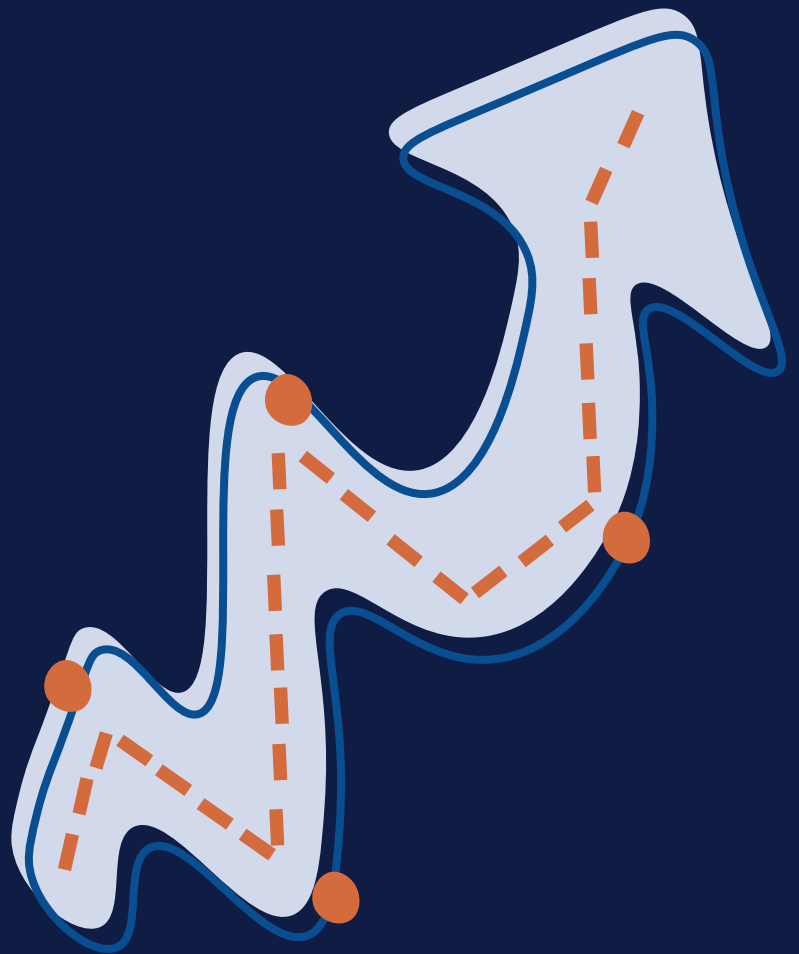




Endear's Ultimate Guide to the Customer Journey for Retail Marketing





Did you know that the average [Customer Lifetime Value \(CLV\) of an Amazon Prime shopper is \\$2,283?](#) Knowing this metric, Amazon understands precisely the level of efficiency that needs to go into marketing to each shopper throughout their entire relationship: from subscriber to online window shopper, to power user.

With the rise of [Omnichannel](#) retail, digital marketers can also leverage their own customer data to effectively market their products in different ways throughout the entire customer journey. As the relationship with the shopper evolves, the marketing can also evolve to remain effective at each phase of the customer's lifetime relationship with the store and brand.

This guide will walk you through these phases of the customer journey, from discovery to evangelizing, examining how today's retail marketing team can use customer data in targeted ways to increase conversions both in-store and online.

Table of Contents

04	The Importance of Good Customer Data
07	Overview of the Customer Journey
10	Discovery
14	Decision Making
18	Purchase
22	Post-Purchase
26	Retention
30	Evangelizing
34	Conclusion



The Importance of Good Customer Data

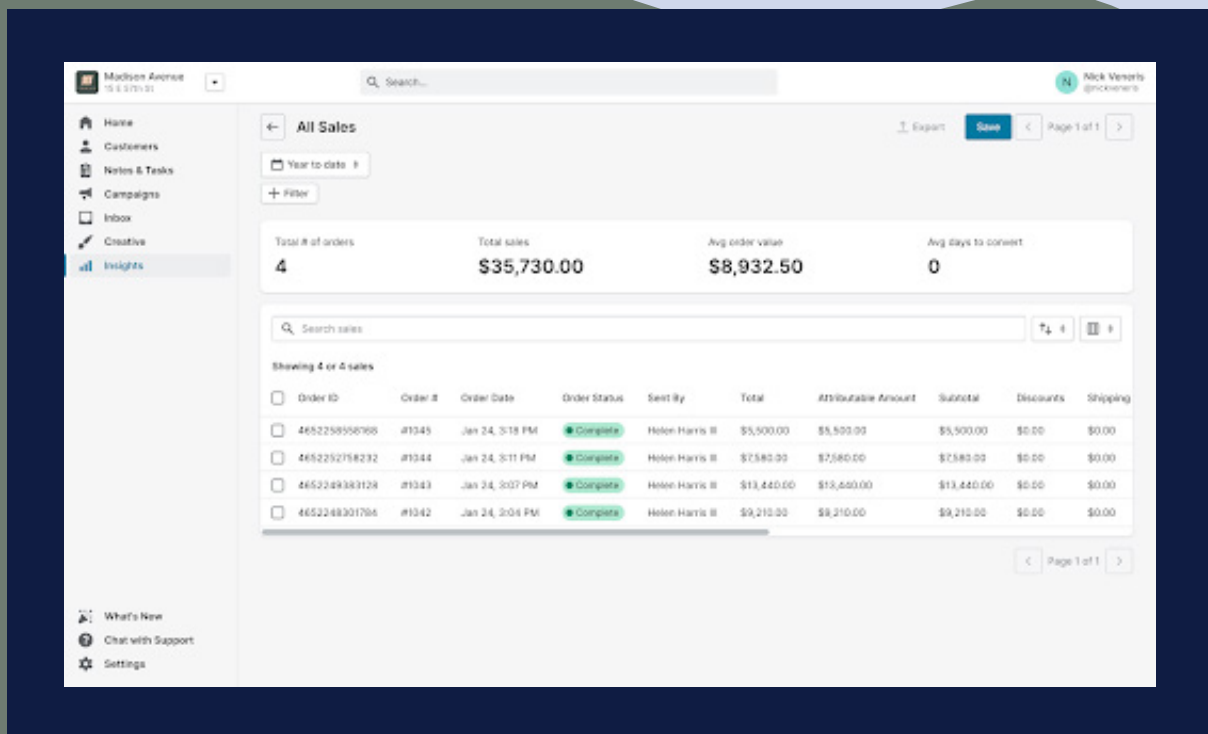
The value of good customer data really comes into focus when you consider the cost of bad data... and bad data costs a lot.

