MarketingSherpa

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2010
Email Marketing
Benchmark Report

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Director's Note

Welcome to MarketingSherpa's Email Marketing Benchmark Report for 2010.

As always, this annual edition has been completely and comprehensively re-researched and rewritten. If you have an older edition around, stick it on the library shelf and start working from this new, seventh edition - numbers have changed (in some cases dramatically) in the past 12 months. In addition to all the basic email marketing stats you would expect, including cost and response data, we have included major *new* studies in this Guide:

#1. 2009 Email Marketing Benchmark Survey

1,493 real-life marketers from a range of business and consumer-focused firms answered our extensive survey (and some discussed their answers in follow-up calls) in August and September of 2009. Discover how your internal tactics and stats match up against the norm. You may be surprised.

#2. Special Report on Social Sharing

Social media has taken the marketing world by storm, and its effects extend to email. This section looks at the effect and tactics of 'social sharing' while putting the role of social in perspective for direct marketers.

#3. Special Report on Consumer Attitudes

Marketers have one idea of what Spam is, consumer have another. Get insight into their views and how they use email differently today from in the past, thanks to this survey conducted in partnership with QInteractive.

#4. Focus on Business to Business Email Marketing

The problems and opportunities of B2B are unique. This chapter explores how the role of email is integral and changing in marketing to the long sales cycle.

#5. Year Two of Sherpa's International Email Study

For many organizations, marketing overseas has gone from the back burner to an essential opportunity for growth. Learn how your peers are looking out of the country for new names and customers.

All in all, this year's edition of the Email Marketing Guide features almost 200 charts, tables and graphs. It's almost 300 pages long and we hope of real, practical value.

Our goal is to make your job easier. If you can't find a needed marketing stat here, please let us know. We will be sure to continue to widen our research efforts to see if we can add it next year.

In the meantime, best of luck with your campaigns over the next year.

Stefan Tornquist

Research Director, MarketingSherpa Inc.

Executive Summary

#1. Past Email Marketing Challenges Will Increase in Importance in 2010

Legend: □ Very important challenge last year □ Importance will increase next year

Challenge	Very important last year	Importance will increase next year
Delivering highly-relevant email content to recipients	82%	76%
Competition with social media for recipients' time and attention	23%	71%
Measuring and proving the ROI of email marketing programs	57%	65%
Getting people to opt-in to email lists	52%	62%
Integration of databases with email systems	56%	61%
Legitimate email being perceived as spam	48%	54%
Email deliverability	57%	52%

Source: MarketingSherpa's Email Marketing Benchmark Survey
Methodology: Fielded Jul-Aug 2009, N=1,493

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Much can change in a year impacted by the enormous pressure of an economic recession. Though many of last year's challenges will become more important going forward, one challenge stands out. More than three times the percentage of email marketers who thought "competition with social media for recipients' time and attention" was very important last year think its importance will increase next year.

Return on investment, list growth and database integration are also gaining in importance as we look ahead.

While "delivering highly relevant email content to recipients" continues to rank at the top, it is declining slightly as email marketers conquer the complexity of this essential tactic and consider it less challenging.

#2. How Email Marketing Budgets Changed in 2009 by Industry

	Decreased email budget	Increased email budget

Business / Financial Services: **-7%** / **51%**

Education / Healthcare: **-11%** / **47%**

Manufacturing / Consumer Packaged Goods: **-6%** / **41%**

Retail / Ecommerce: **-12%** / **39%**

Computer Hardware / Software: **-11%** / **38%**

Other Industry: **-17%** / **36%**

Publishing / Media: **-18%** / **35%**

Travel / Leisure / Hospitality: **-18%** / **29%**

x-axis: -30% -15% 0% 15% 30% 45% 60%

Source: MarketingSherpa's Email Marketing Benchmark Survey
Methodology: Fielded Jul-Aug 2009, N=1,493

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No matter what industry your organization is in, chances are your total marketing budget decreased substantially in 2009. But there is good news for email marketers. As this chart shows, a much larger percentage of organizations increased their email marketing budgets than decreased them. This positive change occurred in only two marketing tactics: email and social media.

