

E-commerce Growth Masterclass

02 Retention

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NerdMarketing.com

Today

- 1. Where we are**
- 2. The retention menu**
 - 1. Best meal for most**
 - 2. Best meal for advanced**

Where we are



XL

Food is terrible . . . in such small portions

E-commerce is a bear

1x Buyers are expensive, time-consuming, and taxing

1x Buyers ~ 80%

Multi-buyers often the same!



Andy Dunn [Follow](#)

I am @dunn. I love cilantro but understand the people that hate it. Founder and CEO @Bonobos Inc. ...
May 20, 2013 · 12 min read



bearlegend.com

E-Commerce is a Bear

In two decades of e-commerce in the US, we have produced only two standalone e-commerce companies of meaningful enterprise value: Amazon and eBay. One went public in 1997, the other in 1998. We haven't had an IPO of an e-commerce company that has gotten to a two billion of market cap in

Answer: 1) increase repeats 2) cheaply

	First Order	Second Order
Revenue	100	100
COGS	50	50
CAC	60	0
Profit	-10	50
	-10%	50%

The retention menu

Three ingredients

- 1. Merchandise**
- 2. Customer experience**
- 3. Marketing**

Merchandise

What they bought

Optimize your merchandise

- 1. Create great products
(Avenue's bras vs. knits)**
- 2. Lead with great products
(Bonobo's suits)**
- 3. Launch often (flash sites,
kickstarter)**



Customer experience

How they bought it

Optimize your experience

1. **Delightful service (Zappos)**
2. **Subscription / auto-replenishment (Dollar Shave, Filterbuy)**
3. **Loyalty programs (Prime)**



