Personalizing Every Customer's
Path To Purchase

5 Ways To React And Respond To Consumer Preferences In Real Time

Every shopper arrives at his or her purchase destination via a different route. It could be a *PC-Smartphone-Store* path, a *Social Network-Mobile App-Laptop* trek, or a seemingly infinite combination of different ways shoppers reach their final purchase decisions.

To keep up with changing shopper preferences, and a growing number of channels, retailers must constantly pivot their approach. And having a firm grasp of the entire shopping journey is critical. In fact, a recent survey found that **"top performers" understand the entire customer journey** much better than their peers (20% vs. 6%) and had much better processes for capturing customer insights and using them in marketing programs to improve overall performance (30% vs. 11%).[1]

During each step in the journey, retailers must be able to react in real time to customer behavior in order to motivate purchases and build brand loyalists. Using the right data and analytics strategies and tools, retailers can reinforce shoppers' actions at the right time and place, with personalized messaging.

This whitepaper will show retailers how to adjust to consumer preferences in real time, and deliver the right messaging at the right time and place in order to provide personalized, 1:1 experiences that will delight every shopper during every shopping journey.

How retailers view the goals of improved analytics strategies:

58% want to better understand consumers' "paths to purchase"[2];

51% want to react more quickly to sudden changes in consumer trends and demand[3]; and

46% identified competitors' use of customer information as a tool to win more "share of wallet."[4]

[1] *The Marketer Strikes Back*, McKinsey & Company, 2015
[2] *Advanced Analytics: Retailers Fixate On The Customer*, RSR Research, March 2015
[3] ibid
[4] ibid

One

Tap **actionable analytics** to identify channel preferences in real time.

The next phase of analytics in retail is here: the ability to quickly turn real-time data, from a variety of sources, into a meaningful communication with the consumer. But many merchants are struggling to manage an increasing collection of data points: "New technologies are emerging and new sources of data are being discovered at a breakneck pace," according to KPMG. "Data sources such as social media feeds, customer blogs and mobile data are all increasing in complexity and creating new opportunities for organizations."[5]

Key stats:

45%
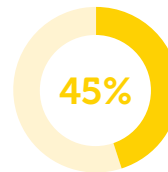
45% of avid online consumers agree that shopping in store is still a major part of their routine, but only **45%** of retailers understand online touch points and the interplay with in-store behavior.[6]

[5] *Going Beyond The Data. Achieving Actionable Insights With Data And Analytics,* KPMG, 2014
[6] *Real-Time Data Drives The Future Of Retail,* Forrester, January 2016

Challenge:

Today's consumer journey is muddled and different for every shopper; and it can change often as new channels and touch points emerge. Marketers must stay up-to-date on their customers' preferences for how they interact with the brand; and how they gather and share information about the brand. This process must occur in as close to *real time* as possible.

Solution:

Real-time analytics and system integration are the two key components to solving the challenge of creating actionable, relevant strategies for every shopper. It's about capitalizing on each shopper's motivation and interest: If she receives a promotion for a product she just purchased, or for something she obviously has no interest in buying, she will jump ship and look for a brand that knows her preferences and responds to those preferences appropriately.

Each interaction can be customized for the shopper's channel choices, product preferences, and her real-time location. She could receive a personalized offer via in-store digital signage based on her mobile activity; she could find great cross-sell items in a follow-up email after an in-store purchase; or she could get an exclusive VIP update about new items in stock as she walks by the store.

Additionally, sales associates can be empowered to be better brand advocates if they have access to real-time product and shopper updates via their mobile devices. Now sales associates can save the sale —or motivate upsells and cross-sells — without ever leaving the shopper's side.

Use **behavioral data** to deliver personalized offers and product information at the right time and place.

By connecting the dots between online, mobile, social, and in-person behavior, retailers can deliver the holy grail of hyper-personalized interactions and experiences.

