How To Find Your Most Loyal Customers This Holiday Season

Alex Soria, Director of Data Science, Elicit

They're here…Many retailers have already had months of planning underway in preparation for Black Friday and Cyber Monday. While there are optimizations that can be made in real-time, much of what can be done now is to focus on what comes *next*.

All businesses, large or small, have active, lapsed and new customers. Within each of these groups, there are different levels of loyalty to the business. Typically, most customers acquired through these two holidays are "one and done" but some might end up being your most loyal customers. The trick is to figure out which channels, offers, products and customer experiences are the ones that acquire the best customers:

- **Create Deals for the Customers You Really Want**: At one of my former companies, we realized that some acquisition channels were responsible for acquiring customers that had no interest in spending money with our company. For context, our Black Friday and Cyber Monday campaign allowed customers to try our product for free! While the order volumes skyrocketed, we analyzed their behavior after the fact only to learn that they would never return to purchase a full-priced item. The costs of acquiring a customer never actually ended up

creating revenue although there was really good short-term buzz. It's important to balance the short-term and long-term financial impact that comes with Black Friday and Cyber Monday deals.

- **Reconnect With Lapsed Customers**: Chances are you have a database full of customers that have lapsed and you have largely forgotten about them. An analysis of consumers who lapsed and then eventually made their way back to the company will help you to hone in one what type of messaging and offers you should be providing to this potential gold mine of already acquired customers. Black Friday and Cyber Monday are really good excuses to reach out to your lapsed customer population — it's always cheaper to re-engage a lapsed customer than trying to find a new one.

- **Don't Freeze**: Many retailers shy away from testing during the holidays, but there are opportunities for you to create some lightweight tests to learn something about the shopping habits of customers. Heading into the holidays, spend some time ideating hypotheses about customer behavior that you want more insight into during the holidays. Pay particular attention to any customer segments that might be more prone to shop during the holidays and use these groups to test.

And, of course, don't forget about the customers once you acquire them!

Most importantly, enjoy the day! It's one of the few times that you have a short-term campaign that gives you quick reads on how well you planned your marketing and promotions plan. Take the time to analyze your successes and failures and make the following year even better. The data you receive this year is going to make you even better tomorrow, next month and next year.

About the Author: Alex Soria is Director of Data Science for [Elicit](), a customer science and strategy consultancy Soria is an analytics professional experienced in Big Data and predictive analytics in the retail, consumer, product, web and direct marketing industries. Prior to Elicit, Alex worked at Zappos.com and Coastal.com, and was a Corporal in the United States Marine Corps.