

2013 holiday analysis

Email trends during the 2013 holiday season





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About this study

Every year brands approach shoppers with different and varying marketing tactics to maximize revenue and engage consumers during the holiday season. Marketers seeking to improve their holiday communication plan can be aided by understanding how these tactics perform during this time frame. The purpose of this analysis is to help marketers understand the changes that occur in email marketing programs during the holidays and the trends that emerge as a result.

From Sept. 29, 2013, through Jan. 4, 2014 (14 weeks), we monitored emails received from 55 multichannel retailers. Performance metrics for open, click and transaction rates (via email to Website) were collected for 29 of the 55 brands studied. Where applicable, this data also is compared to data from a similar analysis of 40 brands studied during the 2012 holiday season.

An email categorized as a holiday message is defined as an email with holiday-specific mentions or wording, such as Christmas, Cyber Monday, gifts, stockings, Santa, etc., or imagery, such as wreaths, candy canes or wrapped gifts. Standard marketing emails in this study are defined as any other marketing email received that did not have holiday wording or imagery.

The data collected for each email in the study are as follows:

- 
- ✓ BRAND
 - ✓ DAY OF WEEK RECEIVED
 - ✓ DATE RECEIVED
 - ✓ HOUR RECEIVED
 - ✓ MESSAGE TYPE*
 - ✓ SUBJECT LINE
 - ✓ SPECIFIC HOLIDAY MENTIONS
 - ✓ MAIN THEME
 - ✓ SECONDARY THEME
 - ✓ MAIN OFFER
 - ✓ FREE SHIPPING
 - ✓ SPECIAL HOLIDAY TOP NAVIGATION

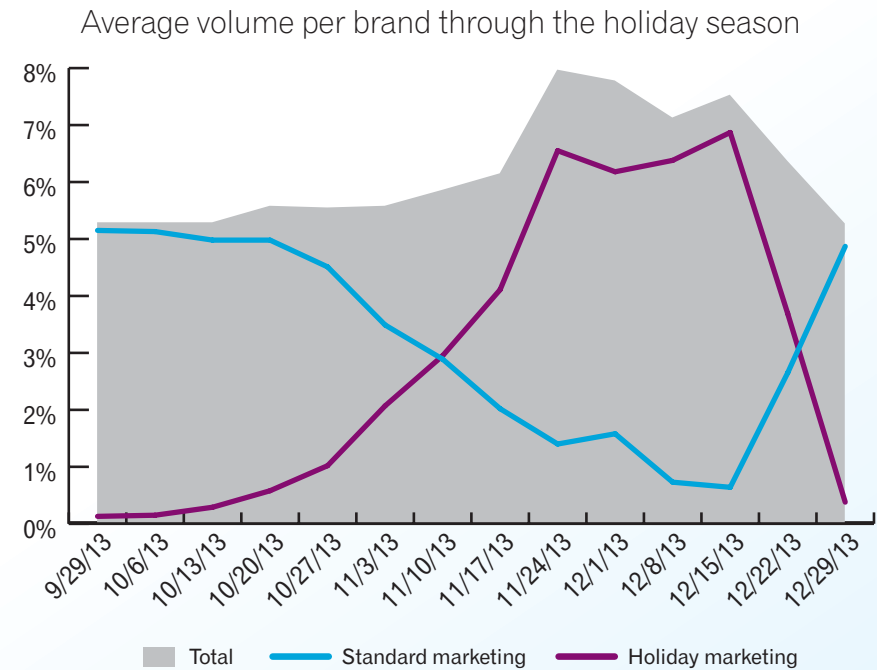
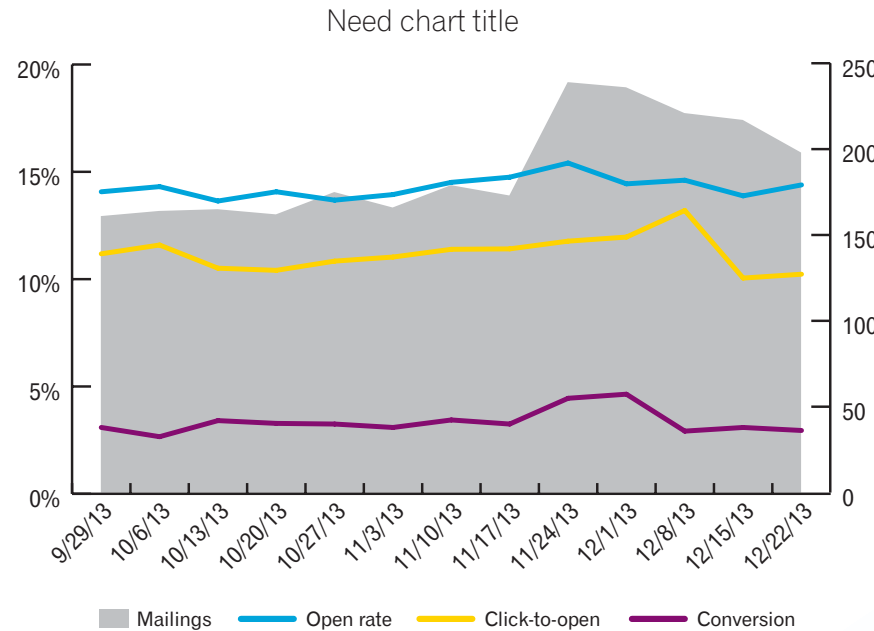
**Holiday main message, holiday sub-messaging or standard marketing*



Volume

Email volume peaked leading up to Black Friday

Total email volume peaked during the week of Nov. 24, which included Thanksgiving and Black Friday.



Holiday messages appeared as early as the week beginning Sept. 29, and their volume peaked during the week of Dec. 15. Holiday-themed emails outnumbered nonholiday emails from the week of Nov. 10 until the week of Dec. 22. Dec. 20 had the highest percentage of messages with a main holiday theme, with 84.4 percent of all messages including a main holiday message and 95.3 percent of all messages including some form of holiday messaging. Dec. 9 had the highest percentage of holiday messaging, with 95.5 percent of all messages including some type of holiday message (76.1 percent main messaging and 19.4 percent with submessaging).

Looking specifically at holiday messaging, our results show that the percentage of email received with a holiday theme continued to ramp up in volume until the week before Christmas, with a slight, but not significant, decline for the week following Cyber Week.



