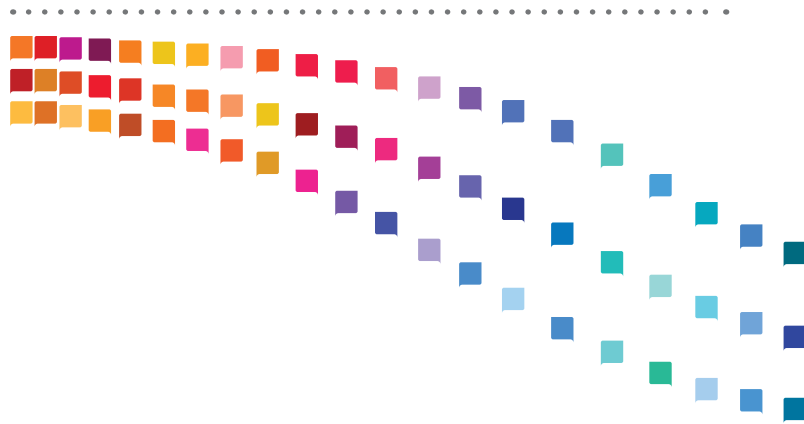




Sponsored by



National client email report 2015





Contents

Introduction	2
Sponsor's perspective	3
Executive summary	4
1. Strategic importance of email marketing	5
1.1 Strategic importance of email marketing	5
1.2 Primary business objectives for email marketing campaigns	5
1.3 Performance of different types of email messages	7
2. Business revenue generated by email marketing	9
2.1 Approximate ROI	9
2.2 Revenues driven by email types	10
2.3 Most effective cross-channel integrations	11
3. Email marketing maturity	12
3.1 Competence in email marketing	12
3.2 Ability to calculate email revenues	13
3.3 Competence in email testing	13
3.4 Management of marketing programme	14
4. Budgets and constraints	16
4.1 Budget allocation	16
4.2 Budget projections	17
4.3 Constraints	17
5. Email marketing strategy	19
5.1 Contact frequencies	19
5.2 Customer segmentation	20
5.3 List growth	22
6. Email metrics trends and predictions	24
6.1 Key performance indicators (KPI's)	24
6.2 Metrics – trends	25
6.3 Metrics – predictions	27
Methodology	28
Glossary of terms	29
About the Author	30
About the DMA	31
About DBS Data	32
Copyright and disclaimer	33



Introduction

Email is the oldest digital medium still in use, growing out of the early internet. Even now, an email address is one of those things that helps define you in the digital world. It has endured because it is so useful. It also works. ROI figures alone show this, rising from £24.93 last year to £38 this year. Email is resurgent.

When done well, email stands up as one of the most effective ways to reach target audiences, but it's changing, and this change is making it more vital, more effective.

Consumer trends are behind this change. Email is no longer a stand-alone medium - but something that integrates well with other media. Mobile in particular has changed the relationship between consumers and email and it is generally now a mobile-first medium.

In addition, newer disciplines like Conversion Rate Optimisation (CRO) breathe new life into email to make it work harder while older techniques like segmentation help bring the right messages to the right audiences ever more effectively.

New technologies like marketing automation software which matches behaviour to email triggers, can also have impressive results and prevent older 'spray and pray' approaches.

Finally, email systems have become more and more successful at eliminating spam. Email is now reliably about the things that interest the recipient.

Taken together, there is new life in email. You can see the evidence is in the improving statistics for delivery rates, open rates, conversion rates and click-through rates - forecast to continue into next year. In addition, more than half of respondents believe email spend will increase next year.

Treat your customers with respect, and email should be a robust way to conduct business digitally.

I'd like to thank everyone who made this report possible.

First and foremost, I'd like to thank all of the client email marketers who participated in the survey as well as those ESPs who, in support of research, encouraged their clients to participate.

Second, this report (like the National email benchmarking reports) is made possible through generous time given by certain individuals who constitute the benchmarking hub, namely: Matt Simons (e-MagineBlue), Marcus Geary (eBay Enterprise Marketing Solutions), Peter Swanston (OTT Pictures), Rob Hazleton (Concep), Steve Henderson (Communicator Corp), Gary Brandon (DBS Data), Gerry Weatherley (Clickwork7), Saul Gowens (Websand), and Phil Storey (Lyris).

Further thanks are due to the report's author, Jordie van Rijn. Final thanks should be saved for the report's sponsor: DBS Data.

Chris Combemale
Executive Director
The DMA



Sponsor's perspective

It is now 44 years since the first email was sent and its hard earned status as one of the strongest weapons in the marketer's arsenal shows no signs of diminishing.

I am not at all surprised that the vast majority of marketers still consider email to be an important or very important channel, as it has been proven to deliver consistently year after year. Email presents a relatively low cost channel from which to improve customer engagement and increase sales. Furthermore, it has continued to evolve as a technology.

In fact, this survey highlights just how compelling the results can be, with 18% of respondents recording a return on investment of over £70 for every £1 spent. However, despite the returns, over half of all those polled are spending less than 10% of their marketing budget on email marketing, although spending looks set to increase for many in 2015.

One of the most interesting developments we have seen in recent years is how traditional DM technique such as email can work hand-in-glove with social networking sites (most notably Facebook) as part of a multi-channel campaign strategy. So, I am particularly delighted to see 44% of marketers recognising that email integrates best with such sites. This year I would encourage marketers to seriously consider options such as Facebook advertisements to run alongside their outbound activities, as this approach is consistently achieving uplifts in response rates in the region of 40% with minimal increases in campaign costs of between 5% and 10%.

The most disturbing issue for me working as a data professional is that data degradation (29%) and lack of data (26%) were considered to be the most significant challenges to successfully executing email campaigns in 2014. With the quality of tools, techniques and data sources available to marketers today there really is no reason for these two issues to inhibit marketers. Data is very much an enabler!

Email has an interesting twelve months ahead. Firstly, the Radicati Group predicts that by the end of this year there will be 4.1 billion email accounts in existence, pushing the data quality issue to the fore, to ensure the right messages are going to the right accounts of the right recipient. But also the long-awaited outcome of the EU data protection regulation, which has the potential to have far reaching ramifications for every marketer.

Adam Williams,
Managing Director of DBS Data

Executive summary

Email marketing continues to deliver a strong performance for brands and marketers. It is used by over 90% of businesses and provides a cost-efficient and powerful way for both broadcasting news and one-to-one communications.

9 out of 10 clients perceive email marketing as a channel of 'importance' or 'great strategic importance' for achieving business goals

- The survey shows lower levels of ambivalence around email.
- A high proportion of companies' email programmes remain managed in-house, with a slight shift from outsourced services of ESPs towards in-house management.

Direct revenue is most often a key email marketing objective and email marketing campaigns are very effective in delivering it.

- Driving revenue through sales tops the list of prime objectives, with over a quarter (26%) of marketers seeing it as the most important goal.
- Marketers are aware of the need for engagement with one in five (22%) naming it their prime objective.
- 60% of marketers use conversion rates to evaluate email campaigns effectiveness.
- One in five companies report an ROI of over £70.

Increased use of targeted campaigns, advanced tactics and increased expertise lead towards a new tier of effectiveness.

- Regular newsletters are classed as the most effective way of delivering email content to achieve campaign objectives, yet with a particular focus on segmenting the target audience based on purchase habits.
- Triggered and behavioural driven email marketing drive more revenue than in previous years, with a reduction in blanket email marketing.
- The overall expertise seems to be on the increase as only 12% of respondents rate their company's competence as basic compared with 22% last year.
- 78% of marketers rate their company's competence in email marketing as either intermediate or advanced, up from 70% last year.

Email marketers are building a strong business case with a high ROI and less internal constraints.

- Email has an average ROI of £38 for each £1 spent. A big increase over the £24.93 reported in 2013.
- Only 4% of respondents predict a decline in email marketing budget over the coming year.
- Internal resources and budget limitations are less often a constraint for campaign success.
- Over half of all respondents anticipate their company's spend on email to increase during 2015.

Trends reflect a positive outlook and a need for focus on data quality.

- Delivery, conversion, open and click-through rates have all increased, unsubscribe rates remain unchanged.
- Mirroring this, over the coming 12 months delivery, open, conversion and click-through rates are predicted to rise further, possibly led by the increase in advanced email marketing tactics.
- Data degradation is the fastest growing barrier to effective email marketing while data availability is less of a concern.

1. Strategic importance of email marketing

1.1 Strategic importance of email marketing

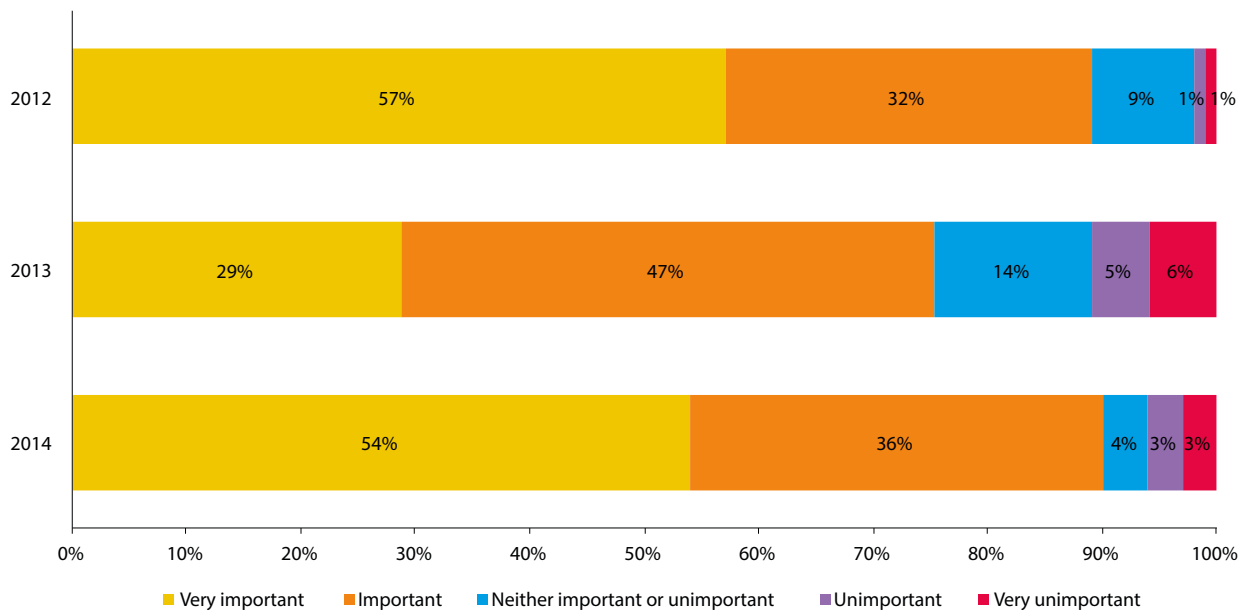
Email marketing is an important piece of the marketing communication mix and marketers recognise this for their own businesses. 9 out of 10 marketing professionals declare email as either 'important' or 'very important' to their business.

More than half of marketers find email to be 'very important' to their business. After last year's dip, we see the proportion of those who perceive email as 'very important' returning to 2012 levels.

Fewer marketers saw email as very unimportant/unimportant this year (6%) compared with last year (11%) and fewer marketers were ambivalent about the importance of email this year (4%) compared with previous years.

Marketers want to personalise experiences across multiple channels and touchpoints. To achieve this, users need a unique identifying key – the email address, which acts like digital passport. If marketers are not making the most from email marketing, the strategic importance of email grows. Without email, building a profile of the (potential) customer becomes a very tough job. This explains email's shift to 'important' or 'very important'.

How important is email marketing within your business strategically?



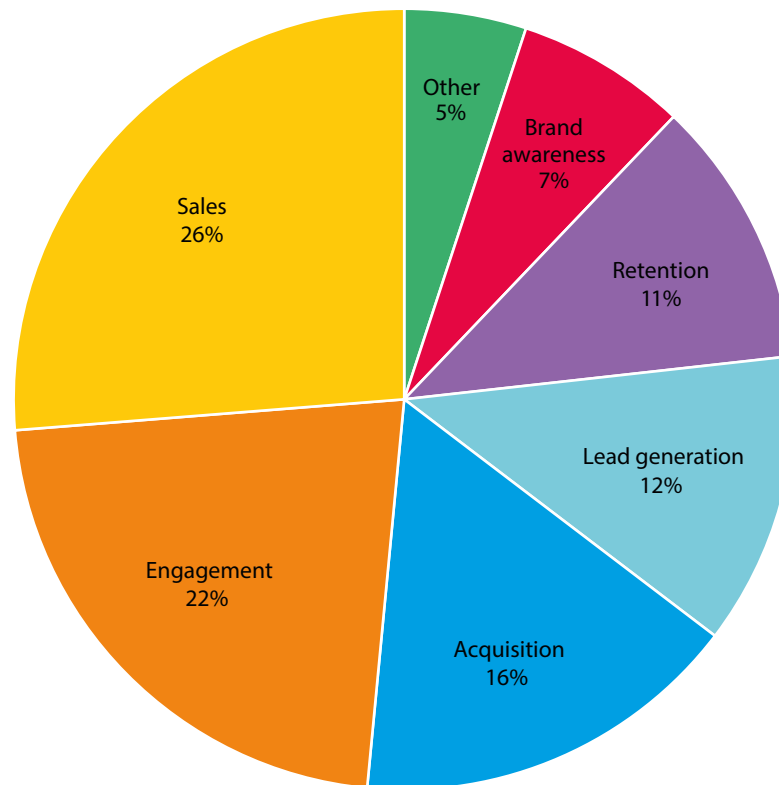
1.2 Primary business objectives for email marketing campaigns

Last year's report showed that email can serve multiple business goals simultaneously and the purpose of email is often distributed over multiple (more than three) goals.

