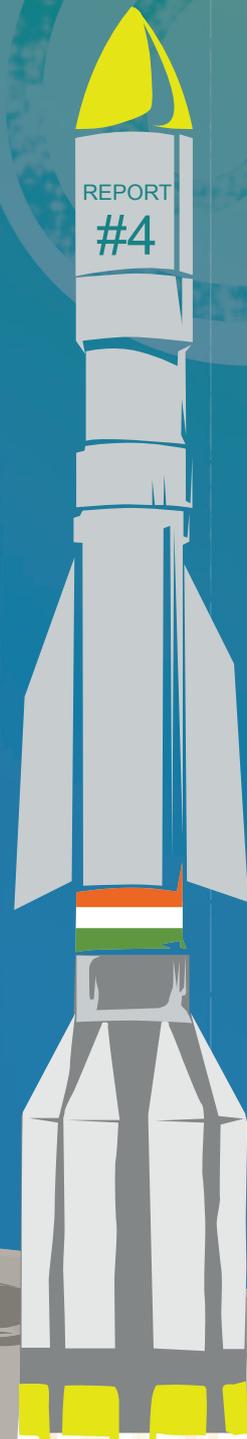
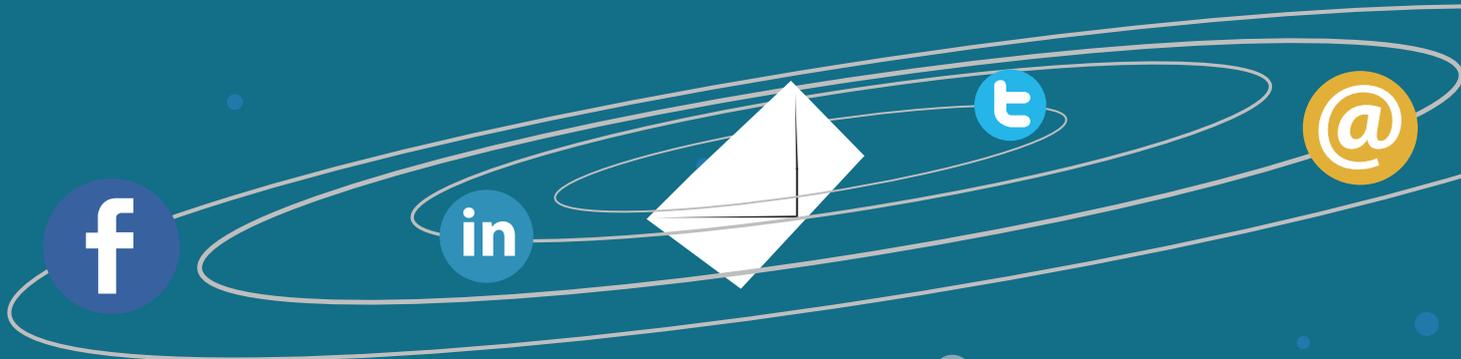


Octane Research, January 2014

IGNITING ENGAGEMENT

THE STATE OF EMARKETING IN INDIA





Contents

1. Introduction: e-Marketing Outlook for India in 2014	06
2. Top 10 Key Findings & Research Highlights	07
3. Research Methodology	08
4. Research Participants & Profile	09
5. Annual India e-Marketing Outlook – Impact Analysis	12
6. Analysis & Insights of Survey Conducted	13
7. Research Trends (2011-2012-2013-2014)	29
8. Investments Trends 2013-2014 :: Zone Wise	38



Igniting Engagement

The last few years have been an amazing period of growth and transformation in the digital marketing space in India. We've seen the rise and gradual fall of SMS marketing, the transformation of Email marketing from spray and pray to goal oriented campaigns and the growing clout of mobile marketing which incorporates the best of all channels - Web, SMS, Email and Social Media. These factors combined with the rapid rate of change have really made this an exciting space to work, observe and analyse.

It is these changes, transformations, learnings and insights that we intend to capture and share with this Annual India e-Marketing Outlook Report 2014. In its fourth year now, the premise of the industry, as we've understood it, is that marketers in India are deploying digital multi-channel campaigns to move more and more towards personalisation, content relevancy and enhanced engagement with their audience. Even the design theme of this report has been chosen to represent the leading edge of this technology integrated marketing renaissance. Paying homage to the incredible advancements of our own Indian space program and the exciting promise it holds; we have used it as an inspiration to express our outlook for e-Marketing in India for 2014.

This edition of the report, like the ones before it, builds upon years of cumulative data to provide hard numbers and a comparative trends analysis on the state of e-Marketing in the country. In addition to these trends, this report also provides to you a glimpse of what marketers in India are planning for the next 12 months for the growth and development of their business.

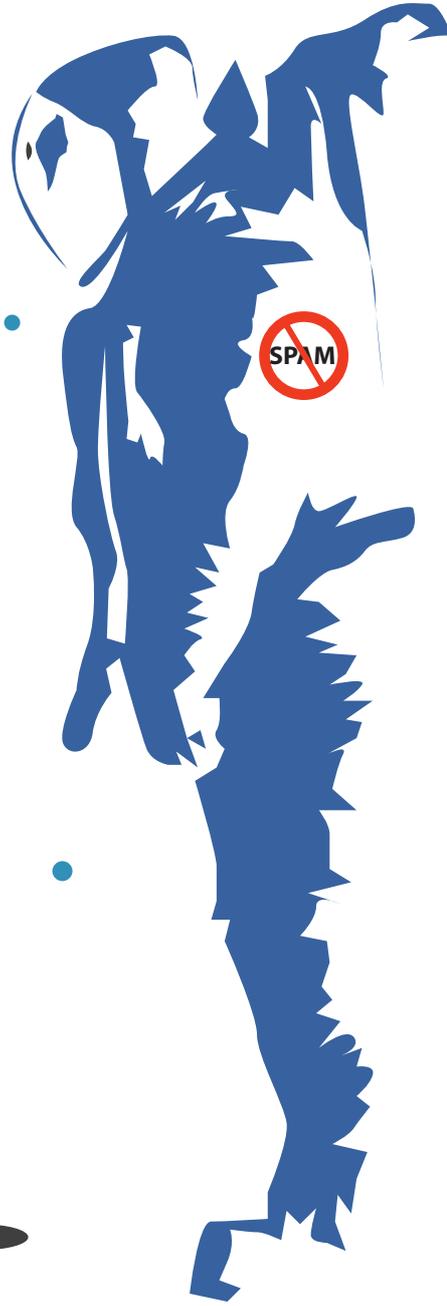
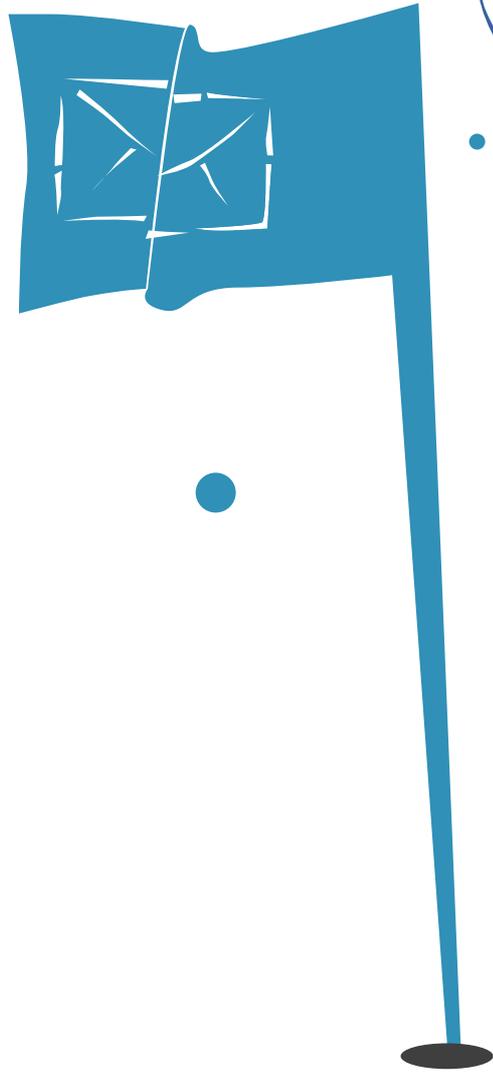
As always, we have been meticulously and enthusiastically analysing the information gathered from this year's survey and hope that it will help guide you in your e-Marketing decisions and initiatives. I would like to take this opportunity to once again thank all the marketers who participated in our survey and who helped our research by sharing their views, insights and ideas. It would not have been possible to sustain this unique research series without the continued support of the India marketing community over the last few years.

We continue to count on your feedback, inspiration and suggestions for making this research report even more useful for you. We would be glad to hear your comments on this edition which you can share with us at research@octane.in.

Thanks & Best Regards,

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For the 2011, 2012 and 2013 editions of this report and other digital marketing research projects from Octane, please visit www.octaneresearch.in



1

Introduction

e-Marketing Outlook for India in 2014

2013 has been a year of many changes and transformations when it comes to digital marketing globally. If we look at email marketing, Marissa Mayer joined Yahoo! and quickly turned to give Yahoo! Mail a much needed refresh and also started the process of reclaiming 'dead' or inactive email address on the Yahoo! domain. Meanwhile, Google gave Gmail a new look by introducing the tabbed Inbox and showing email images by default via caching (in the process giving digital marketers globally a few sleepless nights); Microsoft pushed ahead with the integration and merger of Hotmail IDs with the new Outlook mail. On Social Media platforms, Facebook refined their ads offering even more and also added the ability to boost individual posts and get detailed analytics on them. Twitter had their IPO and also took small steps towards making their promoted tweets architecture more robust and useful globally.

In 2013, mobile continued to rise in relevance and importance. Smartphones and tablets can now be considered mainstream devices much like the laptops, netbooks and desktops of previous years. According to Adobe's Digital Publishing Report: Retail Apps & Buying Habits (2013); 79% of smartphone users use their devices for reading emails on the go, a higher percentage than those who used it for making calls. Closer to home, according to the International Data Corporation's (IDC) Quarterly Mobile Phone Tracker report, there has been a year on year rise of 300% in the shipments of smart phones in India (from 3.5 million in Q2 of 2012 to a whopping 9.3 million in Q2 of 2013). The impact of that can already be seen. At Octane, when we analysed the reporting metrics for the 500 million+ emails that go thru our platform per month, we discovered that there was a 100% increase in the number of opens on mobile devices in just the first two quarters of FY 2013-2014. At the same time, CTRs for email campaigns viewed on mobile devices was up 150%. This change was observed because now, almost 40% of the mails sent through our platform are read on mobile devices.

Therefore, to make sense of all this data and to leverage it better, this edition of the Octane e-Marketing Research Report (2014) gathers in one place all the great insights from marketers on the trends, budgets, channels and technologies impacting e-Marketing in India. It covers email marketing, social media marketing, chronicles the growth of mobile as a resurgent marketing platform over the last four years and also provides an indication of marketing plans for the year ahead.

We hope that our effort to provide marketers with such a report on the state of e-Marketing in the country can have a positive impact on their businesses and their digital marketing campaigns resulting in better experiences for customers and the continued growth of the Indian market as a whole.



Top 10 Key Findings & Research Highlights

2

1. For the fourth successive year, Customer Acquisition remains the top choice as the primary marketing goal for marketers in India with 51% of the respondents choosing this option over customer retention or brand awareness.
2. Social Media updates and Email Campaigns continue to dominate the minds of marketers in India (both at 35%) when it comes to preferred channels of customer engagement. While Email had significantly dropped last year (29% in 2013 vs. 39% in 2012), it now seems to be back in favour with a 21% growth in the number of marketers choosing it for 2013-2014.
3. The number of marketers that don't yet believe in engagement via smartphones, apps or email on the go has decreased by about 31% since last year. At the same time, 45% of the marketers surveyed said that they believe in mobile devices as an important aspect of customer engagement and are adapting their strategies to leverage it better.
4. For 29% of the companies surveyed, e-Marketing currently contributes between 11% to 30% of their total sales revenue while an additional 19% chose the '31% to 50%' option for the same. Out of these, 57% indicated that they plan to increase their e-Marketing budgets again in 2014 by 21% to 50%.
5. 65% of the marketers believe that Social Media integration in Emails can lead to increase in brand awareness and reputation. At the same time, 44% think it helps in extending the reach of their Email content to new markets and 24% said it helps in generating more qualified leads.
6. 47% of the respondents shared that they think that between a quarter to half of all their Email marketing messages will be viewed on mobile devices in 2014. A further 25% were even more confident and chose the 50% to 75% option while 22% of the marketers were cautious and said that less than 25% of all Email Marketing messages will be viewed on mobile devices in 2014.
7. 89% of marketers shared that integrated marketing (Email+Mobile+Social) can have an important impact on the conversion rate for their campaigns. From these, 88% intend to increase their investment in Email marketing in 2014, 93% intend to increase investment in Social Media marketing and 86% plan the same for Mobile/SMS marketing.
8. According to marketers in India, Content (at 50%), Frequency/Volume of sending (at 46%) and Black Listing/Sender Reputation (at 34%) are the top three factors impacting inbox deliverability rates for Email campaigns.
9. 'Increased personalisation and more accurate targeting' is the top choice for 72% of the marketers surveyed when it comes to measures implemented to reduce the problem of spam and inbox clutter. Just like last year, 'Rephrasing message titles and subject lines' (at 43%) and 'Identifying the best time to send Emails' (at 39%) once again take the second and third place respectively.
10. 36% of the marketers in India feel that a strong anti-spam law like the CAN-SPAM (USA) would help curb the menace of spam in India. A smaller group at 30% believes that a 'code of conduct' for Indian marketers by an industry body like IAMA or DMAi would be effective. Meanwhile, 27% of the marketers chose self-regulation as their top choice while a surprising 7% of the marketers (up 3% since 2013) want Indian regulators to stop all promotional activities via Emails and SMS.

These findings indicate that marketers in India are now keener to explore all avenues and channels of digital marketing (Email, Mobile & Web) and are actively using them for enhanced and more meaningful engagement with their customers. This can only lead to better communication and more robust campaigns in 2014.

So let's see more of this data in detail!

3

Research Methodology

The survey for this report was run between September 2013 and November 2013 and circulated widely in the marketing community in India (via online links, offline forms, telephonic interviews and face to face meetings). In the end, this edition of the report saw an enthusiastic and active participation of 400 marketers from across industries who shared their valuable insights and feedback. This level of engagement with marketers in the country once again makes 'The Annual India e-Marketing Report 2014 – Igniting Engagement' the largest e-Marketing research of its kind in India.

As with all previous editions, for this 2014 report too, our primary objective was to gather data about the use of the different marketing channels (email, mobile, social media, web) covering budgets, strategies, dependency on channels, plans for future campaigns etc. Since we have trending data covering these parameters for the last four years, it was important for us to keep consistency in the survey questionnaire but also have the flexibility to add new questions that would shed light on the new and emerging trends. We feel that there has been a sea change in the digital marketing space in India in terms of experience, expertise and innovation and we also wanted to capture that.

