

Customer Loyalty and Inflection Points

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Loyalty

smile.io PRODUCT CUSTOMERS INTEGRATIONS LEARN PRICING

CREATE FREE ACCOUNT

Log in

Turn your hard-earned sales into repeat customers

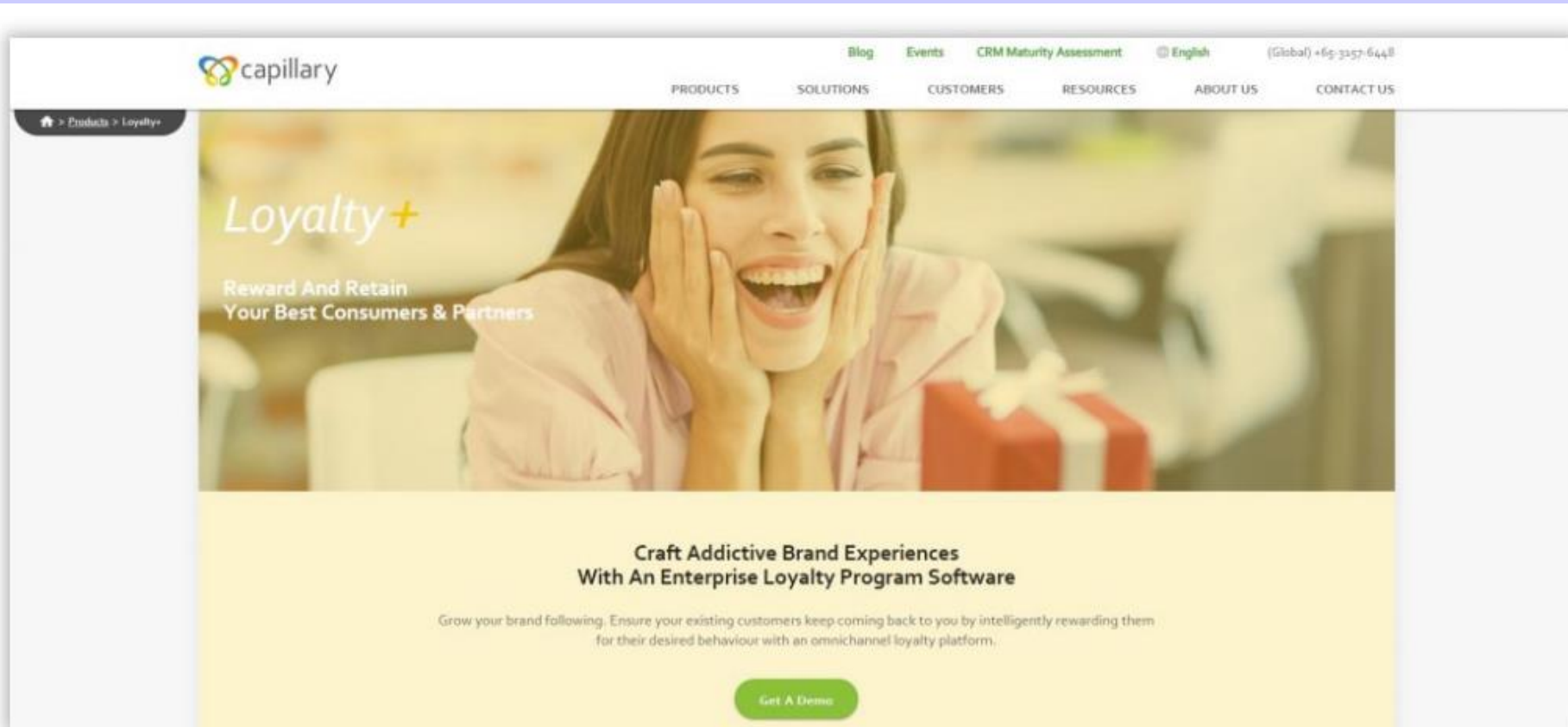
Maximize your customer acquisition efforts and turn transactional sales into passionate brand advocates.

START BUILDING BRAND LOYALTY



Get customers to join, engage, and share in your brand community

Loyalty



The screenshot shows the Capillary Loyalty+ website. At the top left is the Capillary logo. The top navigation bar includes links for Blog, Events, CRM Maturity Assessment, English, and a phone number. Below this is a secondary navigation bar with links for PRODUCTS, SOLUTIONS, CUSTOMERS, RESOURCES, ABOUT US, and CONTACT US. The main content area features a large image of a smiling woman with her hands on her cheeks, next to a red gift box. The text 'Loyalty+' is prominently displayed in a large, light-colored font. Below it, the tagline 'Reward And Retain Your Best Consumers & Partners' is shown. Further down, the headline reads 'Craft Addictive Brand Experiences With An Enterprise Loyalty Program Software'. A sub-headline states: 'Grow your brand following. Ensure your existing customers keep coming back to you by intelligently rewarding them for their desired behaviour with an omnichannel loyalty platform.' At the bottom center, there is a green 'Get A Demo' button.

