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Email Marketing Industry Census 2017

In association with Adestra

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1. Executive Summary

This is the 11th annual **Email Marketing Industry Census**, published by Econsultancy in partnership with **Adestra**. Once again, more than 1,000 marketers (exactly 1,200 this year) took part in our online survey, carried out in February and March 2017. As well as an analysis of survey data and a comparison with results from previous years, the report also contains a wealth of insights from leading email marketing experts.

As usual, the Census takes an in-depth look at email practices being adopted, the resources being dedicated to email, and the channel's effectiveness compared to other types of marketing. Personalisation, marketing automation, optimisation for different devices and the future of email are all themes that are revisited in this year's Census, and there are also new questions about the use of metrics, the application of artificial intelligence and the impact of Brexit on how companies are approaching the EU General Data Protection Regulation (GDPR).

The research reveals the following key trends:

Marketers get to grips with automation, helped by improved technology

The increased appetite for marketing automation is a key theme of this year's Email Census. Marketers are striving to make email a focal point in their attempts to get better return on investment (ROI) from their marketing campaigns, while simultaneously offering a more relevant, timely and targeted experience to subscribers.

- The proportion of marketers who say they have been 'very' or 'quite' successful in implementing automated email marketing programmes has increased from 62% in 2016 to 67% this year.

- Asked to select the three most important features of an email service provider's technology platform, two-thirds (66%) selected *marketing automation capability*. This has now overtaken *user-friendly interface* (60%) as the single most important attribute of an ESP, underscoring the importance that marketers are now attaching to automation.

- Formulating a strategy that melds both traditional broadcast email and automated email, to deliver both long-term consistency and timely, action-based communications, is seen by many as the key to success. While technology providers have responded to this demand by adding to their platforms' capabilities, it is clear they are under pressure to bolster their functionality further, as most brands and agencies now see powerful automation capabilities as a must-have rather than a nice-to-have.

Email reigns supreme when it comes to delivering ROI, though companies must do more to measure success

Previous Email Census reports have established that email marketing and search engine optimisation (SEO) have been close rivals as the most effective marketing disciplines when it comes to their perceived ability to deliver ROI.

- The proportion of respondents who rate email and SEO as 'good' or 'excellent' is very similar (at 73% and 72% respectively), but marketers are 23% more likely to say that email is excellent (27%, versus 22% for SEO).

- Despite email's continuing ability to deliver, the proportion of marketers who rate the performance of their company's email campaigns as 'excellent' or 'good' has declined from 56% in 2016 to 52% this year.

- There is a major question mark around marketers' ability to measure ROI properly, something which may be preventing companies from accurately assessing the channel's impact. Most marketers are using metrics such as *click-through rate* (91%), *open rate* (80%) and *conversion rate* (62%) to track the performance of their email marketing activities, but

that still leaves a large number of businesses who aren't even tracking the success of email at a basic level. Other important metrics, such as *bounce rate* (41%), *delivery rate* (37%) and *list growth rate* (20%) are only being used by a minority of companies.

Companies are still under-investing in a channel which drove an estimated £29bn in UK online retail sales in 2016

Once again, this year's Email Census looks at the proportion of sales derived from email marketing, and the proportion of marketing budgets that email accounts for. The gap between sales (22%, on average) and marketing budget (15%) does not appear to be closing, which suggests that companies continue to neglect a channel which is deemed to be the best at generating ROI. Email peaked at 16% of marketing budget in 2014, and has not made much headway since then.

- Based on Email Census data and an IMRG estimate of £133bn in total UK online sales for 2016[1], this means that emails are generating approximately £29bn of retail sales annually in the UK alone, without even including offline sales influenced by email.

- There is an ongoing challenge for marketers attempting to understand the true percentage of sales deriving from this channel. Many companies continue to wrestle with marketing attribution as a way of understanding the true contribution of email campaigns.

Companies continue to adapt to consumer use of different devices

The largest jump in terms of uptake of a particular tactic is for *mobile device optimisation*, with almost three-quarters (73%) of companies now doing this compared to just under two-thirds (64%) last year. This 14% increase shows that many marketers are still adapting to the use of mobile devices, even 10 years after the launch of the first iPhone heralded the arrival of smartphones.

- Nine in ten (90%) company respondents report that they have some form of strategy for optimising email marketing for different devices, up from 86% in 2016, but the proportion of marketers that describe their approach as 'quite' or 'very' advanced has only moved up one percentage point from 2016, to just 22%.

- As was the case last year, a *lack of resources (including budget and staff)* is seen as the main barrier to success when it comes to effectively optimising email campaigns for different devices.

True personalisation at scale remains elusive for many businesses, though more companies are starting to reap the benefits

Personalisation done properly is currently the preserve of only a minority of businesses, but this percentage is increasing. The proportion of companies who say they can *send emails based on individual activities and preferences throughout the funnel at scale* has almost doubled from 8% to 15%.

- Almost three-quarters (71%) of companies adopting personalisation to this degree report an 'excellent' or 'good' performance from their email campaigns, compared to only 35% for companies who say they 'are not yet working towards this'.

- *Personalisation* (30%) is the area of email marketing where most respondents say they need to focus on during 2017, ahead of *automated campaigns* (28%), which was the number one priority area last year.

- As was the case last year, *better personalisation* is also top of the wishlist when respondents were asked what they would like to do, that they can't currently do to their satisfaction. The percentage of respondents selecting personalisation for this question has increased from 61% to 66%.

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[1] *https://www.imrg.org/media-and-comment/press-releases/uk-online-sales-in-2016/*

- The main challenge for those trying to implement more email personalisation is *integrating data*, cited as a top-three barrier by 55% of client-side respondents.

Census shows signs of inertia and lack of understanding around EU data law changes

The upcoming enforcement, during May 2018, of the European Union's (EU) new General Data Protection Regulation (GDPR), has brought yet another set of compliance challenges to bear on UK email marketers and given even sharper focus to the complexity of legal requirements in the space.

There are some concerning signals from the Email Marketing Industry Census 2017, regarding both marketers' readiness for GDPR and their understanding of the implications of the legislation.

- There has been a decrease (from 34% to 30%), between 2016 and 2017, in the proportion of company respondents who report that before GDPR's approval, their practices were already compliant with EU law changes. Not only does this low figure show the major impact GDPR could have on legacy practice, the drop would suggest some marketers have revised their position on whether they are indeed in compliance.

- There has also been no forward movement in the proportion of respondents – whether from companies or agencies – who report they (or their clients) are now compliant with GDPR. Only a minority from both sides – 46% of companies and 47% of agencies – say they were either compliant pre-GDPR approval, or that they have already made the changes necessary to remain compliant. Both these figures stood at 47% in 2016.

- Moreover, significant minorities of agency and company respondents (23% and 16%, respectively) report they (or their clients) *were not aware of any legal changes that might affect their activities*.

Segmentation continues to deliver

- Those who carry out *basic segmentation* are more than twice as likely to report 'excellent' ROI from email marketing as those who say they don't do this and, in turn, those who practise *advanced segmentation* are twice as likely to report excellent ROI as those who don't do it.

Responsibility for email shifts from the individual to the team

- The proportion of companies who say that email is the *responsibility of a team as part of wider responsibilities* is 45%, an increase from 40% last year. Meanwhile, the percentage of respondents who say that email is the responsibility of *an individual dedicated to email marketing* has declined from 14% to 8%.

  Email platforms are becoming easier to use, and therefore businesses do not necessarily require a dedicated in-house email specialist. As different marketing functions become more integrated, it makes sense for a team rather than an individual to be responsible for this channel.

Use of artificial intelligence for email

- This year's Email Census for the first time includes a question about how artificial intelligence (AI) can improve email marketing performance. More than half (52%) of client-side respondents said that it could help to *optimise send times*, while 43% said it could *optimise calls to action*.

2. Foreword by Adestra

Over the past 11 years that we've been reporting with Econsultancy, we've seen the marketing technology landscape expand exponentially! And it's become obvious that the complexity of the digital marketing industry is starting to take its toll on marketers. The results of this year's survey have shown that marketers are struggling to see the bigger picture and stand by their choices.

While email marketing is still top for ROI as shown by the 73% of company (and 76% of agency) respondents rating it excellent or good, the budget allocated to this channel remains at 15% of the total marketing budget. This could be explained by the fact that most marketers seem to be ignoring essential metrics when it comes to evaluating their success, which means they would have a hard time proving its impact.

A question added this year has highlighted that while 91% of in-house marketers use click-through rate as a measure of success, followed by open rate (80%) and conversion rate (62%), they are missing other key performance indicators. Only 8% of them evaluate inbox placement while 20% monitor list growth rate and 37% measure delivery rate.

Delving deeper into the results, marketing automation and personalisation are recurring themes across the survey. Success in implementing automation programmes has grown from 62% to 67% since 2016 (with a more modest increase for supply-side marketers) and marketing automation is the most important attribute when selecting an ESP, overtaking a user-friendly interface and cost as reasons.

However, when it comes to selecting a focus for 2017 and an area they can't currently do to their satisfaction, personalisation overtakes marketing automation to become the top choice. This inconsistency, among others, supports the view that marketers need guidance and clarity to navigate the complexity of the digital marketing landscape.

Lastly, we can't take a pulse of the email industry in 2017 without looking into the upcoming GDPR. It's rather concerning to see that the proportion of in-house marketers who consider themselves compliant with the regulation has decreased from 34% to 30%. This could be a result of the fact that marketers are more aware of what the law actually implies than they were last year, which has caused them to revise their position.

With less than one year to go until GDPR is enforceable, it's worrying to see that 16% of company respondents and 24% of agency respondents are still not aware of legal changes that might affect their activities. With fines of up to €20 million or 4% of your global turnover at stake, data compliance is not an aspect that marketers can afford to be unaware of.

In recent years, the Email Marketing Industry Census has highlighted advancements and successes with different aspects of email marketing. 2017 is the year where marketers need to join up these positive changes. By getting the fundamentals working together – personalisation, automation, integration, optimisation – they can make the most of the technology available, offer their customers the experience they are looking for, and realise the benefits of becoming First-Person Marketers.

Henry Hyder-Smith
CEO
Adestra

2.1. About Adestra

Adestra is a trusted provider of First-Person Marketing solutions for global and growing brands.

The company's industry-leading email platform provides a powerful infrastructure for one-to-one, contextual messaging and marketing automation, helping marketers communicate more effectively with their customers and subscribers. Robust reporting features allow marketers to efficiently evaluate and optimise their campaign results. The flexible structure and open integration architecture allow businesses to connect disparate technology platforms to create a seamless customer journey.

Along with a best-of-breed platform that drives customer engagement and boosts ROI, Adestra was founded on the principle that marketing success takes more than technology, which is why customer service is at the heart of its business. Adestra was a winner of the 2014 and 2017 Customer Focus Award from the Customer Service Institute. It also won Bronze for Customer Service Department of the Year at the 2017 Stevie Awards for Customer Service, as well as being presented with the 2017 Supplier of the Year Award from one of its longest-standing clients, UBM.

Adestra continues to maintain one of the highest customer retention rates in the industry. It is trusted by top companies including UBM, FranklinCovey, and Condé Nast Digital Limited, among others.

Established in 2004, Adestra has offices throughout the UK, USA, Canada and Australia. For more information, please visit adestra.com.

3. Methodology

The **Email Marketing Industry Census 2017** is the 11th annual edition of this report, published by Econsultancy in association with **Adestra**. Many of the questions have been repeated over this time period, enabling us to compare data and look at trends. There were 1,200 respondents to our research request, which took the form of an online survey in February and March 2017. Respondents included both companies or in-house marketers (68%) and supply-side respondents, including agencies, consultants and vendors (32%).

Information about the survey, including the link, was emailed to Econsultancy's user base, advertised on our website and promoted on Twitter. The incentive for taking part was access to a complimentary copy of this report just before its publication. Detailed breakdowns of the respondent profiles are included in the *Appendix*.

If you have any questions about the research, please email Econsultancy's Head of Commercial Research Services, Monica Savut (monica.savut@econsultancy.com).

3.1. Acknowledgements

Econsultancy would like to thank the following people for their contributions to this report:

- Andrew Campbell, Martech Director, First 10
- Chris Combemale, Group CEO, DMA
- Riaz Kanani, Joint MD and Co-Founder, Radiate b2b
- Dave Littlechild, Email, Ecommerce and Sales & Marketing Consultant
- Kath Pay, Founder and Senior Consultant, Holistic Email Marketing
- Jordie van Rijn, eCRM and Email Marketing Consultant, eMailMonday
- Philip Storey, Email Marketing and CRM Strategy Consultant, CEO at Enchant Agency
- Tim Watson, Email Marketing Consultant, Zettasphere

3.2. About Econsultancy

Econsultancy's mission is to help its customers achieve excellence in digital business, marketing and ecommerce through research, training and events. Founded in 1999, Econsultancy has offices in New York, London and Singapore.

Econsultancy is used by over 600,000 professionals every month. Subscribers get access to research, market data, best practice guides, case studies and elearning – all focused on helping individuals and enterprises get better at digital.

The subscription is supported by digital transformation services including digital capability programs, training courses, skills assessments and audits. We train and develop thousands of professionals each year as well as running events and networking that bring the Econsultancy community together around the world.

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4.   Findings

4.1.   Approach to email

4.1.1.   Most important attributes of an email technology provider

Figure 1 shows the most important attributes of an email service provider (ESP), from the perspective of more than 700 client-side digital marketers who took this year's survey. Asked to select the three most important features of an email technology platform, two-thirds (66%) selected *marketing automation capability*, a significant jump from 61% last year. This attribute has now overtaken *user-friendly interface* (60%) as the single most important attribute, underscoring the importance that marketers are now attaching to automation-related capabilities.

Marketing automation is a key theme of this year's Email Industry Census as marketers strive to make email a focal point in their attempts to get better returns from their marketing campaigns, while simultaneously offering a more relevant and personalised experience to customers, prospects and other audiences.

While the proportion of marketers who cite user-friendly interface as a top-three attribute has only dropped by a single percentage point from 61% to 60%, the percentage selecting *ability to integrate with other best-of-breed marketing technology* as a key feature has declined significantly, from 49% to 37%.

Company respondents
Figure 1: What are the most important attributes of an email technology provider?
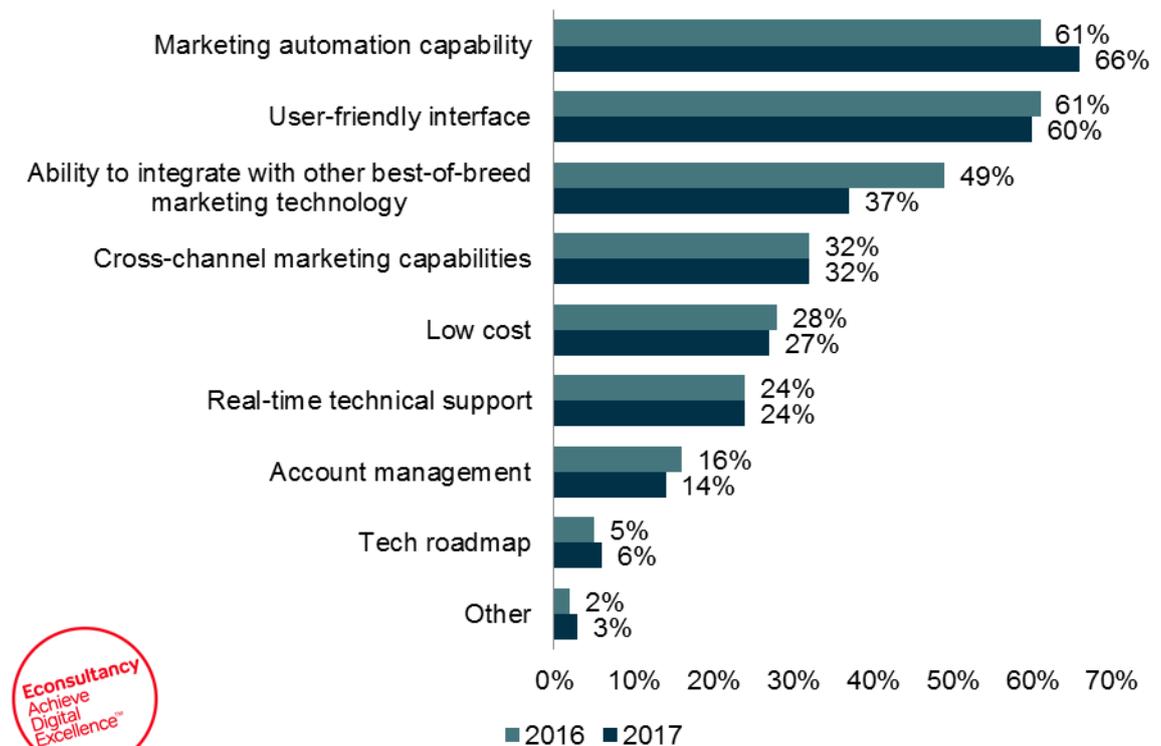
Respondents 2017: 738
Respondents 2016: 659

Note: Respondents could select up to three options.

This 24% drop for integration as one of the most important ESP attributes may be because marketers now take this for granted, in the same way that many feel that a friendly UI is a hygiene factor, and therefore not necessarily top-of-mind when selecting critical attributes. While deemed less important this year, ease of integration between different types of marketing technology is a prerequisite for effective marketing automation, which often requires the smooth flow of data from one type of software to another.

Other attributes, such as *cross-channel marketing capabilities* (32%), *low cost* (27%), *real-time technical support* (24%) and *account management* (14%) have not shifted notably since last year's Census, which again brings into sharp relief the marked shift in the perceived importance of marketing automation.

It is encouraging to see that only around a quarter of marketers see low cost as a key attribute, the inference being that most respondents judge email technology providers on value, rather than seeking the cheapest solutions on the market. Of course, budget is a key consideration for all marketers, but savvier companies will be looking at pricing in the context of increased ROI from marketing initiatives, and the reduced internal costs that result from more intuitive software.

Voice of the expert: most important attributes of an ESP

"Two-thirds of email marketers now feel that marketing automation capability is the single most important feature when selecting an email technology provider. This tells us that email marketers are placing less focus on standalone newsletters and campaigns, instead opting to embrace automation, to reach customers at the right time, with value. This is where the real opportunity is for most email marketers in 2017.

"Their demand for simple and powerful automation tools is no longer optional, it is critically important. This is putting real pressure on email marketing technology providers to up their game and provide more powerful tools. In B2B, this is making it challenging for email marketing technology providers to stay relevant, as most email marketers are opting to utilise CRM-based platforms that have email marketing and automation baked in already."

Philip Storey, Email Marketing and CRM Strategy Consultant, CEO at Enchant Agency

"The four core, value-adding features of an ESP are: content management, rules management, automation and testing/optimisation. The increased emphasis on marketing automation capabilities is unsurprising as it is vital to support sophisticated, cost-effective email marketing at any kind of scale. However, the reduced emphasis on integration with other marketing technology is surprising. I suspect that this reflects the increased 'out of the box' functionality of many of the ESP vendors, many of whom are bundling content, rules and campaign management capabilities into their offerings. This levelling of the technology playing field is great news for marketers."

Andrew Campbell, Martech Director, First 10

"Marketing automation and email marketing are growing towards each other, to the point that it is unthinkable that an ESP lacks basic automation and triggered campaigns. With the dawn of more sophisticated marketing automation functionality, usability becomes the differentiator. Agile and scalable marketing demands that you can set up campaigns faster, and optimise as you go. And as technology becomes less of a barrier, the creativity and craft of the marketer is the tell-tale sign of a future-proof technology stack."

Jordie van Rijn, eCRM and Email Marketing Consultant, eMailMonday

"I've worked with several brands this last year on email automation and eCRM strategy, so I'm not surprised to see automation capability coming high on the list. Many email solutions have been developing their offering in this area. Even some of the entry-level solutions provide surprisingly capable automation. However, whether it's entry level or sophisticated top-end solutions, automation is just a tool. Success requires having a strategy to make use of the tool. The key to success in this area is not to abandon traditional broadcast email, but use a strategy that integrates broadcast and automated email to get the best from both. The broadcast provides a steady heartbeat, and automation jumps into action and increases marketing at the moment of interest."

Tim Watson, Email Marketing Consultant, Zettasphere

4.1.2. Email marketing practices

Figure 2 shows a range of email marketing practices, and whether in-company marketers are incorporating them – or planning to incorporate them – into their email marketing efforts. The four practices most commonly adopted are the same as last year, namely *basic segmentation* (80%), *optimising email for mobile devices* (73%), *regular list cleansing* (57%) and *encouraging sharing of content on social networks* (49%).

As can be seen from *Figure 3*, which gives a year-on-year comparison, the largest jump in terms of uptake of a particular practice is for mobile device optimisation, with almost three-quarters (73%) of companies now doing this compared to just under two-thirds (64%) last year.

This 14% increase shows that many marketers are still adapting to the use of mobile devices, even ten years after the launch of the first iPhone heralded the arrival of smartphones. There is more on the topic of optimisation for mobile devices in *Section 4.4* of this report.

Company respondents
Figure 2: Which of the following practices are part of your email marketing efforts?
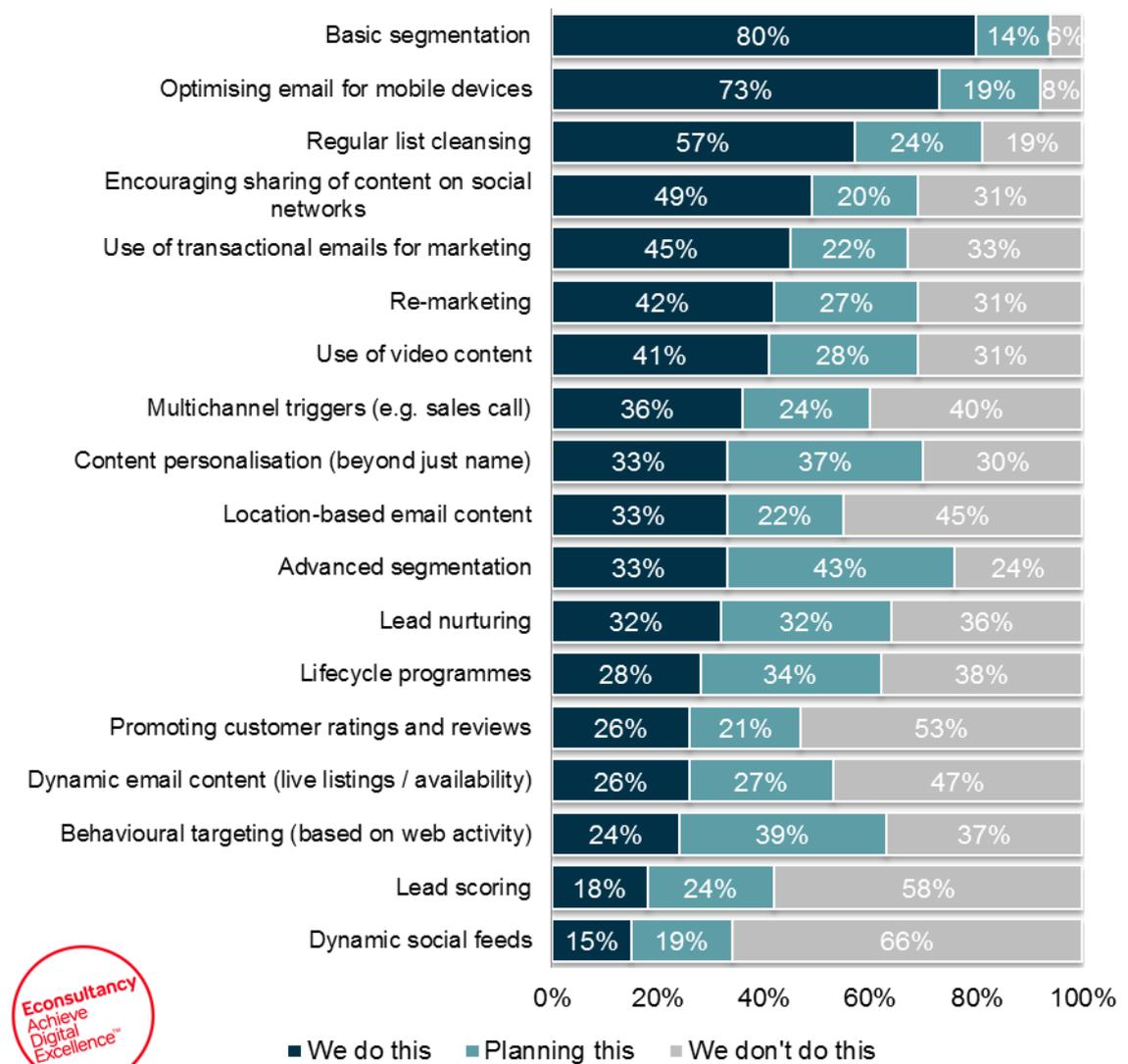
Respondents: 585

Company respondents

Figure 3: Proportion of respondents saying these practices are part of their email marketing efforts

Practice	2016	2017
Basic segmentation	79%	80%
Optimising email for mobile devices	64%	73%
Regular list cleansing	54%	57%
Encouraging sharing of content on social networks	47%	49%
Use of transactional emails for marketing	43%	45%
Re-marketing	41%	42%
Use of video content	42%	41%
Multichannel triggers (e.g. sales call)	31%	36%
Content personalisation (beyond just name)	37%	33%
Advanced segmentation	33%	33%
Location-based email content	29%	33%
Lead nurturing	35%	32%
Lifecycle programmes	28%	28%
Promoting customer ratings and reviews	27%	26%
Dynamic email content (live listings / availability)	22%	26%
Behavioural targeting (based on web activity)	24%	24%
Lead scoring	18%	18%
Dynamic social feeds	12%	15%

■ 2016 ■ 2017

Respondents 2017: 585
Respondents 2016: 501

Segmentation

As was seen in *Figure 2,* 80% of respondents are now carrying out basic segmentation, with a further 14% planning to do this in the future. The segmentation of audiences is a prerequisite for success because it allows businesses to target messaging more effectively, by dividing prospects and customers into different groups based on a host of factors ranging from gender and location, to browsing behaviour and stated interests.

Segmentation enables marketers to move away from a blanket approach to email marketing towards messaging which is more tailored to individual requirements. An example of basic segmentation is targeted communication based on gender or geography, or on whether someone has ever purchased from you.

More advanced segmentation might involve more granular groups of customers or prospects based on browsing behaviour or click-throughs as an indication of interest, or groupings based on complex statistical modelling.

The exact line between basic and advanced segmentation is a matter for debate, but what is clear is that a large chunk of responding companies would like to graduate from basic to advanced segmentation. A third of respondents (33%) say they are currently practising *advanced segmentation* but a further 43% say they are *planning* this. Advanced personalisation is the practice that marketers are most likely to be aspiring to, narrowly ahead of *behavioural targeting based on web activity* (39%) and *content personalisation beyond just name* (37%).

As the tables below prove, marketers are right to aspire to improved segmentation as part of their attempts to improve their email marketing performance. *Table 1* shows that those who carry out basic segmentation are more than twice as likely to report 'excellent' ROI from email marketing as those who say they don't do this and, in turn (*Table 2*), those who practise advanced segmentation are twice as likely to report excellent ROI as those who don't.

Company respondents
Table 1: Cross-tabulation of responses for 'Which practices are part of your email marketing efforts?' (*basic segmentation*) and 'How do you rate the following channels (*email marketing*) in terms of return on investment?'

	Excellent	Good	Average	Poor
We do this	32%	45%	20%	3%
Planning this	16%	51%	30%	3%
We don't do this	13%	31%	44%	12%

Company respondents
Table 2: Cross-tabulation of responses for 'Which practices are part of your email marketing efforts?' (*advanced segmentation*) and 'How do you rate the following channels (*email marketing*) in terms of return on investment?'

	Excellent	Good	Average	Poor
We do this	38%	47%	14%	1%
Planning this	27%	46%	24%	3%
We don't do this	19%	43%	31%	7%

As part of their attempts to create a more personalised experience, it is evident that marketers are prioritising the nature of the content they are presenting to email recipients. Content personalisation, beyond simply inserting a recipient's name or company into an email, is typically enabled by the type of basic or advanced segmentation discussed on the previous page.

While *Figure 2* and *Figure 3* showed the data from the client-side respondents, *Figure 4* and *Figure 5* show the corresponding results from our supply-side Email Census participants, comprising mainly agencies.

The results are similar, but there are several data points worth highlighting, including a similar jump for mobile device optimisation. Secondly, content personalisation (36%) is the practice which agencies say their clients are most likely to have on their email marketing agenda, mirroring almost exactly the equivalent client-side percentage (37%).

Content can be tailored based on factors including the recipient's location or a range of lifecycle triggers which increase the likelihood of any particular campaign being relevant.

