

SPECIAL REPORT

8 Key Trends on What is Working in Email Marketing

A Special Report from Email Marketing Benchmark Report 2011



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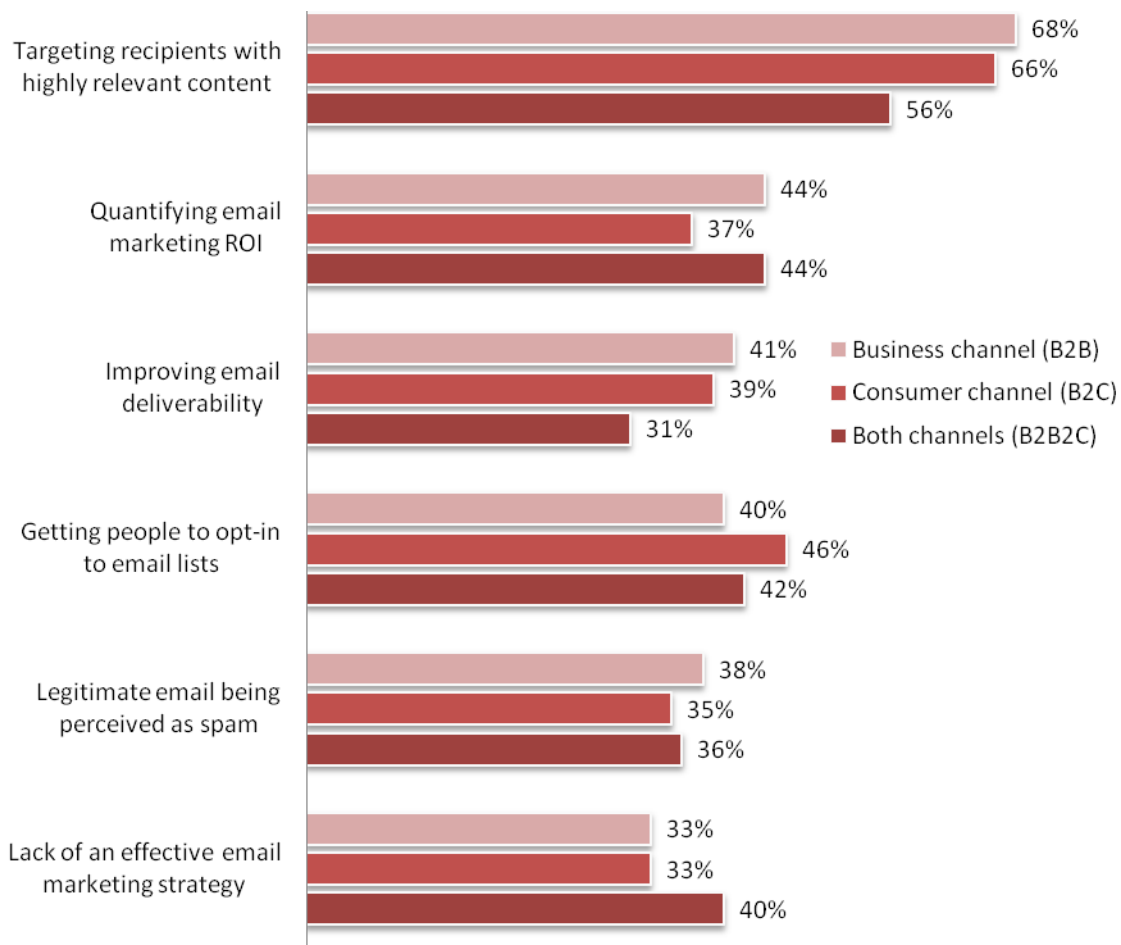
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FACING SIGNIFICANT OBSTACLES TO EMAIL MARKETING SUCCESS

Email marketers continue to struggle with the challenge of delivering highly relevant content to their target audiences. Whether you are marketing to consumers, businesses or both, the more targeted your email campaigns, the more content is required. Developing a sufficient amount of content is a time-intensive process that many marketers do not have the resources to produce.

While relevancy will be the most significant challenge to email marketing effectiveness in 2011, there is a range of second tier issues - from quantifying email marketing ROI to growing email lists - that are equally challenging to marketers in all channels and have been addressed in this study.

Chart: Most significant challenges to email marketing effectiveness, by primary channel



Source: MarketingSherpa Email Marketing Benchmark Survey
Methodology: Fielded Sep 2010, N=1,115

