



The Marketer's Guide to Navigating COVID-19

**Edition 5 – New Customer Retention
Strategies**

by **ovative**group

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To my fellow marketers:

As the COVID pandemic continues to evolve, many businesses are faced with a unique opportunity to acquire a higher volume of new customers and/or acquire a higher volume of new customers and/or new customers that don't fit their typical customer profile. In our fifth edition of "The Marketer's Guide to Navigating COVID-19," we share **steps to define a strategy to retain these new customers.**

It is important to develop a customer strategy that builds long-term retention and increases the value of these customers (many of whom were likely acquired during a highly promotional time period).

While every retailer's customer strategy is unique, our recommendation is to ground your strategy in customer data activation and promotion of the right products/offers to drive cross-sell or upsell opportunities.

Best,
Dale



Dale Nitschke

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CEO and Founder of Ovative Group

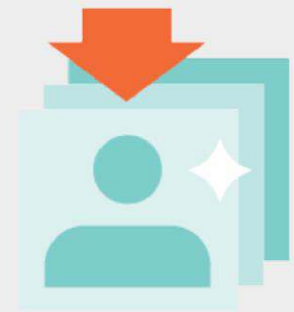
Steps to Define Your Customer Retention Paid Media Strategy

In order to define your customer retention strategy, you need to think through the following framework and ask yourself, your team, and your partners these key questions:

WHO

Who am I targeting and in what segments or definitions?

- Analyze your CRM file to identify the new customers acquired from March 15 to present day
- Identify key customer segments across a variety of dimensions (customer type, purchase behavior, geography, etc.)
- Size the segments. If below matching thresholds for platforms (< 1,000), paid media may not be feasible
- Size the opportunity. Quantify the impact of converting a 1-time buyer into a multi-buyer, increasing the volume of multi-buyers within a segment, and long-term financial impact of sustaining customers acquired on promotion
- Leverage the customer and opportunity sizing exercises to inform budgets



WHAT

What are the appropriate messages, products, promos and marketing offers to put in front of my newly acquired audience?

PRODUCT / ASSORTMENT

- Analyze your CRM and web analytics to understand product and category preferences
- Identify logical upsell opportunities and highly correlative categories based on previous purchase history
- Determine if you have sufficient audience scale to execute basket-specific strategies
- Define media goals aligned to product preferences and assortment / inventory priorities

MACRO EVENTS

- Identify upcoming macro events - such as new assortment, upcoming seasonal changes, industry promo events or holidays - to incorporate in your messaging to drive repeat purchase

PROMOS/LOYALTY

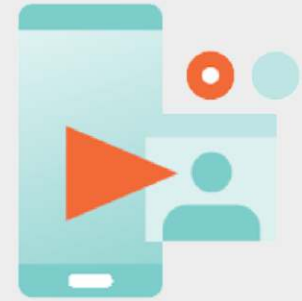
- Analyze your CRM to determine if target customers were acquired on promo or show indicators of being a markdown / clearance buyer
- Identify upcoming promo events that will drive repeat purchases
- If you have a loyalty program, consider this as a leading message for new customers



WHERE

What are the most effective channels and tactics to reach my target customers and deliver my key messages?

- Paid Social and other push channels are the most impactful channels in which to drive “nurture new” strategies
- Ensure all channels are leveraging segment and customization approaches
- Coordinate with other channels - like email and direct mail - to align messages and offers
- Explore opportunities to amplify owned channel tactics with paid media and create bigger cross-channel campaigns



HOW

What executional best practices should I pay attention to when implementing new-to-file retention strategies?

- Center cross-functional efforts around the customer strategy and its results
- Now more than ever your agency partner should be working tirelessly to drive greater performance from media budgets. They should use structured daily, weekly and monthly task lists to ensure you are seeing continuous performance boosts from regular, consistent, and proven channel fundamentals
- Determine what KPI approach is best for this strategy. Is it a CPA? Is it a lift analysis off of a standard or predicted repeat rate? Is it based on a value metric that drives toward LTV goals? Think through how the KPI and measurement plan will support the strategy and learnings needed to iterate on this strategy. Know that media costs may be higher than standard and retention ROAS metrics may be lower than standard
- You will likely need to iterate through testing to crack the case. Define a phased learning agenda to capture the insights while giving the strategy time to reach desired business results



About Ovative Group

Ovative Group is a Minneapolis-based, independent media and measurement firm. We bring together the best of strategy, measurement, and media to enable an enterprise approach to marketing that increases our clients' profitable revenue, strengthens their customer base and creates a sustainable competitive advantage. To learn more, visit www.ovative.com.