



2019

Bluecore's Retail Email **BENCHMARK REPORT**





Table of Contents

03

Introduction

04

Key Takeaways

06

Baseline Email
Performance
Benchmarks

15

Differentiated
Email Performance
Benchmarks

» 16

How Seasonal Events
Impact Email
Performance

Prime Day
Cyber Week

» 26

How Average Order
Value Impacts Email
Performance

» 31

How Retail Vertical
Impacts Email
Performance

» 36

How Audience Impacts
Email Performance

Spend Level
Purchase History
Lifecycle Stage

55

Conclusion

55

Methodology

56

Glossary of
Terms

Introduction

Email is the most valuable component of digital marketing. While brands have often glossed over this decades-old channel, that's changing in 2019. In fact it already has changed for the most savvy, modern marketers.

As people-based marketing trends emerge and new privacy laws like GDPR set higher requirements for collecting and using data, email — the most addressable identifier with explicit opt in and opt out requirements — has become a more important asset than ever.

Changes at Facebook and Google to remove third party data and adjust ad algorithms are also evaporating the efficacy of paid media marketing dollars, which only adds to the growing importance of email for modern marketers.

To successfully navigate this environment, the fastest-growing retailers have become more strategic about how they use

email as both an identifier and a channel to increase customer engagement and grow revenue.

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. Specifically, we analyzed the performance of more than 3.26 billion emails sent by eCommerce brands from April 2018 through March 2019.

Our 2019 Retail Email Benchmark report provides a baseline understanding of these activities and more.

Key Takeaways

01

Segmentation is Not a Proxy for Personalization

The emails that perform the best across all measures have one thing in common: They are extremely relevant to their recipients. This relevance can cover everything from the content, product recommendations and offers included in the email to the timing of when the email gets sent. Retailers that focus on relevance by going beyond simple segmentation, for example by engaging customers based on recent behaviors, recent changes to products in which shoppers have an interest and the unique characteristics of shoppers (like lifecycle stage), see the biggest returns. Retailers can only achieve this level of personalization if they have insight into interactions between individual customers and the products with which they engage.

02

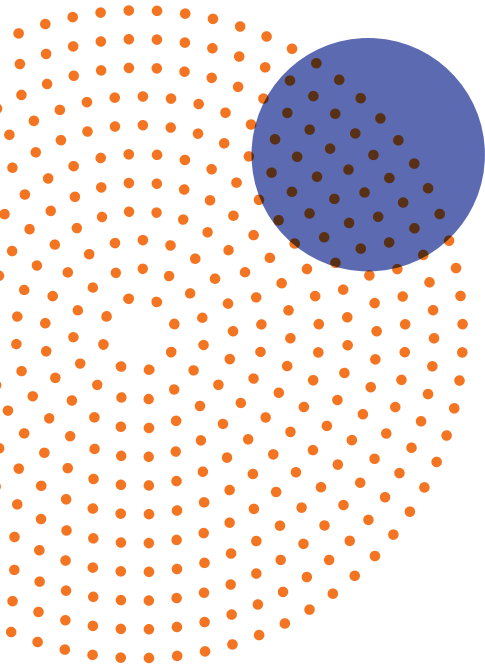
Seasonality Counts For Far More Than a One-Time Spike

Retail is a seasonal business, and this seasonality impacts email performance. In particular, the back half of the year, which is full of shopping holidays like Prime Day, back-to-school and Cyber Week, proves especially important for retailers. These holidays offer more than an opportunity for a one-time spike in performance. They provide a unique opportunity to engage and acquire new customers who retailers must then focus on retaining throughout the rest of the year. Retailers should use these seasonal events to acquire new customers and then solidify loyalty by running smart, relevant email programs year round.

03

Not All Customers Are Equal

Each customer's individual profile, including how much they typically spend with a retailer, their purchase history with that retailer and their lifecycle stage, makes an enormous difference when it comes to email engagement. Marketers must understand their distribution of customers across numerous factors and then differentiate among individuals based on these characteristics to achieve the goal of more relevant email marketing that drives performance gains.



04

Long Term Views Deliver Long Term Returns

The most successful email marketing programs take a long term view. For example, promotions may help increase email signups, but they significantly shrink margins. Further, they lead to shoppers who subscribe, buy once and promptly unsubscribe -- a situation that occurs far too often, doesn't deliver any long term growth and makes the squeeze on margins even more painful to the business. Retailers should be wary of these short term efforts and focus instead on the aggregate view of customer engagement and email's ability to drive revenue.

Baseline Email Performance Benchmarks

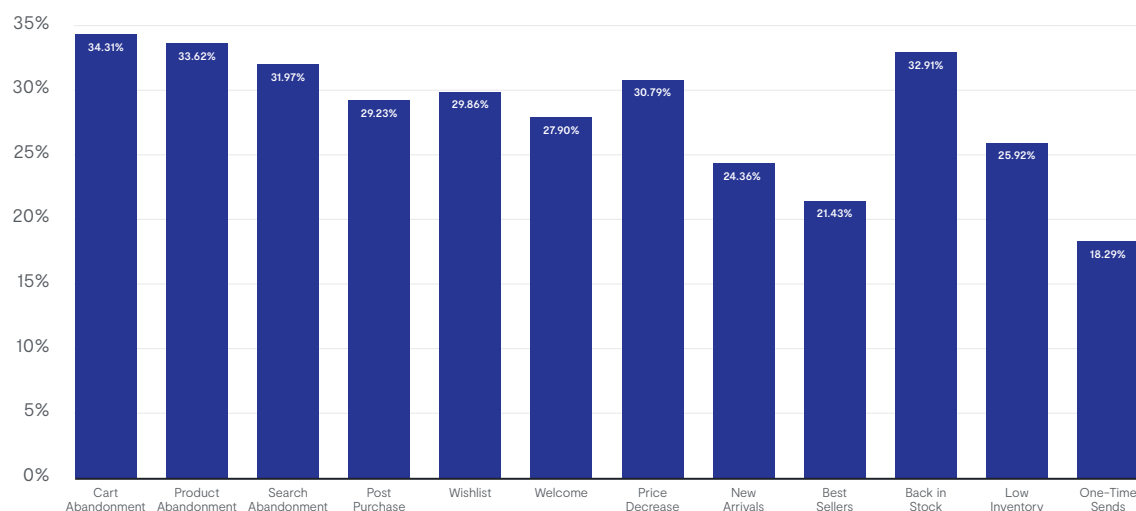
Bluecore has established a series of benchmarks for how different retail emails perform as part of growing email marketing programs. These baseline findings include an overall look at email performance for retailers broken down by type of email, including eCommerce **triggered emails** and **one-time sends**.

Triggered emails are automated emails that send when shoppers take certain actions (these are **behavioral triggers** and include **cart abandonment, product abandonment, search abandonment, post purchase, wishlist** and **welcome** emails) or when changes occur in the product catalog (these are **merchandising triggers** and include **price decrease, new arrivals, best sellers, back in stock** and **low inventory** emails). These emails

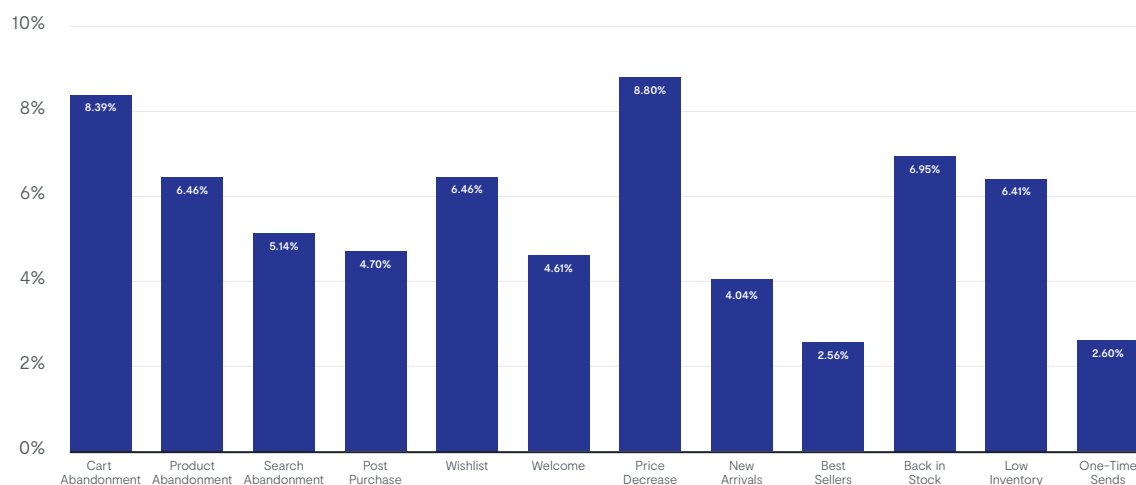
get sent at the individual level based on behavioral and merchandising events and are very targeted based on the products featured.

One-time sends are emails that are not tied to a specific change in behavior or product and focus on brand awareness, promotions and newsletters. These emails can be static, meaning the same exact email goes to all recipients, or personalized, meaning that product recommendations, content and offers included change based on each recipient's interests. Marketers can send these emails to their full list or get more personal by targeting a specific audience. Finally, marketers can send these emails once or schedule them to send on a recurring basis (e.g. weekly, monthly).

Open Rate



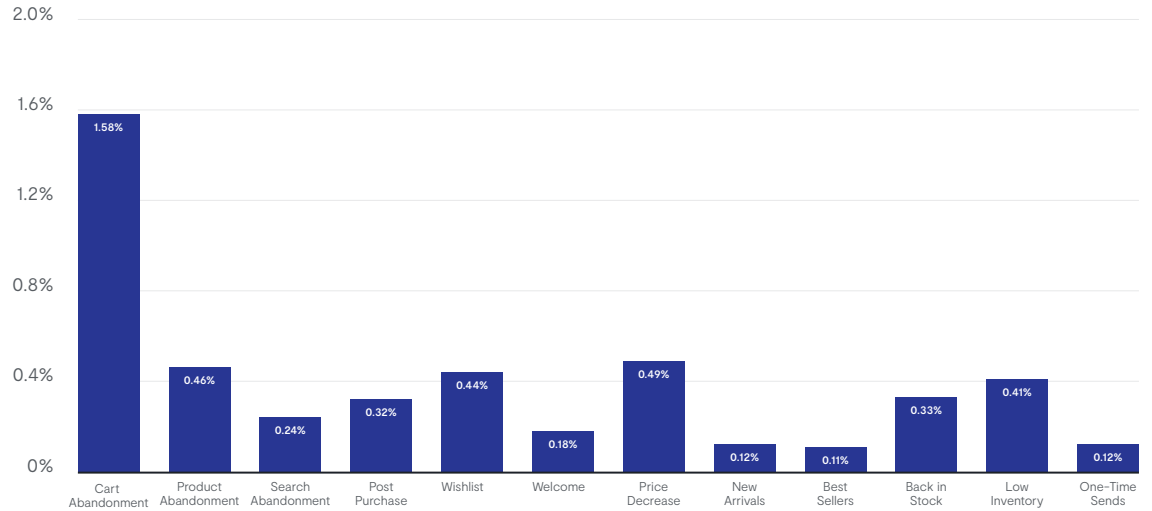
Click Rate



The above charts reflect the strength of emails that create a sense of urgency by capitalizing on high intent signals, most notably **cart abandonment**, **price decrease**, **back in stock** and **low inventory** triggered emails. The latter three are among a unique category of triggers, known as “**merchandising triggers**,” which automatically deliver a personalized email based on changes to product data

rather than solely on shoppers' actions. The retailers that see the most success with these **merchandising triggered emails** layer in customer data to narrow down the audience of recipients to shoppers who have previously interacted with or have a predicted affinity toward but have not bought the featured items.

Conversion Rate



Most shoppers receive several emails before making a purchase. In the chart above, conversions are attributed to emails that occur within five days of the email send.

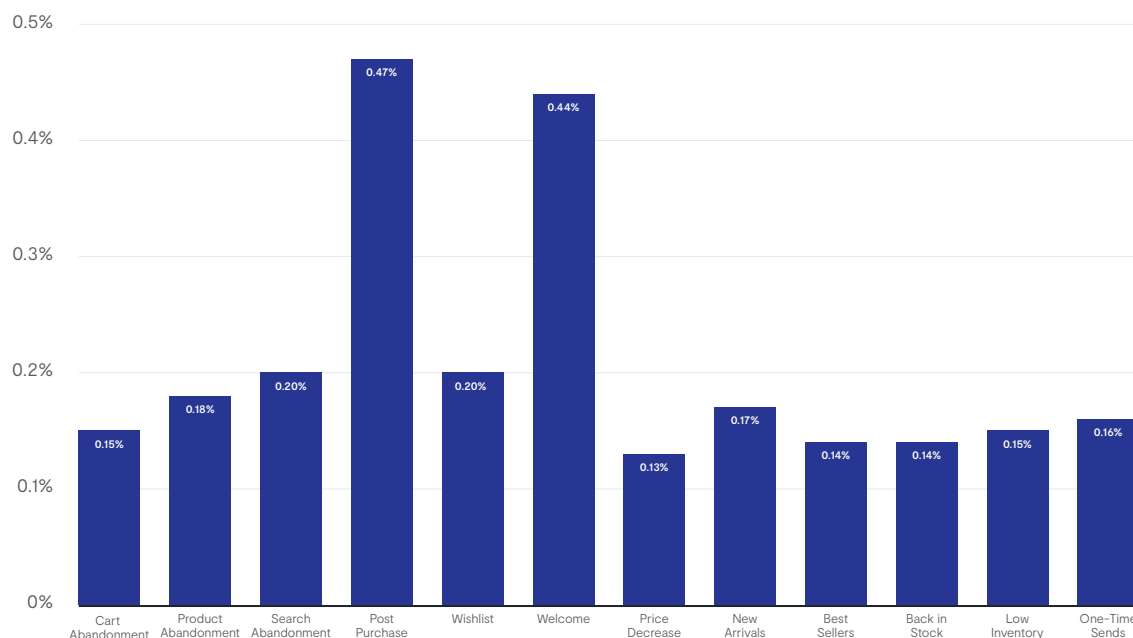
The exceptionally high conversion rate of **cart abandonment** emails is not surprising given that shoppers who add items to their cart are typically most ready to buy.

Price decrease and **low inventory** emails also

boast higher than average conversion rates due to the ability of these messages to create a sense of urgency.

Of course, other factors influence the relevance and performance of these emails: Timing, audience and products featured are also critical to success. This level of personalization is what helps **one-time sends** deliver conversion rates on par with triggers like **new arrivals** and **best sellers**.

Unsubscribe Rate



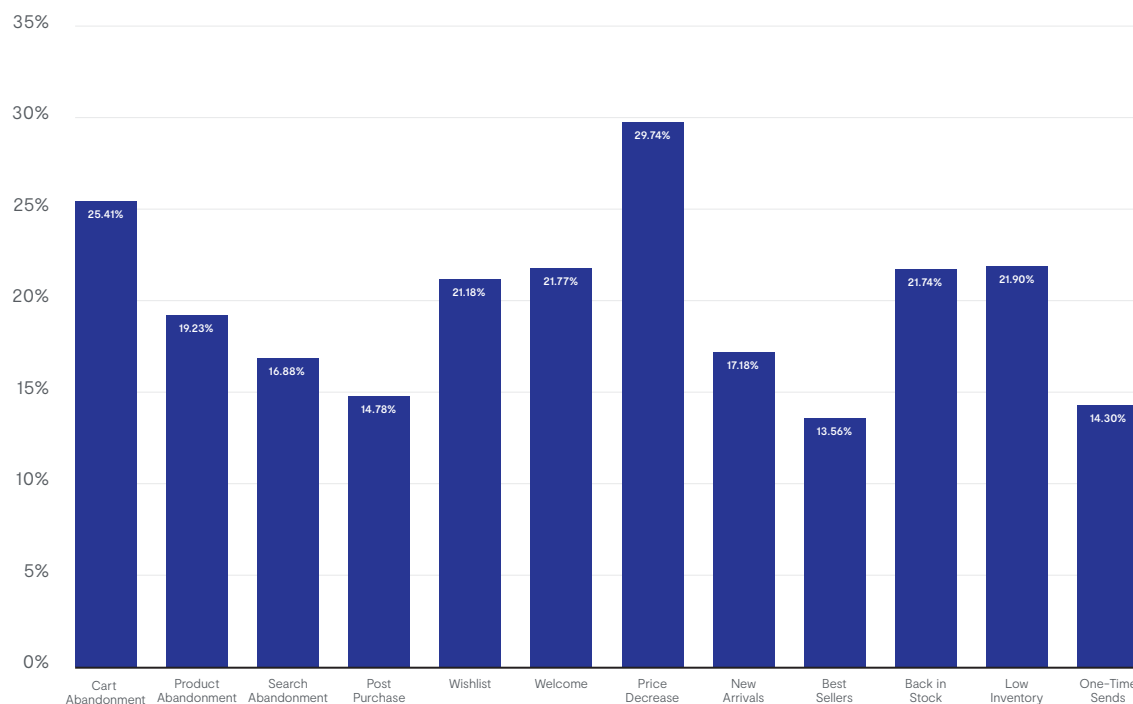
Unsubscribe rates for **post purchase** and **welcome** emails are disproportionately high. The higher than average unsubscribe rates for these particular emails are often due to shoppers who subscribe to emails to receive a discount and then promptly unsubscribe after receiving that discount. Unsubscribes from **post purchase** emails also include shoppers who did not realize they were signing up for emails in the course of making a purchase.

There are several steps retailers can take to lessen this disparity. First, marketers should be wary of using promotions as a crutch for

email capture, since getting shoppers to sign up for emails does no good if those same shoppers immediately unsubscribe. Instead, they should think through how to add value to these campaigns, for example by adding non-promotional messaging about the brand values (**welcome emails**) and how to best enjoy certain products (**post purchase**).

Second, marketers can look for opportunities to increase relevance by featuring personalized product recommendations based on past purchase behavior and/or predicted affinities.

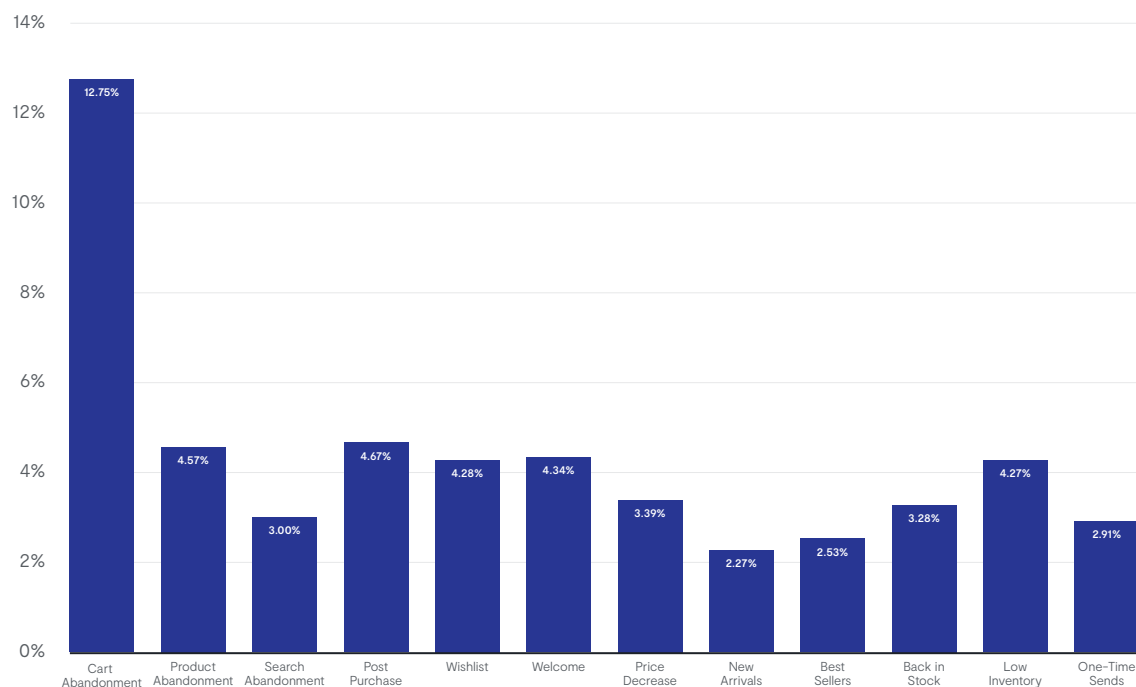
Click-to-Open Rate



Emails that create a sense of urgency and/or are specific to past interactions that a shopper had with a product receive higher engagement than general informational emails. This is why **price decrease** emails, which let shoppers

know that a product they've viewed or have a predicted affinity toward is now available at a lower price, perform better than emails that inform shoppers about best selling items.

