

The Forrester Wave™: Email Marketing Service Providers, Q3 2016

Tools And Technology: The Email Marketing Playbook

by Rebecca McAdams

July 27, 2016

Why Read This Report

We identified 10 significant email marketing service providers — Acxiom, Adobe, Epsilon, Experian Marketing Services, IBM, Oracle, Salesforce, Selligent, SmartFocus, and Yes Lifecycle Marketing — and researched, analyzed, and scored them. This report shows how well each provider fulfills our criteria and where they stand in relation to each other to help B2C marketers choose the right partner for their needs.

Key Takeaways

Email Marketing Can Help You Become Customer-Obsessed

Companies are heeding the call to become customer-obsessed and leveraging email to help them operationalize those efforts and create agility. Marketers look to email service providers for support.

Epsilon, Salesforce, And Oracle Lead The Pack

Forrester's research uncovered a market in which Epsilon, Salesforce, and Oracle lead the pack. Acxiom, Adobe, Experian Marketing Services, and Yes Lifecycle Marketing offer competitive options. Selligent, IBM, and SmartFocus are Contenders.

The Forrester Wave Model Can Identify Your Best Partner

Use the detailed Forrester Wave model to view and weight the criteria used to score participating vendors in order to create a custom vendor shortlist.

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In May 2016, Forrester evaluated 10 email service providers: Acxiom, Adobe, Epsilon, Experian Marketing Services, IBM, Oracle, Salesforce, Selligent, SmartFocus, and Yes Lifecycle Marketing. It also conducted phone interviews with 27 customer references from these vendors and surveyed an additional 63 via an online survey.

Related Research Documents

[Brief: How To Organize For Email Marketing](#)

[The Forrester Wave™: Email Marketing Vendors, Q3 2014](#)

[Thriving In A Post-Digital World](#)

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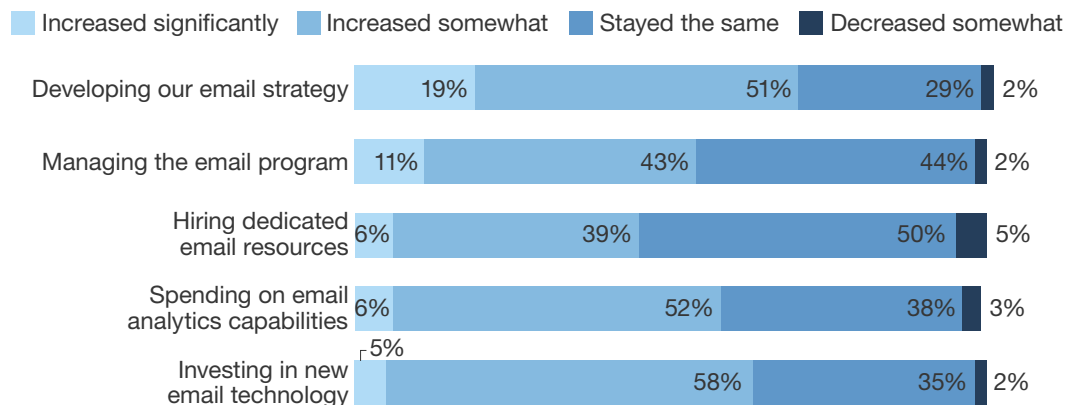
Email Marketing Activates Customer Obsession

Companies are heeding the call to become customer-obsessed — 71% of global business and technology decision-makers tell us that improving customer experience is a high or critical priority.¹ But putting customer obsession into practice is hard work, especially in a post-digital world.² Our research for this report found that 70% of marketers expect to increase their investment in email strategy, in part to help them operationalize efforts toward customer obsession (see Figure 1). Specifically, marketers:

- › **Use email to create agility.** Marketers are no longer using email just to drive sales and customer retention. In addition to these goals, email also enables handier customer engagement — like responding to changing market conditions and generating brand awareness (see Figure 2).³ Furthermore, customized, in-moment communications — like triggers or contextual and personalized messages — are more widely practiced (see Figure 3).
- › **Turn to partners for support.** Enterprise email teams are generally understaffed and understructured.⁴ And while some marketers want to grow email marketing emphasis organically, most rely on partners to help with email strategy, operations, and email analytics capabilities.⁵
- › **Don't get their needs fully met.** Email vendor offerings today are still too polarized to wholly meet email marketer needs. For example, research for this evaluation shows that vendors that emphasize the automation of cross-channel communications support tend to be thin around strategy and creative support. Meanwhile, firms that emphasize data and data science lack the usability and ease of integration more commonly found in marketing automation partners.

