

# Customer Acquisition and Retention

With Shawn Christianson & Alie Reynolds



# Gardener's Supply Company

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A business to spread the joys  
and rewards of gardening.

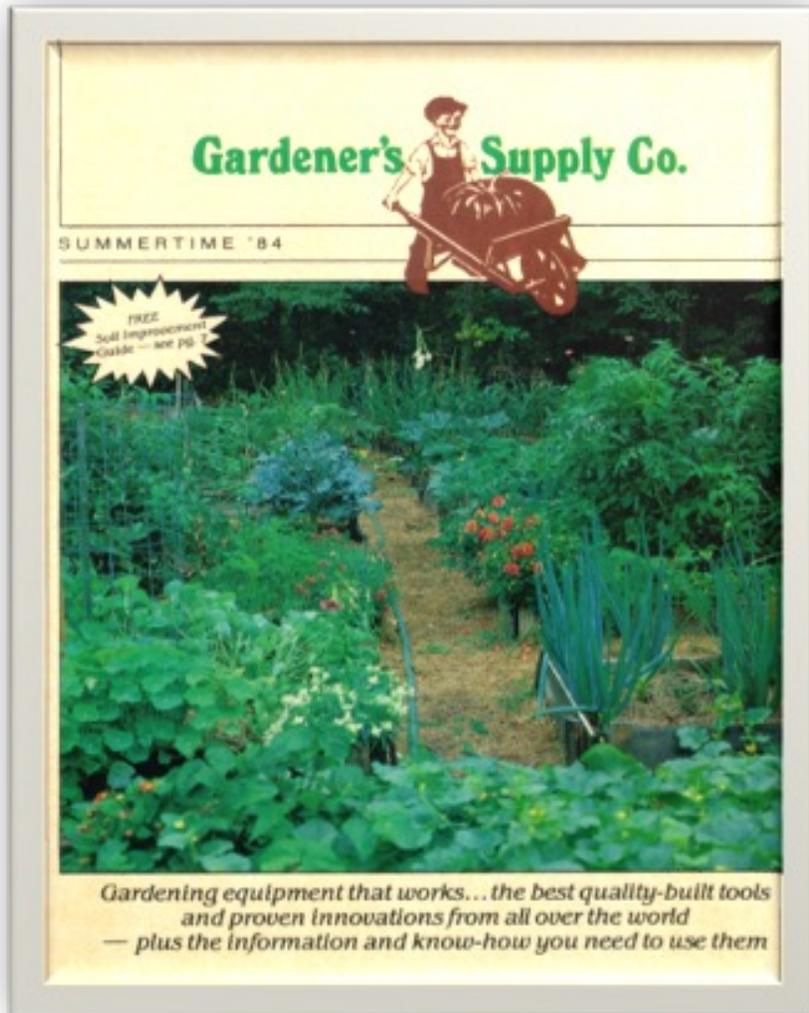




Shawn Christianson  
Director of Marketing



Alie Reynolds  
Customer Retention Manager



## Rooted in Catalogs

and Mission Driven

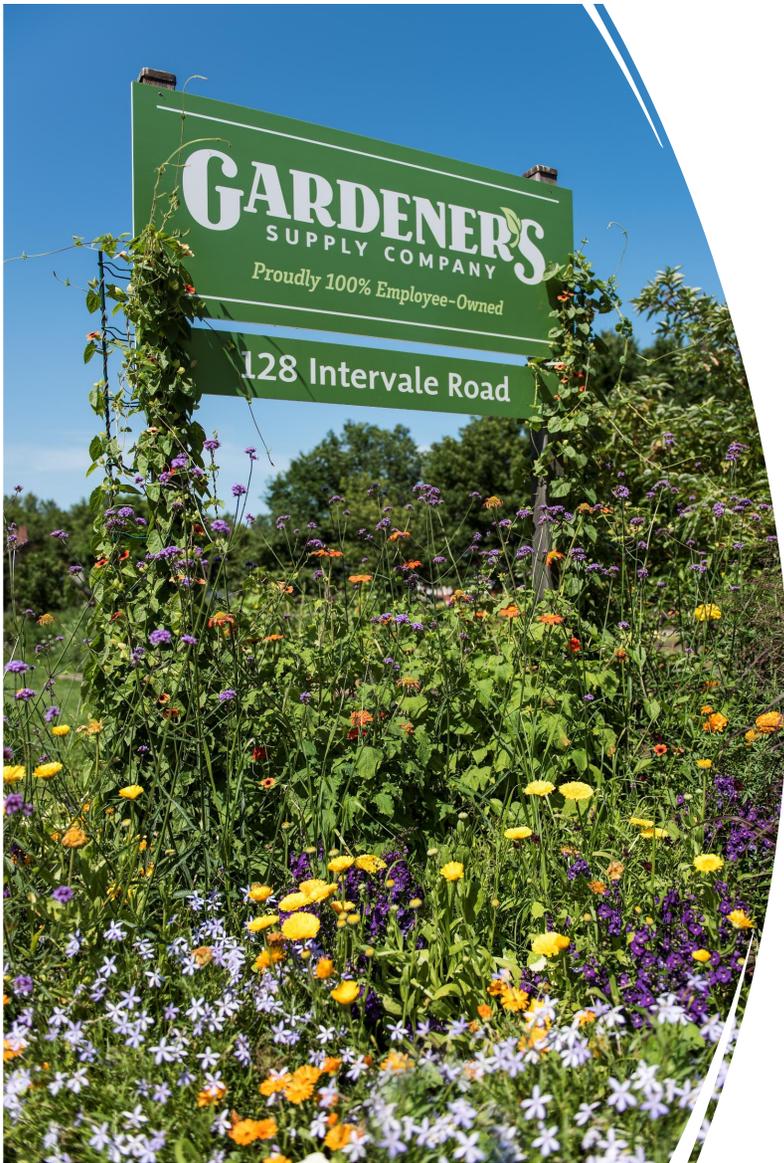
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- **1983:** Will Raap launches Gardener's Supply Company as a catalog mail order company offering innovative gardening solutions.
- **1990:** Implements mission statement to “spread the joys... of gardening, because gardening... makes the world a better place”
- **1996:** Gardeners expands to the World Wide Web with our first ecommerce presence at [Gardeners.com](http://Gardeners.com)

A close-up photograph of a person's hands holding a silver smartphone. The person has pink nail polish and is wearing a ring on their left hand. The background is a blurred laptop keyboard and a wooden desk. The overall lighting is soft and warm.

# Customer Acquisition

Using metrics, omni-channel strategy, and brand awareness to drive new business



# Acquisition

Understand your brand & consumer

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- Understand and define your value proposition
  - How you create better outcomes & experiences
  - Why customers want to be a part of your 'community'
  - What drives long term engagement
- Determine your mission – your why
  - What does success look like
  - Why you are in business
  - The goal of the brand as an entity
- Segment your messaging
  - What is most important to someone new to the brand?



# Acquisition

## Channels of Focus

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- Align your focus with business goals
  - Growth – Top of Funnel
    - Brand awareness, video, social prospecting & partnerships
  - Profitability – Retention Channels
    - Email, print, social retargeting, deals & promotion strategies
- Consolidate your targets & resources
  - Good content on any channel is resource intensive – don't try to do it all at once
    - Allocate budgets for testing

# Acquisition

## Targets

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- CPA – Cost per Acquisition
  - Ad spend from platform reporting
  - Customer Count from Rockerbox
- % of Orders & Demand from New Customers
  - Used to understand the balance between cost/topline/profit
- 12/24-month Buyer Count
  - Leading indicator of above targets
  - Used during budgeting process to set new customer & rebuy targets



