Angle	We'd like to update our current <u>Customer acquisition strategy blog</u> to reflect our <u>B2C CRM narrative</u> , which positions us as the only B2C CRM on the market. The current live page is already ranking on Google, so we need to keep the URL the same, but the content is over a year old and doesn't position us as the only B2C CRM.
The brief or SEO brief	Brief Outline
Squad	Self-serve
Launch date	3/19/25
Content type	Blog article
Content category	Customer acquisition
Keywords	keyword: customer acquisition strategy ■ MSV: 3800
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Meta Description	Explore effective customer acquisition strategies to grow your customer base and profitability. Learn how to scale your marketing efforts for more revenue.
URL / Slug	https://www.klaviyo.com/blog/ecommerce-customer-acquisition-strategy
Related content	(see interlinks)
Word count	~3,100
Interlinking	 https://www.klaviyo.com/glossary/what-is-customer-acquisition https://www.klaviyo.com/marketing-resources/future-of-consumer-market ing https://www.klaviyo.com/blog/email-rewards-program https://www.klaviyo.com/blog/marketing-mix https://www.klaviyo.com/blog/abandoned-cart-email https://www.klaviyo.com/blog/welcome-email-examples https://www.klaviyo.com/blog/email-segmentation-ideas https://www.klaviyo.com/blog/owned-media-examples https://www.klaviyo.com/glossary/what-is-omnichannel-marketing https://www.klaviyo.com/blog/klaviyo-facebook-integration-example-use-cases https://www.klaviyo.com/features/ai https://www.klaviyo.com/sign-up
Image files for staging	https://drive.google.com/drive/folders/1hc8Aj1_pizjt-LxsToTiB02IUyE-nGoU?usp=sharing

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How to create and scale your B2C customer acquisition strategy

"Build it and they will come" is not an adage that applies to B2C businesses.

Between higher consumer demands, tighter margins, and growing competition for attention, it's never been more challenging—or expensive—to invest in customer acquisition.

This perfect storm has B2C brands wondering how they can grow their customer base without sacrificing profitability.

As it turns out, customer data is the answer.

Keep reading to find out how you can better use data to keep your customer acquisition costs (CAC) low while expanding your base enough to keep growing as a business.

What does an efficient customer acquisition strategy do for you?

High ad platform competition, high production costs, and economic uncertainty are just some of the reasons why brands need to get the most out of their acquisition dollars. Here's what you can expect when your <u>customer acquisition</u> strategy is smarter and more efficient:

It gives you access to the right customers

With customer acquisition, the goal isn't to attract as many people as possible—it's to identify and target audiences most likely to need your products and buy them again. An efficient strategy will help you allocate resources to acquiring people who are going to stick with your brand over time.

It boosts your long-term revenue

An efficient customer acquisition strategy will lead to an increase in revenue over time. Acquisition is never only about short-term revenue—it's also about increasing retention opportunities and long-term sustainability.

It drums up higher customer loyalty

Acquiring new customers is important, but retaining them is equally important for long-term success. A well-planned customer acquisition strategy aims to <u>build customer loyalty</u> and attract customers who are likely to spend more.

It increases your marketing ROI

An efficient customer acquisition strategy optimizes your ROI, so that every dollar you spend delivers more value for your business. When you understand which channels are working for

your business and which ones aren't, you can start to better allocate budget toward more predictable outcomes.

6 important customer acquisition channels

Customer acquisition channels are an essential part of attracting and converting potential customers into paying ones. When you understand where your high-intent shoppers spend their time, you'll get the most out of your customer acquisition strategy and significantly increase the likelihood of conversions.

Here are a few B2C marketing channels to consider:

1. Social media

Klaviyo's future of consumer marketing report found that nearly one-third (29%) of consumers discover new retail and ecommerce brands through organic social media. This is especially true for Gen Z and millennials, who are most likely to use organic social media to look for new retail/ecommerce brands as well as restaurants.

Facebook, Instagram, X, <u>Pinterest</u>, LinkedIn, <u>Snapchat</u>, and <u>TikTok</u> give B2C brands access to large and diverse audiences. By regularly posting engaging content, running targeted ads to <u>lookalike audiences</u>, and using social media analytics, you can identify your target audience and connect with potential customers.

Partnering with content creators is an especially effective way to get your product in front of your target audience through someone they trust. For example, meat subscription service <u>ButcherBox</u> partnered with TikTok creator Jackie Hartlaub (@lowcarbstateofmind) on this quick tutorial for beef fried rice.

