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5 Ways To **Grow** Your eCommerce Brand in a **Recession**

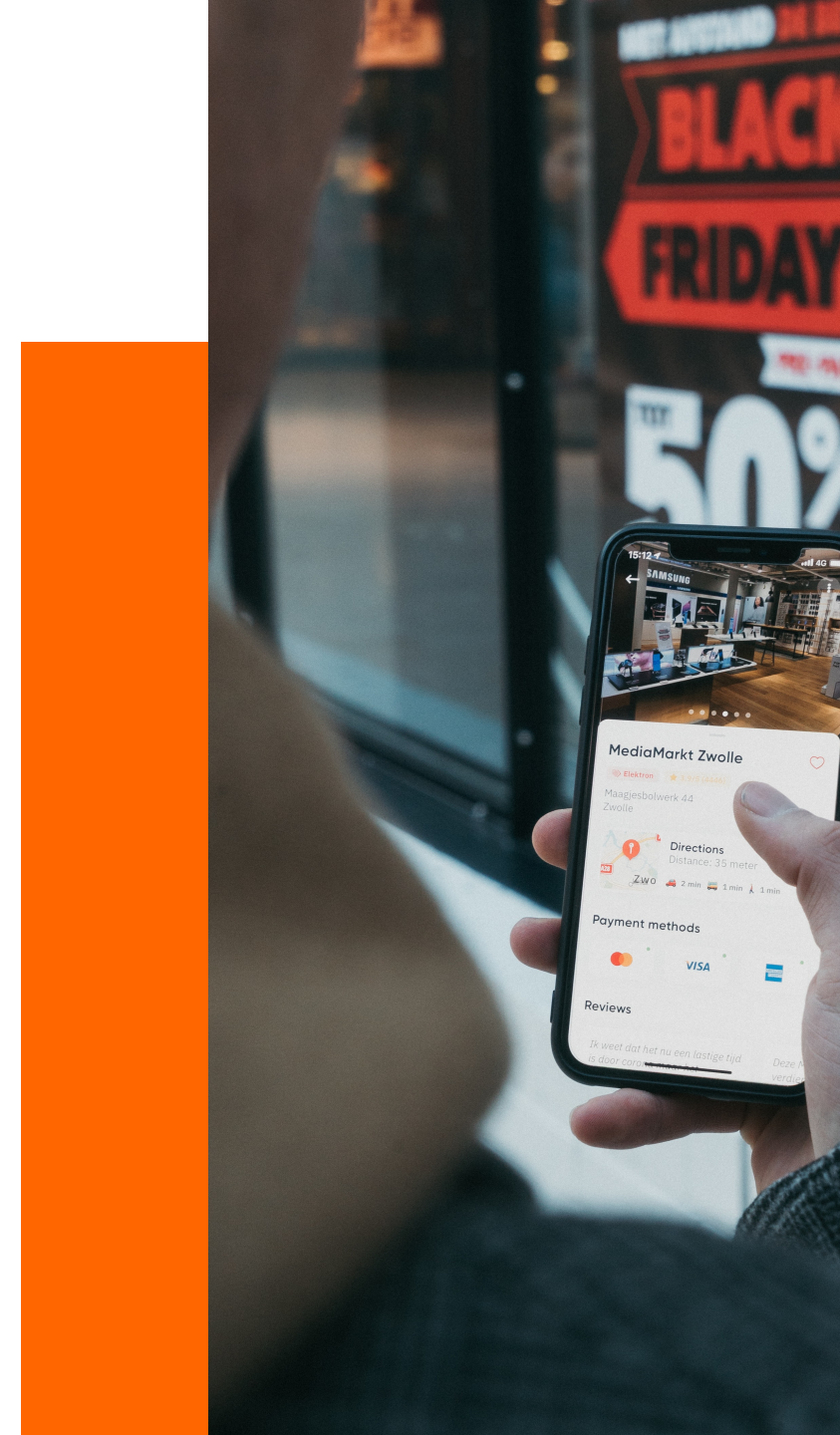


The State of eCommerce

You don't need a crystal ball to see that what once was a straightforward formula for eCommerce success has taken an uncertain turn in recent months. The pandemic may have supercharged the industry, but supply chain issues, unpredictable growth, marketplace effectiveness and record-setting inflation may be taking their toll.

