THE STATE OF EMAIL MARKETING 2015
Global benchmarking research to support Email Marketing Excellence

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Global benchmarking research to support email marketing excellence

This research report was created by SmartInsights.com, publishers of digital marketing advice and, GetResponse, the world’s easiest email marketing. Its purpose is to help marketers improve the effectiveness of their email marketing.

In the report, we assess the current state of email marketing based on a major research study surveying 1821 email marketers from a range of business sizes and sectors around the world. By comparing the techniques used by other businesses you will be able to identify improvements.

Research findings

1. Email Marketing Sophistication. The study assesses email marketing programs of businesses on a scale of Newbie, Beginner, Intermediate, Advanced and Expert. We compare the best practices and features businesses use in their email marketing.

![Scattered rating of business sophistication of using Email marketing](image)

2. The effectiveness of email marketing versus other digital channels. In section 1, we present the view of respondents on the effectiveness of email marketing. Email
Executive summary

marketing is a clear winner with 60-64% of respondents rating email marketing as good or very good - higher than any other digital channel.

3. Key benefits of email marketing. Email marketing directly contributes to the commercial benefits of increase leads and sales. The top three benefits of email marketing were given as generating more leads, improving sales and improving conversion rates. Reduced marketing cost, with other channels was also highly rated.

4. Investment in email marketing. Over half of businesses (57.1%) are planning to increase their email marketing budget, with only 1.5% planning to decrease their budget. Over one-quarter (28.3%) are satisfied with their current investment level and want their email marketing budget to remain the same in the year ahead.

5. Email marketing capabilities. In Section 2, we assess best practices in seven areas recommended for strategic benchmarking of email marketing: evaluation, list quality and growth, targeting, communication strategy, creative, delivery, and optimization. The results can help marketers identify best practices to implement to improve results.

6. Email marketing sophistication. In Section 3, we compare the sophistication of email marketing based on capabilities used versus results delivered. These show that more-sophisticated users of email marketing consistently report a higher return on investment than less-sophisticated users.

Rating of Email marketing ROI by level of Email marketing sophistication

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FOREWORD FROM GETRESPONSE

Exploiting the Power of Email Marketing

Does email marketing still have a bad reputation? In the past, many consumers associated it with bulk mailings — AKA spam. Marketing departments saw it as an inexpensive way to distribute a monthly newsletter.

Over time, perceptions changed. Visionary marketers saw the wisdom of permission marketing and dreamed up campaigns that were entertaining, inspirational, and educational. Subscribers loved them!

Better yet, subscribers saw themselves as part of an emerging community. As true believers, they could rally around a brand, cause, or idea, sharing messages with like-minded friends.

Best of all, they could deepen their relationships with their favorite organizations by buying their products and services.

Soon, more marketers embraced email, using it to improve efficiency, reduce costs, and increase profitability. Email marketing became a must-have medium.

And yet, some marketers still have not fully explored the power of email marketing, including the more sophisticated, automated features. Why not? We needed a reality check, so we asked ourselves some intriguing questions. What’s the current state of email marketing? Which techniques create spectacular results? How can every marketer achieve better results? We set out in search of answers.

The research is finished, and our first-of-its-kind report tells quite a story. This free self-assessment guide will help email marketers determine their expertise and benchmark themselves against other professionals.

So how are you doing? Are you getting everything you can out of your email marketing campaigns? Have you achieved excellence? Or are you still seeking it?

We invite you to open your mind to new possibilities. Dive into our report and discover the path to a brighter future for your business.

Magda Ciszewska, Marketing Manager, GetResponse
Introduction

An introduction to the report by Dr Dave Chaffey, Smart Insights

Since I help companies improve their online marketing, I pay close attention to best practices in email marketing. The reason? Email marketing is a powerful marketing tool available to all businesses. It’s easy to start using it both as a lead-nurturing tool to support customer acquisition and as a customer communication tool to develop customer relationships and loyalty.

I read The One-to-One Future, by Don Peppers and Martha Rogers at a time when businesses first started exploring the potential of online marketing. It was clear that email was the easiest way for businesses to deliver on their promise of the power of direct, personalized, relevant communication. Although it was clear that email marketing could be powerful, businesses needed to get a lot of details right to take advantage of this power.

Over ten years ago, I created one of the first training workshops on email marketing in Europe and wrote Total Email Marketing, which explored best practices for effective email marketing. Through designing the research and editing this report, I’m delighted to share the state of the art of email marketing. This report will help marketers review and improve their approach, as part of the Smart Insights mission to help marketers plan, manage and optimize their digital marketing.

