

The 2016 Retail Holiday Readiness Report

Planning for Holiday Sales and Executing a Leading Digital Strategy

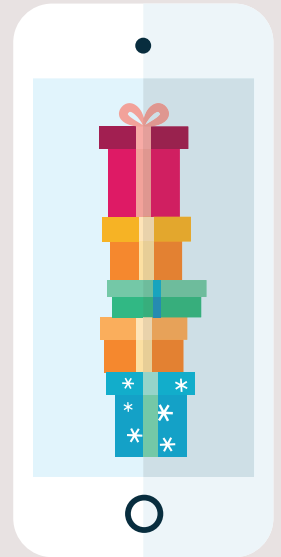


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Executive Summary

The sizes of the opportunities available to brands during the holidays are mirrored by the amount of competition around them. As more and more retailers compete digitally, the brands that will successfully cut through the noise in their customers' inboxes and social feeds will need to take the time to invest in an approach that is as personal as it is dynamic. Without creating a genuine connection with the customer, retailers will miss out on maximizing the boost in engagement that the holidays bring, instead getting lost in the holiday shuffle. With new technology, the timeline for building a contextual email or social campaign has shortened. Despite these advances, now is the time to start planning your strategy to get your message out when consumers begin researching for their holiday gift lists. The battle for holiday engagement is being fought long before the weather turns frightful.

This holiday season, digital marketers are looking to roll out email campaigns that are targeted, personal, and most importantly, meaningful.

Email remains the single most effective channel retailers use for both customer acquisition and retention, and in the months leading up to the holidays, brands should be testing, fine tuning, and ultimately confirming that they have the insights they need to understand their customers. With a flurry of emails set to hit their inboxes, only messaging that seems like it's really meant for the customer will make a real impact.

For marketers, this means taking the time to get to know them and refine both targeting and messaging well before the holidays begin.

Beyond setting up an email campaign to reach the right prospects, marketers are looking to incorporate content that stands out from the crowd and highlights why consumers should engage with their brand. Supporting an expertly crafted email campaign with User Generated Content (UGC) doubles down on engagement by showing a customer how others are relating to a product, all the while feeling more genuine than a traditional ad. However, in order to have the UGC assets to build a campaign around, even more advanced planning needs to be worked into the marketing schedule. The largest share of retailers are set to begin their holiday marketing in October. In order to deploy a personalized campaign that shows off real engagement and incorporates UGC, these retailers are beginning to run campaigns that will generate the content they will use in their holiday marketing months in advance, all with the understanding that when it comes to winning engagement and conversions during peak holiday season, it pays to be unique, and uniquely prepared.

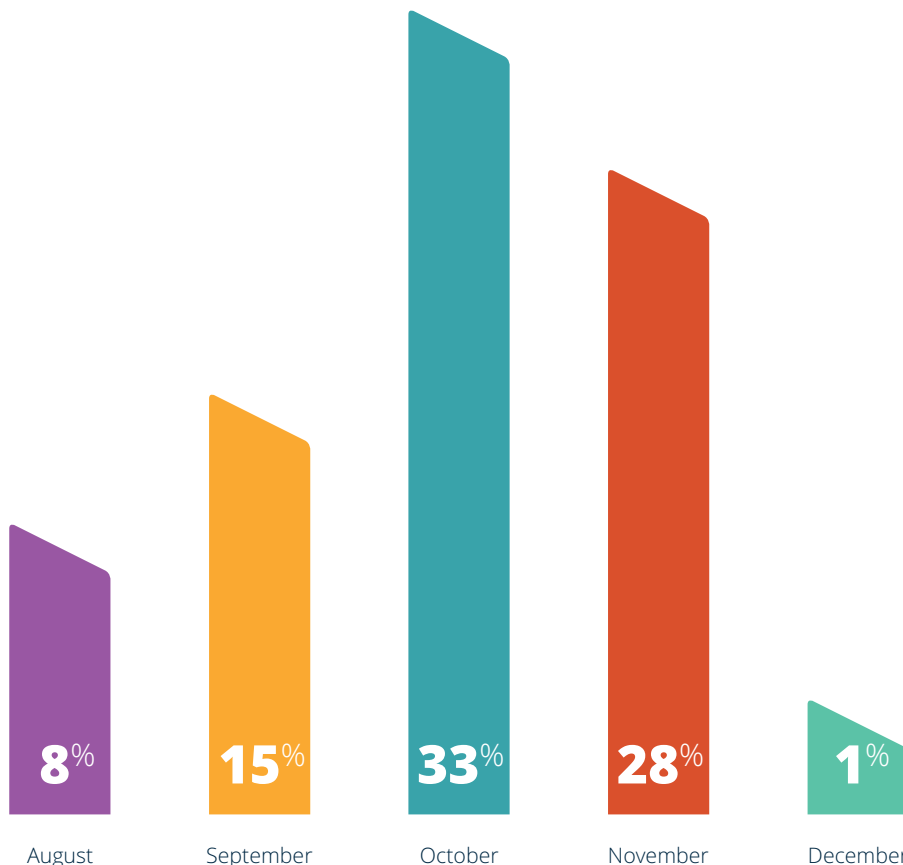
Research Analysis

October is the most common month to begin holiday email campaigns.

The largest share of retailers will be kicking-off their holiday email campaigns in October, meaning that they will already have spent months preparing to launch their campaigns in anticipation of the intense competition surrounding the holiday season. A collective 23% will begin even further out from the holidays, in the months between the New Year and the end of the summer season. For 15%, September is the start of holiday email marketing, while 28% begin their campaigning in November. By December, the holiday season is in full swing, and only 1% of retailers will wait this long to get their holiday emails going. Even though these email campaigns will typically be rolled out as the weather cools, the planning that is required to support them needs to begin much earlier. Taking the right amount of time is especially important when incorporating a higher level of personalization, ensuring your emails are not only in your customer's inboxes early, but are offering a stand-out experience.