In this age of cost consciousness and demand to justify ROI, email marketing continues to prove its value as a highly cost-effective tactic.

#3. Tactics That Take More Work Get Bigger Payoff

Sphere size indicates level of usage

Source: MarketingSherpa's Email Marketing Benchmark Survey
Methodology: Fielded Jul-Aug 2009, N=1,493

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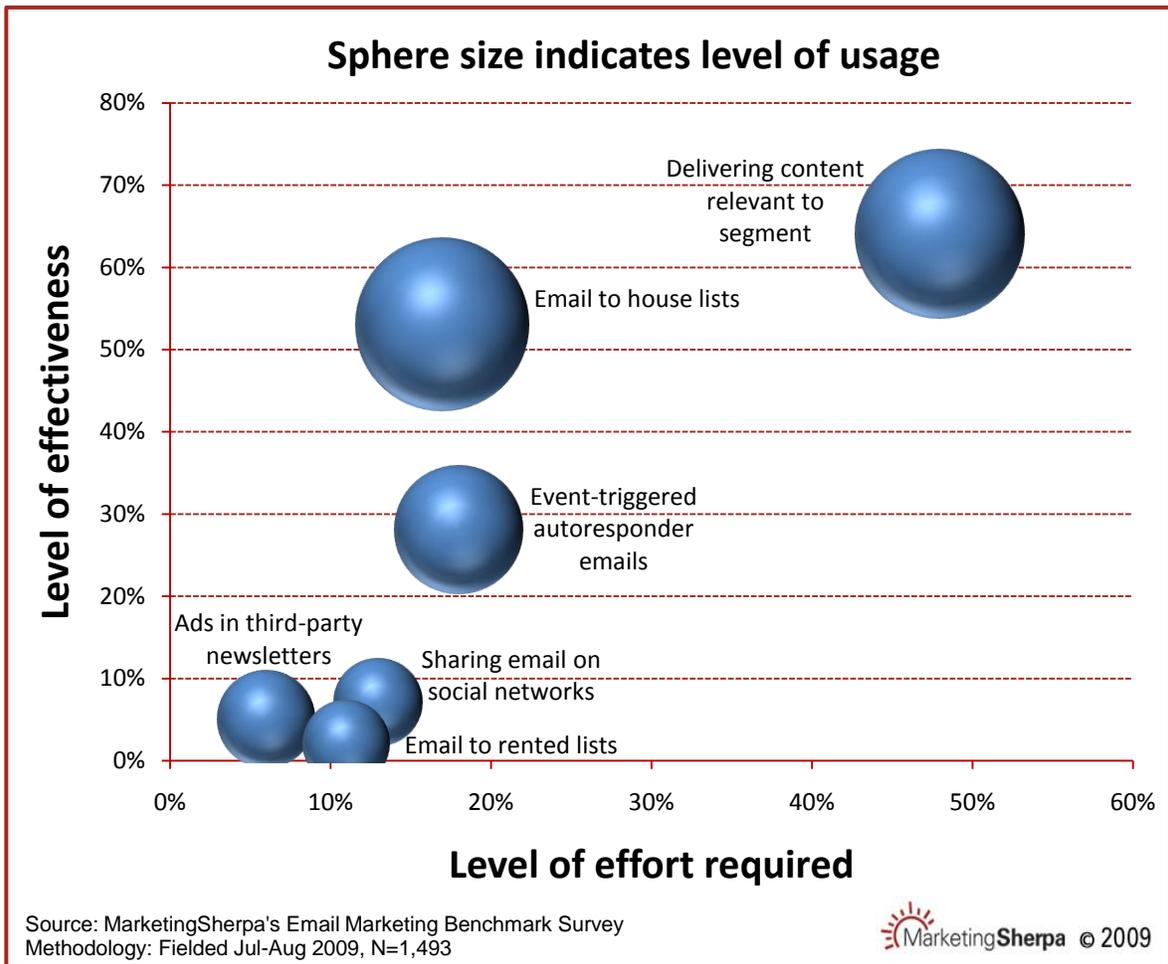
In today's economy, it is common for marketing departments to be understaffed and overburdened. This makes the amount of time and effort required to implement a tactic an important consideration. This chart shows the balancing act that marketers do to maintain maximum email effectiveness with minimal effort.

