The Relevancy Ring – ESP Buyer's Guide 2015
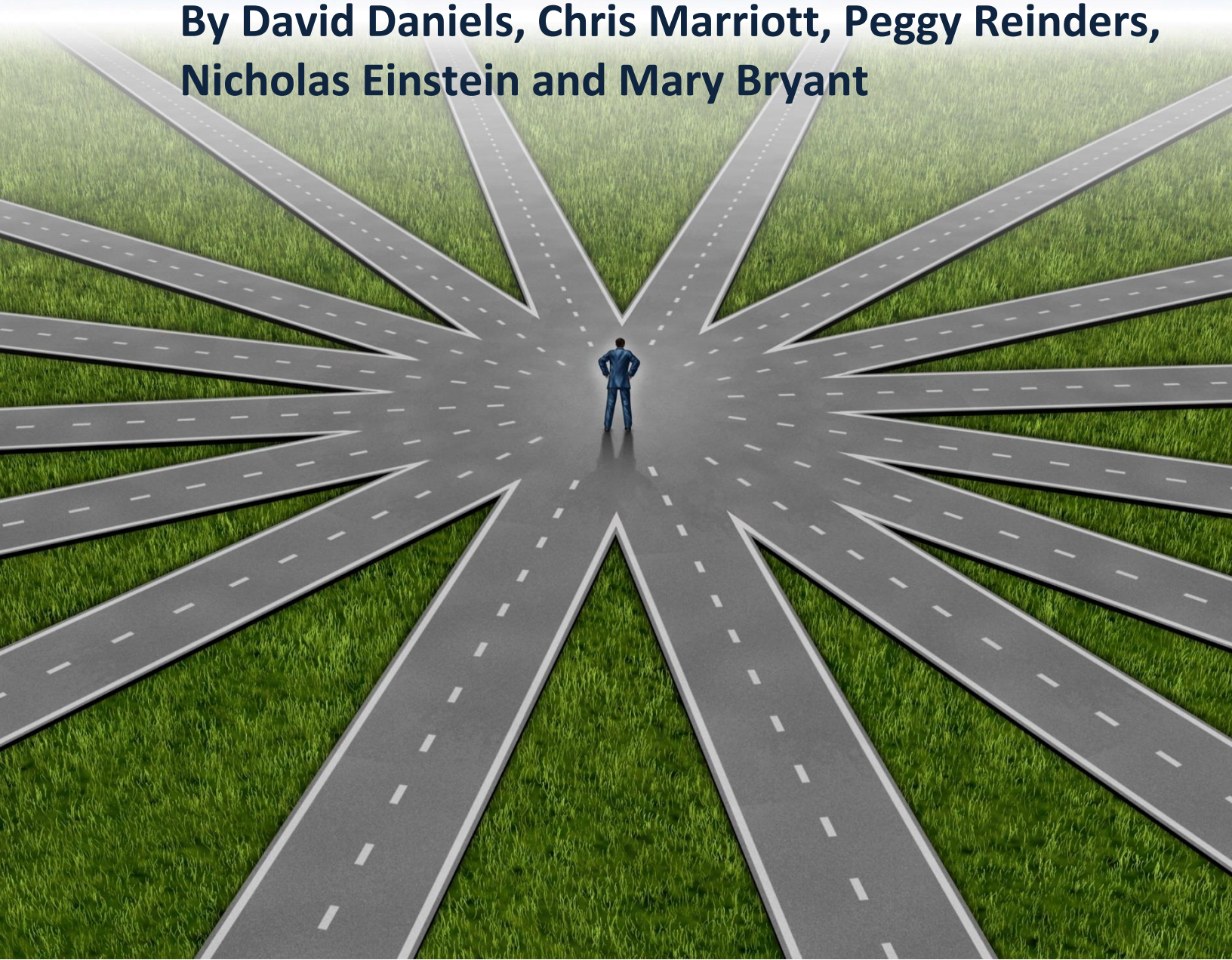
By David Daniels, Chris Marriott, Peggy Reinders, Nicholas Einstein and Mary Bryant

The
Relevancy
Group

The Relevancy Ring – ESP Buyer's Guide 2015 Published February 23, 2015

Research, Analysis and Writing by: David Daniels, Chris Marriott, Peggy Reinders, Nicholas Einstein and Mary Bryant

Foreword: About the Research

Welcome to The Relevancy Ring, a quantifiable measurement of 11 ESPs (Email Service Providers) and Email Infrastructure vendors manifesting in leaders and contender vendor Rings. During the three-month research process we spoke to marketers about their needs and aspirations. Then we evaluated how the vendor solutions are poised to eradicate marketer challenges obstructing of these goals.

The report begins with a complete research analysis about the state of email marketing and the marketplace for marketers. This information is valuable for both vendors and clients alike, as we uncover the necessity of positive and productive relationships. The report culminates with the combination of survey data: documented ESP demo use cases; inbox placement data from eDataSource; a vendor questionnaire that captures hundreds of data points; and one-on-one phone interviews with the marketers who use these tools.

I am very proud of our team, as well as its approach and unique methodology. Our process includes collecting and analyzing thousands of data points per vendor and creating objective data-driven scorecards. We used a collaborative objective process as opposed to a subjective singular analyst-driven market evaluation. We created separation by ensuring that one of our analysts objectively ran the demo scorecard, another one ran the reference satisfaction scorecard and three analysts scored the technical prowess scorecard. The methodology details our entire recipe, but readers can feel confident in knowing that our vendor evaluation process is objective and does not stem from one analyst's singular point of view.

The Relevancy Group manages RFPs (request for proposal) and each year we represent 15 to 20 billion email marketing messages that are out to bid and that process informed the methodology for this research. I am happy to report that in 2015 we are delivering something different and research that we believe is very useful. An excerpt of this research is presented by our sister organization, The Marketer Quarterly – be sure to register for a free subscription to the new quarterly digital magazine at www.marketerquarterly.com. I hope you find this useful and enlightening.

All the Best,

David Daniels,
CEO & Founder, The Relevancy Group, LLC
President, Publisher & Founder – The Marketer Quarterly, LLC

SECTION I – The Email Marketing Landscape and Outlook

SECTION II – Criteria to Select an ESP

SECTION III – Evaluation of ESP Vendors

For more information on The Relevancy Group LLC

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# SECTION I – The Email Marketing Landscape and Outlook

Section Introduction: Email Marketing's Complete Opportunity Remains Untapped

While there has been much progress over the last decade and a half since the inception of commercial email marketing solutions, marketers have yet to fully embrace the opportunity that this channel presents. Businesses know that email marketing is profitable. In this section, marketers proclaim their revenue contribution from this channel. However these merits are not without their challenges and aspirations. Marketers are not using all of the tools that are available to them. Organizational dysfunction and data integration challenges are some of their largest obstacles. In this section you will find the current state of state of the U.S. email marketing industry based on a survey of 353 marketers. While we present the topline data here, it is worth noting that we have this data by volume, industry and even ESP.

While ESP Adoption is High, Many Marketers Still Deploy Ill-Equipped Homegrown Solutions

The gap between those who do email marketing very well and those who just do email marketing remains as wide as ever. We must acknowledge the divide in the tools that marketers are using to deploy email campaigns even before we begin the discussion on the strategic use of data and the integration of email marketing into other channels. The Relevancy Group survey revealed that 47 percent of companies are still deploying emails via homegrown email solutions (Figure 1). These in-house solutions are typically so customized that they do not offer the functionality necessary to optimize marketing programs and meet stake-holder needs. However, our survey reveals that the majority of marketers utilize an ESP (Email Marketing Service Provider) in some fashion. Some marketers use these ESP SaaS (Software as a Service)/Cloud solutions in combination with on-premise applications, and others use multiple ESP solutions. Still, more and more marketers are turning to SaaS/Cloud based ESPs to meet their email marketing needs.

Figure 1: Email Marketing Technology Deployed By Marketers
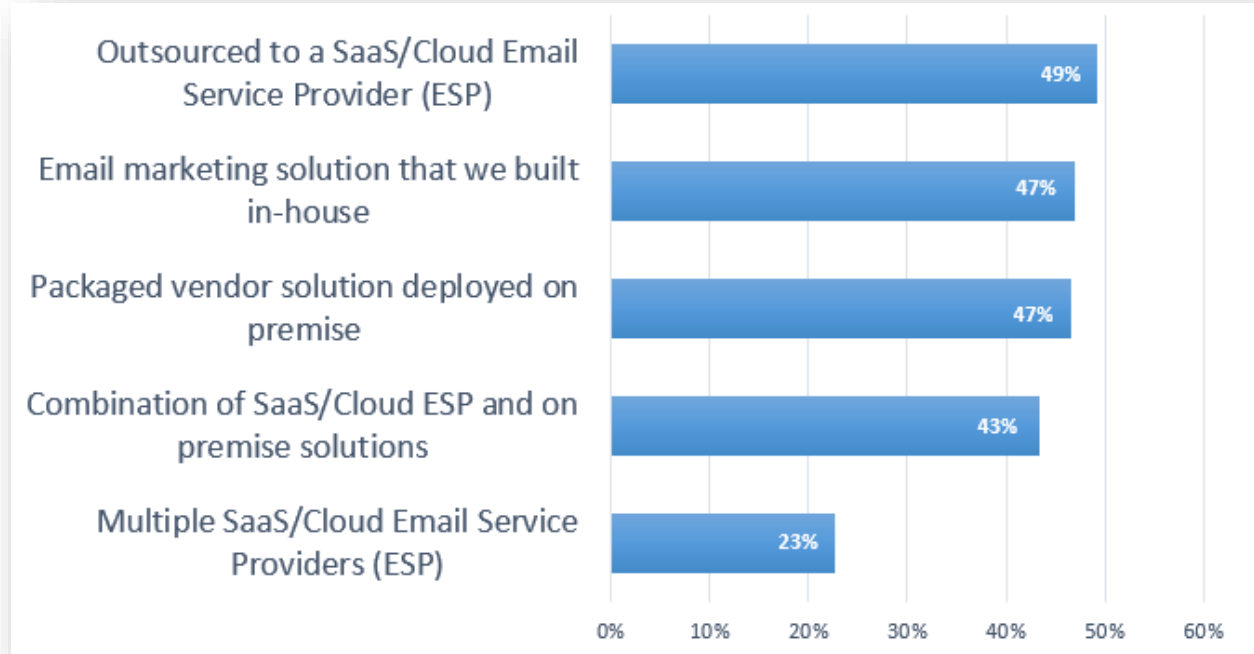
Question Asked: What technology do you currently use to manage your email marketing? (select all)
Source: The Relevancy Group, LLC/Executive Marketer Survey n=353 12/14, US Only

Utilization of ESP Services Is High Among Email Marketers

Marketers' utilization of services is strong and expected to grow over the next twelve months. While a heavy reliance on email production services is to be expected, the growing popularity of outsourcing services like creative and strategy is evidenced not only by the percentage of marketers currently using them, but also the number of marketers intending to do so over the next twelve months. Sixty-seven percent of marketers are currently using creative services and another 23 percent expect to do so in the next twelve months. The increased use of creative services is in part due to the responsive design and mobile marketing formats that marketers must increasingly utilize. This is clearly a boon for ESPs who plan to continue to partner and scale creative services. Email marketing's complexity only continues to increase as marketers aspire to centralize customer data to optimize mailings and improve message relevancy. To be successful, marketers must utilize a mix of services and clearly this aspect of email marketing signals good news for ESPs and their partner ecosystem, as demand will remain strong over the next twelve months.

Figure 2: Email Marketing Services Utilization
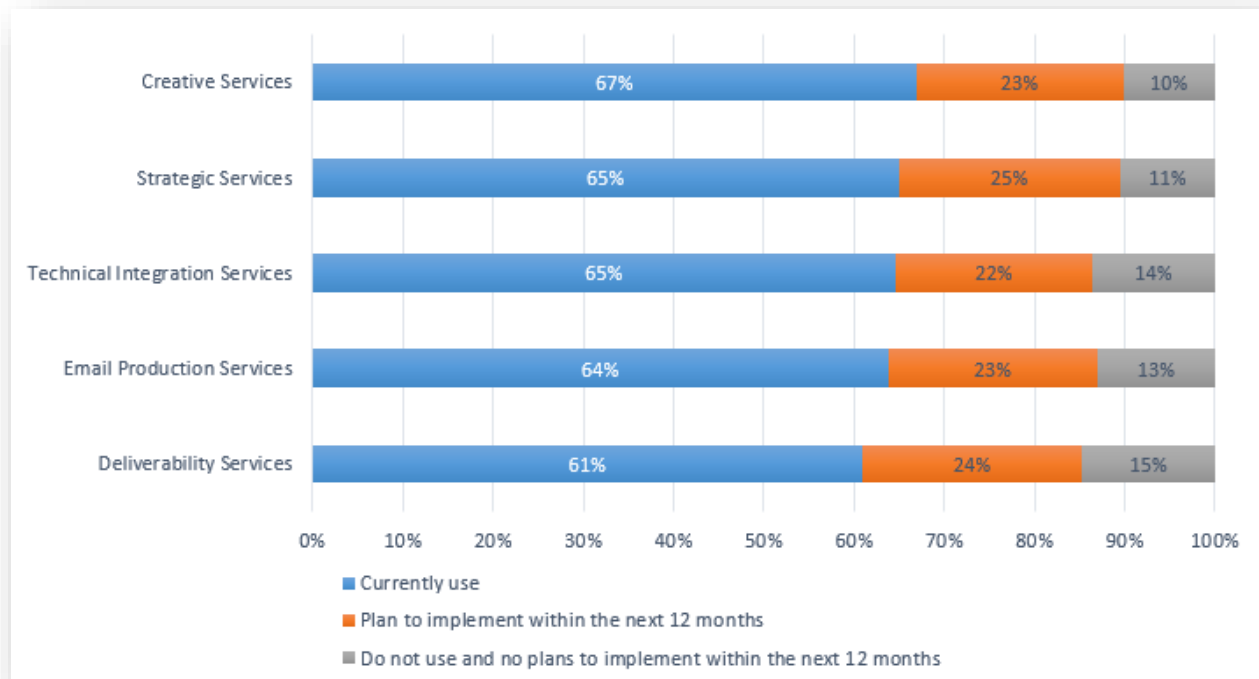
Question Asked: Please indicate if you currently utilize email marketing services, if you plan to utilize them or have no plans to utilize them? (select one)
Source: The Relevancy Group, LLC/Executive Marketer Survey n=353 12/14, US Only

Marketers That Shun ESP Services Feel That They Have Adequate Internal Resources and Knowledge

The majority of marketers that do not look to their ESPs to provide services believe that they can do these things better themselves. Thirty-five percent stated that they know their market better than an external provider. Twenty-six percent cited in-house staff and knowledgeable resources as a reason not to leverage the resources at their email partners (Figure 3). Additionally, marketers demand that ESPs demonstrate specific industry knowledge in order to win their business. This theme also surfaces when we asked marketers about their overall criteria when selecting an ESP. This trend is also supported by the success of vendors that have specialized their solution to specific industries.

