B2B RESEARCH

B2B Marketing

# The state of email marketing 2014

In association with: Experian Data Quality

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# INTRODUCTION

**This report is based on research carried out by B2B Marketing and Experian Data Quality in March 2014. It features the feedback of 163 B2B marketing professionals and focuses on their use of email in a work environment.**

Included in this document is an analysis feature, drawing out the research's main findings, as well as a best practice piece designed to help marketers make sure they continue to get the most out of this vital marketing channel.

# The state of email marketing 2014

Email doesn't dominate discussion, but it is still delivering in B2B. **Alex Aspinall** reports

**Figure 1.** Which three communication channels drive most traffic to your website?




It will surprise relatively few B2B marketers to hear that, despite the industry's obsession with content, social and the raft of shiny new delivery mechanisms offering to bring them both together, email is still very much the go-to destination for the marketer looking to add value to their business. Indeed, the only surprise may come in the guise of just how dominant email remains.

It is the most used communication channel in B2B marketing, having been selected by 94 per cent of respondents as one of their three most-used communication channels. It's worth noting too that the second most-selected channel (face-to-face meetings) was chosen by only 51 per cent, and the third most popular was telemarketing, selected by 46 per cent. The B2B marketer, whether for reasons good or bad, still retains a huge soft spot for email.

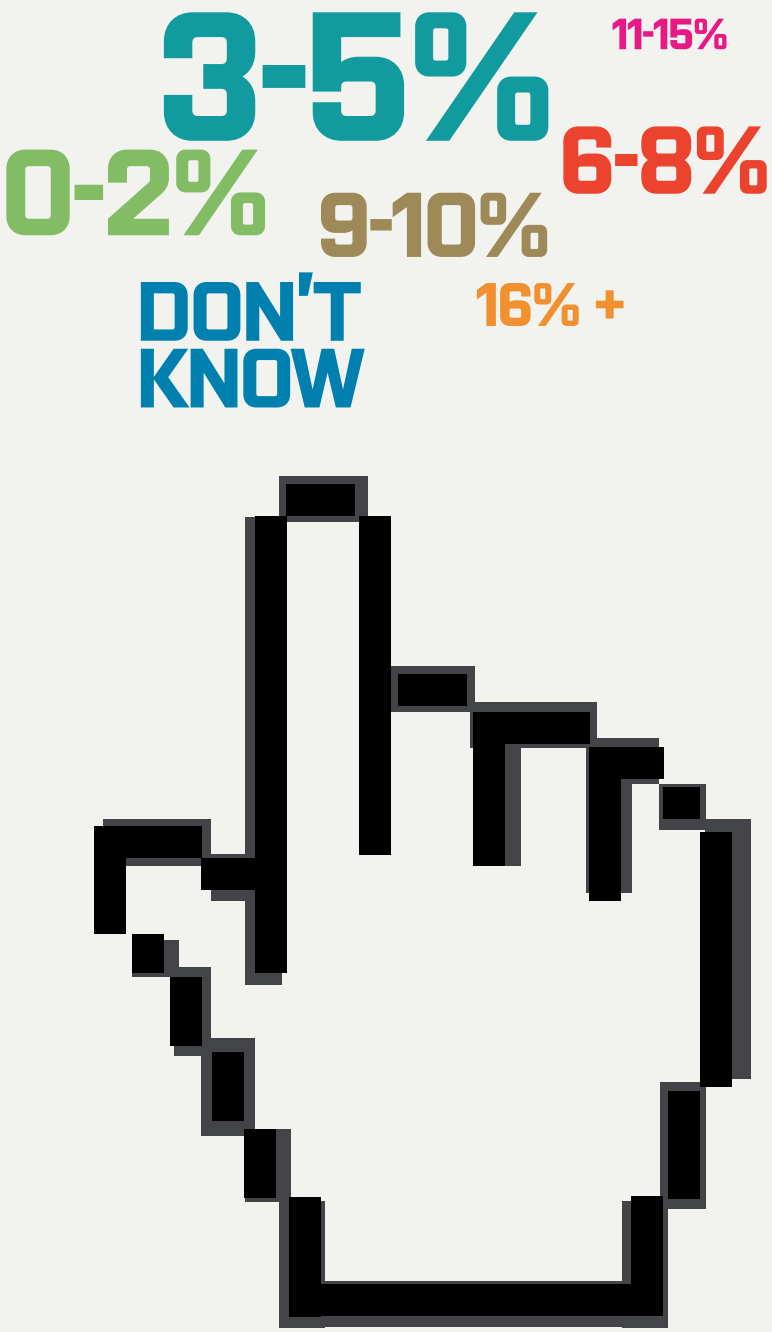
And such affection is understandable when you look at the returns offered by each communication channel. Email was cited as the direct communication channel responsible for delivering most traffic to B2B sites, with 89 per cent of respondents selecting it as a top route, ahead of social media (selected by 59 per cent). It's worth flagging here that 'search' would also – clearly – be a major player but sat outside the remit of this research, dealing with channels directly approaching the prospect.

