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# The Forrester Wave™: Email Marketing Vendors, Q1 2012

by Shar VanBoskirk

for Interactive Marketing Professionals



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## The Forrester Wave™: Email Marketing Vendors, Q1 2012

Responsys, ExactTarget, And Experian CheetahMail Lead The Market

by **Shar VanBoskirk**

with Dave Frankland, Sarah Glass, and Sarah Takvorian

### EXECUTIVE SUMMARY

In Forrester's 37-criteria evaluation of email marketing vendors, we identified the six significant providers in this category — Epsilon, ExactTarget, Experian CheetahMail, Responsys, StrongMail, and Yesmail Interactive — from a pool of 48, and researched, analyzed, and scored them. This report details our findings about how each vendor measures up and plots where they stand in relation to each other to help interactive marketers select the right partner for their email marketing efforts.

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### NOTES & RESOURCES

Forrester conducted product evaluations in October and November 2011 and interviewed six vendor companies: Epsilon, ExactTarget, Experian CheetahMail, Responsys, StrongMail, and Yesmail Interactive. We also interviewed 18 email marketers and surveyed 74 of the same to gain client feedback on their vendor and the market.

#### **Related Research Documents**

["The New Messaging Mandate"](#)

January 9, 2012

["US Interactive Marketing Forecast, 2011 To 2016"](#)

August 24, 2011

["The Forrester Wave™: Email Marketing Providers, Q4 2009"](#)

December 23, 2009

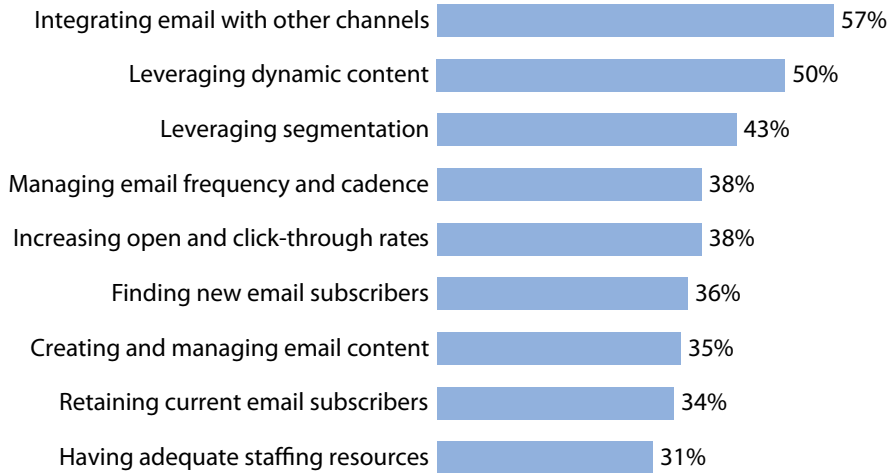
## EMAIL MARKETING GAINS SOPHISTICATION

This year's evaluation of email marketing vendors surprised us. We found a vibrant and volatile market, even though the email channel is so well established.<sup>1</sup> In fact, the current email marketing landscape finds:

- **Email marketers more mature.** Email marketers aren't completely clear of campaign drudgery like list growth and boosting opens and clicks (see Figure 1-1). However, their use of advanced email practices is much more prevalent than in our 2009 Forrester Wave evaluation of email marketing vendors (see Figure 1-2). Most run regular welcome programs and coordinate email with website content. And more than two-thirds apply periodic segmentation.
- **Marketing service providers (MSPs) retiring email.** Not all that long ago, major MSPs — Experian, Harte-Hanks, Epsilon, InfoUSA, and Acxiom — took turns buying up the original email service providers (ESPs). But today, only Experian still offers a leading email platform, which operates out of an independent business unit. Harte-Hanks' email business didn't qualify for this study. Epsilon's and Yesmail's offerings are now only average. And Acxiom told us midway through the study that it does not plan to invest in new features or functionality for its Impact platform. This marks a seismic shift for email vendors: Market leaders are now chiefly independent, technology-led firms.
- **Increasing demand for integrated messaging.** Client references told us that good account management mattered most when they consider email vendors (see Figure 2). But many also care about email vendors' multichannel integration, customer database support, and ability to power non-email campaigns. This is pushing email vendors and campaign management vendors toward the same destiny as “messaging engines of record.”<sup>2</sup>

