



INBOX LOVE:

Investigating the State of Triggered Emails & Personalization for Retailers and Consumers

retail
TouchPoints®
SURVEY E-BOOK

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For years, retailers have relied on email to communicate their brand story, drive urgency and generate in-store and online sales. There's a good reason why so many marketers prioritize email marketing above all other channels: when done well, email drives measurable value for brands. According to the [Direct Marketing Association](#), email had a median ROI of 122% in 2016 — a four-times higher return than other marketing channels, including social media, direct mail and paid search.

However, marketers — especially those in the retail industry — are facing a new challenge. eMarketer estimates that by 2020, there will be [more than 258 million email users](#) in the U.S. *alone*. As a result, marketers must now fight harder and be smarter to stand out. This proves difficult when consumers' email

behaviors and preferences are constantly changing, and they're using up to three different devices to check email throughout the day.

To stand out in crowded inboxes, retail marketers have attempted to connect with consumers and engage them in new ways. Personalization, mobile-optimized designs, triggered emails and other strategies are being added to email plans. But are these new methods and investments *truly* driving results that retailers need?

In September 2016, *Retail TouchPoints* and Magnetic surveyed 200 consumers in the U.S. and Canada, and over 100 retail executives to investigate the new rules and realities of email marketing. **The results paint a fascinating picture.**



In 2016, email had a median ROI of 122% — a 4X higher return than other marketing channels.

- Direct Marketing Association

While our data reaffirms email is still a critical discovery and shopping channel for consumers, what drives them to engage and interact further with brands has evolved. Moreover, results reveal that although marketers consider email a critical investment and have high expectations for their efforts, very few have achieved their intended results. (See Fig. 1)

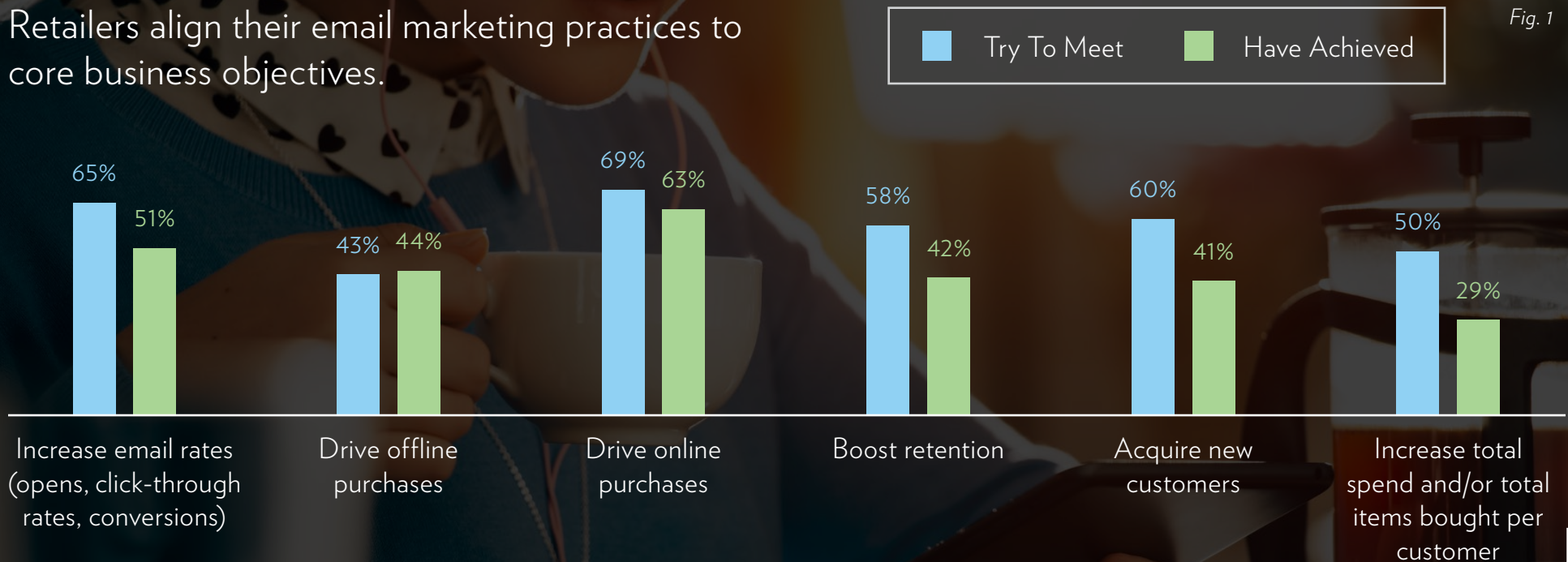
The biggest disparity between marketers' goals and the objectives they've met is in increasing total spend and total items purchased per customer through email.

Why are retailers falling short of their goals? We found multiple factors:

1. Consumers are inundated with emails
2. The role of email in consumers' lives has changed
3. Retailers are behind on the email maturity curve
4. There is slow adoption of triggered emails

This eBook will delve into each of these four trends and reveal tactical tips and best practices that will help retail marketers improve their email marketing results and optimize future investments.

Retailers align their email marketing practices to core business objectives.



Shoppers today are inundated by email. According to [The Radicati Group](#), the total number of emails being sent and received each day is expected to grow from about 215 billion per day (2016), to 258 billion by the end of 2020. Consumer survey results paint a similar picture, with half of respondents receiving nine or more emails from brands and retailers each week.

But it's not just that consumers are receiving *more* emails; it's that they're not checking their personal emails as frequently as brands and retailers believe. Nearly half (44%) of consumers only check their personal email accounts one to three times each day, and the time of day they check their inboxes varies

significantly. (See Fig. 2 and 3) As a result, only 35% of consumers open between one and three emails from retailers each week, while 37% don't open any of them.

To capture people's attention through emails and drive them to engage directly from their inbox, marketers should be tightly in sync with their customers. This means having a strong understanding of people's behaviors, needs and preferences. These insights should inform everything from the times and days of the week retailers send an email, down to email copy, featured products, creative, subject lines and more.

44%

of consumers only check personal email 1 to 3 times a day.



92%

of consumers said they primarily check their email between 12PM and 8PM.



50%

of consumers receive nine or more emails from retailers each week.

