

The dark side of email deliverability

Email marketing benchmarks



Introduction

Email remains the number one communication channel for marketers. However, organizations face many issues that impact their ability to connect with their customers through email. In a recent Experian Data Quality research study, respondents expressed a series of obstacles that impact deliverability and ultimately hurt business performance.

This research report highlights new insight derived from the study, supplemented with additional detail on deliverability. Find out how your organization's email performance ranks against your peers, and learn best practices to improve your email performance through improved data quality.

Research methodology

In March 2014, Experian Data Quality commissioned a research study to look at current approaches to data quality. This report, 'The dark side of deliverability,' reviews top challenges businesses are facing today around data quality and the reasons for those obstacles.

400 respondents in the U.S. took part in the research, produced by GMI for Experian Data Quality. Individuals in marketing, data management, customer service, IT, sales, finance, management and operations departments all took part in the survey who had knowledge of data management practices. Small to large enterprise businesses from a variety of industry sectors, including manufacturing, automotive, retail, financial services and travel responded to the survey.



Report findings

Email deliverability has far-reaching effects within an organization. Correctly captured email addresses ensure quicker online account creation, faster checkout time and increased effectiveness of email marketing campaigns. These factors are critical when interacting with today's consumers and all help to improve overall customer satisfaction. Additionally, sending to inaccurate or inactive email addresses can have a serious impact on your email sender reputation and your ability to effectively communicate with your customers and prospects.

In the past 12 months, over 60% of organizations have experienced events that could damage their sender reputation, and in many cases this number is on the rise. Organizations continue to expand their online communication strategy, but in doing so often neglect the impact of inaccurate data on their overall business, specifically their email sender reputation.

The top factors impacting sender reputation are:

- Use of email authentication
- Volume of email sent
- Complaint and hard bounce rates
- Spam trap hits and blacklists
- Content of email campaigns
- Consumer engagement (inactive subscribers)

Chart 1
Marketing communication channels

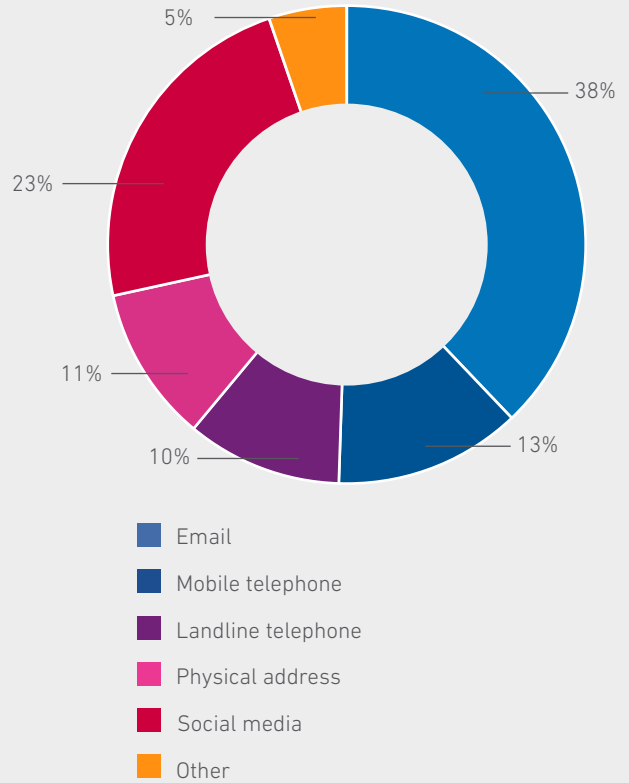
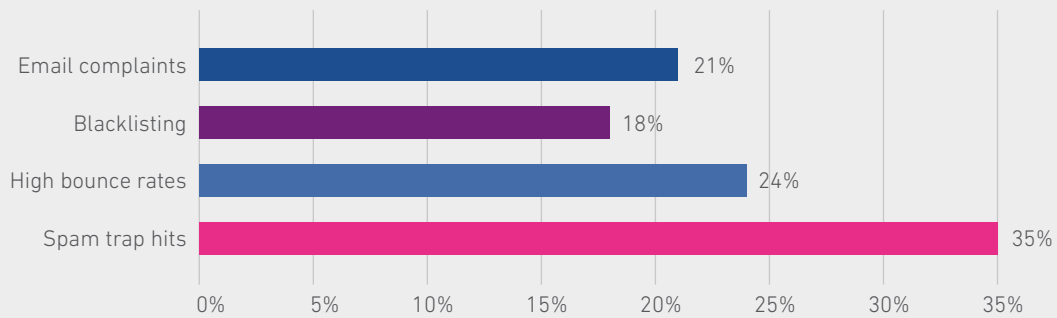


Chart 2
Top factors marketers experience affecting delivery:



A majority of email deliverability issues result from poor sender reputation. Internet Service Providers (ISPs) all calculate sender reputation differently, which is why addressing all the underlying factors is so important. However, many organizations are facing these issues and seeing their deliverability suffer as a result. The top issues marketers have experienced are outlined below:

Causes of deliverability issues

For the many organizations that have faced deliverability issues, the problems often exist due to poor list hygiene and management. In fact, only 47 percent of organizations follow CAN-SPAM requirements for unsubscribe. Moreover, only 44 percent of organizations remove hard bounces from their email list and only 43 percent of organizations suppress inactive email subscribers from campaigns. Sending email to inactive subscribers or bounced addresses affects your ability to accurately report on email campaign performance, while also leading to the deliverability issues previously outlined.

