



THE STATE OF EMAIL MARKETING BY INDUSTRY

January 2016



Executive Summary

This research report was created by [Holistic Email Marketing](#), an email marketing consultancy, and [GetResponse](#), email marketing and online campaign management platform, with assistance by [Smart Insights](#), publishers of digital advice. Its purpose is to help you improve the effectiveness of your email marketing and discover benchmarks for your industry sector, to help you compare and identify where to improve.

In the report, we assess the current state of email marketing and digital marketing based on a major research study surveying 1,831 email marketers around the world in a range of business sizes and sectors. By comparing the techniques used by other businesses in your industry, you will be able to identify areas for improvement.

Key Findings



57%

of marketers will increase budget in 2016

It is also encouraging to see that 57% of the email marketers surveyed said their marketing budget will increase in 2016, 28% said it will stay the same, and only 2% said they want to decrease their email marketing budget.



Email marketing delivers the highest overall

ROI

On average, 21% of marketers across all industries stated that email marketing delivers an excellent return on investment, making email marketing the clear leader in delivering the highest ROI, with social media coming in second with 15%.



42%

of marketers don't segment

Yes, you read it correctly. While the remaining 58% use varying levels of segmentation – from basic to advanced, 42% of marketers send the same message to all of their database.

Email automation

is the most commonly used technique

Overall, 75% of the email marketers surveyed said they were using email automation, and 58% were using personalization techniques. Surprisingly, only 17% of email marketers said they were using responsive design, and 18% said they were using advanced segmentation.



Lead generation

is considered the greatest benefit of email marketing

Although email marketing's strength traditionally has been for increasing retention, sales, and conversions, this report reveals that 23% of email marketers surveyed said lead generation is the greatest benefit, with improved sales next at 19%, and improved conversion rates in third place at 17%.

Foreword

Are you on a quest for sales, profits, and ROI? If so, this report was written with you in mind. It answers questions like these:

- How does my email marketing stack up against the competition?
- Are we missing out on opportunities for growth?
- Which high-impact areas should we focus on in the coming year?

Are you ready to become a dominant force in your industry? Then make 2016 your break-through year.

We're here to help!

Magda Ciszewska

GetResponse Marketing Manager



As someone who has been involved in email marketing for over 16 years, (ten of these years spent on the U.K. DMA Email Marketing Council), I've seen how email marketing has evolved to become an incredibly robust, reliable, and valuable channel. And the fact that email marketing delivers the highest average return on investment supports this claim.

Consumers are savvy and know what they like, and they have made it clear that they like email. Email has evolved because consumers use email, rely upon it, and expect it. We continually advance our email technology to deliver according to their expectations. We test and optimize our campaigns to meet their expectations. And we develop sophisticated email programs to satisfy their expectations. Email is no longer a marketer-driven channel but a consumer-driven channel.

As an email marketing trainer and consultant, I'm well aware how industry-specific statistics and findings are eagerly received by marketers, as they enable the marketer to benchmark and compare themselves with other like-minded companies, including their competitors.

So I encourage you to apply these findings and best practices to your email marketing campaigns and programs to continue to improve them to meet consumer expectations.

The bottom line is – if our consumers' expectations are met, then we as a brand are successful and our objectives are met.

Kath Pay

CEO & Founder, Holistic Email Marketing





Report Findings

INDUSTRY SUMMARIES

How does your company compare? Are your open rates competitive in your industry? Is your click-through ratio within norms? Of those who open your emails, what percentage click a link — also known as the click-to-open ratio (CTOR)?

Here's how each industry rates the effectiveness of various marketing channels in generating higher returns on their marketing investment.



Global Benchmarks Summary

The best benchmarks to use are those you are achieving today, with the objective of improving them over time. However, it can be helpful to compare your benchmarks with those in your industry for guidance on how you are tracking.

Figure 1 reveals such industry-based benchmarks and provides an opportunity to compare industries. Of course, such metrics cannot be compared without taking other factors into consideration, such as buying cycles, whether the product or service is a considered purchase, size of database, frequency and type of communication (marketing or service-based) and the campaign objective (i.e. to elicit action or impart information, to name a few).

Keep in mind that open rates are an indicator of whether an email has been opened, as determined by images being downloaded.

By viewing the chart below, we can see that the total opens, click-throughs, and click-to-opens vary greatly from industry sector to industry sector.

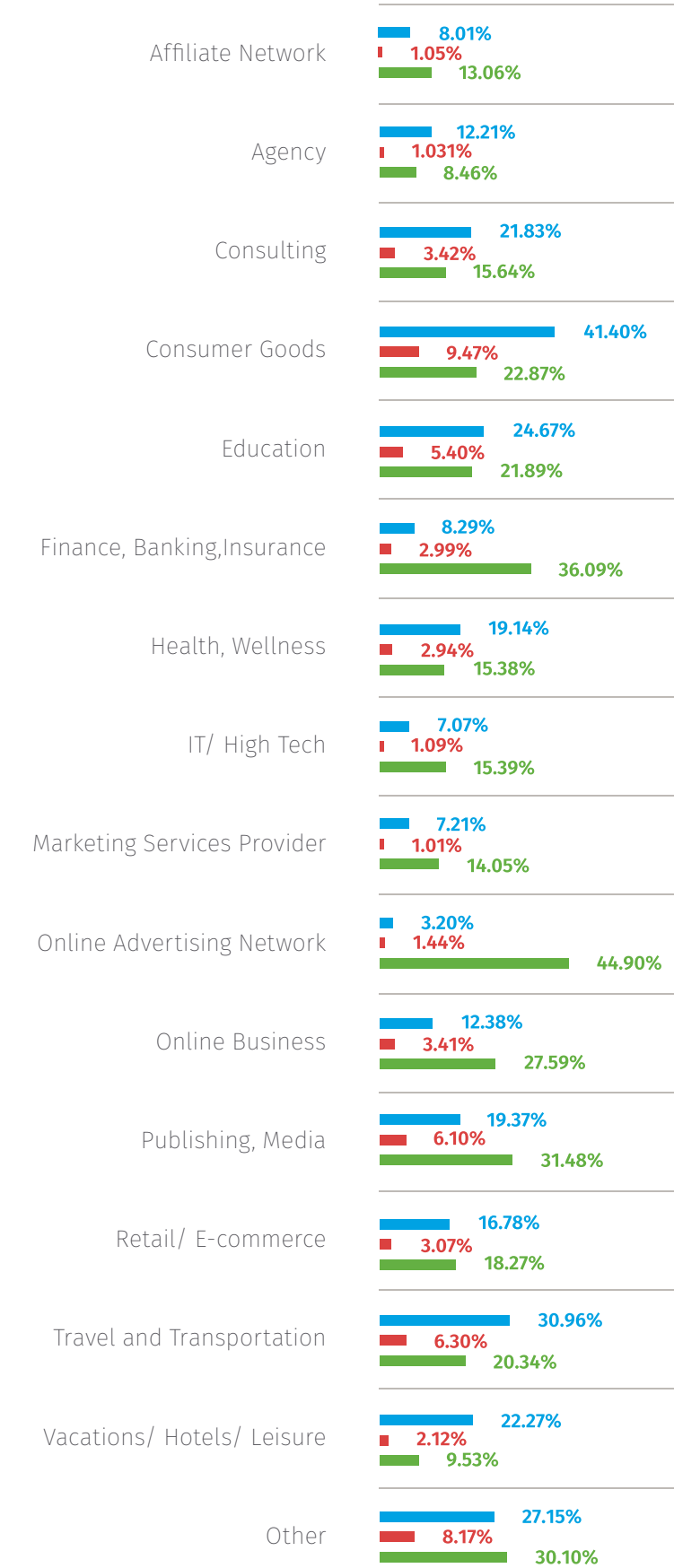
Leading the way in total opens are the staple products of our lives — utilities and telecommunications — indicating that email marketing is a channel consumers rely upon for these products.

However, when it comes to click-to-opens, (a very helpful metric that enables us to determine the value of the message we're sending,) we can see that the categories of online advertising network and finance, banking, insurance, and utilities are providing value that encourages the consumer to act upon their messages.

Global Stats

Figure 1

- OPEN RATE (OR)
- CLICK-THROUGH RATIO (CTR)
- CLICK-TO-OPEN RATIO (CTOR)



Affiliate Network

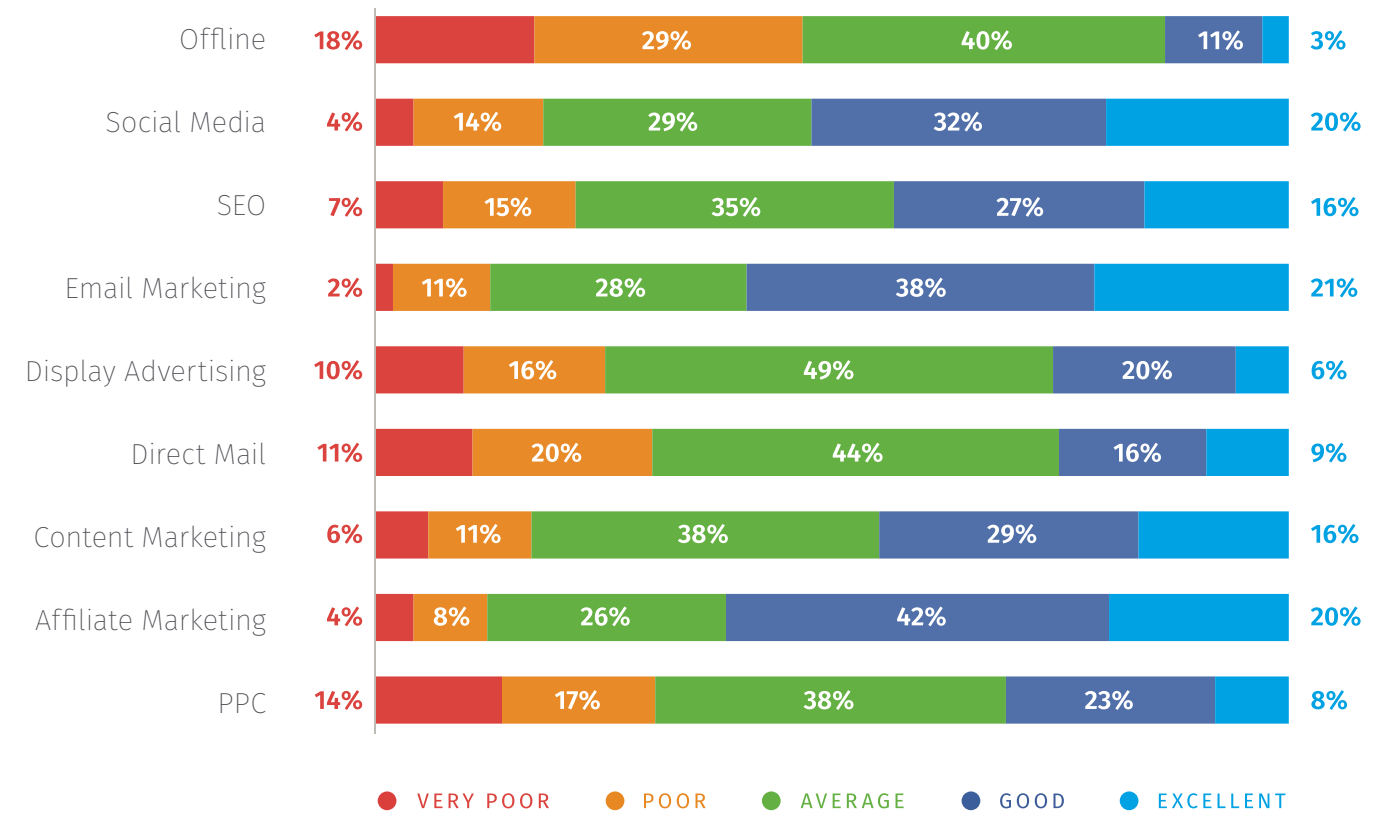
Affiliate network marketers are among those who stated that they gained the best ROI with email marketing (Figure 2). Presumably due to the excellent ROI they achieve, 70% of the marketers stated they will increase their email marketing budget in 2016 (Figure 62).

While their open rates (8.01%) and click-through rates (1.05%) are low, their click-to-open rates are very good (13.06%) indicating that those who open the emails are engaged with the offers, design, and copy (Figure 1).

The greatest benefit of email marketing to affiliate marketers is to generate leads, with 27% of those surveyed stating this. Identifying better leads and improving conversions is in second place at 17% (Figure 3).

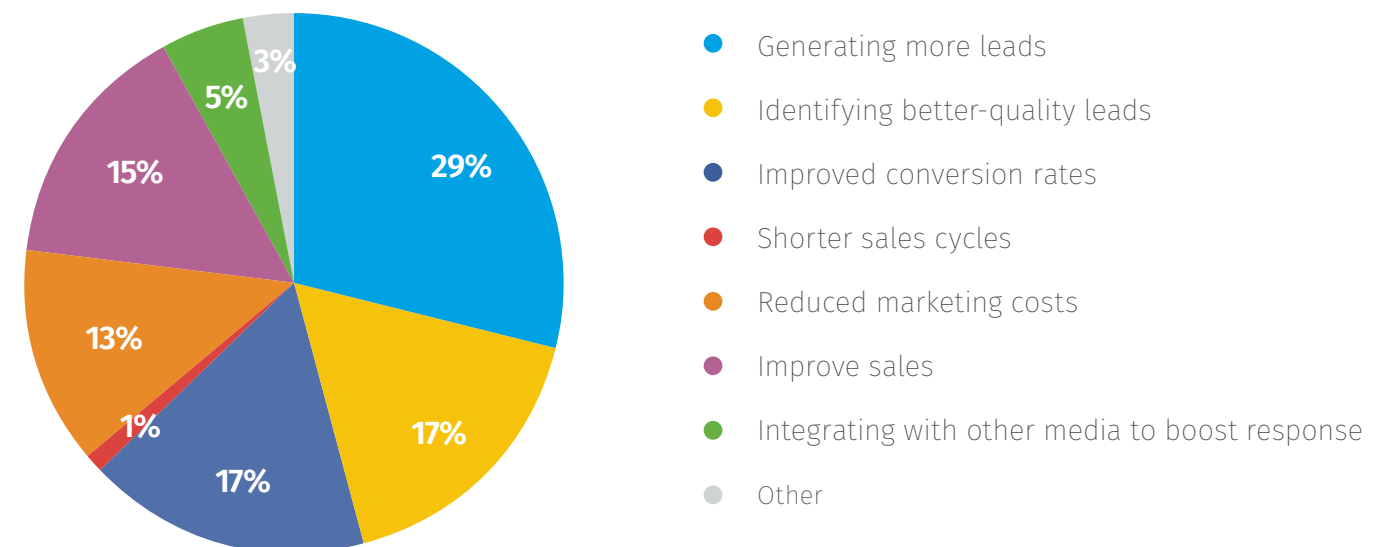
Q: Please rate these digital marketing channels based on the return-on-investment they generate.

Figure 2



Q: Choose the top benefit of email marketing

Figure 3



Agency

SEO and email marketing tie in first place for delivering excellent ROI with 21% of marketers stating so (Figure 4). An impressive 54% of marketers say budget for email marketing will increase (Figure 57) in 2016.

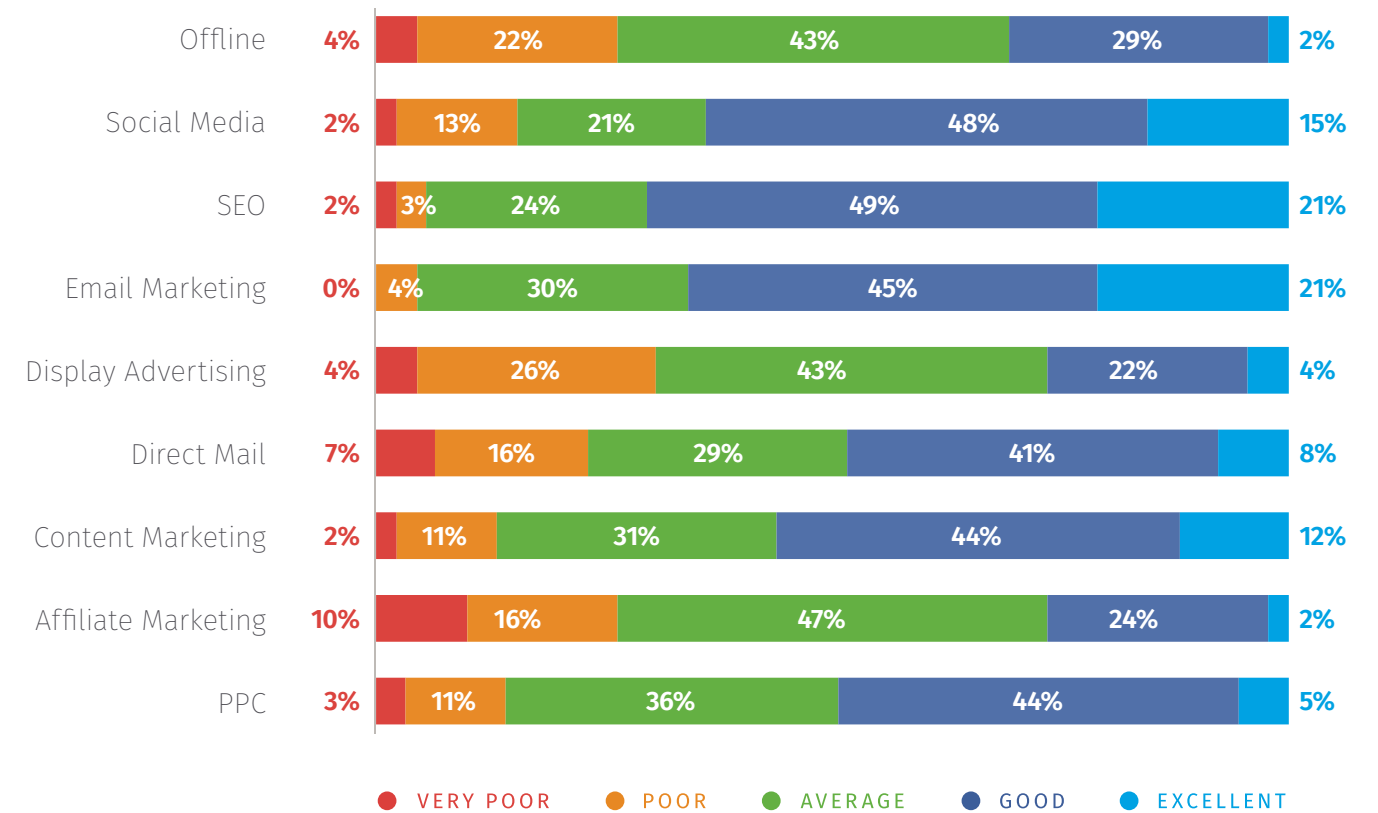
On average, open rates are 12.21%, click-through rates 1.03% and click-to-open rates 8.46% — all of which indicates that agencies have room for improvement (Figure 1).

Generating leads and improving conversion rates tie in first place, with 22% of marketers stating these are the greatest benefits of email marketing (Figure 5).



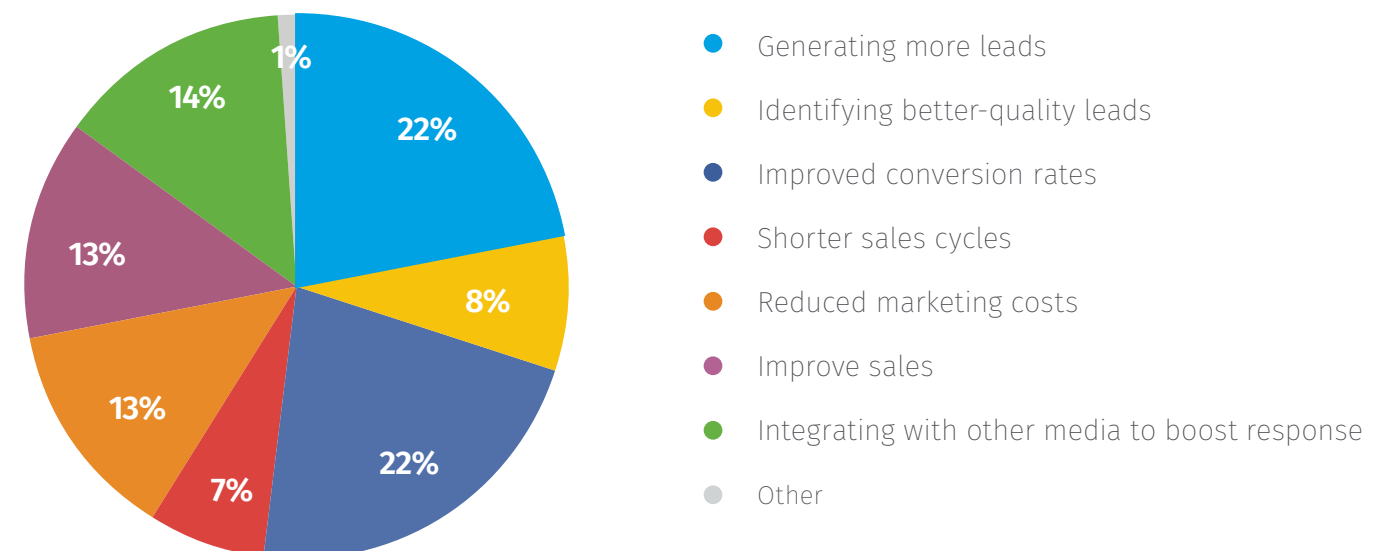
Q: Please rate these digital marketing channels based on the return-on-investment they generate.

Figure 4



Q: Choose the top benefit of email marketing

Figure 5



Consulting

24% of marketers stated that email marketing delivers excellent ROI, placing it as the leading channel, with content marketing just behind it at 23% (Figure 6).

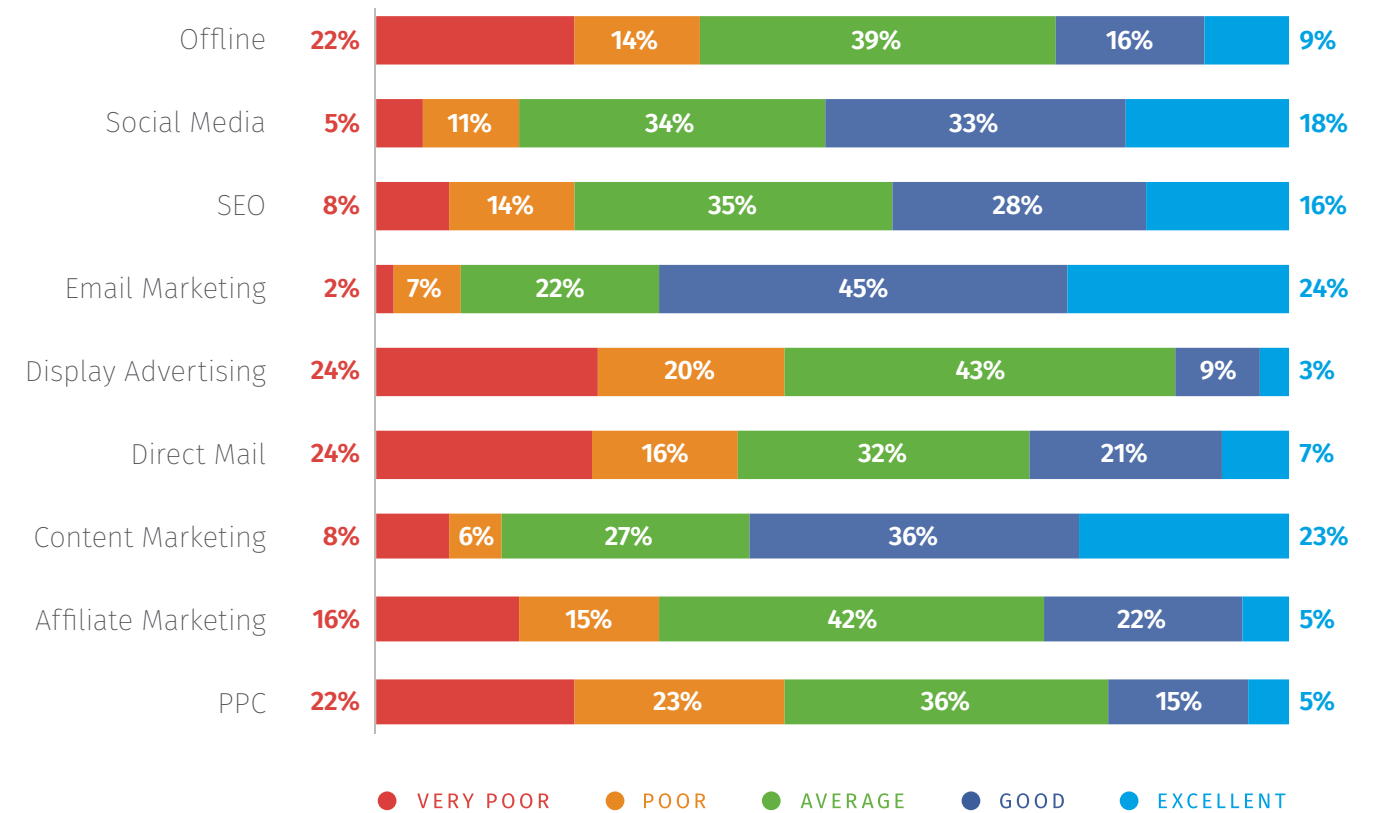
Even so, their open rate (21.82%), click-through rate (3.42%) and click-to-open rate (15.64%) (Figure 1), while not shabby, leave room for improvement.

61% of consultant marketers have stated they will increase their budget in 2016 (Figure 57), with 22% naming lead generation as the primary benefit of email marketing (Figure 7).



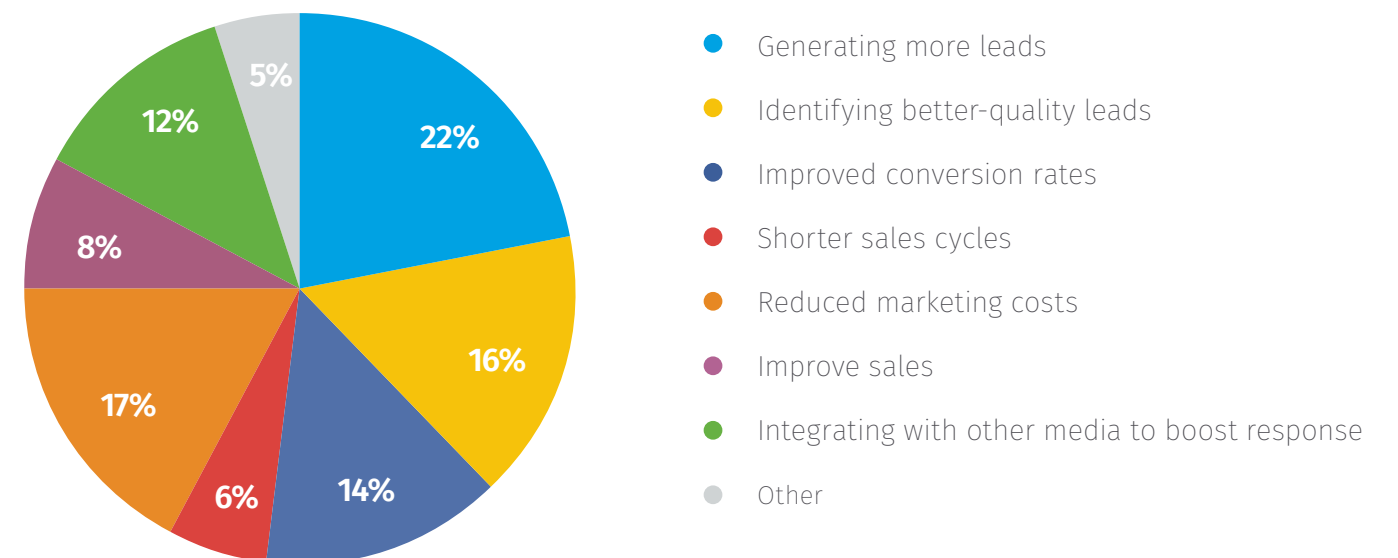
Q: Please rate these digital marketing channels based on the return-on-investment they generate.

Figure 6



Q: Choose the top benefit of email marketing

Figure 7



Consumer Goods

(FMCG, Consumer, Durables, etc.)