37%

don't open any of them.



Fig. 2

How frequently do you check your personal email each day?

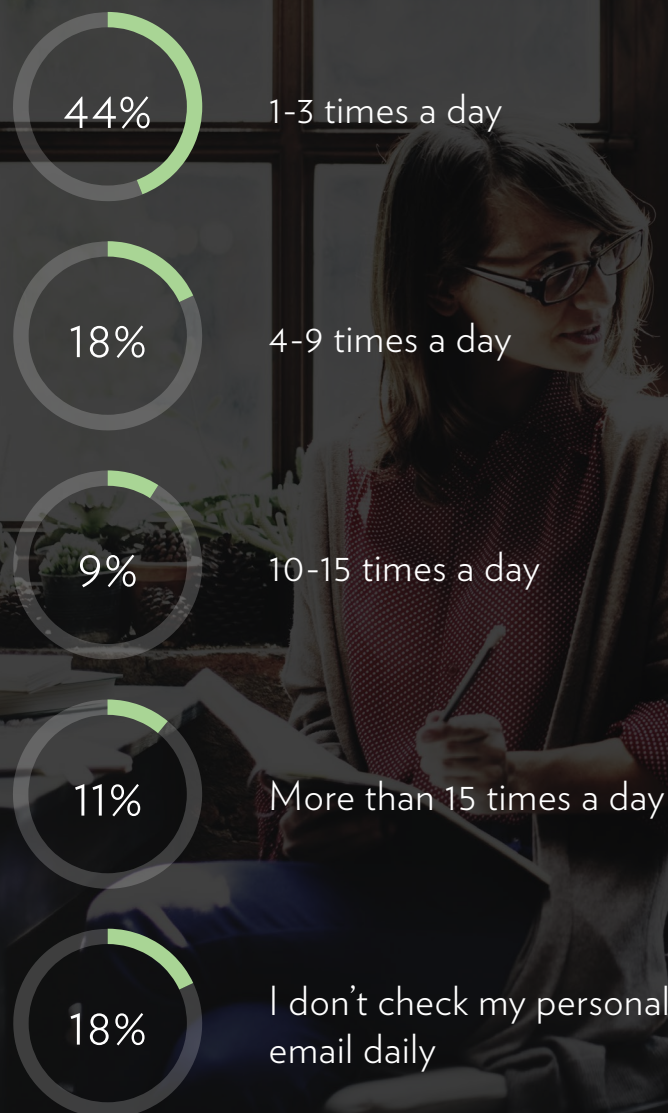
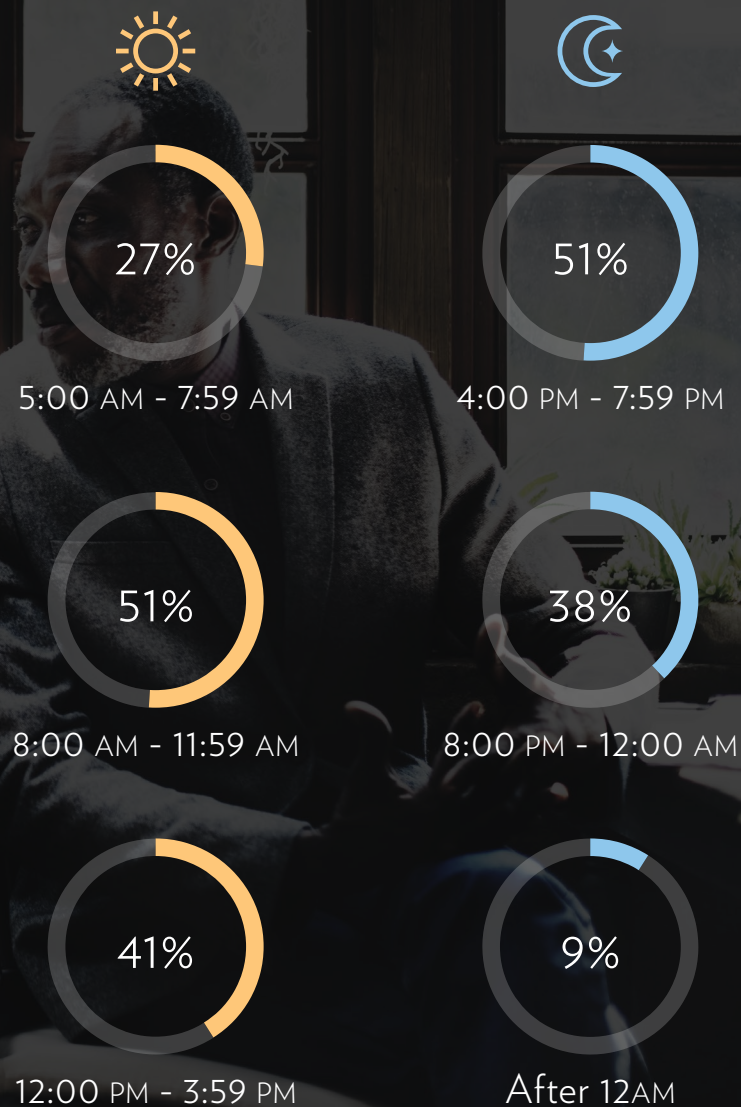


Fig. 3

What time during the day do you typically check your email? *(Select all that apply)*



It's no surprise that consumers hop between devices throughout the day. But what few retailers know and understand is how consumers use different devices to check their email and ultimately purchase items.

