



# Personalization at Scale to Grow your Shopify Store



# Introduction

Pay and spray marketing can be effective for huge brands like Nike or Coca Cola, but for smaller companies on Shopify, a more personalized approach can be the key to success.

In this guide, we'll go through several expert tactics of how to build out a scalable personalized marketing strategy and the tools that can help you achieve this with a lean team.

We'll go over:

- Using existing data to build out your strategy
- Enriching your data through eCommerce quizzes
- Leveraging email and SMS for personalized comms
- Using chatbots to negotiate in real time with users

The big ideas and strategies we discuss here were all introduced by guests on our podcast, [Optily Radio](#). For more information about any of these topics and more, tune into the show wherever you get your podcasts.

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# Strategizing with RFM Modeling



A first and incredibly useful step in optimizing your personalized marketing approach is to start with the data you already have. Depending on what stage your business is in, you may have just a handful of customers' data or tens of thousands.



Wherever you find yourself, it's incredibly important to have a robust Customer Relationship Management (CRM) system in place to help you keep your data clean and easily accessible. Some of the best ones for Shopify store owners are Zendesk, Hubspot, and Salesforce.



Once you have your customer data at your fingertips, you're able to do some [RFM modeling](#). This stands for **recency, frequency, and monetary**, meaning your best customers bought recently, multiple times, and for high dollar values. You take this group and learn as much as you can about them.

Valentin Radu, Founder of [Omniconvert](#), calls this group of customers the Soulmates. These are your ideal customers and you want to keep them happy, shopping, and advocating for your brand. Further, you want to attract more of them through marketing.



Another very important segment that comes out of RFM modeling is called the New Passions group. This group has recently purchased, hasn't made as many purchases as the Soulmates, but have spent a good bit of money already. They are passionate about your brand and have a high potential. By learning more about this group, you can, again, tailor your marketing to bring in more of them to your Shopify store.



The final cohort you should be paying attention to is the About to Dump You group. These are the customers who are slipping away and will go to your competitors unless you take action. By personalizing your approach to this group, you can try to recapture their attention and bring them back into the fold.



By splitting your audiences into these three, or more if required for your business, you can not only hone your approach for your existing customers, but also use these groups to attract more high-value shoppers to your brand. For example, by identifying exactly who your best customers are you can build out lookalike audiences on Meta, target them with specific language and campaigns that they resonate with, and lock in new customers that you may not have identified before.



## Expert tip:

"It's clear that paid ads are a mix of the right channel, the right creative, the right offers, and also the right targeting. So if all you do is mix the channels or the agencies, without knowing who you're targeting and with what kind of creative campaign, then you will miss out on a huge opportunity!"

## Valentin Radu

FOUNDER AND CEO OF OMNICONVERT

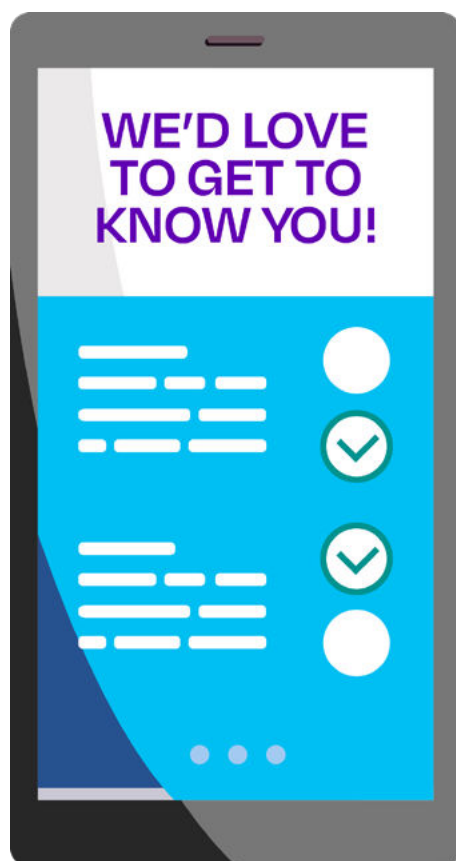
## eCommerce Quizzes

In the previous section we discussed how to leverage user data that you already have in order to build out a group to target with personalized messaging. But what if all you have is an email?

