The Forrester Wave™: Email Marketing Service Providers, Q2 2018

The Eight Providers That Matter Most And How They Stack Up

by Shar VanBoskirk
June 20, 2018

Why Read This Report

In our 26-criteria evaluation of email marketing service providers, we identified the eight most significant ones — Adobe, Cheetah Digital, Epsilon, IBM, Oracle, Salesforce, Yes Lifecycle Marketing, and Zeta Global — and researched, analyzed, and scored them. This report shows how each provider measures up and helps B2C marketing professionals make the right choice.

Key Takeaways

Epsilon And Oracle Lead The Pack
Forrester's research uncovered a market in which Epsilon and Oracle are Leaders; Salesforce, IBM, and Adobe are Strong Performers; and Cheetah Digital, Yes Lifecycle Marketing, and Zeta Global are Contenders.

Email Marketing Vendors Deliver, Still
This group of vendors will nail your marketing email deployment needs. But don't expect them to shock your email program out of its promotional rut.

Do The Work To Pick Your Own Best Fit
Email marketing service providers offer the same foundational capabilities. The right partner will be the one that suits your culture, program maturity, and tech systems.

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with Mary Pilecki, Jeremy Swire, and Christine Turley
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Email Vendors Still Do The Same Old Things, Just Better

Email marketing: the old salt of your digital toolkit, and *still* the most cost-effective promotional channel. But email could do so much more than hock product.[1] For this, our ninth Forrester Wave™ on email marketing service providers (our first Wave of this vendor category was in 2002), we wanted to see if email marketing vendors were pressing marketers to treat email as more than just another advertising vehicle. Answer? Vendors have bettered the basics but still treat email as the newsletter and couponing tool it has been for the past 20 years. Specifically, this vendor set:

› **Has upped its functionality.** Our 2016 Wave of this space caught many vendors at an awkward stage of integration into their new marketing cloud or venture capital acquirers. Now, several years further along, all study participants have bettered their usability through drag-and-drop or drop-down interfaces. They can support kinetic and contextual content.[2] And most have native artificial intelligence (AI) that optimizes email strategy decisions — like preventing attrition — and doesn't just find a winning subject line.

› **Over-emphasizes competitor priorities.** Today's tools may be easier to use for sending emails. But most are still disappointingly focused on *sending emails*. Just Epsilon and Cheetah Digital proactively represent a philosophy and exercise their capabilities to use email marketing for market research, branding, or profile-building purposes. And only three vendors mention the customer in their strategic plans. Most determine developments based on what will make them No. 1 in the market or fill out their suite of marketing applications.

› **Doesn't comprehensively manage regulatory requirements.** Recent client work confirms what we detected in the vendor demos for this study: Most vendors provide some, but not exhaustive, support for legislated data requirements. Now don't get us wrong. With enough of your own elbow grease, you can create a data archive or manually delete customer records using any vendor in this study. But we thought everyone would show off turnkey functionality for workflow archiving, signifying personally identifiable information (PII), universally deleting customers, and services teams dedicated to FICO or HIPAA compliance, especially with the General Data Protection Regulation (GDPR) looming as this report was in the works.

Email Marketing Service Provider Evaluation Overview

Evaluation criteria this year focused on email marketing fundamentals as well as capabilities that would help marketers advance their email marketing applications. Using client conversations, vendor interviews, and our recent forecast of spend on marketing technology and services, we developed 26 criteria to assess vendors.[3] These criteria sort into three high-level buckets:

› **Current offering.** Each vendor's position on the vertical axis of the Forrester Wave graphic indicates the strength of its current offering. We assessed each vendor's product and services offerings, focusing on key differentiators within campaign management, dynamic content, analysis and reporting, collaboration, integration, corporate governance, security, and artificial intelligence capabilities.

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> **Strategy.** Placement on the horizontal axis indicates the strength of the vendors' current and future corporate direction. We evaluated the experience each management team has had working together, how articulate and plausible vendor visions were against demonstrated and planned capabilities, as well as employee and customer retention.

> **Market presence.** Market presence scores are represented by the size of the markers on the Wave graphic. These factor in each vendor's email marketing revenue, total employees, and rate of new customer acquisition.

Evaluated Vendors And Inclusion Criteria

To determine which email marketing service providers best suit which marketers, Forrester evaluated the strengths and weaknesses of eight of the largest, including: Adobe, Cheetah Digital, Epsilon, IBM, Oracle, Salesforce, Yes Lifecycle Marketing, and Zeta Global. These firms screened into our evaluation because they (see Figure 1):

> **Send marketing emails with a proprietary engine.** Vendors in this study all execute email marketing messages through a first-party email deployment platform. We excluded agencies like Archer Malmo that provide email marketing services on top of partner technologies and software like Liveclicker or Persado, which personalize email content but do not send emails.

