MULTICHANNEL MERCHANT

MARKETING SPECIAL REPORT

Geo-Targeted Marketing

MAKING THE CONNECTION WITH THE ON THE GO CONSUMER

By **Daniela Forte** Multichannel Merchant

Being where the consumers are is so vital for retailers. And where are they? On their mobile devices. As retail continues to evolve and mobile usage and technology continues to rise, it is becoming increasingly important to have relevant targeted content for customers.

This is where geo-targeted marketing comes in.

Today consumers are more likely than not to share their location if brands provide more personalized content and tailored promotions. What does this data do for brands? It enhances the engagement with the customer and builds brand loyalty.

It is important to remember that every connection made between the user and marketer, whether they opt in or out, is a targeted opportunity.

The location information provided to retailers by their customers gives valuable insight into their habits and intent. It shows retailers when and where consumers are expressing an interest in their brand.

For example, it gives accessories brand Alex and Ani the ability to gain impression share from a mobile standpoint and online advertising in a mobile setting. It also offers them lots of data-rich insights into the customer journey, allowing the brand to connect between existing and new customers and how they interact with the brand online and offline.

Ryan Bonifacino, Chief Marketing Officer and Senior Vice President of Digital for Alex and Ani, said geo-targeted marketing shows how consumers are interacting with the brand in both online and offline channels. He said it has led to incremental sales and an increase in repeat purchases, and allowed Alex and Ani to get into new markets faster and provide a better overall customer experience.

When it comes to making buy online, pickup in store work, Tim Callan, Chief Marketing Officer for SLI Systems said a few pieces need to be in place. Retailers need a front-end search system that can take the location of the store and the consumer and marry those two up.

"The retailer needs to have a programmatic inventory system, where I can go and actually know what inventory is in what stores," said Callan.

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Without a back-end system, retailers can do a store guide, but there would be no promise that the product a consumer wants would be in inventory because that information would have to be available.

Having the inventory that is being advertised online available in store needs to be ironed out before buy online, pickup in store can work. Challenges here include legacy system shortcomings and shrinkage.

"Some retailers think they have it under control, but you need to have a system where you're monitoring what is genuinely in the store," Callan said. He added knowing the item is in the store is not enough, and retailers need an auditing process.

Retailers today want a true omnichannel experience for the customer, by leveraging the web as an asset to drive people into the stores. This helps them use their stores as a competitive advantage over strong pure-play online retailers like Amazon.

While it is becoming increasingly important to provide personalized, tailored experiences to your customers, many retailers have not caught on. Media monitoring firm CyberAlert reported that only 23% of retail marketers are utilizing geo-targeting for mobile marketing, giving early adopters an advantage.

"Marketers need to be thinking about regions and hyper-local, because it's going to increase sales," said Ken Burke, Founder and CEO of MarketLive Inc. "The more relevant you are to the consumer, the better your sales are, and the more likely they are going to come to you vs. somebody else. It is a highly competitive world, and if you're not paying attention to local, that's a problem."

Being able to understand online shopping behavior will benefit your offline sales strategy by providing new ways to connect with customers. Today they're looking for retail experiences, not just everyday transactions, so you have to show them more than an online exchange.

How to Make Geo-Targeted Marketing Work for You

There are various avenues you can take to making geo-targeted marketing beneficial for your business. For one thing, it allows you to personalize the customer experience on mobile.

You can do this with effective user segmentation. Customer data can teach you everything from their preferenc-

Express Rolls Out Enhanced Mobile App

Express, Inc. unveiled enhanced features for the Express mobile app for iOS and Android, offering customers an improved mobile shopping experience and smoother navigation—anytime, anywhere.

The app, which will now be fully integrated with the retailer's loyalty program, Express Next, allows customers to enroll, access their loyalty points, available rewards and points needed to reach their next reward from their device. Express Next cardholders can access card balances and scan their smartphones to make cardless payments on in-store purchases.

They can also make payments and view their credit card transaction history. New customers will be able to apply for an Express Next credit card directly in-app.

"We know that mobile devices are increasingly important to our customers," said Elizabeth Crystal, chief marketing officer at Express. "The main driver behind the mobile app upgrade was to enhance the overall experience with Express and present an app that is relevant to our most loyal customers, whether browsing, shopping or engaging with the brand."

Users will also benefit from having easy access to relevant and geo-targeted Express messages, videos, exclusive offers and news.

