

HOW TO KEEP CUSTOMERS FOR LIFE:

Know what they want, when
they want it, before they do

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CONTENTS

Executive Summary	3
Data Optimisation, Personalisation and Software Gaps: Are you Making the Most of the New Path to Purchase?.....	4 - 9
Emarsys' Top Trends for 2019	8
Case Study: City Beach.....	10 - 12



EXECUTIVE SUMMARY

For true success, it is the customer that needs to be central to your e-commerce strategy. This is hardly a new concept, or in fact a concept that has changed at all since the dawn of retail! But while retailers and e-commerce professionals are acutely aware of the consumer—their needs, wants and experience of the brand—many are still blind to the true value of the customer and how they should allocate marketing budget across the customer lifecycle.

Marketers today have so much data they're not sure how to utilise it effectively with the right tools. Until online retailers truly understand the customer lifetime value, they will not be able to direct marketing budget in an optimised way or drive lifecycle marketing towards these larger strategic goals.

This is why the single customer view (SCV) is so vital. Recent developments in the e-commerce landscape create both opportunities and challenges for retailers and marketers. Now, more than ever before, there are countless sources from which to create a SCV, and this can be dynamic. SCV and persona modelling have practical uses for predicting future behaviour. Through machine learning, retailers can then deliver more valuable, targeted messages at scale.

As always, it's about finding that fine line between retention marketing and acquisition campaigns. While online retailers have historically focused on the acquisition stage of the buying cycle, the advancements in technology have made it possible for digital marketers to tackle full lifecycle marketing in a way that can deliver real return on investment.

Developed by Emarsys, this whitepaper dispels some of the myths about digital marketing in the era of the changing consumer and helps retailers understand the true value of the single customer view and how to leverage this for real growth and competitive advantage.



Emarsys is the largest independent marketing platform company in the world. The company provides actionable intelligence to enterprises targeting their consumers, combining machine learning and data science with true personalisation and multichannel delivery to reach consumers most effectively, maximising engagement and results.

With more than 800 employees in 15 global office locations, Emarsys serves more than 1,500 clients in 140 countries. Every month, Emarsys sends over seven billion messages—helping consumers increase revenue and ROI.

To learn more about Emarsys visit emarsys.com



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DATA OPTIMISATION, PERSONALISATION AND SOFTWARE GAPS: ARE YOU MAKING THE MOST OF THE NEW PATH TO PURCHASE?

When it comes to marketing, the last

Overcoming the hurdles

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decade has seen a complete overhaul in what's required for success in e-commerce. Much of this relates to advances in technology and changing consumer behaviour. But many online retailers are failing to connect these two elements: technology and the consumer. How do you market to your consumer when the purchase journey has completely changed shape? No longer a funnel, but a series of loops that are becoming what appears to be ever-more intertwined and disparate at the same time. And how do you stay on top of technological advancements in a meaningful and strategic way?

For retailers, brands and marketers, the key is not to get lost in what's changing but to focus on what has stayed the same. By ensuring that the single customer view is at the heart of your strategy, and in turn using this to raise the customer lifetime value, the other elements naturally align.

In an era where 'personalisation' is more of a buzzword than an actual element successfully used by the majority of e-commerce professionals, how can retailers ensure they're effectively utilising personalisation for true impact?

For retailers, the major question is: How do I scale personalisation and maintain control of my communication? "As an online marketer, I know that my customers demand personalised communication, but as a business, we need to place specific products in front of our customers," explains Heath Barlow, Market Lead, Emarsys Australia & New Zealand. "This becomes a battle between demand (what does the customer want?) and supply (what do product teams need to sell?)."

So, what to do?

Most retailers are aware that they need to combine the various data sources available (including product data, customer data and behavioural data) in a meaningful way that allows them to deliver personalisation at scale. This also means sifting through the numerous data points, determining those that deliver on personalisation, and ignoring the rest.

“To do this, retailers face the challenge of acquiring the skills and resources, such as data scientists and analysts, to enable the data consolidation required to drive personalisation,” Barlow says. “Gartner found that 47 percent of users in the UK and US believe it’s helpful to receive recommendations based on browsing history. To deliver helpful recommendations, retailers need to overcome challenges in combining customer, behavioural and other relevant data sources.”

