

A Customer Guide For

Retail Marketers



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We know that as a retail marketer, your success—and that of your organization—is highly dependent on your ability to stay current on industry marketing trends, evolving consumer behavior, and the best ways to leverage consumer and customer insights. Since you are a Marketing Evolution customer, we want to help by keeping you up to date on the industry-leading marketing technologies that you can leverage to create the best customer experience.

Whether you have been a customer of ours for a day, a year, or longer, we want you to be more than just another client. We want a relationship—a lasting partnership that encourages our teams to collaborate and share intelligence, expert advice, and best practices so you can continuously outperform your competition by optimizing your strategies and tactics.

As a first step in reinforcing our partnership, we have developed this guide to share information on key industry challenges and trends that are driving retailers to develop marketing attribution models and provide recommendations on how you can optimize and expand the use of your Marketing Evolution platform to address these trends, increase sales, and grow your business.

The Industry Challenge: A Stand-Out Customer Experience

Retailers are facing many challenges in 2019, but the one challenge that is always at the top of the list is a retailer's ability to deliver an omni-channel, seamless, stand-out customer experience.¹ To develop a stand-out experience, retailers must address the problems associated with fulfillment services, inventory management, employee training/alignment, and the ability to engage and interact with a consumer over the course of the buying journey.

When it comes to engaging and interacting with consumers, digitization and consumer preferences have created many new channels of communication as consumers reach for their mobile phones, tablets, and computers to research products and hunt for online deals. For example:

Online retail sales in the U.S. reached [\\$517 billion](#) in 2018, a 15 percent jump compared with 2017.

- US online retail will top \$606 billion in 2019 and exceed \$915 billion by 2023.²
- Online retail now accounts for almost [10 percent](#) of total retail and approximately 5 percent of annual e-commerce revenue.

In this changing sales and marketing ecosystem, sophisticated marketing measurement and optimization technologies will be the key to sustaining a competitive advantage.

However, online sales and in-store sales are not mutually exclusive activities. Innovative retailers realize that in-store and digital touchpoints are inextricably linked, driving them to employ new tactics such as reengineering traditional stores to provide value-added experiences, investing in more technology, looking at deeper data mining and data ownership, and launching new programs to partner with third-party sellers.

In this changing sales and marketing ecosystem, sophisticated marketing measurement and optimization technologies will be the key to sustaining a competitive advantage.

Like many of our retail customers, you purchased Marketing Evolution's person-level unified measurement platform to solve a specific business challenge. You may be surprised to learn how our platform can help you achieve other business objectives too.

¹ <https://etaileast.wbresearch.com/five-key-challenges-for-retailers-how-to-solve-them-ty-u>

² Kodali, S., (2019) The New Paradigm of Retail - Vision: The Retail eCommerce Playbook, Forrester.

Let's review some of the leading trends in the retail industry that are driving retailers to develop marketing attribution models and embrace person-level unified measurement platforms.

Trend #1:

Innovate to Survive

To effectively compete—even stay in business—retailers are aggressively mining their data to track buyer behavior, develop complementary services for traditional stores and alternatives to those stores, as well as test and pilot more technology to inform new marketing and sales strategies.

Marketing Evolution is a ready-to-use analytics solution that supports marketing activities from planning, to execution, to in-flight campaign adjustment. Early stage data integrity checks as well as end-to-end data ingestion and process monitoring are built into the platform, eliminating the need to add another technology stack to address this problem.

With Marketing Evolution, you can easily and continually demonstrate your return on investment to the CFO to justify your spend and future investment in new solutions and marketing strategies.

Integrate Omni-Channel Strategies into the Customer Experience

According to [Digimind](#), a global leader in market and competitive intelligence software, 46 percent of a retail store's visitors come from cross-channel initiatives. Out of this, 29 percent visit a brand's website, then visit in-store, while 17 percent follow the opposite journey. Melissa Chue, author of Digimind article "The 5 Most Disruptive Retail Marketing Trends in 2018 and Beyond," comments, "As retail customer journeys become more omni-channel than ever before, marketers must ensure such touchpoints are fully optimized to direct customers to convert. To successfully hybridize physical and online stores, it is important that cross-channel strategies facilitate information sharing to capture and retain customers, as well as surprise and delight them with personalized experiences."

Retailers need tools and services to reach and speak to consumers as individuals rather than segments of audiences.

