



Email Marketing Strategy Challenges of the Modern Marketer

As marketers, it can be easy to fall into a state of constant execution – always focusing on the daily to-do list and moving quickly from one campaign to the next and back again. Because marketers are so often in execution mode, they face several challenges when it comes to their email marketing strategies.

We partnered with [Ascend2](#) to survey hundreds of “on the tools” marketers at growing businesses to understand their goals and the unique barriers they face when it comes to their email marketing strategies.

We discovered that marketers are faced with 7 challenges when trying to accomplish their goals including:



1. Increase engagement rates
2. Increase customer acquisition
3. Improve customer retention
4. Improve email personalization
5. Increase brand awareness
6. Enrich contact data quality
7. Reduce marketing costs

In order to overcome these challenges and achieve their [email marketing](#) goals, marketers need to have solid email marketing strategies in place to set the foundation for growth and evolution. Currently, 80% of the marketers we surveyed describe their email strategy as successful to some extent in comparison to competitors, while 20% rated their strategy unsuccessful. 30% of the total considered their email marketing strategy competitively “best-in-class.”

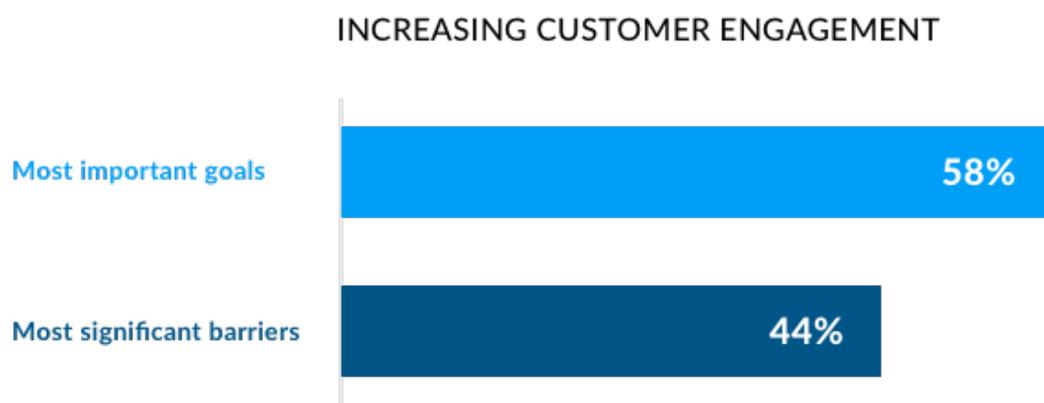
WHICH BEST DESCRIBES THE SUCCESS OF YOUR EMAIL MARKETING STRATEGY COMPARED TO COMPETITORS?

80% — Successful 20% — Unsuccessful % 80

In this report, we'll explore each of the 7 challenges/goals that today's modern marketers face when it comes to their email marketing strategy.

Increasing customer engagement rate

Increasing customer engagement rate was the number one goal for 58% of the marketers surveyed. It was also rated as the largest challenge by 44% of those surveyed.



In order to understand why customer engagement is essential to the growth of any company, let's explore what it is, why it is important and how it serves as a challenge.

Why customer engagement is important

Engaging with customers is essential to building long-lasting relationships. Customers remain loyal and engaged with the brands that they trust the most. Once marketers understand who their customers are and what they care about, they can begin to develop a plan that revolves around what types of content are most relevant to their target customers and personas

According to customer service expert and [author Micah Solomon](#), successful customer engagement leads to loyalty, purchases, profits, and ambassadorship for your brand. Email marketing is one of the best marketing avenues brands can take in

order to engage with customers in a personal way.

Without customer engagement, it's very difficult for a brand to grow and achieve other important business driving KPIs.

Why customer engagement is challenging

The key to engaging with customers is understanding who they are and what they are looking for and then engaging them in a personal, relevant way. Thankfully, the days of mass email marketing with a one to many message [are being left in the past](#) and today's modern marketers understand the importance of using rich customer data to deliver [customer journeys](#) and messages that are timely, relevant, wanted, and unique to each subscriber's interests.

