



Reimagining Retail:

IMPROVE CUSTOMER EXPERIENCES USING DATA

EXECUTIVE SUMMARY

- » Consumers have fundamentally changed how they shop and how they buy. This shift has forced retailers to adapt to a new paradigm.
- » The proliferation of new technologies has created substantial new opportunities to understand and serve customers, which means organizations must put forth the effort to integrate new technology into regular processes and procedures.
- » Siloed data and departments must be broken down to rebuild infrastructures that enable centralized data.
- » Retailers must build complete, 360-degree portraits of customers to recognize them as individuals and understand their buying behaviors. Consumer personas are key to relevant and personalized experiences for customers who represent high-value potential for profitability.
- » Brands must reach across all channels and devices to provide meaningful experiences based on each consumer's demonstrated preferences.
- » Digital and offline shopping experiences should be seamless for consumers, while digital and offline measurement and attribution should be seamless for retailers.
- » Consumers now expect personalized and relevant content that retailers can and must deliver, using data-based insights, to drive the best customer experience.
- » All data must be handled in a transparent and ethical manner, with retailers accountable for ensuring it is used in ways that benefit consumers and protects them from harm.

INTRODUCTION

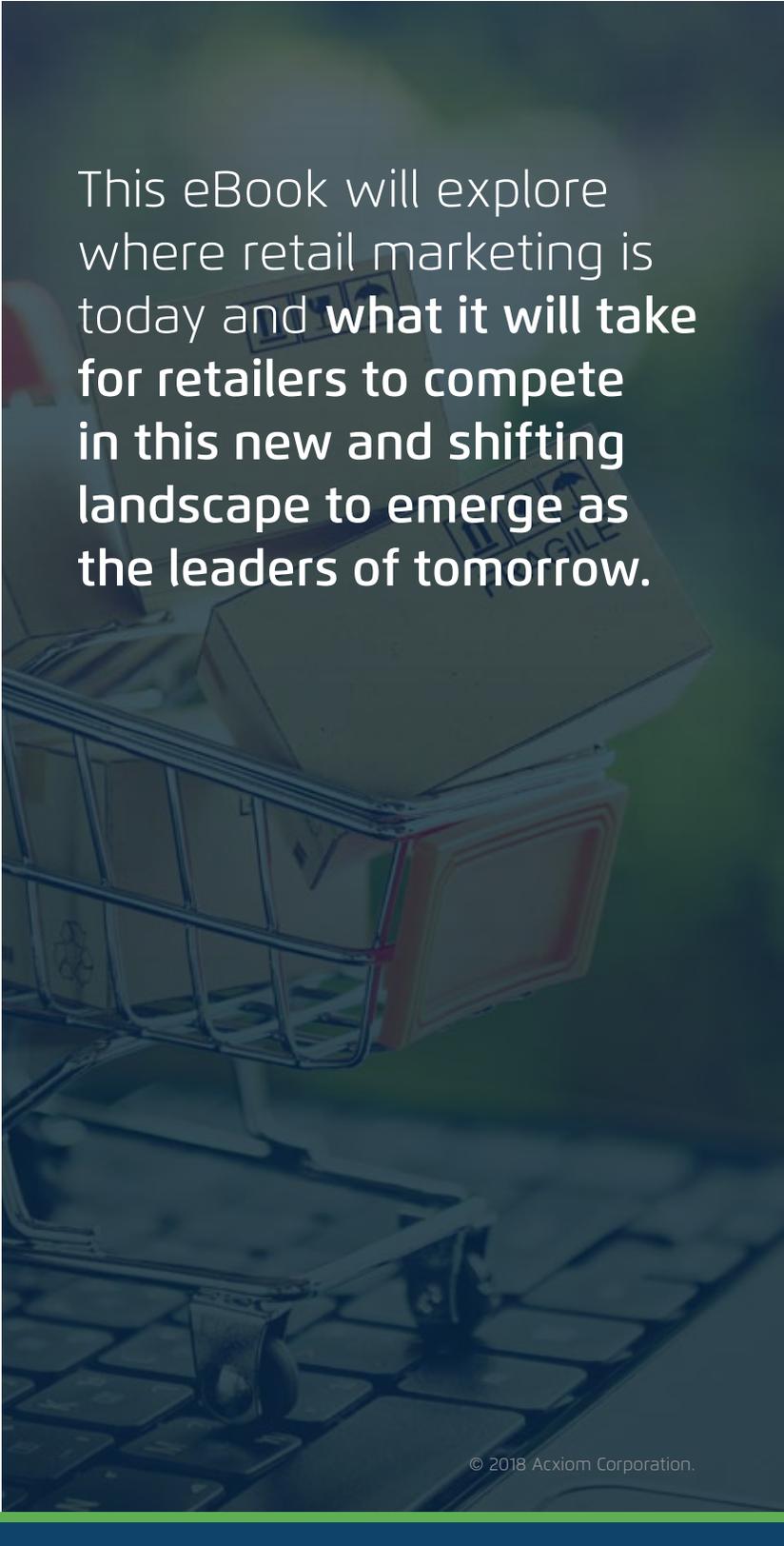
Today's retail industry has been irreversibly altered. A technological explosion has awoken society to a new world, with new rules and new challenges for marketers. Marketing must increasingly focus on truly knowing each consumer as an individual and strengthening our ability to connect the dots of their often fragmented journeys, all while acting ethically when using consumer data.

The ability to make these connections creates an opportunity for brands to earn customers by winning their loyalty rather than losing out on opportunities due to convenience and proximity. Competition is no longer based solely on price and location but rather the ability to create experiences that cultivate customer loyalty and brand affinity. The pressure for retailers to perform above and beyond customer expectations is higher than ever, and it is an unyielding and ever-growing factor that pervades every aspect of an organization. Those demands make marketing strategies that include closed-loop measurement, customer recognition, omnichannel marketing and personalization imperative for today's brands.

To become unforgettable, retailers must distinguish themselves from competitors to create meaningful, long-lasting relationships with customers. The call to action for retailers is clear:

- **You must integrate** new technology at an expedited pace
- **You must build** an accurate 360-degree view of each customer
- **You must identify** your best customers and deliver exceptional experiences regardless of channel
- **You must offer** a unified, informed omnichannel experience
- **You must offer** each individual customer personalized and relevant content
- **You must apply** an ethical construct to assess and leverage data

These are no longer lofty ambitions but business mandates created by the collision of available technology and changing customer expectations.



This eBook will explore where retail marketing is today and **what it will take for retailers to compete in this new and shifting landscape to emerge as the leaders of tomorrow.**

THE DILEMMAS OF DATA AND TECHNOLOGY

THE CONSUMER EXPERIENCE IS CHANGING

The numerous data points generated by one single consumer characterize a crucial aspect of the changing world of retail. With buyers taking more control over their journey, and mobility upending how everything from research to purchases are conducted, we find ourselves immersed in data like never before.