This year's survey suggests the focus for email marketing campaigns is most often revenue. Driving sales is the number one business objective (26%) and acquisition is the third most mentioned (16%).

At first sight it might seem remarkable that an indirect business objective like engagement comes second, with 22% of respondents claiming this is the most important campaign objective. Engagement is often easier to measure than sales. In addition, one should not underestimate the role that engagement plays in learning from the user through their behaviour. Engagement may also come before handing-over to another channel, such as personal sales, for conversions.

What is the primary objective of your email marketing campaign?



Source: National email benchmarking report 2013 - November 2014 Edition

In B2B campaigns, we see more focus on lead generation, with 18% stating that is a primary objective compared to 10% in B2C.

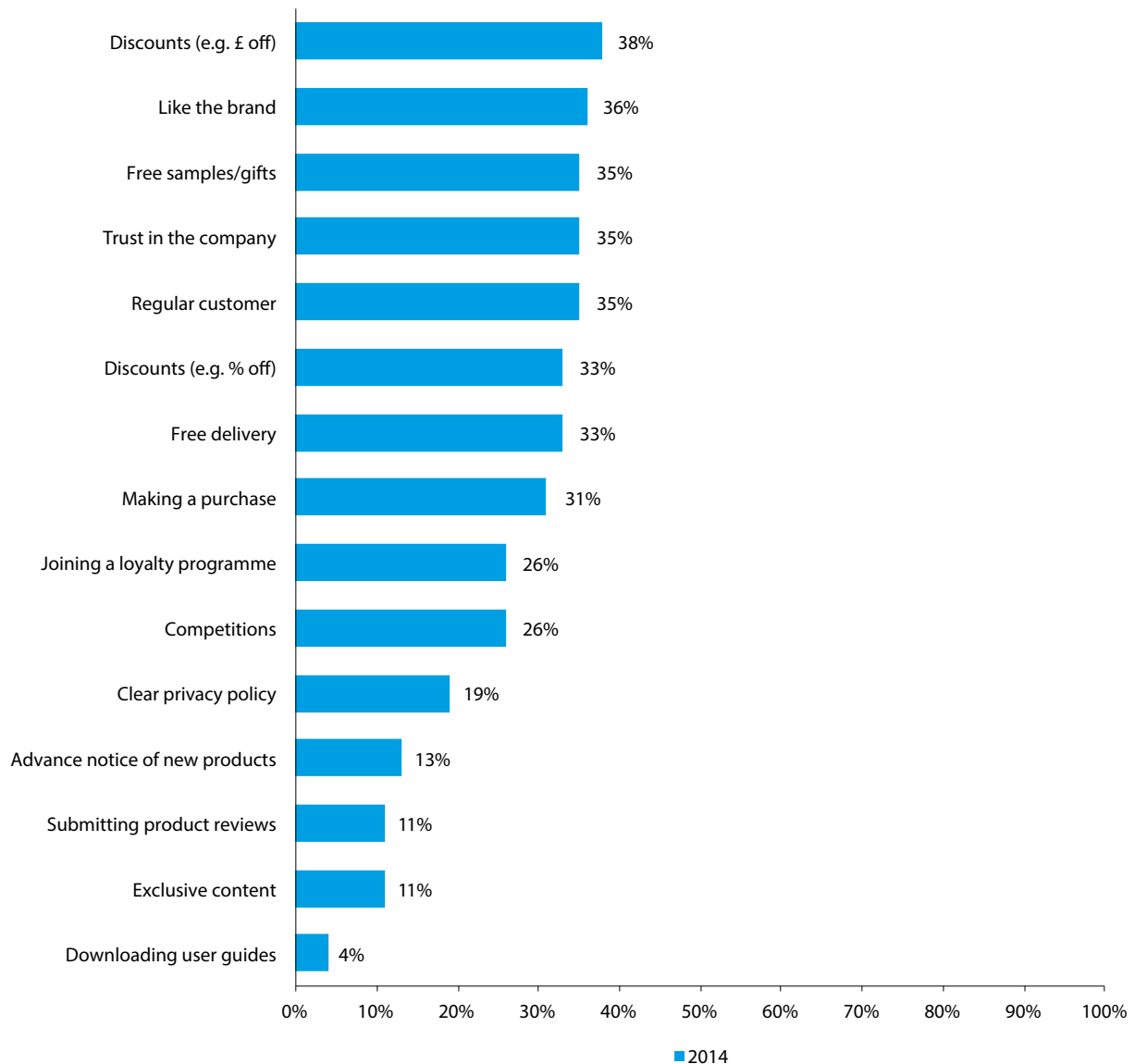
Nearly one in five (18%) of B2B companies want increased brand awareness, while this is only seen as a top campaign objective for one out of twenty-five B2C companies (4%).

Brand awareness is rarely a primary email marketing objective. This is unsurprising because existing clients are often a significant part of the email marketing database and the need for an opt-in already establishes a contact and familiarity with the brand.

This notion of existing brand relationships in email marketing is supported by the *Email Tracking Report 2014*¹, where three of the top five reasons for signing up to email alerts included: liking the brand, trust in the company, and being a regular customer.

1. [Email Tracking Report 2014](#)

Reasons to sign up for email



1.3 Performance of different types of email messages

Marketers use a wide variety of approaches to reach their clients but newsletters, welcome messages, and customer surveys remain the top three ways for them to achieve their campaign objectives.

Regular newsletters continue to be the top type of email messaging used to achieve business goals. It's an effective way of delivering email content to achieve campaign objectives. However there has been an overall decline in its popularity since 2012.

Welcome messages, the second most popular email type, are easily created through any professional ESP or email marketing software and are often used for engagement or direct sales objectives.

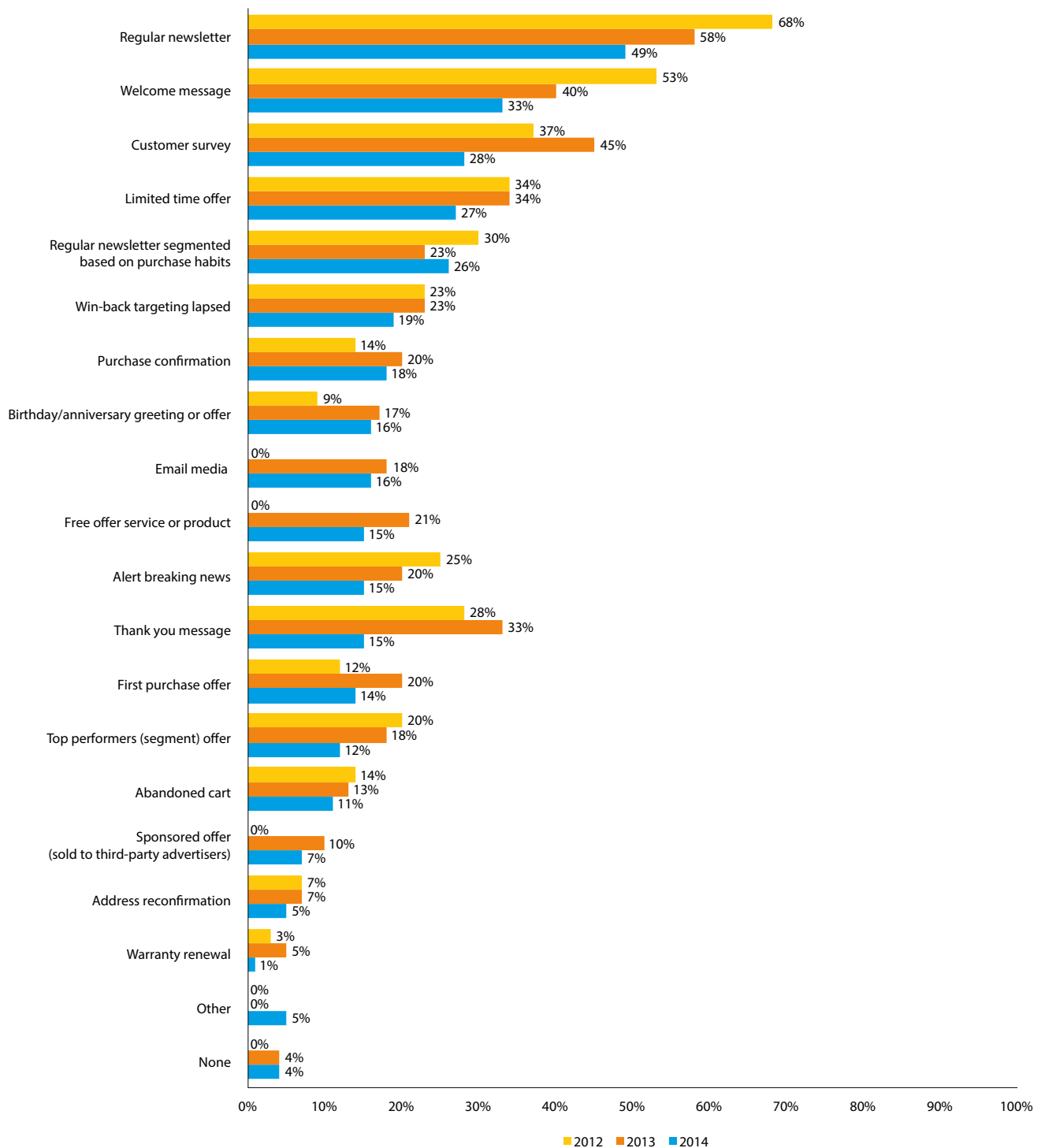
Once marketers use welcome emails, they are more likely to use other time and behaviour triggered messages like purchase confirmations or birthday emails. More than one-third (35%) of marketers that use a welcome email, also send a win-back campaign. This is almost double the adoption rate compared to those that do not send a welcome campaign (18%).

Respondents use an average of 3.3 campaign types, down from 4.4 in last year's survey. This indicates a focus on more productive campaign types, but explains the overall loss of ground of the campaign types. It will be intriguing to track the development of these in 2015 and see if it persists.

Automated triggered messaging types, such as purchase confirmations (18%), birthday emails (16%) and abandoned cart mails (15%) give value to the marketer. As chapter 2.2 will show, automation is a sizable part of all revenue generated, despite not yet widely adopted. Expect more marketers to commit to marketing automation in the coming years.

Marketers have used fewer customer surveys than in recent years, from 37% in 2012, to 45% in 2013, to 28% this year. Surveys are used to learn more about customer preferences and sentiment. This year's results potentially mark a shift from surveys towards using behavioural data, such as click behaviour and page visits to build the customer profile.

What types of email message / content helps you to achieve your campaign objectives? You can select up to five choices.



2. Business revenue generated by email marketing

2.1 Approximate ROI

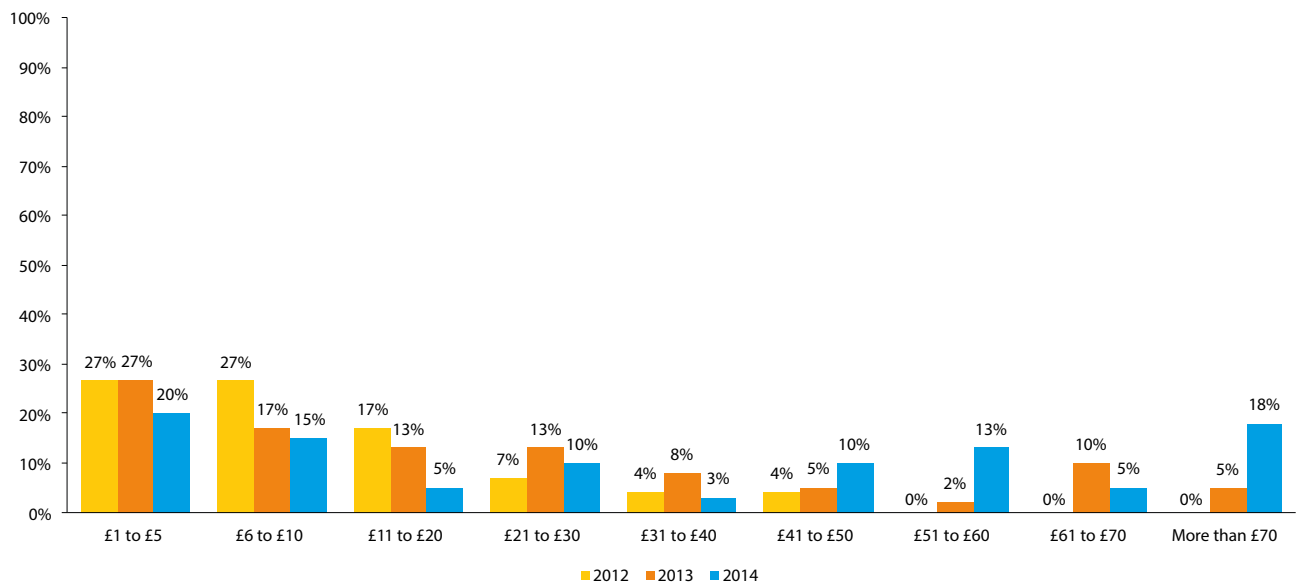
Email marketing is known for its high Return on Investment (ROI). Of those able to report their revenue figures in the survey, we can this year categorise the marketing campaigns into three ROI brackets.

