

Octane Research, January 2013

SPARK THE SURGE

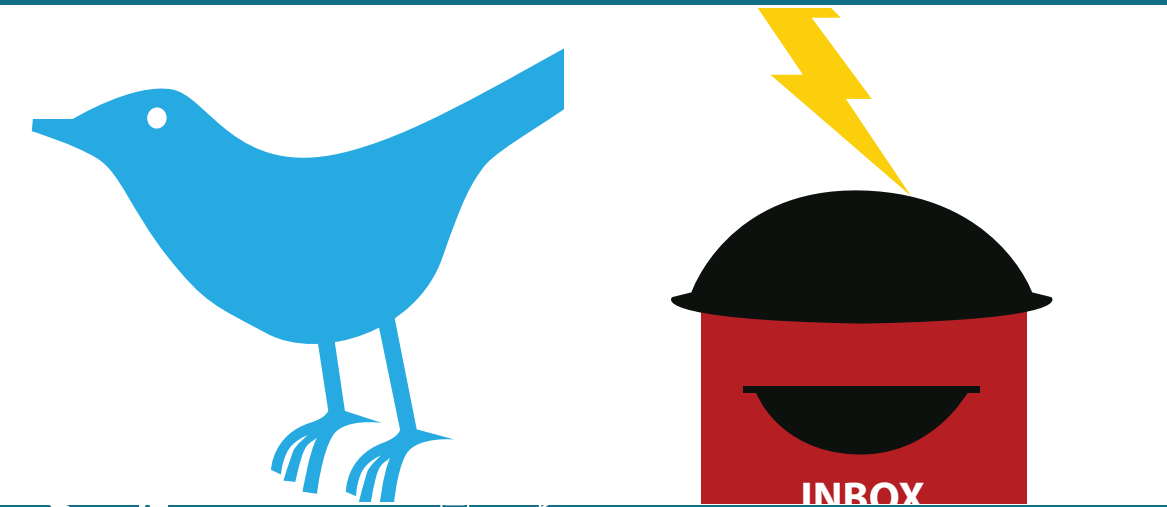
India e-Marketing Outlook 2013





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Spark the Surge

E-marketing practices in India are persistently evolving and regularly getting fine-tuned. In such a continuously changing environment, detailed market research helps discover trends and patterns that can equip marketers to make sound and informed decisions. Insights revealed in reports like this one, help us to better plan our e-Marketing programs, get more out from campaigns and surge ahead of the competition. With that guiding principle, this latest edition of our annual e-Marketing report presents the analysis and key findings of our exhaustive research done in conjunction with around 500 top marketers from around the country.

The premise, this time has been the rapid transformation and expansion of the mobile and social space for marketing over the last two years (2011 & 2012). Where SMS once reigned supreme, the very definition of mobile marketing has shifted towards mobile Email, mobile internet and mobile social media access. Hence we fine-tuned our survey with specific questions to capture these trends.

This edition of the report, builds upon three years' worth of cumulative data from the e-Marketing discipline in India to provide facts and a comparative trends analysis. In addition to these year-on-year trends, this report also provides you with a glimpse of what marketers are planning for the next 12 months for the growth and development of their businesses.

We have been enthusiastically analysing the information that this report has revealed and hope that it will help guide you in your e-Marketing decisions and initiatives. I would also like to take this opportunity to thank all the marketers who participated in our survey and helped our research by sharing their views, insights and ideas.

We strive to keep on refining this report in the future while keeping intact the fundamental ingredients of a large & varied respondents' pool, insightful analysis and quality of data. This is the reason why the Annual India e-Marketing Outlook Research Report, in a matter of few years, has established itself as an important publication sought after by the marketers throughout the length and breadth of the marketing community in India.

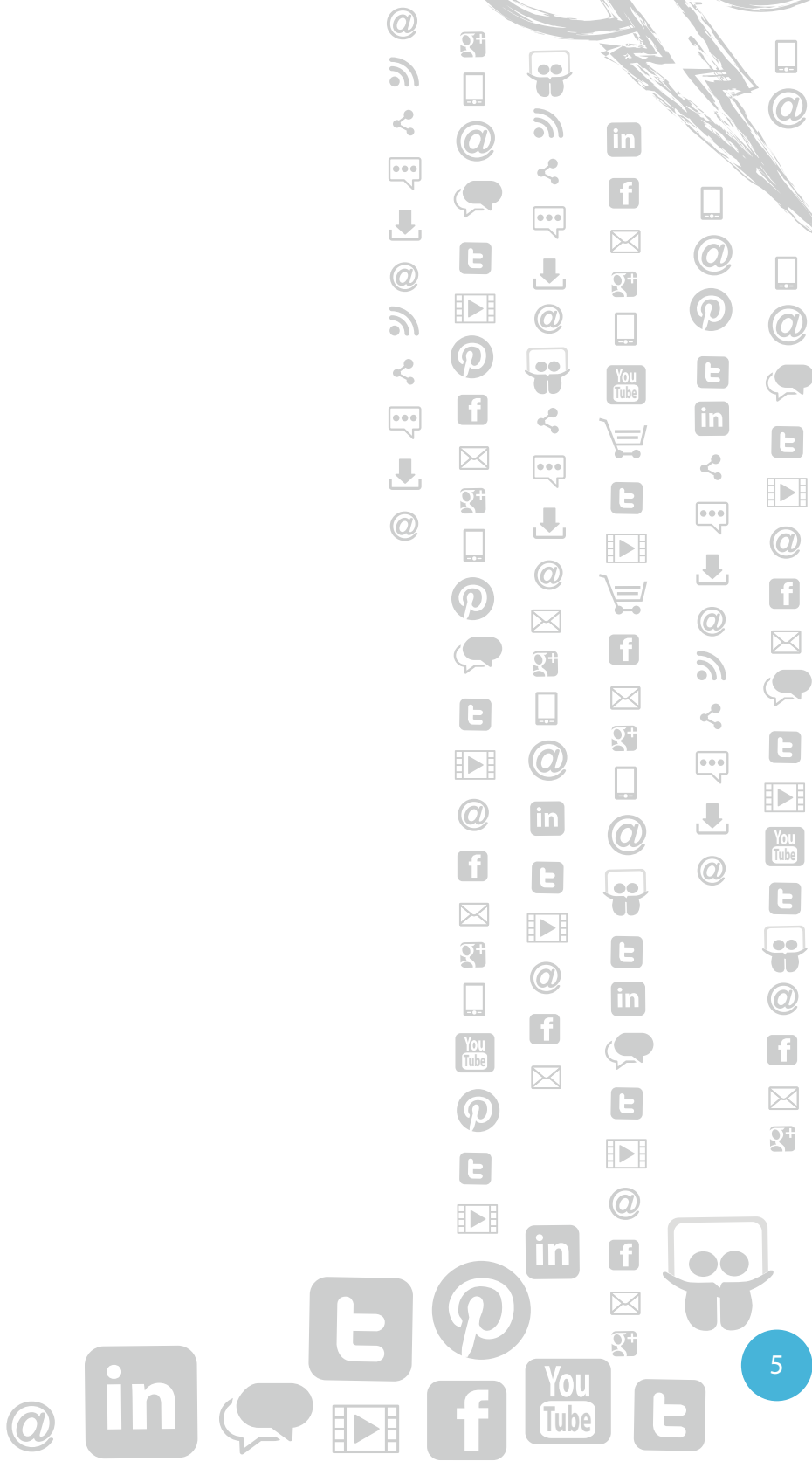
We are counting on your continued support, inspiration and suggestions for making our research even more useful for you. Therefore, we would be glad to hear your feedback and comments on this report which you can share with us at research@octane.in.

Thanks & Best Regards,

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

For the 2011 - 2012 editions of this report,
please visit octane.in/research





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Introduction

e-Marketing Outlook India for 2013

In 2012, Facebook finally reached the much awaited milestone of having one billion registered users. That means that now, one in almost every seventh persons on earth is also on Facebook. Twitter reported having 580 million users in May 2012, and from all those people visiting the site, 5.6% were from India. Similarly, according to statistics revealed by LinkedIn, in January 2012, India became home to the second highest number of LinkedIn users (13.3 million) after the United States. Meanwhile, the Radicati Group, a technology market research firm, revealed that globally about 294 billion emails were sent per day in 2010-2011. Although about 90% of these emails were spam –nevertheless legitimate emails in excess of 25 billion are being sent around every day. That number has only increased in 2011-2012.

Our own research report 'India Mobile Users Experience Monitor 2013'* has revealed that 64% of the people surveyed in India have a smart phone and 87% of them are using mobile internet on their handsets. Further, we found that while 40% of consumers don't use 3G services, a good 35% of them still access Email on the go. At the same time, another report by Octane Research on the Ministry of Corporate Affairs' Go Green Initiative* (concerning the use of Email for corporate/share holder communications) revealed that 81% of the company secretaries surveyed have already implemented the use of Email to communicate with share holders. Further, more than 85% of them said that they are expecting to save about 20% or more on communication costs by adopting electronic means.

According to Telecom Regulatory Authority of India (TRAI) there were 929.37 million mobile phone subscribers in India in July 2012. On 21 August 2012, ComScore India revealed that in the period of July 2011 to July 2012, India has been the fastest growing online market registering a growth of 41% over the period of July 2010 to July 2011. Three in every five Internet users in India visit retail websites (a growth of 43% over the last year) while online.

All these statistics indicate that the Indian population is fast embracing digital media and underline its growing importance for productivity in the present day. Hence, it is of high importance for marketers in India to keep fine tuning and calibrating their e-Marketing strategies in order to effectively target this growing pool of online customers. The combination of Email marketing with social media outreach and the rising importance of mobile marketing, has re-emphasized the potential of Digital Marketing to grow by leaps and bounds in the country in the coming years.

Our Annual India e-Marketing Research Report 2013 has been created to track this change and growth. The primary objective of this report, like the ones before it; is to provide insights to marketers on the trends and technologies impacting e-Marketing in India over the last three years and also in the year ahead. Therefore, we hope to better equip the marketing community to make sound decisions that positively impact their businesses, their customers and the Indian market in general.

* To get a copy of the India Mobile Users Experience Monitor Report or the report on the Ministry of Corporate Affairs' Go Green Initiative, please visit www.octane.in/research.

Top 10 Key Findings & Research Highlights

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While comparing and analysing the findings of this year (2013) with that of the previous year (2012), we observed the following key trends:

1. For the third year running, customer acquisition is the primary goal for marketing initiatives with more than 50% of Indian marketers opting for it over customer retention or brand awareness.
2. More than half the marketers who are planning to acquire new customers in 2013 will focus on Email Marketing to achieve their goal - whereas for increasing brand awareness nearly 32% of Indian marketers will rely on Social Media, Videos or Webcasts.
3. Social media continues to surge in 2012-2013 with 65% of the respondents willing to provide an investment boost to the channel as opposed to 37% last year. This is despite the fact that marketers are still getting more customer engagement from email marketing than social media; 39% in 2011 vs. 36% in 2012.
4. Although the popularity of Social Media for marketing is gathering pace, Email continues to be an effective marketing channel with a staggering 99% of the respondents revealing that Email marketing programs were effective in meeting desired goals in 2012. A majority of them also confirmed that Email/SMS marketing is an important part of their marketing strategy for 2013.
5. Three quarters of all marketers surveyed believe that in 2013, up to 50% of all Email Marketing messages will be viewed on mobile phones. A majority of them (92%) are actively creating Mobile Marketing strategies to adapt to the change.
6. For 68% of the companies represented in the survey, Email marketing contributes up to 30% towards the overall sales revenue. Additionally, close to 61% the companies will give their Email/Mobile Marketing budgets a boost of 5%-20% for the year 2013.
7. Up to 94% of Indian marketers are planning to adopt one or the other segmentation technique in their upcoming e-Marketing campaigns in 2013. Segmentation using interest based preferences was the top choice with a third of the respondents opting for it.
8. Almost 50% of the respondents feel that increasing Click-Through-Rate (CTR) and Conversion-Rate (CR) is the biggest challenge that they face in email marketing. Last year the biggest challenge was to prevent emails from going into the junk folder.
9. More than half the companies doing e-Marketing campaigns in India rely on professional ESPs (like Octane) to ensure that their emails reach the inbox. Meanwhile, our findings also indicate almost a 50% drop in the number of marketers who feel that Email deliverability is out of their control (15% in 2012 survey to 7.80% in 2013 survey).
10. To curb the menace of spam, 23% of our respondents will rely on self-discipline while more than 34% would recommend implementing strong anti-spam laws like CAN-SPAM (USA) in India. But the majority of Indian marketers surveyed (at 39%) are in favour of following a code of conduct implemented by industry body like IAMA or DMAi. Only 3.7% of marketers supported the idea of having a national regulator who will put a stop on all the Email/SMS marketing campaigns.

These findings indicate a continued confidence and maturity in the online communication and e-Marketing community with companies in India building upon the experience of the past few years to better target their goals and lift up the level of engagement with their clients.

So lets see more of this in detail!