Our research team analysed feedback received from Founders, Directors, Chief Marketing Officers, Vice-Presidents (Marketing), General Managers (Marketing), Marketing Heads and Marketing Managers from various organisations across verticals; ranging from start-ups to Fortune 500 companies.

We modelled the survey questions on the following lines:

- View of companies on effectiveness of e-marketing practices
- 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 marketing plans
- Effect of SMS restrictions imposed by the Telecom Regulatory Authority of India (TRAI)
- Challenges in e-marketing and how to control the menace of spam
- Expectations from e-marketing practices in the 2014
- The effectiveness of personalisation and behavioural targeting in email marketing
- Tracking the success of email campaigns in-terms of open links and the number of clicks

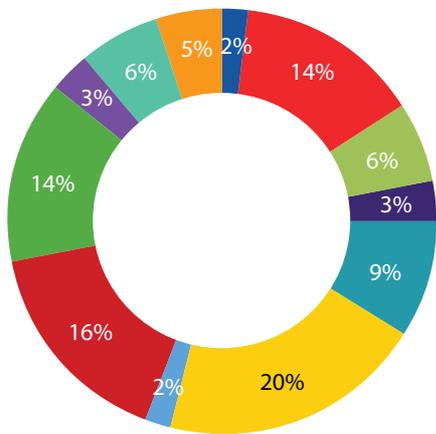


Research Participants and Profile

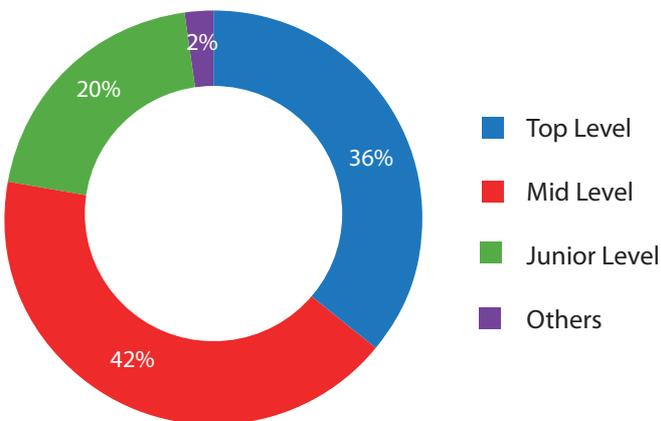
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For this report, we wanted to cover a diverse range of industries to get a more complete view of the e-Marketing domain in India. This was essential because we wanted the survey to represent all Indian marketers' opinions as accurately as possible.

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



The Annual India e-Marketing Outlook 2014 is an analysis of ideas, insights and perspectives shared by Founders, Directors, Chief Marketing Officers, Vice-Presidents (Marketing), General Managers (Marketing), Marketing Heads and Marketing Managers of select 344 companies in India. Of the total number of respondents, more than a third (at 36%) were Top Level.



Of all the organizations represented in the survey, 136 are online companies with 44 of them being pure E-commerce companies.

Select companies that participated in the research:

Abbott India	Gaboli
ACC Limited	Gati Ltd.
ACL Mobile	General Electric
Acube Promotions House	Getit Infomedia
Adobe India	Give India
AIMIA	GLENMARK Pharmaceuticals
Alibaba.com	Godrej
American Swan	Godrej & Boyce
Amity University	Good Earth
Artha Property	GroupM India
BabyOye.com	Guthy Renker
Bed Bath More	Hansa Cequity
Bharti Axa General Insurance	HCL
Bharti AXA Life	HDFC Life
BIGFLIX	Hero Exports
Bluestone.com	Housing.com
Bose Corporation India	HT Media
Bullion India	Hyatt Hotels & Resorts
Careesma India	ibibo Web (Tradus.com)
Coal India	IBM
Coca Cola	ICICI Bank
Commonfloor.com	ICICI Prudential Life Insurance
Crux Digital	ICICI Securities
Dabur Ayurved	Ignitee Digital Services
Dalal Street Investment Journal	Iksula Online
De Sparrow Solutions	IMRB International
DeoBazaar Internet Commerce	Indus Health Plus
DoneByNone.com	Infibeam (BuildaBazaar.com)
Dr. Lal Path Labs	Info Edge Group
EduKart.com	Infosys Ltd.
Equitymaster	Interactive Avenues
Fabfurnish.com	InterGlobe Technologies (IGT)
Flipkart.com	Internet Moguls
Foodpanda.in	iProspect Communicate2
Freecharge.in	Jagran Solutions
Frog Ideas	Kalpataru Limited
Gaadi.com	Knight Frank



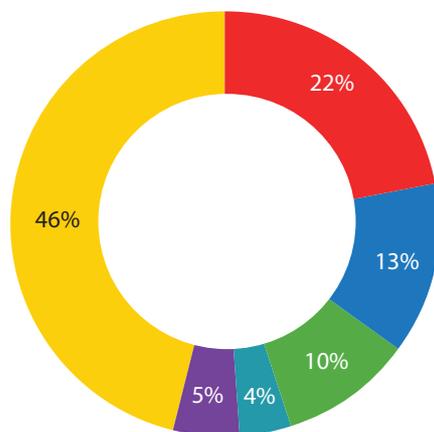
L&T Infotech	Sachar Gaming
Ladyblush.com	Seajin Technology
Lanco Infratech	Shopclues.com
Larsen & Toubro	Shopify
Law & Kenneth Communications	SingTel
LinkedIn India	Snapdeal.com
Loylty Rewardz Mgmt	Socio360.com
Luxury Retail	Solutions Digitas
Mahindra First Choice	SpiceJet
Manipal Global Education Services	Styletag.com
Matrix Direct Communications	Subway India
Max Retail (Lifestyle International)	Suksh Technology
Meritnation.com	Tarsan MVAS
Microsoft India	Tata AIG General Insurance
Minda Corporation	Tata Consultancy Services
Mindshare	TATA Elxsi
Ministry of Information and Broadcasting	The Oberoi Hotels & Resorts
Motorola	The Park Hotels
Netcore	The Times of India
NIIT Ltd.	Times Internet Ltd.
NIIT Technologies	Titan Company Ltd.
Old World Hospitality	TUV Rheinland India
PAYBACK India	UNICEF
Pennyful Online	Unicel Technologies
People Interactive	Utsav Fashion
Percept Ltd.	Value First Digital Media
Perfume2Order.com	Valyoo.com
PIAGGIO India	VLCC Healthcare
Printvenue.com	Vodafone India
Radio City 91.1 FM	Wealth India Financial Services
Ramoji Film City	Wizcraft India
Reliance Broadcast Network Ltd. (RBNL)	Yebhi.com
Reliance Fresh	YES Bank
Reliance Vision Express	Yum Restaurants
Retailers Association of India (RAI)	Zomato.com

5

Annual India E-Marketing Outlook Research – Impact Analysis

As a part of the report survey, we also took the opportunity to collect feedback on the impact of the previous year's edition of the Annual India e-Marketing Outlook Research Report – Spark the Surge (2013*). This is one of the many ways in which we try to comprehensively understand the impact of this kind of industry data in a report format and how our efforts are contributing towards knowledge sharing and benchmarking within the e-Marketing community in India.

Out of all the respondents, about 54% of them felt that the report was useful for them in one way or other for their business/marketing efforts. Compared to last year, that is an increase of about 12% in terms of usefulness of the report. About 22% of the respondents said that the report helped them in understanding the importance & challenges of e-Marketing; 13% said that they got an idea of where and how much to invest in e-Marketing to achieve good ROI; about 10% realized the importance of engaging customers and another 5% said that our report enabled them to do informative comparisons among the different channels of customer engagement.



- Helped in understanding the importance & challenges of e-Marketing
- We got an idea of where and how much to invest in e-Marketing to achieve good ROI
- We realized the importance of 'Engaging' with Customers
- Unveiled the need & importance of Email Service Providers (ESPs)
- Enabled us to do a comparison between all the digital channels of communication with customers
- I don't know which report you are talking about

* For the 2011, 2012 and 2013 editions of the report, please visit www.octaneresearch.in

Analysis & Insights of Survey Conducted:

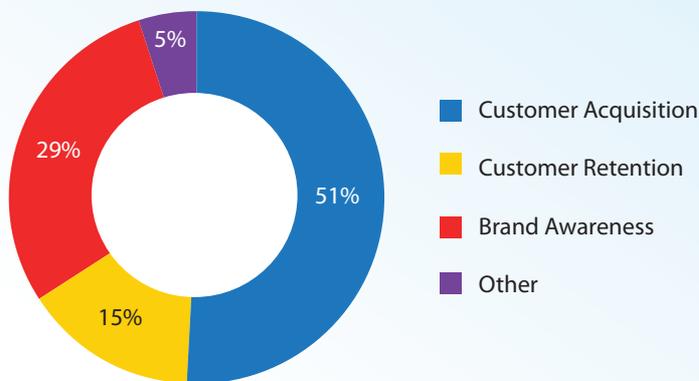
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1. Primary marketing goal in 2014:

For the fourth successive year, Customer Acquisition remains the top choice as the primary marketing goal for marketers in India with 51% of the respondents choosing this option. In line with the trends seen previously, Brand Awareness once again stands second in line with 30% of the votes and Customer Retention comes in at third with 15% of the marketers choosing this option.

Consistency in customer acquisition as being the primary marketing goal of marketers in India for four years in a row suggests that the industry is still in a continued growth phase. A large and increasingly technology friendly population could be counted as a fuel for this growth.

What is your primary marketing goal for 2014?

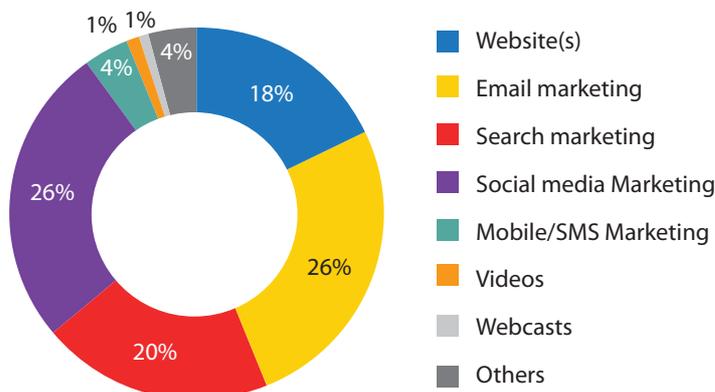


2. Primary online marketing activity in 2013:

In comparison with 2012, for the year 2013, Social Media closed the gap with Email Marketing (both at 26%) when it comes to being the primary e-Marketing activity for marketers in India. With Facebook & Twitter leading the charge and making their ad platforms more effective and analytics more robust, this was bound to have an effect on the actions of digital marketers. Email and Social are followed by Search Marketing at 20% and Website(s) at 18% of the respondents.

Interestingly, for 58% of the industry verticals covered in the survey, the primary e-Marketing activity is Email Marketing. A distant 17% voted for Social Media Marketing and Website(s) individually and the remaining 8% chose Search Marketing as their primary e-Marketing activity.

Which of the following was your primary online marketing activity in 2013?

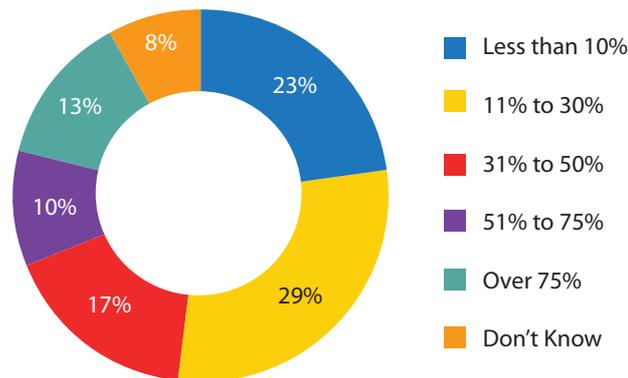


3. Percentage of budget allocated to Online Marketing in FY2013-2014:

72% of the companies surveyed have allocated up to 30% of their marketing budgets towards Online Marketing activities. At the same time, a slightly smaller group (at 17%) has allocated even more to take it up to 50% of the total marketing budget being ear marked for online activities.

Remarkably, 23% of the companies surveyed have assigned over 50% of their total marketing budget towards Online Marketing in 2013-2014. That speaks volumes about the potential that marketers in India see in the digital marketing domain (covering web, social media, mobile and email marketing).

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

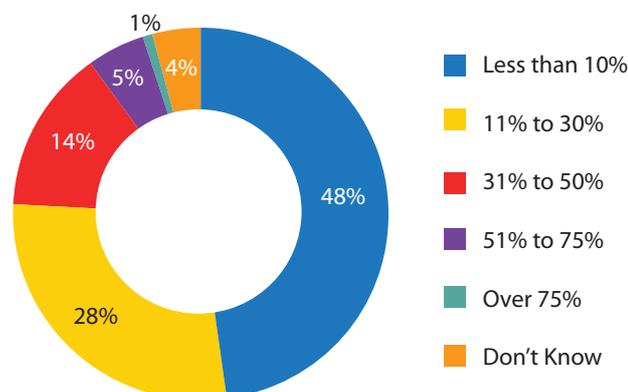


4. Allocation for Email Marketing in Online Marketing budget:

As compared to the data from the previous report, we see that majority of marketers in India (at 48%) are still allocating up to 10% of their total Online Marketing budget towards Email marketing. However, there has also been an increase in the number of marketers who are allocating more budgets towards Email campaigns. The survey shows that almost 38% of the marketers surveyed are allocating 11% to 50% of their Online Marketing budget to Email marketing. That is almost a 3% increase when compared to the numbers from last year.

Only 6% of the marketers surveyed are spending most of their Online Marketing budget (over 51%) on Email marketing activities.

Out of the above mentioned online marketing budget, what is the percentage ear-marked for email marketing?

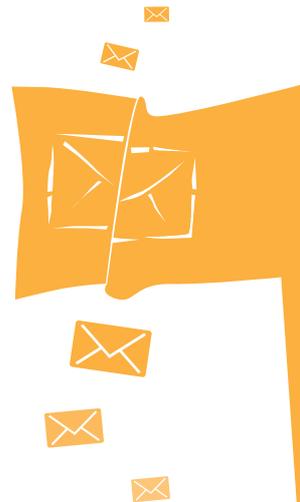
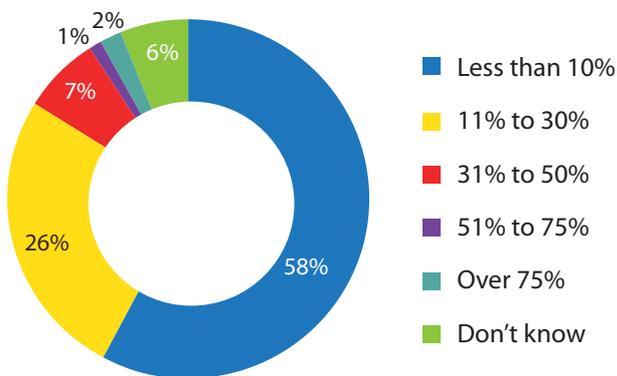


5. Allocation of Partner Promotion Emails in Online Marketing budget:

This is a new question that we've added for this year's report looking at the increasing importance of Partner Promotions when it comes to Email marketing. Partner Promotions via Email can be described as the ability to expand the reach of your communications beyond your own existing customers to the right target audience via strategic partnerships with other companies (using permission marketing principles).

