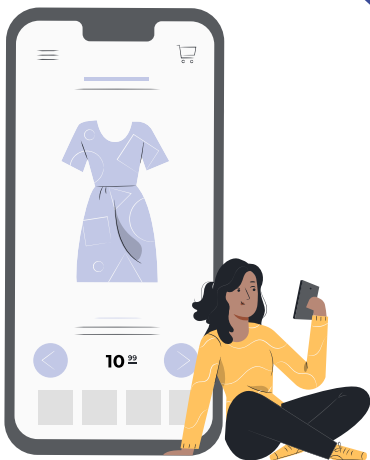




The eCommerce Retention Opportunity

CONVERTING RETAIL'S
ONE-AND-DONE BUYER





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Meet the One-and-Done Buyer

This is not an introduction we really want to make. The truth is, the one-and-done buyer is kind of a menace, and they plague nearly every retailer — but maybe they aren't such a problem after all. Maybe they're an opportunity in disguise.

Think about it. One-time buyers have already bought from you. It's not as if you have a non-buyer problem. You engaged those shoppers and drove them to make a purchase once, and the first time is the hardest time. Every time after that it should get increasingly easier and less expensive — if you take the right approach.

So what is the right approach to driving repeat purchases?

You've come to the right place.



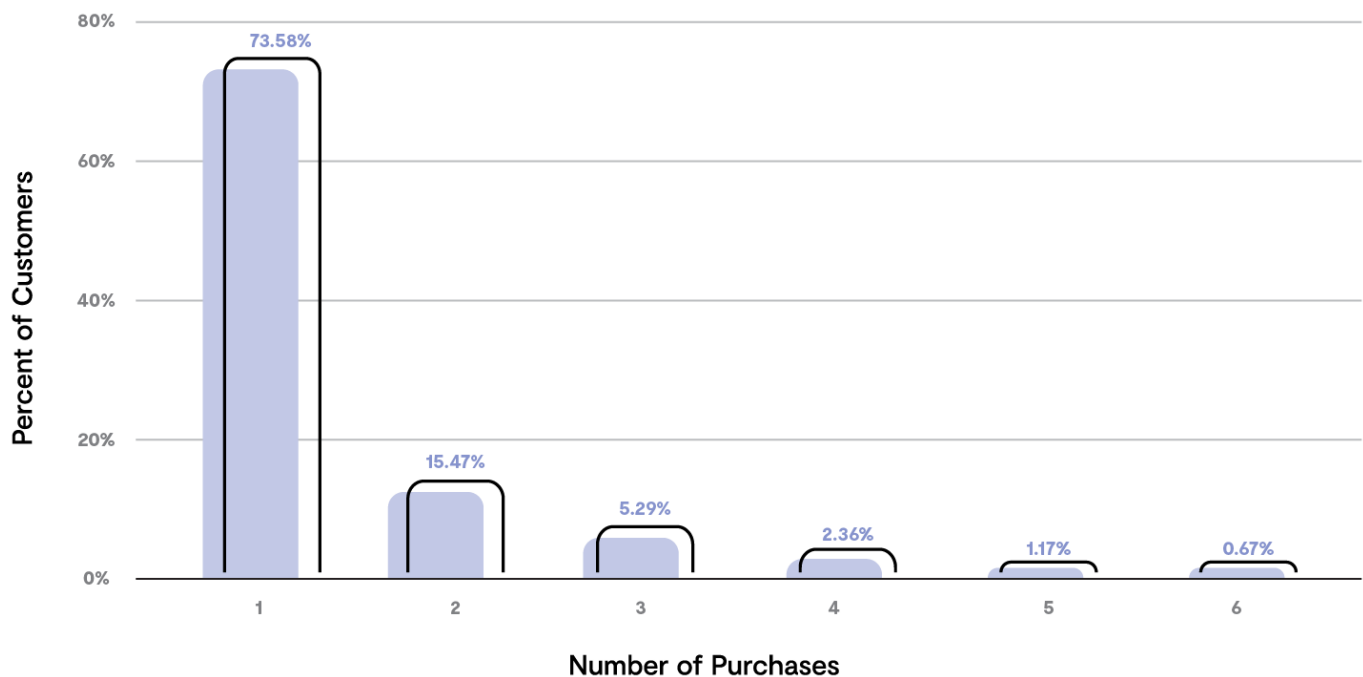
Why the Second Purchase is the Most Important

The second purchase has taken on almost mythical qualities because of both the difficulty many eCommerce retailers face in attaining it and the potential it holds for those retailers who can make it happen.

Consider the fact that, on average, nearly 74% of a retailer's customers are one-time buyers.

NEARLY
74%
of a retailer's
customers are
**ONE-TIME
BUYERS**

CUSTOMER DISTRIBUTION BY PURCHASE HISTORY



Now that’s a problem...