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Research Methodology

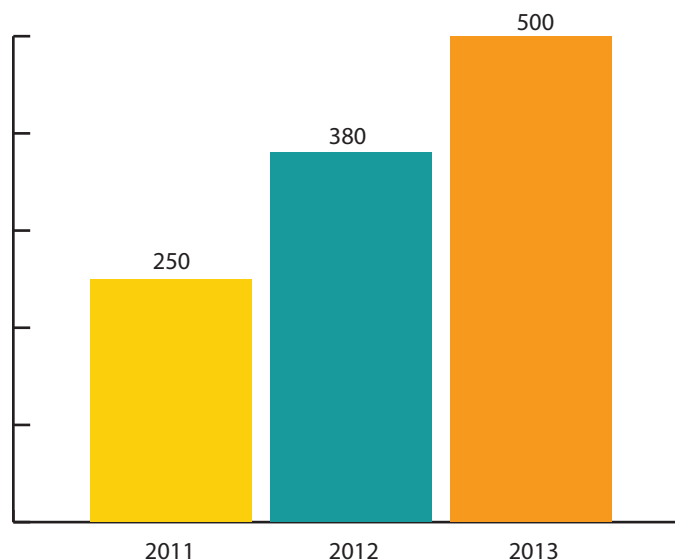
This edition of the 2013 report saw a very enthusiastic response from marketers with 500 of them participating in the survey to share their insights and feedback (250 in 2011 and 380 in 2012). This ensures that The Annual India e-Marketing Report 2013 – Spark the Surge, is the largest CMO research of its kind in India. Our research team analysed feedback received from Chief Marketing Officers, Vice-Presidents (Marketing), Marketing Heads and Marketing Managers from various organisations across verticals; ranging from start-ups to Fortune 500 companies.

With the goal of identifying trends and technologies impacting e-Marketing/Online marketing in India during 2012-2013, we carefully prepared a diverse set of questions covering web, email, social media and mobile communication channels. Not only did we formulate questions to get a broad 'state-of-the-industry' picture, but we were also careful about getting specifics covering the different channels and the different kind of e-Marketing requirements of different companies.

We modeled the survey questions on the following lines:

- View of industries 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
- Expectations from e-Marketing practices in the 2013
- Effect of SMS restrictions imposed by the Telecom Regulatory Authority of India (TRAI)
- Perception of marketers towards mobile internet for e-Marketing
- Challenges in e-Marketing and how to control the menace of spam

Number of survey respondents (2011-2012-2013)

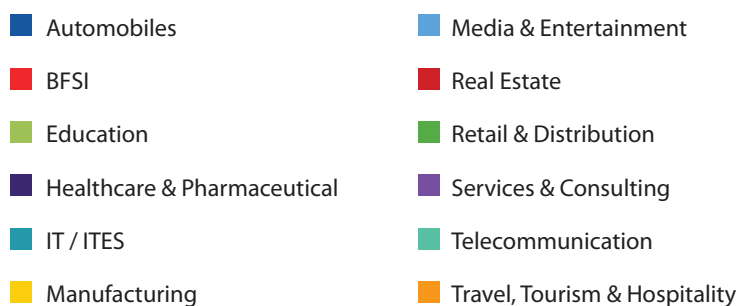
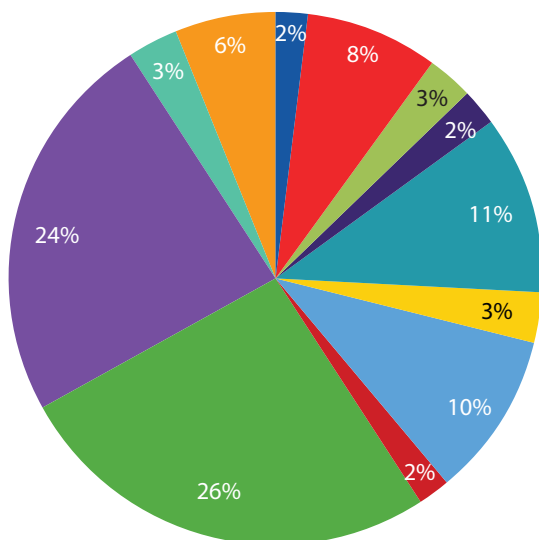


Research Participants and Profile

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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 as possible. 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 are mentioned below:

- Automobiles
- BFSI
- Education
- Healthcare & Pharmaceutical
- IT & ITES
- Manufacturing
- Media & Entertainment
- Real Estate
- Retail & Distribution
- Services & Consulting
- Telecommunication
- Travel, Tourism & Hospitality



Of all the organizations represented in the survey, 112 are online companies with 72 of them being pure E-commerce companies.

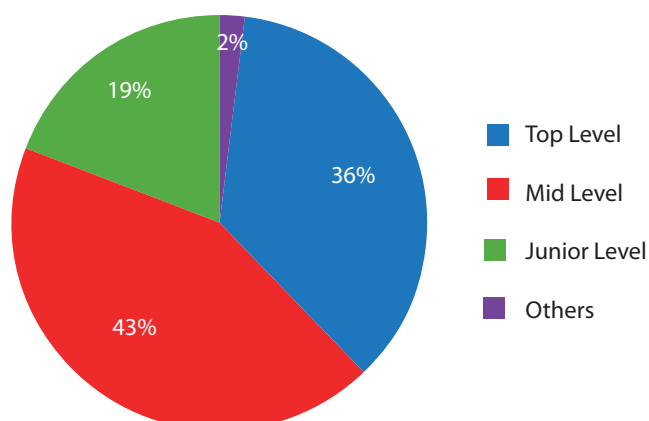
Select companies that participated in the research:



Accenture	HDFC Life
Aditya Birla Group	HDFC Realty
Adobe India	Home Shop18
Air France - KLM	HomeTown
Aircel	Hewlett Packard India
Apple India	HT Media
Asian Paints Ltd.	IAMAI
Aviva Life Insurance India	IBM
Axis Bank	ICICI Bank
Bajaj Capital Ltd.	ICICI Securities
Bennett Coleman & Co. Ltd.	India Today
Bharti Airtel	Indian School of Business (ISB)
BookMyTrip	Indusind Bank
Carnation Auto	Infiniti Retail Ltd.
CNBC-TV18	Info Edge India Ltd.
Coca-Cola India	Infosys
Commerce Bay	ING Vysya Bank
Cox & Kings	Intel Technology India
Deutsche Bank	Interactive Avenues
Digitas	InterGlobe Technologies
DishTV India	ITC Hotels
DMAi	iXiGO.com
Eicher Goodearth	J9 - Jagran Prakashan Ltd.
Ericsson	Jaycee Homes Ltd.
Facebook India	Jet Airways
FashionAndYou	Jubilant FoodWorks - Domino's Pizza
Forrester Research	J Walter Thomson India
Fun Multiplex Pvt Ltd.	Karvy Private Wealth
Future Bazaar	Kisan Forum Pvt. Ltd.
GE Capital	KPMG Global Strategy Group
GE Healthcare	Larsen & Toubro (L&T)
Godrej	LG Electronics India
Google India	Liberty
Harley-Davidson	LinkedIn
HCL	Mahindra Finance

Mahindra First Choice Wheels Ltd.	SAP India
Max Life Insurance	Sistema Shyam TeleServices Ltd.
MaxBupa Health Insurance	Snapdeal
Maxposure Media Group (I) Pvt. Ltd.	South Indian Bank Ltd.
Merck India	Spice Online Retail
Metro Shoes	SSIPL
MICA	Sulekha
Microsoft India	Tata Teleservices
Mid Day Infomedia Ltd.	The Oberoi Group of Hotels
Monster	The Park Hotels
Moser Baer India Ltd.	The Times of India
Naaptol	The Westin
Narsee Monjee Institute of Management Studies	Thomas Cook
NIIT Ltd.	Times Internet Ltd.
Nokia Simens Networks	Timex
OgilvyOne Worldwide	Toyota India
Olx India	Tradus
Pan Macmillan India	Tupperware India
Pantaloon Retail	VIP Industries Ltd.
Philips	VLCC Healthcare Ltd.
Radio City	Wizcraft International
Ranbaxy	Woodland
Rang De	Wunderman
Rediff	YES Bank
Reliance Retail	Yebhi
Royal Sundaram Alliance Insurance Company Ltd.	Zapak

The Annual India e-Marketing 2013 is an analysis of ideas & perspective shared by Chief Marketing Officers, Vice President - Marketing, Marketing Heads and Marketing Managers of select 412 Companies in India. Of the total number of respondents, a high 36% were Top Level.

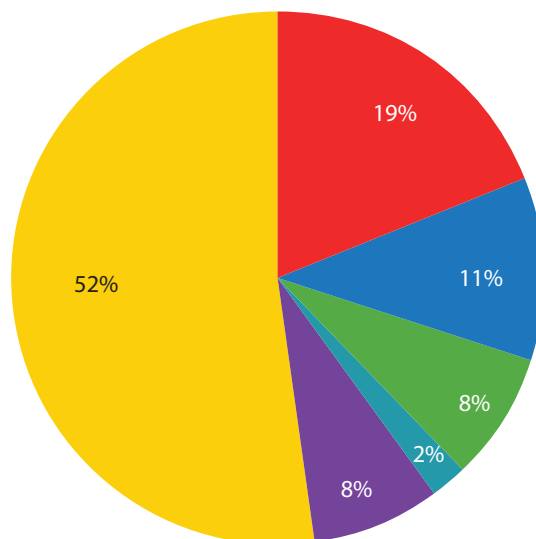


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Research Approach and Analysis:

Our survey was conducted over a period of eight weeks from September 2012 to November 2012. The survey participation trend continued to move upwards from 250 participants in 2011 and 380 in 2012, to this year with responses from about 500 participants. That is almost a 33% increase in the number of participants from last year. The responses and insights from all these marketers were captured using a special, pre-designed questionnaire distributed primarily via an online survey. Additionally, we also used methods like telephonic interviews, face-to-face interviews, video conferencing, social media sites and business meetings.

We also took this as an opportunity to collect feedback on the impact of the previous year's edition of the Annual India e-Marketing Outlook Research Report – Gearing up for Growth (2012*). Out of all the respondents, about 48% of the companies felt that the report was useful for them in one way or other for their business. Over 18% respondents said that the report helped them in understanding the importance & challenges of e-Marketing; 11% said that they got an idea of where and how much to invest in e-Marketing to achieve good ROI; over 8% realized the importance of engaging customers and another 8% 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 to do a comparison among all the channels of communicating with customers
- I don't know which report you are talking about

*For the 2011 and 2012 editions of this report, please visit www.octane.in/research

Analysis & Insights of Survey Conducted:

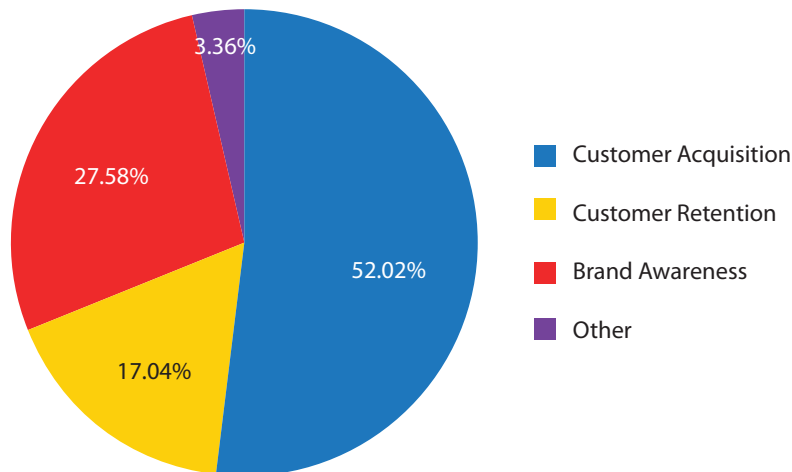
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1. Primary Marketing Goal in 2013:

Keeping in line with the trends from 2011 and 2012, Customer Acquisition remains the primary goal of about 52% of Indian marketers for 2013. Interestingly, Brand Awareness at almost 28% trumps Customer Retention (around 17%) as one of the primary goals.

This is inline with the trends from the 2012 report which also indicated that companies are in a high growth phase with large market coverage requirements and with customer acquisition being the driving factor.

What is your primary marketing goal for 2013?

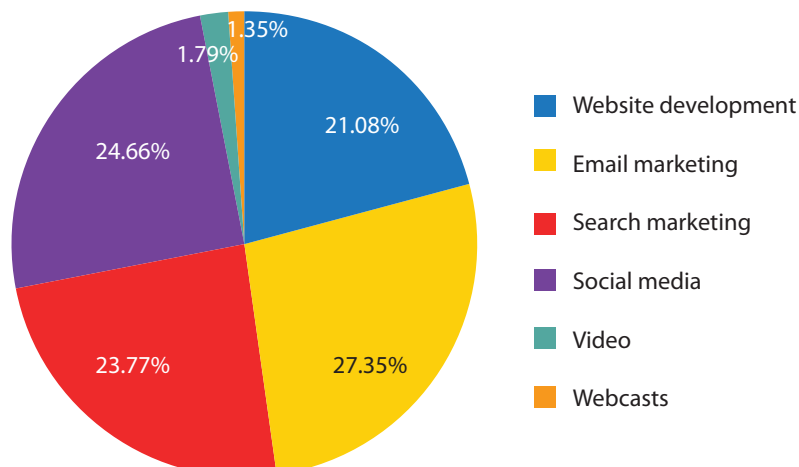


2. Primary online marketing activity in 2012:

For another year running, Email marketing continues to be the leading e-Marketing activity for Indian marketers with 27.35% of them marking it as primary. It is closely followed by Social Media (at 24.66%), search marketing (at 23.77%) and website development (at 21.08%).

An interesting aspect that we have noticed here is the edge, however tiny, that Social Media Marketing has gained over Search Engine Marketing. Effectively, this gives weight to the ideas about Social Media Marketing (SMM) activities becoming as important as Search Engine Optimization (SEO). Multimedia options like videos and webcasts are yet to become popular with Indian marketers.

Which was your primary online marketing activity in 2012?

