



**2018**

**BLUECORE'S  
2018  
RETAIL  
EMAIL  
BENCHMARK  
REPORT**

 **Bluecore**

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**AFTER DECADES IN THE LIMELIGHT,** email remains the most powerful channel for eCommerce marketers. And this success continues even as many eCommerce marketing teams rely heavily on batch and blast emails that go to their entire list without any customization. While such efforts clearly bring in revenue, they also leave money — a lot of money — on the table.

Recognizing that largely untapped opportunity, top eCommerce marketers have started to take a more strategic approach to email. In addition to traditional batch and blast campaigns, these marketers now tailor messages based on both their customers' behaviors and changes to their product data in order to send more customized and timely messages.

To better understand how retailers are using email, including the extent to which they have embraced individualized messaging opportunities and the effectiveness of those messages, Bluecore turned to the data. Our 2018 Retail Email Benchmark report provides a baseline understanding of these activities and more.



# 01

IF SHOPPERS PUT  
SOMETHING IN THEIR  
CARTS AND THEN  
“WALK” AWAY, CONTACT  
THEM, CONTACT THEM,  
CONTACT THEM.

.....

No matter the metric — open rate, click rate, conversion rate, revenue per email, etc. — sending relevant follow up emails to shoppers who abandon their carts proves one of the most lucrative efforts for eCommerce marketers. While other emails, such as back in stock updates, new arrivals notifications and price decrease messages have their place, there’s a reason why cart abandonment messages are typically the first type of triggered email most teams introduce.

# 02

WHEN IT COMES TO EMAIL  
FREQUENCY, RESPECT,  
BUT DON’T FEAR,  
POTENTIAL UNSUBSCRIBES.  
START OBSESSING  
OVER RELEVANCE INSTEAD.

.....

Most marketers obsess over email frequency for fear of a spike in unsubscribes. That’s fair, as any email touch comes with the risk of unsubscribes. But the key to getting email frequency right is relevance, because shoppers are happy to receive emails so long as the messages they contain are relevant and useful. The engagement data reflects this. Unsubscribe rates for cart abandonment emails hover around a small fraction of one percent, while click rates usually exceed eight percent and conversion rates run around 1.5 percent. With engagement data like this, the cost/benefit tradeoff is clear.



# 03

IF SHOPPERS TRIP A TRIGGER, THEY'VE INTERACTED WITH YOUR ORGANIZATION. AND IF THEY'VE INTERACTED WITH YOUR ORGANIZATION, THEY'RE GOING TO BE RESPONSIVE.

.....

This study includes campaign metrics, such as open, click and conversion rates, for both triggered emails and one-time sends—and the triggered emails brought in more engagement every time. The reason? Shoppers who trip triggers are usually further along the engagement cycle—even when they abandon their carts—and the contents of those emails are usually highly relevant to shoppers.

# 04

POST PURCHASE TRIGGERED EMAILS OFFER GREAT PROMISE FOR MARKETERS... FEW OF WHOM ARE EXECUTING THESE EFFORTS WELL.

.....

Post purchase emails generate some of the highest open rates. They also generate some of the highest unsubscribe rates and relatively low click and conversion rates. This disparity is likely due to a lack of relevant content.



# RETAIL EMAIL CAMPAIGN BENCHMARKS

Bluecore has established a series of benchmarks for how different retail emails perform as part of healthy email marketing programs. These baseline findings include an overall look at email performance as well as selected breakdowns based on differences in average order value and retail vertical.



BASELINE  
EMAIL  
PERFORMANCE  
BENCHMARKS

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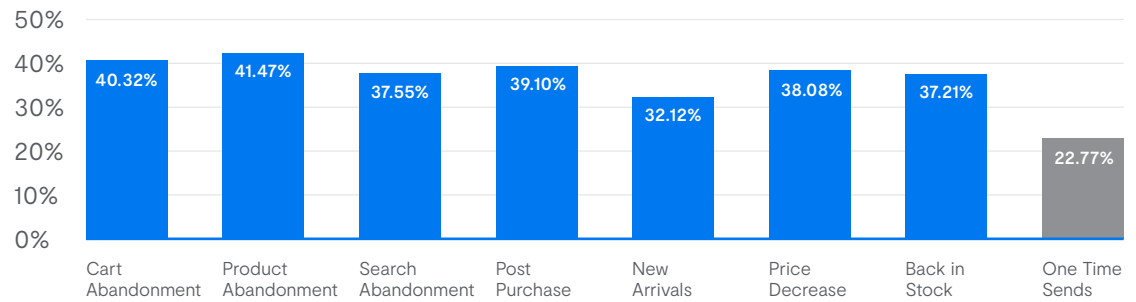
**TO START**, let’s take a high level look at how different eCommerce triggered emails as well as one-time batch sends perform. Not surprisingly, cart abandonment emails boast the highest performance across the board.

In general, the emails recipients are most likely to open have one thing in common: Relevance.  
In this case, relevance comes from content that reflects actions shoppers have taken or purchases they have made. For example, messages that showcased items shoppers carted, viewed or searched generated the highest open rates, as did messages that referenced already completed purchases.

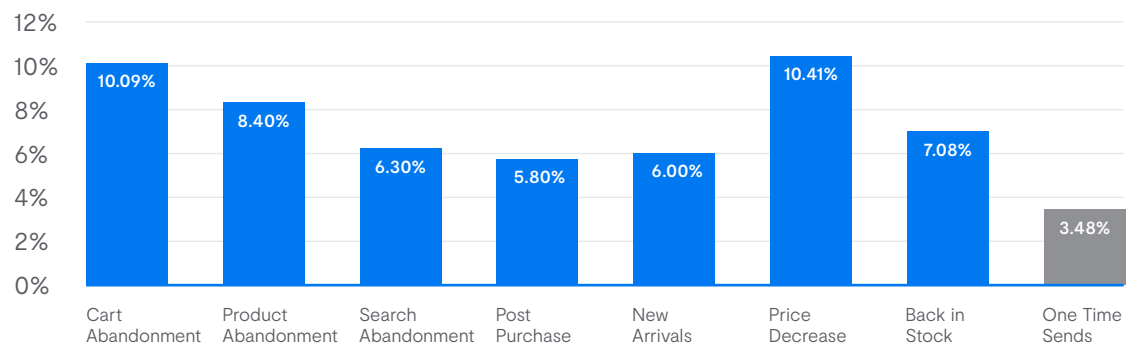
The following charts highlight benchmarks that demonstrate the efficacy of seven types of triggered emails as well as one-time batch sends.