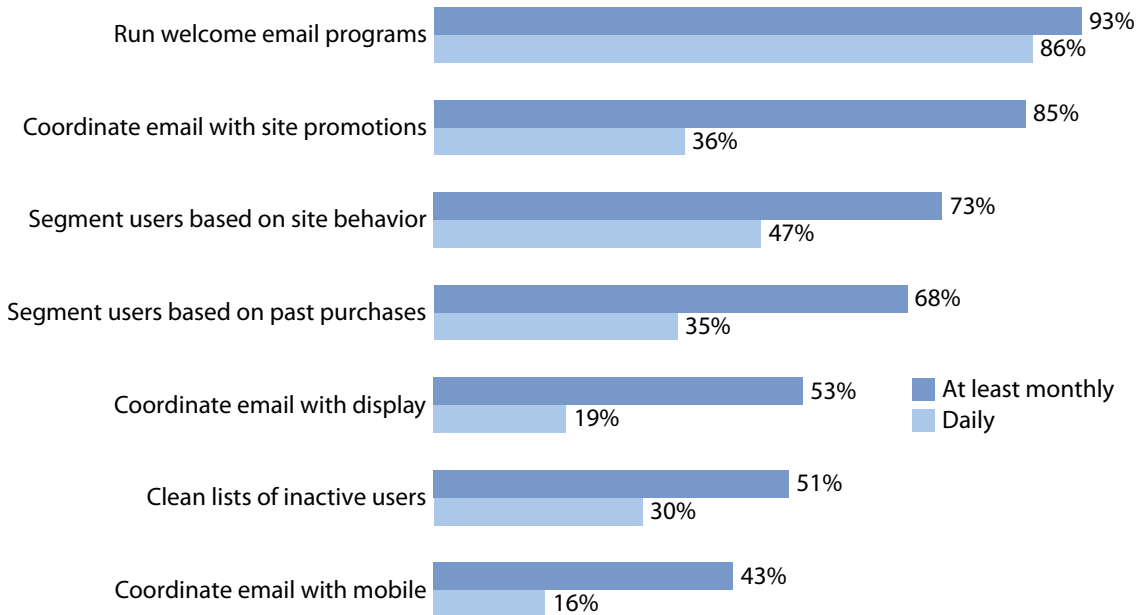
**Figure 1** Emailers Are Gaining Sophistication

**1-1 “What are the biggest email marketing challenges you expect to face in the next two years?”**



Base: 74 email marketers  
 (multiple choices accepted)

**1-2 “How often do you apply the following tactics?”**



Base: 74 email marketers

Source: Forrester Research Email Marketing Customer Reference Survey

59170

Source: Forrester Research, Inc.

**Figure 2** Account Management Matters Most In Email Vendor Selection

“Please rank how important the following vendor offerings are to you, where 1 was most important and 8 was least important.”

Vendor offerings	Average rank
Good account management	1.96
Integration with other online tools	3.73
Automation of next-best action	3.85
Support for your database of record	3.96
Professional services	4.54
Support for channels outside of email	5.01
International campaign support	5.89
Proprietary offices around the world	7.05

Base: 74 email marketers

Source: Forrester Research Email Marketing Customer Reference Survey

59170

Source: Forrester Research, Inc.

## THE EMAIL MARKETING VENDOR EVALUATION EXPLAINED

To address the implications of the changes in the email market, we reviewed those vendors that could manage marketers’ immediate email marketing needs and also know how and why to integrate email into cross-channel conversations. Six email vendors — out of an original pool of 48 — met these requirements. In this year’s Forrester Wave we evaluated: Epsilon, ExactTarget, Experian CheetahMail, Responsys, StrongMail, and Yesmail Interactive based on their (see Figure 3):

- **Email marketing revenues.** We focused primarily on vendors large enough to withstand volatile market conditions and to support marketers’ ongoing development demands. This screened out firms posting less than \$100 million in email revenues for 2010 — including boutique firms like Gold Lasso or larger vendors like Eloqua where email comprises just a portion of overall revenues.
- **Enterprise market focus.** Forrester’s clients are firms with at least 1,000 employees. So we limited the study to those vendors that focus on this same audience. Vendors whose enterprise clients comprise fewer than 25% of their total client pool — like Sailthru or Jangomail — were not eligible.
- **Prominence in client conversations.** This year we also used the volume and sentiment of our client inquiries in the screening process. We cut some firms that met the above requirements but earned limited or apprehensive client inquiries — like e-Dialog.<sup>3</sup> We also included one firm that missed our revenue cutoff but was the single most inquired about firm this year: StrongMail.