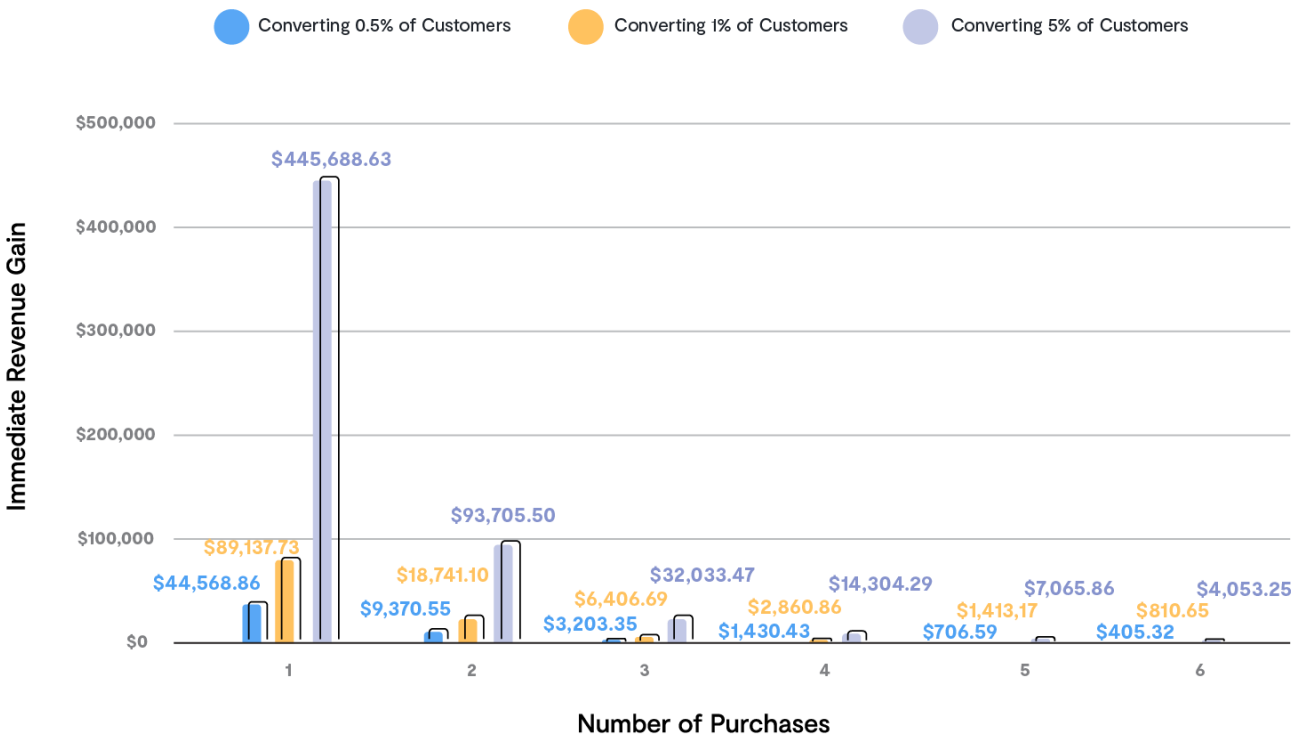
That means retailers are forced to prioritize expensive customer acquisition strategies instead of investing in customer loyalty just to maintain the status quo, let alone drive continued growth. But loyal customers are far more valuable because they spend more and are less expensive for marketers to convert. As a result, allowing the overwhelming majority of customers to sit in the one-time buyer bucket is a risk many retailers can’t afford to take.

...But it’s also an enormous opportunity.

Converting those customers into two-time buyers presents significant revenue potential. In fact, the second purchase is arguably the most critical purchase, because driving a second purchase from one-time buyers is essential to unlocking future repeat purchases and increasing customer lifetime value.

Let’s dive into this by looking at two years worth of data from retailers across industries including apparel, footwear, home goods, luxury, jewelry, beauty and sporting goods. For any 100,000 buyers, we can expect nearly 74,000 to have made only one purchase in a year. **Converting even 5% of those 74,000 one-time buyers into two-time buyers would immediately generate an additional \$445,000** in revenue based on an average order value of \$120.

