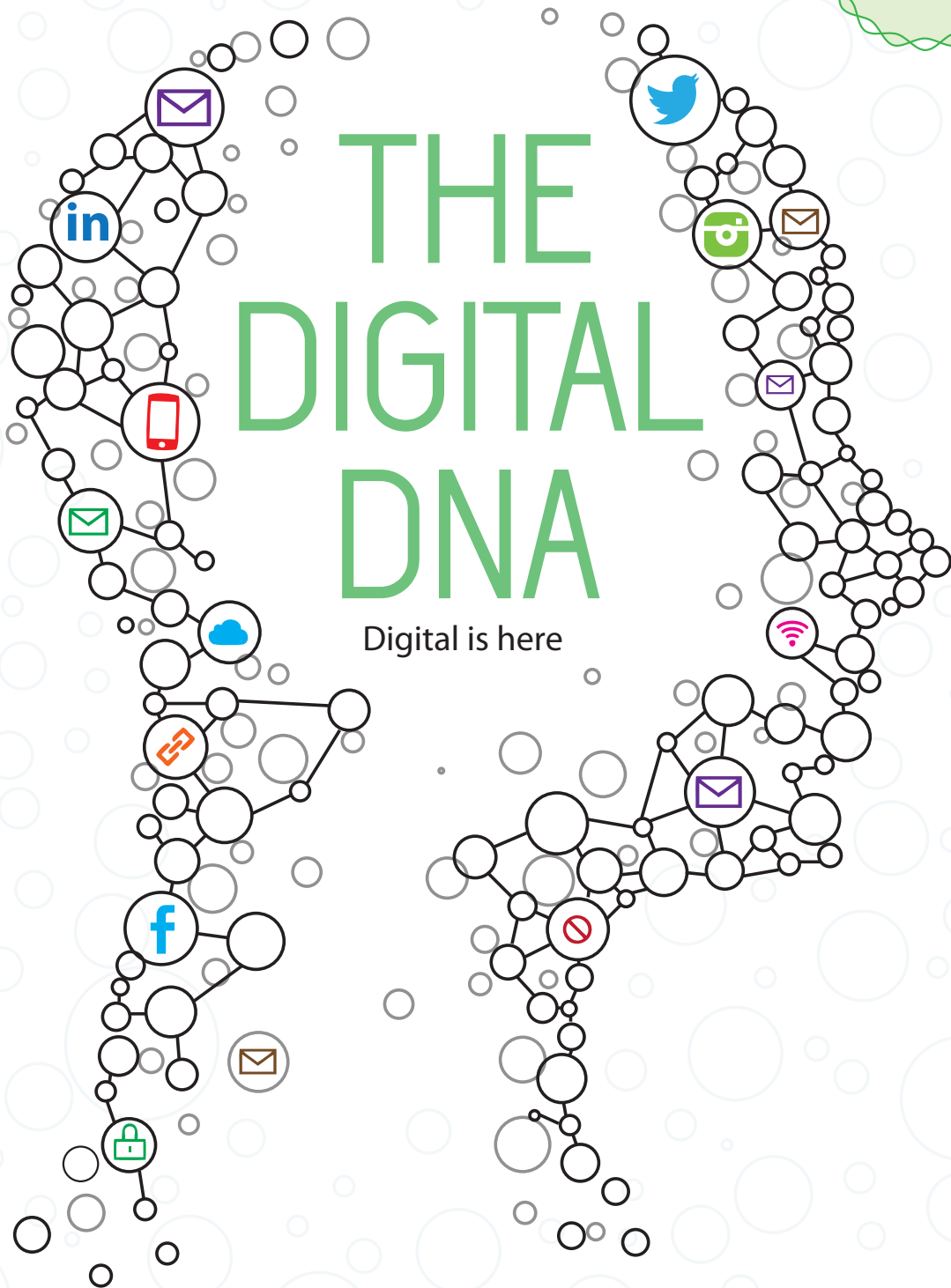5th
Annual

THE DIGITAL DNA

Digital is here

State of e-Marketing India 2015

Contents ═══════

INTRODUCTION
e-Marketing Outlook for India 2015

The Digital DNA

The last 5 years have been a great journey for India in reference to online growth. The online users in India doubled from 120 million users in 2011 to 278 million users in 2014. Mobile also showed remarkable advancement with 900 million mobile connections and 220 million smartphone shipments in India in 2014.

I am glad to share with you that this research report is our fifth in a row Annual 'State of e-Marketing India' Study. I would like to express my gratitude towards the 465 marketers who put in their efforts and time and shared their insights and ideas with us. Also, I thank our partners DMAi, RAI and IAMAI for their support, facilitating us in extending our reach for this study.

This edition 'The Digital DNA' is divided into 3 parts that creates the Voice of India Marketers (#VoIM). This study has trending data, on how online marketing space in India has evolved from 2011 to 2015. The study also seeds in newer insights that online marketing has seen in 2014. The last part of the research study tracks how Digital 1:1 Marketing (Email & SMS) has changed and how digital marketers in India are leveraging it.

We hope this industry research report will create conversations in your organization - on the role of technology in marketing, importance of content marketing and the rise of digital 1:1 marketing (Email & SMS) etc...

It's been our sincere effort to make our research relevant to the needs of India marketers across industry sectors. I would love to hear your feedback on this edition of the annual study.

Sincerely,

Digvijay Bhandari
Co-Founder and CEO
Octane Marketing
digvijay@octane.in

For the previous editions of the report and other digital marketing research projects,
please visit octaneresearch.in

Expert Comment

Was 2014 the year where Indian Businesses spent more to do less?

With a whopping 220 million smartphones 2014 was the year of digitally embraced India. The general elections were fought on the digital turf. This happened as India has become a mobile country with 42% of India online population is online via their mobiles and a whopping 75% of the online rural population is online using their mobile devices. Perhaps true cost of contesting elections came down significantly for politicians who embraced the digital India.
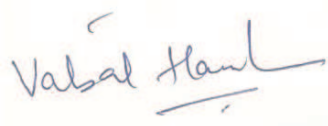
Contrary, as corporations clamour to get new customers, the astonishing find from this report is about how it takes almost 5 times traditional advertising dollar to get same impact as on digital e-marketing. Just 15% of marketing budgets are towards e-marketing. Did businesses spend more to get less? Perhaps, as most of the money was spent on traditional media to acquire new customers online. India has seen a great push in e-commerce! Today the India e-commerce industry has seen 77% growth from last year and a lot of growth is coming from Tier II & Tier III cities. The e-commerce market is now estimated to be of USD 3 billion.

This edition 'The Digital DNA' has trending data, on how online marketing space in India has evolved from 2011 to 2015. The study also seeds in newer insights that online marketing has seen in the last year.

As the industry remains in a dynamic environment this report is, the only India centric comprehensive study, on trends, budget, channels and technologies impacting e-marketing in India that will help you stay a step ahead in the race.

We at DMAi are glad to be partners to this research effort with Octane for the second straight year and wish you a prosperous 2015.

Best Regards,

Vatsal Asher
CEO
Digital Marketing Association of India (DMAi)

Introduction

The Digital DNA: State of e-Marketing in India 2015

Digital is here.

The year 2014 saw a growth curve in the India online space – a new government, a new leader and a boom in internet users. Taking India online as a wheel of India's future, we saw the India online population reaching 278 million users and a 44% increase in computer literacy in 2014 (IAMAI and IMRB, October 2014). A 33% increase was seen in rural population online, now at 61 million users. People are accessing internet in their local languages – with 21% of online users accessing internet in Hindi; followed by Tamil at 13%, Marathi at 12%, Oriya at 9% and Telugu at 3%.

India is a mobile country and it is growing mobile by the day, with 42% of India users online via their mobiles and a whopping 75% of the rural users online using their mobile devices. Companies like Make My Trip and Expedia reporting over 30% of their revenues generated via their mobile presence.

With Email Marketing in focus, marketers saw two big changes – Firstly, Gmail making FBL and Unsubscribe link mandatory. In addition to this Gmail also launched Action Buttons. Secondly, Yahoo! made a stricter DMARC policy routing campaigns to spam, when sender name is a Yahoo! domain.

India saw a great push in e-commerce! Today, with players like Snapdeal, Flipkart and Myntra the India e-commerce has seen 77% growth from last year and now stands at USD 3 billion. IRCTC ramped up their sales to 10,000 tickets booked in a minute from 2,000 tickets booked per minute in 2012, clocking a 500% growth. In a recent study by Google India (November 2014), it is estimated that the Indian e-commerce industry will reach USD 15 billion by 2017. Similarly, a McKinsey report forecasts that Indian Digital BFSI industry will reach USD 70 billion in 2020 (from USD 8 billion in 2014).

The future of Digital India looks promising with Government of India's 'India Digital Plan' 2019. The plan promises that 250k villages in India will have internet, all public places to have Wi-Fi and every Indian to have a smartphone device by 2019.

In 2010 India started its journey majorly towards digital marketing, this research study brings to you trending data on how online marketing in India has changed since and new insights for 2015. The study will also reflect upon how Digital 1:1 marketing (Email & SMS) is growing rapidly to take a centre stage with India marketers in terms of delivering ROI.

Octane's Top 8 Research Highlights

1. Customer acquisition still remains the primary marketing goal for all marketers. However, we see an increase in votes for Customer Retention that saw an 80% increase since 2011. On the contrary, Brand Awareness dropped by 32% in 2015, despite a steady growth from 2011 to 2014.

Page 14

2. The impact of integrated campaigns increased by 84% from 31% in 2011 to 57% in 2015. With 54% Travel marketers and 69% BFSI marketers leveraging the most from these types of campaigns.

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3. Surprisingly, for 72% India marketers 'Websites' is the primary e-marketing activity in 2014. However, Retail & e-commerce and Travel sector the primary e-marketing activity is 'Email Marketing'.

