

State of Email Report

FALL
2020

The email data & trends
from a COVID-19 world



Introduction

2020 has brought an onslaught of change, but one thing is constant: how organizations use email to build relationships and drive sales with customers.

Email use around the world continues to grow at a steady pace. [Statista projects](#) global email users will increase from 3.9 billion in 2019 to 4.48 billion in 2024.

And businesses are ramping up accordingly. Even amid challenges like the COVID-19 pandemic, email provides organizations with a way to connect, provide value, and stay top of mind for prospects and customers.

Over **2,000 marketing professionals** weighed in on what's driving their email strategies and what they think the future of email looks like. Respondents included email and marketing specialists, team leads, managers, directors, VP-level executives, and C-level executives all in the marketing field. More than half of respondents hold leadership positions, while 44% of respondents hold positions like email designer, developer, digital strategist, and marketing analyst.

Enough background—let's dive into the good stuff: what's happening in email today... and predictions for tomorrow.

[Let's get started.](#)



Here at Litmus, we're passionate about everything email marketing. We're on a mission to help brands access what they need to send better email, faster. Through our [blog](#), [Litmus Live conferences](#), [ebooks](#), [webinars](#), and more, we share best practices and trends to help your team stay at the forefront of the industry. Another thing we're into? Software that makes creating high-performing email easy. Marketers pair Litmus with existing email service providers (ESPs) to ensure a consistently great brand experience for every subscriber, work more efficiently, accelerate campaign performance, reduce errors, and stay out of the spam folder. With Litmus by your side, you'll have the tools and insights you need to provide your customers with an incredible email experience—and an incredible ROI.

Be at the Top of Your Email Game

Join over 300,000 email marketing pros who rely on Litmus for expert advice and analysis. Sign up for our emails to get the Litmus newsletter, notifications of new reports and executive summaries, announcements of upcoming webinars and events, and more.

5 Major Discoveries About Email for Today & Beyond

We uncovered several key findings in our survey revealing how marketers use email today, how they're making it more effective going forward, and the roadblocks that still present challenges.



- 1. Companies must personalize to get ahead.** Businesses are getting more sophisticated in their personalization techniques. Think beyond, “Hi [name]” and more like user behavior to craft customized emails. Learn how marketers are cutting through email noise by using personalization on [page 6](#).



- 2. Want a leg up on the competition?** Get your metrics in order. Despite the importance of email to businesses, many companies have a tough time measuring advanced metrics and return on investment (ROI). Learn how to overcome some common barriers to email ROI measurement on [page 9](#).



- 3. The pandemic led to email disruption.** It also uncovered opportunities to connect more deeply with customers. Like most industries, email was not immune to COVID-19. Many businesses saw changes in email budgets and strategies due to the pandemic. And, organizations also found new ways to be there for their customers, by shifting messaging techniques. Read more on [page 13](#).



- 4. Approval processes are becoming more complicated.** As more businesses take email more seriously, lengthier approval processes with extra touch points along the way are emerging. Learn the most common obstacles in the approval process that are making this step of email creation a pain point. Head to [page 14](#).



- 5. Companies are increasing the amount of emails they're sending.** If you're planning on sending more email this year and beyond, you're not alone. That means businesses will have to find better ways to differentiate their email strategies and cultivate ties with customers via email. See how email usage is increasing on [page 20](#).

Even in a Pandemic, Email Continues To Be a Marketing Powerhouse

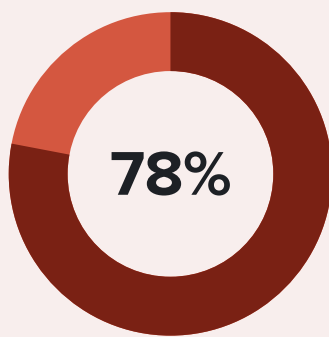
Even with ever-increasing digital marketing channels, email continues to reign supreme.

More than one-third of respondents ranked email as **“the most effective” marketing channel in their organization.**

Half of those in an agency or consultant role believed email was the most effective channel.

When asked, “If you had to give up one marketing tactic for the next 12 months, which would it be?,” 4 out of 5 respondents said they’d rather give up social media than email marketing.

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78% of marketers said email is important to overall company success.

The importance of email continues to go up year-over-year. In 2020, 78% of respondents said email is important to overall company success, compared to 71% in 2019.

What’s more:

- 94% of respondents say email is in their top 3 most effective marketing channels.
- 77% of respondents say email is one of their top 2 most effective marketing channels.
- 74% of marketing execs feel email marketing is vital to the success of their company.

Why is email so effective? For one, it’s where your customers spend a lot of their time. According to the [2019 Adobe Email Usage study](#), Americans spend an **average of 143 minutes each weekday** checking email.

There are plenty of other reasons, too.

Why Is Email So Effective?

1

It's easy to test. Tweak a prominent element in an A/B test. Gain insights into what recipients are responding to. Optimize. Repeat.

2

It's permission-based. Unlike invasive advertising, your email subscribers have given your business *permission* to email them. They welcome your messages. Maybe they even look forward to them.

3

Frequency is customizable. Speaking of permission, subscribers can tell you how often they want to hear from you. Email gives you the opportunity to reach your most loyal, fervent brand advocates more often.

4

Personalization is easy. From the subject line, to the email content, to the offers you promote, it's simple to make each message you send to each recipient feel like it was made just for them. You can make offers more effective by creating campaigns based on segmented user groups.

