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HAIR COLOR THAT BREAKS THE RULES

CASE STUDY

iterable + MADISONREED®

# Madison Reed Increases Subscription Rate by 45% With Iterable

With Madison Reed's online subscription service, consumers can achieve salon-quality hair coloring at home—conveniently, confidently, and economically. In addition to aggressively growing its online business, this relatively young company is opening physical locations called Color Bars to give customers the option of obtaining hair-coloring products and services in person.

According to Julia Papane, Email Marketing Specialist, understanding and responding to customers' hair coloring needs and preferences is key to building lasting relationships that drive company growth and ultimate customer lifetime value. Until 2016, however, the marketing team didn't have an effective way to create highly personalized, cross-channel interactions that help build long-term customer relationships.

To make those interactions possible, the company replaced its cumbersome and limited marketing solution with Iterable. This innovative growth marketing platform is enabling the team to create engaging campaigns that reach people through the web, email, SMS, direct mail, and other channels. The results speak for themselves: The upgrade-to-subscription conversion rate for Iterable campaigns is 45% higher than that of a control group. Moreover, the team found that adding direct mail to the workflow yielded an incremental 3% lift in upgrades.

45%
increase

Upgrade to subscription conversion

3%
increase
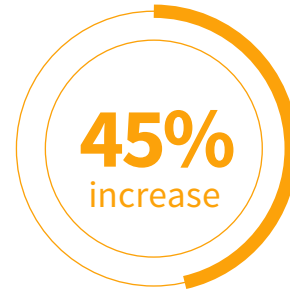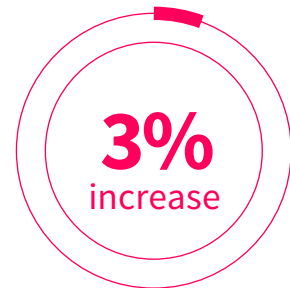
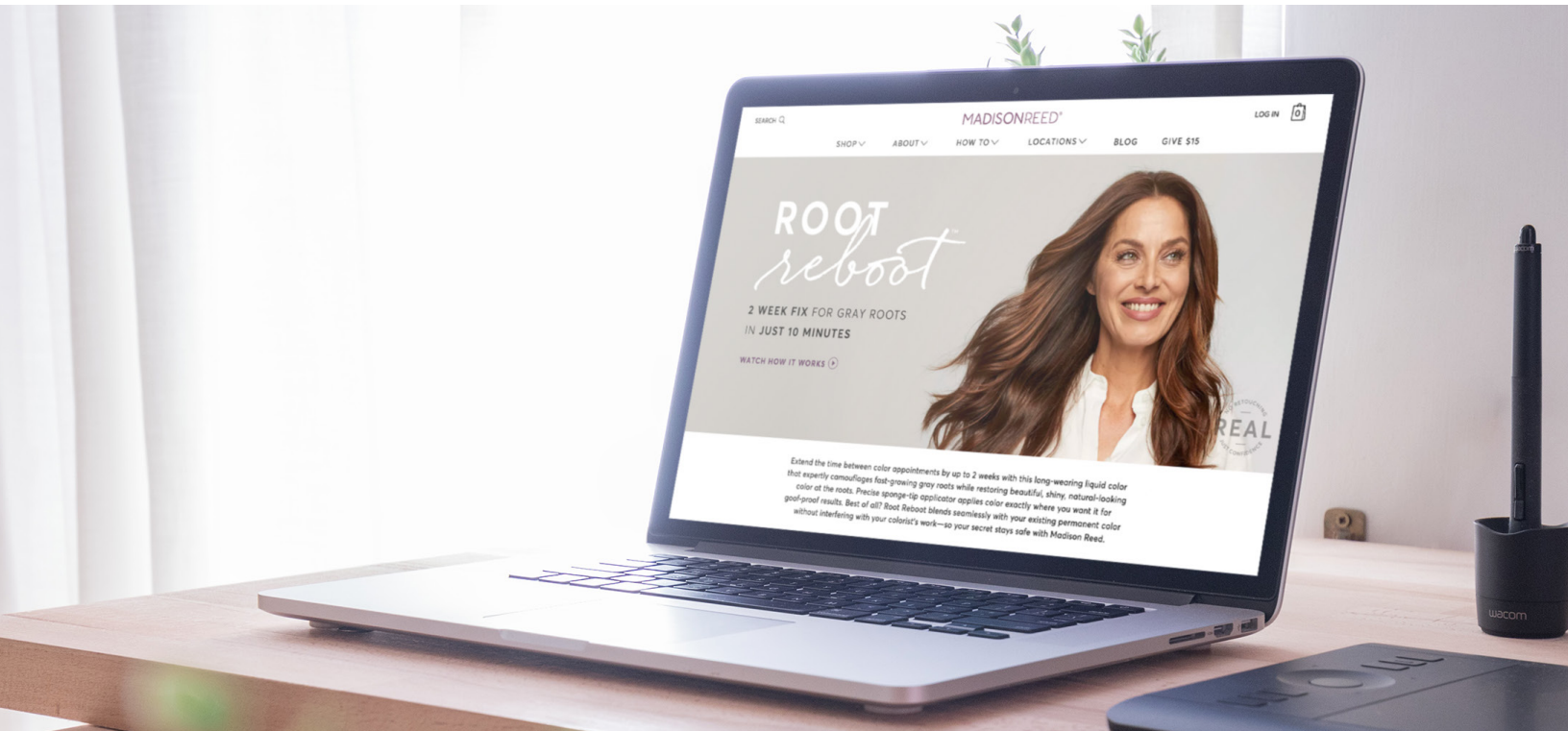Incremental lift from addition of direct mail
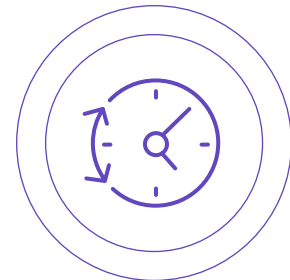
Real time triggered postcard sends