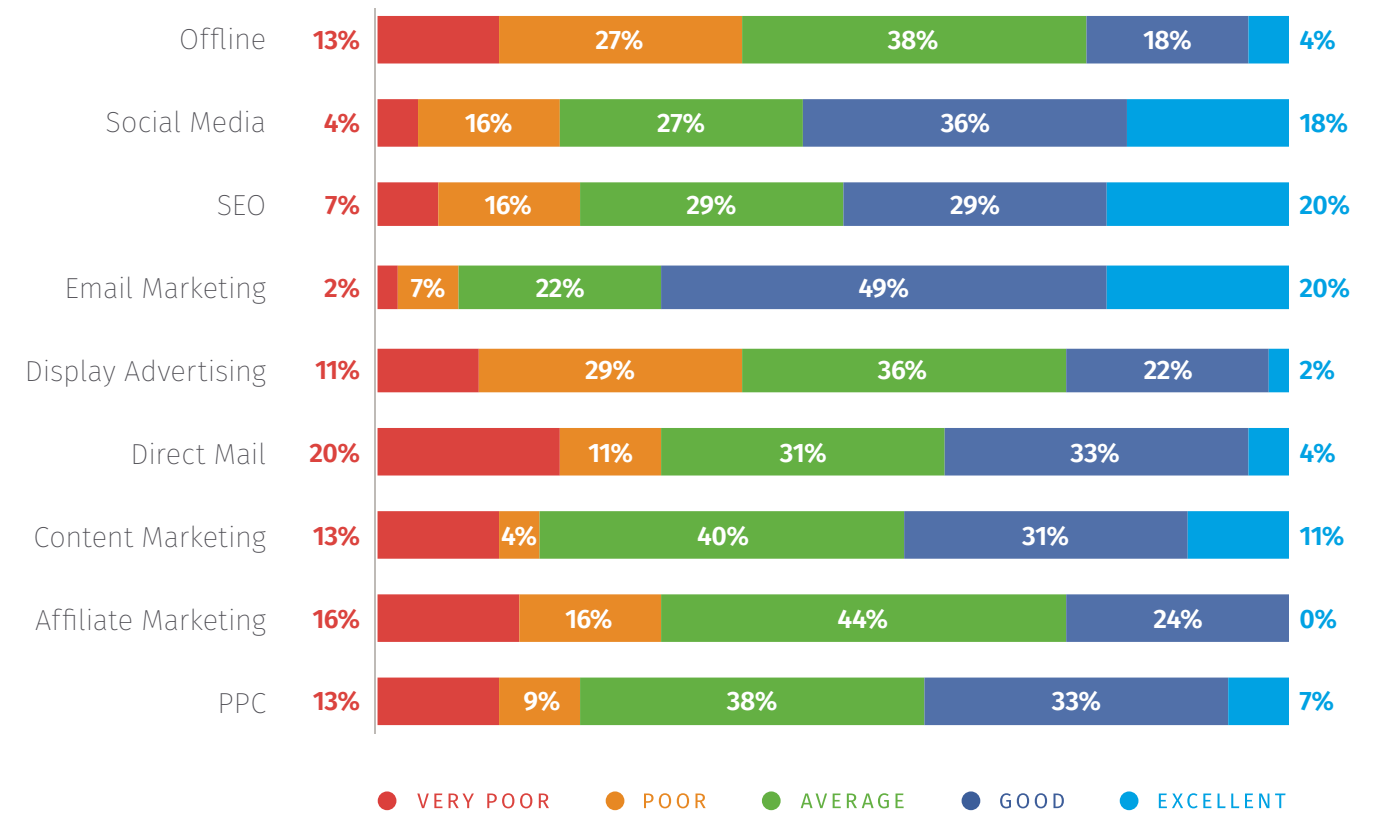
SEO and email marketing tie in first place, with 20% of marketers stating that these channels deliver excellent ROI. However, for ROI rated excellent and good, email marketing leads the way with a combined total of 69% versus SEO at 49% (Figure 8). Presumably due to the high ROI, 62% will be increasing their budget in 2016 (Figure 57).

Then average open rate is an impressive 41%, with a click-through of 9.47% and a click-to-open of 22.87% (Figure 1). The greatest benefits claimed by this sector are lead generation and improving sales, each with 22% (Figure 9).



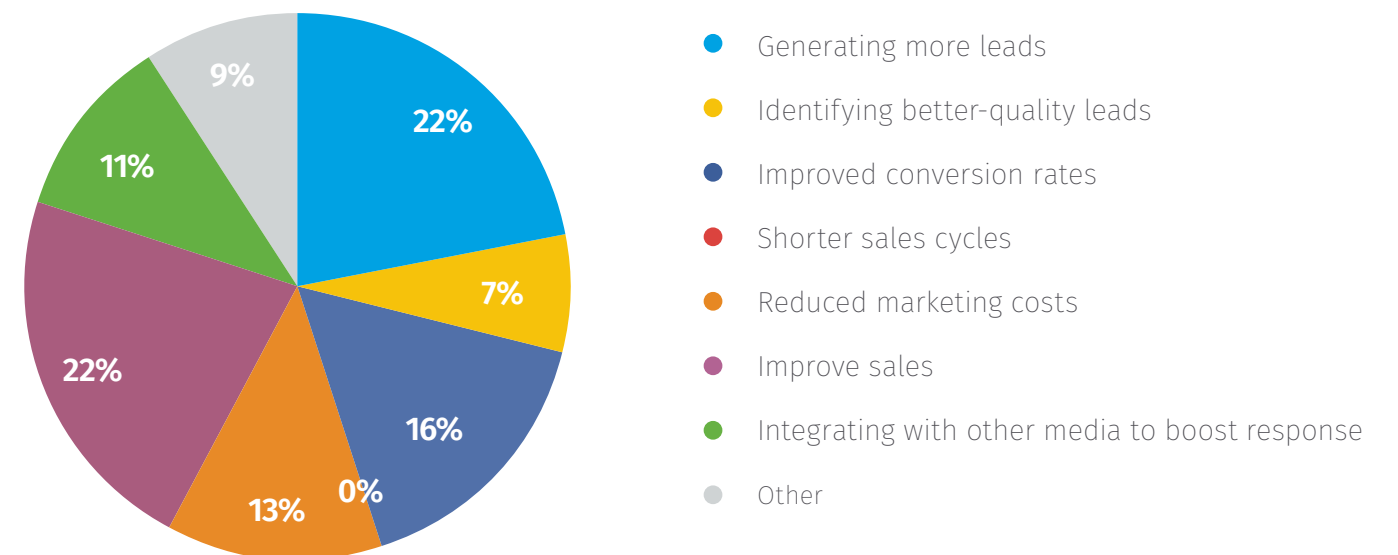
Q: Please rate these digital marketing channels based on the return-on-investment they generate.

Figure 8



Q: Choose the top benefit of email marketing

Figure 9



Education

Marketers in the education sector claim that improving sales (21%) and generating leads (20%) are the greatest benefits of email marketing (Figure 11) with 64% saying they plan to increase their email marketing budget in 2016 (Figure 57).

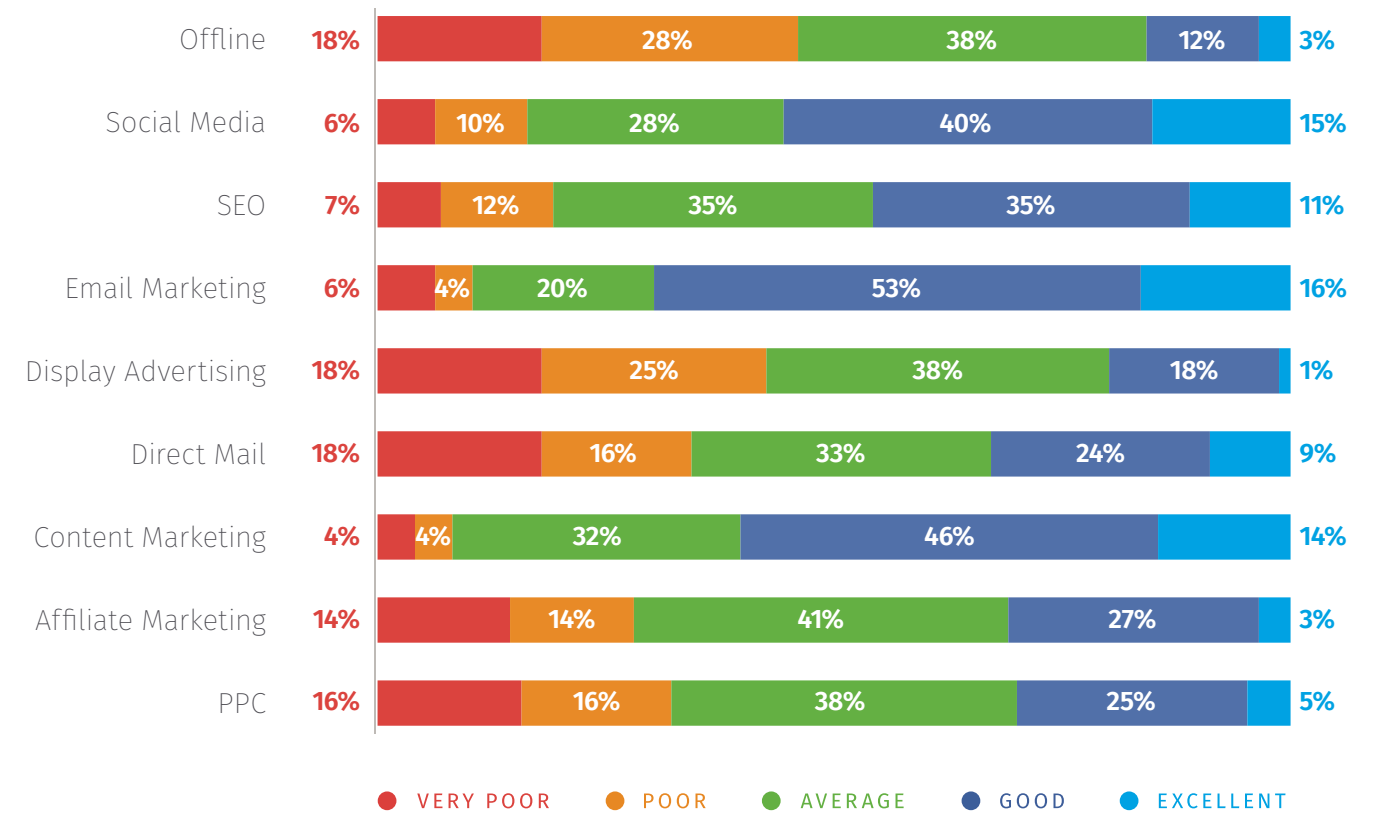
Email marketing is the strongest channel for delivering ROI (16%) with social media close second (15%) and content marketing close behind at (14%) (Figure 10).

With average open rates of 24.67%, click-through rates of 5.40% and click-to-open rates of 2.89% (Figure 1), education marketers are achieving healthy metrics.



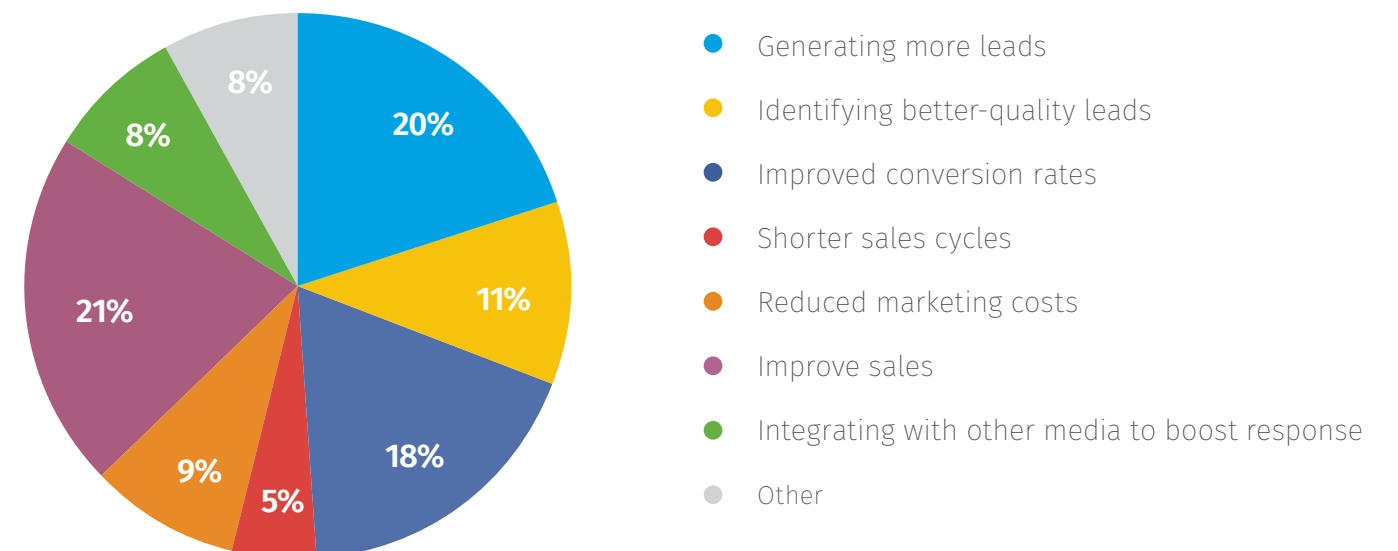
Q: Please rate these digital marketing channels based on the return-on-investment they generate.

Figure 10



Q: Choose the top benefit of email marketing

Figure 11



Finance, Banking, & Insurance

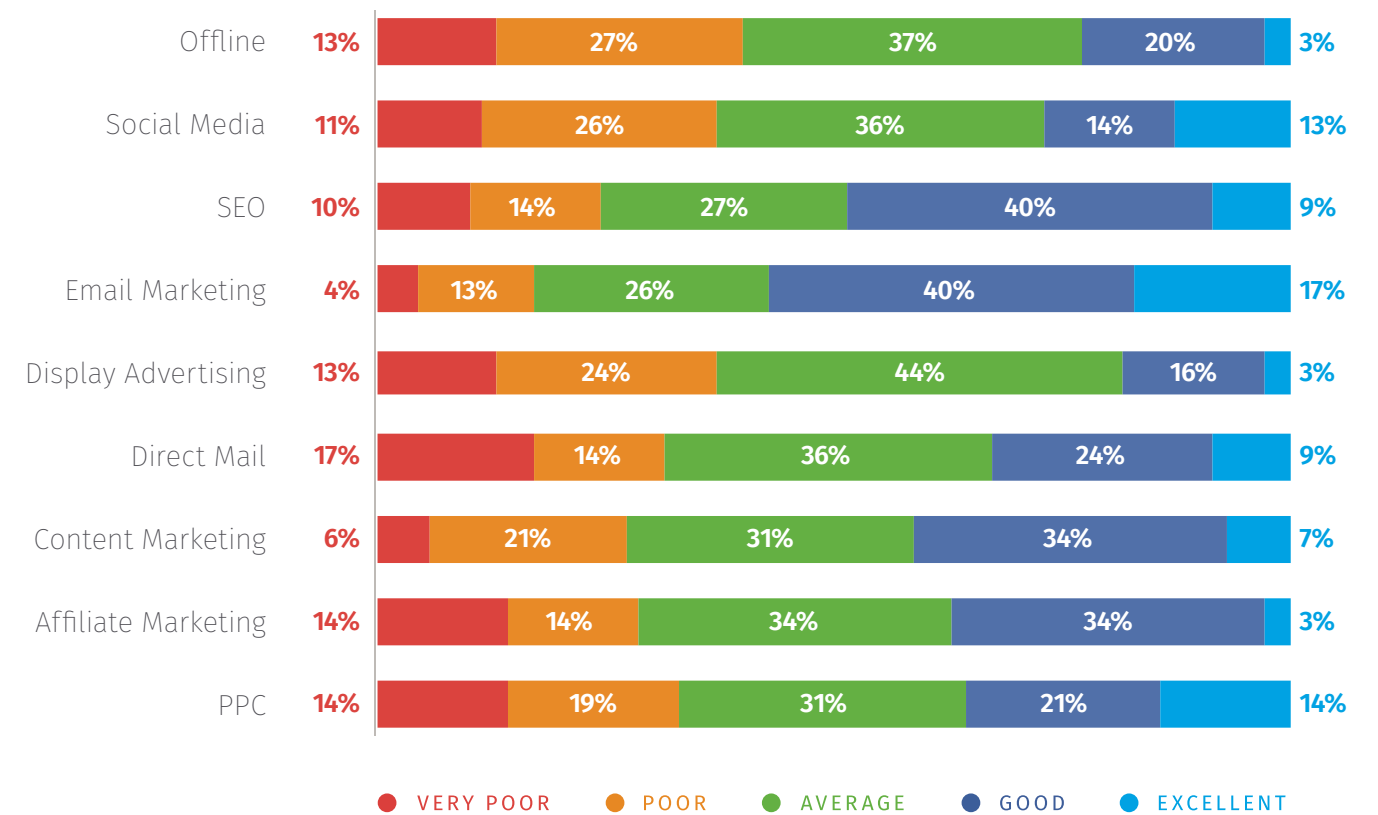
Finance has some interesting metrics. With a low average open rate of 8.29%, yet a comparatively high click-through rate of 2.99% and an impressive click-to-open rate of 36.09%, it appears that when these emails are opened, they are of interest (Figure 1). The reason for the low campaign open rates may be the high frequency of campaign sends (12.2 campaigns per month), which in context with the open rate, equates to a high open-reach rate.

47% of marketers plan to increase their email budget in 2016, with 4% decreasing it (Figure 57). The main benefits claimed by this sector (20% each) are reducing marketing costs and generating more leads, with improving conversion rates at 19% (Figure 13). Email marketing leads the way in delivering excellent ROI with 17% (Figure 12).



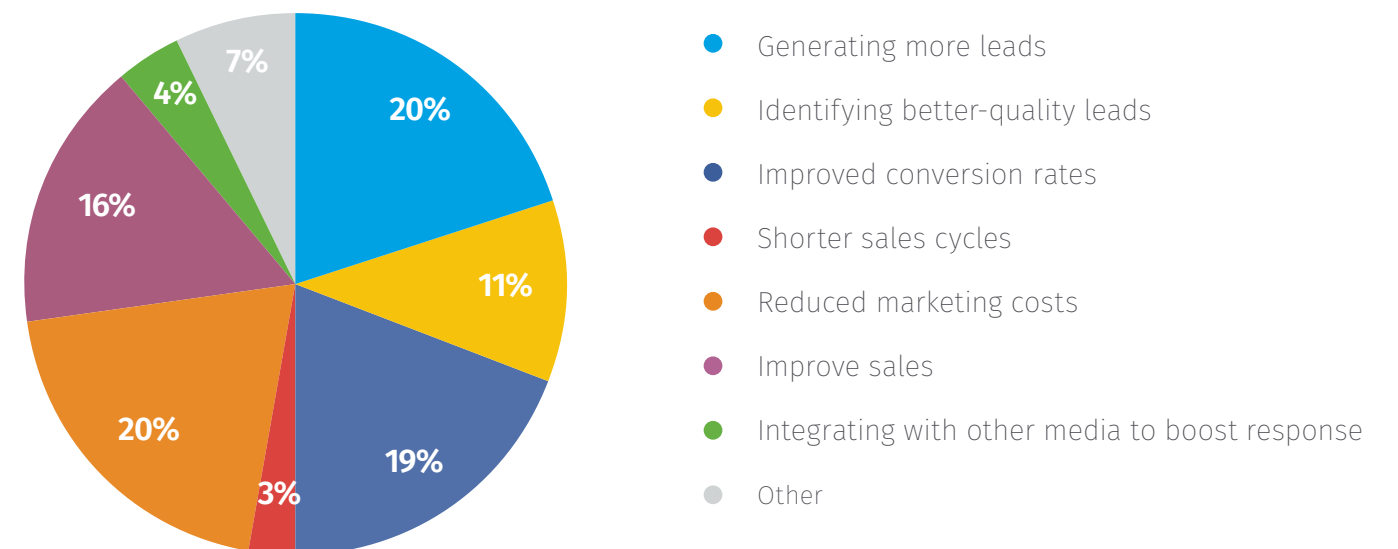
Q: Please rate these digital marketing channels based on the return-on-investment they generate.

Figure 12



Q: Choose the top benefit of email marketing

Figure 13



Health & Wellness

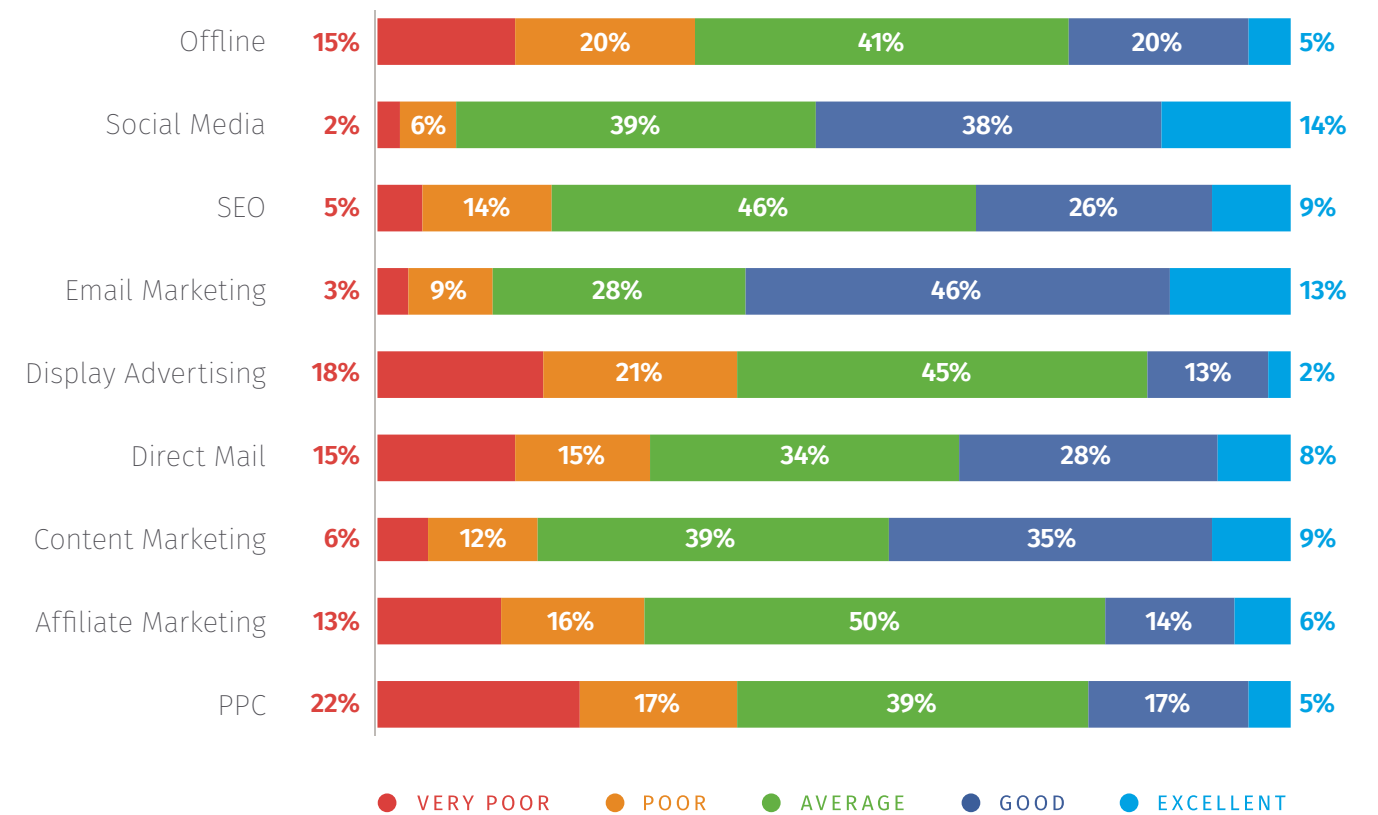
Social media is the channel delivering the highest percentage of excellent ROI (14%) with email marketing a close second at 13% (Figure 14). The main benefit of using email marketing is generating more leads (Figure 15).

On average, this sector achieves a 19.14% open rate, 2.94% click-through rate and 15.38% click-to-open rate (Figure 1). 52% of marketers plan to increase their email budget in 2016 (Figure 57).



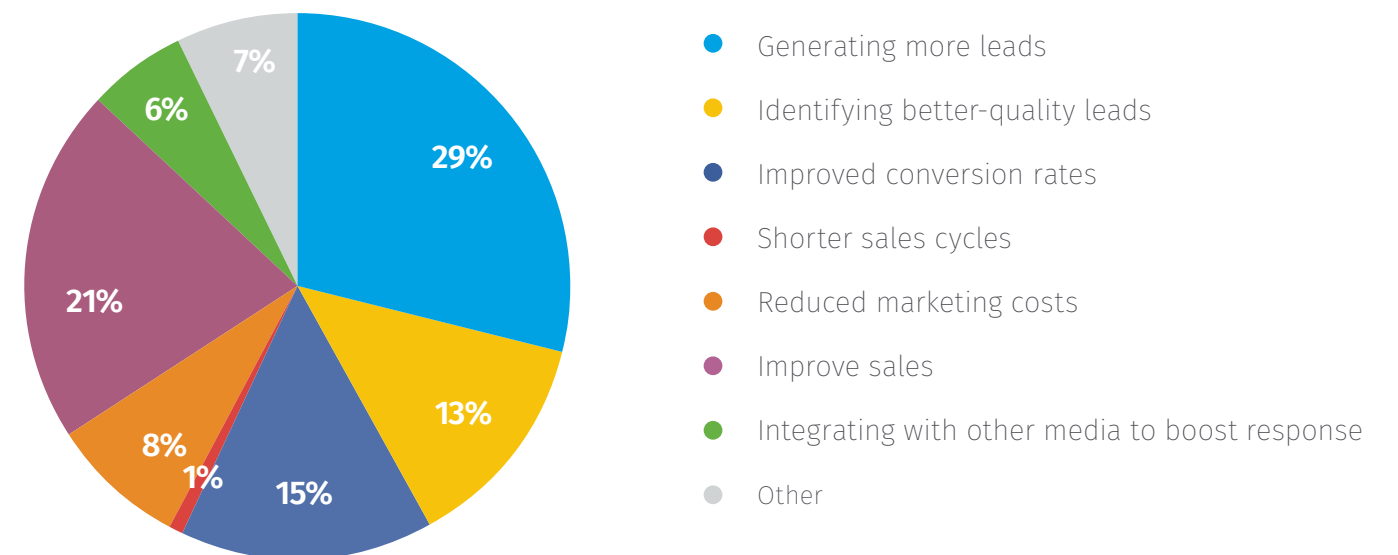
Q: Please rate these digital marketing channels based on the return-on-investment they generate.

Figure 14



Q: Choose the top benefit of email marketing

Figure 15



IT & High Tech

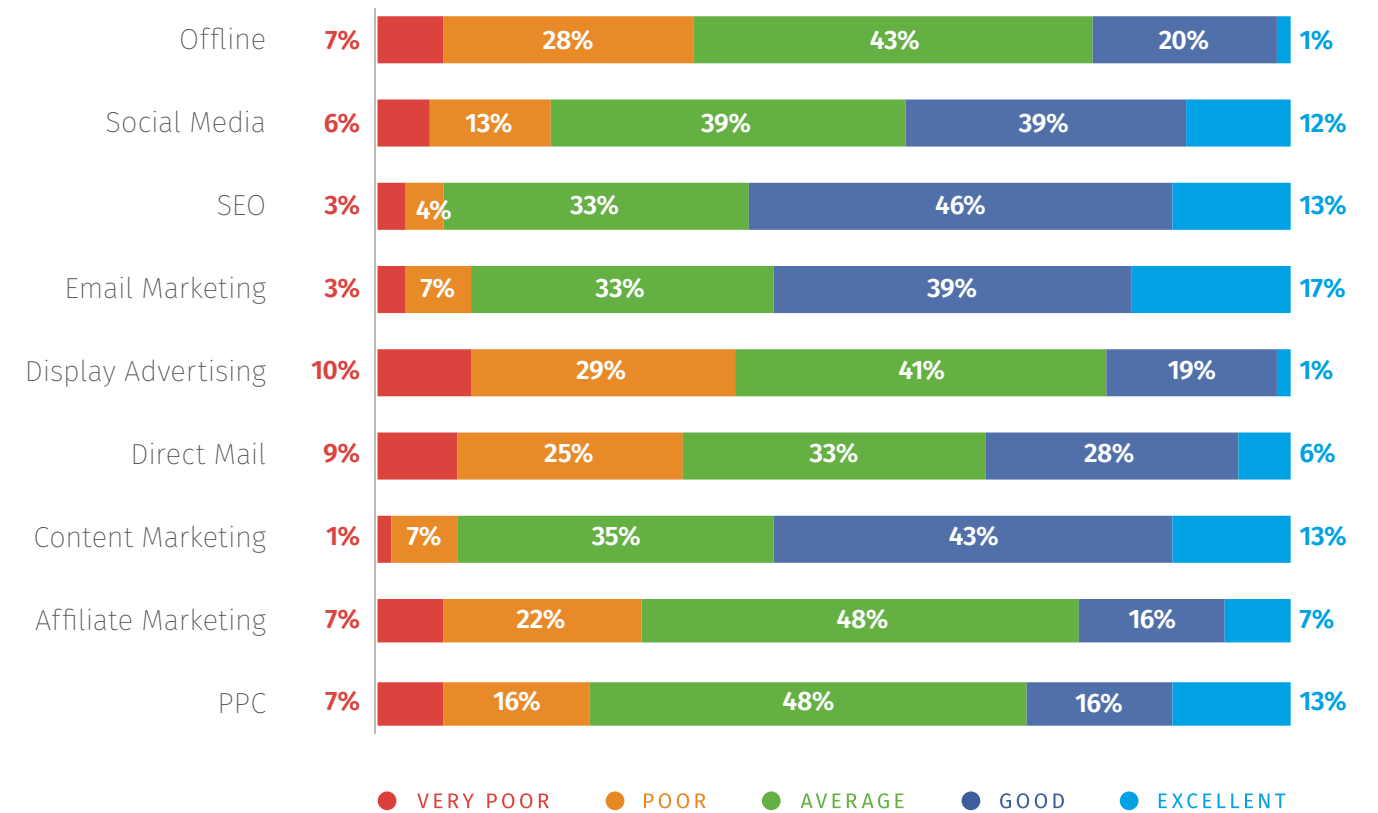
Even though email marketing as a channel leads ROI, (17% of marketers claim it delivers excellent ROI, Figure 16), only 51% of IT/High Tech marketers state they will increase their email marketing budget in 2016 (Figure 57). Lead generation is the primary benefit claimed by 24% of marketers in this sector (Figure 17).

