parcelLab®

How to turn one-and-done customers into loyalists?

A better experience during shipping, delivery and returns will drive retention and create loyalty



Introduction

Repeat customers, multi-time buyers, whatever you want to call them – on average are 5x more profitable than new customers.

So how can brands build loyalty to create more repeat customers and multi-time buyers?

In this report we'll look at:

- Where DTC brands are excelling in building loyalty and where they are falling short
- The changing relationship between brand loyalty and experience loyalty
- How you can use customer experience during operational processes to build customer loyalty and drive long-term growth



Methodology

We placed orders with the top 50 DTC brands in the US, had these orders delivered to an Atlanta-area home address to simulate the average consumer experience. We then collected data during operational processes such as shipping, delivery and returns. Equally, we conducted consumer research in partnership with YouGov to discover what people are experiencing when shopping online and how these experiences affect their loyalty.



50%

of DTC brands offer a first-time discount for an email newsletter sign-up



78%

of DTC brands send us to a third party order tracking page



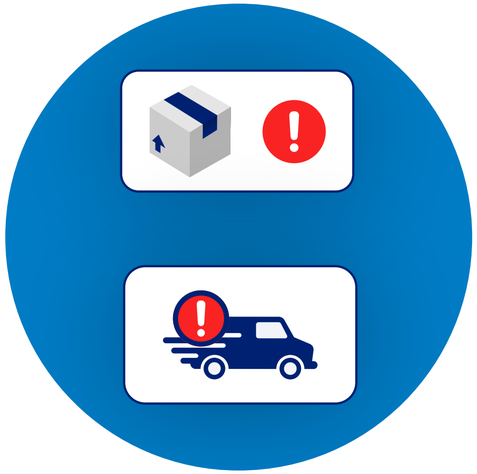
Key Opportunity

31% of consumers do not want to track their order on a third-party website so use an in-store order tracking page to:

- Bring 85% of customers back via an in-store order tracking page
- Share additional content with highly engaged shoppers
- Link to your FAQs and customer chatbot to help with specific questions and reduce pressure on Customer Service
- Reduce ‘Where is my order?’ customer service inquiries by up to 25%

16%

Of our orders were delyaed and these brands didn’t communicate with us



Key Opportunity

Delays and issues are inevitable in e-commerce with brands taking a blow to loyalty. **56%** of consumers want immediate updates if something is delayed and **23%** will not order from a retailer again after a negative experience.

What matters is:

- Collect and gather data for real-time tracking
- Harness this data to identify delays and issues in real-time
- Proactively communicate with customers to transform a negative experience into a positive
- Go beyond making it right and make it nice with a personalized apology and offer

54%

of DTC brands do not encourage us to share our purchase on social media

38%

of DTC brands do not have a social sharing hashtag



50%

of DTC brands do not ask customers to review their product or service



80%

of DTC brands did not offer a discount for a referral



Key Opportunity

90% of consumers want more relevant communication from brands during shipping, delivery, and returns.

So engage customers and:

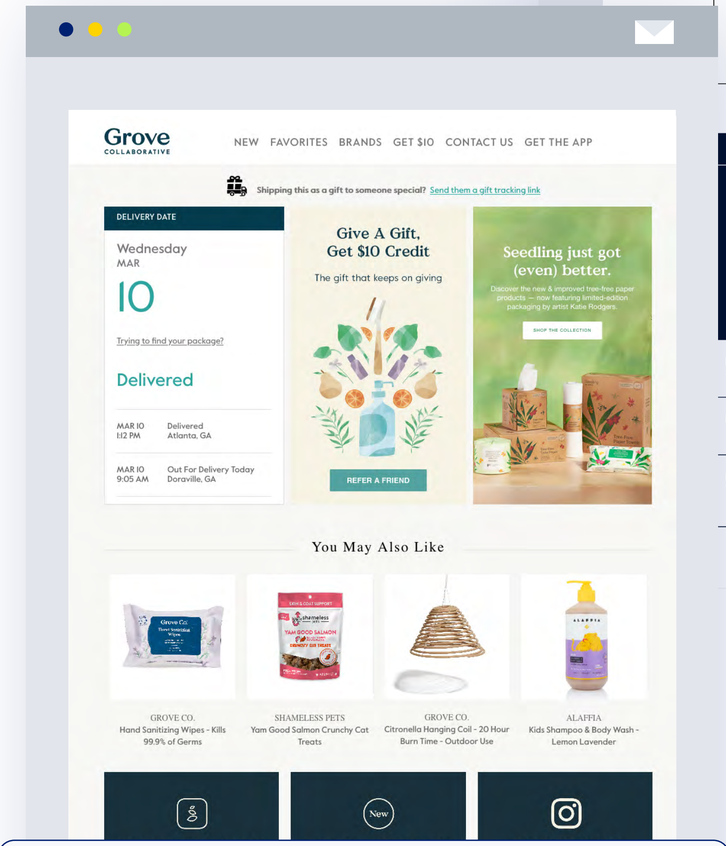
- Ask for and gain valuable feedback and insights while also promoting loyalty programs
- Leverage behavioral consistency in that what people do publicly - giving a review - encourages them to maintain this behavior in private which means shopping with you again
- Consider referrals and how these can translate to multiple repurchases from new and existing customers

