

mengage

**CUSTOMER
ENGAGEMENT
STRATEGIES THAT
BOOST RETENTION**



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Intro to the Importance of Customer Retention

You've probably heard this a thousand times: It's almost always more profitable to keep a customer engaged than to acquire a new one.

Well, it's still true. According to research from Bain and Company, increasing your customer retention rates¹ by 5% can increase profits by anywhere from 25% to 95%. That's a major jump in potential market share with only a few of the right adjustments. The question, of course, is which strategy is the right one.

From revamping the onboarding process to proper cross-channel engagement, the right strategy for preventing churn and boosting retention will require an omnichannel approach and smart personalization.



Balancing the Focus Between Customer Engagement and Retention

Maintaining engagement and preventing customer churn truly go hand in hand.

Once a customer forms a connection with your business, they will most likely become a repeat customer. Your very best customers are the ones who spend and visit the most or even refer your product to their friends. Using the right tools and tactics to keep them happy is essential.

But before throwing money at a solution, be sure you've correctly diagnosed the problem.² Are you failing to convert new customers into loyal users, or are you seeing continued customer churn after a few months? Some metrics to look at include:

- ✓ Your overall churn rate
- ✓ Conversion to your app's "AHA" moment, or the first interaction that creates customer delight
- ✓ Splitting uninstalls by engagement frequency

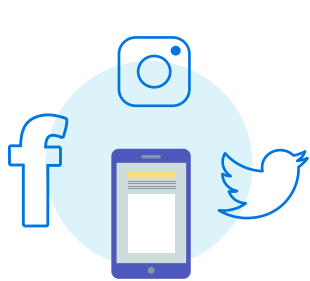


Once you've begun the process of identifying where and why your customers are dropping off, it's time to look for proactive approaches to address the problem. Some of the key solutions for customer churn include:

- ✓ Automate the onboarding journey
- ✓ Use incentives and gamification
- ✓ Drive users to the "AHA" moment at an optimal time
- ✓ Personalization

How to Maximize Retention Through a Great Onboarding Strategy

The onboarding process is your first opportunity to turn a potentially interested customer into a long-term and loyal one. Getting that onboarding journey right³ will require you to:



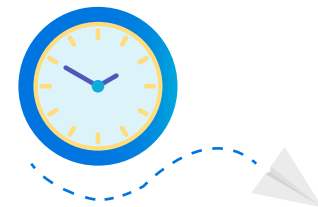
Focus on omnichannel engagement:

Today's customers expect to be engaged across multiple platforms. Delivering a comprehensive experience from the very beginning is key to maintaining interest.



Utilize buyer history and other

information: No two customers are exactly alike. Buyers tend to reward businesses that offer a truly personalized onboarding experience. Gathering and appropriately using customer information from across all channels will allow you to engage with customers the way that they expect.



Experiment with timing: Look to say the right thing at the right time. Just as you should adapt the user experience to meet customer needs, the timing of onboarding elements can also be moved around. For example, examine what timed emails and push notifications receive the best response and from which segments of your audience.

The Role Data and Cohort Analysis Plays When Building Your Customer Retention Strategy

The key to any great customer retention strategy is building a true relationship with each and every customer. One way to understand if you're creating relationships that will stand the test of time is through cohort analysis.⁴

This method examines the shared traits of a group of customers and uses analytical patterns to identify the best ways to reach the group. Typically, cohorts are examined based on either acquisition — the kinds of products a user is buying or engaging with — or behavior — the patterns they display while using your app. Cohort analysis is valuable because it can be used to predict future buyer behavior and churn based on other factors, allowing you to strategize more effectively.

Some of the important metrics to focus on while using a cohort analysis for customer retention include:

- ✓ Repeat Rate
- ✓ Orders Per Customer
- ✓ Time Between Orders
- ✓ Average Order Value



What Drives Repeat Purchases and Loyalty

Now that you've decided on a strategy for leveraging user insights⁵, you'll need to develop a methodology for collecting data.

That will mean having the appropriate tools in place to capture information at each step of the user journey and automating the kinds of content and channels you'll use to draw a user in.

In addition to investing in the right tools to discover critical user insights, you'll need to make decisions about what metrics to gather on what channels. This will keep your organization from wading into information overload. From there, you can take individual sets of data and piece them together to create unique customer profiles and audience segments.