It's not all doom and gloom. The 2008 economic meltdown saw a shakeup in legacy retailers and gave birth to new brands capitalizing on the moment. However, even more surprisingly, eCommerce brands capitalized on this slowdown and managed to grow and capture market share.

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5 ways eCommerce brands can **grow** during a recession

01 Outthink the Competition

02 'Selectively' Cut Costs

03 Create an Exceptional CX

04 Get Wickedly Creative

05 Flood the Channels Wisely



0 1

Outthink The Competition

Identify

early market and advertising
trends

Create

promotions with similar
competitive value

Invest

in channels your
competition's abandoned

Pivot

to capture ignored demos &
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"I don't have to outrun the bear. I just have to outrun you." This famously funny saying is as true for survival as for digital marketing. It's true, you don't have to beat every brand online. You just have to beat your competition.

At a time when everyone is tightening their belts, and looking for smarter, money-saving strategies — competitive analysis can mean the difference between a successful campaign and an unsuccessful one.

We've consistently used competitive analysis at Finch to move the needle on stagnant campaigns. By pivoting to meet (or beat competitors) ad placement and product value, we've helped brands capture market share that smart ad buying alone couldn't deliver.

First, you'll want to run a competitive market analysis to identify gaps in the market, identify new products and services in demand, uncover emerging market trends, and capitalize on these more effectively. Need some insight? Download a free Competitive Analysis template and get a full breakdown from HubSpot [here](#).

Need help analyzing the competition?

That's what we do! [Reach out](#) to one of our experts for a custom deep dive and actionable growth plan.



0 2

'Selectively' Cut Costs

Returning Customers

focus on increasing lifetime
value of returning customers.

Outsource

partner with industry experts
to keep your team lean,

Automate

automate repetitive tasks
wherever possible.

Product Insights

leverage product insights to
avoid high production costs.

'Selectively' Cut Costs

It seems obvious that cutting overhead is part of an effective strategy for weathering an economic storm — and it's no different for eCommerce brands.

But adjusting your budget can be a delicate balancing act between preserving capital and investing in brand building. Slash your budget too far, and you'll be in an unfavorable position once market conditions return.

Even worse, a decreased online presence may allow a competitor to swoop in with increased recession-time ad spending and capture part of your audience. In fact, [70% of brands](#) cutting their budgets in 2022 will sacrifice investments in brand building.

How can eCommerce brands cut costs effectively?

There are a few schools of thought when it comes to recession-proof budgeting. Some advocate for a total slowdown, with spending cuts impacting payroll, product costs, marketing, and more. Others suggest a targeted approach to budgeting that attempts to cut operating expenses without touching ad spending. There are even those brave souls who suggest accelerating spending to flood the market while your competition may be slowing down.

We [follow the data](#) at Finch, so it's no surprise that we promote a more strategic approach that focuses on reducing operating costs wherever possible while increasing investment in high-return channels.

Here are the cost-cutting steps our experts suggest:

Focus on Returning Customers

Automate or Outsource Your Marketing Process

Granular Inventory & Product Management

Focus on Returning Customers

The value of returning customers cannot be overstated. They've already shown interest in your product, purchased it, and hopefully have a positive experience to bolster their desire to return to your brand. (For more on creating a positive customer experience, see "Create a Customer Experience" below)

Returning customers not only show some serious intent signals but retargeting options make them easier and cheaper to get in front of online. Their purchase history can also help you tailor ad experiences to increase conversion.

Here are a few recession-proof ways to recapture returning customers.

- Promotional email campaigns that encourage return customers with discounts, exclusive access, and more.
- Create or bolster customer loyalty programs. Why? [58% of customers belonging to a brand's loyalty program](#) buy from that brand at least once per month.
- Provide social proof with reviews and user-generated content.
- Use retargeting campaigns whenever possible.
- Create a customer referral program. Why? Referral marketing counts for [26% of effective retention](#) digital marketing tactics.

Vital Returning Customer Stats

- The probability of selling to an existing customer is between **60% and 70%.**
- The probability of selling to a new customer is only between **5% to 20%.**
- Existing customers are **50%** more likely to try your business's new product.