Learning from the best

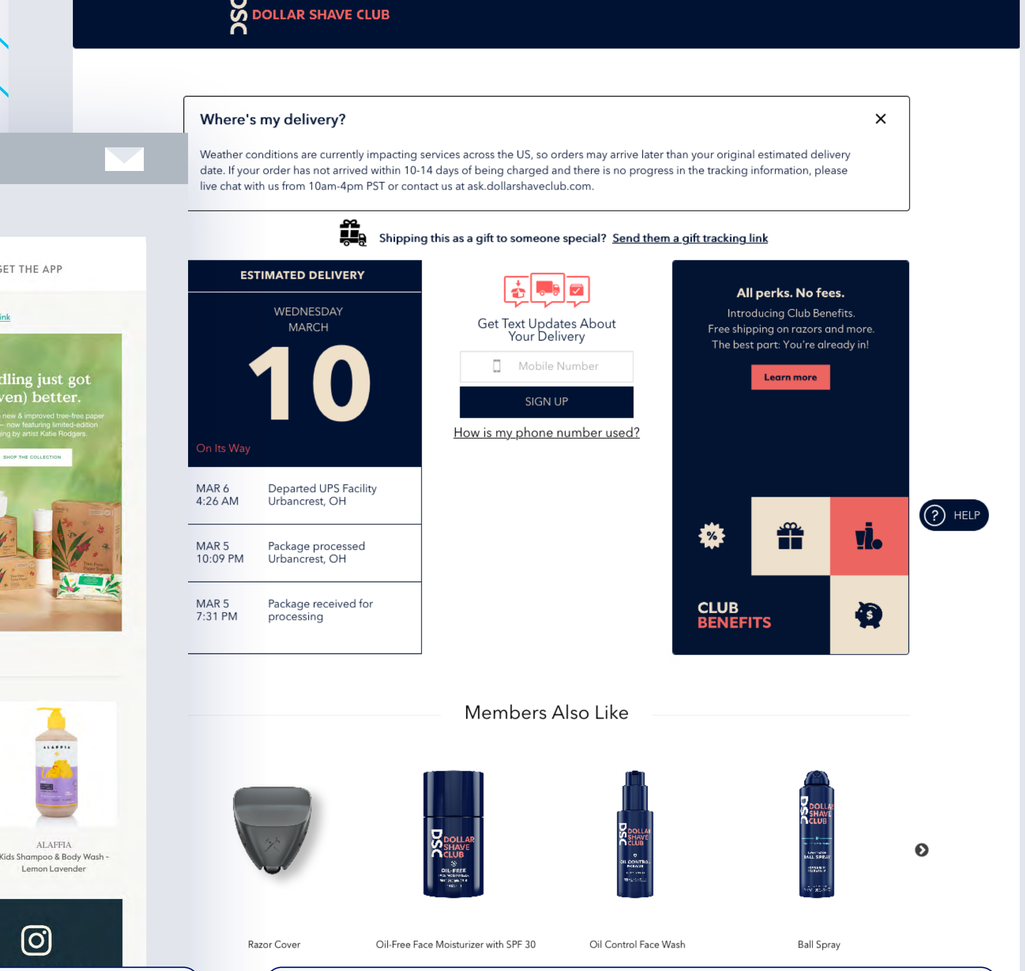
Best practice

Host your order tracking page in your online store and stop letting others promote their brand to your customers:

- By driving customer traffic to another site, you miss the opportunity to create a positive interaction between a customer and your brand.
- 24% of consumers want brands to share information about loyalty programs post-purchase so consider sharing loyalty program information in-store via your order tracking page.



Grove collaborative encourages you to refer a friend and get $10 in their tracking page



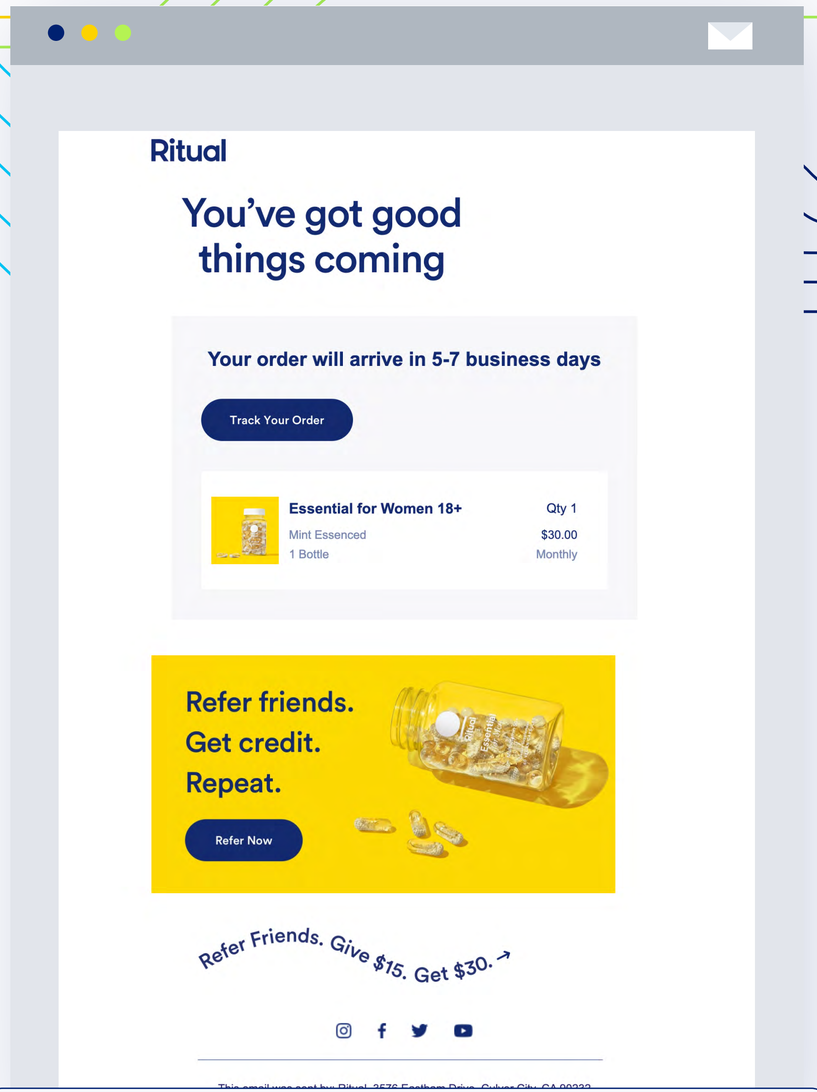
Dollar shave club promotes their Loyalty Club in their tracking

Best practice

Harness your transactional emails since **90% of consumers want more communication from brands post-purchase.** By leveraging customer's attention during this time, you can create a positive interaction between a customer and your brand.