"Fully integrating our Express Next program while improving the mobile app shopping experience—anywhere, at any time—better connects our mobile and in-store experience for our customers on the go," said Jim Hilt, executive vice president of ecommerce at Express

The app's dedicated social media section features engaging behind-the-scenes video, blog content, access to the retailer's YouTube videos and Instagram feed, and the option to share product pages and content via SMS, email, Facebook, Twitter, etc.

Users can scroll the latest fashion tips and trends, see what's new, customize preferences for the number of items viewed on a page, scan bar codes in store to view product pages and view in-store inventory. They can also locate the nearest store by activating the geo-services option on their smartphone, or through the app's search function.
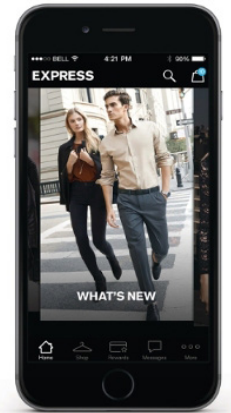
es, what content they engage with and what offers appeal to them. Armed with this information, you can tailor content and promotions. Sometimes the tiniest of details, like someone's first name, can help establish a rapport with

Shoe Carnival Scales Local Search Marketing

SHOE CARNIVAL®

Shoe Carnival is scaling its local search marketing in an effort to drive incremental in-store traffic and sales as well as improve the overall customer experience, using a local marketing automation platform from SIM Partners.

Shoe Carnival, which has more than 400 U.S. retail stores, can now easily cleanse and distribute its store location data to ensure visibility and accuracy across listings in local and mobile search results, online directories and maps.

The location publishing capabilities allow Shoe Carnival's search and mobile-optimized store location pages to feature unique content for each store, as well as a responsive store locator.

Shoe Carnival is turning "near me" searches into store purchases with Velocity Wallet offers, which are being tested at specific locations by leveraging a consumer's mobile wallet. Personalized mobile wallet offers enable Shoe Carnival to accelerate the mobile purchase path, while creating a seamless user experience.

Once downloaded to a mobile device, mobile wallet offers can be redeemed in store as well as used for location-based GPS and beacon notifications.

"This gives us the ability to track and measure the link between online search and offline sales," said Todd Beurman, senior vice president of marketing at Shoe Carnival. "Once downloaded on a consumer's device, mobile wallet offers also give Shoe Carnival stores the ability to connect with its shoppers via customized notifications."

Beurman said the company has seen mobile on-page interactions increase by more than 200% in a 30-day period. Total on-page actions decreased 165% in a 30-day period.

He said to ensure the very best experience across the entire buyer journey, this begins with a local "near me" search by search engine, map search or another discovery outlet.

Shoe Carnival was able to scale its local marketing efforts to ensure visibility and relevance across the entire local marketing ecosystem so that customers, no matter where they are, have the best possible shopping experience. He said mobile plays a huge role in the company's local shopping search strategy, both in terms of customer experience and customer acquisition.

According to recently released Google data, words like "near me," "closest" and "nearby" are increasingly common across the billions of monthly queries. In fact, Google search interest in "near me" queries has increased 34 times since 2011 and nearly doubled last year.

"Connecting the in-store and online experiences is so crucial today with the increase in 'near me' searches on mobile devices," said Beurman. "To convert those searches to in-store sales, our store locations need to be visible in the moments where and when people are looking for them."

your customer.

For example, flash sales retailer Rue La La uses real-time messages to inform first-time customers about the brand and its unique offerings, offering them a virtual tour of the website. It uses web personalization to respond to customers based on location, customizing real-time content.

