



# Driving ROI

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The Business Case for a  
Comprehensive Email  
Marketing Platform

HOBSON & COMPANY

Email is one of the most effective marketing channels. According to the DMA, email earns \$42 for every \$1 spent<sup>1</sup>. It acquires customers at a lower cost than other channels, and brands invest a significant amount of money into email marketing due to its importance in the marketing mix. However, getting the best return from email marketing is challenging and complex, as it is susceptible to many roadblocks. Keeping up with best sending practices can be difficult, as providers, commercial email filters, and industry standards frequently change. Problems can go unnoticed without access to the right data, such as unknowingly triggering blocklists and spam traps, which can silently hurt reputation and performance. Email marketers may also have to work with point solutions/services from a variety of vendors, impacting deliverability and engagement. As a result 20% of mail doesn't reach the inbox, 85% of sent mail isn't opened, and 98% of sent mail doesn't get a click-through<sup>2</sup>.

Hobson & Company, a research firm focused on Return on Investment (ROI) studies, worked with Validity to explore these challenges. The goal of this white paper is to highlight examples of operational and business benefits that can be realized with a comprehensive email marketing platform. Hobson & Company conducted nine in-depth interviews with existing Validity customers, testing and confirming the sources of value generated by their email solutions, and collecting data points to quantify the impact post-Validity. Customers found that the Validity Everest solution addressed their challenges and delivered measurable results and a strong return on investment.

## Email Marketing Challenges



### Ensuring emails are reaching the inbox

The path to the inbox is more complex than most email marketers think, as mailbox providers have complex filtering algorithms for deciding what email is accepted and if it is placed in the inbox or in the spam folder. Without good visibility into inbox placement it is difficult to fix issues. Customers interviewed reported previously having deliverability rates in the mid-70% to low-80% range. List hygiene is incredibly important in helping to improve deliverability, as 15% of emails never reach the inbox due to an invalid email address, but the time required to manage lists and contact databases can be extensive. Customers noted that pre-Validity, one alternative was to use third party vendors for list validation. While this would save time, list validation could cost them \$5K - \$25K per year.



### Increasing the number of emails that are opened, read, and acted on

The most compelling messages will not result in conversion if they are not opened and read, but breaking through the clutter of the inbox can be a significant challenge. To incite action, whether that be a click-through, a store visit, adding an item to a virtual shopping basket, etc., the message must be compelling, something which can be difficult to assess without strong engagement data/insights. A lack of visibility into which mobile devices, email clients, and browsers customers are using to view email, as well as what time and where they are opening and for how long they are reading an email, can make it difficult to maximize response and conversion rates.



### Reducing the time required to plan, execute, and monitor email efforts

The steps involved in creating and managing campaigns are many, including: program strategy and design; building the email creative; selecting the audience; executing the campaign; and measuring and diagnosing its success. When managed with limited data and automation this effort is time consuming, and the outcomes less than optimal. Optimizing deliverability, engagement, and strategy can also be a struggle for marketers when they rely on a number of third-party point solutions, or use contracted services, for different stages of an email campaign. This can result in lost time, budget and revenue as they have to work across disparate, unintegrated technologies.

1. DMA, Marketer Email Tracker, 2019.

2. Validity ROI Model benchmarks.

Customers identified benefits of moving to Everest, a comprehensive email marketing platform from Validity, in the areas of increasing reach, improving engagement, and increasing program efficiencies.

## INCREASE REACH

### Increase deliverability rates / number of inbox placements

Everest helps marketers increase reach by getting more messages to more people. Tools that help include: Inbox Placement, to track whether email is reaching the inbox or being filtered to the spam folder; Reputation Monitoring, to proactively monitor and maintain a strong sender reputation; List Validation, to ensure clean lists of email addresses pre-send; and Certification, to help reputable senders achieve higher inbox placement rates at leading mailbox providers.