THE LARGEST SHARE OF RETAILERS WILL BE KICKING-OFF THEIR HOLIDAY EMAIL CAMPAIGNS IN **OCTOBER**.

WHEN ARE RETAILERS PUTTING THEIR HOLIDAY PLANS INTO ACTION?

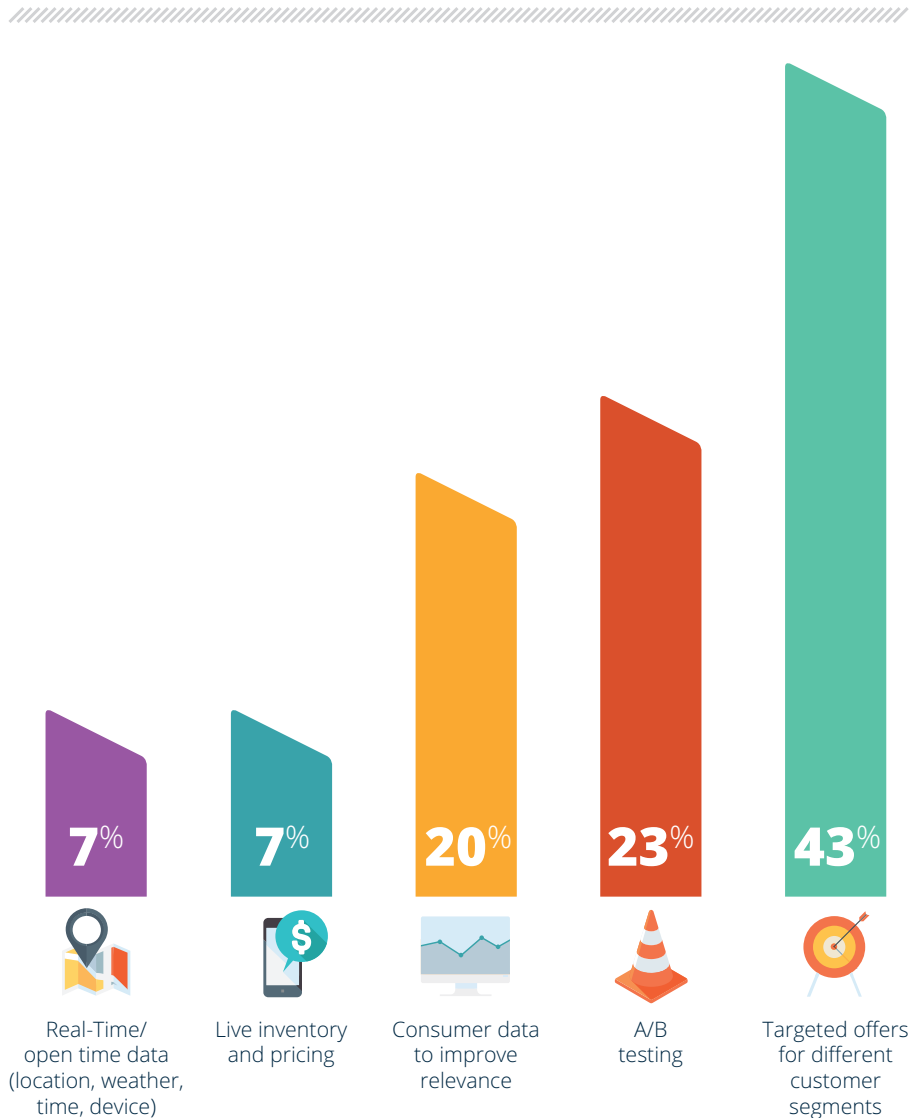


Segmenting offers for different customers is one of the most popular strategies for improving conversions.

As digital marketers plan their email campaigns for the holidays, one of their biggest concerns is how to reach their customers when they are potentially receiving more email than at any other time of the year. The solution is to create emails that feel like they are meant specifically for them. Because of this, it's no surprise that targeting by segment is the single most popular technique for improving sales, prioritized by 43% of retailers. For 23%, A/B testing will be used to fine-tune their sales messaging, and another 20% are mining their consumer data to create a more precise picture of who they are marketing to. Taken all together, it highlights the importance of getting to know who is on the other side of the screen and working to make messaging as close to a one-to-one conversation as possible.