Email also came out on top when it came to which channels served to deliver most leads for respondent businesses. It was selected by 62 per cent of respondents as one of their top three lead acquisition routes, ahead of face-to-face meetings (51 per cent), events (48 per cent) and telemarketing (44 per cent). In a world where 'people buy from people,' it is testament to the ongoing potency of the email in a business setting that an electronic communication is able to outshine mediums based much more on one-to-one interaction.

So, the conclusion – clearly – is that email still plays a vitally important role in the day-to-day operations of the B2B marketing department. It is trusted as a communication mechanism capable of delivering the traffic and leads

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**Figure 2.** What is your average email click rate?




marketers need to carry out their roles. Email marketing is also an activity most marketers feel relatively confident about carrying out. In areas such as avoiding being seen as 'spammy,' using error-free data and maximising email ROI, respondents reported middling to high levels of confidence across the board. This does not mean, however, that everyone's sophistication levels are as high as they could be. And it certainly doesn't mean B2B marketers are giving email the amount of thought they perhaps should.

## Metrics and measurements

One area a potential lack of closed-loop thinking reared its head is how marketers are assessing the success of their email marketing efforts. Unsurprisingly, 'open' and 'click-through' rates were each flagged by around three-quarters of respondents (73 per cent and 77 per cent respectively) as being among the three metrics to which they paid most attention. These are obvious metrics to look for in email marketing but they do tend to tell a relatively isolated story regarding the success of any given email campaign. At best they allow you to see how well you did in 'campaign A' versus 'campaign B'.

Looking for slightly deeper value were the 36 per cent that reported prioritising 'form completion rates.' This is useful for those tracking the ROI on any given campaign, but it still tells a rather isolated story, that – in some cases – is most valued by those still operating with the old 'spray and pray' mentality. Short-term thinking is far from email best practice.

Although all marketers need people opening and clicking on email links, it pays to focus on email metrics offering wider points of reference. Marketers successfully placing the customer at the heart of their communications are paying attention to statistics that can be seen as being more data-focused.

'Unsubscribe rate' was the most popular metric that can be seen to fall under this category, selected by 32 per cent as a top three email metric. Other customer-centric measures such as bounce and delivery rates were less popular. These metrics – though perhaps not directly related to individual campaign success – are very useful for assessing overall process sophistication and long-term viability of continued email success.

There is little doubt that these considerations play a vital role in ensuring brands are earning the right to continue taking advantage of the considerable benefits brought about by email communications. Those that ignore these statistics and continue to think along

the lines of the successes of individual campaigns will be lucky to avoid witnessing decreasing returns.

## Data matters

There is an increasing emphasis on data to ensure maximum value is extracted from all marketing efforts. Email is no exception. In fact, data management and analytics sit right at the centre of whether or not an organisation should be able to expect to see continued returns from their email efforts. Much to the annoyance of those focused on content, design and messaging, data can increasingly be seen as the linchpin allowing everything else to shine. This fact is manifesting itself in two obvious areas within marketing departments: skills and tech adoption, and particularly a lack of the two.

