

ZAIUS



7 CRITICAL CAMPAIGNS FOR ECOMMERCE MARKETERS IN 2017

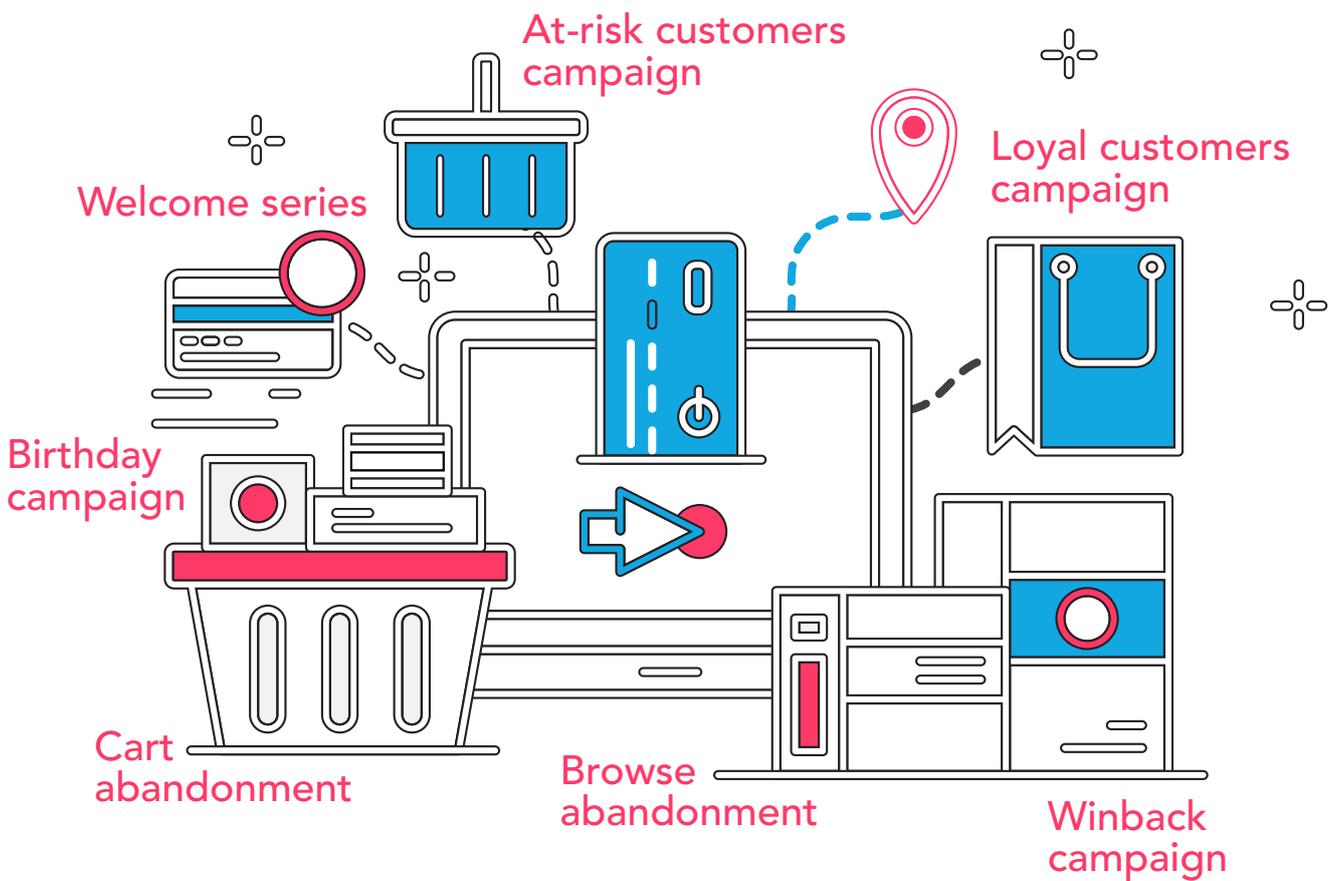
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EXECUTIVE SUMMARY

With the seemingly endless proliferation of new marketing channels and the increasing demand from customers for a cohesive, relevant experience across channels and devices, e-commerce marketing can feel intimidating - but it doesn't have to be. The keys to success are simple - **stop** treating all of your customers the same, and **start** using customer behavior to inform when and how you communicate with them.

