How Chaayos Is Building a Profitable Business Using Marketing Automation

Chaayos

WHY WebEngage?

- Fast and easy integration
- Powerful Journeys for contextual engagement
- Actionable insights

THE CHALLENGE

When Chaayos decided that customer retention was the way to go, they were confronted with **the following challenges.**
1. Making sense of their POS data
2. Use it effectively to understand their users
3. Execute productive marketing campaigns

THE OBJECTIVE

1. **Organizing User Data**
2. **Maintaining customer stickiness:**
To increase profitability from their existing customers, Chaayos aimed at increasing the following metrics that defined their customer's purchasing habits:
A. **Repeat purchase rate:**
B. **Purchase frequency:**
3. **Bringing back lost customers**
4. **Growing with customer feedback.**

THE SOLUTION

Using the WebEngage Journey Designer, Chaayos executed cross-channel engagement workflows to address their retention problems.
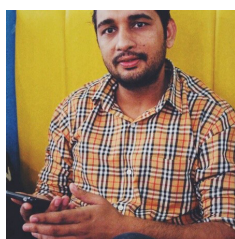
WebEngage has greatly improved my team's ability to understand and unify user data to solve the retention problem.

Within 3 months of launching the journeys, we've seen a 20-22% uplift in repeat purchases - something we are extremely proud of.

The NPS survey gave my team an opportunity to derive actionable insights to deliver the best customer experience. Thanks to WebEngage, we can now be focused on the experience layer that we want to create for our brand.

— **Abhishek Bhukker**
Customer Lifecycle Manager at Chaayos

The WebEngage Effect:

To overcome the challenges discussed above, the team at Chaayos decided to organize their entire customer base. This would help them understand their customers better and execute their retention plans accordingly.

The New Marketing Funnel:

As companies are shifting their focus from acquiring new customers to keeping them engaged throughout the customer journey, they are faced with new challenges. The New Marketing Funnel provides a way for them to create an immersive experience across channels, devices, and more, to interact and engage with their potential customers - and ultimately turn them into advocates.

User Adoption: The customer has just made a purchase and is now incredibly open to information that will validate his purchase. You need to find the right levers to:

- Make him feel overwhelmingly confident about his purchase: **collect feedback, NPS, surveys.**
- Set him for a long-lasting relationship: **engagement, personalized offerings, loyalty programs.**

Retention: Bring back old your customers through **retargeting campaigns, incentives, timely communication.**

Expansion: Educate buyers about your services, introduce new products (**cross-sell other product categories,** add-ons, upgrades)

Advocacy: Connect with and learn from your customers. Uncover methods to provide the best service. When customers like you they influence potential customers: **testimonials, social proof, word of mouth.**