About this global benchmarking report on the State of Email Marketing

Although email marketing is well established and popular, it remains a complex digital marketing technique to master. Still, the devil is in the details. Furthermore, the growing adoption of smartphones has required us to rethink many aspects of our email marketing.

From my work in training and consulting marketers, I had a strong suspicion that many businesses weren’t taking full advantage of the power of email marketing. So
I was interested when GetResponse approached us about teaming up to create a large-scale, global research report summarizing the state of email marketing.

We involved Smart Insights members and GetResponse customers around the world to create a valuable global benchmarking report. Our goal was to provide actionable insights that would help businesses compare their email marketing to others and take steps to improve it. The aim was to go beyond questions about the adoption of various email marketing techniques; we wanted to provide scoring. And for respondents who were GetResponse customers, we wanted to (anonymously) compare the results they were achieving against benchmarks. I’m delighted to share the results of this unique email marketing benchmarking project, thanks to the involvement of many marketers from around the world. A big “thank you” if you shared your email marketing experiences! Thanks also to our expert commentators who added the voice of their experience throughout the report.

Now more than ever, organizations need a sound process to keep up with ever-changing best practices and take full advantage of email marketing. So we hope this report helps you evaluate your approach, so you can plan, manage and optimize your email marketing.

Report goals

The aim of the research is to help email marketers and their businesses:

- Review their strategic approach to email marketing by comparing their use of email marketing techniques and features to best practices
- Learn best practice email marketing techniques
- Learn the benefits of implementing more advanced email marketing strategies

Who is the report for?

We’ve aimed this report at two main audiences:

1. Managers responsible for using Digital Marketing. Managers responsible for using digital marketing. For this audience, we want to highlight the importance of email marketing today compared to other digital marketing channels and the success factors for managing email marketing. This report will enable them to have detailed discussions with email specialists to improve results.

2. Email marketing specialists. Marketers with hands-on responsibility for email
marketing need to know which optimization techniques to focus on to improve results. Agencies and consultants who advise companies and implement email marketing programs will also find this report useful.

**How is the report structured?**

In the first part of the report, we compare email marketing to other digital marketing channels. Next, we break email marketing down into various activities that need to be managed to improve results, and we assess the current level of use of these best practices. In the final section, we explore how email marketing sophistication affects results.

**About the survey participants**

By combining the audiences of Smart Insights and GetResponse, we hoped to create one of the largest-ever reviews of the state of email marketing. This research would be the basis of a robust report in which we would break down the results by industry sectors and levels of email marketing sophistication. Typically, research reports have responses of a few hundred participants, but we were delighted to get nearly two thousand participants. Many thanks, if you were one of the 1,821 participants who took time out to share their experiences and current use of email marketing!

Due to the scale of the sample, this report is a global survey representing more than 100 countries, from Albania to Zimbabwe.

As would be expected with a survey of this scale, there was also a range of levels of expertise:

- Basic: 43.20%
- Intermediate: 48.60%
- Expert: 8.20%

You can check out further details of the methodology and sample breakdown in the appendix.
Introduction

About Smart Insights

Smart Insights provides actionable learning resources to help businesses improve their digital marketing results. More than 125,000 Smart Insights Basic members use our blog, sample marketing templates and weekly Digital Marketing Essentials newsletter to follow best practices and keep up-to-date with the developments that matter in digital marketing.

Thousands of Pro, Expert members from over 80 countries use our planning and management templates, guides and video courses to map, plan and manage their marketing using the Smart Insights RACE Planning framework.

Here are 10 reasons why Expert members use Smart Insights resources.

RECOMMENDED RESOURCES

Strategy development and planning templates

We have developed a series of tools for Expert members to help them plan:

- **Digital strategy toolkit.** This template contains a full workbook to create a digital marketing strategy to Reach-Act-Convert and Engage your audience.
- **Example digital marketing plans.** An example online marketing plan and blank template using the Smart Insights RACE Planning framework.

About the report author

Dr Dave Chaffey is CEO and co-founder of digital marketing management advice site Smart Insights. He is author of 5 bestselling books on Ecommerce including *Digital Marketing: Strategy, Implementation and Practice* and *Total Email Marketing*. He was recognised by the Chartered Institute of Marketing in 2004 as one of 50 marketing ‘gurus’ worldwide who have helped shape the future of marketing. In 2015 he was rated as the top influencer on social media for Marketing and Advertising in a top 50 UK compilation by Brand Republic (a portal of publisher Haymarket brands *Campaign, Marketing* and *Media Week*).
About GetResponse, our Research Partner

Who we are

In 1998, Simon Grabowski established his first business with only $200 in capital, becoming a pioneer of email marketing. In the attic of his family home in Poland, he started developing the idea of self-service solutions to help small and mid-size businesses improve efficiency, reduce costs, and increase profitability. Since then, GetResponse has evolved from local startup to globally recognized brand, sending over 12 billion emails every year.