Marketing

How you communicated to them

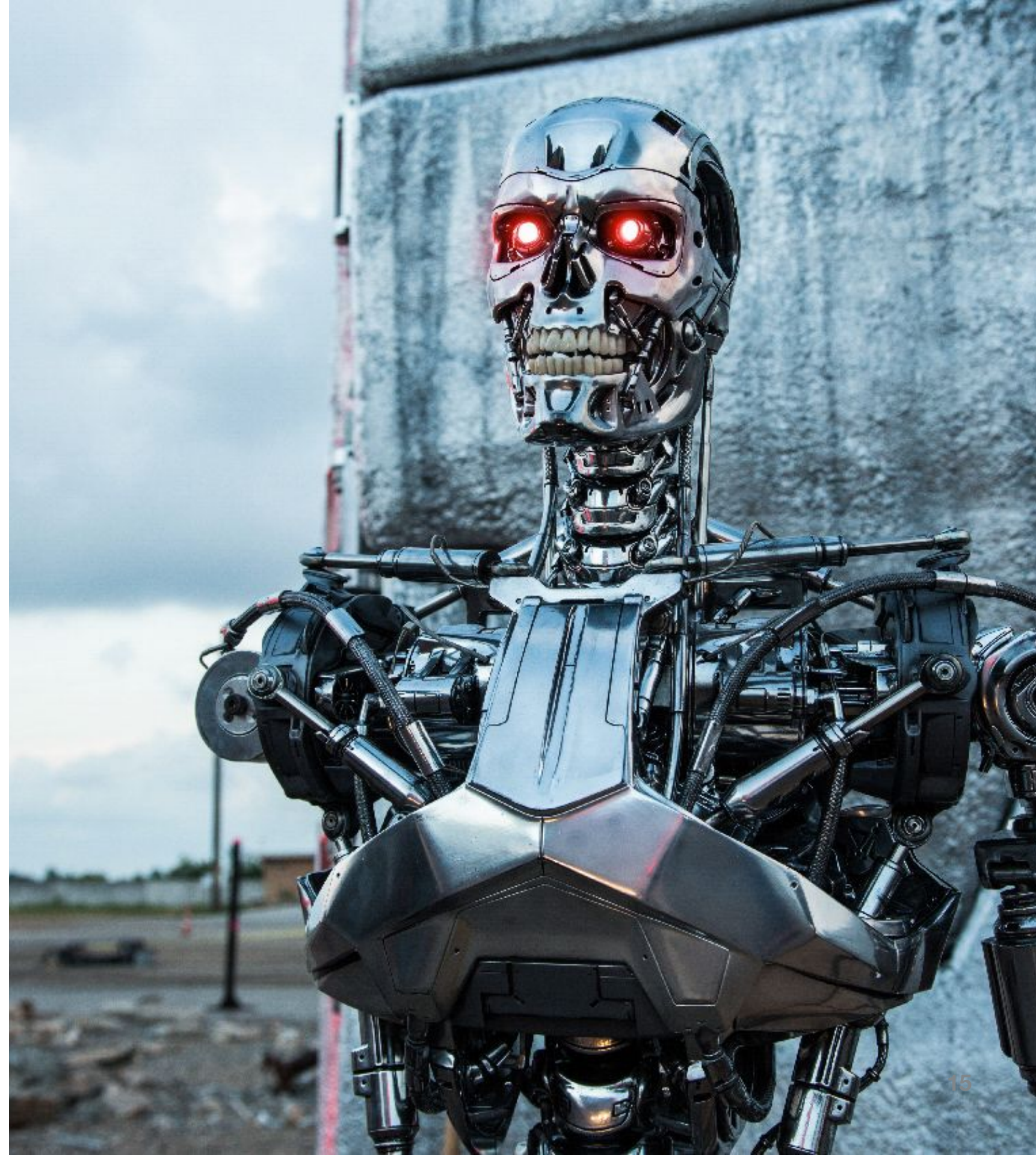
The PE approach

Got 100 days? Focus on the marketing

Retention communication: two flavors

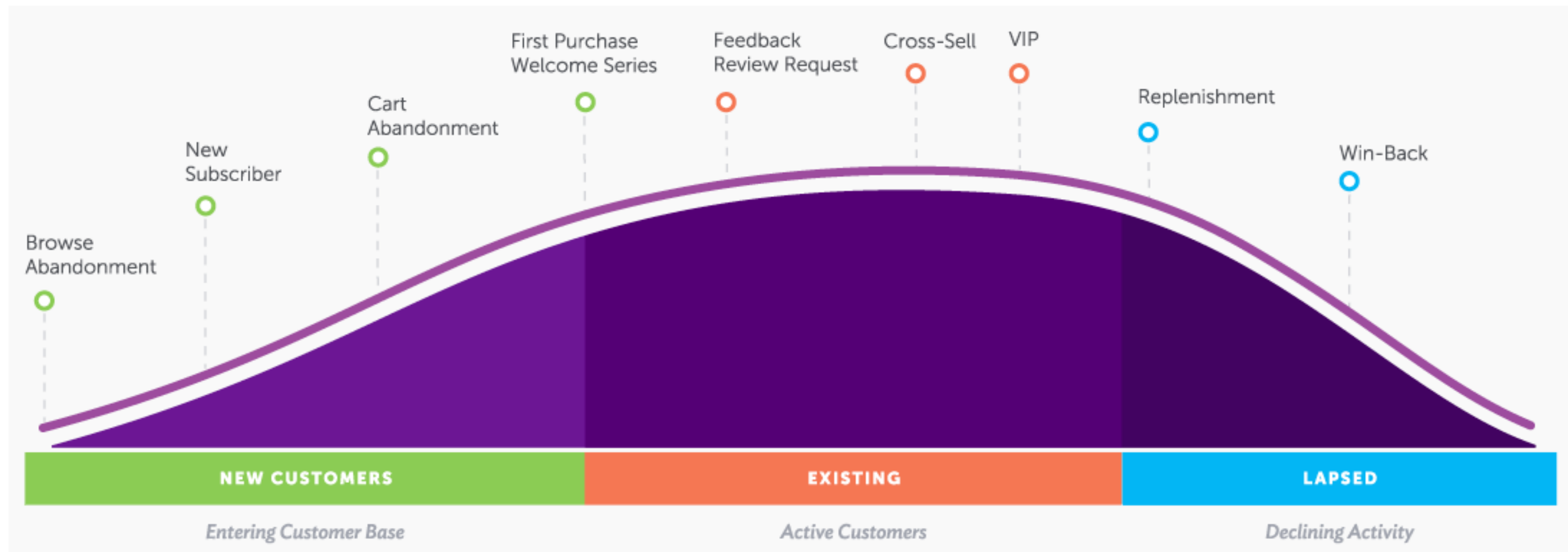
1. "Blast" comms (seasonal promotions, clearances, new product) ~ \$1/sub/mo
2. "Targeted/Triggered" comms ~ \$9/sub/mo and automated

Triggered campaigns are a best practice

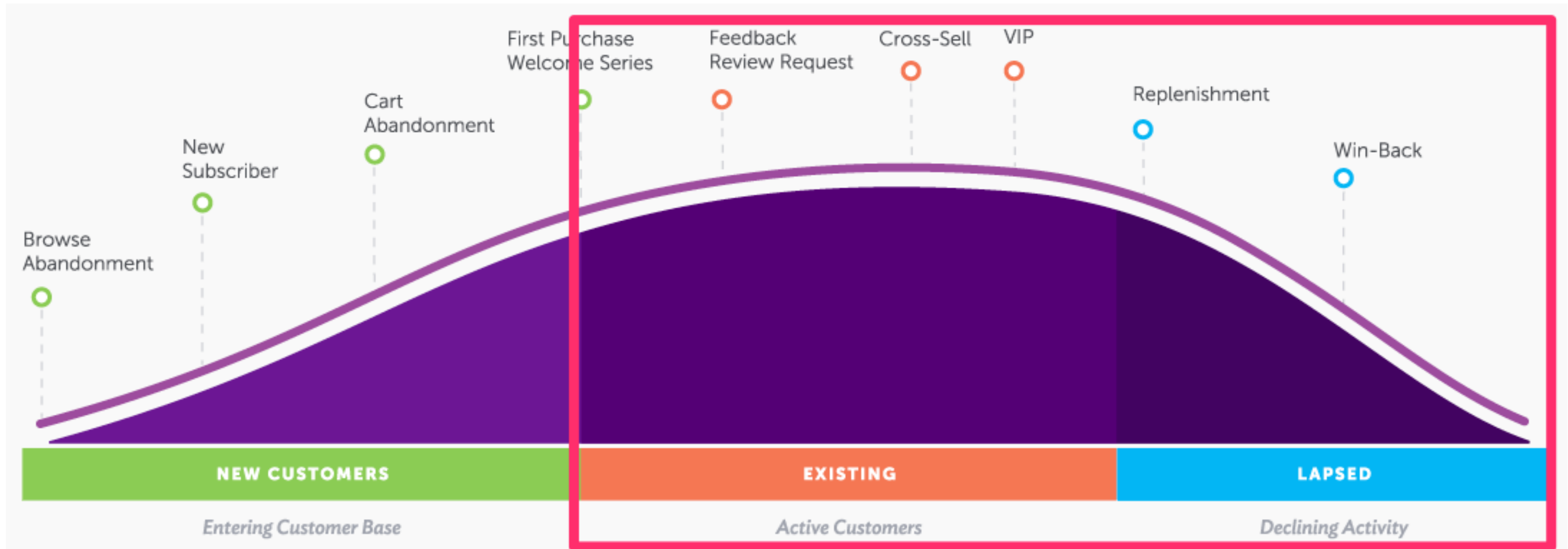


The Customer Lifecycle

Right offer, right customer, right time



Retention efforts



Powerhouse Campaigns

- 1. Bounce-Back**
- 2. One-Two Punch**
- 3. VIP**
- 4. Sheepdog**
- 5. Win-Back**