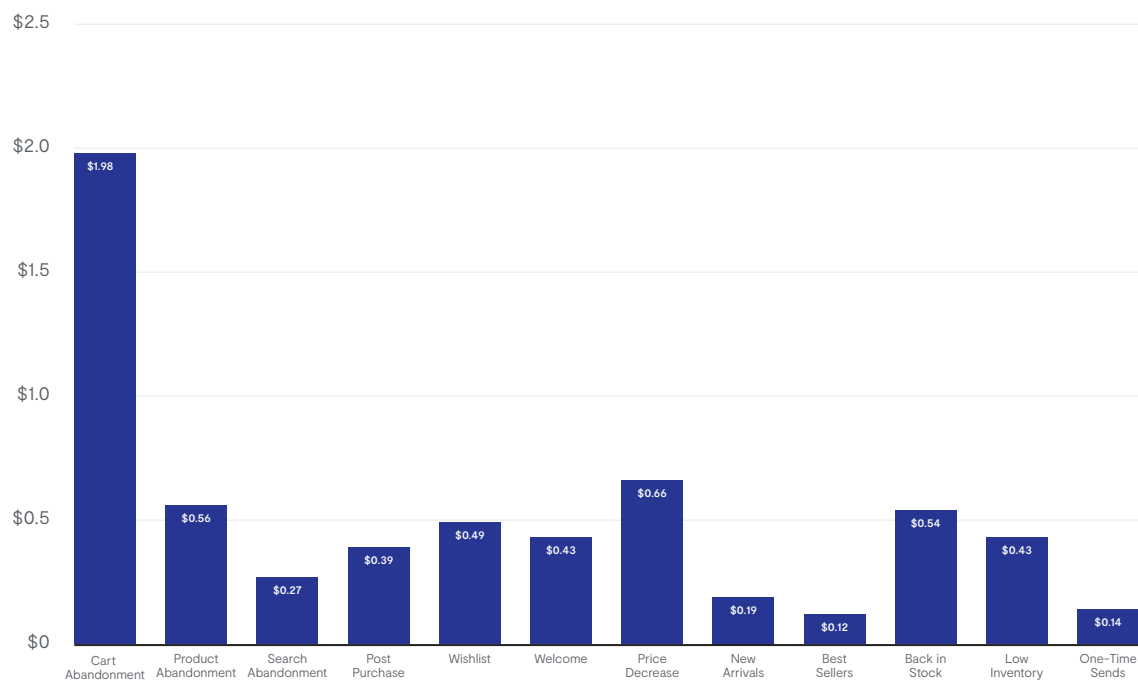
Click-to-Conversion Rate



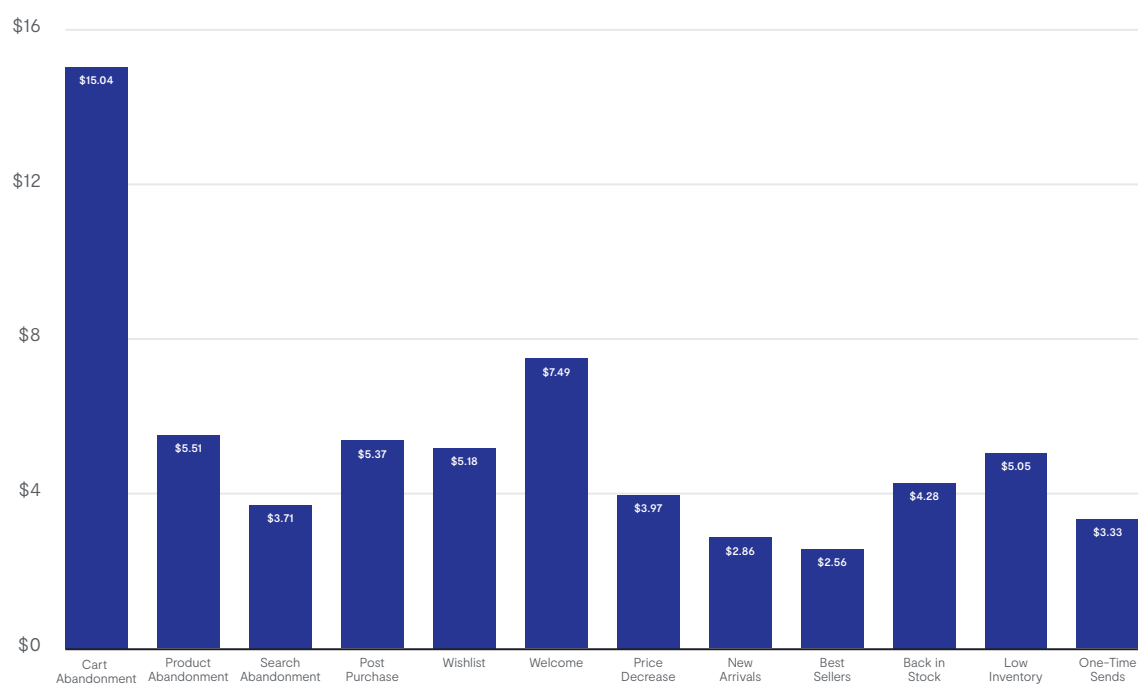
The most striking finding when evaluating click-to-conversion rates is the disparity between a **price decrease** email's effectiveness in generating clicks and its ability to spur purchases. Less surprising is that **cart abandonment** emails maintain high performance based on both click-to-open and click-to-conversion rates.

Interestingly, **one-time sends**, which lag behind triggered emails in terms of opens, clicks and conversions alone hold their own when it comes to click-to-conversion rates. The **one-time sends** that perform best include some level of personalization, whether that's in the audience selected or through the use of dynamic product recommendations.

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. That

performance stems from the fact that these emails are extremely relevant to shoppers based on products featured and timing and that they target shoppers who have a high purchase intent.

SPOTLIGHT ON ONE-TIME SENDS:

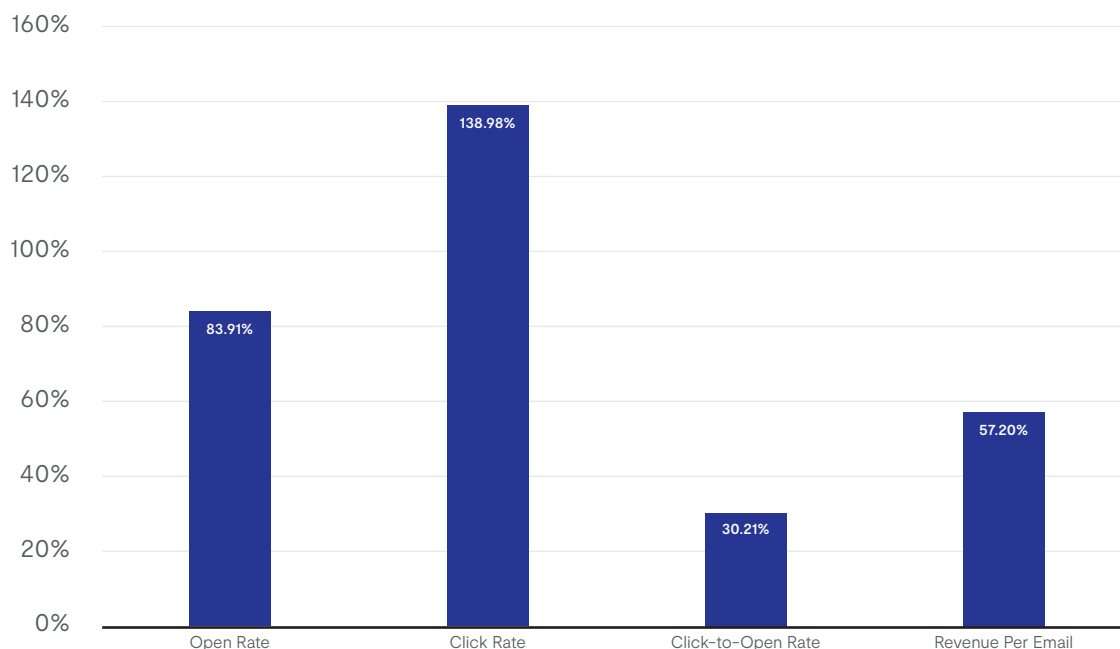
The Impact of Personalization

One-time sends can be static, meaning the same exact email goes to all recipients, or personalized, meaning that product recommendations, content and offers included change based on each recipient's interests. Marketers can also personalize these emails by targeting a specific audience.

Personalizing one-time sends has an enormous impact on email performance.

One athletic retailer recently ran a test that pit static one-time sends against dynamic one-time sends featuring personalized product recommendations. In this head-to-head test, the personalized one-time sends delivered enormous performance gains at every level, including a 57% increase in revenue per email.

Percent Increase in Performance: Personalized vs. Static One-Time Sends



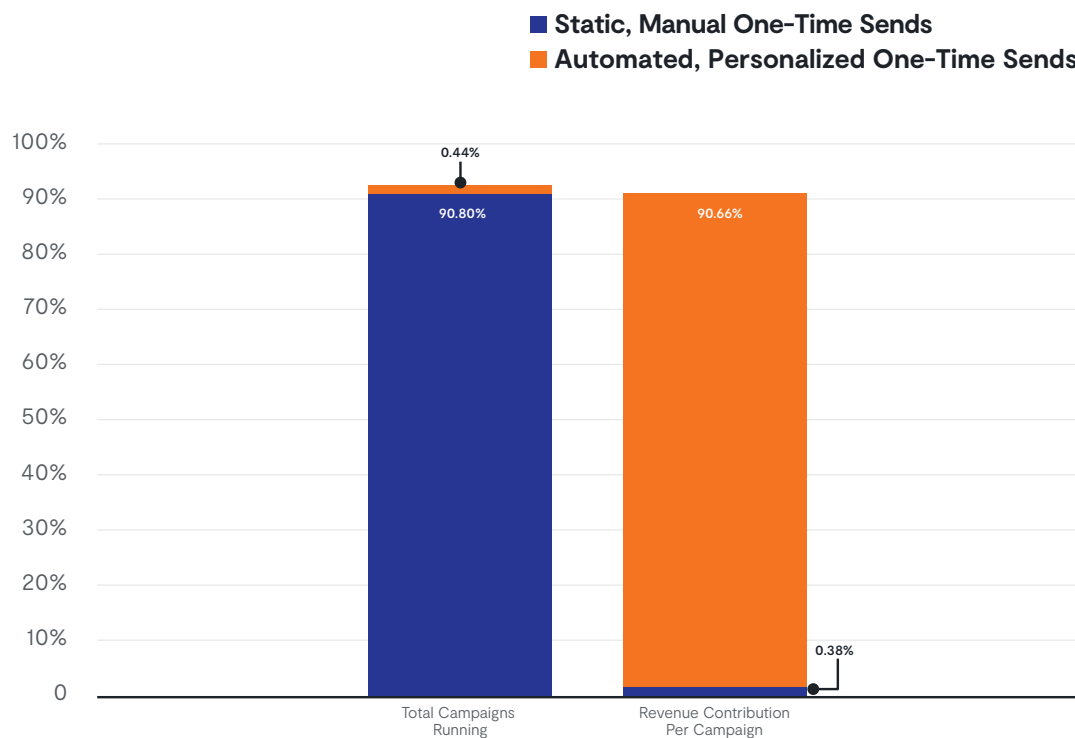
We can attribute these increases in performance to the fact that shoppers are more likely to engage with emails when the products featured are relevant to their interests. Over time, this level of personalization can help retailers stand out in crowded inboxes and make customers more likely to engage with emails because they know they will be interested in the content.

The performance gains of personalizing one-time sends is even more apparent when retailers can automate the creation of these emails. A new type of email, known as a **Smart Promo** campaign allows retailers to automate the build and delivery of

personalized one-time sends. A **Smart Promo** email combines the basic idea of a one-time send (a broadcast announcement not based on any specific customer behaviors or changes to products) with the functionality of a triggered email (an automated email that gets set up once and runs on its own).

An IR 100 apparel retailer recently launched one **Smart Promo** campaign alongside its static, manually created one-time sends. Although the **Smart Promo** campaign only made up less than 0.5% of live email campaigns for the retailer, it contributed to just over 90% of campaign revenue.

Time Spent vs. Revenue Contribution of Email Campaigns



Differentiated Email Performance Benchmarks

While the baseline email performance metrics can help understand the effectiveness of different types of emails at large, the reality is that numerous factors can impact email performance. Whether it's the time of year, the price of goods, the type of shopper receiving the email or anything else, the circumstances surrounding any given email send can have an enormous effect on that email's performance.

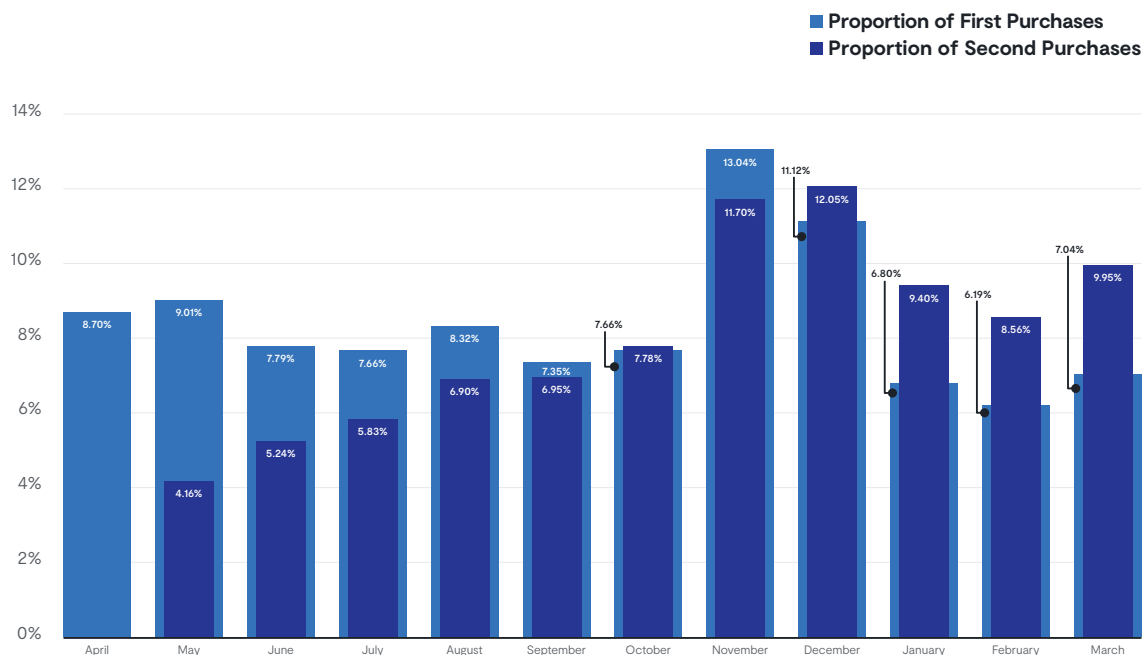
The following differentiated email performance benchmarks evaluate how a variety of circumstances impact engagement with eCommerce triggered emails and one-time sends.

How Seasonal Events Impact Email Performance

Retail is a seasonal business, and we see the impact of this seasonality in a variety of areas. For example, retailers bring in the most new customers during the holiday season in November and December and see the returns of this acquisition in the first few months of the new year when many of those shoppers come back to make their second purchase.

In general, retailers see more first-time shoppers during the back half of the year, and this pattern is likely due to seasonal shopping events like Mother's Day and Prime Day as well as the back-to-school shopping months. These trends support the idea that the shopping holidays riddling the calendar from June–December make these the busiest and most important months for retailers.

Distribution of First and Second Purchases by Month



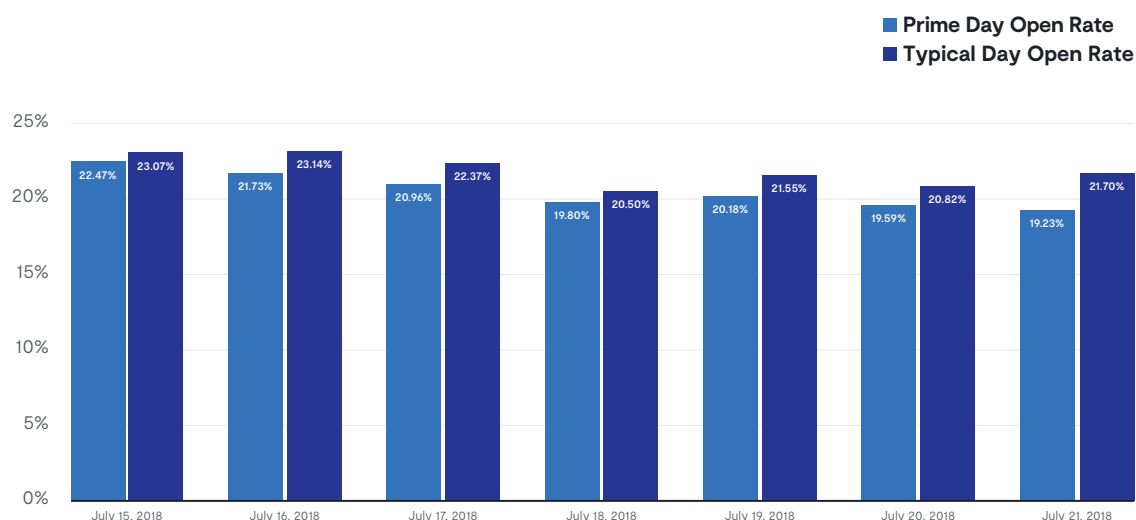
To further understand the impact that seasonal shopping events have on email performance, Bluecore explored data around two of the biggest retail holidays: Prime Day and Cyber Week.

Prime Day

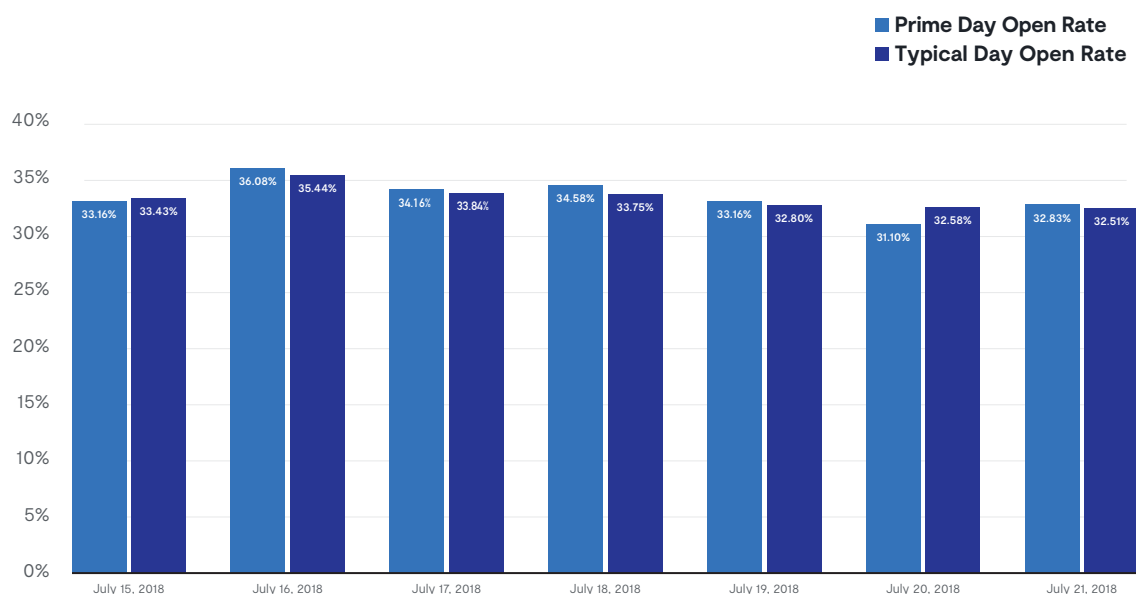
What started out as a day of deals to celebrate 20 years of Amazon quickly turned into an annual shopping holiday. Prime Day launched in 2015 and a mere two years later sales on Prime Day began to eclipse sales on Black Friday and Cyber Monday.

Prime Day 2018 lasted for 36 hours spanning from July 16-17. Bluecore explored email performance in the days before and after Prime Day 2018 to understand how this new eCommerce holiday affects retailers.

