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Email Marketing Platforms Buyer's Guide

January 2012

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Email Marketing Platforms Buyer's Guide



Published January 2012

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1. Introduction

This guide assesses the UK marketplace for email services from the perspective of the buyer.

Section 10 contains profiles of 20 companies offering **email marketing platforms** and **email-related services**. Known as **email service providers** or ESPs, these companies offer an array of services ranging from basic broadcast of email to campaign planning, optimisation and integration with web analytics data.

The changing inbox, the continued dominance of social media and the increasing ubiquity of mobile and tablet devices all present new challenges for the email industry.

The sector is maturing and while it continues to deliver strong ROI and tangible value, there is an increasing focus on integrating different types of data and optimising email campaigns even further through greater relevance, targeting and personalisation.

Econsultancy buyer's guides

Econsultancy's buyer's guides are the ideal starting place for anybody researching new suppliers in interactive market sectors. They contain in-depth vendor profiles; to help you quickly evaluate suppliers and service providers, as well as market analysis to help you put things into perspective. Vendors are selected for the report based on a combination of factors, not limited to but including:

- **Analysis of capabilities** (services / products)
- **Clients**
- **Experience** (qualifications / trade bodies / case studies / client lists)
- **Expertise** (by sector / topic)
- **UK status** (a UK office is preferred, occasional exceptions are made)
- **Ability to take on and fulfil new projects**
- **Recommendations from trusted sources** (or anecdotal evidence to the contrary)
- **Google visibility**
- **Business model** (a high % of turnover should be related to these services)
- **Company website**

Econsultancy does not explicitly recommend any of the suppliers featured in these guides, principally because it is impossible for us to work with all of them to form a first-hand opinion. But we do believe - based on an intensive and careful selection process - that the chosen vendors represent quality.

Buyer's Guides are updated on an annual basis, so the information contained within is recent and thus valid. Send any questions or comments to Aliya Zaidi, Econsultancy's Research Manager (aliya.zaidi@econsultancy.com). We welcome feedback.

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1.1. About Econsultancy

Econsultancy is a [global independent community-based publisher](#), focused on best practice digital marketing and ecommerce, and used by over 240,000 internet professionals every month.

Our hub has 105,000+ members worldwide from clients, agencies and suppliers alike with over 90% member retention rate. We help our members build their internal capabilities via a combination of research reports and how-to guides, training and development, consultancy, face-to-face conferences, forums and professional networking.

For the last ten years, our resources have helped members learn, make better decisions, build business cases, find the best suppliers, accelerate their careers and lead the way in best practice and innovation.

Econsultancy has offices in London, New York and Dubai and we are a leading provider of digital marketing training and consultancy. We are providing consultancy and custom training in the Middle East, and extensively across Europe and Asia. We trained over 3,000 marketers and ran over 200 public training courses in 2010.

[Join Econsultancy](#) today to learn what's happening in digital marketing – and what works.

Call us to find out more on +44 (0)20 7269 1450 (London) or +1 212 699 3626 (New York). You can also [contact us online](#).

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2. Executive Summary

Econsultancy: the UK market for email marketing platforms and services was worth £336 million in 2010 and grew by an estimated 15.5% year-on-year to a value of £388 million by the end of 2011.

Email continues to grow as it is one of the most effective channels for marketing. As well as delivering proven results, email is inherently measurable, with established rules of best practice

Trends within this market include:

- Email continues to flourish as the inbox evolves
- Cross-channel marketing bolsters further growth in email
- Location-based marketing provides quick wins for email
- Multiple devices impact on email design
- Demand for quality content and greater relevance

This buyer's guide contains profiles of the following 20 ESPs:

Adestra, Alterian, Communicator Corp, dotMailer, eCircle, e-Dialog, Emailcenter, Emailvision, emarsys, ExactTarget, Experian Cheetahmail, Lateral Group, MailPerformance UK, Neolane, Newsweaver, Pure360, RedEye, Responsys, Silverpop, Strongmail.

