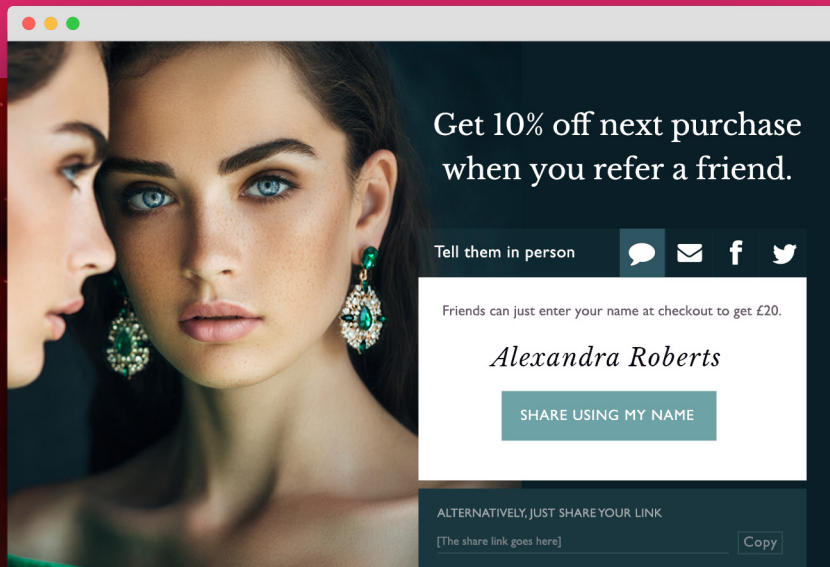


Mention-Me.com
The Referral Marketing Series

Referral success for luxury brands

mention **me**



Introduction

Why referral marketing?

Smart marketers know word of mouth is an effective channel for acquiring new customers. And a growing number of brands are waking up to the power of referral marketing to encourage brand advocacy and drive new customer acquisition.

However, many referral programmes never reach their full potential. Why?

Often in-house solutions suffer from limited development resource so new features and improvements are slow to be delivered.

With "plug and play" referral solutions, the testing and design capabilities of the programme are usually fairly limited. And with some managed solutions, the software provider often doesn't fully understand the business or provide sufficient support.

Mention Me are different; we'll show you how in this report.

First, we'll start by sharing what we know about refer-a-friend in a luxury context.

We work with over 400 brands, including powerhouses like MATCHESFASHION, Farfetch, LVMH's Benefit Cosmetics, Charlotte Tilbury and Feelunique. Some of the most successful referral programmes in the world are powered by us.

Next, we'll show you how we implement referral for other luxury businesses in a number of case studies. We've also included information about our technical side, how we compare with other referral providers and why our solution is the best around.



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Trends

Referral is the perfect fit for luxury brands

Peer groups generate authority and shape purchasing behaviour

Fashion and beauty are common topics of conversation among peers, both offline and online. Indeed, according to our research they are two of the most referable sectors. Consumers are both highly likely to share new brands in these sectors, and to follow the recommendation of a friend.

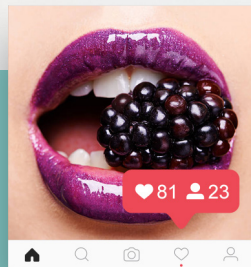
Luxury brands in these sectors are particularly referable due to the social cachet attached to being associated with the brand.

According to Bain, the main growth engine of the luxury market is a generational shift, with 85% of luxury growth in 2017 fueled by Generations Y and Z. It makes sense then, for luxury brands to ensure their referral strategy reflects these changing demographics.

47%

The percentage of millennials are influenced in their purchases by social media

DELOITTE



Customer advocacy in figures

Are all shares created equal?

We recently conducted a survey of 2000 shoppers to discover how they like to find out about new brands. Overall 71% said they'd prefer NOT to be advertised to. Within the fashion and beauty space, self discovery and advocacy are strong drivers for purchase.

While browsing in shops is still hugely appealing to consumers; a friend's recommendation is also one of the most popular ways to discover a new brand.

Whilst influencer marketing is big business; in the fashion & beauty sector, it seems consumers would trust a friend recommendation over that from a celebrity influencer.