Agency respondents
Figure 4: Which of the following practices are part of your clients' email marketing efforts?
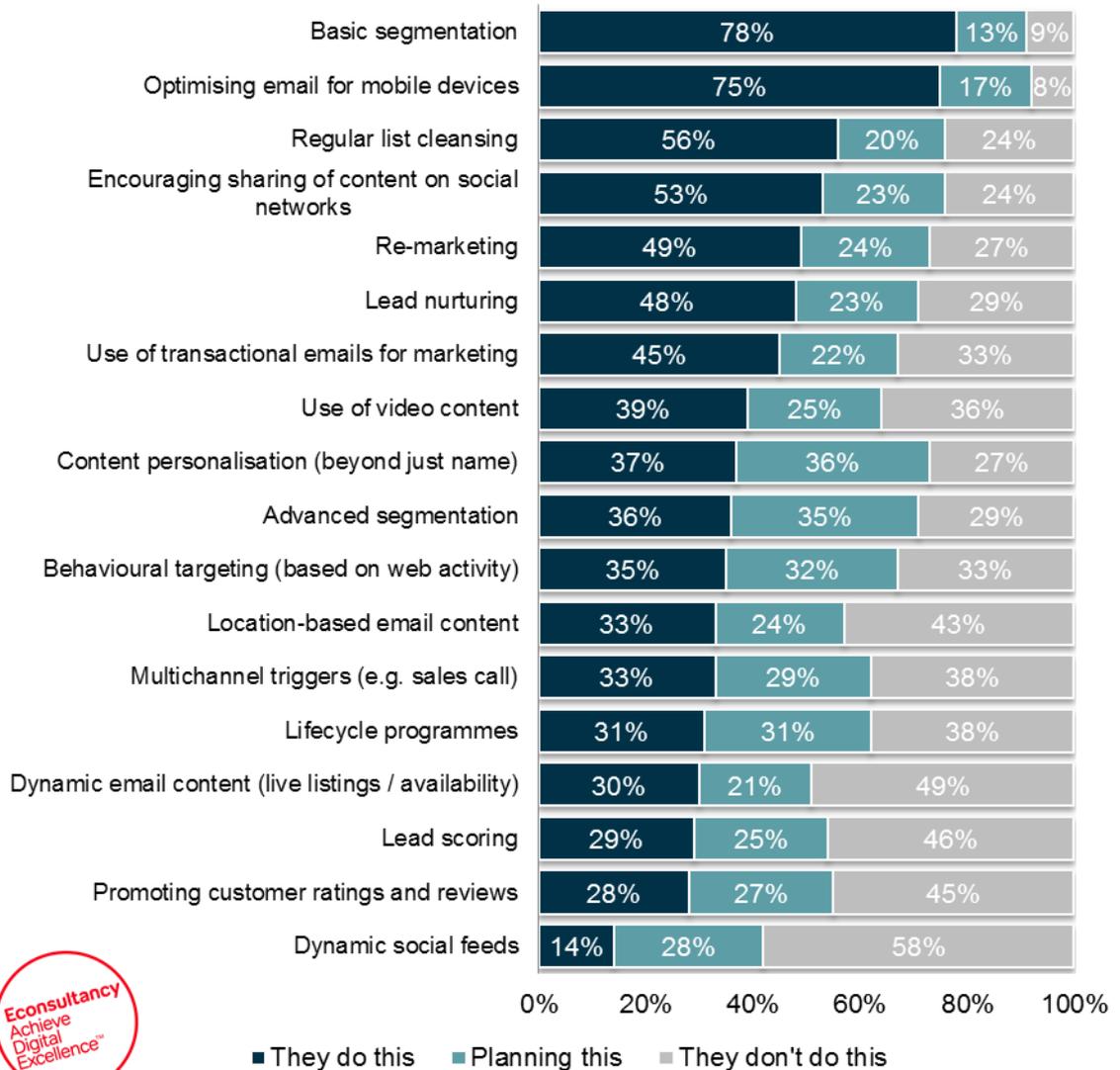

Respondents: 218

Specific types of content can also be targeted based on customer personas which individuals are grouped into, based on certain characteristics or interests. It isn't just the emails themselves that can be personalised. Your chances of success are increased if landing pages are also adjusted to match the personalised content and calls to action in the email.

Thirdly, the agency Census results also show more focus on *lead nurturing* as a tactic, with 48% of supply-side respondents saying their clients do this, compared to only 32% of in-house marketers. Similarly, 29% of agency respondents say their clients do *lead scoring* compared to only 18% of their in-house counterparts.

Lead nurturing and lead scoring are typically more closely associated with B2B marketing. Generally speaking, agency respondents are more likely to be exposed to B2B than their client-side counterparts, many of whom work exclusively in B2C. That said, the principles of lead nurturing and lead scoring are applicable to B2C as well, especially as a way of leading prospects through a longer buying cycle for high-consideration products and services.

Agency respondents
Figure 5: Proportion of agency respondents saying these practices are part of their clients' email marketing efforts

	2016	2017
Basic segmentation	72%	78%
Optimising email for mobile devices	64%	75%
Regular list cleansing	52%	56%
Encouraging sharing of content on social networks	54%	53%
Re-marketing	42%	49%
Lead nurturing	42%	48%
Use of transactional emails for marketing	46%	45%
Use of video content	30%	39%
Content personalisation (beyond just name)	40%	37%
Advanced segmentation	42%	36%
Behavioural targeting (based on web activity)	27%	35%
Multichannel triggers (e.g. sales call)	40%	33%
Location-based email content	28%	33%
Lifecycle programmes	31%	31%
Dynamic email content (live listings / availability)	28%	30%
Lead scoring	25%	29%
Promoting customer ratings and reviews	32%	28%
Dynamic social feeds	12%	14%

■ 2016 ■ 2017

Respondents 2017: 218
Respondents 2016: 218

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Voice of the expert: email marketing practices

"Comparing the company versus agency (who will typically pursue higher order email programmes) respondents is interesting. This suggests that the areas where agencies are currently operating, and therefore those techniques that company respondents could realistically look to adopt in the short term, are:

- Remarketing (paid media in display and social media)

- Lead nurturing and lead scoring

- Behavioural retargeting (based on web activity)

"The fact that agencies are already active in these areas shows that there are no technical and operational barriers preventing adoption of these."

Andrew Campbell, Martech Director, First 10

"Transactional emails are a 'no-brainer' when it comes to leveraging them for marketing purposes, thereby creating a 'transpromo email' – transactional in nature but also offering a marketing component to them. For far too long they were neglected, with no one really owning them as they didn't drive revenue. Hence, why they were ugly and perfunctory – but greatly anticipated. So, it's great to see that 45% are now using transactional emails for marketing.

"While I'm surprised to see that only 24% of email marketers are using behavioural targeting based on web activity, I'm heartened to see that 39% are planning on using this. These types of campaigns are personalised, automated, valuable to the consumer and, if using the right technology, incredibly easy to implement.

"Again, although currently only 28% of marketers have implemented lifecycle programmes, it's encouraging to see that 34% are planning on implementing these programmes. This is an easy way of achieving personalisation through automation and these campaigns are known to be incredibly effective."

Kath Pay, Founder & Senior Consultant, Holistic Email Marketing

"Over two-thirds say they do not do any lead nurturing yet. But we should come to the realisation that all regular communication towards potential customers is a form of lead nurturing. Your brand and products are placed top-of-mind as they enter the top of the inbox. And [it is important to] keep in touch with the subscribers towards the moment when they are ready to buy. But if your content isn't nourishing or valuable enough to keep the relationship alive, then that should be concern number one."

Jordie van Rijn, eCRM and Email Marketing Consultant, eMailMonday

"With basic segmentation firmly established within 80% of companies, it makes perfect sense that advanced segmentation, behavioural targeting and content personalisation are top of the list for planned practices. However, in order to be successful, detailed personas and segmentation should be derived from business insight (not just email performance) and customer journeys mapped out across all touchpoints. This will allow segmentation to be implemented in a comprehensive, holistic manner to drive true business value."

Nick Burns-Laycock, Managing Consultant, Integrated Marketing Group, CACI

4.1.3. Measuring success

A new addition to the Email Industry Census this year is a question about the use of metrics to measure the success of email marketing activities. The majority of marketers are using *click-through rate* (91%), *open rate* (80%) and *conversion rate* (62%) to track the performance of their email marketing activities. It is slightly alarming that there are organisations out there that are not even using these fairly rudimentary metrics.

Click-through rate (or CTR) is a bread-and-butter metric which can be used for every single email campaign which is sent out, tracked over time and used, for example, to compare the performance of A/B tests. Open rate is another useful metric, for helping you to see clearly what proportion of your audience is actually opening each email campaign.

The *conversion rate*, which is the percentage of email recipients who complete a desired action after clicking on a link, takes marketers a step closer to understanding email marketing ROI. It must be assumed that those client-side marketers who are *not* using this metric (38%) are restricted by not having email properly integrated with their digital analytics, or have not been able to set up tracking URLs. Other explanations include the possibility that these businesses are not clear on their business objectives for email marketing, and do not have clear calls to action.

Figure 6: What metrics do you (or your clients) use to measure the success of email marketing activities?
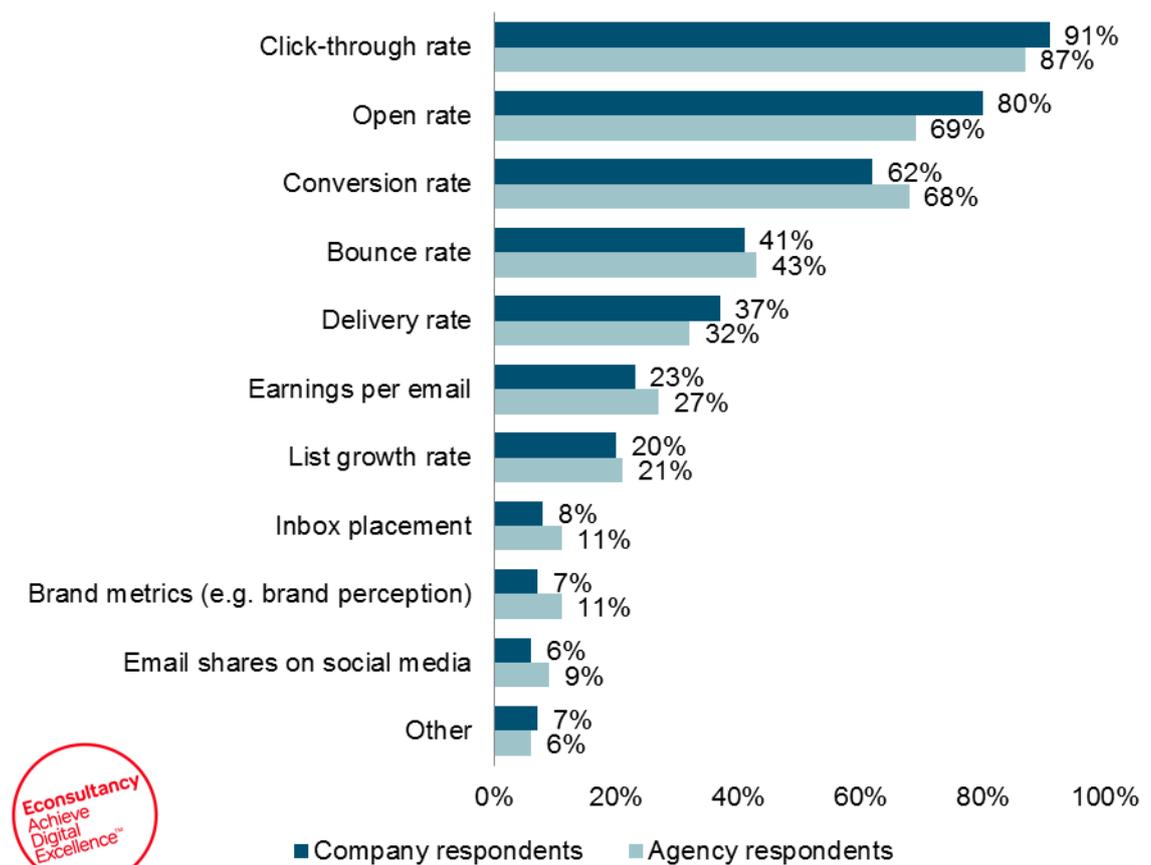
Company respondents: 707
Agency respondents: 313

Note: This is a new question for the 2017 survey, so there is no trend data.

Ecommerce businesses typically use a last-click attribution model for email, and conversion tracking is relatively straightforward, although this tends to underestimate the value of email. Businesses without a direct online sale, or high-ticket items subsequently sold offline, are not able to measure revenue against email so easily. However, there can be other conversion metrics to consider, such as number of 'warm enquires' and quote request forms completed.

It is apparent from *Figure 6* that supply-side respondents are significantly more likely than in-house marketers to indicate that conversion rates are typically being used to measure the success of email marketing, and significantly less likely to say that open rates are being used. This might be because agencies working with clients have helped them to focus on metrics which are more closely aligned with business success.

The chart is also notable for the low proportion of marketers saying they use other metrics, for example *bounce rate* (41%) and *delivery rate* (37%). These are important hygiene metrics to monitor the health of your email marketing activities. Hard bounces occur when there is a permanent error such as an invalid email address, while soft bounces are registered when the email server encounters a temporary error such as a full inbox, or when an email is rejected as spam.

The delivery rate is the inverse of the bounce rate, i.e. the percentage of emails that didn't bounce. According to email consultant Tim Watson, a delivery rate of less than 90% suggests a major failing in your list hygiene. This chart suggests that many companies are still happy to live in ignorance about their bounce and delivery rates, which could mean they are jeopardising their sender reputation.

List growth rate (20%) is another important email metric which the vast majority of organisations are apparently neglecting. Because your email marketing list decays naturally, a strategic focus on list growth is essential. If emails lists are unavoidably decaying, then it is logical to ensure that you are filling up the bucket more quickly than it is leaking.

Email marketing metrics are not all about direct response marketing, so it is important to consider and ideally monitor the impact of your email campaigns on your brand. According to this year's Email Census, only 7% of client-side marketers use *brand metrics (e.g. brand perception)*. This percentage increases to 11% for agency respondents, but the percentage is still very low.

Voice of the expert: measuring success

"Despite agreement of the importance of email and its ROI (*as seen later in the report*), when marketers were asked about measuring the success of their campaigns, just one in four (23%) are able to equate earnings and, therefore, an accurate value of the returns email can generate. More popular measurements continue to be click-through, open and conversion rates.

"This lack of understanding of the true value of email may also go some way to explaining the proportion of marketing budget that email accounts for remaining fairly constant over the last five years. This proportion remains at 15% despite a continued, if modest, increase in direct sales reported, from 18% in 2012 to 22% this year (see)."

Chris Combemale, Group CEO, DMA

"It is good to see that click-through rate remains the standard metric and most popular choice for measuring success. Not all brands can measure conversion rates accurately and click is the best proxy in this case.

"The correlation of open rate and conversion rate is low, an above-average open rate often doesn't result in above-average conversion. Rather than looking at open rate for each campaign in isolation, the real value of the metric is looking at trend over time. This can uncover building issues.

"It's disappointing to see list growth remains so low as a measurement of success. A healthy, growing permission-based list drives more success than focus on bounce rates."

Tim Watson, Email Marketing Consultant, Zettasphere

4.2. Email effectiveness

4.2.1. Email campaign performance

The proportion of marketers who rate the performance of their company's email campaigns as 'excellent' or 'good' has declined from 56% in 2016 to 52% this year, while the proportion of marketers who rate performance as just 'average' or 'poor' has correspondingly increased from 44% to 48%. The overall trend in terms of performance since 2014 has been upwards, so it remains to be seen if this year's results are just a blip.

The chart below (*Figure 7*) suggests that marketers are reluctant to describe their email campaign performance as excellent even though, as we will see in the next section, 27% of client-side respondents rate the ROI from this channel as excellent when comparing with a range of other marketing disciplines.

Just over a third (37%) of companies rate their email marketing as only 'average', and there is clearly a struggle for these businesses to elevate their email marketing efforts into something which drives good results. What is not clear is whether marketers actually *know* their email campaigns are average, or whether they merely suspect they are not performing.

As noted in last year's Census, this could be down to a lack of confidence around which KPIs and metrics to use, as well as challenges around data and attribution. Email marketers should be able to ask their email service providers how their metrics compare to businesses in their own or other sectors.

Company respondents
Figure 7: How do you rate the performance of your company's email campaigns?
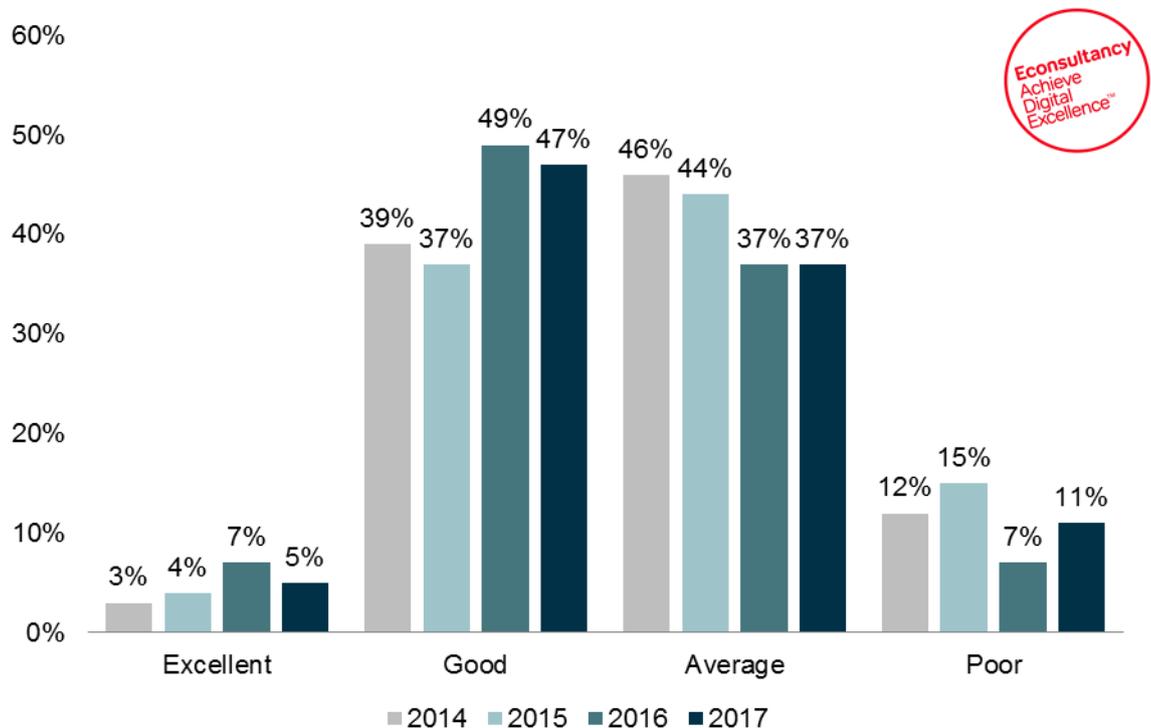
Respondents 2017: 727
2016: 665 | 2015: 600 | 2014: 693

4.2.2. Ranking of channels for return on investment

Figure 8 bears testament to the continued effectiveness of email marketing in comparison to a range of other channels and disciplines. More than a quarter (27%) of client-side respondents rate email marketing as 'excellent' for return on investment, and a further 46% say that it is 'good'.

Email's closest rival over the years has always been search engine optimisation (SEO), and this year is no different. The proportion of respondents who rate email and SEO as good or excellent is very similar (at 73% and 72% respectively), but they are 23% more likely to say that email is excellent (27% for email, versus 22% for SEO).

Figure 10 shows the change since 2008 when we first asked this question. The percentage of respondents who rate email as good or excellent has increased from 66% to 73% over that period of time, showing an increasing ability on the part of marketers over the last decade to get strong returns from email marketing.

Over that same timeframe, there has been a slight decrease (two percentage points) in the proportion of those who rate SEO as good or excellent, suggesting that the ability to get strong ROI from organic search has hit a plateau, perhaps because there is less low-hanging fruit available for marketers seeking to improve their search engine visibility.

Company respondents
Figure 8: How do you rate the following channels or disciplines in terms of return on investment?
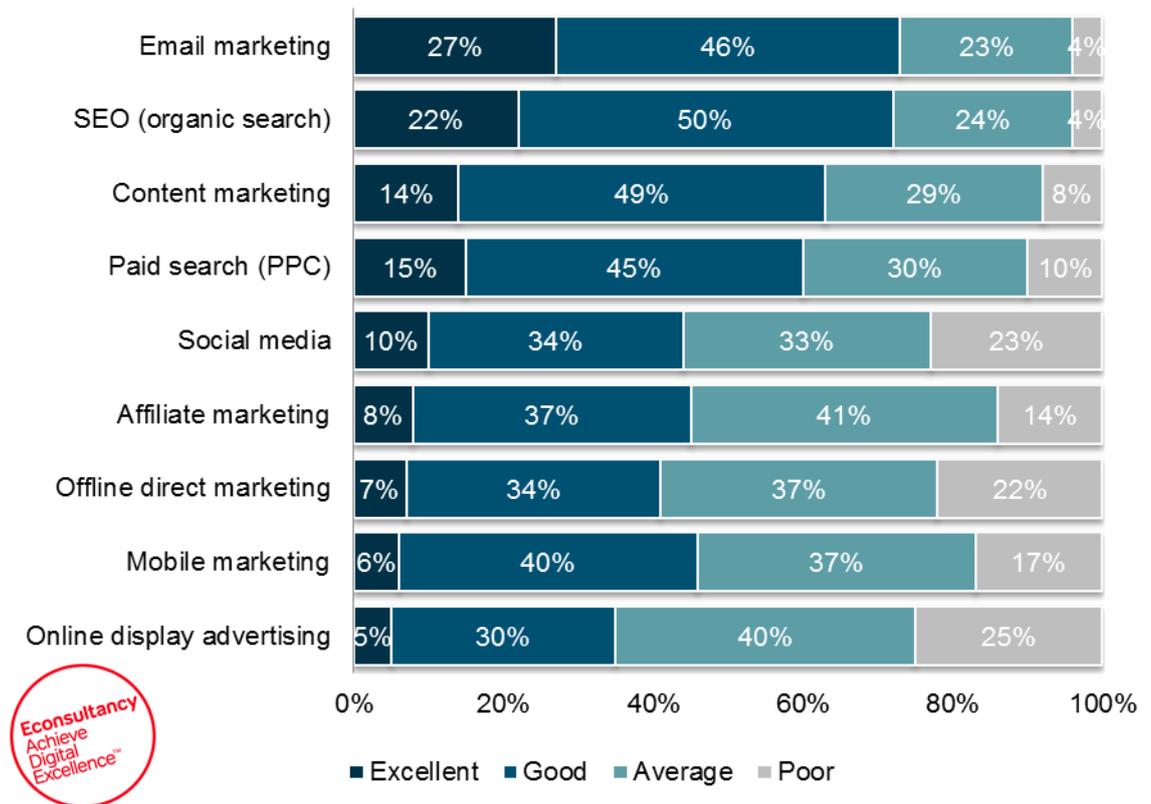

Respondents: 689

Company respondents – <u>change since 2016</u>
Figure 9: Proportion of company respondents rating channels or disciplines as 'excellent' or 'good' for ROI

| Channel	2016	2017
Email marketing	73%	73%
SEO (organic search)	67%	72%
Content marketing	62%	63%
Paid search (PPC)	59%	60%
Mobile marketing	38%	46%
Affiliate marketing	47%	45%
Social media	39%	44%
Offline direct marketing	44%	41%
Online display advertising	35%	35%

■ 2016 ■ 2017
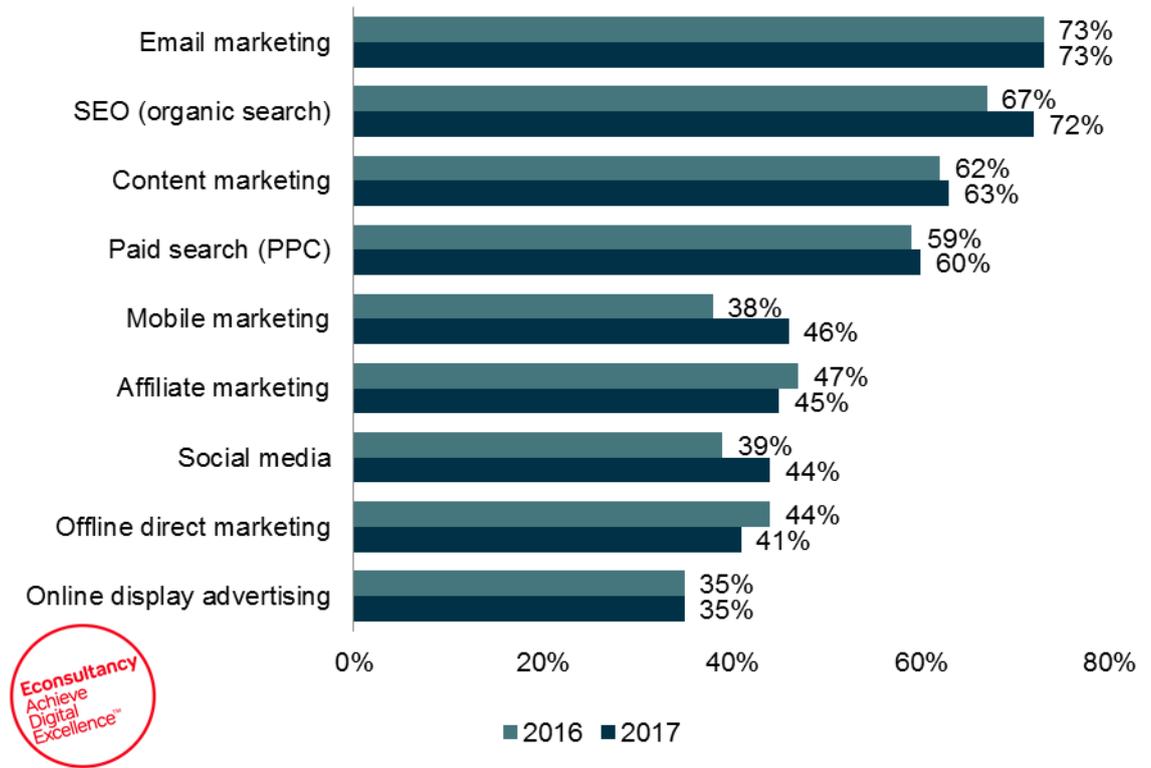
Respondents 2017: 689
Respondents 2016: 614

Company respondents – <u>change since 2008</u>
Figure 10: Proportion of company respondents rating channels or disciplines as 'excellent' or 'good' for ROI

Channel	2008	2017
Email marketing	66%	73%
SEO (organic search)	74%	72%
Content marketing		63%
Paid search (PPC)	57%	60%
Mobile marketing	18%	46%
Affiliate marketing	56%	45%
Social media		44%
Offline direct marketing		41%
Online display advertising	25%	35%
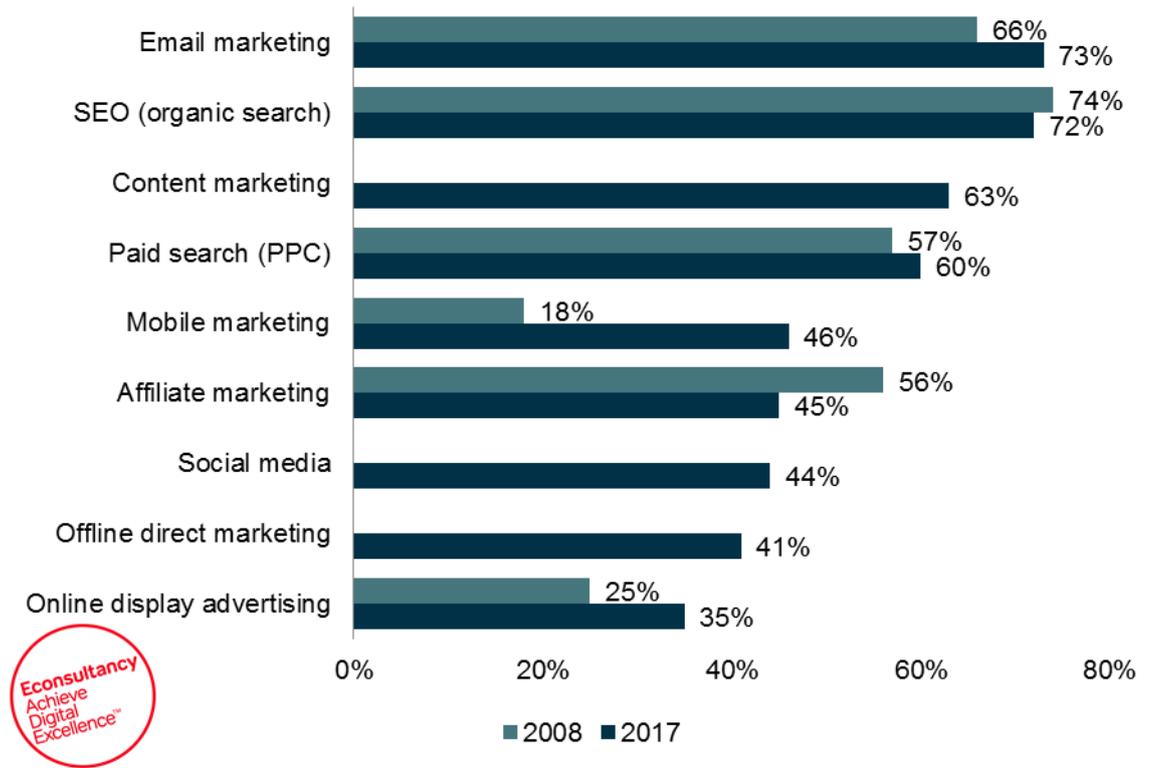
■ 2008 ■ 2017

Respondents 2017: 689
Respondents 2008: 263

Note: Some options have been added since 2008

Voice of the expert: ROI from email marketing

"Email marketing continues to be the leading channel for return on investment and its place as a foundational piece of every marketer's channel strategy, whether B2C or B2B. The increasing ease with which marketing automation can be implemented, both within email or integrating across channels, alongside the results these techniques deliver, means it is no surprise to see it rated as the most important aspect of an email marketer's toolbox today."

