

How to Succeed in eCommerce by

Forming Authentic Connections Through Data and Agility



Inside You'll Learn

- What customers are really looking for from their digital interactions with brands
- Three key steps brands must take to remain relevant
- Concrete benefits and impact you can measure

eCommerce Overview: What's Changed and Where We are Headed

The COVID-19 pandemic continues to evolve every day, requiring business leaders to make significant changes to their strategies and organization on a limited and everchanging set of data.

Customers are experiencing unique and unprecedented challenges in their lives. And each customer has a differing relationship with—and expectations of—the brands they frequent. That's why listening to customers about their wants and needs, and adapting the customer experience accordingly, is more important than ever before.

Even as we look back at 2019 the role of physical stores in the digital age - Barneys and Lord & Taylor. These two New York institutions - closed some of their highest-profile locations, including flagship stores, and are now under new ownership structures, signifying to some analyst the end of an era of brick and mortar.

On the other hand, we are in the midst of an incredibly dynamic period of growth in multi-channel shopping as traditional stores focus on digital services such as contactless delivery, subscription-based modeling, and touch-free payment.

We see now how consumers are prioritizing experiences more than ever and this crisis will accelerate it. Brands are actively shaping their communications strategies and customer experience based on direct feedback obtained and relayed by consumers and associates. Brands can design the best way to reposition themselves to help customers with real pain points and stay relevant during the crisis by putting customer obsession in the foundation of their marketing strategy.

Ever-higher demands for **digital-driven convenience**.

Not only do consumers expect to **spend** when they want and for what they want, but they also now want to pay how they want. Companies like Klarna, Affirm and AfterPay are offering the option of paying in no-interest installments, addressing millennials' need for flexibility and control.

Authentic connections are in fashion again.

Convenience and savings are not the only draws for consumers. Customer service and personalized interactions are also driving purchasing decisions and brand loyalty. And consumers are willing to spend up to 16% more on products and services with companies that offer a better experience, according to a 2018 PwC study.

Meeting Modern eCommerce demands

Three Key Strategies

Convenience and connection: How do you reconcile these two seemingly opposed customer demands? Here are three strategies that will become increasingly critical to success in 2020 and beyond:



Think in **Connected Journeys**

Just like personal relationships, true authentic connections with your customers do not happen overnight. These days, a customer's experience needs to be much more than a series of disjointed email messages, e.g. a birthday email, an abandoned cart message, and a discount offer. You may track key behaviors of your consumer, but are you using them in a one-off, transactional way, or are you analyzing all of them to form a meaningful connection? From the customer's POV, every interaction should reflect her continuous journey with the brand, including all her experiences along the way.



Build **Innovation** into Your Company DNA

Given the extremely rapid pace of change in the retail environment, innovation cannot be a one-and-done exercise anymore. An ongoing commitment to innovation is the only path to sustainable growth, from creative ways to collect customer data to the development of new KPIs that keep up with evolving retail practices. Just as important, it means building cross-functional teams that can detect and respond to new challenges and opportunities as soon as they rise.



Invest in **Data and Analytics Capabilities**

There has been a lot of talk in retail over the last few years about using data-driven insights to create personalized customer experiences. Despite this, the vast majority of retailers have not fully committed to investing in data capabilities required to make this a reality. This begins with capturing as many customer interactions with your brand as possible and unifying that customer data. But to create authentic connections at scale, you also need to put data and insights directly into the hands of marketers, so they can execute across channels at speed, and in a seamless fashion.



Think in
Connected Journeys

4 Ways to Think in **Connected Journeys**

“It’s a fine needle to thread between being too inaccurate and too creepy... At the end of the day, consumers don’t just want you to show them that you know them, they want you to help them get something done.”

– [Gartner](#)

1 Get the **welcome message right**

Make sure you are relevant from the very beginning. As you start designing a “welcome to the brand” communication, recognize that there is a difference between someone who shared their email address but never purchased, shared email as a result of their first purchase, or has been a customer for a while and only now decided to share their email address.

2 Tailor follow-up messages to **match customer behaviors**

Welcome messaging is critical, but make sure that you are understanding the patterns and are ready to react to different potential behaviors (e.g. online browsing only, or browsing and making a purchase) appropriately.

3 Get the **all-important post-purchase message right**

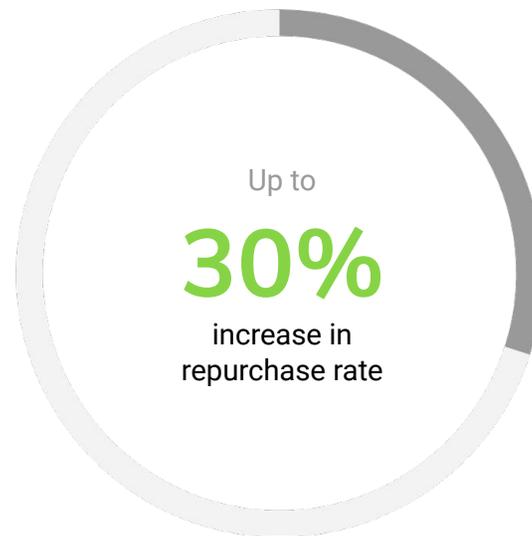
Get the all-important post-purchase message right. Make sure you understand the customer’s behaviors that follow her purchase event, and respond to them appropriately, for example:

- Take into account the return window before asking for feedback
- Consider a tailored recommendation series in case they return the purchase

4 Respond to **behavioral patterns over time**

Stay focused on customers’ individual behavioral patterns. Do you have customers who used to shop every month, yet haven’t engaged in more than 3 months? For the “average” customer, no purchase in 3 months might not sound that bad. But for this particular customer, it could be a strong signal of disengagement and eventual churn. Consider creating proactive personalized communications to re-engage her.

