

The Omnichannel Guide to Retention & Loyalty



MV INNOVASPORT

CONTORION

```
Loly in the sky
```

ADOREBEAUTY

sportitude

зuде

BEAUTY PIE

DisNEP Theatrical Group

Sportswear Company

🥝 Pízza Hut



PUMA



FRENCH CONNECTION

Table of Contents

Introduction	3
The 5 Types of Customer Loyalty	6
The Value of Omnichannel: Go Beyond the Funnel to Drive Stronger Loyalty	15
Creating an Omnichannel Strategy: 4 Steps for Better Relationships, Retention, and Revenue	20
Omnichannel Retention & Loyalty in Action	38
Follow the Path to True Customer Loyalty	52

The high expectations placed on you as a marketer never cease.

Customers continue to raise the bar higher for meeting their demands. Economies continue to fluctuate, and the potential for a downturn seems greater, if not imminent. Meanwhile, your business is asking you to do more, faster, with less budget and resources.

Knowing that it takes more marketing budget to acquire a customer than it does to retain one, and with economic uncertainty looming, you can't afford (literally) to be overspending on acquisition. On the other hand, if you prioritize retention efforts, you can still achieve the results your business demands, and you'll see a greater long-term ROI for your efforts.

Increasing customer retention rates by 5% increases profits by 25% to 95%.

Bain & Company

In the last five years, "customer acquisition costs have increased nearly 60%," and today's merchants, on average, now "lose \$29 for every new customer acquired."

Business Wire

Current customers spend 67% more on average than those who are new to a business.

business.com

But make no mistake: Successfully retaining a customer in today's competitive landscape comes down to skill and strategy. It requires getting to know your customers as individuals, understanding their preferences and needs, and then delivering what they want on the channel they prefer — understanding how to earn, nurture, and reward their loyalty will be essential.

What you need is a customer-first, 1:1 omnichannel marketing strategy that delivers stronger customer loyalty and retention.

This strategy will ensure you can satisfy customers with the personalized cross-channel experiences they demand, and keep them coming back to purchase again and again, and at higher values. The result is a more profitable business with happier customers, even in times of economic uncertainty.

Inside this ebook, you'll learn more about what customer loyalty looks like today, how brands are maximizing the value of omnichannel, and how they're building 1:1 omnichannel marketing strategies that increase retention and drive customer loyalty.



"We have empowered different program managers across our marketing channels to **own their strategy**, in their brand and in their domain [and also] enable really quick, agile innovation. To do that, we built out a center of excellence... [which] is really focused on bringing multiple, disparate teams together. [...] We have our technology team... our Emarsys success team who supports all of our brands. We have our acquisition marketing teams, paid search and social. And then, our **retention marketing teams**, representing our loyalty programs, and our email teams. All of those different, disparate teams come together, **focusing on the consumer at the center [of everything]** and sharing insights and best practices."

Ranier Evans, Senior Manager, Product Management



Explaining What a Marketing Center of Excellence Is

Watch the Full Clip 🕟



The 5 Types of Customer Loyalty

As marketers, we spend a good deal of time talking about customer loyalty. Unsurprisingly, it gets discussed more and more when businesses and their marketing teams alike look to maximize value and revenue from their existing customers.

If pressed to define customer loyalty, we could say something clinical sounding like:

Customer loyalty is a customer's willingness to interact with a brand or purchase a specific product on an ongoing basis due to the favorable experiences they associate with that company.

But in today's age of always-on digital commerce, where consumers are now in charge of their relationships with brands, and their tastes, demands, and expectations fluctuate rapidly, perhaps it's better to look at customer loyalty from the perspective of... **the customer.**

If loyalty is a top priority for you and your marketing team (spoiler: *it's business critical, so it should be*), ask questions like:

- What do customers think about loyalty?
- How do customers choose which brands are worthy of their loyalty?
- What do customers want you, the marketer, to know when it comes to earning their loyalty?

Emarsys sought to answer these questions, and more, so in August 2022, we asked 11,066 general consumers across the globe all about loyalty. We wanted to find out, from the customer's perspective, how marketers can earn and foster their loyalty.

The results of these inquiries were included in our <u>Customer</u>. Loyalty Index 2022, and revealed a lot about what customer loyalty looks like in today's world, including the types of loyalty demonstrated by customers, and which type is most important for your business.

31%

of consumers cite personalized shopping experiences as the reason they stay loyal to a brand 76% of consumers consider

themselves loyal to one or more brands

Source: Emarsys Customer Loyalty Index

Five Types of Customer Loyalty

It's no secret that loyal customers spend more and purchase more frequently. According to McKinsey, loyal customers are "64% more likely to purchase more frequently" and "31% are more willing to pay a higher price." So the goal is to drive customer loyalty. But it's important to acknowledge that not all loyalty is the same. And there's one type of loyalty above all others that ensures your customers become lifelong loyalists.

