



Magento **Live**

Australia | 2016



The Analytics Playbook of High-Growth Merchants

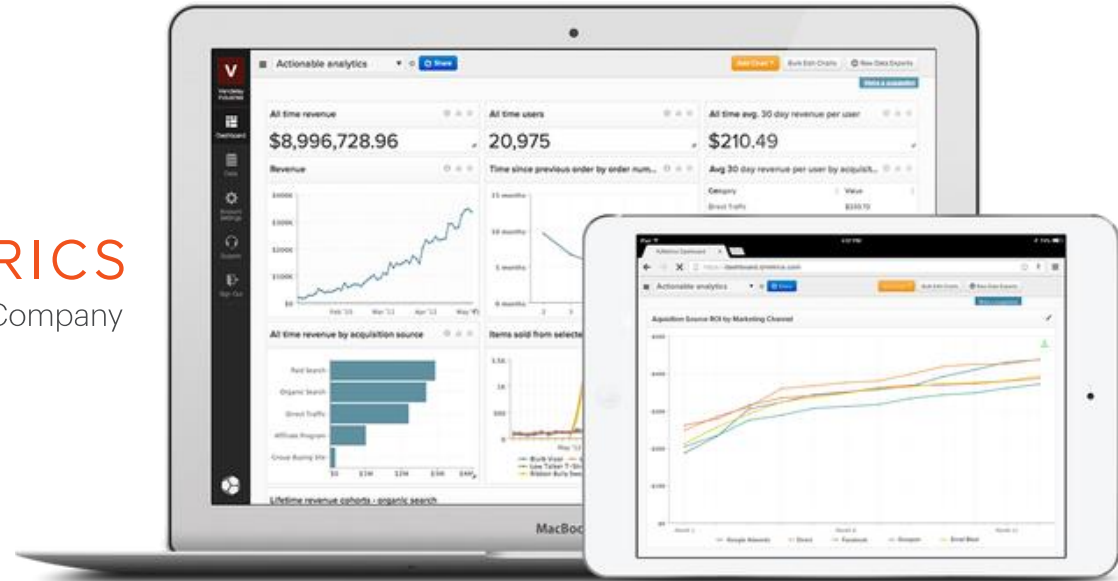


Robert J Moore

Head of Magento Analytics

 *@robertjmoore*

Our Mission is to Inspire & Empower Data-Driven People

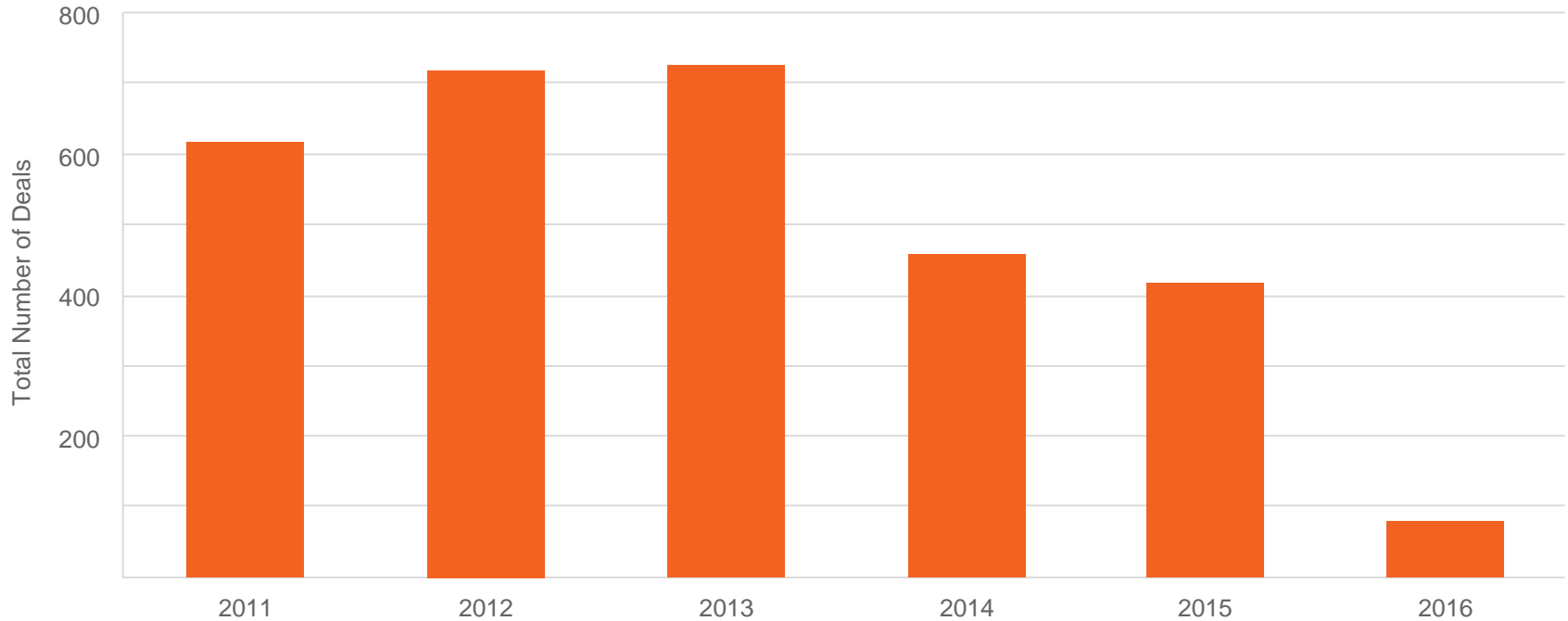


Customers Include:



