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Introduction

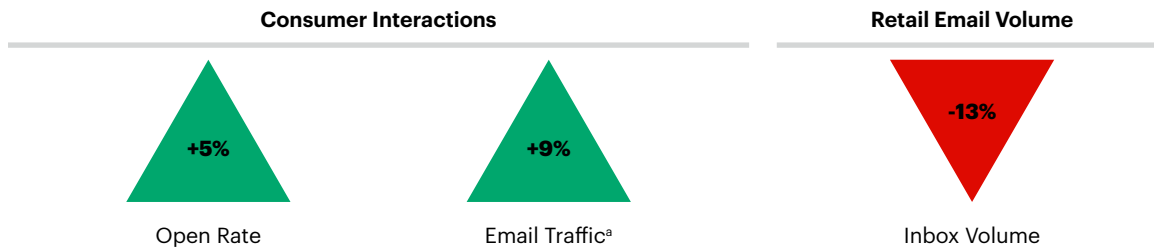
Retail had a tumultuous second quarter in 2020, with sales dipping before an encouraging rebound in June.¹ Following sales patterns, retail brands' email marketing volumes fell in the early second quarter of 2020 before increasing to yearly highs in June 2020. Email's efficiency as a marketing channel uniquely positions it to help relieve the budget pressures faced by retail marketing leaders. Receiving, on average, less than 9% of annual marketing budgets,² email doesn't require the same investment as other channels due to its maturity and an already developed infrastructure within most businesses. While email is among the leading channels marketers employ,³ strategies often revolve around reach, and they lack the relevancy that personalization and targeting could afford them.

Even in the depths of the 2020 retail slowdown, consumers chose to interact with brands through email. In the face of declining branded campaign volumes and subsequently lower reach, open rates and email traffic on desktop increased in the second quarter of 2020 from the second quarter of 2019 (see Figure 1).⁴ The autonomy that is afforded to consumers through email, namely the ability to engage with emails by choice, offers brands the ability to interact with consumers in a welcome environment. Providing consumers content they find useful or relevant will more likely lead consumers to choose to click into and through emails. While the channel provides a level of intimacy between brands and consumers, marketers should avoid inundating customers with off-target messaging, which could have long-term negative effects on the customer-brand relationship.

This note considers the changes in email seen in 2020 with the rise of COVID-19 and shifts in the digital marketing environment. A total of 93 retail brands were studied for this report. The selected brands were all within the top 20% of performers on Email benchmarks from seven Digital IQ Indexes in the retail sector, creating a new Digital IQ Index: Retail U.S. 2020 (see Methodology)

Interactions Up, Brand Emails Down

Change in Volume From 2Q19 to 2Q20



n = 93 retail brands with leading email Digital IQ Index scores
 Source: Gartner analysis of eDataSource and SimilarWeb data
^aDesktop Email Traffic

Key Findings

- The top 10% of brands by increase in email traffic on desktop sent 39% less email campaigns in the second quarter of 2020 than the average for the retail index (comprised of the 93 analyzed brands).
- Retailers that sent targeted emails to under 10% of their total email lists had quarter-over-quarter increases in email traffic on desktop 8% higher than the retail indexes' average in the second quarter of 2020.
- Seventy-eight percent of the top 10% of emails by open rate in April 2020 were informative emails (i.e., COVID-19 updates), while 60% of emails in the bottom 10% of emails by open rate were discount-related.

Key Recommendations

- Even during times of increased engagement, avoid inundating customers with large increases in campaign volumes to prevent inbox fatigue
- Use targeted email lists and personalization to improve email interaction and click-through rates. Invest in marketing technology like multichannel marketing hubs and marketing automation software to streamline personalization and email targeting processes.
- Consider customer relationship building as a priority in email marketing. Don't rely on short-term wins from discount campaigns.

Gartner research is based on data-driven analysis. Our findings, rankings and recommendations are objective, unbiased and independent of membership.

Citations

1. U.S. Census Monthly Retail, Data Is Seasonally Adjusted
2. [“CMO Spend Survey, Part 2: CMOs Protect Digital Channels and Martech \(for Now\)”](#)
3. [“Market Guide for Email Marketing, March 2020”](#)
4. Gartner analysis of eDataSource and SimilarWeb

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