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The Email Marketing Speed Imperative

How email marketers' success is directly influenced by their technology choice

in association with dotMailer

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Published February 2014

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1. Introduction from dotMailer

Our consultants, our account managers and our client support teams all spend the majority of their time working directly with marketers and marketing teams.

There's one thing we've seen over and over, almost entirely without exception, whilst working with these marketing professionals – from Marketing Execs up to Marketing Directors – these are some very, very busy people!

The breadth and weight of workload on marketers seems to grow materially, year on year: more channels enter the marketing mix; more ways of conversing and engaging with markets emerge; greater expectations are placed on the targeting of the content in those conversations.

And all of this eats up more and more of marketers' time.

This has certainly been our perception over the last 15 years that dotMailer has been providing email and marketing technology solutions.

But we wanted to know for sure just how marketers are actually spending their time, how their working day breaks down, and how email marketing fits into the picture.

We wanted to know how much of a difference marketers' email marketing technology is making to their working day: how much more successful are marketers who have access to technology that delivers 'speed of use', and what a successful marketer's day actually looks like.

So we decided to find out.

The eye-opening findings and insights from this resulting research project, undertaken jointly with our partners Econsultancy, should really help marketers focus on how to make their time work harder for them, and achieve even greater results.

Skip Fidura
Client Services Director
dotMailer

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1.1. About dotMailer

dotMailer provides leading email marketing and marketing automation solutions for SMEs, retailers and big brands.

Our unique 'speed-of-use' technology is completely unchallenged in the market place.

Fifteen years of innovation have led to an email and marketing automation solution that enables marketing teams to transform the way they work.

With dotMailer, advanced tasks become fast tasks, freeing up your and your team's time to do much more of the strategy and analysis that drives growth.

Our flexible technology – it scales to fit the requirements of SMEs up to big name brands and multi-nationals, and integrates with leading CRM and CMS – is supported by the very best expertise, guidance, creative and strategic services.

Find out more at dotmailer.co.uk or call us:

- New York: +1-212-971-9408
- London: 0845 337 9170
- Edinburgh: 0131 718 6037
- Manchester: 0161 618 1070

1.2. About Econsultancy

Econsultancy's mission is to help its customers achieve excellence in digital business, marketing and ecommerce through research, training and events.

Founded in 1999, Econsultancy has offices in New York, London and Singapore.

Econsultancy is used by over 500,000 professionals every month. Subscribers get access to research, market data, best practice guides, case studies and elearning – all focused on helping individuals and enterprises get better at digital.

The subscription is supported by digital transformation services including digital capability programmes, training courses, skills assessments and audits. We train and develop thousands of professionals each year as well as running events and networking that bring the Econsultancy community together around the world.

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2. Executive Summary

How much impact does the ease and speed of use of email marketing technology have on email marketing success?

That's the question at the heart of the **Email Marketing Speed Imperative** study. Specifically, does the ease of use of a specific email marketing tool affect the daily practice of email – does time saved (or wasted) affect the bottom line? Across a number of measures, the findings of this research project suggest that the answer is yes.

This report is based on an online survey of more than 500 client-side and agency email professionals across a range of sophistication, company size and sector, conducted in the fourth quarter of 2013. Respondents were located primarily in North America and the United Kingdom.

Time at a premium

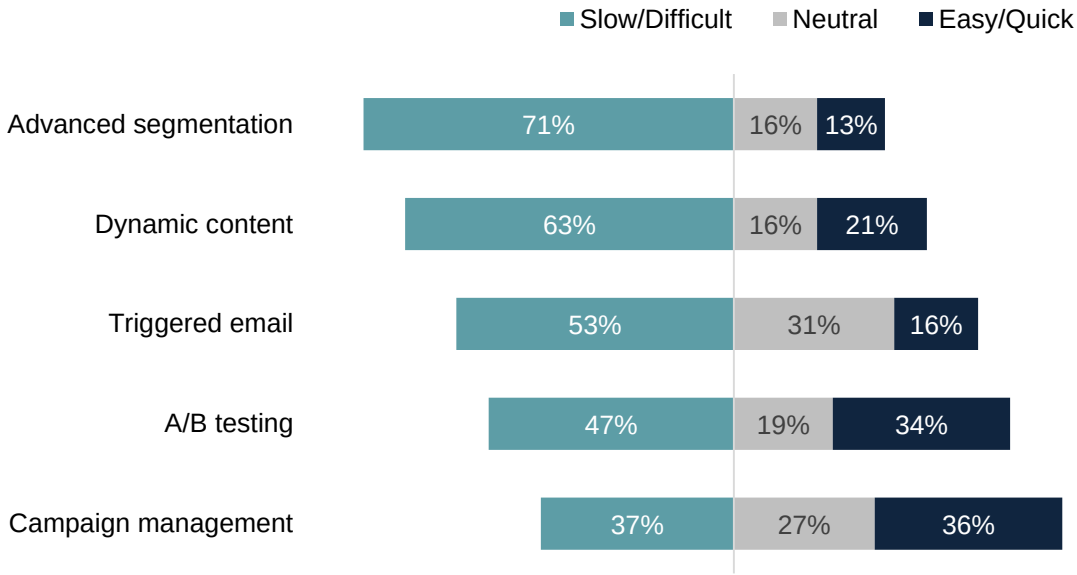
We know that all marketers are overworked and that time is a finite resource. But email marketers may feel this more acutely than some, because their channel has multiple uses and multiple partners. As marketing becomes increasingly multichannel and relationship-oriented, email is the glue that pulls other tactics together and acts as a direct conduit to the customer.

Most marketers, even those that identify primarily with email, wear many hats. On top of email oversight, **over half of respondents reported having responsibilities in seven of 10 other areas of marketing**, from offline display to owned media.

Time and technology

Marketers have more to do than they have time in which to do it. In theory technology is here to help with that challenge. In reality, most marketers are dissatisfied with how technology is addressing the challenges they face with lack of time. In the chart below, respondents with experience in three or more email marketing technologies were asked whether their current system made it easy or difficult to perform a set of tasks.

How fast/easy does your email technology make it to perform these basic and advanced functions?



N=224

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In everything from fundamental capabilities to more sophisticated ones like advanced segmentation, more marketers see their tools as difficult to use than easy and as more likely to slow them down than speed them to market.

This is most pronounced in the activities that can have the highest potential to increase returns. For example, **71% call their email technology slow and difficult for advanced segmentation**. This is despite the fact that data segmentation is the key to more targeted, personalised and relevant email content, driving greater customer engagement, click-throughs and conversions.

Even in campaign management, the baseline for an email tool, negative views outnumber positive, albeit narrowly; **37% describe their solution as slow/difficult**, with another 27% neutral, leaving only 36% happy with the ease of use of their technology.

Overall, **83% of those with experience with multiple tools agree that different systems have a substantial effect on how quickly marketers can perform email tasks**. On this basis, respondents were broken into three groups – those who considered their email marketing technology to be either slow, medium or fast. Each of these groups were then used to examine several aspects of email marketing.

