

# DON'T BET THE HOUSE ON NET NEW CUSTOMER ACQUISITION

Understand where your biggest buyers will come from this BFCM.

NEW RESEARCH TO HELP YOU FOCUS YOUR CLIENTS' SEGMENTATION AND INCENTIVE STRATEGIES THIS HOLIDAY SEASON

## BFCM 2023

### The economic reality

During an incredibly chaotic shopping season—one that merchants depend on for a significant portion of their annual sales—Black Friday/Cyber Monday (BFCM) presents the biggest opportunity and the biggest risk for marketing services agencies.

All eyes are on the sales and marketing teams to deliver growth. But the question is, just what is “growth”? Revenue? Profits? More people buying stuff? That’s often in the eye of the beholder—and if the beholder is an executive or investor, that tends to mean new customers, especially if it’s an emerging brand, a brand backed by venture capitalists looking for quick returns, or a company that’s positioning itself to get bought.

**For a marketing agency, it can be tempting to buy into the “new customers at all costs” rhetoric. But is that the right place to focus your client’s investment during BFCM?**

**We’d argue the answer is a hard “no.”**

**130M+**

People are expected to shop online during Cyber Week in the U.S. alone, and they’re not shy about spending.

# How important is the holiday season to retailers?

Share of annual retail sales generated in the fourth quarter in the U.S. in 2021, by category.

Source: U.S. Census Bureau

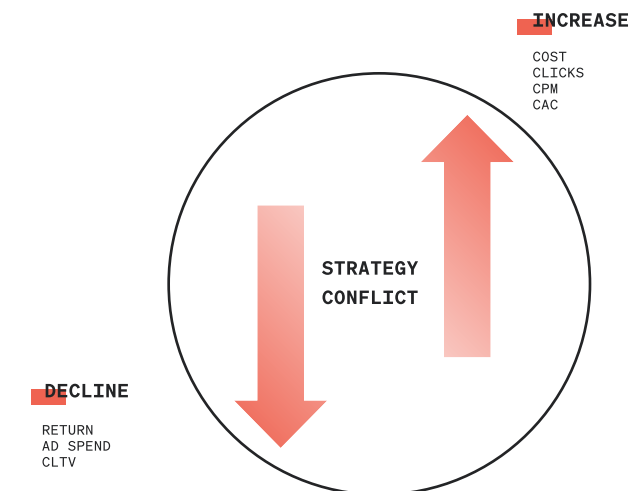


## THE CONUNDRUM

### Go after known customers vs. new ones?

To be fair, all those execs and investors have a point. No business survives long without attracting new customers. What our research shows, however, is that there's a right time for customer acquisition—and it's not during BFCM.

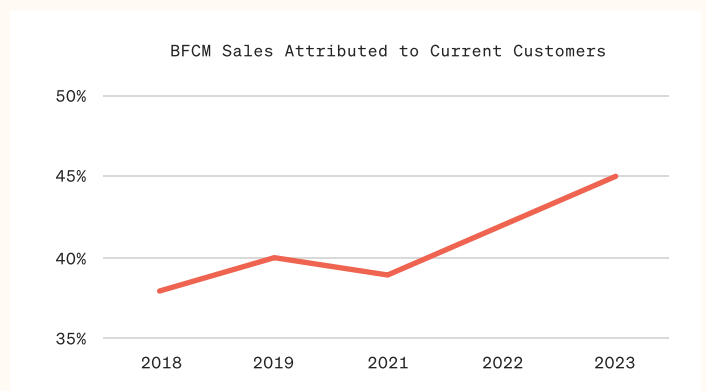
As an agency, your job is to tell them that, then produce the results that not only deliver sales growth during BFCM, but that set them up for financing customer acquisition throughout the year. Because let's face it, **acquiring customers is expensive.**



### Banish the “new customers at all costs” mindset

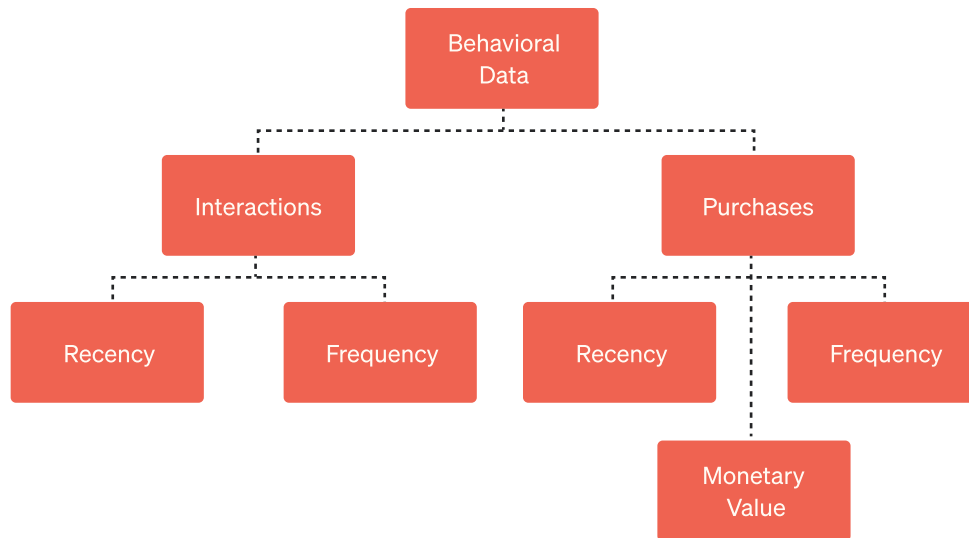
A “new customers at all costs” mandate may indeed be quite costly for merchants who lose out on the value of loyal customers over time as well as agencies that aren't able to produce the results demanded of them (no matter how misguided). Nonetheless, the pressure's there.

