Zendbox

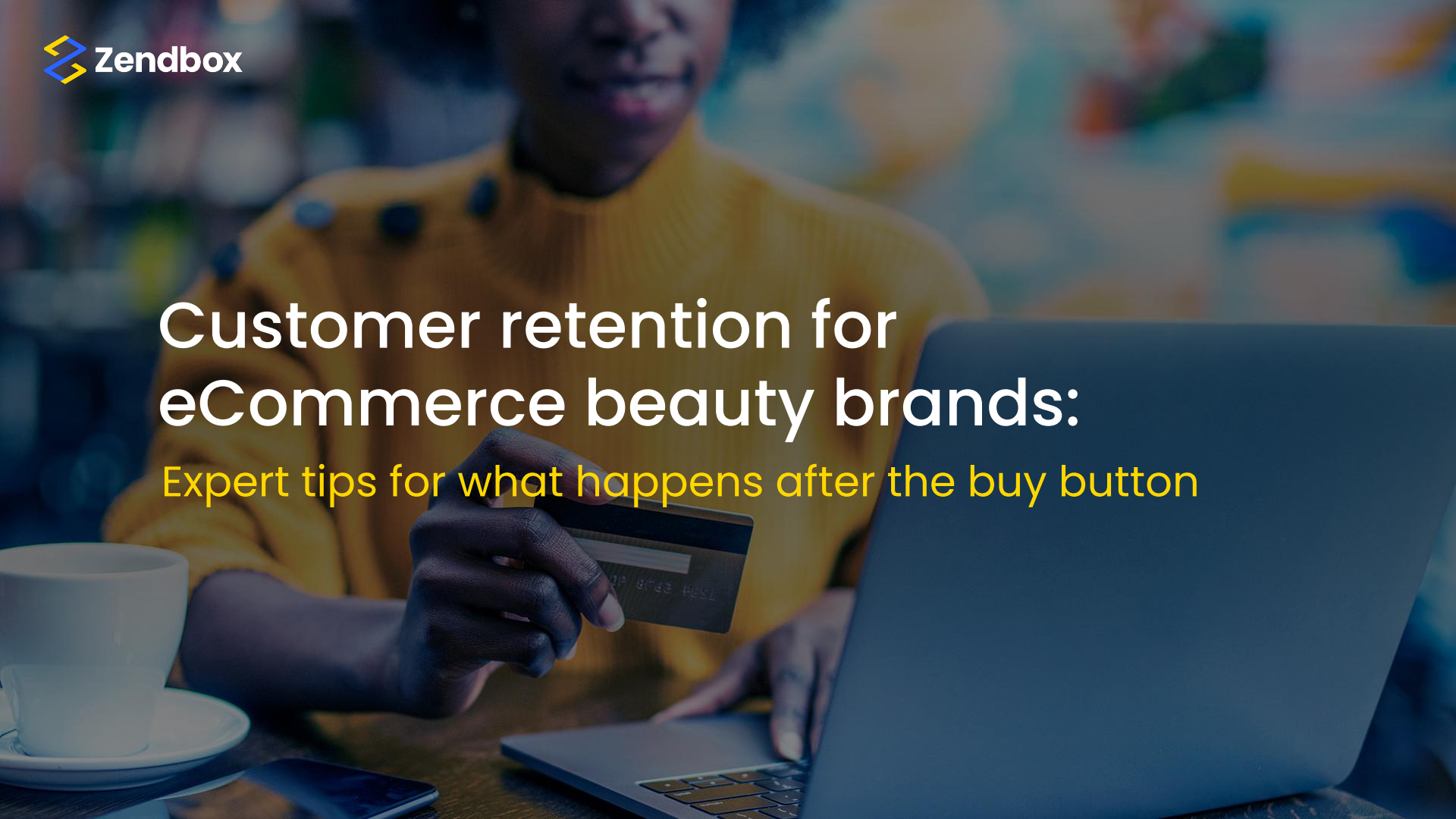# Customer retention for eCommerce beauty brands:

Expert tips for what happens after the buy button

Contents

Retention, where to begin?

When it comes to scaling a business, one of the biggest challenges faced by online retailers is the ability to retain customers. In fact, with both product choice and consumer expectations on the rise, so is customer disloyalty and nowhere is this more prevalent than in the beauty sector.