In this whitepaper, we identify seven key campaigns that every ecommerce marketer needs to implement in 2017, provide tips and tricks for making them more effective, and even provide some winning examples for reference.



THE TIME IS NOW - ECOMMERCE MARKETERS MUST FOCUS ON CUSTOMER RETENTION AND GROWTH.

Unfortunately, even in a world where it costs five times more to acquire a new customer than it does to keep current customers¹, online retailers and other ecommerce businesses are still investing nearly 80% of their digital marketing budgets on customer acquisition². What they don't realize is that investing in maximizing customer lifetime value is the fastest and most profitable path to revenue growth. Consider, for instance:

- On average, only 20% of first-time buyers will make a second purchase - but if you're able to get a customer to make that repeat purchase, 45% of repeat buyers make a third purchase, and 60% of those buyers make a fourth.
- Overall revenue increases by approximately 10% for each 1% of shoppers who return for a subsequent purchase. This means that if online retailers retained 10% more of their existing customers, they would double their revenue.
- The probability of selling to an existing customer is 60-70% on average, while the probability of selling to a new shopper is only 5-20%.
- On average, returning customers spend 67% more than first-time customers.

The keys to success are simple - **stop** treating all of your customers the same, and **start** using customer behavior to inform your communications with them. Customers expect a coherent, relevant experience with your brand across all channels and devices, in real-time. In this whitepaper, we identify seven key campaigns that every ecommerce marketer needs to implement in 2017, provide tips and tricks for making them more effective, and even provide some winning examples for reference.

1. WELCOME SERIES

2. CART ABANDONMENT

3. BROWSE ABANDONMENT

4. BIRTHDAY CAMPAIGN

5. LOYAL CUSTOMERS CAMPAIGN

6. AT-RISK CUSTOMERS CAMPAIGN

7. WINBACK CAMPAIGN

7 CRITICAL CAMPAIGNS E-COMMERCE MARKETERS NEED TO IMPLEMENT TODAY

1.

WELCOME SERIES

A wise man once said, “with great power comes great responsibility.” And the power of a first impression is one that shouldn’t be underestimated. When a new shopper provides you with an email address, regardless of whether or not they’ve made a purchase, it’s your job to use that email address to deliver the best possible experience to that shopper throughout the rest of their relationship with you. Not only because the customer expects it, but because it’s in your best interest (we assume you are inclined to grow your business). The first and most foundational campaign that you must set up in 2017 is a **welcome series**.

Why is a welcome series important?

On average, just 2% of e-commerce website visitors are expected to make a purchase³, but 5% will register their email address with your brand⁴. The potential is huge: if you attract 100,000 visits to your website per month, that’s 5,000 new shoppers providing you with their information, asking to be engaged. Most marketing experts agree that it takes an average of 7 contacts with a prospect before they’ll buy⁵ - when we consider this, we understand that it’s critical to leverage new email addresses to drive those 7 contacts quickly and effectively. After all, 69% of a customer’s first-year spend comes during their first 30 days as a customer⁶. Welcome campaigns are an effective way to jumpstart the customer relationship, and can of course be optimized over time to drive higher and higher conversion rates.

What should I consider when building my campaigns?

You’ve probably already spent a lot of time asking yourself, “How do I want customers to feel about my brand? What is our brand-user relationship going to be like?” If you haven’t thought about this yet, there’s no better time to start than now. The first few communications you have with your new customers are critical to establishing that relationship.

