

The Future of Marketing Intelligence in Retail:

Understanding the Omnichannel Customer Journey

The future of retail marketing intelligence is closely intertwined with an evolving customer journey transformed by technology. More connected and empowered than ever before, today's consumers demand experiences that are relevant, real-time, and seamless from screen to store.

This complex marketplace of fragmented media and changing behavior puts immense pressure on retailers to not only create consistent, engaging shopper experiences but also to measure and understand marketing effectiveness at every touchpoint. Building and enriching a unified view of customers—both online and offline—is the very definition of an exceptional omnichannel journey.

Technology has been the catalyst in merging these experiences; therefore, major players need to be innovation-driven to succeed in today's retail landscape.

As technology has evolved, retailers have been able to further craft the customer experience at every touchpoint. From location-based push notifications to retargeting ads based on in-store traffic, marketing intelligence in retail is headed towards one unified experience across every decision along today's customer journey.

As forward-thinking retailers harness the power of unified measurement technology to close the intelligence gaps between channels, they're leveraging data-driven insights that redefine the customer journey and drive marketing efficiency, engagement, and conversions.



The Challenges of Measuring Your Omnichannel Efforts

Like the journey itself, marketing intelligence was once far less customer-centric and more brand-centric, categorized into three distinct waves in [The Third Wave of Marketing Intelligence](#):

“Understanding the evolution of marketing intelligence means understanding the fundamental evolution of the way we shop.”

1. Brand and category management: With point-of-sale (POS) barcode scanning, retailers gained insight into transactions and market share in real time—the beginning of data unification. This broad field has progressed alongside technology, collecting more and better consumer and product data in the process.

2. Customer relationship management: CRM emerged when retailers began to dig deeper into POS transactional data, [looking at individual shoppers](#) rather than segments and instituting programs that enabled the exchange of data for offers and discounts. Combined with data from other sources, CRM creates a profile that determines customer loyalty, measures response to targeted promotions, and conducts analyses to identify cross sells.

3. Customer experience management: The emergence of CX has bridged the digital and physical gap. Now, we’re able to track users both online and offline, seeing what they do on websites, social media, and in-store.

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Technologies Empowering Forward-Thinking Retail Marketers

Combining innovative offline and online technologies provides even more comprehensive insight.

As we look to the current state of retail marketing intelligence, four key technologies are advancing how we collect and analyze data:

Influencer ROI

The powerful marketing impact of influencers has prompted retailers to dedicate more budget toward both influencer and digital campaigns as a whole.

While data show that these campaigns are engaging, measuring ROI is tricky. In fact, of the 92% of marketers who find influencer marketing effective, 76% say that the top challenge is determining ROI ([Linqia](#)).

Furthermore, 60% of companies don't use an attribution model to track and credit influencer sales, reports [Rakuten Marketing](#). As retail marketers pay more attention to their digital brand—especially in context with social conversations around the brand—there is a dire need to prove results beyond promo codes and trackable links.

Flexible payment options

As technology advances, so does the way retailers transact with consumers. The point of sale is no longer a solely over-the-counter exchange. The increasingly popular “buy online pick up in-store” or “click and collect” trend has grown 43% from 2015 to 2017, according to [JDA](#).

[Mobile Payments World](#) expects mobile pay to be used by more than half the consumer population in 2020, opening the doors to new opportunities for retailers. [Home Depot increased customer loyalty and satisfaction](#) by empowering in-store associates with smartphones to contact customers on the sales floor.

The point of sale itself is evolving along with consumers, with widespread use of email receipts and saved payment information. Retailers are allowing their online stores to adopt features like bill splitting to make online checkouts smarter and easier for consumers. As

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these exchanges become more fluid, retailers are collecting data around these transactions that can be applied to give retailers an even better view of what motivates individuals to convert.

Artificial intelligence (AI) for customer insights

AI is no longer just a buzzword or passing trend; it's already driving measurable growth for forward-thinking retailers. Retail marketers leverage AI technologies to gain deep insights into the online consumer journey, with visual and voice search, personalized product recommendations, chatbots, and retargeting to measure demographics, behavior, interests and intent.

[Kate Somerville](#) incorporated AI data to develop tailored product recommendations that increased revenue by 14% and transactions and session durations by 16%.