Other related Econsultancy reports:

Email Marketing Best Practice Guide

<http://econsultancy.com/reports/email-marketing-best-practice-guide>

Econsultancy / RedEye Conversion Rate Optimization Report

<http://econsultancy.com/reports/conversion-rate-optimization-report>

Econsultancy / Adestra Email Marketing Census

<http://econsultancy.com/reports/email-census>

Achieving Digital Balance

<http://econsultancy.com/reports/achieving-digital-balance-best-practices-for-mastering-digital-strategy-and-budgets>

Email Marketing Request for Proposal Template File

<http://econsultancy.com/reports/email-marketing-request-for-proposal-rfp>

Email Marketing Business Case Template File

<http://econsultancy.com/reports/email-marketing-business-case>

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3. The Market

3.1. Market value and growth

Market Value

The UK market for email marketing platforms and services was worth £336 million in 2010 and grew by an estimated 15.5% year-on-year to a value of £388 million by the end of 2011.

Econsultancy

The email marketing sector continues to flourish, with growth driven by various factors, including competitive pricing and efficiency. Email continues to be highly cost-effective and to deliver strong returns. Growth in this market stems from an increasingly cross-channel approach to marketing, with companies integrating data and insights from a variety of channels to increase the effectiveness of their emails.

The inbox today has become the expected line of communication between customers and brands. Consequently, the inbox is flooded with a high volume of messages, noise, and spam. The battle for attention in the inbox has led to renewed focus on engagement; more than ever, it is crucial to make email communications highly relevant through personalisation and advanced targeting.

The chart below shows the growth of the email marketing industry since 2004:

Our valuation includes money spent on agency services (in addition to main email service providers), and the cost of internal staff resources related specifically to email.

3.1.1. Size of market compared to other online marketing channels

It is interesting to compare the size of this market with other online channels and sectors. For comparison, Econsultancy has previously¹ estimated that:

- The UK market for e-commerce technology grew by 14% during 2011 to a value of £690m, as reported in [Econsultancy's E-commerce Platforms Buyer's Guide](#)².
- Econsultancy estimates that affiliate marketing drove £5 billion in e-commerce revenue in 2011, up from £4.62 billion in 2010, as reported in [Econsultancy's Affiliate Census](#)³.

The UK user experience market grew by an estimated 8% in 2011 to £222 million, up from £206 million in 2010, as reported in [Econsultancy's User Experience Guide](#)⁴.

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¹Source: Econsultancy buyer's guides <http://econsultancy.com/reports/buyers-guides>

² <http://econsultancy.com/reports/e-commerce-platforms-buyers-guide>

³ <http://econsultancy.com/reports/affiliate-census>

⁴ <http://econsultancy.com/reports/user-experience-buyers-guide>



3.2. Market trends

3.2.1. Email continues to flourish as the inbox evolves

Email continues to be the most effective marketing channel for businesses, delivering consistently strong return on investment. The industry is well-established and over time marketers have become more skilful at implementing the rules of best practice and optimising their campaigns.

3.2.2. Cross-channel marketing bolsters further growth in email

Email is an essential component of multichannel campaigns, employed not only on its own but also as part of a wider strategy. Marketing in 2012 is about employing a multichannel approach, no longer favouring one channel over another. Marketers must seek to reach customers across different touch points along the customer journey through an integrated approach.

The perennial question for marketers is whether email is being replaced by other channels, particularly social media. However, the evidence shows that social boosts the effects of email marketing, as Henry Hyder Smith, Managing Director and Co-Founder at **Adestra**, notes:

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3.2.3. Location-based marketing provides quick wins for email

The rapid growth of mobile and location-based services is changing the way consumers receive email. Check-ins give marketers greater insight into how consumers are interacting with brands offline and when they are engaging with companies. For example, companies can provide new and existing customers with discounts and offers if they are near the location of the brand's retail presence.

3.2.4. Multiple devices impact on email design

In 2011, the year of mobile finally arrived, thanks to the growth of smartphones and tablet devices, as well as the widespread adoption of mobile marketing. The proliferation of mobile has clear advantages for email as according to Nielsen, checking email makes up 45% of all mobile web use.