In today's ecommerce world, your consumer may be interacting with you in a number of ways, including:

- **Following** your brand on social media
- **Opening** email offers/newsletters
- **Receiving** traditional direct mail communications
- **Browsing** your website
- **Downloading** and using your brand's app

On one hand, this makes it easier to learn more about your customers and to create experiences that delight them. We have the ability to reach out across channels to connect with consumers wherever, whenever and however they want to connect. But at the same time, the ability to leverage all this data continues to elude many retailers. Businesses find themselves overwhelmed by its volume and disparity and either have a difficult time understanding how to use it or they become too intimidated to try.

The same customer may be engaging across all of these channels with each interaction characterized by different information. The same user may have multiple email addresses, physical addresses, phone numbers, device IDs and transaction IDs. With that being the case, how does a retailer successfully recognize the same customer in all of these places and engage accordingly?

It is possible. But for many retailers it remains a major hurdle. Why does an opportunity for better-informed customer interactions seem so out of reach?



SILOED DATA AND DEPARTMENTS

The structure of retail enterprises — sister stores in nationwide locations and numerous internal departments — often results in clashing or fragmented data. The diverse touch points of the new customer journey inevitably lead to data accruing in various locations throughout a brand's infrastructure.

For example:

- **Information related to in-store transactions may not connect with online transactions**
- **Contact information may not connect with social media data**
- **Digital behaviors may not connect with the CRM software dictating email or direct mail initiatives**
- **Phone numbers associated with purchases may not be connected with loyalty programs or mobile engagement initiatives**

Disconnects between databases and departments ultimately lead to missed opportunities. [A study by Adobe and Econsultancy¹](#) found that while organizations continue to struggle with successful omnichannel marketing for many reasons, there are some clear main themes.

Respondents identified their top three challenges:

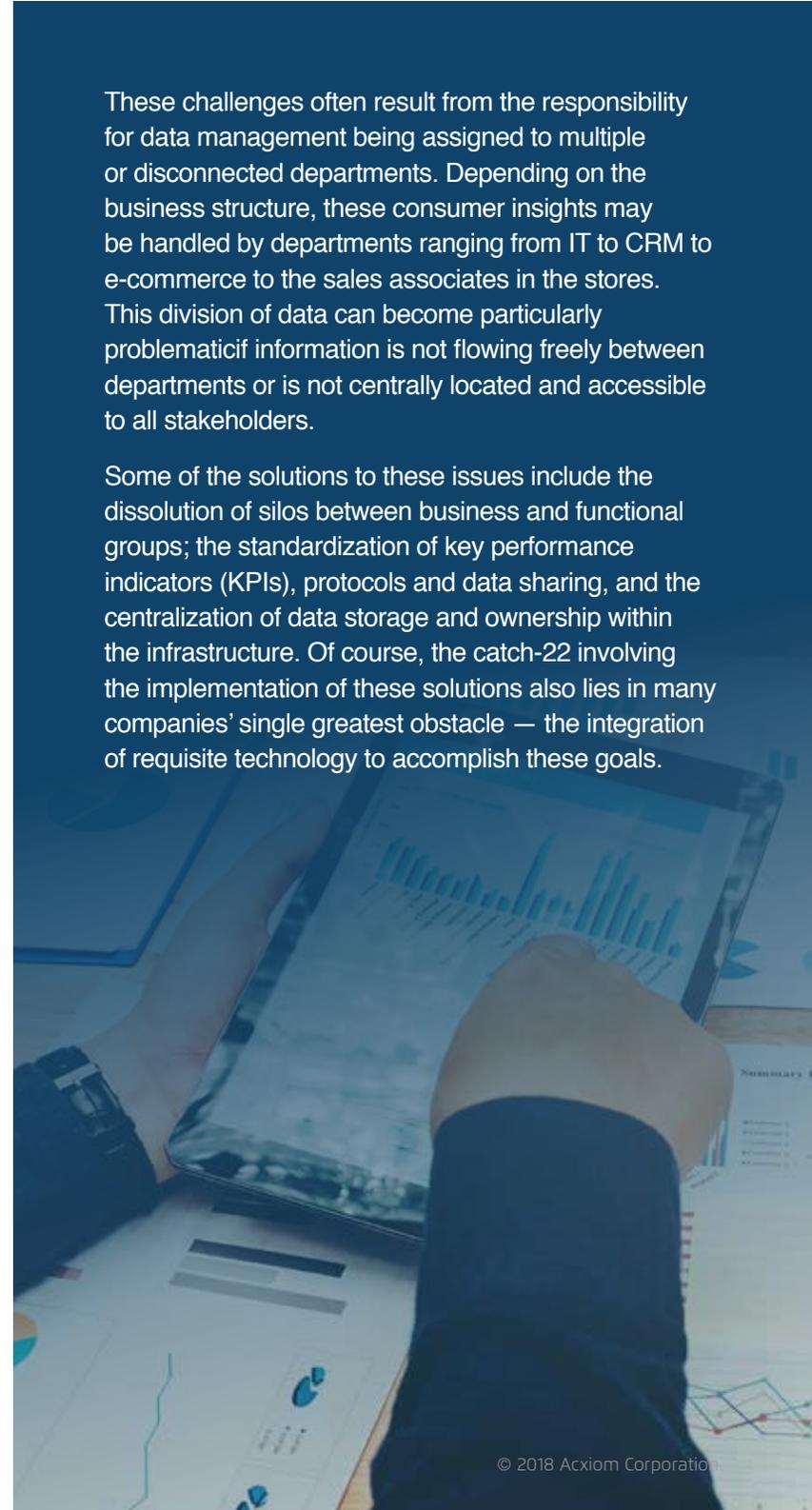
Non-integrated tech platforms – **51%**

Disparate data sources – **40%**

Management of channels in silos – **39%**

These challenges often result from the responsibility for data management being assigned to multiple or disconnected departments. Depending on the business structure, these consumer insights may be handled by departments ranging from IT to CRM to e-commerce to the sales associates in the stores. This division of data can become particularly problematic if information is not flowing freely between departments or is not centrally located and accessible to all stakeholders.

Some of the solutions to these issues include the dissolution of silos between business and functional groups; the standardization of key performance indicators (KPIs), protocols and data sharing, and the centralization of data storage and ownership within the infrastructure. Of course, the catch-22 involving the implementation of these solutions also lies in many companies' single greatest obstacle — the integration of requisite technology to accomplish these goals.