Inside the store, gesture-driven touchscreens and video cameras are gaining traction. These tactics empower marketers to identify in-store friction and come up with informed strategies to address it. They can also pinpoint where customers browse and spend the most time to determine where in-store promotions and marketing collateral will be placed.

This means marketers have more chances to be relevant and consider context. This is segmentation on a much deeper level—venturing into person-level attribution. AI has enabled marketers to target consumers on a 1:1 basis.

Foot traffic analysis

What was once a simple tool that counted how many times people walked in and out of your store has evolved into an entire ecosystem of data that feeds into the bigger picture of the omnichannel customer journey. Now, foot-tracking technology counts who enters your store and when, how many times, where they went, and for how long.

“A lot of larger retailers are in this shift right now where there’s a big focus on deploying new tech and innovation,” says Joanna Rutter, marketing specialist at [Dor](#). “Foot traffic is this absolutely crucial data layer on top of revenue and profits.”

This detailed look at what customers are doing while in-store is rich with insight. By combining this with POS metrics and external digital touchpoints, marketers can count in-store conversion rates in the same way as online.

The takeaway: Right now, retailers can collect a huge amount of data—but combining offline and online information and refining how best to use it is the game-changer. As technology continues to advance, the ability to put all the pieces together and move to a 1:1 omnichannel approach that delivers intelligence and reveals bigger insights will set the winners apart.

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The evolution of technology allows retailers to reach consumers like never before across a growing number of online and offline touchpoints. But this expanded reach means that retailers must implement a cohesive marketing strategy across these channels to gain a holistic view of today's evolved customer journey—something that requires equally advanced tools and technology.

In fact, [The State of Omnichannel Retail](#) reports that more than 90% of retailers and brands have an omnichannel strategy or plan to invest in one soon, and 87% agree omnichannel is critical or very important to their business success.

“The next evolution of marketing intelligence in retail involves innovation that empowers brand visibility and targeted communication across all channels

It's become painfully clear that while technology is moving at lightning speed, marketers are still scrambling to catch up. Many marketing teams still work in silos: ecommerce, retail, marketing, and digital teams, all using separate data, often resulting in misalignment and miscommunication.

This is one reason why less than 10% of retailers believe they've mastered omnichannel. Another 12% don't believe they have the right tools in place to leverage an effective strategy.

The next evolution of marketing intelligence in retail involves innovation that empowers brand visibility and targeted communication across all channels—otherwise coined as unified measurement. The most strategic marketing teams are combining digital, offline, and in-store data into an [omnichannel marketing attribution](#) strategy to steer their marketing efforts.

Marketing attribution is a solution that global teams are still learning to leverage. It is no easy task. But getting it right makes a world of difference—empowering retailers to accurately and reliably evaluate and implement marketing initiatives across the entire marketing mix.

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Why global retailers invest in unified measurement to enhance the omnichannel customer journey

The concept of “omnichannel” was considered a fad at first. But as digital technology put consumers squarely in the driver’s seat, top global retailers like Walmart and Target merged online and offline P&Ls to break down silos and look at the entire picture. Why? Because both retailers clearly understood that [creating a seamless, exceptional omnichannel experience](#) from consideration to purchase hinges upon having a robust view of the entire customer journey.

In fact, [87 percent](#) of consumers would like to see more effort put into providing a seamless shopping experience.



To be successful, marketers need to consider the channel AND context.

Unified measurement is the passage that bridges the gap between the technologies of the past and our omnichannel future. Just as other innovations in retail have shifted how consumers research and buy, unified measurement will influence marketing interactions that span from digital research to in-store purchases and in-store research to digital purchases. The technologies that have emerged since the dawn of the digital age have produced powerful information. Centralizing all of this information is what delivers the biggest, clearest picture and provides the answer to a burning question: How does the strategy in one marketing channel affect results in another?

Consider this scenario: An email marketing team measures performance against a few standard KPIs: open rates, CTR, and online sales. They find a combination of message and frequency that increases online sales. However, the team and the company don’t have the whole picture; the increased email volume or aggressive online offers are hurting more profitable sales at brick-and-mortar locations and damaging the brand’s reputation. In essence, the email marketing is hurting the company. It’s a challenge that unified measurement is tailored to solve.

This is just one example of how marketers can become exponentially more effective when they understand both the context and intent at each step of the customer journey. This rich, holistic intelligence informs how best to tailor messaging, creative, promotions, and content to create durable connections that drive sales, loyalty, and profitability.

