



TELEFLORA

TELEFLORA GAINED 25% REVENUE PER USER LIFT WITH CHURN PREVENTION

Teleflora is a floral delivery company based in Los Angeles. They partner with over 13,000 florists throughout the United States and Canada and are the only company in the space that provides hand-delivered, hand-arranged, ready-to-display bouquets 100% of the time.

As a company in a commoditized industry, Teleflora is challenged with differentiating itself from other flower delivery services. Many customers do not even remember which flower company they bought from, since they are generally purchasing a gift for someone else, says Tommy Lamb, Teleflora's Director of Loyalty & Retention. The team wanted to find a way to increase top-of-mindness and repeat purchase rate and to stand out from Teleflora's competitors.

The Solution

The Teleflora team envisioned a robust churn prevention program to help them address the customers who had purchased before, but were cycling out of their normal purchase pattern. It was important to the team that these messages diverge from Teleflora's traditional creative language in order to increase response rates and move the needle before these at-risk customers faded away completely.

The team identified which of their customers fell into each of Custora's predictive churn stages—cooling down, at-risk, highly at-risk, and lost—and created emails for each stage, using a series of escalating offers. Segmenting by churn stage both allowed the team to create more relevant, personalized messaging, and to optimize their margins.

Teleflora also wanted to test which type of offer resonated best with their customers. Did their customers prefer dollar-off, percent-off, buy-one-get-one? In 2015, a test showed that all customers preferred dollar-off offers, yet a subsequent test indicated they preferred percents. The team decided to segment further by churn stage, which revealed that some tiers preferred percent-off, and some dollar-off. One of the team's hypotheses for these results was that the dollar-off offers resonate more during busy holiday seasons, when customers are inundated with promotional offers.

Results

The team began putting the churn prevention program into place during Holiday 2016, and saw an immediate lift across each segment of customers. They were especially pleased with the results because the holiday season is traditionally a competitive season for retailers.

Teleflora saw a 17% revenue per user lift in the cooling down tier, a 3% revenue per user lift in the at-risk tier, a 21% revenue per user lift in the highly at-risk tier, and a 25% revenue per user lift in the lost tier.

As they continue to discover which messaging their customers prefer, the team plans to do a monthly process of iterating, a quarterly audit, and annual re-do of the creatives for each segment. They will begin to further break-down their churn segments by value-tier and affinities for certain products.