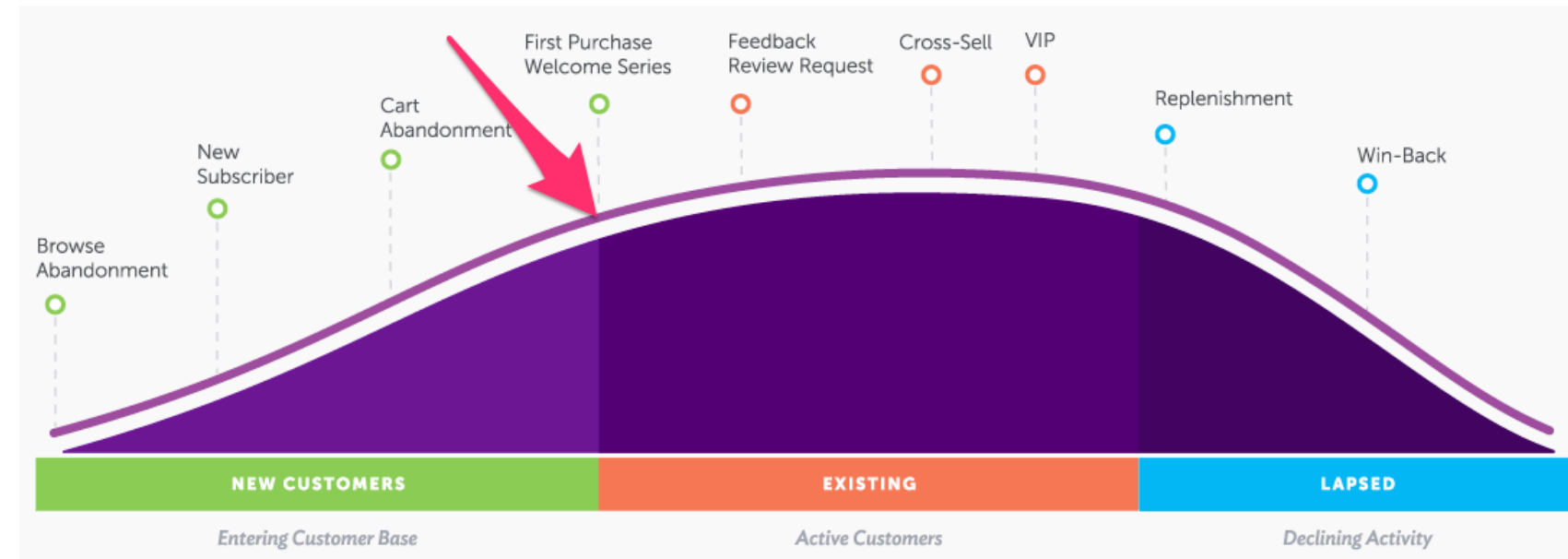
#1 Bounce-Back

Bounce-Back campaign

Target: R0, F1

Goal: increase same-day AOV

(table this until AOV)



MEN'S

WOMEN'S

SALE

HURRY!

ADD ANY BLACK, GREY OR WHITE TEE TO YOUR ORDER FOR JUST \$9.



Order in the next 60 minutes.

Use code **NRQMD9GM**



The Basic Tee in Black – \$9.00



The Basic Tee in Grey – \$9.00



The Basic Tee in White – \$9.00

SHOP \$9 BASICS



[CONTACT US](#) [GET OUR APP](#) [HELP](#)

YOU ARE RECEIVING THIS MESSAGE BECAUSE YOU HAVE SIGNED UP AT
KARMALoop.COM. READ OUR [PRIVACY POLICY](#)

IF YOU WISH TO LEAVE THIS MAILING, YOU CAN [UNSUBSCRIBE HERE](#).