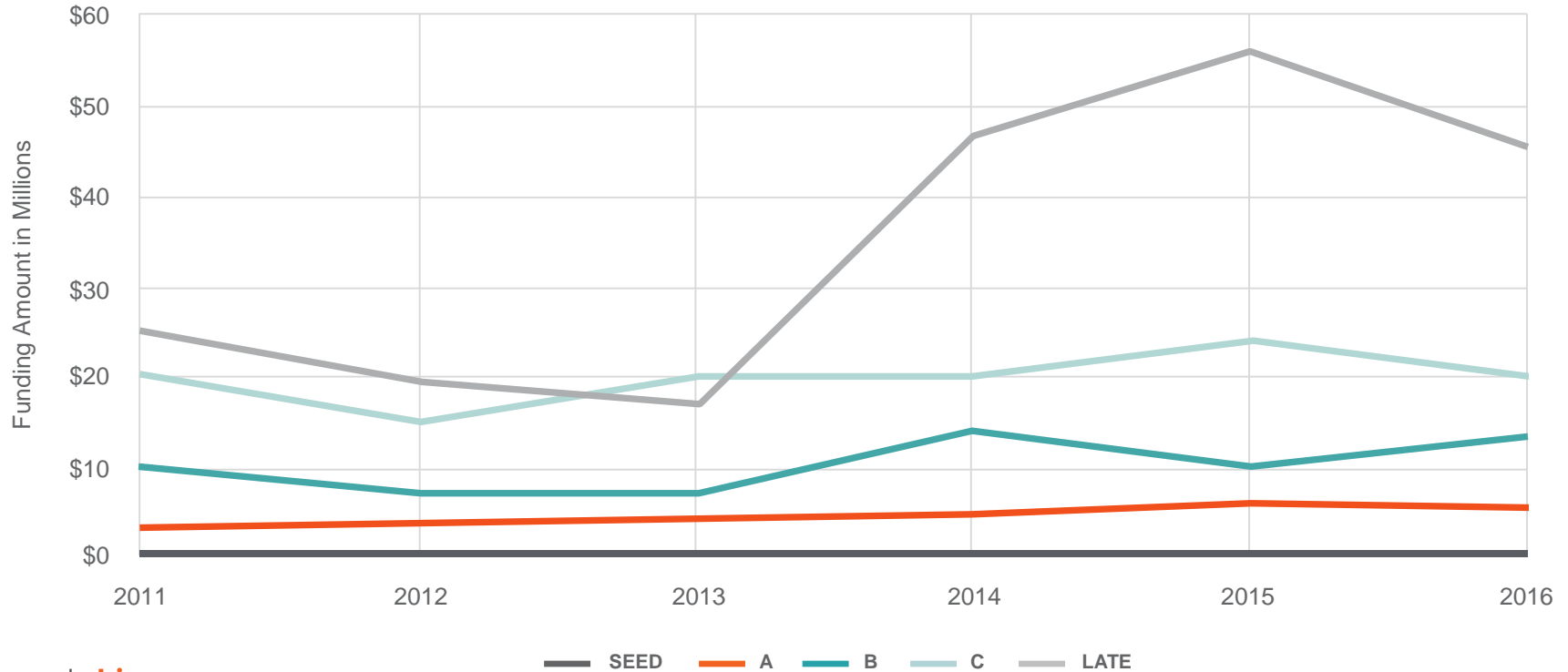
The eCommerce Funding Landscape

Number of eCommerce Deals by Year



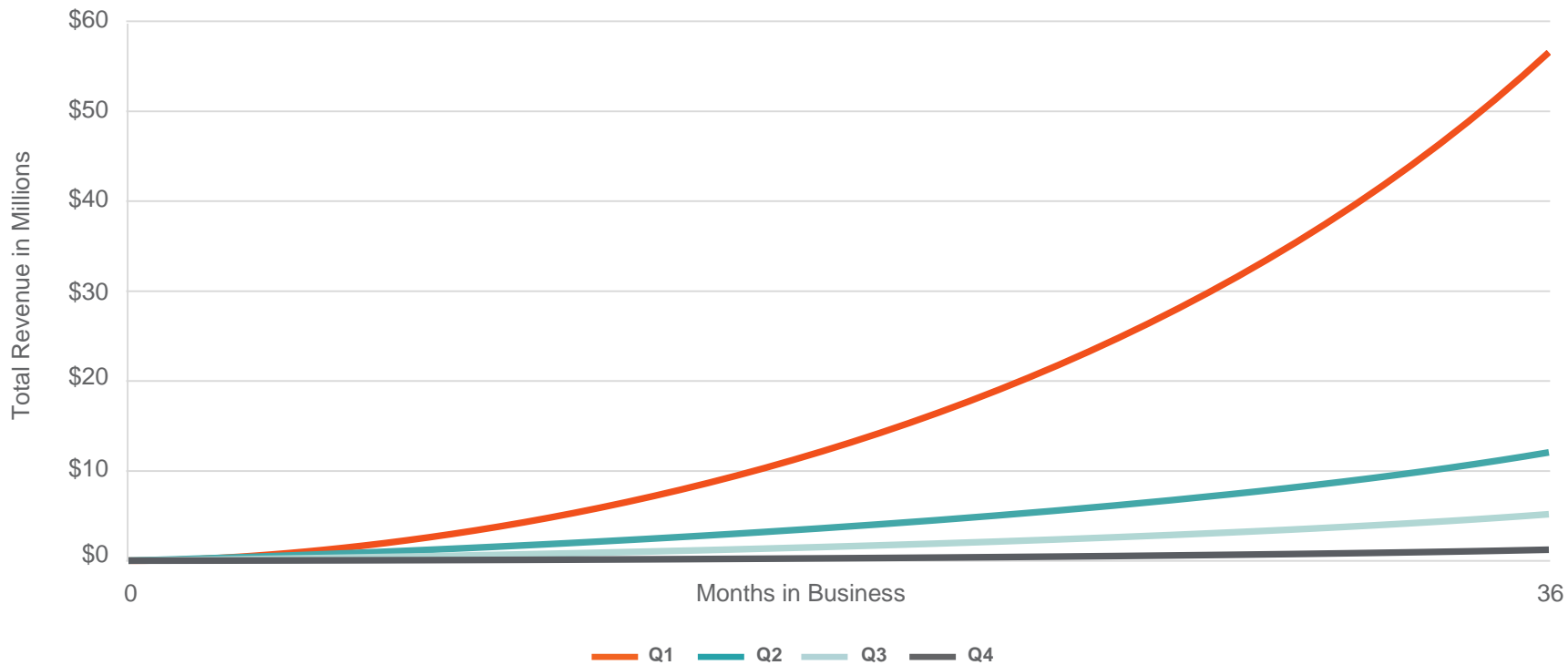
The eCommerce Funding Landscape

Median Funding Amount Per Stage Over Time



Top Performers

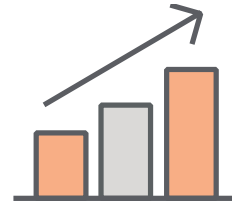
Total Revenue by Quartile



The 3 Key Growth KPIs



Acquisition



Retention

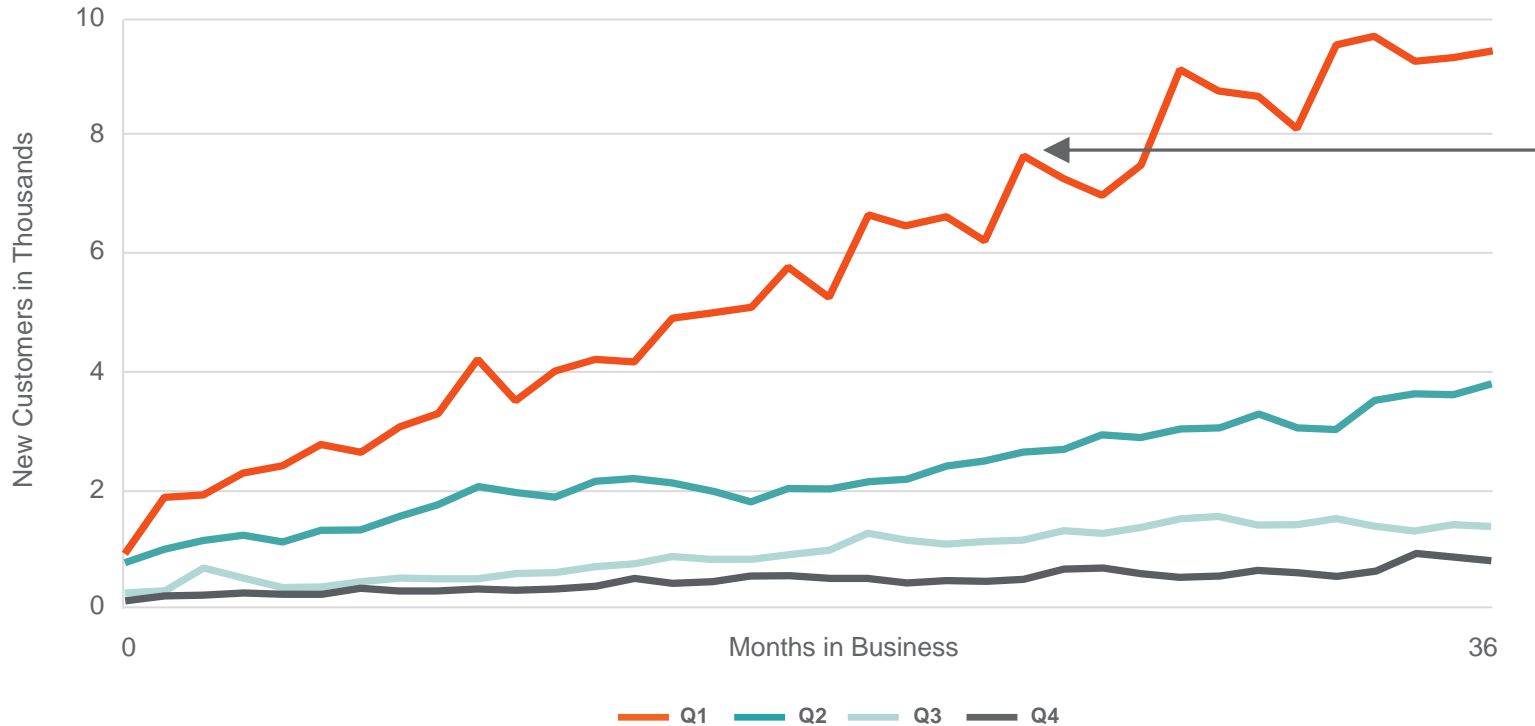


CLV

Customer Acquisition

Acquiring New Customers

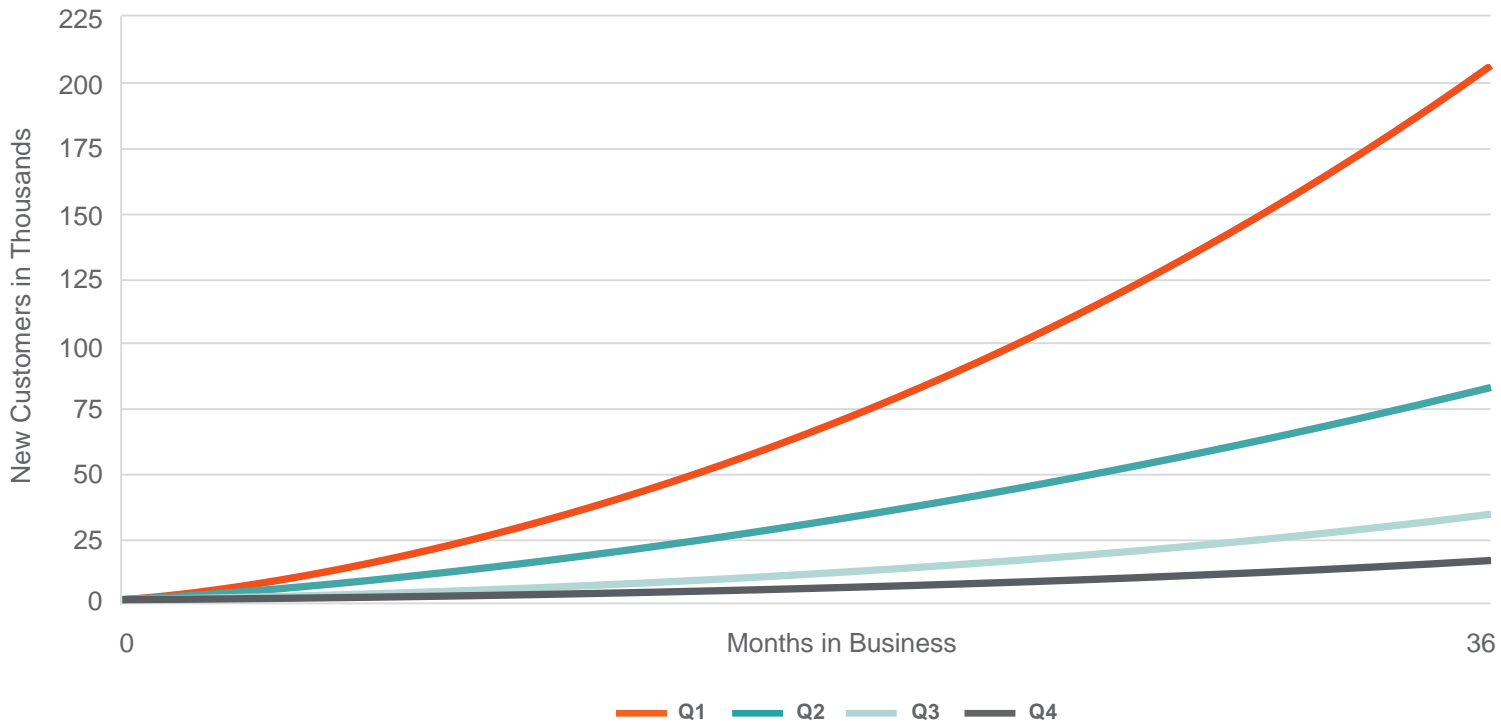
Monthly New Customers by Quartile



By the end of year two, top performers acquire **5x more** customers every month than their counterparts.

Expanding Your Customer Base

Total New Customers by Quartile

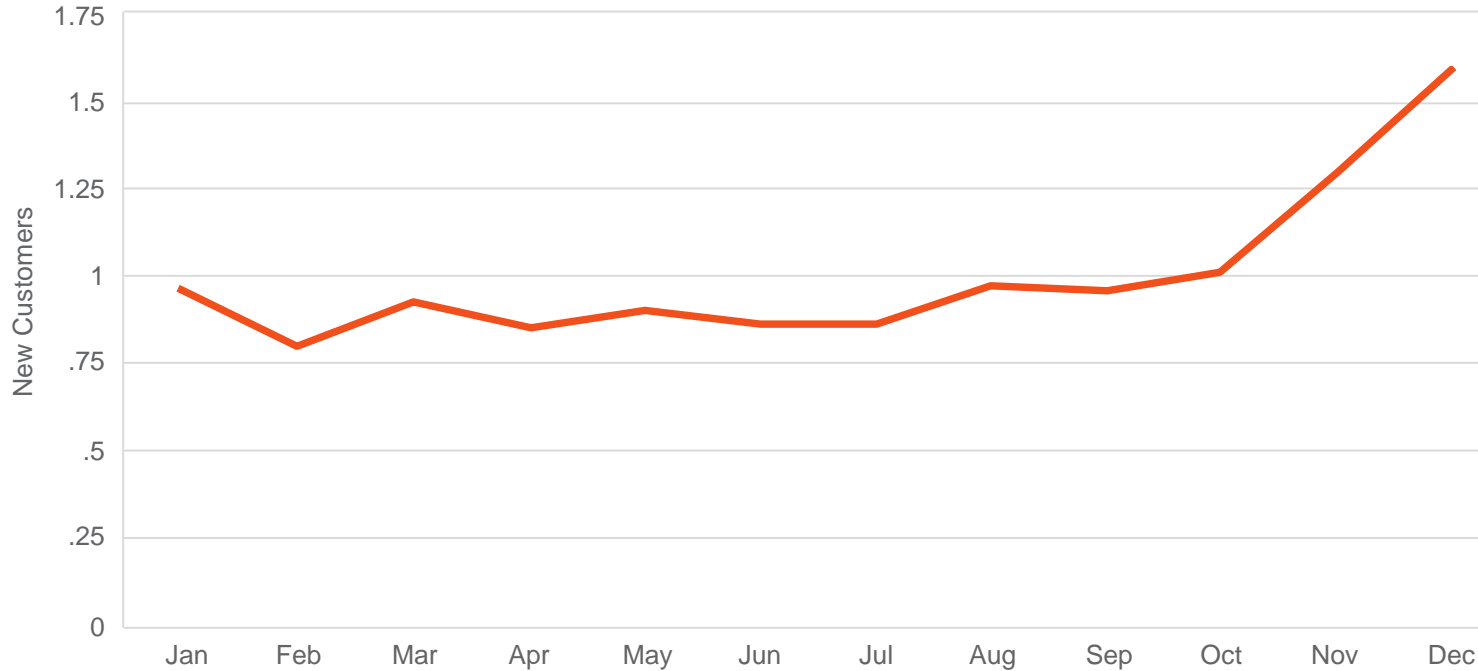


