2015 E-Commerce Technology Preview

Insights From **13 Top Retail Executives**

retail
TouchPoints®

Table Of Contents

Retail TouchPoints is proud to introduce the 2015 debut of our e-Commerce-focused Technology Preview, featuring insights from 13 of the most forward-thinking retail executives.

This guide offers an exclusive and unique look at how retailers are gearing up for e-Commerce and omnichannel success in 2016 and beyond.

Some of the key topics addressed include:

√ **Predictive Marketing;**

√ **Multi-Touch Channel Attribution;**

√ **Real-Time Personalization Strategies;**

√ **Visual User-Generated Content;**

√ **Interaction Management; and**

√ **Biometrics And Voice.**

This comprehensive collection of e-Commerce thought leadership will help you determine the most effective go-forward business strategies.

Debbie Hauss

The Rise Of Biometrics And Voice

Roland Campbell | Usablenet

Roland Campbell is Usablenet's Director of Solution Engineering. He has been working with technology for more than 20 years, starting with mainframe and now in mobile. He has experience across most technical disciplines, including QA, Support, Development, Product Management and PreSales.

There are many technologies and gadgets vying for honor in 2016, but two rise to the top as holding most promise for disruption and adoption. The rise of **biometrics and voice** has been gradual, but already the impact on consumer behavior is evident. It all started as speech to text.

I was an early adopter of Google Voice as my voicemail on my Blackberry (!) because the service would transcribe my voice mails and send them to me as text. Transcription was horrible to say the least, but good enough to decipher the message. I did not find early versions of Siri that compelling, but Google Now started to make me talk to my phone all the time. Android Wear devices are voice enabled, and I find myself walking down the street talking to my wrist. At least with the Apple Watch the iPhone crowd look just as silly.

Social media apps have trained consumers to expect a level of conformity and performance in UI, and cool retail innovations cause consumers to expect constant improvements in ease of use, smarter personalization and better security.

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During the same time period, the use of biometrics in mobile also began to grow. Apple added a great fingerprint unlock feature. Google went in a different direction with facial recognition and voice unlock.

What does this mean for e-Commerce? Social media apps have trained consumers to expect a level of conformity and performance in UI, and cool retail innovations cause consumers to expect constant improvements in ease of use, smarter personalization and better security. The impact is also evident in B2B applications, where biometrics and voice directly impact usability and security. The pressure is growing to drop App-specific user ID and passwords for integration into device security systems as the primary method of authentication. Wearables are just starting to take off, and functionality is often linked to Voice.

One B2B company that seems to be on the forefront of both voice and biometric authentication already is ADI Global. ADI Global is a B2B company that specializes in low voltage security products.

To simplify, they sell security cameras, sensor, fire alarm equipment and the like to installers of this equipment. Their primary customers are skilled installers who spend their time on a job site. ADI recognized early on that their customers needed an easier way to use their application given the constraints of their work environment. ADI's iOS and Android app includes voice-based search and ordering. They have added Siri-like guided navigation and ordering to allow full functionality by voice, which includes reordering from previous orders, catalog search and checking stock in the nearest branch. Biometric voice log-in and authentication is already in the works, and the end goal is to create a completely hands-free experience.

While security is a powerful driver for business adoption of new functionality such as voice and biometrics, consumers are motivated to adopt new technologies that make life easier and allow them to do more, faster. In the race between these two technologies, voice may yet prove to be the winner in the long run because of its utility and safety benefit in in-vehicle mobile use.
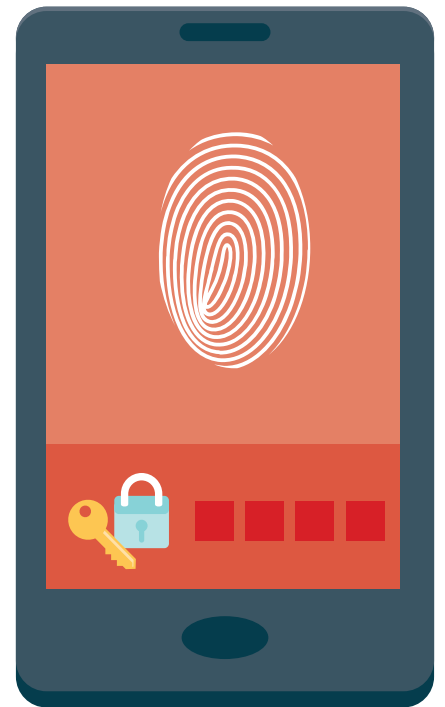
Gut, Data, Algorithms And Orchestration Leading To Better Decisions In 2016

Mihir Kittur | Ugam

Mihir Kittur is Co-founder and Chief Innovation Officer at Ugam, a global leader in managed analytics. He is responsible for developing new engines of growth and fostering a culture of innovation within the company, and is also actively involved in strategy formulation and business development.

Prior to Ugam, Kittur served as a management consultant at Avalon Consulting, working on performance improvement and e-Commerce initiatives. He has also served as a start-up team member at Shree Renuka Sugars. Kittur holds a bachelor's degree in Electronics and Telecommunications Engineering and a Master's degree in Business Management.

The good thing about penning predictions is that rarely do readers go back to review how accurate the predictions were, and very rarely is it about one specific key prediction. In most cases, it's about all the little predictions that interact and add up to provide a sense of oncoming larger change.

Any thoughts on which technologies or marketing strategies will impact e-Commerce significantly in 2016 will need to be caveated by the fact that retail has way too many varied categories and customer need segments. On top of that, the definition of e-Commerce is constantly changing. It's just one more channel in the entire shopping journey.

One area that will increasingly drive more impact in Retail e-Commerce is the way *decisions* will be informed and executed. Here are a few basic predictions:

> *With better cloud solutions and investments in data infrastructure and recent successes in data-based decision making, my view is that 2016 will definitely see improvement to the ways in which decisions will be informed and executed.*

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- Decisions will be more data-driven;

- Decisions will be more human + machine-driven; and

- Decisions will be better orchestrated (i.e., right timing, better integration).

Sounds clichéd right? Here's why it will be different in 2016.