Just look at product categories such as haircare and fragrance, both of which have some of the worst customer retention rates around. So, the question you're probably wondering is how exactly you retain customers and encourage loyalty as a brand operating in this industry?

Well, to start with you should be developing a strategy for customer retention from the get go and not treating it as an afterthought. In other words, you should be as equally invested in retaining the customers you already have as you are in winning new business. After all, it costs as much as five times more to acquire a new customer than it does to keep an existing one. But how exactly do you give your customers a reason to return? And how do you improve their lifetime value?

Together with Replyco and Fresh Relevance, we have put together a whole host of best practices and guidance for achieving just that. In fact, we've covered everything from personalising your post-purchase communications, to improving your customer service, right through to optimising your returns process. We've even shared some exclusive insights from beauty brands that have already mastered customer retention.

Chapter 1

3 eCommerce marketing tactics to master the post-purchase experience - from Fresh Relevance

Effective eCommerce marketing doesn't end when a customer buys your product. Foster loyalty and encourage customers to return to your site by sending them relevant, timely content once they've completed a purchase.

Here are three eCommerce marketing tactics to keep your customers coming back for more.

1. Personalized product recommendations

Personalized product recommendations are an effective way to line up another purchase, especially since 1 in 3 consumers want to see products and offers featured in marketing emails based on items they purchased.

Use your post-purchase emails to share personalized product recommendations based on the customer's recent purchase behavior.

Simply Supplements sends customers a post-purchase email with tailored product recommendations, as well as items that are popular with other customers.
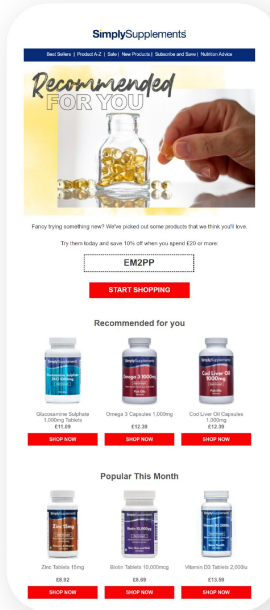
In addition to email marketing, display personalized product recommendations on your website to help returning customers discover more products they might like.

Cottages.com tailors their homepage with personalized product recommendations, increasing their chances of moving the customer through to a product page by only showing them what they're interested in.
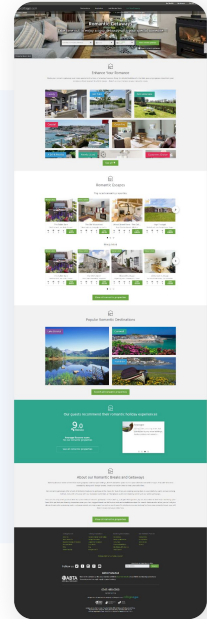
2. Early sale access

Almost 1 in 3 consumers want retailers they shop with regularly to offer early access to sales or limited editions. Use your post-purchase emails to foster loyalty and reconvert customers by giving your frequent shoppers access to sales before the general public, so they can be the first to bag the products they want for the best prices.

Glasses Direct treats their loyal customers to an exclusive early access 30% discount sale.

Use behavioral targeting to ensure frequent shoppers see their exclusive discount codes on your website too, increasing the chance of conversion.
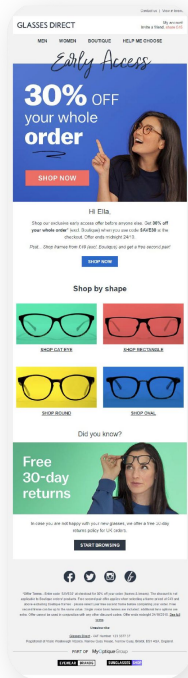
3. Replenishment emails

For frequently purchased consumer goods, you can give customers a timely reminder to repeat the purchase they recently made. This kind of email should not be sent immediately, but when the customer might soon run out of the product. 1 in 4 consumers aged 16-24 want retailers to send them replenishment emails, so make sure this type of triggered email is included in your post-purchase repertoire.

