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THE RELATIONSHIP MARKETER'S GUIDE
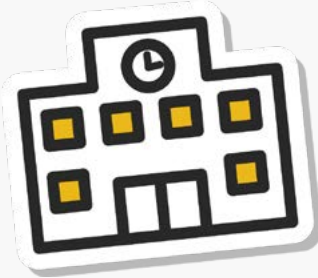
*for* Back-to-School

IN 2023

The summer holidays are fast approaching, and while parents are currently consumed by vacation planning, stocking up on SPF and dusting off the barbecue, proactive marketers are carefully crafting their back-to-school campaigns for 2023. This is a market growing rapidly year-on-year, comfortably the second-largest spending event after the winter holidays.

After a couple of years of remote learning, schools have now fully transitioned back to in-person classes, and brick-and-mortar stores are business-as-usual, meaning there will be a slight shift back toward in-store purchasing from online.

For marketers, that means connecting all digital properties with the in-store experience to deliver a truly integrated customer experience. As your customer moves from Instagram to website to email, these channels should seamlessly integrate.

To win the hearts of today's digitally savvy consumer, rather than leave everything to the last minute like kids with their homework, proactive retail marketers are instead getting ready to implement Relationship Marketing strategies that put the customer at the heart of everything.

So, sharpen your pencils and straighten your tie. Let's kick off the school year properly and deliver top-of-the-class Relationship Marketing, from acquisition to loyalty.

# $34.4 BN
**Estimated back-to-school market this year**
(up 24% in the last 4 years)

# 8%
**YoY increase in back-to-school spending per household**

# BACK-TO-SCHOOL
## *Trends*
### 2023

① # Connect with consumers with the right message, on the right channel, at the right time

Email remains the most effective channel for driving sales. More than half of global consumers (52%) purchase a product directly as a result of an email they have received in the last 12 months. You have built a loyal database of customers over time, so not only is email the most effective channel, but it's also the most cost-effective, too.

**TIP:** Review last year's email marketing performance: what worked and of course what didn't. Look at what subject lines, content, offers, call-to-actions and send times performed best. These will be a good starting point for your 2023 campaigns.

## Email outperforms...

banner ads and SMS by:

## 108%

organic social media posts by:

## 13%

social media ads by:

## 11%

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# 2

# The end of *third-party tracking* cookies

Google is ceasing third-party cookie tracking by the second half of 2024. Firefox and Safari already have. Although a win for privacy-conscious consumers, cookies have been the lifeblood of the online advertising ecosystem for decades, driving awareness and sales alike.

**TIP:** With less than 18 months to go, these sweeping changes to the martech and adtech industries reinforce the need for marketers to invest in their own database and shift to a first- and zero-party data strategy.

## 45%
Almost half of consumers have installed ad blocking

## 15%
Only 15% of consumers will miss cookies when they cease, and

## 61%
of consumers think the retargeting ads derived from them are creepy

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*3*

# Power personalization initiatives with *zero-party data*

Consumers expect personalization that goes beyond a first name or previous purchase. True personalization offers products your customer has expressed an interest in—derived from preference insights and purchase motivations that they have explicitly told you. This is zero-party data and is the path this back-to-school selling season to increased revenue and customer retention.

**TIP:** Poll your audience with a "this or that" to capture what styles their kids do or don't like, or use a product picker with branching logic to help them find the perfect apparel.

**70%**

of consumers will share behavioral and psychographic data in return for a better service

**49%**

of consumers felt frustration when they received irrelevant content or offers

*4*

# Deliver a true omnichannel experience

Omnichannel strategies should put customers at the heart of your strategy, where all channels and touchpoints revolve around them, not merely the product.

Consumers interact with multiple touchpoints when engaging with a brand *(social, web, wallet, SMS, email, etc.)*. Each of these channels needs to be integrated to deliver a truly consistent experience, letting your customer seamlessly move from one experience to another.

**TIP:** Brands need to break down barriers, both organizationally and within their tech stack, to create a unified commerce approach. Your tech partner should empower you to have a single, accessible view of customer data so you can provide a unified, consistent experience whatever the channel.

**55%** of consumers have used their mobile phone while in-store to research a purchase

**50%** Half of consumers have browsed for products in-store but purchased later elsewhere

*5*

## *Work hard* for customer loyalty, don't just expect it

In a time of financial uncertainty, loyalty programs, and the value they provide, can appeal to the financial considerations of customers. Consumers are more likely to consider their rewards and value stored in loyalty programs as currency for making decisions throughout the household's needs.

