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[rpinfo-europe@returnpath.net](mailto:rpinfo-europe@returnpath.net)

0845 002 0006

Email marketers lack confidence and knowledge on reaching the inbox to earn higher revenues.

## Emailing in the Dark: What European Email Marketers Don't Understand about Deliverability

First, the good news. Most European email marketers know that email doesn't always get delivered to the inbox of the intended recipient. The bad news is that a significant minority is still completely unaware that deliverability failures happen – that spam filters prevent legitimate emails from reaching users' inboxes. But even the European marketers who are aware of deliverability failures don't have access to the types of reports that could help them optimise their inbox placement rates.

Marketers should worry. Globally, around one of every five permission-based marketing emails never reach the inbox. They get dumped in the junk folder or simply go missing. There's a big upside to correcting this deliverability failure. Email that is not delivered to the inbox does not earn a response. Consumer research consistently shows that very few people go into their spam or junk folder to look for marketing messages that have been delivered there inadvertently. Of course the messages that don't even make it to the junk folder have absolutely no chance of being clicked on. Therefore, lifting inbox deliverability lifts all other response metrics as well as the return on investment from the email marketing.

At the heart of the problem is the fact that Internet Service Providers (ISPs) do not report back to marketers when messages are diverted to the junk folder or blocked from delivery. The only way for a marketer to know where their messages end up is to use a seedlist-based monitoring system. This means populating their database with known good email addresses at all the ISPs where they have customers, then monitoring whether those email addresses receive the email that gets sent. Gaining access to this data is crucial for marketers to understand how their email is really performing.

Finally, marketers need to understand their role in protecting their inbox delivery rates. Our study found that marketers tend to believe that their email service provider is solely responsible for deliverability. Most deliverability failures are caused by the marketer's poor data collection habits and complaints from email recipients in response to the content and frequency of the marketer's messages. Even the best email service provider cannot control these factors. These factors rest in the hands of the marketer alone.

## Marketers Do Not Have the Data They Need to Optimise Inbox Deliverability

Email marketers generally know that hitting “send” is not enough to ensure messages actually reach the inbox and appear in subscriber’s inboxes as they intended (called “rendering”). The majority of survey respondents (61%) believe that some messages may be blocked by ISPs. Marketers tend to be most concerned about the largest ISPs, like BT, Free.fr, Neuf, Orange and T-Online, but the truth is that nearly every ISP, from the largest to the smallest, employs filtering technology to protect their customers from spam messages. However, more than one in three email marketing managers are woefully ignorant of this reality –26% say they do not believe messages get blocked at all and 12% just didn’t know.

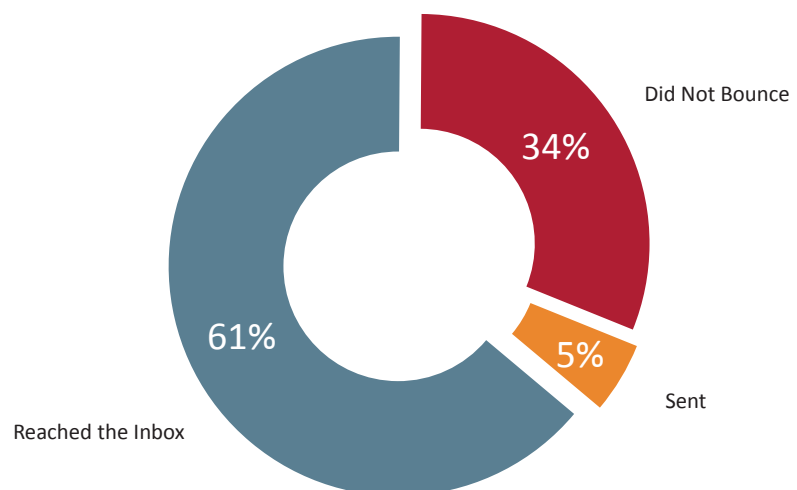
Of course it shouldn’t really surprise us that marketers are unaware of deliverability failures since most email broadcasting systems – whether in-house or through a service provider – report a “delivered” statistic that is really the email bounce rate. The system records how many emails get sent, subtracts the number of bounces and reports the sum as “delivered”. Since these systems also tend to do a good job of processing bounces this means that most marketers see a report that shows their email is being delivered at a rate of 95% or more. This definition is wrong and potentially misleading as it actually represents the number of messages that the service (ESP, MTA, etc.) passed to the internet, rather than the number of messages that actually reached subscribers’ inboxes. If the message gets blocked by the ISP, it is not recorded in this incorrect “delivered” statistic.