## OPEN RATE



## CLICK RATE



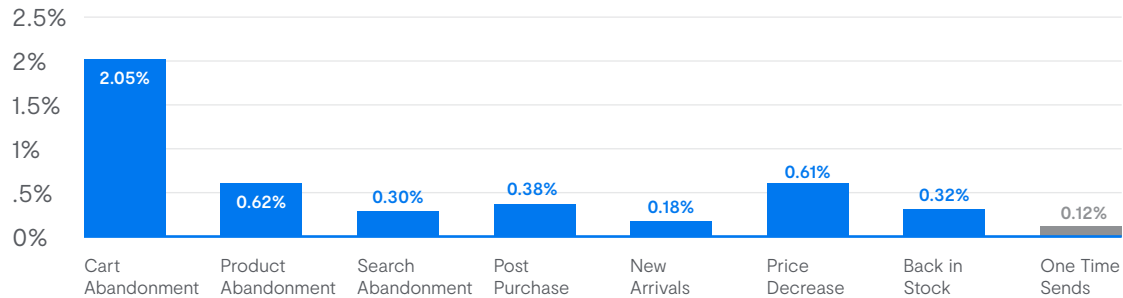
- The above charts reflect the strength of price decrease emails. These emails represent a unique kind of trigger that fires off based on changes to product data rather than based on shoppers' actions.

Marketers who see the most success with these emails do layer in behavioral data though by sending the price decrease notification to shoppers who have previously carted, viewed or searched for but did not buy the featured item(s).



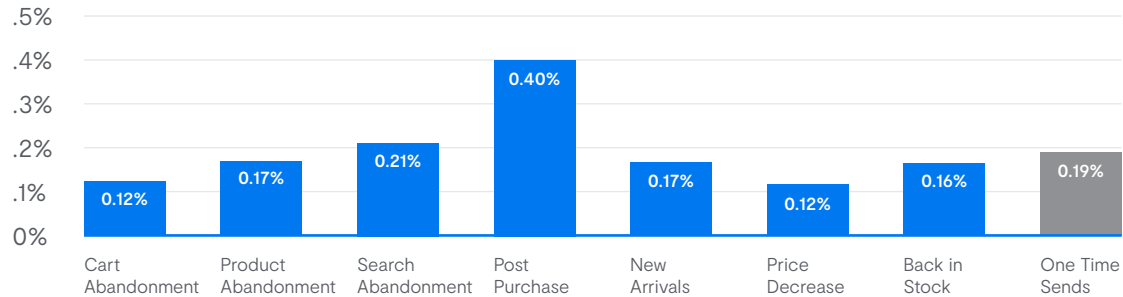


# CONVERSION RATE



- Most shoppers will receive several emails from a retailer before making a purchase. In the chart above, emails receive credit for conversions that occur within five days of the email send.
- The exceptionally high conversion rate of cart abandonment emails may indicate a set of prospects ready to buy or may be the result of highly relevant, urgency-driven emails.

# UNSUBSCRIBE RATE

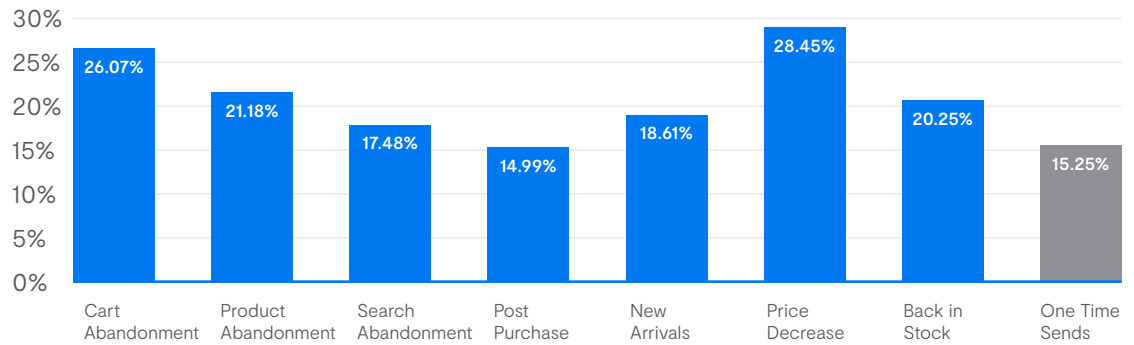


- Post purchase emails prove an interesting study when it comes to unsubscribe rates. On the surface, recipients have a high affinity for these emails — just look at the 40 percent open rate. But the click and conversion rates from these messages drop off considerably and unsubscribe rates after receiving these types of emails dwarf those of any other.

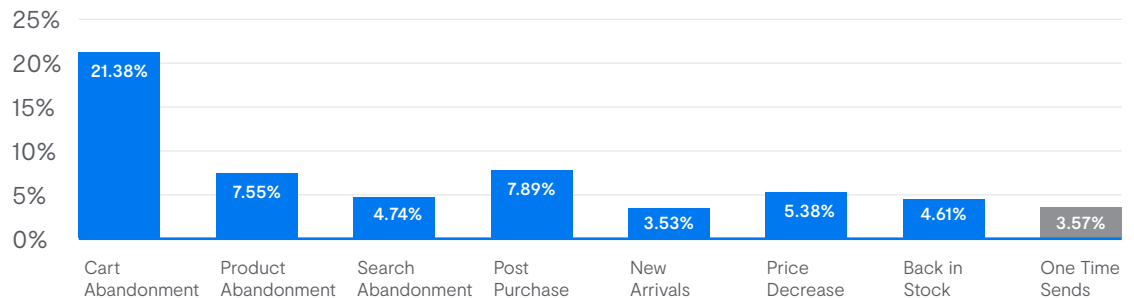
This phenomenon represents both a significant problem and great potential for eCommerce marketers. The data reveals that customers are willing to engage after making a purchase. However, marketers have difficulty presenting customers with relevant offers in these follow up emails, resulting in comparatively high unsubscribe rates. Granted, these unsubscribes could also come from first time purchasers who did not realize they signed up to receive messages and are exercising their unsubscribe rights.

Bluecore believes that a series of content tests — different thank you messaging, more relevant next potential purchase offers or value-add “how to best enjoy your purchase” information — may mitigate these unsubscribe levels. As such, Bluecore urges marketers to use data to influence these follow up messages whenever possible.

## CLICK-TO-OPEN RATE



## CLICK-TO-CONVERSION RATE

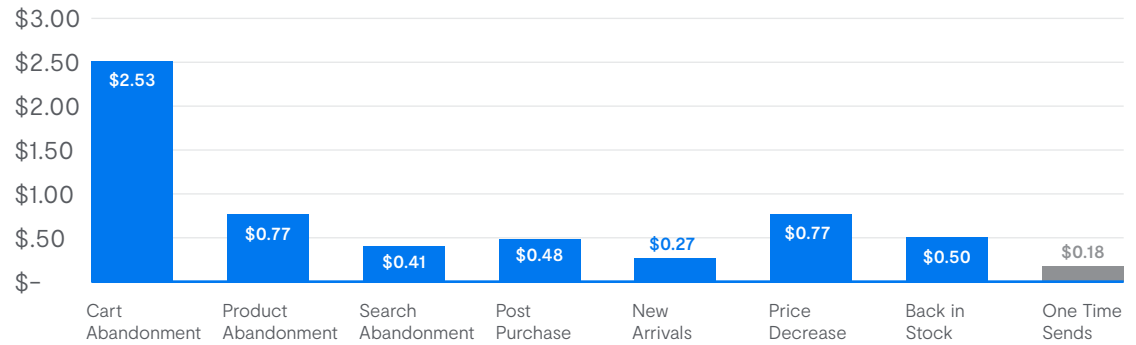


► The two charts above provide insight into shoppers' paths down the sales process. The most striking finding is the disparity between a price decrease email's effectiveness in generating clicks and its ability to spur purchases. Less surprising is that cart abandonment emails remain the most solid performers based both on click and conversion rates.