Likelihood to recommend a fashion brand:

45%

66%

22%

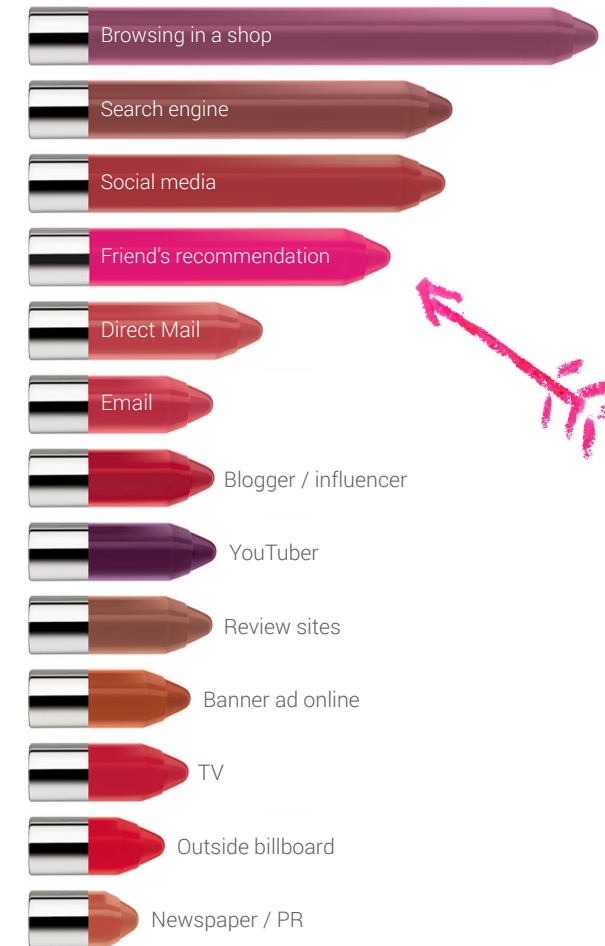
Likelihood to recommend a beauty brand:

41%

61%

19%

Popular ways to discover Beauty Brands:



Source: Mention Me customer survey 2018



10-30%

The increase in customer acquisition that most fashion businesses can expect from referral marketing

Part 1

Develop a strong case for referral

The potential of referral

At Mention Me we believe that most businesses should be targeting an increase in acquisition of 10% to 30% from their referral channel.

For businesses that already have an established model and marketing mix, referral is likely to represent one of the best ways of materially increasing acquisition.

The hidden benefits of referral

The number one benefit of referral is the number of new customers that it delivers to your business.

However, what is often overlooked is the quality of the customers that are delivered. Since the new customers are the friends of your existing customers, they are a great match for your target market. Unlike some channels where you bring in discount hunters who are not in your target demographic and likely to buy only once, referred customers are usually right in your target demographic and tend to become great, long standing customers.

They're also predisposed to liking you as a brand before they've even bought anything because their friends have been enthusing about you to them.

Our experience shows that referred customers:

- Spend 25% more
- Have a LTV 2x that of customers acquired via other channels
- Are 3x more likely to refer someone else

Brand factors which influence referral success:

Underlying customer satisfaction

A high Net Promoter Score is a great indicator that referral has the potential to work well.

Demographic

As a rule of thumb, women share more than men & under 30s share more than 30+. However, whilst older ages share less, the shares they make tend to convert better.

Impulse or considered purchase

It will take longer to get a referral programme off the ground for high consideration products, as referred friends may not yet be ready to buy.