THIS EMAIL WAS SENT BY KARMALoop
334 BOYLSTON ST BOSTON, MA 02116

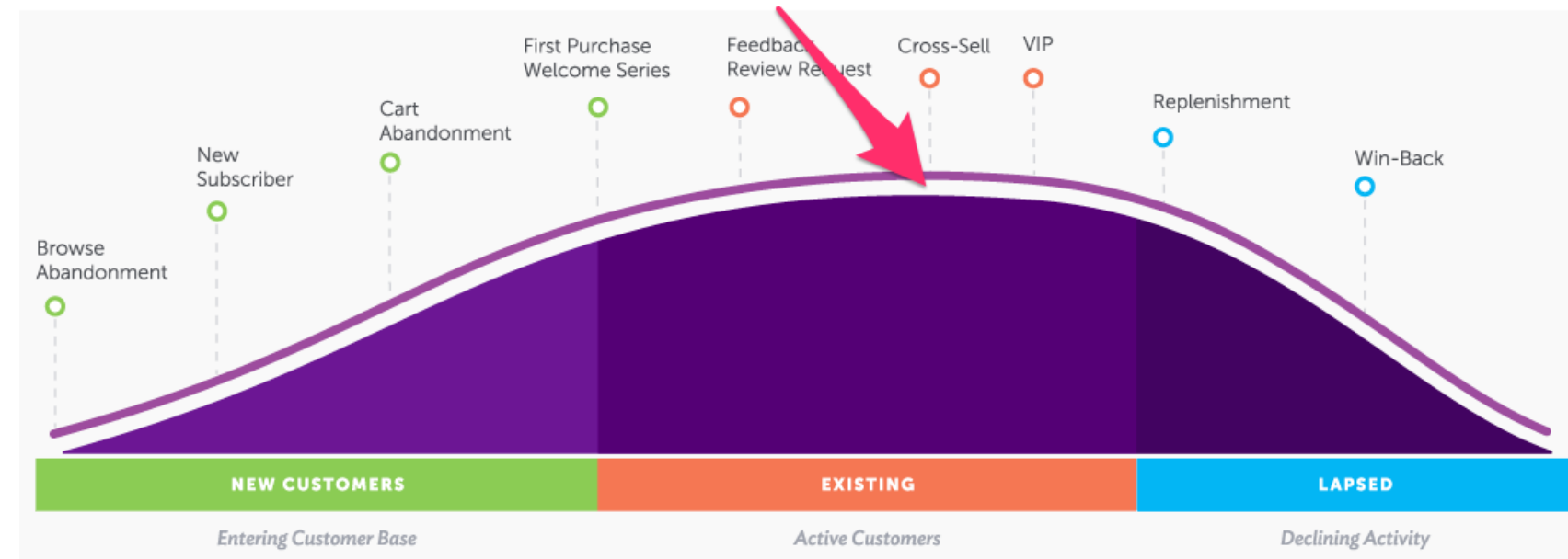
#2 One-Two Punch

One-Two Punch campaign

Target: high R, F1

Goal: Convert 1X Buyers into Multis

How: 1) Identify standard Multi purchase paths and 2) remove friction with appropriate communication



One-Two Punch campaign

Examples

**Your multitis buy same item 30 days later . . . so
market same item**

**Your multitis buy a related item 50 days later . . . so
market the related item**

How do I find my
one-two?

One-Two Punch campaign

Step 1: identify standard multi behavior

Qualitative:

- talk to customer service
- sage it



One-Two Punch campaign

Step 1: identify standard multi behavior

Quantitative:

- shopping cart apps (**Shopify, etc.**)
- raw transactional data (**Metriilo sheet**)
- **Google Enhanced Ecommerce and Query Explorer**

The screenshot shows the Google Analytics Administration interface for 'Schroeder Test / Global / 00 - Main - All Site Data'. The left sidebar contains a navigation menu with options: View Settings, User Management, Goals, Content Grouping, Filters, Channel Settings, and Ecommerce Settings (highlighted in red). The main content area is titled 'Ecommerce set-up' and displays a progress indicator for two steps. Step 1, 'Enable Ecommerce', is active and shows a 'Status' section with a blue 'ON' toggle. Below this, the 'Enable Related Products' option is also shown with a blue 'ON' toggle, which is highlighted by a green rectangular box. Step 2, 'Enhanced Ecommerce Settings', is listed below. At the bottom of the step 1 section, there are 'Next step' and 'Cancel' buttons.

One-Two Punch campaign

Remember to KISS!

**"Um, most people order THIS
and 30 days later order THAT"**




One-Two Punch campaign

Step 2: remove friction




Targeting: F1s only who ordered THIS

Comms:

1. @Day 30 - Feature THAT, full margin
2. @Day 40 - **Take 10% off your next purchase!**
3. @Day 50 - **Take 15% off your next purchase!**
4. @Day 60 - **Take 20% off your next purchase!**

 **F0 to F1 push discount ladder** Manage ▾

After someone is added to the list **Total Master All-in List**. Only include someone if has **Placed Order** zero times over all time and has **Placed Order** zero times since starting this flow and is not in **Vendor No-Promo 10/15**.

 LIVE	After 20 days at 12:00 p.m. send Email #1
 LIVE	After 40 days at 12:00 p.m. send Email #2
 LIVE	After 60 days at 12:00 p.m. send Email #3

Why ladder the discounts?

Subsidy costs:

The hidden cost that a retailer bears when it creates an incentive to buy and the customer would have bought anyway

The Discount Ladder approach reduces subsidy costs



Thoughts on discounts

**Not everybody
will see
discounts**

**The beauty of 1-
to-1 targeting**



Still don't like them?

You don't need to ladder discounts...

[NerdMarketing.com/1](https://nerdmarketing.com/1)

Free shipping with purchase

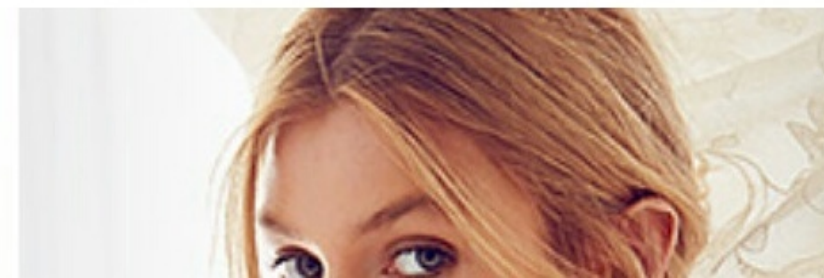


limited time!

