

# **EXECUTIVE SUMMARY: PERSONALIZATION**

# Merchants Need to Know Their Customers at All Touchpoints

BY DANIELA FORTE

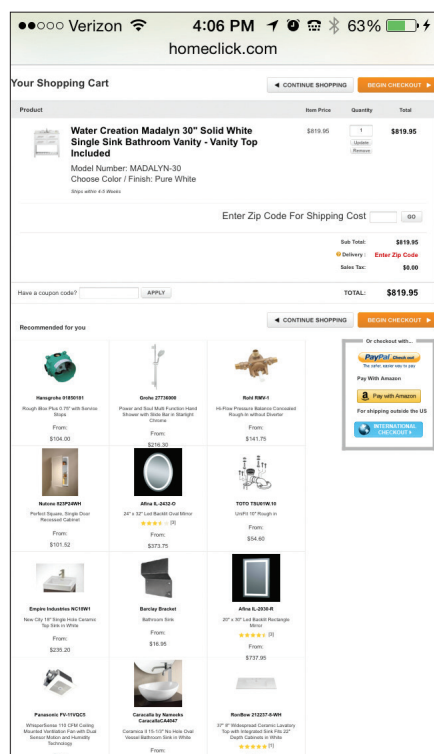
Personalization is so important in today's retail environment. Consumers have come to expect that retailers will cater to their preferences across all channels.

Personalization is particularly important as more and more retailers are finding ways to use mobile devices and merging the physical and digital worlds of their businesses, bringing to the forefront the omnichannel experience.

It is important for retailers to understand the customer at every touch point through their marketing campaigns.

Retailers that optimize across the channels can expect shoppers to stay longer and convert more while significantly increasing brand loyalty.

Home Click shows product recommendations on shopping cart page.



ger and convert more while significantly increasing brand loyalty. With the development of wearable technology such as Apple's iWatch, integration is important for shoppers who want a seamless shopping experience.

Wearables, iBeacons and mobile GPS

provide the retailer the opportunity to engage with consumers across multiple devices.

The 2015 MCM Outlook survey found that that on a scale of 1 to 10, the level of importance personalization plays for retailers is a 6.10 as an ecommerce strategy.

## Personalizing the Email Experience

Personalized emails should go beyond "Dear, John," but not be too creepy, says Thomas E. Smith, president of Goldcoast Consulting Group. It is important to be able to integrate data such as past purchase history and browsing history so you can create more targeted, personalized campaigns. And if you can include offline customer data to match your online data, you can build the perfect predictive piece.

"If you know someone is a great mountain bike person and they're surfing for street bikes 20 hours a week, and they aren't buying mountain bike stuff or looking for mountain bike stuff, maybe serve him an email with a totally different offer based on that behavior, even if he hasn't made a purchase in the past," Smith says.

Triggers can get pretty sophisticated, depending on what you're planning to do. But you want triggers to be a part of your ESP's campaign builder workflow.

You may want to start the new subscriber journey by triggering a welcome email, and if a purchase is made, sending a purchase acknowledgment email and thank-you email. Or, if you send an email and there is no reaction from the customer, you may want to be able to trigger a reminder email.

Megan Nonemacher, ecommerce marketing manager at Rodale's, says she cannot wait to grow

Rodale's automated campaigns in 2015. Since the brand launched, Rodale's has had successful welcome campaigns and abandon cart campaigns. Nonemacher says Rodale's plan to take it a step further by adding campaigns such as post-purchase and win-backs, as well as an automated email series that provides personalized, recommended products based on customer search behavior and buying patterns.

"We know that personalization can increase customer engagement by as much as 22%, so



we're going to focus a lot of energy in this area." Nonemacher says.

Smith says he once worked with a retailer that sold bulbs and gardening equipment, and it sent triggered emails based on zones and what to plant at what time of the year. But if

Mother Nature brought a freak snowstorm to the Northeast, and no one was planting, it would be able to change scheduled messages up based on inventory timetables.

So if the early planting season was thwarted by a blizzard, the retailer could instead send an email about an end-of-season snow blower sale to customers in that area. Or if snow blowers were not available in a certain zip code, it could change the message to talk about snow shovels.