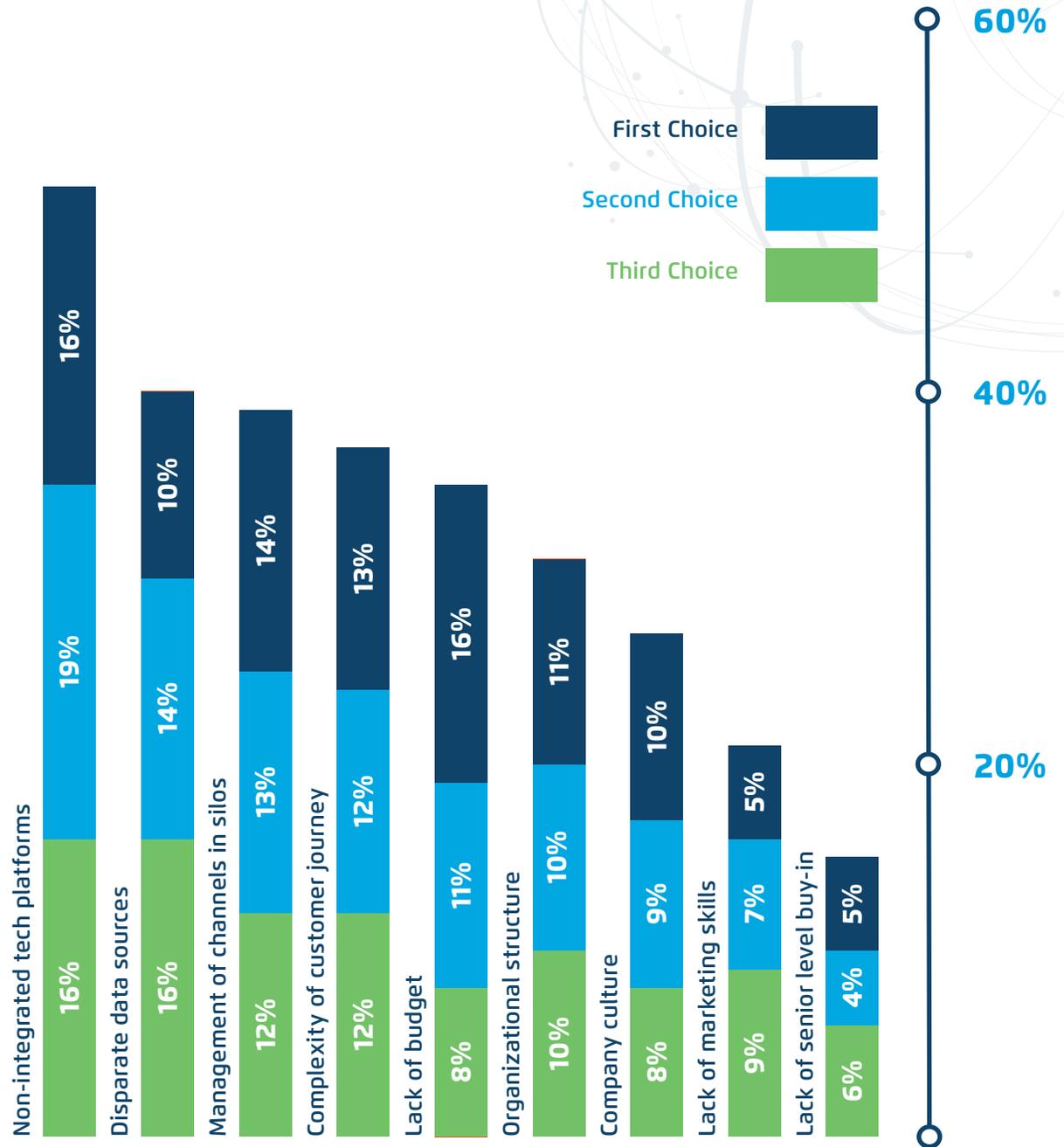
INTEGRATING TECHNOLOGY

The notion of integrated technology sounds ideal. But many organizations are still using data storage systems that, by their very nature, are the antithesis to integration, agility and real-time data updates. Consider for a moment how many systems are in use at any given moment. Data storage and sharing may be done through a range of formats from platforms like CRM, custom databases, point-of-sale systems and automation software, to digital file formats like Google and Word docs or Excel spreadsheets.

Now think about how much room for error exists in these formats. For example, a need for manual data entry that increases the chance of user input errors or their inability to integrate with other systems.

But as a retailer, you've probably already thought about this and lost sleep trying to find a solution. Econsultancy and Adobe found that businesses understand that these, and other contributing factors, are the biggest obstacles standing in the way of providing consumers with omnichannel experiences.

These hindrances often result in an uneven internal structure and manifest themselves in an inconsistent consumer experience.



Top Obstacles to Consistently Integrated Omnichannel Marketing Activities²

ETHICAL DATA USE

Today, more than any time in history, data and technology fuel our day-to-day lives. Educated consumers know brands use data to increase relevance and personalization. Frequently, however, most consumers either don't fully understand or pay attention to notices about how data is collected and interpreted, what exactly is tracked or how that information will be used or shared — as long as they receive a better experience, are more quickly and accurately recognized and get the improved service they expect. However, get it wrong, and the consequences can range from loss of revenue, to damage to your brand reputation, even to legal repercussions.

The first step is for retailers to establish ethical practices for all aspects of the business that involve the collection and use of data. This should go beyond what is required by law and include policies and procedures that ensure data uses are fair and just to consumers. When designing marketing programs, you need to identify the value for all stakeholders, which means both your brand and your customers.

By deliberately applying an ethical construct to assess information-driven solutions, brands can leverage data to succeed in their respective marketplaces while establishing and strengthening the trust of the individuals they serve. After all, a good data-based marketing program should benefit everyone.



KEY RECOMMENDATIONS

Both problem solving and growth ambitions can be accomplished through technology and partnerships that revolve around overcoming these challenges.

Your own first party-data remains your greatest insight into your consumer. But if it is incomplete or inaccessible to those who need it most, those are severe barriers to true consumer recognition for personalized and relevant marketing. In addition, consumers can shun brands that don't clearly demonstrate they know how to treat personal data in a way that meets their expectations and can even opt out of interacting with the brand entirely. Unfortunately, most retailers may not be equipped to develop their own technology solutions in-house and, even for those that are, the resource allocation to build proprietary technology for enhancing and centralizing data may not be feasible. Additionally, many retailers do not have the data ethics know-how to apply ethical data use constructs to their processes for assessing and leveraging data, leaving them vulnerable to missteps that could hurt their brand and cause harm to consumers. Finally, the complete evolution of internal structures to address data silos may be a slow-moving process.

That's why retailers who are succeeding at personalization and omnichannel experiences are often doing so through strategic partnerships. Acxiom is a world-class leader at enabling other companies to have better access, quality and usage of their data, which makes for an ideal collaboration. These partnerships include activities like:

- ▶ LEADING ECOSYSTEM-WIDE TECHNOLOGY UPDATES TO CENTRALIZE AND UTILIZE CONSUMER DATA
- ▶ CLEANING, UPDATING AND STREAMLINING DATA FROM DISPARATE OR UNETHICAL SOURCES
- ▶ PROVIDING ADDITIONAL DATA TO FILL IN GAPS AND CONNECT CONSUMER PORTRAITS
- ▶ CREATING UNIVERSAL ACCESS ACROSS PLATFORMS WHILE MAINTAINING PRIVACY COMPLIANCE
- ▶ USING DEEP ANALYTICS AND PREDICTIVE TECHNOLOGY
- ▶ INTEGRATING MACHINE LEARNING INTO THE CREATION OF CONTENT AND CONSUMER INTERFACES

All of these features present a retailer's best opportunity to acquire and access essential consumer intelligence that can be used to achieve marketing goals associated with a 360-degree view.