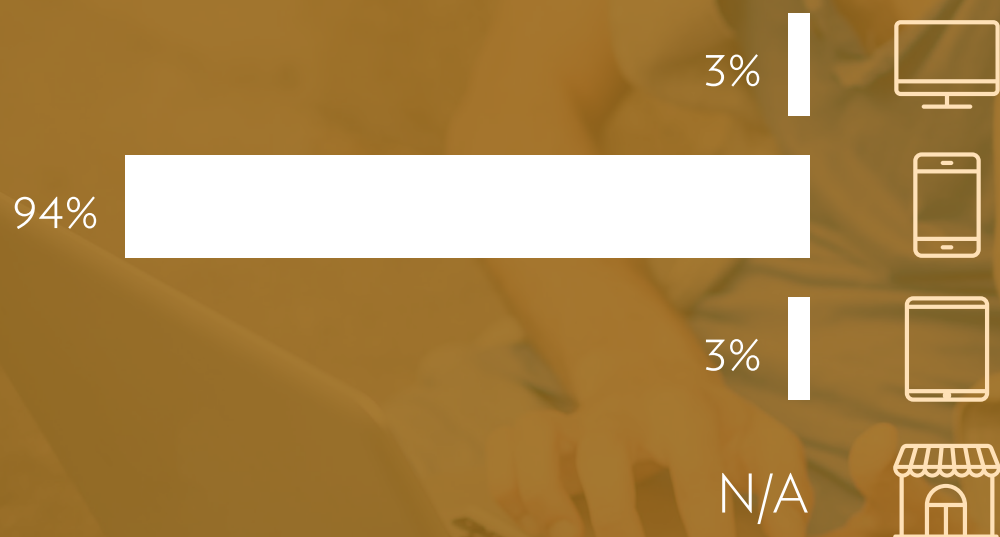
Our research indicates that for today's shopper, the smartphone is the top device for checking emails. The majority (94%) of consumers open and read emails on their smartphones, which makes mobile-optimized designs, strong visuals and short, concise copy imperative to success.

However, when it's time to make a purchase, most consumers (71%) prefer to use their desktops. Survey results reveal that even though most people prefer to use their mobile phones to read and open emails, **only 3% of these people ultimately use these devices to purchase items.**

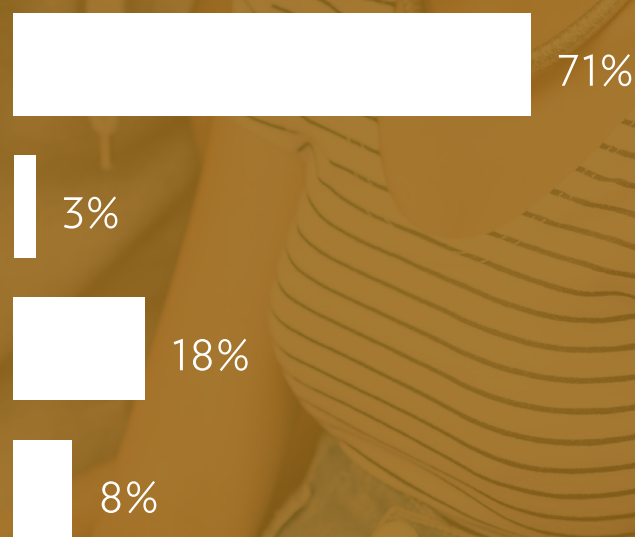
These results point to an important gap: When consumers open an email on their mobile device, they don't usually buy right away. Most of the time, they don't even buy on the same device. **Whether intentional or unintentional, there is a time lapse and a device switch in between the initial point of engagement and final conversion.** It's important that marketers consider the interplay between mobile and email marketing when assessing email efficacy; email can drive a conversion or purchase without being the last touch.

While 94% of consumers open and read emails on smartphones, 71% prefer to purchase on desktop.

Where consumers open/read email



Where consumers purchased



Email has come a long way since the early days of AOL. Previously, marketers were hindered by design and messaging limitations — they didn't have the technological capabilities to personalize emails based on consumer behaviors, preferences and other personal data points. Today, they can push the creative limits and experiment with new copywriting approaches, design ideas, personalized greetings, offers and incentives.

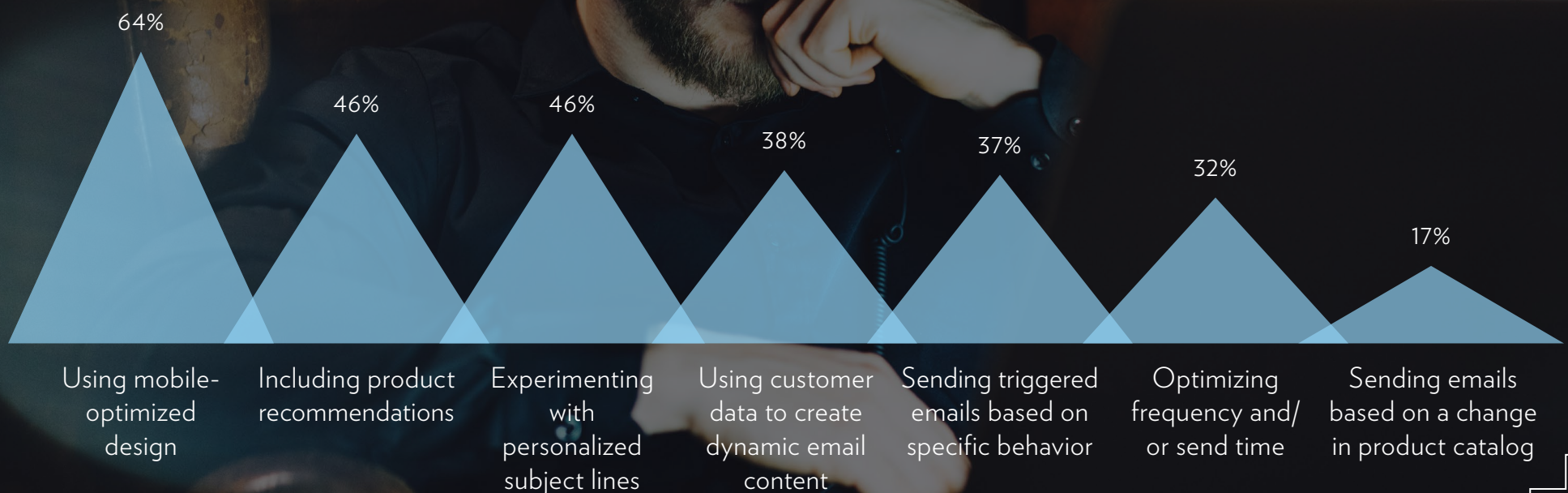
But looking at our results, it is clear that retailers are still in the early stages of the email marketing maturity curve. (See Fig. 6) Very few respondents have embraced reactive, data-driven methods that enable them to engage shoppers with the right message at the right time.