**FREE
SHIPPING
+ PANTY**

*with any bra purchase**

Excludes clearance.
Use codes **SHIPBRAS** &
FREEPANTY.



Expedited shipping



Gift with purchase



Free
consultation call

Free premium
packaging

Free home
delivery



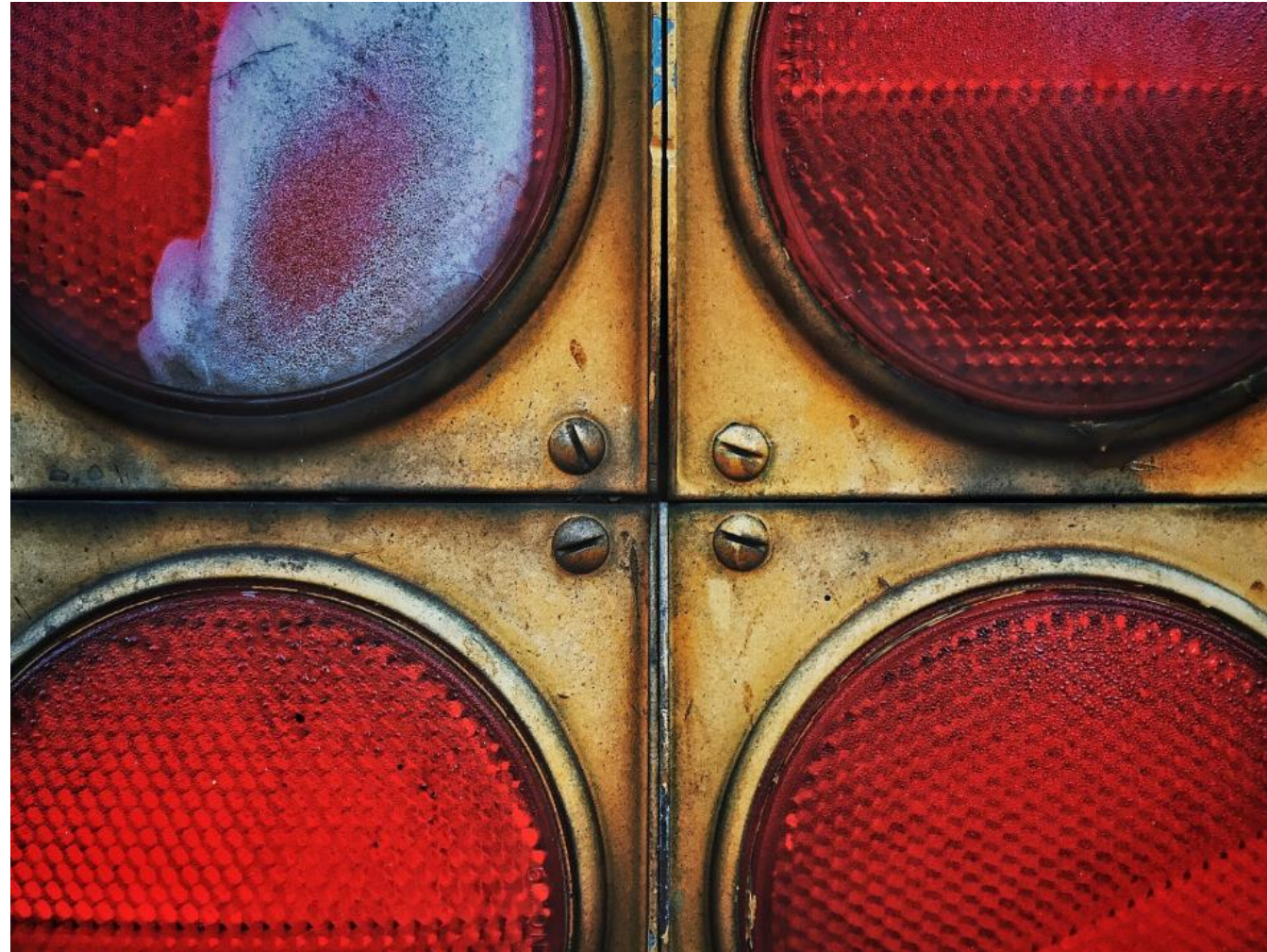
Your turn

Jot down your #1 most common One-Two Punch (including latency)

Jot down a 4-email sequence (1 full margin, 3-tier promo ladder)

Homework: upload to your email software

Under \$500K? Stop here!



