

The remarketing report

Benchmark data and analysis on connecting
web behavior to email marketing



The remarketing report

Introduction

Online shopping carts are abandoned at a high rate of 56.2 percent, and 61.2 percent of all items that consumers place in their online shopping carts are left behind without purchase.¹ However, with a little prodding from savvy email marketers, these cart abandoners can be converted into active customers. Sending an email to remind browsers and cart abandoners of the items they left behind is an effective means of recovering this revenue.

Triggered emails reminding users to complete their previously abandoned online shopping carts, commonly known as remarketing messages, have been proven to significantly outperform standard promotional mailings with higher open rates, click-through rates, and most importantly, increased revenue per message. After receiving remarketing messages driven by Web analytics data, customers are often provided with a strong incentive to complete online purchases.

To gauge the business impact and determine best practices for remarketing programs, Experian CheetahMail®'s Strategic Services team analyzed abandoned-cart and Website activity-driven email campaigns in comparison to bulk promotions deployed by the same businesses from August 2008 to July 2009. This white paper provides an insightful overview of the study and data-driven strategic recommendations that stem from Experian CheetahMail's findings.

¹ Data provided by Experian CheetahMail partner Coremetrics. To learn more, please visit www.coremetrics.com or call 1 866 493 2673.

The remarketing report

Abandoned cart benchmarks and trends overview

August '08– July '09	Total opens	Click to open	Total clicks	Trans. to click	Percent trans.	Revenue per email	Average order
Abandoned- cart	62.9%	39.9%	20.9%	15.0%	1.9%	\$3.20	\$175.76
Bulk mailings	17.5%	18.8%	3.6%	5.0%	0.1%	\$0.13	\$192.23
Abandoned- cart lift	2.6x	1.1x	4.7x	2.0x	20.0x	22.8x	-0.1x

Experian CheetahMail data indicates that on average, abandoned-cart emails result in more than 20 times the transaction rates and revenue per email of standard bulk mailings. Abandoned-cart campaigns have proved to double the open rates and quadruple the click rates of most campaigns.² Data from Omniture, an Adobe company, and a leading provider of online analytics and online business optimization software, confirms that targeted email campaigns based on site visitors' behavior are conservatively generating more than 300 percent more on-site conversions than undifferentiated broadcast campaigns. This overwhelming collection of evidence confirms that companies that do not trigger abandoned-cart messages are missing out on a high conversion opportunity.

It is important to note that abandoned-cart campaigns can be executed by many organizations outside of the retail vertical. Businesses from every industry should seriously consider how abandonment behavior can be leveraged for targeted messaging in response to incomplete applications, reservations, quotes, inquiries, downloads and more.

² Data provided by Experian CheetahMail partner Omniture. To learn more, please visit www.omniture.com or call 1 877 722 7088.

Customizing your remarketing program

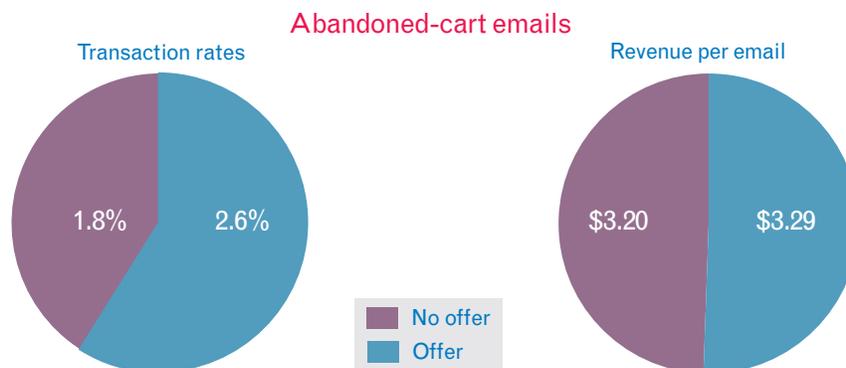
Many variables can affect the performance of abandoned-cart and other remarketing campaigns. Understanding these variables is necessary in order to craft an appropriate remarketing program for your brand and to manage expectations regarding response metrics. By examining the impact of the following remarketing strategies, marketers can construct a remarketing plan that maximizes impact for their brand.

Offer inclusion

A frequent question marketers have is whether to include an incentivized offer within an abandoned-cart message. Some marketers worry that including an offer will make consumers more inclined to abandon shopping carts in the future, while other marketers place value on the short-term benefit, believing that an offer will motivate the customer to complete the transaction.

After looking at both sides of the campaign response data, Experian CheetahMail found that on average, abandoned-cart campaigns that include an offer increased total open rates and click-through rates by 11 percent and 7 percent, respectively. However, on the unique level, campaigns without an offer tend to garner higher open and click rates (15 percent and 12 percent). This data indicates that abandoned-cart emails with and without special offers tend to garner strong customer response. Marketers should test the impact of including offers to gauge what is best for their business from a response perspective.

