had the highest percentage of junk/bulk folder delivery at over 20.4%, compared to the previous quarter at 7.6%.

4 Top Ten EU Domains by Gross Deliverability

Rank	ISP Name	Percent Delivered
1	NTLWorld (UK)	94.46
2	Nildram (UK)	94.30
3	Tiscali (France)	94.14
4	BT (UK)	94.09
5	Yahoo! (Spain)	92.84
6	T-Online (Germany)	91.78
7	Tiscali (UK)	91.65
8	Tiscali (Italy)	91.65
9	Yahoo! (UK)	91.12
10	Yahoo! (Germany)	90.71

AVG 83.38

5 Top Ten EU Domains by Inbox Deliverability

Rank	ISP Name	Percent Inbox
1	Nildram (UK)	94.30
2	Tiscali (France)	94.14
3	T-Online (Germany)	91.78
4	Tiscali (UK)	91.65
5	Tiscali (Italy)	91.65
6	WEB.de (Germany)	90.26
7	NTLWorld (UK)	89.42
8	Virgin.net (UK)	88.88
9	freenet.de (Germany)	85.41
10	Libero (Italy)	85.16

AVG 74.09

6 Top Ten EU Domains by Junk/Bulk Folder Deliverability

Rank	ISP Name	Percent Spam
1	Yahoo! (Italy)	28.42
2	Yahoo! (UK)	27.73
3	Yahoo! (Germany)	27.69
4	Orange (UK)	27.12
5	Yahoo! (Spain)	23.52
6	BT (UK)	21.52
7	Yahoo! (France)	21.17
8	Hotmail (UK)	17.27
9	NTLWorld (UK)	5.04
10	AOL (UK)	4.88

AVG 20.44

About EmailAdvisor

EmailAdvisor from Lyris Technologies is a leading deliverability monitoring solution. Features include Inbox Snapshot which shows how emails render in more than 50 email clients; Delivery Monitor which shows what percentage of emails were delivered to the inbox or junk/bulk folder; Content Analyzer which analyzes message content against 30 different spam filters; Blacklist Monitor checks to see if a sender's IP addresses are listed on any of 300 blacklists; and ISP Monitor provides real-time information about email delivery delays at more than 30 ISPs. EmailAdvisor is integrated into Lyris ListHosting, EmailLabs and Sparklist or is available as a stand-alone service. For more information visit <http://www.lyris.com/products/emailadvisor/>.

About Lyris

Founded in 1994, Lyris Technologies provides leading-edge email marketing software solutions to more than 5,000 customers worldwide. Our suite of products, led by our flagship product ListManager, offers powerful tools for opt-in email marketing, list management, database segmentation, and deliverability assurance. Lyris offers both hosted and software versions for publishing email campaigns, newsletters, and discussion groups. Our commitment to permission-based marketing, outstanding deliverability rates, and our extremely positive ISP relations make Lyris' solutions among the best-selling email marketing applications on the market today. Headquartered in Emeryville, California, Lyris is a subsidiary of the J.L. Halsey Corporation (OTCBB:JLHY), a leading provider of technology solutions to marketers at mid-size businesses. J.L. Halsey's other brands include ClickTracks, EmailLabs, Hot Banana, and Sparklist.

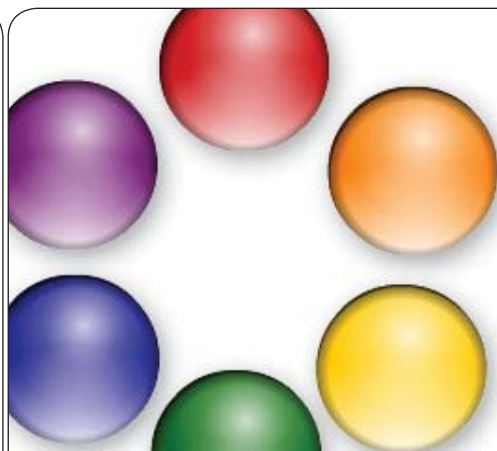
Methodology

From a period beginning April 1, 2007 and ending June 30, 2007, the Lyris EmailAdvisor service monitored the full delivery trajectories of 436,558 production level, permission-based email marketing messages sent from 69 different businesses and non-profit organizations to multiple accounts at 58 ISP domains in the United States, Canada, Europe, and Australia.

Messages were chosen to represent a cross-section of legitimate publishing activities. Examples of email publications monitored by the study include publishing, B-to-B marketers, retail, travel, and finance, among many others. In all cases, the recipients to whom the emails were sent had made an explicit "opt-in" request to receive the messages at the specified email addresses.

* Additionally, 1,705 unique emails from the same set above were run through a content score application using the Spam Assassin rule set (a Bayesian filter that applies point values to multiple possible spam related signatures and sums to an aggregated point total for decision making purposes) to determine the overall suspected content score that would determine the likelihood an email is determined to be considered "spam".

Caveat: In addition to ISP policies regarding the processing of inbound email, deliverability rates can be affected by a sender's content, mailing history, data collection practices, use of sender authentication protocols, and other reputation factors. Senders who do not adhere to email marketing best practices may experience deliverability rates lower than those quoted in this report.



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