# Acquisition

## Profitability Management

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- Fixed Marketing
  - Catalog drops – evolving
  - Tech platforms
- Variable Marketing
  - Digital Ad Spend (Google/Facebook)
  - Marketing Promotions (order-level discounts)
  - Commissions (Affiliates & Marketplace)
- Margin
  - Markdowns (SKU-level sales/multi price)
  - COGs/Margin
- Inbound Freight
  - Shipping Income
  - Freight Adders



# Acquisition

## Profitability Management

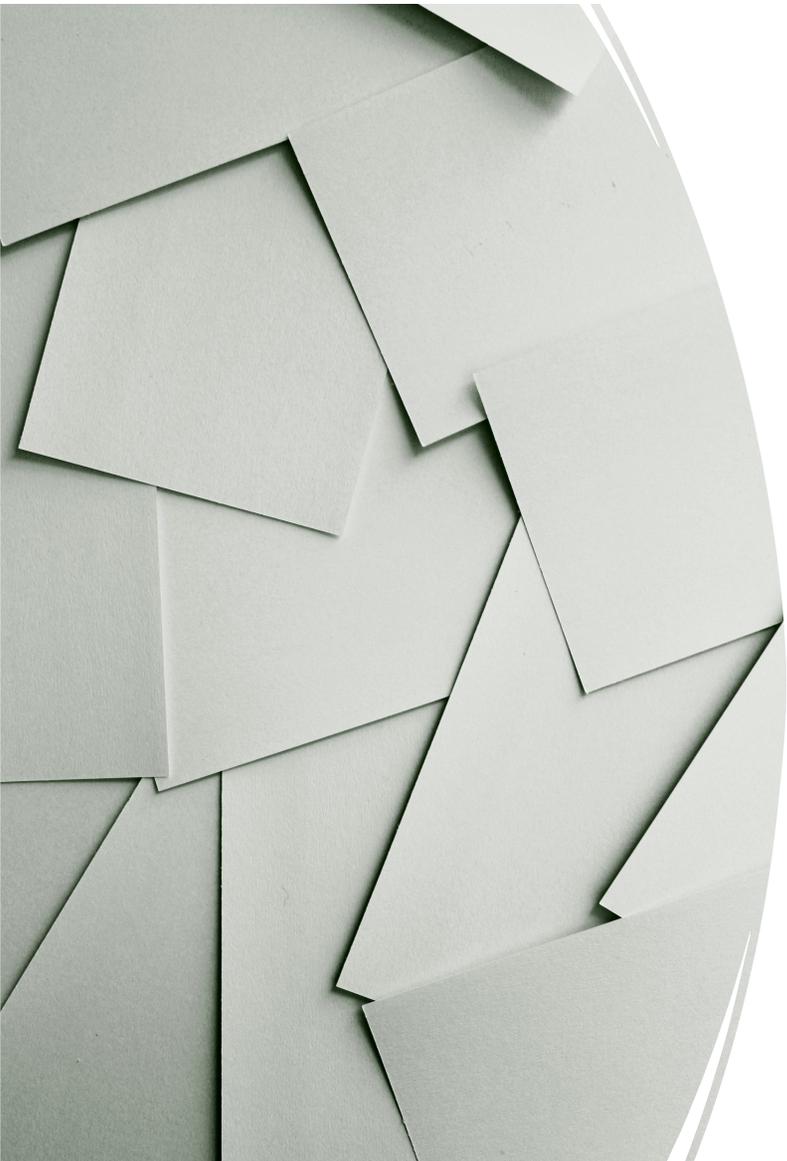
(cont.)

