

July 14, 2010

The New Email Marketing Review

by Shar VanBoskirk
for Interactive Marketing Professionals



July 14, 2010

The New Email Marketing Review

Introducing Forrester's Email Marketing Review Methodology 4.0

by **Shar VanBoskirk**

with Kate van Geldern and Angie Polanco

EXECUTIVE SUMMARY

Email is still a fundamental in the interactive marketing tool kit. While its tried and true best practices haven't changed dramatically in the past few years, much about other interactive media has. Forrester updated its email marketing review (EMR) methodology to reflect these changes in order to help marketers better evaluate the efficiency and relevance of their email programs.

TABLE OF CONTENTS

2 **Forrester's Email Marketing Review Methodology 4.0**

The Revised Review Focuses On Integrating Email

The Business Process Evaluation

The User Experience Evaluation

RECOMMENDATIONS

12 **Diagnose Email Program Performance**

NOTES & RESOURCES

Forrester revised its email marketing review methodology.

Related Research Documents

"How To Integrate Email With Social Media"

May 13, 2010

"Forrester's Email Marketing Review Scorecard Version 3.0"

March 1, 2007

"How To Humanize Email Marketing"

May 1, 2007

FORRESTER'S EMAIL MARKETING REVIEW METHODOLOGY 4.0

Tried and true email marketing best practices — like user-centric content, customer segmentation, and CAN-SPAM compliance — still apply. But evolution in interactive marketing overall is changing how email marketers think about their users, content, and program strategy. For example, since we updated this scorecard in 2007, marketers have developed blogs, online communities, widgets, and Twitter feeds among other social media applications. They are also trialing SMS, WAP sites, and mobile apps. And marketers have improved their use of multichannel metrics and predictive analytics.¹

We revised Forrester's email marketing review 3.0 to account for how new developments matter to the internal business processes and user experience of email marketing programs.

The Revised Review Focuses On Integrating Email

We added seven new criteria and revised four existing ones. As with our 3.0 email marketing review, each criterion is scored on a scale from -2 to +2, where -2 is a strong failure and +2 is a strong pass. Overall scores range from -62 to +62, with a passing score of 31 or higher. In our updated review, we:

- **Considered globalization as part of business process governance.** We added a criterion to evaluate email marketers' ability to support global communications. Marketers will score well here if they can: 1) send messages and adjust their reports and campaign management interface to more than 15 non-English languages; 2) comply with local market email regulations; and 3) manage global executions through a master contact strategy.
- **Created new business criteria to evaluate program strategy.** We dedicated a section in the business process review to *strategy*, which evaluates how well email programs incorporate email-specific customer research, are intended to deepen customer relationships not just drive email conversions, and integrate email into a larger multichannel customer communications strategy.
- **Expanded analytics business criteria to include advanced measurement.** The best email marketers will have a framework for measuring the business value of emails, instead of just tracking standard email metrics like clicks, opens, and conversions. The best practice here is to measure email's influence on long-term customer loyalty and profitability.
- **Replaced *customer* with *user* in the customer experience evaluation.** This subtle adjustment makes clear that our review reflects the experience of any recipient of an email campaign, whether that person is a business customer, prospect, employee, or consumer.
- **Included social media in what makes users value emails.** Our research shows that personalized, engaging, interactive — and now user-generated content like testimonials, images, or videos — resonates well with users.² And 7% of US online adults already share emails with friends via social sharing tools. So our review now scores if an email includes user-generated

content and how easy it is for users to share the email messages with others.³

- **Created a user criterion for mobile presentation.** With 57% of US adults with cell phones using them to send or receive email, we had to account for how easily an email message can be viewed via a mobile device.⁴ Top-performing emails here will provide a “mobile-friendly” format and preview message content before a user elects to view it via his mobile device.

The Business Process Evaluation

The business process evaluation portion of the scorecard ensures that companies have the policies, processes, and tools in place to balance user needs with business goals. This portion of the EMR methodology now evaluates your internal email marketing processes against five dimensions:

- **Governance.** Success in this category means you have a defined and documented email marketing strategy that outlines program goals, metrics, and measurement methods across divisions; a governance policy that is enforced and supported by email delivery tools; and the ability to comply with global email regulations and manage customer contacts across regions (see Figure 1).
- **Strategy.** Our new addition to the review, strategy criteria evaluate the customer-centricity of your approach to email marketing (see Figure 2). Best practices here include conducting regular email-dedicated research, quantifying the long-term value of email subscribers, and routinely innovating. Best-in-class email marketers also consider email marketing part of a multichannel strategy and determine email tactics based on the execution and results of communications in other channels.
- **Analytics.** Analytics criteria assess the degree to which marketers base email strategy on customer insight (see Figure 3). Successful email marketers combine preference-based segmentation with behavioral data; incorporate advanced email analytics with overall marketing analytics to optimize multichannel campaigns; and leverage long-term, profit-based metrics to benchmark their email programs.
- **Process.** Process criteria look at operations related to delivery management and monitoring and continuous campaign enhancement based on testing and analysis (see Figure 4). Success in the process category requires dedicating internal or outsourced staff to monitoring delivery issues and working with Internet service providers (ISPs), having a plan for managing email delivery frequency, and testing to improve future campaigns. Additionally, successful email marketers will also formalize a process for coordinating email into cross-channel customer life-cycle messaging strategies.
- **Data.** Data criteria evaluate the methods the marketer uses to build and maintain the program’s email lists (see Figure 5). Established best practices still apply here. Successful lists require a double opt-in process; automatic processing of hard and soft bounces; and confirmation of opt-

outs within 10 business days.

Figure 1 Business Criteria: Governance & Business process evaluation

Governance

B1: Is there a defined and documented email marketing strategy in place?

- 2 = No corporate email marketing strategy; email programs are executed at will
- 1 = Only an informal email strategy that is not documented or enforced
- +1 = Documented email strategy which outlines programs goals and defines metrics and measurement approaches
- +2 = As above, plus strategy defines roles and responsibilities across all divisions of the company sending marketing emails and identifies points of collaboration with other marketing departments and channels.

Explain the findings that justify this score.

B2: Is there an email governance policy?

- 2 = No policy or staff dedicated to governing marketing email
- 1 = No policy, but campaigns funnel through one person or team to enforce email guidelines
- +1 = Documented email governance policy which articulates the sender permissions, contact frequency, and message prioritization rules by which all email-sending divisions abide
- +2 = As above, plus has staff dedicated to enforcing the policy and email delivery tools which use rules to manage permission levels for different senders

Explain the findings that justify this score.

B3: Can the email program support the needs of global users and business units?

- 2 = No capabilities to support global email initiatives at all
- 1 = Can send emails in several, non-English languages
- +1 = Can send emails in 15-plus non-English languages, provides guidelines and templates to manage global message frequency and consistency, and can customize campaign management and reporting interface to language of local users
- +2 = As above, plus the email program is fully compliant with local market email regulations and email communications globally are coordinated through a master global contact strategy.

Explain the findings that justify this score.

Figure 2 Business Criteria: Strategy

Strategy

B4: Is the email strategy focused on meeting customer needs?

- 2 = No customer research was used to initiate email programs.
- 1 = Existing market research but no email-dedicated research is performed.
- +1 = Email-dedicated research is done at least every six months but not every quarter.
- +2 = Email-dedicated research is done at least once per quarter, and there are processes in place that foster innovation within the email program.

Explain the findings that justify this score.

B5: Is the email program focused on deepening customer relationships?

- 2 = The email program does not have clearly defined business objectives or goals.
- 1 = The email program is just focused on a transactional relationship with the customer: driving clicks and conversions.
- +1 = The email program combines transactional goals with an additional focus on customer retention.
- +2 = As above, plus the email program is designed to deepen long-term customer relationships (i.e., the email program intends to lengthen the lifetime value of an email subscriber).

Explain the findings that justify this score.

B6: Is the email program part of a multichannel customer communications strategy?

- 2 = Email strategy is set with no consideration of other communication vehicles.
- 1 = Email marketing is occasionally, but not consistently, incorporated into multichannel communications plans.
- +1 = Email marketing is one part of a larger customer communications plan.
- +2 = As above, plus email content, targeting, and send frequency depends on execution and results in other channels.

Explain the findings that justify this score.

Figure 3 Business Criteria: Analytics

Analytics

B7: How sophisticated is the approach to segmentation?

- 2 = Batch and blast emails to entire list
- 1 = Batch and blast a few varied messages to a list divided by one dimension (i.e., gender, region)
- +1 = Preference-based segmentation
- +2 = Preference-based and behavioral segmentation

Explain the findings that justify this score.

B8: Does the marketer have a defined email measurement framework for measuring the business value of email?

- 2 = Track bounce rate, open rate, click-through rate, and delivery rate
- 1 = Track all four of the above plus post-click metrics and measure the change in customer engagement with different email campaigns over time
- +1 = As above, plus track nontransactional metrics like measuring the influence of email on other interactive or traditional marketing channels.
- +2 = As above, plus measure the influence email has over long-term loyalty or profitability of email subscribers (e.g., measuring the lifetime value of email subscribers compared to non-email subscribers).