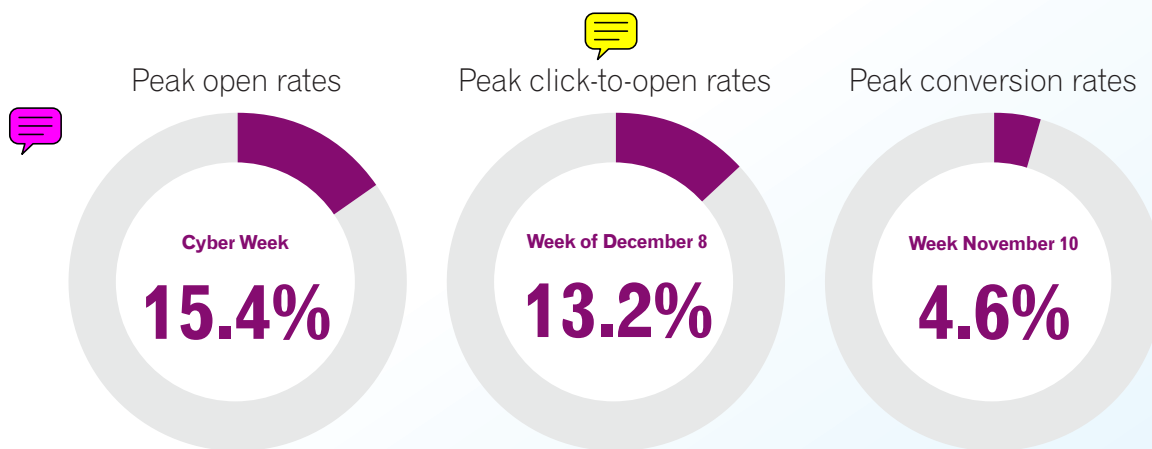
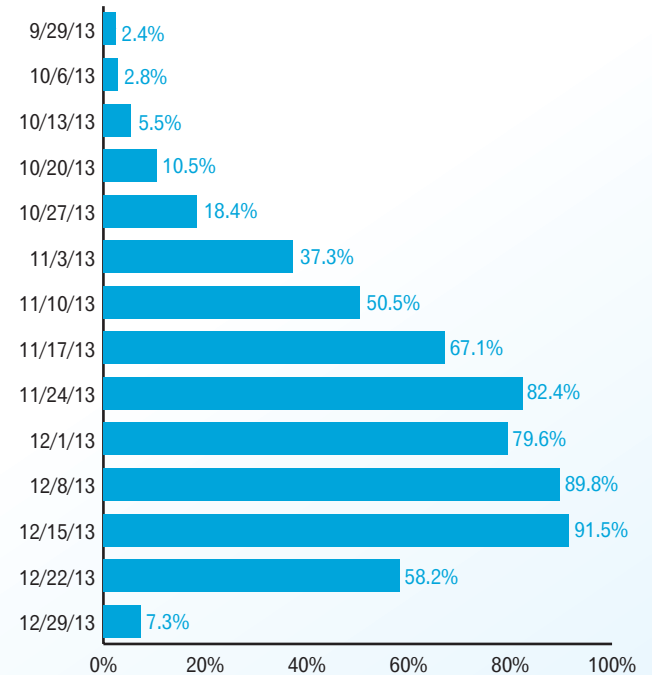
Open, click and conversion rates all peaked at different times throughout the season

Throughout the season, the average open, click and conversion rates were 14.8 percent, 12.0 percent and 3.4 percent, respectively. However, peak times for each rate varied. Open rates peaked at 15.4 percent during Cyber Week. The following week, conversion rates peaked at 4.6 percent, and click-to-open rates peaked at 13.2 percent the week that (the week of Dec. 8).

While it's tempting to infer that increased volume would lead to lower open rates, the mailings studied show an upward trend for open rates based on increased volume, where total email circulation explained nearly 60 percent of the variance in open rates. This trend could potentially be attributed to changing consumer behavior — a growing number of subscribers now receive email on their phone, where the barrier to opening is miniscule in our always-on, tuned-in culture. Peak open rates also were seen during the Thanksgiving/Black Friday week as consumers were on the lookout for great deals. Conversion rates peaked the week of Dec. 1, just as retailers reached their peak volume for discount offers in emails (87 percent of all emails sent that week included incentivizing offers that most likely were displayed on landing pages).

It's important to note that since Cyber Monday is included in this week, great deals were to be expected. The click-to-open peak seen during the week of Dec. 8 most likely can be attributed to retailers sending their greatest percentage of gift and 12 days of Christmas/daily deals emails (38 percent of total for the week). Curious consumers were greeted with ample creative incentives that prompted them to click and get a head start on the gift-giving season.

Percentage of email received with a holiday theme



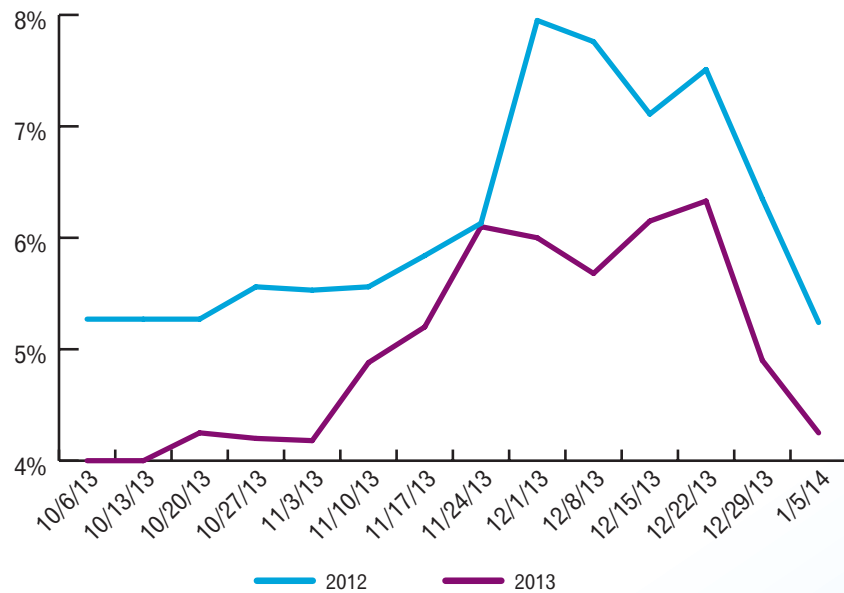


Frequency

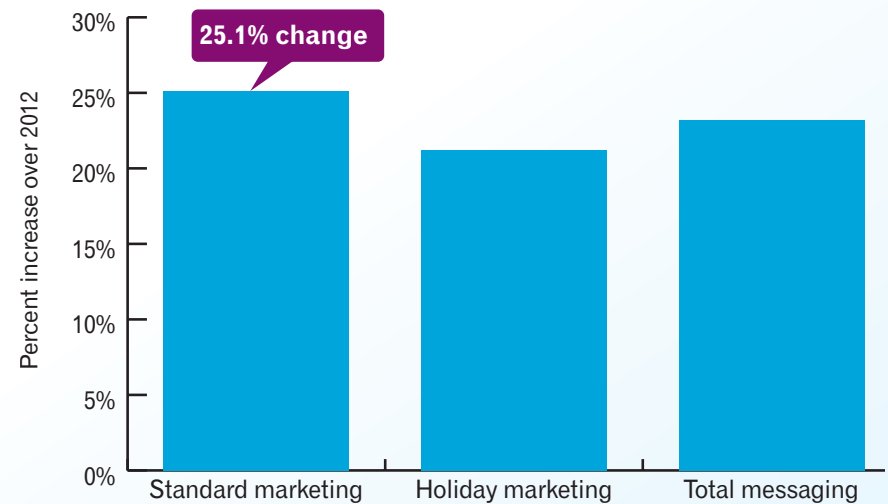
Retailers sent 24 percent more emails per week in 2013

In October 2012, brands sent an average of four emails a week, whereas brands averaged more than five emails per week during the same month in 2013. In 2012, brands sent the most emails during Black Friday week, and despite the shift in when Black Friday occurred in 2013 (one week later), email frequency was matched in 2013. Cyber Monday was the big week for brands in 2013 in terms of number of emails sent, as there was an average of eight emails sent per brand that week.