By the end of year three, top ecommerce companies have a customer base that is **2.5x larger** than the next-best group.

Acquisition Case Study: Holiday Strategy

It's No Surprise: The Holidays Are Huge

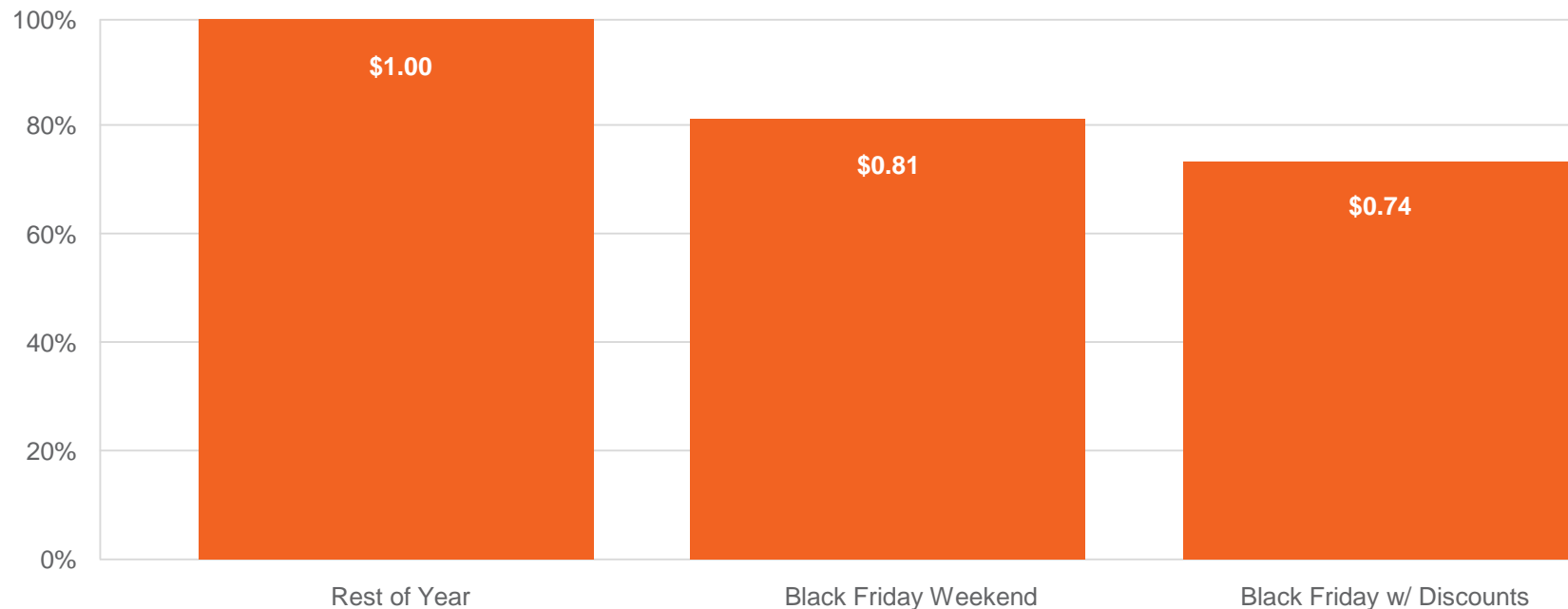
New Customer Acquisition Month



24% of customers are acquired during the holiday months

But Not All Dollars Are Spent Equally

Repeat Spending Proportions, First 6 Months



The Solution: Know What You're Acquiring

Repeat Customer Rate



Case Study: Truly Experiences



Johannes Radig

Head of Growth Marketing

- The holidays were the time of year when the most customers were acquired.
- Customers acquired during the holidays had lower lifetime value (LTV) than others.