AWARENESS
ENGAGEMENT
DISCOVERY
PURCHASE
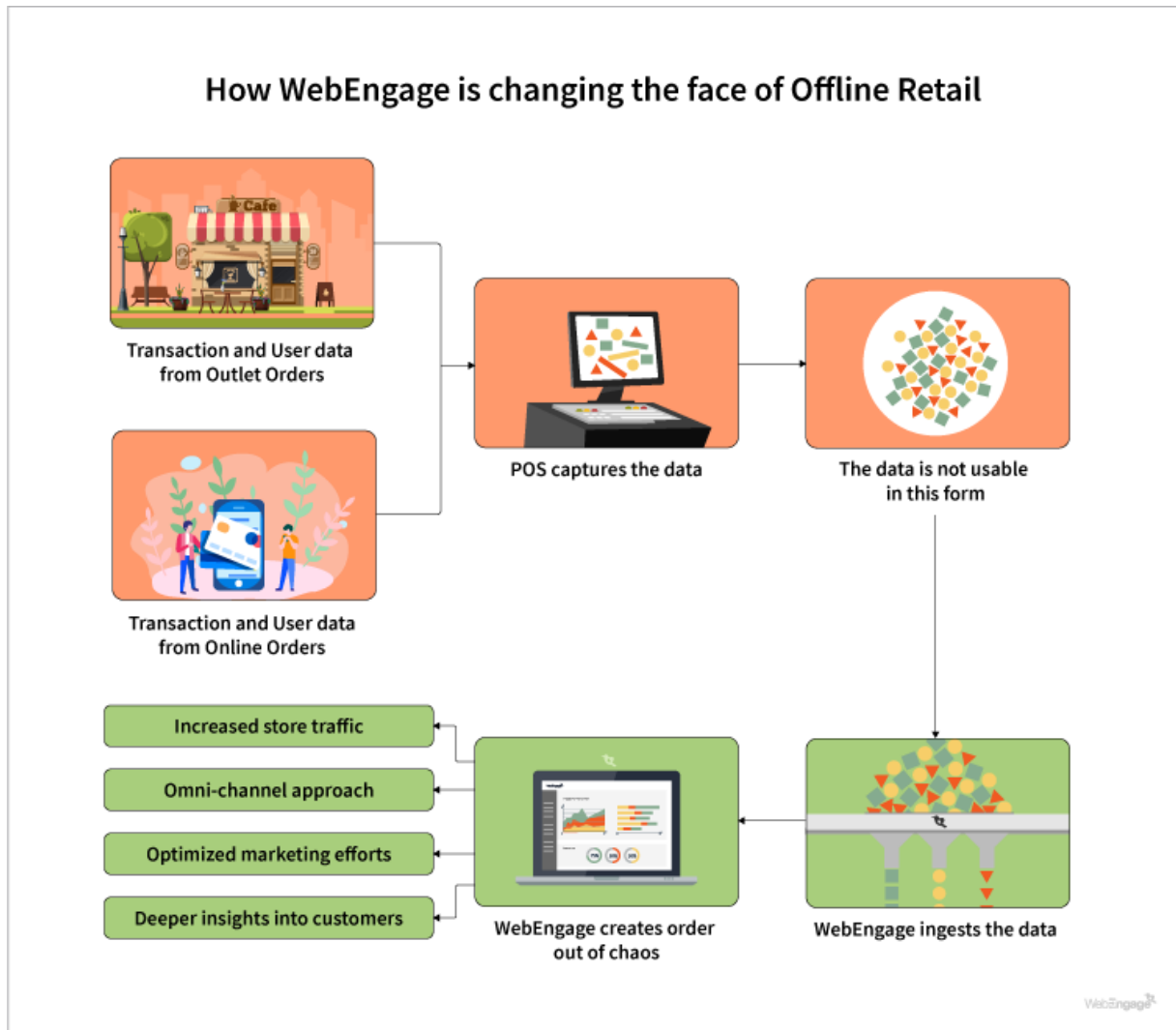ADOPTION
RETENTION
EXPANSION
ADVOCACY

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1. Organizing user data

For a retail business like Chaayos, a POS (Point of Sale) system records and collects all sales transactions and associated customer data. Such large data sets are a treasure trove but are not malleable into anything concrete until retailers bring in powerful analytics which can process the data into meaningful insights.
This is enabled by marketing automation tools like WebEngage that are robust enough to ingest large raw data sets and help retailers to optimize their business with:

- Increased store traffic
- Optimized and aligned marketing efforts
- Deeper insights into their ideal customers

How WebEngage is changing the face of Offline Retail

Transaction and User data from Outlet Orders

Transaction and User data from Online Orders

POS captures the data

The data is not usable in this form

Increased store traffic

Omni-channel approach

Optimized marketing efforts

Deeper insights into customers

WebEngage creates order out of chaos

WebEngage ingests the data

Using the WebEngage Journey Designer, Chaayos executed cross-channel engagement workflows to address their retention problems. Let's walk you through all the journeys they created to overcome each challenge.

2. Maintaining customer stickiness:

The Solution:

A Loyalty (LoyalTea) program was introduced to reward customers for every interaction with Chaayos cafes. A journey was created specifically to promote the loyalty programme to the users.

A. Repeat order (Online/Offline)

Using the journey, Chaayos could now engage with their customers on a recursive basis as opposed to a single nudge after the first order. Let's analyze the journey to see how it drove footfalls to their cafe and increased the repeat order rate:

- The journey is triggered every time a user places an order at the cafe (for dine-in or takeaway).
- Whenever the user places his next order, the journey checks if the new order was placed in the cafe or not. If the condition is true, the user is exited from the journey (no communication is sent to him). However, if the condition is false, the user proceeds ahead.
- The journey waits for a day (remember that drinking tea in a daily habit) and an SMS is triggered that incentivizes user's next visit.
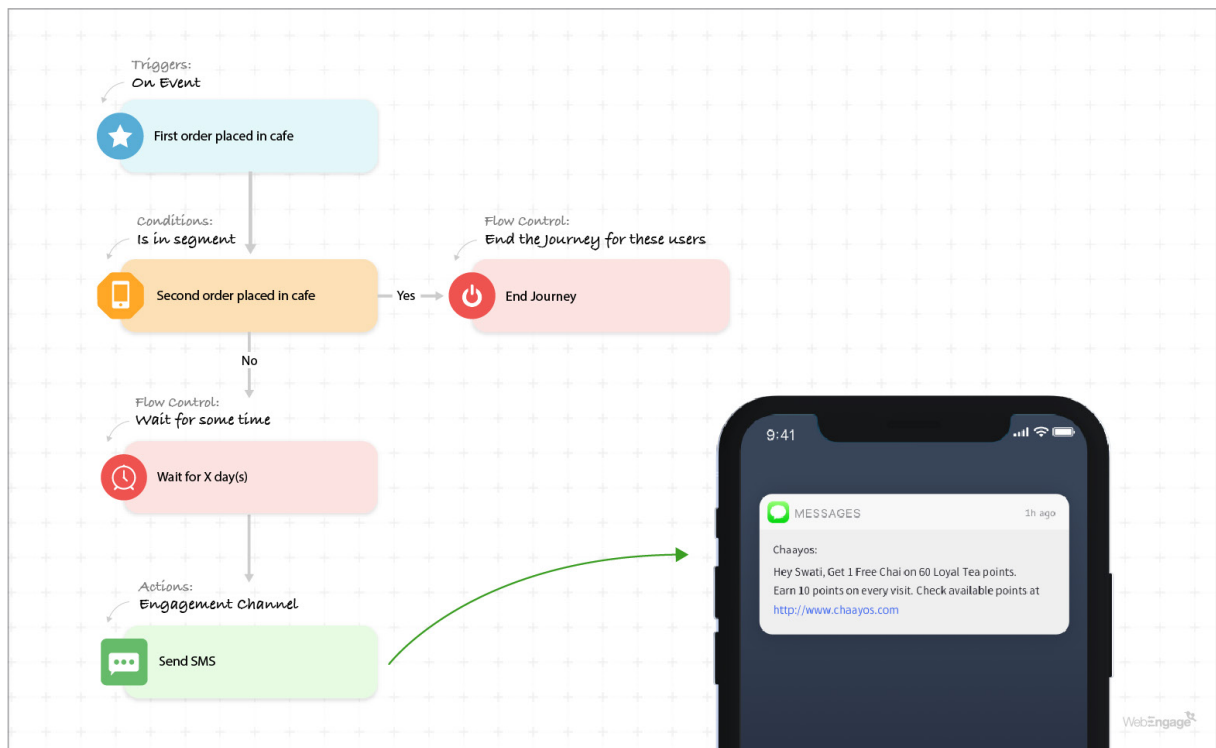
Build a user journey like this