Average emails per week per brand



Average frequency per brand by message type, year-over-year




On average, retailers sent 24 percent more email messages per week in 2013 than in 2012. The brand that sent the most emails sent a total of 203 total messages throughout the study (14.5 emails per week).

The big change in mailing frequency year over year came from standard marketing messages, indicating that brands are sending more emails in general and not just for the holiday season. Specifically, 25.1 percent of the increase in messaging was from standard marketing emails, while 21.2 percent was from holiday-themed emails.

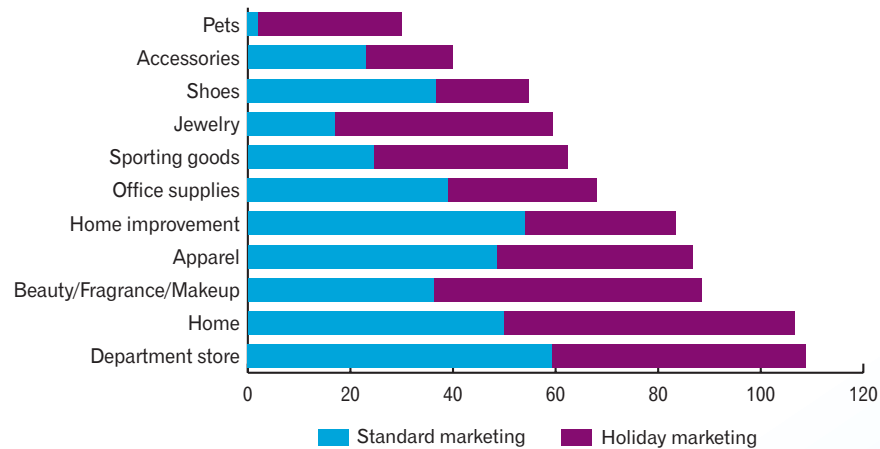


Most emails received from department store and home categories

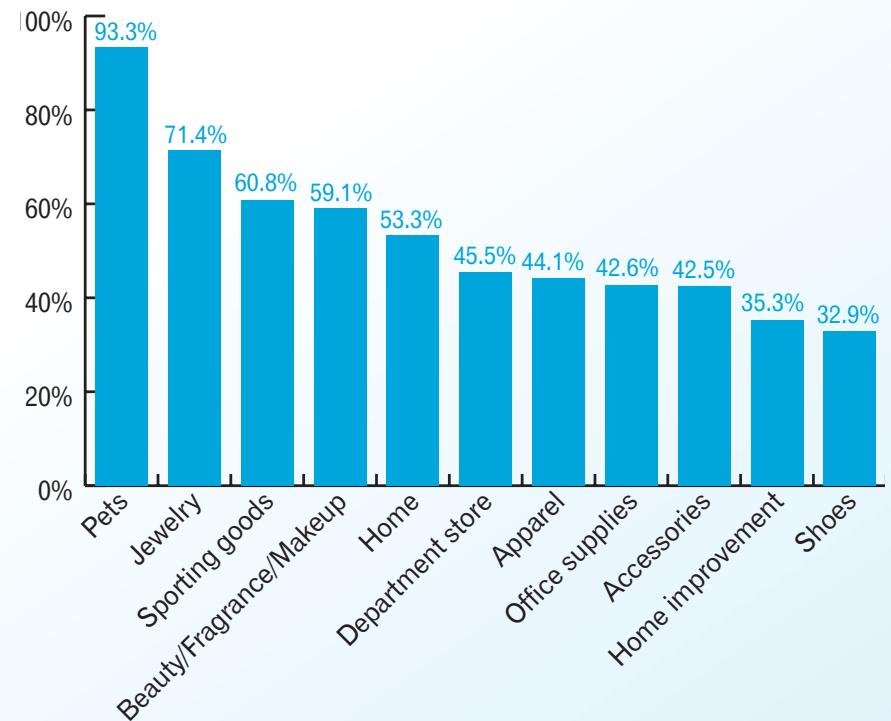
Brands in certain categories sent more emails  the holiday season than those in other categories. The average brand in the department store category sent almost 109 total messages from Sept. 29 through Dec. 28 (7.77 messages per week). However, only 45.5 percent of total department store mailings explicitly dealt with holiday messaging.

In addition, brands in other categories sent more holiday-themed emails as an overall percentage of emails sent. Brands in the pets, jewelry and sporting goods categories were among the bottom five in terms of mailings per brand but were in the top five in terms of percentage of holiday emails in comparison to their total sends.

Category view — average number of mailings per brand over holiday



Percentage of holiday mailings compared to all emails



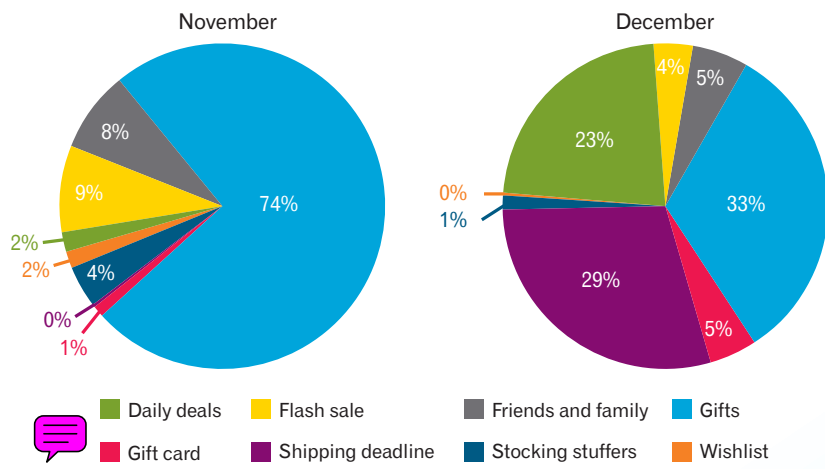


Themes

Gifting theme dominated in November

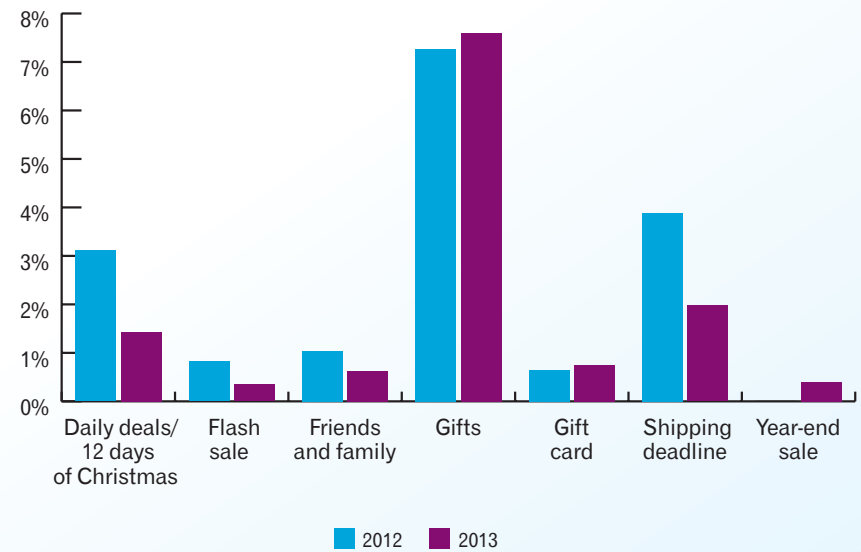
Gifting was the dominant theme among holiday-themed emails received in November, followed by flash sales and friends-and-family emails. In December, shipping deadlines and daily deals emails appeared at the expense of gifting emails. Friends-and-family emails and flash-sale emails remained minor themes throughout November and December.