An email on its own is not much to go off of in terms of personalization. This is where [eCommerce quizzes](#) can come in handy. A simple quiz with 5 to 7 questions can really help you hone in on who this individual is and what their needs are. Of course, the questions you ask are going to depend on your product catalog, but generally, brands are able to use branching paths to quickly categorize a customer. With this new information, you're able to zero in on their needs and create hyper-targeted audiences for all your communications.

On top of creating enriched databases, you will help customers discover the products they need from your catalog. Simply by offering a quiz, you establish your brand as an authority in the field, growing your reputation while increasing sales.

And lastly, due to third-party data loss across the channels, [namely iOS 14.5](#), capturing zero-party data is more important than ever, says Gen Furukawa, Co-Founder of [Prehook](#). By enriching your own databases, you can bypass the difficulties of remarketing through ad platforms like Google and Meta, relying more on email and SMS.

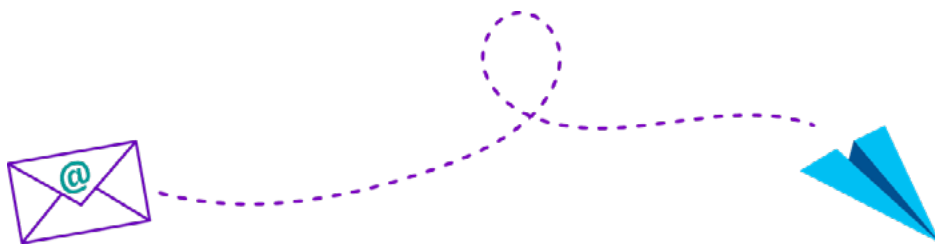


### Expert tip:

"The quiz is almost like an intake form. It's almost like a lead qualification as well. Do you have the profile of the type of person our product can help?"

### Gen Furukawa

CO-FOUNDER OF PREHOOK



## Email and SMS for Direct Communication

Having an email or phone number for a potential customer is key for any kind of personalized communications. Without this zero-party data, you're relying on pixels and remarketing techniques that are becoming less reliable.

While you will naturally have contact details for your existing customers, you want to get them to opt in to your communications too. A recent [Dataships survey](#) found that 61% of repeat customers opted into email marketing, but with one-time purchasers the numbers dropped to 26%. This statistic supports the power of email marketing in getting customers to buy again.

You'll also want to expand your list to include people who haven't yet made a purchase. Some tactics for earning these emails and phone numbers can be spin-to-wins, discounts in exchange for joining your newsletter, or exclusive giveaways.

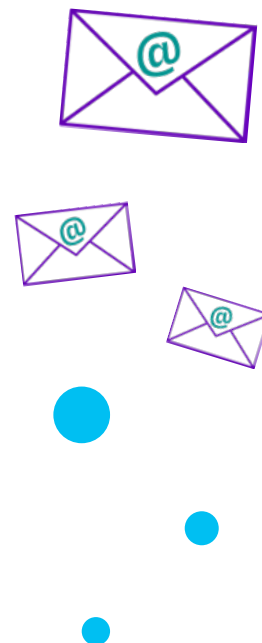
### Email

Once you have a robust list of emails, Jacob Anson, Co-Founder of [AgencyJR](#), stresses the importance of [keeping your lists clean](#). Any email you send, you want to make sure it's going to people who are interested in opening them. This means clearing out old emails of people who haven't engaged with your comms in over 180 days.

"With email marketing deliverability and open rates are extremely important. If you target everyone within your list, maybe for the first campaign you are going to get better results, than with 'good segmentation,' but from that point on you're going to have a negative spiral!" Jacob Anson, Co-Founder of AgencyJR

With proper email segmentation based on the RFM strategies we first introduced, you can target different customers with unique emails. Rather than simply running with generic newsletters, you can tailor your language, creative, and offers depending on whether you're talking to a one-time purchaser group or your all star VIPs.