- Subsequent messages are sent to the user, each time with different content.
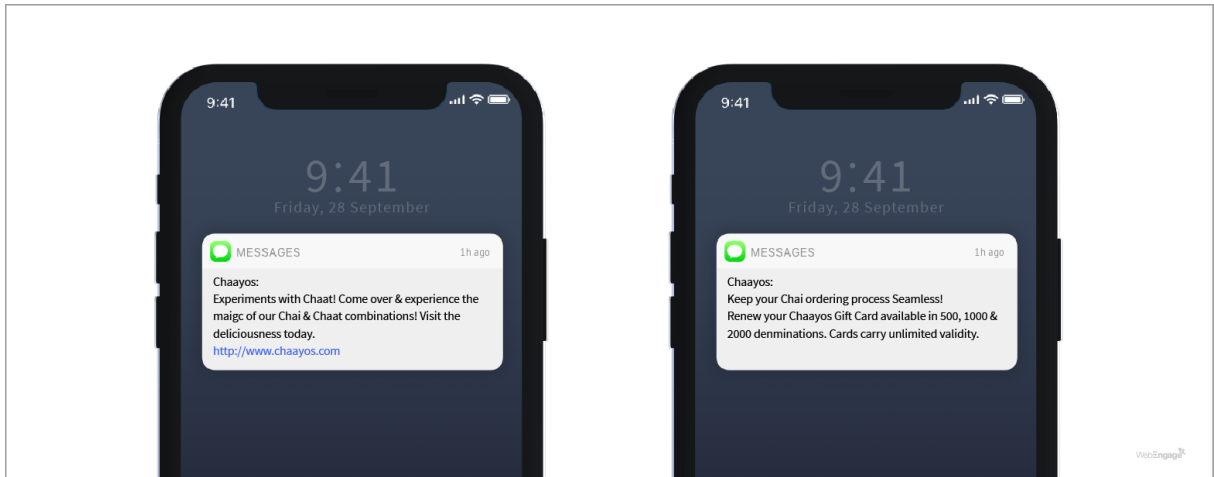
Fig: Journey Designer empowered Chaayos to drive engagement across their user's lifecycle with personalized content. The message on the left introduced users to new menu items, while the one on the right was custom-made for gift card users.

- Every time a user placed an order at the cafe, the journey would add an extra wait time before sending the next message. This way the message felt timely and personalized.
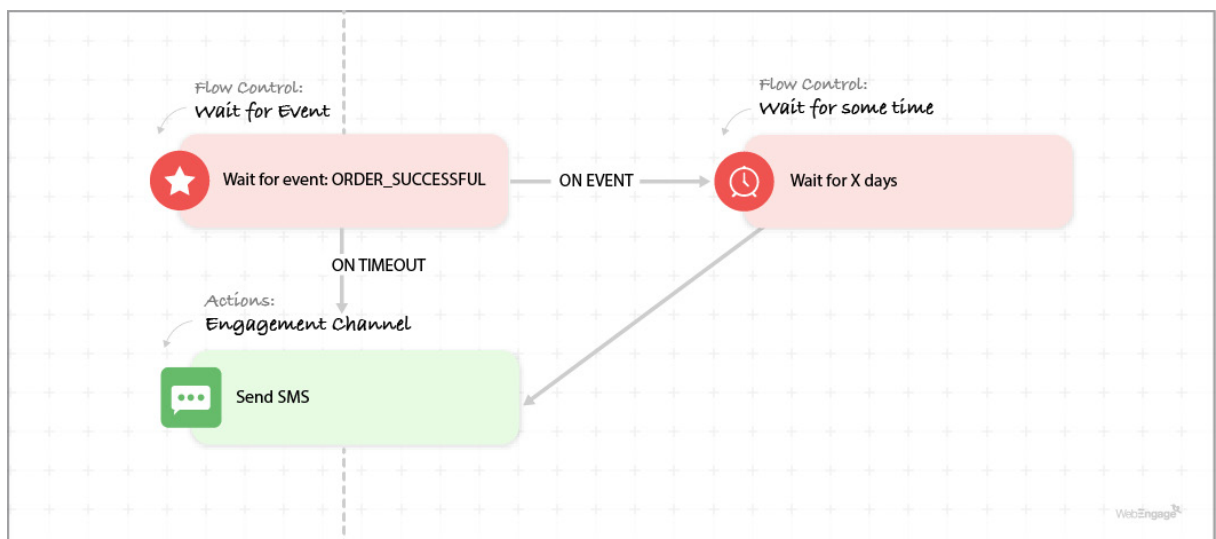
Build a user journey like this

The Outcome:

The journey was created in May and after three months of run-time, it showed a conversion rate of 38%-39% in July. This means that in the month of July, 38%-39% of their customers placed repeat orders in the cafes after receiving a message from Chaayos.