**TIP:** In this short selling season, consumers, of course, love a discount, but the modern consumer expects loyalty rewards that go beyond points-for-prizes.

Engaging interactive experiences like polls and questionnaires that enable you to capture and store customer preferences, exclusive access to products based on loyalty tiers you define, personalized product recommendations based on past purchases and zero-party data collected from interactive experiences are the key to retention and engendering lasting loyalty.

## 59%

of consumers are prepared to pay more to purchase from a favored brand

## 67%

More than two-thirds of consumers think the loyalty program of their favorite brand is important or critically important—only 7% of consumers think this is not important

## *Back-to-School*
# Marketing Checklist

# June

The strategies you implement this month will determine whether or not you're set for a sales bonanza this back-to-school season. Getting your contacts list in order might not be exciting, but it's imperative that you do.

☐ **Clean up your email database to improve deliverability**

Nobody wants to spend time and resources ideating the perfectly tantalizing campaign to simply end up in the spam folder. Conduct some spring(ish) cleaning of your contacts list, and suppress contacts who have never opened one of your marketing emails or who have a low-quality contact score to avert deliverability issues.

☐ **Review last year's campaign performance**

Analyzing last year's data to see what moved the needle and what didn't will create a clear picture of your current efforts and show you the best way to improve results.

☐ **Leverage data-gathering interactive experiences to opt-in consumers**

Questionnaires, polls, quizzes, contests and social stories can incorporate reward mechanics that give consumers a genuine reason to engage and submit their first- and zero-party data and opt-in to your upcoming back-to-school marketing campaigns.

☐ **Re-engage lapsed customers**

The key to any successful business is a low customer churn rate. Win-back offers, sent via email or SMS, can offer a one-time value exchange that doesn't dilute your core value to mass markets. Segmenting by length of inactivity will help here, too.

# July

The days of marketers casting and blasting one single message to their entire database are hopefully behind us. Customers' lives evolve, and learning about them is a perpetual process.

☐ **Progressively profile your customers**

Forward-thinking marketers are progressively profiling their customers' interests, preferences, motivations and desires: for back-to-school, marketers can find out factors such as how many children their customers have, their children's ages, studies in school, extra-curriculars, and more. New data gives new reasons to reach out with more relevant messages or offers.

☐ **Tailor your value-exchange strategy**

Irrespective of the economic climate, a discount will always be warmly received by your customers. However, you can also add value with the chance to win a prize, early or exclusive access to products, personalized product recommendations, loyalty rewards and unlocking content.

☐ **Make sure your IP is ready for an uptick in email send volume**

To establish your IP's credibility, you need to warm up your email lists. Start sending smaller batches to ascertain trust before gradually increasing the volume. Sudden and large increases in email sends will likely result in providers marking your emails as spam.

☐ **Have you decided on the best time to email?**

Almost a quarter of consumers (24%) have felt frustration with brands because of communications sent at the wrong time of day. Between 8 p.m. and 4 a.m., email send volume is low, and engagement metrics above baseline.

# August

The last week before the first school bell chimes will undoubtedly be big days for email and SMS volume, transactions and revenue in the quarter. Here's where your hard-earned first- and zero-party data shines.

☐ **Are you powering email personalization with zero-party data?**

Subject-line length and CTA placement are, of course, important but will drive relatively modest gains. To win, the emails you send should offer products your customer has expressed an interest in, products which fit their declared budget, and should contain dynamic content that uses keywords you know will elicit engagement from customers—and that's just in the subject line and preview text.

☐ **Does your SMS merely mimic your email?**

Rather than just mirror email campaigns, use SMS as a follow-up to reinforce the message a day before an offer expires, serving as a time-sensitive reminder.

☐ **Communicate last-chance shipping days**

Let your customers know shipping cut-off dates in messaging as well as on your owned channels. Be ready to assist your customers with additional options for purchasing (express delivery, click-and-collect, curbside pick-up, etc.).

☐ **Evaluate, replicate and elaborate**

Keep analyzing what is working and what isn't and then optimize to improve other messaging this month. These learnings can also help with your upcoming holiday marketing campaigns.