The survey shows that while the bulk of marketers in India (at 58%) have allocated only up to 10% of their online budgets towards Partner Promotions, slightly more than quarter (at 26%) have allocated up to 30% of their budget for the same. A low 10% of the survey respondents indicated that they will allocate between over 30% of the Online Marketing budget towards Partner Promotions.

Out of the above mentioned online marketing budget, what is the percentage ear-marked for partner promotion emails?

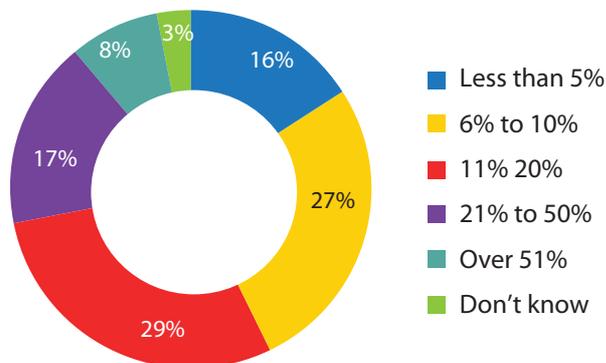


6. Plan to increase budget for e-Marketing in 2014:

When it comes to the sustained growth of e-Marketing in 2014, slightly more than a quarter (at 27%) of the marketers surveyed said that they would increase their e-Marketing budgets between 6% to 10% in 2014 while a slightly higher number (at 29%) said that they would increase the same between 11% and 20%. A smaller but significant 17% of respondents indicated that they would increase the e-Marketing budget between 21% to 50% of the current value.

16% of the survey respondents are looking a minimum increase in budget (less than 5% hike) while a smaller 8% of marketers are looking at a substantial increase of over 50%.

By what percentage are you planning to increase your budget for e-Marketing in 2014?

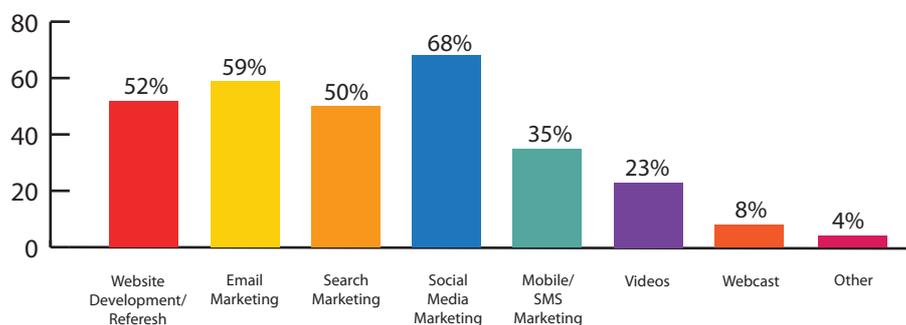


7. Increase in marketing investment for Online Marketing activities in 2014:

According to the data, 68% of the marketers surveyed intend to see an increase in investment in Social Media Marketing as compared to the 59% that favour Email Marketing. Also popular with Indian marketers are Website Development/Refresh (at 52%) and Search Marketing (at 50%). Mobile/SMS Marketing comes in with 35% of the votes while videos and Webcasts follow at 23% and 8% respectively.

58% of the industry verticals covered in the survey want to invest more in Social Media Marketing in 2014 while 25% (Telecom, Real Estate and Retail & Distribution) are looking to invest more towards Email Marketing. The remaining 8% is made up of Healthcare companies that favour enhanced investment in their Website(s).

Which of the following online marketing activities will see an increase of your marketing investment in 2014?



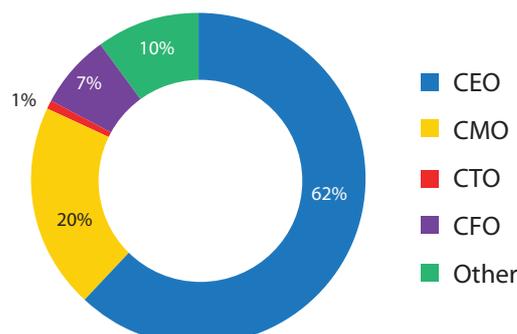
8. Clearance authority for marketing budgets/plans:

To better understand the planning and budgeting of e-Marketing activities in India; and to shed some light on the decision making process, we added this new question to the survey. It shows some interesting facts.

As the captain of the ship, the CEO seems to hold the most authority with over 62% of the respondents revealing that the final clearance for marketing budgets and plans is given by the Chief Executive Officer. Surprisingly, only 20% of the Chief Marketing Officers (CMOs) from the companies surveyed hold the same kind of authority. 7% of the marketers said that the Chief Financial Officer (CFO) and a low 1% said that the Chief Technical Officers (CTO) are the ones who hold the final clearance authority in their companies.

Interestingly, for smaller companies in the survey (up to 500 employees), CEOs seem to have more authority over marketing plans and budgets (at 69%) while for larger companies (10000+ employees) that number drops to 29% of the survey respondents.

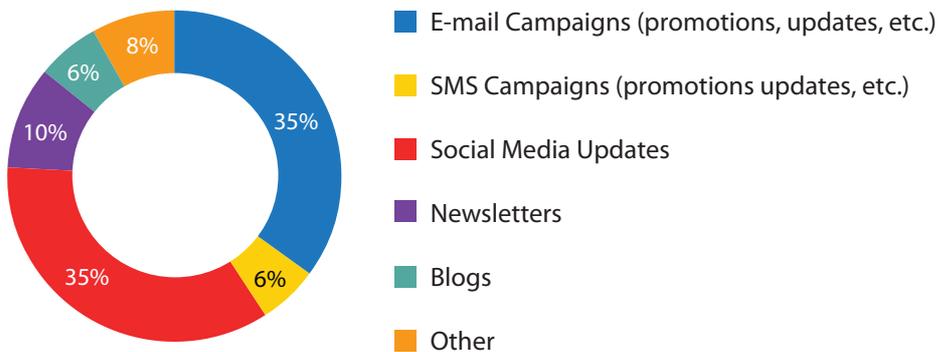
For your company's marketing plans/budgets, who holds the final clearance authority?



9. Maximum customer engagement:

As expected, Email Campaigns & Social Media Updates continue to dominate the mind of marketers in India when it comes to effectiveness in engaging with customers. Together, they corner a massive 70% of the votes. 10% of the marketers shared that their Newsletters result in maximum customer engagement while 6% attributed the same to SMS Campaigns and Blogs individually. Out of the 8% 'Other' vote, Websites and Online Advertising Campaigns were revealed to be the most popular choices for marketers in India.

Where do you gain maximum Customer Engagement from?



Further, out of the marketers that feel Email Marketing is the most effective channel of customer engagement, 43% have indicated a planned increase in investment in Email Marketing while 48% have indicated an increase of investment in Webcasts. At the same time, out of the marketers that feel Social Media Marketing is the most effective channel of customer engagement, 34% have indicated an increase in investment in the same while 37% have indicated an increase in investment towards Videos.

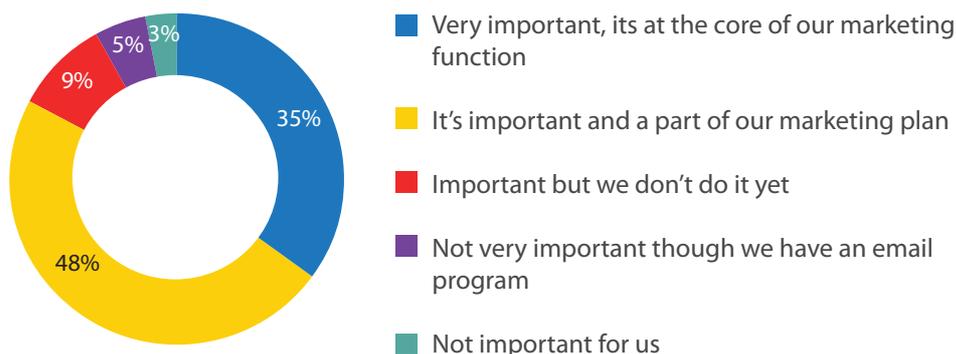
The larger part of 12 industries i.e. 7 industries think that maximum customer engagement can be achieved by Email Marketing; the other 5 think it can also be done via Social Media Marketing.

10. Importance of Email to marketing plans:

A massive 83% of marketers surveyed for this report revealed that Email marketing is a very important part of their marketing plan and they are actively sending Email campaigns. A further 9% of the respondents shared that it is important for them but they haven't yet started their Email activities. Surprisingly, 5% of the marketers have an Email marketing program but is not important for them in relation to their overall marketing plan.

Also, as compared to last year's report, there is a 25% increase in the number of marketers who have indicated that Email marketing forms the core of their marketing efforts.

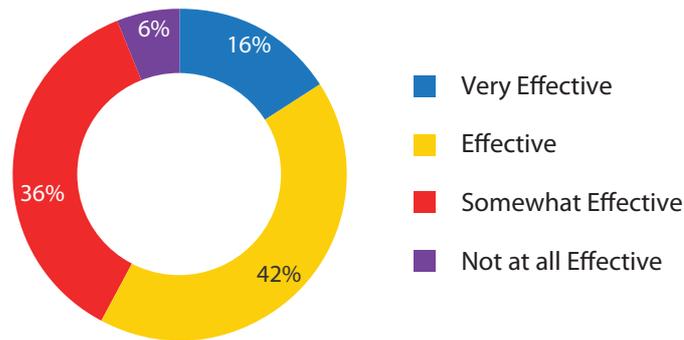
How important is Email to your marketing plans?



11. Effectiveness of Email/SMS marketing program in meeting agreed goals:

Email and SMS marketing have been steady in their performance over the past year with a majority (58%) of the marketers voting for them being effective in reaching agreed goals. Interestingly, a large 36% of the marketers chose the 'Somewhat Effective' option indicating that there is still scope in their plans for better deployment of Email/SMS campaigns. Meanwhile, 6% of the respondents feel that there are other marketing activities that can yield better results for their business when compared to Email/SMS marketing.

In your opinion, how effective is your Email marketing program for 2013 in meeting agreed goals?

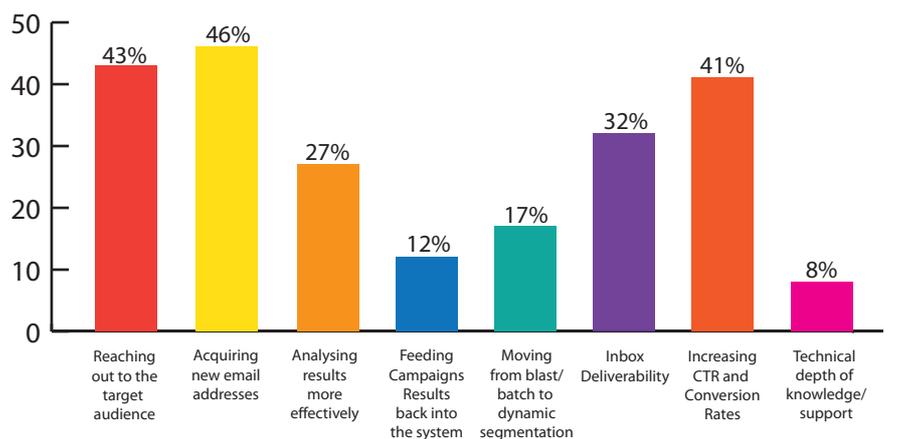


12. Most significant Email challenges faced in 2013:

According to the survey, in 2013, the top three Email challenges faced by marketers in India were: Acquiring new email addresses (at 46%), Reaching out to the target audience (at 43%) and Increasing CTR and conversion rates (at 41%).

Also important for marketers were Inbox deliverability (at 32%) and Analysing results more effectively (at 27%). This shows us that while furthering reach is still the top priority for marketers in India (as also seen in Question 1), deliverability, campaign performance and analytics are also becoming important focus areas for Email marketers in the country.

What are your biggest challenges with your current email marketing initiatives in 2013?

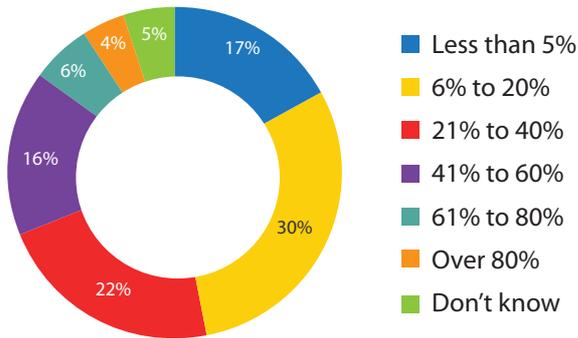


13. Percentage of inactive database:

Most consumer Email services are free, so sometimes, people create multiple accounts but actively use only a few. Therefore over time, due to little or no use, many of these Email addresses become inactive and marketing communications sent to such accounts result in zero engagement.

According to the survey, a lot of the subscriber lists that marketers in India work with, have large number of inactive accounts. More than half of the respondents (at 52%) shared that between 6% to 40% of their database is inactive. A further 22% stated that between 40% to 80% of their database is also inactive while only a much smaller 17% of the marketers said that less than 5% of their audience is inactive.

With regards to your email campaigns, what percentage of your database is inactive (non-responsive in any way)?

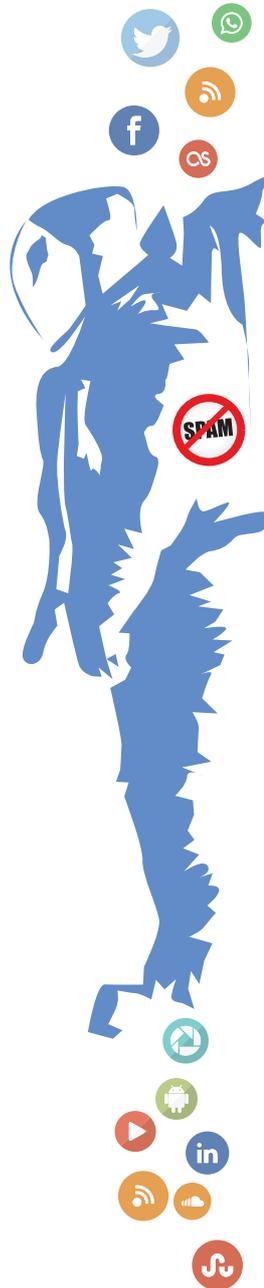


14. Importance of mobile devices in sales & marketing plans:

73% of marketers surveyed revealed that mobile specific marketing activities are important for them. Out of this, 34% are already doing campaigns for devices while a larger 39% are planning to start activities soon. 19% of the respondents shared that it is part of their marketing or sales strategy and low 8% stated that it is not an important channel for them at this time.