> **Earn at least $200 million annually from email marketing.** Not eligible were boutique email service providers like Cordial or CRM systems that can send batch emails but don't sell email marketing as a dedicated product.

> **Focus on enterprise firms.** Forrester's clients are mostly enterprises. So we evaluated 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 35% of their account base were included. Vendors with primarily small or midsized marketers, like Listrak or Copernica, were screened out.

> **Pitch against other enterprise email deployment vendors.** This year we also considered the firms each vendor commonly contends with based on vendor-disclosed competitors and our own client inquiries. This ensured that the study was of like-players and eliminated vendors like Marketo or SendGrid that do sell email marketing delivery but for predominantly a different business case than the other qualifiers.

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FIGURE 1 Evaluated Vendors: Product Information And Inclusion Criteria

Vendor	Product evaluated	Version
Adobe	Adobe Campaign	Adobe Campaign Standard
Cheetah Digital	Cheetah Digital Marketing Suite	8.2.0.0
Epsilon	Agility Harmony	N/A
IBM	Watson Marketing	18.1
Oracle	Oracle Responsys	N/A
Salesforce	Salesforce Marketing Cloud	N/A
Yes Lifecycle Marketing	Yesmail360i	11
Zeta Global	ZetaHub	2

Vendor inclusion criteria

The vendor provides a proprietary platform for creating and deploying marketing emails.
The vendor generates $200 million or more annually from its email marketing products and services.
The vendor owns a client base consisting of at least 35% enterprise (1000+ employees) firms.

Vendor Profiles

This evaluation of the email marketing service providers 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 2 and see Figure 3). Click the link at the beginning of this report on Forrester.com to download the tool.

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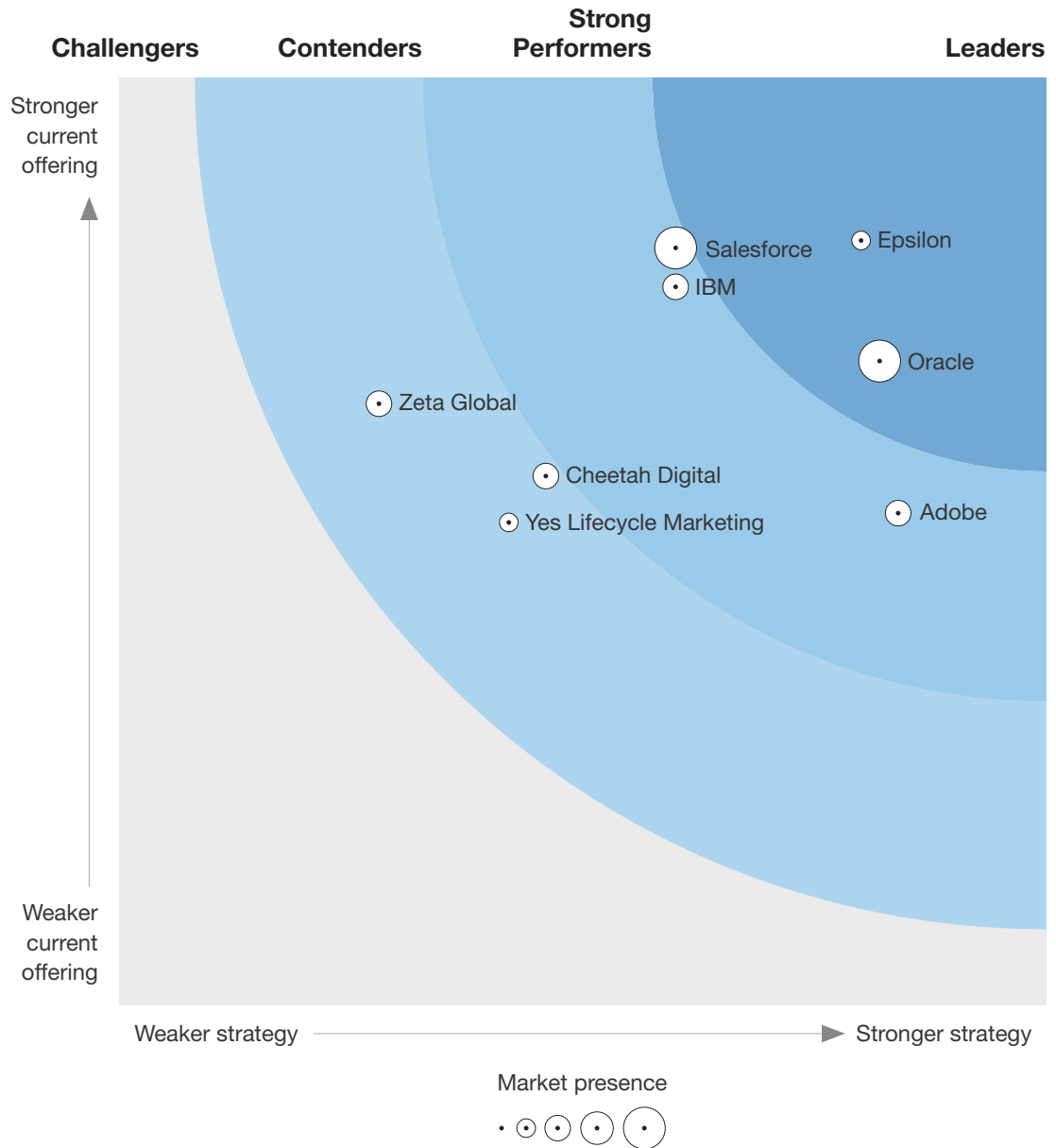**The Forrester Wave™: Email Marketing Service Providers, Q2 2018**
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FIGURE 2 Forrester Wave™: Email Marketing Service Providers, Q2 2018