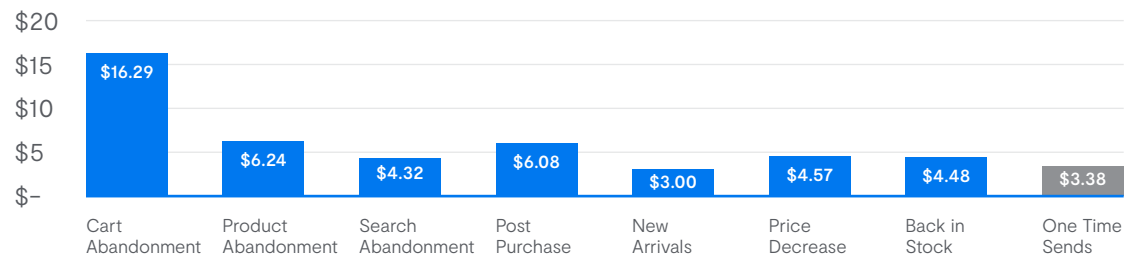
Once again though, post purchase emails present an interesting case. The click-to-open rates are soft, which indicate some weakness in the content featured. That said, once recipients do click, they're primed to buy, as click-to-conversion rates for these emails are strong, lagging only behind cart abandonment emails.



## REVENUE PER EMAIL



## REVENUE PER CLICK



- The two charts above highlight the financial benefits of the various email campaigns included in this study. Whether evaluating results on a revenue per email or revenue per click basis, cart abandonment emails far outperform the rest of the field.

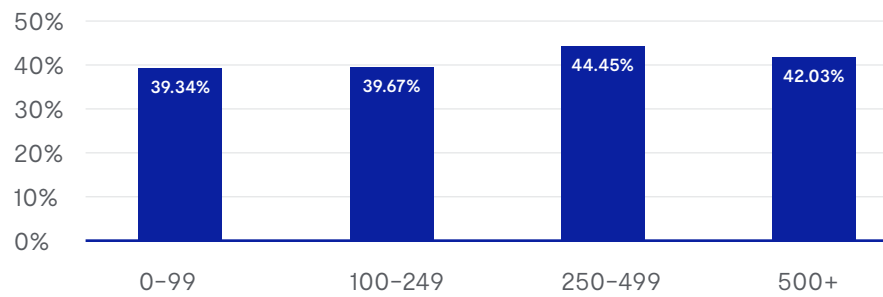


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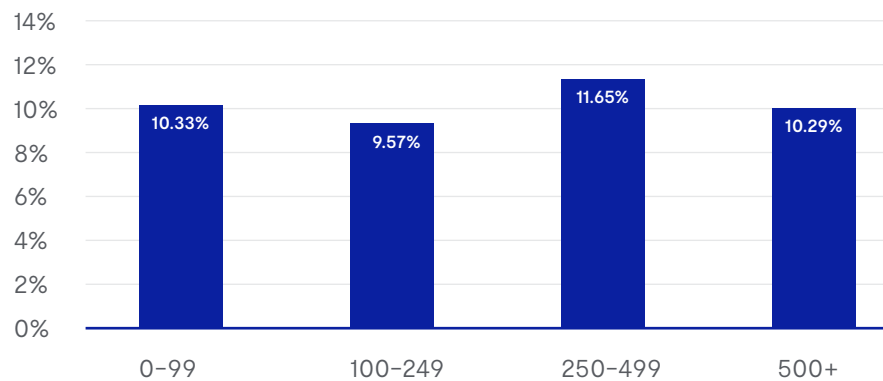
The following charts show a breakdown of these benchmarks based on average order value for cart abandonment emails. Bluecore chose to look at the impact of average order value on cart abandonment emails since that is the most widely adopted email campaign among retailers aside from batch and blast.



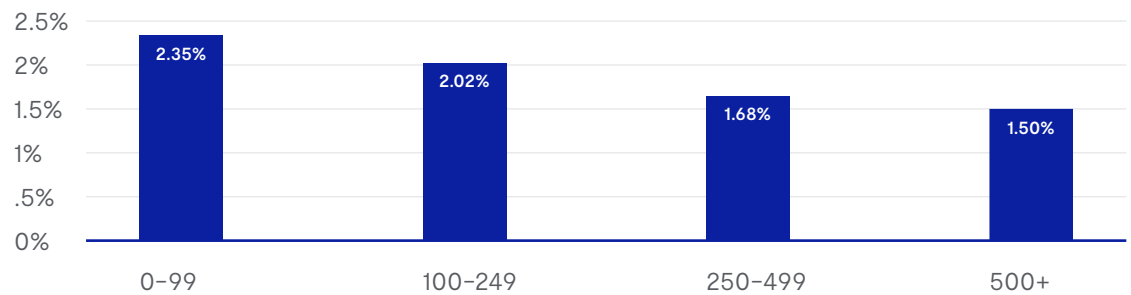
## CART ABANDONMENT OPEN RATE BY AVERAGE ORDER VALUE



## CART ABANDONMENT CLICK RATE BY AVERAGE ORDER VALUE



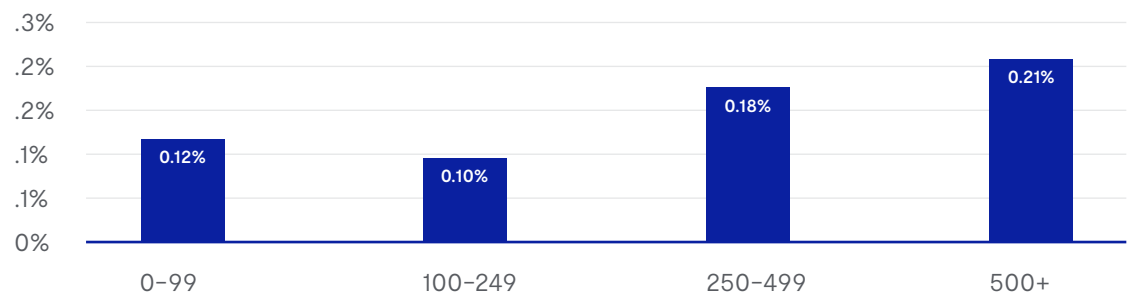
## CART ABANDONMENT CONVERSION RATE BY AVERAGE ORDER VALUE



► Bluecore did discover a correlation between price point and conversions in cart abandonment emails. Specifically, the higher the average order value, the more likely shoppers are to need time to

consider the purchase. As a result, while open and click rates remain generally steady regardless of order value, the data reveals a consistent decline in immediate conversions as order value increases.

