
THE STATE OF

EMAIL MARKETING



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Benchmark Study Report

June 2018

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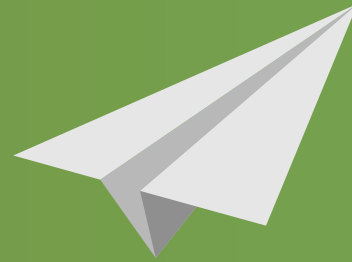
EMAIL MARKETING

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Introduction



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In today's highly competitive environment, the pressure to generate business results through email marketing is immense. The sheer volume of marketing emails sent daily has made it harder than ever before for marketers to stand out from the crowd.

Even those who are able reach the inbox in the first place are finding it increasingly difficult to engage with their target audience in a meaningful way.

While some organizations are doing an exceptional job of contributing to business results, countless organizations are still struggling to achieve a return on their email marketing investment.

Demand Metric partnered with Return Path on research to understand which email marketing tactics are in use, how effective they are, and what challenges exist.

The research effort also pursued an answer to the key question: What separates high-performing email marketers from the rest of the pack?

These study results provide insights and data useful for comparison, planning, and improving email marketing effectiveness.



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Executive Summary



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More than 80 percent of this study's participants were from primarily B2B or mixed B2B/B2C organizations, with more than two thirds reporting a modest or significant increase in revenue during the most recently completed fiscal year.

Nearly one half of participants report that their email marketing effectiveness is improving slightly or significantly.

A detailed analysis of this study's data provides the following key findings:

Key Findings

- Only **6% of study participants report they are not experiencing** any email marketing challenges.



- Study participants who report that their email marketing effectiveness is improving were **five times more likely have specific email marketing objectives in place.**



- Study participants who report below average open rates were **five times more likely to report a significant decline in revenue growth.** They are also more than twice as likely to report purchasing email addresses to add to their list.



- Study participants who are growing revenue were **more than twice as likely to know what other brands are emailing their subscribers.**



- Nearly **three-quarters of study participants with above average open rates** report using technology to preview email campaigns.



- Study participants who report above average open rates were 14 times more likely to report click rates above 15%, 12 times more likely to report having a Sender Score of 95 or greater, and more than **7 times more likely to report that their email marketing effectiveness is improving significantly.**



- Study participants who report **above average open rates, email marketing effectiveness improvement, and revenue-growth know much more about their email subscribers' preferences.** They were also more likely to report using a combination of In House and outsourced resources.



This report details the results and insights from the analysis of the study data. **For more detail on the survey participants, please refer to the [Appendix](#).**

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Email Marketing Objectives



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No one doubts the importance of having email marketing objectives: **only 3% of this study's participants report they don't have any specific objectives in place.**

A wide variety of email marketing objectives exist, so this study first set out to identify the top three email marketing objectives, as shown in **Figure 1.**

The top three email marketing objectives are listed below:

- 1 Communicate with customers**
- 2 Communicate with prospects**
- 3 Build brand awareness**

Some of the "Other Objectives" listed by study participants in the write-in area of the survey include:

- Drive in-store traffic
- Communicate with staff

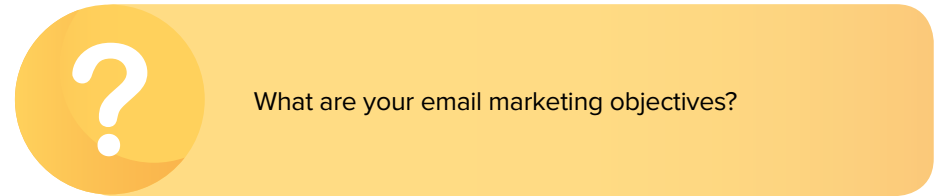
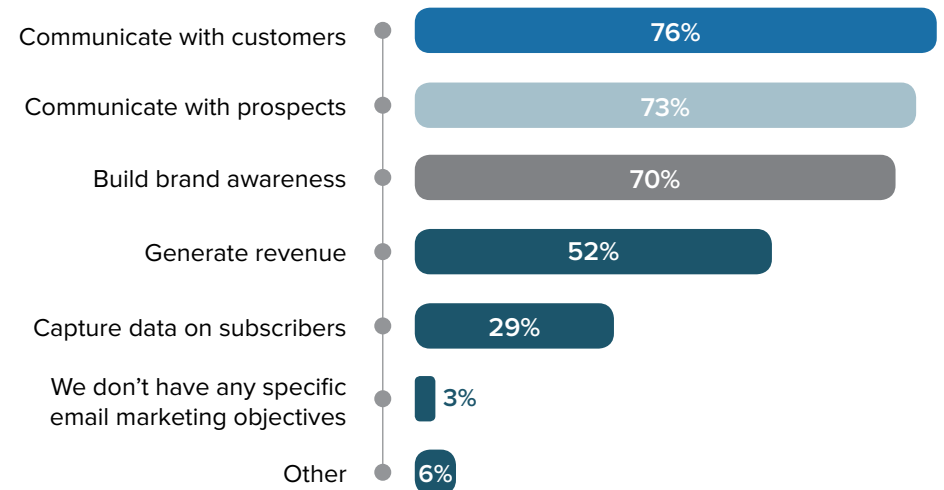


FIGURE 1: EMAIL MARKETING OBJECTIVES

The top three email marketing objectives are to communicate with customers, communicate with prospects, and build brand awareness.



One goal of this study was to determine what separates high-performing email marketers from the rest of the pack.

To accomplish this task, participants were asked to categorize the effectiveness of their email marketing efforts, and the following category options were provided for this rating:

- Declining significantly**
 Email effectiveness is getting considerably worse than before.
- Declining slightly**
 Email effectiveness is getting slightly worse than before.
- Holding steady**
 Email effectiveness is the same as before.
- Improving slightly**
 Email effectiveness is getting slightly better than before.
- Improving significantly**
 Email effectiveness is getting considerably better than before.

The results of this email marketing effectiveness rating are presented in **Figure 2**.

More than half of study participants report their email marketing effectiveness is declining slightly, declining significantly, or holding steady.

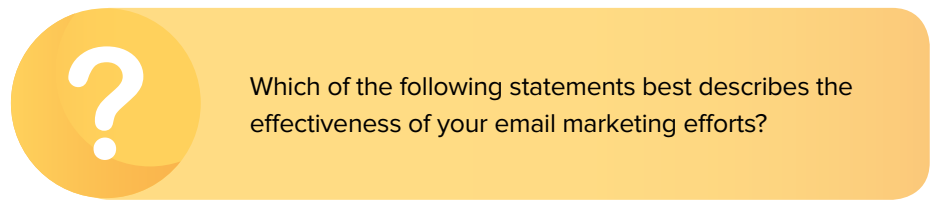
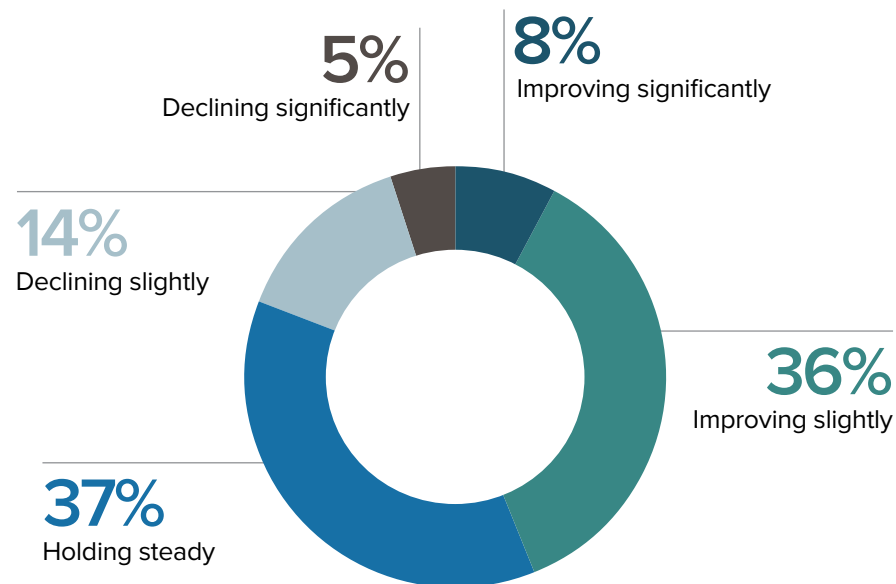


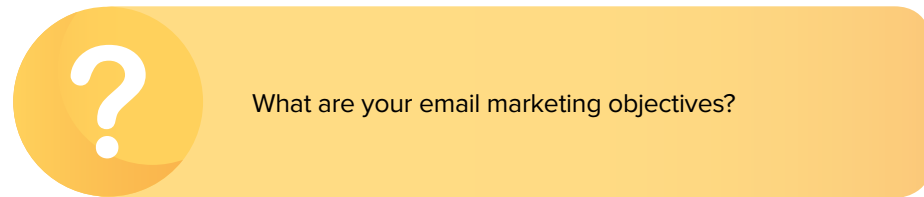
FIGURE 2: EMAIL MARKETING EFFECTIVENESS RATING

Less than half of study participants report their email marketing effectiveness is improving slightly or significantly.



A correlation exists between the use of email marketing objectives, as Figure 1 shows, and the email marketing effectiveness rating shown in Figure 2.

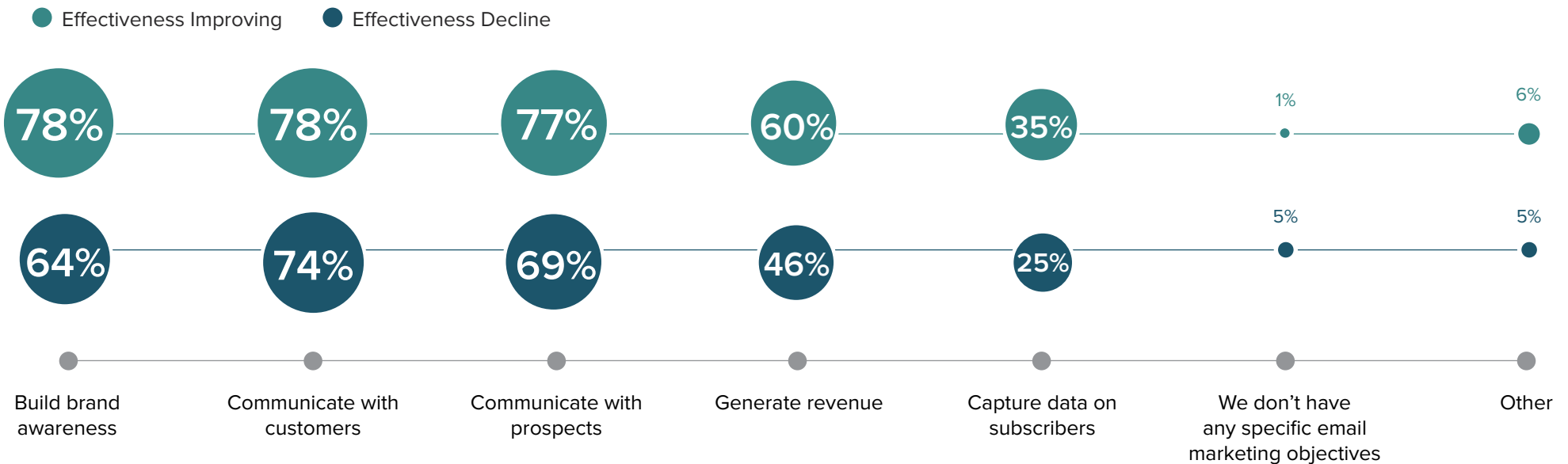
Figure 3 displays this relationship.



Responses to the email marketing effectiveness rating question were grouped into two broad categories: the “Email Effectiveness Decline” category (56%), which includes the “declining significantly,” “declining slightly,” and “holding steady” responses; and the “Email Effectiveness Improving” category (44%), which includes the “improving slightly” and “improving significantly” responses.

FIGURE 3: THE RELATIONSHIP BETWEEN EMAIL MARKETING EFFECTIVENESS AND OBJECTIVES

Survey participants belonging to the “Email Effectiveness Improving” category were five times more likely to report having specific email marketing objectives.



Survey participants belonging to the “Email Effectiveness Improving” category were five times more likely to report having specific email marketing objectives in place.

They were also more likely to report pursuing every single objective listed in the survey, as shown in **Table 1**.

Since “Generate Revenue” was one of the specific objectives listed in the survey question, we wanted to determine whether study participants who report revenue growth are more likely to have “Generate Revenue” listed as a specific email marketing objective.

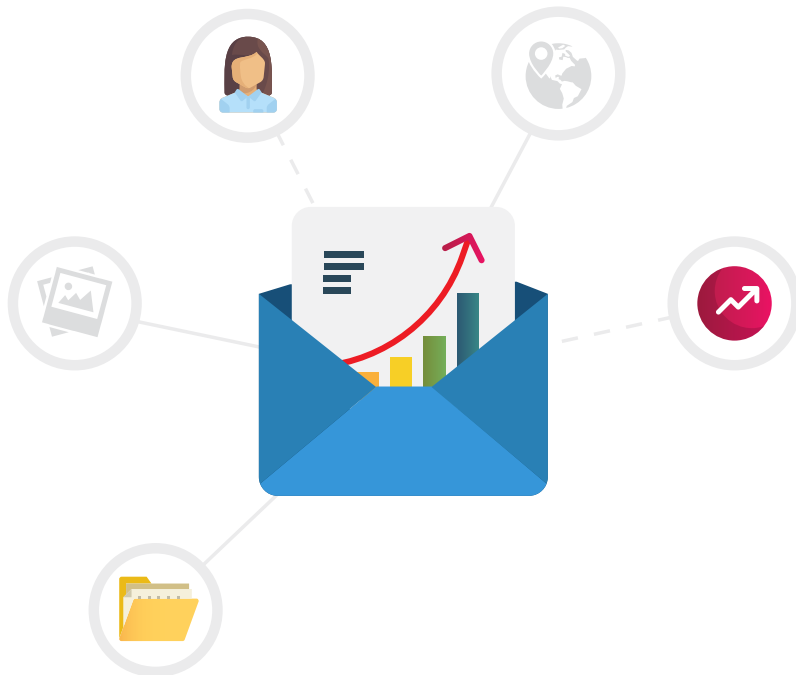


TABLE 1: THE RELATIONSHIP BETWEEN EMAIL MARKETING EFFECTIVENESS AND SPECIFIC OBJECTIVES

Survey participants belonging to the “Email Effectiveness Improving” category were more likely to report pursuing every single objective listed in the survey.

	Email Effectiveness Improving	Email Effectiveness Decline
Build Brand Awareness	78%	64%
Communicate with Customers	78%	74%
Communicate with Prospects	77%	69%
Generate Revenue	60%	46%
Capture Data on Subscribers	35%	25%

To determine the relationship between revenue and email marketing objectives, participants were asked to categorize revenue growth and email marketing, and the following category options were provided for this rating:


- Significant decline in revenue growth
- Modest decline in revenue growth
- Flat or no growth
- Modest increase in revenue growth
- Significant increase in revenue growth

The results of this revenue rating are presented in **Figure 4**.