Let's explore the types of loyalty and which type is most critical for your business.



Incentivized Loyalty

This type of loyalty comes from offering your customer cost-saving incentives like discounts and rewards. Sure, it's a great way to get a new customer "in the door" — i.e. your store, website, app, etc. But this is a fleeting type of loyalty. When a customer is only loyal to your brand based on discounts and rewards, they'll be the first to jump to a competitor if that brand can offer a more tantalizing incentive.

- + Pros: Easiest type of loyalty to foster
- Cons: Most fleeting, hurts margins



Inherited Loyalty

Inherited loyalty is based on tradition. In this instance, a customer will be loyal to a brand because of its longstanding and trusted heritage. Yet, as customers become more savvy and raise their expectations, a brand's legacy can only keep a customer loyal for so long. It's only a matter of time until that brand can no longer coast on the equity of its heritage.

- + **Pros:** Less need for incentives
- Cons: Lasts only as long as your brand's heritage is relevant



Ethical Loyalty

Some customers will offer their loyalty to a brand that aligns with their individual values. These shoppers stay loyal due to the brand's stance on issues that have a strong social impact — i.e. sustainability, diversity, and equality. Although these shoppers are noble in where they pledge loyalty, your ability as a marketer to control these factors is limited, and thus, so is your ability to influence their loyalty.

Pros: Loyalty is earned immediately

Cons: Tied to business decisions beyond the control of your marketing team



Silent Loyalty

Silent loyalty occurs when a customer regularly and consistently buys from a brand that they would not endorse publicly. The reasons why they remain silent are myriad and perhaps have nothing to do with your brand's values. This is one of the most precarious types of loyalty you can foster — you won't know why your customer is loyal, they won't be referring friends, and they'll be quick to leave you when they find a brand they're proud to admit they shop with.

- Pros: Less susceptible to corporate, industry, or social changes
- Cons: No benefit from brand advocates, difficult to foster



True Loyalty

When you've earned a customer's absolute love and devotion, their true loyalty, rest assured they'll never switch from your brand. This type of loyalty is hard to foster, and without data it can be difficult to measure, but once you've built it, it can last a lifetime. **True loyalty is the most reliable loyalty, and it offers the greatest return. It also lasts longer than any other type of loyalty. It's what every brand should aspire to have.** However, it requires a deep understanding of your customers and the ability to build long-lasting relationships.

- Pros: Longest lasting loyalty, leads to greatest revenue and best business outcomes
- Cons: Requires the right technology to build the relationships

The Way Customers Express Loyalty is Shifting

How a customer chooses to express their loyalty is not fixed.

Not only can it vary from customer to customer, but it can also shift from brand to brand. For example, a customer may be loyal to one brand for its ethical values, but loyal to another brand for its incentives.

However, when we compare the Customer Loyalty Index data from 2022 to 2021 and look at customers from a top-level global perspective, we can see a clear and consistent shift in the way customers are expressing loyalty: while incentivized loyalty, inherited loyalty, ethical loyalty, and silent loyalty have *decreased* over the past year, true loyalty has *remained constant*.



Silent Loyalty Developed without public advocacy or endorsement



True Loyalty Unshakeable loyalty

that's built through brand love



Ethical Loyalty

Founded on strong emotional connections & shared values



Inherited Loyalty

Built through legacy and association with other brands



Incentivized Loyalty

Developed through discounts, incentives & rewards



According to the research:

- Incentivized loyalty fell during the past year. 45% of consumers in 2021 stayed loyal to their favorite brands due to regular discounts, incentives, and rewards, compared to just 39% in 2022.
- Inherited loyalty has also fallen from 27% in 2021 to 21% in 2022.
- **Ethical loyalty** dropped, with just 14% of consumers in 2022 remaining loyal to brands for strong ethical reasons, compared to 19% in 2021.
- **Silent loyalty** experiences a slight decrease, dropping from 53% in 2021 to 52% in 2022.
- **True Loyalty** remained consistent, with 23% of consumers in both 2021 and 2022 saying they have a brand they are unwaveringly loyal to, simply because they love and trust that particular brand.

What Does This Mean for Marketers?

Superficial forms of loyalty won't work anymore. You can't just incentivize your way to earning your customer's loyalty. Attempting to bring customers back with incentives is a short-term solution and may devalue your relationship in the long run. Plus, you're hurting your margins, and essentially training customers to "wait" for their incentive, which, unless you're a professional dog trainer, is a bad way to form a relationship.

