THE
COMPLETE
GUIDE
FOR D2C
CUSTOMER
RETENTION
AFTER THE
HOLIDAY
RUSH

The holidays: they may be the most wonderful time of the year, but they are hectic for customers, merchants, and marketers alike. With a variety of sales promotions, web traffic surges, and an increased need for customer support, it goes without saying that November through December is a busy time for ecommerce merchants. While consumers may be focused on finding the perfect gift, marketers need to be focused on the ultimate goal of the season—customer retention.

In this ebook, we'll guide you through the ins and outs of customer retention during the holiday season (and beyond!) and provide you with the resources you need to have a successful retention strategy.

The battle between customer retention and acquisition

Customer retention versus acquisition and which one is more important has been a long time discussion between marketers. The truth is, they're both vital for sustainability and growth. Acquisition grows your customer base while retention increases customer lifetime value and can also have a major impact on revenue.

Most of the time brands are so hyper focused on growing their customer base during the holidays that retention efforts are often put on the back burner. But the truth is that acquiring a new customer is 5-20 times more expensive than retaining an existing one. Moreover, increasing customer retention by 5% can increase profits up to 95%[1]. So while growing your customer base is exciting to see, it can get pretty costly, which is why it's important to create a strategy that balances retention and acquisition efforts.

http://www2.bain.com/Images/BB_Prescription_cutting_costs.pdf

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Why you need a customer retention strategy for after the holidays

Once the holidays are over, the sales cycle slows a bit and numbers return to normal—but it doesn't have to be that way. Brands need to focus on replicating holiday sales numbers throughout the entire year and the driving force behind that strategy is customer retention. By prioritizing retention, you're also prioritizing the customer experience and when you do that, customers will always remember your brand and keep coming back for more.

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4 main reasons why you should implement a retention strategy pre and post holiday season:

GROW CUSTOMER LIFETIME VALUE

Increased customer lifetime value (LTV) is the main benefit of customer retention strategies, which is why D2C brands need to make it a priority. When you have a high LTV, your customers are more likely to shop with your brand again and again. One of the best ways to increase LTV is to focus on retention tactics such as personalizing the post-purchase experience, utilizing referral marketing, or providing efficient customer service.

BUILD CUSTOMER LOYALTY

DTC retention strategies put the customers' needs and wants at the forefront, and that doesn't go unnoticed. Whether you give customers personalized offers, offer referral rewards, or utilize loyalty rewards programs, these actions build relationships and turn customers into brand ambassadors. And brand ambassadors go on to tell their family and friends about how much they love your brand, so by focusing on the happiness of one customer, you've actually gained a few more.

IMPROVE THE OVERALL CUSTOMER EXPERIENCE

Retention re-focuses your marketing strategy on relationship building and personalizing experiences because shopping is just that, it's an experience. If you make that experience memorable, positive, and personal your customers will be happier.

INCREASED PRODUCTIVITY

When you have the right resources to support your internal team, increased productivity is a natural result. Customer service is a huge component of customer retention and satisfaction. Brands often expand customer service teams to meet the demands of the holiday season, but that's not enough. Your customer service team needs to be able to go above and beyond for customers no matter what time of the year.

Tips to fill out your customer retention strategy

Don't wait until the holiday season is over to start implementing customer retention strategies. Start today. Here are a few tips to get your retention efforts rolling:

Implement a customer loyalty program: You can't go wrong with rewarding people who shop with your brand! Customer loyalty programs include points programs, tier-based programs, free gifts, or subscriptions, to name a few.

Prioritize the post-purchase experience: From branding shipment tracking pages to providing top-notch customer service to simple returns and exchanges, the post-purchase experience can be a make or break for customer retention.

Value personalization: Nothing is better than a personalized customer experience. You can do this through personalized offers, handwritten notes, or an extraordinary unboxing experience.

Utilize referral marketing: Referral marketing encourages existing customers to recommend your brand to their friends and family. Existing customers are given a referral code or link to send to friends and family and when it's used, they get rewarded for it.

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Don't get swept up into the hustle and bustle of the holiday season and slack on your customer retention efforts.