5

It's measurable. Email marketing is one of your most measurable channels. Measure open rate, conversion rate, click-throughs, time spent with email, interactions, you name it. By testing email marketing campaigns, you gain powerful insights to inform other marketing strategies.

6

It's where consumers spend their time. As we mentioned, the average American spends nearly 2.5 hours a day in their personal email inbox. Send a message, and there's a good chance it'll immediately be viewed by your targets. It's rare to get that kind of attention with other marketing channels.

7

You're completely in control of the content.

Compared to channels like social media or paid ads where you're limited by the number of characters or the creative assets you can use, email virtually has no limits. GIFs, interactive surveys, video players, infographics, and the like are all email-friendly.

8

It's affordable. Email is one of the more affordable digital marketing tools. It doesn't require an ad budget. Creative doesn't have to get pricey. Analytics are easy to access.

9

It achieves high ROI. From selling products and nurturing leads, to increasing website traffic and moving consumers along your desired buyer's journey, email is an essential tool for creating brand awareness and promoting your business, all while returning \$36 for every \$1 spent.

10

Email supports other digital marketing campaigns.

Email marketing integrates with the rest of your digital strategy. Email supports video marketing, social sharing, and landing page promotion. Whatever digital campaign you launch, you can use email to promote it to users who are eager to learn about your content.

Despite email's effectiveness compared to other channels, the anonymously reported ROI of email programs fell. It decreased from [42:1 in 2019](#) to 36:1 in 2020.

That's still a significant ROI, but what's accounting for the difference? As we'll see later in this report, possible explanations include:

- **Measurement tactics**
- **Lack of resources**
- **Poor testing**

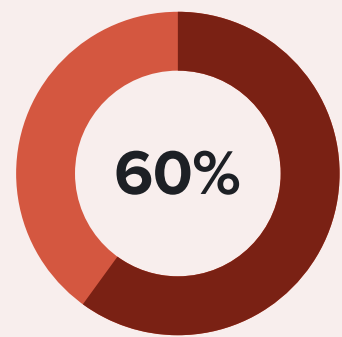
Marketers Make Email Personalization & Relevance a Top Priority

Data shows us personalization increases conversion in emails. Marketers are taking note of [email personalization stats](#) like these, reported in our June 2020 Litmus Live Day by Emails Y'all owner Anne Tomlin.

- Almost three-fourths of marketers say personalization in email increases engagement.
- Personalized emails generate a median ROI of 122%.
- Birthday emails generate 3.42 times more revenue per message than a standard promotional email.
- Emails with personalized subjects are 50% more likely to be opened.

While 83% of our survey respondents are personalizing email in some way, there's a large desire to make emails more relevant to recipients. In fact, 6 out of 10 respondents say boosting email personalization is a priority.

Personalization is a bigger priority for respondents working in ecommerce, retail, and consumer goods. Nearly 70% of respondents in those industries make it a focus. Personalization is less important for government agencies, non-profits, and small companies with 20 employees or fewer.



60% of marketers say amping up personalization is a priority.



Learn [how to create a personalized email marketing program](#) that treats people like people.

How Are Businesses Personalizing Emails?

The most common form of personalization is altering the text in the email subject line and in the primary content block of the email. Three-fourths of respondents personalize these areas.

Adoption of these techniques varies by business type, however.

- 80% of financial services companies personalize **email body copy** vs. 55% of retail/ecommerce/consumers goods and services companies.
- 77% of retail/ecommerce/consumers goods and services companies personalize **email subject lines** vs. 66% of financial services companies.

Compared to 2019, most personalization approaches are used about the same amount. The exception is preview text, which is actually being personalized less in 2020: 28% v. 38% in 2019.

In terms of data used to create personalization, trends have shifted in the past year. Subscriber name and company name are actually being used less: 72% in 2020 vs. 83% in 2019. But other behavioral attributes are being tapped more often for email personalization. These include:

- **Past interactions with products and services**
- **Past interactions with emails**
- **Past purchases**

Factors Used To Personalize Email Content

	% 2019	% 2020
Name, company name, etc.	83%	72%
Customer status (e.g., prospect/customer, seasonal shopper/year-round shopper)	44%	49%
Past interactions with your products, services, etc.	27%	40%
Past interactions with your emails	32%	39%
Past purchases	31%	38%
Expressed preferences via preference center, profile, account, etc.	25%	32%
Geolocation	36%	31%
Past interactions with your website	25%	30%

Some of the biggest shifts in personalization have occurred within specific industries. For example, there have been significant increases on the following within retail, ecommerce, and consumer goods and services companies:

- **Personalization based on past purchases:** 60% in 2020 vs. 38% in 2019
- **Personalization based on gender, race, ethnicity:** 20% in 2020 vs. 11% in 2019



Learn the [secrets to really good email personalization.](#)

Obstacles To Email Personalization

Companies want to personalize. But [Campaign Monitor reports](#) for 66% of marketers, one of the biggest challenges to personalization is not having the internal resources to execute the programs. As we'll see later in this report, email marketing continues to be under-resourced, despite its importance to organizations.

Lack of data also majorly hinders email personalization. Not gaining insights from subscribers quickly, or at all, creates personalization obstacles for marketers.

By mailing to inactive subscribers, your personalization efforts could be going to waste.

