

2008 B2B Email Marketing Effectiveness Study Overview

EXECUTIVE SUMMARY

SubscriberMail's 2008 B2B Email Marketing Effectiveness Study surveyed 287 business-to-business marketing professionals in order to gain insights into the types of email marketing they engaged in, the level of success they achieved and the challenges and opportunities they have faced in their efforts.

Despite the downward trend of economies the world over, 51 percent of marketers surveyed reported improved email marketing results over the last twelve months, including increased conversion rates, which was rated as the top metric by which marketers gauged their overall success. Marketers attributed the improvement to several factors: optimizing email lists; employing email marketing best practices; improving content, email layouts and creative; and improving message relevancy.

Integrating email marketing with other channels and vehicles is becoming more common, with 69 percent of marketers including integration in their strategy. Designing emails to accommodate the issue of image suppression has proven to be another effective approach, with the majority of marketers who optimize achieving performance improvements from ten to upwards of twenty percent. Among the issues email marketers faced, delivery was rated the most significant obstacle to success, with time/resources and swamped inboxes close behind.

In many cases, the negative impact of the problems reported by respondents could be lessened through the implementation of best practices. To cite one example, despite the significantly improved performance of emails optimized for image suppression mentioned earlier, the majority of B2B email marketers neglect to design and test emails to account for image suppression.

INTRODUCTION

In March of 2008, SubscriberMail, a leading email marketing solutions provider, in cooperation with the Email Experience Council (eec), the email marketing arm of the Direct Marketing Association, surveyed business-to-business marketing professionals around the world to gain insights into the types of email marketing they engaged in, the level of success they achieved and the challenges and opportunities they have faced in their email marketing efforts over the past 12 months. Survey responses were received from 287 business-to-business marketing professionals.

Contact SubscriberMail for more information on B2B email marketing:

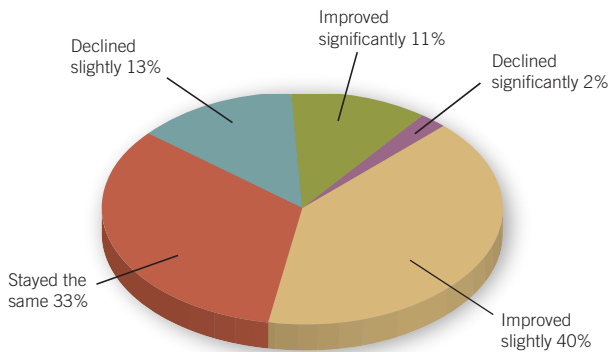
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B2B MARKETERS REPORT IMPROVED EMAIL MARKETING RESULTS OVER PAST 12 MONTHS

Email marketing has clearly become an important tool for the business-to-business marketing department. However, with corporate managers widely reporting over-flowing email in-boxes, junk mail filters inadvertently blocking legitimate messages and many email clients suppressing images, merely getting relevant, permission-based email in front of subscribers has become an increasingly complex endeavor. The good news is that in spite of these challenges, many B2B marketers saw slight (40 percent of marketers) to significant (11 percent of marketers) improvements in email marketing performance over the past twelve months. Marketers attributed these performance improvements to optimizing email lists; employing email marketing best practices; improving content, email layouts and creative; and improving message relevancy.