Positive ROI: 20% of marketing professionals receive £1-£5 back on their initial investment.

Strong performers: 43% get a strong ROI of £11-£50. Within this group, the number in the £41-£50 ROI range has doubled, from 5% in 2013 to 10% in 2014.

Top segment: Over a third (36%) produce £51 or more for each £1 spent on email marketing, a firm improvement over the 17% figure of 2013.

How much is the approximate return you get back for every pound spent on email marketing?



Nearly 1 in 5 companies (18%) report an ROI of more than £70, which is more than three times last year's figures (5%). Email marketers have put their budgets to work harder, either by eliminating costs, optimising programmes or driving more revenue through tactics like focusing on list growth, intensifying efforts, lead scoring and more triggered campaigns.

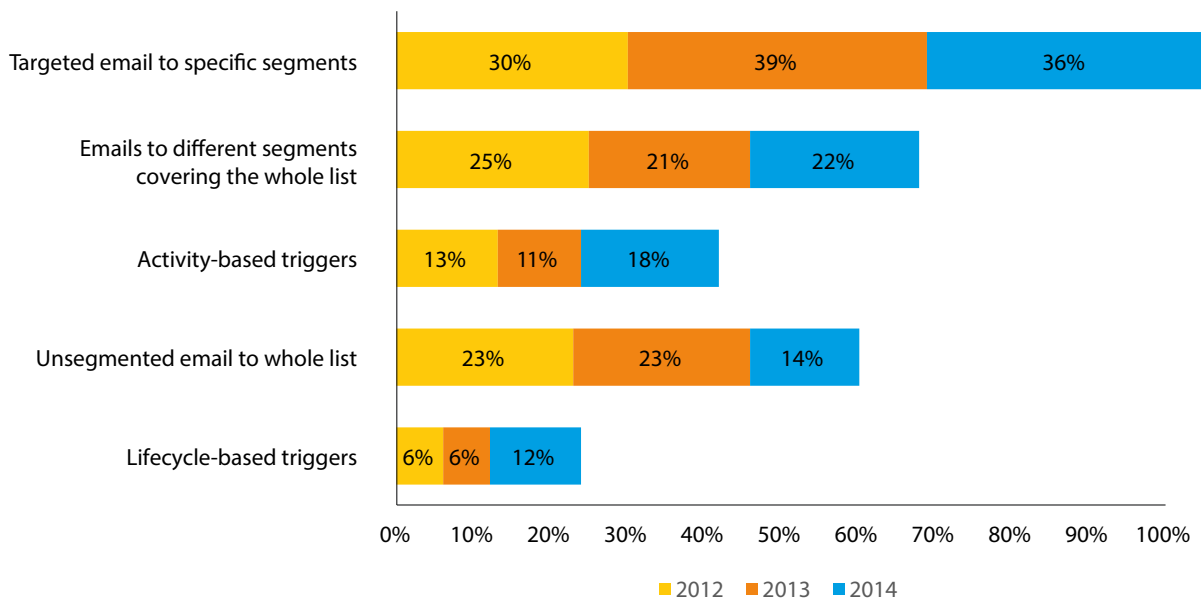
Based on the assumption that the average return for the top category of >£70 is £92.50 we get an estimated average return across all organisations of £38. This is a 53% increase on the £24.93 reported in 2013.

ROI figures can be used to inform strategic planning and make effective marketing investments as well as gain internal approval and support for new marketing initiatives. ROI can be incredibly useful in building a business case for new email integration projects.

The average ROI of £38 confirms email marketing's reputation as a trusted marketing channel that pulls its weight and consistently delivers a positive return.

2.2 Revenues driven by email types

What percentage of your email revenue comes from the following types of emails? Please ensure the total adds up to 100%.



During 2014, blanket mails that have the same message for all recipients decreased significantly to 14% of email revenue, with 86% of revenue coming from campaigns that used advanced tactics.

This year, email has completed its transformation from “work-horse” to “work-horse with brains” for delivering effective business results. The gap between those forward-thinking email marketers and the others will continue to widen.

Segmented and targeted emails generate 58% of all revenue. More than a third (36%) of revenues were driven by emails sent to specific target selections. Revenue from segmented email that covers the whole database has levelled at 22%.

Automatically triggered emails based on lifecycle (12%) or on customer activity (18%) together account for £3 of every £10 in email marketing revenue, up from 19% in 2012. This growth comes from increasing adoption and optimisation of automation systems. In general, there is a lower volume of triggered emails, but higher engagement and conversion rates thanks to better timing and contextual relevance.

A more tailored, segmented or 1-to-1 approach is often successful for generating revenue from email. A general message can appeal to the whole base because of commonly shared interests, like a sale, which could in turn allow readers to explore new categories.

With promotion and conversion driven mails, specific messages based on customer life stage, profile and product use will be much more effective in generating revenue. For instance by promoting a local event, based on brand preferences or additional services to a product the consumer owns.

General mails can be an important piece of strategy by deepening engagement and driving traffic, but as we see from the numbers, once it comes to revenue generation targeted offers work best.

2.3 Most effective cross-channel integrations

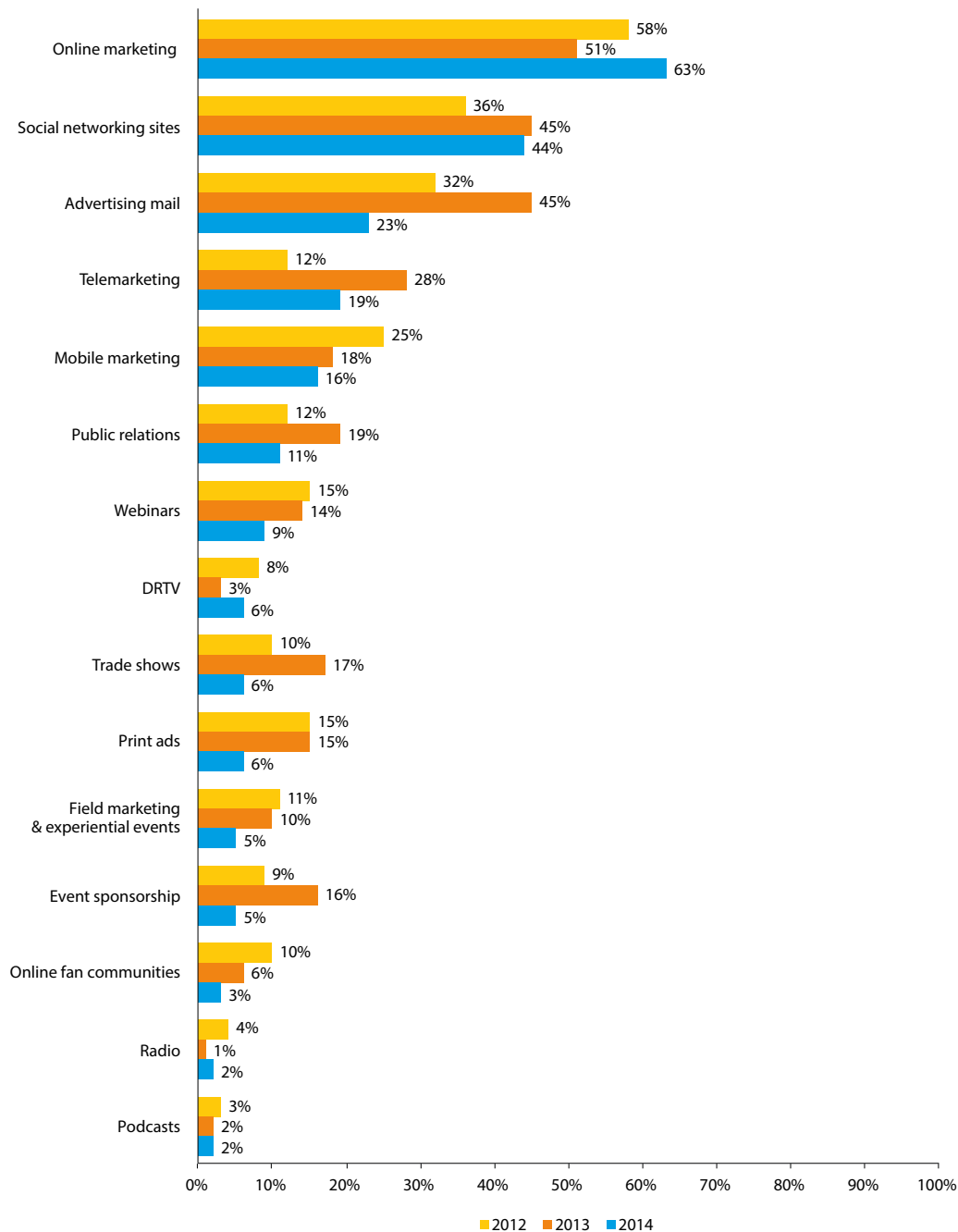
Looking at the general trend towards a more integrated channel approach, it is interesting to look at which channels respondents feel best integrate with email to support their marketing objectives.

General online marketing is currently the prevalent marketing tactic cited by 63% percent of marketers. This is followed by social networks (44%), Advertising mail (23%) and telemarketing (19%). As part of an effective cross-channel contact strategy, email is most frequently coupled with online and social tactics, perhaps as these are relatively easy to measure.

This year we asked more specific questions relating to the respondents' own situation and goals. The responses show a significantly lower outcome for Advertising Mail and telemarketing integration compared with last year's numbers.

It could be that marketers think that email combined with Advertising Mail or Telemarketing will give a positive ROI when integrated, but a sizable number of marketers have not (yet) implemented or integrated these.

Considering your contact strategy, which channel(s) integrate with email most effectively to realise your campaign objectives? You can select up to three choices.



3. Email marketing maturity

3.1 Competence in email marketing

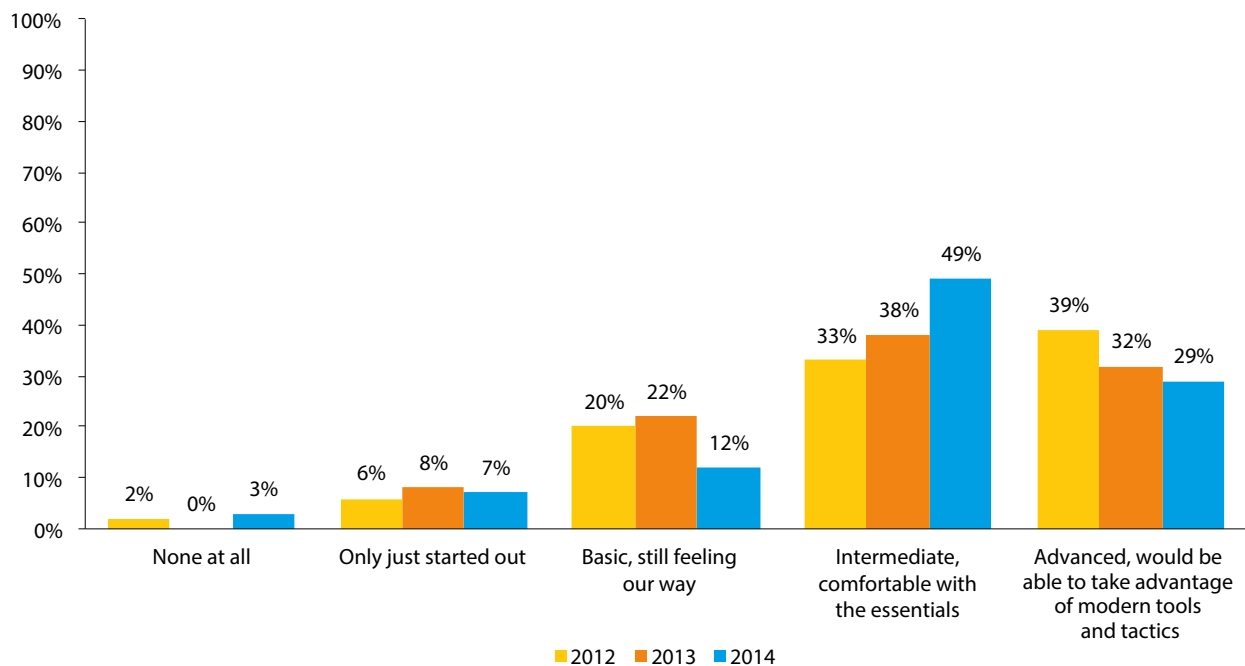
There continues to be a mix of those who perceive themselves to have advanced, intermediate or basic competence in managing their email marketing, which suggests that email marketing is easy to start, yet tough to master.

