

THE PERSONALIZATION HANDBOOK FOR RETAIL MARKETERS

How to Power Customer Engagement with Hyper-Personalized Marketing



The future of shopping is *personal*

The retail landscape is changing forever.

Consumers want to buy what they want, when they want - on any channel or touchpoint. They order products via smartphone for pick-up in store and free returns at the post office. Social media posts have 'Buy' buttons. Members-only product release parties are trending. And Amazon is rolling out convenience stores without cashiers. Just grab and go, they know who you are...

Retailers who can identify their customers and deliver hyper-personalized engagement on any channel are the ones thriving in this new age of retail. As the old model of inventory-led retail becomes obsolete, forward-thinking marketers deliver a new generation of shopping experiences with a common focus: the individual consumer.

In our Personalization Handbook for Retail Marketers, we'll provide a toolset of proven strategies and technologies to help marketers leverage personalization for long-term wins such as increased customer loyalty, spending frequency and lifetime value. Starting things off, we'll discuss why hyper-personalization is the only constant in today's rapidly changing retail landscape.





Before you get started:

secure your data foundation

The big challenge for retailers, especially compared to the days of mom-and-pop shops, is to deliver this desired level of personalization at scale.

That's why winning retail brands already know: The key to it all is customer data, seamlessly integrated across each and every touchpoint between retailer and consumer. In a survey among successful retailers worldwide, 88 percent agreed that customer data has become a strategic asset that is critical to retail success (RSR).¹

Customer data helps these retailers identify and serve individual consumer needs, provide targeted guidance during product discovery, and identify untapped revenue streams. Actionable data is also at the heart of technology-driven experiences such as cashierless checkout, AI-powered personal shopping assistants, and AR-enhanced store navigation.

Taking some notes out of these innovative retailers' playbooks, the next chapter presents hands-on strategies for translating customer data into hyper-personalized shopping experiences of the future.

Reliable customer data takes the guesswork out of personalized marketing, so future-proof your data architecture with these three fixes:



Capture *in-store* data

Customers expect retailers to know their entire purchase history, whether they shop in-store or online. Bridging this gap remains problematic: 41 percent of shoppers expect sales associates to view their shopping history in-store, but only 20 percent have seen it happen.² And over 56 percent complain that it's 'really annoying' when brands keep promoting products they have already bought.³ That's why customer data platforms (CDPs) - also a component of Selligent Marketing Cloud - support data integration across channel boundaries, for seamless customer recognition.



Connect customer service

Even the most loyal customers become frustrated when a retailer's customer service treats them like strangers, which is still quite common. According to Selligent's own research, only 34 percent of businesses are able to identify customers upon contact. This can prove an Achilles heel to retail success: 61 percent of customers ages 18 to 34 have stopped doing business with a company due to a poor customer service experience.⁴ CDPs were created specifically to eliminate such blind spots and update consumer profiles with insights from customer service interactions.



Update contact lists & opt-ins

In the aftermath of GDPR, and with emerging data privacy regulations in the United States, marketers have seen their email contact lists dwindle by up to 60 percent. Now is a good time for a deep dive into your list to ensure data quality and compliant opt-in for each contact. Erase all contacts lacking info for first and last name. Delete role accounts (webmaster@ or info@, etc.). Merge any double contacts to avoid sending the same message multiple times to one individual and make sure opt-ins are filed according to GDPR. Also consider integrating your contact lists with data points from CDPs - like preferred device or time of day - as they are the key to more personalized engagement.



2 **Tools of the trade:** **7 personalization strategies** **for retailers**

70 percent of consumers say companies need to understand their current situation before sending a marketing message.⁵ This level of hyper-personalization requires retailers to maintain a full 360-degree view of consumers as they oscillate between touch points. Once retail marketers have set their digital tools and data backbones firmly in place, they are free to innovate the personalized experiences today's shoppers demand.

For inspiration, here are seven personalization strategies retailers should consider to maximize their campaigns:

1. SMART SEGMENTATION

Every shopper is unique. Winning retailers know to draw on all the consumer intelligence and behavioral data at their fingertips to deliver the kind of individualized experiences consumers want. But besides looking at traditional demographic data to build your contact lists, consider leveraging what you know about individual consumer's product utilization, socio-economic status, purchase propensity, or consumer attitudes to laser-focus your communications.

You can also enlist help from artificial intelligence: Selligent's built-in AI engine, Smart Audiences, unlocks a new level of personalized marketing interactions. Drawing on real-time data from consumer profiles, Smart Audiences assembles the most relevant audience for any given marketing content or sales offer. The AI delivers personalized messages to those who are highly engaged on social media, have made recent trips to a physical store, and exhibit a high level of brand affinity. Marketers can use their omnichannel reach to engage these VIP consumers (see 5.) via immediate channels like text and push messages, and offer exclusive rebates and perks.



