

# Six Ways Monetate Empowers Sustainable Growth Strategies

Build relationships that drive incremental revenue

## The case for sustainable growth.

Let's face it: too many ecommerce marketers focus on short-term growth at the expense of long-term viability. They use one-day discounts every day, and it seems like a limited-time promotion is always available. There are **three big problems** with this approach, and they each add up to a recipe for fickle and disloyal customers.

- 1) You're essentially training your customers to time their purchases to your promotional calendar.
- 2) Your promotions will eventually lose any allure they had in the first place.
- 3) Customer expectations are rising fast, and Amazon is leading the way.

Amazon? What does a white paper about sustainable growth strategies have to do with Amazon?

A few important reasons.

First, Amazon rarely has flashy promotions. They're doing everything in their power to make promotions and discounts a meaningless marketing tactic. (Sure, Amazon Prime Day is a notable exception—but the infrequency of that sales event is what keeps it special.)

Second, Amazon often adjusts the prices of their products **many times per hour**, which means they can adjust perceived value based on item availability, popularity, or any variable they deem effective. In fact, Boomerang Commerce found that Amazon often slashes prices of popular items and makes up for the difference with bigger markups on less popular products.<sup>1</sup>

Third, their sheer scale and willingness to sacrifice short-term margins for long-term growth gives them the ability to retain and acquire customers via less traditional means (i.e. their growing content library, Kindle, and Echo devices).

Finally, Amazon Prime has an estimated 54 million members<sup>2</sup> and almost half of U.S. consumers start their product search with Amazon<sup>3</sup> (not the almighty Google). Even if you don't want to compete with Amazon on inventory and selection, you will have to compete with them on experience.

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<sup>1</sup> <http://www.businessinsider.com/how-amazon-adjusts-its-prices-2015-1>

<sup>2</sup> <http://www.fool.com/investing/general/2016/01/26/how-many-prime-members-does-amazon-have-and-why-it.aspx>

Beyond the competitive motivators we just mentioned, empirical research backs up the importance of a stellar customer experience, too. In a study from Forrester, researchers found that a superior customer experience “correlates with consumers’ willingness to repurchase, reluctance to switch, and likelihood to recommend firms.”<sup>4</sup>

But a stellar customer experience requires more than just a top-tier service team. It’s all about delivering a relevant experience to each customer across every interaction. And since the “right experience” can be defined as anything from the right message or functionality—to the right product assortment—you need a platform that can give your team control over every aspect of the customer experience.

Monetate was designed from the ground up with a simple vision for the future of marketing: to combine marketer-driven intuition with the power of technology. Today, we’re using machine learning and predictive algorithms to help marketers create truly scalable one-to-one experiences that deliver positive business results.

Read on for **SIX** ways you can use Monetate to drive sustainable growth strategies that deliver positive business results quarter after quarter.

## Sustainable growth strategy #1

### Give them what they want.

Have you ever visited one of your favorite shopping sites and been greeted by a homepage of utterly irrelevant products? When it comes from a brand with which you’ve made many purchases, this little oversight can be frustrating. We share so much personal information with brands, yet so few use those signals to improve the shopping experience.

Monetate makes it easy to target shoppers based on past purchases and behaviors. You can change any content asset (such as homepage hero, banner promotion, lightbox) based on dynamic attributes such as:

- ▶ Categories browsed: shoes, men’s clothing
- ▶ Categories purchased: women, accessories
- ▶ Cart abandoned category: onesies, children’s footwear

When you make it easier for your customers to find what they’re looking for, you show them that you’re listening and that you understand your needs—one of the core tenets of building relationships that lead to sustainable growth.



### Real-world success story

Online fashion retailer ModCloth uses Monetate to personalize the shopping experience based on past purchases. In one campaign, they used the last three apparel and shoe sizes a shopper added to their cart, and personalized future website visits with content and links to quickly connect them with the products that are more likely to fit.

ModCloth’s optimization campaigns around product size also contribute to improved customer service. The retailer has seen increased customer satisfaction and lower product return rates, which are crucial in an ecommerce-only environment.

<sup>3</sup> <http://marketingland.com/amazon-is-the-starting-point-for-44-percent-of-consumers-searching-for-products-is-search-losing-then-145647>  
<sup>4</sup> <https://www.forrester.com/report/Customer+Experience+Correlates+To+Loyalty/-/E-RESS3794>

## Sustainable growth strategy #2

### Use context to improve the experience.

Offers like same-day in-store pickup aren't very compelling to someone 100 miles away from your store.

With Monetate, you can deliver targeted messages to shoppers based on their real-time distance from a nearby store. Emphasize in-store pickup, upcoming events, and seasonal in-store promotions to those who happen to be close to your store. Then, highlight fast shipping and free returns to shoppers far away from a store. It's a great way to interact with your customers in a relevant and helpful manner.