BUILDING A 360-DEGREE CONSUMER VIEW

CAPITALIZE ON THE KNOWLEDGE OPPORTUNITIES CREATED BY CONSUMER JOURNEYS

With a data-driven business mentality and the technology to incorporate data into regular marketing activities, the goal of creating a 360-degree view of consumers is not merely aspirational but attainable.

The modern customer journey is no longer a linear process driven by brands; today, it begins and ends in a much more buyer-initiated and convoluted way. Let's take a look at a sample scenario.

One woman's path to purchase may begin with something as simple as seeing a friend's post on social media about a new pair of red shoes. From there, she may do a Google search for "red shoes" on her iPhone and then refine that search to "red patent leather heels." She may then click through multiple results — viewing the shoes, reviews and details. Then she gets a phone call and stops shoe shopping. Later she might return to her quest on her laptop, going directly to a retailer's site. In both cases she is visible to the retailers she visits only as an anonymous user because she is not logged in.

However, at some point during her research she may opt-in to emails and promotions from one of the retailers she visits. Now she can be identified and as a result of submitting her name and email address, she might receive a "new customer coupon" for 20% off, at which point she visits the store and purchases the shoes using her discount. Once the transaction is complete, she receives her own pair of great new shoes and posts a picture on Instagram, potentially starting the cycle all over again for another consumer.

Consumer journeys like this are the new normal. From the first point of interest through becoming an indirect advertisement herself, this consumer's personal journey has created a trail of data. Understanding this process and capitalizing on the information provided by these various touch points is the first step to true **people-based marketing programs**³. At its core, people-based marketing is an approach to marketing that involves recognizing and reaching real people with messages that truly matter to them. But in order to market to an individual in this way, you must first be able to achieve that critical first part: **recognition**.



LEVERAGE CONSUMER DATA FOR RECOGNITION

Consumer recognition, in the simplest terms, is the ability to identify and associate ethically sourced information with an individual consumer or group of consumers throughout time and across devices and channels. But the way that consumers now interact with brands, the volume of data points for any one individual, the remarkable speed at which that data changes and the multitude of devices associated with each individual make your consumers moving targets.

For example, [Adobe Digital Index “ADI Device Use Survey”](#)⁴ found that most households have more than seven devices on average. Those devices may include smart phones, computers, tablets and even smart televisions. Customers may only use approximately three of these per day, and most marketers may only recognize one. But it’s not just devices; shoppers also use multiple channels, email addresses, phone numbers, and social media profiles. All of these behaviors, while elusive, are essential to capture because they provide a series of potentially diverse personal preferences and pull together a complete purchase history that help paint a picture of intent.

The pain points these patterns create are experienced almost industry-wide. In its report “Succeeding in the Omnichannel Age,” Econsultancy and Adobe found that **only 25% of organizations claim to have a single view of customer capability.**⁵

And consumers are noticing. [A Segment Survey](#) reported that:

- **On average, only 22% of consumers find their shopping experiences to be highly personalized**
- **Only 17% of consumers think that retailers are customizing the in-store experience**

These personalized experiences are the crux of people-based marketing which demands the ability to create and serve custom content to individuals. Consumer recognition is the first step to that level of personalization and relevance.

Even with technology solutions to connect and centralize multiple data sources, maintaining data accuracy presents yet another hurdle.

MASTER IDENTITY MANAGEMENT AND DATA HYGIENE

Even with a consumer recognition strategy in place, retailers still find themselves faced with the challenges of identity management. This means brands must be able to correctly distinguish between multiple consumers with the same name and manage data alterations as they arise, all in an ethical and compliant manner.

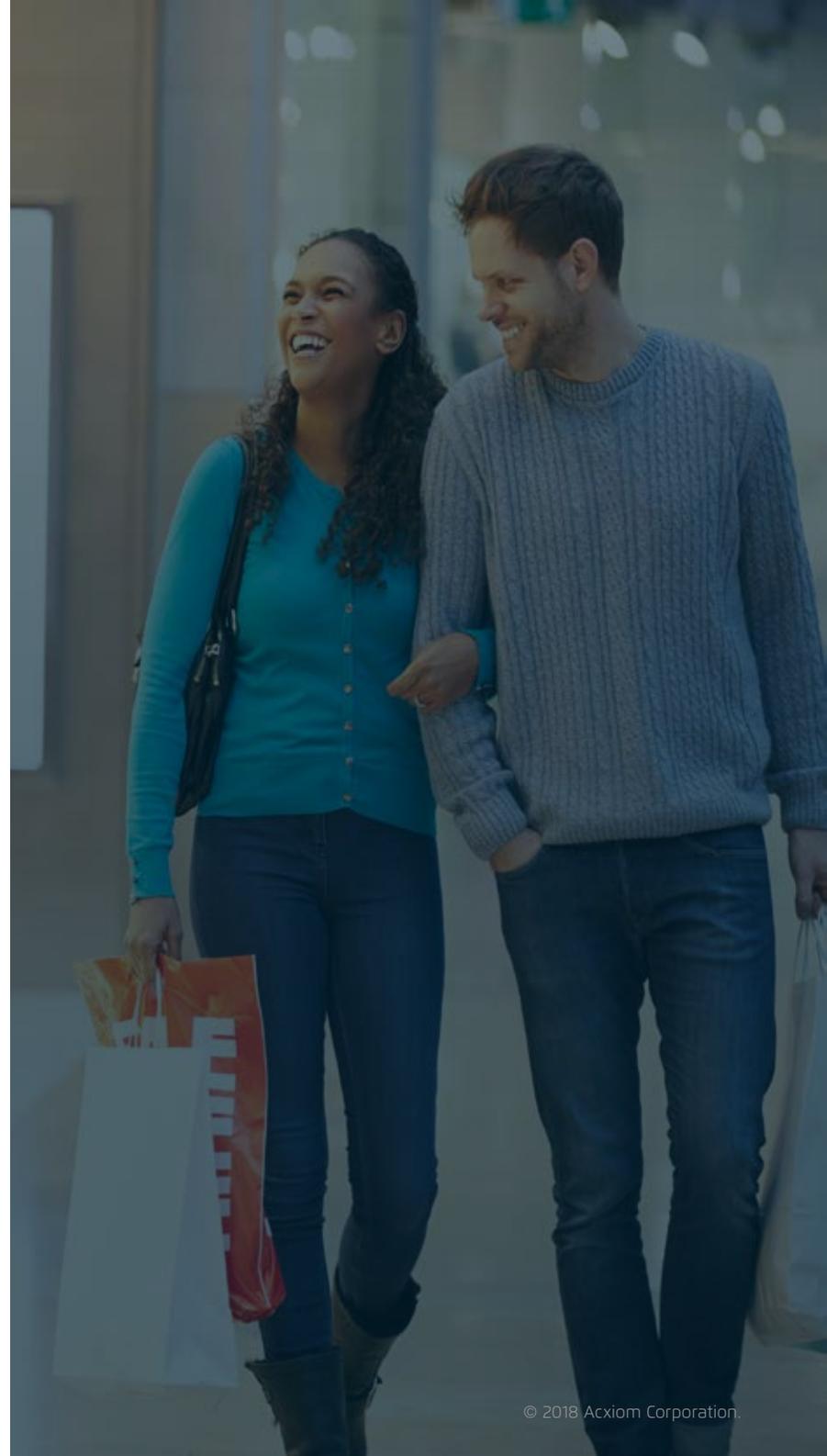
The lives of consumers are in a constant state of flux. Between home changes, job changes, marriage, divorce, new devices and new points of contact, the key elements of data associated with any consumer can shift at any time. As a result of these rapidly fluctuating life circumstances, approximately 25% of consumer data changes every year.⁷