Create experiences that engage with:

- Relevant content based on search and purchase history
- A tracking link to your in-store order tracking page, which boosts your store traffic by 85% when customers track their order



Ritual Vitamins enourages you to refer a friend and both will receive a discount in their shipping confirmation

Experience loyalty is revolutionizing customer relationships

“DTC has levelled the playing field between mom-and-pop online shops and legacy brands.” - Dave Steele, Pilothouse Digital, President

A new battleground

Brands today are fighting for customer loyalty and attention on a new battleground: the experience landscape. Driven by the increasing popularity of e-commerce and changing priorities for younger generations, historic brand loyalty is being disrupted. Product and price are losing dominance. And consumers increasingly care more about how they experience a brand which has important implications for retail, e-commerce and beyond.

Yet for most brands, their experience breaks post-purchase, at the most emotional part of the journey. The order is confirmed... then it goes quiet? People don’t just order stuff for the sake of it, every online purchase represents a person that needs something. And the experience you offer is what differentiates you from your competition. Yet our recent research with YouGov shows 90% of consumers have experienced an issue or delay during shipping.
And with e-commerce nearing $5 trillion in sales annually, this problem is too costly to ignore.

Why does the experience break?

So why are so many brands handing over control of their post-purchase experiences to third parties and losing the experience battle?

Simply: there is too much complex data for brands to make sense of, let alone leverage.
With different data systems for carriers, warehousing, delivery, returns, repairs and so on, brands get shut out of their own experience.

So how can brands regain control and win loyalty from new customers? By using an Operations Experience Management platform to offer experiences that are seamless, and joyful – like any other part of the brand journey.

Taking back control of your customer experiences

Connecting the dots of data to translate operational complexity into customer happiness with an Operations Experience management platform gives brands total control of every interaction.
By delivering an experience of their own design, within their own ecosystem – complete with proactive, individualized updates – brands can close the experience gap.

This means new touch points to build customer relationships and encourage additional purchases with the customers that they’ve worked so hard to win. And for people, it means seamless experiences that add value, drive trust and create loyalty so the customer journey becomes a cycle, with people buying again and again and again.

Build loyalty with Operations Experience Management

by Julia Henry



All too often brands act like customers are disposable. Effort and resources are focused around customer acquisition and getting customers to buy, but then once they do their experience is handed off to third parties. Personalization and engagement are no longer a focus.
And despite having an overload of customer insights and data, brands do not harness these into a better experience during shipping, delivery and returns.

Take care of your customers

So what happens when someone has a negative experience during shipping, delivery and returns – are customers suffering in silence or contacting brands? While 34% of consumers have contacted customer service when there is an issue, a whopping 90% of consumers have experienced issues like a late delivery, stolen package, receiving the wrong item, or receiving a damaged item. With negative experiences like these so prevalent, it's critical brands use an Operations Experience Management platform. That way you can identify delays or issues in real-time and transform these negative experiences into a positive.
By harnessing operational and logstics data, combined with customer data and expectations, you can create an experience that wows and keeps customers coming back again and again.

Utilize customer notifications and an in-store order tracking page to make your customers feel like you care about them throughout their entire journey.

Keep them in your brand's eco-system and people will learn that when they shop with you, you take care of them so the next time they're likely to buy more. With Lidl, shoppers who have an experience powered by parcelLab, spend 12% more when they shop again.
Better experience translates directly to bigger repurchases.

Promote your subscription programs

47% of US consumers have at least one active subscription and 21% have more than one[1]
Yet we saw most brands were not actively promoting these post-purchase or during returns. Use communications and your order tracking page to remind and inform customers about the subscription options you offer which encourages regular, repeat purchases.