Likewise, you can't rest on your brand's name and reputation. Ethical loyalty, inherited loyalty — the ideals and values of your brand alone will become less likely to inspire loyalty as time goes by.

True loyalty, which lasts longer and yields better business results, should be the focus of brands. But again, true loyalty is the most difficult to secure. You can earn it only when a customer feels deeply connected to your brand, trusts your brand, and believes your brand truly understands them as an individual.

So how do you actually build that kind of meaningful, lasting relationship with a customer?

The answer lies in prioritizing omnichannel marketing.

See all the data on customer loyalty and consumer shopping habits in the **Emarsys Customer Loyalty Index 2022.**

Read Now ►

The Value of Omnichannel:

Thinking Outside the Funnel for Stronger Customer Loyalty

The Need for Customer Obsession

The most successful brand marketers today think beyond the traditional funnel, where customers are nudged down a fixed path from awareness to consideration to conversion to loyalty. Instead, these marketers are looking at the entire loyalty loop — a circular journey with customers moving from initial consideration, to the active research phase, to completing a purchase, and finally, to the post-purchase phase, where the customer's experience and newfound expectations for the brand evaluate the next step in their journey.

With the demise of the traditional funnel, businesses can no longer push customers linearly along a precisely defined journey. Instead, customers are fully in control. Customers have access to more information, more touchpoints, and more choice than ever before. In response, businesses need to be entirely focused on the customer. In fact, "focused" on the customer might not cut it — businesses need to be "customer obsessed."

Customer-obsessed businesses, as defined by Forrester. Consulting, put customers at the center of leadership, strategy, and operations. As a result, these businesses are better equipped to respond to the needs of customers, make them feel seen and appreciated, and sustain deep connections with their customers over time.



Key Takeaway: Customer-obsessed businesses put the customer at the center of everything they do, which better positions them to build deeper connections and sustain relationships with customers.



"I dislike the word **omnichannel**. I personally think it's **just called business**. And in our world, it's just called retail. [Because] it's proven, time and time again, that if we can get our consumers to actually **interact with us as a brand in multiple ways** — whether that's getting you from our website, or our partner's website, or our partner's store, etc. — if we can get you to interact with us in any other way, **we know you're a more valuable customer to us**. And ultimately, yes, from a business side, it's a benefit to us. But more importantly, **it's a benefit to our consumers**."

Josh Ehren, Global Head of Direct to Consumer

Gibsul

See how brands like Gibson **drive value** for their customers and their business.

Take the Journey ▶

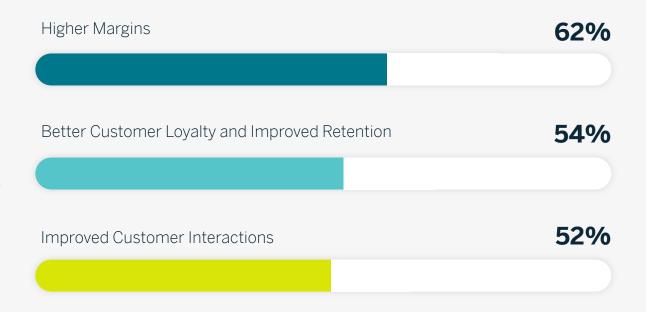
Customer Obsession is a Business Strategy

Today's marketers aren't only focused on the most effective ways to satisfy the *expectations of customers*. They're also focused on the most effective ways to satisfy the *demands of their business*.

Marketers often must contend with the notion that meeting customer expectations and satisfying business outcomes are conflicting endeavors, always at odds with one another. But that's not the case, and new research backs this up.

In a recent study from Forrester Consulting commissioned by Emarsys — <u>The Omnichannel Difference</u> — we discovered that 52% of customer-obsessed companies see improved customer interactions and engagement. But not only are customer interactions improved, so are retention metrics. This same study reveals that 54% of customer-obsessed companies experience better customer loyalty and improved retention from omnichannel efforts across the customer lifecycle, and 62% experience higher margins.

These kinds of results suggest that customer-obsessed businesses get the most value from omnichannel. For these companies, their omnichannel strategies allow them to form better relationships with their customers, and also accelerate business outcomes. Research from Forrester, commissioned by Emarsys, reveals customerobsessed firms using an omnichannel strategy experience





Key Takeaway: Customer-obsessed businesses using an omnichannel strategy not only improve satisfaction amongst their customers, they also achieve better growth and revenue outcomes for their business.