This sector has a low average open rate of 7.07%, with an equally low click-through rate of 1.09%. However, engagement with the emails that are opened is relatively good, as indicated by the click-to-open rate of 15.39% (Figure 1).



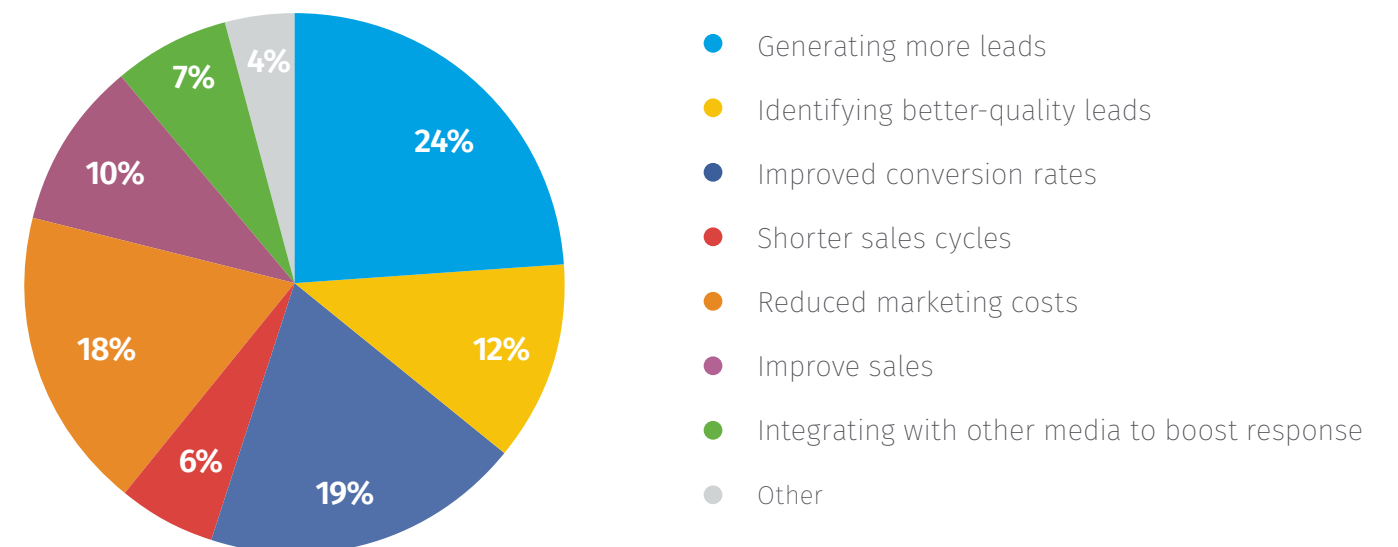
Q: Please rate these digital marketing channels based on the return-on-investment they generate.

Figure 16



Q: Choose the top benefit of email marketing

Figure 17



Marketing Services Providers

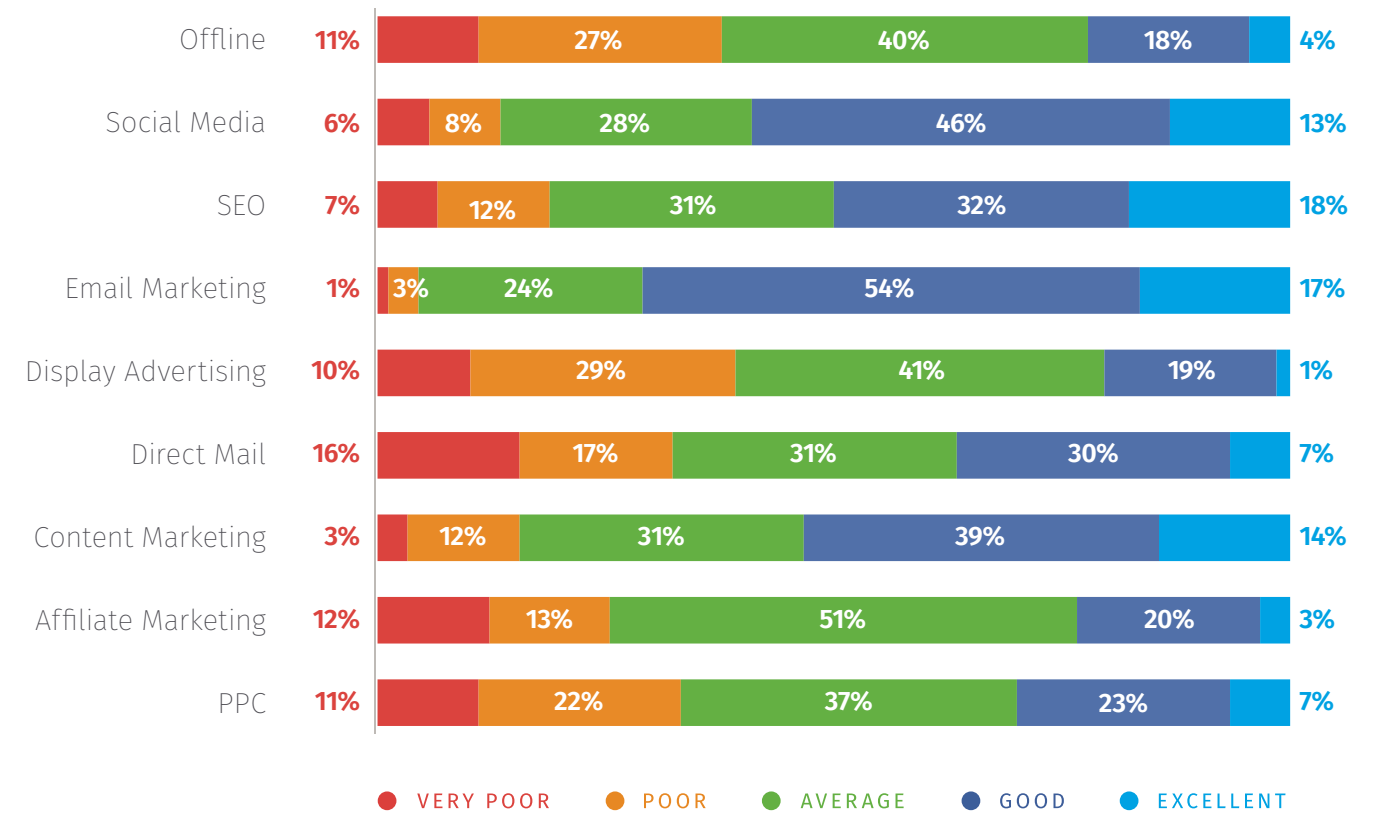
In this sector, 22% of marketers claim that generating more leads is the main benefit of email marketing, with improved sales coming in second at 19% (Figure 19). Interestingly, 61% say they will increase their email marketing budget in 2016, while 2% claim they will reduce it (Figure 57).

With an average open rate of 7.21%, a 1.01% click-through rate, and 14.05% click-to-open rate, there is still room for improvement (Figure 1).

SEO delivers the best results, with 18% of marketers claiming it delivers excellent ROI, while email marketing comes in at a close second place at 17% (Figure 18).

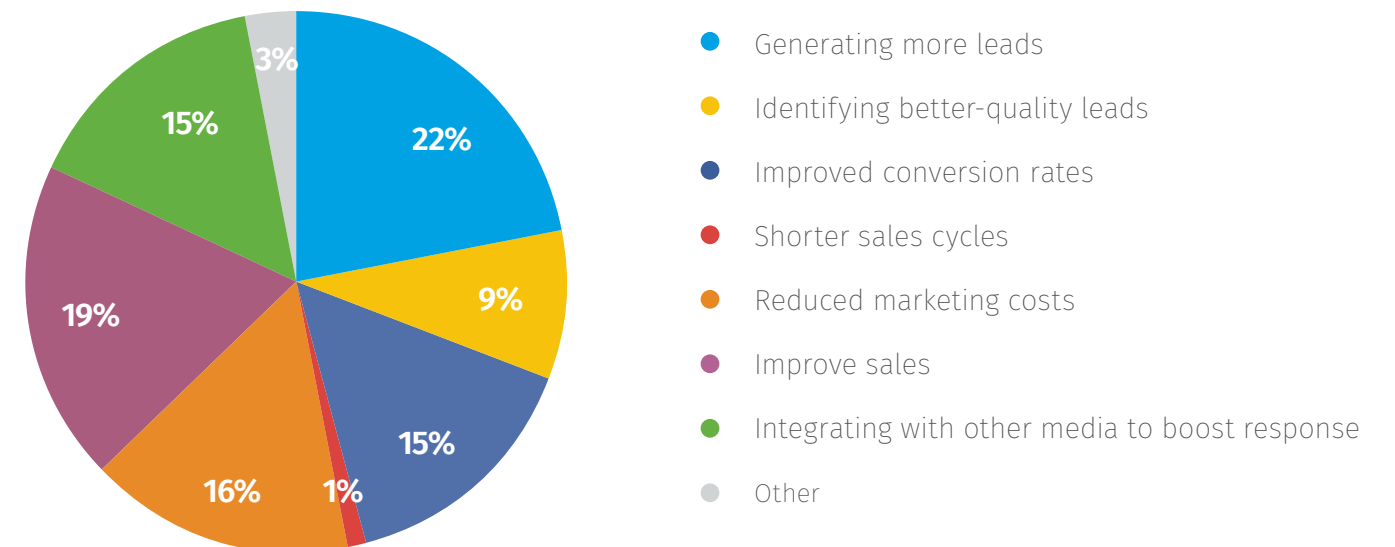
Q: Please rate these digital marketing channels based on the return-on-investment they generate.

Figure 18



Q: Choose the top benefit of email marketing

Figure 19



Online Advertising Network

67% of marketers plan to increase their email marketing budget in 2016, with none decreasing their budget (Figure 57).

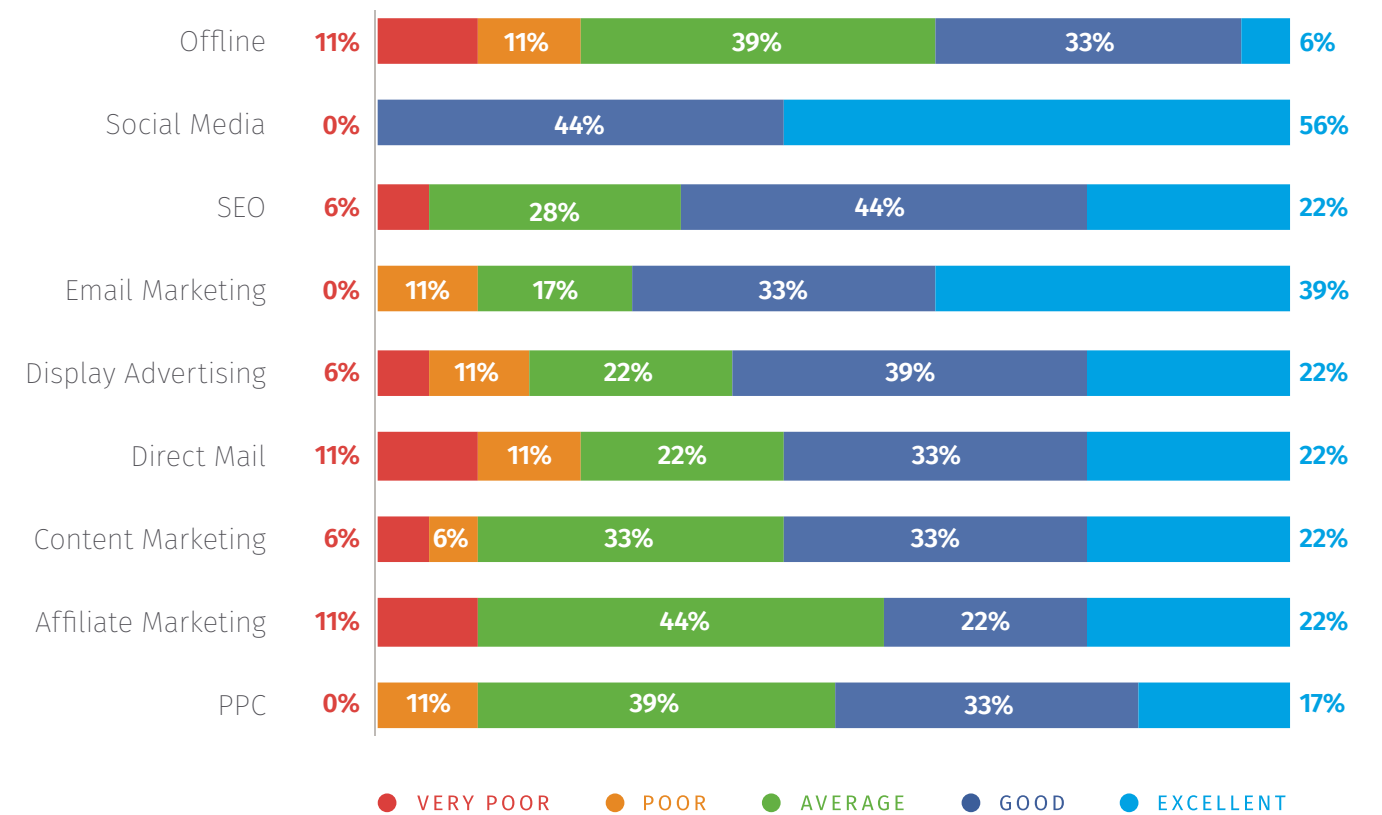
The metrics show what a competitive industry they're in, with an average open rate of 3.20% and click-through rate of 1.44%. Yet they achieve an impressive 44.90% click-to-open rate — perhaps due to their advanced expertise (Figure 1).

In this sector, 24% of marketers state that the greatest benefit of email marketing is the ability to integrate with other media to boost response, making this the leading benefit (Figure 21).

As shown in Figure 20, social media leads the way in delivering the best ROI, with 56% of marketers claiming it delivers excellent ROI. Email marketing is in second place (39%).

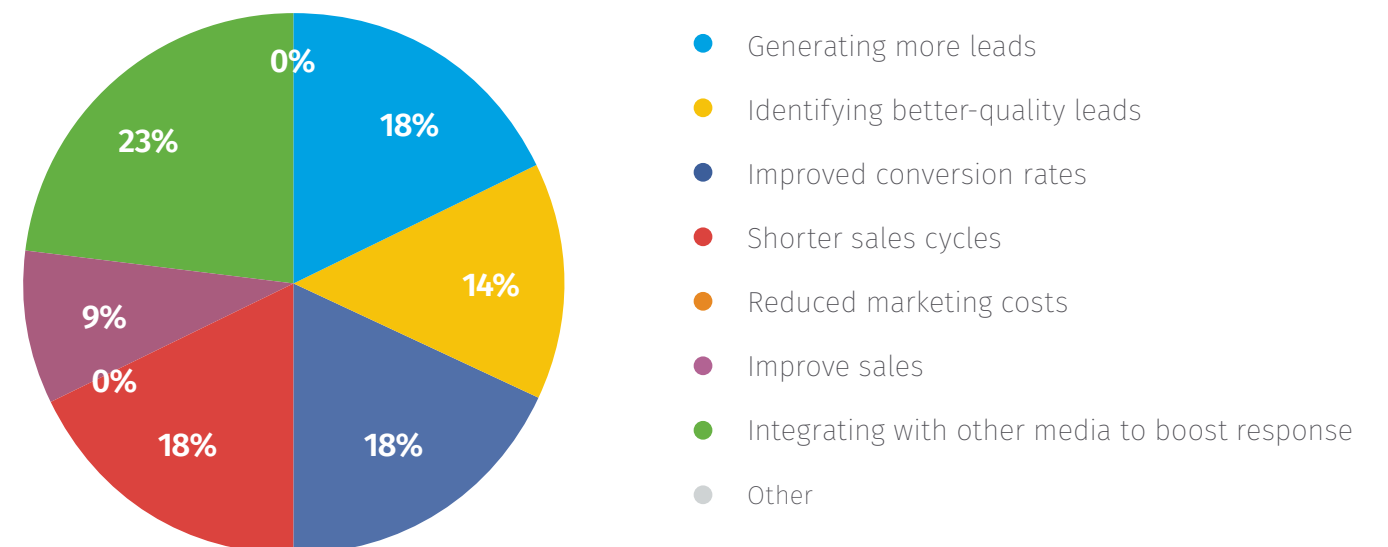
Q: Please rate these digital marketing channels based on the return-on-investment they generate.

Figure 20



Q: Choose the top benefit of email marketing

Figure 21



Online Business

Figure 23 shows that 23% of online business marketers claim that the greatest benefit of email marketing is generating more leads with improving sales a close second (22%).

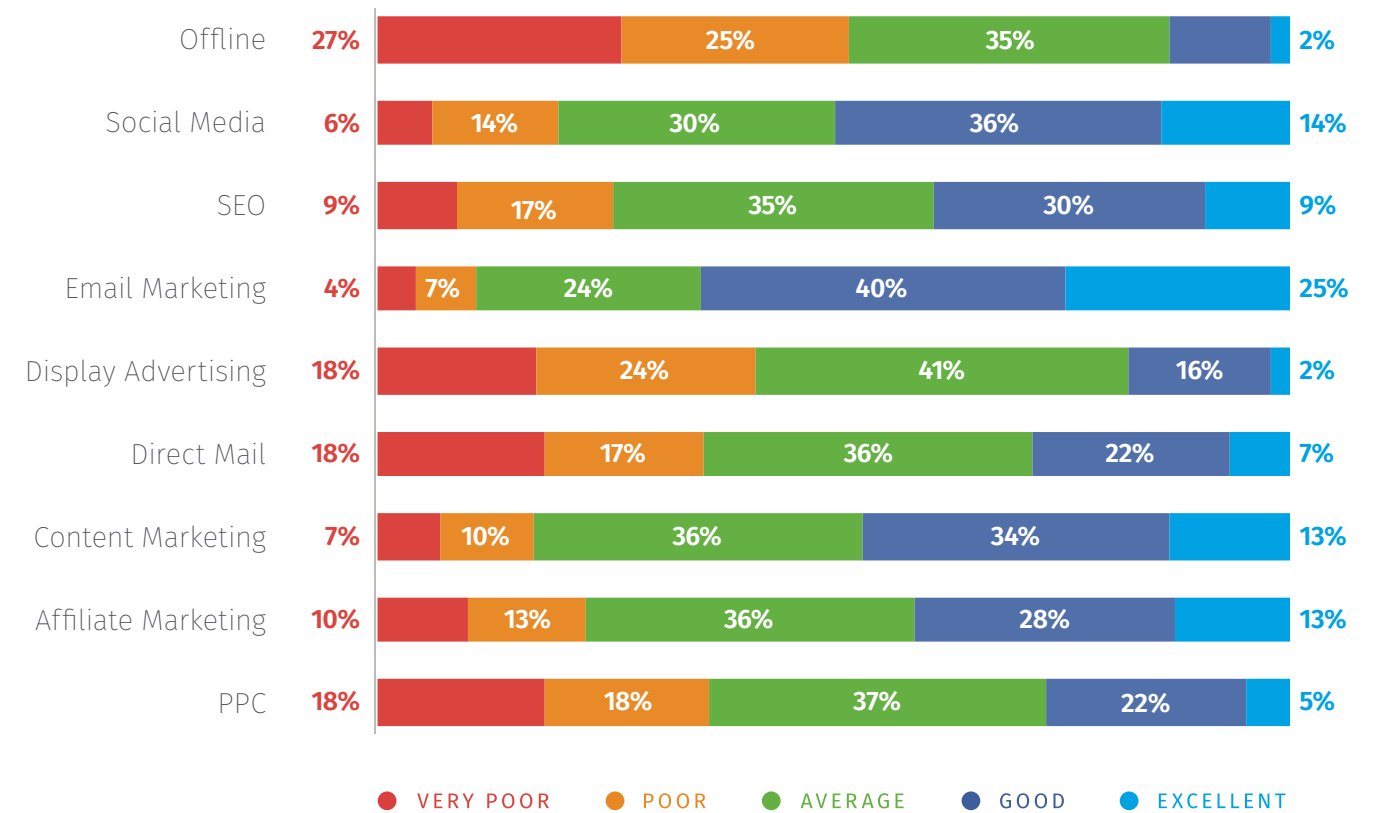
In this sector, 64% of marketers plan to increase their email marketing budget in 2016 (Figure 57). This may be because email marketing is the channel that delivers the best ROI, with 25% of marketers stating it delivers excellent ROI (Figure 22).

With an average open rate of 12.38% and a click-through rate of 3.41%, their metrics look slightly below average until you calculate their click-to-open rate, which is a very healthy 27.59% (Figure 1).



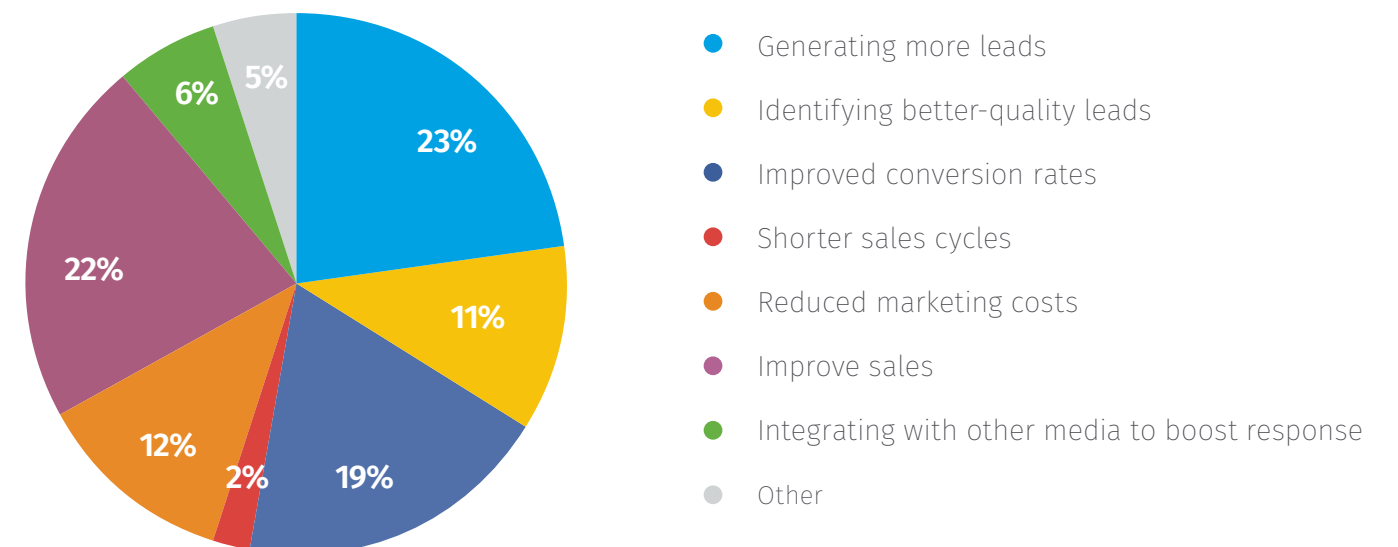
Q: Please rate these digital marketing channels based on the return-on-investment they generate.

Figure 22



Q: Choose the top benefit of email marketing

Figure 23



Publishing & Media

The main benefit of email marketing in this sector is generating more leads (Figure 25).

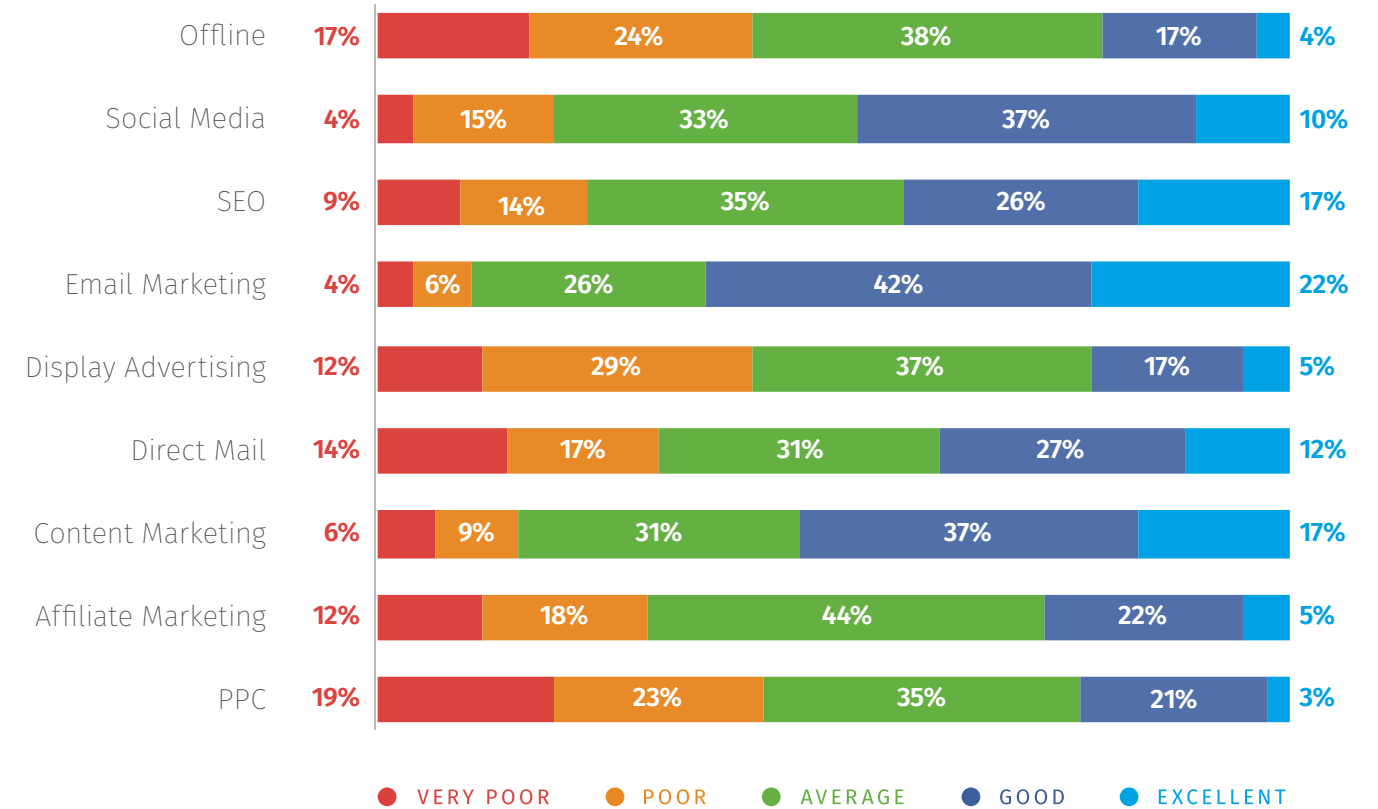
With a combined score of 64% of publishing and media marketers stating that email marketing delivers good or excellent ROI, it leads the other channels, with content marketing a distant second with a combined score of 54% (Figure 24).