Riaz Kanani, Joint MD and Co-Founder, Radiate b2b

"Email is still the top-performing channel for marketers, despite most feeling that they are not utilising the channel as well as they could. Seventy-three percent of respondents said that it is their best channel for ROI, which perhaps explains the lethargy around using the channel in more advanced ways.

"If it's already working this well for marketers, some probably feel that the gains to be had from being more personalised and targeted are slim. However, this is not the case, as we see time and time again that when more of the advanced email marketing strategies and tactics are utilised, they drive incredible results."

Philip Storey, Email Marketing and CRM Strategy Consultant, CEO at Enchant Agency

"Marketers believe that email has never been so important, with 73% of professionals rating the channel as excellent or good for ROI. This highlights that while phone numbers and postal addresses are important, the central point of contact for most marketers has coalesced around the email address.

"Email is not just a popular channel for marketers either. According to the DMA's own Consumer Email Tracker 2017 report, it's also the channel through which consumers prefer to receive brand communications. In addition, email addresses are the key to social media accounts, apps, web accounts and the 'single customer view' that marketers are so keen to develop, making them the key identifier of your customer across multiple channels."

Chris Combemale, Group CEO, DMA

"It's great to see that email is still top of the pile when it comes to return on investment... even in 2017. It's funny that every time I do my 'Email Marketing New Year's predictions', people always ask me 'Is Email Dead?'.

"Well, with 73% of recipients in 2017's survey citing that email is good or excellent for ROI, coupled with it being attributable to, on average, 22% of sales to businesses (with many saying it is significantly more than this), I suggest that demonstrates that email is going to be a major marketing focus for many a year to come."

Dave Littlechild, Email, Ecommerce and Sales & Marketing Consultant

"Econsultancy has delivered this Census report for 11 years and in the first nine years SEO and email marketing would take turns in marketers stating that either SEO or email marketing delivered the highest ROI. However, that pattern broke three years ago, with email marketing now having delivered the highest ROI for the third year in a row."

**Kath Pay, Founder & Senior Consultant, Holistic Email Marketing**

4.2.3. Proportion of sales from email marketing

The average proportion of total sales that client-side marketers can attribute to their email marketing channel is 22%, down by one percentage point since last year. To put the importance of email into perspective as a driver of sales, this means that emails are generating approximately £29bn of retail sales annually in the UK alone[2], without even including offline sales prompted by email. *Figure 11* shows that the proportion of responding companies who say that email drives less than 10% of their total sales has decreased from 44% in 2015 to 36% this year.

Although companies are reporting a significant chunk of sales driven by email marketing, there is undoubtedly an ongoing challenge for marketers attempting to understand the true percentage of sales deriving from this channel. Many companies continue to wrestle with marketing attribution as a way of understanding the contribution of different channels beyond a relatively straightforward last-click view. Marketers have a responsibility to understand the impact and influence of email marketing at different stages of the customer journey if they truly want to understand the value it delivers.

Company respondents
Figure 11: Approximately what proportion of your total sales can you attribute to the email marketing channel?
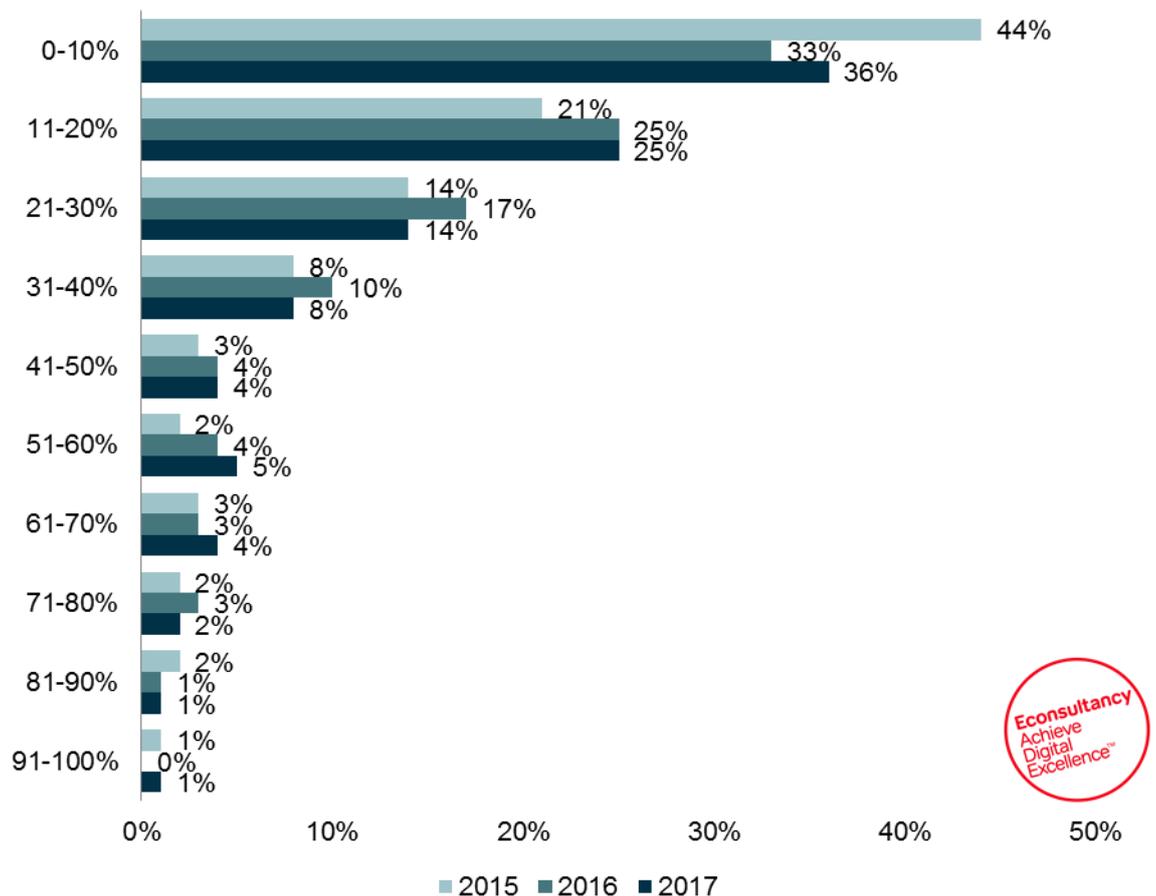
Respondents 2017: 675
2016: 594 | 2015: 536

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[2] *This is derived from an IMRG estimated figure of £133bn in UK 2016 online sales.*
https://www.imrg.org/media-and-comment/press-releases/uk-online-sales-in-2016/

4.3. Place in the organisation

4.3.1. Proportion of marketing budget spent on email marketing

As well as looking at the proportion of sales derived from email marketing (*Section 4.2.3*), the Email Census also covers the proportion of marketing budgets that email accounts for. The chart below (*Figure 12*) shows that sales (22%, on average) and marketing budget (15%) continue to be correlated quite closely, although there is a continued underinvestment in email marketing relative to the sales and value it is generating. As the trendlines in *Figure* 12 show, the gap appears to be widening.

The average percentage of marketing budget spent on email is the same as last year, disappointingly showing that there has been no increase in spending on the channel. Email peaked at 16% of marketing budget in 2014, and has not made much headway since then, begging the question: why is such an effective channel not getting a greater chunk of marketing budget?

Notwithstanding other factors such as competition from other established and emerging marketing channels, the principal reason is likely to be the inability to measure the impact of email marketing properly. This, in turn, boils down to the lack of an attribution model which does justice to the channel's true contribution. As two of our expert commentators highlight on the next page, email is often an important 'influencer' channel during the path to purchase, without getting the credit it deserves, due to unsophisticated, last-click attribution techniques.

It is evident that more budget is required to reap maximum returns from this channel, especially at a time when marketers recognise that investment in increased personalisation and marketing automation will pay off in the future.

Company trends: 2012-2017
Figure 12: Average proportion of total marketing budgets email accounts for vs. average proportion of sales attributed to the email marketing channel
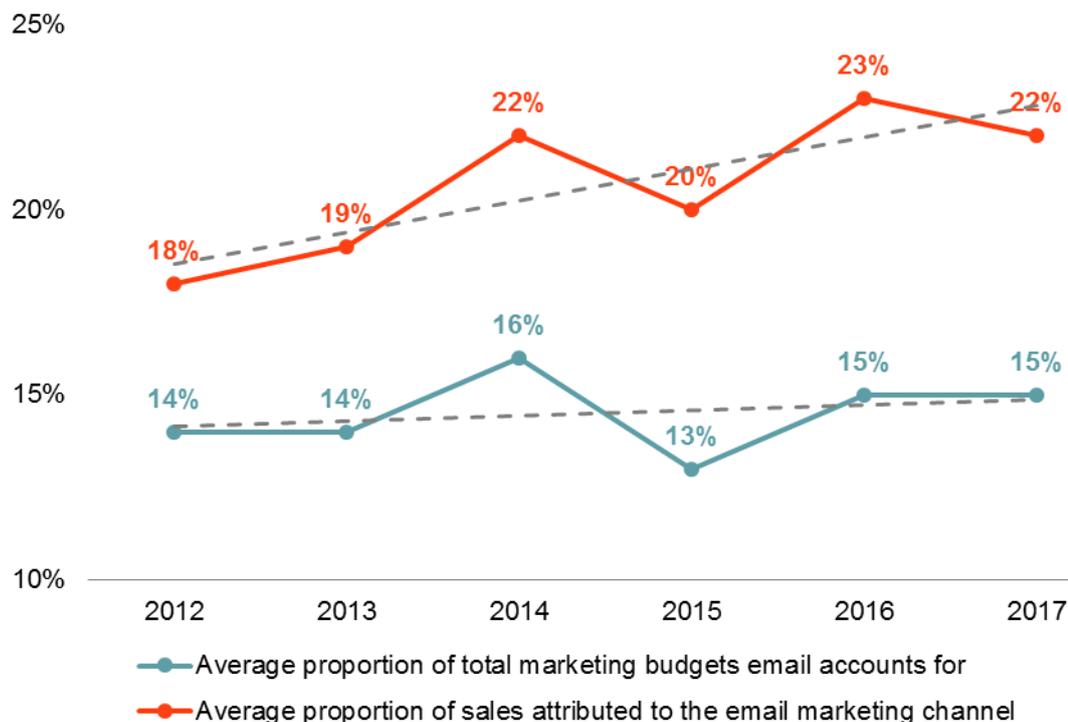
Voice of the expert: why aren't marketers investing more in email marketing?

"It's apparent that there's a need to examine budget allocation around email. We have a channel that is clearly demonstrating enormous ROI, with the number of sales tracking linearly with amount of budget invested. Yet despite this, we're only seeing an average one percentage point increase in money spent on email since 2014. Email marketers are wanting to move forward but, throughout this report, lack of resource (budget and staff) is cited for not developing certain key strategies, for example mobile optimisation and personalisation.

"So, with technology advancing rapidly, there's so much more a marketer can do with email now than in the past, and there is clearly the desire to do so. But marketers, and specifically CMOs, must enable more budget allocation to email in order to achieve these goals.

"I love analogies, and in this case I liken it to riding a push-bike to work, then deciding I want a car for the winter. The car is warmer, faster, safer and more comfortable. Yet, obviously, I wouldn't expect to pay the same amount for the car as I bought my push-bike for now, would I?!"

Dave Littlechild, Email, Ecommerce and Sales & Marketing Consultant

"The consistent relationship between 'proportion of total marketing budget' and 'average value of email sales' suggests a strong correlation. However, I suspect that sales influenced by email are typically understated unless a strong attribution model is being used that 'counts back' and credits channels supporting touchpoints prior to conversion to sale. Email campaigns supporting brand (e.g. e-newsletter or Net Promoter Score tracking) and service (e.g. post-purchase follow-up or registration acknowledgement) all have an indirect influence on brand perception and preference and will play a part in influencing purchase.

"Adopting an attribution model is a vital step in understanding the true contribution of email campaigns and thereby supporting sound investment decisions."

Andrew Campbell, Martech Director, First 10

"Yet again, there is a clear disparity between the sales earned and budget given to email marketing. And considering that attribution of sales from email is not totally accurate, the difference is even greater, as not all sales from email are being attributed to email. Every year, the DMA Email Tracking Report shows that consumers don't always click through from an email but instead may perform a search for the brand and, as such, this attribution for this sale would go to search (organic or PPC).

"Email marketing is renowned for being the workhorse of digital marketing – driving traffic to the website, pushing out offers when sales are needed and delivering the highest ROI from all the channels. However, this chart (*Figure 12*) shows us that it is taken for granted in some respects, as it does all the above with limited budget. A key question for brands to ask themselves is: 'If we invested more budget into email marketing, just how much more revenue could we bring in?' As many charts in this report show, the more investment (time, skills and advanced tactics – all of which take additional budget) made into the email, the higher the ROI."

*Kath Pay, Founder & Senior Consultant, Holistic Email Marketing*

As can be seen in *Figure 13*, agency respondents attribute a higher average percentage of sales (24%) and marketing spend (19%) to the email marketing channel, with these figures up respectively from 23% and 17% in 2016. Although this chart suggests a 27% increase in email marketing investment since 2015, there is still a significant gap between investment and sales attributed to the channel.

Agency trends: 2014-2017

Figure 13: Average proportion of total marketing budgets email accounts for vs. average proportion of sales attributed to the email marketing channel
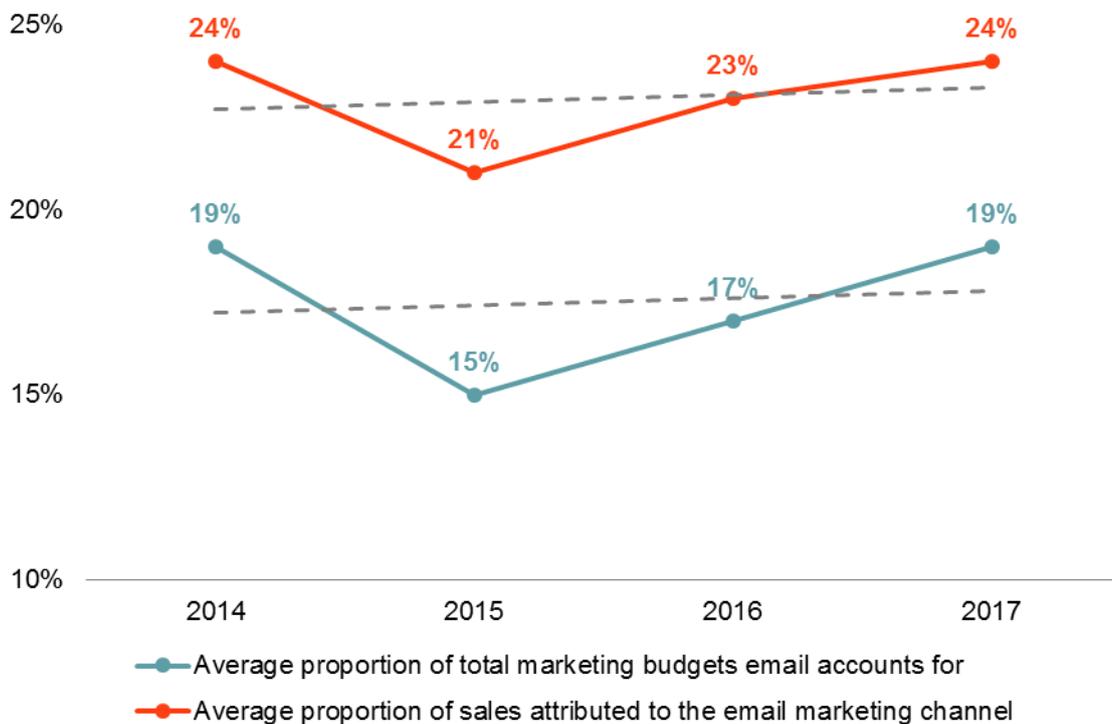
4.3.2. Annual spend on email marketing

Figure 14 shows the spread of email marketing spending brackets, comparing 2016 and 2017 data. Given that spending on this channel appears to have hit a plateau, it is not surprising that there are not many significant year-on-year differences to report here. However, there has been a decrease from 14% to 10% in the proportion of responding companies spending more than £100,000 annually on this channel.

This decrease cannot be attributed to a different make-up of responding companies this year, since the proportion of respondents working for organisations with annual revenues of more than £50m has in fact increased slightly, from 30% to 31%. It is likely that some of the largest companies have achieved some economies in their email marketing activities, though reduced spending runs counter to the inescapable logic that increased investment in email marketing typically pays off when it comes to return on investment.

The agency data shown in *Figure 16* paints a different picture, with the proportion of respondents reporting typical client annual spend of more than £100,000 holding steady at 16%. However, this year, supply-side respondents are significantly more likely to report spending of more than £250,000 annually on email marketing, up from 8% last year to 12% this year.

Company respondents
Figure 14: How much does your organisation spend on email marketing per year?
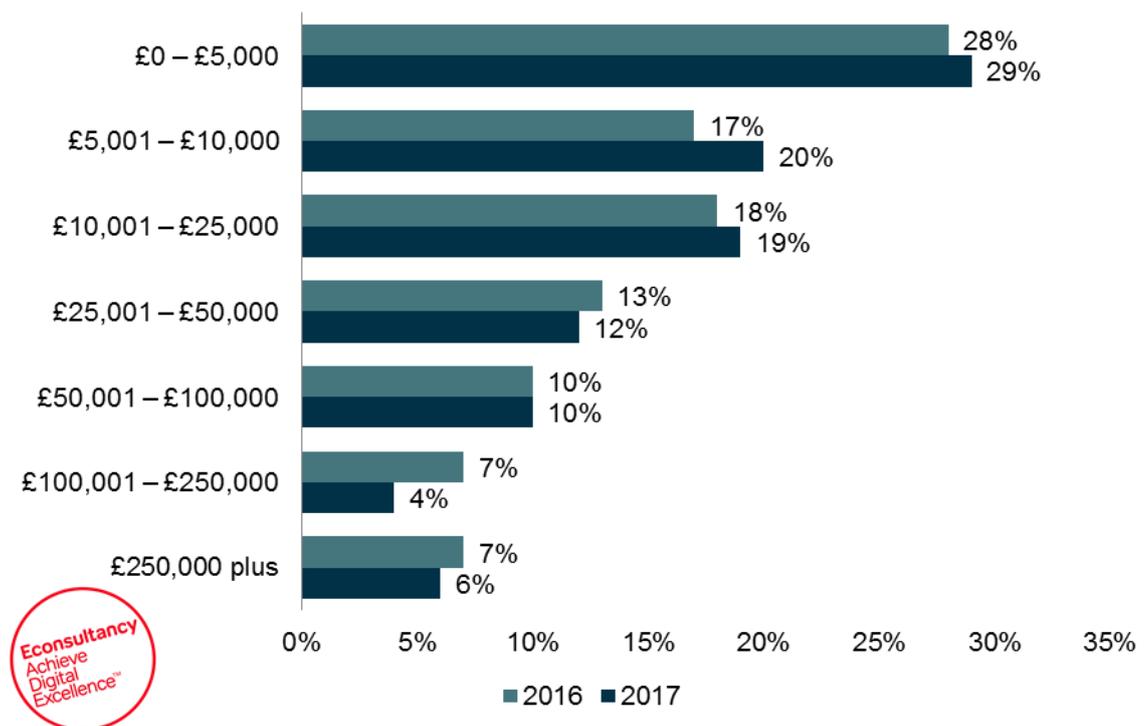
*Respondents 2017: 652*
Respondents 2016: 590

Figure 15 shows the change in spending brackets since 2007 when the first Email Census was carried out. It should be noted that the £250,000+ spending bracket was a recent addition to the survey, with those respondents grouped in the £100,000+ bracket for the purposes of producing this chart.

While there have been fluctuations over the years, it is again clear that investment in email marketing has not increased in line with the ROI potential which is on offer. However, since companies have become more sophisticated in their approach to email marketing over the last decade, it is likely that some of the savings made from cheaper and better technology have been re-invested in either in-house or external human resources (i.e. skills) to enable better email marketing.

Company trends: 2007 – 2017
Figure 15: How much does your organisation spend on email marketing per year?
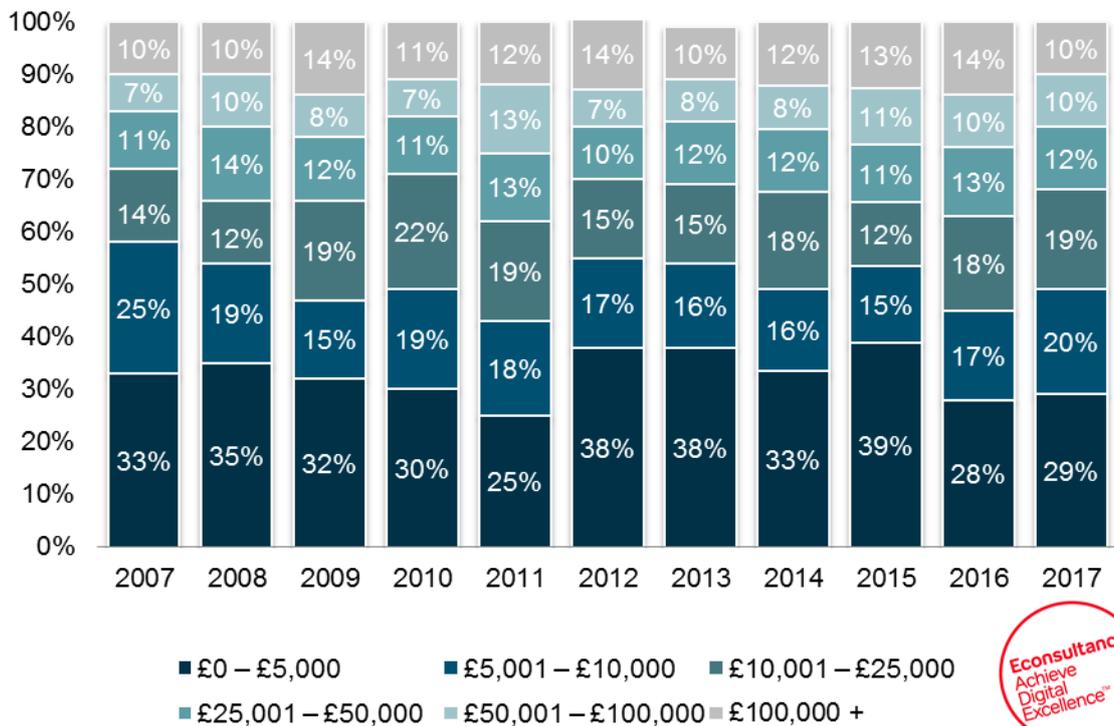
Respondents 2017: 652

Agency respondents

Figure 16: How much do your clients typically spend on email marketing per year?

Spend per year	2016	2017
£0 – £5,000	27%	25%
£5,001 – £10,000	16%	24%
£10,001 – £25,000	16%	16%
£25,001 – £50,000	12%	13%
£50,001 – £100,000	13%	6%
£100,001 – £250,000	8%	4%
£250,000 plus	8%	12%
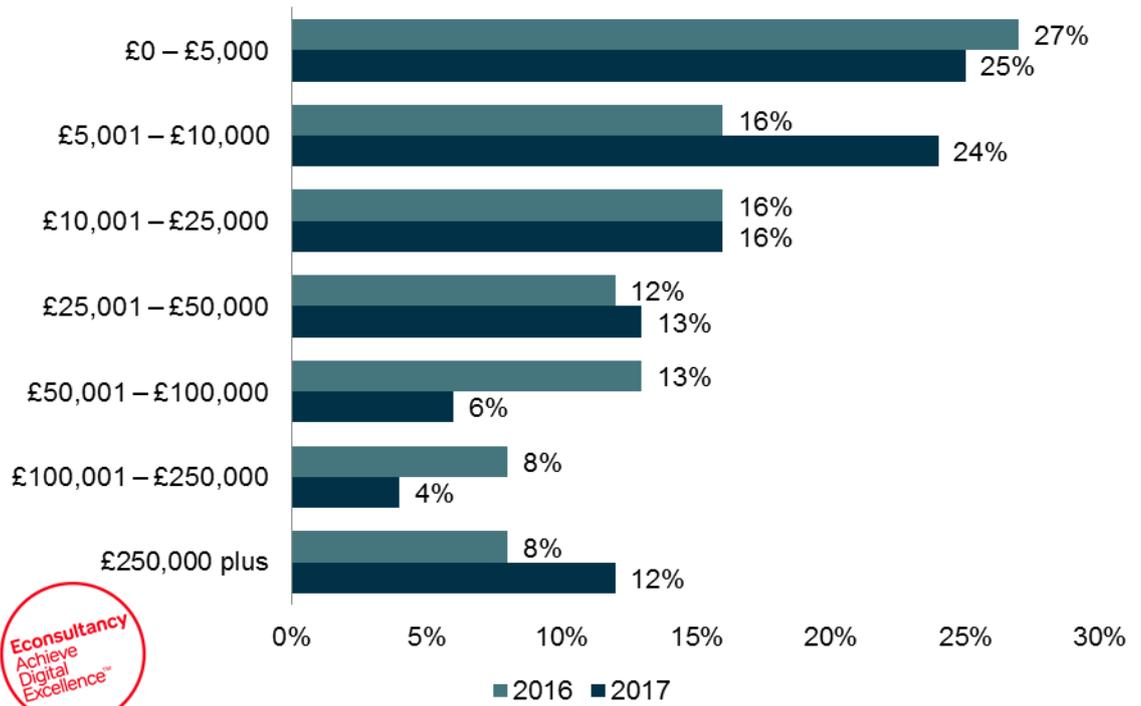
Respondents 2017: 275
*Respondents 2016: 277*

4.3.3. Responsibility for email marketing

The proportion of companies who say that email is the responsibility of a *team, as part of wider marketing responsibilities* is 45%, an increase from 40% last year. Meanwhile, the percentage of respondents who say that email is the responsibility of an *individual dedicated to email marketing* has declined, from 14% to 8%.

Looking at the trend since 2014, the proportion of respondents who say that email is the responsibility of an *individual, as part of wider marketing responsibilities* has decreased markedly, from 40% three years ago, to 30% this year.

This shift in email responsibility from the individual to the team is also evident from the agency data, shown in *Figure 18*. This pattern could suggest that email platforms are becoming easier to use, and therefore businesses do not necessarily require dedicated in-house email specialists. As different marketing functions become more integrated, it makes sense for a team rather than an individual to be responsible for this channel.