Get a free copy of **The Omnichannel Difference** study conducted by Forrester Consulting on behalf of Emarsys to learn how the most customer-obsessed companies deliver the value of omnichannel.

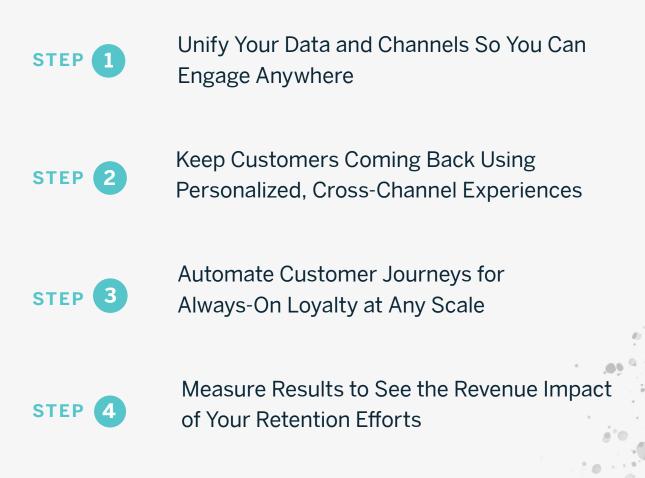
Download Now ►

Creating an Omnichannel Marketing Strategy:

4 Steps for Better Relationships, Retention, and Revenue Think about the relationships you have with your closest friends or family members. You probably don't think about interacting and connecting with them "across touchpoints," but that's essentially what occurs. Seldom are your relationships built and nurtured through "single-channel" interactions. Instead, you call each other on the phone, send messages on group text threads, use video chat, social media apps, and most importantly, spend time together in-person. Undoubtedly, technology aids this degree of connectivity and keeps you active in one another's lives. If you look at your most meaningful and lasting relationships, you'll find communication happens across multiple touchpoints.

Building deep and meaningful relationships with *customers* is no different. If you want to foster the kind of relationships with customers that lead to true lasting loyalty, you'll need to set your sights higher than single-channel communications. You want customers that will stay with your brand for the long haul and come back time and time again.

Omnichannel marketing — the ability to reach your customers across any and all touchpoints — provides more opportunity to get to know your customer, and for them to get to know you. When you add personalization to the mix, each and every interaction is part of the brick-by-brick foundation that builds lasting relationships. If true loyalty is the goal, an omnichannel customer engagement strategy is what will get you there. So what does that strategy look like? Well, to get you started, there are **four essential steps for creating an omnichannel marketing strategy that increases customer loyalty and retention for your business.**



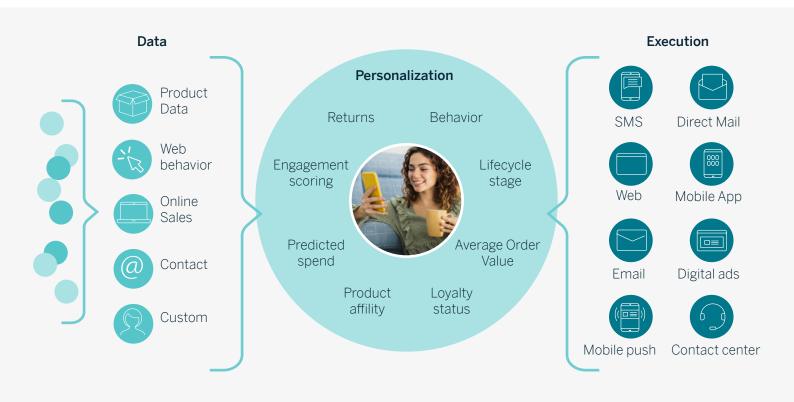
STEP 1

Unify Your Data and Channels So You Can Engage Anywhere

Customer loyalty starts with data. Without data, you won't be able to understand your customer on a deeper level. What do they like? Where do they shop? What's their preferred method of communication? What motivates them to take action? Or what pushes them away?

Data will reveal the answers to these questions, but often it's scattered across your various data sets and channel information.

When you unify your data and channels, bringing it all together into a single platform, it's like putting together the pieces of a puzzle to form a complete picture.



The result is a holistic view of your customer, which is essential for personalized, omnichannel engagement. You'll be able to leverage all your data across all your channels, ensuring each customer receives 1:1 engagements that are consistent as they move across touchpoints.



Key Takeaway: Having your data and channels connected gives you the ability to engage customers with meaningful, personalized experiences anywhere.



"I always say that **loyalty is data**. If you want to create this **long-term relationship** with your customers, **you have to use data**. [...] The first year [of our loyalty program], it was very important to collect the data that we had back then and also to collect [new] data everyday and use it. And [understand] **what things are you going to execute with that data**."