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3.2.5. Demand for quality content and greater relevance

Demand for greater relevance is going to be a key trend in 2012. Although spam is gradually becoming less of an issue, the battle for the inbox is set to intensify as the volume of messages in the inbox increases.



3.3. Return on Investment – benefits of best-practice email marketing

Effective email marketing can offer businesses advantages ranging from highly tangible revenue increases to softer benefits such as improved brand perceptions.

An email marketing strategy based on best practice can help you ...

4. Strengths, Weaknesses, Opportunities and Threats (SWOT)

This section contains a 'SWOT' analysis for the Email Marketing sector. It also serves as a summary of some of the points made above.

4.1.1. Strengths

- Email's biggest strength is that **it works**, and that it is easy to demonstrate its effectiveness.
-

Voice of the expert: strengths

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Simon Robinson, Responsys

4.1.2. Weaknesses

- Because email is seen as highly cost-effective, the channel may not receive as much **budget** as other areas, due to the perception that it is 'free'.
 - However, marketers need to invest in the channel to avoid the **consequences** of a badly-executed campaign, which can damage the brand.

Voice of the expert: weaknesses

“Stronger privacy and anti-spam legislation will force email marketers to take analytics, segmentation and targeting much more seriously if they want to reach the consumer’s inbox.”

SAMPLE QUOTE, SAMPLE COMPANY

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4.1.3. Opportunities

- Companies are still not making the most of email as the channel is currently under-utilised. A significant proportion of companies are still not taking a **strategic approach** to email.
- There is a clear opportunity to reap benefit from the channel through better **targeting**, **personalisation** and improving **relevance**.

Voice of the expert – opportunities

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4.1.4. Threats

- Email is highly cost-effective, and delivers excellent results. This means that some companies may **not** see a need to **invest further budget** into email to deliver even better results.
 - **Restricted budgets** may threaten the future growth of the email marketing industry.
 -

Voice of the expert: threats

“One possible threat to the email sector, is that the cost effective nature of email leads to reduced spend and innovation, rather than re-investment to improve results further.”

James Bunting, Communicator Corp

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5. Costs and Pricing Models

There are a range of different pricing methods and models which vary according to vendor and customer requirements. Some of the vendors profiled in this guide give detailed information about their pricing. Others prefer to give costs on request.

Fees will often be on a “per email” basis, but they also come in the form of licensing fees and consultancy charges for extra services which may not be included in the core package.

Try to ensure that there are **no hidden charges** which you were not made aware of.

The costs and pricing will be dictated by the type of model used for the provision of email services. Broadly speaking, there are three different models to choose from.

1. **Fully managed service** – a contract with a company to develop and send your email campaigns for you which may include strategy, creative, build, data management and broadcast.
2. **SaaS (Software as a service)** - contract with a company to use its web-based email application interface, where you have control of data, creative and broadcast timings.
3. **In house (off-the-shelf software solution)** – build, purchase or license software you install and maintain on your servers using your bandwidth, giving you total control of the system.

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6. Tips and Pitfalls: how to find the right ESP

6.1. Introduction

In order to identify the right ESP, it is important to understand that different companies have different areas of focus. While some will offer you an excellent deal for delivering large volumes of email, others will have expertise in a certain area such as behavioural response marketing or newsletters (or both).

So, in order to get the right fit with your own organisation, the first step is to **identify exactly what services, solutions and expertise you need**. The detailed company profiles and market positioning charts contained in this guide will help you to find the right match.

This section contains some key considerations to keep in mind and some **pitfalls to avoid**. Our [Email Marketing Request for Proposal Template File](#)⁵ can also help you during your procurement process.

6.2. What type of model is most suitable for your company?

One of the first steps as a buyer is to establish what type of model is most appropriate for your budget and the needs of your company.