So Klaviyo's business intelligence team went to work this summer to help agencies build authority around your segmentation recommendations and ensure that you're able to show a return on investment (ROI) that satisfies even the most staunch “new customers” advocates. Because **current customer sales during BFCM are growing fast, and your big spenders are not only generating Q4 revenue, they're funding your clients' customer acquisition strategies.**<sup>1</sup>



## Segment with behavioral data for a boffo BFCM

Two types of customer data are used for segmentation: descriptive and behavioral. Each tells a different story about who your clients' customers are. One just happens to be more telling than the other. Behavioral data gets to the heart of matter and enables you to create concrete strategies that move buyers toward a purchase during the holiday season.



## Where to invest your agency's time

With customer behavioral data in hand, you'll be able to target your efforts on the customers that move the needle most during BFCM. In this chart, you can see what defines and motivates various types of current customers, and what your strategies should focus on (for example, retaining and leveraging High Rollers) to increase the likelihood of a purchase.

### Core marketing audience

75% of your time goes here

<b>HIGH ROLLERS</b> Retain and leverage   Perks, exclusivity, advocacy prompts	<b>\$</b> Recent Frequent High value	<b>\$</b> Recent Frequent Low value	<b>BRAND ENTHUSIASTS</b> Increase average order value   Related products, volume discount
<b>POTENTIAL HIGH ROLLERS</b> Increase frequency   Tease perks, replenishment	<b>\$</b> Recent Not frequent High value	<b>\$</b> Recent Not frequent Low value	<b>POTENTIAL ENTHUSIASTS</b> Increase AOV or frequency   Related products, volume discount
<b>NEARLY THERES</b> Nudge over the line   Sale value, FOMO, mild discounts	<b>🖱️</b> Recent Frequent	<b>🖱️</b> Recent Not frequent	<b>WAITING FOR WOWS</b> Push over the line   Limits deals, best offers

# Build strategies around those who'll spend the most with your clients

Fine-tuned segmentation and marketing strategies will help your clients stand out in an intensely competitive shopping season. These are the four segments we recommend focusing on during this BFCM to accelerate sales and bank the funds they'll need to pursue new customers.

Let's remind ourselves of the segments we'll be looking at leveraging with these tactics.

Segment	Description	Objectives
High Rollers	Frequent purchasers who routinely exceed your client's average order value and have bought something within the last 60 days.	<ul style="list-style-type: none"><li>• Personalization</li><li>• New product drops</li><li>• Private shopping hours</li><li>• Advocacy prompts</li></ul>
Potential High Rollers	Recent shoppers who exceeded your client's average order value on their initial purchase, which was made during the last 60 days.	<ul style="list-style-type: none"><li>• Zero- and first-party data gathering</li><li>• Loyalty incentives</li><li>• Personalization</li></ul>
Brand Enthusiasts	Frequent shoppers who spend less than your client's average order value but have purchased during the last 60 days.	<ul style="list-style-type: none"><li>• Promote related products</li><li>• Volume discounts</li></ul>
Waiting for Wows	Previous customers who window shop but haven't purchased anything within the last 120 days.	<ul style="list-style-type: none"><li>• Time-sensitive deals</li><li>• First-party data gathering</li></ul>

## Ready for some proven tactics?

Download the BFCM Tactics for Success Guide to discover exactly what works for each segment you're pursuing.

[Download the guide](#)

## Keep your clients coming back for more

Deploying strategies and tactics that generate tangible returns for your clients during BFCM is not only good for their business, it's good for yours, too.

- **Show a return on investment** – When it comes time to evaluate vendors after the holidays, you'll cement your position as the go-to agency partner for your clients.
- **Build long-term value that can finance the cost of customer acquisition** – This is a win-win on both sides of the conundrum that bolsters your clients' bottom line in Q4 and buffers the cost of new customer acquisition all year long.
- **Deliver extensive services that you can build upon as a trusted partner** – When you deploy data-driven, integrated marketing strategies across channels, you create richer customer experiences—and open door to additional opportunities with your clients.



# YOUR BFCM SUCCESS STARTS NOW

Download the [Klaviyo BFCM: On-Demand Campaign Kit](#) for more resources you can use to plan and execute your best BFCM yet.

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