Danielle Ríos, Former Head of Loyalty

M Imovasport

How Innovasport Gets to Know Their Customers

Watch the Full Clip 🕑





"Our strategy centered on **building a data foundation that would allow us to scale and personalize**. So first and foremost, we needed to establish a marketing database with all the data we needed in order to **make decisions and to power our automation**. And we knew that, with Emarsys, we could attain that. It was just a matter of going the distance to achieve that goal — making sure our data was clean, and making sure our feeds were correct, and then making sense of that data. Together with all these data points, we can, or rather, with the foundation that Emarsys gives us to utilize the data and to view the data and to use the data, we could actually **become more connected to our customers** in that way."

Carl-Johan Claesson, Senior CRM Consultant



Building a Stronger Data Foundation with Emarsys to Power Scalable 1:1 Engagement

Watch the Full Clip 🕑



STEP 2

Keep Customer Coming Back Through Personalized Cross-Channel Experiences

Unifying data and channels is one of the biggest hurdles you'll face as a marketer. You know it's essential in order to power your personalized marketing efforts, but it isn't exactly a simple process, particularly if the tech you're using to make it happen doesn't make it easy.

However, after you put in the hard work to consolidate your data and make it available across all your channels (or better yet, find a partner that <u>can make it easier to connect data</u> and channels), you can switch your focus to building and nurturing the relationships that lead to long-term loyalty. Those relationships are built, of course, by providing your customers with highly relevant, personalized experiences consistently at every touchpoint.

Every time your customer receives a personalized communication from your brand, one based on a true understanding of their preferences and needs, you differentiate yourself from competitors who either lack the knowledge (data) or marketing sophistication (customer engagement platform built for omnichannel personalization) to do the same. Soon, the customer begins to see your brand as the one that will consistently offer products, services, or insights that are most relevant to them and/or offer the greatest value. When those personalized experiences are consistent across touchpoints and relevant to the customer based on their up-to-date history and activity, they feel seen and understood.

Doing this time and time again, and at scale, requires the right technology. With loyalty and retention as the goal, and personalized omnichannel marketing as the strategy to get you there, you need a solution that allows you to personalize everywhere and consistently across channels.

See how Emarsys helps businesses deliver personalized omnichannel experiences that **increase customer loyalty and retention.**

Watch Now >



Key Takeaway: Personalizing everywhere with 1:1 crosschannel experiences means more opportunity to connect with customers, build meaningful relationships, and keep them coming back again and again.



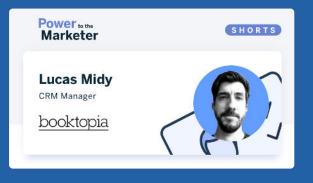
"I think customers are getting used to just seeing their first name attached to a message. And that's not really personalized. [...] So we're looking at segmenting customers based on their interest. Again, pushing towards a quantitative approach based on what they want to hear about, at the frequency they want to hear from us from. And that folds into omnichannel as well, because omnichannel is really just about empowering the customer."

Lucas Midy, CRM Manager

booktopia

The Importance of Personalization

Watch the Full Clip 🕑





"So we deliver optimized journeys for both our defecting and our winback, our inactive customers, by [using] **tailored win-back programs** both offering incentives to timely points of communication to really **re-engage and push them back up the flow**. We also utilize tactics like a Purchase Anniversary. So this is a personalized engagement where the customer will get a little incentive a year after they've made their first purchase with us, to **[provide] more of a tailored communication**."

Kelly Priest, eCommerce & Digital Marketing Manager

FRENCH CONNECTION EST.1972

Re-engaging Defective Customers with Tailored Incentives

Watch the Full Clip 🕑



STEP 3

Automate Customer Journeys for Always-On Loyalty at Any Scale

When you're consistently personalizing across all your channels and delivering the seamless 1:1 experiences customers want, you'll notice your relationships with customers maturing. The tailored and relevant content you send them will increase their engagement with your brand, and in turn, you'll receive more data, further fueling your personalization efforts.

As your database grows, you're responsible for more and more customer relationships, and you'll need to provide each and every customer with the personalized experiences they deserve. So to help your business scale without sacrificing on the quality of your customer engagement, you'll want to lean on automation.

Automation ensures that you're consistently sending out the right personalized content at the right time and on the right channel to make the most impact on the customer, wherever they're at in their journey with your brand. The beauty of letting your tech do the heavy lifting and implementing dedicated, automated 1:1 campaigns is that they're always running in

the background, even while you and your marketing team are at lunch, sleeping, on vacation, or working on more pressing matters. That way, you're nurturing relationships and building loyalty 24/7.