78% of marketers rate their company's competence in email marketing as either intermediate or advanced, up from 70% last year. 29% of respondents rate their company's level of competence as advanced this year, but a higher percentage (49%) are comfortable with the essentials.

This suggests that almost half of practitioners rate their business as competent at an intermediate level, but the majority are uncertain about handling modern tools and tactics.

The overall expertise seems to be on the increase as only 12% of respondents rate their company's competence as basic compared with 22% last year.

How would you rate your company's overall level of competence in email marketing?



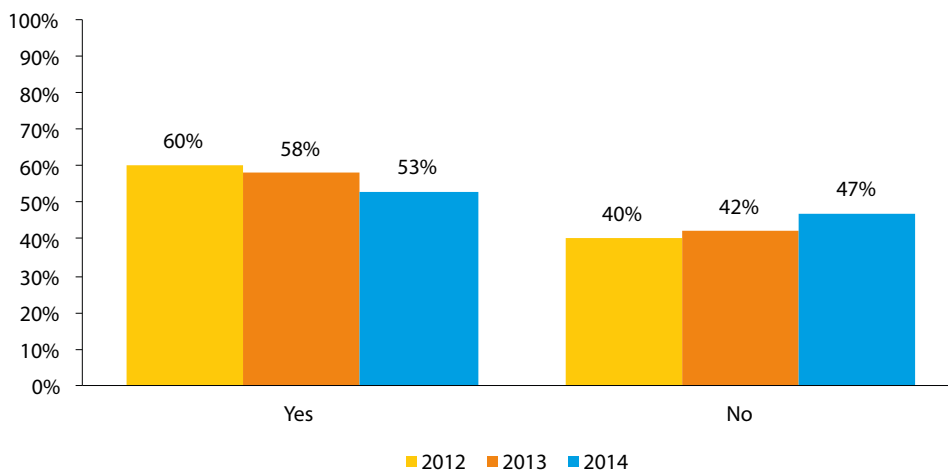
3.2 Ability to calculate email revenues

Understanding email ROI is essential for accurate evaluation and planning of email campaigns and strategies. A first step in this process is the ability to calculate the revenue generated by email marketing activities.

More than half (53%) of respondents said they were able to compute their email revenues, representing a slight decrease compared to last year.

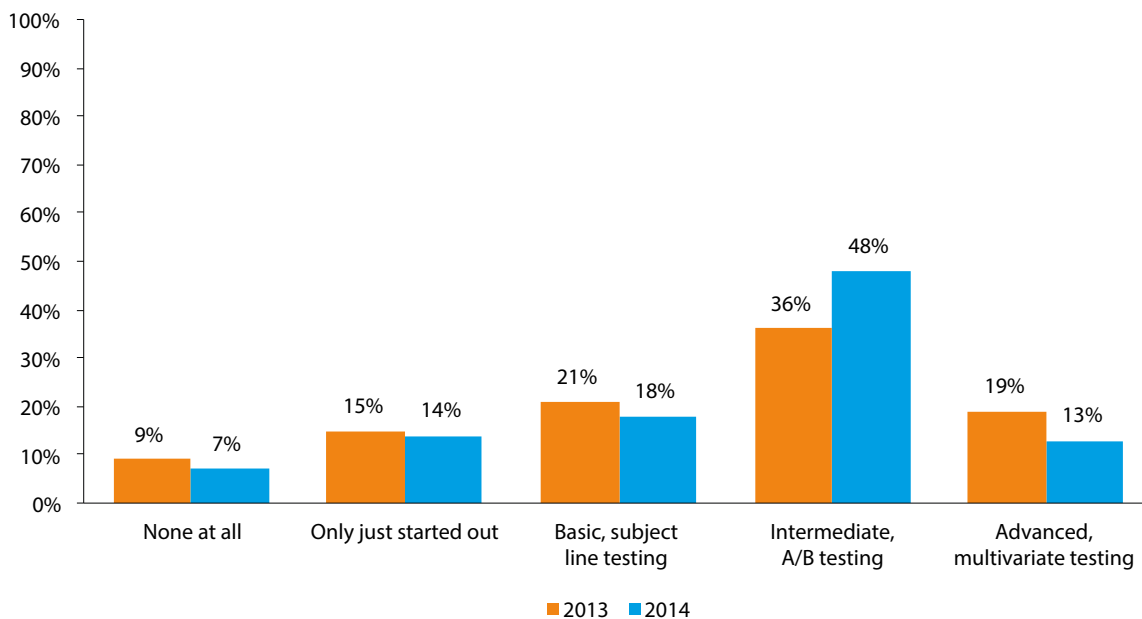
It is important to note that B2B companies often have a more complex attribution task, with multiple indirect sales channels and longer sales cycles. This may explain why there is a smaller proportion able to calculate the revenues from email. B2C sales cycles are simpler and it is potentially easier to evaluate these revenues.

Are you able to calculate the revenue generated from your email marketing activities?



3.3 Competence in email testing

How would you rate your company's overall level of competence in email testing?



Almost half (48%) describe themselves as intermediate; nearly one in five (18%) employ basic tactics such as subject line testing.

One in five (21%) have limited to no skills for email testing. 14% claimed to have just started out and 7% stated that they have no skills at all.

The Email Marketing Software Buyer's Guide 2015 – 2016² reports that nearly all of the 100+ modern email marketing and marketing automation systems listed offer testing by sending multiple versions of an email. More than 75% offer specific A/B testing functionality or a wizard, allowing the marketer to deploy tests while using less time and resources.

This has probably contributed to the rise in the intermediate testing from 36% to 48% this year. Specific test results, comparison reports and even automated deployment of the winning version lower the barrier from ad-hoc testing to a managed process.

In *The State of Split Testing*³ survey, 78% of marketers said they tested a few to all of their email subject lines over the period of a month. 9% of all respondents indicated that the software limited them to split test their subject lines.

13% of respondents felt that they are ahead, and could take advantage of advanced tactics like multivariate testing of their emails. Multivariate tests do require larger database sizes than those for A/B testing, and creation of the variants often requires additional resources, making it a less attractive choice for some.

3.4 Management of marketing programme

The proportion of email marketing programmes that are managed by the marketing professionals themselves has remained fairly consistent year on year. However, we see a shift from work by ESPs to a larger proportion of in-house management.

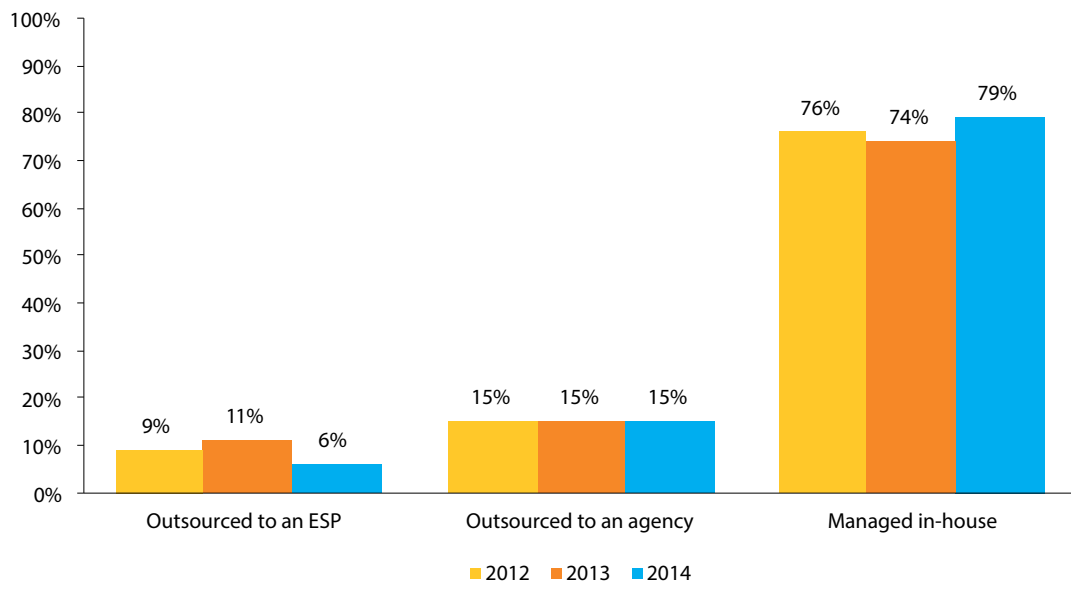
Last year's report considered that more outsourcing to specialist ESPs or agencies could allow marketers to focus on their core marketing tasks while taking advantage of the additional capacity and experience available to them. However, business are not yet taking advantage of this - the largest portion of email programmes (79%) are managed in-house.

The day-to-day management of email campaigns is by in-house marketing professionals who are increasingly comfortable at the intermediate level (see chapter 3.1).

When a marketing professional chooses to employ professional service providers, however, they are eager to collaborate with them. This can be derived from the *National Email Benchmarking Report*⁴ where vendors reported that they manage 32% of the email campaigns for their clients.

2. [The Email Marketing Software Buyer's Guide 2015 – 2016](#)
 3. [The State of Split Testing, Howling Mad Marketing](#)
 4. [National Email Benchmarking Report 2013 - November 2014 Edition](#)

What percentage of your email marketing programme is managed in-house or outsourced?



4. Budgets and constraints

4.1 Budget allocation

Email's impact and central role in a healthy marketing mix is rarely reflected in the budget allocation. Email marketing is famous for its low costs per contact, in part because of the lack of media cost. The budget allocated to email appears to be decreasing this year with more respondents saying their email investments in are in the range of up to 10% or 20% of marketing budget.

When asked about future budget changes, over half (56%) of those who participated in the National client email survey in 2014 said they expected increases, but those rises have not happened yet.

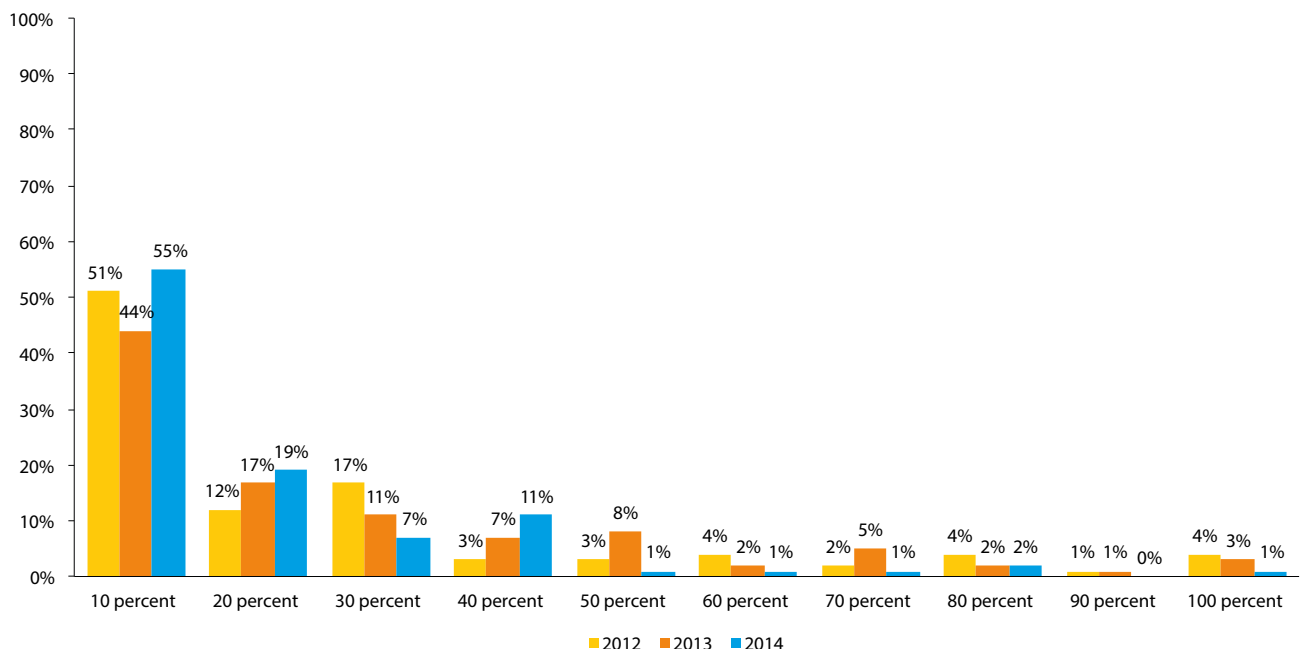
In 2014, marketers are making their budgets work harder to get similar or better results from their email marketing - low cost working in combination with an increase in ROI.