Driving personalisation

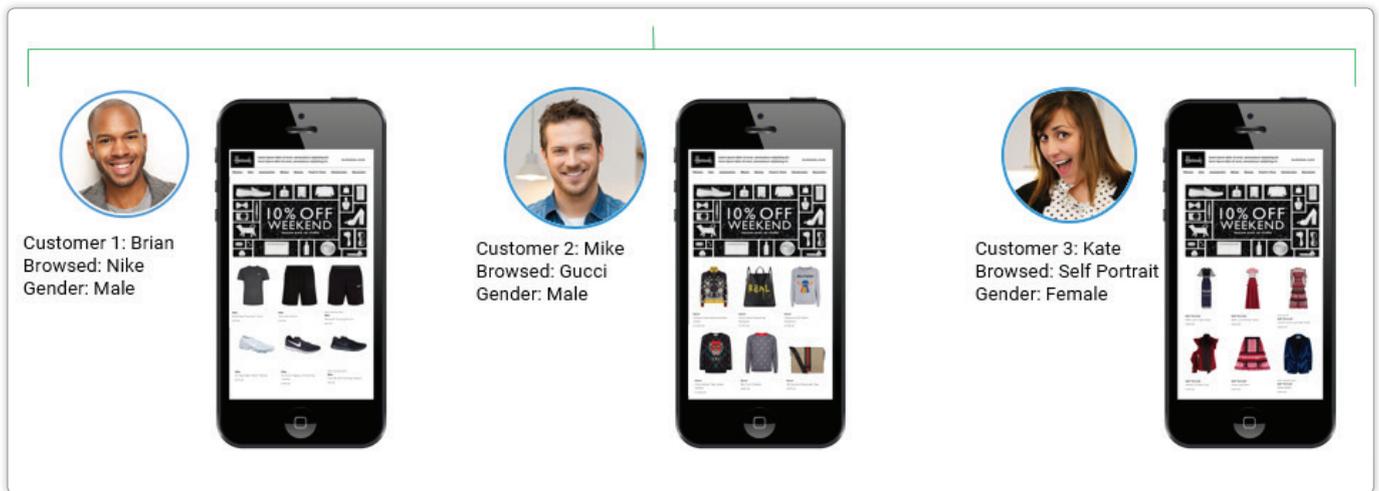
To drive true personalisation, marketers need to have complete confidence in the data. Without this, it’s all for naught. “They need to know that the ‘who’, ‘what’, ‘when’, and ‘where’ components are relevant for their customers at the time of delivering their message,” Barlow explains. “They need a single customer view (SCV) knowing ‘who’ the customer is with no duplication and no conflicting information. They need to define ‘what’ product or message to serve which requires up-to-date behavioural and preference information to drive personalised product recommendations. The marketer needs the behavioural data and technology (machine learning) to deliver the communication including ‘when’ and ‘where’ (which channel) to interact with the customer.”

The words ‘Holy Grail’ are thrown around a lot in the e-commerce arena. When it comes to the execution of curating the customer experience, personalisation and the single customer view fits the Holy Grail definition to a tee. “To execute this well, businesses are working hard to implement a SCV, unifying the mobile, desktop, and tablet-based traffic in a user-specific manner, rather than looking at customers as visitors from different devices,” Barlow says. “Being able to actually identify who a person is regardless of how they came to you, and tailor your interaction based on that information, is crucial to ensuring a seamless, truly personalised omnichannel experience. Doing this at scale requires a host of technology including Data Management Platforms (DMPs) to store ‘unstructured’ data and Customer Relationship Management (CRM) tools to organise and make sense of these complicated customer discovery paths.”

Where to next?

“Personalisation will become more predictive as our ability to ingest data increases and machine learning evolves,” says Barlow.





[Gartner predicts](#) that smart personalisation engines used to recognise customer intent will enable digital businesses to increase their profits by up to 15 percent by 2020. But while it is critical to adopt this capability to drive revenue, e-commerce professionals are well aware that investment spend doesn't guarantee success. Ensuring ROI is vital. It's about finding the tricky balance between investing in solutions to remain competitive without jumping the gun on a solution that's not going to give you the results you need both in the short and long term.

Achieving balance

How do we remain competitive, ensure ROI, and stay not just a step ahead of the market but a step ahead of the changing consumer?

"Artificial Intelligence will allow marketers to better exploit the SCV for propensity modelling. That is, it will enable personalised communication at a scale previously unattainable. AI will be the catalyst for true one-to-one personalisation," says Barlow.

