

How retailers are turning **customer advocacy** into **sustainable growth**

Acquire high quality customers, optimise
your marketing mix and become
a winning business



mention*me*

Accelerating growth for leading retailers

PUMA

ASOS

M&S

FARFETCH

PRETTYLITTLETHING

HARVEY NICHOLS

MICHAEL KORS

FATFACE

LIBERTY.



8% increase in new customer acquisition (rising to 30% for optimised programmes)



15% lower CPA for lookalike audiences in Meta



Businesses focussed on customer love **outperform the market 3x**

Customer advocacy.

The fact you're reading this suggests you know – or at least suspect – it's important. But do you know *how* important? And are you realising its full potential for your business?

If not, keep reading. By the end of this ebook, you'll know why so many brands are thinking advocacy-first, how you can do the same, and why now's the time to act.

But before we dive into the specifics, let's take a step back.

We're in an economic downturn. Marketing costs are spiralling. Apple's warnings about phasing out third-party data have come to fruition.

Against these challenges, however, there's light on the horizon.

According to Forrester, 6-9% of companies come out of recessions stronger through selectively investing in high-growth opportunities.

And customer advocacy might just be the greatest opportunity there is.

Now might not feel like the best time to invest in a new channel, but the reverse is true. Funnelling money into the same channels that have been delivering

unpredictable, disappointing returns isn't going to transform the results you present in the boardroom.

It's time to turn towards the most valuable – and overlooked – asset: your customers.

With the right approach and technology, you can turn customer advocates into a high-performing growth channel and source of uniquely rich first-party data. Data that optimises ROI across your marketing mix and completely changes how you see and engage with your best customers. All with just a fraction of budget and little hands-on management.

Put simply, you can acquire high-quality customers now, while setting yourself up for long-term, organic growth.

There's a reason brands like PUMA, Charlotte Tilbury and MatchesFashion are shaking up the marketing status quo and investing in customer advocacy.

Ready to join them? Read on.

Acquire customers who spend more, return often, and bring their friends

A customer's recommendation about your brand is valuable – *really* valuable. Not only can referral increase new customer acquisition by as much as 30%, but it acquires high-quality customers set to drive serious revenue for your business.

Their friend's recommendation means referred customers trust and like your brand before they reach check-out.



Referral offers lower acquisition costs and higher lifetime value customers. It drives organic growth, so you can focus less on Google and Facebook, and more on serving your customers experiences that they love enough to tell others about.

On average, referred customers:

-  Spend **11% more** on their first order
-  Have up to **double** the lifetime value
-  Is **5x more likely** to refer onwards

*Compared to customers acquired through other channels.

Charlotte Tilbury's referred customers:

-  Spend **39% more**
-  Are **6x more likely** to introduce friends



Charlotte Tilbury

Since setting up our programme in 2018, referral has become one of our most reliable channels for acquiring high-quality new customers. It's the ideal solution for acquiring new customers while making existing ones feel special."

Julia Deutsch, Senior Global Digital Marketing Manager at Charlotte Tilbury

Increase ROI across your marketing channels

As well as a high-performing acquisition channel in its own right, a smart customer advocacy platform equips you to improve performance across your marketing channels.

By applying the first-party data gathered through your customer advocacy platform into other channels, you can reach and convert more target consumers at lower cost.

In the aftermath of iOS 14, targeting referrer lookalikes on paid social and search offers a way for you to upgrade performance and drive immediate revenue. Better yet, referrer lookalike audiences convert more, cost less and are more likely to refer *their* friends, driving powerful organic customer acquisition.

Look at menswear trouser brand SPOKE. By using first-party customer advocacy data on Meta, they're reaching referrer lookalike audiences that convert 65% more and drive 30% higher ROAS.

Meanwhile, sustainable deodorant brand Wild is feeding real-time referral data into their CRM to segment and target

audiences based on where they are in the advocacy journey – decreasing CPA by 25% and increasing conversions by 17% as a result.

And that's just the tip of the referral data iceberg. You use it to turn rave reviewers into referrers; identify the affiliates that bring in your most valuable customers; build and manage micro-influencer campaigns and much, *much* more.

SPOKE

↑ **65% increase**
in conversions

↑ **30% higher** ROAS

↑ **12% lower** CPA

Wild

“

In these tough conditions, referral is becoming an increasingly important channel for us. As well as bringing CPA costs down, it's delivering easy wins that drive efficiency and equip us to better manage other channels. Ultimately, leveraging customer advocacy is helping to increase top line revenue and maximise ROI across our marketing mix.”

Harry Symes-Thompson, Head of Growth at Wild



Drive more value from every customer

The previous pages highlight how leveraging customer advocacy can propel acquisition, adding thousands of new shoppers to your database.

Now it's time to shine a light on how customer advocacy can increase retention.

The best referral programmes know who to invite to refer, when. Meanwhile, you can engage with those not ready to refer – say, customers who have bought for the first time and want to try out their order first – in other ways.

Created by our team of data scientists following a decade of referral data analysis, Propensity to Refer[®] automatically adjusts segmentation and targeting strategies based on where each customer is in their advocacy journey with your brand.

This means driving those customers who love your brand to tell their friends about it, while taking another approach to nurturing advocacy in those yet to reach this stage. That could be through offering a discount

on their next order, inviting them to sign up to your newsletter, or any other action that fosters loyalty and contributes towards your business objectives.

Moss Bros, for example, segments customers based on their propensity to refer and targets them with content accordingly.