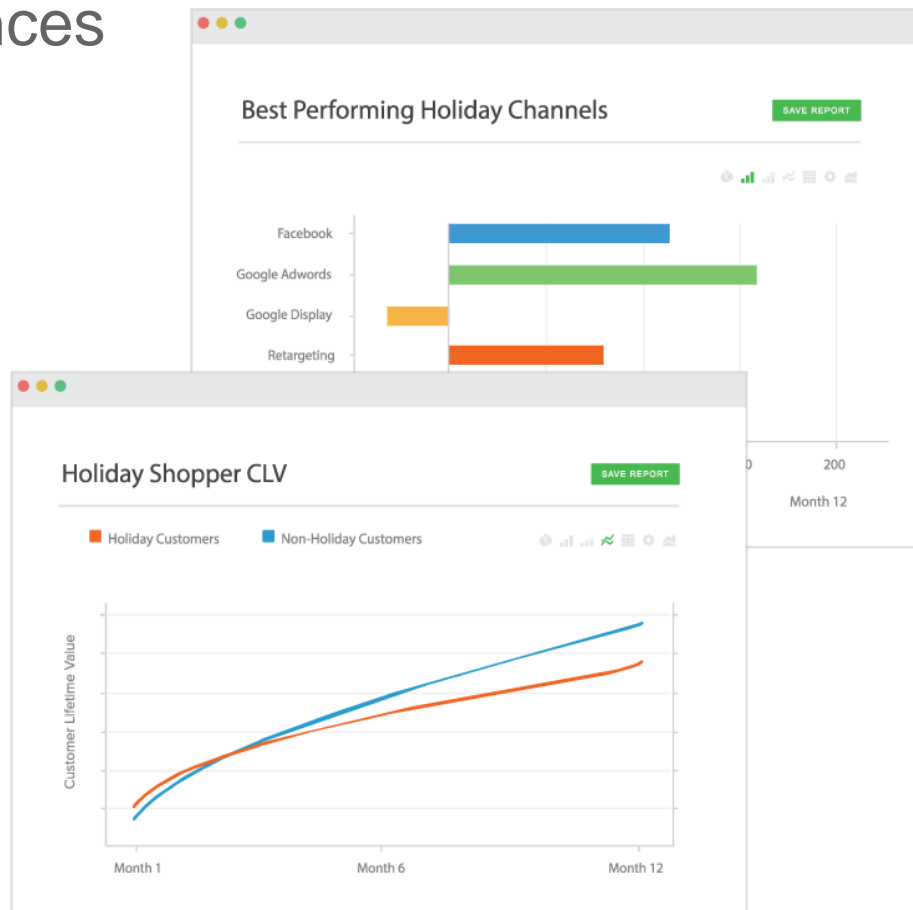
Case Study: Truly Experiences

Solution: Customer Segmentation

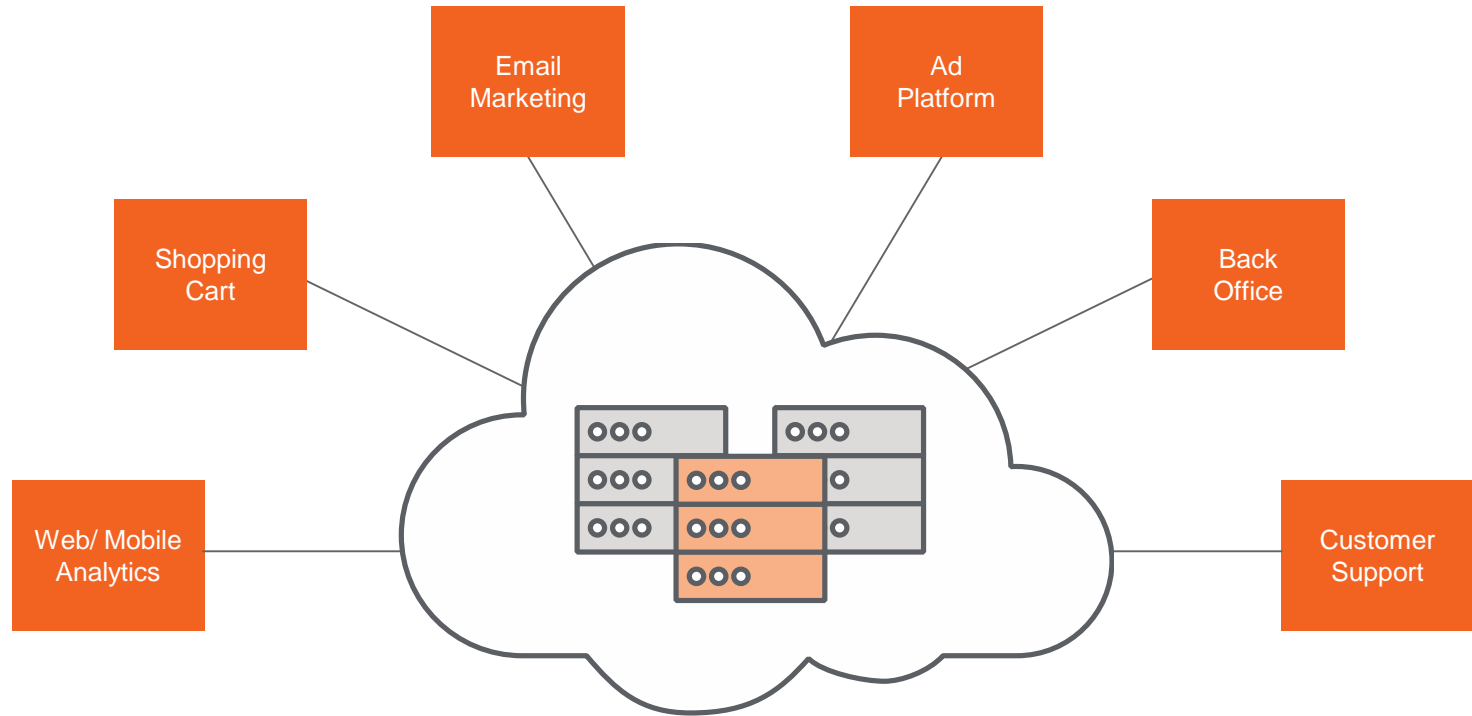
- Acquisition Channel
- Geography
- Product Category
- Promotions or Discounts
- Customer Support Interactions

Optimize for:

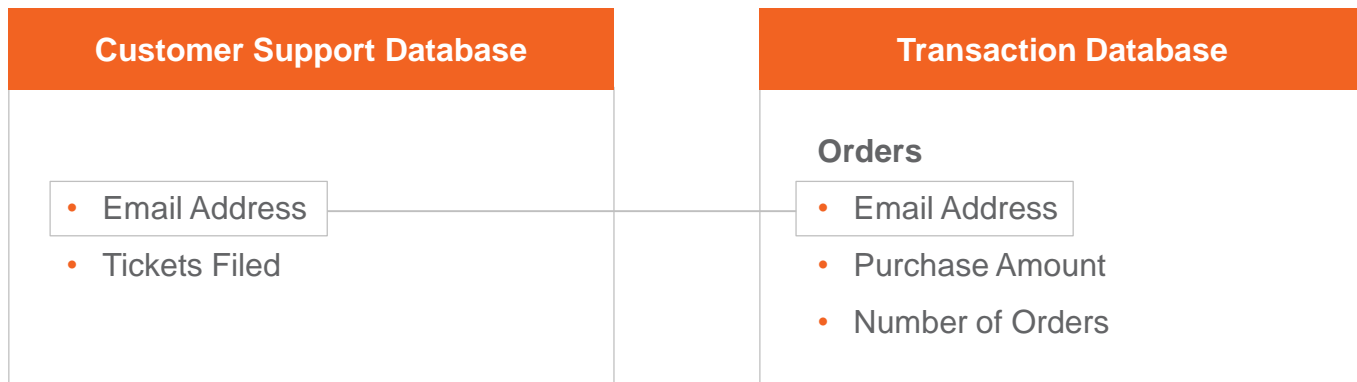
- Repeat Purchase Rates
- Customer Lifetime Value (CLV)



But How? Data Consolidation!