Themes found in holiday emails



When comparing themes of emails received in 2013 to 2012, a slight decline is seen in gifting themed emails and the biggest increases are seen in daily deals and shipping deadline emails (up 118.2 percent and 97 percent, respectively).

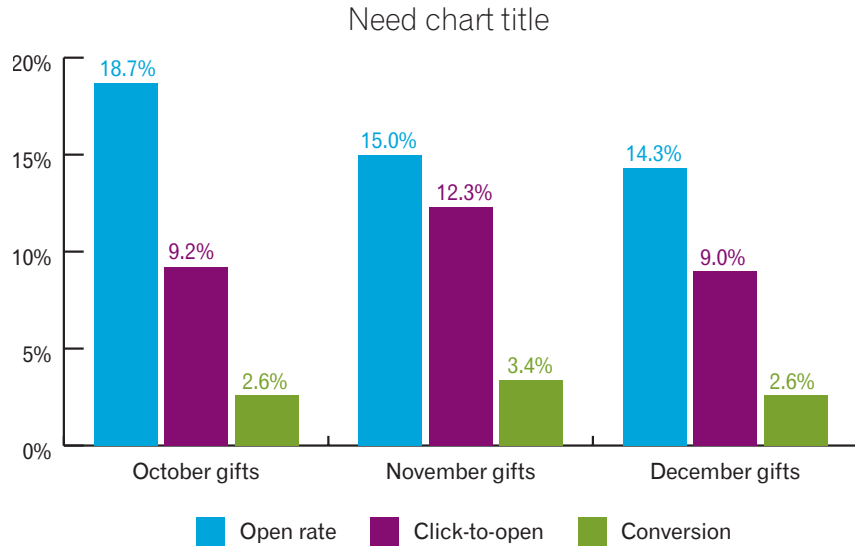
Themes shift from 2012 to 2013





October gift emails get the open

Open rates for gifting themed emails were 25.5 percent higher than the average open rate in October. In addition, although click-to-open and conversion rates peaked in November, the numbers were still slightly below the monthly averages of 12.4 percent and 3.6 percent, respectively.





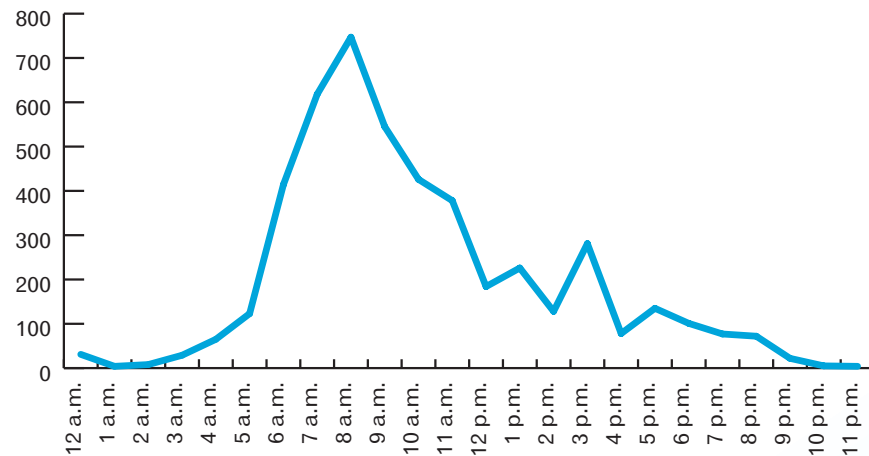
Time of day and day of week

Majority of emails sent in the morning

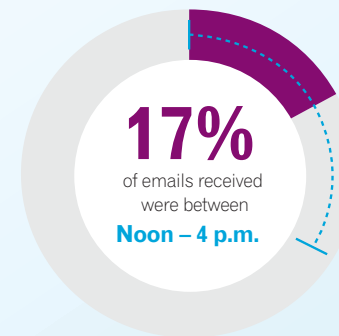
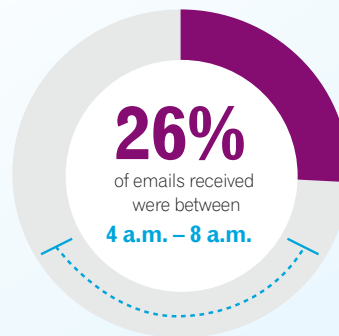
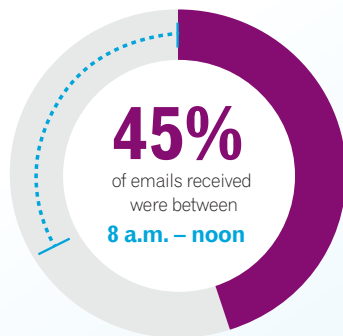
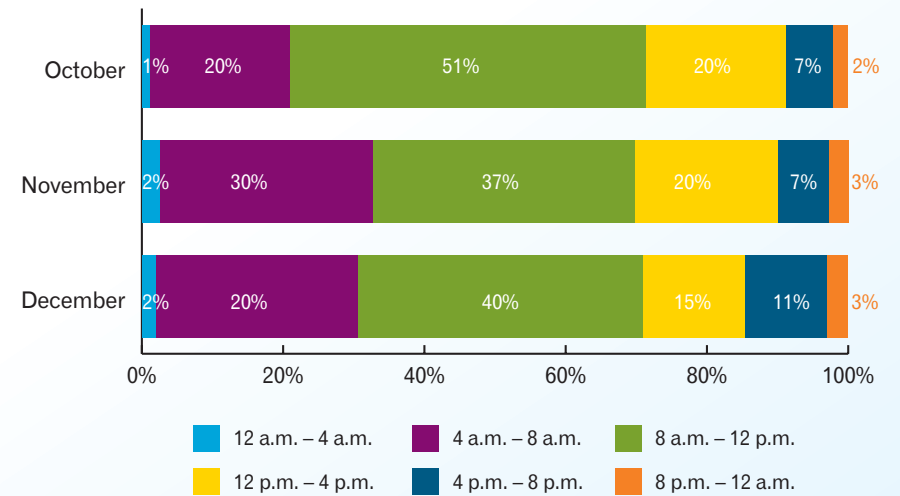
As seen in the distribution below, the majority of emails in this analysis were received during the 8 a.m. hour (all times in Eastern time).

During November and December, there was a slight increase in emails received between 4 a.m. and 8 a.m. This likely is due to an increase of sending frequency by brands in this time period during which they are more likely to send more than one email per customer per day, thus sending the first email earlier than normal.