# Relationship Marketing

## ACROSS THE ENTIRE CUSTOMER LIFECYCLE

Relationship Marketing is the practice of growing long-term relationships directly with consumers while understanding their true wants and needs to better deliver personalized products and services. This philosophical change in how businesses think about their customers enables both greater personalization whilst engaging with customers from acquisition to retention and loyalty.

Changing your strategy to one rooted in Relationship Marketing, which puts the customer at the center of everything, outperforms the traditional tactics based on creepy marketing practices or "spray and pray" messaging campaigns that fail to deliver the desired results.

Pivoting resources, whether it be dollars, labor or technology to a Relationship Marketing strategy provides sustainable yields for our clients as you will see below and will empower your brand to build meaningful connections with your customers this back-to-school season and beyond.

# Acquisition

The future of marketing to individuals with relevance is about asking them about their interests, motivations and desires, rather than inferring or snooping on them.

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This is zero-party data. Forrester defines it as "a class of data that a customer intentionally and proactively shares with a brand, which can include preference data, purchase intentions, personal context, and how the individual wants the brand to recognize her."

Modern consumers are cognizant of the value of their personal and preference data and are not going to hand it over without receiving something of value in return—this is the value-exchange economy. Marketers can realize this through interactive experiences that conduct granular research, progressively profile, and accrue opt-ins.

By leveraging the right mechanics, and offering a tempting value exchange, your customers will tell you what products they desire, what they look for in a service, and what motivates them to purchase.

**83%**

of global consumers will trade personal and preference data in return for **THE OPPORTUNITY TO WIN A PRIZE**—**36% find this highly valuable**

**86%**

of global consumers will trade personal and preference data in return for **EARLY OR EXCLUSIVE ACCESS TO PRODUCTS & SERVICES**—**36% find this highly valuable**

# Engagement

With more consumer data available to marketers than ever before, there's little excuse for sending inconsequential offers, products that the consumer has no interest in, or even worse, messaging based on data that has been surreptitiously gathered without their consent.

Harnessing the power of zero-party data and machine learning, your communication frequency should be based on each customer's individual purchase cycle and profile attributes.

This requires a cadence that is constantly refined by optimal delivery times; campaigns should be triggered based on online behavioral data and other real-time customer signals across your websites, apps and owned properties, including in-store actions. Let the data tell you when it's time to send a message, in which channel, and what the content should be. Listening is as important as talking when building relationships and driving favored outcomes.

**41%**

of consumers felt frustration from messaging that **DOESN'T REFLECT THEIR WANTS AND NEEDS**

**86%**

of consumers felt frustration when they received messaging based on **INFORMATION THEY HADN'T SHARED DIRECTLY** with the brand

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**PUTTING THE THEORY INTO PRACTICE:**

# Hill's Pet Nutrition

Hill's Pet Nutrition are purveyors of premium cat and dog food with the ethos of extending the length and quality of the lives of our much-loved pets. Hill's recognizes that every pet is unique, with its own preferences and quirks just like their owner. With this in mind, and the objective of collecting zero-party data, Hill's deployed a relatively simple, yet hugely effective interactive experience.

Rather than a traditional short-lived experience, Hill's embedded an always-on interactive experience into its homepage, collecting incredibly granular data points complemented by branching logic, so pet owners are swiftly driven to the right resolution. Starting with your pet's name, then birthday, size, weight, food preferences, allergies, any health issues, and even if their pet is currently eating a competitor's pet food, pet owners are driven on the pathway to the right product for their pet and directly toward sales.

By entering an email address, the customer will then receive highly-personalized emails—imagine receiving an email with your pet's name in the preview text or a discount on their birthday.

We don't want to compare kids to pets, but for back-to-school marketers, it's easy to see how this could be adapted to learn more about your customer's children—their ages, the weather in the part of the world they are in, the classes they take, any extra curricular activities and the like.

