

THE

HARD TIMES PLAYBOOK FOR RETAILERS

How to keep going (and growing) when the world is... Yeesh



This year has been a MESS

Retailers know this better than anybody. As consumers stayed home and **shifted to online buying** in droves, retailers were left scrambling to keep up with the sea change. Some thrived, some struggled, but **ALL of them had some pivoting to do**. With unprecedented job losses and salary cuts, retailers who've been angling for their piece of the pie have found a smaller pie. Marketers all the way up to the C-suite are now finding themselves under increased scrutiny while trying to do **more work with less budget and fewer people**. The fashion industry – an industry that relies heavily on foot traffic – has been especially hard hit. Many have filed for bankruptcy. The retailers that have failed have done so by clinging to their old ways; the ones that have succeeded have **used technology to pivot**.

We'll say that again because it's important: the winners this year have invested in the right technology.

Whether you've been successful or struggling in 2020, your customers are likely interacting with you **more digitally instead of in person**. This means your online conversation with them is **more important than ever**. But how on earth do you talk to your customers in times like these? On any given day, there might be wildfires, hurricanes, riots, mass layoffs, death, injustice, melting icecaps, and *freakin' murder hornets*. That's an awful lot of tiptoeing around for marketers to do, knowing that one misstep – like using a flame emoji to talk about a hot sale while wildfires rage – will result in swift, widespread ridicule on social media. **Standing out from the crowd while remaining sensitive to your audience is crucial.**

Now, the peak season is coming up. The stakes are high. This is the chance to turn around whatever has gone wrong this year and **end things on a high note**. This is the chance to leave consumers feeling good about your brand (while there may not be much in the world to feel good about). This is your chance to **invest in both quick wins and long-term success**. This is your chance to **work smarter, not harder**, to clear your plate of minutiae so you can focus on the big picture. This is your chance to **prove you can adapt** to any crazy thing the world throws your way. Read on to find out how other retailers are planning to make the most of this year's peak season.



Investing? In this economy?

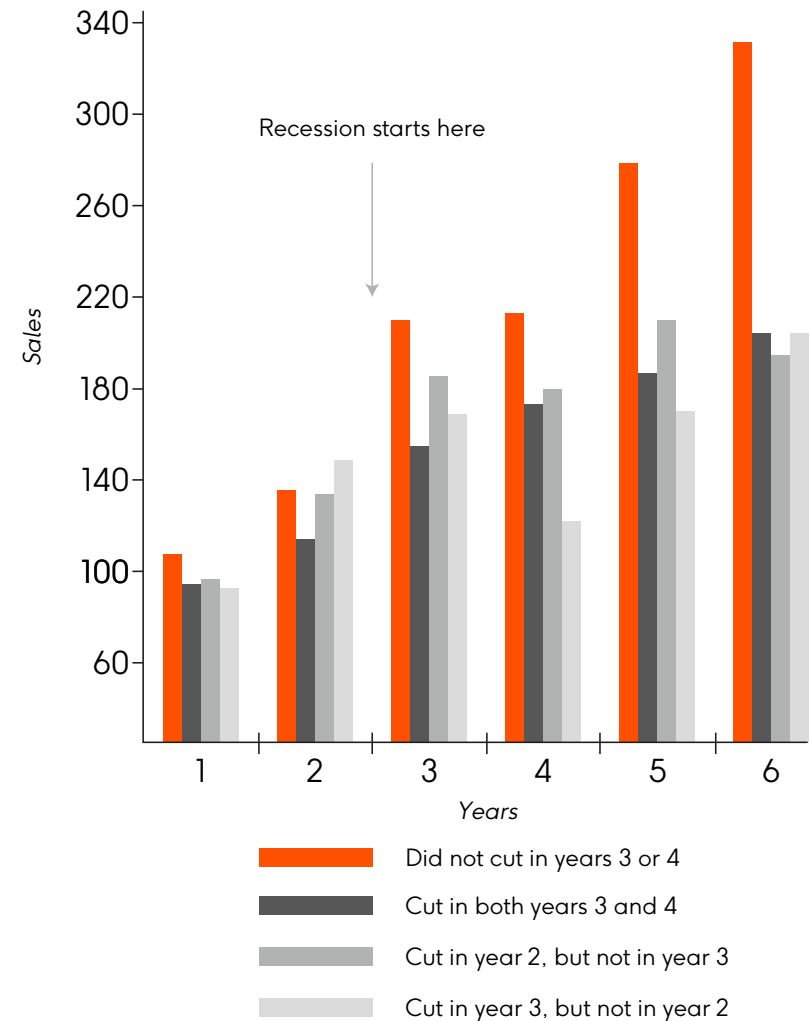
Like their customers, retailers are being **more cautious with their spending** this year. According to a COVID-19 Business Impact Survey from Econsultancy and Marketing Week, 53% of North American marketers and 41% of UK marketers have either delayed or are reviewing strategic initiatives. Seems sensible, right? Times are uncertain, fat needs trimming and all that.