Mailings received by time



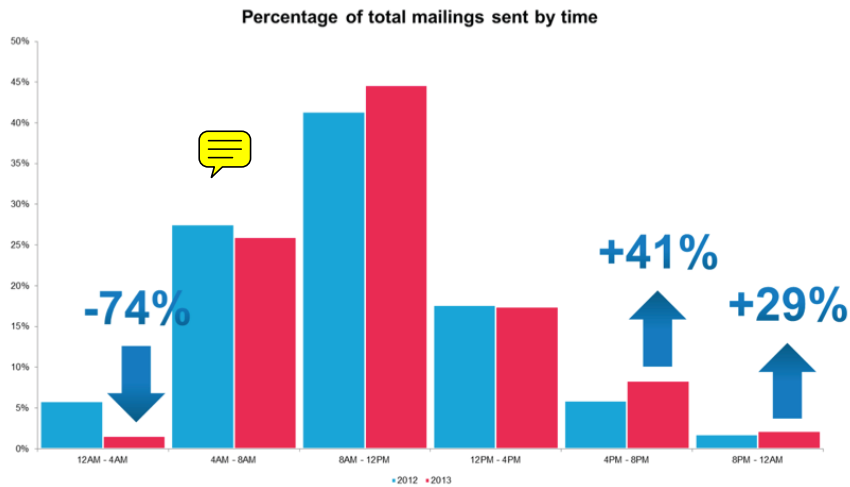
Time of emails received by month





Time shift: More brands are sending between 4 p.m. and midnight in 2013

Though only 8 percent of all emails were received between 4 p.m. and 8 p.m., this is a 41 percent change from 2012. The next big time change for 2013 is 8 p.m. to midnight, with a 29 percent increase in volume. As with the monthly distribution, this shift could be due to higher frequency per customer in 2013.



Late evening sends get the highest revenue per email

Though the majority of emails still were sent between 8 a.m. and noon during the 2013 holiday season, this is the time slot with the lowest revenue per email (\$0.074). The time slot with the highest revenue per email was 8 p.m. to midnight (\$0.153). Two possible explanations for this include less competition in the inbox and the higher likelihood of final-hours reminder emails.





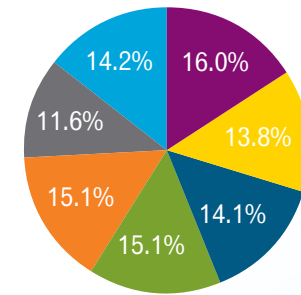
Monday, the most popular day

Overall, Monday was the most popular day to send email, with more than 54 email messages sent per week, or about 16 percent of total mailings. However, these metrics are skewed slightly due to Cyber Monday. The brands studied sent an average of 1.78 mailings on Cyber Monday, up 104.1 percent from the average mailings per day across the study and up 106.6 percent from the other Mondays in the study. When Cyber Monday is removed from the sample and the average mailings per week per day are compared, Mondays fall into a close third behind Fridays and Thursdays.

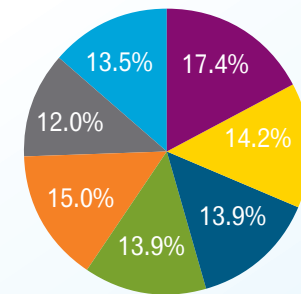
Day of the week performance

Thursdays stood out over the holiday season as the best day for engagement and transactions. Thursday saw open rates that were 3.2 percent higher than the rest of the week and click-to-open rates that were 9.2 percent higher. Not only were more people opening, but once inside the mailings, consumers were inspired to continue towards the path of conversion. While conversion rates weren't quite as high on Thursdays, a higher volume of traffic was sent to Websites. Overall, Thursdays generated the second highest revenue per email, trailing only Monday's skewed metric due to Cyber Monday.

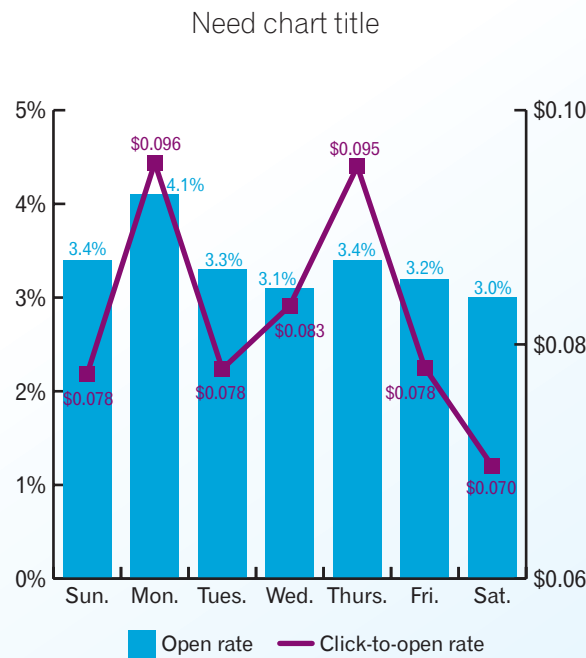
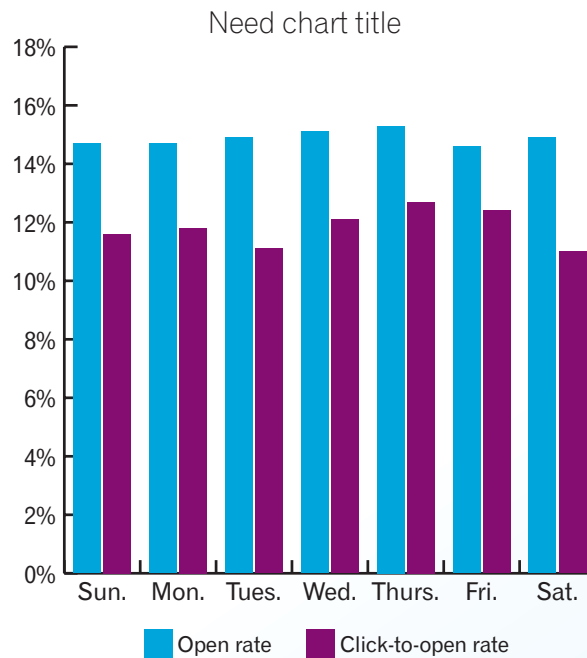
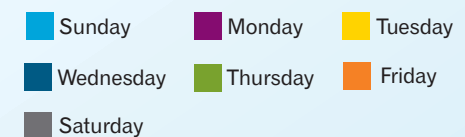
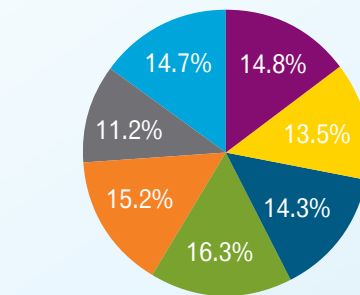
Total mailings by day of week