Key Takeaway: Never miss a moment to connect with your customer. Let your tech do the work for you. Take an "always-on" approach to loyalty by automating your personalized, loyalty-building campaigns.



"We needed to figure out a way [to] actually **build relationships at scale with our customers**. And that's where a tool like Emarsys has proven to be extremely valuable, particularly for the online component business [and] how we automate a lot of our lifecycle marketing — not just a welcome series to bring someone in and nurture them towards their first purchase, but what we're doing post-purchase to **drive more loyalty**, to get a customer to not just buy once, but **buy from us multiple times** as well."

> Mal Chia, CMO sportitude

Building Relationships with Customers at Scale

Watch the Full Clip 🕑





"We've really scaled [our automations] and set up some foundational automation programs that are going to become a mainstay and help us scale [our] growth. [...] Another piece that's really successful and helped us in an automated sense is the follow-up journey, post virtual consultation. [Customers] can go online and have a free virtual consultation with one of our beauty experts, and they'll create a routine, [get] skincare recommendations or make up, fragrance. Then immediately afterwards, once [the customer] fills out a form, through Emarsys we can trigger the email with the exact products [the customer] discussed with their consultant. So it's a strong follow-up journey that is helping the customer shop and get access to the products that [were] recommended."

Chloe Pepper, Senior Email & CRM Manager

BEAUTY PIE

How Beauty Pie Uses Emarsys to Scale Automated Personalization

Watch the Full Clip 🕑



STEP 4

Measure Results to See the Revenue Impact of Your Loyalty Efforts

Your job as a marketer is to make your customers happy. But you also have a responsibility to make your *business* happy, and the way you do that is by increasing growth and revenue. Fortunately, your efforts to increase customer loyalty can result in better outcomes for both your customers and your business.

Loyal customers spend more money and purchase more frequently throughout their lifecycle, so from a business perspective, you want to turn as many once-in-a-while shoppers into happy, active customers as possible. But you can't just *assume* your loyalty-driving marketing campaigns are positively impacting revenue. Measure your loyalty results so you know exactly where you're moving the needle (and which campaigns aren't delivering the outcomes your business demands).

Over time, considering how swiftly markets and consumer behavior can change, you'll need to adapt your campaign efforts to respond. Having technology that enables you to measure your results in real time will allow your marketing team to be more agile, keep up with the market, and quickly take action based on the loyalty results you see. See how Emarsys's **built-in reporting and Al-powered analytics** help marketers measure revenue impact, predict campaign outcome, and optimize business decisions.

Watch Now >



Key Takeaway: The goal of your loyalty efforts is to increase CLTV and drive revenue for the business. The ability to measure your results in real time allows you to optimize campaign performance, quickly adapt to market changes, and prove marketing's impact on revenue.



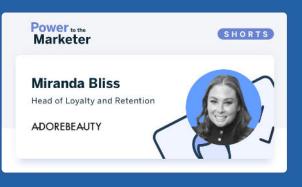
"What we've seen is a revenue two-year compounded annual growth rate of 47%. Our active customers are at 43%. 71% of revenue is from our returning customers. Our returning customers are up 56% compared to the previous year. We have a 5.5x customer lifetime value over the customer acquisition cost, and 95% of our most valuable customers have already joined our loyalty program."

Miranda Bliss, Head of Loyalty and Retention

ADOREBEAUTY

The Results Adore Beauty Achieved from Their Integrated Marketing and Loyalty Strategies

Watch the Full Clip 🕑





"...So we've launched this [program] now where, let's say you're holding a ticket for the back of the mezzanine on a big peak Saturday night. But let's say the Friday night [show] prior to it isn't quite as popular. We're going to offer to move you from Saturday night to Friday night... and in doing so, we're going to upgrade you to the orchestra. And we have seen some really fantastic feedback. We've gotten some good press out of it. **We've seen guests really embrace these offers** when they get them, when we distribute them out to people. And then, frankly, from our perspective, **we've seen a revenue lift** because we're moving audience members from highdemand performances where we know we can resell that ticket onto a lower-demand performance."

Nick Falzon, VP Sales and Analytics



Increasing Revenue by Using Automation to Improve the Customer Experience

Watch the Full Clip 🕑



Omnichannel Retention & Loyalty In Action



How Pizza Hut Drives Customer Loyalty Through Unique Data-Driven Journeys The pizza delivery market can be extremely competitive, particularly in the UK. To stand out amongst competitors, even brands like Pizza Hut — one of the largest and most well-known pizza chains in the world — must have a strategic approach to delivering exceptional customer experiences consistently and building long-lasting loyalty.

