Customer Acquisition and Retention

With Shawn Christianson & Alie Reynolds

Gardener's Supply Company

A business to spread the joys and rewards of gardening.

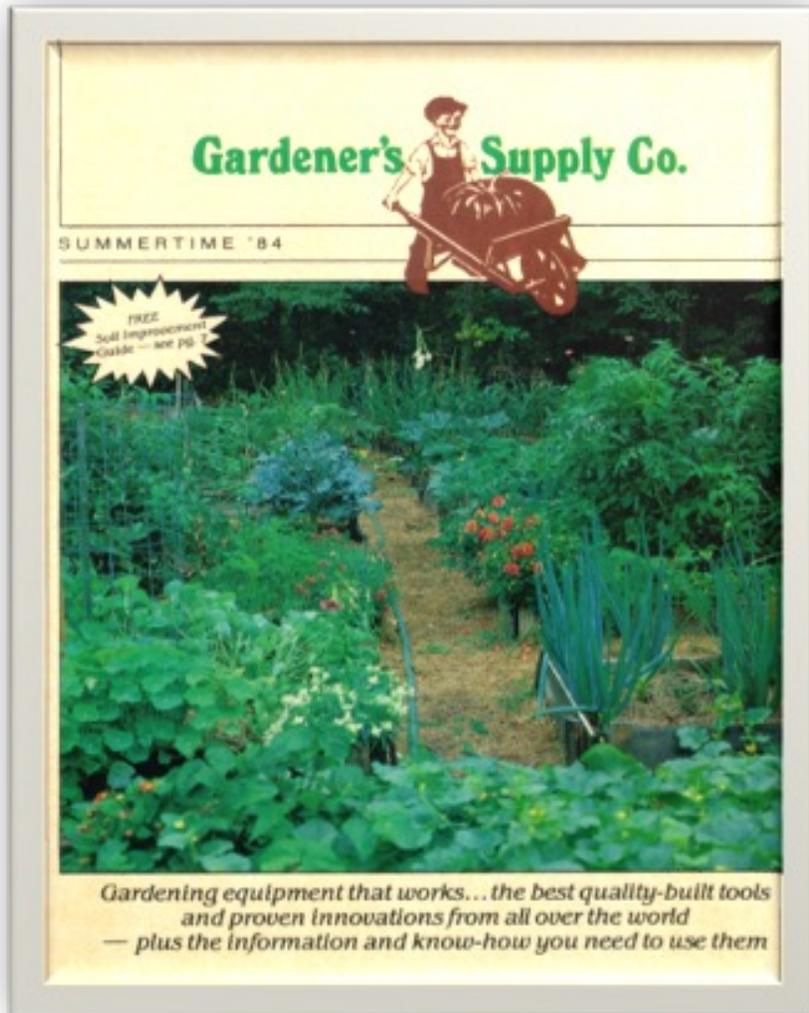Shawn Christianson

Director of Marketing

Alie Reynolds

Customer Retention Manager

Rooted in Catalogs

and Mission Driven

- **1983:** Will Raap launches Gardener's Supply Company as a catalog mail order company offering innovative gardening solutions.

- **1990:** Implements mission statement to "spread the joys… of gardening, because gardening… makes the world a better place"

- **1996:** Gardeners expands to the World Wide Web with our first ecommerce presence at Gardeners.com