IBM found that **poor data quality wasted \$3.1 trillion** from the US economy, annually. In retail, bad data always leads to lower productivity and thinner margins. When your business doesn't really know your customers, you can't cater to what they actually want.

A great example of how good data can vastly improve your margins is one we'll be exploring throughout this guide. That example is called Omnichannel marketing, which is considered [the future of retail marketing](#) in general. In short, Omnichannel marketing refers to a business's various channels working together to deliver a positive shopping experience. From browsing dresses on a mobile device to seeing ads on social media, to completing a purchase in-store, [Omnichannel marketing has proven to be effective](#), resulting in an **18.96% engagement rate compared to just 5.4% from single-channel efforts**.



But your Omnichannel strategy won't get off the ground unless you have good customer data through a robust **Customer Relationship Management (CRM)** system. By automatically tracking not only in-store behavior, but your customer's behavior online as well, your retail business can start analyzing Lifetime Value, Average Order Value (AOV), Engagement Rate across email and text messaging, purchase history, and many other data points to craft a personalized marketing strategy.



A CRM solution like Endear provides retailers with an accurate portrait of a customer's journey, leading to more effective Omnichannel marketing campaigns.

Find out how Endear returns, on average 94X on the cost of your subscription.



Overview of the Customer Journey

For this guide, we'll be dividing the customer journey into six phases:

1. Discovery

The start of a customer's relationship with your brand is when they discover your brand and the products that resonate with them. Many guides may label this as "acquisition," but a personalized marketing strategy is more about helping the uninitiated truly discover your business's unique offering. Unless your business only sells

3. Purchase

a crucial phase that not only lays the groundwork for future purchases, but represents the phase where your customer is most engaged with your business. From customer satisfaction

2. Decision Making

one product, your customer will have a decision to make as they browse around. Of course, they're not only making a purchasing decision from your selection, but from the selections of your competitors as well. The moment of purchase is

5. Retention

points are only scratching the surface of the retention phase of the journey. Converting a first-time visitor into a repeat buyer necessitates your business going beyond simple customer service.

4. Post-Purchase

to returns, this phase of the customer journey provides ample opportunity to increase loyalty as well as upselling to increase the AOV of the customer. Loyalty programs and reward

6. Evangelizing

The ultimate goal of the customer journey is to get them excited to bring in new customers to your business.



As you can see, it's called a "journey" for a reason.

It's usually an involved process to guide a customer from being a brand newbie to being a loyal ambassador of your brand. There are many pitfalls along the way, and some phases will have a lower conversion rate than others.

But by understanding your customer data, **you can see which phase requires the most marketing support** to increase that specific conversion rate. Your CRM can show you your "weakest" phase and provide actionable insights on a personalized marketing campaign to boost engagement.





Discovery

While retaining your existing customers is incredibly important (*and we'll get to that*), a growing business can't grow quickly unless there is a focus on helping people discover your brand.

In fact, research shows that [“new customers are 2.8 times more important to rapid revenue growth than repeat purchasers.”](#) After all, it's nearly impossible to get your existing customers to double their spend in order to double your revenue, because most consumer spending habits are not that elastic. It's much easier, relatively, to double your customer base instead.

What is your growth rate? According to [Oberlo](#), the average annual retail industry growth rate is about 3.58%. But as retail continues to recover from lockdowns, many sectors are seeing [double digit quarterly growth](#). If your business is struggling to keep up, your digital marketing strategy must focus more on the discovery phase.



Let's Turn to the Data:

Dive into your analytics to reveal which channels are the strongest and weakest for bringing in new customers. These channels include:

- **Foot traffic**
- **Your website**
- **Organic & Paid Google traffic**
- **Social Media**
- **Referrals**

Identifying your strongest channels can boost discovery by investing more resources. For example, if your Google Ad traffic is already delivering a good stream of new customers, you can probably spend more on paid ads or expand your keyword reach to turn that spigot of discovery higher.

Likewise, identifying your weakest discovery channels can also mean quick wins if you employ the right digital marketing strategy. Let's say your retail location depends on increased foot traffic for more sales, which was the predicament **gorjana**, a jewelry brand, found itself in.

How gorjana Optimized Their SMS Strategy to Increase Conversion Rate

[CHECK OUT THE FULL CASE STUDY](#)