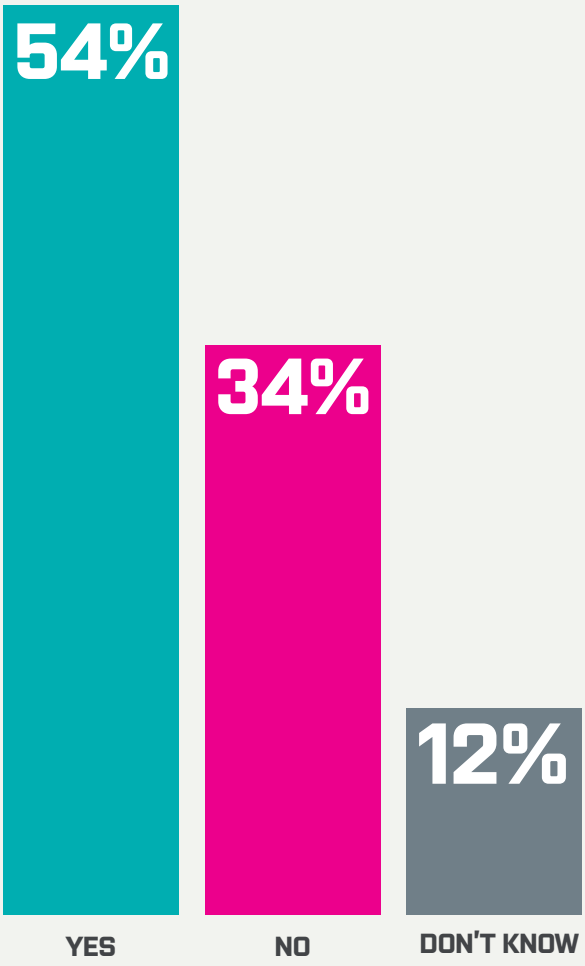
Fortunately most marketers are aware of the data demands they are facing. Indeed, 54 per cent of our respondents acknowledged a data management and analytics skills gap exists in their organisation. A further 12 per cent of respondents admitted they did not know whether or not a skills gap existed. Only a third of respondents (34 per cent) reported having no data skills gap. This final group are the fortunate minority, and are possibly drawn from companies larger in size or from which data integrity is particularly highly regarded.

This cultural point is key. The organisations placing most emphasis on data best practice (including areas such as deliverability, data integrity and analytics) are at an advantage in relation to their competitors. The degree to which this is enforced across organisations varies.

An encouraging 24 per cent reported that data and list best practice is regarded as being 'critical' in their organisations, while 34 per cent described it as being important. But this still leaves 42 per cent reporting that their organisation either sees data as important but often ignore best practice, or – worse – don't regard it as important at all. It's difficult to conclude anything other than the importance of data has to be emphasised from the top. But if your organisation's leaders are not placing the correct level of importance on encouraging data best practice, it probably falls to the marketing department to take up the slack.

And if you're going to sell the importance of data best practice the best way to do it is to be aware of the potential business impacts of failing to deal with the issue. When asked whether they thought it likely their organisation had ever lost business due to poor email deliverability only 37 per cent said 'no'. Twelve per cent stated that it was very likely they'd lost business due to email deliverability issues, 31 per cent said it was possible and 20 per cent said they did not know. This issue, along with factors such as annoying customers with poorly structured data management, and the possible brand impact it can have, are issues all business leaders will be eager to avoid. Without proper management, email can turn from your most trusted communication channel into your downfall very quickly.