Compared to last year's report, there is a 50% drop in the number of marketers that feel mobile is not important for their plans. Further, there is an 11% drop in the number of marketers who indicated that mobile was important but hadn't started using it. This shows the increasing adoption of mobile devices by marketers as a legitimate marketing channel.

How important is mobile (Smartphones/Tablets/Apps) to your sales & marketing plans?

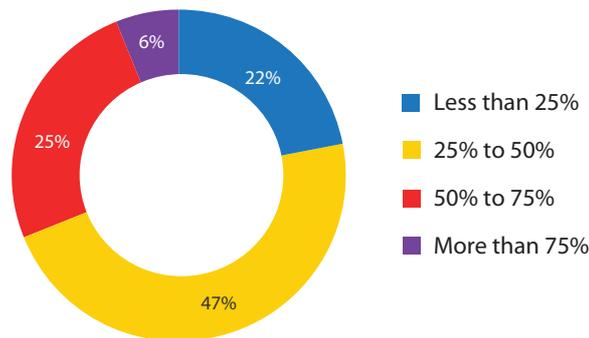


15. Email marketing on mobile devices in 2014:

Keeping in mind the rising proliferation of smartphones, tablets and Email on the go, we added a new question to try to understand what the marketers themselves think about the spread of this communication medium. Almost half of the respondents (at 47%) shared that they think that between 25% to 50% of all Email Marketing messages will be viewed on mobile devices in 2014. A further 25% was even more confident and chose the 50% to 75% option for the same.

22% of the marketers were more cautious and said that less than 25% of all Email Marketing messages will be viewed on mobile devices in 2014. Compared to last year's report, that is about a 30% decrease in this group.

In your opinion, what will be the percentage of email marketing that will be viewed on mobile devices in the year 2014?



16. Adapting marketing strategy to mobile devices:

Compared to last year's 40%, this year, 45% of the marketers surveyed said that they believe in mobile devices as an important platform for customer engagement and are adapting to it well. At the same time, a substantial 42% shared that even though they plan to adapt their strategies to mobile devices, they haven't done it yet. The number of marketers that don't yet believe in engagement via smartphones, apps or email on the go has decreased by about 31% since last year. This time, only 11% of the survey respondents chose that option.

Additionally, 67% of the respondents who are planning to increase investment in Mobile Marketing for 2014 are also planning to adapt their marketing plans to accommodate the rise of smartphone, apps and email on the go.

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

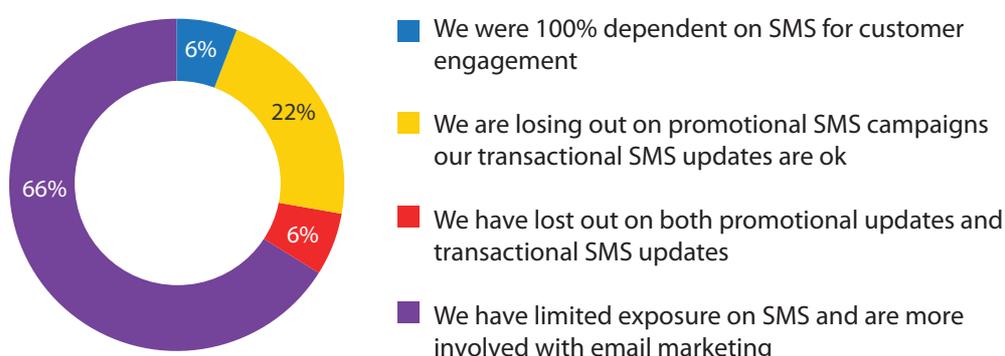


17. Impact of TRAI Regulations on business:

In comparison to last year's 72%, this year, 66% of marketers surveyed shared that TRAI regulations (limiting the number of marketing SMS sent per day) don't affect their business because they are more inclined towards email marketing activities. 22% of the respondents said that while they are losing out on promotional campaigns, SMS is working fine for them when it comes to transactional messages. And at the same time 6% of the marketers said that because of these regulations, they are losing out on both promotional and transactional campaigns.

It is worth noting that even with mobile apps and Email on the go on smartphones and tablets, 6% of the marketers still shared that they are 100% dependent on SMS alone for customer engagement.

TRAI Regulations limit the number of SMS/Text messages per day for promotional activities. What impact does it have on your business?

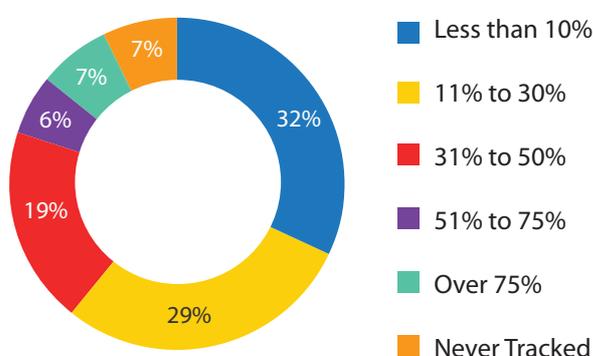


18. Contribution of e-Marketing to the overall sales revenue:

In our survey, 29% of the marketers said that currently, e-Marketing generates between 11% to 30% of their total sales revenue while an additional 19% shared that it generates between 31% to 50%. A much lower 6% chose the 50% to 75% option while 7% chose 'Above 75%' for the same. This means that for about 13% of the survey respondents, e-Marketing contributes over 50% of the total sales revenue.

Only 7% of the survey respondents shared that they don't track e-Marketing's contribution to the sales revenue currently.

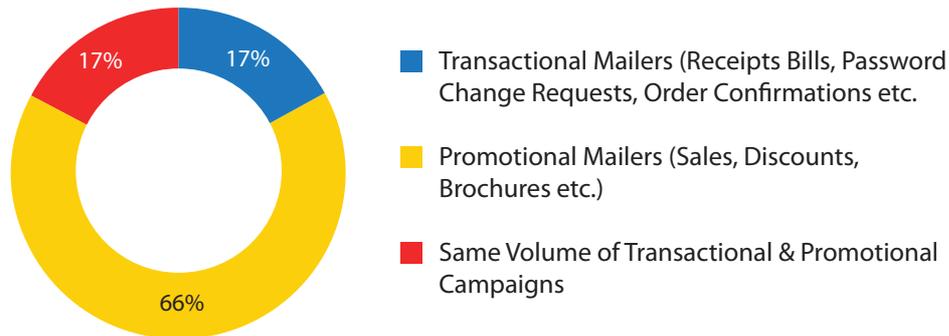
In your overall sales revenue, approximately what percentage is contributed by e-Marketing (Email/Mobile/Social)?



19. Email marketing type:

In order to understand the kind of Email marketing being done by marketers in India, we added a new question to this edition of the report. According to the survey, 66% of the respondents said that their Email campaigns consist of Promotional Mailers more than Transactional Mailers. 17% said that they send more Transactional Mailers than Promotional Mailers and further 17% indicated that they send equal volumes of both kinds of mailers (Promotional & Transactional).

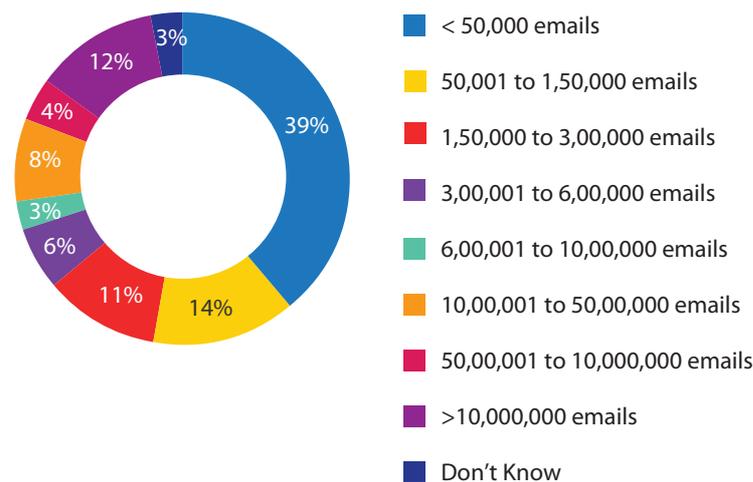
When it comes to Email Marketing, which of the following type of mailers are sent more often by you in terms of volume?



20. Email Marketing volume:

61% of the total marketers surveyed for this edition of the report shared said they send more than 50,000 Emails in a month. Out of this, 25% send between 50,000 to 300,000 Emails per month, 9% send between 300,000 to 1 million Emails per month and a good 8% send between 1 million to 5 million. 16% of the total respondents revealed that they send over 5 million Emails per month as a part of their Email Marketing activities.

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

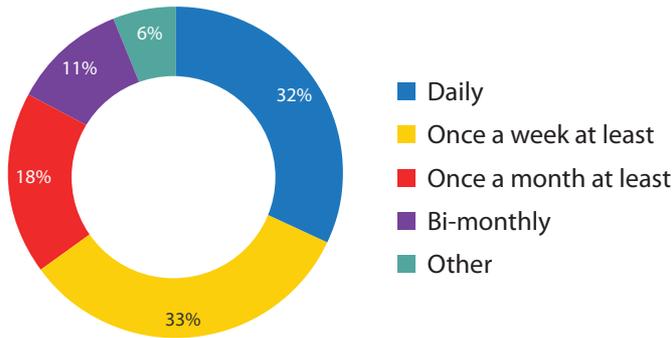


21. Frequency of sending Email/SMS campaigns:

32% of the marketers surveyed revealed that they send Email/SMS campaigns on a daily basis, while 33% of the marketers do it at-least once a week. 29% of the survey respondents are less frequent with 11% sending bi-monthly campaigns and 18% sending monthly campaigns only.

The response data for this question has not changed significantly from last year's survey wherein a similar breakdown was observed for frequency of campaigns.

How often do you send Email/SMS campaigns?



22. Responsibility for ensuring Emails reach Inbox:

50% of the marketers in India feel that Inbox deliverability of Email campaigns is either the responsibility of in-house marketing teams (at 26%) or ESPs (Email Service Providers at 24%) while a further 18% feel that it's a joint responsibility of both. Research also shows that while 11% of the marketers don't track inbox deliverability at all, 20% leave it to their IT teams.

Who makes sure your email messages reach the inbox?

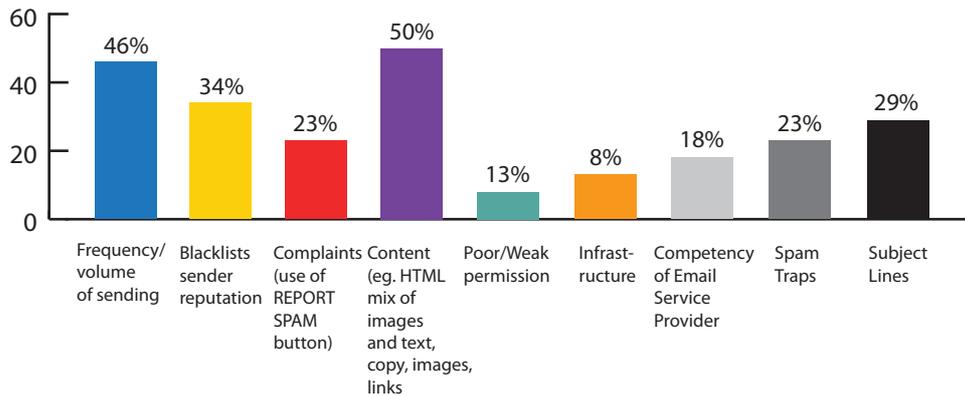


23. Top 3 factors impacting Inbox Delivery Rates:

According to the marketers surveyed for this report, Content (at 50%), Frequency/Volume of sending (at 46%) and Black Listing/Sender Reputation (at 34%) are the top three factors impacting inbox deliverability rates for Email campaigns.

These top three factors are consistent with last year's report (Annual India e-Marketing Report 2013 – Spark the Surge) which shows that Email marketers have still not been able to overcome the challenges raised by these factors.

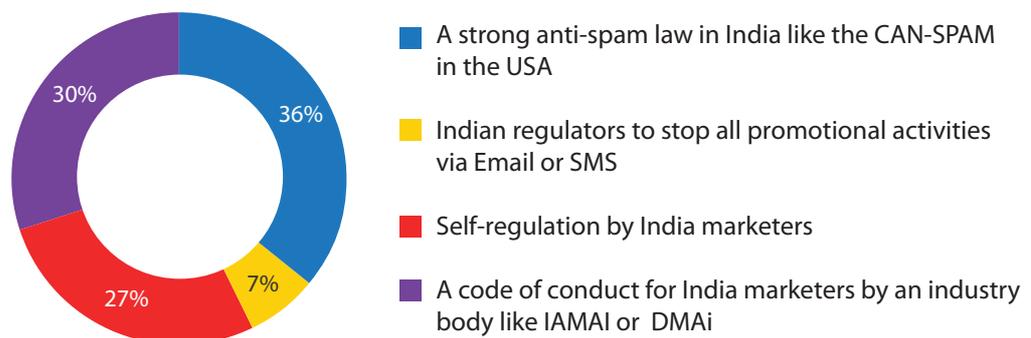
Which are the most important factors that impact your inbox delivery rates?

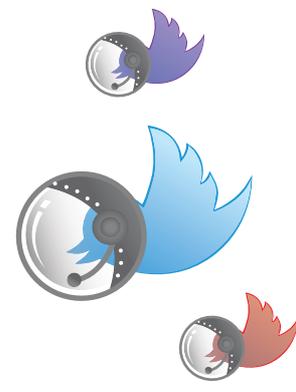


24. Measures for reducing spam in India:

About 36% of the marketers in India feel that a strong anti-spam law like the CAN-SPAM (USA) would help curb the menace of spam in India. A smaller group at 30% believes that a 'code of conduct' for Indian marketers by an industry body like IAMAI or DMAi would be effective (there has been a 25% drop in the number of marketers choosing this option since the last report in 2013). Meanwhile, 4% more marketers chose self-regulation as their top choice (at 27%) while a surprising 7% of the marketers (up 3% since 2013) want Indian regulators to stop all promotional activities via Emails and SMS.

According to industry data, India rates amongst the top spam generating countries. What measures would you suggest to help reduce spam in India?



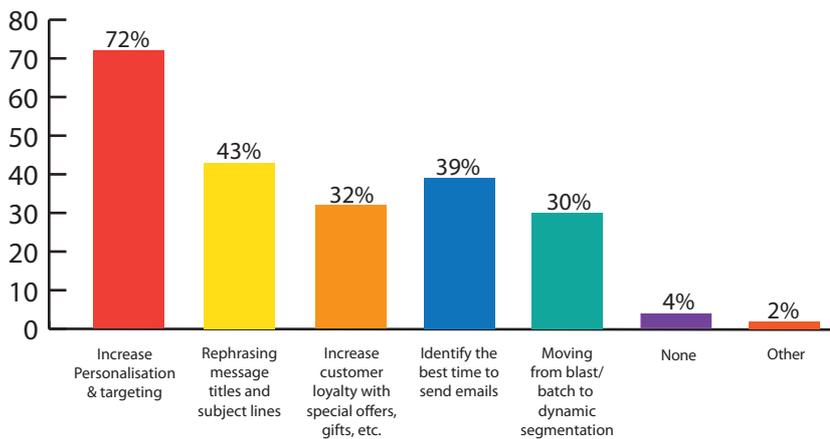


25. Email activities most implemented to reduce the effects of Spam and Inbox Clutter:

A vast majority of the respondents (at 72%) feel that increased personalisation and more accurate targeting can reduce the problem of inbox clutter. Just like last year, once again, 'Rephrasing message titles and subject lines' (at 43%) and 'Identifying the best time to send Emails' (at 39%) take the second and third place respectively for Indian marketers.