Even something as simple as sending a [plain Thank You email](#) after a purchase can be a memorable gesture. Keith Matthews, [Founder of Milk Bottle Labs](#), is a big proponent of this approach and thinks it really adds character to a brand if they reach out with this kind of message. It's incredibly simple to automate and adds a very nice personal touch, especially without any fancy graphics or formatting.



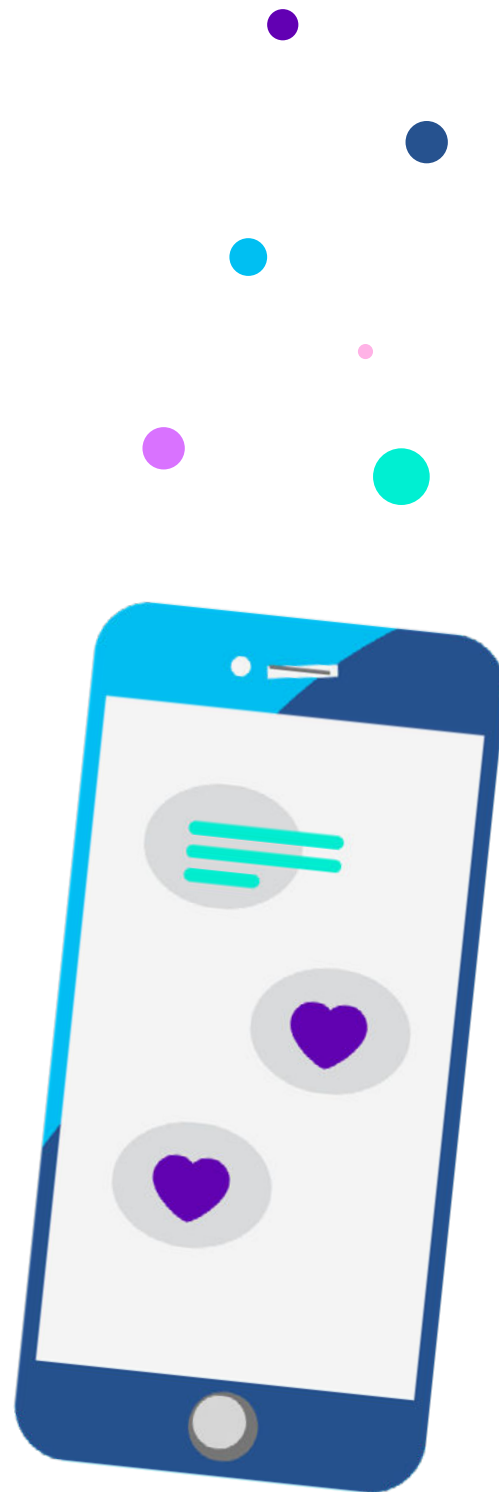
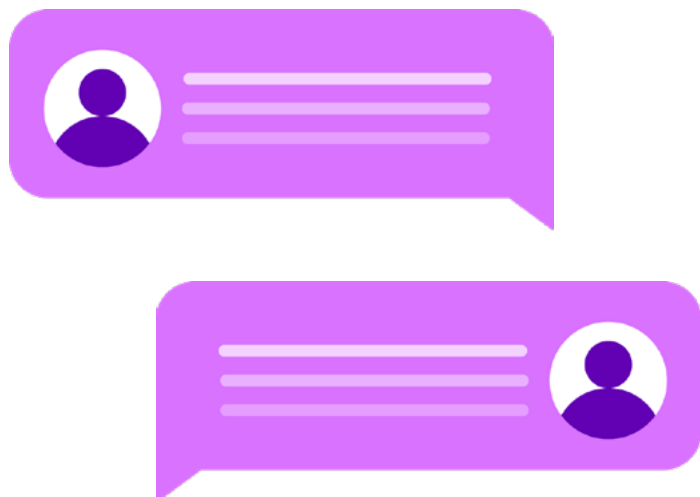
## SMS

Mobile texts are a very direct line of communication, but you need to tread carefully. Phones are something we all check very regularly and getting a random disruption from a brand might do more harm than good for your business.

Osa Gaius, CEO and Founder of [Parrot](#), wants Shopify merchants to keep in mind that [SMS is a conversation](#), not another piece of ad real estate. Rather than thinking of it as just another marketing channel, he feels that brands need to rethink their approach with texts.

