

MARKETING

## How email helps emerging luxury labels to outperform legacy brands

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The new "luxury" may be advanced personalized emails this holiday season. For emerging luxury brands, the pressure to compete with heritage brands in the coming weeks may be heavier than ever.

COVID-19 changed the retail landscape both by shifting the mindset of which brands **consumers choose to buy from** and further crowding the ecommerce space.

This holiday season, using email to develop a more personal connection with consumers is one way for fast-growing luxury brands to outperform long-standing brands. Segmentation is the key to accomplishing this.

Email segmentation is when a company divides its subscribers into smaller groups, or segments, who have a common variable, such as previous purchasers.

Segmentation allows companies to send more personalized messages, as opposed to impersonal batch-and-blast impersonal emails.

### Divide and conquer with email segmentation

Up-and-coming luxury brands tend to be more nimble and often use more modern tools that allow for easier message personalization, whereas legacy luxury brands tend to fall into the "this is how we've always done it" trap resulting in impersonal promotional messages. This is an advantage that younger luxury brands can take.

Challenger brands can create the following segments to see higher returns on their email marketing efforts, right now and throughout the season.

**Non-buyers:** While it may sound counter-intuitive to market to would-be buyers, brand marketers can create messaging that reintroduces them to a brand, much like a welcome series does for onboarding new subscribers.

Try to re-establish that personal connection by sending messages that tell the brand story, point to any connection with the local community or charitable causes, and why supporting a company makes a difference.

Re-introduce the company value-adds, such as satisfaction guarantees and free returns, and address any potential reasons they may have not previously purchased.

Lapsed customers: Since **75 percent of U.S. consumers** have tried new brands since the pandemic began, shoppers are more likely to break bonds with established luxury brands this holiday season.

Newer luxury brands can isolate these one-time customers and win them back by sending them emails that introduce them to fresh product collections or other new things they may have missed.

This is the ideal time to reintroduce your value-adds, such as a 24/7 phone concierge service, to entice them to once again shop. Doing this at the onset of the seasonal shopping rush not only gets the customer in a purchasing mindset, but also primes the shopper to do it with your brand.

Segment by average order value (AOV): When companies build segments based on a customers' AOV, they provide the most relevant product recommendations.

Before the 2020 holiday season, brands can test the effectiveness of running future promotions including tiered markdowns and free gifts with purchase.

Automate customer segmentation: Marketers can use any of these segments inside of automation workflows, such as with cart abandonment.

If a customer with a low AOV leaves behind their cart, brands should consider offering a special perk with a higher minimum spend, forcing the customer to spend more.

For lapsed purchasers, provide a surprise welcome-back gift. When it comes to segmentation in automation, the possibilities are endless.

Add a personal touch in a no-touch world

The tight connections brands make right now using email marketing will not only impact their success during the 2020 holiday shopping season, but also the critical first quarter of 2021 and beyond.

Marketers who swiftly activate these three tactics will not only help their disruptor brands go head-to-head with legacy luxury brands during the gifting season, but will allow themselves to turn seasonal customers into year-round customers.

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