The most successful marketers [segment their audience into different groups](#). It's important to grasp which subscribers are engaging with your email campaigns and why.

Marketers can identify who their current customers are and who their target customers are. Then, they can create personalized content for each of these groups and send them through [automated customer journeys](#) and email campaigns.

Another aspect of customer engagement that is challenging is developing a long-term engagement strategy. Engaging with a customer through a [welcome email](#), without following up with more relevant content, will not keep them engaged over the long-term. The longer a subscriber is engaged, [the more educated they become](#) about your business and or products and service and the more likely they are to convert into a customer.

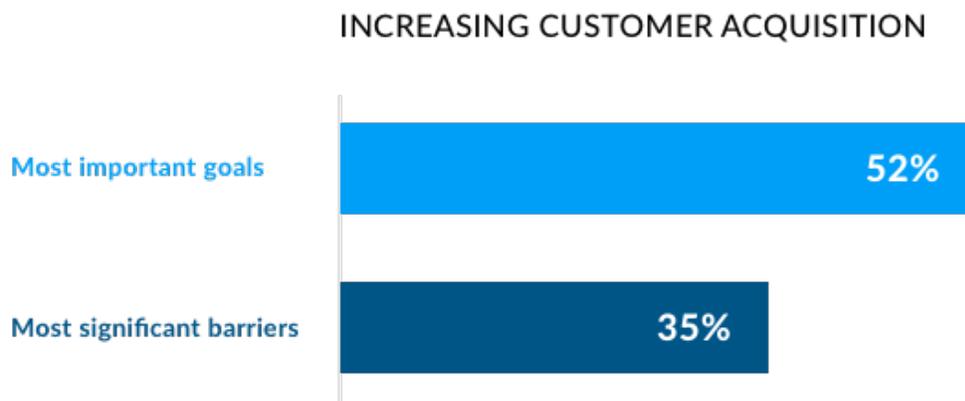
In order to do this right, marketers need to collect the [right data in their sign up forms](#), from their [CRM or other integrations](#) in order to power emails that are personalized, targeted, and totally relevant. All of these tactics bring about better engagement.

The goal is to send the right message to the right person at the right time.

CHALLENGE 2

Increasing customer acquisition

Increasing customer acquisition was the number one goal for 52% of the marketers we surveyed. It was also rated as the number one challenge by 35% of survey participants.



Why customer acquisition is important

Acquiring new customers is essential to the growth of any company. The larger your outreach, the more people you can influence, and the more revenue you can generate. Email marketing plays a large role in your marketing plans when trying to acquire new customers. In fact, email is **40 times more effective** at acquiring new customers than Facebook or Twitter.

Email beats social by 40x for customer acquisition

** According to McKinsey, email is 40 times more effective at acquiring new customers than Facebook or Twitter*

Customer acquisition is always important for companies, but it is extra critical during the growth stages of any business. Having a strong business model and product is not enough to make a business grow without a steady customer-base.

Why customer acquisition is challenging and how marketers can prevail

Similar to customer engagement, one of the biggest challenges in acquiring new customers is understanding who your target audience is and then building your acquisition strategy accordingly.

Acquiring new customers can be **more costly than retaining current customers**, but is crucial to the growth of your company.

Marketing automation tools enable successful marketers to create relevant customer journeys to help nurture leads or subscribers into customers.

The goal of customer acquisition is to gain new customers at a reasonable cost and eventually convert them into long-lasting customers who return again and again to purchase from your company. They can also become your most loyal evangelists and supporters.

CHALLENGE 3

Improving customer retention

Once a customer is acquired, it's important to retain them through a mutually beneficial relationship in which both the customer and the company have something to gain. When a customer trusts your brand, they are more likely to stay and continue to consume your products and services.