Jenna Smith, 22-years-old, recently bought a pink and purple polka-dot dress for $29. She might be interested in a certain pair of shoes.
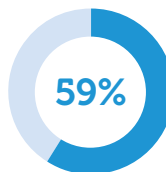
Jenna,
This pair of shoes might be perfect for your recently purchased dress:

Key stats:

*Relevant personalization resonates with today's shoppers:*
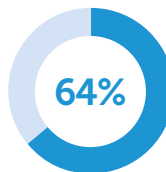
64% of U.S. and UK consumers said they would be willing to have brands send them text messages when shopping at brick and mortar stores to provide **personalized offers based on previous purchase history.**[7]

59% But currently, **only 59% of shoppers are satisfied** with the ability to receive product recommendations based on past browsing and buying behavior.[8]

The problem many retailers are facing is simple and complex at the same time:
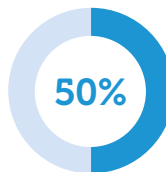
50% 1 in 2 retailers lack adequate understanding of customers or patrons within the four walls in terms of both traffic and identifying key demographics and psychographics (lifestyle, preferences and product affinities).[9]
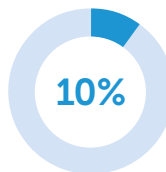
10% And, just **10% of marketers believe they are effective at using insights into customer behaviors** and feeding them back into the organization to improve performance.[10]

[7] http://www.digitaltrends.com/social-media/why-consumers-are-increasingly-willing-to-trade-data-for-personalization/#ixzz4XTQJjr2L
[8] *ibid*
[9] *Customer Engagement Survey,* EKN, 2015
[10] *The Marketer Strikes Back,* McKinsey & Company, 2015

Challenge:

Retailers that are not reinforcing shopper behavior quickly — as close to real time as possible — are losing out on marketing and branding opportunities. Digital channels and capabilities have dramatically changed shopper behavior. It's no longer a linear journey: Consumers are in a constant state of product comparison.

For example, a shopper looking for a new car in the past would narrow down the choices systematically before deciding on a final one. Today, he may start with 7 choices, conduct research to narrow it down to 4, then ask influencers their opinion and possibly add 3 new selections before eventually making a purchase decision.

Solution:

Acknowledging that shopper behavior has changed dramatically and will continue to morph, retailers need to future-proof their data and analytics capabilities. System integration is a vital step in this process. If a shopper's recent purchase activity can be tied to the in-store POS system, a shopper could receive a personalized post-transaction message that will inspire her to return for another shopping trip and share a great customer experience with her social networks.

Three

Provide real-time, **endless aisle inventory** information consistently across all channels.

By tapping the endless aisle across all channels and touch points, retailers can cement the sale by providing real-time personalized offers and product information, wherever the shopper is accessing the brand.

Jackets | Sweaters | Shoes | Accesories

You might like... | Green Hood

Key stats:

Retailers' top cross-channel fulfillment challenges are:

43% Unpredictable consumer demand

41% Competitive pressures to fulfill faster.[11]

50% Less than **50% of retailers** have inventory visibility across channels.[12]

To resolve these issues...

50% of retailers plan to offer **"start anywhere, finish anywhere"** within five years; and

75% will host **a single shared cart across channels** in the next three years.[13]

[11] *Profitable Customer Engagement: The Unmet Promise,* RSR Research, May 2016

[12] *i2016 POS/Customer Engagement Survey,* Boston Retail Partners,

[13] *Digital Commerce Survey For Retailers,* Boston Retail Partners, 2016

Challenge:

Inventory issues can quickly deter a shopper from returning to the brand. It's not enough to offer an item at the right price — it also has to be available when shoppers want it, delivered expeditiously to the location of their choice.

This is easier said than done. Many retailers continue to struggle to break down the silos between in-store and online commerce, creating a problematic disconnect from one customer touch point to the next. Consumers expect a consistent brand experience across all channels. Retailers that don't resolve these issues may not be around to celebrate the next new year.

Solution:

The end game is unified commerce across all channels and touch points. To start this process rolling, retailers need to connect all current systems to a centralized data platform, using solutions that require minimal integration. The best data platform will feature Master Data Management (MDM) and take an API-first approach.
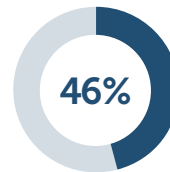
Ease the **payment process** with mobile options.

