Email Marketing Trends 2021

10 email marketing experts give their views and examples of the future of email marketing

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INTRODUCTION

Foreword - From Pure360

At a time of uncertainty, fear and in many cases isolation, there is no doubt that COVID-19 has affected all businesses. This is not a situation that any of us had envisaged and all the best laid plans for an emergency would not have covered the eventualities we saw unravel every day.

On the one hand you had panic buying at supermarkets and food stores where retailers couldn’t keep up with demand, and on the other a rapid decline in demand for travel and entertainment businesses as the government took us through a rollercoaster of lockdowns and tiers. It’s no wonder that many businesses descended into chaos.

Consumer behaviour was knocked off kilter. Immediately forced back to the bottom of Maslow’s Hierarchy of needs, the main concern for most people was how to keep safe and fed. Previously known consumer behavioural models suddenly become out of date. Many marketers were in a state of shock.

However from this chaos emerged light, we saw marketers adapting and creating new experiences for consumers, whilst shifting spend and effort to the channels that could reach audiences at scale whilst at home.

Covid-19 represents a catalyst for rapid digital transformation. Businesses who have previously spent years considering transformation are now looking to plan initiatives in a matter of weeks. An approach that poses a threat to those marketers that don’t embrace change and adapt.

As we explore in this report, email marketing continues to be one of the most effective channels for all digital marketers. However, it’s essential to maintain pace with the latest techniques to ensure business success.

We are encouraged to see the customer remains central to many of the key trends mentioned in this report, whether that’s through building trust and delivering the best experience, or using AI to drive hyper personalisation. The continued democratisation of marketing technology means that these techniques can be implemented by all marketers today – it’s just a matter of what blend you use to reach your marketing objectives. Lean on your technology provider to help!

The marketer’s mind-set is also an important piece of the success puzzle. As well as embracing digital transformation there are other important themes ambitious marketers should be mindful of:

Transform your brand marketing to being helpful and genuine. Often marketing messages don’t align with reality. With the experiences of COVID-19 and other major events in 2020, both marketers and consumers are paying attention to the integrity of marketing messages. 92% of consumers believe that brands should continue to advertise during COVID and be there for them - but they want brands to represent something that’s meaningful and helpful.
Be agile and experimental. Agility has become one of the most important KPI’s to measure a business’s future success. Many businesses were forced to rapidly change and re-invent themselves adapting to changing consumer behaviours. Which has shown them what is possible to achieve, even with half of the marketing resource.

Thinking creatively. Creativity is misunderstood as a talent certain individuals are born with. Well the good news is that it actually is a skill that can be learned and I urge all marketers to explore what it is to be creative. Your own creative process will be different to anyone else’s. Creative campaigns or techniques to reach and engage your audience will lead to greater marketing success.

Be data driven. In these times, decision making needs to involve a fact based approach. However, it isn’t unusual for marketers in critical situations to rely solely on management’s experiences, or even a gut feeling. Never has there been a more important time to rely on your data to drive quick decision making.

Be automated and personalised. As is identified in depth in this report, intelligent or hyper personalisation is key to driving a valuable relationship with your customer. Slow movers will lose customers, share and profits.

Be kind to yourself. Marketers are under a lot of pressure right now to help drive business success. Ensure you take time to look after your mental health. Don’t be afraid to fail, this is an essential part of growth. But also, you’re not in this alone. Lean on your email marketing technology partner to help you meet your KPI’s. Take them on that journey with you. It will not only lead to lightening the load but will drive greater success.

I hope you find the trends and advice in this report of use to your business. If you ever want to discuss a marketing challenge you’re trying to overcome please don’t hesitate to contact me.

Komal Helyer, VP Marketing, Pure360
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About Pure360

Pure360 is a marketing technology company providing multi-channel data and marketing solutions to help the UK’s leading and growing brands get better results.

Providing UK marketers with an unrivalled combination of our all-in-one AI marketing platform, which enables brands to better integrate, analyse, personalise and deliver, and our industry-leading consultancy through our proprietary Maturity Model, we are focused on accelerating customer results across email, mobile, web and social.

We drive better email, better personalization and better revenues, helping marketers be the best they can be.

We deliver best in class results for over 1,400 customers across the eCommerce, FMCG, Publishing and Travel sectors. Pure360 customers include The Range, Wagamama, Kuoni, FT.com, innocent, Shoe Zone, Reach Publishing, Whirlpool, Health Education England (NHS), and Aqua Restaurants.

We are ranked as #1 in Email Marketing by Gartner Digital Markets and a ‘High Performer’ for Email Marketing by G2.com. We are also proud to be named as finalists at the Brighton and Hove Business Awards 2019.

Born and bred in Brighton, at Pure360 we believe people are paramount. From our customers to our employees, we are passionate about bringing people together, connecting audiences like never before. Better starts here.
Introduction

In 2021, email marketing remains one of the most effective techniques for digital marketers across all types of business, so keeping up-to-date with the latest trends, best practice techniques, and technologies for email marketing remains important.

The aim of this report is to showcase some of the latest email marketing and marketing automation techniques deployed by brands to engage their subscribers and develop purchase intent.

The latest DMA Marketer Email tracker shows that marketers rated email as the most commonly used form of communication for contacting customers.

Email marketing can be used across the customer lifecycle to encourage customer acquisition and retention. It is also cost-effective – ROI in the same survey was reported at £35 for every pound spent - down from £42 in 2019.