B2B Marketers Rank Email Marketing Performance Over Past 12 Months



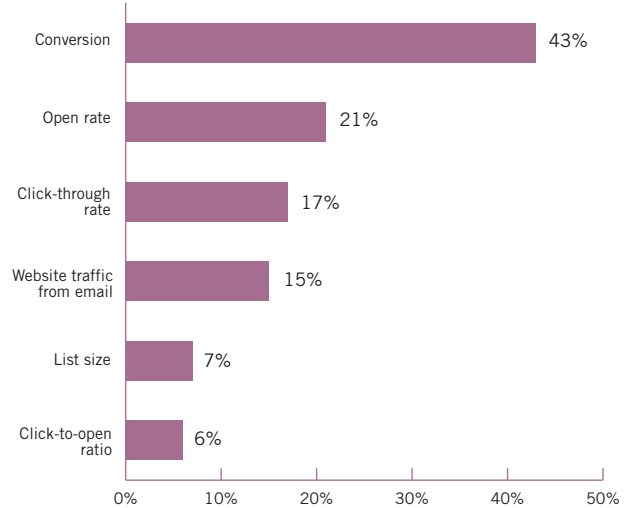
Fifty-one percent of marketers surveyed saw slight to significant improvements in email marketing results.

Note: N = 282. Numbers do not add up to 100% due to rounding. SubscriberMail

CONVERSION RATE THE TOP METRIC USED FOR ASSESSING EFFECTIVENESS OF B2B EMAIL MARKETING

The impact of a challenging economy is often felt in tighter budget constraints or reductions and an increased focus on hard metrics. Consequently, it is not surprising that conversion to desired actions (e.g., generating leads, sales, etc.) ranks far and away as the key performance metric when determining the success of email marketing efforts, which is likely to persist in a weak economy.

Email Marketing Metric Ranked Most Important by B2B Marketers



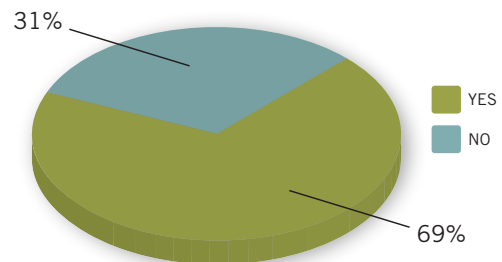
Conversion was cited by forty-three percent of respondents as what they consider the most important metric for measuring email success.

Note: N = 287. Numbers do not add up to 100% due to rounding. SubscriberMail

THE MAJORITY OF B2B MARKETERS INTEGRATE EMAIL MARKETING WITH OTHER CHANNELS, MOST OFTEN WITH THEIR SALES FORCE AND PRINT EFFORTS

Integration of email marketing with other marketing channels is becoming more common. The majority of respondents (69 percent) said their company's email marketing was integrated with other marketing channels, while 31 percent said it was not. The most common vehicle integrated with email marketing is the sales force (55 percent), with print (51 percent) a close second.

B2B Email Marketing Integrated with Other Marketing Channels?



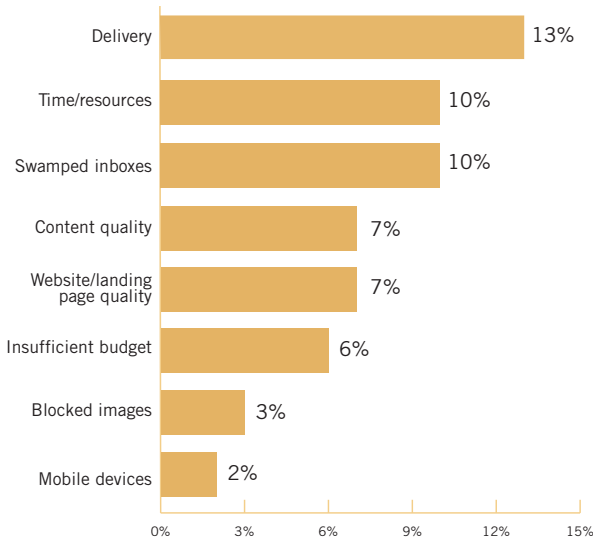
Sixty-nine percent of respondents reported that email marketing was being integrated with other marketing channels.

Note: N = 287. SubscriberMail

DELIVERY ISSUES, SWAMPED INBOXES AND TIME AND RESOURCE CONSTRAINTS CITED AS GREATEST CHALLENGES TO B2B EMAIL MARKETERS

Increased conversion rates, no doubt, contributed to the majority of respondents being neutral to satisfied with the results of their email marketing efforts. However, despite these results, B2B email marketers cited numerous challenges to success, with delivery ranking as the top challenge, followed closely by swamped inboxes and time and resources.