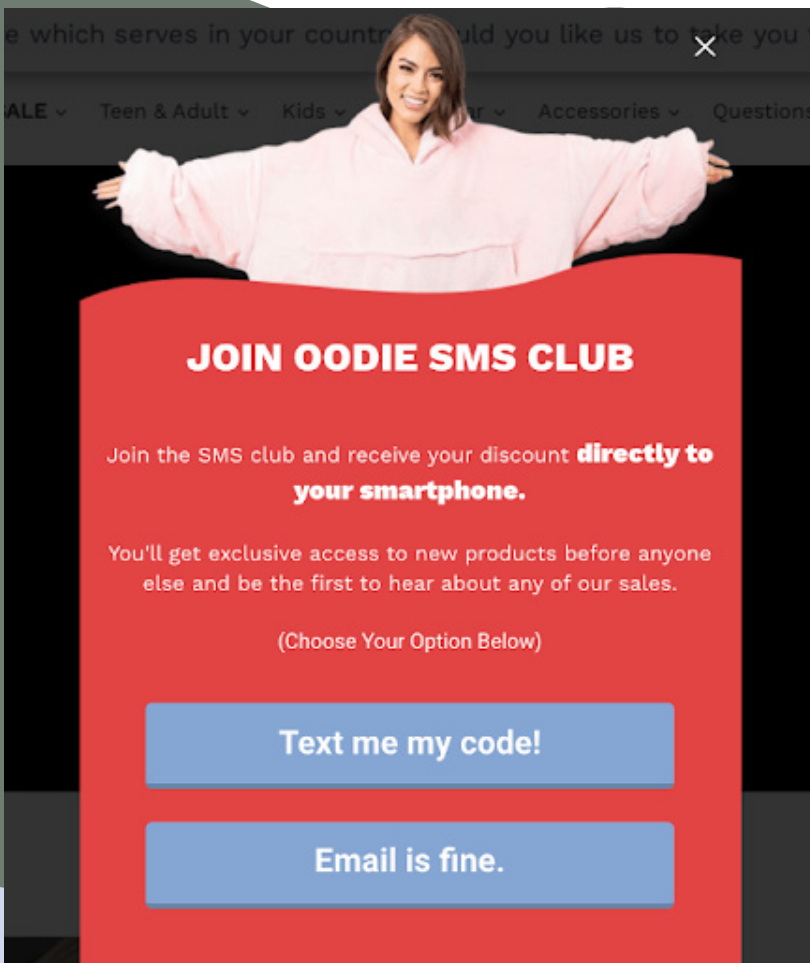
The digital strategy gorjana used was to focus on a much more **personalized, two-way dialogue** text message initiative to engage with their list of contacts and entice them to come into the store with very specific promotions and deals tailored to the customer.

Applying this strategy to a list of contacts that may have never before set foot inside of the physical store, drove engagement and led to a **20% conversion rate**.



But how can your business get new customers to opt in for texts? It's a high hurdle, but well worth the effort since SMS marketing has a much higher open and read rate than email; some brands seeing a whopping **98% open rate!**

First, always (and we mean always) include a field for entering a phone number on any signup form on your website, along with the usual email field. Next, find ways to get customers to want a text from your company. Be it exclusive promotions, discounts, or special events; offer up something they want.



Yet another method is to run a **text-to-enter contest** on social media. Creating a simple code to text in for an entry makes it easy for new customers to see and remember. Don't be afraid to offer a big prize. Considering the ROI of collecting phone numbers (remember just how high the engagement rates are), these types of contests are well worth the marketing spend.

Source: [theoodie](https://www.theoodie.com)

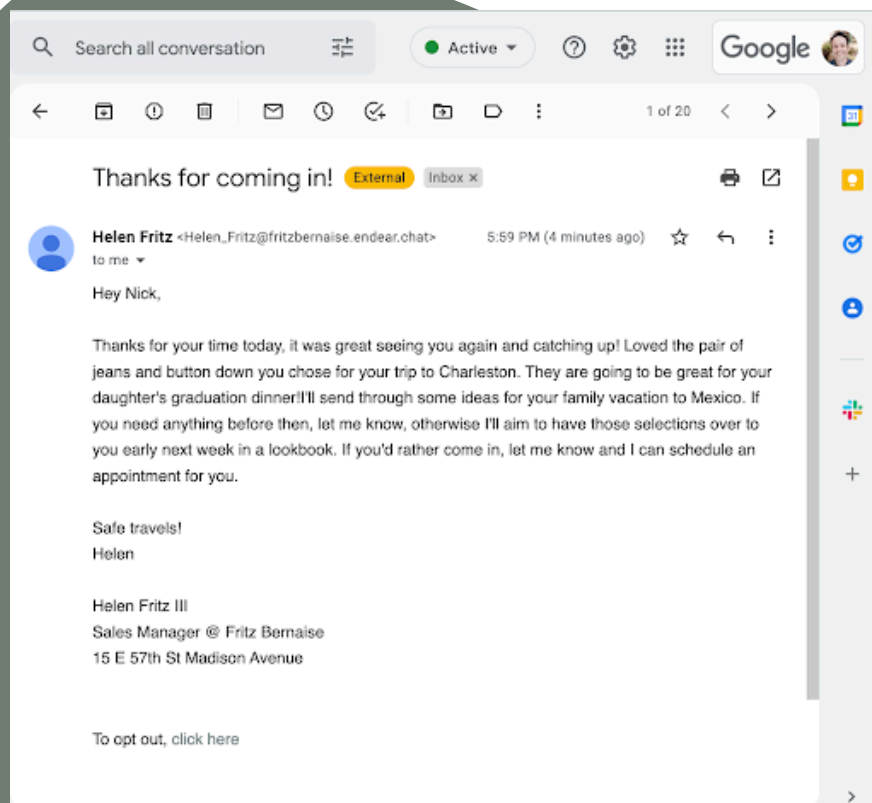


Decision Making

If you've ever lost an hour of your own time in a retail store just browsing around, you can understand just how crucial the decision-making phase is.

And if your retail location has trouble with converting foot traffic into actual sales, you *really* know the pain of getting this phase wrong.

For digital marketers, laying the groundwork for increasing conversions at the decision-making phase starts long before your customer sets foot in your brick & mortar store. It starts with the right **personalized messaging** to guide customers in their decision-making process. Specifically, **emails and texts**.