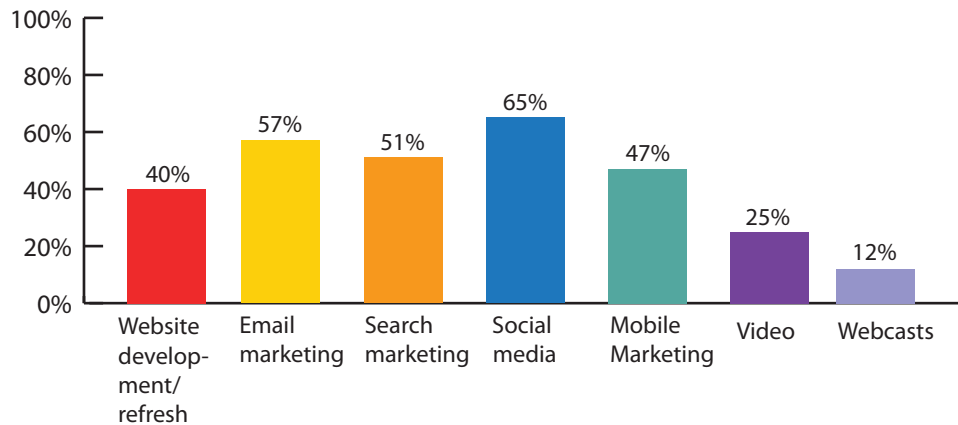


3. Online marketing activities that will see an increase in marketing investments in 2013:

Social media is clearly emerging as an important channel of e-Marketing for 2013. In our 2012 survey, only 36.8% respondents mentioned that they will increase investment in social media marketing. In contrast to that, for 2013, that number has almost doubled to 65% of the respondents indicating more investment in social media.

Meanwhile, Email Marketing is still holding well and it continues to be quite popular with marketers coming in at 57%. Search marketing was chosen by close to 51% of Indian marketers with website development (40%), Mobile Marketing (47%), Videos (25%) and Webcasts (12%) forming the tail end of preference choices.

Which of the following online marketing activities will see an increase in your marketing investments in 2013

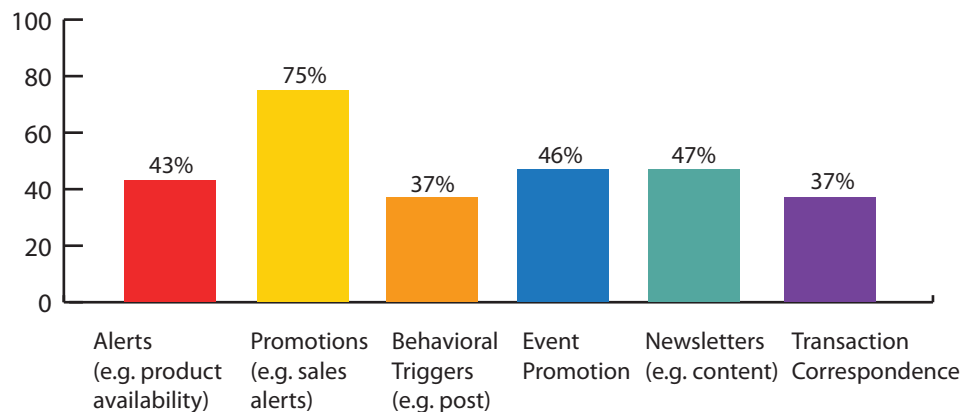


4. Primary objective of using Email, Social Media and SMS together (Integrated Marketing):

Integrated Marketing has gained considerable traction with Indian marketers in 2012 and the trends only seem to strengthen going into 2013. The combination of Email with SMS and Social Media is most widely being used for promotional campaigns (75%). This is followed by Newsletters (including content articles) at 47%, Event Promotions at 46% and Alerts (for product availability, product problems etc.) at 43%.

Companies are also using integrated campaigns for transactional correspondence like order confirmations or service messages (37%) and for Behavioral Triggers like post purchase promotions, renewals, anniversary offers etc. (37%).

What is the main purpose for you to use Email, Social, SMS or integrated marketing (Email+Social+SMS)?

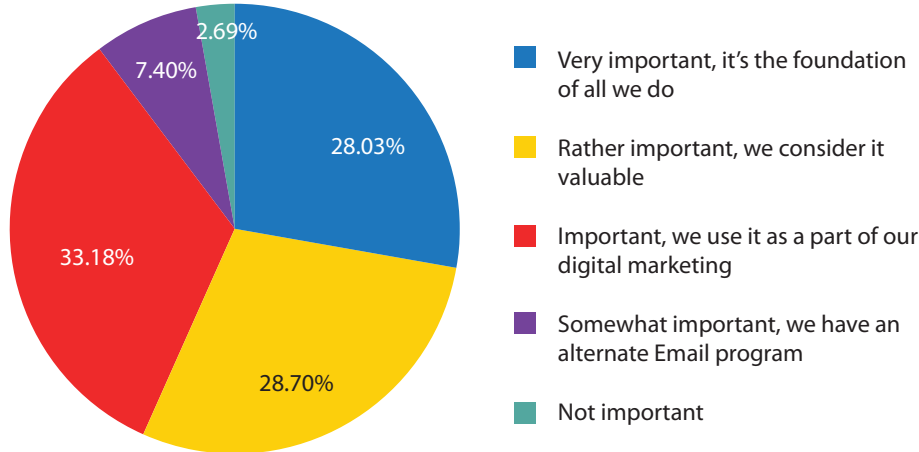


5. Importance of Email and SMS marketing to the marketing plans:

97.3% of Indian marketers said that Email and SMS marketing is an important part of their marketing strategy. Of this, about 28.03% feel that is the very foundation of what they do in their business and a further 28.70% consider it important and valuable to their function.

33.18% marketers consider it to be important and use it as a part of their overall digital marketing strategy. Some marketers consider it important enough to have Email programs (7.40%) while others (2.69%) felt that it is not important.

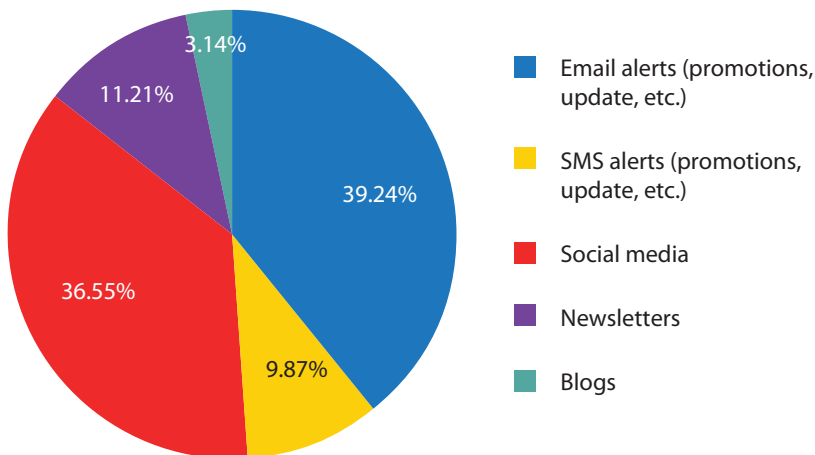
How important is Email or SMS marketing to your marketing plans?



6. Maximum customer engagement:

Continuing the trend observed last year, three-fourth of the respondents revealed that email (39.24%) and social media marketing (36.55%) give them maximum customer engagement. Interestingly, despite the regulations from TRAI impacting SMS marketing, 9.87% of Indian marketers still feel it is an effective channel for engagement (as compared to 10.9% in 2012 report). Newsletters and blogs still trail behind at 11.21% and 3.14% respectively.

Where do you gain maximum Customer Engagement from?



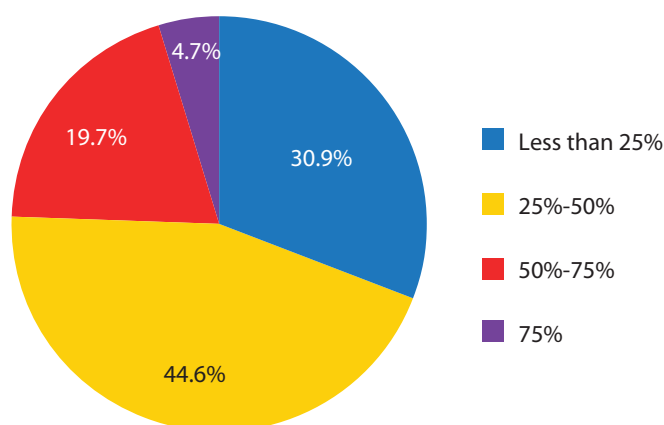
Further, out of the marketers who feel that Email is the most effective channel of customer engagement, have indicated a planned increase in investment in Email marketing (46.25% of respondents) and search marketing (40.97% respondents) while those who feel social media is more effective have indicated planned investment in videos (44.64% respondents) and mobile marketing (41.71% respondents). This clearly points towards the continued growth of both channels through the year.

7. e-Marketing campaigns that will be viewed on mobile devices in the 2013:

According to the findings, around 45% of Indian marketers feel that up to 50% of all email marketing messages would be viewed on mobile devices in 2013. Additionally, 19.7% believe that the volume will be between 50%-75% and around 5% of the respondents feel that the majority (75%+) of email marketing messages would be viewed on mobile devices. Only a third of India marketers (30.9%) feel that mobile email share would in fact be lower than 25% of the total.

Not surprisingly, nearly half of all marketers who are increasing investment in mobile marketing (48.34%) and about 41% of all marketers who are increasing investment in email marketing in 2013, see the share of mobile email volume in the range of 25%-50% of the total volume in the coming year.

Email Campaigns are going mobile. What in your opinion will be percentage of email marketing that will be viewed on mobile devices in the year 2013?

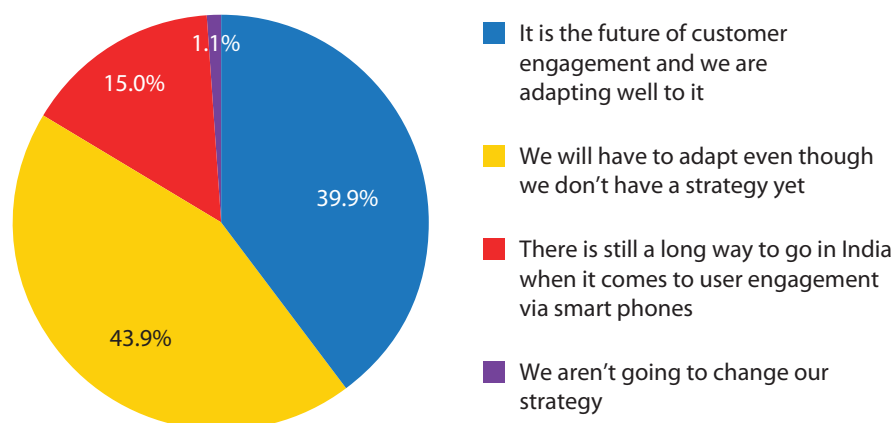


8. Adaptation of marketing strategy to the rise in smartphone usage:

Close to 84% of Indian marketers agreed that on-the-go-Email is becoming popular in India and they will have to adapt their Email marketing strategy according to this shift. Of these about 40% said that they are making efforts to adapt their marketing strategy for mobile Email while about 44% of the respondents revealed that they don't yet have a strategy for this purpose. This presents a gap in the market and also tremendous opportunities for marketers.

Additionally, 87% of the respondents who are planning to increase investment in mobile marketing for 2013 are also planning to adapt their marketing plans to accommodate the rise of smart-phone usage.

With the rise of smart phone usage and on-the-go-Email, has your e-Marketing strategy adapted to the change?

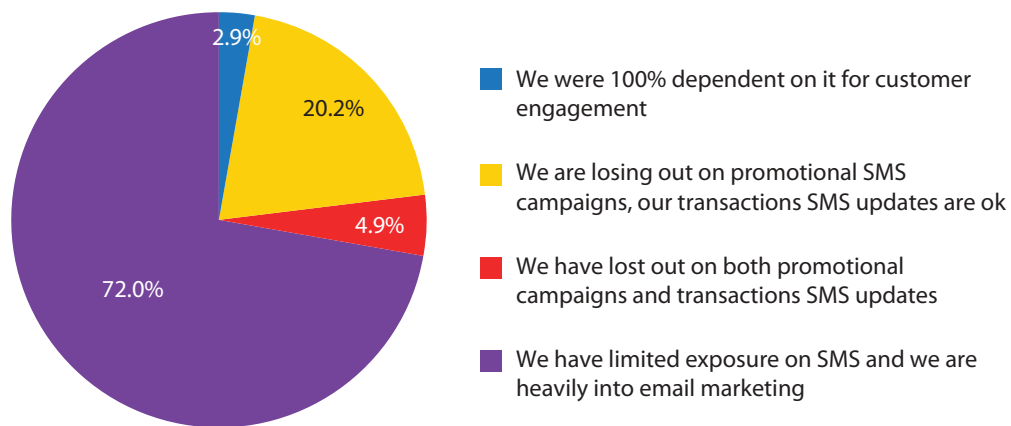


9. Impact of TRAI Regulations (limiting the number of text messages per day):

We have seen a rise of 10% in the number of Indian marketers (62% in 2012 to 72% in 2013) who said that they rely more on Email marketing than SMS and therefore TRAI's constraint of limited SMS per day does not affect their campaigns. About 20% of the respondents said that they are losing out on promotional SMS campaigns but their transactional SMS updates are not highly affected by this regulation. Around 5% of the marketers revealed that they are losing out on both promotional campaigns and transactional SMS updates while around 3% were totally dependent on SMS for customer engagement.

Comparing this with the increase in investment data, we see that about 22% of companies losing out on promotional SMS campaigns are increasing investment towards Email marketing while 27.49% are increasing investment in non SMS mobile marketing for 2013.

TRAI Regulations have limited the number of text messages per day. What impact has it made on your business?