Let's map out a series of three emails over the course of 7 days:

DAY 1 WELCOME EMAIL

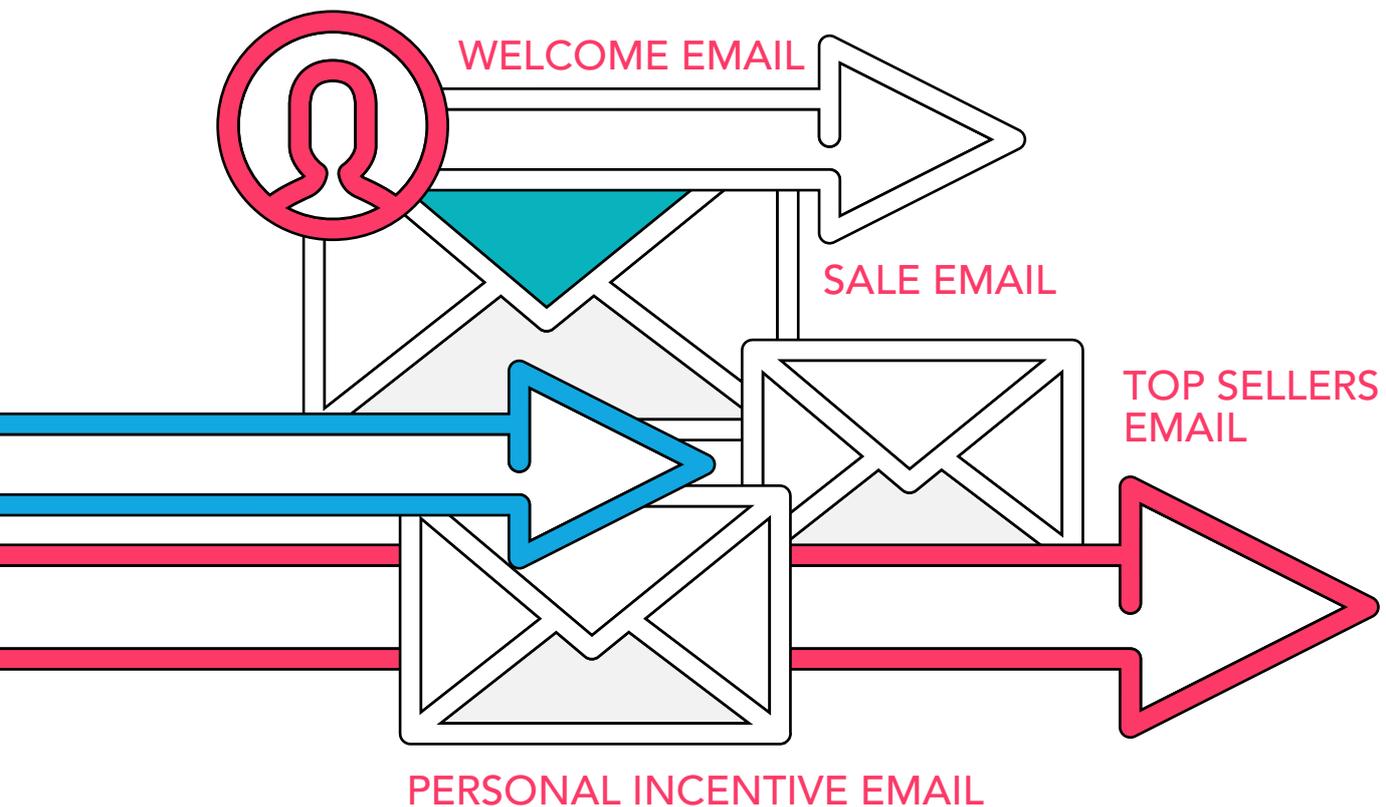
DAY 2 SALE EMAIL

DAY 4 TOP SELLERS EMAIL

DAY 7 PERSONAL INCENTIVE EMAIL

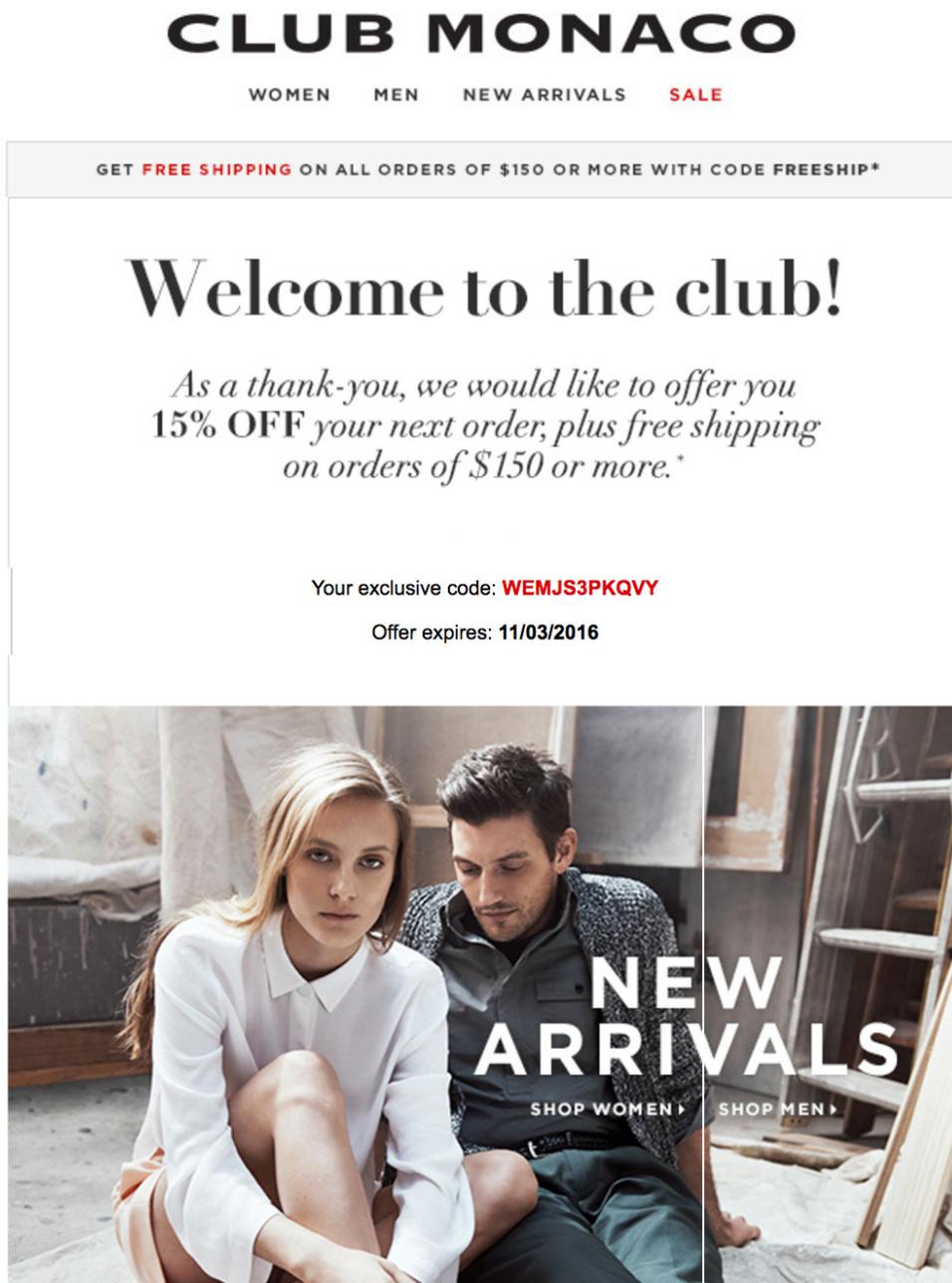
Your first touchpoint should be an email welcoming the new customer to the relationship. Thank them for trusting you with their email address, acknowledge their interest in your products, and tell them a bit about what it's like to be a customer with your brand. And the earlier you can use information about your customers to personalize these intro messages, the better: if you know, for example, that your customers are typically price-sensitive, you may opt to include a discount code to incentivize a purchase.

Follow up your welcome email with an email promoting a current sale. Your third email on day four should be an email featuring top sellers. On day seven, send your final email of the welcome series offering a personal incentive - perhaps a coupon code with a steeper discount than initially offered.



Here's one initial welcome email that we loved...

This email was the first of a series of welcome emails that we received from the brand, and was delivered with the subject line "Welcome! Want 15% off? We thought so." Right off the bat, the brand let us know that they appreciated our business (even though we hadn't bought anything yet!), and gave us a discount to be used on a future purchase. By delivering a welcome discount, the brand was demonstrating customer-centricity by letting us know that we were being put first, and it definitely made us feel valued.