Outcomes & Benefits of Thinking in Connected Journeys





Build Innovation into Your Company DNA

4 Ways to **Build Innovation** into Your Company DNA

“54% of marketers staff their inhouse teams with talent whose sole job is to innovate... 58% of marketers name martech vendors as highly valued innovation partners.” – [Gartner](#)

1 Innovate with **KPIs**

Are you aware of valuable consumer behaviors that aren't part of your standard metrics? For example, retailers know that each return event can also be an opportunity to form a connection and, potentially, generate a new sale. If you introduce a “Return-to-Exchange” ratio as one of your main KPIs, you will create an organizational incentive to focus in on a specific behavior that can have a ripple effect on revenue-per-customer.

2 Innovate with **Data Collection**

Retailers already collect a huge amount of valuable data from customers' digital interactions, e.g. what consumers look at, like, or put into their carts. It is much harder to gather this kind of “browsing” behavior in physical retail. But there are innovative ways to bridge that gap. For example, customers rarely buy all of the products suggested at an in-store styling appointment. But what if you created an app allowing the stylists to input information about the products used in the session and share it with other channels, making personalized style advice available for digital marketing?

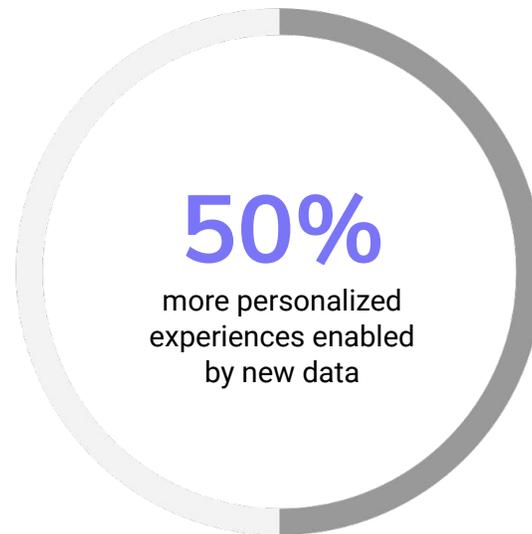
3 Innovate with **Channel Strategies**

When it comes to consumers shopping across channels, forget the word “cannibalization.” Rather, focus on promoting multi-channel behavior. After all, the average annual revenue per multichannel customer is 2x that of other repeat buyers, and the difference in margin is even larger! Consider harnessing AI and machine learning to target the right groups of consumers for your multi-channel strategies.

4 Innovate with **Organizational strategies**

To take advantage of all these innovative ideas, you have to develop the right talent and empower them through the right organizational structures and processes. Don't get stuck in the past with siloed, channel-specific, or product-specific teams, or organization barriers between business and technology. Consider incorporating agile practices into your business to enable teams to react quickly to the market and ever-changing customer needs.

Outcomes & Benefits of Building Innovation into Your Marketing DNA





**Invest in
Data and Analytics
Capabilities**

4 Ways to Invest in **Data and Analytics Capabilities**

“The world’s 10 largest traditional retailers are spending a much smaller proportion of their revenues on IT than Amazon, which views digital tools, data analytics and other technology as core to its mission to get ever closer to customers.” – [Bain & Co.](#)

1 **Customer data unification**

It is paramount for any customer-centric business to invest in bringing together all key online and offline customer behavioral data, and then to associate all of it with individual customer profiles. Either through internal resources or working with partners, focus on collecting all possible event data that reflect your relationships with customers, and on recognition of this customer as an individual, not an email address or a cookie.

2 **Interactive data access for business users**

Simply collecting information is not enough. Business users should have access to data in a direct and flexible way, if you want to truly empower them with data-driven insights as they formulate strategies and plan execution. A robust self-service environment for data insights is critical for the agility you need to propel your business forward.

3 **AI/ML and other predictive analytics**

Invest in AI/ML to make your insights more predictive and powerful and, ultimately, more impactful for your customers and your business alike. Either by building internal capabilities or partnering with outside vendors, you can take full advantage of your data assets to understand what is right for your customer at a specific point in their journey—and deliver on your promise of being helpful.

4 **Seamless execution across all touch points**

Invest in seamless execution of your strategies across all customer touch points—including the ability to act in a timely manner on your data-driven insights and truly optimize customer experiences. Select best-in-class execution partners across all of your customer channels—email, DM, mobile, site, clienteling—and give store associates and service reps access to validated, holistic customer information. In this way, you will demonstrate to consumers that you really get them and engender loyalty over the long term.

Outcomes & Benefits of Investing in **Data and Analytics Capabilities**



Conclusion

If you've made it this far, you're probably thinking these recommendations sound great in theory, but are impossible to put into practice. The reality is, retailers just like you have made the leap, with the help of ActionIQ, and are already seeing results.

If you don't believe us, read how [Vera Bradley](#) embarked on a multi-year, customer-centric business transformation with the ActionIQ CDP in place, combining people and process with modern technology to become data-informed, optimize spend, increase LTV, and drive sales.

Visit www.actioniq.com to learn more about how our CDP empowers the world's leading brands to win in today's experience economy by building deeper, more valuable relationships with their customers. Our real-time orchestration and intelligence hub, powered by the fastest and most scalable customer data platform, enables marketers to quickly turn disconnected customer data into personalized experiences, orchestrated across all channels.



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About ActionIQ

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 linkedin.com/company/actioniq

 www.actioniq.com

 contact@actioniq.com

 50 W 23rd Street, STE 6A New York, NY 10010

 (347) 709 8880