Behind AI

AI is another 'Holy Grail' term we hear a lot about in e-commerce, but in reality it is difficult to know exactly what AI means for businesses when it comes to real-world application. "In truth, it's just advanced mathematics and pattern-matching," Barlow explains. "But don't let that underplay how much it can help! If each business needs to provide a personalised customer experience to thousands or millions of consumers, it won't be able to do this without serious help with the otherwise manual task of processing of all this data. Humans can't keep pace alone."

AI can help take the strain off of looking for patterns in the data, highlighting repeat behaviours and then automating processes which act upon those recurrences - all within milliseconds, and while continually learning as practices evolve. "Take a product recommendation on a retail website - the more data it knows about the consumer in real time, the better it can recommend relevant products. This practice creates the dual advantage of a happy returning customer and increased sales, proving it really does pay to personalise," says Barlow.

The changing consumer, the changing retailer

There has already been much written about the changing consumer and the shifting purchase journey. We know that the consumer journey is no longer linear. But what of the changing retailer? The shifting retail landscape and the creation of the true omnichannel experience is what created this new shopper persona. But, in turn, it's that consumer and her ever-changing expectations that has continued to change the very retail landscape that created them in the first place. It's a bit like a chicken-egg scenario that keeps getting more and more complicated as the technology catches up to the consumer and the consumer catches up to the technology.

"Consumers now demand a true omnichannel experience where they can transition across various online channels to offline channels (and back again), and they expect retailers to keep up with their personal and previously unconventional journey," Barlow agrees.

Not only does this connected era mean that access is essentially limitless and without boundaries (we can personally interact with a business across a range of devices from our laptops, smartphones, watches, apps, social media, marketplaces, forums, and even video games) but through multi-screening, this behaviour is occurring concurrently.

The shift in how consumers engage with brands has led to a shift in lifecycle marketing. This both enriches the marketer's data set (by creating acquisition and retention opportunities) but also creates challenges (in consolidating data around driving lifecycle campaigns and maximising CLTV).

"As the number of these touchpoints grows, so does each customer's sphere of influence. This has created a huge amount of difficulty for businesses that are trying to measure the overall impact of the end-to-end customer journey," says Barlow.

"Most retailers conceptually understand the power of data but struggle to connect this knowledge with the capacity and capability to leverage their opportunity. And it's a big opportunity."

Heath Barlow, Market Lead, Emarsys Australia & New Zealand



EMARSYS' TOP TRENDS FOR 2019

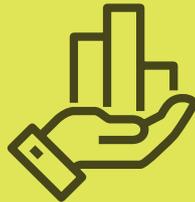
1. Cross-device identification will become a necessary part of omnichannel marketing.

Multichannel marketing will integrate more closely with existing IoT. Cross-device identification (XDID) will become the driving force behind identifying customers and delivering consistent experiences across all channels. This means that marketing teams will use XDID to create more relevant, personalised, and measurable results for customers.



2. All marketing will be done in real time.

In the near future, meeting customers in the moment will become table stakes for brands, because all marketing will be done in real time, through the use of apps, mobile- responsive sites, and most of all, voice. Brands may soon be building real-time customer interaction centres where a human marketer leverages the power of the machine.



3. Brand and digital marketers will be more accountable to CMOs for the ROI on their marketing spend.

ROI attribution including off line sales will become more sophisticated, and this will prove challenging for traditional brand marketers who have historically had very loose attribution models.



The WHY and the HOW

When it comes to digital marketing strategy or even making decisions about new platforms or technology, it's paramount to ensure that it's the overarching 'why' that is informing these decisions. Conversions are vital, but cultivating loyalty and creating brand advocates is where retailers find true success. "Active buyers actually generate the majority of the revenue," says Barlow. "In terms of increasing the revenue, we need to convert first-time buyers to active buyers, as well as retain customers."

"Lifecycle marketing is about solving customer problems with your product or service. To do this, retailers need to pre-empt customer demand," adds Barlow. "By doing this, the retailer drives interactions and conversions and, combined with a great user experience (UX), drives brand loyalty. Loyalty then circles back and drives further brand interactions and behavioural change. The customer no longer shops around, instead coming direct to the retailer."

The major issue is that retailers are continually failing to utilise the data at their fingertips and missing out on this behavioural loop. "Few retailers adequately collect customer data via progressive profiling (outside those with loyalty programs) and fail to aggregate this data in a centralised data management platform (DMP) that can then drive large ROI from lifecycle marketing campaigns," Barlow says. "Most retailers conceptually understand the power of data but struggle to connect this knowledge with the capacity and capability to leverage their opportunity. And it's a big opportunity."