FIGURE 1 Email Investment Will Increase In 2016

“By the end of 2016, how will your email spending have changed across the following categories?”



Base: 63 email marketers
(percentages may not total 100 because of rounding)

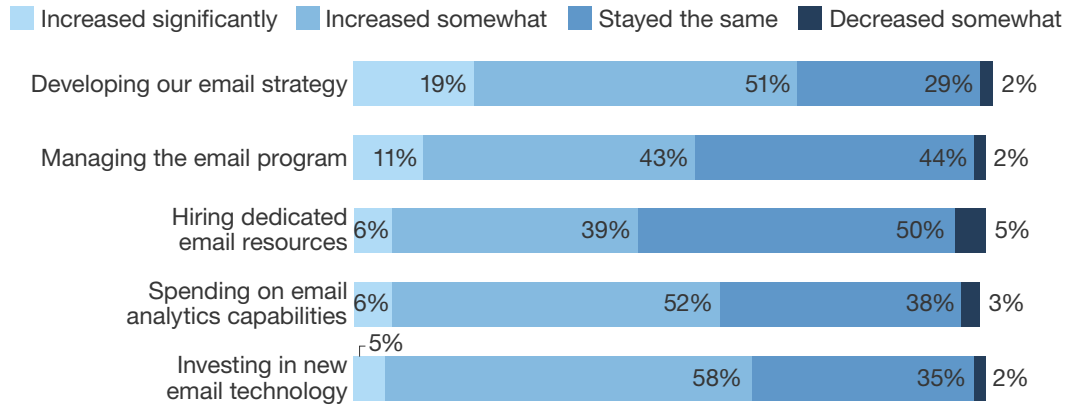
Source: Forrester's Q2 2016 Global Email Marketing Services Forrester Wave™ Customer Reference Phone/Online Survey

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FIGURE 2 Marketers Value Goals Beyond Sales And Retention

“By the end of 2016, how will your email spending have changed across the following categories?”

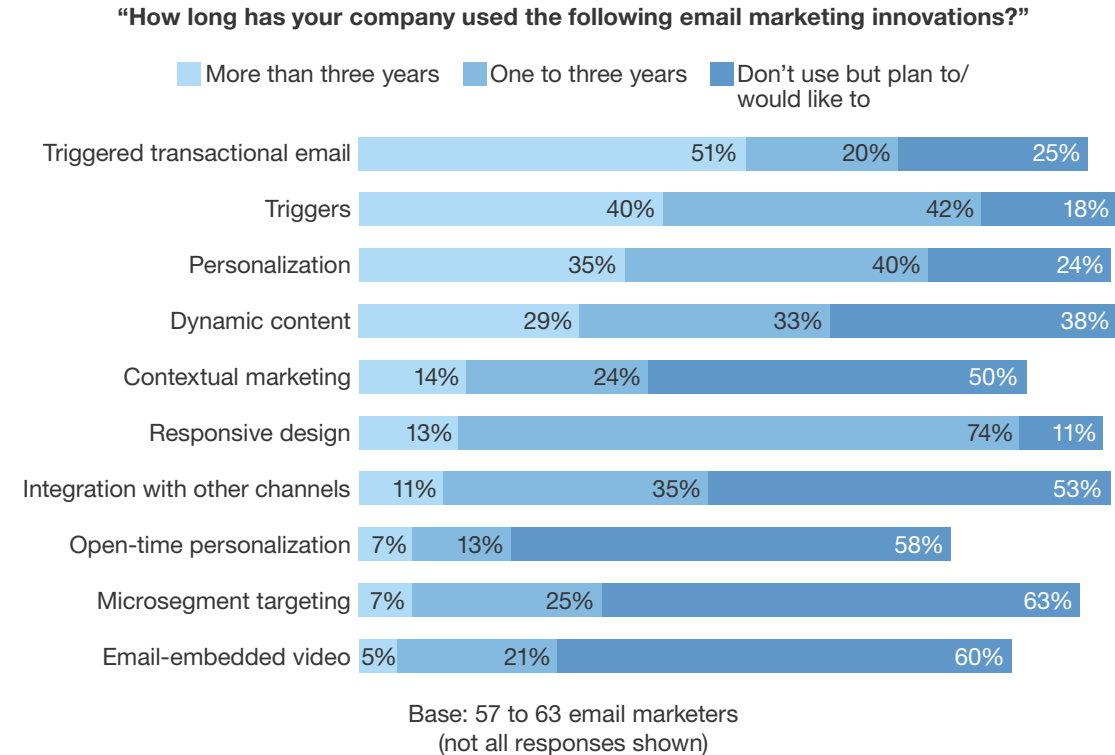


Base: 63 email marketers
(percentages may not total 100 because of rounding)

