

# CONVERSION CAST

## Here's How Ecommerce Influence's Customers Drove 36% More Sales

### Our Guest:

Austin Brawner is the Chief Fixer at Ecommerce Influence (<http://www.ecommerceinfluence.com/>), where they strive to be the world's best resource in helping grow ecommerce businesses from 1 Million to 10 Million plus dollars. Being the Chief Fixer, he loves to improve people's websites and find where revenue can be made. He also hosts the company's very own podcast - Ecommerce Influence. Ecommerce Influence uses marketing strategies to help grow companies and ultimately take them from 7 figures to 8 figures in profit.

### A Little Background:

One of the marketing strategies where Ecommerce finds the most success with their clients is implementing a **customer referral program**. Recently Ecommerce Influence helped a sunglass ecommerce company, Blenders Eyewear, achieve over a 36% sales lift by using this type of campaign. Austin notes that there are 2 metrics for a successful campaign:

1. Sales lift- the percentage boost you get from amount of shares from customers
2. Share rate - how many customers share the offer after their purchase

These metrics go hand in hand and they are the most important to focus on while using a customer referral campaign to increase your sales and exposure.

### The Strategy:

Ecommerce Influence's strategy is simple, but it is all in the art of execution. Austin elaborates on the two most important aspects of creating a great customer referral

campaign. You must have an offer with an opportunity to share as well as continually follow up with sharing the offer. Below, Austin reveals the 4 steps to implement a successful customer referral program.

You want to focus your energy on the end of funnel with this strategy. Once a customer is acquired, the goal is have them share the offer. It is about converting the best customers into salespeople for your company/brand. Big, trending brands like Warby Parker and Toms have made a huge impact using the customer referral program described here.

To briefly set this strategy up, in this case example, the offer for the customer referral program was “Get a free pair of sunglasses for every friend you refer and your friend also gets 15% of their first purchase”.

### The 4 Steps:

#### 1. Figure out the value of your customers

- The most effective way to figure out the value of your customer is to determine the CPA (cost per acquisition) of each customer for each channel you use in your online marketing efforts through Adwords, Facebook, etc. Then, build an offer that matches the cost per acquisition of your most successful channel. Make sure the offer does not compete with your core offer. Choose a baseline offer that does not compete with your top line service or product.
- The example from Ecommerce Influence’s case was to give away a baseline sunglass pair if their friend bought a top line model. They helped the company determine that more money was made this way because people spend about \$70 during the first year and a half on sunglasses. They decided to give one of their less expensive pairs away in the offer because it was cheaper than paying for Adwords or Facebook Ads to acquire new leads.

#### 2. Create an offer

- And then create 2 more to test and see which one converts best!

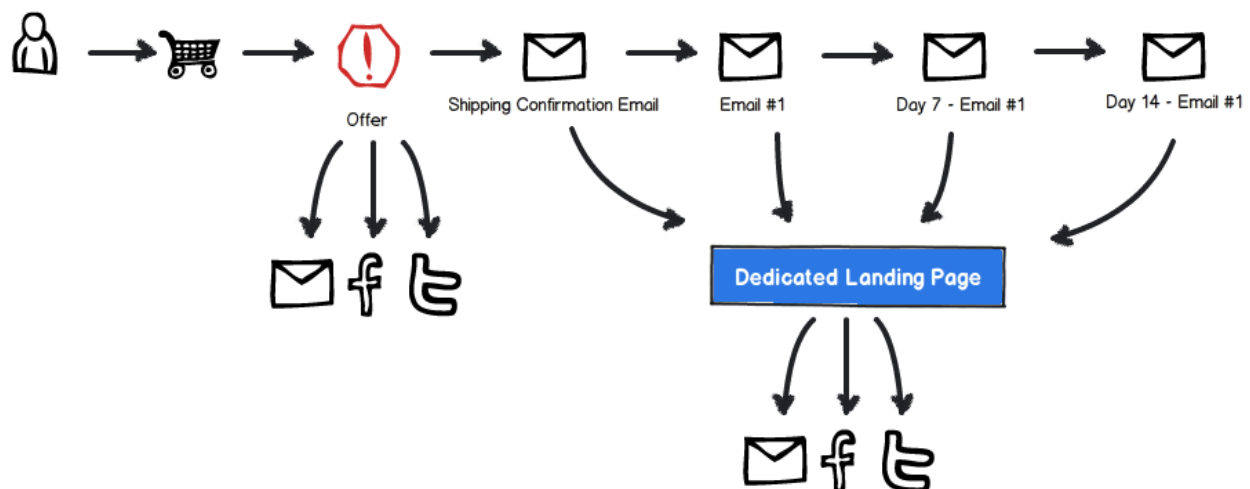
#### 3. Display offer right away to customers after their purchase to share with their friends via email, Facebook, or Twitter.

