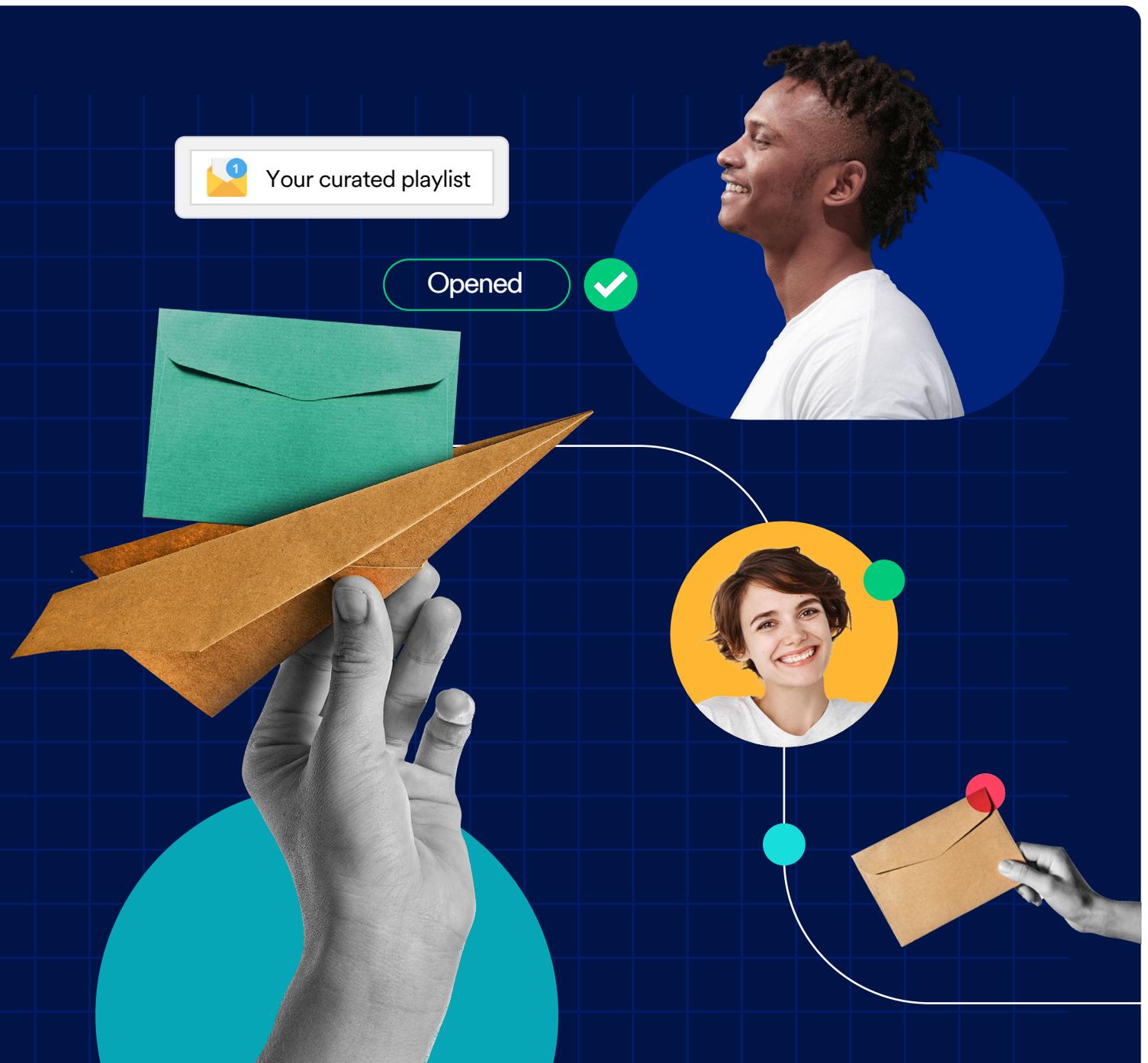


Email Marketing:

The Dos and Don'ts for a Sustainable Engagement Strategy

Benchmarks and Insights From Analyzing 312.4 Million Consumer Emails on What Works and Doesn't to Accelerate Customer Engagement!



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Introduction

Is email marketing dead, or is it still relevant? This question has surely been on every marketer's mind for a while.

So, we analyzed 312.4 million emails sent to customers in the USA and Canada via the MoEngage platform to find out. The verdict? Despite the exaggerated claims about the death of email, email marketing is as robust as ever.

But there's a catch. Some studies indicate that an average person receives more than 120 emails daily (without including spam). With numerous brands constantly bombarding email inboxes, a personalized approach to email marketing is the only way your emails can cut through the noise and truly make an impact.

This report dives into email personalization, exploring how various approaches to personalization impact key email marketing metrics. We also provide industry benchmarks for comparison and guide you on optimizing your email strategy by leveraging a customer engagement platform (CEP). This will empower you to learn, adapt, and better engage your customers based on customer behavior and journey nuances.