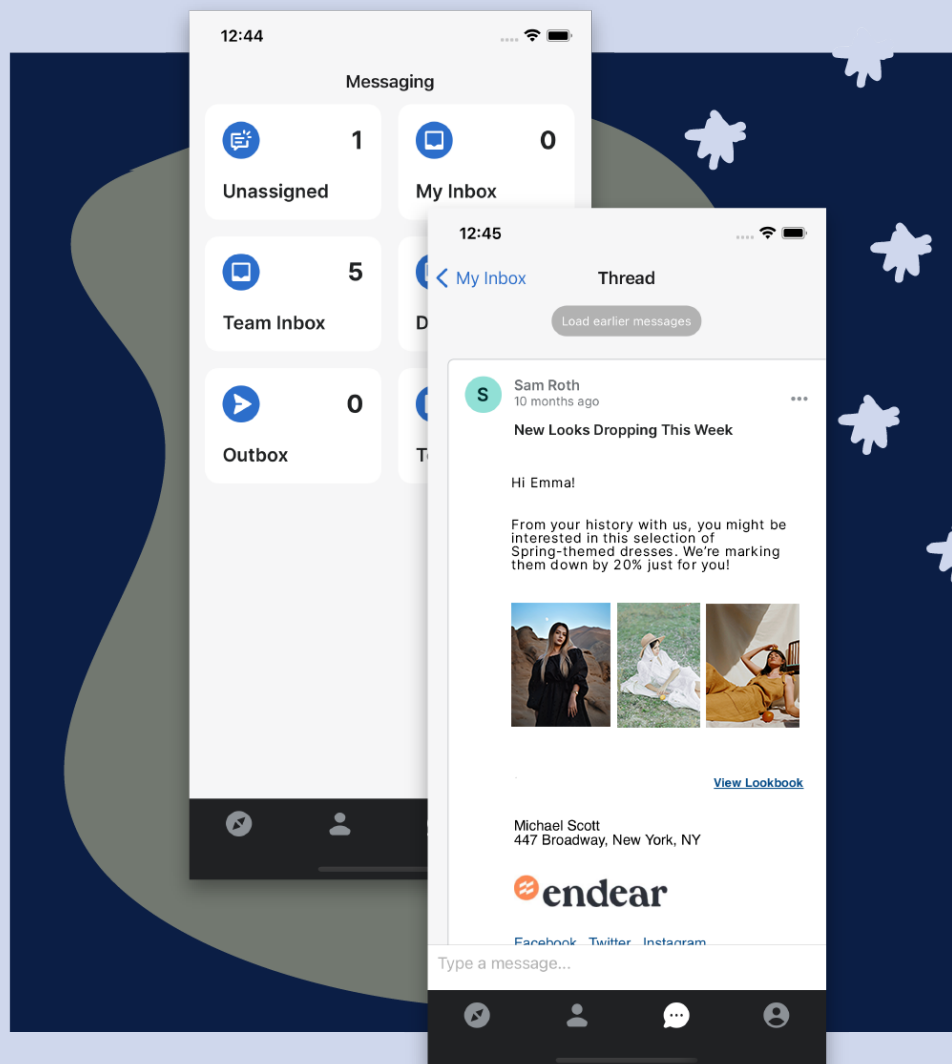
Let's Turn to the Data:

Personalized messaging has recently become a much more prominent part of digital retail marketing due to its effectiveness. Endear clients on average see a **26X higher conversion rate** than regular, generic email marketing. [Other industry research](#) shows a **20% increase in sales** from personalized messaging.

In short, the biggest mover of the needle is to get personal!

It's a bit more involved than adding your customer's first name in the subject line. Rather, a **personalized and curated promotion** is the real key. By mining your CRM data, you can insert deals on products similar to ones that they have browsed or purchased in the past.

Check out this example of a curated message:





Endear clients on average see a 26X higher conversion rate than regular, generic email marketing.

Endear clients have used Lookbooks to curate these types of personalized marketing messages, helping the decision-making process feel much simpler for the customer as well as making them feel like an important, and well-understood, client. And considering that [The Paradox of Choice](#) has been shown to hinder shoppers, the curation of a select few personalized products goes a long way to raising conversions.

We can brainstorm more effective ideas that will improve this phase of your customer's journey by utilizing data derived from a CRM. Ideas include specific product bundles, arming your sales associates with mobile devices, and cutting down on wait times.

[Check out more ideas here.](#)



Purchase

Is there really any marketing to be done at the moment of purchase? Absolutely!



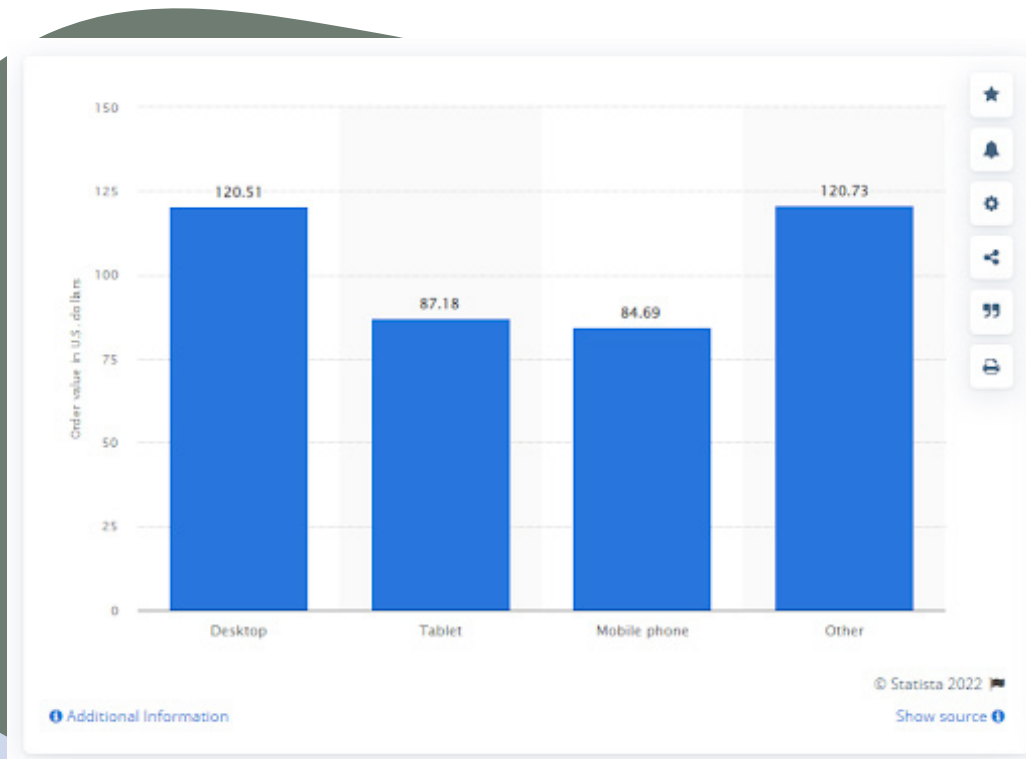
The reason is that **the point-of-purchase is varied in today's Omnichannel retail world**. Sometimes it's online, sometimes it's in person, and then there's BOPIS. "Click and collect" or "buy online, pickup in-store (BOPIS)," describe when the moment of purchase occurs online, but the actual transaction of goods happens in a retail location.