But by failing to invest in new tech and much-needed upgrades, **retailers are at risk of losing their competitive edge** now and long after when the dust settles. History has demonstrated time and again that brands who cut back on marketing during hard times suffer grave consequences. **Brands who continue to invest in marketing thrive.**

A prime example is the six-year period following the recession of 1981–1982, shown in this graph. The orange bars represent sales for brands that continued to invest in marketing throughout the recession. The grey bars represent the sales of those who didn't. As you can see, **those who invested in their marketing and advertising came out of the recession as winners**, and those who didn't... well, it wasn't pretty.

Ignoring the elephant in the room is simply not an option. Retail is changing quickly, especially now, and **brands must be prepared** with every tool in the toolbox. We'll see how this has played out for two different retailers next.

Sales Following 1981-82 Recession by Advertising Strategy



Source: McGraw-Hill Research's Laboratory of Advertising Performance. 1985.

A tale of two retailers

Let's take a look at a **real-world example**: the divergent paths of two of the world's largest retailers (anonymized to avoid embarrassment). Let's call them 'Retailer A' and 'Retailer B'.

Both retailers were **well-established brands who were dealing with challenges**. Stiff competition from brands like Amazon and Walmart and falling revenues drove them to adopt **short-term tactics** – clickbait subject lines and constant sales that drove down their profit margins. Digital engagement was decaying. Customers weren't shopping with them because they loved them; they only wanted items on the cheap.

And it worked – for a bit. But after the umpteenth "big sale" announcement, **customers stopped caring**. The message was no longer breaking through.

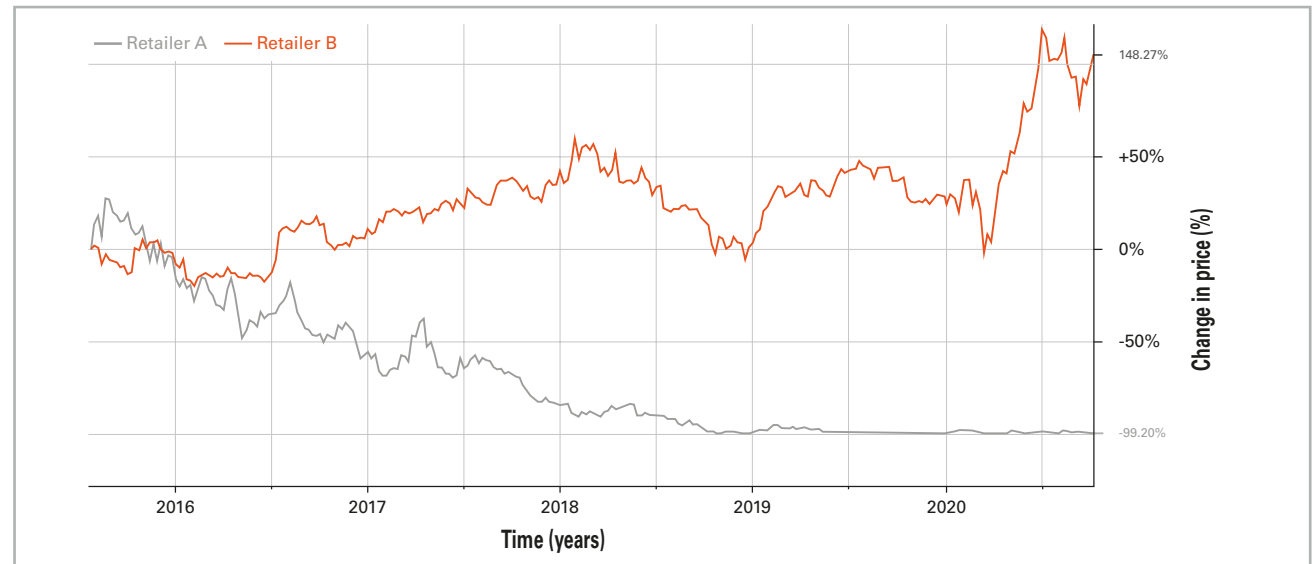
Retailer A stayed the course, but eventually had to declare bankruptcy and regroup. But Retailer B knew it had to make a change – it had to **start thinking about long-term success** or else be devoured. It was a tough decision.

Retailer B **changed how it was talking to its customers**. Instead of just offering discounts all the time, it **focused on relationship-building**. It started using Phrasee® as part of its new strategy. Its **stock price increased dramatically**, as you can see in this graph. Retailer A's stock price though? Yikes.

Then, a global pandemic hit, which really rocked the boat. Retailer A was **heavily reliant on foot traffic**, and because it had been focused on offering deep discounts and **not investing in long-term relationship-building**, it's now on the brink of shutting down completely.

But Retailer B's vision has been paying off. It has seen **record sales this year**, 80% of which came from existing customers buying more frequently. If it hadn't spent the past few years **investing in the technology and strategy** that cemented its customer relationships, it might be losing ground now to the competition instead of gaining more.