More than two-thirds of study participants report they experienced modest to significant revenue growth in the last fiscal year (FY17).

The division of revenue into “Revenue Growth” and “Revenue Stagnant” categories was another valuable filter through which to analyze and view other data collected in this study.

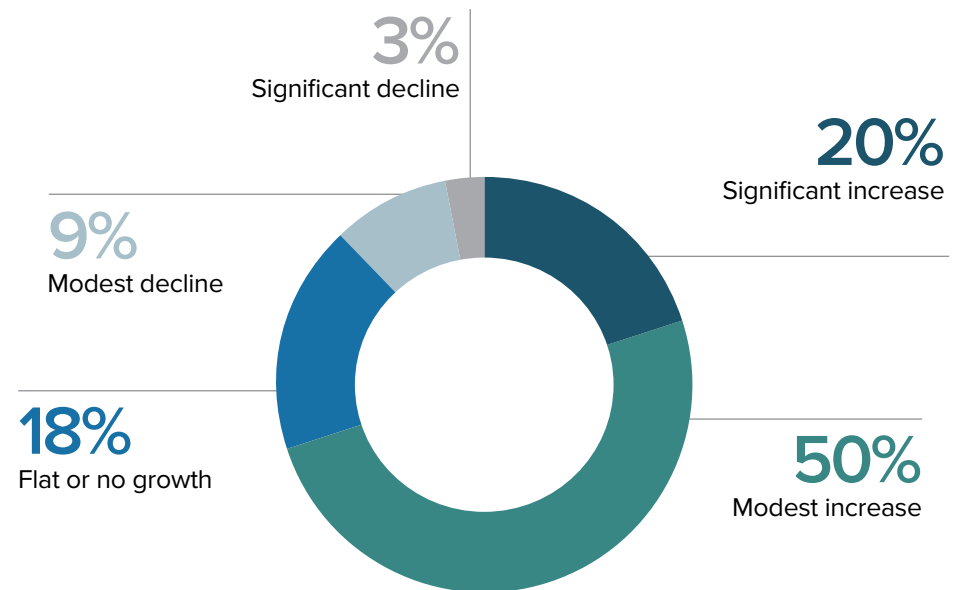
For the analysis that follows, responses to the revenue rating question were grouped into two broad categories: the “Revenue Stagnant” category (30%), which includes the “significant decline in revenue,” “modest decline in revenue,” and “flat or no growth” responses; and the “Revenue Growth” category (70%), which includes the “Modest increase in revenue” and “Significant increase in revenue” responses.



What statement best describes the revenue growth at your company during the most recently completed fiscal year?

FIGURE 4: REVENUE GROWTH IN LAST FISCAL YEAR (FY17)

70% of study participants report a modest to significant increase in revenue growth in the last fiscal year.



A correlation also exists between the use of email marketing objectives, as Figure 1 shows, and the revenue categories shown in Figure 4. **Figure 5** displays this relationship.

Compared to revenue-stagnant companies, survey participants who report they experienced revenue growth during the most recently completed fiscal year were more likely to report “Generate Revenue” as a specific objective.

Revenue-growth companies were also more likely to report all of the email marketing objectives listed in the survey, as shown in **Figure 5**.

What statement best describes the revenue growth at your company during the most recently completed fiscal year?

Further analysis revealed that study participants who report “significant revenue growth” in the last fiscal year were twice as likely to report “Generate Revenue” as an email marketing objective, compared to those who experienced a “significant decline in revenue.”

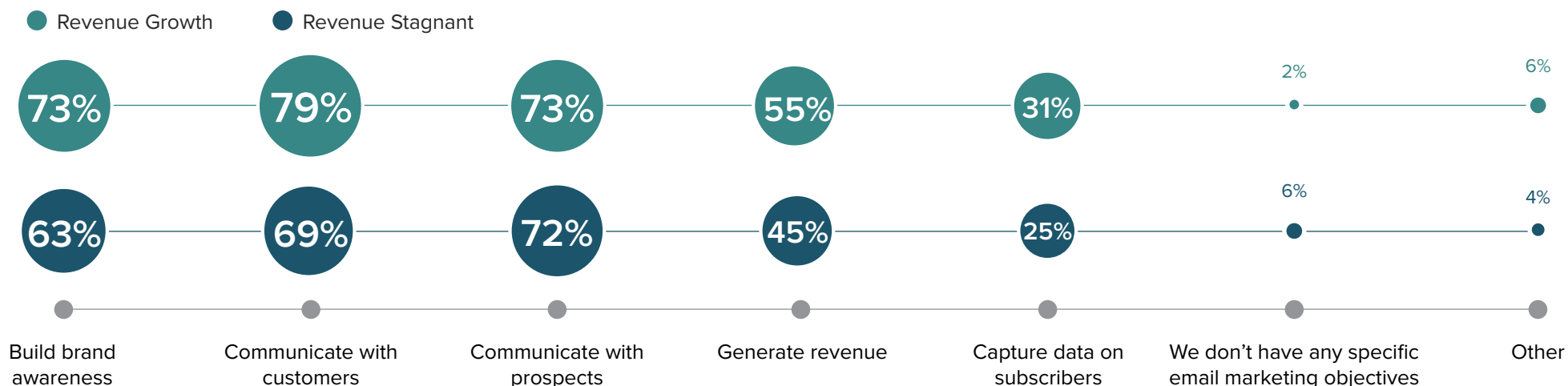
In order to ensure email success, marketers must have a clearly defined set of objectives. Study participants who report improving email marketing effectiveness and revenue-growth in the last fiscal year are more likely to have email marketing objectives in place.

The “Email Marketing Effectiveness” and “Revenue Growth” categories will both serve as important points of comparison throughout the remainder of this report.

In the next section of this report, we explore email marketing challenges.

FIGURE 5: THE RELATIONSHIP BETWEEN EMAIL MARKETING OBJECTIVES AND REVENUE GROWTH

Compared to revenue-stagnant companies, revenue-growth companies were more likely to report all of the email marketing objectives listed in the survey.



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Email Marketing Challenges



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This study conducted an inventory to determine which challenges are currently plaguing marketers.

Figure 6 displays a summary of these challenges.

Only 6% of study participants report they are not experiencing any email marketing challenges.

In the past, there was an expectation that any email sent would be received and read by the recipient. Today, however, competition for attention in the inbox is fierce, with more than half of study participants reporting it as a challenge. As a result, it is more important than ever before to send timely, relevant, and interesting content to email recipients.

The top five email marketing challenges that survey participants face are listed below:

- 1 **Competition for attention in the inbox** (54%)
- 2 **Staffing/resource constraints** (41%)
- 3 **Low visibility into email performance** (26%)
- 4 **Poorly defined metrics** (26%)
- 5 **Email deliverability** (25%)

In an effort to determine which factors differentiate high-performing email marketers from the rest of the pack, this study looked at the impact of open rates; specifically, whether higher open rates led to greater email marketing success and what high-performing marketers were doing differently.

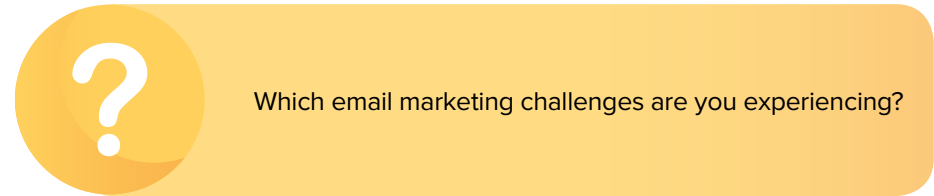
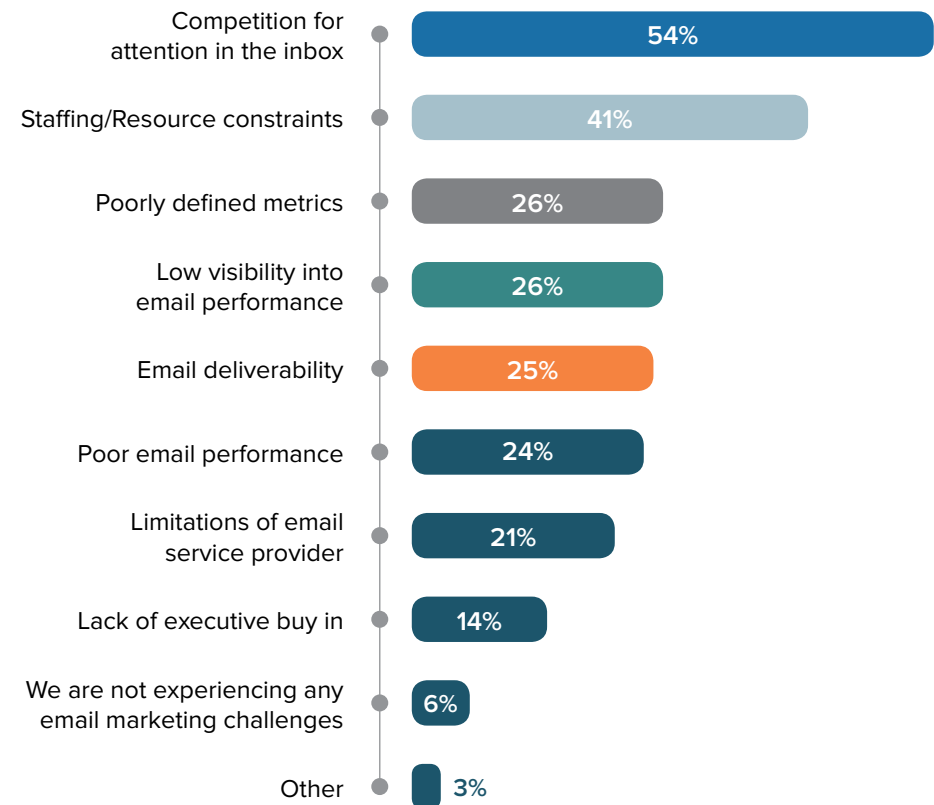


FIGURE 6: EMAIL MARKETING CHALLENGES

Competition for attention in the inbox is a challenge for over half of study participants.



To determine the relationship between email marketing performance and open rates, participants were first asked to share their average open rate for bulk email sends, and the following category options were provided for this rating:

- 5% or less
- 6% to 10%
- 11% to 15%
- 16% to 20%
- 21% to 25%
- More than 25%

The results of this open rate question are presented in **Figure 7**.

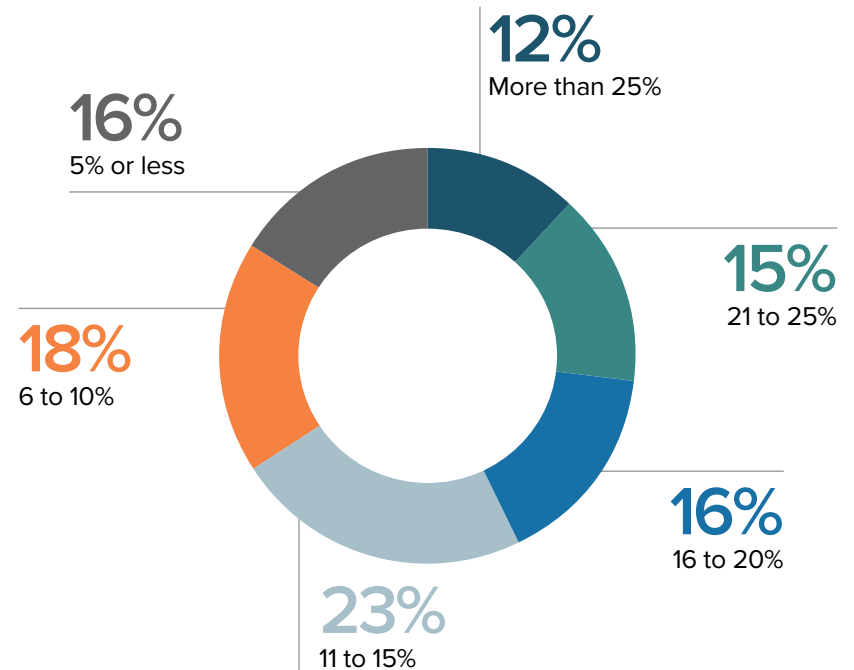
More than one-third of study participants report their average open rates for bulk email sends is less than 10%.

According to the 2017 DMA Response Rate Report, when sending email to a prospect list, the average open rate was reported as 16.8%. This industry benchmark was used to group responses to the open rate question into two broad categories: the “Above Average Open Rates” category (43%), which includes all open rates 16% and higher; and the “Below Average Open Rates” category (57%), which includes all open rates 15% or less.



FIGURE 7: AVERAGE EMAIL OPEN RATES FOR BULK SENDS

Just over one-third of survey participants report their average open rates for bulk email sends is 10% or less.



A correlation exists between email marketing challenges, as shown in Figure 6, and the open rate categories shown in Figure 7.

Figure 8 displays this relationship.

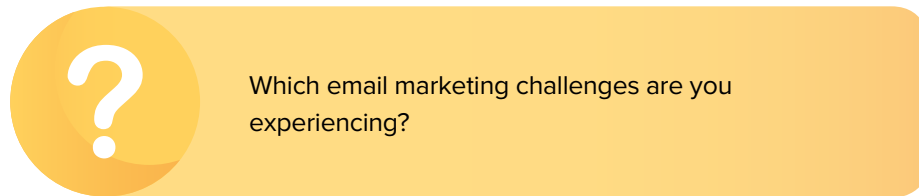
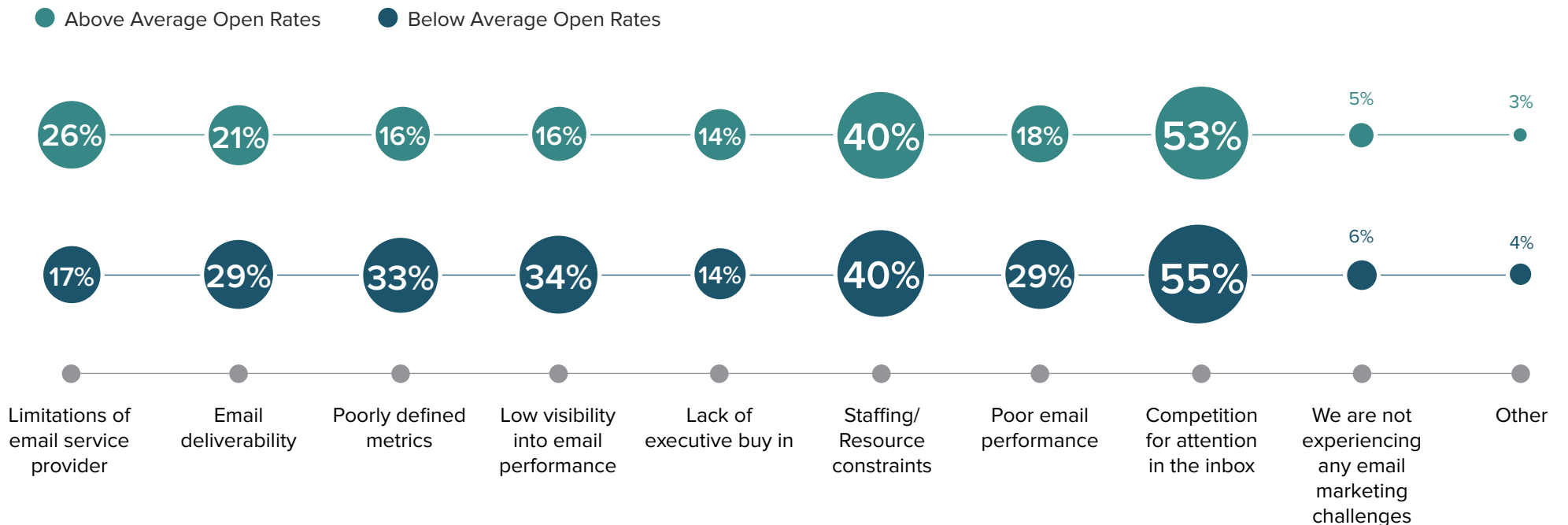


FIGURE 8: EMAIL MARKETING CHALLENGES AND OPEN RATES

Competition for attention in the inbox remains a universal challenge for most organizations.