Using Emarsys, Pizza Hut followed the four steps of a loyalty-building omnichannel marketing strategy. Here's how:

STEP 1

Unify Data and Channels to Engage Anywhere

- Through Emarsys, Pizza Hut improved data capture to set the stage for personalization.
- The company paired self-reported data such as customer dietary preference and family size with real-time behavioral data to reveal actionable insights.

STEP 2

Keep Customers Coming Back Through Personalized Cross-Channel Experiences

 \checkmark

Pizza Hut connected behavioral segments and customscoring to the Emarsys platform to create uniqueomnichannel 1:1 journeys based on lifecycle and loyalty stage.

The brand segmented customers to provide the most relevant content and tailored discounts that helped nurture customer relationships.

STEP 3

Automate Customer Journeys for Always-On Loyalty

- Pizza Hut's marketing team fully leveraged their data to automate vital 1:1 lifecycle campaigns such as Welcome, Abandoned Cart, Abandoned Browse, and Lapsing Win-Back.
- The brand drove loyalty and purchase frequency by A/B testing Loyalty Program Signup campaigns and Close to Next Tier campaigns.

STEP 4

Measure Results to See the Revenue Impact of Your Retention Efforts



- By tracking the performance of their post-purchase and lifecycle campaigns, Pizza Hut could see the positive impact on loyalty, revenue, and margins.
- The marketing team was able to measure and report increases in customer lifetime value and loyalty as a result of their lifecycle automations.

Results:

+34%

Engagement from post-purchase loyalty campaign +195%

Signups to loyalty program from a single A/B test

15%

SMS conversion achieved through omnichannel approach to onboarding Month-over-month conversion rate from personalized Welcome journeys



"Using data and personalization, Emarsys enables us to keep our customers at the heart of everything we do, powering vital lifecycle and loyalty campaigns that drive conversions, retention, and relevancy. We look forward to continuing to scale these programs through the Emarsys platform to deliver better experiences to our customers."

Catriona Woodward, Head of Digital Marketing



How PUMA Delivers Consistent, Personalized Journeys Across All Touchpoints at Scale

The Omnichannel Guide to Retention & Loyalty

PUN

PUMA is one of the largest sportswear brands on the planet with a massive base of devoted customers scattered across numerous countries and regions, speaking different languages, and with unique needs and tastes. The recent explosion in digital commerce only increased the expectations of customers and the channels through which the brand must engage.

This creates a tremendous but worthwhile challenge: How can PUMA satisfy the needs of such a large existing audience, deliver the omnichannel personalized experiences those customers demand, and keep them coming back to the brand again and again?

With support from Emarsys, here's how PUMA Europe executes their omnichannel marketing strategy and drives loyalty and retention:

STEP 1

Unify Data and Channels to Engage Anywhere

- PUMA Europe used the Emarsys platform's integrated data layer to unify channel behavior, sales data, product data, business data, and relational data.
 - With a unified 360° view of the customer, the brand could better understand their most highly engaged segments and reduce the frequency of communication to less engaged segments.



STEP 2

Keep Customers Coming Back Through Personalized Cross-Channel Experiences

- PUMA Europe used block targeting with automations, ensuring the content customers received was relevant based on their geolocation, language, and behavior.
 - The brand improved targeted personalization by leveraging Emarsys Smart Insights, boosting open rates and engagement.

STEP 3

Automate Customer Journeys for Always-On Loyalty

- PUMA Europe's small CRM team leveraged Emarsys to easily automate and scale sophisticated 1:1 campaigns in multiple languages.
- \checkmark

Real-time automations ensured the team could consistently engage customers at the right time with the right message on the right channel.

STEP 4

Measure Results to See the Revenue Impact of Your Retention Efforts

 \checkmark

The CRM team used A/B testing to optimize their marketing and measure the results to determine incremental revenue.

 \checkmark

Smart Insights analytics within the platform revealed the revenue potential of their customers and allowed the team to optimize engagement with those segments.





"We're A/B testing regularly and testing different functions, which means we can **measure that incremental revenue**. But also we've seen some really good results from an engagement rate perspective as well... And I think what we're proving is that **when you get to know your customers** and you're sending them more personalized things that they want to see, it just helps everything — we **see revenue grow, engagement rates grow, better traffic**, just a **better overall customer experience**."

David Witts, Senior CRM Manager, PUMA Europe





How Contorion Uses an Omnichannel Loyalty Strategy to Drive More Value from Existing Customers Contorion is a rapidly growing e-commerce business for professional industrial and trade supply, with a varied audience that ranges from professional B2B craftsmen to DIY B2C customers.

