

The 2015 email data quality trends report

How organizations today are managing and using email



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Summary

Email directly influences an organization's ability to drive profit and remain relevant. Its scalability and ease-of-access makes email the preferred method of communication used in contacting consumers, and when used effectively, it can be a true competitive differentiator. Many businesses follow best practices in order to maximize the success of email, whether it be through collection and database management practices, email marketing or email deliverability efforts.

Email facilitates the connection, understanding of and engagement with consumers; however, those same technological advancements are also raising consumer expectations about when and how they should be engaged. The quickly changing landscape of email, and marketing as a whole, makes it essential for organizations to keep pace with industry trends in order to avoid becoming obsolete.

This report will detail the findings of a new Experian Data Quality research study as it relates to email data quality. Specifically, the report will cover email database maintenance, email collection and deliverability challenges, how businesses track email marketing success and the methods used to ensure good email data quality. The goal is to inform readers about email trends, challenges and imperatives so that they may have adequate insight on where to focus future objectives.

Research methodology

In August 2015, Experian Data Quality commissioned a research study to take a comprehensive look at what poor email deliverability costs an organization; the challenges associated with email collection and email database maintenance; how companies track email marketing success; and different ways to improve subscriber interaction.

Over 200 respondents in the U.S. took part in the research, produced by Research Now for Experian Data Quality. Participants came from a variety of company sizes, from small to enterprise. Industries involved in the sample include retail, manufacturing, automotive, financial services, utilities and more. Participants were allowed to select multiple answers that pertained to their business, and as such, the percentages in this report will not necessarily add up to 100 percent.



Key findings

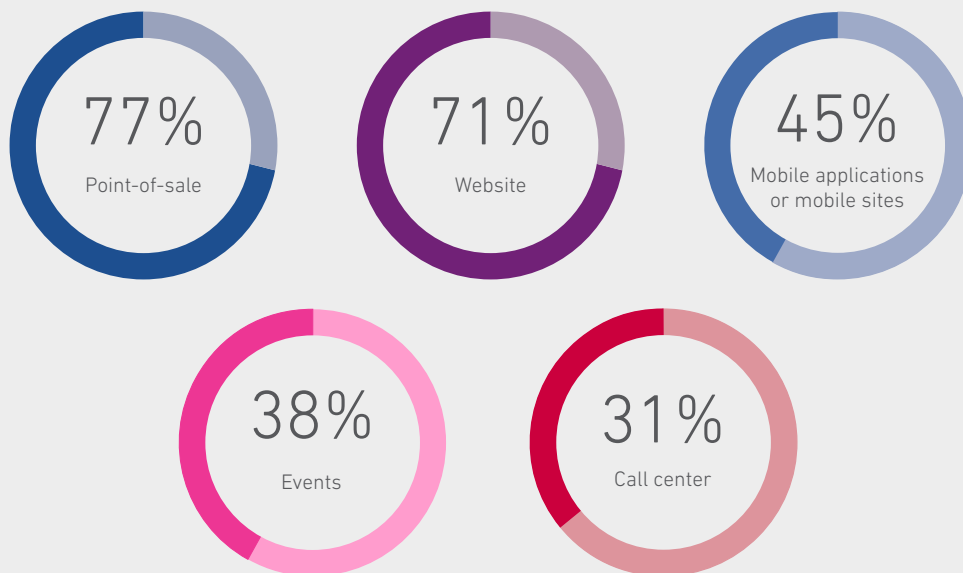
While this survey covered a wide spectrum of email challenges across industries, there were several notable trends that emerged.

Email collection and database maintenance challenges

Organizations today collect contact data from as many as four channels, the most popular of which are point-of-sale and website. However, over ninety percent (92%) of companies collecting customer and prospect email addresses face challenges when collecting that information.

Over a third of respondents (33%) don't know how faulty their emails are, but believe that at least 20 percent of their email database is invalid or inaccurate.