Consider this: executives [shared extensive details](#) on Amazon's online and email recommendation strategies in 2003 — almost 15 years ago. For years, industry analysts, pundits and even consumers have praised the online giant for tailoring copy and product recommendations to individual customers. Despite more consumers expecting emails to align with their personal behaviors and preferences, only 46% of retail respondents say they use recommendations as part of their email strategy. Even fewer retailers are experimenting with triggered emails (37%) and are using data to optimize send frequency and/or time (32%) — despite their importance in the engagement equation. (See Fig. 5)

Sending emails based on a change in product catalog is listed as the most unused tactic across retailers (17%).

Retailers' top tactics to attract and engage customers via email:

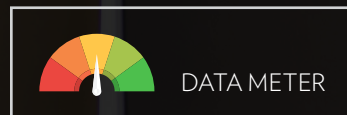
Fig. 5



EMAIL MATURITY CURVE: WHERE DO YOU FALL?

Fig. 6

Email's adaptable nature has allowed it to evolve and address people's demands and growing expectations of relevant content. The maturity curve is largely influenced by the influx of consumer data, growth of programmatic marketing and sophistication in machine learning.



Basic

Batch-and-blast emails, such as weekly newsletters, are the most basic form of email marketing. Little to no data is used to improve various facets of these emails so that they resonate with people. This blanketed approach leads to high unsubscribe rates and overall reductions in email deliverability.

Conversion rates for personalized triggers are 5X higher compared to non-personalized batch emails.

*Magnetic email performance data, 2016



Tactical

Using consumer attributes is more tactical in nature than basic email marketing. Basic segmentation allows you to market to different email lists (or groups) differently, and involves augmenting existing, scheduled emails so that they are more relevant for a specific audience. You can segment by many different fixed categories including:

- Age
- Birthday
- Anniversary

54% of retailers send emails to specific groups.



Sophisticated Segmentation Models

Behavioral emails go beyond emailing group A or B, and take advantage of recent consumer activity to trigger meaningful content based on "top of mind" consumer activities. Examples include:

- Abandoned Cart and Product
- Abandoned Site and Search
- Brand and Category Nurture
- First Purchaser (Welcome Emails, Rate & Review)

Behavioral emails are more relevant than tactical emails since they go beyond fixed attributes to live, shopping behavior unique to that individual.

36% of retail respondents say they use customer data to create dynamic email content.



Personal + Programmatic + Real-Time

Programmatic emails deliver 1:1 personalization by featuring products or information based on consumers' activities and individual preferences in a recent shopping session and past activity. Their programmatic and personalized nature helps brands build loyalty and inspire people to engage, convert and purchase. Examples include:

- Product Catalog Triggers (Low Inventory, Price Drop, New Arrival, Back In Stock)
- Shopper Alert (1:1 personalized email based on current and past consumer data)
- Customer Loyalty (one-time buyer, loyal customer, active vs. inactive users)

These emails use sophisticated machine learning to determine what to send and when.

Only 48% of retailers send triggered emails based on specific customer data points.



Coordinated + Synchronized

The most advanced form of email marketing is part of a coordinated and synchronized multi-channel strategy, which provides enhanced cross-channel, path to purchase insights and a single view of the customer. This means running cross-channel strategies under one holistic platform. This includes:

- Coordinating triggered emails with digital advertising
- Coordination of site personalization with optimized and personal emails
- Utilizing one holistic dataset to understand consumers, including ingesting real-time information, past purchase history, and offline or store data

The power of one platform enables marketers to look at attribution and performance in real-time, understand how various channels work together to improve results and informs where to put additional dollars.

Only 10% of marketers feel they have a unified commerce platform that is implemented and working well.

*Boston Retail Partners, 2015



Consumers' apathetic response to retailers' email marketing methods points to a frank reality: **retail marketers simply aren't providing the timely, relevant and personalized emails shoppers demand.**

To successfully ramp-up email strategies, retailers must understand what motivates consumers to not only open an email, but also click-through to browse and buy. According to our survey results, consumers agree that personalized emails featuring relevant brands, products and timely deals capture their attention. This data spotlights a significant disparity because, as noted earlier, less than half of retailers use personalization consistently in their email campaigns. (See Fig. 5)

When asked what prompted them to visit or browse a retailer website after opening an email, consumers said they were most influenced by price. As referenced in Fig. 8, consumers favored price-driven alerts over brand and product availability emails. Of all alerts, consumers said that emails promoting price drops for products they previously browsed were the most enticing.

Despite receiving various types of messages, the majority of consumers said they rarely or never purchase an item directly after engaging with retailers' emails.

Only **3%** of people claim that they *often* end up purchasing an item after opening and browsing a marketing email.

What drives shoppers to open an email from a brand/retailer?

51%

The email features brands/products they're interested in

49%

The subject line features a timely offer, deal or sale

40%

Brand recognition

What email content would entice you to interact further with a retailer? *(Select all that apply)*