Page 18

4. Content Marketing is earning its place with India marketers. 61% marketers believe 'Blogs and Newsletter' is the most effective content marketing tool. However for Education (63%), Retail & e-commerce (71%) and Travel (55%) sectors, Social Media acts like a more robust tool for content marketing.

Page 20

5. 'Reaching out to target audiences' is the biggest Email Marketing challenge India marketers faced in 2014, with 51% marketers agreeing to this statement. However, 60% of BFSI factors believe 'inadequate segmentation' was a bigger issue for them.

Page 24

6. 'Frequency/ volumes of sending' is the most important factor that will impact Inbox Deliverability in 2015, replacing 'content' as the primary factor since 2011. 'Sender Reputation' is a growing concern for marketers, with 66% increase the last 5 years (36% in 2015 vs 21% in 2011).

Page 28

7. 100% of large companies (5000+ crores turnover) find behavioural targeting effective and the number of retail marketers that think behavioural targeting has brought significant change to their campaigns have increased by 24% (77% in 2015 vs 62% in 2014).

Page 29

8. 33% India marketers think that over 50% of emails are viewed on mobile devices, seeing a YoY growth of 25%. BFSI sector is on the forefront with 39% BFSI marketers' reporting the same.

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Research Methodology

The 2015 issue of Octane's Annual State of e-Marketing Study reached out to India marketers via online links, offline forms and face to face meetings. In addition to this, for the first time Octane collaborated with Industry Associations - DMAi (Direct Marketing Association of India), RAI (Retailers Association of India) and IAMAI (Internet and Mobile Association of India), who spread the word about the e-Marketing study that resulted in a greater participation. This effort resulted into an active participation of 465 marketers from 399 companies. Such extensive support from the marketing community makes 'The Annual India e-Marketing Report 2015 – The Digital DNA' is the largest B2B research of its kind in India.

This report celebrates the 5 years of India online and five year of Octane's Annual e-Marketing study. The report is divided into 3 parts –

1. How India marketers saw Online Marketing grow from 2011 to 2014 and how they forecast 2015. The trending data shows how email, mobile, social and web has changed year-on-year.

2. The report also explores new insights of Online Marketing specific to 2014.

3. How Digital 1:1 marketing (Email & Mobile) has changed in India from 2011 – 2014 and how is it forecasted for 2015.

We modelled the survey questions on the following lines:

○ How effectively companies in India use e-Marketing tools

○ Broad marketing goals and to what extent e-marketing helps in achieving these goals

○ E-marketing budgets and the Return on Investment (ROI) given by e-marketing practices

○ The importance of mobile (Smartphones/Tablets/Apps) in the marketing plans

○ Content is king, however, how do India marketers deploy Content Marketing online

○ Which Social Media tools help gather maximum customer attention

○ Which are the steps being deployed to make email and SMS marketing more effective

Research Participants' Profile

The Annual India e-Marketing Outlook study attracts industry professionals (CEOs, CMOs, Founders, Directors, Marketing Heads and Marketing Managers), who share their insights and ideas about the future of Online Marketing in India. This 2015 study has seen an active participation from 465+ marketers from 399 companies across India with 31% respondents from top level management.

Some of the industries that we covered during the research (and their participation percentage) are:

2%	Automobile	15%	Services and Consultancy
9%	Media and Entertainment	25%	IT
9%	BFSI	2%	Telecom
2%	Real Estate	2%	Manufacturing
6%	Education	6%	Travel
9%	Retail and Distribution	3%	E-Commerce
2%	Health and Pharma	3%	Online / Digital Marketing
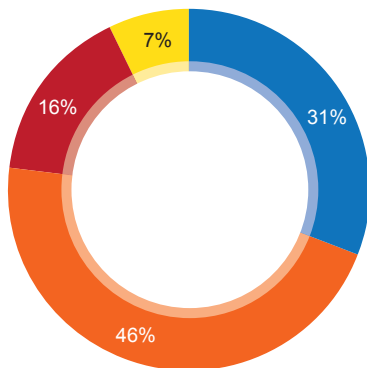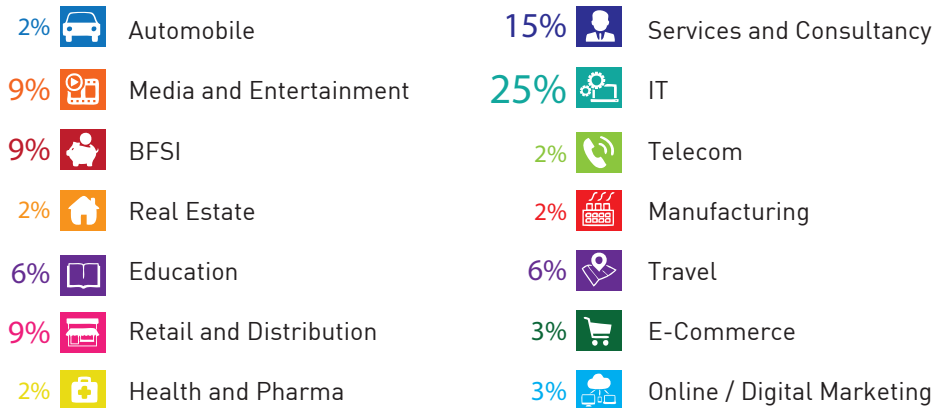
Management Level
- Top Level
- Mid Level
- Junior Level
- Others

31% • 46% • 16% • 7%
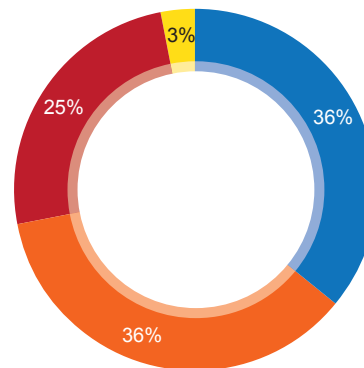
Region wise participation
- North
- West
- South
- East

36% • 36% • 25% • 3%

Select companies that participated in the research study:

3M India	Cisco Systems India	Gaadi.com **G**
99acres.com	Club Mahindra Holidays	Gati-KWE
A.O. Smith India **A**	CMC Limited	Genesis Burson-Marsteller
ABP India	Commercebay	Genesis Colors
ACC	Commonfloor.com	Getit Infoservices
Accenture	Concern India Foundation	Giftease.com
Adobe Systems India	CRISIL Ltd.	Google India
All India Radio	Dailyobjects.com **D**	GVK BIO
Amazon	DDB Mudra	Hansa Cequity **H**
Amdocs	Delhi Duty Free Services	Hyatt Hotels
American Express	Deloitte	Indiacircus.com **I**
American Swan	Department of Post, Govt of India	Indiamart.com
Amity University	Dr Reddy's Laboratories	ING Vysya Bank
Autoportal.com	Easypolicy.com **E**	Interactive Avenues
Avantha ERGO Life Insurance	Elephant Company Retail	ISB- Indian School of Business
AXA Business Services	EMC India	Ixigo.com
Barclays Bank **B**	Equitymaster	Jabong.com **J**
Bennett, Coleman and Co. Ltd	Ernst & Young LLP	Jet Airways
Bharti AXA General Insurance	Exide Life Insurance	JWT
Bharti AXA Life	EXL	Knight Frank **K**
BHEL	Extramarks Education	Kotak Securities
BNP Paribas	ezeego1.co.in	KPMG
Bookmycomfort.com	Ferns N Petals **F**	Kuoni
Boring Brands	Firstcry.com	L&T **L**
C. Krishniah Chetty & Sons **C**	Flipkart	Letsintern.com
Cafe Coffee Day	Franklin Templeton Investments	Loylty Rewardz
Canara HSBC OBC Life Insurance	Future E-commerce	Luxury Connect
Canara Robeco	Future Lifestyle Fashions Ltd	Mahindra Two Wheelers Ltd. **M**
Career Launcher Ltd	Future Retail Ltd	Market Cube LLC

Maruti Suzuki India Limited	Reliance Retail Ltd		The Park Hotels
MasterCard	Religare Securities		Theorem INDIA
Mercer India	Religare Wealth Management		Thomas Cook
Meritnation.com	Reprise Media		ThoughtBuzz
Michael Page India	Royal Bank of Scotland (RBS)		Time Inc.
Microsoft India	Sachar Gaming	**S**	Times Internet Limited
Milagrow	Seasons Mall		TomTom India
Moser Baer India	Shaadi.com		Travelguru.com
MRM McCANN	Sharekhan.com		TUV Rheinland
Mu Sigma Business Solutions	Shoppers Stop		Twelve FC
Musafir.com	Simplify360		Unicel Technologies **U**
Mydala.com	Skillhippo.com		Urja Communications
Myntra.com	Snapdeal.com		UTI Mutual Fund
Nando's **N**	Solutions - Razorfish		Vdopia Inc **V**
Naukri.com	Sprinklr Inc		Via.com
Networkplay Media	Star TV		Vodafone India
Oberoi Hotels and Resorts **O**	Sundaram Finance Limited		Volt
Parametric Technology Corp. **P**	Syntel Ltd		Wells Fargo **W**
PAYBACK	Talentedge	**T**	Wipro Ltd
Pearson Education	Talwalkars Fitness		Wizcraft Entertainment
PHDCCI	Tarsan MVAS		World Digital
PolicyBazaar.com	Tata Communications		Wunderman International
Power2SME.com	Tata Consultancy Services		Zeta Interactive **Z**
Printvenue.com	Tata Teleservices		Zibika Infotech
Prognosys Direct	Tech Mahindra		Zomato
Publicitas Digital	Tesco		
Quick Heal Technologies **Q**	The Chennai Silks		
Rediff.com **R**	The Indian Hotels Co. Ltd. (Taj Group)		
Reliance Industries Limited	The Leela Palaces Hotels & Resorts		

India eMarketing Trends
Trends
(2011-2014) + 2015 Forecast

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TRENDING DATA
(2011–2014)+2015 Forecast

1. Primary marketing goal:

Customer acquisition still remains the primary marketing goal for all India marketers. However, we see an increase in votes for Customer Retention that saw an 80% increase since 2011. On the contrary, Brand Awareness dropped by 32% in 2015, despite a steady growth from 2011 to 2014.