Another reason is continued consumer use and engagement with the email channel. In terms of consumers’ views, the DMA consumer email tracker showed that they also prefer email as a marketing channel ahead of any other (59%).

Given the ongoing importance of email marketing for customer acquisition and retention in most organizations, understanding and testing the latest email options and techniques we cover in this guide is essential for businesses to stay engaging and competitive ‘in the inbox’.

But it’s not only about cool design techniques. You should also take care to get the communications fundamentals right. Email works best when it is part of an integrated communications strategy aligned to goals for customer acquisition and retention.

If you’d like to learn more about Email Marketing and Marketing Automation, our Learning Path is the perfect place to get started. You’ll find practical, example-driven learning modules that allow you to increase your marketing skills at a pace that suits you.

How is this report structured?

To fit the ‘actionable advice’ that Smart Insights is known for, we have selected seven key trends covering success factors in email marketing. In each section we ask specialists to contribute their insight explaining why the trend is significant and gives examples of best practices.
Our contributors

A big ‘thank you’ to our contributors! Creating this report would not have been possible without the generous time of the contributors to share their expertise and give their latest examples and guidance. Many thanks to all of the email marketing experts from different countries and expertise areas.

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INTRODUCTION

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TREND ONE: CONSUMER ENGAGEMENT AND LOYALTY

To improve inbox cut-through, we must consider how marketing emails vie for attention in the inbox with personal and business email and compete for time with other many other channels, most notably social media.

The DMA consumer email tracker highlights the level of inbox competition with consumers receiving around 57 emails each week on average. They rank brand recognition as the key factor (46%) in their decision to open an email. This suggests the importance for brands to demonstrate brand relevance and purpose and to understand the drivers of these through research and measurement. There seems to be room for improvement, with just 14% of consumers agreeing more than half the emails they receive from brands are useful.

Accenture Strategy’s global survey of 30,000 consumers in 35 countries found that more than half of customers in the UK want companies to take a stand on issues they care about such as sustainability, transparency, and fair employment practices. Younger consumers, particularly Gen Z (75%), are driving this trend. As a key channel to communicate with consumers, email has a crucial role in demonstrating brand purpose and value, particularly through welcome emails and regular newsletters. There is a risk that if email activities focus exclusively on product and discounts and aren’t aligned with the right type of brand values, they won’t deliver brand relevance and ongoing engagement.

An example of how brand purpose can translate to welcome email design is shown by Will Leather, who feature imagery and messages from the founders which show their values.
A less direct tactic that is growing in popularity is incorporating user-generated content (UGC) into email marketing, especially when sending welcome emails as it’s a great way to show that other people trust your brand and buy from it. For example, retailer Claire’s repurposes fan-made content to include visuals to its welcome emails:

In the other trends that we will explore in this report, we will show how we can use the latest design, Artificial Intelligence, and Marketing Automation techniques to engage consumers given their preference for email as a direct, personalized channel.
TREND TWO: EMAIL DESIGN

We all agree that web animation and interaction has come on leaps and bounds as web technology has developed, on desktop, mobile and tablet. AMP technology was originally developed to accelerate mobile browser page loading times, however the technology today is also pushing the boundaries of email experience.

AMP for email, first launched by Google in March 2019, is now becoming more widely integrated into Email Service Providers (ESPs). Customers are also getting more familiar with animated and interactive content designed to help them complete the task at hand from their inbox.

Google was, inevitably, an early adopter of this technology, allowing customers to add a personalized touch to the product and add to cart before even arriving at the online store.

Today we are seeing more and more savvy marketers benefiting from smart, considered implementation of AMP to achieve their goals, engaging their (B2B and B2C) customers throughout their decision making process.

**Mid-funnel decision making**

Findomestic, an Italian consumer credit company, invited customers to interact with their products, including selecting and editing a loan enquiry to receive instant personalized feedback from the calculator embedded in the body of the email.

According to Findomestic, this new implementation achieved notable results. A/B split testing led to a Click Rate increase of 133% for customers who received the AMP version of the email.

**Abandoned cart recovery**

Ecwid, the first e-commerce platform to implement AMP for email, designed a conversion-increasing abandon cart email for shoppers, including:

- Interactive product carousel
- Zooming product images
- Product description menu
Once implemented, in the first 3 months AMP abandoned cart emails drove an average conversion increase of 82% compared to static emails.

These two examples demonstrate clear ROI on AMP email marketing, and as technology continues to evolve, Joolz Joseph, contributor to this report, shares her interactivity and animation trends for 2021:

As recipients become increasingly used to some kind of animation or interaction functionality within their inbox, organizations need to work out how to make the most of engagement within the email in a way that makes sense and adds value for their recipients.

Getting recipients to do as much as possible and interact with the email in the inbox will increase their likelihood of clicking through and completing a desired interaction, such as a purchase for a retailer or booking a consultation for service providers.

Many ESPs offer facilities for some form of interaction such as surveys, carousels or rollovers and the use of 3rd party services can further increase functionality. Last year, Litmus did a great email sequence enabling recipients to select their conference location and add tickets to their order, before moving them online for the final purchase confirmation. That kind of functionality will become increasingly commonplace, along with other experiences that give the user more control over their own experience whilst widening the scope of what they can do, such as hamburger menus and accordions. The advantage of these last two is that they save space on mobiles where we see the majority of email opens now.