Company respondents
Figure 17: Who is responsible for email marketing within your organisation?
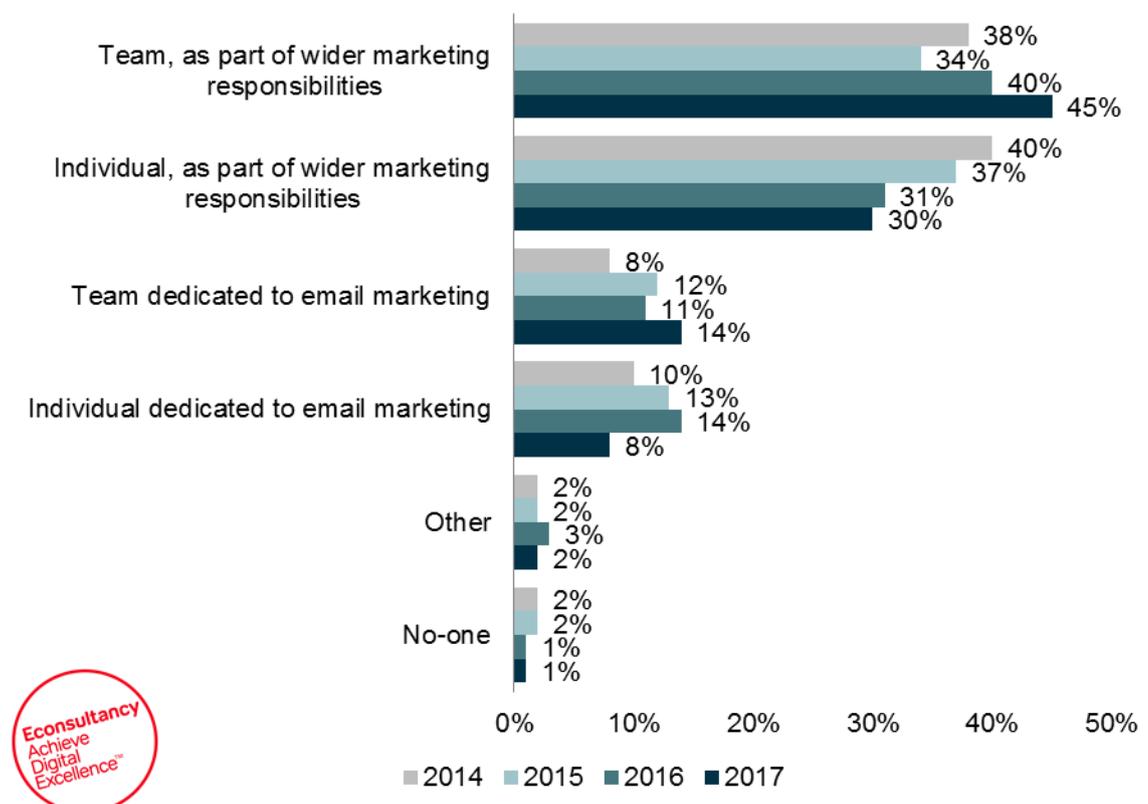
Respondents 2017: 664 | 2016: 589
2015: 451 | 2014: 541

Table 3 shows how the top six sectors (in terms of number of Email Census respondents) have assigned responsibility for their email marketing. Across all sectors, responsibility for email marketing is most likely to reside with a team, as part of wider marketing responsibilities (with the publishing sector most likely to say that's the case). Companies in the retail and travel & hospitality sector are most likely to have employees dedicated to email marketing, whether an individual (12% and 10% respectively) or a team (17% and 19% respectively).

Company respondents
Table 3: Responsibility for email marketing by sector

	No-one	Individual, as part of wider marketing responsibilities	Individual dedicated to email marketing	Team, as part of wider marketing responsibilities	Team dedicated to email marketing	Other
Charities & Non-profit	2%	28%	13%	45%	8%	4%
Financial Services & Insurance	2%	34%	5%	44%	13%	2%
Print / Publishing	2%	19%	3%	52%	24%	0%
Retail	0%	22%	10%	46%	19%	3%
Technology	0%	29%	7%	47%	13%	4%
Travel & Hospitality	0%	23%	12%	48%	17%	0%

Voice of the expert: responsibility for email marketing

"Forty-five percent of respondents said that email marketing is owned by a team with various other marketing roles. This shows that as email marketing technology has improved, a dedicated team or individual to run the channel is often not required. This could also be driven by how email marketing is playing with other channels to provide a more consistent, relevant customer experience. Placing it in silo, even just from an organisational point of view, isn't necessarily the best approach, even in enterprise businesses."

Philip Storey, Email Marketing and CRM Strategy Consultant, CEO at Enchant Agency

"With so many variables involved in delivering successful email marketing – strategy, creative, UX, deployment, measurement – it's good to see that company respondents are growing their use of either dedicated or broader teams taking responsibility for this. Having a broad skill-set and multiple points of view allows for opportunities and insights to be spotted, leading to innovation and development of the channel."

Nick Burns-Laycock, Managing Consultant, Integrated Marketing Group, CACI

"While the proportion of sales attributed to email marketing has risen over the past five years, the marketing budget for email has stayed flat. This seems like email marketing continues to be undervalued by companies. However, there has been a significant shift towards more than one person being involved in email – either directly or as part of wider marketing responsibilities.

"While greater investment in the future in automation and artificial intelligence will reduce the number of people required to deliver email marketing at scale, we are not there yet and, overall, companies are clearly continuing to invest in the email marketing channel."

Riaz Kanani, Joint MD and Co-Founder, Radiate b2b

Agency respondents

Figure 18: Who is typically responsible for email marketing within your clients' organisations?
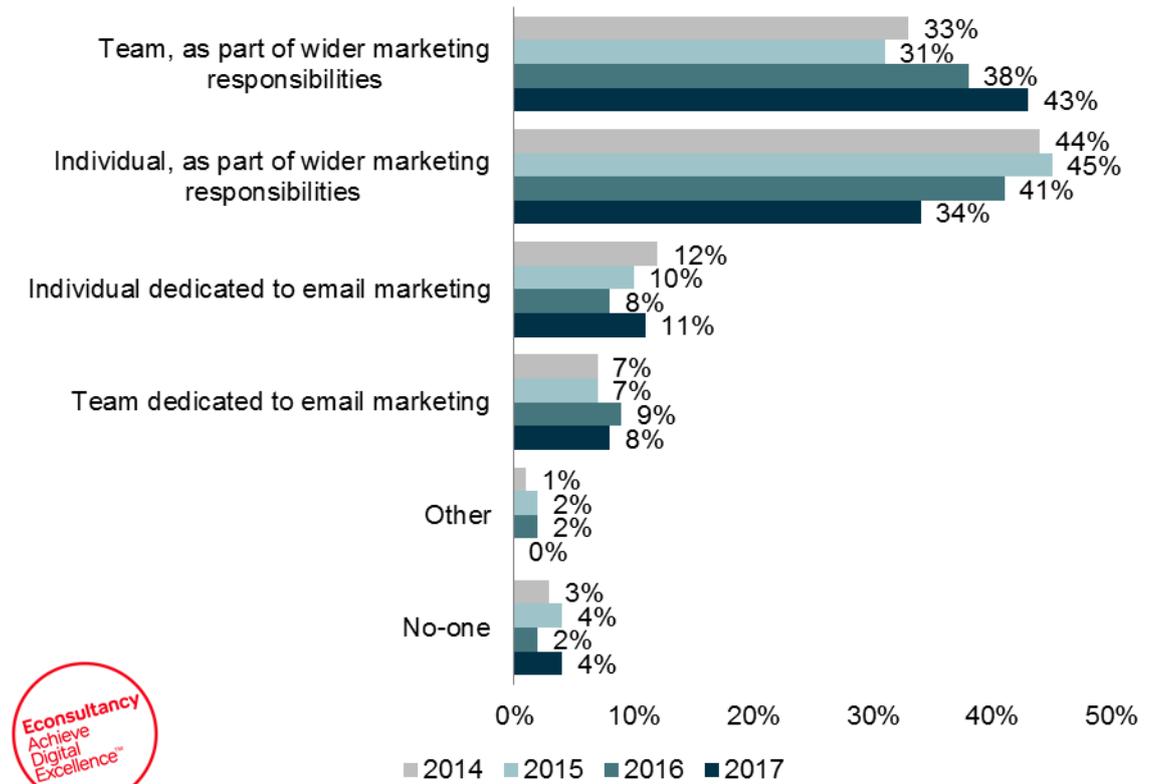
Respondents 2017: 280 | 2016: 276
2015: 246 | 2014: 220

4.3.4. Time spent on email activities

Figure 19 shows the average amount of time spent on different email-related activities for a typical campaign. Responding companies spend the least amount of time on *mobile optimisation* and *transmission*, and the most amount of time on *design and content*.

While design and content are important, marketers appear to be spending a disproportionate amount of time on this aspect of their email marketing compared to other areas such as *strategy and planning*, *reporting* and *data*. As can be seen by comparing *Figure 19* with *Figure 20*, the percentage of companies spending at least two hours on *design and content* has decreased from 64% to 61%. For *strategy and planning*, arguably the most important activity for any campaign, the proportion spending a similar amount of time has climbed negligibly by a single percentage point, from 38% to 39%.

In terms of design, modern ESPs have made it much easier to set up and re-use customised templates, but content may be taking longer to pull together because of increased levels of segmentation and personalisation. The one-size-fits-all approach no longer works.

Company respondents
Figure 19: For a typical campaign, how many hours are spent internally on the following email-related activities?
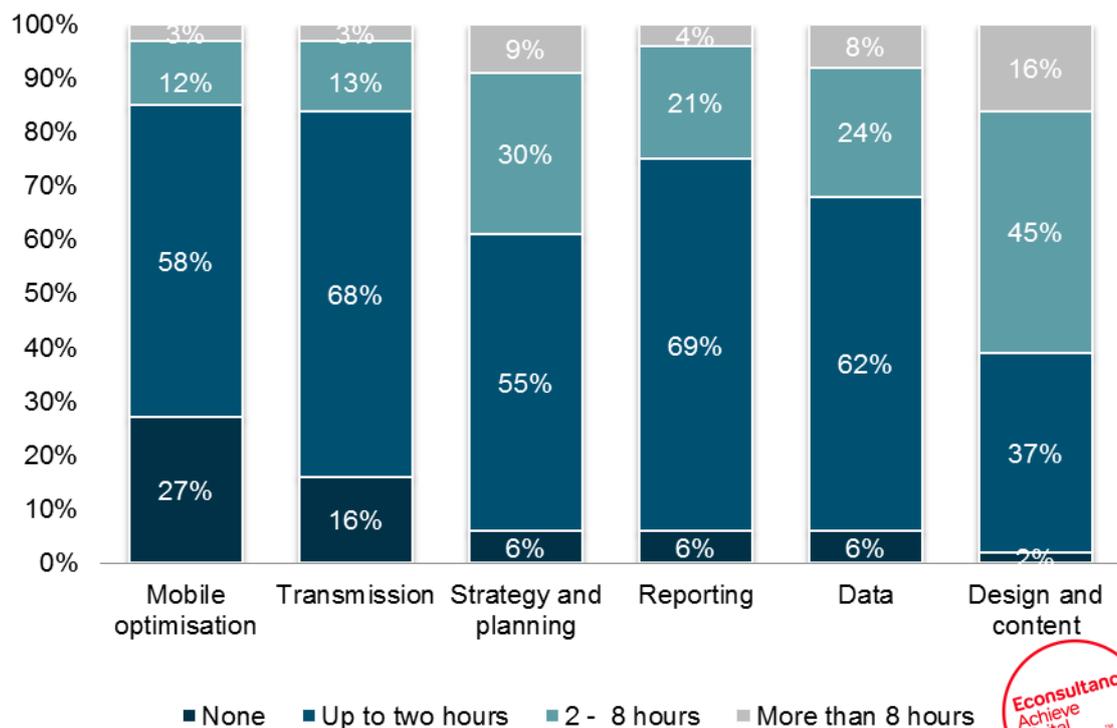
Respondents: 637

As was the case last year, just over a quarter of respondents (27% this year, compared to 28% last year) say they spend no time at all on optimising their campaigns for mobile devices. While those who ignore mobile optimisation are in the minority, it still comes as a shock that so many companies are paying no attention to this area at a time when we have long since passed the point when more email is read on mobile devices than on desktop PCs.

Another explanation might be that email campaigns are automatically being optimised for mobile, thanks to improving ESP technology such as mobile-friendly templates and email editors.

Because this is happening automatically, email marketers do not necessarily have to allocate time for mobile optimisation.

Company respondents – <u>2016 results for comparison</u>
Figure 20: For a typical campaign, how many hours are spent internally on the following email-related activities?
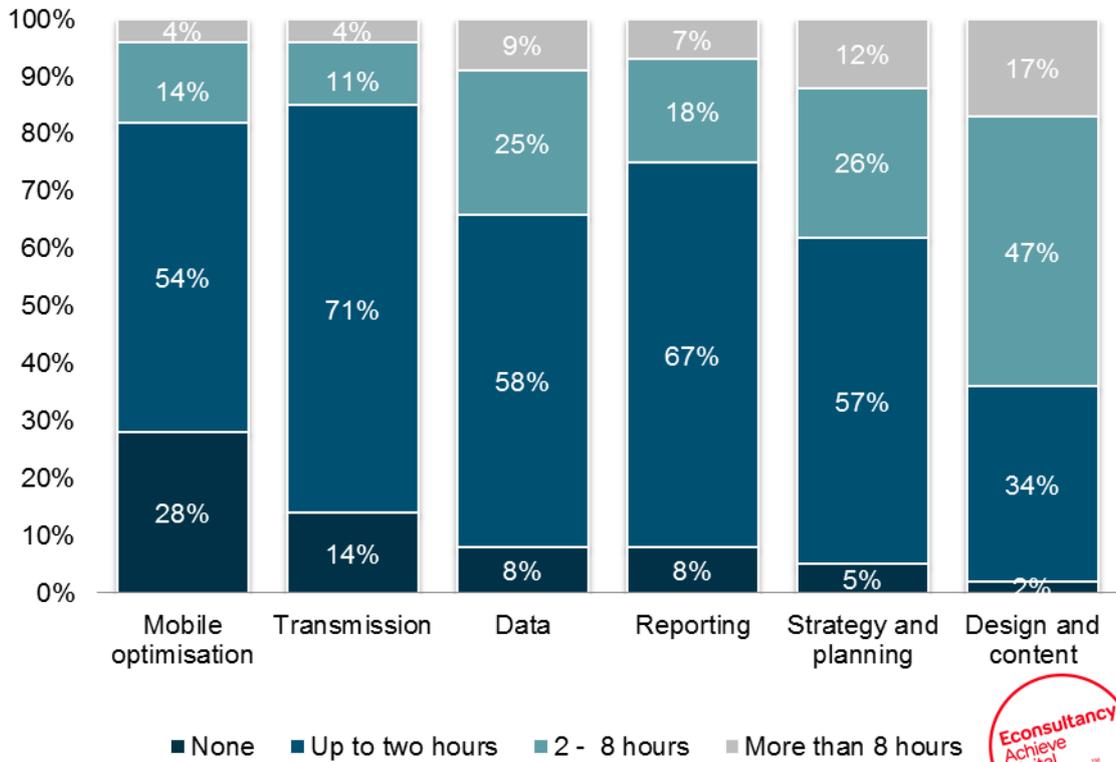
Respondents: 566

Voice of the expert: time spent on email activities

"It is perhaps surprising to see that a significant amount of time is still spent on the design and content for email marketing campaigns. There are so many email marketing technologies baked into ESPs as well as standalone platforms that enable marketers to template designs and HTML, as well as integrate content from other sources. Email marketers need to find ways to spend less time on creative and more time on strategy and optimisation."

Philip Storey, Email Marketing and CRM Strategy Consultant, CEO at Enchant Agency

The supply-side perspective (*Figure 21*) is not dissimilar in terms of relative amounts of time spent in each area, although agency respondents indicate a greater investment of time in most area.

Agency respondents

Figure 21: For a typical campaign, how many hours do your clients spend on the following email-related activities?
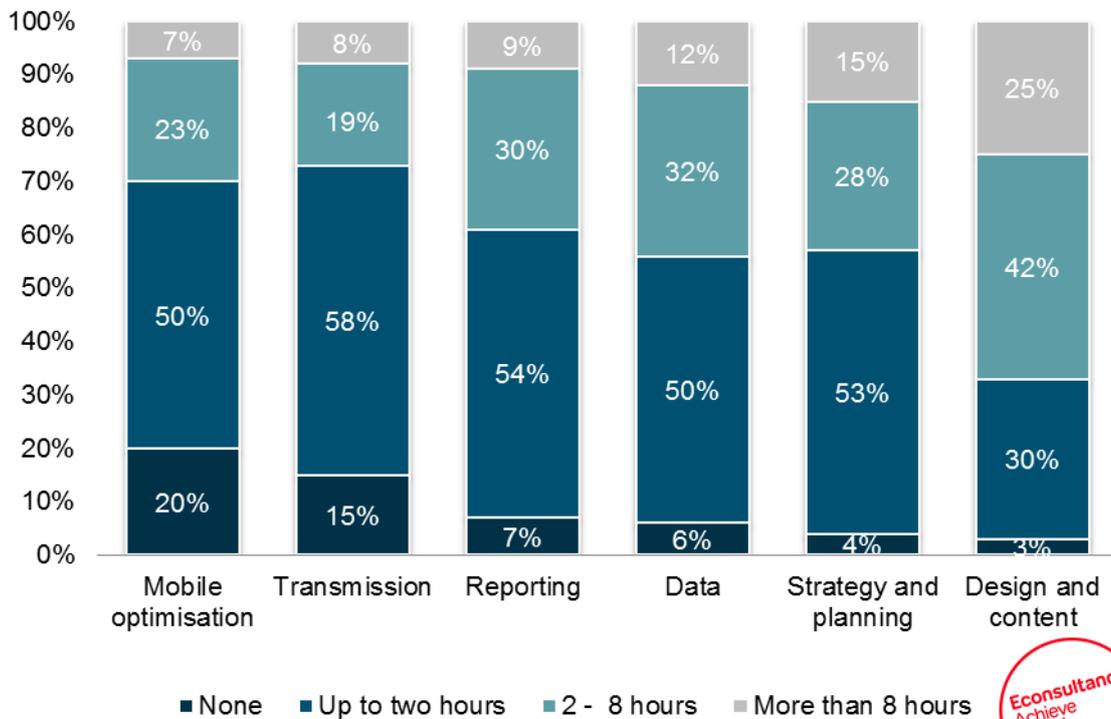
Respondents: 251

4.4. Optimising for different devices

4.4.1. Strategy for optimising email for different devices

It is no secret that one of the most important themes that has impacted email marketing practices over the past few years has been the huge growth of mobile application and broadband usage, and the accompanying rise in the proportion of email recipients that open their messages away from their desktops or laptops.

While marketers should be thinking about the range of different devices consumers are using, rather than in binary desktop or mobile terms, the rise of smartphones is a trend which continues unabated. According to Ofcom's latest Communications Market Report, for 2016[3], 71% of UK adults now own a smartphone, and 59% own a tablet. Significantly more UK adults (36%) now cite smartphones as their most important device for internet access, as opposed to laptops (29%) or desktops (12%) – and this tendency is especially marked among those aged between 16 and 34 (56%).

Mobile devices are now excellent tools for viewing and responding to emails. And as a medium naturally tailored to immediacy and interactivity, and tied to customers' location, mobile can add unique value to the email marketing mix.

Nine in ten (90%) company respondents report that they have some form of strategy for optimising email marketing for different devices, up from 86% in 2016, but the proportion of marketers that describe their approaches as 'quite' or 'very' advanced has only moved up one percentage point from 2016, to just 22%.

Further, only a third (33%) of respondents describe themselves as thinking 'mobile first' when it comes to optimising emails for mobile users (*Figure 23*), although this is up from 26% in 2016.

Development of a strategy for device optimisation goes beyond just making sure email campaigns are reaching their target, and are readable on mobile devices. It is about understanding the whole customer journey; how different messages and channels can drive customer actions, and how emails delivered to an assortment of different devices fit into this picture. A mobile-first approach may be suitable for some types of business, but, given that huge volumes of emails are still consumed on desktop PCs and laptops, companies should ultimately seek to have an approach to email which is device-agnostic.

[3] *www.ofcom.org.uk/research-and-data/cmr/cmr16*

Company respondents

Figure 22: How would you describe the extent to which your company has a
strategy for optimising email marketing for different devices?
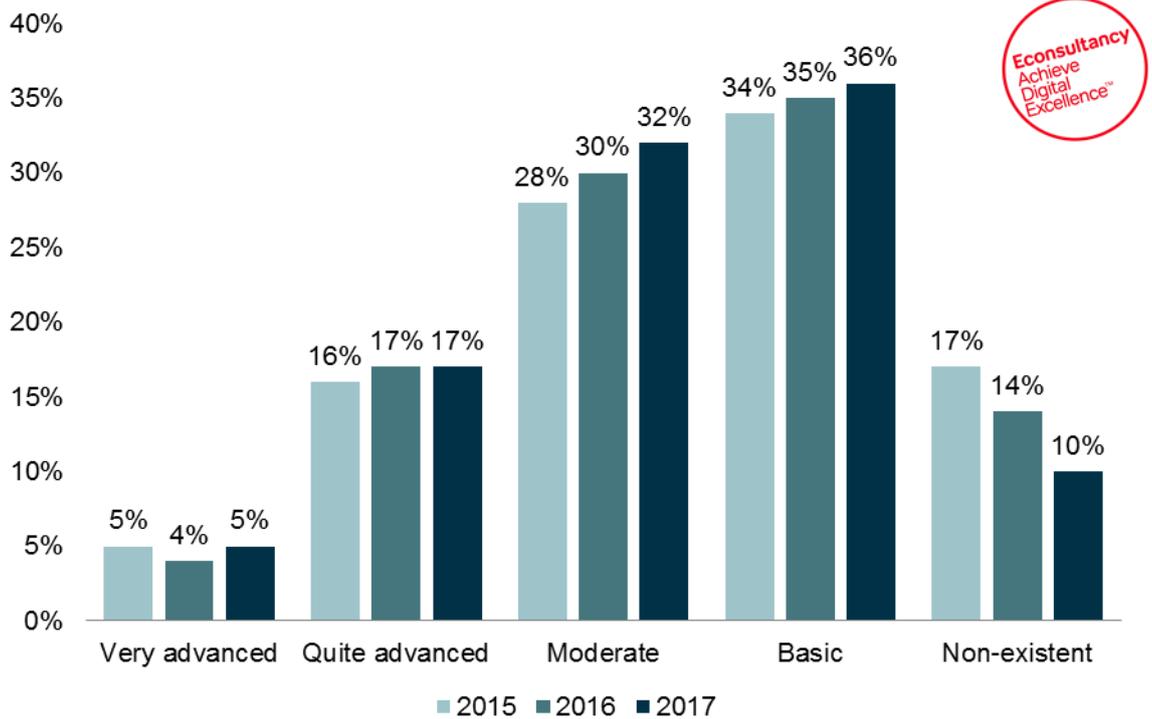
Respondents 2017: 635
2016: 556 | 2015: 464

*Note: In 2015 and 2016, this question was phrased as follows: 'How would you describe the extent to which
your company has a strategy for optimising email marketing for mobile devices?'*

4.4.2. Tactics used for device optimisation

While strategy development is still nascent, at a tactical level, activity geared specifically towards mobile users has been bubbling away healthily in the email marketing space, and has increased further in the last year.

There is wide and growing adoption of optimisation practices geared towards introducing the simplicity and clarity that is crucial for mobile-friendly design, from resizing by switching to single-column email layout, to trimming superfluous content and increasing default font size.

As noted earlier in the report (*Figure 3*), *optimising email for mobile devices* is an area that has seen a large jump in activity over the last 12 months, with 73% of company respondents noting that this forms part of their email marketing efforts, up from 64% in 2016. Only 6% of respondents said they are not conducting any of the optimisation techniques listed in *Figure 23*.

Responsive templates continue to increase in popularity, for example, enabling content to move dynamically, with options to enlarge font, change hierarchy and resize images. They allow emails to be sent out in a single format, with the email client electing how to display them once opened, ensuring marketers can keep pace with new devices and screen sizes that come to market.

Two-thirds (66%) of company respondents say they have *created a responsive email template*, and 59% report they have at least *adapted email design to have a simpler template that renders well on all devices*. Both these figures are up four percentage points from 2016.

Company respondents
Figure 23: What have you done to optimise email marketing for different devices?
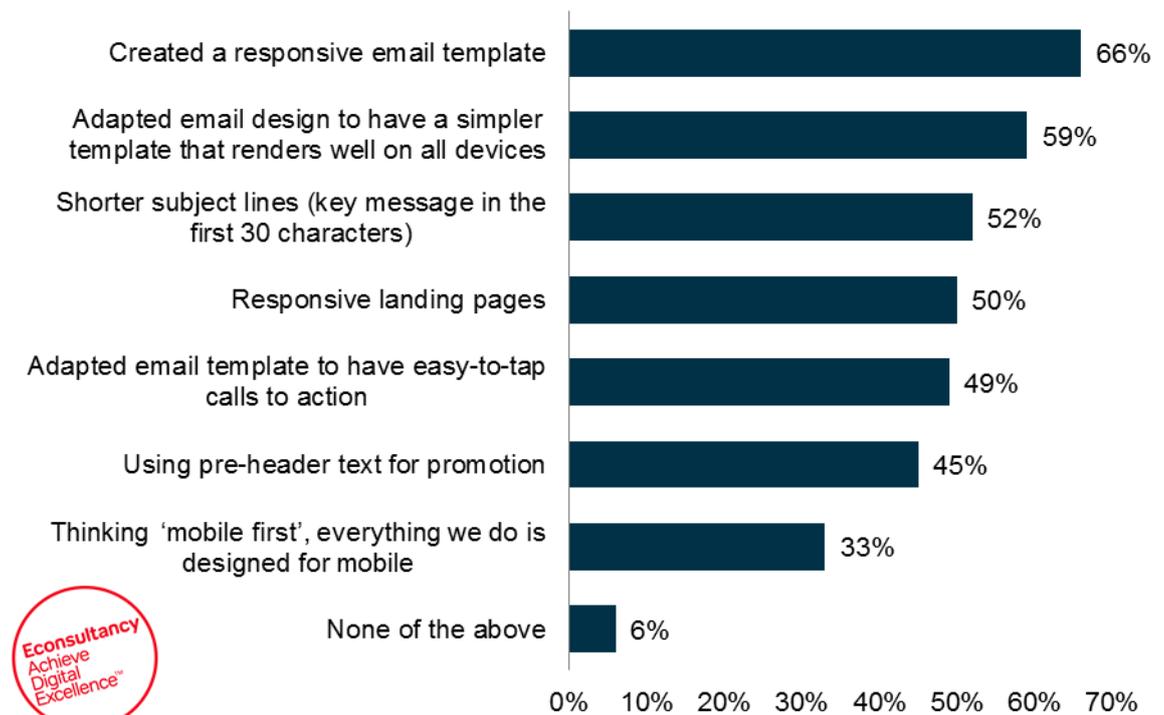
Respondents: 618

Note: Respondents could check all the options that applied. We have not shown 2016 percentages for comparison in this chart because some of the options were changed for this year's survey.

More marketers have also extended their tactics beyond the email itself, with 49% having now *adapted their email template to have easy-to-tap calls to action*, for example by implementing larger buttons to ensure the CTA is clear and easier to select when readers are in more awkward smartphone-oriented environments. This is up from 44% in 2016.

Mindful of when mobile recipients click through from an email, 50% of respondents say they have introduced *responsive landing pages* to ensure user experience benefits are not wasted once the email has completed its CTA task.

Voice of the expert: optimising for different devices

"Designing for mobile is clearly something that is an accepted part of building an email campaign today, with the proportion of marketers without a strategy for mobile almost halving to only 10% in the past few years. The importance of thinking beyond the email remains though, with responsive landing pages and directly linking to an app critical to increasing conversion rates in mobile."

Riaz Kanani, Joint MD and Co-Founder, Radiate b2b

"Email is a mobile channel. At CACI, we are seeing on average 60-80% of emails opened on mobile devices. This is true even of typically older demographic sectors such as financial services and energy. So, it's surprising that more than 75% of company respondents say they have a moderate or lower strategy for device optimisation. No matter what the barriers are here (and these are reducing rapidly), companies cannot afford to deliver poor email experiences on mobile devices. If they do, customers will quickly move elsewhere."

Nick Burns-Laycock, Managing Consultant, Integrated Marketing Group, CACI

4.4.3. Barriers to optimisation success

With budgetary pressures remaining a constant impediment for email marketers, it is no surprise that resource limitations continue to be cited as a key barrier to development of practices and techniques geared towards optimisation for different devices.

The average proportion of total marketing budgets attributed to email was just 15% in 2017, and has seen no major increase in the period since 2012 (see *Figure 12*, *Section 4.3.1*). This, all things being equal, has left already-pressured email practitioners with the task of accommodating a major and, in many ways, transformative trend (increased smartphone and tablet usage) without any significant boost in resources to fund it.

In this light, it is unsurprising that there remains significant room for many marketers to do more to formulate an email strategy and tactics which are truly mindful of different devices, and how they may be used in different circumstances relating to different stages of the customer journey.

More than a quarter of both company (26%) and agency respondents (28%) cite a *lack of resources (including budget and staff)* as their 'main barrier to success when it comes to effectively optimising their email campaigns for different devices'. Many of the other 'top' challenges are, likewise, budget-related, such as *finding the time to make it happen* (17% of company respondents) and *technology limitations* (also 17%).