Success in email is a function of time

Differences in ease and speed of use appear to have significant effects on the most meaningful measures in email marketing, including conversion rate, list growth and return on investment. Those with email technology that makes tasks fast/easy are **57% more likely than those with less responsive systems to report conversion rates somewhat or significantly higher than the industry average**. Of greater concern, **the slow group is nearly three times more likely (42% vs. 15%) to report conversion rates lower than their sector's average**.

A day in the life of the email marketer

Why is there such a difference in performance for marketers whose tools save them time? Two reasons come to light in the study. Not surprisingly, the first reason is that we're more likely to invest in a high value activity when it's easy than when it's difficult. **Those marketers with easy to use systems are between 40%-50% more likely to use capabilities like advanced segmentation and dynamic content insertion.**

The second reason is that for many, time seems to be the missing ingredient in practicing advanced email marketing.

Those with slow and medium systems spend over half of their time on email in deployment, creative and basic segmentation, compared to less than one-third of total time spent by those with fast systems.

In this way, even email strategy is affected by technology. **The fast group spends 250% more time on strategy than their slower peers**. And that time appears to be well spent; **those with fast systems give their department's ability to define strategy a score nearly 40% higher than those with slower technologies.**

Also in the Email Marketing Speed Imperative Study…

- What is the dollar value of a faster-to-use email system in return on investment terms?
- How is email list growth affected by the responsiveness of email technology?
- How do most email marketers divide their time between nine key activities, and how should they be allocating it for maximum success?

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2.1. Methodology

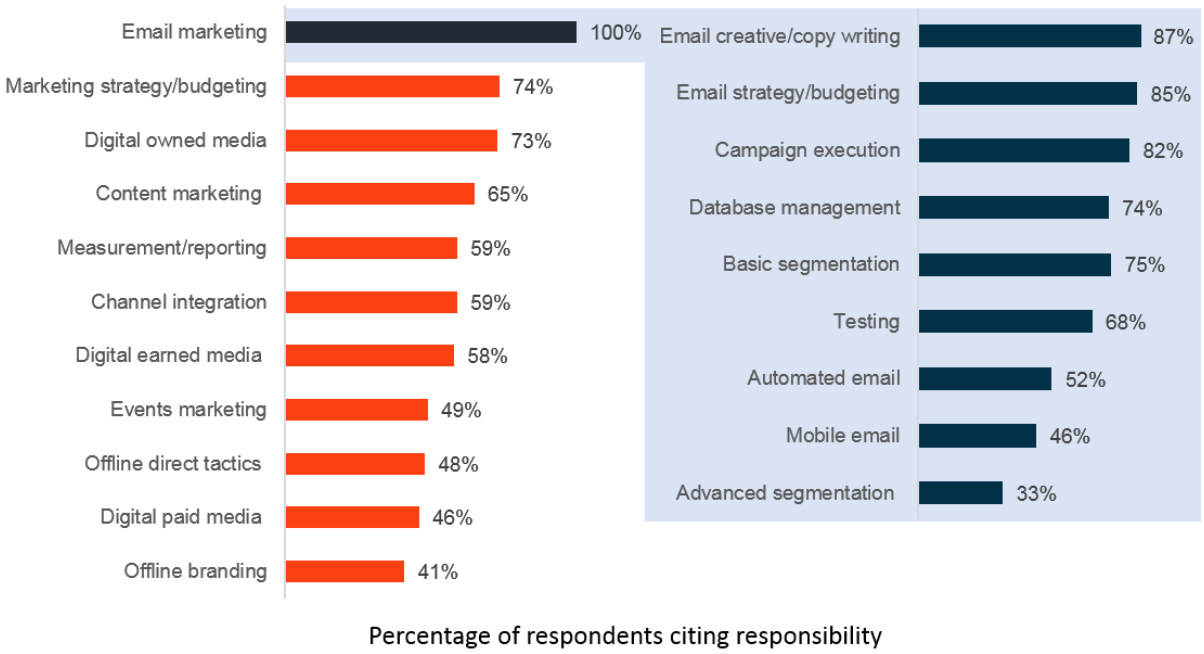
This report is based on an online survey that was fielded in October of 2013. Invitations to the survey were sent to select Econsultancy lists. Additional sample was obtained through a verified third-party source to balance the sample in terms of organisations' size, industry and respondent role.

The survey was closed on October 18th 2013. The resulting sample of 514 is described further in the Appendix at the end of this report.

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3. Time at a Premium

Figure 1: The many hats of the email marketer



N=338

In *Figure 1*, above, we see that email marketers are at the centre of the channels and challenges of modern marketing. On top of their email marketing oversight (shown in the breakout to the right), over half have additional responsibilities in seven of the 10 key marketing areas examined.

The expression goes that if you want something done, ask the busiest person you know. Apparently, that would be an email marketer.

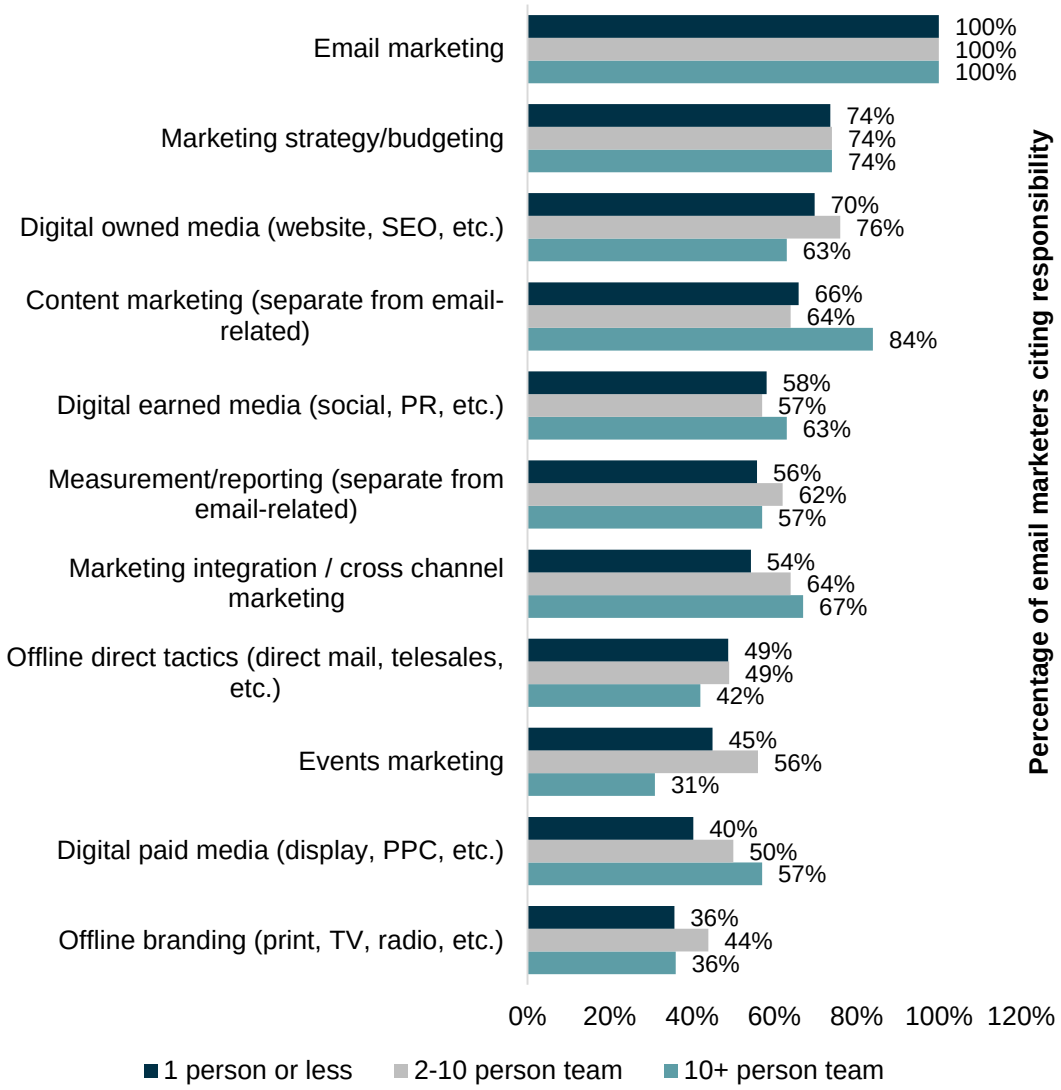
Some marketers are wearing many hats while others are working across channels because email is the glue of digital, and part of every multichannel campaign. And then there are the tasks associated with email itself. Most practitioners are involved in everything from copywriting to list management to strategy.