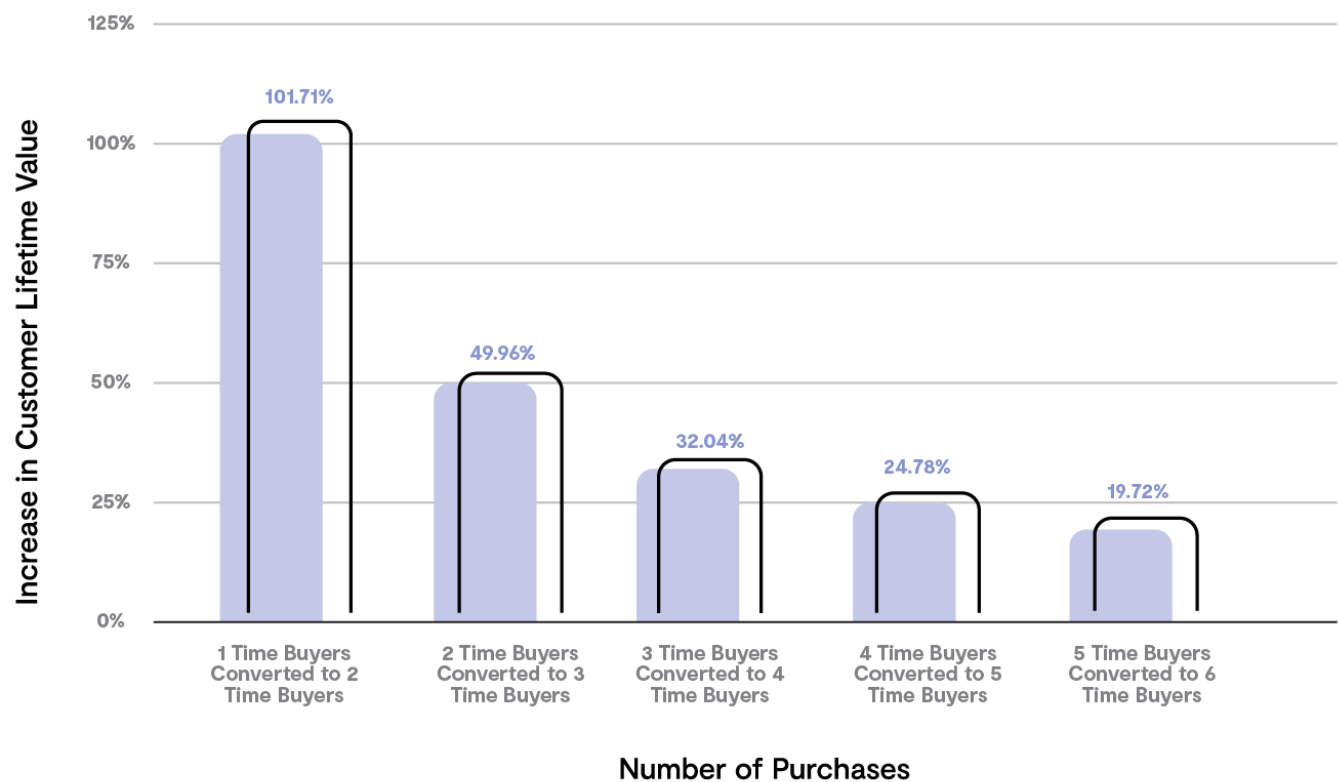
IMMEDIATE REVENUE GAINS FROM DRIVING REPEAT PURCHASES



And the revenue opportunity doesn't stop there. Beyond the immediate impact of that second purchase, repeat customers become increasingly valuable over their lifetime. **For example, two-time buyers are 101% more valuable than one-**

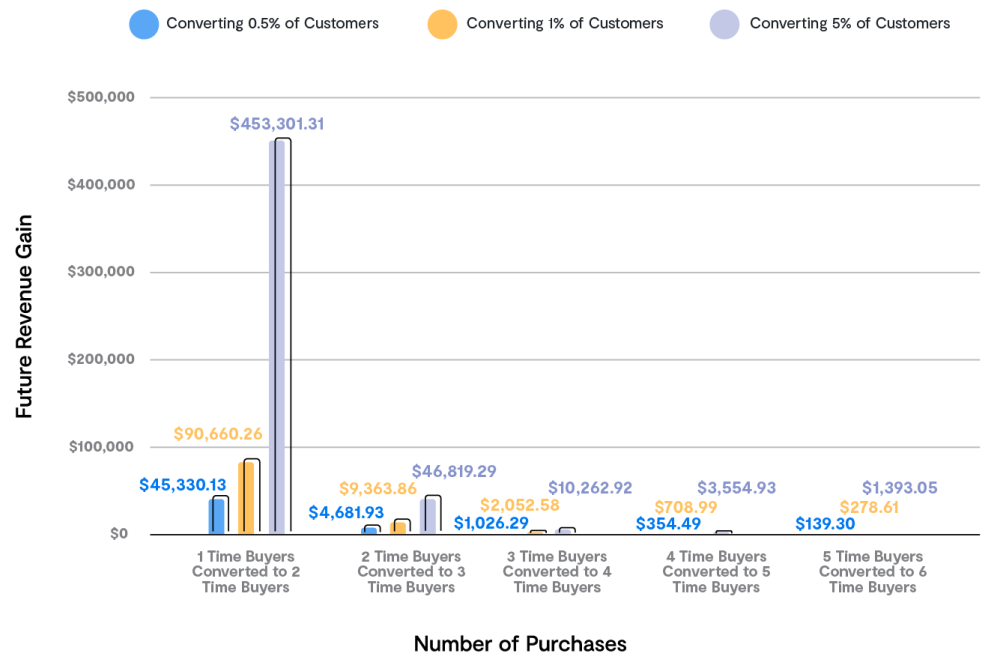
time buyers. While customers' lifetime value continues to grow as they make more purchases (e.g. three-time buyers are 50% more valuable than two-time buyers), the biggest jump in value occurs between the first and second purchase.

INCREASE IN CUSTOMER LIFETIME VALUE FROM INCREASING REPURCHASE RATE



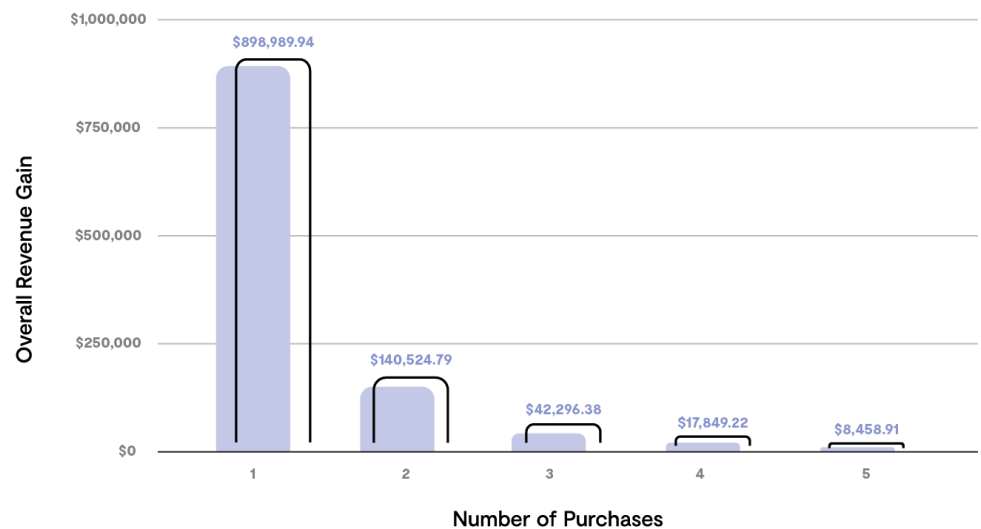
This increase in value means converting just 5% of 74,000 one-time buyers would lead to an additional \$453,000 in spend over the next year (on top of the immediate \$445,000 impact).

FUTURE REVENUE GAIN FROM INCREASING REPEAT PURCHASE



Altogether, converting just 5% of 74,000 one-time buyers into two-time buyers represents a potential revenue opportunity of \$898,000 over the next two years. Imagine how that opportunity would scale if you had more than 74,000 one-time buyers or if you converted more than 5% of your one-time buyers.