Figure 3: Inhibitors to Utilizing ESP Marketing Services
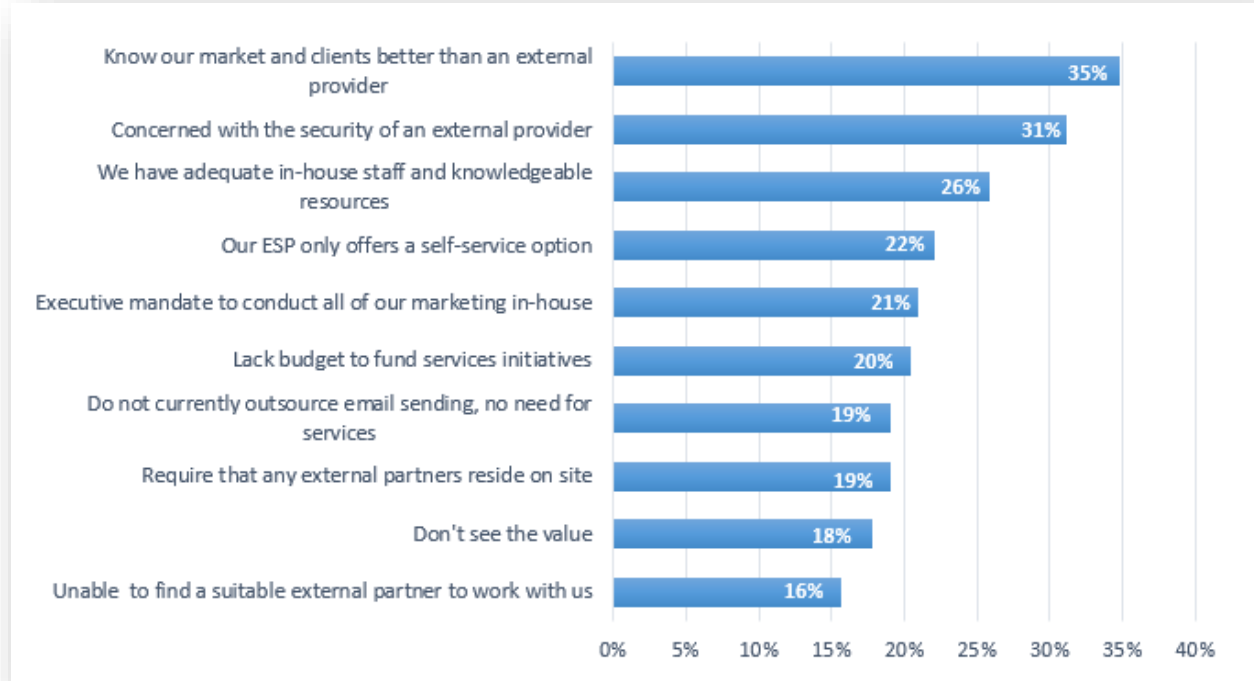
Question Asked: What challenges prevent you from utilizing any email marketing services from an ESP (Email Marketing Service Providers)? (select all)
Source: The Relevancy Group, LLC/Executive Marketer Survey n=353 12/14, US Only

Satisfaction with ESPs is Relatively High

In general, ESPs are doing a very good job satisfying their clients. Across the board, the number of respondents who reported being "very satisfied/satisfied" greatly outnumbered those who were "somewhat dissatisfied/very dissatisfied." In an interesting intersection, the areas getting the highest marks for satisfaction —product innovation and customer support— grew significantly from our research in 2014 (Figure 4). Vendors across the market have made significant product enhancements, many of which have manifested in an improved user interface. Marketers are most discouraged with the educational resources offered by vendors. ESPs must strive to proactively educate customers on trends and best practices, which will improve the adoption of product features.

Figure 4: ESP Satisfaction Levels
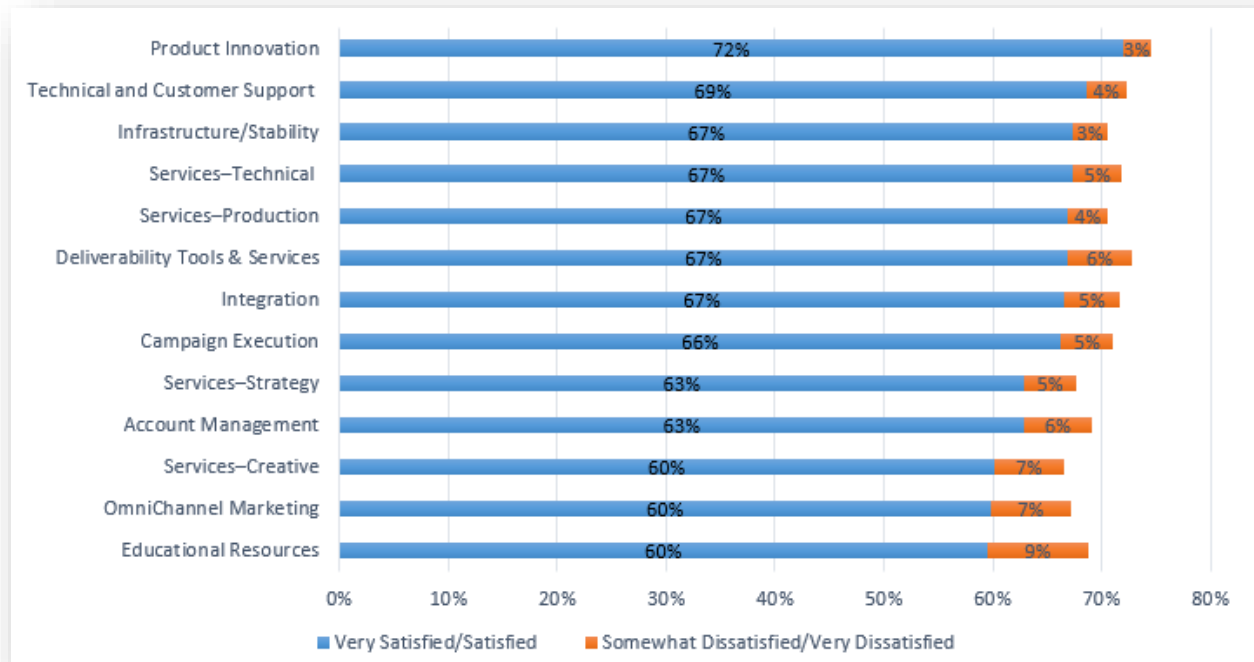
Question Asked: Please indicate how satisfied you are with the following aspects of your primary ESP? (select one)
Source: The Relevancy Group, LLC/Executive Marketer Survey n=353 12/14, US Only

Marketers Are Missing Out on Significant Segmentation Optimization Opportunities

Despite the infusion of ESP supplied service support, the sophisticated use of key data elements to segment email campaigns remains low. Marketers are missing optimization opportunities, especially because the tools to do so are widely available from ESPs today. Demographic and geographic data remain the only two types of data used by more than 35 percent of marketers (See Figure 5). Marketers seldom use proven and available data types such as "recency of purchase," "clickstream analysis," and "click-through on previous email marketing offers". ESPs must improve the ability for marketers to leverage external data sources as well as create a library of common segmentation schemes. Such tools will improve segmentation adoption and accelerate the optimization of the marketer's email marketing efforts.

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Figure 5: Top Twelve Data Attributes Used for Segmentation
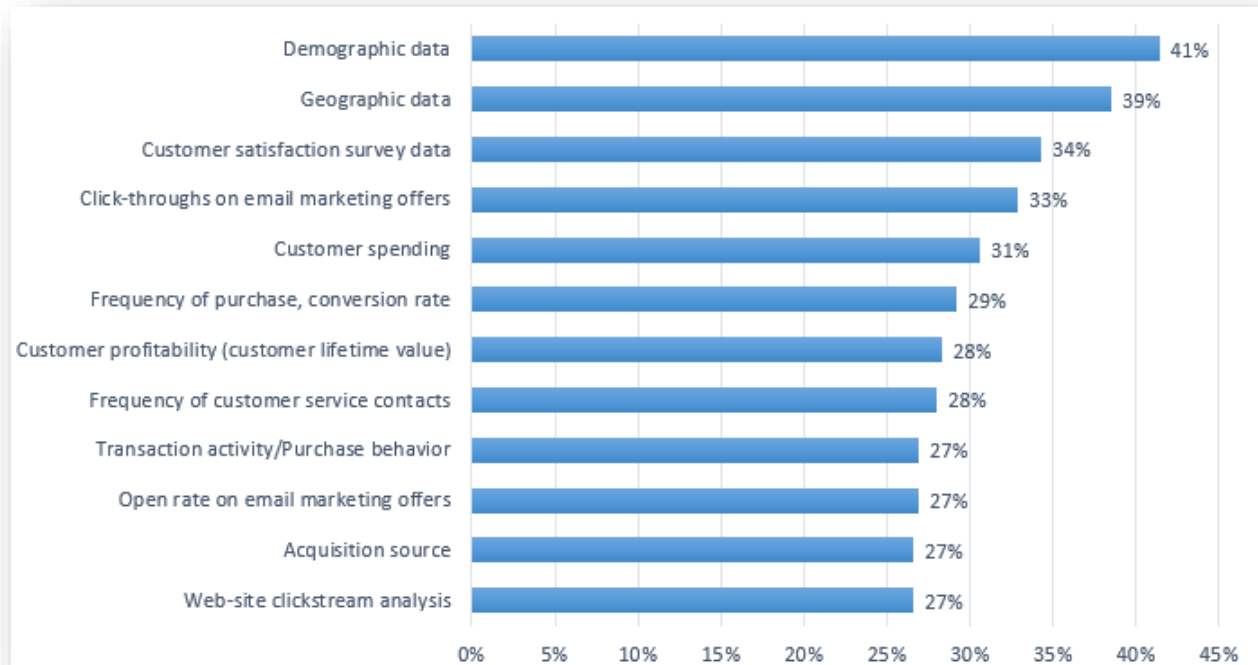
Question Asked: Which of the following customer data attributes has your company used to segment audiences for email marketing campaigns within the last six months? (select all) Top 12 selected.
Source: The Relevancy Group, LLC/Executive Marketer Survey n=353 12/14, US Only

Data Management Challenges Impede Marketer Sophistication

To answer the question, "Why isn't data better leveraged in many email marketing campaigns," one needs to look no further than the customer data management issues that organizations face. Less than four out of every 10 marketers surveyed indicated that their companies had a centralized data repository for all customer data (Figure 6). Twenty-eight percent maintain more than one customer database, each for a specific channel. Even more importantly, there is a decided lack of understanding as to the real value of the data that many marketers could potentially leverage and exploit. Only 32 percent of marketers measure lifetime customer value and 28 percent have determined the value of a customer email address. This information exists, but it doesn't present itself; it must be determined. The value of the customer email address is the currency for email marketers to win higher budgets and increased respect within the broader marketing organization. ESPs must help email marketers understand this value, which will ultimately result in greater investment in the overall email marketing program.

Figure 6: Email Marketer Customer Data Management

| | |
Use email address as a unique customer identifier — 36%
Have a centralized data repository for our client data — 36%
Measure lifetime customer value — 32%
Store our client data in the same schema for all marketing channels — 29%
Know the value of our email subscribers/value of an email address — 28%
Centralize customer data from across channels to recognize the customer in a single record — 28%
Practice data householding to understand multiple customer/accounts within a single household — 28%
Track acquisition costs by channel — 28%
Use multiple channel specific databases to store our customer data — 28%
Utilize predictive customer analytics — 27%
Use robust data hygiene and de-duplication processes for data management — 26%

Question Asked: From the following list, please select the statement or statements that best describe how you manage your customer data? (select all)
Source: The Relevancy Group, LLC/Executive Marketer Survey n=353 12/14, US Only

ESP Functionality Adoption is Much Higher Among Enterprise Marketers

Marketers that capture data are putting it to good use where they can. Thirty percent of marketers (Figure 7) are using click stream analysis to target emails based on the web browsing behavior of their customers. Thirty-two percent of marketers are using dynamic content in their email campaigns tied to data insights. With relatively low adoption of proven tactics across both market segments, it is clear that the utilization of ESP functionality can only increase.