Category	2011	2012	2013	2014	2015
Customer acquisition	58%	55%	52%	51%	56%
Brand awareness	23%	25%	28%	29%	22%
Customer retention	11%	14%	17%	15%	20%
Others		4%	6%	3%	5%	8%

● 2011 ● 2012 ● 2013 ● 2014 ● 2015
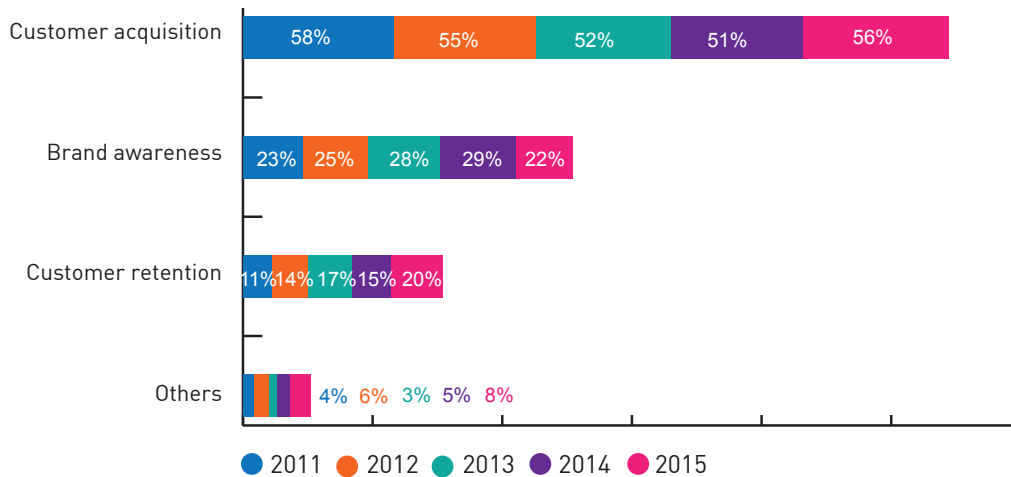
2. Revenue generated by e-Marketing:

23% marketers said that e-Marketing generates 30%+ of revenues for them. Interestingly, 20% of smaller business setups (<100 crores turnover) said that they generate 50%+ of their sales revenue with the help of their online marketing initiatives.

Category	2011	2012	2013	2014	2015
Less than 10%	40%	32%	42%	31%	36%
11% to 30%	25%	30%	26%	29%	23%
Never tracked	13%	15%	12%	7%	18%
31% to 50%	14%	13%	11%	19%	10%
51% to 75%	6%	8%	6%	7%	8%
Over 75%	2%	2%	3%	7%	5%

● 2011 ● 2012 ● 2013 ● 2014 ● 2015
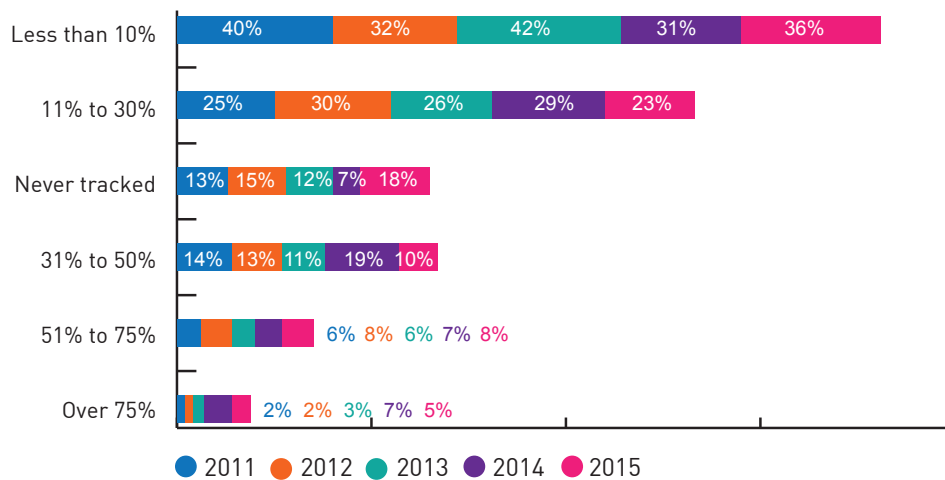
3. Online marketing activities that will see increase in investment:

For the past 5 years Social Media Marketing remains the most popular online marketing activity for India marketers. However, Email Marketing and Websites have seen an incredible growth when we compare 2011 to 2015 data. Surprisingly, webcasts and online videos have seen a remarkable growth as many marketers explore these mediums to maximise customer engagement.

Importance of Email Marketing grew 38% from 2011 to 2015.

	2011	2012	2013	2014	2015
Social media marketing	61%	69%	65%	68%	66%
Websites	34%	46%	37%	52%	61%
Email marketing	40%	53%	57%	59%	55%
Search marketing	43%	42%	51%	50%	49%
Online videos	16%	16%	25%	23%	30%
Webcast				12% 11%	12% 8% 16%

● 2011 ● 2012 ● 2013 ● 2014 ● 2015
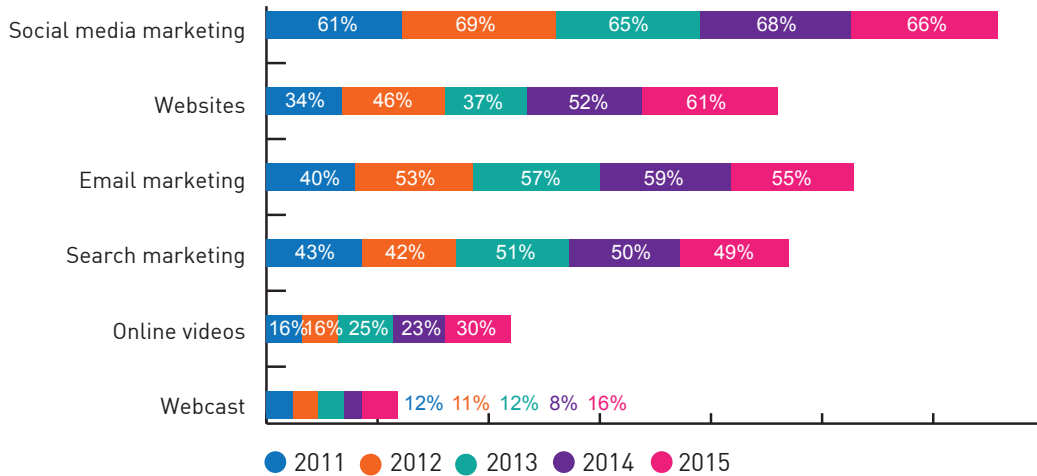
4. Impact of integrated campaigns:

Most marketers think that in 2015 integrated campaigns will lead to 'significant impact' on conversion rates, this shift saw an increase of 84% (57% in 2015 vs 31% in 2011) over the last 5 years.

Travel sector (67% in 2015 vs 54% in 2014) and BFSI sector (69% in 2015 vs 37% in 2014) marketers find integrated campaigns significantly impactful.

	2011	2012	2013	2014	2015
It can result in significant increase in conversion rates	31%	37%	49%	57%	57%
It can result in moderate increase in conversion rates	50%	50%	41%	32%	26%
Not sure		2%	6%	6% 7%	11%
I don't think it would make an impact		6%	6% 4%	4%	6%

● 2011 ● 2012 ● 2013 ● 2014 ● 2015
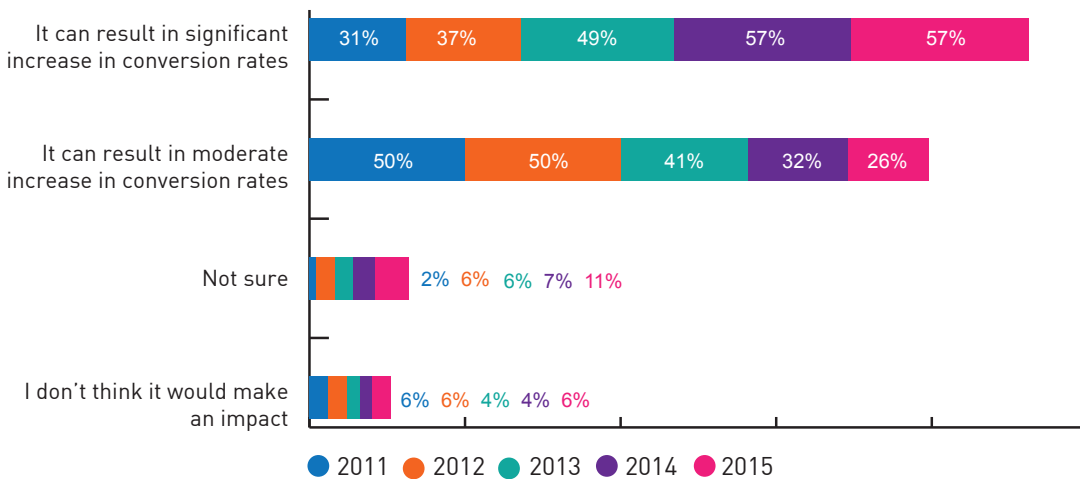
5. Maximising customer engagement:

The customer engagement trend is quite similar in the last 4 years with Email Marketing and Social Media Marketing being the top sources of customer engagement. It is also marked that 'blogs' as a customer engagement tool is rising with almost a 100% jump in last 2 years; the same applies for SMS Marketing.