This might be in part because a larger portion of the email program is managed in-house (79%) and efficiencies are reached through further automation.

Marketing specialists that take a holistic approach and integrate multiple channels tend to allocate budgets based on complete marketing campaigns or projects, or take a business unit / target group allocation rather than give a budget per individual channel.

Software used for email marketing is more often labelled multi-channel, inbound marketing or marketing automation / CRM or Marketing Hub rather than Email Service Provider catering to multiple channels and therefore - more fairly - speaking to multiple channel budgets.

What percentage of your marketing budget is spent on email?



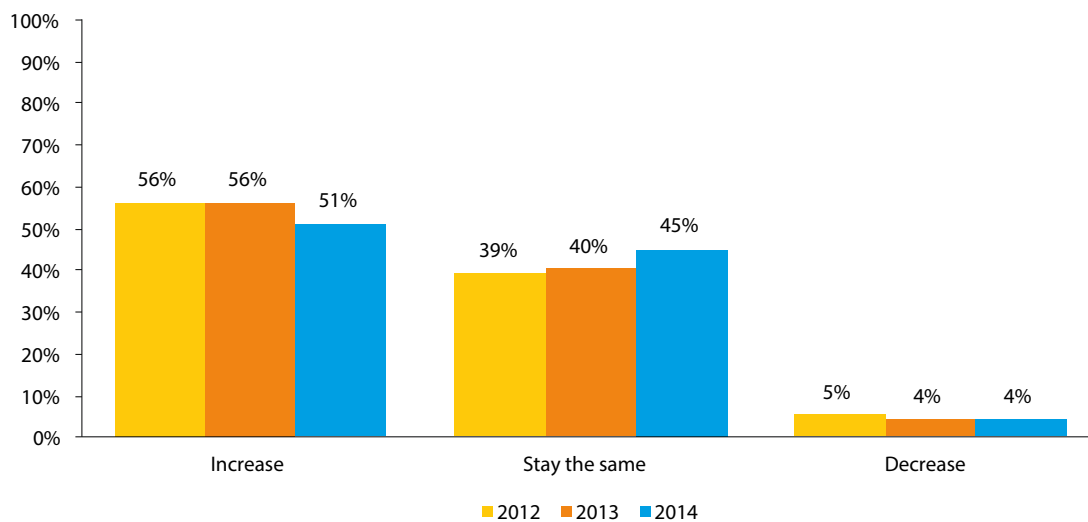
4.2 Budget projections

Over half of respondents (51%) expect their company’s budget for email marketing to increase in 2015. 45% expect the email marketing budget to stay consistent and see no changes next year.

Email remains one the go-to marketing channels, with 96% expecting their budget to stay the same or increase, and only 4% expecting their budget to decrease. The *2015 State of Marketing*⁵ report similarly found that 94% will either increase or keep their email marketing steady, positioning it in the middle bracket of areas marketers are investing more in this year.

Limited internal resource and/or budgets (chapter 4.3) remain significant constraints for companies looking to gain email marketing success, but at a lower and consistently declining percentage than previous years. This indicates that the group planning to expand budgets are doing so to intensify their efforts and develop additional email marketing initiatives.

Looking forward, how would you expect your company’s email marketing budget to change over the next 12 months?



4.3 Constraints

Constraints to achieving email marketing goals shows the barriers marketers encounter when looking to professionalise and maintain results.

Limited internal resources remains the most significant constraint (34%) but at a much lower and consistently declining percentage (45% in 2013 and 54% in 2012). A lack of budget represents less of a challenge than in previous years.

It seems marketers have unshackled themselves from inefficient internal processes, which have become less of a constraint. Removing inefficiencies is a great way to free up internal resources for the channel.

Lack of data remains within the top three constraints this year (26%) but the percentage is lower than last year (36%). Marketers realise that data-driven marketing needs data to be not just available, but also up-to-date.

Data degradation presents more of an issue this year (29%), almost three times the figure reported in previous years (8% in 2013 and 3% in 2012) and could be due to marketers’ desire to increase real-time and behavioural email marketing campaigns.

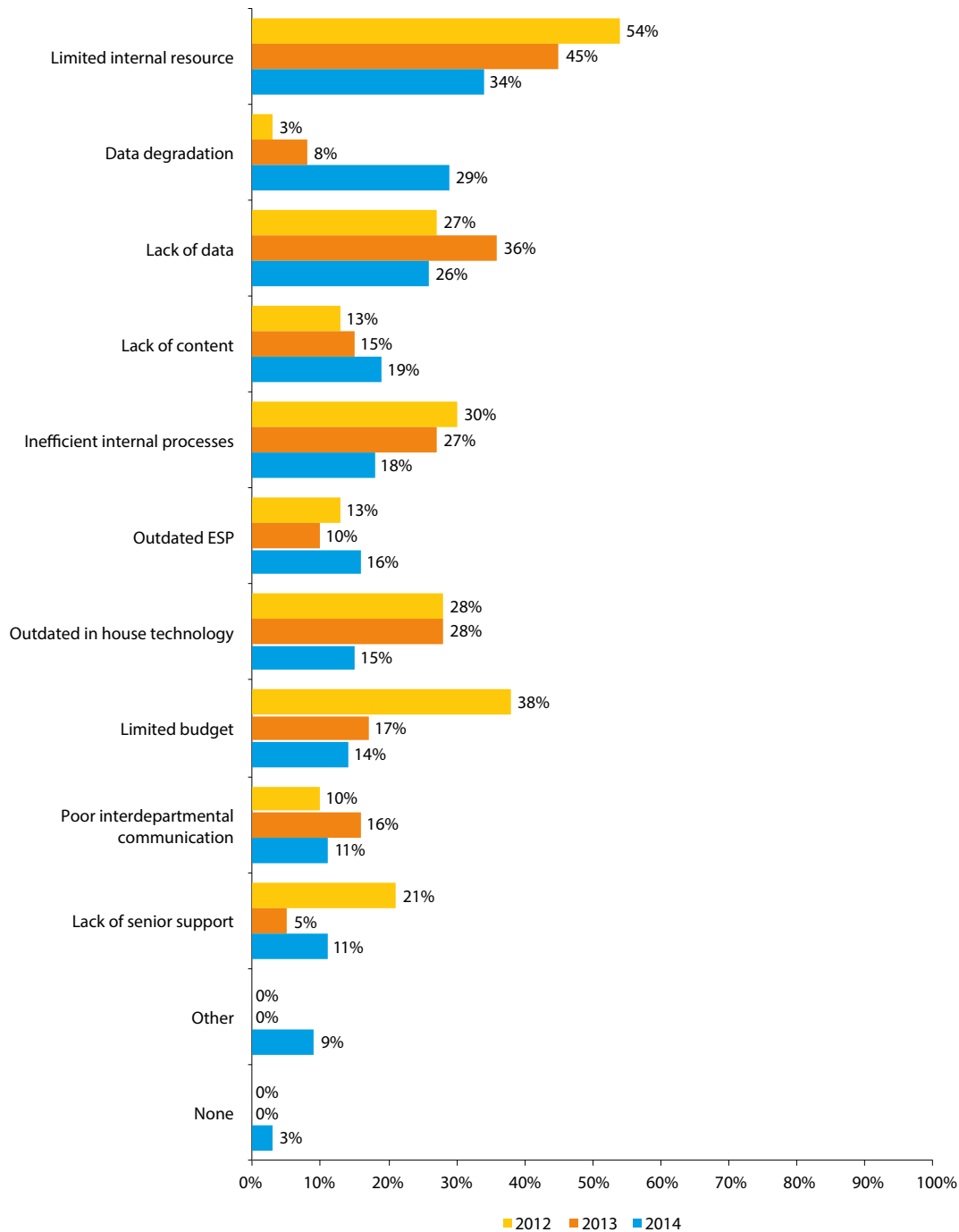
5. [2015 State of Marketing - Salesforce Marketing Cloud](#)

Outdated in-house technology is not as significant a constraint this year (15%) as before, whereas an outdated email marketing system (16%) is now more often recognised as a serious constraint.

Marketers that have outdated ESPs are looking to address the situation, with 76% of them projecting an increase in budget for 2015. This is in contrast to the 30% of marketers that plan to increase budgets when other in-house technology represents a constraint.

Other constraints mentioned were then lack of a clearly defined strategy and a lack of integration between systems.

What are the most significant challenges to successfully executing your email marketing programmes?



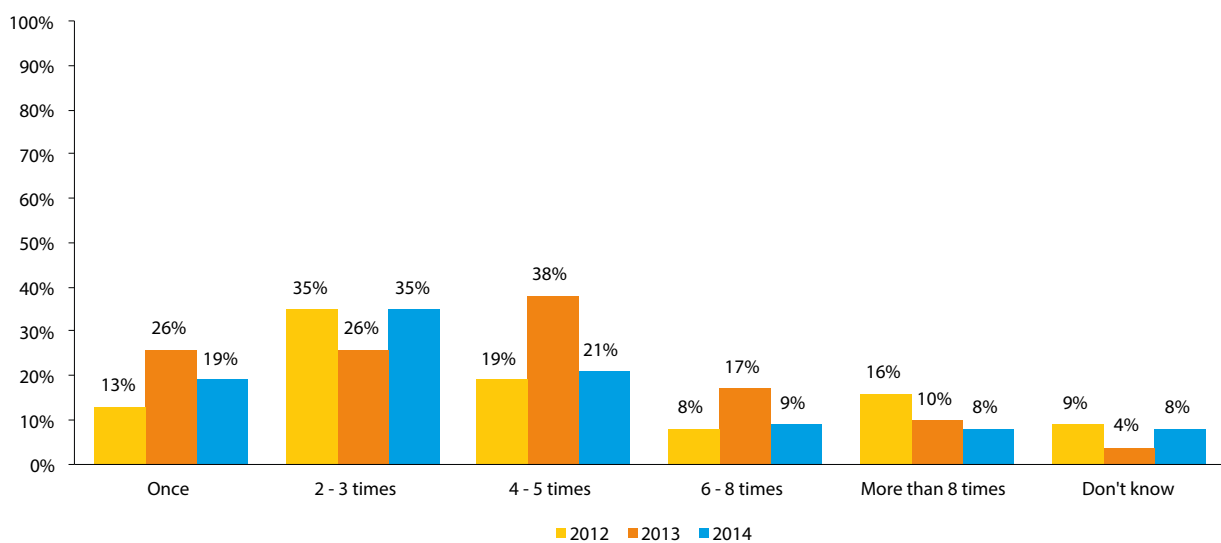
5. Email marketing strategy

5.1 Contact frequencies

Internal resources, incremental revenues and need for content production make frequency of emails an essential strategic consideration. But it should not be the starting point of a strategy. Interesting and relevant content in the emails is important here. *The State of digital marketing 2015*⁶ report indicates that marketers find content marketing the most important trend for digital marketing in 2015, showing that marketers are aware of the need for decent content for their audiences.

Without the right messaging, senders risk increases in unsubscribes and losing audience engagement or interest when “turning up the volume” and increasing the frequency of contact.

What is the maximum number of times you contact an email address in a month?



The reverse is also the case as we see reflected in the numbers. Too little contact means a brand has less chance of being in front of the customer at the moment they are considering a purchase. Then, benefits of a top-of-mind position are reduced, which means missing out on potential revenues. 19% of marketers send a maximum of one message per month, compared to 26% last year. That means a migration towards more contact by former low-frequency senders.

Observed in the *DMA Email Tracking Report 2014*⁷, consumers receive an average of 24.7 emails per week from brands they trust. Yet 41% of consumers only get up to two mails per day. This relative lack of inbox competition suggests there is room for marketers to potentially increase their frequency.

As seen in chapter 1.3, triggered emails represent a bigger piece of the email revenue pie based on life-cycle (12% of revenue) and activity (18%). The general, periodical newsletter still ranks at the top as the most popular email type. However, the decreased portion of revenue made from unsegmented emails suggest that a more targeted approach goes hand-in-hand with a lower maximum number of emails per subscriber.

6. [The State of digital marketing 2015](#)

7. [DMA Email Tracking Report 2014](#)

This year, one in seven (17%) marketing professionals were sending a maximum of six or more emails per month compared with 27% in 2013.