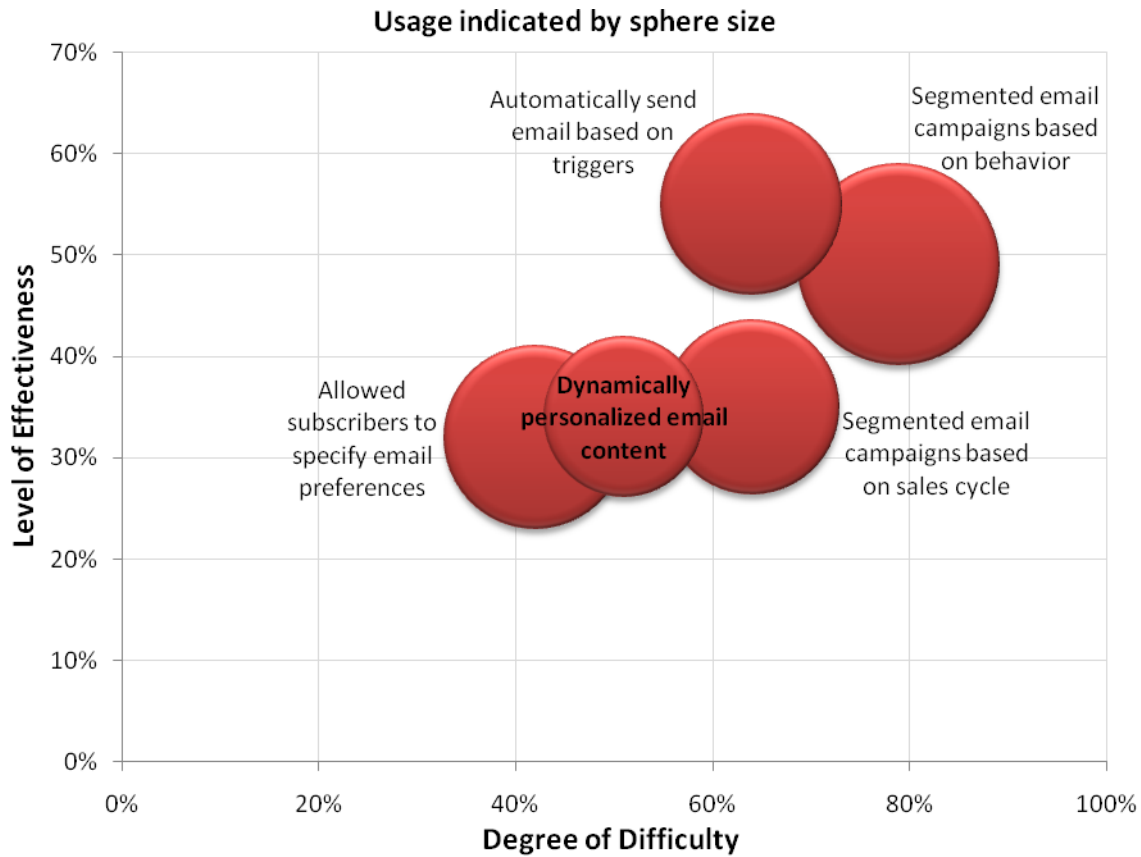
TOP TACTICS FOR DELIVERING RELEVANT CONTENT

The popular use of an email marketing tactic does not always reflect its effectiveness. We've taken a deeper dive into the analysis of tactics throughout this study to gain a better understanding.

This chart incorporates three sets of data on relevancy tactics. The level of effectiveness is shown on the vertical axis while the degree of difficulty to implement the tactic is shown on the horizontal axis. The size of each sphere represents its level of usage.

This chart shows, for example, that the tactic of segmenting email campaigns based on behavior is used more often than automatically sending email based on triggers, which is more effective and less difficult to implement.

Chart: Three dimensions of relevancy tactics - effectiveness, difficulty and use

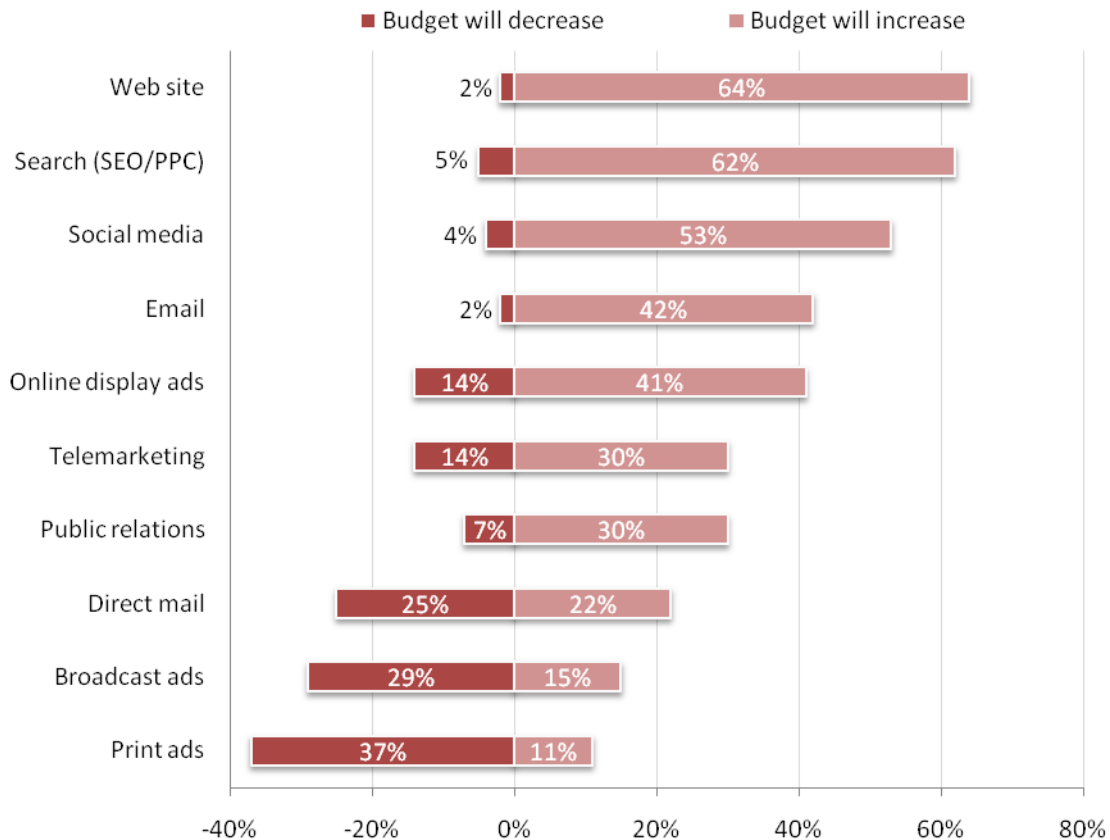


Source: MarketingSherpa Email Marketing Benchmark Survey
Methodology: Fielded Sep 2010, N=1,115

THE CHANGING MARKETING BUDGET LANDSCAPE

Q. How do you foresee budgets for the following marketing tactics changing from 2010 to 2011?

Chart: Organizations increasing and decreasing marketing budgets - the impact on tactics



Source: MarketingSherpa Email Marketing Benchmark Survey
Methodology: Fielded Sep 2010, N=1,115