Today, over 350,000 customers in 182 countries trust GetResponse, the world's easiest email marketing. With over 15 years of experience, we continue to deliver excellent online marketing solutions, available in 19 different languages. Our company operates globally with offices in Poland, the U.S., Canada, and Russia, and over 300 passionate professionals on board. Together we create inspiring technologies that empower entrepreneurs and make their businesses grow.

What we do

GetResponse offers a complete suite of simple, yet powerful solutions, scaled and customized for small and large companies. Our tools are designed for organisations that are focussed on implementing high impact campaigns that drive effectiveness, and overall ROI.

The GetResponse email marketing and online campaign management platform helps entrepreneurs to build up most effective subscriber lists and send high impact newsletters, video emails and follow-up campaigns. It offers responsive email design, hundreds of ready-to-use email templates, landing page creator, and useful statistical analysis tools..

If you're ready to improve your approach to marketing, try our GetResponse 30-day free trial try our GetResponse 30-day free trial.
How does email marketing compare to other channels

Since email predates the Web, it is one of the earliest digital marketing tools. It remains popular today because it is open to businesses of all sizes. And it’s easy to get started by building a list using inbound marketing and then communicating with your subscribers using autoresponders, welcome emails, and e-newsletters. So our investigation of the state of email marketing in 2015 starts with a top-level comparison of email marketing versus other digital marketing techniques.

How do marketers rate Email marketing against other digital marketing techniques

In the introduction, we wrote about the potential and power of email marketing. Do our respondents agree with us? We asked for their views on the effectiveness of various digital media channels and offline media. The results deliver an emphatic “Yes!” For the most part, marketers agree about the potential and power of email marketing. When sorted by effectiveness ratings of Good/Very Good, email marketing is the clear winner with 64% rating email marketing positively.

Ratings by marketers of the effectiveness of digital media channels
It’s interesting to see social media marketing in second place. If we had asked this question five years ago, it’s likely SEO would have been in first or second place. Still, SEO remains highly rated for effectiveness alongside content marketing, which we see as the fuel that powers SEO, social marketing, and email marketing.

KEY RECOMMENDATION. DEVELOP AN INTEGRATED STRATEGY
CONTENT AND CUSTOMER ENGAGEMENT STRATEGY
Marketers often say they need an SEO/social/email marketing strategy. While a focus on optimization of each is needed, we recommend an integrated approach to content marketing, to engage customers and support goals across the customer lifecycle.

Key benefits of email marketing

We can see that many marketers rate email marketing highly. Which benefits are they trying to achieve as they seek to improve their email marketing?

Rather than asking about all benefits, we thought it would be interesting to ask for the number-one benefit. We expected “More Sales” to rate high, but it seems that the main benefit varies, depending on the type of business.

Generating more leads was the highest-rated benefit. And identifying better-quality leads was also highly rated by many. This demonstrates that companies want to use marketing automation (with nurture sequences, content, offers, newsletters, and other types of campaigns) to engage contacts and develop qualified leads.

Marketer ratings of the top benefit of email marketing
Respondents rated improving sales and conversion rates next highest. These go together since increasing conversion rates will lead directly to improved sales. Email can boost conversion through automated campaigns such as abandoned basket campaigns or following up when someone views a product on a website.

Other benefits, such as media integration, reducing cost, and sales cycle time, were unsurprisingly rated lower, but are seen as benefits by many companies.

Investment in email marketing budgets

Overall, we found that many marketers view email marketing as a positive investment. They confirmed this view in answers to the question about future investment in email marketing. Over half of the businesses (57.1%) are planning to increase their budget, with just 1.5% stating that their investment will decrease. Just over one-quarter (28.3%) are satisfied with their current investment level and want their email budget to remain the same in the year ahead.
To improve your email marketing, it helps to think through the various levers you can pull to improve response and derive value from your subscriber list. Smart Insights recommends using the simple mnemonic “CRITICAL” to review how you can improve your email marketing.

The CRITICAL factors for Email marketing

CRITICAL stands for:

- **Conversation** – For today’s marketing, email works best when it prompts a dialogue and encourages social media interactions, so it’s not just a push channel.

- **Relevance (including targeting)** – We need to ensure the offer and email creative meet the needs of the recipients. Is a single message sent to all prospects or customers on the list? Or are emails sent to the various list segments with tailored creative, incentive, and copy? Do some recipients view email as spam?