Adoption of A/B and multivariate testing remains low, because of the resources and time needed. The growing sophistication of automated testing in email platforms, particularly at the enterprise level, must compel the marketers to implement testing, which is a necessary cornerstone to optimizing any direct or digital marketing program.

Figure 7: Email Marketing Tactics
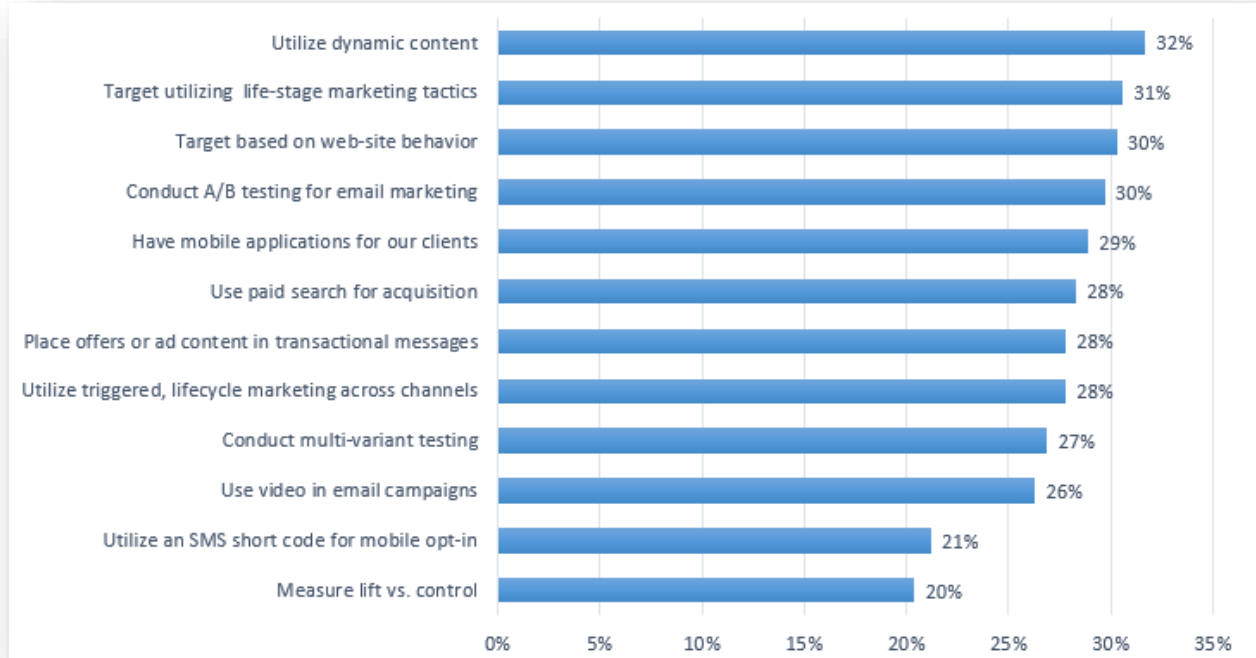
Question Asked: From the following list, please select the statement or statements that best describe the email marketing tactics that you regularly utilize? (select all)
Source: The Relevancy Group, LLC/Executive Marketer Survey n=353 12/14, US Only

Marketers Are Challenged to Coordinate Data, Campaigns & Content Across Channels

Email marketer challenges go beyond how they are (or are not) using available data to better segment their email campaigns. Our survey reveals that the other challenges fall into three broad buckets—enough people and the right people, inadequate multichannel and campaign coordination and budget to fund initiatives. The number one challenge—creative content development (Figure 8)—can result from all three areas. None of these challenges are impossible to address, however, partnering with the right ESP can ease these obstacles. Such a remedy requires money—a challenge for 22 percent of the survey respondents. But for the rest, the solution must manifest with the people and platform at their existing ESP or at the next one they hire.

Figure 8: Top 15 Challenges When Developing Email Campaigns
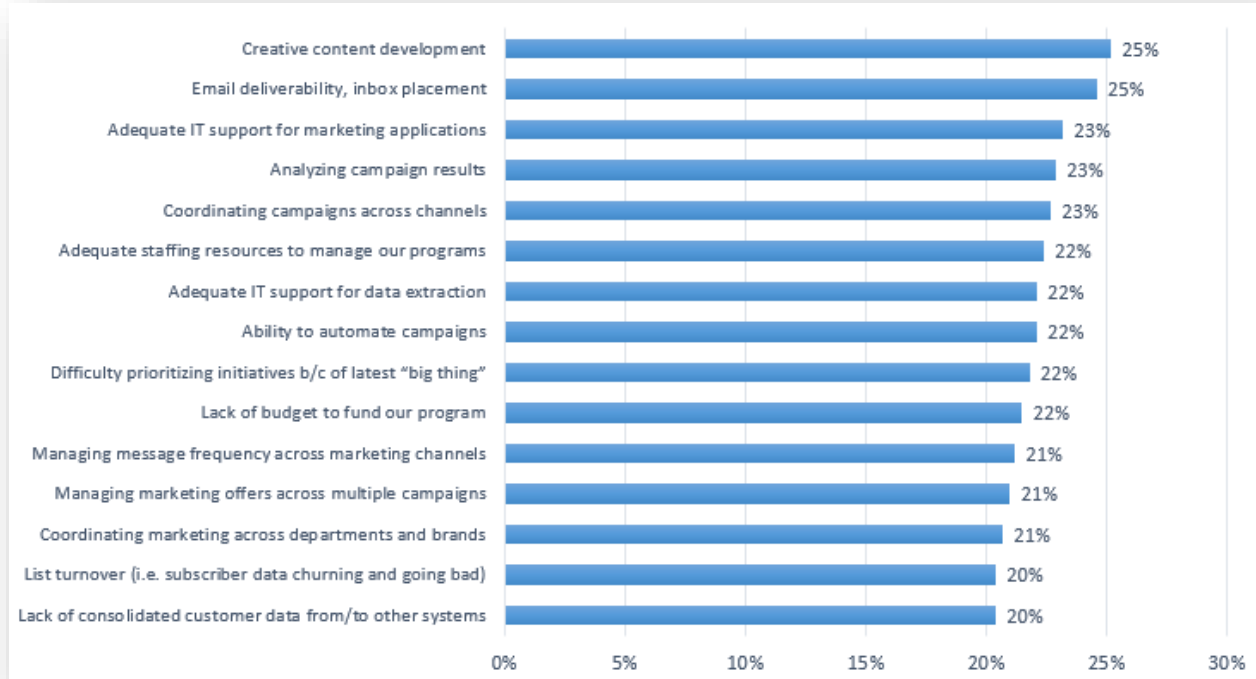
Question Asked: What are your greatest challenges when developing email marketing campaigns?
(select all) Top 15 selected.
Source: The Relevancy Group, LLC/Executive Marketer Survey n=353 12/14, US Only

Marketing Organizations Are Siloed, Creating Issues With Cross Channel Attribution

Marketing organizations are largely siloed by channel and function. Forty-six percent of executives state that their marketing department shares common goals, signaling potential cross-channel branding discrepancies, as well as messaging governance and measurement challenges (Figure 9). In fact, just 35 percent of marketers state that they manage customer contact frequency to ensure that customers get a limited or optimal set of messages across all channels. This is driven by a near equal number of respondents that state that there is central ownership of marketing programs across channels. Only 27 percent of marketers report practicing marketing response attribution across channels. Such organizational alignment elements not only change the efficiency and effectiveness of marketing programs, but also slow the rate at which marketers will purchase omnichannel marketing solutions from a single vendor. ESPs, particularly those with omnichannel platform aspirations, must be aware that budgets and purchasing responsibilities are still siloed, slowing the adoption of these single-suite solutions. Based on previous surveys on this topic by The Relevancy Group, we expect these organizational challenges to persist for the next 24 months. Centralizing marketing and accomplishing organizational change is not a trivial issue and accordingly marketers will likely operate in a channel-centric manner, despite the underlying omnichannel aspirations. ESP vendors pursing more

sophisticated and connected marketing organizations are advised to showcase cross channel attribution measurement capabilities.

Figure 9: Marketing Department Organizational Structure
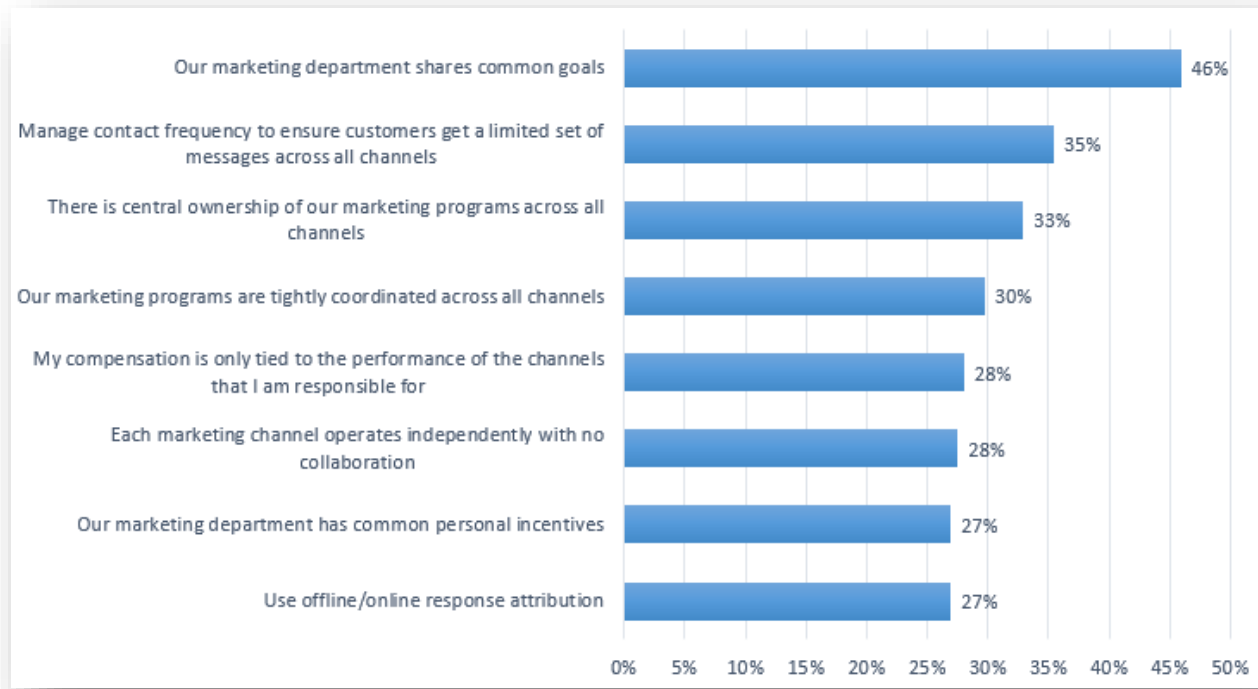
Question Asked: From the following list, please select the statement or statements that best represent how your marketing organization operates? (select all)
Source: The Relevancy Group, LLC/Executive Marketer Survey n=353 12/14, US Only

Email Marketing Revenue Deserves Respect, Particularly on a Cost Basis

Why do businesses, marketers and Wall Street investors love email marketing? It has a great return on the cost basis. Even with flaws in cross-channel attribution, it is clear that email has a positive revenue contribution (see Figure 10). Email revenue contribution floats from 1 percent to as much as 25 percent across market segments. In addition, more than half of survey respondents state that they are realizing this revenue from email marketing. Outliers state that they generate 40 percent of overall revenue or more from their email program, proving once and for all that email is not dead. Email remains effective and can be even more powerful if marketers and their ESP vendors address the aforementioned challenges and opportunities surrounding cross channel attribution of email marketing contribution. When we asked marketers what marketing channels their organization deploys, email marketing was number one, beating out print, display, search, social and other various channels, partly because of the low cost and high return of email. Email marketing is hugely popular because it is a cost-effective marketing tool. If costs were the same, the email industry would be a greater economic contributor than social or display. Regardless of the mathematic possibilities, our observed data confirms what most of us in this industry already know, that email works to drive revenue.