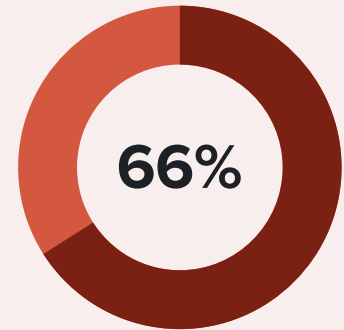
Companies that think they're personalizing may be wasting resources in other ways. More than one-third of our survey respondents reported they don't remove inactive subscribers from active mailing lists unless they opt out. In that case, they could be spending time personalizing to no one.

That's important because in our [2019 State of Email Analytics report](#), we found successful email programs are 27% more likely to remove chronically inactive subscribers from their active mailing lists.

Plus, you may be in violation of General Data Protection Regulation (GDPR) mandates and U.S. state-sponsored spam laws like California's when you send emails to old lists.

Approximately half of respondents indicated their company either never or rarely triggered win-back or re-engagement campaigns to inactive customers, donors, or users who are subscribers.

These businesses are missing out on learning how the needs of their formerly engaged email recipients have evolved. They're not uncovering the reasons for their lack of interest now.



66% of marketers say they don't have the resources to execute personalized programs.

Our [2019 State of Email Analytics report](#) also found marketers who describe their email programs as successful are 41% more likely than those with less-successful ones to send re-engagement campaigns. Successful email programs are also 58% more likely than less-successful ones to send win-back campaigns.

Data capture and measurement can alleviate personalization pain points. But as we'll see next, most companies are struggling to accurately measure email marketing success.

Email Marketing Is Important, But Measurement Is Weak

Marketers know email has a strong ROI. But they also acknowledge there are likely gaps in the measurement process.

Our survey results found **less than one-quarter** believed their company measured the ROI of email marketing efforts well or very well.

An incredible 45% cited the measurement was **poor, very poor, or non-existent**.

Why are companies having a tough time measuring ROI on email, when it's highly considered to be the top digital marketing channel?

5 Barriers To Email ROI Measurement



1. Not having an accurate ROI calculation

This first one's a biggie: not having a way to measure ROI.

When businesses lack this, there's no way to see which marketing investments and campaigns are working. *And* it's more difficult to adapt strategy to meet sales and marketing goals. You won't know which campaigns to stop and which to accelerate.

You should also have an idea of how email ROI compares to other marketing channels, so you know where to dedicate your time and resources. Speaking of which, barrier #2 is a...

At its simplest, you'd calculate email marketing ROI by the formula:

$$\frac{\text{Sales growth from email marketing} - \text{Email marketing cost}}{\text{Email marketing cost}} = \text{ROI}$$



2. Lack of resources and time to calculate email marketing ROI

As you'll see later in the report, dedication to email marketing is stagnant or decreasing. Issues like the COVID-19 pandemic have affected most businesses in various ways, including in the email marketing department.

One thing to keep in mind: If you find email marketing ROI is indeed your most valuable channel, you may want to shift whatever budget you have more toward email.



3. Inability to accurately calculate email marketing costs

You won't know the true ROI of email without an accurate view of your email marketing investment.

In addition to using costs of an email service provider (ESP), you'll also need to factor in consultant/freelance support, third-party testing, agency assistance for creation and deployment, and/or internal costs for in-house resources.



4. Poor tracking

Tying email marketing to sales is a major challenge for many businesses. A lack of communication and alignment between sales and marketing channels contributes to this barrier.

Integrating purchase information with the ESP helps you track email marketing conversions.

You should also be tracking how customers interact with your business outside of email. An email message might impact the recipient enough to make a purchase on their own outside of the email chain, for example.

There should be a system in place to track direct online sales, other online sales, and offline sales to see how those could be connected to email marketing channels. That creates a clearer view of email marketing ROI.



5. Resistance to change

Some companies may have trouble calculating ROI because changing existing tracking practices or systems is difficult.

This goes back to lack of dedication to email resources. Implementing new systems and training takes time and likely a financial investment. Even though this can produce significantly better results over time, some companies are hesitant to move forward.



Learn how to use the [*three pillars of email marketing to drive a more successful ROI.*](#)

How Are Companies Measuring Email ROI?

Most companies use analytics from both their ESP and a third-party tool. We found in 2019, [63% of marketers used a third-party email analytics tool](#) to connect email activity to web conversions. Tools include Google Analytics, [Litmus Email Analytics](#), Adobe Analytics, and internally developed tools.

Using a third-party tool is helpful for data collection and email strategy. We found that brands that use third-party analytics tools see up to a 16% higher ROI on email marketing than brands that rely solely on ESP metrics.

In our survey for this report, we found more than half of all respondents use six metrics to measure email success:

1. Open rate
2. Click through rate
3. Unsubscribe rate
4. Click-to-open rate
5. Bounce rate
6. Conversion rate

For 2020, open rate, click rate and unsubscribe rate were used (or planning to be used) the most often for tracking or KPIs.

