

# Email Marketing Trends 2003

A study by Arial Software



[www.arialsoftware.com](http://www.arialsoftware.com)

[info@arialsoftware.com](mailto:info@arialsoftware.com)

520-615-1954

# Introduction

This study assesses marketing activity trends and applications of organizations engaged in email marketing.

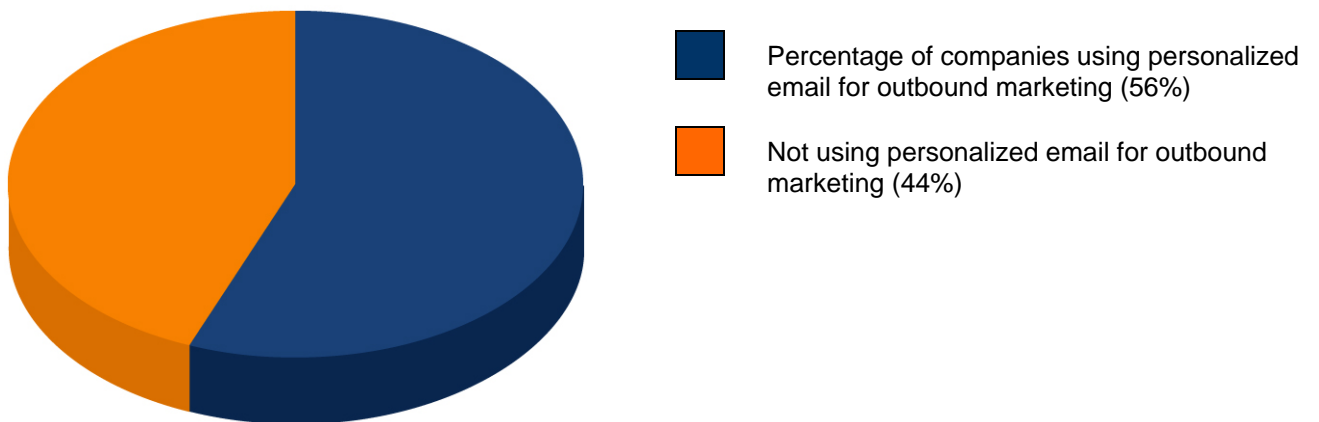
This study uses data from 120 of Arial Software customers, representing a cross-section of national and international companies currently engaged in email marketing campaigns. The types of participating organizations include:

- Private and publicly-held commercial firms
- Educational institutions
- Government sector offices and departments
- Information publishers
- Non-profit firms

Data was gathered via direct survey of Arial customers. A total of 120 respondents provided answers to a list of questions either directly over the telephone or via email.

# Study Results

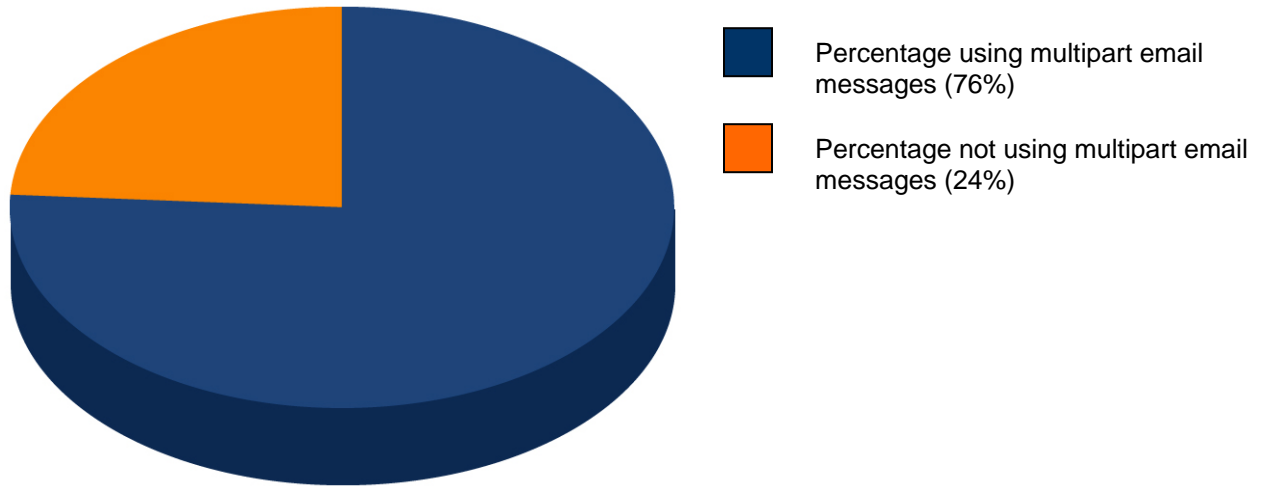
1. Of the number of respondents to the survey, 56% reported they are currently personalizing their outbound email. Those customers not currently personalizing outbound email is 44% (see Figure 1).