There are several forces that have come together in the past few years to make the time ripe for this phenomenon to make its mark. In the past, corporate organizational structures were siloed across e-Commerce stores. They had different KPIs and incentives, and data silos got in the way of effective decision making. But in recent years, the leadership in many retail organizations has become younger and, having risen from the e-Commerce / digital side, is better equipped to tackle the data challenge. With better cloud solutions and investments in data infrastructure and recent successes in data-based decision making, my view is that 2016 will definitely see improvement to the ways in which decisions will be informed and executed. Gut-based (in many cases) but data-informed.

Some of the areas where this is happening and will continue to accelerate include:

1. More holistic and relevant KPIs for better decisions supported by algorithmic nudges

2. Assortment decisions that include the "outside-in" shopper and competitive data to assist gut-based decisions

3. Data-driven product content interventions to improve traffic and conversion

4. Nudges to improve promotional decisions

5. Smarter pricing decisions based on blending transaction data and competitive data

The future is just around the corner — it's time to start preparing now for this new paradigm of data-driven merchandising decisions.

Smartphones: The Crux Of The Omnichannel World

Bernard Louvat | TouchCommerce

Bernard Louvat is the President and CEO of TouchCommerce. He has 25 years of expertise and passion around retail and e-Commerce innovation, having held leadership roles at Lancôme, Office Depot, Disney, CitySearch, Bain & Company, and others. Louvat came to TouchCommerce (then inQ) in 2005 with a vision to assist online shoppers to buy online. Drawing upon his specialty retail and online experience, he embarked on creating a set of innovative technology solutions to target, engage and assist online shoppers and returning customers and create a more personalized online shopping experience. He holds an MBA with Distinctions from Harvard Business School and a BA in Business Administration from HEC, Paris, France. Follow Louvat at twitter.com/blouvat or at www.linkedin.com/in/blouvat. For more information on TouchCommerce, please visit www.touchcommerce.com.

The landscape of customer experience in a millennial world is *omnichannel engagement*, in which a brand may interact with a customer via several different channels — all within the same purchase journey. Within that omnichannel world, each channel plays an important role, depending on the customer.

So Many Ways To Make Contact With Customers

The desktop or laptop may be a sort of shopping headquarters for one customer, while another may do some casual browsing on their smartphone. Yet for the older generation, perhaps the telephone is a preferred choice of interaction with a company.

Although many customers begin their omnichannel journey from online media campaigns, traditional methods of first-point-of-contact

> *Although many customers begin their omnichannel journey from online media campaigns, traditional methods of first-point-of-contact still exist.*

still exist. For example, magazine ads, street billboards, radio ads or TV commercials are all still attention grabbers. Regardless of how one first encounters a brand, to serve tactile needs, many shoppers make the brick-and-mortar store their ultimate destination.

Blurred Lines

When one considers the plethora of touchpoints to which a customer has access, an omnichannel strategy brings it all together. Because

of this strategy, customers have come to perceive a brand's offline presence as the same as their online presence. There's no distinction as the customer continues his journey across several channels.

So, How Does This Non-Discriminatory Brand Perception Occur?

What's the one thing that connects the offline to the online, the TV ad to an online purchase, a social media review to an in-store transaction? It's the smartphone. Think about it. Before our telephones became mini computers, the only way a brand could connect two channels was if a customer cut out a coupon from the paper and gave it to the sales clerk.

Let's consider three scenarios:

1. A consumer may see an ad in a magazine that has a QR code which she scans via smartphone to receive a text with a link to a special offer for the product advertised in the ad. The consumer then brings the digital coupon to a brick-and-mortar store to check out the product and redeem the offer. The sales clerk scans the coupon straight from the customer's phone — easy, fast, paperless.

2. A customer may hear a radio commercial that gives an SMS code to find out more information. The customer texts the number and receives a text link, which leads to the brand's mobile site where the customer engages with a live chat agent to receive immediate, personal service to buy the product online on her smartphone.

3. For existing customers, brands can provide a mobile app that can be used to connect to a live chat agent at any time via SMS chat.

The smartphone will become the main device for consumers to engage with brands — and its main purpose won't be to place phone calls.

For brands wanting two-way engagement with their customers via smartphone, the possibilities are endless. As smartphone advancements increase in ease of use and efficiency, the omnichannel world will continue to solidify into one seamless brand experience managed from a smartphone and increasingly becoming a self-service and digital experience. Retailers have the challenge of keeping up with these advancements in order to stay engaged with their customers.

How Real-Time Interaction Management Will Impact Retail In 2016

Jess Stephens | SmartFocus

Jess Stephens is Chief Marketing Officer at SmartFocus. She brings an invaluable breadth of marketing and leadership experience to SmartFocus. With an unashamedly enthusiastic approach to data, she knows all about the huge impact disruptive technology has in bringing brands closer to their consumers. As the Chief Marketing Officer, Stephens is responsible for bringing SmartFocus' brand to life and telling our unique story globally. Prior to joining SmartFocus, she was the Founder and Director at TagPoints and held senior leadership roles at MoneySupermarket Local Deals, Local Daily Deals and Filofax.

As we approach the horizon of 2016 marketing trends, real-time interaction management (RTIM) isn't just on the cutting edge, it's where the holy grail of one-to-one targeting lives.

Marketers have been trying to achieve lift in their campaigns through richer segmentation for years. Due to high costs of building more granular targets, however, traditional testing and optimization tools are delivering diminishing returns. Yet, studies clearly show that a more personalized, one-to-one targeted approach is the key to creating revenue uplift.

One-To-One Marketing

One study by Amplero evaluated the revenue uplift from nearly 3,000 different targeting definitions. It revealed the closer targeting gets to one-to-one personalization, the higher the revenue lift.

> *The more an offer applies to an individual's specific set of needs and preferences, the more likely that person is to embrace it.*

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Intuitively, this makes sense because the more an offer applies to an individual's specific set of needs and preferences, the more likely that person is to embrace it. This is where RTIM shines because not only does it take into account each customer's behavior and interests, it also brings in the essential element of life that is so crucial to every decision we make: timing.

It's All In The Timing

We've all heard the adage, "Timing is everything," and when it comes to modern day marketing, this reality couldn't be more true. Consumers are now mobile — they're always "on" and "connected". It's now possible to reach customers throughout the day, when and wherever they are.