2.

CART ABANDONMENT

At this point, cart abandonment campaigns - also known as cart recovery campaigns - are E-commerce Marketing 101. General wisdom is that if you haven't implemented even the simplest of cart abandonment campaigns, you are losing huge amounts of money. Shockingly, we've seen that even some of the most reputable consumer brands are still failing here.

Cart abandonment campaigns can range from a simple retargeting email to the shopper after they end their session with an item in-cart, to a coordinated, cross-channel campaign over an extended period of time. Either way, your goal is to nudge the shopper into buying the product(s) that they showed interest in. Regardless of whether or not the campaign is successful, the best marketers know how to leverage what they learn about the shopper's behavior during that session to better market to them in the future.

Why are cart abandonment campaigns important?

Most marketers know that three in every four abandoned carts are recoverable with proper campaign execution⁷. Stop for a minute to think about how much extra revenue that would mean for your business. Need we say more?

What should I consider when building my campaigns?

Start by sending a simple email an hour after the shopper adds an item to their cart, but does not purchase the item. Time is critical here. By the time a few hours have passed, most shoppers have either moved on or purchased a similar item from another seller.

At a minimum, the email should feature the item(s) that the shopper left in their cart. Try including other items from the same category to expand the net.

Experienced marketers know that while this simple approach is a good baseline, **you can increase your conversion rates by another 30% on average by coordinating your campaign across channels**. Not all prospects engage with emails. By extending the campaign to search, social, web, and mobile, or even just one of those, you increase the reach of the campaign, and ultimately, the chances of the shopper purchasing the abandoned item. The quickest way to get started with cross-channel coordination is to sync your abandoned cart customer segment to Facebook and Google, triggering ads with a similar message to your cart abandonment email.

Here's an approach to cart abandonment that we loved...

This cart abandonment email is one of the best examples of customer-centricity we've ever seen - after we abandoned two items in a shopping cart, the brand reached out with a campaign that not only referenced those items, but offered a personalized discount code that we could use at checkout to complete our purchase. The brand additionally recommended several other items that we could look at, in case we weren't interested in our original choices. By doing this, they recognized several of the many problems a customer might have that would lead to an abandoned cart - and offered solutions for each one. You can read more about it in our blog post, "The Key to Effective Cart Abandonment Campaigns": <http://blog.zaius.com/the-key-to-effective-cart-abandonment-campaigns/>



HAVE YOU FORGOTTEN YOUR PRECIOUSSS?

Much like Sauron, Timmy has a roving-but-less-evil eye that sees all. And from his home in Mordor (located in Fairfax, Virginia) he saw that you recently fancied our preciousss. You put it in your pocketsses and then you walked away without your pants! (Right. Enough with that metaphor.)

Use the code below in checkout, and take
\$10 off your next purchase of **\$60 or more!**

RING1609@HWBKX6R

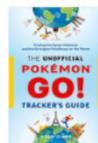


Sonic Meeting Disrupter



Pokémon Ball Mug

Psychic TimmyBot 9000 thinks you might also like:



3.

BROWSE ABANDONMENT

Browse abandonment, sometimes called product detail page (PDP) abandonment, is like cart abandonment taken to the next level. Quite simply, it's using what you know about the product pages or categories a shopper browsed to deliver a campaign aimed at making relevant product recommendations. So while the shopper didn't go as far as to add anything to their shopping cart, they did show interest in a certain product or category, and that can be used to your advantage.

Why are browse abandonment campaigns important?

Customers expect brands to communicate in a way that is contextually-relevant to them on an individual level. When brands don't do this, they can sabotage a potentially high-value relationship right out of the gate, before it's even begun. By delivering content that is relevant to the shopper by referencing their product/category browsing behavior, marketers can increase open rates, click-through rates, and overall revenue by well over 20%.

What should I consider when building my campaigns?