Open Rate for One-Time Sends on Prime Day vs. Typical Day



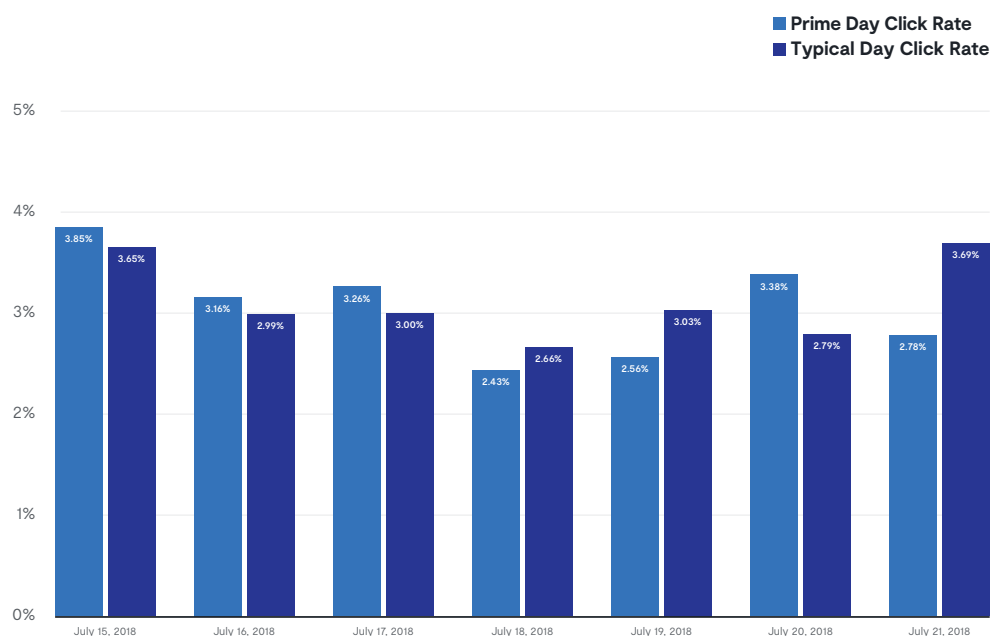
Open Rate for Triggers on Prime Day vs. Typical Day



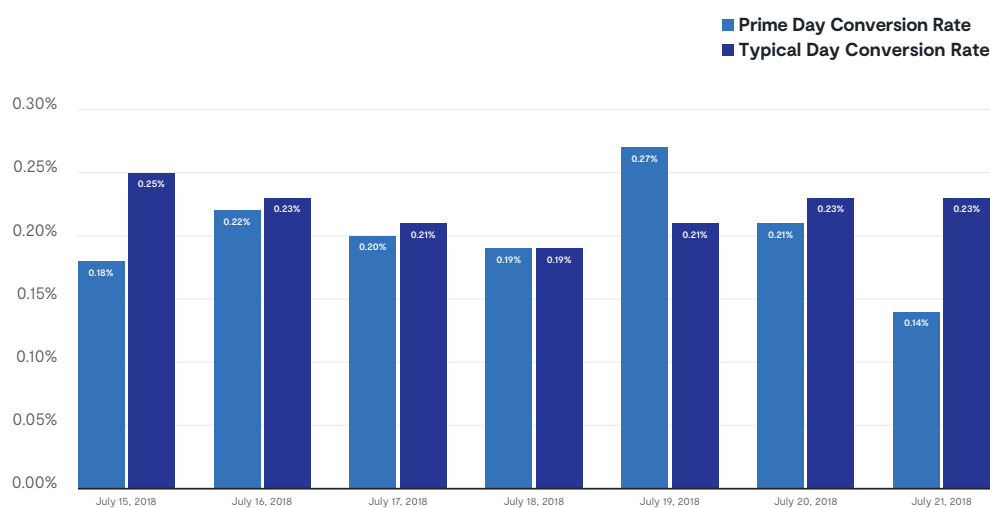
Open rates reveal an interesting trend, with opens for **one-time sends** decreasing slightly compared to a typical day in July. This disparity is likely due to the large number of blasts going out on and around

Prime Day. However, open rates for **triggered emails** increased during this time, indicating the importance of emails fully relevant to shoppers' behaviors and product interests.

Click Rate for One-Time Sends on Prime Day vs. Typical Day



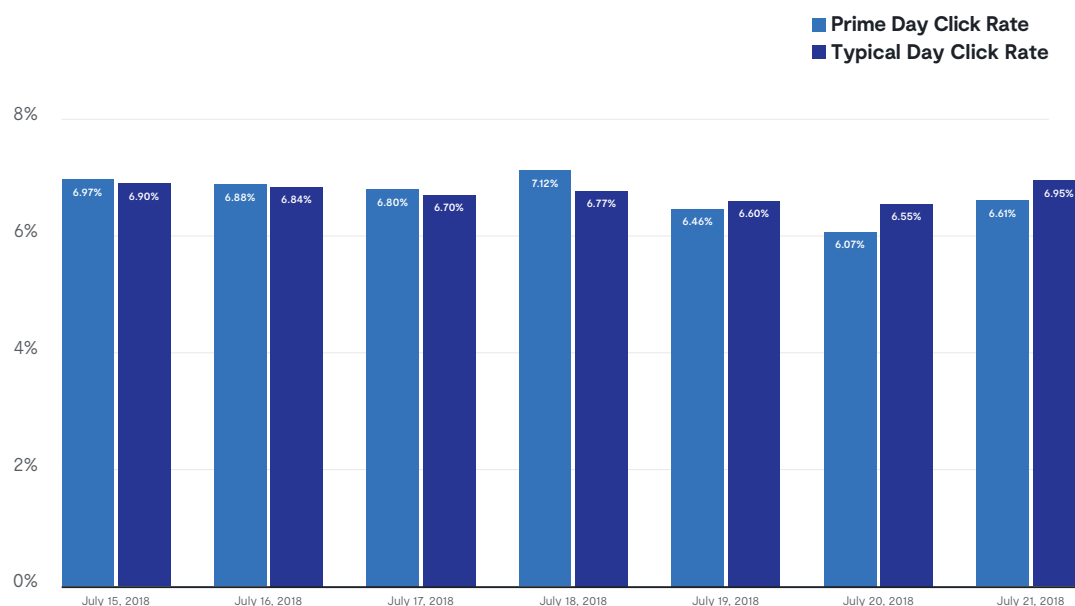
Conversion Rate for One-Time Sends on Prime Day vs. Typical Day



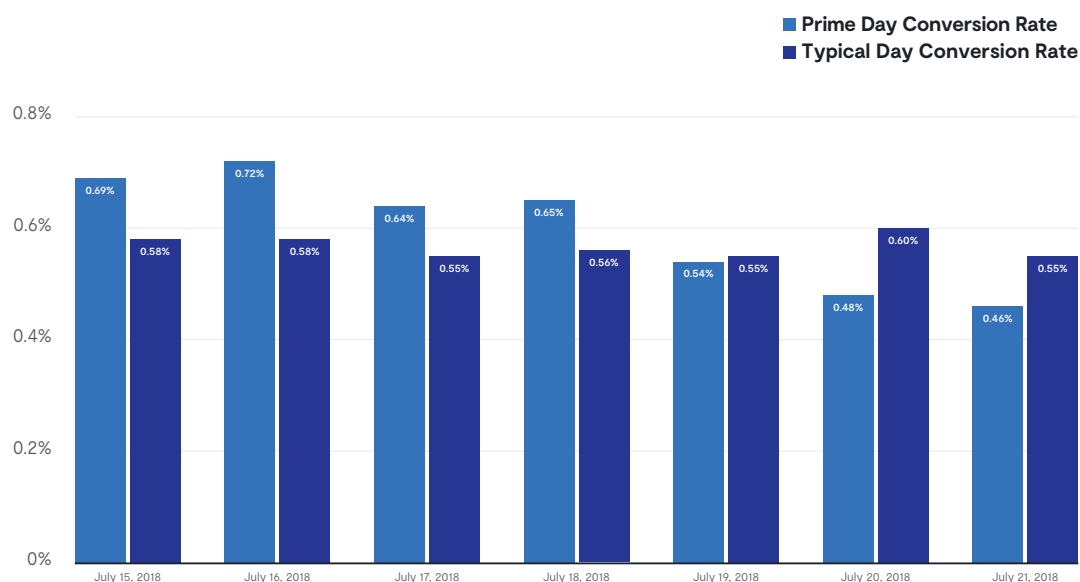
Narrowing in on **one-time sends**, shoppers who do open these emails around Prime Day are more likely to click than they are during an average day in July. The data reveals another shift when it comes to conversions, as conversions before and during Prime Day decrease slightly compared to an average

day in July but increase immediately after Prime Day. This shift indicates that many shoppers hold off on making purchases to see what deals are available on Amazon and, if they don't get the deal they want, still buy elsewhere after the fact.

Click Rate for Triggers on Prime Day vs. Typical Day



Conversion Rate for Triggers on Prime Day vs. Typical Day



Triggered emails trend the opposite of **one-time sends** in terms of clicks and conversions, with those two metrics outperforming a typical day in July before and during Prime Day and then decreasing

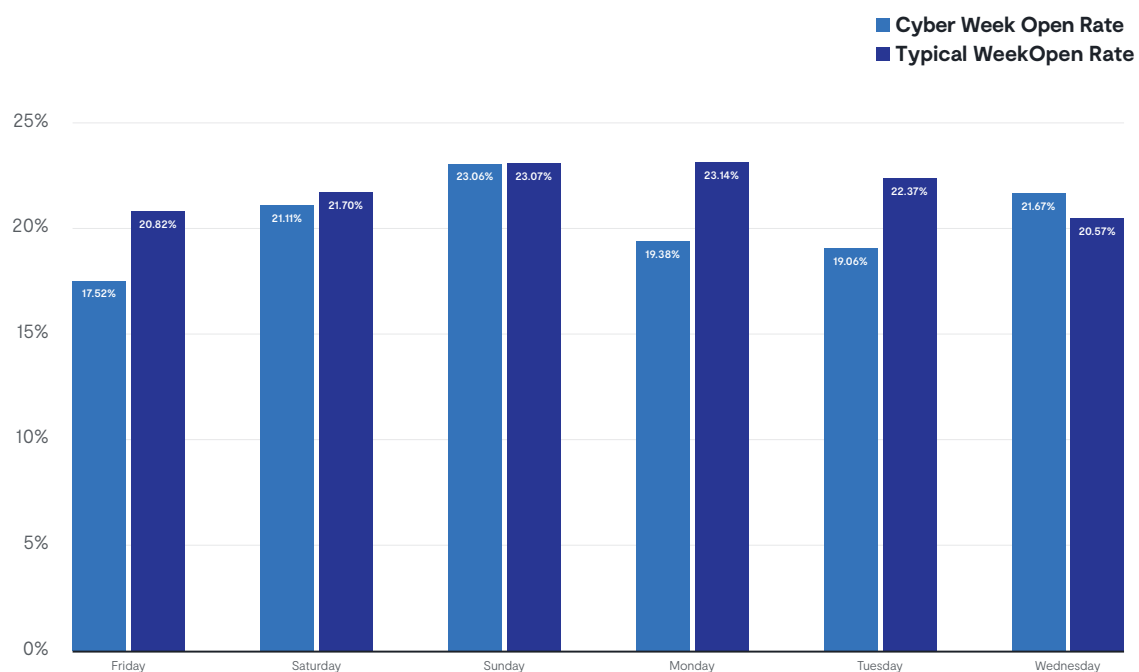
compared to a typical day immediately after Prime Day. This trend may be due to the fact that most shoppers who buy during Prime Day and are less likely to make another purchase so soon after the fact.

A woman with curly hair and glasses is sitting on a red rug, using a laptop. She is wearing a white long-sleeved shirt and blue jeans. The background shows a modern living room with a white sofa and a large green plant.

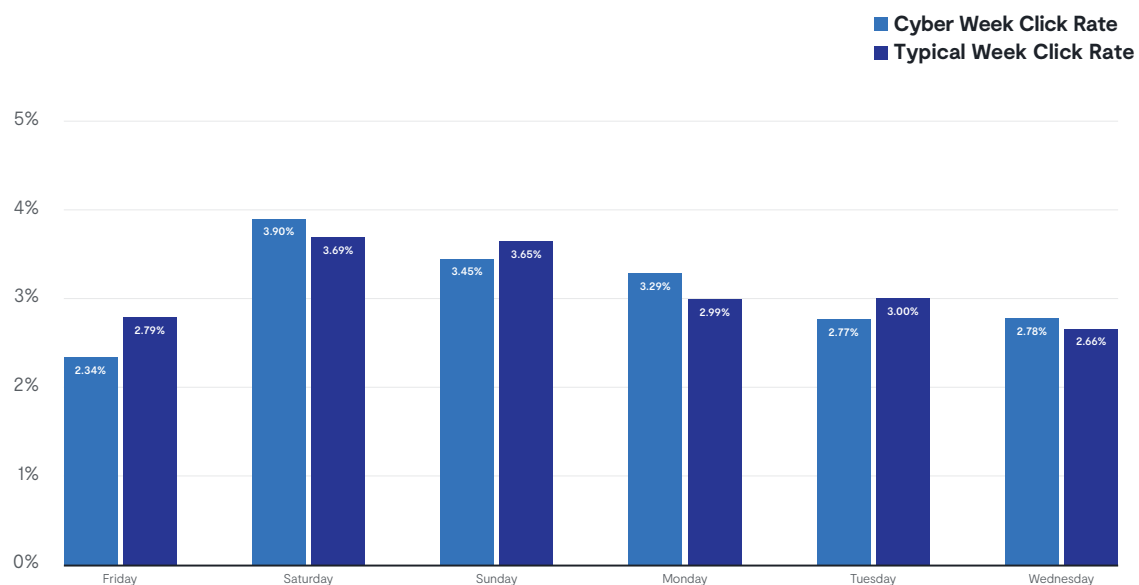
Cyber Week

Black Friday has officially turned into a full “Cyber Week,” with consumers primed for deals from Black Friday all the way through Cyber Wednesday. Bluecore explored email performance during this full week.

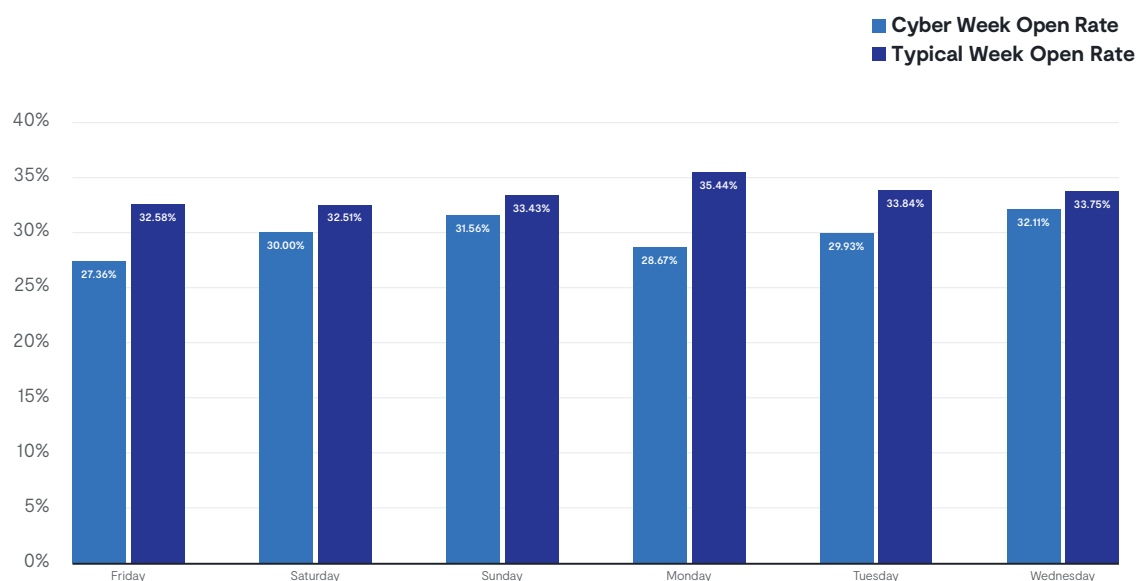
Open Rate for One-Time Sends During Cyber Week vs. Typical Week



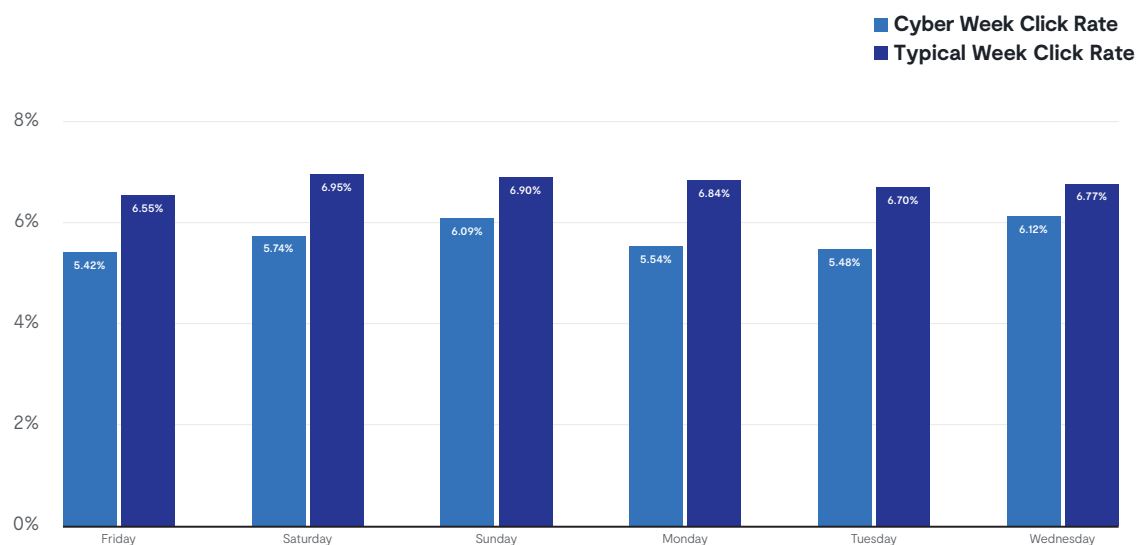
Click Rate for One-Time Sends During Cyber Week vs. Typical Week



Open Rate for Triggers During Cyber Week vs. Typical Week

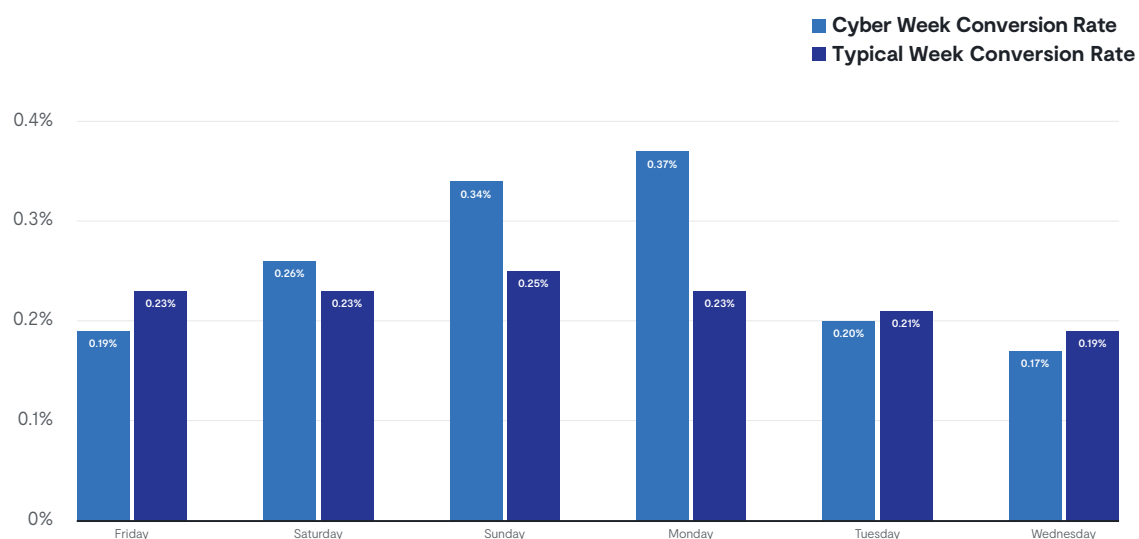


Click Rate for Triggers During Cyber Week vs. Typical Week

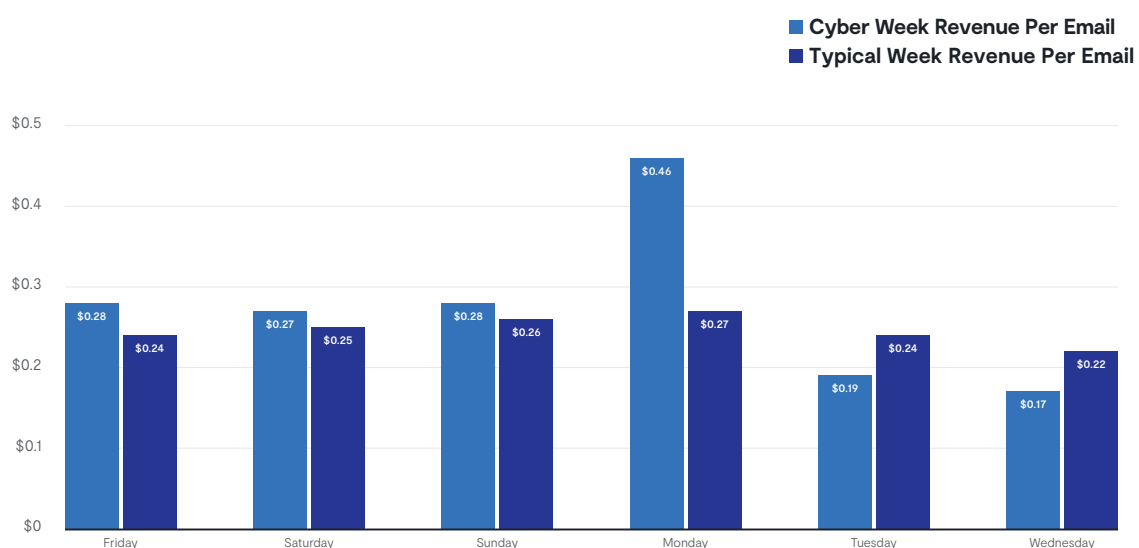


Open and click rates for both **one-time sends** and **triggers** trend lower than a typical November Day during most of Cyber Week. We can attribute this difference to the flood of emails hitting shoppers' inboxes during this notorious shopping holiday.