With Marketing Evolution, you can analyze person-level data, which consists of offline and online interactions, to uncover purchase drivers, behaviors, and attitudes for each individual and aggregate that information to better understand the customer and their journey. You can then optimize creatives and media for every customer interaction at the person level or for any microsegment in real time.³

Retailers need tools and services to reach and speak to consumers as individuals rather than segments of audiences. However, many are falling short and deliver an experience that can only be described as inferior. While many retailers are attempting to personalize their message via marketing optimization techniques, their results are compromised because they don't know their customers on the most granular level. With many marketing measurement platforms, the software makes assumptions when aggregating data for segment-based marketing. With Marketing Evolution, no assumptions are made because the platform aggregates the actual person-level detail, providing more accurate insights at the segment level.

Customer Journey: With Marketing Evolution, you can understand the entire customer journey, including details on where, when, and how your customers are interacting with your brand as well as the mix of media exposures common among converters.

Marketing Optimization: Marketing Evolution integrates powerful person-level data, including media exposure, sales, external factors, brand perception, and geolocation, to identify the right placements to reach the individuals in your target audience, provide accurate optimization recommendations while your campaigns are running, and maximize your ROI.

Audience Segmentation: Since the Marketing Evolution approach is based on person-level data, our platform can segment audiences in ways that are not possible using other techniques. This helps you understand the impact of campaign changes on business outcomes for each defined segment with “what-if” scenario modeling that generates the most efficient media plan based on target audience, objectives, and budget.

Trend #3:

Measure Omni-Channel Performance/Calculate Marketing ROI

The data available from digital channels has redefined CMO and CFO expectations for marketing accountability. Going forward, high-performing marketers must link all this data together into a coherent narrative—showing specifically what is working and what is not. With Marketing Evolution, you can:

- Demonstrate the real value of marketing investments to the finance team and feed data into financial reporting systems
- Optimize media and message within and across all online and offline channels while campaigns are live
- Get the most accurate information about your brand health—including awareness, purchase intent, and engagement—with a comprehensive, always-on survey that informs decision-making throughout the customer journey so you can maximize ROI
- Prove the effectiveness of marketing activities at all stages of the buyer journey with brand-to-performance measurement that shows how brand investments directly impact sales

Social Commerce and Search Spend Are Growing

Social media networks provide more granular, detailed information on consumers that brands utilize in their marketing efforts. With purchase buttons and ever-evolving e-shop features, consumers can now purchase an item right in their social feeds, which can accelerate the purchase decision and increase basket sizes.⁴

According to Forrester's and the National Retail Federation's (NRF) "The State of Retailing Online 2019," retailers will invest in social commerce more than any other tactic in 2019, with 55 percent of respondents indicating they would be spending more on this tactic.

And according to the same survey, social commerce spend is followed by search spend, with 51 percent of respondents indicating they plan to spend more here.

The [Marin Software's Q4 2018 Digital Advertising Benchmark Report](#) reports that paid search in the retail sector grew 12 percent in 2018 compared with an average of 10 percent for all industries combined. If 2018's last-quarter search statistics are any indicator, "Google's runway for shopping growth is far from over."⁵

Marketing Evolution can help you better target your social and search spend. You can prioritize your marketing dollars and efforts with deep insights—including socio-demographics, lifestyles, behaviors, and culture—and determine your most valuable segments and drill down to identify segments and geographic locations that you can serve with specific messaging.

For example, a popular online retailer 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. 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

⁴ <https://blog.digimind.com/en/insight-driven-marketing/execute/the-5-most-disruptive-retail-marketing-trends-in-2018-and-beyond/>

⁵ <https://searchengineland.com/google-shopping-is-largest-growth-opportunity-for-most-online-retailers-in-2019-309913>

display ads revealed that nearly 14 percent 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.

Trend #5:

Embrace Predictive Analytics and Machine Learning

Predictive analytics and machine learning (ML) are completely redefining marketing by providing the ability to hyper-personalize ads to individual consumers. Marketers know that those who can leverage these technologies the fastest will be way ahead of their competition.

The Marketing Evolution platform incorporates advanced analytics and modelling to provide the most accurate recommendations. The platform measures consumer choice after exposure to an advertisement and then applies AI and machine learning to identify patterns, predict future outcomes, and recommend actions based on budget and media mix scenarios.

Media Effectiveness: Statistical attribution techniques and machine learning are employed to determine the impact response for each marketing element. The platform analyzes exposures, target audiences, and business outcomes along with external factors when evaluating the contribution of each component of your marketing plan.

Creative Impact: An advanced creative effectiveness model is used to pull out relative effectiveness by creative, which results in detailed creative rotation recommendations.