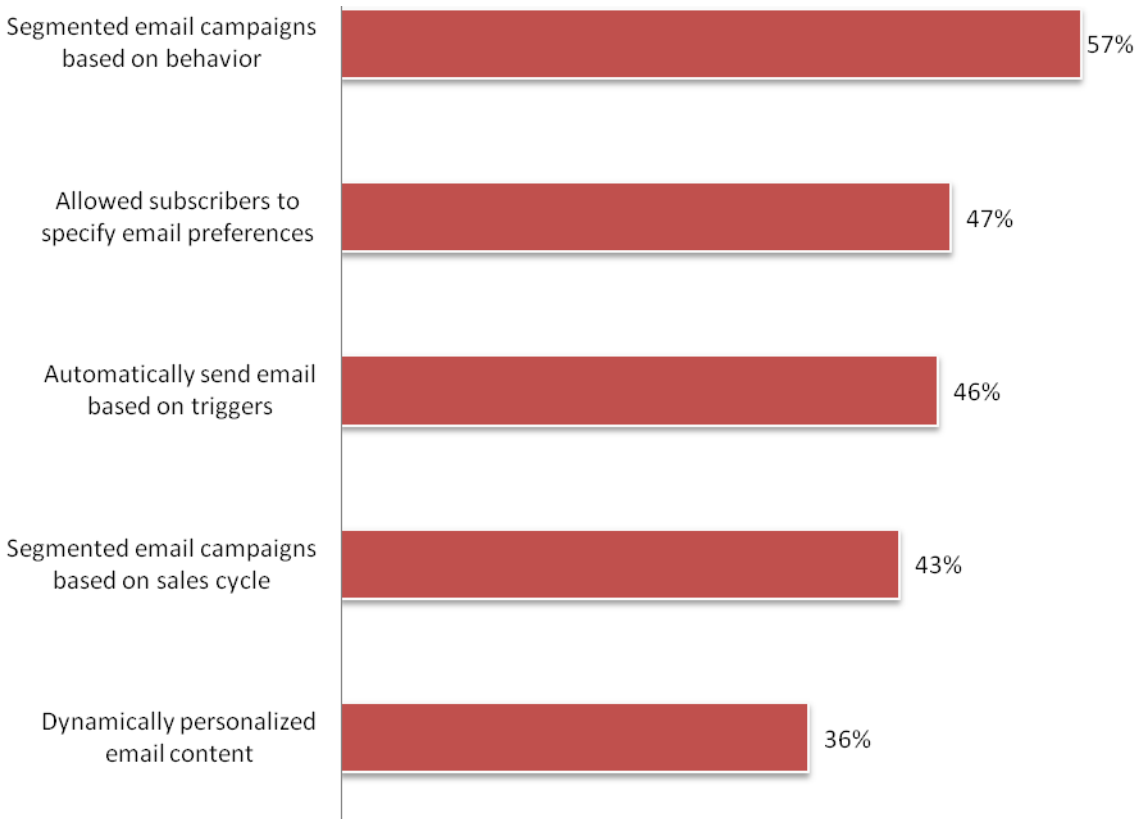
The shift in budgets from offline to online tactics continues. While the majority of organizations will increase online budgets in 2011 with very few reporting a decrease, those organizations decreasing budgets for direct mail, print ads and broadcast ads far outweigh those planning an increase.

The traditional online workhorse tactics – Web site, search and email – continue to receive the budget increases they deserve. New to this exclusive group benefitting from budget increases is social media marketing. Social marketing is still in the early stages of proving business value but expectations are high and so is the financial commitment to succeed.

RELEVANCY TACTICS USED

Q. Which of the following tactics is your organization using to improve the relevancy of email content delivered to subscribers?

Chart: Tactics organizations are using to improve relevancy



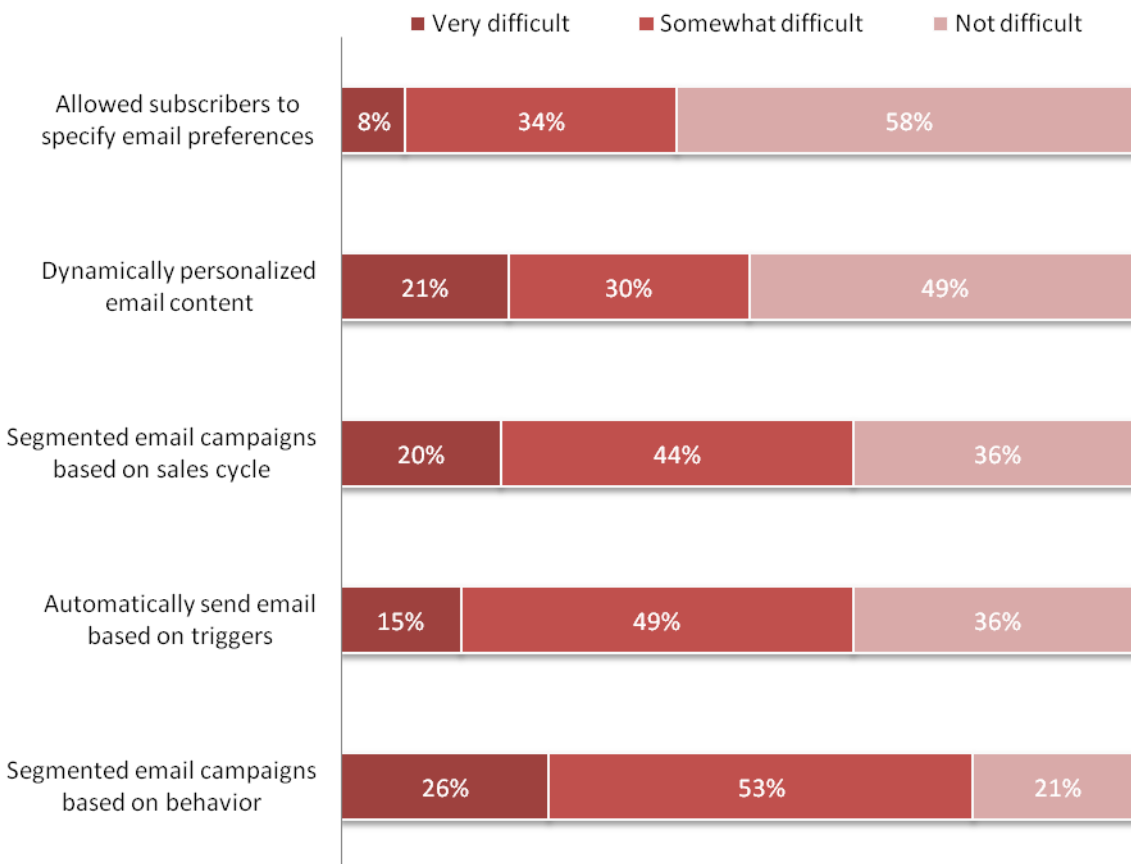
Source: MarketingSherpa Email Marketing Benchmark Survey
Methodology: Fielded Sep 2010, N=1,115

Trigger emails rank as the most effective email tactic to increase relevancy, however they are not the one most implemented. Today, harried marketers choose not to invest the time into pre-planning a triggered email campaign. Instead, email marketers find it more efficient and customer-centric to use self-service tactics like allowing subscribers to specify their email preferences or segment email based on actions the customer takes.