These figures refer to maximum rather than average frequencies. Trends in last years' *National Email Benchmarking Report*⁸ show that average frequencies were up at the same time as an increasing focus on quality. It will be interesting to see if the maximum number of campaigns has an impact on the average frequency or if more variation in contact frequency and cadence allows marketing teams greater flexibility to exploit appropriate opportunities, whether seasonal (such as increased emails during the Christmas shopping season) or behavioural (such as post-purchase email streams).

5.2 Customer segmentation

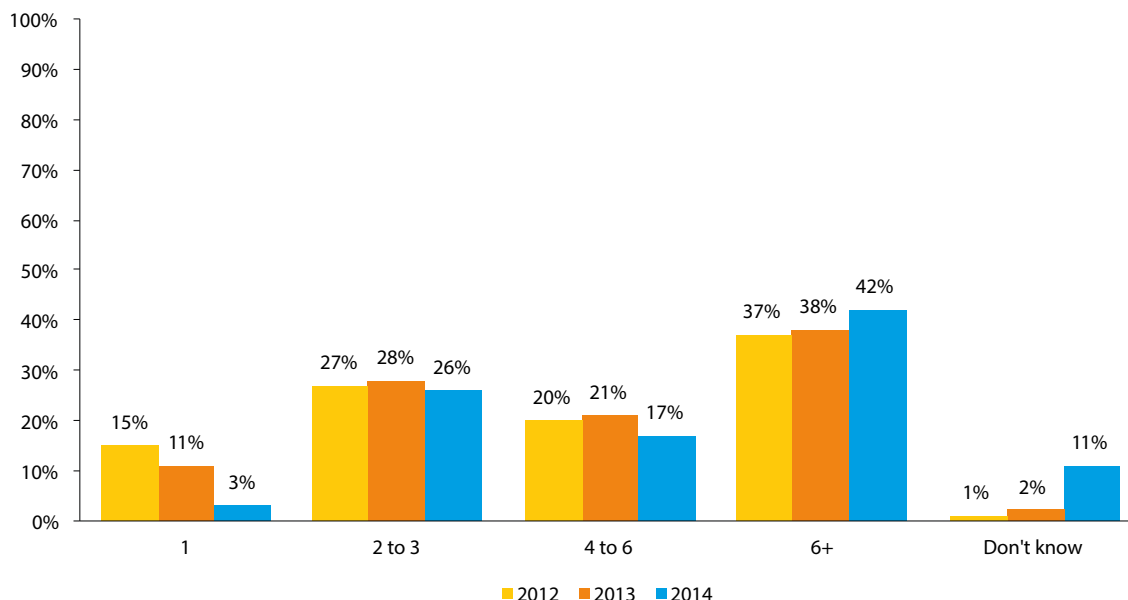
One of the strengths of email marketing is the ability to mould messaging to fit the recipient's needs, wishes and profile. The number of marketers that do not segment at all is down to 3%, with a steady increase in marketers that apply segmentation over the last three years.

Among marketers who have built campaigns incorporating segmentation, 43% use up to six segments on average. The number of marketers in the six plus segments category has increased slowly since 2012. These marketers take a more granular approach to email marketing and use data to drive more precisely targeted campaigns.

Email marketing tools provide an automated and hands-off way to segment and personalise email messages. For instance, product and brand preferences can be linked by using techniques such as tagging and personalised RSS feeds. This process matches content with the customer segment from owned media like the company website, web shop or aggregated from other sources.

Automated segmentation can dramatically increase the number of segments without the added workload of preparing additional email variants, making database selections and individually scheduling each message, so making it possible to send out emails to smaller or even micro-segments.

On average how many different customer segments does your organisation use to segment your mailings?



8. [National Email Benchmarking Report 2013 - November 2014 Edition](#)

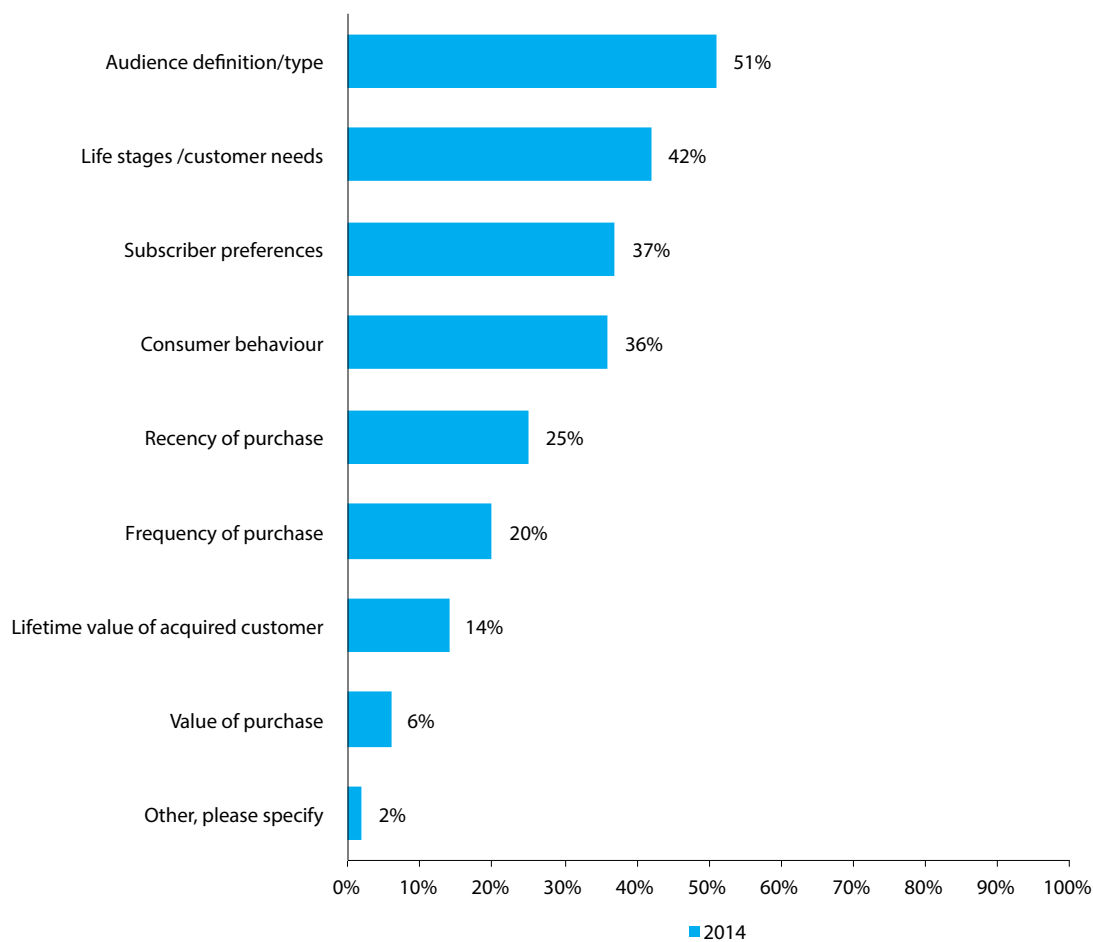
Traditional audience definitions and types are used by over half of marketing professionals (51%) and subscriber preferences by 37%.

What we should not forget is that segmentation should help marketers reach their business objectives and at the same time serve the recipient with appealing messaging, not only the one or the other.

The adoption of segmentation for Recency (25%), Frequency (20%) and Monetary value (6%) (RFM) segments can be explained by the relatively low deployment costs for email campaigns. Audience types (51%), Lifecycle stages (42%) and Behavioural (36%) segmentation show a higher adoption compared to RFM based segmentation, and can be seen as respecting the consumer and their wishes further than their wallet size and previous sales.

As this is the first year that this question has been asked, it will be interesting to see how the development in segmentation styles develops over 2015.

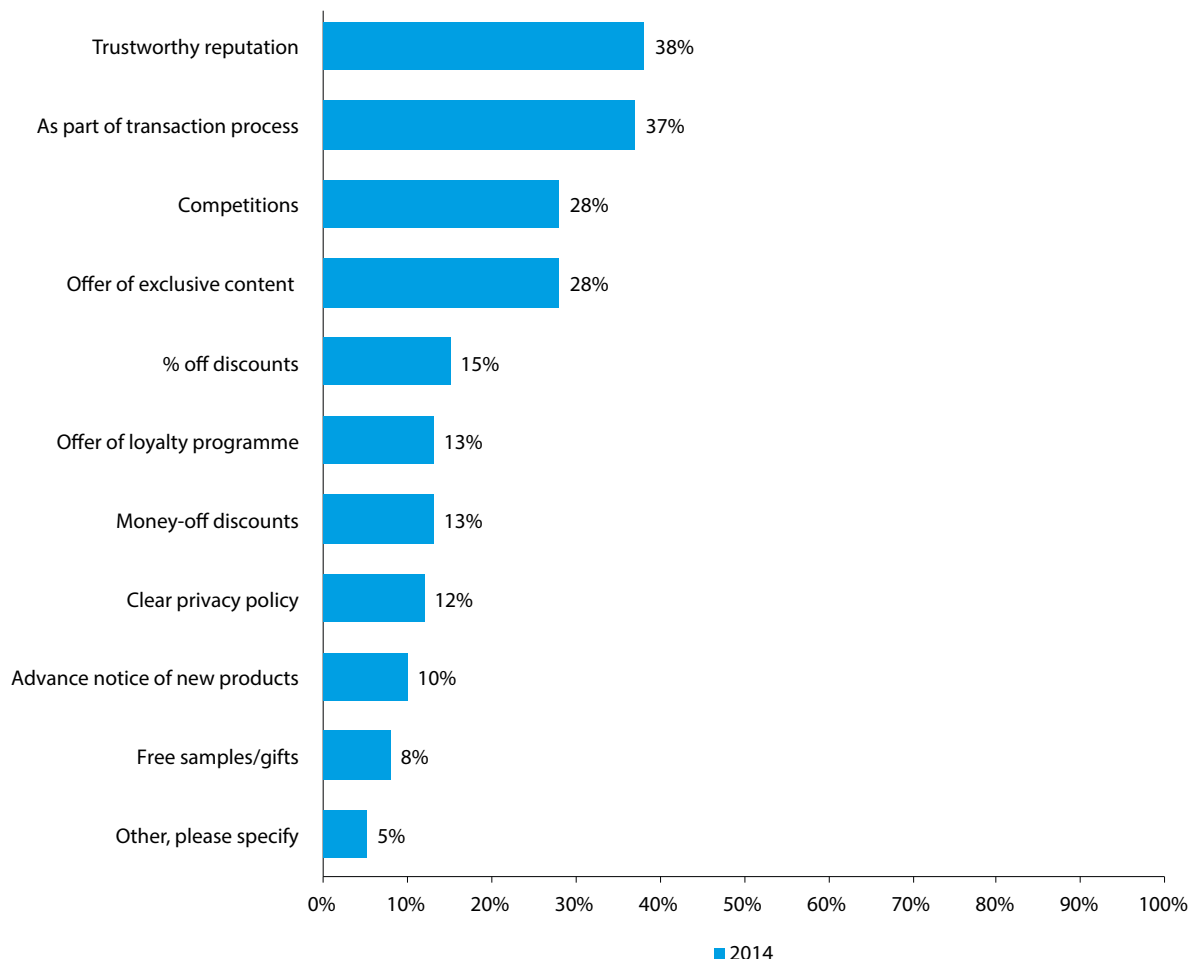
What are the key contact segments you use in your email marketing programmes? You can select up to three choices.



5.3 List growth

For email marketing to happen, brands first need to persuade consumers to opt-in to their email marketing programmes. Marketing professionals use several touchpoints and channels to gain those opt-ins. From a marketer's perspective, opt-ins are encouraged by brand trust (38%), as a part of the transaction process (37%) and via offers/competitions (28%).

Considering your email marketing programme, which are most effective in encouraging consumers to sign up for your emails?