Figure 10: Percentage of Overall Revenue Attributed to Email Marketing
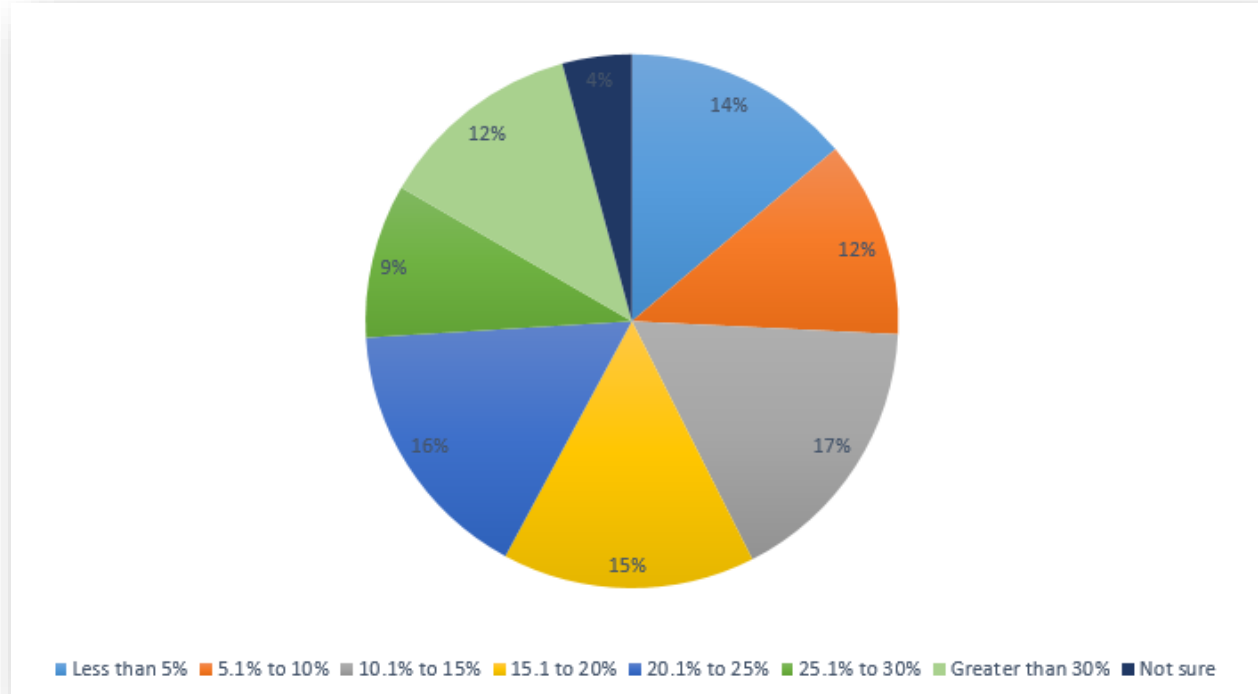
Question Asked: What percentage of your overall revenue is attributed to your email marketing initiatives? (select one) Source: The Relevancy Group, LLC/Executive Marketer Survey n=353 12/14, US Only

In 2015 Marketers Are Focused on Improving Relevancy, Data Utilization and Analysis

Marketers are self-aware and have set goals to improve the ROI of their email marketing program in 2015. When we asked about their top five priorities for improving the ROI of their email marketing program in 2015, marketers said they are focused on improving message relevancy (see Figure 11). Improving segmentation and targeting is the top goal for email marketers, followed by the use of real-time data. Marketers hope to use real-time data based on context from information such as mobile devices, locations and other real-time based information. Leveraging data and increasing the use of analytics are also top priorities, both of which will also improve message relevancy. Email deliverability remains a perineal priority for email marketers.

Figure 11: 2015 Top 5 Email Marketer Priorities
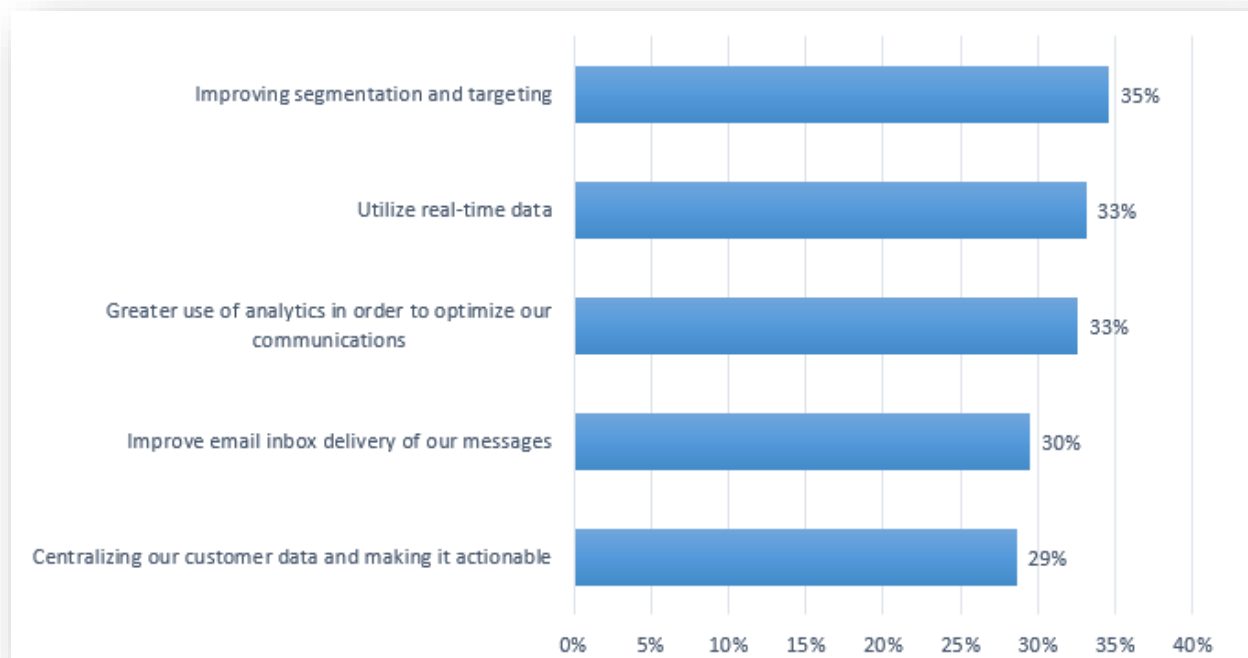
Question Asked: What are your top five priorities for improving the ROI of your email marketing programs in 2015? (select top five)
Source: The Relevancy Group, LLC/Executive Marketer Survey n=353 12/14, US Only

SECTION II – Criteria to Select an ESP

Industry Expertise, Reliability and Reputation Drive ESP Vendor Selection

Marketers' top criteria when beginning to assess ESPs are all based on vendor reputation. When asked what their most important considerations are when selecting an ESP, marketers specifically cite the vendor's industry expertise, data security, reliability track record and the overall reputation of the provider (see Figure 12). This feedback signals the maturation of the email marketer. Industry nuances and application reliability are areas that can impact the finances of the marketer's business. There are unfortunate examples of system outages and data breaches at crucial times of the year for certain industries. Clearly the industry has taken notice and is properly prioritizing these items in the selection process. Additionally deliverability remains a persistent criteria for vendor selection, in part because of the continued changes in ISP deliverability rules and inbox functionality, i.e. Gmail Tabs. A focus on analytics both in tools and services, scalability and the overall quality of the vendor's staff as well as customer support options round out the other top criteria marketers seek from an ESP. The vendor selection is being firmly placed on the significance of the relationship with the prospective ESP, further underscoring the need for high quality services and account management.

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Figure 12: Top Ten ESP Selection Criteria
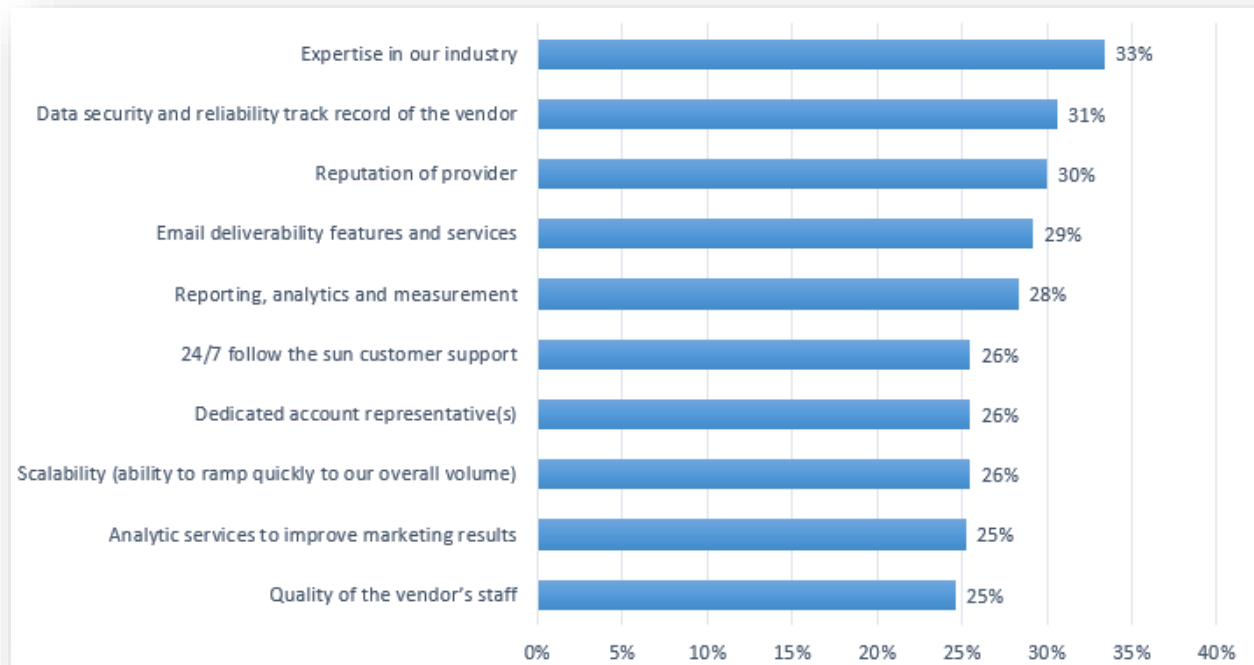
Question Asked: What are your most important considerations when selecting an email marketing service provider (ESP) application? (select all) Top Ten Selected
Source: The Relevancy Group, LLC/Executive Marketer Survey n=353 12/14, US Only

Top Desired ESP Features Transcends Email to Include Omnichannel Functionality

With these marketer aspirations, challenges and overall ESP selection criteria in mind, it isn't surprising that we see these themes manifest in specific application features. While analytics, custom reporting and data security all surface in the top ten most important features when selecting an ESP, we find that many of the features sought go beyond email marketing functionality to other channels (see Figure 13). Thirty-nine percent of marketers stated that social marketing features and 36 percent stated mobile marketing features were top ten features when selecting an ESP. Our work with client vendor selection and interviews with buyers, details that this is not an aspirational need, but rather a shift to omnichannel marketing. We have witnessed an acquisition and product development frenzy among vendors looking to transition ESPs from pure email functionality to multichannel messaging platforms with omnichannel features such as display retargeting. The demand is real and vendors and marketers alike must have consistent plans to keep pace with their peers as competitive solutions and omnichannel campaigns will become better coordinated and increasingly effective. Marketers are appropriately focused on features such as data integration, redundancy and security (Tier IV data centers), as well as optimization features to improve workflow and inbox placement.

Figure 13: Top Ten Most Important ESP Product Features

Feature	Percentage
Business intelligence analytical reporting tools	44%
Social marketing features – launch Twitter, Facebook and other social campaigns	39%
Data security – Tier IV datacenters	39%
Ability to generate custom reports	39%
Ability to directly integrate to our internal database, CRM system	37%
Send optimization – change offers on open, or send based on subscriber behavior	36%
Automatic system alerts when mailings meet or fall below pre-established performance criteria	36%
Mobile marketing features – launch SMS campaigns, build apps	36%
Custom workflow support for multiple users and departments	36%
Deliverability reporting, details on inbox placement	35%

Question Asked: What are the ten most important product features when selecting an ESP application (Email Marketing Service Provider)? (select top ten)
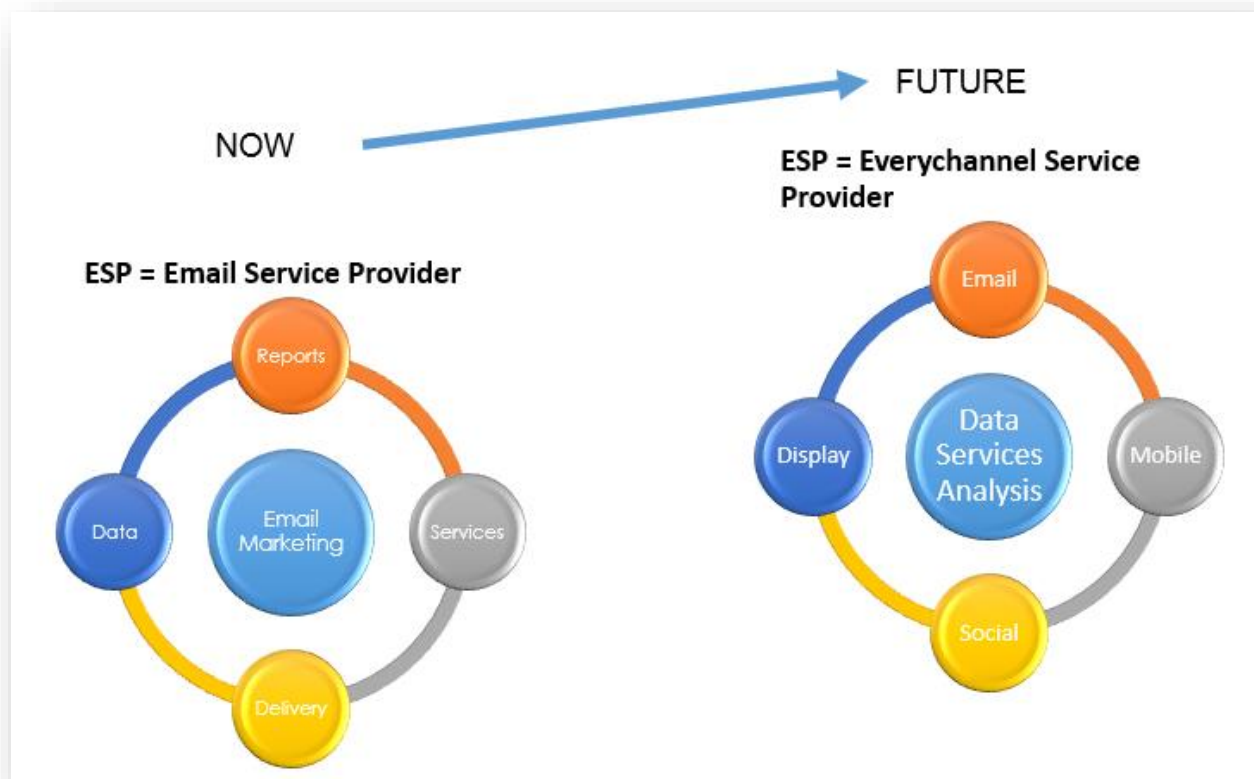Source: The Relevancy Group, LLC/Executive Marketer Survey n=353 12/14, US Only

The New ESP Satisfies Omnichannel – Morphs from "Email Service Provider" to "Everychannel Service Provider"

The traditional "Email Service Provider" must morph to become an "Everychannel Service Provider," given the growing requirement among marketers to centralize their messaging and omnichannel marketing needs to one solution. We have already witnessed a myriad of acquisitions. The first wave was driven by database marketing services companies such as Experian acquiring Cheetahmail. The most recent era has stapled together channel-based solutions with task-based tools to create an omnichannel or Everychannel Service Provider. The marketing organization remains siloed and purchasing decisions will remain local and channel-specific. However, we are witnessing a growing desire, both through our client RFP work and the aforementioned survey data, that email marketers are increasingly seeking an omnichannel or Everychannel solution. The ESPs moving beyond loose partnerships to strict API integration and perhaps even acquisition will win. However, we caution vendors not to bloat the vision and remind them of the failed promises and acquisition roll-up era of the early 21st century around CRM technology. Vendors and marketers must remain agile as we are just beginning to see the influx of real-time data and big data from all streams that marketers will need to be harnessing in the very near present future (see Figure 14).   How is an Everychannel Service Provider different than an Email Service Provider?

