

Thanx

Customer Engagement in the Era of
HYPER-PERSONALIZATION



Customer Engagement in the Era of Hyper-Personalization

The value of customer engagement is undeniable. Engaged customers visit and spend more, and recommend your business more frequently. That engagement directly translates into bottom line revenue.

76% of customers feel that receiving personalized discount offers based on their purchase history is important, and 80% of consumers indicated they are more likely to do business with a company if it offers personalized experiences.

Simply put, engaged customers are extremely valuable.



Engaged customers represent a

23%

premium in terms of wallet share, profitability, revenue, and relationship growth, according to [Gallup](#).



The value of personalization is hard to dispute, and yet, 70% of merchants fail to personalize their marketing campaigns.



So, how do you engage customers in this era of hyper-personalization?

For starters, stop trying to market to everyone. By marketing to everyone, you market to no one.

+

To succeed at engagement, you need to offer a highly personalized customer experience. You can't expect to market to customers like it's 1999 and get 2019 kind of results. Despite being one of the top-performing channels for decades, email marketing engagement rates are dropping year after year because marketers have continued to try to use it in a one-to-many fashion which doesn't deliver the kind of relevance today's consumers crave. Eighty-percent of customers are more likely to do business with a company that offers a personalized experience. Why? Because they're more engaged.

You need to deliver the right message to the right customer, at the right time, and on the right channel.

In this actionable guide, we'll explore how real engagement happens when you know your customers, send personalized and relevant messages, and measure your success in real revenue—not just opens and clicks. The bottom line? You'll learn how to engage your customers like never before with a hyper-personalized strategy that will drive results.

+

+

How to Drive Customer Engagement Using Personalized Campaigns at Scale

With so many businesses competing for attention using email marketing, it can be challenging to stand out. Recently, personalization has been most closely associated with email, where marketers were pivoting from a one-size-fits-all approach commonly referred to as spray and pray, to a more personalized approach.

But marketers still struggled with personalization at scale, often only employing the infamous “insert first name into the greeting of the message” tactic and calling it a day. At the same time, consumers were becoming more and more savvy and started expecting brands to give them the kind of personalized experiences they got from big brands like Amazon, Zappos, and Netflix. But few, if any smaller brands were capable of delivering that kind of personalization. Why? It all comes down to data. Most smaller brands don’t have it, don’t have access to it or can’t use the data they do have. It feels overwhelming to even try, which is why 70% of merchants fail to personalize their marketing campaigns. But access to data to personalize customer engagement isn’t limited to just the big guys. Every merchant at every business can have powerful data right at their fingertips and use that data to better engage their customers and drive results.



The average person receives

121

emails per day.

Capture and use actionable data

To engage customers, you need to know who they are. While many merchants think they know their customer base, research suggests otherwise. Eighty percent of consumers say the average merchant doesn't understand them as an individual.

The truth is, it's hard to know your customers. Running multi-location businesses and catering to a wide variety of customers with an even wider variety of needs makes it seem impossible. In today's digital age, knowing your customers comes back to data. But getting that data is hard. Research shows the top barriers to data collection are integrating data across multiple technologies, generating reliable and relevant data, and improving data quality and accuracy, according to Ascend2.

Did you know the modern connected customer **generates 2.5 exabytes of data per day**, which is equal to 90 years of high-definition video?

It's clear we need some help getting to the important, engagement driving data because the struggle is real when 72% of businesses understand the importance of personalization, but don't know how to do it.

What are the most Challenging Barriers to marketing data and technology success?



SOURCE: ASCEND2

An automated customer engagement platform can remove the data hurdles you face by capturing robust customer data on the back-end and providing you everything you need in easy to understand analytics and insights.

When you begin to see big-picture data like customers' average check size, visit frequency, and lifetime value and also more granular data like what a customer buys, when, and where, it provides you a very clear picture of exactly who your customers are and what they want. Imagine how that can change your personalization strategy and tactics.

Using data you'll be able to:

Identify your best customers

Your VIPs are your best customers. They are the customers that spend and visit most often, refer your business to friends, and have a lifetime value worth investing in.

Sixty-six percent of sales come from just **25% of your customers.**

In other words, the majority of your sales come from a small number of people. However, most merchants don't know who their best customers are, let alone market to them.

The data captured by your automated customer engagement platform shows you exactly who your VIPs are. You can see what they typically spend, when they come in, even what they buy and when.

Pinthouse Pizza in Austin, Texas has increased revenue by 18% by engaging their VIP customers. They reward their VIPs with everything from an extended happy hour to exclusive t-shirts, collectors pins, and even a trip to the Great American Beer Festival. They know their customers and how to engage them personally and it pays off in revenue that grows the business.