**Figure 3.** Is there a data management and analytics skills gap in your organisation?



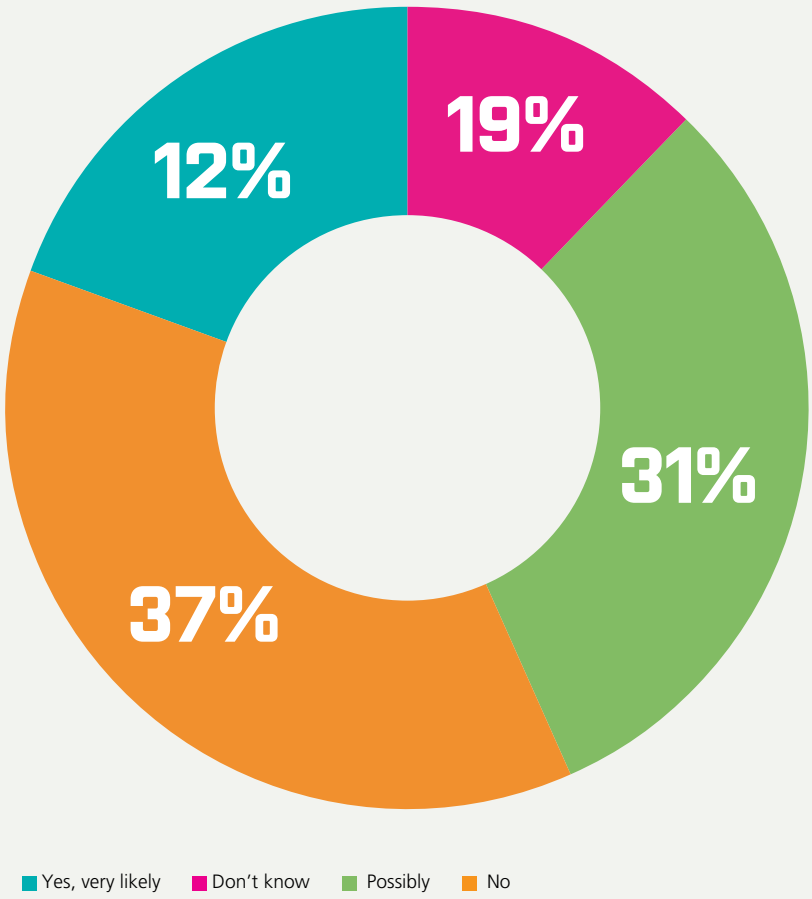

## The role of tech

Though skills gaps and cultural shifts require internal attention, marketers should take solace from the fact digital challenges almost always come with a host of solutions offering to solve them. CRM platforms, marketing automation solutions, the increasingly sophisticated email service options and delivery and data integrity solutions are all very well disposed towards helping marketers get their data in order.

Marketers are growing increasingly confident when it comes to embracing the technology solutions available to them. Around half (49 per cent) of B2B marketers responding to the survey are currently using technology to help prevent email data errors. And when it comes to email validation software to drive up the deliverability of the email being produced, there seems to be a real appetite for further tech adoption. Of the 162 respondents to the survey only 20 per cent reported

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**Figure 4.** Do you think it's likely you ever lost business/revenue as a result of poor email deliverability?




that they would not consider using email validation in the coming year.

This willingness to embrace new solutions and the apparent appreciation marketers have regarding how important data and email is to their organisation's efforts mean email is – in theory – well placed to retain its standing at the top of the B2B comms tree. However, the warning signs are beginning to show that taking the format for granted can be detrimental.

Consider that 41 per cent of respondents are currently seeing less than 90 per cent of their emails reach their intended recipients, and that an alarming 17 per cent admit to not knowing how many of their emails are getting through. Similarly, 17 per cent don't know how accurate the email addresses in the database are, while 30 per cent admit that more than six per cent of their contact email addresses are inaccurate.

The potential damage that can be sustained from not addressing these issues is significant. As we move further into the digital era, prospects, organisations and the world at large will become more demanding when it comes to how organisations use data. Taking steps to ensure data and email list best practices are in place now will not only ensure your brand continues to reap the rewards of effective email marketing, but will also future proof your organisation, equipping it with the requisite structure to face forthcoming activity.

## Room for improvement



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Given its status as number one, email is clearly a key revenue driver for organisations. And yet, this research reveals many are still struggling to get to grips with it, either in terms of accuracy or deliverability. A surprising 38 per cent of B2B marketers surveyed report bounce rates over five per cent (and some as high as 20 per cent), a clear indicator of their current challenges. This raises real questions around the quality of the email data the significant population of organisations are using.

Delving deeper into the results, reasons for this inaccuracy start to become clearer. The practice of email list buying among B2B marketers is still customary, with 40 per cent of organisations surveyed acquiring addresses in this way. While this is not seen as 'best practice' it is an attractive prospect for organisations who are looking to expand their contact database quickly and cost effectively. However, half of all those who acquire list data cited mistrust in the data they have purchased. This is a worrying statistic given internet service providers' (ISPs) stance on the sending of poor quality emails.

