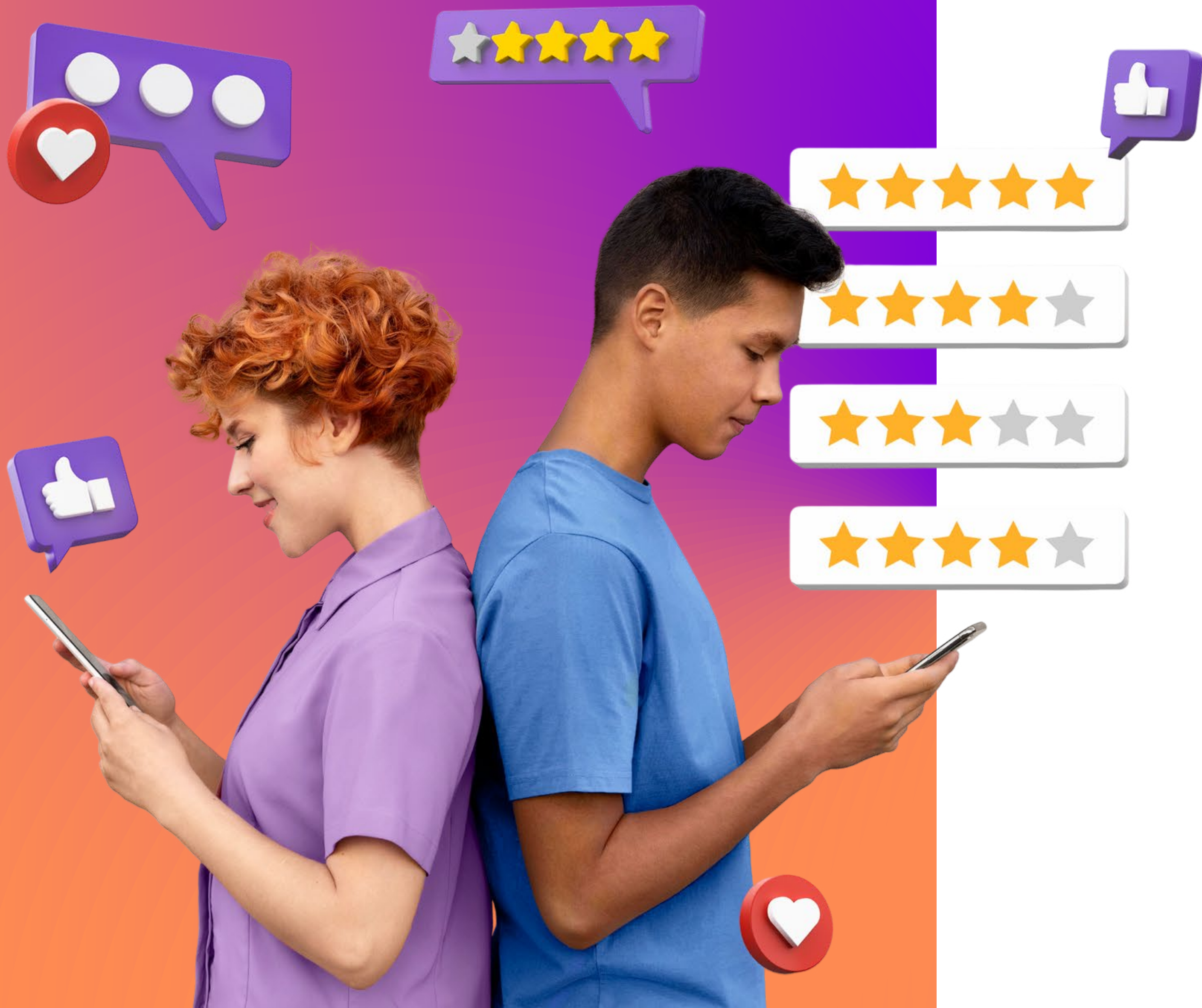


The Art of Re-Engagement:

Strategies for Winning Back Lapsed Buyers Using IPC (Interpurchase Cycle)





Did you know that a staggering 60% of customers become inactive after just a few purchases? In today's hyper-competitive landscape, where customer loyalty seems to be at an all-time low, the urgency for effective re-engagement strategies has never been greater.

Enter the **Interpurchase Cycle (IPC)**—your secret weapon for understanding and reconnecting with lapsed buyers. By leveraging IPC, businesses can unlock invaluable insights into customer behaviour, enabling tailored strategies that reignite interest and drive purchases.

Understanding the Interpurchase Cycle (IPC)

The Interpurchase Cycle (IPC) measures the average time between consecutive purchases made by a customer. This metric is crucial for identifying buying patterns and categorizing customers based on their purchasing behaviours.



Here's a detailed breakdown of key IPC terms

Term	Definition
Interpurchase Cycle (IPC)	The average time between consecutive purchases made by a customer.
Returning Buyer	A customer who returns to make a purchase after being inactive.
Active Buyer	A customer who regularly makes purchases without long gaps.
Burst Buyer	A customer who makes many purchases quickly, followed by inactivity.
Steady Buyer	A customer who makes consistent purchases at regular intervals.
Infrequent Buyer	A customer who makes purchases with long gaps in between.
Declining Buyer	A customer whose purchases are becoming less frequent over time.
Increasing Buyer	A customer whose purchases are becoming more frequent over time.
Recent Returnee	A customer who has made one purchase after a long period of inactivity.
Lapsed Buyer	A customer who was active but hasn't made a purchase for a long time.
Short-Term Trends	Focuses on customer behavior in the last 90 days.
Long-Term Trends	Tracks customer behavior over a longer period (e.g., 3 years).
Engagement Strategy	Methods used by businesses to keep customers interested and buying.