Talkability of the category

Fashion and beauty are common topics of conversation so are highly referable

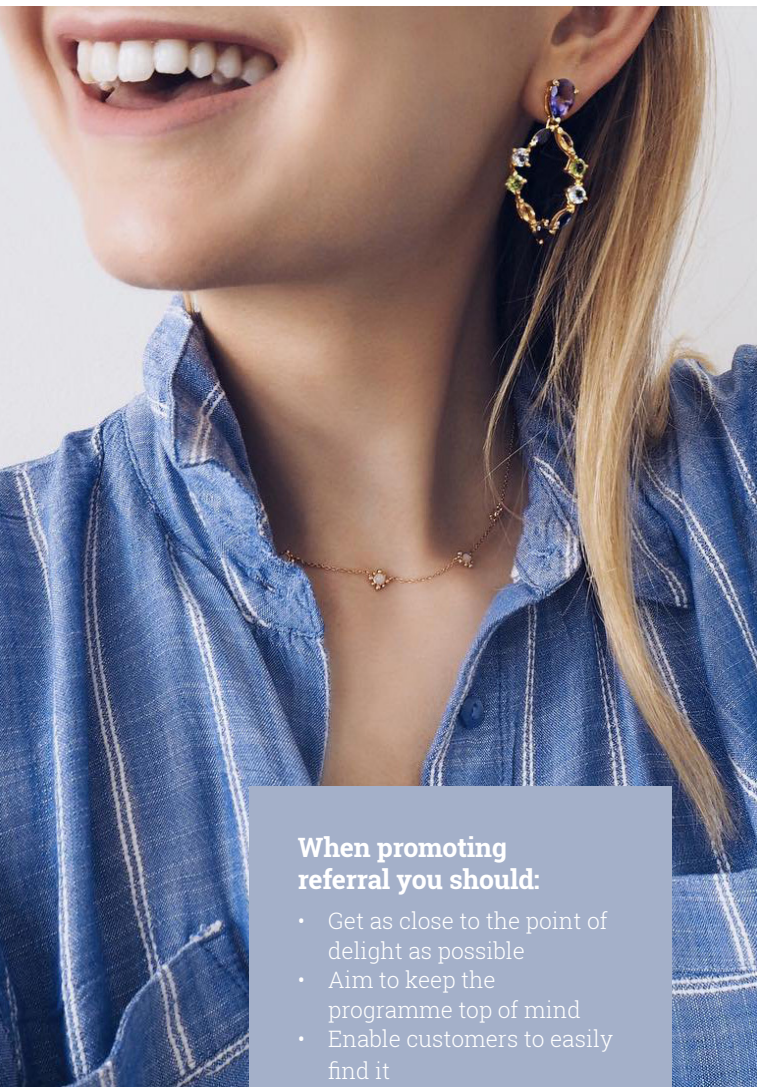
Proportion of existing customers

Existing customers are more likely to share than those coming to the checkout for the first time.

Discounting environment

If a brand regularly discounts heavily it makes it hard for a referral offer to stand out. Referrers will not share if they know their friends will get better value elsewhere. In these cases, exclusive events or competitions might work better as a referral reward than discounting.





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When promoting referral you should:

- Get as close to the point of delight as possible
- Aim to keep the programme top of mind
- Enable customers to easily find it

To achieve this, it's great to place promotion points in different places on your site and within email cycles.

Part 2

Encourage referral at point of delight

Best practice advice for getting set-up

Our research shows that the best time to tell your customers about your referral programme is when they are near a point of delight - and not in the middle of doing something else!

For online shoppers, the best time is right after they have made a purchase. This is why we always promote referral using an overlay on the post-purchase page. We augment this with other channels like in-pack inserts, email promotions and of course a referral dashboard in your account section.



Looking to drive referrals in Europe?

Make sure that your referral programme is GDPR compliant. Ours is.

Want to get creative? We also have lots of experience of running referral competitions and have a system of tiered incentives you can optionally enable for your scheme.

Most clients opt to keep their referral programs exclusively for customers but we also offer the option of an 'Open' referral program where anyone can invite friends to try your brand - even if they are not on your customer list. This is often used for influencers.

Part 3

Make it easy for customers to share

Share where your customers hang out

We offer 16 sharing methods, which you can configure by segment and device using our platform.

Until recently, many brands opted for Facebook, Messenger and Twitter alongside email. But for brands targeting the 18-35 demographic, that's not how they communicate!

We've already highlighted that the growth in luxury purchases is being driven by a younger demographic. So we recommend WhatsApp (in the UK) or Messenger (in the US) and link sharing replace Twitter and Facebook. One of our luxury beauty clients sees **14% of referral orders coming via WhatsApp**.

Face to face sharing is also a vital channel to tap into for beauty and apparel brands because so much sharing is triggered by compliments.