More important, when it comes to revenue and transaction metrics, analysis shows that abandoned-cart emails containing offers produce higher transaction rates than those without an offer (2.9 percent compared to 1.8 percent). The difference in the revenue per email when there is an offer compared to no offer is relatively low — \$3.29 compared to \$3.20. If a customer does not make a purchase after receiving the initial abandoned-cart email, it may be worth sending a follow-up message — “reminder” emails sent to nonconverters can achieve as much as 33 percent in additional revenue.



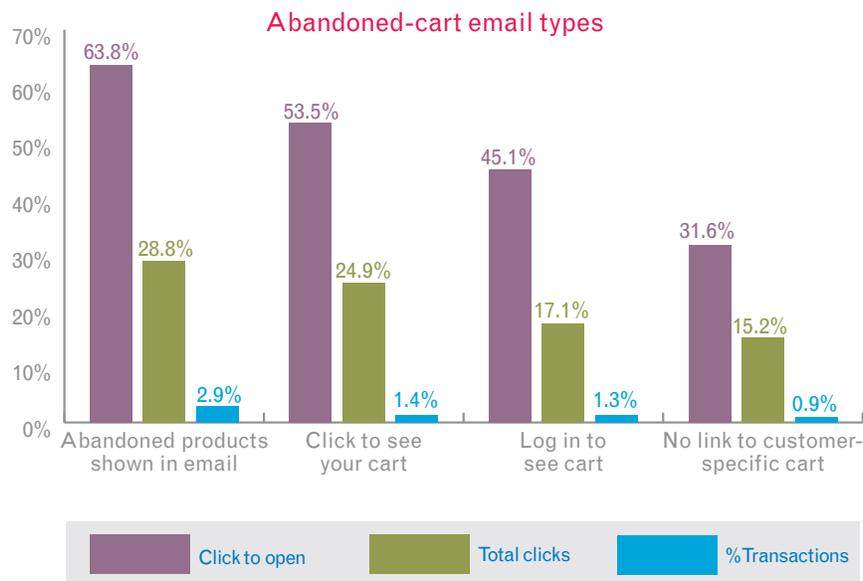
The remarketing report

Product inclusion

Another major consideration in abandoned-cart-based email marketing is whether to specify and include the abandoned products in the body of the email. For this portion of Experian CheetahMail's analysis, abandoned-cart emails were divided into four distinct groups:

- **Abandoned products shown in email** — The abandoned products are dynamically displayed in the email itself.
- **Click to see your cart** — No products are displayed in the email, but a link takes the shopper directly to his or her abandoned cart and abandoned products.
- **Log in to see your cart** — The email links to the Website and requires the shopper to log in prior to viewing his or her cart and abandoned products.
- **No link to customer-specific cart** — The email contains a link to the brand's Website without any reference to the products the shopper abandoned.

Experian CheetahMail has found that the more specific the message and the link destination are, the better the abandoned-cart campaign performance tends to be. Campaigns that display personalized products within the email drive the highest click and transaction rates by far, while emails with no link to the customer's specific cart have the lowest performance among all the other types of abandoned-cart emails. However, it is important to realize that as generic as these non-customer-specific messages may be, these campaigns still outperform bulk emails and can prove to be extremely valuable for most businesses.



Browse activity benchmarks and trends

Looking beyond cart abandoners, email marketers should take a closer look at product browsers and explore ways to target them more effectively. Experian Simmons reports that 15 percent of all American adults browse for shopping-related information on the Internet, and 48 percent of these adults end up making an online purchase.³ Customers who have browsed a Website but have not yet placed anything in a cart represent another large, valuable and highly active segment to address with an email marketing program.

Web analytics and browse data can be used to personally target high-value customers who have spent time viewing and considering purchasing certain products. According to Coremetrics, an advanced online analytics and integrated marketing optimization applications provider, site visitors browse products during two of every five visits, representing a significant percentage of active browsers to target with messaging that encourages repeat site visits.⁴

August '08 – July '09	Total opens	Click to open	Total clicks	Trans. to click	Percent trans.	Revenue per email	Average order
Browse Emails	50.4%	32.7%	15.6%	5.6%	0.5%	\$0.77	\$183.19
Bulk Mailings	16.2%	19.1%	3.5%	6.5%	0.1%	\$0.15	\$205.41

While this data indicates that product browsers are not as committed to purchasing as cart abandoners are, browse activity-based campaigns still significantly outperform standard bulk mailings. In fact, browse emails result in double the open rates, triple the click and transaction rates, and four times the revenue per email of bulk mailings.

Offer inclusion

As with abandoned-cart messages, there may be some hesitation as to whether to include an offer in a browse-activity-based message. Unlike abandoned-cart campaigns, however, browse campaigns with offers have shown to significantly outperform those without.