"Email to house lists" and "delivering content relevant to a segment" are roughly equal in usage. However, the latter increases campaign complexity and requires a greater level of effort, but is also much more effective.

As the name implies, "event triggered autoresponder emails" are automated and require some setup time but much less ongoing effort to implement than the tactic of delivering relevant content. They are also about half as effective.

#4. Marketers Are Happy With Social Media's Influence on Email

Legend: ■ I Agree ■ I Disagree ■ I'm not sure

- Extends the reach of email content to new markets: 81% Agree, 3% Disagree, 16% Not sure
- Increases brand reputation and awareness: 78% Agree, 3% Disagree, 19% Not sure
- Increases the ROI of email programs: 53% Agree, 7% Disagree, 40% Not sure
- Accelerates the growth of email lists: 47% Agree, 10% Disagree, 43% Not sure
- Generates more qualified leads: 31% Agree, 13% Disagree, 57% Not sure

Source: MarketingSherpa's Email Marketing Benchmark Survey
Methodology: Fielded Jul-Aug 2009, N=1,493

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"Social sharing" allows email recipients to share email content on popular social networks and other social media sites. It is a rapidly emerging email tactic and, as this chart shows, about eight in 10 marketers agree that social sharing "extends the reach of email content to new markets" and "increases brand reputation and awareness."

We have dedicated a chapter of this Benchmark Guide to a special report on this topic with insights from marketers on strategies unique to social sharing. Many have already learned some valuable lessons.

For example, one marketer told us, "As with any messaging intended to build a relationship with prospective customers, the email content shared on social media sites must NOT be sales oriented. We began sharing content that was heavily geared toward promotion. This was not effective in the social environment. We now concentrate on educational and informational topics that our prospects and customers will find interesting rather than on aggressive selling information. This is building a preference for our brand within the social communities we are reaching."

#5. Email is Social, and It's Not Going Anywhere

Q: When you want to share something from the Internet with your friends or family, such as a video, link or article, what methods do you use?

Source: MarketingSherpa & QInteractive, SPAM Complainer's Survey, October 2009
Methodology: Survey is still in field, preliminary findings with N= 245