Here are 5 brands that can guide you through the holiday rush and help increase your customer retention rate:

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🔥 OCTANE AI

Who is Octane AI?

Octane AI is the zero-party data marketing platform for Shopify and Shopify Plus merchants. With Octane AI, brands can convert and retain more customers by collecting zero-party data via quizzes and conversational pop-ups, followed by leveraging that data across marketing channels like their website, email and SMS to improve the customer journey with personalization.

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Collect zero-party data to understand your buyer and build lasting relationships. The only way to convert and retain your customers is to understand who they are and what they want. The holiday season is a great time for brands to build their customer base, so don't squander it! If you were waiting for an opportunity to start collecting zero-party data (high-value data that a customer intentionally and directly shares with a brand), now is the time! This type of data can help you personalize the entire customer journey for each of your customers, which in turn will lead to a lasting relationship.

Grab that opt-in information early on, extra points for zero-party data too! During the holiday season, stores receive a lot of traffic, it's the hottest time of the year to be in ecommerce! But unfortunately, most site visitors won't turn into customers. And that's okay as long as you collect their opt-in data (email and SMS). Why? No purchase doesn't have to mean no relationship. By collecting that opt-in data you can nurture that prospect and convert them into a customer over time.

But wait, there's more: a website pop-up only allows you to collect opt-in info, so when it is time to reach out to that skeptical prospect you won't know anything about them that may tip the scales in your favor. Octane AI's Conversational Pop-ups enable the collection of opt-in information along with zero-party data and making a product recommendation -- all from a single pop-up. That way, when you follow-up with that site visitor, you'll have something unique to chat about!

Integrate your data with Klaviyo to send personalized email messages. Collecting zero-party data doesn't mean a thing if you don't actually leverage it. After collecting the data, make sure to integrate it with Klaviyo and other providers to send personalized email or SMS messages. Want to know why that is important?

Learn from Doe Lashes! This multimillion-dollar beauty brand uses a product-finder quiz on their website and through the zero-party data collected, they learned the surprising fact that a large portion of their visitors were new to using false lashes. They immediately leveraged that insight to overhaul their content strategy and to create a new email welcome series in Klaviyo to cater to those customers and teach them about lashes, which resulted in a big lift in revenue and conversions.

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"One of the best parts about Octane AI's Shop Quiz is the ability to tag our customers within Klaviyo to create different segments that we can in turn build new automated drip campaigns and personalize our messaging towards."

Jacob Sappington
Doe Lashes

Your relationship doesn't end after check out: use post-purchase quizzes

Keep building and nurturing your relationships with your customers. A great way to do so is by sending post-purchase quizzes via email. If you know a customer was shopping for friends & family, which is likely during the holiday season, send them a quiz to find out what's the best thing for them, for example "You are making someone very happy with [product name], but have you found yours yet?

You can also use the post-purchase quiz to ask questions that will inform your product roadmap, ask about customer feedback and a whole lot more!

Above all else, make the experience a personal one.

Cultivating a unique online shopping experience and sending personalized messages based on what you've learned about each customer will help you stand out, connect on a deeper level and encourage repeat business.

And don't forget, the holiday season is just the beginning. Now that you are collecting zero-party data, you can use it to send personalized messages and stay in touch with your customers throughout the year! Zero-party data is the gift that keeps on giving, limited only by your imagination! 🎁 😉

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Who is Malomo?

Malomo is a shipment tracking platform that drives repeat sales, increases customer satisfaction, educates customers, and lowers support tickets through branded tracking emails and landing pages.

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It's time to put a little more bliss into the holiday season
The holidays are already stressful—help ease the stress around when your package will arrive with Malomo's next-level shipment tracking platform. Here's how you can use Malomo improve the post-purchase experience:

Create customized, branded shipment tracking pages
Fun fact: customers check shipment tracking 4.6 times for each order. That's why it's seriously important to provide valuable information on the shipment tracking page. But before you can create a perfectly branded tracking page, you need to define your goals.