Customer Acquisition

Using metrics, omni-channel strategy, and brand awareness to drive new business
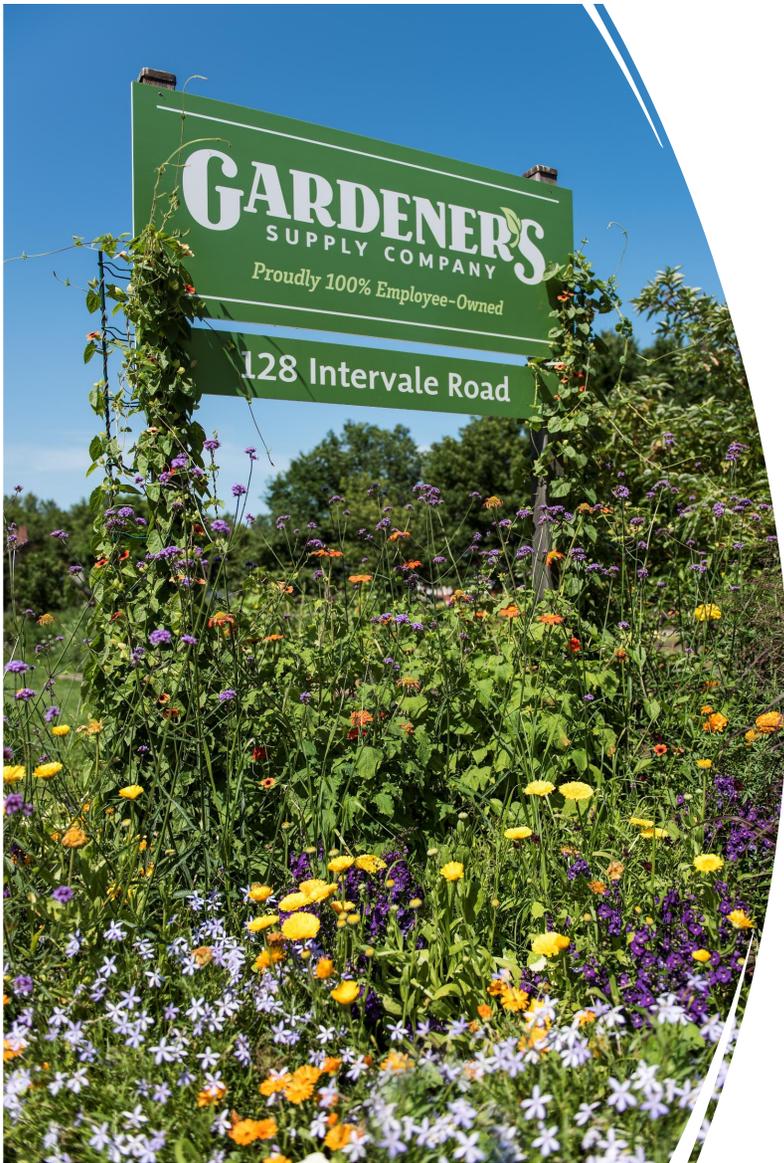
Acquisition

Understand your brand & consumer

- Understand and define your value proposition
    - How you create better outcomes & experiences
    - Why customers want to be a part of your 'community'
    - What drives long term engagement
- Determine your mission – your why
    - What does success look like
    - Why you are in business
    - The goal of the brand as an entity
- Segment your messaging
    - What is most important to someone new to the brand?

Acquisition

Channels of Focus

- Align your focus with business goals
  - Growth – Top of Funnel
    - Brand awareness, video, social prospecting & partnerships
  - Profitability – Retention Channels
    - Email, print, social retargeting, deals & promotion strategies
- Consolidate your targets & resources
  - Good content on any channel is resource intensive – don't try to do it all at once
    - Allocate budgets for testing

Acquisition

Targets

- CPA – Cost per Acquisition
    - Ad spend from platform reporting
    - Customer Count from Rockerbox
- % of Orders & Demand from New Customers
    - Used to understand the balance between cost/topline/profit
- 12/24-month Buyer Count
    - Leading indicator of above targets
    - Used during budgeting process to set new customer & rebuy targets

Acquisition

Profitability Management

- Fixed Marketing
    - Catalog drops – evolving
    - Tech platforms
- Variable Marketing
    - Digital Ad Spend (Google/Facebook)
    - Marketing Promotions (order-level discounts)
    - Commissions (Affiliates & Marketplace)
- Margin
    - Markdowns (SKU-level sales/multi price)
    - COGs/Margin
- Inbound Freight
    - Shipping Income
   - Freight Adders

Acquisition

Profitability Management

(cont.)

	Total	Core	Mktpl.	Comm.
Demand	**$XX,XXX**	**$XX,XXX**	**$XX,XXX**	**$XX,XXX**
Orders	X,XXX	X,XXX	X,XXX	X,XXX
AOV	XXX	XXX	XXX	XXX
Margin $	**$XX,XXX**	**$XX,XXX**	**$XX,XXX**	**$XX,XXX**
Margin %	X.XX%	X.XX%	X.XX%	X.XX%
Variable Marketing	**$XX,XXX**	**$XX,XXX**	**$XX,XXX**	**$XX,XXX**
Rate	X.XX%	X.XX%	X.XX%	X.XX%
Variable Contribution	**$XX,XXX**	**$XX,XXX**	**$XX,XXX**	**$XX,XXX**
Rate	X.XX%	X.XX%	X.XX%	X.XX%