Our survey found that marketers know what they mean when they think of the word delivered, and it isn’t the bounce rate. When asked to define “delivered”, only 5% define it as “sent” and a third (34%) consider it to be “did not bounce”. The large majority (61%) of respondents in this survey consider “delivered” to be “reaching the inbox and did not go to junk or missing”. (See Chart 1)

**Return Path recommendation:** Sent is not delivered. It is crucial for marketers to know how their reporting metrics are calculated before assuming that their messages are reaching the inbox. Know how your delivery metrics are calculated.

If you are not using a seedlist-based monitoring system – either through your email service provider or directly from a deliverability service provider – then you are not getting the data you need to make intelligent marketing decisions. In fact, not understanding your email deliverability throws all your other metrics into question. How can you truly evaluate your click-through rate, for example, if you don’t know what percentage of the messages actually made it to the inbox? The fact is that your email program may be doing better than you think if you are calculating your response based on messages that recipients never receive. Conversely you may be doing more harm than good by increasing frequency or making content changes in response to artificially depressed metrics. You need to insist on a report that shows the percentage of email that goes to “inbox”, to “junk/bulk” (for ISPs that use bulk folders) and “missing”. You should be able to view these metrics by ISP. If your report only shows “sent” and “delivered”, then you are likely getting a bounce report. This is important as a measure of your list hygiene but does not tell you where your email actually goes.

How Marketers Define “Delivered”



## Reaching the Inbox is Important

The vast majority of European email marketers responding to our survey understand that reaching the inbox is the foundation for all email marketing success. Simply: You can't earn a response if no one sees your message. Most (73%) said that if messages were to be blocked from reaching subscriber inboxes, it would "depress response rates and revenues". However, a sizeable minority do not understand the impact of spam filters as 15% said that it does not matter if messages are in the inbox, and another 12% didn't know if it was good or bad to reach the inbox.

## Why Messages Are Blocked is A Black Box

Knowledge of why commercial marketing messages get blocked by ISPs and spam filters was limited. Answers to a question where multiple answers were allowed illustrate that marketers in this survey seem a bit unsure why messages get blocked.

- **The vast majority of European marketers believe that ISPs inadvertently block messages from legitimate senders. Of all respondents, 63% said they believe that ISPs are trying to block spam and sometimes "miss" by also blocking legitimate marketing mail.** Another 34% believe the ISPs "are just trying to protect their subscribers' privacy". This does happen, although ISPs are using more sophisticated data to separate spam from legitimate commercial bulk email and continually work to refine this process so that only spam gets "bulked" or blocked. It is certainly true that marketers and ISPs share a customer: the subscriber. In fact, most ISP postmasters are judged on their ability to keep unwanted messages out of the inbox.
- **About half, 47%, believe content or "spammy words" are the cause of blocking.** Although content does matter to some extent, it actually plays a very small part in inbox deliverability.

**Return Path recommendation:** If you don't know where your email is going it is hard to figure out why it may not be getting there. Moreover, there are additional metrics available to marketers that would help them determine the health of their email program. These include complaints (the number of times subscribers choose "this is spam" as compared to the number of messages sent), spam trap hits (also called honey pots; the number of times a marketer mails to an address that is used to attract spam) and inclusion on blacklists (a list of IP addresses that have been identified as sending spam by anti-spam organisations). Additionally you should be getting all these metrics broken down by ISP so that you can see if your problems are widespread or isolated to a few ISPs. There are also systems that will help you check your message content and give you a spam score, which can help in cases where content is the problem. For example, overuse of certain words such as "free" are likely to make your email look like spam. Quite simply, without the data to figure out where your email is going and why, marketers are just emailing in the dark.

## Setting Priorities

Email marketers have a lot on their plate and a wide set of priorities. When asked to select their top three priorities from a list of 14 provided in the survey, no single strategy earned consensus among even a third of respondents. The five most significant challenges were improving conversion/response (28%), building the database (27%), gaining access to analysis and better reporting (24%), reaching the inbox (23%) and data integration (21%).

A few other key challenges were named less frequently in the survey, with respondents selecting customising messages (19%), integrating email with other marketing programs (19%), personalisation (15%) and landing pages (12%).