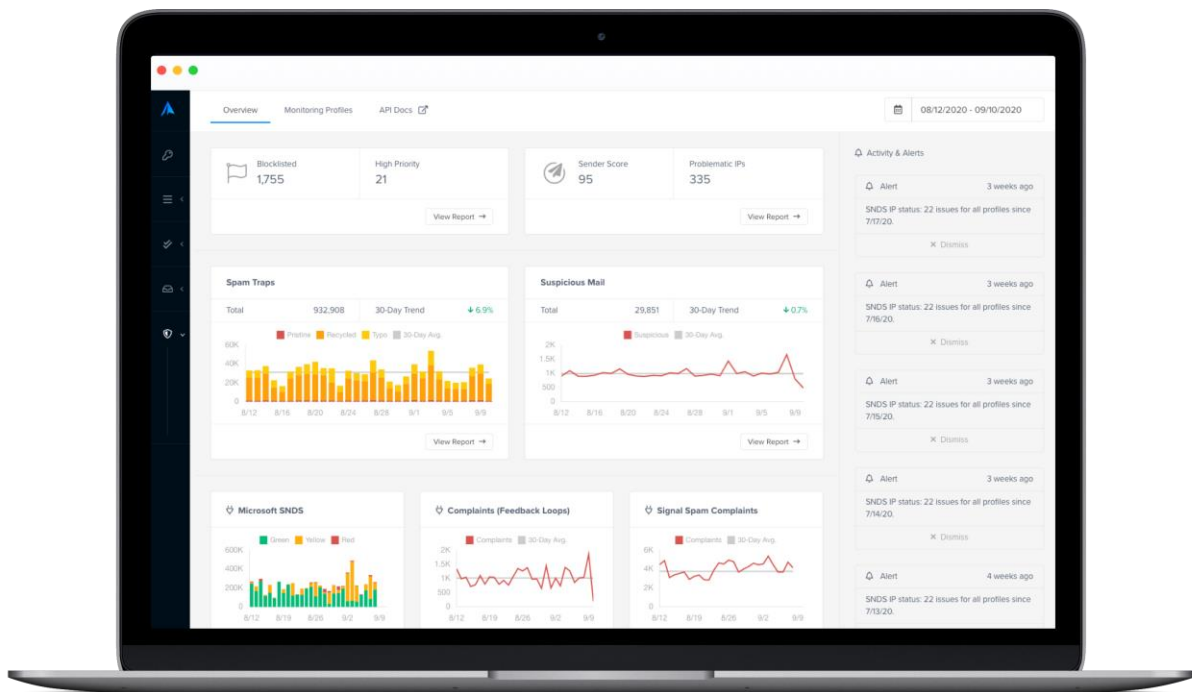
Customers interviewed reported the potential for:

*“Increased deliverability rates from the mid-70% range pre-Validity, to averages in the mid to high 90% range post-Validity.”*  
- Marketing Manager, Email



*“If you want to play in email you have to have Validity, because it tells you what happens to your email when it gets to the front door.”*

- Marketing Technology Director



## IMPROVE ENGAGEMENT

### Improve email open rates

Everest provides multiple tools to help increase open rates, including: Subject Line Previewer, to help craft the perfect subject line for messages to incite interest in opening; Engagement Analytics, to see where and when emails are being opened; Competitive Intelligence, to track time of day sending patterns for key competitors; and View Time Optimization (VTO), to reach more users the moment they are active in their mailbox.

Customers interviewed reported the potential for:



**↑ 20%**

**INCREASE** in email open rates

*“The ability to get analytics/metrics from Everest around things like when and where emails are opened, should strengthen customer engagement.”*

- Email Manager

### Increase the number of emails read

Everest helps increase the number of emails read with tools such as: Design Optimization, to ensure messages function/render properly, regardless of the devices or browsers on which they're viewed; Engagement Analytics, to know which mobile devices, email clients, and browsers customers use, and how long they read an email on average; and Competitive Intelligence, to get visibility into competitors' sending practices.