Smaller organisations (<100 crores turnover) get maximum customer engagement from Email Marketing. On the contrast large enterprises (>5000 crores turnover) use Social Media Marketing for customer engagement.

Category	2012	2013	2014	2015
Social media marketing	36%	37%	35%	34%
Email marketing	39%	29%	35%	33%
Newsletters	10%	11%	10%	11%
SMS marketing	11%	10%	5%	10%
Blogs	4%	3%	5%	8%
Others	0%	10%	10%	4%

● 2012 ● 2013 ● 2014 ● 2015
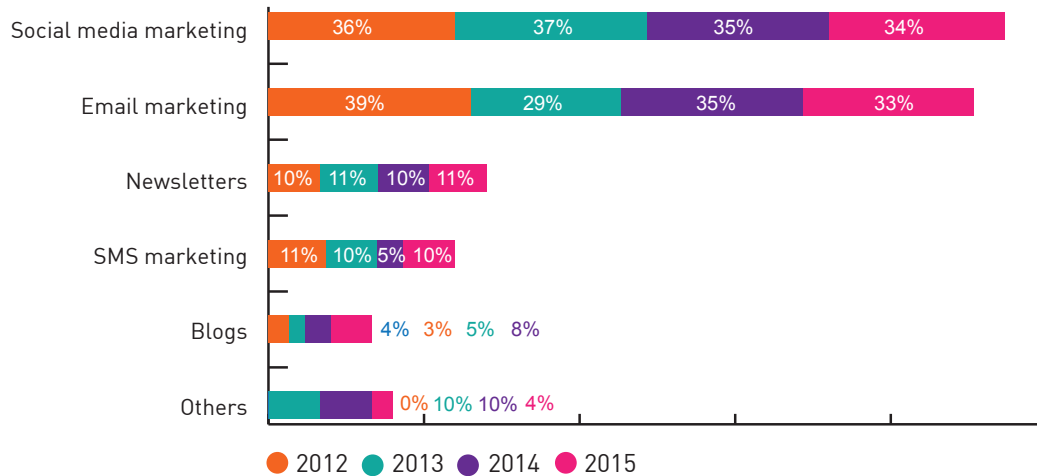
6. How do you keep track of your campaign success:

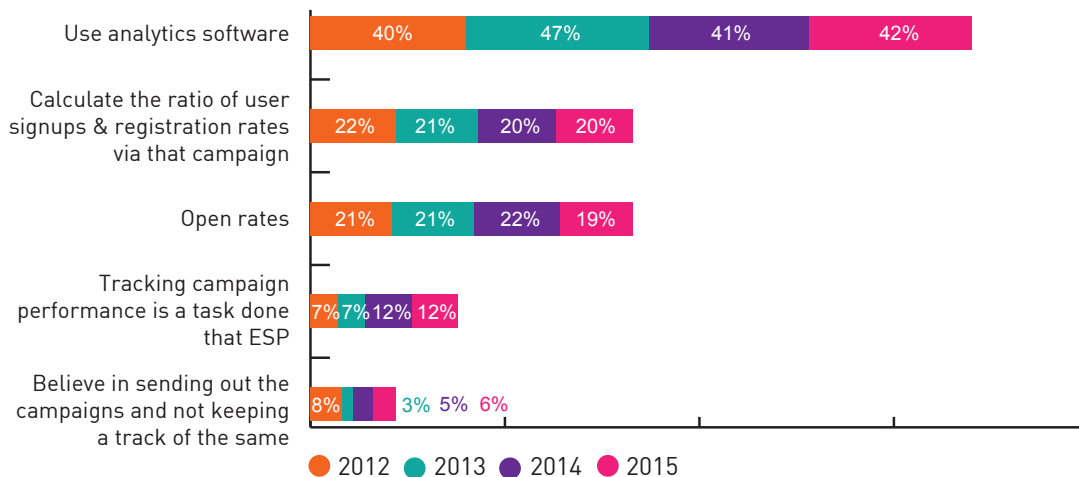It's evident that over the last 2 years marketers are getting more dependent upon their ESPs (Email Service Providers) for their campaign success. Here we see a growth of 70% (12% in 2015 vs 5% in 2012) over the last 4 years.

Category	2012	2013	2014	2015
Use analytics software	40%	47%	41%	42%
Calculate the ratio of user signups & registration rates via that campaign	22%	21%	20%	20%
Open rates	21%	21%	22%	19%
Tracking campaign performance is a task done that ESP	7%	7%	12%	12%
Believe in sending out the campaigns and not keeping a track of the same	8%	3%	5%	6%

● 2012 ● 2013 ● 2014 ● 2015

Insights: 2015

INSIGHTS: 2015

1. Leveraging new technology:

With online users growing in India (500 million users in India by 2017 - Google India), most marketers have realised the importance of digital technology in their daily marketing agendas. Therefore, 87% marketers are using technology to power-up their tracking and ROI.

However, larger companies are more tech savvy than smaller ones – with 30% more companies with 10000+ employees heavily use tech solutions to keep a tab on their marketing performance compared to companies with less than 500 employees.

Do you actively leverage new/trending technology solutions for your marketing activities?

- 44% ● Yes, we heavily use tech solutions for our marketing efforts
- 43% ● We use some tech technology for promotions & analytics
- 9% ● We use minimum technology for our marketing
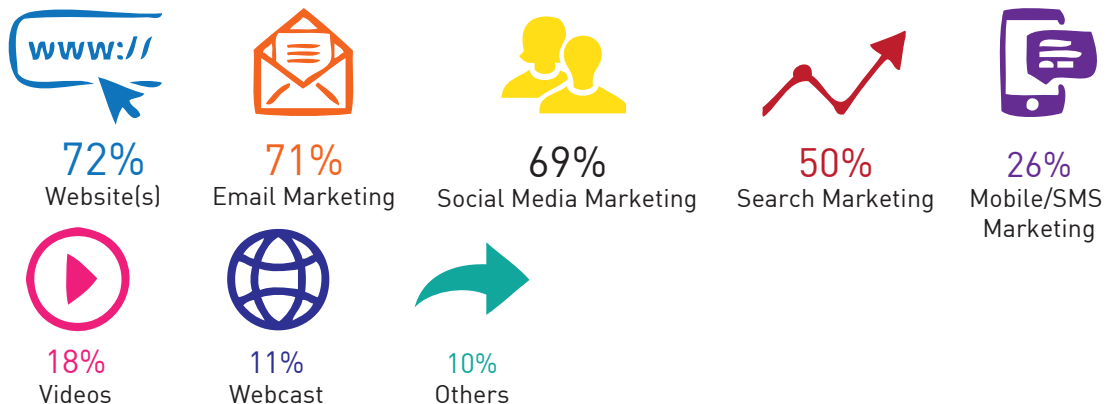- 4% ● We don't use tech solutions for our marketing

2. Primary e-Marketing activity in 2014:

When asked about their primary e-Marketing activity; surprisingly, many marketers voted for websites (72%). India being a mobile country, it is imperative for all companies to have mobile friendly communications and responsive websites is the very first step in this direction. This is followed by, Email Marketing (71%) and Social Media Marketing (69%) as primary e-Marketing activities.

This equation changes when we pivot the data sector wise with Retail & e-commerce (89%) and Travel & Tourism (83%) industry reporting Email as their primary marketing activity for 2014. On the other hand, larger organizations with 5000+ employees put in more efforts in their social media marketing initiatives with 83% votes.

Which of the following was your primary e-Marketing activity in 2014?

72%
Website(s)

71%
Email Marketing

69%
Social Media Marketing

50%
Search Marketing

26%
Mobile/SMS Marketing

18%
Videos

11%
Webcast

10%
Others

3. e-Marketing budget allocated in 2014:

Online Marketing is becoming popular with India marketers. Yet we saw that most marketers spent less than 30% of their marketing budgets on online marketing.

When we take a deep dive sector wise, we see that in the Travel and Tourism sector 25% of marketers put in over 50% of their marketing budgets in online marketing. For BFSI sector its 18% and for Retail and e-commerce its 15%. E-commerce sector in investing more money in traditional marketing like TV, Print and OOH, which impacts the budget they put aside for Online Marketing.

For this financial year, approximately what percentage of the marketing budget was allocated to e-Marketing activities?

- 🔵 Less than 10%
- 🟠 11% to 30%
- 🔴 31% to 50%
- 🟡 51% to 75%
- 🟣 Over 75%
- 🩷 Don't Know
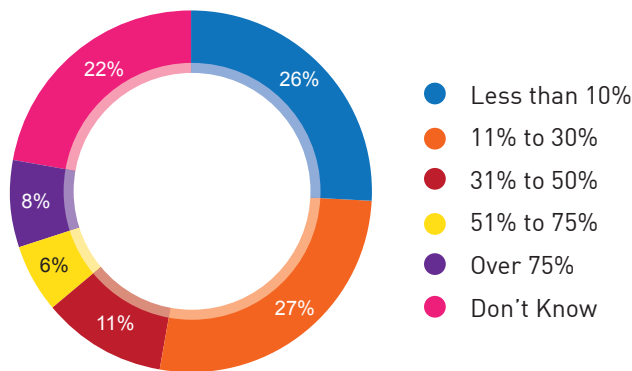
4. The importance of content marketing:

Content has got a new meaning with websites like Scoop Whoop and Mashable swarming the online space. As a result India marketers are investing more time and energy to create engaging content. 64% marketers agree that Content Marketing is a core ingredient for brand awareness and 56% saying it helps in engaging the audiences.

