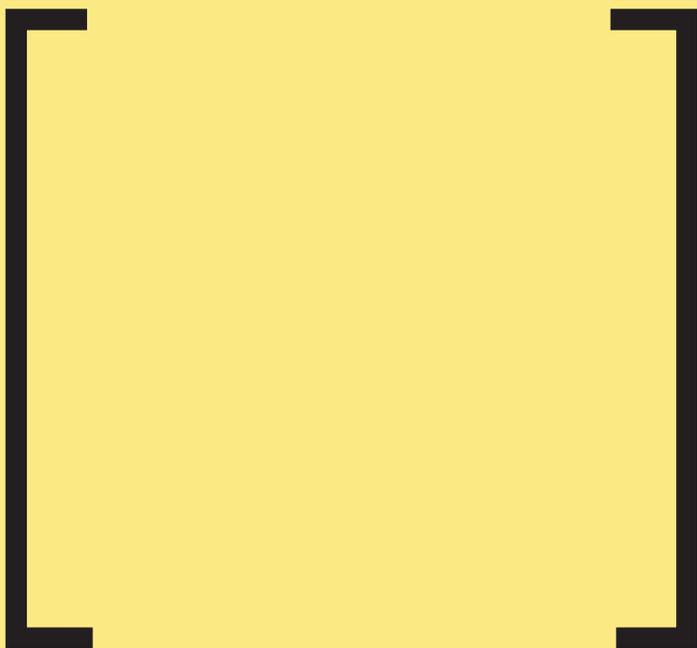intel®

From online to store, from store to online.

Are you managing the gap in omni-channel marketing?

[   ]

THE
SHOPPER
AGENCY

"How do you know which marketing methods are effective?"

Foreward ↓

Customer engagement and brand loyalty are increasingly important for retailers in this day and age, but with so many channels to engage with customers through, it can be a logistical nightmare trying to keep track of who is looking at your products and who is buying. Retailers are finding themselves standing at the foot of a very large mountain, looking up at the number of different tracks to the top and having to decide which one is best for them. Should they try social media marketing or improving their websites? Likewise, brands are facing the same challenges. How to attract new customers? Through an online campaign or should they focus on in-store promotions?

Picture this. A customer hears good things about your brand from a friend who recently purchased one of your products. They go online, look up a review on one website, and then go to Amazon to check out prices and other reviews from other customers. Satisfied that your product meets their specifications, they then go to a store to see it in real life, compare it to a few models in a similar price range, and finally decide that they want to purchase it. How do you keep track of this shopper throughout the process? How do you know which marketing methods are effective?

Retailers need context to keep track of their shoppers. In Tracking Brand Engagement, The Shopper Agency examines the conundrum faced by retailers trying to keep track of their customers' movements through the sales process.

"How do you keep track of this shopper throughout the process?

2014 is the year that CEOs realise that omni-channel techniques will help drive traffic to their websites and through the doors of their stores. By effectively targeting a customer's individual needs through adopting new technology, such as proximity marketing to engage with shoppers, retailers can look forward to more customers in-store and better engagement with them no matter which channel they choose to use.Omni-channel marketing is here to save the high street.

Martin Fawcett, Managing Director
The Shopper Agency

What were consumers doing in 2014?

62%
of people read online reviews before purchasing

80%
of consumers say the internet has some influence on their purchasing habits

12%
of consumers think that in-store purchases represent better value for money

Taking the Pulse of the Retail Environment

- Online shopping cart abandonment rate increased to **73.6%** in 2013 on average. However, the abandonment rate for smartphone users on ecommerce sites was 84%, compared to **72% on tablet** and 68% on desktop.

- **81% of smartphone purchases** are spontaneous and unplanned. It would appear that the purchase barrier is significantly lower on a tablet or phone than on a desktop computer

- **$1 trillion worldwide** spent on e-commerce

- **62%** of people read online reviews before purchasing

- **49%** look at price comparison sites

- **57%** use mobile phones to check prices in-store

- In 2008, **51% of online purchases** were from pure-play online retailers. Now that figure has fallen to 41%, while the proportion of online sales to **multi-channel retailers has risen from 49% to 59%**

- **60%** of consumers get annoyed by deliveries arriving when they aren't at home

- **80-90%** of consumers say the internet has some influence on their purchasing habits

- Only **12%** of consumers think that in-store purchases represent better value for money

- **80%** of marketers will run omni-channel marketing campaigns in 2014

"80% of marketers will run omni-channel marketing campaigns in 2014"

The Current Landscape for Retailers

These have been challenging times for retailers with the rise of online shopping reducing the number of shoppers on the high street. In addition, the paradigm shift from traditional single marketing and interruption marketing techniques to newer, more holistic approaches, with consumers engaging with brands on a number of platforms, from offline, out-of-home advertising, to social media and website visits has created a maze for marketers trying to promote products.

