

Personalizing the Customer Journey: The Future is in the Data

Fifty-five percent of households have Amazon Prime, but a “need it now” mentality and desire to see, touch and try products before buying still drives consumers to stores. But, for retailers striving to build brand loyalty and become the store of choice, the pressure to differentiate themselves by providing the most enhanced, consistent shopping experience has never been greater.

The key to providing the best experiences?

Personalizing the shopping journey.

This is what retailers keep hearing, anyway: *to drive loyalty and increase sales, retailers must know every customer through and through, anticipate their preferences and engage with them across every stage of their buying journey.* To do this, they must invest in technologies that will help them to better harness customer data to personalize their customers’ experience.

All of the talk around personalization is resonating: 51 percent of retailers see personalizing the customer journey as a top priority this year.

A promise of increased sales and loyalty is one thing, but is making these investments really worth it for retailers?

If it’s done right, the answer is unequivocally yes.

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The verdict is in. Personalization = sales growth

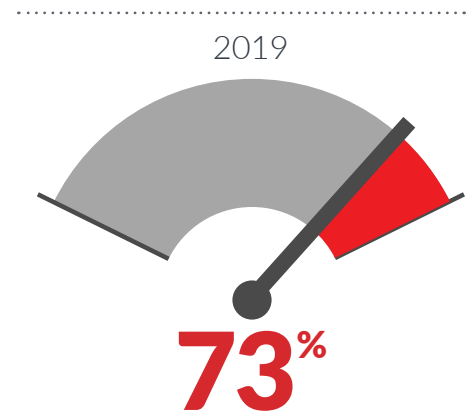
There's no better evidence that personalizing the customer's journey leads to sales growth than looking at real sales numbers. Global research and advisory firm IHL recently did just that, and found that retailers that are willing to make the investment in delivering consistent and personalized customer experiences can expect sales growth that is as much as three times their competitors.

Those that have already implemented this strategy are seeing the results.

IHL looked at food/drug/mass merchant retailers who are already personalizing the journey, and found that 2018 sales growth was 55 percent higher. For 2019, sales growth for this retail category is expected to be 48 percent higher than their competitors.

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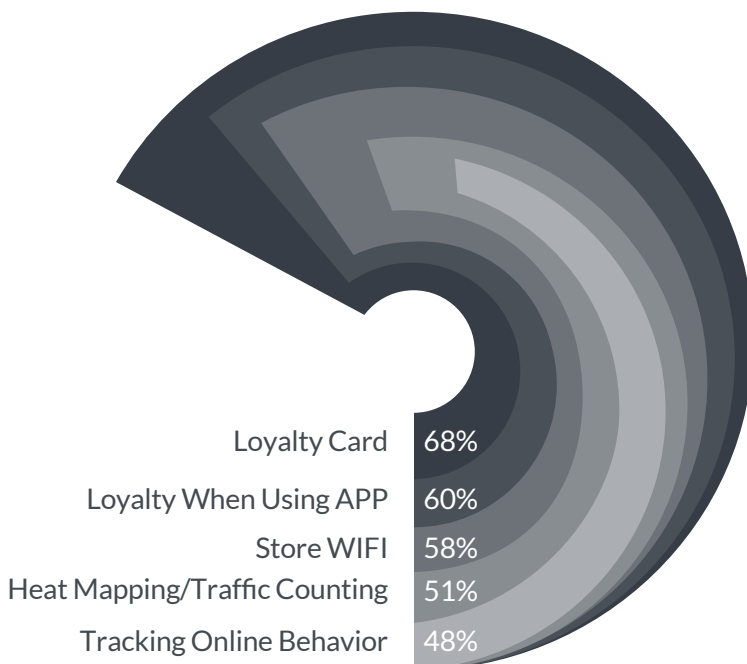
The research is clear: personalization is effective, but what does it really take to personalize the customer journey? It's about more than investing in technology. It's about taking control of data and leveraging it across all customer touchpoints.



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Harnessing customer data: taking an integrated approach

There are several tools retailers plan to utilize to track and provide personalized experiences in the store, according to IHL. These tactics include loyalty programs, in-app, in-store Wi-Fi, heat mapping/traffic counting and tracking online behavior.



These tools have one thing in common: data.

Retailers are constantly collecting data from their customers at every point of interaction, from web browsing to loyalty programs to completed purchases. These new tools add valuable data to the collection. All of this data gathering is great, but it's how the data is being leveraged that is crucial to success.

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Becoming a data-driven retailer is no easy job. Often, retailers find themselves with data elements sitting in siloed areas of their business, underleveraged. This is why data integration is the first step for any retailer looking to increase sales with more personalized cross-channel experiences.