When pivoted for Travel and Tourism industry, a whopping 75% marketers think content helps in Brand Awareness. Clearly, Travel industry leads content driven marketing more than any other industry.

Content Marketing helps you in?
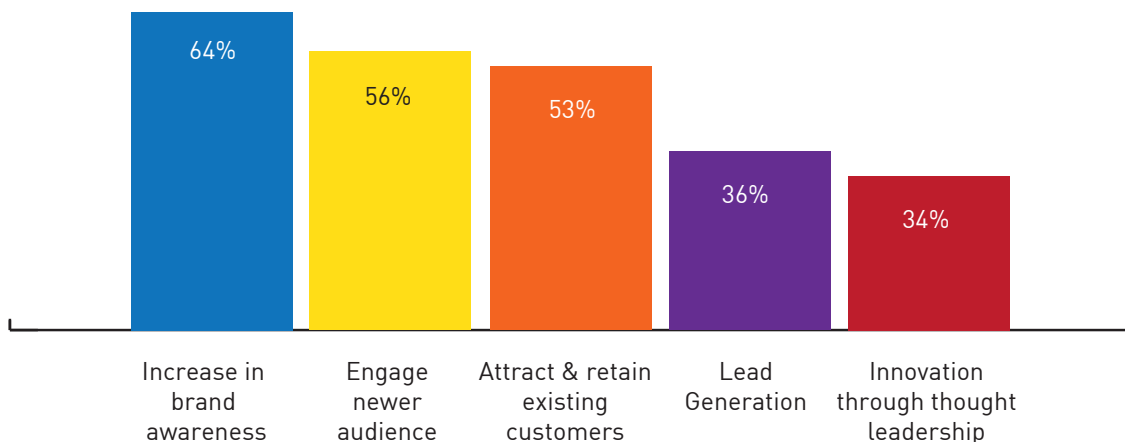
5. Effective content marketing tools:

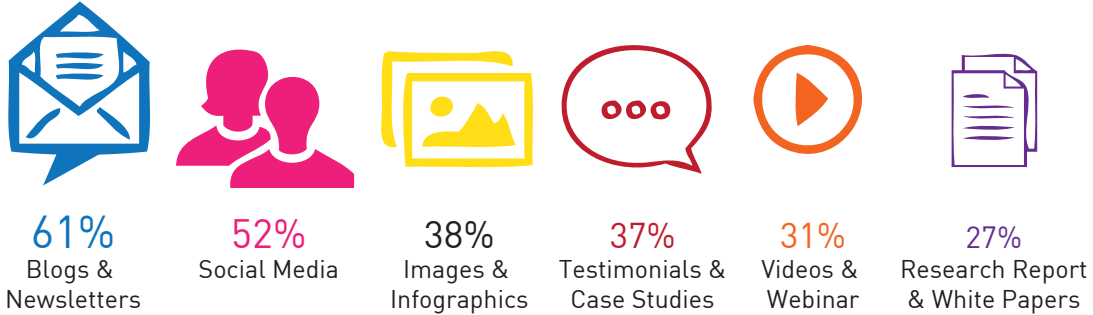With social media tools and infographics, content has got new platforms to engage audiences. Still 61% India marketers are true to the old fashioned Blogs and Newsletters for their content marketing initiatives. BFSI sector leads on this front with 63% votes.

3 industries - Education, Retail & e-commerce and Travel & Tourism chose social media as an effective tool for marketing giving 63%, 71% and 55% votes respectively.

How do you deploy content marketing you for your business?

61%	52%	38%	37%	31%	27%
Blogs & Newsletters	Social Media	Images & Infographics	Testimonials & Case Studies	Videos & Webinar	Research Report & White Papers

6. Benefit of social media in your marketing practices:

We clearly see that Social Media is a marketing tool that is majorly used for brand awareness, increased exposure and customer engagement.

However, only 24% marketers voted that Social media improves sales; this goes even lower to 15% for the BFSI Sector. On the contrary, 82% Retail and e-commerce marketers think that social media helps in engaging with customers.

How has social media marketing benefitted your marketing efforts?

Increased exposure	Engage with customers	Increase in traffic	Developed fan following	Generated leads	Improved search results	Reduced marketing expenses	Improved sales	Grown business partnership /alliance
74%	65%	52%	44%	40%	25%	24%	24%	17%
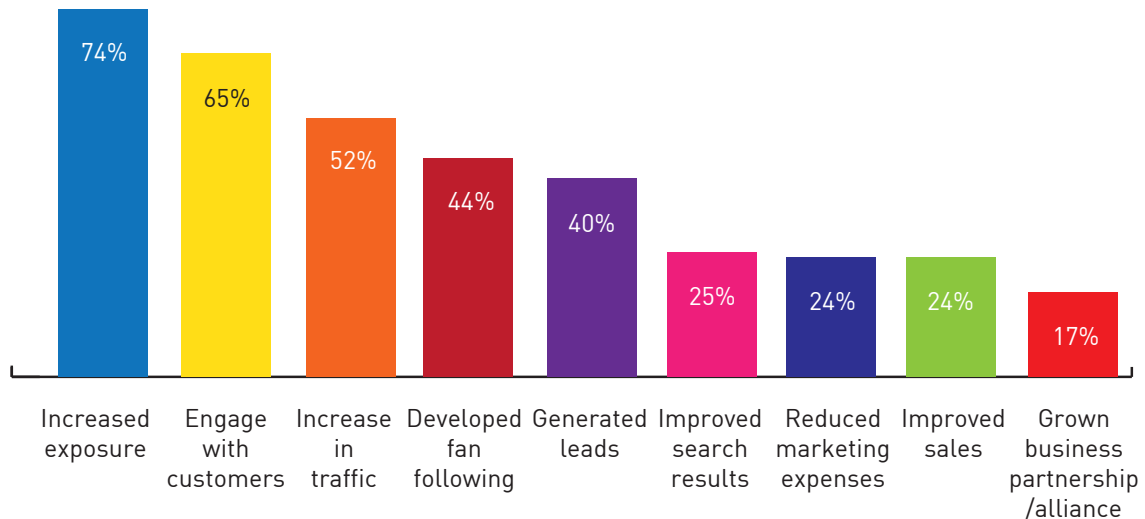
7. Social media integration tools used by marketers:

As you can see from the earlier analysis 74% of marketers said that social media helps in increasing exposure, therefore, it is understandable marketers are always looking for ways to integrate social media in every form of communication. Marketers majorly use 'placing a link to each message on social media pages' and 'place follow links in email messages'.

However, 'Add sign-up forms on Facebook fan page' works better for 62% marketers from the Travel and Tourism industry. The other things that marketers do to utilise social media is 'incentivize social sharing' and give an option of 'refer to a friend'.

Do you plan to use any of the following social media integration tools?

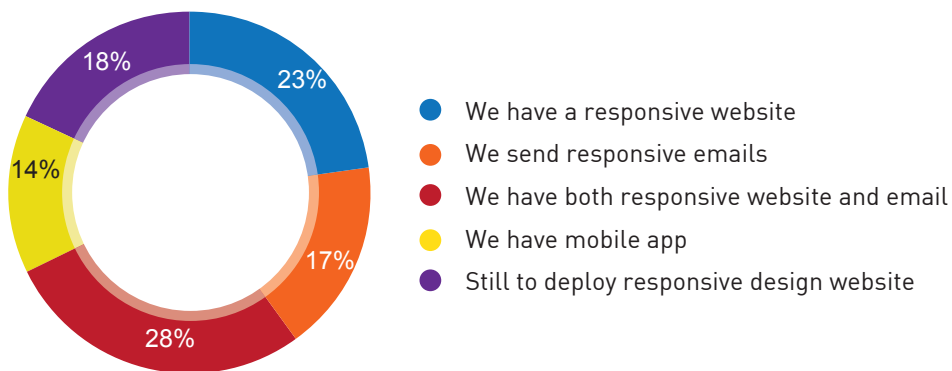| 53%	51%	44%	33%	17%	4%
Place a link to each message on social media pages	Place 'follow us' links in email messages	Include social share options in email message	Add 'sign-up' forms on Facebook fan pages	None	Others
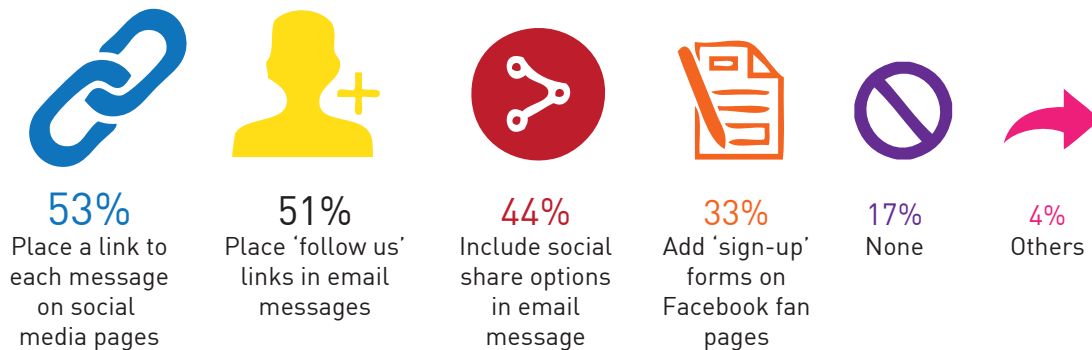
8. Mobile marketing strategy:

Government of India's 'India Digital Plan' promises that by 2019, everyone in India will have a smartphone. To reach to a larger consumer base, marketers have to start working towards a marketing plan that is smartphone friendly. Therefore, it doesn't come as a surprise to see that almost all India marketers have a mobile marketing strategy in place.

However, 32% large enterprises (10000+ employees) are leading on the mobile app front, in comparison to the all up data that states only 14% companies have a mobile app.

