



Retailers Risk Potential Email Marketing Backlash

New survey from First Insight reveals 82 percent of consumers feel misunderstood, email offers are not relevant 95 percent of the time

PITTSBURGH, PA, March 17, 2016 – Retailers have long depended on email marketing as an affordable and effective way to reach and maintain consumer loyalty and inspire purchases, but the strategies they once relied on may be in need of a makeover. A consumer survey from First Insight, the leading provider of solutions that empower brands to incorporate the voice of the consumer into the design and merchandising of new products, sheds new light on consumer feelings about the way retailers are using email to communicate with them.

The Barrage of Retail Emails is Hitting Consumers Hard

On average, consumers opt-in to receive emails from two retailers. One might assume that the customer would receive one email a week from each retailer, but the reality is that between the two lists they have opted in to, they are receiving a whopping 13 emails a week. No wonder a satirist from the New Yorker would write a [story](#) about Hillary Clinton receiving more than 20,000 emails from Old Navy during the time she served as secretary of state. Two-thirds of shoppers feel that receiving six or more emails a week from retailers is too many. Even worse, 82 percent feel that this constant bombardment with irrelevant offers means that the retailers they are loyal to don't understand them.

The Impact of Email Fatigue on Consumer Loyalty

Despite consumer sentiment, the email marketing train shows no signs of slowing down. Last year [it was reported](#) that spending on email marketing campaigns will continue to increase 20 percent annually, reaching \$6.5 billion by 2018. Research from the Direct Marketing Association indicates that for every dollar spent on an email-marketing campaign there is an average return of \$44.25.

However, in the wake of this email-marketing cash cow, retailers are unknowingly creating a divide between their brand and their customers. The hard truth is that consumers only open one in four of the emails they receive, and feel that 95 percent of the emails they receive are not at all relevant to them. Several consumers surveyed said they have “taken matters into their own hands” with 44 percent reporting they have unsubscribed from a retail email list in

the past six months, and 40 percent saying that they would go out of their way to shop at a store that doesn't waste their time with irrelevant email offers.

How Retailers Can Bridge the Retail Email Divide

"Right now we're seeing a huge disconnect in the conversation that retailers think they are having with customers through email marketing efforts," said Jim Shea, Chief Commercial Officer of First Insight. "The communications are not only too frequent but are basically meaningless to consumers. What consumers really want is for retailers to take the time to know them and make recommendations about clothing or products that are in line with their personal taste."

Retailers could find that using a lighter touch and taking a more personalized approach with email marketing could inspire more purchases in the end. Sixty-one percent of consumers say that their favorite retailers only send them one or two emails a week, and 43 percent of consumers say they would be more likely to open emails from retailers if they knew those emails contained personalized suggestions of products or clothing that aligned with past purchases, rather than promoting products that were generally available or "on sale".

First Insight's InsightTargeting solution helps marketers solve this personalization problem. Instead of mass mailing consumers with the same daily email, retailers gain a better understanding of their consumers on a more individual level by using data. Using InsightTargeting, retailers can combine data that focuses on what consumers think about their specific products with additional information that helps identify and profile customer segments. Armed with new knowledge about their customer personas, retailers could increase the conversion rates of their email-marketing efforts while improving customer relationships.

A report featuring these and other findings from First Insight's retail email marketing survey can be found [here](#).

Methodology

First Insight's consumer retail survey polled 1,112 consumers across America regarding their thoughts about the marketing emails they receive from retailers and their impact. The survey was conducted online between October 12 and November 5, 2015. The margin of error is +/- 2.86 percent.

About First Insight, Inc.

First Insight is the world's leading provider of solutions that empower brands to incorporate the voice of the consumer into the design and merchandising of new products. Through the use of online consumer engagement, the First Insight solution gathers real-time consumer data and applies predictive analytic models to create actionable insights, which drive measurable value. Retailers, manufacturers and brands use the First Insight solution to design, select, price and market the most profitable new products for improved sales, margins and inventory turnover. Customers include some of world's leading vertically integrated brands, sporting goods companies, department stores, mass merchant retailers and wholesalers. For further information, please visit www.firstinsight.com.

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