Success Stories: Driving Sales and Efficiency with Unified Measurement

It is not surprising that top retailers have been quick to embrace the power of a unified approach. Not only does it take the chaos out of advertising and marketing, it delivers the opportunity to compete and win against goliaths like Amazon and disruptors like Warby Parker.

Why? Because unified measurement technology enables retailers to use holistic marketing intelligence to efficiently connect with shoppers across every step of their search, creating the ubiquitous, relevant journey that today's consumers demand. The result? Happier customers and happier marketers, with higher ROI, strengthened brand loyalty and increased shareholder value.

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The road to unified measurement isn't always easy. However, a well-thought-out plan with clearly articulated goals creates a clear path to success. Let's take a look at how a few forward-thinking retailers transformed challenges into opportunity using unified measurement.

Famous Footwear

As with many other leading fashion retailers, [Famous Footwear](#) was investing a significant portion of their budget into marketing efforts. However, over the last few years, the number of channels available to reach potential customers has exploded. For the company, it became increasingly important to determine which of their former marketing efforts should be maintained or enhanced and which of the new channels should be explored and included.

With more than 1,000 brick-and-mortar locations and a thriving e-commerce presence, the company also needed to tie marketing efforts to sales and determine the best budget allocation and the best-performing message to produce the most profitable customers. Shoe sales are driven not only by the company's marketing efforts but also by external factors such as fashion trends, seasons, and weather. Tying this all together in a meaningful way to drive effective decision-making for the marketing team lies at the center of the challenge.

Opportunity found with unified measurement

“Working together we identified three main drivers of success,” said Famous Footwear partner Laura Nix, VP client leadership, Empower Media Marketing. “Our efforts were designed to increase customer’s emotional connection to the brand, grow the number of new members, and accelerate sales. The insight we gained from looking at individual consumers allowed us to optimize both our creative and media mix in near real-time. That gave us a huge advantage in the marketplace.”

Implementation best practice

Unified measurement at such a scale is not only challenging but equally rewarding. They spent the first year learning and establishing a baseline for metrics before using year two to make their media plan based off their learnings. In three and a half months, the marketing team was able to measure the [\\$5.5 million in incremental sales](#) that they were responsible for driving.

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Wendy’s

Fast food restaurant chain [Wendy’s](#) has also begun unifying the measurement and analysis of their marketing efforts. Through cross-departmental collaboration, they were able to identify which digital ad spots were most effective at driving in-store traffic.

They were able to determine that mobile display was the most effective store visitation driver compared to other ad types. They also found out that coupon users, commuters, and Hispanic consumers engaged the most. Upon learning this, the marketing team shifted ad spend and targeting, driving a [60% increase in foot traffic](#).

1-800-Flowers

[1-800-Flowers](#) embarked on a mission to understand how their marketing and advertising campaigns affect online search volume, as well as overall sales. They concluded that multi-channel advertising had a significant impact on search volume—more ads, more search queries.

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To go further into the data, marketers applied cross-media attribution modeling to understand how different marketing activities (across different media) work together to produce a sale.

Specifically, examining the interaction between search ads and online display ads revealed that [nearly 14% of sales from search came from those exposed to online display ads](#). Without this detailed analysis, they wouldn't have been able to understand that showing a search and a display ad is more effective than a search ad on its own.

Conclusion: Implement, Measure and Optimize

In an omnichannel world of growth, change, and opportunity, it's mission-critical to understand consumer behavior, both digital and in-store—and make data-driven marketing decisions to deliver on customer demands. By analyzing data holistically, marketers gain the dual benefit of strategic insight and tactical decision-making that guides planning, combined with methods to best match creative, copy, and messaging across touchpoints.

Retailers who invest in the very best team, tools, and technologies to create a unified picture of marketing's effectiveness will produce exceptional consumer experiences, marketing efficiencies, and results.

Of course, this isn't the end of the story. The more that technology progresses, the better retail marketing intelligence will become. Remember, too, that a marketer's job isn't complete once the post-mortem has happened. Optimization should be constant and ongoing—it's about more than just knowledge, it's about applying that knowledge.

Forward-looking brands rely on Marketing Evolution to deliver accurate person-centric unified marketing measurement across both online and offline channels to maximize their media spend, creative rotation, brand impact, and, ultimately, their marketing ROI.

To learn more, please visit www.marketingevolution.com.