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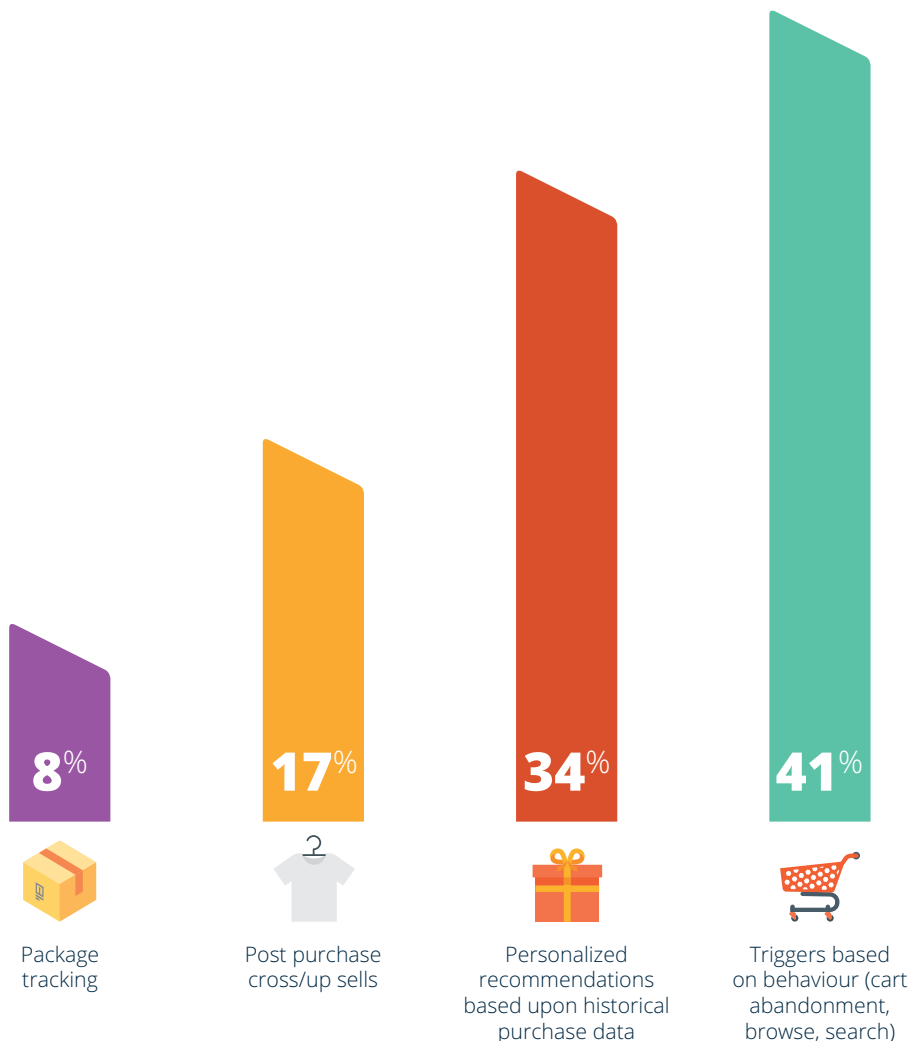
WHICH TACTICS ARE BEING USED TO IMPROVE HOLIDAY SALES?



This season, maximize sales by setting up triggered emails.

Beyond taking the time to get to know their customers, retailers are fine tuning the timing of their messaging to reach them when they are most likely to buy. For 41% of retailers, triggered messaging based on customer behavior is a critical part of their holiday strategies. Messaging a customer when a cart is abandoned, for example, can be all the push they need to reconsider a purchase. Personalized recommendations are another important tool, showcasing a curated range of products directly in a customer's inbox and showing off the relationship between their preferences and your brand. This season, 17% of retailers are also using post purchase emails as a tool for cross selling, or to upsell customers on products they have just purchased, fully capitalizing on each opportunity through the customer journey.

WHAT STRATEGIES ARE YOU INCORPORATING IN TO YOUR EMAIL CAMPAIGNS THIS YEAR?

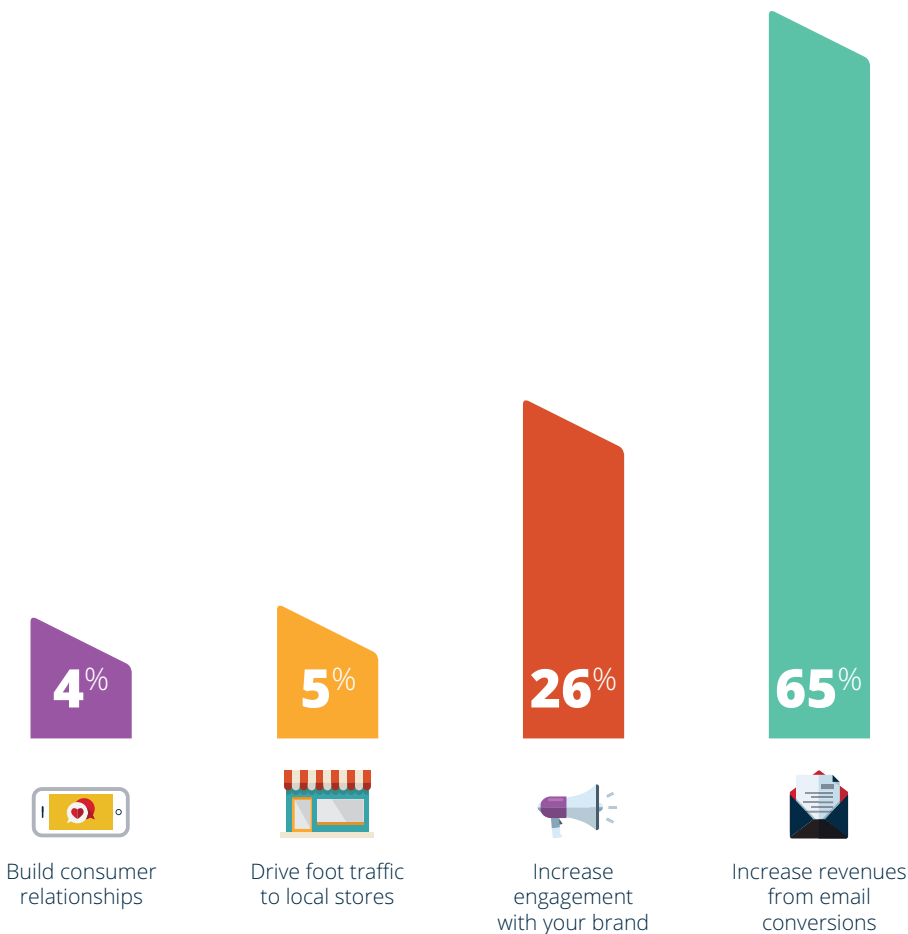


MESSAGING A CUSTOMER WHEN A **CART IS ABANDONED**, FOR EXAMPLE, CAN BE ALL THE PUSH THEY NEED TO RECONSIDER A PURCHASE.