Defined as "marketing that is based on up-to-date events,"[1] RTIM allows the content of a marketing message to dynamically change based on an endless array of factors, such as time of day, current location, and weather. It delivers in-the-moment utility and value through contextually relevant experiences in the customer journey via each individual's preferred touchpoints.

Forrester analyst and report author of The Forrester Wave™: Real-Time Interaction Management Q3, Rusty Warner writes, "The RTIM market is evolving rapidly, as [customer interaction professionals] seek to leverage analytics to deliver contextually relevant, real-time experiences across both digital and offline channels." Here's why:

1. Customers Prefer Personalization

When content is relevant to your customers' interests, needs, and preferences, it has a greater chance of capturing their attention. In fact, 74% of consumers get frustrated when website content appears to have nothing to do with their interests, and 61% of consumers feel better about a company that delivers customized content, and are more likely to buy.[2]

2. Privacy Concerns Are Dissipating

Millennials are leading the way in sharing their personal information in exchange for more customized, relevant experiences with brands. This markedly liberal approach to privacy allows marketers to truly get to know their customers. For instance, 61% of consumers prefer personalized offers even if this results in less privacy,[3] while 34% of millennials say they don't worry at all about digital privacy.[4]

3. RTIM Boosts Revenue

Research from Econsultancy found that "businesses that use real-time personalization technologies see an average uplift of 19% in sales."[5] This revenue boost makes sense because appealing to people's interests in a relevant way — at the right time in the right place — creates the most compelling conditions for actual conversions to take place.

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How Visual User Generated Content (UGC) Supports The Entire Customer Journey

Wendell Lansford | Offerpop

Wendell Lansford is the CEO and Co-founder of Offerpop. Previously, he was the Chief Operating Officer and Senior Vice President of Business Development at Systinet (acquired by Mercury Interactive/HP). He was also the Vice President of Business Development at eGain, a web customer service software, and Co-founder and CEO of Sitebridge (acquired by eGain). Before his jump into the start-up scene, he was the Director of Technology at Condé Nast Digital. He holds a Master of Science from Carnegie Mellon.

Today's consumers are extremely passionate about their favorite brands, and they express that passion through the visual User Generated Content (UGC) — photos, videos, branded memes, co-created content, etc. — they share with each other every day. But this natural consumer action has created an interesting reality for retail brands; consumers prefer and are increasingly turning to each other, not the retailer, for inspiration throughout their buying journey.

In fact, UGC is outperforming brand produced content in every way. It is less expensive, more trusted[1], and more memorable[2] than brand content. Likewise, e-Commerce retailers who leverage UGC for merchandising are seeing higher conversion rates. This doesn't mean traditional content sources are going away all together, but their ability

E-Commerce retailers who leverage UGC for merchandising are seeing higher conversion rates. This doesn't mean traditional content sources are going away all together, but their ability to reach and convert consumers is slowly dwindling.

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to reach and convert consumers is slowly dwindling, while UGC performance is continuing to grow.

Today, consumers can come across a photo on Instagram of a peer's recent purchase, search for the product on Google, read reviews on

an online marketplace, view relevant hashtags to evaluate sentiment, and then ultimately decide whether to make a purchase before ever interacting with the retailer. This *seemingly scary* scenario, in which a retailer has little control over the buying process, shouldn't incite fear. Instead, it should be embraced as an incredible opportunity to leverage this natural behavior to drive even better results from retailers' existing marketing initiatives.

The key piece of technology necessary to harness this consumer action and turn it into real business results is a sophisticated visual UGC marketing platform, possessing the following three important capabilities:

1. Leverage The Right Visual UGC In The Right Place

Not all UGC is created equal, and most won't convey your intended message. But a powerful UGC marketing platform will give retailers the tools to capture and leverage the *right* visual UGC across all of their owned and paid channels — web site, native mobile apps, digital advertising, email, social, traditional media, in-store displays and more. Because of the trustworthiness UGC provokes, including user images, videos, and more in your existing programs, it will help drive higher click-through rates, increase AOV, and ultimately increase conversions across the board.

2. Create Compelling And Engaging Campaign Experiences

Capturing great visual UGC from your biggest advocates shouldn't be a painful process. In fact, it shouldn't require consumers to do anything different than they already do each day. Consumers love to share content and interact with brands and peers. The campaigns retailers create should engage these consumers and inspire participation across all stages of the buyer journey. A UGC marketing platform that provides fun experiences, offers multiple ways to participate, and inspires quality UGC creation will attract worthwhile participation that will benefit your brand.

3. Segment And Target Your Most Engaged Consumers

The final piece of an effective UGC marketing platform is its ability to uncover consumer data — social IDs, email addresses, affinity, conversion stats, etc. — and link it to an individual consumer profile. This data enables retailers to have more relevant and impactful relationships with their consumers. When joined with existing CRM and loyalty data, this UGC-driven insight allows for better segmentation and targeting.

The ability of a visual UGC marketing platform to capture this powerful content, repurpose it in meaningful ways throughout the buying journey, drive increased engagement and sales, and efficiently measure the program's effectiveness is what makes a sophisticated UGC marketing platform one of the most important tools in a retailer's arsenal.

As the velocity with which consumers share content increases, the ability of brand produced content to break through this clutter will continue to decrease. It is up to retailers to embrace this shift in the market and empower their customers to tell their brand story.

Sources:
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It's Not Too Late To Commit To Mobile

Sanjay Arora │ Nextopia

Sanjay Arora is Founder & CEO, Nextopia Software Corporation. In 1999, he started Nextopia, a company dedicated to growing online retailers' businesses with an innovative suite of site search and navigation solutions. Since then, Nextopia has grown into a nexus for success and innovation, both as a global leader in our field and as one of the largest e-Commerce employers in Toronto.

As we move into 2016, incorporating a mobile solution should be a top priority for online retailers. Shopping no longer has boundaries. This comes as no surprise to retail analysts, who have continued to note how consumers are steadily moving towards making their purchases via their mobile devices.

As we transition to a mobile-driven world, consumers expect the same user experience across all platforms. As retailers adapt in an effort to reach consumers effectively on any screen, some are missing the mark. Remember that a large portion of users who access your web site via a smartphone device will sometimes be used to a slower or unreliable cellular connection.