OVERALL REVENUE GAIN — CONVERTING 5% OF CUSTOMERS VS. NUMBER OF PURCHASES

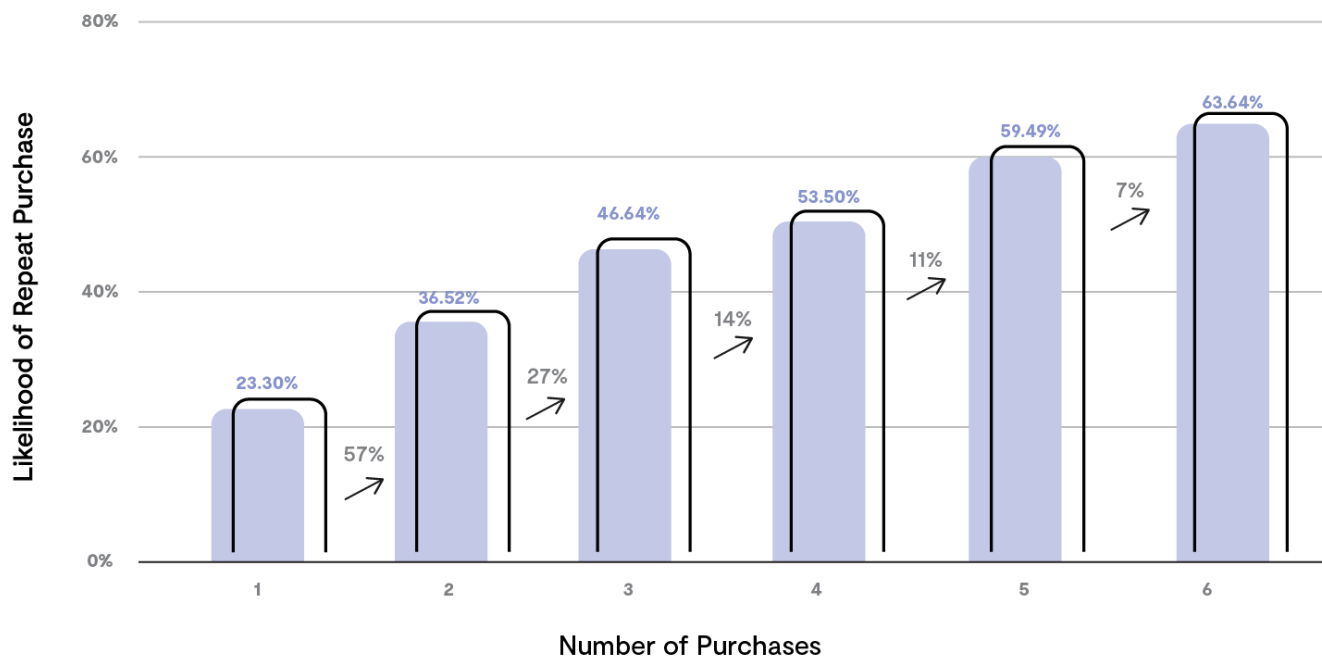


Demystifying the Second Purchase

Despite all of the opportunity that comes from the second purchase, unlocking that opportunity has challenged retailers in the past. After all, there's a reason why 74% of retail customers are one-time buyers. Your competitors also have a one-time buyer problem, and they're doing all they can to lure your customers away with offers, coupons, sales and freebies.

And that makes it no surprise that crossing the chasm from first purchase to second purchase is typically the most difficult for retailers. With every purchase customers make, the likelihood that they will return increases. And we see the biggest jump in likelihood to purchase again between one-time buyers and two-time buyers, as the chances increase by nearly 57%.

LIKELIHOOD OF CUSTOMERS PURCHASING AGAIN



Armed with that information, it's clear that successfully crossing the second purchase chasm to turn one-time buyers into loyal, repeat customers requires significant strategy from retail marketing teams. **And that strategy comes down in large part to understanding the intersection of your customers, their behaviors and your products.**

Crossing the Second Purchase Threshold

Think of the second purchase as your door to lifetime value — it only starts there. The goal isn't to make a second purchase. The goal is to foster continued growth and loyalty with your shoppers and the second purchase is critical in continuing those relationships. By understanding the combination of data that enables repeat purchases and features of technology that you need to drive that value, you'll be ready to keep building on that success. Here's a look at what it takes:



FIRST PARTY DATA, BEHAVIORAL DATA AND PRODUCT DATA

With the right technology, first party data inherently boosts your eCommerce retention strategies and drives lifetime value by collecting shopper identities and immediately creating profiles with deeper insights than you can glean from third party cookies. These profiles begin growing as soon as a shopper interacts with your website and your technology begins to collect log-in information, products engaged with on site and more. Combined with CRM data, you already have a robust set of data on these users. Once you have these profiles, you should connect and contextualize this data with shopper and product data to activate data models that make predictions with laser sharp focus to build on customer interest in your brand. With the right technology, you can connect these three data sets and continue to fine-tune actions overtime to serve the best outreach and convert your one-time buyers.



ARTIFICIAL INTELLIGENCE AND MACHINE LEARNING

Think of AI as your crystal ball, enabled by first-party data. Not only does AI analyze the likelihood that customers will make their second purchase from the same product category as the first, but it also considers specific product recommendations based on common co-purchase patterns to get personalized for new customers quickly. AI also nails the timing and channel for you for each individual shopper so you can predict which shoppers are most likely to make a purchase on paid media, strengthening your targeting on those channels and getting quicker payback on acquisition costs. This way, you're unlocking the best opportunities to drive more revenue and build strong relationships to turn one-time buyers into loyal shoppers.