With the arrival of smartphones, apps and email on the go, has your Email marketing strategy adapted to the change?

- 23% We have a responsive website
- 17% We send responsive emails
- 28% We have both responsive website and email
- 14% We have mobile app
- 18% Still to deploy responsive design website

9. Plan to increase e-Marketing budget:

A good 21% of companies in India will increase their e-Marketing budget by 21% and above. Looking at sector wise data we see BFSI at 30% and Travel at 37% are front runners who will increase over 21% investment on their online marketing activities.
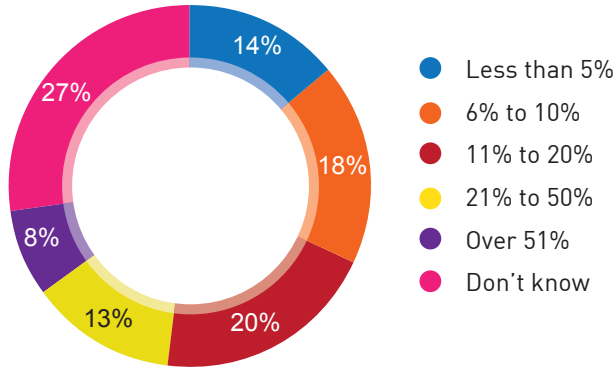
- ● Less than 5%
- ● 6% to 10%
- ● 11% to 20%
- ● 21% to 50%
- ● Over 51%
- ● Don't know

14%
18%
27%
8%
13%
20%

= Digital 1:1 Marketing =
Trends
(Email & SMS)

Octane Research, January 2015

EMAIL MARKETING – NEW INSIGHTS (2015)

1. How often do you send email marketing campaigns:

Renowned media columnist David Carr wrote "Email newsletters, an old-school artefact of the web that was supposed to die along with dial-up connections, are not only still around, but very much on the march." (NY Times, June 2014)

India marketers also agree with this statement as a massive 59% of marketers send at-least one email every week. This reinforces that email is an important Digital 1:1 direct medium of communication and it is here to stay.

> Breaking down the data further we found out that 29% of Retail marketers and 31% of marketers from the education industry send emails daily. However, 44% of large organization with 5000+ crore turnover send email campaigns at least once a week.

How often do you send Email/SMS campaigns?

- Daily — 24%
- Once a week — 27%
- Thrice a week — 8%
- Once a month — 15%
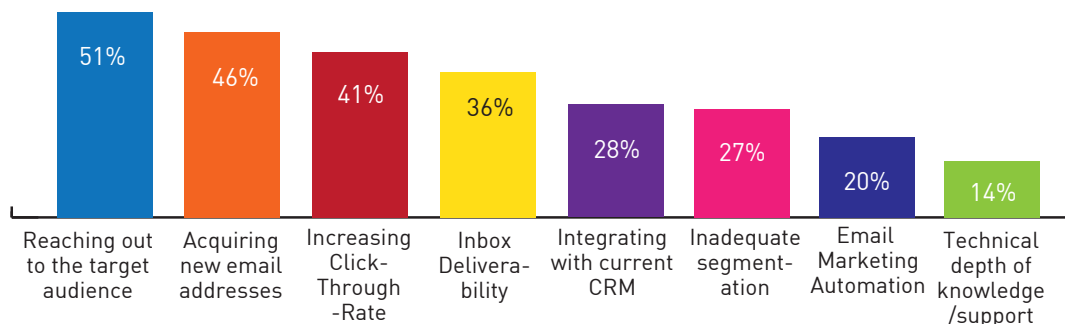- Bi-Monthly — 17%
- Other — 9%
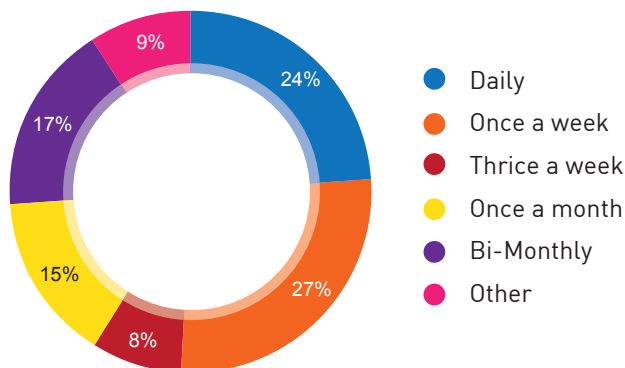
2. Biggest challenges India marketers saw in email marketing in 2014:

'Reaching out to the target audience' is the biggest challenge marketers face in email marketing (seen an increase of 19% from last year - 51% in 2015 vs 43% in 2014), with 'acquiring new email ids' coming in at number two.

> However, the data sees a twist with the BFSI sector as 60% of BFSI marketers face issues with 'Inadequate Segmentation' of their data and 47% marketers of large organizations (5000-10000 employees strength) express concerns with insufficient 'integration with the CRM' creating issues in their email marketing initiatives.

What were the biggest challenges with your 2014 email marketing programs?

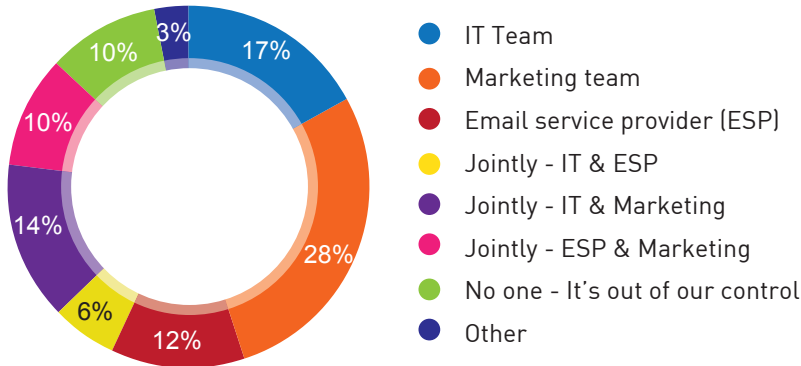| Challenge	Percentage
Reaching out to the target audience	51%
Acquiring new email addresses	46%
Increasing Click-Through-Rate	41%
Inbox Deliverability	36%
Integrating with current CRM	28%
Inadequate segmentation	27%
Email Marketing Automation	20%
Technical depth of knowledge/support	14%

3. Who Makes your email marketing reach the inbox:

The work load of India marketers is building up day by day as companies are relying on them more to make sure that all campaigns reach in the inbox, with 28% marketers depending on their own teams for inbox deliverability. Similarly, 28% companies depend upon ESPs like octane.in for both independent and joint efforts to make sure email reaches the inbox.

24% BFSI marketers depend upon ESPs (double the all up data) for email deliverability and 27% large enterprises (with 10000+ employees) depend upon the IT Team for the same.

Who makes sure your email messages reach the mailbox?

- IT Team — 17%
- Marketing team — 28%
- Email service provider (ESP) — 12%
- Jointly - IT & ESP — 6%
- Jointly - IT & Marketing — 14%
- Jointly - ESP & Marketing — 10%
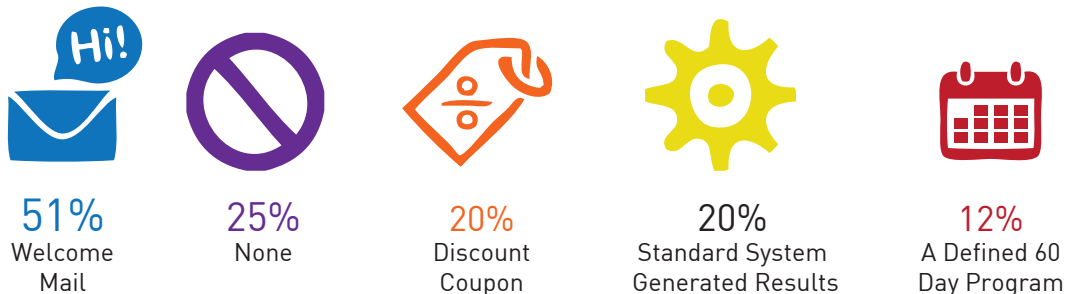- No one - It's out of our control — 10%
- Other — 3%

4. Special programs deployed for sign-ups:

A well-drafted welcome program for new subscribers has a direct and long term impact on campaign success i.e. open and click through rates.

50% India marketers send automated welcome email to their new sign-ups. 25% marketers don't even have a sign-up program, which is alarming.

Deploying a 'defined 60 day program' doesn't seem noteworthy for many marketers. However, 23% bigger enterprises (5000+ crores) deploy 60 day defined welcome programs, which is 130% more than smaller companies (<100 crores) with 10% votes.
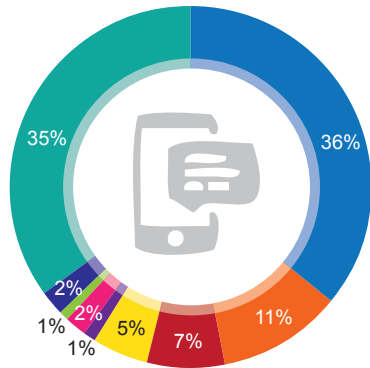
What special program do you have for new signups/registrations?

| 51% Welcome Mail | 25% None | 20% Discount Coupon | 20% Standard System Generated Results | 12% A Defined 60 Day Program |

5. SMS and email volumes sent:

Email is becoming the new favourite of marketers as SMS faces DND issues and stricter TRAI regulations. Hence, 49% of marketers are using email as a tool effectively with sending over 50,000 emails monthly. However, SMS is lagging behind with below 30% marketers using SMS as a marketing tool. BFSI and Retail & e-commerce are sending a lot of email campaigns with 32% and 28% marketers sending over 1 million emails per month (respectively); with 14% of e-Tail marketers (a subset of e-commerce marketers) sending 10 million+ emails every month.