Company respondents
Figure 24: What is the main barrier to success when it comes to effectively optimising your email campaigns for different devices?
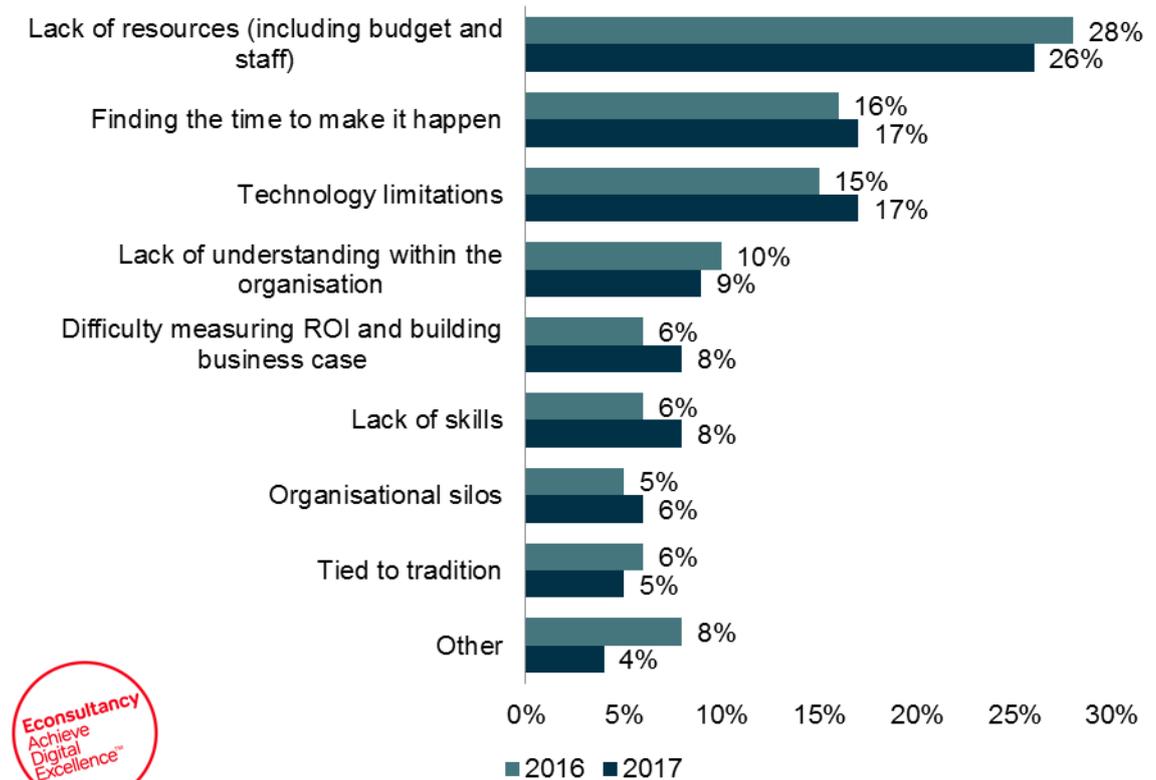
Respondents 2017: 606
Respondents 2016: 543

Note: In 2016, this question was phrased as follows: 'What is the main barrier to success when it comes to effectively optimising your email campaigns for mobile?'

With mobile developments happening at such a fast pace, acquiring the relevant expertise to exploit advances fully remains another significant headache for email marketers. Other highlighted barriers include *lack of understanding within the organisation* (9% of company respondents), *difficulty measuring ROI and building business case* (8%), and *lack of skills* (8%).

Agency results also suggest that their clients have evident problems in this area. Strikingly, nearly twice as high a proportion of agency respondents (17%) consider *lack of understanding* as the main mobile optimisation barrier.

Voice of the expert: barriers to optimisation

"I understand the pain email marketers face getting emails to work across different devices. The lack of standards across email clients doesn't make life easy. It's really a skill that's best outsourced as email client compatibility is a moving target. For all but the largest brands it's too hard to keep up with the changes. Given low-cost email build services, it just doesn't pay to try and do it yourself. Your time is too precious."

Tim Watson, Email Marketing Consultant, Zettasphere

Agency respondents
Figure 25: Thinking about your clients, what is the main barrier to success when it comes to effectively optimising their email campaigns for different devices?
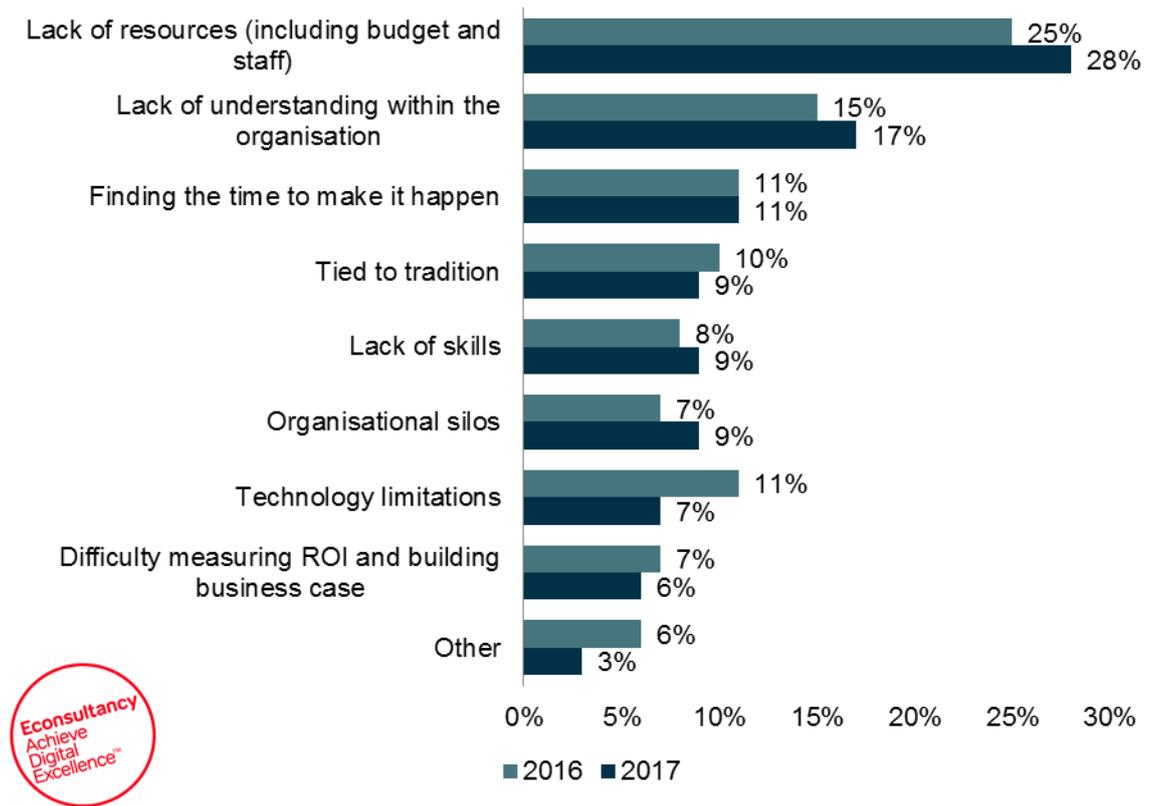
Respondents 2017: 235
Respondents 2016: 250

Note: in 2016, this question was phrased as follows: 'Thinking about your clients, what is the main barrier to success when it comes to effectively optimising their email campaigns for mobile?'

4.5.   Personalisation

4.5.1.   Ability to provide personalised email campaigns

As well as being highly scalable, email marketing has long been recognised as a hugely effective platform for one-on-one, personalised interaction with engaged audiences, with the email address, in effect, a direct gateway to recipients' online identities.

For many, though, the promise of '100% personalisation' remains a distant prospect. Only a few marketers can claim to truly engage their users through content and offers entirely tailored to their behaviour, demographics and preferences, and stage in the lifecycle.

Between 2016 and 2017, the proportion of companies who say they *can send emails based on individual activities and preferences throughout the funnel at scale* has almost doubled, from 8% to 15%.

However, this figure remains low, and a solid majority (62%) of company respondents continue to report they *are not yet working towards* advanced personalisation abilities, or *are in the early stages of implementing personalisation* in their email campaigns. This combined percentage is static on 2016, suggesting that, as an area of development, personalisation has, to a large extent, been in stasis, hampered by technical and tactical complexity.

Company respondents
Figure 26: Which statement best describes your ability to provide personalised email campaigns?
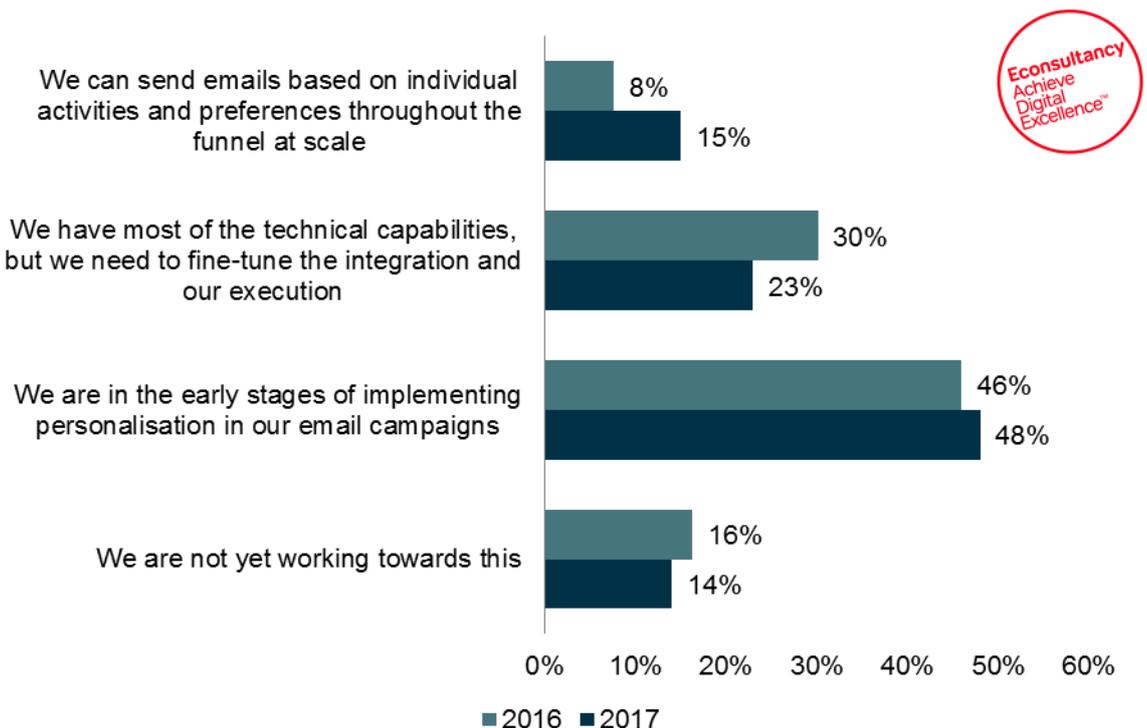
Respondents 2017: 585
Respondents 2016: 496

Adding to the frustrating nature of this situation is that while personalisation done properly remains the preserve of a minority of businesses, that minority is reaping valuable rewards.

A cross-tabulation of the data reveals that those proficient in personalisation (the top statement in *Figure 26*) are more than twice as likely as those not doing any personalisation to rate the performance of their email campaigns as 'excellent' or 'good' (*Table 4*). Almost three-quarters (71%) of these companies report an 'excellent' or 'good' performance from their email campaigns, compared to only 35% of companies who say they are not yet working towards this.

Company respondents

Table 4: Cross-tabulation of responses for: 'Which statement best describes your ability to provide personalised email campaigns?' and 'How do you rate the performance of your company's email campaigns?'

	Excellent	Good	Average	Poor
We can send emails based on individual activities and preferences throughout the funnel at scale	12%	59%	25%	4%
We have most of the technical capabilities, but we need to fine-tune the integration and our execution	9%	58%	27%	6%
We are in the early stages of implementing personalisation in our email campaigns	1%	43%	46%	10%
We are not yet working towards this	3%	32%	41%	24%

Among agencies, there is also a clear sense that migration towards advanced personalisation techniques has been proving tough-going for the industry.

While general progress towards personalisation at scale has been faster from the supply-side perspective, the proportion of respondents reporting that their clients *can send emails based on individual activities and preferences throughout the funnel at scale* has dropped by eight percentage points, to 17%. There is a corresponding rise (from 50% to 58%) of agency marketers reporting their clients are *not yet working towards this* or are *in the early stages of implementing personalisation in email campaigns*.

Agency respondents

Figure 27: Which statement typically describes your clients' ability to provide personalised email campaigns?
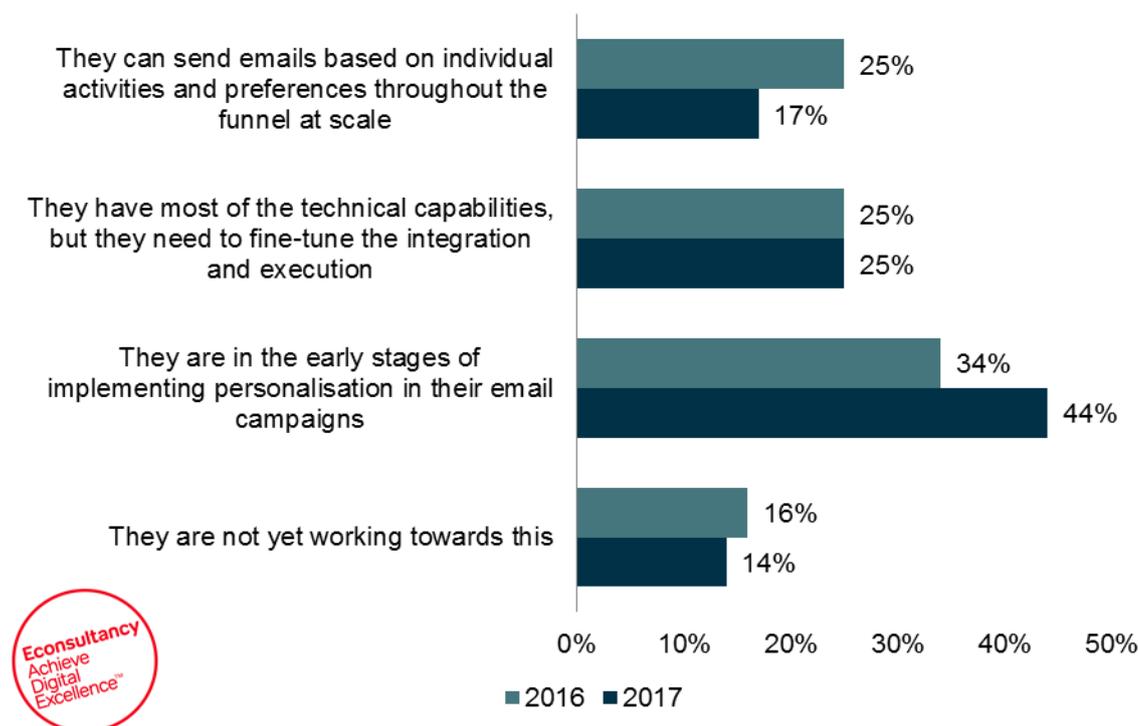
Respondents 2017: 219
Respondents 2016: 220

Voice of the expert: personalisation

"Personally, I'm excited for the future of email marketing as I can only see the ROI increasing even higher once we embrace advanced personalisation tactics and lifecycle marketing programmes, and optimise them on a continuous basis to ensure we're achieving the best results possible.

"Personalisation at scale is a no-brainer. It can result in providing the consumer with relevant and valuable offers and content served up specifically for that individual based upon their past behaviours (both email and web) and transactions, as well as their lifecycle or buying funnel stage that they're in.

"Having worked with many brands on implementing personalisation within their email marketing programmes, I can see there are greater opportunities ahead as I believe we're making implementing it much harder than it should be. Currently, most marketers are treating personalisation as the objective, not the tactic. The objective is, actually, to deliver an enhanced customer experience, through using a tactic such as personalisation.

"They are also leading with technology and not with strategy. This leaves us vulnerable to delivering mixed messages to our consumers as well as potentially delivering personalisation because 'we can' and not because we want to resolve a business pain.

"Once we begin to view personalisation as the tactic and not the objective, in combination with leading with strategy and technology, implementing personalisation throughout your email marketing will become much easier as everything will fall into place."

**Kath Pay, Founder & Senior Consultant, Holistic Email Marketing**

4.5.2.   Personalisation challenges

What is clear is that truly achieving a scaled, First-Person Marketing approach is a huge challenge, requiring the ability to gain smooth access to disparate datasets across organisations. The ability to integrate email marketing systems with other channels, to gather, process and segment that information, remains the most significant hurdle to email personalisation, according to respondents.

More than half (55%) of client-side marketers cited *integrating data* as one of the three main challenges they have faced when trying to expand personalisation in email marketing. Related challenges, such as *technology shortfall* (32%) and *lack of skills* (16%), also come relatively high on the list of inhibiting factors.

As elsewhere, budgetary limitations magnify technical complexities in the email marketing space. Among company respondents, 41% cited *lack of resources* as a barrier to personalisation implementation, and 33% raised the difficulties of merely *finding time to make it happen*.

Figure 28: What are the main challenges you (or your clients) have faced in trying to implement more email personalisation?

Company respondents: 577
Agency respondents: 216

Note: Respondents could select up to three options.
This is a new question for the 2017 survey, so there is no trend data.

There was an interesting nuance in responses between companies and agencies, with the latter more focused on human rather than technical problems (suggesting, perhaps, that with their greater progress on personalisation development, more agencies have dealt with at least some of the basics, and are concentrating on meeting secondary requirements).

Considerably fewer agency respondents cited *integrating data* and *technology shortfall* (43% and 25%, respectively) as main challenges than their company counterparts (55% and 32%). By contrast, 'softer' challenges such as *understanding where to focus* and *lack of skills* were more prevalent for agencies. The latter challenge was cited by nearly twice as high a proportion of agency respondents than company respondents (31%, versus 16%).

Company respondents
Figure 29: Please elaborate on any specific challenges you have faced in personalising your email marketing.

Voice of the marketer: email-related personalisation challenges

"Since we are a retail business, we have an abundance of data, but it's not integrated across channels and we don't have a loyalty programme in place yet. The major hurdle that delays the shift towards personalisation is the cost of omnichannel data collection, integration and segmentation."

"We have multiple databases (none of which integrate with email) and data collection is sporadic so we don't have a full picture of our customers."

"Understanding how to do it on a mass scale without having to send individual emails as each target group is large [is a challenge]. It's difficult to find the time and understand how to do it."

"The time it takes to put email campaigns together [is a challenge]. With a very large product range, creating very personalised emails can be a challenge. We're putting in place technology to help us achieve this."

"The key challenge is having the time to give this the attention it deserves, plus aligning the data (and having accurate / complete data to work with!) in the planning process. Then, having the content to make personalisation work."

Voice of the marketer: email-related personalisation challenges (cont.)

"So many choices on what we can do, and it takes time to build and test the journeys. Plus, there are some technology limitations with the automation platform which create a need for things like SQL programming to target effectively."

"Data resides in too many places, [so it's] tough to join the dots in an efficient manner. Automation is required for this to be sustainable for the team."

"Making our CRM hook up seamlessly with our ESP and having real-time data accurately and completely fed into the channel, and vice-versa."

Company respondents

Voice of the expert: why are marketers struggling with personalisation?

"Data has never been more important and so marketers have to find a way to integrate it across channels. The good news here is that data management platforms are reducing the cost and complexity of integrating data in real time across channels. And some of the higher order ESPs and marketing automation vendors are bundling data management functionality into their tech stacks."

Andrew Campbell, Martech Director, First 10

"It is no surprise that despite the rise of big data, many companies still have multiple silos of data that make delivering truly personalised email campaigns a challenge. Technology continues to make this easier, but prioritising correctly, and at the right speed, remain a challenge that needs to be overcome."

Riaz Kanani, Joint MD and Co-Founder, Radiate b2b

"This report points to the biggest challenges to better email personalisation as the integration of data and the lack of resource in general, two factors that could clearly be connected. Although somewhat more concerning is that marketing agencies are feeling a significant lack of understanding where to focus (35%) and lack of skills (31%) are barring them – and their clients – from a more personalised approach."

Chris Combemale, Group CEO, DMA

"CRM and big data are still getting in the way, when it comes to implementing personalisation in email marketing campaigns. The fact that this data is often not readily available and actionable for campaigns, is a real concern."

Philip Storey, Email Marketing and CRM Strategy Consultant, CEO at Enchant Agency

### 4.5.3. What would email marketers like to improve?

Considering the huge promise of true email personalisation, combined with the complexities involved in getting it right, it is unsurprising that there is latent frustration on the part of marketers over their current rate of progress in this area.

Not only has personalisation risen to become the key facet of email marketing where company respondents say they 'need to focus on in 2017' (*Figure 39*), *better personalisation* continues to be the main arena where email practitioners cite unfulfilled ambitions. Two-thirds (66%) of company respondents and more than half (56%) of their agency counterparts cite this as something they (or their clients) would like to do with their email marketing that they currently cannot do to their satisfaction.

With *better segmentation* occupying second place in the list of most commonly-cited ambitions, and *cross-channel data insights* remaining near the top of the list, it is clear that gaining true understanding of each reader of a brand's emails remains a major priority for agencies and clients, and if realised, will have a major influence on future programme planning and execution.

Company respondents
Figure 30: What would you like to do with your email marketing that you currently cannot do to your satisfaction?
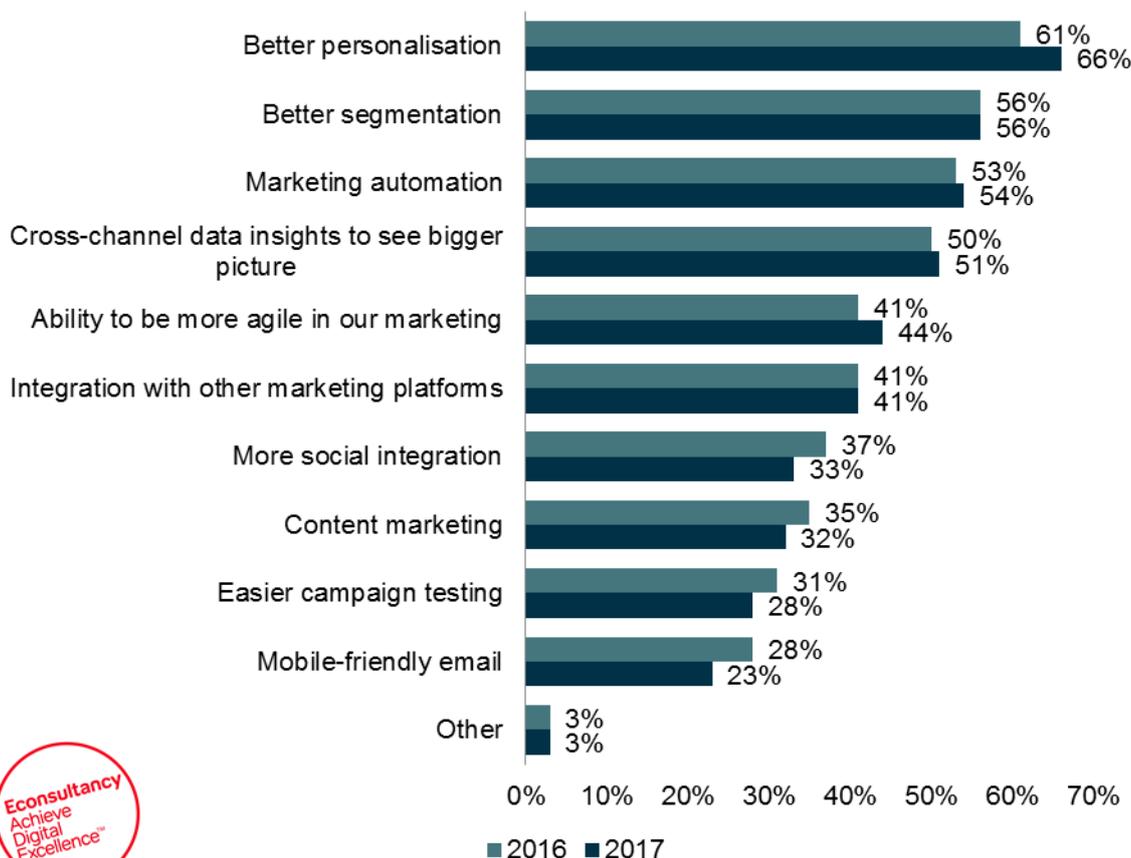

Respondents 2017: 548
Respondents 2016: 468

Note: Respondents could check all the options that applied.

Agency respondents
Figure 31: What would your clients like to do with their email marketing that they currently cannot do to their satisfaction?
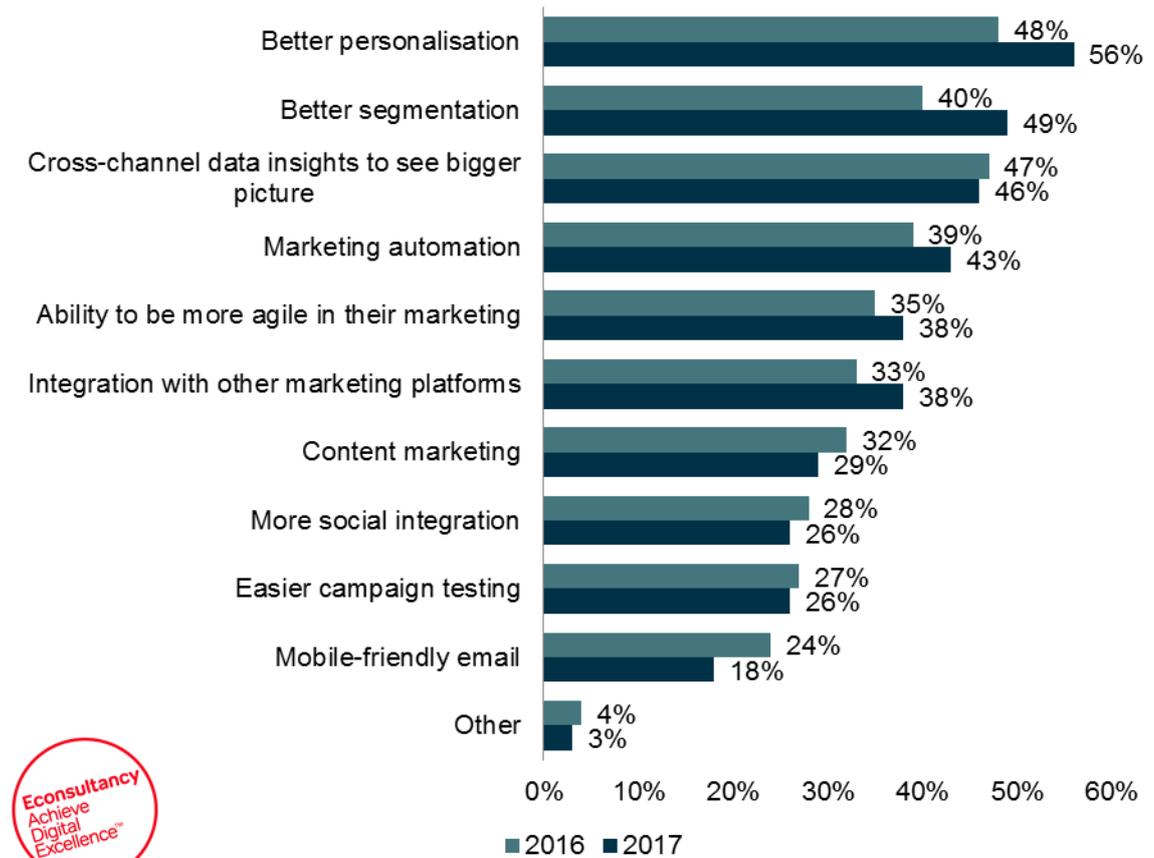
Respondents 2017: 202
Respondents 2016: 198

Note: Respondents could check all the options that applied.

4.6.   Marketing automation

Econsultancy's *Email Marketing Industry Census* has for several years highlighted practitioners' growing interest in the potential of automation techniques to open up more effective lines of communication with customers and prospects, and improve the performance of email marketing programmes.

One clear takeaway from the 2017 survey is that marketing automation is now *the* main area where many email marketers are seeking to concentrate investment.

Based on automation capabilities, there is a strong desire by practitioners to make their messages more personalised, timely and targeted, driven by behaviour and logic, and to break the shackles of pure batch-and-blast email marketing. Instead, formulating a strategy that melds both traditional broadcast email and automated email, to deliver both long-term consistency and timely, action-based communications, is seen by many as key to success.

As noted near the start of this report (*Figure 1*), marketing automation capability is cited by 66% of respondents as the single most important attribute of an email technology provider, moving it into a clear first place in terms of significance to practitioners. Among the seven most commonly highlighted capabilities, marketing automation functionality was the only one to see an increase in importance between 2016 and 2017.

While technology providers have responded to this demand by adding to their platforms' capabilities, it is clear they are under pressure to bolster their functionality further, as most brands and agencies now see powerful automation capabilities as a must-have rather than a nice-to-have, and many have turned to running email campaigns from CRM systems that have embedded automation abilities.

Usability of marketing automation functionality within email platforms is also increasingly becoming a differentiator between email platform providers, as marketing automation techniques become more sophisticated. A flexible and agile technology stack is key to enabling email marketers to achieve scalability and speed in their campaigns, and to allow their creativity to flourish.