Join Disparate Data Silos for Actionable Analytics



- Are customers more likely to come back if they interact with support?
- Are customers from Facebook Ads worth more than Google Ads?
- How often do customers who use coupons come back again?

Case Study: Truly Experiences



Johannes Radig

Head of Growth Marketing

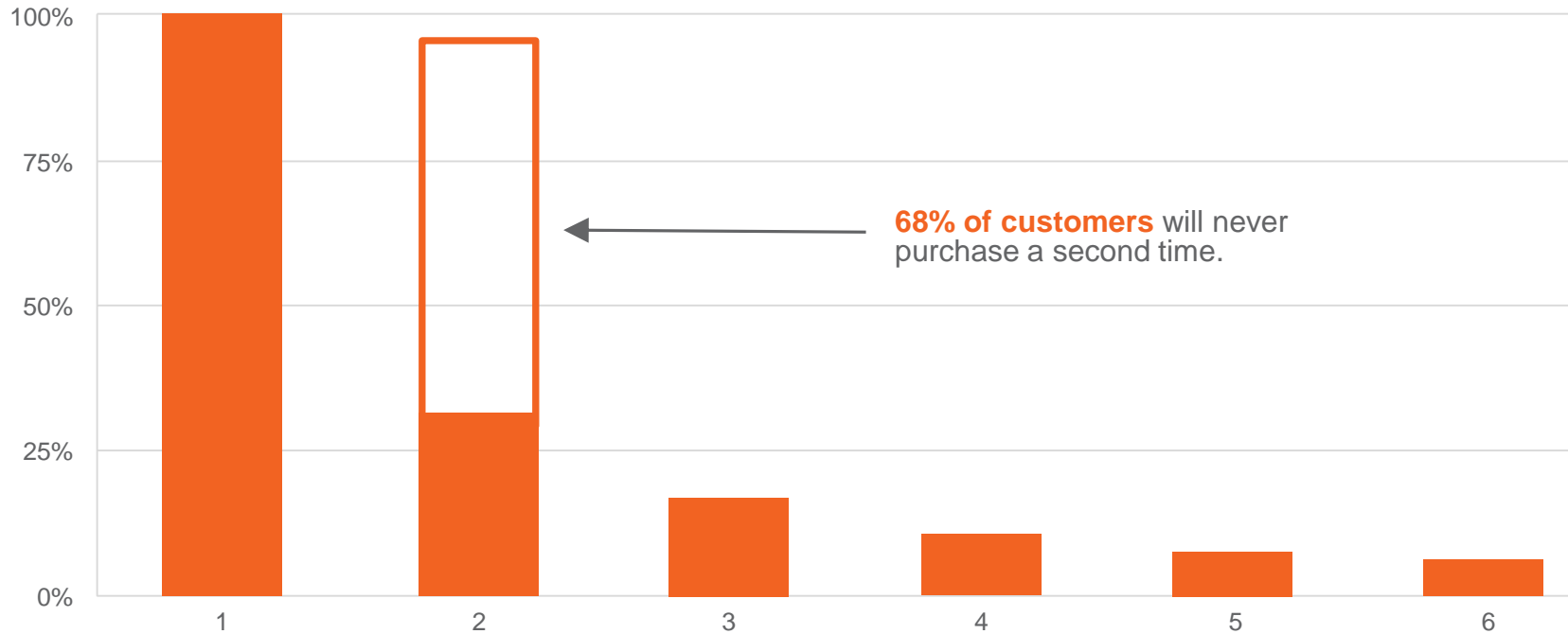
**Improved advertising spend efficiency
by 70%**

Google AdWords was yielding the highest-value customers. Ad spend reallocation lead to a 70% improvement on advertising spend efficiency.