The point is fundamental and almost universal; there simply isn't enough time to do everything, certainly not at a high level. Marketers have to make dozens of choices every day, trading 'nice to have' quality for 'must have' execution on a schedule. This creates two problems:

1. Since the earliest studies of email, there has been a dramatic gap between organisations that practice smart marketing, and those that blast in bulk. Every measure shows that the first of these sustainably produces excellent results, while the other produces conversions at the expense of the long-term health of the list. Many organisations are caught in between, with the desire to do better but a lack of resource. As we'll see, time is the least elastic resource we have, and even the best intentioned marketer lets best practices fall away under time pressure.
2. Email is a component of virtually any integrated campaign and the first stop when a needle needs to be moved, content needs distribution or an event is on the horizon. Email is the reliable foundation of marketing today because it's often the best channel to customers and prospects. If there isn't enough time to do things right, it's not just affecting the results within email, it's taking away from all of the other campaigns and programs that rely on it.

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Figure 2: Marketers' multichannel responsibilities by size of team



N=338

Figure 2 further breaks down marketers' responsibilities outside the discipline by looking at team size. While marketers on teams with more than 10 members have more support, they are more likely to have multichannel responsibilities than one-person shops, with more than 50% having tasks in more than seven marketing areas.

Team size doesn't reduce the number or diversity of email marketers' responsibilities. While there is some degree of specialisation, having to work with the many channels typical of a large marketing department more than makes up for any efficiencies in size.

Just as marketing finds itself at the centre of the digital transformation at many organisations, email is the hub of digital activity. For all the attention paid to emerging channels and more expensive ones, marketers look to email as the best conduit to their customer base. Therefore email marketers are involved in any integrated program; we see an especially high correlation with owned media channels, content and cross-channel activities.

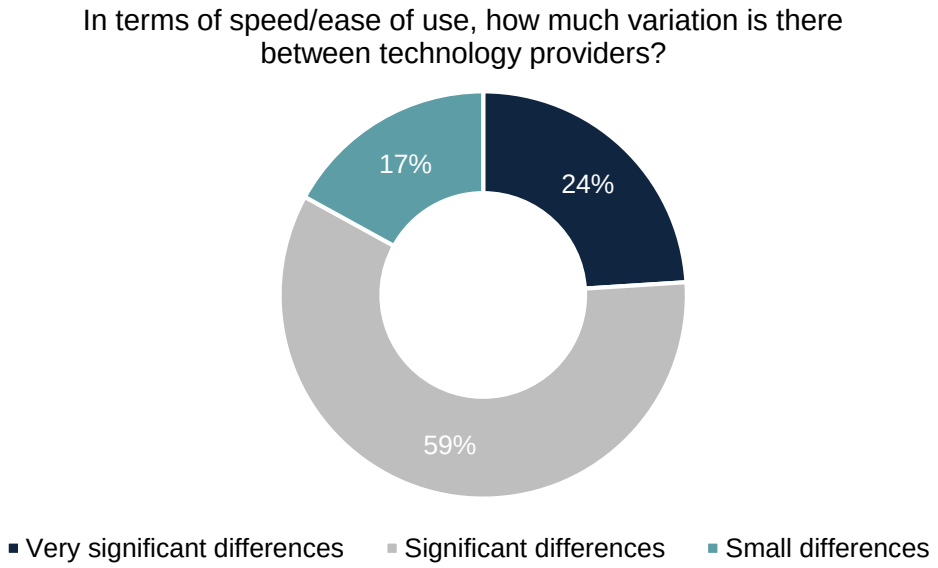
In part this chart simply reflects the fragmentation of media and marketing, and with it, the new opportunities and responsibilities presented by digital. It also demonstrates that the email marketer doesn't have a moment to spare.

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With marketers' time at a premium, we wanted to test the theory that the speed of the systems they use has a measurable effect on their overall email marketing success. This theory is based on two assumptions. One that people do things which are fast and valuable more often than when they are slow and valuable. And a second that if time is saved on rote, low-level tasks, it will get reallocated to activities with a positive impact on performance.

The first step in testing this theory is to determine whether one technology can be significantly different from the next in terms of ease of use/speed of use. Respondents with experience of at least three email systems were asked their opinion on the degree of variation.

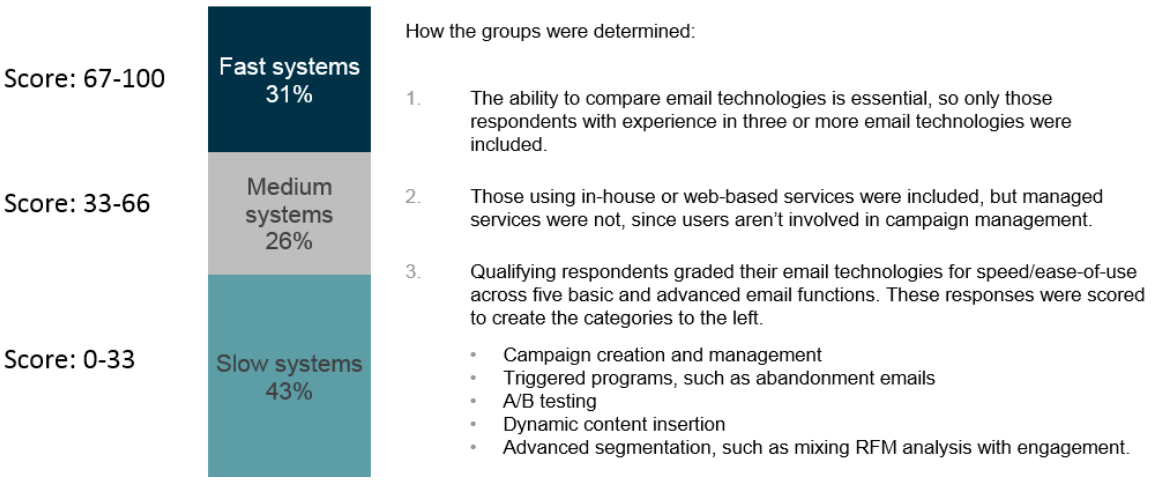
Figure 3: Impact of email tools on speed/ease of use



N=224

In *Figure 3*, we see that 83% of marketers with experience in multiple platforms report that there are significant differences in the technologies they've used when it comes to how quickly they can perform email tasks.