Improving customer retention was the number one goal for 40% of the marketers we surveyed. It was also rated as the number one challenge by 18% of survey participants. The good news here is that unlike the previous goals, customer retention is considered as less of a barrier than the others.



This could have to do with the fact that the cost of customer retention is lower than the cost of customer acquisition, although, having a [high churn rate](#) can damage the health of your brand.

Why customer retention is important

Customer retention directly contributes to the overall revenue for your brand, and at a lower cost than customer acquisition. Therefore, it is important to retain your current customers, who in turn, can refer more customers and act as brand advocates.

[Customer loyalty](#) leads to the stable growth of your business.

Having a high churn rate and losing customers can have a major impact on the health of your business.

Why customer retention is challenging

According to Jerry Jao, [a leader in retention marketing](#), as the industry continues to change, customers have many more choices than before when considering brands, and their [attention spans are actually decreasing](#) in the noisy space of digital marketing. One of the best ways to retain customers through email marketing is by creating unique content that is highly targeted and customized based on their needs. Marketers can also use email marketing to deliver [customer satisfaction surveys](#) that enable them to accurately measure customer satisfaction and address and issues in a totally timely manner.

[Marketing automation](#) tools are critical when it comes to retaining customers because marketers can deliver [relevance at scale](#) and turn their email campaigns into revenue generating machines.

The biggest challenge here is obtaining the right data from sign up forms, CRMs, and other integrations to power those campaigns in the right way.

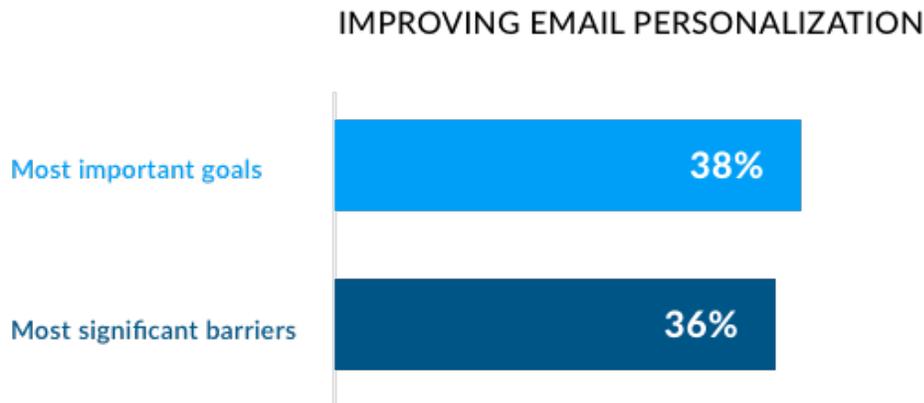
The more you understand your audience, the more you can retain them and the healthier your business will be.

CHALLENGE 4

Improving email personalization

The importance of [email personalization](#) is a common thread in our findings because it is tied to all the other goals and challenges that marketers face. Without personalized emails that are relevant to your audience, it's a struggle to engage, acquire or retain customers.

Improving email personalization ranked as the number one goal for 38% of the marketers surveyed and was rated as the number one challenge by 36% of the survey participants. Email personalization is seen as equally important and challenging for marketers.



Why email personalization is important

Emails with personalized subject lines are [26% more likely to be opened and generate a 760% increase in email revenue](#) from targeted and segmented campaigns. The more relevant your content is, the more interested your readers will be and the more likely you are to get higher click-through rates. So for marketers desiring to increase engagement, personalization is a must-have.

Personalization increases open rates by 26%

** According to Experian, emails with personalized subject lines are 26% more likely to be opened*

Segmented campaigns drive a 760% increase in revenue

** According to DMA, marketers have found a 760% increase in email revenue from segmented campaigns*

Today's most successful marketers are taking personalization way beyond simply inserting a subscriber's first name in a subject line or the greeting of the email copy. Personalization abilities have grown by leaps and bounds and are being used in creative ways using [third-party integrations](#) and smart automation tools.