There have been great strides made in recent years; cookies, social media and in-store methods ensure that brands have the best information about their customers to hand, but these tracking methods are disparate, with customers choosing multiple channels to engage with brands. The question is, how to track them through this process to ensure that you are reaching them and getting a good return of your marketing investment?

Omni-channel marketing is the best way for retailers to reach out to customers, no matter which channel they choose to peruse and purchase from. Unlike multi-channel marketing, omni- channel campaigns are those that are integrated across multiple channels in comparison to campaigns that happen to run simultaneously through various channels. Shoppers see an enhanced and consistent experience across all devices and in-store, creating a narrative that the customer is already aware of to enhance their shopping experience and more effectively promote your business and brand.

Figuring out how to integrate campaigns is much more difficult than running them individually, but brands and retailers are beginning to understand the need and are taking the necessary steps to advance. Companies need to look at how they are reaching their customers, how their customers are reaching them, and create a consistent message across these engagements, allowing for consumers to pick and choose their path through the marketing and purchasing process. ∎

The Story In-store

The high street is the heart of the retail industry. While the growth of technology and online shopping has meant a reduction in the number of people out shopping on a day to day basis, the majority of shopping is done in-store, with 86.5% of sales coming from bricks and mortar shops. →

The face of the high street has changed over the past few years. Big brands such as Woolworths, Blockbusters and Habitat have gone, with a glut of pound shops and mobile phone stores opening instead around the country. These big names were slow to adapt to the changing marketplace, missing key opportunities, such as the rise of online media or the huge increase that supermarkets and Amazon are now taking of the market share, have vanished from our high streets.

There have been many complaints that every high street in Britain looks the same. Richard Jenkings, a retail ,consultant from Experian points out that: 'Most towns do have a Boots, a WHSmith, a Waterstones, a Marks & Spencer and so on. It's the 5% or 10% of less well-known brands alongside them that make the difference. 'Companies need to come up with a viable strategy to make them stand out from their competitors and encourage get people to visit their stores by offering a differentiator that benefits the customer.

Tracking Technology
Technology has been used by retailers to track what their customers have been doing in-store for a number of years, utilising CCTV and loyalty card schemes to track customers and their shopping habits. Loyalty cards can help to identify how often a customer visits, what time of day they usually enter the store and what purchases they make.

"Social media is a phenomenal way for companies to communicate with customers"

Recently, stores have been using tracking technology to analyse customer movements. Using a media accesscode (MAC) emitted by Wi-Fi enabled phones (and scrambling the data to keep it anonymous) allows retailers to further understand their customers. They can study shopper behaviour, seeing whether the customer was convinced to come into the store based on the storefront, tracking whether they went upstairs, and which items they looked at.

One use for this kind of technology is creating targeted adverts based on a customer's proximity to a product or store. This can be used to target people who are standing close to a new product by sending a discount voucher for it to the customer's phone, or a restaurant on a quiet night attracting customers walking by with a free drink with every meal - the same way that some restaurants employ someone to stand

outside and attract customers inside, but through digital messaging instead. However, there is a danger that this sort of technology could become overwhelming, with phones bombarded with lots of messages all at once, with your brand's voice being lost in the hubbub. Customers don't want to see adverts for products that they aren't interested in. ∎

Online: The Digital Terrain
Today's consumer is well-informed about the products that are available thanks to the internet, which helps them to find out exactly what they want. This informed

41 2012

↑

38 2008

AVERAGE AGE OF
AN ONLINE BUYER

consumer used to be solely a younger, more-tech savvy person, but the dominance of smartphones and online media has meant that this demographic has spread to include older people. For the music sector, 35-54 year olds have recently overtaken 25-34 year olds as the largest purchasing group. This trend looks to be spreading too, with the average age of an online buyer in the fashion sector rising to 41 in 2012 from 38 in 2008. The over 55s are also leaping into action online as they become more accustomed to the internet and as internet speeds continue to rise across the country. As we become more tech-savvy as a nation, retailers need to keep up with what their customer expectations are from the technology that they use.