Another form of interaction that is becoming increasingly popular is gamification as brands look to bring their personalities through and encourage interaction through ideas such as scratch cards or quizzes. Scratch cards can be used to give recipients a discount or free gift, quizzes can be used as a bit of fun but also as a way to segment data or recommend products (this can be done in a later email if you want to avoid being too salesy).
TREND TWO: EMAIL DESIGN

There are also very practical and helpful uses of technology such as AMP continuing to allow increasing interactivity such as showing real time ‘select your seat’ functionality on a plane or for events.

Whether it is a simple quiz or a more sophisticated function, the more you can get recipients to interact, the longer they will be engaged which will only serve to enhance your relationship with them.

**Instagram Checkout emails support social commerce**

In 2020, both Facebook and Instagram platforms have rolled-out huge e-commerce developments to streamline the shopping experience for users.

Currently, Instagram boasts 130 million users click on a shopping post at least once a month. With more and more new brands joining Instagram, and the trend predicted to continue, Instagram is utilizing email to send customers alerts on their offering.

*AdWeek* gives this view of the feature from Kevin Simonson, CEO of Metric Digital, a performance marketing agency who is testing the email tool:

"*After working with Facebook for years, they’re doing what they almost always do, which is testing a new advertising product with select disruptor brands, like a couple of our clients, in what’s free ad inventory for them.*"

"*If history repeats itself, they will continue to send free emails until the new product, in this case curated emails you can shop, is so compelling to users that they can charge for ad placements in the email, unlocking new ad inventory and the advertising revenue that comes with it.*"
TREND THREE: ARTIFICIAL INTELLIGENCE AND MACHINE LEARNING

Email applications for AI – Dave Chaffey, Co-founder Smart Insights and co-author of Digital Marketing Excellence

Many email marketing and automation providers now include Artificial Intelligence (AI) features within their platforms to improve personalization with the aims of improving relevance, engagement and response. Plus, there are dedicated AI solutions that apply machine learning to recommend improvements to creative and copy which integrate with traditional platforms.

One of the main benefits of applying AI for email marketers is that it enables personalization with less need for rules-based manual configuration of sends across campaigns. Machine Learning is used to evaluate historical interactions and responses to generate insights for future communications. These insights can then be applied to future campaigns to improve relevance and response of communications. That’s why AI/Machine Learning is often also known as predictive analytics.

The need for less manual configuration of campaigns has become more important because of the COVID pandemic since email marketers are now often being asked to do more with less. The latest Fall 2020 research on email marketing from Litmus suggests that 40% of email marketers have reduced their budgets to save costs as brands tighten their belts.

Reviewing the use of personalization, the same research from Litmus shows that although name personalization is widespread, more sophisticated personalization based on customer interactions such as interaction with websites and emails is less common (typically between one third and one half). This shows the opportunity of applying AI. It is good to see that many businesses (approaching half in this survey) have taken advantage of automation to personalize by lifecycle status.

For those businesses who aren’t personalizing based on behaviour or interaction, 2021 will be a natural time to review the opportunities for new AI options provided by vendor. I recommend taking a customer-focused approach to reviewing the opportunities. How many of the personalization techniques in this table do you use? At a top level, review the opportunities to deliver more relevant communications across the customer lifecycle touchpoints as shown in this summary from our guide to marketing applications of AI.

The applications of email marketing to AI mainly relate to the Convert and Engage parts of our RACE lifecycle shown below, where AI can be applied to convert more subscribers to sale and develop customer loyalty.
TREND THREE: ARTIFICIAL INTELLIGENCE AND MACHINE LEARNING

When reviewing your options, start by reviewing how to make communications more relevant to your customers. I suggest you ask these questions to improve email marketing across the lifecycle using predictive analytics:

1. How can we personalize the content of welcome and basket abandon emails based on profile and behaviour to increase conversion to purchase while maximizing margin?

Traditionally, in retail, it’s been common to use a one-size fits all approach of offering a deep-discount to new subscribers who haven’t purchased in order to achieve the first sale. But if you use AI to score purchase intent, you can still achieve the sale with no or lesser discounts for those showing intent to buy through their web or email interactions.

For example, Kiehls use a three stage basket abandon and defer sending a discounted basket abandon email. This could be rules-based or when someone shows high intent:
Email two is sent a day later and provides a bit more detail, including a bigger CTA to join their rewards program and other recommended products to shop.

The last email in the series is sent five days after email two and highlights most of what was highlighted in email two but adds a bonus offer for two deluxe samples with orders over $40.

2. How can we best segment existing customers to deliver the most relevant email content and offers?

The Litmus research shows that many of the businesses surveyed are personalizing based on lifecycle status. Yet fewer consider behaviour and past purchases. Machine Learning can automatically review the historical pattern of Recency, Frequency and Monetary value of past purchases. Customers can be grouped based on their value and typical behaviour.

Komal Helyer of Pure 360 recommends using thresholds of spend or frequency of interaction to define your audience to identify these groups of customers which you can use different messaging tactics to sustain engagement and maximize loyalty:

- Typical customer (average value and frequency of purchase)
- Best customer (highest lifetime value or VIP group)
- Frequent purchaser
- At risk of lapsing
- Lapsed

These segmentations combine value and lifecycle based on RFM analysis (Recency, Frequency and Monetary value) which machine learning can help automate. Relevance can be improved further when more data points from the customer profile can be overlaid for further personalization.

The example on the right from Tinyclues shows how the target audience insight combines both demographic characteristics such as age and gender and RFM-based buying behaviour.
Messaging to engage each segment can have other types of predictive information overlaid too help with timing, for example:

- Typical category
- Next best product
- Next purchase time

3. What are the options to improve timing of email send, i.e. email send time optimization?

Relevance, and so response, from emails can be improved by separately considering the time of emails. These can be data or rules-based based on known timing such as response or order time or disclosed timing, for instance through birthday emails. This lurid replenishment email is based on a previous purchase. It humorously acknowledges this in the copy.