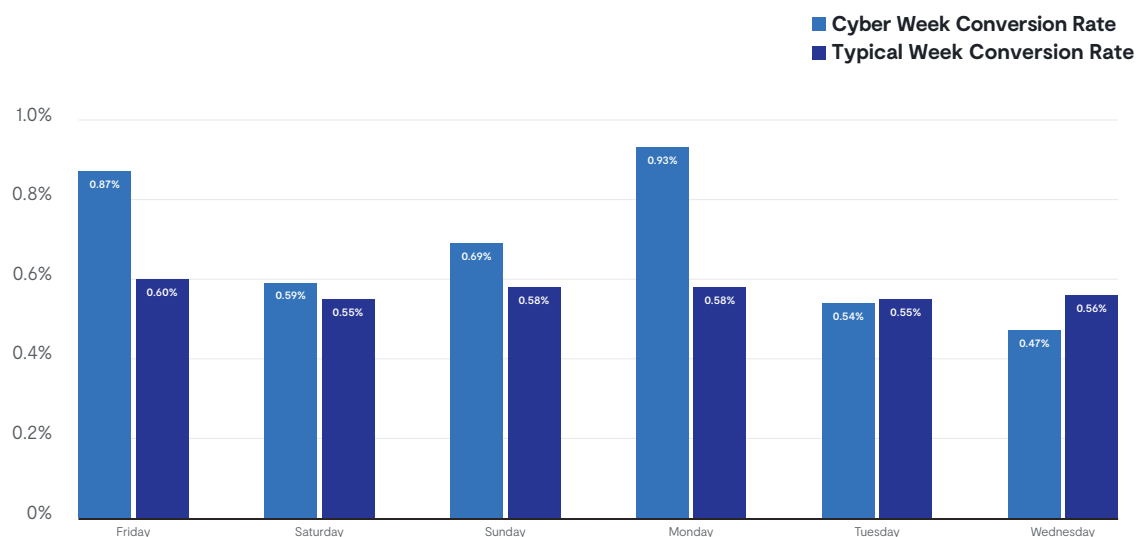
Conversion Rate for One-Time Sends During Cyber Week vs. Typical Week



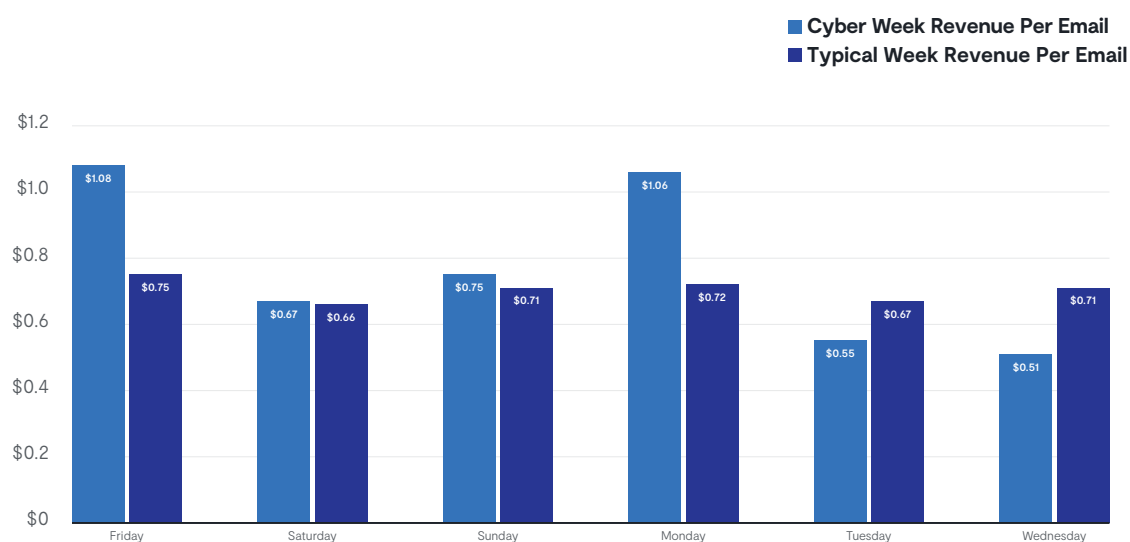
Revenue Per Email for One-Time Sends During Cyber Week vs. Typical Week



Conversion Rate for Triggers During Cyber Week vs. Typical Week



Revenue Per Email for Triggers During Cyber Week vs. Typical Week



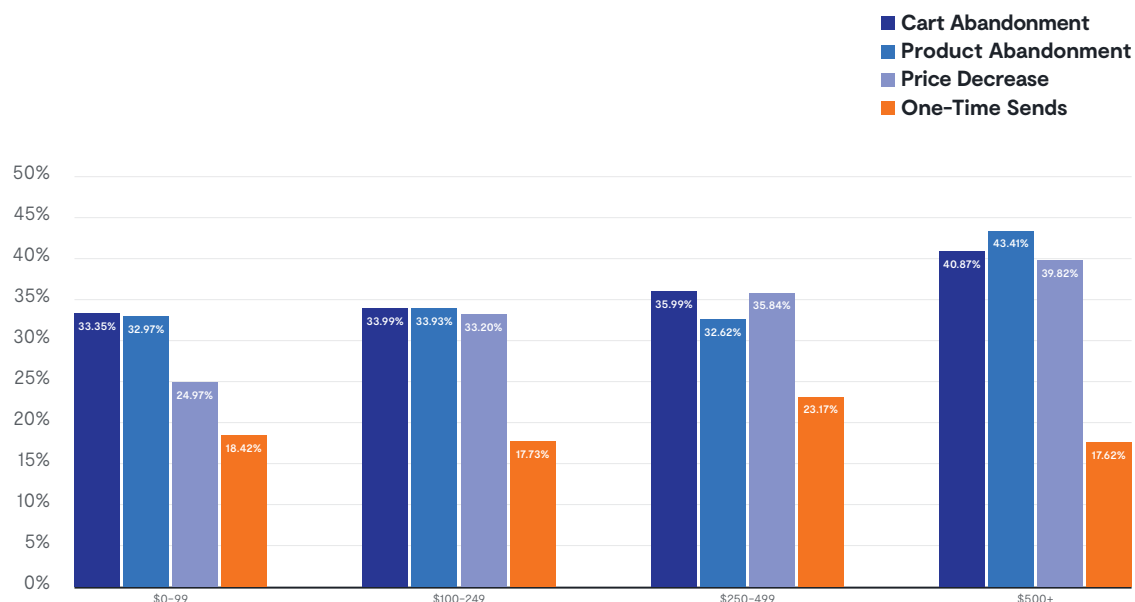
Despite the lower than average open and click rates during Cyber Week, retailers who do break through and get shoppers to click see above average conversion rates and returns on both **one-time sends** and **triggered emails**

during this time. This trend indicates that consumers are not only ready to buy during this time of year, but also ready to make larger purchases than they would year round.

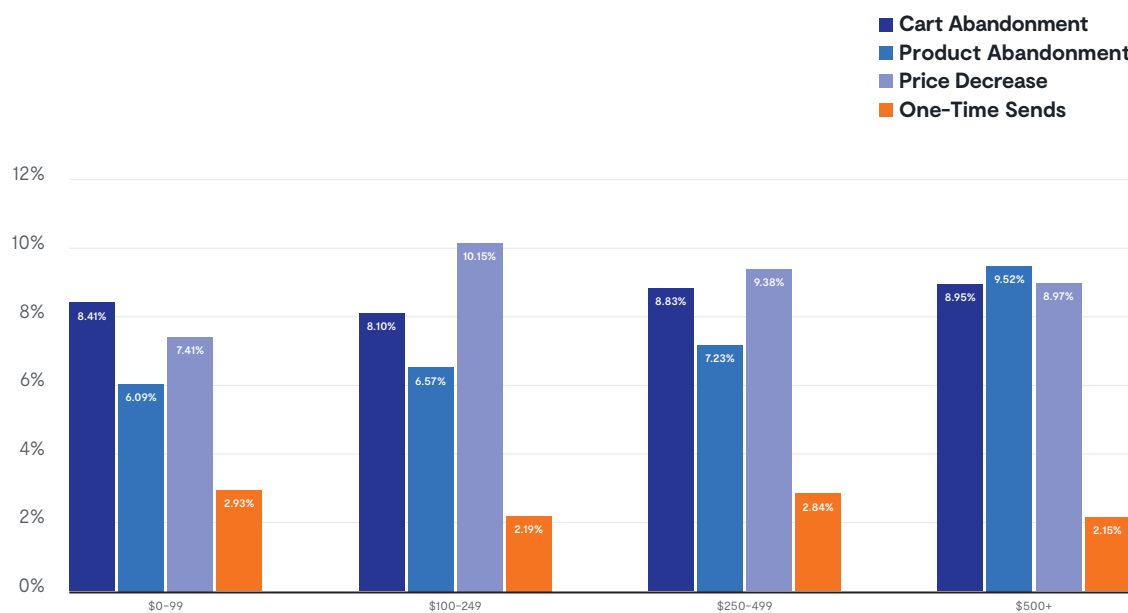
How Average Order Value Impacts Email Performance

Consumers shop differently depending on the price of an item. For example, big-ticket products like computers, furniture and jewelry require more research and consideration than everyday purchases like shirts and toiletries. To better understand how these differences impact email performance, Bluecore determined benchmarks based on average order value for four representative campaign types.

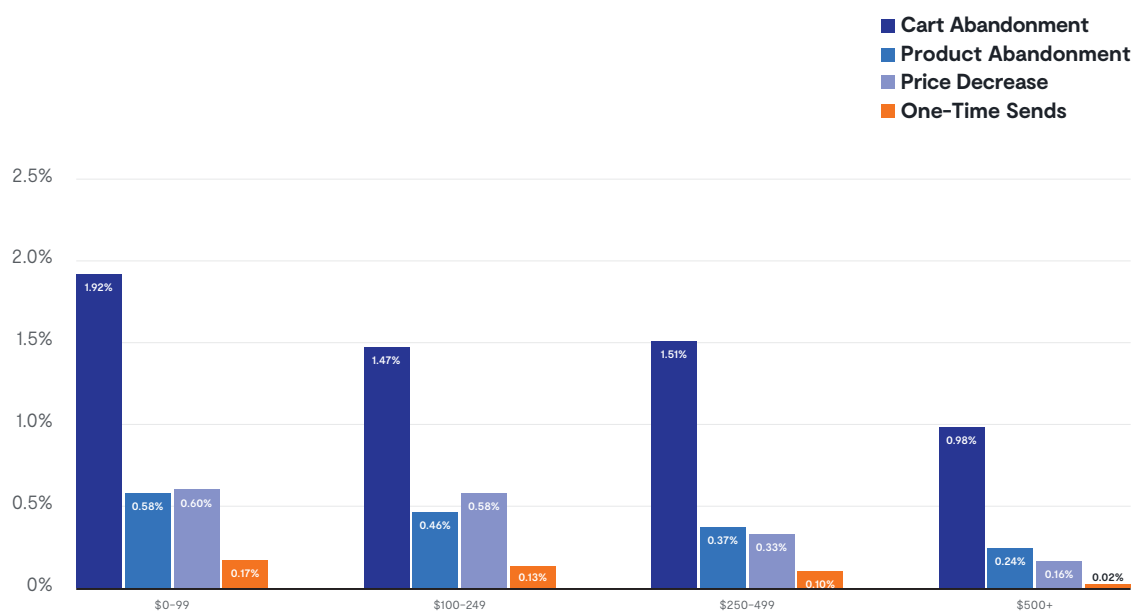
Open Rate Based on Average Order Value



Click Rate Based on Average Order Value



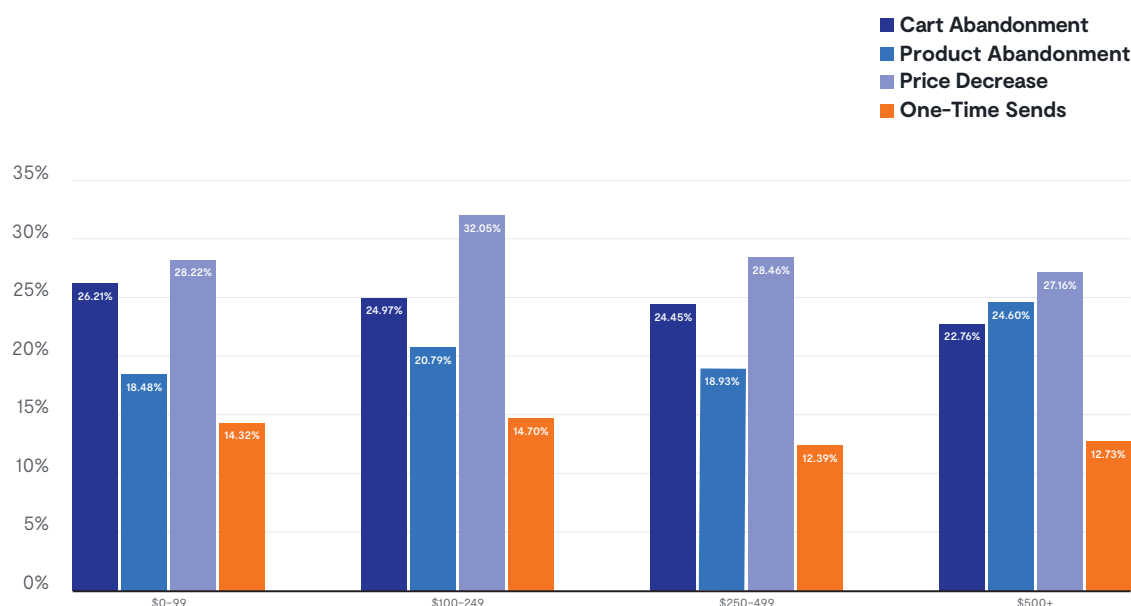
Conversion Rate Based on Average Order Value



With the exception of **one-time sends**, the higher the average order value, the higher the open and click rates. However, this trend reverses when evaluating conversion rates due to the high level of consideration that goes into a more expensive purchase.

And although **price decrease** emails see some of the highest open and click rates, **cart abandonment** emails consistently deliver the highest conversion rates. This pattern underscores the importance of the **cart abandonment** email, which is designed to target shoppers with extremely high purchase intent.

Click-to-Open Rate Based on Average Order Value



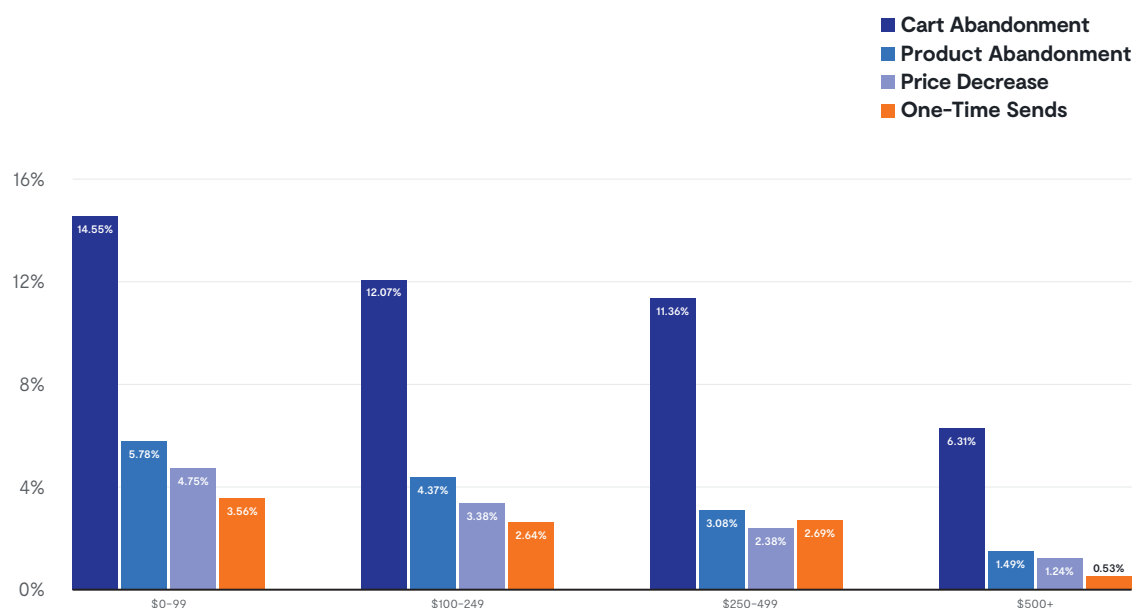
While click-to-open rates hold fairly steady for each campaign regardless of average order value, two differences stand out.

First, **product abandonment** emails for an average order value of \$500+ see a much higher click-to-open rate than any other price point. There are a couple of reasons for this: 1) Shoppers spend more time researching higher-priced purchases than they do lower-priced ones. 2) Shoppers tend to engage with more expensive goods in an aspirational way,

meaning they are likely to view and engage with these products because they like the idea of them but don't intend to buy these products because of the price.

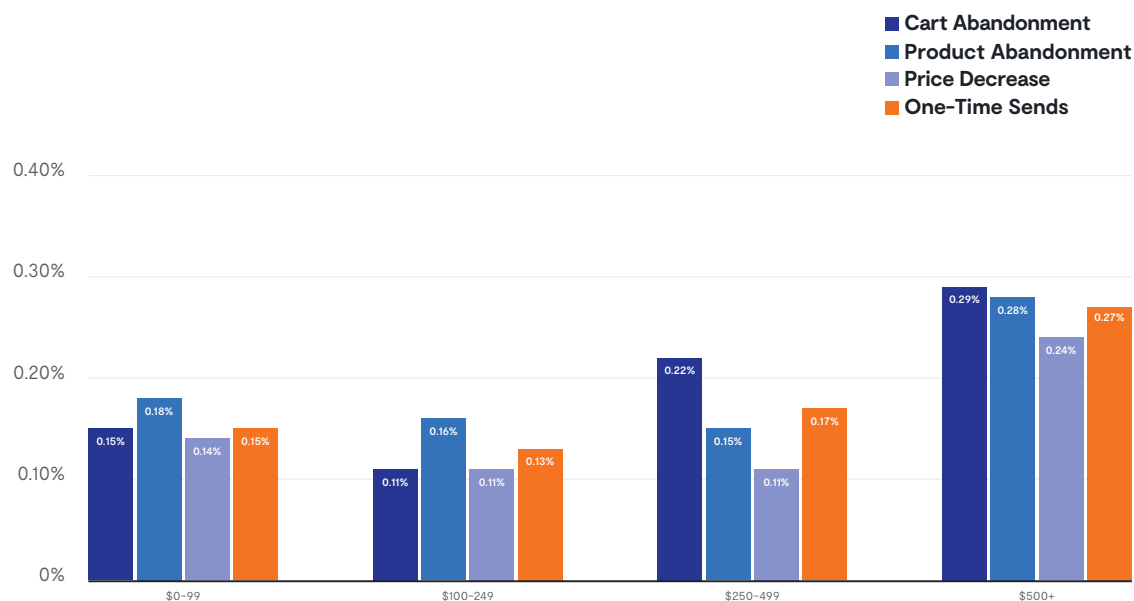
Second, **price decrease** emails for an average order value of \$100-\$249 see a much higher click-to-open rate than any other price point. This jump is often due to the fact that a drop in price for an item in this price range is just enough to move products from "slightly expensive" to "everyday purchase."

Click-to-Conversion Rate Based on Average Order Value



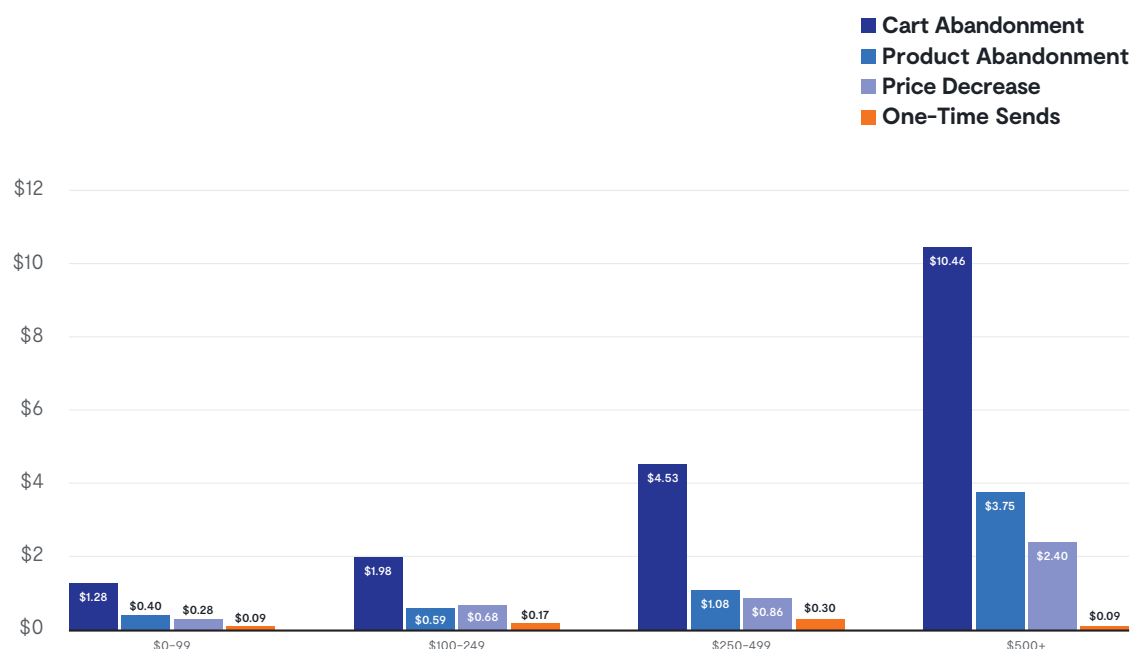
Click-to-conversion rates decrease in a fairly step-like manner across the board as average order value increases. This decrease ties directly to the amount of consideration and research that goes into purchasing higher-priced items.

