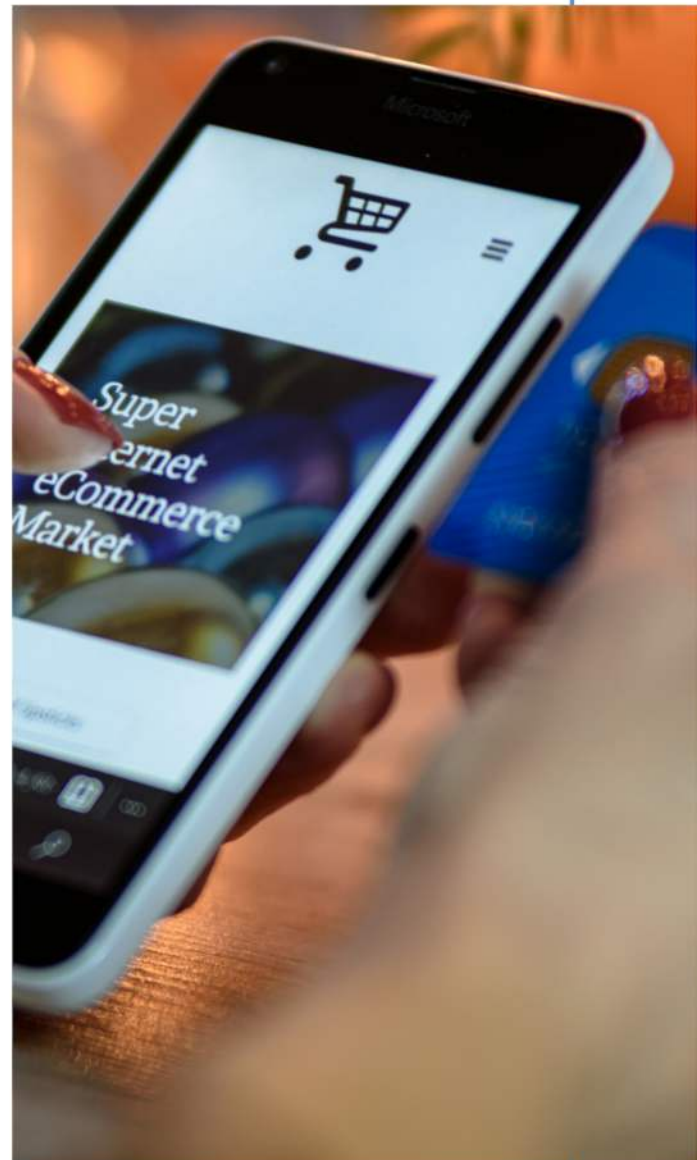


DECEMBER 2022

RETAIL HOLIDAY PLAYBOOK



AudiencePoint 

INTRODUCTION

There is still time

It goes without saying that the last few years have been rough. In 2020, we experienced our first global pandemic in over one hundred years. While most of the world was sent home in 2020, global manufacturing ground to a halt causing major supply chain issues in 2021. Now at the end of 2022 a combination of several factors has led to unprecedented global inflationary pressures. Put another way, the Grinch did a smash and grab on Whoville and the Whos are not singing.

US shoppers are hedging against inflation by shopping earlier. In addition to shopping earlier, US shoppers are shifting their spending from non-essential items to Holiday gifts and entertainment to better manage their budgets. People are still shopping for the holidays they are just doing it differently than in years past.

The good news for email marketers is that according to research conducted by Deloitte, 56% of shoppers will use their smartphones for at least part of their shopping and online shopping is expected to reach or be slightly higher than last year.

What does this mean for us? It is time for us to double down on our email marketing. Some might argue that the best way to double down is to send more emails to your active subscribers. There is a place for this, but you must recognise that by increasing the cadence to this audience you will see diminishing marginal returns on each incremental campaign. Additionally, you will start to see increased list fatigue as you are unlikely to be the only brand ramping up their cadence in the run-up to December.

What can we do?

What does this mean for us? It is time for us to double down on our email marketing. Some might argue that the best way to double down is to send more emails to your active subscribers. There is a place for this, but you must recognise that by increasing the cadence to this audience you will see diminishing marginal returns on each incremental campaign. Additionally, you will start to see increased list fatigue as you are unlikely to be the only brand ramping up their cadence in the run-up to December.

Another sure-fire way to increase holiday sales is to send emails to more people. Unfortunately, it is too late to grow your list with new registrations. What you do have however, is a large number of addresses that have become unengaged with your email program. These inactive addresses are either hidden in the audience you are already sending to, or you have suppressed them, and they are just sitting in your database.

In either case, they represent a huge audience that have forgotten about you which can be reactivated as current customers.

Here is our playbook on how to look at your email list to maximise holiday sales.

PLAYBOOK

Definition of Inactive

If you have not gone through the process of separating out your inactive data, now is as good a time as any. Sending to a lot of inactive addresses on one receiving domain will negatively impact your email sender reputation. This in turn could impact your ability to get emails delivered to the inbox. So, it is a good idea to analyze your lists for inactive subscribers regularly.

Simply put, an inactive address is one that has not engaged with your brand over a certain amount of time. The type of engagement can include opens and clicks on your emails, liking or commenting on your social activity, logging into your site, or buying from you. Which engagements you use will depend on what data is available to you. As you will see while reading this playbook is that more signal data gives you a much more accurate picture of engagement.

The other component to defining a lapsed customer is the amount of time it has been since you last saw an engagement signal. This length of time will vary by business, but we recommend that it be just over one purchase cycle for your product. For example, here are three different companies and the time they might use to define a lapsed customer:

- A company that sells shaving products – three months of inactivity
- A company that sells luxury chocolates – six months
- A company that sells auto-insurance – thirteen months

Best Email Signal

The easiest way to get started on a reactivation strategy is by focusing on just your email data. There are generally two kinds of engagement signals from marketing emails, opens, and clicks.