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Table 1: Journey performance. Conversion = Repeat purchase by a user who received a communication from Chaayos

Month	MoM change in conversions
May '18	28.50%
Jun '18	34.86%
Jul '18	38.07%

Now, one might argue that these customers may have converted organically i.e. without being nudged by the journey. Well, the answer lies in data.

Of all the users who were eligible to receive the SMS, a fraction (10%) of them were not sent any message (this group of users is called a Control Group. They entered the journey, but bypassed all the steps of communication, which means that they did not receive any external nudge from Chaayos). We then compare the conversion numbers of the two groups: those who were engaged by this campaign (i.e., received a message from this journey) and those who were not.
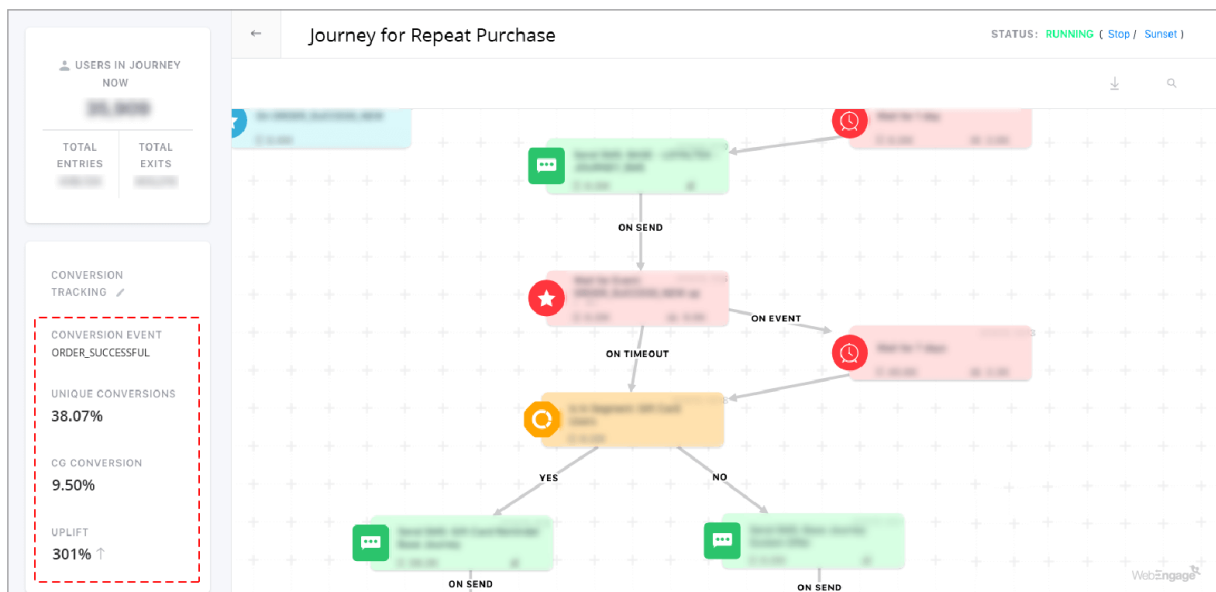

Fig: Trend showing increase in Repeat orders since May.

In the screenshot above, you can see that the overall conversion of the journey is 38 - 39% whereas the conversion for the Control Group (CG) alone is in the range of 9-10% i.e. without any external nudge, only 9-10% of users came for a repeat order.

Through this journey, Chaayos was able to increase their purchases by ~301% for the users who were engaged by the journey. This shows that the journey had a tremendously positive impact on their overall conversion numbers.

Here's a comparison between users who were sent a communication (non-CG) V/S users who were not sent a message (CG).
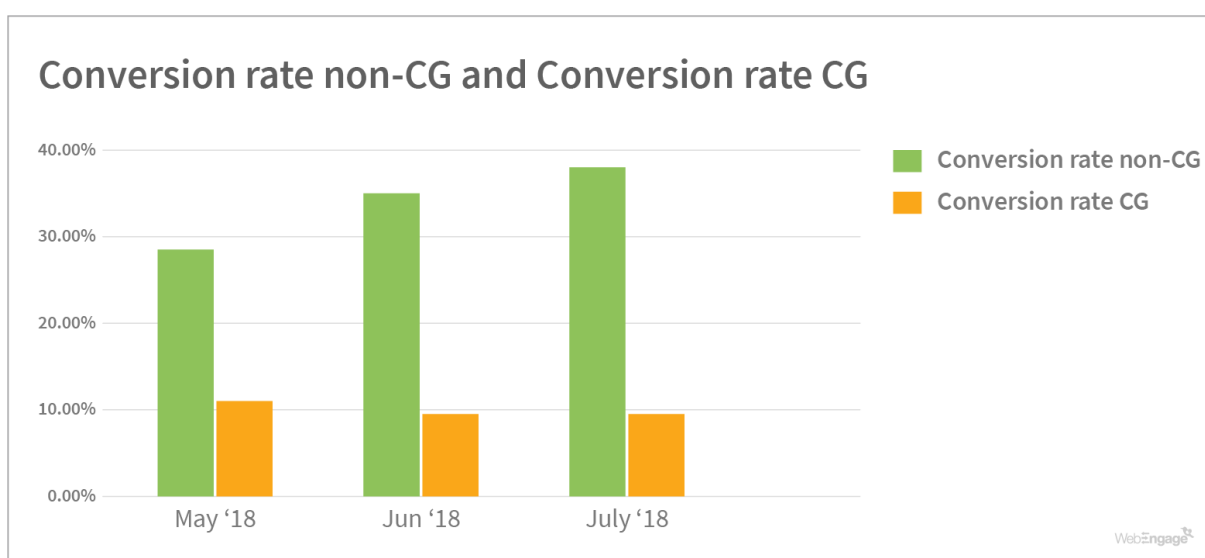
Fig: Conversion numbers for users nudged by the journey grow faster than the control group users.