While mobile payment is table stakes in retail today, forward-thinking retailers will take it to the next level by arming store associates with the ability to cross-sell and upsell at the point of purchase decision.
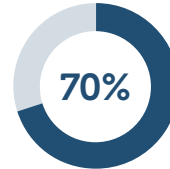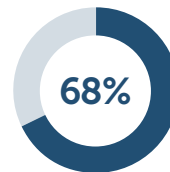
Key stats:

Checkout

Green Hood

 Pay
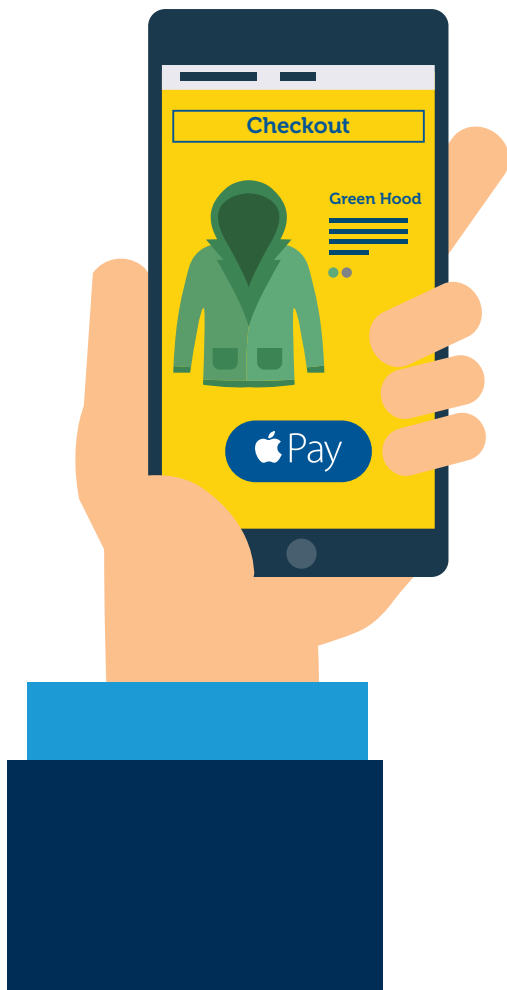
46% of consumers said ease of checkout would make their in-store experience better.[14]

But mobile can be so much more than payment...

70% Nearly 70% of consumers want in-store recommendations from roving sales associates equipped with mobile devices.[15]

Realizing the trend...

68% of retailers are identifying customers, utilizing customer-facing technology and empowering associates with information in real time.[16]

It's a win-win for retail brands...

25% to 50%

Cross-selling programs increase an existing customer's revenue by 25% to 50%.[17]

[14] *Total Retail U.S. Report,* PwC, February 2016
[15] *Total Retail Survey 2016: United States,* PwC, February 2016
[16] *2016 POS/Customer Engagement Survey,* Boston Retail Partners, January 2016
[17] *Priming The Wholesale Distribution Revenue Engine: Implementing An Effective Cross-Selling Strategy,* Deloitte, 2016

Challenge:

With the Amazon Go concept looming overhead, every other retailer must be thinking about how to compete on that level. Once consumers realize shopping and paying can be seamless, they will expect it every time they enter a store. But while the Amazon Go setup may not work for all retailers and is still fraught with issues around security, it takes a step toward answering consumers' desire for **speed and convenience.**

When it comes to speed and convenience, mobile payment is the next viable step for retailers today — as long as the mobile solution makes the payment step easier for the shopper. Now that the technology is meeting those expectations, it's time to take the payment interactions a step further.

Moving forward, it's not going to be enough to simply provide a roving store associate to complete a purchase on a mobile device. That associate must now be armed with personalized product information and offers to make the last part of the in-store shopping experience rewarding and pleasurable for every consumer.

Solution:

To address each shopper's preferences, retailers should invest in mobile tools that are equipped to offer both self-guided and sales assist capabilities. Integrated with the endless aisle, these tools can help store associates show shoppers an expanded catalog of items that may be out-of-stock or simply unavailable in the store. The payment process then becomes another active engagement interaction with the shopper that can save the sale.

Five

Reach out post-purchase with **satisfaction surveys and messages** that inspire return visits.

