

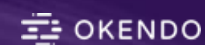
# LOOK

FORWARD

How to scale your ecommerce business



With contributions  
from our partners:







## Introduction

Scaling your ecommerce business is exciting. It's challenging, it's rewarding and it inspires you to always keep looking forwards.

You're making an impact. Your products are flying off the shelves. You've got more customers, tools, man-power and (let's face it) money to build on your success. The opportunities are overflowing.

But, scaling up can be challenging. More shoppers can mean that you disconnect from each individual customer. More sales can leave you with more data to pull apart and understand. And, a larger business with more moving parts, can make it harder to maintain brand consistency and build trust.

This ebook was created to guide you through the challenges of scaling your store without compromising at any step of the customer journey. We show you quick wins for banking more revenue and long-term tactics that will leave a lasting impression with the customers that matter.

Each of the four parts covers a different step of the customer journey – acquisition, conversion, fulfillment and post-purchase – and is packed full of advice from experts that live and breathe ecommerce every day.

By the end, you'll have pinned down your own unique formula for successfully scaling your ecommerce business.



LOYALTYLION



# LOOK

FORWARD

Scale acquisition



Scale conversion



Scale fulfillment



Scale post-purchase





LOOK  
FORWARD

Part 1

# Scale acquisition





# LOOK FORWARD

## Customer acquisition:

The process of introducing new people to your brand and getting them to convert into customers.

As an ecommerce business, your approach to acquisition probably includes tactics like paid social, influencer marketing, sponsorship and search engine optimization.

Your goal is to bring in more consumers at a cheaper price, so you might regularly lose sleep worrying about keeping your customer acquisition costs (CACs) low.

After all, your KPIs are likely based on high sales figures and growth in website traffic.

But, what if we told you that the short-term satisfaction of high sales figures delivered by your acquisition tactics could be impacting your long-term growth.

[Read on to find out why...](#)





## Cheapening your brand

With your competitors regularly putting on holiday promotions and seasonal bonanzas, it's easy to get trigger-happy with your own reductions and sales.

But, by joining in you run the risk of downgrading your brand.

Bigger and more influential stores will get the attention, as they can afford to amplify acquisition.

Meanwhile, you've priced your products so low that they come across as cheap – impacting the perception of quality. You may have even insulted your loyal and (now over) paying customers while you're at it.

As you scale, you need to maintain the perception of quality around your brand.

And, as the legendary art critic, John Ruskin, once said:

**quality is never an accident.**





## The wrong customers

Scatter-shot acquisition strategies might get shoppers in.

But, the ultimate question is: **are they the prospects you want?**

What we mean is, do they share your values? Will they engage and hang around for a while? And, will they spend money with you long term?

Chances are that the generalized approaches that attracted them won't make them emotionally invested long term. Instead, you'll get a widely-distributed, unfocussed group of one-time shoppers.

To scale, you need to zoom in on prospects who are more likely to repeat purchase over an extended lifetime.

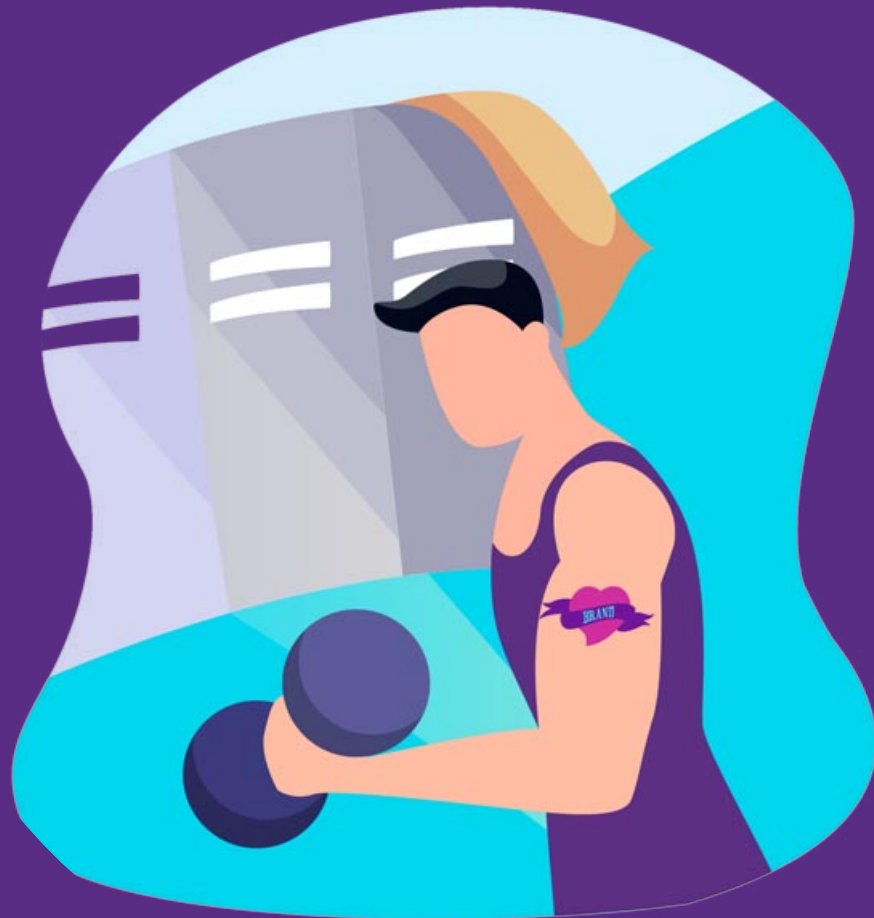
This begins by attracting the ones who want to establish a connection with you.

We found that ▶ **66% of customers** would become a member of a store if they could create ongoing relationships with the brand. And, once they're a member they're more likely to return and shop again.

As a busy ecommerce marketer with targets to meet, acquisition isn't something you can skate around – it's vital for store growth. However, to turn that growth into guaranteed longevity, you need to underpin your acquisition approaches so they retain customers who will stay by your side as you scale.







LOOK  
DEEPER

How to scale your acquisition tactics





## Hold your brand in high stead:

Communicate your point of difference

Fendi and Prada are just two examples of businesses that have rediscovered their brand pride by not participating in international sales peaks. They have returned to their roots of exclusivity. This confidence in their reputation encourages customers to partake in long-term brand buy-in.

Shoppers like brand pride too. ▶ **68% of consumers** we asked said they return to stores that share values with them.

And, ▶ **71% of younger shoppers** feel passionate about corporate social responsibility.

71%

of younger shoppers  
feel passionate about  
corporate social  
responsibility





During seasonal sales peaks, use your brand beliefs to stand out.

Think about delivering emotional value, rather than putting on a sale for sale's sake.

Rather than promoting lower prices, advertise that you let shoppers contribute to a charitable cause.

With a loyalty program, you can reward customers with points when they purchase or create an account.

Then, using ▶ **custom rewards**, let members trade in their points for charitable donations that are aligned with your brand values.

New shoppers, who are more likely to be the right kind of people because they've been attracted for the correct reasons, will see that you give back.

They'll align with your values and believe in what you stand for.

Then, because they're emotionally connected they'll return to shop with you and have a higher lifetime value.

- Use seasonal sales peaks to deliver emotional value
- Reward customers for their first purchase and for creating an account
- Let members trade their points in for charitable donations that are aligned with your brand











Edgard and Cooper, the natural pet food brand, use their loyalty program to showcase their point of difference.

Beyond rewarding customers with discounts, their custom rewards let shoppers exchange their points to plant a tree or donate a meal to an animal in need. To attract new, like-minded customers, Edgard and Cooper advertise this perk on social media.

They post about how their products help charities and reduce the planet's carbon footprint, magnifying their point of difference.

This way, prospect customers learn what the brand is all about before buying the product. Plus, when they're won over, they stick around and spend more.

Results show that Edgard and Cooper's loyal members have a 70% higher average order value than guest shoppers. Their loyalty program members also generate 62% of their total revenue, despite only making up 14% of their customer base.




- Edgard and Cooper's loyal members have a **70% higher average order value** than guest shoppers
- Their loyalty program members make up **62% of their total revenue**, despite only making up 14% of their customer base



As a brand looking to grow, your member-to-guest ratio could be leaving you high and dry. You can spend on acquisition, but if you don't capture contact details from new customers you can't re-engage them later on. Their purchase will only be a one-off and their long-term revenue potential will be non-existent.

Make sure your acquisition strategy allows you to build a dedicated member base by showing the benefits of setting up an account. This way, new customers won't shop then drop you after sales periods.

Automate a pop-up that tells new visitors they'll get loyalty points if they create an account when they show exit intent. The pop-up should also include your most sought after loyalty program perks (for example, free shipping).

A whopping  **77% of customers** say they'll join a loyalty program if the benefits are clear. Gaining a consumers' attention is a gift so don't complicate the message. If they know they'll get instant perks for completing an action they'll be more likely to do it.

These methods let your store do the talking for you. You don't need to waste resources chasing up customers who have ghosted you. Loyalty perks will also capture consumer curiosity early.

The promise of special attention, desirable perks and exclusivity will transform them into a long-time believer of your brand right at the point of acquisition.

Automate a pop-up that shows new customers they'll get loyalty points for creating an account

Include the best rewards in the pop-ups to encourage instant sign-ups





## Talk is cheap:

Use your existing customers to acquire the right kind of shoppers

Another acquisition channel for many brands is word-of-mouth as it grows sales without the ad spend.

Word-of-mouth also naturally scales: The more customers you have the bigger the potential that they'll tell others about you. One study found that ▶ **86% of consumers** would consider writing a review for a business.

But, you can't sit back and hope that shoppers will spread the word about you. You need to take matters into your own hands. To encourage advocacy, build mutual trust.

92%


of consumers  
have confidence  
in referrals  
from people they  
know

▶ **76% of customers** say that for them to be loyal to a store, they need to trust that if they told a friend about it, they would have a good experience.

Meanwhile, ▶ **92% of customers** say they have confidence in referrals from people they know.







- Look at your data to identify the customers who have advocate potential

- Reward these customers with perks that make them feel valued (such as access to secret sales)

- Implement a referral program so customers can easily share a referral URL with loved ones

- Set up email triggers that ask customers to recommend you to others when they leave you a four or five-star review

First, you need to show that you are worth shopping with.

Take a peek at your data (purchase history and ▶ **loyalty program insights**) to pinpoint those who have advocate potential. Then reward these fans with elite perks – such as early access to your new products or secret sales.

Now the incentive is clear, your new advocates will want to amplify your brand – so make it easy.

▶ **A referral program** allows you to generate a unique referral URL for each customer.

They can then copy and share it with their loved ones, getting loyalty points in exchange for every successful recommendation.

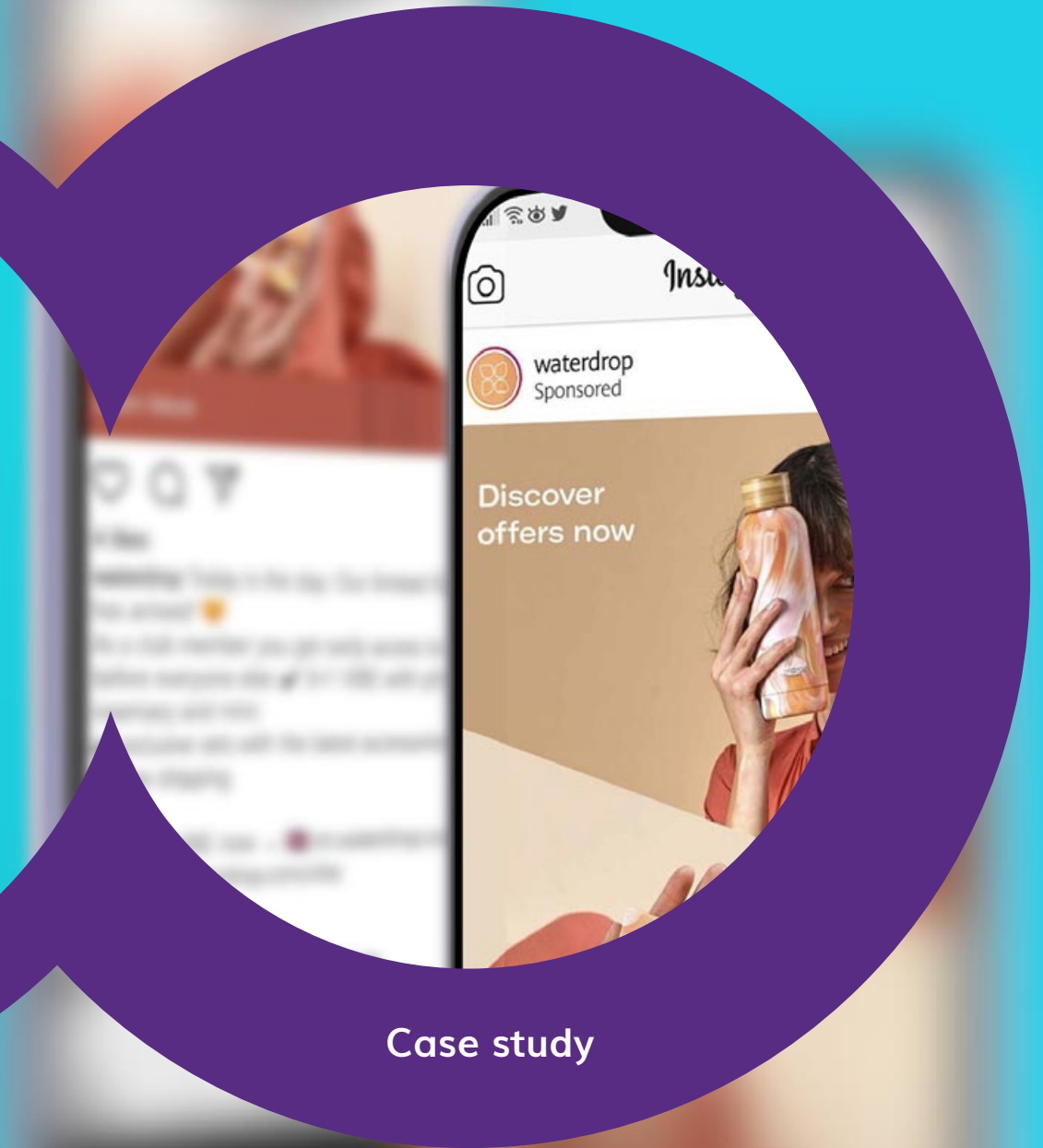
To save time, you could also link your loyalty program to launch ▶ **email triggers**.

Every time a brand fan leaves a four or five-star review send them a thank you note that tells them the loyalty points they'll get if they make a referral.

A well thought out re-engagement approach will drive up customer lifetime value, supporting your visions of long-term growth. Referrals made by brand fans will bring in others who are like-minded, share your values and appreciate your products.

These patrons are then more loyal over time: with one study finding that customers who come through referrals have a ▶ **16% higher lifetime value**. Ultimately, this leaves you with a more cost-effective acquisition channel, and more cash in the bank to invest back into your store's growth.





Case study



# LOOK

AT THIS



## This micro-drinks brand has an effective referral strategy.

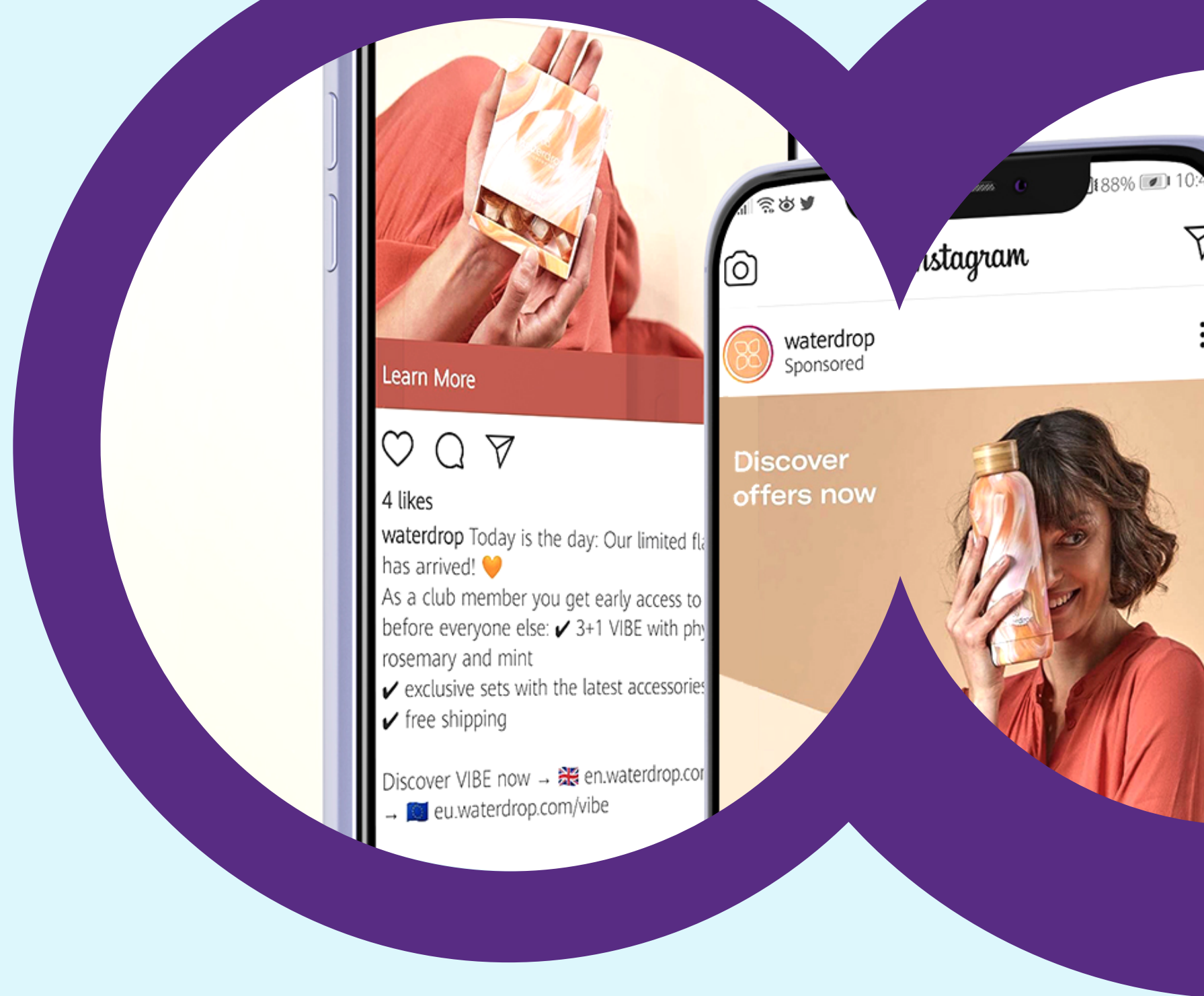
First, they re-engage existing customers with impressive perks and offers.

For the launch of their new collection, they told loyalty program members (via paid Instagram ads and loyalty emails) that they get first dibs on the new products.