With average open rates of 19.37%, click-through rates of 6.02%, and click-to-open rates of 31.48%, this sector's metrics are quite healthy (Figure 1). Given the good metrics and excellent ROI, it's puzzling why only 38% of publishers plan to increase their email marketing budget in 2016 (Figure 57).



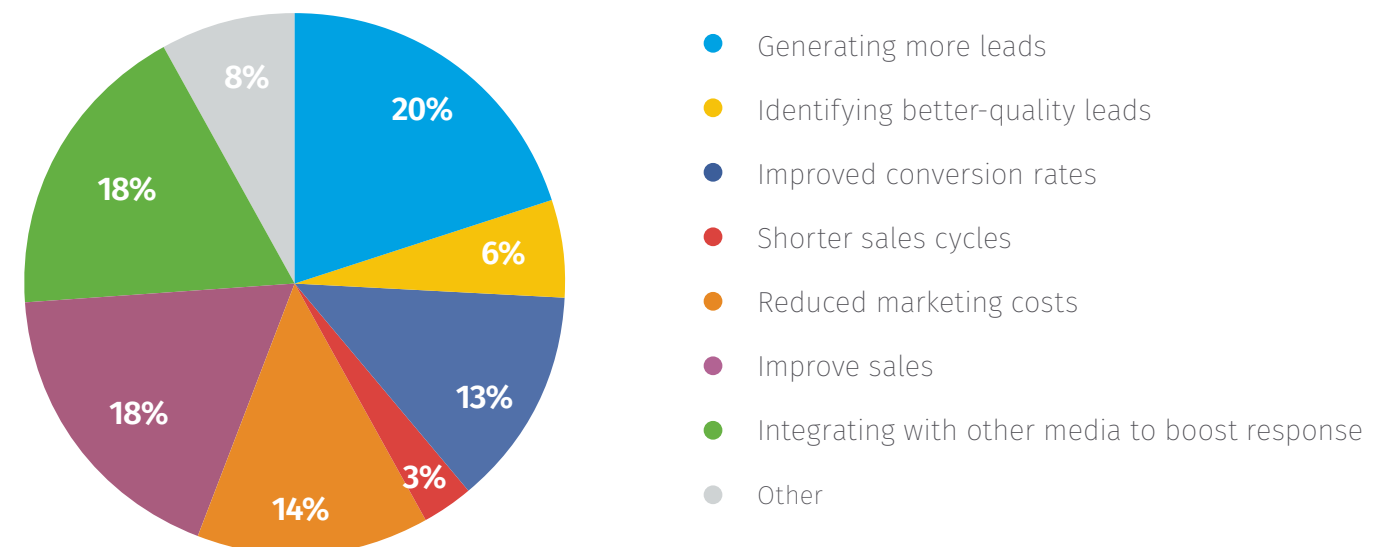
Q: Please rate these digital marketing channels based on the return-on-investment they generate.

Figure 24



Q: Choose the top benefit of email marketing

Figure 25



Retail & E-commerce

No surprises here, with 33% of retail and e-commerce marketers declaring that email marketing delivers excellent ROI. Offline media delivers the lowest ROI (Figure 26).

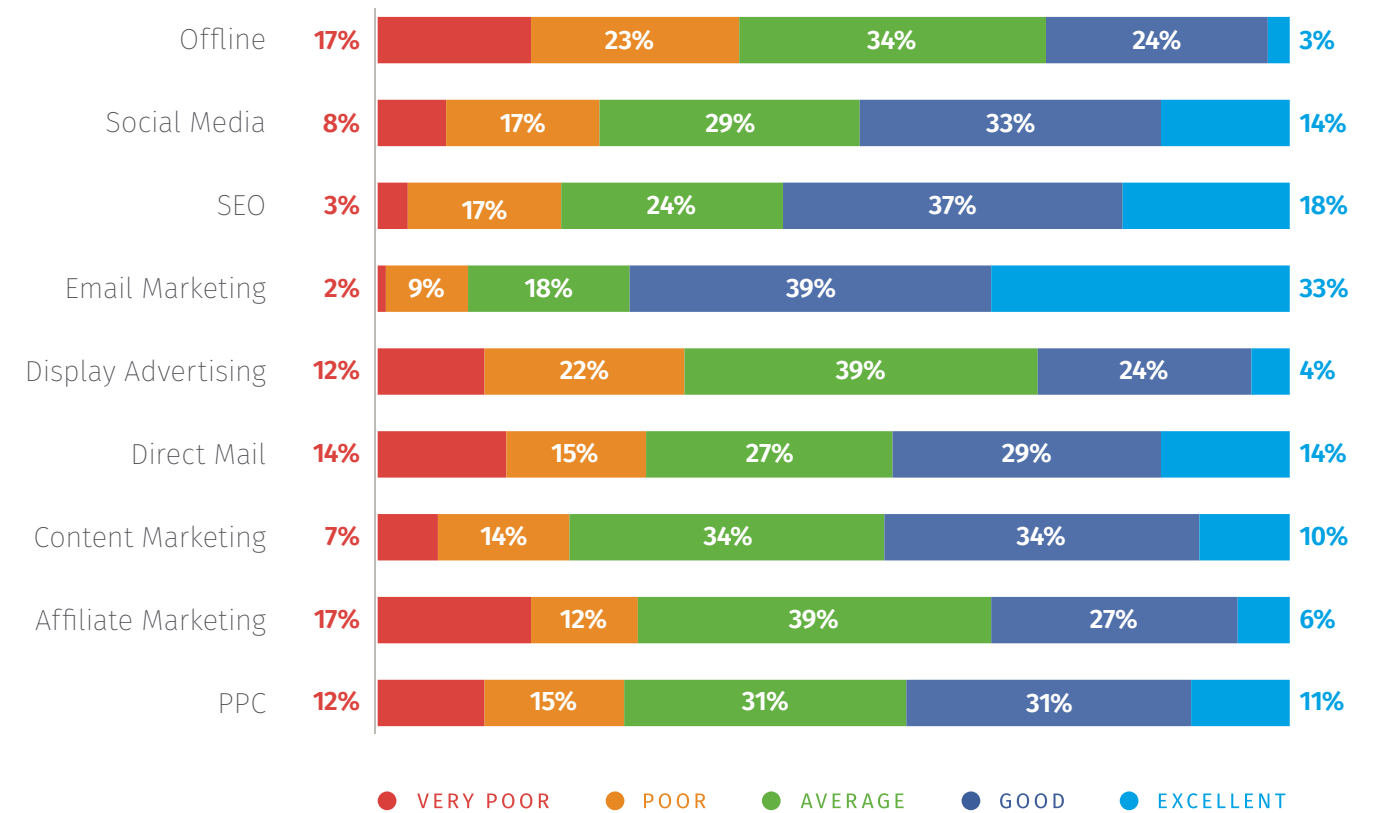
Another unsurprising finding is that this sector benefits most from email marketing by its ability to increase sales (Figure 27). Also unsurprisingly, 59% of retail and e-commerce marketers plan to increase their email marketing budget in 2016 (Figure 57).

Figure 1 shows that, on average, their open rates are 16.78%, click-through rates 3.07%, and click-to-open rates 18.27%.



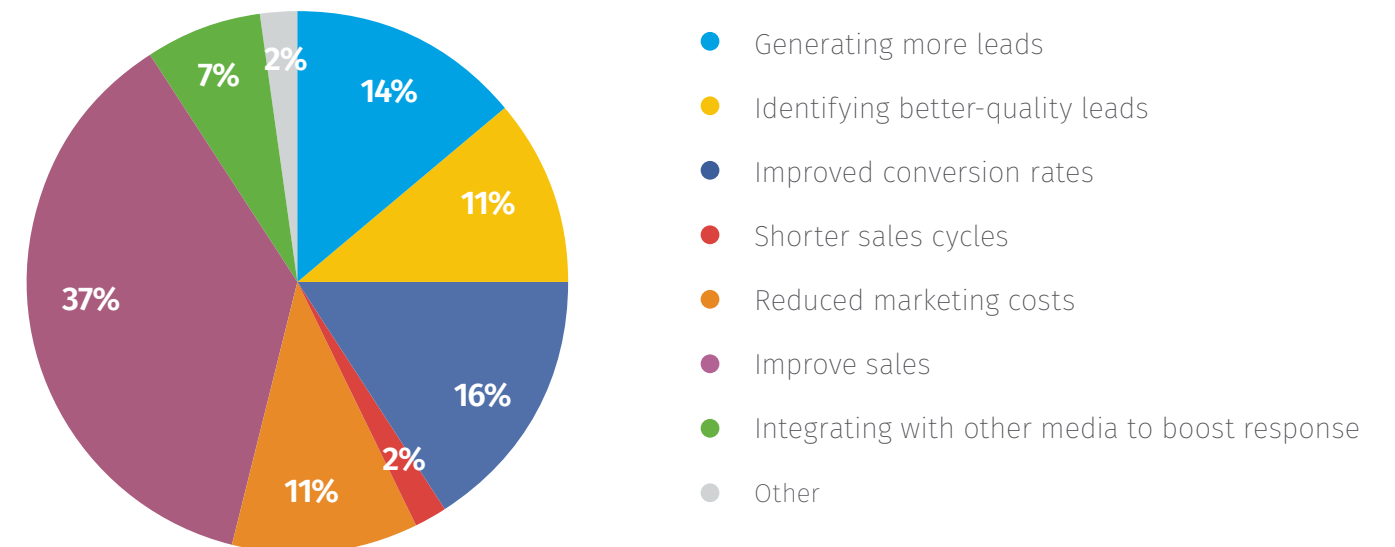
Q: Please rate these digital marketing channels based on the return-on-investment they generate.

Figure 26



Q: Choose the top benefit of email marketing

Figure 27



Travel & Transportation

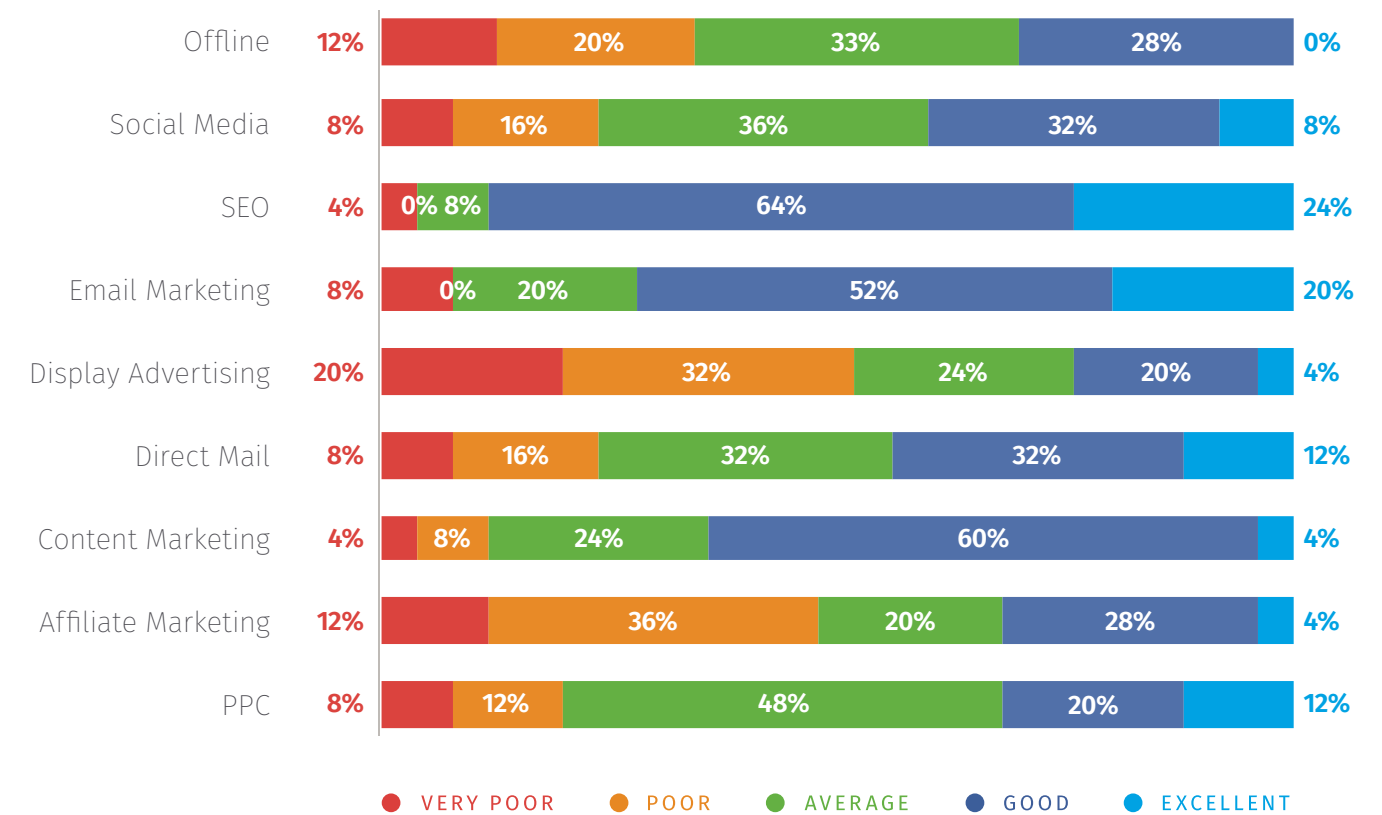
SEO leads the way in delivering excellent ROI at 24% with email marketing in second place at 20% (Figure 28). Figure 33 shows us that the top benefit, with a clear lead, is improving sales (32%).

The metrics indicate that this sector is doing well, with open rates of 30.96%, click-through rates of 6.30% and click-to-open rates of 20.34% (Figure 1), and 44% of marketers declaring they will increase the email marketing budget for 2016 (Figure 57).



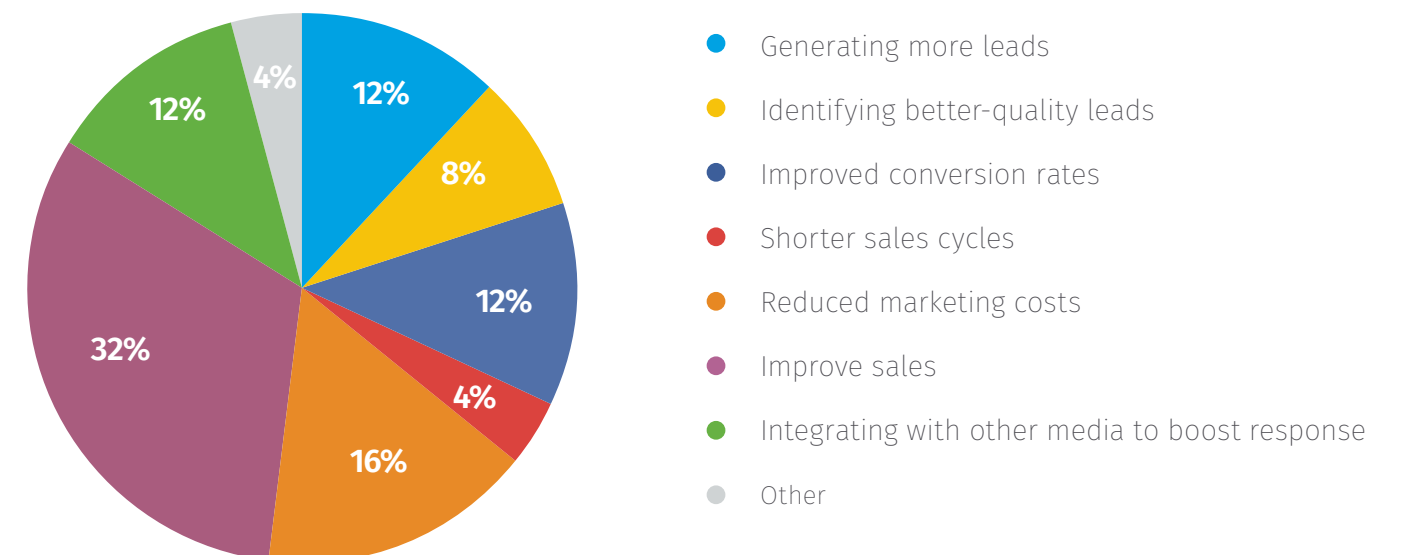
Q: Please rate these digital marketing channels based on the return-on-investment they generate.

Figure 28



Q: Choose the top benefit of email marketing

Figure 29



Vacations, Hotels & Leisure

The push channel, email marketing, is tied in first place with the pull channel, SEO, for delivering good or excellent ROI (Figure 30). This shows the power of the nudge (via email) can be as strong as the power of search for products and services that are not everyday purchases.

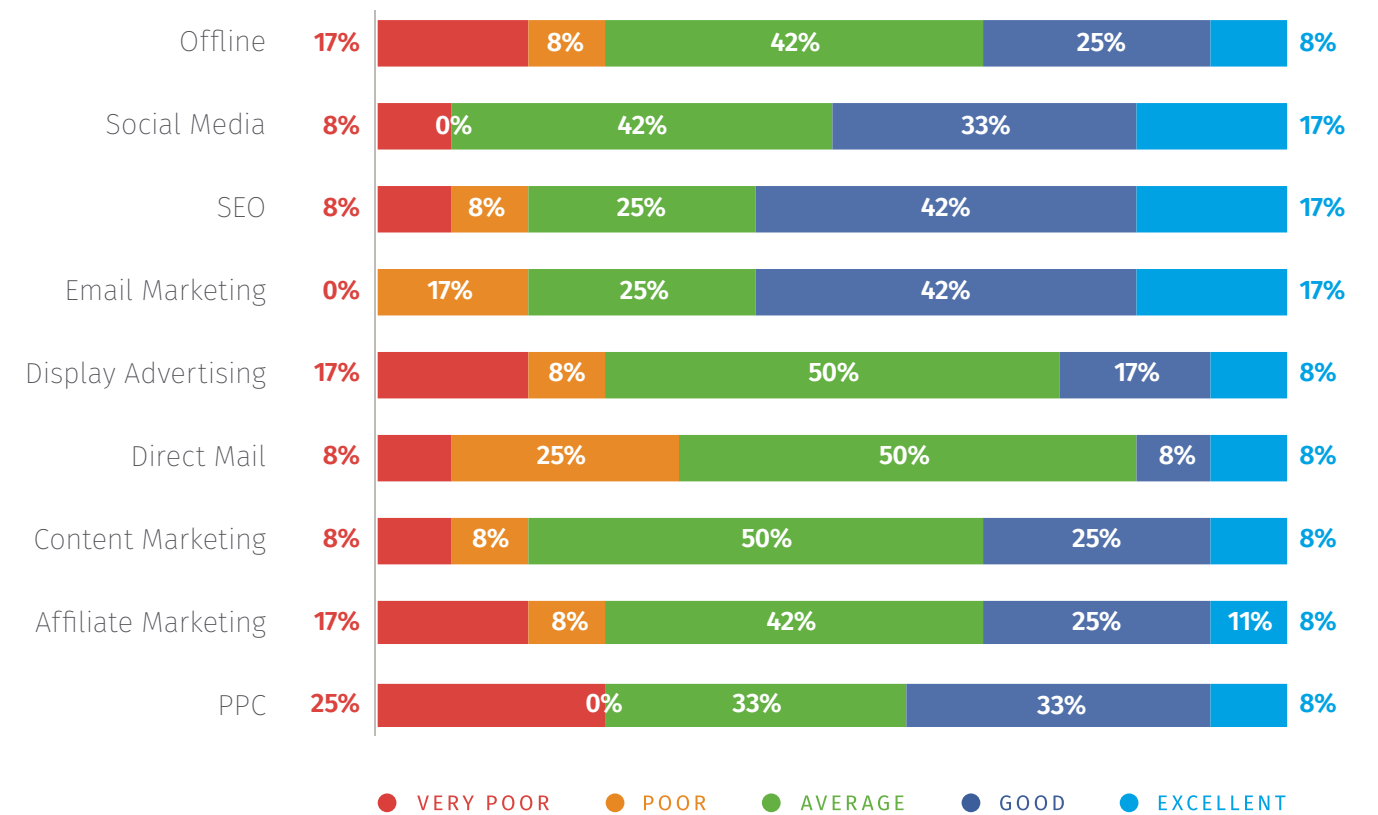
The leading benefit of email marketing (Figure 31) is improving sales with a whopping 50% of marketers so stating.

Even so, only 25% of marketers in this sector say they will increase the budget for email marketing in 2016 (Figure 57). The metrics show average results, with 22.27% open rates, 2.12% click-through rates, and 9.53% click-to-open rates (Figure 1).



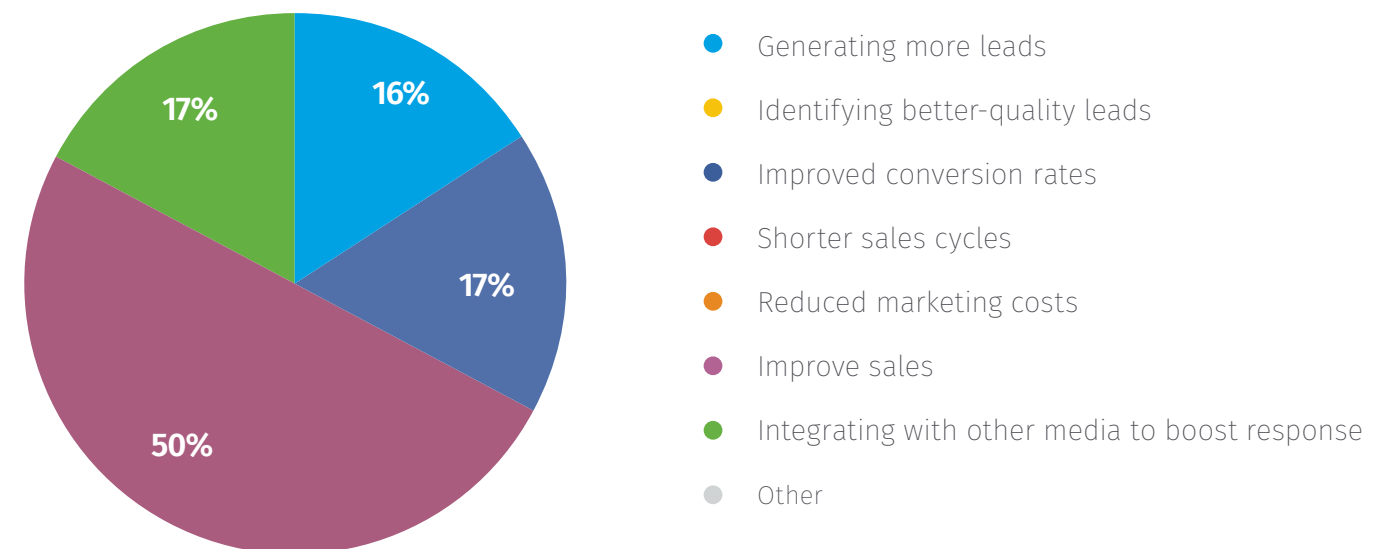
Q: Please rate these digital marketing channels based on the return-on-investment they generate.

Figure 30



Q: Choose the top benefit of email marketing

Figure 31



MARKETING METHODS

If your email marketing isn't reaching its full potential, it may be missing something. This section reveals a cross-section of marketing methods industries use to fine-tune their approach.

Some are easy to implement; others take a bit more work. But the rewards are within reach for those with a desire to excel and a willingness to make improvements.



Evaluation & Tracking

Q: How do you track your email sends?

AVERAGES ACROSS ALL INDUSTRIES

In Figure 32 we can see that a shocking 15% of email marketers don't track and review opens and clicks. And while 24% of email marketers track subscriber activity and value over time rather than just tracking campaigns, it's a surprise to discover that so few do this. Again, only 23% of marketers have integrated their websites and email and track what happens after the click.

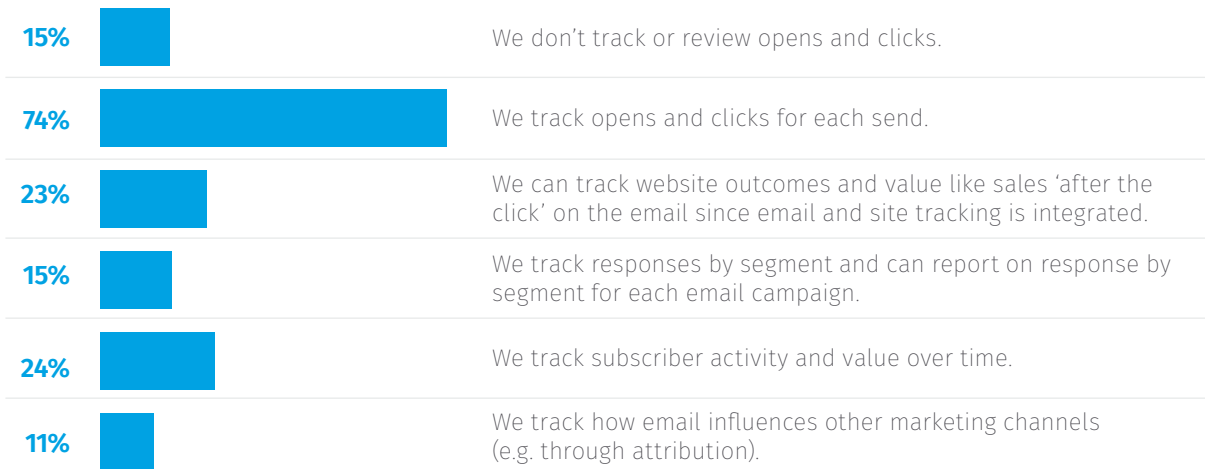
Opens and clicks are good metrics to measure, but the measurement of campaign success

shouldn't end there. Ideally, you should measure the metric that relates to your KPI — the success metric of your campaign, which is often a conversion metric such as downloads, registrations, or sales.

Another valuable metric to track is the value of your segments, identifying segments that perform best, such as lifecycle segments (prospects, loyal customers), acquisition method segments (list rental, PPC, newsletter). However, only 15% of email marketers currently do this.

Evaluation & Tracking - all industries

Figure 32



INDUSTRY SPECIFIC

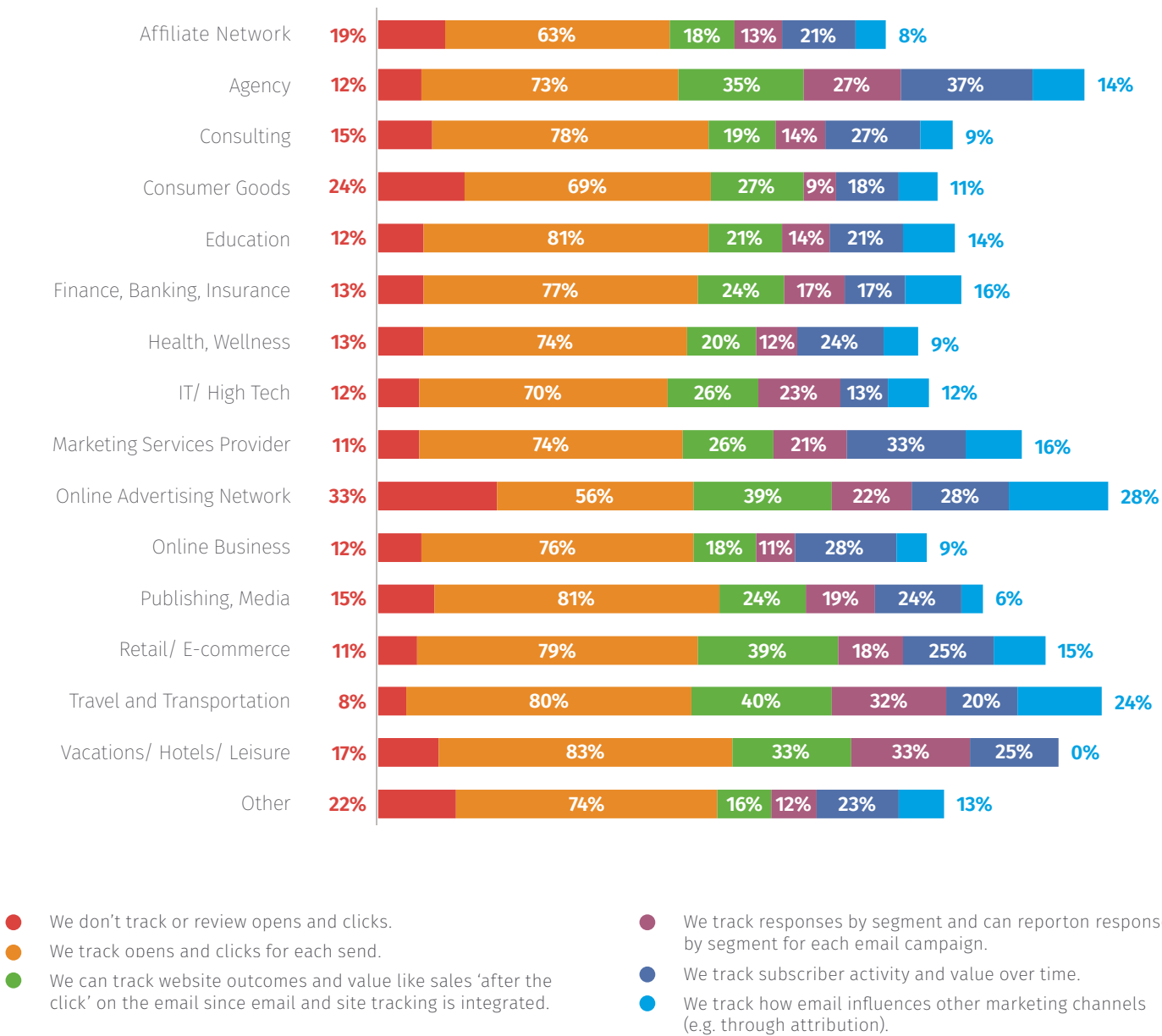
In Figure 33, we find a huge difference among leisure companies, with 17% not reviewing and tracking opens and clicks. Yet they lead the way in integration and tracking website outcomes after the click, with an impressive 83% of companies saying they do this. This may be because they measure the metric that matters. While opens and clicks are good indicators, the

best indicators for travel & transportation are sales and website conversions.