The video—which racked up 2.5 million views—included a special offer for viewers who signed up for their first box. The viral hit expanded brand awareness *and* encouraged conversions.

https://www.tiktok.com/@lowcarbstateofmind/video/6914788540874345734

2. Email

Unlike many channels, you own your email list and all the data it generates. And since email marketing is a permissions-based channel—your subscribers opt in to hear from you—they're more willing to share information that can help you personalize the customer experience.

The costs of running an email campaign are also minimal, limited mainly to labor and your email service provider. According to Nikki Tooman, CEO and co-founder of <u>Sticky Digital</u>, those costs are modest compared to the value and revenue email can earn you—making this one of the most profitable customer acquisition channels.

"A number most brands aren't aware of is that your email alone should be driving at least 30% of your overall revenue every single month," Tooman says. "When you say that to brand

managers, they're shocked, because it's only driving 10%. That's a sign you have work to do on your email channel."

Our recommendation is to set up email campaigns that <u>go out on a regular cadence</u>, depending on what you're selling and how often your customers want to hear from you. Email automations, such as <u>abandoned cart emails</u> and <u>welcome flows</u>, can also be an invaluable way to educate first-time visitors about your brand and turn them into paying customers.

<u>Segmenting your audiences</u>, meanwhile, can help you personalize your email messaging. When your messages are more relevant for the people who receive them, you'll likely see more engagement and conversions. This is a better way to lower CAC, as opposed to relying too heavily on discounts.

Tom Coburn, co-founder and CEO of <u>Jebbit</u>, shares an example: "I love snowboarding. If a brand learns how often I snowboard, who I go with, and what type of trails I do, they can send me messaging that's way more personalized than just sending me a 30% off coupon."

3. SMS

Many brands are still figuring out SMS as a customer acquisition channel. There's a variable cost associated with SMS, but it can decrease if you optimize your SMS strategy for efficiency.

As Tooman puts it, "50% of your revenue comes from 8% of your most loyal customer base, and email and SMS are key drivers of that revenue."

Grace Clarke, independent owner of <u>Grace Clarke Consulting</u>, points to beauty brand <u>Topicals</u> as an example of a business doing <u>SMS marketing</u> right.

"Their SMS marketing isn't salesy at all. It's a quiz or a piece of trivia sent every Tuesday, meant to educate users on skincare," Clarke explains. "Rather than talking about how the product makes skin better, the SMS adds value to consumers' lives by giving them a deeper sense of their bodies."

4. SEO

SEO is still a popular customer acquisition method for a couple of reasons: it's cost-effective, and it can garner incredible results if brands get their products to rank in Google Shopping results.

SEO is an especially effective channel for certain industries, like wellness/personal care and hotels. Klaviyo's future of consumer marketing report found that 41% of consumers find new hotel brands through online search—the most popular discovery channel for that industry by far.

Here are a few SEO tactics that can boost organic traffic to your website:

 Research and incorporate high-intent, relevant keywords throughout your website, product pages, and landing pages.

- Include descriptive alt text for images to make sure they're indexable by search engines.
- Start a blog and regularly publish articles that speak to your audience.
- Build quality backlinks from reputable websites.
- Build category and collection pages for high-volume product keywords.
- Create content optimized for Google AI overviews by adhering to Google's E-E-A-T principles (Experience, Expertise, Authoritativeness, Trustworthiness).

5. PPC

PPC, or pay-per-click, allows you to target your search ads to specific demographics, geographic locations, and even interests. This means you can reach the right people at the right time with your ads.

PPC platforms such as Google Ads also provide a great deal of flexibility in terms of ad formats, targeting options, and budgeting. Detailed analytics and tracking tools, meanwhile, help you easily measure the success of your campaigns.

6. Marketplaces

Marketplaces, like Amazon or Etsy for ecommerce brands or DoorDash for restaurants, offer quick access to large, built-in audiences. They're a great way for smaller B2C businesses to reach new customers without heavy upfront marketing costs or complex logistics around payment processing and delivery.

To maximize your success on these marketplaces, find ways to:

- Optimize your product listings according to the conventions of the platform.
- Offer platform-specific promotions.
- Encourage positive reviews.

That last tactic is important: according to Klaviyo's future of consumer marketing report, <u>customer reviews</u> matter more than any other factor when consumers are making an initial purchase with a brand, regardless of industry or generation.

Choosing the right marketing mix: owned vs. third-party marketing

While you can use any of the above channels to bring your customer acquisition strategy to life, it's important to ask which ones will attract the right customers to your business. It may be helpful to think about this question in terms of owned vs. third-party marketing.