Unsubscribe Rate Based on Average Order Value

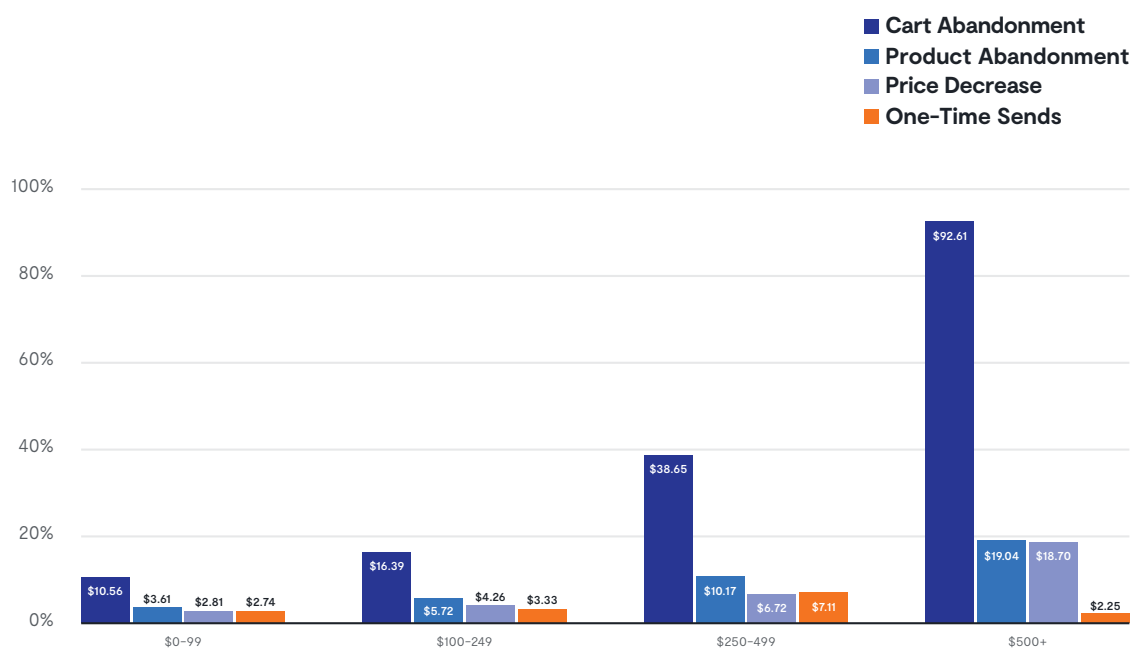


Unsubscribe rates generally increase as the average order value increases. This trend is common and occurs because higher-priced items tend to be one-off purchases. For example, few consumers need more than one refrigerator at a time. Absent a need for those products, consumers are less interested in receiving emails from retailers offering them.

Revenue Per Email Based on Average Order Value



Revenue Per Click Based on Average Order Value

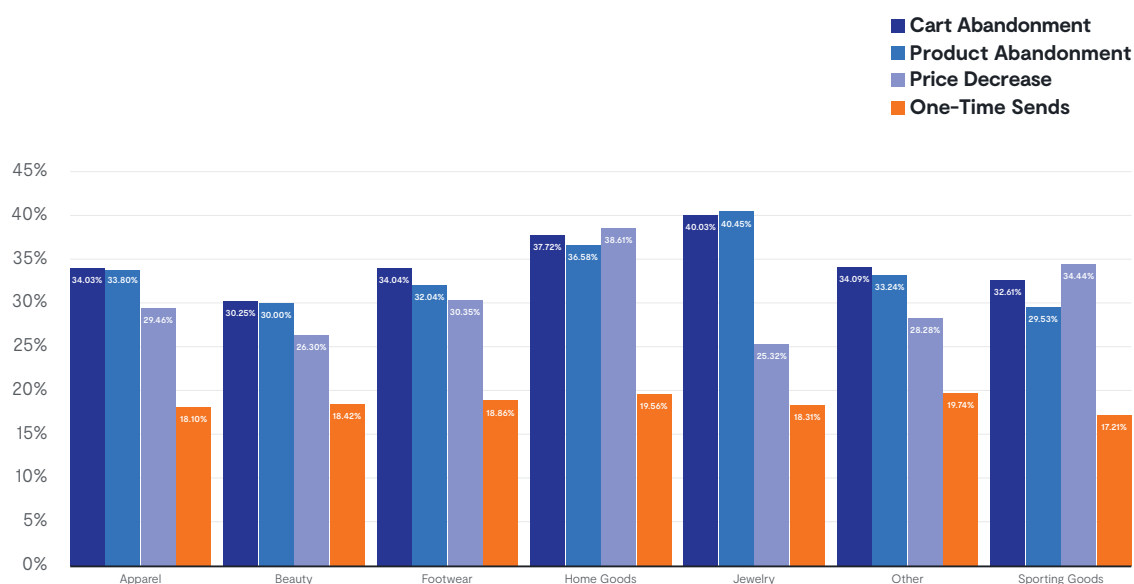


As average order value increases, revenue per email and revenue per click increase as well. This is an expected trend since revenue will increase as order value increases. However, it's important for brands with a high average order value to note this trend, since it means that looking at metrics like revenue per email and revenue per click alone may not be the best way to understand overall email performance.

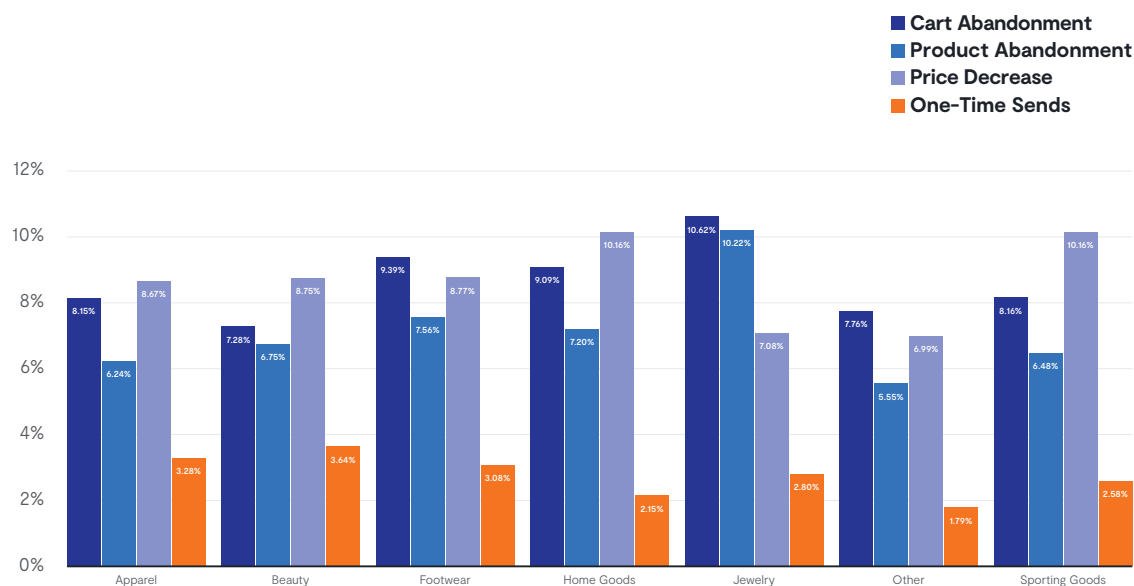
How Retail Vertical Impacts Email Performance

Just as average order value impacts shopping behavior — and therefore email performance — so too do the types of products a retailer sells. To dive into these differences, Bluecore determined the benchmarks based on retail vertical for four representative campaign types.

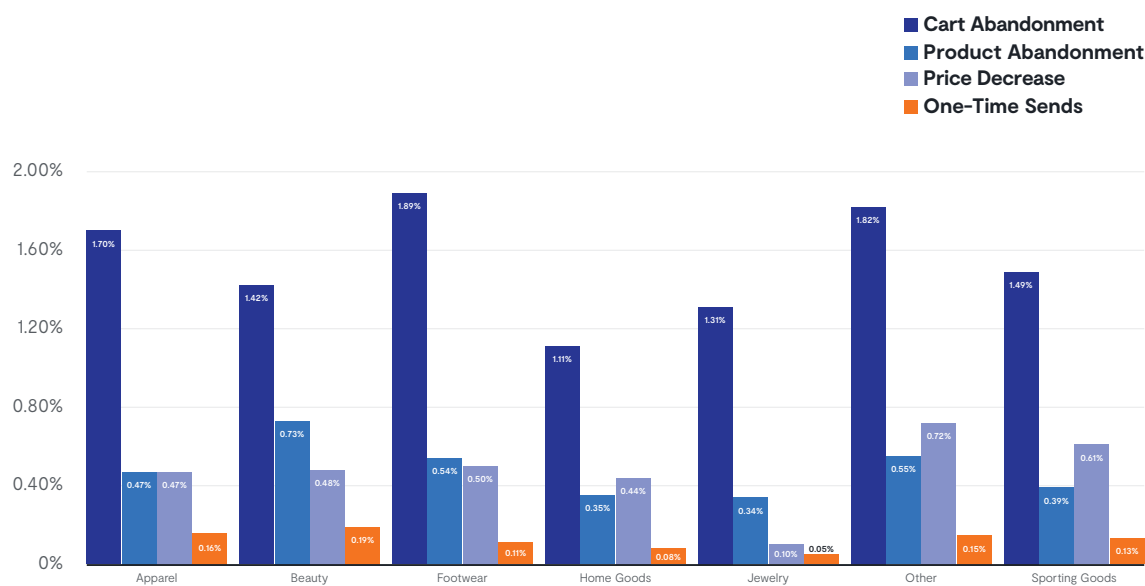
Open Rate Based on Retail Vertical



Click Rate Based on Retail Vertical

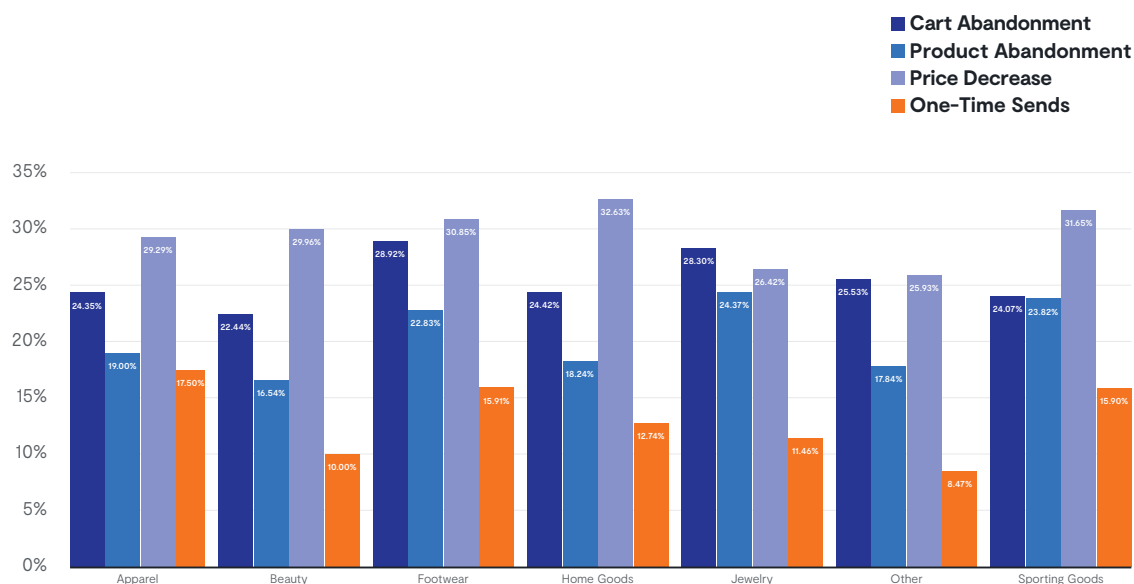


Conversion Rate Based on Retail Vertical

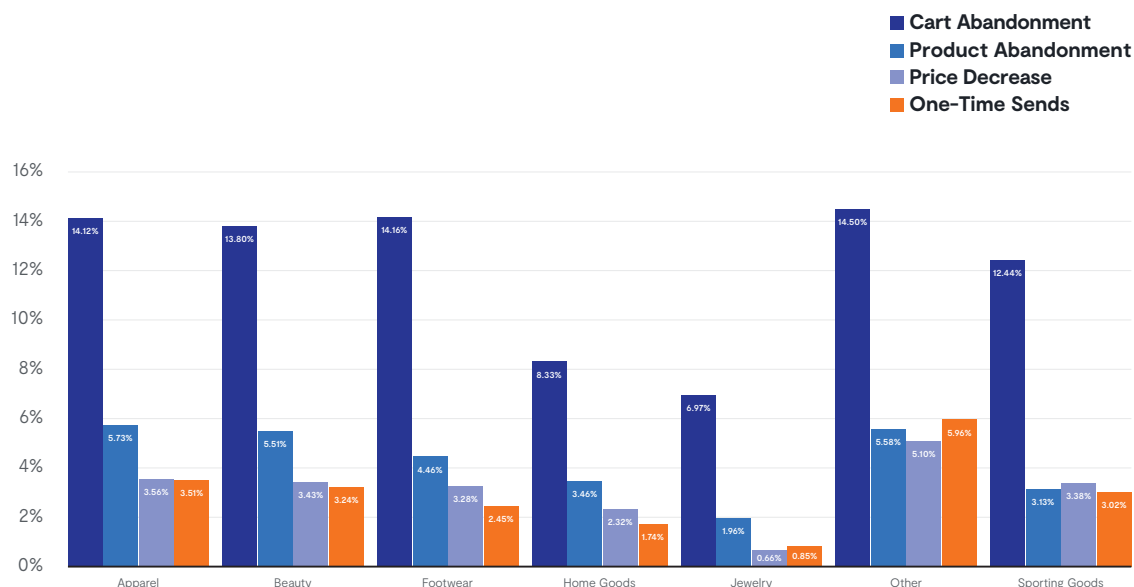


This data reinforces our previous assertion that order value impacts how much research shoppers do and the amount of consideration that goes into a purchase. Retailers selling higher priced items, such as home goods and jewelry, see some of the highest open and click rates but the lowest conversion rates.

Click-to-Open Rate Based on Retail Vertical



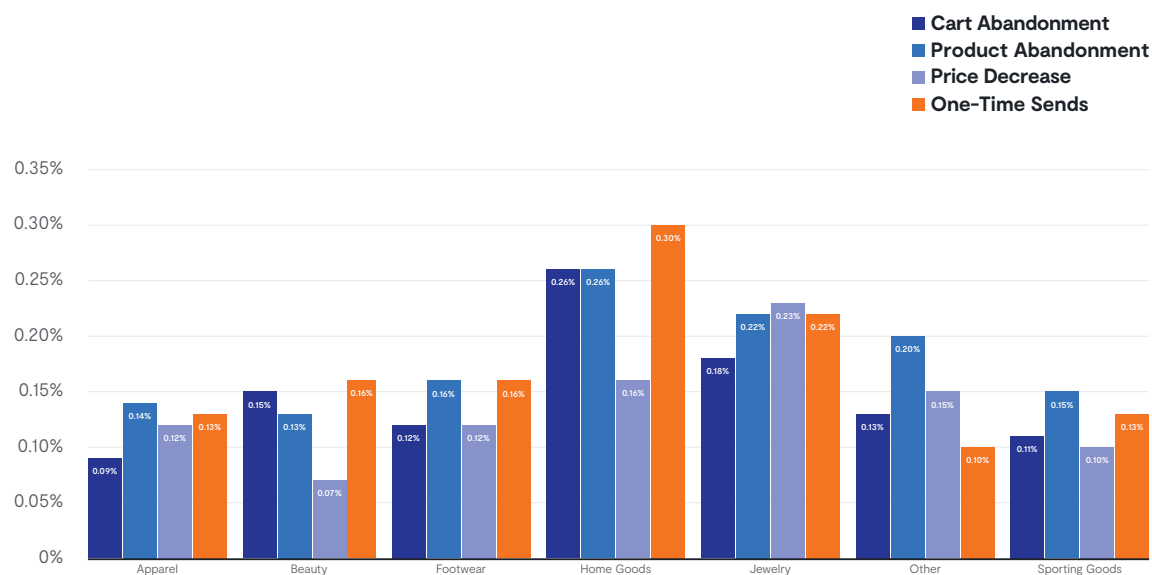
Click-to-Conversion Rate Based on Retail Vertical



While **price decrease** emails see some of the highest click-to-open rates across all retail categories, they also end up with some of the lowest click-to-conversion rates. Notably, **one-time sends** see similar click-to-conversion rates as **price decrease** emails across the board. This performance is impressive because **price decrease** emails,

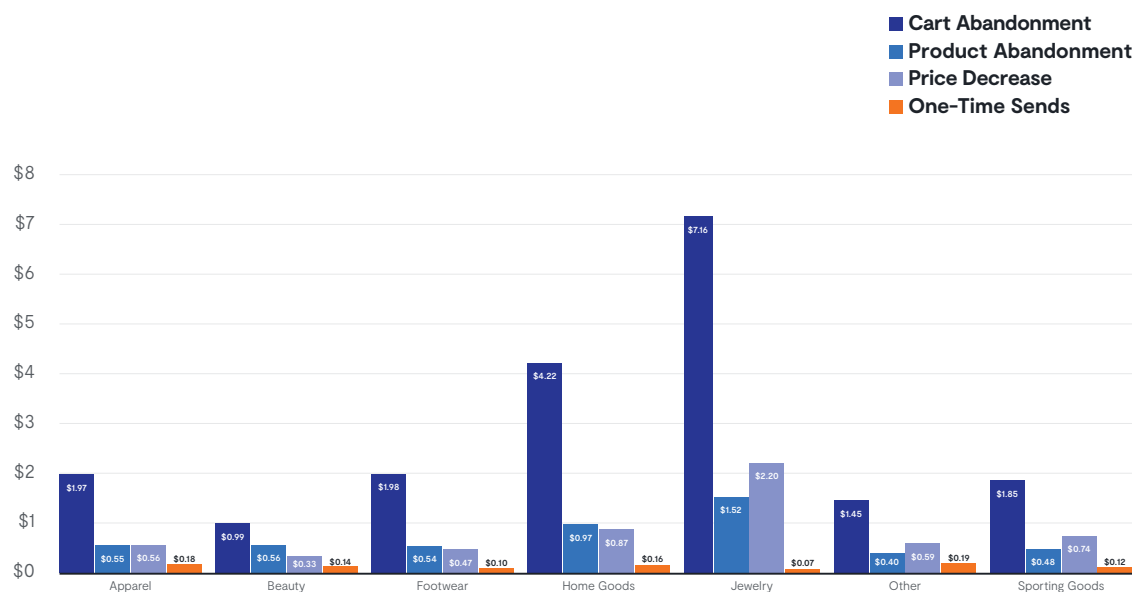
which create a high sense of urgency and typically go to a targeted audience, usually deliver some of the best results. It also speaks to the value of personalizing **one-time sends** based on factors like product recommendations, content and offers featured.

Unsubscribe Rate Based on Retail Vertical

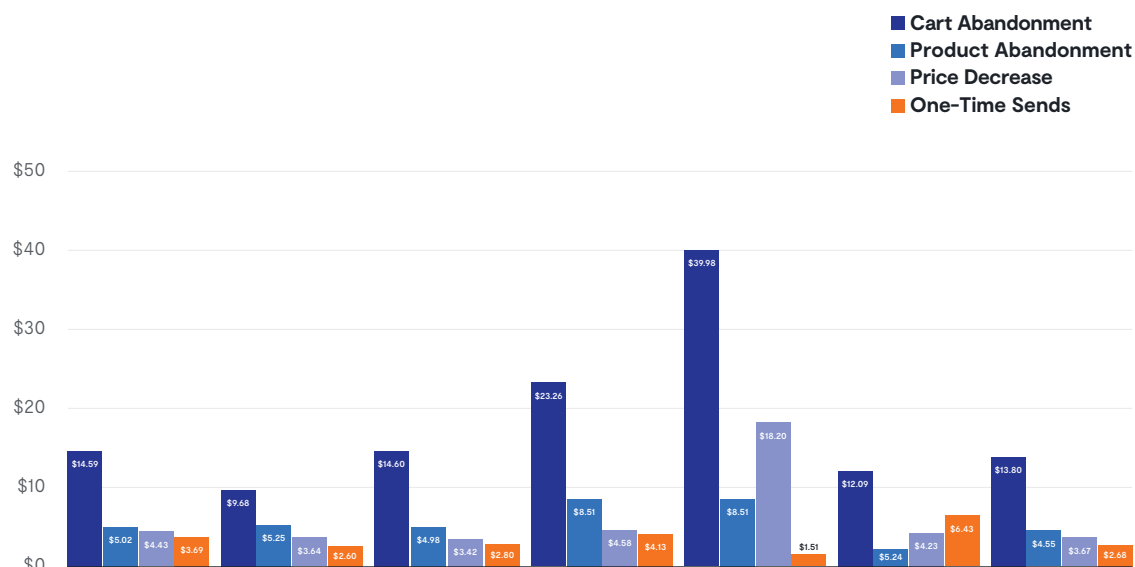


We also see how the price of goods influences shopper behaviors when examining unsubscribes. Home goods and jewelry retailers receive much higher unsubscribe rates than retailers in other verticals. We can attribute this difference to the one-and-done nature of these products.