How can eCommerce brands cut costs effectively?

Payroll costs are no joke, especially in 2022, when inflation has increased the demand for competitive wages. Add to that the “War for Talent” that’s waged throughout the year, and you’ll find the perfect recipe for employee cross-training and task automation. Tech stacks and marketing objectives vary from business to business, so there is no “one size fits all” automation strategy. But you can get a deep dive into automating the most common marketing tasks, from email marketing to lead scoring here.

The “War for Talent” has also made finding experts for your marketing team a challenge. [Digital Marketing is the most in demand skill globally](#), with social media marketing specialists, marketing strategists, and marketing managers topping the list in North America. Outsourcing strategic analysis and high-level marketing strategy can be both a payroll saver and a time saver. By outsourcing strategic planning, you won’t have to battle with other HR teams worldwide as they compete for top performers.

A little bit of shameless self-promotion.

A bit of shameless self-promotion (you know we have to do it): At Finch, we’ve amassed a global team of experts and have long-standing partnerships with every major advertising channel. We’ve also been recognized as an Amazon Advertising Partner and a Google Premier Partner, making us the top 3% of Google Partners in the US. With the Finch Platform, we analyze your data and build a strategy complete with a step-by-step growth plan. Our team of specialists also manages and deploys your ads, bolstered by Finch domain experts that are always on-demand, ready to help you pivot with the market.



Running a Product Performance Analysis?

Here are some metrics to track.

- Impressions
- Conversion Rate
- Cart Abandonment Rates
- Unique vs. Recurring
- Purchases Average Order Value
- Sales vs. Returns
- User Interest in Product Ads

It wouldn't be a complete eCommerce budget overhaul without looking at product and shipping costs. By running a Product Performance Analysis, you can identify cost-saving options that won't require a complete rework of your product and delivery pipeline.

Product Performance Analysis

Product promotional strategies can vary from flooding the market with massive product catalogs designed to appeal to a large audience to niche strategies that focus on maintaining a tight inventory with heavily targeted use cases and demographics. Whatever method you prefer, using data to make informed purchase, manufacturing, and marketing decisions can be a budget saver.

What is Product Performance Analysis? According to [BigCommerce](#), "Product performance analytics is the analysis of data points related to the purchasing funnel like how many times visitors view a product page, how many times a product is left abandoned in a cart, and more."

At Finch, we track all product performance within the Finch Platform, on a single screen. Our clients get a quick snapshot of all product performance and granular insights that identify product outliers, under performers, and top-performing products. [Take a look inside!](#)



0 3

Create an Exceptional Customer Experience

User Friendly Site

focus on ease of use for user and compelling visuals.

Streamline Checkout

remove friction from check out to increase conversion.

Product Pages

update product pages to capture visitor attention.

0 3

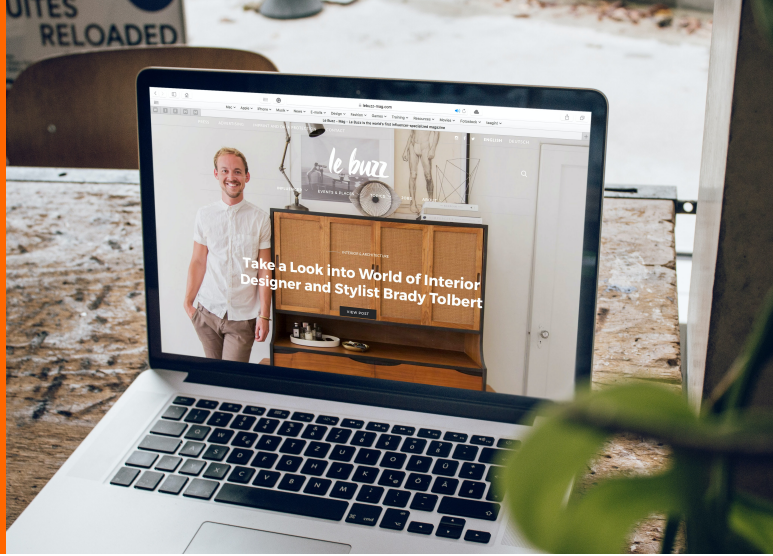
Create an Exceptional Customer Experience

Over the last few years, you've probably seen an increased focus on the "customer experience" — and it's no wonder. [62% of online shoppers](#) say that past customer service significantly influenced their purchase decision, making the customer experience a crucial focus for brands adapting to an economic recession. What is the Customer Experience (CX)?