## CART ABANDONMENT UNSUBSCRIBE RATE BY AVERAGE ORDER VALUE

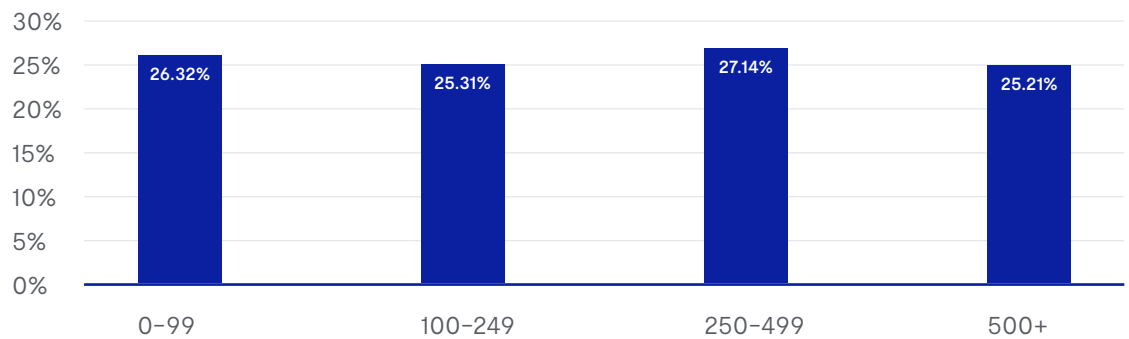


► The chart above demonstrates that unsubscribe rates may increase as average order value increases. This trend likely occurs because higher cost items, such as technology and home goods, tend to

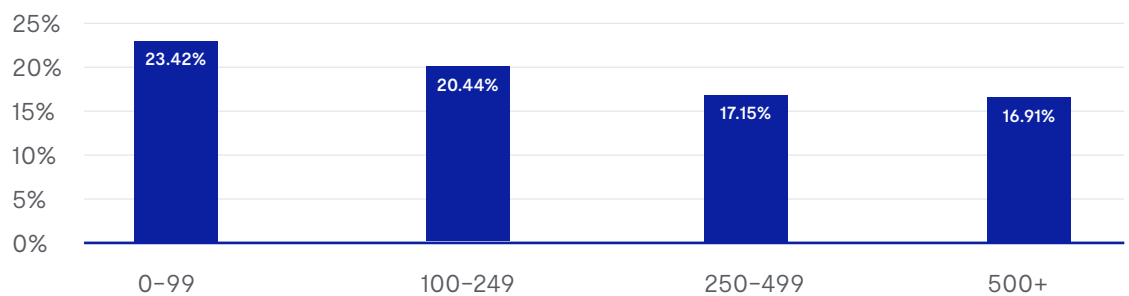
be one-off purchases. Few consumers need more than one washing machine at a time. Absent a need for those products, consumers are less inclined to receive emails from retailers offering them.



## CART ABANDONMENT CLICK-TO-OPEN RATE BY AVERAGE ORDER VALUE



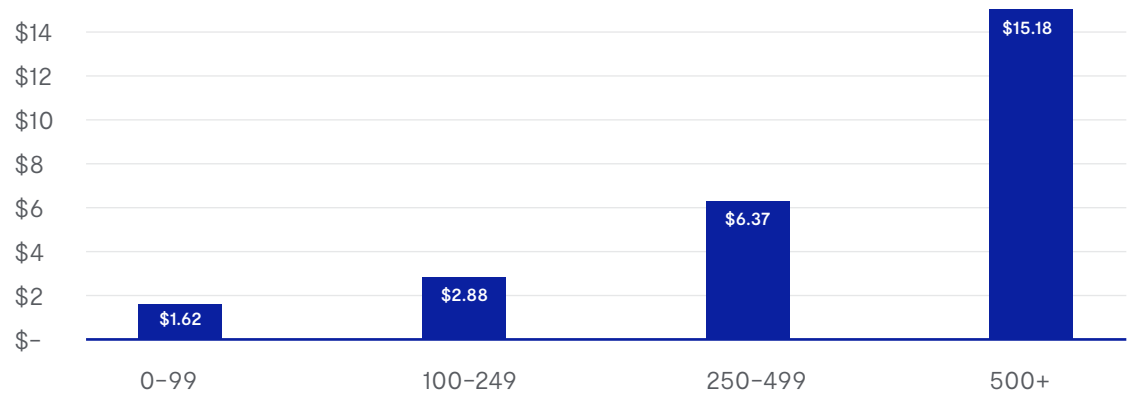
## CART ABANDONMENT CLICK-TO-CONVERSION RATE BY AVERAGE ORDER VALUE



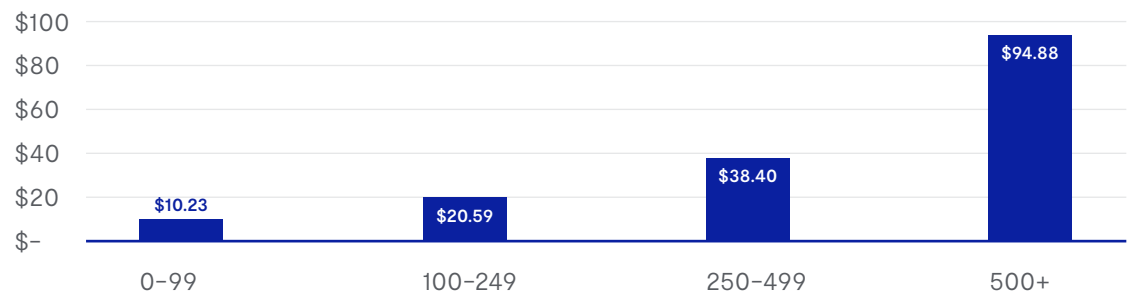
- In the two charts above, click-to-open rates remain stable regardless of the dollar amount of the item offered. But again, we see click-to-conversion rates drop as the average order value increases.



## CART ABANDONMENT REVENUE PER EMAIL BY AVERAGE ORDER VALUE



## CART ABANDONMENT REVENUE PER CLICK BY AVERAGE ORDER VALUE



- The findings in the two charts above are also straightforward. As the average order value increases, the revenue per email and revenue per click increases as well.