Why email personalization challenging

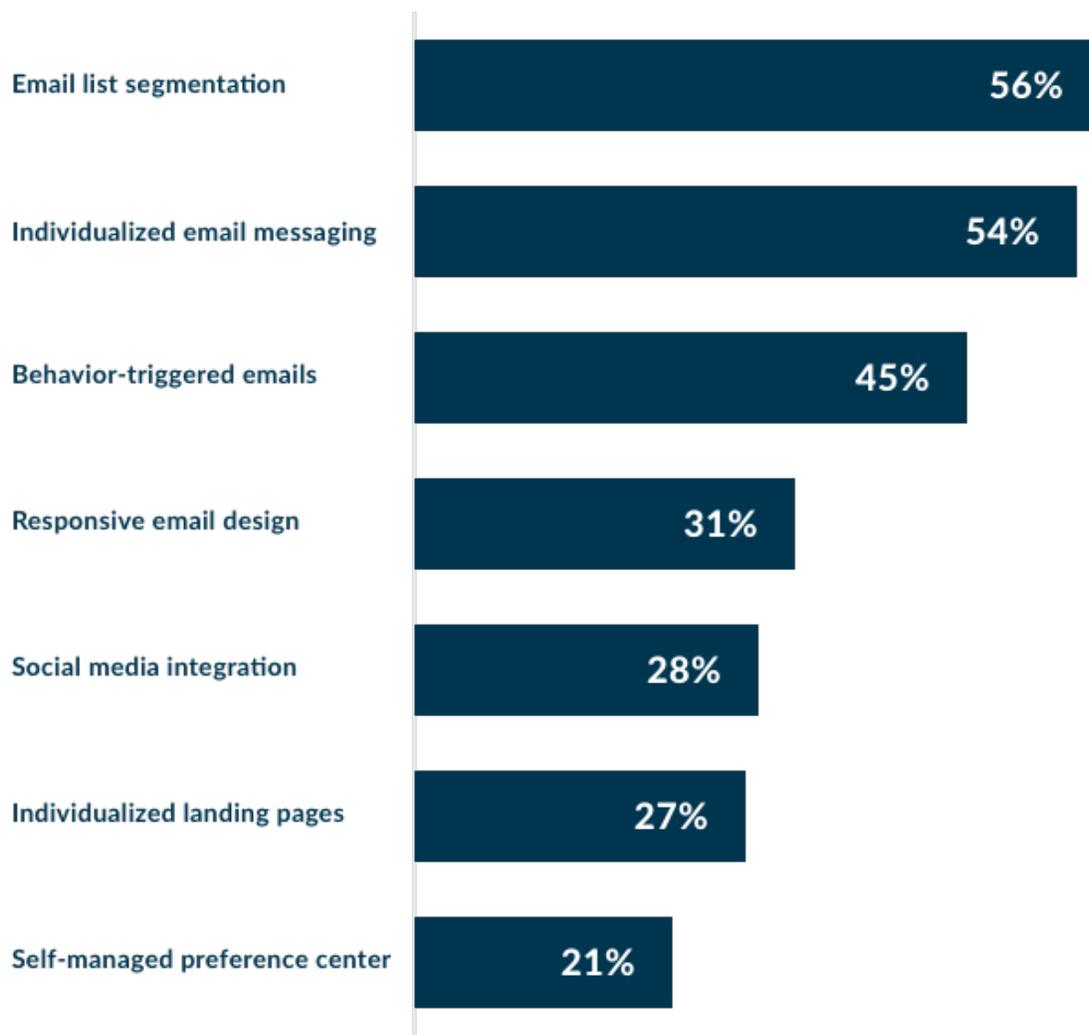
While sending personalized emails generates positive engagement, if marketers aren't able to personalize campaigns in a scalable way, their audience growth may

stall or remain stagnant. Marketers are also faced with challenges including data that may not be easy to access, data that is incomplete, or a myriad of other data struggles that cause them to have to use a variety of work arounds.