List hygiene is often a forgotten component of a data quality strategy, and frequently only addressed after deliverability issues have started. For organizations without a data quality strategy, the research showed a correlation with a variety of issues, many of which extended beyond the marketing department. The most consistent issues include an inability to communicate with subscribers (40%), poor customer service (25%) and sender reputation problems (25%).

Managing these issues is not a resource intensive process and can typically be addressed through any reputable Email Service Provider (ESP) and by validating email addresses as they are collected. As important a channel email is, 33% of organizations still do not invest in an ESP and 32% do not validate emails.

Improving email hygiene

To improve email list quality, ensure emails are acquired correctly and managed appropriately. Follow the four tips listed below.

With email being the most important communication channel, marketers are actively working to prevent invalid addresses from entering their database.

88% of organizations manage their email database in some fashion

68% of organizations use some form of technology to validate email addresses

Experian Data Quality Research

1. Acquire email addresses intelligently

It is extremely important to consider how email addresses are acquired before sending to these individuals.

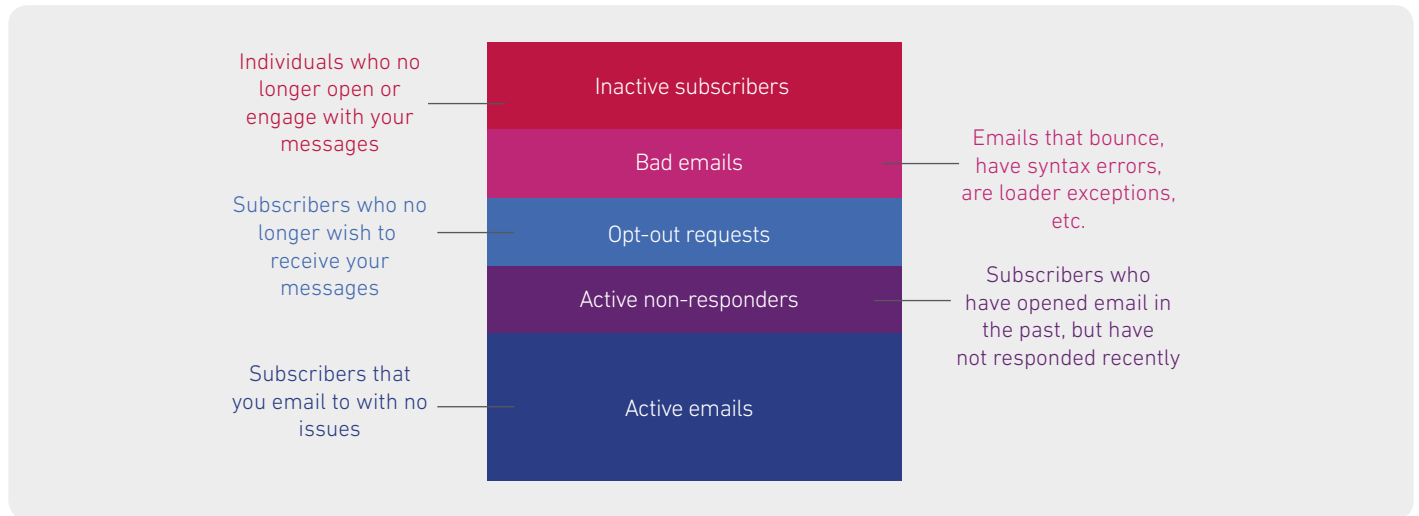
Use permission-based acquisition practices – Traditionally, marketers thought it was best to email as many people as possible. However, now marketers risk adding possible spam traps or inactive accounts to their database. This increases the likelihood of individuals complaining, and unfortunately the company may be marked as a spammer.

Ensure emails are validated at the time of acquisition – Email validation ensures that all email addresses are valid and deliverable. This reduces the bounce rate and improves sender reputation.