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Email Marketing Service Providers

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FIGURE 3 Forrester Wave™: Email Marketing Service Providers Scorecard, Q2 2018

	Forrester's weighting	Adobe	Cheetah Digital	Epsilon	IBM	Oracle	Salesforce	Yes Lifecycle Marketing	Zeta Global
Current offering	50%	2.65	2.85	4.12	3.87	3.47	4.08	2.60	3.24
Campaign management	15%	2.00	4.00	4.00	3.00	3.00	4.00	3.00	3.00
Dynamic content	10%	1.00	3.00	3.66	3.68	3.68	2.32	2.98	4.34
Analysis and reporting	10%	1.00	1.00	3.00	5.00	3.00	3.00	1.00	3.00
Collaboration	5%	3.00	1.00	5.00	3.00	5.00	5.00	3.00	5.00
Integration	5%	5.00	1.00	3.00	5.00	3.00	5.00	3.00	3.00
Corporate governance and compliance	10%	3.00	3.00	5.00	5.00	1.00	5.00	1.00	5.00
Security	10%	5.00	3.00	5.00	5.00	5.00	5.00	3.00	1.00
Distributed business model support	5%	1.00	5.00	3.00	5.00	5.00	5.00	5.00	5.00
Artificial intelligence	5%	3.00	1.00	5.00	5.00	3.00	5.00	3.00	5.00
Services	15%	2.32	4.34	5.00	1.00	3.00	3.00	3.68	3.02
Globalization	5%	5.00	3.00	3.00	5.00	5.00	5.00	1.00	1.00
Agency relationships	5%	3.00	1.00	3.00	5.00	5.00	5.00	1.00	1.00
Strategy	50%	4.20	2.30	4.00	3.00	4.10	3.00	2.10	1.40
Strength of management team	20%	3.00	1.00	3.00	3.00	5.00	3.00	1.00	1.00
Corporate vision	20%	5.00	3.00	5.00	5.00	3.00	4.00	1.00	1.00
Development road map	20%	3.00	3.00	5.00	1.00	3.00	5.00	1.00	1.00
Employee retention	20%	5.00	1.00	3.00	1.00	5.00	1.00	3.00	3.00
Customer strategy	20%	5.00	3.50	4.00	5.00	4.50	2.00	4.50	1.00
Market presence	0%	2.70	3.00	1.70	2.20	4.50	4.50	1.50	2.50
Email marketing revenue	40%	1.00	3.00	1.00	1.00	5.00	5.00	1.00	3.00
Total employees	35%	3.00	3.00	3.00	3.00	5.00	5.00	1.00	3.00
Customer growth	25%	5.00	3.00	1.00	3.00	3.00	3.00	3.00	1.00

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

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Leaders

› **Epsilon.** Epsilon demonstrates an unmatched balance of strong technology and professional services. Advanced marketers looking beyond purely promotional email will like its dedicated "agility keying" module to identify users, enhance profiles using Epsilon's data resources, and then consolidate profiles across platforms. Large, regulated industries will like Epsilon's ISO 27001 certification, quarterly compliance audits, and one-click PII protection. Of course, accuracy and dedicated support doesn't come cheap. In the words of one reference client, "Epsilon is very expensive." Another explains, "The team does not make mistakes, but it takes way too many human hours."

› **Oracle.** Always a technology powerhouse, in this study's demonstration of capabilities, Oracle Responsys showed a renewed emphasis on *services*. Its new global head of consulting and expert services believes leveling up operations, tech, and creative services to its strategy and analytics offerings will differentiate Oracle from other marketing clouds. Great services combined with already strong reporting, collaboration, and global support will lock sophisticated enterprise buyers into this vendor. One client reference described the value of this balance: "The Oracle platform is more robust [than competitors']. But its creative side is the key to its success."