Brand Performance: Person-level data is analyzed over time to identify the brand perceptions that drive sales and profits. The platform analyzes leading indicators, such as propensity to purchase, brand awareness, and brand consideration, which is correlated to business outcomes to make in-campaign optimization recommendations.

Customer Journey: The platform analyzes how your customers are impacted by media exposures throughout each stage of the buying cycle—from awareness to evaluation to purchase.

Make Marketers Data-Capable

According to Digimind, 40 percent of marketers state that they do not have sufficient “analytic” skills to harness the power of customer data.⁶ But retailers need [data-capable marketers](#) to create an outstanding customer experience.

Data-capable marketers are marketers who are operationally proficient, process-oriented, outcome-oriented, and know how to optimize all marketing activities: email personalization, search engine optimization, A/B-split tests, and customer segmentation.⁷

You need data-capable talent to optimize digital media buys and placements, and Marketing Evolution can provide this support to jumpstart your data analytics efforts. Additionally, we have data scientists on staff specializing in marketing and media.

Marketing Evolution has both easy-to-use products that translate your data into action as well as professional services to ensure you are making the most of your data and building a competitive advantage with your marketing and advertising programs.

⁶ Digimind. (2018) The Trends Impacting Retail: Predictions from Marketing Experts

⁷ <https://medium.com/aimarketingassociation/where-is-your-organization-on-the-marketing-data-literacy-spectrum-b0988740b9e2>

Content—It's Still King!

“Whether online or offline, content is king—but only if it is real-time and relevant. Simply having a cool technology is little more than a marketing ploy if it doesn’t connect the consumer to useful information.”

- Deloitte, 2019 Retail Outlook | Transition Ahead

When it comes to content, [studies](#) demonstrate that product-focused content works best for retailers. The product content presented online gives consumers detailed information that they could not have acquired in the pre-digital age without engaging a sales associate or performing other kinds of research.

Marketing Evolution helps you determine which specific content and creatives perform best across all channels. For example, you may find that a piece of content may be performing poorly in one channel but can be boosting performance in another channel. Without unified measurement, brands can only measure the performance of a piece of content as an individual communication.

Armed with this level of information, you can make highly tactical decisions about who, when, where, how, and why to use content and identify the impact these decisions have on your key performance indicators (KPIs)—whether they are tied to sales, revenue, or shareholder value. By measuring the return on investment (ROI) of advertising, Marketing Evolution provides you with right-time insights into the types of content that matter, the creative design that drives results, and the confidence to change up content quickly.

Marketing Evolution also helps to identify which brand metrics best predict sales by linking attitudinal survey responses to sales behavior for each individual customer. This information will help retail marketers better target their brand building and content development efforts.

Marketing Evolution is a powerful platform that can meet your organization's most stringent attribution requirements. However, there are many other ways our team can help you optimize the platform.

Our Retail Domain Expertise. Marketing Evolution's superior person-centric approach is derived from 15 years of online and offline data stitching and correlation experience serving many of the nation's largest retailers. Our subject matter experts have deep experience in retail, marketing, and media performance analytics. The proof of our experience is a long-standing track record helping retailers understand creative and media impact in the marketplace, make data-driven decisions rather than intuition-based decisions to grow the business, and discover new opportunities. Marketing Evolution offers an easy-to-use platform that translates your data into action, as well as professional services to ensure you are making the most of your data and building a competitive advantage.

Our Committed Team. We encourage you to consider our team an extension of your own. We are eager to collaborate, ready to assist with personal attention and best-in-class service, and dedicated to helping you exceed your expectations and business goals. To that end, we are committed to regular business and system reviews and ongoing meetings and communications. Our team is here to help you better understand your customers and potential customers using data-driven insights so you can anticipate market needs, ensure delivery of the best services, and achieve higher levels of loyalty, retention, acquisition, and revenue.

Each one of our customers has implemented the Marketing Evolution platform in different ways, but at the end of the day, they are all striving to achieve the same goals: making better decisions with real-time insights into person-level data and the brand to deliver the best possible customer experience. Meeting these goals is not a one-and-done activity but a continuous journey to capture more customers and market share.

We at Marketing Evolution hope you find this guide useful as you plan your company's journey to create a stand-out customer experience. If you have any questions or require additional assistance, feel free to contact your account team.

About Marketing Evolution

Forward-looking brands rely on Marketing Evolution to deliver accurate person-level 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

Additional References

Kodali, S., (2019) Forrester: The State of Retailing Online 2019: Omnichannel, Marketing, And Personalization