## This made the customers feel important.

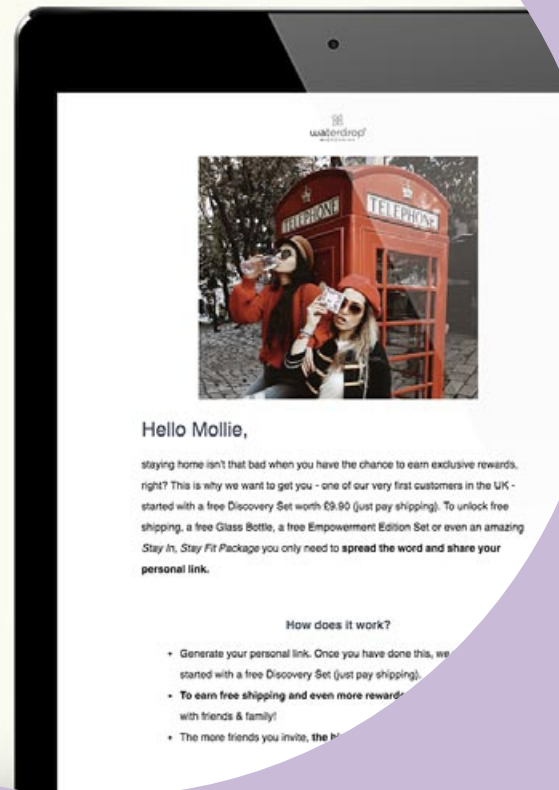
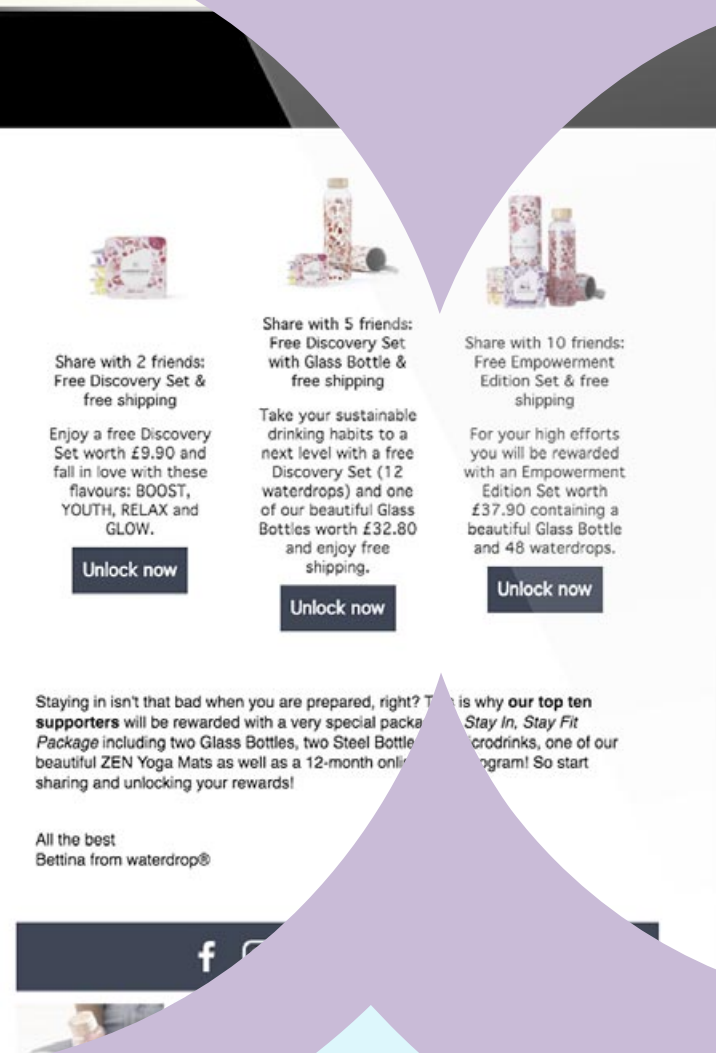
With a positive sentiment established, Waterdrop then promoted their referral program to members.

On their loyalty program page, they advertised that shoppers will get 500 points for referring a friend.





# LOOK AT THIS



They also sent emails that showed how the referral program works and the rewards they could earn – such as free water bottles.

By using their current customers for acquisition, Waterdrop has seen 10K new customers make a purchase after clicking a referral link.

Waterdrop have acquired over **10,000 new customers** through referrals





Hopefully, we've opened your eyes to some upgraded acquisition approaches that bring in the customers who stay with you and spend more. Approaches that ultimately help you scale faster and more sustainably.

But, what else can you do to increase the effectiveness of your acquisition channels as you grow?

Now you're going to hear from two industry leaders – Octane AI and Shogun – on ways store layout and intelligent chat help you achieve sustainable long-term growth.





► Shogun empowers brands and agencies to create unique ecommerce experiences by making it easy to build and optimize online stores.

## Adjusting your marketing budget and store layout

Monitoring and adapting your customer acquisition strategy is a crucial part of running an ecommerce business — in the best of times, and especially during the not-so-great times.

With everything happening in the world right now, it's going to be more difficult for many businesses to acquire new customers.

But it's not impossible.

By adjusting your marketing budget and store layout, you can reach potential users.

Here are a few actions you can take to improve your odds:







## Audit your ad spend

The first thing you should do is to audit your current advertising campaigns. Determine which ones are still profitable and which ones should be paused for the time being.

The money you save by pausing some of your campaigns can then be used to scale the ad sets that continue to drive revenue.



## Streamline your website

When traffic is on the decline, you'll need to get the most out of each and every visitor who comes to your site.

Make sure it's easy for your customer to find the items they're looking for by bringing your most in-demand products to the front of your store. In the same manner, remove the more frivolous items to reduce the noise; you don't want your less popular products to crowd your store and detract from a sale.

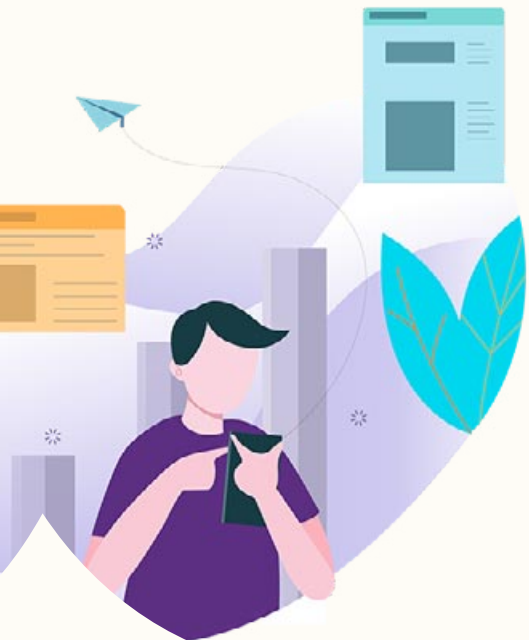
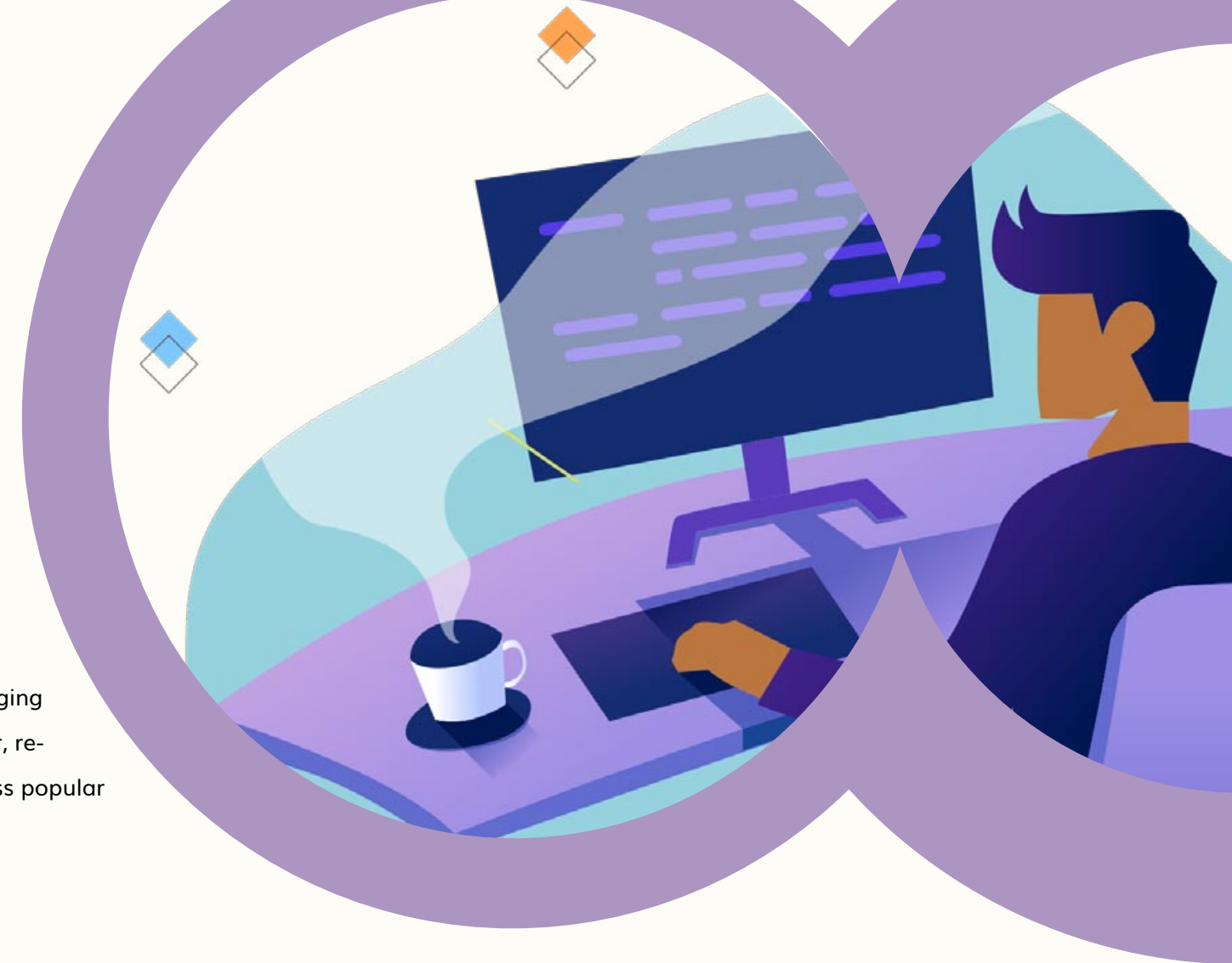


## Invest in new content

If you've been meaning to release new articles or invest in product videos, now's the time.

Use the savings from your reduced ad spend and put it toward creating new content to boost your inbound traffic strategy.

Over time, this content will improve your SEO, dramatically reduce your cost per acquisition and increase the number of qualified customers you bring to your store.



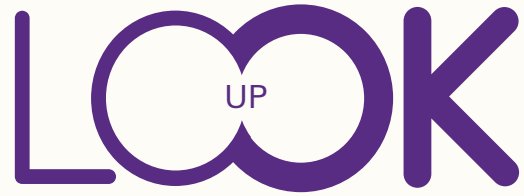
shōgun



Page 17: Look Forward: Scale acquisition

LOYALTYLION





## Start building lists to optimize every marketing channel with targeted campaigns

Trusted by 1,000+ Shopify and Shopify Plus brands, **▶ Octane AI** provides an all-in-one suite for engaging quizzes, data collection, and personalized Facebook Messenger and SMS automation. Merchants use Octane AI to connect, convert, and retain customers by personalizing the customer journey and giving customers the confidence to purchase.

### What is a marketing list?

Every brand needs ways to capture customer information for marketing purposes – these are called opt-ins.

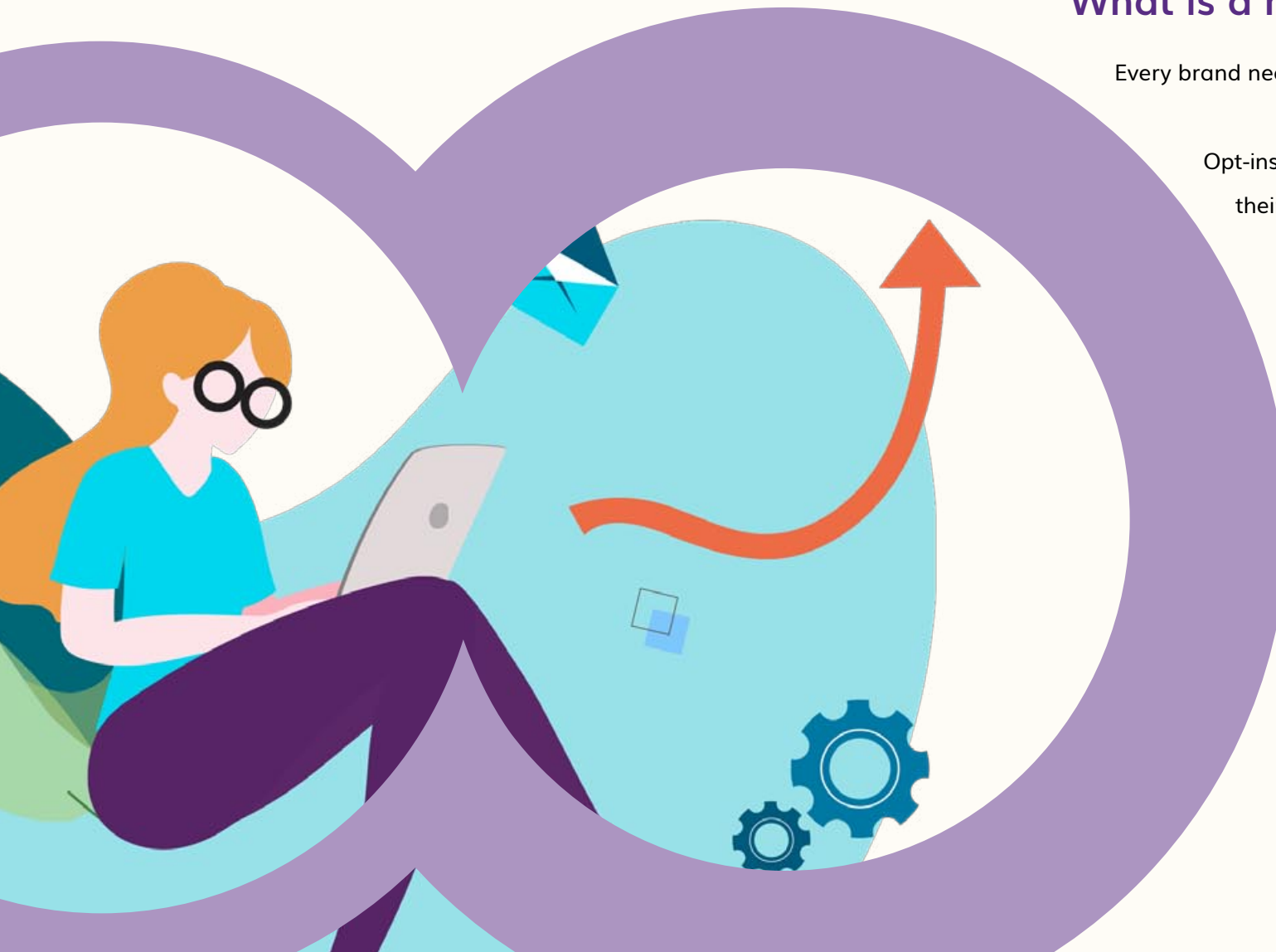
Opt-ins help capture key information about site visitors that allow brands to send targeted campaigns through their marketing channels. A marketing list of collected opt-ins could be for email, Messenger, or SMS.

These are opted-in individuals who are able to receive marketing communications.  
The larger the list, the better it is for your brand.

In fact, Facebook Messenger open rates can **▶ reach over 80%!**

A few examples of common campaigns include sale announcements, discount codes, abandoned cart reminders, and other valuable messages that will convert visitors and increase revenue.

Without opt-ins, these campaigns aren't possible, which is why opt-in tools are a must-have for every ecommerce brand.





## !💡 Start building lists now

Putting in place the capture points to collect opt-ins is important. As you see more site visitors and customers, the information you have to retarget with will be much larger and more valuable than simple Facebook pixel tracking.

For example, if you collect Facebook Messenger opt-ins you'll be able to directly message those who have opted-in to this channel.

When the time comes, instead of retargeting visitors with general Black Friday Sale ads, send a direct message to an audience you know has engaged before.

Allowing customers to opt-in to multiple channels – whether through a pop-up, on-site chat, add to cart checkbox, or on-site embed – will slowly grow your lists.

Even if you don't plan on marketing toward these opt-ins right away, the information you've gathered is key if you want to win back these customers and guide them to make repeat purchases down the road.

**The payoff for brands: The sooner you start building lists, the more data you'll have for marketing and segmenting later.**

Whether you dive into ads, email marketing, Messenger, or SMS marketing, the ROI from properly targeted campaigns is unbeatable.





LOOK  
FORWARD

Part 2

# Scale conversion





# LOOK FORWARD

Most companies think that conversion for ecommerce is all about making sales.

This is what helps you meet revenue targets after all. But, today, conversion is about much more than that. There's a reason why Apple and Nike have such an avid following. They create experiences that encourage repeat engagement and don't push hard for sales.

Conversion is one of the most important metrics to watch as you scale your business. But, conversions don't happen by chance. You need to work hard and optimize for them.

By adding engagement actions that occur across the customer journey (such as referrals, newsletter signups and social follows) to your conversion targets, you'll form relationships that last.

Ultimately, ensuring repeat purchases, increased revenue, and a high volume of loyal customers that stay with you as you scale.

With it being such an integral part of business success, it's important to consider what may impact your conversion rates. And, the actions you can take to optimize your store for conversions now and into the future.





## Your user experience (UX) is glitchy

With so many conversion points to juggle, you may find that you can get traffic to your store, but these visitors fail to act. This results in a truckload of abandoned carts, no contact details to re-engage consumers and high churn rates.

The first reason for this could be friction on your site. ▶ **85% of UK adults** said loading time impacts whether they shop with a business.

And, Adobe found that ▶ **38% of online shoppers** will leave a website if they find the design unattractive. A high price to pay no matter how big or small your store is.

Poor UX could mean that your pages load slowly or shoppers have to dig around to find what they want.

Remember: your ecommerce site is your digital storefront. Much like with a brick-and-mortar store, if a customer can't find what they're looking for, or a sales assistant to help, they'll probably leave and go elsewhere to get their expectations met.

If your users find your site challenging, you're going to fail at converting them into shoppers that you can nurture into long-term brand fans as you scale.





## Nothing caught them when they got there

Another common reason for low ecommerce conversion rates is that people don't like what they see when they land on your site.

▶ According to conversionXL, the average bounce rate for an ecommerce site is between 20-45%.

To fight off this conversion rate killer, you need to make your site exciting and engaging.

You can achieve this by adding features that are visually engaging and resonate with your audience – nudging them to interact with your store and to buy what's in their cart.

You also need to make your site easy to navigate with effective signposting.

Conversion will drop if your customers get stuck in a maze of links, buttons, and webpages. It's your job to get them where they want to go.

One gateway to long-term ecommerce success is to optimize your store for conversions. This is about more than getting a sale – it's about boosting engagement so your customers return and convert at your store in different ways.

This could be any action from making a sale to signing up to your email newsletter and, even, referring a friend. Over time, new customers and conversions will snowball, giving you more opportunities to grow.







# LOOK

HARDER

How to scale your conversion tactics





## **Make sure you grow** into your user experience (UX)

I'm sure you didn't launch your store with the goal of only ever selling a handful of items per week.