Clearly there seems to be evidence building for a lack of industry understanding in the UK around the risks of sending emails to bad email addresses. Most marketers underestimate this risk, and point to the relatively low cost of email as a reinforcement of a 'bigger is better' mentality in terms of send volume. The true danger for marketers lies in repeatedly sending emails to addresses that have been set up as spam-traps and honeypots, a practice that can have severe ramifications for an organisation's sender reputation. This is further validated by the survey results exposing that a large proportion of UK organisations are not using technology to help prevent email errors.

The use of technology, such as email validation services, can have an instant and lasting impact on the quality of an organisation's email list. By doing the utmost to improve the integrity of their email data, organisations can maintain a positive reputation with ISPs, which in turn protects their communications and relationships with customers and prospects.

# HOW TO: Choose the right email validation supplier

**David Struth**, head of marketing at Experian Data Quality, offers advice on choosing the right email validation software

B2B organisations have an age old perception towards the collection of email addresses that needs correcting, with many still feeling success lies in securing the highest volume possible. The belief that larger email lists generate more conversations and revenue, is fundamentally flawed unless best practices are adhered to when acquiring the email addresses.

This preference for 'quantity' over 'quality' can have a negative impact on an organisation's reputation both with ISPs and customers with the validity of email addresses often seen as a secondary metric and one not linked to customer satisfaction.

ISPs ultimately decide how much of an organisation's email communications reach the inbox, basing their decisions largely on sender reputation. Score poorly in the eyes of an ISP and you potentially run the risk of having your email communication volume throttled, or worse, blacklisted and blocked altogether.

Organisations can drive improvement in their sender score to ensure maximum email deliverability by serving relevant and timely content, having an active subscriber programme and avoiding mass list purchases that may contain traps.

Organisations can also use technology to improve the accuracy of their emails, both at the point of collection and within legacy databases, actively validating email addresses before they're used to communicate with customers and prospects.

But what should you look for in an email validation vendor? This short guide highlights five key areas for consideration.

## 1. Speed and accuracy

Solution speed is a critical factor that must be considered from the outset. Essentially, it's the measure of how quickly validated results can be returned either when requested as a real-time look-up or bulk file process.

**QUICK TIP:** Ask your prospective email validation vendor whether they have conducted system speed tests and to share the results with you.

The accuracy of the results generated is an important element of an organisation's wider contact data quality strategy. By choosing a vendor that can validate a larger proportion of email addresses organisations can improve their communications effectiveness.

**QUICK TIP:** Ask your chosen vendor to perform a free data test to ascertain match rates and representative findings.

> "Ensure your prospective solution can handle the volume levels and territorial deployments that you require"



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## 2. Active validation

There are two stages to a robust email validation offering: syntax correction (is the address correctly formed?) and active validation (a series of real-time checks and transactions with each ISP to actively determine whether the email address exists and can accept emails at the time of enquiry). There are a number of 'alternatives' which companies should steer well clear of as they violate global anti-spam regulations and could result in regulatory sanction and penalty.

**QUICK TIP:** Pick an email validation vendor that offers full 'active validation'.

## 3. Accept-all address validation

Some ISPs, such as Yahoo, have an 'accept-all' address policy. For example, when actively validating a Yahoo email address, if it has at any time existed in the past then the ISP will return a valid response code, even if it is no longer valid. This clearly has implications for the organisation as they could receive valid response codes for inactive addresses and it will devalue the trust in the results.

**QUICK TIP:** Pick an email validation vendor that has a robust 'accept-all' offering that extends further than a one off SMTP check.

## 4. Actionable response codes

Email validation result codes should be simple to understand and easily actionable. There should not be multiple responses that all mean the same result for an organisation to justify charging for an 'unknown'.

**QUICK TIP:** Ask your prospective vendor to share the solution response codes and simply explain how to use them.

## 5. Security and scalability

When purchasing software, platform security should be high on an organisation's agenda. The buyer must be confident that the solution will perform to the expected level but also that the solution is safe and secure and has the necessary security accreditations.