Strong Performers

› **Salesforce.** This vendor offers a strong current offering. High-volume, self-service buyers: Note its ISO 27001 and 27002` certification, predictive testing, dedicated distributed business model, and use of AI to optimize workflow, not just message content. Its demonstration of capabilities focused (to our relief) on turning clients into marketing trailblazers rather than on aggressively promoting favorite features as it has in past Wave reports. However, client references don't consistently experience a user-friendly Salesforce. The set-up, lack of service quality, and high turnover frustrated one reference. And another would not recommend Salesforce to peers.

› **IBM.** Email marketing at IBM got a needed adrenaline jolt from the broader business' artificial intelligence genie, Watson. Its excellent analytics and reporting, integration, and use of Watson as a concierge appeal to smaller enterprises that want to create relevant, time-sensitive digital communications but have limited data science chops. Client references do warn of an over-reliance on Watson. One reference notes that IBM is, "way ahead on the analytics side," but "still working on simple stuff." We noticed this, too. Its usability and personalization are only middle of the pack, while its professional services fall short.

› **Adobe.** One client reference hit the nail on the head: "Adobe Campaign isn't best-of-breed for email. But it fits well into our overall tech stack." You won't find Adobe as usable, scalable, or as good for personalization and dynamic content as more traditional email service providers. But its strategy and analytics services are good. And its open integration ecosystem and growing partner network show that Adobe Campaign plugs in to any marketing technology ecosystem, not just its own.

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Contenders

› **Cheetah Digital.** You might recognize the bones of this vendor from the old Experian Marketing Services — CCM. But the intuitive interface for setting up data tables, segments, dynamic content, and multichannel campaigns and the entire executive team are proudly fresh. Its latest owners — some former ExactTarget founders and Vector Capital — want the new and improved Cheetah Digital (Cheetah) to help "the best brands in the world create meaningful and profitable relationships with customers." Time and some further investment will prove the reality of this promise. Its artificial intelligence, personalization, and reporting and analytics need improvement. But client references love the new Cheetah's blend of service and technology so far. One reference explains: "Cheetah treats us like its No. 1 client. And anyone can figure out the drag-and-drop functionality."

› **Yes Lifecycle Marketing (YLM).** We met a brand-new president, vice president of marketing, and senior vice president of sales during this vendor's demonstration of capabilities. Time will tell if new leadership will support this vendor's white-glove service model. YLM clients are used to high-touch relationships with execs, in addition to account reps. As one client reference explains, "The president and senior leadership fly out to service us." To sustain its current strong customer retention, YLM must make its reporting and analytics more flexible, focus its too-broad strategy, and invest in farther-reaching product developments.

› **Zeta Global.** Zeta Global (Zeta) returns to this email marketing Wave having added one more delivery platform to its (already crowded) arsenal of options. Executive additions from Zeta's acquisitions of Acxiom Digital and Boomtrain bring the vendor fresh aplomb as well as solid predictive testing and a dedicated module for supporting distributed businesses. But the firm still suffers from its legacy piecemeal technology strategy and lack of brand equity. Its usability, testing, and creative services trail competitors'. But client references like the cost-effectiveness of this vendor. One client reference explains, "You can push them hard for half the cost." Another one describes Zeta as "a good point-solution for a limited budget."

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Supplemental Material

Online Resource

The online version of Figure 2 is an Excel-based vendor comparison tool that provides detailed product evaluations and customizable rankings. Click the link at the beginning of this report on Forrester.com to download the tool.

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, in part, using materials that they provided to us by June 1, 2018.

› **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.

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> **Executive briefings.** Each vendor also presented its vision, approach to client management, and competitive positioning as part of a three-hour, in-person meeting with Forrester.

> **Customer reference calls.** To validate product and vendor qualifications, Forrester also conducted reference calls with three of each vendor's current customers.

The Forrester Wave Methodology

We conduct primary research to develop a list of vendors that meet our criteria for evaluation in this market. From that initial pool of vendors, we 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. Vendors marked as incomplete participants met our defined inclusion criteria but declined to participate or contributed only partially to the 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, please visit The Forrester Wave™ Methodology Guide on our website.

Integrity Policy

We conduct all our research, including Forrester Wave evaluations, in accordance with the Integrity Policy posted on our website.

Endnotes

[1] Email marketing was born to nurture customer relationships, but for most marketers today, it does little more than pitch one-off promotions to drive short-term sales. The better approach is to hack your email program. See the Forrester report "The Next Chapter For Email Marketing."

[2] Kinetic emails are ones designed around creating a visual experience within an email. See the Forrester report "The Next Chapter For Email Marketing."

[3] By 2022, CMOs in the US will spend over $122 billion on investments in marketing technology and services. See the Forrester report "The US Marketing Technology And Services Outlook, 2017 To 2022."

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