SCALABLE RETENTION STRATEGIES TO COMBAT RISING CAC

APLO GROUP | SENDLANE

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ABOUT
APLO GROUP

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We are a DTC Growth Firm with a focus on driving positive business wide outcomes by bringing a holistic approach to scaling. Merging financial modeling/forecasting with marketing expertise to develop and implement a sustainable and profitable e-commerce growth strategy.

01 | Our Expertise

- Retention Marketing
  - Email
  - SMS
- Paid Ads
  - Socials & Search
- Financial Modeling & Forecasting
- Creative Strategy
- Production
  - Photoshoots
  - Videoshoots

02 | Our Stats

- 90+ clients served

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Paid Acquisition

Create and capture demand to drive new customer revenue
- Paid Ads (socials/search)
- Competitive and costly
- Slim margin
- Drives your growth

Retention

Drive incremental profit over a defined lifecycle (LTV)
- Email & SMS
- Highest margin sales
- Drives most of the profit

Financial Modeling & Forecasting

The foundation of developing a growth strategy, making decisions, and scaling sustainably
- Forecast revenue, profit
- Maintain net margin requirements
- Forecast inventory requirements
- Set growth KPI's
- Keeps accountability across all channels

Creative

Feed channels with creative to maximize scaling potential
- Personalized email/sms creative
- Diversification of ad creative format, angle, offer, and audience for stability at scale

AGENDA

1. Velocity Of LTV
2. Segmentation Strategy
3. Campaign Calendar
4. Core Automations
5. Sendlane X Aplo Group Offers

VELOCITY OF
LTV

DEFINING VELOCITY OF LTV

- The rate at which a customer comes back and purchases over a defined period of time.
  - 30,60,90 days etc

- Increasing the velocity of LTV unlocks more margin on a shorter period of time, allowing you to reinvest into growth more aggressively and sustainably.

- Strategies to increase the velocity of LTV span the entirety of your retention strategy.
  - Segmentation strategy
  - Campaign strategy/campaign calendar
  - Automation strategy

STRONG VELOCITY OF LTV METRICS

- Food & Beverage/Replenish-able products
  - 50% increase in first 3 months
  - 100% increase in first 12 months

- Clothing/Apparel & Other
  - 30%-50% increase in first 12 months

SEGMENTATION
STRATEGY

PROPER SEGMENTATION

- Maintains deliverability and sender reputation

- Maintains engagement

- Drives more high-margin revenue

- Maximizes send volume

MAXIMIZING SEND VOLUME

- Regular send cadence to engaged and purchaser audiences

- Hyper-segmented sends to past purchasers, window shoppers, highly engaged

- Leverage subscribers and past purchasers to announce new products and develop thoughtful product messaging/product launch strategies

- Seasonal/calendar-driven content following the marketing timeline

EXAMPLE SEGMENTS

- Engaged Segments
  - Highly engaged
  - Clicked >1 last 30 days
  - Opened >1 last 7 days
- Recent Subscribers
  - People who joined in the last 30 days and never purchased
- Active On Site (Window Shoppers)
  - Never purchased, active on site in last 90 days
- Engaged Non-Purchasers
  - Subscribed >90 days ago, has never purchased, has clicked or opened >1 in last 90 days
- Past-Purchasers
  - Purchased 1 time (past purchaser segment)
  - Purchased >1 (repeat buyer segment)
  - High LTV subscribers
- Winback Segments
  - Has purchased 1 or more times, has not engaged in 90/X days

ENGAGEMENT METRICS

- Click Rate
  - 5-10% click through rate is considered healthy in automations, 2-5% in campaigns depending on the segmentation.
    - If your CTR is below 1% you may work to do with either segmentation, copy/creative, offer, or send cadence - it may not necessarily be a bad thing depending on your strategy, but a lower click rate can be a signal that your audience is not engaging with the content your sending and may require you to re-think your strategy.
      - Click rate = total clicks/total opens
      - CTR = total clicks/total recipients

- Open Rate
  - strong open rate - these are generally inflated but you should be falling in the range of 40-60%

- Unsubscribe Rate
  - You should aim to be at 0.1-0.2% - this may be higher in automations depending on the type of email

CAMPAIGN
CALENDAR

CAMPAIGN CALENDAR DEVELOPMENT

DO'S

- Build your marketing calendar around the seasonality of your product, leaning into peaks.
  - Cultural moments
  - Seasonality

- Build and adjust your campaign calendar based on the amount of return customer contribution margin you require to maintain your desired growth rate

DONT'S

- Develop a campaign calendar out of thin air

- Create a disjointed experience for subscribers

- Send campaigns sporadically when you want to

RETURN CUSTOMER CONTRIBUTION MARGIN – CAMPAIGN CALENDAR

- Each campaign send you do should have relatively forecastable expected revenue
  - Contigent on segments and offers being used.