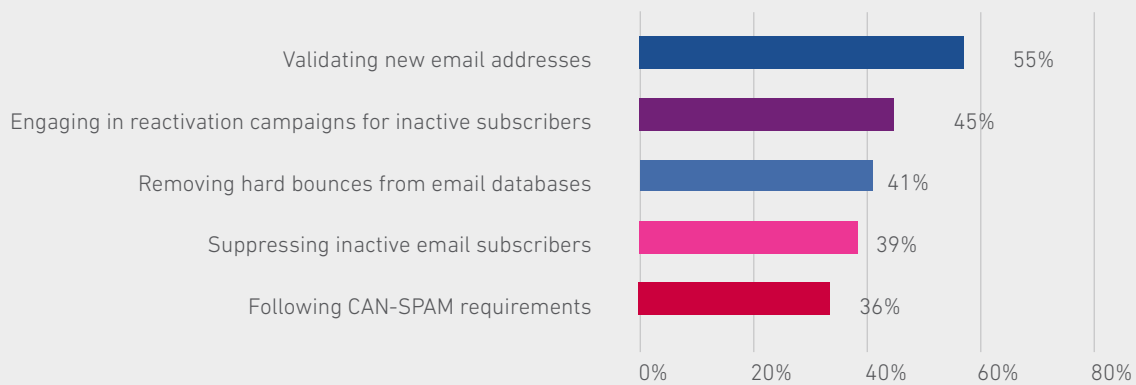
Chart 1
Most popular channels retailers use to collect email addresses:



When gathering email from as many disparate sources as there are, organizations will naturally face data management challenges. Despite companies moving increasingly toward automation to complete critical business functions, the human element still plays a large part in handling the technology. That being said, the biggest contributing factor to these data collection and data management challenges is human error (64%).

Organizations recognize the importance of using data to make intelligent decisions, yet many have not taken the necessary steps to manage their database. Surprisingly, over a third of respondents (33%) don't know how faulty their emails are, but believe that at least 20 percent of their email database is invalid or inaccurate. When coupled with the fact that, on average, companies have an email database of over three million records, not knowing how many emails are invalid means inefficiently allocating budget and other resources.

Chart 2
Most popular methods for retailers to manage email databases:



For companies facing email collection challenges, there are multiple other factors that contribute to this difficulty other than human error. Over half (52%) are concerned about customer privacy control, a third (31%) about linking customer information across the various channels used and 20 percent of companies are concerned about the lack of infrastructure needed to collect data.

These challenges are typical of companies striving towards a more data-focused culture. They must reorient not only their technological processes and machinery to scale for the future, but also educate their data stakeholders to follow new guidelines. However, smaller companies are less likely to focus on email database maintenance—40 percent of contacts in businesses with fewer than 25 employees do not do so. The larger the organization, the more likely they are to manage their email database.

Email deliverability challenges and cascading consequences

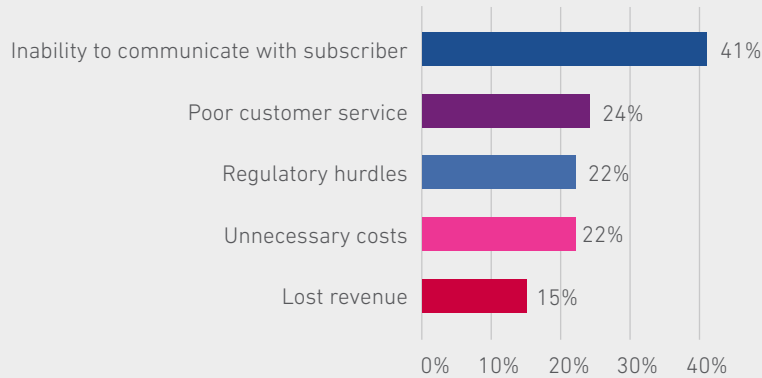
While getting emails to the inbox is a key imperative for businesses, a majority (73%) of companies still experienced email deliverability issues in the past 12 months. Businesses rely heavily on the successful delivery of email,

not only for revenue-generating activities, but also for time-sensitive and privacy-related communications. However, most deal with email deliverability after they experience a problem. This reactive style of email data management focuses more on short-term fulfillment rather than scoping out long-term success, which results in many customer satisfaction issues.

In fact, the most common consequences of poor email deliverability are the inability to communicate with subscribers (41%) and poor customer service (24%).

"If, for example, your company experiences a data breach, it is imperative that you communicate that information quickly—you could be risking compliance regulations if you don't!"

Chart 3
 Most common consequences that occur as a result of poor deliverability:



However, it's not just communication and service that suffers. Poor email deliverability also results in missed opportunities from lost opens and impressions, as well as cascading negative effects on sender reputation, list health and ultimately, sales. These deliverability issues can indicate that an organization is having trouble balancing consumer expectations and their own fulfillment of them.

Among the signs of deliverability issues listed above, sender reputation problems can be considered the most damaging simply because they are often the main reason

why emails are not delivered to an inbox. An organization's sender reputation is calculated by comparing its IP address against all other IP addresses. Specific factors they measure include: email volume, complaint rates, spam trap hits, unknown user rates, blacklist listings, filtering rates and bounce rates.