THE TIME, EFFORT AND EXPENSE REQUIRED OF RELEVANCY TACTICS

Q. Please indicate the degree of difficulty (time, effort and expense) for each of the relevancy improvement tactics your organization is using.

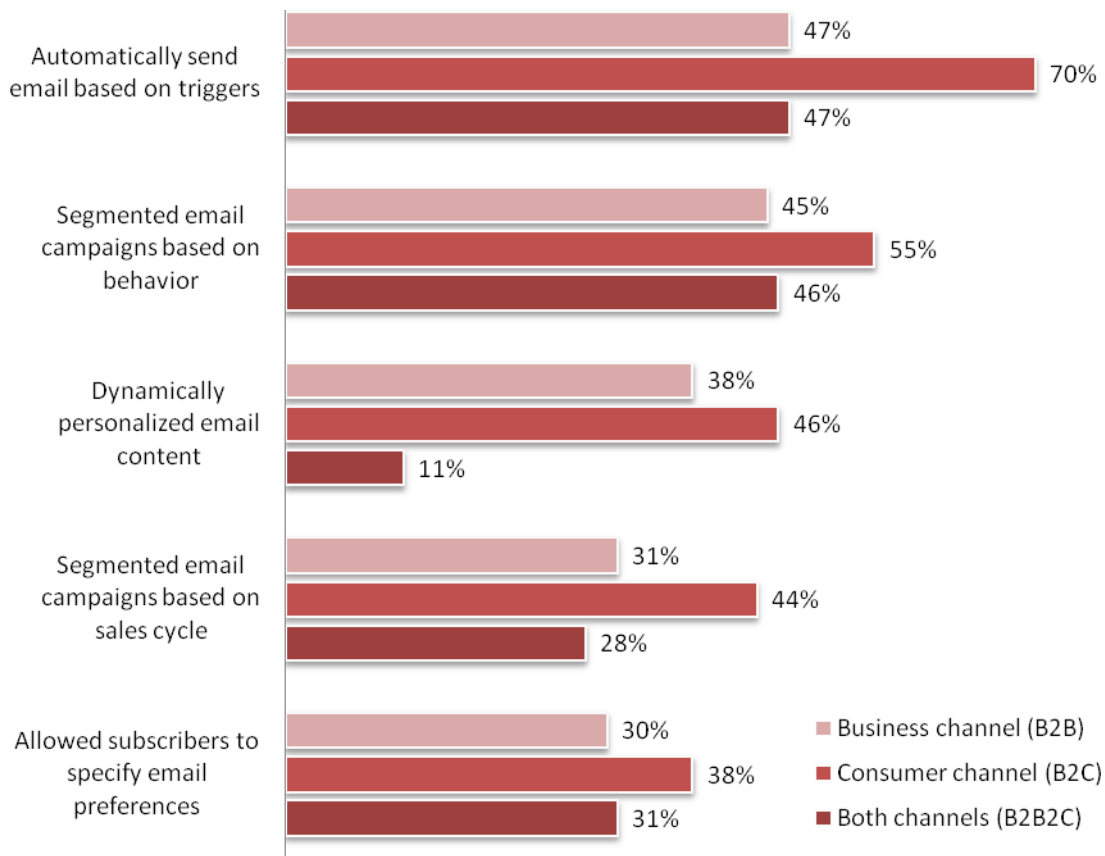
Chart: Relevancy improvement tactics - degree of difficulty



Source: MarketingSherpa Email Marketing Benchmark Survey
Methodology: Fielded Sep 2010, N=1,115

Customizing communications with customers has always been a business priority whether the conversation happens person-to-person or on-line. To the degree of which relevancy tactics can be automated determines its degree of difficulty. Allowing customers to specify email preferences is simple with most ESP software. However, preparing and executing the segmentation of mails based on behavior or sales cycle can be more cumbersome. Likewise, the time to create meaningful content or set up automatic emails based triggers can be resource draining.

Chart: Relevancy improvement tactics rated very effective, by primary channel



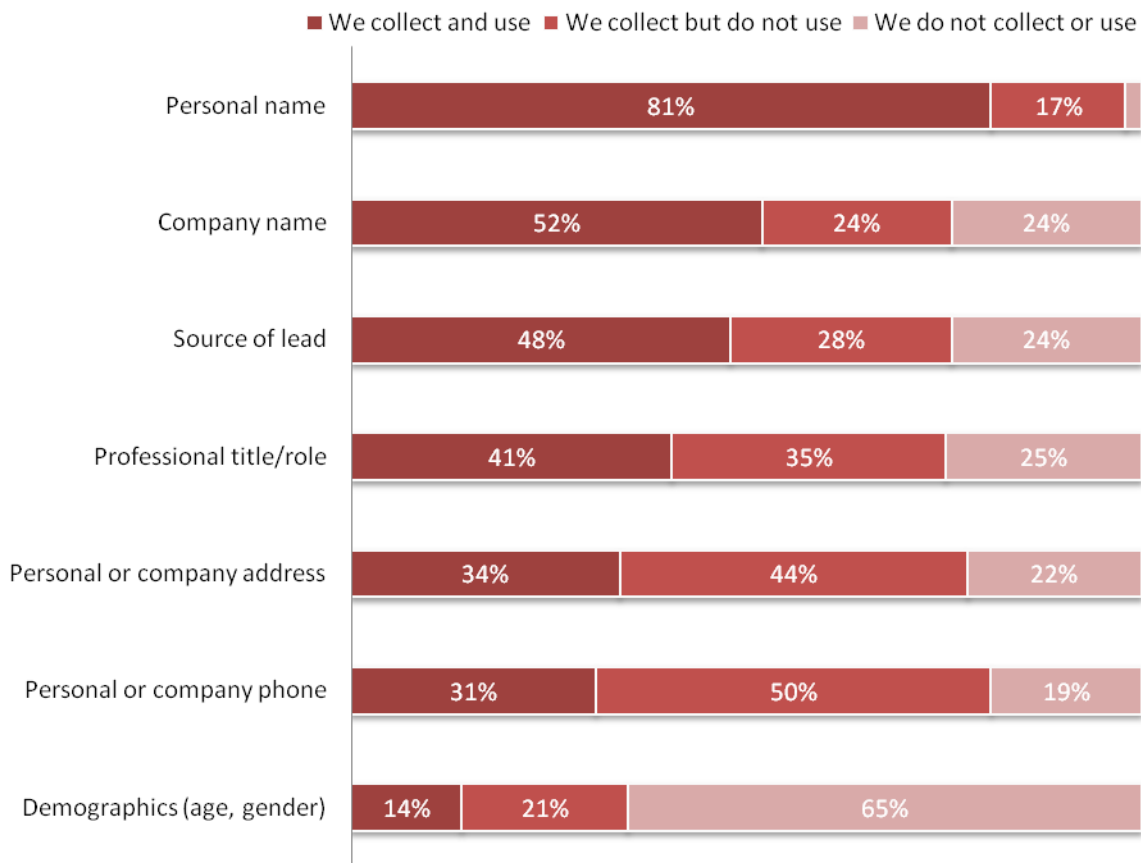
Source: MarketingSherpa Email Marketing Benchmark Survey
Methodology: Fielded Sep 2010, N=1,115