4.6.1.   Automation triggers

Despite this clear, growing interest in the space, the survey results show marketing automation remains nascent in many aspects of development.

The two most popular uses of automated email remained the same as 2015 and 2016, for messages triggered by *subscription or sign-up to website*, or *automated response to website visit sign-up*. Although more than half (51%) of agency respondents say their clients are now automatically distributing welcome emails, triggered by fresh sign-ups, it remains surprising that these figures are so low, especially considering the importance of early engagement with new subscribers, and the clear, intent-based business case for conducting these activities.

For company respondents, usage of these triggers for automated emails actually declined slightly between 2016 and 2017.

Across the board, too, it remains clear that automated email continues to offer significant, unexplored territory for brands. Among company respondents, all but the two triggers mentioned above are being exploited by fewer than 25% of marketers, and there have been drops in usage in scenarios naturally associated with automation, such as *lapsed customers*, *content downloaded*, and *date notifications*.

Subscription due for renewal and *click-through but no purchase* were the only two categories to see increased activity across both agency clients and client-side marketers between 2016 and 2017.

Tied in with the theme of unfulfilled desire among brands for the possibilities of automated email, reported usage of automated email marketing remains at a much higher level on the agency side than within clients, suggesting the experimentation and innovation that can tend to gestate within agencies has yet to filter across to in-house teams. Usage is spread more widely among agency clients than companies across all trigger categories.

Company respondents
Figure 32: Do you send out automated emails based on the following triggers or behaviour?
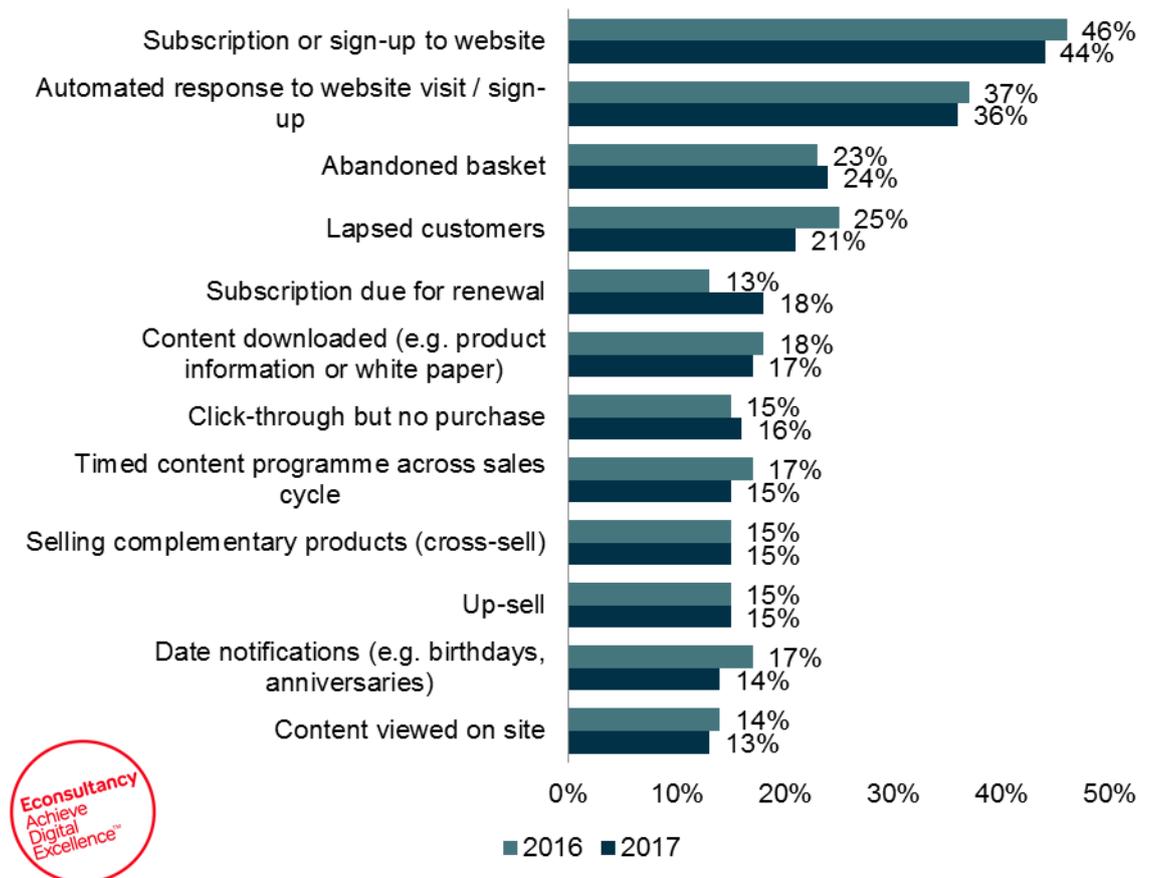
Respondents 2017: 568
Respondents 2016: 487

Agency respondents

Figure 33: Do your clients send out automated emails based on the following triggers or behaviour?

|	2016	2017
Subscription or sign-up to website	46%	51%
Automated response to website visit / sign-up	40%	39%
Content downloaded (e.g. product information or white paper)	35%	36%
Date notifications (e.g. birthdays, anniversaries)	32%	33%
Lapsed customers	30%	30%
Abandoned basket	29%	28%
Subscription due for renewal	27%	28%
Click-through but no purchase	24%	26%
Timed content programme across sales cycle	26%	25%
Up-sell	24%	21%
Selling complementary products (cross-sell)	29%	20%
Content viewed on site	23%	20%

Respondents 2017: 208
Respondents 2016: 211

Voice of the expert: marketing automation triggers

"There are two key factors to consider in the choice of good automation triggers. How often does the trigger event occur? What level of intent does the trigger event reveal about the customer? Given this, it makes some of the results surprising.

"Subscribing is clearly a high level of customer intent, so it's a great trigger and rightly high on the list. Whereas a birthday only happens once a year and for many brands has little to do with need or intent for their services, so is rightly low on the list.

"What is surprising is that content view on site is so low. Most email clicks lead to between two and five pages being viewed. So, providing automation around the pages viewed and triggering specific follow-ups based on specific pages is effective. In fact, in most cases triggering from pages viewed makes more strategic sense than from email click – after all, every click results in one (or more) pages viewed."

Tim Watson, Email Marketing Consultant, Zettasphere

"It makes sense to strike the iron when it is hot. Act on your available data to feel out the buying intent and interests of your subscribers. The behavioural triggers will mark the point where perfect timing and content/offer can come together. If we can extend a single contact to a smartly crafted series, often the results will multiply. But what if the data isn't readily available? Teasing the subscriber to show his interests and reveal this data becomes the stepping stone to more successful email campaigns. The new marketer is a tease marketer."

Jordie van Rijn, eCRM and Email Marketing Consultant, eMailMonday

4.6.2. Success with automation

Although the momentum for automation is clearly building, it is evident that many marketers are still getting to grips with the complex range of factors required to ensure success in the space, ranging from data availability to content relevance.

A sizeable proportion (33%) of company respondents still consider their automated email marketing programmes to be *not successful*. Only 8% deemed their efforts *very successful*. This cannot be solely put down to weaknesses in technology or other building blocks, and suggests many marketers are finding execution of automated programmes a considerable challenge.

Nevertheless, for what is a highly complex area to get right, and one that often requires organisational change to exploit fully, there are signs of a steady, ongoing increase in the effectiveness of marketers' automated email programmes. The proportion of company respondents describing their automated email marketing activities as *quite successful* or *very successful* has consistently (but slowly) crept upwards over the past few surveys, and increased by five percentage points, from 62% to 67%, between 2016 and 2017. For agencies, there was also an increase, albeit less marked, from 70% to 73% (*Figure 35*).

Company respondents
Figure 34: How successful would you say you have been in implementing automated email marketing programmes?
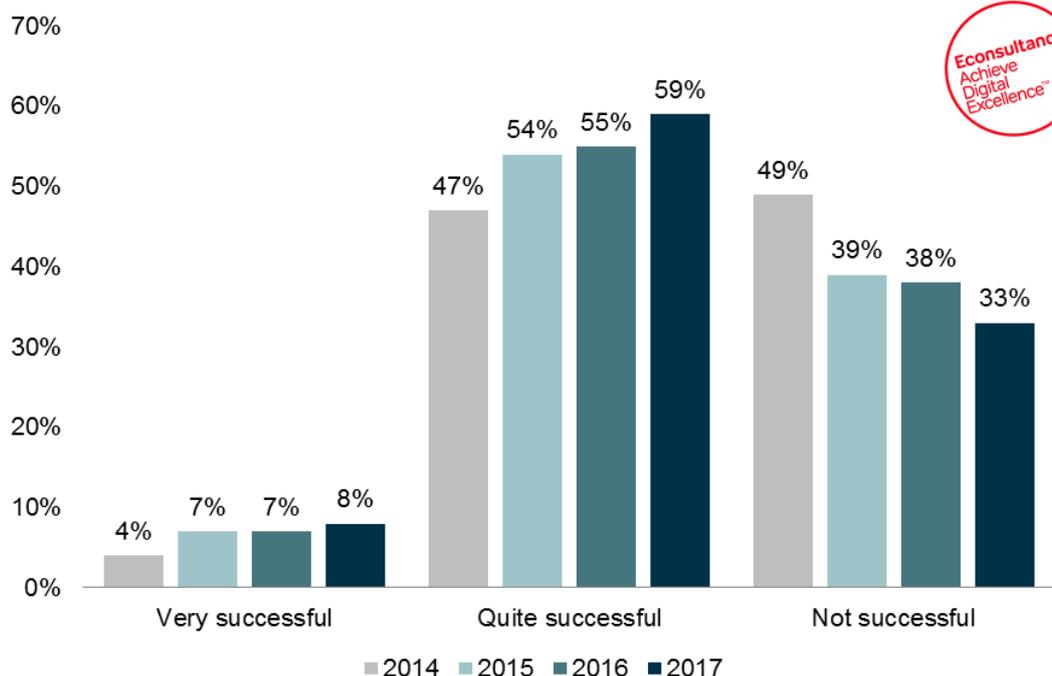
Respondents 2017: 567 | 2016: 492
2015: 472 | 2014: 410

Voice of the expert: success with automation

"A third (33%) of respondents said that email marketing automation is not successful for them. This is a surprising stat, as email marketing automation is so effective for many marketers – some brands create more revenue from automated email marketing campaigns, compared to standalone email marketing campaigns. This could be due to poor execution of automated email campaigns. It could also be due to a lack of tools within their email marketing software to enable automated email campaigns to be in place."

Philip Storey, Email Marketing and CRM Strategy Consultant, CEO at Enchant Agency

Agency respondents

Figure 35: How successful would you say your clients have been in implementing automated email marketing programmes?
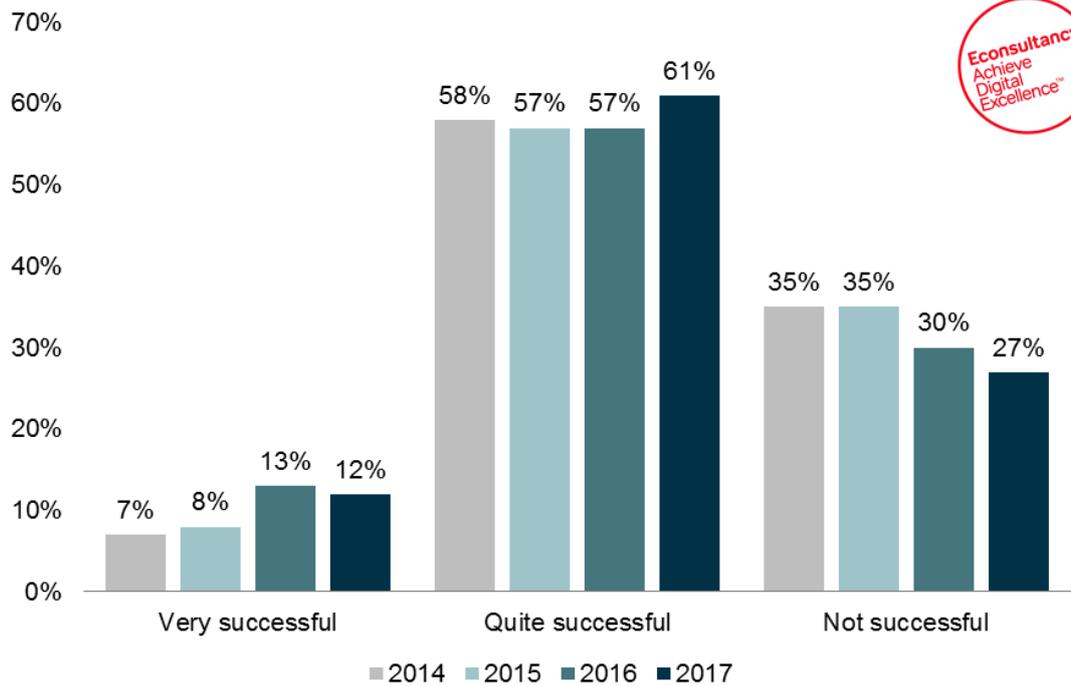
Respondents 2017: 206 | 2016: 210
2015: 254 | 2014: 227

4.7. Improving email marketing for the future

## 4.7.1. Innovating with email

For a medium that has been so readily and regularly written off over the years, and one that remains undervalued by companies in terms of budget, it is striking how healthily email marketing continues to perform as a channel for marketing communications, and how much room it retains for innovation and development.

Responses to the Econsultancy / Adestra Email Marketing Industry Census 2017 bear testament to the breadth of opportunity seen by practitioners to evolve what is already one of digital marketing's most effective paths to return on investment.

For 2017, email marketers have targeted a mix of established and emerging themes to focus on. *More creative uses of behavioural triggers*, *greater use of dynamic elements*, such as video content and GIFs, and *using automation to enable one-to-one communication*, remain high on the agenda, having all been highlighted as key priorities in 2016. This tallies with email marketers' long-held focus on making the inbox experience more engaging, through improvements in email design and relevance.

Company respondents
Figure 36: How do you intend to innovate with email in 2017?
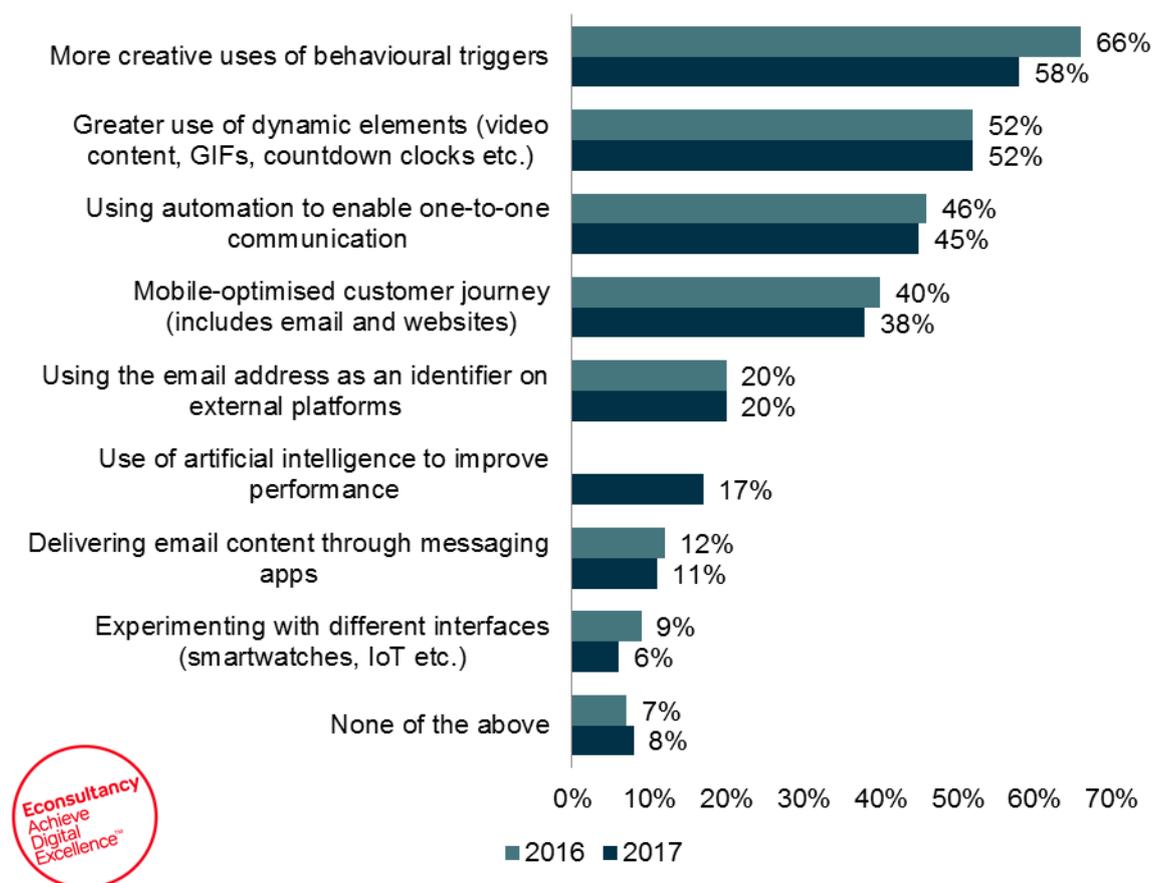
Respondents 2017: 548
Respondents 2016: 468

Note: 'Use of artificial intelligence to improve performance' is a new option for the 2017 survey, so there is no trend data.

Consistent with the widening tactical focus on mobile as an email marketing channel, described in *Section 4.4.1*, is that development of a *mobile-optimised customer journey* remains a high priority for many respondents (38% of company marketers, and 28% of those on the supply side). At the same time, all four of these areas are experiencing an element of slippage in 'innovation' focus, suggesting they are being seen more as 'business as usual' activities.

Among less established themes, delivering email content to *different interfaces* and *messaging apps* has seen no major increase in priority since 2016, perhaps signalling that they have been overtaken by other trends. One of these – *use of artificial intelligence to improve performance* – is now clearly on the agenda, being cited as an area of focus by 17% and 19% of company and agency respondents, respectively (ahead of messaging apps and new interfaces, in both cases).

Agency respondents
Figure 37: How do your clients intend to innovate with email in 2017?
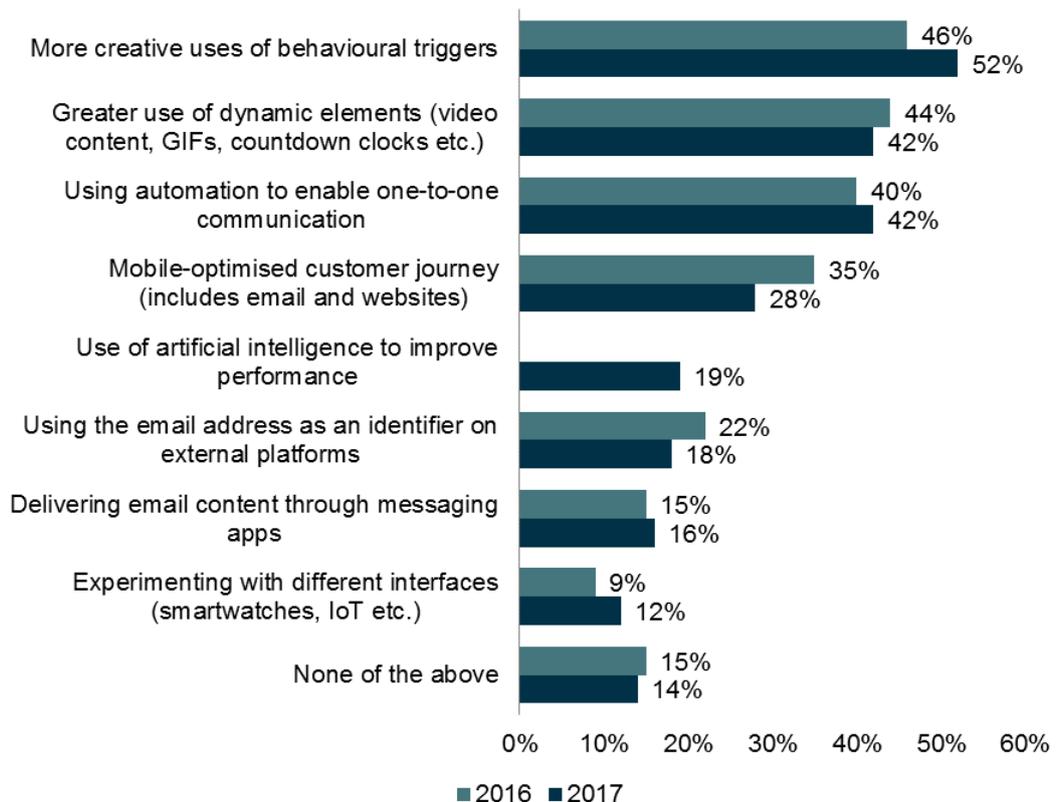
Respondents 2017: 202
Respondents 2016: 198

Note: 'Use of artificial intelligence to improve performance' is a new option for the 2017 survey, so there is no trend data.

Voice of the expert: innovating with email

"The future is already here, it is just distributed unevenly. We commonly think that innovation is limited to technical innovation or 'something never seen before', especially when it comes to email and automation. I'd like to take a minute and applaud those who innovate their marketing approach and use the channel to tell a story, learn, sell directly, address groups as they would like to be addressed. That doesn't sound as flashy, but as all marketing is the battle for attention, it definitely puts you at the front of the pack."

Jordie van Rijn, eCRM and Email Marketing Consultant, eMailMonday

This year's Email Marketing Census for the first time includes a question about how artificial intelligence (AI) could be used to improve email marketing performance. While still in its infancy, it is clear there is considerable interest among brands and agencies regarding the technology's potential, when combined with marketing data pools.

The use cases email marketers are currently focused on involve improving existing areas of activity, such as email timing and layout, rather than more 'greenfield' opportunities. The two most popular choices, when it came to identifying areas where AI could improve performance, were to help *optimise send times* (52% of client-side respondents) and to *optimise calls to action* (43%).

Considering budgetary constraints, it is understandable there is also significant interest in the cost-saving potential of artificial intelligence, especially among agency respondents. For them, *more efficient use of resources* was the third most commonly cited potential use case (43%), marginally behind CTA optimisation.

Nonetheless, the low level of *other* responses, and the fact that less than a fifth of agencies and company executives plan to innovate with artificial intelligence this year, suggest many of its possible use cases are yet to be considered and many marketers see it as something to focus on further down the line.

Furthermore, with data access and interpretation already representing huge challenges for email marketers, for activities such as automation and personalisation, it remains to be seen how quickly and smoothly AI capabilities can be added to the email marketing armoury.

Figure 38: In what ways do you think that artificial intelligence could improve email marketing performance?
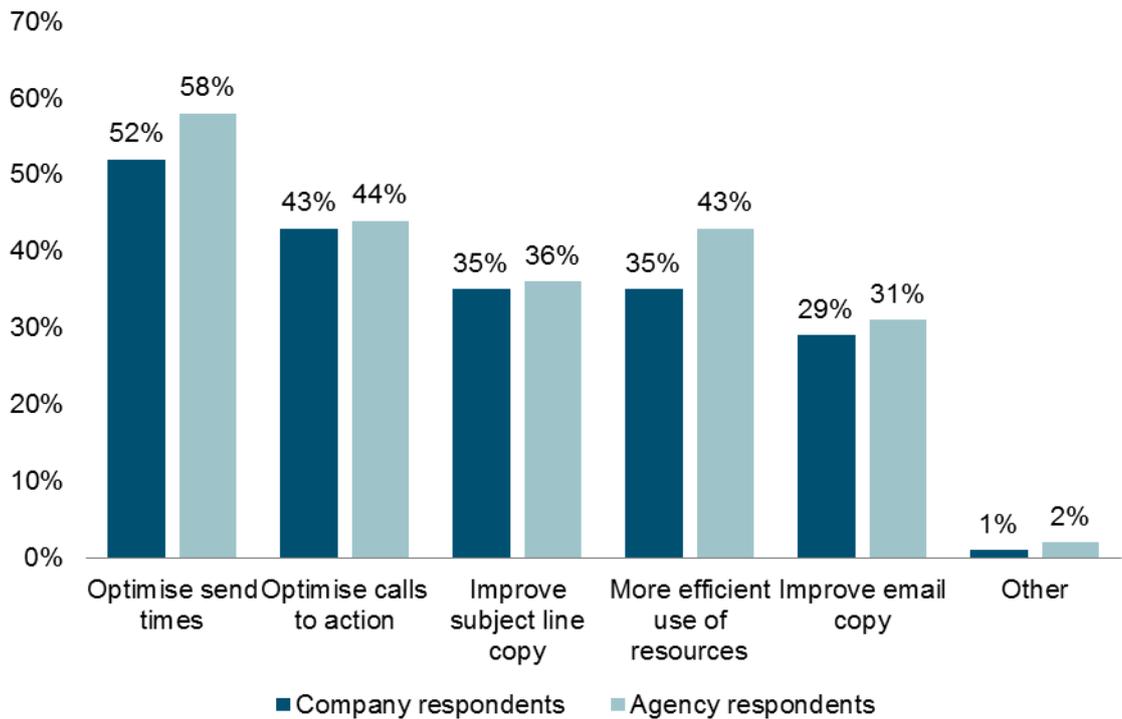
Company respondents: 547
Agency respondents: 203

Note: This is a new question for the 2017 survey, so there is no trend data.

Voice of the expert: artificial intelligence

"Artificial intelligence has a big future and history in email marketing. Optimising send times and creating product recommendation emails have been around for a decade or more but I don't believe this is where it will stop. The major cost of email marketing is now the time taken to create content and implement an email campaign and it is here that we will see the greatest impact in 2017 and beyond."

Riaz Kanani, Joint MD and Co-Founder, Radiate b2b

"AI is hot. It is buzzing around and you would be pressed to find anyone who wouldn't like the machine to let us do smarter marketing. Where does machine learning and automated optimisation feel at home? Where there is data, and lots of it. And although there are many possibilities in analytics, product recommendations and targeting, almost none of the respondents chose 'other'. This shows that there is still a lot of work to be done, both literally and in our mindsets."

**Jordie van Rijn, eCRM and Email Marketing Consultant, eMailMonday**

4.7.2. Email marketing focus

As well as highlighting the broad range of challenges and opportunities email marketers must juggle on a daily basis, the responses in *Figure 39* back up the broad theme, evident throughout this report, that more and more email practitioners are seeking to understand their customers better and move towards closer, personal interaction.

Fifth in 2016, *personalisation* is now the top selection of marketers when asked which areas they 'really need to focus on in 2017'. It was chosen by 30% of company respondents, up eight percentage points from last year. This tallies with the responses in *Figure 31*, where *better personalisation* was the most popular choice when those surveyed were asked 'what would you like to do with your email marketing that you currently cannot do to your satisfaction?' (see *Section 4.5.3*).

Company respondents
Figure 39: Which three areas of email marketing do you really need to focus on in 2017?
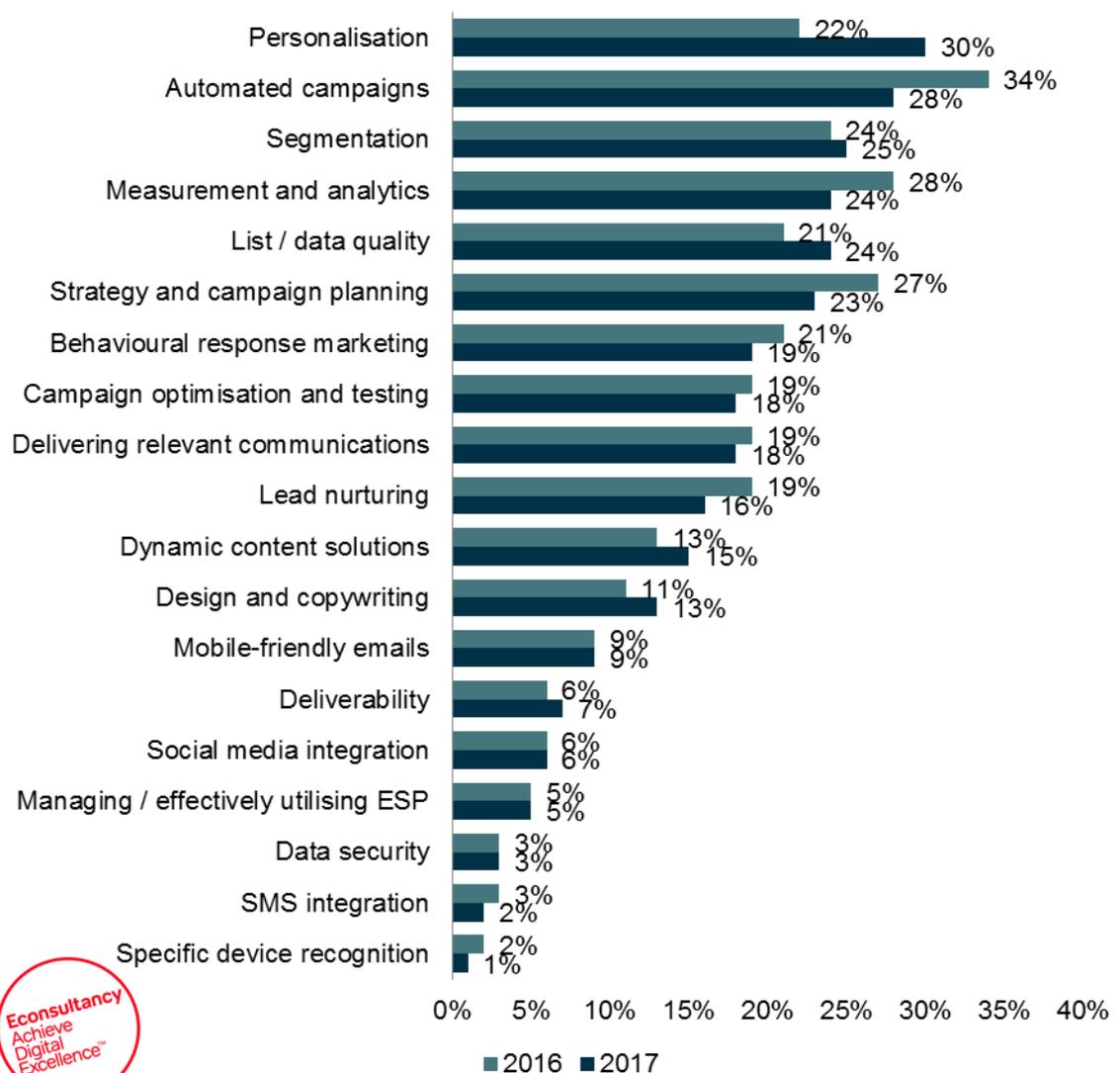
Respondents 2017: 553
Respondents 2016: 467

Note: Respondents could select up to three options.