- This is where the **customer profit loop** comes into play. Displaying the offer and the opportunity to share it right after the checkout is a HIGH VISIBILITY page on your website (meaning everyone who buys sees it). This is where the referral process essentially starts.
- You can track the **share rate** metric here for the post checkout offer. Hint: 20% is a good indicator that your offer is doing well.

- 50-60% indicates you're growing very quickly
- Over 60% is very successful
- Ecommerce Influence's Blenders Eyewear campaign had a 105% share rate- people shared more than once!

#### 4. Start following up!

- The follow up sequence is going to play a key role in your success in using a customer referral program. The biggest mistake people make is not exposing enough people to the referral program and the best way to counter this is through email marketing.
- The first email with the offer will appear in the **shipping confirmation email**. The reason for this is that it is the most opened email, especially because it includes the customer's tracking number.
  - There is a soft offer with a link to share the program within this email. The link drives people to the landing page of the offer where they are prompted to enter their email and share the offer with friends.
- 3 more emails **after** the shipping confirmation will be sent to drive sales
  - Email #1 will be sent after they receive the product to drive them back to the landing page.
  - The next 2 emails are considered "closing the loop" emails. These emails will specifically drive the customer to a "reward" page to see if their friends made a purchase and if they earned a prize. They can check this page to see if they've been rewarded. These emails can go out 1-2 weeks after their purchase with subject lines like, "check to see if you have money waiting for you". These emails give you a great opportunity to build a strong email follow up system. (See graphic below for email sequence)



## A few things you need to successfully implement this customer referral program:

1. An email marketing service with auto responders (ex: Aweber, Constant Contact, Mail Chimp, etc.)
2. Hosting & share codes for referral marketing platform. Some services to choose from are Extole (<http://www.extole.com>), <http://www.friendbuy.com>, <http://www.referralcandy.com>, and <https://www.talkable.com> ( Talkable manages large referral companies such as Toms, Bonobos, and more).
3. Graphic design work
4. Terms of Service document. This keeps people from gaming the system and protects your company while building the system. (See example below)

LIMITED TIME ONLY. Offer valid January 1, 2013 at 12:00 AM Eastern Time (“**ET**”) through 11:59PM ET on December 31, 2014, only. Offer valid only for existing customers who have made a purchase from [Enter Company Name] (each a “**referring customer**”). Offer not valid for referrals of more than one (1) household member of any referring customer. Not valid with any other offers or discounts.

To participate, refer friends who have not previously made a purchase from [Enter Company Name] and are not current [Enter Company Name] customers (each a “**referred new customer**”) by sending them the personal referral link provided to you as the recipient of this invite-only special offer. Each new customer you refer who clicks on your personal referral link will receive a promo code redeemable [Enter offer] prior to the promo code’s expiration date (a “**qualifying purchase**”).

Once a referred new customer clicks on your personal referral link and uses the promo code to make a qualifying purchase, a [Enter Company Name] customer service representative will confirm the qualifying purchase and, approximately seven (7) days after each qualifying purchase is completed, will credit your account as follows.

During this limited time offer, each referring customer will receive a [Enter offer] for each qualifying purchase made by a referred new customer. There is no limit to the number of new customers you may refer, except that you may only refer up to one (1) member of your household to receive a promo code and a referral credit.

In the event a referred new customer returns a purchased item, the referral credit awarded to the referring customer may be rescinded. Referring customers may not refer anyone who is an existing [Enter Company Name] customer, including an existing customer with an account under an alternate email address.

Referring customers may not use spam or send unsolicited emails to persons they don't personally know to collect referrals and may not collect referrals by posting on message boards or other online venues in violation of such venues' terms of use. [Enter Company Name] reserves the right to cancel a referring customer's referral credit if it determines in its sole discretion that a referring customer has violated these terms, including through any fraudulent or misleading referral activity (for example, by referring fake people to [Enter Company Name], using false names, using multiple identities, email accounts or email addresses, impersonating another person, or otherwise providing false or misleading information) or if [Enter Company Name] terminates the referring customer's account for any reason. Referring customers may also be liable for civil and/or criminal penalties under applicable law. Any other abuse of this offer (including but not limited to hijinks and tomfoolery), as determined by [Enter Company Name] in its sole discretion, may result in the rescission of the referring customer's referral credit and cancellation of the referred customer's discounted order, as well as a determination that one or both parties are ineligible to participate in this or future offers. Determination of referral eligibility and qualifying purchases, as well as any exceptions, are at the sole discretion of [Enter Company Name]. [Enter Company Name] reserves the right to verify and adjust credits at any time prior to or following posting and redemption.

Any available referral credit in a customer's account will appear as a payment option during checkout. Referral credit cannot be applied to previous purchases, and is not redeemable for cash. Offer not transferable. This referral program is subject to modification, suspension or termination at any time without notice in [Enter Company Name]'s sole discretion.