Beyond these rules-based approaches, machine learning can deliver relevance through timing through considering historical data through:

- Send time optimization of the day and time of day (based on when a subscriber first signed up or typically interacts or buys)
- Frequency optimization (reducing email sends when a subscriber is less engaged and increasing sends when they become engaged). This approach can also potentially reduce spend on email and improve deliverability, both important when budgets are under pressure.

4. How can copywriting and creative be improved to better engage our audiences?

I have recommended looking at AI-based email tools to improve copy engagement such as Persado, Phrasee and Touchstone in previous editions of this guide. These consider different types of emotion and how they can be conveyed in subject lines or body copy to improve response.

For example, Phrasee evaluates subject lines based on these different emotions.
Jordie van Rijn, Email Influencer and Founder of Email Vendor Selection

Notifications to maximize engagement through email

Email personalization has been possible for a long time, but hasn’t been utilized as much as would be expected. Intelligent personalization has moved much further on than simply saying “Hi <first name>”.

Moving to intelligent personalization starts with reviewing your segmentation. Email marketing segmentation is the art of thinking in groups. You have to realize that your email list consists of different kind of people, with different behavior, profiles, and interests. If your subscribers are so different, why treat them all the same with the same mail going out to all? The solution is splitting your email list into groups that are alike (let’s call them segments).

So what are the main drivers to start with smarter segmentation? Of course, subscribers appreciate getting better targeted and tailored emails. If an email is relevant, it makes for a better customer experience. But we also want to see business goals being met.

Let’s take an example that shows the power of closer targeting with more intelligent personalization. Research by Optimove shows how this works. Its data set consisted of over 30 million customers and 2,000 campaigns, delivered to target groups ranging in size from one customer per group to groups of over 100,000 customers. As you would expect, Optimove found that the smaller the target group, the larger the uplift. For the smallest size group, the average uplift is $4.70 per customer, whereas when extremely large groups of customers are targeted – 100,000 or more – the average monetary uplift is merely $0.10. In another analysis they calculated the average customer value.
Another example of the benefits of a more segmented email approach is Totes Isotoner Corp, who noticed that a lot of online shoppers came to its e-commerce site repeatedly just to look at a single product category, such as its umbrellas, gloves, or boots. It realized that it would be best served to reach out to those consumers with segmented email pitches focused on the category. Those email offers brought many of them back to buy. Totes Isotoner sends visitors personalized email messages based on what they had viewed during previous site visits. The messages are automatically sent after being triggered by a consumer’s on-site browsing behavior, such as when a shopper views a certain number of items without buying.

The segmented and targeted e-mails have helped Totes Isotoner significantly boost its email conversion rates—producing an increase of more than 7,000% in e-mail-driven revenue for a 14-month period ended last October, says Chris Reighley, Director of E-commerce for Totes Isotoner. Totes Isotoner has also found that repeat customers convert at an average rate of 8.5%, compared with 3.5% for new visitors, and that repeat customers have a higher average order value. This has resulted in an 80% hike in overall order value per visit from repeat customers.

Predictive content personalization

One personalization technique that has been the bedrock of successful email is product recommendations. If your email program includes products, offers or content, a first eye-opener is a product recommendation. They are effective even if manually picked or segmented by hand rather than AI-generated.

But automation of product recommendations is the real trend. A product recommendation engine will take all the data it has available from the subscriber and other data sources to make a prediction which products and content are most likely to be interesting for this user.

Here is an example of a sophisticated implementation of AI, where we can use data points and assign them a predicted impact that a subscriber will be interested in an offer. Some of these data points might not even be on a marketers’ radar.

![Image of data points and predictions](image-url)
TREND FOUR: INTELLIGENT PERSONALIZATION

Implementing product recommendations and predictions has had several practical problems in the past (for instance, to have the product data available in a parsable format when there wasn’t enough sales data to base predictions on).

However, a smart private site crawler can now index, tag, and segment all of your site inventory for you. For capturing site behaviour to base the recommendations on, these are now covered by Customer Data Platforms (or behaviour tracking is built-in in the recommendation engine) - making this an automation for email marketing content strategy.

How to use personalization sensitively – Jenna Tiffany, Founder and Strategy Director – Let’sTalk Strategy

84% of consumers say being treated like a person, not a number, is very important to winning their business. Personalization provides us, as marketers, with the ability to make a customer feel special. However, that doesn’t mean it is easy to get right and I’ve spoken at many marketing events across Europe this year about how to not overstep the line and be ‘creepy’ in your personalized email marketing, for me this involves:

1. **Being sensitive to strangers:** If you met someone for the first time and they knew everything about you, before you had shared the information, you’d find that very creepy. That’s no different to the inbox. Be sensitive to the information you may have about a customer.

2. **Plan for the scenarios where there isn’t any or incorrect data:** This example below didn’t do that and although there was a good intention of wishing their customers a happy birthday, in this example, the brand called the customer ‘Fname’!
3. **Ensure that when personalization is used in an automated journey that it is relevant to the context:** Consider what the expectations and needs of the customer are at that moment that the journey is activated and reflect on what would happen in real life. For example, there will be situations where the automated journey should include empathy and compassion to the customer based on their circumstances. The customer would receive that if the scenario was to happen on a human to human level, the same is expected in the digital world.