Your mobile site must be responsive and adaptive for your customers. Responsive web design means that a site is implemented in such

As many as 79% of consumers will go straight to the search bar on a web site. Search should not only be accessible via mobile devices, but optimized for them as well.

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a way that it adjusts automatically to provide an optimized web experience to the viewer on any device and any screen size. By using a responsive technology framework, you can enhance the user's mobile shopping experience and turn more browsers into buyers.

In addition, your web site should be retrofitted with mobile search functionality. As many as 79% of consumers will go straight to the search bar on a web site. Search should not only be accessible via mobile devices, but optimized for them as well. Incorporating a mobile search package to your mobile platform is an essential element in driving sales. Customized mobile search (different than the traditional desktop) will ensure that the search bar is equally as responsive and visually optimized for mobile. A specialized mobile search functionality will allow you to captivate the customer by providing the same level of service as a desktop through an interactive and visually optimized mobile search functionality.

No business can afford to ignore the fact that more than a billion people primarily access the Web from mobile devices. Consumers now expect the same shopping experience as they currently have with their desktop and should be able to browse and buy in the same manner that they do on more traditional devices.

E-Commerce retailers need to ensure that they have taken the necessary steps in improving their smartphone shopping platforms, including making them more user intuitive and more secure for consumers, allowing their customers to shop on the go. As analysts' predictions state that smartphones will eventually overtake tablets as the dominant shopping device, now more than ever you should optimize your mobile site to turn more browsers into buyers.

Omnichannel Transformation: Customer-Centricity Through Connected CRM

Todd Frech | Merkle

Todd Frech is SVP, Retail and Consumer Goods Technology Solutions for Merkle. He leads the Retail and Consumer Goods vertical for Merkle's Technology Solutions Group (TSG). His team is responsible for delivering advanced marketing and CRM solutions focused on the specialty retail, automotive, and consumer goods industries. His technology expertise includes CRM customer service and marketing; digital and e-Commerce applications, ERP solutions, and enterprise data warehouses. Prior to joining Merkle, Frech was a CIO for a healthcare services company in addition to spending 20 years as a senior executive at Accenture.

Delivering a seamless omnichannel experience requires a single view of the customer, which depends upon data. For most retailers, customer data is still siloed by channel and organization. With the rise of digital and growing consumer expectations for omnichannel, it is crucial for retailers to "stitch" together disparate data points to build robust consumer identities from 1st and 3rd party data. Retailers need the following core capabilities to deliver a true omnichannel experience.

Marketing Database AKA Single View Of The Customer AKA "Need To Get This Right Or Pack Your Bags"

There are many software products and cloud products in the market that will claim to provide a "single view" of the customer, but most of these products are limited to web activity or POS activity and

Identity management is the most important data processing function that has increased in complexity with the growth of mobile, multi-device customers and families.

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generally are not wired to provide a complete view. In addition to integrating store activity to e-Commerce activity, today's sophisticated marketing database must be able to pull in data from call centers, social, surveys, clienteling, loyalty, mobile, and digital.

Then the database must organize it into an actionable structure by linking segment scores, derived insights, and aggregates by brand, geography, product line, segment,

and campaign. Another key factor is maintaining customer opt-in permissions information by brand and by channel. Many retailers are looking to "data lake" approaches to collecting customer data, which can support analytic insights, but they cannot replace a marketing database without the disciplined data processing needed to provide an actionable view.

Identity Management AKA Hygiene And Matching AKA "Which John Smith?"

Identity management is the most important data processing function that has increased in complexity with the growth of mobile, multi-device customers and families. Traditional hygiene and matching of terrestrial data (name, address, phone) is still a critical element of any marketing database, but digital hygiene and matching is becoming increasingly important.

Digital matching must account for emails, device IDs, cookies, and social handles, while managing known (matched) and unknown (anonymous) customers. Finally, the identity management function must feed new information into the marketing database utilizing high quality "besting" or "survivorship" rules. This often-overlooked area involves selecting the best channel contact information considering data from multiple sources.

Campaign Management AKA Channel Activation AKA "Where The Money's Made!"

True omnichannel marketing performance requires each channel to take advantage of responses from the other channels. Fueled by the marketing database, the core element of this capability is a good campaign management tool. This is table stakes for most retailers today as they are driving traditional marketing through email and direct mail. Advancing to digital channels, the campaign management tool can also develop audiences for social, mobile, display and site campaigns, but these audiences must be "onboarded" to a social or display platform to execute the campaign.

Many retailers are utilizing DMPs (data management platforms) to organize their display media audiences across multiple publishers. The DMP also allows retailers to integrate third-party data and conduct "digital prospecting" by creating look-alike models within the DMP. By then tagging your campaign's digital activity, you can let the campaign management tool react to every channel concurrently. Finally, onboarded audiences can power many site personalization tools to complete the full omnichannel experience for your customers.

Making it Happen AKA Getting Started

Building an omnichannel capability can seem overwhelming with the technologies, processes, and channels involved. An incremental approach is the best way to manage your investments while creating quick wins along the way. Creating a customer journey map can crystallize your omnichannel vision and provide the framework to drive your overall journey to success.
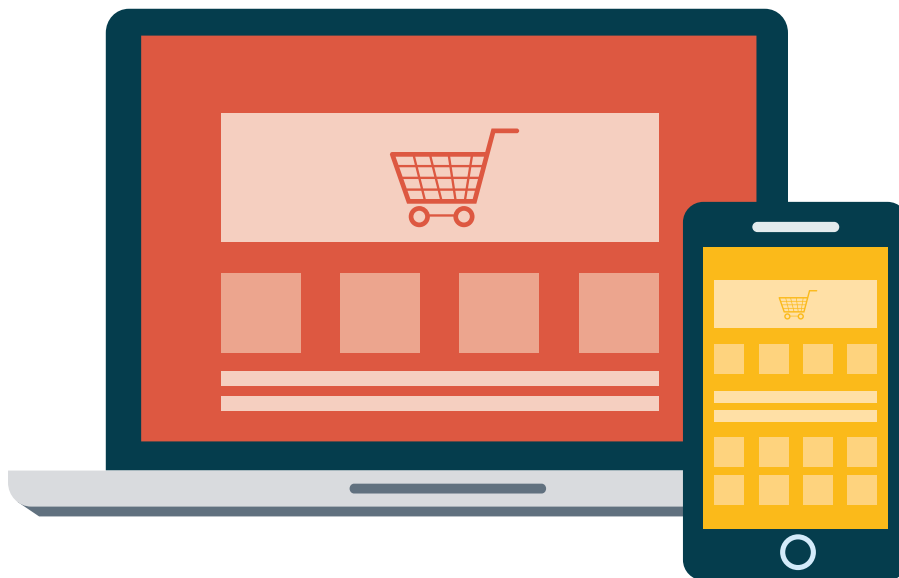
Refer-A-Friend Is The Antidote To Apathy