Today, there are many ways to upsell, bundle, or show related items during the check-out process. And they all work. There's a reason why Amazon shows related items right before and after the purchase is made, a technique that can [increase conversions by 550%](#).

Does your retail business have to improve this phase of your customer's journey?

Let's Turn to the Data:

A weakness at this phase most often shows up in your CRM as a low **Average Order Value (AOV)**. Your customer is buying something, sure, but they're not spending all that much. And the method of increasing your AOV isn't always so obvious unless you look at your data. There are dozens of factors that affect this metric. For example, did you know that there is a difference in AOV depending on the device your customers use to shop?

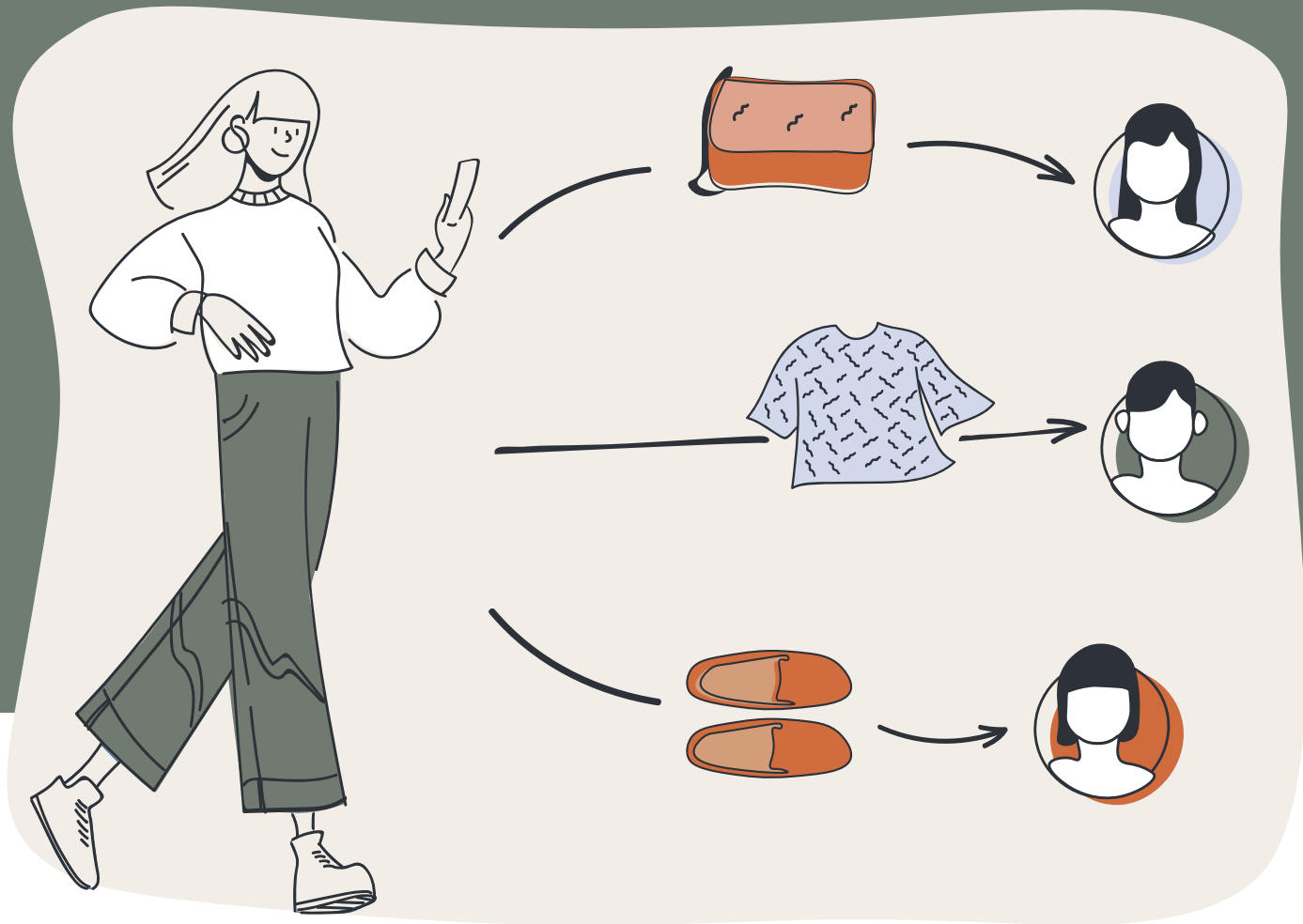


source: [statista.com](https://www.statista.com)

While shopping from a smartphone is extremely common, **shoppers still buy more expensive items on desktop** (as of 2020). So what does your own customer data show?

Start with the basic question: which channel has the lowest AOV at check-out: online or in-store?

If it's in-store, upselling through **personalized bundling** is one of the most effective ways to increase AOV at or just before the moment of purchase. We're not talking about just bundling, say, similar lotions together. Rather, by reviewing a customer's history, your CRM can tell you specific items that they have either purchased before or have browsed recently.