Study participants who report above average open rates were less likely to suffer from poor email performance, low visibility into email performance, poorly defined metrics, and the challenges associated with email deliverability.

The study found that several email marketing challenges are universal for most organizations. Survey participants who fell into the “Above Average Open Rates” and “Below Average Open Rates” categories both reported the following challenges at nearly the same percentage:

- Competition for attention in the inbox
- Staffing/resource constraints
- Lack of executive buy-in

Interestingly, when comparing revenue-growth companies to revenue-stagnant companies, revenue-growth companies were more than twice as likely to have executive buy-in than revenue-stagnant companies.

Although speculative, perhaps revenue-growth companies are doing a much better job of measuring their contribution and business impact by attributing revenue to their efforts, thus securing buy-in and support from the executive team.

The second most frequently reported challenge was “Staffing/Resource Constraints,” reported by 41% of study participants.

In an effort to determine whether staffing and resources can impact results, we first asked study participants about the resources used to support their organization’s email efforts, as shown in **Figure 9**.

Nearly three-quarters of study participants report using “In House Only” resources, while just over one-quarter of survey participants report using “Both In House and Outsourced” resources to support their email marketing efforts.

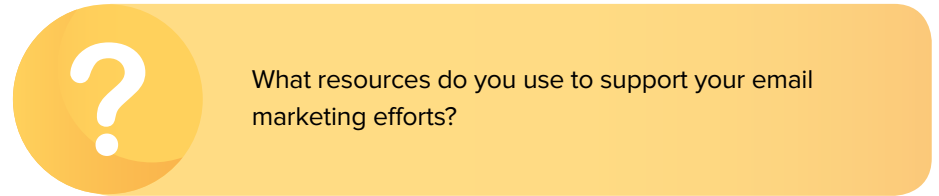
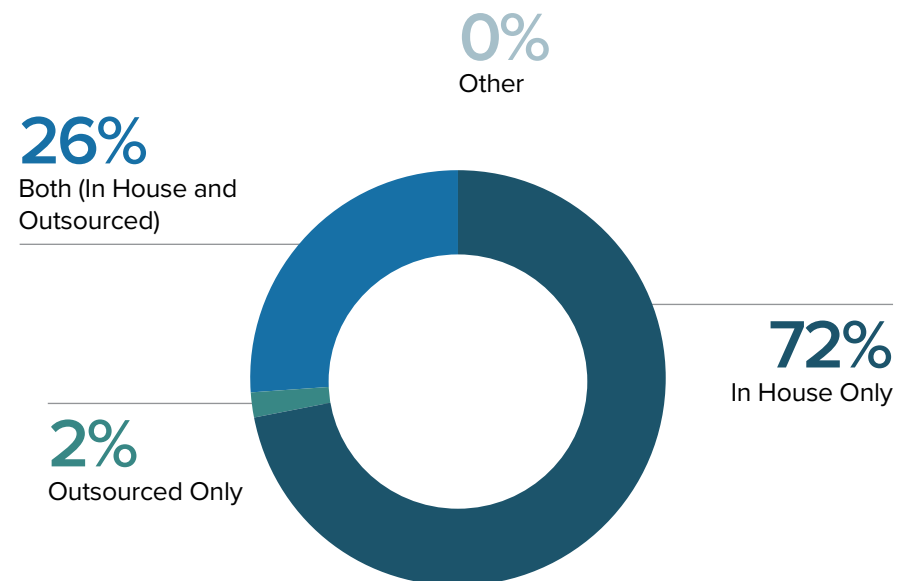


FIGURE 9: EMAIL MARKETING RESOURCES IN USE

The vast majority of study participants report using “In House Only” resources.



A further analysis using the open rate categories described earlier yielded the following results, shown in **Figure 10**.

Study participants who report above average open rates were more likely to use “Outsourced” or a combination of “In House and Outsourced” resources.

Remarkably, these results were also echoed by study participants who report their email marketing effectiveness is improving, as well as by participants who report revenue growth in the last fiscal year.

If your email marketing results are not meeting or exceeding expectations, your organization might benefit from leveraging outsourced resources and subject matter expertise.

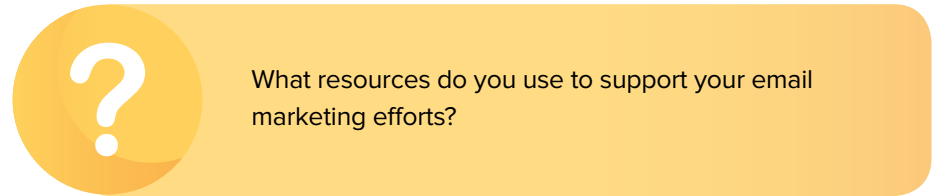
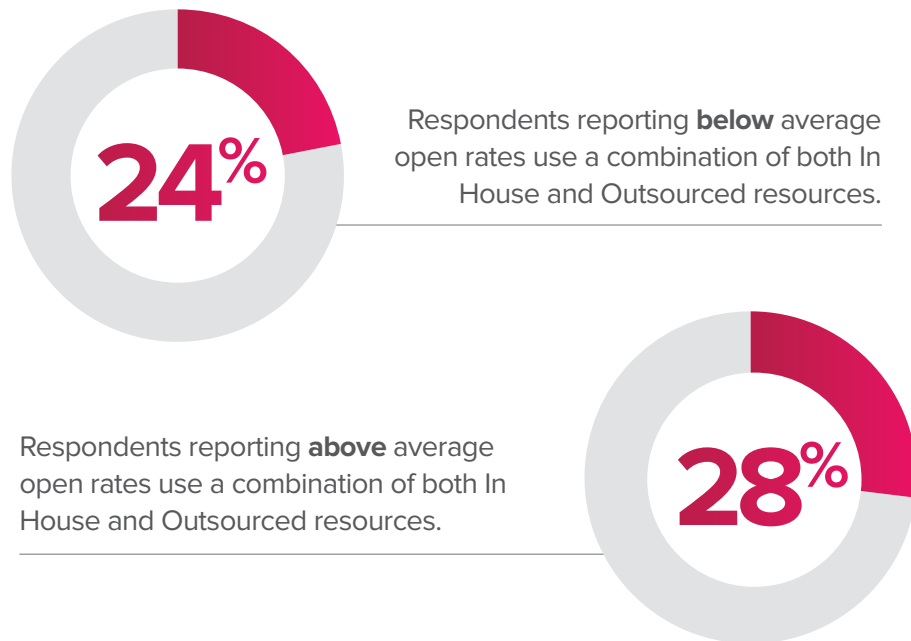
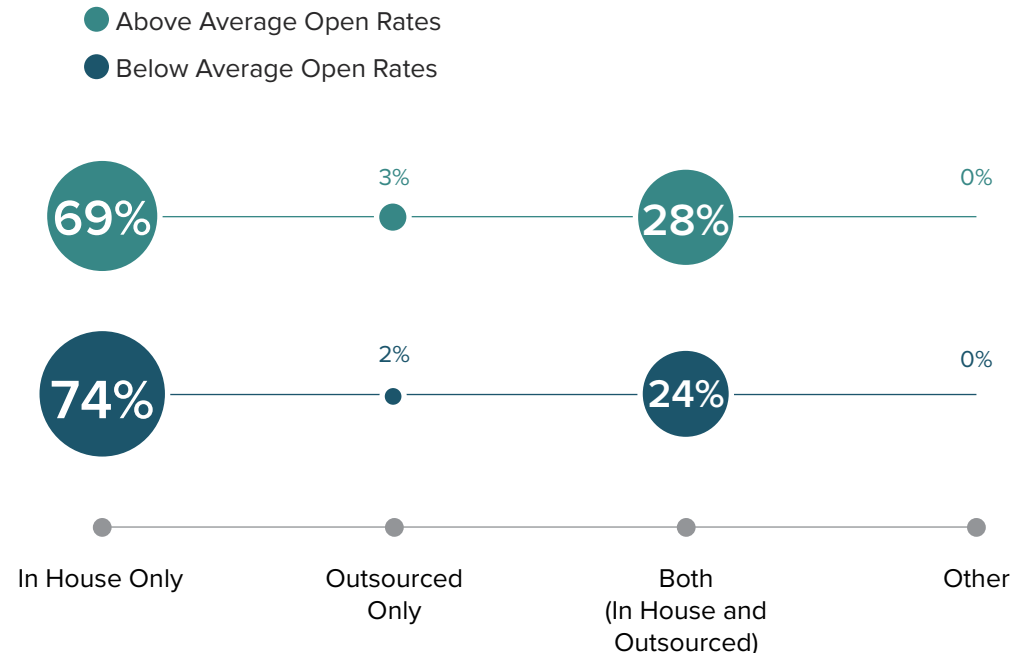


FIGURE 10: EMAIL MARKETING RESOURCES AND OPEN RATES

Study participants who report above average open rates were more likely to use “Outsourced” or a combination of “In House and Outsourced” resources.



Another frequently reported challenge was email deliverability, with one-quarter of study participants reporting it as a challenge.

Although deliverability issues can be addressed using a wide variety of approaches, it is not uncommon for organizations to address this challenge by changing their email service provider (ESP) or adding a new dedicated IP address, as shown in **Figure 11**.

Nearly one quarter of study participants report changing their ESP or adding a new dedicated IP address in the last two years.

There are a wide variety of reasons why companies change their ESP. **To dig a bit deeper, we asked survey participants about the reasons for changing their ESP**, and the following responses were provided:

- Substandard user experience
- Diminishing email results
- Lack of customer support
- Cost
- Technical limitations
- Email deliverability
- To get a fresh start
- Other

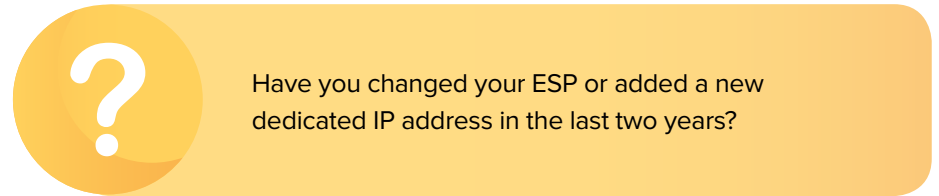
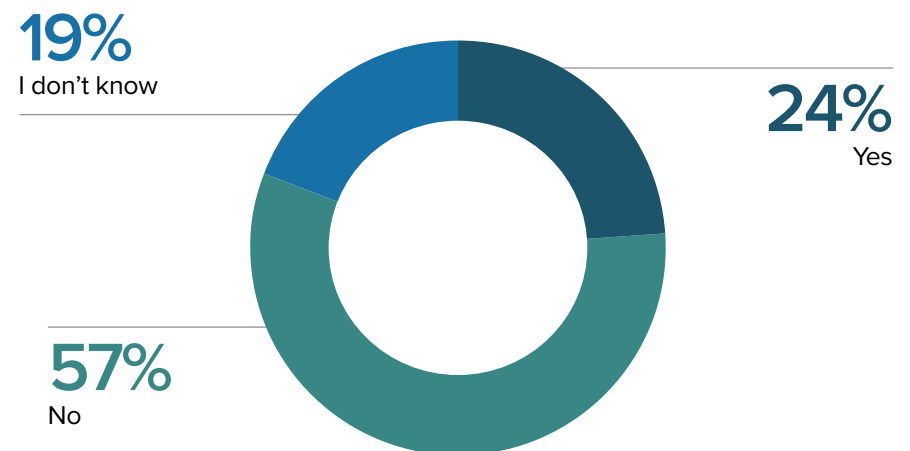


FIGURE 11: COMPANIES THAT REPORT CHANGING THEIR ESP/ ADDING A NEW DEDICATED IP ADDRESS

Nearly one quarter of study participants report changing their ESP or adding a new dedicated IP address in the last two years.



A correlation exists between the reasons for changing an ESP or adding a new IP address and the open rate effectiveness rating shown in Figure 7.

Figure 12 displays this relationship.

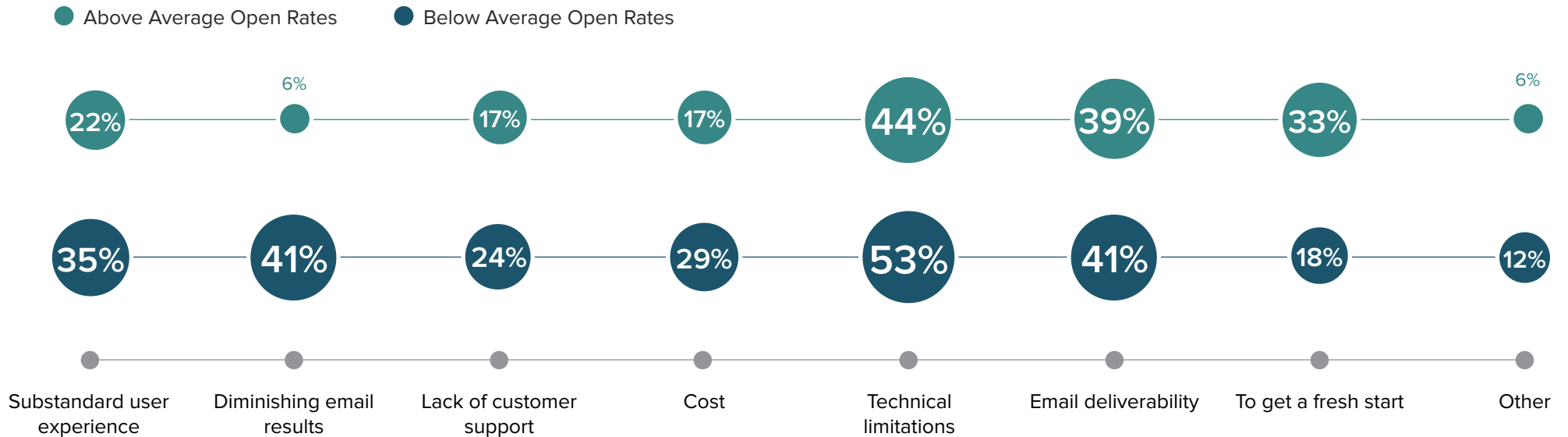
Which of the following reasons best describes why you changed your ESP or created a new dedicated IP address in the past two years?