About the Report

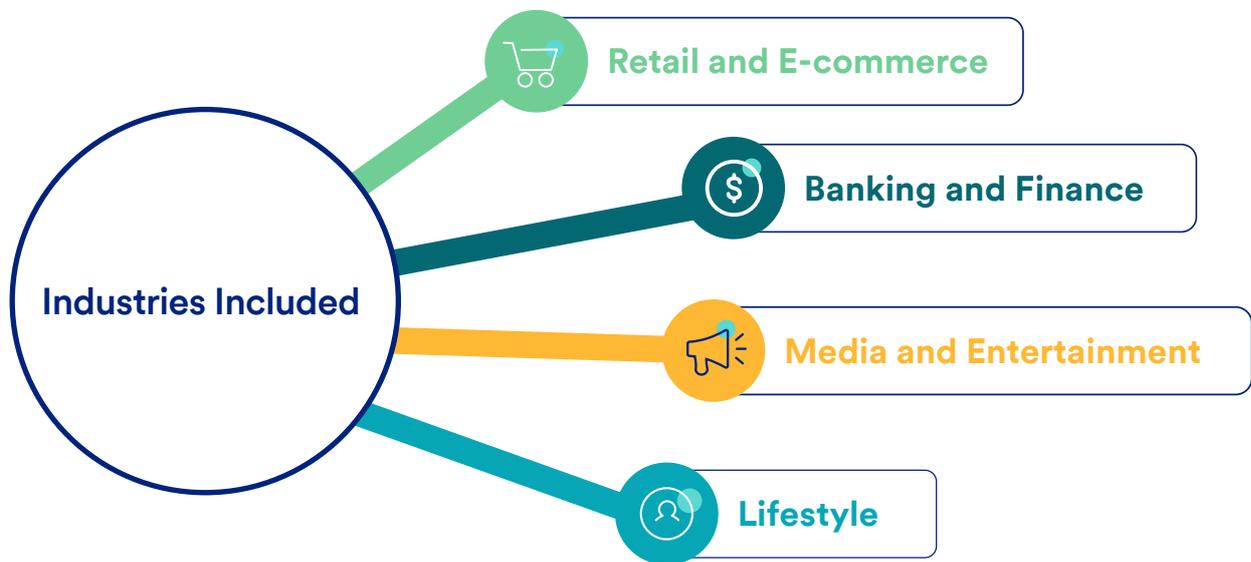
This report analyzes

312.4 million

sent over the past 12 months across the US and Canada via the MoEngage Platform.

The aim is to identify industry-based benchmarks for open rates, click-to-open rates (CTORs), conversion rates*, delivery rates, and unsubscribe rates for emails not employing personalization versus those incorporating different levels of personalization. Furthermore, the report covers best practices for optimizing emails using a customer engagement platform.

*Conversion rates can mean different things for different verticals. For example, for an E-commerce brand, it can be an item purchase; for a Bank, it could be a credit card purchase; for an OTT brand, it could be a successful subscription renewal; and so on.



How to Read This Report

- ✓ In this report, we've compared the performance of generic broadcast emails vs. personalized emails to see the impact on email performance by different types of personalization.
- ✓ We've dissected the impact of three types of personalization: Attribute-based Personalization, Behavior-based Personalization, and Customer Journey-based Personalization.
- ✓ For each type of email, you'll find industry-specific benchmarks for open rates, CTORs, conversion rates, and unsubscribe rates. Based on these, you can check which type of personalization works best for your industry.
- ✓ Apart from looking at these benchmarks, you will find best practices for using a customer engagement platform to enhance your email marketing strategy and generate highly engaging emails for your customers.



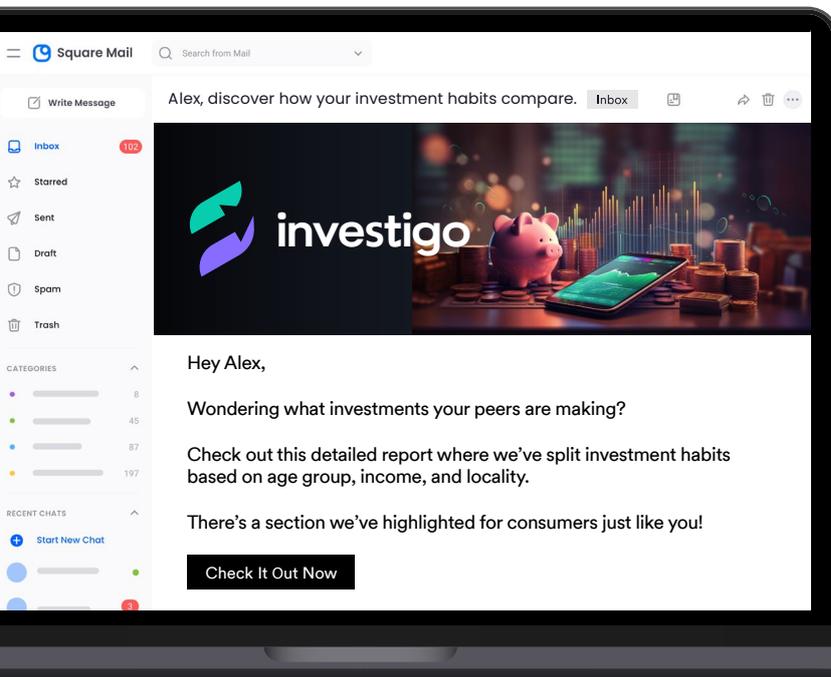
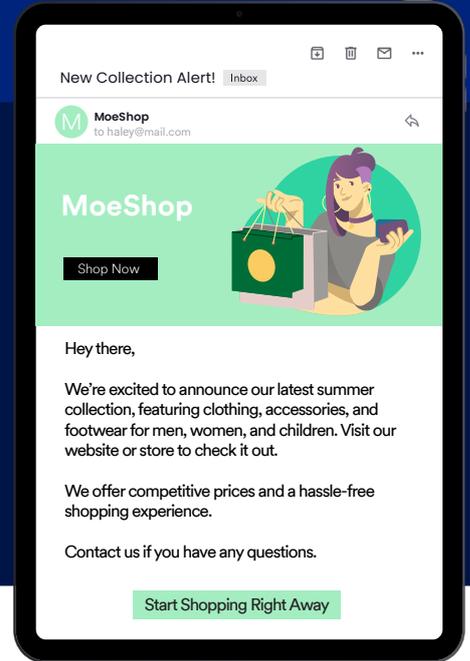
Types of Emails Compared*

* We've identified the four most common types of emails marketers send. You can find the difference between the three below.