For example, let's say a sales associate (with a mobile CRM) has just helped Emma choose a few makeup items. On the way to checkout, she says "hey Emma, didn't you buy eyeshadow a few months ago? Do you need a replacement by now? If so, I can give you 10% off if you buy a couple with the rest of your items." You can see how effective this type of bundling can be, and it feels more like great customer service rather than just an upsell.

If you want to increase your AOV online, your customer data is even more important as that will directly feed which items to recommend. Showing "popular items" and "customers also bought these items" are generalized ways to upsell products. But keep in mind that Amazon built their entire business on intelligent algorithms that go beyond the basics. Your own business can replicate this type of AI by installing [product recommendation apps](#) that can increase both conversions and AOV.



Post-Purchase

This phase of your customer's journey is all about satisfaction.

This is also where sowing the seeds of **customer loyalty** really begins, because maintaining that feeling of satisfaction is what will bring them back for another visit. And the other side of that coin is quite grim: over half of all shoppers (55%) will not return to a retailer after a single bad experience.

What makes for a great post-purchase experience? Nice packaging. Prompt delivery. Additional discount coupons. All these things are nice, but there's one thing that customers want more than anything else after buying from your store: **communication.**



Let's Turn to the Data:

A whopping 83% of shoppers expect regular communication about their purchases.

This includes shipping updates, delay notifications, and any additional information they should know about their new product.

This is a gift to digital marketers! For one, every communication touchpoint can be a gentle way to market other products or services. But more importantly, **frequent communication builds trust and loyalty**. Endear's most used features all involve making it easier for sales associates to have personal, 1-on-1 conversations with clients. **Rebag**, an Endear client, attributed high engagement as a reason for their increase in sales:

*...over the last six months, [Rebag has] driven over **\$20 million dollars in sales** just through what's attributed to their efforts on Endear - so their clienteling efforts, email, and text. But what's even more outstanding, is that especially with SMS, their reply rates vary from 10 to 15 percent. - [Rebag Case Study](#)*

The Post-Purchase phase is not the time to stop the dialog, but rather to use it as a point of engagement:

“Thank you again for being such a great client! Don't hesitate to text me if you have any questions in the next few days.”

“How are you liking your new item so far?”

“Would you mind reviewing your product on our website? It would mean a lot if you could share your opinion with our community.”

These messages can even be scheduled through your CRM's messaging system so sales associates won't have to remember to send them, nor spend much time drafting them. Yet they act to keep the conversation, and relationship, going far past the point of purchase.



Another effective way to increase a customer's return rate to your store during the post-purchase phase? **Make their returns easy.** As in, any product returns they may have after shopping.

62% of customers would purchase again from a brand offering free returns or exchanges. And yet, only about 65% of shoppers are actually satisfied with their return process experience. This means that the majority of brands are simply leaving additional business on the table by not improving their returns.

Combine the above two points and **communicate your store's easy returns policy.** Since most shoppers prefer to return products in-store anyway, make sure they know that they can come in at any time to return items for a full refund. It's less costly for your business (by not dealing with mail), more convenient for your customers, and a great way to upsell them while they're in the store.



We call this a win-win-win!



Retention

A good post-purchase strategy can lead to repeat business, but it takes more planning to create a truly loyal customer.

Unlike the previous phases of the customer journey, the retention phase is one that your team will continue to work on for years to come. And it's well worth it.

Did you know that increasing retention by just 5% can boost your profit by as much as 95%? Many reasons factor into this: keeping a customer is less expensive than finding a new customer, existing customers are more likely to try new products, and existing customers spend more on average than a new one.

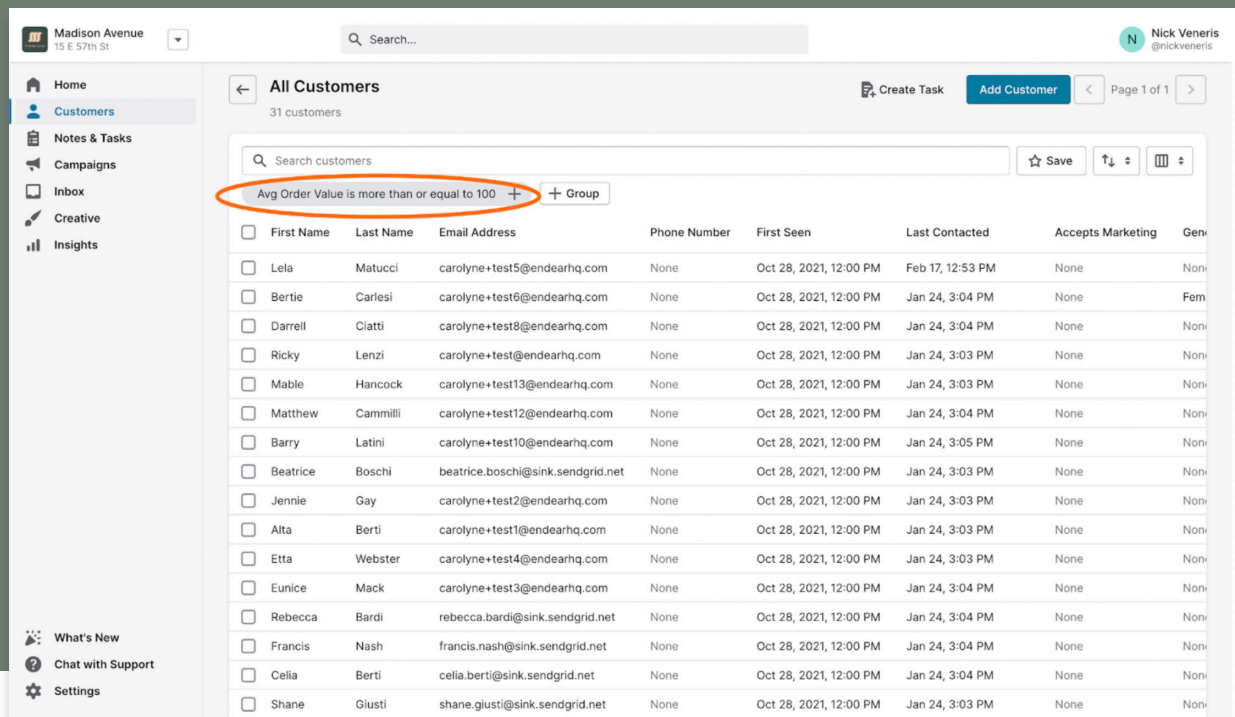
Your pool of loyal, returning customers will always be the pulse of your business. How can you boost your retention rate with some savvy marketing moves?