2. CUSTOMER LOYALTY PROGRAMS

Play the long game. Loyal customers are worth up to ten times as much as what they spent on their first purchase (Marketing Tech).⁶ For retailers, loyalty programs that offer perks such as discounts and exclusive access to events (see 5.) are proving successful when it comes to encouraging repeat purchases and increasing customer satisfaction. A strong 36 percent of U.S. internet users shop more frequently at stores that let them earn rewards (Exentus).⁷ They also share their positive experiences with friends and family: 73 percent of loyalty program members are more likely to recommend brands with good loyalty programs.⁸ From a data perspective, these programs are a gift that keeps on giving. Loyalty programs offer retailers a direct line to an opted-in, engaged audience for continuous insights.

3. PERSONALIZED MARKETING COMMUNICATIONS

A personal touch goes a long way when it comes to reaching today's over-messaged consumers. Platforms like Selligent Marketing Cloud let retailers create dynamic emails, texts, and push messages featuring AI-generated personalized product recommendations based on individual taste and purchase history (see 6.). Retailers can also personalize their marketing automations, for instance via personalized website prompts when a customer is due to refresh their supply of consumable products to increase spending frequency. And they can use functionality such as Selligent Journey AI to adjust marketing pressure to a comfortable level and time of send for each consumer. It's a wise move: 47.1 percent of millennials named receiving "emails too often" as the primary reason to unsubscribe (BrightWave).⁹

4. CONSUMER WORD-OF-MOUTH

Enlist today's data-savvy and empowered consumers as brand advocates. Instead of marketing at consumers, it's all about marketing with them. Retailers let customers feel valued by nudging them to leave reviews of their recent purchases, which in turn significantly impact purchase decisions: 91 percent of consumers read online reviews before shopping and 84 percent even trust online reviews as much as recommendations from their friends.¹⁰ Listening to customers also builds loyalty: 97 percent say they are more likely to be loyal to a company that implements their feedback.¹¹ And as Instagram, Facebook, and Snapchat offer direct in-app purchases, retail brands benefit from users and influencers sharing their brand experiences on these social media platforms. In 2018, nearly 30 percent of U.S. Facebook, Instagram, and Pinterest users purchased products they discovered there.¹²

⁶ <https://martech.zone/infographic-customer-retention-numbers> ⁷ Exentus report, "The Road to Rewards 2017: Loyalty in the Fast Lane," 2018. ⁸ www.forbes.com/sites/tinamulqueen/2018/08/01/beyond-points-companies-are-using-innovative-rewards-programs-to-draw-in-customers/#625612aa732d ⁹ BrightWave report, "Millennials + Email: How to Engage Email Natives," 2016. ¹⁰ www.inc.com/craig-bloem/84-percent-of-people-trust-online-reviews-as-much.html ¹¹ www.mycustomer.com/experience/loyalty/are-consumers-really-becoming-less-loyal-lets-look-at-the-evidence ¹² Cowen and Company report, "Gen Z and Millennials Reshape Apparel, Footwear, and Accessories", March 2018.

5. EXCLUSIVE EVENTS FOR VIP CUSTOMERS

Are you able to identify your VIP customers? The definition of what constitutes a VIP can differ from retailer to retailer, but most include a high customer lifetime value, purchase frequency, and level of engagement. Reward superstar customers in this segment (see 1.) with exclusive perks such as access to invite-only events - both online and offline. In the world of high fashion, brands release highly coveted product 'drops' at in-store parties with limited access only for select guests. And during online VIP events, the members-only ecommerce platform NTRK lets select users purchase ultra-rare designer fashion pieces via live bids. At a time when every customer wants to be a VIP, retailers can also use their rewards programs (see 2.) as a springboard to VIP status: 56.8 percent of consumers are more likely to participate in programs that promise exclusive perks and rewards.¹³

6. PERSONALIZED CROSS & UPSELLING OFFERS

The right product offer at the right time can make all the difference: After receiving a personalized recommendation, 49 percent of consumers report purchasing a product they were not planning on buying.¹⁴ Delivering relevant offers at scale requires a combination of real-time customer data - also to know what products they already own - and AI capabilities. Ecommerce leader Amazon creates more than 35 percent of its total revenue with personalized shopping recommendations powered by predictive analytics (McKinsey).¹⁵

Fortunately, these AI capabilities are no longer the sole domain of ecommerce behemoths: The Selligent Cortex engine's algorithms crunch large volumes of data to leverage the latest behaviors and known preferences into personalized product recommendations for each consumer. Recommendations from our Offer AI can be based on a specific customer's behavior, statistical calculations, or items added to a wish list. Plus, marketers maintain full control over what offers are displayed to which customers based on what kind of behavior. The AI engine does the rest.

7. REAL-TIME MARKETING

Consumers expect personalized marketing more and more quickly. In return for sharing personal data with a retailer, 54 percent of shoppers expect a personalized discount within a day; and 32 percent within just an hour(!).¹⁶ And as our recent Selligent consumer study proves, 33 percent expect brands to anticipate their needs before they even arise.¹⁷ These demands are putting a premium on real-time marketing (RTM) capabilities. Examples of RTM include sending the perfect offer to answer a situational need, inviting nearby customers to step into a store, or suggesting the next purchase when customers are actively in the market.