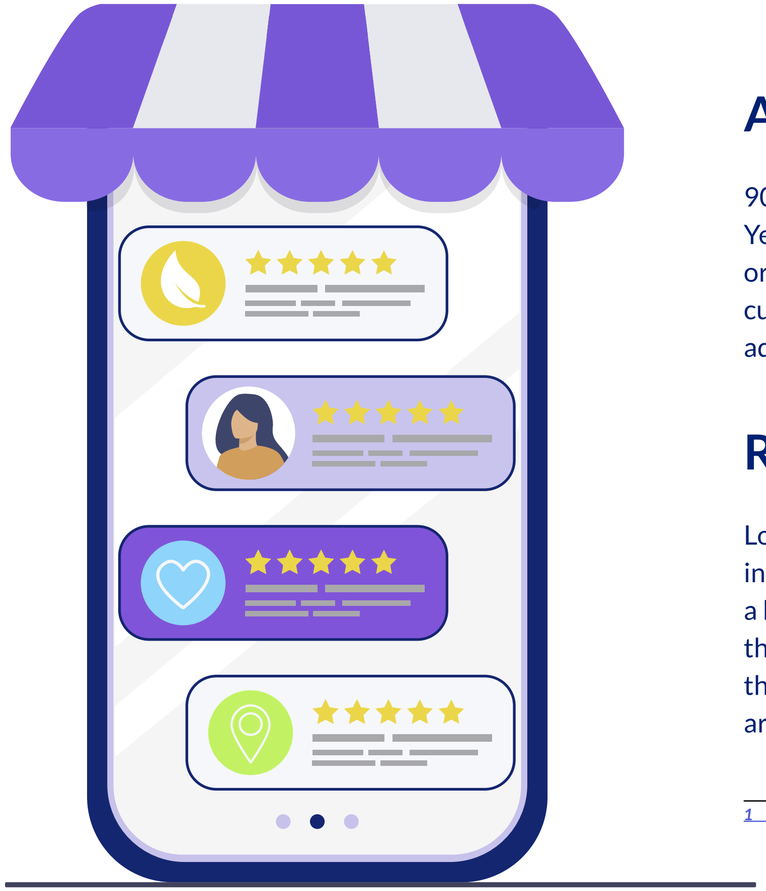
1 https://parcellab.sharepoint.com/sites/marketing/Freigegebene%20Dokumente/03_Campaigns/US/DTC%202021/Direct-to-Consumer-Trends-Report-2021-US-Final.pdf.

Build community through social sharing

Encourage people to share their recent purchase. 54% of brands did not encourage us to share our purchase on social and 38% did not have a social sharing hashtag. Offer a hashtag and consider how you can encourage people to share their recent purchase. Use your notifications during shipping, delivery and returns along with an in-store order traking page to encourage both.

Use personalized and targeted incentives to drive repurchases

People like promotions and 24% of consumers want brands to share loyalty program info post-purchase. Communicate strategically and make these offers personalized. Sharing these during shipping, delivery and returns increases the likelihood you will reach your customer with the promotion and encourage an additional purchase.



Ask for reviews

90% of customers read reviews before making a purchase[1].
Yet a glaring 50% of brands didn't ask us to review our experience or our purchase. This is a missed opportunity to gain valuable customer feedback and gather reviews that could help drive additional purchases from other customers.

Retention is the new acquisition

Loyalty matters in today's increasingly competitive e-commerce industry and 23% of consumers are unwilling to order again with a brand after a negative delivery experience. Brands must improve their customer experience during shipping, delivery and returns if they want to improve retention and build loyalty. Bad experiences are too costly to ignore.

