



A Beautifully Executed Campaign: Image Beauty Increases Sales, Prolongs Customers' Lifecycles

Online retailer generates \$2.67 per email through
behavioral remarketing email campaigns

Situation

Image Beauty, one of the largest online suppliers of name brand cosmetics, fragrances, and hair care products wanted a way to optimize customer interaction, engagement, and conversions. With over 100,000 customers, of which 88% are first-time customers, Image Beauty realized it was missing a big opportunity by not doing more to re-engage customers with retargeting campaigns that prompted re-purchase of previously purchased merchandise.

Solution

Listrak first looked at Image Beauty's historical customer data and used its Predictive Behavioral Analytics to analyze the top 500 replenishable products by SKU number to identify the average shelf life of each product, order history, and cadence between re-purchases. Implementing Listrak's Purchase Cadence Optimization solution, Image Beauty used behaviorally triggered messaging to create personalized retargeting campaigns based on product and purchase date. The campaigns were automatically deployed one week before the average reorder date of each product to re-engage customers, proactively prompt re-purchase, and give them an easy way to replenish the merchandise. The campaigns included a \$5 discount incentive and a way for customers to set another reminder if the timing wasn't right.

Then, using RFM tactics and the discount ladder methodology, it deployed re-engagement email campaigns offering customers who haven't purchased in 30-60 days a \$5 off coupon, customers who haven't purchased in 61-365 days a 10% discount, and customers who haven't purchased in over a year a 15% discount. The idea is customers who have purchased most recently are most likely to purchase again and, therefore, do not require a large discount to influence re-purchasing decisions. However, customers who have become inactive need a little more incentive.

These two strategies go hand-in-hand to extend customers' lifecycles and life-time values. Image Beauty is also using Listrak's SecondPass feature, which automatically resends the message with a new subject line two days later if the recipient hasn't opened the initial message. This extra measure maximizes exposure, engagement, and ROI.

Results

The campaigns are producing amazing results. Image Beauty is averaging an unprecedented return of \$2.67 per email for its purchase cadence optimization emails. Because of the success, it plans to increase the number of items for its entire line of 30,000 products.

The re-engagement campaign has helped recapture a number of customers. The first segment, customers who haven't purchased in 30-60 days, achieved an 8.9% click-through with 13.6% of those responders making a purchase. The second segment, customers who haven't purchased in 60-365 days, achieved a 4.4% click-through with a 21.3% conversion rate. And the coldest segment, customers who haven't purchased in over a year, achieved a 2.8% click-through with a 12% conversion rate. SecondPass resulted in even more sales from each segment 4.8% click-through rate and 10% conversion rate, a 3.3% CTR and 25.5% conversion, and a 2.4% CTR and 14.4% conversion, respectively, totaling thousands of dollars in additional revenue.

About Listrak

Listrak is an email marketing firm providing the solutions, software, and services to optimize the value of email. Listrak works with clients to develop engaging email marketing to deliver the extra percent in effectiveness and ROI.