65% of retailers place increasing conversions at the top of their email campaign goals, necessitating a personal approach to get customer attention. Having a strong strategy to reach these goals - like incorporating social to increase engagement, and live mobile, location-based messaging to drive foot traffic, will be essential for success.

Email is one of the most effective channels in a retailer's arsenal, and as such, the majority of marketers are aiming to use their email programs to grow revenues during the holiday season. What's clear is that competition will be fierce, and a brand can't expect optimal success with anything less than their A-game. A further 26% of retailers are using the email channel primarily as a tool for creating engagement with their brands that can play a role in a multichannel journey to conversion, while 5% are driving traffic to their physical retail locations and 4% are mainly using their holiday emails as a tool for customer relationship building.

WHAT ARE THE PRIMARY GOALS OF YOUR HOLIDAY EMAIL CAMPAIGN?



WHAT'S CLEAR IS THAT COMPETITION WILL BE FIERCE, AND A BRAND CAN'T EXPECT OPTIMAL SUCCESS WITH ANYTHING LESS THAN THEIR **A-GAME.**

71% of retailers take over three weeks to go from concept to deployment of a holiday email campaign.

While 29% of retailers will create and then deploy a holiday email campaign within one to two weeks, just under a third (32%) of retailers take between three to four weeks to set up a holiday email campaign, and 27% will take between one and two months. For 12% of retailers, planning for a holiday email campaigns lasts for over two months. It's essential to allow enough time to set up an email campaign, especially one that incorporates advanced features, and in order to help streamline and free up time for creativity, retailers should be incorporating email automation where they can. Even as technology has streamlined the process of creating a contextual email, keeping track of the moving parts of a campaign, and crafting a relevant message both demand significant time investment.

HOW LONG DOES IT TAKE A BRAND TO GO FROM EMAIL PLANNING TO EXECUTION?



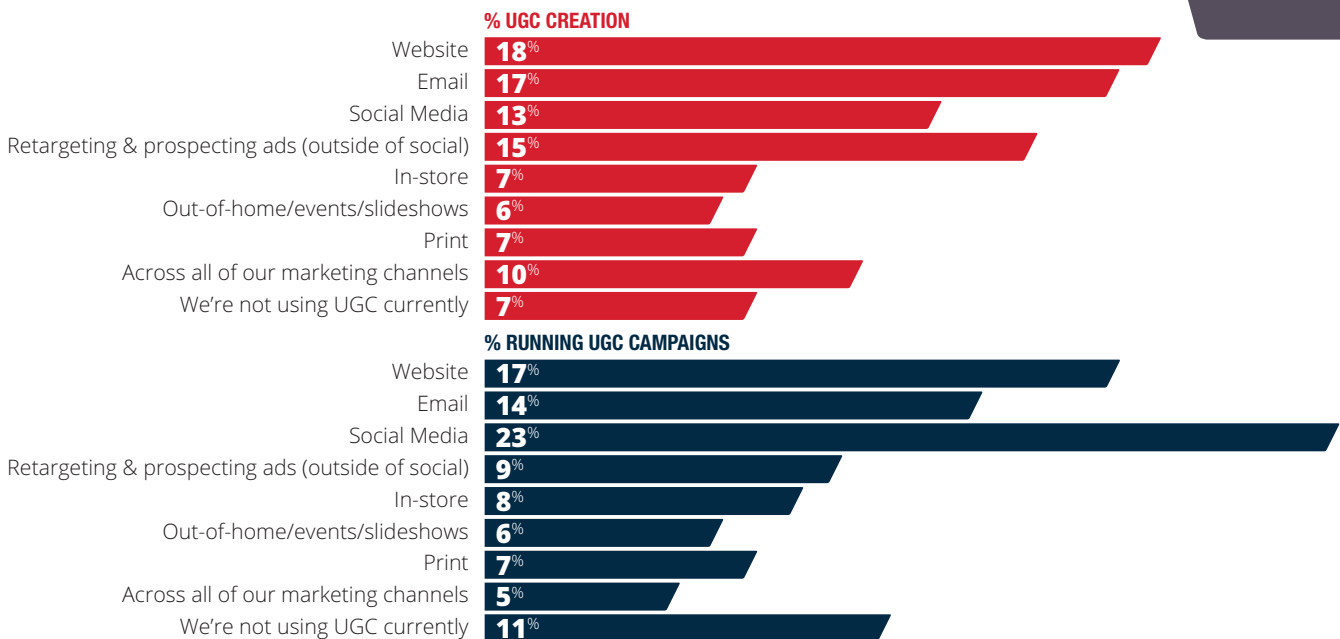
EVEN AS TECHNOLOGY HAS STREAMLINED THE PROCESS OF CREATING A CONTEXTUAL EMAIL, KEEPING TRACK OF THE MOVING PARTS OF A CAMPAIGN, AND CRAFTING A RELEVANT MESSAGE BOTH DEMAND SIGNIFICANT TIME INVESTMENT.

The majority of UGC creation happens in social media channels, particularly those with natural emphasis on visual content such as Instagram, while UGC based campaigns are primarily run through websites, in emails, and in social ads.

In a hyper-saturated digital world, customers respond best to content that feels natural and meant for them. The need to capture and share genuine moments has many brands turning to user generated content to bolster their holiday marketing. While UGC can be created within a broad range of channels, the most commonly cited is social media. With a broad range of platforms, many of which allow for direct brand interaction through hashtags or direct mentions and support high-quality publishing capabilities, retailers have a lot of options to choose from. That stated, that brands need to create and run campaigns specifically designed to inspire people to create and share UGC. Simply having a hashtag and social listening is not enough.