4. **Be clear to customers on how you are using data:** Of course, data privacy does come into play here but this is about making sure the customer understands when you’re personalizing the offers being sent to them. You should also provide an option for a customer to tell you if you’ve got it wrong or they would like to include another choice/option.

5. **Don’t just set it and forget:** This applies to bother automation and personalization. You should review and test your email journeys as if you are a customer. Experience it in the same way and put yourself in their shoes.

An example of applying AI is illustrated by this case study of Manière De Voir (MDV), a fast-growing sports luxe fashion brand, based in Manchester. To improve relevance and response, they created a series of mutually exclusive customer segments were created combining gender and category preference (for example, ‘womenswear preference and shorts’) for MDV’s regular ‘new in’ email. Instead of using manual segmentation, the audience for each of these segments was automatically created using artificial intelligence to determine each individual’s affinity towards certain categories.

The algorithm takes into account factors such as:

- The individual’s purchase and browsing behaviour. Relationships between similar people and products (collaborative filtering).
- Temporal correlations, based on the buying cycle of each product. The ability to not only recognize time between interactions (e.g. I’ve just bought a TV so won’t be likely to buy one again soon) but much more smartly link associated products.
- Reinforcement learning, refining the predictive model based on whether a shopper responds to machine-generated predictions in the expected way.

This AI-led predictive segmentation approach saved MDV’s marketing team a significant amount of time by eliminating manual work from the segmentation process. It also resulted in:

- 40% uplift in revenue per email sent
- 24% uplift in open rate
- 43% uplift in click rate to open rate
Email marketing trends 2021

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TREND FIVE: EMAIL EXPERIENCE AND COPYWRITING

Kath Pay, Author and CEO of Holistic Email Marketing, on copywriting for email

Writing for emails is an art in itself and one that few get right. Email is a medium completely different from websites or books. You need to ask yourself, “what is the purpose of the email?” Is it to get the customer to your landing page? But then why include text that is already on the landing page. You are enticing your client. Don’t give away the ending before they even click.

Historically, because email is a push channel, we marketers have used it to ‘push’ our message out about how awesome we are, how wonderful our products and services are, with little or no thought of the person and their needs at the receiving end.

However, customers are now savvier and less tolerant of these brand-centric messages and are demanding more meaningful, relevant and personalized experiences from email marketers. This means that brands need to become customer-focused - not only in their approach and doing what’s easiest and best for the customer, but also in their messaging throughout the customer journey and lifecycle.

Customer experience

Customer experience marketing is the new trend, and I can’t see it going away anytime soon. The people have spoken loudly with their opens, clicks and conversions – ignoring brands who are still writing from a brand-centric approach instead of a customer-centric approach – even more so in this year of the pandemic.

We have a newfound focus on the customer and responding to our customers’ needs, wants and situations – the true meaning of customer-centricity, which is the foundation of Customer Experience. It’s clearly a mechanism we can use to cope with the changes and challenges this year has brought, and you need not buy a new platform or learn new coding language to make it happen.
A/B Split Testing for Success (and insights)

Regular, hypothesis-led A/B split testing has always been a necessary part of successful email marketing. Without it, you won’t know what really works and what doesn’t and whether you’re spending money in the right places or wasting it.

It’s more important than ever before because it will help you discover whether your customers’ wants, needs and motivations have changed because of the pandemic. Although we have seen general shifts in shopping and spending habits over the last nine months, the changes have not been universal because the effects of the pandemic are not universal.

Some people have experience troubling economic times while others have prospered. Some are under near-total lockdowns while life continues pretty much as normal for others. Some consumers laugh off the effects of the pandemic while others have completely changed their way of life.

For example, a large percentage of customers have said they are unwilling to shop in stores or visit large gathering places like malls. But not everyone shares that concern. You could survey your customers to find out what they think. But you can also test different variations of your email to learn whether emails that stress in-store or curbside pick-up affect buying decisions.

Testing also reveals insights that inform your marketing strategies across all of your other channels. Your email database is a microcosm of your customer base. Your testing results can uncover shifts in customer thinking and motivation that you can use to test and update in your social media, on your website, in SMS marketing, even offline in direct marketing.

A good way to determine whether your copy is brand-centric or customer-centric is to calculate the ratio of ‘our’, ‘we’, ‘us’ etc. against ‘you’, ‘your’ etc. The email above from tails.com is a lovely example of customer-centric copy with 6:2 ratio of being customer-centric, or in other words, it’s 75% customer-centric.

Persuasion: Appealing to a different set of emotions

Knowing how to move your customers to take the actions you want is still essential to successful email marketing. Persuasion takes the customer on the long, twisty journey from awareness to action. It brings your customer closer to the sale.

By “persuasion,” I don’t mean manipulating customers to buy something they don’t want. That technique was never really successful in driving conversions and revenue over the long term.

In today’s environment, it means you will have to work harder to persuade your customers to consider your messages. Many of your customers are in dire economic straits, facing health
crises, under stress from work or home life, or have too many other concerns weighing on their minds.

This means you will have to find new arguments, new frameworks to persuade customers to investigate what you have on offer, whether it’s a sale on a day-to-day product or one email in a drip series to sell a high-consideration product.

Emotion has always been a strong driver in persuasion. But this year, the emotions that prompt customers to act can be quite different from what they were in previous years.