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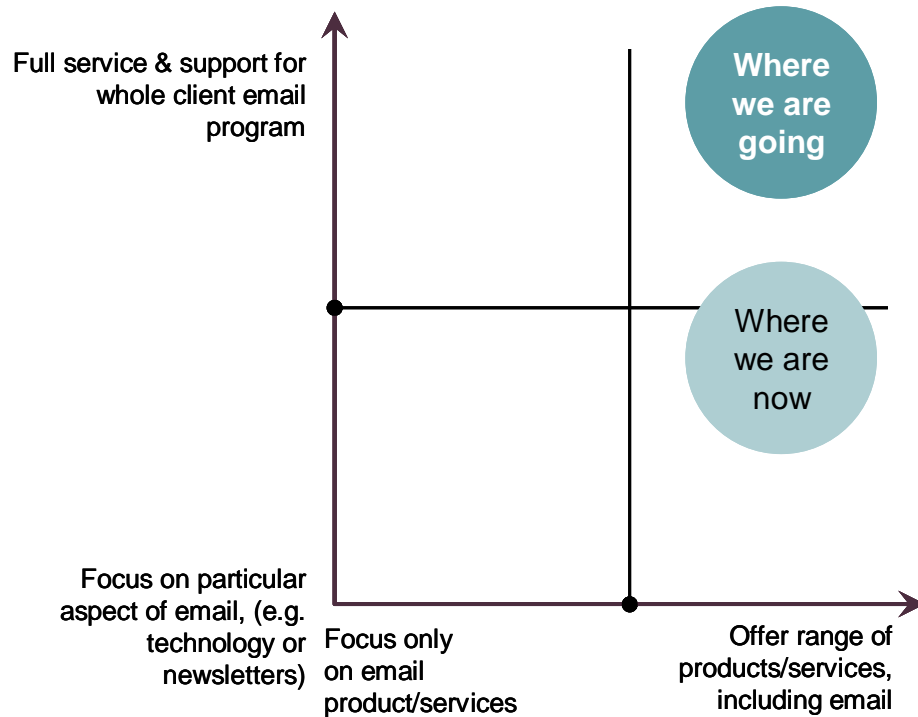
⁵<http://econsultancy.com/reports/email-marketing-request-for-proposal-rfp>



7. Market Positioning Charts

7.1. Explanation for Chart 1 – Company Focus

Chart 1 – Company Focus



The **vertical axis** charts to what degree the email service provider sees itself as providing a fully managed service to take care of all a client's email requirements as opposed to offering a specific email service in one particular area, for example newsletters.

The **horizontal axis** charts to what extent the ESP offers an email platform and services as part of a wider portfolio of services.

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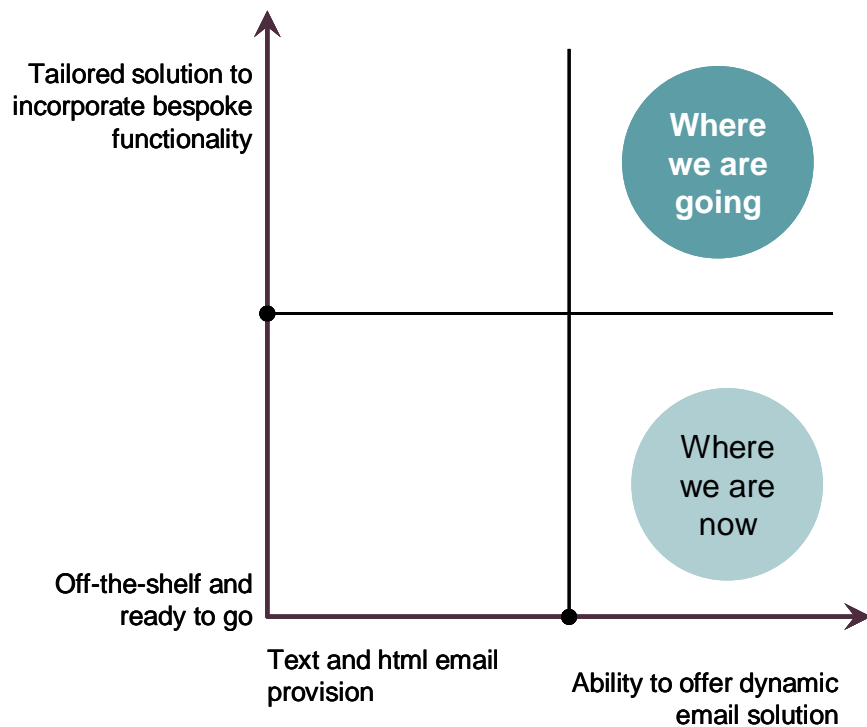