**Figure 3** Evaluated Vendors: Vendor Information And Selection

Vendor	Product evaluated	Product version evaluated	Date evaluated
Epsilon	DREAM	Build 8-7-SP4	Q4 2011
ExactTarget	Interactive Marketing Hub	Q4 2011	Q4 2011
Experian CheetahMail	CheetahMail	N/A	Q4 2011
Responsys	Responsys Interact Suite	6.13	Q4 2011
StrongMail	Message Studio	6.1	Q4 2011
Yesmail Interactive	Yesmail	e7	Q4 2011

**Vendor selection criteria**

Company size: Does the vendor have revenues of at least \$100 million?

Enterprise focus: Do at least 25% of the vendors' clients have more than 1000 employees?

Enterprise interest: How often and in what context does the vendor come up in client and research conversations?

Source: Forrester Research, Inc.

**What Changed From Our 2009 Forrester Wave**

Fans of the Forrester Wave for email marketing vendors may notice that our approach to this year's study varies slightly from our 2009 report. Here is what changed and why. We:

- **Feature fewer, comparable vendors.** This study evaluates six vendors — not 15, as we did in 2009. This focuses the study on a clear category of like competitors — that is, firms that vie against each other for business. We also cut about 30 criteria that we consider “table stakes” to focus the evaluation on points of differentiation.
- **Welcome an installed solution.** Historically, we considered hosted email applications only for this study because of the speed of send volume they can support. But heightened concerns about email data security this year had marketers clamoring to understand installed options as well.<sup>4</sup>
- **Declined niche providers.** We selected the six firms that we think suit enterprise marketers at large. But you might need a specific solution best delivered by a niche vendor. For example, Marketo or Eloqua may best serve B2B marketers who want to integrate email with lead management efforts, while midsize marketers might like Knothorpe or BlueHornet for help messaging across email, mobile, and display or social media. And Emailvision or eCircle are worthy help for marketers who are targeting specific European markets.

### The Evaluation Considers Three Dimensions

Our evaluation was influenced most significantly by recent client conversations about their email vendor needs and the future of messaging. We also drew from past research, forecast data, and trends emerging in other messaging channels and marketing platforms to develop the 37 criteria we used to assess vendors’:

- **Current offering.** We did cut a number of previously-used criteria — like deliverability management — that highlight little differentiation. This allowed us to delve into detail on the vendors’ present technology and professional services, including most notably campaign management, reporting, data model, security processes, and operations and strategy services. This year we also evaluated vendors’ international qualifications and their support for mobile and social media messaging.
- **Strategy.** We assessed how well-suited vendor management teams, executive visions, development road maps, and global strategies are to the future needs of email marketers.
- **Market presence.** We also examined firms’ overall size and position in the market based on their revenues from email marketing; employee tenure; and the volume, retention, and satisfaction of their customers.

### STANDALONE TECHNOLOGY FIRMS LEAD

Vendor strategies this year focused on supporting messaging through email, mobile, social, even display channels. Digging into how well vendors integrate email into cross-channel conversations revealed that (see Figure 4):