This factor means that we must not only be able to **pinpoint each consumer and accurately attribute all of their activities⁸**, we must have the ability to adapt to the pace of their changing life circumstances. This requires exceptional data hygiene.

Data hygiene is the regular cleansing and upkeep of data to ensure that it is fresh and as complete as possible at any point. That level of maintenance requires the ability to pull from disparate data sources and capture activities associated with new signals and correctly attribute them to the same individual for whom you have existing data.

Exhausted yet? **It's a lot to take on.**

But these measures can be accomplished simply by focusing on the intelligence that can be mined from a proficient **unified data layer**.



UTILIZE THE UNIFIED DATA LAYER

So how do we achieve consumer recognition and identity management? The solution rests in what is known as a unified data layer or UDL.

For a moment, let's imagine a customer's experience as a chocolate cake consisting of three essential layers.

- **The Data Layer — Where information collects and is transferred between the surrounding layers**
- **The Application Layer — The actual applications, software and vendors that power and support the functionality of a website, CRM system or digital system**
- **The Experience Layer — By far the most visible to users, the experience layer consists of the engagement interface that is the cumulative output of the previous layers**

In this delicious digital confection, the rich foundation is the data layer where all vital information about your consumer is captured and can be used to alter the process on the application side as well as the content on the experience side. It is from here that we can accumulate, manage and leverage data to alter and augment user interactions with a website or app and by extension — a brand.

A unified data layer can bring together the information collected by each program in the application layer and use that information to alter what the user sees in the interface layer.

It is the UDL that serves as the game changing foundation of a technological structure that is equipped to change how retailers recognize consumers and serve them relevant content.

KEY RECOMMENDATIONS



Consumer recognition and identity management are, for many reasons, chief among concerns of many brands when it comes to improving the way they interact with consumers. According to the DMA/Forrester's "2016 Global State of Loyalty Online Survey," understanding consumer interactions across all touch points is the number one challenge among survey respondents. To overcome that challenge retailers must:

RECONCEIVE INTERNAL TEAMS AND WORKFLOWS TO FOCUS ON PEOPLE-BASED MARKETING INSTEAD OF FOCUSING ON PROGRAMS BY CHANNEL

COLLECT USER DATA IN AN ETHICAL MANNER TO ESTABLISH OPTIMIZED CUSTOMER PORTRAITS BASED ON INTERACTIONS ACROSS CHANNELS

LEAN ON TECHNOLOGICAL SOLUTIONS TO ENSURE CONSUMER RECOGNITION AND MAINTAIN UP-TO-DATE DATA CLEANLINESS

CREATE A DATA-BASED FOUNDATION FOR MARKETING PROGRAMS USING A UNIFIED DATA LAYER

An ecosystem-wide emphasis on marketing to people as individuals creates a double-sided advantage for retailers. There can be huge improvements to the consumer's personal interaction with a brand, which we will discuss a little later.

First, let's look at ways this intelligence can be used to target your optimal consumers.

CATERING TO YOUR BEST CUSTOMERS

BUYER PERSONAS AND PORTRAITS

With a unified data layer powering consumer recognition and identity management capabilities, retailers have the ability to formulate a complete 360-degree view of consumers. This portrait then becomes a crucial tool allowing retailers to pinpoint their best customers. Customer views that contain information on purchase history, buying preferences and behaviors shine a light into the darkness of data, illuminating your opportunities. In exchange for their data, consumers expect marketers to use this information responsibly and to remember that as commercial users of data, retailers are tasked with creating real value for the consumer.

Assembling personas and portraits provides an accurate view of the customers who represent the best potential for profitability. They also highlight the features of a customer's life that may be most influential to their buying decisions. Collectively, portraits and personas play directly into forecasting the return on investment for any single customer or type of customer.

Identifying prospects with the highest probability for increasing "share of wallet" has never been more important than it is today. These outcomes should include rewarding, engaging and personalized experiences for your customers, and greater brand loyalty and increased revenue for your brand. Increasing sales to your best customers is less costly and, subsequently, more profitable.

With a unified data layer and customer recognition, we have the ability to identify, score and cater to audience behaviors like:

- **Patterns of purchases by types of products (e.g. athletic shoes, LCD TVs)**
- **Likelihood to shop by channel (e.g. online or in-store)**
- **Purchase influence factors (e.g. color, style, discounts)**
- **Typical spend on products (e.g. high, medium, low spend)**
- **Brand preferences**
- **Seasonal buying behaviors**
- **Low-margin, markdown buyer**

This knowledge is pivotal to support key growth initiatives related to acquisition, retention and increasing overall market share. Leveraging these insights can help retailers present more relevant offers to consumers, thereby driving greater response rates, traffic, conversion, higher lifetime value and higher average orders. It also enables retailers to engage in:

- **Offering more thoughtful and effective cross-sells**
- **Enticing single-product customers to buy additional products**
- **Upgrading customers to higher-margin products**
- **Decreasing the cost of customer acquisition**
- **Expanding market share by category**
- **Managing inventory more efficiently**
- **Reactivating lapsed or infrequent customers**

Another valuable component of third-party partnerships is the access to data that expands beyond your own database. These same kinds of insights can be compiled around competitors' customers, allowing you to identify and target potentially high-value consumers who may not be currently engaging with your brand.

When this information is obtained and used to craft marketing strategy, as it applies to each customer, it can be deployed in all of the touch points where the consumer journey occurs. From there it can be measured and tracked.



ACCURATELY MEASURING AND ATTRIBUTING MARKETING ACTIVITIES TO SALES

Accurately attributing marketing initiatives to sales and profitability has been a challenge since the advent of advertising. But robust consumer portraits facilitate the alignment of marketing efforts with the data users are providing.