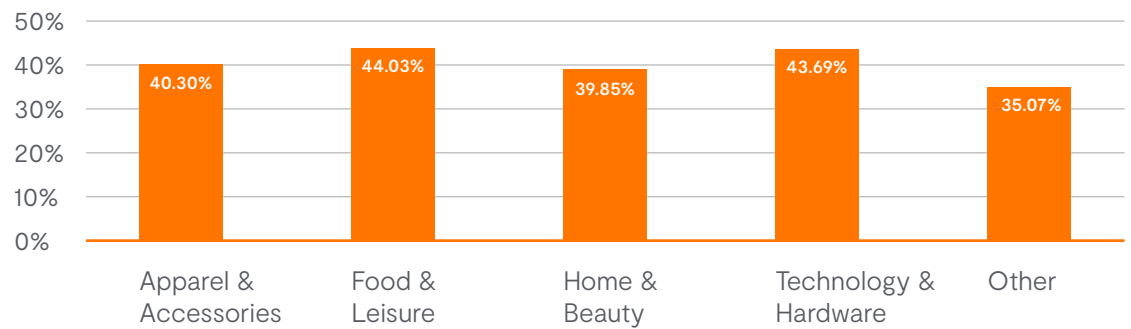
HOW RETAIL  
VERTICAL  
IMPACTS  
EMAIL  
PERFORMANCE

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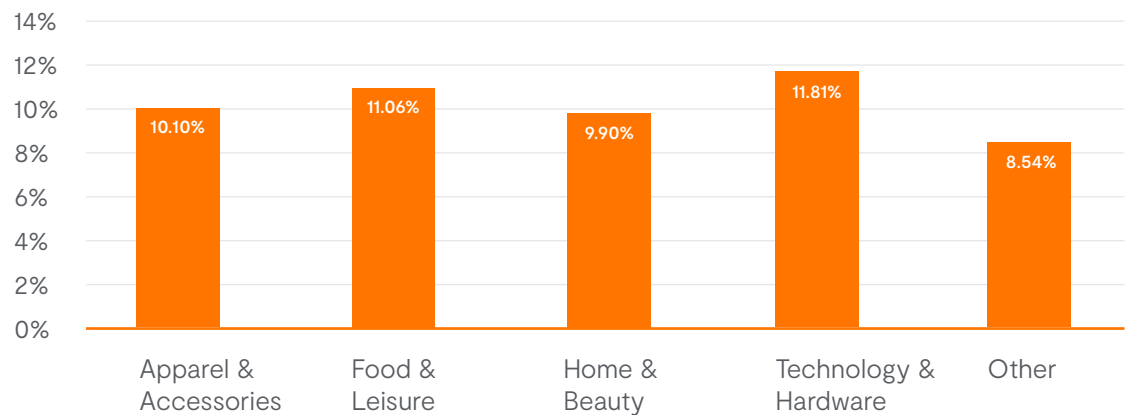
**JUST AS AVERAGE** order value impacts shopping behavior — and therefore email performance — so too does whether a retailer sells clothing, food, technology, home goods or anything else. To dive into these differences, Bluecore decided to break down the benchmarks based on retail vertical. Once again, Bluecore chose to review these differences for cart abandonment emails since that is the most widely adopted email campaign among retailers aside from batch and blast.