- *Email Service Provider* – it is all about email execution, inbox placement (deliverability), wrapped with services and some level of reporting that often falls short of multi-dimensional analysis. Data is not centralized and it is a pain point of integration or constant uploading, requiring the marketer to chase the always transient nature of the data exchange which makes many email marketing solutions from a data exchange perspective no more elegant than something like Dropbox with an MTA (mail transfer agent) stapled to it.
- *Everychannel Service Provider* – Data, services and analysis are central to the offering. Data lives in or is fed into the solution via restful real-time smart integration tactics that take the burden off the marketer. The focus is on real-time optimization, as well as services and machine-based learnings in order to predict the best customer paths across multiple channels including the digital omnichannel powerhouse channels: email, mobile, social and display. These channels can be further enriched with data service and analysis. Attribution is central to this deployment option, not an afterthought. In this scenario, intelligence is centralized and execution channels act from the knowledge the marketer or automation tools prescribe.

**Figure 14 – The ESP Morphs From Email Service Provider to Everychannel Service Provider**

Source: The Relevancy Group, LLC 2/15

High Number of Contracts Under Two Years May Result in ESP Client Churn

Marketers across segments largely have ESP vendor contracts for a period for two years or less (See Figure 15). Thirteen percent of marketers state that they are on month-to-month contracts, indicating that some marketers have out clauses allowing them to move on quickly. The contract language of such an out clause is one thing, but the reality of switching vendors rapidly is quite another. Among those email marketers that are aware of their contract terms, few have agreements that exceed three years (18 percent), which is up from 13 percent in last year's survey. As The Relevancy Group finds anecdotally that our field experience mirrors this data as we consult with marketers on vendor selection, developing RFPs and the contract process each week. Most contracts are in two-year commitments with termination clauses that essentially allow for a new vendor in the event that critical SLAs are not met. Incentives to increase contract length largely revolve around discounted CPMs and services pricing, sadly not around product features and the growing need for Everychannel. Vendors that create roadmaps with dates of deployment for Everychannel features will generate not only goodwill, but sustained relationships. This requires the vendor to remain agile and roll out new features often, an area if left unsatisfied will accelerate churn.

Figure 15: Length of ESP Contract Term
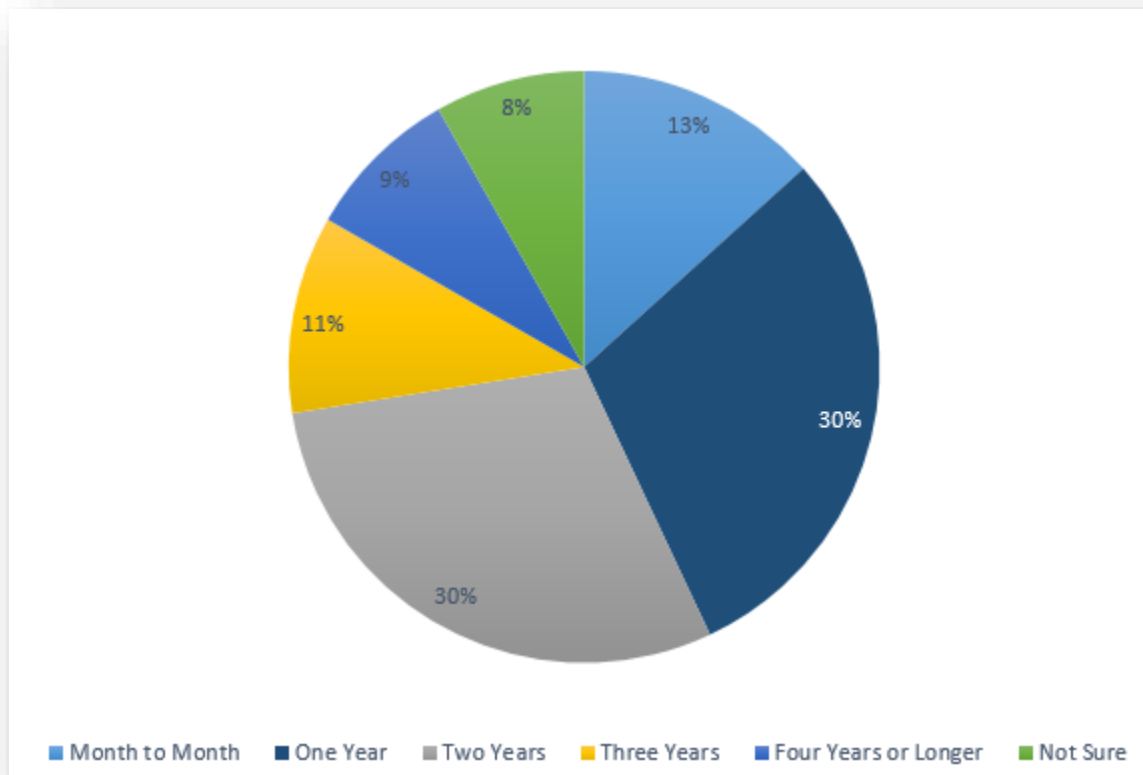
Question Asked: What is your present contract term with your Email Marketing Technology? (select one)
Source: The Relevancy Group, LLC/Executive Marketer Survey n=353 12/14, US Only

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ESPs Must Remove Integration Illusions and Demonstrate the Ability to Leverage Variety of Databases in Near Real Time

We often hear from ESPs that they can meet a particular client need if all of the data resides in their platform. Yet it is clear from the research that marketers seek integration from a disparate set of databases to drive marketing optimization. However, it is integration _NOT_ replication that remains the key word for success. The notion of dated old APIs (Application Programming Interface) and the tired flat file FTP drop are omnipresent in ESP solutions. However, the vendors that will win the email marketer's business are those that can demonstrate elegant, scalable, efficient and effective capabilities to integrate with multiple data sources from a technical perspective. For example, ESP vendors should call on a client's marketing infrastructure all day and execute when that rule or event triggers. This scenario is not the future, it is a necessity in today's world. Why? Our survey reveals that only 3 percent of marketers state that their ESP is their current marketing database of record. Marketers and vendors alike must build new integration capabilities based on the best on Restful connection including remedies that demonstrate the ability to leverage "big data" in a way that does not require an S/FTP drop since this flat file drop hardly scales for most. The bottom line is that ESP vendors need to be ready to demonstrate their ability to integrate big data, potentially in a real-time manner, and in a way that scales, so that the marketer doesn't need an hour to do a simple database count of men versus women. If the platform can't scale and isn't built to do so, then your marketing team will be spending more time at the coffee shop and less time building test groups, dynamic segments, and the like. The ability to use time efficiently is a key factor in vendor selection today and marketers must ensure they fully investigate the integration capabilities of their prospective ESPs.

Mastering ESP Vendor Selection

The Relevancy Group offers vendor selection services. We have represented our clients, a combined 30 billion email messages annually, that are out to bid for an ESP vendor. We know complexity and have a quantifiable objective process to manage this process. We know how to evaluate vendors, as well as address organizational change from silo to omnichannel.

We specialize in designing email and omnichannel marketing RFPs, as well as managing the entire vendor selection process. If you are interested in tips on designing an RFP, please register for our free digital magazine, The Marketer Quarterly. In Issue 1-2014, you will want to read "Mastering the Email RFP" on page 11 and 12, a great primer to get you started on your next RFP.

The Relevancy Group – We assist in guiding your choices. Learn more and discover how we can help you with your next vendor selection process.

SECTION III – Evaluation of ESP Vendors

Section III Introduction: The Relevancy Ring Evaluation and The Relevancy Group Approach

The 11 vendors reviewed include: Epsilon, Experian Marketing Services, IBM Silverpop, MessageGears, Message Systems, PostUp, Sailthru, Salesforce Marketing Cloud, WhatCounts, Yes Lifecycle Marketing and Zeta Interactive. These companies all serve enterprise and mid-market senders and some such as WhatCounts and Message Systems offer on-premise or hybrid cloud solutions (i.e. MessageGears).   In the analysis, each vendor was given a score in the major category areas including: vendor reported data; detailed usecase-driven product demos; product roadmap reviews; as well as an inspection of inbox placement rates; client satisfaction and examination of services offerings. All vendors paid a fee to be included in this research and advertise in our digital magazine. For more details, consult the methodology at the end of this report.

In this section you will find the answers related to vendor capabilities including analysis on specific features, inbox placement, innovation and overall platform functionality. Together with "The Relevancy Ring Client Satisfaction Awards," this section culminates with our analysis of all this data, where we recognize ESPs in our Leader Ring and Contender Ring across market segments.

The New ESP – "Everychannel Service Providers" Rises To Satisfy Omnichannel Needs

There will be a new type of ESP, the Everychannel Service Provider and this shift is already occurring. The challenge for the email marketer that desires an omnichannel Everychannel solution is that many of the offerings on the market are in transition and in the midst of such an offering. If your need is simply email, the most effective and profitable marketing channel then stay focused there. If you aspire to move to Everychannel and your business is defining what omnichannel is most important to you, then refer to our assessment of these vendors on that feature stack (See Figure 16).

Figure 16. ESP Omnichannel and Data Enhancement Capabilities

Channel/ Vendor	Epsilon	Experian Marketing Services	IBM Silverpop	Message Gears	Message Systems	PostUp	Sailthru	Salesforce Marketing Cloud	WhatCounts	Yes Lifecycle Marketing	Zeta Interactive
SMS/MMS	☑	☑	☑	On 2015 Roadmap	☑	☑	☑	☑	Not Offered	☑	☑
Push App Messages	On 2015 Roadmap	☑	On 2015 Roadmap	On 2015 Roadmap	☑	On 2015 Roadmap	☑	☑	Not Offered	☑	☑
Social measure	☑	☑	☑	Partial Offering	Not Offered	☑	Not Offered	☑	☑	☑	☑
Social Listening	Via Partners	☑	Via Partners	Not Offered	Not Offered	Not Offered	Not Offered	☑	Not Offered	Partial Offering	Via Partners
Display Ads	☑	☑	Not Offered	Not Offered	Not Offered	Via Partners	Partial Offering	☑	Via Partners	Via Partners	Via Partners
Recommendation Engine	Via Partners	Via Partners	Via Partners	Not Offered	Via Partners	Via Partners	☑	☑	Via Partners	Via Partners	☑
Data Hygiene	☑	☑	Email Only	Via Partners	Not Offered	Via Partners	Email Only	☑	Via Partners	☑	☑
Data Enrichment	☑	☑	Via Partners	Not Offered	Not Offered	Via Partners	Web Behavior	Via Partners	Via Partners	☑	☑
Omnichannel Attribution	Via Partners	☑	☑	Not Offered	Not Offered	☑	Not Offered	☑	Not Offered	☑	☑

☑ = Native Functionality

Source: The Relevancy Group, LLC/2015 ESP Relevancy Ring Questionnaire

The Relevancy Ring Client Satisfaction Awards

Client satisfaction can't be simulated. The Relevancy Group not only spoke with three reference clients for each ESP evaluated, but we also leveraged our email marketer survey panel to collect anonymous satisfaction data from buyers of these solutions. This data highlights the pure voice of the customer and is weighted in our final analysis. The Relevancy Group is proud to present the Gold and Silver Relevancy Ring Client Satisfaction Awards to these vendors in the following categories (See Figure 17). Note that there are ties, as in some cases the mathematical differences were so slight in the number 1 Gold position or in the number 2 Silver position that we couldn't distinguish a clear winner. While all buyers must weigh the functionality of each vendor to meet specific requirements, we often find that client satisfaction and the overall vendor reputation can ultimately drive vendor selection. We congratulate all ESP participants on their Relevancy Ring Client Satisfaction Awards. These client affirmations signal the trust and respect that clients have for their ESP vendor partners in these categories.