Customers interviewed reported the potential for:



**↑ 5%**

**INCREASE** in email read rates

*“Validity’s design center tests rendering on all sorts of different devices and operating systems, to make sure the design renders properly, and checks it for things like invalid links and load times, improving readability.”*

- Email Manager

### Increase the number of emails on which an action is taken

Everest provides multiple tools to increase conversion/transactions, including: Design Optimization, to ensure messages have the most impact; Engagement Analytics, to provide a deeper level of analytics than provided by Email Service Providers (ESPs), including the ability to segment based on user activity; and VTO, to ensure messages don't get buried by competitors and email clutter in the inbox.

Customers interviewed reported the potential for:



**↑ 20%**

**INCREASE** in the number of emails on which an action is taken (e.g. click-through, store visit)

*“View Time Optimization helped increase click rates by anywhere from 40% - 145% across a number of campaigns.”*

- Sr. Email Marketing Manager



### Increase average customer lifespan

Everest provides the ability to maximize response and conversion rates, by leveraging subscriber preferences to design/optimize emails. This can improve overall subscriber experience, to help reduce natural attrition and extend the length of time they remain customers, increasing lifetime value.

There is the potential for:

**↑ 6 months**

**INCREASE** in average customer lifespan

## INCREASE PROGRAM EFFICIENCIES

### Reduce time spent managing the contact database

Everest List Validation allows organizations to verify addresses on their lists before mailing them, and to maintain a healthy database, helping protect sender reputation. Increased data accuracy and processes allow more emails to be sent, that others might be unable to successfully classify, and maintains a healthy contact database over time. There are flexible validation methods including robust APIs or manual list upload.

*“Time required to get approval and submit a list for validation reduced by over 90% post-Validity.”*  
  
- Sr. Email Marketing Manager

Customers interviewed reported the potential for:

**↓ 75%**



**LESS** time spent on contact database/  
list management

### Reduce time spent on reporting/analytics and issue resolution

Everest allows senders to combine all their deliverability, DMARC, and engagement data into a single intuitive, configurable interface. This creates a holistic look at all of the key engagement metrics, with the ability to segment and filter in personalized reporting dashboards. Senders can also create any number of custom alerts.

*“The dashboards in Everest do a really good job of allowing you to quickly see topline what’s going on with your campaigns.”*  
  
- Sr. Email Marketing Manager

Customers interviewed reported the potential for:

**↓ 60%**



**REDUCTION** in time on email program  
reporting/analytics and issue resolution

## Increase capacity to deliver better campaigns faster

Everest offers tools to increase efficiency and effectiveness at all stages of the campaign; pre-send, in-flight, and monitoring post-send. It is the only email platform in the market that provides actionable insight and intel about what's happening with a campaign at all times, with fully customizable dashboards, class-leading ESP integrations, and a robust alert system to optimize campaign performance.

Customers interviewed reported the potential for:



**↓ 60%**

**LESS** time to create and execute campaigns

*"The tools in Everest make it easy to quickly pop into the system to get the insights needed to make any adjustments to optimize a campaign."*

- Sr. Email Marketing Manager

## Reduce internal resources needed to track deliverability/ email performance

Validity's Customer Success Team works as an extension of an organization's own marketing team, keeping checks on their deliverability rates, giving expert advice, and guiding them through the ever-changing world of email, helping to improve email programs by giving program recommendations, analyzing an organization's email data, and keeping up to date on industry trends.

Customers interviewed reported the potential for:



**↓ 60%**

**REDUCTION** in time spent tracking deliverability / email performance

*"The service/consulting element of Validity has been a key win, providing expert knowledge that's been very valuable - with Validity you aren't just buying a platform, you're also buying expertise."*

- Email Manager

## Eliminate smaller point solutions / contracted services

Everest is the email success platform that provides crucial insights and deliverability guidance from an all-in-one, integrated solution, from pre-send to in-flight to monitoring. Exclusive data feeds, access to the largest data network in the industry, and widespread integration and support with the email ecosystem, provide the most complete email marketing solution.