Use stylized alt text

Styling your alt-text was featured heavily in the email community more than a few years ago now, and marketers still need to be taking more advantage of them – especially those who have emails with minimal live text within them. These stylised alt-text can be persuasive and informative and even act as a Call-To-Action. Too often, with many retailers, this is a huge missed opportunity and I would like to see this trend increase. By not only adding alt-text, but stylising them with different fonts, sizes & colours (as seen below), we are helping our customers, which in turn, helps us.
TREND FIVE: EMAIL EXPERIENCE AND COPYWRITING

Increasing use of Rule of Three

This is one of my favourite tactics. I’ve been applying, writing, and teaching about this for many, many years. The number three resonates with we humans. We learn from patterns and three is the first pattern you can create. Comedians, photographers, script writers, and authors all live by the rule of three. If we want something to be easily consumed, remembered or actioned, then package it up in threes, as seen in both these lovely examples from Boden.

01.
AMANDA DUFFLE COAT

Prize to the duffle, this one is all over our cosy and packs a glorious face for trimmed head.

02.
BRIDGET BOUCLE COAT

Teddy bear texture and turn-up cuffs mean this coat does style and snuggle. Resistance is futile.

Transcend the everyday with otherworldly accessories in luxurious leathers bearing hand-drawn embroidery.

MAKE A STYLE STATEMENT AT BODEN. IF YOU ARE UNABLE TO VIEW THIS EMAIL, PLEASE CLICK HERE.
Creative CTAs

Think out of the box when it comes to CTAs. In emails, they have one job – to incentivize the reader (through colour/shape/copy) to click through the email onto the landing page/website. However, all too many CTAs are dry and boring, with very little thought going into these important and necessary ‘fixtures’ and simply using the traditional ‘Read more’ and ‘Shop now’. This is another opportunity to provide value to the reader and to provide either attention-grabbing or persuasive, relevant CTAs, as seen here in the Holistic Insights newsletter.
TREND SIX: SEGMENTATION TO AUDIENCE MANAGEMENT

Dela Quist, Founder & CEO – Touchstone Intelligent Marketing | CEO – Alchemy Worx

Foraging to Farming

About 11,500 years ago, human beings made an important transition. Once nomadic groups stopped hunting and gathering and began farming and herding, it changed human society forever. The reason was, hunting and gathering had reached its limit. No matter how much additional skill was applied to the approach, hunting could not support any further scaling of civilisation. At Alchemy Worx we believe email segmentation has reached its limit too. No matter how many segments you currently target – 20+ in our case, there are very few incremental gains to be had by adding anymore.

Segmentation

In many ways email segmentation is very similar to hunting and gathering. You have the land around you (your list) and when you want high value items, bison or corn which are only available for a short time, you go to the best spot (pull the high value segment) at particular times of year (Black Friday).

For more day to day stuff, for example rabbits or greens, you might pull bigger segments and run those more often. However, there is a tendency to focus on those areas that are the easiest to reach (over mail) and a finite limit to how much value can be extracted from that piece of land or list, even if you do know where all the good stuff is. It is why humankind switched to farming and herding and why 2021 will be the year Audience Management takes off.

Why Audience Management is the Future

Segmentation, as it is currently practiced, typically involves pulling lists of people with certain valuable characteristics either manually or via the AI-powered Customer Data Platforms (CDPs) like Action IQ, Blueshift, Braze, Iterable or Zaius to name a few we work with. This process works perfectly when it comes to identifying who those high value people - typically 20% of your list - are today. But it doesn’t work so well when it comes to identifying who in your inactive segment is about to become high value. This is not the fault of the CDP, it’s because our current segmentation strategies by definition do not generate enough data points for them to compute.

This is where Audience Management, a methodology we have adopted here at Alchemy Worx, comes into play. In the way farming and herding allowed humans to generate more from the land, Audience Management does the same by generating bigger audiences with the data points required by AI. This is the future. Audience Management requires you to constantly monitor the entire audience – active, inactive, high-value, low-value and everything in-between to ensure everyone not only gets the right messages, but more importantly the right email cadence.
Audience management generates significant amounts of incremental revenue currently being left on the table, it also increases yields by lengthening the time people are engaged and developing specific programs for when they are not.

**The Engaged Bucket is Leaking**

There is another even more important aspect to Audience management that segmentation misses completely because of the way we typically view lifecycle marketing (LCM). The chart below is very typical of how we view the customer lifecycle (CL), with value $ on the vertical axis and time on the horizontal axis.

Looking at it in this way you would see the red curve as representing the best customers, the green curve as average customers and the yellow the least valuable. Doing so would lead you to the conclusion that some customers are more engaged and more valuable than others and your segments behave in the same way and should be treated accordingly. Here at Alchemy Worx the data has led us to think of LM very differently.

The chart below is based on client data of repeat bookings/reservations made by over 2 million subscribers over 6 years. I chose the travel industry to illustrate this point because almost everyone travels and therefore has their own experience to draw on. What we have found is the sales or purchase cycle holds the key to understanding the long-term behavior of subscribers. We see this pattern everywhere, and it is highly likely that your subscribers behave in the same way. Obviously, the gap between purchases will differ from brand to brand or product, for example insurance may have a very similar interval, a clothing retailer or purchase would expect the interval to be shorter (2-6 months), but a car dealership might have a 2 to 5 year interval between sales.
It is important to conduct this analysis because, without it, email marketers are left with the view of engagement through the lens of email open and/or click rates, but these vary tremendously depending on where a subscriber is in the purchase cycle. The chart below is also based on analysis of client work. This is a view of how two of the most valuable customer segments 1x and 2x buyers open rate changes depending on how long since they last opened an email.