When it comes to tracking how email works with and influences other channels, online advertising network leads the way with 28%.

Evaluation & Tracking

Figure 33



List growth & Quality

Q: How do you manage list growth and quality?
(choose all that apply)

AVERAGES ACROSS ALL INDUSTRIES

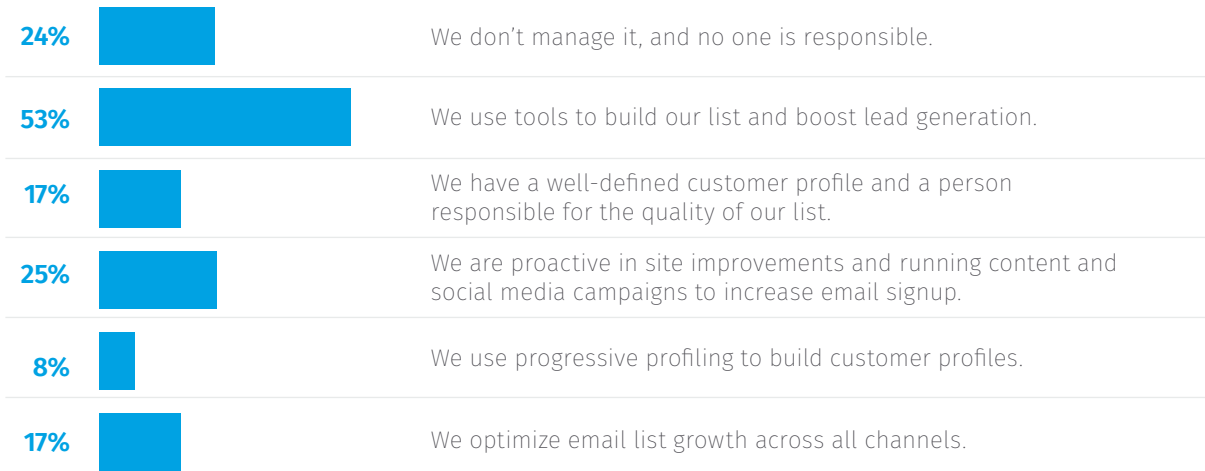
It is worrisome to see in Figure 34 or own their list growth process. The size and quality of the database plays an enormous role in delivering (or not delivering) the results you desire. So to not manage it in the marketing department or not manage it at all is a huge oversight. However, this also means there is a wonderful

opportunity for these marketers to take advantage of.

And on the flip side, it is discouraging to see that only 17% of marketers have well-defined customer profiles and a person who manages the quality of the list.

List Growth & Quality - all industries

Figure 34



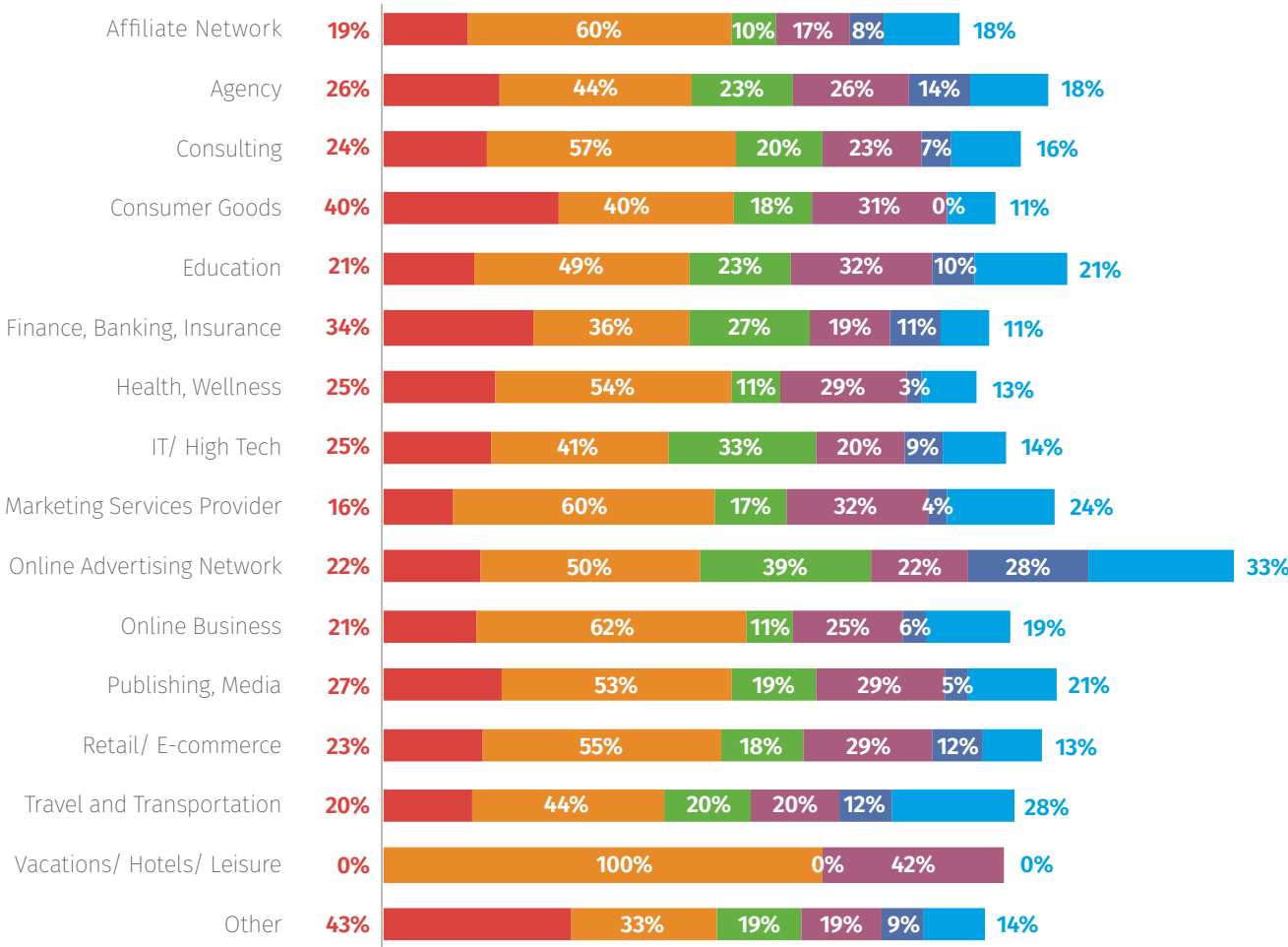
INDUSTRY SPECIFIC

Figure 35 reveals that finance and consumer goods, and "other" do not manage database growth and quality. While 22% of online advertising network marketers don't manage

their lists, the remainder of this industry leads the way by proactively managing and growing their lists.

List Growth & Quality

Figure 35



- We don't manage it, and no one is responsible.
- We use tools to build our list and boost lead generation.
- We have a well-defined customer profile and a person responsible for the quality of our list.
- We are proactive in site improvements and running content and social media campaigns to increase email signup.
- We use progressive profiling to build customer profiles.
- We optimize email list growth across all channels.

RECOMMENDATION

List Quality

Give your subscription form the prominence it deserves.



Yes, your home page is prime real estate, and everyone in your organization wants a piece of it. But considering how valuable a healthy, growing subscriber database is to your company, your subscription invitation deserves a location where visitors will see it immediately.



Test various locations on your website to find the best one. Usually, it's the upper right corner, but your mileage may vary.



While you're at it, place your registration CTA in a similar position on every page of your website, including the landing pages for your search campaigns. Remember that the money you spend on search-engine marketing and optimization drives traffic to many destinations on your site. Some of your visitors may never see the home page!

See Best Practices below for more ideas

Targeting

Q: Which features do you use for email targeting?

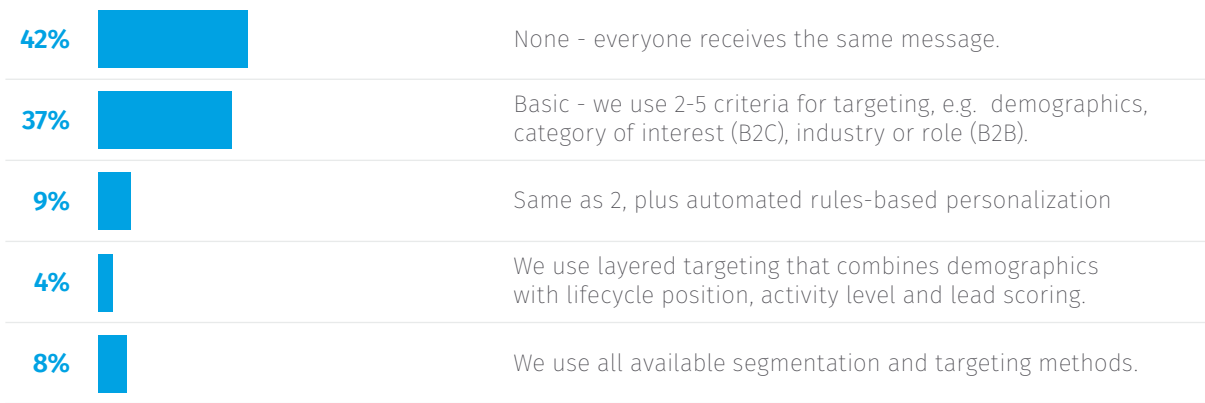
AVERAGES ACROSS ALL INDUSTRIES

Figure 36 reveals that 42% of marketers across all the industries do not send targeted email messages to their database. They treat everyone the same. Only 4% use layered targeting, incorporating informed and behavioral data to send relevant, personalized email messages to their audiences.

Given that email marketing delivers the highest ROI, I wonder how much higher the ROI might be if these marketers used layered targeting or rules-based personalization.

Targeting - all industries

Figure 36



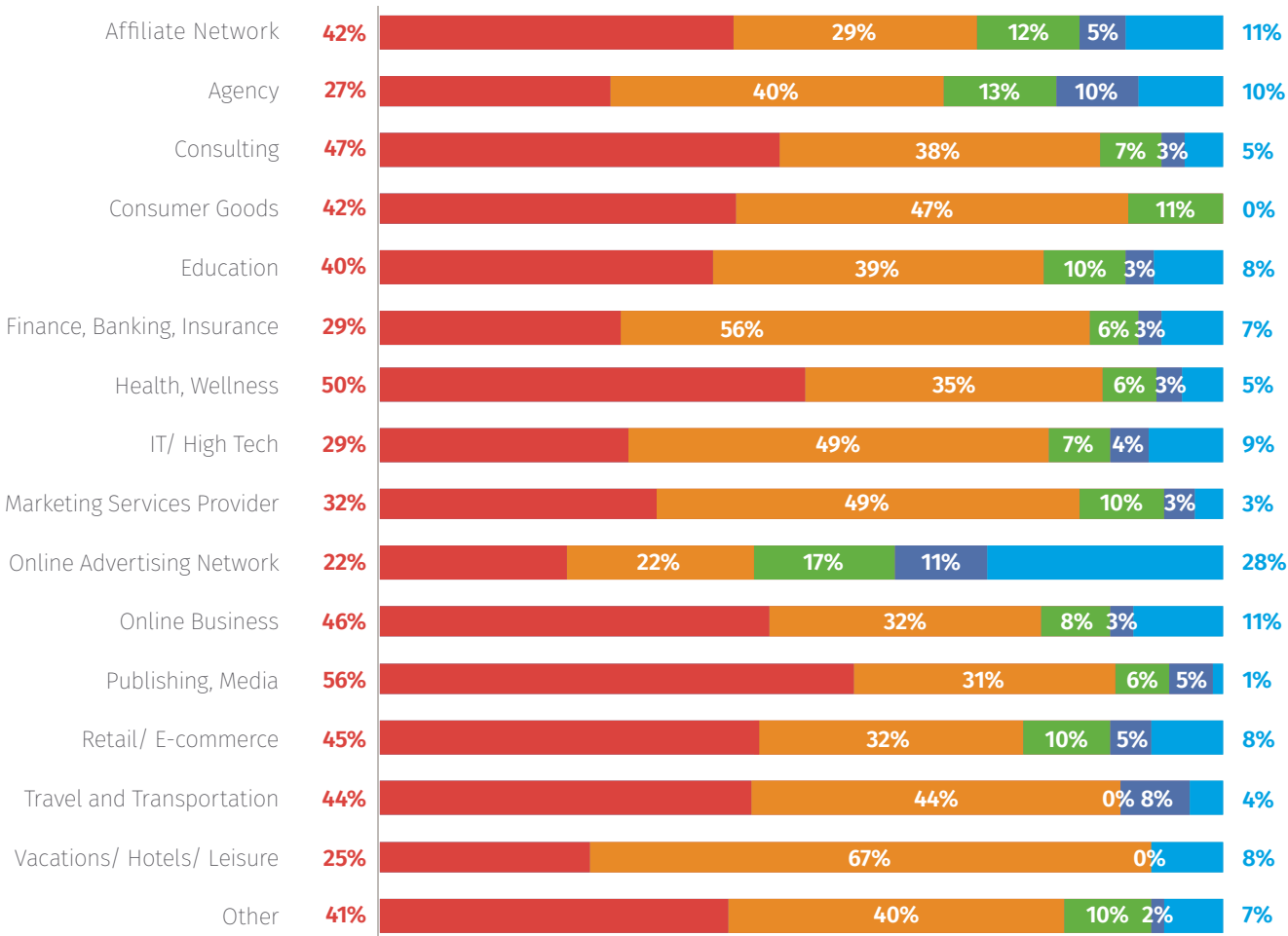
INDUSTRY SPECIFIC

Suprisingly in figure 37, we can see that Publishing sector performs the most basic type of targeting, with 56% of marketers not targeting and 31% targeting based on demographics only. Meanwhile, online

advertising network marketers lead the way in targeting, with 28% using all available segmentation and targeting methods.

Targeting

Figure 37



- None - everyone receives the same message.
- Basic - we use 2-5 criteria for targeting, e.g. demographics, category of interest (B2C), industry or role (B2B).
- Same as 2, plus automated rules-based personalization for different audiences.
- We use layered targeting that combines demographics with lifecycle position, activity level and lead scoring.
- We use all available segmentation and targeting methods.

RECOMMENDATION

Targeting

**Targeting isn't
about sending
micro-segmented
campaigns.**



It's about leveraging your customer data — implicit and explicit — and using it to personalize each customer's messages. In essence, you can send a newsletter to your entire database, using dynamic content to make it relevant to that individual, segment, or persona.

See Best Practices below for more ideas

Communications Strategy

Q: Which types of email marketing communications do you use?
(choose all that apply)

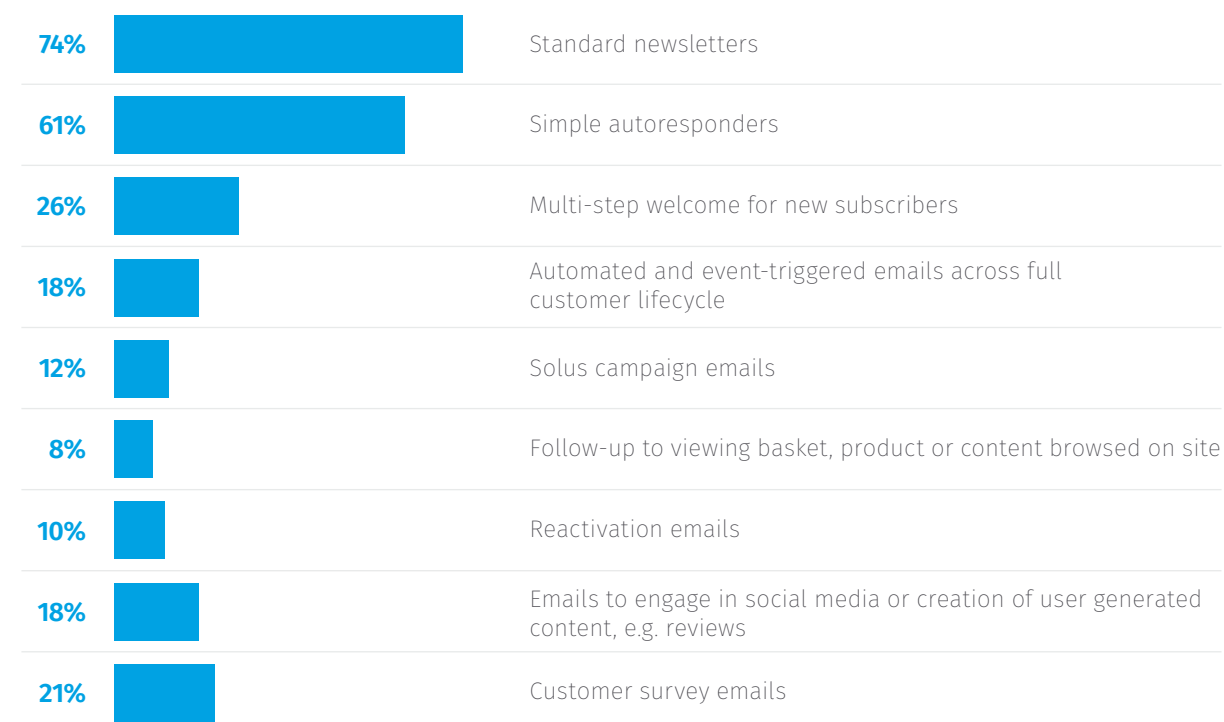
AVERAGES ACROSS ALL INDUSTRIES

Unsurprisingly, newsletters lead the way, with 74% of marketers using them, and 61% of marketers availing themselves of simple autoresponders, such as emails to welcome new subscribers.

Interestingly, the marketers show that they're interested in finding out what the subscriber or customer has to tell them, as 21% of them send surveys. But disappointingly, only 10% of marketers actively try to win back lost customers.

Communications Strategy - all industries

Figure 38



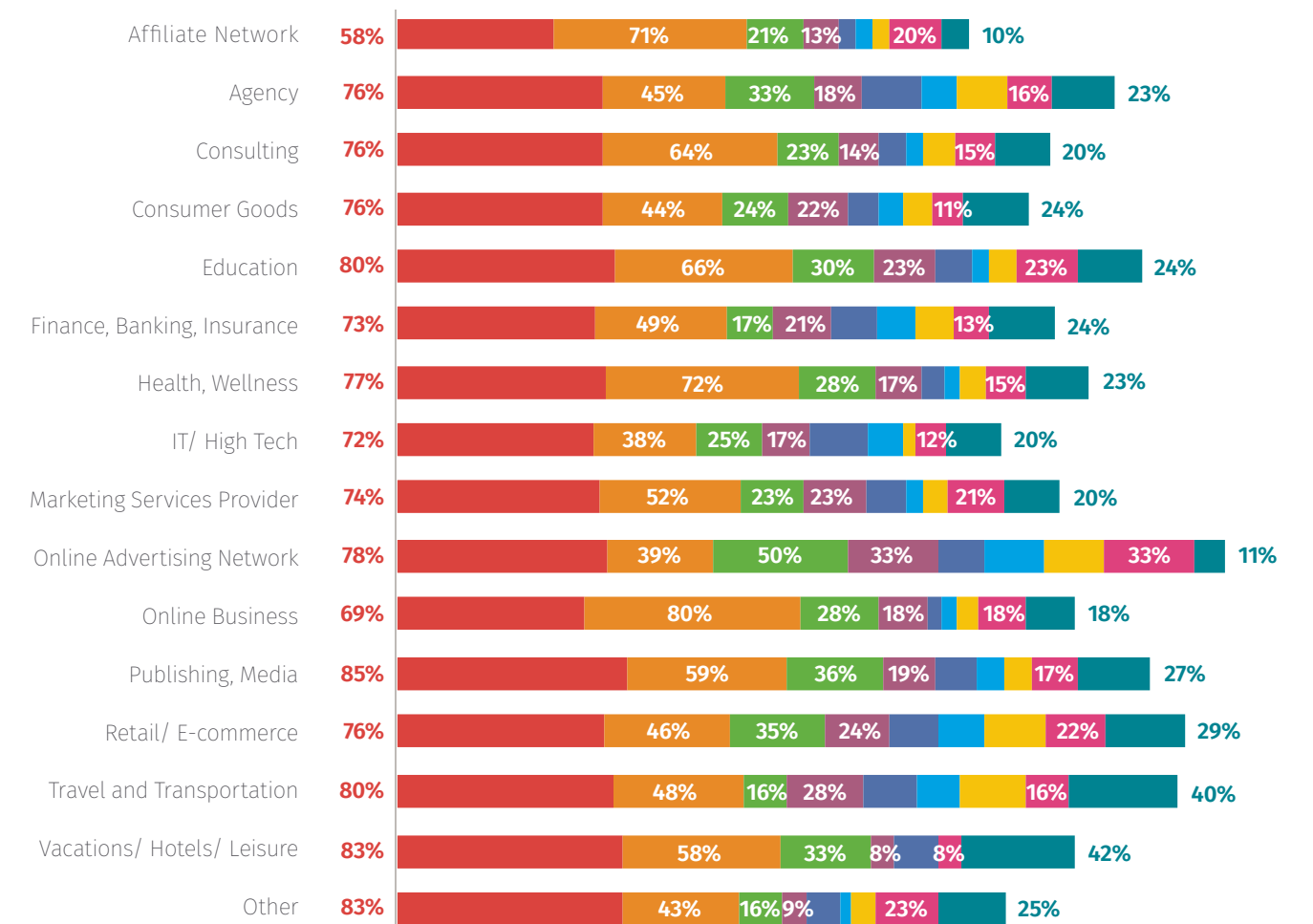
INDUSTRY SPECIFIC

Surprisingly, vacation, hotel, and leisure marketers don't avail themselves of the very successful browse-abandonment emails as shown in Figure 39. Considering that this industry's offers tend to have a long purchase cycle (ideally suited for browse-abandonment emails) this is a definite missed opportunity.

Travel and transportation, along with retail and e-commerce, lead the way implementing reactivation programs, with 24% and 23% of marketers respectively doing this. But when it comes to implementing event-triggered email across the full customer lifecycle, online advertising network has the lead with 33%.

Communications Strategy

Figure 39



RECOMMENDATION

Communications Strategy

Leverage the power of email marketing with automation.



Newsletters are great — the workhorse of email marketing, continually driving revenue and generating a great branding experience. However, this is just the tip of the iceberg. Leverage the power of email marketing with automation. Triggered programs, such as customer win-back, browse and cart abandonment, welcome subscriber and first-purchase programs, welcome customer and second-purchase programs, and replenishment programs are where email really stands out for delivering value and revenue — to the customer and the brand.

See Best Practices below for more ideas

Creative & Templates

Q: Which types of email marketing communications do you use?
(choose all that apply)

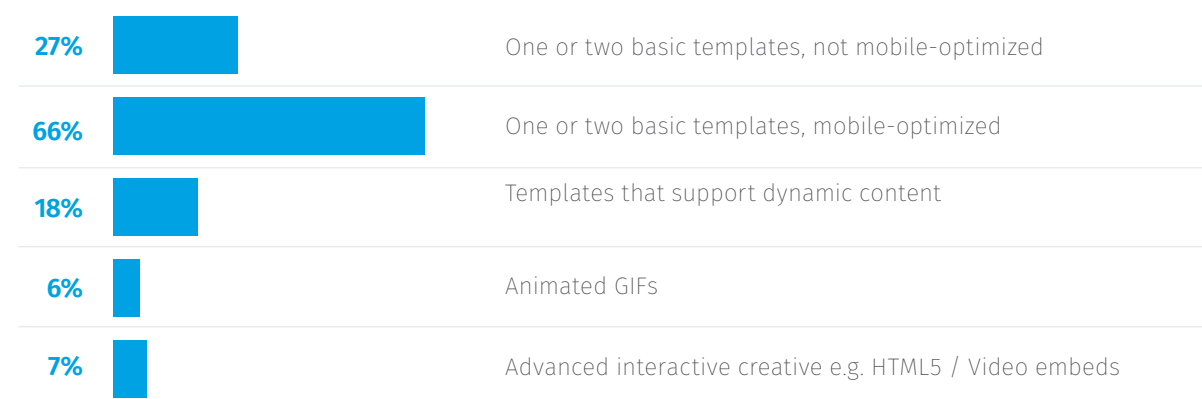
AVERAGES ACROSS ALL INDUSTRIES

It's very encouraging to see in Figure 40 that 66% of all marketers have implemented mobile-optimized templates. However, only 18% of marketers have templates that support

dynamic content, which enables you to personalize each email.

Creative & Templates - all industries

Figure 40



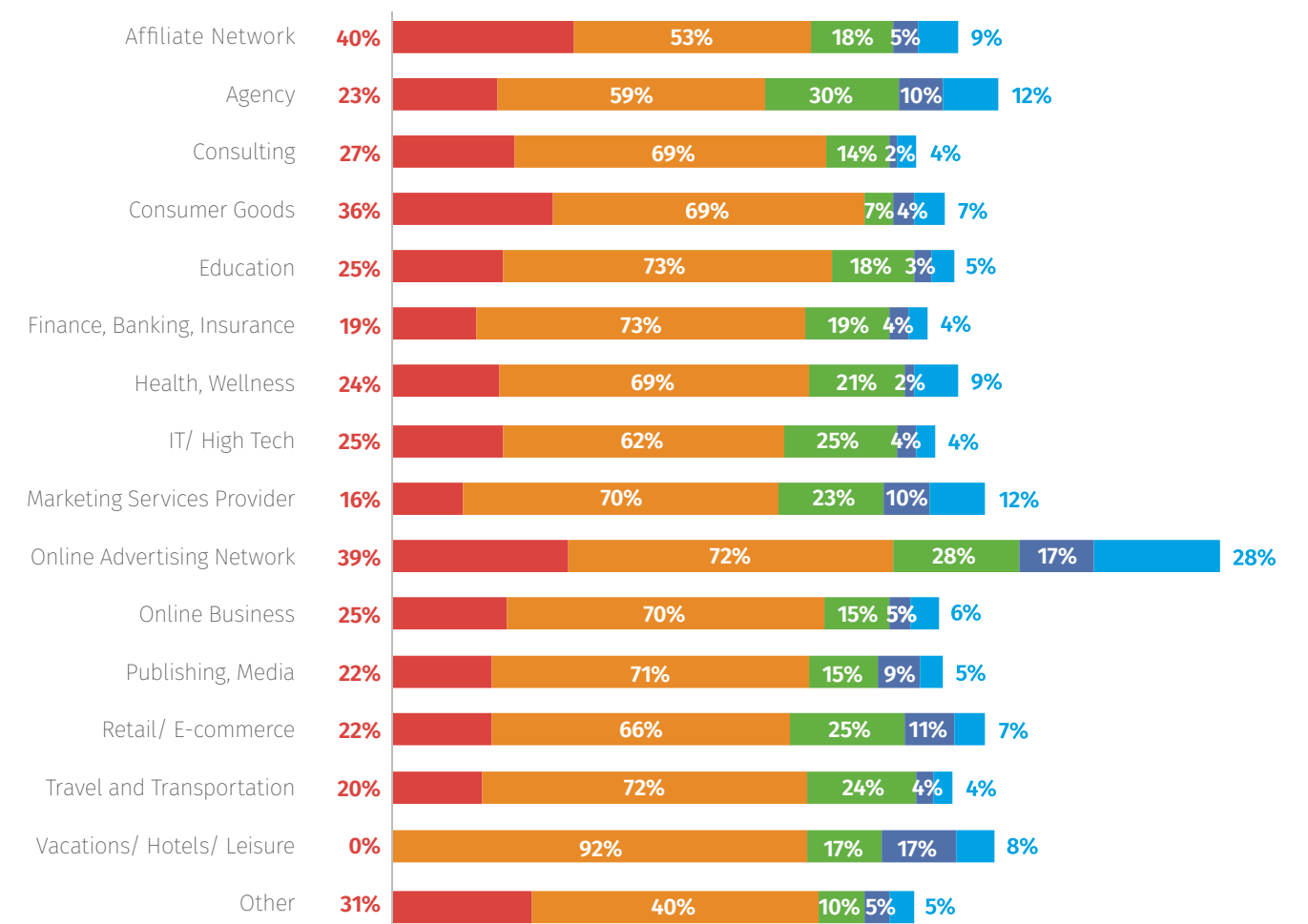
INDUSTRY SPECIFIC

It is interesting to discover in Figure 41 that, while online advertising network marketers are among the highest percentage not using mobile-optimized templates, this industry leads the way with the highest use of advanced techniques such as dynamic

content, HTML5, video, and animated gifs. 92% of vacation, hotel, and leisure marketers use mobile-optimized templates and avail themselves of the more advanced creative techniques.