Figure 4: Breakdown of email systems by speed/ease of use

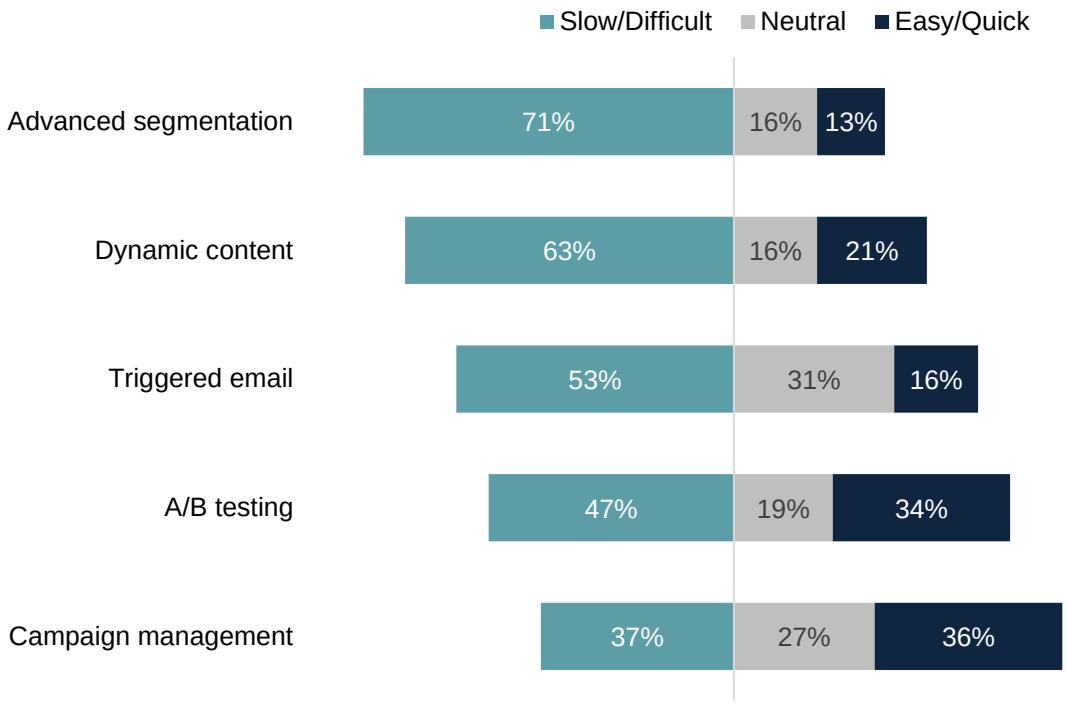


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To compare across the sample, the speed/ease of use of email marketing systems was scored using the process outlined in *Figure 4*, above. This process resulted in scores from zero to 100 for 224 respondent organisations. Systems scoring under 33 represent the largest group at 43%, followed by the fastest systems at 31% and those in the middle range at 26%.

Figure 5: How easy do email technologies make it to perform these basic and advanced functions?



N=224

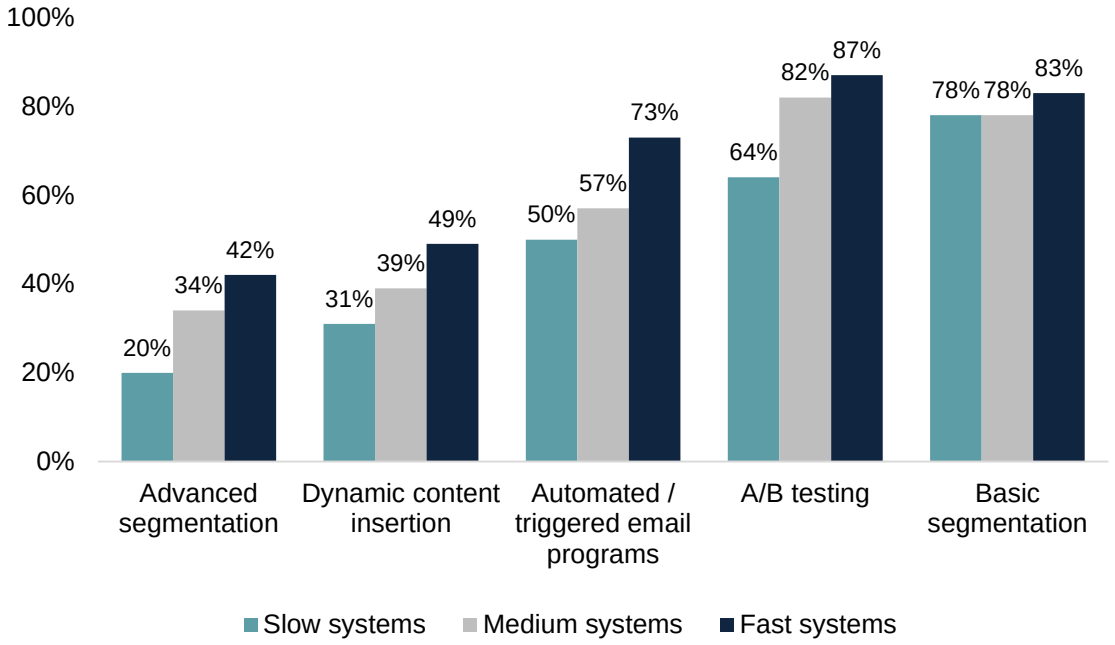
In *Figure 5*, marketers with experience in multiple platforms were asked to rate their current system across five important areas within the practice. Advanced segmentation has the lowest score, with 71% describing their system as slow/difficult to use for this task, but even fundamental campaign management only enjoys a positive rating from 36% of respondents.

Email marketers aren't satisfied. When it comes to the essential capabilities of their technologies, there's not one area where even a majority of users find their systems to be fast or easy to use. On the contrary, the majority of respondents feel their technology is slow and makes it difficult to perform these tasks.

- Only 13% are content with the way advanced segmentation is handled by their email platform; 71% call their email technology slow and difficult when it comes to this crucial capability.
- Nearly two in three marketers find inserting and using dynamic content slow/difficult to accomplish with their current system.
- Automation is a challenge, and its full potential eludes many organisations. One reason is that they spend more time tackling their technology than creating effective triggered and automated email programs; only 16% call their systems easy/fast.
- A/B testing is implemented in three in four email programs, but nearly half of respondents find their technology makes it slow/difficult to accomplish.
- Campaign management is universal and fundamental to all email systems and teams (except the minority that use a managed solution). Yet even in this basic area, negative views outnumber positive, albeit narrowly; 37% describe their solution as slow/difficult, with another 27% neutral, leaving only 36% happy with the ease of use of their technology.