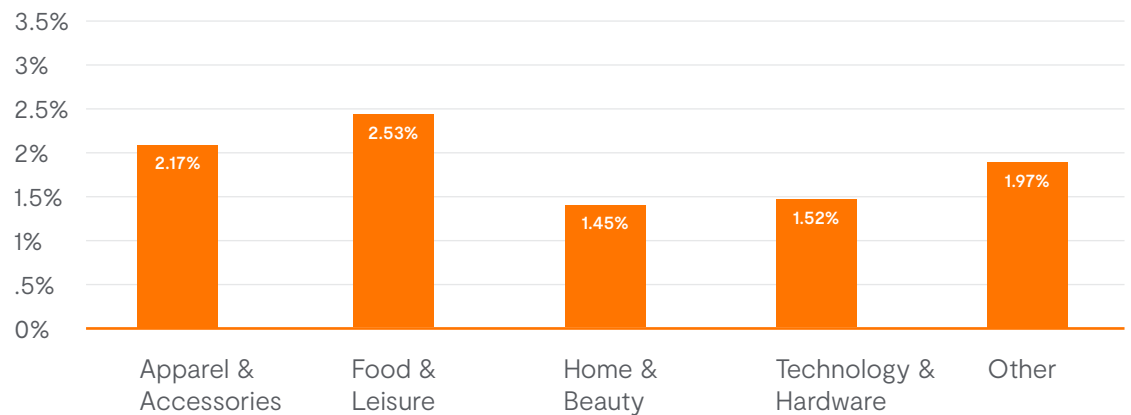
## CART ABANDONMENT OPEN RATE BY RETAIL VERTICAL



## CART ABANDONMENT CLICK RATE BY RETAIL VERTICAL

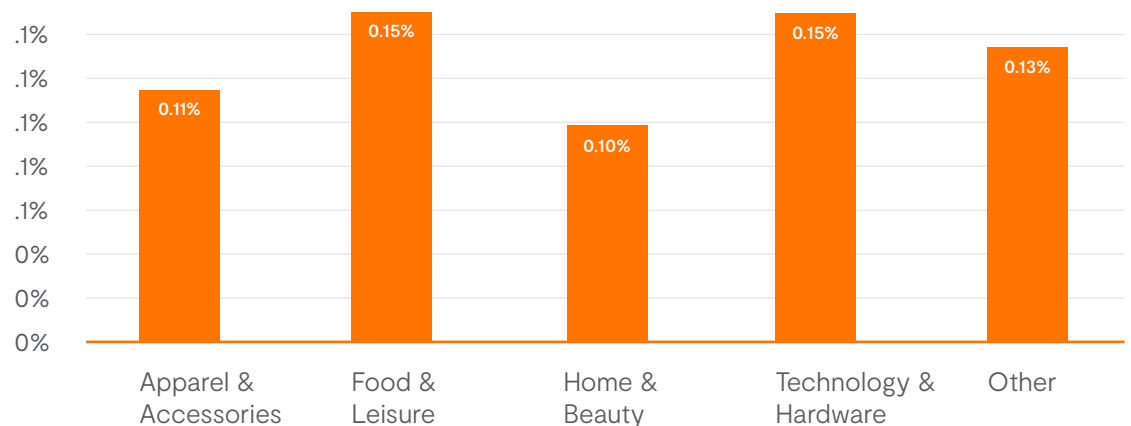


## CART ABANDONMENT CONVERSION RATE BY RETAIL VERTICAL

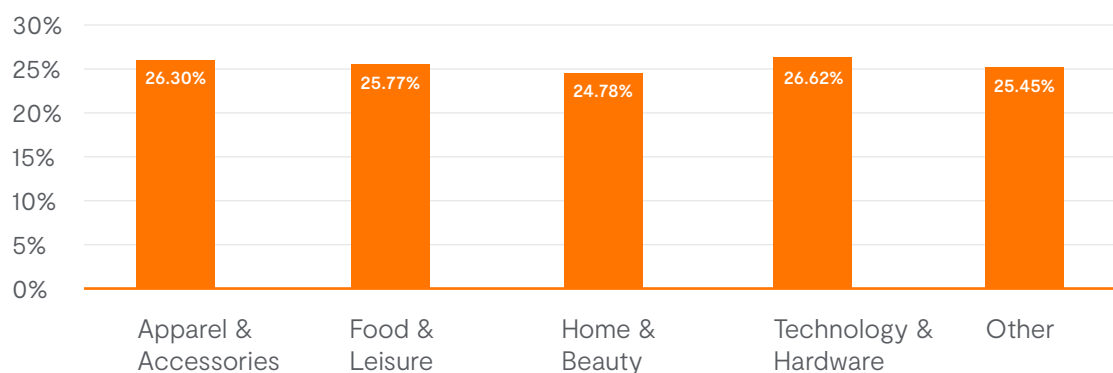


- This breakdown of the data reveals that open rates fall between 35 and 45 percent and click rates fall between 8.5 and 11.5 percent for cart abandonment emails depending on the retail vertical. It also confirms the finding in the previous section that average order value impacts conversions, as retailers selling lower cost apparel and food items see higher conversion rates than those selling higher cost technology and home goods.

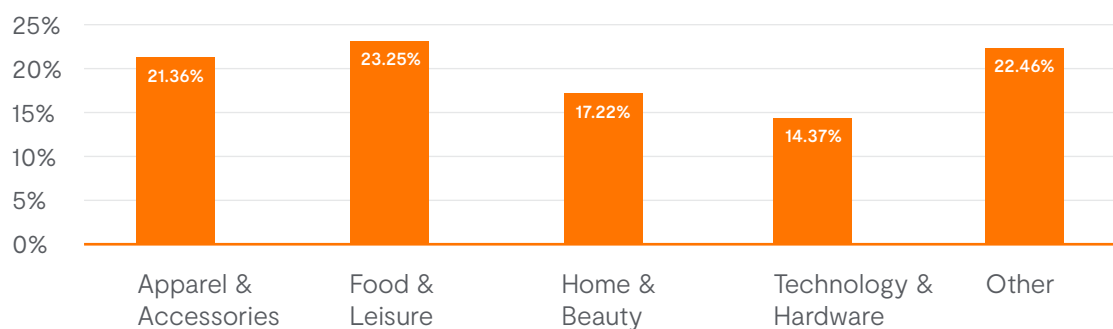
## CART ABANDONMENT UNSUBSCRIBE RATE BY RETAIL VERTICAL



## CART ABANDONMENT CLICK-TO-OPEN RATE BY RETAIL VERTICAL



## CART ABANDONMENT CLICK-TO-CONVERSION RATE BY RETAIL VERTICAL

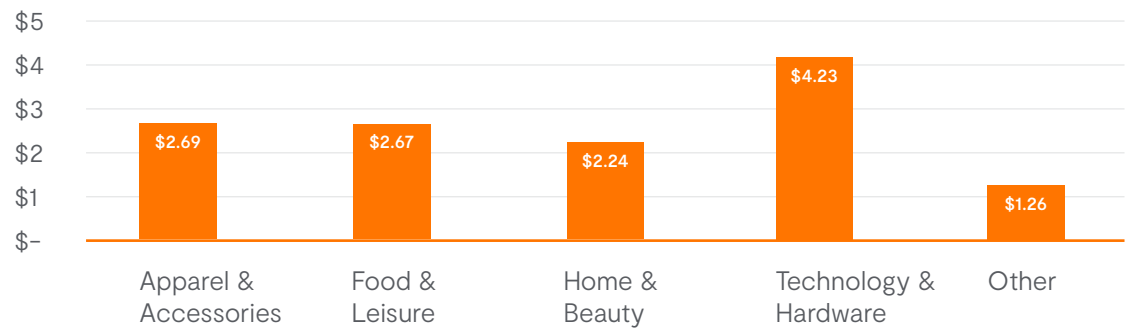


- ▶ While click-to-open rates remain relatively steady for the various retail verticals, the differences in shopper behavior become apparent when evaluating click-to-conversion rates. While emails from apparel and food retailers generated

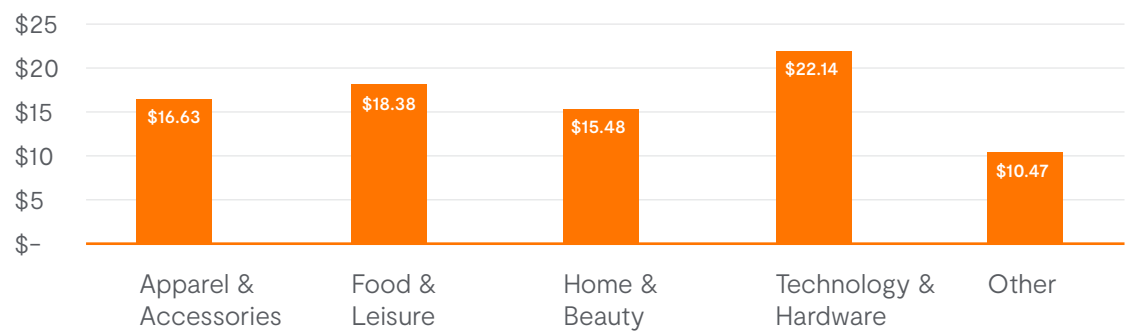
click-to-conversion rates in excess of 20 percent, those from retailers selling more expensive technology and home goods struggled to achieve click-to-conversion rates above 15 percent.



## CART ABANDONMENT REVENUE PER EMAIL BY RETAIL VERTICAL



## CART ABANDONMENT REVENUE PER CLICK BY RETAIL VERTICAL



# RETAIL EMAIL ADOPTION BENCHMARKS

Email offers eCommerce marketers immediate, and potentially highly personal, access to shoppers. And when those emails include well-tailored, relevant messages, they can drive significant revenue.

However, most eCommerce marketing teams today continue to rely solely on batch and blast emails. While batch and blast emails do have a place in a healthy email marketing program, using these emails as the primary engine for email revenue leaves money on the table. The stark differences in email performance between various triggered emails and one-time sends demonstrated in the baseline retail email benchmarks clearly illustrate this point.