Email Metric	% 2020
Open rate	95%
Click rate	88%
Unsubscribe rate	73%
Click-to-open rate	69%
Bounce rate	56%
Conversion rate	55%
Deliverability or inbox placement rate	47%
Email list size or growth rate	37%
Spam complaint rate	35%
Email device and client usage	26%

Email Metric	% 2020
Email read time	18%
Revenue/value per subscriber	17%
Return on Investment	17%
Subscriber lifetime value	13%
Acquisition cost per subscriber	11%
Forwards	9%
Email production time	7%
Email mistakes or error rate	6%
Prints	2%

Most of these are vanity metrics that do tell you something about how email is performing as a channel and in relation to your business goals. They can clue you into the type of content you should feature in email and how you should target.

But to improve the understanding of email marketing ROI, there needs to be a clearer picture of how email marketing efforts are impacting sales and revenue.

Despite a lack of confidence in email ROI measurement, that's not stopping marketers from moving full speed ahead with email marketing campaigns.



Download out [State of Email Engagement ebook](#) to discover insights from billions of email opens about when, where, and how people engage with email.

COVID-19 Disrupted Email, But for How Long?

The pandemic threw a wrench in business operations, including email programs.

Three-fourths of respondents have changed their email strategy because of the pandemic. Changes were more likely in financial services and insurance industries.

While more than one-third reported their marketing budgets stayed the same since the COVID-19 outbreak (and 11% saw a budget increase), more than 40% of respondents saw **budget cuts** to email since the pandemic.

That may not be for long. An August 2020 report by Digital Commerce 360 found [online sales increased 55% year-over-year](#) in July 2020. By October 2020, online sales are expected to surpass total online sales for 2019.

As we're seeing significant increases in online shopping due to the pandemic, we suspect email volumes—and budgets—will bounce back quickly.

How Has COVID-19 Influenced Email Content?

With the uncertainties that the pandemic has forced upon customers, marketers are shifting strategies in email marketing.

According to a [July 2020 report](#) by LinkedIn, 47% of marketers have increased a focus on human-centric and emotional content.

Product-focused content is lagging, while 53% of marketers are increasing a focus on thought leadership content. The report states 46% are increasing a focus on corporate social responsibility in content.

53% of marketers are increasing their focus on thought leadership content.

One interesting opportunity for marketers is the ability to directly connect with customers who are spending more time online. That's good news for email campaigns.

[This LinkedIn report](#) found 48% of marketers are focusing more on direct customer outreach. Email presents an opportunity for businesses to show consumers they care during these stressful times and lay the groundwork for deeper relationships in the future.

Effects from the COVID-19 pandemic present both an opportunity and an obstacle for the email marketing ecosystem of software providers and consultants.

The Email Creation and Approval Process Is an Increasing Pain Point

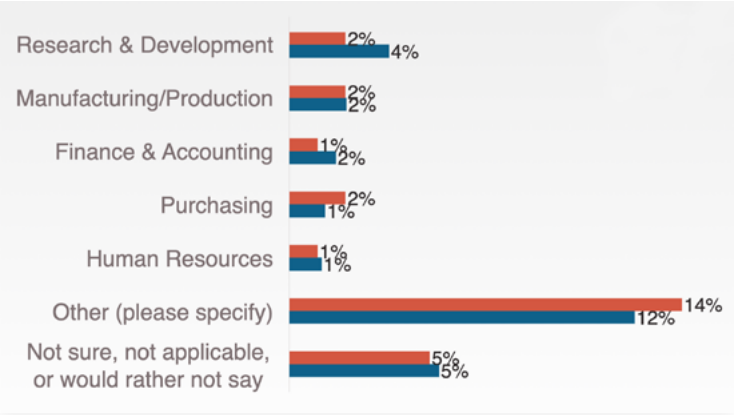
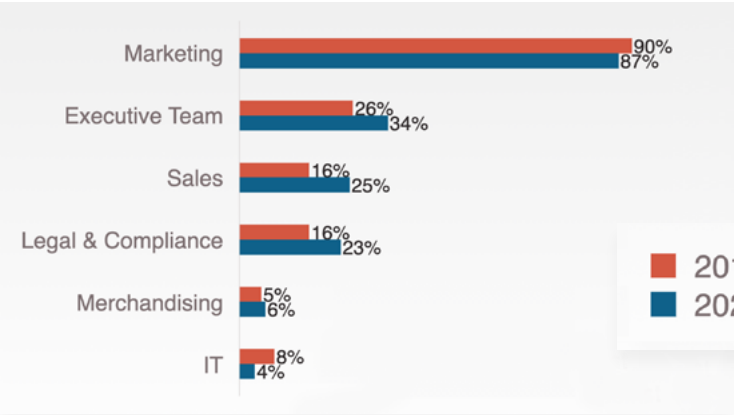
Even with declining email marketing budgets for some businesses due to the pandemic, more people are involved in email approvals today. And that’s creating some bottlenecks and frustrations.

Today, 60% of companies have 4 or more people involved in email review and approvals. That’s an increase from 52% in 2019.

Optimizing email workflow is a priority for half of all respondents. Already, 30% say the approval process is too burdensome.

50% of marketers say optimizing email workflow is a priority.

Departments Involved in Review and Approval



In 2020, there have been significant increases in companies where the executive team, sales, and/or legal and compliance are involved in email approval, compared to 2019.

Overwhelmingly, the most likely system for gathering feedback on an email are replies (via email) to a test send of the email. Nearly 70% of respondents cited this as the feedback system.

But is this the most effective? As we’ll see, often not.

Top Productivity Killers for Email Teams

In February 2020, Litmus and project management app Trello hosted a webinar to discuss the [top productivity killers for email teams](#). Do any of these sound familiar?