Opens have never been a reliable signal in one off situations. There are too many opportunities for false positives and false negatives. A false positive comes when the images in the email are rendered. False negatives occur when images are switched off, but the email is read anyway. This problem has become more acute since Apple release their Mail Privacy Protection feature. Apples stated goal was to make the tracking of email opens unreliable and to a large extent this has worked.

Clicks have always been a more reliable signal, but each email campaign generates many fewer clicks than opens. In this situation however, that does not matter. We are looking at people who click over time. It is easy to think that if you are getting a 10% click through rate (CTR) on average across all your campaigns that 10% of your list is engaged. The reality is that you may be getting a consistent 10% CTR but it is a different 10% for each send. If you then look at the people who have clicked on one or more campaigns over your purchase cycle, you will see that a lot more than 10% of your list is engaged.

REACTIVATION WITH YOUR EMAIL DATA

By looking at the people who clicked at least once over your purchase cycle, you have identified your engaged subscribers or your active list. The rest of your subscribers are unengaged and need to be reactivated.

Active Subscribers	Inactive Subscribers
Business as Usual Make no changes	Incentivize Give them an offer

ADD SOME FINESSE

By looking at the people who clicked at least once over your purchase cycle, you have identified your engaged subscribers or your active list. The rest of your subscribers are unengaged and need to be reactivated.

Active Subscribers	Inactive Subscribers 1 Cycle	Inactive Subscribers 2 or More Cycles
Business as Usual Make no changes	Incentivize Give them an offer	Stop Mailing Add these to your inactive suppression list

OVERLAY YOUR ECOMMERCE DATA

By adding in a recency component to the engagement signal on your email data you may have added some finesse, but email data alone is still a blunt tool. It is much better than nothing, but you can also be smarter in how you run your reactivation program.

To be smarter you need more intelligence, and this can be found in your ecommerce data. In an ideal world your ecommerce and email data will already be combined that the individual level. If it is not, you may have to do some data manipulation to combine them. A purchase is the most obvious signal you can see in your ecommerce data. Other signals could include a customer log-in, an abandoned basket, or an abandoned browse. There may be others as well depending on what you sell like a completed quote. Adding this ecommerce data adds a second dimension.

		Email Engagement Signal		
		Active	Inactive for One Cycle	Inactive for Two Cycles
Ecommerce Engagement Signal	Active	Business as Usual Make no changes.	Business as Usual Make no changes.	Ramp Down Mail them less frequently but maintain consistency.
	Inactive for One Cycle	Small Incentive Give them an offer based on previous purchases.	Small Incentive Give them an offer based on previous purchases.	Ramp Down Mail them less frequently while you monitor their purchase behavior.
	Inactive for Two Cycles	Big Incentive Give them your best offer based on previous purchases.	Big Incentive Give them your best offer based on previous purchases.	Stop Mailing Add these to your suppression list..

LISTFIT

Give You Insight

Combining your email and ecommerce signal gives you a much more robust picture of your email recipients. It does not however, give you a full picture. You are still only looking at how the subscriber is interacting with your brand. This is a very small subset of their engagement with email.

ListFit lets you see how your subscribers are engaging with their other marketing emails. AudiencePoint's second party data pool holds over 22 tera bytes of email engagement data. It captures over 88 trillion engagement events from over 150+ B2B and B2C brands.

The email marketing insights from our data pool allow you to understand your subscriber's inbox habits and adjust your reactivation strategy accordingly.

60% of US Shoppers say finances will factor into Holiday shopping but retailers cannot just blindly offer discounts which will erode margins and leave money on the table with customers who would have purchased without a discount. It is easy for your competitors to discount.

Shoppers want more than discounts:

- **77% of shoppers are expecting stock issues**
- **>50% want convenience - shopping, delivery & returns**

	Your Actives	Your Inactives
ListFit Actives	<p>Business as Usual Keep emailing these people but do not give them an offer.</p>	<p>Incentivize These email addresses are still engaging but not with you. Keep emailing these people and give them an offer.</p>
ListFit Inactives	<p>Protect Keep emailing these people as you have been. Promote your other strengths such as ecommerce convenience, returns and stock availability. Also closely monitor their engagement and move to reactivate earlier.</p>	<p>Cull These email addresses are most likely no longer active. Stop mailing these people and add them to your suppression list. Do not delete them in case they come back but stop mailing to them.</p>

CONCLUSION

- **Buying earlier**
- **Prioritizing gifts and entertainment over non-essentials**
- **56% will use their smartphone**
- **Ecommerce will grow**



After a global pandemic in 2020, supply chain issues in 2021 and the highest rate of inflation in a generation this year, this is the third tough holiday period in a row.

US shoppers are reacting by changing their shopping habits to better manage their budgets. In 2022 they will be shopping earlier and shifting their spending from non-essential items to Holiday gifts and entertainment. People are still shopping for the holidays they are just doing it differently than in years past.

The good news for email marketers is that according to research conducted by Deloitte, 56% of shoppers will use their smartphones for at least part of their shopping and online shopping is expected to reach or be slightly higher than last year.

It is too late to add new technology and it is too late to grow your email list. What you do have time to do is identify and reactivate your unengaged audience. You can use just your email data or combine that with your ecommerce data for a more nuanced approach. While both of these approaches are good, they give you a one-sided view.

To get real insight on your inactive email data you need to know how they are engaging with your brand and how they are engaging with other brands ListFit gives you that insight. Leveraging AudiencePoint's second party data pool lets you know how your email subscribers are engaging with over 150 other brands.

For more information



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