The top three reasons that survey participants changed their ESP or added a new dedicated IP address in the past two years are listed below:

- 1 **Technical limitations** (50%)
- 2 **Email deliverability** (41%)
- 3 **Substandard user experience** (30%)

FIGURE 12: REASONS FOR CHANGING ESP/CREATING A NEW DEDICATED IP ADDRESS AND OPEN RATES

Study participants with below average open rates were over six times more likely to change their ESP due to diminishing email results.



For survey participants who report above average open rates, 33% report the reason for changing their ESP or creating a new dedicated IP address was “To get a fresh start,” compared to only 18% of study participants with below average open rates who report the same reason.

On the other hand, study participants with below average open rates were over six times more likely to change their ESP due to diminishing email results.

Another factor for study participants who report below average open rates was cost, with **29% of survey participants reporting it as a reason for change, compared to 17% of study participants with above average open rates.**

Finally, study participants who report below average open rates were more likely to report a substandard user experience as a reason for change, with **35% of study participants selecting it as a reason, compared to only 22% of study participants with above average open rates.**

Organizations that report above average open rates, those who are experiencing an improvement in email marketing effectiveness, and revenue-growth companies are all experiencing different types of challenges than companies that are underperforming.

In the next section of this report, we explore the tactics and technology in use by high-performing email marketers.



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Email Marketing Tactics & Technology



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A wide variety of email marketing tactics are being used by marketers, and this study conducted an inventory to determine which tactics are currently in use, as shown in **Figure 13**.

Email personalization was the top tactic reported by study participants with 68% reporting its use, followed by email list management (67%), subject line optimization (50%), A/B testing (39%), and email deliverability optimization (36%).

Email marketing efforts are known to provide the highest return when marketers proactively build and maintain an engaged list, so it is no surprise that the second most frequently reported tactic in use was “email list management.”

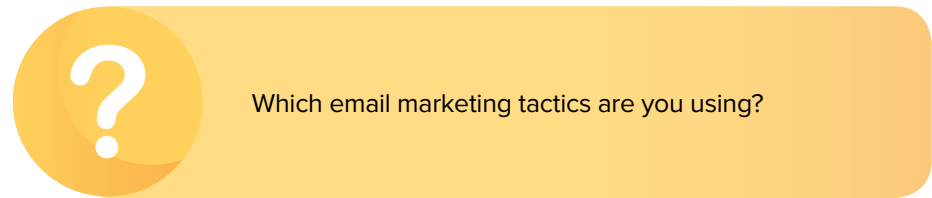
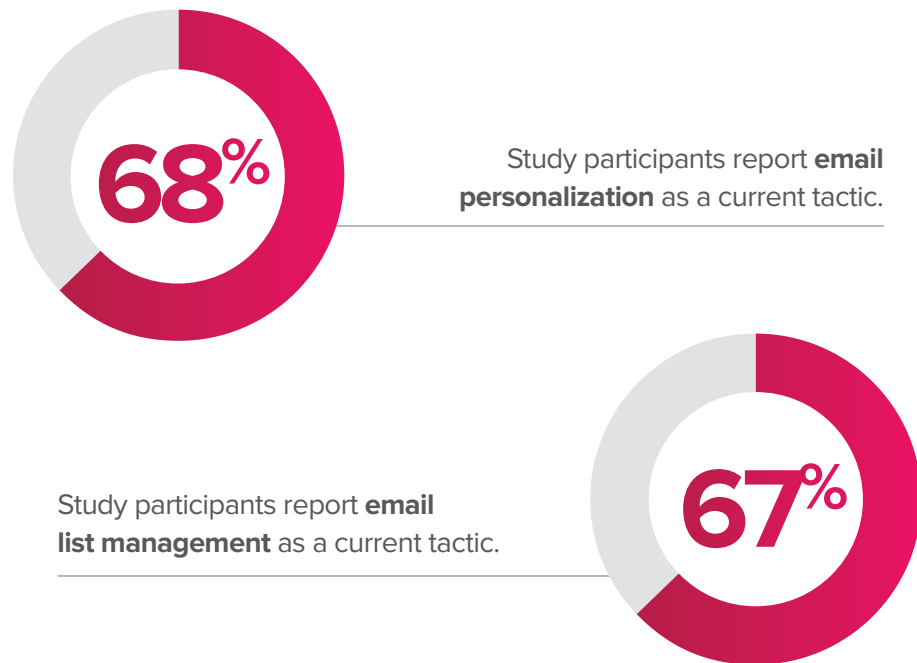
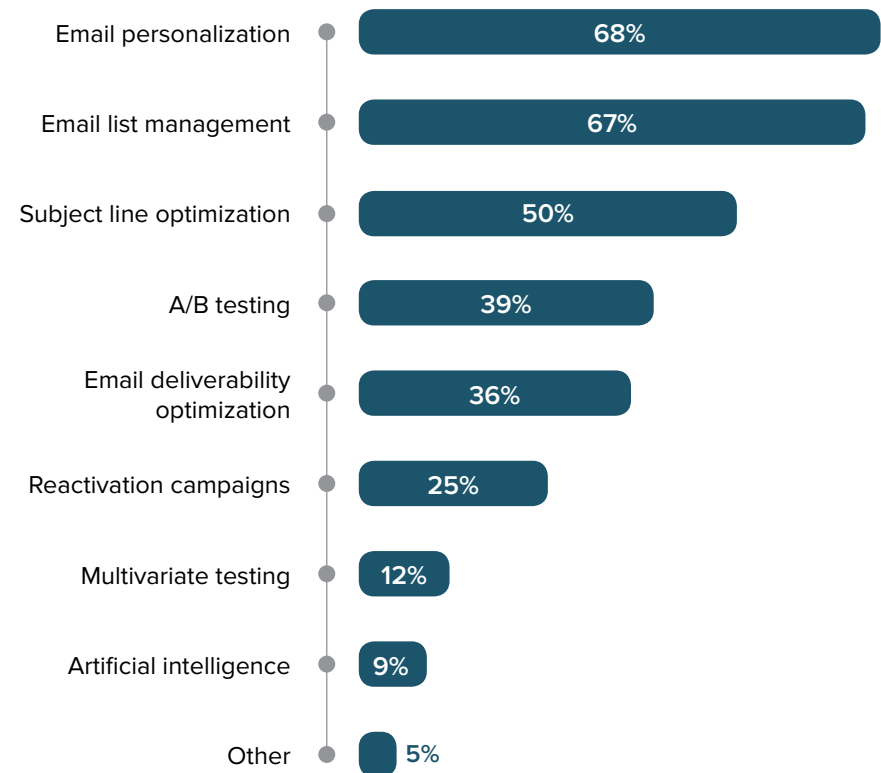


FIGURE 13: EMAIL MARKETING TACTICS

The most popular email marketing tactic is personalization, with more than two-thirds of study participants reporting its use.



Using the open rate categories for further analysis yielded some valuable insights on the email marketing tactics in use, as shown in **Figure 14**.

Almost every single tactic in use was more likely to be reported by study participants with above average open rates, when compared to study participants with below average open rates.

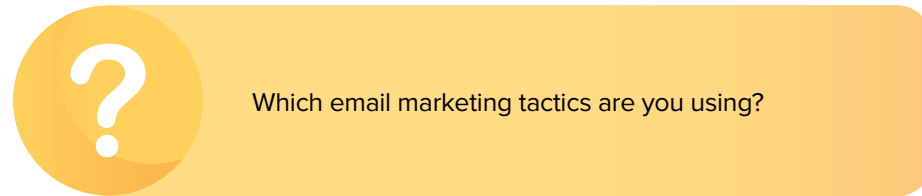
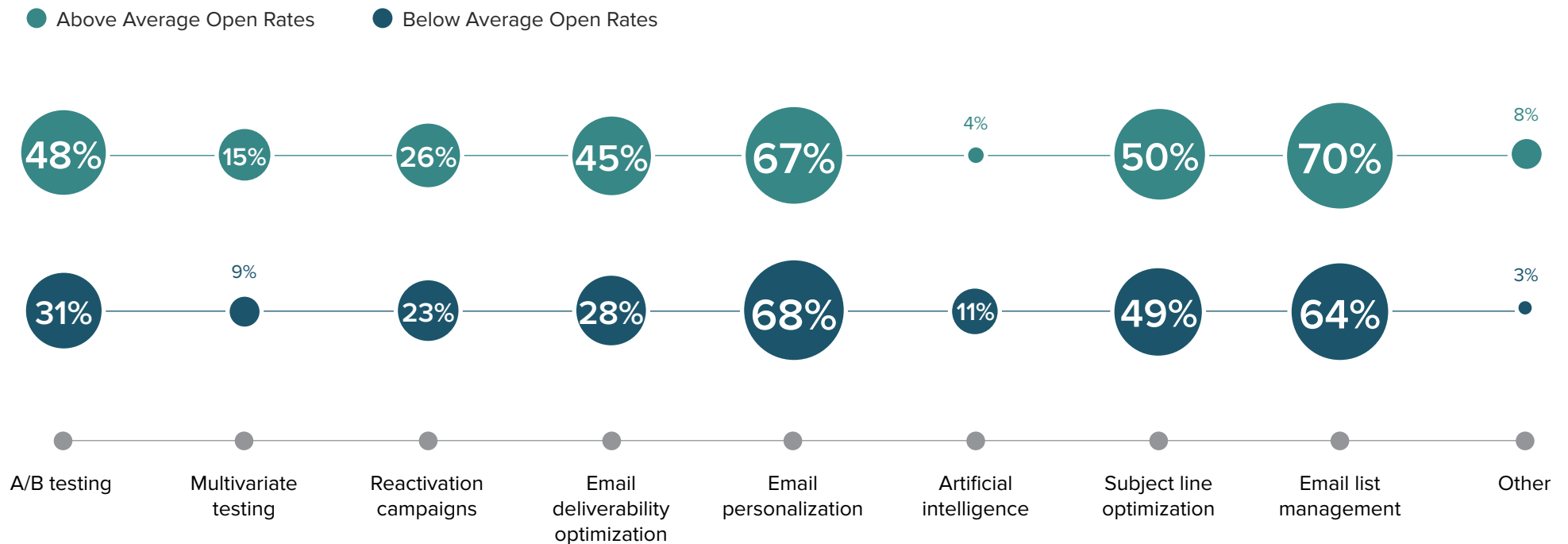


FIGURE 14: EMAIL MARKETING TACTICS AND OPEN RATES

Almost every single tactic in use was more likely to be reported by study participants with above average open rates.



The most notable deltas are listed in **Table 2**.

Artificial Intelligence (AI) was included in this research study as an emerging tactic.

Although study participants with below average open rates are more likely to report its use, **10% of study participants who report their email effectiveness is improving also report using AI technology, compared to only 7% of study participants who report email effectiveness declining.**

Since AI technology is still in its infancy, many email marketers are still trying to understand how to leverage AI as it applies to email marketing.

As reported in **Demand Metric's 2018 Martech Adoption Study**, marketing organizations that position themselves near the front of the technology adoption cycle are getting better returns on their martech investments.


Since those who have adopted AI are also more likely to report their effectiveness is improving, we fully expect that those who appear early on the adoption curve will reap the rewards of this new and exciting technology.

TABLE 2: ABOVE AVERAGE OPEN RATES AND TACTICS IN USE

The biggest deltas between above and below average open rates are found in A/B testing, email deliverability optimization, and multivariate testing.

Tactic	Above average open rates	Below average open rates
A/B testing	48%	31%
Email deliverability optimization	45%	28%
Multivariate testing	15%	9%

We wanted to know if survey participants who report above average open rates are doing anything differently to maintain the lists they use for marketing or lead generation.



How do you maintain the email address list you use for marketing or lead generation?

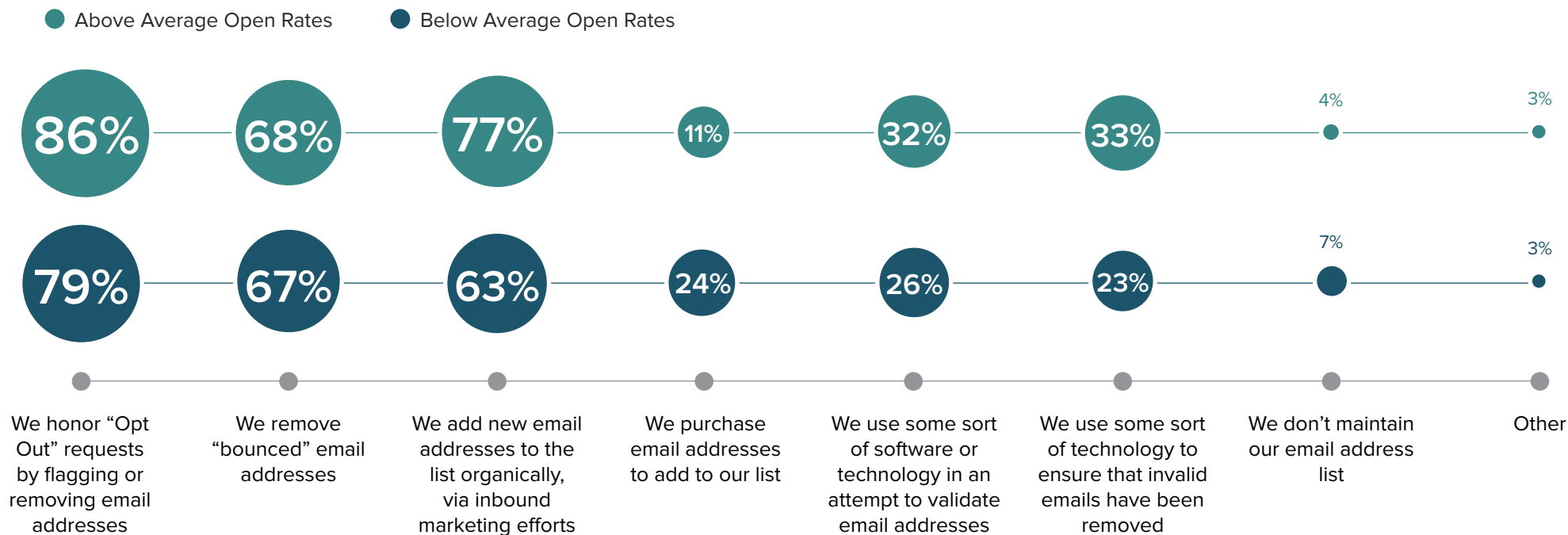
The results of this analysis are shown in **Figure 15**.