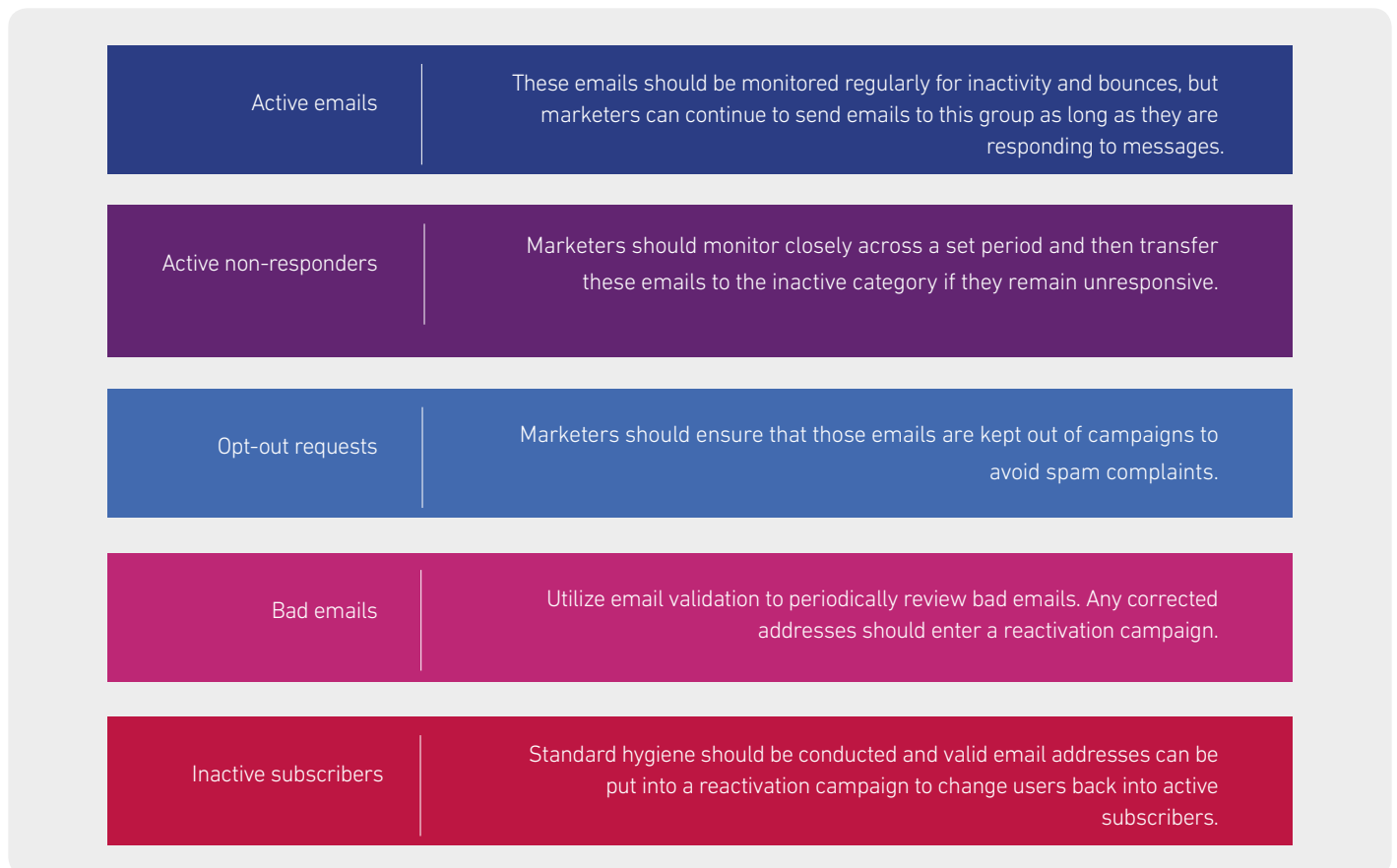
2. Manage the email database

To reduce the possibility of deliverability issues, utilize email database best practices. This includes managing the various types of emails that exist within a database.

The diagram below highlights the different segments of an email database.



Each email group requires different maintenance best practices, which vary based on your email marketing strategy and goals. However, proper management leads to better deliverability through improved sender reputation.



3. Manage bounce rates

Organizations should review bounced emails on a regular basis. Anytime a hard bounce occurs because the email does not exist, the address should be removed from the email database. This will prevent the same bad email address from continually damaging your sender reputation.

In addition, a spike in bounced emails could be a sign of deliverability or sender reputation issues. Marketers should work with their email service provider when a large upswing occurs.

4. Validate inactive emails prior to mailing

Marketers often do not mail to their entire database on a regular basis. If you are not mailing to a segment of your database more than once a month, those addresses are also considered inactive.

That segment should be validated prior to mailing. Two percent of contact data goes bad each month, according to Return Path. Those email addresses may no longer be valid or could have turned into a spam trap, which will have a dramatic effect on sender reputation.

Therefore, it is important that marketers look to validate emails to remove invalid addresses prior to a reactivation campaign.

Conclusion

Improving email deliverability starts with building a proper data quality strategy and validating email addresses. Marketers are continuing to make progress, but there is still more that can be done to improve sender reputation, improve the customer experience, and increase overall email deliverability.

Ready to start using email validation in your business? Start your 30-day free trial of our email verification tools today!

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