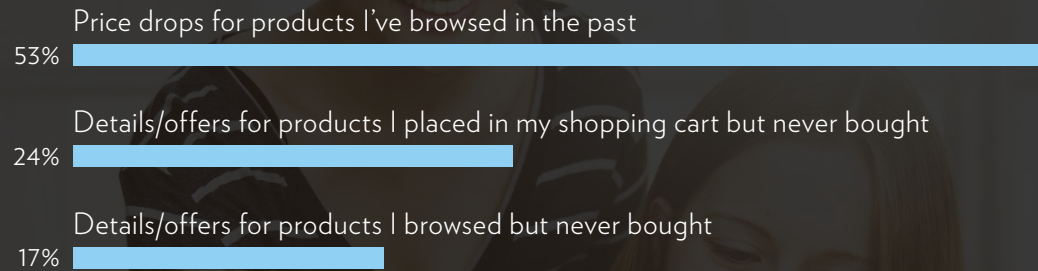
EMAIL FOCUS

AVERAGE WEIGHTED SCORE

BREAKDOWN

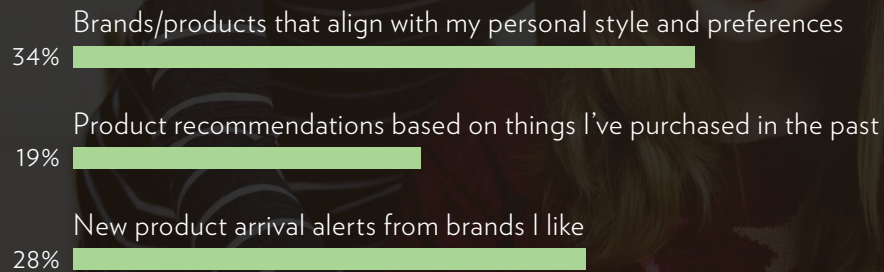
Price/
Offers

31%

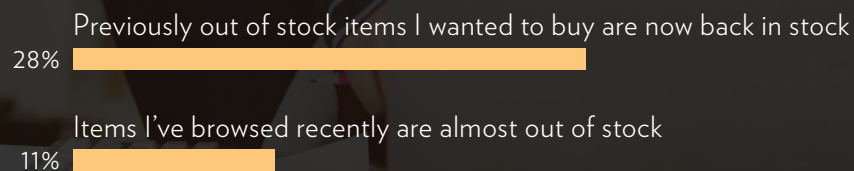


Preference

27%


Product
Availability

19%



Brand Recognition and Desirable Deals Impact Email Engagement

Although people rarely or never purchase immediately after seeing an email, there's still a lot of value from email within the path to purchase. Email is a powerful touch point for brands to build awareness, as well as educate and inspire consumers. If marketers create compelling and immersive emails that address all of these points of inspiration (price, product, brand and personalization), they will be able to stay top-of-mind among target customers.

For example, imagine a woman visiting a department store website to find a new dress for her company's holiday party. She narrows her options down to three dresses — all from the same designer. She leaves the site without purchasing to think through her decision. By the end of the day, she receives an email from the department store featuring the three dresses, along with tips and tricks to accessorize them for the holidays. Even better: the email includes a special promo code on party dresses. The email is timely, relevant and offers helpful advice so she can make a smart buying decision. She later uses the promo code to make her purchase.

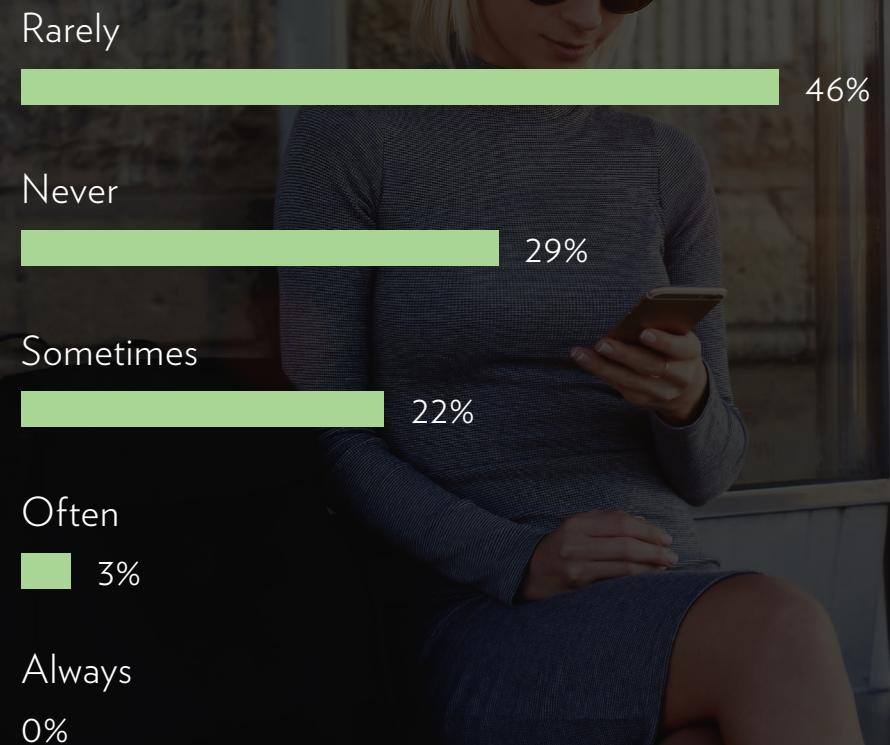
53% of consumers say emails promoting price drops of items they previously browsed motivate them to engage further with a retailer.



#InboxLove

Fig. 9

To the best of your knowledge, how frequently do you end up purchasing an item from a brand/retailer after opening and browsing their email?



Our survey results illuminate a daunting disconnect between the relevant and timely experience consumers expect and what marketers actually deliver. Marketers have the ability to capture a plethora of data to improve their email marketing, but data collection is sub-par, and usage is even more limited. As a result, retailers fall short when it comes to creating the tailored and compelling email experiences consumers demand.

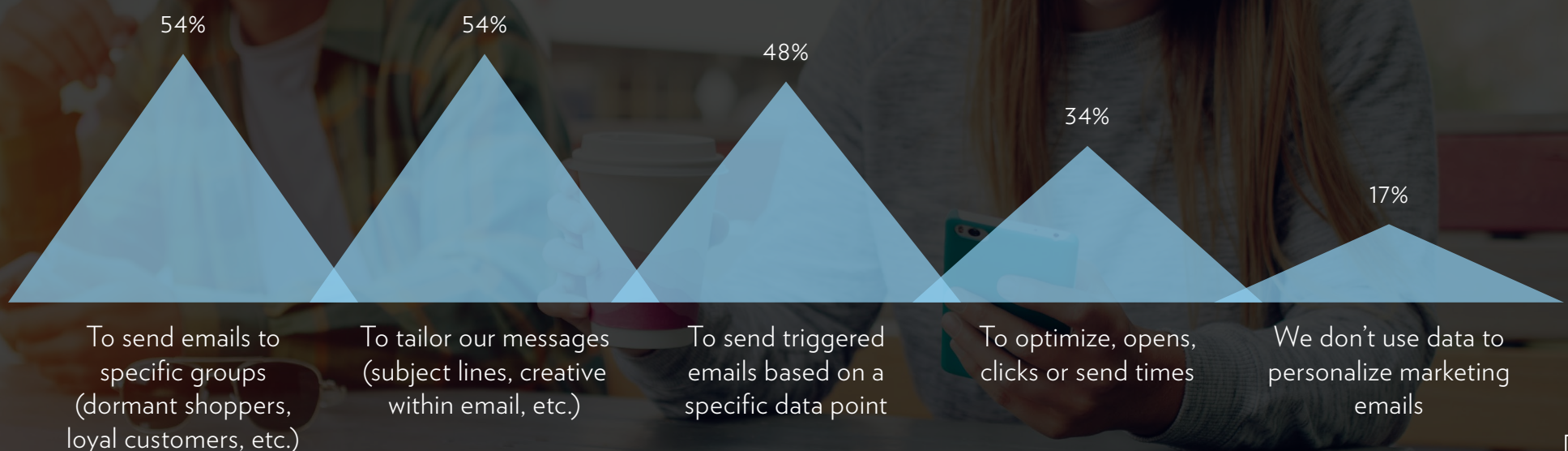
After all, only 5% of consumers say nearly all retail emails they receive are relevant, timely and compelling. Nearly five-times as many consumers said the emails they receive from brands and retailers are never relevant to their personal tastes and interests.