**HIGHLIGHT:** Reaching the inbox and generating high response are inextricably linked. Subscribers quickly tire of irrelevant messages and will complain by clicking the "report spam" button, depressing response rates for all campaigns. The only way to improve inbox deliverability and response is to create compelling subscriber experiences. All the things that make up **a great subscriber experience** are reflected in the top priorities cited by marketers taking this survey. Subscribers want email that has valuable and interesting content, that promotes products they want to buy and that comes at a frequency that is neither too often nor too seldom. The good news is that the creation of this kind of experience is **within full control of the marketer**.

## The Root Causes of Deliverability

Many respondents could identify the key elements of deliverability success from a list provided in the survey. The largest segment (46%) correctly identified that “sender reputation” is a critical factor. Less than a third (31%) selected “complaints” as critical, even though complaints are the most critical factor in sender reputation.

Other top factors cited by respondents were content (29%), subject lines (24%), blacklists (23%), frequency (23%) and spam traps (20%). Only 13% identified permission as a key factor in deliverability success. In fact, all of these are factors in sender reputation, with list quality playing nearly as important a role as complaints. Permission, which we define as adding an email address to your list as the result of a subscriber’s request, is no guarantee of inbox placement. But it does matter. Firstly, it’s required by law in Europe. Second, permission matters because subscribers who give permission are more likely to be expecting the email that gets sent and welcome it, which lowers complaints and improves your sender reputation.

A small group (14%) believe that the email service provider used makes a difference for inbox delivery. Certainly, some suppliers are savvier about deliverability than others. The best provide a reliable infrastructure, strong data management and help with setting up message IDs, reverse DNS and authentication – all elements that ISPs look for when processing bulk mail streams. However, no supplier can overcome the marketer’s poor list building or content strategy practices. Marketers must own their sender reputation in partnership with their service provider and actively manage the factors that ensure high inbox deliverability.

**HIGHLIGHT: Knowledge Gap?** *It’s hard to explain the lack of urgency or priority around managing inbox deliverability. Email marketers seem hesitant about their level of control in optimising inbox deliverability, and some seem to believe it’s impossible to affect or manage. Some may be in denial – or think that spam filtering does not happen to them. There may be a dearth of reliable information about the fact that all of the causes of deliverability failure are under the control of the marketer. Of course part of the explanation could be marketers’ ignorance of the existence of tools to help them understand and manage deliverability failures.*

**Return Path recommendation:** Deliverability failures are caused by a combination of sender reputation factors and content issues. Every email marketer in the world has a sender reputation – it is made up of metrics that include complaint rates, unknown user rates, spam trap hits and server configuration. How these factors are evaluated by each ISP is different. Content filters, which screen words and images that make a message look like spam, are also used in very different ways by ISPs. Understanding these factors generally is important, but marketers need to take that knowledge a step further to understand how they impact their specific email program. This is why marketers need detailed reports that include both their deliverability and reputation metrics so they know where to invest time and resources to solve their deliverability challenges.

## Who’s In Charge of Inbox Deliverability?

Unsatisfied subscribers are more likely to complain, which will lower a marketer’s inbox deliverability. However, marketers in this survey were varied in their ideas about whose job it is to optimise inbox deliverability. Most who answered this question (38%) said that reaching the inbox was the job solely of the email service provider. (*Note that 78% of respondents use an email service provider*). A small segment (17%) felt that it was the marketing department’s job alone, and 11% said it should be left to the IT team. A sizeable minority (29%) felt it was a partnership between IT/ email service provider and marketing. A small group, 5% said it was out of the control of anyone.

These very different answers further illustrate the knowledge gap around inbox deliverability and the perceived lack of power European marketers seem to have accepted around affecting change in deliverability.

Marketers who believe the ESP is responsible for deliverability to the inbox are wrong. The reputation of the email that is sent is what determines inbox placement. ESPs have no control over what kinds of email gets sent, whether or not the

subscribers value that email or how the marketer has collected email addresses. These are the factors that have the greatest influence on deliverability. Marketers control their subscriber experience. The vast majority of factors that affect inbox deliverability are about targeting the right offer, to the right subscriber, at the right frequency; data collection practices; and list quality.

Email service providers do have a limited amount of influence. The infrastructure of the supplier – meaning how the servers are configured and whether or not the proper authentication and security protocols are in place – is an important factor to consider. Email sent from improperly configured servers will be blocked by ISPs.