To build long-term loyalty and repeat purchases, retailers can use post-purchase messaging and surveys to build strong communities and brand influencers. Messaging can be the form of future discounts, social good/charity updates or customized product recommendations.
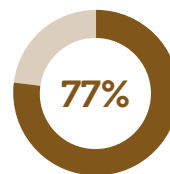
Tell Us How We're Doing
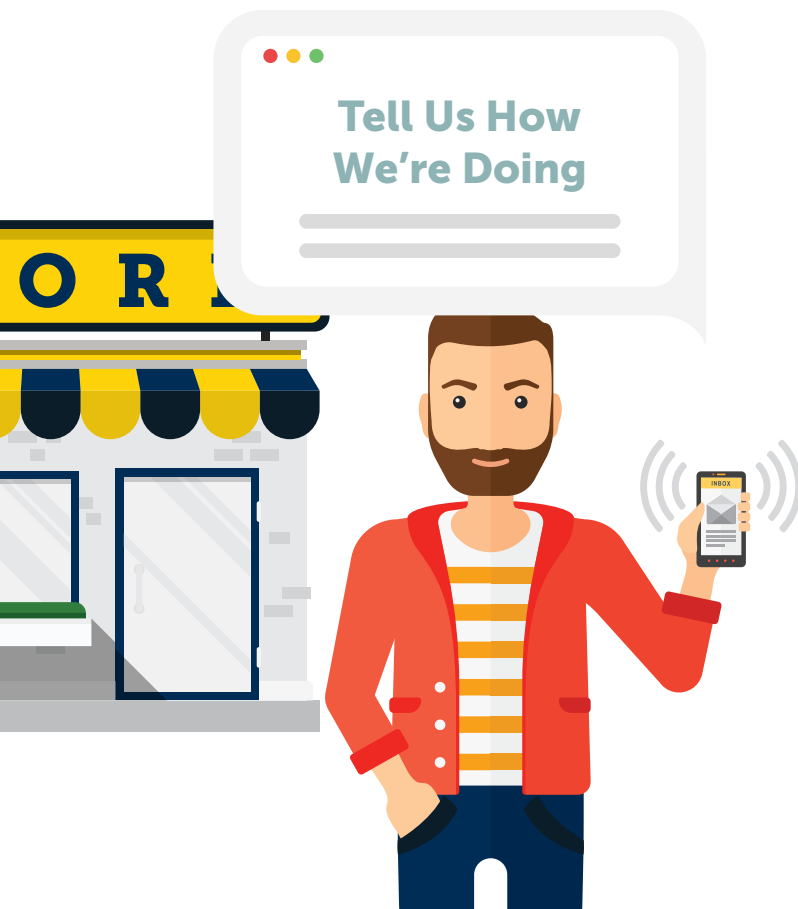
Key stats:

Consumer buy-in is key:
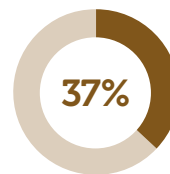
37% **of the purchase influence touch points** during the "active evaluation stage" include consumer-driven activities, such as word-of-mouth and Internet reviews.[18]

Social good resonates with a significant part of the consumer population:

77% **of Millennials** around the globe have involved themselves in a **charity or "good cause."**[19]

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[18] *The Consumer Decision Journey,* McKinsey
[19] *The 2017 Deloitte Millennial Survey,* Deloitte 2017

Challenge:

The realities of omnichannel retail mean that the store cannot be an island. Merchants must be able to extend the shopper relationship post-POS, out onto the street, on the shopper's mobile phone, at home on the laptop, and during social media interactions. To achieve those goals, retailers must connect the data dots across every interaction and turn those actions into actionable strategies.

One part of the journey that often is left untapped is the time immediately following a purchase; or worse, if a shopper leaves a store without completing a purchase. The intelligence that could be collected and acted upon in these two different circumstances can influence a positive future interaction or solidify a permanently lost relationship.

Solution:

A fully integrated analytics platform can help bridge the gaps between direct brand interactions. For example, following a purchase, based on the knowledge about each shopper, personalized messaging could be in the form of an alert that the retailer made a charitable donation as a result of the purchase; or recipes or fitness tips based on the products purchased.

If the shopper left the store without completing a sale, automated messaging could send a satisfaction survey or follow-up information based on the area of the store where the shopper spent the most time. With knowledge of that shopper's online and mobile activity, the retailer can get ahead of any future interactions with a competitive brand or negative feedback the shopper might share via her social networks. It's all about knowing each shopper and building a loyal brand community.