The marketers we surveyed said that email list segmentation, individualized email messaging, and behavior-triggered emails were the most effective tactics when it comes to [email personalization](#).

They also said that individualized landing pages, individualized email messaging and behavior-triggered emails were the most difficult personalization tactics to achieve.

WHAT ARE THE MOST EFFECTIVE PERSONALIZATION TACTICS USED FOR EMAIL MARKETING PURPOSES?



Another challenge for marketers when personalizing emails is that they don't believe they have the tools to automate targeted emails into segmented lists. [Marketing automation](#) using dependable data is one of the best solutions to solving most of [these challenges](#).

Marketing automation provides marketers with turnkey ways they can use data to power [incredibly targeted and personalized customer journeys](#).

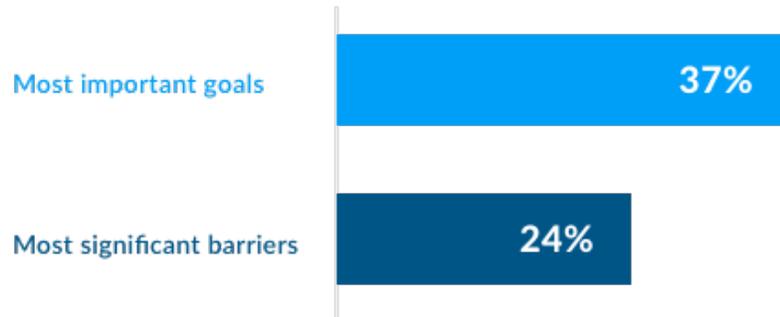
CHALLENGE 5

Increasing brand awareness

Brand awareness is influenced by your brand identity and the target audience you aim to connect with. Understanding who you are as a brand is a key component to any email marketing strategy. Spreading the message of who your brand is will directly influence your customer acquisition and brand perception.

Increasing brand awareness was the number one goal for 37% of the marketers and was rated as the top challenge by 24%. While increasing brand awareness wasn't the largest challenge, it does serve as the foundation for many other marketing initiatives.

INCREASING BRAND AWARENESS



Why brand awareness is important

When a customer is in need of a product or service, brand awareness campaigns can increase the chances of your brand being top of mind. Simply put, customers do business with brands they know and trust. The more positive things you have heard about a brand, the more trustworthy they seem. There can be a [direct correlation between brand awareness and revenue](#).

Why brand awareness is challenging

Brand awareness is one of the [more difficult data points to measure](#). It is difficult to see how many people you effectively reached if they don't take any action on your website or content. Some tactics you can use in order to overcome this challenge is by adding a "How did you hear about us" section on your sign up page. You can also use marketing automation tools to measure where your online traffic is coming from.

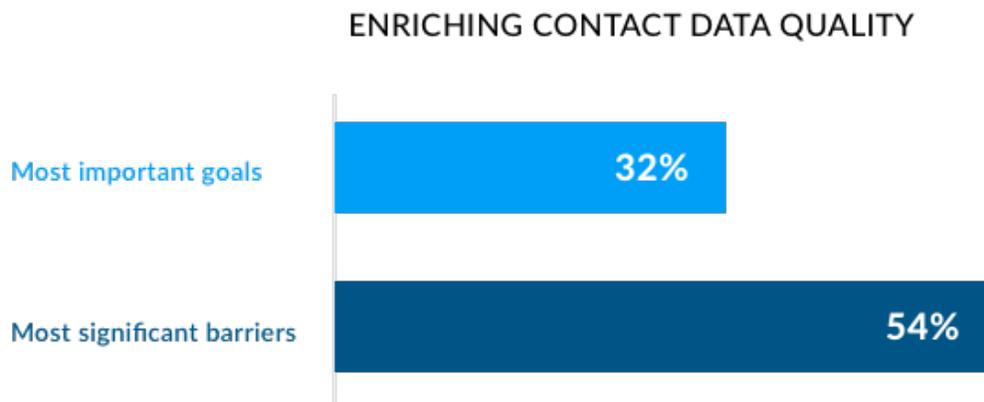
According to the CEO of Squarespace, Anthony Casalena, brand awareness is Squarespace's biggest challenge. [He told PR Week](#), "You may have a better product, but if someone isn't comparing you to other products, they don't know you exist." Established brands are aware of their competitors and their audiences. Consumers are educated in the space, so having your brand name out there is really important when trying to grow your business.