One of Capillary's products is Loyalty+. You can use it to craft addictive brand experiences. Ensure your existing customers keep coming back to you by intelligently rewarding them for their desired behavior with an omnichannel loyalty platform.

Loyalty

10. Dealyze

Dealyze Combinator

HOME GET STARTED SIGN IN

The Smartest Way To Launch Your Loyalty Program

Trusted by the largest national retailers and your local cafe, Dealyze powers the technology you need to deliver experiences that delight your customers.

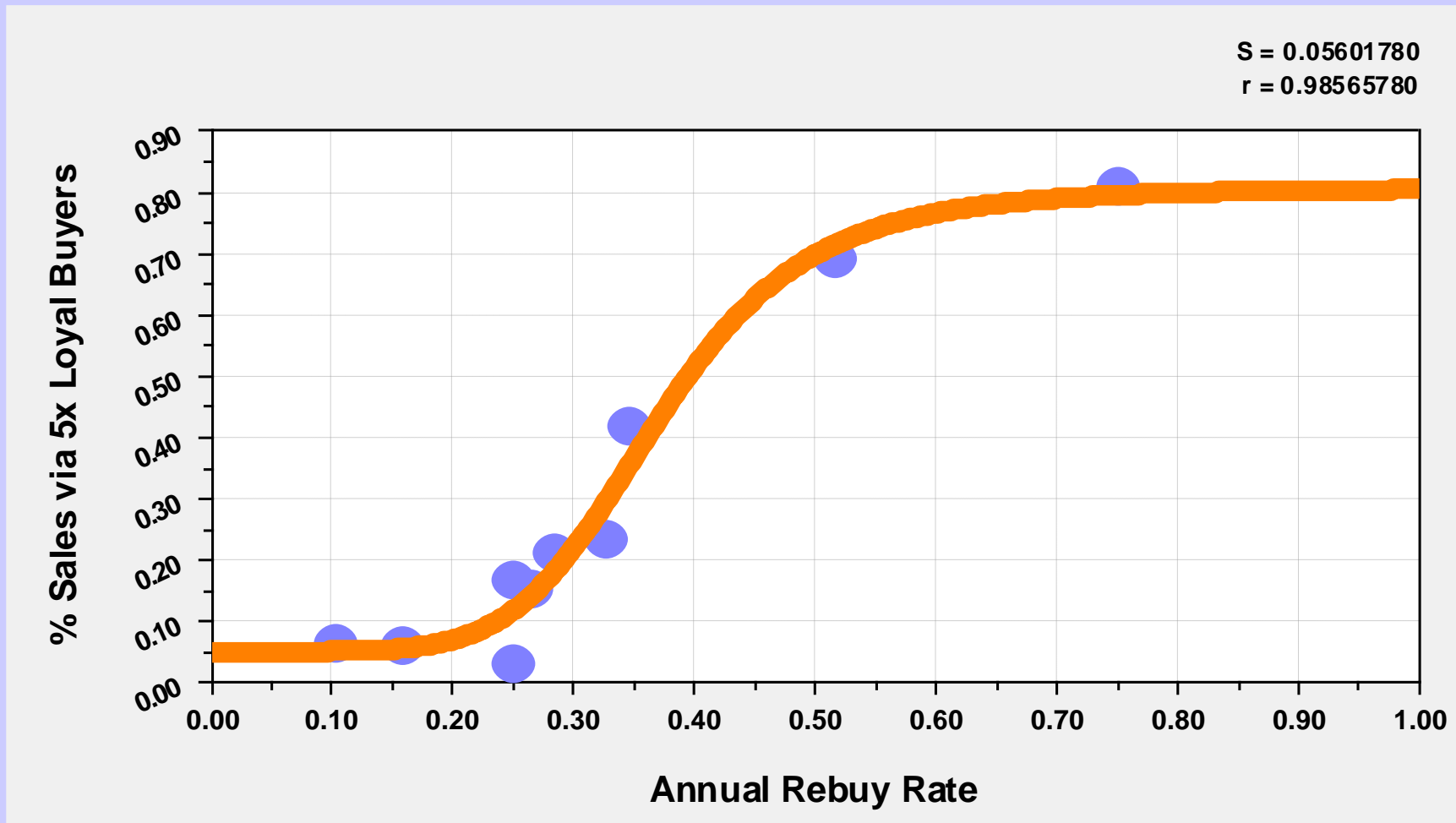
[SEE HOW IT WORKS →](#)

Need help?
The team typically replies in a few minutes.

