

White paper



Unwrapping holiday email success

An email deliverability analysis of five Ecommerce leaders



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Methodology

Experian partnered with eDataSource, a global provider of competitive intelligence for email marketing, social media, and Ecommerce activity to monitor the holiday season starting from October 1, 2015 to January 5, 2016 of the following brands: Walmart, Amazon, Zappos, Chubbies Shorts, and Staples.

We chose these particular Ecommerce brands because they are leaders in their respective retail areas, ranging from apparel, to office supplies, to one-stop-shops for consumer goods.

We wanted to look at the differences between general email campaigns targeted at an entire database and those targeted at sub-segments of the database. Therefore, we arbitrarily divided the quantity of emails sent by these retailers into two quantity ranges: from 100,000 - 900,000 and from 1- 5 million.

Our next criteria was then to divide these two quantity ranges further: one group exhibited 90 percent or higher inbox placement rates and the other group exhibited under 90 percent inbox placement rates. We chose 90 percent to delineate email deliverability rates that most marketers would find acceptable from those where database quality issues might be prevalent.

Finally, we looked at the number of email campaigns sent as well as the undeliverable and read rates.

Summary

The earliest forms of email were used mainly for communication—how to store, deliver, and route messages to people not necessarily in the immediate vicinity. Now, four decades later, email has taken the core tenets of its origin and expanded upon it a thousandfold.

Email is still used as an efficient means to store information—only now this information can be stored indefinitely and be used whenever. It continues to be one of the best ways to deliver messages. It connects users on multiple platforms like smartphones, tablets, and laptops. And thanks to the available intelligence on consumer preferences and shopping habits, emails can be tailored for the right audience.

Observations from Experian and eDataSource shows that email is not only the most important type of marketing communication in 2016, but is also one of the best ways for retailers to promote deals and offers. In fact, email drives or influences two-thirds of all Ecommerce revenue.

This report will detail the eDataSource holiday email campaign intel of Walmart, Amazon, Zappos, Chubbies Shorts, and Staples. We augment this data with research from several business units at Experian. The result will provide marketers with the intelligence to improve their upcoming 2016 holiday email campaigns.

The house that email built

Based on our 2016 global data management benchmark report, which polled more than 1,400 respondents across 12 industries, 75 percent of organizations cite email as their most important type of marketing communication. And while other forms of communication may fall behind email in terms of popularity, their importance should not be diminished. Mobile devices and social media platforms can all augment email efforts and bring together that seamless consumer experience you're working towards.

Mobile devices and email aren't just mutually inclusive, they are becoming almost synonymous! Eighty-six percent of emails are now opened on mobile devices.¹ At 75 percent, email is clearly the most important type of marketing communication. However, mobile (42%) and social (38%) follow closely behind.

In the past 2015 holiday season, according to Experian Marketing Services' Holiday Hot Sheet, email volume rose 24.8 percent compared to 2014. Some additional trends of note are how brands are coordinating their promotions across channels, or matching their SMS offers with the ones listed in their email campaigns. Social media platforms are also bringing in their share of traffic with the addition of "buy now" buttons.

In this past year the percentage of unique opens, unique clicks, and transactions all rose along with email volume. Unique email opens increased 19 percent, unique email clicks increased 10 percent, and email transactions increased 20 percent.

These numbers mean good news for each successive holiday season. According to The Radicati Group, the number of email users grow by around six percent every year. By the end of 2015, there were over 2.9 billion email users worldwide. While other forms of communication like social media and instant messaging are also steadily growing, email will be the most integral, since email addresses are required to access almost all digital services today.

Email performance, however, is heavily influenced by how accurate and up-to-date the email address is. When consumers sign up for services through multiple channels, on multiple devices, the email address is essential to marketing success, especially around the holiday season. According to Experian Marketing Services, the top six transaction days for the holiday season are shown below.