Source: Forrester’s Q2 2016 Global Email Marketing Services Forrester Wave™ Customer Reference Phone/Online Survey

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FIGURE 3 Marketers Apply More Agile Methods To Connect With Customers

Source: Forrester's Q2 2016 Global Email Marketing Services Forrester Wave™ Customer Reference Phone/Online Survey

The Email Marketing Service Provider Landscape Explained

To determine how well current vendors could support marketers' needs for email as a catalyst toward customer obsession, Forrester evaluated the strengths and weaknesses of top email service providers (ESPs). Specifically, we included 10 vendors — Acxiom, Adobe, Epsilon, Experian Marketing Services, IBM, Oracle, Salesforce, Selligent, SmartFocus, and Yes Lifecycle Marketing — all of which (see Figure 4):

- › **Offer a proprietary email platform.** The initial qualifier for this evaluation is that vendors under consideration must offer a first-party email deployment platform. Services organizations — like DEG or Precision Dialogue — that manage client email programs using partner technologies are not eligible.
- › **Have a dedicated email marketing revenue stream.** We evaluated vendors that earned at least \$60 million from the sale of email marketing products and services in 2015.⁶ Boutique providers like MailChimp or Bluecore were too small.

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- › **Support enterprise firms.** Forrester’s clients are mostly enterprises. So we evaluate vendors that serve a similar audience. Only vendors that can show that enterprise clients, defined as companies with 1,000 employees or more, account for at least 30% of their account base were included. ESPs selling to small or mid-sized marketers, like Maropost or SparkPost, were screened out.
- › **Compete against other enterprise ESPs.** For this year’s evaluation, Forrester also considered how firms commonly compete with each other based on vendor-disclosed competitors and our own client inquiries. This ensured that the study was of like players and eliminated vendors that might deliver marketing emails — like Sitecore or Monetate — but as part of an alternative primary business model.

FIGURE 4 Evaluated Vendors: Vendor Information And Selection Criteria

Vendor	Product evaluated	Product version evaluated	Date evaluated
Acxiom	Acxiom Impact	10.3	Q2 2016
Adobe	Adobe Campaign	N/A	Q2 2016
Epsilon	Agility Harmony	1.0.78.11917	Q2 2016
Experian Marketing Services	Experian Marketing Suite	6.6.0.0	Q2 2016
IBM	IBM Marketing Cloud	16.2	Q2 2016
Oracle	Oracle Responsys	6.28	Q2 2016
Salesforce	Salesforce Marketing Cloud	N/A	Q2 2016
Selligent	Selligent Campaign	6.2.5	Q2 2016
SmartFocus	The Message Cloud	N/A	Q2 2016
Yes Lifecycle Marketing	Yesmail360i	N/A	Q2 2016

Vendor selection criteria

The vendor must offer a proprietary email platform.

The vendor must have a dedicated email marketing revenue stream and have reported at least \$60 million in annual email revenue in 2015.

The vendor’s enterprise customer base must represent at least 30% of the vendor’s total customers. Forrester defines enterprise-sized customers as firms with at least 1,000 employees.

The vendor must compete against other enterprise email service providers.

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Our Evaluation Considers Three Dimensions

Criteria for this year's evaluation drew from recent conversations with clients about their email marketing and broader messaging needs as well as past research, ForecastView data, and trends in marketing technology. From these inputs, we developed 27 criteria to assess vendors, which we grouped into three high-level buckets:

- › **Current offering.** We assessed each vendor's current product and service offerings, focusing on key differentiators among vendors' technology platforms, services, globalization, and customer satisfaction. We specifically excluded from our evaluation functionality that is of common quality from all vendors, such as deliverability monitoring, triggered campaign support, and collaboration tools.
- › **Strategy.** We also evaluated the management team, corporate vision, and development road map for each vendor, factoring in the experience each management team has had working together, as well as how articulate and plausible its vision was against its demonstrated and planned capabilities.
- › **Market presence.** Finally, we took into account the annual email marketing revenue, global footprint, employee management, and customer retention rate for each vendor.