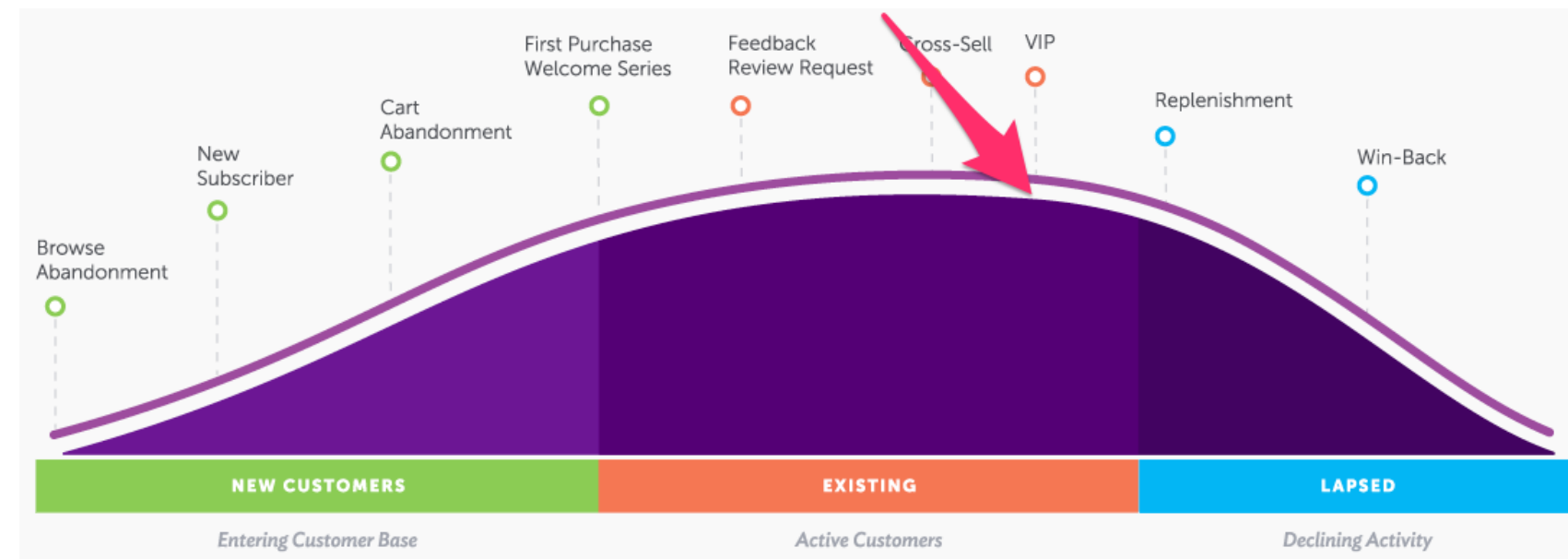
#3 VIP

VIP campaign

Target: good R, high F

Goal: Learn and express thanks

How: Survey them, thank you notes



World's Greatest Salesman



WHARTON EXECUTIVE ESSENTIALS

PETER FADER

CUSTOMER CENTRICITY



Focus on the Right Customers for
Strategic Advantage



KL's VIP campaign

Targeted: M200

Rip it here



THANK YOU!

Hi! My name is Seth Haber, and I'm the CEO of Karmaloop.com. I want to personally thank you for your order.

My primary goal is to serve our best customers better. So if you could take a few seconds to give me feedback, I can build a better Karmaloop for you:

[Click here:](#)

[How likely are you to recommend Karmaloop?](#)

ALL THE BEST,

A handwritten signature in black ink that reads 'Seth Haber'.

[CONTACT US](#) [GET OUR APP](#) [HELP](#)

YOU ARE RECEIVING THIS MESSAGE BECAUSE YOU HAVE SIGNED UP AT
KARMALOOP.COM. [READ OUR PRIVACY POLICY](#)

IF YOU WISH TO LEAVE THIS MAILING, YOU CAN [UNSUBSCRIBE HERE](#).