Yet, the way you set up your business in the early days could be holding you back from achieving long-term growth.

When you first created your store, money, time and expertise may have been in short supply.

But, to make sure your store effectively scales, your on-site experience needs to be fresh and exciting to motivate customers to convert.

A full-page loyalty program is a creative way to add eye-catching components to your site to convert shoppers.

With one, your brand identity has a space to breathe, as it lives on its own page. And, because the page is interactive, customers can convert right then and there. On the page, they can follow you on social, refer a friend, or input their birthday without straying away.

They'll then earn loyalty points that they can redeem for attractive rewards; such as, free products, money-off, or an entry into a giveaway.

And, it works too. ▶ **One accessory brand banked an extra £86K** in revenue after they launched their integrated loyalty page.

The page attracted new shoppers as it teased the perks they would get for converting.



**"The program helped improve our site's user experience and our customers find it easy to use."**

*Sarah Dawson, Head of Online, Astrid and Miyu*





Another way to make sure your customers continue to convert as you expand is to make it pain-free to pay.

Baymard's research shows that two-thirds of purchases get abandoned. And, ▶ **27% of people cite complicated checkouts as the reason.**


To make the checkout seamless, embed loyalty components across your site. ▶ **In-Cart Rewards** let customers claim loyalty rewards against free products within the check-out.

By seeing that they'll get loyalty points on top of what they intended to buy, a conversion is more likely.

Optimizing your conversion rates by paying attention to the on-site experience will ensure you don't outgrow your store.

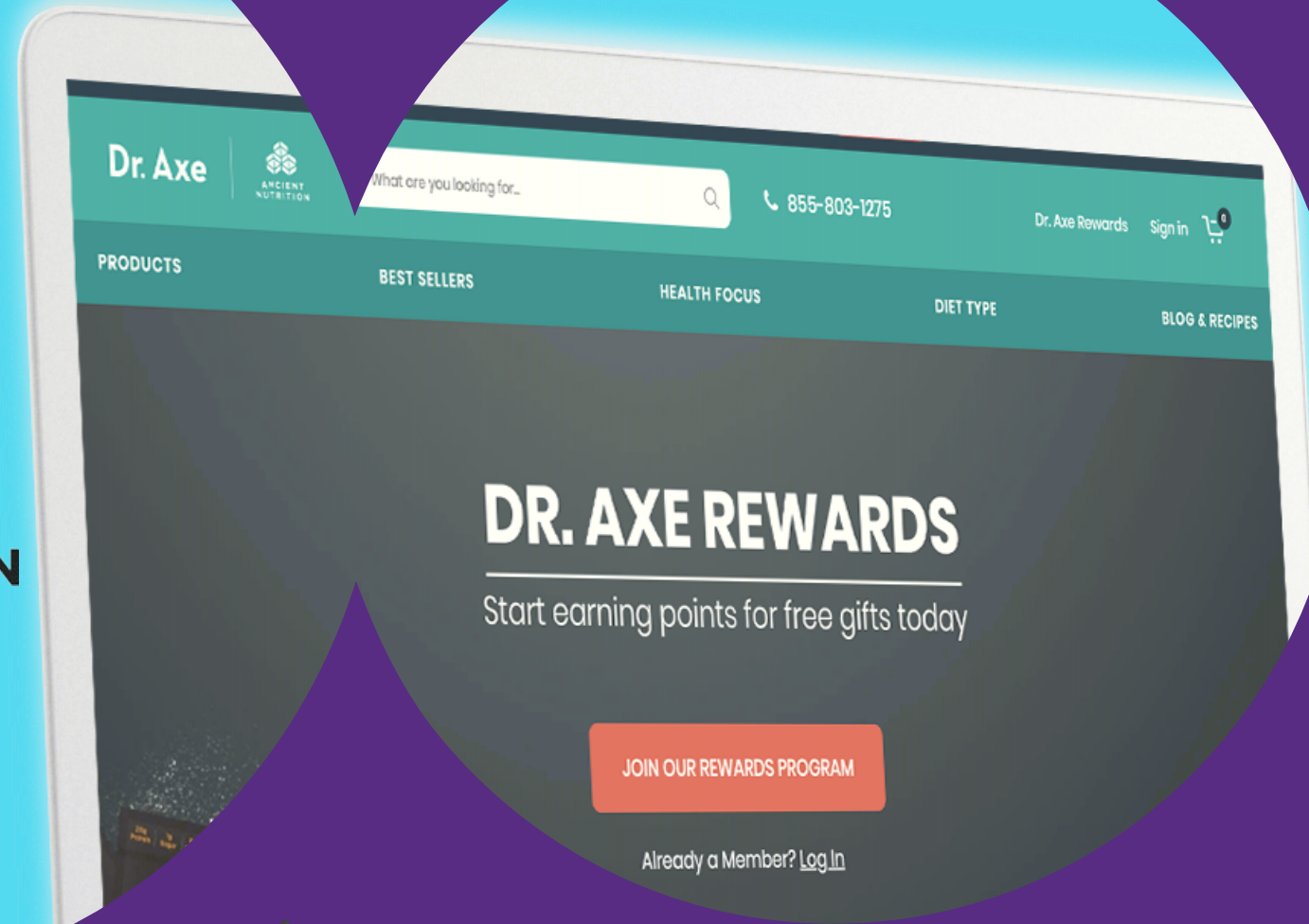
Meanwhile, you'll secure impressed shoppers who recognize your attention to detail and thank you for giving them extra perks for shopping.

Over time, these shoppers will return and give you a larger share of their wallets.

- 
- An illustration of a person with dark skin, wearing a grey long-sleeved shirt and a purple skirt, holding a blue megaphone. They are standing on a purple path that leads towards the right. The background is a light blue circle with some geometric shapes like a red diamond and a blue triangle. The entire illustration is set against a larger background of concentric purple and white circles.
- Incorporate eye-catching elements on-site that encourage engagement
  - Make it pain-free to pay with check-out features and add-ons



LOOK  
AT THIS



Case study



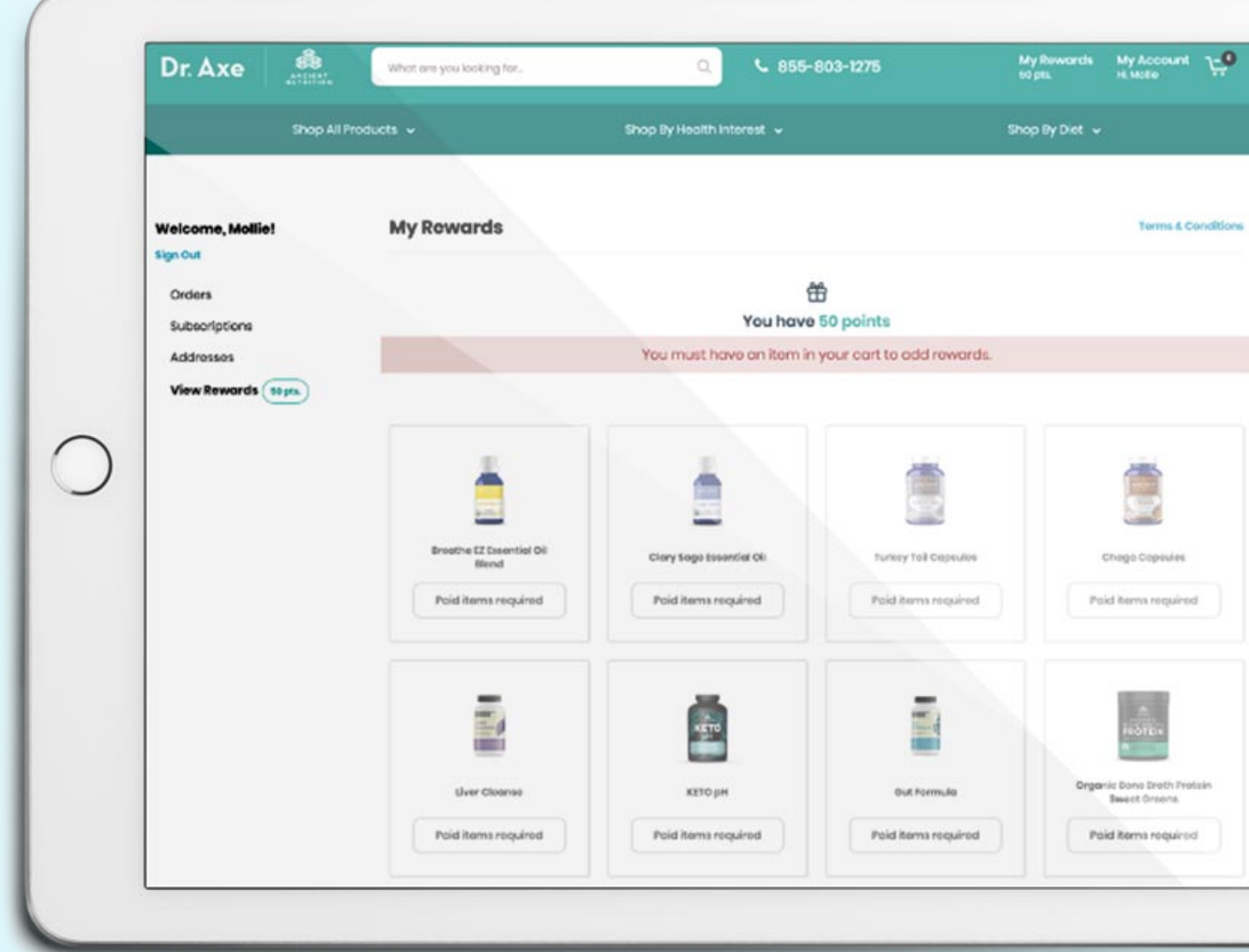
# LOOK AT THIS



As the second most visited health and wellness website – boasting 10 million monthly visits – Ancient Nutrition needed to convert their browsers into customers.

To achieve this, they launched an integrated loyalty page that was on-brand and interactive.

It acts as a destination for shoppers to explore the rewards they can claim if they complete a purchase.



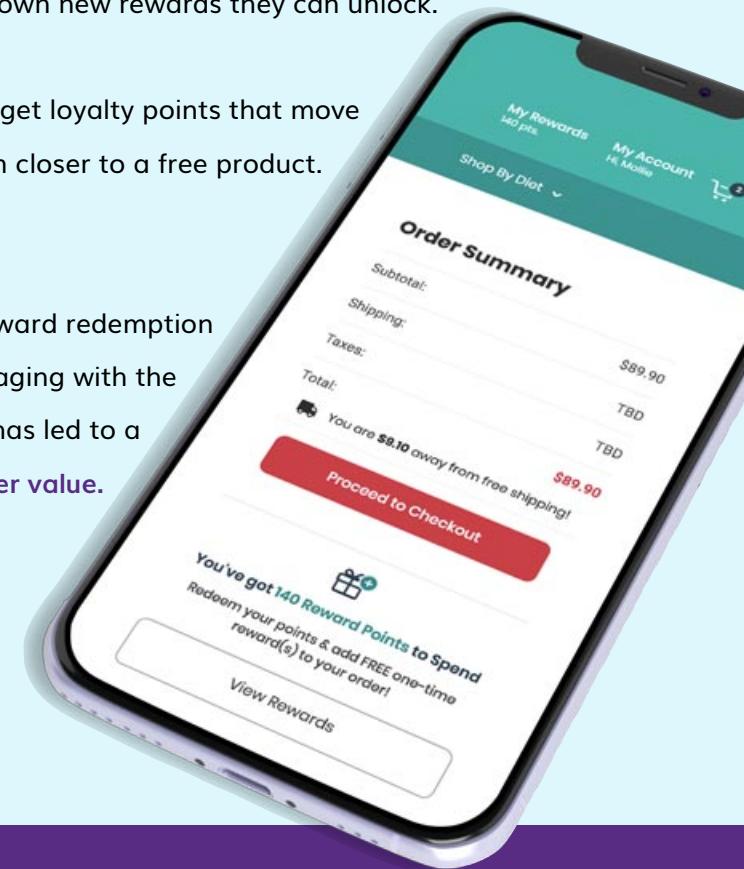
To navigate new users to the program (in the hopes of turning them into long-term spenders) Ancient Nutrition signposts the page in the main header.



To encourage more web visitors to convert, Ancient Nutrition implemented Instant Points and In-cart Rewards. These features let customers view and claim their rewards in the shopping cart. And, when they add more products to their basket, they're immediately shown new rewards they can unlock.

This encourages them to go ahead with the sale as they see they'll get loyalty points that move them closer to a free product.

As a result, **Ancient Nutrition has seen a 300% uplift** in reward redemption – signaling that there are more customers converting and engaging with the program. At the same time, In-Cart Rewards has led to a **36% uplift in average order value.**



- Ancient Nutrition saw a **300% uplift** in reward redemption by adding In-Cart Rewards to their loyalty program
- Instant Points improved their average **order value by 38%**





## Limit cart abandonment with average order value (AOV) incentives

As with everything in ecommerce: improve one thing and you'll positively impact something else.

Conversion success and average order value (the average a customer spends on an order) work in harmony. You can't look at them in isolation as they're both vital for scale.

This is because you need both to calculate your revenue and to see where to improve as a business scales. There's no use boosting conversions if your customers have a small basket size. And, if a smaller amount of shoppers convert, but spend a lot, you have a smaller pool of customers to re-engage.

To improve AOV show that you're worth converting with in the first place and that adding more to their cart is worth their while.

● Customers who use a loyalty reward alongside a purchase have a 39% higher than average basket size

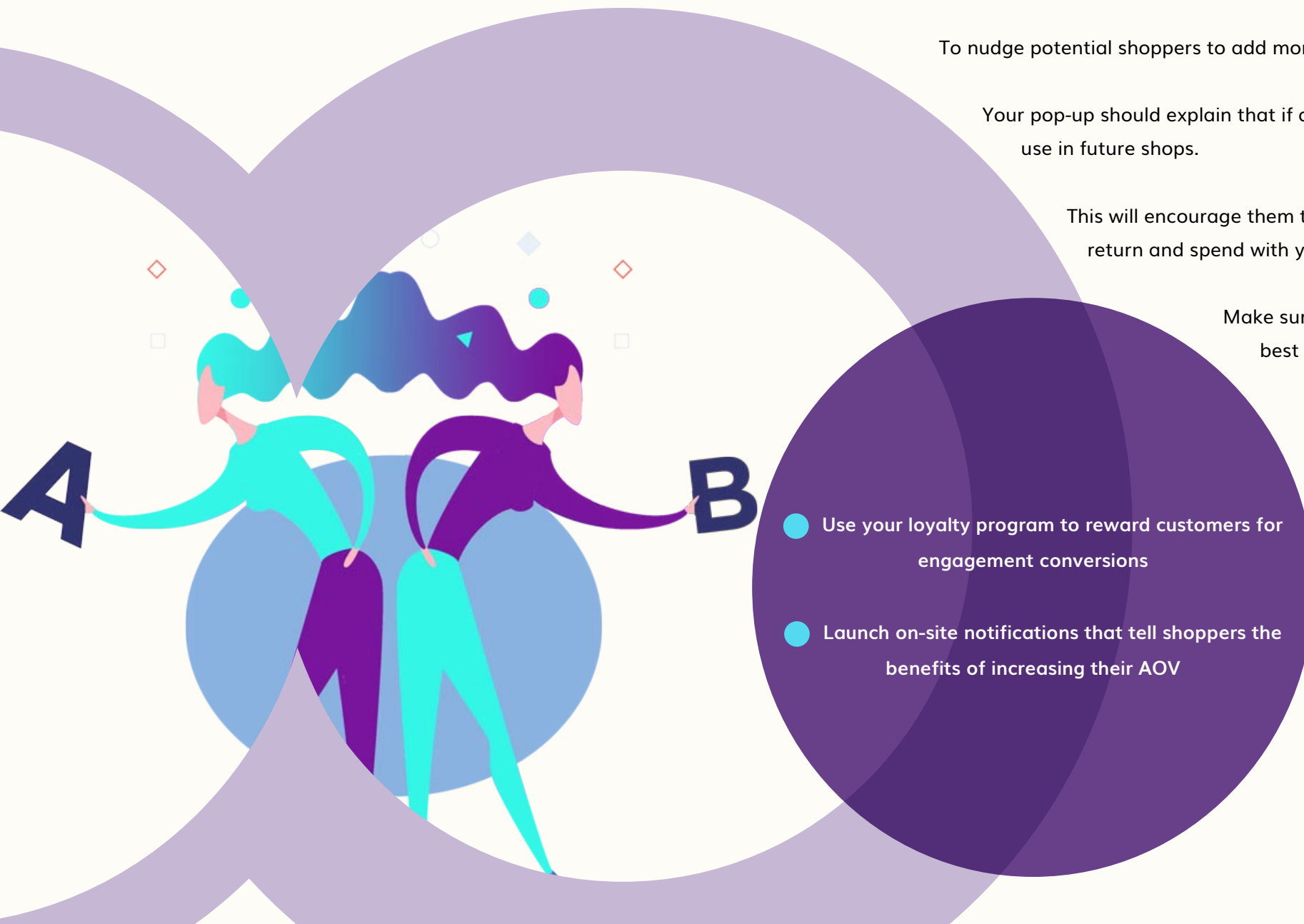
We have found that a customer who uses a loyalty reward alongside a purchase has a **39% higher than average basket size**.

A loyalty program allows you to reward customers with loyalty points for on-site conversions – such as a social follow.

Over time, they'll gain enough points to redeem a discount, meaning they'll add more to their carts as a result.







To nudge potential shoppers to add more to their baskets, use on-site notifications.

Your pop-up should explain that if a customer spends over your AOV they'll earn bonus points that they can use in future shops.

This will encourage them to convert, meanwhile, you've provided them with an incentive to return and spend with you later.

Make sure you **A/B test different messages** to learn what your customers respond best to. This is important to make sure you completely optimize this point of conversion.

Initiatives to boost AOV encourage your customers to spend more with you for the first transaction and in subsequent shops.

Over time, this increases their customer lifetime value and the money they invest in your brand.

- Use your loyalty program to reward customers for engagement conversions
- Launch on-site notifications that tell shoppers the benefits of increasing their AOV



LOOK AT THIS





# LOOK AT THIS



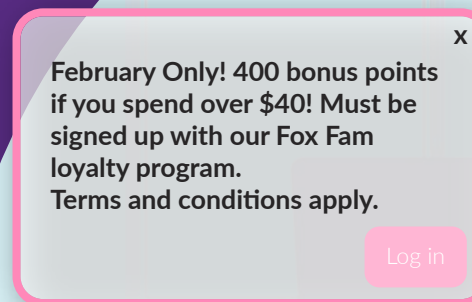
Hair dye brand, Arctic Fox, saw the opportunity up-selling would have on their conversion rates. They use on-site notifications to show prospective customers that if they spend over the brand's AOV of \$40, they'll get 400 loyalty points.

Across 90 days, Arctic Fox ran three AOV Bonus Point campaigns to test what messaging resulted in the highest conversion rates. By testing and pinpointing the right message, the brand saw an extra \$18K in revenue generated.

Getting customers to convert this way, means that Arctic Fox can gain and secure more loyalty program members.

These shoppers can then be re-engaged and encouraged to return to spend more with Arctic Fox over time.

In fact, their loyalty program members now have a 20% higher repeat purchase rate than regular customers.