Not unlike a cart abandonment campaign, the timing of browse abandonment campaigns is key. Start by sending an email within two hours of the shopper visiting your website and browsing a product category. However, the difference between cart abandonment and browse abandonment is important - one indicates intent while the other indicates interest, and the shopper should be treated accordingly. Instead of featuring a single item that the shopper viewed, try showcasing a product category that they spent the most time browsing. Because they were not compelled enough to make a purchase while shopping, your communication should address that. We typically find that one of a few tactics works here, depending on the individual shopper's friction point:

They are price sensitive	→	Include a time-sensitive discount coupon
They weren't ready to buy	→	Include product reviews and ratings
They didn't find what they were looking for	→	Include similar products and one or both of the above

To take your browse abandonment campaigns to the next level, try extending them across channels. As we've mentioned before, cross-channel campaign coordination **can increase your conversion rates by another 30% on average**. Don't stop with one touch, either. In the case that the shopper wasn't ready to buy, it may take weeks before they are. Continue to educate the shopper on the products of interest and incentivize them with related sales and discounts.

Here's an approach to browse abandonment that we loved...

This email was delivered with the subject line "We did a little personal shopping...", making me feel like someone had taken the time to carefully curate a list of products for us. The email itself recommended a wide range of products, with a no-pressure call to action inviting us to check them out - all of the products were relevant to the original item we'd browsed, and it was clear that the brand was going to take care to personalize our shopping experience going forward. You can read more about it in our blog post, Browse Abandonment vs Cart Abandonment: <http://blog.zaius.com/browse-abandonment-vs-cart-abandonment/>



home kitchen & bar jewelry women men this just in sale

We have a feeling these goods
are right up your alley.



Wine Jelly

show me more



Sweet Tooth Tea

show me more



Gourmet Oil Dipping Spice

show me more



Merlot Infused Coffee

show me more



Beer Infused Bbq Sauce

show me more



Planet Lollipops

show me more

4.

BIRTHDAY CAMPAIGN

What better way to demonstrate customer-centricity than wishing your customers a happy birthday? Implementing a birthday campaign is an easy way to foster a more personal relationship with your customers. It can be as simple as sending your customer a special message on their birthday - or customer anniversary, or any other important date for that matter - or going as far as delivering a special "Birthday Discount" or some other offer. We'll focus on birthdays for the purposes of this example: not only do they tend to be the most personal, they're a time when other important people are celebrating along with your customer.

Why are birthday campaigns important?

Beyond the intangibles of strengthening your customer relationships, Experian reported that birthday campaigns result in 481% higher transaction rates, 382% more revenue, and 179% higher unique click through rates than standard promotional email campaigns⁸. We'll just leave those numbers right there.

What should I consider when building my campaigns?

This one is simple if you have your customers' birthdates. If you don't, here are a few ways to get them:

- Moving forward, ask for birthdays when new customers register.
- Send an email campaign to current customers offering a discount or coupon if they provide their birth month and day.
- Alternatively, if you know when a customer makes a purchase that's intended to be a gift, remind them about it around the same time the following year. Gift reminders are always appreciated by customers.

When you know your customer's birthday, send them a special message on or leading up to their birthday. As a baseline, you can send the customer a special birthday sale coupon code. The goal is to make the customer feel special, so if you can personalize the code, do it. The best marketers will deliver a message that includes items that the customer has browsed in the past or saved to their cart. Additionally, use tactics like social proof in your emails. For example, a marketer can personalize a birthday message to include a callout like "**200 similar customers have also purchased product X, Y, and Z.**" Showing a customer proof that others are actively purchasing certain items, can psychologically trigger a purchase.

5.

LOYAL CUSTOMER CAMPAIGN

Congratulations, you've got loyal customers. Now what? Customers know when they're important to a brand, but they also wouldn't likely be loyal if they didn't love shopping with you. It's a two-way street - your customers may feel like they need you, but they know as well as you do that you need them too. Unfortunately, many brands get lazy with their loyal customers because they are relatively low-maintenance and unlikely to churn. It's a shame, then, when a previously-loyal customer ends up leaving due to feeling underappreciated.

To be clear, we're not talking about loyalty programs, but appreciation campaigns to your existing loyal customers aimed at maintaining the health of your relationship with them. This can mean suggesting a new product they'll love, offering a loyalty discount to thank them for their business, or even just delivering a message to say thank you.

Why are loyal customer campaigns important?