Thanx helps Dewey's gain a better understanding of our business. For example, seeing that the top 10% of our customers generate 25% of our revenue is something we couldn't measure before.

In business, people often take their regular customers for granted—it's a given that they'll be back. However, in the last 2 years, competition in the industry has been fierce. Retaining high value customers is essential. The data we get from our Thanx Campaigns highlighted that for us in a way we never had before."

- David Igel, Managing Partner, Dewey's Pizza





Forty-four percent of consumers say they will likely visit and purchase again after a personalized experience.

Once you know who your best customers are, you can offer hyper-personalized experiences and messages that not only keep them engaged, but keep them coming back for more.

Personalization backed by data gives you the power to take an active role in fueling customer engagement and loyalty, rather than just wishing for it.

SKU level item information can inform merchants about what types of products a customer buys, where they buy them and how often. However, most companies drop the ball when it comes time to personalize their discounts and communications to their loyal customers.

Let's take a look at the benefits of segmentation and the types of personalized campaigns you can power using it.

Segmentation for personalized experiences

Sending personalized messages sounds time consuming. How are merchants, who are managing day-to-day operations, going to send personalized messages to customers? Who has the time?

That's where the power of an automated customer engagement platform comes to the rescue.

Segmentation is the key to personalization at scale. By grouping like-minded customers together in small groups, you can send more targeted messages to each subset. Segments of customers include:

Lifetime spend	Location preference
Visit frequency	Day or time preference
Average spend	Item preference
Status (VIP, churned)	Responsiveness to previous promotions
Demographics	Location
Customer satisfaction/NPS	

Segmented messages make it easy to deliver the right messages to the right customer at the right time—and they're effective. And as you learned from Pinthouse Pizza example, the effort is worth the reward.

Targeted communications that are relevant and useful can create lasting customer loyalty and drive revenue growth of 10 to 30 percent.



The Benefits of Targeted Campaigns

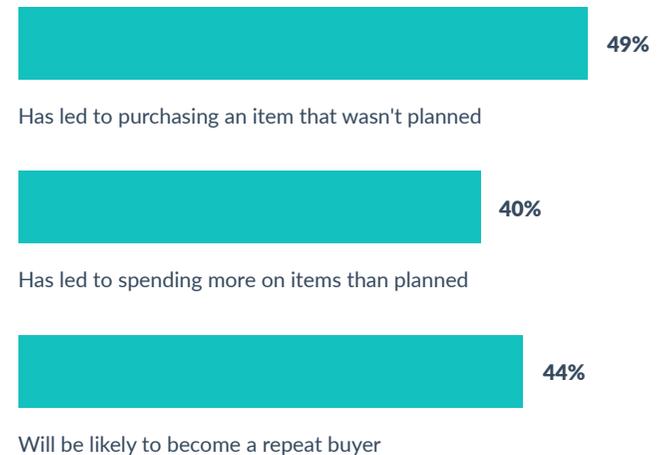
With customers grouped into smaller more relevant segments, you can start sending more targeted messages.

Deliver targeted messages to every customer

When you send more targeted messages, you'll see additional benefits like these:

Effects of Personalization in the Shopping Experience

US

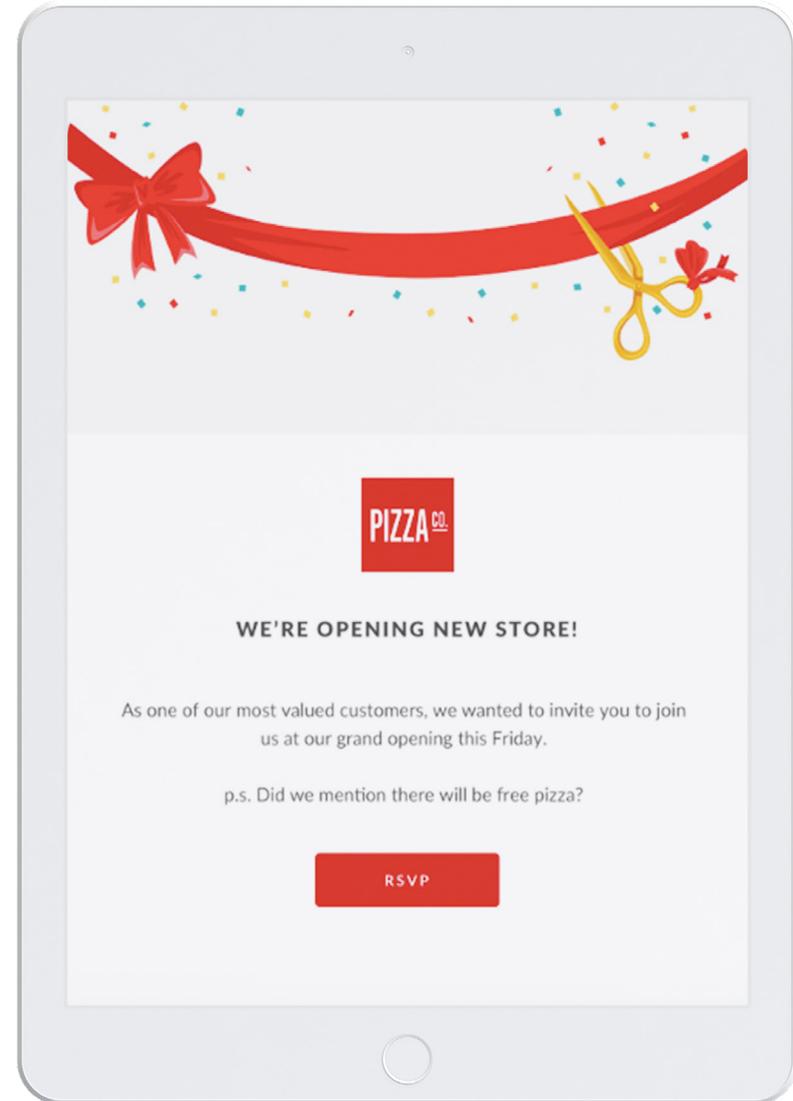


SOURCE: BUSINESS INSIDER

Personalization has a lot of perks, and an automated customer engagement platform makes it simple to deliver personalized messages. In less time than it takes to brew a cup of coffee, you can send a push notification or an email to a specific segment of customers and start generating revenue for your business.

Let's say you want to let customers in a certain area know that you're about to open a new location for your business. Simply select the location-based segment, and send a targeted email to everyone near your new location, like the email example from Pizza Co.

Boom. You just delivered a targeted, personalized email in seconds.





Having customers opt-in to receive our messages and offers is the ultimate in permission. With that permission comes a great responsibility to deliver the most targeted, relevant, and valuable messages we can to ensure our loyal customers return again and again. Thanx ensures we hit the mark every time.”

- **Cheyenne Terbrueggen, Marketing Manager,**
Elephants Deli

Elephants Deli, a popular fast-casual concept in Portland, Oregon, recently sent a targeted offer to a segment of their customers based on week-part, or the time of week that they usually visit. Elephants was looking to drive traffic to their weekend brunch. They were quickly and easily able to send out a personalized and targeted offer to a segment of their audience who had only made purchases on the weekdays to shift them to visit and purchase on the weekend driving incremental revenue for the business.

Elephants often customizes their messages and offers by location and by customer because each location attracts different types of customers with different spending and visit habits.

Mixt Greens/Split, another popular fast-casual restaurant in the San Francisco/Bay Area also employed this tactic when they were ready to phase out a popular menu item. From their data, they knew which guests enjoyed the item and had purchased it in the past so they were able to reach out personally to these guests with an email promoting a similar menu item with an offer to try it out.

These real-life examples show how merchants are deploying revenue generating campaigns that are changing consumer behavior and increasing engagement.





The Benefits of Automated Campaigns

What if you had a virtual assistant that could anticipate your customers' behaviors and choices and automatically send out personalized messages. That sounds rad, right? The good news is, it's totally possible today. Let's discuss the massive benefits of automated campaigns to do the work for you.



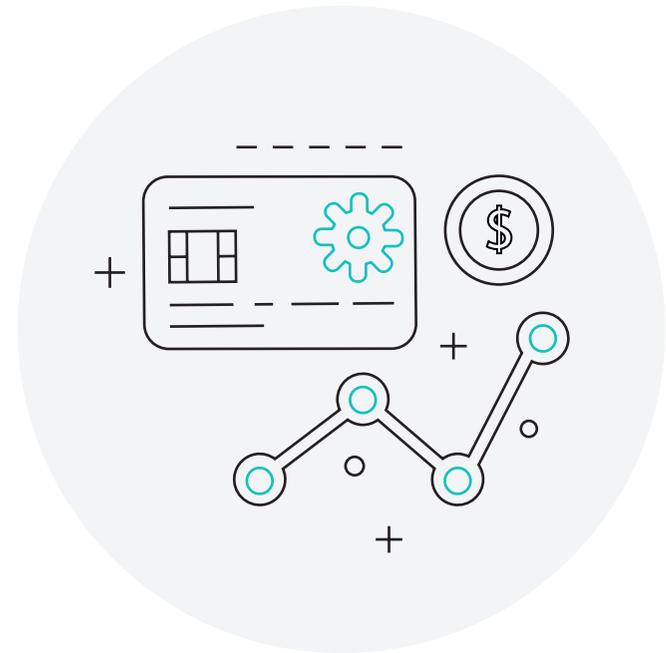
My favorite feature about Thanx is how easy it is. I love the automated campaigns, because I'm empowered at the click of a button to do a campaign in real time. Sometimes we find out about initiatives last minute, so I'm able to deploy immediately, and see actionable results.”