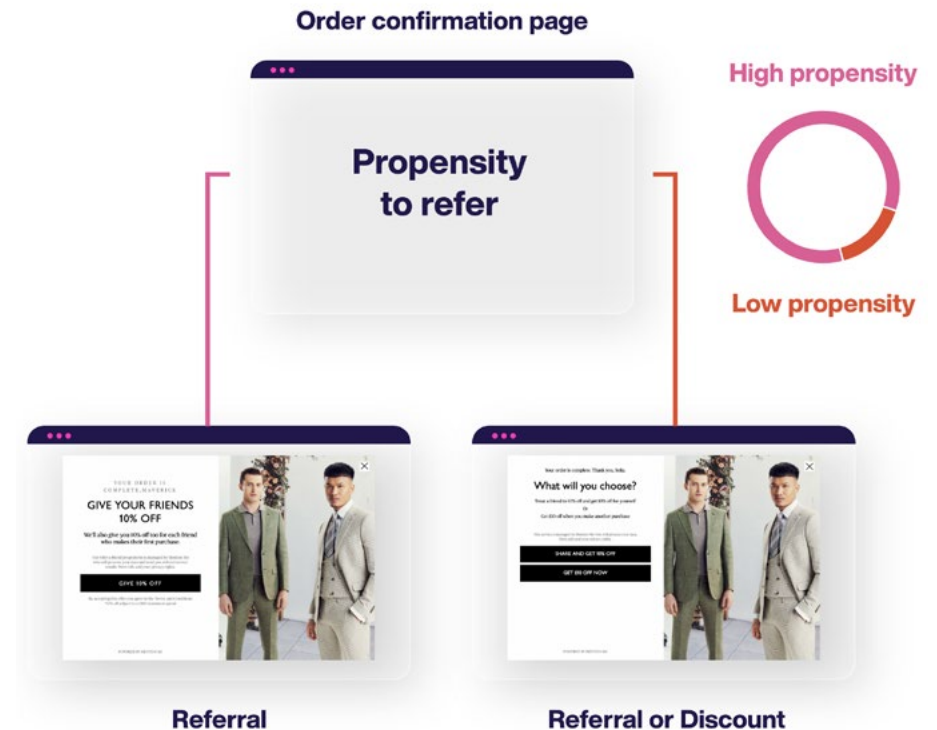
It's found that high propensity customers are 6x more likely to refer friends, while low propensity customers who choose a discount on next order instead repeat purchase 23% more – increasing both acquisition *and* retention for the menswear brand.



MOSS BROS.

Mention Me lets us engage with every customer. Referral brings new customers in, then targeted offers turn shoppers into repeat customers. It's the best of both worlds."

Natalia Kirby, Digital Marketing Manager at Moss Bros



MOSS BROS.

6x

High propensity to refer customers share 6x more

23%

Increase in repeat purchases for low propensity to refer customers

Become a winning business and leave your competitors behind

Hopefully by now you're reading this full of excitement at the untapped potential of customer advocacy for your business.

Spoiler alert: things are about to get even better.

With customer advocacy data, you can identify your truly best customers. Not those who spend the most, but those who refer friends and family to your business.

We call this view Extended Customer Revenue (ECR): a customer's individual spend plus that of the friends and family they refer. Looking at your customers through the lens of ECR will completely change how you see them, giving you a 3D view of the value they're bringing to your business.

Armed with these insights, you can make sure to serve your brand advocates the VIP experiences they deserve, so they keep coming back with their friends in tow.

PUMA is just one example of a retailer using this view of ECR to evolve their

segmentation model and loyalty proposition. Rather than dismiss shoppers as lapsed if they haven't bought for a while, they can now see who are referring friends and treat them differently as a result.

"If we see a customer is referring friends who then come in to buy, that changes how we talk to them and our general view of how loyal they are," says David Witts, Senior CRM Manager E-Commerce Europe at PUMA.

If you still need convincing of the power of an advocacy-first approach, look no further than Airbnb.

70% of site traffic to the online marketplace comes from direct, organic visits, compared to 40% for Marriott and Expedia. Its revenue per employee is 10x greater. By focussing on serving experiences that others want to share, it's driving huge efficiencies and unbeatable organic growth.

Putting customer love at the heart of your business isn't just the right thing to do. It makes indisputable business sense.

Realise the power of your customer advocates today

If you're not yet harnessing referral and advocacy, you're missing out on the most effective way to grow your business.

By shifting a fraction of your paid social budget into customer advocacy now, you'll sow the seeds for success that propels you forward the moment the recession ends. All while acquiring high-quality customers and gathering first-party referral data that increases ROI across your channels.

Getting loyal customers through the front door via referral will drive future full-price sales and repeat purchases, without spending money on paid advertising.

That's valuable at the best of times. In a recession, it can be the difference between winning and surviving.

Don't let your competitors get ahead. Contact us today to learn more about how you can leverage the power of customer advocacy to drive business growth, now and in the future.

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Firms today undervalue referrals. They treat them as the icing on the cake, rather than an essential (perhaps the most essential) ingredient for sustainable growth.”

Fred Reichheld,
Creator of the NPS, Bain Fellow and best-selling author

Turn customer advocacy into your biggest growth driver.

Visit mention-me.com

About us

Mention Me empowers brands to turn customer advocates into their most powerful growth driver.

As well as open a high-performing acquisition channel, we help brands gather and activate rich first-party referral data that enhances their entire customer experience. This is supported by our fast-growing partner network, which includes Emarsys, Ometria, Klaviyo and Trustpilot.

Since 2013, our pioneering advocacy-first approach and world-leading platform has delivered more than 6m referrals totalling USD \$1.8bn in revenue for 500 brands globally.

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