The biggest game changer to the retailer world is the smartphone. 32% of respondents to a recent survey by Google have made purchases on their smartphones. However, conversion rates are quite low when compared to desktop online shopping. There are a number of possible reasons for this. It could be due to the ease of use when purchasing products with consumers more likely to choose a device with a bigger screen when making a purchase. Another possible influencing factor is that many people choose to use their smartphones when out shopping to check for price comparisons and for online reviews on shopping sites, with no intention to purchase from an online store. 10% of respondents said that they have used their phones to check the best prices for items that they want to purchase.

While the early adopters of this sort of hybrid browsing are young, the trend looks →

to be increasing among older shoppers too. The same technology that allows people to do the shopping from the comfort of their own home also allows retailers to communicate more effectively with their customers. Through utilising an omni-channel marketing solution, retailers can better understand their customers and improve conversion rates, profitability and further their retail opportunities. Research from shop.org has shown that omni-channel shoppers spend 50% more and visit store 70% more frequently than the average shopper.

Social Media Engagement

Social media has an influence of people's purchasing habits, with 5-10% of people reporting that they have been influenced to buy products because of friend's reviews on Facebook or Twitter. 5% of people have sought opinions on these platforms before making the final decision to buy a product.

It is clear that social media is an influencer on sales, both online and on the high street. People enjoy engaging with brands and retailers that they like through social media, following their favourite stores on Twitter or liking them on Facebook. Brands can use this to interact with customers, but this is single channel marketing, with no way of effectively measuring how this impacts on in-store purchases.

Where a brand creating ads online or on television was once the way to communicate with customers, people are now wanting to communicate in real time with companies, to share news both good and bad about the their experience. This urge to communicate with peers customers' good and bad experiences can be excellent for you business, or it could be terrible. There have been some social media blunders, such as Susan Boyle's album launch hashtag on twitter, which unfortunately looked like #susanalbumparty and led to much hilarity on the social media site.
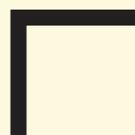
However, social media is a phenomenal way for companies to communicate with customers, and is expected from customers who are looking for a joined up approach from brands, with the website, social media and in-store presence all needing to be coherent and in tune with each other. This consistency of message and is beneficial for retailers who are wanting to track customers throughout their engagement with a brand, from fledgling likes on Facebook, through to repeat purchases online and in-store. ∎

UP TO

↑ **10%** ↑

OF PEOPLE HAVE
BEEN INFLUENCED
TO BUY PRODUCTS
BECAUSE OF FRIENDS'
ONLINE REVIEWS

The Modern Consumer

Treating consumers as an amorphous group doesn't work in the digital era. Where there were specific subsets in the past, today's consumer is well-informed through online research, more focused on specifics, and more discerning.

Technology has created a shopper who wants to be informed about their products before they try them. Likewise, it has made it easier to treat each shopper as an individual, targeting their specific requirements and desires through identifying their lifestyle choices, or through targeting consumers who respond to specific types of marketing; unlike marketing of old, sending out print brochures hoping to snag someone's attention. Shoppers make their decisions about where to take their business and look for reasons to stay loyal to that company. Brands must look at ways to connect with their shoppers emotionally, creating trust between brand and consumer, whether through well-informed staff, good customer service or through an ability to go the extra mile.

There has been a lot of talk about the 'death of the high street'. This message simply isn't true. There will always be a place for in-store retail, even as online sees a larger market share. What retailers need to think about now is how to create complementary online and offline presences. Every customer, whether in-store or a website, is an opportunity, a potential conversion and a prospective brand ambassador for your business. ∎

Why is omni-channel marketing essential?

Omni-channel marketing provides retailers with a host of opportunities. The marketing funnel model has seen some major changes over the past few years with the need to incorporate e-commerce and social media. Shoppers aren't reliant upon old media and word of mouth to find out about products but are using a variety of online and offline sources including television, review websites and social media to discover new brands and to interact with recognised companies.

However, retailers have noticed that shoppers seem to drop off the radar when they start to move from one channel to another. This could be because they decide to choose another supplier, but it is equally likely that they have simply moved from online to offline, or vice versa. According to Brandweek, 43% of consumers purchase a product from a different retailer than the one whose website they used to research the product. Marketers and retailers need a way of tracking people across the channels so that they can figure out how to hook their customers and how to keep them.