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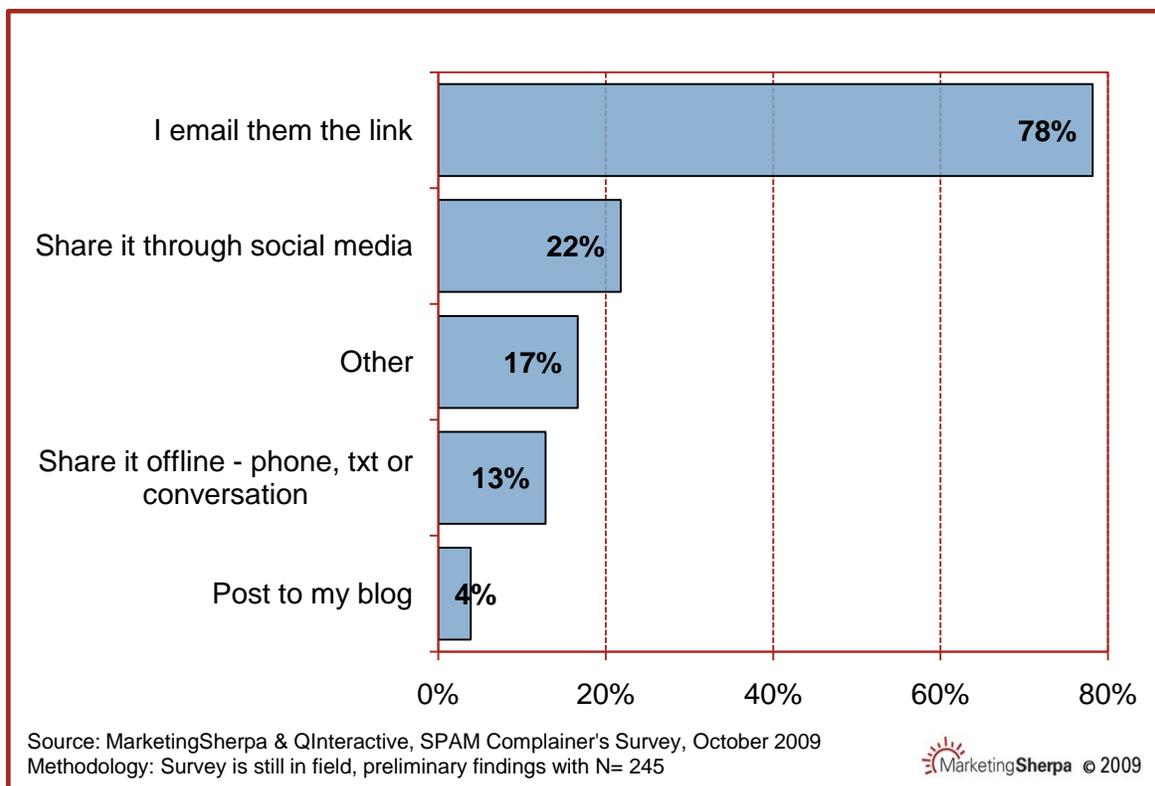
"Is _____ going to kill email?" It's a question we love to ask every few years when some new technology comes along. RSS sparked the last wave of discussions, and of course, now it's social. Will social media affect email? Definitely. Will it kill the medium? Far from it. After all, email is the original opt-in tactic, while social and mobile are newcomers, and email works in tandem with most other tactics to increase engagement, deliver relevant content and build contact databases.

In the chart above, we take one view of how email is used to share information, because that activity is so central to social media sites. Email dominates even in this regard. The point is that when we look at media use over the last 15 years, we see a pattern of aggregation and adoption rather than replacement. Some media suffer in the exchange, but none are eliminated entirely. More commonly, their uses get more refined. For example, we may find that Twitter and Facebook gradually reduce our use of email to convey quick messages and content to our social groups, but it's far less likely that social media would replace email for commercial transactions, receipts and the like.

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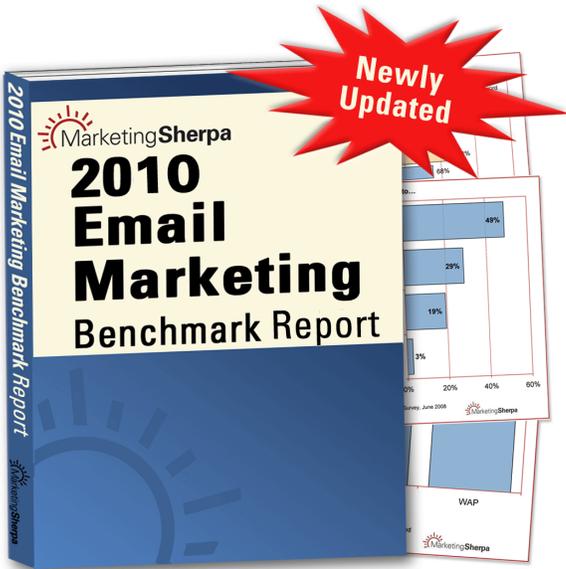
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