Customers interviewed reported the potential for:



**↓ point solutions**

**REDUCE** or eliminate the number of smaller point solutions needed (e.g. for sending protocol management, design optimization and list validation)

*"Could save as much as \$25K or more per year with the elimination of separate vendors for tasks such as list validation."*

- Marketing Manager, Email

## KEY ROI FINDINGS

The value of a comprehensive email marketing platform is immediate and demonstrable. The following case study illustrates this potential value based on a sample organization which is migrating to the Everest Enterprise solution, including the Certification and View Time Optimization tools, from less sophisticated processes, with the following inputs (pre-Validity):

- 240M emails sent per year, with 80% of emails reaching the inbox on average
- An email open rate of 15%, and an email read rate of 64%
- Rate of opened emails on which an action is taken (e.g. click-through, store visit) of 14%
- Conversion rate of 2.27%, and an average revenue per purchase of \$20.00
- 25 hours/mth spent on contact/list management, and 80 hours/mth creating and executing campaigns
- \$40K/yr spent on point solutions (e.g. sending protocol management, design optimization, list validation)

For this organization the annual benefits could be as much as \$405K from increased reach alone. With improved engagement and increased program efficiencies, annual benefits could be as much as \$706K.

The three year investment totaling \$337.5K, generates positive cash flows in 4.0 months. The 3-Year net present value (NPV) and return on investment (ROI) are strong at \$1.0M and 371%, respectively. The key financial metrics for the sample organization were calculated by standard methods and are shown below.

FINANCIAL METRIC	3-YEAR VALUE
<b>Payback</b>	4.0 months
<b>NPV</b>	\$1,008,518
<b>ROI</b>	371%

FIGURE 1: TABULAR DISPLAY OF KEY FINANCIAL METRICS

The chart below shows the extent to which each value driver contributes to the total value of a comprehensive email marketing platform. For the sample organization, increasing reach represents the majority of the value.

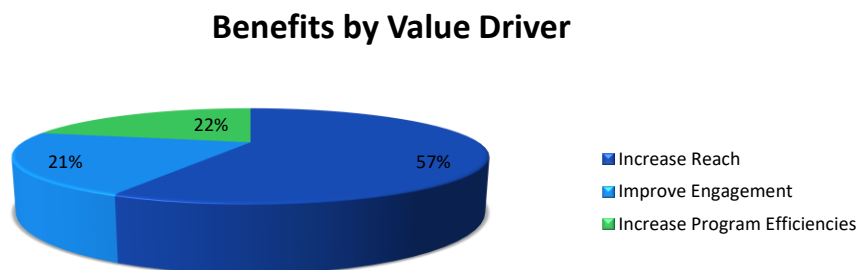


FIGURE 2: PIE CHART DISPLAY OF VALUE DRIVERS

## About Validity

For over 20 years, tens of thousands of organizations throughout the world have relied on Validity solutions to target, contact, engage, and keep customers – using trustworthy data as a key advantage. Validity’s flagship products – DemandTools, BriteVerify, Trust Assessments, Everest, and GridBuddy – are all highly rated solutions for CRM data management, email address verification, inbox deliverability and avoiding the spam folder, and grid CRM applications. These solutions deliver smarter campaigns, more qualified leads, more productive sales, and ultimately faster growth. For more information, visit [www.validity.com](http://www.validity.com).

## About Hobson & Company

Hobson & Company helps technology vendors and purchasers uncover, quantify and validate the key sources of value driving the adoption of new and emerging technologies. Our focus on robust validation has helped many technology purchasers more objectively evaluate the underlying business case of a new technology, while better understanding which vendors best deliver against the key value drivers. Our well researched, yet easy to use ROI tools have also helped many technology companies better position and justify their unique value proposition. For more information, please visit [www.hobsonco.com](http://www.hobsonco.com).

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