- **Timing** – The recipient looks for the “What’s in it for me” (WIFM) factor. What benefits do recipients gain from clicking hyperlink(s) in the email?

- **Integration** – Are the email campaigns part of your integrated marketing communications? Questions to ask include: are the creative and copy consistent with my brand? Do the messages reinforce other communications? Does the timing of the email campaign fit with offline communications?

- **Creative and Copy** – Are the email campaigns part of your integrated marketing communications? Here are some questions to ask. Are the creative and copy consistent with my brand? Do the messages reinforce other communications? Does the timing of the email campaign fit with off-line communications?

- **Attributes (of the email)** – The message headers such as the subject line, from address and format (HTML or text) have all been written about at length.

- **Landing page (or microsite)** – The page(s) reached after the recipient clicks on a link in the email. Typically, on clickthrough, the recipient will be presented with a direct response form to profile or learn more about them. Designing the page so the form is easy to complete can effect the overall success of the campaign, but is sometimes neglected.
How advanced is your email marketing?

Reviewing your strategic Email marketing capabilities

As you can see, the CRITICAL factors cover nearly all the issues you need to think about as you prepare your email campaigns to make them work harder for you. To make this research a more structured, strategic review of email marketing capabilities, we started with the CRITICAL factors and identified email activities that marketers need to manage. These appear in the visual below.

This visual capability benchmarking tool enables email marketers to review how well companies exploit seven key drivers of email marketing. The seven drivers appear on the left, and a five-point scale assesses the level of sophistication based on the criteria in each section of the grid.

STRATEGY RECOMMENDATION: AUDIT YOUR EMAIL MARKETING CAPABILITIES TO TAKE YOUR EMAIL MARKETING TO THE NEXT LEVEL

By completing audits, you can be more strategic in your digital marketing, set priorities, and develop a roadmap for improving processes or introducing new digital technologies and communications.

By assessing your current level, you can then identify the gap between where you are now and where you need to be, to help prioritize which email marketing techniques need work.

All members of Smart Insights can download a larger version of this capability chart and those for over other digital marketing channels from Smart Insights.
Results: The state of email marketing capabilities

In this section, we analyze the current use of email marketing best practices by reviewing the seven capabilities shown in the benchmarking visual above. To understand the overall response and adoption of various email marketing techniques, we asked businesses about their use of a range of email marketing techniques, from basic to advanced. In the final section of the report, we drill down to see how many businesses were in each category and how this varied among businesses.

Note: How to read the results in this section? We placed our questions on the charts so that email marketing sophistication increases from bottom to top.

Capability 1: Evaluation and measurement of effectiveness

Tracking and evaluation are the foundations of reviewing and improving email marketing in any business, so that’s where we started our review of capabilities. We asked email marketers to select which tracking measurements they used (choosing all that applied).

How do businesses evaluate and track email marketing?

The results show that the majority of businesses use basic response measures such as open and click rates to review email marketing effectiveness. All email services provide these metrics, so this is as we might expect.

However, the use of other, more-sophisticated tracking techniques was shockingly low:

- Just under a quarter (23%) used integrated tracking from their email marketing service to track website marketing outcomes such as sales. Integrated tracking is essential for calculating the return on investment of email marketing.
- Just 15% of those surveyed track responses by segment to see whether their
campaigns are resonating with the audience.

- Only 25% track subscriber activity over time: for example, the proportion of active and inactive subscribers across a year.
- Only 11% use attribution to compare email marketing with other marketing channels.

**KEY STRATEGY RECOMMENDATION:**

Go beyond open and click tracking to evaluate and improve email effectiveness. Options to consider include tracking marketing outcomes from the site, measuring subscriber activity through time and for individual segments.

**Capability 2: Managing email growth and quality**

Your email subscriber list is the heart of your email marketing. Since it’s inevitable that some subscribers will unsubscribe or become less engaged each month, it’s essential that you proactively grow new subscribers to feed the top of your marketing funnel. Improving list quality is also important. If more accurate subscriber data is available, you can send targeted emails that are more relevant. These will be more engaging and gain a better response.

As expected, given the importance of list growth to customer acquisition, the top-rated list management activity is proactive list growth (53%). Still, it’s surprising that this activity doesn’t have more focus. Indeed, one-quarter of businesses admitted that no one handled list management.