Matthew Roche | Extole

Matthew Roche is the CEO at Extole. A seasoned entrepreneur and executive, Roche leads Extole in strategy and direction, bringing more than 15 years of Web and Online Marketing experience. Prior to Extole, he was Co-CEO and president of Boltnet. He also founded and was CEO of Offermatica, the Web's highest-volume landing page optimization and testing platform and one of the first SaaS marketing platforms. Acquired by Omniture in 2007 and now called Adobe Test and Target, it serves billions of optimized experiences weekly. Roche was instrumental in the development of Dapper, a leader in Dynamic Creative Optimization, subsequently acquired by Yahoo!. In 1996, he co-founded e-Commerce systems integrator Fort Point Partners.

Referral programs are a familiar sight. Anyone who's used Uber or Airbnb, or had food delivered via Grubhub, knows them. You share a link. Your friend buys something through it. You both earn a reward. Win-win, as Charlie Sheen would say.

They are your future.

Starbucks and Tesla, two of the highest-awareness brands in the universe, agree. They know referred customers **stick with your brand** and **bring along others like them**. Independent research and Extole platform data show referred customers have higher lifetime values, average order values, and NPS scores than customers from other channels. A referred customer is more likely to answer "yes" when asked, "Would you recommend this brand to a friend?" She's three to five times more likely to refer new customers than someone acquired through organic, paid search, email, or display ads. NPS should be renamed "Referral Score."

Referral program participants reveal their identity by choice — because they want to be rewarded. Refer-a-friend highlights who has the biggest network, who shares your brand the most, and whose referrals lead to the most revenue.

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Building A Better Customer Base

Referral programs help you recapture what Facebook and Twitter wrested from you last decade, when you slaved to generate Likes and Tweets and they sold you back highly tailored customer networks built off your efforts. Through referrals,

customers reveal themselves directly to you, including who they know, who they influence, and who influences them. They reveal what they care about and how they talk about you to their friends.

Referral program participants reveal their identity by choice — *because they want to be rewarded*. Refer-a-friend highlights who has the biggest network, who shares your brand the most, and whose referrals lead to the most revenue. It generates new creative ideas by showing you what people tell their friends about your brand and products. And it enhances customers' experience with your brand by making it easy and rewarding to share what they love.

There are four tips to unlocking your best new customers through refer-a-friend. Here they are.

If Marketing Works For You, Referrals Will Work For You

You may not be a red-hot Silicon Valley decacorn (the worst neologism of 2014) or hot new challenger brand. You may be someone that everyone knows. But if you can sell your product... if people pay...there is demand. People will refer.

Referral Advocacy Is Not Affiliate

If referrals create new, loyal customers, then don't you want as many as possible? Yes. So don't put the program behind a firewall. Don't require registration and treat your advocates like mini-businesspeople. They're your customers. Make referrals seamless, quick, and instantly gratifying.

Ask as many people as possible to become advocates. Promote the program on the web and in your marketing blasts, transactional

emails, and purchase confirmations. Your mobile app is in everyone's pocket already — Uber puts a "Free Rides" CTA in the hamburger menu. Ask for a referral on the box when you ship your product and include personalized share codes in the packaging. Have your customer-facing employees ask for referrals during successful interactions. Give personalized coupons that friends can redeem in-store. Be where people are.

Make The Experience Personal

As Kipling's Sr. Manager of Digital Marketing Yvahn Martin says, "Referral programs don't disrupt the experience. They enhance it." Your advocates love your brand enough to tell friends and family about it. Tailor their experience. Give them unique personal codes so they can share without remembering complex links. Delight the people who refer the most. Kipling gives its superadvocate "superstars" bigger rewards to share with friends, and bigger rewards for themselves when friends convert.

Tap Your Loyalty Program Members

Your best customers and most likely advocates are already in your loyalty program. Your loyalty points are a familiar and powerful currency you can use as rewards. Program members earn rewards for repeat purchases — why not let them earn rewards for referring new customers? (You can also reward them for referring new loyalty program members. Or do both.) You fill the top of your funnel while rewarding your best customers. Your program offers plenty of places to market referrals: newsletters, My Account pages, membership cards... The opportunity to turn loyalty into advocacy is there for the taking. Take it.

Five years ago, referral was the future — for challenger brands and disruptors like Rue La La and Dropbox. Next year, it will be for a disruptor like you.
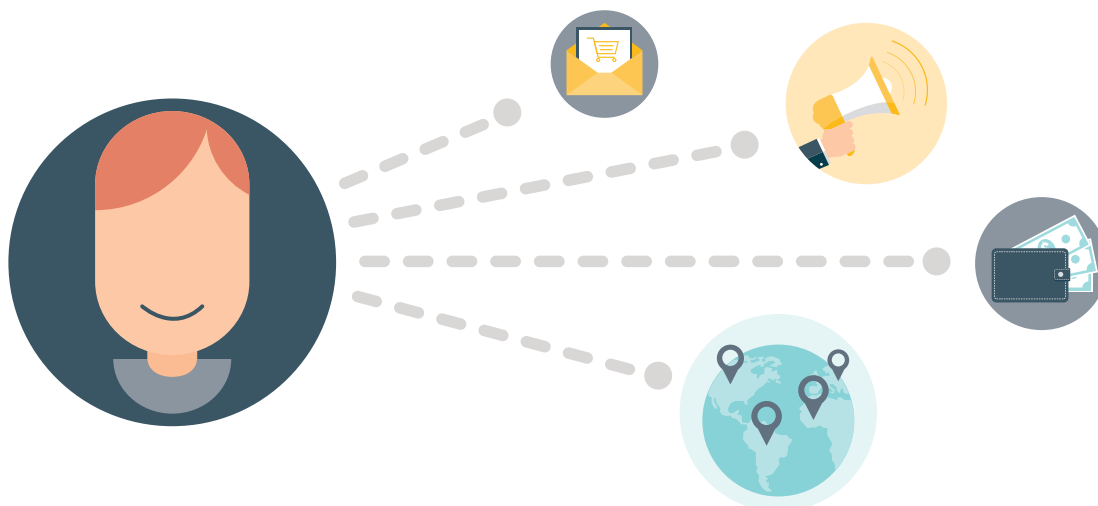
How Real-Time Personalization Will Impact E-Commerce In 2016