### Real-world success story

Calendars.com used location-aware campaigns to drive traffic to brick-and-mortar locations during the holiday season. If a customer was shopping for a gift but had missed the delivery-by-Christmas shipping deadline, they were shown a lightbox promoting in-store pickup at a nearby store. The message was reinforced throughout the visit with a banner in the right-hand margin. .

## Sustainable growth strategy #3

### Utilize multichannel insights to target new customers across channels.

One of the biggest challenges for most ecommerce businesses is **customer acquisition**: the ability to turn those first-time buyers into lifelong customers.

Our clients have seen success with these best practices:

- ▶ Encourage your new customers to sign up for your email newsletter. Better yet, create a segmented email campaign exclusively for first-time buyers.
- ▶ After a first-time purchase, offer them a discount on their next three orders.
- ▶ Use multichannel data to personalize future interactions.

To get more insight into those first-time buyers, make sure you have the ability to automatically link customer IDs across channels (mobile, desktop, in-store). When you have a single view of every customer, you can figure out what's most likely to convert an individual segment based on a breadth of real-world data.

## Sustainable growth strategy #4

### Create an enhanced experience for your best customers.

Returning customers drive a tremendous amount of revenue for your business. But do you show recognition of their loyalty across channels?

Focus on delivering a more intimate experience for your best customers. Offer them early access to sales (or even private sales). With Monetate, you can deliver targeted content based on your customer's online and offline purchases using data from your CRM.

Here's a taste of some of the elements you can use to personalize your website for existing customers:

- ▶ Abandoned cart (at item or category level)
- ▶ Item currently in cart (at item or category level)
- ▶ Previously purchased brands
- ▶ Purchase frequency

## Sustainable growth strategy #5

### Make it easy to shop

Finding just the right product can be an overwhelming experience. When there's a seemingly endless array of options, from an equally unlimited number of brands, it can be tough to narrow down the options and make a final purchase decision.

With Monetate, you can apply badges to product thumbnails in product galleries, highlighting attributes to make it easier to find and buy items on your site. You can even target different badges for different types of visitors. For new visitors, use product badges to highlight your shipping and returns policy. For returning customers, highlight new arrivals or product attributes that might help them make their decision faster.

## Sustainable growth strategy #6

### Deliver an experience that optimizes itself.

Website testing and personalization can yield incredible results. Just one small change to the checkout process can make the difference between a 3.2% conversion rate and 4.5%, which could add up to millions of dollars of incremental revenue over a year.

With Dynamic Testing from Monetate, you can optimize your website based on real-time performance against any goal metric you dream up. (Most of our clients choose conversion rate—but bounce rate, click-through rate, and custom goals are very popular, too!)



### Real-world success story

Johnston & Murphy partnered with Monetate and the popular DMP provider Customer Portfolios to deliver personalized homepage experiences based on a customer's past purchases. In one campaign, they used in-store and online purchase history to deliver targeted cross-promotions. If a customer had purchased apparel in the past but never dipped their toes into Johnston & Murphy footwear, they were shown a lightbox for a special offer for \*footwear\* on their next site visit. This strategy can boost customer spend and increase the range of products the customer associates with their brand.

Dynamic Testing starts learning and taking action from the moment you launch a new campaign. As soon as the Dynamic Testing engine knows enough about current customer behavior on your website, it starts showing the winning experience to more and more people. It uses machine-learning based predictions about how well each alternative will perform, so you can get the benefits of the winning content right away.

You never have to shut off a campaign you create with Dynamic Testing, since it continuously learns and explores, testing its assumptions to make sure it's getting enough data to validate its conclusions and reacting to changing behaviors. It's the ultimate sustainable growth strategy.

## A sustainable growth strategy is the key to long-term ecommerce success.

While flash sales, new-customer promo codes, and limited-time offers are a necessary part of many ecommerce businesses, it doesn't mean you can't lay the groundwork for long-term success at the same time. Competition isn't going to get any less fierce, so maintaining relationships and fostering customer loyalty is one of the few remaining strategies that are likely to garner incremental revenue.

We hope this guide helps you lay the groundwork for your own sustainable growth strategy. To learn more about Monetate, request a no-pressure demo today.



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Monetate is the leader in personalization software for consumer-facing brands. Our approach starts with the understanding that each individual is unique. We enable brands to create individualized experiences that surprise and delight customers, improving engagement and business performance.

The Monetate platform is open and independent, working seamlessly across your marketing stack. Monetate is real-time, too, combining marketer-driven instincts with machine learning to deliver 1-to-1 personalization at scale.

Founded in 2008, Monetate influences billions of dollars in annual revenue for Apple Vacations, Patagonia, QVC, The North Face, and hundreds of other market leaders.

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