Your service provider’s other clients can also have an impact on your deliverability. ISPs look at reputation on IP addresses as a whole – and sometimes groups of IP addresses. So if you share an IP with marketers who engage in poor sending practices then your reputation will be tarnished, too.

Of course email service providers can be a big help by providing timely, actionable campaign performance reports that include deliverability metrics based on a seedlist system. Marketers who optimise deliverability typically do so in partnership with their supplier or IT team.

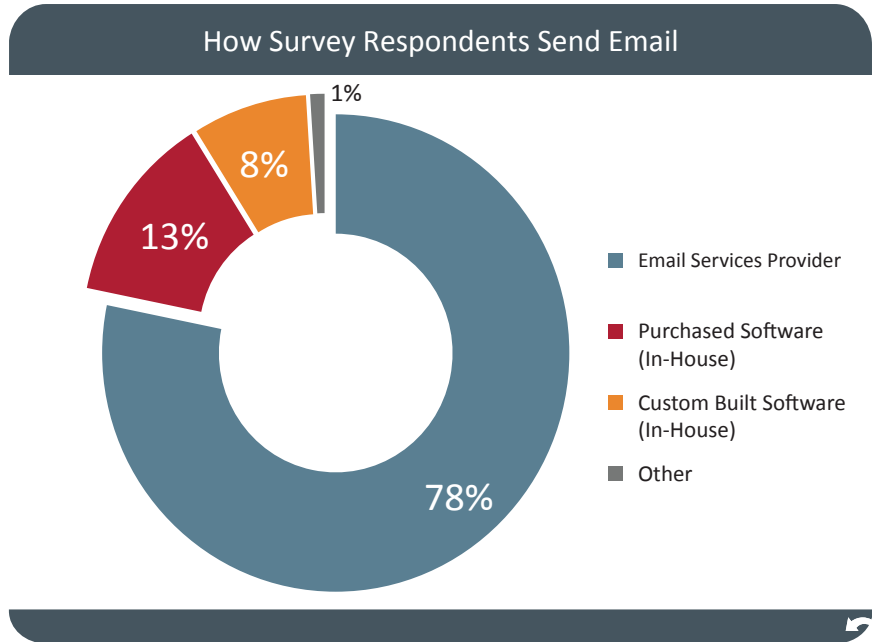
This doesn’t mean your choice of vendor isn’t important. But while the right partner can do a world of good for your program, no ESP can erase the negative impacts of a poorly acquired database, irrelevant content, weak permission or irrelevant or too frequent contact.

**Return Path recommendation:** Deliverability is a shared responsibility. Simply put, the factors that affect deliverability are directly tied to your email marketing strategy. Your email service provider does not have any influence on how you collect email addresses, where you source data, what kinds of messages you send or how frequently you send them. Therefore, deliverability cannot be outsourced to your email service provider and then forgotten. Marketers are responsible for their sender reputation, which is reflected in their Sender Score ([www.senderscore.org](http://www.senderscore.org)). Astute marketers keep an eye on their Sender Score and inbox deliverability and, working with their suppliers, actively manage frequency, offer strategy, complaints and bounce processing. However, your email service provider can absolutely be a partner in providing you the data you need to manage deliverability, helping you to interpret that data and giving you advice on changes you can make to improve your inbox placement rates.

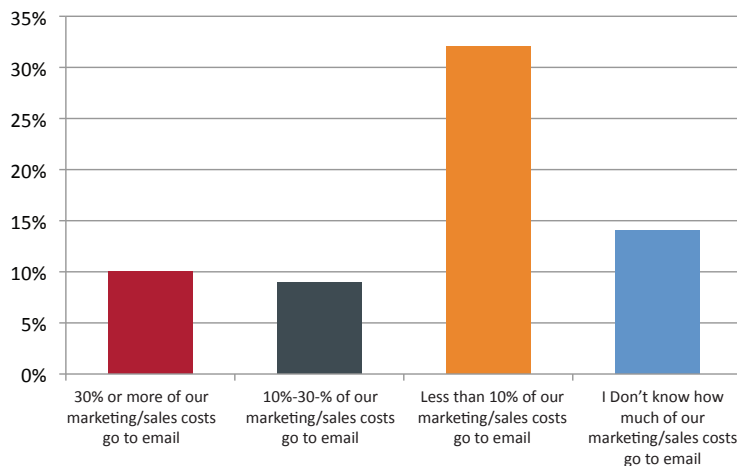
### Email Marketing Has a High ROI

A third (32%) of respondents say that email is “very important and foundational” to all they do. Another 38% say it is “rather important”, and 19% say it’s “important as part of our digital marketing”. Only 6% say it is “somewhat important”, and just 2% claim it is “not important at all”.

