



CUSTOMER ROYALTY

THE BEST
OF THE BEST

The
RETAIL
ACADEMY



Hey there,

When my friend Eleni was over recently, I asked her to sign for a delivery that was coming as I was just finishing up a client call.

As she was hauling the parcel up our 50 or so stairs (she's a great friend :D) she started telling me about a friend of hers (well, it's the mum of her daughter's best friend...).

This lady loves to shop. In fact, she is such a good customer, that when she buys from Louis Vuitton, they send a DRIVER to her home with her purchases. And it's not like we live in New York. This is a good 40 minute drive each way from the nearest LV store!

No schlepping them up the stairs herself!

But it's clear, that LV know the value of this lady. She is customer royalty.

The top 4% of customers that bring in a huge amount of revenue to the business, and they're prepared to pull out all the stops, to ensure that she continues to shop with them.

now I'm not suggesting you have a driver deliver customer orders, but identifying those high spending customers and crafting offers that entice and intrigue them is where you should be spending a good portion of your CEO time.



FINDING ROYALTY

DATA MINING

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

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



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?

What times do they generally shop?

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

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

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

What other brands do they like

What causes interest them

What are they passionate about

What other relevant information can you find

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: IN THE "BRAND BUILDING" COLLECTIVE MODULE THERE'S MORE INFO ON WORKING OUT HOW YOUR BRAND IS DIFFERENT (AKA BETTER) THAN YOUR COMPETITORS