Viovet sends replenishment emails to customers of particular products, reminding them that the time to reorder is approaching. These helpful reminders foster customer loyalty and increase the likelihood of repeat purchases.

For more examples, check out Fresh Relevance's eCommerce success stories.
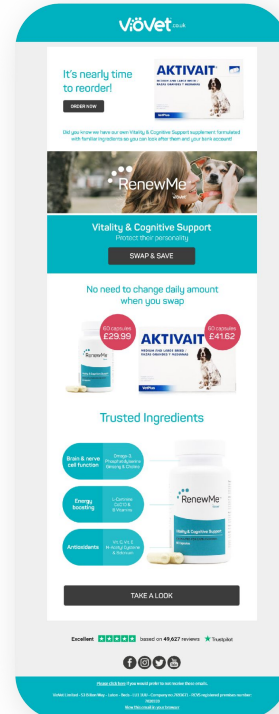
Replyco's 10 Rules for Next-Level Customer Service.

Customer service can make or break your company's success. Here are 10 rules from the eCommerce experts at Replyco for getting it right.

Customer service is often the last thing online sellers think about. eCommerce pros spend tons of time building / sourcing products, putting together product descriptions and listings, focusing on sales and figuring out shipping and fulfillment. But typically, the only time customer support comes into play is when there's a problem.

Here at Replyco, we often refer to bad customer service as the "silent killer of sales." But the good news here is that providing a great customer experience can help you improve every facet of company growth, from sales to retention to brand reputation. Keep reading to discover our 10 rules for taking your eCommerce customer service to the next level…

1. Respond Quickly

Stellar customer service starts with responding quickly to inquiries. In fact, recent studies have shown that 60% of shoppers expect answers to their questions within 10 minutes.

That means sellers only have a short window of time to ensure a positive experience after receiving a customer's question. Luckily, there are a few ways you can nail this crucial first step in your customer service strategy without letting other aspects of your business fall by the wayside. Just a few of them include:

- Using a helpdesk software to consolidate, organize and sort messages.
- Employing enough customer service staff and dividing responsibilities appropriately (we will cover this in detail later).
- Utilizing tools such as email templates, custom tags and smart auto-responders to save time and manual effort while keeping customers happy even when you're not around.

2. Meet Customers Where They Are

A big part of keeping the customer experience positive and achieving sales goals is to meet shoppers where they are. This involves using tools such as live chat to answer customer questions in real time, thereby giving potential buyers the info they need when they need it.

3. Maintain a Helpful & Knowledgeable Demeanor

Next up, your customer service is only as good as the demeanor with which it's delivered. Any members of your team need to be as helpful, courteous and knowledgeable as possible when responding to customer inquiries. Don't know the answer to a question? Check around with staff members from other departments until you find the information your customer is seeking. The point here is to stick with it until you've fully helped the customer, while remaining as friendly and "happy to help" as possible.

4. Create & Follow Set Customer Service Protocols

A lot of sellers believe that providing great customer service is as simple as just being friendly and answering questions. But the truth is, every company needs to implement customer service protocols.

When things get busy and your team is answering hundreds of inquiries every week, it is critical to have set guidelines in place for how to handle any potential situation. This will not only help your team know what to do in a variety of circumstances, it will also ensure your customers receive adequate and satisfactory support in a more timely manner (because they won't have to wait for your staff to figure out what to do).

5. Train Your Staff

Along the same lines, you need to train your staff on any customer service protocols that your company deploys. This goes for new staff, as well as existing teammates. Make sure every member of your team has a thorough understanding of your customer service practices, strategies and goals.

It's also important to hold regular "refresher" training sessions to keep your staff members on their game and on the same page at all times.

6. Employ Enough Customer Service Staff

And while we're on the subject of your customer service team, you also need to employ enough staff to handle inquiries efficiently and effectively. The number of teammates you need will depend on your company and customer base. But the key here is to have enough staff to handle messages quickly, without having to work overtime or allowing any customers to fall through the cracks.

7. Divide / Allocate Responsibilities

eCommerce company runners should also divide and allocate customer service responsibilities appropriately. For example, some sellers have specific staff members who handle all inquiries about returns / refunds, while other teammates respond to inventory questions. Furthermore, you may opt to allocate your eBay messages to certain staff, and your Amazon messages to others.