The old marketing strategies are becoming much more complex in a world of multi-channel marketing. Forrester Research points out in Marketing's New Key Metric: Engagement that: 'Rather than a clean linear path, the [modern marketing] process looks more like a complex network of detours, back alleys, alternate entry and exit points, external influences, and alternative resources.' With shoppers more likely to carry out research online before stepping foot through the doors to your store, it's hard to tell where your customers are coming from and how they have arrived in-store. Without knowing the key steps, it's increasingly difficult for retailers to understand ROI for their various marketing strategies.

Experian Marketing Services have recently released a report titled 2014 Digital Marketer asking a number of marketers what their goals are in the coming years and the news isn't surprising for those with their fingers on the pulse. 80% of marketers are looking at omni-channel marketing techniques to boost their figures and to engage with their customers more effectively.

In fact, omni-channel marketing is becoming a necessity in a world where people are using mobile, online and in-store to get information about products to make their purchasing choices. Most shoppers are choosing not just one method for engaging with the brands they like, but using a variety of methods to truly get to know a brand and all of its facets.

One thing that is certain in the world of retail is that customer expectations must be met.

With shoppers more likely to carry out research online before stepping foot through the doors to your store, it's hard to tell where your customers are coming from and how they have arrived in-store.

How Desire can help your understand your shoppers and achieve higher conversion rates

Neil Bennett, Product Development Consultant at Experian said: 'The selling process has started hours, sometimes days before the actual store visit; often a store visit is purely to execute the purchase.' This means that the customer experience in-store has to be exceptional, or the customer will start simply buying online, or choose a different store. Likewise, it is important to retailers to be able to know what has brought a customer into the store, and how to ensure that they find what they are looking for at the right price.

Utilising the leap in technology and bringing all of the disparate section together is the next step that retailers must take. Many retailers have brought out their own apps and engage with their customers through Facebook, Twitter and other sources, but all these channels are separate, making it more difficult for consumers to access the information that they want. The quality of store apps also varies considerably, and one bad experience can turn a customer off the idea of interacting with a brand through an app. There needs to be a place where all these paths come together.

Now there is...

The Shopper Agency has been working with a number of large retailers and brands to produce an app which allows retailers →

to track customers throughout the marketing process. Through integration with online stores, a shopper can be tracked from a non-retailer channel throughout the whole process.

What retailers are lacking at the moment with the myriad channels for marketing and sales is coherency and context. Through adding Desire to their apps retailers can track customers through the process, from initial interest in an advert or visit to the website, through to in-store promotions delivered straight to your customer's phone.

Desire allows you to create customised offers based on totally protected, personal preferences and information which the user stores in the app.

"The selling process has started hours,sometimes days before the actual store visit"

How does Desire work?
The Desire app allows the consumer to build up a portfolio of brands they like. They can add to this portfolio in a number of ways, through scanning an advert, listening to an advert on the radio, watching a TV commercial or by scanning the barcode on the product itself. Adding brands to Desire lets these brands interact with the consumer, allowing them to receive unique offers, content and rewards when in proximity of the brand out shopping in-store.

82% of smartphones use the technology that Desire is powered by. The app captures a much larger audience whichever smartphone they choose to use through integration with iOS, Android and Windows technology.

Desire can also be added to a retailer's own app by applying a small bit of code to the app's administration system, or can be added to a website just as easily.

The Desire Beacon
Desire utilises the power of the Bluetooth low energy (BLE) chip in your customer's smartphone. The Desire app communicates with the Desire beacons which are placed in-store or in your POS materials. This means that when the consumer is within 100m of the beacon, the app activates, alerting the shopper to your brand's presence, with content and offers and sent to them at just the right time and place. This allows you to engage with your shopper, reminding, rewarding or inspire them in aisle. Consumers can also request to be alert when in proximity to specific products that they may have been admiring or researching online earlier.

The Desire Databoard
For retailers, the key benefit of Desire is the data that it collects. Desire allows brands to not just keep contact with those consumers who already love your brand, it also allows you to learn more about your audience, analysing their behaviour, actions and influences. Retailers can access this data 24/7 through the Desire Databoard. Through live information on consumer movements, patterns, actions and influences, retailers can achieve an even deeper relationship with consumers on an individual basis, treating each shopper according to their tastes, wants and needs. No other data collector on the planet can give you this level of insight and accuracy!

Desire brings you so much closer to your consumers. You can now join up all of your omnichannel activity, reward your consumers and completely measure your marketing investment all at once. ∎

For more information about Desire, or to speak to The Shopper Agency about what we can do for your brand...

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