As you can see below, open rates for subscribers in segments that most will continue to treat as very engaged for up to 90 days, plummet from 20% to 3% if they do not open another email within 16 days.

The implications of this for email marketers whose approach is to focus on their best or VIP segments are profound:

- The 20% best customer segment changes all the time – MUCH faster than most people think
- Subscribers are only active openers of email for a short time either side of a purchase

**Hidden Treasure**

Now let’s take a look at what most would call “less valuable customers” - subscribers who have been on the list for at least 90 days and in the vast majority of cases 12+ months - these subscribers are rarely if ever mailed because the segment they are in is deemed low value and worth little effort or resource.
TREND SIX: SEGMENTATION TO AUDIENCE MANAGEMENT

It may surprise some, but the behavior profile of the inactive or less valuable segments is strikingly similar to the valuable segments. We learned our clients' most valuable segment is a rapidly moving target!

In summary, subscribers are most email-engaged for a few weeks either side of a purchase. The movement between the two states, active and inactive, is so rapid that it calls into question the way most people:

1. Market to their subscribers at a subscriber level (1:1 marketing)
2. Practice Lifecycle Marketing
3. Manage their mailing cadence

The 3rd point is probably the most important. Almost everyone is heavily over-mailing yesterday’s best customers and massively under mailing tomorrow’s best customers. In one case we worked on recently, 20% of customers received over 80% of the emails sent.

People who make this mistake are not only leaving money on the table, but driving people who should be a future best customer towards the unsubscribe button.

To give you a sense of how much, here are some charts to consider. At the beginning of the COVID-19 crisis we were asked to help a client whose acquisition budgets had been slashed. We recommended Alchemy Worx Audience Management methodology to them and began by measuring ALL their segments including their worst (the biggest). We then calculated the rate and scale of movement between segments. We identified approximately 395,000 “active” customers who had opened an email with 180 days and some 935,000 “inactive” who had not opened an email in 180+ days.

We then implemented our Audience Management reengagement methodology and here are the results. After 5 months we were able to increase their engaged audience by nearly 70%!

Delivering nearly 250,000 inactive people to their CDP to work their magic on. The client saw revenues from the inactive segment out-perform the active segment by 200%.

Here are the results in revenue terms:

Audience Management takes email marketing to another level because it takes into account the fact that everyone on the list will be active, inactive, high-value, low-value and everything in-between at some stage or other and that these transitions when they occur happen very quickly. The understanding gained from analysing this data can be used to set targets, test into and learn what makes subscribers re-engage faster and stay engaged longer.

What I like most about Audience Management is it gives us the ability to manage the timing of
peaks in engagement to take advantage of key moments in the marketing calendar. Take Black Friday for instance, what most people will do this year will be to pull the segments defined by whatever rules they have and whatever count that comes back. However, with Audience management, our approach is to set a target for that segment, say 40% above average or 20% above last year. Once the goal is set we would start a massive reengagement drive 60 to 30 days out, to better ensure we exceed our targets for revenue. In the same way a farmer would prepare the soil, buy plants and nurture the seeds in order to ensure there are enough pumpkins for the holiday season.

A word on COVID-19

No matter what happens in the next 12 months, one thing is certain. Digital Marketing will be crucial to any recovery. Email marketers will be asked to deliver more and more from their lists Audience Management will help ensure this can be done without burning out their subscribers.

One Last Thing - Deliverability (#DBS)

Audience Management is not a methodology I would tell a novice to go figure out. If you have no idea of the rate and scale of movement between your segments, have more unengaged subscribers than engaged, or are considering mailing subscribers who have not been mailed for more than 150 days, you need someone who knows what they are doing. Ask your Agency, CDP, ESP or email marketing consultant.
TREND SEVEN: CONTINUING PRIVACY REGULATION UPDATES

Steve Henderson, Head of Deliverability at Emarsys, Deputy Chair of the DMA Email Council and Chair of the Legal Hub for the Email Council

In the 2018 edition of this report, we led our coverage of trends related to data protection and privacy. This was the number one trend because of the May 2018 deadline for enforcement of the General Data Protection Regulation (GDPR) which marketers were preparing for. Now that the launch of GDPR has passed, we’re covering it as the final trend of the report to highlight that it remains important to pay attention to getting privacy right in the future.

We witnessed the first major GDPR fine against Google for $57 million in January 2019, and the Information Commissioner’s Office (ICO) announcing its intent to penalize British Airways with a $230 million fine and hotel giant Marriott with a $123 million fine this summer.

Changes to privacy laws will be ongoing. You may have noticed that in the US, the California Consumer Privacy Act (CCPA), a bill with many similarities to that of its GDPR counterpart, went into effect on January 1, 2020. Many other states are drafting and enacting consumer privacy bills, including Nevada, New York, Oregon and Washington DC. Meanwhile, the Federal Trade Commission voted in February to retain the current rules implementing the CAN-SPAM law, which regulates commercial email in the US. So if you are actively email marketing to subscribers in the United States, the implications of these laws should be considered.

In Europe, the new ePrivacy initiative is still under discussion. We predicted last year, that the details may not be agreed between member states until 2021 and this is what has transpired, thanks partially due to the impact of COVID-19.

During 2021 marketers sending emails to subscribers in Europe should keep an eye on developments. In June 2020, the Presidency of the Council of the European Union published a progress report on the proposed Regulation concerning the Respect for Private Life and the Protection of Personal Data in Electronic Communications and Repealing Directive 2002/58/EC (Regulation on Privacy and Electronic Communications), better known as “the Draft ePrivacy Regulation”.