CHANNEL SYNCHRONIZATION

By connecting your ads, emails and site advertisements, you can broaden your reach and create a more cohesive and personalized experience for each shopper to engage with -- no matter where and when they're ready to engage and act. Whatever your channel mix, it's important to create a consistent and coordinated journey for your customers. The best way to synchronize your marketing channels is to introduce technology that enables seamless execution of your outreach efforts. By leveraging technology that provides a centralized platform with democratized data, you can move your focus to fostering lifetime value and repeat purchases, rather than limiting your efforts with channel-focused organization and channel-specific metrics that hold little bearing on driving revenue.

Four Pathways

to Elevate Your eCommerce Retention Strategy

Building your retention strategy should start with understanding that you're orchestrating a journey for customers, so it never really ends. From the first touchpoint to the next (and next) purchase, retention strategies should always keep relevant shopper experiences at the center. Creating those experiences requires the right technology to not only unlock and mobilize your retail data, but to seamlessly automate those hyper-relevant, contextualized communications across channels for a cohesive experience.



Defining Retention

Driving continued repeat purchases from existing customers and increasing the value and frequency of those purchases, keeping customers at the center.

.....
70%
.....

of a typical retailer's
future revenue sits
with already active
customers



1. Start Straight from the Gate

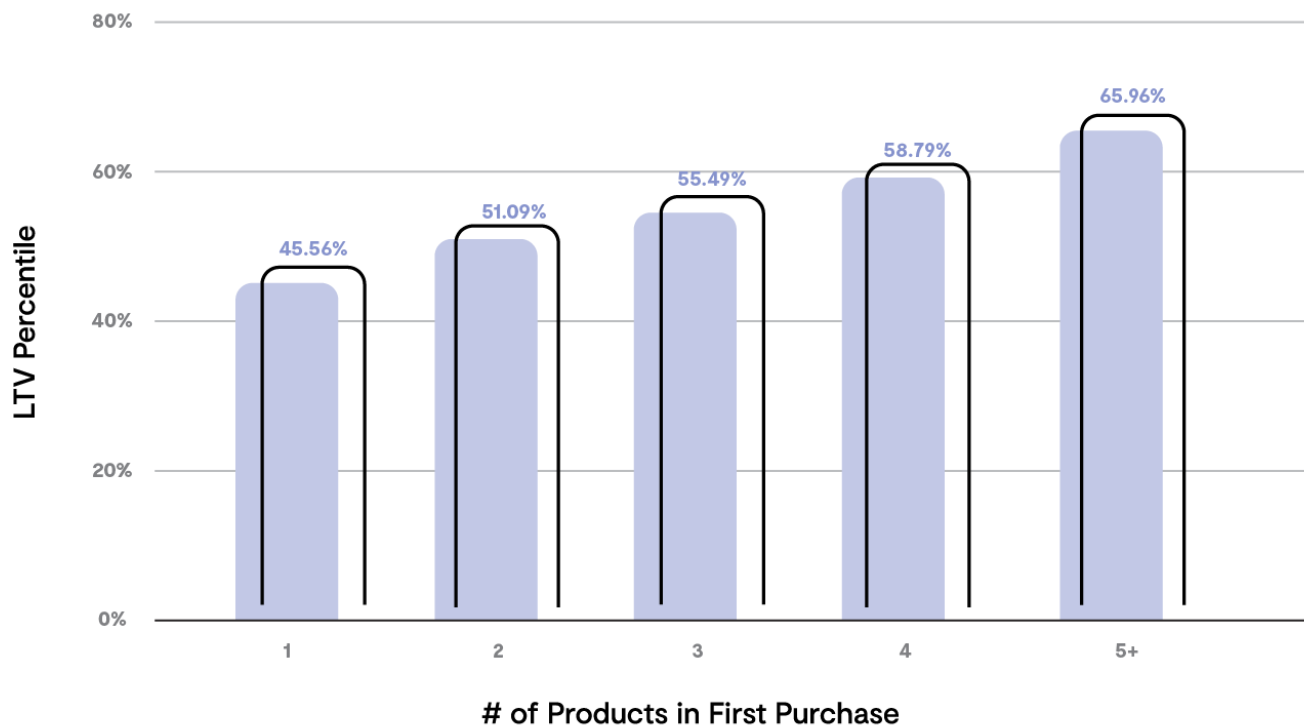
Your retention strategy should already be in motion before your shopper hits “Order” on their first purchase. The bigger the first purchase cart in both size and value, the more likely a shopper is to return for another purchase.

LIFETIME VALUE BASED ON FIRST PURCHASE AOV



Incrementally, the more products in a shopper’s cart for the first purchase, the more their lifetime value increases. And the higher the average order value, the greater their lifetime value. So cart size matters. A lot. If shoppers are sampling more of what you have to offer and identifying value in your brand from the beginning, the likelihood that they return multiplies with their initial investment in both the number of products and the order value.

LIFETIME VALUE BASED ON # OF PRODUCTS IN THE FIRST PURCHASE



Creating this cohesion requires the right technology to not only bridge the gap between channels and deploy a coordinated experience, but initiate automated workflows to ensure that cohesion. When a shopper clicks through to your site from a personalized email with product recommendations, be ready on site to build cart size with dynamic popups based on site behavior.

Once shoppers start engaging onsite and adding products to their cart, trigger dynamic popups (think personalized recommendations and offers or “next best purchase”) to encourage them to increase their cart size. These efforts combined accelerate the discovery process and entice customers to add more to their purchase.