Survey participants with below average open rates were more than twice as likely to purchase email addresses to add to their list.

Conversely, survey participants with above average open rates are more likely to adhere to email marketing best practices by maintaining their email lists, honoring opt-outs, removing bounces, adding organically to their list through inbound efforts, using technology to validate email addresses, and using technology to ensure invalid emails have been removed.

FIGURE 15: EMAIL LIST MAINTENANCE AND OPEN RATES

Survey participants with above average open rates are more likely to adhere to email marketing best practices.



More than 50% of survey participants report that subject line optimization was an email marketing tactic in use. But are survey participants with above average open rates using more advanced and sophisticated techniques for optimizing subject lines? We wanted to find out.

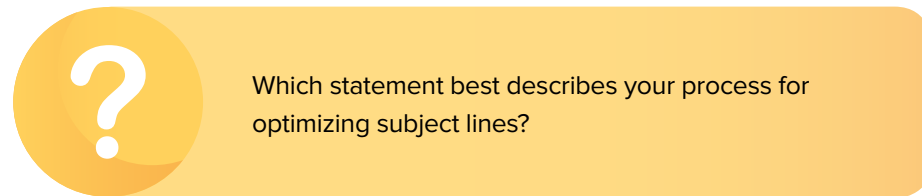


FIGURE 16: PROCESS FOR OPTIMIZING SUBJECT LINES AND OPEN RATES

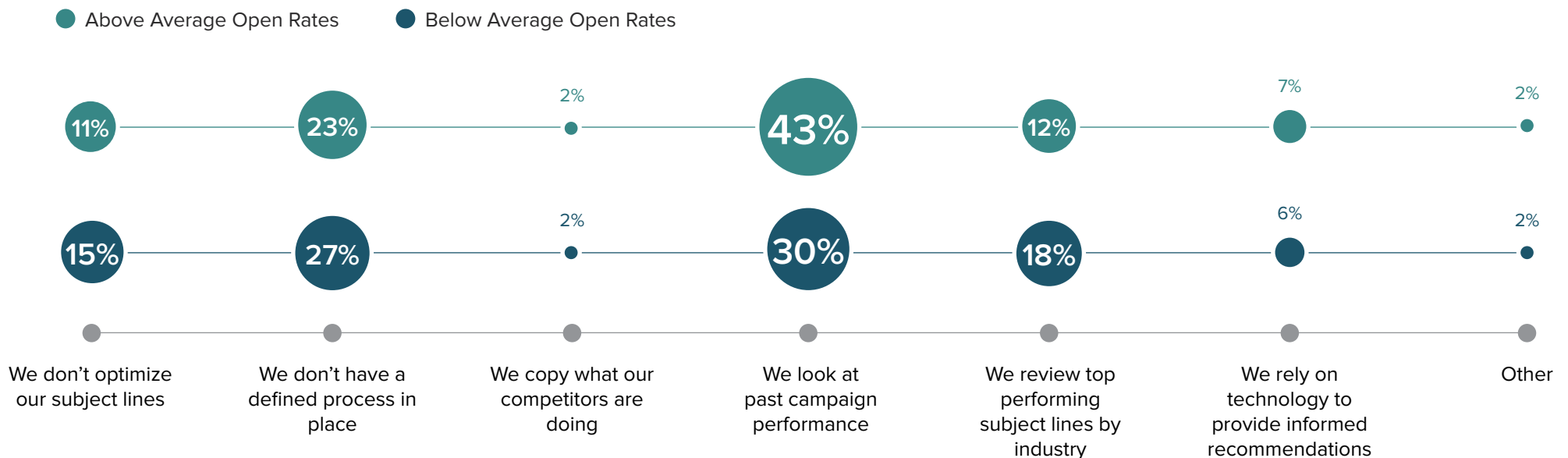
Study participants who report above average open rates are more likely to rely on technology to provide informed recommendations.

The results of the open rates category and subject line optimization process are shown in **Figure 16**.

Study participants who report below average open rates are more likely to report they do not optimize their subject lines. They are also more likely to report they don't have a defined process in place.

Finally, study participants with below average open rates are more likely to copy what their competitors are doing and to review top-performing subject lines by industry.

Study participants with above average open rates are more likely to optimize subject lines by reviewing past campaign performance, and to rely on technology to provide informed recommendations.



High-performing email marketers are not only relying on technology to provide informed subject line recommendations; there is a myriad of different technologies that can be leveraged to help improve email marketing effectiveness and results.

One technology that is giving companies an edge against the competition is inbox placement technology.

Many companies are using inbox placement technology to get a comprehensive look at the percentage of emails going into the inbox, spam folder, or being blocked at major mailbox providers.

Figure 17 shows the relationship between the adoption of this technology and open rates.

Study participants who report above average open rates, improved email effectiveness, and revenue growth in the last fiscal year are all more likely to report using inbox placement technology.

In fact, **40% of study participants who report their email marketing effectiveness is improving use inbox placement technology, compared to only 27% of study participants who report their email marketing effectiveness is in decline.**

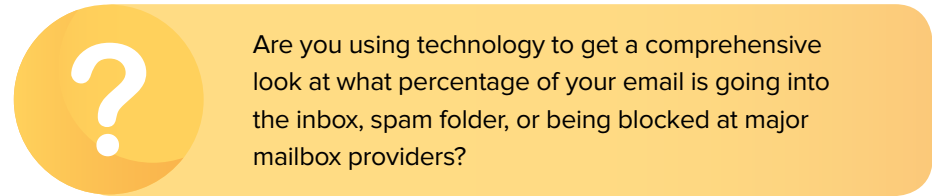
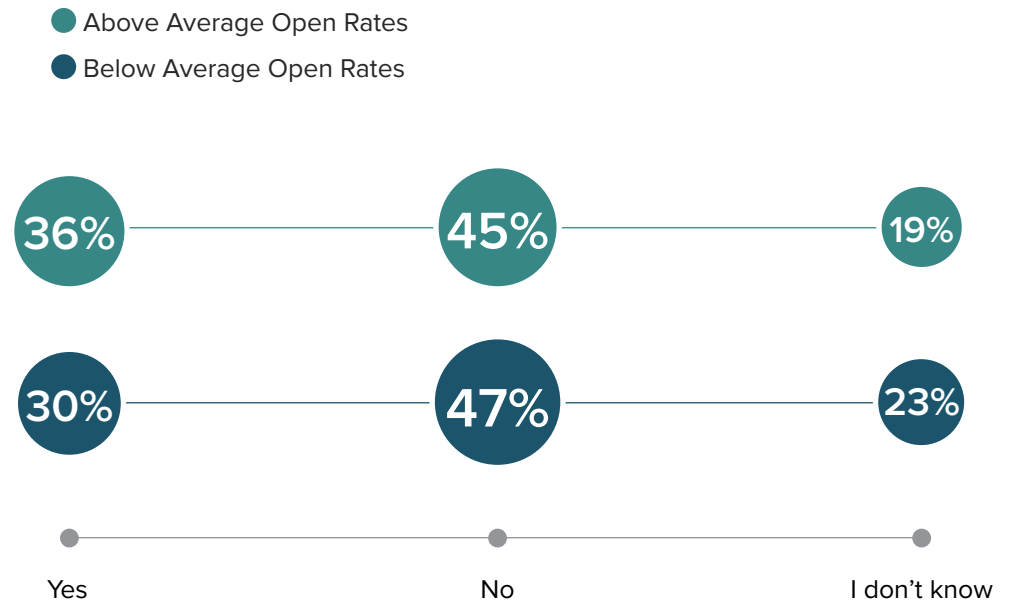


FIGURE 17: THE USE OF INBOX PLACEMENT TECHNOLOGY AND OPEN RATES

Study participants who report above average open rates are more likely to use inbox placement technology.



Organizations that find their email in the spam folder or blocked by major mailbox providers must work hard to repair their email reputation.

This often involves building a case for better email personalization, improved email list segmentation, and following other email marketing best practices.

In an effort to stay ahead of the curve, many high-performing organizations choose to proactively monitor their sender reputation, or Sender Score, so they can identify potential deliverability issues before they become a major issue.

Much like a credit score, a Sender Score is a measure of your reputation on a scale of 1 to 100. The higher the score, the better your reputation and the higher your email deliverability rate is likely to be.

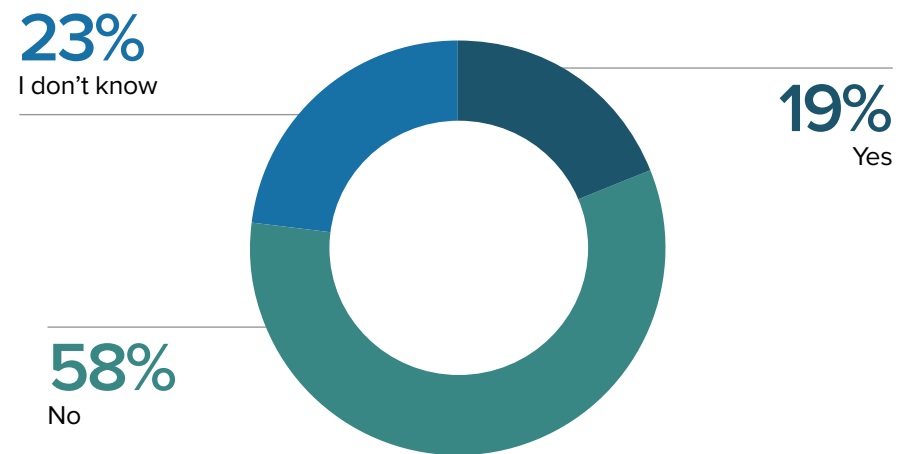
Figure 18 shows the percentage of survey participants who are using technology to determine how mailbox providers rate them as a sender.



? Are you using any technology to determine how mailbox providers rate you as a sender (Sender Score)?

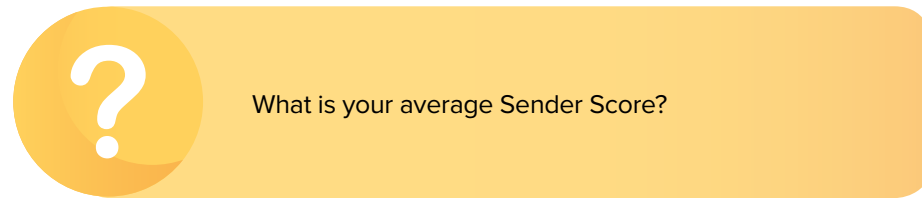
FIGURE 18: THE USE OF TECHNOLOGY TO MONITOR SENDER SCORE

58% of study participants are not using technology to monitor their sender reputation.



Only 19% of survey participants are using technology to determine how mailbox providers rate them as a sender.

In an effort to determine the correlation between Sender Score and open rates, we asked study participants who are using this technology what their score was. **Figure 19** shows the correlation between the open rate categories and Sender Score.



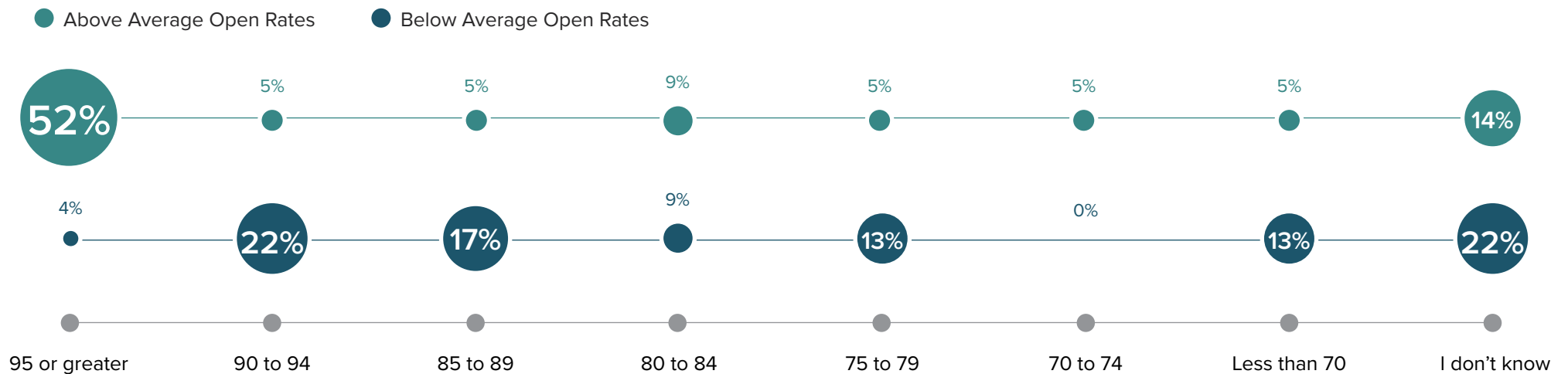
Compared to study participants with below average open rates, study participants who use technology to measure their Sender Score and report an above average open rate are **13 times more likely to report their Sender Score is 95 or greater.**

This study also concluded that survey participants who report their **email marketing effectiveness is improving were over six times more likely to report a Sender Score of 95 or greater.**

Monitoring your Sender Score is a proactive exercise that demonstrates a commitment to continual improvement which can dramatically impact email marketing results.

FIGURE 19: SENDER SCORE AND OPEN RATES

Study participants that use technology to measure their Sender Score and report an above average open rate are 13 times more likely to report their Sender Score is 95 or greater.

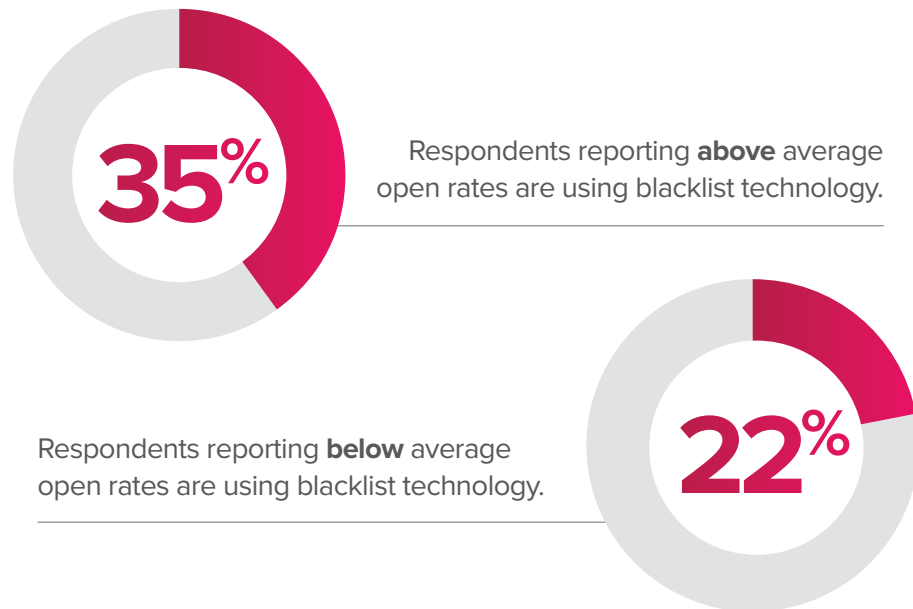


One technology frequently used by organizations that suffer from poor email deliverability is blacklist technology.