Just like any relationship, the customer relationship needs nurturing. Does your significant other suddenly stop wanting the occasional bouquet of flowers or spontaneous foot rub just because you've been together for so long? Actually, that sounds like a whole different whitepaper. The bottom line is that a "totally satisfied customer" spends 2.6x as much as a "somewhat satisfied customer," so you should be doing everything you can to make your loyal customers feel special - and totally satisfied.

What should I consider when building my campaigns?

The first step is to segment your customers into lifecycle stages. Having surveyed top performing ecommerce businesses to develop the Zaius lifecycle, we recommend four stages at a minimum - no purchase, one purchase, repeat purchasers (two purchases), and loyal customers (three or more purchases). Once you've segmented your loyal customers, it's time to deliver your campaign. Loyal customers want to feel special.

Try:

- Invite them to a loyal customer-exclusive sale on X date
- Send them a complimentary item
- Send purchase reminders, year-over-year and season-over-season.
- Segment your customers by stages, so you can have a holistic view of the average number of days between subsequent purchases. Offer them an incentive if they pass the typical time it takes to make an incremental purchase - free shipping, a coupon, discount, gift with purchase, etc.

- Be sure to treat each lifecycle stage differently - your loyal, engaged customers are receptive to different messaging than your at-risk customers.
- Send real-time campaigns triggered by multiple levels of engagement. For example: customers who have had 3 separate browsing sessions on consecutive days with no purchase - they have high intent to purchase, so target them with a specific campaign to get them to finish the shopping process.

The best marketers will automate this campaign to reach each new loyal customer as they become loyal. For example, two days after shopper X makes her third purchase, send her a code to receive her complimentary item and thank her for being such a wonderful customer. As always, be sure to coordinate the campaign across channels to maximize reach of the campaign.

6.

AT-RISK CUSTOMERS CAMPAIGN

Re-engaging at-risk customers before you lose them is a no-brainer. But many brands settle for sending the same email campaigns to every existing customer, regardless of how long it's been since they've interacted with any of your communications or visited your online store. The good news about at-risk customers is that they're still customers - you know something about them, and can use what you know to save the relationship. What compelled them to purchase the first time? What product category did they purchase from? What other products did they shop? When planning your at-risk customer campaigns, be sure to use as much customer data as possible to ensure an effective campaign.

Why are at-risk customer campaigns important?

The fastest, most profitable path to revenue growth is through your existing customers. If online retailers retained 10% more of their existing customers, they would double their revenue². Here's another way of looking at it - reducing your customer defection rate by 5% can increase your profitability by 25% to 125%¹⁰. Not only is it more likely - the probability of selling to an existing customer is 60-70% on average, while the probability of selling to a new shopper is 5-20%¹¹ - but it's also more cost-effective. Acquiring new customers, while necessary, is expensive! Invest in saving your existing customers first, before you start worrying about acquisition.

What should I consider when building my campaigns?

Not unlike the loyal customer campaign, this one requires you to segment your customers. But instead of segmenting them by purchase history, you should use their behavior to justify this campaign. To start, create a segment of customers that haven't engaged with your brand in over 60 days - they haven't visited your website, opened your mobile app, or even opened your emails, for example. The important thing to remember here is that what you've been doing has not been working for them.

Assuming email has been your primary means of communication, try reaching out to the customer on a new channel. Facebook and Google make it easy to upload a customer list for targeting across their networks, and software like Zaius makes it easy to keep your ever-changing customer segments synced to both networks in real-time. Mobile and web push messaging can be an effective way of reaching an at-risk prospect.

7.

WINBACK CAMPAIGN

Winback campaigns are not unlike at-risk customer campaigns, except that these customers are cold - maybe it's been a year or more since they last interacted with your brand. While they are not as likely to make a purchase as an existing customer, reaching out to these customers still has its advantages - you know that they were at some point comfortable enough with your brand to purchase from you, and you have insight into the product(s) they purchased during their last visit. The most important thing to remember with winback campaigns - and almost all of these campaigns, for that matter - is that treating your customers with a personal touch improves their perception of your brand and more effectively drives repeat purchases. And a winback campaign can potentially prevent a last visit from being a final visit.

Why are winback campaigns important?