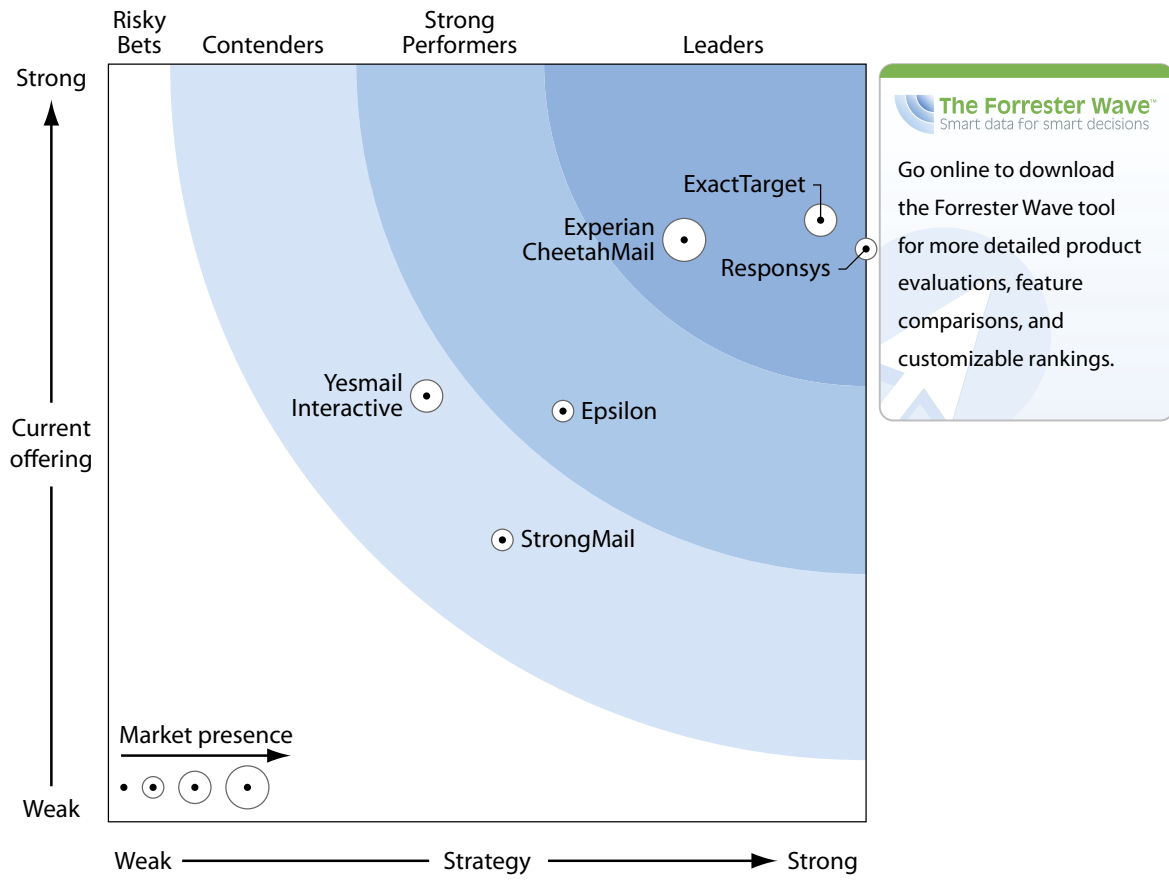
- **Responsys and ExactTarget stand above the others.** Responsys lands as a Leader in our study most notably for its flexible data model, which allows users to self-define segment parameters while a campaign is running, and for its leadership and clear product and international vision. Its rival ExactTarget brings the strongest current offering this year with intuitive campaign management, scalability, automated predictive models, collaboration tools, and an open technology platform that supports third-party development.
- **Experian CheetahMail shines on services.** Experian CheetahMail, the study’s largest vendor, lands as our third Leader because of its well-staffed, capable professional services teams, tenured management, 14-country international footprint, and near-perfect customer satisfaction scores. Rave client reviews of this vendor’s social and data security solutions more than compensate for lower scores for its technology platform, data model, and reporting, which are less flexible than other Leaders’.

- **Epsilon falls in the middle of the pack.** Trailing the Leaders by a significant margin, former-Leader Epsilon now represents the study's lone Strong Performer. This vendor's global capabilities actually tie for the strongest in the study due to its breadth of international offices and international support staff, and because its current platform offers a user interface in English, French, German, Chinese, and Japanese. Epsilon's campaign operations and tech services also score well. But its campaign testing, reporting and analytics, and technology platform are below average.
- **Yesmail and StrongMail lag.** Yesmail's capabilities fall to extremes. It earns the only perfect marks for reporting and analytics, and its dynamic content and security features are Leader-level. Yet its campaign management and globalization fall behind all of the other offerings we evaluated. Client references find Yesmail's professional services inconsistent. And the vendor's strategic vision is still under construction. We like StrongMail's scalability and automated campaign testing. And clients do too; it has the best client retention rates we reviewed. But size does matter for this firm; it lacks the resources and executive maturity of other vendors.

This evaluation of email marketing vendors is based on the criteria we deem to be most critical to the market at this time and is intended to be a starting point only. We encourage readers to view detailed product evaluations and adapt the criteria weightings to fit their individual needs through the Forrester Wave Excel-based vendor comparison tool.