Broadcast

Broadcast emails are those that are sent out to a large audience without segmentation or personalization involved, often resulting in recipients finding the email irrelevant.

These can include emails for product launches, business expansion announcements, generic offers, event invites, etc.



Attribute-based Personalization

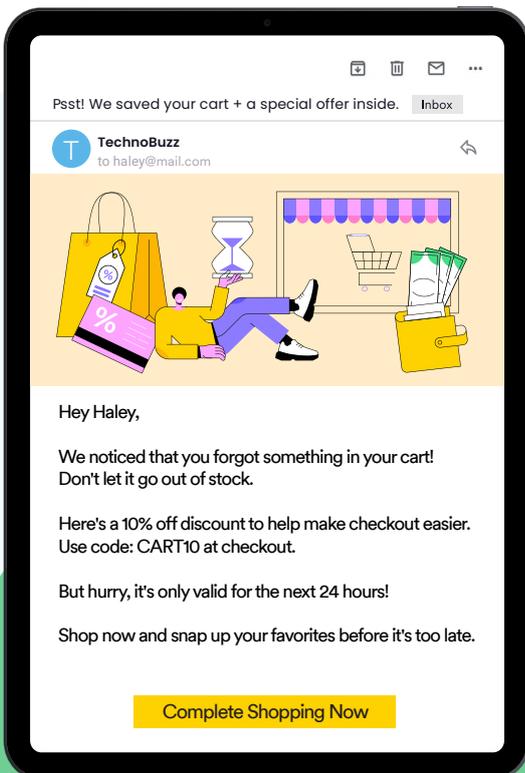
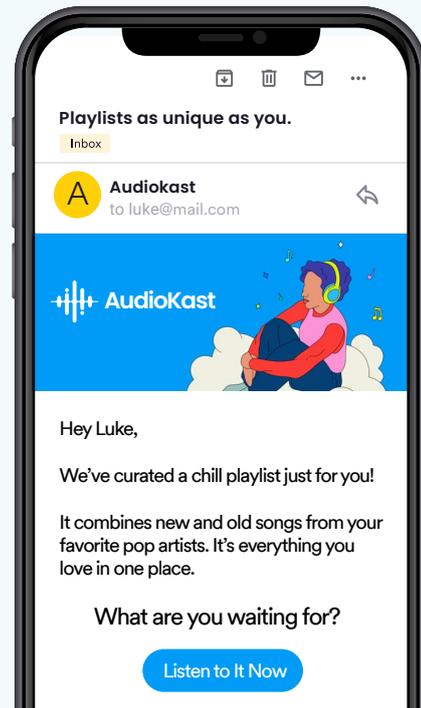
Emails incorporating Attribute-based Personalization take distinct attributes of each customer to create a tailored experience.

For example, emails are customized based on the recipient's name, gender, age, profession, and language.

Behavior-based Personalization

Emails incorporating Behavior-based Personalization are tailored to individual customer preferences, actions, purchase trends, and overall behavior.

For example, an email reminding customers to refill their wallet balance before it runs out during a necessary purchase. Or an email telling customers about the opening of a branch of their favorite sushi restaurant just around the corner.



Journey-based Personalization

Emails incorporating Journey-based Personalization are the most contextual and consider multi-step customer journeys.