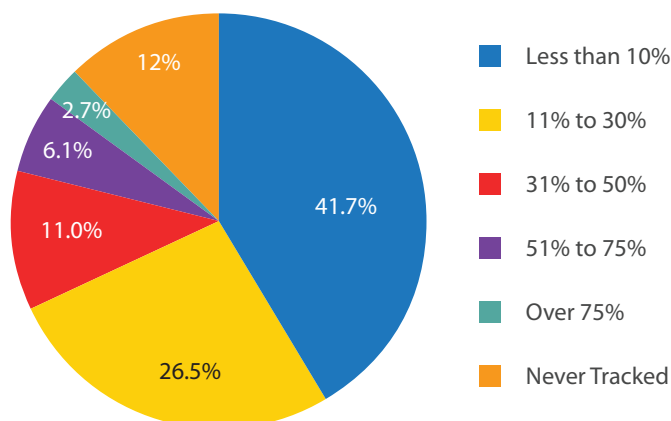


10. Share of Overall Sales Revenues Generated by e-Marketing (Email/SMS):

Our research revealed a 7% increase in the number of companies that report up to 30% of their overall sales revenue generated through Email/SMS marketing since last year (61.5% in 2012 to 68.20% in 2013). Around 11% of the companies see revenue generation between 31%-50% while around 6% revealed it to be in the range of 51%-75%. For nearly 3% of the companies, 75% or above revenue comes from Email/SMS marketing. Surprisingly, around 12% of Indian marketers are not tracking revenue generation via e-Marketing despite active investment towards the medium.

Additionally, 52% of those who get less than 10% revenue from e-Marketing are planning to increasing investment in Email marketing for 2013.

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

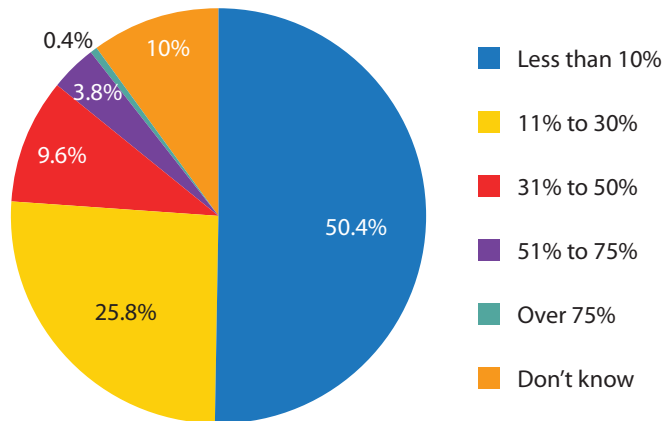


11. Approx. percentage of Marketing Budget Allocated to Email/SMS Marketing:

As it was seen in 2012, about 76% of Indian marketers said that they allocated up to 30% of their overall marketing budget towards Email/SMS marketing. Of this, about 50% of the respondents allocate 10% or less while 25.8% allocate in the range of 11%-30%. Around 10% of the companies allocate between 31%-50% and only about 4% allocate budgets up to 75% towards e-Marketing.

Another 10% still don't know about; or don't track marketing investments towards e-Marketing.

Budget allocated to Email/SMS Marketing (in percentage)

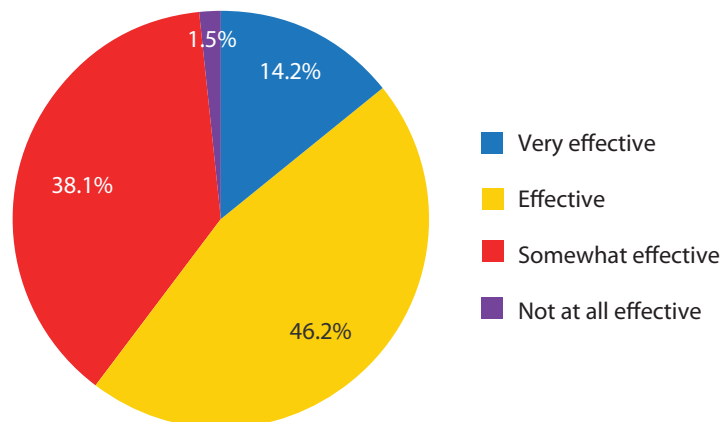


12. Effectiveness of Email/SMS Marketing Program in Meeting Agreed Goals:

Our survey has once again revealed that the use of eMails and SMS has been increasingly effective in meeting goals of marketing programs of our respondents. Over 98% of them said that Email/SMS marketing campaigns over the past year were effective to varying degrees. Of these, 60.4% of marketers stated that these campaigns ranged from effective to very effective. Close to 38% felt that e-Marketing campaigns were somewhat effective and we also saw a 3% dip in the number of marketers saying that such campaigns are not effective at all (4.4% in 2012 vs. 1.5% in 2013).

Additionally, we found that 60% of marketers who are targeting customer acquisition as their primary goal in 2013 noted that Email/SMS marketing programs have been effective or very effective in meeting the agreed goals in 2012.

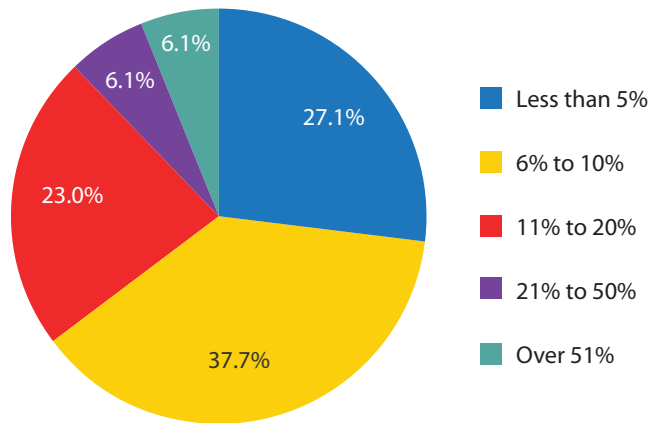
In your opinion how effective is your Email/SMS marketing program for 2012 in meeting the agreed goals?



13. Plan to increase budget towards Email/SMS marketing in 2013:

All marketers taking part in our survey revealed that they plan to invest more in Email/SMS marketing in 2013. Close to 60% responded that they would give Email/SMS marketing budget a boost of 6% to 20% in the coming year. About 6% said that they would increase investment up to 50% while another 6% plan to increase it in excess of 50% of current budget. A third of the marketers (27.1%) shared that they would increase investment in Email/SMS marketing only marginally (less than 5%).

By what percentage are you planning to increase your budget for Email/SMS marketing in coming year 2013?

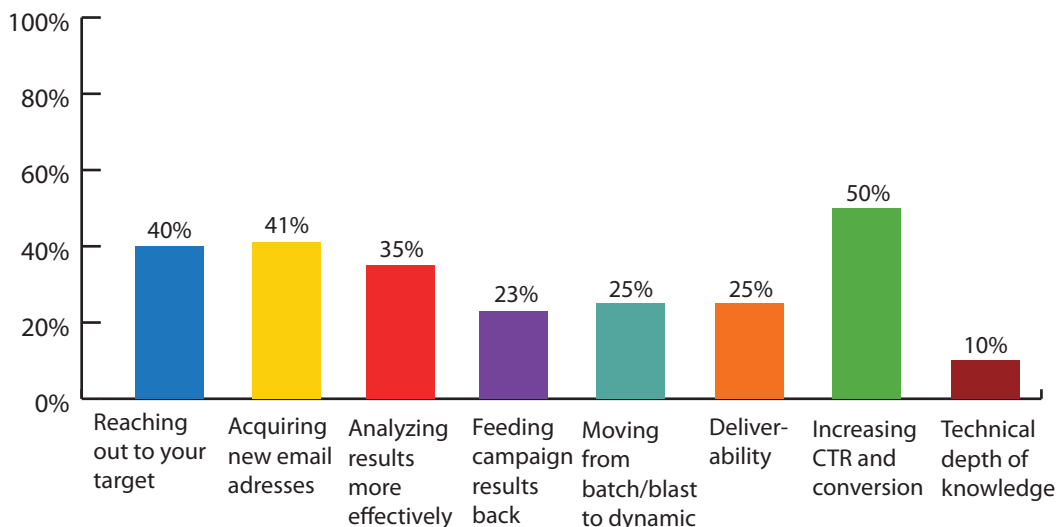


14. Most significant Email challenges faced in 2012:

Increasing Click-Through-Rates (CTR) and conversions (at 50%), acquiring new Email contacts (at 41%) and reaching out to the target audience (at 40%) emerged as the top 3 Email marketing challenges for Indian marketers in 2012. Analysing campaign results more effectively and Inbox deliverability were the next two major challenges for marketers at with about 35% and 25% respectively.

Surprisingly, there was an increase of 4% in the number of respondents who felt that technical depth of knowledge/support was a challenge (at 10%). This shows that companies are still not leveraging the expertise and strengths of professional ESPs to its maximum potential.

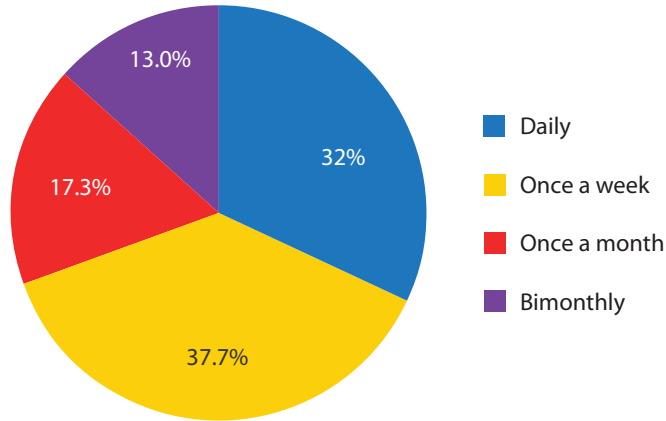
What is the most significant Email marketing challenge that you faced in 2012?



15. Frequency of sending Emails/SMS

Almost 70% of the respondents have been sending Emails to their customer base at least once a week. Out of this, 32% are mailing daily and 37.7% are mailing weekly (this frequency has seen an increase of nearly 10% since last year). About 17% of the respondents mentioned once-a-month mailing frequency while 13% mentioned a longer cycle of once-in-two-months.

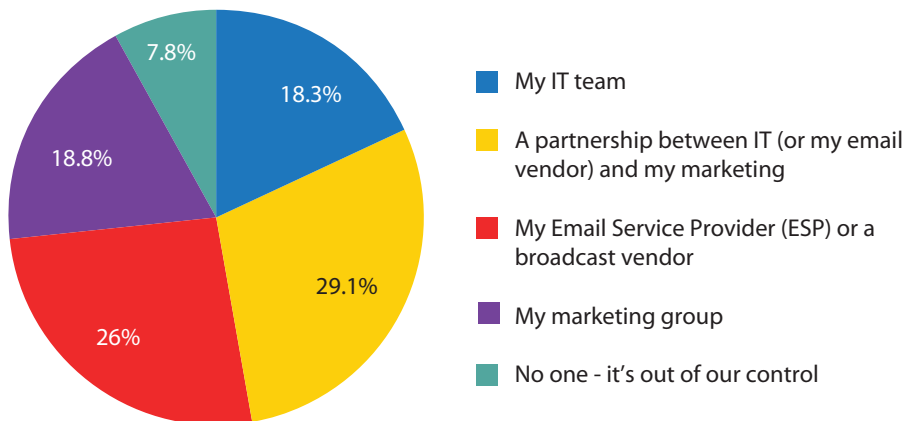
How often do you send Email/SMS?



16. Responsibility for ensuring Emails reach Inbox:

Our 2012-2013 research indicates that more than half (about 55%) of the marketers in India rely on professional ESPs to ensure deliverability of Email messages. Compared to last year, that is a 5% increase in such partnerships. About 37% of the respondents use in-house resources for making sure that email reaches the inbox.

Who makes sure that your Email messages reach the inbox?

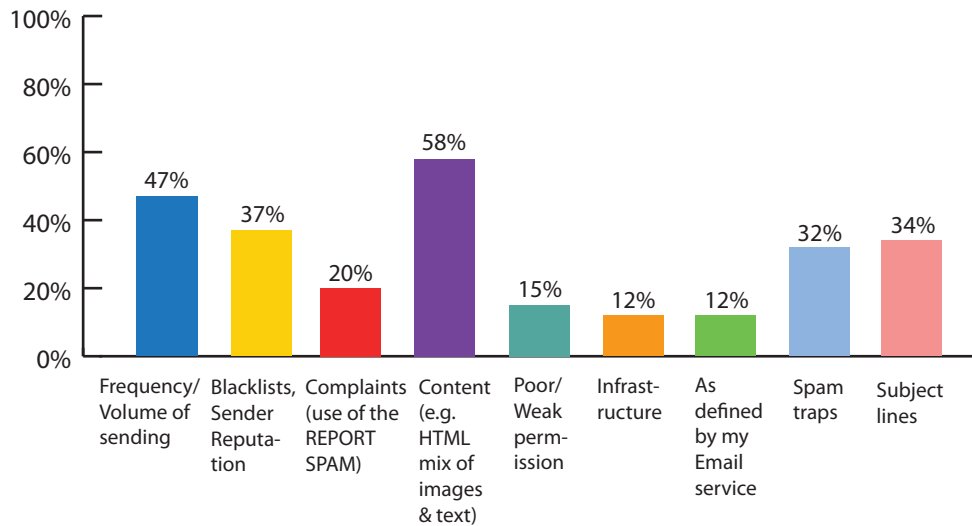


17. Top 3 factors impacting Inbox Delivery Rates:

Content (58%) and Frequency/Volumes of sending Emails (47%) followed by Blacklists/Sender Reputation (37%) emerged as the three major factors impacting Inbox Delivery Rates.