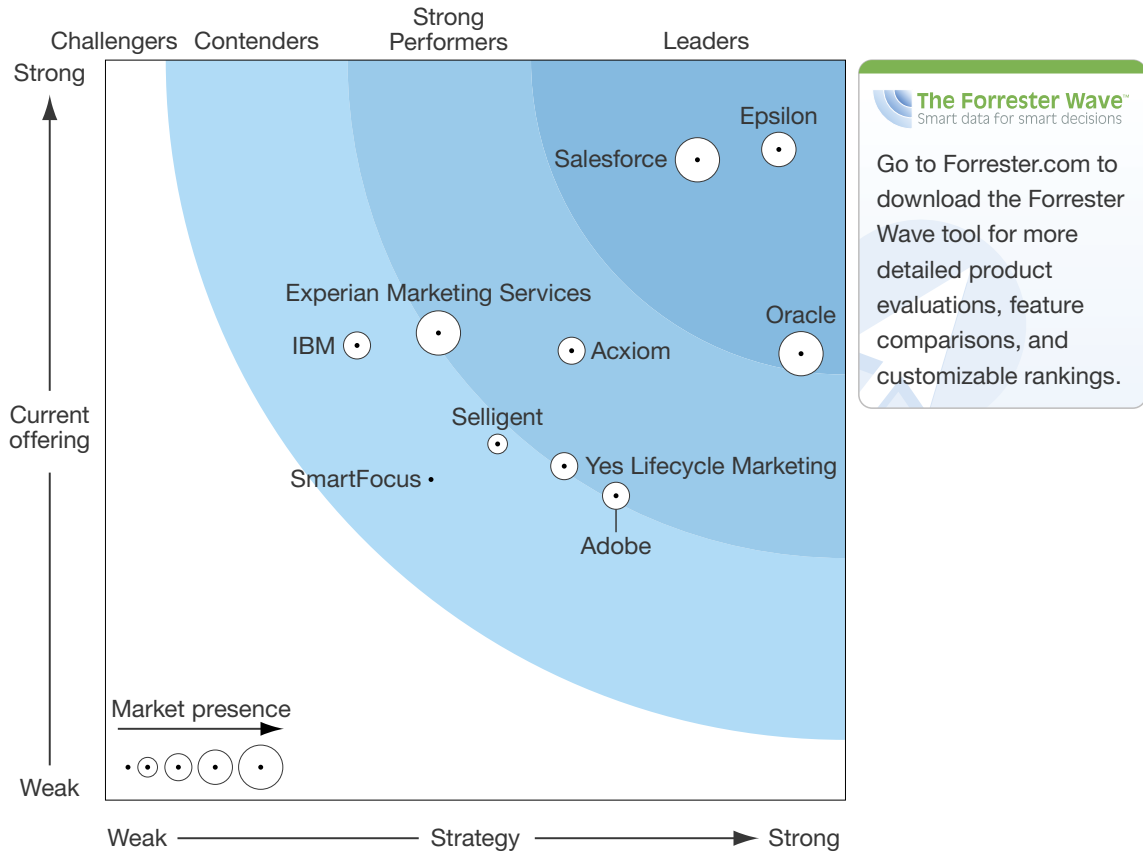
Vendor Profiles

This evaluation of the email marketing service provider market is intended to be a starting point only. We encourage clients to view detailed product evaluations and adapt criteria weightings to fit their individual needs through the Forrester Wave Excel-based vendor comparison tool (see Figure 5).

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FIGURE 5 Forrester Wave™: Email Marketing Service Providers, Q3 '16



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FIGURE 5 Forrester Wave™: Email Marketing Service Providers, Q3 '16 (Cont.)