Top six transaction days from the 2015 holiday season:

- Cyber Monday 11/30
- Black Friday 11/27
- Sunday after Black Friday 11/29
- Thanksgiving 11/26
- Day after Cyber Monday 12/1
- Day before Thanksgiving 11/25

Ninety percent of retail campaigns included an offer. The three most popular offers included were free shipping, having percent-off deals, and including coupons or codes. The inclusion of these offers all increased within the past year, rising from 63 to 65 percent, 58 to 59 percent, and 34 to 40 percent, respectively.

Email performance from 10/1/15 to 1/5/16

By understanding the email landscape of these five successful Ecommerce brands in their respective industries, other retailers can observe trends and campaign nuances to improve their own email initiatives.

Walmart holiday metrics

Walmart, as a whole, had above average deliverability rates. In fact, 95 percent of their email campaigns had deliverability rates of 90 percent or higher. To expand, out of the 1,288 email campaigns sent during this time period, there were only 67 with deliverability rates that were less than 90 percent. These high deliverability rates suggest that the supercenter actively strives to have an accurate email database to ensure that communications always get delivered to the right audience.

The read rates of all of Walmart's campaigns were surprisingly similar, with no outstanding distinction between number of campaigns sent nor between the deliverability rates. They all ranged from 16 to 21 percent, with the lowest read rates belonging to the campaigns sent out to an audience of over one million, with under 90 percent deliverability rates. The highest read rates belonged to campaigns also sent to an audience of over one million, but the difference was that these campaigns had above a 90 percent deliverability rate.

Amazon holiday metrics

As one would expect from an Ecommerce behemoth, Amazon sent out almost four times as many email campaigns as compared to Walmart. To be exact, Amazon sent out a total of 5,743 campaigns to Walmart's 1,288. However, when comparing deliverability rates, only 85 percent of Amazon's campaigns had above a 90 percent deliverability rate compared to Walmart's 95. This suggests that for Ecommerce-only or Ecommerce-majority businesses, accurate email collection still represents a vexing, and potentially costly, challenge.

The read rates for Amazon's campaigns exhibited more of a noticeable pattern. For campaigns with lower than 90 percent deliverability, there was a 13 percent read rate. For the successfully delivered campaigns, however, the read rates were much higher, ranging between 19 to 22 percent. Amazon's best-performing email campaigns were ones sent out to smaller audiences, which suggests the effectiveness of a segmented database.

Zappos.com holiday metrics

During the holiday season, Zappos sent a total of 224 campaigns, with 92 percent of them exhibiting a deliverability rate higher than 90 percent. For this online clothing and shoe marketplace, the lower number of email campaigns may be attributed to the fact that it is a subsidiary of Amazon, who may send campaigns promoting Zappos, thus eliminating the need for Zappos to send as many themselves.

The read rates for Zappos' campaigns range from 15 to 17 percent, which shows an even amount of engagement throughout.

Chubbies Shorts holiday metrics

Chubbies Shorts sent a total of 24 campaigns during the holiday season, all of which had under 90 percent deliverability. To be specific, they had an 84 percent deliverability rate. The low number of campaigns may be attributed to their niche customer base, relatively new standing as a retailer, and their desire to keep campaigns simple by sending fewer, but more targeted, emails.

The read rates for Chubbies' emails were 15 percent. While the engagement is lower than the previous brands, it may be attributed to the nature of Chubbies' business, which revolves around shorts and summer wear—not entirely relevant during the winter months.

Staples holiday metrics

The office supplies giant sent a total of 312 campaigns, with only 71 percent of them having deliverability rates that were above 90 percent. Eighty-nine email campaigns had deliverability rates lower than 90 percent, (the deliverability rates ranged from 83 to 89 percent). While those percents are not devastatingly low, any sort of deliverability issues during a heavy-traffic season means missed opportunities for cross- and up-selling.

Read rates for Staples' email campaigns ranged from 13 to 21 percent. The campaigns that performed the best were ones sent to a smaller number of recipients, suggesting that segmenting databases yielded higher engagement for Staples.

