



CUSTOMER ROYALTY

SUPERCHARGING SALES



What You'll Learn

Why your current marketing plan is likely wasting you money & time

The 5 minute hack that could easily quadruple your sales

How to craft “can’t-say-no” offers that will have your customers clicking “buy now” quicker than a Black Friday sale



Vanilla sucks - unless you're ice-cream

One of the biggest mistakes retail & ecommerce owners make, is trying to be too many things to too many people.

It's fundamental in business to be super clear on exactly who you're selling to and to do everything you can to attract that person, other wise you'll be spending more money than necessary to acquire and retain customers.



Vanilla sucks - unless you're ice-cream

- ▶ Design your website the way they want to shop
- ▶ Merchandise your store the way they like it,
- ▶ Curate your stock to suit them
- ▶ Use the kind of language they use and images they're attracted to in your advertising



Vanilla sucks - unless you're ice-cream

I like to call these people Princess 4% (or Prince 4% because we're totally PC here!).

In short they are customer royalty.

And ignore them at your own peril.



Vanilla sucks - unless you're ice-cream

A common mistake retailers make is thinking

“ if I don't make my brand accessible to everyone, I'll lose sales.... And I can't afford to do that”.

Well, it's time for me to convince you otherwise!



Customer Royalty

You've heard of the Pareto principle right?

The classic 80/20 principle?

Roughly 80% of the effects come from 20% of the causes.

The goal when using the 80/20 Rule is to maximize the small and powerful twenty percent and reduce the wasteful eighty percent.



Customer Royalty

Notice I say “reduce” the wasteful 80% - not eliminate them altogether!

Applying the Pareto Principle to your retail or ecommerce business

The top 20% of customers in any market spend 80% of the money.



Customer Royalty

So, how much do you think the top 4% of customers spend?

10%?

20%?

30%?

Many marketing studies suggest it's a whopping.....



Customer Royalty

64%



Customer Royalty

The point being, your top customers drive the most revenue for the least amount of effort.

Targeting customer royalty is

16x more profitable

than attempting to target everyone.



Understanding what makes a prince/princess

Ok, so now that you've wrapped your brain around the concept of customer royalty, the first question you probably have is "So how do I know who those people are?"

That's what you're here for!

It's time to formulate a process to identify exactly who is in that customer royalty segment 4%.



Understanding what makes a prince/princess

But the fun doesn't stop there.

Once you've worked out your customer royalty, then, put a system in place to reward, nurture and make them feel like the royalty they are.

This is where customer segmenting comes into play.



Defining Your Customer Royalty

Now, remember that in this instance, we are targeting your top 4% of customers, by revenue. The people who spend the most amount of money with you.

And that's because they are the people spending big. Maybe they only come in once a year and drop a couple of thousand dollars, or perhaps they come in weekly and spend a few hundred.

For this segment, we are just targeting the top revenue generating customers.



AI for the Win!

Inside of Klaviyo create a segment of your top revenue generating customers - your Customer Royalty.

Then open up the profiles of a selection of your royals, click the **Predictive Analytics** section so you can analyse their buying behaviour.

PREDICTIVE ANALYTICS ?



Customer Lifetime Value (CLV)

Historic CLV

\$1,178

17 orders


+

Predicted CLV

\$363

5.24 orders



Churn Probability: Low  High

Total CLV \$1,541

Churn Risk Prediction 11%

Average Time Between Orders 62 days

Average Order Value \$69.27

Customer Lifetime Value (CLV)



Total CLV \$552

Churn Risk Prediction 20%

Average Time Between Orders 145 days

High Churn Risk

PREDICTIVE ANALYTICS ?



Customer Lifetime Value (CLV)

Historic CLV

\$238

3 orders

+

Predicted CLV

\$62

0.85 orders



Churn Probability: Low High

Total CLV \$300

Churn Risk Prediction 93%

Average Time Between Orders 156 days



Behind The Scenes

Dig a little deeper and open up individual orders to analyse their buying behaviours.

What types of products are they purchasing?

Are they gifts, or are they buying for themselves?

Perhaps they often buy for a partner?



Behind The Scenes

If you're not using Klaviyo, you may have to piece this information together from a few different sources.

You should be able to access customer data inside of your point of sale system and/or the backend of your website.

Team this with your email service provider, if you're using a program like active campaign or ontraport.



Digging The Dirt

Now it's time to become a private investigator!

Look at what these people have in common.

You could even take this a little further and jump into social media profiles, such as LinkedIn, Facebook and Instagram, to build a stronger profile of who wears the crown in your customer database.



Digging The Dirt

This is worth taking the time to do, because these customers, not only are they likely to be bringing in a huge percentage of your revenue, but they're also the people who are going to rave about you, and have extreme brand loyalty.

These are the people that you silently fist bump in the air, when they walk in the door, or place an order, because you know that your bank balance is going up (yet again)!



Data Mining

So with that in mind, These are the people that you want to ensure, feel totally love, respected and special.

What can you do, to rock your kings & queens, princes & princesses world?

Based on the data that you've collected from your indepth analyisis, what can you provide for that top 4% of your customer database?



Money Is NOT The Answer

And here's a tip. For the most part, these customers are NOT price sensitive.

They **aren't** looking for a discount.

In fact, discounting your products might just turn them away, because they value what you sell, they align with your brand and they **don't** want that devalued.



Money Is NOT The Answer

Here are a few examples, to get you thinking, but by this stage, you'll know more about what your customer will love than I do.

In your Action Plan, you'll be able to jot down all of your ideas.



Money Is NOT The Answer

Private Workshops

VIP nights

Access to upgrades, offers or product pre-sales before the rest of your customers

Meet the designer



Money Is NOT The Answer

And of course, the most important!

Targeted marketing based on what their buying behaviour is (don't waste their time selling stuff they don't want)



Decision Time

So now that you've had a behind the scenes look at your own brand of personal royalty, this information that you've uncovered becomes instrumental in every brand decision that you make.

From the products you bring in through to your brand styling and most importantly, your marketing campaigns.



Marketing Bonus!

This new found information, when used correctly, could just see not just an increase in your revenue, but also in your conversion rate and increases in your customer lifetime value.



Quick Tips

Forget the usual biases that you might have with the 'average customer', such as what they're prepared to pay for shipping. Royalty live and shop on their own terms

People hang out with people who are like them - give the top 4%ers the royal treatment and they're bound to bring along their (big spending) friends!



Action Steps

Download the Action Plan

Use the data you've gathered to get clear on what drives your royals to shop with you first and foremost

Craft your "can't say no" offers

Upload the offers into your Klayvio funnel.