The amount of incorrect emails increases when organizations have no quality control in place to check for the validity of those emails. For instance, almost a fifth of companies (24%) purchase email lists. The owners of

Chart 4
 Harmful secondary consequences that affect deliverability:

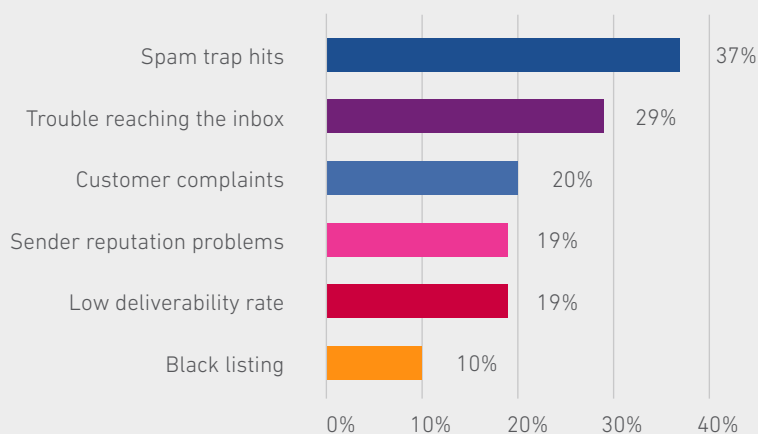
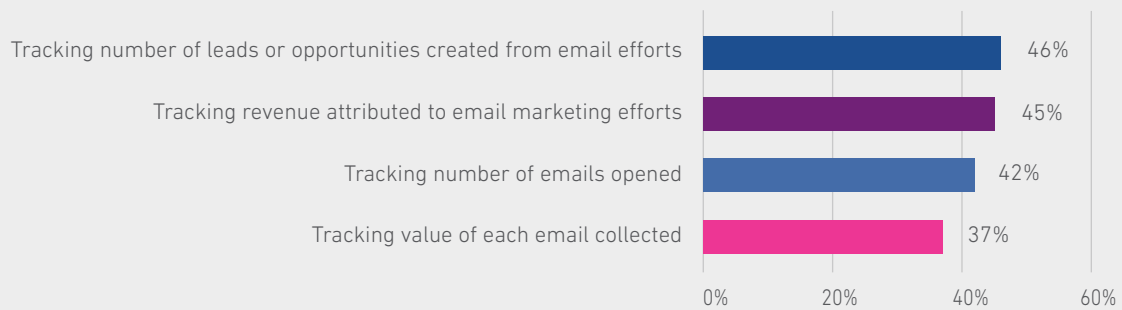


Chart 5
Different methods used to track email marketing success:



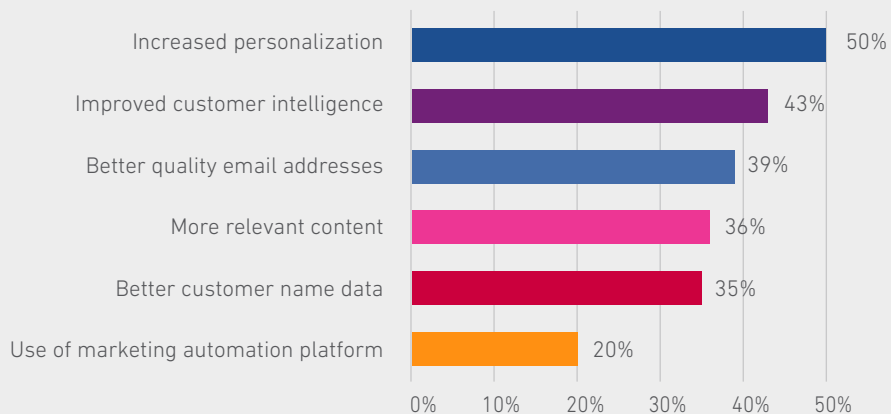
those emails have not agreed to communications, which increases the likelihood that they will mark attempted communications as spam. Emails gathered from unknown sources can also be questionable in legitimacy and accuracy. When left un-validated, bad emails can harm an organization's sender reputation and lower their chances of having emails delivered to inboxes.

Measuring email marketing success

While there was no key area that emerged as a consistent way to track the success of email marketing campaigns, almost all companies (95%) attempt to do so. That

companies are trying to quantify the success of email indicates a shift in the way they think about the importance of measuring a historically difficult channel to measure. No longer is educated guesswork an excusable reason for creating content or launching new campaigns. Organizations now look to marketing automation platforms, email service providers and deliverability analysis technologies to help take guesswork out and bring actionable insights in.