<http://econsultancy.com/reports/email-marketing-buyers-guide>



7.2. Explanation for Chart 2 – Type of Solution

Chart 2 – Type of Solution



The **vertical axis** charts to what degree the ESP offers a “plug and play” solution as opposed to solutions which are typically tailored to incorporate functionality which meets the specific needs of clients.

The **horizontal axis** charts to what extent the supplier has the ability to offer a dynamic email solution.

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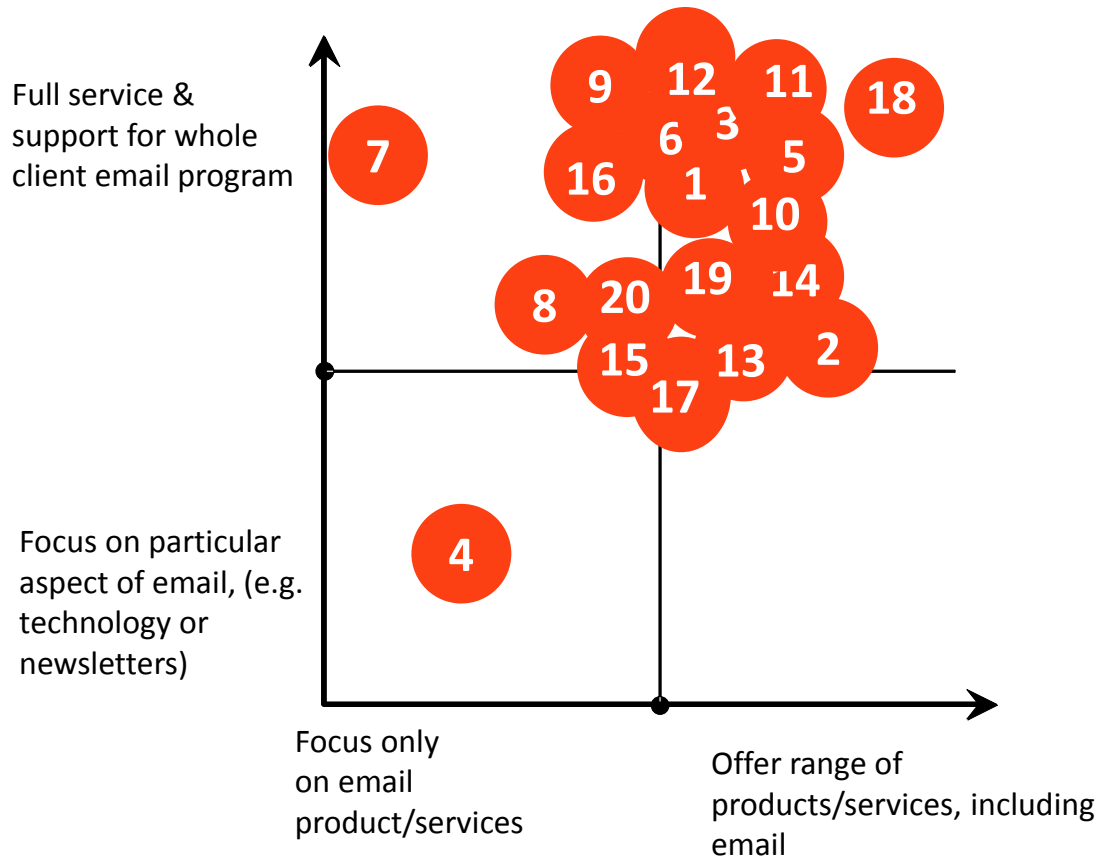


8. Supplier Positioning Summary

8.1. Company Focus

The chart below shows a summary of the market positioning charts of the vendors profiled in Section 10.