This indicates that while marketers in India have identified the issues relating to spam and inbox clutter over the course of the last 12 months, they have not been able to effectively address them.

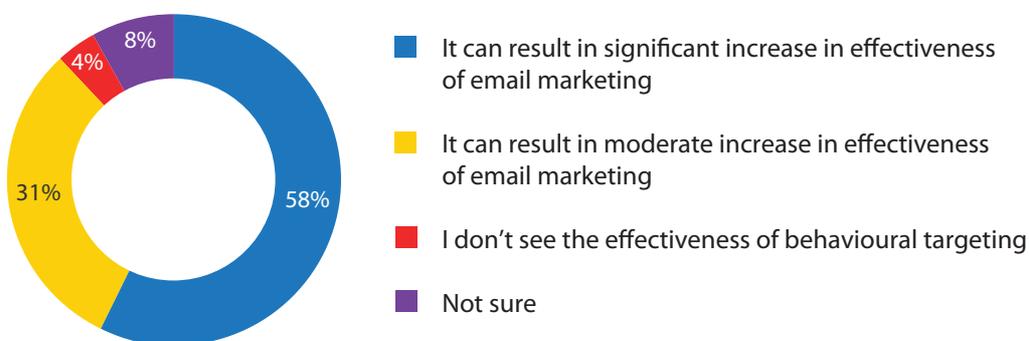
What email activities are you implementing to reduce the effects of spam complaints and inbox clutter?



26. Leveraging Behavioural Targeting in Email marketing:

A massive 89% of the respondents feel that behavioural targeting (sending messages based on subscriber behaviour like open rates and click rates) can increase the effectiveness of Email marketing. Of this nearly 58% believe that it may have a significant increase in effectiveness (up 5% from last year). At the same time, around 14% of Indian marketers are either not sure about the value of behavioural targeting (at 8%) or don't see it as being effective (at 4%). This is in line with the trends over the last couple of years.

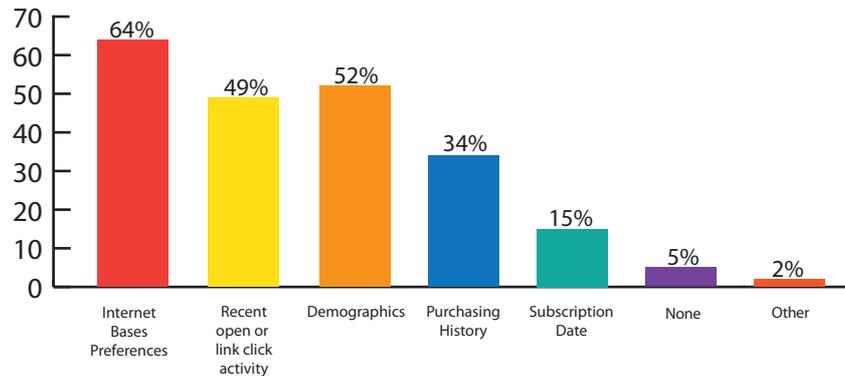
Do you think behavioural targeting (sending messages based on subscriber's actions like opens, clicks, etc.) can increase email marketing effectiveness?



27. Use of Segmentation Techniques in Email campaigns:

'Interest based preference' still leads with marketers in India with 64% of them choosing it as their top choice in 2014 when it comes to segmentation techniques for Email campaigns. Interestingly, 'Demographics' based segmentation (at 52%) trumps both 'Recent open or link click activity' based segmentation (at 49%) and segmentation based on 'Purchasing history' (at 34%) to break into the top three this year (as compared to being the fourth favourite choice in 2013 with only 16.4% of the votes).

Which of the following segmentation techniques do you plan to implement in upcoming email marketing campaigns?

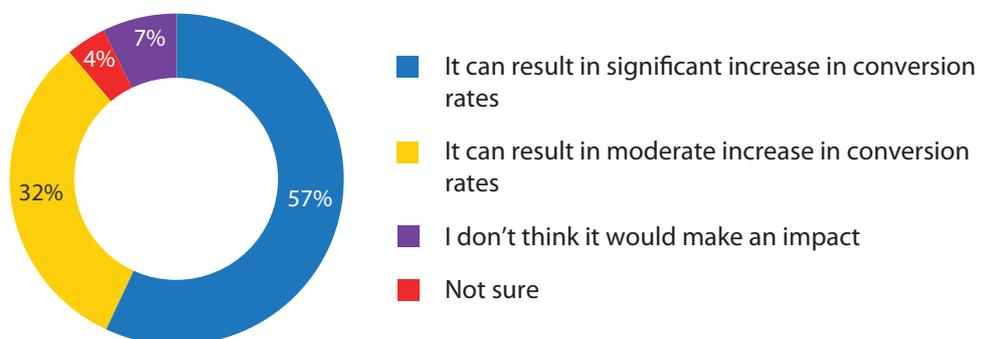


28. Impact of integrated campaigns (Email+Social Media+SMS) on Conversion Rates:

Continuing the trend from last year, this year too marketers have shown a preference for using integrated marketing to bring about significant change in conversion rates. 89% of marketers shared that integrated marketing can have an impact on the rate of conversions. Out of this, 57% believe that integrated campaigns would have a significant impact as opposed to around 32% who see a more moderate impact.

Interestingly, when compared to 2013, there has been a 7% increase in the number of marketers who see a more significant impact of integrated campaigns while there has been a 9% decrease in the number of marketers who see only a moderate impact. This shows that more marketers are now using integrated campaigns to drive towards better conversion rates.

What do you think about the impact of integrated campaigns (Email, Social & Mobile) on conversion rates (product sales, subscriber registrations, downloads etc.)

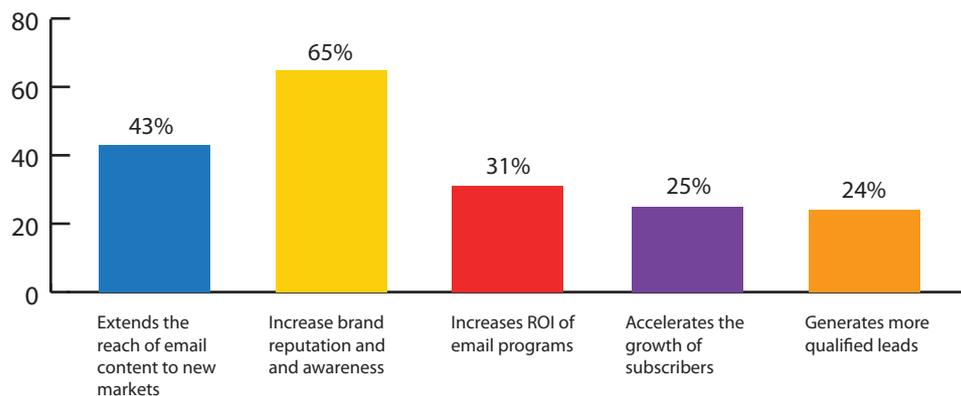


29. Influence of Social Media on Email marketing campaigns:

For marketers in India, Social Media has firmly established itself as a platform for increasing brand reputation and awareness. Keeping in line with the trends seen in 2011, 2012 and 2013, this year too a majority of the survey respondents (at 65%) chose this option. 43% of the marketers feel that social media extends the reach of email content while 31% shared that according to them, using social media with Email increases the ROI of Email campaigns.

Interestingly, there is a decline of 5% in the number of marketers (24% in 2014 vs. 29% in 2013) who feel that social media generates qualified leads. At the same time, there is a 5% increase in the number of marketers (25% in 2014 vs. 20% in 2013) who feel that social media accelerates the growth of subscribers for their campaigns.

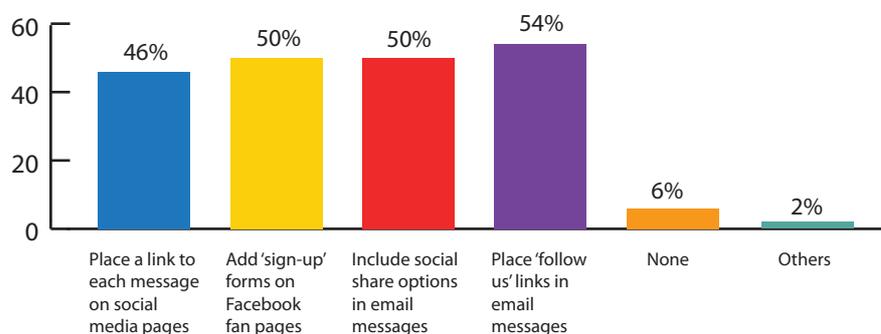
How do you think social media influences email marketing?



30. Use of Social Media Integration Tools:

Survey data indicates sustained and widespread adoption of Social Media integration with Email campaigns. The usage of 'Follow Us' links is the most popular option with marketers in India with 54% of them choosing the same. Social Media sharing buttons on Emails and 'Sign-up Forms' on Facebook page are the second most popular choices (with 50% of marketers choosing each). Lastly, placing a link to archived Email campaigns on their Social Media pages emerges as another popular option with 46% of the marketers choosing it.

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

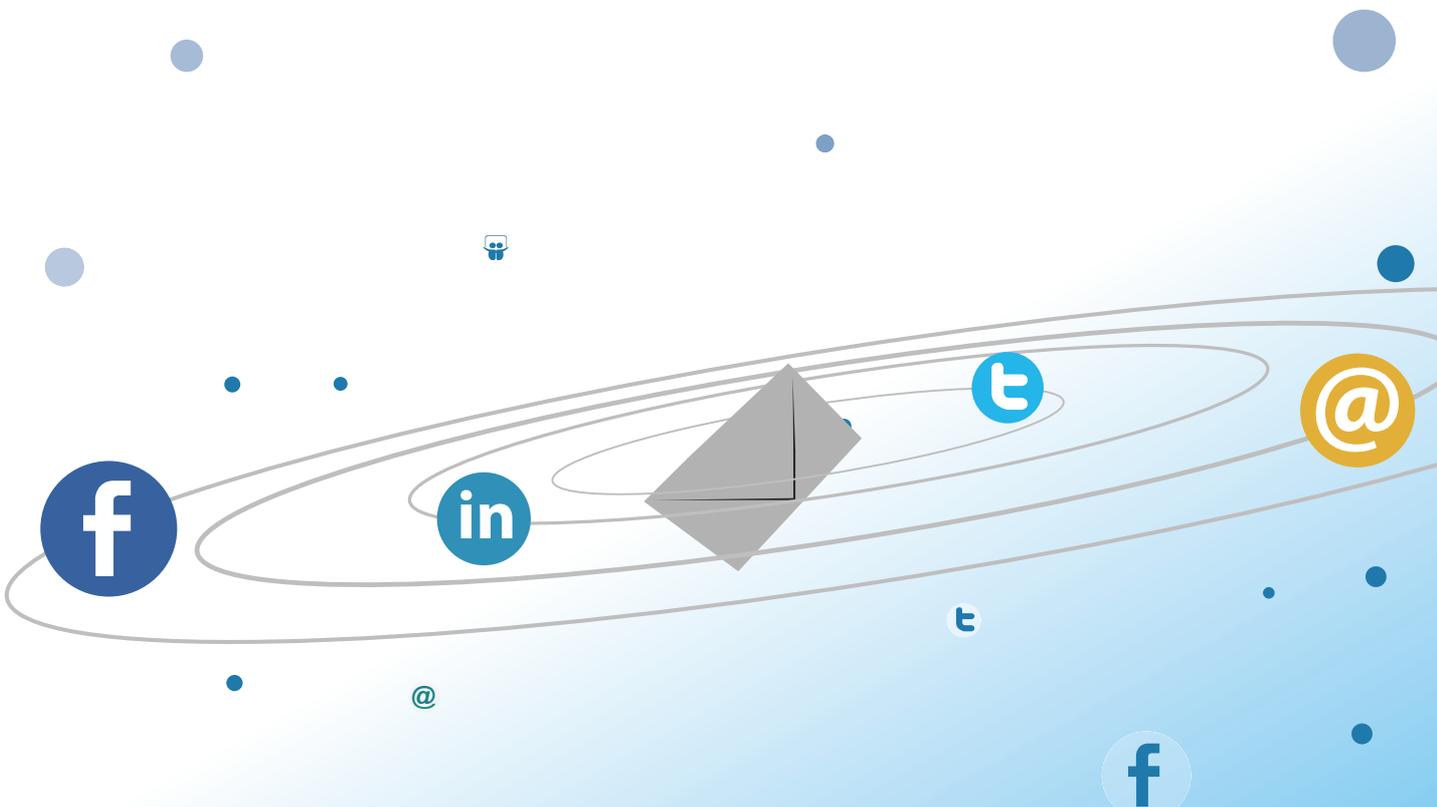
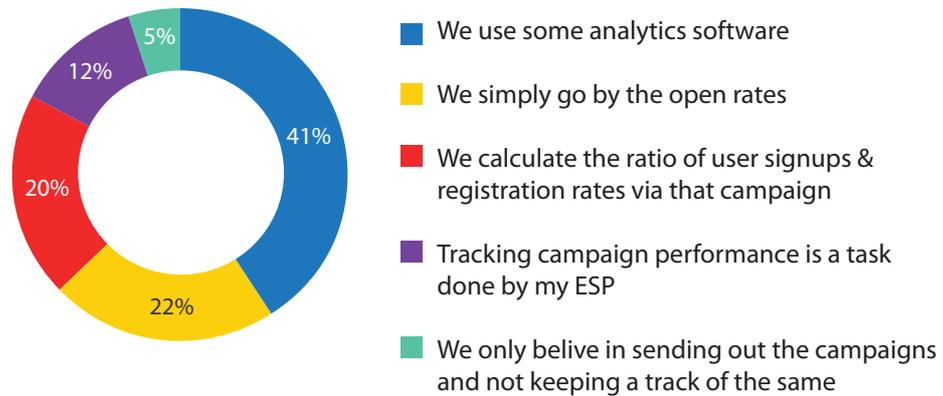


31. Keeping track of the campaign's success:

In this year's survey, 41% of the marketers have shared that they use some analytics software to keep a track of their campaign performance (compared to 47% last year). 22% of the marketers revealed that they measure campaign performance using the open rates while 20% said that they use user sign-ups and registrations post campaign as a metric.

There has been an increase of 4% in the number of marketers who depend on their ESP (Email Service Provider) to measure campaign performance (12% in 2014 vs. 8% in 2013). Unfortunately, there has also been a slight increase in the number of marketers who only believe in sending campaigns and don't like to keep a track of their performance (5% in 2014 vs. 4% in 2013).