Figure 17: The Relevancy Ring Client Satisfaction Awards

The Relevancy Ring Client Satisfaction Award Category	GOLD	SILVER
Infrastructure Stability	TIE: MessageGears and Salesforce Marketing Cloud	TIE: Experian Marketing Services and Zeta Interactive
Product Innovation	TIE: Message Systems and Zeta Interactive	Epsilon
Account Management Servicing	TIE: Epsilon and Yes Lifecycle Marketing	TIE: MessageGears and WhatCounts
Creative Services	Yes Lifecycle Marketing	TIE: Epsilon and Experian Marketing Services
Strategic Services	Epsilon	Yes Lifecycle Marketing
Technical Services	TIE: Epsilon and Zeta Interactive	TIE: Experian Marketing Services, Sailthru, Yes Lifecycle Marketing
Production Services	TIE: Epsilon and Experian Marketing Services	TIE: Yes Lifecycle Marketing, Zeta Interactive
Integration	TIE: Epsilon and Experian Marketing Services	TIE: Message Systems and Salesforce Marketing Cloud
Educational Resources	TIE: Message Systems and Salesforce Marketing Cloud	TIE: Epsilon and IBM Silverpop
Deliverability Tools & Services	TIE: PostUp and MessageGears	TIE: Epsilon and Experian Marketing Services
Omnichannel Marketing Capabilities	TIE: Epsilon and Zeta Interactive	Experian Marketing Services

Marketers Must Evaluate Features and ESP Demos Based Upon Use Cases That Capture Specific Needs

While it is easy for a vendor to demo software, it becomes much more meaningful for the marketer to do these demos when they can evaluate functions against their own specifics needs. This approach ensures that every attribute that is important to the email marketer is measurable against a specific scenario.

Over the fourth quarter of 2014, we looked at features of these platforms and objectively evaluated all vendors against the same four use cases in order to determine their competence. Here we share some

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of the output of our scoring against the four use cases that drove our assessment. These use cases were based on market trends, real-world requirements from many of our RFP clients and the features that surface in our executive marketer survey. While features fed our use cases, this is a view into the major categories of functionality that we recognize as important for buyers across market segments. For more information on The Relevancy Group use cases in this vendor assessment, please refer to the methodology.

- **Governance, Database Management and Integration –** We analyzed the vendor database structure, including the type (relational/flat), ability to deal with multiple schemas, unique record management and segmentation access to data, as well as how data is integrated/exchanged with the system. We investigated how suppression rules could be maintained and processed, as well as frequency governance as it relates to triggered and batched mailings. Finally, we explored how data exchanges and how encryption is handled, if it is present at all. In this area, vendors such as Salesforce Marketing Cloud, Experian Marketing Services, Epsilon, MessageGears, Message Systems and Zeta Interactive all surpassed their peers. Salesforce Marketing Cloud and Epsilon go further than other ESPs as they encrypt all data at rest, a rather unique differentiator. Data management is an imperative area for ESPs to shine, as it is the key to ensuring that marketers have accessible means to drive marketing optimization. We caution marketers to scrutinize data storage contract terms, as some ESPs scrub performance data and records after a period of several months. Marketers must also ask questions about how quickly data is available for use and the time it takes to transmit records, i.e. have the prospective vendor define "real-time data."

- **Dynamic Content and Email Authoring –** Most marketers live in the dynamic content and email authoring world day in and day out, authoring email campaigns, utilizing segmentation and implementing dynamic content. While our use cases captured this insight, this area of our questionnaire dealt with coding, organization of assets, reuse, the editor interface, dynamic templates (headers, pre-headers), support for multiple languages in the editor interface, workflow support and even very simple things such as spell checking. Building mailings is not a trivial task, in fact at The Relevancy Group we have seen some of our clients select a different vendor specifically at the request of the production team. We specifically asked vendors to utilize coupons as a dynamic content asset and scrutinized the vendors' ability to report on dynamic content. Here we found that Yes Lifecycle Marketing and Salesforce Marketing Cloud had intriguing and useful dynamic content reporting tools. Moreover we found separation of vendors that were able to utilize real-time contextual information such as device type, location, time of day to assemble the dynamic message at the time of open and not delivery. While every production team is different, our analysis found that most vendors had a capable dynamic content solution but the ease of use among these approaches varied greatly. Marketers should pay careful attention to how dynamic content proofing is achieved, as some solutions require seed lists that drive the process to occur in the user's inbox thus impacting workflow and efficiencies. We also found WhatCounts' approach to dynamic content assembly is in need of an

update, as the process was a bit convoluted. But then again, usability is in the eye of the beholder.

- **Omnichannel Segmentation, Rule Management, Display Integration and Attribution Analysis – ** A complex example of an advanced marketer that has two separate databases one supporting display advertising and one for email marketing. Here we looked at how vendors leverage and integrate with display advertising, DSPs (demand-side platforms) to target a subscriber with display ads based on the engagement activity with an email (open/non-open). We analyzed how vendors leverage data to integrate display retargeting as well as how they attribute online and in-store purchase based display and email targeting. The vendors that are moving to becoming a different kind of ESP, that is an "Everychannel Service Provider," thrived in this complex usecase. Experian Marketing Services, Zeta Interactive and Salesforce Marketing Cloud completely satisfied this requirement. That said, several companies achieved the display piece through partnerships. However, the omnichannel attribution measurement was a challenge for most, except Zeta Interactive. Epsilon, IBM Silverpop, PostUp, and Yes Lifecycle Marketing came close to satisfying this use case through a patchwork of DSP and DMP (Data Management Platform) partners. Sailthru has a partnership with Facebook, but no other media partners.

- **Omnichannel Lifecycle Marketing – ** In this final usecase, we challenged vendors to engage subscribers across channels via email, SMS, social and push-to-app in an organized and automated lifecycle based upon subscriber behavior. We further asked vendors to demonstrate how they could test multiple pathways, optimize and adjust to the preferred channel based upon subscriber behavior. The final piece was for vendors to demonstrate engagement with real-time reporting that details channel and device consumed. While it might seem rather difficult, it speaks directly to cross channel consumer engagement and underscores the need to meet the challenge in an efficient and automated manner. Many vendors had pieces to this riddle, but again it was the "Everychannel Service Providers," including Experian Marketing Services, Zeta Interactive and Salesforce Marketing Cloud, that completely addressed this requirement. Both companies have a visual lifecycle/journey management tool that made it not only easy to layout the steps, but more importantly, to report back on and optimize its performance. Others including: Epsilon, IBM Silverpop and Yes Lifecycle Marketing all have a visual lifecycle/journey management tool that satisfied much of the requirement but either forced us to swim in one channel for too long or left us seeking something that better addressed the reporting and optimization aspects of the requirement.

Place Emphasis on Vendor Reputation, Infrastructure Security and Uptime Performance
As evident in Section II, we found that data security and a Tier IV data center was the fourth most important feature to marketers seeking an ESP. A Tier IV data center is the highest standard of uptime, redundancy a fault tolerance as defined by the Uptime Institute. Given the mission critical nature of email marketing, particularly in many industries such a financial services, retail and travel, none of the technical prowess or user experience of an application matters unless it is running 24/7 365 days a year.

Marketers must ensure that they are working with a vendor that has redundancy and can guarantee that they have multiple secure data centers.

Such peace of mind not only makes for good sleep, but also ensures that email messages that may dictate industry compliance for some and revenue for others will continue to manifest – even when while sleeping. Vendors that almost perfectly met our requirements include: Experian Marketing Services, Salesforce Marketing Cloud, MessageGears, Yes Lifecycle Marketing and Zeta Interactive. We suggest that you dig into this area to meet your organization's specific requirements and tolerance for service level pain. While it is necessary to put an SLA (service level agreement) penalties into an agreement, in a well-designed world the marketer should have a platform that they never need to execute such fines. Real differences exist based on need in data center numbers, types and the ability to be fully redundant (See Figure 18).

Figure 18: ESP Data Center and Maintenance Details

Channel/ Vendor	Epsilon	Experian Marketing Services	IBM Silverpop	Message Gears	Message Systems	PostUp	Sailthru	Salesforce Marketing Cloud	WhatCounts	Yes Lifecycle Marketing	Zeta Interactive
Active or Passive 220	Active/ Active	Active / Passive across two locations	Active / Passive	Active/ Active across multiple data centers	On Premise carrier grade software	Passive	Active / Passive	Active / Passive Can provide Active / Active for a fee	Passive, Can provide Active / Active for a fee	Active / Passive Can provide Active / Active for a fee	Active / Passive Can provide Active / Active for a fee
Number of Data Centers	3	7	Not Disclosed	3	N/A	1	2	4	3	4	3
Maintenance Windows	Regular maintenance windows are run every five weeks on a Monday evening between 7-10pm EST. There are no impacts to links or reporting data.	Pre-Planned, application updates are performed quarterly	Silverpop reserves the right to carry out scheduled maintenance between the hours of 12:01 a.m. – 4 a.m. EST Sunday morning each week	We have never had to schedule downtime for maintenance or software upgrades. Because of redundancy and good planning, maintenance can occur without impacting customers.	N/A	Three maintenance windows, Monday and Wednesday 7 PM- 10PM CST, these are almost always non service impacting and will not disrupt already scheduled or deployed campaigns.	Scheduled maintenance windows occur once per week and if additional maintenance windows are necessary, clients are notified in advance.	Due to our high availability throughout the technology within the platform, we do not typically take 'downtime' for maintenance windows.	Maintenance windows are typically scheduled once per quarter. Links are cached so that customer redirects continue to function during the maintenance window.	This scheduled maintenance occurs one Saturday per month, from 8PM to 12AM PST	Planned maintenance is coordinated solely on client demand 24/7/365. Zeta will find a time that works with each client's schedule.
Reported Uptime	99.9%	Not Disclosed	Not Disclosed	100%	N/A	99.99%	Not Disclosed	99.99%	4 over last 24 months	No outages reported	3 over last 24 months

Source: The Relevancy Group, LLC/2015 ESP Relevancy Ring Questionnaire

Deliverability and Inbox Placement is an Obvious Key to Unlocking Engagement, But Do Your Homework

Marketers must be in the game to have a chance to win subscribers over, meaning the marketer's message must be in the inbox. Measuring inbox placement is key.

Anyone that has been around this industry as long as the collective team that built this research knows that inbox placement begins with the marketer. Marketers must use clean lists, focus on engagement and see all of the things we said earlier about segmentation and using data. That said, ESPs have a certain responsibility to ensure that the infrastructure is well defined with the appropriate sender identity records, SPF, DKIM, etc. The ESP should also be providing FBL (Feedback Loop) data on those subscribers that say "this is spam." Of course, this data can only be provided to the marketer when it is provided from the ISP. This is why it is important for marketers to look at an ESP's technical deliverability tools. We are not talking about SPAM ASSASIN content checking as that is so very basic and largely irrelevant in 2015. Do you, the marketer, know the head of deliverability for your ESP, or the person assigned to your account? Have you, the marketer, ever spoken with them in a proactive positive way before there needs to be a bloody reactive conversation?

Marketers must be aware that these skilled people are experts, but not magicians. Marketers, there is no magic. ESPs must come to terms and demonstrate that there is no magic, simply goodwill and clean lists. On this topic, we recommend to ESPs that they have deliverability leaders that _actively_ participate in the key industry organizations on this topic including: the ESPC, MAAWG and the OTA. While each of these associations do different things, they create a woven fabric of senders, receivers and security professionals in order to enlighten and ensure that the email channel is safe from harm.

In our evaluation of vendors herein we chose a very random selection of senders and looked at them on their ESP level. This data was selected randomly and provided to us by eDataSource. We took this eDataSource data and found that the ESPs in this research averaged 91.40 percent for inbox placement. From there we scored vendors on a scale depending on how much they were above or below this average. This was a snapshot in time, and most vendors across market sectors did well. However, a handful scored well below the average.

Marketers must seek ESPs that set up infrastructure to succeed and in most cases there should be no or minimal cost to this. Marketers need to do what the ESP advises, as deliverability issues are often related to the quality of the list or the marketer's practices.

Note to marketers, run away from any ESP that states outright that they can _totally_ solve your deliverability issue. Again the issue is most likely your list. While ESPs can help, promising 100 percent inbox placement is a fantasy. Instead, clean up your list in-house, consult with experts to clean your list and use providers such as eDataSource to check inbox placement against peers. Then check that same data on your ESP or potential new ESP.