Only two-thirds of retailers capture purchase order history (68%) and website engagements/clicks (64%), and far fewer capture data about shopping affinities (26%).

In turn, only 48% of retailers send triggered emails based on specific data points, and 17% don't use data at all to personalize marketing emails.

How retailers use data to personalize marketing emails:

Fig. 10



Marketers' inability to collect and use data to meet consumers' demands for relevant and timely emails results in missed opportunities. As we showed in Fig. 8, 53% of consumers said they'd be enticed to engage with a brand if they received a price-drop email about a product they recently browsed. Our retailer survey reveals, however, that only 21% of retailers send personalized emails to price-sensitive consumers. (See Fig. 11)

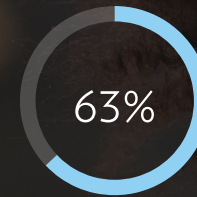
Similarly, more than a third (34%) of consumers said emails featuring brands and products that align with their personal style and preferences would drive them to further engage with an email and brand. But only 22% of retailers send personalized emails to consumers based on brand affinities. Both scenarios reflect the significant gap between shopper expectations and retailer strategies.

Only **54%** of retailers send emails to specific consumer groups. Of those that do segment consumers for email marketing, efforts are focused on existing customer relationships.

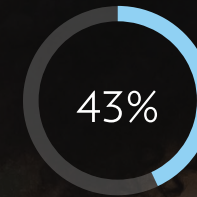
Fig. 11

Retailers send personalized emails to:

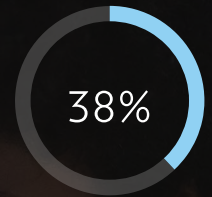
EXISTING CUSTOMERS



Loyal customers

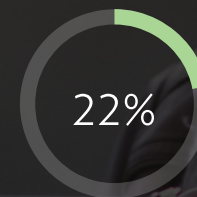


Dormant shoppers



High-spending customers

ACTIVE SHOPPERS



Shoppers with brand affinities



Non-buyers



Price-sensitive shoppers

Data-driven email practices play a critical role in helping marketers ensure their emails are relevant and aligned with the preferences and behaviors of their consumers. They help retailers ensure their content, offers and recommendations are up to par, and that messages are delivered when they will have the most impact.

But retailers still struggle to put the right data-driven email strategies in place so their outreach aligns with consumer expectations. As a result, 47% of consumers said emails they receive are rarely relevant to their wants and needs at that moment, or not relevant at all. (See Fig. 12)

Only **34%** of retailers use data to optimize opens, clicks or send times.

The largest percent of consumers (**39%**) say that emails are only sometimes relevant to what they're looking for in that moment.



How relevant and timely are the emails you receive from brands/retailers?

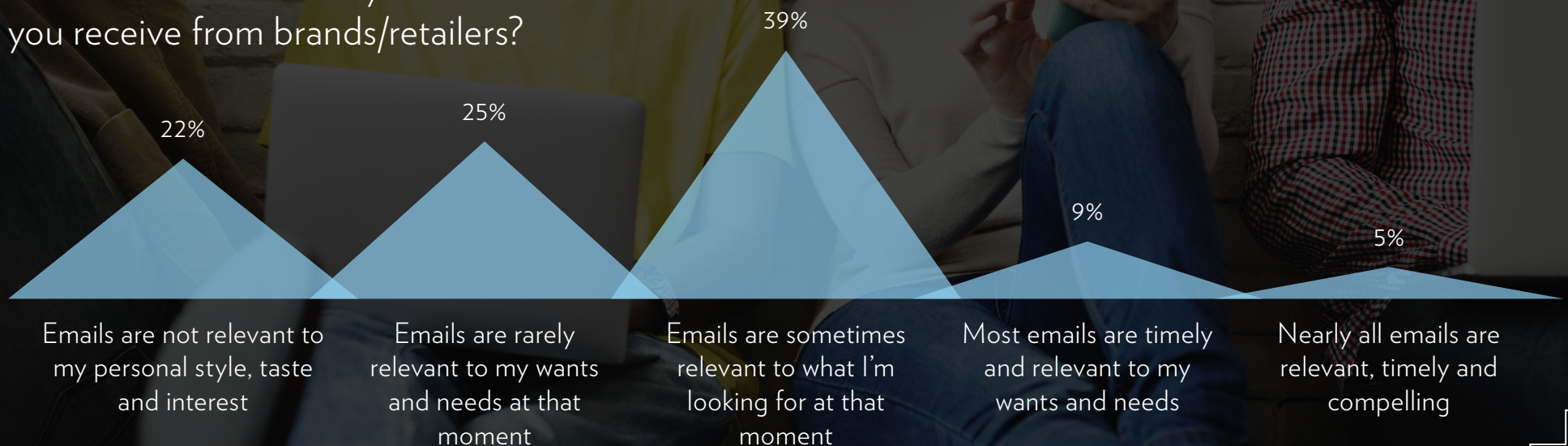


Fig. 12

Brands and retailers can close the timeliness and relevance gap in their email strategy by embracing reactive emails, also known as triggered emails. Triggered emails use consumer data — like on-site actions, shopping behaviors and past-purchase history — to send timely, responsive emails to subscribers.