B2B Marketers Rank Most Significant Obstacles to Email Marketing Success



Delivery issues were cited by thirteen percent of respondents as the most significant obstacle to email success.

Note: N = 161. SubscriberMail

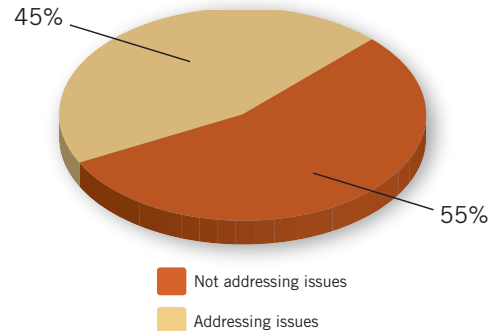
B2B EMAIL MARKETERS FAIL TO ADDRESS IMAGE SUPPRESSION

Most B2B marketers believe that image suppression (the blocking of images by an email client) is widely employed by email recipients, yet fail to address the issue in their email marketing efforts. Those marketers who addressed image suppression, however, saw notable improvements in their results.

Given that the default setting of many corporate email applications and many popular email clients is to block images, designing emails to account for image suppression should be critical to any email marketing campaign. While nearly three-quarters of those surveyed estimated the percentage of email users employing image suppression at 40 percent or more – more than half of respondents themselves use image blocking – only 45 percent

of respondents indicated they were actually taking any steps to address this issue in their email marketing efforts.

B2B Email Marketers Addressing the Issue of Blocked Images



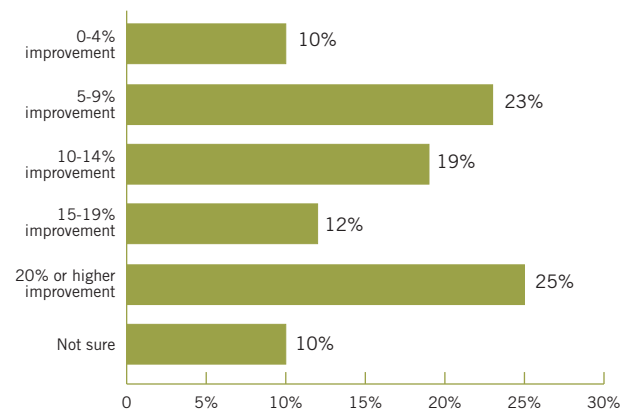
Over half of respondents are not taking steps to address the issue of image suppression.

Note: N = 287. SubscriberMail

B2B EMAIL MARKETERS WHO ADDRESS IMAGE SUPPRESSION SEE CONSIDERABLE IMPROVEMENTS IN RESULTS

The majority of email marketers (56 percent) who have taken steps to address image suppression and test to measure the impact of their solutions have achieved from 10 percent to more than 20 percent improvements in open rates, click-throughs or conversions. Of these marketers, the highest number saw 20 percent or higher improvements.

Primary Improvement Seen for B2B Email Marketers Who Address Image Suppression



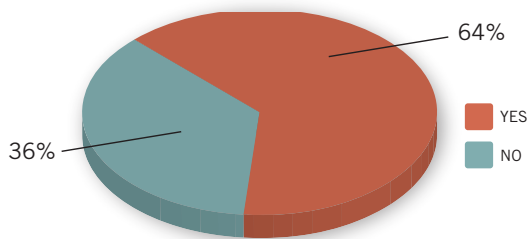
One-fourth of marketers who optimized emails for image suppression saw an improved performance rate of 20 percent or better.