- Arctic Fox generated \$18K in additional revenue over 90 days by encouraging larger basket sizes
- Their loyalty program members have a 20% higher repeat purchase rate than their guest shoppers





## Showcase attractive long-term offers that make shoppers want to buy in

As customer expectations rise, you need to show shoppers that they'll get something for converting with you that another brand can't give them. Subscriptions could be your competitive advantage here.

In ecommerce, consumers have surrendered the hassles of shopping online when they need to replenish items. Instead, they have welcomed in subscriptions to do the job for them. Back in 2017, monthly members to **▶ US subscription box sites surpassed 40 million.**

Use this need for convenience to your advantage and as a way to convert new customers who have landed on your site.

**▶ Subscription box site membership surpassed 40 million in 2017**





Let's say you're a beauty brand. There will be a segment of new customers who haven't quite decided if your products are right for them.

By offering a subscription box with miniature samples of your best sellers, they'll be able to try your products before committing to the full-size version.

Meanwhile, you've hooked them in with a recurring offer.

The lure of your subscription products can also create loyal followers of your brand.


By wrapping your subscription model up with a loyalty program, you can tempt browsers to opt-in using the promise of special rewards.

This could be exclusive member perks when they sign up for a subscription product (such as access to a private Facebook group or educational resources).

With every ongoing repeat order, show them that they'll get loyalty points redeemable for discounts moving forwards. This way, they'll return more often and spend more when they arrive.

These approaches mean you can nurture these converted members and retain them as you continue to grow.

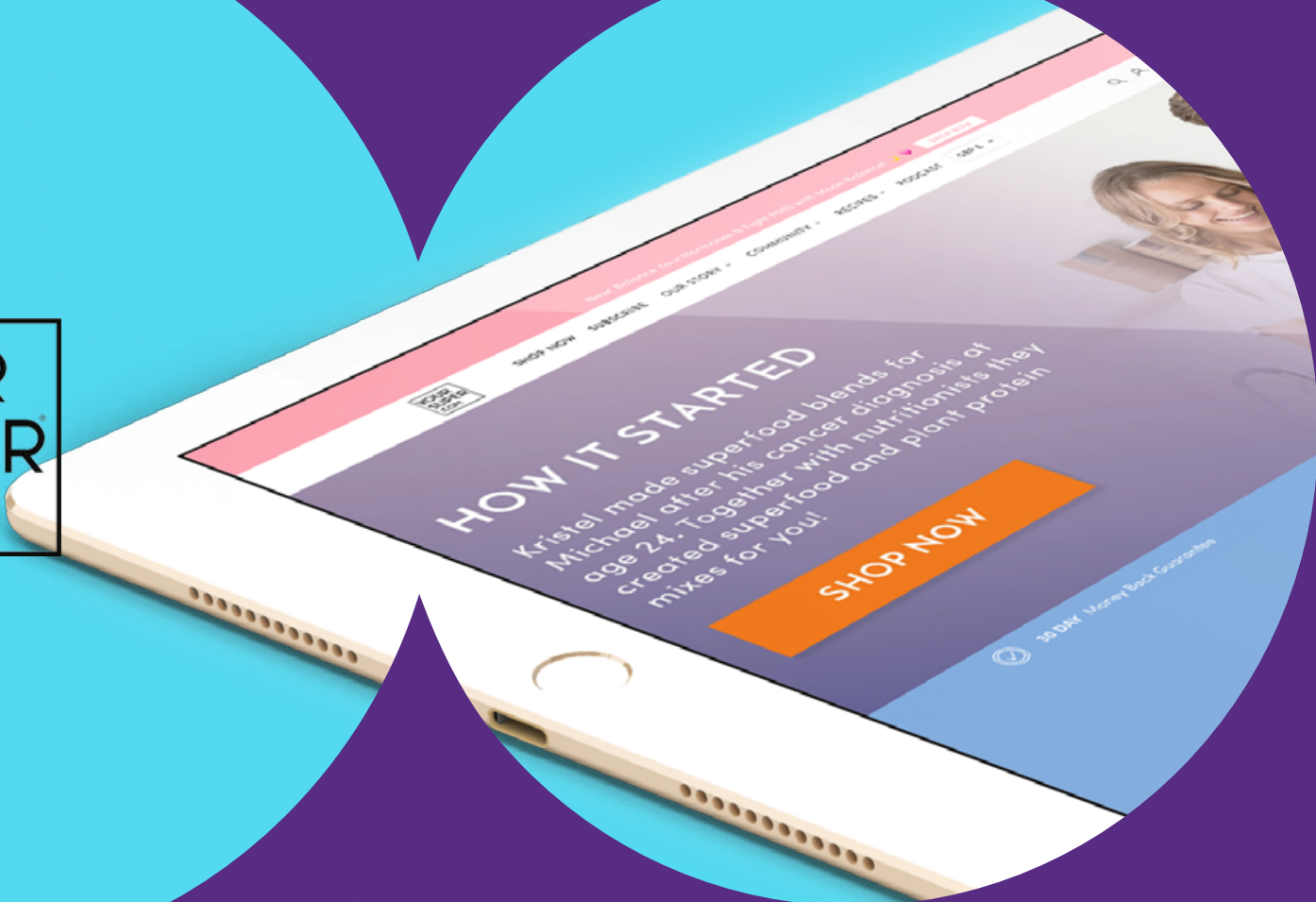
Plus, you'll transform long-term customers who buy rarely into frequent shoppers that have a recurring part to play in your cash flow.

- 
- Offer miniature versions of your products to get shoppers to become a member of your store
  - Give subscribers exclusive perks through your loyalty program
  - Gift members loyalty points for every recurring order



Case study

YOUR  
SUPER<sup>®</sup>  
.COM





# LOOK AT THIS



As a quick to scale brand, Your Super realized that they needed to optimize their conversion rates to keep momentum up.

To do this, the healthcare brand added a subscriber tier to its loyalty program.

Here, subscribers unlock 20% off everything on-site and get early access to new products.

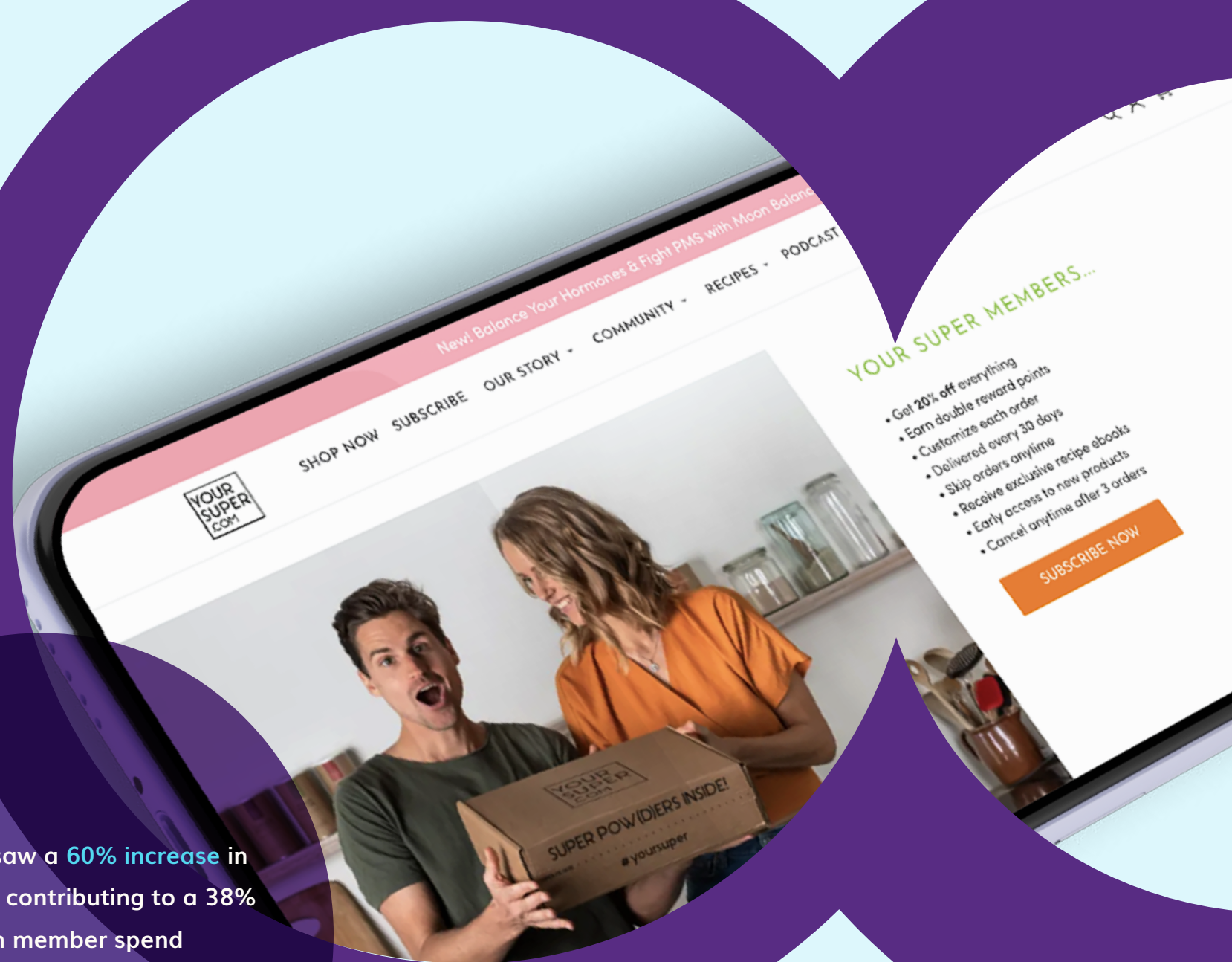
By seeing that they can get more bang for their buck each time they make a recurring order, more shoppers have become subscribers.

This method brought about a 60% increase in subscribers, who then contributed to a 38% increase in member spend.

These members were then nurtured into loyal customers who have a higher lifetime value; giving Your Super a 79% increase in repeat purchases.

● Your Super saw a **60% increase** in new subscribers, contributing to a **38% increase in member spend**

● The method also caused a **79% increase** in repeat purchases







As you scale, conversion has an important part to play in your long-term success. By focussing on the on-site experience, you'll establish stronger bonds with shoppers that strengthen their loyalty to you. At the same time, they'll return to convert in more ways and ultimately spend more with you. In the end, your store will be more robust and prepared for ongoing growth.

For the rest of this ebook, you're going to hear from players in the ecommerce space who are helping merchants scale their conversion efforts. Dynamic Yield and Klarna will impart vital knowledge on personalization, payment solutions and subscriptions. Enjoy.

The Klarna logo is displayed in a bold, black, sans-serif font. It is positioned within a large, light blue circular graphic that has a thick border and a white center. The circle is part of a larger, stylized 'X' shape that extends across the right side of the page.

**Klarna.**





## How personalization helps

merchants scale their conversion tactics and foster loyalty

Drivers of well-curated shopping experiences are a merchandiser's strong understanding of the trends and styles shaping a brand's various customer groups and what makes for high-impact campaigns. Trouble is, with lots of products and even more visitors, pairing the right items with the right individual is a large undertaking.

This is why making data-driven decisions is so crucial to maximizing revenue. Merchandisers should combine their vast knowledge of spotting trends and forecasting demand with the power of machine learning-based optimization to improve product discovery among thousands of SKUs and increase their bottom line.

For example, algorithmically-driven merchandising allows for automation and optimization of recommendation strategies at scale.

Meanwhile, manual merchandising rules – such as pinning a specific item, including or excluding products from the automated recommendation results, assigning different strategies and rules per slot, configuring priority, and more – provide merchandisers the flexibility and control to override the system and create unique targeting rules to maximize performance.

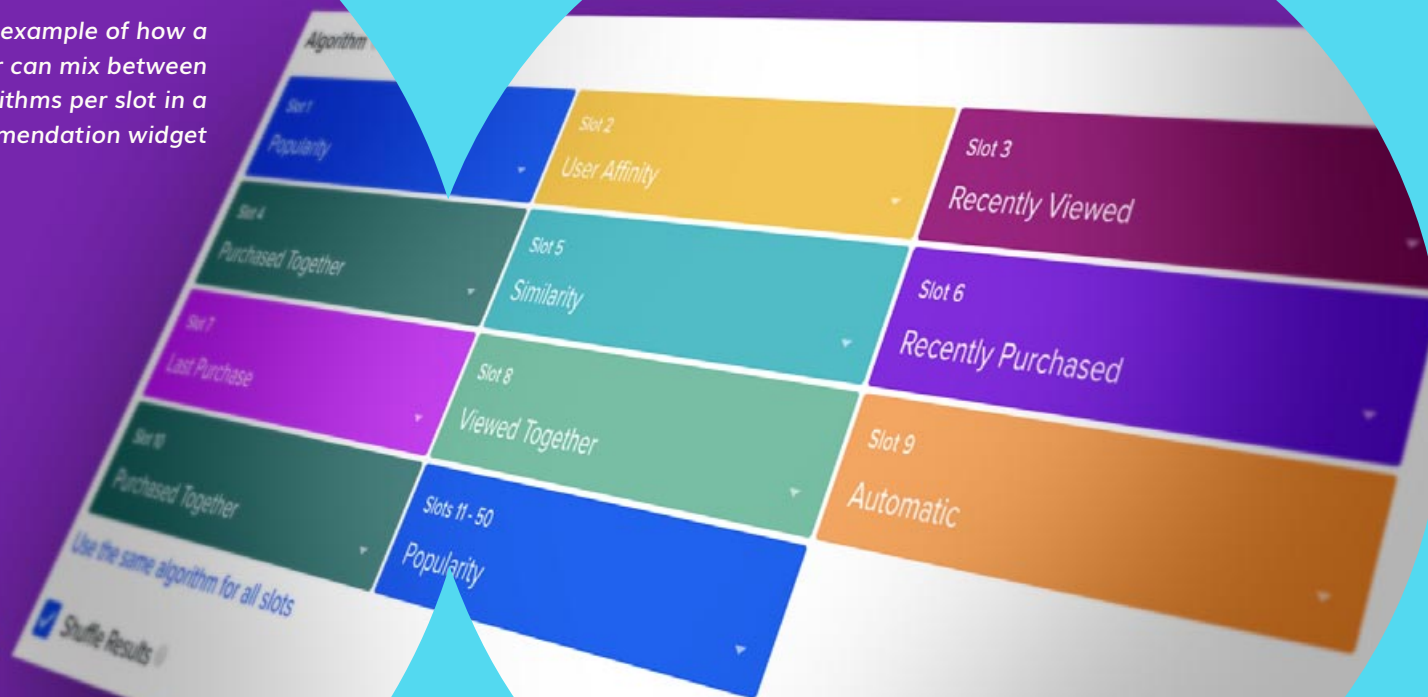
► **Dynamic Yield** is an AI-powered Personalization Anywhere™ platform that delivers individualized experiences at every customer touchpoint: web, apps, email, kiosks, IoT, and call centers.



An example of how a merchandiser can filter items based on price, category, type, etc in a recommendation widget



An example of how a merchandiser can mix between algorithms per slot in a recommendation widget



### Adjusting your marketing budget and store layout

Additionally, numerous tactical decisions that on-site creatives use – such as web banners, the order of products being merchandised, what emails to send to certain customers – can all be driven by algorithms with far superior results compared to humans.

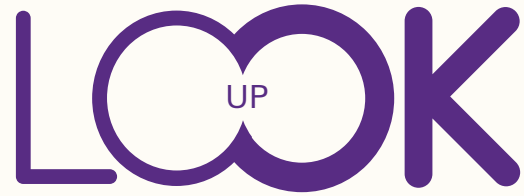
These intelligent systems augment the capabilities of merchandisers and create new possibilities for retailers.

They increase the most important aspect of commerce: relevance.

The more relevant and appealing an offer or a set of products is to an individual, the higher the likelihood they will purchase, enjoy their purchase, and increase their engagement with the brand.







## Fast retail recovery:

Disrupting customer conversion for 2020 and beyond

It's no secret that retailers want to gain and retain more business, especially now.

The paradox is how to do this while keeping customer acquisition costs (CACs) low, lifting customer lifetime value (CLTV) and boosting propensity to buy.


Historic CLTV perspectives are holding modern retailers back from realizing their full potential.

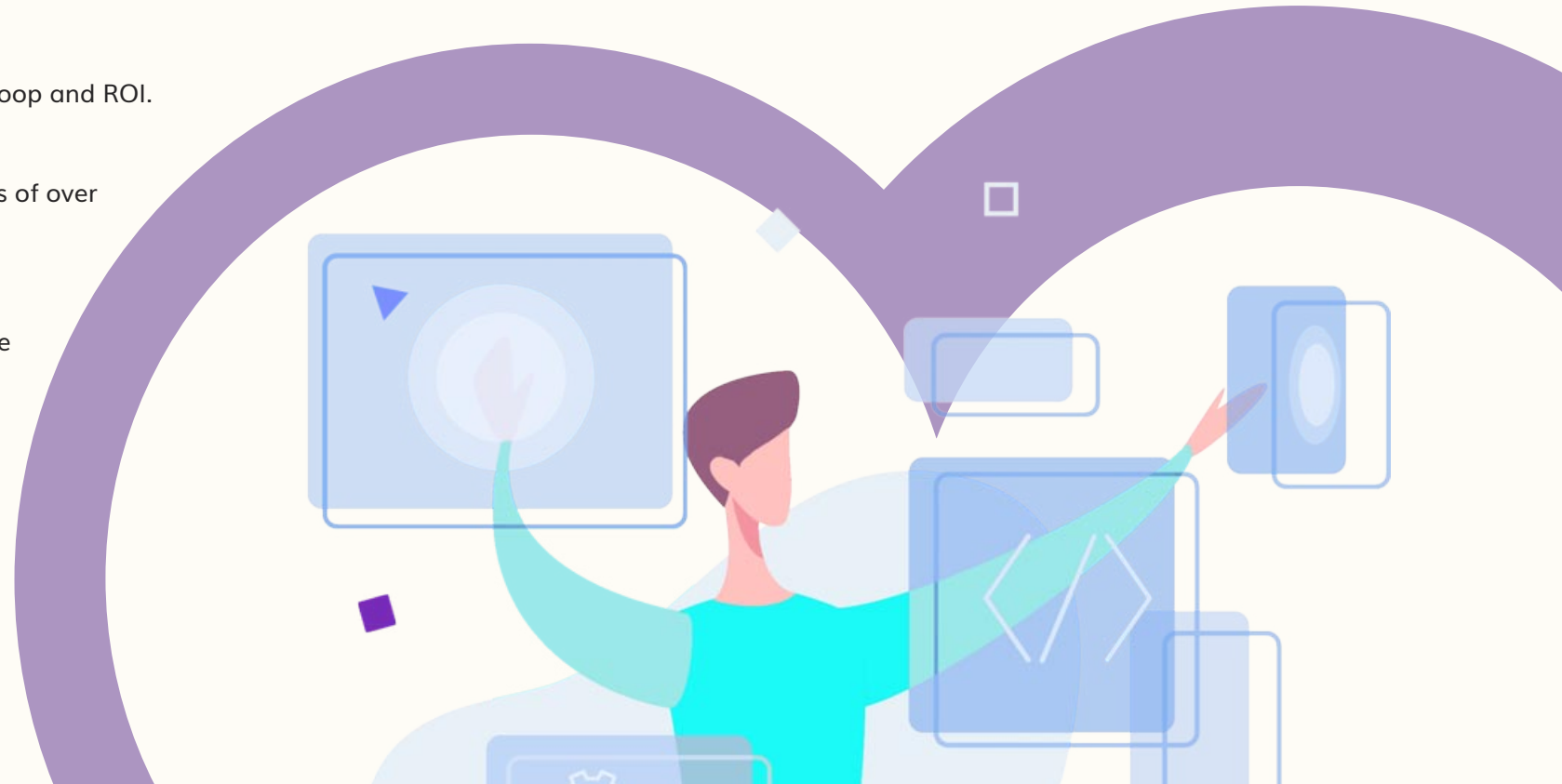
This is why Klarna has looked at new models for success which can stimulate a re-investment loop and ROI.