The fact B2C companies have a less complex sales cycle is reflected in how they prioritize their relevancy tactics. In segmenting email campaigns based on customer’s behavior and where they are in the sales process, B2C marketers can use triggered email campaigns to successfully move customers through the sales funnel.

WHAT IT TAKES TO PERSONALIZE EMAIL

Q. In addition to an email address, which of the following does your organization collect and use for email personalization?

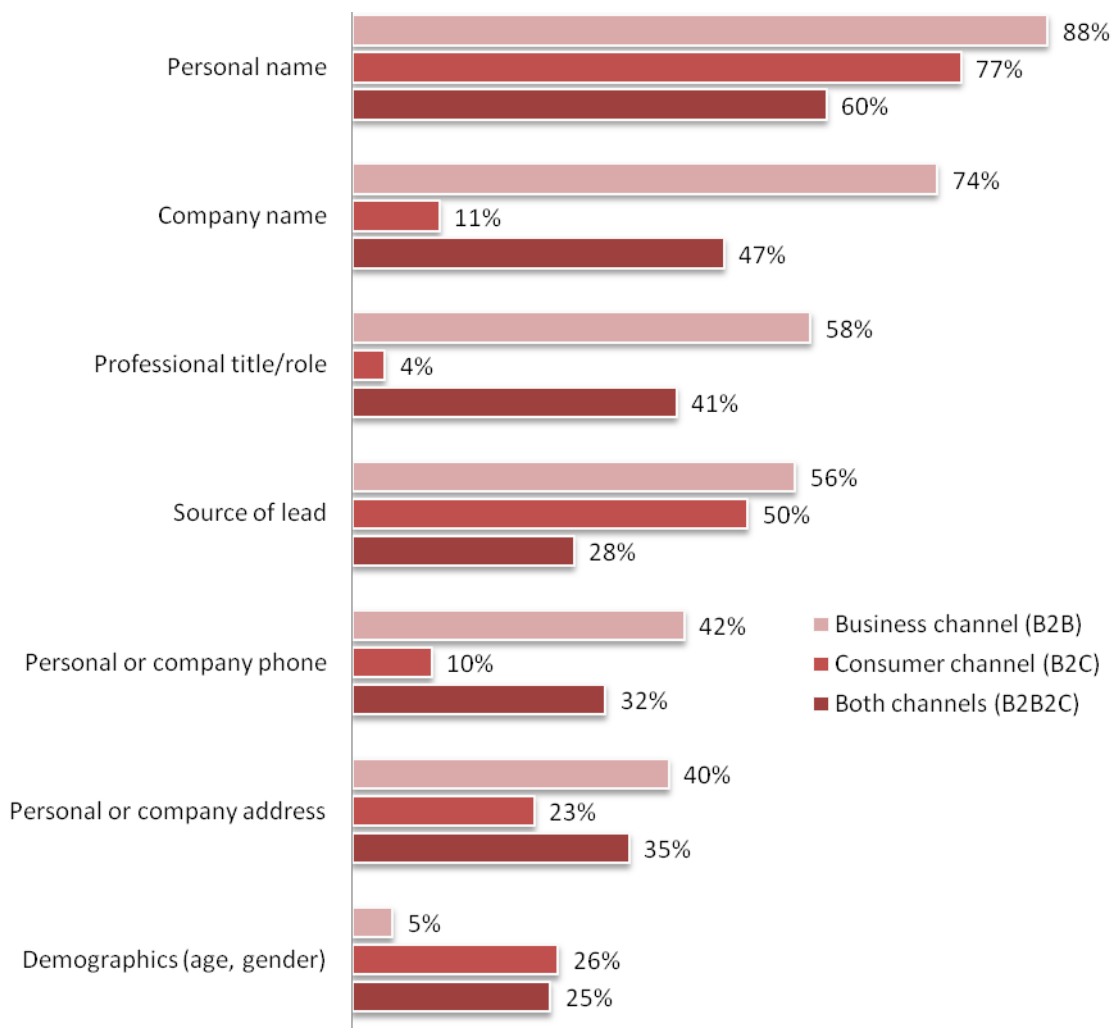
Chart: Data collected for email personalization goes beyond subscriber name



Source: MarketingSherpa Email Marketing Benchmark Survey
Methodology: Fielded Sep 2010, N=1,115

The majority of email data collection takes place during registration. A delicate balance is struck between a marketers wish list and not asking for so much information that it creates friction for the customer. For most companies asking for their personal name, company name and lead source is more important than titles, physical addresses and phone numbers. Each company must select their own criteria based on their industry and sales pipeline.

Chart: Collecting and using subscriber personalization data, by primary channel



Source: MarketingSherpa Email Marketing Benchmark Survey
 Methodology: Fielded Sep 2010, N=1,115

