DTC brands see conversion growth via email ads: report

March 23, 2021

LiveIntent clients include Nordstrom Rack, Gilt and eBags. Image credit: LiveIntent

BY SARAH RAMIREZ

As ecommerce spend continues to increase, direct-to-consumer brands are leveraging email advertising to boost sales conversions, according to a new report.

Marketing platform LiveIntent found that DTC companies saw conversion rates from email marketing grow 26 percent year-over-year. Email marketing can especially be effective for DTC brands looking to target female consumers.

"We’ve seen enormous growth from DTC brands over the past several years but especially in 2020, when ecommerce consumer spend grew by 44 percent amid the pandemic,” said Kerel Cooper, chief marketing officer at LiveIntent, New York. "Unlike some traditional retailers, DTC companies had a head start because they were already established in ecommerce and invested in the right digital channels where consumers were spending time.

"Our data shows that DTCs are seeing the benefits of email and would be wise to optimize for mobile devices to continue that success," he said.

The study compared DTC brand marketing campaigns from January and February of 2020 with January and February of 2021.

Inbox advertising

Email marketing and advertising has evolved to become more sophisticated than sales alerts. LiveIntent is a programmatic advertising platform, helping brands automate the digital ad buying process to purchase display space in email newsletters from publishers and other businesses.

According to LiveIntent, DTC products performed best in consumer-focused newsletters. Personal finance newsletters saw a click-through-rate (CTR) twice as high as the average CTR, while shopping newsletters had a rate of conversion, or clicks resulting in action such as purchases, 60 percent higher than average.
DTC brands see the most success in consumer-driven newsletters. Image credit: LiveIntent

The DTC brand categories with the best CTR and conversion rates were technology, automotive and home and garden areas that have seen steady performance during the pandemic.

LiveIntent's data also points to consumers being more likely to convert after reading newsletters on their smartphones and on the weekends.

The conversion rate for DTC brands is 20 percent above average on mobile devices, while the CTR is 57 percent higher than average on tablets. CTR and the click-to-conversion rate (CCR) are higher on the weekends than weekdays, at rates of 12 percent and 6 percent, respectively.

LiveIntent recommends publishers offer multiple ad sizes to maximize revenue from advertisers. Image credit: LiveIntent

Women are also more likely to respond to display ads in email newsletters, with 15 percent higher CTR and 70 percent CCR than men.

Interestingly, consumers 65 years and older had the highest CTR, 40 percent above the average baseline, while consumers between 25 and 34 years old had CCR 30 percent higher than average.

Email experimentation
With email newsletters seeing growing popularity, there will be more opportunities for brands to bid on display advertising to reach consumers directly in their inboxes. It is also likely that more brands will introduce their own newsletters in the coming months.

Fashion labels Dior and Burberry are among those already running complex email marketing campaigns, with augmented reality features and personalized content (see story).

Display ads in email newsletters also allow brands to reach targeted audiences without relying on third-party cookies, which are falling out of favor as consumers seek more privacy.

Technology giant Google has confirmed that it will not introduce alternate identifiers to track users online once it phases out third-party cookies, opting to use "privacy-preserving" solutions for digital advertising.

With consumers’ privacy expectations evolving and regulatory scrutiny increasing, Google and other technology companies have been moving away third-party cookies, which gather cross-site information from internet users. Google is also encouraging brands to build stronger relationships directly with consumers to improve their own
first-party data (see story).