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## Yesmail Breaks Into The Email Leader Ranks

The Forrester Wave™ Vendor Summary, Q4 2007

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### EXECUTIVE SUMMARY

A rebuilt platform and iterative development processes earn Yesmail a Leader slot in Forrester's evaluation of email marketing service providers. The vendor's Agile development processes enable it to release new features every two weeks. These features, such as a calendar and flowchart tool for managing multiple campaigns, help marketers manage their communications to customers by enabling them to visualize where different campaigns fall in relation to each other. Yesmail has also made a move to expand into the midmarket and small business space.

### YESMAIL IS NOW A SOUND CHOICE THANKS TO A REVAMPED TECH PLATFORM

Two years ago, due to Yesmail's limited platform, we were reluctant to recommend the vendor to all but high-budget emailers — and then only as a last resort. But in 2006, a new CTO changed the vendor's approach to technology. Technology innovation and flexibility are now more central to the vendor's business.

Forrester evaluated Yesmail's email offering and strategy against 64 criteria (see Figure 1). Overall, the product has a strong technology road map and improved interface, although it still must work on scalability. We found that Yesmail has:

- **Improved its technology processes.** Dragged down in our last evaluation by a stagnant technology platform, Yesmail has now adopted Agile development processes that enable it to release new features every two weeks.<sup>1</sup> New infrastructure and a more rapid pace of technology development help the vendor, one client told us, “deliver a large volume of emails in many different iterations flawlessly.”
- **Incorporated new, useful functionality.** Marketers seeking to plan their email campaigns in a more visual, intuitive way are in luck. Yesmail has added a calendar function that enables users to see how their campaigns interact with one another. Clients also say that the vendor's click maps are helpful to them in designing creative.
- **Maintained its services arm.** The vendor built its reputation on its ability to provide client services, and its recent focus on its technology infrastructure hasn't altered Yesmail's approach to clients. One client said: “Accessibility is a big plus. We meet once a month at the executive level, once a week at the director level. [Yesmail is] a continual value-add in terms of strategy; it takes our program to the next level.”



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- **Branched out to the midmarket.** The midmarket and small business space represents a huge revenue opportunity for the vendor. In the past year, Yesmail has created Yesmail Express and Yesmail Direct to complement its enterprise offering. Its rapid technology development processes enable the vendor to fit solutions more appropriately to clients based on their size and business needs.

To see how Yesmail stacks up against seven other competitors, see the Forrester Wave™ evaluation of the email marketing service provider market.<sup>2</sup>

**Figure 1** Yesmail Enterprise Evaluation Overview

CURRENT OFFERING	
Breadth of offering	The vendor provides a portfolio of marketing solutions and tools, including direct marketing applications, data management, data intelligence, lead generation and email lists, interactive applications, and best-practices consulting.
Functionality	The vendor provides tools that flow seamlessly with marketer processes, such as a campaign planner calendar, flowchart tool for campaign setup, and post-click tracking for integrating email data with other data sources.
Technology platform	The vendor's technology platform is much stronger than it has been historically. A relational database structure that houses each client's data in its own structure allows for easy integration with external sources. The vendor also has a great capacity for data storage and high-volume sending; however, it lacks high-level security certification and sends email at slower speeds than competitors.
Services	The vendor maintains a large services business primarily in technology integration and campaign management. Its strategy and analytics staff seem small for the percentage of clients it services.
STRATEGY	
Strength of management team	With the exception of the vendor's new CTO, its leadership team is comprised of executives acquired during Yesmail's purchase of email vendor @Once in 2004. Although more passive in their corporate ambitions than other vendors in the study, Yesmail execs have a strong history with email. Forrester finds the CTO hired in 2006 an extremely welcome addition to the vendor. We credit his influence with several of the vendor's recent strategic moves, including a much-needed refresh of the vendor's platform and the development of new applications focused on the midsize and small business markets.
Strength of employee base	The average tenure for all senior managers within the company is more than five years, the average employee tenure is two to three years, and the vendor's employee attrition rate averages around 5%. There are regional teams in London, New York, Toronto, Chicago, Omaha (Nebraska), San Carlos (California), and Portland (Oregon). The company plans to open additional regional offices in Atlanta and China in 2008. All new employees go through a standard orientation and receive departmental training. Optional training on deliverability, strategic services, launch process, billing processes, and development/Agile methodology is offered weekly.
Executive vision	The vendor's vision is to be a global provider of integrated Web marketing solutions with a portfolio of technology and services that are the core components of Web marketing. While a commendable vision, Forrester's research hasn't found any marketing services provider capable of accomplishing this today. We'd rather hear the vendor articulate a narrower strategy that leverages its strengths, demonstrates an achievable focus, and clarifies whether it is prioritizing the enterprise or midmarket audience.