What would be the approximate total volume of SMS being sent by your company monthly?

What would be the approximate total volume of Emails (promotional and transactional) being sent by your company monthly?

SMS	Email
36%	30%
35%	21%
11%	16%
7%	7%
5%	6%
2%	6%
2%	6%
1%	2%
1%	

- ● <50,000 sms
- ● 50,001 to 150,000 sms
- ● 150,001 to 300,000 sms
- ● 300,001 to 600,000 sms
- ● 600,001 to 1,000,000 sms
- ● 1,000,001 to 5,000,000 sms
- ● 5,000,001 to 10,000,000 sms
- ● >10,000,000 sms
- ● Don't know
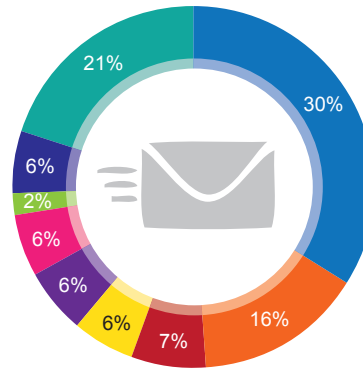
- ● <50,000 emails
- ● 50,001 to 150,000 emails
- ● 150,001 to 300,000 emails
- ● 300,001 to 600,000 emails
- ● 600,001 to 1,000,000 emails
- ● 1,000,001 to 5,000,000 emails
- ● 5,000,001 to 10,000,000 emails
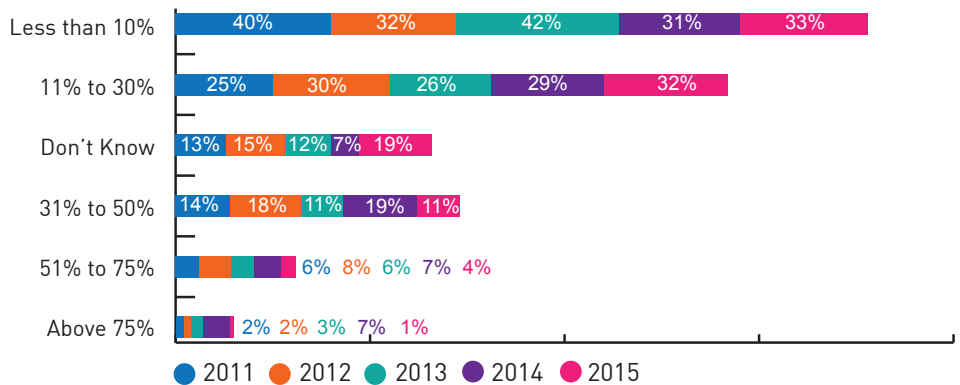- ● >10,000,000 emails
- ● Don't know

EMAIL MARKETING TRENDING DATA
(2011-2014)+2015 Forecast

1. Online budget for email marketing:

The reach of Email Marketing is vast, with 4.1 billion email accounts worldwide i.e. 200% times more than the worldwide Facebook users. According to the AIMIA 2014 Loyalty Study, when asked about the activities that lead to maximum engagement, 45% Indian consumer responded to 'Email offers', which is 300% times more than US consumers (15%).

> The year-on-year trending data shows that maximum marketers want to increase the email marketing budget by 11% to 30%.

Category	2011	2012	2013	2014	2015
Less than 10%	40%	32%	42%	31%	33%
11% to 30%	25%	30%	26%	29%	32%
Don't Know	13%	15%	12%	7%	19%
31% to 50%	14%	18%	11%	19%	11%
51% to 75%			6%	8%	6%	7%	4%
Above 75%			2%	2%	3%	7%	1%

● 2011 ● 2012 ● 2013 ● 2014 ● 2015

2. Effectiveness of email marketing:

51% marketers find Email Marketing effective for their business.

> There is a positive decline of 30% in marketers finding email marketing 'not effective' (7% in 2015 vs 10% in 2011). The YoY data analysis also shows that Education and Travel & Tourism industry has seen a shift from 'somewhat effective' to 'effective'.

Category	2011	2012	2013	2014	2015
Somewhat effective	42%	33%	38%	36%	38%
Effective	35%	46%	46%	42%	36%
Very effective	16%	17%	42%	14%	16%
Not at all effective	7%	4%	4%	6%	10%

● 2011 ● 2012 ● 2013 ● 2014 ● 2015
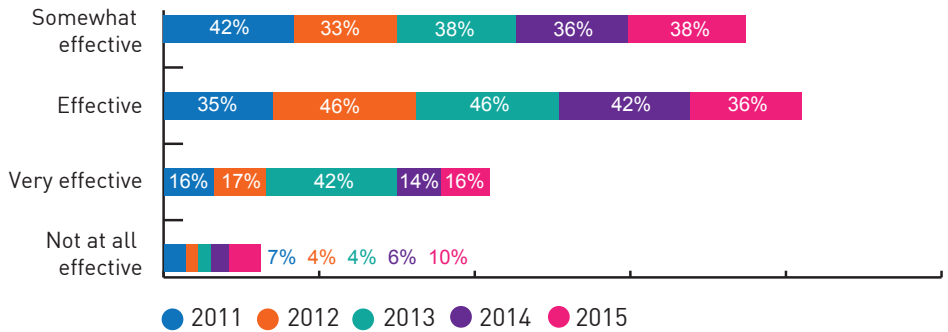
3. Top factors impacting inbox deliverability rate:

In the last 5 years we saw that the top 3 factors that impact inbox deliverability are the same - content, frequency of sending emails and sender reputation.

However, we have seen the shift from 'content' to 'frequency/volume of sending' becoming the top factor that impacts inbox deliverability. This is true for BFSI sector (Content – 37% in 2015 vs 63% in 2014 and Frequency of sending - 58% in 2015 vs 44% in 2014) and Retail sector (Content – 50% in 2015 vs 55% in 2014 and Frequency of sending - 60% in 2015 vs 46% in 2014).
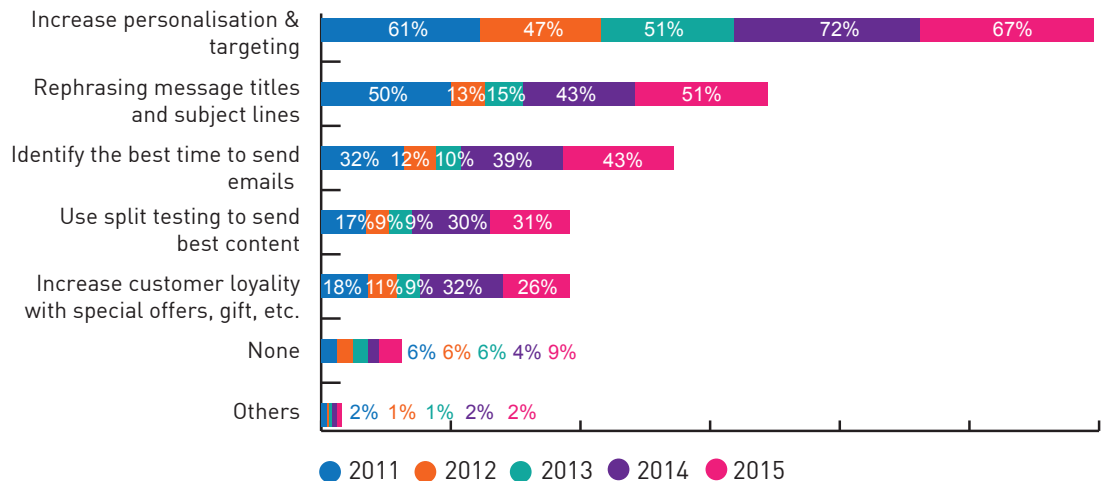
Factor	2011	2012	2013	2014	2015
Frequency/Volume of sending	45%	42%	47%	46%	
Content	41%	50%	58%	50%	
Blacklists, Sender reputation	21%	37%	37%	34%	36%
Subject Lines	25%	27%	34%	29%	28%
Complaints (Use of REPORT SPAM button)	23%	24%	20%	23%	28%
Spam Traps	26%	26%	31%	23%	24%
Competency of Email Service Provider	14%	15%	12%	18%	21%
Poor/Weak permission	12%	14%	15%	13%	16%
Infrastructure	9%	15%	12%	8%	14%

● 2011 ● 2012 ● 2013 ● 2014 ● 2015

4. Email marketing practice that reduce spam:

The Top 3 ways that help India marketers reduce email spam over the last 5 years are – 'Increase in personalization & targeting', 'rephrasing message titles and subject lines' and 'identifying best time to send emails'.
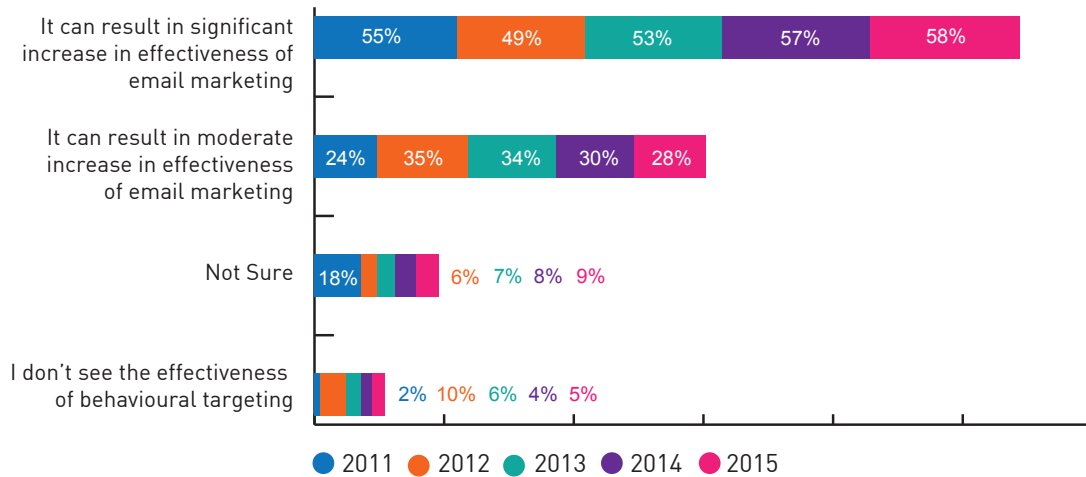
However, 'using split testing to send best content' has grown 80% in the last 5 years (31% in 2015 vs 17% in 2011), wherein it saw a sharp dip of 90% in the years 2012 and 2013.