Creative & templates

Figure 41



- One or two basic templates, not mobile-optimized
- One or two basic templates, mobile-optimized
- Templates that support dynamic content

- Animated GIFs
- Advanced interactive creative e.g. HTML5 / Video embeds

Optimization

Q: How do you test and optimize your email communications?
(choose all that apply)

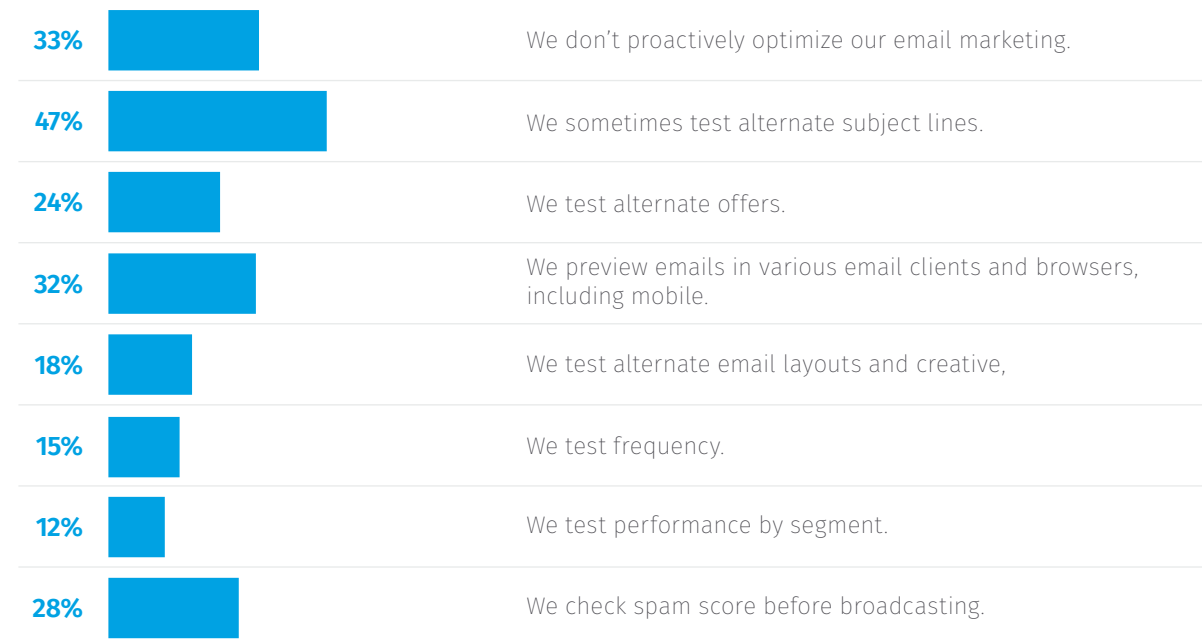
AVERAGES ACROSS ALL INDUSTRIES

Figure 42 reveals that a shocking 33% of email marketers don't proactively optimize their emails. 47% of marketers say they occasionally

test subject lines, with 24% testing different offers and 18% testing different layouts and creatives.

Optimization - all industries

Figure 42



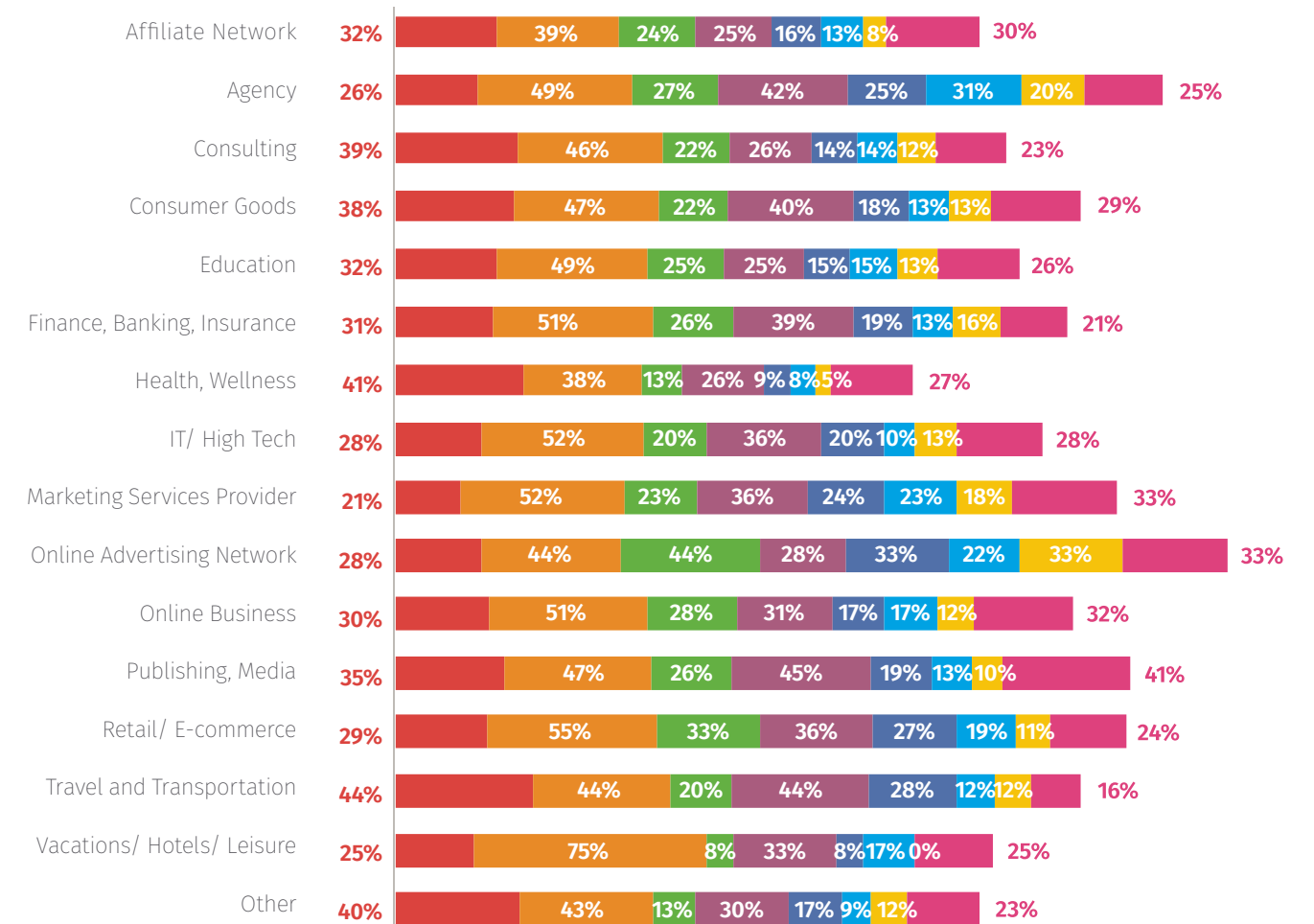
INDUSTRY SPECIFIC

It's good to see that most industries test frequency — albeit a small percentage ranging 8-31%. It is also good to see that the majority

of industries also test performance by segment. Again, the numbers are small, ranging 5-33%.

Optimization

Figure 43



- We don't proactively optimize our email marketing.
- We sometimes test alternate subject lines.
- We test alternate offers.
- We preview emails in various email clients and browsers, including mobile.
- We test alternate email layouts and creative,
- We test frequency.
- We test performance by segment.
- We check spam score before broadcasting.

RECOMMENDATION

Optimization

Consider every email a customer survey of your target market.



Aim to learn something from every email you send – not just an A/B test to determine which subject line gains the best results, but how elements like tone of voice and messaging affect your opens and conversions.



For example, you could test the effectiveness of an “exclusive offer” subject line versus “30% off”. New prospects, unfamiliar with your services, might respond better to the 30% off offer, but existing customers could feel more valued and, therefore, engage better with, the idea of exclusivity.

See Best Practices below for more ideas

Deliverability

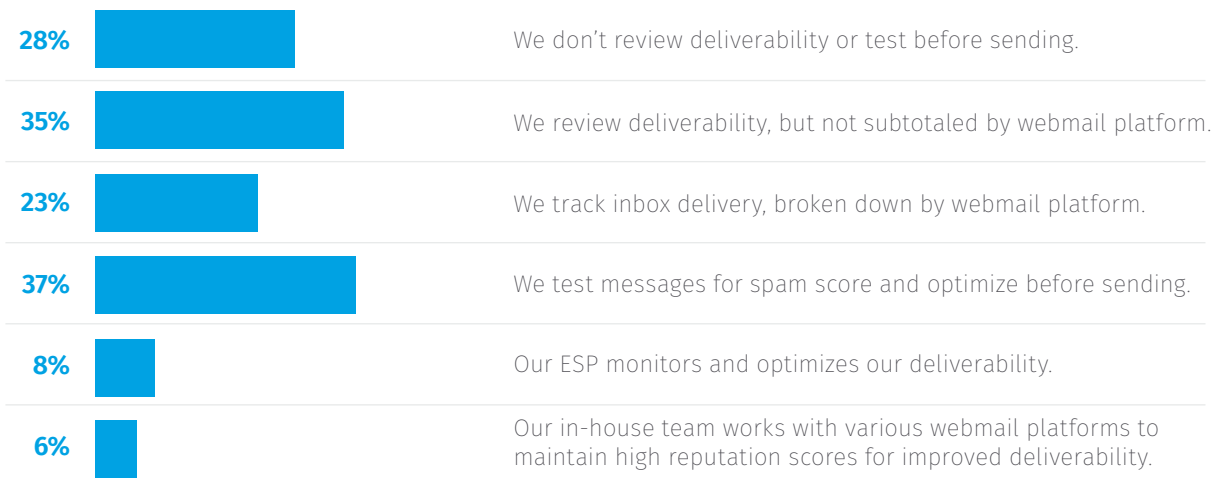
Q: How do you monitor and improve deliverability?
(choose all that apply)

AVERAGES ACROSS ALL INDUSTRIES

Figure 44 reveals that on average across all industries, 28% of marketers are not managing or testing deliverability.

Deliverability - all industries

Figure 44



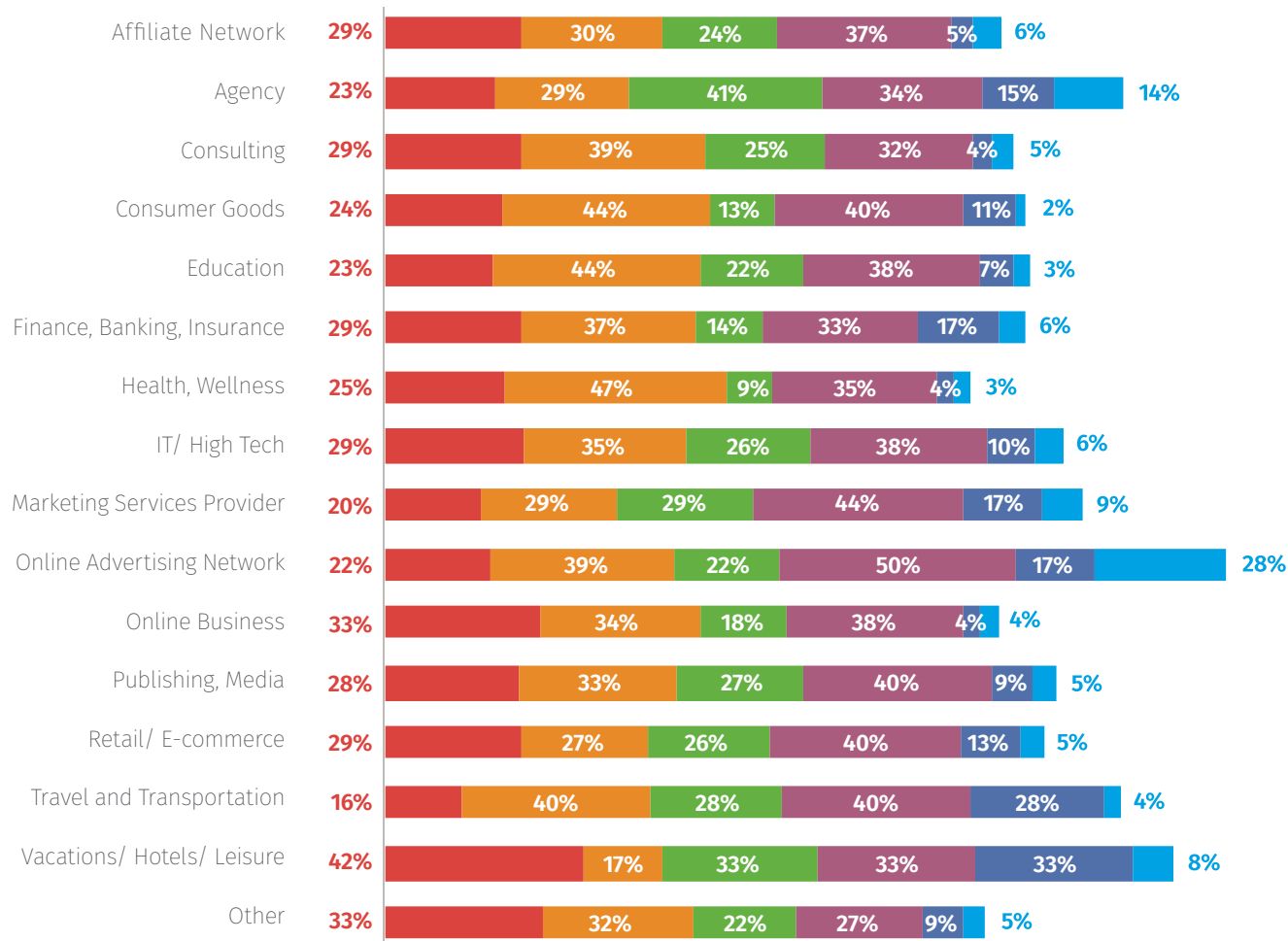
INDUSTRY SPECIFIC

Figure 45 shows us that a surprisingly high 42% of vacation, hotel, and leisure marketers don't test deliverability, with 28% of online

advertising network marketers managing deliverability in-house.

Deliverability

Figure 45



- We don't review deliverability or test before sending.
- We review deliverability, but not subtotaed by webmail
- We track inbox delivery, broken down by webmail platform.
- We test messages for spam score and optimize before sending.
- Our ESP monitors and optimizes our deliverability.
- Our in-house team works with various webmail platforms to maintain high reputation scores for improved deliverability.

Frequency

Q: How do you monitor and improve deliverability?
(choose all that apply)

AVERAGES ACROSS ALL INDUSTRIES

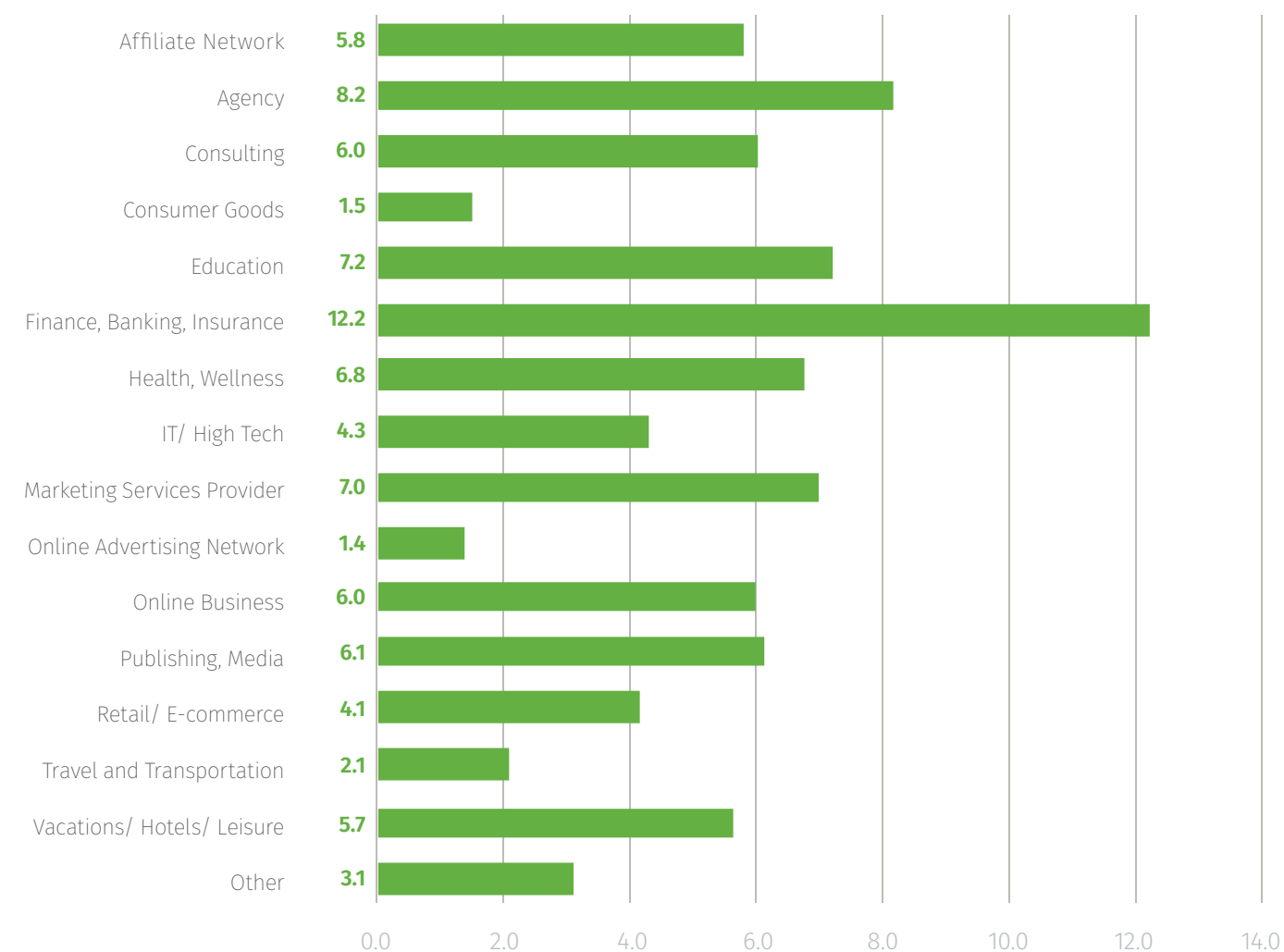
Figure 46 shows that the average frequency of campaign emails is 5 per month, with finance, banking, and insurance marketers sending far more than the average at 12.2 campaign

emails per month, while consumer goods and online advertising network marketers send well below the average at 1.5 and 1.4 per month respectively.

Average frequency across all industries is
5 emails per Month



Frequency (average emails per month)
Figure 46



RECOMMENDATION

Frequency

**Test your frequency
to ensure you're sending
at the optimal rate.**



If you're not sending enough emails, you're leaving money on the table and potentially handing your customers over to your competitors – provided you're sending emails your customer consider valuable.



Email is a “push” medium, which is why it can deliver such phenomenal results. You don't have to wait for your customers to find you. You can push messages to their inboxes – messages that deliver value and utility beyond driving sales, which provides a brand boost, even if your customers opt not to open or act on them, by planting a seed for when they are ready to purchase.



That branding power is email's “nudge effect.” But it works best when your messages are in the inbox regularly, with attention-getting subject lines that encourage action when your customers are ready to buy.

See Best Practices below for more ideas

EMAIL TECHNIQUES

by Industry

If your email marketing isn't reaching its full potential, it may be missing something. This section reveals a cross-section of marketing methods industries use to fine-tune their approach.

Some are easy to implement; others take a bit more work. But the rewards are within reach for those with a desire to excel and a willingness to make improvements.

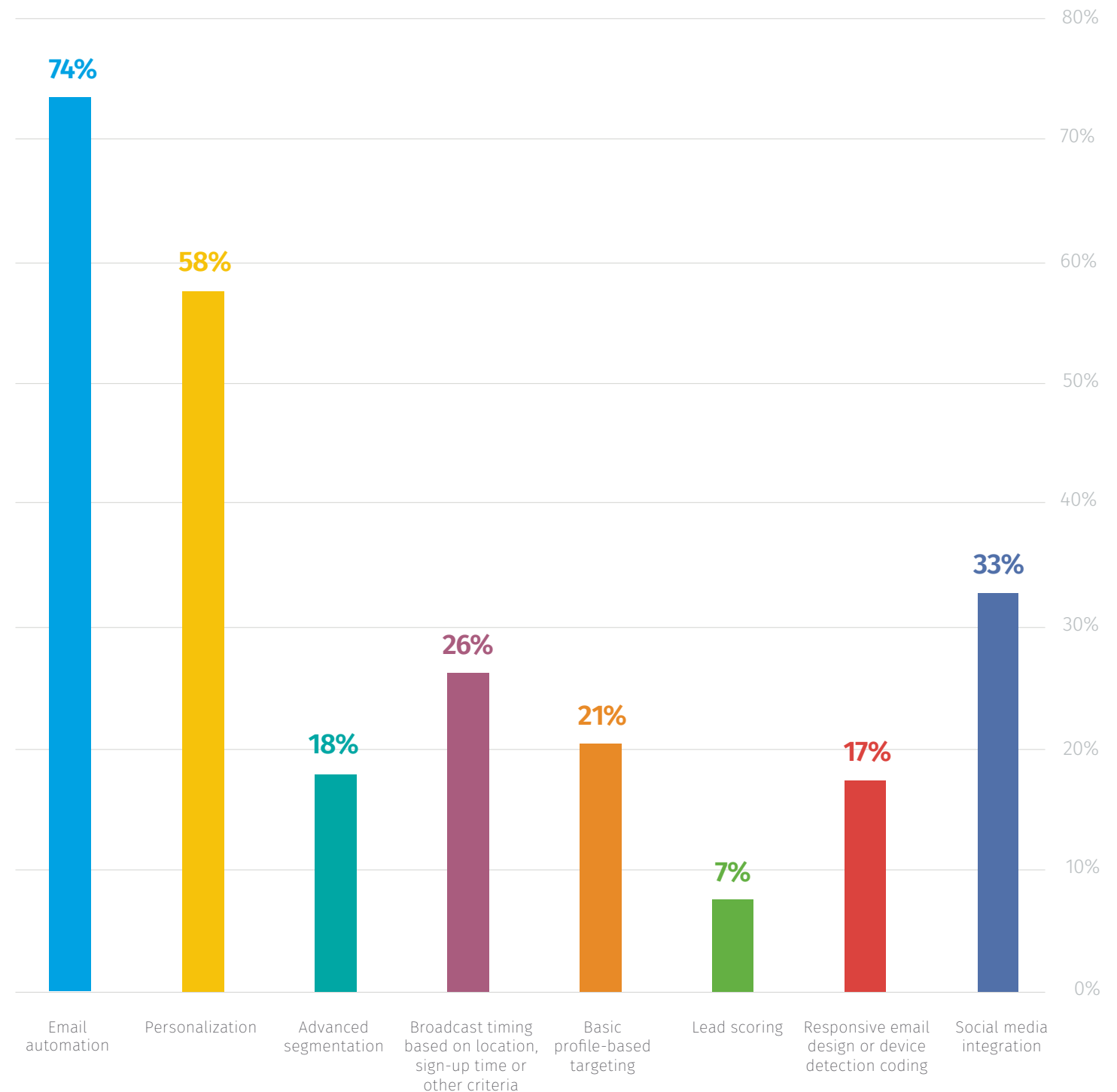


All Industries

It's good to see that automation and personalization are so widely adopted among the industry sectors (Figure 47). However, it would be interesting to discover to what extent, as basic automation and personalization are easy to achieve. For example, It is easy to implement a welcome email to be sent after subscribing with the subscribers first name within the body of the email — an example of basic automation and personalization. What is impressive, however, is that 26% of marketers personalize their send-times based on customer action or location.

Q: Which email marketing techniques do you use?

Figure 47



RECOMMENDATION

Frequency

Think beyond personalizing with the consumer's first name only.



Consumer's demand personalization more than ever, and email is one of the easiest channels in which to implement personalization. It enhances the consumer's experience and helps deliver relevant, valuable content and offers that keep them coming back for more.

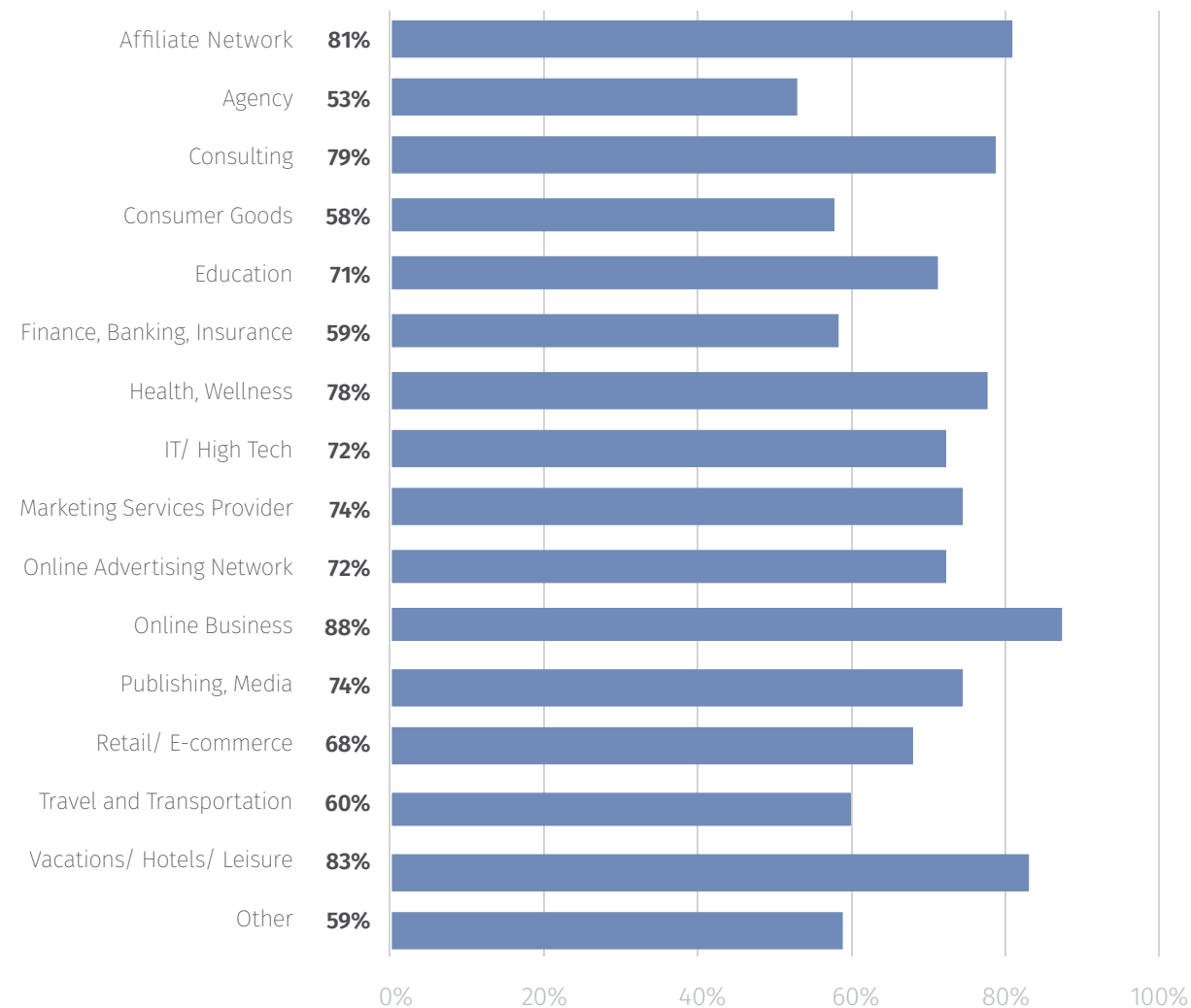
See Best Practices below for more ideas

Email Automation

2014 was predicted to be the year of automation for email marketing, and Figure 48 shows the impact, with 53-100% of marketers claiming they use automation. One sector that stands out as possibly under-utilizing automation and its benefits is the retail and e-commerce sector, with only 68%

adoption. This sector could benefit from automated programs such as first purchase and subscriber welcome, second purchase and customer welcome, cart abandonment, win-back customer, lapsing customer, browse abandonment and others.