Explain the findings that justify this score.

B9: How are analytics used to improve email program performance?

- 2 = Uses no analytics
- 1 = Uses basic email analytics (e.g., analyzing operational metrics like opens, bounces, and click-throughs)
- +1 = Uses some advanced analytics to optimize email performance (e.g., building predictive models for response/offer/creative optimization, cross-sell, and product affinity analysis)
- +2 = Incorporates email into overall marketing analytics efforts to optimize multichannel campaigns

Explain the findings that justify this score.

Figure 4 Business Criteria: Process

Process

B10: How is delivery managed and monitored?

- 2 = No resources are dedicated to deliverability management.
- 1 = Part-time resources are available to react to issues with ISPs and email providers as they develop.
- +1 = Part-time resources proactively work to improve delivery rates and ISP relationships.
- +2 = Dedicated staff actively monitor any delivery issues and build strong relationships with ISPs.

Explain the findings that justify this score.

B11: Is there a plan for managing email delivery frequency?

- 2 = No plan in place for managing frequency
- 1 = Plan for managing frequency of an individual email program in accordance with user preferences, but little to no coordination across all email programs
- +1 = Plan for managing frequency across all corporate email marketing programs using user preferences and customer value analysis like recency, frequency, and monetary (RFM) analysis
- +2 = As above, plus plan manages delivery frequency of all communications (including non-email ones)

Explain the findings that justify this score.

B12: Is there a plan in place for testing and improving email performance?

- 2 = No testing done
- 1 = Some testing done on an ad hoc basis with a limited number of email elements
- +1 = Comprehensive testing performed across multiple campaign elements but no process in place to incorporate learnings into future campaigns
- +2 = Has a process in place to incorporate learnings into whole email program and process includes a persistent control group against which to test

Explain the findings that justify this score.

B13: Is there a process in place for incorporating cross-department perspective into email marketing plans?

- 2 = No plan in place for cross-department collaboration
- 1 = Only informal cross-department collaboration done on an ad hoc basis
- +1 = Formalized process in place for planning and coordinating messaging and campaigns with one other department
- +2 = As above, plus there are deliberate goals in place to foster collaboration across marketing functions and channel groups.

Explain the findings that justify this score.

Figure 5 Business Criteria: Data**Data****B14: How good is the permission level of the email database?**

- 2 = Majority of names were obtained without the users' explicit permission.
- 1 = Majority of names were obtained with opt-out methods (users must uncheck prepopulated box to not register).
- +1 = Majority of names were obtained with single opt-in methods (user completes email registration and is immediately subscribed).
- +2 = Majority of names were obtained with confirmed opt-in methods (user completes registration and receives confirmation email with option to unsubscribe).

Explain the findings that justify this score.

B15: How are bounced emails processed?

- 2 = Bounced emails are not processed.
- 1 = Bounced emails are processed manually.
- +1 = Hard-bounced (e.g., account no longer active) emails are processed automatically, but soft-bounced (e.g., out of office or mailbox full) emails are not.
- +2 = Recognizes ISP bounce codes and processes hard- and soft-bounced emails automatically.

Explain the findings that justify this score.

B16: How well are opt-outs handled?

- 2 = Opt-out requests are not handled within 10-day window as prescribed by the CAN-SPAM Act.
- 1 = Opt-out requests are processed in 10 days but no confirmation is communicated to customer.
- +1 = Opt-out is confirmed with user within 10 days.
- +2 = As above, but marketer makes an effort to preserve registration by offering a way to change preferences instead of totally opting out.

Explain the findings that justify this score.

57013

Source: Forrester Research, Inc.

The User Experience Evaluation

The user experience evaluation portion of the email marketing review methodology helps marketers assess the user-facing elements of their email messages and campaigns. This portion of the EMR methodology examines an email program's:

- **Subscription.** The subscription process is the user's first impression of an email program. To encourage registrations, marketers should capture email addresses of both prospects and existing customers on the home page (see Figure 6). Registration forms should be concise and relevant and help users customize their preferred content, delivery frequency, and format preferences. The subscription process must also emphasize the benefits of the program, including showing a sample email.
- **Value.** Emails deliver the most value when their content meets the expectations set during registration (see Figure 7). Content should be engaging and customized — for instance, it could

include the users' local store address in the footer or address the user by name. The best emails are easily shared and include a clear call to action above the fold and elsewhere in the email.