Customer Retention: The Data

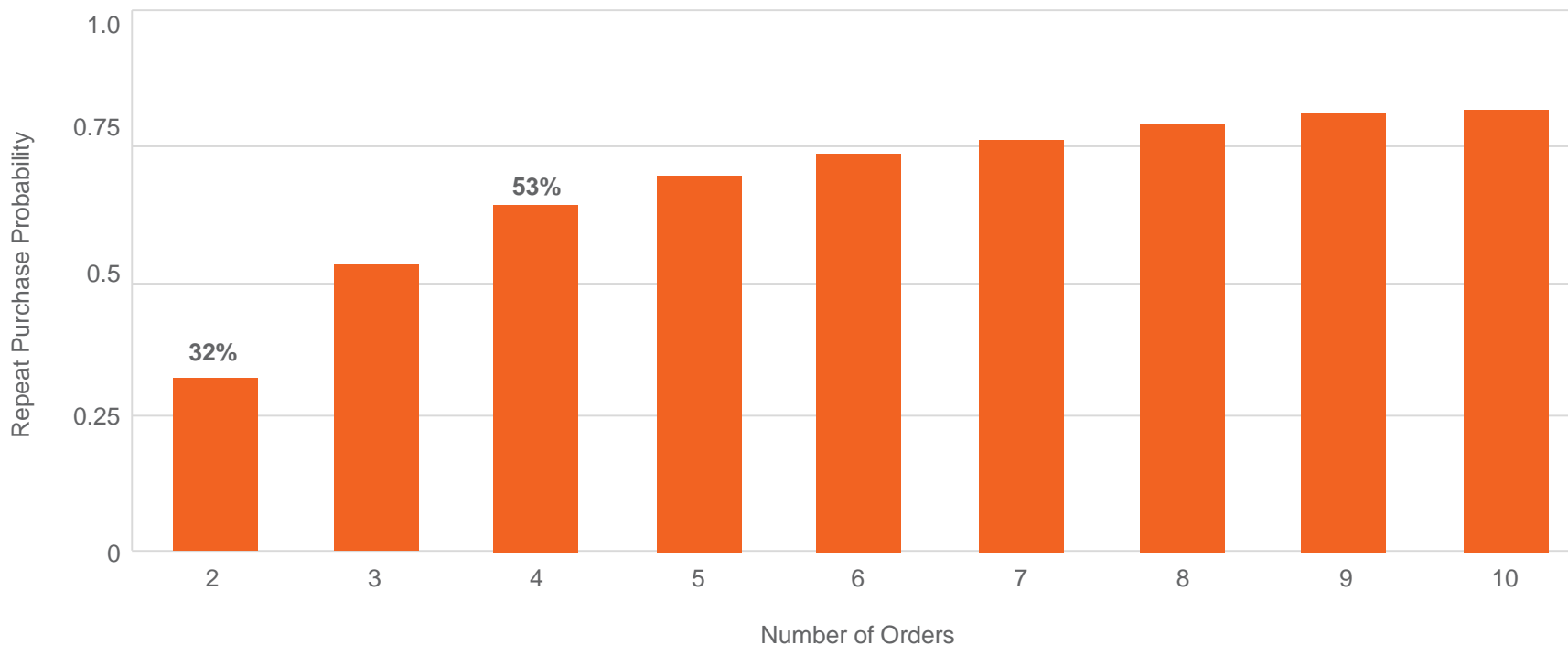
Customer Retention is Difficult

Percent of Customers Placing at Least N Orders in Their First Year



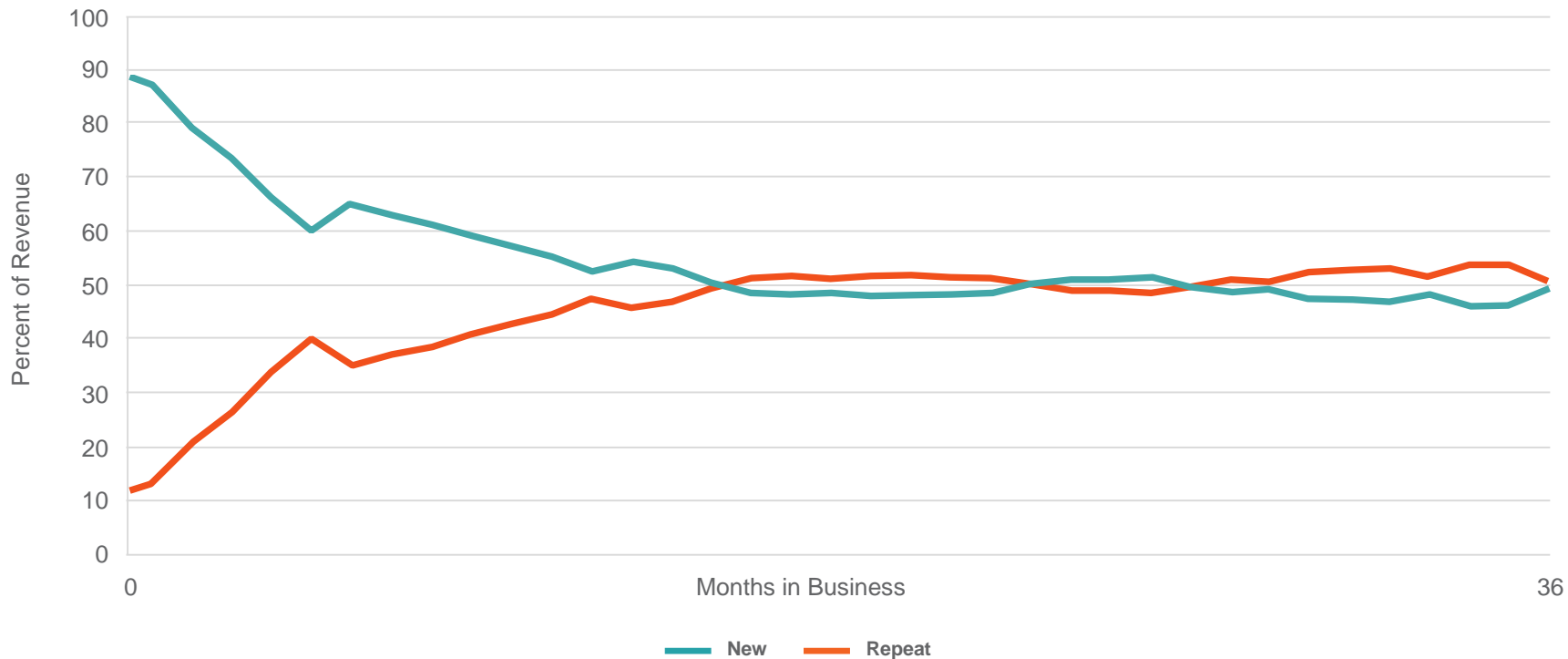
Repeat Purchase Probability

Repeat Purchase Probability During the Customer's First Year



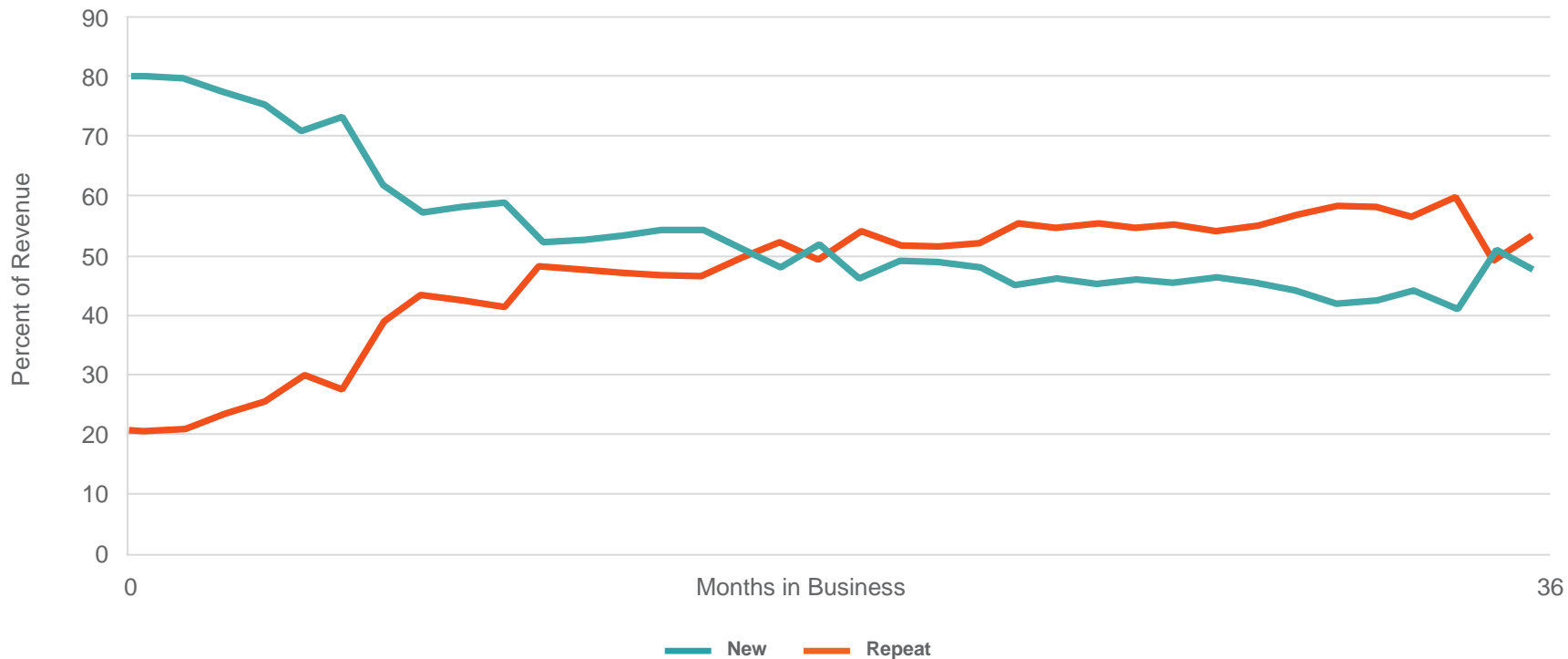
Revenue from Repeat Purchases

Revenue From New & Repeat Purchases, Bottom Three Quartiles



Revenue from Repeat Purchases

Revenue From New & Repeat Purchases, Top Quartile



Customer Retention: Driving Loyalty

Case Study: Harris Farm Markets



James Kerridge

Online Operations Manager

In an industry saturated by rewards cards and loyalty points, James holds an unconventional viewpoint.

“Rather than ‘frequent flier’ points, we believe **the best loyalty program is a great customer experience**,” James says. “We use data to learn how to create the best possible customer experience.”

NPS Driving CLV

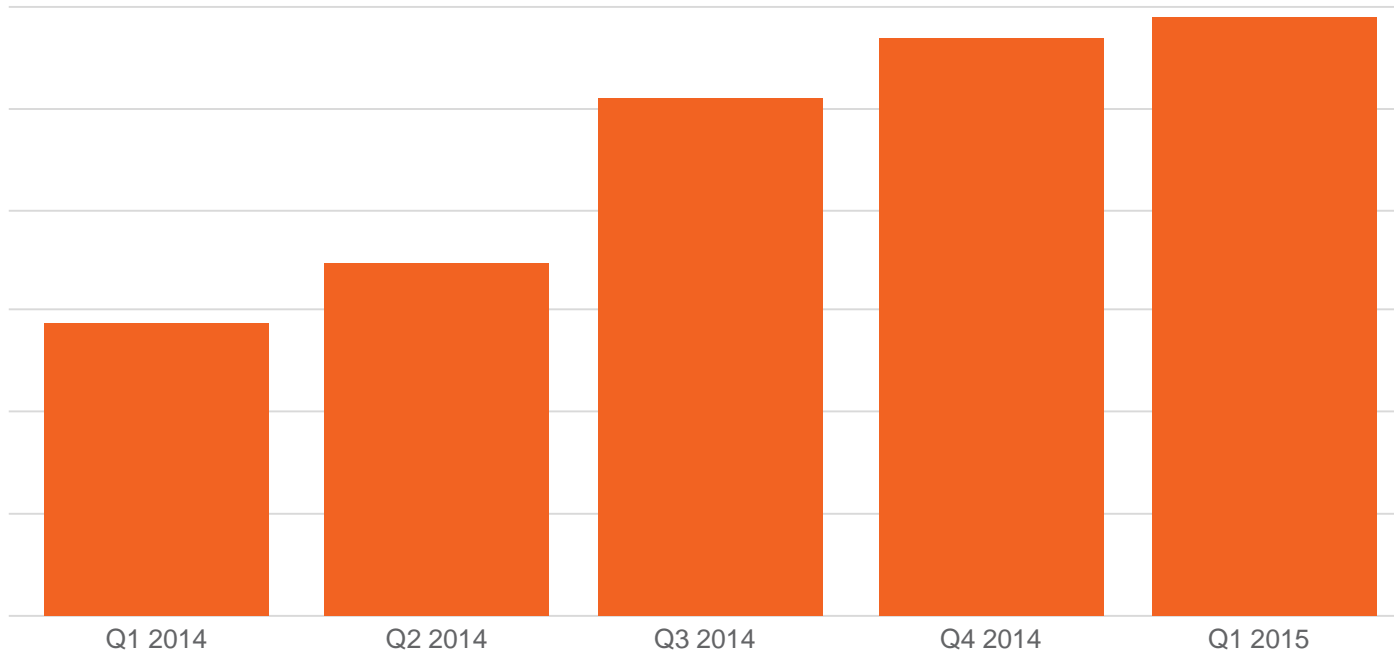
Theory Drive Net Promoter Score will drive Customer Lifetime Value