**How do businesses manage email subscriber list quality?**

- We optimize email list growth across all channels: 17%
- We use progressive profiling to build customer profiles: 8%
- We are proactive in site improvements and running content and social media campaigns to increase email signup: 29%
- We have a well-defined customer profile and a person responsible for the quality of our list: 17%
- We use tools to build our list and boost lead generation: 24%
- We don’t manage it, and no one is responsible: 53%
Organizations with sophisticated email marketing programs have a proactive approach to improving the site, running campaigns, and using social media to drive sign-ups (25%). They have a well-defined customer profile, with managed list quality (17%). They optimize email list growth across all channels (17%) and use progressive profiling (8%).

**Capability 3: Targeting**

Delivering relevant content to audiences is crucial to successful email marketing. The use of targeting to tailor and personalize messages is a core email marketing technique. So we were interested in finding out how many companies use the targeting functionality of email marketing or marketing automation systems.

**Which email targeting techniques do businesses use?**

We use all available segmentation and targeting methods: 8%

We use layered targeting that combines demographics with lifecycle position, activity level and lead scoring: 4%

Same as 2, plus automated rules-based personalization for different audiences: 9%

Basic - we use 2-5 criteria for targeting, e.g. demographics, category of interest (B2C), industry or role (B2B): 37%

None - everyone receives the same message: 42%

We think these results were the most shocking of all, with nearly half of businesses sending out the same message to everyone on their list.

It was also common for businesses to have only 2-5 criteria for targeting. Of the sophisticated targeting techniques we asked about, some used rules-based targeting: for example, using dynamic content to deliver different offers or querying to create segments based on user behavior or scoring. Just 8% claimed to use all available targeting techniques.

What are the reasons for the limited adoption of targeting? All email service providers offer basic targeting that enables users to select sub-groups within the list based on criteria. Perhaps these segmentation options aren’t sophisticated enough. Not all email service providers offer dynamic content insertion to serve up different content or offers for different segments. And these may be difficult to use. However, this is unlikely to be only a technology limitation; it suggests that businesses don’t have clear plans to segment and target.
How advanced is your email marketing?

**KEY RECOMMENDATION. CREATE AN EMAIL TARGETING STRATEGY IF YOU DON’T HAVE ONE**

Email targeting should be built in from the start of setting up automated emails such as for a welcome sequence where different messages can be delivered to different audiences, e.g. male vs female, or different roles in a business. Options to segment newsletters and campaigns should also be considered to boost relevance and response.

We asked email marketing experts for their thoughts on the importance of targeting.

Email marketing commentator, Pam Neely gives this ‘call-to-arms’:

“The 42% of you who aren’t segmenting your email messages are missing out! It is a bit more work (but not as much as you think). The boost you’ll get in results will make you glad you tried”.

Jordie van Rijn – email marketing and Martech consultant at Email Vendor Selection certainly believes it’s worthwhile based on his experience. Jordie says:

“A marketer can’t serve the perfect message for each recipient all the time. You can’t be 100% relevance-proof, nobody expects you to be. But, you CAN cater to individual needs, wants, motivations and profile(groups) by targeting well. And if you do, as I have seen time and time again, it will improve results and customer relationships. For starters try to not-send your offer to people that can’t act on it, for instance because they just bought your product...”.

Philip Storey, Founder of Enchant, a CRM consultancy thinks that a change in mindset can help highlight the importance of targeting from a customer experience point of view:

“Marketers are still thinking about campaigns as broadcasts to their entire database, instead of an opportunity to create a truly valuable connection with people. Ultimately, most marketers are still using email as an advertising channel and thinking about volume instead of quality. In order to take things to the next level, brands must put their customer’s different needs and desires at the forefront of their email communications strategy to create the ultimate customer experience in the inbox, generating the highest ROI.”

**Capability 4: Communications strategy**

The communication strategy for email marketing involves defining the best combination of message types, targeting, and frequencies to meet marketing goals. In this survey, we wanted to see the range of email techniques used to form the communications strategy. These are shown in the chart on the next page.
How advanced is your email marketing?

Newsletters and solus campaign (single e-blast) emails are the workhorses of traditional emails that are sent manually (although today some newsletters are automatically curated from blog content). So it was no surprise to see that newsletters were the most popular type of email, used by about three-quarters of those surveyed. It was surprising that solus campaign emails were used by only 12%, perhaps due to the term “solus” being unknown.

After newsletters, the next-most-popular were autoresponders, such as those thanking subscribers for signing up. It’s good to see that nearly two-thirds of respondents use these. But the figure should be 100% since it’s straightforward to set up a simple autoresponder message to welcome subscribers to your brand.

More-sophisticated email types are used much less — including emails such as multi-step welcome emails, event-triggered emails across the lifecycle, reactivation, and emails integrated with website content. Low adoption of these techniques shows that despite all the hype behind marketing automation, many businesses aren’t taking advantage of these techniques.