Owned marketing

Channels you own and control are:

- Your website
- Email
- SMS
- Your mobile app and push notifications

The cost of acquiring customers on owned channels is typically lower, as there are no third-party fees for capturing customer attention.

But even more importantly, on owned marketing channels, you have control over the data your subscribers generate, the experiences you create, and the relationships you form with customers. This is important for consistency, which, as it turns out, is *very* important to customers.

Klaviyo's future of consumer marketing report found that the biggest frustration consumers have when shopping with the same brand on multiple channels is inconsistent pricing and promotions, followed by inconsistent product availability.

Owned marketing is how you can maintain the control you need to avoid this kind of inconsistency.

Third-party marketing

On the other hand, you may be able to reach new audiences en masse with third-party channels such as:

- Paid search
- Display advertising
- Third-party marketplaces

But these channels typically limit your ability to engage with your target audiences. This lack of control and broad targeting can lead to higher acquisition costs, as it forces you to compete against others with potentially larger budgets.

To find the right mix, it may be helpful to do a monthly assessment of how your channels are working for you to see if any recalibration is in order.

"It just means giving yourself an hour or two once a month to sit with the decision-making and data teams, look at the data, and be realistic about what you can do relative to where your customer is showing you they want to be engaged," Clarke says.

3 B2C customer acquisition strategies that drive sustainable growth

Remember, customer acquisition isn't just about the short-term win—it's about creating a scalable process of finding and converting customers. Here are 3 expert-backed customer acquisition tactics to keep in mind:

1. Focus on finding the right customer

Marketers can sometimes approach customer acquisition as more of a transaction than a relationship building endeavor. It may be tempting to capture a customer's phone number or email as quickly and as cheaply as possible—but without considering the customer's emotions, the experience can suffer.

"When you drive a customer to your website for the first time, and a pop-up asks for their email for 10% off, it's a very transactional experience for them," Coburn points out. "You'd never walk into a store and get asked for your email right away. We would engage you in a conversation."

Instead of chasing as many customers as possible, consider building and nurturing long-term relationships—even if it means growing your customer base takes longer.

For instance, you can use Jebbit or <u>Typeform</u> to create a quiz that greets a new site visitor, asks a couple of questions, directs them to the right product based on their responses, and requests their email at the end of the quiz.

This is a more meaningful engagement that drives a 20% higher lead capture rate on average, according to Coburn. You still get the leads you want, but you get them in a way that's better for the consumer—while also collecting first-party data in the process.

The benefit of owning this type of data is that you can use it to acquire more customers more efficiently. For example, you can use first-party data to advertise to lookalike audiences—people who have similar traits to your existing customers—on paid media platforms like Meta, TikTok, and Google Ads.

Imagine, for example, that you run a footwear brand launching a Meta Ads campaign to sell a limited-edition sneaker. With Klaviyo's <u>Meta Ads integration</u>, you could create a segment of customers who purchased a similar sneaker in the past 6 months and use it to create your lookalike audience. Now, you have a better chance at reaching the right people for less budget.

2. Think about retention in terms of reacquisition

Every customer is different—not only from the next customer, but also from the customer they used to be.

"The customer you acquired 6 months or a year ago is not the same customer today," Tooman says. "We have to focus on everything we've learned from acquisition, parlay that into retention, and make customers loyal."

Without giving customers a reason to continue shopping with your brand—whether through personalized experiences or thoughtful incentives—they may be more susceptible to price shopping. Klaviyo's future of consumer marketing report found that for brands consumers have shopped with before, competitive pricing and discounts are the most important factor when considering a purchase.

As Clarke points out, "brands are shifting from the thought process of 'Once we have a customer, we have them forever,' to 'Once we have a customer, we get to continue to stay in a relationship with them and reacquire."

3. Take a test-and-learn approach to paid marketing

"Most of my clients are still heavily invested in paid, but they're doing it in a way that's more of a test-and-learn approach," Clarke says. "They're diversifying their paid spend across certain channels only when they actually have learnings and feel ready."

To run a successful test (more on this next), you'll need to start with a data-backed hypothesis. With a platform like <u>Klaviyo B2C CRM</u>, you can, for example, create a "newly subscribed" segment—people who are just discovering your brand. You can then use this group to seed a lookalike audience for the Meta Ads.

This can serve as a testing ground for new ad campaigns, and the results can let you know what works for people who are just discovering who you are. You can then use this knowledge to refine your top-of-funnel discovery strategy.

"While 80–85% of your digital budget should be invested in the tried-and-true tactics, spend around 10% of your budget trying new things," suggests Cody Plofker, CMO of <u>Jones Road Beauty</u>. "If one of those works, it could be a game changer."