The moral of the story is this: yes, times are uncertain, but that's why you **must invest more in your marketing**, not less. With the right tools and strategies, you can have **both quick wins and success that will last** through good times and bad.



Top 9 email tips for peak retail performance

This year's peak season for retail feels more like Everest than the bunny slope. To get to the summit, you don't need a yak and an oxygen canister – you need the tried-and-true channel of email. (Imagine actually getting results and being able to track them! Like on a graph! Novel idea.) Use these tips to help you climb to victory in the inbox.

1



2



3



4



Go beyond A/B

If you're only A/B testing your subject lines, you should know your competition is "Mwahaha"ing at you, probably while stroking a hairless cat. The most successful retailers are testing 10 subject lines every time they send – you should too.

Target based on tenure

Map out your customer journey. How long has each customer been on your email list? Are the older ones sick of you yet? Which ones are most likely to send you cookies? (THIS PART IS IMPORTANT.) Segment by tenure and target each group with the message that's right for their stage.

Attack your unsubscribe points

To continue with Tip #2, your customer journey map should help you identify when most of your email subscribers leave – 6 months? A year? Right after you send them that picture of a boil asking if it looks infected? (It is; please see a medical professional.) Once you know when they're leaving, figure out why and fix it.

Thank your besties

Which customers have the highest LTV? This is a great time to thank them for sticking around – send them an e-gift certificate, or a Cheese of the Month subscription, or a new Lambo (you know your budget better than we do).

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Check your subject lines

Wondering if your subject lines are varied enough? Have you tried essential oils? (We're just kidding; they can't help you here.) Load them into our [subject line tool](#) for a free way to see how your subject line language compares to your fellow retailers, and why language diversity matters when it comes to higher marketing performance.

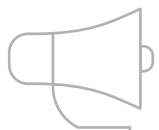
6



Don't freak out your audience

We've all been through a lot this year – it's been the emotional equivalent of being hit by a truck and then by another, different truck. [Be sensitive](#) – now's not the time for pushy sales tactics, and please don't use language or emojis that make light of the seriousness going on in the world. [We've adjusted brand language models](#), and you should create and distribute your own internal list of "not nows".

7



Experiment with your language

Now that you're being sensitive, how can you push the boundaries of your email copy without losing your brand voice? Would a sprinkling of emojis help? Is it time to "stan" a "bae"? Do some multivariate testing to see if you can dial up the phun a bit – it's worked great for us!

8



Have fun with cart abandonment

Your customers know that if they put something in their digital cart and digitally walk away that you'll come digitally running up to them with a discount, begging them not to go. Experiment with ways to make your cart abandonment emails more engaging and surprising.

9



Try dynamic personalization

As Santa can attest, not everyone has the same thing on their wish list. Try using tech that can actually deliver personalized, dynamic email content that makes sure everyone gets exactly what they want.

Learn from the best: eBay

Justine Del Greco,
Marketing Manager Global CRM, eBay



eBay's never been afraid of investing in the right technology to get the job done. Here's how it's been driving results.

eBay connects millions of buyers and sellers around the world. As the company scaled, it continuously looked for advanced technology that could empower its people and enhance performance, especially in the way it engaged its customers. In 2016, ever the pioneer and ahead of the wider marketing industry, eBay embraced AI technology to power its marketing language and optimize its campaigns at scale, without compromising its brand voice – the essence of eBay.



Machine-generated language balanced with human control made Phrasee our top choice, and we've seen significant engagement and ROI uplift ever since.



↑ **15.8%**
average open
rate uplift

↑ **31.2%**
average click
rate uplift



700,000+
incremental opens per campaign

ROI
consistent on all campaigns

**Download the
case study**

Learn from the best: Dixons Carphone

Saul Lopes, Head of CRM, **Dixons Carphone**



10%

initial open
rate uplift



25%

initial click
rate uplift



21%

initial conversion rate uplift

Download the
case study

29:1

total Black Friday
campaign ROI

Dixons Carphone sells technology to consumers, and it uses it enthusiastically in its marketing. Here's how it has implemented the right tech to achieve amazing results.

Dixons Carphone's vision is to help everyone enjoy amazing technology. As a leading omnichannel retailer of technology products and services, it operates through 939 stores and 16 websites in eight countries. For its part in the company's ambitious transformation, the CRM team re-evaluated its entire strategy, redefining its role within the business. Phrasee's Brand Language Optimization was the first step in the plan and remains at the heart of the transformation today.



*Every good omnichannel strategy
should start with a few quick wins.
Prove yourself, then go bigger.*



Need help? Phrasee's here

Phrasee delivers more revenue while protecting your brand. With a few quick clicks, you could be saving your copywriters time while optimizing for peak performance. Some of the biggest brands in the world have trusted our technology to deliver the right message. Want to see how it works? Schedule a demo with us and we'll be happy to show you.

Schedule a demo



☎ US: (415) 941-2420
☎ UK: +44 (0)20 8870 6968
✉ awesome@phrasee.co
🐦 www.twitter.com/phrasee
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