According to [Hotjar](#), "CX is the result of every interaction a customer has with your business, from navigating the website to talking to customer service and receiving the product/ service they bought from you." Does your Customer Experience need an overhaul? The answer is probably yes.

The CX Gap: 85% of businesses believe they offer personalized experiences, but only 60% of consumers agree they receive one.

We all shop online, so at the fundamental level, we know what to expect from a good shopping experience: quick site loading times, straightforward navigation, seamless checkout process, and fast shipping. It sounds simple enough, but crafting a stellar Customer Experience takes a fair bit of strategy and touches nearly every aspect of your business — but it's worth it.



According Qualtrix, improving your Customer Experience can lead to improvements in:

- Customer retention
- Customer loyalty
- Customer lifetime value (CLV)
- Brand equity
- Referrals
- Revenue and growth

Ensure your website is user-friendly

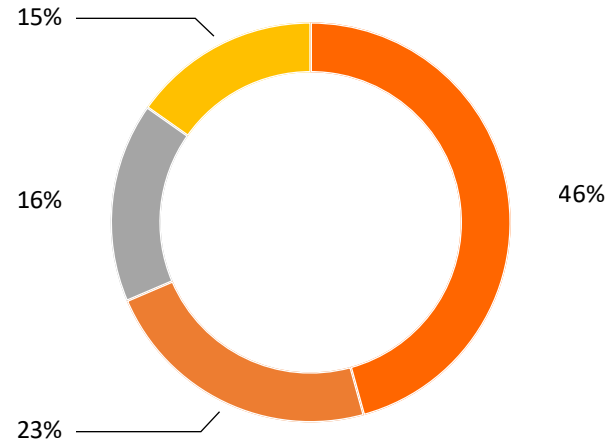
User-friendly eCommerce web design features compelling visuals, easy-to-navigate product categories and pages, a clear brand story, and a frictionless checkout system. Keep in mind that today's online shoppers make decisions quickly. Your site should capture their attention (and answer their questions) with just a glimpse above the fold and with special attention to the mobile experience.

Enhance your product pages

Product pages are the heart of every eCommerce site. They tell the product story and act as one of the final touch points on your customer journey. Product pages should be focused on exciting, informing, and converting the visitor. Don't forget to add tracking pixels on your product pages! This becomes invaluable when activating impactful and cost-effective Retargeting campaigns through partners like The Trade Desk. Product reviews and updated product photography or imagery are two simple additions to your product pages that can make a real impact. Adding reviews to your product pages can dramatically increase conversion. **Why?** About [95% of customers read reviews](#) before making a purchase, and [72% of customers won't take any buying actions](#) until they've read reviews.

Why are people abandoning their carts?

- 48%** *Extra Costs & Fees too High*
- 24%** *Site Wanted Them to Create an Account*
- 17%** *Complicated & Long Checkout Process*
- 16%** *Couldn't See & Calculate Costs Up Front*



What can your brand do quickly to minimize cart abandonment & streamline your checkout process?

- **Ask less of your customers**

Quick fixes like removing account requirements, shortening City and State requirements to just zip code and using an [algorithm](#) to identify credit card type by card number can greatly reduce click and decrease your cart abandonment.

- **Provide a Returning Customer Option**
- **Provide a Default Shipping Option**
- **Remove Navigation from Checkout Page**

Streamline Your Checkout Process

Checkout is the final stop for your customers and can be make or break for the sales process. Right now, cart abandonment stands at [nearly 70%](#) across all eCommerce sites. This means you could secure a 24% boost in sales by simply removing account creation and another 17% by shortening the time it takes to checkout.



0 4

Get Wickedly Creative

Brand Refresh

consider quick changes like
brand colors & font.

Social Media

refresh your social presence
for a huge visitor impact.

Product Imagery

update product imagery for a
quick product refresh.