1. Ad-hoc approval methods

When businesses lack centralized approval tools, there's a ton that can get lost in translation. It's difficult to track various email threads, verbal feedback, and other disjointed channels of communication. Who knows which feedback to prioritize and implement?

Solution: Use a centralized tool to collect campaign feedback and approvals like [Litmus Proof](#).



2. Last-minute changes

These may be unavoidable. But often, they require significant time to make the edit, then secure re-approval, then go through the whole process over and over again.

Solution: Make emails a collaborative process from the beginning. Involve the key stakeholders to define and scope each campaign. Create appropriate timelines for the length of the approval process.



3. Unclear requirements

Not knowing every single element that needs to be featured in an email wastes time in design and revision stages.

Solution: Use formal [email briefs](#) for every email campaign. Collect information like goals, audience, design, copy, key performance indicators (KPIs), and stakeholders.



4. Inefficient testing methods

Testing's important to make sure the email you spent so much time on is exactly what you want recipients to see. But testing can also get tedious with the amount of email clients, device views, and rendering engines you need to test.

Solution: Use an [email analytics tool](#) to see what email services your subscribers are actually using and how they're opening up your emails. Prioritize those email clients.



5. Disorganized meetings about email

Time is wasted when the wrong people are at email meetings, when there's no clear agenda, when expectations are confusing, and when meetings go off track.

Solution: Avoid all these email meeting pain points by creating clear agendas and expectations, with the right meeting participants. Better yet, move meeting discussions online to a centralized tool with clear visibility into the process.



View our fourth annual [State of Email Workflows report](#) to identify more opportunities for improvement.

How to Simplify the Email Creation Process

Audit your email process to determine where you can make improvements. Here are some tips to [simplify the email process](#).



1. Improve campaign planning

Choose [campaign planning tools](#) that fit your team's needs. Create a content calendar for emails. Use [email briefs](#) for every campaign.



2. Make campaign development easier

Create a design system for a consistent brand experience. Use coding automation to build emails. Optimize campaigns with AI tools.



3. Get more efficient at approvals

Use a pre-send checklist. Use testing technology to identify issues. Create clear feedback workflows.



4. Put reporting to work

Review your email health. Maintain clean lists. Apply features from successful campaigns to future ones. Scale your efforts by testing and focusing your efforts on the strategies that bring you the best ROI.



Get more tips for [how to improve email review cycles and approvals in our ebook](#).

Email Design Continues To Evolve

One possible reason for longer approval times? Adhering to new and amended email templates.

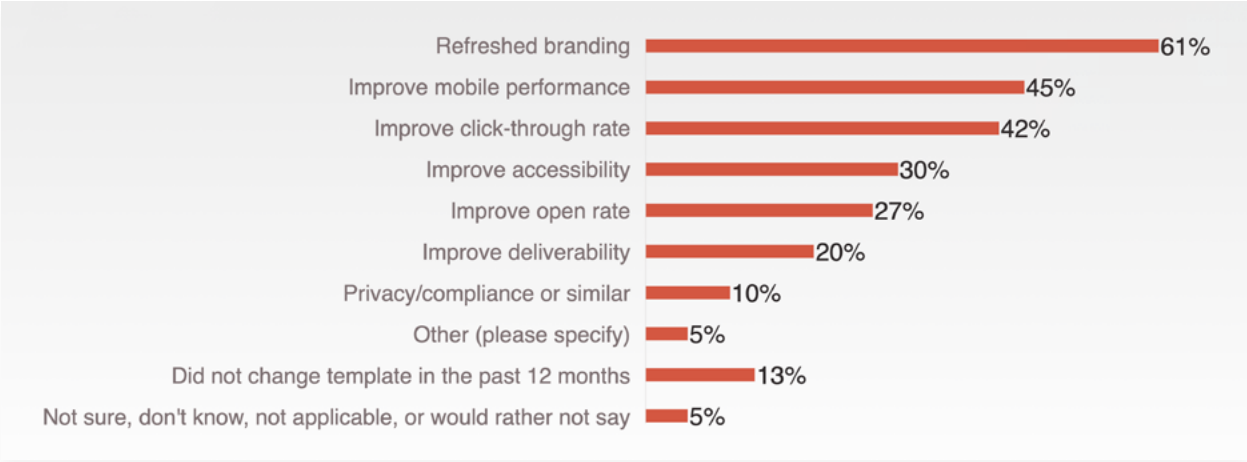
Most respondents in our survey, 70%, have email brand guidelines. That's an increase from 63% in 2019.

In the past 12 months, more than 80% of respondents changed their email template(s). These changes and additions may explain the extra eyeballs on emails going out.

The most common reasons for updating email templates were:

- Refreshed branding
- Better mobile performance
- Improved click-through rates

Reasons for Email Template Redesign



Has Usage of Interactive Elements in Email Peaked?

A focus on personalization has grown, but using interactive elements in email isn't a priority. Approximately 25% fewer respondents have used interactive elements today compared to 2019. Half of all respondents say they have no plans to use interactive elements any time soon.