Holiday themed mailings by day of week



Standard mailings by day of week





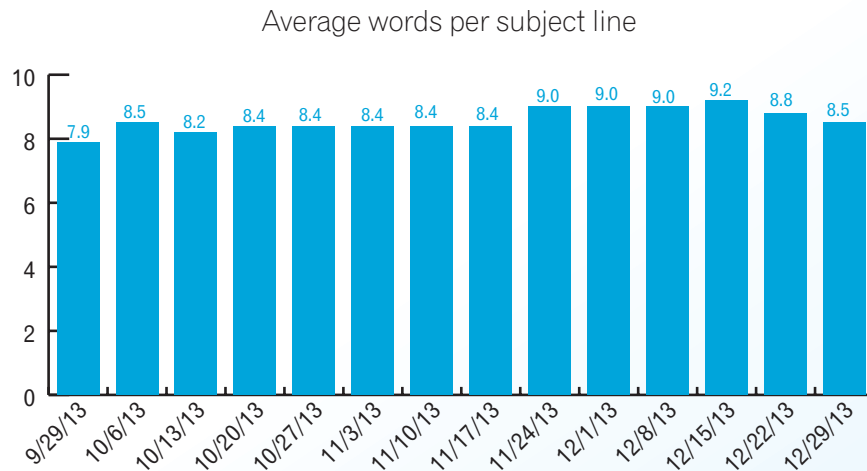
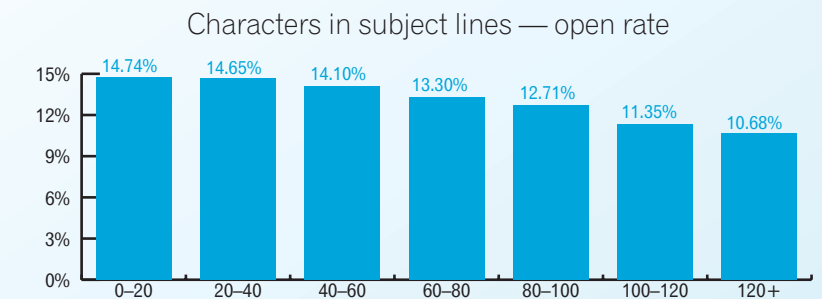
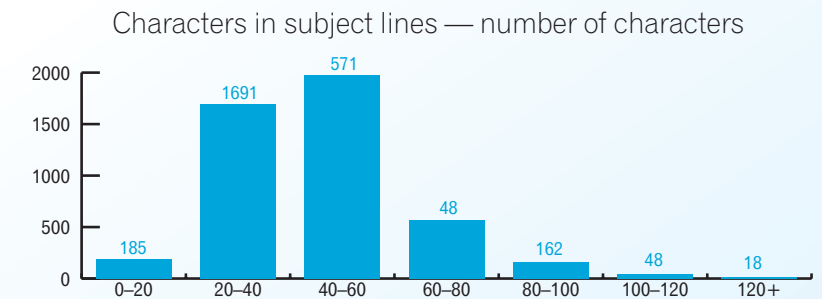
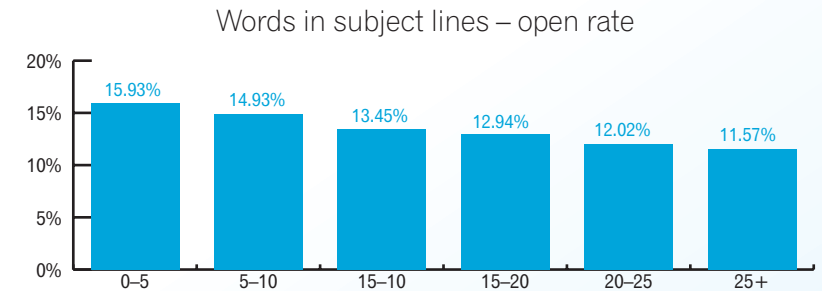
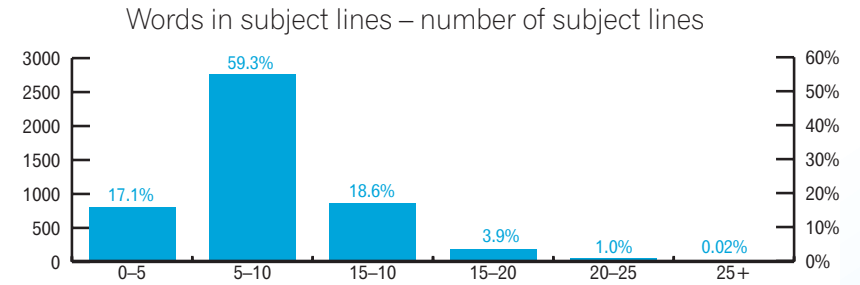
Subject lines

Short subject lines common

Subject lines between five and 10 words were the most popular over the course of the study, totaling 59.3 percent of all mailings sent. With such a distortion of subject line length, it's not surprising that mailings of this length had an average open rate flat to the study baseline. Retailers may want to note that subject lines shorter than five words (17.1 percent of all seen in the study), had the best average open rates (15.93 percent, or 7.6 percent better than the baseline). Not surprisingly, as words were added to subject lines, average open rates began to decline, bottoming out with the small number of mailings with 25+ words (11.57 percent, or 21.9 percent worse than the baseline).

As expected, the number of characters in subject lines followed a similar pattern to the number of words. More than 78 percent of subject lines contained between 20 and 60 characters, and the average open rates followed a similar pattern to the number of words.

It's also interesting to note that as the study moved into December, the average words per subject line increased. Throughout the study, the average word contained 5.5 characters.



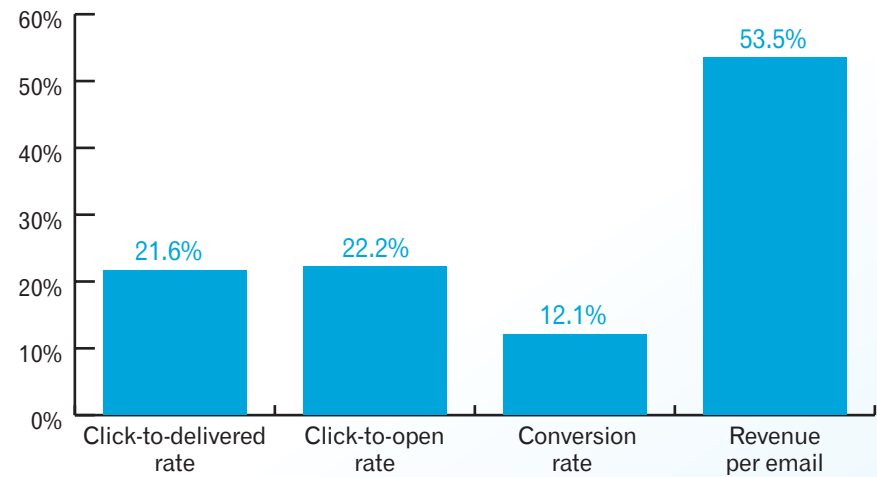


Percent-off appeared most frequently in subject lines

Retailers made sure that consumers knew discounts were waiting within their mailings, as the phrase percent-off appeared most often in subject lines (18.6 percent of all mailings included the phrase, which is 91.6 percent more than mailings including the next most common word). While percent-off subject lines did not inspire a material difference in open rates from the study baselines, those mailings did see significantly better engagement, leading to a 53.5 percent increase in revenue per email.

Specific mailings with open rates in the top 25 percent (limited by circulations greater than one million) also were examined. These mailings were disproportionately effective, with an average open rate of 19.5 percent (33 percent, or 2.4 standard deviations, better than the overall baseline for the study). Interestingly, these mailings had subject lines that had 15 percent fewer characters and 15.1 percent fewer words than the average subject line in our study.