Karl Wirth | Evergage

Karl Wirth is the CEO and co-founder of Evergage, which delivers real-time personalization to more than 500 million Web visitors. Prior to Evergage, he spent 10 years as a product and marketing innovator for a variety of companies, and led the development of next-gen software businesses in security, cloud-computing and marketing technology. Wirth graduated from Harvard with a degree in physics.

The e-Commerce landscape is evolving, and retailers must take the changes into consideration as they lay out their strategies for 2016. As part of this evolution, solutions have become available that enable marketers to focus more deeply on the moments and places where customer experiences are made. These technologies — in particular, those that enable personalization and an improved customer experience — will have one of the greatest impacts on e-Commerce during the year ahead.

Looking at real-time personalization solutions, they take individual online behavior data and make it available to the marketer (without the need to enlist IT or developers). And, rather than relying on data scientists to analyze traffic patterns as a whole or behaviors

To be successful, retailers must deliver on this expectation for customized experiences. One way to do this is through tailored and relevant recommendations.

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among groups of people over time, real-time personalization enables marketers to tailor the digital experience to an individual customer, when it matters the most — at the moment that customer is engaged. This type of solution has proven to be a "go-to" for e-Commerce companies looking to tailor shopping experiences and

improve customer conversions — from Rue La La to Zumiez. It empowers marketers to leverage the data they already have and combine it with CRM and on-site behavioral data to gain a holistic view of shoppers that, in turn, helps shoppers find the most relevant offers and products. Furthermore, this technology provides a low-cost, easy to implement and user-friendly way to create personalized customer experiences across digital channels — boosting sales and customer satisfaction.

But, retailers have work to do. Consumers are catching on and expecting personalized experiences, yet Econsultancy found that just 9% of client-side marketers worldwide have "thoroughly" delivered omnichannel personalization, and another 41% have done so "partially."

To be successful, retailers must deliver on this expectation for customized experiences. One way to do this is through tailored and relevant recommendations. Modern solutions have the ability to leverage deep behavioral analytics and insights, as well as aggregated browsing and past purchase behaviors of other visitors, to deliver suggestions based on each visitor's expressed or implied preferences. This enables marketers to act upon customer intent and respond with the most relevant recommendations to improve customer experience and increase conversions.

So, as retailers make their plans for 2016, it's important to remember that the ability to tailor online shopping experiences and interact with each visitor on a 1:1 level will separate the marketing "A" teams from the "B" teams. Real-time personalization can help marketers at all types of companies to get a handle on their customer

data today to gain a better understanding of customers, and deliver more targeted interactions and individualized experiences online. It also allows them to dig deep into their data to segment, personalize, test and iterate — giving marketers total control. The end result is proven: In a recent survey conducted by Researchscape

International, 86% of marketers using real-time personalization reported a lift in conversions. Approximately half experienced a lift of 10% or higher.

With those kinds of results, we can expect real-time personalization and 1:1 recommendations to be focal points for e-Commerce companies in 2016 and beyond.

5 Best Practices To Grow Market Share In A Mobile World

Eric Best | CommerceHub

Eric Best is the Chief Marketing Officer for CommerceHub, where he is responsible for marketing strategy and programs, leading the company in achieving its industry engagement, product adoption, market share and revenue goals. He joined CommerceHub through the 2015 acquisition of e-Commerce marketing company Mercent which he founded and led for 10 years as CEO. In the span of his career, Best has founded five successful technology product and service companies including MindCorps, a profitable, high-growth software consultancy that served the Internet and Fortune 500 markets before its acquisition by Amazon.com. Joining Amazon.com, Best managed business development for the Amazon.com Commerce Network working on the deal teams for Amazon's first major brick-and-mortar partnerships.

With the 2015 holiday fast approaching, now is the time to revisit the incredible mobile tipping point achieved this year in e-Commerce — that more than 50% of shopping traffic and 30% of retail transaction value are now driven by smartphones.

CommerceHub reports that quarter-to-date in 3Q15, smartphones drove 29% of online shopping traffic*, but only 14% of orders and 11% of e-Commerce sales (GMV). Notably, tablet performance is the inverse – with tablets driving only 10% of total traffic but 15% of order volume and 14% of sales.

What drives the disparity between smartphone traffic and sales? It's a reflection of two polar trends — hyper-growth in mobile shopping engagement at odds with difficult

> *Tracking tags may show 250% return on ad spend (ROAS) but your actual return, tying in-store conversions to mobile sessions, might exceed 700%.*

checkout experience and low average order values (AOV). The latter is likely due to showrooming use cases and UX challenges that limit session length and basket item counts.

So how can you acquire more e-Commerce sales and grow market share in a mobile world? Let's review five key best practices:

1. Instrument Analytics And KPIs For Omnichannel ROI

Mobile shopping throws a massive wrench into conventional traffic, conversion, and attribution science. While half of e-Commerce traffic now occurs on smartphones, marketers are primarily still tracking and optimizing performance based on desktop-oriented technology. For e-Commerce merchants, tying mobile conversions to ad spend is key. For omnichannel merchants, add in-store conversions. Last holiday, Google noted that 10% to 18% of clicks on PetSmart search ads lead to a store visit. Using legacy, cookie-based tracking tags may show 250% return on ad spend (ROAS) but your actual return, tying in-store conversions to mobile sessions, might exceed 700%.

*Ex-Marketplace. Amazon, eBay and Jet.com do not report device type.