One campaign instantly cloned and then
**LOCALIZED TO ALL MARKETS**

Check it out for yourself

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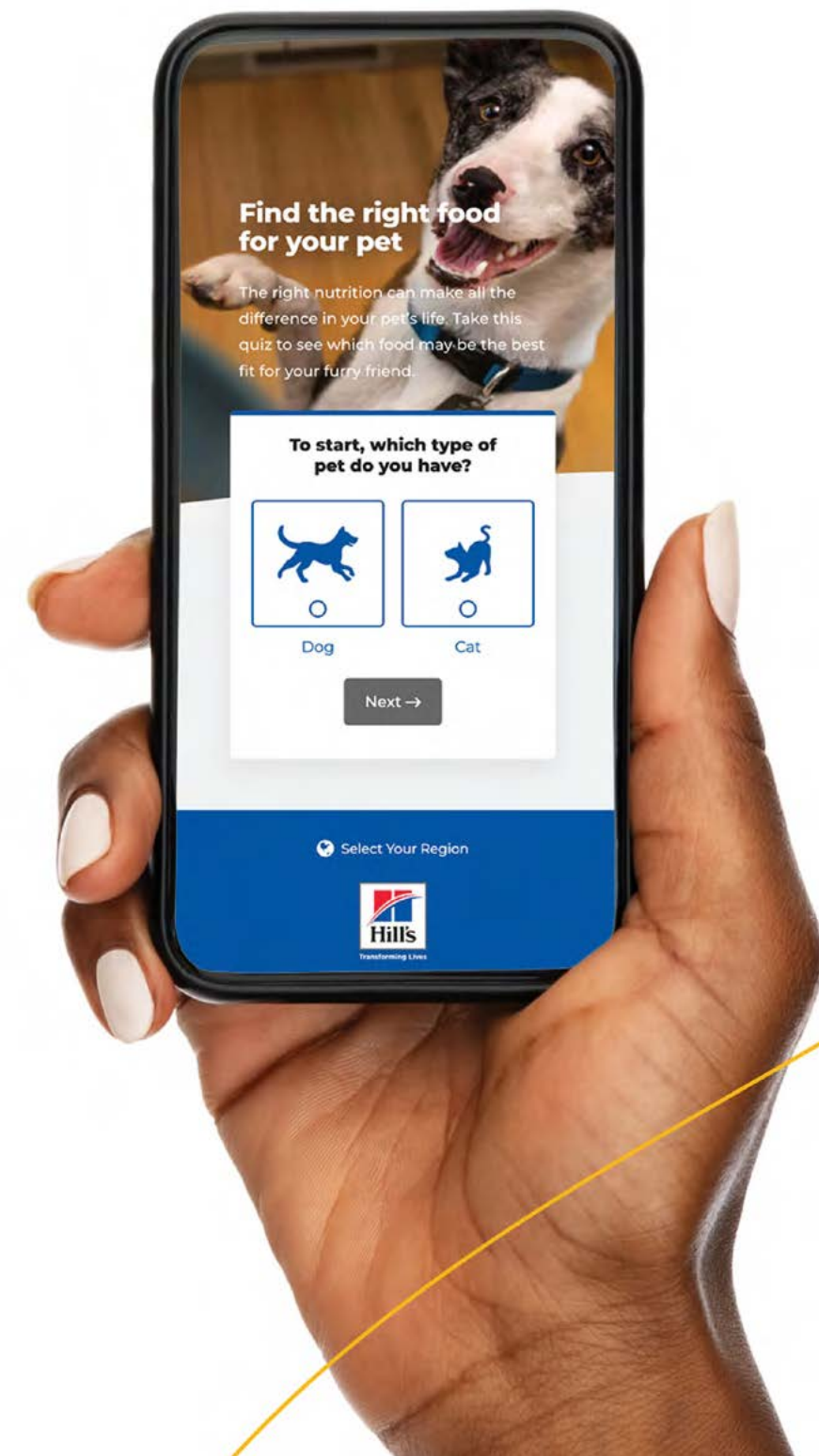
# Personalization

Consumers love personalization, as long as it's powered by self-reported data.

The key is using your hard-earned zero-party data to deliver messaging that offers products your customer has expressed an interest in, that fits their declared budget and contains dynamic content that uses keywords you know will elicit engagement from them.

Poor personalization is fundamentally a data problem, and being furnished with the right tools is the only way to address this. Once you get your data in order, the opportunity to wow the customer with truly personalized back-to-school content and products that fit their distinct needs becomes actualized.

The days of a flurry of retargeting ads or employing an unimaginative curation algorithm—"People who bought product X also bought product Y"—need to be a thing of the past. It's these techniques that have led to personalization efforts yielding sub-par results, failing to prove ROI, and consumers being apathetic about the personalization they receive.

Top-of-the-class personalization is about delivering value and relevancy and creating meaningful experiences for individuals based on their own preferences and data.