—Tim Parry

## Giggle Launches #gigglepics Campaign

Giggle, a baby care retailer, is using social media in a big way to personalize the shopping experience for customers.

With the use of Instagram, the retailer incorporates images submitted directly from their customers or tagged on Instagram into their product and email campaigns.

Giggle launched a #gigglepics campaign where customers can share their Instagram and Twitter photo to the giggle website or use the hashtag on their social accounts. The photos were then filtered through to the website and tagged with featured giggle products.



"This tagging is what allows us to integrate social content with more data-driven programs, like auto-trigger emails," says Shawna Hausman, vice president of ecommerce and digital marketing for giggle.

By partnering with Listrak and Olapic, the #gigglepics help make giggle's emails more personal.

"An auto-trigger email campaign doesn't have to be restricted to a grid of products. You can alternate between something that is quite functional and something that is more emotional," says Hausman. "On the one hand, you have

auto-trigger emails that are highly personalized and functional—but also quite sterile. People like the fact that they are tailored to them, and that they do make their lives easier. I'm sure we have all received an abandoned cart email and thought—"oh yeah, I wanted to buy that!"

Hausman says on the other side of the spectrum, you have batch and blast emails, which are highly designed and highly emotional—less, personal, they speak to millions of readers the exact same way.

"We are trying to do something that sits directly in the middle—giving people the personalization they appreciate, with the emotional connection they crave." Giggle also has incentivized social sharing across the site, where it asks customers to share their favorite products with their friends and followers on social media. This activity powers the "Trending Now" gallery where customers can view Top Trending product based on the number of shares, comments and purchases.

"We have also taken the trending module and created an email version of it, which we incorporate at the bottom of every email we send out," says Hausman. "With email, people are no longer afraid to scroll, which is why we use the length to provide our customers with additional relevant content."

## Why You Need to Get Personal with Your Email Marketing Strategy

Making your customers feel important in all facets of the shopping experience is important. One particular way is through your email marketing strategy. Many retailers will make the mistake of sending a "one-size-fits-all" email to customers and can easily end up in a trash folder of their inbox.

This is why it is so important that retailers make an effort to send personalized emails based on customer preferences.

Online shoppers have revealed that they want emails featuring merchandise selected based on their own shopping habits. In fact, shoppers are more willing to receive more emails if it makes shopping easier for them and they are willing to share information with retailers in order to receive more emails that are relevant to them, according to a 2014 Listrak-sponsored survey.

Eighty-four percent of shoppers who signed up to receive promotional emails, reported they found it helpful if products featured in emails are relevant based on their shopping habits and preferences.

Emails that present shoppers with recommended products personalized to their unique preferences and past purchases are considered helpful, which is why many online shoppers are willing to receive more promotional emails.



Matthew Hardgrove, director of marketing for home improvement and décor retailer Home Click, says this year the company is providing recommendations in email and specific offers per customer at specific times.

He recommends that retailers segment emails, spend time figuring out how to differentiate their customers in ways that make sense.

"Any indicators that help to figure out what kind of customers they may be or what they may be looking to buy," says Hardgrove. "Utilize the information and send timely automatic emails, or even larger one-time emails."

SHOW US HOW YOU giggle

SHARE YOUR PHOTOS ON

&

#gigglePICS

OR

ADD YOUR PHOTO

FILTERS

VIEW ALL

CUTE KIDS

FASHION

ON THE GO

NURSERY STYLE

PLAYTIME

MEALTIME

#SHAREAGIGGLE

#GIGGLESTRIPES

#GIGGLEMOMS

The #gigglepics gallery displays image submitted from customers and asks them to share their photos on social media using the hashtag #gigglepics.

## International Military Antiques Sees Product Recommendations Success

International Military Antiques, a military collectables company, saw a 47.8% increase in revenue when it ramped up its product recommendations on its website.

The company implemented a product recommendation engine. Its onsite recommendations generated 22% of ecommerce revenue and produced year-over-year increases in 2014. In addition, the average order value on the website saw an increase in conversions on the shopping cart pages.