Testing acquisition strategies to unlock growth

But how do you decide what new things to try? Is it new channels or different creatives? Do you experiment with bundles, promotions, and products?

The key is to strategically understand potential roadblocks and what's going to unlock growth. Here are a few options for testing your acquisition strategy:

Offers

Offers are a significant way to create an incentive to motivate shoppers. Your audience is bound to respond to different offers than the next brand, so you can test and optimize to effectively improve your margins.

Case in point: "We were able to increase average order value by 10% on paid channels by offering a gift with purchase of a certain threshold," Plofker says.

Run a series of A/B tests to optimize your offers. When sustainable clothing brand <u>Brava Fabrics</u> tested a sign-up form offering a contest entry with a one-time prize against a sign-up form offering a discount, they determined that the <u>offers performed identically</u>. Notably, increasing the prize amount didn't impact conversion rate.

Giving only one customer a prize, rather than offering everyone the same discount, helped the brand protect their marketing budget.

Ad creative

Whether you produce it in-house or use services like <u>Superside</u> or <u>99designs</u>, your marketing creative can have a huge impact on CAC and conversions. Small, strategic changes can make all the difference between high-converting content and creative that falls flat.

But be careful about diminishing returns when testing ad creative. If you're testing 20 ads per week on one channel, you won't see much better results from testing 40 ads per week. A better use of your time would be to test on a new channel with a fresh audience.

Idea networking

See where other marketers and brands are finding success. Watch, learn, and think about where your customers are—and where you might want to be.

Market research never hurts, so invest in understanding which publications people are reading, the media they're consuming, and how they learn about brands in your space. You can also use tools like Wynter to kick start your research process.

How to measure the success of your acquisition strategy

Take everything you know about your consumers, set a hypothesis, and then measure your expectations to a defined forecast on a regular basis.

"You need to be brave enough to say, 'Here's what we expect,' look at what's happening across your revenue-driving channels, understand how close you're getting, and be hungry for the moments when you're not on track," Coburn says.

"Our industry is so geared toward revenue at all costs—it's the primary KPI for most marketing and growth initiatives," Plofker adds. "That can be misleading because sometimes you may make more revenue but not profit."

To make sure you're paying attention to the right numbers, review the following metrics on a regular basis:

Customer acquisition cost (CAC)

To determine the cost efficiency of your customer acquisition strategy, use the following formula to calculate the cost of acquiring each new customer:

CAC = marketing spend / new customers

Marketing spend includes brand awareness campaign costs, paid advertising, quality content creation, and more.

If your marketing spend for one quarter is \$1,000 and you acquire 50 new customers, for example, your CAC would be \$20.

Profit

Once you know the cost of acquiring a new customer, compare it to your average order value (AOV) to assess the profitability of your customer acquisition strategy:

Profit = average order value - costs of goods sold - CAC

Note that this formula calculates one-time profit. But if customers become repeat buyers, they might make subsequent purchases at little to no additional cost. Remember, repeat customers tend to have a higher customer lifetime value.

Because acquiring a new customer typically incurs higher costs than selling to existing customers, your customer acquisition strategy needs to extend beyond the initial purchase.

Gross margin

Gross margin refers to the portion of a company's revenue leftover after subtracting direct costs, including wholesale costs.

Gross margin = revenue – direct costs

"If you have a \$100 AOV and you're shooting for a 75% gross margin, your products should cost you no more than \$25 to make," Plofker explains.

Landed cost margin

Landed costs are all the variable costs associated with fulfilling an order. "If you take an order value of \$100 and your gross margin per order is \$75, deducting all the variable costs will help you figure out what it costs on average to get a box out to a customer," Plofker says.

Marketing efficiency ratio (MER)

Divide your total spend by your revenue from new customers to arrive at your MER.

MER = total spend / revenue from new customers

"We shoot for a 5, which means 20% of our total sales should be spent on marketing—no more than that," Plofker explains.

Set your customer acquisition strategy up for success with the only B2C CRM

Customer acquisition isn't an overnight process. The most successful B2C businesses consistently acquire new customers through a variety of effective strategies.

But successfully implementing those strategies requires the right technology.

Most customer relationship management platforms (CRMs) are built for businesses selling to other businesses, which means they're optimized for long sales cycles and account-based marketing. Klaviyo is the only CRM designed specifically for B2C businesses—combining deep personalization, speed, and scalability into one platform.

By integrating data, automation, service, and analytics into a single platform, Klaviyo B2C CRM not only efficiently grows your customer base—it also turns first-time buyers into lifelong customers.

<CTA> Make customer acquisition a priority with Klaviyo B2C CRM. Get started