Our latest report, "**Fast-track upturn**", deep dives into how to do this and includes the attitudes of over 2,000 UK shoppers.

It reveals how they engage with retail brands, where their loyalty lies and what would persuade them to try a new brand.

# Klarna.

We make shopping smooth. With  Klarna consumers can buy now and pay later, so they can get what they love today. Klarna's offering to consumers and retailers include payments, social shopping, and personal finances. Over 200,000 merchants, including H&M, IKEA, Expedia Group, Samsung, ASOS, Peloton, Abercrombie & Fitch, Nike and AliExpress have enabled Klarna's innovative shopping experience online and in-store. Klarna is the most highly valued private fintech in Europe with a valuation of \$5.5bn and one of the largest private fintechs globally.



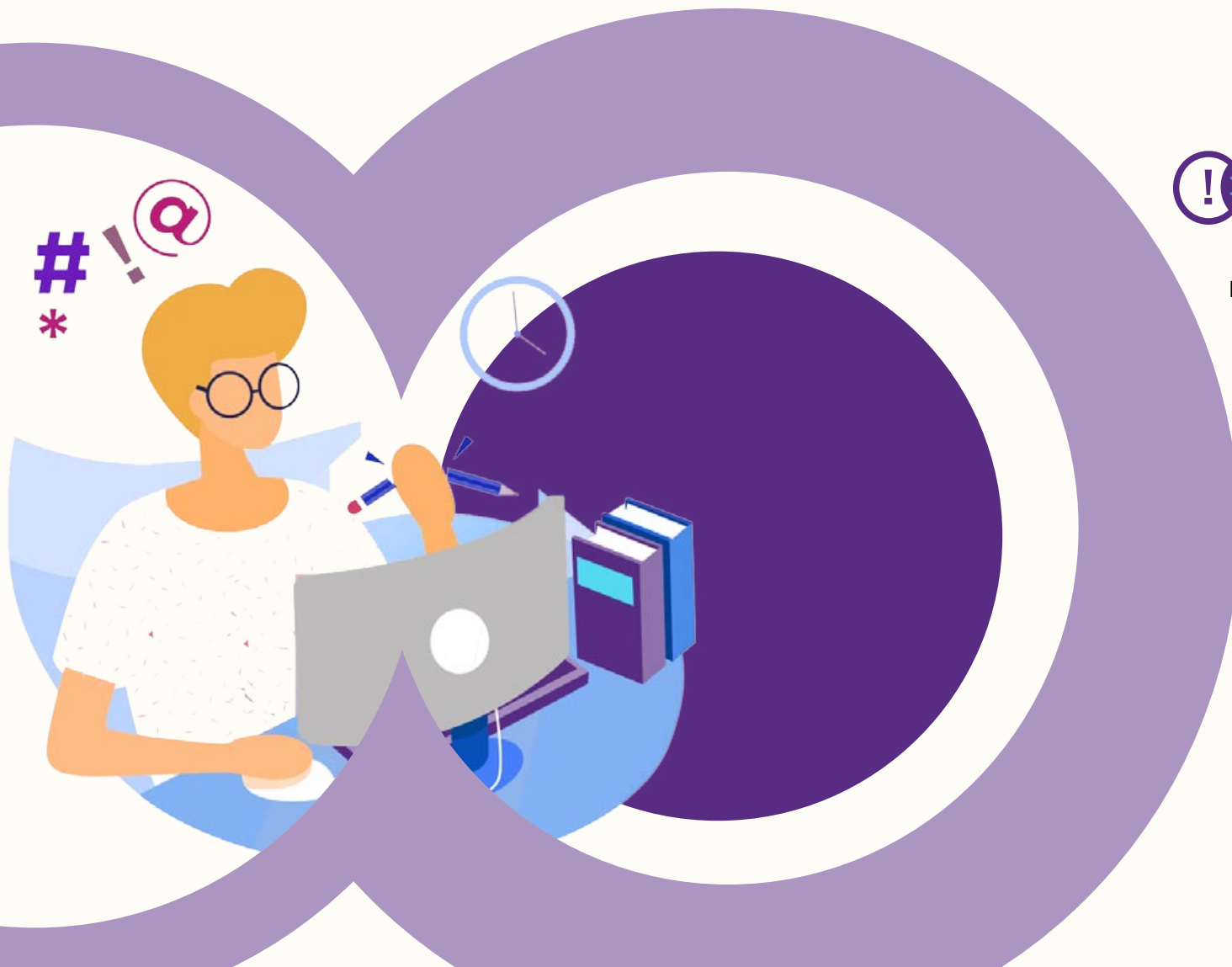


# LOOK UP



## Top tips:

Based on our report, here are our top tips when it comes to optimizing consumer engagement to convert shoppers and realize their lifetime value.



## Tip #1:

Friction causes frustration

Invest in services that empower customers and allows for frictionless UX on-site; such as “one click to buy” and pre-filled fields.

Price proves to be a sticking point for many. **58% of consumers** said lower prices make them consider shopping somewhere they haven’t previously bought from. **35% said** that promotions would encourage them to make a purchase, while **46% are motivated** by good value for money.

When it comes to conversion, convenience is as important as cost.

# Klarna.



Page 42: Look Forward: Scale conversion

LOYALTYLION





## Tip #2:

Social endorsement is vital

With so much choice, people are turning to other users to help them make decisions.

**26% of consumers** said positive reviews encourage them to make a purchase.

Plus, the most trusted recommendation sources are loved ones (65%) and online review sites (38%).

Spending more on your website and integrations with social sites (such as offering buttons for users to share) is an easy win.



## Tip #3:

Build partnerships that empower your audience and lock in the love

Two-thirds of pay later customers are actually existing users who have shopped with other retailers within the Klarna network. This shows that conversion tools, like Klarna, act as a driver of acquisition, bringing back a cohort of shoppers already seeking flexible payment solutions.

What's more, almost half of users say that they would not have completed a purchase if a flexible payment solution wasn't available. You can't become complacent with your existing customers. Remind them why they chose you in the first place and why they put you above anyone else.

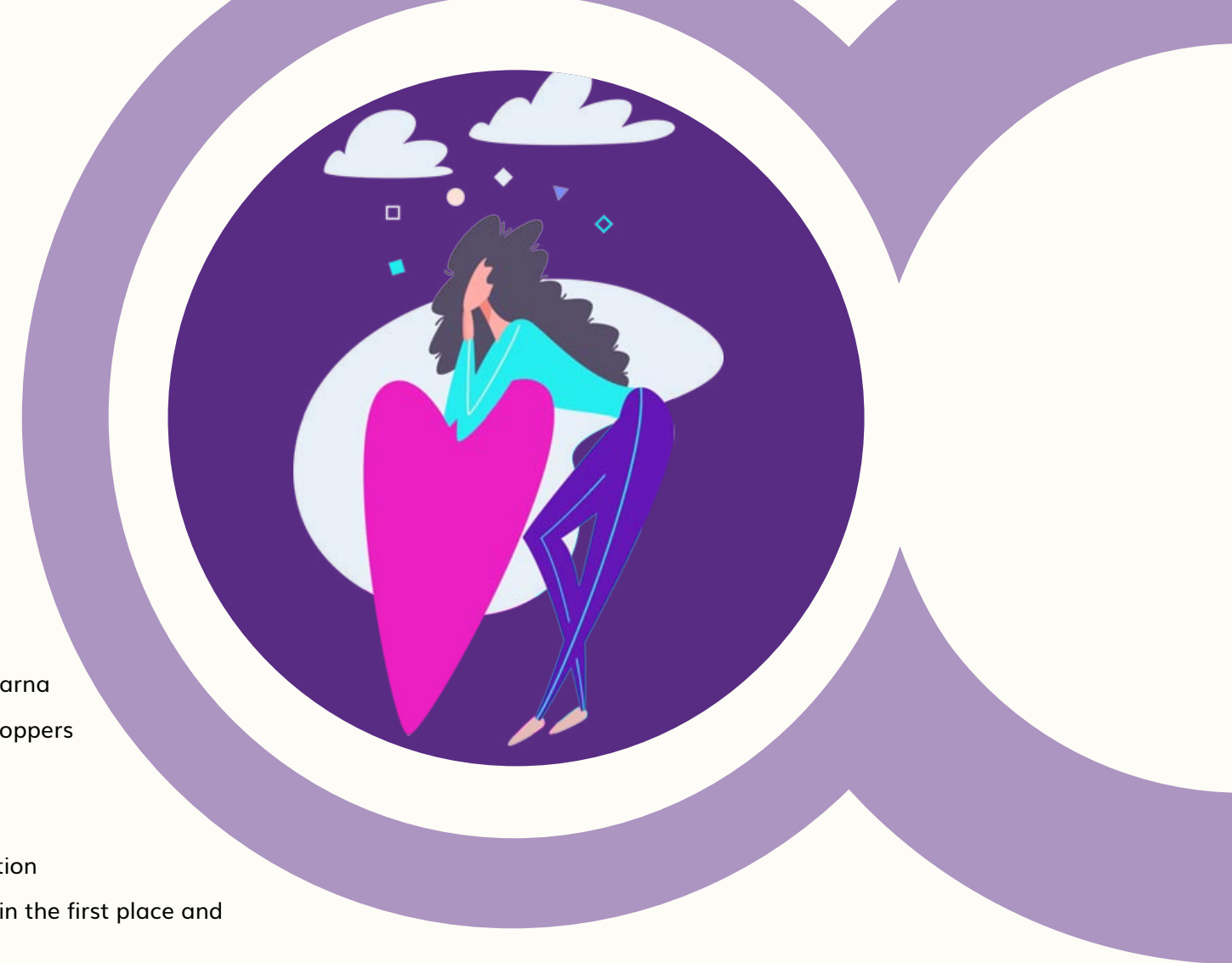
Retention and loyalty are extremely important: **40% of consumers** said they are loyal to a couple of "loved" brands they shop with.

**Only 3%** say they are completely loyal to retailers and wouldn't shop anywhere else.



## Finally...

With existing and potential customers at risk of migrating elsewhere, you can't become complacent. Digital interactions need to be the best they can be, delivering frictionless UX and experiences that delight and resonate with your audience.



# Klarna.





Part 3

# Scale fulfillment





# LOOK FORWARD

As an ecommerce marketer, the majority of your time is likely spent online.

Your day-to-day tasks may include making your store drop-dead gorgeous and running digital marketing campaigns. Getting caught up in buzzes, beeps and budgets is a familiar game.

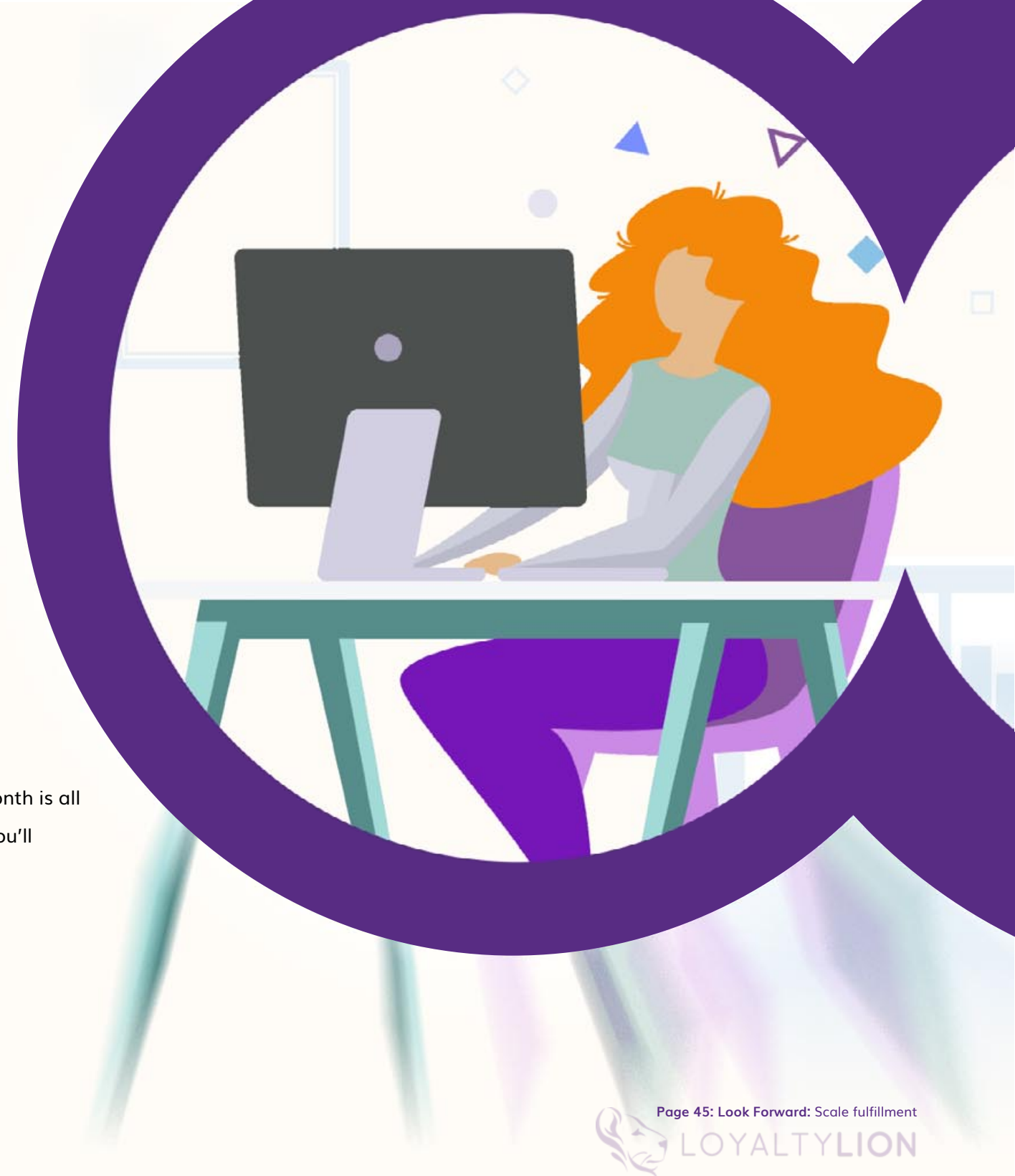
Up until a customer converts, you've managed the whole relationship with them online.

But, once the sale goes through, the experience moves into the real world. Perfect email copy, attractive site design and catchy Instagram ads won't matter if your offline experience doesn't match up.

This is why your fulfillment infrastructure needs attention as you scale. Growing from 150 to 150,000 orders per month is all well and good. But, if your fulfillment strategy becomes a barrier to turning those orders into repeat customers – you'll reach a plateau.

To scale successfully, you must meet your customers' wants and needs while unifying the online and offline experience.

But there's one challenge that could be preventing you from realizing your long-term growth potential: high customer expectations.





## The Amazon conundrum

When conversations turn to fulfillment there's always one elephant in the room: Amazon's one-day shipping.

Ever since it announced its secret weapon back in 2007, retailers have been scrambling to deliver similar levels of convenience and equally fast turnarounds at a low cost.

Fast forward 13 years and ▶ **53% of shoppers** say that speed of delivery is important when choosing to place **an** order. ▶ **38% even said** they would never shop with a brand again if they had a poor delivery experience.

Convenience is now a crucial deciding factor for shoppers.

As you grow, investing in fulfillment options to beat the biggest players will leave you with less to invest back into your long-term scalability. Instead, try cutting your losses and admitting that you can't catch them.

Where your competitive advantage lies, is providing value that your customers will remember, throughout the fulfillment experience.



By going above and beyond to meet consumer desires, you'll secure loyal customers who return, buy again and drive revenue, leaving you with the ammunition to scale up and stay on top.

Read on to find out how...





LOOK  
FURTHER

## How to scale your approach to fulfillment





## 1.Special delivery: Offer shipping options as perks

The first way to stand out is to make varied shipping options a feature of your brand – rather than a given.

Last year, ▶ **74% of shoppers** rated free shipping as important when checking out, showing that it's vital for conversion. It should be on your mind for a few other reasons too, including those shown to the right.


But we hear you – as a scaling store it's not realistic to give free shipping to everyone. To lessen the load, make it an extra perk for your most faithful customers only.

One study found that ▶ **66% of shoppers** rank free shipping as the most beneficial offering of a rewards program.

By making free shipping a perk for members, you'll attract more customers who want a slice of the exclusivity you're offering.

▶ **Almost 80% of customers** feel they would be loyal to a brand if they can unlock VIP benefits. They'll return and spend as a way to earn loyalty points that edge them closer to their free shipping reward.

And, as the lifetime value of a loyalty program member is higher than guest shoppers, you'll soon cover the costs of their shipping benefits.

- 
- A stylized illustration of a delivery person in a blue uniform and cap, carrying a large purple package. The background features green hills, trees, and a light blue sky with a large white circle. The entire scene is framed by a large, light blue, abstract shape that resembles a stylized 'L' or a path.
- All the costs are part of one payment, appealing to customers who appreciate simple pricing structures
  - Cart abandonment reduces as customers aren't surprised by extra fees when they check out
  - Revenue builds as you gain a cohort of loyal customers who return more over time





Another way to attract and keep the right customers is to use your shipping options to show you're aligned with them. While Amazon wins at one-day shipping, it's not the most environmentally-friendly option.

And today's customers want to be more mindful when they shop. ▶ **87% even said** that they would buy a product that offered a social or environmental benefit.

By putting thought behind the impact of your shipping options, you're showing shoppers that your brand's beliefs are on par with their own.

They won't mind waiting as you're showing you have their best interests – and the interests of the causes they feel passionate about – at heart. Then, as you scale, you'll keep more customers who support you for longer.

Use a loyalty program to reward shoppers extra points if they choose a slower delivery method or pick up their order in your store. This way, you're incentivizing customers to shop consciously while also showing that your heart is in the right place.

### Shipping is an essential part of the fulfillment process.

Making sure your options are desirable for existing customers will encourage them to return and repeat purchases. All in all, contributing to high-flying revenue numbers.

- Make free shipping a loyalty program perk for members only
- Use your shipping options to show your customers how you're aligned with them (for example, give them loyalty points if they choose a slower delivery option)







## 2.Can I help you with that?:

Elevate your customer service

When cutting your teeth next to the big ecommerce players, you need to let your personality shine through at the fulfillment phase.

And, where do customers go when they have a problem? Your customer service teams.

▶ **82% of customers** state that the friendliness of customer support representatives is important to them. And, ▶ **35% of customers** expect to contact the same agent through any communication channel.

To maintain a personal touch as you scale, empower your customer service teams to be attentive across touchpoints.