Study participants who report above average open rates are more likely to use blacklist technology as shown in **Figure 20**.

Study participants who report above average open rates and that their email effectiveness is improving are more likely to report the use of blacklist technology to continuously check IP addresses and make sure they haven't hit any blacklists.

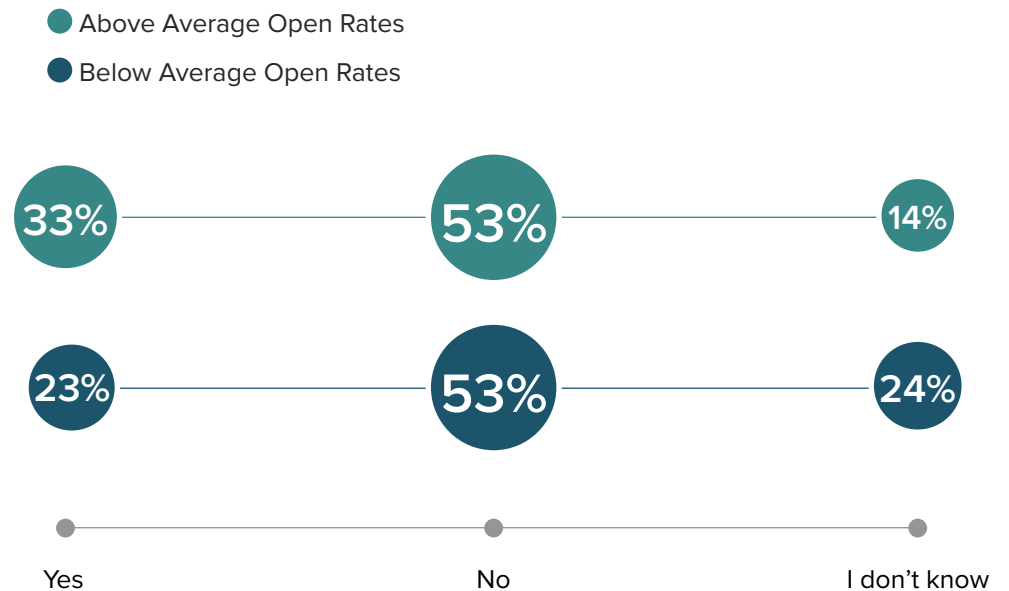
Revenue-growth companies are also more likely to report the use of blacklist technology, with 35% of survey participants reporting revenue growth compared to 22% of study participants from organizations who report their organization was revenue stagnant in the last fiscal year.



Are you using any technology to continuously check to make sure your IP addresses haven't hit any blacklists?

FIGURE 20: THE USE OF BLACKLIST TECHNOLOGY AND OPEN RATES

Study participants who report above average open rates are more likely to use blacklist technology



The opposite of appearing on a blacklist is a whitelist. Appearing on a whitelist means that emails are let through whatever gate is being used. We asked study participants if their company appeared on any certified whitelists.

The relationship between the open rate categories and whitelists is shown in **Figure 21**.

Study participants who report above average open rates are more likely to report appearing on certified whitelists, compared to those who report below average open rates. Those who report revenue growth are also more likely to appear on whitelists.

The largest delta was revealed by looking at the email effectiveness category. **Study participants who report their email marketing effectiveness is improving are more than twice as likely to appear on whitelists.**

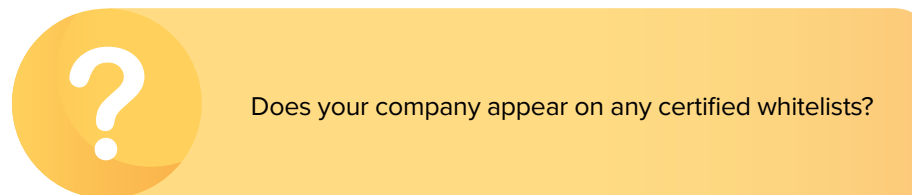
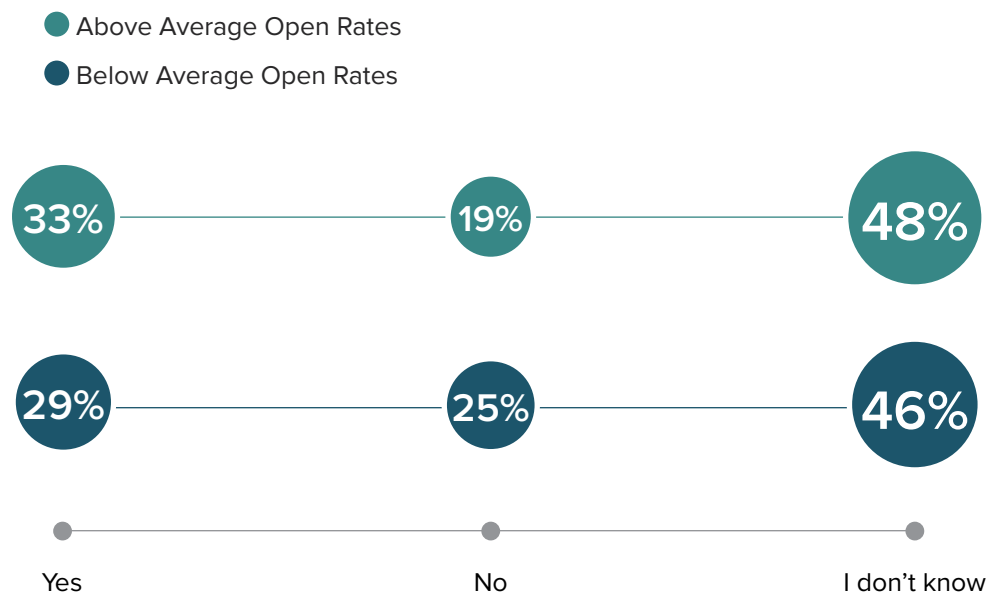


FIGURE 21: CERTIFIED WHITELISTS AND OPEN RATES

Study participants who report above average open rates are more likely to report appearing on certified whitelists than study participants who report below average open rates.



Getting on a whitelist helps ensure better inbox placement with major mailbox providers. This occurs through the process of being accredited as a “trustworthy” or “good” sender.

By working with third parties to evaluate your current sending practices, and acting on the advice that is provided, the sender can become accredited and certified.

The relationship between training and certification and open rates are shown in **Figure 22**.

Surprisingly, the vast majority of study participants have not pursued certification. However, those who report above average open rates, improved email effectiveness, and revenue growth are more likely to report using email certification.

However, those who report above average open rates, improved email effectiveness, and revenue growth are more likely to report taking some type of training or certification.

Subscriber preferences also impact email marketing results, as the next section of this report discusses.

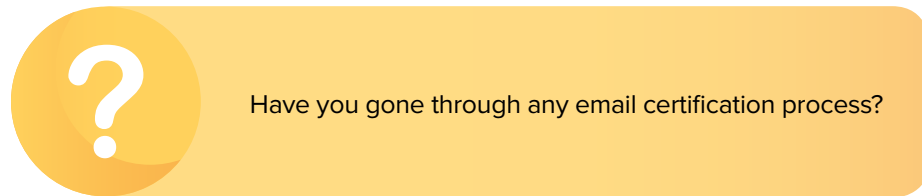
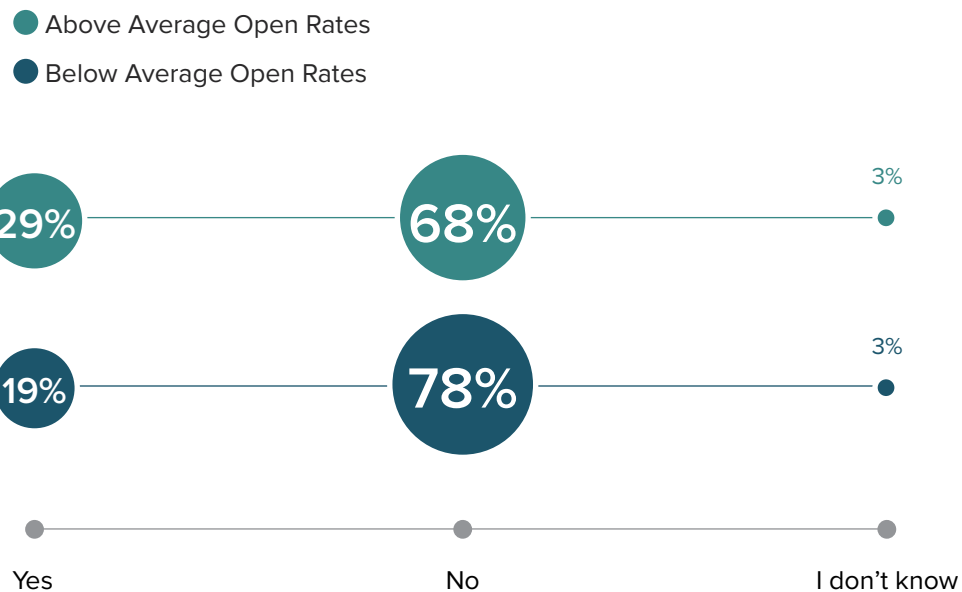


FIGURE 22: EMAIL CERTIFICATION AND OPEN RATES

The vast majority of study participants have not gone through the email certification process.



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Email Marketing Subscribers



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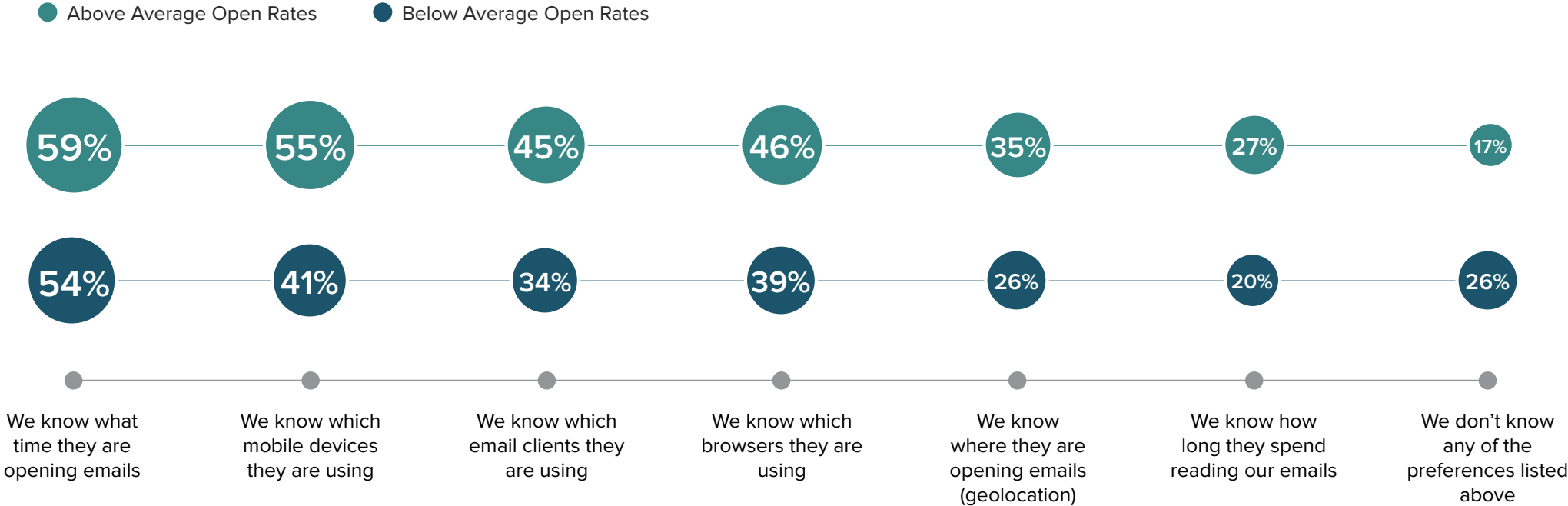
How much do marketers really know about their email subscribers? We wanted to find out. The following preferences were provided:

 Which of the following preferences do you know about your email subscribers?

- We know what time they are opening emails
- We know which mobile device they are using
- We know which email clients they are using
- We know which browsers they are using
- We know where they are opening emails (geolocation)
- We know how long they spend reading our emails
- We don't know any of the preferences listed

The relationship between open rate categories and subscriber preferences is presented in **Figure 23**.

FIGURE 23: SUBSCRIBER PREFERENCES AND OPEN RATES



Unanimously, study participants with above average open rates were more likely to report knowing the preferences of their email subscribers than participants who report below average open rates.

The most notable deltas are listed in **Table 3**.

Study participants who report their email effectiveness is not improving were more than twice as likely to report not knowing any of the subscriber preferences listed.

Conversely, study participants who report their effectiveness is improving were more likely to report knowing the subscriber preferences listed; especially the devices in use, times subscribers are opening emails, and for how long.

The revenue categories revealed a similar correlation. In fact, **revenue growth companies were nearly three times more likely to know how long subscribers spend reading their emails.**

Study participants who report above average open rates, revenue growth, and improvement in email effectiveness all know more about their email subscribers.

TABLE 3: SUBSCRIBER PREFERENCES AND OPEN RATES

Study participants with above average open rates know much more about the mobile devices and email clients in use, as well as the geolocation of their subscribers.

	Above average open rates	Below average open rates
We know which mobile devices they are using	55%	41%
We know which email clients they are using	45%	34%
We know where they are opening emails (geolocation)	35%	26%

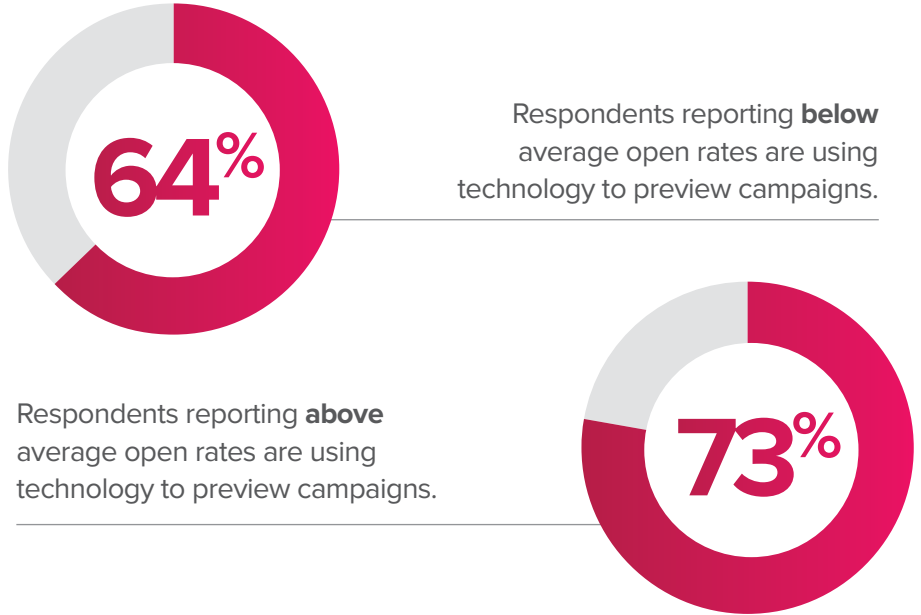
In order to successfully engage and retain email subscribers, you must deliver an exceptional experience. The good news for email marketers is that inbox preview technology allows marketers to preview the experience they are about to deliver before hitting send.