Alex Cranmer, vice president of International Military Antiques, says that installing the product recommendation engine on the website was an incredible time saver. "On the site, each time we wanted to show items, we had to manually input that information. We don't have to do that anymore at all," says Cranmer.

Cranmer says the company plans to offer a free shipping promotion for items over \$100, and embed with the recommendation engine a threshold-shipping calculator.

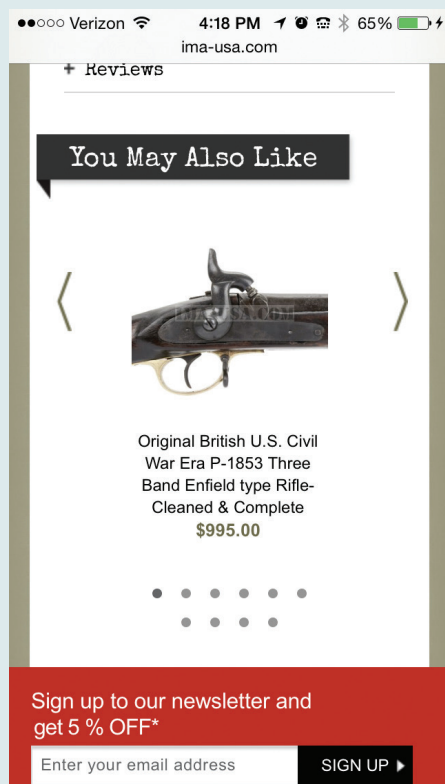
"It will show items that are all above a certain amount, that are also related," says Cranmer.

For email campaigns, Cranmer says the company was able to implement product recommendations in abandoned cart and thank you campaigns.

"We show them products that are related or inspired by what they already purchased," says Cranmer. "All of those things we were doing manually now run themselves."

Cranmer says he used to manually input 20 product images into the International Military Antiques newsletter, which took him hours to complete. Now he just needs to list the SKUs he wants to include and it populates itself.

"A customer may come for a World War II helmet and see a World War I aviator wing set," says



On the product page International Military Antiques provides other product recommendations on the product pages that customers may like.

Cranmer. "For us, it's (product recommendations) are very important because many of our items are of interest to our customers even though they are not necessarily in the same category."

In 2014, the company processed 40,000 orders and added about 50 products a week. Without a recommendation engine in emails, they wouldn't be able to get it done.

## How to Personalize Your Website

Whether it is in the shopping cart of your website or on the product page itself, it is important to find various ways to personalize the shopping experience for the customer. Web personalization allows retailers to offer information in real time that allows visitors a chance to make confident buying decisions.

This can be in the form of relevant content that encourages confidence in the purchase such as customer reviews and ratings from other customers. It might also be promotional discounts that will entice a visitor to make a purchase immediately rather than waiting. Content offers help seal the deal on the shopping carts before they are abandoned.

Retailers can offer free shipping or a discount if the website senses that a visitor is at the risk of leaving without completing a transaction, in order to complete the purchase immediately.

Looking for ways to encourage post purchases and keep customers engaged in satisfaction with their initial purchase? Simple strategies include executing targeted satisfaction surveys or personalized thank you messages that includes a discount offer on the next purchase.

Other strategies help influence more than just a repeat purchase, but purchases from other customers, such as a refer-a-friend offers or an invitation to rate and review a product. Cross-selling and up-selling are two other important post-purchase strategies that web personalization can help with.

The 2015 MCM Outlook survey revealed that 28% of retailers would add personalized recommendations to their website in the next 12 months.

Survey results also showed that 47.1% of retailers would market with retargeting ads.

Personalizing communication between the customer and retailer begins with a seamless registration and login process for the consumer. Retailers can use a customized site registration form or leverage an existing social account.