	Forrester's Weighting	Axionm	Adobe	Epsilon	Experian Marketing Services	IBM	Oracle	Salesforce	Selligent	SmartFocus	Yes Lifecycle Marketing
CURRENT OFFERING	50%	3.04	2.06	4.40	3.16	3.08	3.02	4.33	2.41	2.17	2.26
Technology platform	35%	2.28	2.96	4.12	3.08	3.48	3.12	4.84	3.24	2.88	1.50
Services	35%	3.25	1.50	4.75	3.00	2.75	2.75	3.25	1.25	2.25	2.75
Globalization	10%	3.00	3.00	5.00	4.30	3.00	3.70	5.00	4.40	3.70	1.70
Customer satisfaction	20%	4.00	1.00	4.00	3.00	3.00	3.00	5.00	2.00	0.00	3.00
STRATEGY	50%	3.15	3.45	4.55	2.25	1.70	4.70	4.00	2.65	2.20	3.10
Strength of management team	40%	3.00	3.00	5.00	3.00	2.00	5.00	4.00	1.00	1.00	4.00
Corporate vision	45%	4.00	4.00	4.00	2.00	1.00	5.00	5.00	4.00	3.00	3.00
Development road map	15%	1.00	3.00	5.00	1.00	3.00	3.00	1.00	3.00	3.00	1.00
MARKET PRESENCE	0%	2.40	3.00	4.00	4.60	2.50	4.40	4.80	1.80	1.00	3.00
Email marketing revenue	40%	1.00	1.00	3.00	5.00	3.00	5.00	5.00	1.00	1.00	3.00
Global footprint	10%	1.00	5.00	5.00	5.00	5.00	5.00	5.00	1.00	1.00	1.00
Employee management	20%	5.00	3.00	4.00	3.00	2.50	5.00	4.00	2.00	1.00	4.00
Customer retention	30%	3.00	5.00	5.00	5.00	1.00	3.00	5.00	3.00	1.00	3.00

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

Leaders

- › **Epsilon.** Epsilon's study-leading current offering shows off one of the most flexible technology platforms, balanced with excellent campaign operations, technology, strategy, and creative services. As one client reference explains, this blend works well for demanding enterprise firms: "We are not an easy client. But Epsilon has met our every need with care and operational excellence." Here's to Epsilon maintaining this dedication as it extends its strategic charter to include building brand strategy and digital experiences for clients.
- › **Salesforce.** In the words of one client reference: "I have not found an [email service provider] that can compare to the customization and integration [Salesforce] has." We believe it. This vendor's dynamic content, analytics and reporting, security, and support of distributed business models are top-notch. Salesforce also boasts the most satisfied customers we surveyed. Email leaders at this

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firm drive broader company strategy, so email marketers of all sizes will know their voices matter. Just don't expect heavy analytics or strategy consulting support — that is the one place where services-led firms get a leg up on this dynamo.

- › **Oracle.** Formerly Responsys, this vendor's strong functionality, experienced leadership team, and buttoned-up corporate vision just two years into its acquisition by Oracle assure its continued placement as a Leader in this study. Cutting-edge firms with big budgets will especially like its strong testing, integration, and creative services capabilities. Expect some sluggish account service, however. Customer reference scores for this vendor trail those of other Leaders. As one client reference explains, "I feel highly confident in [Oracle's] reliability and product road map. It's the service and administrative tasks that are slow due to the many layers of approvals required within the larger [Oracle] organization."

Strong Performers

- › **Acxiom.** Welcome to the Strong Performer category, Acxiom. Its investment in developing a new email platform paid off. Capable segmentation, dynamic content testing, security practices, and support for a distributed business model, combined with high-performing campaign operations and technical services, mean that for the first time, Acxiom can suit more than just the full-service buyer. Big enterprises shouldn't expect the bells and whistles of more pure-play tech firms; Acxiom still sells a tech-plus-services approach. But client references are glad they can have more autonomy on the platform when they want.
- › **Adobe.** Marketing technology incumbent Adobe debuts as a Strong Performer in its first appearance in Forrester's email service provider Wave because of its competent strategic vision and willingness to invest to grow its email business. Today, the usability and personalization capabilities of Adobe Campaign fall short, and Adobe is still building out its professional services offering. But for now, existing Adobe Marketing Cloud customers who don't need consulting support or marketers who want to be part of a collaborative development process with their vendor will find Adobe Campaign a reasonable "yes."
- › **Experian Marketing Services.** In the words of one client reference we interviewed, Experian Marketing Services is "functional but not intuitive." We agree. This vendor has more traction than it has had in previous years' evaluations due to its facility for dynamic content testing, predictive analytics, campaign operations, and tech services. However, its segmentation, personalization, strategic services, and integrations with third-party partners fall short compared with Leader-level competitors. Even so, we think multinational marketers who need help with day-to-day program operations will like this vendor's broad footprint and dedication to global account management.
- › **Yes Lifecycle Marketing.** This year, Yes Lifecycle Marketing (YLM) lands as a Strong Performer due more to the diligence of its management team, dedication to employee retention, and hands-on approach to campaign operations than to its current functionality. Its unexceptional usability, personalization, dynamic content, and integration capabilities are all areas the vendor expects