Revenue Per Email Based on Retail Vertical



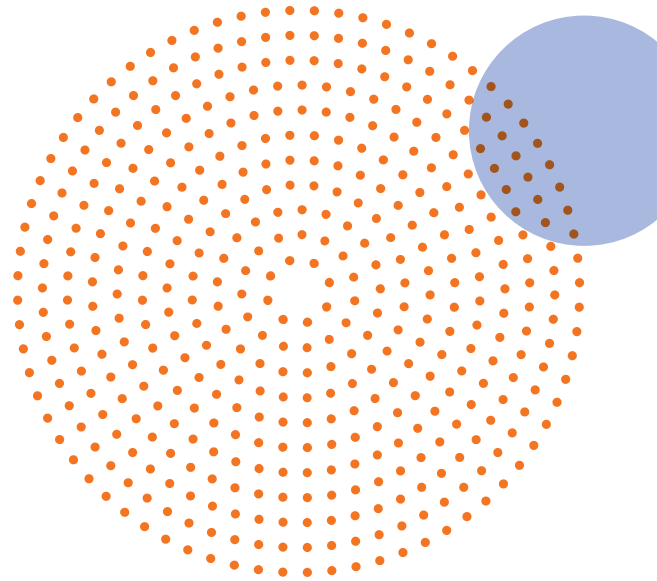
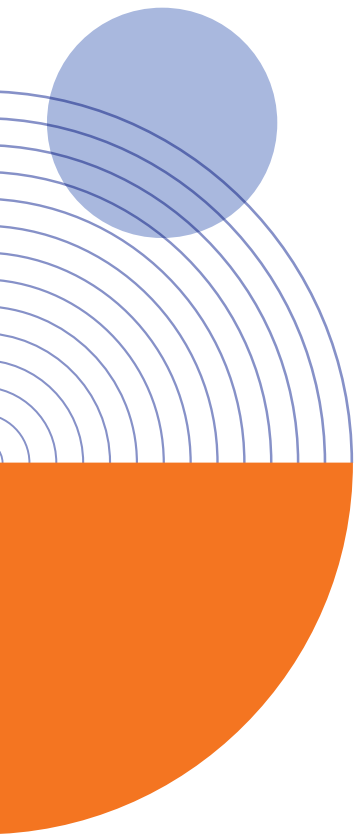
Revenue Per Click Based on Retail Vertical



The price of goods also impacts revenue. Unsurprisingly given that home goods and jewelry tend to be higher in price, retailers in these categories see the highest revenue per email and revenue per click. Once again, it's important for these types of retailers to remain aware of this pattern when using different metrics to gauge email performance.

How Audience Impacts Email Performance

In addition to factors a retailer can directly influence, like price and type of goods, there are factors specific to consumers, like an individual's relationship with a retailer, that can impact email performance. To better understand how audience affects email performance, Bluecore determined benchmarks based on three different ways to differentiate among shoppers: Spend level, purchase history and lifecycle stage.

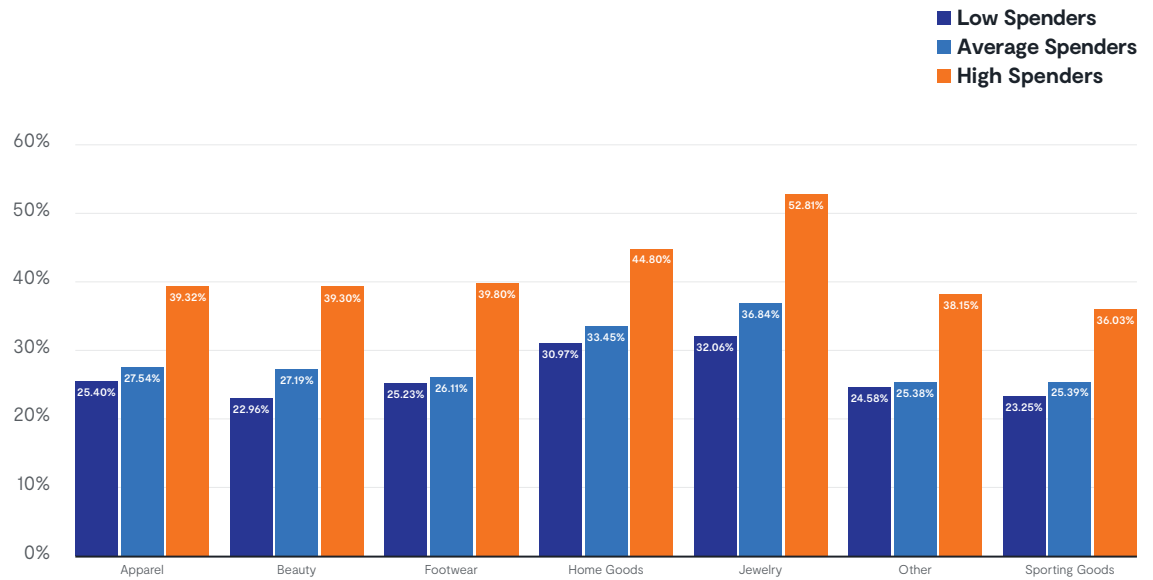


Spend Level

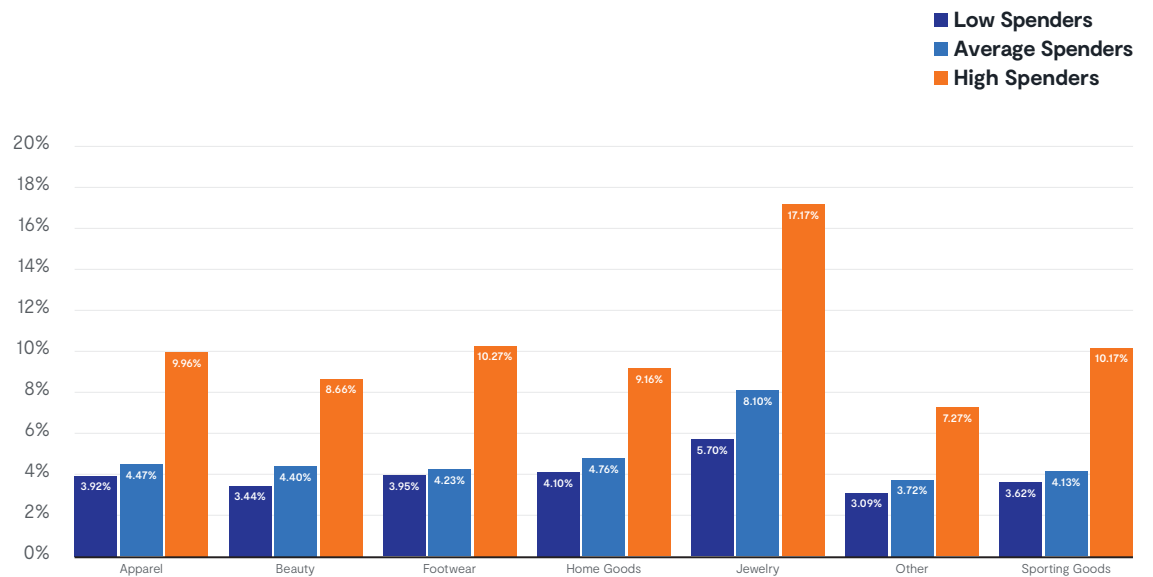
Every retailer has three different types of customers: Low spenders, average spenders and high spenders. It's important to note that spend level doesn't necessarily correlate with lifetime value. For example, a low spender might purchase more frequently than a high spender, negating any differences in overall lifetime value. Consider the case of someone who makes a \$50 purchase every month versus someone who makes a \$300 purchase every six months.

That said, we do find a correlation between spend level and email engagement. And this correlation holds for retailers of all kinds, regardless of price point of products.

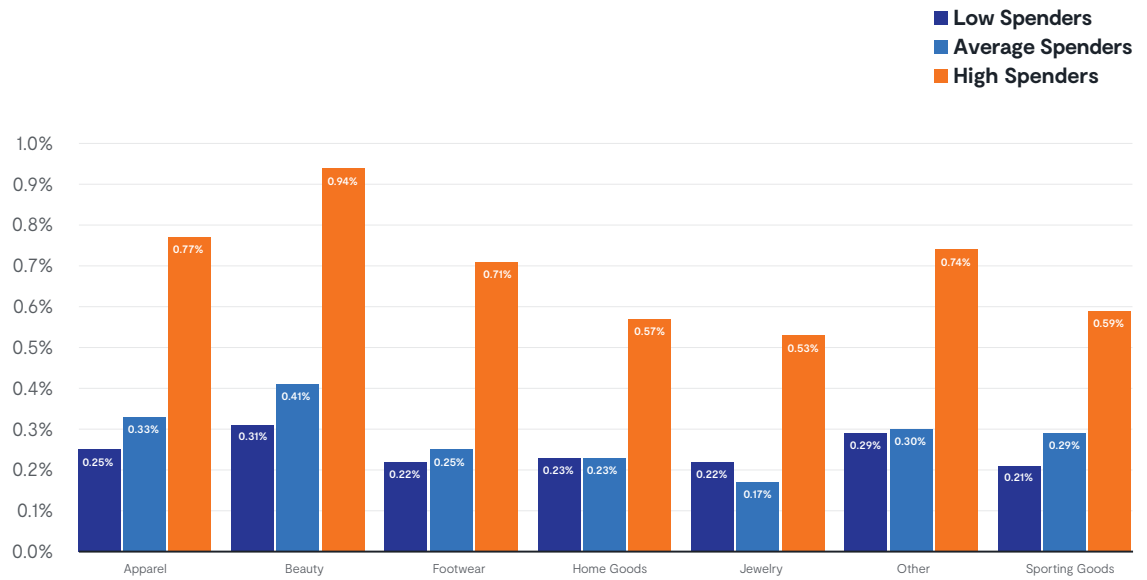
Open Rate Based on Spend Level



Click Rate Based on Spend Level

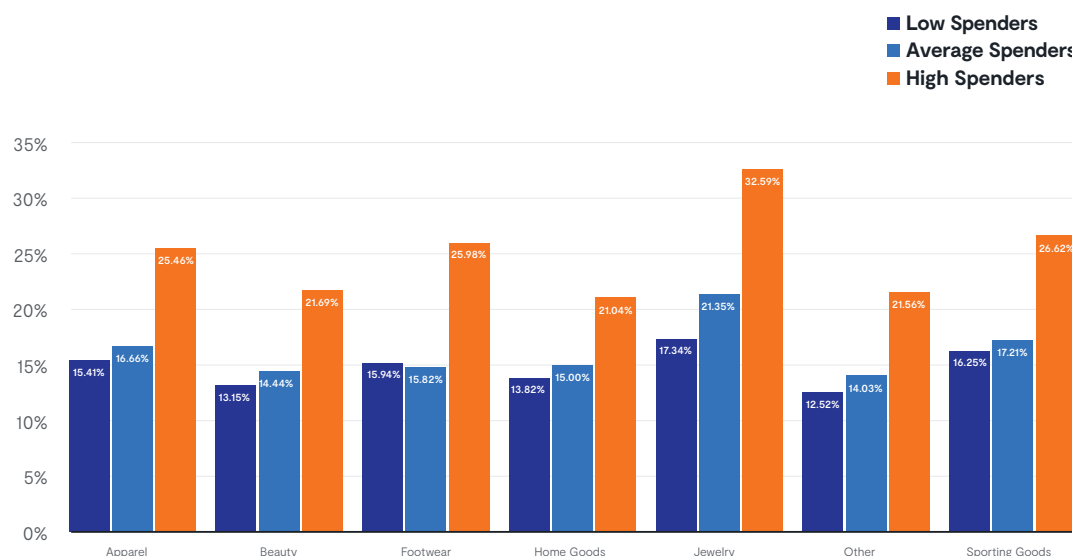


Conversion Rate Based on Spend Level

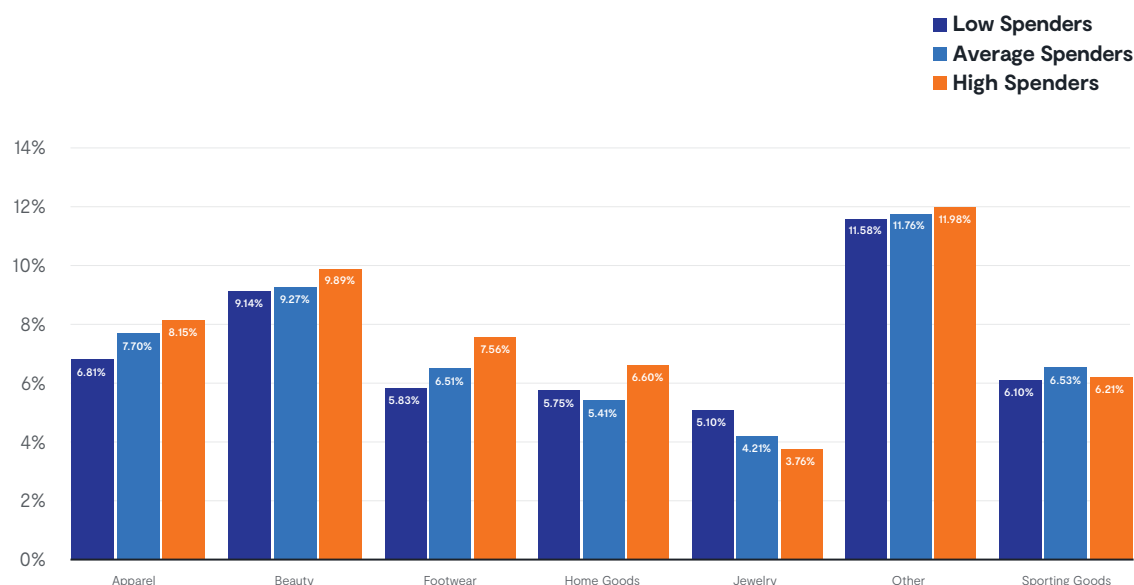


Open, click and conversion rates reveal that the more shoppers spend, the more likely they are to engage with emails. We attribute this engagement pattern to the level of loyalty associated with spend. Specifically, the more shoppers spend with a brand, the stronger the connection they are likely to feel.

Click-to-Open Rate Based on Spend Level



Click-to-Conversion Rate Based on Spend Level

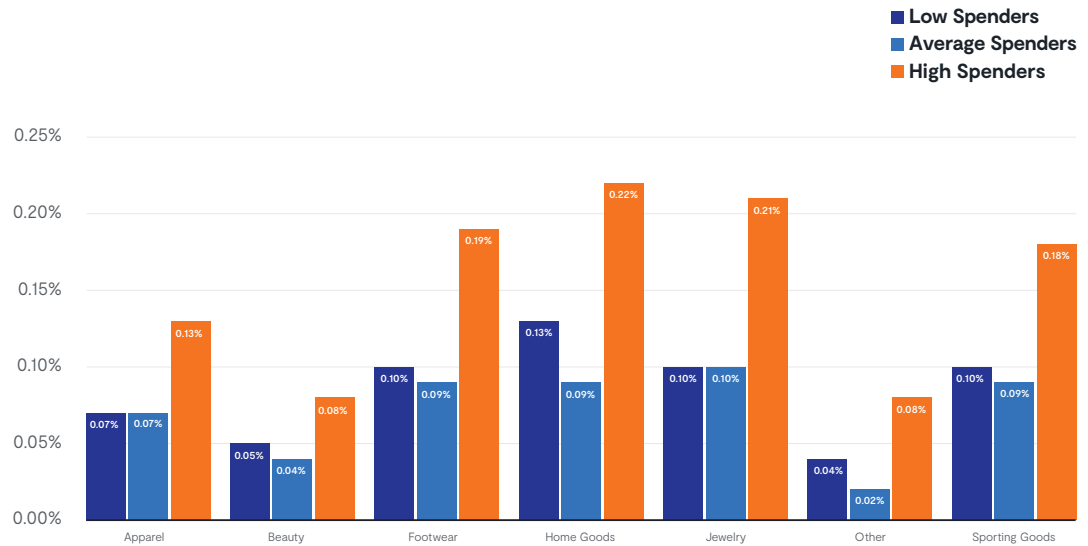


Notably, the differences in engagement based on spend level when examining click-to-open rates almost disappear when looking at click-to-conversion rates. It even reverses itself for jewelry retailers (with low spenders delivering the highest click-to-conversion rate), due to the amount of consideration and research that

goes into more expensive purchases.

This analysis reveals that personalizing based on factors that impact the open rate, like the subject line and send time, are most important when retailers differentiate audiences based on spend level.

Unsubscribe Rate Based on Spend Level



An interesting pattern emerges when looking at retention based on spend level and retail vertical, as high spenders unsubscribe at higher rates across the board. This pattern indicates a dichotomy among shoppers who make larger purchases: On the one hand, higher overall spend with a retailer often leads to greater email engagement. On the other hand, those who spend more are often more likely to fall into the one-and-done buyer trap.

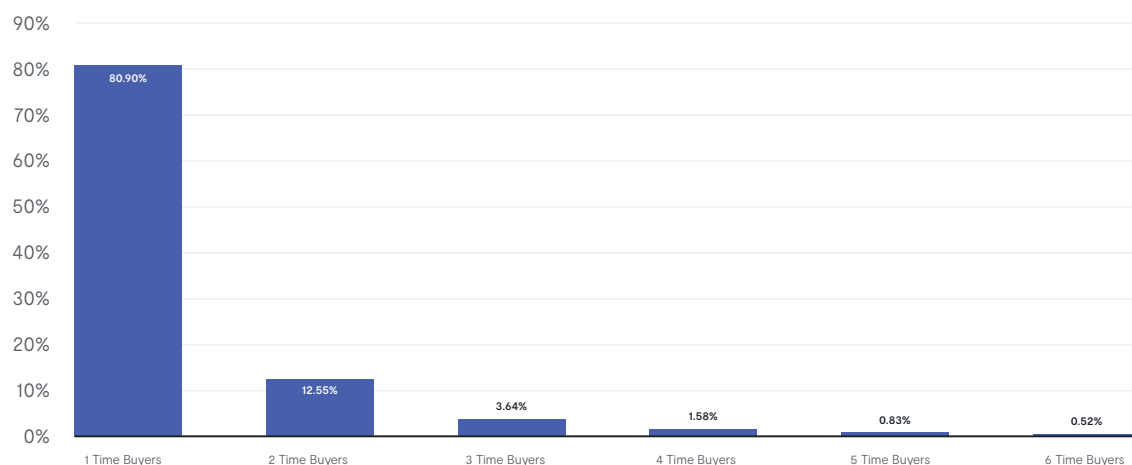
This trend becomes particularly pronounced when evaluating unsubscribes by spend and retail vertical, as home goods and jewelry retailers, who sell big ticket items that are not replenishable, see the highest unsubscribe rates.



Purchase History

Every retailer needs to understand the distribution of their customer base according to purchase history. This type of analysis is particularly important because purchase history correlates to lifetime value and loyalty. Specifically, the more times customers buy from a retailer, the more likely they are to buy again, leading to increased lifetime value and loyalty. Unfortunately, retailers have a significant one-time buyer problem. This is often true of retailers who focus disproportionately on acquisition strategies and don't prioritize retention.

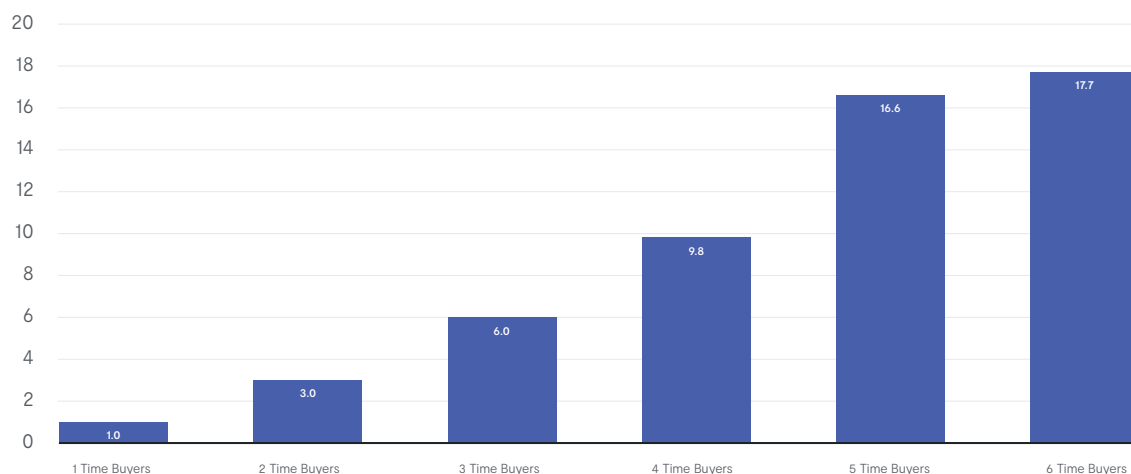
Customer Distribution by Purchase History



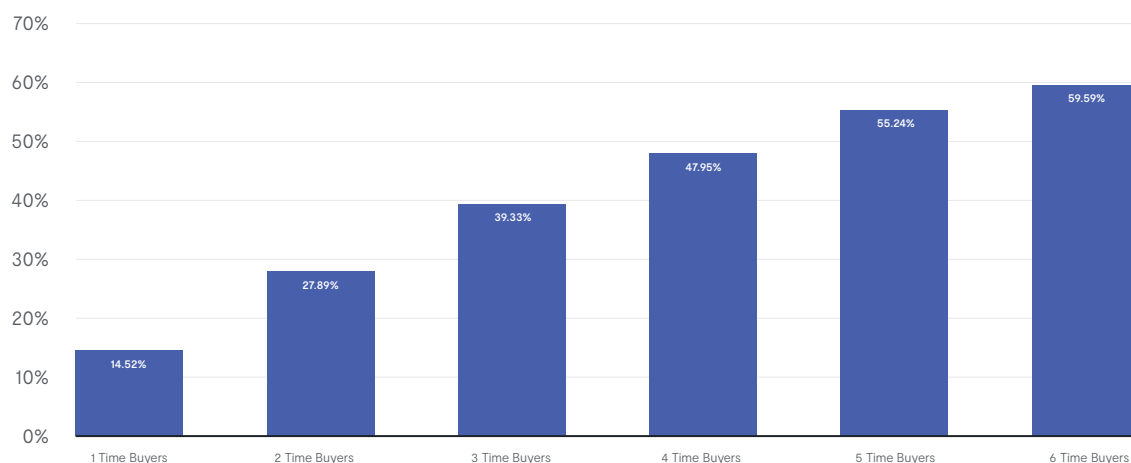
If retailers regularly face a one-and-done buyer situation, they are forced to prioritize expensive customer acquisition efforts over more impactful and less costly customer retention efforts.