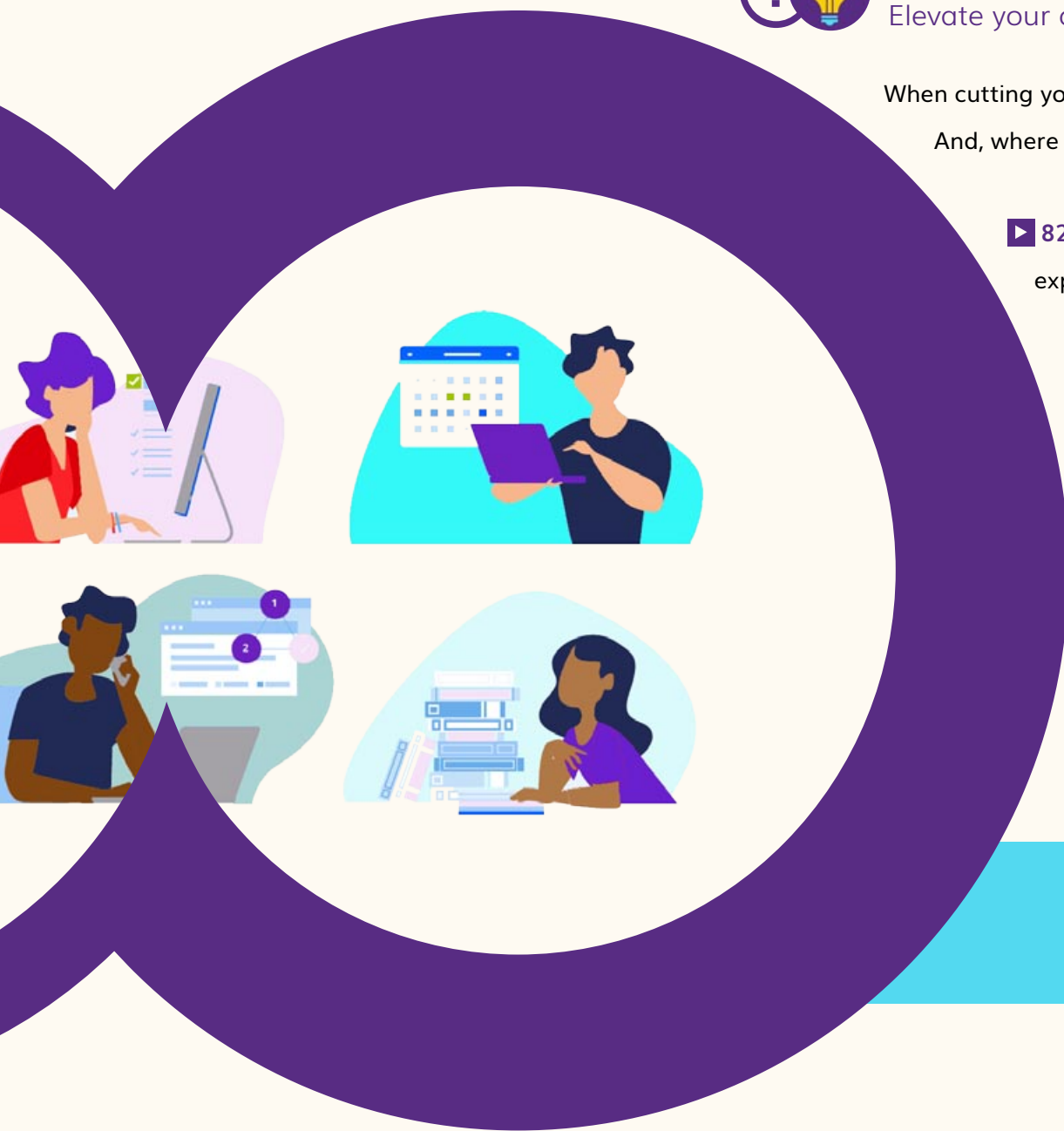
This starts by making sure they have the right tools to remedy customer worries. But, beware. Fail to meet customer troubles head-on, and they won't be shy about sharing their negative experience online. Twitter is full of ecommerce order nightmares so don't risk your brand getting added to the list.

On-site, link up your loyalty program with your help desk provider. This way, if a customer has a problem, you can include an extra pick-me-up with your apology. You could move the customer up a loyalty tier where they get more exclusive perks (such as early access to sales).

Or, you could add bonus loyalty points to their account that inch them closer to their next reward.

**82% of customers** state that the friendliness of a customer support representative is important to them

**35% of customers** expect to be able to contact the same customer support agent across channels







Right now, social media is a space for customers to air their opinions of brands – both positive and negative. Contrary to popular belief, not all publicity is good publicity. When scaling your store, you need to make sure that the image of you online is a positive one.

If you fulfill orders with few or no hiccups, customers will post images of their parcels on social media for their followers to see.

To encourage these advocates to share more images of you online, reward them with loyalty points for a social follow. You could also give them more points if they also use your brand hashtag along with the image.

In ecommerce, slip-ups can happen. Nobody's perfect. To remedy the problem, show that you're listening to your customers and value them. If you get a negative review on social media, own up and respond to the comment with a heartfelt apology.

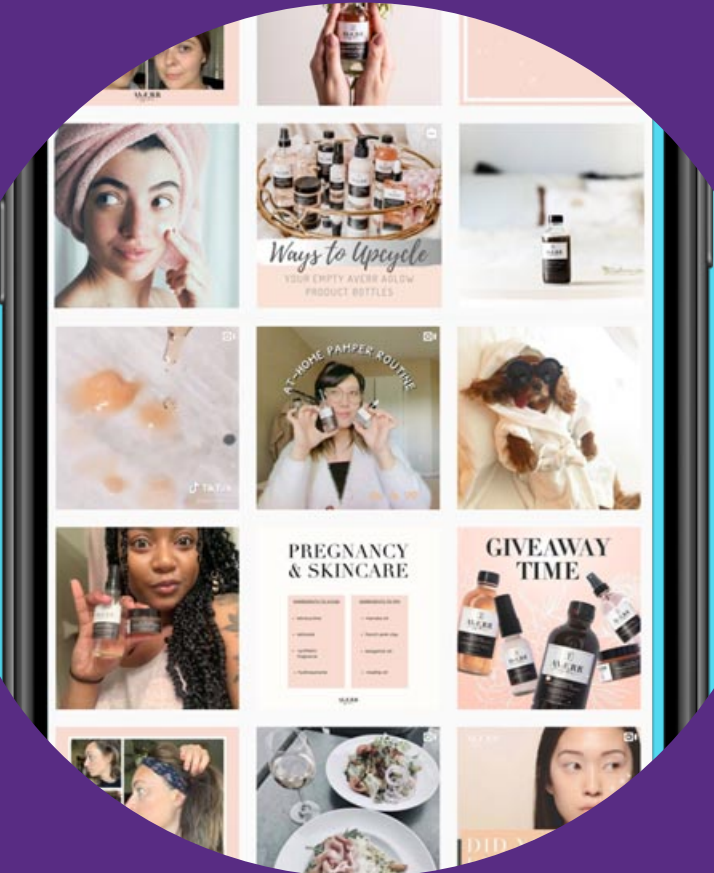
You could also let them know that you've added extra loyalty points to their account to say sorry.

Customer service reps are an important part of the fulfillment picture. When you empower them to make your customers feel valued, you're showing your shoppers that you care. Delighting customers in this way also creates a halo effect. Shoppers that feel positive about your brand will return and repeat purchase. In the end, they'll tell others about their experience with you and contribute to a larger portion of your total revenue.

- Link your loyalty program with your help desk provider so your customer service team can gift customers rewards if they have a problem
- Encourage advocates to share their positive fulfillment experience with you on social media by rewarding them for follows or when they use your brand hashtag
- Respond to negative reviews online and gift customers with extra points as an apology







Case study





## AVERR AGLOW

The beauty brand, Averb Aglow, works hard to make their customers feel valued with social media engagement.

Their ecommerce site is full of user-generated content (UGC) and positive reviews of the brand. On their homepage, they also include an Instagram reel so shoppers can engage with their latest posts.

So more shoppers are encouraged to share their positive experiences of their products online, Averb Aglow rewards customers 25 points for an Instagram or Facebook follow.







Then, when customers share photos, Averb Aglow's customer service team is on hand.

They reshare the reviews on the brand's own channel so followers can see their products in the real world.

This encourages more happy customers to share their experience, as they know it will get them recognized by the brand they love.

Thanks to their approach, Averb Aglow have seen almost 8K new followers flock and follow them on social media.

Their approach makes shoppers feel valued so they'll continue to engage as they scale.

- Averb Aglow have seen 8K new followers follow their Instagram account after linking it with their loyalty program





## From the heart:

Treat every member like your best customer

Brands with a larger market share often fail to narrow down on individual wants and needs as high sales figures become the priority.

But, this misstep leaves them short of loyal customers who return and spend long-term. To stand out, make every shopper feel like your most treasured customer both on and offline.

Online, a tier-based loyalty program is the place to start.

With tiers, you can place shoppers at different levels depending on how much they spend and engage with your store.

At each level, the VIP perks (such as advanced customer service or discounted shipping) should become more desirable.

This way, you're showing your most valuable customers that you care about their individual shopping experiences.

To make customers feel valued offline, pay close attention to the unboxing experience.

**A LoyaltyLion employee recently ordered a new yoga mat. They immediately shared the brand with everyone else as they were impressed by the experience they got when their order arrived.**

This is because the brand included a freebie with the order (cleaning products for the new yoga mat) and a heartfelt thankyou note.





In ecommerce, first experiences like this count. When a customer receives their order this is often the only in-person engagement they have with your brand. But, as a scaling store, where should you focus your time to reap the greatest ROI?

Start by giving the wow-factor to your loyal customers only. These are the ones who repeat purchases from you often and spend over your AOV.

You could include a free gift with their order or a thank you note telling them you've added loyalty points to their account.

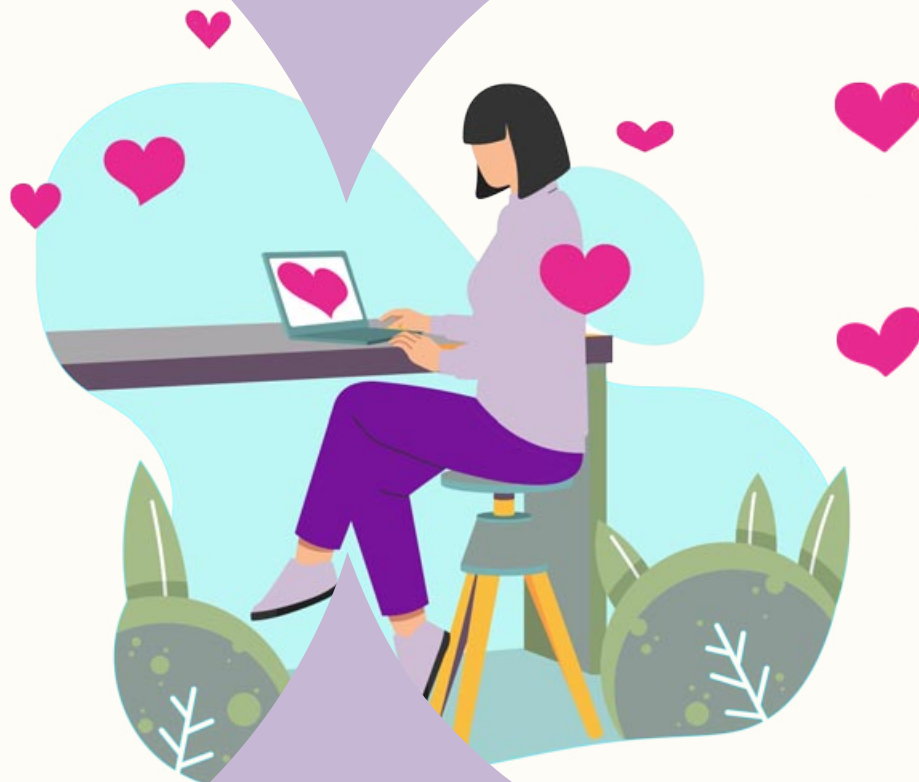
These loyal customers are also more likely to act as advocates on your behalf – helping you to attract new customers without the extra spend. Inside their orders, include a card with their personal referral URL and the loyalty points they'll get if they share it with a friend or family. This way, they'll be more likely to tell others about you.

Meanwhile, you'll gain new, curious shoppers who convert quicker.

By making your shoppers feel special both on and offline, you're building up the emotional connection they have to you.

Over time, you'll build up a cohort of loyal shoppers who will return and spend again as you scale.

- Implement a tiered-based loyalty program that makes your most valuable customers feel special
- Give your loyal customers added extras in their orders to improve the unboxing experience
- Encourage customers to advocate on your behalf by including their referral URL with their order







Case study



# LOOK AT THIS

*never fully dressed*  
EST. 2009

Ladieswear brand, Never Fully Dressed, is all about making their most loved customers feel special.

First, their loyalty program page is hyper-personalized.

Once members sign in, they're welcomed with a personal greeting and their loyalty points balance.

Then, the types of behaviors they reward through their program are focused on making every customer feel loved.

For example, shoppers get additional points for inputting their birthday with the promise that they'll get a special gift once the big day rolls around.







The real *piece de resistance* that elevates Never Fully Dressed's ability to make customers feel valued, is their loyalty program tiers.

On the personalized page, shoppers are shown which tier they're currently in and the amount they need to spend to move up.

Then, visitors can see the additional perks they'll get as they move into higher tiers – with each including more exclusive rewards than the previous one.

At the highest tier, shoppers get a new tier bonus and access to secret sales.

Using tiers, Never Fully Dressed are capturing and keeping customers who spend more. Their loyalty program members spend 47% more than guest shoppers and have a 43% higher repeat purchase rate.

This is because they're fulfilling their customer's desires to be valued and are establishing an emotional connection while they're at it.

They're elevating their customer service standards both on and offline. Treasured customers are added into exclusive tiers online. And, offline, these shoppers get surprise gifts with their orders.

- Never Fully Dressed's loyalty program members spend 47% more than guest shoppers
- Their loyalty program members have a 43% higher repeat purchase rate than guest shoppers







As you scale, your fulfillment methods need to grow too; especially with Amazon continuously raising the bar.

By elevating your offline experience so it meets the high standards of your online one, you'll capture and keep customers who spend more with you over time.

Use your competitive advantage to show shoppers you value them and that you want to establish an emotional bond with them that lasts.

In the remainder of this ebook, you're going to hear from three fulfillment heavy hitters – **Re:amaze**, **ShipBob** and **Skubana** – on ways to bolster your fulfillment approaches for long-term growth.





▶ **Re:amaze** is a helpdesk and customer messaging platform designed for ecommerce businesses. The Re:amaze platform helps businesses extract value out of customer conversations and turn a historical cost center into a revenue center. Re:amaze helps thousands of businesses on Shopify, Bigcommerce, WooCommerce and Magento engage and win over more customers with features such as multi-channel shared inbox, FAQ, live chat, chatbots, and intelligent automation.

## Mastering conversational marketing using customer service

If there's one experience that Digitally Native Vertical Brands (DNVB) have mastered over the years, it's their ability to connect with consumers.

One of the hypothetical byproducts of choice is that customers can be anywhere.

But this is also one of the biggest misconceptions about modern commerce.

Customers are not everywhere. They exist in a spectrum of the brand's ability to reach customers.



The image to the left represents two typical schools of thought around shaping the marketing and sales funnel. A multi-channel approach (left) leaves brands with too much focus and not enough control. An omnichannel approach (right) leaves brands with too much control and not enough focus. Without a holistic, experience-first mindset, brands end up relying purely on technology to deliver bits and pieces of an "experience" that does not exemplify enough value in the customer journey.





An important skill young brands need to learn is how to de-couple social commerce from conversational commerce.

For the past decade or so, establishing a presence on social networks like Facebook, Instagram, Pinterest, Twitter, and other publicly accessible platforms was enough to claim you cared about the “customer experience” because you are publicly available for conversations. And, being able to connect a social post to a checkout used to be enough to say your brand is an expert on social commerce.

Direct social commerce is at best a hypothesis and certainly does not qualify alone as conversational commerce. Another important skill young brands need to learn is how to couple customer service with customer experience.

Lots of online brands fail because they see customer service as a cost center.

It’s simply something they “need” to do to get by and so customers don’t get pissed off. If they had a choice, they wouldn’t do it.

Delivering good-enough customer service through live chat on mobile devices and your storefront is no longer enough to claim you handle customer conversations well. Customer service needs to define and connect the experience because it’s a revenue and opportunity goldmine.

When you’re able to have better conversations with customers, you generate happier customers. And when you have happy customers, you make more sales.

If that was too much to unravel, understand this: **simply existing online through a variety of channels and marketing through them won’t cut it anymore.**

And simply offering great customer service also won’t cut it anymore.







▶ **ShipBob** offers simple, fast, and affordable two-day fulfillment for ecommerce businesses. With a network of fulfillment centers across the United States, ShipBob lets you split inventory across locations to reduce shipping costs and time in transit. ShipBob's software seamlessly integrates with the leading ecommerce platforms such as Shopify, BigCommerce, and Amazon to automatically fulfill orders as they are placed online.

## Scalable, agile and distributed fulfillment for your growing DTC brand

Do you know one of the biggest challenges faced by almost every direct-to-consumer brand?

### Managing a supply chain and logistics network.

Specifically, how a brand can adapt to create an agile and distributed fulfillment network, capable of meeting ever-changing consumer shopping expectations.

And, as an ecommerce business owner, you know competition is no longer just on product quality and price point, but which brand can get the order to the customer's door the fastest.

On the next page, we'll share a few reasons why DTC brands need to create an adaptive, scalable and distributed approach to their fulfillment operations to continue to stay ahead of the curve.





# LOOK OUT

## Mitigate risk across your fulfillment



By splitting inventory across multiple fulfillment centers, you're then, in theory, able to spread the risk in case of an emergency, such as natural disasters, road closures, severe weather that impacts carriers in a geographic area, unforeseen issues within a warehouse, and even global pandemics.

By not having all of your inventory tied up in one location, you're decreasing the risk of having no orders shipping out on time. This is because you can rely on multiple locations to fulfill orders as a backup in case one warehouse is inaccessible to employees or carriers or poised for major delays.

If merchants strive to become top brands in the ecommerce world, a distributed and scalable supply chain is an absolute necessity.

The best part about it is that brands of all sizes can utilize this strategy to decrease transit times, reduce costs, and mitigate risk for their business (without having to build the infrastructure themselves if they work with a 3PL).

But, even more than that, it's the future of ecommerce.



Page 64: Look Forward: Scale fulfillment







SKUBANA

► **Skubana** is a cloud-based distributed order and inventory operations platform. Skubana seamlessly integrates your product data, fulfillment centers, 3PLs, and sales channels into a single source of truth for your entire retail operation. With Skubana, brands can stay focused on delivering the best customer experience everywhere, every time.

## Using a distributed retail operations platform to unlock multichannel growth and fulfill everywhere

Customer experience no longer ends at the checkout. Faster, cheaper, and flexible delivery experiences are expected with every purchase.