Philip Storey, Founder of Enchant, a CRM consultancy suggests that although adoption of email automation may be thought of complex, the reality may be simpler:

“Many marketers still feel that automated messaging is tricky to achieve or expensive, but in actual fact, it’s simple to achieve and most Email Service Providers have this functionality right out of the box. There is so much that B2C brands can learn from the adoption of email marketing automation in the B2B world. The first step is to take a look at the most valuable moments in the customer journey and create automated experiences that customers really want. Putting customers first always wins, and this is where most marketers need to refocus how they create value propositions with email marketing automation.”
Jordie van Rijn – email marketing and Martech consultant at Email Vendor Selection certainly believes it’s worthwhile based on his experience. Jordie says:

“We talk about the customer journey as if it is something we all have taken care of with some simple autoresponders, but forget that it is not our journey but the customer’s. A welcome email, for instance, is the easiest triggered email in the book. During onboarding, the foundation for the customer (email) relationship is created. The new subscriber just let you know they are interested in you and your brand. Be sure to make optimal use of that heightened attention. Think it through, in 99% of the cases, not everything can or should be said in one email. The beauty of automated messaging is that you just have to set it once and it will continue to contribute to your marketing program even if you don’t optimise it further, which you should!”

Capability 5: Creative and templates

Next, we asked about the type of email templates and creative used by businesses. We wondered how many businesses were now using mobile-optimized templates. It was good to see that the majority of businesses (two thirds) are already using mobile-optimized templates.

This question again showed that the use of dynamic content insertion in emails was quite rare (18%). The use of sophisticated visual techniques such as animated GIFs and video or interactive creative was uncommon.
Capability 6: Email delivery

Delivery to the inbox remains an important aspect of email marketing, although techniques to detect spam haven’t changed much for webmail services like Gmail, Yahoo! and Live. For some years, these services have relied more on an evaluation of sender server reputation and audience engagement with the email rather than a simple review of the spam score of the creative. Despite this, it is still good practice to review spam score and delivery to different web email platforms.

Methods used to manage delivery

- Our in-house team works with various webmail platforms to maintain high reputation scores for improved deliverability: 6%
- Our ESP monitors and optimizes our deliverability: 8%
- Test messages for spam score and optimize before sending: 37%
- We track inbox delivery, broken down by webmail platform: 23%
- View deliverability, but not subtotaled by webmail platform: 35%
- We don’t review deliverability or test before sending: 28%

Around a quarter (28%) of respondents don’t follow best practices by reviewing deliverability or testing. 35% review deliverability overall, with 23% going to the next level of reviewing by webmail platforms to assess a delivery issue on one platform such as Gmail.

Just over one-third (37%) review spam scores of text and formatting of creatives. If you’re not doing this, you should. Some email clients still use these scores (when enabled) and standard tests such as those in SpamAssassin are installed at companies.

Only 8% say their email service provider reviews their deliverability. This is surprising since most larger email service providers provide setup and testing. So this is a question of service provider selection.

Just over one third (37%) review spam scores of copy and formatting of creative. If you’re not doing this, you should, since this is still a good practice because these scores are still used on some email clients (when enabled) and standard tests such as those in SpamAssassin are installed at companies.

Only 8% say their email service provider reviews their deliverability. This is surprising since most larger email service providers provide setup and testing. So this is a question of service provider selection.
Capability 7: Optimization

Our final capability involves various optimization techniques. We asked about a range of techniques, some of which related to other capability levels. Across the range of techniques, fewer than half of businesses are using each optimization technique. Email marketers are most active in subject line testing, but testing of layout and rendering in various email clients and browsers is less common than expected.

One-third didn’t use any of the techniques we mentioned. So overall, there are opportunities for more-sophisticated email marketing in many businesses.

KEY RECOMMENDATION. INCREASE THE RANGE OF TESTS YOU USE TO OPTIMISE YOUR EMAIL MARKETING

To use email marketing to the maximum testing techniques like reviewing effectiveness by segment and testing frequency and offers are essential, particularly if you are using larger lists, you could be ‘leaving a lot of money’ on the table.
Are businesses making the most of the features of email marketing services?

How does your use of email marketing features compare?

In the final section of our report, we explored how often various options for implementing best practices in email marketing systems were used. The results presented in the previous section show that many of the features available for sending more relevant, more responsive emails often aren’t used.

To help compare the uses of best practices, we scored businesses using the capability criteria in Section 2 based on their use of different features. Businesses were rated as follows based on the scores:

1. Newbie (3-4 points)
2. Beginner (7-10 points)
3. Intermediate (11-15 points)
4. Advanced (16-24 points)
5. Expert (25 plus)

Here is the distribution of scores of businesses with different levels of email marketing sophistication.