When it comes to the channels that retailers are using to share UGC, website and email campaigns are the most popular, although the response is spread across the full range of channels. By featuring real user content in email campaigns and on landing pages, retailers are able to showcase their customer relationships and allow customers to imagine their own brand experiences.

IN WHICH CHANNELS ARE BRANDS DRIVING USER GENERATED CONTENT (UGC), CONTENT CREATION, AND RUNNING UGC CAMPAIGNS?



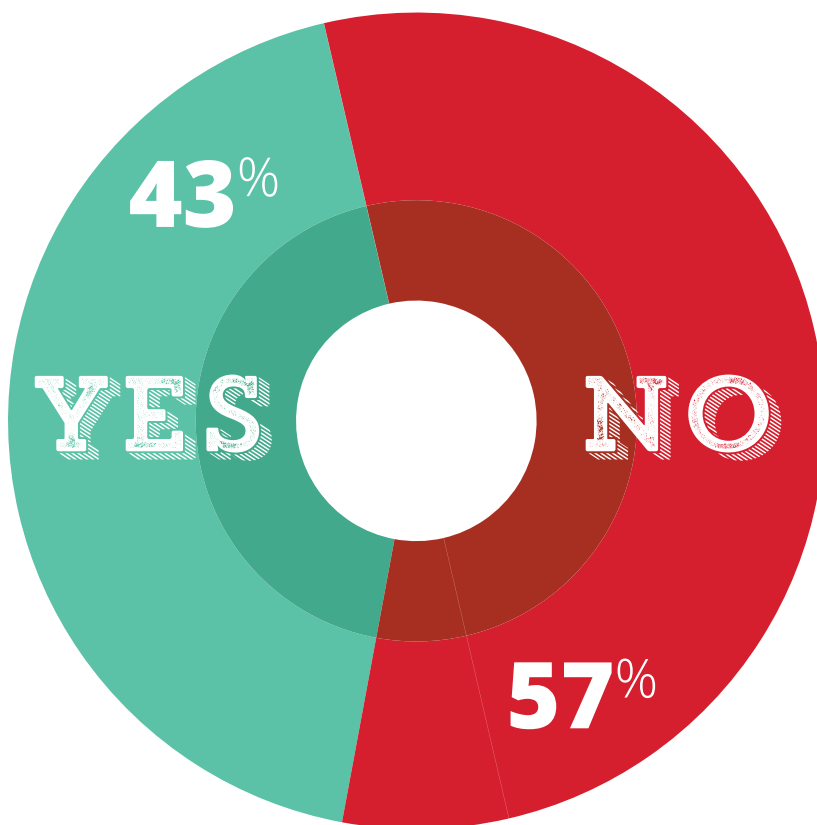
WHILE UGC CAN BE CREATED WITHIN A BROAD RANGE OF CHANNELS, THE MOST COMMONLY CITED IS **SOCIAL MEDIA.**

In order to gather the content needed for their holiday campaigning, 43% of retailers are running UGC campaigns prior to the holiday season, building in the critical lead time they need.

With the high stakes of the holidays, and the amount of preparation that needs to go in to running unique campaigns, 43% of retailers are choosing to run UGC campaigns in advance of the season. With the importance of featuring only the highest-quality content during a peak-season marketing strategy, it makes sense to get a jump on inspiring consumers to create content well before it is going to be utilized, as well as use these campaigns as a nurturing strategy to build brand awareness in advance of the holidays.

HOW ARE RETAILERS PREPARING AND EXECUTING HOLIDAY UGC CAMPAIGNS?

Do you plan to run UGC campaigns pre-holiday season to gather content for holiday campaigns?



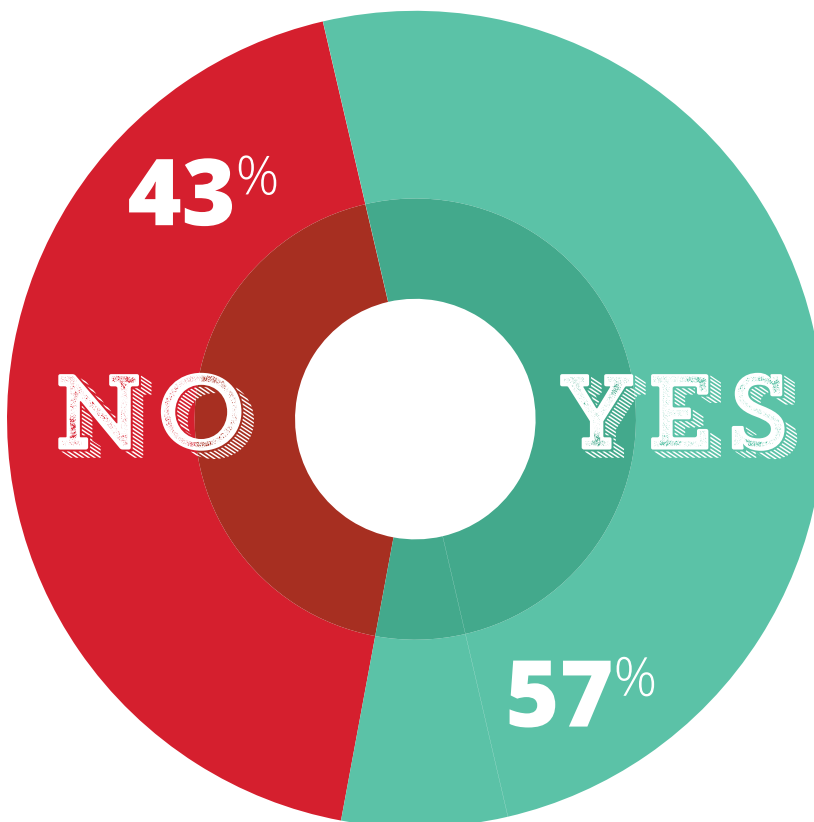
43% OF RETAILERS ARE CHOOSING TO RUN UGC CAMPAIGNS IN ADVANCE OF THE SEASON.