To capitalize on this missed opportunity, retailers need to layer on a variety of more personalized email campaigns to their foundational batch and blast emails. And both the types of emails that retailers layer on and the order in which they do so matters. That's because the combination of emails sent impacts value, as do the suppression rules used. The types of emails sent also impact

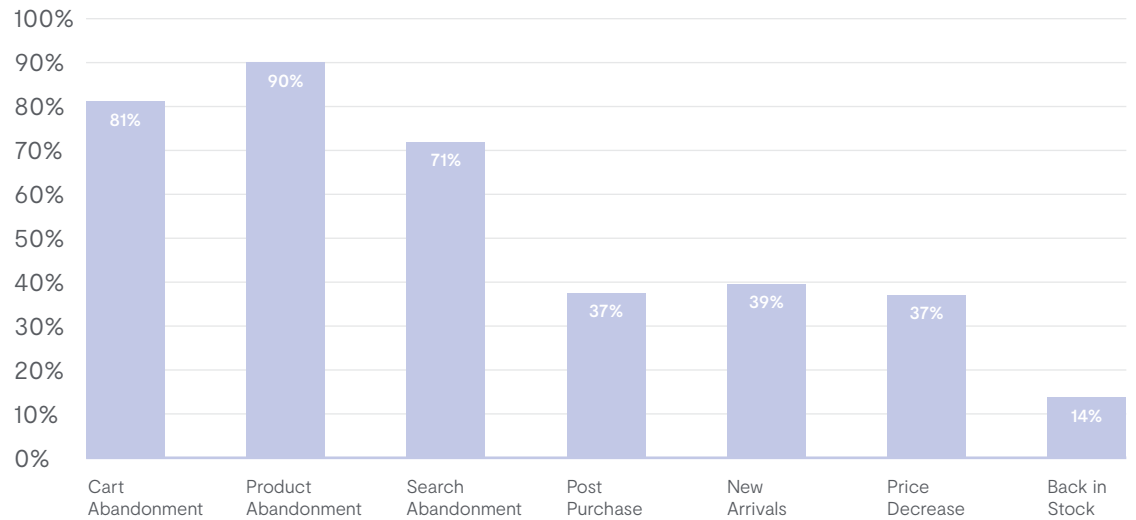
volume, as some types of emails send in higher volumes than others. For instance, behavioral triggers are entirely dependent on customers taking certain actions on the site whereas merchandising triggers are dependent on changes in product assortment. Because these triggers target audiences differently, having both types in play creates a more robust email program.

With that in mind, where do most retailers start when building out their email programs beyond the batch and blast campaign? Bluecore's data reveals that most retailers that have added more tailored email campaigns to their messaging mix start with three core behavioral triggers. Those emails are cart abandonment, product abandonment and search abandonment triggers. These emails represent a natural starting point for retailers aiming to increase email relevance because they focus on shoppers who are furthest down the sales cycle.

Following those emails, the most advanced retailers start to layer on merchandising triggers, including new arrivals, price decrease and back in stock alerts.



## CAMPAIGNS ADOPTION

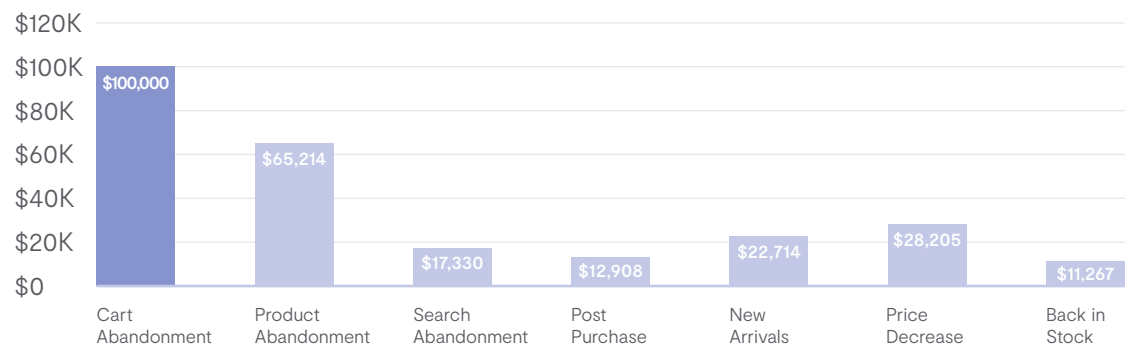


*\*Data is based on emails sent through Bluecore*

► Since the combination of emails that retailers run impacts value and send volume and since cart abandonment is the first type of triggered email that most retailers adopt, Bluecore looked at the value gained by introducing new emails on top of cart abandonment and batch and

blast emails. While marketers should always test new strategies, the research indicates that product abandonment, price decrease and search abandonment emails provide the largest revenue increases when combined with cart abandonment and batch and blast emails.

## AVERAGE VALUE OF CAMPAIGNS RELATIVE TO CART ABANDONMENT



# CUSTOMER LIFECYCLE BENCHMARKS

Triggered emails excel at generating revenue from shoppers who have taken specific actions. But if marketers step back and look at the whole of their customers' behavior, they may unearth justification for additional relevant — and lucrative — contact efforts.

With that in mind, Bluecore ran a customer lifecycle analysis that overlays where shoppers fall across four customer lifecycle stages (active, at-risk, lost and non buyers) with the predicted revenue contribution from each group going forward.

Bluecore defines those four customer lifecycle stages as follows:



## ACTIVE BUYERS

People who have made purchases in the past and continue to make purchases in line with their personal buying cadences.



## AT-RISK BUYERS

People who have deviated from their active buying cycle and are potentially on track to become lost buyers.



## LOST BUYERS

People who have deviated from their active buying cycle for so long that they probably will not return.