The use of this technology can help to ensure that subscribers are getting the best possible experience when engaging with your brand.

The correlation between the open rate categories and software or technology to preview email campaigns is shown in **Figure 24**.

Nearly three-quarters of study participants with above average open rates are using technology to preview email campaigns.

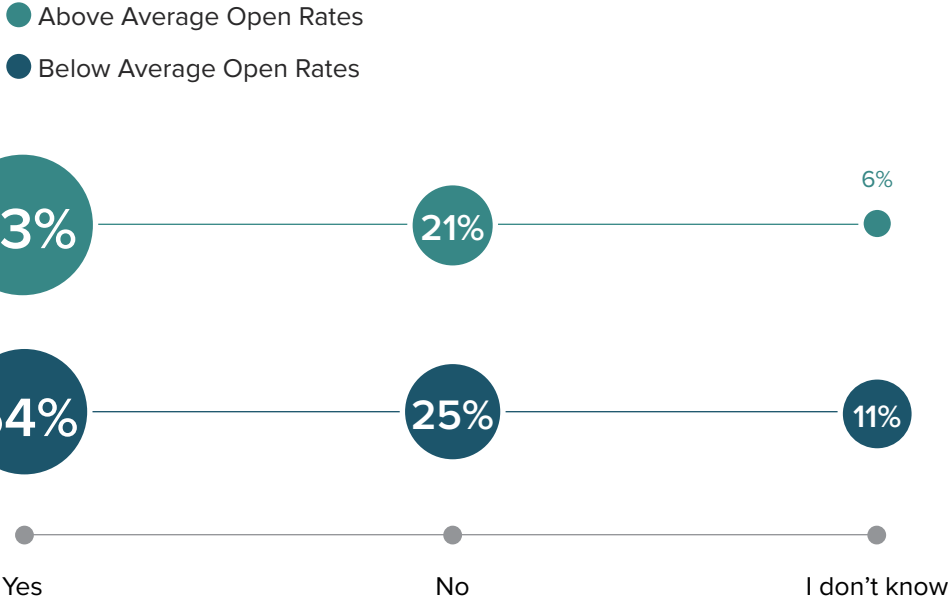
This study also found that survey participants who report their email effectiveness is improving, and those who report revenue growth are also more likely to report the use of email preview technology.



Are you using any software or technology to preview your email campaigns across numerous desktop, mobile, and webmail clients before sending?

FIGURE 24: TECHNOLOGY IN USE TO PREVIEW EMAIL CAMPAIGNS AND OPEN RATES

Nearly three-quarters of study participants with above average open rates are using technology to preview email campaigns.



But what about the competition? We wanted to know what type of competitive intelligence email marketers can access as it relates to their subscriber base.

The following options were made available to survey participants:

- We know which other brands are emailing our subscribers
- We know which days of the week are busiest for our subscribers
- We have access to our competitors' campaign metrics

The results of this analysis and the correlation to the open rate category are shown in **Figure 25**.

More than half of study participants report not having visibility into any of the advanced competitive intelligence data points that were listed in the survey. However, study participants with above average open rates are more than twice as likely to report knowing which days of the week are busiest for subscribers.

Study participants who report their email marketing effectiveness is improving, and those who report revenue growth were also more likely to report knowing the busiest days of the week for their subscribers.

Study participants who report revenue growth were more than twice as likely to know what other brands are emailing their subscribers.

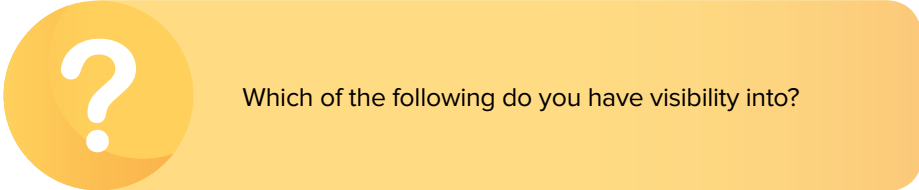
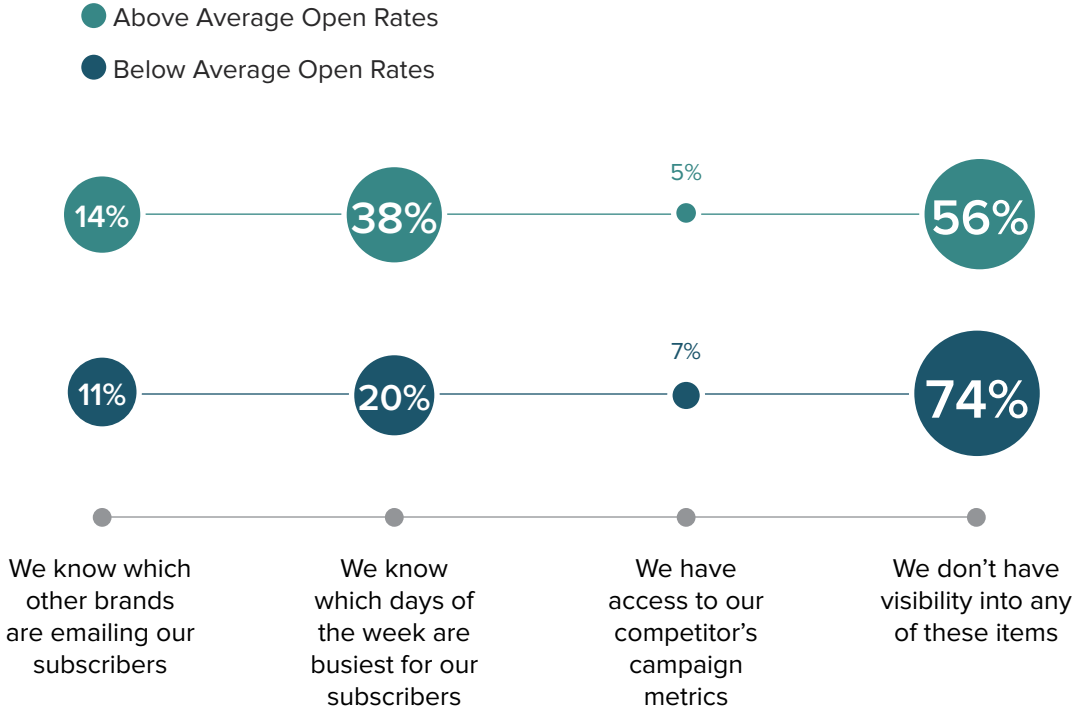


FIGURE 25: COMPETITIVE INTELLIGENCE AND OPEN RATES

The majority of study participants do not have visibility into any of the advanced intelligence data points listed.



However, access to competitor campaign data is scarce.

Of the study participants who reported having access to their competitors' campaign metrics, only the revenue-growth category was more likely to have access to this data, when compared to the revenue-stagnant category.

To dive a bit deeper, we wanted to determine how study participants were capturing information about their competitors.

Figure 26 shows the correlation between open rate categories and study participants' process for monitoring their competitor's email marketing efforts.

Companies with below average open rates are much more likely to report they don't monitor their competitors' email marketing efforts (65%) compared to participants with above average open rates (47%).

Study participants who report their email marketing effectiveness is in decline are also more likely to report they do not monitor their competitors' efforts.

Revenue-growth companies were most likely to report the use of third-party software or technology to monitor their competitors compared to revenue-stagnant companies.

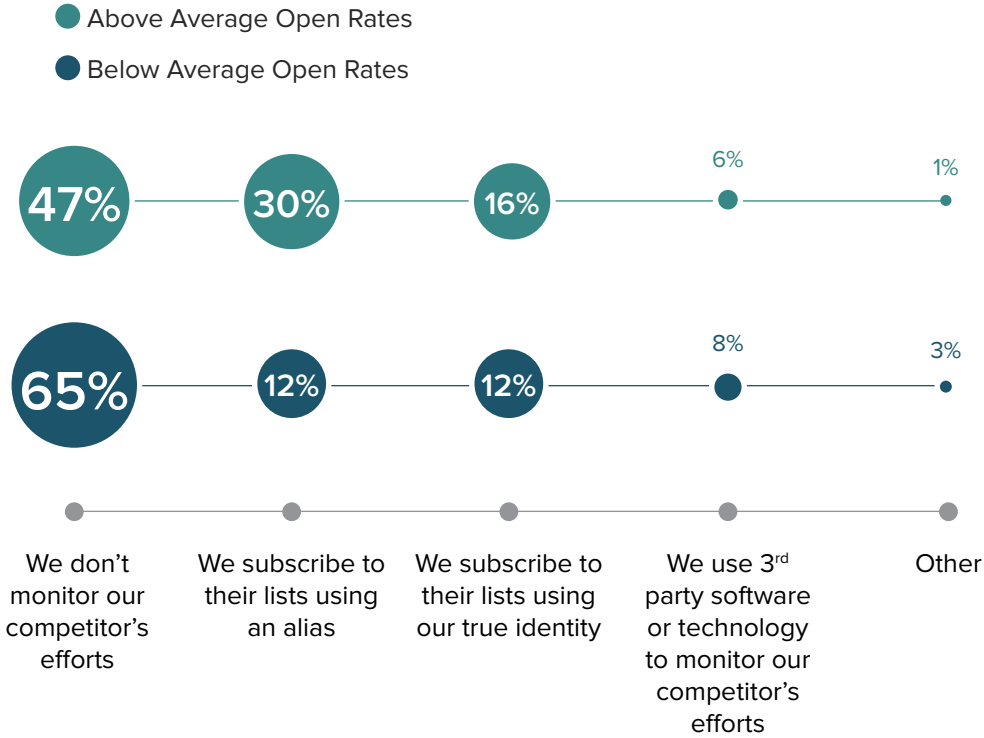
This data potentially reveals an awareness gap: email marketers simply do not know that technology is available to help them monitor their competitors' efforts.

We expect the adoption of technology used to access competitors' campaign metrics and help monitor competitor efforts will increase as the awareness of these solutions grows.



FIGURE 26: PROCESS FOR MONITORING COMPETITOR EMAIL AND OPEN RATES

Nearly two-thirds of study participants with below average open rates report they don't monitor their competitor's email marketing efforts.



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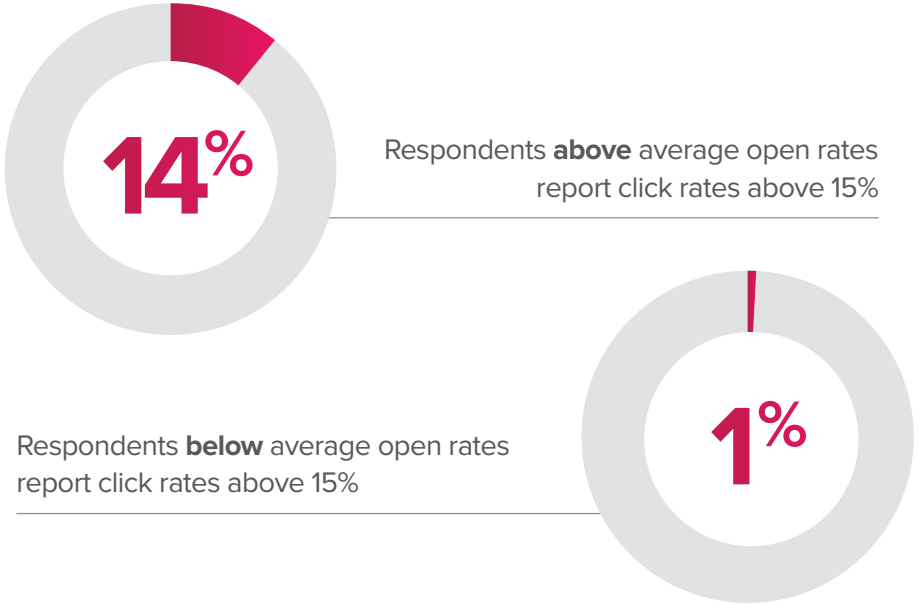
In this final section of the report, we look at email marketing performance using the open rate categories described earlier.

Using the open rate category for further analysis yielded some valuable insights, beginning with the impact of open rates on click rates. Do higher open rates result in higher click rates?

Figure 27 displays this relationship.

Study participants with above average open rates were more likely to report click rates above 6%.

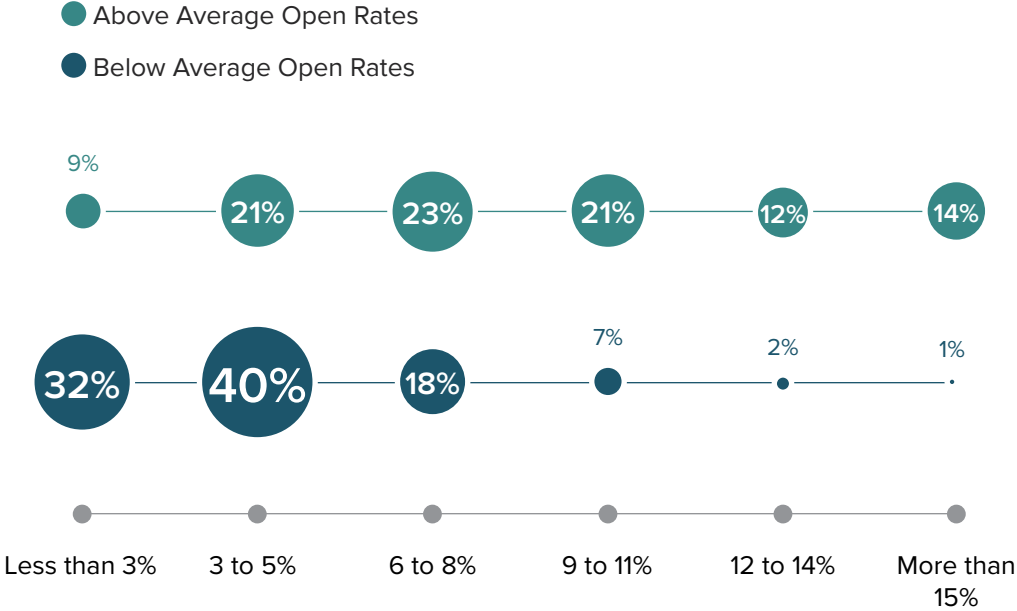
Respondents who reported below average open rates were three times more likely to report click rates below 3%. Conversely, when open rates were above average, respondents were 14 times more likely to report click rates above 15%.