Use of email is concentrated in promotions (i.e., sales alerts) (66%) and newsletters (i.e., content articles) (83%), but is also widely used for event promotions (50%), behavioural triggers (31%), alerts (30%) and transactional messages (34%). (Respondents could select more than one answer.)

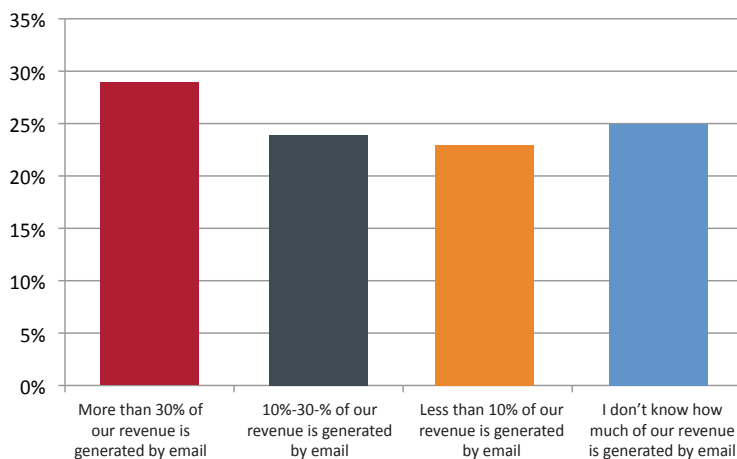


### Email Is a Relatively Small Piece of the Marketing Budget



Most respondents (64%) say that email marketing contributes up to 50% of the marketing revenue, but 25% of respondents don't know the revenue contribution from the email channel. For those who did know, 8% say email generates more than 75% of revenue, and nearly half (47%) report up to 30% of revenue. Another 17% say the channel generates 30%-50% of revenue.

### Email Generates Revenue for European Companies



It's clear that email generates revenue. It's also relatively inexpensive to send, as 88% of those who know the cost of email report that they spend 50% or less of their marketing budget, with most (40%) reporting they spend less than 10% of their budget on email.

**Return Path recommendation:** If email is important to your business, then knowing whether or not your recipients ever receive it has to become a key performance indicator that every marketer tracks. Very few direct marketers would accept a world where one in five catalogs ends up in the rubbish bin. Email marketers should not accept this for their email messages either.

## Methodology and Respondent Profile

This survey was taken online by 188 respondents from February 15th through March 31st, 2009. Respondents were most likely to be an online marketing manager (27%), or email marketing manager (17%) or director (14%). Only 8% were a production manager. Most respondents (51%) work in a company with fewer than 100 employees, and 13% work in companies with more than 1,000 employees. The vast majority of respondents (41%) have 1-3 dedicated email marketing employees, 25% have 3-5 dedicated email marketing employees and 22% have no full time email marketers.

Most use an email service provider (79%) or email broadcast software (13%), and only 8% have a home built solution. Respondents are slightly more likely to serve a B2B audience (44%) than B2C (35%), with 21% serving both types of audiences.

Nearly all respondents (97%) are in Europe or do email marketing in Europe, with 28% in the United Kingdom, 13% in Germany, 7% in Italy, 6% in France, 3% in both Ireland and Austria and 2% each in Belgium, Netherlands, Norway, and Sweden. The survey was available in English only.

## About Return Path

Founded in 1999, Return Path helps commercial email senders get more email delivered to the inbox. Our tools and services give senders the insight and resources to diagnose and prevent email deliverability and rendering failures by improving and maintaining their email sending reputations. Our Professional Services division then helps our client improve ROI and response by creating consistent and compelling subscriber experiences across the email customer lifecycle. Return Path runs the internet's most widely used third-party whitelist, the Return Path Certification Program. Return Path also invented the Sender Score, an email reputation measure based on data contributed by ISPs and other receivers of large volume email into the Return Path Reputation Network. We offer free access to our Sender Score to any sender, receiver or consumer of email at our reputation portal: [www.senderscore.org](http://www.senderscore.org). Information about Return Path can be found at [www.returnpath.net](http://www.returnpath.net).