Although the brand's database of new customers has rapidly grown during the past few years, they had a solid core audience that could be better served. In other words, unless they focused on building relationships with their existing audience, they'd be leaving growth and revenue on the table.

Contorion leveraged Emarsys's loyalty solution to boost retention, build loyalty, and maximize revenue from their existing customers. Here's what their omnichannel strategy looked like:

STEP 1

Unify Data and Channels to Engage Anywhere



Contorion integrated their existing data into Emarsys without IT dependency, which allowed for a rapid implementation and quick launch of their loyalty program.

The brand connects loyalty across all their channels, including website, email, and direct mail.

STEP 2

Keep Customers Coming Back Through Personalized Cross-Channel Experiences

- Contorion was able to personalize all existing channels with loyalty status, points, actions, and rewards.
- Emarsys made it easy for the CRM team to launch new touchpoints for building relationships with customers.

STEP 3

Automate Customer Journeys for Always-On Loyalty

The CRM team automated loyalty campaigns like "Points" About to Expire" to keep loyal customers engaged and spending.

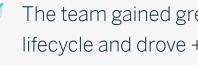
Emarsys enabled the CRM team to add drag-and-drop loyalty-specific personalization to existing automations and campaigns, accelerating time to value and reducing workload.

STEP 4

Measure Results to See the Revenue Impact of Your **Retention Efforts**

 \checkmark

Using Emarsys's built-in analytics, Contorion could see that customers who joined their loyalty program were more active (+5%) on their website and purchased more often (+62%).



The team gained greater visibility of the customer lifecycle and drove +34% conversion of first- to secondtime buyers.

Results: +34%Conversion rate from first-+12%to second- time buver after launching Loyalty Average order value one month after **launching Loyalty** +5%+62% Website activity one month Repeat purchases one after launching Loyalty month after launching Loyalty



"We are a CRM team. Our job starts when the customer is acquired. So we're focused on increasing customer lifetime value with all those underlying KPIs, such as average order value and customers coming back to us. And of course, on the other side, we want to reduce discounts. [...] What we found in the data was that customers who joined the loyalty [program] became much more active on the website and visited the website 5% more often. Existing customers made 62% more purchases than nonmembers. Average order value increased by 12.7%."

Christian Efendic, Former Head of CRM





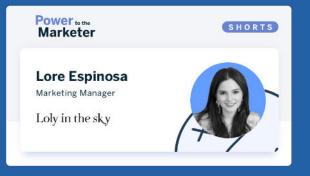
"One of the things I love about Emarsys is that it really helps me **dive into my CRM** and to my customers to make [marketing] feel more personal. Our **email campaigns started becoming more personal**. Our website became more personal since I now have the ability to **show my customers what they will like**. What are they interested in? Thanks to Smart Insight and [pre-built] tactics, I can show them whatever they're interested in."

Lore Espinosa, Marketing Manager

Loly in the sky

Adding the Personal Touch to Every Channel by Leveraging Your CRM

Watch the Full Clip \odot



Follow the Path to True Customer Loyalty

Customer loyalty isn't just points and prizes and a plastic card that customers keep in their wallet. It's about developing meaningful relationships with your customer so they choose your brand again and again.

From the customer perspective, true loyalty is trust and affinity for your brand that lasts forever. From a business perspective, it's hanging on to your customers and maximizing their lifetime value. Either way, when you have an omnichannel strategy for loyalty and retention, it's a win-win for your customers *and* your business.

Companies that lead with an omnichannel strategy enjoy:

- Higher margins
- Improved customer interactions
- Stronger customer loyalty and retention

Not only do we see this confirmed in the research and data, such as <u>The Omnichannel Difference</u> study with Forrester Consulting, but we also see these results achieved by the 1,500+ clients we work with, ranging from global enterprises to fast-moving midmarket brands, as we help them deliver real-time 1:1 omnichannel engagements that accelerate their business outcomes.

If there's one thing to take away from this guide, it's this:

When you prioritize omnichannel, it leads to greater ROI, increased loyalty and retention, and most importantly, happier customers.

Got 3 Minutes?

Discover how Emarsys can help your brand increase customer loyalty and retention at any scale through personalized omnichannel customer engagement.







© 2023 Emarsys. All rights reserved. Emarsys, the Emarsys Marketing Platform, Emarsys Artificial Intelligence Marketing and others are trademarks of Emarsys. The Emarsys logo and other creative assets are owned and protected under copyright and/or trademark law.

f www.facebook.com/emarsys y www.twitter.com/emarsys in www.linkedin.com/company/emarsys