How do you actually keep track of your campaign's success?



Research Trends (2011-2012-2013-2014)



This is the fourth edition of Octane's Annual India e-Marketing Report and therefore, the data gathered for this year's survey adds to the wealth of existing trending data for e-Marketing in India available for the past three years. The main aim of showcasing trending data as a part of this report is to reveal how the perspective of marketers in India shifts and adapts to changes and challenges in the industry on an annual basis.

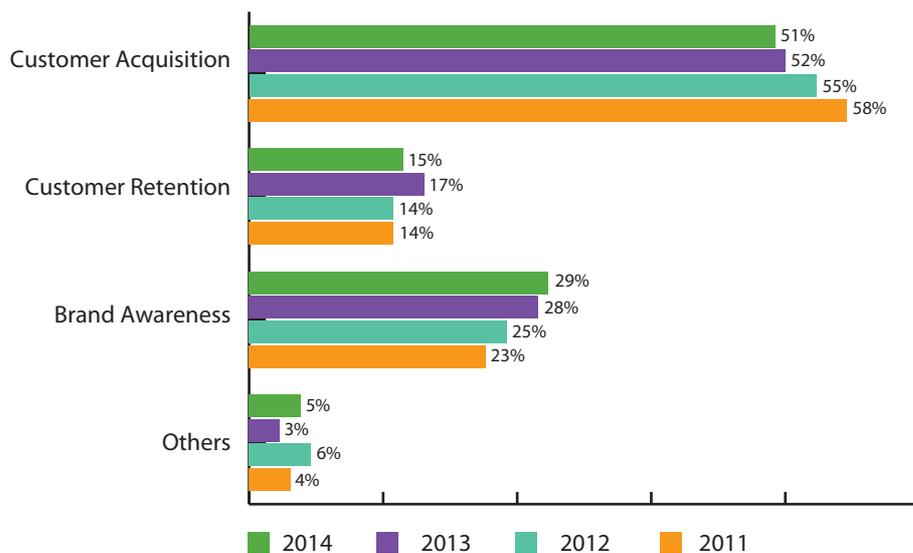
In this report, there are two kind of trending data; the first set of questions cover the insights gathered over the last four years (2011, 2012, 2013 to 2014) and the second set covers the trending data from questions modified or added over the last two years (2013 to 2014).

A. Trends over four years (2011-2012-2013-2014)

1. Primary Marketing Goal:

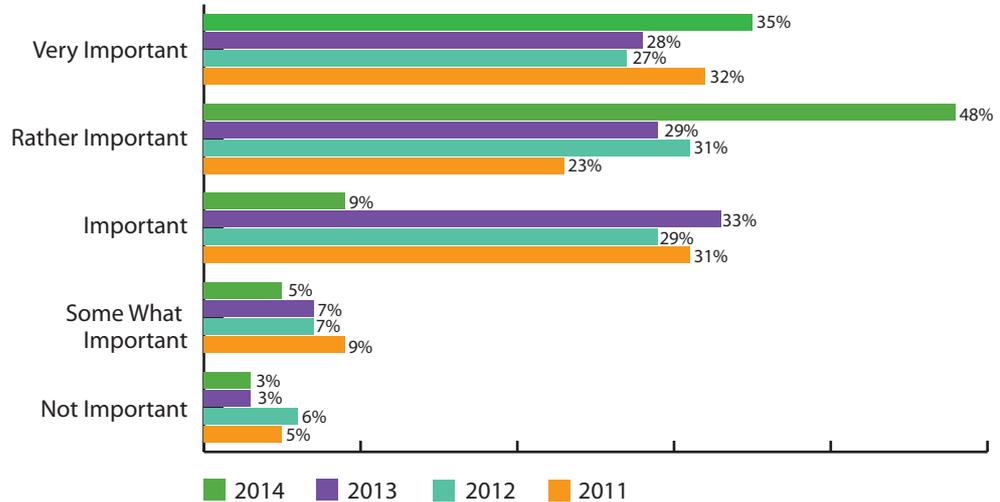
'Customer Acquisition' is still the top marketing goal for marketers in 2014 at 51%. The decreasing trend continues for this option but as compared to a 3% year on year drop since 2011, this year, there is only a 1% drop in the number of marketers choosing this option. Meanwhile, the importance of 'Brand Awareness' as a primary marketing goal continues to rise with 29% of the marketers choosing the same.

The number of marketers choosing 'Customer Retention' has dropped slightly since 2013, with 15% naming it as their primary marketing goal in 2014.



2. Importance of Email to marketing plans:

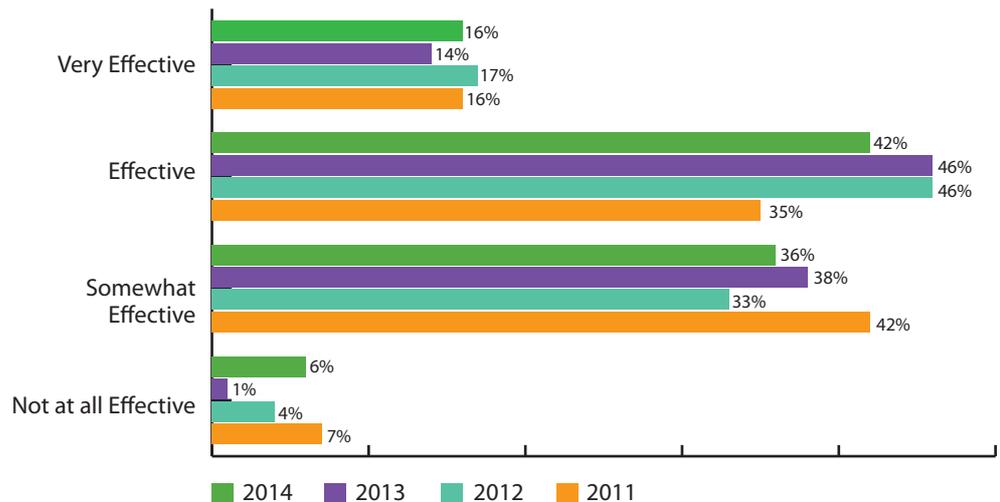
The Importance of Email to marketing plans has increased considerably over the last four years with more marketers terming it 'Very Important' (35% in 2014 vs. 28% in 2013) or 'Rather Important' (48% in 2014 vs. 29% in 2013) in this year's survey than ever before. Only a low 3% of the respondents (same as 2013) believe that Email marketing is not important for them.



3. Effectiveness of Email marketing programs in meeting agreed Goals:

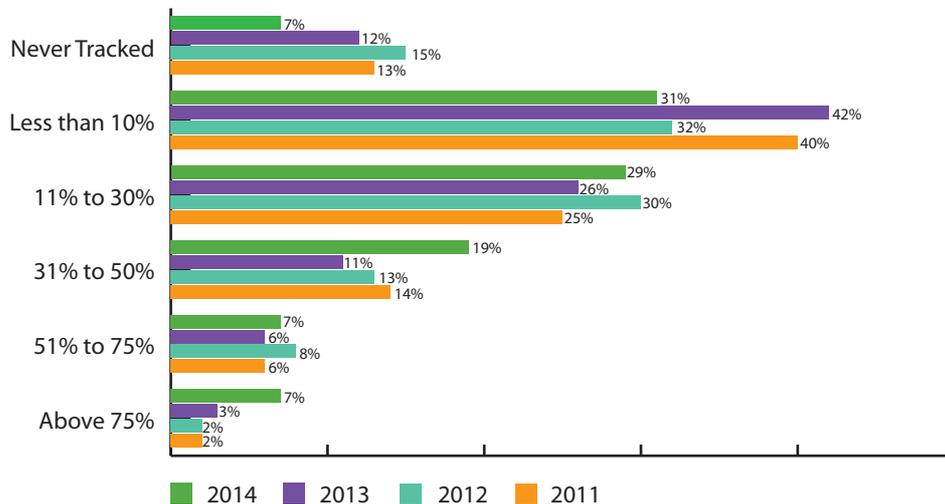
Over the past four years, the overall effectiveness of Email marketing has remained constant for Indian marketers with minor variations. This year, we see a rise of 2% in the 'Very Effective' category (16% in 2014 vs. 14% in 2013) while we see a similar fall in the 'Somewhat Effective' category (36% in 2014 vs. 38% in 2013).

There has also been a sharp increase of 5% in the number of marketers who feel that Email marketing is not effective in meeting their agreed goals (6% in 2014 vs. 1% in 2013) in this year's survey. Enhanced campaign volumes with limited expertise and lack of guiding resources could account for this sudden change.



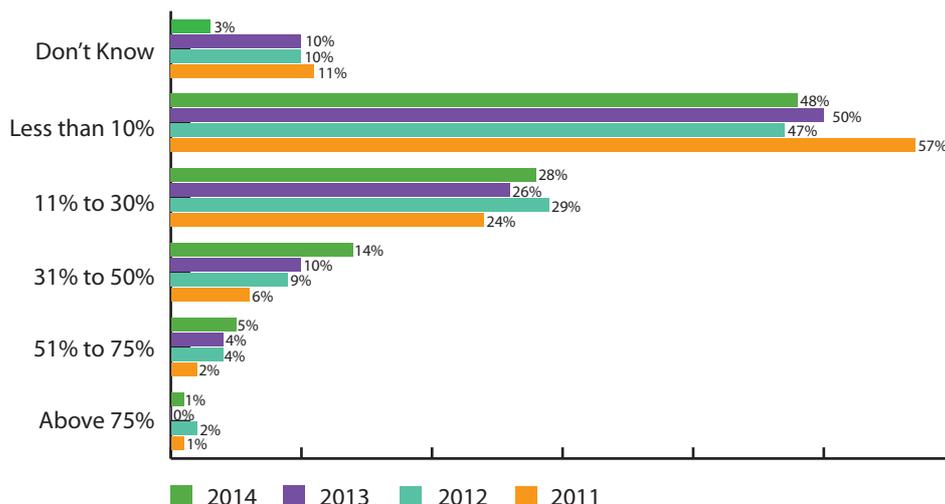
4. Share of revenue generated by e-Marketing:

Looking at the trends over the years, we see that e-Marketing is now contributing more towards sales revenues than ever before. There has been a significant reduction of 11% since last year in the 'Less than 10%' category while there have substantial increases in the '11% to 30%' category (29% vs. 26%), the '31% to 50%' category (19% vs. 11%) and the 'Above 75%' category (more than double 7% vs. 3%).



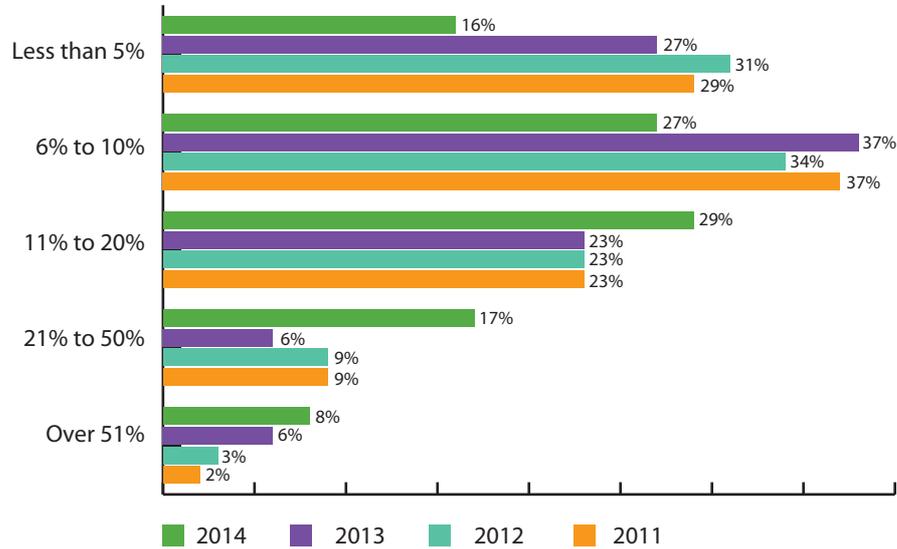
5. Approx. percentage of Online Marketing budget allocated to Email marketing in 2013-2014:

As it can be seen from the graph below, for 2013-2014, more funds were reserved for Email marketing activities from online marketing budgets as compared to previous years. There is a 2% increase in '11% to 30%' category, a 4% increase in the '31% to 50%' category and a 1% increase in both the '51% to 75%' and 'Above 75%' categories. This confirms further that Email marketing is meeting the requirements and goals for marketers in India and they are in turn looking to expand their programs.



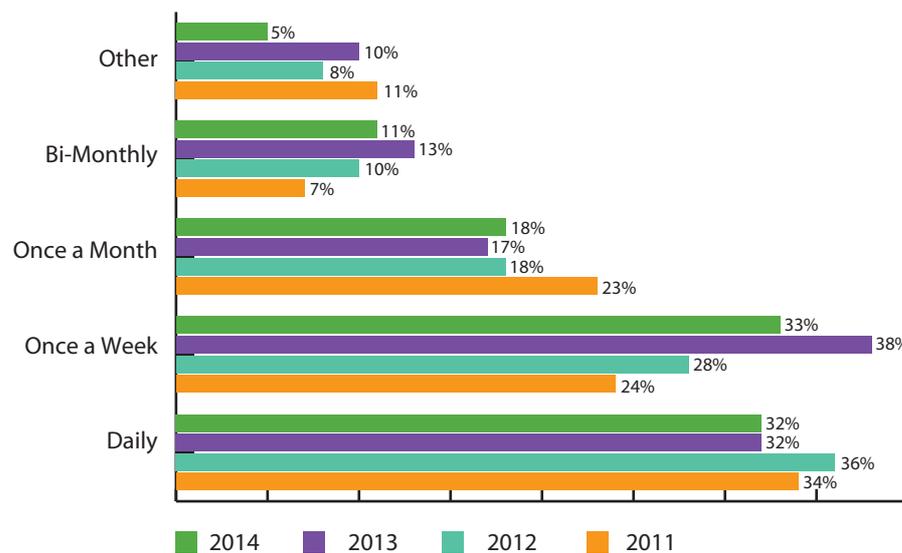
6. Plans to increase budget for e-Marketing in 2014:

Looking at the more macroscopic view of the entire e-Marketing budget, we see that the higher increase in budget allocation stays true for 2014. There is a substantial decrease in budget expansion in the lower categories (less than 10%) while there is a substantial increase in the '11% to 20%' category (up 6%) and the '21% to 51%' category (up 11%).