Tools
Magento Analytics (platform)
Zendesk (NPS data and Customer Outreach)
AWS (databases powering ecommerce)

Approach Omni-Channel (in-store and online) customer delight project
Track CLV in Magento Analytics and link with NPS
Escalate low NPS scores to Customer Success

Repeat Orders Drive CLV – NPS Drives Repeat Orders

Number of Repeat Orders



**From Q1 2014
to Q1 2015:**

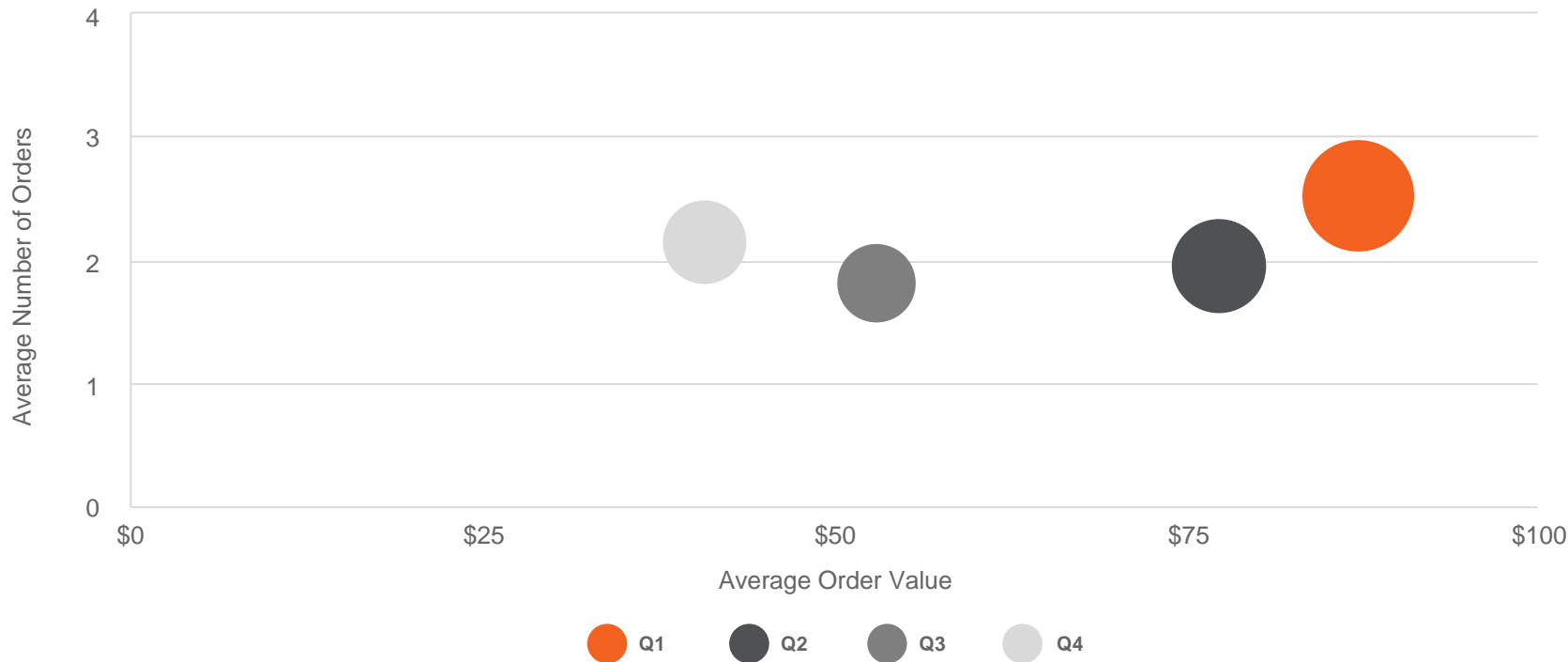
The number of
new customers
acquired
**increased by
51%**