It's important that every system and application that a retailer has, both online and in-store, share data so it can be analyzed within defined customer contexts to deliver that consistent personalized experience. This can be a challenge for retailers that have historically kept online and in-store systems separate, but is well worth it. For example, if a customer browses for sneakers online and ultimately buys them in-store, it would be a poor experience and negative for brand identity for that customer to continue to receive cart abandonment emails or other online offers related to the sneakers.

To foster more positive customer experiences, many retailers are investing in in-store RFID and computer vision technology to get a more accurate view of their inventory. This is helpful, but what is even more insightful is combining the data collected from these technologies with loyalty and online shopping data. An integrated view can help retailers ensure that the most popular products, brands, sizes and colors are always in stock across channels, and ultimately drive repeat sales.

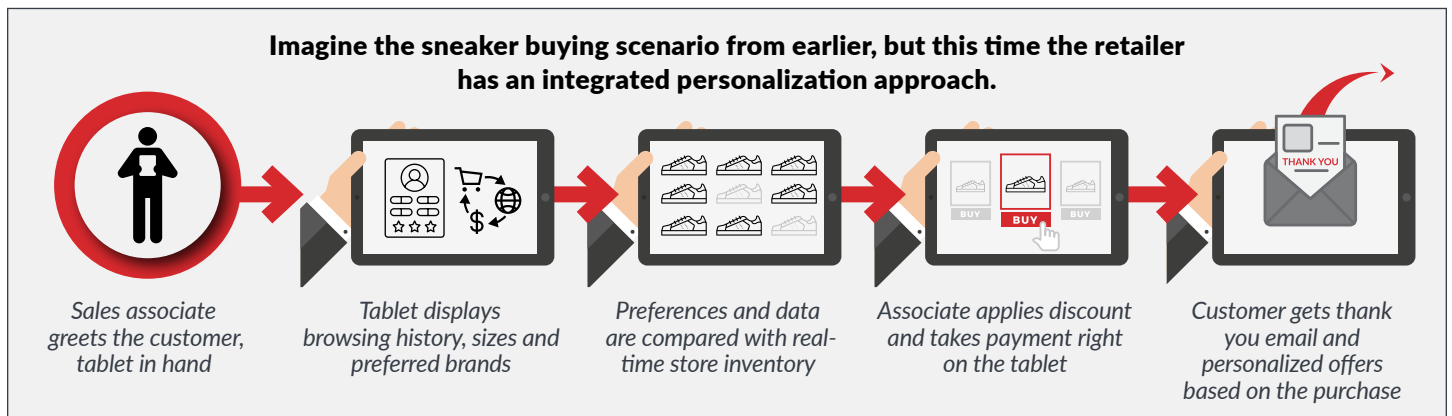
Data is complex and evolving. Data analytics isn't in a place yet where it's perfect. It may never be, but the best platforms are effective and getting more so every day.



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Leveraging the data at every touchpoint

Once a retailer has gotten a grasp on its data, the next step is to ensure that its leveraged at every point of interaction with the customer — online, mobile, at the counter, in the aisle and in unattended environments. In the store, retailers should arm their sales associates with connected devices to help them engage customers in a truly personalized way to drive increased sales.



When the customer walks in the store, she's greeted by a sales associate armed with a tablet. He quickly loads her loyalty information and instantly sees her online browsing history, the brand she prefers and her size — along with the store's real-time inventory.

With this information, the sales associate can engage with the customer in a personalized way. He highlights the sneaker inventory that would be of interest, along with additional accessory options based on historical preferences and

browsing data. Using the tablet's integrated loyalty and point-of-sale capabilities, the associate can also provide a discount and take the payment method of choice on the spot. Afterwards, the customer receives an email thanking her for the purchase and providing additional personalized offers.

The result is a streamlined, personalized experience, increased revenue for the retailer and a happy customer who is likely to come back.

Providing the future that customers expect

Customer expectations for seamless shopping journeys are growing. The reality today is customers are going to choose the retailers that provide the best experience, and discard the ones that don't. Knowing what they like, what they want now and what they will want in the future is now a necessity for all retailers that want to compete and succeed.

The good news is that technology and data analytics are evolving with it. Retailers now have even more tools than ever to capture and analyze customer data and use it to provide personalized experiences in real-time. Those that are using them are seeing the results.

In the future, these tools will only grow. Proximity marketing technology like beacons and geofencing will allow location-based interactions between retailers and customers. Authentication technology like biometrics is being integrated into payment technology to more accurately and securely identify customers. Connected screens, popular in other areas of the world, have the potential to let retailers meet and interact with their customers in new, personalized ways.

The sheer mass of data becoming available through technology today and in the future may seem daunting to retailers. But, if they commit to becoming an integrated data-driven retailer now, they can separate themselves from the competition, drive increased revenue and exceed customer expectations.



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To view IHL's full research on personalizing the customer journey, read the new report *"It's Not You, It's Me. Why Personalizing the Customer Journey Returns Extreme Results"* at <https://info.ingenico.us/report-personalizing-the-customer-journey>