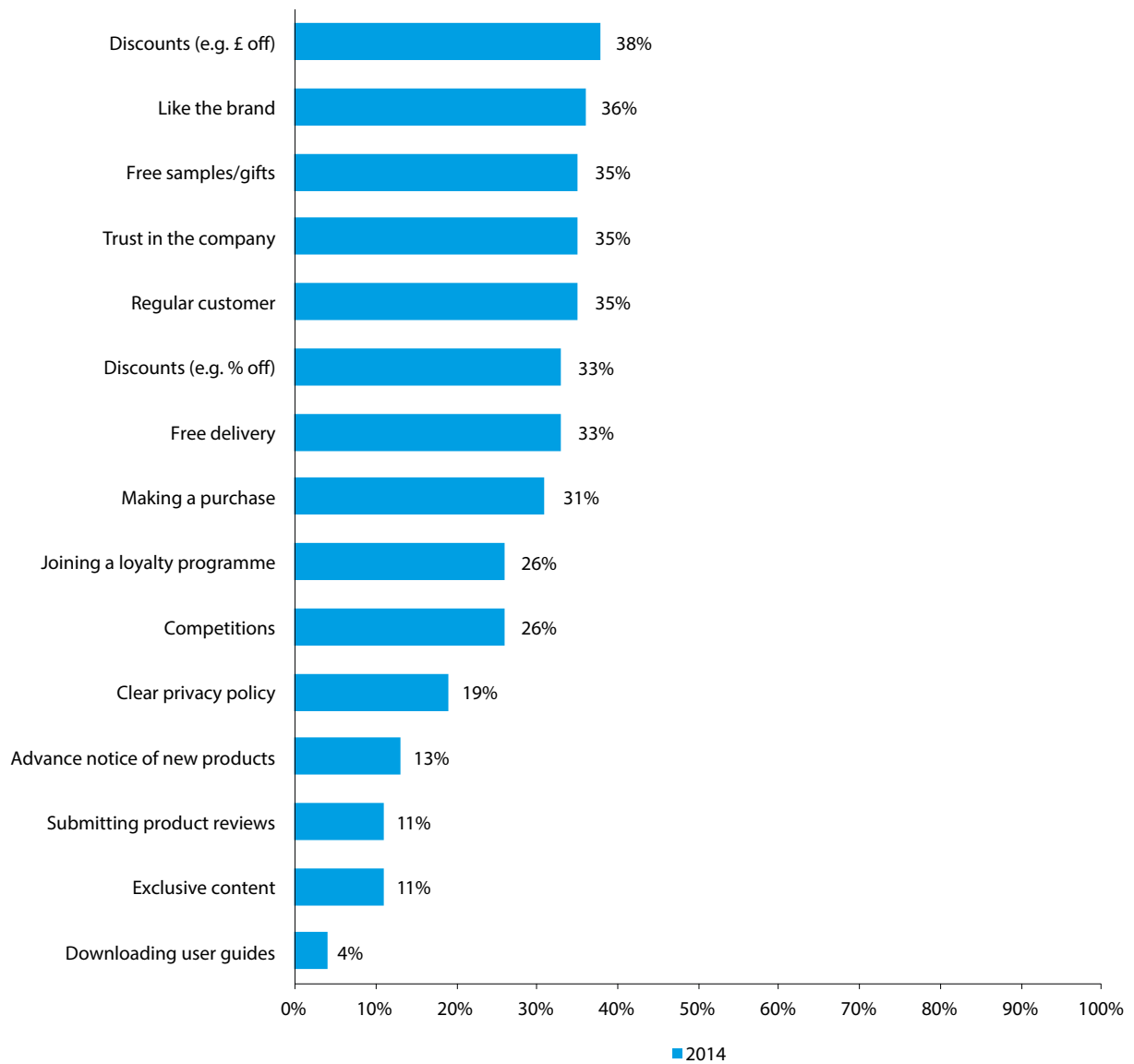
You would be inclined to think of a trustworthy reputation (38%) as only a prerequisite for sign ups and largely outside of the influence of the marketer, but marketers have several options to stimulate the brand trust at point of subscription. For instance, incentives could include a clean page layout, testimonials emphasising a good customer relationship, showing industry association membership, privacy policies and communicating what the recipient is going to receive.

Ideally the content of the email programme itself should also be a reason to sign up, but marketers have seen that it sometimes takes an extra nudge to significantly expand their email audience.

Marketers with a healthy obsession for list growth grab any opportunity to stimulate additional opt-ins, especially during those contact moments where information is already exchanged, like during the buying process (37%). Other methods include giving incentives for opting in, such as discounts either a money-off or percentage-off (28%), Specific list growth campaigns can feature a competition (28%) as well as exclusive content (28%).

The *Email tracking report 2014* gave an overview of consumer reasons to sign up for email programs, clearly mirroring the marketers view with recognisable themes like discounts, brand relationship, incentives and trust being top sign up reasons.

Reasons to sign up for email



6. Email metrics trends and predictions

6.1 Key performance indicators (KPI's)

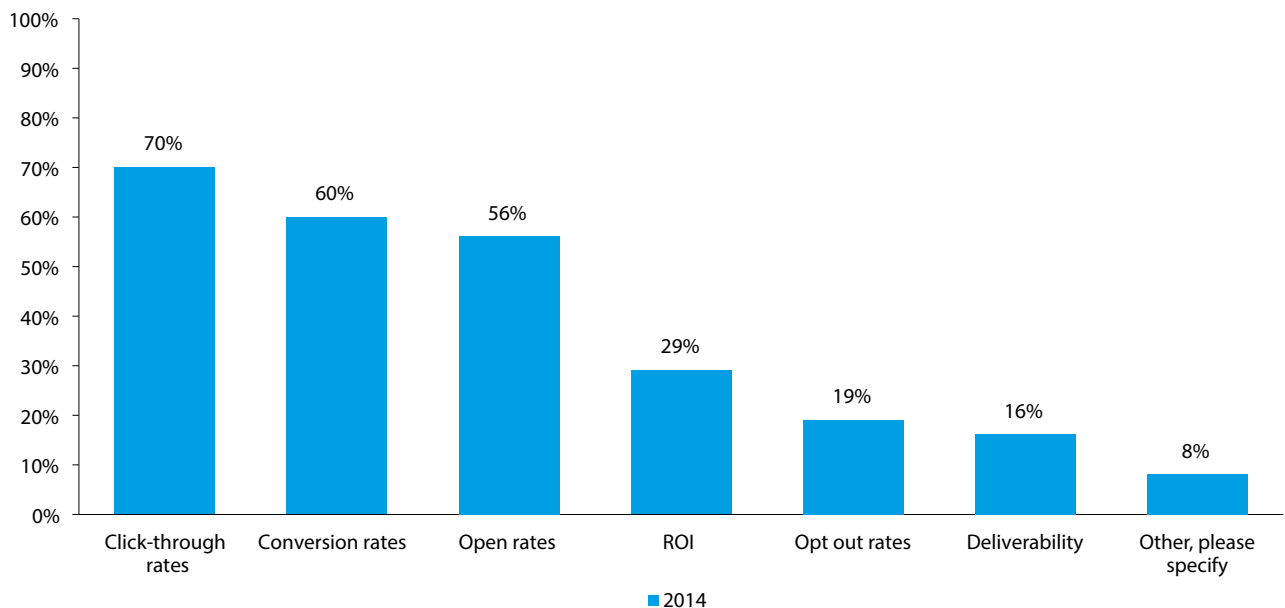
A crucial part of an effective marketing program is the ability to measure and evaluate current operations. While many metrics can deliver valuable insights, metrics that are key to evaluating effectiveness deserve special attention.

The top three KPIs mentioned are click-through rates (70%), conversion rates (60%), and open rates (56%). Open rates and click-through rates tell the sender how interested the audience is in the messages, and how willing they are to act on them. With engagement as an objective this seems a logical deduction.

A marketer can influence the opt-out rates positively by creating interesting and valuable messages – generally by doing a better job at creating relevant content. The opt-out rate is not as strong a signal for engagement and conversion as other metrics. The opt-out rate should be monitored for sudden spikes and changes, as this negative signal can be an indication something went wrong.

This top three is probably skewed towards ability rather than ambition. Marketers' ability to measure and report reflects on their evaluation metrics. All professional ESPs offer click and open rate reports, but not all tools and marketers are currently able to report on conversions or revenue. This is in part due to a lack of integration or because the sales process is too complex to reliably report and attribute conversions on channel by channel basis.

What are the key metrics you use to evaluate the effectiveness of your email marketing programmes? You can select up to three choices.



There are many performance metrics a marketer can choose from to monitor effectiveness and ultimately inform operational and management decisions. ROI (29%) for instance allows a marketer to steer away from expensive yet underperforming tactics and increase the most cost-effective ones.

Many marketers turn their attention to campaign metrics presented by standard reports and dashboards in their marketing software. However, the monitoring is directly linked to the primary business objectives. So if lead nurturing is a goal, one should follow metrics describing the leads, their profile completeness and their movement between stages in the funnel towards becoming new clients.

Never lose sight of the “big picture” and the role that the aggregate of email communication has in contributing to the customer relationship (and thus to long term profits).

6.2 Metrics – trends

To improve effectiveness and audience engagement, marketers should take a special interest in their metrics and track the success of their email marketing campaigns.

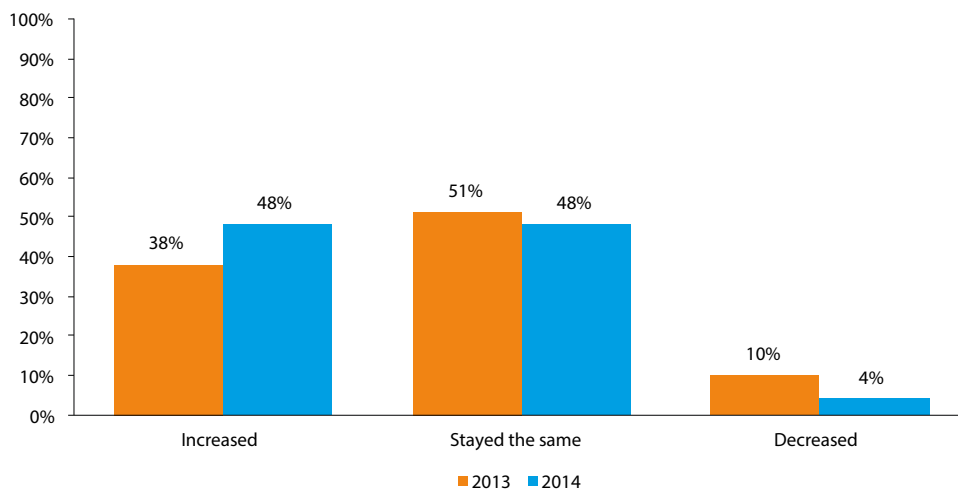
Over half of all respondents (55%) said their open rates improved over the last year. Encouragingly, almost 9 in 10 (88%) saw their click-through rate stay the same or increase. The majority of marketers saw their conversion rates stay the same (56%), while 30% of companies saw an increase in conversions from email.

Consumers have a clear idea about what makes an engaging email. *The Email tracking report 2014* tells us that interesting subject lines, clear links and attractive imagery are most likely to engage them. Marketing experts also need to deliver more than an interesting subject line. Next to split testing several variants, the subject is a proxy for a targeted and creatively well executed message.

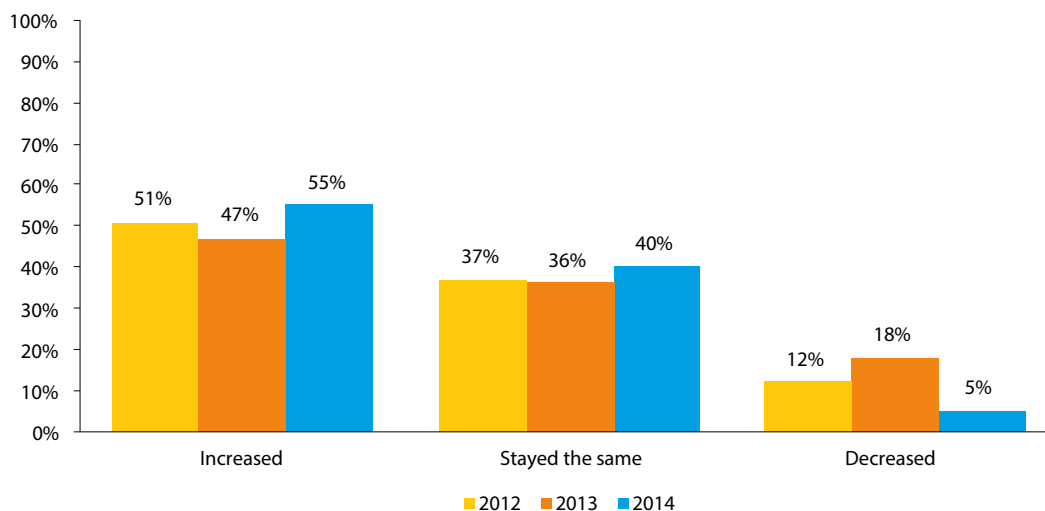
Marketers say delivery rates have increased at a greater rate this year (48%) compared with the year before (38%). Concurrently, there is a lower rate of decline (4%). Unsubscribe rates mostly remain unchanged.

How have the following trended over the past 12 months?