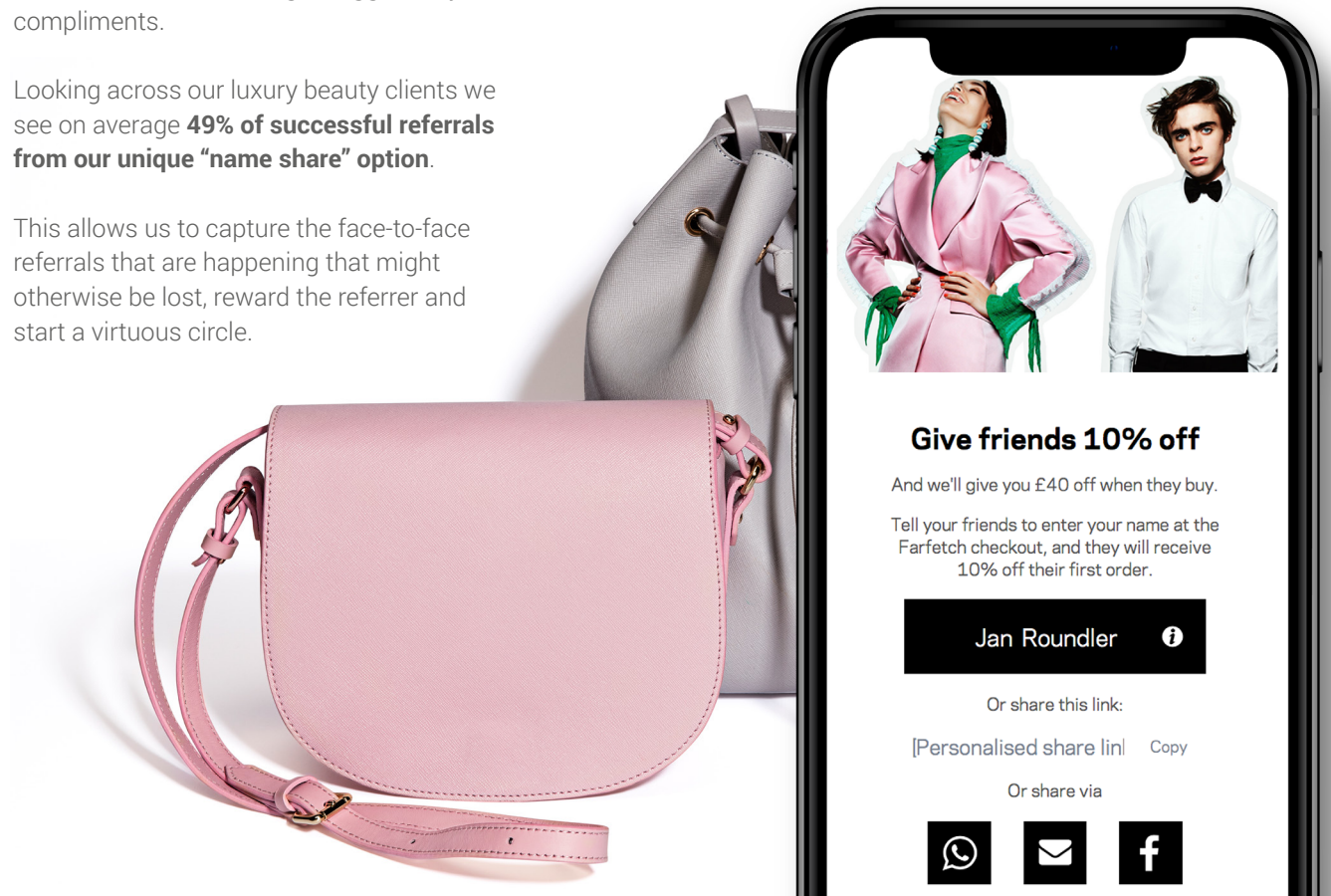
Looking across our luxury beauty clients we see on average **49% of successful referrals from our unique "name share" option**.

This allows us to capture the face-to-face referrals that are happening that might otherwise be lost, reward the referrer and start a virtuous circle.

Could you be missing out on 49% of your referrals?

Only Mention Me offer "share by name" as a sharing mechanism. This enables you to capture recommendations in the most frictionless way – in natural conversations.

On average, the beauty brands using the Mention Me platform, see 49% of their referrals coming via Name Share.