Want to start working on User Retention? Talk to Us.

B. Order frequency:

They say that even if your loyalty program snags you just one or two regular customers, then it would have practically paid for itself already.

Chaayos experienced an uplift of 30% in their order frequency; customers who were engaged via this journey, placed at least 2 more orders within the next 3 weeks.

So far, Chaayos has enrolled 95% of their customers in their 'LoyalTea' programme, which has been consistently winning them repeat purchasers.

Table 2: MoM progress in overall users giving repeat orders

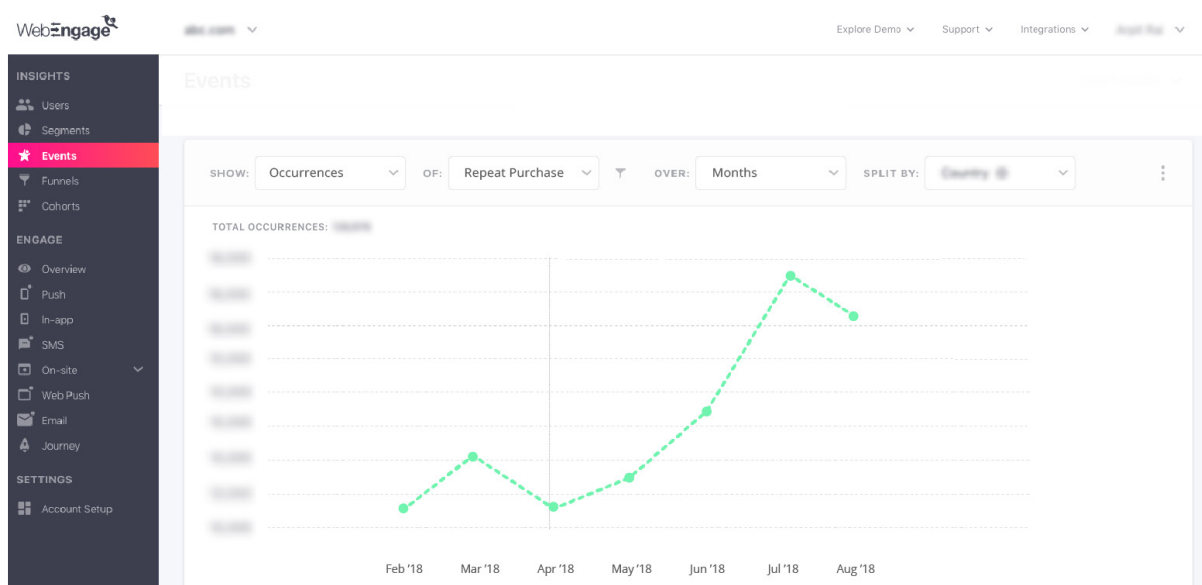| Month	MoM change in users giving repeat orders
May	1.43%
June	4.82%
July	13.21%

Fig: Trend showing a hike in overall repeat orders since May

This was a 20-22% uplift in repeat orders since they started using WebEngage.

Through the loyalty programme, the company was also able to understand its customers' preferences for different occasions and suggest the right product for campaigns to be executed later.

**Want to start working on User Retention? Talk to Us.**

C. Bringing back lost customers:

The Solution:

A second was created to retarget inactive users. from 30, 60, 90 day cohorts. We've analyzed this journey below.Chaayos used their WebEngage account to create a segment of inactive users and created a second journey to re-engage these customers.

They used the following parameters to identify inactive users;