	Total	Core	Mktpl.	Comm.
<b>Demand</b>	<b>\$XX,XXX</b>	<b>\$XX,XXX</b>	<b>\$XX,XXX</b>	<b>\$XX,XXX</b>
Orders	X,XXX	X,XXX	X,XXX	X,XXX
AOV	XXX	XXX	XXX	XXX
<b>Margin \$</b>	<b>\$XX,XXX</b>	<b>\$XX,XXX</b>	<b>\$XX,XXX</b>	<b>\$XX,XXX</b>
<b>Margin %</b>	<b>X.XX%</b>	<b>X.XX%</b>	<b>X.XX%</b>	<b>X.XX%</b>
<b>Variable Marketing</b>	<b>\$XX,XXX</b>	<b>\$XX,XXX</b>	<b>\$XX,XXX</b>	<b>\$XX,XXX</b>
<b>Rate</b>	<b>X.XX%</b>	<b>X.XX%</b>	<b>X.XX%</b>	<b>X.XX%</b>
<b>Variable Contribution</b>	<b>\$XX,XXX</b>	<b>\$XX,XXX</b>	<b>\$XX,XXX</b>	<b>\$XX,XXX</b>
<b>Rate</b>	<b>X.XX%</b>	<b>X.XX%</b>	<b>X.XX%</b>	<b>X.XX%</b>



# Customer Retention

“An ounce of loyalty is worth a pound of cleverness” – Elbert Hubbard



## “The medium is the message” – Marshall McLuhan

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- The channel influences the customer experience just as much as the message.
- Media does not disappear, it becomes more specialized.
- Your customer’s perception is your reality.

# Segment Your Customers

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- Not all customers are created equal
- Build Segments By:
  - Purchase Behaviors
  - Channel Affinity
  - Sales Cycle
  - Geographic Regions
- What story are you telling? Is it relevant to this individual?



# Get Personal

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- Some data is sacrosanct, but a lot of what can be used to personalize their experience is not.
- What methods do you have to listen to what your customer is telling you?
- Be available, not big brother
- After a period, a level of **personalization is expected**, especially online
- Personalization should remove friction from the customer experience



# Membership and Loyalty Programs

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- 74% of consumers favor feeling **valued and understood** as the key component of brand loyalty.
- Customer satisfaction is a **metric**.
- In a loyalty or membership program it's the **customer's behavior** that drives value sharing.
- The best membership or loyalty programs create **convenience** to drive brand loyalty.





# Using Marketplace Technology

How these channels can impact your business

# Marketplace

- What is your goal in selling in the marketplace?
  - Profit
  - Exposure
  - Fulfillment
- How will you position your brand?
  - How that determines your engagement
    - 3P vs. FBA

The image shows a screenshot of an Amazon product page. At the top, there is a search bar and navigation links for 'New Releases', 'Prime', 'Music', 'Today's Deals', 'Customer Service', 'Amazon Home', and 'Regis'. Below this, there are category links: 'Discover', 'Shop by Style', 'Home Décor', and 'Furniture'. The main product title is 'SEEDLEAD HEATING MATT with Built-in Temperature Controller, by VIVOSUN...'. The product image shows a white bag of 'GARDENER'S SUPPLY COMPANY ORGANIC! Seed Starting Mix' with a green leaf logo, two black seed starting trays, and a set of wooden stakes. The price is listed as '\$39.95' with a note 'Get \$10 off instantly: Pay \$29.95 annual fee.' Below the price is a table of product specifications:

Plant or Animal Product Type	Birch
Indoor/Outdoor Usage	Outdoor,
Brand	Gardene
Material Feature	Organic
Item Weight	1 Pound:
Unit Count	1.0 Coun

Below the table is a 'See more' link and an 'About this item' section with a bullet point: 'PRODUCT DETAILS: Garder...'. At the bottom, there are several small thumbnail images showing the product in use, including a 'Roll over image to zoom in' feature.

# Marketplace

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Everyone should:

- Get a competitive insights tool
  - (Helium 10, Jungle Scout etc.)
- Be aware of Amazon's new market forays

Things to consider going forward

- Ownership of customer data
- Evolution of eCommerce space





# Final Thoughts

and questions?

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