

**epsilon**

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# Confessions of an Online Shopper: An Inside Look at Email Marketing for the Retail Industry

Epsilon's Email Branding Study

## Introduction

Email is a cultural and marketing phenomenon. In its relatively short lifetime, email has become so widespread and so often used that it has firmly been established as an integral part of a multi-channel marketing scheme surpassing other channels in almost every dimension – volume, frequency, and ease of execution just to name a few. With increasing volumes and the proliferation of spam, this powerful communication channel and those looking to utilize it face savvy consumers able to weed through hundreds of messages looking for only the most relevant of information.

Email is a vital link between marketer and consumer that can provide companies with rich information about their products and services. Email extends well beyond the boundaries of opens and clicks, and must be optimized and measured as an important part of the overall media mix.

Epsilon’s email branding study was designed to deliver insights on the effectiveness and impact of permission-based email as part of a multi-channel communications strategy. The study delves into a number of different industries: consumer packaged goods, financial services, pharmaceuticals, *retail* and travel.

### In this report - RETAIL

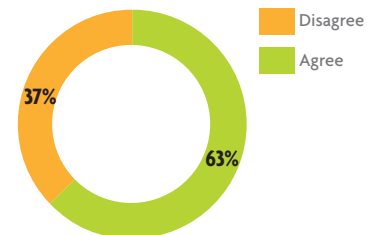
We reveal findings below regarding consumer feelings and reactions to email marketing messages from companies in the retail sector. Of the sample that receive permission-based emails from retailers, the average consumer has opted-in to email communication from nearly four retail companies. If there is one statistic that sums up the power and effectiveness of targeted email marketing for retailers, it’s that 56% of those consumers that receive permission-based email from retailers say that they are “more likely to buy from companies that send (them) email.” Furthermore, 61% of the same group confess that “the email (they) receive from retail companies has a direct impact on offline activities like shopping and making purchases.” This study captures email-provoked activities by consumers that are not quantifiable by typical email metrics such as open-rates and click-throughs.

### Let’s get personal

Nearly two-thirds of respondents that receive email communications from retailers want to receive personalized content from companies. Specifically, consumers want content and offers based on their personal online behavior such as website and browsing activity and past purchases. This suggests that generic email blasts are less effective. Retailers need to use the clues left by customers to deliver segmented and personal content. Today’s online shopper is looking for a highly personalized experience, mimicking the one-on-one attention of an in-store visit. For retailers, the extra work will pay off. Delivering content relevant to the receiver is a great way to engage customers, increase clicks and boost revenue.

#### Two-thirds of respondents who receive email from retail companies want to receive personalized content based on their website activity, past purchases, etc.

Retail companies should send me email with content based on things they know about me (e.g., website activity, past purchases) rather than generic content that everyone gets. (N=746)



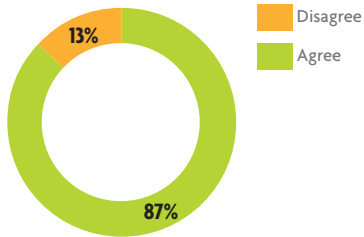
### Email as a digital catalog

Consumers overwhelmingly consider email communications from retailers as a great way to hear about new products. Email communications provide speed

and increased flexibility over print options when rolling out new products and can be easily updated and dispatched to notify changes to a hot new product, such as status of supply, sold-out colors or unavailable sizes.

**About nine in ten respondents who receive email from retail companies think that email is a great way to learn about new products.**

Email is a great way for me to hear about new products available from retail companies.

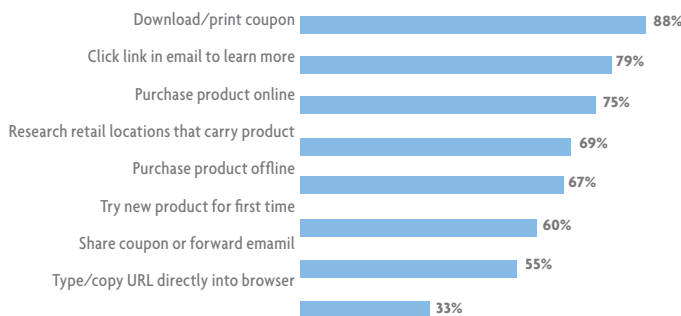


**A call to action**

Email communication is an excellent way to motivate potential consumers to take specific actions in engaging with your product or company. Email recipients are particularly responsive to downloading or printing coupons as a direct result of receiving an email from a retail company. Including relevant value offers in an email is a proven way to deepen the relationship between retailer and consumer. A majority of survey respondents also said that they are driven to purchase online or research and purchase the products offline, as a result of receiving retailers' email communications. The vast majority (79%) of recipients click on a link in an email to learn more, evidence that retail emails should include time-saving

**Email sent by retail companies is effective in eliciting action from consumers.**

How often do you take the following actions as a direct result of receiving an email from a retail company? (N=746)



direct links to a website. Additionally, some of the consumer activities are not being measured by clicks and opens. The study found that a third of consumers typed/copies the URL directly into their browser. This statistic shows that the benefits of email marketing programs extend beyond what is typically measured.

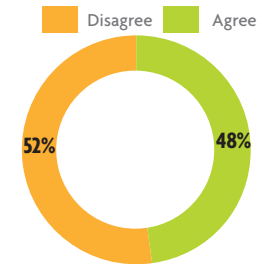
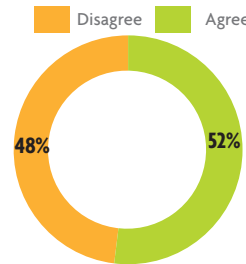
**Prime the customer relationship**

The data shows that email helps foster loyal relationships with consumers and causes shoppers to develop more favorable opinions of retailers via this communication tool. Brand loyalty remains an intangible and highly desirable consumer trait. The survey suggests that email, while just one channel in the overall marketing mix, builds loyalty and corporate reputation effectively.

**About half of the respondents who receive email from retail companies have a more favorable opinion of, and are more loyal to those companies.**

I have a more favorable opinion of the retail companies that send me email because of the communications I receive.

The email I receive from retail companies makes me feel more loyal towards those companies and their products.



**Methodology**

Epsilon's 2008 email branding study was conducted in October 2008 by ROI Research, of Lancaster, PA., and compiles data from 1,517 responding consumers who receive permission-based email. The study focused on five specific vertical categories: CPG, financial services, pharmaceuticals, retail and travel. Respondents were screened for current receipt of permission-based email in each category. In addition to vertical-specific questions, the survey included a section of questions about permission-based email in general, which was compared to a similar 2005 survey on the same topic. The data has a sampling error of +/- 2.5%.

## For More Information

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