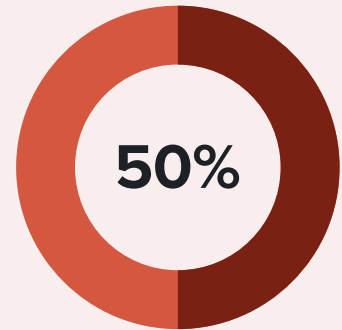
"Exploring interactive email functionality" ranked only as the seventh most important priority for respondents. Among the interactive elements that have been used by respondents, the most common are carousels and image galleries.

Declining resources may be negatively impacting the use of interactive elements, but prioritizing them could give some businesses an advantage.

- [Kapost reports](#) interactive content generates 200% more conversions than passive content.
- [An interactive email survey from Zembula](#) found interactive content generates 400%-500% more pageviews than static content.
- In 2019, [Campaign Monitor reported](#) interactive email content increases click-to-open rate by 73%. Videos can increase click rates by up to 300%.

Businesses can add GIFs, videos, and kinetic elements to make emails interactive. Use email split A/B testing to see if interactive design makes a difference for your email strategy.

As we'll see next, businesses are sending more emails these days, so that means more testing opportunities, too.



50% of all respondents say they have no plans to use interactive elements any time soon.

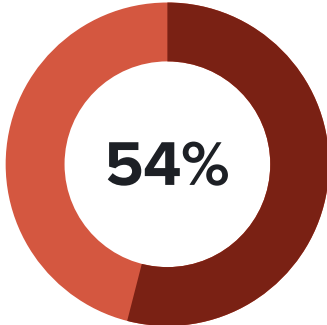


Discover [how to use interactive forms in emails.](#)

More Email Is on the Way

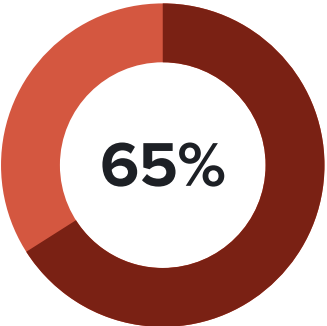
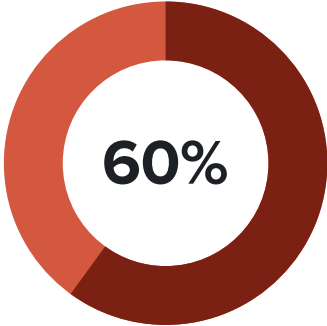
More people are using email. More businesses are sending emails. And more emails are being sent by the businesses already sending them.

This year, marketers and executives said they planned to send more email than they did in 2019.



54% of total respondents expected to send more email in 2020 than in 2019.

60% of marketing executives said they planned to send more email in 2020 than in 2019.



65% of respondents in financial services said they planned to send more email in 2020 than in 2019.

There are plenty of benefits of increasing the frequency of emails that are being sent out. As long as the emails provide value and are relevant to the recipient, they can help strengthen relationships between brands and consumers.

How Consistent, Relevant, Value-Based Email Benefits Business

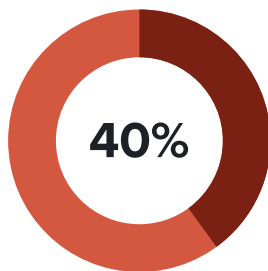
- 1. Deliver more targeted, personalized content that delights customers.** With users spending so much time in their email inboxes, content that's designed specifically for them is a way to delight and engage consumers.
- 2. Build authority and credibility with trustworthy content.** Especially for businesses in industries where lead nurturing takes time, email marketing helps you create trust and credibility. According to HubSpot, many [businesses might need around eight touchpoints](#) to guarantee prospecting success. Increasing email frequency can make a positive difference for businesses whose competitors are communicating with users far less.
- 3. Increase brand recognition.** While consumers are spending more time with email, they're also getting more email. According to the Email Statistics Report, 2018-2022 by the Radicati Group, Inc., [daily email traffic growth](#) is expected to grow 4.3% in 2021 and 4.3% in 2022. To cut through the noise, businesses that increase their frequency may be more recognizable among other senders.
- 4. Create loyalty.** Drip email marketing campaigns can keep users engaged with, interested in, and loyal to your business. Strategic campaigns that take customers on a journey give users something to look forward to interacting with. This strengthens the relationships recipients have with your business.

But, given how vital email marketing is to the success of many companies and the desire most businesses have to send more email in the future, it seems strange that email resources can be scarce.

Are Email Budgets Too Small?

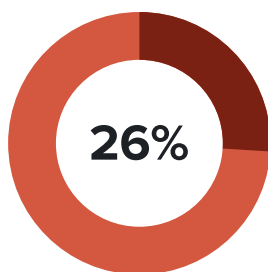
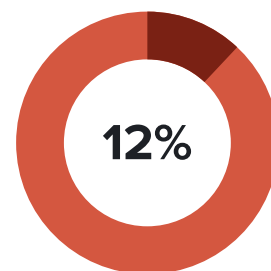
One confounding issue illuminated in our 2020 survey is that despite email marketing bringing the most ROI to businesses, email resources tend to be neglected.

There are always new and shiny digital marketing channels begging marketers to pay attention and devote time and resources to them. But are marketers making the best decisions when email marketing is often the most successful channel?



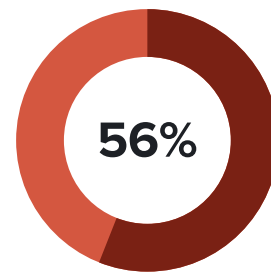
More than 40% of respondents say email marketing is under-resourced in their company.