You can use this as an opportunity to **educate** your customers. This could mean giving them more info on how to care for or use the item they bought, promote your newest campaign, or teach them about your company's mission.

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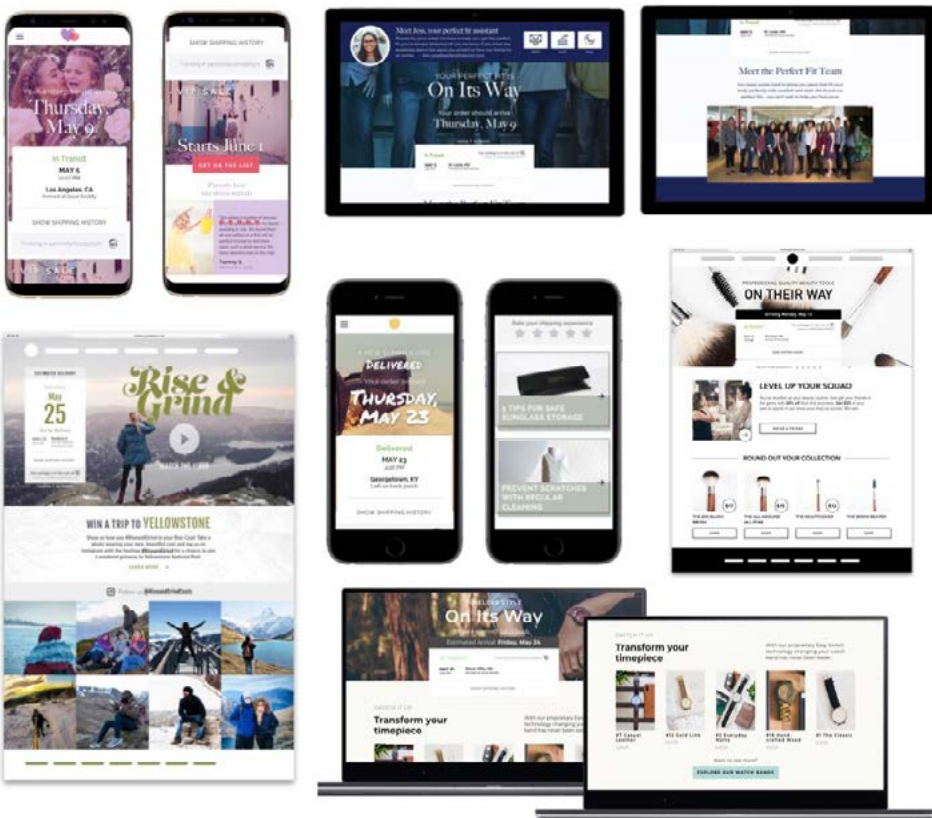
You can also use a branded shipment tracking page to better **engage** with your customers. Embed your company's social media feed, provide referral program information, or a chat bot to connect with customer service if needed. With Malomo, you have a library of customizable features to choose from to create a memorable experience.

Or you can highlight **cross-selling** and promote marketplace products within your tacking page. When you give your customers an easier way to shop for more products, you're more likely to have an influx on repeat purchases. For the holiday season, you could even promote shopping guides for your audience to make holiday shopping less hectic. Holiday shopping from one store? Sign us up!

Provide proactive shipping notifications
Customers hate it when their shipments are delayed, but they hate it more when delivery delays aren't quickly communicated to them. If you're the reason they show up at grandma's house without a gift, they probably won't try their luck again next year.

Manage expectations and communicate possible shipping delays before and after customers place their orders so they aren't caught off guard. And if a delay happens or an order couldn't be delivered, proactively notify your customers.

Integrations made easy
Malomo's native integration with Shopify and Shopify Plus makes getting started with Malomo as easy as apple pie. Additional integrations with apps like Klaviyo, Gorgias, and Postscript are simple to integrate to Malomo's post-purchase communications with your email, helpdesk, and SMS workflows.

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Who is Gorgias?

Gorgias is a leading helpdesk for Shopify, Magento, and BigCommerce merchants where retailers can manage all of their customer communications and tickets in one platform—email, social media, SMS, livechat and phone.