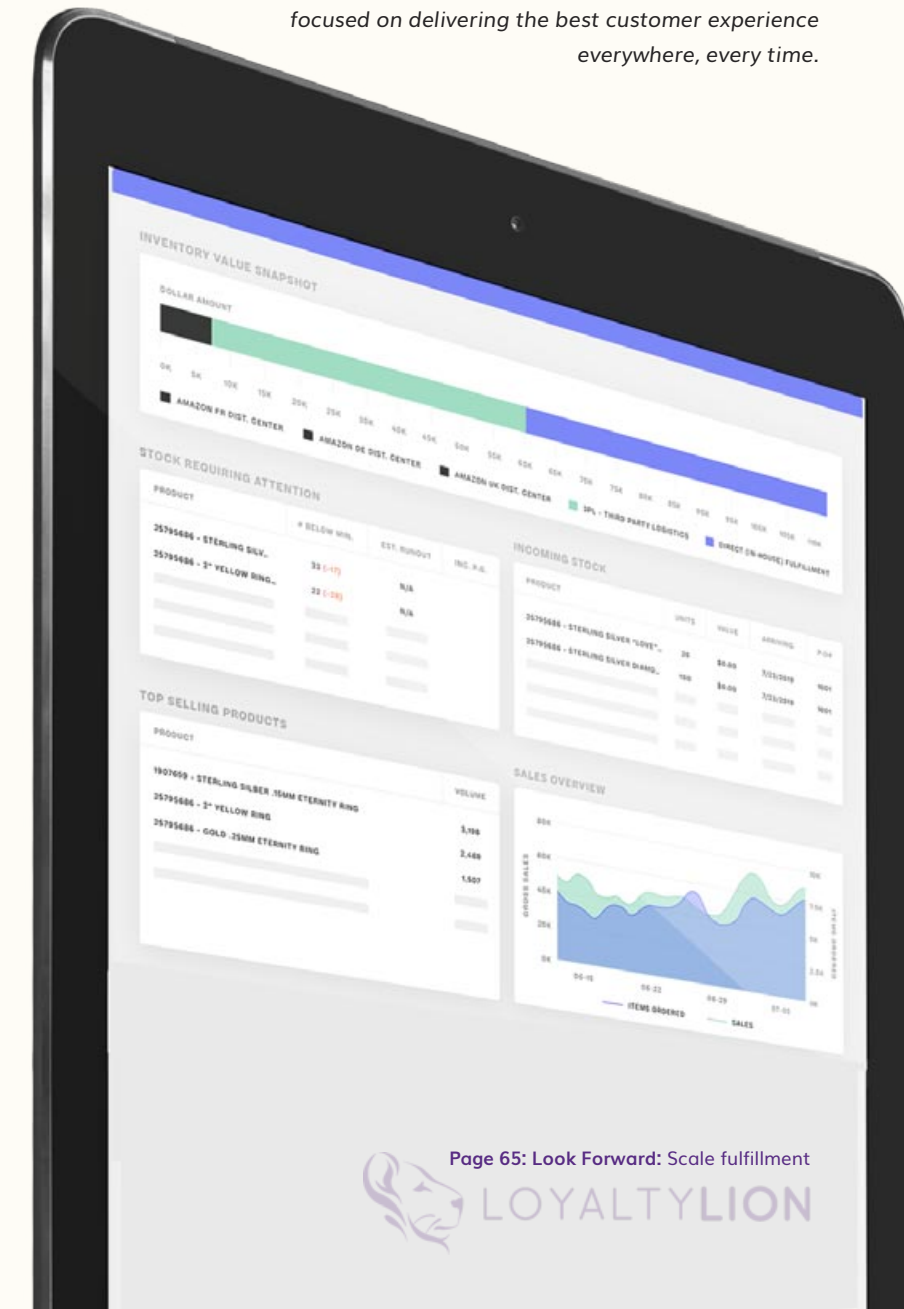
Being able to fulfill orders everywhere customers shop is also part of the process.

To thrive in a direct-to-everywhere economy, retailers need a single source-of-truth for their data that they can rely on.

A distributed retail operations platform communicates with every aspect of your retail operations.

From sourcing to delivery.

The right software will analyze your sales and inventory data and make strategic recommendations to grow your business.







Supply-chain and FBA disruptions during COVID put fulfillment workflows under the microscope. Traditional inventory and order management tools rely on manual documentation and complex spreadsheets.

These outdated systems are unable to support multichannel expansion or multi-warehouse fulfillment. Modern brands need to be lean and nimble.

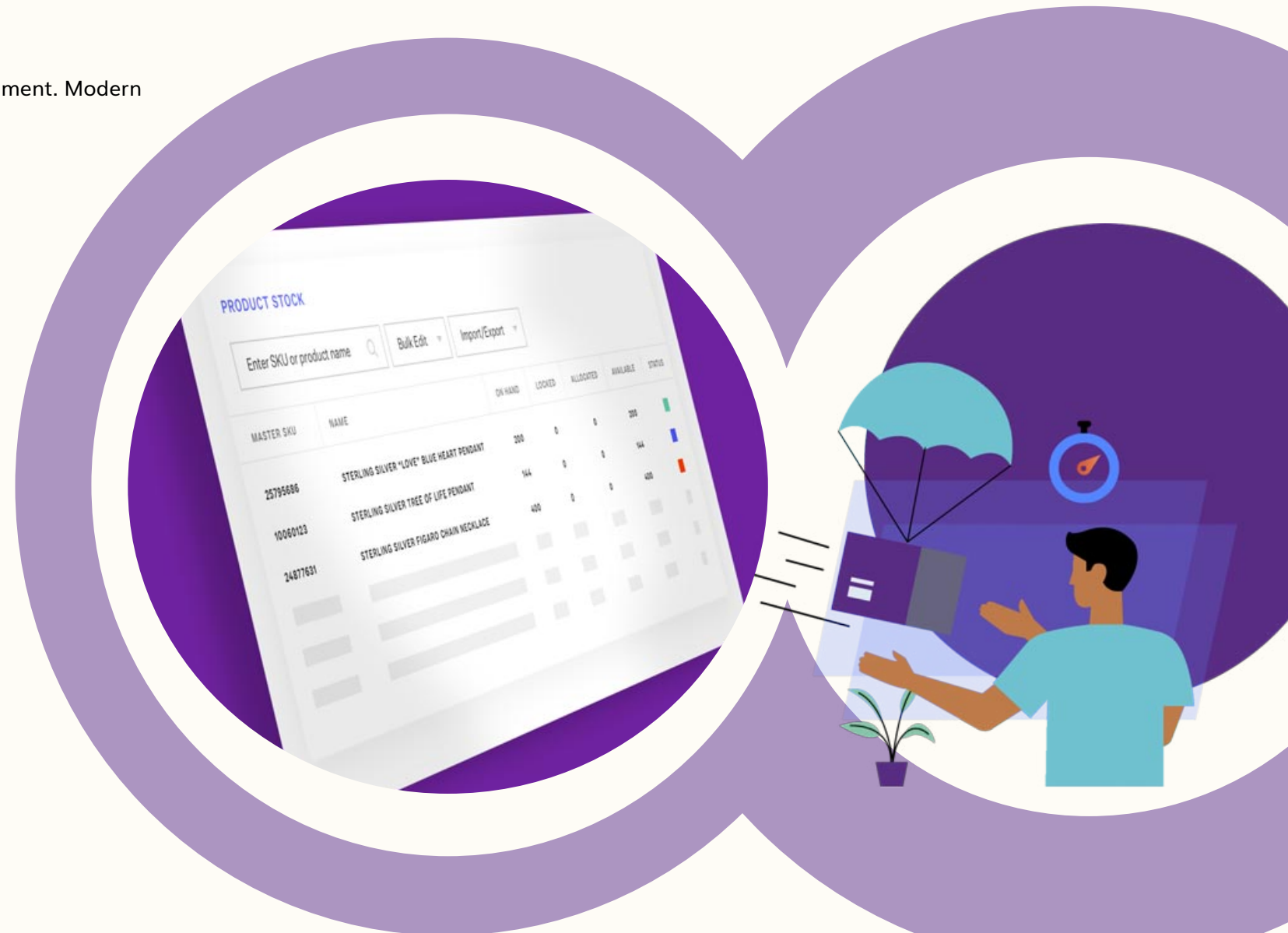
They need customizable systems that can expand or contract alongside their business.

A tough economy is a great time to build value. Even if you have a smaller team, you can make an outsized impact with the right tools.

Insufficient technology stacks can stagnate multichannel growth. It can also hinder a brand's ability to go "direct to everywhere".

Choosing the right systems and fulfillment partners is fundamental to your last-mile experience. You will be in a better place to prevent stockouts and unnecessary fees, maximize sales opportunities, and build lasting customer relationships.

SKUBANA





LOOK  
FORWARD

Part 4

# Scale post-purchase





# LOOK FORWARD

As a growing brand, it can be easy to lose touch with your existing customers. Your KPIs are fixed on attracting shoppers and increasing conversion. After every transaction, your attention falls back to acquiring new customers.

But this constant battle may be burning a hole in your pocket.

Acquiring new shoppers costs five times more than retaining your existing ones. When a customer makes a second purchase, they tend to spend ▶ **three times more** than they did the first time around, scaling your revenue exponentially.

To keep your shoppers engaged as you grow, you need to focus on the post-purchase experience. Consumers remember every touchpoint they have had with a brand when weighing up whether to return – this includes how they're treated after they've checked out.

Their loyalty can't be assumed. You have to earn it, by demonstrating that you want to stay in touch, provide them with value, and keep the conversation alive.

Each positive post-purchase moment encourages your existing customers to return more often. All in all, contributing to a larger slice of your total profits. So, what could be holding you back from strengthening relationships post-purchase?

Warning!





## You're facing an identity crisis

The ecommerce market is exploding. Between March and July this year, **▶ 85,000 ecommerce businesses launched**, adding to the masses of online stores already out there.

With so many brands to pick from, shoppers are scouting out more than standout marketing and cool products. They want to connect with brands emotionally and create relationships that last.

Yet, as you scale, parts of your brand can start to live in siloes. You hire more employees, add new services and experiment with new channels, and it becomes harder for you to maintain the integrity and consistency of your brand, and for customers to connect the dots.

To keep the relationship with your customers alive between purchases, you need to paint a coherent picture of who you are and the experience you offer. This doesn't only mean at the point of conversion. Your identity needs to permeate through to the post-purchase journey too.

Think of the initial sale as the first date with your customers. If you continue to woo them with messages about your common traits and shared values, you might be lucky enough to secure the next date. And, who knows? A long-term relationship could also bloom. That means they'll contribute to growing your revenue numbers and keeping them high.






## Time isn't on your side

Scaling up can be a risky business. As you grow, you have mountains of data points and high-tech tools all within your grasp. Giving you back the time you would have otherwise spent on menial tasks.

But, when you get to this stage, it's easy to lean on automation.

You may set up email triggers with little thought that actually reverse steps forward you've taken to connect with your customers.

They'll see through your façade and realise you've got a load of automations happening under the hood – crushing the personal relationship with you they thought they had. In time, they'll feel uncared for and look around for a brand that puts them back on a high pedestal.

Turning your current customers off this way will be damaging for your long-term growth. Bain and Company found that  **consumers buy 67% more** after they have been shopping with a company for 30 months than they did on their initial purchase.

Loyalty clearly pays.

Remember to take time at the planning phase to show that you value your customers even though you're growing. Do this right, and you'll establish a long-term connection and they'll return more often.







# LOOK

FURTHER

How to scale your post-purchase approach





## 1. Create a data story: Re-engage with personalization

Your data is a storybook, giving you everything you need to build a narrative about your customers. What's on their mind? What's their next move? What's blocking them from taking the next step.

Much like a story, the end of your customers' journey isn't always clear. You need to use your data to direct them to the fairytale ending you want: becoming a loyal customer for the long-term.

▶ **61% of millennials** today are happy to share their data if it leads to a more personalized shopping experience. And, ▶ **78% of shoppers** say that if they were individually rewarded for their loyalty, they would return to the brand.

With a loyalty program, you can pair loyalty data with your store statistics to build a picture of your customers.

This helps you decide how to re-engage them post-purchase before they churn.

Start by ▶ **segmenting your customers into three buckets:**

- **Loyal customers** – the ones with a high lifetime value and engagement rates
- **At-risk customers** – the ones who have not purchased again within an expected timeframe
- **Churned customers** – the ones who have never returned and don't engage with your store anymore







Once you've identified your segments, you can personalize their on-going experiences. Emails are a good place to start. You can use them to send hyper-relevant, tailor-made content to each customer's inbox.

▶ **Automated loyalty emails** have a 2.5X higher open rate than the ▶ **industry average**. This is because they have useful information inside that shows customers they matter. Eliminating the feeling of being "just another shopper".

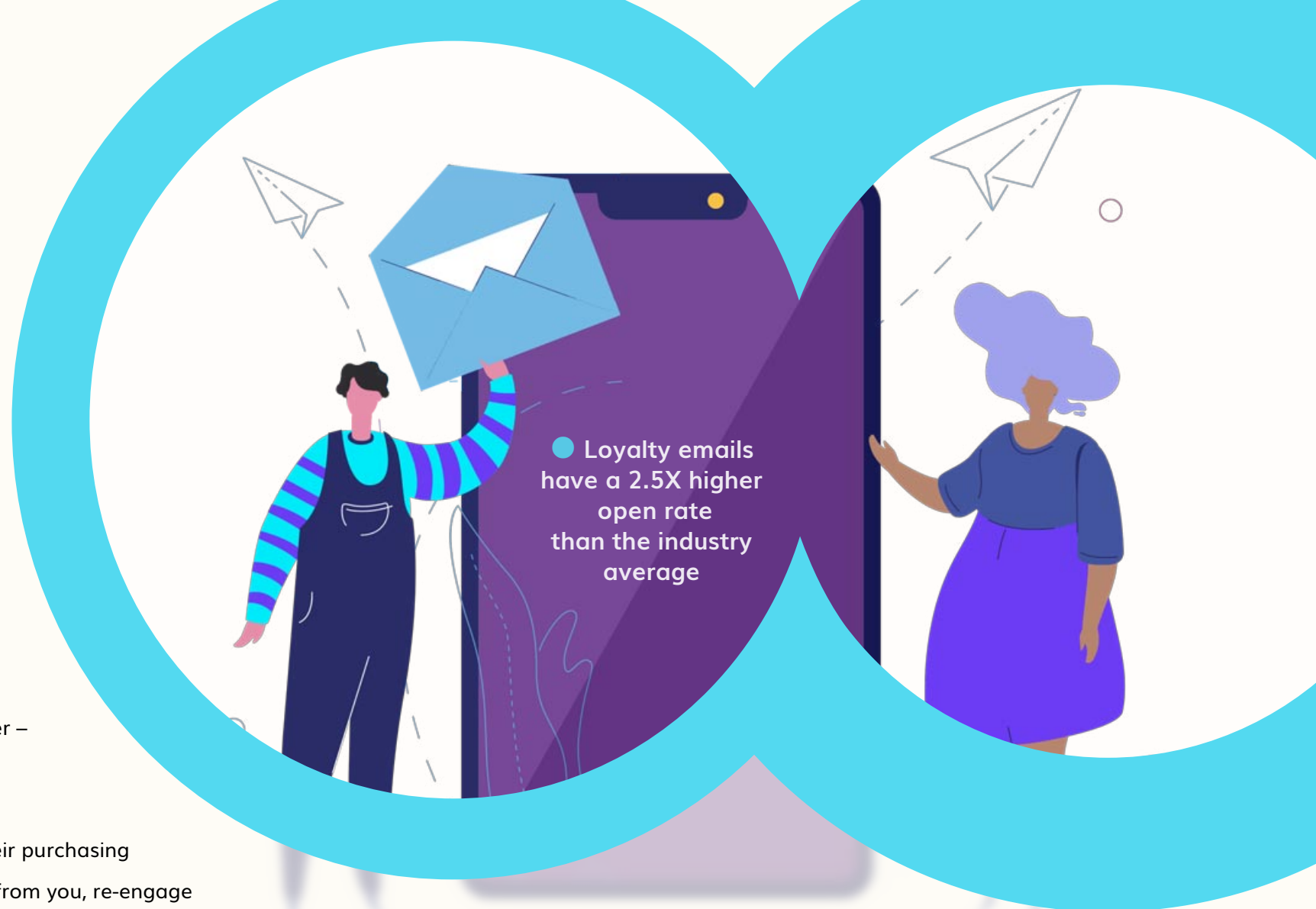
For your loyal customers, send post-purchase emails that keep the relationship alive.

The emails should notify them of the exclusive perks they get for being a dedicated member – such as early access to your sales or first dibs on new products.

At-risk customers need something more tempting to bring them back to your orbit. Use their purchasing history to send them timely messages that resonate. If they've bought a daily supplement from you, re-engage them with an email when they're running low telling them that they should stock up.

Make sure to include their current loyalty points balance and the extra points they'll get for re-purchasing.

Finally, for those who have churned post-purchase, rekindle their interest in you with an impactful re-engagement email campaign.





# LOOK

HARDER

Show them that they can earn loyalty points for completing simple actions on-site (such as re-visiting or signing up to your newsletter).

They'll see that they don't have to spend money to get value from your brand. Meanwhile, the lure of easy points will encourage them to return to your site and take another look at your products.



As you scale, you need to maintain the personal touch with your customers to stand out.

The post-purchase moment is the time to give customers what they really want so they return and spend.

To drill down on your customers, while saving time, become a data storyteller and use personalization techniques to make your existing customers double-back around and purchase from you time and time again.



LOOK  
AT THIS



beauty bakerie®

Case study



# LOOK AT THIS

*beauty bakerie.*

Beauty Bakerie runs three loyalty email campaigns for their different customer segments.

To keep their loyal customers feeling positive about them post-purchase, Beauty Bakerie sends regular member update emails.