**QUICK TIP:** Ask for a full breakdown of your vendor's security accreditations and solution performance metrics.

Solution scalability is an important factor when choosing an email validation vendor due to the volume of contact information organisations now collect. The validation of emails is often time-based; either dependent on campaign delivery dates or regulatory pressure and therefore timely validation of large volumes is a critical requirement.

**QUICK TIP:** Ensure your prospective solution can handle the volume levels and territorial deployments you require.

Taking a proactive approach to email list management is a key way for organisations to improve their communications effectiveness. Email validation software should sit at the heart of an organisation's list management strategy and picking the right vendor to partner with is crucial when considering the pressures organisations face.

# About B2B Marketing

B2B Marketing is the comprehensive information resource for B2B marketers. Its mission is to provide practitioners with the information they need to perform better and achieve more, whatever sector of the B2B space they are operating in.

Launched in 2004 as *B2B Marketing* magazine, it has since evolved into a multi-faceted resource, delivering a broad range of content in a variety of different forms and formats. Its key products are:

- Online community
- Magazine
- Awards
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- Training
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- Membership

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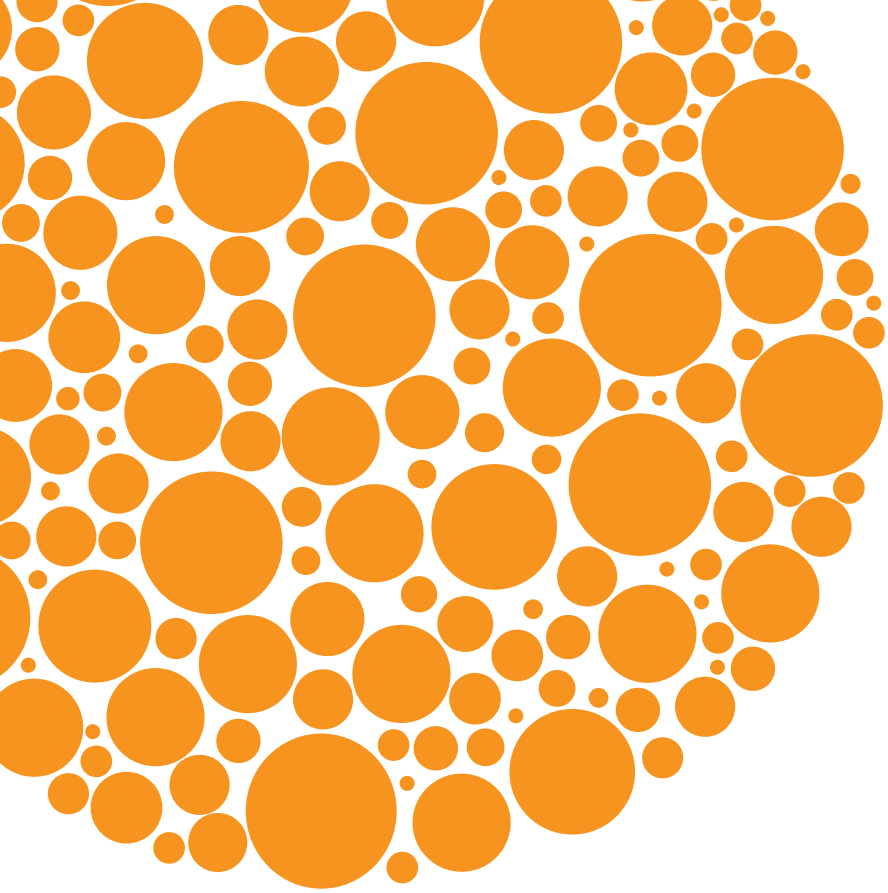
# About Experian Data Quality

Experian Data Quality is a leading supplier of data quality and data quality management software and services that helps businesses with a wide range of data challenges. Effective management of data accuracy, accessibility and value is essential as organisations look to make critical business decisions.

Our solutions are the result of over 20 years of technology investment bringing you award-winning solutions and expert customer support. Our products have been developed and certified for use within leading applications from organisations including Oracle, Salesforce.com, SAP and Microsoft CRM.

Experian Data Quality is the data management arm of Experian, the global information solutions company and together we offer a comprehensive range of data quality services.

For more information: **qas.co.uk**






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