We Miss You

STOP IN FOR AN EXTRA 20% OFF!
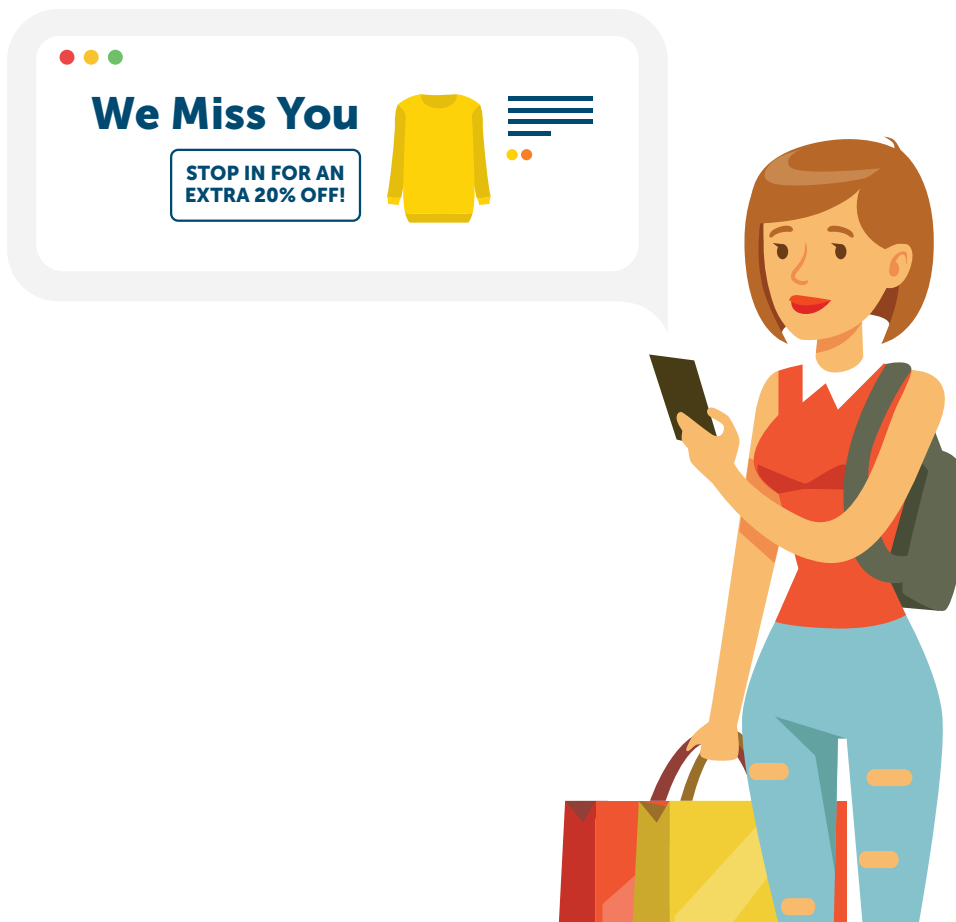
Conclusion

It's clear that the stakes are high for retailers planning to remain competitive for the long term. They must engage each shopper at the appropriate time and touch points to fortify lasting customer relationships.

By using real-time analytics, retailers can create the actionable intelligence they need to stay ahead of the competition and consumers who have access to real-time information via mobile devices. By building in endless aisle capabilities, behavior-oriented strategies, interactions at the time of mobile payment, and post-purchase communications, the retailer-consumer relationship will be strengthened and the shopping journey will be satisfying every time.

Want to learn more?

iQmetrix

Founded by retailers, iQmetrix is focused on improving and connecting the in-store experience through innovative software solutions. With products from POS to endless aisle, iQmetrix has taken its unique understanding of the pain points in retail to create better experiences for retailers and their customers. All of iQmetrix's solutions are built on a scalable platform with powerful metrics at their core to provide a more complete view of today's consumer. Currently powering over 18,000 retail locations, iQmetrix is a privately-held software as a service (SaaS) company with offices in Canada, the U.S. and Australia. **www.iQmetrix.com**

iQmetrix, Vancouver, BC
250 Howe Street - Suite 1210
Vancouver, BC, CANADA
V6C 3R8

P: 1.866.iQmetrix (476.3874)
F: 306.569.0183

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777 Terrace Ave, Suite 202,
Hasbrouck Heights, NJ 07604

P: 201.257.8528
F: 201.426.0181

info@retailtouchpoints.com