Yet only 12% of respondents plan to add email staff this year, about half as many as in 2019.



Only 26% say email is “well-resourced” or “very well-resourced.”

56% of respondents have 2 or fewer full-time email marketers on staff.



According to the [2018 DMA Marketer Email Tracker report](#), 82% of marketers were spending between 0% and 20% of marketing budgets on email.

Why are marketers spending such a small percentage of marketing budgets on email? Some possible reasons might be:

- 1. Low initial costs.** Email marketing doesn't have to be expensive. That may mislead some marketers about how much they should invest in it. But as we've shown, allotting more marketing budget to a more expensive channel won't necessarily bring more ROI.
- 2. Lack of ROI measurement.** If a business doesn't have a way to measure the ROI of all marketing channels, there's nothing to compare. It then becomes guesswork about how much of a marketing budget should be devoted to each channel.
- 3. Hesitation to partner externally.** Even with a strong ROI, small-to-midsize businesses may hesitate about finding outside email marketing help. The potential results may be greater, but the initial investment may scare some off. Depending on how many marketers there are in-house, this can spread resources thin when multiple marketing channels are being used.
- 4. Lack of strategy.** A robust email marketing strategy includes: email marketing goals, email marketing tools, identifying the right target audiences, segmentation, email scheduling, content strategy, email testing, and insightful email performance reports. Businesses that have all of these elements in place know they'll need to allocate the appropriate resources to them. Businesses that lack comprehensive email strategy may underestimate their budgets and sabotage their results in the process.

The only way to determine what percentage of a marketing budget makes sense to devote to email is to calculate accurate ROIs for all marketing channels. Businesses don't have to invest a ton into every single form of digital marketing. They should be investing more in the ones that bring more revenue and results to their business.

Email Service Providers Must Stay Focused

When marketing budgets decrease, email may take a hit, as well. That doesn't necessarily mean a change in ESPs, however.

In most cases, marketers are already satisfied with their ESPs. They don't feel a need to change them. Nearly two-thirds of respondents were satisfied or very satisfied with the ESP they used most often.

While 36% of respondents are dissatisfied or neutral about their email providers, just 18% expect to increase expenditures on ESPs in 2020. However, 45% of respondents plan to increase the budget this year for integration of email with other channels.

This provides an opportunity for ESPs to expand their offerings for marketing and ecommerce integration. Some ways marketers want to marry email with other channels include:

- **Integrate email marketing with customer relationship management (CRM).**
- **Target promotions and special offers using CRM data.**
- **Get more social media engagement via social sharing buttons in emails.**
- **Send targeted emails to those who mention the business on social media.**
- **Use emails to collect post-purchase feedback.**
- **Get email subscribers on social media with calls-to-action.**
- **Use demographic information for geo-targeted campaigns.**
- **Link email campaigns with content management systems.**
- **Use content marketing to drive email subscriptions.**
- **Make emails more likely to convert for mobile users.**
- **Improve email segment targeting using analytics.**

Email A/B Testing Is Also on the Rise

Testing: 1, 2, 3... Nearly 90% of respondents are conducting A/B tests on their emails. More than one-quarter do so “often” or “always.”

More than half of respondents (56%) say doing more A/B testing of emails is a priority, making it the third-highest priority overall. The number one priority is expanding usage of automated emails, while the number two priority was boosting personalization levels.

The most-often-used A/B test elements are: **subject line, calls-to-action, and send time.**

All three are being used more in 2020 than in 2019.

Email Elements Most Likely To Be A/B Tested

	% 2019	% 2020
Subject line	79%	91%
Calls-to-action	45%	51%
Send time or send day	33%	40%
Email layout and content position	35%	36%
Preview text or preheader text	29%	35%
Images	36%	34%
Heads, subheads, and other body copy	31%	31%
Sender name	17%	19%
Number of content blocks in email	15%	12%
Navigation bar	3%	3%
Not sure, not applicable, or would rather not say	18%	6%

When it comes to spam filter testing, however, respondents are less likely to participate. More than half of respondents indicated they never or rarely run emails through a spam filter test to identify possible deliverability problems before sending an email.

Only 70% of email senders use spam filter testing before they send. Out of those, only about one-quarter do so “often” or “always.”

Out of those who do spam filter testing, they’re most likely to use the testing their ESP offers, or use [Litmus Spam Testing](#).

Why Does Spam Testing Matter?

When emails hit your target users' spam folders, no amount of A/B testing or optimization is going to matter.

Spam testing tells you what elements of your email need to be fixed in order for your message to make it past spam filters. Spam algorithms change regularly. What you do one day may be flagged the next depending on the email provider's regulations.

What you do one day may be flagged the next depending on the email provider's regulations.

- Authentication filters: verifying the existence and status of these filters
- Blacklist filters: if your IP address and domains are blacklisted anywhere
- Placement filters: which inboxes your emails are likely to be delivered to for popular email clients
- Score filters: how your email performs according to common corporate spam filtering scores

In an analysis of 1.5 million tested emails, we found [70% of emails show at least one spam-related issue](#) that may impact deliverability.

In addition to spam testing, [it's vital to test emails continuously](#) for reasons like the following.