Percent change for “percent off” subject lines over total study





Offers

What kind of offers were presented in email?

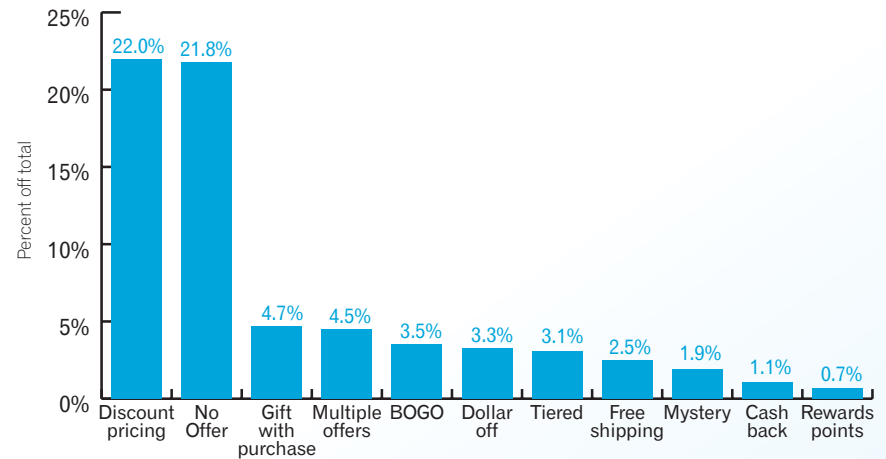
The holiday shopping season is the time of the year when deals are everywhere. Brands in this study offered a wide variety of incentives to get customers to purchase — percent-off, dollar-off and free gift emails were only a few of the major offers in email. Not every email came ready with special pricing or free shipping incentives; 21.8 percent of all mailings analyzed contained only editorial content with no offer present at all.

Popularity of percent-off emails

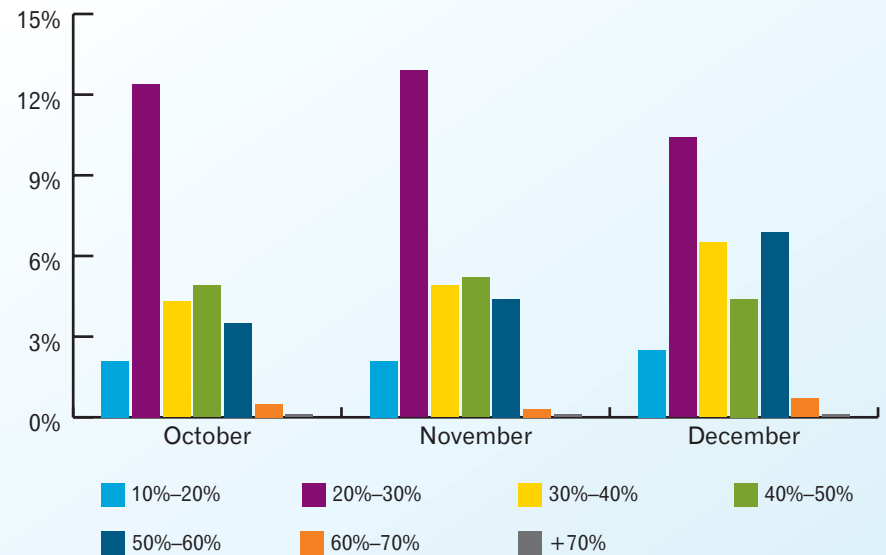
The percent-off email was the most popular offer tracked during the holiday analysis; 30.8 percent of all mailings had a percent-off discount during the holiday analysis. The percentage is slightly higher when looking only at emails with a holiday theme (32.7 percent). Percent-off discounts reached their peak the week of Dec. 1 when 10.9 percent of all percent-off discount messages were sent (55.2 percent of all messages for that week), but every week studied had more than 27 percent of all messages include a percent-off discount. Within the sample, the 20-percent-off discount was the most popular, appearing in 23.2 percent of all percent-off mailings and making up 7.2 percent of all mailings throughout the study. Twenty-percent-off mailings reached their peak the week of Nov. 3, accounting for 39.3 percent of all percent-off mailings that week. This type was the most popular discount-off email in nine of the 14 studied weeks.

While percent-off discounts remained the most popular throughout the study, discounts of 30 percent to 40 percent and 50 percent to 60 percent grew in popularity during December.

Holiday offers



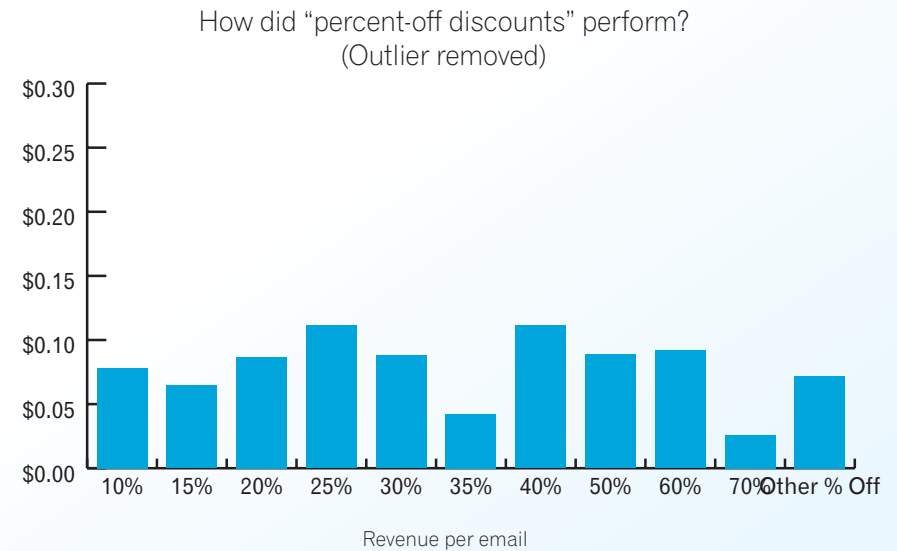
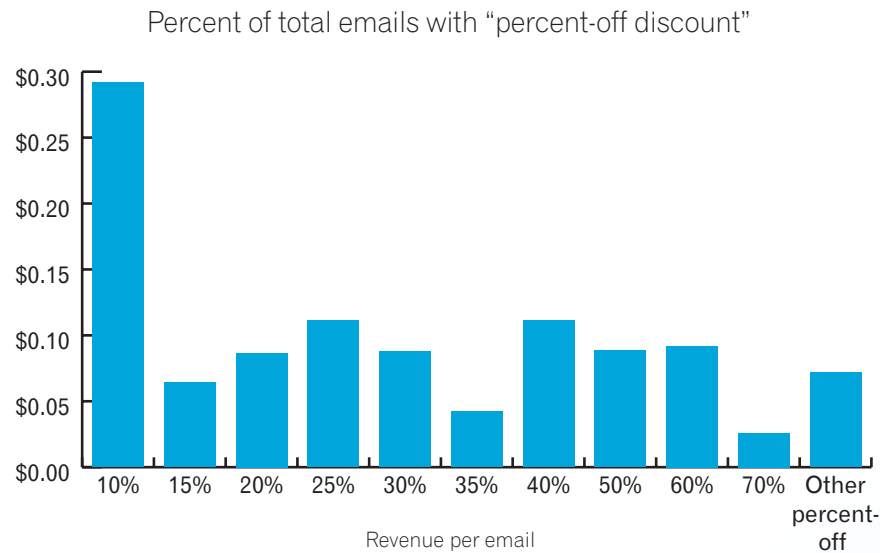
Percent of total emails with “percent-off discount”