Hardgrove recommends that retailers

**Online shoppers have revealed that they want emails featuring merchandise selected based on their own shopping habits.**



## Alex and Ani Sees Lift in Email Revenue

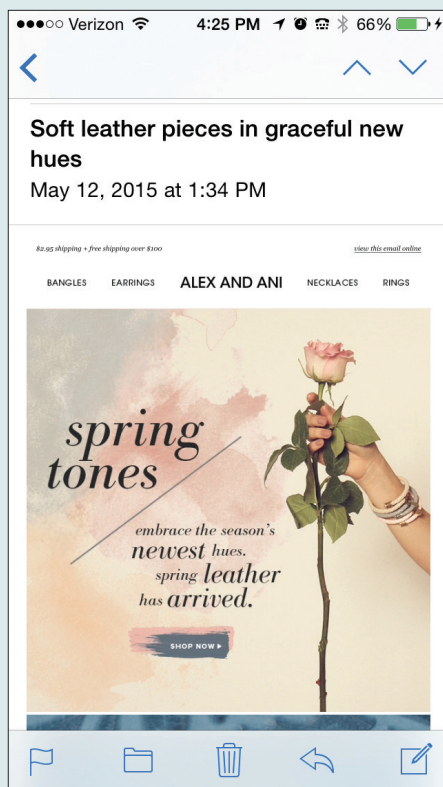
Jewelry and accessories retailer Alex and Ani saw a 73% lift in monthly email revenue and 36% in monthly revenue through using abandoned cart emails, according to a case study.

Alex and Ani partnered with an omnichannel personalization and marketing platform provider, which collected data across its entire ecosystem. The company is now able to serve messaging to individual consumers based on increased degrees of interest on specific products, leading to increased conversion rates.

Alex and Ani was seeking a way to use data in a more intelligent way to engage with its customers, including through its email marketing and onsite recommendations. For instance, when it launched a new product, an email blast announcement would go out to its master list, an approach that did not effectively drive sales.

Similarly, product recommendations were limited based on the customer profiles they had built, which also lead to ineffective engagement.

Through an onsite recommendation tool, strategically deployed to upsell users on other products using “wear this with...” style messaging, Alex and Ani was able to build deep user interest graphs on all identified customers. This has driven sales gains among anonymous customers and reduced cart abandonment.



Alex and Ani provides personalized email marketing for customers.

personalize the shopping cart abandonment above all else. Also, win back customers who signed up for emails, as well as those who have only made one purchase.

## Using Big Data to a Customer's Personal Advantage

What do you do with all that data you have? Are you leveraging the data to provide a personalized shopping experience?

Today, retailers are able to look at their customers holistically, which enables them to experiment with innovations to improve the overall shopping experience. The impact of combining in-store and online data will make this a critical business requirement for brands' personalization efforts.

Brands can leverage data from their loyalty programs, since it has proved profitable for retailers. Retailers should use all the data they have about customers to drive the personalized experiences and enhance the online customer experience.

The programs will drive both immediate sales and lifetime value, and brands should use VIP behaviors and habits to create specifically personalized experiences for customers as they hop between the physical store, phone, website and mobile devices.

Since VIP customers want and expect a brand to know them, and they respond to customized and relevant interactions across multiple channels, retailers that embrace multichannel personalization will

likely see consumers establishing a deeper emotional connection with their brands.

Hardgrove says Home Click is using big data to personalize the customer experience by finding pain points and sweet spots in conversion for average customers and utilizing emails to send messages at the right time with the right offer. The retailer is also giving recommendations based on visit and purchase habits.

Hardgrove says that while the company is still in the early stages of seeing the effects of its data, it is seeing higher open, click and conversion rates on emails than they have in the past.

“Email is attributing to a higher percentage of overall revenue toward our business than ever before,” says Hardgrove.

Hardgrove says they have done small A/B tests in the past that proved to have large impacts, even just a simple subject line test. Testing subject lines, he explains, helps all other conversion metrics like clicks and conversions.

## Personalizing Your Social Media Strategy

Social media is among the many channels that retailers are leveraging as an ecommerce driver. Retailers are using social media to showcase new products, build brand loyalty and make merchandising decisions.

A Nielson study revealed that 84% of consumers are directly influenced by what their social network says about a product. Aware of the impact, Facebook and Twitter recently launched the “buy button” that allows for in-feed sales, and later this year Pinterest will introduce a buy button directing customers right to the checkout page.

Having customers register using an existing social identity is another path to personalization. Rich identity data is accessed from the customer's social profile and aggregated to create a profile on the website or application he or she is logging into. Social login has historically been a popular authentication method for customers. ■