The Relevancy Ring Vendor Success Metric

The Relevancy Ring Vendor Success metric is measured by five attributes: Client Satisfaction, Inbox Placement, Services Capabilities, Functionality and Innovation. The figures in this report specify the strengths of each vendor. We have rolled up the collected data to recognize vendors in the leader ring and the contender ring. The Y-axis is a measure of client satisfaction, services capabilities and inbox placement, which is driven by quantifiable client satisfaction scorecards. eDataSource provided to the vendor's inbox placement data. The X-axis is a measure of functionality and innovation, which is based on our analysis of the vendor questionnaire and our usecase scorecards. The bubble size represents the company size, based upon collected data. Figure 19 and our vendor descriptions provide additional insight.
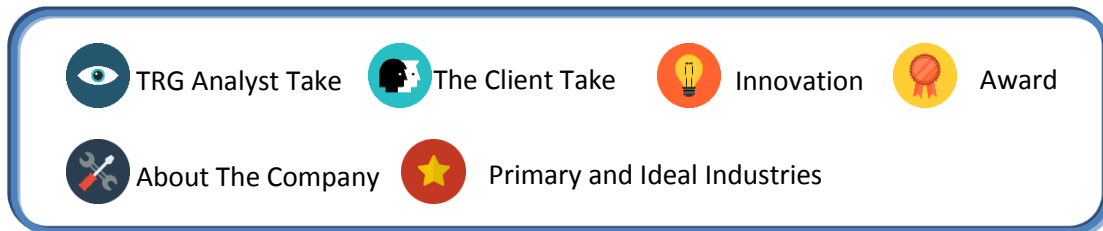
Figure 19: The Relevancy Ring – Email Marketing Service Providers, 2015
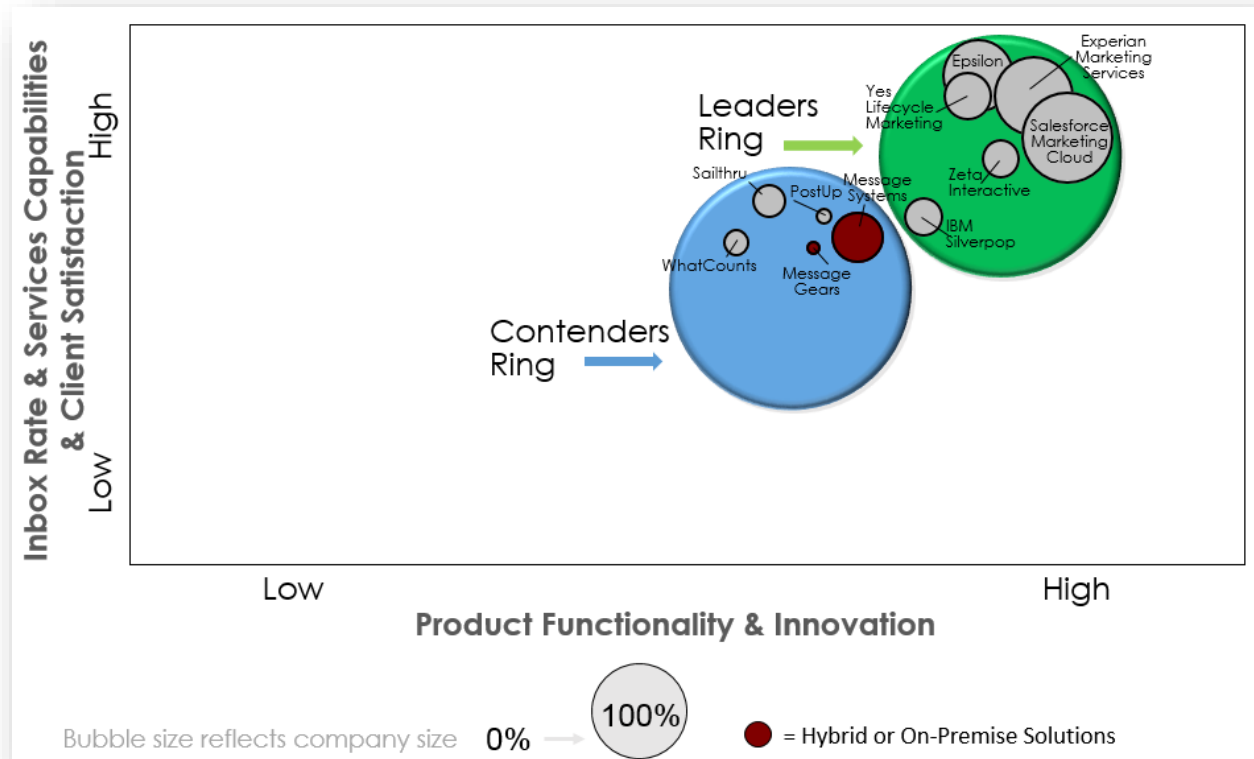
Source: The Relevancy Group, LLC "The Relevancy Ring – ESP Buyers Guide 2015"

Vendor Profiles

Vendor Profile Icon Map

👁 TRG Analyst Take 👤 The Client Take 💡 Innovation 🏅 Award

🔧 About The Company ⭐ Primary and Ideal Industries

Epsilon – http://www.epsilon.com/

👁 For marketers looking for a global enterprise solution that delivers highly personalized, complex email and omnichannel campaigns using data from multiple sources, Epsilon's latest version of Agility Harmony is one to review. Harmony provides marketers with the freedom and flexibility to use any type of data as they choose, through Epsilon's robust APIs and polyglot persistence database. Harmony Composer makes setting up complex multichannel campaigns easy for the marketer using drag and drop simplicity. Agility Harmony clients will also benefit from Epsilon's service-led culture, as well as their ancillary solutions. These include database marketing and loyalty solutions that are ideal for enterprise marketers seeking a scalable omnichannel solution. Notwithstanding, Epsilon needs to firmly define their email marketing go-to-market strategy, given that clients remain on legacy Epsilon email solutions. Still, Agility Harmony is built on 21st Century technology, which optimizes big data opportunities. Marketers should consider this solution for its ability to easily add subscribers into a lifecycle path and to quickly count records and execute large complex data queries.

👤 Epsilon gets high marks for companies looking for a full-service partner. Last year, some clients were wondering "who's in charge" after a number of acquisitions. We didn't hear that this year. Instead, clients praised Epsilon's ability to leverage email and connect customer experiences beyond email. Epsilon was also called out for working very hard to understand their clients' businesses and clients' customer communication desires. Clients also recognize the breath of services offered by Epsilon. The only client concerns expressed centered around Epsilon's ability to quickly get all aspects of their multichannel solution up and running in a timely manner.

💡 What's innovative for the marketer? Omnichannel content reporting, which helps marketers understand how content performs across channels.

🏅 The Relevancy Ring Award – A measure of client satisfaction: Tied for Silver Award-Product Innovation, tied for Gold Award- Account Management Servicing, tied for Silver Award-

Deliverability Tools and Services, tied for Silver Award-Creative Services, Gold Award-Strategic Services, tied for Gold Award-Technical Services, tied for Gold Award-Integration, tied for Silver Award-Educational

About the Company: Epsilon began servicing email marketing in 2005 via acquisitions. Epsilon has 70 office locations globally, any of which can support email marketing. More than 800 employees are dedicated to email marketing offerings globally. Epsilon's clients are 80 percent enterprise and 20 percent are mid-market.

Primary and Ideal Industries: Automotive, Retail, Consumer Packaged Goods (CPG), Financial Services, Pharmaceutical, Telco & Technology, Travel & Hospitality.

Experian Marketing Services – http://www.experian.com/marketingservices/

Experian Marketing Services is one provider that understands that every marketer's needs and requirements differ vastly. Experian goes out of their way to understand a client's unique challenges. They can simplify complex systems and create solutions that help clients to make their marketing programs more sophisticated. Marketers looking for a strategic partner that can provide a blend of services and technology designed to build and execute complex omnichannel campaigns should look to Experian Marketing Services.

Experian is considered very strong in execution. Whether it's a new client getting set up for the first time, or an existing client migrating from CheetahMail to the Experian Marketing Suite, clients praise the timeliness, quality and the ability to scale Experian's technical implementations. They are also seen as great partners and extensions of their clients' teams. Some clients have expressed questions about the expertise within their own teams, underscoring the need for services to fully leverage the company's updated Marketing Suite platform and its broad multichannel capabilities. Clients will be looking to Experian Marketing Services to provide this in the short term, if not the long term as well.

What's innovative for the marketer? Attribution tools that help marketers understand how each channel contributes to their desired campaign outcome.

The Relevancy Ring Award – A measure of client satisfaction: Tied for Silver Award-Infrastructure Stability, tied for Silver Award-Deliverability Tools and Services, Tied for Silver Award-Creative Services, Tied for Silver award-Technical Services, tied for Gold award-Integration, Silver Award-Omnichannel Marketing, Tied for Gold award-Production Services.

About the Company: Experian Marketing Services began servicing email marketing in 2004 after the acquisition of Cheetahmail. Experian has 31 office locations globally, any of which can support email marketing. More than 1650 employees are dedicated to email marketing offerings globally. Sixty percent of Experian's clients are Enterprise and 20 percent of these clients run campaigns in more than one non-US market.

Primary and Ideal Industries: Automotive, Retail, Financial Services, Media/Technology and Travel.

IBM Silverpop – http://www.silverpop.com/

After being acquired by Big Blue, Silverpop is part of the IBM customer experience solution. The company's Engage platform will act as a central hub for many of IBM's cloud-based marketing technologies. Engage continues to offer multinational email marketing and lead management capabilities through which marketers can leverage insights from behavioral data in order to drive personalized interactions in real time. IBM's collective roadmap is to unite its loosely tied collection of disparate marketing applications which include: Coremetrics (web measurement), Xtify (app push), Unica (campaign management) and now Silverpop (email). The core roadmap is aligned and IBM expects to make significant progress in bringing these solutions together over the next 12 months.

The IBM Silverpop's Engage solution is designed for specific roles within the marketing organization. Clients give them good grades for client and delivery services. While some clients are still holding their breath to see if there will be a culture change after the IBM acquisition, most expressed the opinion that any post-acquisition changes have been positive. IBM Silverpop also got high marks from their clients for explaining IBM's vision of the IBM Experience One solution of which Silverpop is now a part. Time will tell if IBM Silverpop's customer loyalty manifests in passion for the new combined experience.

What's innovative for the marketer? Engage offers a native add-in for Excel, allowing marketers to automatically pull reporting into Excel in real-time and interact directly with Engage through Excel.

The Relevancy Ring Award – A measure of client satisfaction: Tied for Silver Award-Educational Resources.

About the Company: IBM began servicing email marketing in 2014 after the acquisition of Silverpop. IBM has offices in 170 countries. About 35 percent of IBM Silverpop's customers are Enterprise and 65 percent are SMB.

⭐ Primary and Ideal Industries: Retail, Business and Financial Services, High-Tech, Advertising and Marketing, Media and Publishing.

MessageGears – http://messagegears.com/

👁 MessageGears' hybrid email marketing solution may be the answer for clients concerned with data security and/or with massive amounts of data that is constantly changing. MessageGears is an integration platform that combines on-premise software with cloud-based delivery. This hybrid solution allows clients to keep their data behind a firewall and under their control by simply connecting the on-premise application to their cloud solution. Marketers can eradicate the need to transfer data to an ESP, as such data in the MessageGears world is transient and is flushed once the messages and performance data is captured.

👤 MessageGears' clients tend to have one thing in common—lots of data to manage. Clients spoke very highly of MessageGears' ability to integrate disparate sources of data, their ability to get into the inbox and the ease of customization within the platform. Their client and technical services were rated very highly by clients. MessageGears is not an ESP for a client looking for the full suite of services. However, marketers with a robust internal database and the staff to manage production along with the desire to manage data in-house should consider MessageGears.

💡 What's innovative for the client? Clients can connect to as many internal databases as they like within a given installation, sharing the same account and delivery infrastructure in the MessageGears Cloud.

🏅 The Relevancy Ring Award – A measure of client satisfaction: Tied for Gold Award-Infrastructure Stability, Tied for Silver-Account Management Servicing, Tied for Gold-Deliverability Tools and Services.

🛠 About the Company: MessageGears began servicing email marketing in 2010. MessageGears is based in Atlanta, GA. MessageGears is focused on data-centric enterprise organizations sending a high volume of email.

⭐ Primary and Ideal Industries: Retail, Financial Services, Travel, and Marketing Automation

Message Systems – http://messagesystems.com/

Message Systems offers messaging infrastructure solutions that enable bulk and transactional messaging at scale. Touting delivery of 20 percent of the world's legitimate email on a daily basis, the company offers an on-premise solution or cloud-based options. Not only does Message Systems underpin the delivery mechanism for many ESPs, the company services clients with high availability and massive scale including: Facebook, Twitter and Groupon. Note: Just before the publication of this report, Message Systems announced their acquisition of Port25 a mail transfer agent which further expands their dominance in the email infrastructure marketplace.

Client feedback from Message Systems had two standout points. First, clients believe the company has the best user conference in the email industry. Second, the company is incredibly receptive to client suggestions for product ideas and functionality. Clients believe that Message Systems really values the community of users they have built and that new client-suggested applications can benefit users within the system. Clients often used the word "partnership" when describing their relationship with Message Systems. The system's "speed" to generate and push out email also came up often. Messages Systems may not be the partner for everyone, given its limited services. However, for companies focused purely on a platform that delivers speed, performance, integration capabilities and flexibility with delivery Message Systems should get a look.

What's innovative for the client? Scale and speed. Data is sent in real time, which means it can be acted upon immediately. (i.e. a Facebook alert that your friend just updated their post or tagged you in a photo.).

The Relevancy Ring Award – A measure of client satisfaction: Tied for Gold Award- Product Innovation, Tied for Silver Award-Integration, tied for Gold Award-Educational Resources.

About the Company: Message Systems began servicing email marketing in 2001. Message Systems has four offices, three in the U.S. and one in London. Eighty-five percent of their clients are Enterprise and have a solution dedicated for the upper mid-market.

Primary and Ideal Industries: Global 2000, Fortune 500.

PostUp – http://postup.com/

PostUp is a great option for publishing, media, and entertainment companies looking to send email and text messages. PostUp has built a comprehensive platform that provides core email and SMS functionality by having best-of-breed partner technologies already integrated into their tool. Partnerships with companies such as Tableau, Litmus, Boomtrain and LiveIntent, provide the capabilities to help publishing, media and entertainment companies drive consumer engagement and increase revenue.

PostUp's clients see the platform as a really good solution and service for the price. The company isn't necessarily perceived as delivering the features and functionality of top vendors, but their clients aren't looking for those qualities in an ESP. Instead, clients are looking for a platform that is easy to use; offers core functionality for content; provides triggers and scalability; and has a really "impressive" service team. Clients believe that is exactly what they are getting at the price they want.

What's innovative for the client? PostUp offers SMS sweepstakes and polls, which clients can use to promote their programs.

The Relevancy Ring Award – A measure of client satisfaction: Tied for Gold Award- Deliverability Tools and Services.

About the Company: PostUp began servicing email marketing in 1996. PostUp is based in Austin, TX. They focus on mid-market clients but also have a handful of enterprise clients.

Primary and Ideal Industries: Publishing, Media and Entertainment.

Sailthru – http://www.sailthru.com/

Sailthru may be the right vendor for media and commerce companies looking to transcend segment-based marketing and focus on one-to-one messaging. The provider is focused on giving marketers a holistic view of consumers interests by tracking the content engagement. Clients can use interest-level scores as well as behavioral data to send dynamically targeted communications to individuals in the hopes of driving further engagement and lifetime value. However, marketers coming from a typical RFM database-driven world of predefined SQL segmentation schemes and lots of in-house data, then the jump to Sailthru's non-SQL solution requires time.