The trend remains consistent from last year when the same factors formed the top three except for a slight variation in the fact that now content is considered more of a challenge than Frequency/Volume than 2012.

Factors impacting inbox delivery rates:

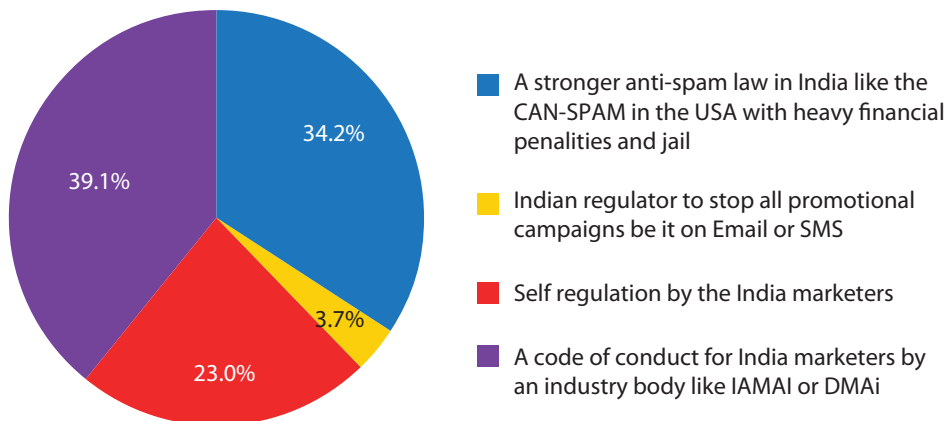


18. Suggestions for reducing spam in India

About 34% of Indian marketers believe that a strong anti-spam law like the CAN-SPAM (USA) would help curb the menace of spam in India. A larger group of 39% believes that a 'code of conduct' for Indian marketers by an industry body like the IAMAI or DMAI would be effective. That is a slight increase over the number from last year (about 4%). Self-regulation by Indian marketers came in at third with 23% of the respondents voting for it.

Our research further indicates that close to 50% of the respondents whose primary goal is to retain existing customers in 2013, believe that a code of conduct for Indian marketers by an industry body will help reduce spam. 22% of marketers with similar goals believe in self-regulation while about 25% advocate for a stronger anti-spam law to deter spammers.

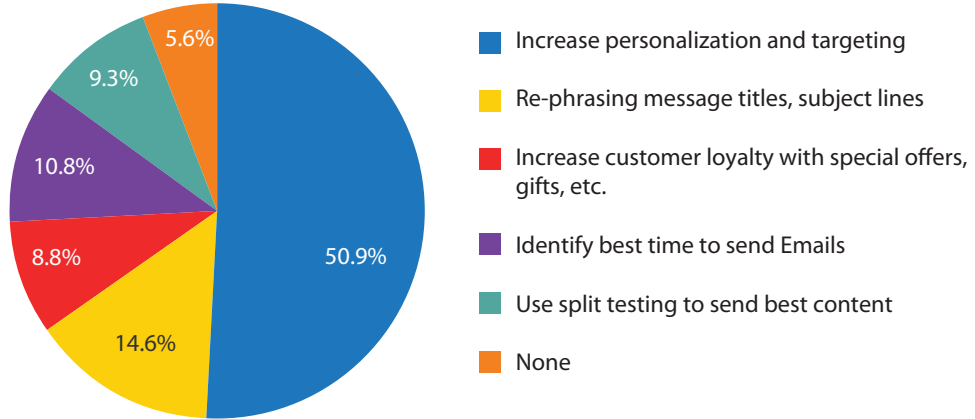
According to Industry data, India rates amongst the top 3 spam generating countries. What would you suggest to reduce spam in India?



19. Email activity most implemented to reduce the effects of inbox clutter:

More than half of the respondents feel that increased personalization and more accurate targeting can reduce the problem of inbox clutter (this is a slight increase of 3.4% since last year). Re-phrasing message titles & subject lines (at 14.6%) and identifying the best time to send Emails (at 10.8%) take second and third place respectively for Indian marketers.

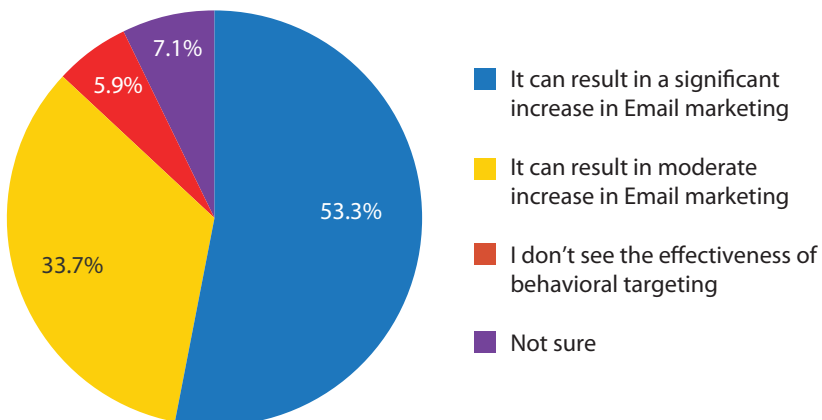
Which Email activity are you implementing to reduce the effects of inbox clutter?



20. Leveraging Behavioral Targeting:

A massive 87% of the respondents feel that behavioral targeting (sending messages based on subscriber behavior like open rates and click rates) can increase the effectiveness of Email marketing. Of this nearly 53% believe that it may have a significant increase in effectiveness. At the same time, around 13% of Indian marketers are not sure about the value or effectiveness of behavioral targeting. This is in line with the trends over the last couple of years.

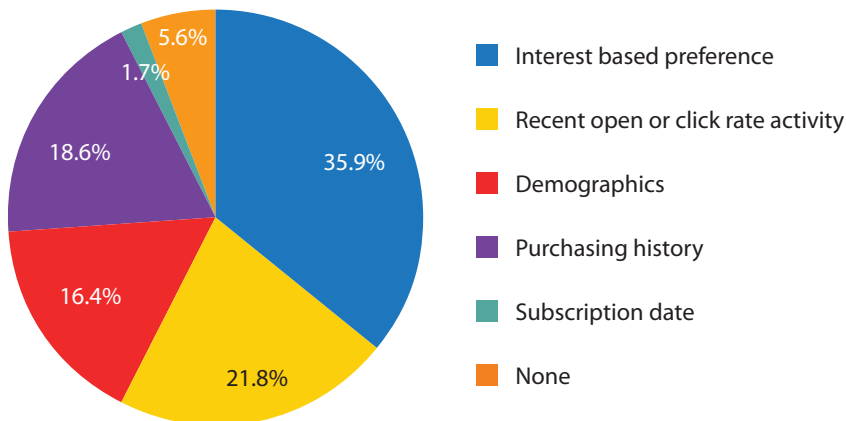
Do you think behavioral targeting (sending messages based on subscriber's open rates, click rates, etc. behaviors) can increase Email marketing effectiveness?



21. Use of Segmentation Techniques in Email campaigns:

Nearly all the respondents (94%) said that they either already use or are planning to adopt one or more segmentation techniques in their e-Marketing campaigns. The most popular choice was segmentation using interest based preferences (at 35.90%) followed by segmentation based on recent or click activity (at 21.80%). As compared to last year, segmentation based on purchasing history (18.60% vs. 16.40% last year) dislodged segmentation based on demographics (16.40% vs. 18.5% last year) to round off the top three choices for Indian marketers.

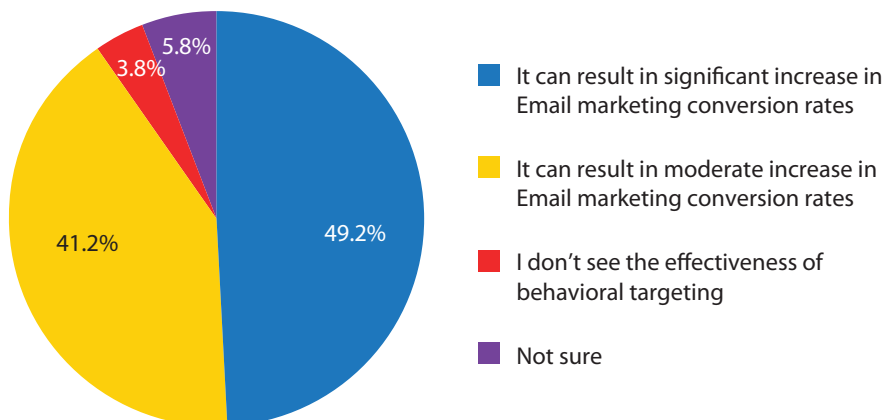
Which one of the following segmentation technique do you plan to implement in upcoming Email marketing campaigns?



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

A near universal 91% of Indian marketers believe that integrated marketing campaigns can have an impact on the rate of conversions (e.g. product sale and subscriber registration etc.). Out of this, almost half of marketers believe that integrated campaigns would have a significant impact as opposed to around 41% who see a more moderate impact.

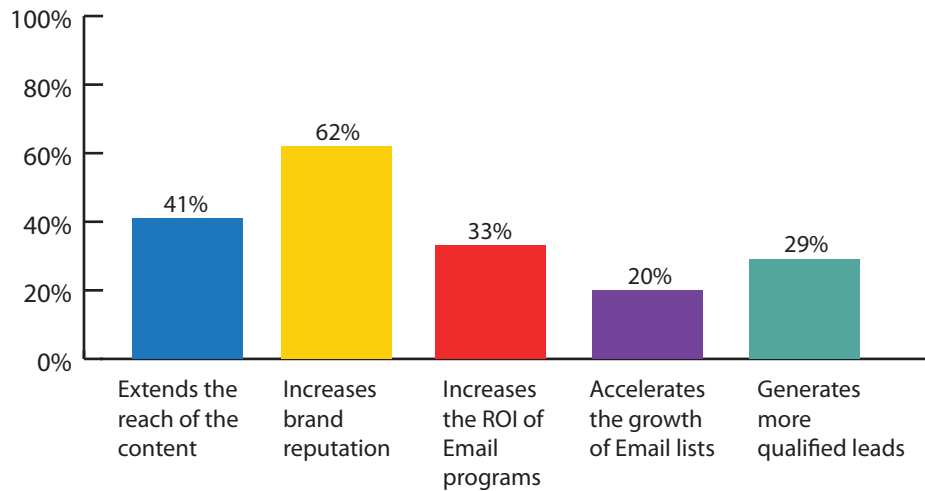
What do you think about the impact of integrated email and Social, SMS campaigns on conversion rates (product sales, subscriber registration, whitepaper downloads etc.)?



23. Influence of Social Media on Email Marketing Campaigns:

In line with the trends from 2011-2012, Social Media continues to gain importance for marketers in India for 2013. 62% of the respondents feel that use of Social Media increases reputation and awareness while 41% believe that use of Social Media extends the reach of Email content to new markets. Additionally, 33% think that it increases the ROI of Email programs and 29% of respondents believe that use of Social Media generates more qualified leads.

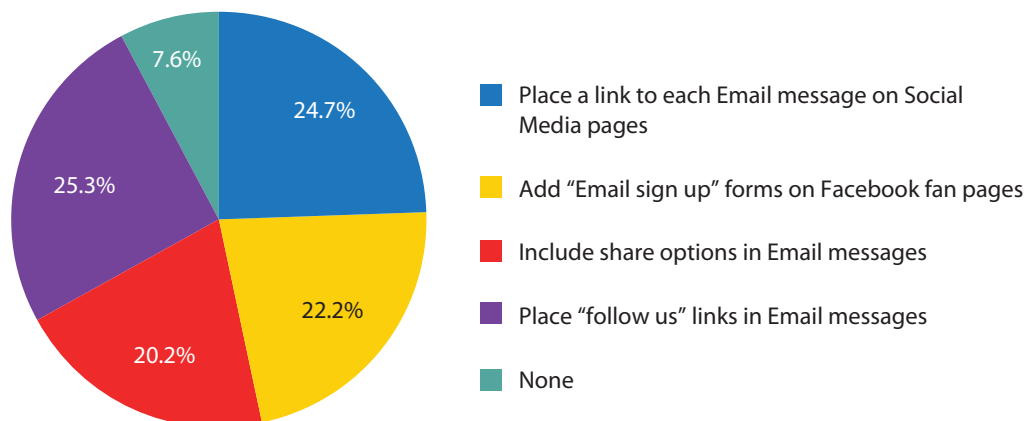
How do you think Social Media influences Email Marketing?



24. Use of Social Media Integration Tools:

Closely following last year's trend, this year also a whopping 93% of the respondents stated that they have already; or are planning to now, integrate Social Media tools in their Email campaigns. Out of this, around 25% are planning to place a "follow us" link in their Email messages while another 25% are placing links to each Email message on their Social Media pages. Sign-up forms on Facebook pages are also gaining favour with about 22% of the respondents using them. This is followed by almost 20% of marketers including share options in their Email messages.

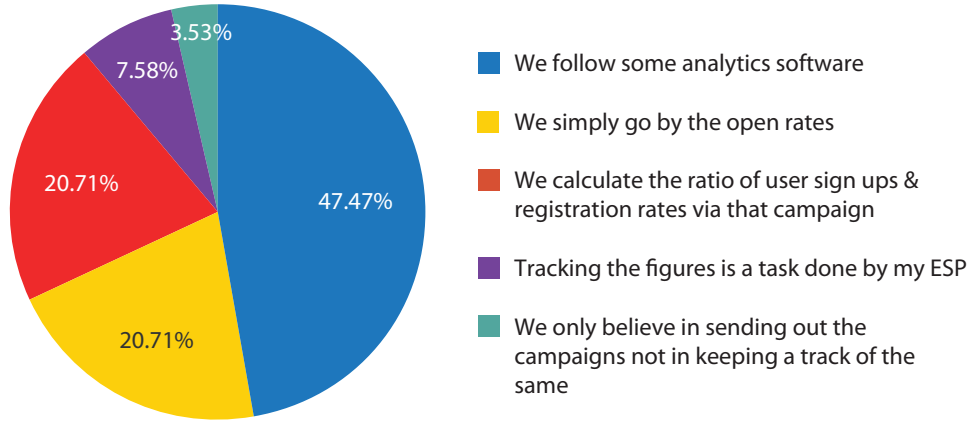
Do you plan to use any one of the following Social Media integration tools?