Discussion mainly seems to have been around the possibility of relying on the “legitimate interest” ground to:

1. Process electronic communications’ metadata
2. Place cookies or similar technologies on end-users’ terminals, subject to specific conditions and safeguards.

This could reduce the need for invasive ‘cookie request’ pop-ups, but many have argued that the previous GDPR constraints should be maintained.
How GDPR has improved customer trust

Behind the headlines about the fines for GDPR, a further benefit of GDPR is that consumers may be more trusting of brands that are transparent about their approach to data collection and privacy. When receiving email communications today, customers can safely assume that they must, at some point, have willingly given out their email address, because the brand could not legally be emailing them otherwise. This is a milestone in rebuilding consumer trust in brands.

Meanwhile, marketers are benefitting from a data-driven approach to email marketing. The DMA Consumer email tracker 2020 demonstrates that 2 years into the new GDPR legislations, almost half of the industry (48%) agree the new laws have improved data quality and email metrics (32%).

Does the enactment of GDPR mean that there won’t be changes to privacy legislation in Europe in 2020? Far from it. I’ve been surprised at the low levels of awareness amongst marketers of the new ePrivacy initiative from the European Union amongst marketers. In the UK this will update the 2003 Privacy and Electronic Communications and later amendments. These regulations sit alongside the Data Protection Act and the GDPR. They give people specific privacy rights in relation to electronic communications with specific rules on:

- Marketing calls, emails, texts and faxes
- Cookies (and similar technologies)
- Keeping communications services secure, and
- Customer privacy as regards traffic and location data, itemised billing, line identification, and directory listings.

ePrivacy is highly relevant to email marketers because it specifically seeks to regulate email communications. Based on the draft and what the ICO is advising, we can expect developments in these areas:

**Soft opt-in**

The ePrivacy draft allows digital marketing with consent or to those individuals where you have an existing customer relationship since purchase has occurred. The ‘existing customer relationship’ provision is in effect simply a clarification of existing soft-opt rules. You still need to give customers the ability to opt-out at the point of sign-up and in every marketing message.

But what about prospects? There’s now no concept of ‘soft-opt-in’ before someone is a customer (so basket abandonment processes will need to become more transparent) and an ‘existing customer relationship’ clearly requires some sort of ongoing relationship, rather than just a one-off purchase.

**Cookies**

In terms of cookies and other online tracking devices which aren’t explicitly covered by GDPR, the draft suggests a change in focus from website cookie banners to users’ browser settings and seeks to address issues around ad-blocking and Wi-Fi location tracking.
So, this may shift the onus falls on browser providers like Apple, Microsoft and Google and we could see the end of ‘cookie banners’ on sites – Hurrah!

**Global applicability**

Like the GDPR, ePrivacy applies to organizations based anywhere in the world if they provide services to people in the EU and the EEA.

You can follow the latest developments on ePrivacy via [DPNetwork](https://www.dpnetwork.com).
CONCLUSION AND RETROSPECTIVE

Taking the Pandemic into account

Multiple lockdowns in most countries have required email marketers to be more agile in their email marketing by featuring the most relevant products related to the situation and also changing their tone-of-voice to acknowledge the times we are all living through. This can be challenging since many automated, ‘always-on’ lifecycle emails such as welcome and customer development sequences used fixed creative and language. Yet we know that consumer feelings, attitudes and preferences will change in line with current conditions.

So, there is a risk with applying predictive analytics since both behaviours and attitudes in consumers can change quite rapidly. Since predictive analytics is based on an analysis of historical response behaviour, you have to work with your supplier to understand the statistical validity of predictions and how to change the ‘historical windows’ or time periods used to make future predictions.

Evidence of preferences changing during different stages of the pandemic has been catalogued by AI-powered natural language generation (NLG) system Persado. This found that sentiments such as intimacy, gratitude and safety resonated more with customers in insecure times.

When the impact of the pandemic lessened, the research showed that a sense of reward and gain embodied in the language of Achievement resonated better with consumers.

![April 2020 Emotion Language Performance](image-url)
At a practical level of keeping customers informed about their business, Multichannel retailers with advanced personalization capabilities in email integrated with details about store opening have benefited from a more targeted approach announcing as shown by this example from Ulta:

Retrospective

Despite the need for email marketers to be more agile and adapt their approach slightly - whether that be through pandemic themed messaging or a shift in product focus towards more pandemic relevant products - email marketing and marketing automation trends remain in relatively the same place as in our last report.

We’ve mentioned before that the DMA’s survey saw marketers reporting an ROI of £35 for every pound spent - which is an astounding 3400%. With this in mind, it’s clear that email marketing and marketing automation will serve as a crucial element in any marketer’s toolkit for the year ahead.

Many of the trends referenced in this report are broad concepts - their intricacies and methods of execution adapt and evolve regularly, but their purpose does not.

Take personalization, for example. This concept has been important in email marketing and automation for years, but the way in which you apply personalization changes - such as when new tools reach the market or new data analysis methods emerge.

Intelligent Audience Management emerges as perhaps the most cutting edge trend in this report, as it describes taking something we’re all familiar with and bringing it to the next level. An engaged audience is valuable, but having the tools and ability necessary to turn the unengaged into potential customers, clients or leads, is incredibly exciting.

As we look again to the future, it’s heartening to think of the continued innovation such trying times can stimulate. If you’ve come across something you think has or will change the game in email marketing and automation, we’d love to know.