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Figure 6: How common are email practices? (by speed of system)



N=94

Figure 6 looks at how common it is for marketers to practice specific capabilities, comparing them by the speed of their technology. The cost of having a slow system is evident, with this group less than half as likely to use advanced segmentation as those with a fast system and 31% less likely to use email marketing automation.

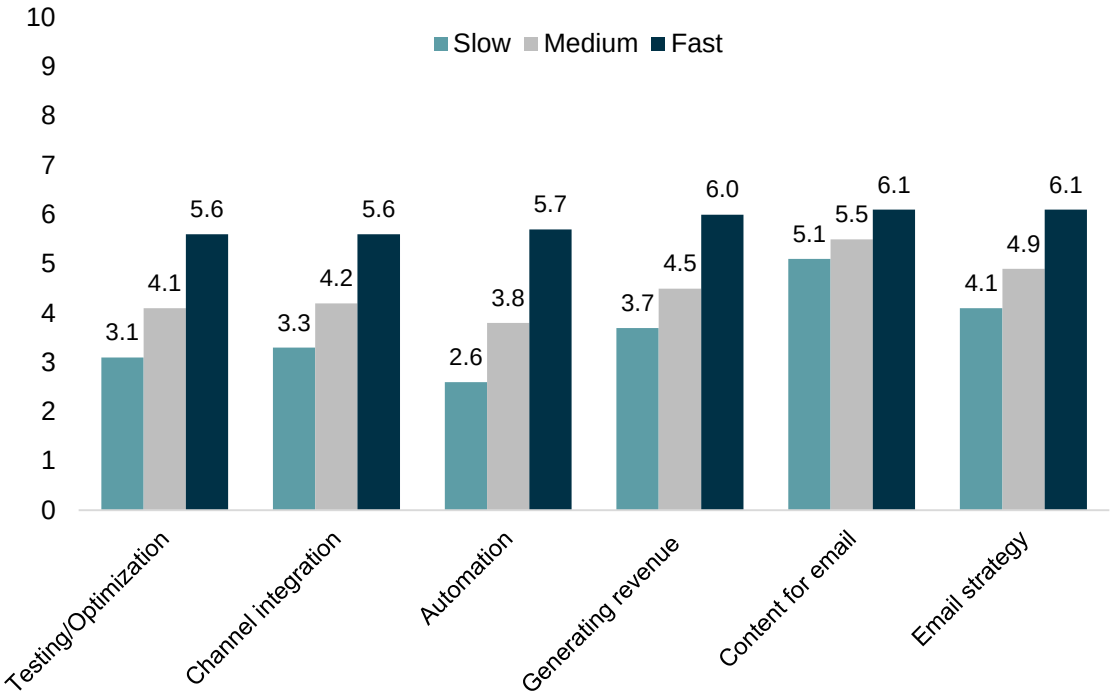
It seems obvious that if something is valuable in email marketing, it will be practiced more often by organisations where technology makes it easier to do than by those where it is more difficult.

But proving the relationship isn't so simple. Other factors such as team size, email program sophistication and individual experience can all affect the usage of a given practice. For example, a company with an inefficient system for testing might have another tool to help or someone on staff that's proficient or simply place a high priority on the tactic.

The chart above corrects for two of those variables (team size and sophistication) and the results suggest that indeed, we do more of what comes easier. The sharpest differences are in the most important areas for successful email; advanced segmentation (20% vs. 42%) and automated programs (50% vs. 73%).

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Figure 7: Faster/easier tools correlate with higher capability scores



N=178

In *Figure 7*, respondents rated some of their departments' email capabilities from one to 10. Their aggregate scores are shown by their email technology's speed category. The differences are uniformly significant, but sharpest in testing/optimisation where those in the slow group gave their teams a 3.1 out of 10, compared to a 5.6 out of 10 from the fast group.

What is the difference between high performing email programs and the rest of the industry?

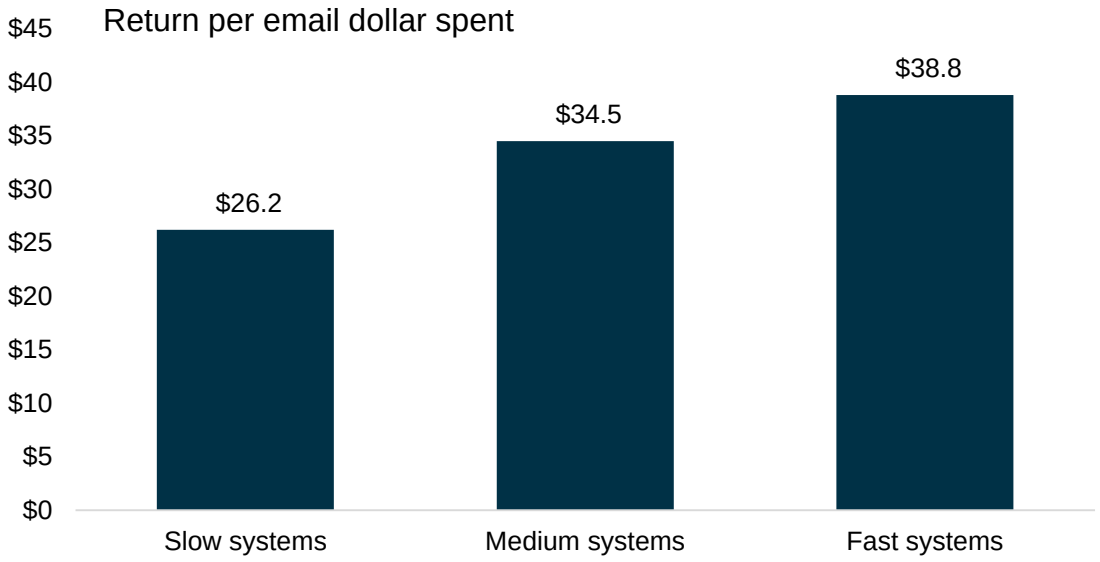
For many, time seems to be the missing ingredient. Specifically, the time saved on low-level tasks that can be reallocated to more valuable ones.

In this way, even email strategy is affected by technology. The relationship is indirect, but not insignificant; those with fast/easy to use systems give their department a score nearly 40% higher than those with slower technologies, for strategy capabilities.

The sharpest differences, in strategy and automation, suggest that the medium and slow groups get caught in a loop. They don't have the time to devote to strategy and automation and therefore can't reap the increased efficiency time savings that come from having a coherent and documented strategy or from the ability to use automation to avoid rote tasks.

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Figure 8: How does the speed of an email technology relate to ROI?



N=162

Organisations that calculate their email ROI were identified and queried on their ratio of cost to revenue. In *Figure 8*, we see how their responses differ by the speed/ease of use of their email technology. Those with fast systems report an average ROI for email of $38.80, nearly 33% higher than the $26.20 reported by those with slow systems.