Source: Forrester Research, Inc.

**Figure 1** Yesmail Yesmail Enterprise Evaluation Overview (Cont.)

STRATEGY

Product road map	Using Agile, a time-based software development methodology, the vendor can introduce product features in response to changing market forces in as little as two weeks. The vendor will deliver 26 product releases in 2008. Additionally, its plans include expanding emerging online delivery channels (SMS, MMS, RSS, hosted rich media content), extending email adoption and usage into mobile devices, growing in international markets, and deepening its expertise in high-value vertical markets. Forrester isn't as bullish on the vendor's international and vertical plans as it is on the vendor's ability to gracefully pull off emerging channel delivery.
Vertical strategy	The vendor has a strong presence in retail, travel, consumer packaged goods, and social networking industries. The vendor attributes its strong presence in these industries to a combination of an easy-to-use application interface, an industrial-strength email delivery engine, highly flexible data integration plug-ins, and a highly experienced client and professional services organization to provide value-add industry-specific strategic consulting services.
Breadth of marketing needs supported	The vendor provides services in database marketing integration, strategic services, analytic services, creative services, media services, and research services. Each regional account team has access to these services and can introduce experts to any client based upon their respective needs.
Cost	The vendor employs standard and customized pricing models. Standard pricing is by CPM, which can range from \$0.50 to \$5, based on volumes. In addition to CPM pricing models, the vendor also offers monthly subscription and performance models. The average deal size is close to \$220,000.

MARKET PRESENCE

Financial viability	The vendor's email revenues have grown during the past two years — from \$18.5 million in 2004 to more than \$50 million in 2006, and it is one of the most profitable divisions of its parent company, infoUSA.
Total employees	The vendor has a staff of 190 employees and 25 offshore engineering staff.
Physical locations and geographic reach	The vendor maintains regional offices in London, New York, Toronto, Chicago, Omaha (Nebraska), San Carlos (California), and Portland (Oregon). Additional offices are slated to open in Atlanta and China in 2008.
Customers	The vendor's technology and account team improvements from our evaluation two years ago are evident in customer references, which are glowingly positive.

Source: Forrester Research, Inc.



Go online to download additional in-depth data and scores for this vendor and other vendors included in this Forrester Wave evaluation.



## SUPPLEMENTAL MATERIAL

### Online Resource

The underlying spreadsheet for Figure 1 is available online. The spreadsheet includes more detailed data and scores for this vendor.

This detailed data and scores for this vendor are also available online through an Excel-based vendor comparison tool that provides detailed product evaluations and customizable rankings.

### The Forrester Wave Methodology

We conduct primary research to develop a list of vendors that meet our criteria to be evaluated in this market. From that initial pool of vendors, we then narrow our final list. We choose these vendors based on: 1) product fit; 2) customer success; and 3) Forrester client demand. We eliminate vendors that have limited customer references and products that don't fit the scope of our evaluation.

After examining past research, user need assessments, and vendor and expert interviews, we develop the initial evaluation criteria. To evaluate the vendors and their products against our set of criteria, we gather details of product qualifications through a combination of lab evaluations, questionnaires, demos, and/or discussions with client references. We send evaluations to the vendors for their review, and we adjust the evaluations to provide the most accurate view of vendor offerings and strategies.

We set default weightings to reflect our analysis of the needs of large user companies — and/or other scenarios as outlined in the Forrester Wave document — and then score the vendors based on a clearly defined scale. These default weightings are intended only as a starting point, and readers are encouraged to adapt the weightings to fit their individual needs through the Excel-based tool. The final scores generate the graphical depiction of the market based on current offering, strategy, and market presence. Forrester intends to update vendor evaluations regularly as product capabilities and vendor strategies evolve.

## ENDNOTES

- <sup>1</sup> Agile processes are iterative processes that use specific project management and software engineering practices to sustain the delivery of new software functionality every one to four weeks. See the August 29, 2007, "[The Truth About Agile Processes](#)" report.

<sup>2</sup> The email market is a mature one. Vendors provide similar technologies, and all want to establish email as the pillar of a multichannel marketing program. Forrester evaluated eight leading email marketing service providers across 64 criteria and identified Responsys and e-Dialog as standouts, thanks to their solid platforms, easy-to-use features, and focus on marketer needs. Long-time Leader Epsilon and recently overhauled Yesmail round out the Leader category. Strong Performers Acxiom Digital, Experian CheetahMail, and Harte-Hanks have easy-to-use tools but lack Leader-level functionality. Datran Media, the study's lone Contender, presents a different model and vision than the others in the evaluation but needs a feature and platform upgrade. See the December 20, 2007, "[The Forrester Wave™: Email Marketing Service Providers, Q4 2007](#)" report.