Whatever you choose, if you use a helpdesk software to centralize your customer service, you can set incoming messages to automatically be assigned to the right member of your team based on keywords.

8. Go the Extra Mile

Another critical component to your customer service approach is to go the extra mile whenever necessary to satisfy the customer. Whatever question or problem you're dealing with, you need to do everything in your power to make things right and ensure your customer is happy with the experience.

9. Use Mistakes to Learn & Improve

While it is important to go the extra mile to provide great customer service, remember, no strategy is perfect. There will be times when a customer simply cannot be satisfied or when you or your team make a mistake. Don't beat yourself up over these instances. Instead, learn from them and use any data you can glean from negative experiences to improve your customer service for the future.

10. Follow Up

Finally, follow up with customers after any customer service interaction. Ask if they were satisfied with the service they received and if there's anything else you can do for them. You can also use this opportunity to invite feedback, encourage retention and learn how to make your customer service experience even better.

Final Thoughts on Customer Service

Excellent customer service can take your sales, retention, brand reputation and every other aspect of your company's growth to the next level. Follow these tips and you'll be well on your way to providing a customer experience that really gets people talking and buying.

Best of all, shoring up your customer service doesn't have to be overwhelming. With a helpdesk software like Replyco, you can centralize the messaging from all of your marketplaces and platforms into one easy-to-use inbox. Plus, our tools such as custom tags, email templates, smart auto-responders, live chat widget and more help you delight shoppers without expending too much time, effort or money. Take a tour of our features to learn more, or get started with your free trial today!

Delivering on promises - automation and technology in the warehouse

As an online retailer, you often only get a single opportunity to create a positive customer experience and nowhere is this more crucial than at the point of delivery.

After all, this is one of the very few physical touch points you will actually have with your customers and is the defining moment that lets them know whether you've been able to deliver on the promises you made or not. For example, whether you've been able to meet the delivery times guaranteed at the point of purchase.

Fail to deliver on this promise and you risk disappointing them and losing any potential future custom.

Don't believe us? Just take the fact that 17% of online consumers will stop shopping with a retailer after receiving a late delivery on just one occasion. What's more, 69% won't purchase from them again if their order is more than two days late.

Stick to your promises, however, and you not only boost the chances of them becoming returning customers, but you also stand to create an army of brand advocates.

The question is, how do you make sure you're delivering on your promises every time?

Well, the first place to start is by looking at your warehouse operations.

Ultimately, the main reason merchants fall short of making good on their promises is because the processes they are using to fulfill orders are either outdated or simply don't exist.

Now while meeting your promises may be straightforward when you're faced with a manageable volume of orders, without a solid order fulfilment process the risk of error increases as your order volumes grow.

In fact, these errors extend way beyond late deliveries and can include sending the wrong product to the wrong customer, or selling a product that you don't actually have in stock.

This is why it's fundamental that you have the right inventory and warehouse management processes in place.

Processes that specifically enable you to:

- Have complete visibility of your inventory and stock levels, giving you more control and eliminating errors such as overselling
- Reduce operational costs and save valuable time by automating your order and fulfilment operations
- Minimise warehouse picking errors
- Make more profitable business decisions by accessing crucial inventory and fulfilment data

Learn more about how you can achieve this with Zendportal here.

Ensuring that you can deliver on your promises isn't the only reason to invest in an effective order fulfilment process though.

In fact, given that today's consumers have incredibly high expectations and that their desire for convenience has fuelled a need for instant gratification, you need to be giving them a range of delivery options.

The problem, however, is that without the right system in place, this can add a layer of complexity that can lead to even more broken promises, not to mention additional costs.

Fortunately, with the right technology, this can be avoided.

Zendbox's AI shipping tool, Magicship, inputs the pricing information from multiple couriers, based on variables such as the product's weight and dimensions, the customer's location and the chosen delivery time. From here, it will instantly compare costs to find the best solution. What's more, it even takes into consideration post-Brexit taxes, duties and product type declarations making the process of shipping across the EU as straightforward as it is to deliver domestically.

As soon as an order is placed, Magicship automatically assigns the best shipping option and lets you know exactly what to charge customers for delivery, in turn enabling you to remain competitive while keeping your customers happy.