Dealyze makes it easy to connect with your customers wherever they are. Send targeted promotions and trackable coupons, delivered via text message, app, email, social media, or tablet display – all in real-time. Take control of your offers with end-to-end oversight, automation, and management, radically increasing same-store sales.

**What Fraction of Total Annual Sales Typically
Come From “Loyal” Customers (i.e. 12-Month
5x+ LTD Buyers)?**

Share of Sales From Loyal Buyers By Annual Repurchase Rate



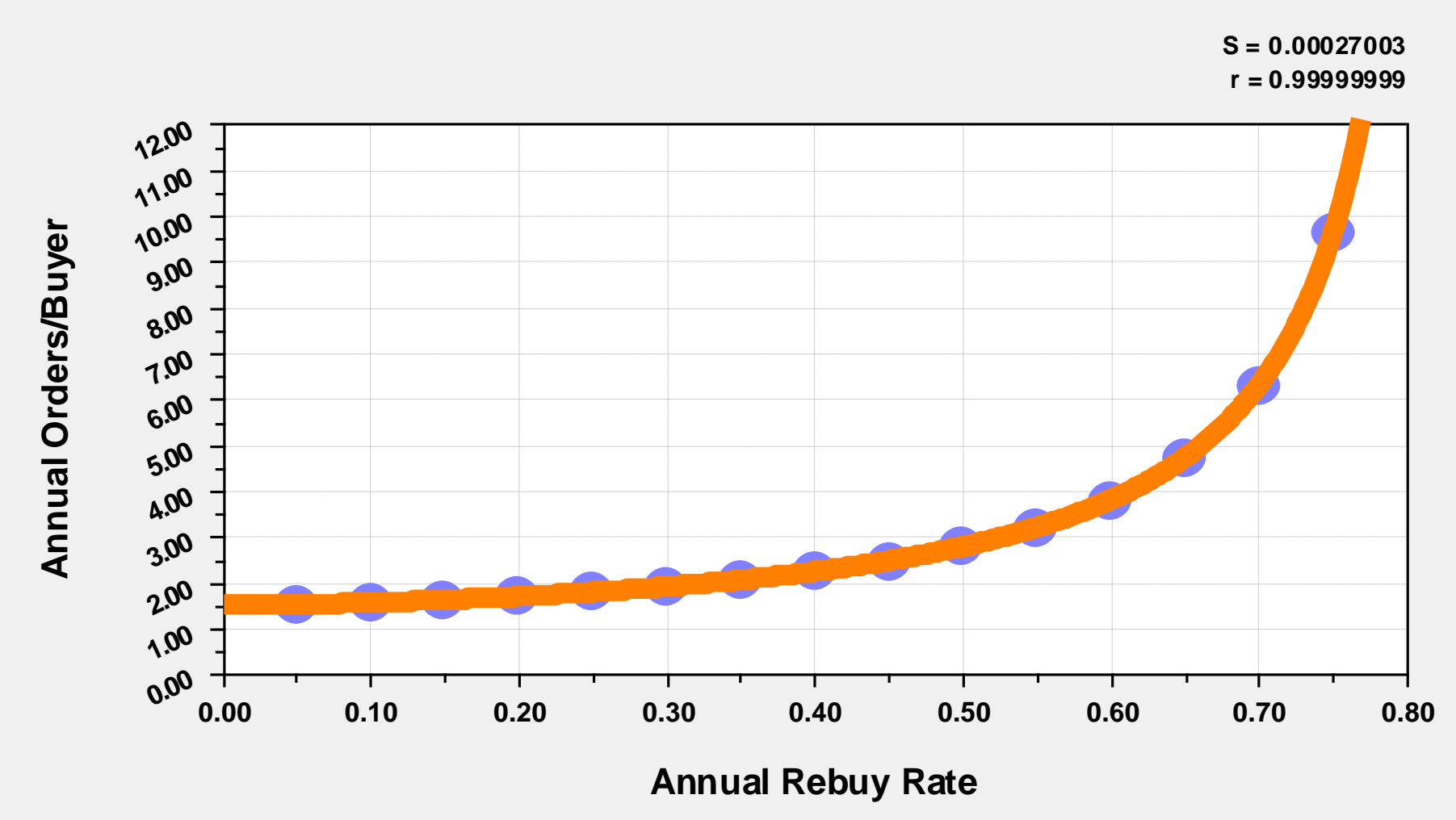
What Does The Relationship Look Like?