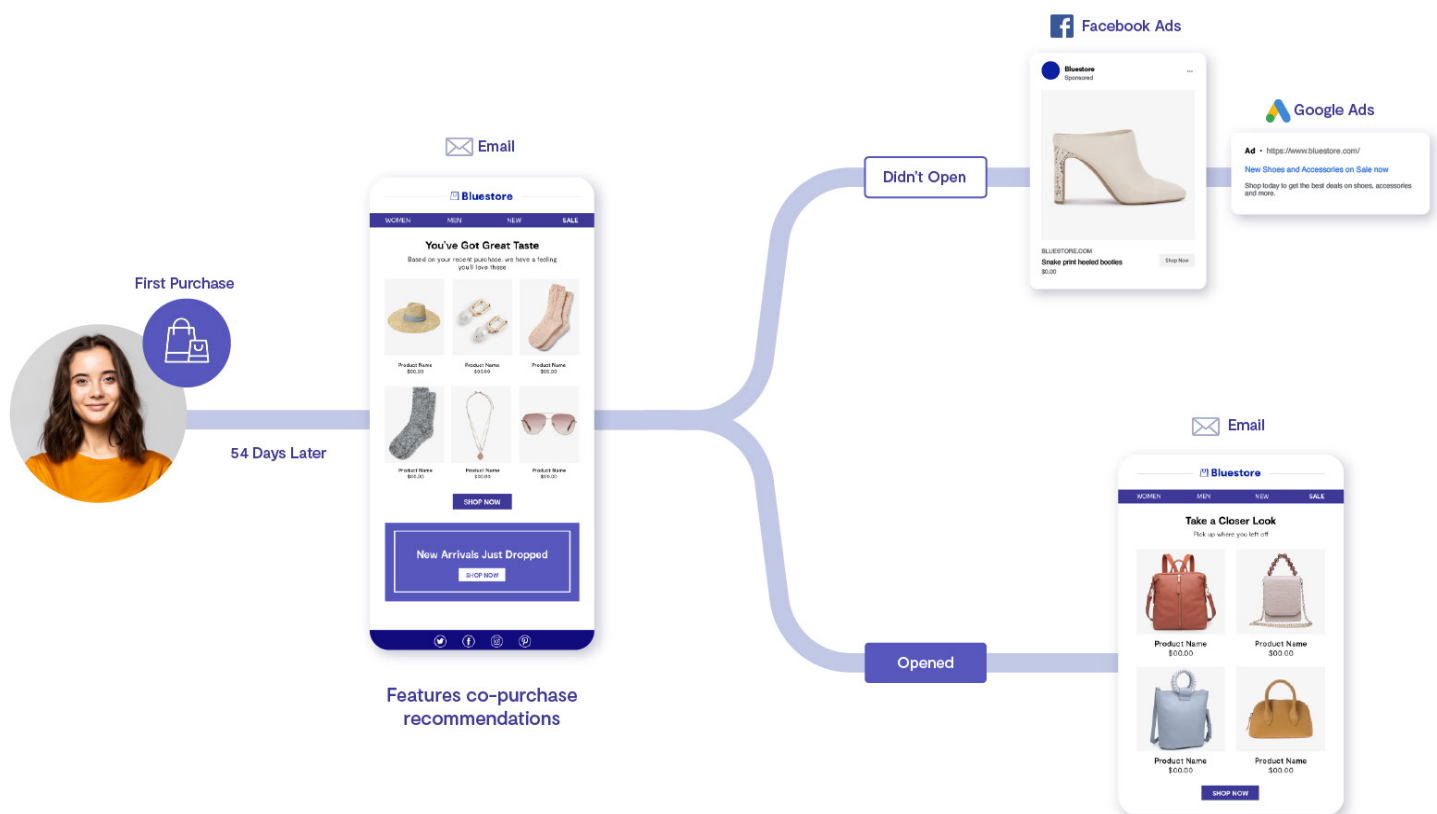
2. Play the Long Game

If all you prepare is a one-and-done email to push for one second purchase, all you'll be left with is a one-and-done buyer. **But we aren't just looking for a second purchase. We're building relationships with our shoppers.**

As a result, you need to take the long view and prepare for a coordinated effort to not only get the next purchase, but to build long-lasting, loyal relationships with your shoppers that increase lifetime value. As more shopper behaviors are collected over time and with each interaction, the picture becomes clearer and clearer. Therefore, predictions become stronger and stronger. Where are your shoppers spending the most time online?

How often do they engage with discounts? With a better view of who your shoppers are, the better the predictions.