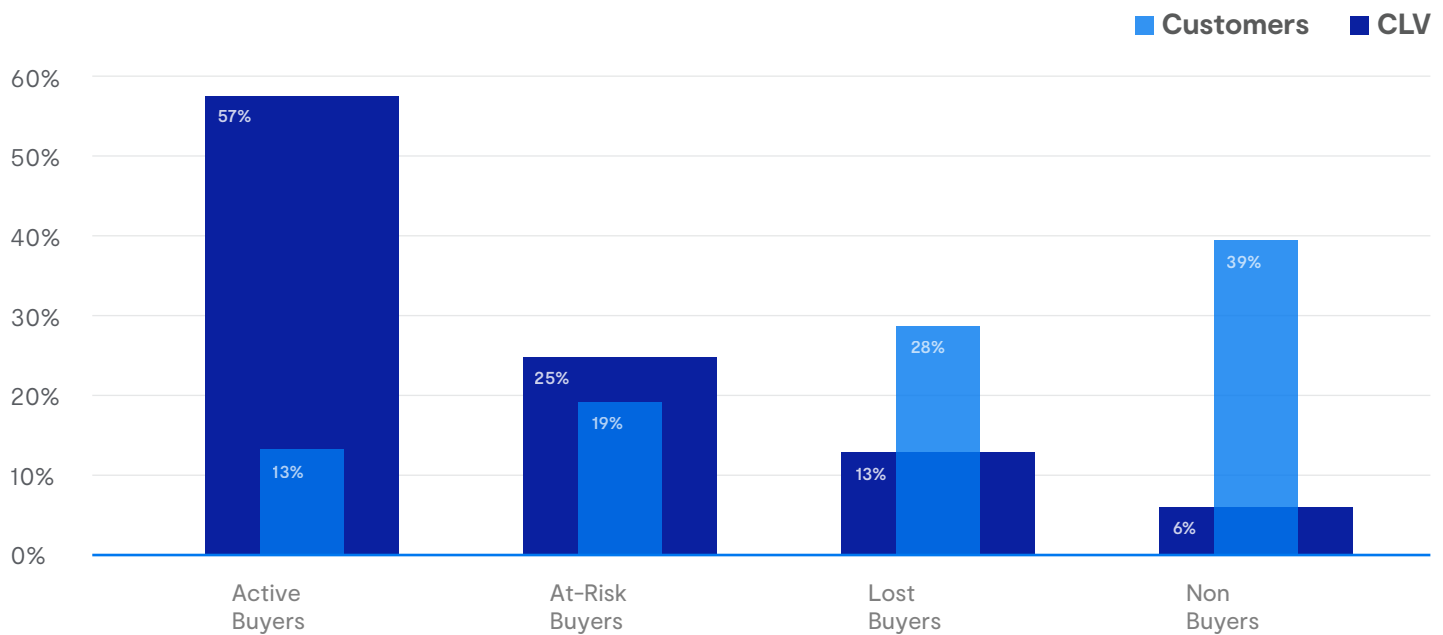
## NON BUYERS

People who have made themselves known, but have never made a purchase.





The following chart displays what this analysis looks like for retailers across the board based on Bluecore's data.



▶ The bulk of retailers' revenue comes from active buyers. But Bluecore's research reveals that roughly 40 percent of predicted revenue sits with at-risk, lost and non buyers, which means that retailers risk losing that revenue if they can't convert those customers into active buyers.

Behavioral triggers like cart, product and search abandonment emails work best when targeting active buyers because these shoppers are regularly engaging with the site. Unfortunately, active buyers usually comprise the smallest group of customers.

Targeting and winning back at-risk and lost customers usually requires merchandising triggers such as price decrease, back in stock, new arrivals and low inventory emails. Because these emails trigger off of product changes, they allow marketers to look back further in time to capture potential

interest among customers, including those who have not taken any action recently. Personalized one-time sends that feature recommendations based on previous activity can also help bring these lapsed customers back into the fold.

Finally, eCommerce marketers can use batch and blast campaigns to target the customers who are so inactive they might be labeled dormant or those who simply haven't engaged enough yet to provide data around potential products and categories of interest. These high volume email sends help bring customers to the top of the sales funnel. And once they click through the email or interact with the site, marketers can then gather more data on their interests, which will help create a more personalized messaging cadence that includes a mix of personalized one-time sends and triggers.



# CONCLUSION

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Bluecore’s findings are based on data from hundreds of retailers and millions of emails. As with any marketing program, it’s important for marketers to take the time to understand the lifecycle breakdown of their customers and the types of emails that garner the most engagement in order to identify the best place to start when building out a strategic, revenue-driving email marketing program.

From there, the next steps should suggest themselves. For instance, marketers might find they need to build out more behavioral triggers if they have a high number of active buyers, more merchandising triggers if they have a lot of at-risk and lost buyers or more one-time sends if they see opportunities to engage and convert non buyers.

The good news is that email remains the best channel for these types of communications given that 68 percent of consumers prefer to receive brand communications via email.<sup>1</sup> And email’s dominance puts the onus on retailers to continue finding new ways to engage customers and bring in revenue through this channel.

<sup>1</sup> “How Millennials Actually Want Brands to Engage with Them.” Bluecore. October 2016.

# METHODOLOGY

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Bluecore’s 2018 Retail Email Benchmark Report is based on data from over 350 million emails sent by eCommerce brands from October 2016 through September 2017.

The report focuses on seven types of triggered emails as well as one-time batch sends, offering insight into results across the board as well as results based on factors like average order value and retail vertical.

# GLOSSARY OF TERMS

Sometimes marketing jargon can be confusing. Here we've defined popular terms used throughout this report.

## TYPES OF EMAILS

### Cart Abandonment

The cart abandonment email gets sent to shoppers who added products to their cart but didn't complete the purchase.

### Product Abandonment

The product abandonment email gets sent to shoppers who viewed specific products and then leave your site without taking further action.

### Search Abandonment

The search abandonment email gets sent to shoppers who search for a specific category or a specific product and then leave your site without taking further action.

### Low Inventory

The low inventory email gets sent to shoppers who have previously searched for, viewed, carted or have a predicted affinity toward but did not buy a product when inventory for that product or similar ones are running low.

### Back in Stock

The back in stock email gets sent to shoppers who previously searched for, viewed, carted or have a predicted affinity toward products that were sold out but are now back in stock again and available for purchase.

### New Arrivals

The new arrivals email gets sent to shoppers who have previously purchased, browsed or have a predicted affinity toward a certain category when new arrivals are available in that category.

### Post Purchase

The post purchase email gets sent to shoppers following a purchase they made on your site.

### Price Decrease

The price decrease email gets sent to shoppers who have previously searched for, viewed, carted or have a predicted affinity toward but did not buy a product to alert them that the product or a similar one has gone on sale.

### One Time Sends

One time sends cover any and all non-triggered emails. These might be full file batch emails or more targeted batch emails that go to a specific audience. They may or may not include dynamic product recommendations.

## KEY PERFORMANCE INDICATORS

### Open Rate

Total number of unique opens within five days of the email send time as a percentage of total sends.

$$\# \text{ Opens} / \# \text{ Sends} = \text{Open Rate (\%)}$$

### Click Rate

Total number of clicks on unique links from unique individuals within five days of the email send time as a percentage of total sends.

$$\# \text{ Unique Clicks} / \# \text{ Sends} = \text{Click Rate (\%)}$$

### Conversion Rate

Total number of purchases made as a result of a given email within five days of the email send time as a percentage of total sends.

$$\# \text{ Purchases} / \# \text{ Sends} = \text{Conversion Rate (\%)}$$

### Click-to-Open Rate

Total number of clicks on unique links in a given email as a percentage of the unique opens.

$$\# \text{ Unique Clicks} / \# \text{ Unique Opens} = \text{CTOR (\%)}$$

### Click-to-Conversion Rate

Total number of purchases made as a result of clicking through a given email expressed as a percentage of total clicks.

$$\# \text{ Purchases} / \# \text{ Total Clicks} = \text{CTR (\%)}$$

### Revenue Per Email

Total revenue generated through emails using a five day attribution window.

$$\text{Total Revenue} / \# \text{ Sends} = \text{RPE}$$

### Revenue Per Click

Total revenue generated through total clicks in an email using a five day attribution window.

$$\text{Total Revenue} / \# \text{ Clicks} = \text{RPC}$$

### Unsubscribe Rate

Total number of individuals who unsubscribe through a given email as a percentage of total sends.

$$\# \text{ Unsubscribes} / \# \text{ Sends} = \text{Unsubscribe Rate (\%)}$$