Practice	2011	2012	2013	2014	2015
Increase personalisation & targeting	61%	47%	51%	72%	67%
Rephrasing message titles and subject lines	50%	13%	15%	43%	51%
Identify the best time to send emails	32%	12%	10%	39%	43%
Use split testing to send best content	17%	9%	9%	30%	31%
Increase customer loyality with special offers, gift, etc.	18%	11%	9%	32%	26%
None	6%	6%	6%	4%	9%
Others	2%	1%	1%	2%	2%

● 2011 ● 2012 ● 2013 ● 2014 ● 2015

5. Effectiveness of behavioural targeting

In the earlier question we saw how increasing personalisation and targeting can help in spam reduction, Behavioural Targeting also works on similar principles. Hence, 86% marketers who participated in the survey said that behavioural targeting is effective.
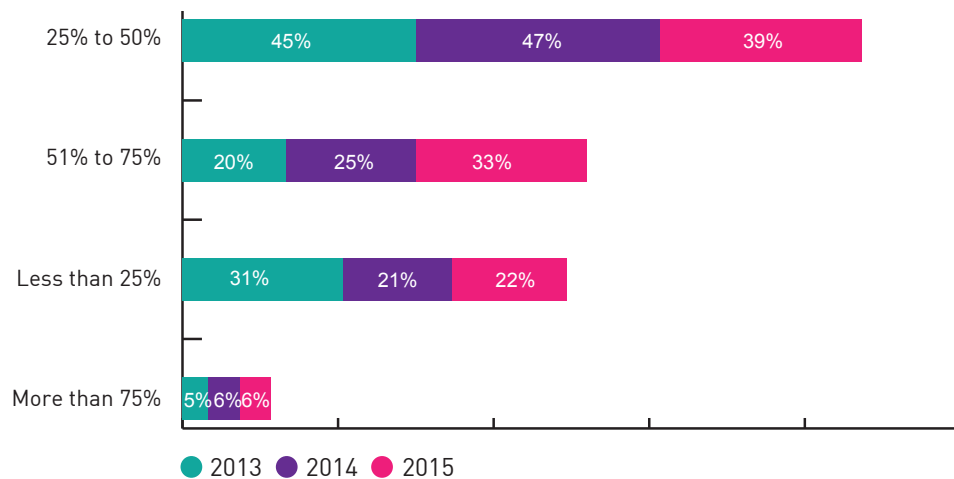
100% of large companies (5000+ crores turnover) find behavioural targeting effective and the number of retail marketers that think behavioural targeting has brought significant change to their campaigns have increased by 24% (77% in 2015 vs 62% in 2014).

	2011	2012	2013	2014	2015
It can result in significant increase in effectiveness of email marketing	55%	49%	53%	57%	58%
It can result in moderate increase in effectiveness of email marketing	24%	35%	34%	30%	28%
Not Sure	18%	6%	7%	8%	9%
I don't see the effectiveness of behavioural targeting	2%	10%	6%	4%	5%

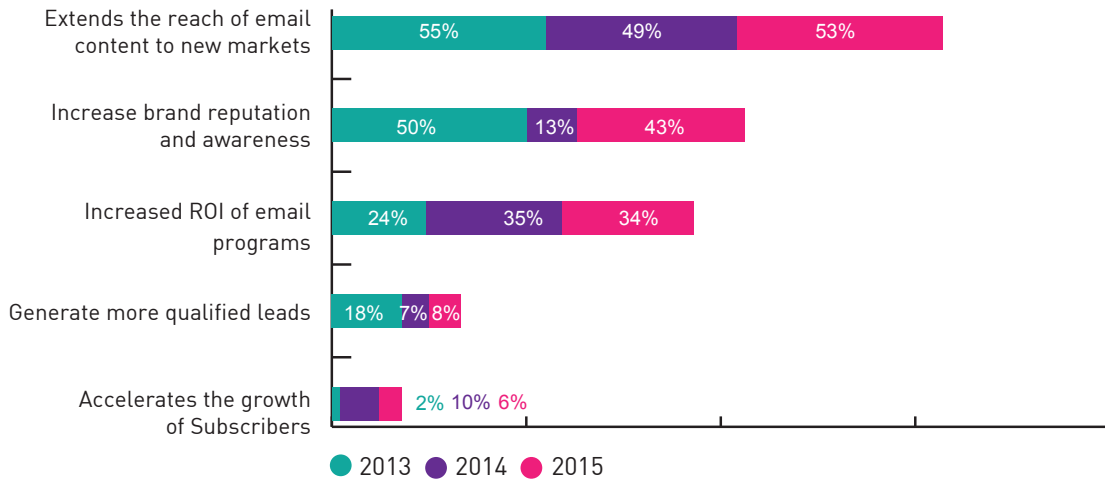● 2011　● 2012　● 2013　● 2014　● 2015

6. Email viewed on mobile device:

We know that mobile has changed how Indian population sees online communication with 33% marketers saying that 50%+ emails are seen on mobile devices, which has grown 25% YOY.

In 2015, 39% of BFSI marketers believe that over 50% of their email messages will be opened on mobile devices, which is a 100% increase when compared to 19% in 2014.

	2013	2014	2015
25% to 50%	45%	47%	39%
51% to 75%	20%	25%	33%
Less than 25%	31%	21%	22%
More than 75%	5%	6%	6%

● 2013　● 2014　● 2015

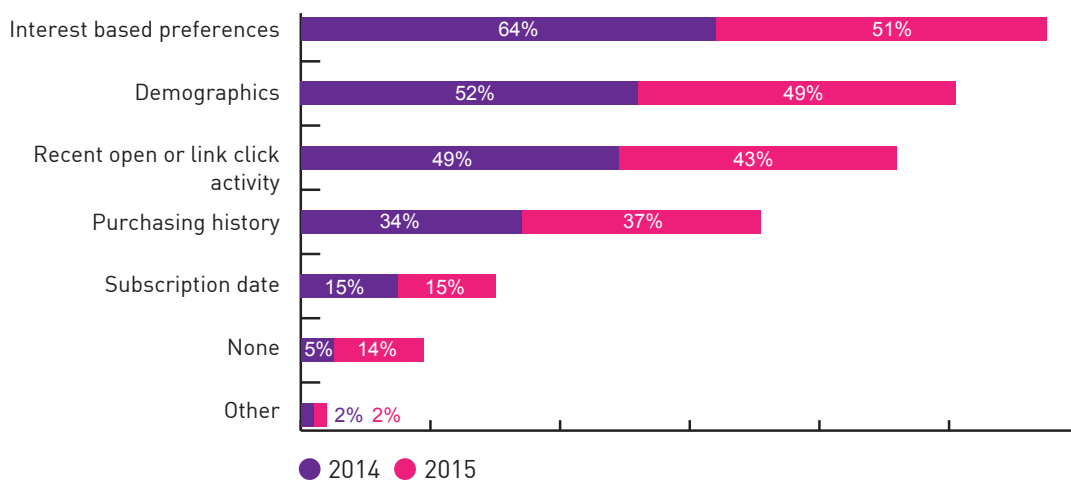## 7. Influence of social media on email marketing campaigns:

Social Media helps in brand awareness of a company and integrating social media in your email marketing helps in increasing your business's reputation and accelerates subscriber growth. It also helps in sharing the email content to a larger audience. Therefore, using social media sharing buttons and links in email campaigns can have a multiplier effect on your campaign.

Extends the reach of email content to new markets — 55% (2013), 49% (2014), 53% (2015)

Increase brand reputation and awareness — 50% (2013), 13% (2014), 43% (2015)

Increased ROI of email programs — 24% (2013), 35% (2014), 34% (2015)

Generate more qualified leads — 18% (2013), 7% (2014), 8% (2015)

Accelerates the growth of Subscribers — 2% (2013), 10% (2014), 6% (2015)

● 2013 ● 2014 ● 2015

8. Email marketing segmentation techniques:

Segmentation leads to better engagement with online consumers. 'Interest based preferences' and 'Demographics' are the most famous segmentation techniques for India marketers.

This trend is similar for all industries except Retail and e-commerce, who depend on 'purchasing history' to segment their data base.

Interest based preferences — 64% (2014), 51% (2015)

Demographics — 52% (2014), 49% (2015)

Recent open or link click activity — 49% (2014), 43% (2015)

Purchasing history — 34% (2014), 37% (2015)

Subscription date — 15% (2014), 15% (2015)

None — 5% (2014), 14% (2015)

Other — 2% (2014), 2% (2015)

● 2014 ● 2015

About Octane Research _____

Octane Research has established itself as the definitive research authority in India on how marketers and consumers are engaging through digital channels like Social Media, Email Marketing, Search, Mobile, SMS and the Web. By analysing data from hundreds of sources and running into billions of touch points every year (in India alone), Octane Research provides rich insights and the perfect context for India marketers to move towards smart strategic planning, tactical decision-making and increasing business effectiveness for their digital campaigns.

To have a look at the entire range of work undertaken by Octane Research,
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