The chart highlights the “Where are we now” component of the market positioning charts.



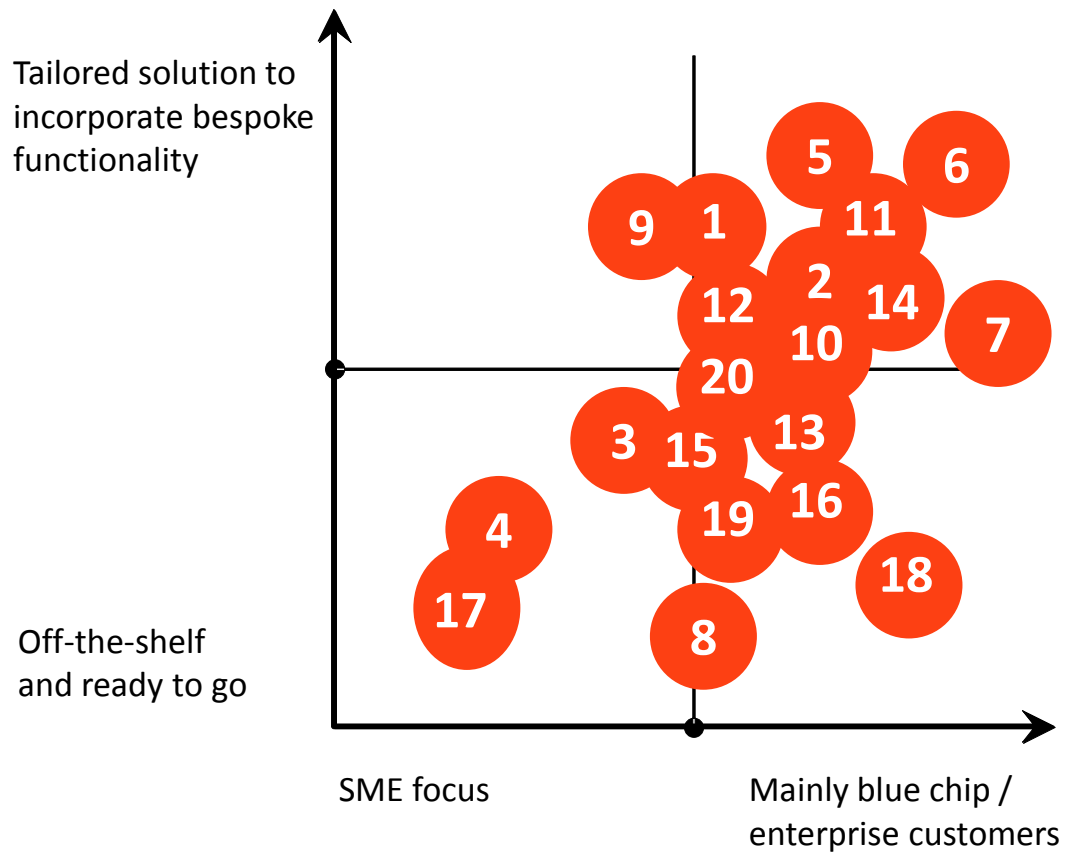
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8.2. Type of solution



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9. Supplier Matrix

An at-a-glance overview of who's doing what ...