**Scored rating of business sophistication of using Email marketing**
As you can see, most businesses are in intermediate categories. Over two-thirds of businesses have an opportunity to improve to an advanced or expert level, if necessary to meet their marketing goals.

To give you an idea of how this scoring works, take a look at this chart showing the use of various tracking techniques against how businesses are rated. You can see from the bottom bar that the majority of businesses that don’t track opens and clicks are in the Newbie and Beginner stage.

Higher-rated businesses account for the majority of those using the more-sophisticated tracking techniques, such as tracking response by segment, tracking response through time, and the influence on other channels (the top 3 bars above).

As you would expect, a similar pattern is evident for other email marketing techniques — targeting, for example.
The previous chart shows that, as the level of sophistication in email marketing increases, more businesses are using the sophisticated targeting techniques toward the top of the chart.

**Many businesses could improve their email marketing targeting**

We can also see room for improvement in targeting among some of the sophisticated businesses. For the response of “No targeting”, where everyone receives the same message, we see a fair proportion of businesses rated Intermediate and Advanced based on their overall score. A similar pattern is clear among businesses that assess their targeting as “Basic, using 2-5 categories.”

**Does implementing best practices and using more features improve ROI?**

Many businesses make limited use of email marketing. These are the 70% rated at a level of Newbie, Beginner or Intermediate. If you are one of the businesses at this level, an obvious question is: “Is it worth improving our email marketing by applying best practices and using more email marketing features?” The chart below shows that the answer is a resounding “Yes!”

**Rating of Email marketing ROI by level of Email marketing sophistication**

<table>
<thead>
<tr>
<th>Level</th>
<th>Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expert</td>
<td>80%</td>
</tr>
<tr>
<td>Advanced</td>
<td>74%</td>
</tr>
<tr>
<td>Intermediate</td>
<td>71%</td>
</tr>
<tr>
<td>Beginner</td>
<td>58%</td>
</tr>
<tr>
<td>Newbie</td>
<td>37%</td>
</tr>
</tbody>
</table>

The analysis shows that businesses who are more sophisticated consistently rate their return on investment more highly than those at the lower levels.

**How do real-world results from email marketing relate to sophistication?**

We wondered how ratings of sophistication of email marketing for businesses related to results achieved through email marketing? In typical survey-based research, it’s not possible to compare survey responses based on perception and opinion to real-world results from email campaign. In this study we wanted to go a little further. So for survey respondents who were GetResponse customers, analysts at GetResponse related these to campaign results (at an anonymous, aggregate level) These campaign results, shown in the next chart, are based on average open and clickthrough rates.

Although measures of return, such as revenue per 1,000 emails sent would be more valid, revenue-based results aren’t relevant across all types of GetResponse customers. The comparison between business email sophistication and interaction...
rates from email marketing is shown below.

Reading from left to right, the first three bars tell a story we would expect. The more-sophisticated email marketers get better results, both in open and click-through rates. However, it was unexpected that Advanced and Expert, levels had lower open rates and CTR than the intermediate group (although their CTR was still higher than the Newbie and Beginner categories.

How do we explain this? Well, our first impression was that the most sophisticated email marketers operate in the most competitive markets, such as retail, travel, and financial services, where it is harder to get responses. In some sectors, such as retail, testing shows that, across a quarter or year, a higher send frequency produces higher revenue from the email list, but the response from individual emails may be lower.

**KEY RECOMMENDATION. TEST EMAIL FREQUENCY AGAINST VALUE GENERATED FROM YOUR LIST**

It’s difficult to find the ‘sweet-spot’ between under-mailing and over-mailing. So, best practice is to test different frequencies on segments of your database to see the impact on value generated against engagement and satisfaction measured as open, CTR and complaint rates.

Varying frequency depending on level of engagement can also help businesses get the right balance of frequency and value. So more loyal, higher value customers receive more frequent emails.

We also asked Jordie van Rijn to explain this pattern.

“Don’t be thrown off by the dip at the higher sophistication end of the spectrum. We are comparing apples-to-oranges here. Often the advanced senders will also have a bigger (but older) databases, or are in high velocity industry like fashion or travel, sending more frequently. All of those have a profound impact on response rates, but still they get more traffic and sales because of their scale.”
Variation in response rates by industry

Here's another point to note about reviewing open and click rates by sophistication: the figures represent averages. Averages are dependent on the sector, and the maturity of companies in each sector is likely to vary. We often hear the question, "How does our open and CTR compare?" So we thought it would be useful to present the variation in open rates and CTR across the GetResponse customer base. The chart below shows the variation from over 7 billion emails sent.