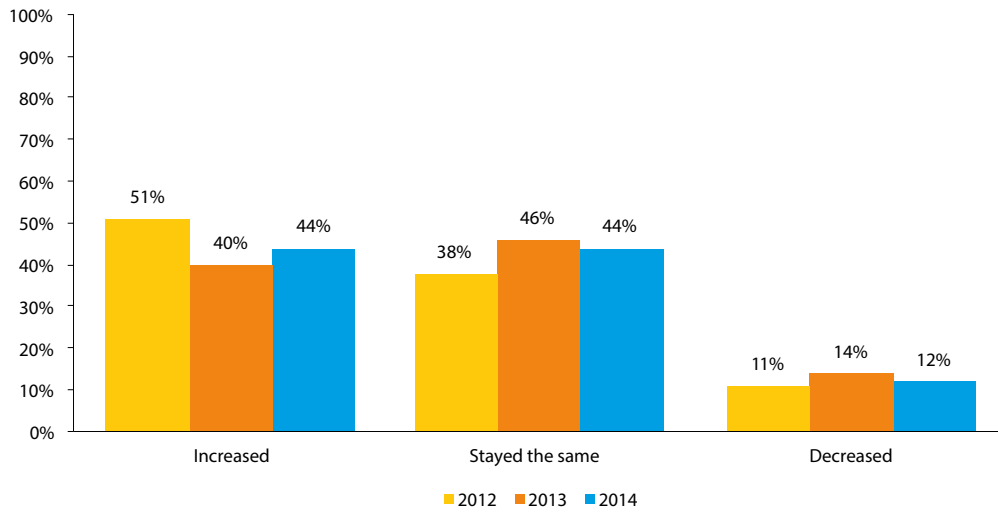
Delivery rates



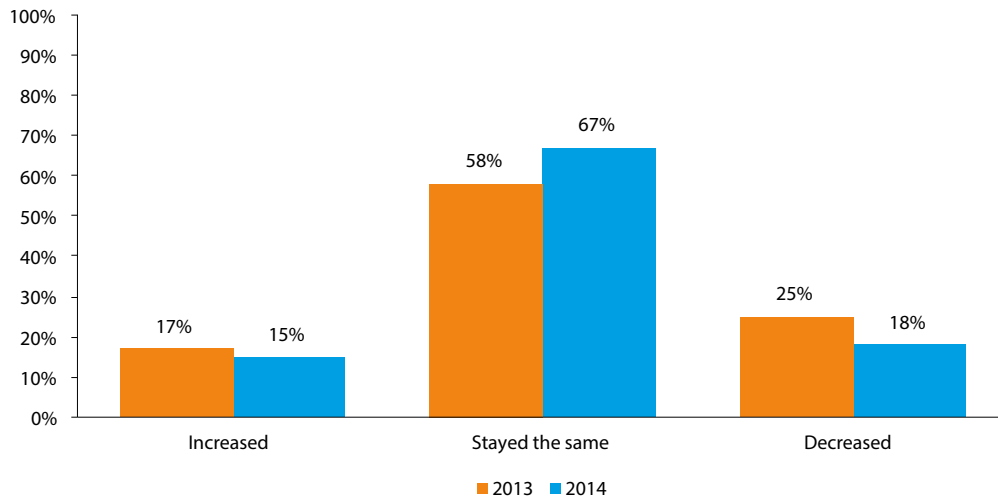
Open rates



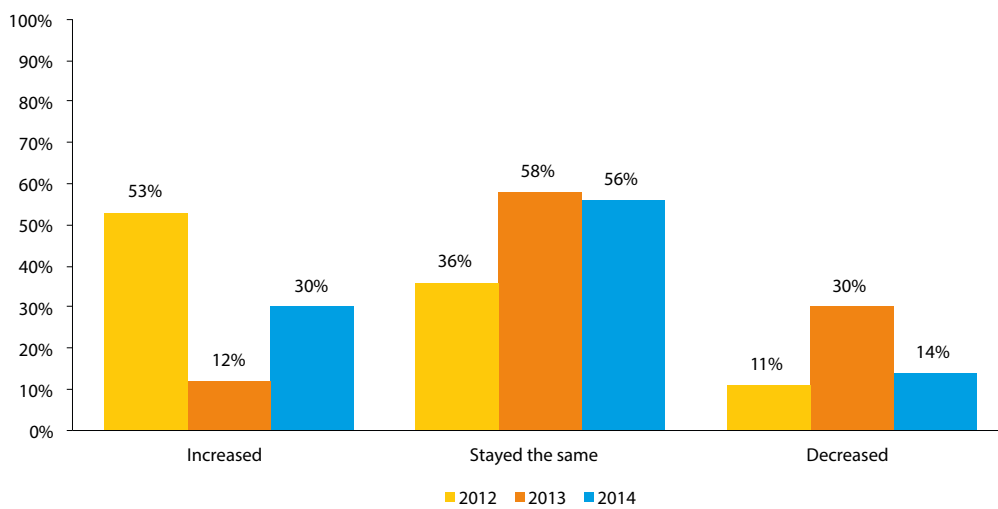
Click-through rates



Unsubscribe rates



Conversion rates



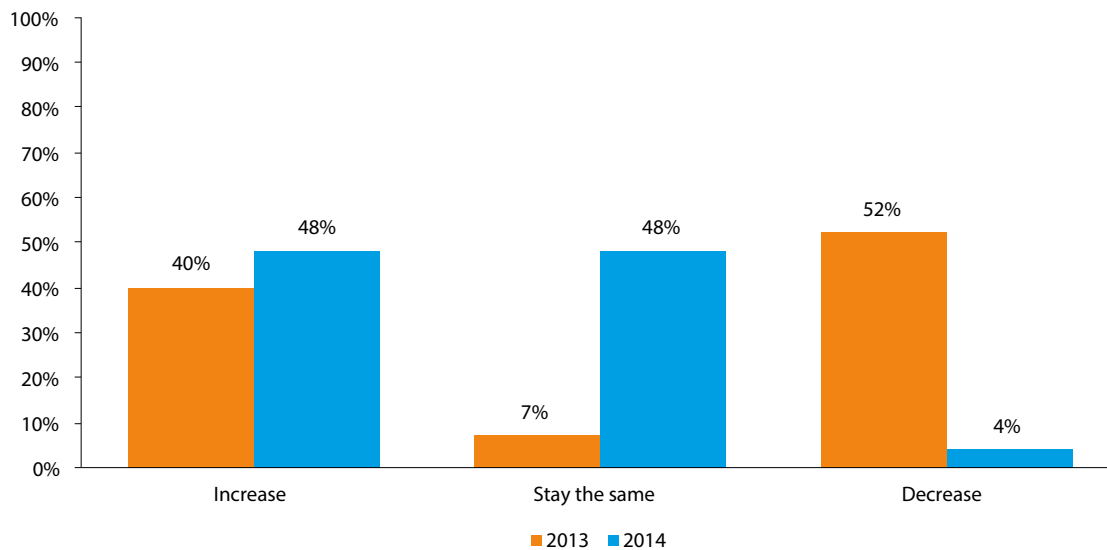
6.3 Metrics – predictions

Respondents are particularly upbeat about the development of their metrics for the coming year. Overall, they expect either a similar or increase in click through rates, open rates, and delivery rates with 70% predicting an increase in click-through rates and almost six in 10 expecting a rise in conversion rates.

This reflects a positive attitude towards professionalisation and marketers' willingness to improve their email program. Long-term, sustainable improvements in email marketing are best gained through structural changes in the email programme tactics and strategy. As we have seen in chapter 2.2, a shift towards more value from more targeted and triggered campaigns might validate the high expectations for the coming year.

How do you expect the following to trend in the next 12 months?

Delivery rates





Methodology

The *National client email report* is an initiative undertaken by the DMA's Email Marketing Council and, more specifically, the Email Benchmarking Hub - to complement the National Email Benchmarking Report that is produced on a half-yearly basis.

This research was conducted during November and December 2014 and January 2015 via a survey that was hosted online. It was promoted on the DMA home page and via various ESPs who supported the companion report. A link to the survey was also added to some, relevant DMA members' weekly newsletters, social networks and websites.

Both DMA members and non-members were surveyed, and a good cross section of company types and sizes covering a range of geographic locations were reached. The data was collated and analysed by the DMA's research department and sent to the report writer. The analysis was checked through for any discrepancies and the report proof read by the members of the Benchmarking Hub of the DMA's Email Marketing Council. The report was designed in-house by the DMA's design team.

The survey consisted of both qualitative and quantitative question types in order to get valuable information that would be useful to both client companies using email marketing and providers of email marketing related products and services. The questions were reviewed in 2014 to ensure they were up-to-date and reflected the current market scenario. The survey had 73 respondents.

There was a good mixture of both B2B and B2C respondents surveyed.



Glossary of terms

In this report the following definitions are used throughout.

Acquisition: Any activity where the reason for sending the email is to acquire a new customer. This includes any list rental from cold or prospect lists and list trades or swaps with partners or affiliates. Does not include emails sent to existing customers where trying to up-sell or cross-sell.

Average: Unless otherwise stated, this refers to the mean.

Hard bounce rate: Where the recipient does not see the email due to invalid email addresses, domain failure, ISP blocked etc.

Average hard bounce rate: The number of hard bounces divided by the number of emails delivered (in %).

Soft bounce: Where the email address is valid but the recipient does not see the email because of a temporary delivery problem, inbox full, server down etc.

Average soft bounce rate: The number of soft bounces divided by the number of emails delivered (in %).

Average total click-through rate: Number of total clicks divided by number of emails delivered (in %).

Average unique click-through rate: Number of individuals who have clicked through divided by number of emails delivered (in %).

Deliverability: Volume of emails sent minus the number of bounces received.

Dynamic content: Content that is chosen by the system when the email is being created based on the recipient's attributes stored in the database.

Individual error codes: SMTP codes returned when emails are rejected.

Mean: The total of n figures divided by n. This is typically referred to as the average. For example, if the data is 2, 1, 1, 3, 8; the mean is $(2+1+1+3+8)/5 = 3$.

Average unique open rate: Unique opens divided by number of emails delivered (in %).

Opt-out: When a recipient unsubscribes or opts-out of further communications.

Response rate: The number of actual responses made as a result of the email campaign, expressed as a percentage of the overall total email volumes and irrespective of take-up



About the Author

Jordie van Rijn is an independent dialogue marketing consultant at his firm Emailmonday. Companies like Unilever, EndeMol, KLM and Eurail turn to him for advice.

In 2011 he founded the knowledge platform Email Vendor Selection www.emailvendorselection.com, that currently serves over 150,000 unique marketing professional per year making better email and marketing automation software and vendor choices.

As a much sought after industry thought leader he is often asked to contribute as writer, trainer and speaker on diverse digital marketing topics. With his practical and contagiously enthusiastic approach he has personally helped hundreds of marketers send better emails.

You can find him at www.emailmonday.com.

About the DMA

The Direct Marketing Association (DMA) is Europe's largest professional body representing the direct marketing industry. With a large in-house team of specialists offering everything from free legal advice and government lobbying on direct marketing issues to research papers and best practice, it is always at the forefront of developments in the industry.

The DMA protects the direct marketing industry and consumers. It promotes the highest standards through self-regulation and lobbies against over-regulation. The DM Code of Practice sits at the heart of everything we do – and all members are required to adhere to it. It sets out the industry's standards of ethical conduct and best practice.

Our 16 DMA Councils cover the whole marketing spectrum – from the digital world of social media and mobile marketing to the 'real' world channels of door drops and inserts. The Councils are made up of DMA members and regularly produce best practice and how to guides for our members. We also have a packed calendar of conferences, workshops and discussions on the latest topics and best practice, and 80% of them are free for members and their staff.

As the industry moves on so do we, which is why we've recently launched a number of new services for our members – a VAT helpline, a Social Media Helpdesk and an IP Protection Service. Visit <http://www.dma.org.uk/> regularly to keep up to date with all our service





About DBS Data

We have been pioneering business information solutions and marketing intelligence techniques since 1994. Big data and the concept of a truly single view is nothing new for DBS. In fact, we have been practicing both for over 20 years.

We really do believe that properly targeted communications, utilising accurate and reliable data, benefits consumers and businesses alike and that good data lies at the heart of any meaningful communication.

Being creative with data is within our DNA, it's what sets us apart and drives unique solutions for you.
Data never sleeps.

Future proofing and compliance are very high priorities for us, ensuring that DBS, our data and the work we do for you are EU & DPA compliant and within the DMA and ICO guidelines.

A professional team, passionate about data, working to ISO 9001 and IIP standards within a culture that nurtures personal development, progression and excellence.



Copyright and disclaimer

The *National client email 2015* is published by The Direct Marketing Association (UK) Ltd Copyright © Direct Marketing Association. All rights reserved. No part of this publication may be reproduced, copied or transmitted in any form or by any means, or stored in a retrieval system of any nature, without the prior permission of the DMA (UK) Ltd except as permitted by the provisions of the Copyright, Designs and Patents Act 1988 and related legislation. Application for permission to reproduce all or part of the Copyright material shall be made to the DMA (UK) Ltd, DMA House, 70 Margaret Street, London, W1W 8SS.

Although the greatest care has been taken in the preparation and compilation of the *National client email 2015*, no liability or responsibility of any kind (to extent permitted by law), including responsibility for negligence is accepted by the DMA, its servants or agents. All information gathered is believed correct at April 2015. All corrections should be sent to the DMA for future editions.