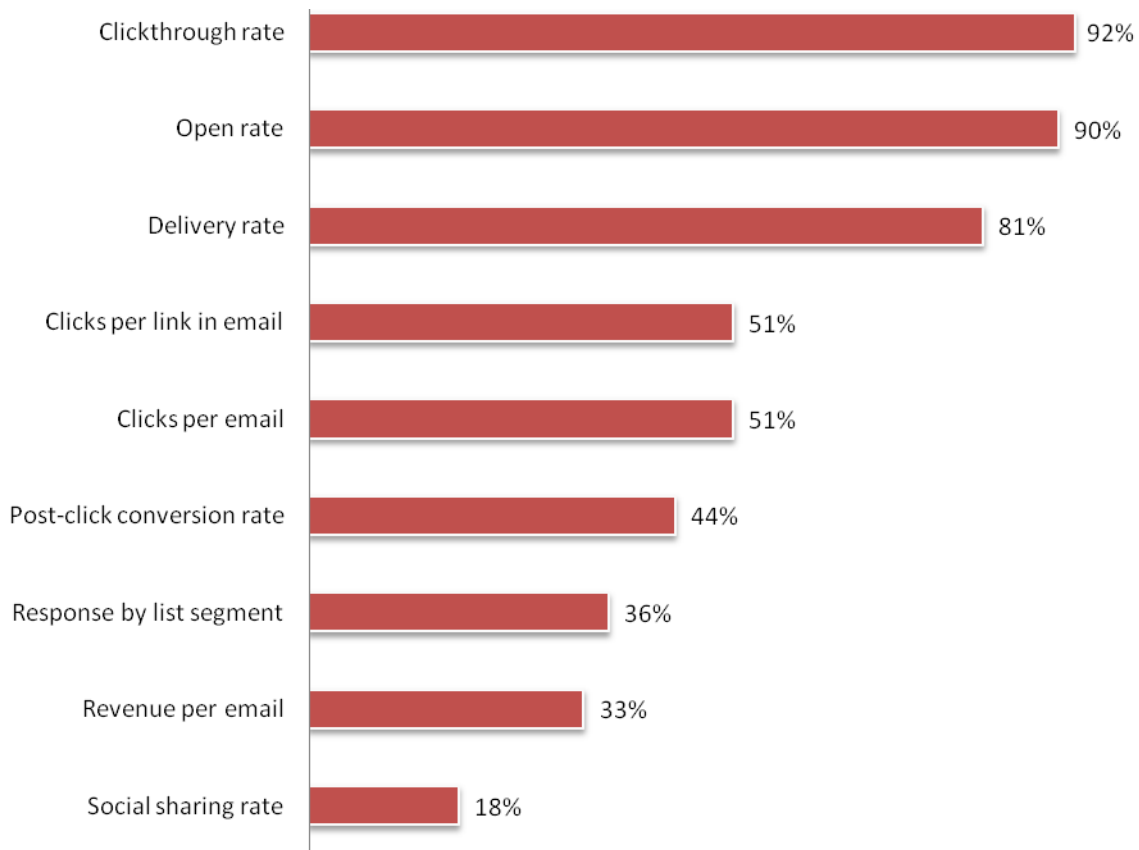
The industry channel determines the priority and usage of a subscribers personalized data. B2B marketers require company name, professional title, company address and phone number needed for complex sales. Meanwhile, B2C marketers are more interested in age, gender or other demographic information to tailor their communications. Both B2B and B2C companies find personal name and the source of the lead information key to successful email campaigns.

MEASURING EMAIL MARKETING PERFORMANCE

One of email marketing's greatest strengths is the ability to get detailed data for tracking and reporting on campaign performance. But, if not collected and analyzed judiciously, the sheer volume of data can be overwhelming. This chapter illustrates how marketers define and use email metrics, and provides industry benchmarks on the key performance indicators for email campaigns.

Q. Which of the following email marketing metrics does your organization track?

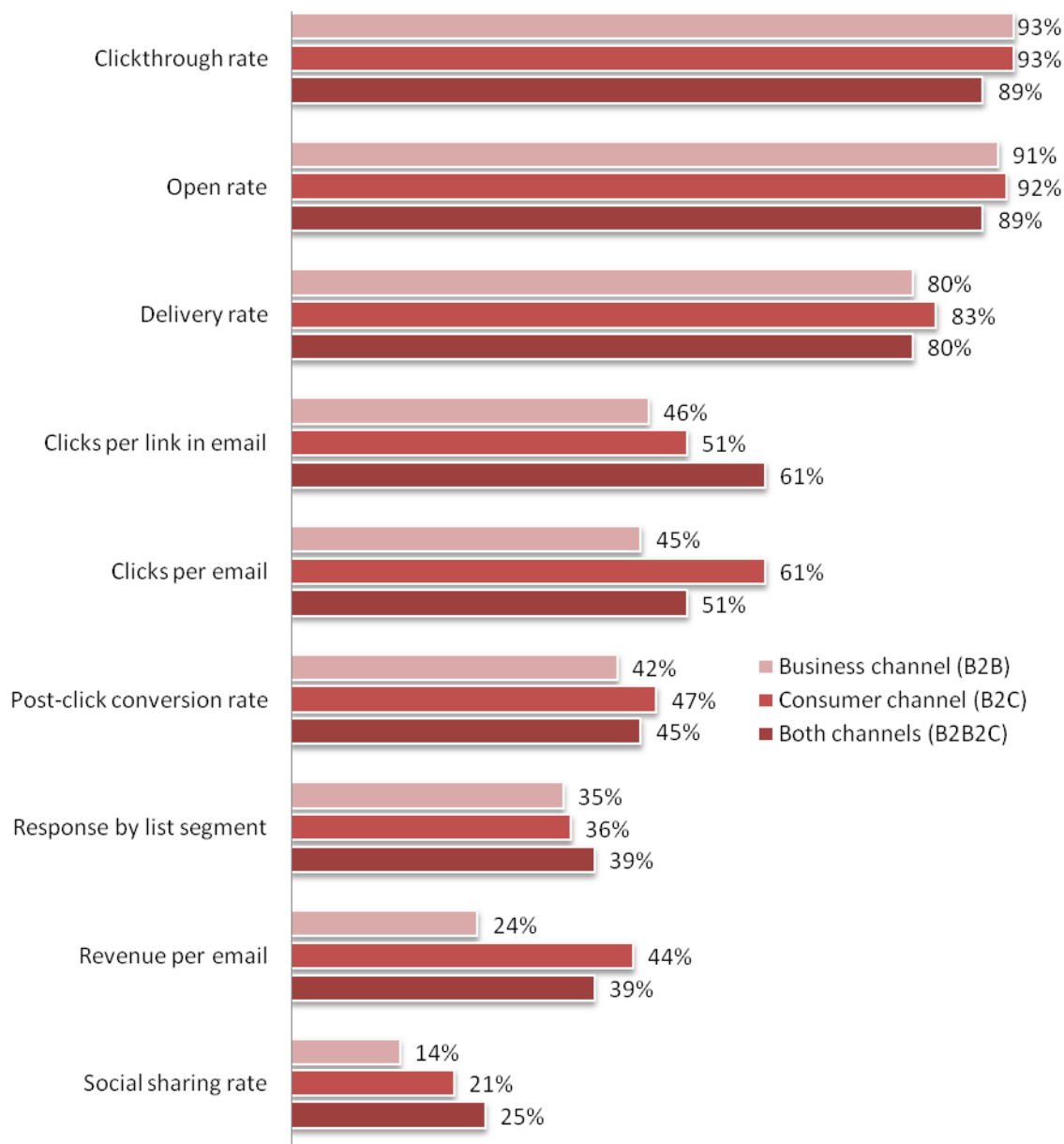
Chart: Email marketing metrics tracked by percentage of organizations