Crossing the chasm from one-time buyer to two-time buyer unlocks many opportunities, as the differences in near-term revenue and likelihood to purchase again are most pronounced when moving from the first purchase to the second purchase (versus from the second purchase to the third purchase and so on).

Average Predicted Lifetime Value Per Customer Relative to One-Time Buyers



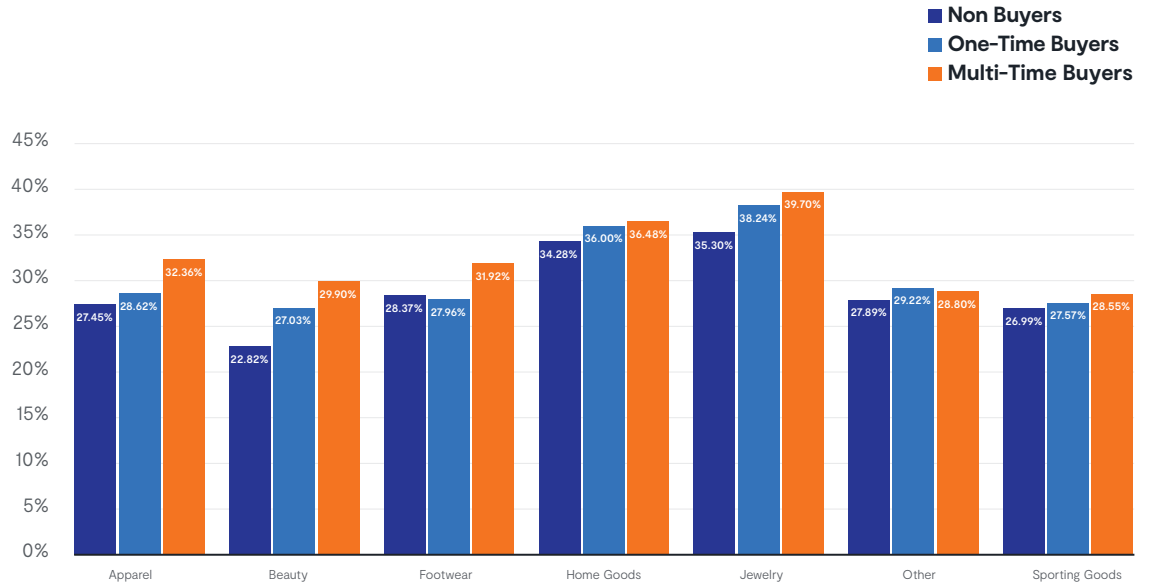
Likelihood of Customers Purchasing Again



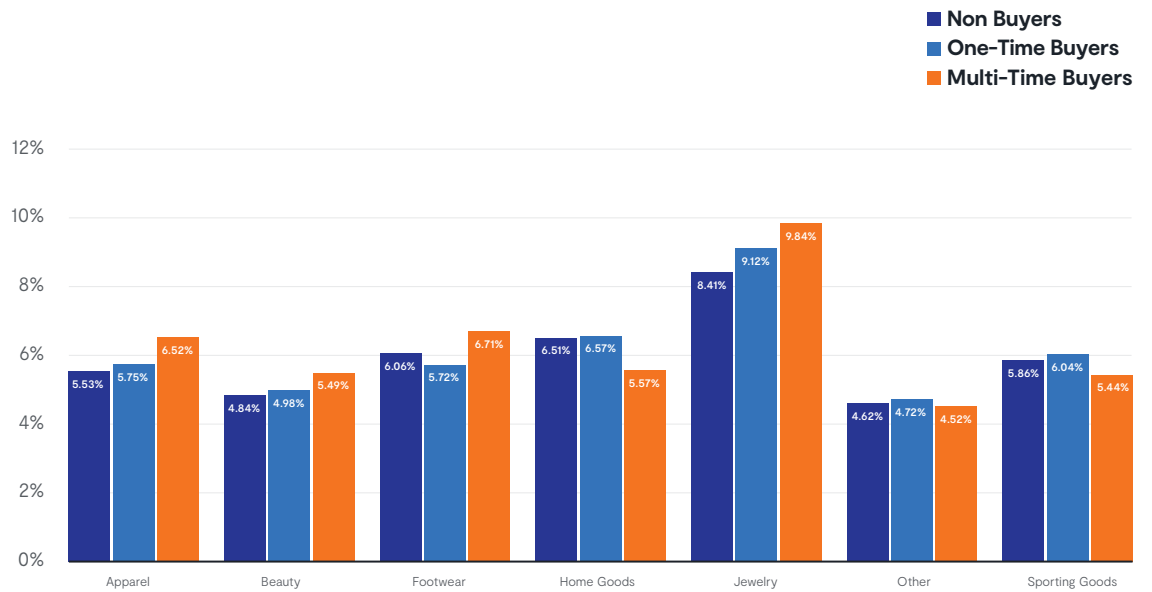
The loyalty that comes with making more purchases also manifests itself in email engagement. To simplify these measures going forward, we grouped buyers into three categories: Non buyers, one-time buyers and multi-time buyers. We chose these categories because the two biggest chasms for retailers

to cross are customer acquisition (non buyer to one-time buyer) and customer retention (which starts with converting one-time buyers to two-time buyers, since getting more purchases after the second purchase only becomes easier).

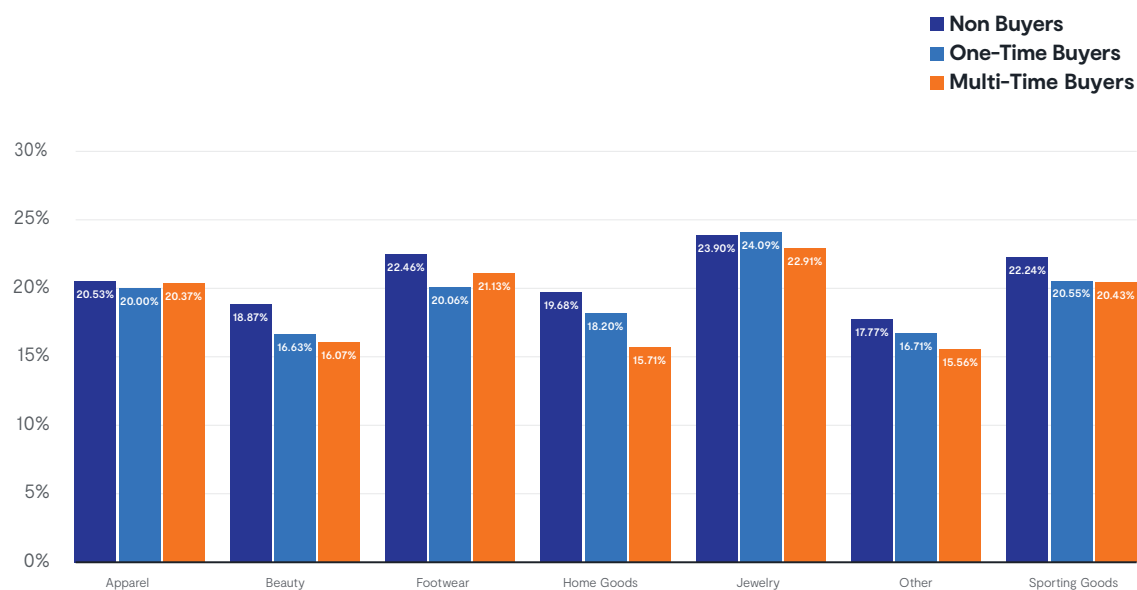
Open Rate Based on Purchase History



Click Rate Based on Purchase History

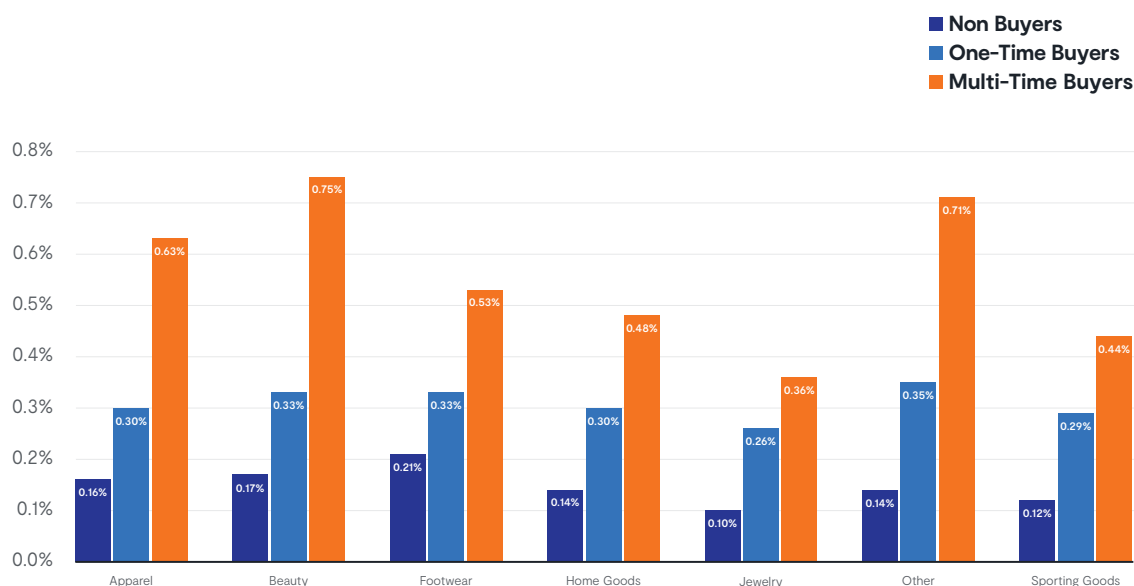


Click-to-Open Rate Based on Purchase History

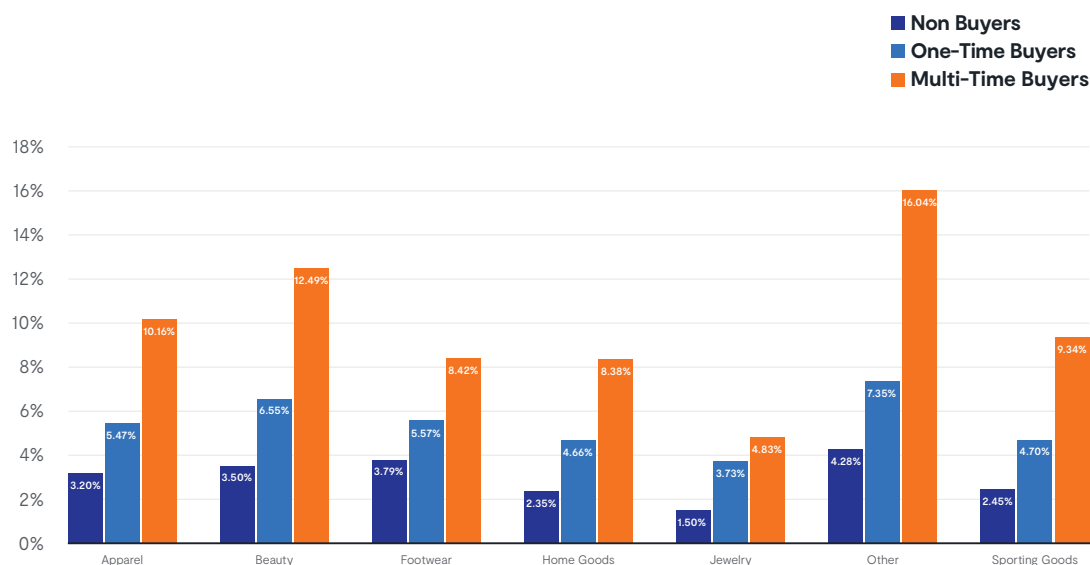


The data does not reveal much differentiation in open, click and click-to-open rates among non, one-time and multi-time buyers. This pattern indicates that each of these groups has a similar base level of interest in viewing products.

Conversion Rate Based on Purchase History

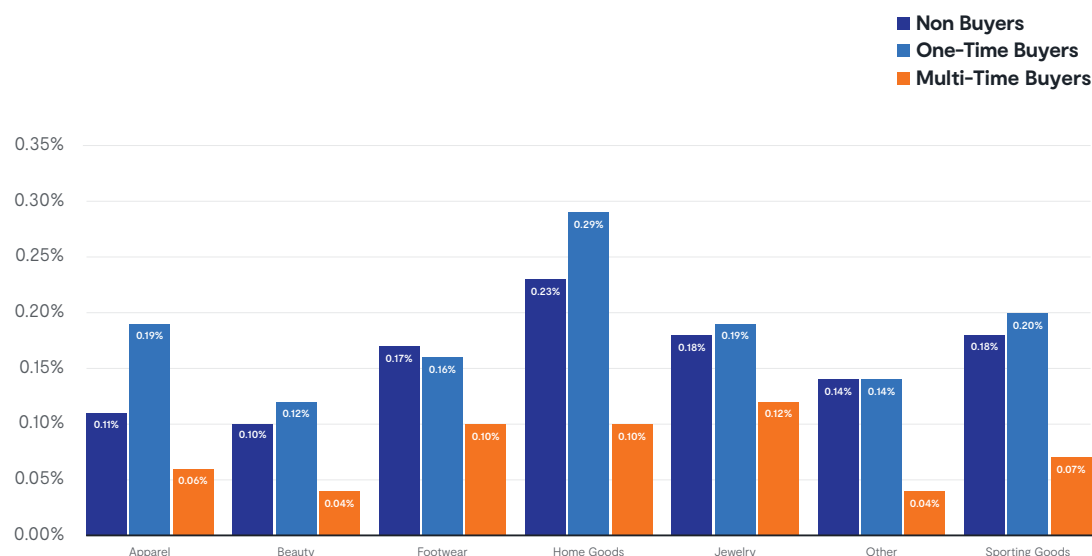


Click-to-Conversion Rate Based on Purchase History



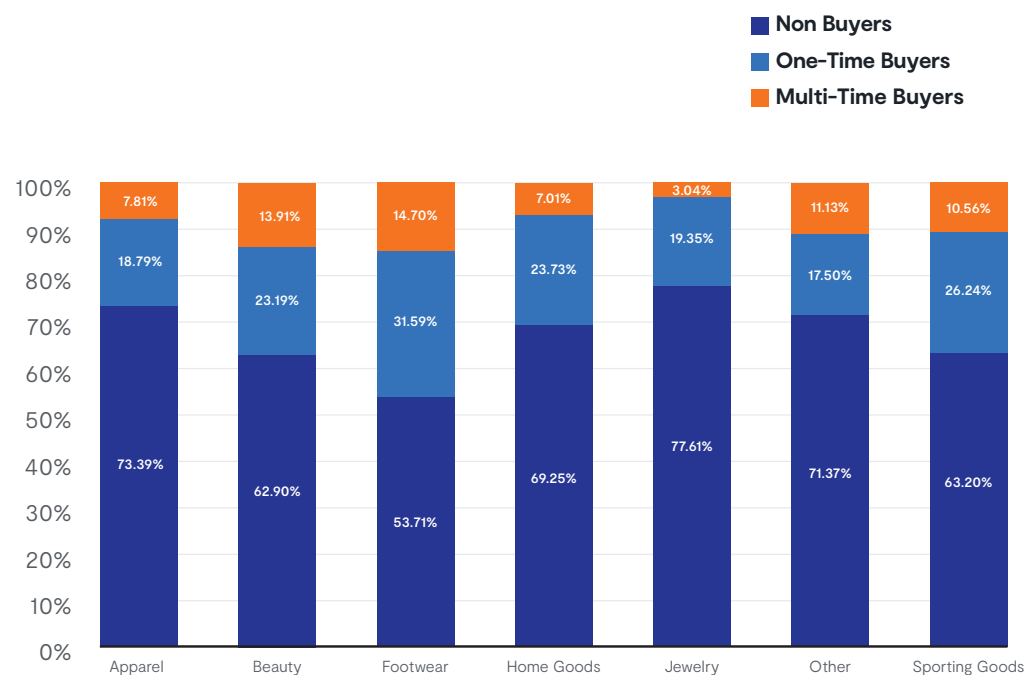
Although non, one-time and multi-time buyers open and click at relatively steady rates, that's where the engagement similarities end. The average conversion and click-to-conversion rates are notably higher for multi-time buyers compared to both other groups and for one-time buyers compared to non buyers. This shift reveals that customers' past purchase history impacts whether their interest in viewing products (as displayed by opening and clicking on emails) leans more toward curiosity and research or true purchase intent.

Unsubscribe Rate Based on Purchase History



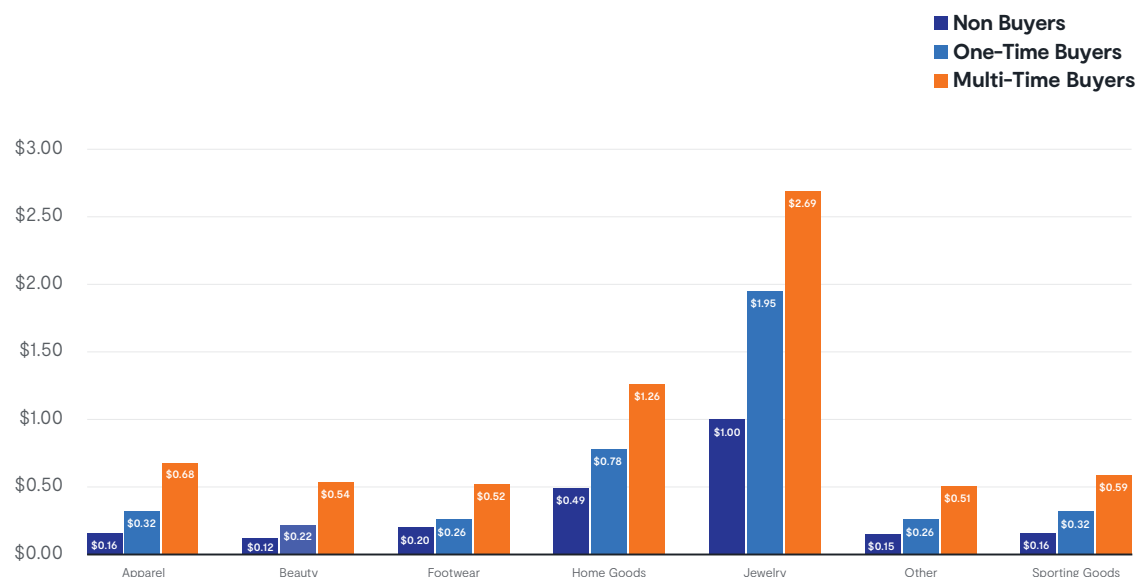
The above chart indicates that one-time buyers unsubscribe at the highest rates, underscoring the fact that retailers have a one-and-done buyer problem. However, for most retail verticals, non buyers are not too far behind one-time buyers when it comes to unsubscribe rates.

Breakdown of Unsubscribes by Purchase History

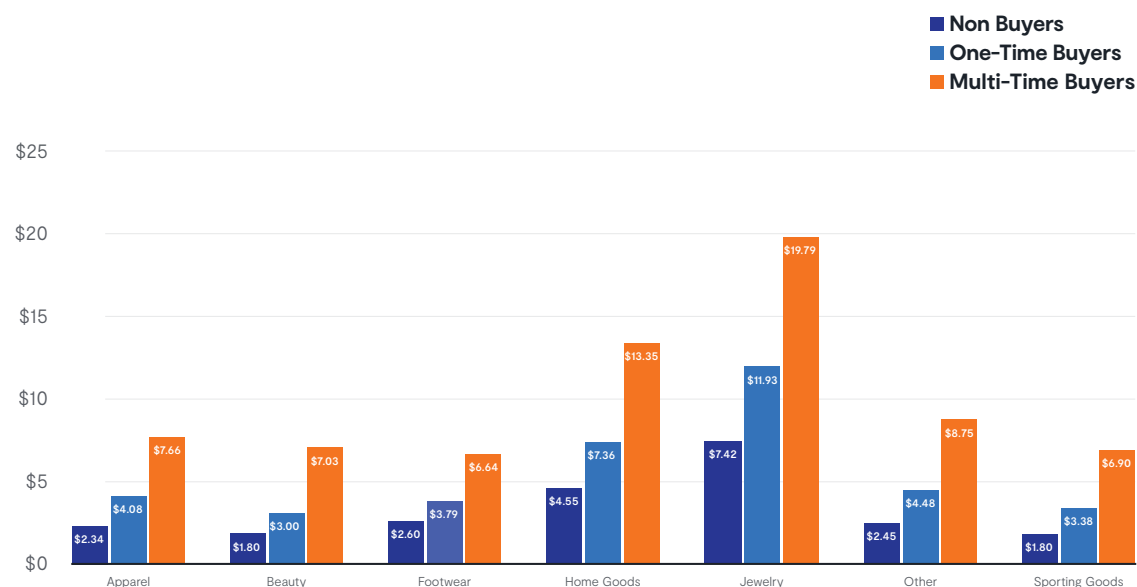


Despite the fact that one-time buyers unsubscribe at the highest rates, the majority of retailers' unsubscribes come from non buyers. This phenomenon happens because the majority of retailers' email recipients have never made a purchase.