Key considerations behind RTM experiences include: What do customers need at this very moment, or what are they actively searching for? And what do they own already? Answering these questions, Selligent Marketing Cloud lets marketers leverage data points such as consumer profiles, location, and current situation to serve context-based personalization to individual customers. Enhanced by our platform's Live Content, Predictive Analytics, and Journey AI capabilities, these real-time engagements create a sense of personal urgency and relevance in the here and now.



¹³ <https://technologyadvice.com/blog/marketing/why-customers-participate-loyalty-programs> ¹⁴ www.businessinsider.com/shoppers-expect-more-personalization-2017-10
¹⁵ Forbes, "How Retail Brands Can Compete And Win Using Amazon's Tactics," December 2017. www.forbes.com/sites/forbesagencycouncil/2017/12/21/how-retail-brands-can-compete-and-win-using-amazons-tactics/#1382c5255e18 ¹⁶ <https://econsultancy.com/12-stats-that-prove-why-personalisation-is-so-important> ¹⁷ Selligent Marketing Cloud Consumer Study 2018. <https://www.selligent.com/press/selligent-marketing-cloud-study-finds-consumer-expectations-and-marketer-challenges-are-rising-in-tandem>

3

Retail trailblazers: Selligent client showcase

In today's fast-moving retail landscape, customer loyalty is earned with every transaction. From pure-play ecommerce vendors to omnichannel retailers with extensive brick-and-mortar footprints, winning retail brands rely on data-driven personalization to turn one-time buyers into repeat shoppers. Here's how Selligent Marketing Cloud clients keep customers coming back by delivering consumer-first marketing online and in real life.

ASDA

ASDA

Using Location-Targeting to Amplify In-Store Visits

Walmart subsidiary ASDA, one of the U.K.'s leading grocery retailers, landed a viral hit with a fun Easter campaign powered by Selligent's real-time personalization capabilities. The platform's Live Content feature allowed ASDA to send customers shopping and entertainment ideas based on location and weather. What's more, shoppers received personalized updates whenever ASDA's Easter mascot, a Giant Hen, was headed to their local store for a promo visit. The personalized #GiantHen campaign reached 6 million customers and generated 4.2 million online campaign views, including 40 percent views from previously disengaged customers reactivated by the egg-citing initiative.

TAO
TAPE À L'OEIL

Tape à l'œil

Empowering Store Personnel with Customer Data

French children's apparel brand TAPE À L'ŒIL (TOA) uses Selligent to bridge the gap between online customer behavior and personalized in-store experiences. Store personnel can access customer profiles - containing past purchases, browsing behavior and additional data points such as clothing sizes - via tablets to help with on-taste shopping advice for their kids. As a real-time marketing element, customers also receive push notifications with personalized discount offers on their devices upon entering a TOA store. Thanks to these custom-tailored offer, TOA's mobile open rates increased by 20 percent.

BRILLE24

Brille24

Winning Customers with Omnichannel Flexibility

One of Europe's largest online optical retailers, Brille24, relies on Selligent Marketing Cloud to deliver personalized marketing messages at exactly the right moment. As part of the "Anything, Anytime, Anywhere" campaign, customers receive customized discount coupons on their preferred devices at the time of day when their digital activity is peaking. Discount codes are generated in accordance with each individual customer's favorite categories and products, while Selligent handles delivery via dynamic emails and messenger apps. The data-driven campaign not only provided Brille24 with deeper insights into customer needs, but also delivered eye-popping opening rates at 86 percent in email and 92 percent via WhatsApp.



The future of shopping starts now

With every desirable product just a click or a swipe away, the future belongs to retailers who know what their individual customers are currently dreaming about. Drawing on their seamlessly integrated consumer intelligence, these retailers deliver hyper-personalized experiences for every single customer.

From frictionless checkout to custom-tailored product offers, voice-driven shopping journeys and AI-powered style advice delivered through audio-equipped dressing room mirrors - this unprecedented level of convenience and personal relevance will keep customers shopping with their favorite retail brands again and again.

On the backend, omnichannel marketing platforms like Selligent Marketing Cloud - connecting data points such as purchase, behavior, loyalty, customer service, and in-store visits - will be the drivers behind the next generation of hyper-personalized retail experiences. Until then: Thanks for shopping with us, we hope to see you again soon.

ABOUT **SELLIGENT** **MARKETING** **CLOUD**

Selligent Marketing Cloud is a sophisticated B2C marketing platform that empowers ambitious relationship marketers to maximize every moment they engage with consumers.

With native AI capabilities, a robust data layer, and a powerful omnichannel execution engine, Selligent Marketing Cloud enables marketers to easily target, trigger, and deliver highly personalized messaging across all critical channels.

More than 700 global brands in retail, travel, automotive, publishing, and financial services trust Selligent Marketing Cloud to help deliver their marketing programs. With 10 offices across the United States and Europe and more than 50 partners, Selligent serves over 30 countries with local, personalized service.

Learn more at www.selligent.com and connect with the team at [Twitter](#), [LinkedIn](#), and our [blog](#).