- **Joanna Luter, Brand Strategist**

The Rock Wood Fired Pizza

Automated campaigns do the work for you

Automated customer engagement platforms spot trends in customer data and send appropriate messages and offers to customers on your behalf. Essentially, the work is done for you. There are a few different kinds of automated campaigns based on your business goals. You can use all of them or just a few. It's up to you and what your goals are. The key to remember is that automated campaigns do all the heavy lifting of creating and sending campaigns for you. Kind of like the Alexa or Siri of customer engagement. Now, let's review the different types of automated campaigns.



Types of automated campaigns



WINBACK

Mandy hasn't come into your coffee shop this month. It's odd for Mandy, who usually stops in faithfully once a week. Your engagement platform spots this trend and sends her a, "Come back!" message with a 20% off coupon. As a result, Mandy comes in the next day. During her visit, she remembers why she loves your coffee and resumes her weekly latte run and picks up a muffin and a salad for later.

Mike's Carwash, a 21-location business based in Ohio, delivers well-timed promotions to its customers when visit frequencies slow to a trickle. These customers are about to churn, or leave the business altogether. But, by sending a winback offer that gives customers an incentive to return, the company retains these customers. Mike's Carwash has won back 30% of its customers with automated winback campaigns. You could say they're really cleaning up when it comes to incremental revenue.



Winback campaigns deliver

6X ROI

for merchants.



“
+
+
○
Thanx won back +30%
of Mike’s lapsed loyalty
members with personalized
and targeted winback offers.”

- Megan Hollabaugh, [Mike's Carwash](#)



BOUNCEBACK

With a bounceback campaign, an automated offer can be sent to someone who recently visited your business. This helps to ensure first time customers become repeat business. It's worth it to engage first-time visitors. The reason? It costs anywhere from 5 times to 25 times more to acquire a new customer than it does to retain an existing one.



BIRTHDAY

When it's a customer's birthday, you can automatically send him or her a personalized message or offer to celebrate. Birthday emails have an impressive transaction rate, coming in at 481% higher than your average promotional email.



Consumers redeeming birthday rewards typically spend

31% MORE

than their normal purchase size.



VIP

Research shows 66% of sales come from just 25% of customers. Reward your best customers with regular offers, promotions, and signs of appreciation with VIP campaigns. Thanx makes it ridiculously easy to reward your VIPs. Because consumers link their credit card when they sign up for your program there's nothing to do when they make a purchase. They don't need to enter a phone number and there are no clunky cards to carry or have to punch. Everything happens effortlessly so it's an awesome customer experience that results in happy customers who will refer your business to their family and friends.



SIGN UP

When a customer signs up for your customer loyalty program, they'll automatically receive a welcome message with an offer toward their next visit. Research shows 54% of customers expect to get a promotion from a company within 24 hours of identifying themselves.



REPUTATION MANAGEMENT

Customer feedback is the lifeblood of any business. Ensuring you capture customer feedback and harness it in positive ways for your business is crucial in attracting new customers. Your engagement platform will automatically ask customers for feedback post-purchase and encourage them to share it on Google to spread the word using the world's largest search engine's massive reach.

With automated campaigns, you truly can deliver the right message, to the right customer, at the right time—automatically, saving you time but making you money. That's a huge win.

Lastly, let's review how to measure the impact of your personalized customer engagement in terms of revenue.



Measure Success in Real Revenue Generated

A hyper-personalized customer engagement strategy is a powerful way to connect with today's digitally-savvy audience, but it's typically hard to measure.

A lot of merchants use vanity metrics like email opens and clicks to show how “active” customers are, but these metrics don't relate to your bottom line. It's a common problem for marketers in every industry.

Sixty-eight percent of marketers say improving ROI measurability is the most important goal in their data management strategy.

Put simply, you want specifics. How many car washes or entrees did you sell as a result of your last email campaign? How many customers came in and spent money as a direct result of your efforts.

Connecting profits to specific engagement campaigns has been next to impossible—until now.

Your customer engagement platform needs to deliver metrics that are tied to your revenue. You should be able to track how much incremental revenue was generated as the result of an email campaign, see how many promotions were redeemed by customers, and track promotions redeemed by customers who supplied feedback. You don't need a data analyst to understand how engagement is driving revenue, you'll see it for yourself right in your dashboard in clear, understandable numbers that make sense and enable you to learn and do more.