**Figure 4** Forrester Wave™: Email Marketing Vendors, Q1 '12



Source: Forrester Research, Inc.

**Figure 4** Forrester Wave™: Email Marketing Vendors, Q1 '12 (Cont.)

	Forrester's Weighting	Epsilon	ExactTarget	Experian CheetahMail	Responsys	StrongMail	Yesmail Interactive
<b>CURRENT OFFERING</b>	50%	2.71	3.97	3.84	3.78	1.86	2.81
Vendor description	0%	0.00	0.00	0.00	0.00	0.00	0.00
Functionality	25%	3.11	4.57	3.20	4.18	2.87	3.47
Technology platform	20%	1.30	4.40	2.60	4.50	1.80	2.90
Services	20%	4.00	4.10	4.20	3.90	1.60	3.70
Globalization	15%	4.50	3.50	4.50	3.00	1.75	1.50
Mobile marketing	10%	1.00	3.00	5.00	3.00	1.00	1.00
Social media	10%	1.00	3.00	5.00	3.00	1.00	3.00
Vertical markets	0%	0.00	0.00	0.00	0.00	0.00	0.00
Cost and pricing structure	0%	0.00	0.00	0.00	0.00	0.00	0.00
<b>STRATEGY</b>	50%	3.00	4.70	3.80	5.00	2.60	2.10
Strength of management team	30%	3.00	4.00	5.00	5.00	3.00	2.00
Executive vision	30%	3.00	5.00	5.00	5.00	3.00	1.00
Development strategy	20%	3.00	5.00	1.00	5.00	3.00	3.00
Global strategy	20%	3.00	5.00	3.00	5.00	1.00	3.00
<b>MARKET PRESENCE</b>	0%	2.65	3.15	4.35	2.39	2.25	3.34
Email marketing revenue	30%	3.00	3.00	5.00	2.00	1.00	3.00
Company	30%	2.50	3.50	3.50	2.50	2.50	4.00
Customers	40%	2.50	3.00	4.50	2.60	3.00	3.10

All scores are based on a scale of 0 (weak) to 5 (strong).

Source: Forrester Research, Inc.

## VENDOR PROFILES

Here are high-level snapshots of what capabilities ranked each vendor in its current position in this Forrester Wave evaluation. Detailed scorecards are available in the Forrester Wave Excel-based vendor comparison tool.

### Leaders

- **Responsys.** This is the fourth time that Responsys qualifies as a Leader in this evaluation. We credit its management for this achievement. It develops a concise corporate vision and then rallies people, plans, products, and positioning toward enabling this vision. The result? Its current offering is 18 months ahead of the Contenders'. And its professional services are growing faster than many of the services-led vendors we evaluated. But Responsys isn't for the faint of heart. Marketers who aren't willing to invest or repeatedly challenge their current email marketing practices will be happier with a less aggressive vendor.

- **ExactTarget.** Also a consistent Leader, ExactTarget's significant investments in platform development show. It automates segmentation, dynamic content setup, testing, and reporting across high volumes of complex multichannel messages with one of the most intuitive interfaces in the market. And its services — previously a weak point — now rival services giant Experian CheetahMail. This firm's flexibility suits it to marketers of all types. Those marketers managing multiple email stakeholders or seeking to integrate email into broader sales, customer relationship management (CRM), or online marketing programs will find it an especially good partner.
- **Experian CheetahMail.** We count on high services and customer satisfaction scores from this vendor and it did not disappoint. Its large support teams — which are staffed and operated independently of the larger Experian organization — win customer kudos particularly for their availability, operational expertise, collaboration and practical, proactive advice. Experian CheetahMail's campaign management, dynamic content, and reporting capabilities are less automated than its competitors'. But clients don't care: 97% of them renewed with the vendor in 2010. Retailers love this firm because of its experience managing promotional emails although it suits any marketer who needs some extra hands on his email program.

### Strong Performers

- **Epsilon.** Marketers who are seeking a global partner will like this vendor's international support. It dedicates more than 40% of staff to non-US programs, has 14 international offices, and offers its platform in five languages. But Epsilon's data breach this past spring, history of staff turnover, and challenges getting the Dream and DreamMail platforms integrated have tarnished client relationships. Epsilon shows the weakest customer retention rates and lowest customer satisfaction scores in our evaluation.