Overall email campaign analysis

There are several notable patterns pertaining to these five retailers. When observing the number of campaigns sent out, Amazon is the clear leader in sending out the most email campaigns. Walmart, however, brings home the medal in having the best deliverability rates out of all five retailers analyzed. Read rates for these five retailers ranged from 13 to 22 percent. As a whole, read rates were higher in campaigns that had 90 percent or above deliverability rates. Another trend that validated the necessity of email database segmentation was the tendency for retailers to send campaigns out to smaller databases instead of batch-and-blasting to a huge audience.

No matter where you are in your holiday planning, it's important to stay on top of industry benchmark stats.

See more data

A study in holiday-season email marketing campaigns

Consumers are beginning to spread their shopping throughout the whole holiday period, veering away from traditional practices of concentrated shopping during Cyber Monday. Retailers are responding to this need for a shopping "season" instead of a shopping "day" by boosting their Ecommerce presence with extended deals and earlier holiday promotions.

According to holiday data from Experian Marketing Services, site visits were at consistently high levels after Thanksgiving, with no discernible drop off in online visits after Cyber Monday. This reinforces the always-on attitude of today's consumers who expect to receive emails with offers and promotions packaged inside, and at times even look forward to them! Not only do emails drive traffic to the site, but they can be accessed from numerous devices. When paired with user-experience-friendly websites, emails are a powerful component of retailers' Ecommerce marketing strategies.

However, according to data from Experian's 2016 global data management benchmark report, 79 percent of retailers have had email deliverability challenges in the last 12 months. The top issues stemming from poor deliverability include unsatisfactory customer service (34%), an inability to communicate with subscribers (30%), and unnecessary costs (29%). Retailers also state that they could increase sales by 38 percent if they had accurate customer data. They are, quite figuratively of course, throwing money away! Consequences such as these can have lasting effects far beyond the holiday season.

Good emails mean a good pre- and post-holiday season

The three key benefits of having valid emails are: 1) Acquiring new members for your database, 2) Improving loyalty programs, and 3) Having a way to uniquely identify each customer. While many customers have more than one

email address, it's rare for two different people to have the same email address. This means that while emails are a fantastic means of identifying a customer across channels, they are only as effective as a retailer's ability to identify duplicates. To put it in other words, unless one customer has responsibility for another, as in the case of parents and children, capturing emails correctly from the outset is a great way to create a unique identifier that can then be used for a variety of purposes:

- To anchor and uniquely define a customer record of purchases, visits, spending, etc.
- To contact the customer for urgent and/or immediate communications (e.g. product safety recalls, shipping problems, updates, etc.)
- To send account notifications, updates, and thank you messages
- To enable personalized email promotional campaigns

Particularly around busy seasons like the holiday rush, having correct email addresses is imperative for a good brand experience simply because consumers are expecting quick turnarounds. Quality email data improves deliverability rates, increases engagement, and reduces the likelihood of being labeled as an email spammer. Repeated cases of spamming can result in a retailer becoming blacklisted by their Internet Service Provider, resulting in the inability to send emails until the issue has been resolved.

For many retailers, the loss of income from being blacklisted can run into the millions. If the blacklisting occurs during the holiday season, their ability to recover the lost revenue will be extremely limited. Therefore, for retailers who have a large portion of bad addresses in their database, or who know that their email collection processes result in a lot of errors, email validation services have a very high value.



Conclusion

Much like the first stone laid for the foundation of a house, email is an essential part of marketing communication that can be built upon and be incorporated into a robust marketing and sales strategy. As marketers struggle to make an impact with shrinking amounts of time and attention spans, as they strive to bring increasing levels of personalization and relevancy to communications. As marketers work towards honing in on the true value of a brick-and-mortar store, all their communication efforts are built upon having accurate contact data.

With consumers being able to access email through desktops, tablets, and mobile, it has become one of the best channels to drive marketing growth and deliver on consumer expectations. Learn more about how Experian can help ensure you are working with the best email database possible for maximizing ROI and improving sender reputation.



Learn more about how Experian can help ensure you are working with the best email database possible for maximizing ROI and improving sender reputation.

Clean your email lists and ready yourselves for the pre- and post-holiday rush.

Get started

Sources:

1. <http://www.emailmonday.com/mobile-email-usage-statistics>



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