Although 48% of our retail survey participants send triggered emails based on specific data points, it is still a relatively new tactic for them. Only 34% of this group said they have been sending reactive, triggered emails for two years or more. (See Fig. 13)

In addition, most retailers that use triggered emails report abandoned cart emails to be the most effective. (See Fig. 14) These are arguably the most known and widely adopted of all triggered emails. Marketers need to expand their triggered email strategies to better engage consumers based on their preferences and behaviors.

22% of retailers say they don't send any type of triggered emails.



“New arrival” ranked as the second-highest performing trigger by retailers, with 25% of survey respondents calling it “**very effective.**”

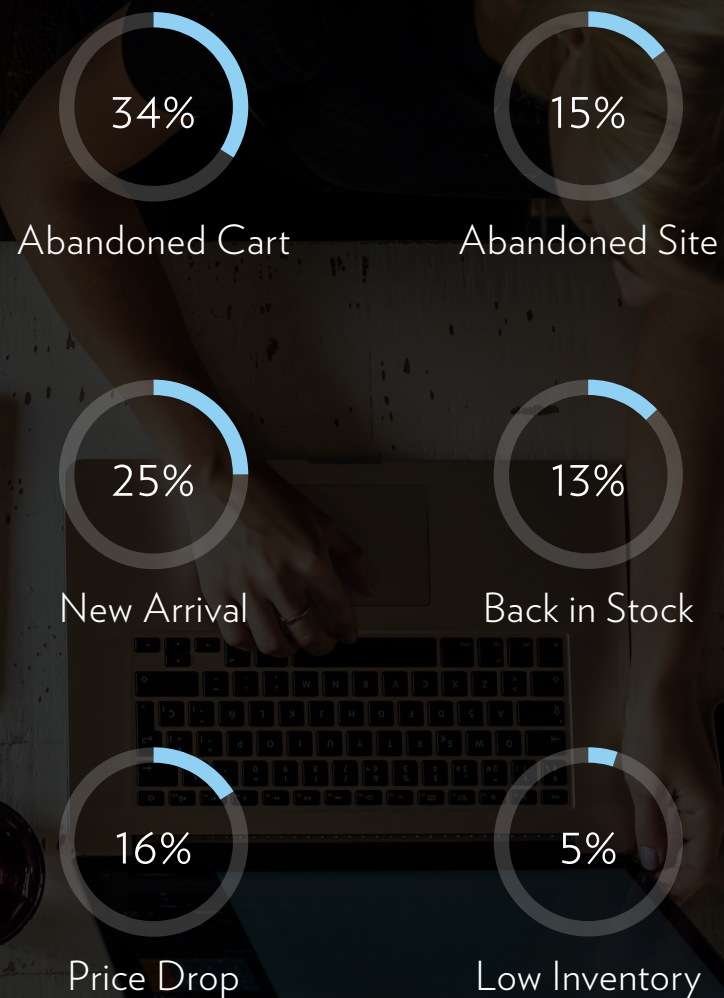
Fig. 13

Number of years retailers have used reactive emails, or triggers:



Fig. 14

“Very effective” triggered emails, according to retailers:



Retailers that use triggered emails report positive results. Approximately half of retailers see notable impact to key KPIs.

Percent of retailers that realized performance improvements to key KPIs:

56%

Click-Through Rates

50%

Open Rates

44%

Onsite Conversions

44%

Purchase Completions

These are great measures for success, however, very few retailers have yet to see profitable, long-term results. This could be due to the fact that retailers have only been using triggered emails for a short time and are not using a diverse mix of triggered email types.

“We want to understand our customers and Triggered Email Alerts give us a better idea of the products customers are interested in. If a customer is looking at the product and going so far as to put the product in his/her cart, but not checking out, we know we may have an opportunity to make the product copy and product image more appealing.”

- Jessica Coogan, Online Marketing Director

The Container Store®

7 TYPES OF TRIGGERED EMAILS

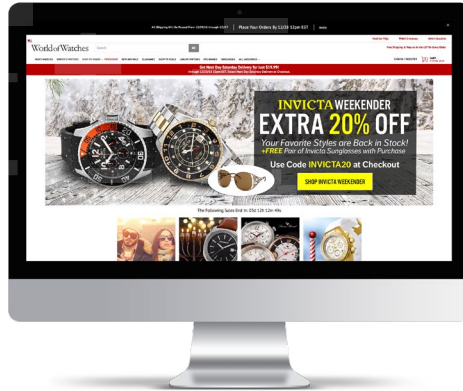
1. **Abandoned Cart:** reminds shoppers of items left in their cart
2. **Abandoned Site:** reignites shoppers' interest in items browsed, but not purchased
3. **Price Drop:** announces price reductions on products shoppers have shown interest in buying
4. **Low Inventory:** informs shoppers that items they may want will soon be unavailable
5. **New Arrivals:** announces new products in the categories they browse and buy most
6. **Shopper Alert:** notifies shoppers through a personalized, weekly email featuring personalized product recommendations based on each individual's shopping and purchase history
7. **Back in Stock:** updates shoppers when products of interest are available again

WorldofWatches.com

The World of Watches

team knew its target consumers wanted personalized online experiences.

The brand sought to implement personalized product recommendations across site and email communications, without adding headcount to their marketing and technical teams.



Magnetic offered World of Watches automated, data-driven solutions and strategic guidance on how the online retailer could continually improve customer interactions and boost bottom-line results in a scalable way. Together, the companies rolled out:

- **Triggered Shopper Alerts and Email Product Recommendations** that add personalized recommendations to subscriber emails, including order and shipping confirmations.
- **Site Recommendations**, which are published on key page types across WorldofWatches.com, TheWatchery.com and eWatches.com.

About a month after launch, World of Watches saw significant improvements in conversions and average order value.