1. Number of orders placed
2. Type of order
3. Number of days since last order was placed
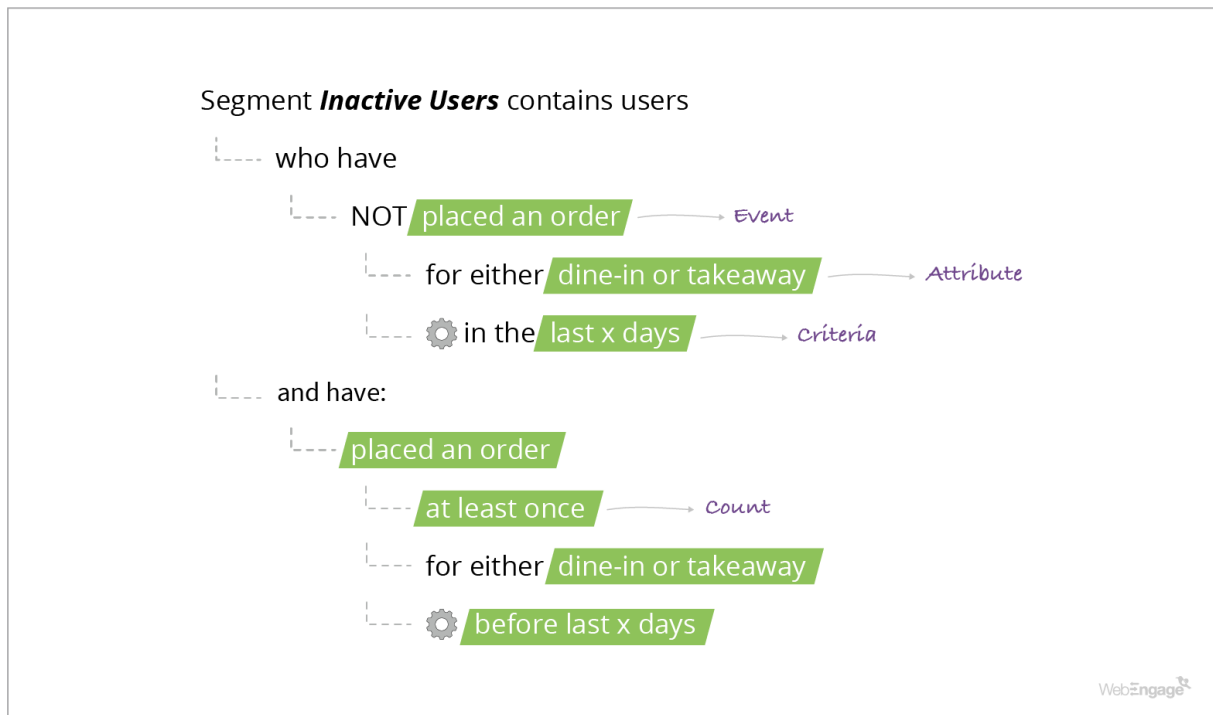
We've analyzed this journey below.

- The journey gets triggered when a user is identified as an 'Inactive User'.
- Once identified, the user is sent the first piece of communication: a 'we missed you' message with an introduction to popular menu items.
- After a few days, they receive another message, prompting them to place an order.
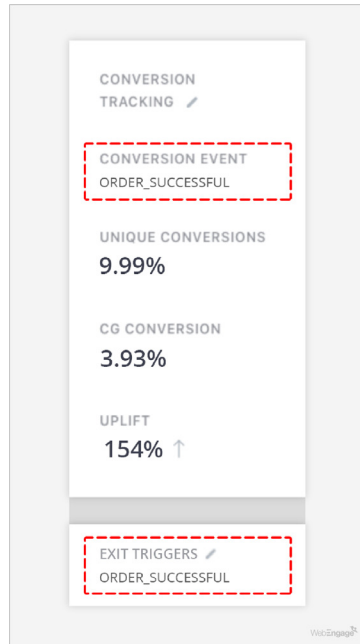- As soon as the user places their next order, they are removed from the journey.

CONVERSION TRACKING ✎

CONVERSION EVENT
ORDER_SUCCESSFUL

UNIQUE CONVERSIONS
9.99%

CG CONVERSION
3.93%

UPLIFT
154% ↑

EXIT TRIGGERS ✎
ORDER_SUCCESSFUL

Table 3: Winback journey performance. A conversion is considered when a user, who had been dormant for the last 90 days, places an order.

The outcome:

The industry standards for unassisted reactivation of dormant users is usually between 2.3-4.3%. But with the help of this journey, Chaayos reactivated 9-10% of their dormant users. Here is a snapshot of the journey's performance:

Month	% of users converted by this journey
May	7.32%
June	8.57%
July	9.99%

The CG for this journey recorded a conversion rate of merely 3.93%. This means that had this journey not been running, Chaayos would have converted only one-third of their inactive users. This was a 154% uplift in inactive user retention.

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**D. Growing with customer feedback:**

The Solution:

Chaayos created their third journey to collect user feedback and rating. These ratings were then used to calculate the NPS and derive actionable insights into what was working well and what should be done to make the customer experience better.

The Outcome:

Here, we have analyzed the journey that Chaayos created to collect user feedback.

- NPS: Their NPS hovered around 45, which is close to 'Excellent' (read more about NPS here).
  <chart to show the NPS>

- Triggered approach: Chaayos got rid of old-fashioned blast emails and adopted a sharper, contextual approach to collect user feedback. The feedback survey was now sent to a user only after they placed an order. This triggered approach increases chances of getting a response by making the customer feel like the email was sent exclusively to them.

- It also makes them feel overwhelmingly confident about their purchase, which helps retention.

- Checked user's reachability: Based on the customer's reachability, the feedback email was sent via email or SMS.