### Contenders

- **Yesmail Interactive.** Recently rechristened as Yesmail Interactive, this email marketing veteran has industry-leading dynamic content and automated multichannel analysis. Even so, it scores poorly for its campaign management, integration, and data storage. And its imprecise executive vision and nonexistent marketing dampen its current strengths. We look forward to new management correcting this vendor's shortfalls.
- **StrongMail.** High-volume senders and firms that need complete control over their email data love this vendor for its installable platform; it had a 98% retention rate last year. But marketers needing best-in-class functionality, robust professional services, or global support will find the hosted providers we profile more apt than StrongMail.

## SUPPLEMENTAL MATERIAL

### Online Resource

The online version of Figure 4 is an Excel-based vendor comparison tool that provides detailed product evaluations and customizable rankings.

### Data Sources Used In This Forrester Wave

Forrester used a combination of four data sources to assess the strengths and weaknesses of each solution:

- **Vendor surveys.** Forrester asked vendors to respond to a 40-question survey on their capabilities as they relate to the evaluation criteria.
- **Scenario-based demos.** Each vendor participated in a three-hour proof-of-concept call during which it demonstrated its process and technology against three hypothetical client scenarios addressing their current functionality, competitive differentiation, future plans, and visions for the future of email marketing. We used findings from these conversations to validate details shared in the vendor surveys.
- **Customer reference calls.** To validate product and vendor qualifications, Forrester also conducted reference calls with three of each vendor's current customers. Customer references were provided by the vendors, and at least one reference represented a global emailer.
- **Online customer surveys.** We also conducted an online survey of at least 12 email marketing clients of each vendor. These customer references were provided by the vendors as well.

### The Forrester Wave Methodology

We conduct primary research to develop a list of vendors that meet our criteria to be evaluated in this market. From that initial pool of vendors, we then narrow our final list. We choose these vendors based on: 1) product fit; 2) customer success; and 3) Forrester client demand. We eliminate vendors that have limited customer references and products that don't fit the scope of our evaluation.

After examining past research, user need assessments, and vendor and expert interviews, we develop the initial evaluation criteria. To evaluate the vendors and their products against our set of criteria, we gather details of product qualifications through a combination of lab evaluations, questionnaires, demos, and/or discussions with client references. We send evaluations to the vendors for their review, and we adjust the evaluations to provide the most accurate view of vendor offerings and strategies.

We set default weightings to reflect our analysis of the needs of large user companies — and/or other scenarios as outlined in the Forrester Wave document — and then score the vendors based on a clearly defined scale. These default weightings are intended only as a starting point, and we encourage readers to adapt the weightings to fit their individual needs through the Excel-based tool. The final scores generate the graphical depiction of the market based on current offering, strategy, and market presence. Forrester intends to update vendor evaluations regularly as product capabilities and vendor strategies evolve.

## ENDNOTES

- <sup>1</sup> Even though nearly every enterprise firm already leverages email marketing, investment in the medium will grow at a 10% compound annual growth rate (CAGR) over the next five years as marketers use email to connect user experiences across channels and spend more on email analytics. See the August 24, 2011, “[US Interactive Marketing Forecast, 2011 To 2016](#)” report.
- <sup>2</sup> Better technology options mean that marketers can now use one main vendor as a “messaging engine of record” which can manage most channels and also orchestrate a few smaller vendors as needed for specialty emerging media. See the January 9, 2012, “[The New Messaging Mandate](#)” report.
- <sup>3</sup> A repeat Leader in the Forrester Wave on email marketing vendors, e-Dialog did not qualify this year because so many client inquiries we fielded expressed concern about the company’s future due to its acquisition by GSI Commerce and, subsequently, eBay. During the course of the wave research, we did meet with new e-Dialog management who briefed us on their new vision, their technology plans, and plans for hiring and retaining good email talent. We like what we heard and we look forward to proof in the new year that the company is back in the right track.
- <sup>4</sup> In April 2011, hackers stole consumer email addresses from companies like Capital One, Citigroup, TiVo, and Walgreens by breaching the Epsilon’s email data system — one of the world’s largest email service providers. This data breach sparked many email marketers to wonder: Is my data safe? See the August 5, 2011, “[How To Protect Your Email Data](#)” report.

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