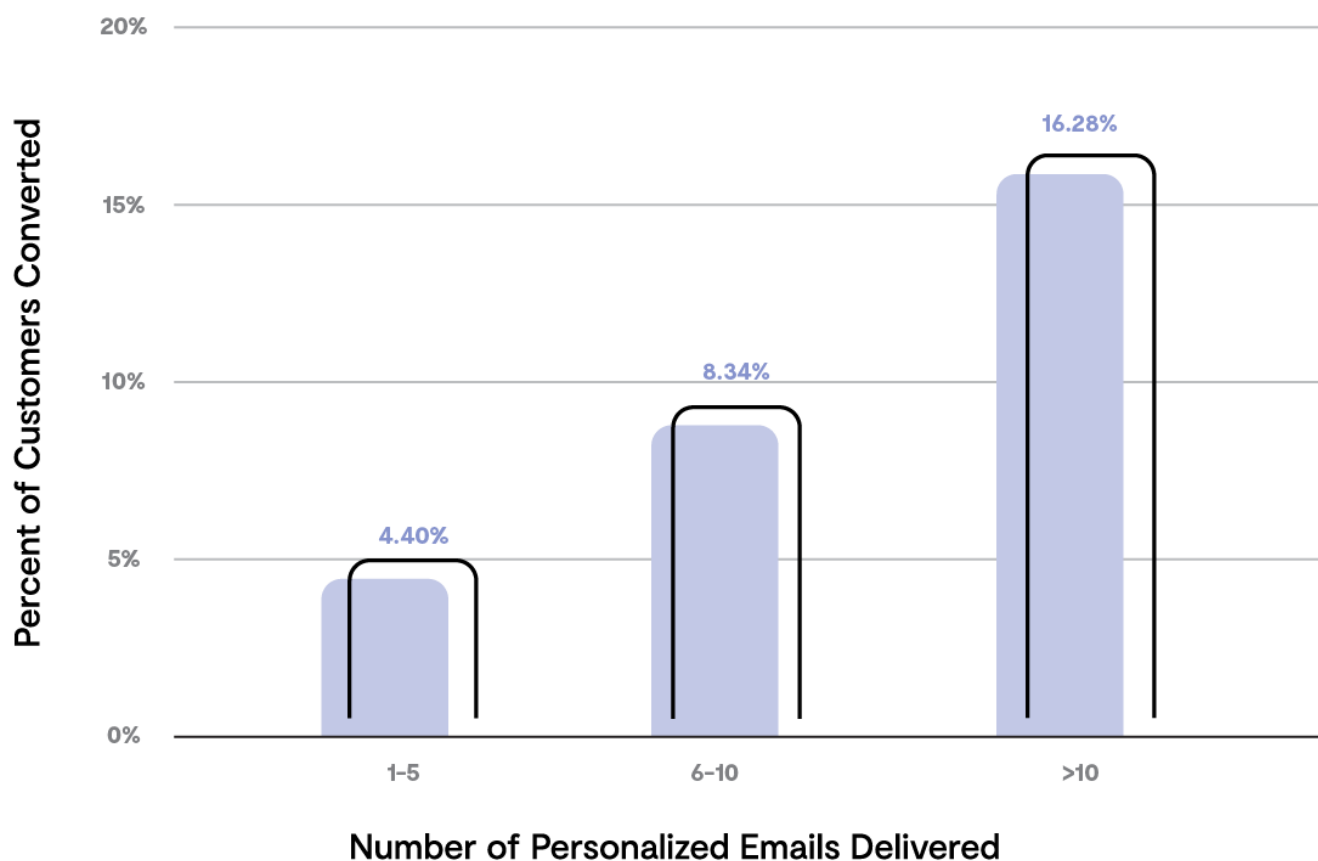
Additionally, think beyond an initial email to engage one-time buyers and map out an entire journey instead. Think about two or three messages down the line and consider what should happen differently based on how customers do or don't engage with your outreach. With the right technology, you can automate your journeys with data-driven content that will enhance the journey you create based on engagement across channels including site and paid media.



Looking at email specifically as an example of how this works on one channel, the more personalized emails a shopper receives over time, the more likely they are to convert. In the chart below, you'll see that the likelihood a one-time buyer will convert to a multi-time purchaser doubles with every five personalized emails they receive.

Keep in mind that more email doesn't necessarily mean more revenue (consider the [email death spiral](#)). It means that highly personalized emails that offer focused recommendations, messaging and creative assets are more likely to bring your buyers back, depending on how your shopper interacts with those emails — your technology should be sending more or less with that data and diversifying channel outreach.

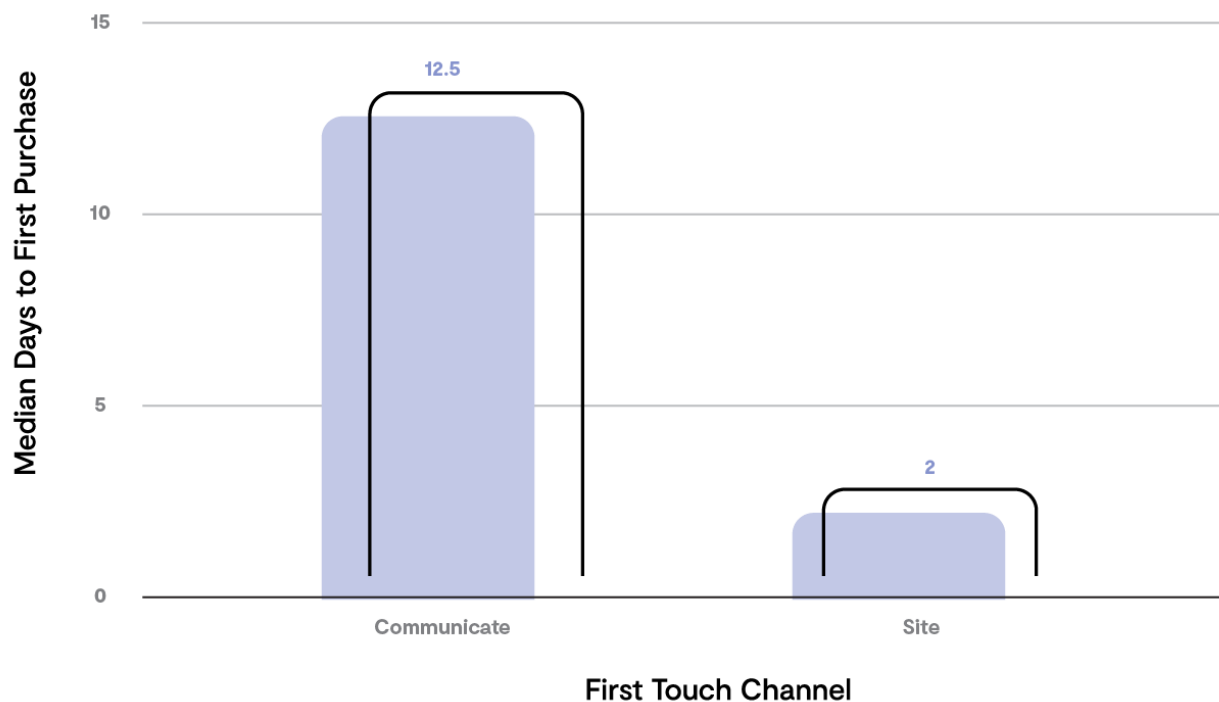
PERCENT OF ONE-TIME BUYERS CONVERTED BASED ON PERSONALIZED EMAILS DELIVERED



3. But Leverage Channels to Accelerate Time to Purchase (and Much More)

Bridging gaps between channels can help nudge shoppers to increase their cart size, as well as accelerate time to purchase by 10 days. If you have all of this retail-specific data, don't let your email channel be selfish. With the right technology and a multi-channel approach to converting one-time buyers, you can ensure that you're playing the long game and getting shoppers to the second purchase and beyond.