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You may have made the sale, but the work is far from being done. Increasing customer retention rates and improving the customer experience happens after the customer clicks the "buy now" button.

Customer service needs are at an all time high during the holiday season, That's where Gorgias comes in. Gorgias is a leading ecommerce help desk that turns your customer service into a customer centric profit center. It helps independent ecommerce brands by centralizing customer interactions and automating responses to repetitive questions so your support team can spend more time on meaningful and profitable interactions with customers.

There's one thing you can do to help your customers this holiday season: **provide amazing support.**

89% of companies say that excellent customer service plays a huge role in customer retention.
Support is always important, but it couldn't be more critical around the holidays. Gorgias can help through machine learning and automation to provide quick answers and stellar customer support.

89%

of companies say that excellent customer service plays a huge role in customer retention.

Take the edge off your customers and your support team
Gorgias organizes any customer request received Having the ability to engage with all comments and inquiries in an organized, time efficient manner is the key to tapping the explosive power of social commerce.

You can stop copy and pasting answers to commonly asked questions and start using machine learning to fully automate and close tickets to frequently asked questions such as "where is my order?" . That way your support team will spend less time

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> "We've been using Gorgias for two months now, and our marketing department has noticed a large spike in our engagement already. The Facebook ad commenting has been very, very interesting. People have been converting right there thanks to a simple social interaction."
>
> Cody Szymanski
> Customer Experience Manager | Shinesty

responding to simple questions over and over, and more time talking to customers and cultivating relationships.

By staying in touch with customers after they've purchased and replying quickly to any questions they have, you'll create a positive experience that will keep them coming back.

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Who is Loop?

Loop is an exchange-first returns platform focused on building better customer relationships for scaling shopify brands. By pushing exchanges, Loop's customers retain revenue on 40% of their returns all while strengthening the customer experience, increasing LTV, and retaining customers.

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During the holidays, you're buying a lot of gifts for a lot of different people—you're bound to buy the wrong size or color for at least one person. You can't get it right for everyone! Whether an item doesn't fit correctly or they simply don't like it, you need to let the gift recipient make it right. Your product isn't doing anyone any favors by sitting in the back of the closet for years to come.

So while BFCM and the holidays can increase sales by over 20%, returns increase 31% as well. For that reason, Return season can be daunting for merchants, but it doesn't have to be. Take a new approach to the holiday season and retain (and acquire!) new customers by:

Extending your return window
Buying gifts isn't unique to the holiday season—people buy gifts all year long. If you already have an extended holiday return window, why not extend it for the entire year? We know that you're immediately thinking about return fraud but here's the thing, only 5% of returns are fraudulent.

Don't focus on the 5% that want to ruin it for everyone. Focus on the 95% of customers who are fiercely loyal to your brand.

Consider implementing a 60-day or longer return window for the holiday season and beyond. At Loop, we see 80% of returns happen

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"Continuing to hit some bonkers numbers on our incremental revenue per return, up over 100%. Likely means $200k of incremental revenue for us this year. So cool!"

Dave Wardell
Chief Financial Officer

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within the first 14 days anyways and a longer return window won't change that.

Remember, the more generous your return policy, the more likely your customers will shop with you over and over again.

Turning refunds into exchanges

Turning refunds into exchanges is kind of our bread and butter at Loop. More often than not, brands assume that every return will be a refund, but that doesn't have to be the case. Before you focus your holiday return policy on requesting a refund, let's shift your mindset.

Don't assume your customers are going to ask for refunds, focus on turning your refunds into exchanges. Through this mindset, brands that work with Loop only see 60% of its returns as refunds compared to the 80% that the average Shopify brand loses as refunds.

Prioritizing quick and easy exchanges

Put the person receiving the gift in control of the exchange process. It's pretty simple. Let the gift recipient start the process by searching the order number, change the address associated with the order, and give them the option to select a new item without having to process a refund first. Aside from decreasing the amount of refunds you'll have, this streamlined process will create an easy experience for customers and your support team.