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to upgrade with its new Yesmail360/360i product, which was planned to be released after this evaluation. This release will bring added value to US-based challenger brand types who already buy YLM's services-led approach — 91% of current clients renew with this firm annually.

Contenders

- › **Selligent.** This evaluation catches the new Selligent — a combination of StrongView and Selligent — in an in-between stage that doesn't yet include the best features of its prior technology platforms. Its usability, dynamic content testing, and integration capabilities all score below average, and the firm offers only limited professional services. Global marketers who like a self-service solution should stay tuned, however. The firm already demonstrates best-in-class support for predictive analysis, global account support, and international communications. And its management team articulates a clear vision for customer-first marketing and plans to launch new technology to support it in Q1 2017.
- › **IBM.** Even with the scale of IBM, the vendor formerly known as Silverpop still best suits smaller-enterprise, self-service marketers. It offers a predictive analytics environment accessible to non-data-scientists, and its Universal Behavior Exchange (UBX) enables self-service data integrations. Although the flexibility of its reports, campaign operations support, and creative services lag those of competitors, we like that this vendor plays the linchpin in IBM's overall marketing suite strategy. We hope this position amplifies the voice of its passionate email product team within the larger Big Blue ecosystem.
- › **SmartFocus.** Comparatively low customer reference scores and a clunky strategic vision contribute to this vendor's Contender status. This European firm does offer a self-service predictive analytics environment, good dynamic content capabilities, and lots of global account managers. Some client references lament the firm's lack of understanding and hard-to-reach, low-value account reps.

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Supplemental Material

Online Resource

The online version of Figure 5 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 three data sources to assess the strengths and weaknesses of each solution. We evaluated the vendors participating in this Forrester Wave using materials that they provided to us by May 25, 2016.

- › **Vendor surveys.** Forrester surveyed vendors on their capabilities as they relate to the evaluation criteria. Once we analyzed the completed vendor surveys, we conducted vendor calls where necessary to gather details of vendor qualifications.
- › **Product demos.** We asked vendors to conduct demonstrations of their products' functionality. We used findings from these product demos to validate details of each vendor's product capabilities.
- › **Customer reference calls and surveys.** To validate product and vendor qualifications, Forrester also conducted reference calls with three of each vendor's current customers, and surveyed an additional seven of each vendor's current customers.

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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 evaluation — and then score the vendors based on a clearly defined scale. We intend these default weightings to serve only as a starting point and 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. For more information on the methodology that every Forrester Wave follows, go to <http://www.forrester.com/marketing/policies/forrester-wave-methodology.html>.

Integrity Policy

We conduct all our research, including Forrester Wave evaluations, in accordance with our Integrity Policy. For more information, go to <http://www.forrester.com/marketing/policies/integrity-policy.html>.

Endnotes

- ¹ Source: Forrester's Global Business Technographics® Priorities And Journey Survey, 2016.
- ² For further reading on how to create and operationalize customer obsession, see the "[The Operating Model For Customer Obsession](#)" Forrester report.
- ³ Post-digital marketers are deft, agile, and dexterous, and they represent the characteristics central to Forrester's customer-obsessed operating model. To learn more, see the "[Thriving In A Post-Digital World](#)" Forrester report.
- ⁴ For guidance on how to effectively structure your team for email marketing success, see the "[Brief: How To Organize For Email Marketing](#)" Forrester report.
- ⁵ Source: Forrester's Q2 2016 Global Email Marketing Services Forrester Wave™ Customer Reference Phone/Online Survey.
- ⁶ One privately held vendor in this study updated its revenue information late in the research process and stated that less than \$60 million was realized from email services. Forrester kept it in the study as the difference in revenue from the threshold was not significant enough to warrant exclusion, the vendor met all the other inclusion criteria, and the vendor is regularly in our clients' consideration set.

We work with business and technology leaders to develop customer-obsessed strategies that drive growth.

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