As we've seen, the buyer's journey is an intricate process that may be influenced by a multitude of factors. An anonymous user may click on a paid ad but choose not to purchase anything during that session. But that doesn't mean that ad was ineffective. That ad may only have been the first touch, followed by a visit to Facebook or reading reviews on the product, before driving to the store one day later to make the purchase! So which marketing channel gets "credit" for the sale?

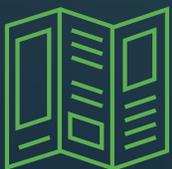
Pay-per-click? Social media? Organic search? Traditional media?

Offline marketing channels can complicate things even further. For example, a direct mail piece might contain a code or a campaign URL for a user to visit or enter online. But if the user simply types in the main domain name — your analytics team will attribute that to a direct visit, not the direct mail piece. Or, perhaps they saw your coupon code but also found a coupon on RetailMeNot.com which offers an even greater discount. Does that mean the mailer, which may have inspired the research, failed?

Clearly, this is complex. But to their detriment, too many businesses focus on the value of initiatives within a silo as opposed to focusing on the value of consumers themselves. If the collective activities of consumers are measured as a whole, the effect of overall marketing efforts can be tracked and quantified. The resolution of these problems is directly tied to:

- **The incorporation of essential technology that makes this degree of measurement possible**
- **The creation of consumer portraits that allow for accurate recognition and tracking**
- **The correlation of marketing initiatives with actual user behaviors and purchasing patterns**

This information provides a two-fold benefit. First, there can be an intelligent refocusing of marketing dollars on the consumers who have the potential to provide the most value. Second, each consumer can be reached and incentivized through the channel(s) which analytics have historically compelled the greatest results for that individual.



KEY RECOMMENDATIONS

The ideal application of this level of intelligence is of course to enhance customer profitability. While you may already have a sense of the type of person who constitutes the ideal customer, without recognition unidentified personas can be filled with ambiguity. When best customers are truly recognized you can test and study techniques to gauge real-world success. At the same time you can diversify efforts to target and appeal to different types of customers. For example:

- **Most profitable existing customers**
- **Inactive customers who could be lucrative upon reactivation**
- **Competitors' customers with high value potential and similar traits as your best customers**

It's imperative to use the unified data layer to power analytics for the accurate classification of these types of customers, to dictate the methods used to reach them and wisely allocate marketing dollars based on measured engagements. These next steps for maximizing customer value are:

INCREASE PURCHASE FREQUENCY AND TRANSACTION VALUE WITH RELEVANT UPSELL AND CROSS-SELL OFFERS IN THE CUSTOMER'S PREFERRED CHANNEL OF ACTIVATION

USE WITH RELEVANT, TIMELY OFFERS, WHICH CATER TO NEED OR AFFINITY TO REACTIVATE LAPSED OR INFREQUENT SHOPPERS

REDUCE SPEND BY SUPPRESSING ADVERTISEMENTS AT BOTH ENDS OF THE CONSUMER SPECTRUM. FOR EXAMPLE, EXCLUDING CUSTOMER SEGMENTS THAT INCLUDE LOYALTY PROGRAM MEMBERS AND CUSTOMERS WITH LOW OR MARGINAL LIFETIME VALUE

IDENTIFY HIGH-VALUE AUDIENCES WHO CAN BE TARGETED FOR NEW CUSTOMER ACQUISITION BY TAKING ADVANTAGE OF IN-MARKET DATA. UNDERSTAND WHO IS BUYING WHAT YOU SELL, BUT NOT FROM YOU AND CULTIVATE TARGETED BRAND AND PRODUCT AWARENESS CAMPAIGNS

The ability to target and measure across channels is also directly tied to the ability to provide offers and establish an influential presence in all places and at all points where your customers are conducting research and making transactions. This is the basis of how a brand can become truly omnichannel.



BECOMING OMNI-POWERFUL

The notion of being omnichannel is not unlike being omnipresent. To be omnipresent is to exist in all places at all times. Product exposure and appeal are still crucial to sales, but the new buyer's journey has added additional layers to that. The first point of interaction may not always be in a controlled environment like a store or ecommerce site. In an age of consumer-controlled journeys, research makes up a huge portion of a customer's buying experience. With product details, reviews, and comparisons readily available, purchasing decisions are increasingly based on data and research.

For pre-purchase research as well as impulse buys and cross-sells, the ability to understand and proliferate all channels with relevant content is a vital aspect of increasing sales. The complete consumer view, combined with the precise attribution of consumer behaviors, is at the heart of the intersection between interest and action.

In this landscape, retailers have to seize those moments in more creative, strategic and most importantly, relevant ways. If upselling is not done right, or at all, a consumer may be left disillusioned. That is why omnichannel experiences must remain at the forefront of all people-based marketing strategies.



A [Retail Dive poll](#)[®] found that more than 66% of surveyed consumers research products online before stepping foot into a store.

ON ALL CHANNELS, AT ALL TIMES

The ability to interact with consumers in a meaningful way, wherever they are online and off, is the crux of these all-important omnichannel experiences. Additionally, the data gathered from each channel may have its own limitations. For example, in some cases the data we are able to obtain only exists within a walled garden. The walled garden is essentially a space, like specific social media platforms, where the application of their insights and data can only be applied within their platform.

While this remains a limiting factor for many, infusing this data with ethically sourced third-party data enables retailers to break through these walls, coordinate multiple sources of data and tie it to distinct individuals. This aspect of the **unified data layer** is essential to building ideal omnichannel experiences.

An optimal omnichannel interaction is infused with historical and preferential knowledge of the consumer and the ability to apply accrued discounts or loyalty programs at any touch point in any channel. This all leads to the ultimate and achievable aspiration of presenting content, serving needs and **engaging with consumers seamlessly in the course of their natural behavior patterns**. Omnichannel, personalized marketing surrounds each consumer with a customized shopping experience in all areas.

Additionally, brick and mortar locations still serve a vital role in the transaction process, as many journeys that begin anonymously online, or with anonymous research, culminate in an in-store purchase. But when a shopper can find virtually everything, at any time, consumer experience and affinity begin to outweigh geographical factors.