Revenue Per Email Based on Purchase History



Revenue Per Click Based on Purchase History



Purchase history also impacts spend, as the more purchases shoppers have made in the past, the higher revenue per email and revenue per click they deliver for retailers. This trend indicates that the loyalty of multi-time purchasers means they are not only more likely to buy again and engage with

emails, but they are also likely to buy more within each purchase. Multi-time buyers may spend more per purchase because they are no longer testing the retailer or brand itself and therefore feel more comfortable expanding their relationship with the retailer by testing new products.

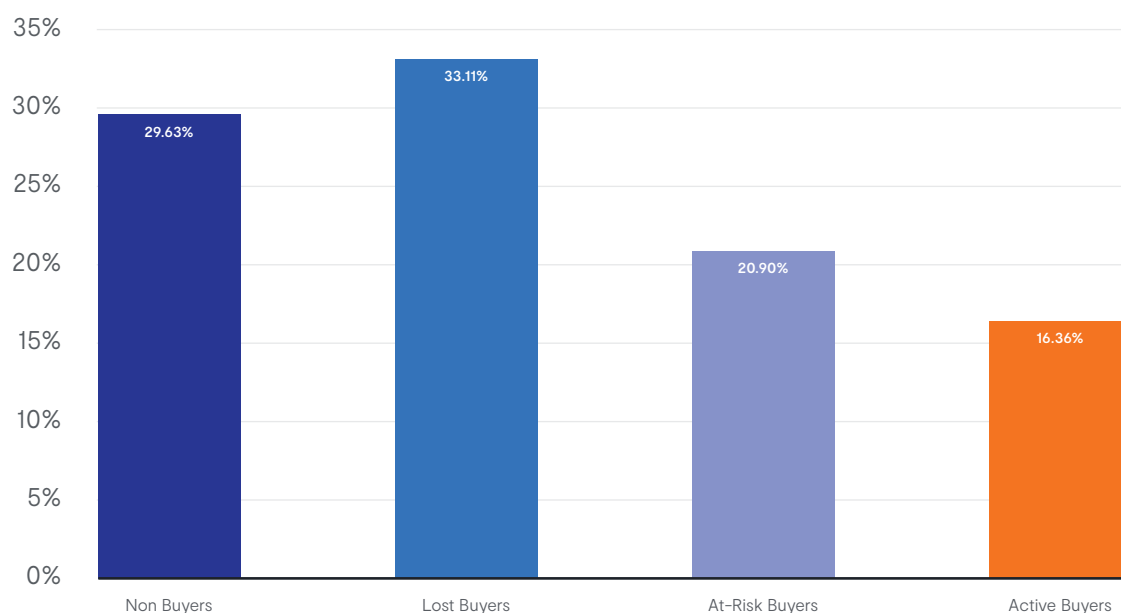
A photograph of two women walking outdoors, smiling and engaged in conversation. The woman on the left is a Black woman with long dark hair, wearing an orange jacket. The woman on the right is a white woman with blonde hair, wearing a pink turtleneck and a grey cardigan. She is holding a coffee cup and pointing towards something off-camera. They are both carrying shopping bags, including a large brown paper bag in the foreground.

Lifecycle Stage

Understanding lifecycle stage allows retailers to add value for customers based on unique needs at certain points in time. For example, this type of breakdown allows retailers to save at-risk customers with “come back” messaging and offers. It also helps retailers time product recommendations strategically to keep active buyers in their normal buying cycle.

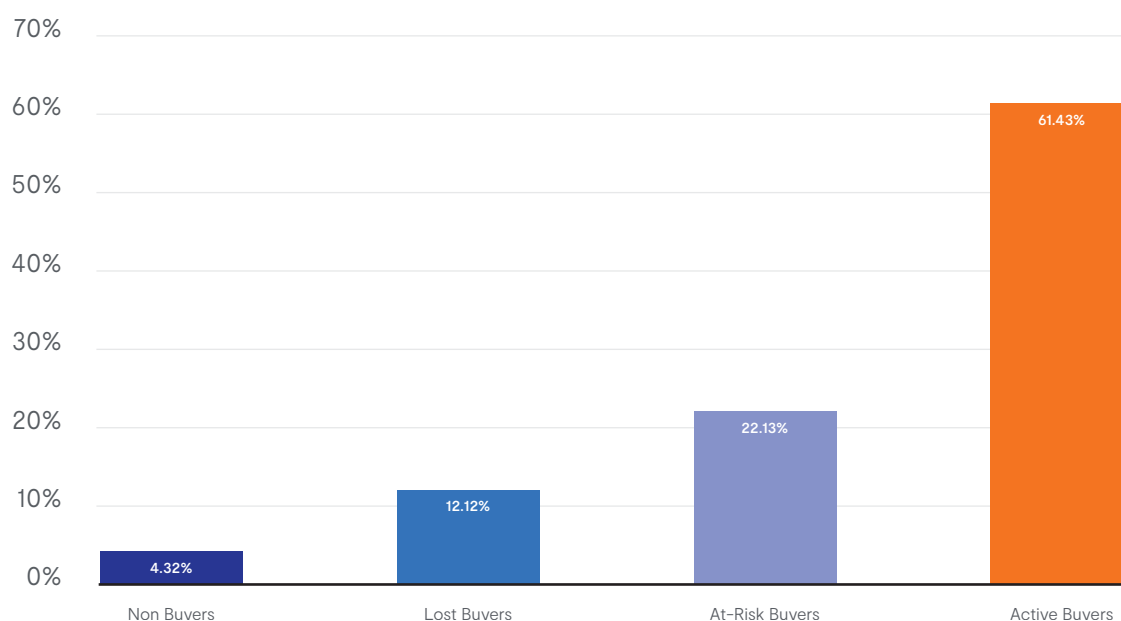
Critically, it’s important to use a predictive lifecycle model to capture each customer’s unique buying cadence rather than using static benchmarks that won’t apply to everyone. Using a predictive lifecycle model, on average, 84% of retailers’ customers have fallen out of an active buying state or have yet to make a purchase.

Customer Lifecycle Distribution



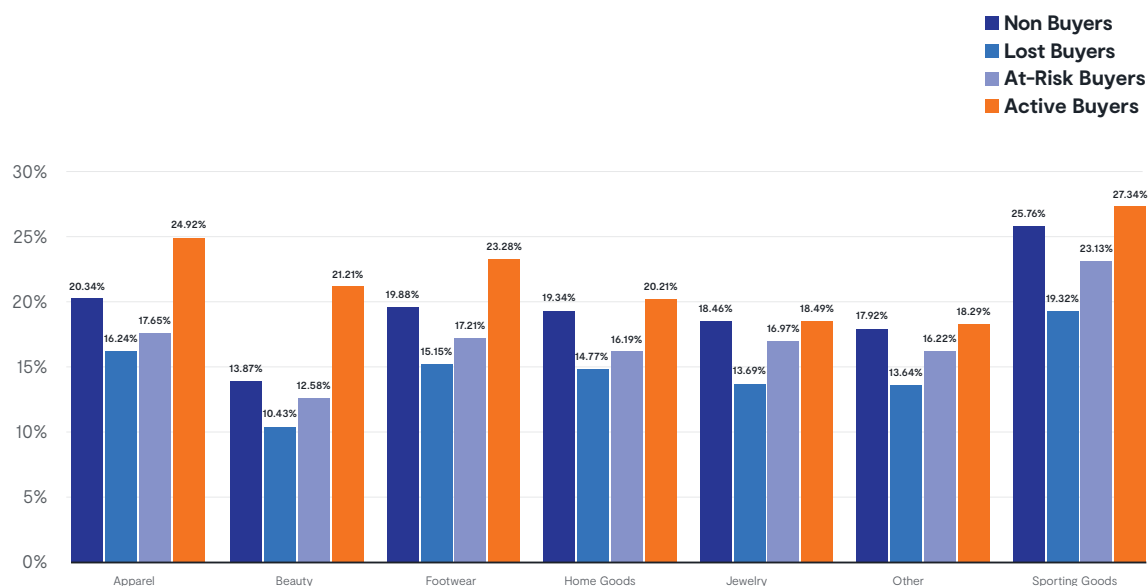
The good news is that the majority (61%) of predicted lifetime value (based on signals that evaluate future spend like frequency of site visits and browsing history), lies with those active customers. The bad news is that 34% of that future value lies with at-risk and lost customers.

Customer Lifetime Value Distribution by Lifecycle Stage

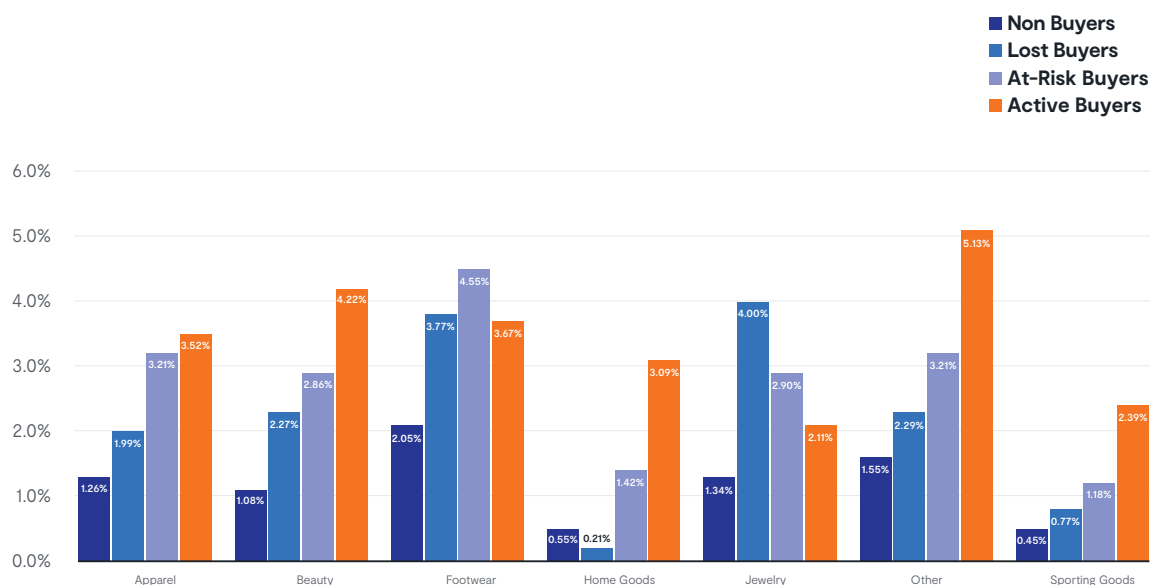


As retailers' one-and-done buyer problem indicates, acquiring high value customers is only the beginning. Retailers must also invest in retaining those customers to grow loyalty and create a base of recurring revenue.

Click-to-Open Rate Based on Lifecycle Stage

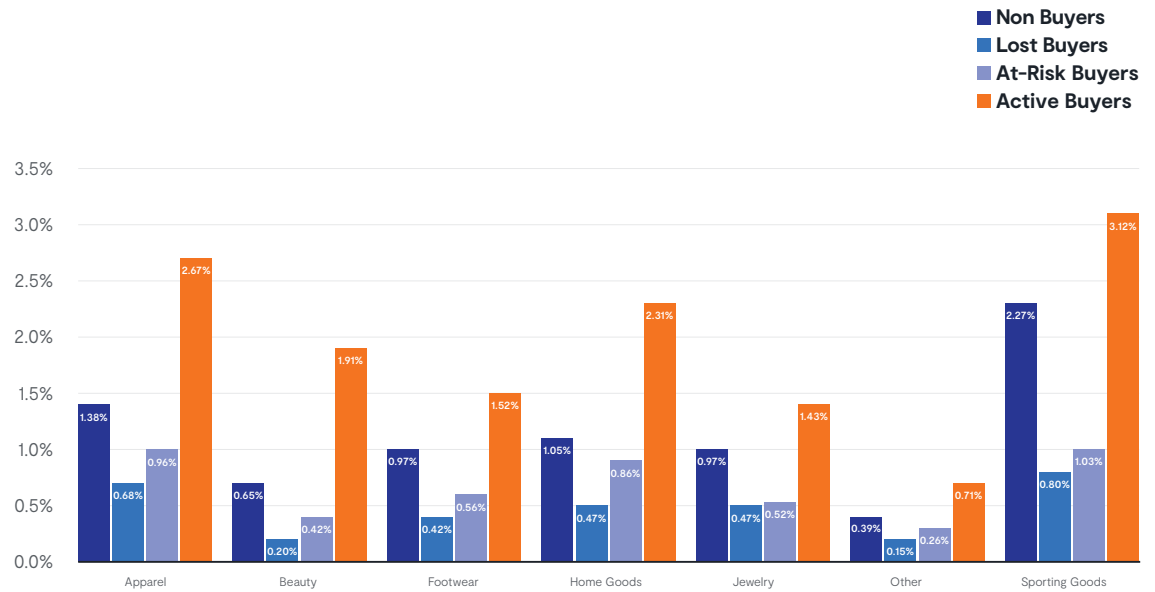


Click-to-Conversion Rate Based on Lifecycle Stage



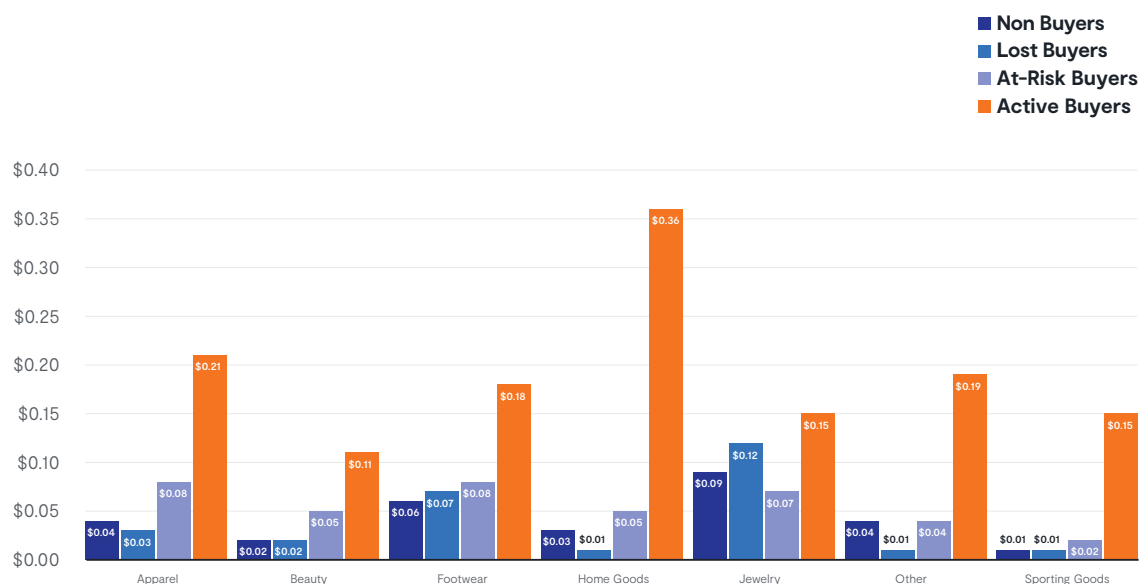
Unsurprisingly, active buyers are most likely to engage with emails for all retail verticals. However, even though non buyers are more likely to open and click on emails than past buyers that are at-risk or lost, once those at-risk and lost customers do click on emails, they are more likely to convert. This trend occurs because it is easier for retailers to retain customers than it is for them to acquire new ones.

Unsubscribe Rate Based on Lifecycle Stage



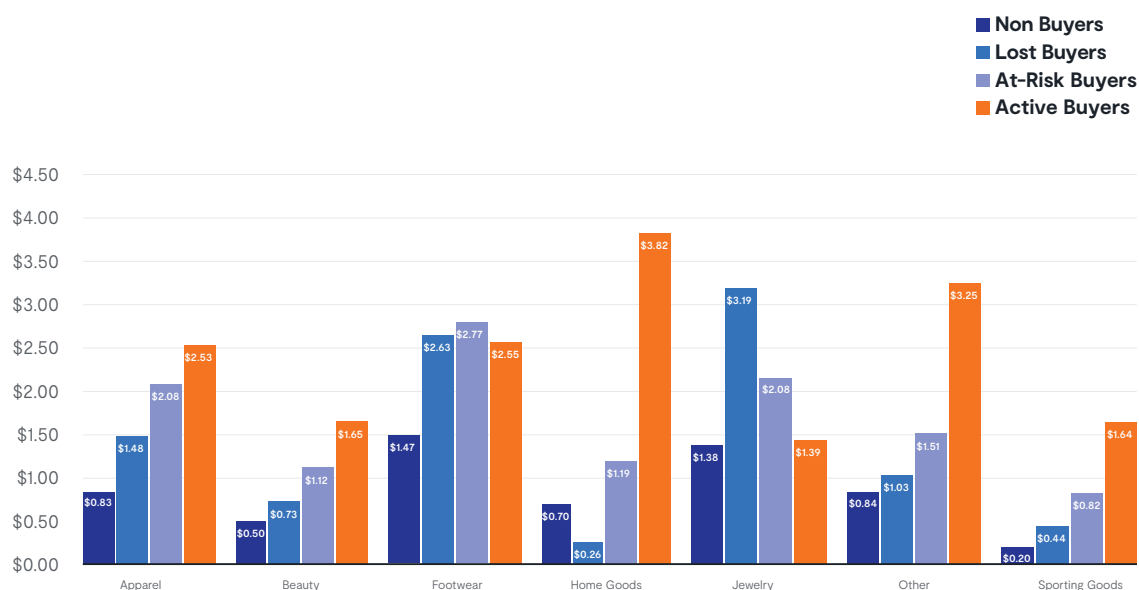
Given the high level of engagement from active buyers, at first glance it's surprising to see this same group unsubscribes at the highest rates. However, this trend supports the previous finding in this report that post purchase emails (which go exclusively to active buyers) and welcome emails (which typically go to active buyers) receive the most unsubscribes.

Revenue Per Email Based on Lifecycle Stage



Active buyers deliver the highest revenue per email by a large margin. However, at-risk and lost buyers deliver a higher revenue per email than non buyers for most retail verticals. This trend supports the findings in the previous section: The more times shoppers purchase, the more likely they are to spend more per purchase.

Revenue Per Click Based on Lifecycle Stage



Revenue per click metrics follow the same trend as revenue per email metrics for the most part, with the exception of footwear and jewelry retailers. These two retailers actually see a higher revenue per click from at-risk and lost buyers than they do from active buyers, indicating the value of getting these previously lapsed shoppers to re-engage by not just opening an email, but clicking on it as well.

Conclusion

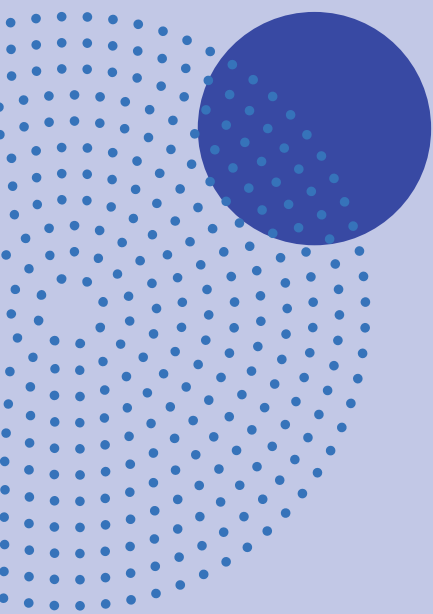
We've reached a new era of digital marketing in which email is making a major resurgence — it never went anywhere, but there is a renewed realization on the potential of the channel and investments to be made. In order for this new era to deliver the best results possible, marketers need a way to marry the core tenets of the email channel with modern marketing goals, particularly those around creating more relevant experiences for shoppers.

In pursuit of this goal, marketers must understand the best way to engage different audiences at different times of the year and they must be prepared to measure the performance of those efforts. The findings in this report should help retailers achieve those objectives.

Methodology

Bluecore's 2019 Retail Email Benchmark Report is based on data from more than 3.26 billion emails sent by eCommerce brands from April 2018 through March 2019.

The report focuses on 11 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, retail vertical, time of year, customer spend level, customer purchase history and customer lifecycle stage.



Glossary of Terms

Types of Emails

Cart Abandonment

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

Product Abandonment

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

Search Abandonment

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

Post Purchase

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

Wishlist

The wishlist email sends to shoppers who have added an item to a wishlist without taking further action.

Welcome Emails

The welcome email sends to shoppers after they sign up to receive emails.

Price Decrease

The price decrease email sends 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.

New Arrivals

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

Best Sellers

The best sellers email sends to shoppers who have previously purchased, browsed or have a predicted affinity toward items that are recent best sellers.

Back in Stock

The back in stock email sends 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.

Low Inventory

The low inventory email sends 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.

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.

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