UGC campaigns during the peak holiday season are a popular way for brands to boost their consumer engagement.

Once the holidays do arrive, 57% of retailers are planning on using UGC campaigns to increase customer engagement during the season, not to mention as a source of content that can perfectly accentuate a holiday email or social campaign and add a festive and authentic component to an already finely tuned message. The ability of UGC to build engagement is one of the key benefits that retailers will be seeking to take advantage of.

HOW ARE RETAILERS PREPARING AND EXECUTING HOLIDAY UGC CAMPAIGNS?

Do you plan to run UGC campaigns during the holidays to increase consumer engagement?



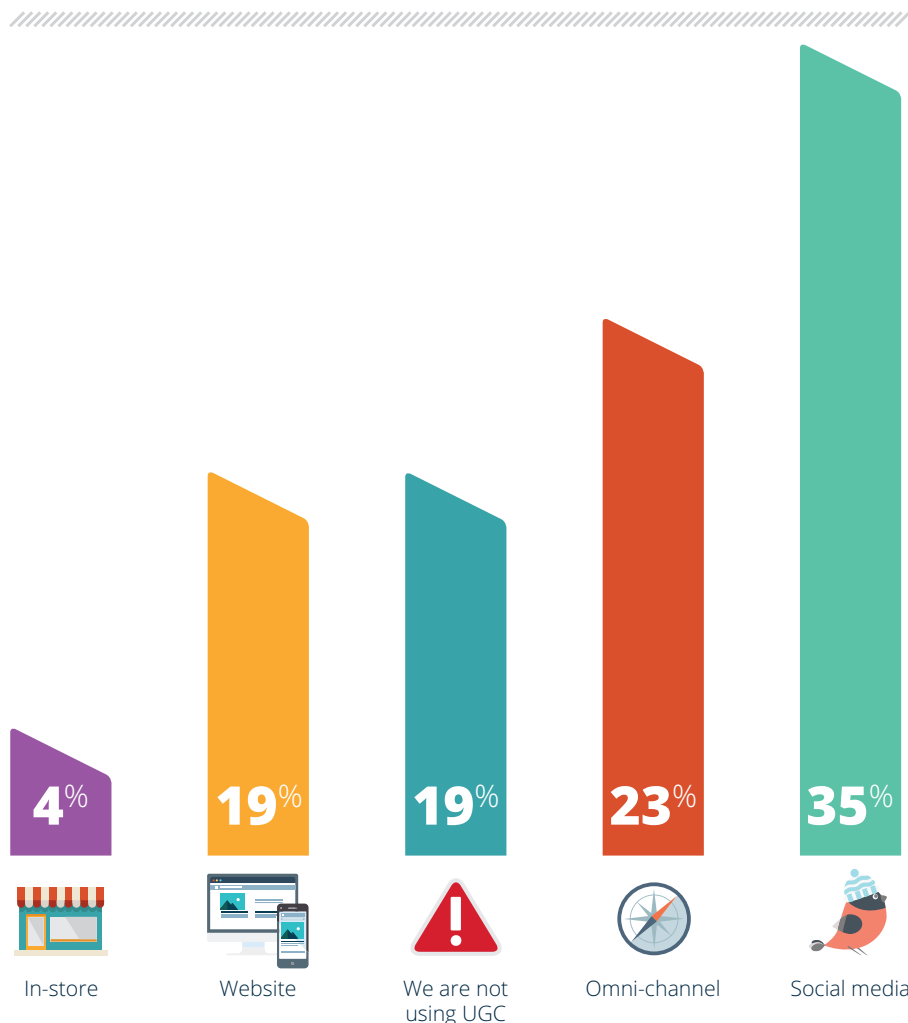
57% OF RETAILERS ARE PLANNING ON USING UGC CAMPAIGNS DURING HOLIDAYS.

The greatest potential opportunities for UGC in the coming year are based on social campaigning, as well as integrating user-generated content into an omni-channel strategy.

In the next 12 months, retailers are looking to run UGC campaigns that will inspire their customers to create, then share new and exciting content. For 35%, social is the channel where they see the greatest potential opportunity, running campaigns that can get them authentic, high-quality content that they need to fuel their other marketing efforts. Another 23% feel that their UGC will have the most utility for them as part of an omnichannel marketing strategy, portraying the best of what the brand has to offer in an authentic way, and in turn helping marketers understand what type of content their customers prefer through marketing analytics. The website is another area where UGC can shine, and 19% of marketers feel that incorporating it into their landing pages is how they will realize the greatest potential from the content they gather.