The Results:

120%

increase in revenue
per session

57%

increase in
conversion rate

20%

increase in average
order value

40%

click-to-open rate

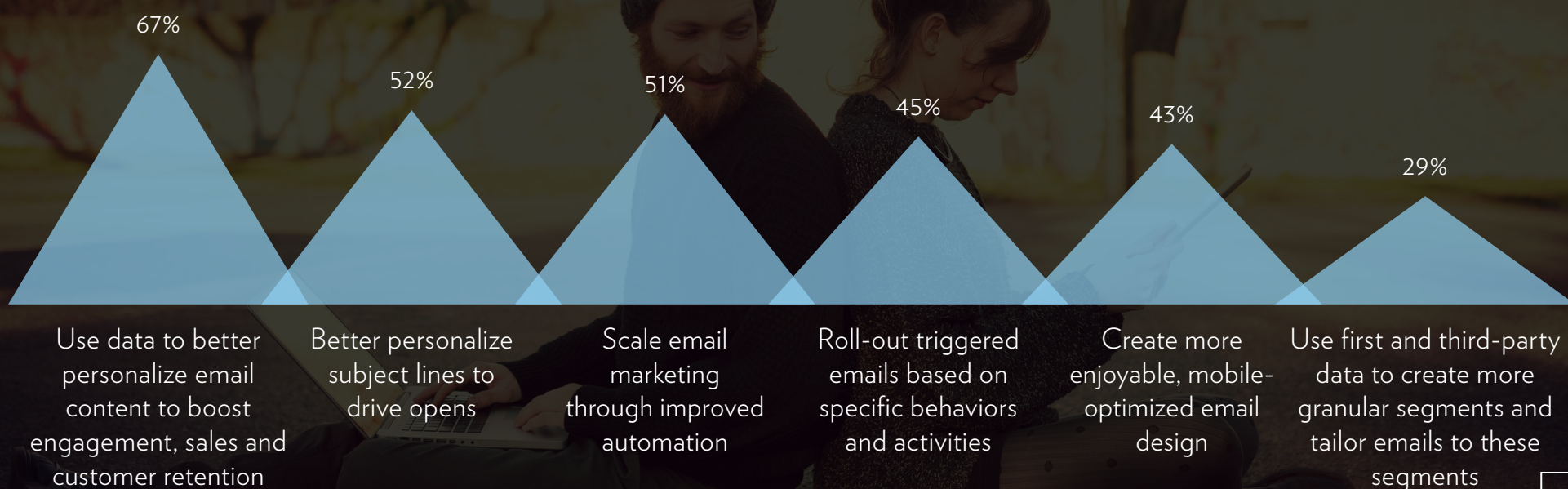
Our survey results point to **one overarching trend**: While retailers are still in the early stages of the email marketing maturity curve, they realize that with the right data, they can use triggered emails to deliver powerful, personalized email campaigns.

More than **50%** of retailers plan to scale email marketing through improved automation, but only **29%** plan to use first and third-party data to create more granular segments.

That's why many of our respondents plan to better use data to improve and automate their emails. Using data to better personalize email content for engagement, sales and retention ranked highest in terms of what retailers plan to do over the next 12-24 months. Personalized subject lines was also a strategy that more than half of retailers surveyed planned to improve. Nearly half (45%) of retailers said they plan to roll-out triggered emails to better engage consumers based on specific behaviors and activities.

How retailers plan to refine and improve email strategies over the next 12 to 24 months:

Fig. 15



Conclusion: Give Your Email Strategy More Love:

Personalized, Triggered Emails are the Cornerstones for Success

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Email has come a long way in the past decade, and consumers' use and interaction with the channel has rapidly evolved. Consumers are using different devices, engaging and buying in response to strategic messaging and design approaches, and continue to expect more and more personalization from brands and retailers. But marketers need to give email some more love; they have yet to adopt and embrace personalization and timely triggered emails to the level they need to.

Some retailers are more advanced than others when it comes to leveraging data for email personalization, and a lot of work still needs to be done to close that gap between consumer expectations and retailers' current email strategies.

To truly maximize email marketing results, retailers should abide by the following best practices:

1. **Rethink Personalization**
2. **Use Data to Inform Your Email Strategy**
3. **Prioritize Timeliness**
4. **Treat People as Individuals**

Read on to learn more about these best practices.

Want to learn more about triggered emails?
Read Magnetic's ***Triggered Email Guide***
to take a deeper dive into performance
metrics and examples.



1. Rethink Personalization

Email personalization is more than adding first names to emails. Every message should include personalized content — from subject lines to featured products and relevant promotions. Personalization should go beyond basic tailored messaging and be aligned to people's actions, with messages based on if someone abandons a site or shopping cart. Including both product catalog and abandoned triggers enables marketers to personalize communications using a variety of consumer behaviors, shopping affinities and preferences, and allows marketers to engage people at multiple stages of the buying journey.

2. Use Data to Inform Your Email Strategy

Data is the linchpin for any successful email marketing strategy. A constant flow of information, including live customer interactions and shopper profile data, not only helps to deliver the most relevant content to the right customer, but it also informs who you should reach and when. Think about how to segment your data to create engaging emails to specific segment groups, such as dormant shoppers, window shoppers, loyal customers or even new prospects.

It is just as important for retailers to use data to understand where people are in the purchasing funnel as it is to use data to improve the relevancy of the email itself. Use email open and click data to test and improve email delivery schedules; use customer browsing and purchasing data to craft hyper-relevant product recommendations; and tailor email content and incentives to the consumer journey and people's individual brand preferences.

3. Prioritize Timeliness

With 25% of consumers noting they receive emails that are irrelevant to their wants and needs at that very moment, it's clear that timing and relevancy play a vital role in generating a response from email. However, few retailers are leveraging the data they have at their disposal to optimize send times and frequency. One way retailers can capture attention and drive engagement is to use data to optimize email send times in conjunction with relevant content. Timing is everything; if emails are sent too soon, you might send an email about a product they were going to buy regardless, and if sent too late, you might be missing out on a chance to win that consumer's attention.

4. Treat People as Individuals

Every shopper is different. That means specific email attributes, like messaging, recommendations and calls-to-action, resonate with people differently. All of these tactics can help marketers fight email inundation, a common problem facing consumers and brands. Cutting through the clutter of the billions of emails sent every day is heavily reliant on the information and technology marketers use to power email marketing. The ability to predict what people want and need down to the individual level with a high level of accuracy will give brands a competitive edge.

MAGNETIC™

Magnetic is a technology company with a marketing platform for enterprises, brands and agencies. Our ad, email and site solutions help marketers find, keep and bring back customers. These solutions are powered by our unique data including purchase intent data from more than 450,000 partner sites, shopping profiles of over 250 million individuals, and behavioral insights across a billion active devices. For more information, visit magnetic.com.



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