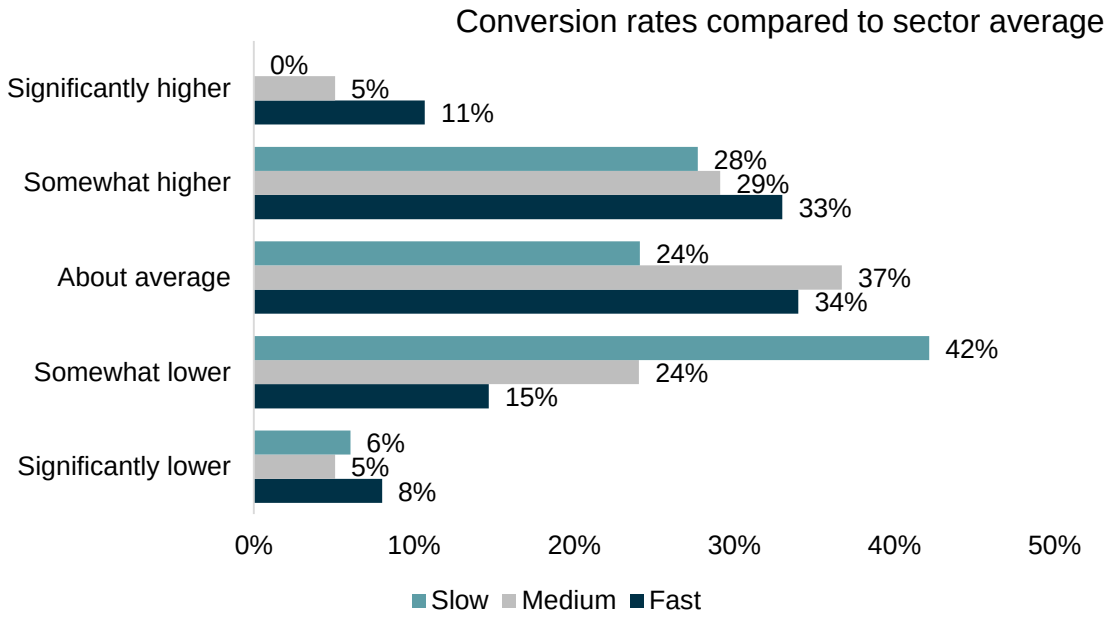
Since technology has an influence on email program capabilities, and capabilities affect performance, we wanted to explore any relationship between ease of use and return on investment (ROI).

We found that the return on email is very high even in the worst cases. The channel has always enjoyed one of the top spots among all channels in terms of return on investment. Still, there is a contrast between the three groups. The marketers in the fast/easy to use technology category report an average ROI of nearly 40:1 for every dollar spent, in comparison with a ratio of 26:1 for those slow group.

Clearly the speed/ease of use of an email technology is not the only factor at work. But there may be a cascade effect; when email marketers aren't spending their time with rote tasks they are practicing the higher level capabilities of email that contribute to higher ROI.

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Figure 9: Conversion rate and speed/ease of use



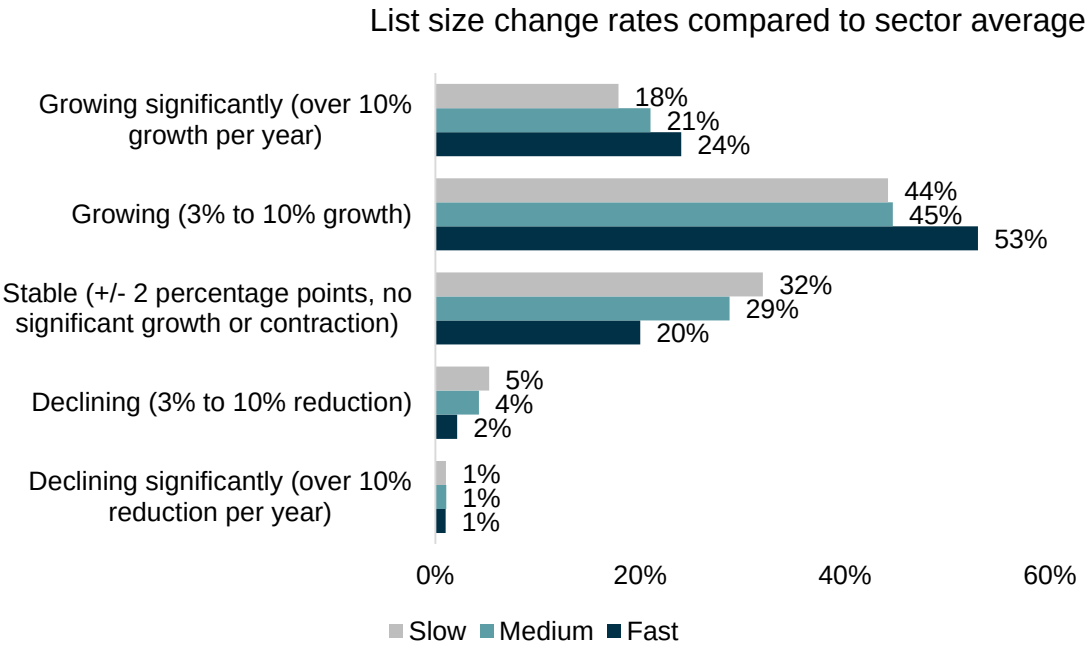
N=214

Figures 9 and *10* show how marketers' conversion rates and list growth relate to sector averages, broken down by the speed/ease of use of their email marketing technology. For both metrics, teams with faster, easier to use email systems have an edge over their peers.

Strikingly, 42% of the slow group describe their conversion rates as somewhat lower than the average, compared to only 15% of the fast group.

Conversion rate and list growth rate are two of the most important measures in email marketing. One speaks to marketers' ability to turn engagement into revenue, and the other to creating an engaged audience to communicate with.