You can learn more about Magicship here.

Automated shipping communications

Delivering the right order at the right time may play a crucial role in keeping your customers happy, but it's certainly not the only role.

In fact, in this age of instant gratification it is not enough to simply offer expedited delivery options, you must also provide complete transparency over where the customer's order is and when exactly they will receive it.

What's more, you must proactively communicate this information with them throughout the entire delivery process.

How?

Through the use of post-purchase communications, such as automated shipping updates.

We have outlined some best practices for using post-purchase communications to improve customer satisfaction.

4 ways to get more from your post-purchase communications
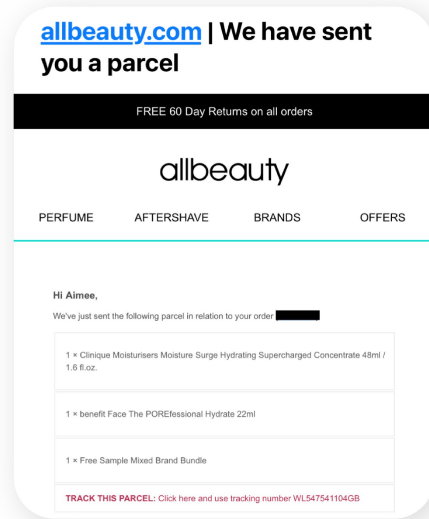
1. Use a clear subject line

While you are often encouraged to be creative with the subject lines used in your promotional emails, this isn't the case for transactional emails. Instead, it is recommended that you get straight to the point of what the email consists of.

With this in mind, we'd recommend that you keep your subject line as simple as "Your order is on its way" or "Your purchase is out for delivery".

2. Make it easy for customers to track their packages

Tracking links are one of the most useful features you can include in your shipping update emails, so make sure the link you include is nice and prominent.

As you can see here, allbeauty.com does this by using a different coloured font.

allbeauty.com | We have sent you a parcel

FREE 60 Day Returns on all orders

allbeauty

PERFUME   AFTERSHAVE   BRANDS   OFFERS

Hi Aimee,

We've just sent the following parcel in relation to your order █████

1 × Clinique Moisturisers Moisture Surge Hydrating Supercharged Concentrate 48ml / 1.6 fl.oz.

1 × benefit Face The POREfessional Hydrate 22ml

1 × Free Sample Mixed Brand Bundle

TRACK THIS PARCEL: Click here and use tracking number WL547541104GB

3. **Provide the estimated delivery date**

Where possible, go one step further than just providing a tracking link and actually spell out when the customer can expect to receive their order, just like Sephora have done in the example below.
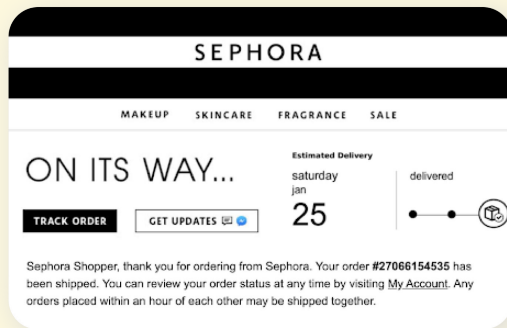
4. **Take the opportunity to drive more revenue**

Open and click-through rates for transactional emails are eight times higher than other types of emails, so if you're not leveraging these post-purchase delivery emails to encourage repeat custom, then you're missing out on a huge opportunity.

Haircare brand, oVertone, have done this well by encouraging 'a little extra shopping', without letting it distract from the main purpose of the email.
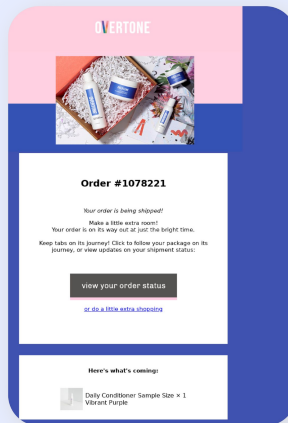
Similarly, Tarte Cosmetics include a more visual banner in their email footer promoting new product arrivals.