- Building your campaign calendar around the required amount of return customer revenue is often going to lead to more sustainable growth.

- If you are pacing throughout the month/quarter to miss your margin requirements, then adjusting your campaign calendar accordingly is an easy lever you can pull to course correct.

CORE
AUTOMATIONS

THE 2 FUNCTIONS OF EMAIL & SMS

ACQUISITION

- Generating new customer revenue
- Lowers full-funnel CPAs by helping to convert traffic driven by ads
  - Making your paid ads efforts more efficient
- Automations & campaigns

LTV & RETENTION

- Generating return customer revenue
- Drives higher margin revenue
- Increases your return customer rate
- Extends LTV
- Keeps an engaged community
- Flows & campaigns

AUTOMATION STRATEGY

- Develop and maintain core automations across acquisition, retention, and recovery in sync with campaign strategy, SMS, and capture strategy.

- Conduct scheduled A/B tests on a weekly/monthly cadence (varies by specific flow subscriber volume) to maximize the impact of these flows and iterate faster.

- Challenge existing angles and creative in automations, deprecate what is not working and introduce new ideas to test against what is working. The core automations are responsible for 80/20 of automation revenue and are the highest leverage.

- Weigh the pros and cons of developing automation structure further beyond the core, or focus on improving the core structure in place to maximize revenue.

EMAIL & SMS CORE AUTOMATIONS

Acquisition Flows

WELCOME FLOW

- 1-20 Emails
- 1-6 SMS
- Built for signup source that subscriber is coming from

ABANDONED CART FLOW

- 1-12 Emails
- 1 SMS
- Encourage people to return and complete their purchase. Tailor message or offer to either cart value or purchaser type (non buyer, first time, repeat, etc)

BROWSE ABANDONMENT FLOW

- 1-8 Emails
- 1-3 SMS
- Dynamic content for product recommendations, tailor to collection/product feed depending on the product mix.

NON-PURCHASER/OFFER FLOW

- 1-8 Emails
- 1-3 SMS
- Pushing offers to subscribers who engaged during Welcome Flow but not purchased.

EMAIL & SMS CORE AUTOMATIONS

LTV & Retention Flows

POST PURCHASE PRE-DELIVERY

- 1-3 Emails
- 1-2 SMS
- Educate on the product(s) and use cases. Cross-sell.

REPLENISHMENT SEQUENCE

- 1-5 Emails
- 1-2 SMS
- Focused on incentivizing customers to repurchase in an optimal time window

POST PURCHASE POST-DELIVERY

- 1-5 Emails
- 1-3 SMS
- Educate on the product they received and cross-sell. Incorporate review strategy.

WINBACK SEQUENCE

- 1-6 Emails
- 1-2 SMS
- Focused on converting past purchasers who have not engaged in an extended amount of time

PRODUCT SPECIFIC POST PURCHASE PRE-DELIVERY

- 1-3 Emails
- 1-2 SMS
- Educate on the product(s) and use cases. Cross-sell.

PRODUCT SPECIFIC POST PURCHASE POST-DELIVERY

- 1-5 Emails
- 1-3 SMS
- Educate on the product they received and cross-sell. Review push.

*All flows built out with different journeys for first time buyers and repeat buyers

EMAIL & SMS CORE FLOWS

Recovery Flows

ABANDONED CART FLOW

- 1-12 Emails
- 1 SMS
- Encourage people to return and complete their purchase. Tailor message or offer to either cart value or purchaser type (non buyer, first time, repeat, etc)

BROWSE ABANDONMENT FLOW

- 1-8 Emails
- 1-3 SMS
- Dynamic content for product recommendations, tailor to collection/product feed depending on the product mix.

SUNSET FLOW

- 1-5 Emails
- Last chance and list cleaning.

*All flows built out with different journeys for first time buyers and repeat buyers

APLO GROUP X
SENDLANE OFFERS

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3 FREE MONTHS OF FINANCIAL MODELING & FORECASTING

When you work with Aplo on Retention Marketing Management & Sendlane

- If you use Sendlane and partner with Aplo to manage your retention marketing, you get 3 months free of our financial modeling & forecasting service
  - This will include (on top of our Retention Marketing Service):
    - Construction of a financial model & forecast to aid in forecasting of revenue, profits, and inventory sell through scenarios
    - Monthly meeting to discuss forecasts vs actuals, and optimal growth strategy to maximize growth rate while maintaining margin requirements of the business
    - Opportunity to discuss and model out different paths that can be taken to scale. Scenario planning to ensure the business is prepared for good and bad outcomes over X time.

FREE FIRST MONTH OF GROWTH MARKETING OR PAID ADS

When you work with Aplo & Sendlane

- If you use Sendlane and partner with Aplo through our Growth Marketing or Paid Ads service, you get the first month free.

THANK YOU