25. Keeping a track of the campaign's success:

With an increase of 7% over last year, about 47% of Indian marketers this year, revealed that they use analytics software to track the success of their Email marketing campaigns. This was followed by 21.71% of the respondents who simply go by the rates of their Email campaigns and another 21.71% who calculate success based on the ratio of user registrations gained through a particular Email campaign. Close to 11% of marketers either do not keep a track themselves (3.53%) or leave the tracking to their ESP (7.58%).

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



7

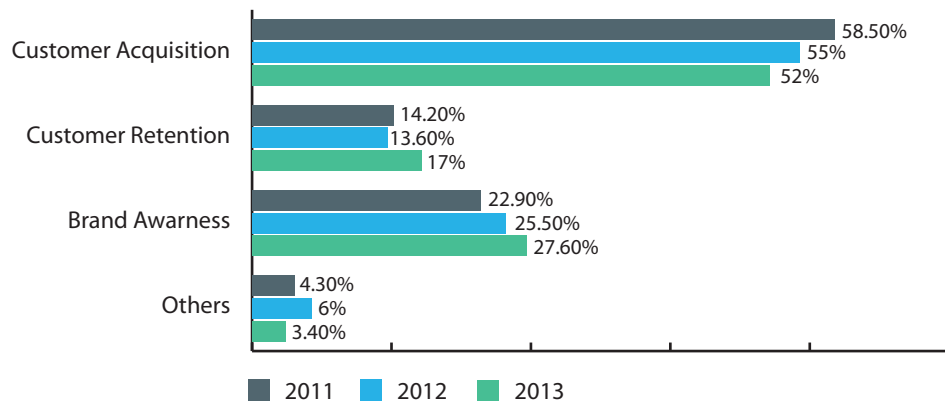
Research Trends (2011-2012-2013)

This Annual Research Report covers e-Marketing trends in India from the last three years. Every year our findings reveal a number of insightful patterns and now with this report in its third edition, we thought it would be interesting to see how some of these patterns have been trending over the years. Our trend findings are as follows:

1. Primary Marketing Goal 2013:

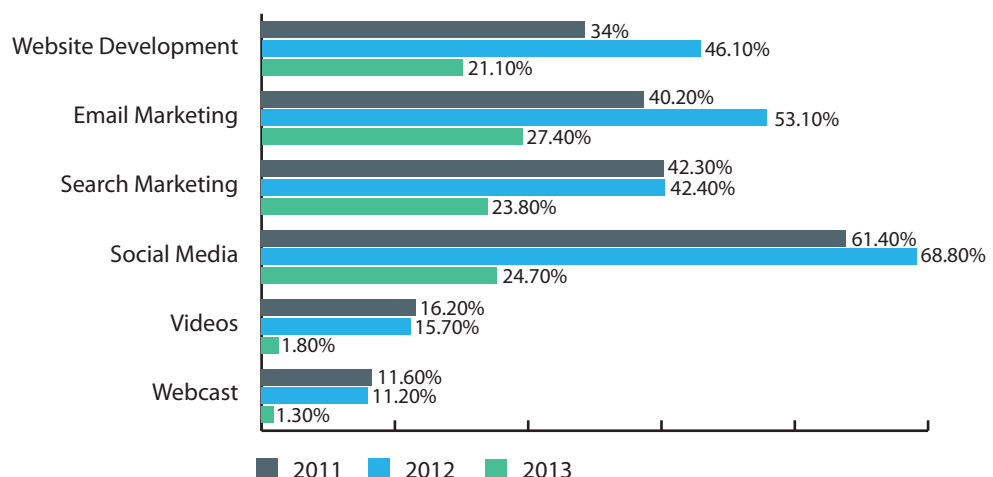
Customer Acquisition at 52% remained the foremost objective of marketers over the last 3 years even though it has been showing a constant decline of about 3% year-on-year. Meanwhile, Customer Retention at 17% and Brand Awareness at 27.6% are showing a constant year-on-year increase.

This shows a positive trend with Email Marketing being deployed as a brand awareness and retention tool rather than just a medium of acquisition of new customers.



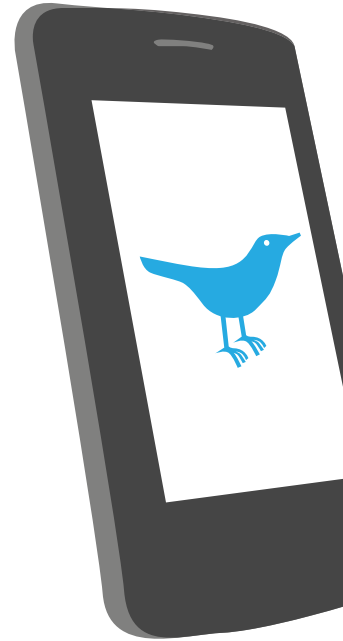
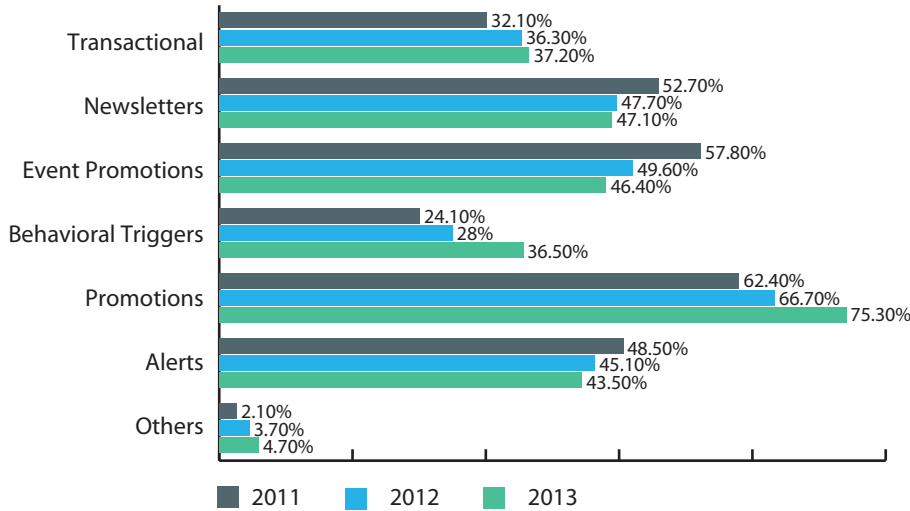
2. Online Marketing Activities that will see an increase in Marketing Investments in 2013:

Unlike last year, for 2013, Email Marketing (at 27.40%) is projected to have a slight edge over Social Media (24.70%) in terms of marketing investment. We believe there are a few factors behind the continued surge of investment in Email communications. 1) Rise of Mobile Marketing with on-the-go Email 2) TRAI's cap on the number of promotional SMS per day 3) The Go Green Initiative by the Ministry of Corporate Affairs that enables companies to electronically send annual reports, ballot papers and other documents to its share holders.



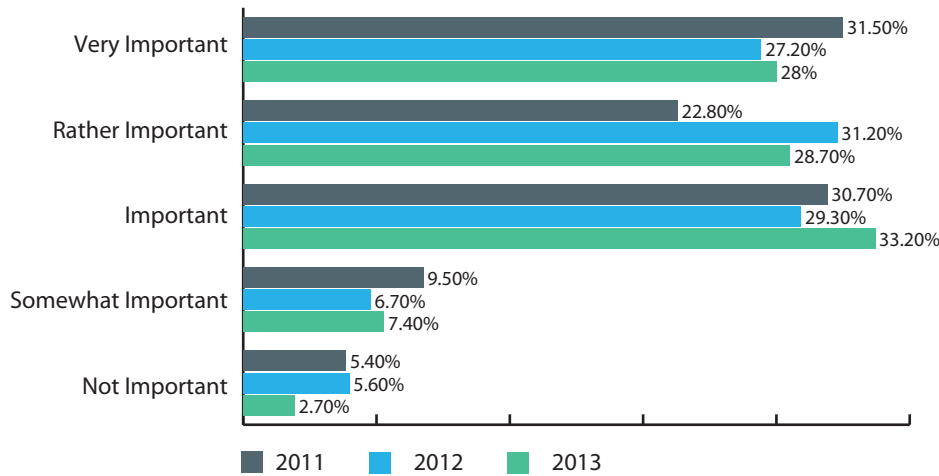
3. Use of Integrated Marketing (Email+Social Media+SMS):

There is an overall upward trend in using Integrated Marketing for all types of marketing communications. Promotions (75.30%) and Behavioral Triggers (36.50%) are the most popular as per our respondents while there is a slight dip in Alerts (43.5%) and Event Promotions (46.4%). All other communications either remain stable or are gaining confidence amongst the marketers.



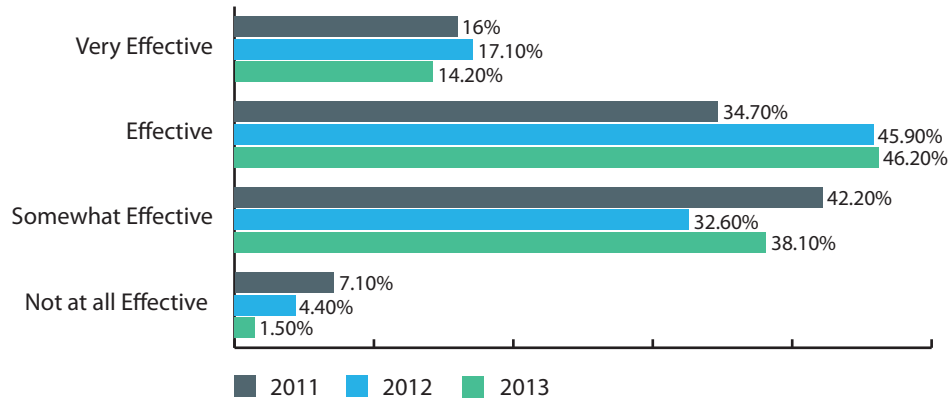
4. Importance of Email and SMS marketing to the marketing plans:

Over the last three years, over 92% of the respondents have indicated that Email and SMS would be an important aspect of their marketing plan with a moderate rise in very important and important sections. Only a low of 2.7% respondents (5.60% in 2012, 5.40% in 2011) believe that Email/SMS Marketing is not important to them (registering almost a 50% drop in this sentiment).



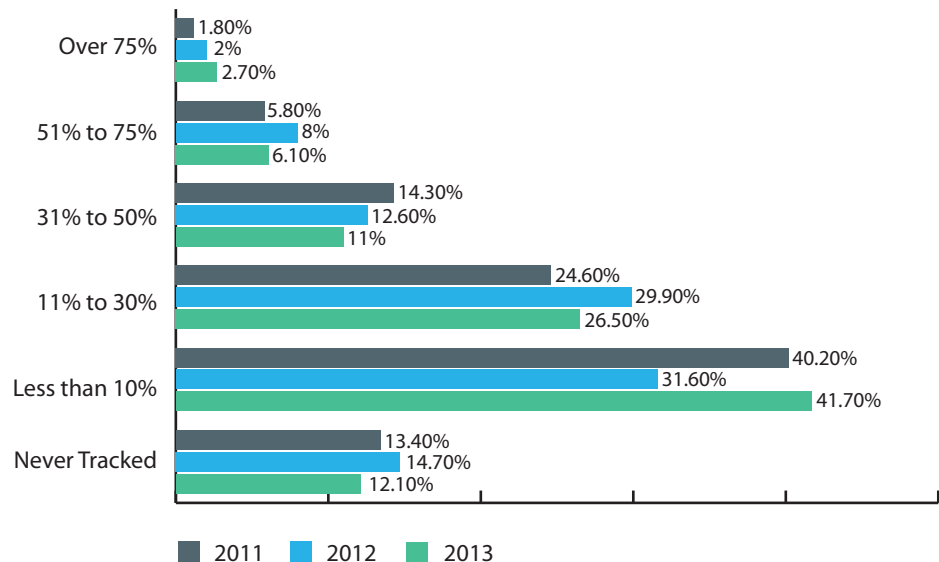
5. Effectiveness of Email/SMS Marketing Programs in meeting agreed Goals:

The data represents a continuous trend in the opinion of marketers towards the effectiveness of Email and SMS marketing campaigns. 60% of our respondents believe that Email and SMS are effective or very effective in meeting agreed marketing goals. Since 2011, there has also been a sharp decline in the number of marketers who feel Email and SMS campaigns are not effective at all (7.10% 2011 to 1.50% for 2013).