Figure 10: List growth and speed/ease of use

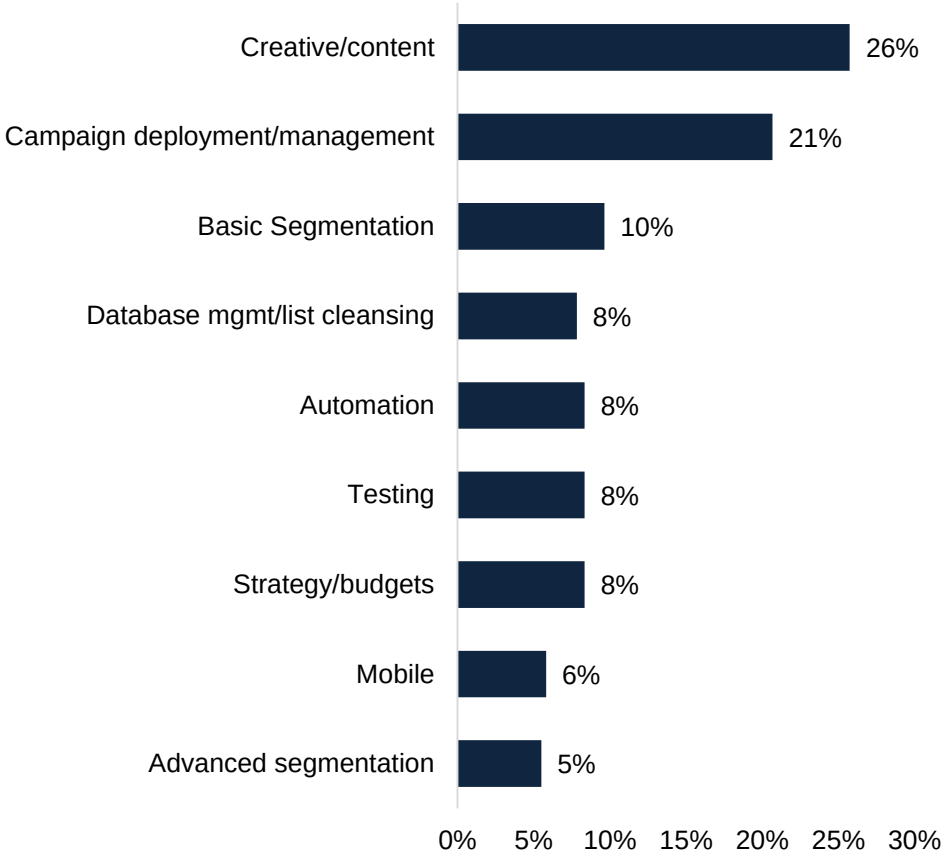


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4. A Day in the Life: How should email marketers spend their time?

Figure 11: How does the average email marketer divide their time?



N=397

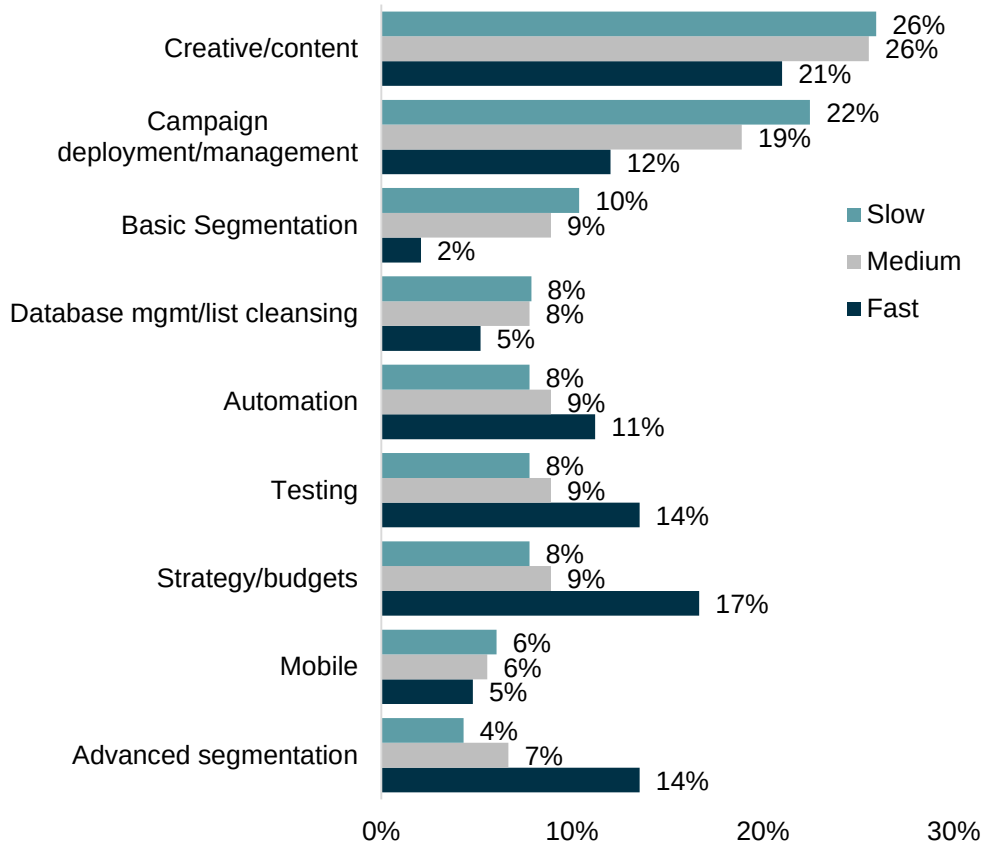
Figure 11 shows the baseline average for how the entire sample spends its time on email activities. The totals are indexed to total to one hundred, since not every email team engages in every activity. Of note is the ratio of campaign deployment/management to strategy of over 5:2. Most marketers spend far more time in the tall grass of email marketing than planning for success.

In this section, we'll look at how email marketers spend their precious time, how that relates to their email marketing technology and most importantly, to success. First, *Figure 7* establishes a baseline for comparison. Note that percentages reflect the line average only for those organisations that use a given tactic.

Subsequent charts explore how groups differ and why it matters, but the underlying theme is consistent; for most email marketers the basic steps of creating and deploying emails take up too much time.

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Figure 12: Time allocations by speed of email systems



N=297

Figure 12 breaks down how email marketers spend their time based on their technology. The difference in the three groups is meaningful; time spent in deployment and campaign management steals from higher level activities. Those with fast/easy to use systems spend 45% less time on deployment and 250% more time on strategy than those in the slow category.

Clearly, marketers spend their time differently depending on what their technology encourages through ease of use or discourages through complexity. Those with faster/easier technologies spend less time on deployment and management, allowing them to invest significantly more time in high value activities than their peers:

- Nothing is more useful for busy people than a **well-defined strategy**. At its best, a strategy is a set of assumptions and priorities that guide decision making, budgeting and creative direction, saving time and avoiding confusion.

  For those with slower email technologies, there doesn't seem to be enough time for planning; it gets only 8% of the resource compared to 17% among those with faster systems. The problem with shorting strategy is that it leads to further time waste down the line.

- **Advanced segmentation** isn't common, practiced by only about one in three email teams. Those that use advanced segmentation (e.g. segmenting based on customer behaviour, purchase history, RFM, engagement and profile) have access to an extremely effective means of targeting, that results in higher revenues.