Strategies for Re-Engaging Lapsed Buyers



Segment Based on IPC Insights

Start by using IPC data to categorize your customers effectively. For example, if a lapsed buyer hasn't purchased in over six months, they might fall into the "Lapsed Buyer" category. This understanding allows you to craft targeted messaging that resonates directly with their behavior.



Personalized Communication

Data shows that personalized emails can generate six times higher transaction rates. Use IPC data to tailor your messages. For instance, if a customer typically buys every three months, a gentle reminder after two months of inactivity can prompt them to return.





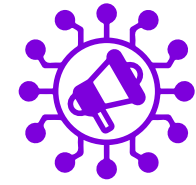
Timely and Relevant Offers

Creating urgency is essential. Research indicates that limited-time offers can increase conversion rates by up to 30%. A message like, “We miss you! Enjoy 20% off your next purchase if you shop within the next 7 days,” can effectively drive action.



Showcase New Products or Features

Highlighting new arrivals can spark interest. If a customer hasn't returned for a while, send them a message: “Check out our latest collection that we think you’ll love!” This can reignite their interest in your brand.



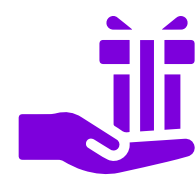
Utilize Multi-Channel Marketing

Re-engagement efforts should be omnichannel. A study found that businesses using multiple channels see a 30% higher retention rate. Use email, SMS, and social media to reinforce your message and reach lapsed customers where they are most active.



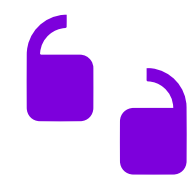
Request Feedback

Engaging lapsed customers through feedback can foster a sense of value. A simple survey can show that you care about their experience. For example, “We’d love to hear your thoughts! What can we do to bring you back?” This not only gathers insights but also makes them feel appreciated.



Highlight Loyalty Program Benefits

Reintroduce them to your loyalty program. Research shows that personalized loyalty programs can increase customer retention by 5-10%. For instance, “Rejoin our loyalty program to earn double points on your next purchase!” can entice them back.



Leverage Social Proof

Share testimonials or success stories from other customers who returned. Highlighting positive experiences can build trust: “Here’s how [Customer Y] came back and found our new features invaluable.”

The Psychology Behind Re-Engagement

Understanding the psychology of consumer behavior is key to crafting effective re-engagement strategies. Here are a few psychological principles at play:

Loss Aversion

Psychologically, people are more motivated to avoid losses than to achieve gains. When crafting your messaging, emphasize what the customer stands to lose by not returning. Phrases like, “Don’t miss out on exclusive discounts” tap into this principle and can motivate action.



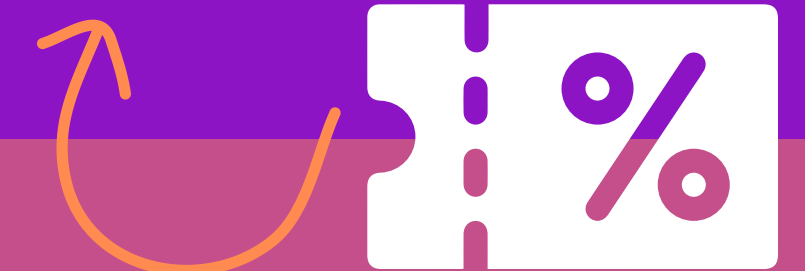
Scarcity and Urgency

Creating a sense of scarcity—whether it’s through limited-time offers or exclusive promotions—can trigger the fear of missing out (FOMO), compelling customers to act quickly to avoid regret.



Reciprocity

The principle of reciprocity suggests that people feel obliged to return favors. Offering something of value, like a discount or exclusive access, can encourage lapsed customers to reciprocate by making a purchase.



Social Proof

Humans are inherently social creatures and often look to others for guidance on how to behave. Showcasing testimonials or reviews from satisfied customers can leverage social proof to nudge lapsed buyers back into the fold.

Real-Life Examples of Effective Re-Engagement Strategies



Amazon India: Personalized Email Campaigns

Amazon India leverages sophisticated data analytics to track customer behavior. For lapsed customers, they send personalized emails featuring products related to past purchases or interests.

For example, if a customer who previously bought books hasn't shopped in a while, they might receive an email highlighting bestsellers and exclusive discounts. This tailored approach encourages them to return and explore new titles.



Zivame: **Win-Back** **Offers**

Zivame, an online lingerie retailer, effectively targets lapsed customers through win-back offers. They analyze purchase history and send personalized promotions like “We miss you! Enjoy 30% off your next purchase.”

Zivame often showcases new collections that align with the customer’s previous preferences, making the offer more enticing.



Tata Cliq: **Abandoned** **Cart Reminders**

Tata Cliq utilizes abandoned cart reminders as a re-engagement strategy. If a customer adds items to their cart but doesn’t complete the purchase, they receive an email or app notification reminding them of their selections.

These reminders often include a small discount or free shipping offer, motivating customers to finalize their purchases.



Chumbak: **Exclusive** **Promotions for** **Inactive Customers**

Chumbak, a lifestyle and home décor brand, targets inactive customers with exclusive promotions. They send personalized emails featuring limited-time offers or special collections tailored to the customer's past preferences.

For instance, a customer who previously showed interest in home décor items might receive an email inviting them to explore a new collection along with an exclusive discount.



Conclusion

Winning back lapsed buyers doesn't have to be daunting. By utilizing the Interpurchase Cycle to understand customer behaviour and implementing targeted strategies, businesses can effectively re-engage these customers.

Remember, each re-engaged customer represents a sale and an opportunity for long-term loyalty and growth. With the right approach, you can turn lapsed buyers into loyal advocates for your brand, helping your business thrive in a competitive landscape.