Figure 48

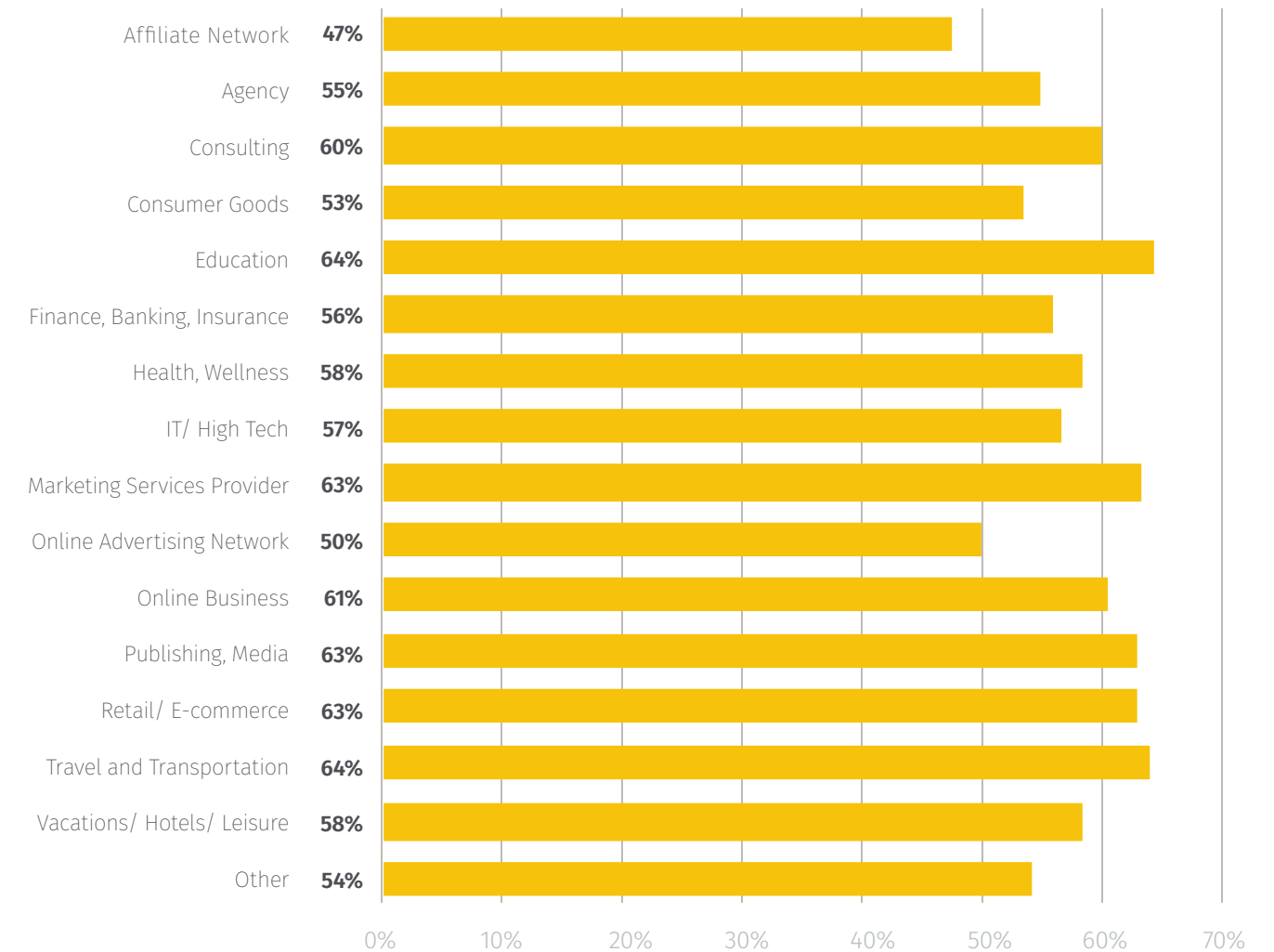


Personalization

Personalization and automation can go hand in hand, as automation makes personalization easy. So it is surprising to see in Figure 49

that although 81% of Affiliate Networks use automation, only 47% use personalization.

Figure 49

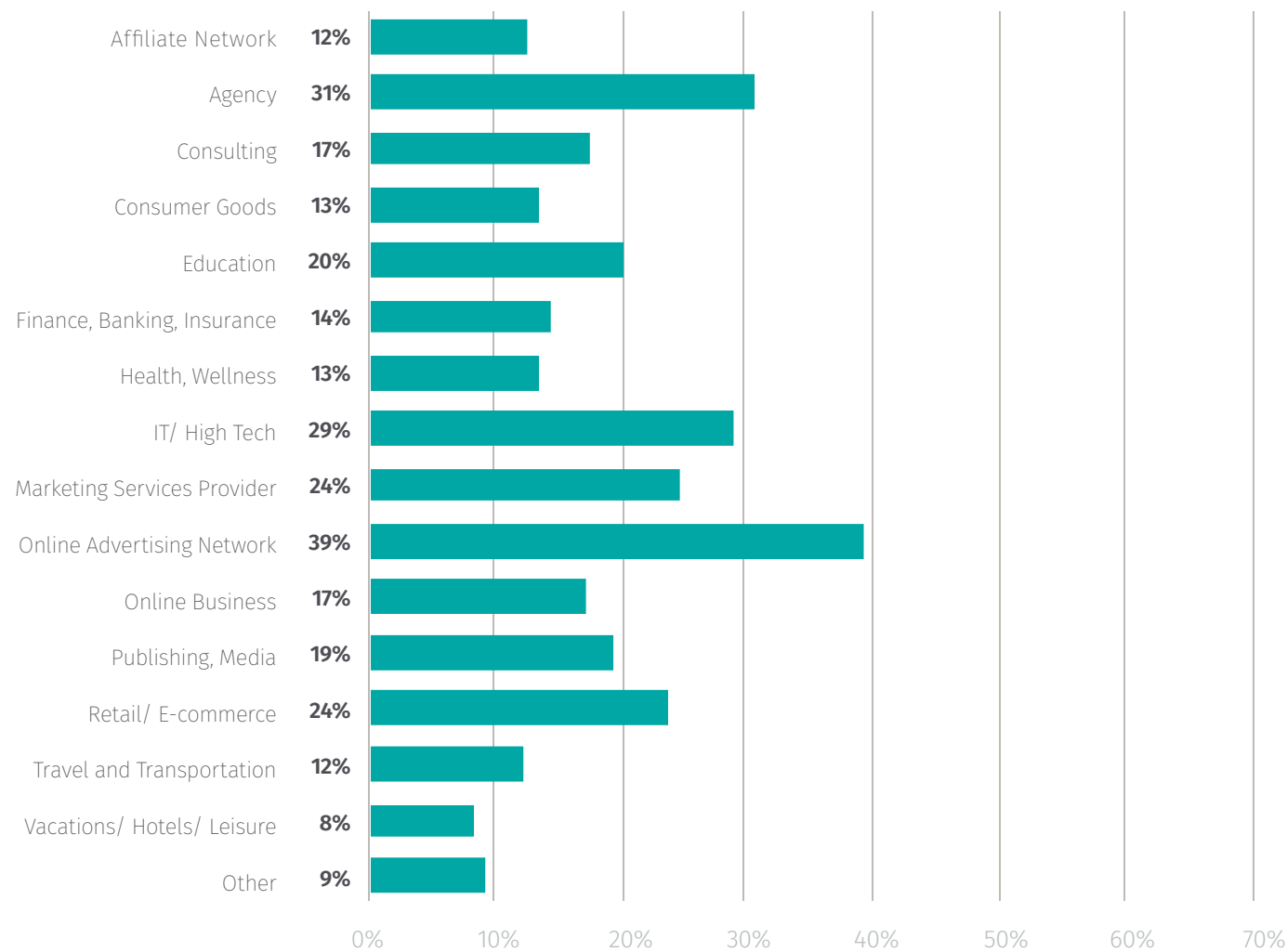


Advanced Segmentation

Figure 50 reveals that vacation, hotel, and leisure marketers have the lowest adoption of advanced segmentation, which is surprising, as many factors (implicit and explicit) can be used for segmentation. For example, frequent

travelers versus occasional travelers, high spend versus low spend, types of holidays (snow, sun, city, country, etc.), weekends versus long holidays, luxury versus economy, just to name a few.

Figure 50

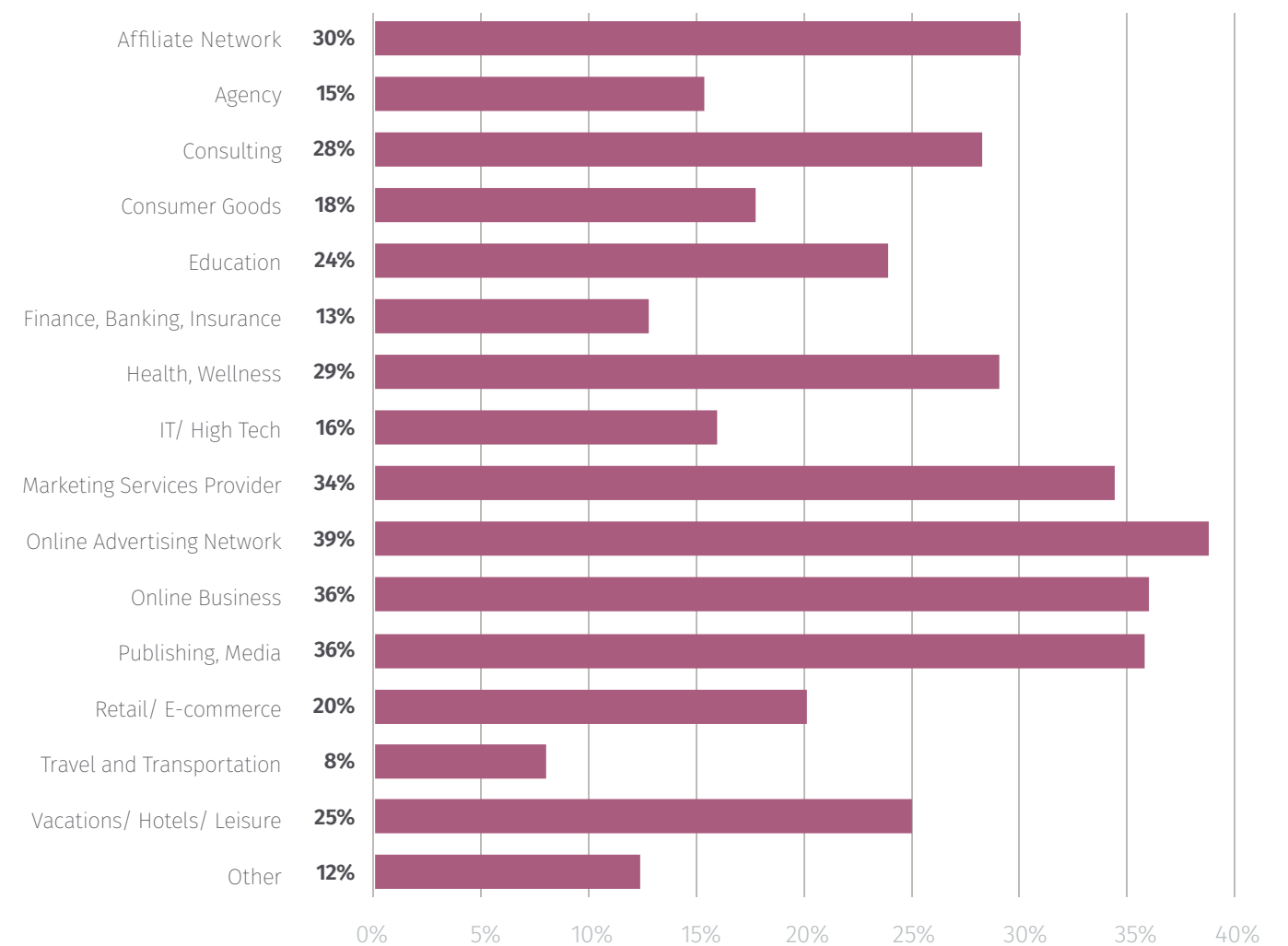


Broadcast Timing

As seen in Figure 51, online advertising network marketers lead the way, with 39% sending campaigns based upon subscriber sign-up and

online advertising, and publishers following closely with 36%.

Figure 51

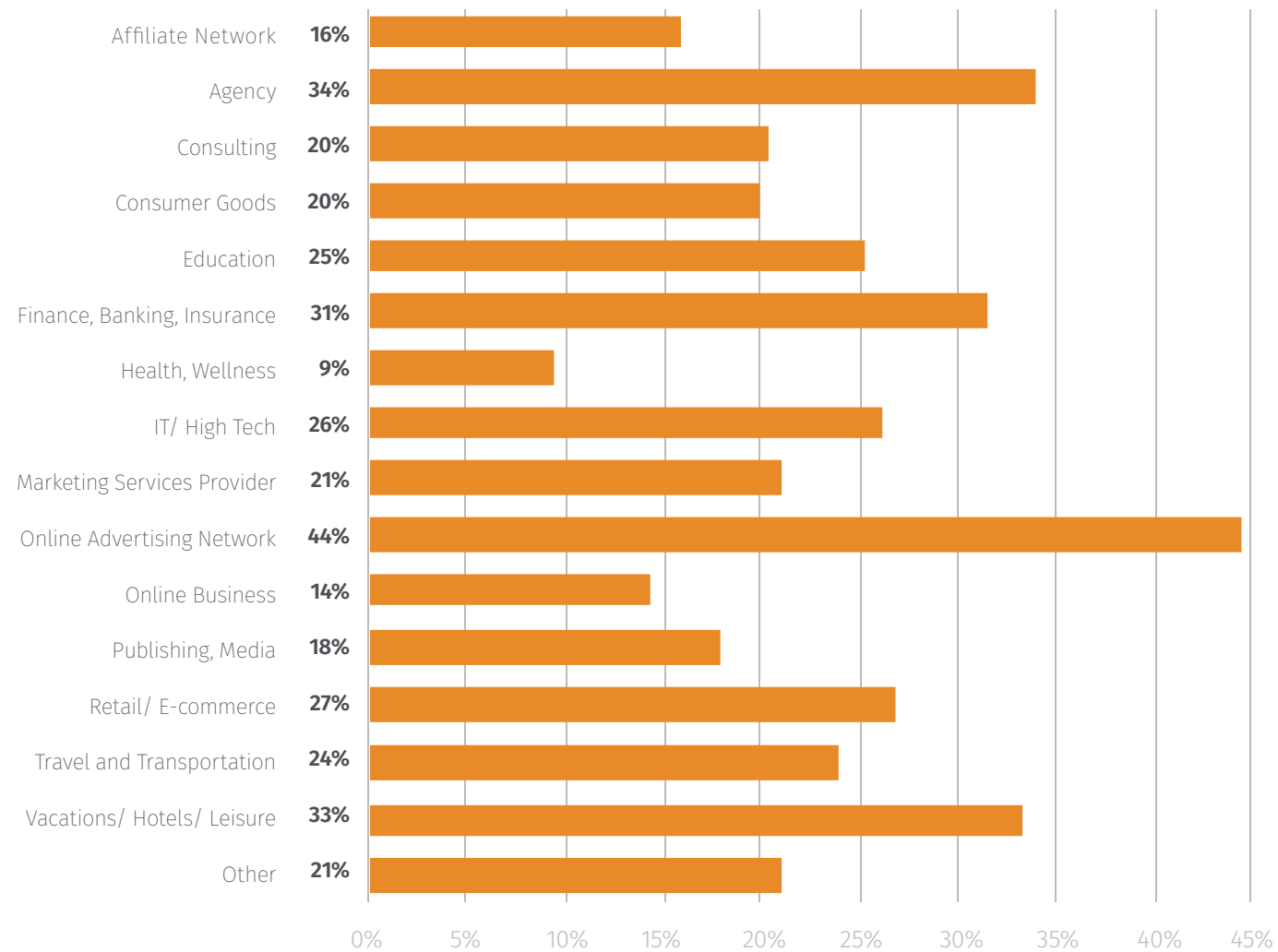


Basic Profile-Based Targeting

Surprisingly, health and wellness marketers don't use this type of segmentation and

targeting, with only 9% of marketers stating they do. Considering the variety of products and services, it could benefit them (Figure 52).

Figure 52

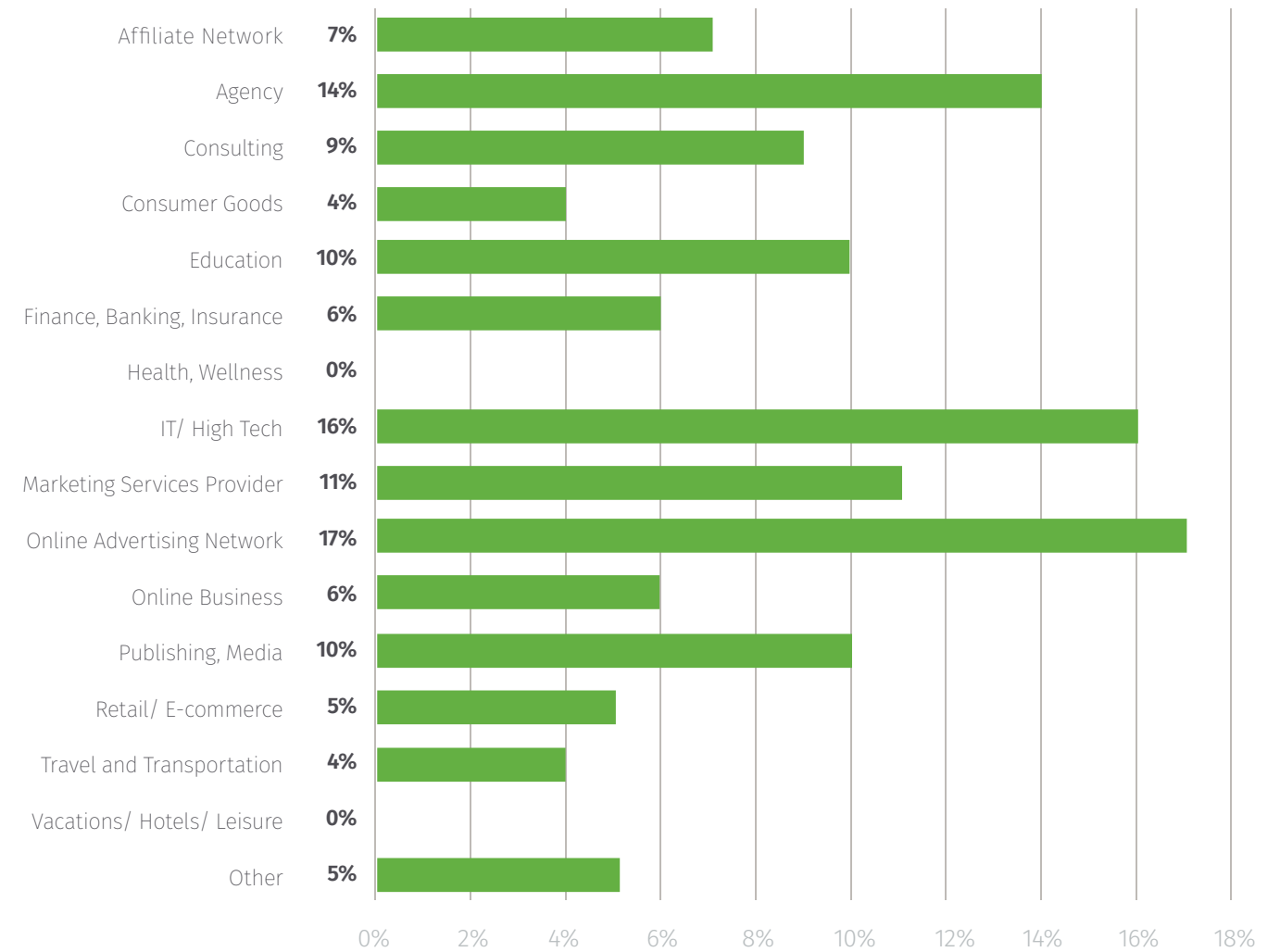


Lead Scoring

It is not a surprise that 0-17% of marketers across the board utilize lead scoring, as this is traditionally a business-to-business technique. However, it is slowly gaining acceptance

in business-to-consumer brands. Online advertising network and IT and high tech are the two sectors that employ this tactic most, with 17% and 16% respectively (Figure 53).

Figure 53

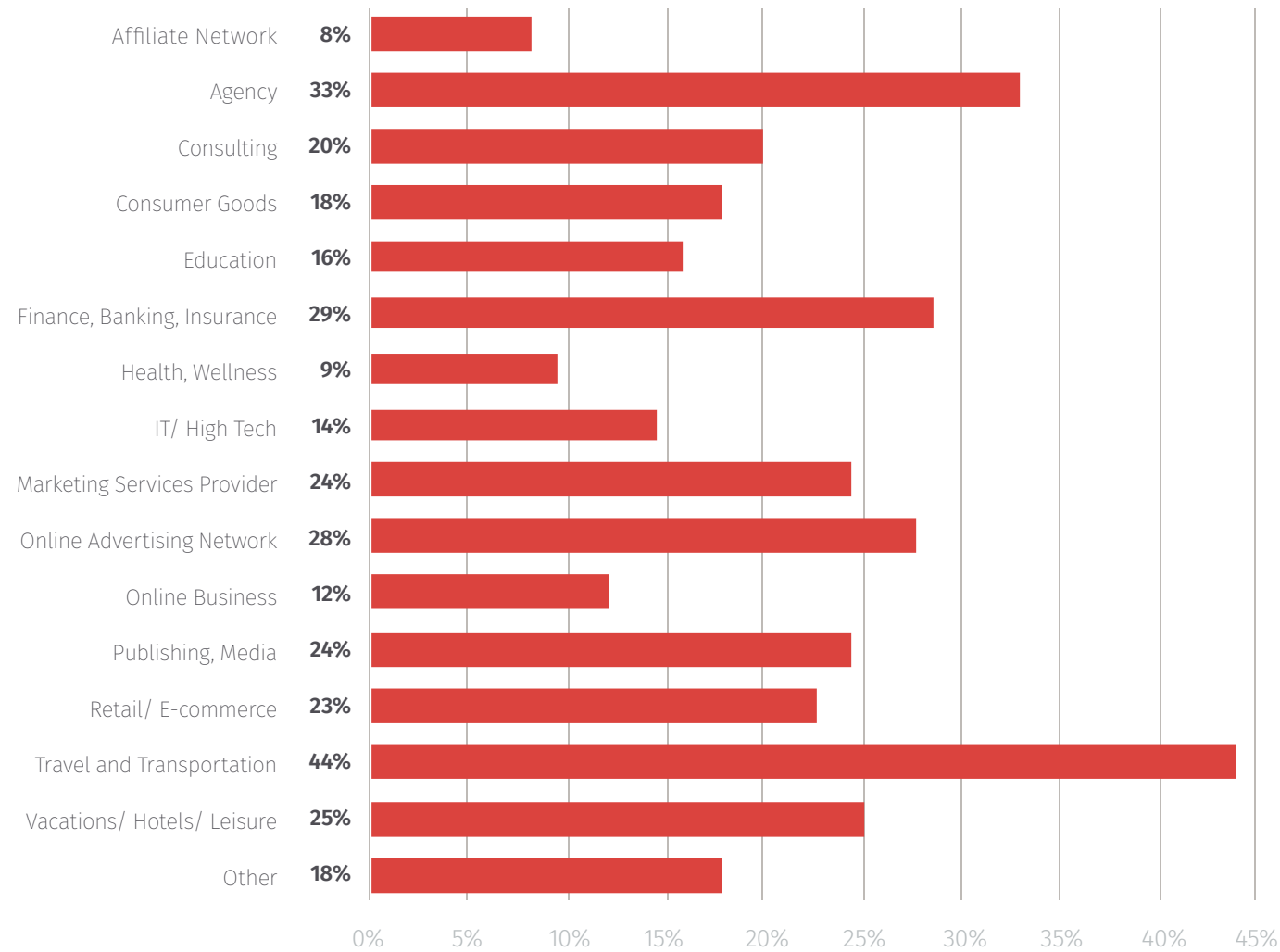


Responsive Email Design

Health and wellness marketers appear to be dragging their heels when it comes to responsive email design, with only 9% saying they use this technique, while travel and

transportation marketers lead the way with 44% (Figure 54).

Figure 54

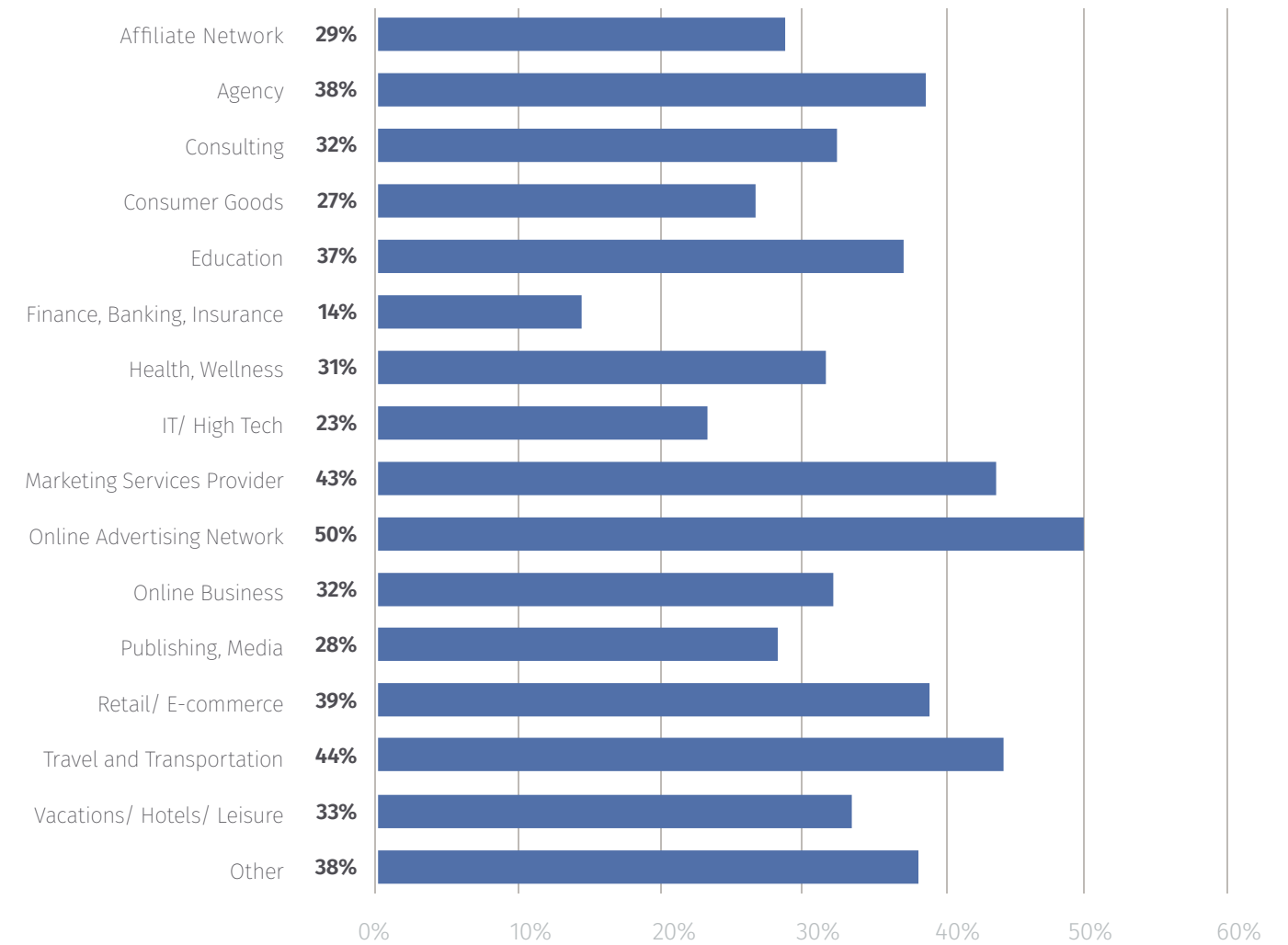


Social Media Integration

It's encouraging to note that most industries use social media to help spread their marketing message, led by travel and transportation, and online advertising networks.