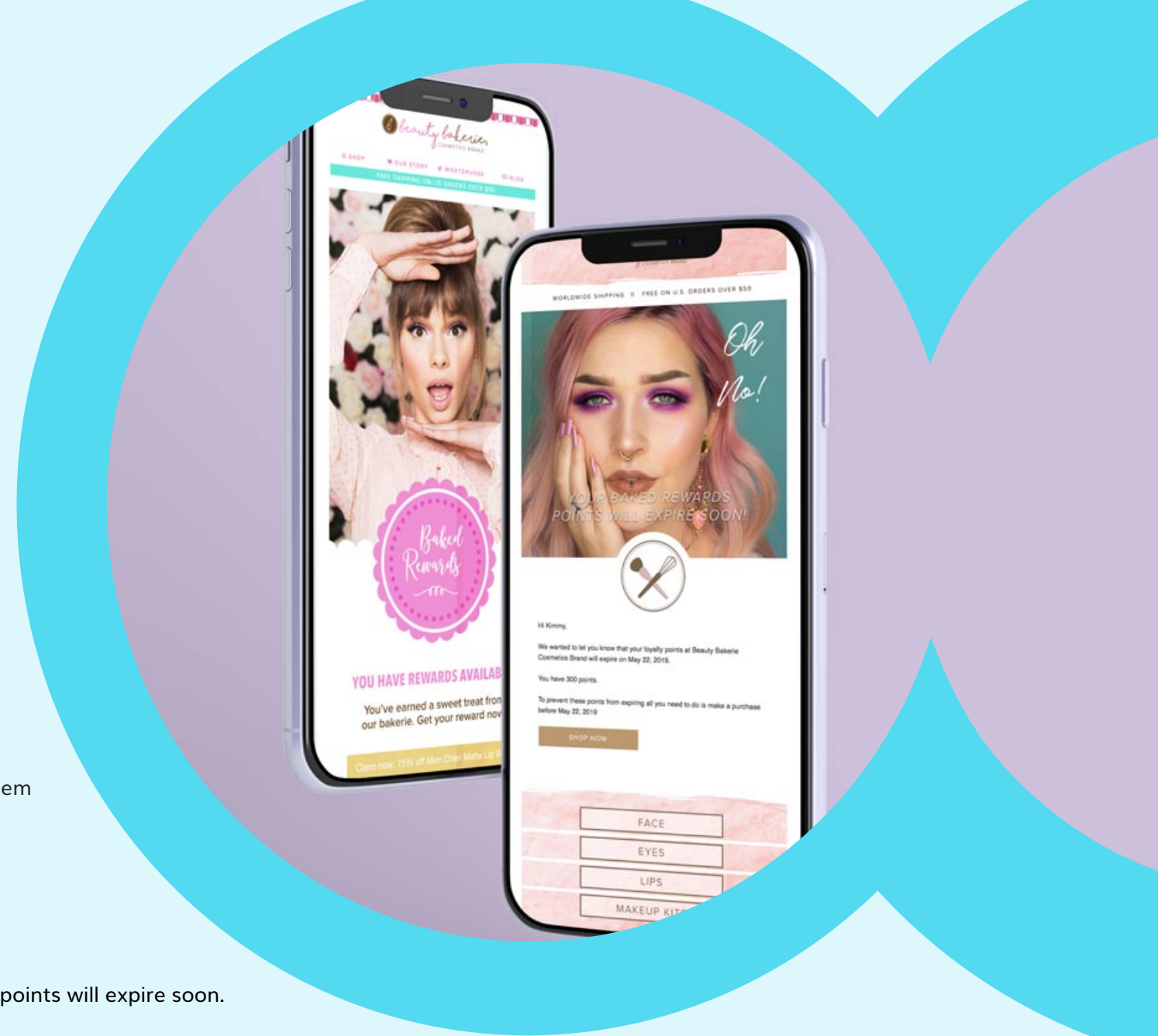
These thank the shoppers for being a brand fan and include the shopper's personalized loyalty point balance. Showing that they appreciate each customer individually.

For their at-risk customers, Beauty Bakerie sends rewards available emails. These show these shoppers that there are extra perks waiting for them to redeem which they might not have known about before, enticing them to come back sooner to take a peek.

Their approach makes shoppers feel valued so they'll continue to engage as they scale.

For the customers who are close to churning, Beauty Bakerie sends emails that let shoppers know they have points will expire soon.

This reminds these shoppers that the brand is there and encourages them to act before they lose out for good.







## 2. Be proof positive: Earn social proof post-purchase

As an ecommerce brand operating in a competitive space, trust is an important part of scaling up.

▶ **Almost 80% of customers** say that for them to be loyal to a brand, they need to know that if they recommended it, others would have a positive experience.

In the post-purchase moment, capitalize on your recent interactions with customers to gather social proof.

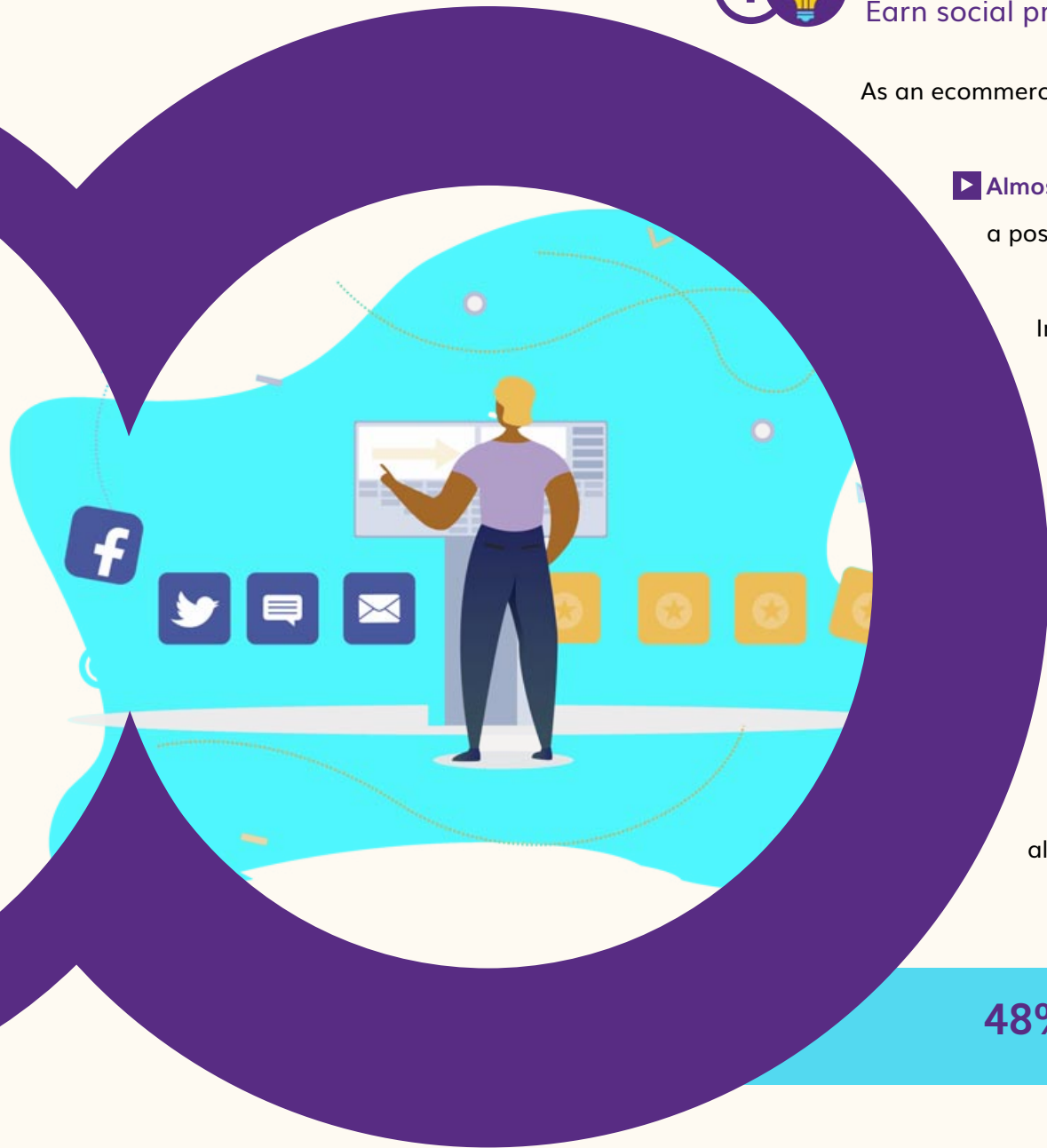
As you scale, this establishes trust for new customers who are curious about you.

Once a customer has purchased, don't send them the regular order confirmation email. Add a human touch and ask them for a review while you have their attention.

To get a higher response rate, tell customers that they'll get loyalty points added to their account if they leave feedback. They'll then be more likely to return as you've given them bonuses they can use in future shops.

Social media also humanizes your brand and creates a dialogue with shoppers post-purchase. Engagements on these channels also become social proof that builds trust.

**48% of marketers believe that content created by customers humanizes their marketing**







Offering loyalty points in return for social engagements (such as a social follow) is a tried-and-tested way to get your existing customers to post about you.

This is because you're giving them something worthwhile that they can use to redeem rewards later on.

This user-generated content (UGC) extends your influence in wider social circles and shrouds your brand in positivity. In the end, you'll be able to reach new, like-minded customers who are similar to the ones you've already got.

Using the post-purchase moment to gather social proof is a positive way to build trust as you scale up, showing your existing customers that you care about them beyond the sale.

Meanwhile, you're gathering evidence for new shoppers to show you're a brand worth investing in.

Both of these benefits give customers the confidence to return and repeat purchase, letting you reap high profits as a result.

- Use the post-purchase moment to gather social proof from your customers that builds trust
- Ask for a review in order confirmation emails and show customers the loyalty points they'll get for leaving one
- Reward customers for following you on social media to organically create more social proof





## Case study

The Original  
*Make Up Eraser*





# LOOK

AT THIS

The Original  
*MakeUp Eraser*

To gather social proof at the post-purchase phase, MakeUp Eraser shows their existing customers that they'll get loyalty points for completing certain actions.

On their loyalty program page, they advertise that members get 50 points for following the brand on Instagram. As well as 150 points for leaving a review.

By rewarding customers for following them on social media, MakeUp Eraser's advocates have shared posts of them using the product.

This gets them seen by potential, new shoppers.

Meanwhile, the brand gets UGC they can use on their own channels to promote the product authentically.

Thanks to their loyalty program, MakeUp Eraser has gained more than 1,000 Instagram followers.







## Friends in high places:

Keep consumer relationships alive after the check-out

Earlier in this ebook we shared the challenges around acquiring the right kind of customers at scale.

The good news is that by putting in the hard graft in at the post-purchase phase, you'll be able to attract more of the right customers who stay around and spend more.

This happens by first securing deep-rooted customer relationships with your existing customers post-purchase.

By this point, you've won them over. But, just like any relationship, now's not the time to get lazy. You need to reward them with advocate status and encourage them to recommend you to others.

Your potential advocates are a huge asset to the scalability of your store. Think about it.

Are your favourite brands the ones you stumbled upon by accident?

Or, are they the ones you discovered because your friend was using it.

Maybe they came onto your radar because someone said, "I think you'd love this!".







When you get your existing shoppers to recommend you to others, you gain more, like-minded customers who will devote themselves to your store.

But you don't have to take our word for it, the numbers tell the same story:

This year, Statistica found that ▶ 56% of internet users find out about products from their close ones

Customers acquired through referrals ▶ spend 200% more than an average customer

Grab a customer right after they checked out with ▶ post-purchase notifications.

With your loyalty program, set pop-ups that tell converted shoppers they'll get points for making a referral. In this notification, add buttons that let your new advocates share their referral URL on social media, email or WhatsApp with just a few taps.

By rewarding them with loyalty points for every successful referral, you're showing that you want to keep the relationship alive even after they've checked out. Encouraging advocacy post-purchase also builds brand community.

As you scale, you gain more customers who can refer you. Over time, you get a larger cohort of brand fans who are like one another.





- Create emotional connections with existing shoppers by encouraging them to be advocates
- Make it easy for them to make referrals with post-purchase pop-ups
- Build a brand community by giving advocates top-quality perks through your program

As your community spirals, don't leave them to their own devices.

Put in place strategies that keep your advocates engaged.

When a customer becomes a member of your loyalty program, give them a top-shelf experience that welcomes them into your community.

Perks – such as access to private forums – make your existing customers feel a part of your brand long after they check out.

In these community spaces, you can then share new products or changes to your program that loop them back into shopping with you down the road.

The post-purchase moment is an opportunity to build a relationship with your shoppers that last. Then, as you grow this emotional bond will bring them back to you over your competitors.



KILLSTAR  
●●CULT LUXURY



Case study



# LOOK

AT THIS

**KILLSTAR**  
●●CULT LUXURY

The clothing and lifestyle company Killstar, recognized the importance of connecting with the existing customers post-purchase.

They knew that their community was strong, and could be used as a tool to bring in other, like-minded shoppers.

After their shoppers check out, they're shown a post-purchase notification that tells them they'll get 500 points for referring a friend.

The customer can then easily copy their unique referral URL and send it on to someone else they know will appreciate it.

Over a 50 day period, nearly 900 customers interacted with the notification.

And, by encouraging referrals like this post-purchase, the brand saw 4,000 new shoppers land on the site.

Killstar could then work to convert these new visitors into long-term customers.







Evolving from a smaller brand into a booming one might feel like a lot to take in. Especially when you're short of time and facing an ocean of competition. But, setting your sights on the post-purchase moment is how to keep in touch with the customers that matter. Over time, you'll be able to encourage them to return, repeat purchase and become your biggest advocates. In the end, unlocking long-term growth that lasts.

Next, you're going to hear from Okendo and Listrak on how to make headway on your post-purchase strategy.

They'll share savvy ways to keep the customers that continue to convert as you scale up.





## Build a loyal community of engaged customers with photo-led reviews

Growth is crucial for ecommerce businesses that want to thrive long term, but scaling your business comes with challenges.

A bigger brand means more customers to keep in touch with, leading to potential lost connections and hits to your CLTV.

It's important for stores to build emotional connections with their customers before, during and – crucially – after a sale.







Reviews play a vital role in the post-purchase landscape – here are three key reasons why

## 1. They encourage repeat custom

▶ Repeat customers spend 67% more than new customers and can become loyal advocates, which means the post-purchase customer experience is incredibly important.

Keeping customers engaged after a sale will keep them coming back, as well as give them a nudge towards sharing their experience with peers. Reviews provide added social proof and encourage more sales from other new and existing customers.

## 2. They capture valuable insights into customer mindset

Reviews give brands a peek into the minds of their customers, including their likes and dislikes.

This provides valuable insights into how stores can improve products and the pre-purchase shopping experience.

Better products and superior customer experience lead to loyal customers that continue to return in the future.



 OKENDO





### 3. They build a loyal community

For Born Primitive, photo-led reviews have been an essential part of growth and community building.

Fitness folk were eager to see items on everyday people, and Okendo's review generation feature allowed them to gather a catalog of reviews from past customers.

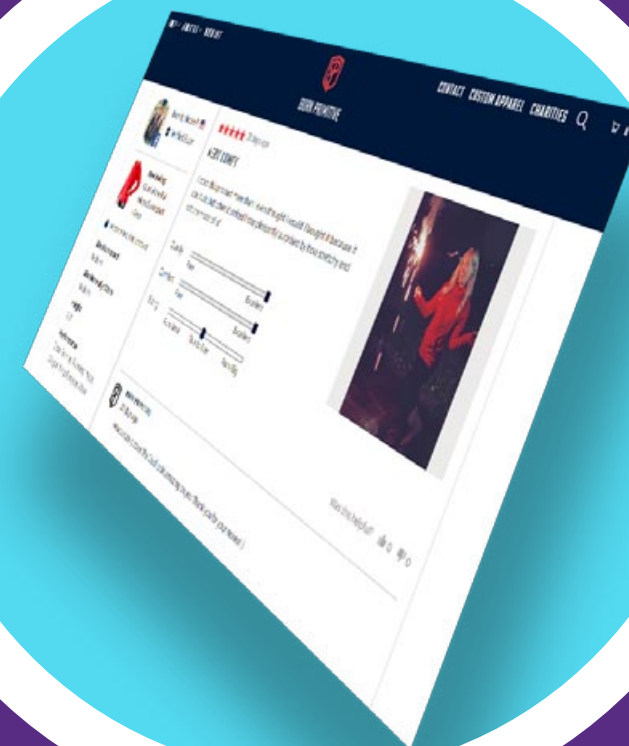
This has nurtured an engaged and loyal community.

And photo-led reviews aren't just for new customers.

They serve to strengthen connections with past buyers and increase social proof post-purchase.

"When you're selling fitness apparel, everyone's body type is different. Being able to see the items on everyday people and how it fits is hugely important"

Carsyn Brownell,  
Born Primitive Customer Growth and  
Ecommerce Manager





## Personalizing post-purchase campaigns

The most important construct to understand around post-purchase marketing is that “recency” rules the world.

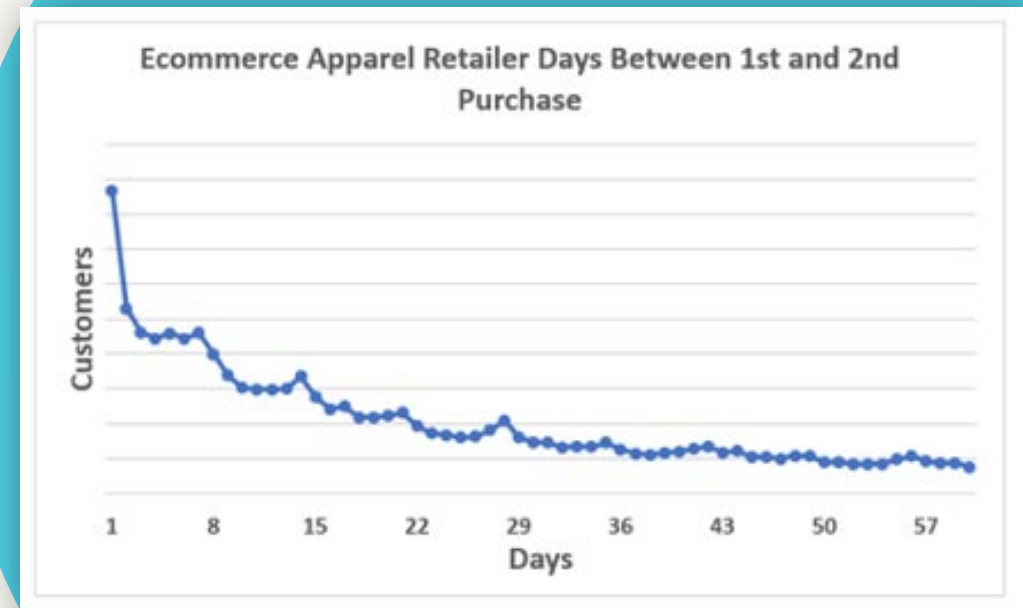
A customer is most likely to purchase again, if they do at all, right away – even within just one day (see the graph).

This might seem crazy, because when we buy something we tend to think, “I won’t need something else for months or years”. The truth, though, is that we buy in clusters.

A key point of emphasis on the graph to the right comes from seeing the slight “bumps” at day 14 and day 28. These are the days that marketing efforts (including emails and SMS messages) should be sent out.

As you can see, bumping a low-performance area can only do so much.

Recency always wins out as marketing efforts at day 14 resulted in larger gains than day 28. The sooner marketing happens, the better.







Based on the construct of recency ruling the world,  
what should marketers do post-purchase?



**Message timing should be as close to or clustered near the initial purchase event**

Waiting a week to send your first message? How about sending it within 24 hours?



**Messages should be personalized based on data**

This could be product recommendations related to the  
purchased item(s) or sharing content they will enjoy.



**Know that any loyalty program or incentivized actions  
will be more effective sooner rather than later**

With every purchase, someone is more likely to buy  
again if they have points or rewards to use.





So there you have it.

A complete round-up of growth tactics you can apply across every step of the customer journey. From acquisition all the way through to post-purchase.

We hope you've learned everything you need to know to scale up and stay on top. If you want to hear more from the partners involved in this commentary, we also ran four panel-based discussions that you can watch over on our [on-demand library](#).

Or, if you want to start talking about how to use a loyalty program to power your ecommerce growth, book a conversation with a member of our team.

## About LoyaltyLion

► [LoyaltyLion](#) is a data-driven loyalty and engagement platform that powers ecommerce growth. A loyalty program is about more than points and rewards. It's about unlocking real insights to increase customer lifetime value. With LoyaltyLion, you can build a better understanding of what drives longer-lasting customer relationships, and use those insights to connect and accelerate your existing marketing efforts. Proven to increase retention and spend, LoyaltyLion is trusted by thousands of fast-growth ecommerce merchants worldwide.

► [Book your conversation now](#)

