SUPERCHARGE CUSTOMER LIFETIME VALUE & RETENTION THROUGH A STELLAR POST-PURCHASE DELIVERY EXPERIENCE

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Does Your Retail Business Focus on Post-Purchase Customer Experience?

If your eCommerce business is like most others, you place a heavy emphasis on providing shoppers a memorable experience on your site right up to checkout.

You ensure your site is snazzy while also optimized for speed & easy navigation. At the same time, like most other businesses, you probably neglect **customer experience after checkout**.

This is a big mistake because the post-purchase delivery phase is one that can help your business truly stand out from competitors. If you can provide the same high-quality service to your customers in the post-purchase phase as you do on your website, you will make a mark at a time of frequent delivery delays and customer rants on support channels.

In a nutshell, the post-purchase delivery phase lets you

Engage better with your customers

Understand their concerns

Provide stand-out delivery experiences

Boost retention and lifetime value

There is much good that can emanate from a well-planned post-purchase delivery phase. However, offering quality post-purchase experiences can be a challenge because this phase is often outsourced to a shipping carrier, a third party who may not share your sense of urgency or commitment to great customer service.

Create Delivery Experiences that inspire customer loyalty

Communicate with your customers when it matters the most and mitigate delivery-related customer pain with LateShipment.com

Learn more

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Post-Purchase Mishaps Are Way too Common!

FedEx, UPS or DHL, regardless of who your shipping partner is, the truth is that

1-in-5 parcels are routinely delayed.

15% of all urban deliveries fail on the first attempt.

A large number of parcels are damaged or lost in transit.

Shipping carrier tracking pages do not provide complete transit information.

All of these have a definite impact on key metrics and ultimately your bottom line. Read on to learn how a poor post-purchase experience can affect your retail business.

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Poor Post-Purchase Experiences Impact Your Bottom Line!

Post-purchase delivery mishaps have two definite impacts on your business

You end up losing loyal customers.

Poor online reviews and word-of-mouth deter prospective customers.

1-in-3 customers will shift to a competitor after a poor delivery experience. Worse, many of your dissatisfied customers could leave bad reviews online (especially on social media) that will deter prospective customers from buying from you. This could hurt your business in a big way because 90% of shoppers look at online reviews before a purchase.

If you think that you could make up for lost customers by replacing them with new ones, consider this: **It is 5 times more expensive to acquire a new customer than to retain an existing one**.

THE BIG POST-PURCHASE CX GAP

ORDER RECEIVED **ORDER SHIPPED** You don't track parcels in real time, foresee parcel delays and proactively resolve issues. Don't communicate with customers about their order delivery status Don't offer self-serve, branded order tracking experiences to your customers **ORDER DELIVERED**

Getting caught up in this state of affairs will result in your business' bottom line taking a significant hit over time. And pointing a finger at your shipping carrier when things go wrong doesn't help. Your customers expect YOU to be in control of their delivery experience.

Read till the end for ways to supercharge your bottom line through a stellar post-purchase experience.

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While the times might be challenging, there are growth opportunities for retail businesses that are willing to take a focussed approach based on awareness of 2 key marketing metrics: **Customer Retention Rate (CRR) & Customer Lifetime Value (CLV).**

Here's how to leverage these metrics.

Learn them ⟶ **Calculate them** ⟶ **Analyze them**

Customer Retention Rate (CRR): Are You Keeping Your Customers Happy?

Customer Retention Rate (CRR) tells you what percentage of customers still shop with you at the end of a period compared to at the start of it.

Loyal customers are worth up to 10 times as much as the value of their first purchase. Increasing your customer retention rate even by 5% could lead to increased profits of between 25% and 95%.

Calculating CRR requires these data points:
- The number of new customers acquired during a particular period (**N**)
- The total number of customers at the end of the period (**E**)
- The total number of customers at the start of the period (**S**)

CRR = [(E-N)/S] X 100

Here's a simple example

Let's assume a retail business wants to calculate their customer retention rate for a particular year. They began the year with **100 customers** and lost 5 of them during the period. They acquired **10 new customers** during the year.

At the end of the year, the **total number of customers** they have (E) would be **105** (keeping in mind the ones they lost and gained).

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Now, let's apply the formula to calculate the CRR for the year.

| **105 Total** Customers (E) | **─** | **10 New** Customers (N) | **÷** | **100 customers** (Start of the year) (S) | **✕ 100** |

The customer retention rate for the year works out to be **95%**, which is a great percentage indicating they have great customer retention programs in place.

Manually calculating your retention rate can be hard. The simpler way is to use an **online calculator.**

Another important metric to measure for eCommerce retail businesses like yours is **Customer Lifetime Value (CLV).**

Customer Lifetime Value (CLV): How Much Are Customers Spending on Your Business?

Customer Lifetime Value (CLV) measures how much a business can expect to earn off each customer during the course of their relationship. In other words, how much a customer is expected to spend on a business during their lifetime. Naturally, the longer a customer chooses to buy from a business, the greater their lifetime value.

Customer Lifetime Value has many avatars: The terms Customer Lifetime Value (**CLV or CLTV**), Lifetime Customer Value (**LCV**), and Life-Time Value (**LTV**) all refer to the same concept.