6. Share of Revenue Generated by e-Marketing (Email/SMS/Social Media):

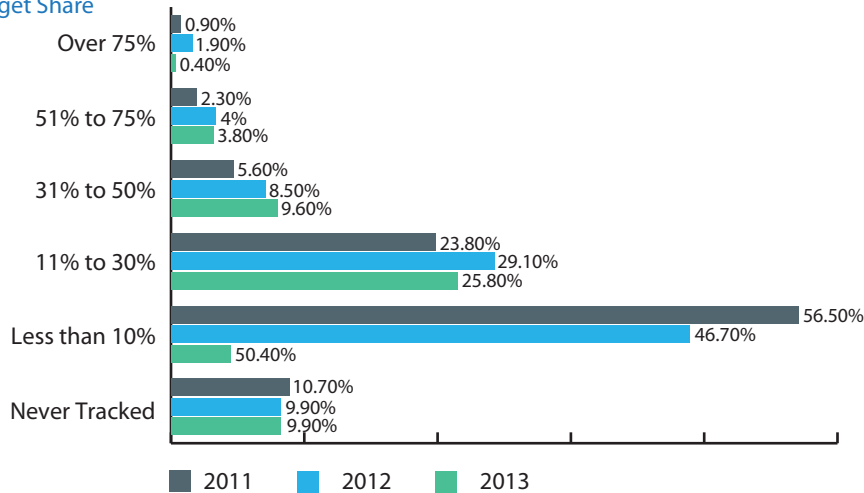
On the whole, contribution towards sales revenue by Email/SMS Marketing has been holding steady over the last three years. However, there has been a 10% increase in the number of respondents who revealed that Email/SMS Marketing contributed upto 10% of towards the sales revenue.



7. Approx. Percentage of Marketing Budget Allocated to Email/SMS Marketing:

Despite SMS Marketing losing its sheen and effectiveness due to regulations, customer reactions and steep prices, trends indicate a steady stability in the budgets allocated towards e-Marketing over the last two years. This points towards the ability of Email campaigns to make up for the loss of SMS and keep steady the Return on Investment scenario for companies in 2012-2013.

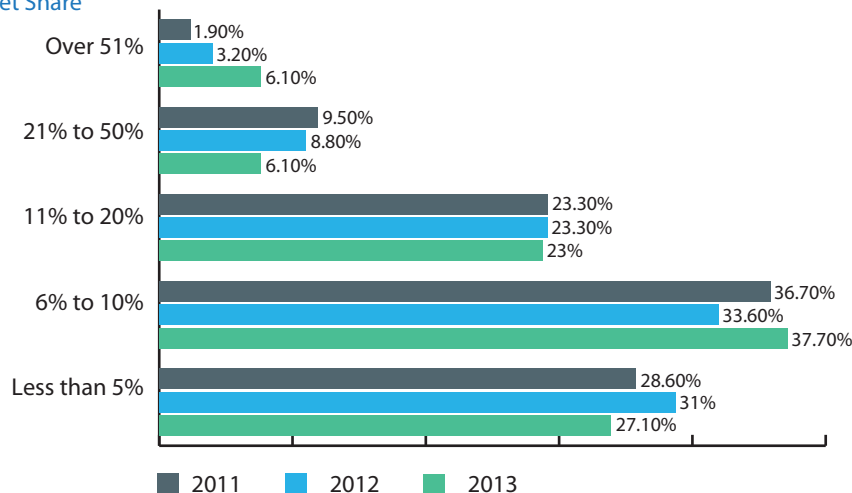
Budget Share



8. Plan to increase Budget for Email/SMS Marketing in 2013:

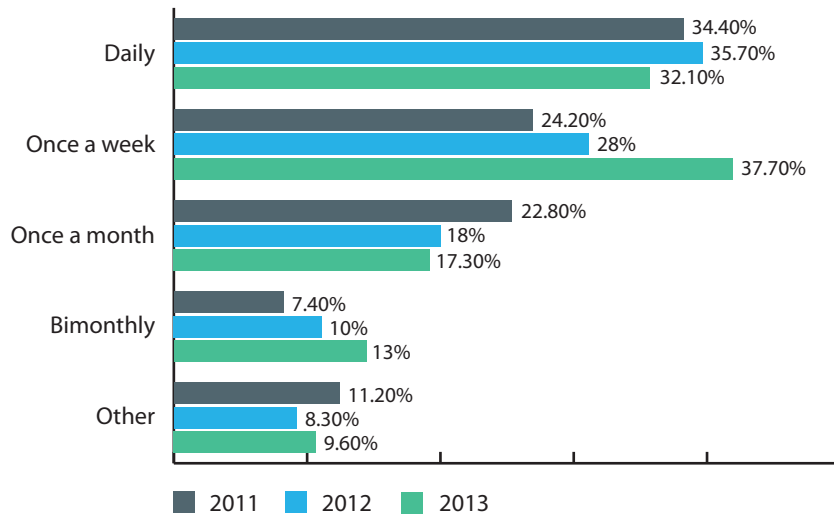
Keeping in line with the findings from last year, this year too 35% of Indian Marketers plan an increase of more than 11% in their budgets towards e-Marketing in the coming year. Marketers planning to increase budget by 51% or above have almost doubled year-on-year from 2011 (from 2% to 3% in 2012 to 6% in 2013).

Budget Share



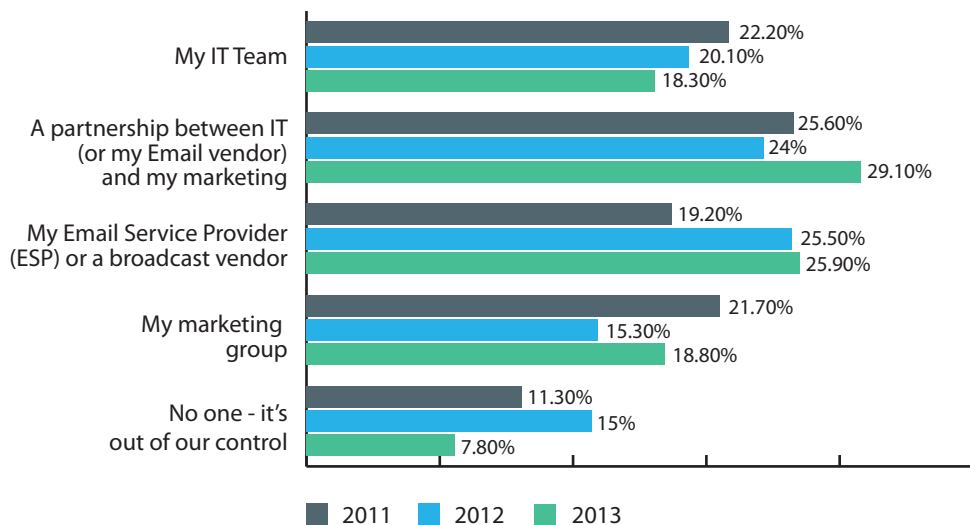
9. Frequency of Email/SMS Campaigns:

'Once a week' mailing has seen the most significant increase of 13.5% from 2011 to 2013 while all other mailing frequency patterns have kept steady over the past three years.



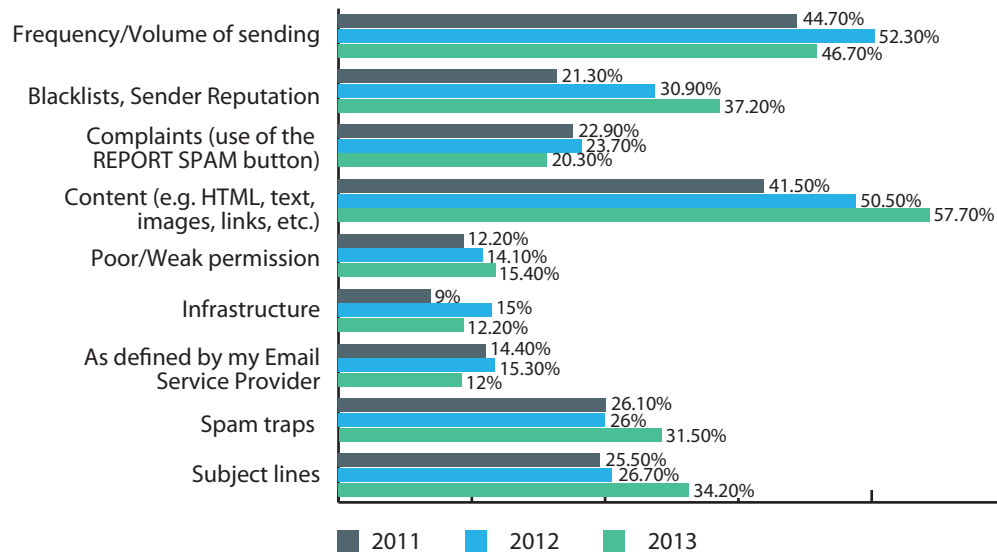
10. Responsibility for Ensuring Email reach Inbox:

With a decline in the role of IT in ensuring Inbox delivery and the rise in partnerships between company IT/Marketing departments and professional ESPs, we continue to see a steady trend towards dependence of companies on professional Email Service Providers (like Octane.in). Over 55% of the respondents have such partnerships in place with ESPs indicating a 5% increase year-on-year.



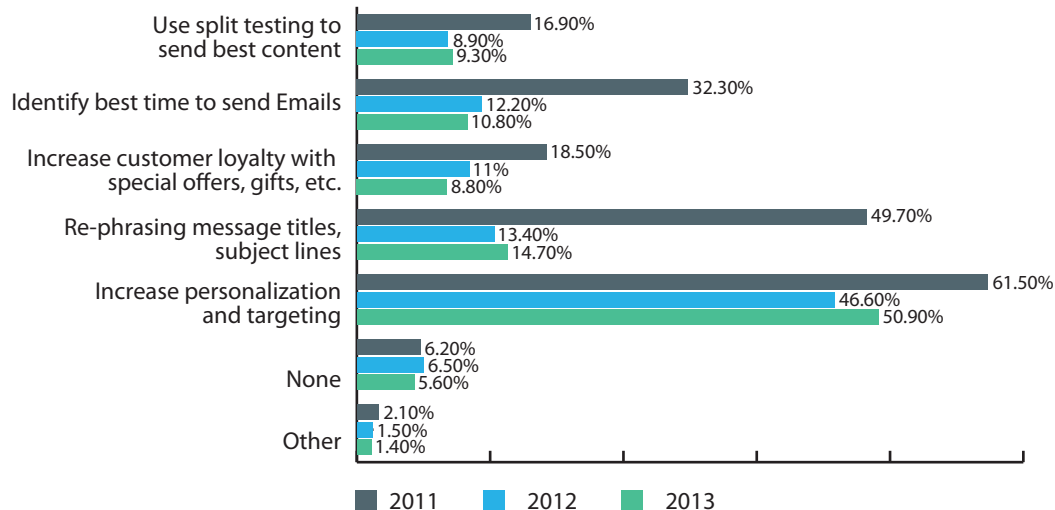
11. Top factors Impacting Inbox Delivery Rates:

There is a 9% increase in the number of respondents who feel that weak Subject lines impact inbox delivery rates since last year. Additionally, Content (with an increase of about 7%) and Blacklists/Sender Reputation (also with a 7% increase) make up the top three factors for marketers since 2012. This indicates an evolution of planning of Email campaigns and marketer's outlook towards increasing sophistication.



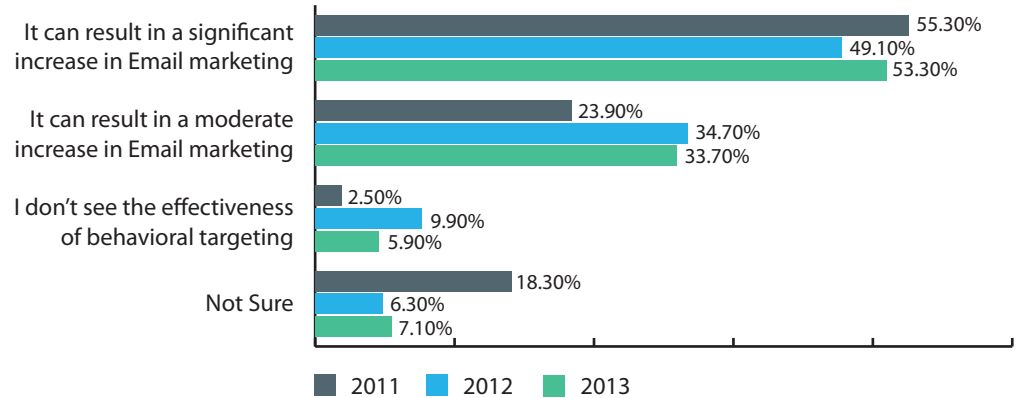
12. Email activities being implemented to reduce effects of Inbox clutter:

Over the years, increase in personalization and targeting continues to be the leading activity for reducing inbox clutter. Rephrasing message titles & Subject Lines and Identifying the best time to send Email are also popular options for 2013 according to our respondents.



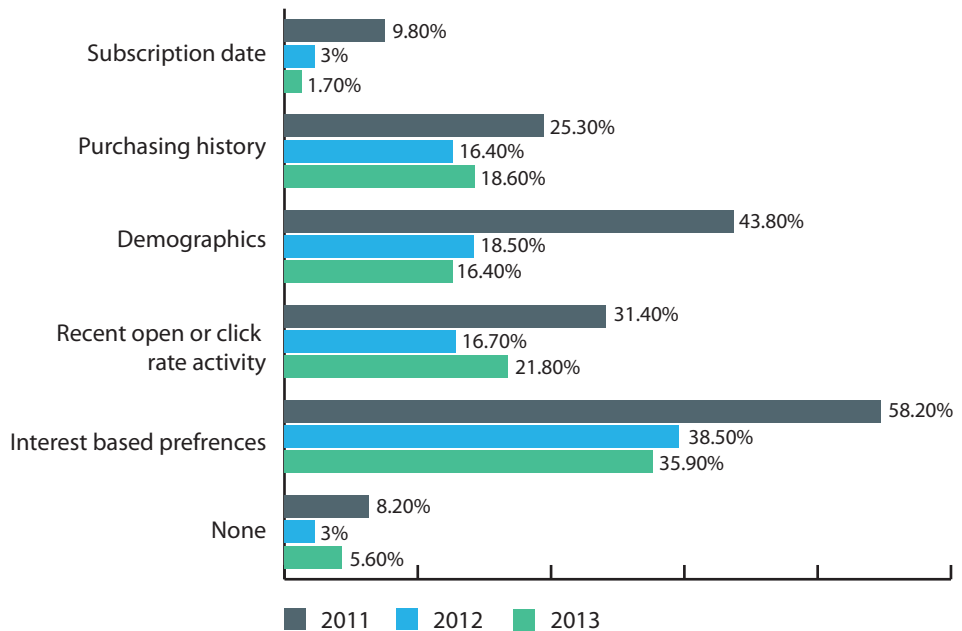
13. Behavioral Targeting:

Our research reveals that there is nearly a 40% decline in the number of marketers who don't see the effectiveness of behavioral targeting since last year. Meanwhile, a majority of marketers (79.2% in 2011, 83.8% in 2012 and 87.04% in 2013) believe that behavioral targeting can result in moderate to significant increase in the impact of their Email marketing campaigns.