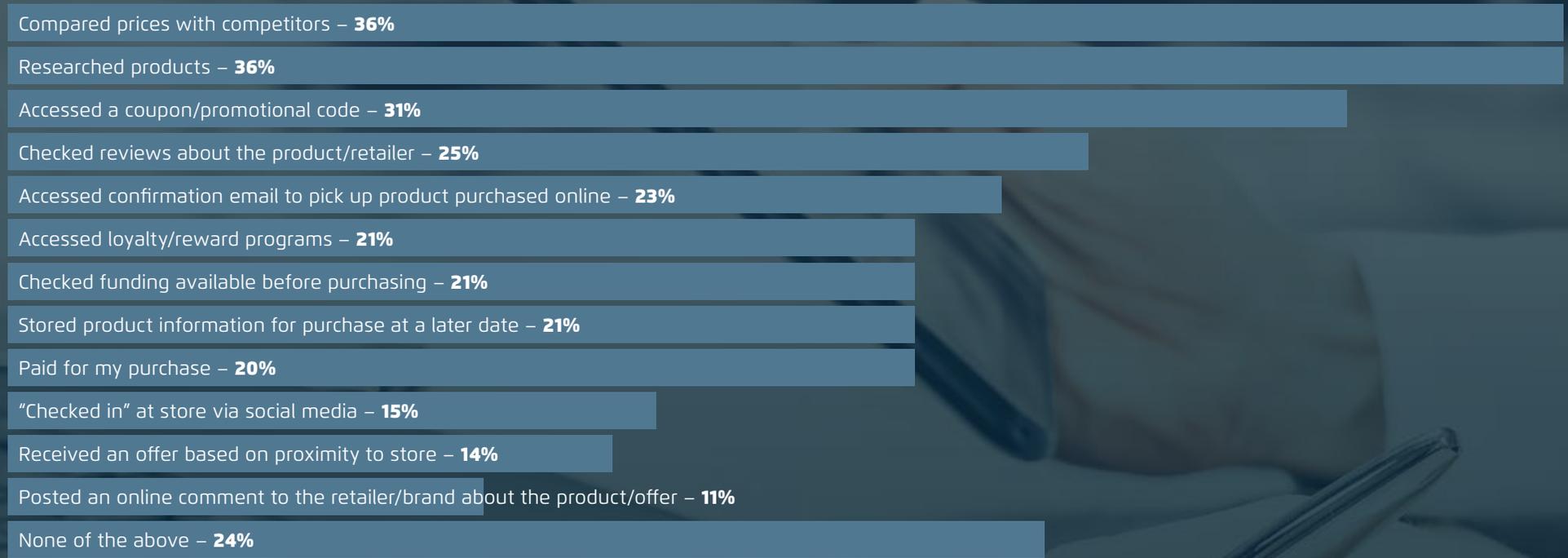
CONNECTED DIGITAL AND OFFLINE EXPERIENCES

The connected digital and offline consumer experience is seamless and integrated for an optimal consumer experience. But, done well, it also has the potential to improve profits, when interactions across channels are properly measured. **SmartInsights reports that 36 cents of every dollar spent in-store are influenced by a business's online presence.**¹⁰



While there are a multitude of digital avenues that comprise the omnichannel experience, digital and traditional channels must also be connected. Today, there is little, if any, distinction for consumers between the digital and offline world. This means there can be no distinction for retailers either.

One of the strongest indicators of the increasing fusion of worlds is the way that digital (mostly anonymous) activities are actively merging with in-store visits. Even without guided intent by retailers, users are already integrating mobile devices into their in-store shopping experiences. **The PWC Total Retail survey notes multiple in-store mobile phone behaviors that can directly or indirectly affect purchase decisions.**¹¹



10%

20%

30%

These activities touch on many of the same channels and buying influences we've already discussed, including search, social media, apps, text, email and transactional systems. These are the actions consumers are already taking, and they want more. They want retailers to support and build on these behaviors to improve in-store experiences by offering deep product expertise, ease of checkout, ability to check store stock, seeing an extended range of in-store products, and real-time personalized and relevant offers.

With a truly connected in-store and digital experience, stores will be able to offer users the technological solutions they desire for better in-store experiences while also using the online behaviors they engage in during their store visit to influence their interactions and purchases.

The level of customization and the availability of information that is possible in a digital environment is now expected to translate to the physical environment. In fact, technology can and should further be continuously used to learn from and augment in-store experiences.

KEY RECOMMENDATIONS

By using consumer recognition programs and implementing an effective UDL, retailers can gain insight into digital and offline activities and purchases. These behaviors can then be properly attributed for a more cohesive picture of revenue generation. Moreover, these consumer actions can also be correlated with specific marketing initiatives to create a closed-loop measurement system. To do this brands must establish some key priorities:



▶ CREATE OPTIMIZED AND DEFINED CONSUMER PORTRAITS CULTIVATED FROM THEIR CROSS-CHANNEL INTERACTIONS

▶ CONNECT ANONYMOUS AND KNOWN INTERACTIONS TO PEOPLE

▶ IMPLEMENT A CLOSED-LOOP MEASUREMENT SYSTEM THAT ACCURATELY TRACKS CONSUMER RESPONSES AND CONVERSIONS

▶ MEASURE DIGITAL CAMPAIGNS AND ATTRIBUTE EFFORTS ACCURATELY AS THEY RESULT IN ONLINE SALES AND IN-STORE TRANSACTIONS

▶ INCREASE SPEED-TO-ACTION WITH A COMPLETE VIEW OF THE CONSUMER ACROSS YOUR MARKETING ECOSYSTEM

▶ RESPOND QUICKLY AND EFFECTIVELY TO CONSUMER INTERESTS AND NEEDS, ON ANY CHANNEL, WHENEVER AN OPPORTUNITY PRESENTS ITSELF

A consumer's omnichannel interactions with a brand blur the distinction between digital and physical silos. When these interactions are tracked and leveraged effectively and ethically, a seamless experience can generate incremental individual lifts that add up to significant revenue increases.

An omnichannel presence has quantitative value for retailers, but they also have a qualitative value for consumers. Naturally, an improved shopping and buying experience lends itself to greater affinity, loyalty and more profitable purchases.

This is, of course, once you've incorporated the final piece of the puzzle, personalization.

THE POWER OF PERSONALIZATION

PERSONALIZED AND RELEVANT MESSAGING

Consumers want to be recognized. The 2017 DMA fact book¹² noted that **73% of consumers strongly agree that their personal information is an asset for marketers**, further confirming that consumers expect their favorite brands to have long memories and high levels of awareness surrounding their identities, preferences and history. They've seen it work for some of their favorite brands and have responded accordingly with their spending.

The potential profitability of personalization is highlighted by the findings of a **survey by Segment¹³** which reveals that consumers with personalized experiences spend more and become repeat customers. Consider these additional statistics from the report:

- **49% of shoppers have purchased a product they did not intend to buy after receiving a personalized recommendation from a brand**
- **40% of U.S. consumers say they have purchased something more expensive than planned because their experience was personalized**
- **After a personalized experience, 44% of consumers will likely become repeat buyers**

Relevant and personalized messaging goes beyond a name in a subject line. Personalized content might include:

- **Notifications when a previously viewed item changes in price**
- **Product-specific feedback requests in an appropriate post-purchase timeframe (not too soon, but don't wait too long either)**
- **Discounts for items in a shopping cart or wish list**
- **Direct mail featuring areas of interest**
- **Invitations to special events at nearby locations**
- **Product recommendations based on shopping habits**
- **Push notifications and offers based on a consumer's proximity to a store**
- **New product releases in areas of interest**
- **Loyalty programs that provide relevant rewards and omnichannel use**
- **Recognition from customer service representatives on all channels**

This kind of custom content hinges on the unified consumer view which must, by now, seem like the ultimate end game. We've hammered it home. You need to know the consumer completely, your content needs to fit their identities and preferences, and you need to be relevant, you need to be omni-everything.