- Refrained from overkill: Users who had filled out a survey via email or SMS over the last 5 days were excluded from the message.
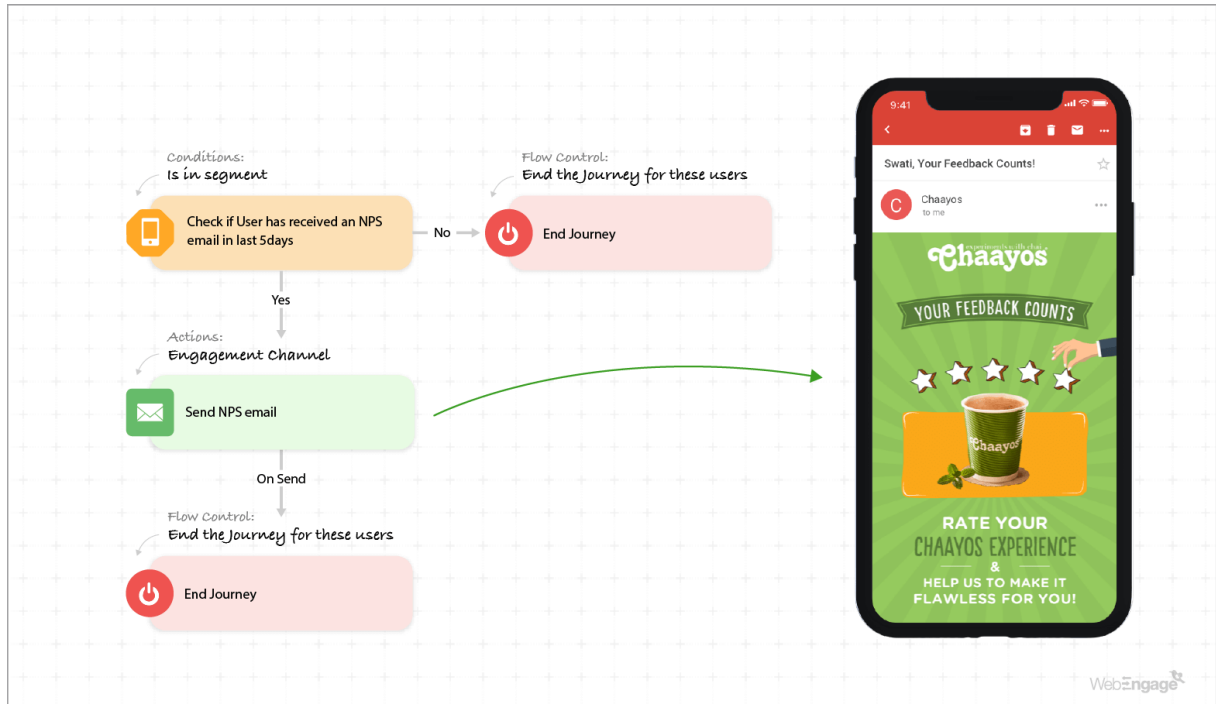
Build a user journey like this

- Evaluated the staff's performance: By linking each feedback to their cafe's name, Chaayos made NPS one of the key performance metrics for their staff.

- Identified their strengths: Detailed feedback gave Chaayos insights into what was creating a positive customer experience.
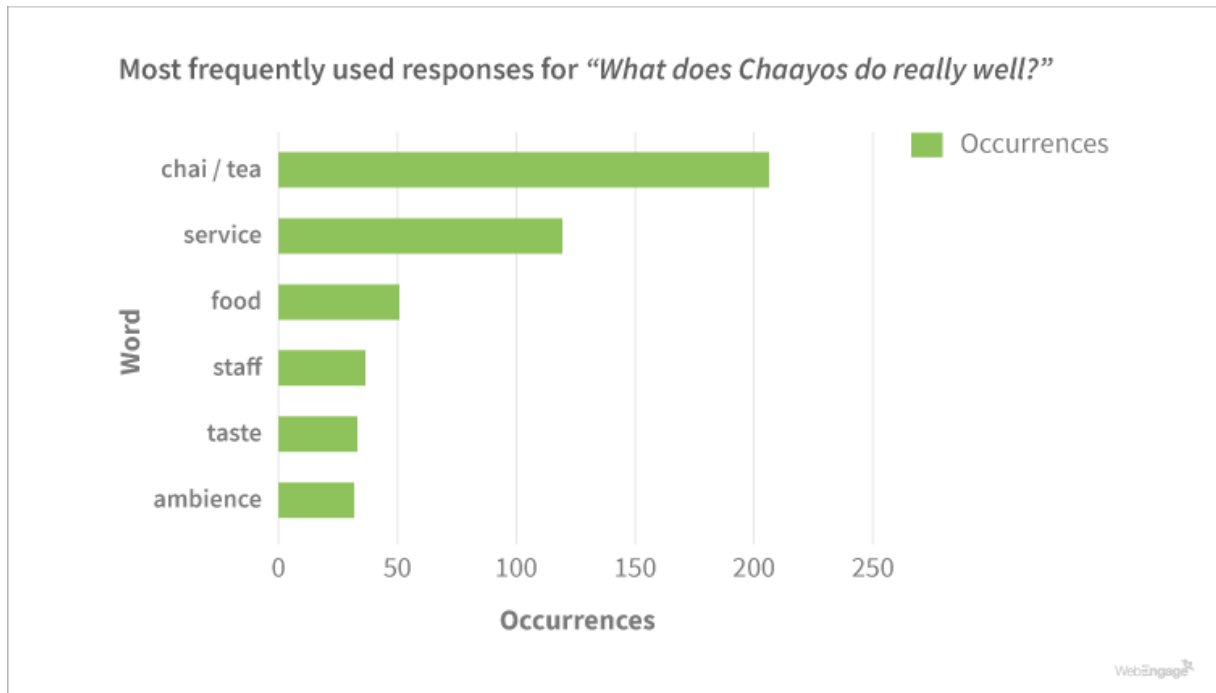
Fig: We analysed the last 1,000 responses to "What does Chaayos do really well?". The most frequently used words have been charted above.
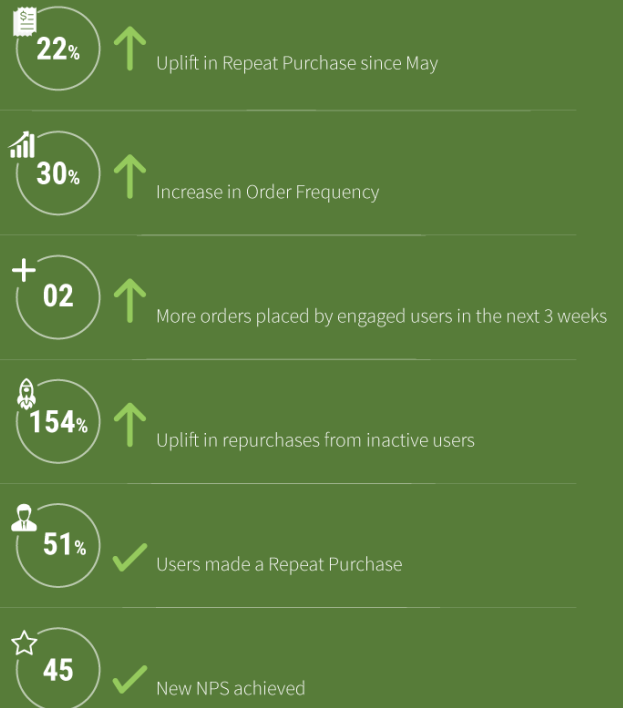
- And their weaknesses: Chaayos took negative feedback as a learning opportunity. They would reach out to the users over a phone call to get a detailed feedback. This not only gave them insights about their service but also provided them a chance to bring users back and improve their perception of the brand.