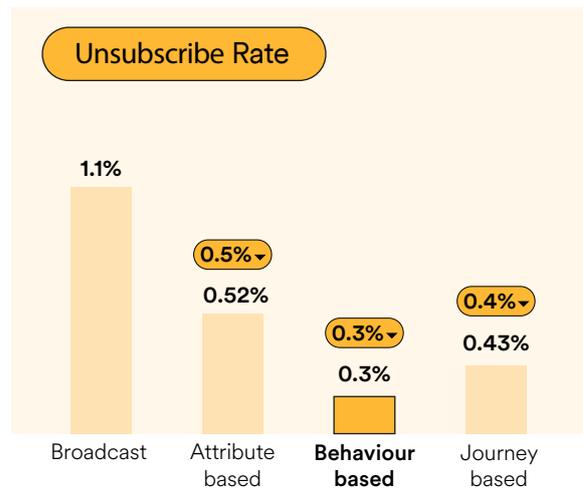
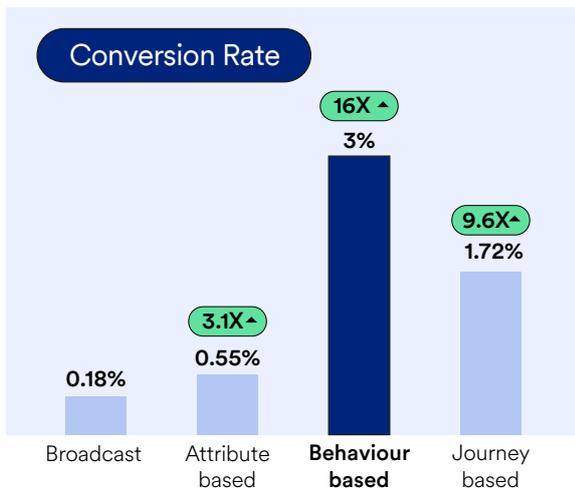
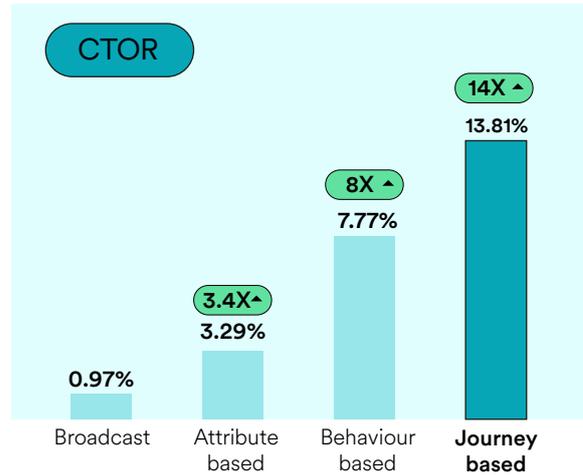
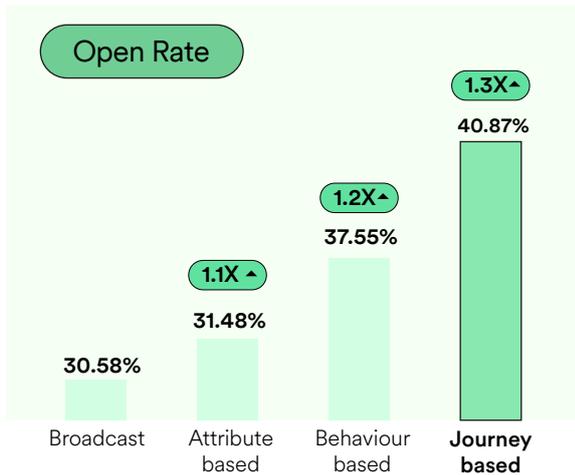
This involves sending various message versions to customers across different channels at different times, based on each customer's lifecycle stage.

Emails that utilize this strategy perform much better as brands address specific customer needs and preferences via the right channels at the right time.

Now that you understand the difference between each email type, let's examine industry-specific benchmarks.

Email Marketing Benchmarks for Different Industries

The Impact of Personalization for the Retail and E-commerce Industry



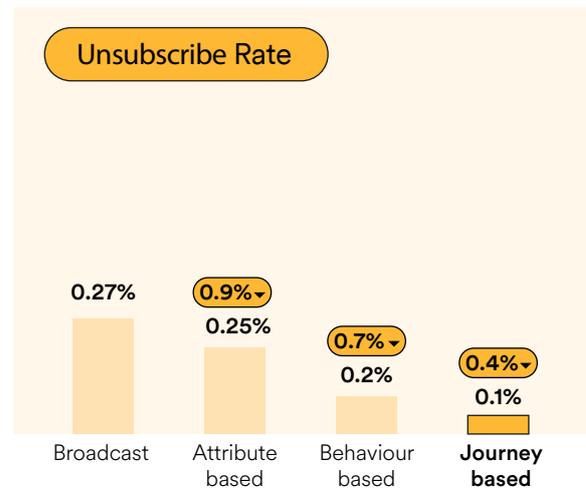
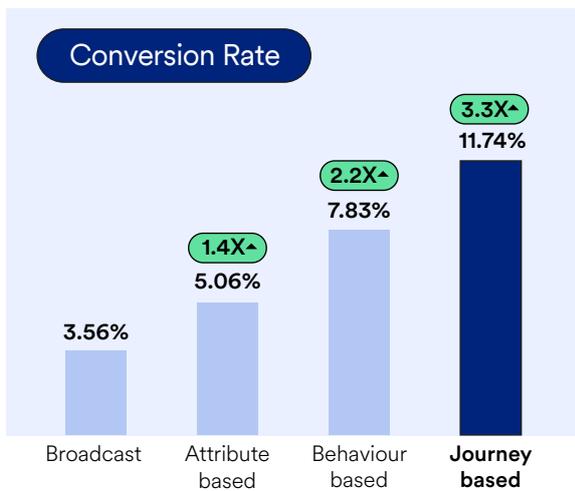
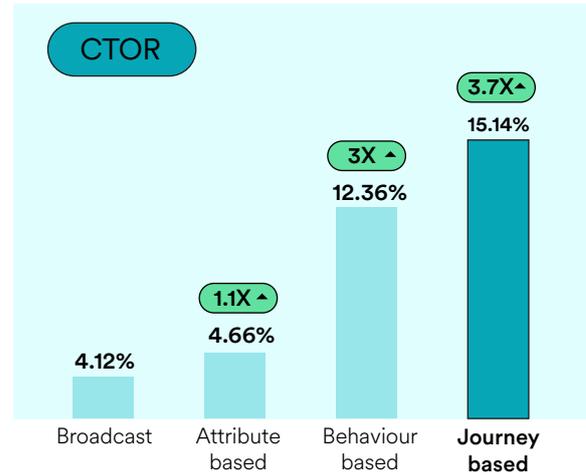
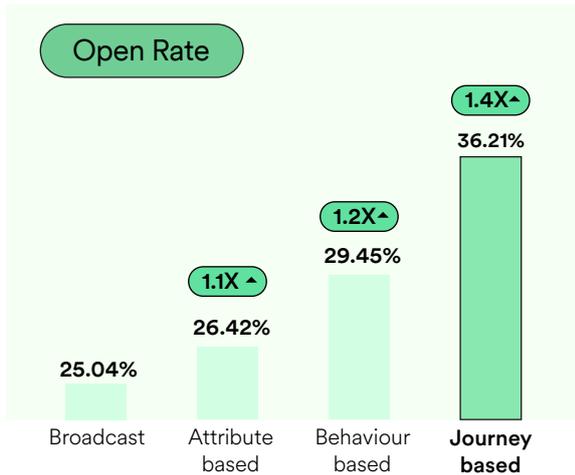
Takeaways and Actions:

- Broadcast emails have the highest unsubscribe rate and the lowest performance in terms of open rate, CTOR, and conversion rate, for the industry. Therefore, you need to exercise extreme caution when sending them.
- Emails incorporating Journey-based personalization work best for the Retail and E-commerce industry when it comes to open rates and CTOR. However, from a conversion rate and unsubscribe rate point of view, emails with Behavior-based personalization seem to perform better.



If your primary goal is to nurture leads or engage customers, you can leverage emails with Journey-based personalization. On the other hand, if your main goal is lead generation or getting conversions, then you can opt for Behavior-based personalization. Nevertheless, using A/B testing is recommended as email performance can differ based on each use case and conversion goal.

The Impact of Personalization for the Banking and Finance Industry



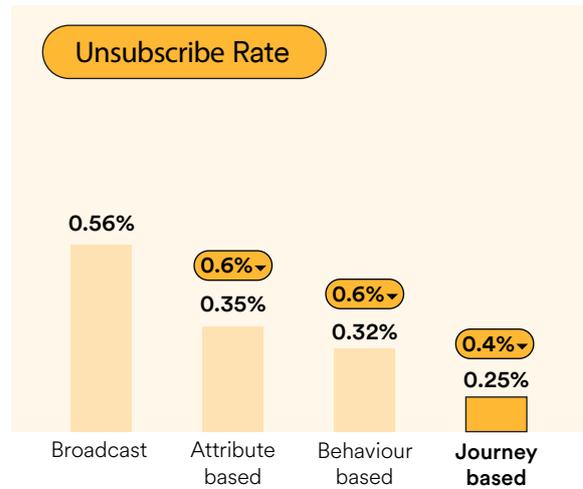
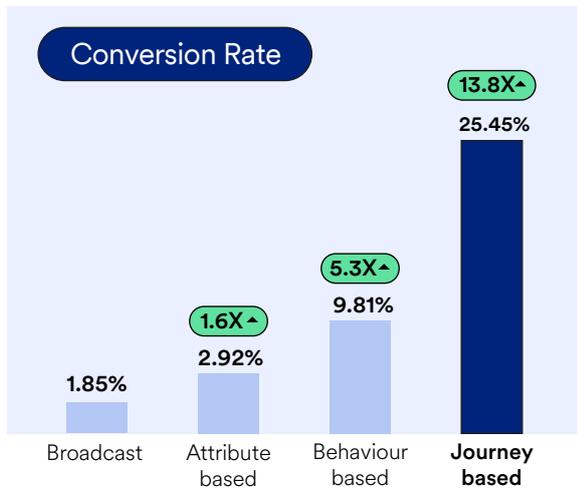
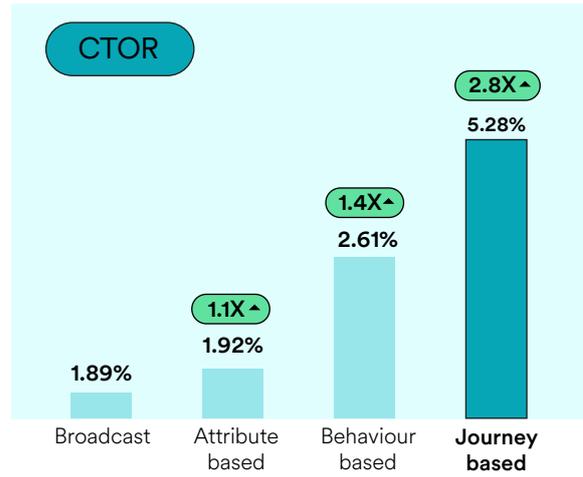
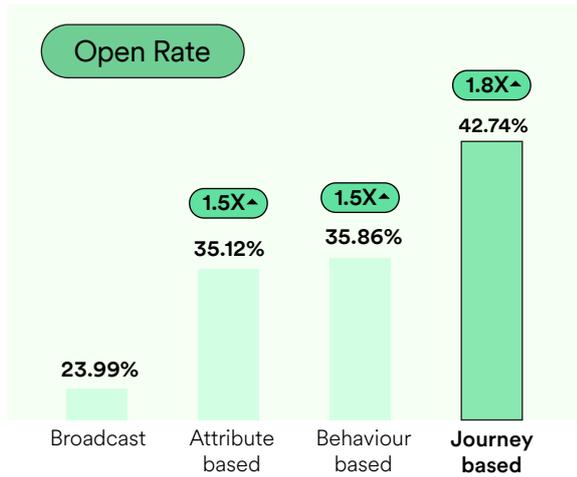
Takeaways and Actions:

- Broadcast emails have the highest unsubscribe rate and the lowest performance in terms of open rate, CTOR, and conversion rate, for the industry. Therefore, you need to exercise extreme caution when sending them.