THIS EMAIL WAS SENT BY KARMALOOP
334 BOYLSTON ST BOSTON, MA 02116

#4 Sheepdog

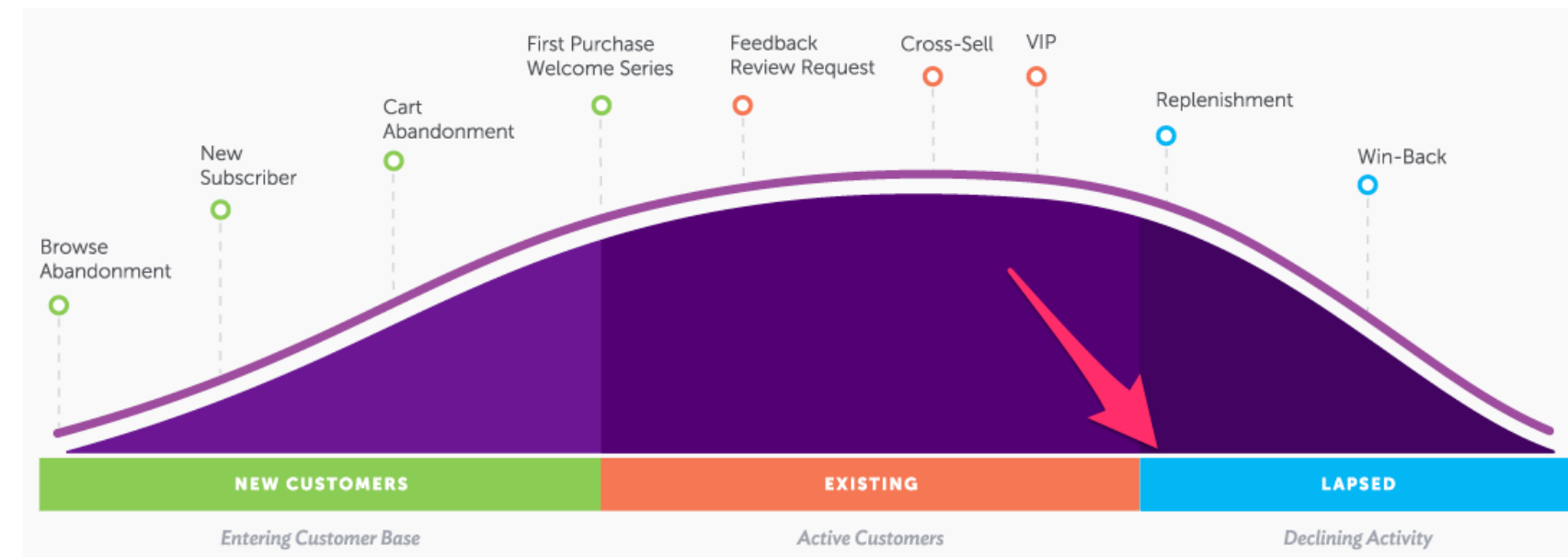


Sheepdog campaign

Target: fading R, high F

Goal: keep them around longer

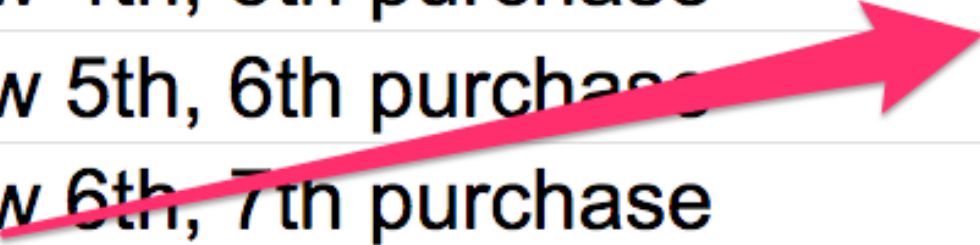
How: 1) identify when they are defecting and 2) stop it



Sheepdog campaign

Step 1: identify defection

Time btw 1st, 2nd purchase	90 days
Time btw 2nd, 3rd purchase	60 days
Time btw 3rd, 4th purchase	30 days
Time btw 4th, 5th purchase	30 days
Time btw 5th, 6th purchase	60 days
Time btw 6th, 7th purchase	90 days
Time btw 7th, 8th purchase	120 days



Set tripwire at $90 + 60 + 30 + 30 = 210$ days

Sheepdog campaign

Step 2: stop defection

Target: F4, R30

1. @Day 30 - Hey we've missed you, what's new (210)
2. @Day 40 - **Take 10% off your next purchase!** (220)
3. @Day 50 - **Take 15% off your next purchase!** (230)
4. @Day 60 - **Take 20% off your next purchase!** (240)

**These
customers are
going, going...**

**If there is a time
to discount, it's
now**



Sheepdog campaign

Impact?

This campaign had a *consistent* 800+% *ROMI* for KL

Always your highest ROI campaign (cheapest reacquisition)

Top 1% of all e-com



Your turn

Export your transactional data; send to an Excel nerd

Jot down a 4-email sequence for defecting customers (1 full margin, 3 tier promo ladder)

