

How to Target Offers to Gain Customers for Life

A Discussion by Koupon Media



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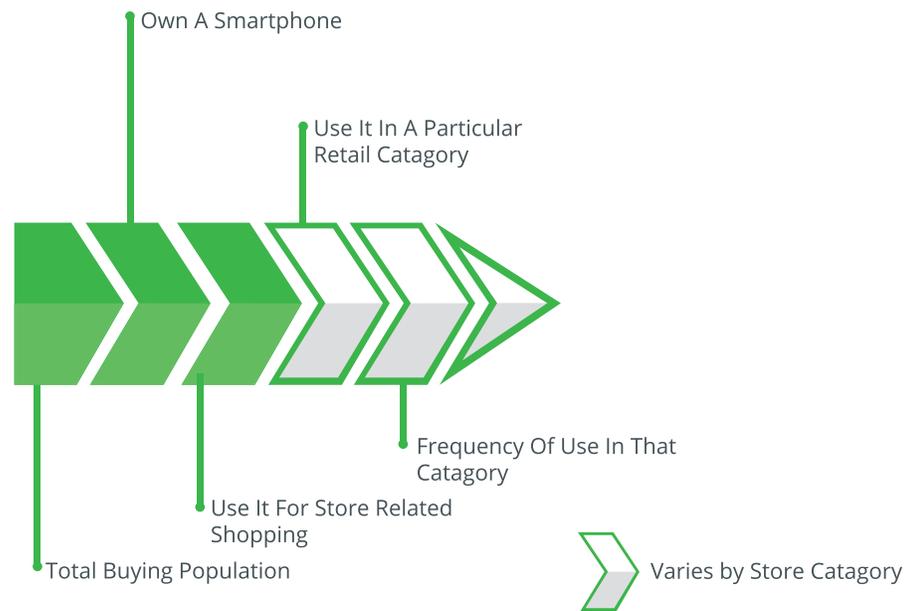
Marketers who personalize web experiences see, on average, a 19% uplift in sales¹. Offer and promotion campaigns are a great way to take advantage of this trend, while helping a brand strengthen the relationship with its consumer. This process can be viewed in four lifecycle stages: acquisition, conversion, sales maximization and retention. **Koupon Media enables retailers and brands to tailor mobile offers according to each of these stages in order to gain customers, drive sales and keep those customers coming back.**

The key to personalizing each offer is understanding where each customer is in the lifecycle; a new customer needs a different offer than a returning one, and a loyal customer expects to be treated differently than an inactive one. Koupon Media's targeting tools make it easy to differentiate customers based on their position and to meet the growing demands for a uniquely personal shopping experience. With Koupon's help, today's marketers can leverage both online and offline data and technology to create a 360-degree view of their consumers and use that information to gain customers for life.

In order for retailers to achieve this level of personalization, large amounts of data need to be collected to understand customers behaviors and preferences, and the smart phone is the perfect device for gathering this information. **Pew Research indicates that over 58% of Americans own a smartphone², and more than half of those smartphone users have used it for store-related shopping³.**

With Koupon Media's mobile analytics tools, users can be tracked based not only on location and demographics, but also on app usage and offer engagement, making it simple to identify shoppers as first time buyers, loyal customers or consumers that were once active but have since lost interest.

Mobile Influence Factor Methodology



Advances in mobile technology can give an ever-increasing understanding of consumer behavior. At Koupon Media, we have developed a system for not only creating that linkage but also managing the customer lifecycle to optimize value throughout its entirety. We have defined and identified the needs and solutions for each phase:

- **Acquisition of new customers**
- **Conversion of trial customers to loyal customers**
- **Maximization of sales to loyal customers**
- **Retention of existing customers**

Customer Lifecycle Management Via Koupon Mangager



Acquisition

In launching a new product or opening a new store, customer acquisition is imperative, and getting a customer to engage in an introductory offering is the first step. How do marketers identify those customers most likely to shop at your new location or try a new product? **Through mobile data and advanced analytics, retailers and brands can find those consumers with the highest propensity for trial.** Customers can be targeted for intended demographics or location. Marketers can also personalize offers to those spend-a-like shoppers who share particular buying habits and have the highest probability of engaging with your brand.

The first step in engaging consumers is tailoring offers to drive awareness. Mobile devices provide marketers an unprecedented ability to target shoppers and drive awareness of the new product or location. From push notifications and SMS campaigns to personalized offers that are associated with a promotional campaign for the purchase of a given product or in a given store, introductory offers must be richer than those given to your most loyal shoppers.

Introductory offers usually include free or buy-one-get-one-free coupons that can be effective in engaging a new customer, but provide less or negative immediate ROI, making them less appropriate for long-term or repeat use. These offers should be designed to hook a customer that may otherwise not engage with your brand, and therefore need to appear as irresistible as possible to the shopper. These offers can also be used for existing products to drive those shoppers that typically buy in another category to try your new product or brand instead. **Koupon Media makes it easy to launch an introductory offer campaign, and personalize it to those customers that would most likely use it and repeat their behavior to purchase from brands again.**

Conversion

Once a consumer has tried a product, the goal shifts from encouraging a one-time purchase to converting them to a loyal buyer. The objective in this phase is to drive repeat purchases and make a brand indispensable to the consumer. At this point, marketers can focus less on awareness and spend more time keeping a brand at the top of a consumer's mind while also providing incentives to encourage the customers to return for another purchase. During the conversions stage, frequency becomes critically important. Koupon Media helps clients push recurring offers, which not only encourage multiple purchases, but can help marketers track consumer behavior by day of week, and time of day.