- **Presentation.** A user can't gain value from an email message if its presentation is poor (see Figure 8). This means that subject lines should compel the user to open the email through descriptive, evocative, and benefit-focused text. Layouts must be quickly scannable, with benefit-focused headlines, concise copy, and a clear message even without graphics. Finally, strong emails today must also include an option to view the content in a mobile-friendly format.
- **Trust.** Trust is key to long-term customer relationships (see Figure 9). To build trust, email marketers should: 1) include their company and their department or program name in the "from" line; 2) give users control of and proactively encourage them to update their profiles; and 3) provide a clear and complete footer that is CAN-SPAM compliant, has multiple unsubscribe options, and features trust-instilling links like one to a privacy policy that explains how email data is used.

Figure 6 User Experience Criteria: Subscription

Subscription

C1: Can users subscribe to the program?

- 2 = The link to the email subscription is not present on the home page or is available only to existing customers.
- 1 = Email subscription is available online to clients and prospects but is difficult to find and/or is only part of a larger registration process.
- +1 = Email subscription is available to clients and prospects through a link on the home page.
- +2 = Email subscription is available to clients and prospects through email capture on the home page.

Explain the findings that justify this score.

C2: Is registration intuitive?

- 2 = The process is nonfunctional or so difficult to understand that registration is impossible.
- 1 = Registration is intuitive, but the process is lengthy, requests irrelevant information without justification, or does not confirm receipt of registration.
- +1 = The process is a manageable length, requests only relevant information, and confirms the registration.
- +2 = As above, plus the process allows users to customize their content, frequency, and format preferences.

Explain the findings that justify this score.

C3: Can the user learn about the benefits of the program while subscribing?

- 2 = Little to no explanation of the program
- 1 = A single sentence or less of description
- +1 = Benefits of subscription are promoted on the home page or the home page links to a page that details the benefits.
- +2 = Benefits of registration are promoted everywhere users can subscribe online. Email registration includes sample emails as well as sets expectation for frequency.

Explain the findings that justify this score.

Figure 7 User Experience Criteria: Value

Value

C4: Does the email provide essential content?

- 2 = Several critical elements of the message are missing or incomplete.
- 1 = Message is disjointed or uninteresting to the target audience.
- +1 = All aspects of email contribute to a relevant, timely, coherent message (e.g., ads do not distract).
- +2 = Content exceeds the users' minimum needs, delivering added value with personalized or customized content.

Explain the findings that justify this score.

C5: Is the email content engaging?

- 2 = Email content is basic and does little to stand out from other email messages.
- 1 = Email content engages with the reader but only on a transactional level.
- +1 = Email content encourages interactivity with polls or tools or rich media.
- +2 = As above, plus email includes user-generated content.

Explain the findings that justify this score.

C6: Does email content meet the expectation set by the original registration?

- 2 = Email registration misrepresents email content and intent.
- 1 = Email registration is not misleading but does not align with email content.
- +1 = Email content delivers on the expectations set during registration.
- +2 = As above, plus email reminds user of the content expectations that she subscribed to.

Explain the findings that justify this score.

C7: Can the user take action?

- 2 = There is no call to action or it is impossible to complete the call to action.
- 1 = The call to action is below the fold or hard to identify.
- +1 = The call to action is clear and above the fold.
- +2 = There are multiple ways to complete the action — with the primary one above the fold.

Explain the findings that justify this score.

C8: Can the user easily share the email content?

- 2 = There is no ability to share the email content within the body of the email.
- 1 = There is an ability to share the email content but it is below the fold or hard to identify.
- +1 = There is a clear way to share the email above the fold.
- +2 = There are multiple ways to share the email above the fold — with a clear call to action that encourages content sharing.

Explain the findings that justify this score.

Figure 8 User Experience Criteria: Presentation

Presentation**C9: Does the email header invite opens?**

- 2 = Email subject line contains miscellaneous characters or lacks a comprehensible message.
- 1 = The subject line is a description of the content.
- +1 = The subject line emphasizes the user value of the email.
- +2 = Subject line is descriptive, evocative, and compels the user to open the message.

Explain the findings that justify this score.

C10: Is the message self-explanatory without graphics?

- 2 = The HTML version is completely unusable without the graphics.
- 1 = The HTML version without graphics is usable with considerable effort.
- +1 = The HTML version without graphics is generally usable.
- +2 = The HTML version without graphics is generally usable and links to a microsite with the full content.

Explain the findings that justify this score.

C11: Are there quick ways to read the email?

- 2 = Layout has such severe color/contrast issues that the email is extremely difficult to read.
- 1 = Layout is readable but hard to scan; headlines are unclear or copy is long.
- +1 = Layout is scannable and headlines are clear but copy is not benefit-focused.
- +2 = Layout is scannable, headlines have strong benefits, and copy is direct and to the point.