Journey-based emails seem to work best for the Banking and Finance industry across all email metrics. Nevertheless, using A/B testing is recommended as email performance can differ based on each use case and conversion goal.

The Impact of Personalization for the Media and Entertainment Industry



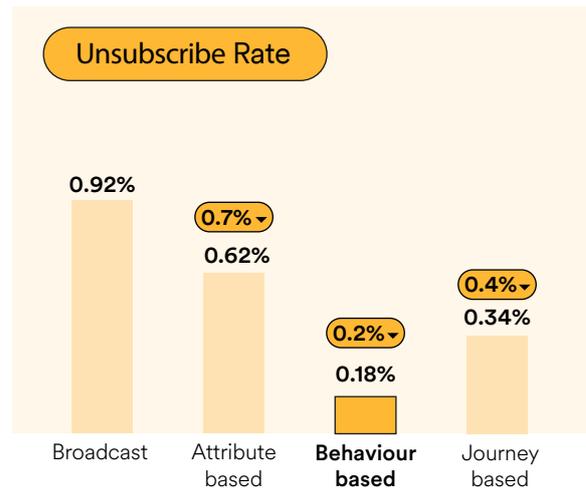
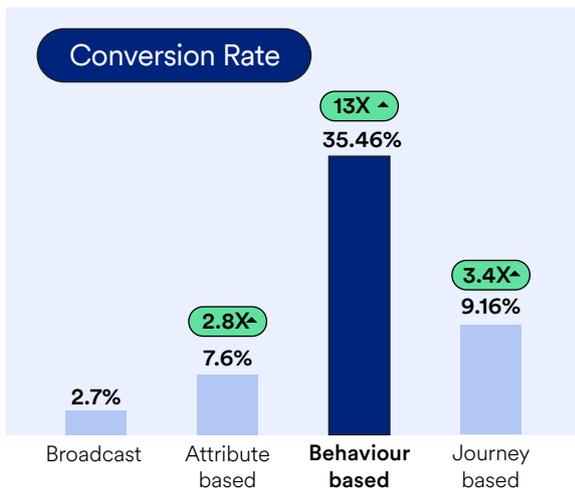
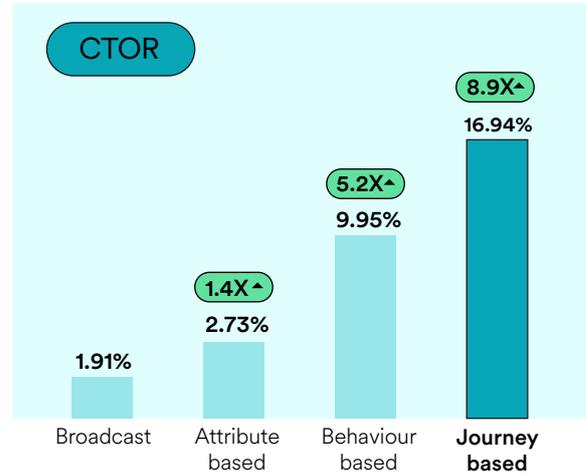
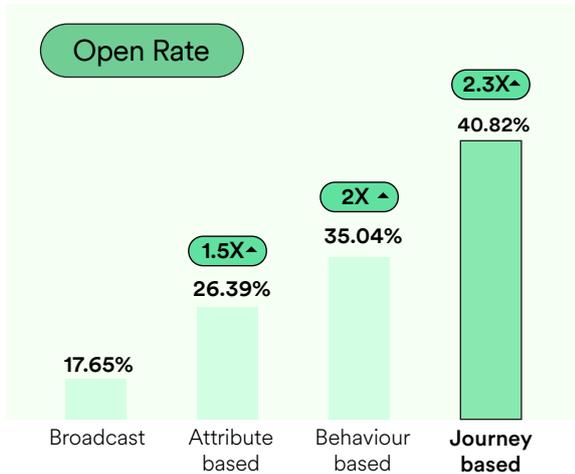
Takeaways and Actions:

- Broadcast emails have the highest unsubscribe rate and the lowest performance in terms of open rate, CTOR, and conversion rate, for the industry. Therefore, you need to exercise extreme caution when sending them.



Journey-based emails seem to work best for the Media and Entertainment industry across all email metrics. Nevertheless, using A/B testing is recommended as email performance can differ based on each use case and conversion goal.

The Impact of Personalization for the Lifestyle Industry



Takeaways and Actions:

- Broadcast emails have the highest unsubscribe rate and the lowest performance in terms of open rate, CTOR, and conversion rate, for the industry. Therefore, you need to exercise extreme caution when sending them.
- Emails incorporating Journey-based personalization work best for the Lifestyle industry when it comes to open rates and CTOR. However, from a conversion rate and unsubscribe rate point of view, emails with Behavior-based personalization seem to perform better.