CHALLENGE 6

Enriching contact data quality

Another common thread throughout the survey was that having quality data about customers allows marketers to personalize messages, engage in a personal way, retain customers and acquire new ones. If you don't know who your customers are, it's almost impossible to engage with them in a meaningful way.

An interesting finding from the survey is that enriching contact data quality was rated as the top goal email marketing strategy goal by only about a third of marketers (32%), but it was rated as the number one challenge that marketers face by over half the participants (54%).



Lack of quality data makes it difficult to improve personalization (36%) and, in turn, boost the engagement rate of email – the top strategic priority.

Why enriching contact data quality is important

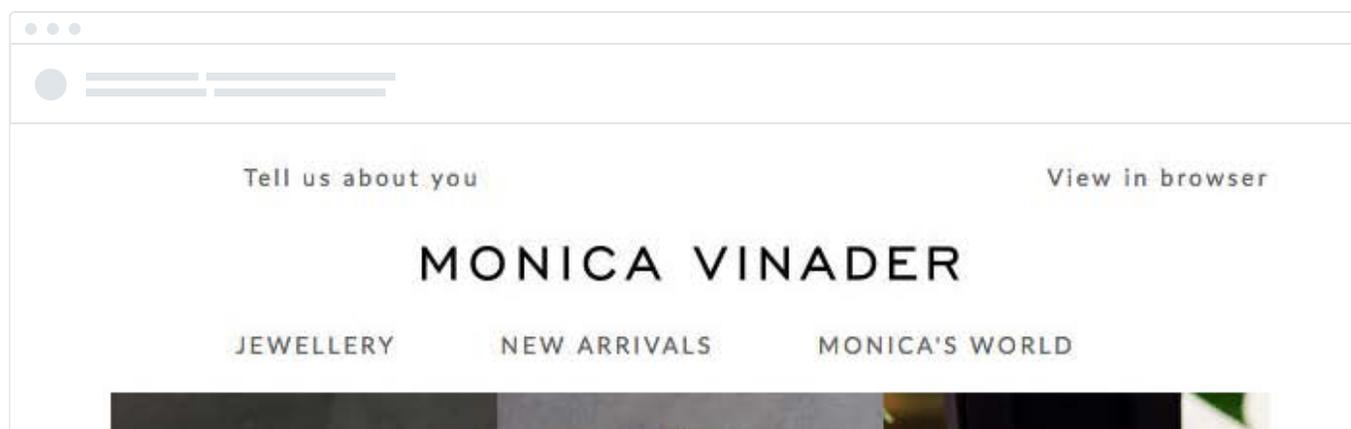
Marketers need quality data in order to power relevant and targeted email campaigns and customer journeys. But traditionally, marketers have been data challenged by having little to no access to data or data that is incomplete.

When a new subscriber signs up for an email newsletter or visits a pricing page, how are marketers identifying them? [Understanding who they are](#) can tell marketers a lot about which content will be most relevant for these prospects.

Looking at data like industry, company size, revenue, gender, economic status, occupation, location, marital status, age, etc. can shed light on the different demographics your brand appeals to, which can lead to the success of all targeted email marketing campaigns. Also understanding how visitors arrived at your website and what pages they visit can provide even deeper insights.

Why enriching contact data quality is challenging

Many marketers don't have the right fields in their sign up forms, or aren't using the integrations they could be in order to connect the data they already have. All of the [fields you include on your forms](#) can be carried through to your email campaigns to help you improve engagement. For example, if a contact provides their birthdate, marketers can send them birthday offers like Monica Vinader does by sending an email that specifically asks for this information from subscribers.