³ Data provided by Experian SimmonsSM. To learn more, please visit www.smr.com or call 1 212 471 2850.

⁴ Data provided by Experian CheetahMail partner Coremetrics. To learn more, please visit www.coremetrics.com or call 1 866 493 2673.

The remarketing report

Browse campaign type	Percent transactions	Revenue per email
Offer	0.6%	\$0.89
No Offer	0.4%	\$0.56
Lift with Offer	60%	57%

Browse campaigns including offers provide a 60 percent increase in transaction rates and a 57 percent increase in revenue per email compared to browse campaigns without offers. In fact, of all the clients included in Experian CheetahMail's study — those that sent browse emails with offers and those that did not — all of the campaigns with offers outperformed those without an offer.

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Thank you for recently visiting 1-800-FLOWERS.COM®. Do you need a gift fast? Check out our new assortment of [Birthday](#) or [Anniversary](#). Or maybe you want to send a special [Congratulations](#) or [Get Well](#) wishes. Whatever the occasion, you can be confident 1-800-FLOWERS.COM® has the gift you need to make their day spectacular!

And for a **limited time only**, you can **save 10%*** on your orders, as our special thank you for visiting 1-800-FLOWERS.COM®! Just enter **Promotion Code LM22** at checkout to **save 10%*** on gifts for any special occasion! But hurry, this offer is only available for a limited time!

1-800-FLOWERS executes a browse campaign that offers site visitors a limited time offer of 10% off their purchase if they return to the site.

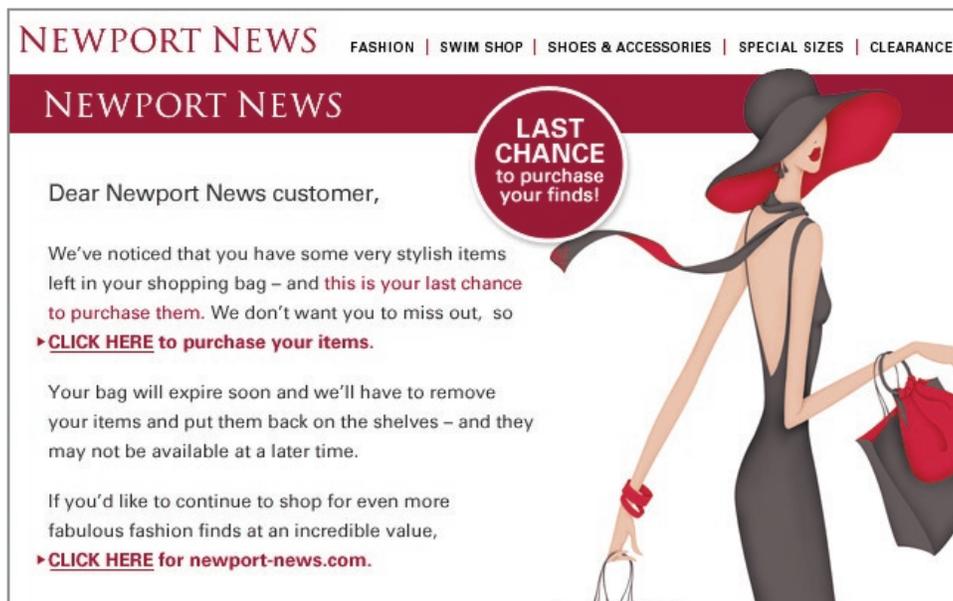
Remarketing best practices

Connecting Web behavior to email marketing is a highly effective means of increasing sales. Customers who have browsed your Website or abandoned a cart prove to be key segments for a profitable email program. Every business should seriously consider the addition of remarketing campaigns based on the successful metrics demonstrated by Experian CheetahMail's analysis.

The following best practices draw from the data and analysis within this white paper as well as the advice of industry experts. By following these guidelines, email marketers can take concrete measures to deepen customer engagement and increase campaign profitability.

Send a friendly reminder

According to Experian CheetahMail's analysis, sending reminder emails to abandoners who do not convert after the first abandoned-cart email can boost campaign revenue by up to 33 percent. Try testing a reminder email to a sample of subscribers, maintaining a control group to gauge the potential incremental revenue for your brand.



Newport News creates a sense of urgency to purchase their items by informing their customers that their bag will soon expire.

The remarketing report

Timing can mean everything

On average, the optimal timeframe to deploy an abandoned-cart message is two to three days after the abandon activity has occurred. However, if your business has a need for a faster purchase cycle, such as sending price quotes, last-minute gifting or customer service requests, consider deploying the message within 24 hours of the abandonment.