Part 4

Find the right incentives

The right incentives at the right time

Incentives are not the sole driver of successful referral campaigns, but they are important. In fact, we have found that you can more than double the performance of a programme by testing different offers.

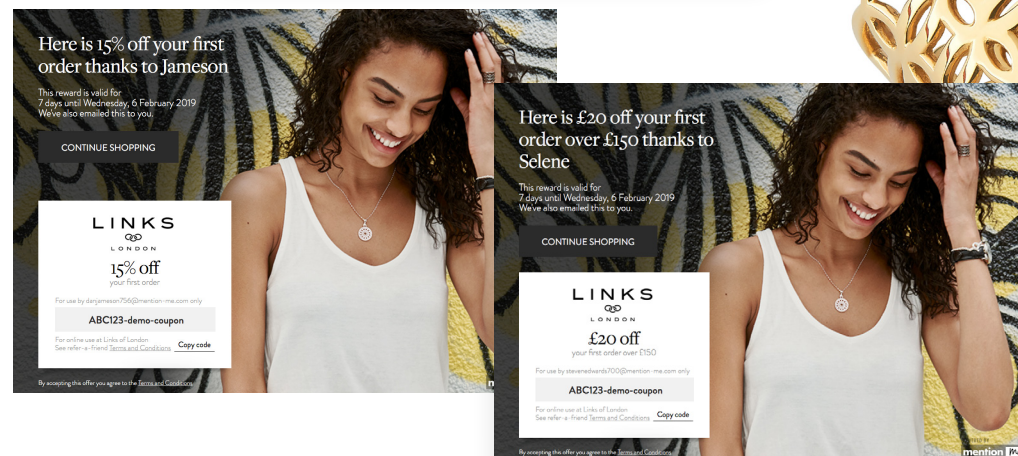
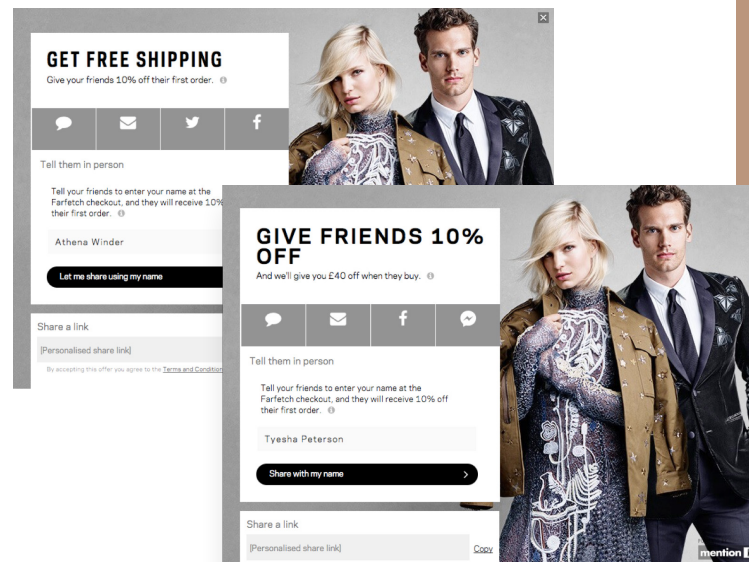
Mention Me supports 14 different incentive options, and understanding the psychology of your customers is the key to a successful incentive strategy.

Although discounts are popular referral incentives, luxury brands can take a more innovative approach. Referral works well when an element of exclusivity is built in, for example offering exclusive access to VIP events or product samples can work well.

We work closely with clients to set up an effective incentive testing strategy across multiple geographies and customer segments.

Examples of incentives to consider:

- Discounts - % or \$/£/€
- Gift cards
- 3rd party vouchers
- Free Delivery
- Loyalty points
- Cash or Rebate
- Free product
- Donations to charity
- VIP Access
- Competition Entry



Part 5

Driving performance

Our referral programmes regularly drive a large share of new customer acquisition. Here's how we think we can boost referral orders for you.

Referral programmes from other suppliers and those built internally often underperform. Why is a programme from Mention Me so different?