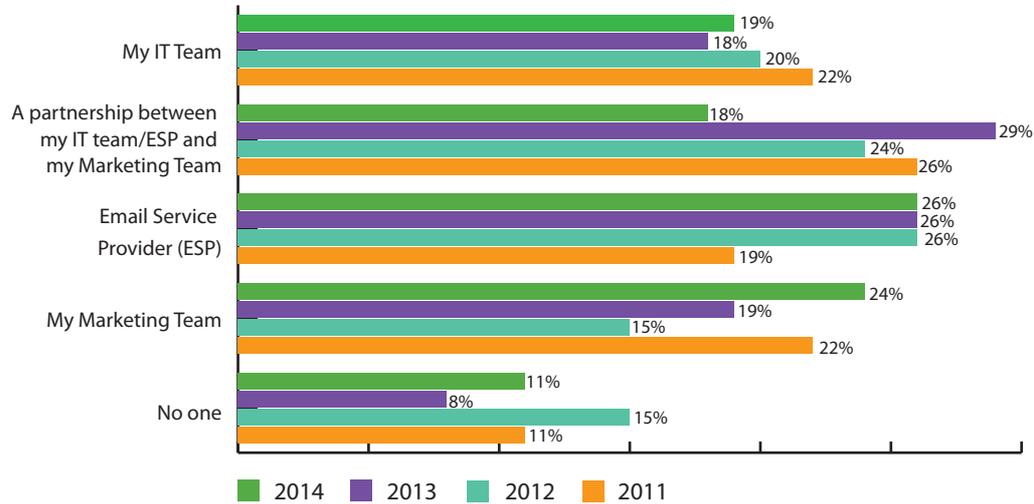
7. Frequency of Email/SMS campaigns:

The frequency of Email and SMS campaigns sent by marketers in India has remained stable overall with minor variations. The number of marketers doing daily campaigns has stayed level at 32% since last year (down from a peak of 36% in 2012) but there has been a 5% decrease in the number of marketers doing weekly campaigns (33% vs. 38% last year - though it is still 5% more than 2012 and 9% more than 2011).



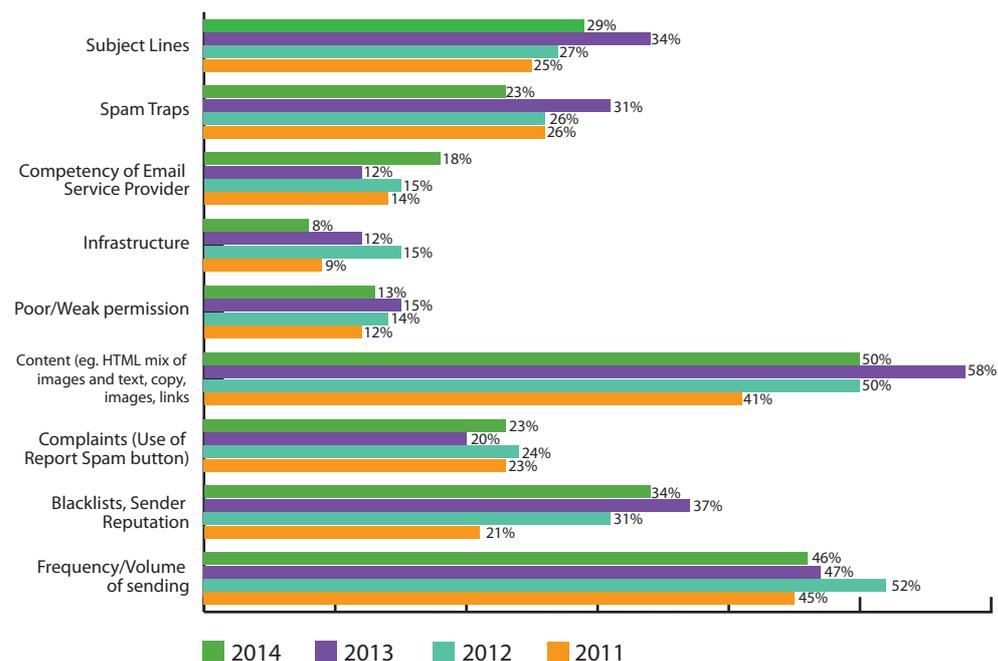
8. Responsibility for ensuring Inbox Deliverability:

Since 2012, the number of marketers who depend on their ESP completely for inbox deliverability has stayed constant at 26%. However, at the same time, there has also been a strong 11% decline in the joint responsibility model (IT team/marketing team and ESP) and a slight countering increase in the number of companies where the responsibility for Email delivery is with the internal marketing team (24% vs. 19% last year). This shows a shift in responsibility towards marketing teams which now seem to be better equipped to design campaigns that result in greater performance than before.



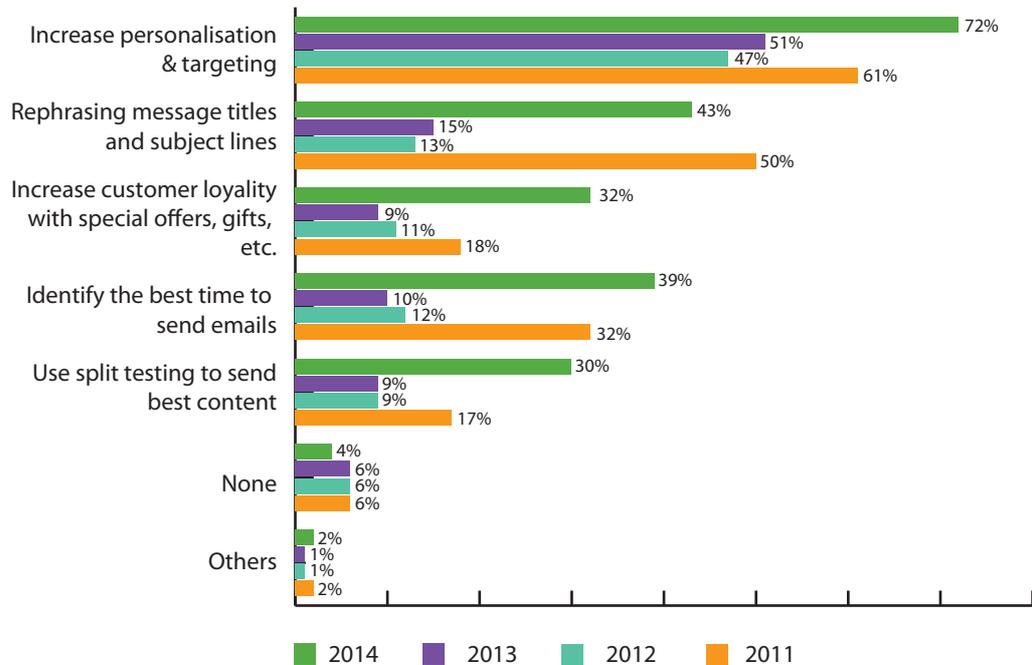
9. Top factors impacting Inbox Delivery rates:

Over the last three years, Content, Frequency/Volume of Sending and Blacklists/Sender Reputation have been the top three choices for marketers in India when it comes to choosing the factors that impact inbox delivery rates for their campaigns. Where data varies this year, is that fewer marketers now consider Subject Lines (decrease of 5%) and Spam Traps (decrease of 8%) to be important factors in campaign delivery. At the same time, more marketers are mindful of the competency of their Email Service Providers (up by 18%) and the use of the 'Spam button' resulting in complaints (up by 3%).



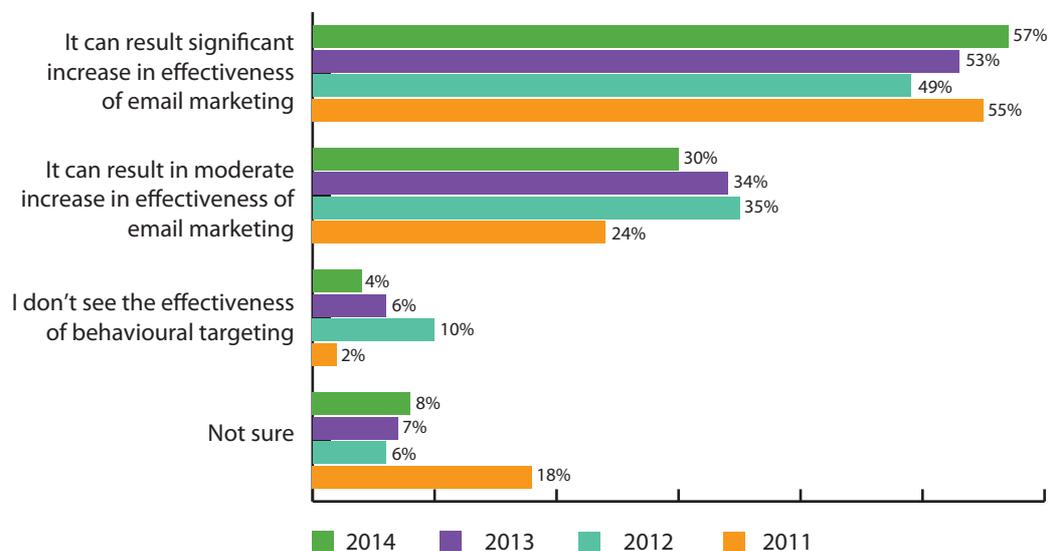
10. Email activities being implemented to reduce spam/inbox clutter:

This year, we see that marketers are aggressively looking to ignite engagement with their customers. Data shows huge jump in the number of marketers across the board when it comes to activities that make marketing messages more relevant. Almost all mentioned activities show an approx. increase of 20% when compared to data from last year and at the same time the number of marketers not implementing/using any such activity has reduced as well (4% vs. 6% last year).



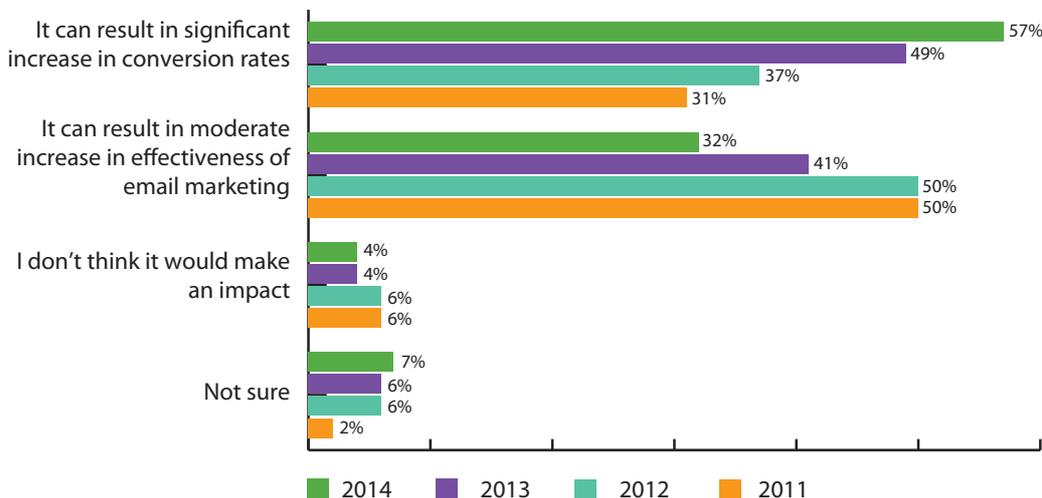
11. Behavioural Targeting:

A majority of marketers surveyed (steady at 87% since last year) still feel that the use of behavioural targeting can do wonders for Email marketing campaigns. Simultaneously, the slide in the number of marketers who don't see the effectiveness of behavioural targeting for Email marketing has continued to drop for the third year in a row (10% in 2012, 6% in 2013 and 4% in 2014).



12. Impact of integrated campaigns (Email+Social Media+Mobile) on Conversion Rates:

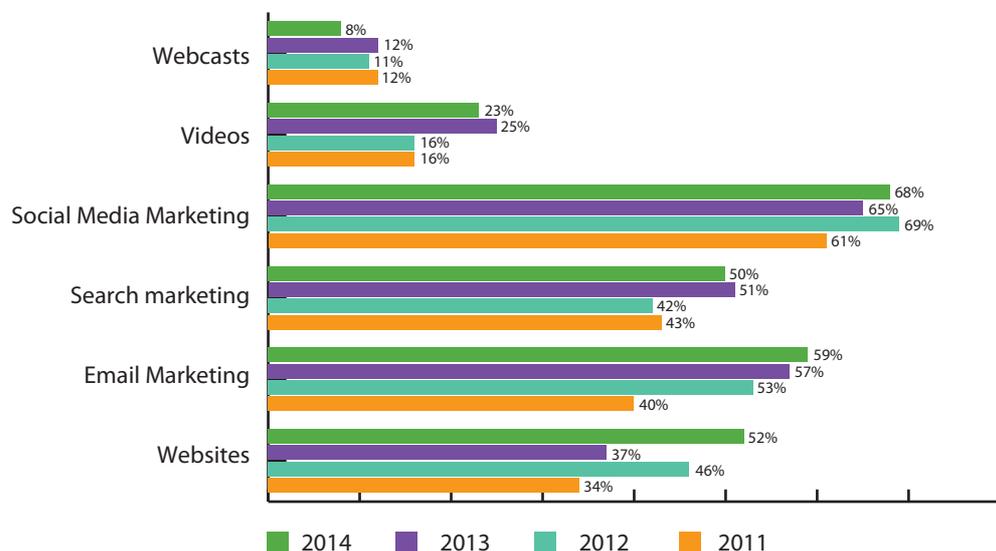
The year on year trends have stayed true over the last four years with the number of marketers who believe in the impact of integrated campaigns increasing consistently (31% in 2011, 37% in 2012, 49% in 2013 and 57% in the 2014 report survey). The number of marketers who feel integrated campaigns only have a moderate impact on conversion rates has also followed a pattern of consistently decreasing (50% in 2011 & 2012, 41% in 2013 and 32% in the 2014 report survey) over the last few years.



13. Online marketing activities that will see an increase in marketing investment in 2014:

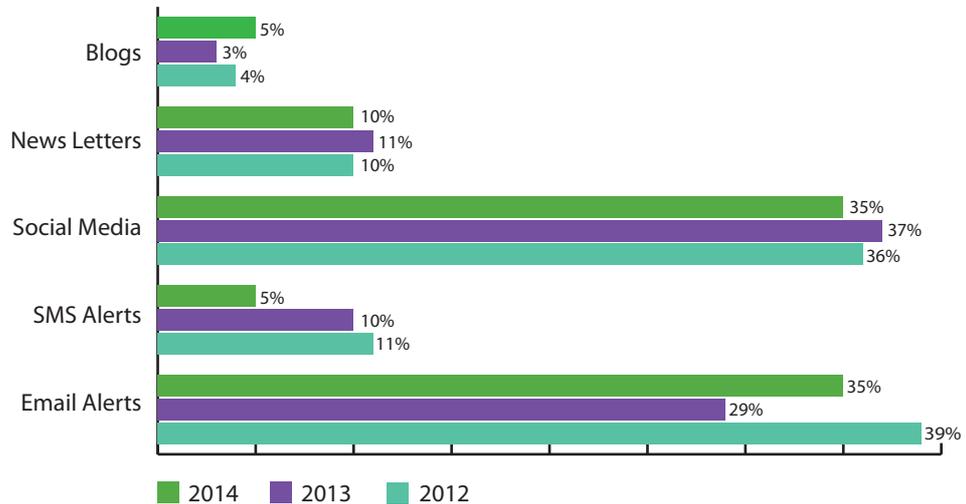
When it comes to marketing activities that will see enhanced marketing investment in 2014, the biggest winner this year seems to be 'Websites' with 52% of the marketers voting for it (an increase of 15% compared to last year). The increase in the years 2012 and then 2014 (with decreases in 2011 and 2013) indicate towards a two year refresh cycle for websites in India.