Personalisation also features prominently in *Figure 40*, which is a word cloud based on the frequency of words used in response to an open-ended question about 'the single biggest change' to email in the next five years.

It is also a nod to the complexities marketers face in trying to achieve personalisation, and that for many, these remain unresolved. Notable, here, is the high position of *list/data quality* (24%) on email marketers' 2017 priority list, as a prerequisite to effective personalisation.

Automated campaigns remain another key area of focus, but are a less popular choice than in 2016 (28% of respondents, down six percentage points). There are various explanations for this, and the one that is most consistent with other findings in this report is that marketing automation is becoming 'business as usual' for more companies, and therefore not top-of-mind when it comes to considerations for 2017.

However, it could also be concluded that this represents an element of fatigue on the part of marketers in this highly complex realm, or of plans being shelved, especially in light of the large proportion of respondents who concede their automation efforts have so far been unsuccessful (33% – see *Figure 34*), and that many automation triggers have seen only scant usage (*Figure 32*).

Company respondents
Figure 40: Looking ahead five years, what do you think the single biggest change to email marketing will be?

Voice of the marketer: 'Looking ahead five years, what do you think the single biggest change to email marketing will be?'

"Understanding how email can support multichannel marketing. Innovation beyond personalisation."

"The ability to track viewed subject lines and pre-header text and link it to customers' in-store purchases. For product sales, many people are reading the relevant promotional information in the subject line / pre-header text and purchasing in-store without ever opening or clicking through from the email campaign."

"Stricter rules and regulations will force the industry to innovate more."

"Standing out from the crowd – inboxes are reaching saturation point, which means that even the best emails are at risk of being unread."

"Responsive forms and actions in emails. The ability to fill out a quote form or checkout from within the email without visiting a site."

"Personalisation – emails completely built based on an individual's demographics and needs. There will be no 'bulk' emails."

"More relevance through dynamic content based on actions / interests, delivering 100% personalisation."

"More automated email content creation, allowing truly personalised emails created with significantly less human oversight."

"Integration with marketing automation. Marketing automation continues to be more intuitive and savvy, and email marketing's role in that is pretty major."

"Increasingly linked to business engagement triggers, and personalised with relevant dynamic content options rather than regularly scheduled 'mass' mailings."

"Email will not just be email any more. It will be desktop email, mobile email, wearable tech email, IoT email (smart fridges, smart mirrors, VR, smart cars etc.). Every device will need its own set of design, content and delivery guidelines and after that, further segmentation must be implemented for individual customers."

"A one-to-one SCV [single customer view], with completely personalised tailored content in real time at exactly the right time; no spamming or mass sends of email with one message. Almost completely automated once the creative, rules and customer needs are understood."

Company respondents

Voice of the expert: focus in 2017

"Over the past couple years we've seen companies looking to get more sophisticated with their email communications. From this year's research we can see there's been relative success in the implementation of automated campaigns, and the focus this year is on looking to further personalise the customer journey and associated communications. However, marketers are going to need to overcome several barriers in order to do this.

"The first, and probably biggest challenge, revolves around data. In many organisations, I've seen data sat in so many disparate pots with a lack of unification, visibility or insight. This is obviously the first step to being able to make informed decisions on customer preferences and behaviour, in order to truly treat the customer as an individual.

"Of course, one of the other barriers is lack to budget, which we've mentioned already. To make a success of getting personal will likely require a level of investment in resource and technology, and it's my belief that the companies who embrace this will be the ones who reap the biggest successes."

Dave Littlechild, Email, Ecommerce and Sales & Marketing Consultant

4.7.3. Data law changes

Email marketers' obligations with regard to data protection and privacy are as tricky and high-profile an area as ever, with practically every news cycle bringing reports of a company or organisation falling foul of a damaging security breach, and exposing customer information.

The upcoming enforcement, during May 2018, of the European Union's (EU) new General Data Protection Regulation (GDPR), has brought yet another set of compliance challenges to bear on UK email marketers and given even sharper focus to the complexity of legal requirements in the space, especially as brands continue to seek ways to more intelligently mine and draw insight from the client data they must protect.

The 260-page text – which aims to both harmonise and tighten privacy laws across Europe – brings in additional obligations covering areas such as consent, data portability, consumers' 'right to be forgotten' and breach notification. It also carries the threat of heavy penalties for non-compliance (including fines of up to 4% of global turnover for the most serious breaches) and extends regulations not just to EU-based companies but also organisations based outside the bloc, if they are processing data on EU subjects.

Company respondents
Figure 41: To what extent will recent EU data law changes impact your approach to email?

■ 2016 ■ 2017
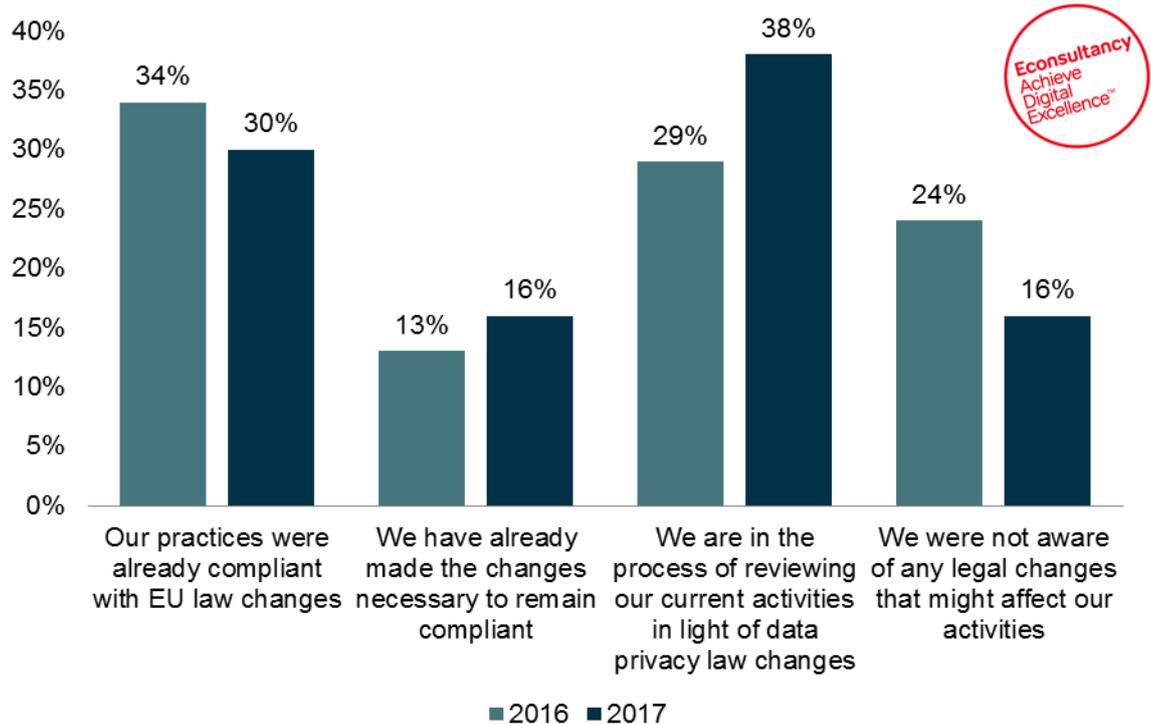
Respondents 2017: 553
Respondents 2016: 470

There are some concerning signals from the Email Marketing Industry Census 2017 regarding not just practitioners' GDPR readiness, but also their understanding of the new rules' implications.

Firstly, there has been a decrease (from 34% to 30%), between 2016 and 2017, in the proportion of company respondents who report that before GDPR's approval, their *practices were already compliant with EU law changes*. Not only does this low figure show the major impact GDPR could have on legacy practice, the drop would suggest some marketers have revised their position on whether they are indeed in compliance.

There has also been no forward movement in the proportion of respondents – whether from companies or agencies – who report they are now compliant with GDPR. Only a minority from both sides – 46% of companies and 47% of agencies – say that they were either compliant pre-GDPR approval, or that they *have already made the changes necessary to remain compliant*. Both these figures stood at 47% in 2016.

Moreover, significant minorities of company and agency respondents (16% and 23%, respectively) report they (or their clients) *were not aware of any legal changes that might affect their activities*. Although both these percentages are down by eight percentage points from 2016, it suggests that a year later, awareness of GDPR's ramifications remains by no means universal. This is worrying, considering the number of GDPR-led changes marketers must take into account, and that the industry is already in the transition period towards enforcement of GDPR in 2018.

Agency respondents
Figure 42: To what extent will recent EU data law changes impact your clients' approach to email?
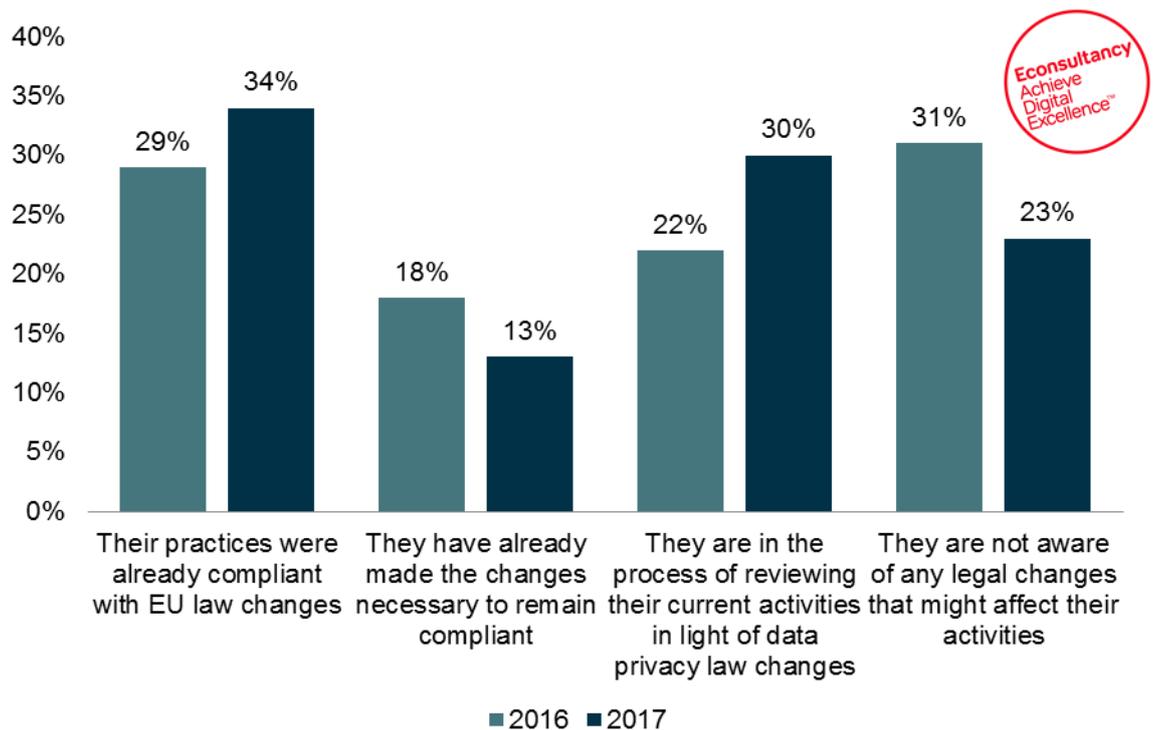
*Respondents 2017: 205*
Respondents 2016: 200

The responses also reflect the further layer of complexity and uncertainty Brexit has added to the GDPR compliance picture.

In the nearer-term it is expected to change little, and post-Brexit, any UK company doing business in the EU will need to comply with GDPR anyway. However, further down the line, the UK government has indicated it will draw up its own norms, creating a further 'unknown' for marketers (although the UK authorities themselves fed into the GDPR's creation, so would presumably re-create some aspects in the new rules).

Reflecting this lack of long-term visibility, and broader complexities email marketers are grappling with, a large minority (46% of company respondents) think Brexit is indeed having an impact on the way their organisation is approaching the GDPR, or are 'not sure'.

Figure 43: Is Brexit having an impact on the way your organisation is (or your clients are) approaching the General Data Protection Regulation (GDPR)?
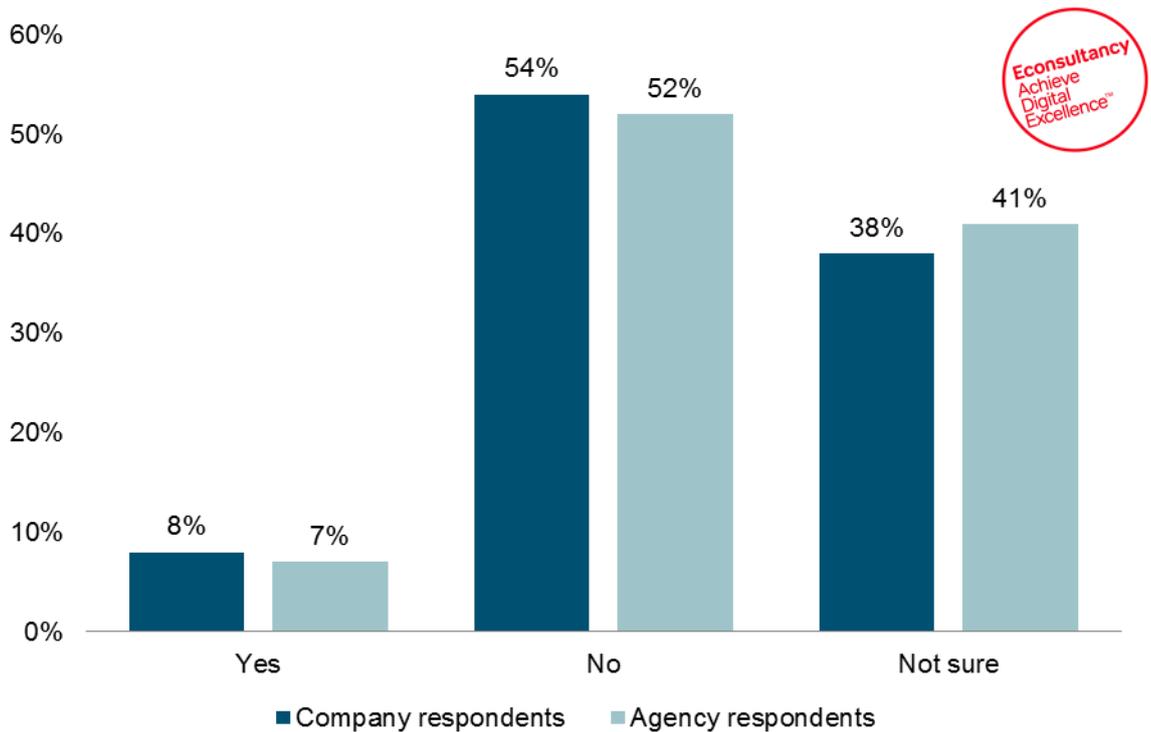
Company respondents: 551
Agency respondents: 202

Note: This is a new question for the 2017 survey, so there is no trend data.

Voice of the expert: data law changes

"The introduction of the new General Data Protection Regulations in May 2018 is set to challenge marketers further when it comes to the rules they must adhere to when handling customer data. It's encouraging to see that the number of marketers 'unaware' of these changes has reduced, but this high proportion is still a concern given the changes are a little more than a year away.

"Our advice is clear. Marketers must continue to prepare for the new rules this year. Not being compliant in time is simply not an option any brand should entertain. In an increasingly global digital marketplace, Brexit does not change the behaviours that brands need to adopt. If email is to continue to grow and thrive as a channel, then marketers must be ready and able to succeed in building long-term relationships with customers that are based on transparency and trust."

Chris Combemale, Group CEO, DMA

5.   Appendix

5.1.   Respondent profiles

Figure 44: Which of the following best describers your company or role?

■ Client-side (part of an in-house team)   ■ Agency / vendor / consultant
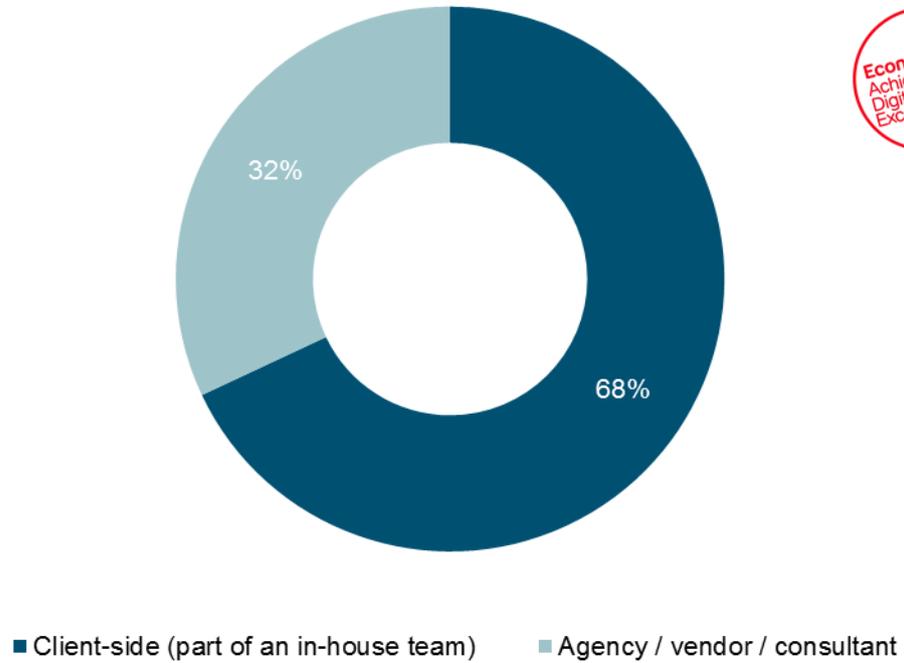
Respondents: 1,200

Figure 45: In which country/region are you (personally) based?

Region	Percentage
UK	61%
North America	12%
Europe (non-UK)	11%
Asia	8%
Australia	4%
Middle East / North Africa	1%
Latin America	1%
Other	2%
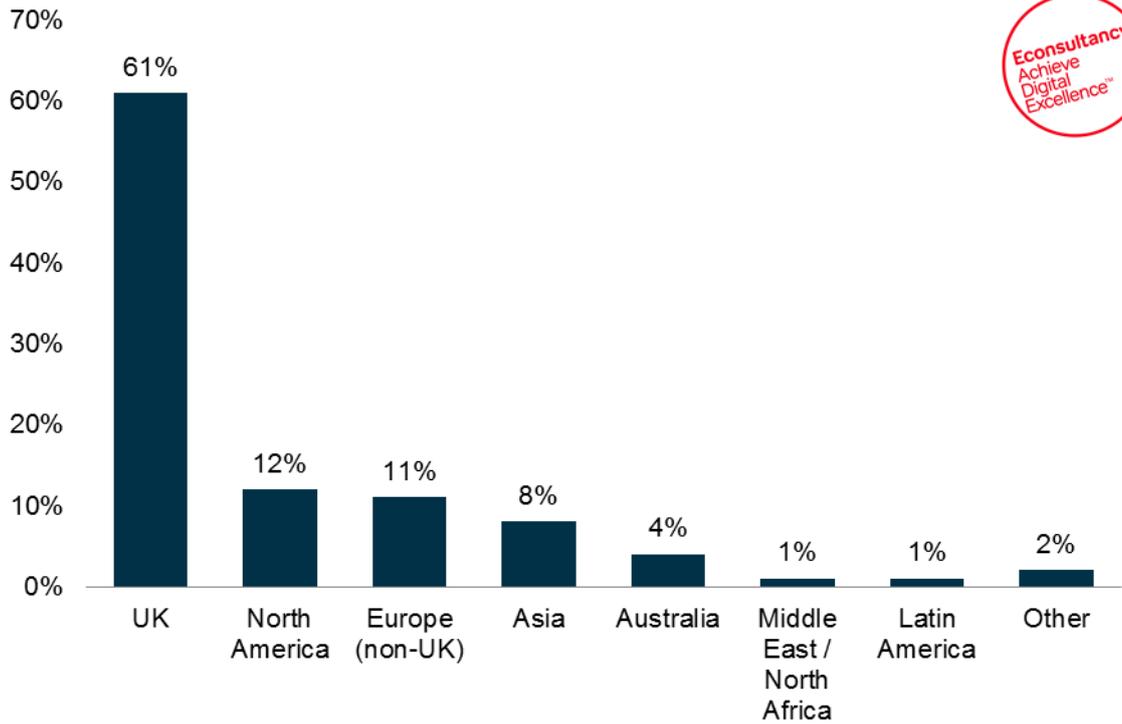
Respondents: 1,164

Figure 46: What best describes your job role?

Job Role	Percentage
Manager	45%
Junior executive / associate	21%
Director / senior director	13%
C-level / general manager	5%
Board level	4%
VP / SVP / EVP	4%
Other	8%
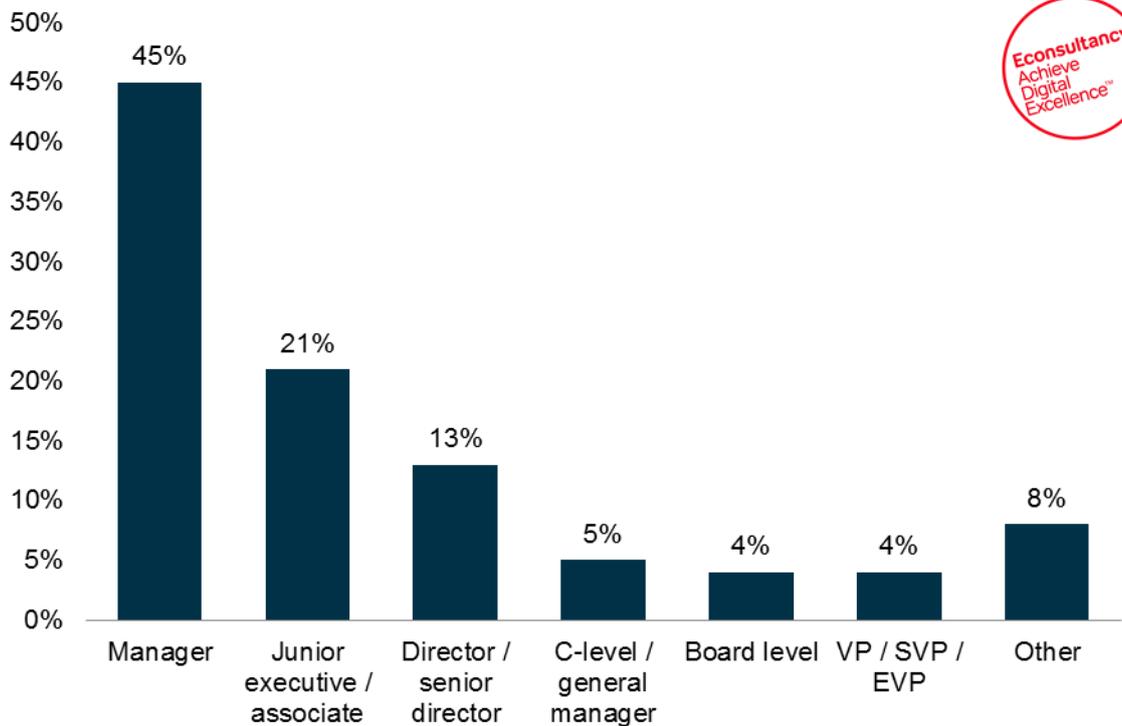
Respondents: 1,134

Company respondents
Figure 47: Are you more focused on B2B or B2C marketing?

- B2C marketing
- B2B marketing
- B2B and B2C (equally)

49%

33%

18%
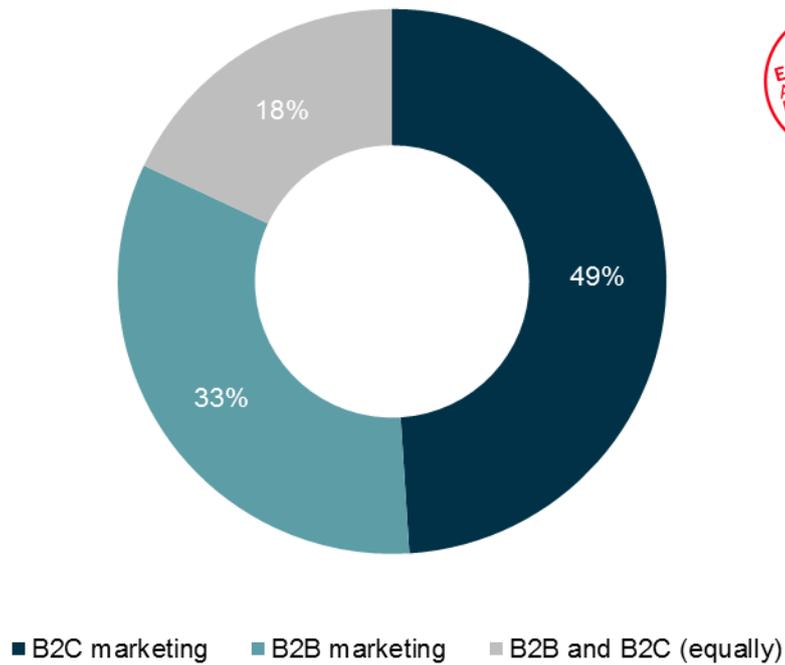
Respondents: 774

Company respondents
Figure 48: In which business sector is your organisation?