2. Leverage The Marketplace Advantage

Industry players like Amazon, eBay and now Jet.com hold an inherent advantage on mobile screens given their carts (and apps) provide stored-value checkout convenience through a one-(or two)-click experience. Participation on these channels requires a clear strategy for brand compatibility as well as shopper and data ownership. But mobile shopping favors easy, repeatable ordering through shared carts and apps.

3. Test Google, Facebook, And Pinterest Buy Buttons

Google, Facebook and other leading consumer advertising platforms won't cede the e-Commerce advertising market without a fight. Some estimates have placed CPG + retail spend at 40% of Google's total advertising revenue. Google Shopping (PLAs) is a major driver of Google revenue today, at risk if Amazon 1-Click Ordering offers a better shopper experience driving higher seller (advertiser) ROI. Likewise, Facebook and Pinterest are laser-focused on mobile user engagement, and shopping is a key part of the engagement story for both companies. Buy buttons, while experimental this year, will become a key driver of mobile commerce performance.

4. Invest In Product Data Quality

The stakes are high when your checkout experience, conversion rate, and post-sale support are on the line. While traffic-generating text and product ads allow for some wiggle room with product variations (size and color), marketplaces and buy buttons require much greater discipline. It's one thing if the cost of inaccurate data is a misplaced click. It's something else entirely when the wrong product is sold, shipped, and ultimately returned because a product attribute or variant was wrong or missing.

5. Expose Inventory-By-Location Across Stores And DCs

Mobile shopping offers always-on transparency across competing merchants, prices, and shipping offers – both online and in-store. This accelerates the opportunity and need to compete more directly (and with better data recency) with prices and shipping. The only way to compete with the likes of Prime and Prime Now is to move inventory closer to the shopper doorstep (think 3PLs and ship-from-store) and pass the resulting shipping speed and efficiency along to your customer in the form of more aggressive offers.

Customer-Centric Strategies Lead To 2016 Success

Jim Davidson | Bronto

Jim Davidson is the Director of Research for Bronto Software. As an expert in email, mobile and social strategies, he brings 15 years of experience in online marketing, managing email and cross-channel programs for top retail clients. From strategic vision to implementation, Jim has led clients to successfully meet aggressive revenue and performance goals. Davidson regularly publishes industry-focused white papers, research reports and contributes to the Bronto Blog.

Meeting the expectations of today's hyper-connected consumer has been a struggle for many retailers. Shoppers know that a better deal is only a few clicks or taps away. Brand loyalty often goes out the window if the shopper finds a lower price or if the retailer isn't able to offer a seamless, mobile-optimized experience between their site and store.

This shift has put the consumer in control of the e-Commerce experience and caused many retailers to panic, slash prices or risk sales by trying new, often unproven technologies as a miracle elixir to keep the shopper engaged.

The good news is the frenzy has started to subside. The newness of shopping and buying on mobile devices has started to wear off.

One example of how retailers will shift their marketing perspectives in 2016 to be personalized for the multi-device, multi-channel shopper is with shopping cart reminder emails.

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Mobile devices and operating systems, while still evolving, are not being overhauled as frequently as they have been for the past five years or so. And technologies and strategies that help retailers bridge channel and device gaps have evolved and become more cost-effective.

In 2016, retailers will take a more focused, methodical approach to implementing new technologies. They will decrease investment in unproven, overhyped trends and spend more time and resources on meeting more established, though still emerging, consumer expectations that will keep the shopper connected across channels and devices and actually get the sale.

One example of how retailers will shift their marketing perspectives in 2016 to be personalized for the multi-device, multi-channel shopper is with shopping cart reminder emails. A staggering 40% of shoppers leave items in the cart to view later in a store or on a different device, according to a study by Bronto Software.

Retailers have traditionally focused on causes for abandonment, such as sticker shock when order totals are revealed or an overall concern with buying online. In 2016, retailers will focus on adopting a more customer-centric strategy that will offer solutions for shoppers who have questions that need to be answered, want to find the items in a nearby store, or simply want to revisit the products later on a different device.

A solid 2016 plan needs to be focused on creating personalized moments that embrace the concept of giving the consumer more control over their shopping experience. Retailers who want to find success in 2016 need to offer shoppers a way to explore items at their own pace and across multiple devices rather than dictating the process or putting too much pressure on them to complete the order.

Multi-Touch Channel Attribution: The Key to Success In Today's Omnichannel Retail World

Sean Cook | Aptos

Sean Cook is Vice President of Digital Commerce at Aptos, a recognized market leader in retail Point of Sale solutions, with over 122,000 stores live on its platform; more than 500 retail brands leverage Aptos solutions to generate over $523 billion in annual revenues.

For omnichannel retail success organizations must have many things in place: a next-gen Point of Sale system for in-store transactions, a comprehensive e-Commerce system for online transactions, strong inventory management, and great distribution and fulfillment. However one of the biggest roadblocks in omnichannel retailing isn't a lack of systems or departmental support, it's their sales attribution strategy.

Historically sales and marketing attribution has had a "winner-take-all" mentality, where the last touch channel has been credited for a sale. However, a dizzying number of scenarios exist in the path to purchase for today's omnichannel customer. A customer can see a banner, find organic search results, go to affiliate sites, click through from an email, look for coupons and check their mobile devices — all before finally making a purchase.

> *In giving too much credit to one touch point over another, the downstream effects are a misrepresentation of channel influence, skewing critical investments in sales and marketing.*

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Given this, let's view how many retailers credit sales today:

- A customer researches online and then walks into a store to make their purchase– that revenue is 100% attributed completely to a store.

- A customer visits the store as a showroom and then goes online to make their final purchase – that revenue is 100% attributed to the online channel.

These are just a few simple examples — not to mention the customer who gets a catalog, subscribes to an email newsletter, clicks on an affiliate link, buys online and picks up in-store.

This "last-touch attribution model" gives disproportionate credit to one marketing channel or tactic, and completely disregards another. It's too blunt an instrument which causes misinformed decisions in giving too much credit to one touch point over another. The downstream effects are a misrepresentation of channel influence, skewing critical investments in sales and marketing.

Moreover, not having the right sales attribution strategy can have more devastating effects. Stories of associate subterfuge involving putting "out of order" signs on perfectly functioning e-Commerce kiosks in an attempt to tip the odds for in-store purchases abound.