Success of percent-off emails


Of the brands whose performance were tracked, 50 percent-off was the most popular percent-off discount over the course of the study (21.6 percent of all percent-off mailings), but despite its frequency and richness, it was not an overwhelming success. Messages offering 50 percent-off had 6.5 percent higher revenue per email than the baseline of the study. The next most popular offer in the subset was 30 percent-off, as it performed similarly to 50 percent-off (5.7 percent better than baseline). It appears that the 10-percent-off discount was the most successful (10 tracked mailings performed 251 percent better than baseline), but the sample was skewed significantly by a single mailing from a high-priced retailer that typically doesn't provide discounted offers. When this brand is removed from the sample, 10 percent-off averaged only \$0.078 per email, or 6.2 percent worse than the study baseline.



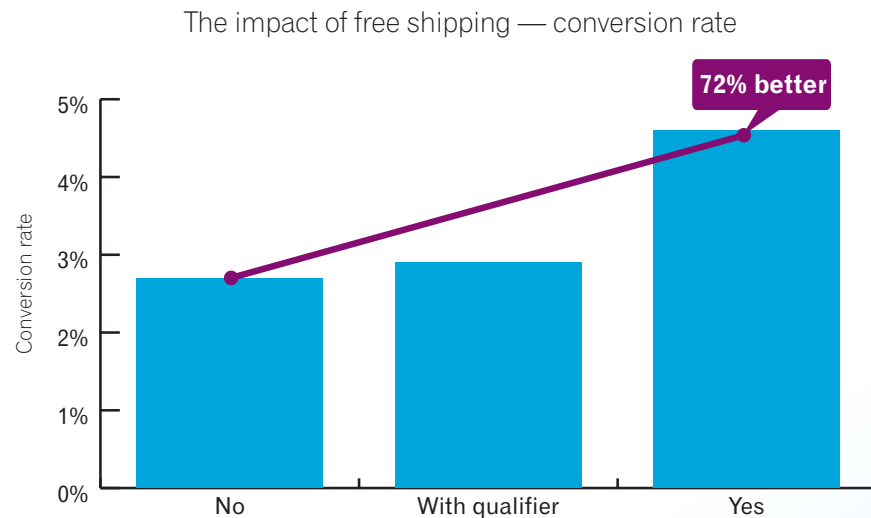
Twenty-five-percent-off discounts seemed to hit the sweet spot with consumers, as the average revenue per email generated was 33.7 percent better than the baseline.



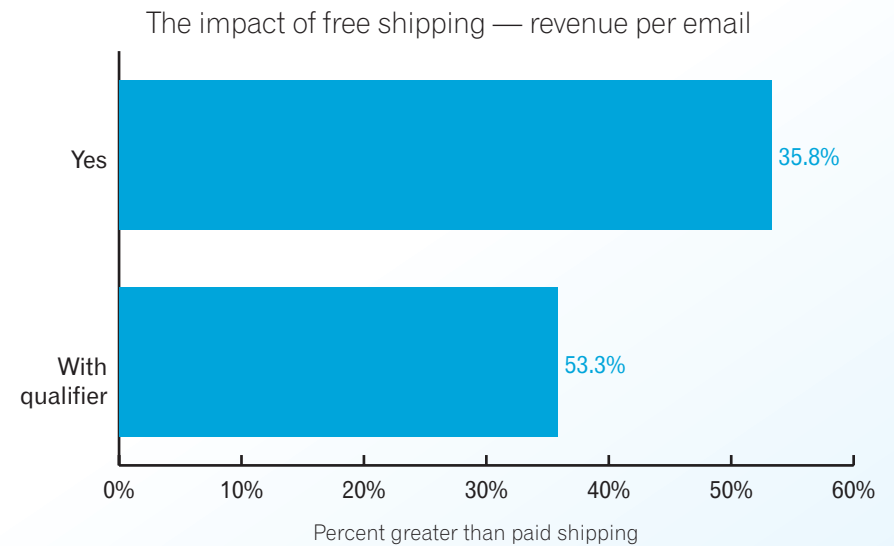
Free shipping

Of the 2,481 emails received throughout the analysis, 37.3 percent of them offered completely free shipping and 40 percent of them offered free shipping with some sort of qualifier (most often a minimum purchase amount). 

It's not surprising that conversion (transactions over unique clicks) from email is higher when free shipping is offered. Although the true impact on conversions is seen with completely free shipping versus shipping with a qualifier.



What is surprising is how free shipping offers impact revenue per email; consumers are spending the most money from email campaigns with free shipping offered, even when a minimum spend is not required.





Recommendations for the 2014 holiday season

Three things to test now

Before the 2014 holiday season arrives, there are key areas you should test now in order to maximize the effectiveness of your holiday marketing program. Based on this study, three things to test now include:

1. Late-day sends

The time slot with the highest revenue per email was 8 p.m. to midnight (\$0.153). We recommend that you test sending emails during this time period to see if there is a lift in revenue per email for your brand.

2. Include percent-off in subject lines

While percent-off subject lines inspired no material difference in open rates from the study baselines, those mailings saw significantly better engagement, leading to a 53.5 percent increase in revenue per email. While we don't recommend overdoing this language in your subject lines, the data does show that it is effective. We recommend that you test percent-off wording in subject lines for your best offers.

3. Promotion of free shipping

Overall, we found that consumers are spending the most money from email campaigns when there is free shipping offered, even when a minimum spend is not required. We recommend that you test calling out free shipping within your email campaigns, whether in the main feature of the email or somewhere within the header/navigation.



Three reminders for the holiday season

Though no two holiday seasons are the same, we believe these three insights will be helpful to keep in mind as you plan your holiday 2014 campaigns.

1. The 2014 holiday calendar is very similar to 2013

Because Thanksgiving comes relatively late again in 2014 as it did in 2013, we expect many of the trends in the upcoming season to follow closely to those we observed last year. We also expect email volume to rise again in 2014, so keeping subscribers engaged now and finding ways to stand out in the inbox (such as the three recommendations above) will continue to be more and more important.

2. Engagement is best on Thursday

Thursdays stood out over the holiday season as the best day for engagement and transactions. Thursday achieved 3.2 percent and 9.2 percent increases in open rates and click-to-open rates, respectively. Not only were more consumers opening, but once inside the mailings, they were inspired to continue down the path of conversion. While conversion rates weren't quite as high on Thursdays, a much higher volume of traffic was being sent to Websites. Overall, Thursdays generated the second highest revenue per email, only trailing Monday's skewed metric due to Cyber Monday.

3. Send gift-guide emails early

Open rates for gifting-themed emails were 25.5 percent higher than the average open rate in October. November and December did not see significant lifts for gift-guide emails, likely due to an abundance of these emails in the inbox at this time. As gift-guide emails become more popular (and email volume grows during the holidays), it may be best to send these emails earlier in the season.



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