0 4

Get Wickedly Creative



Creativity and a limited budget often go hand in hand. Getting creative with your eCommerce brand doesn't just mean updating your visuals or punching up your ad brand kit. It's about finding creative solutions in unpredictable markets and telling a surprising story that captivates your audience digital.

In marketing, creative solutions are often technical and dependent on your specific channel mix, available technical resources, and brand story.

Here are a few **low-cost and creative ad strategies** to get you started:

- Partnerships with visible complementary brands
- Discover new audiences with a [DSP + Social Media prospecting](#)
- Build trust and interest with a [unique brand story](#)
- Highly specific [retargeting ad campaigns](#)
- [Trendjacking](#)
- Quizzes and interactive content
- Promoting [user-generated content](#) and customer reviews

Why should you pay attention to design?

90% of information transmitted to the brain is visual.

Why should you pay attention to design? 90% of information transmitted to the brain is visual, and visuals are processed 60,000X faster in the brain than text. Visuals can also drive traffic to your site. Publishers who use infographics grow in traffic an average of [12% more](#) than those who don't.

While getting creative with your technical and marketing strategies, a few quick visual updates can help reimagine your brand and snag more eyeballs.

Here are a few of our favorite ways to quickly update your brand:

- Update brand colors
- Simplify or minimize your logo
- Add a secondary high-impact font
- Refresh social media covers and profile photos
- Update brand or stock imagery

Need some creative branding inspiration?

Take a look at the [top eCommerce brands](#) in the US right now.



0 4

Flood the Channels Wisely

Keep Ad Spend

with a focus on conversion,
not just the volume.

High-Impact Channels

bring low-cost options like
SMS and email into your mix.

Use Data Wisely

let aggregate data & analysis
drive your budget.

Expert Advice

fill knowledge gaps without
additional hiring.

0 4

Flood the Channels Wisely

It's no secret that we love a good [multichannel strategy](#) at Finch. Over the past 10 years, we've tried our hand at nearly every strategic combination and channel mix out there ([and even created a few of our own](#)). What we found wasn't surprising: there is no secret, one-size-fits-all recipe for digital ad success. Instead, the best use of resources is a strategy that follows the data, replicates wins across channels, and keeps a close eye on performance to pivot when necessary.

What we've found? There is no secret, one-size-fits-all recipe for digital ad success

Recession-time ad buying strategies fall into three categories: slow down, maintain, and accelerate. Slowing down and maintaining your ad spend can be a reliable way to keep a healthy budget but can risk sacrificing market share.

Don't cut your ad spend

It shouldn't be a shock that a digital advertising company thinks maintaining ad spend is the right thing to do for any marketing strategy. But there's a good reason for that. It's because we're right (and history backs us up). [Studies over 100 years](#) have all come to the same conclusion: companies that continue to spend on advertising during an economic downturn see higher returns than those that do not.

A [1980s McGraw Hills study](#) found companies that continued to advertise during the recession saw 256% higher sales than their non-advertising counterparts. What about those who didn't advertise? They saw a virtually 0% market share increase and a rise in sales of only 18% once the economy rebounded. There's more — A 1990's [MarketSense](#) study showed brands like Jif and Kraft Salad Dressing experienced sales growth of 57% and 70% after increasing their advertising during the recession.

Advertising history has spoken: keep the spend.

but focus your efforts around the conversion, not just the volume.

What data should your wins follow?

Here are the top 10 eCommerce KPIs for evaluating channel performance, according to DataBox:

1. Conversion Rate
2. Conversion Rate Per Traffic Channel
3. Customer Lifetime Value (CLTV)
4. Customer Retention Rate
5. Annual Repurchase Rate
6. Average Order Value (AOV)
7. Net Profit • Cart Abandonment Rate
8. Add to Cart Rate
9. Orders Per Active Customers

Use data wisely

Blanket ad spends are great when budgets are flush. Flooding the marketplace with your brand can impact brand awareness, site traffic, and more. After all, digital marketers are subject to the 'Rule of 7,' which says a potential customer needs to see an ad 7 or 8 times before taking action. Blanket ad spends across all channels will undoubtedly help get more of your target audience to the coveted seventh viewing. Still, during times of an economic downturn, it's wise to let data do the deciding.