The advertisement banner features the Carnival logo at the top left. Below the logo is a photograph of a man and a woman standing on a ship's deck, looking out at the ocean. The text is arranged in a clean, modern layout with a mix of red and blue colors. A prominent red button with white text is located on the right side. The bottom of the banner has a dark blue background with white text and a right-pointing arrow.

Carnival

**SO YOU'D LIKE TO GO CRUISIN' ...
BUT STILL HAVE SOME RESERVATIONS?**

FIND A CRUISE

HERE'S WHY YOU SHOULD BOOK ON CARNIVAL.COM...

- ▶ Everything you need to know to about our ships, ports, shore excursions and more is just a click away.
- ▶ Carnival's "Best Price Guarantee" – We're so confident that you won't find a lower advertised price for our cruises, that we'll give you 110% of the price difference* if you do.
- ▶ Our state-of-the-art booking engine is VeriSign® Secured so you can rest assured knowing your personal information is safe.

110% Best Price GUARANTEE

COME BACK TO CARNIVAL.COM AND BOOK YOUR CRUISE TODAY. ▶
Revise and update your booking then enjoy the vacation of a lifetime.

Carnival sends timely email to their customers listing the top three reasons they should book their next cruise through Carnival.com.

The remarketing report

Personalized messages are more relevant

Including the abandoned products in the content of an email can double open, click and transaction rates in comparison to generic abandoned-cart messages. Showing images of the abandoned products in the body of the email can optimize transaction and response rates through the use of dynamic content. The messages can be further optimized by the integration of items powered by recommendation engines to provide additional cross-sell opportunities.

From a creative standpoint, Experian CheetahMail's Creative Services Team recommends using a short postcard-like layout in which the main communication is what the user left in his or her cart and a call to action explaining how to get it.

TERRY'S VILLAGE
100% Satisfaction Guaranteed

1-800-876-5822

Home Decor Outdoor Gifts & Occasions Holidays Sale

Shopping Cart Update!

Dear Shopper,

Thank you for visiting TerrysVillage.com. We noticed that there are still some items in your shopping cart. For your convenience, shopping cart selections are saved for 30 days, but many of these items sell quickly and we don't want you to miss out.

[Access Your Cart >>](#)

Currently In Your Cart:

- Bunny Vase
- Rabbits Pot
- Dolomite Bunny With Hat Candy Dish

TerrysVillage.com personalizes their messages by including the products in the abandoned cart in the content of the email.

The remarketing report

Tap in to the power of transactional messaging

If the shopping cart expires after a defined period of time, it may be worth using operational messaging in the abandoned-cart email, rather than focusing on a promotional message. Do this by inserting specific information about the cart expiration, as well as the contents of the cart, in the main body of the email. Companies can still include branding and cross-sell information; however, the overall message should not be marketing-focused.



Pictured above is a transactional message from JCPenney, which allows the user to retrieve their abandoned bag with a single click.

The remarketing report

Under the CAN-SPAM Act, operational messages can be sent to all subscribers who abandon, not just those who have previously opted in. The benefit to this tactic is that the audience reach will be larger — increasing the potential gains and message performance. Remember that in order to remain compliant, any offer must be secondary and cannot be included in the subject line. It is also strongly recommended that the message include standard unsubscribe options.

[Prioritize campaigns to target effectively](#)

It is important to prioritize the campaigns that you generate with Web analytics data. For example, abandoned-cart campaigns should have higher priority over browse campaigns based on the superior response metrics that these programs tend to produce. Marketers should also set message limits when implementing remarketing campaigns so as not to overwhelm any customer with too many emails in a short period of time.

The remarketing report

Conclusion

The permission-based email marketing industry is becoming increasingly intelligent and resourceful, driving more sales and deeper customer engagement than ever before. In fact, according to Experian Hitwise®, marketing emails drove more than 9 percent of traffic to the top 500 retail sites in November 2009 alone.⁵

Strategic targeting and remarketing using behavioral data and analytics are critical tools for today's email marketers. Based on the findings in this report, marketers can be certain that customers who abandon shopping carts are a highly responsive and valuable group. Experian CheetahMail's study also indicates that emails sent based on Web browsing behavior significantly outperform bulk mailings — a tactic well worth considering for many businesses.

Regardless of their unique business goals, marketers should mindfully test the aforementioned strategies and best practices to determine the most impactful marketing mix for their unique brands. When utilized responsibly and with a customer-centric focus, remarketing programs are sure to engage customers and drive return on investment now and into the future.

Methodology

Data in this report was collected by Experian CheetahMail, based on the email campaign performance of 58 clients with abandoned-cart programs and 19 clients with browse-activity-based programs from August 2008 through July 2009. More than 3,400 abandoned-cart campaigns and 2,000 browse campaigns were compared to the bulk campaigns by client for the same time period.

⁵ Data provided by Experian Hitwise®. To learn more, please visit www.hitwise.com or call 1 212 380 2900.

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