

EMAIL MARKETING SPEND SET TO GROW IN 2010

Seven out of ten marketers expect expenditure on email marketing to increase over the next 12 months, yet strategic planning and best practice processes are lagging behind, findings of the latest Direct Marketing Association (DMA) National Client Email Survey report.



The survey reveals that less than half of marketers have a strategy concerning maximum email contact frequency, only a quarter of marketers are able to calculate the value of an email address and 12 per cent of respondents do not know how many emails an address should receive each month.

Richard Gibson, Chair of the DMA Email Marketing Council Benchmarking Hub, comments:

□As the recession forces many businesses to cut or freeze marketing costs across the board, the continued growth in expenditure is testament to email's enduring value. However, in a bid to stretch this value in difficult economic times, marketers are increasing the volume of emails. Without the correct best practice and evaluation measures in place, these companies risk alienating customers by over-mailing which can, in turn, lead to deliverability issues.□

The report highlights deliverability as marketers' biggest concern, followed by conversion rates, return on investment and reputation. A heightened focus on deliverability is attributed to the increasingly specialist tools and expertise required to get email delivered to the intended destination. Sender reputation is ranked as the most important deliverability factor by 36 per cent of surveyed marketers, followed by list hygiene (20 per cent) and email content (18 per cent).

Gibson adds:

□A greater concern for deliverability shows that marketers are learning to accept responsibility for deliverability and are avoiding the false assumption that the software or service used to send emails takes care of the issue. Interestingly, the factors that are rated as less important such as opt-out rates, content and open rates are likely to lead to a better sender reputation which plays a big role in deliverability.□

The study indicates that half of those intending to increase company budgets for email marketing state that it will be at the expense of other media, but only one in ten respondents suggested that email will actually replace other channels. While half of those investing more in email will take money from the direct mail budget, direct mail still remains one of the most common partner channels for email. The most successful channels used in conjunction with

email are database marketing with a success rate of 95 per cent, direct mail (94 per cent) and telemarketing (92 per cent).

Open and click rates were reported as the most common measures of success, used by 72 per cent and 66 per cent of marketers respectively. Yet, only half of marketers are measuring the revenues generated by their email marketing. This low figure is attributed to an increase in the use of email for brand awareness. However, when asked how they would like to measure operational success, the majority of respondents opted for revenue generated , suggesting a need for more sophisticated evaluation processes.

In terms of keeping lists clean, the study shows that 17 per cent of marketers are not removing hard/soft bounces from their lists and a quarter of marketers do not suppress unsubscribes, which not only affects sender reputation but could also violate anti-spam laws. The study also shows that while 40 per cent of marketers are taking inactive addresses off their lists, half are doing so without conducting some kind of reactivation campaign.

To view a copy of the report: <http://www.dma.org.uk/information/res-popvue.asp?msg=3934>