Our experts recommend a combination of competitive and channel analysis to find the perfect mix. We suggest investing heavily in high-performing channels and/or channels your competition has abandoned and pausing channels saturated by the competition (or with underperforming KPIs). But there's a secret to making this strategy work — agility.

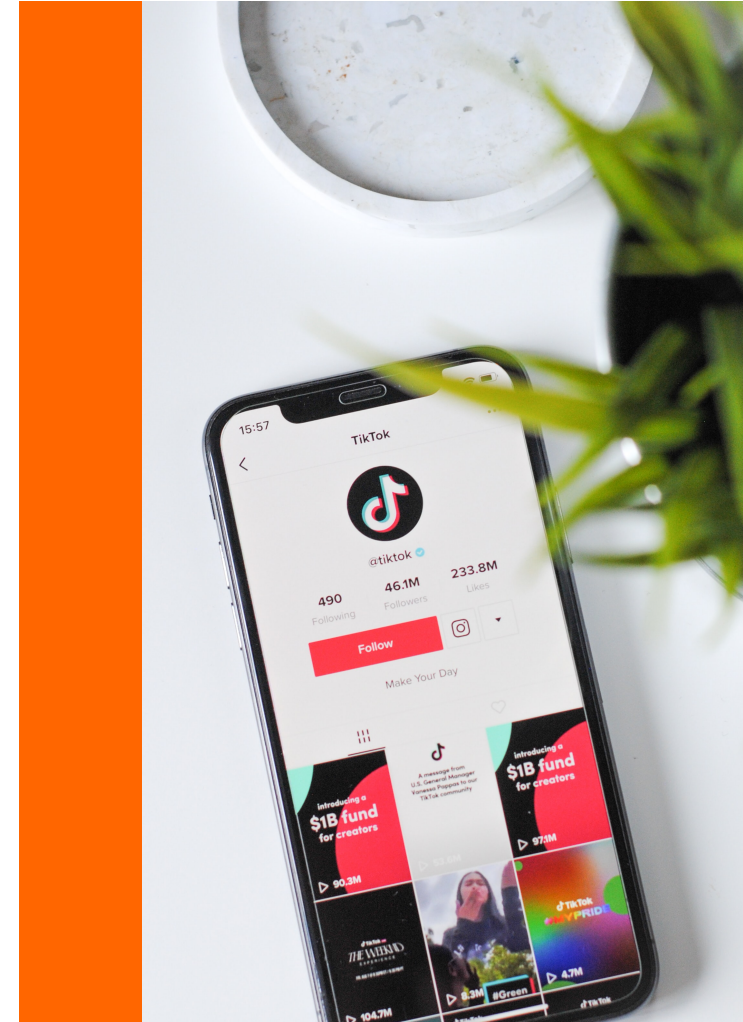
If you ask our experts to summarize the secret to our success, they'll tell you that we're always ready to pivot with the data.

Use low-cost, high-impact channels

Sure, Google and Amazon dominate, but they're not the only games in town. We recommend mixing in low-cost, high-impact channels like [email](#), [SMS](#), [micro-influencer marketing](#), and [organic social media strategies](#). These personal and affordable channels can help bring visitors to your site and maintain brand awareness without breaking the bank.

Take advantage of the experts

According to our experts, in-house knowledge gaps can often make or break campaign success. Fast-moving platform changes and privacy updates are primarily to blame for knowledge gaps in eCommerce teams. Brands looking to run lean eCommerce teams in the future might look at outsourcing strategic planning or campaign management as an easy way to cut in-house costs and get your campaigns moving quickly.





Conclusion

We're all looking to 2023 and beyond with anxious eyes as our collective economic future takes shape, but we're in control of more than we think. More than being in control, we also have strategies that can meet this moment of economic uncertainty head-on:

Outthink the Competition

'Selectively' Cut Costs

Create an Exceptional CX

Get Wickedly Creative

Flood the Channels Wisely



Reach out to us!

Want to find out what the future holds for your brand? Reach out to us! We've been helping brands navigate market conditions for over a decade and know a thing or two about digital advertising evolution



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