“There’s a 9/10 chance that if you send a text message to a consumer’s phone they will look at it. But that isn’t because they fundamentally love your brand or they were just waiting for a text from some random brand they saw on IG, it’s really because they are addicted to their phone.” Osa Gaius, Founder and CEO of Parrot

Sending out texts every time someone receives a product is very cumbersome. When you’ve only just launched your Shopify store, you can personally reach out to each of your customers. But as you continue to scale, you’re going to need to implement some level of automation to keep the communications manageable. Once someone actually responds to a text, then a real human on your customer support team can take over the conversation. This way, you can text at scale, while maintaining the very personalized interaction with the few who interact.



## Chatbots for Negotiation

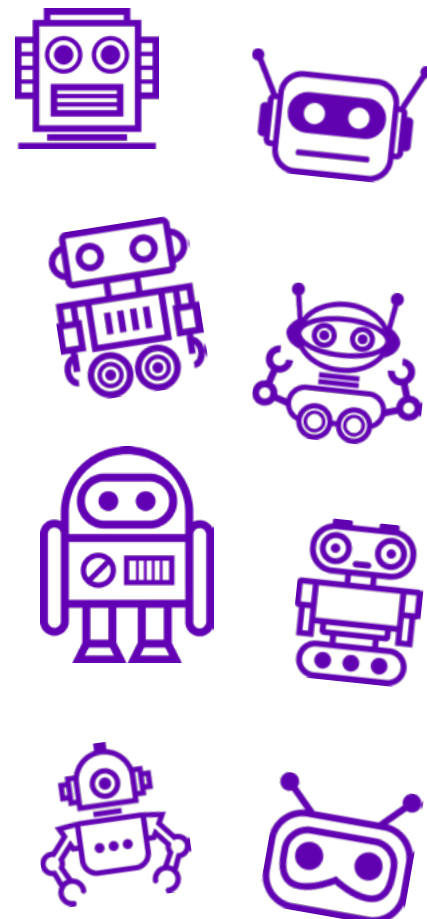
Most of us will be familiar with chatbots that can help with really basic FAQs and initiating customer service conversations. But, using [chatbots to help personalize offers](#) and get customers small discounts on their purchase is a novel way to add an element of gamification.

This approach can be a win-win for you as the merchant and for your customers. While you may not be in a position to offer a blanket discount to every customer, your customers can get a unique discount that they negotiate for. They get, say, 6% off and you make a sale. Everyone walks away happy.

Not only that, but there is science to support the good feeling we get after we make a purchase that we worked for. If you haggle down to a price you're happy with, you feel like you've put in effort and gotten a reward.

A chatbot also has the added benefit of saving the human on the other end any embarrassment. Most people don't particularly like negotiating, but if it's just a bot then people are more likely to engage.

Rosie Bailey, CEO of [Nibble](#), reminds us that there are only so many pieces of copy you can write for your offers or coupons via email or SMS. With a chatbot like Nibble, you can use the AI to have a unique conversation with your customer that results in a memorable experience.



### Expert tip:

"It's quick, it's not embarrassing, if you fail to get a deal, you close the window and start again, and it's more fun."

**Rosie Bailey,**  
CEO OF NIBBLE.

## Conclusion

Personalization is going to get increasingly more important as we lose granularity with third-party platforms and as customer expectations change. It's a challenge for smaller businesses to keep up with the constantly shifting landscape of eCommerce marketing practices, but we hope this guide has helped you start thinking about new approaches.

The key with all of these tactics is owning as much of the customer data as you can. Of course, you will need to engage in marketing on the major advertising platforms to scale your brand, but the key is to not be exclusively reliant on third-party data.

Use the information you have to build out robust user personas and really get at what makes your strongest customer base tick. Learn as much as you can about them and you can create ads with copy and creative that convert.

When you are running these campaigns across Google and Meta, Optily's new Shopify app can help you optimize your ad spend. Make sure you're always spending on campaigns that are doing the most for your business goals. With Optily, you can easily see which campaigns are working and instantly apply recommendations for optimal ad spend reallocation.

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