Leveraging data for success

“Online retailers can better leverage their data via progressive profiling and using unique identifiers. By leveraging this data, they can draw insights and drive acquisition and retention marketing campaigns.” says Barlow.

For retailers making the decision to integrate with a platform like Emarsys, some key benefits to look for include using a provider that knows your industry, turnkey tactics, and a strategic dashboard with KPIs tied to your business. “We know that e-commerce brands are focused on revenue, or customer growth, or profitability. We built a reporting dashboard that is industry-specific. No more generic reporting. We’re talking about industry-specific KPIs that understand your industry and are tied directly to the goals of your business,” says Barlow.

The tech adoption gap

Another element that retailers need to be aware of is the technology adoption gap. “The adoption gap is really driven by moving from email to multichannel to omnichannel to this sort of nirvana of personalisation,” explains Barlow. “We work with some brands that have a marketing stack that’s made up of three vendors, five vendors, eight vendors ... all of these marketing point solutions stitched together. It was creating this massive technology gap that was turning into an adoption gap that was leading people to never actually implement the program that they bought to help them drive more revenue.”

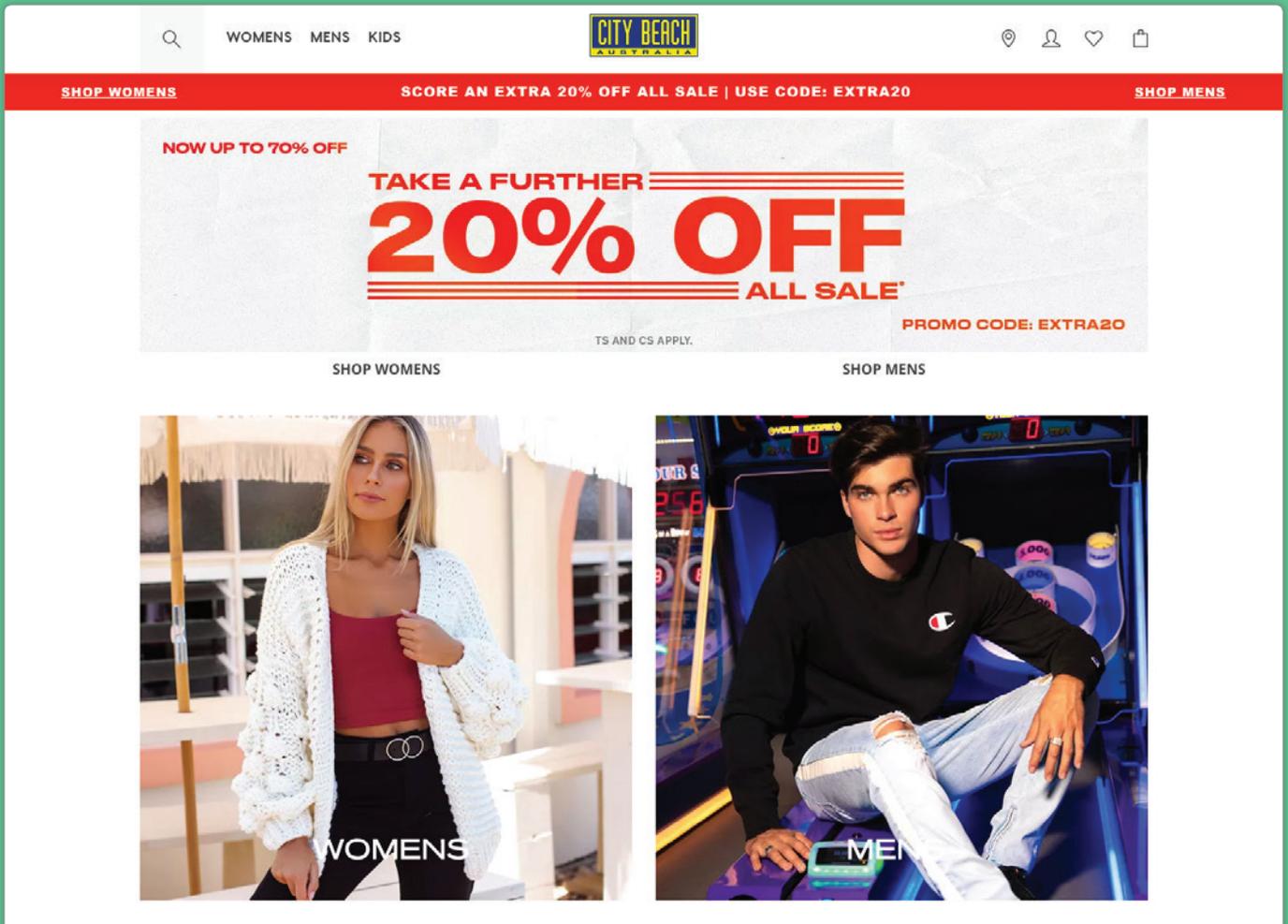
Online retailers are investing in technology that is being underutilised. “So your end goal is wanting profitable revenue growth, so you go out and buy a piece of software, and maybe it gets implemented, maybe it doesn’t,” says Barlow. If it does get implemented, it may take so long to get fully integrated that retailers are too scared to optimise it or ‘mess’ with it. “This then creates a massive adoption gap which is only going to be solved by rethinking the way the software is built and marrying that industry-specific solution with AI so personalisation can actually scale beyond human capability” Barlow explains.