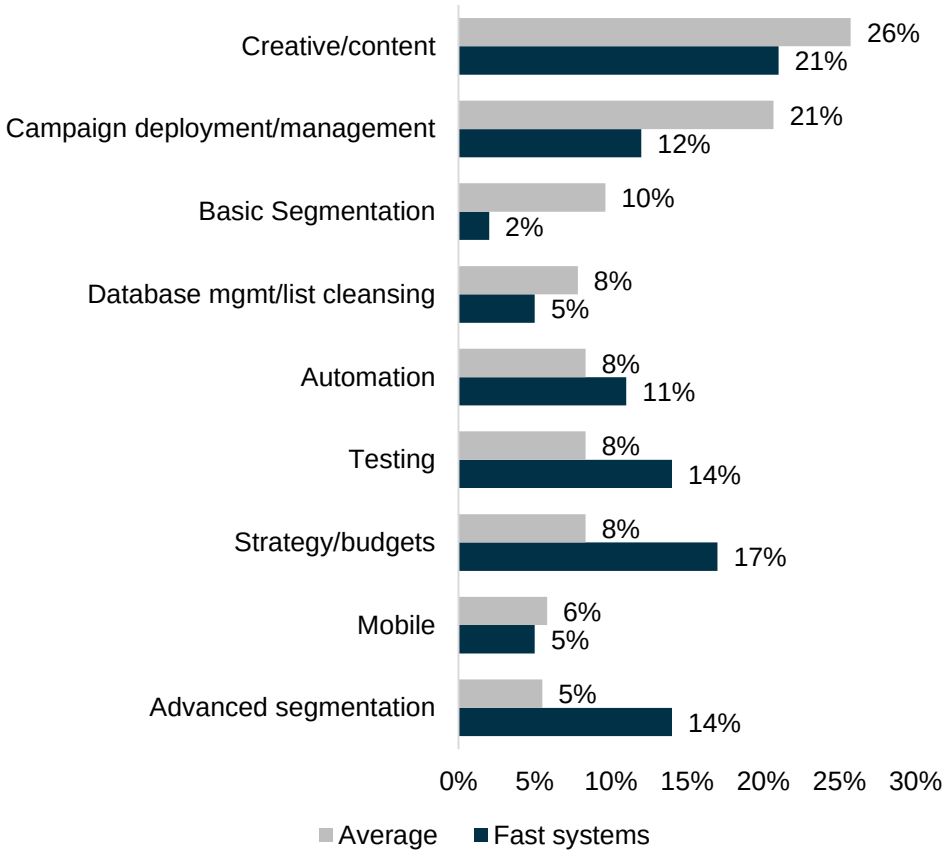
  Those in the fast group spend nearly 15% of their total email time on techniques like this, compared to less than 5% for the slow group. More importantly, as seen in *Figure 6*, marketers with systems that slow them down are far less likely to attempt advanced segmentation (20% versus over 40% among the fast group).

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- The open secret of email marketing is that **testing always works**. Usually the improvements that come from testing are incremental not revolutionary, so it's not the kind of practice that can be sporadic. Testing cultures view success in the long term, learn slowly and remember well, feeding both positive and negative lessons into future strategy.

  These qualities fit with an email team that's able to devote the time to testing and internalising its lessons. Those spending a disproportionate share of their time on deployment and management are less able to take advantage, as the ROI metrics in *Figure 8* clearly show.

Figure 13: Faster and better – how marketers should spend their time



N=297

Figure 13 shows how marketers with fast email systems spend their time versus the rest of the sample. Most striking is that the average group spends 55% of its time on creative, campaign management and basic segmentation, compared to 35% for the fast group.

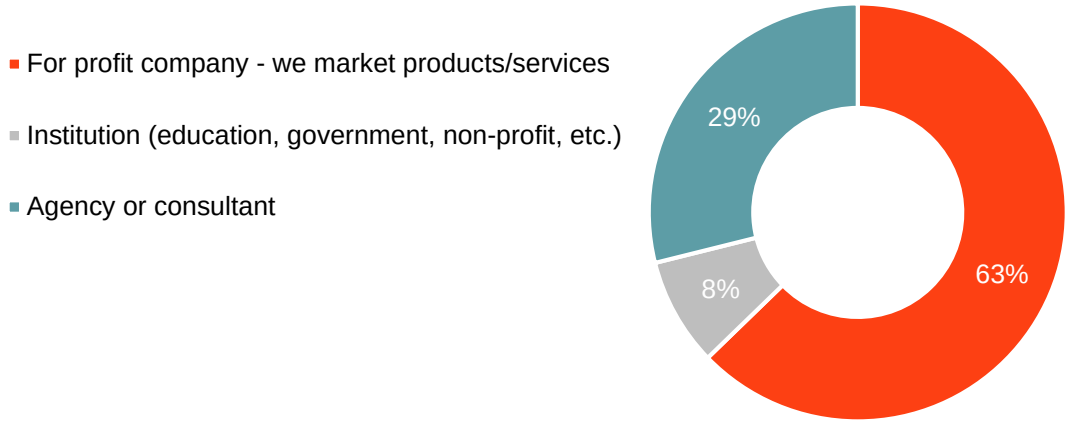
Simply put, successful email marketers spend their time thinking, planning, testing and automating. Less successful ones spend it deploying and managing campaigns.

Technology is not the only variable in success, but it is a significant one, and for some organisations, easier to change than budgets, headcount or culture.

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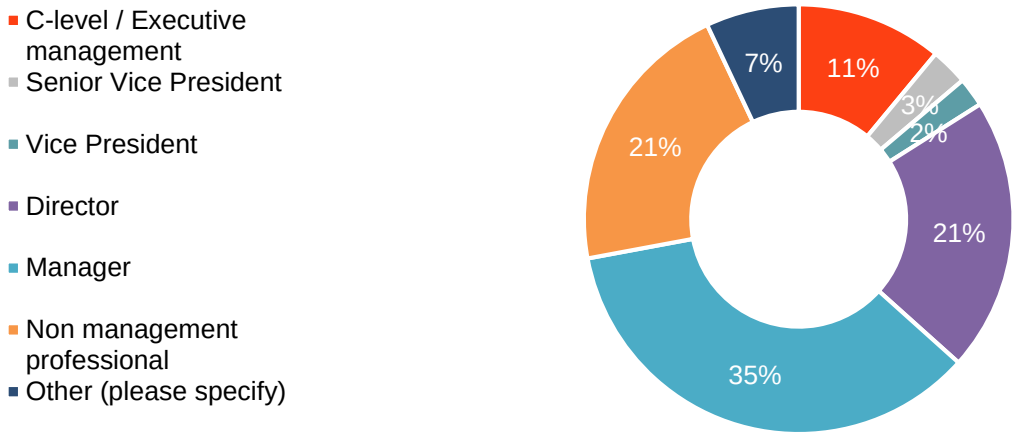
5. Appendix: Respondent Profiles

Figure 14: Organisation types



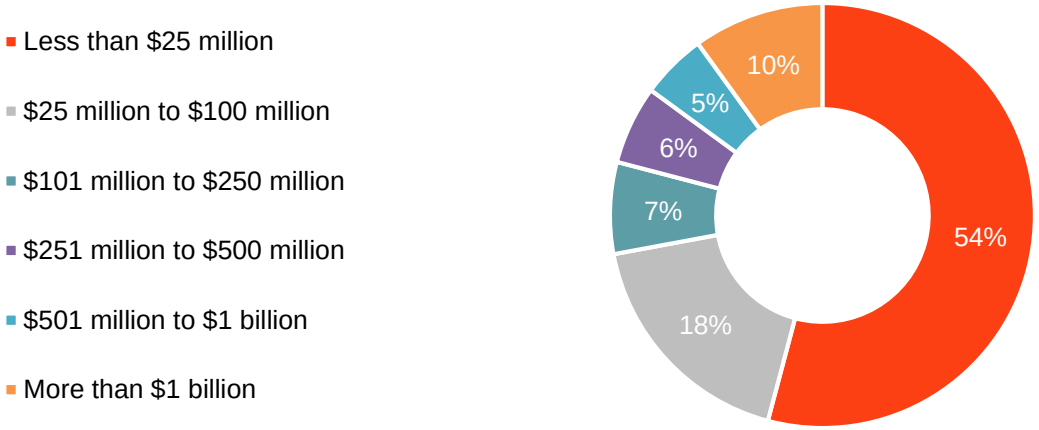
N=514

Figure 15: Client company titles



N=364

Figure 16: Client company revenues



N=365

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