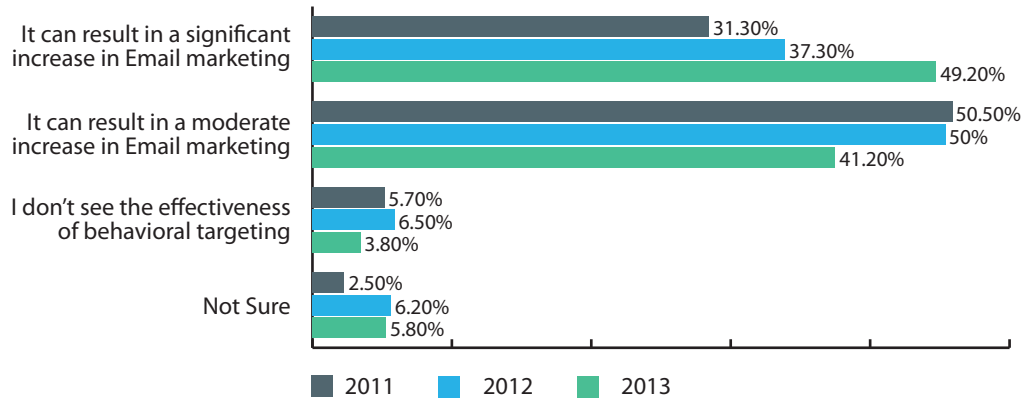
14. Use of Segmentation Techniques in Email Marketing Campaigns:

Segmentation using 'Interest based preferences' has been the most popular with our respondents over the last three years but has also seen a decline of nearly 22% since 2011. After going down by almost 50% from 2011 to 2012, segmentation using 'Recent open and Click activity' has bounced back to become the second most popular technique used by marketers with an increase of around 5%. Segmentation using 'Demographics' data has also seen a sharp decline of about 27% since 2011.



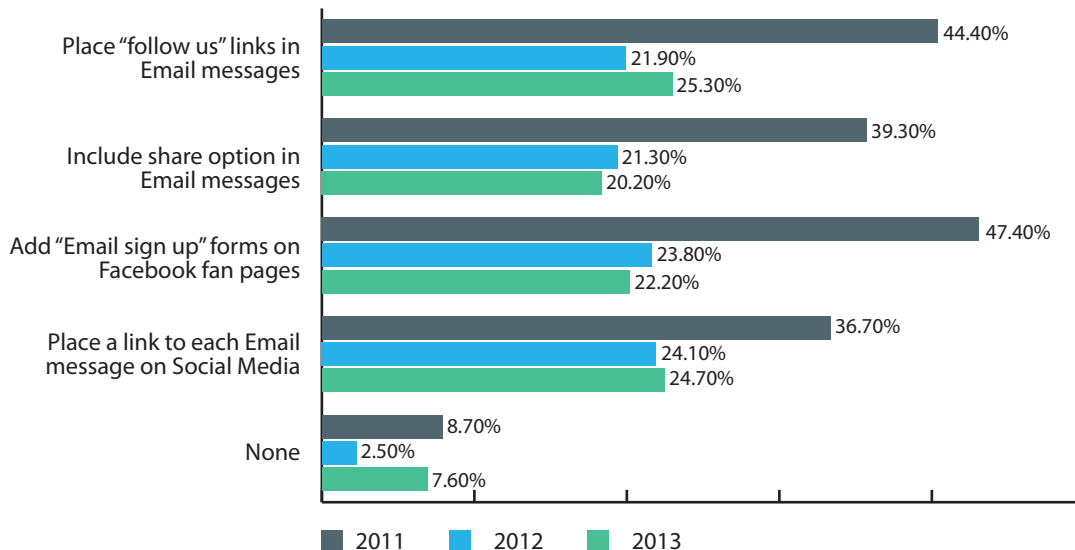
15. Influence of Integrated Campaigns (Email+Social Media+SMS) on Conversion Rates:

Our research indicates that the number of marketers who believe that integrated campaigns can significantly increase conversion rates has been consistently going up over the past three years (from 31.3% in 2011 and 37.3% in 2012 to 49.2% in 2013). In addition, the number of respondents who don't think integrated campaigns have any impact on conversions has decreased by nearly half to 3.8% this year.



16.) Social Media Integration Tools Planned for Use:

Analysing the trends reveals that the opinion of Indian marketers on the use of Social Media integration tools in campaigns for 2013 remained similar to the findings for 2012. Placement of 'Follow Us' links in Email messages has come out to be the top technique this year (at about 25%) while in 2012, the preferred choice was to 'place a link to each Email message on Social Media pages'.

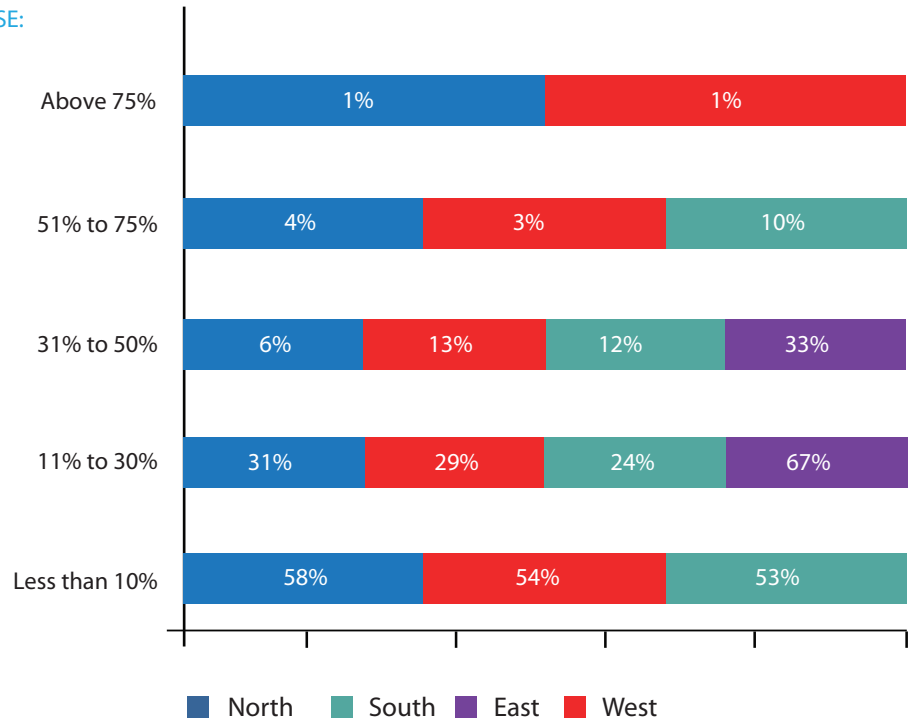


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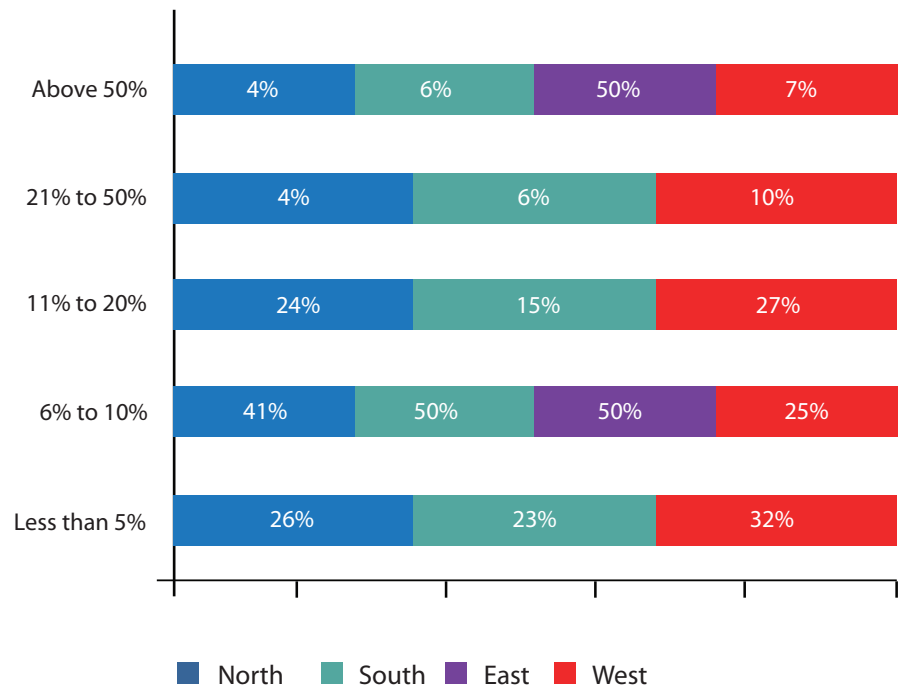
Investment Trends 2012-2013 :: Zone Wise

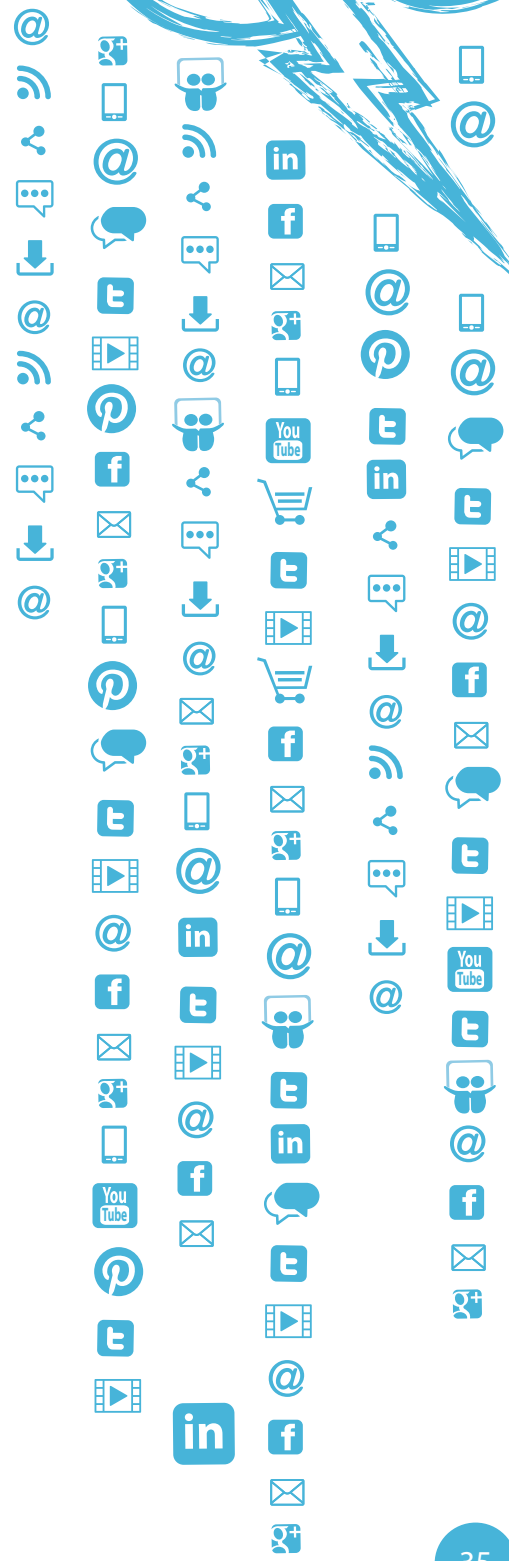
• Approximately what percentage of marketing budget was allocated to Email/Mobile Marketing in 2012?

ZONE WISE:



• By what percentage are you planning to increase your budget for Email/Mobile Marketing in the coming year 2013?





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.



Digvijay Bhandari
Co-founder & CEO



Samarth Saxena
Co-founder & COO



Punit Modhgil
Co-founder & Director



Vijayant Dhaka
Business Head -
North & East



Apurva Bhandari
Business Head -
West & South



Ahmer Hasan
Marketing Manager

Octane Marketing Offices

Delhi Office:

Level 4, Rectangle 1,
Commercial complex,
D-4, Saket,
New Delhi - 110017, India

Mumbai Office:

Levels Ground & 1,
Trade Centre,
Bandra Kurla Complex,
Bandra (E),
Mumbai - 400 051, India

Bangalore Office:

Level 14 & 15,
Concorde Towers, UB City
1 Vittal Mallya Road
Bangalore - 560001, India

United States Office:

1 Embarcadero Center,
Suite 500,
San Francisco, CA 94111,
United States

Contact Details

Email: support@octane.in | Call Us: +91-11-324 34 436 (India), +1-415-230-2875 (USA)

Twitter: [@octanein](https://twitter.com/octanein)

To subscribe to our Newsletters & updates:
engage@octane.in

Research Team:

Ahmer Hasan | Jawahar Gadhi | Lalit Kumar | Prateek Bali | Punit Modhgil | Rahul Khattar



Octane Marketing Pvt. Ltd.

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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