Let's Turn to the Data:

You've probably heard of the Pareto Principle as it relates to retail which states that 20% of your customers account for 80% of your revenue. Unfortunately, this widely held generalization is less true in practice. Research shows that the "tail" is much longer than once thought, as [a business's top 20% of their most valuable customers account for about 59% of sales.](#)

We point this out because focusing your marketing efforts on retaining just the top 20%, as many others suggest, is a path to ruin... or at least a path to a sub-par retention strategy. The better method is through **segmentation**.



The screenshot shows a CRM interface for 'Madison Avenue' with 31 customers. A filter is applied: 'Avg Order Value is more than or equal to 100'. The filter is circled in orange. The table below shows the customer data.

First Name	Last Name	Email Address	Phone Number	First Seen	Last Contacted	Accepts Marketing	Gen
Lela	Matucci	carolyne+test5@endearhq.com	None	Oct 28, 2021, 12:00 PM	Feb 17, 12:53 PM	None	Non
Bertie	Carlesi	carolyne+test6@endearhq.com	None	Oct 28, 2021, 12:00 PM	Jan 24, 3:04 PM	None	Fem
Darrell	Ciatti	carolyne+test8@endearhq.com	None	Oct 28, 2021, 12:00 PM	Jan 24, 3:04 PM	None	Non
Ricky	Lenzi	carolyne+test@endearhq.com	None	Oct 28, 2021, 12:00 PM	Jan 24, 3:03 PM	None	Non
Maible	Hancock	carolyne+test13@endearhq.com	None	Oct 28, 2021, 12:00 PM	Jan 24, 3:03 PM	None	Non
Matthew	Cammilli	carolyne+test12@endearhq.com	None	Oct 28, 2021, 12:00 PM	Jan 24, 3:04 PM	None	Non
Barry	Latini	carolyne+test10@endearhq.com	None	Oct 28, 2021, 12:00 PM	Jan 24, 3:05 PM	None	Non
Beatrice	Boschi	beatrice.boschi@sink.sendgrid.net	None	Oct 28, 2021, 12:00 PM	Jan 24, 3:03 PM	None	Non
Jennie	Gay	carolyne+test2@endearhq.com	None	Oct 28, 2021, 12:00 PM	Jan 24, 3:03 PM	None	Non
Alta	Berti	carolyne+test1@endearhq.com	None	Oct 28, 2021, 12:00 PM	Jan 24, 3:03 PM	None	Non
Etta	Webster	carolyne+test4@endearhq.com	None	Oct 28, 2021, 12:00 PM	Jan 24, 3:03 PM	None	Non
Eunice	Mack	carolyne+test3@endearhq.com	None	Oct 28, 2021, 12:00 PM	Jan 24, 3:04 PM	None	Non
Rebecca	Bardi	rebecca.bardi@sink.sendgrid.net	None	Oct 28, 2021, 12:00 PM	Jan 24, 3:04 PM	None	Non
Francis	Nash	francis.nash@sink.sendgrid.net	None	Oct 28, 2021, 12:00 PM	Jan 24, 3:04 PM	None	Non
Celia	Berti	celia.berti@sink.sendgrid.net	None	Oct 28, 2021, 12:00 PM	Jan 24, 3:04 PM	None	Non
Shane	Giusti	shane.giusti@sink.sendgrid.net	None	Oct 28, 2021, 12:00 PM	Jan 24, 3:03 PM	None	Non

Your digital marketing team should intelligently segment your customers into groups according to how often they make purchases throughout a time period. Frequent shoppers, often shoppers, sometimes shoppers, infrequent shoppers; group them by their similar shopping patterns throughout, say, a year.

This way, you can customize and personalize the marketing messaging for each tier. The already frequent shoppers naturally need less encouragement, which means you can craft the marketing messages less around loyalty programs and more around informing them of new products that are similar to their shopping and browsing history.

But one tier down, the “often shoppers” is the group to target heavily with a **loyalty/rewards program**. After all, they’re close to being on the cusp of loyalty! Reach out with reminders of the program, offers of special bonus points and deals, and extra referral rewards.

On the other hand, the “infrequent” shoppers are the wrong group to push the loyalty program to. If they’re only buying once or twice a year, they won’t bother collecting rewards points. In fact, these are your clients most likely to churn and never come back. Instead, target the messaging around the **most drastic deals you can offer**. 50% to 90% off. Some companies even straight up offer free products. Almost any promotion you offer will be less costly than losing the customer and having to spend resources on finding a new one.



Another idea is to **segment by radius around store locations** with lightning deals. That way, you can narrow down your deals to those most likely to walk in, saving your business promotion expenses while providing an exploding offer to entice local shoppers. Segmenting your customer base in this way lets you wield your marketing messages strategically and surgically.

