



# CUSTOMER ROYALTY

THE BEST  
OF THE BEST

THE  
**RETAIL**  
COLLECTIVE



## MESSAGE FROM SAL

Hey there,

In one of my stores, I used to have this really lovely lady (let's call her Emma) come in regularly, browse the sale rack and buy a handful of things, usually for a handful of dollars.

Emma was always happy to have a chat, and even though she didn't have children of our own (our store sold baby goods), she had lots of nieces and nephews, so was always picking things up for them.

I never really thought much of it, because even though she was nice, Emma wasn't a "valuable" customer when it came to revenue.

Fast forward a few years later and Emma and her husband come in one Saturday to tell me they are pregnant (yay!)..... and drop around a thousand dollars on all the things she's been admiring for years.

A few weeks later, they're back. Spending up yet again.

This continued for the next few years and really made me rethink about how we treat customers, how we reward them and generally, make them feel. Because the reality is, even though it might take years, when you nurture customers and make them feel special, they're way more valuable.





# FINDING ROYALTY

## DATA MINING

Segmenting out your customer royalty is the first step to enhancing the customer experience and boosting your revenue!

Watch the video in Lesson 1 and create your Customer Royalty Segment, then mine the data to build a profile of your "Royal Family".

Take a cross section of your royal 'segment' to compile the data and give you an overview of your top segment.

HINT: to work out the AVERAGE - divide the total amount by the number of customer profiles that you've chosen.

EG: if you use the data from 20 customer profiles, add the total value up and divide by 20

| METRIC  | AVERAGE |
|---|---------|
| <b>CHURN RATE</b><br><i>HINT: A high churn rate means that your customers don't hang around long - eek!</i> |         |
| <b>AVERAGE TIME BETWEEN ORDERS</b>  |         |
| <b>HISTORIC CUSTOMER LIFETIME VALUE (CLV)</b>   |         |
| <b>HISTORIC PREDICTED LIFETIME VALUE</b>  |         |
| <b>TOTAL CUSTOMER LIFETIME VALUE</b>  |         |

# NOTES

Are there any takeaways from this information that could help you with your future marketing?

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# THE 4%ERS

## NOW YOU'VE GOT THE HARD DATA....

It's time to look at the person behind the name.

### ORDER ANALYSIS

Pick a few of those 4%ers and let's look into the individual orders, because this will give you insight as to the commonalities between your top customers.

*HINT: You might want to print several copies of this page so that you can get a good amount of data to formulate your future marketing plans*

**UNDERSTANDING HOW YOUR CUSTOMER ROYALTY SHOPS, WILL PROVIDE THE FOUNDATION FOR YOU TO CREATE SUCCESSFUL AND MORE PROFITABLE MARKETING AND ADVERTISING CAMPAIGNS**

What is their average spend per order?

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What times do they generally shop?

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Who are they likely buying for (self, partner, children, friends)?

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What brands do they buy and what do those brands have in common?

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## CUSTOMERS ARE HUMAN

Data is awesome, but we have to remember that our customers are still human.

They have feelings and emotions.

They have their own busy lives and as retailers, it's job to fulfil their wants and needs in the best way we can.

So now let's dig into the human side of your customers.

you can use social profiles such as LinkedIn, Facebook and Instagram, to find out more about the real person that is buying from you

Where do they live

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What other brands do they like

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What causes interest them

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What are they passionate about

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What other relevant information can you find

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YEAH!



**CRAFTING  
"CAN'T SAY NO"  
OFFERS**

## CASE STUDY

Beauty chain Sephora are renowned for offering free gifts when they first open a store.

At the 2019 opening of the Auckland, New Zealand store, Sephora offered the first 500 customers through its doors a free Zoeva Premiere Eyeshadow Palette.

The results was a 1 kilometer long queue of over 1000 people .



image credit: newshub.co.nz

Sephora do have a VIP club, but it's open to anyone - so really, it isn't anything "special".

Imagine, however, if you were in the top 4% of customers who were local to this store, if you would have received a special, behind the scenes-skip the queue invite, plus a swag bag of goodies!

How amazing would that make you feel as a customer?

(As far as I'm aware, that scenario didn't happen, but it's what I would have done if I was the Sephora marketing manager :D)

**HINT: VISIT THE "BRAND BUILDING" COLLECTIVE MODULE FOR MORE INFO ON WORKING OUT HOW YOUR BRAND IS DIFFERENT (AKA BETTER) THAN YOUR COMPETITORS**

# ACTION

You've now got some amazing data on you very own "royal family".

So it's time to think about what motivates them to purchase (remembering it could be as simple as they like to shop) and what they value when they shop with you.

*HINT: it's probably NOT a discount!*

|                     |                                     |
|---------------------|-------------------------------------|
| GIFT WITH PURCHASE  | MEET THE MAKER/DESIGNER             |
| TICKETS TO AN EVENT | BEHIND THE SCENES TOUR              |
| LIMITED EDITIONS    | PRE-ORDERS (SO THEY DON'T MISS OUT) |
| ADVANCED ACCESS     | EXCLUSIVE OFFERS                    |

## YOUR "CAN'T SAY NO" OFFER IDEAS

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