You're ready to do that.

There's just one thing. Your consumers are wondering why you aren't already there.

EXPECTATION VS. EXCEPTIONAL

Throughout this discussion something that has underscored each element is a fundamental disconnect and not just between data sources, departments or channels. It's between commerce and the public. **Consumers believe that what is possible for one retailer or within one channel should be universally achievable. Anything less is a disappointment.**

In today's retail world, customization, quality customer service, ease of use, accountability and accessibility are not only expectations — they are table stakes. There is no room for disappointment, frustration or fragmentation. But if these are the baseline expectations how does a retailer innovate?

Innovation comes in many forms, from products to content to functionality. It isn't always in new devices or revolutionary distribution. Sometimes it's in the little things — the nuances that make an experience easy, seamless and intuitive. Some of the advanced components of experiential digital fluidity include:

- **User-friendly interfaces on all devices**
- **Exceptional site speed**
- **Effective internal site search**
- **Predictive content recommendations**
- **Multimedia content integration**
- **Multi-device shopping cart access**
- **One-click check outs and diverse payment options**
- **Absolute confidentiality and security**

Excellent customer service has always been a staple of creating brand loyalty, but the digital age has shifted the ways consumers engage and their expectations. This shift is so seismic that we must now completely rethink and expand our definition of customer service. In this world, personal attention and delivery must be and feel completely custom for each consumer based on their unique preferences and engagements.

KEY RECOMMENDATIONS

Understanding how each consumer behaves, how they respond through various channels, and catering to those in a personalized way is the key to cutting through the noise, standing out and winning affinity. This kind of marketing is the culmination of every other endeavor up to this point, which allows retailers to:



- ▶ PRIORITIZE PERSONALIZATION AND PEOPLE-BASED MARKETING TO IMPROVE EXPERIENCES AND DRIVE SALES
- ▶ LEVERAGE DATA INTEGRATIONS AND PERSONALIZATION APPLICATIONS, SMARTLY AND TO GREAT EFFECT
- ▶ SERVE TRULY RELEVANT AND WELL-TIMED CONTENT AND OFFERS, TO THE RIGHT CUSTOMERS IN THE RIGHT WAY
- ▶ PRODUCE MEASURABLE AND ATTRIBUTABLE REVENUE INCREASES TO PERSONALIZED EFFORTS

The effectiveness of personalized marketing and each consumer's preferred channel of interaction don't have to remain a mystery. They can become known variables which are used to create the perfect formula for reaching and compelling your best consumers in a deeply personal way.

While all of this may be enticing in a strategic and philosophical way, it is the measurable results these tactics produce that position them as essential mandates in a new age.

EXAMPLES OF REAL-WORLD SUCCESS

A man in a white polo shirt is standing in a grocery store aisle, looking at shelves of cooking oil bottles. He is holding a bottle of oil in his right hand and another in his left. The shelves are filled with various brands of cooking oil, including PAM, Colavita, and others. The background is slightly blurred, focusing on the man and the shelves.

We've covered a number of strategies to improve your understanding of consumers and your ability to communicate with them in a personalized and relevant way. But to solidify these abstract ideas let's look at a few examples of specific scenarios where these approaches drove real-world results.

CONNECTED DATA IMPROVES CUSTOMER EXPERIENCE AND ENGAGEMENT

A leading department store brand was dealing with a very common issue related to consumer data. Pieces of information were scattered across data warehouses and separated into silos by business function and channel. This disorganization made consumer recognition across the system difficult, error prone and time consuming. But a commitment to consumer experience justified the investment in an ecosystem-wide improvement to synchronize data sources. The result was, at last, a truly accessible and complete view of the consumer with accurate records of each recognizable interaction. With the consumer finally in focus, the brand was able to more precisely understand each consumer's purchasing preferences and behaviors for coordinated communications and personalized engagement activities.

UNDERSTANDING A COMPETITOR'S CUSTOMERS CAN DRIVE MORE REVENUE

A nationwide retailer targeted its competitor's customers and effectively won that business, generating \$1.3 million in sales from new customers. Using the right technology, the brand mined analytics and customer portraits to find prospects among its competitors' customers whose personas most closely matched its own best customers. With this data and external sources, seasonal conquest models were built and used to power its best-ever email marketing campaign. The content contained highly personalized messages and offers that resulted in response rates that were five to eight times higher than previous campaigns. The entire initiative represented a 150-250% return on investment. By proving it recognized and understood these consumers' preferences the retailer was able to convert them into valuable customers.

CROSS-CHANNEL MEASUREMENT DRIVES SMARTER STRATEGIES

Another iconic retailer sought to mitigate the rising cost of direct mail marketing through better targeting and more efficient spending. It also wanted to better leverage offline data for digital marketing. By isolating and comparing response rates for both direct mail and online channels, compared to online only and offline only, the retailer was able to determine the impact its cross-channel advertising, including display ads, had on both digital and offline sales. In the end, it identified \$20 million in-store and \$2.5 million online revenue driven by customers exposed to targeted digital display ads. Moreover, the brand saw the value of direct and online advertising combined with an average 11% incremental lift per shopper in the group receiving both digital and direct mail ads versus control groups that received direct mail only.

In these three examples, we've seen all of the dominant principles at work — consumer recognition, omnichannel experiences, measurement, personalization and relevant, people-based marketing that all succeeded in raising revenue and customer value.

BECOME THE FUTURE — KNOW YOUR CUSTOMER

With every new opportunity to engage and serve we are also provided an opportunity to learn. Smart retailers will use all of this to drive singularly and powerfully toward one ultimate goal...

Creating profound, data-informed, connections with your consumer.

We must never lose sight of the big picture to connect with and enrich the lives of each consumer as a unique and recognized individual. In the new world of retail, the future is a seamless and meaningful connection ... and the future is here.

As we've seen, both from research and in execution, using integrated technology to understand, reach and provide value to your consumer is a strategy that works. But becoming exceptional when it comes to ethical data gathering and deployment isn't just a good idea, it is the fundamental route to survival for modern retailers.

In spite of the state of urgency created by the increasing demands of consumers, many retailers are still behind the curve on both industry adoption and meeting customer expectations.

From seamlessly blended digital and offline worlds to introducing products and ideas that users don't even know they want yet, today's leading retailers are those who are setting trends — not merely keeping up with them.

As we look toward the horizon, we will find the brands that embody progress and thrive on the bleeding edge of technology will become the aspirational beacons in their space. The ability to cultivate breakthrough campaigns and captivate both your customers and your competitors' customers is within your reach.

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If you're ready to become one of the leading innovators in retail, contact Acxiom for data management and enhancement solutions to transform your data into value and power exceptional customer experiences.



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