Source: MarketingSherpa Email Marketing Benchmark Survey
Methodology: Fielded Sep 2010, N=1,115

The most commonly tracked email metrics continue to be clickthrough, open and delivery rates. As email performance data become integrated with CRM and other marketing systems, measurement is enabled further downstream to determine metrics like post-click conversions, revenue per email and, ultimately, email ROI.

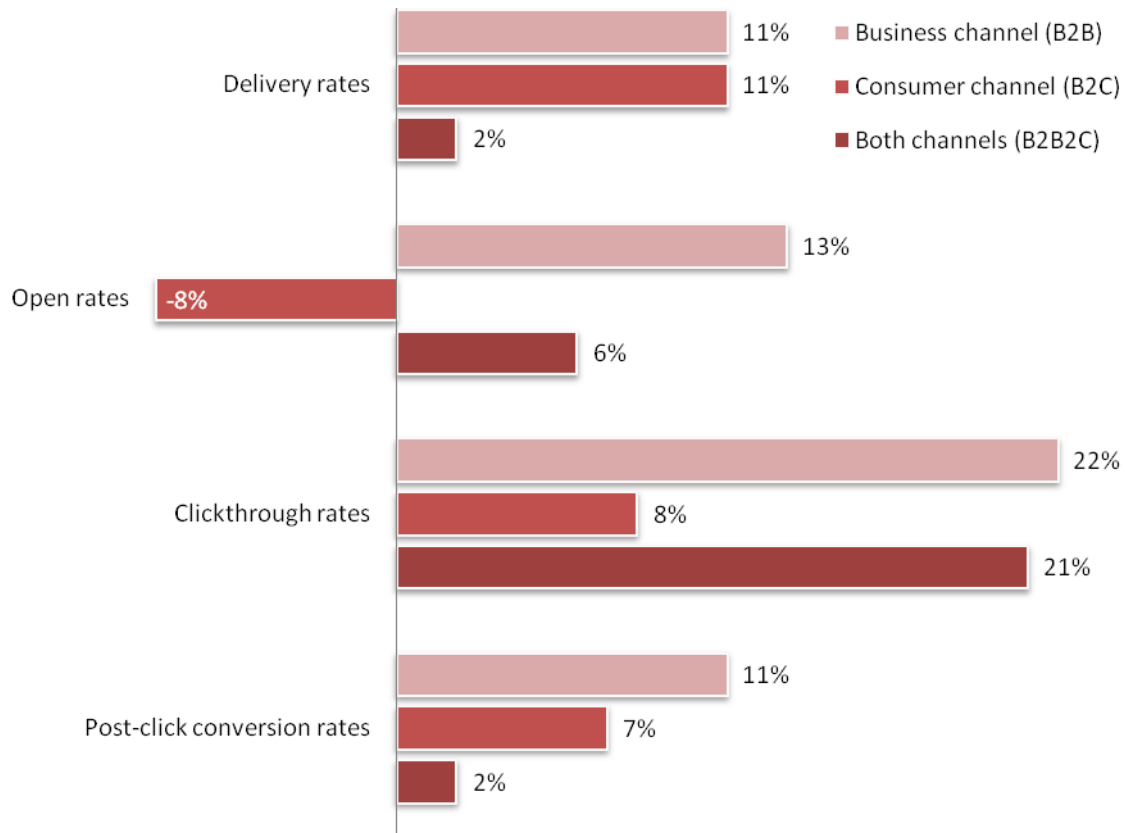
Chart: Email marketing metrics tracked, by primary channel



Source: MarketingSherpa Email Marketing Benchmark Survey
 Methodology: Fielded Sep 2010, N=1,115

The open rate, once the predominant metric of email marketing, has been surpassed by the slightly more definitive clickthrough rate in B2B and B2C channels. The various types of email client software, each with a variety of user-preference configurations that impact how an “opened” email is detected, have rendered the open rate a tentative metric at best.

Chart: Net change (increases minus decreases) in response rates, by primary channel