The notable exception is media and publishing, with only 28% of this sector embracing social media. Finance and banking score lowest at 14%, probably due to thorny compliance issues.

Figure 55



Marketing Budget Plans

by Industry

For a foolproof way to find out how industries think — follow the money! When a marketing technique is working, companies are happy to maintain their spending patterns.

But when they see strong potential, they realign budget resources to support the most promising channels. As you'll see, the smart money believes email marketing will be a sure winner in 2016.



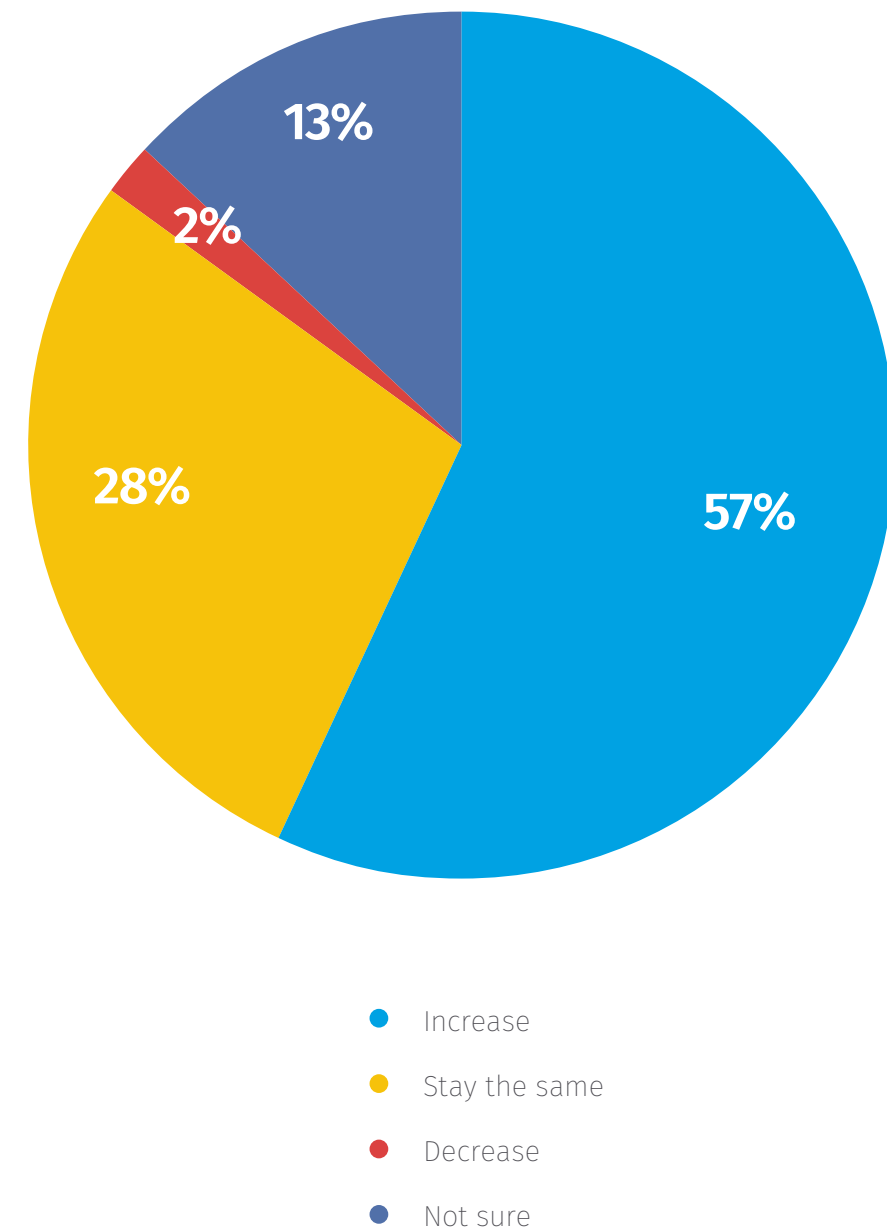
All Industries

It is encouraging to see that email marketing is valued for the impressive results it delivers, with a hefty 57% of marketers stating they will increase budgets for email marketing in 2016 (Figure 56).

When comparing email marketing's future budget (Figure 57) and ROI for each sector (Figure 58), we see lots of missed opportunities. The success of the channel doesn't always reflect a matching budget increase.

Q: How will your budget for email marketing change in 2016?

Figure 56

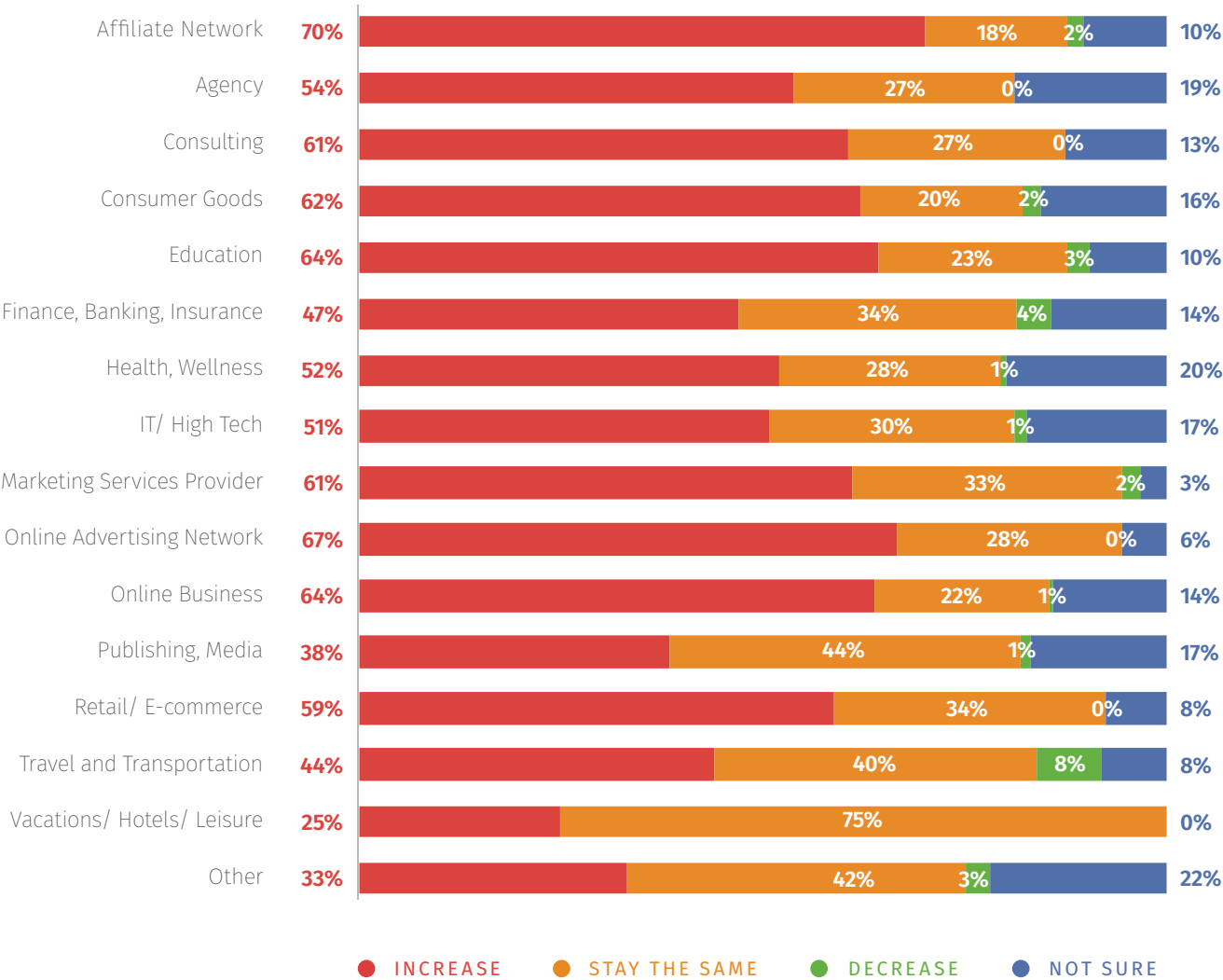


Email marketing as a channel is always evolving and becoming more sophisticated. As brands, for us to maximize new technologies and techniques and deliver on our customer's ever-changing requirements, we need to continually change and evolve our marketing

strategy and tactics. And to make this happen, our budgets need to increase. Email marketing relies on other channels. So to achieve maximum ROI, it is wise to invest in integrations and program automation.

Future Email Marketing Budget

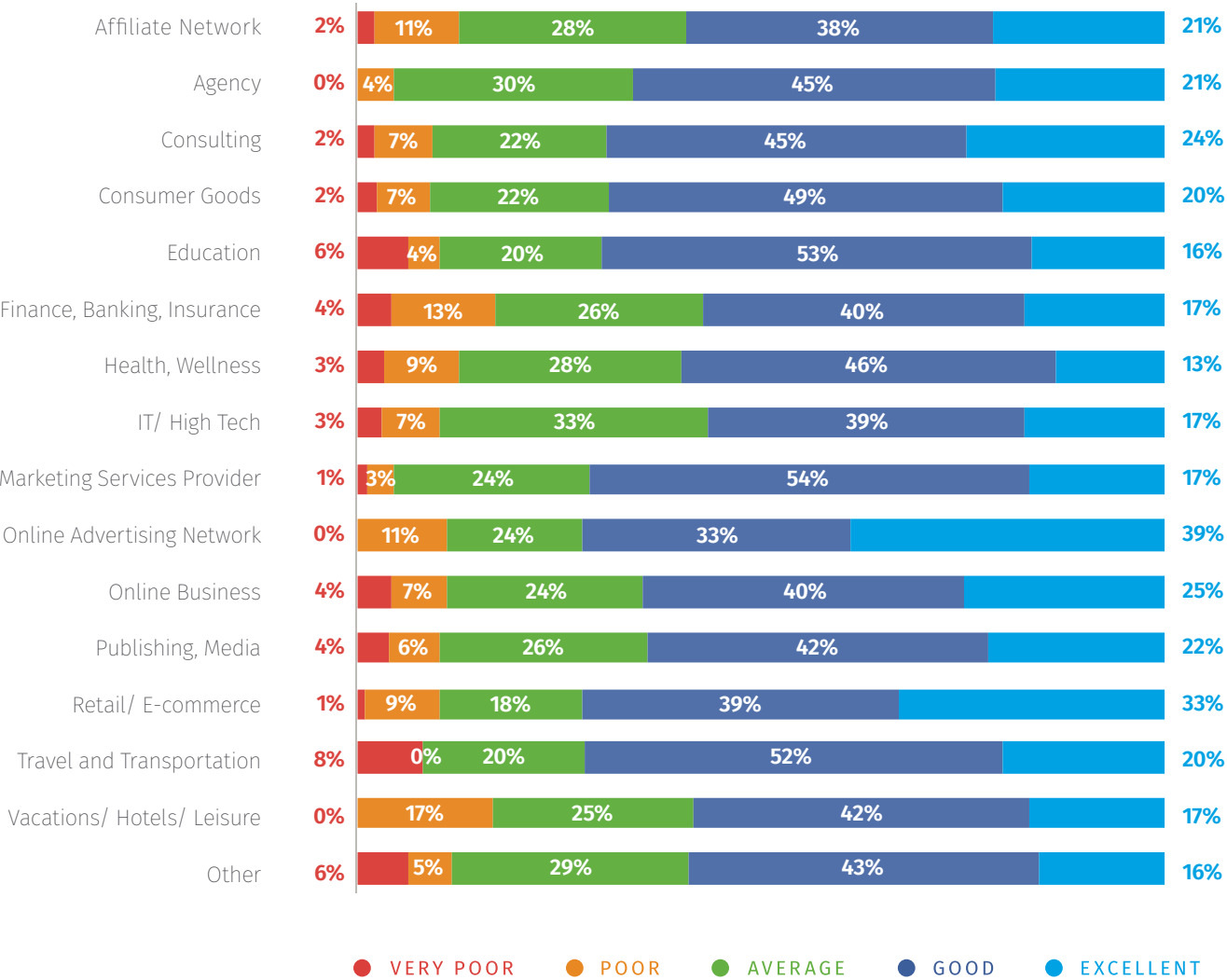
Figure 57



When comparing email marketing's future budget (Figure 57) and ROI for each sector (Figure 58), we see lots of missed opportunities. The success of the channel doesn't always reflect a matching budget increase.

Email Marketing ROI

Figure 58



RECOMMENDATION

Budget

Start to purposefully create a business case for more budget and resources.



Email is often seen as a cheap channel that delivers excellent return on investment with minimal effort. This often results in the budget not being in line with the results it drives. To remedy this, start to purposefully create a business case for more budget and resources. In addition to your open and click metrics, also include conversions and revenue if possible, as this is what is meaningful to decision makers.



Focus on your pain points and identify the additional budget you will need to remedy these pain points. For example, if you lack resource and aim to gain more budget to automate programs to alleviate resource pressure, then focus on one automated program and prove how automation has increased revenue and reduced costs. If you lack time and resources to test every email, then perform a few strategic, meaningful tests and deliver the results to show how you can increase revenue by testing.



Tips and Best Practices

#1

Use a holistic approach and let the email team own the list growth process.

List growth is such a major factor in the success of email marketing – not just the size of your database but also the quality.

So what do I mean by being holistic? Holistic email marketing is a comprehensive approach that widens the focus from email-only to all messaging sources, including:

- Search via PPC, SEO, and SEM
- Opt-in process with the aim of making it more prominent and friction-free
- Landing pages aligned more precisely with search results and email content
- Remarketing to reduce losses from browse and cart abandonment

For list growth, consider PPC ads. The ads are wonderfully easy to test and optimize – in fact, possibly a little too easy. There are countless PPC ads in which testing has been performed on the PPC ad, but marketers haven't followed through with creating a dedicated landing page for each with new creative that maps back to the offer or copy they're testing.

Homebase Foam Mattresses

www.homebase.co.uk/ ▼

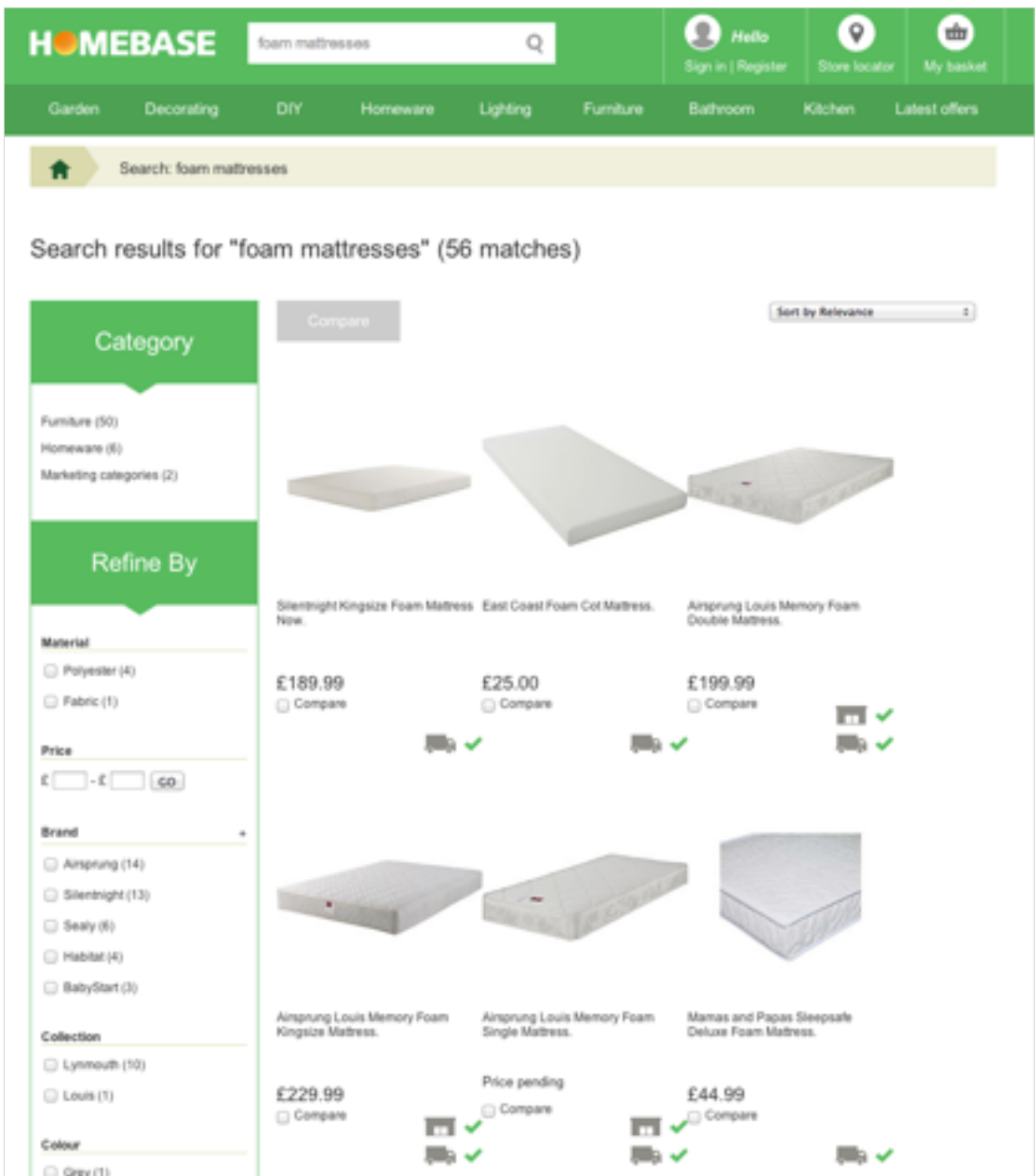
20% Off £150+ Spend on Furniture.

Available Online for Home Delivery!

📍 Rookery Way, The Hyde, London

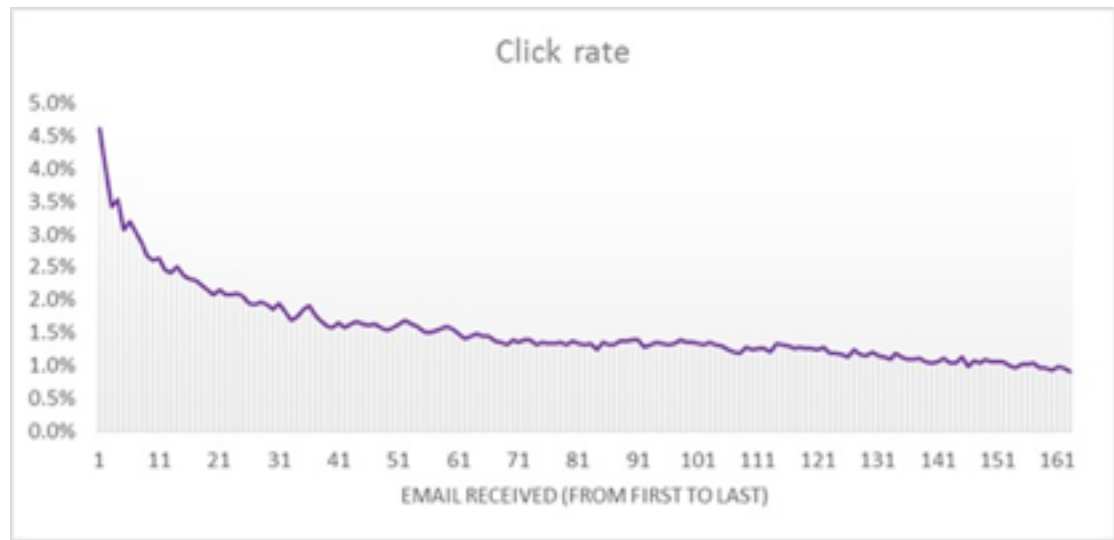
0845 640 7016

Let's take this Homebase Adword ad above for 20% off £150 spend on furniture. Sounds like a good offer –right?



Disconnect! There's no mention of the appealing offer from the PPC ad, so the consumer bounces off the page and leaves. No data captured, no conversion gained, and a very big (and potentially expensive) missed opportunity to gain revenue and grow the email list. And we all know where most of our conversions come from, right? New subscribers and customers.

The chart below shows the effect of subscription length on click-through rate (Alchemy Worx audit for an online publishing company, March 2014). As you can see, they are most engaged and active at the beginning of the relationship.



By taking the holistic approach, you ensure that your list grows as well as it can, which enables you to achieve your KPI's more effectively.

#2

Measure the metrics of success

Does the metric you measure or test match your campaign goal? Don't assume that "maximum opens" equals maximum click-throughs, conversions, registrations, sales, downloads or ROI. Check your historical results – you'll most likely find that, all too often, the subject line that receives the fewest opens generates the maximum ROI.

Don't be lured into thinking that the most important metrics are the most obvious ones, such as opens and click-throughs. While these are helpful metrics that should be measured and can be indicators of success, ultimate decisions shouldn't be based on them. For example, if your objective is to gain webinar registrations, then the number of registrations is the metric of success – not opens and not even click-throughs.

In a test shown on WhichTestWon (as seen below), although Version A had a 10.5% lower open rate, it increased total orders by 21% and increased revenue by 35%!

Version A: Subject Line 1

Reminder: Items Saved in Your Cart – Shop Now for an Extra 10% off

Version B: Subject Line 2

Come back and Save an Extra 10%

#3

Optimize the sending frequency

Make sure you send frequently enough. Too little, and you leave money on the table. Too many marketers use the unsubscribe metric to guide their decision as to the optimal frequency when, in reality, it should be a metric that matters – such as sales, revenue, downloads, etc. (again, measure the correct metric.)

AlchemyWorx reviewed two of their client's (one B2B and one B2C) historical data (link: <http://www.alchemyworx.com/emailworx/2014/strategy/is-this-common-best-practice-costing-your-email-program-millions>). The brands were sending to different groups at different frequencies. They compared the monthly revenue and unsubscribes for those receiving four emails versus those receiving eight emails. The results are below.

What happens when you increase your send frequency from 4/mth to 8/mth?

		B2B	B2C
		Based on actual client data	
Revenue	Audience size	20,000	3,000,000
	i Subscriber Monthly value (4/mth)	\$ 100	\$ 7
	Subscriber Monthly value (8/mth)	\$ 300	\$ 9
	i Additional value	\$ 200	\$ 2
	New revenue per month	\$ 4,000,000	\$ 6,000,000
Unsubscribes	i Monthly unsubscribe volume 4) 1/mth	60	12,000
	Monthly unsubscribe volume (8/mth)	120	24,000
	i Subscribers lost (8/mth-4/mth)	60	12,000
	Lost value per month	\$ 6,000	\$ 84,000
	i Profit	\$ 3,994,000	\$ 5,916,000
Cost of preventing 1 unsubscribe		\$ 66,567	\$ 493

The results are clear – by sending twice as many emails in a month, the B2B customers increased the average purchase from \$100 to \$300 and the B2C from \$7 to \$9. But how did the unsubscribes fare? Did they respond exponentially, as the revenue did? No. They simply doubled – mirroring the increase in frequency. That is, the same number of people who would normally unsubscribe per campaign did so. The unsubscribe percentage didn't increase.

As we can see by the bottom line, the cost of sending fewer emails to prevent an unsubscribe actually costs money by reducing revenues.

#4

Use subject lines to increase opens

Subject lines are where the conversion process begins. So make the most of this opportunity. Here are three simple rules that increase your conversions:

1: Write your subject line first.

The simple act of creating your subject line first helps you to stay focused on the objective of the email and achieve better results. Too often, marketers save writing the subject line until a few minutes before they click the send button, which often results in a hurried and potentially ineffective subject line.

By writing the subject before you do anything else, you not only allow time to craft a persuasive and effective subject line, but you also use the subject line to prepare for a persuasive email, designed to get the reader to take action.

2: Don't overpromise.

You've probably read emails that have a catchy subject line to lure you into opening, yet leave you feeling disappointed when the content doesn't quite live up to its promise.

A subject line should work with other elements of the email to convey your overarching message. Subject lines offer a promise and set expectations, which the content of the email and landing pages needs to deliver.

Disconnects can confuse readers. So even though a clickbait-style subject line might spike subscriber interest, gaining lots of opens, if the content itself doesn't flow from the subject line, this higher open rate won't necessarily result in conversions.

Once you've disappointed your readers and lost their trust, you'll have to work twice as hard to regain it later.

3: Think CURVE when crafting your subject line.

CURVE stands for Curiosity, Urgency, Relevance, Value, Emotion. Use a minimum of two of these in every subject line to ensure your subject line is appealing.

A great example from ASOS uses Curiosity in the form of personification, Urgency, and Emotion.

“Open me quick! I expire at 6 pm, payday treat.”



#5

Test and optimize continually

I could write books about the right and wrong ways to test elements in your email programs, but instead, I'll refrain and ask you to keep these three rules in mind:

1. Always develop a hypothesis.

This is your guess about what the results might be, such as, "An emotional subject line will lead to more conversions than a perfunctory one." The hypothesis should suggest a question that can be answered with yes or no. This will help you structure your testing plan more effectively, especially if you use A/B split testing – the simplest tests to set up and run.

2. Measure the correct metric.

See the numerous examples above.

3. Look beyond one-off test results.

A one-time test shows what worked once. A longitudinal test, which you set up to run over a longer period of time, can give you more reliable results and remove potential anomalies.

Testing is like email. The more you automate it, the better your results will be over time. Build testing into your program from the very start, and your time, energy and resources will be rewarded with in-depth knowledge about what works and what doesn't. And that knowledge can tie directly to revenue.



Methodology

Who participated in the research?

The survey was completed online during July and August 2015. The total sample size was 1831 — a huge “thank you” to those who participated!

Respondent Roles

We surveyed Smart Insights members and GetResponse customers around the world. Smart Insights members were invited to take part through email and social media requests. GetResponse customers were invited to participate 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, a high proportion of respondents were senior managers who were

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.



About the Contributors



About GetResponse

Who we are

[GetResponse](#) is a worldwide leader in email marketing and online campaign management, with more than 350,000 customers in 182 countries. With over 15 years of experience, we continue to deliver excellent online marketing solutions, available in 20 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 organizations that want to implement effective, high-impact campaigns that drive marketing ROI.

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

About Kath Pay, report author



Kath lives and breathes email marketing. She is a world-renowned speaker and trainer and practices her art with her consultancy, Holistic Email Marketing, where she is founder and CEO. Many years ago she coined a phrase, [Holistic Email Marketing](#), and not only practices this approach in her consultancy, but also teaches it to her students and clients. She is one of the World's Top 50 Email Marketing Influencers (Vocus, 2014).

Kath is well-known for her conversion-focused approach and is a huge fan of testing and optimization. She introduced the principles of consumer psychology and behavioral science

to email marketing more than five years ago, and these, combined with conversion-centered design, are applied throughout the customer journey in Kath's holistic approach to email marketing.

She is recognized as one of the UK's leading Email Marketers and heads up training for Econsultancy in the UK on Personalization and Email Marketing. A renowned international speaker, she has spoken at many conferences, which include MarketingProfs events, EmailEvolution Conference in the USA, Media Post's Email Insider Summit Europe & USA, Email Expo Frankfurt, MagentoLive! London, TravelZoom Slovenia, Tecomm Romania, Easyfairs Stockholm, Mailing Conference Russia, plus many more.



About Holistic Email Marketing

Spearheaded by Kath Pay, a recognized industry thought leader, our consultants are some of the most experienced and successful email marketers in the industry, renown for their passion and vision for relationship-driven, holistic marketing strategies.

We help companies of all sizes across all sectors achieve their email marketing objectives. We equip them to think differently about email marketing and help them harness the strengths of email marketing to make it work harder.



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 and 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.



Got questions for the experts?

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