TELL US ABOUT YOU

Update your preferences for tailored news and birthday treats

UPDATE
YOUR
ACCOUNT



[Unsubscribe.](#)

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04428116



[Integrating your CRM](#) with your email lists can help marketers collect this kind of valuable data without needing to use [a complex marketing automation tool](#).

Marketers can even use tools that [integrate with their e-commerce platform](#) so that they can get full transparency into who their customers are, how they behave with their email marketing content, and what actions they decide to take next.

Marketers can also reference their [email marketing analytics](#) to see how subscribers interact with the different campaigns that are already in place. The most successful marketers are uncovering data they have that can be used for email personalization while also developing strategies on to [obtain high-quality data points going forward](#).

CHALLENGE 7

Reducing marketing costs

Reducing marketing costs was rated as the least important goal and the least challenging aspect of email marketing by the marketers we surveyed. Still, 17% of marketers felt that it was the number one goal to a successful email marketing strategy and 20% of marketers felt that it was their greatest challenge.

While marketers strive to attain the other goals mentioned, they always need to do this while staying within the realm of what they are able to spend.

REDUCING MARKETING COSTS



Why reducing marketing costs is important

As more and more marketing solutions become available to brands, it can be very difficult to balance a yearly marketing budget with the cost of the various marketing tools on the market. Reducing marketing costs is crucial to the growth of any business, as long as your [marketing needs are still being met](#). It's important to find the balance between staying within your budget, while also spending money where it matters most.

Marketing costs can cover social media, email, blog content, paid, and search – it's up to marketing teams to manage their budgets while also making advances so that their brand continues to grow its outreach.

Why reducing marketing costs is challenging

More than 40% of mid-market marketers surveyed [have less than \\$50,000 per year to spend](#) on marketing technology. Many software tools on the market also take a lot of time to implement and may even be too robust to use long-term.

Marketers are [focused on affordability and usability](#) when it comes to implementing new marketing automation tools. While there are many all-in-one cloud solutions, they can be difficult to use, time-consuming, and incredibly expensive.

A one-size-fits-all solution may seem desirable to marketers overwhelmed with technology choices but best of breed technology stacks can be **more useful and cost effective**. These tools allow marketers to only pay for what they need, as opposed to paying too much for a cloud solution with features that they never use.

When choosing a tool to get the best bang for your buck, look for flexibility, customization, personalization, and integrations. Explore solutions that can help you achieve your email marketing goals at an affordable cost.

The investment that savvy marketers are making on email marketing is paying off. A whopping 84% report that their email marketing effectiveness is increasing with only 16% saying their email marketing effectiveness is decreasing, and 12% saying only marginally.

TO WHAT EXTENT IS EMAIL MARKETING EFFECTIVENESS CHANGING?

16% — Effectiveness is decreasing 84% — Effectiveness is increasing % 84

Wrap up

The email marketing strategy challenges and goals marketers face are interconnected. It's impossible to keep customers engaged without high-quality data points and email personalization. It's difficult to acquire new customers if you can't retain the ones you already have. Knowing who your customers are, using data to build out segmented target lists and using marketing automation tools to reach your customers in a personalized way are critical elements in every successful email

marketing strategy.

To learn more, see our infographic, [Email Marketing Strategy Challenges of the Modern Marketer](#).

Methodology

This report exclusively represents the opinions of the 151 companies with 500 or fewer employees (SMBs) responding to this survey. The following are represented in this report:

Role in the Company

- Owner / Partner / CXO 45%
- VP / Director / Manager 32%
- Non-Management 23%

Primary Marketing Channel

- B2B 65%
- B2C 19%
- B2B and B2C equally 16%

About the research partners

Campaign Monitor is the leading provider of automation software for fast-growing businesses to grow their business with powerful email marketing and marketing automation.