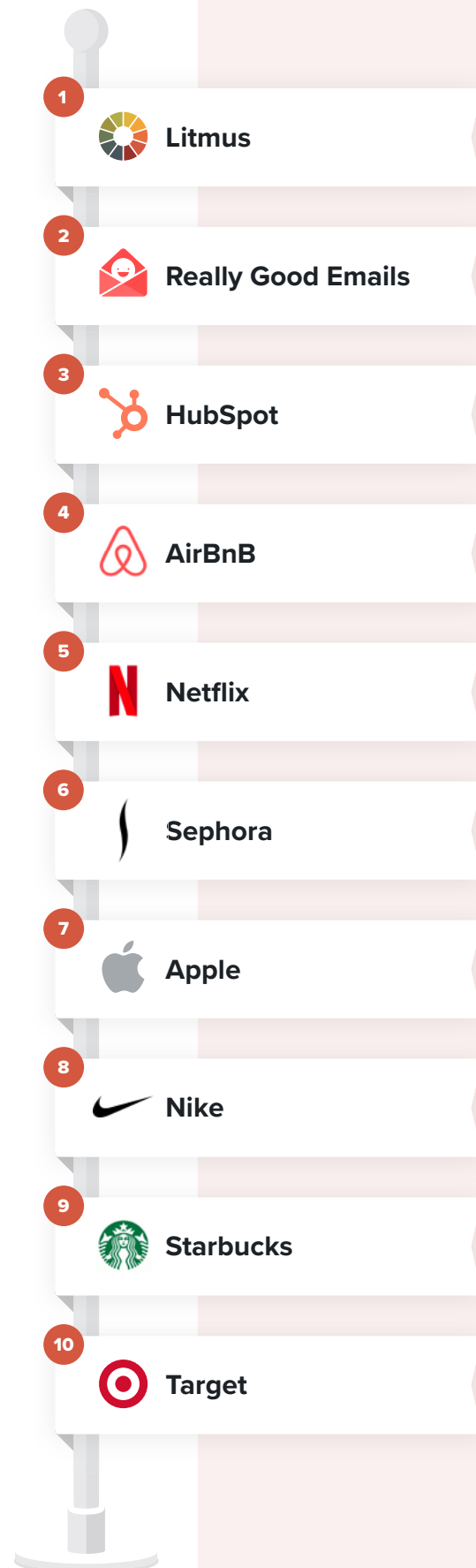
- 1. Email clients may drop support without notice.** The email design that looked perfect in the past may be riddled with bugs due to updates in attribute support.
- 2. Broken and incorrect links.** Businesses miss out on conversions by sending emails with links to 404 pages.
- 3. Unoptimized preview pane view.** An incorrect from name, reply-to address, subject line, or preview text can discourage open rates.
- 4. Spelling and grammar errors.** These can turn off customers and make your business seem less trustworthy and credible. In some cases, they can completely alter the message you're trying to send.
- 5. Broken images and missing or incorrect alt text.** Mistakes like these can cause customers to lose interest or can display a misleading message in the email.

When email marketing resources are stretched thin, you can eliminate headaches from time-consuming manual testing by using [Litmus Checklist](#). This tool scans for issues like these.

Marketers Name the Most Inspiring Email Brands Today

We asked marketers to name their top three most inspiring email marketing program brands for 2020. The results were a mix of B2B and B2C brands. We're grateful to all who named us among their choices!

To the right is the list of the top 10.



Now What?

To recap, the top insights we've gathered for the state of email marketing as of fall 2020 are:



1. Companies must personalize to get ahead.

Here's how:

- Use email data to determine personalization strategies to pursue.
- Clean up subscriber lists to ensure up-to-date targets and better personalization.
- If you're not already, test email personalization based on past interactions with products and services, past interactions with emails, and past purchases.



2. Want a leg up on the competition? Get your metrics in order.

Here's how:

- Dedicate resources to tracking email ROI.
- Create an accurate ROI calculation using accurate email marketing costs. Tie those to conversion tracking using sales and revenue driven by email.
- Use a third-party email analytics tool to gain better insights into how email marketing efforts are affecting conversions.



3. The pandemic led to email disruption—but uncovered opportunities to connect more deeply with customers.

Here's how:

- When evaluating marketing budgets, use ROI comparisons to determine adjustments to make.
- Look for opportunities to improve email marketing investments by implementing best practices like testing, data capture, and better personalization.
- Identify ways to deepen customer relationships by building trust through email content.



4. Approval processes are getting more complicated.

Here's how:

- Use campaign planning tools like email briefs.
- Automate email creation with a design system and templates.
- Establish feedback workflows for more efficient approval.



5. Companies are increasing the amount of emails they send.

Here's how:

- Use ROI calculations to allocate the proper budget to email marketing efforts.
- Make sure increased quantity keeps quality intact, with proper testing and streamlined creative processes.
- As the number of emails increases, stay ahead of the pack by using analytics and technology-based email tools to ensure you bypass the spam filter and land in inboxes.

2020 has truly been unlike any other, in the real world and in the email world. Email continues to be a powerful channel that creates strong customer connections, drives sales, and increases loyalty.

Keep the trends revealed in this report in mind as you develop your email marketing strategy for the rest of this year and beyond. Check out Litmus for [pre-send email testing](#) systems and [post-email analytics](#) to ensure your emails perform.

Share this report with others on your email and marketing teams and sign up for our emails to stay on top of what's happening in email today... and predictions for tomorrow.