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With Iterable, we're tracking customer behavior across online and offline interactions and creating seamless cross-channel experiences tailored to the way each customer prefers to buy from us.

Julia Papane
Email Marketing Specialist
Madison Reed

Achieving a Seamless Path to Value

Marketers and engineers alike were excited about the move to Iterable. Iterable's flexible data model, modern APIs, and universal webhooks saved engineering time by simplifying integrations with other platforms. For example, Madison Reed leverages integrations with Segment, for customer data, and Lob, for direct mail.

Because of Iterable's straightforward, intuitive interface, marketers were able to quickly leverage these integrations. Today, Segment events trigger campaigns based on customer purchases and other behaviors. Delivery of a customer's first order, for example, triggers a series of messages containing how-to videos and custom tutorials to set customers up for success, thereby increasing the likelihood of subsequent orders.

"We've created some cool dynamic lists and workflows that leverage integrations to automatically trigger campaigns," Julia says. "Through the integrations, we can automatically synchronize Iterable with the customer database and create messages including instructional materials that are personalized based on an online hair color survey completed by each customer. The messages include relevant images and descriptions from our product catalog. It's super exciting."

Cross-Channel Reactivation Campaigns Reduce Early Drop-Off

Marketers have leveraged Iterable to create a reactivation campaign that is reducing customer drop-off after the first purchase. Because the hair color survey asks how often customers color their hair, marketing can determine expected reorder dates. The campaign workflow uses that information to generate lists of people who didn't reorder at the expected times and put their names in the reactivation workflow.

"Through testing, we found that the best reactivation sequence is an email message followed by a direct mail postcard, which is then followed by another email message," Julia notes. "The win-back content is consistent across all interactions. It's easy to include webhook integrations in our workflows to trigger interactions in real time—for example, the direct mail postcards. That's key in a business where highly personalized timing is everything. We've put an SMS webhook in the workflow so that customers who have opted into SMS receive an SMS nudge if they don't engage with the email messages or postcard."

Building Customer Lifetime Value With Online and Offline Interactions

Today, Madison Reed marketers use Iterable across the full range of customer interactions, from transactional communications and onboarding campaigns to reorder and reactivation campaigns that drive engagement and build lasting relationships. The ability to track online and offline interactions provides a 360° view of each customer, sharpening personalization and relevance. And ongoing testing of content, timing, channel, and other campaign components provides the insights marketers need to continually optimize email, postcard, and SMS campaigns to gain lifts in engagement and overall business KPIs.

Results

The upgrade-to-subscription conversion rate for Iterable campaigns is 45% higher than that of a control group.

Multivariate Testing and Performance Optimization showed that the addition of direct mail to the reactivation workflow drove an incremental 3% lift in upgrades.

Easy integration with other marketing platforms saves hours of engineering time and powers sophisticated campaign workflows.

Automated campaigns triggered by individualized customer behavior are increasing reorders, expanding the customer base, and increasing revenue.

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With Iterable, we're building more one-to-one personalization across channels, ultimately driving customer lifetime value.

Julia Papane
Email Marketing Specialist
Madison Reed