CASE STUDY

CITY BEACH

www.citybeach.com.au



City Beach started as a single store in 1985 in Brisbane, Australia and has now grown into a multichannel success story. Leveraging its in-store and online presence, City Beach wanted to better engage the 1.4 million contacts in their database and treat each loyal customer as more than just an email address. But they were limited by their previous ESP and marketing tools in how accurately they could target customers interested in City Beach's brand, product, and lifestyle.

They needed a scalable marketing platform with personalisation tools and the ability to automate key campaigns. City Beach also needed a platform that would improve their CRM channel performance and integrate with their loyalty program, points of sale, and related customer service touchpoints.

THE CHALLENGE

Tasked with improving an underperforming email channel and replacing a legacy email system, City Beach decided to combine forces with Emarsys to address this challenge. City Beach was looking for a platform to deliver personal customer interactions across email, mobile, social, SMS, and web.

Build More Complete Profiles

City Beach was interested in creating unified customer profiles which merge all of a customer's online and offline shopping behaviour and purchase history, producing priceless RFM and customer lifecycle data that would allow City Beach to strengthen their retention strategy.

Personalisation and Retention at Scale

As City Beach has grown and its customer base has expanded right along with the brand, it became more and more difficult to treat over a million customers as individuals. First, City Beach had to turn their data into actionable insights, by segmenting their audience according to customer lifecycles, lifetime value, and RFM. With a retention strategy in hand, City Beach next needed to personalise at scale which meant automation.

A Fully Integrated Platform

With so many points of sale and customer service touchpoints to maintain, City Beach was looking for a single marketing platform that would enhance their ability to retarget through their CRM channel and integrate all important touchpoints along with the brand's loyalty program.

THE SOLUTION

From the start, City Beach and Emarsys established what the brand expected from the platform and partnership. They mutually set goals and had a shared vision of the database as more than just a bunch of email addresses; that data represented real people that had expressed interest in the brand, product, and lifestyle City Beach represents.

Getting the Data into Shape

As the largest independent marketing platform in the world, Emarsys first offered City Beach a way to consolidate all their customer data in one place. Then, using Smart Insight (a powerful data analysis tool), City Beach cleaned up and organised the million contacts in their database.