What is the average click rate for your bulk email sends?

FIGURE 27: THE RELATIONSHIP BETWEEN OPEN RATES AND CLICK RATES

Study participants with above average open rates were 14 times more likely to report click rates above 15%.

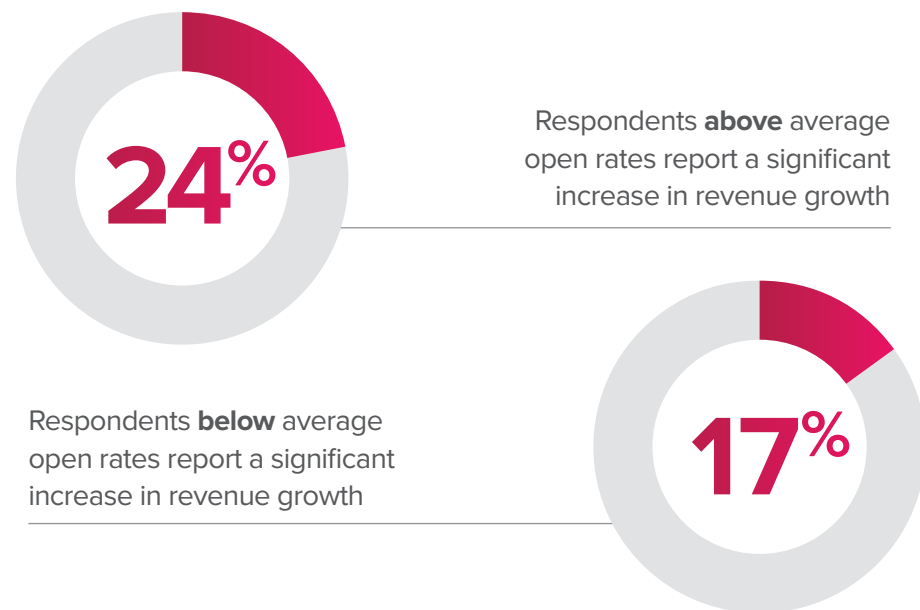


The correlation between above average open rates and high click rates is well pronounced. Do higher open rates lead to revenue growth?

Figure 28 shows the relationship between open rates and revenue growth.

Survey participants who report below average open rates were five times more likely to report a significant decline in revenue growth.

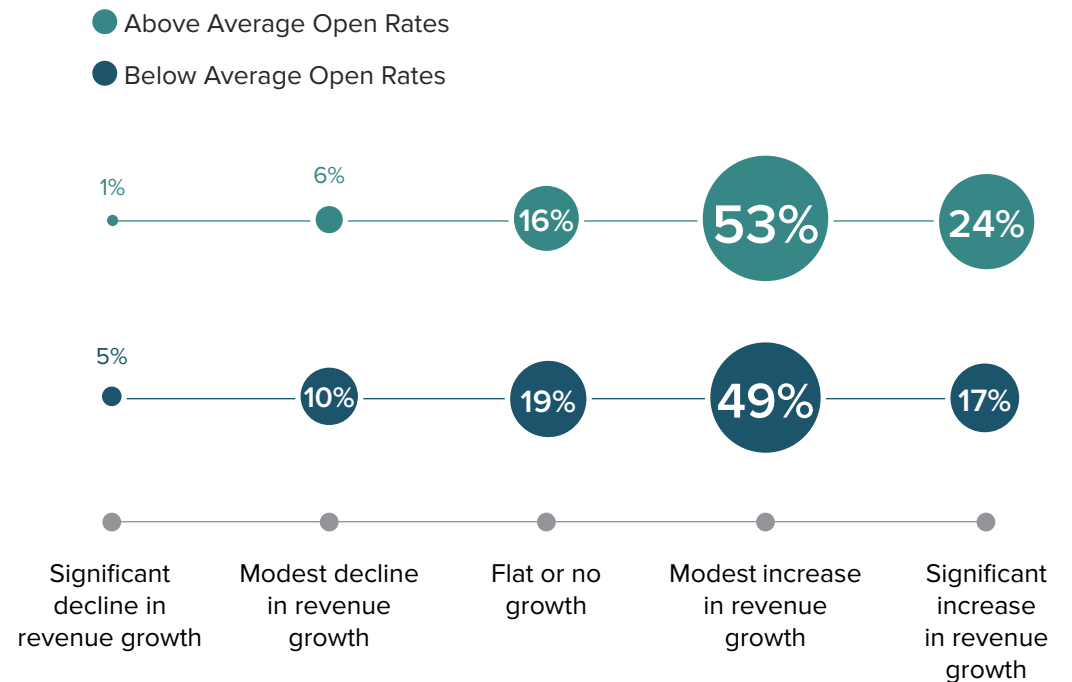
Conversely, survey participants who report above average open rates are more likely to report a modest or significant increase in revenue growth.



What statement best describes the revenue growth at your company during the most recently completed fiscal year?

FIGURE 28: OPEN RATES AND REVENUE GROWTH

Survey participants who report below average open rates were five times more likely to report a significant decline in revenue growth

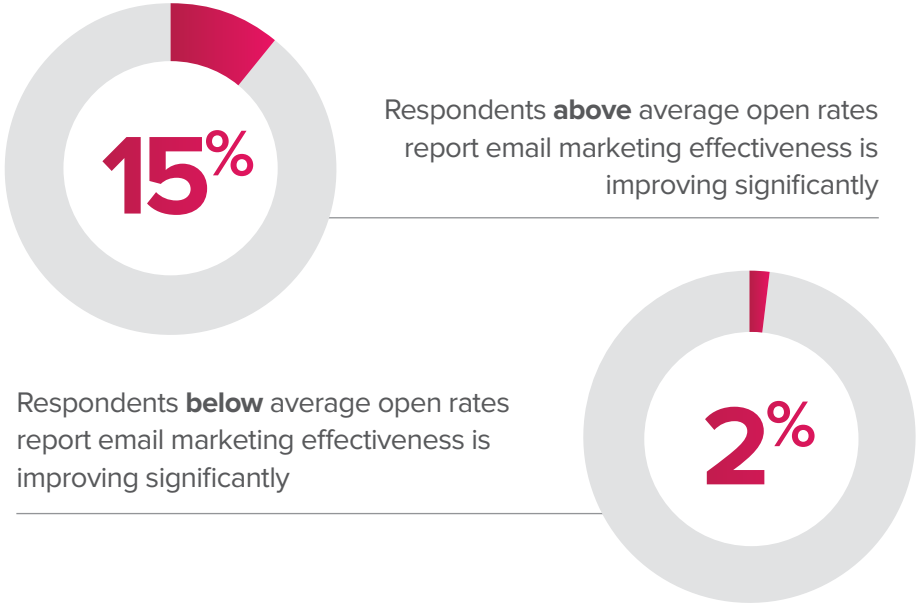


In order to determine whether open rates had any bearing on email marketing effectiveness, we conducted the comparison below, as shown in **Figure 29**.

Study participants who report below average open rates are more than twice as likely to report email marketing effectiveness as declining significantly (3% vs. 7%).

Study participants who report above average open rates were over seven times more likely to report email marketing effectiveness as improving significantly.

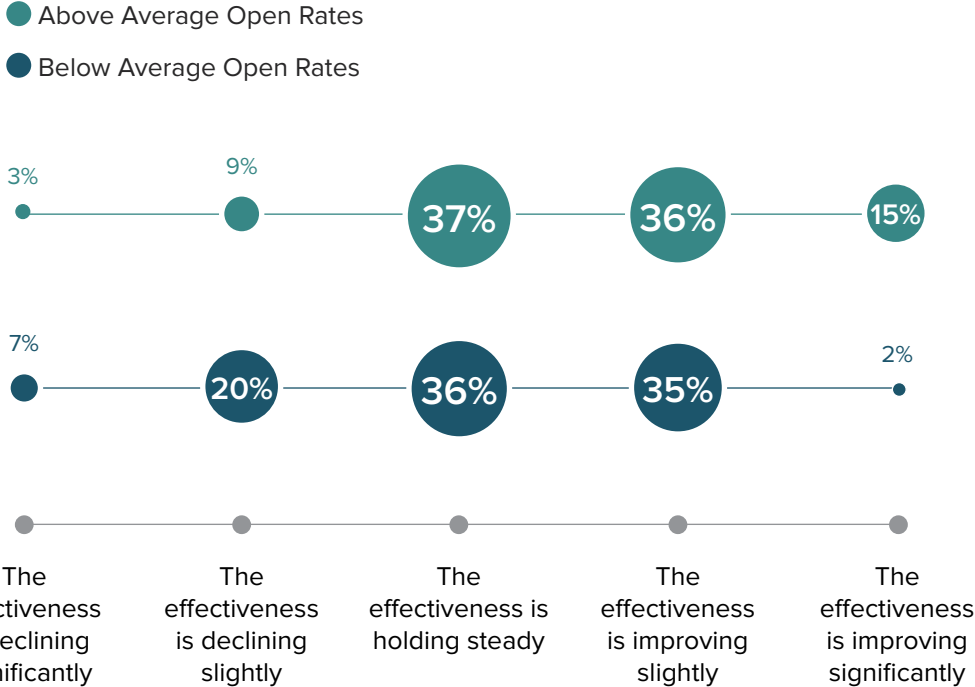
The relationship between open rates and click rates, revenue growth, and improvement in email effectiveness highlights the importance of achieving above average open rates.



Which of the following statements best describes the effectiveness of your email marketing efforts?

FIGURE 29: OPEN RATES AND EMAIL MARKETING EFFECTIVENESS

Study participants who report above average open rates were over seven times more likely to report email marketing effectiveness is improving significantly



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Analyst Bottom Line



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This study has explored which email marketing tactics are in use, how effective they are, and what challenges exist. The research effort also pursued an answer to the key question: **What separates high-performing email marketers from the rest of the pack?**

1

Document specific email marketing objectives.



Study participants who report their email effectiveness is improving, and revenue growth in the last fiscal year, are more likely to have email marketing objectives in place. To increase the likelihood of email success, marketers are encouraged to have a clearly defined set of objectives. Email marketing objectives should be reviewed with executive stakeholders to ensure alignment with overall business objectives.

Once email marketing objectives are in place, select metrics that can be used to measure progress and monitor email results proactively. Leverage the data that you capture to make more informed decisions about how email marketing can further support your organization in achieving its intended business objectives.

2

Use a variety of email marketing tactics.



When it comes to email marketing, small changes can make a big difference. The best way to experiment with change is by using a variety of email marketing tactics, including testing and optimization.

High-performing email marketers are more likely to use a variety of tactics, and almost every single tactic in use is more likely to be reported by study participants with above average open rates.

Since email marketing is all about continual improvement, improve your email marketing results by experimenting with a wide variety of tactics.

3

Know your email marketing subscribers.



In today's competitive environment, customers and prospects have come to expect a certain level of personalization. Study participants who report above average open rates, revenue-growth, and improvement in email effectiveness all know more about their email subscribers.

Get to know your email subscribers' preferences and leverage the data you capture to provide a more personalized experience.

5

Pursue certification.



Study participants who report above average open rates, revenue-growth, and improvement in email effectiveness are more likely to report appearing on certified whitelists.

The best way to appear on a whitelist is through certification, which will also help to ensure that your email reaches the inbox. Learn about the different certification programs that are available and apply for one that suits your needs.

4

Leverage technology.



Study participants who report above average open rates, revenue-growth, and improvement in email effectiveness are more likely to report the use of technology. High-performing email marketers are using data and insights from martech to improve their email results.

Technology is what enables high-performing marketers to do what they do best – experiment with new tactics, provide a personalized subscriber experience, overcome email marketing challenges, and measure results. Since companies that are at the front of the adoption curve are getting the best results, don't be afraid to experiment with new technologies as they emerge.

Consider taking an agile approach by testing a variety of different technologies and adopting solutions that deliver value to your business.

The relationship between open rates and click rates, revenue-growth, and improvement in email effectiveness is undeniable. **By implementing these recommendations, marketers can take their email marketing efforts to the next level of effectiveness.**

Acknowledgements

Demand Metric is grateful to Return Path for sponsoring this research, and for those who took the time to complete the study survey.



Demand Metric provides Agile Marketing software powered by 1,000+ practical tools and resources to help our members complete their work faster and with more confidence.

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Return Path is the leading provider of email data solutions. We analyze the world's largest collection of email data to show businesses how to stay connected to their audiences and strengthen their customer engagement. We help mailbox providers around the world deliver great user experiences and build trust in email by ensuring that wanted messages reach the inbox while spam doesn't.

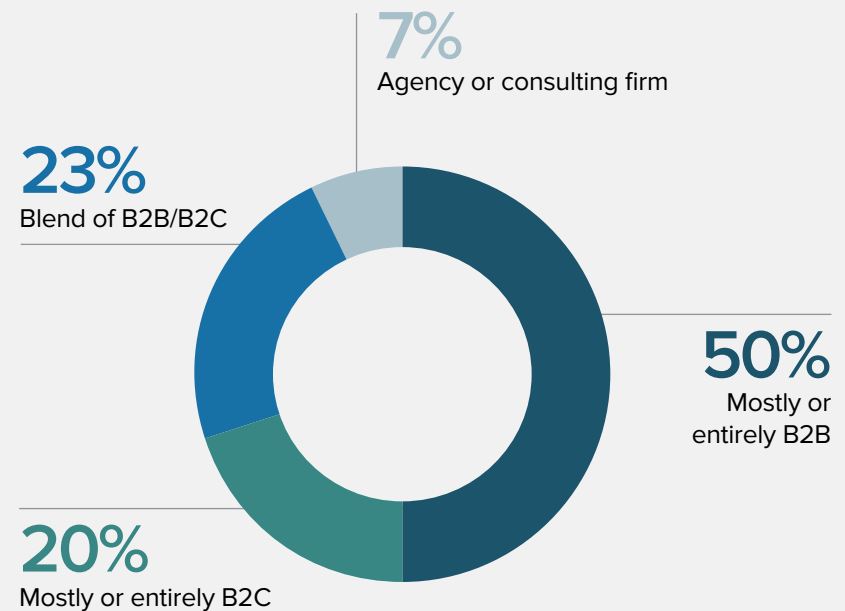
Headquartered in New York, Return Path has offices in Denver, San Jose, Austin, Indianapolis, Toronto, London, Paris, Hamburg, Sydney, and São Paulo.

To find out more about Return Path solutions, visit us at returnpath.com.

This Demand Metric Content Effectiveness and the Buyer's Journey Benchmark Study survey was administered online during the period of January 3, 2018 to January 21, 2018.

During this period, 428 responses were collected, 290 of which were complete enough for inclusion in the analysis. Only valid or correlated findings are shared in this report.

The representativeness of this study's results depends on the similarity of the sample to environments in which this survey data is used for comparison or guidance.





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