Sector	%
Retail / Mail Order (including online retail)	15%
Print / Publishing	10%
Financial Services & Insurance	9%
Charities & Non-profit	9%
Travel & Hospitality	7%
Technology	7%
Professional Services (e.g. consulting)	7%
Consumer Goods	5%
Media	4%
Manufacturing & Engineering	3%
Healthcare & Pharmaceuticals	3%
Government	2%
Automotive	2%
Gaming & Gambling	1%
Telecoms	1%
Other	15%

Respondents: 774

Agency respondents
Figure 49: What type of company do you work for?
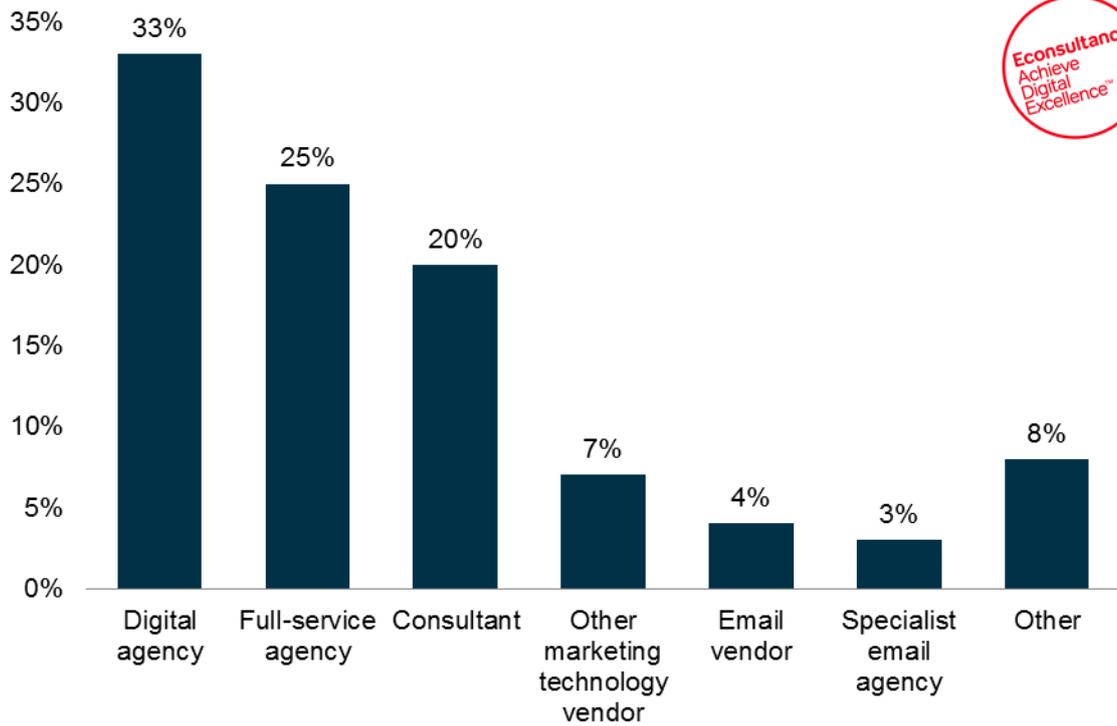
Respondents: 352

Figure 50: What is your annual company revenue?
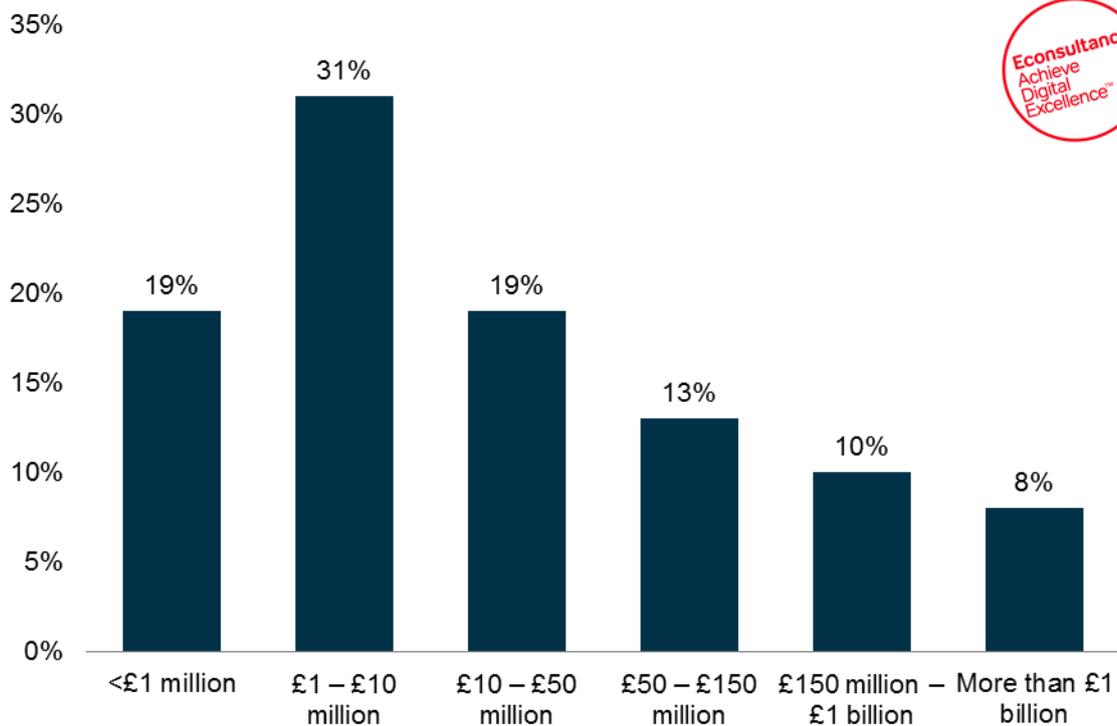
Respondents: 760

5.2.   Additional data

5.2.1.   Email effectiveness

Agency respondents
Figure 51: How do you rate the performance of your clients' email campaigns?
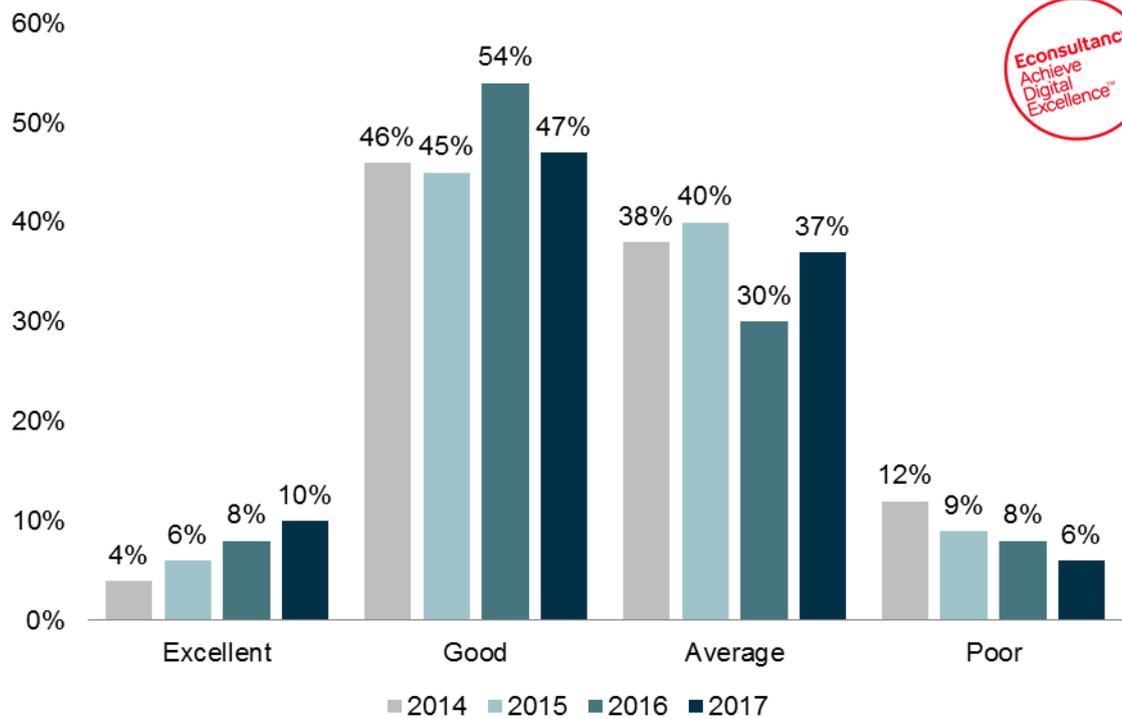
Agency respondents

Figure 52: How do your clients typically rate the following channels or disciplines in terms of return on investment?

	Excellent	Good	Average	Poor
Email marketing	29%	47%	21%	3%
SEO (organic search)	24%	50%	24%	2%
Content marketing	22%	45%	27%	6%
Paid search (PPC)	18%	46%	27%	9%
Affiliate marketing	9%	37%	37%	17%
Mobile marketing	7%	40%	42%	11%
Social media	6%	37%	38%	19%
Online display advertising	6%	35%	35%	24%
Offline direct marketing	5%	28%	44%	23%
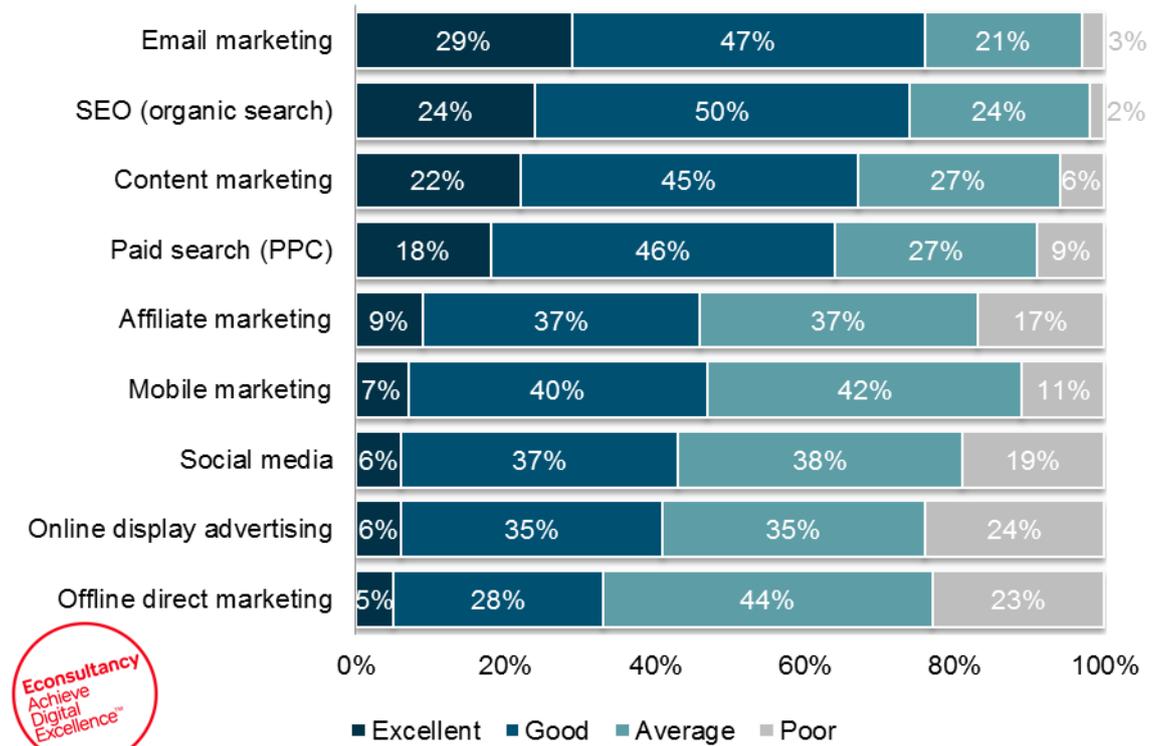
Respondents: 288

Agency respondents – change since 2016
Figure 53: Proportion of agency respondents saying their clients rate channels or disciplines as 'excellent' or 'good' for ROI

Channel	2016	2017
Email marketing	80%	76%
SEO (organic search)	68%	74%
Content marketing	63%	67%
Paid search (PPC)	60%	64%
Mobile marketing	52%	47%
Affiliate marketing	35%	46%
Social media	38%	43%
Online display advertising	33%	41%
Offline direct marketing	37%	33%

Respondents 2017: 288
Respondents 2016: 276

Agency respondents

Figure 54: Approximately what proportion of your clients' total sales can they attribute to the email marketing channel?

	0-10%	11-20%	21-30%	31-40%	41-50%	51-60%	61-70%	71-80%	81-90%	91-100%
2015	37%	19%	19%	13%	6%	3%	3%	1%	1%	1%
2016	26%	29%	18%	15%	3%	3%	3%	3%	0%	0%
2017	22%	31%	21%	9%	6%	6%	3%	2%	0%	0%
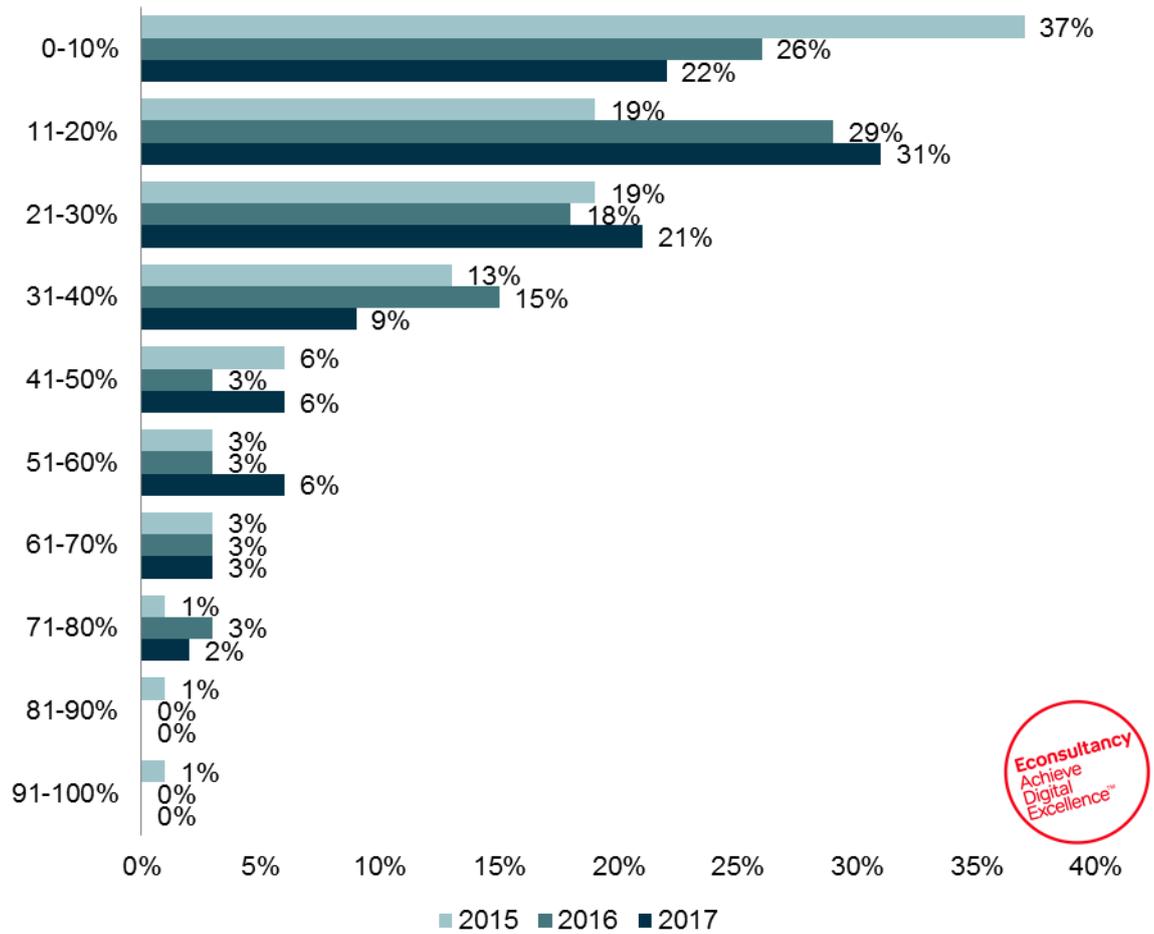
Respondents 2017: 284
2016: 277 | 2015: 286

5.2.2. Email budgets

Company respondents
Figure 55: What proportion of your total marketing budget does email marketing account for?
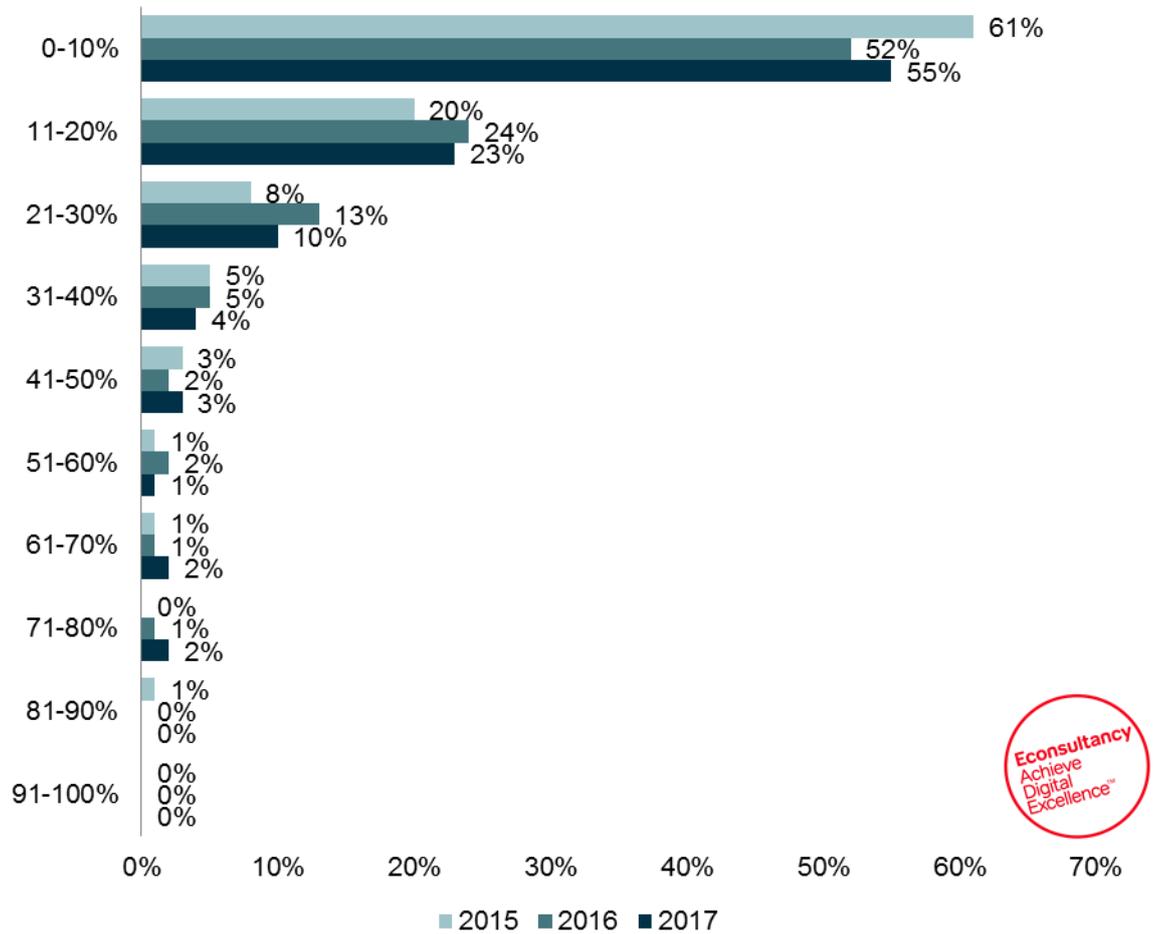
Agency respondents

Figure 56: What proportion of your clients' total marketing budget does email marketing account for?
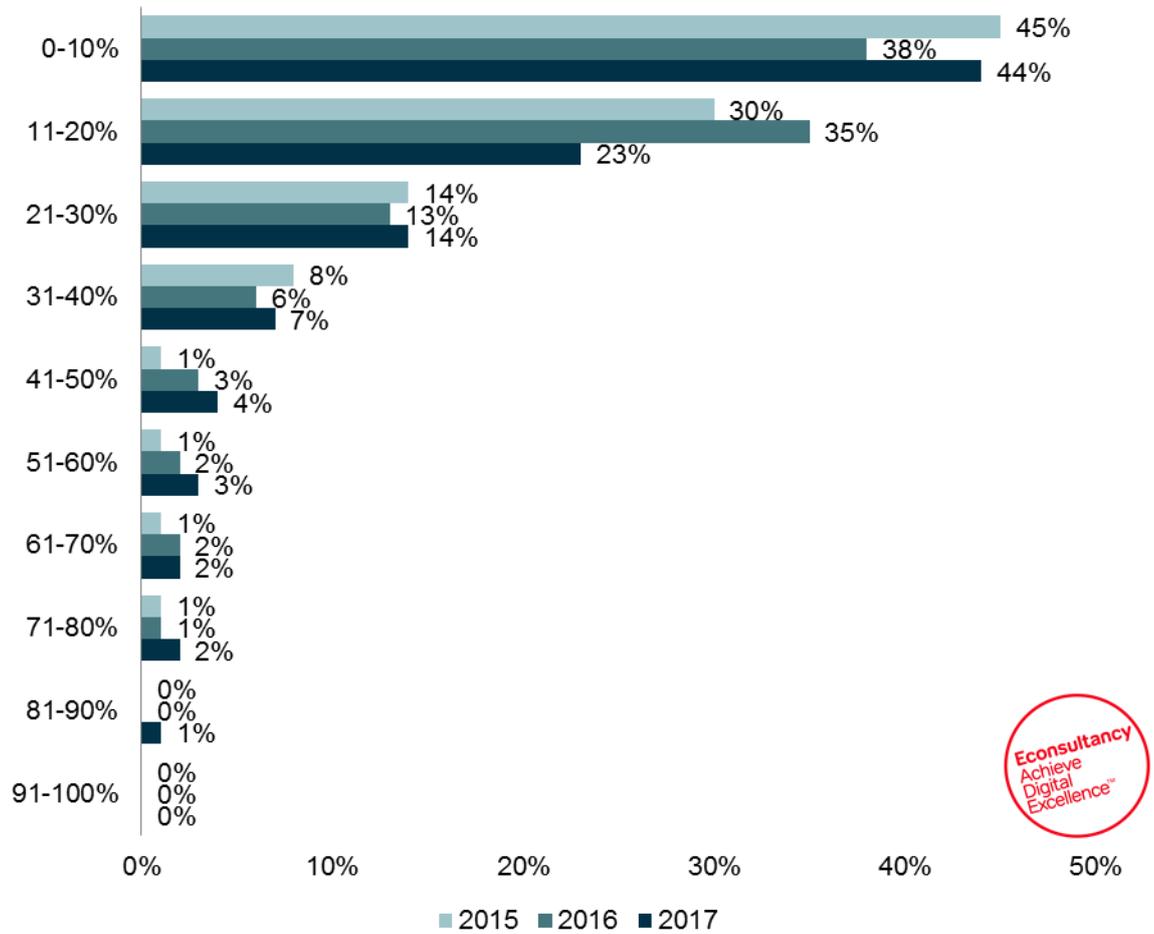
Respondents 2017: 277
2016: 276 | 2015: 288

5.2.3. Mobile

Agency respondents

**Figure 57: How would you describe the extent to which your clients have a strategy for optimising email marketing for different devices?**

Very advanced: 2015: 4%, 2016: 4%, 2017: 6%
Quite advanced: 2015: 14%, 2016: 14%, 2017: 13%
Moderate: 2015: 31%, 2016: 32%, 2017: 31%
Basic: 2015: 39%, 2016: 33%, 2017: 38%
Non-existent: 2015: 12%, 2016: 16%, 2017: 12%

■ 2015 ■ 2016 ■ 2017
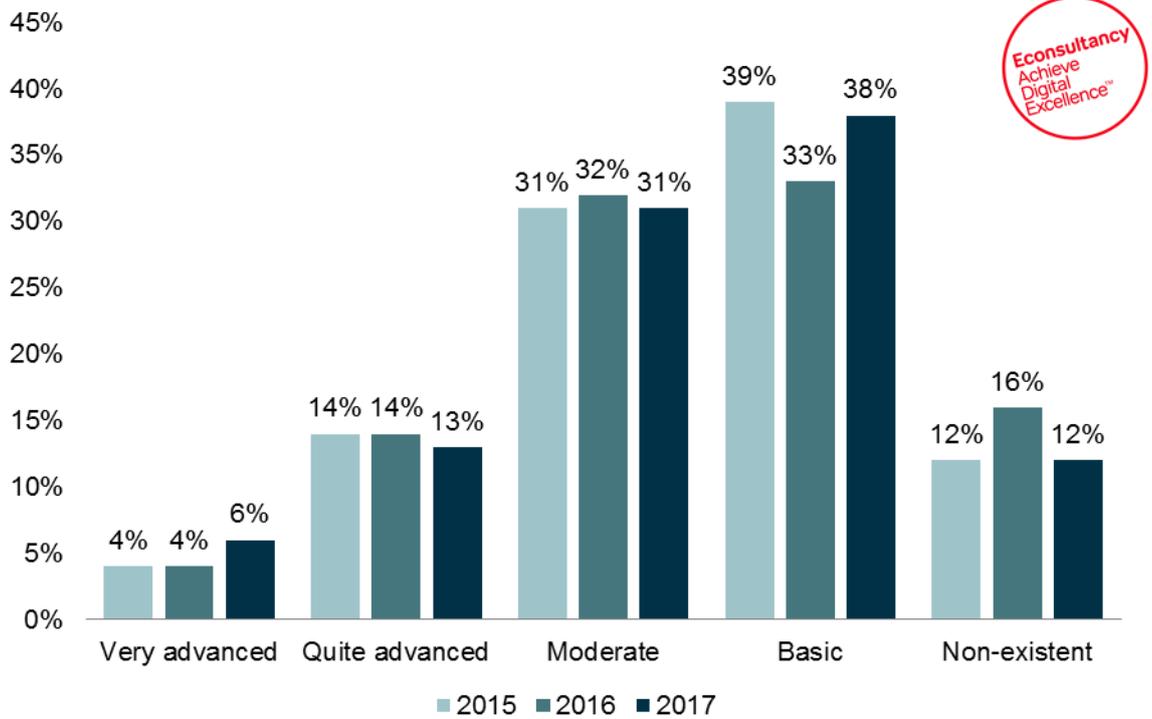
Respondents 2017: 252
2016: 258 | 2015: 251

Agency respondents

Figure 58: What have your clients done to optimise email marketing for different devices?

Created a responsive email template — 66%
Responsive landing pages — 58%
Adapted email design to have a simpler template that renders well on all devices — 51%
Adapted email template to have easy-to-tap calls to action — 49%
Shorter subject lines (key message in first 30 characters) — 48%
Using pre-header text for promotion — 44%
Thinking 'mobile first', everything they do is designed for mobile — 29%
None of the above — 8%
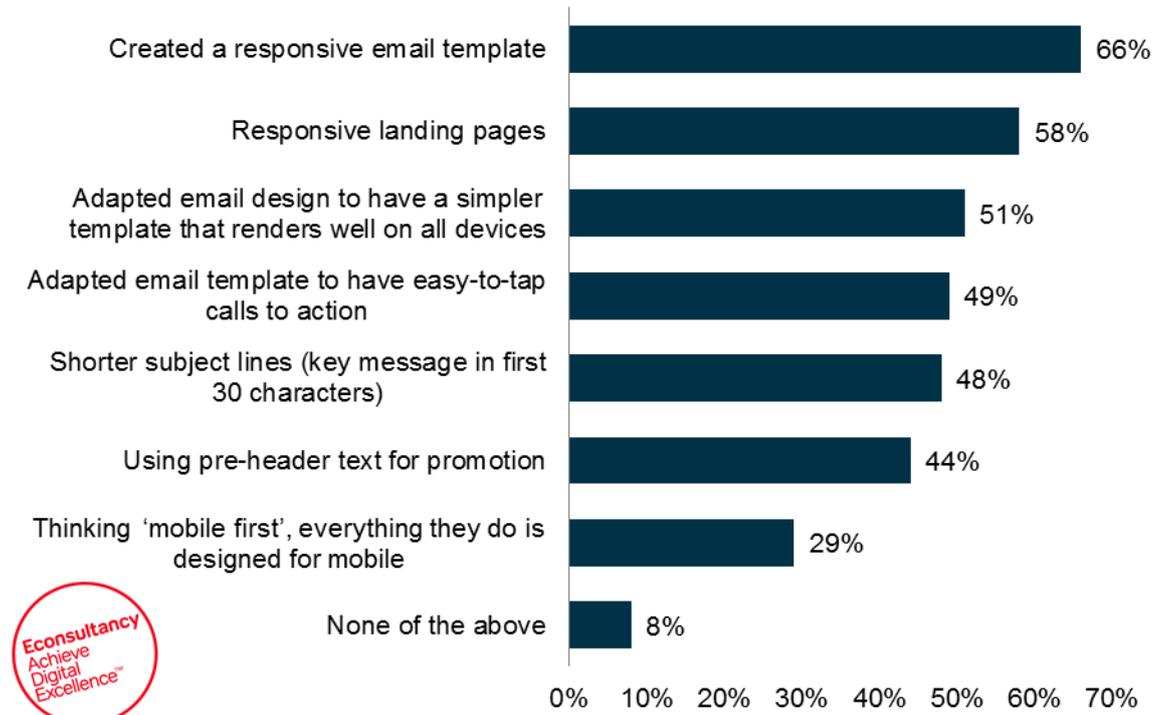
Respondents: 241

Note: Respondents could check all the options that applied.

5.2.4. Future of email

Agency respondents

Figure 59: Which three areas of email marketing do your clients really need to focus on in 2017?

|	
Behavioural response marketing	20% / 28%
Personalisation	22% / 25%
Strategy and campaign planning	31% / 24%
Segmentation	20% / 23%
Delivering relevant communications	18% / 21%
Automated campaigns	27% / 20%
Lead nurturing	18% / 20%
Measurement and analytics	19% / 17%
List / data quality	17% / 16%
Campaign optimisation and testing	10% / 16%
Social media integration	9% / 13%
Design and copywriting	11% / 12%
Dynamic content solutions	15% / 11%
Mobile-friendly emails	10% / 9%
Data security	7% / 7%
Deliverability	7% / 6%
Managing / effectively utilising ESP	7% / 4%
Specific device recognition	4% / 3%
SMS integration	5% / 2%

■ 2016 ■ 2017

Respondents 2017: 204
Respondents 2016: 194

Note: Respondents could select up to three options.