It's a terrible business practice to have monetary incentives that encourage competition vs. collaboration in the customer realm. So how do retailers make their organizations work together and refactor sales attribution for today's omnichannel retail world?

Make a commitment to multi-touch revenue attribution. Don't make it a "store sale," don't make it an "e-Commerce sale." Every contribution goes indirectly to your channel. There are no borders today in omnichannel. If a customer touches an email, a search, or affiliates all within minutes of ordering, these various channels should *all* get some credit.

Get upper management and employees on board. It's especially important to educate store associates – they are an important customer touch point and can help educate customers on all the ways your organization can and will work for them. Even if a customer isn't willing to take a chance at ordering a garment via e-Commerce as facilitated by the associate, it still makes a solid impression that your organization will go the distance for them.

Look for tools to assist in tracking which channels wield influence over the sale. According to analytics expert Leon Zemel, marketers are demanding attribution, but struggling with the proliferation of the data, and the speed with which they have to analyze it. In 2016, retailers will leverage available sophisticated tools to enable multi-touch attribution to a customer and to an order - to remove ambiguity around marketing mix attribution for more optimized spend. Tracking multi-touchpoint attribution for digital channels requires a combination of tracking pixels and persistent cookies to provide insight on where customers originate from, which can then be exposed via reporting, or business intelligence platform.

Leverage insights to reallocate channel investments as needed. Multi-touch attribution doesn't just galvanize the organization to sell more and better serve customers, it also offers tremendous insights to help retailers understand what channels (and in what times or scenarios) are most impactful in driving sales so real-time adjustments can be made to help increase conversions.

Predictive Marketing Empowers Retailers To Reconnect With Customers

Omer Artun, Ph.D | **AgilOne**

Omer Artun, Ph.D. is the CEO of AgilOne. He is the author of *Predictive Marketing: Easy Ways Every Marketer Can Use Customer Analytics and Big Data*. Artun holds a Ph.D. in Computational Neuroscience and Physics from Brown University where he studied under Nobel Laureate Physicist Leon Cooper on pattern recognition, data mining and complex systems modeling at the <u>Institute for Brain and Neural Systems</u>. Between 1999 and 2002 he was a consultant with McKinsey & Company, consulting high-tech and retail companies on strategy development. He specialized in analytical areas such as pricing, direct marketing and customer segmentation. Between 2002 and 2004, he was VP of Strategic Marketing at CDW/Micro Warehouse, a $6B direct reseller of technology products. Between 2004 and 2006, he was Sr. Director of B2B Marketing at Best Buy at its newly founded Best Buy For Business division.

Retailers now have the power to get personal with predictive marketing. In recent years, brands struggled to effectively use customer data amid an explosion in digital activity alongside the meteoric rise of e-Commerce. But today, predictive analytics and machine-learning technology offer businesses a chance to quickly and easily sort through the massive, and often messy, piles of customer data to delight shoppers with personal interactions tailored to their unique tastes.

2016 Will Be The Year Of Effective Engagement

Understanding customers is the key to effective engagement, and this understanding starts with clean and complete customer data.

> *Understanding customers is the key to effective engagement, and this understanding starts with clean and complete customer data.*

Retailers need to keep customer profiles tied to the individual rather than spread across a variety of platforms or databases. New machine-learning algorithms enable businesses to take pieces of data from different sources and connect them to individual shoppers by picking up on clues that earlier deduplication solutions missed.

With "fuzzy matching," retailers can automatically connect profiles that are incomplete or contain different emails or slight name variations to specific customers.

The importance of unifying customer data across different channels and platforms cannot be overlooked in today's marketplace. As shoppers take advantage of a growing variety of channels to connect with retailers, customer data becomes increasingly fragmented. Keeping separate customer data for each channel will lead to incomplete profiles, and by failing to connect these profiles to individuals, retailers will miss critical opportunities to understand the customer journey and deliver relevant messages.

Predictive analytics and machine learning work together to build a 360-degree view of the customer that unlocks tremendous opportunities for personal engagement. Predictive marketing platforms combine basic customer demographic and purchase data with behavioral cues like email or web site interactions, or how discounts affect buying patterns, to offer much deeper insight into consumers' true intent. With 360-degree profiles, brands gain an unprecedented level of understanding that can reveal underserved customer segments and inform new marketing strategies. Retailers can use these complete profiles to reach out to customers with the promotion or message that's most likely to generate a response at any given time.

Predictive Marketing Optimizes Investments And Boosts Margins

Perhaps the greatest impact of predictive marketing technology will be seen in the way retailers allocate their resources to create the greatest impact, maximum margin for each customer. We have seen marketing automation and increasingly complex advertising technology that enables brands to target ever more precise customer demographic groups, but predictive analytics adds a new layer of efficiency. By prioritizing marketing efforts across channels that drive high-value customers or focusing on shoppers with a high likelihood to buy, retailers can optimize their

marketing investment. Retailers can also preserve margins by tailoring discounts or promotions based on a customer's value and likelihood to buy, while increasing up-selling and cross-selling opportunities with personalized recommendations.

"True customer engagement" sums up the value that predictive marketing brings to retailers and their shoppers alike. By reconnecting retailers and their customers, predictive marketing has the power to both delight shoppers and drive revenues – the twin goals of any effective engagement campaign. Predictive marketing can deliver an enormous competitive edge by arming retailers with the knowledge to predict customer behavior in new and surprisingly detailed ways. Imagine having the ability to foresee which low-revenue or low-volume shoppers will completely change behaviors and become high-volume spenders later in their shopping lifecycle. That future is already here, and retailers should reach out and grab it.

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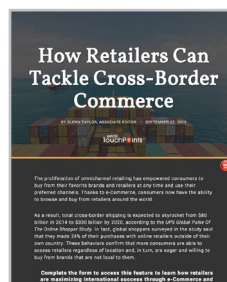
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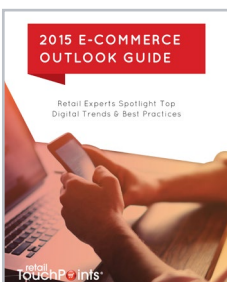
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