Alternatively, you could use these emails as an opportunity to promote a loyalty programme or a discount code to drive additional sales.
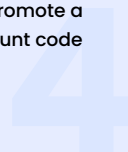
In summary, these emails should set clear expectations, build anticipation and reduce uncertainties, which in turn reduces customer support enquiries. Get this right and you seriously boost your chances of turning new customers into repeat customers.

It's important to remember though that these emails don't just benefit the customer. In fact, with "where is my order" (WISMO) queries accounting for as many as 50% of all customer service enquiries, automated shipping communications can significantly reduce the volume of calls being handled by your customer support team.

With Zendbox, you're not only able to send automatic shipment notifications to your customers, but you can also:

- Have complete shipment visibility, so that you can track your orders in one place and quickly resolve any delivery problems
- Develop a branded tracking page, allowing you to improve the post-purchase experience, encourage customer loyalty and even boost additional sales
- Keep your customers in the loop with shipment notifications
- Evaluate your delivery rate, delivery times and carrier performance so that you can understand the impact of your post-purchase experience and make data-driven decisions going forwards

Personalise the experience

Unlike retailers with a physical store, those operating solely online have far fewer touchpoints to impress customers with.

This is why the experience you create at the point of delivery is so important.

In other words, if you're not using this touchpoint as an opportunity to stand out from your competitors, then you're missing out on the chance to position yourself as a trusted and loved brand.

The question is, how exactly can you achieve this?

Well one way is by personalising the experience.

3 ways to personalise the delivery experience.

1. Make use of your packaging

The packaging you use for your orders is the only physical touchpoint your customers will have with your brand, which is why you're wasting a huge opportunity if you're not using this to your advantage.

In other words, if you're not investing in the packaging you're using and the overall experience you're providing your customers with when they open their item, you not only miss out on the chance to delight them, but you also lose out on the opportunity to benefit from enhanced brand awareness on social media.

Just take the popularity of unboxing, which has exploded in recent years.

Unboxing specifically refers to the unpacking of products, with consumers capturing the process on video and sharing it online. In fact, these posts are so popular they get shared as many as 95 million times per day on average, on Instagram alone.

The bottom line is, unboxing videos allows your customers to serve as brand ambassadors.

So while it can be an investment, get it right and it's one that can seriously pay off. In fact, according to a recent Dotcom Distribution survey, 40% of consumers were found to make repeat purchases from online retailers that use premium packaging.

Dollar Shave Club and Birchbox are just two examples of brands that do this well.

Brand awareness isn't the only reason to invest in your packaging though.

In fact, the packaging you use can be a great way to demonstrate your brand values, for example sustainability, and in turn build trust with your customer base.

2. Include personalised messages

While many businesses are of course going paperless, it can't be ignored that there is still an opportunity to include personalised messages within the parcel itself.

Just take Revolution, who use their dispatch notes to provide information and offers, which are dependent on whether someone is a first-time buyer or a repeat customer.

"We include personalised smart slips in our packages and these will either say 'Welcome to the Revolution' and provide some introductory stuff about our business, or 'Thank you for coming back' with their name, along with some offers. We get so many customers posting it on social media because it feels like an influencer box. It feels special". **Sally Minto, Digital Director at Revolution**.

This is particularly important given that more than a third of consumers expect a better customer experience if they have previously purchased from the brand in question.

3. Use a branded tracking page

We've already touched on this in the previous section, but the use of a branded tracking page really can help to drive customer loyalty and encourage additional sales.

In fact, with many brands relying on the shipping carrier's site to provide their customers with vital tracking information, this can be a fantastic way to stand out and increase brand awareness.

What's more, it even allows you to drive additional revenue by including personalised offers and product recommendations.

Enable easy returns

When it comes to improving customer experience, online businesses often prioritise both the buying experience itself and the delivery process, yet treat returns as an afterthought.

The problem is, product returns happen whether you like it or not. They are simply inevitable.

After all, the stats speak for themselves, with the online health & beauty sector seeing one of the highest return rates at 22%.

Which means that if you're neglecting this part of your customer journey, you risk losing these customers for good.

On the other hand, if you provide an easy return process, as many as 95% of consumers will return to make additional purchases.

So, to ensure you're not only making returns a key part of your eCommerce strategy, but that you're also getting it right, we've outlined three key considerations.