A study was conducted on 33 brands in the Internet Retailer Top 100 that were actively running winback campaigns.¹² Interestingly, the findings revealed that these win-back email campaigns had a 12% read (or open) rate - a reasonable rate given the lack of any recent activity. But more importantly 45% of recipients who received a win-back campaign read a subsequent message; of that group, just 24% had read the first win-back message. Seventy-five percent of re-engaged subscribers had read a subsequent message within 89 days, and the other 25% were still opening messages up to 300 days after receiving the first win-back campaign. In short, winback campaigns work - no matter how "dead" the customer relationship may seem on the surface.

What should I consider when building my campaigns?

Winback campaigns can learn a lot from at-risk customer campaigns. What you've been doing has not engaged the customer in any meaningful way, but for much longer. At this point, your relationship with them is almost non-existent. Customers in this segment will have gone over a year without engaging with your brand - in many ways, they could be treated like you would a new customer. The good news is that you have data on your side - you probably know what they bought and when, which product categories they browsed... you may even know when their birthday is. Use this information to your advantage and try one that's very personalized.

Ideally, your At-Risk Customer campaigns will have worked and very few of your customers will get to the point where they have to be "won back." If you don't yet have an At-Risk Customer campaign in place, we recommend you prioritize it over a winback campaign. After all, the more customers you save before you lose them, the fewer you'll have to worry about winning back

TAKEAWAYS

The campaigns in this report are foundation to any strong ecommerce marketing program, but settling for basic implementations is only incrementally better than not running the campaigns at all. The real opportunity in 2017 is **driving repeat purchases and maximizing customer lifetime value** through customer-centric marketing. Remember, the keys to success are simple - **stop** treating all of your customers the same, and **start** using customer behavior to inform your communications with them. This means understanding that email alone is not enough because not all customers respond to email. It means engaging with your customers in real-time, when they're engaging with you. It means meeting your customers' expectations of a consistent, personalized experience with your brand across all channels and devices.

To learn about how Zaius can help you take your digital marketing to the next level, visit www.zaius.com, email our team at insights@zaius.com, or give us a call at 877-658-2570.

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ZAIUS

THE WORLD'S TOP BRANDS TRUST ZAIUS.

Zaius customers are **increasing their customer lifetime revenue by an average of 15-20%**. The key to their success is understanding how their customers shop across every channel and automating campaigns that reach their customers when and where it will be most effective, **leading to repeat purchases and increased average order value.**

Sotheby's

NINE WEST



POLYVORE

MODA OPERANDI



3X

REPEAT PURCHASES



150%

INCREASE IN AOV



20%

INCREASE IN CLTV

NINE WEST

"I've used or tried most of the digital analytics platforms, email service providers and other marketing applications available but the ability to quickly analyze digital behavior and execute marketing campaigns against the insights has been elusive. With a unique combination of flexible analytic capabilities, integrated cross-channel marketing execution, and ease of use, we see Zaius as

THE FUTURE OF CRM."

Andy Cho, VP of Ecommerce, Nine West

MODA OPERANDI

"Over the years we deployed a number of point solutions which led to multiple versions of the truth across the organization. The result was that our business was unable to make quick, well-informed decisions without a lot of manual effort. We brought in Zaius to unify our data and be

THE SINGLE SOURCE OF TRUTH ON WHICH ALL BUSINESS DECISIONS ARE MADE."

Keiron McCammon, CTO, Moda Operandi

ZAIUS

MAXIMIZE CUSTOMER LIFETIME REVENUE

Channel-centric marketing is limiting your revenue potential.

By unifying marketing attribution and campaign execution across all channels, Zaius empowers B2C marketers to optimize for business outcomes and customer growth, not just channel performance.

MOVE BEYOND OPENS, CLICKS, AND VISITS

Zaius was built for marketers who need to maximize customer lifetime revenue, not just opens, clicks and visits.

Our software helps marketers understand which individual campaigns are driving first purchases, repeat purchases, customer loyalty, average order value, and other customer-centric metrics, and makes it easy to automate and optimize cross-channel campaigns to drive performance against those metrics.



877-658-2570

or email us at



insights@zaius.com