[For more ideas on customer retention, check out our recent white paper on repeat business strategies for Glossy.](#)



Evangelizing

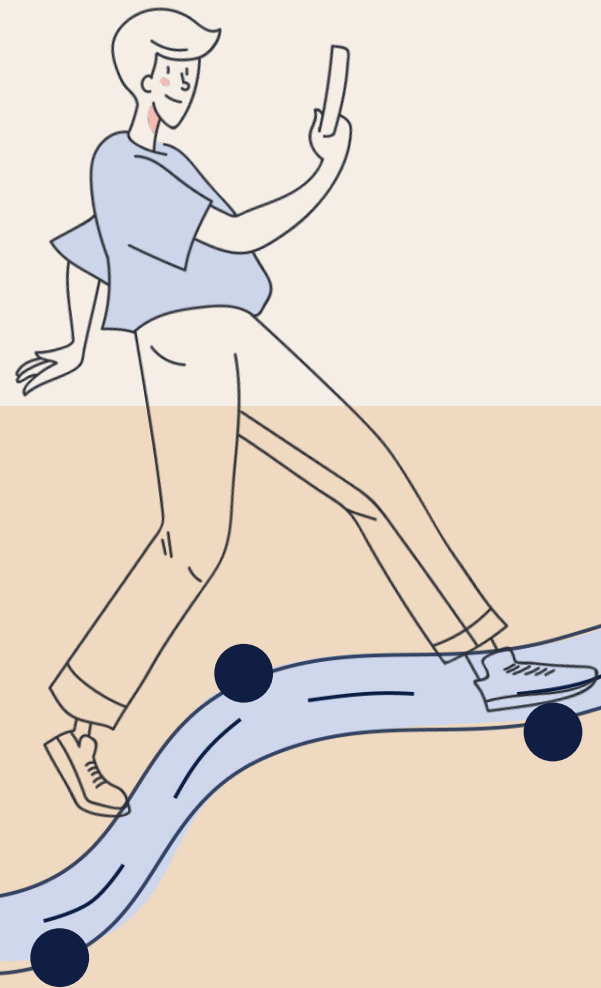
A truly stellar brand can steadily guide their customers along all the previous phases to this final, most ideal one – where the customer is loyal and passionate about the brand as you are.

We're talking about brands with fervent fans like Lululemon, Southwest Airlines, Trader Joe's, and Apple.

Of course, loyalty can manifest itself as spending habits instead of mere confessions of love on social media. Domino's Pizza might not immediately come to mind for loyalty, but they ranked #5 on [2020's list of the top brands by customer loyalty](#). When people are hanging out with friends, and someone asks if they should grab pizza, that person is going to suggest Domino's every time.

So how can your brand achieve this level of evangelization from your customers?

The answer is [clienteling](#).



Let's Turn to the Data:

Throughout our customer journey, the digital marketing strategy has had **personalization through CRM data** as its engine, because that personal, customized experience is what shoppers crave. This is clienteling, in a nutshell: giving each customer a luxury, personal-shopper-esque feel that keeps them coming back for more and recommending you to their circle.

According to research,

80%

of shoppers surveyed have "grown to expect and desire personalized experiences [from retailers]."

And when retailers offer it, they see a

"10-15%"

boost in sales-conversion rates"

In today's retail market, clienteling is the major way brands can provide this personalized experience.

For example, brands that offer **1-on-1 appointments** with their customers see a boost in sales and customer satisfaction. In fact, 64% of shoppers spend more on products after an in-person appointment. Even virtual consultations like the ones Dormify, an ecommerce home decor brand, offers work to endear customers to their brand.





Another method digital marketers should employ is to **eventize your brand**. Hosting in-store events where customers can gather and foster a community is one of the most effective ways to provide personalization and promote evangelization. **Koio**, a sneaker brand, leveraged personalized bulk messaging to get the word out about a new shoe to their highly-engaged sneakerheads.

Koio's targeted messaging for the event accounted for over 10% of in-store sales over a weekend, and was successful in mobilizing the community to come together. Many brought friends who were new to the Koio brand, turning this segmented group into de facto brand ambassadors.



Segmenting. Messaging. Eventizing. Appointment setting. All these marketing strategies are a part of the clienteling that modern brands use to **increase retention rates by as much as 200%**, provide an experience that goes beyond simple customer service, and turn customers into brand evangelists.



Conclusion

Your brand's customer journey can be a long and winding one.

Each phase is different and customers can fall back into earlier stages, or skip to the end. These marketing strategies for each phase can help your team cater to where your customer is currently, and guide them further along on their journey.

Let's recap the strategies at each phase:

Discovery

- ✓ Identify your strongest and weakest existing channels that bring in new customers via your CRM data.
- ✓ Turn up the tap on your best sources by investing more resources.
- ✓ Use 2-way messaging to increase engagement on weaker channels.
- ✓ Focus on collecting phone numbers to start engaging effectively with new prospects.

Decision Making

- ✓ Use curated promotions along with a highly personalized message.
- ✓ Create Lookbooks to increase the likelihood of purchase.
- ✓ Arm sales associates with mobile devices to better assist shoppers.

Purchase

- ✓ Identify channels with low AOV.
- ✓ Create personalized bundles to upsell effectively.
- ✓ Leverage intelligent algorithms to display better product recommendations.

Post-Purchase

- ✓ Continue communication during this phase to ensure satisfaction.
- ✓ Automate post-purchase messaging to cater to every client.
- ✓ Make in-store returns easy.

Retention

- ✓ Upsell when they do make returns.
- ✓ Intelligently segment your customers by shopping frequency.
- ✓ Tailor deals and promotions to each segment.
- ✓ Offer the most drastic deals to customers about to churn.

Evangelizing

- ✓ Employ clienteling at all phases.
- ✓ Offer 1-on-1 in-store or virtual appointments.
- ✓ Eventize your brand to bring customers in.

Each of these phases of the customer journey could merit their own ebook of tips, data, and strategies.

If you would like to see these fleshed out, just let us know by [contacting us via email](#). In the meantime, more information can be found [on our blog](#).

We at Endear have been championing better customer data and clienteling since our inception. We've helped hundreds of retail businesses better engage with their customers through automated messaging, sales history tracking, intelligent product recommendations, and more. [Click here to get started](#) with a free demo of Endear's features today.



THANK YOU