3 considerations for providing a seamless online returns experience

1. Provide a clear returns policy

With 68% of online shoppers checking a retailer's returns policy before placing an order, it's imperative that you not only have one to secure the sale, but that it covers all bases.

But what exactly do we mean by this?

Well to start with, we'd recommend that you list the steps required for returning goods, using easy-to-understand language.

You will also want to clearly state your timeframes for returns processing, so that customers know how long they have to return a product. While the minimum amount of time is two weeks, extending this not only offers you a competitive advantage, but it can also help to build trust and earn respect amongst your customer base.

Sephora, for example, offers a 60 day return period, for new or 'gently used' products.

Another way to keep customers happy is by offering a line of communication, so that they can easily contact you should they have any questions. You should also ensure the returns policy is easily accessible from your website, or better yet include a link in your order confirmation email.

Finally, consider offering free returns.

Now while this does of course come at a cost to your business, it is worth pointing out that businesses that do so can actually expect an overall increase in sales, while also turning one-time buyers into loyal customers.

2. Offer multiple return methods

Much like with their delivery expectations, online shoppers want both convenience and choice when it comes to returning unwanted products.

With this in mind, make sure you're offering a range of return methods, for example home collection, drop off points or if applicable, in-store returns.

3. Use returns data to your advantage

There's no denying that returns are a pain, but with the right system in place, there's no reason you can't turn them to your advantage.

After all, returns data can allow you to capture invaluable product feedback, identify any common faults and rectify inaccurate product descriptions, all of which can help to improve keep rates going forward.

Leveraging the data behind these returns can even help you to pinpoint products with high return rates.

The bottom line is, product returns don't have to mean unhappy customers. In fact, with the right data insights, you stand to improve the customer experience and make more profitable business decisions.

Industry Voices

Sometimes it's hard to know how to get started making changes with your business, even if you know it will result in better processes, cost savings or even selling more products.

That's why Zendbox runs a podcast; After The Buy Button, talking to eCommerce leaders, finding out exactly how they've overcome challenges post-purchase and what they recommend other brands do too - all so you keep your customers happy, and coming back for more.

Hear what they have to say:

Sally Minto,
Digital Director at Revolution Beauty

"We have this narrative with our customers which is 'you ask, we listen'. We have a really successful foundation and concealer franchise called 'Conceal and Define" and at launch we started off with a certain number of shades and asked our customers and they told us they want more. We have over 50 shades now. Our customers live within our business and help to drive what we do every day and hold us to account".

"We really do try to personalise the experience dependent on if someone's shopped with us for the first time, versus someone who's come back to us. So, we include personalised smart slips in our packages and these will either say 'Welcome to the Revolution' and provide some introductory stuff about our business, or 'Thank you for coming back' with their name, along with some offers. We get so many customers posting it on social media because it feels like an influencer box. It feels special.

Anna Brightman,
Co-Founder at UpCircle

"When it comes to the packaging you use, the most important thing is that you're never sacrificing the user experience or how the product is supposed to function. People are buying your product because it needs to do something. So if the packaging gets in the way of that, then it doesn't matter how sustainable that packaging is because your audience is going to be diminished massively and therefore your brand impact is going to be massively diminished".

"We have branded boxes which is a big step up and hugely costly, but the design allows us to put across our messages. As you have less of a voice as you reach a wider audience, how can you get your packaging to be that voice for you? The flyers we've designed have got a picture of the team on the back and a little thank you message, and then the other side is designed like a newsletter. We then rotate them, so if you've ordered a moisturiser, then the next time you order it you'll receive a different newsletter. It's also important that you're finding fulfilment partners that can work in alignment with what you're trying to achieve."

Lindsey Simmonds,
Founder at Wander Puzzle

"Before using the software I use now, I had no visibility over the orders coming in and going out. If an address was incorrect, I wasn't able to change the address myself, or add a gift message, you know, all of these things that customers want and expect from you. We were moving so fast and there was no visibility for me to be able to make those changes and so, frankly, if there was a wrong address, there was a wrong address. I could not get it changed. There were no gift messages and the shipping costs were absolutely extraordinary, because we didn't have the benefit of a third party logistics fulfilment centre that would have certain rates".