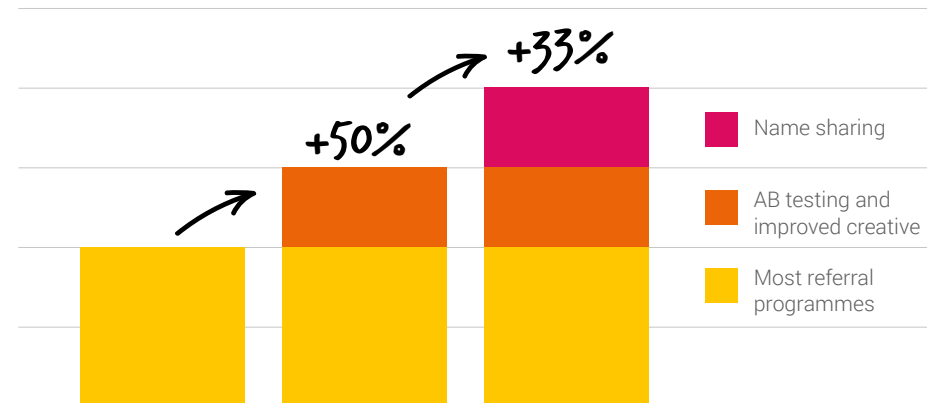
First, our expert referral consultants provide tailored advice on setup, incentive selection and promotional planning, ensuring you get the best-fit for your audience.

Secondly, unique capabilities around segmentation and cohort based AB testing allow you to test every element of referral. When there is a complex psychological process, like sharing, in the middle of an interaction this is extremely important.

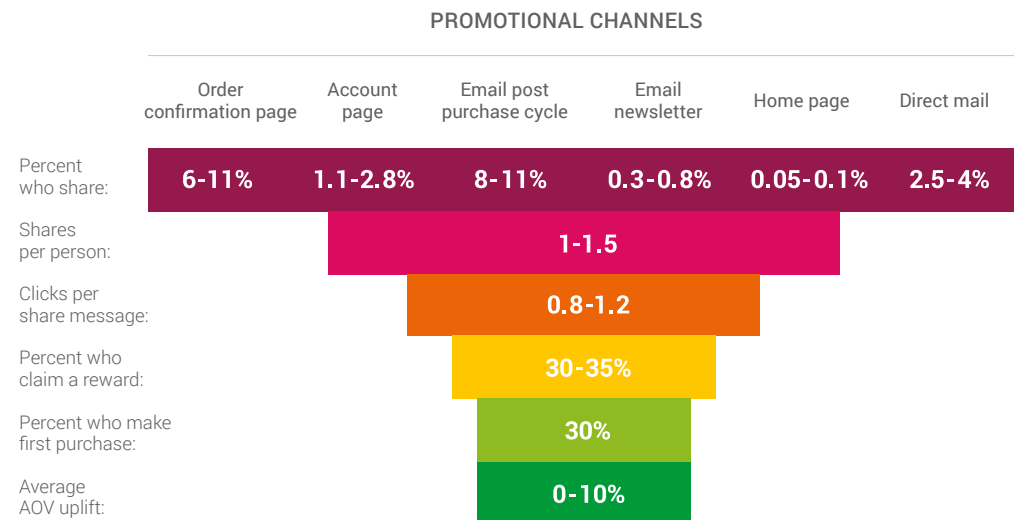
Our patent-pending name sharing also drives about 35%-45% of all successful referrals. This unlocks word of mouth from compliments. Without it, we predict your referral programme is only half as effective.

And finally, 16 fraud management vectors means you can be quite specific about who can (and can't) be a part of your programme.

Where we think we can take you



Your estimated conversion funnel



Part 6

Great referral examples

Your order is complete

£40 for you. 10% off for your friends. Deal?

Our refer-a-friend programme is managed by Mention Me who will process your data and send you referral service emails.

Refer Your Friend



By accepting this offer you agree to the [Terms and Conditions](#) of this promotion

“The results have been tremendous and we look forward to seeing where it can still go from here.”

Andrew Robb
COO
FARFETCH

7

The Farfetch programme is available in 7 different languages

Farfetch

Farfetch is leading the way in high-end fashion retail, offering an inspirational shopping experience to fashion-forward consumers.

Their success means that they enjoy triple digit growth rates and a pre-IPO \$5B valuation on the back of very high customer satisfaction.

Farfetch were aware that they had an amazing asset in their existing customer base. They realised that a referral programme represented an opportunity to accelerate their already impressive growth.