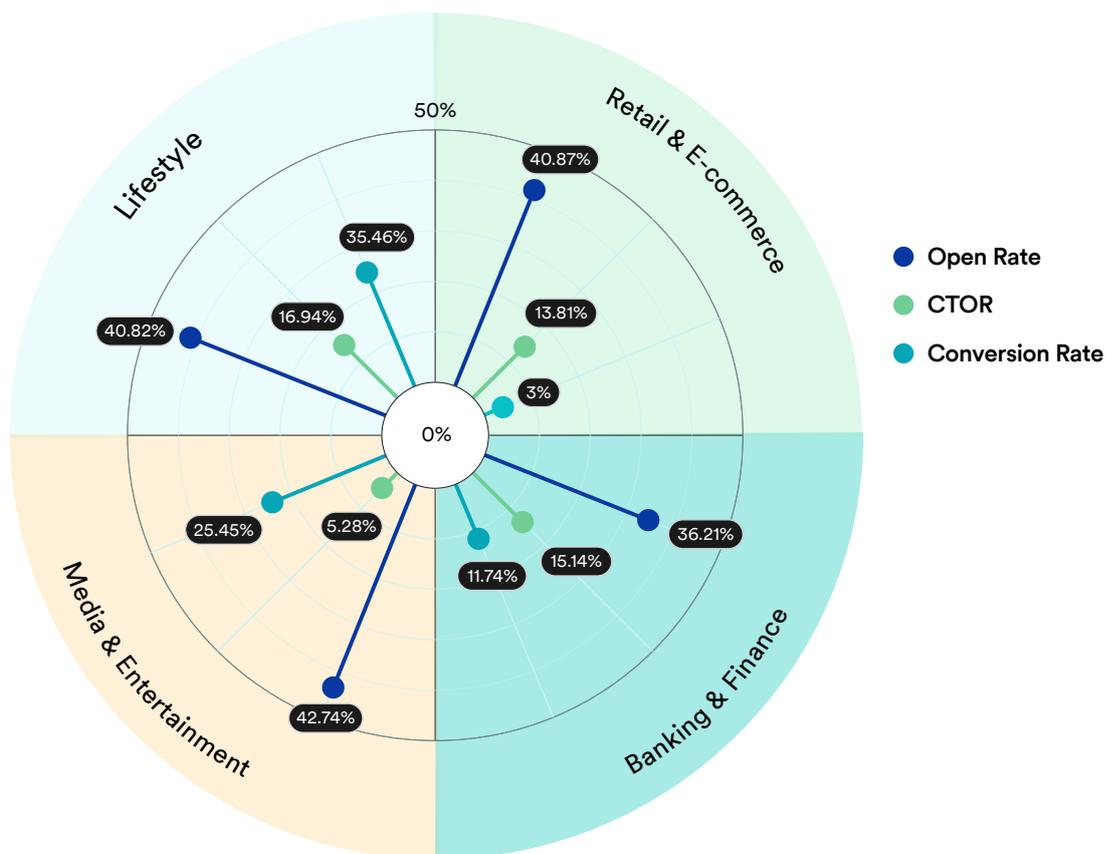


If your primary goal is to nurture leads or engage customers, you can leverage emails with Journey-based personalization. On the other hand, if your main goal is lead generation or getting conversions, then you can opt for Behavior-based personalization. Nevertheless, using A/B testing is recommended as email performance can differ based on each use case and conversion goal.

Benchmarks At a Glance

The above insights showcase that broadcast emails, irrespective of the industry, consistently yield the poorest results across all email marketing metrics because of their generic nature. Alternatively, emails with Behavior-based and Journey-based personalization have the highest open rates, CTORs, conversion rates, and lowest unsubscribe rates (depending on the industry).

Here is a summary of industry-wise email marketing benchmarks that can be achieved using **Behavior-based or Journey-based personalization** across different industries:



While it is recommended that you conduct A/B testing to see which email type works best for your brand, one thing that's clear is that personalization is the need of the hour. Hence, you need to customize your emails based on where customers are in their journey and how they're engaging with you and your products on the website/app.

However, doing this manually isn't feasible, especially if you have an extensive database of customers and operate in a dynamic market.

This is where a personalization, customer engagement, and automation tool, such as a **Customer Engagement Platform (CEP)**, comes into play!

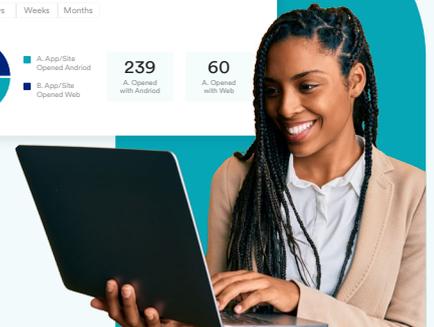
Regardless of the industry, here's how to leverage a CEP to convert your email personalization strategy into action:

Best Practices for Email Marketing Using a Customer Engagement Platform (CEP)

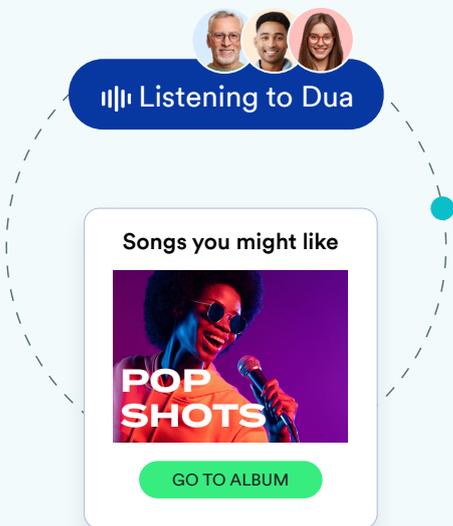
1. Gather valuable insights about your customers.

Use a CEP to learn about each customer's attributes, behavior, preferences, interests, where they drop off in their journey, how they respond to different campaigns, etc. – all from a single dashboard.