1 https://www.qualtrics.com/blog/online-review-stats/

About parcelLab

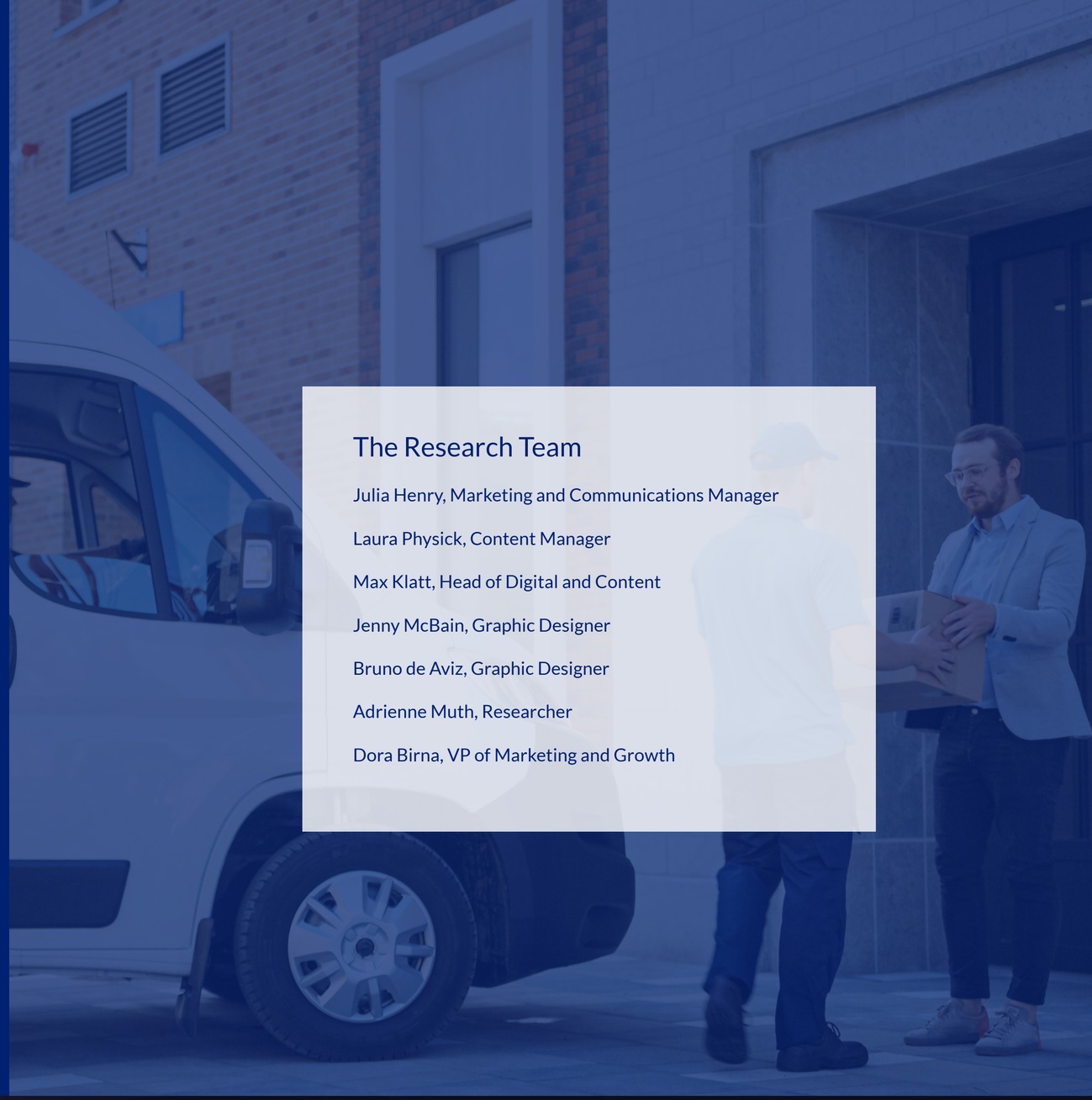
The Leading Operations Experience Management Platform

Together, we can create outstanding customer experiences every day.

At parcelLab, we help brands take control of customer communication. We don't do out-of-the box solutions, we empower brands to deliver end-to-end real-time communication that embodies their brand identity and complements their business goals.

We're unique - we transform complex operational data into a customer experience of your own design. In other words, our advanced data platform can be fully customised to suit your needs. We'll work with you to create impressive customer focused experiences that manage expectations, build trust and prolong engagement.

And over the years, we've become pretty good at it. Worldwide we've integrated over 300+ partners and carriers. It's this that sets us apart and enables us to deliver truly tailored experiences to our 500+ global customers and brands.



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