The Mention Me platform gave the marketing team the freedom to test and optimise the programme with the ability to AB test different offers by cohort. Additionally they could call on the Mention Me team for their experience, advice and examples of best practice.

Farfetch were particularly keen to give their audience the ability to share by name which they felt would work very well for their customer base.

The referral programme was live within six weeks. The initial launch was on the English speaking sites. Early success resulted in the rollout into multiple other languages and regions, with different offers and share options being tested in different markets.

Within just nine months, Farfetch achieved:

- An increase in acquisition of 15%
- More than 20% of referrals coming from Mention Me's unique name sharing technology
- Higher average order value from referred customers than other new customers
- Each customer who shares with their friends generates over £100 in incremental revenue from new customers

Some of the luxury brands we work with...

MATCHES
FASHION.COM

FARFETCH


Charlotte Tilbury

KURT
GEIGER

GANNI

DEMELLIER
LONDON


BELSTAFF

LINKS

LONDON

ASTLEY CLARKE


LIBERTY
LONDON


HUNTER

ORLEBAR
BROWN

COLE HAAN


THE WEBSTER

FEELUNIQUE

Karen, make your friends feel awesome with £10 off and treat yourself too with £10 off for your next order

Get even more beauty at your fingertip. Simply share Feelunique with your friends. It's win-win.

Our refer-a-friend programme is managed by Mention Me who will process your data and send you referral service emails. [More info](#) and [your privacy rights](#).

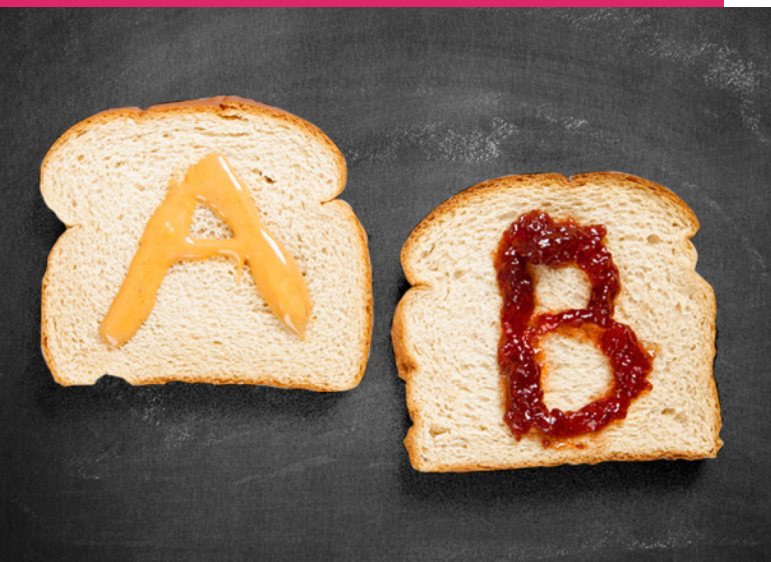
Give £10 off

By accepting this offer you agree to the [Terms and Conditions](#)

"Mention Me was the perfect partner for our referral programme due to the rigorous AB testing and their 'refer by name' functionality, a unique and simple method for customer to share our brand."

Ben Van Pelt
Marketing Manager
FEELUNIQUE

FEELUNIQUE



AB Testing

Our tools offer AB testing & optimisation as standard, with unique sharing options.

Find out more

Contact Mention Me for a demonstration of how our referral programme can help you.

hello@mention-me.com
+ 44 203 813 4460

About Mention Me

Mention Me exists to help businesses unlock referral as their leading marketing channel. Our world class platform has unique features to deliver referral success. Our team are dedicated to maximising the potential of the channel for your business.

Our integration is light (based on JavaScript tags) and places few demands on your technology team, so you can have a referral programme up and running quickly. And if you already have an in-house programme or one with another vendor that isn't performing as well as you'd like, we are experienced at migrating programmes to ensure a smooth customer experience.

You'll have all of the tools you need, and the expertise on hand, to allow you to optimise the referral programme for your different customer segments and geographies.

We incorporate best practice and innovation (such as the ability for customers to share by name) and we also back ourselves to make it work for each business we work with by charging on a cost per acquisition basis, rather than charging license fees.



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