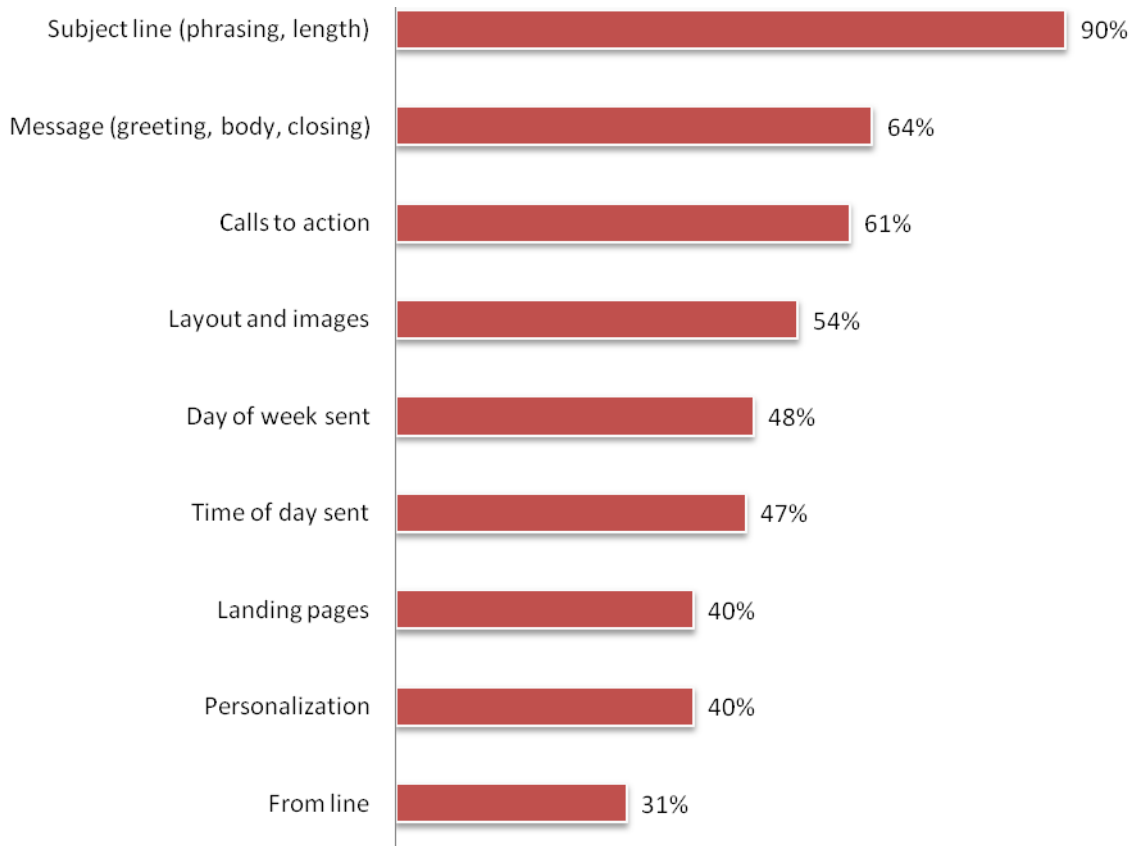


Source: MarketingSherpa Email Marketing Benchmark Survey
 Methodology: Fielded Sep 2010, N=1,115

CAMPAIGN ELEMENTS TESTED

Q. Which of the following email campaign elements do you routinely test to optimize performance?

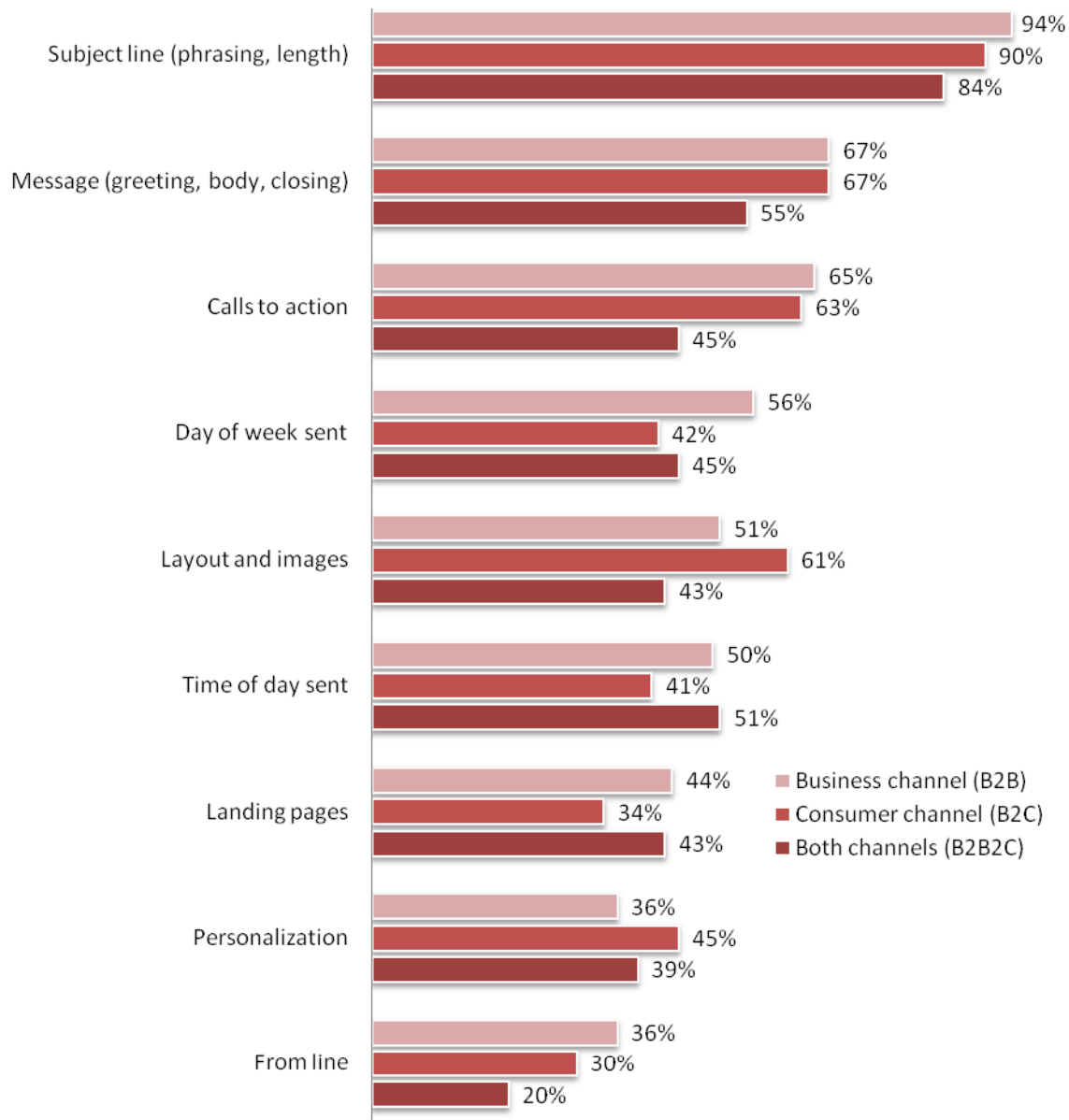
Chart: Campaign elements routinely tested to optimize performance



Source: MarketingSherpa Email Marketing Benchmark Survey
Methodology: Fielded Sep 2010, N=1,115

There are numerous points in an email campaign where data can and should be collected. Each of these points is an opportunity to measure results and optimize the performance of future campaigns based on those results.

Chart: Campaign elements routinely tested to optimize performance, by primary channel



Source: MarketingSherpa Email Marketing Benchmark Survey
 Methodology: Fielded Sep 2010, N=1,115

In the B2B channel – which often deals with large, complex sales involving numerous decision makers and influencers – building personalized relationships is an important objective of email marketing. That may be why organizations in the B2B channel are more likely than their B2C counterparts to test the subject line (which can be configured to personally address the recipient) and the from line (which identifies the sender personally). Both of these elements appear predominantly in the preview pane.

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