Note: N = 48. Numbers do not add up to 100% due to rounding. SubscriberMail

36 PERCENT OF B2B EMAIL MARKETERS MISS THE OPPORTUNITY TO SEND A WELCOME MESSAGE

The majority of B2B email marketers send welcome messages after a subscriber has completed the opt-in process, in order to establish contact with and/or request action from new subscribers. However, 36 percent miss the opportunity to send these communications.

B2B email marketers: Do you send a welcome message when someone signs up to receive email messages from you?



A large percentage of marketers are not sending welcome messages to their new subscribers.

Note: N = 416. SubscriberMail

POTENTIAL MISSED OPPORTUNITIES AND RELEVANT BEST PRACTICES

SubscriberMail's experience leads us to conclude that, based on the results of this study, many B2B marketers can benefit from applying the following email marketing best practices:

Analyzing Metrics

Most email marketing programs involve the analysis of metrics to gauge performance. However, not all metrics should be weighed evenly. 21 percent of respondents cited open rates as the most important email metric, while 17 percent considered click-through rates to be the most important. However, open rates have become increasingly unreliable due to the issue of image suppression, and

we advise they be used as a guide, not an absolute. Click-through rates, on the other hand, are measured the same no matter how an email is viewed, therefore making them a much more accurate metric by which to measure success.

Marketing Integration

The integration of email marketing with other marketing channels is too often limited to one other channel, overlooking the value of more comprehensive multi-channel integration. Best-in-class marketers are increasingly leveraging offline vehicles to drive targets online where they can establish permission relationships and communicate more effectively. The fact that 69 percent of respondents reported they were integrating their email marketing with other channels is encouraging, but the scope of such integration is an important factor in determining the level of success it can achieve.

Optimize Email Design to Compensate for Image Blocking

A recent SubscriberMail study indicated nearly 60 percent of executives turn off images in their email clients (referred to as image suppression or image blocking). This data makes it clear that all email marketers need to design for this issue, yet the majority of B2B marketers (55 percent) are neglecting this issue and possibly damaging their relationship with subscribers. Failure to optimize for image suppression can result in large portions of an email, as well as entire links, that will not display in certain email clients. SubscriberMail recommends coding HTML emails so that key messaging will be fully conveyed with or without the use of images. Best practices and detailed recommendations for designing email to accommodate image suppression can be found in the SubscriberMail white paper, "The Great Suppression."

Welcome Messages

36 percent of marketers are not sending any kind of messages to welcome new opt-in subscribers. Aside from the typical use of welcome messages as a request for new subscribers to whitelist the sender's address, they can also be used for promotions and cross-promotions, to register for additional emails and to encourage subscribers to take a variety of actions that are of value to the marketer. The personalized touch and relevancy of these types of messages can make them a valuable communication tool to foster customer loyalty.

ABOUT THE EMAIL EXPERIENCE COUNCIL (EEC) The Email Experience Council (eec) (www.emailexperience.org), the Direct Marketing Association's (DMA) vertical working group that is focused on the email marketing industry, is a global professional organization striving to enhance the image of email marketing and communications, while celebrating and advocating its importance in business, and its ROI value. The eec is committed to regularly conducting a broad series of email initiatives for a variety of organizations that highlight the positive impact and importance of email as a marketing tool, communications vehicle, and branding device. Additionally, eec members are setting the standards for email through Marketing Roundtables. The eec members are representatives of other trade organizations, agencies, advertisers, technology partners, clients, and companies focused on the potential of email marketing via mobile and other digital devices.

ABOUT SUBSCRIBERMAIL SubscriberMail (www.subscribermail.com) is a leading provider of email marketing services. It is a three-time winner of the ClickZ Marketing Excellence Award and has twice been rated highest overall business value for an email marketing service provider by Jupiter Research. SubscriberMail provides clients with easy-to-use, web hosted email marketing tools utilizing its innovative, patented technology, as well as complete consultative email marketing services for clients who prefer outsourcing administrative and creative responsibilities. SubscriberMail's clients include Fortune 500 market leaders, small businesses, associations, educational institutions and not-for-profit organizations.