<u>Rebuy</u>	<u>Freq</u>	<u>AOV</u>	<u>NY Sales Value</u>	<u>% Via Loyal</u>
5%	1.551	\$122.32	\$9.49	5.1%
10%	1.593	\$122.19	\$19.47	5.2%
15%	1.652	\$122.01	\$30.23	5.5%
20%	1.727	\$121.79	\$42.06	7.0%
25%	1.821	\$121.52	\$55.33	11.8%
30%	1.939	\$121.21	\$70.49	22.0%
35%	2.085	\$120.85	\$88.18	36.7%
40%	2.269	\$120.43	\$109.30	51.4%
45%	2.505	\$119.94	\$135.19	62.6%
50%	2.814	\$119.37	\$167.96	69.8%
55%	3.235	\$118.69	\$211.16	74.1%
60%	3.835	\$117.87	\$271.20	76.6%
65%	4.755	\$116.83	\$361.13	78.1%
70%	6.338	\$115.46	\$512.25	79.0%
75%	9.677	\$113.48	\$823.60	79.5%

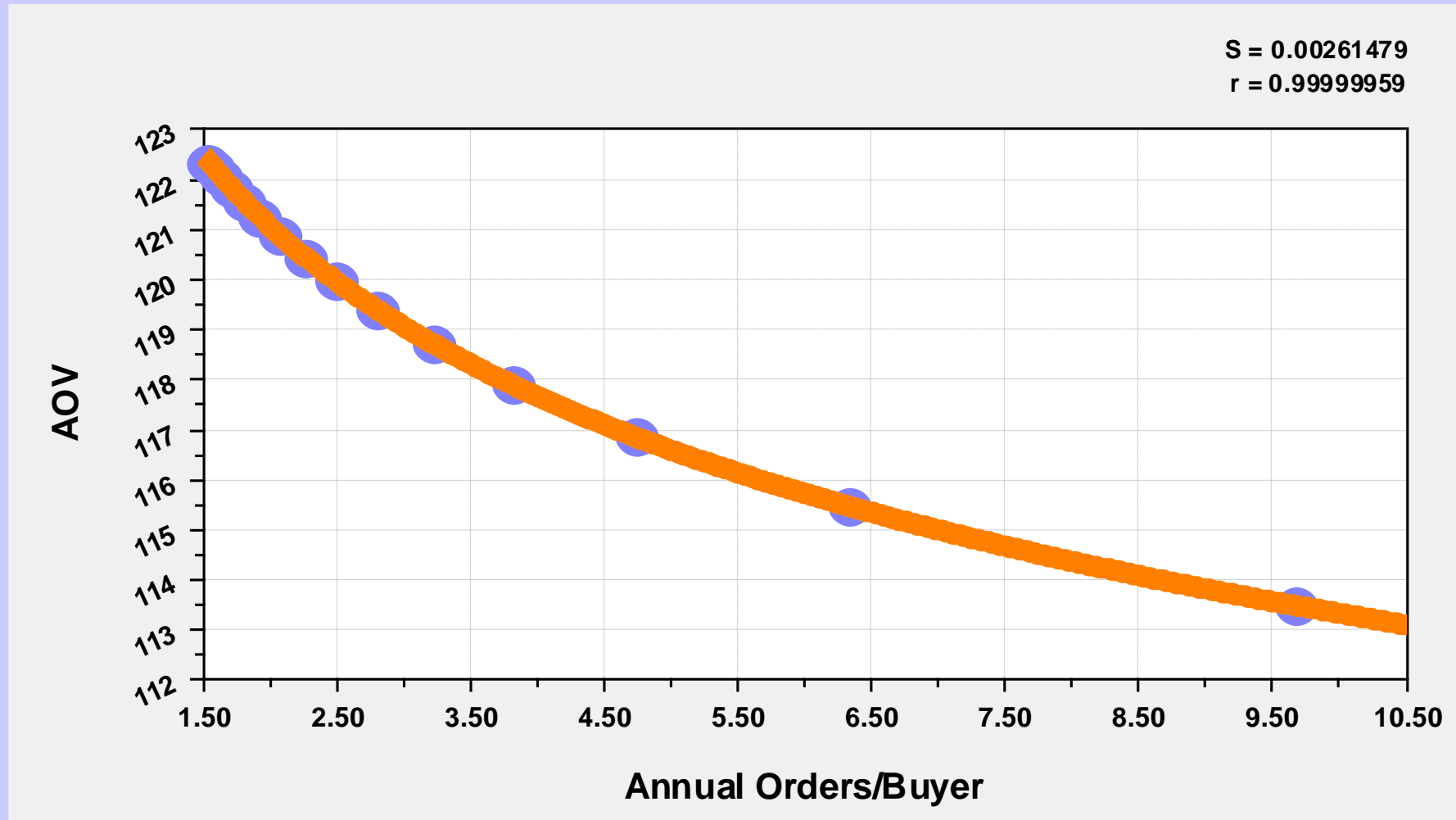
← Most E-Commerce Brands

← Department Store

Rebuy Rates vs. Annual Order Frequency



Annual Order Frequency vs. AOV



**The Average Annual Repurchase / Rebuy Rate
Among The Majority Of My Client Base Is
About 30% - And if Customers Repurchase,
They Purchase About 1.9 Times Per Year.**