Another way to make geo-targeted marketing work is by joining social media platforms with location-based functionalities. Snapchat, Instagram, Facebook and Swarm provide this functionality.
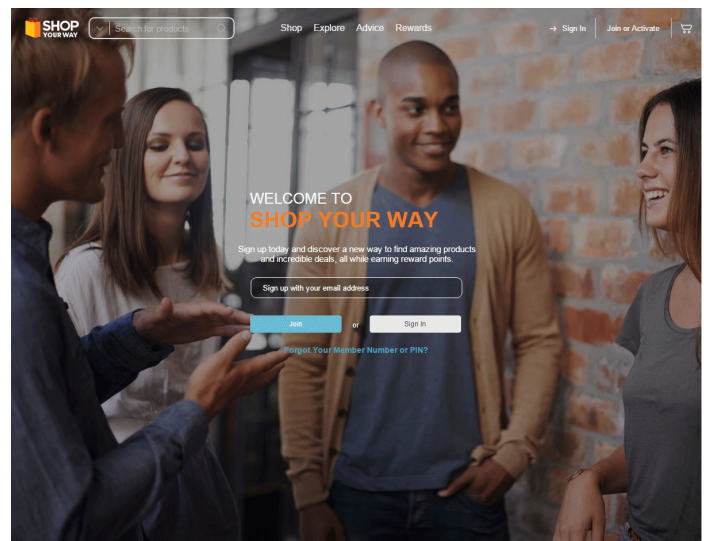
For Alex and Ani, geo-targeted marketing and social media allow access to existing and new audiences. Alex and Ani actively markets itself on Facebook, Twitter and Pinterest.

Bonifacino said looking at each of its fan groups separately and what they're doing, the brand takes a look at whether the activity on social media is matched to a person's purchase from the previous week.

Some location-based social media platforms can even let a brand know what a customer's close friends are saying about their brand or when they last visited its website. This gains popularity and prompts loyal customers to continue to visit and invite new customers.

The use of relevant content is another way to make geo-targeted marketing work for your business. Using creative tools like augmented reality and macro and micro-maps can provide consumers with useful information.

The use of loyalty/reward programs and exclusive promotions is another. For example, Sears Holdings Corp. has Shop Your Way, which allows members to see various products and provide them with coupons, sweepstakes, sales and reward points. In 2014, Shop Your Way launched a "Reserve It" option to offer shoppers more multichannel op-

tions and connect online and in-store shopping experiences. The service allows members to go online and find apparel and footwear items that are in stock at a local Sears store and place them on hold to try on in store. The program also offers curbside returns and exchanges.

When members reserve a product in store, an email or text will let them know when it is ready to try on. Their item is personally labeled at the Reserve It rack in the apparel section.

In 2014, Walmart launched its Savings Catcher Program which checks competitor's prices and credits the difference back to customer after they scan their receipt.

The goal for Walmart was to generate awareness of the unique program and mobile app and establish Walmart as retail's price leader. To make this a possibility, the company engaged in a full cross-media campaign which included proximity and audience targeting.

By targeting those that had visited the retailer in the past wherever they might be, Walmart increases the impact for the same ad unit over standard mobile display and drives favorable price perceptions but also store visitation level.

Walmart found that using expandable ad units, which included more information about the service and distance to the store, produced the most significant lift over the unexposed group. Adding proximity targeting further increased the performance of both units, particularly expandable, driving the strongest store visitation levels overall.

Geo-Targeting with Shipping and Delivery

Geo-Targeted marketing can help both the merchant and the shopper when it comes to shipping and delivery.

For example, Amazon is currently testing a "Ship by Region" program which allows sellers to decide which regions they're willing to send to without charging for shipping and promising two-day delivery. Even if a customer subscribes to Amazon Prime, the seller won't have to provide free shipping if the distance between the items and the customer is too great.

The only sellers that currently have access to the program are those that are authorized to tag their products as Prime eligible even when they ship directly from their own warehouses. Previously all sellers had to send their products through Amazon's warehouses first in order to offer free two-day shipping.

This program gives Amazon a way to expand its Prime-eligible inventory without irritating sellers that might not sign on otherwise. There is currently no timeframe for a more extensive rollout of this program.

Amazon's newest competitor Jet.com uses a dynamic rules engine to drive cost savings though real-time optimization during the order process, determining the most efficient fulfillment options based on proximity to the customer, basket size and other factors. Sellers can determine how much of a cost savings to pass on to customers while maintaining their margins.

Scott Hilton, Chief Revenue Officer for Jet, said the standard model in ecommerce allows shoppers to pay more to get a faster shipping time, or pay less for longer transit times by ground or an in-store pickup.

"Maybe a retailer is offering a product at a great price, but to offer a 2-3 day delivery time they might have to upgrade to second-day air and increase the cost," Hilton said. "With Jet, from a shopper's perspective, maybe the seller is nearby and can get the product to the customer in one day by just charging $1 more. They can upgrade for a small price, and Jet is working behind the scenes to make it happen. The rules create endless possibilities in terms of wringing efficiency out of the system in a way that's more profitable to retailers."