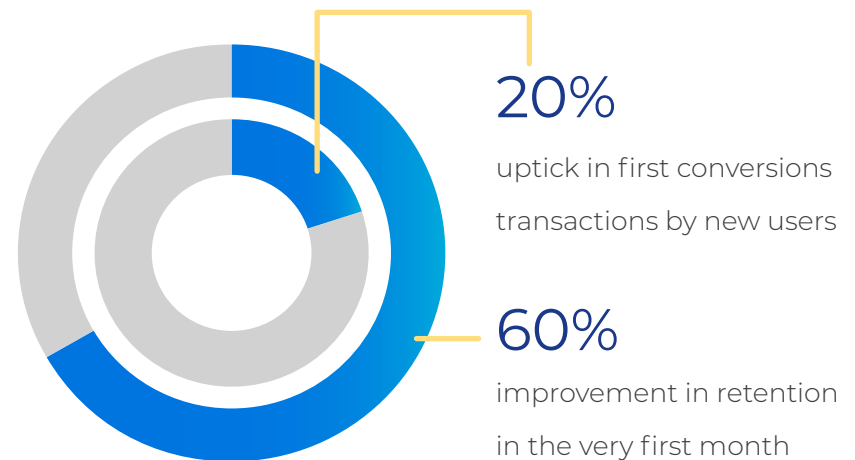
Driving Retention Through Cross-Channel Automation

In one recent case, MoEngage was able to help a client personalize its customers' user experience⁶ with automated workflows that were tightly integrated with cross-channel campaigns.

The company began by performing a full examination of its onboarding process and identifying areas that were breeding disinterest and started searching for ways to instead foster customer delight. After breaking down its customer journey and funnel, the client developed an automated workflow across multiple channels, including:

- ✓ Push notifications
- ✓ SMS
- ✓ Email
- ✓ Retargeting

The results of this process spoke for themselves. The company saw a 60% improvement in retention in the very first month — with a 20% uptick in first conversions transactions by new users. The client was not only able to retain its existing users like never before but also successfully transformed curious users into buyers.



Strategies for Customer Retention Across Channels

A few omnichannel customer retention strategies to implement include:



Tweak the user journey: Most often, although not always, your users could churn when the user journey becomes difficult. Cohort analysis can spot the exact juncture in the user journey where users are skipping out. The user journey can then be streamlined to make them stay longer.



Introduce loyalty programs: Using loyalty points, rewards, and similar gamification systems for customer retention are popular among marketers. With cohort analysis, you can narrow down the exact set of customers who can be retained longer with loyalty programs.



Plan reactivation emails: Reactivation emails carry out the task of gently nudging customers when they are ready for the next purchase. Metrics like time intervals between two purchases help in properly planning the reactivation drip campaigns to keep customers in the loop.



Use cohort analysis to identify incentives: Cohort analysis can show what kind of customers buy the most and what products they buy the most. Such data can be used to create incentives like targeted offers, coupons, free shipping, and more that will help retain existing customers.

How Partnering With MoEngage Can Help You Retain More Customers

If there's one thing that's hopefully become clear, it's that retention comes down to your ability to not only engage your customers on multiple platforms⁷, but to do so in a personalized way. To do that successfully, you need a platform that delivers individual customer insights from multiple sources.

MoEngage understands the ways that appropriate cross-channel engagement can transform your customer retention abilities and our platform offers the information you need. Whether you're looking to reduce churn in the onboarding process or even years after the first purchase, MoEngage offers the customer insights and retention tools you need.



About MoEngage

The modern consumer is different. While their lives revolve around their mobile phones, they also hop between devices, locations, and channels. They expect brands to always be “in step” with them and deliver personalized experiences across all physical and digital touch-points. As one of the first mobile-first customer engagement platforms, our mission is to support the digital growth for user-centric brands across media & entertainment, e-commerce & retail, banking & financial services, telecom, travel & hospitality, healthcare, and more.

More than 1,000+ brands across 35 countries use MoEngage to send 50 billion messages to 500 million consumers every month. With offices in nine countries, MoEngage is backed by marquee investors such as Eight Roads, F-Prime Capital, Matrix Partners, Helion Ventures, Exfinity Ventures, and Venture East.



MoEngage is recognized as a Leader in the 2020 **Gartner** Magic Quadrant for Mobile Marketing Platforms, a Strong Performer in The **Forrester** Wave: Cross-Channel Campaign Management (Independent Platforms), Q3 2021, a Strong Performer in the 2020 **Forrester** Wave for Mobile Engagement Automation, and as a Leader in **G2** for Fall 2020 Grid® Reports. To learn more, visit www.moengage.com.



content@moengage.com



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