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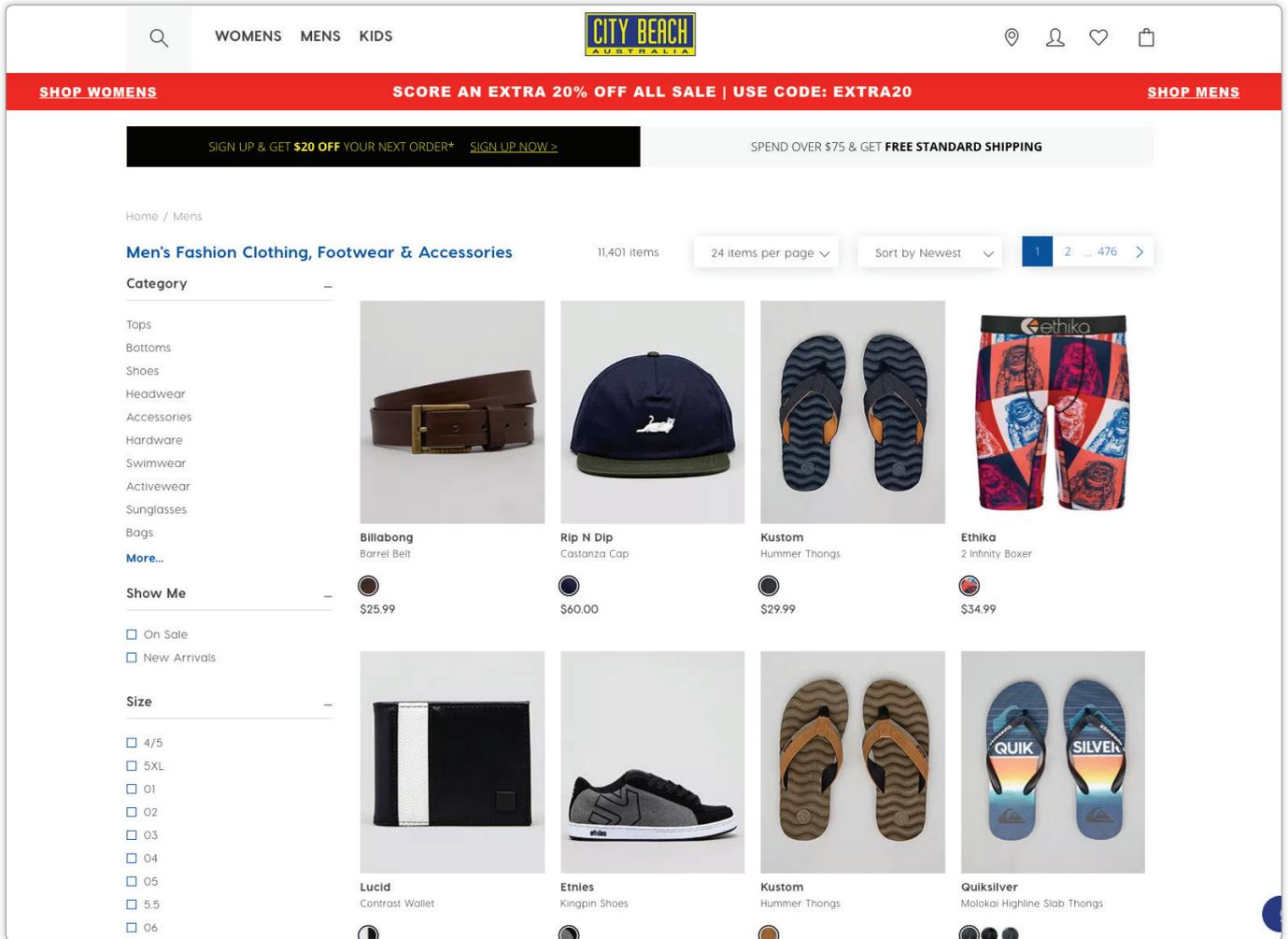
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Automating the Personal Connection

The Emarsys marketing platform gave City Beach all the 1:1 personalisation tools they'd been looking for. Chief among these were campaign automation and segmentation which allowed City Beach to properly prioritise active customer segments.

Better CX with Integrated Must-Haves

City Beach took all the gains they made with their new and improved email strategy and applied that knowledge to every channel through which customers sought out the brand. With Emarsys tools like Web Extend and CRM Ads, City Beach optimised performance in these channels, connected their great in-store experience with their loyalty program, and integrated all touchpoints into the Emarsys platform.

THE RESULTS

After partnering with Emarsys, City Beach significantly improved not only customer engagement through their email channel, but the brand was able to scale personalised interactions through mobile, social, SMS, and web channels as well. Within the first four months of the Emarsys launch, City Beach saw the following results:

1. Unified Customer Data

With a cleaner, more organised database, City Beach could accurately build unified profiles for each customer. As a result, their undeliverable email rate dropped from 28 percent to one percent, and as they continued to fortify their profiles and add new customers, email collection in-store shot up 420 percent over the previous year.

2. Targeted Campaigns Drive Up Revenue and Retention

By targeting campaigns at the individual customer, City Beach's email revenue increased 105 percent year-on-year. Their messaging definitely resonated as active customers increased by 38 percent with a 36 percent retention rate and site sessions driven by email increased 97.6 percent year-on-year.

3. A Better Omnichannel CX

City Beach's ultimate goal was to provide a stellar, personalised customer experience no matter which channel their audience came to the brand through. Not only did their ROAS explode in CRM performance (14X growth for Facebook and 11X for Google), but lifetime spend went up 71 percent.



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