Loyalty: It's hard for an e-commerce brand to generate meaningful loyalty with a 30% rebuy rate and 1.9 purchases per year from those who buy again.

**Department Store: 75% Rebuy Rate * 9.677
Purchases per Repurchaser = 7.26 Purchases
per Customer per Year.**

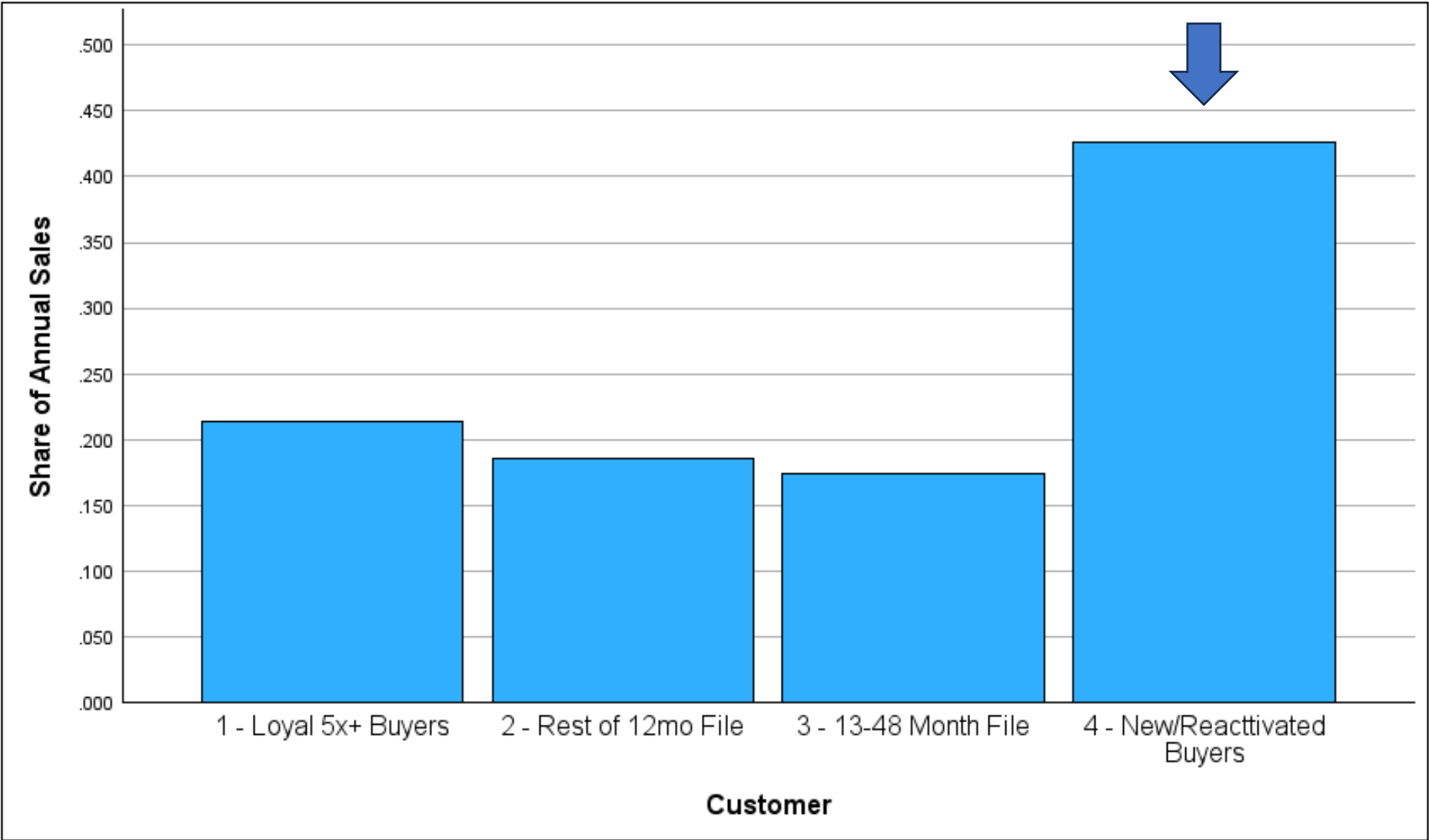
**E-Commerce: 30% Rebuy Rate * 1.939
Purchases per Repurchaser = 0.57 Purchases
per Customer per Year.**

Loyalty Initiatives: Impact of a 10% Increase

Department Store: 7.26 Purchases per Year *
0.10 = **0.726 Purchases. Meaningful.**

E-Commerce: 0.57 Purchases per Year * 0.10 =
0.057 Purchases. Meaningless.