Explain the findings that justify this score.

C12: Are there ways to read the email in a format for mobile devices?

- 2 = There is no option to view the email content in a mobile-friendly format.
- 1 = There is an option to view the email content in a mobile-friendly format but it is below the fold or hard to identify.
- +1 = There is an option to view the email content in a mobile-friendly format above the fold.
- +2 = As above, plus the email previews its content in the email header to help the user know whether to elect to view it in a mobile format.

Explain the findings that justify this score.

Figure 9 User Experience Criteria: Trust**Trust****C13: Does the “from” address communicate a recognizable sender?**

- 2 = “From” address includes only unrecognizable numbers or characters.
- 1 = “From” address includes a sender name, but it is unfamiliar or not the correct sender.
- +1 = “From” address includes the sender’s company name.
- +2 = As above, plus it includes a department or program name to help set content expectations or the email invites users to add sender to their “favorites.”

Explain the findings that justify this score.

C14: Can the user control his email profile?

- 2 = Email provides no way for users to adjust their profiles.
- 1 = Email provides a link in which users can unsubscribe or change their email address.
- +1 = Email provides a link in which users can update any element of their registration information (address, content, format, delivery frequency).
- +2 = As above, plus email proactively encourages users to update their profile to keep subscription current.

Explain the findings that justify this score.

C15: Does the email footer instill trust?

- 2 = Footer includes no physical address or no unsubscribe link.
- 1 = One of the key components of a complete footer is missing.
- +1 = Email includes all key components: physical address of sender, an unsubscribe link, reason for receiving, ability to change preferences, and a link to privacy policy.
- +2 = Email includes all key components plus multiple unsubscribe options, a statement which sets expectation for unsubscribe taking effect, or the privacy policy specifies how email data will be used.

Explain the findings that justify this score.

57013

Source: Forrester Research, Inc.

RECOMMENDATIONS

DIAGNOSE EMAIL PROGRAM PERFORMANCE

Forrester’s email marketing review is best used to diagnose places where your email programs are performing well or need improvement. Learn the most about your program by applying the review to:

- **A series of emails over time.** We recommend benchmarking your email performance in each of the evaluation criteria now and then again every three months to see how you are improving. Discover Financial has used our email marketing review methodologies since 2005 to help evaluate and continuously improve its user experience and internal process efficiency.
- **Competitor emails.** Use the methodology to create a systematic way to examine competitor emails as well. These reviews will illuminate competitor practices to emulate or avoid.

ENDNOTES

- ¹ Marketers face new challenges since our last update to the email marketing review methodology was published. See the May 1, 2007, “[How To Humanize Email Marketing](#)” report.
- ² Forrester’s Consumer Technographics® data illustrates that consumers display a high degree of trust for peer-initiated content. Incorporating ratings and reviews within email messages generates higher response than messages without peer information. See the February 17, 2009, “[Your Email Marketing Road Map For 2009](#)” report.
- ³ Social sharing capabilities make it easy for them to forward favorite email offers to their communities; 7% of US online adults report that they share emails with friends via social sharing tools. See the May 13, 2010, “[How To Integrate Email With Social Media](#)” report.
- ⁴ Consumers are using their mobile devices to access their email accounts. See the January 19, 2010, “[Engaging Smartphone Users](#)” report.

FORRESTER®

Making Leaders Successful Every Day

Headquarters

Forrester Research, Inc.
400 Technology Square
Cambridge, MA 02139 USA
Tel: +1 617.613.6000
Fax: +1 617.613.5000
Email: forrester@forrester.com
Nasdaq symbol: FORR
www.forrester.com

Research and Sales Offices

Forrester has research centers and sales offices in more than 27 cities internationally, including Amsterdam; Cambridge, Mass.; Dallas; Dubai; Foster City, Calif.; Frankfurt; London; Madrid; Sydney; Tel Aviv; and Toronto.

For a complete list of worldwide locations visit www.forrester.com/about.

For information on hard-copy or electronic reprints, please contact Client Support at +1 866.367.7378, +1 617.613.5730, or clientsupport@forrester.com.

We offer quantity discounts and special pricing for academic and nonprofit institutions.

Forrester Research, Inc. (Nasdaq: FORR) is an independent research company that provides pragmatic and forward-thinking advice to global leaders in business and technology. Forrester works with professionals in 20 key roles at major companies providing proprietary research, customer insight, consulting, events, and peer-to-peer executive programs. For more than 26 years, Forrester has been making IT, marketing, and technology industry leaders successful every day. For more information, visit www.forrester.com.