Chart 6
Most popular ways companies feel they can improve email interaction among subscribers:



That being said, a number of companies (62%) are tracking user interaction with their emails. Email engagement analysis can provide organizations valuable information as to what their audience cares about. In turn, organizations can use this information to help with product or service innovation, process improvements, developments in loyalty or retention programs and much more. The time and resources spent creating each campaign combined with the estimated spend associated with each email means that organizations are continually looking for ways to improve subscriber interaction.

Based on the responses above, the majority of ways that companies feel they can improve email interaction among subscribers is through increased personalization and relevancy. However, knowing that personalization and relevancy are important goals does not mean that it is a simple matter figuring out what messages will resonate with whom. When it comes to email interaction, small and large businesses vary widely on how they think subscribers will be driven to interact more with messages. Smaller organizations tend to think that better email address quality will increase subscriber interaction, which makes sense given that the smaller the list database, the more important

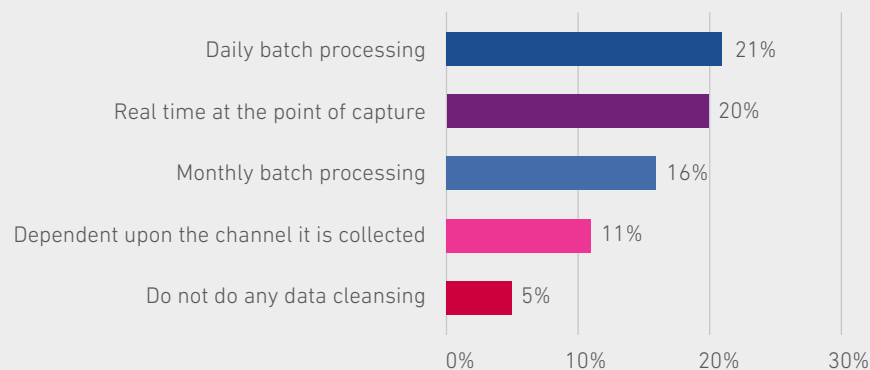
it is to reach every recipient. Those in large organizations believe increased personalization is more likely to help engagement. Larger businesses have big enough email repositories where segmenting customers based on product preference or business engagement is more of a focus.

Methods used to ensure good email data quality

Ensuring the success of email marketing and campaigns rests on a strong foundation of good email data quality to begin with. Over eighty percent of companies perform some sort of data cleansing.

Based on our research, there is no single consistent way across businesses to perform such data cleansing. The methods businesses use to verify email addresses vary across the channels from which they are collected. Most companies prefer to manage their email data through daily processing or through real time at point of capture using a third-party data cleansing solution.

Chart 7
Frequency of data cleansing:



Key takeaways

The landscape of email is subject to change; the channels through which they are collected, the amount of emails collected and the technology used to collect them are all under continual innovation as businesses look for better ways to provide value. That being said, it is vital for organizations to not only be aware of what challenges surface in the email space, but how other businesses are dealing with those challenges.

Pay attention to email data quality

A large portion of the challenges listed in this report can all be traced back to bad email data quality. Using a weak foundation in your business objectives result in inefficiencies and provide lackluster results. Many organizations perform regular data cleansing, either on a daily, monthly or real-time basis.

Track email marketing success

If you aren't doing so already, begin tracking metrics your organization uses to define marketing success. While the metrics tracked differ depending on attribution models, the ones listed below are among the most important in measuring email marketing success.

- Bounce rate
- List growth rate
- Click through rate
- Conversion rate
- Email sharing rate

ROI per email (calculated by dividing the total revenue generated from a particular campaign by the number of emails sent)

Manage email deliverability

Your email deliverability rates determine whether the campaigns you spent time and resources on generate return on investment. Low deliverability = low chances of reaching recipient inboxes. Poor deliverability impacts everything from product awareness to communicatory efforts regarding time-sensitive information or security risks. The more you track factors that impact deliverability such as inbox placement, spam and unknown user rates, the better you are able to target and eliminate those risks to your email campaigns.



Conclusion

While some argue that email may not always be as pervasive as it is today, the reality is that there is no other communication channel that is as accessible and efficient as email in the modern age. In fact, its role as a communication channel seems to only grow in importance.

However, organizations face challenges regarding the collection of accurate and complete emails, maintaining the integrity of their email database and quantifying the success of their marketing efforts. The business value of email lies entirely in its ability to reach recipients.

While keeping pace with email trends and challenges provides valuable insights, it's more important to use those insights as a springboard for action. This report can be used as a reminder for what to think about when considering how to improve your own email initiatives.



The best place to begin is at the beginning. That's why we've come up with a comprehensive guide with questions and answers that'll help you determine which email verification vendor is best for your business.

[Learn more](#)



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