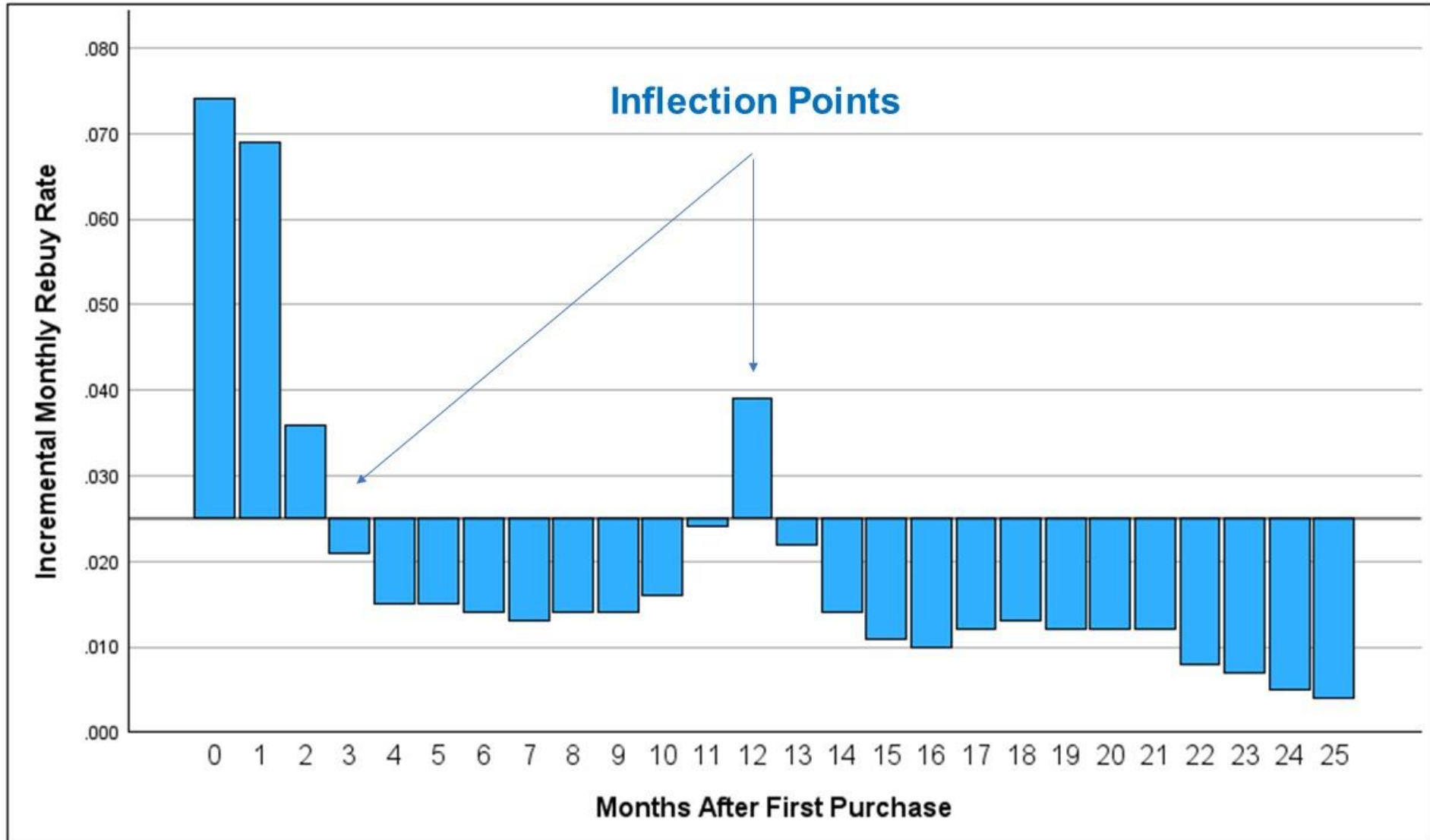
Share of Sales: E-Commerce Average



Most Important Timeframe?