Calculating Customer Lifetime Value (CLV)
- Helps identify important customer segments in terms of their purchasing power.
- Helps in deciding how much money to invest in customer acquisition and retention.

CLV =

| **Average purchase value for a customer segment** | **X** | **Number of times a customer from a segment will purchase each year** | **X** | **Average length of customer relationship for the segment** |

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For example, let's assume you run an eCommerce site selling shoes.

A professional runner who is a frequent buyer on your site might be worth this:

$$\begin{array}{c}\$100\\ \text{per shoe pair}\end{array} \quad X \quad \begin{array}{c}\textbf{4 pairs}\\ \text{yearly}\end{array} \quad X \quad \begin{array}{c}\textbf{8 years}\\ \text{(average professional}\\ \text{career length for segment)}\end{array} \quad = \quad \$3200$$

The mother of an infant might be worth this:

$$\begin{array}{c}\$20\\ \text{per shoe pair}\end{array} \quad X \quad \begin{array}{c}\textbf{5 pairs}\\ \text{yearly}\end{array} \quad X \quad \textbf{3 years} \quad = \quad \$300$$

Now you know you need to devote more attention to the professional runner than the mother of the infant in order to boost your bottom line moving forward.

This is the value of calculating CLV.

Like retention, the easiest way to calculate lifetime value is with an **online calculator**.

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11 Ways You Can Supercharge Lifetime Value & Retention in the Post-Purchase Phase

Taking steps to provide your customers a memorable and dependable experience after checkout can go a long way toward making you their preferred option when shopping within your product category. This will inevitably have a positive impact on both your customers' lifetime value and the retention rate of your business.

Here's what you can do:

Engage meaningfully & effectively with your customers at all times.

Proactively resolve customer issues — Enable support reps with **a solution that provides real-time shipping information** for timely delivery issue resolution.

Be transparent. Build trust — Communicate your terms clearly on checkout pages and effectively follow up till delivery. Ensure you are sensitive to customer expectations. If a delivery deadline is likely to be missed, make sure the customer is kept informed.

Reduce delivery anxiety with automated delivery notifications — Keep your customers informed of package location at all times. Send regular email and SMS updates to customers about important parcel-tracking events, including delivery issues.

Offer custom & self-serve order-tracking experiences — Offer customers the ability to track their parcels on a branded tracking page within your eCommerce site. Provide tracking widgets on your site and a smart-track button on the emails you send.

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Monetize customer tracking moments — Upsell via your email and SMS updates to spur further spending.

Course-correct when necessary — Compensate customers for late deliveries by offering them coupons or discounts on future purchases.

Collect & leverage user feedback
a. Capture user feedback around customer delivery experiences to understand the detractors of a great post-purchase experience.

b. Everyone loves talking about their customer experience, more so when it's a bad one. Lend a close ear to such signals on social media and effectively address them to reduce bad word-of-mouth.

c. Understanding all of these, make necessary operational changes to ensure customers who bore the brunt of bad delivery experiences are given greater attention.

Periodically review & improve your delivery performance — For **every delivery failure that happens**, do a thorough analysis focusing on the type of service failure, delay-trend patterns, which customers are getting affected, and so on.

Focus on returns — Make **the ecommerce returns process** free and as simple as possible. This will contribute to the overall comfort level of your customers.

Create a loyalty program to encourage customers to buy more and often.

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A Little About LateShipment.com 's Delivery Experience Management Platform

LateShipment.com is the world's only logistics cloud tool that helps businesses of every size reduce shipping costs by up to 20% and provide memorable delivery experiences to customers at scale. At LateShipment.com, our focus has remained steadfastly on the post-purchase phase, typically the part of the logistics chain that is the most neglected.

Some of our high-impact offerings are :

Real-Time Visibility

Monitor your outbound & inbound shipments across multiple shipping carriers on a centralized window, in real-time.

Critical Delivery Alerts

Pay attention to daily deliveries with predictive delay alerts and more on a purpose-built dashboard for support reps.

Proactive Issue Resolution
Proactively communicate with customers to prevent them from having bad experiences due to delivery failures.

Custom Delivery Notifications
Send custom or automated delivery status notifications for events like "shipped," "attempted," & "delivered."

Branded Tracking Pages

Build fully-customizable order tracking pages for your customers to improve brand recall and sales.

The best part is, it takes less than 2 minutes to **see LateShipment.com in action** without any change to your existing workflow. The value we add to businesses is most evident when experienced first-hand.

Get Started

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Bonus: How You Can Save up to 20% on Shipping

Did you know your business might be overpaying shipping bills by up to 20% because of poor service quality by your shipping carrier?

Shipping contracts promise 100% refunds on shipping charges if a parcel is delayed even by 60 seconds. However, the process to claim refunds is deliberately kept challenging with a short claim window. As a result, over $3 billion a year goes unclaimed in refunds. This is money that rightfully belongs to retail businesses like yours.

This is where LateShipment.com can make a difference. Our cutting-edge algorithms **automatically audit your shipping carriers' invoices** and recover refunds for not just late deliveries but 50+ other service failures and billing errors and credit the amount in your account.

All it takes is 2 minutes to sign up, and you have nothing to lose!

Get Started

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Contact Us
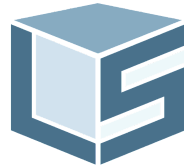
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