At the same time, Email marketing continues its upward trend with an increase of 18% this year (40% in 2011 vs. 58% in 2014) while Social media marketing has bounced to near its 2012 levels with an increase of 16% over last year (37% in 2013 vs. 52% in 2014).



14. Customer Engagement:

Social Media and Email Alerts continue to dominate the minds of marketers in India (both at 35%) when it comes to channels of customer engagement. While Email had significantly dropped last year (29% in 2013 vs. 39% in 2012), it now seems to be back in favour with a 6% increase in the number of marketers choosing it. At the same time, Newsletters and Blogs seem to be holding to their average levels over the years. A significant change has also been when it comes to SMS alerts with a 50% drop in the number of marketers choosing it for customer engagement when compared to 2013 or 2012.

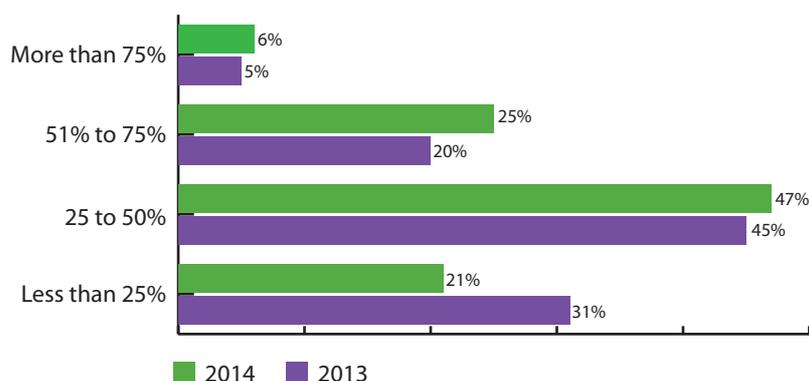


B. Trends over past two years (2013-2014)

Over the years, we have modified, updated, enhanced and tweaked the survey to more accurately reflect the realities of the marketing community in India. As a result some questions have been added and some have been removed. Newer questions can only be used for trending information when there is more than one year's worth of data available. Therefore, the information below is based on the questions that have been included in our survey over the past two years only.

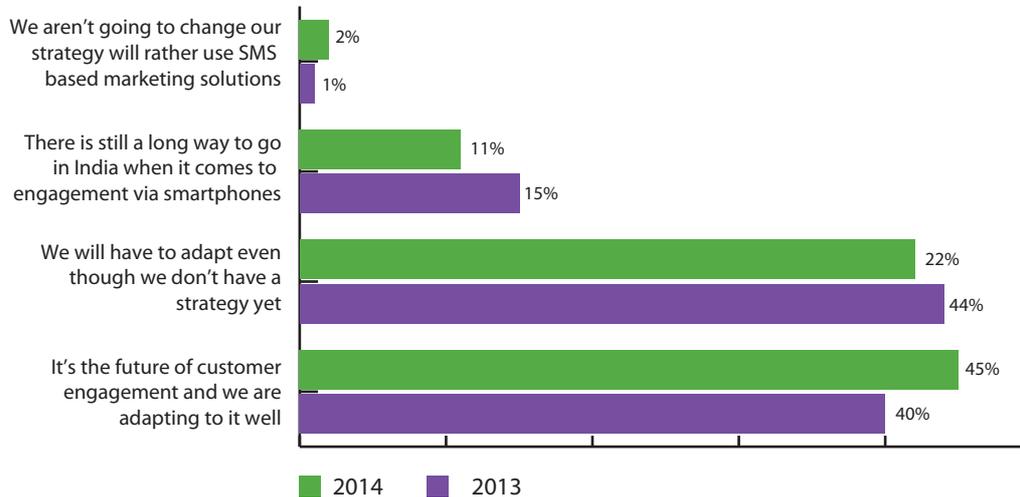
1. Percentage of marketing Emails that will be viewed on mobile devices:

As apparent from the graph below, more and more marketers in India are betting on the proliferation of mobile devices to propel more views of Email marketing campaigns on the go. There are significant increases in the number of marketers who feel that more than 25% of all Email marketing messages will be viewed on mobile devices in 2014 as compared to the number who predicted the same for 2013.



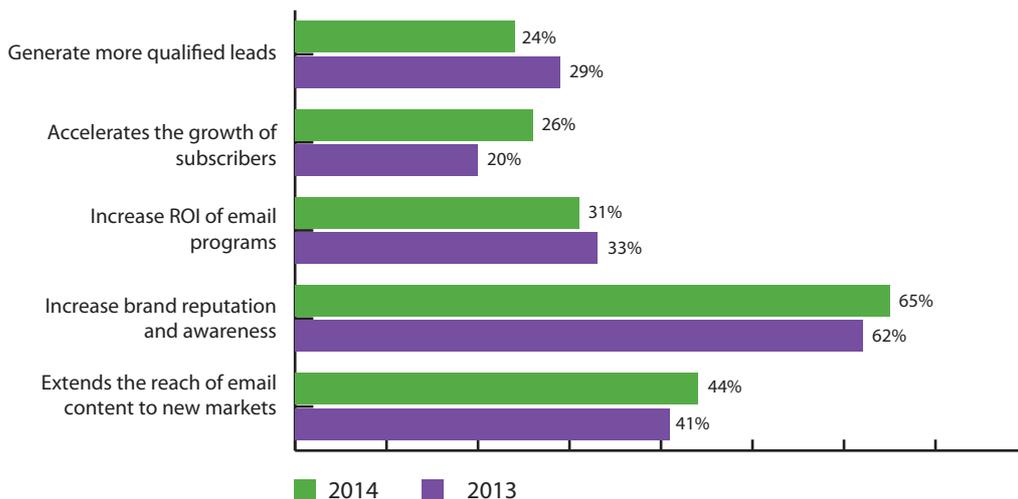
2. Adapting marketing strategies to the rise of smartphone usage:

Over the last two years, there has been a 5% increase in the number of marketers who are actively modifying strategies and adapting well to the rise of smartphones as a marketing engagement channel (45% in 2014 vs. 40% in 2013). At the same time, there has been a positive drop (of 4%) in the number of marketers who don't yet see the use of smartphones for customer engagement in India (11% in 2014 vs. 15% in 2013).



3. Influence of Social Media on Email marketing campaigns:

The top three answers for this question have remained the same since last year with minor variations in the number of marketers for each. A majority of marketers in India still feel that Social Media Integration with Email marketing campaigns increases brand reputation and awareness (65% in 2014 vs. 62% in 2013), extends the reach of email content to new markets (44% in 2014 vs. 41% in 2013) and increases the ROI of Email programmes (31% in 2014 vs. 33% in 2013).



8

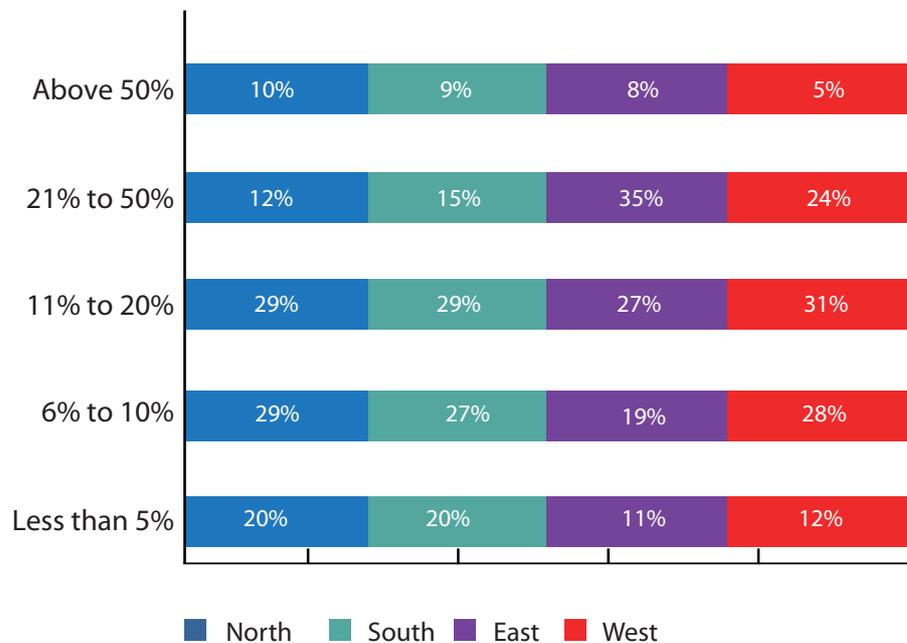
Investment Trends 2013-2014 :: Zone Wise

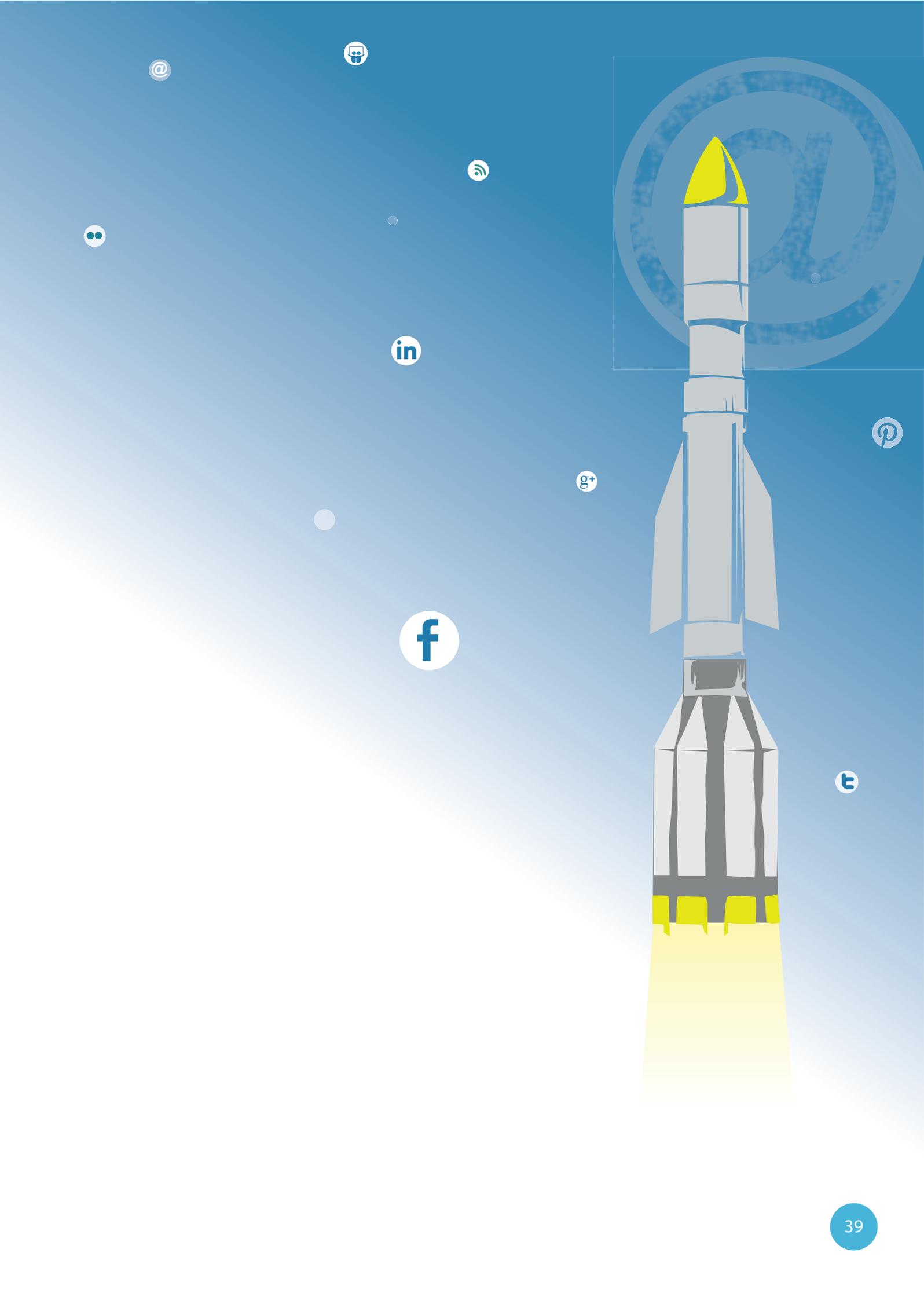
- Approximately what percentage of the marketing budget was allocated to Email Marketing 2013?

ZONE WISE:

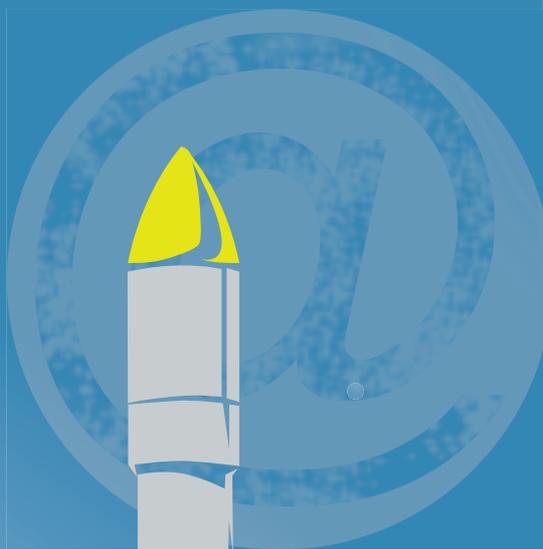


- By what percentage are you planning to increase your budget for Marketing in 2014?





@



Welcome to a new way of Engaging. Welcome to Octane.

Octane started with an idea back in 2007. We built the idea of permission marketing - zero spamming and 100% opt-in communications, into a platform that the India marketers can use to interactively communicate with customers and other stakeholders.

Octane is India's first multi-channel platform for integrated marketing campaigns. Marketers can send integrated multi-channel (Email, SMS and Web) campaigns on a clean spam free marketing platform, built on intelligent software which is available on demand (pay as you go, zero upfront investments, zero lead time to implement) or onsite (deployed at location). Powerful up-to-date software backed by a 24x7 IP reputation management service.

Octane has moved from being an idea to making a positive measurable impact in customer campaigns. Octane's enterprise class e-Marketing platform helps India marketers create over a million customer touch points every hour, leading to newer engagements between the company and its consumers.

We at Octane believe that word of mouth or 'earned media' will continue to have a larger impact on how consumers buy. We believe we can play a role in helping India marketers realizing the 'infinite' potential of the earned media through a combination of Email, SMS and Social Media.

We are 100% opt-in. We don't sell or buy lists. We believe in integrity and zero spamming.

Octane is available 24x7, ready to use on a highly scalable & secure platform for even the most demanding of your customer campaigns. Visit us at www.octane.in for your own free trial.

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, please visit www.octaneresearch.in.

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Octane.in is India's first multi-channel platform for integrated campaigns.

For more information about our organization, please visit www.octane.in

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