**Figure 1. Company use of personalized outbound email messages.**

*Source: Arial Software, 2003*

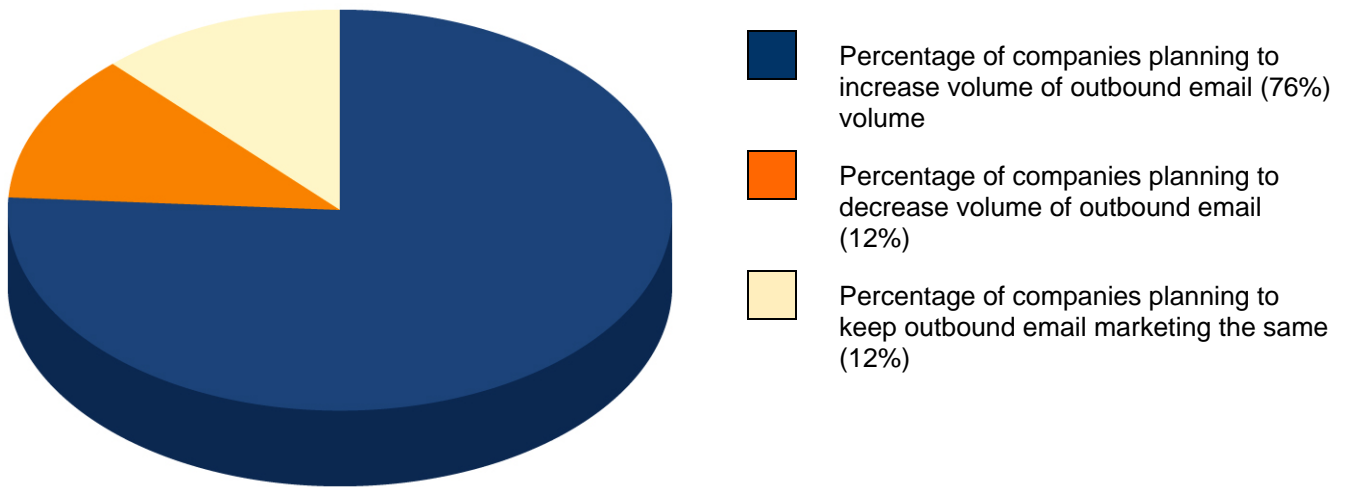
2. More than three-fourths of the respondents to the survey—76%—reported using multipart messages, defined as email utilizing both plain text and HTML formatting (see Figure 2). This indicates a strong preference for this model amongst companies which use email as a marketing tool.



**Figure 2. Multipart email message use by companies.**

*Source: Arial Software, 2003*

3. Of study respondents, 76% reported they are planning to increase their email marketing volume in 2003, while 12% reported they will decrease outbound email volume (see Figure 3). This indicates a strong expectation among companies conducting email marketing campaigns of a steady increase in the number of email subscribers, customers, online members and readers they will reach through 2003.



**Figure 3. Company outbound email volume projections, 2003.**

*Source: Arial Software, 2003*

## Other Trends

- Companies, institutes and organizations engaged in email marketing campaigns send an average of 45,000 emails per month.
- Government offices are increasing reliance on email marketing in 2003, as compared to 2002.
- Non-profits are also increasing their reliance on email marketing in 2003, as compared to 2002. The primary reason reported is savings on bulk-mail postage.

**Firms are increasingly relying on multi-channel marketing—defined as combining email marketing campaigns with other methods—to accomplish their individual marketing goals:**

- 50% use email channel with website offers or promotions
- 40% use email channel with print media advertising
- 30% use email channel with direct mail
- 10% use email channel with retail solicitations or campaigns

**Firms also reported an increase in their sensitivity in 2003 to email marketing recipients in the following ways:**

- Curtailing the frequency of outbound emails, to avoid over-mailing recipients.
- Segmenting email messages to subsets of the recipient database, to provide higher message relevancy.
- Increase the image recognition of outbound emails with logos or graphics.
- Increasing the look and feel of the content and layout of outbound emails, by utilizing more sophisticated, in-house designs.
- Enhancing HTML message compatibility for America Online (AOL) email clients.
- Including an unsubscribe functionality in all outbound emails.
- Providing hyperlinks to individual company privacy policies.
- Avoiding sending emails to lists obtained from outside sources.

# Summary

Overall indications of this study suggest that of the companies engaging in email marketing campaigns, the vast majority are expecting to increase existing outbound email volumes this year. Multipart or dual-formatted email messages are currently the most frequently used format, and increases in domestic bulk postage rates continue to drive enhancement of existing email campaigns as cost-effective communications channels for companies.

Organizations are reporting an increase in their sensitivity to the needs of their recipients, possibly due to their desire to differentiate their email messaging from Spam, defined as unsolicited or undesirable email. Further, organizations are now increasingly combining email marketing with other media channels—referred to as multi-channel marketing—in order to leverage more effective results.

These data indicate that email marketing remains a healthy industry, with strong growth projected through 2003. This conclusion is consistent with email marketing growth expectations published by various industry reporting agencies and organizations, including Jupiter Research, Forrester Research, the U.S. Department of Commerce and the Direct Marketing Association.



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