

Key to Customer Retention Success? Know your Customer!

Acquire, acquire, acquire was the mantra of the last few years, particularly for those new to the online space, however for 2022 and beyond it is all about retaining those hard earned acquired customers.



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Written by Orla Cooney, General Manager, Magico

Diminishing returns on online advertising, spiralling shipping costs and increased competition means that now is the time for ambitious retailers to identify how to differentiate from the competition, and focus on a higher ROI from a loyal customer.

Know Your Customer and Personalise their Experience

At the heart of customer retention is knowing your customer. Brands that listen and speak to their customers have a distinct advantage. Your customer base may have changed recently, ask yourself do you know your new customers?

Customers want to feel like the Retailer already knows their preferences, it's similar to the experience of going to the local shop 20 years ago and the shopkeeper having the daily paper ready for you.

Use personalisation services to customise their online shopping experience and make recommendations based on individual browsing histories.

Email & SMS Marketing are excellent means of staying connected with customers:

thank them for their purchase, make recommendations based on purchases, tell them you miss them or wish them a happy birthday with a discount code.

Think Retail, not online versus physical stores

The most successful Retailers don't think of online retail and physical retail as separate functions, it's all Retail!

Your customer could see a product on your Instagram page, order it online via your website but return it in-store OR see a product in-store and go home and buy it later online. According to Forbes, *“Today's consumers peruse up to 10 sources of information before making a decision. And 42% of in-store shoppers search for information online at the same time as browsing in-store.”* Consider using tablets in-store so shoppers can browse your online stock.

Ensure that your various marketing channels are synced and do not function independently. It's vital that the shop floor staff are aware of what new products are added to the online store, the ecommerce team know what the social media team posts about, and the social

media team know if deliveries are on track – everyone needs to know everyone's business!

Build Trust and a feeling of Community

Trust is one of the most important commodities in Retail. More than ever, customers expect Retailers to be transparent, reliable and accessible but customers in 2022 also want to buy from Retailers that they believe align with their own values. As a Retailer, it's fundamental that you communicate your brand and ethos with consistency - from shop floor, to online and customer experience.

Be available to your customers where they spend most of their time. This is increasingly on social media. Live video, live chat, user generated content and Influencers are just some ways to build a community of followers.

Don't forget the importance of the overall customer experience in building a trusting relationship. Everything from their first interaction with you, to transparent and fair delivery and returns policies are crucial in developing relationships.

Make shopping with you an easy and enjoyable experience, always be vigilant and never let customers down, knowing that the moment you do, they will find other places to spend their money.

Reward Loyalty

Customers who show their loyalty deserve your recognition.

Consider implementing a loyalty programme, whether it's a points based system or referral programme. According to research conducted by Accenture Interactive, *“Members of retailers' customer loyalty programs generate between 12% and 18% more revenue for retailers than customers who are not members of the loyalty programs.”*

Surprise and delight your customers regularly. Add free samples with orders, go above and beyond with customer service, or offer a discount on next purchase. Achieving success in rewarding your customers is treating everyone equally whether they shop online, in-store or both.

Think Sustainability

An emerging opportunity for 2022 is embracing sustainable business practices. Research shows that customers are more likely to purchase from brands that demonstrate a sustainability commitment. Sourcing eco-friendly materials, the consolidation of shipments, reducing the distance packages travel and minimising paper and packaging used for shipments and returns are ways that Retailers can contribute to a more sustainable future.

Remember you won't earn loyalty in just one day, you must earn it every day!

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