The golden rule of easy exchanges? Offer free shipping. You'd be amazed at the amount of people who will do anything to avoid paying shipping costs. Offering free shipping is essentially thanking your customers for their loyalty and will go a long way in the decision making process.

More exchanges, fewer refunds, more repeat customers—that's how Loop tackles the holiday season.

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Who is Friendbuy?

Friendbuy provides e-commerce brands with an easy solution to launch a referral program to accelerate their growth through word-of-mouth referrals.

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What do most brands typically focus on during the holiday season? Acquiring new customers and generating new sales with existing ones through aggressive promotions. While sales are skyrocketing and customer support is bursting at the seams, long term customer retention efforts can sometimes be an afterthought.

A referral program is the best channel for customer acquisition - lowest CAC (customer acquisition cost) and highest LTV (lifetime value) - and Friendbuy combines technology with extensive referral marketing expertise to deliver a platform that's ideal for e-commerce brands to accelerate sales through customer referrals.

What's less obvious is the significant impact a referral program can have on customer retention. Referred customers typically have a 2-to-3 times higher lifetime value. Customer retention during and after the holiday season is key. The influx of sales in November and December is great, but what if you could simultaneously invest in long term customer retention while you're experiencing the spike of holiday revenue? For sustained growth, there is nothing more important than customer retention, and here's how referral programs can help:

Increasing your average lifetime value with newly acquired customers

When you acquire new customers through a referral program, they can have a significantly higher lifetime value than those acquired from other marketing channels. An increase in LTV of 2-to-3x is common, and for many clients the impact can be even greater. Combine this with the fact that referred customers convert 5 times faster, and the dividends for increasing LTV become readily apparent.

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"SPANX is built on word-of-mouth marketing, whether it's people telling their friends about our products or getting Oprah's seal of approval. But how could we grow via word-of-mouth in the digital realm?"

Nadina Bourgeois
Senior Digital Paid Manager

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Referred customers are much more qualified than other customers because of the social proof and validation established in being referred by a trusted friend. To put this in perspective, the conversion rate for referred customers is usually double the average conversion rate for a site.

Encourage repeat referrals from your customer advocates
In addition to referred customers exhibiting higher lifetime value, it turns out that your existing customers who are engaged in advocacy will also demonstrate higher retention rates. Therefore, a brand's goal should be to turn as many existing customers into brand advocates as possible. And you can create brand advocates by rewarding them to show how appreciative you are when they bring you new customers.

If you tap into their desire to keep referring, they will stay longer as they are able to spend their earnings with your brand. It's a win-win situation... your customer gets rewarded for their brand loyalty and your brand sees repeat sales and a higher customer retention rate. Consider offering account credit towards future purchases, or if your product category calls for it, a 3rd party gift card is also highly effective.

Make the referral program a part of your brand experience
To scale your referral program, you'll want to ensure you have the automation and the integrations in place to fully integrate referrals into your brand experience; if you're doing that, referrals can represent a true growth engine for your business.

A premium tactic for accomplishing this is to implement an Advocate Referral Dashboard. Referral dashboards allow your customers to track their referral invitations and their earned rewards. They are a huge benefit for referral program engagement. Friendbuy's referral dashboards even allow your customers to send reminder emails to referred friends. And of course, with increased engagement you are automatically fostering higher retention.

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Other tips for incorporating referrals into your brand experience include integrating your referral program with email and SMS platforms like Attentive and Klaviyo, so that emails and phone numbers acquired through the referral program are automatically added to your subscriber lists. Also, consider integrating with reviews & NPS surveys like Okendo and Delighted so that you can prompt your best customers to refer after they give you a positive review - one more way to call out your best customers and foster retention!

To learn more about how you can accelerate customer acquisition and retention through a referral program with Friendbuy, click here to book a meeting.

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Conclusion

It's time to avoid the post-holiday slump in sales and start implementing a customer retention strategy to keep customers coming back all year round. There are numerous strategies and brands that companies can leverage to fill out their retention strategy. Take it one step at a time and focus on improving the customer experience, creating loyal brand ambassadors, and increasing sales.

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