Vendor matrix: A fast guide to services																					
	Adestra	Alterian	Communicator Corp	dotMailer	eCircle	e-Dialog	Emailcenter	Emailvision	emarsys	ExactTarget	Experian CheetahMail	Lateral Group	MailPerformance UK	Neolane	Newsweaver	Pure360	RedEye	Responsys	Silverpop	StrongMail	
Type of solution offered																					
Full service	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
ASP																					
Dedicated server																					
Type of services offered																					
Strategy and campaign planning																					
Design and copywriting																					
List provision																					
Legal advice																					
Data management																					
Data cleansing, de-dupe and validation																					
Broadcast																					
Segmentation																					
Personalisation																					
Dynamic content solutions																					
Hosting for images and micro-sites																					
Event triggered messaging																					
Sequence messaging																					
Web analytics																					
Reporting																					
Real-time reporting																					
Flash																					
Video																					
Audio																					
Inbox snapshot service																					



10. Supplier Marketplace and Profiles

10.1. Sample company

SAMPLE

www.sample.com

Company Proposition

Brief Company History

USP – What sets you apart from competitors?

Our Technology

Our People

Our Deliverability

**THE
SAMPLE
COMPANY**

**UK HEAD OFFICE
ADDRESS**

**OTHER OFFICE
LOCATIONS**

London

CONTACT

CLIENTS

SECTOR SPECIALISATION

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Company details: SAMPLE**Company history**

Number of employees (<i>please state the number of employees globally</i>)	
Number of UK employees	
Number of US employees	
Number of employees in other office locations (<i>please provide details</i>)	
Turnover for 2010 (<i>or last accounting period including dates</i>)	
2010 year-on-year growth (<i>compared to 2009</i>)	
Projected year-on-year growth for 2011	

Case study

Client case study (<i>up to 500 words</i>)	
Testimonials	

Type of solution offered

Full service	
ASP	
Dedicated Server (<i>As part of ASP service</i>)	

Types of services offered

Strategy and campaign planning	
Design and copywriting	
List provision	
Legal advice	
Data management	
Data cleansing, de-dupe and validation	
Broadcast	
Segmentation	



Personalisation	
Dynamic content solutions	
Hosting for images and micro-sites	
Event triggered messaging	
Sequence messaging	
Web Analytics	
Reporting	
Real-time reporting	●
Flash	
Video	
Audio	
“Inbox snapshot” service (<i>i.e. showing clients how email content appears on major email clients and browsers</i>)	
Other messaging services, e.g. SMS, contact centre (<i>please specify</i>)	
Integration	
Please provide details of level of integration possible with other technology, e.g. web analytics	
Which protocols are supported (e.g. SOAP/HTTP)?	
Do you allow client developers free access to your database for the purposes of integration of data and systems?	
Please give details of any integration with social media services, and measurement	●
Product details	
Product Name	
Product Features	
Technical Overview	



Tracking capabilities	
Data capabilities	
Costs and pricing methods (<i>please be as specific as possible</i>)	
Deliverability	
Please summarise your deliverability strategy (<i>up to 200 words</i>)	
Do you have a deliverability assurance solution?	
Are you signed up with an email certification or authentication service (e.g. Return Path)?	
Training and support	
How many support staff do you have globally?	
How many support staff do you have in the UK?	
How many support staff do you have in the US?	
During what hours are your UK / US support lines manned?	
What type of training is included? (e.g. telephone and on-site product training)	
Is online support included?	
Please give details of other types of support and training (<i>e.g. strategic workshops and access to experts</i>)	
Language support	
Which continents and languages do you work with regards to ISPs/deliverability?	
What languages and encoding are you able to send in?	
What languages and encoding can the user interface be displayed in?	
What languages are available for additional support?	
Do you offer training in other languages? (<i>please provide details</i>)	
Best Practice and Thought Leadership	
Details of best practice policy	



Do you have a full-time data/spam/privacy representative?	
White Papers/ Publications/ Industry events	
Forums/Memberships	
Additional Supporting Information	
Any other relevant information	