More than half of mobile consumers want to purchase within the hour

55% Of consumers using mobile to research, want to purchase **within the hour**



83%
Want to purchase **within a day**

Location awareness is another important factor in the conversion stage. According to Google's 2013 Mobile Path to Purchase Report, **more than half of shoppers researching products on their smartphones want to make a purchase within the hour. 69% of shoppers searching on their phone expect the items to be available within a 5-mile radius.**

Mobile research influences purchase decisions



Restaurants

70%
considered
making a purchase

54%
actually
made a purchase



Apparel &
Beauty

63%
considered
making a purchase

40%
actually
made a purchase



Electronics

61%
considered
making a purchase

36%
actually
made a purchase

93% of mobile searches end in a purchase, most of them in stores.⁴

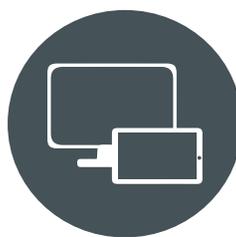
By engaging with customers using location targeting, marketers increase the chance of delivering a relevant mobile offer at the height of your customer's decision-making process and encourage them to make more frequent purchases at a location.

Consumers convert primarily in-store and online across devices



82%

Purchase
In-store



45%

Purchase
online
(Desktop / Tablet)



17%

Purchase directly on
their mobile phone

Maximizing Sales

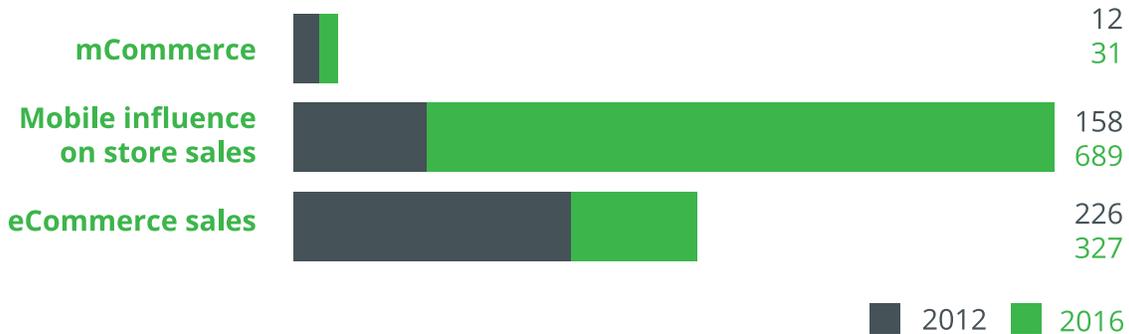
Most brands and retailers know that loyal customers are more profitable over the long-term. According to Visual.ly, the cost of acquiring a new customer is six to seven times the cost of retaining an existing customer, mostly due to factors such as advertising and promotions, explaining a product to new customers, and the cost of offering free merchandise or significant discounts during an introductory period.⁵

Offers tailored to a group of loyal buyers do not need to be as value-rich, but it's important they remain relevant. These offers can also be used for short-term revenue objectives.

Koupon Media encourages its clients to engage loyal customers by delivering personalized mobile offers that are not only relevant and beneficial to each customer, but also reward consumers for their loyalty. This keeps consumers coming back and increases the likelihood of steady sales.

Mobile-Influenced store sales vs mCommerce and eCommerce sales

Sales (\$ in Billion)



Retention

Every marketer is concerned with the prospect of losing loyal customers to the competition. Koupon Media helps its clients identify users that are engaging less, and then use an offer to re-acquire them as a loyal buyer. Offers for these detached consumers need to be more compelling than those for active loyal buyers in order to drive action, perhaps even resembling introductory offers.

Costs increase when re-engaging an inactive customer, so it's always better to prevent losing a customer in the first place. By increasing customer retention by 5%, brands and retailers can **increase profitability by 25% to 100%. Moreover, a 2% increase in customer retention has the same effect as decreasing costs by 10%.**⁶

From acquisition to retention, the Koupon Media platform enables marketers to deliver a fully personalized experience across all stages of the customer lifecycle. By personalizing content and leveraging data from detailed reports, Koupon users can create more appealing mobile offers that lead to increased sales and greater customer retention.

Conclusion

Mobile's impact on engagement of loyal customers and revenue growth seems to only be increasing in the short term. Deloitte finds that an estimated \$689 billion will be influenced by mobile retail by 2016.⁷ Retailers that go mobile and incorporate digital offers will benefit the most in the coming years.

Learn how Koupon Media can help your company create and deliver highly relevant offers.

1 Monetate / eConsultancy, May 2013

2 Pew Research, Mobile Technology Fact Sheet. January 2014. <http://www.pewinternet.org/fact-sheets/mobile-technology-fact-sheet/>

3 Deloitte, "The Dawn of Mobile Influence." 2012. http://www.deloitte.com/assets/Dcom-UnitedStates/Local%20Assets/Documents/RetailDistribution/us_retail_Mobile-Influence-Factor_062712.pdf

4 Mobile Path to Purchase: Five Key Findings. November 2013. <http://www.thinkwithgoogle.com/research-studies/mobile-path-to-purchase-5-key-findings.html>

5 <http://visual.ly/value-existing-customer-0>

6 Ensuring Customer Loyalty: Designing Next-Generation Loyalty Programs. February 2005. Oracle Whitepaper

7 The Dawn of Mobile Influence: Discovering the Value of Mobile in Retail. 2012. Deloitte Digital