Sailthru's clients are satisfied with how the company's deliverability is combined with strategic and technical services. Sailthru's client base are looking for a partner who can capture and deploy actionable subscriber data in real-time. Another member of the new wave of non-traditional enterprise ESPs, Sailthru thrives on real-time data. Client issues around platform UI have been addressed and are a thing of the past. Expectations are growing for the new predictive modeling tool in the platform. Client needs for greater multichannel capabilities present both a challenge and an opportunity for Sailthru going forward.

What's innovative for the client? Through website tagging attributes, Sailthru's predictive analytics tool Sightlines allows clients to predict and act on future engagement such as the probability of making a purchase, opening a message, or expected revenue.

The Relevancy Ring Award – A measure of client satisfaction: Tied for Silver Award-Technical Services.

About the Company: Sailthru began servicing email marketing in 2008. The company has four offices in North America, including three U.S. locations and one office in Canada. The firm also has an office in London. Seventy-five percent of their clients are enterprise marketers.

Primary and Ideal Industries: Media, Retail and eCommerce.

Salesforce Marketing Cloud – https://www.salesforce.com/marketing-cloud/overview/

The Salesforce Marketing Cloud is an impressive global enterprise marketing platform. It has the fully integrated capabilities to build one-to-one customer journeys across all marketing touch points including: email, SMS, app push, Web, social and display advertising. The Salesforce Marketing Cloud is a best-of-breed platform for enterprise marketers that want to manage every marketing effort from one place. The platform offers top-notch performance, website measurement and predictive analytics for optimization as well as reporting tools. Client satisfaction was unanimous among marketers, many of whom had complex use cases.

As we said last year, the platform has always come first for Salesforce Marketing Cloud. Still, the company had shown a renewed focus on the services side of the business over the last year and clients are definitely noticing. Salesforce Marketing Cloud has made great strides in the last year with the day-to-day service teams, but the company must continue to encourage a service mentality throughout the organization. Many clients raved about their team, yet were

quick to point out that escalating issues in the organization can be a challenge. Salesforce Marketing Cloud has always been known for educational resources and an intuitive, easy-to-use interface and these attributes continue to garner client attention. Not surprisingly, the company's omnichannel capabilities get high marks across the board.

What's innovative for the marketer? In 2015, the company will allow clients to do predictive customer journeys. Using these predictive models, marketers can create optimal omnichannel customer journeys on-the-fly and automatically prescribe, plan and prioritize interactions based on customer preferences and behaviors.

The Relevancy Ring Award – A measure of client satisfaction: Tied for Gold Award-Infrastructure Stability, Tied for Silver Award-Integration, Tied for Gold Award-Educational Resources.

About the Company: ExactTarget began servicing email marketing in 2000. Salesforce acquired ExactTarget in 2013 and has since rebranded the offering as Salesforce Marketing Cloud. The company has six offices in North America, including four U.S. locations and two offices in Canada. Additionally they have nine global offices that service email marketing. A third of their clients are enterprise, one third are mid-market and one third are SMBs.

Primary and Ideal Industries: Retail, Travel & Hospitality, Financial Services, Media & Entertainment and CPG & Technology.

WhatCounts – http://www.whatcounts.com/

WhatCounts loves email. As a stand-alone mid-market player, they strive to provide clients with technology, services, human support and even a full-service agency to help them succeed in email. The company's full-service agency AgentsOfEmail.com is platform agnostic and will service clients on any ESP platform. WhatCounts offers a cloud-based solution, an on-premise appliance or the ability to host a dedicated appliance. Every client automatically gets an account manager. For a fee, the account manager can be exclusive. WhatCounts misses as an omnichannel platform as they are exclusively an email solution. The platform does not always get audience counts in real-time and lacks dynamic content reporting. However the solution provides an easy to use application that suits the email marketing requirements that are not overly complex.

WhatCounts' clients just might be the most enthusiastic clients of any ESP. They love the user interface and they place a lot of trust in their account service teams, whom they frequently refer to as "extensions" of their marketing departments. If there were one particular thing

clients would like to see WhatCounts address, it would be their ability to send mailings quickly with no performance impact on other campaign functions such as reporting, list loads or segmentation.

What's innovative for the client? Pre-built lifecycle campaigns. These include welcome series emails, re-activation campaigns, post purchase triggers and browse behavior insights which will help keep customers organized and allow them to holistically compare campaign performance.

The Relevancy Ring Award – A measure of client satisfaction: tied for Silver award- Account Management Servicing.

About the Company: WhatCounts began servicing email marketing in 2001. The company has three offices in the U.S. and offers service in Australia. They primarily service mid-market companies, but also have enterprise clients.

Primary and Ideal Industries: Financial Services, Retail, Travel & Hospitality, Media & Entertainment and Data Providers.

Yes Lifecycle Marketing – http://www.yeslifecyclemarketing.com/

Yesmail Interactive is the email marketing solution within Yes Lifecycle Marketing. This division includes agency services, as well as data and database marketing services with the analysis, strategy and creative to accommodate today's multichannel marketer. Marketers looking for data targeting and analysis at an individual level and like doing analysis in Excel should consider Yesmail. Yesmail offers a robust competitive analysis tool that allows marketers to analyze their competitors' omnichannel marketing programs, giving insights on which to optimize. They often lead with services to ensure that clients are continually optimizing campaigns and have been successful with email reactivation efforts as well as improved email-to-social attribution. Yesmail Interactive also offers stand-alone deliverability management service for clients of any ESP.

Yesmail Interactive clients continue to speak very positively about the company's total services package, speaking to Yesmail's ongoing commitment to the services side of its business. Yesmail's services team does whatever it takes to get the job done. They are also credited with being very flexible and having quick response times when issues arise. Clients also gave high satisfaction scores to the breadth of services offered via the Yes Agency from creative to strategy to technical support to client service. Marketers looking for top shelf service in conjunction with a robust platform should definitely include Yesmail on their list.

What's innovative for the marketer? Yesmail will be launching an augmented reality product that enables consumers to try products on when they engage with an email via a mobile phone.

The Relevancy Ring Award – A measure of client satisfaction: Tied for Gold Award-Account Management Servicing, Gold Award-Creative Services, Silver award-Strategic Services, Tied for Silver award-Technical Services, Tied for Silver award-Production Services.

About the Company: Yesmail began servicing email marketing in 1996. The company has eleven offices in the U.S., one in Canada and 3 overseas. Eighty percent of their clients are enterprise and they also service mid-market and SMB markets.

Primary and Ideal Industries: Retail, Publishing, Financial Services, CPG, Consumer Services, Technology, Entertainment and Hospitality/Travel.

Zeta Interactive – http://www.zetainteractive.com/

Zeta Interactive is focused on delivering enterprise-level end-to-end customer lifecycle marketing via the Zeta Hub platform. Zeta has email and multichannel marketing solutions that leverage data and proprietary technology to help enterprises acquire, engage and retain customers through development or acquisition. The company's email marketing solution is more than competent. They also offer a consumer database of 350 million records which puts their offering on par with other database marketing services peer, such as Experian, Epsilon and Yesmail. Zeta is well suited for marketers seeking an omnichannel solution since the company supports digital and offline channels, as well as predictive analytics and robust reporting tools. They satisfied all of our demo use cases. Clients benefit from their rapid product development and large offshore staff.

Zeta Interactive clients continue to rate the company's service very high across the board. Clients love the company's day-to-day teams and they get very high marks for their ability to listen and understand needs. The only area which the company didn't receive high marks was in creative services. There are some minor issues with technical services that need to be addressed including: responsiveness and the inability to scale (i.e. to manage multiple custom projects at one time). However, these problems are easily addressed. Zeta's clients are eager to understand how its Click Squared acquisition will affect them. Zeta can do a better job of explaining these plans to existing clients.

What's innovative for the marketer? Zeta's discover and design modules are best-of-breed in the industry with intuitive easy drag-and-drop functionality.

The Relevancy Ring Award – A measure of client satisfaction: Tied for Silver Award-Infrastructure Stability, tied for Gold Award-Product Innovation, tied for Gold Award-Technical Services, tied for Gold Award-Omnichannel Marketing, tied for Silver Award-Production Services.

About the Company: Zeta Interactive began servicing email marketing in 2000. The company has seven offices in the U.S. and 4 offices overseas including locations in the U.K. and India. Fifty-five percent of their clients are enterprise, 40 percent are mid-market and 5 percent are SMB.

Primary and Ideal Industries: Financial Services, Travel & Hospitality, Retail, Media & Entertainment and Education.

Conclusion

Email marketing is far more complex then pressing send. The email marketer's needs transcend the functionality of email, requiring vendors to deliver omnichannel solutions that can react to real-time data and provide analysis tools capable of detailing multichannel attribution. As messaging channels converge, ESPs must transition from being "Email" Service Providers and become "Everychannel" Service Provider. Vendors that deliver omnichannel messaging and advertising solutions demonstrate the greatest innovation recognized in this research.

Clearly there are many innovations that await us all, but marketers should start using the tools and data. ESPs should stay focused on loving clients because satisfaction is as important as integration, stability and everything that drives strong vendor-client relationships.

On behalf of the team from The Relevancy Group, we hope you found our research findings useful. The research has much more data that can be exposed. Please contact us to see how we might be able to assist in optimizing your business or help you with the process of selecting your next ESP.

Until Next Time & All the Best,

David Daniels
CEO, Founder, The Relevancy Group, LLC
President & Publisher, The Marketer Quarterly, LLC

METHODOLOGY STATEMENT

Over the fourth quarter of 2014 The Relevancy Group completed research in order to capture the state of the email marketing industry and evaluate 11 ESPs that elected to participate in this research.

Inclusion in the Research: The ESPs that participated in this research, all paid the same fee to be evaluated and advertise in The Marketer Quarterly digital magazine. While we invited dozens of ESPs to participate, those that did understood that this fee covered research costs as well as ensured equal footing, regardless of their client relationship with The Relevancy Group. The Relevancy Group and these companies participating believe that it is the most fair and balanced approach do to such a data-driven objective analysis of the market.

The Email Marketer Survey: In December 2014 The Relevancy Group conducted a survey that resulted in 353 completed and qualified email marketing executives. We qualified respondents based on their sending volume, familiarity of their email marketing program and other attributes such as the individuals' role/title. Respondents self-identified their company size and market sector category. We collected descriptive information about these organizations including revenue, budgets as well as items such as the size of the marketer's customer database. The survey utilized skip ordering and randomization and screener questions.

The Vendor Questionnaire: The Relevancy Group designed a questionnaire that mimics the requirements documents that we utilize when conducting ESP RFP (Request for Proposal) vendor selection for our clients. This questionnaire contained over 260 questions that provided detail on the vendor's company, strategy, products, staff and infrastructure. Questionnaire responses were scored against The Relevancy Group's 5 point capabilities scale. Product, infrastructure and services information was then weighted by marketer survey responses. This ensured that the weighting of the importance on specific attributes and product features reflected the priorities of email marketing buyers.

Client Satisfaction Data: The Relevancy Group interviewed 3 reference clients for each vendor. These references were provided by the vendor. The interviews occurred over the phone and each followed the same reference questionnaire. We asked reference accounts to score vendors on a scale of 1 to 5 across several attributes that scored their satisfaction with the vendor's product, infrastructure, services and support. These interviews also included a general discussion related to the client's relationship with their vendor. Client Satisfaction data was further enriched with anonymous satisfaction data from the vendor's clients that participated in the aforementioned email marketer survey. This survey data included the same questions and satisfaction scale that were used in the reference questionnaire. The Relevancy Group utilized this data to inform The Relevancy Ring Client Satisfaction awards. Lastly this

satisfaction data was then weighted by topic based on the importance of the specific feature criteria as found in the aforementioned email marketer survey.

eDataSource Inbox Placement Data: eDataSource provided The Relevancy Group with a random sample of the ESPs clients email marketing inbox placement. The random selection ensured that eDataSource selected the same number of clients to review for each ESP. This data was provided to The Relevancy Group that was rolled up by ESP in order to see that random sample of inbox placement at the ESP level. Vendors were scored against their pier inbox placement average then given points for being above or below their peer average.

Usecases: The Relevancy Group allotted each vendor 90 minutes to demo their platform and satisfy 4 specific usecases.   These usecases detailed specific product functionality against our prescribed scenarios. Every vendor participant was given the same 4 usecases in advance so that they had time to prepare as well as ask any clarifying questions before these demos. Vendors were scored on their capability to satisfy the usecases on a scale of 1 to 5. We also scored the quality of the demo, innovation and overall quality of the presentation.

About The Relevancy Group, LLC | www.relevancygroup.com | (877) 972-6886 | info@therelevancygroup.com

The Relevancy Group provides market research, survey design and consulting. We assist marketers (buyers) connect with vendors (sellers) and manage the vendor selection process, each year we represent tens of billions of email messages that are out for bid for new solution providers.   In addition to RFP consulting, we provide educational and advisory resources to advance our clients and the markets understanding of relevance in order to deepen their customer relationships. The Relevancy Group is dedicated to educating the market on the imperative tactics needed to foster trust with consumers and improve an organization's relevance within the broader online economy. Working with the leading brands, vendors and associations that comprise our economy, The Relevancy Group acts as an educator and trusted advisor in the aim of optimizing omnichannel connected marketing strategy and tactics. The Relevancy Group publishes research, educational resources and consults with businesses on vendor selection, mergers/acquisitions and other strategic imperatives.