- Used NPS as a product improvement tool: Chaayos also asked their users about areas of improvement. This helped them gain insights into what was not working well and where they should allocate their money to get the highest return on investment. The best example would be when the word 'cold' or 'sweet' started appearing a bit too often, Chaayos developed and installed electric tea makers, called the Chai Monks, in their cafes to maintain consistency in taste, quality and reduced manual dependence.

THE RESULT

"You don't earn loyalty in a day. You earn loyalty day-by-day".

That's what Chaayos set out to emulate, and has solved their customer retention problem, rather effectively, with the intelligent use of WebEngage's Journey Designer.

The WebEngage Effect on Chaayos

22% ↑ Uplift in Repeat Purchase since May

30% ↑ Increase in Order Frequency

02 ↑ More orders placed by engaged users in the next 3 weeks

154% ↑ Uplift in repurchases from inactive users

51% ✓ Users made a Repeat Purchase

45 ✓ New NPS achieved

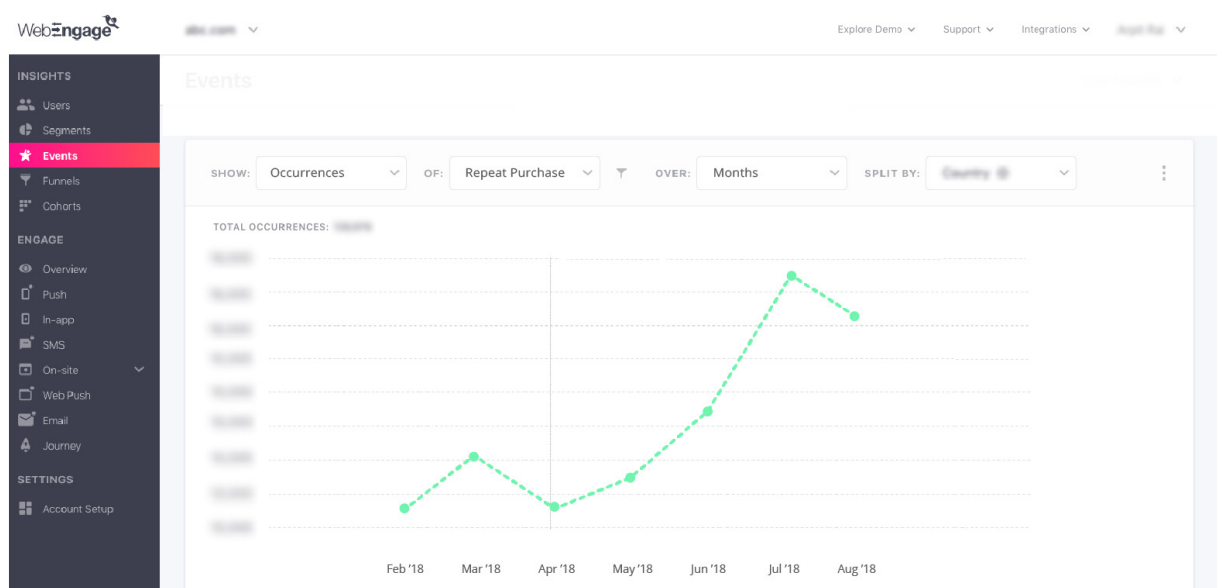Chaayos incorporates marketing automation, instantly sees an uplift in business

Fig: Trend showing a hike in overall repeat orders since May

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Schedule my free demo

WebEngage

WebEngage is a full stack marketing cloud which gives a 360° view of your users & your marketing efforts (& everything else in between). Loaded with cross platform & cross channel analytics, the suite makes it possible to drive user engagement & retention with data driven, personalized campaigns through multiple channels, including the revolutionary Journey Designer.

44,000+ online consumer businesses use WebEngage everyday to improve their user engagement and retention. Why are you still hesitant?

TALK TO US TODAY

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