Again, \$500K+ only

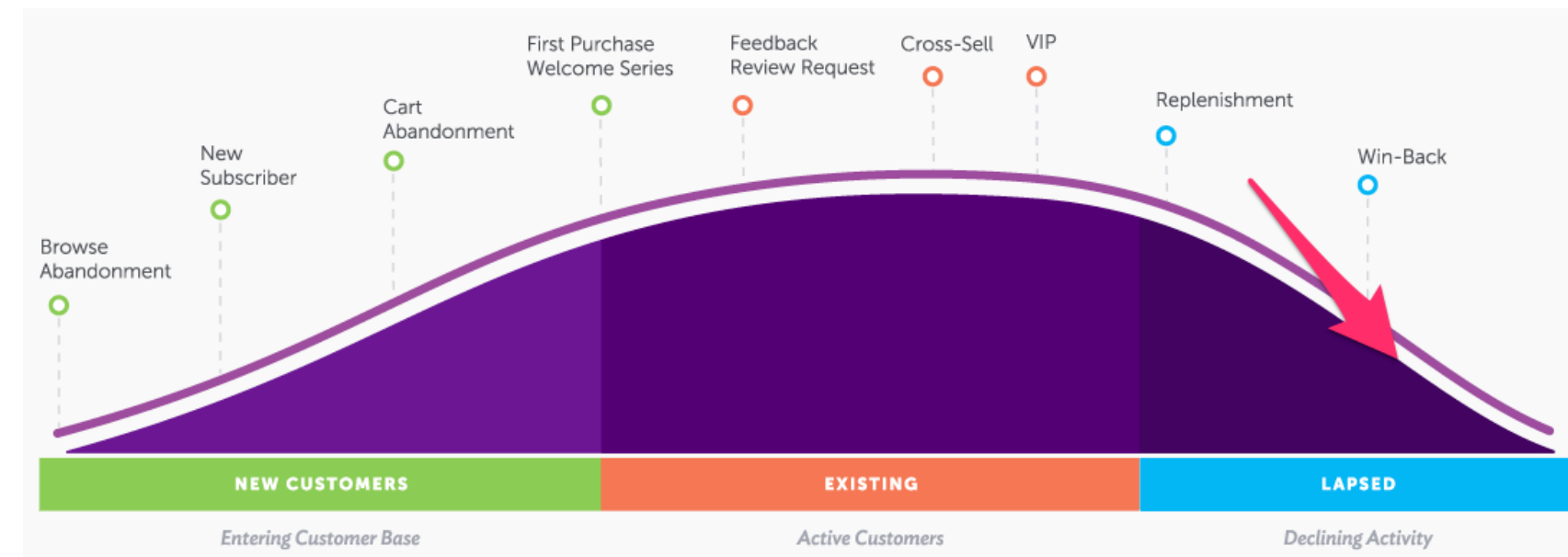
#5 Win-back

Win-back campaign

Target: faded R, high F

Goal: bring them back

How: go out to defected cohorts and bring 'em back



Win-back campaign

Useful around holiday for B2C

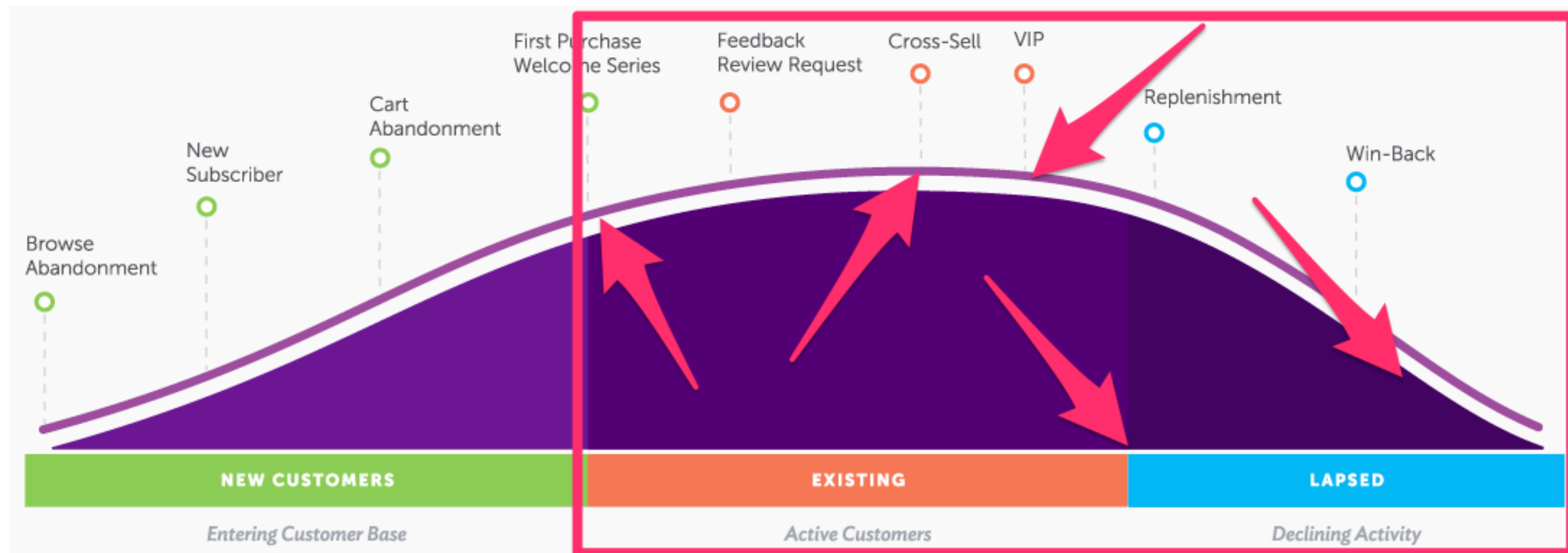
Not ideal -- too late

Low volume

The image shows a promotional banner for Bath & Body Works. At the top, there are two links: "View on Mobile Device | Web Browser" and "Don't miss out! Add Bath & Body Works to your address book to receive our emails." Below these is the Bath & Body Works logo and a "SHARE WITH A FRIEND" button. A navigation menu includes categories: "Body & Bath", "Anti-Bacterial", "Classics", "Spa & Aromatherapy", "Face & Hair", "Home & Candles", "Gifts", and "Sale". The main banner has an orange background with white text. It says "We've missed you!" followed by "\$1 SHIPPING ON ANY ORDER OF \$25 OR MORE". Below that, it says "USE CODE MISSYOU25 ONLINE AT CHECKOUT" and "OFFER VALID THROUGH OCTOBER 4, 2010." with a smaller note "VALID IN THE CONTIGUOUS U.S. ONLY*". At the bottom is a "SHOP NOW" button with a right-pointing arrow.

5 Powerhouse Campaigns

Right offer, right customer, right time



Pro tip (\$500K+)

Comms, not "email"

1. Email first (easiest)
2. On site (Justuno)
3. Off site (retargeting, SyncSumo)
4. Offline (snail mail, Touchcard.co)

All low cost reacquisition

Lists & Segments » Newsletter List Manage List

1 Members - Sign Up Forms - Subscribe Pages - Quick Add - **Settings**

List ID & Name

This list's ID is [REDACTED]. You might need this for integrations that requires a Klaviyo list or segment ID.

List Name

List Contact

The primary contact for this account is **Neill Silva** [REDACTED]. If the contact information for this list is different, specify it below.

Contact Name

Unsubscribes

The generic unsubscribe page for this list is: [REDACTED]

When someone unsubscribes from *Newsletter*, unsubscribe that person from all future emails.

Note: Your account is currently set to treat any unsubscribe as an unsubscribe from all emails. [View settings.](#)

Facebook Audience Sync

This list is not currently syncing with a Facebook audience. [Choose audience to sync with.](#)

[Update List Settings >](#)

Recap

- 1. Where we are**
- 2. The retention menu**
 - 1. Best meal for most (One-Two Punch)**
 - 2. Best meal for advanced (Sheepdog)**

Purchase Frequency

Stack your effort

Even with minimal success:

- 10% via One-Two Punch**
- 5% via VIP**
- 15% via Sheepdog**

Total increase in F ~ 30%, smoother cash flow, improve all acquisition ROI

Next session: multiplier #2 . . . AOV

Questions?