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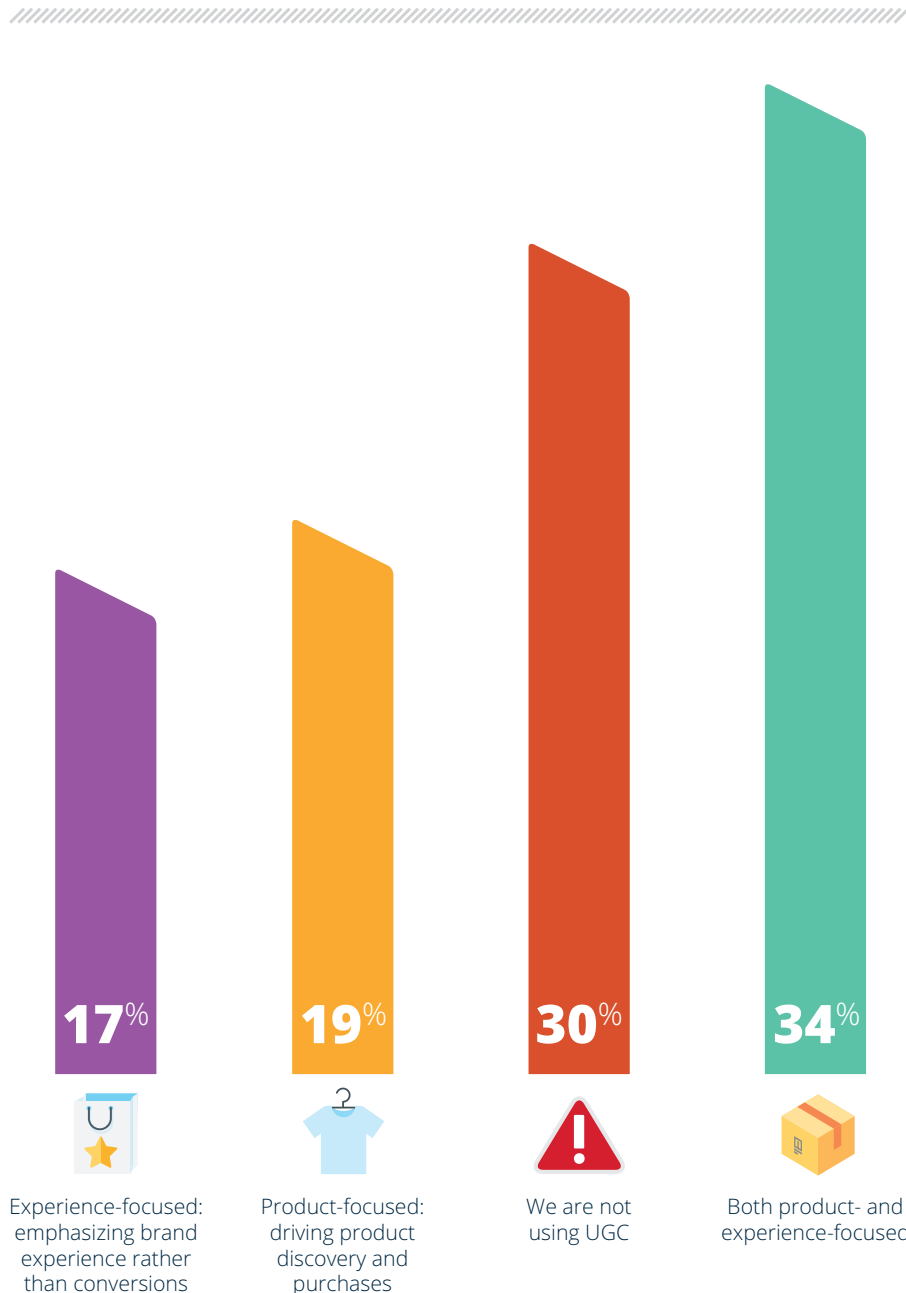
WHERE ARE THE BIGGEST UGC OPPORTUNITIES IN THE NEXT 12 MONTHS?



UGC campaigns will often have a dual focus on products as well as customer experience.

This year, the majority of retailers are going to be using a UGC strategy to either promote their products, lead customers to purchase, or both. In fact, 34% are planning on using UGC as the centerpiece of holiday campaigns for driving both conversions and customer engagement. UGC campaigns can synergize nicely with an overarching omnichannel strategy, creating engagement, and then yielding user submitted holiday content that shows off the best qualities of what the brand has to offer. In conditions where consumers are being bombarded by emails, this type of content can be the ace in the hole that allows a brand to truly stand out.

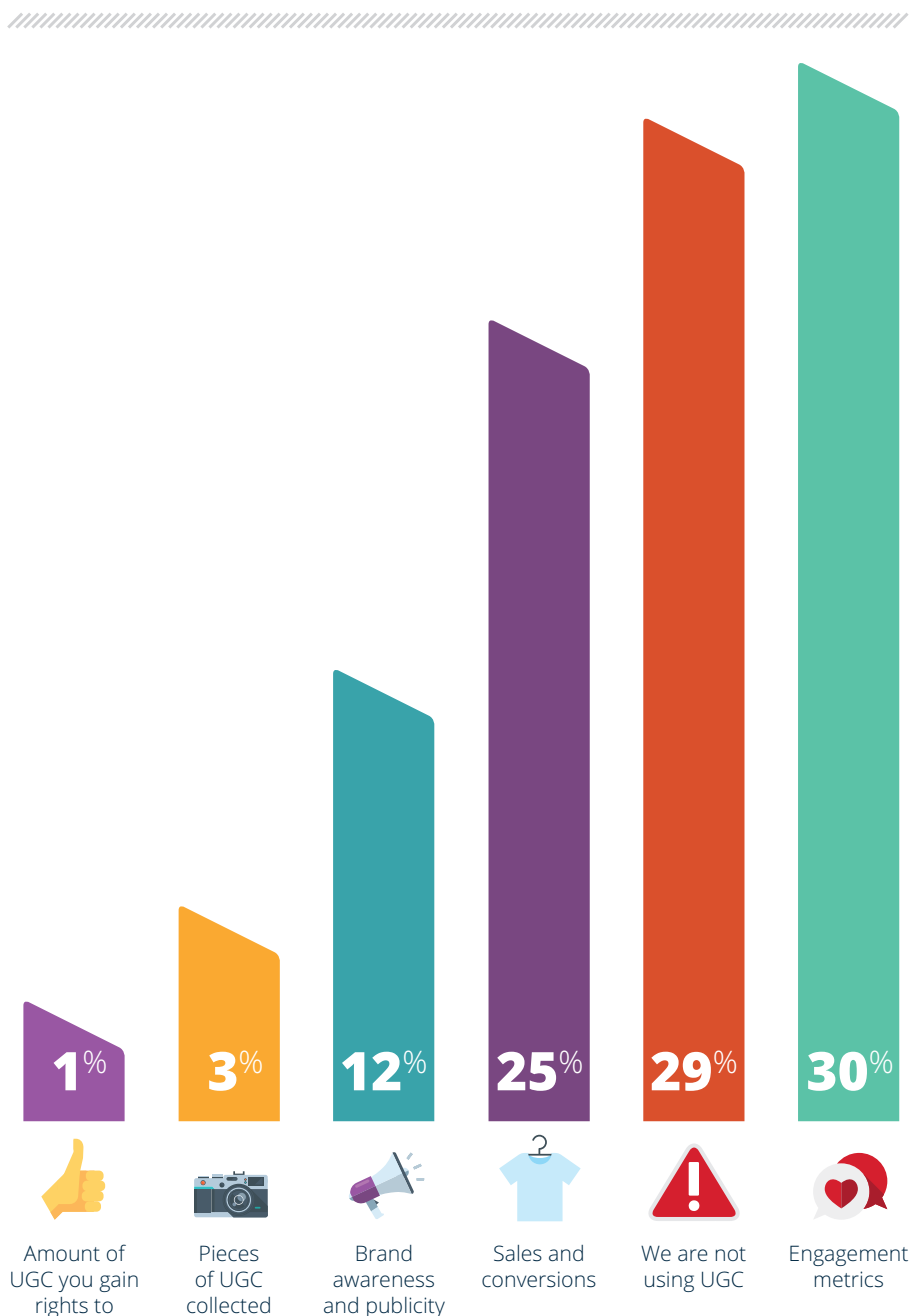
34% ARE PLANNING ON USING UGC AS THE CENTERPIECE OF HOLIDAY CAMPAIGNS FOR DRIVING BOTH CONVERSIONS AND CUSTOMER ENGAGEMENT.