Customer Retention

"An ounce of loyalty is worth a pound of cleverness" – Elbert Hubbard
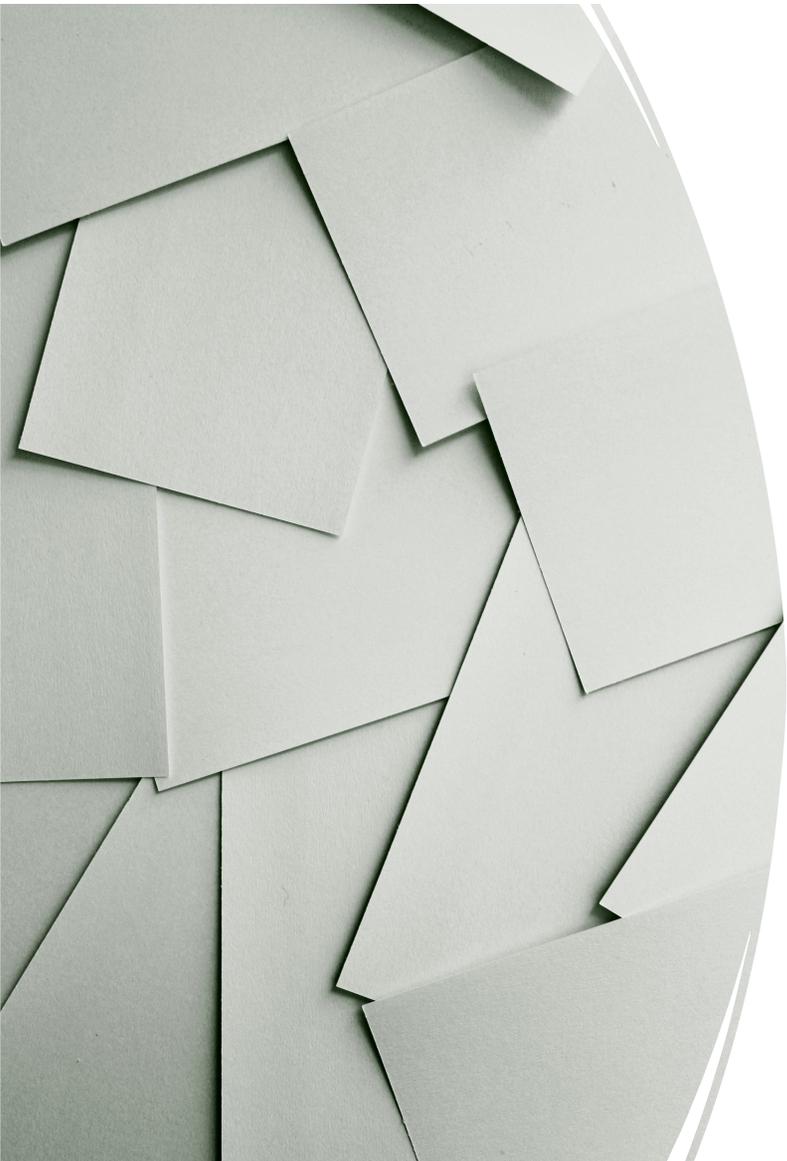
"The medium is the message" – Marshall McLuhan

- The channel influences the customer experience just as much as the message.
- Media does not disappear, it becomes more specialized.
- Your customer's perception is your reality.

Segment Your Customers

- Not all customers are created equal
- Build Segments By:
  - Purchase Behaviors
  - Channel Affinity
  - Sales Cycle
  - Geographic Regions
- What story are you telling? Is it relevant to this individual?

Get Personal

- Some data is sacrosanct, but **a lot of what can be used to personalize their experience is not.**

- What methods do you have to listen to what your customer is telling you?

- Be available, not big brother

- After a period, a level of **personalization is expected**, especially online

- Personalization should remove friction from the customer experience

Membership and Loyalty Programs

- 74% of consumers favor feeling **valued and understood** as the key component of brand loyalty.

- Customer satisfaction is a **metric**.

- In a loyalty or membership program it's the **customer's behavior** that drives value sharing.

- The best membership or loyalty programs create **convenience** to drive brand loyalty.

Using Marketplace Technology

How these channels can impact your business

Marketplace

- What is your goal in selling in the marketplace?
  - Profit
  - Exposure
  - Fulfillment
- How will you position your brand?
  - How that determines your engagement
    - 3P vs. FBA

Marketplace

Everyone should:

- Get a competitive insights tool
  - (Helium 10, Jungle Scout etc.)
- Be aware of Amazon's new market forays

Things to consider going forward

- Ownership of customer data
- Evolution of eCommerce space

Final Thoughts

and questions?