TIME TO PURCHASE BASED ON FIRST TOUCH CHANNEL



Diving into the data, we found that the time from first touch to purchase was only two days when a shopper's first touch was on site compared to 12 days when the first touch was by email. When shoppers are presented with prompts immediately as they take actions onsite, they're more likely to purchase again. By building a more interactive site experience with dynamic popups to drive repeat purchases more quickly (think exit intent, cart abandonment, category affinity, discount affinity), you can customize your shopper's journey.

Your retention strategy isn't complete until it's extended to paid media. With a truly centralized platform, you can apply your insights to any media channel and let AI direct ads to retention audiences that are likely to react. This will increase return on ad spend (ROAS) and customer lifetime value by retargeting shoppers where they spend the most time online. In fact, campaigns with targeted audiences drive up to 29% ROAS compared to non-targeted audiences.

4. Let AI Take the Wheel

Now that your strategy is in motion, leave some of the guesswork of building lifetime value up to AI. AI brings together personalized recommendations, dynamic onsite experiences, customer behavior predictions and at-risk customer status together to make sure you never miss a beat.

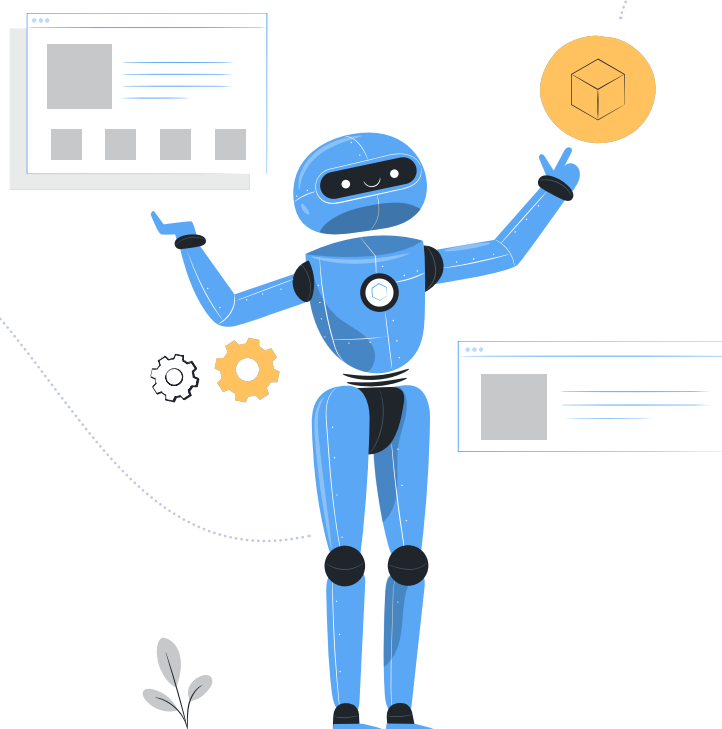
With an AI-driven solution constantly collecting data, you'll gain the ability to make high-quality predictions about a customer's future habits. For instance, AI models can study a customer's typical browsing habits and find product affinities. Once you know which product attributes a customer prefers, you can show them relevant product recommendations that feature the traits they desire. Technology that acts on retail-specific use-cases (think discount affinity,

predicted lifetime value, next-best purchase recommendations, send-time optimization) will help you drive more sales, increase average order values and secure greater loyalty through relevant outreach.

12%

of repeat purchases are driven by email product recommendations

And by linking customer, behavior and product data, an AI-driven solution makes it easy to deliver highly relevant personalized product recommendations. In fact, 12% of repeat purchases were driven by product recommendations that you can then use in your emails, on your website, on advertising channels or anywhere else to drive repeat purchases.



Build a New Set of Growth Values

If your primary measure of marketing performance is health rather than growth, you are likely focused on maintaining the status quo instead of investing in growing your performance. Think about investing in long-term measures like increasing retention and even growing loyalty so that existing customers buy more (more per purchase or more often) to become even more valuable.



Growth Metrics

Make sure your eCommerce retention strategy is a priority by redefining what success and measurement looks like for your team. We aren't suggesting that you throw away old metrics, but consider how you can elevate those measures with retention-focused KPIs.

THE OLD

- ✗ Open Rate
- ✗ Conversion Rate
- ✗ New Subscribers
- ✗ Impressions

THE NEW

- ✓ Click Through Rate
- ✓ Repeat Purchase Rate
- ✓ ID Rate
- ✓ Opens

To sustain efforts toward the one-and-done buyer, redefine your team's metrics so you aren't neglecting growth performance because...

One-Time Buyers are Retail Gold

They present an incremental revenue stream and a chance to build relationships with your customers.

While the first purchase is an achievement and the mark of a strong customer acquisition program, what comes after the first purchase is just as, if not more, important.

Breaking through the second purchase gateway leads to significant revenue growth in both the short and long term

It's time to turn your one-time buyer problem into a lifetime opportunity.



Tackle your one-and-done buyers with Bluecore

[LEARN MORE TODAY](#)