These insights are helpful regardless of your email personalization type, as they can be easily incorporated into your email campaigns. Thus driving better conversions and optimizing customer lifetime value.



Pro tip: Bring together all the data from your online and offline channels (including but not limited to — traffic sources, POS data, and campaign trends) to create a Unified Customer Profile for all your customers in a single dashboard on MoEngage.



2. Segment your customers based on their commonalities.

Group your customers based on their affinity, preferences, interests, behavior, and propensity to perform a specific action on your website or mobile app. This will help you identify the right audience that needs email communication (so you're not spamming them unnecessarily!) and drive higher ROI through personalized subject lines and email copies.

Segmentation is beneficial if you are planning to implement Behavior-based and Journey-based personalization.

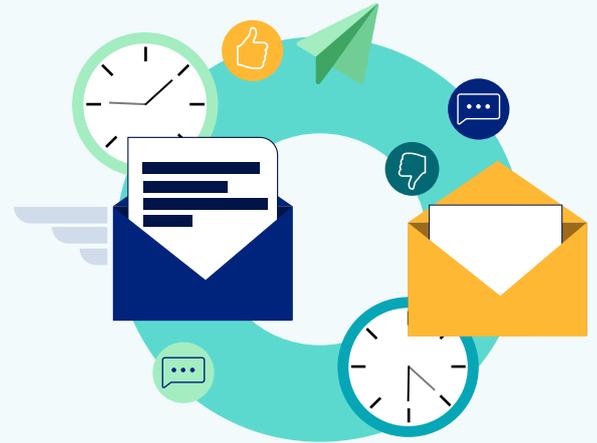


Pro tip: Place each customer in a segment based on their Recency, Frequency, and Monetary (RFM) scores. This is where a platform like MoEngage comes in handy. It allows you to segregate customers into buckets such as Loyal, Price-Sensitive, and About to Sleep. Based on these segments, you can decide which category of customers should receive which kind of emails.

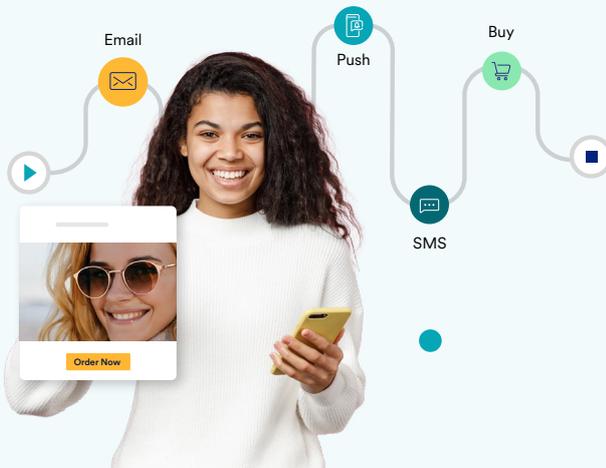
3. Engage customers at the right time, every time.

Take the guesswork out of your email-sending timing by using artificial intelligence to determine the best time to send emails to each customer and automating the process. This will identify when each of your customers is most likely to view and interact with your message, increasing your CTRs and conversions and ultimately boosting your ROI.

This is relevant if you are planning to implement Behavior-based and Journey-based personalization.



Pro tip: Place each customer in a segment based on their Recency, Frequency, and Monetary (RFM) scores. This is where a platform like MoEngage comes in handy. It allows you to segregate customers into buckets such as Loyal, Price-Sensitive, and About to Sleep. Based on these segments, you can decide which category of customers should receive which kind of emails.



4. Build seamless omnichannel journeys.

Add email to a seamless and connected customer journey that spans multiple channels such as SMS, mobile push notifications, website banners, in-app nudges, Google Ads, etc. Use the CEP's automation capabilities to orchestrate customer journeys and let the platform automatically direct customers to the best-performing paths and drive maximum ROI.

This is especially useful if you are planning to implement journey-based personalization.



Pro tip: Experiment with various customer journeys using MoEngage's Intelligent Path Optimizer to find the ideal one for each customer. This tool also helps you determine the best-performing channel, messaging frequency, and messaging sequence for each customer.

Email: The Unsung Hero of the Digital Age

Despite often being underestimated, email marketing has persevered through the digital revolution, pandemics, recessions, and budget cuts, delivering high ROI and immediate, measurable results.

While this economic channel continues to deliver, it's important to remember that if you want to beat brand fatigue and cut through the clutter, personalized emails are a must-have in your engagement toolkit.

And don't just settle for basic personalization. Instead, experiment with Behavior-based and Journey-based personalization and watch your email game skyrocket!

Level up Your Emails With Personalization Today.



About MoEngage

MoEngage is an insights-led customer engagement platform trusted by more than 1,200 global consumer brands such as Ally Financial, McAfee, Flipkart, Domino's, Nestle, Deutsche Telekom, OYO, and more.

MoEngage empowers marketers and product owners with insights into customer behavior and the ability to act on those insights to engage customers across the web, mobile, email, social, and messaging channels.

Consumer brands across 35 countries use MoEngage to power digital experiences for over 1 billion customers every month. With offices in 13 countries, MoEngage is backed by Goldman Sachs Asset Management, B Capital, Steadview Capital, Multiples Private Equity, Eight Roads, F-Prime Capital, Matrix Partners, Ventureast, and Helion Ventures.

MoEngage was named in the 2022 Gartner® Magic Quadrant™ for Multichannel Marketing Hubs and a Strong Performer in The Forrester Wave™ 2023 report.

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