Since these are averages, the response or engagement rate of an email type will vary greatly depending on the type of email and the lifecycle stage of the customer. For example, welcome emails and transactional emails (such as customer service emails) will gain a much higher open rate and CTR than newsletters sent to long-time subscribers. So our final recommendation to help take your email marketing to the next level is:

<table>
<thead>
<tr>
<th>Industry</th>
<th>Open Rate (%)</th>
<th>CTR (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agencies</td>
<td>2.9%</td>
<td>22.3%</td>
</tr>
<tr>
<td>Arts &amp; Entertainment</td>
<td>3.4%</td>
<td>20.9%</td>
</tr>
<tr>
<td>Automotive</td>
<td>1.3%</td>
<td>15.1%</td>
</tr>
<tr>
<td>Communications</td>
<td>2.9%</td>
<td>19.3%</td>
</tr>
<tr>
<td>Education</td>
<td>4.0%</td>
<td>23.1%</td>
</tr>
<tr>
<td>Financial Services</td>
<td>3.4%</td>
<td>16.0%</td>
</tr>
<tr>
<td>Health &amp; Beauty</td>
<td>4.4%</td>
<td>23.4%</td>
</tr>
<tr>
<td>Health Care</td>
<td>4.0%</td>
<td>23.0%</td>
</tr>
<tr>
<td>Internet Marketing</td>
<td>2.3%</td>
<td>10.2%</td>
</tr>
<tr>
<td>Legal Services</td>
<td>6.2%</td>
<td>35.6%</td>
</tr>
<tr>
<td>Non-Profits</td>
<td>4.6%</td>
<td>33.3%</td>
</tr>
<tr>
<td>Publishing</td>
<td>4.8%</td>
<td>19.4%</td>
</tr>
<tr>
<td>Real Estate</td>
<td>4.6%</td>
<td>19.4%</td>
</tr>
<tr>
<td>Restaurants &amp; Food</td>
<td>2.6%</td>
<td>22.5%</td>
</tr>
<tr>
<td>Retail</td>
<td>3.8%</td>
<td>23.9%</td>
</tr>
<tr>
<td>Seasonal Templates</td>
<td>1.9%</td>
<td>26.2%</td>
</tr>
<tr>
<td>Sports and Activities</td>
<td>4.2%</td>
<td>22.0%</td>
</tr>
<tr>
<td>Technology &amp; High Tech</td>
<td>3.0%</td>
<td>16.8%</td>
</tr>
<tr>
<td>Travel</td>
<td>2.7%</td>
<td>19.8%</td>
</tr>
</tbody>
</table>
KEY RECOMMENDATION. REPORT EMAIL RESPONSE BY EMAIL TYPE, SEGMENT AND LIFECYCLE STAGE

Ask your email service provider or email specialist how to create a report or extract data comparing response by different types of email and segments. The insights you can will enable you to improve specific communications for different customer groups.

Your comments please!

Thank you for taking a look at our email marketing benchmark report. We hope you have found it interesting and most of all useful for looking at ways to improve your email marketing.

We’d love to know your thoughts. If you have any questions or comments, do get in touch via our websites: SmartInsights.com or GetResponse.

Best wishes for your email marketing in 2016!

Dave Chaffey, Smart Insights and Magda Ciszewska, GetResponse
Appendix – Methodology

Who participated in the research?

The survey was completed online during July and August 2015. The total sample size was 1821 - a huge ‘thank you’ if you participated!

Respondent roles

We surveyed Smart Insights members around the world and customers of GetResponse Email Marketing. Smart Insights members were invited to take part through email and social media requests. GetResponse members were invited to take part via a prompt in their user control panel while they were signed-in.

Because the focus of the survey and report was on the management of email marketing to improve results, there was a high proportion of senior respondents responsible for digital marketing. Nearly seventy percent (67.8%) of respondents were senior, with a role of CEO, director, owner, department head, or manager of marketing, digital marketing or e-commerce. Over one-third (36.6%) were owners of businesses, reflecting the many smaller businesses that use Smart Insights and GetResponse.

Types of business

Respondents were from businesses covering the full range of industry sectors. The main sectors were online businesses (20.0%), retailers, financial services, B2B companies and agencies, and marketing service providers.

Likewise, the size of businesses, as suggested by the number of people in the marketing team, covered a wide range, with many smaller businesses but significant numbers of larger businesses too:

- One person team: 824, 55.5%
- 1-5: 662, 36.5%
- 6-10: 103, 5.7%
- 11-25: 93, 5.1%
- 25+: 131, 7.2%