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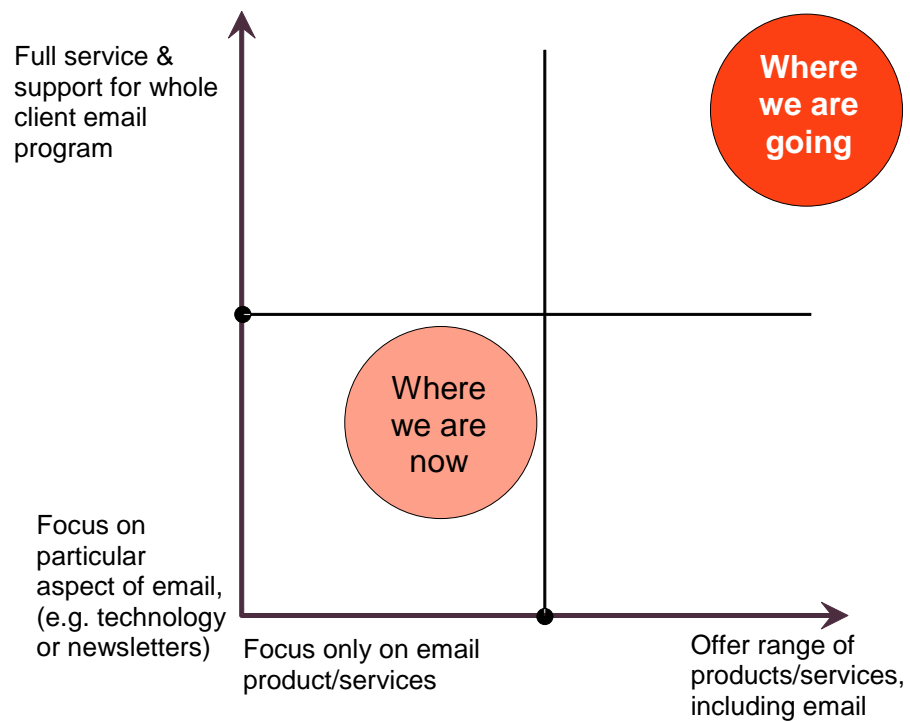


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SAMPLE – Market Positioning Charts

Chart 1: Company focus

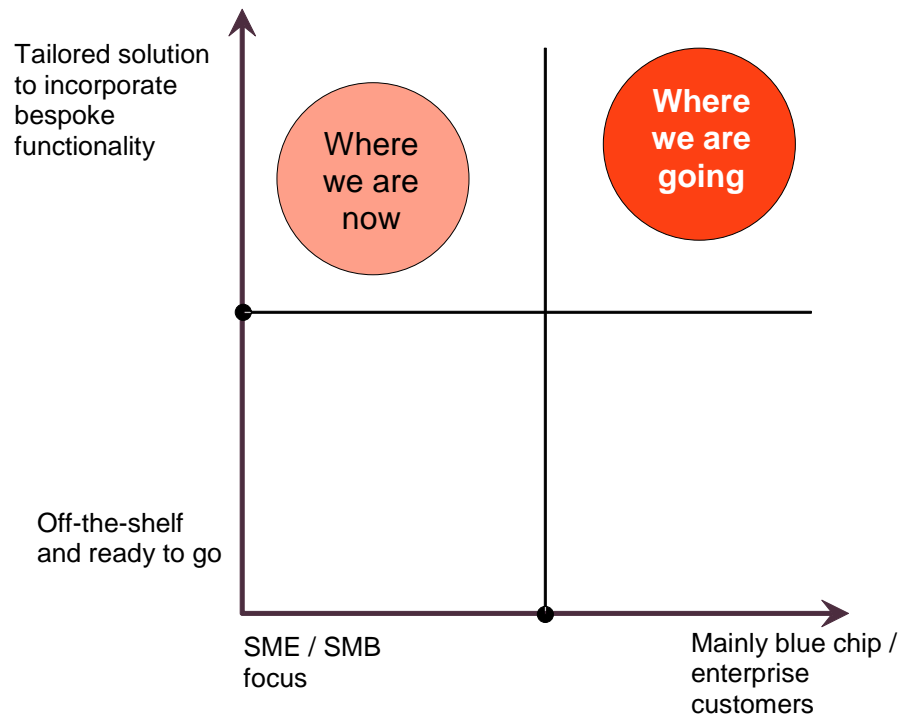


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Chart 2 – Type of solution



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