If you are an e-commerce brand with a 30% rebuy rate, what is the “Inflection Point” where you can make the most difference as a marketer among existing customers?

Inflection Points for First-Time Buyers

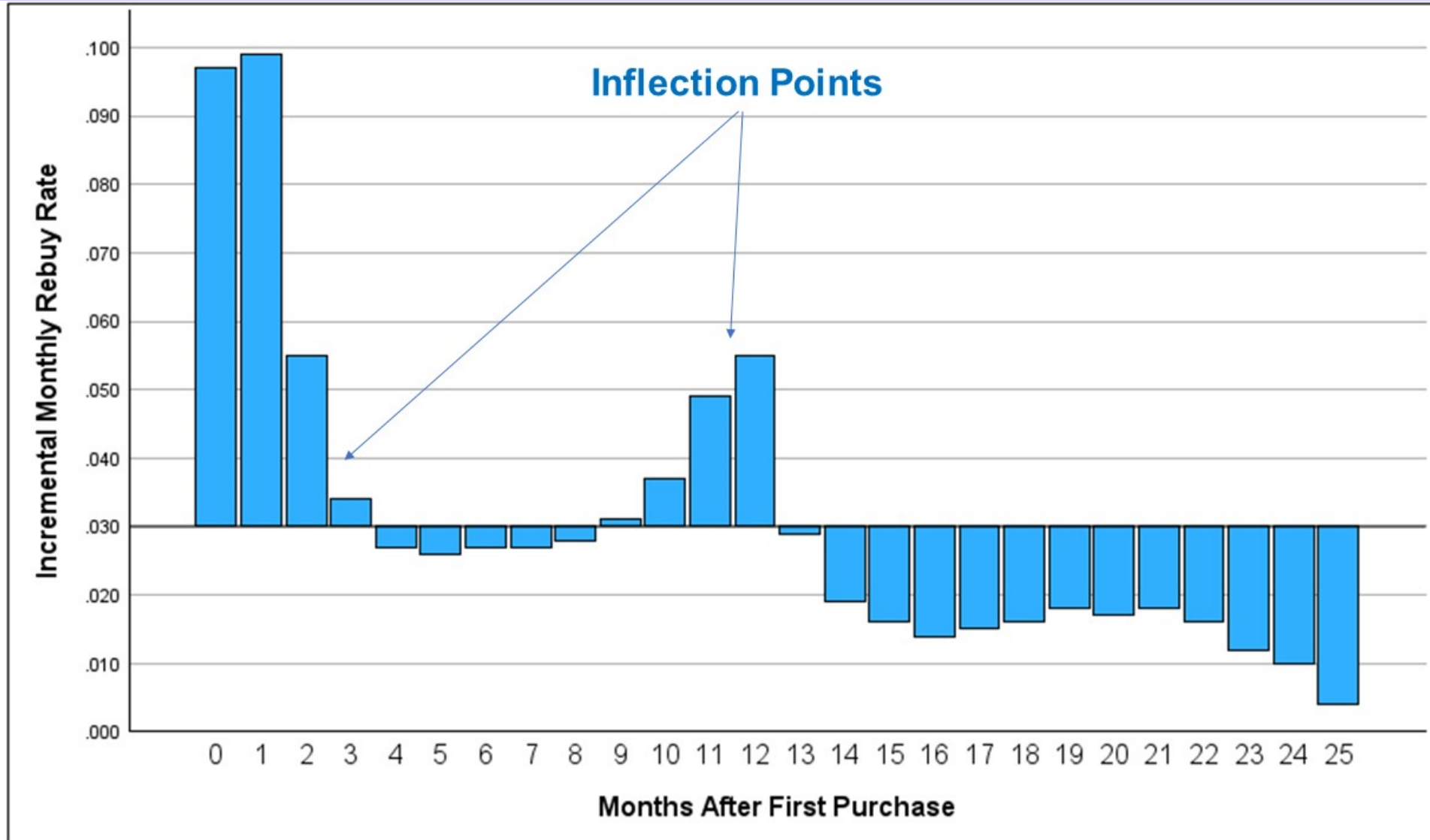


Most Important Timeframe?

First 75-ish days following a first purchase!

**The “Anniversary” event ... at month = 11 or
month = 12 following a first purchase.**

Inflection Points for 5x Buyers



Most Important Timeframe?

First 75-ish days following a first purchase!