**77%**
of consumers receive about the right amount or would like **MORE MESSAGING ABOUT PERSONALIZED TREATS**

**32%**
of consumers felt frustration when they received messaging that didn't **RECOGNIZE THEIR SHOPPING OR LOYALTY HISTORY**

# MEN'S WEARHOUSE®

## PUTTING THE THEORY INTO PRACTICE:

# Men's Wearhouse

Men's Wearhouse comprises more than 600 brick-and-mortar stores and is one of the largest specialty retailers for tuxedo rentals in the United States. Although a great market to be at the forefront of, it has its limitations, with the typical customer hiring a suit or tuxedo for a one-off special occasion—seldom making a transaction with the brand again.

To combat this, Men's Wearhouse deployed a post-rental interactive experience, where customers could share their individual style preferences: things like professional or casual, slim or modern fit, single or double-breasted jacket, lapel type and budget, etc. Customers were then directed to specific products that fit their personal preferences where they could purchase online.

However, the campaign was not merely limited to a virtual stylist. Suits are an expensive purchase, which for many require some consideration. Using customers' self-reported preferences, Men's Wearhouse emailed its customers their unique product selections, with a personalized subject line and preheader, nearest store to their location and individualized styling tips. This is a great story of re-engaging lost customers, audience building and converting.

Unless it's prom, kids are unlikely to be wearing a tuxedo to school, but back-to-school marketers can take inspiration from this. Back-to-school is a short selling window, but by using zero-party data to deliver more personalized recommendations, you can engage customers all year round with your other product lines and turn one-off shoppers into returning customers.

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# Loyalty

Building loyalty is about emotion and connection.

It's not simply a discount program or a slew of points that will never be redeemed. These, of course, can encourage engagement and be an important tenet of a loyalty program, but they will not foster lasting loyalty.

A lot of brands think they need a points-based rewards program, because all too many conflate the term "loyalty program" with "rewards program." Points-for-prizes is simply one of the many different tactics brands can use to help engender loyalty.

Your loyalty program should be where your hard-earned data shines—fueling engaging messages and personalized experiences.

Brands need to consider their customers' entire activity histories beyond past purchases. They also need to consider engagement with social and email, store visits and more to drive powerful rewards. By connecting point-of-sale and eCommerce systems with member profiles that update them with purchase and redemption activity, they can deliver real-time reactions as they happen. Data can help you understand what drives a high-value customer and how allocating more resources to them will benefit you.

The heart of loyalty is not only the cheapest price-point, but also how a brand can foster community, recognize the customer as an individual, and deliver content and product recommendations that reflect this.

salling group

**PUTTING THE THEORY INTO PRACTICE:**

# Salling Group

Salling Group is Denmark's largest retailer, with its collection of brands boasting 1,400 stores, ranging from small metro supermarkets to giant department stores. Salling Group turned to Marigold to build a loyalty program that could be used as an owned, digital and personalized communication channel, rather than relying on the Facebook and Google walled gardens. Salling Group wanted to understand its customer through more than just transactions.

With Marigold's expertise, Salling Group has moved from the theoretical to the practical—quickly collecting and then activating data. Every time a user makes a purchase, the transaction is captured, and Salling Group can use this data to deliver contextually relevant, highly personalized offers to the customer. Tokenization means the individual is not identified, but their shopping habits are. The machine learning module combined with the personalization layer in Marigold's loyalty solution means customers are served discounts for products that are relevant to them.

**WATCH THE FULL STORY**

**10x**
Lift in engagement with real-time personalized offers

**#1 & #2**
most downloaded app in Denmark upon launch (ahead of Instagram and TikTok)

*Ready to achieve* emotional customer loyalty?

Reward customer behaviors, build lasting relationships, and deliver value at every interaction with our scalable loyalty solution.

**Schedule a demo today** and turn one-off buyers into loyal brand advocates with Marigold.

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# Where *relationships* take root.

Marigold's approach to Relationship Marketing stands alone in a world of one-size-fits-all marketing technology companies. Our solutions are designed for your specific size, industry, and maturity, giving you the technology and expertise you need to grow the relationships that grow your business, from customer acquisition to engagement to loyalty. And, with a team of strategists that provide insights into what's working, what's not, and what's changing in your industry, you're able to maximize ROI every step of the way.

Great marketing isn't just about conversion, but true connection. Learn why 40,000 businesses around the world trust Marigold to be the firm foundation they need to help relationships take root.

Find out more at **MeetMarigold.com**

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