The number of
customers
placing repeat
orders saw a
**massive 2x
improvement.**

Customer Lifetime Value: The Data

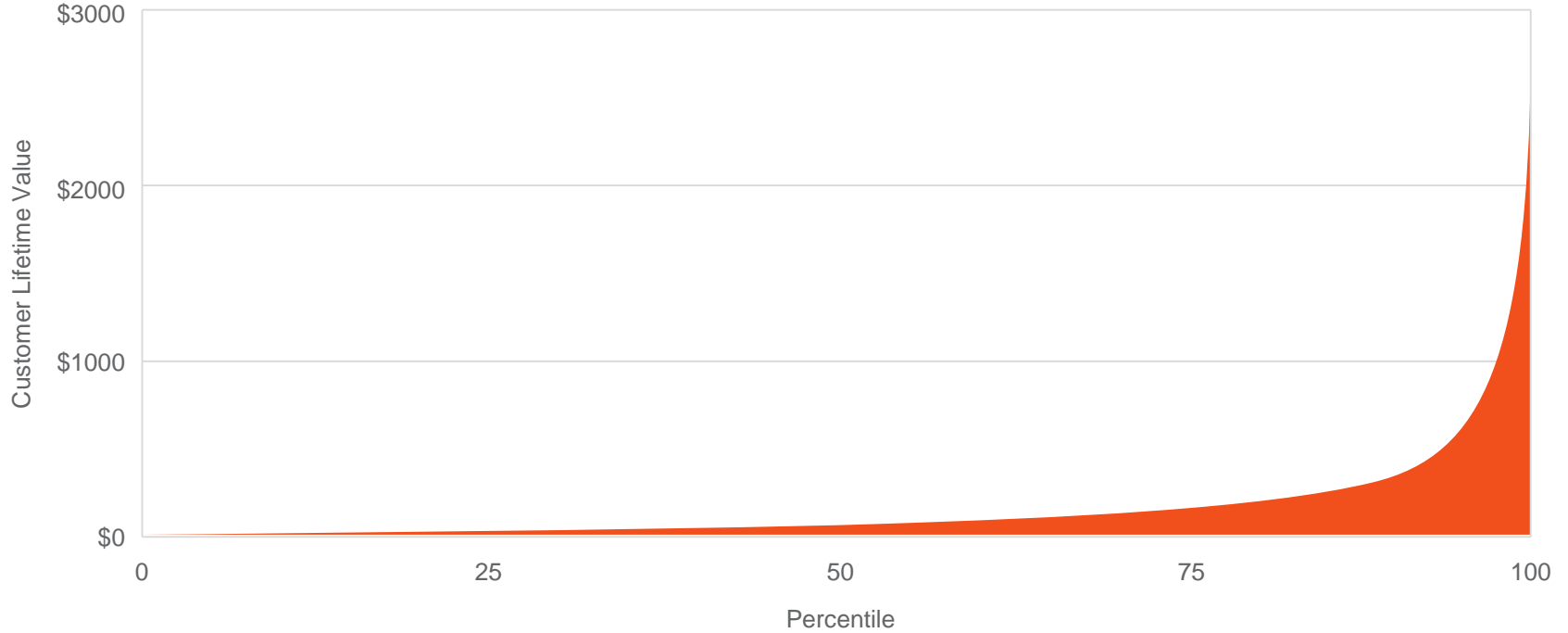
Inputs: AOV and Repeat Purchases

CLV-365, AOV-365, & ANO-365 by Revenue Quartile



Your Top Customers

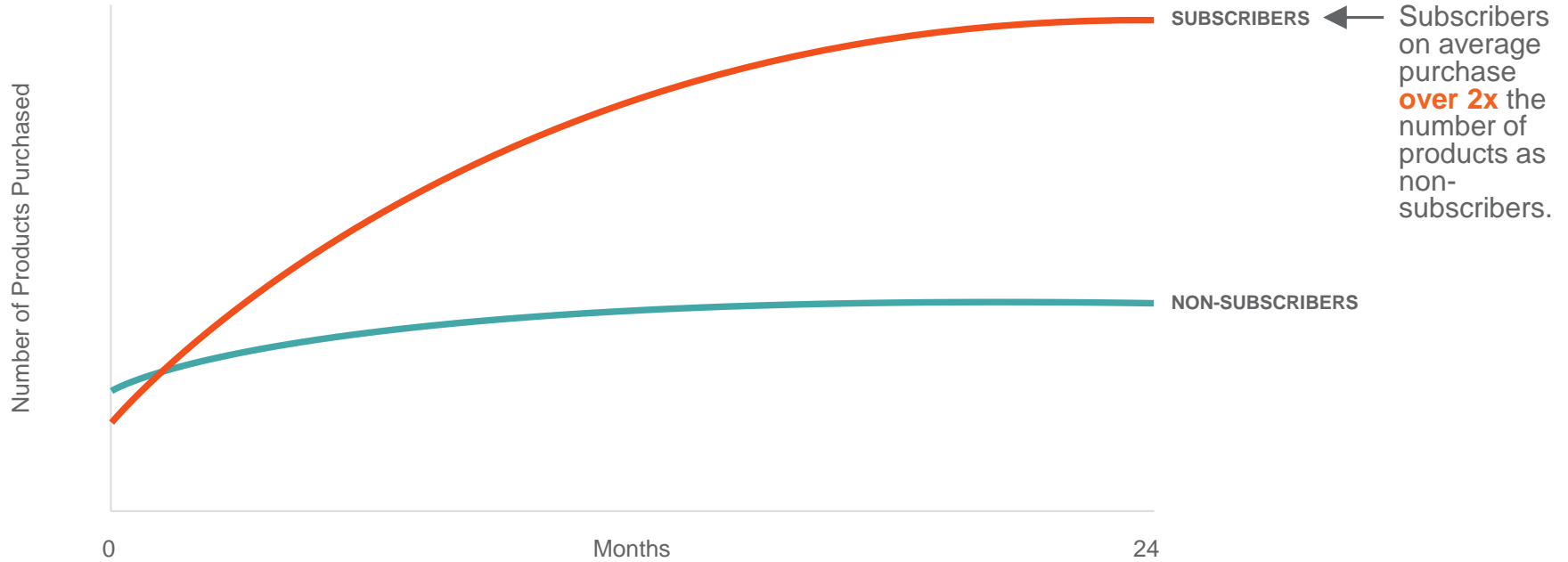
CLV-365 Histogram



CLV Case Study: Subscription Commerce

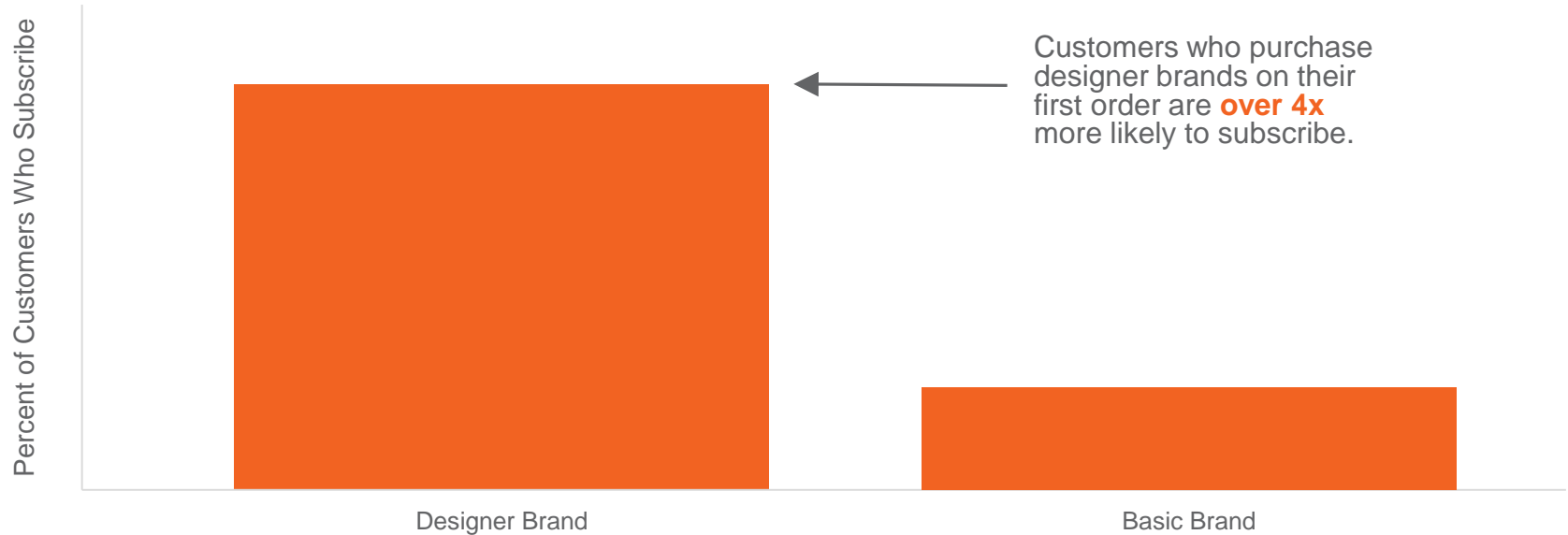
Subscription Commerce Customer Basics

Lifetime Products Purchased

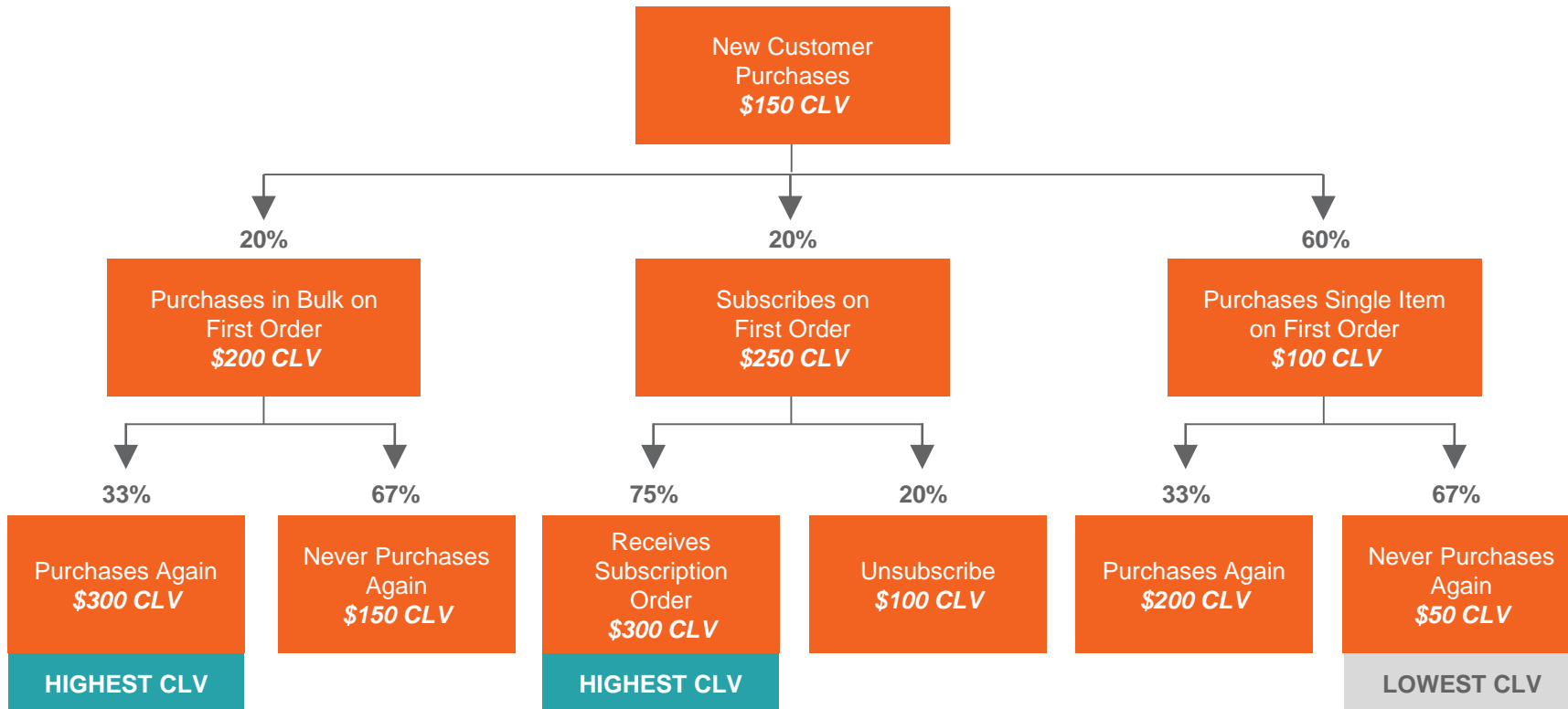


Segmentation Strategies to Drive Subscription

Subscription Rate



Deep Segmentation: CLV Stories





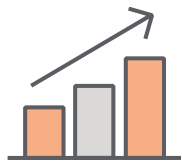
Segmenting CLV Informs Smarter Actions

- Know what “next action” drives the highest expected value for a given customer’s CLV
- Understand the likely CLV of customers by channel based on their early behaviors
- Spend your time and energy focusing on the most impactful customer populations

Recap



Know your top performing channels and keep testing



Understand your customer segments and levers



Keep your audience engaged and coming back for more

Q&A



Thank You!