**The “Anniversary” event ... at month = 10 or
month = 11 or month = 12 following a fifth
purchase.**

Inflection Points

Month	Incremental Monthly Rates				Cumulative Rates			
	1x to 2x	2x to 3x	3x to 4x	4x to 5x	1x to 2x	2x to 3x	3x to 4x	4x to 5x
0	7.4%	9.7%	12.6%	15.1%	7.4%	9.7%	12.6%	15.1%
1	6.9%	9.9%	13.0%	16.2%	13.8%	18.6%	24.0%	28.8%
2	3.6%	5.5%	8.0%	10.1%	16.9%	23.1%	30.1%	36.0%
3	2.1%	3.4%	5.0%	6.5%	18.6%	25.7%	33.6%	40.1%
4	1.5%	2.7%	4.1%	5.5%	19.8%	27.7%	36.3%	43.4%
5	1.5%	2.6%	4.1%	5.6%	21.0%	29.6%	38.9%	46.5%
6	1.4%	2.7%	4.3%	6.0%	22.2%	31.5%	41.5%	49.8%
7	1.3%	2.7%	4.5%	5.8%	23.2%	33.4%	44.2%	52.7%
8	1.4%	2.8%	4.4%	5.8%	24.3%	35.2%	46.6%	55.5%
9	1.4%	3.1%	4.9%	6.9%	25.3%	37.2%	49.2%	58.5%
10	1.6%	3.7%	5.7%	7.3%	26.5%	39.6%	52.1%	61.6%
11	2.4%	4.9%	6.5%	8.0%	28.3%	42.5%	55.2%	64.6%
12	3.9%	5.5%	6.7%	6.7%	31.0%	45.7%	58.2%	67.0%
13	2.2%	2.9%	3.4%	3.6%	32.6%	47.2%	59.6%	68.2%
14	1.4%	1.9%	2.6%	3.0%	33.5%	48.2%	60.7%	69.1%
15	1.1%	1.6%	1.8%	2.0%	34.2%	49.0%	61.4%	69.7%
16	1.0%	1.4%	1.4%	1.6%	34.9%	49.7%	61.9%	70.2%
17	1.2%	1.5%	2.1%	2.7%	35.7%	50.5%	62.7%	71.0%
18	1.3%	1.6%	2.1%	1.7%	36.5%	51.3%	63.5%	71.5%
19	1.3%	1.8%	2.3%	3.5%	37.3%	52.2%	64.3%	72.5%
20	1.2%	1.7%	3.1%	2.0%	38.1%	53.0%	65.4%	73.1%
21	1.2%	1.4%	1.9%	3.7%	38.8%	53.7%	66.1%	74.1%
22	0.8%	1.6%	1.9%	1.3%	39.3%	54.4%	66.8%	74.4%
23	0.7%	0.8%	0.0%	0.0%	39.7%	54.8%	66.8%	74.4%
24	0.5%	0.2%	0.9%	0.0%	40.0%	54.9%	67.1%	74.4%

Capitalize on Inflection Points!

Use Email Marketing and Social to speak to customers at specific inflection points! You are a media brand.

Print, while considerably more expensive, can be leveraged effectively.

Welcome Period

Within 75 days of a first purchase, work hard to encourage the customer to add complementary merchandise to a first purchase. The customer is responsive for a brief period of time.

Active Period

Months 3 / 4 / 5 / 6 / 7 / 8 / 9 / 10 are the “Active Period” for customers with 2+ life-to-date purchases. The customer cares about how you can help the customer achieve his/her dreams.

Your commerce skills are on full display during the Active Period.

Loyalty Period

When a customer achieves a 60% or greater annual repurchase rate, the customer is deemed “Loyal”.

Customers don't stay “Loyal” ... they slump back to “Active” then go back up to “Loyal”.

Loyalty Period

You do not need a “Loyalty Program”.

You likely need to do something different for the minority of customers who achieve “Loyal” status.

Quiet Period

Months 3 / 4 / 5 / 6 / 7 / 8 / 9 / 10 are the “quiet period” for most active customers.

You are a media company. It is your job to teach your customer why you matter. Entertain the customer, educate the customer.

Anniversary Period

Months 11 / 12 are the Anniversary Period.

Advertise complementary products / merchandise to the customer based on what the customer purchased one year prior.

Dormant Period

Months 13 – 24 are the Dormant Period.

The customer is generally disinterested in purchasing. Instead of offering 40% off, why not use your media/content division to prompt the customer to interact with you?

Retirement Period

Months 25+ are the Retirement Period

The customer no longer has a purchase relationship with your brand.

You now have great freedom to try different tactics with this audience. Test!

Inflection Points

Welcome Period.

Quiet Period.

Anniversary Period.

Active Period.

Loyal Period.

Dormant Period.

Retirement Period.

Inflection Points

Think less about Loyalty.

Think more about Inflection Points.

**Bonus: If you want more loyal buyers,
consider acquiring more new customers who
become loyal over time!**

Questions?

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