Engagement metrics are the most common yardstick for UGC success, followed by sales and conversions.

While it's typical for brands to run UGC campaigns with the goal of boosting engagement with their brands, they are also effective at getting customers to buy. When combined with the right customer targeting, these two qualities can make a huge amount of impact during the holiday season. This year, more brands than ever will be competing for a share of the digital pie, and beginning their preparations well in advance of the holidays. The keys to success will be accurate segmentation, outstanding content, and a personal approach that feels made just for your customers.

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Key Recommendations



Don't wait till it's too late to start planning your holiday email marketing strategy, begin planning your campaign at least six weeks before you deploy.

The highest concentration of retailers will begin executing their email campaigns in October, and the majority will require over three weeks in order to go from planning to execution on their email campaigns. Looking to incorporate the results of an A/B split test, enhanced personalization, or other advanced features? You may need to take even more time to prepare, so think realistically about providing some cushion for your team.



Your customers want their holiday messaging to feel like it's really meant for them, which requires gathering and acting on the right data insights. Personalization will be key for breaking through the noise this season.

The most effective messaging for the holidays, and during the rest of the year, is based in knowledge of who your customers are. Look for a platform that will allow you to personalize email content based on customer context and behavioral and CRM data, and then optimize your campaigns with A/B testing.



UGC campaigns can play a key role in providing the right kind of content in advance of the holidays. During the season, UGC synergizes nicely with an email strategy by creating engagement and highlighting a brand's best products.

Combining the aesthetic value of a product showcase and the compelling persuasion of a photo or video testimonial, incorporating UGC into holiday email and content campaigns is one of the ways that retailers are hoping to update their strategies this year. Gathering high-quality UGC can take time, which is why retailers should take the time in the months proceeding the holidays to run campaigns that inspire the kind of high-quality, genuine user generated content they need. As the majority of retailers will gather UGC content from their social channels, then promote it via email or their websites, running a holiday UGC campaign is a strong way to engage consumers as part of a high performing omnichannel marketing strategy.

THE MOST EFFECTIVE MESSAGING FOR THE HOLIDAYS, AND DURING THE REST OF THE YEAR, IS BASED IN KNOWLEDGE OF **WHO YOUR CUSTOMERS ARE.**

Appendices

Appendix A: **Methodology**

The results analyzed in this report were gathered from responses to a digital benchmarking survey delivered in May 2016 to members of the eTail event database, and prepared by report author Andrew Greissman. 122 executives responded to the survey. Interviews with sources were conducted after survey data was compiled, and centered on discussion of benchmark results.

Movable Ink

Founded in 2010, Movable Ink pioneered the application of contextual experiences to email and has powered over 125 billion live content impressions. Movable Ink clients can use any email service provider to deliver dynamic content that changes, in real-time, according to the context of each individual consumer. More than 350 innovative companies including The Wall Street Journal, eBay, Finish Line and Saks Fifth Avenue use Movable Ink to Market in the Moment and optimize their email campaigns to drive ROI. The company is headquartered in New York City with offices in London and San Francisco. For more information, visit www.movableink.com

offerpop

Offerpop's Visual UGC Marketing SaaS platform empowers brands to inspire and leverage user generated content at every stage of the buyer journey, improving marketing performance. Leading brands and agencies use Offerpop's Visual UGC platform to create campaigns and promotions from a library of templates to inspire the creation of quality UGC, manage and leverage UGC across marketing channels, and build consumer profiles to improve segmentation and targeting. The company is headquartered in New York City, with offices in London.

www.offerpop.com

WBR DIGITAL

WBR Digital connects solution providers to their target audiences with year-round online branding and engagement lead generation campaigns. We are a team of content specialists, marketers, and advisors with a passion for powerful marketing. We believe in demand generation with a creative twist. We believe in the power of content to engage audiences. And we believe in campaigns that deliver results.

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