

RESEARCH

## 6pc of retailers can identify consumers upon entering store: report

May 12, 2015



*Swarovski rewards app*

By JOE MCCARTHY

Whether through smartphones, iBeacons or other technologies, retailers are ramping up their ability to pinpoint consumers and tailor shopping experiences, according to a new report by Boston Retail Partners.

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**Luxury Daily**

Ninety percent of retailers can identify consumers at the in-store check-out, up 17 percent from the year-ago period, but that is generally too late to make an impact, no matter how useful for profile-building and future engagement. In the next five years, there will be an 883 percent increase among retailers looking to identify consumers upon entering the store, according to the report.

"Consumers expect a personalized, seamless experience wherever, whenever and however they shop," said Ken Morris, principal at [Boston Retail Partners](#), Boston. "Unified commerce and customer experiences that transcend channels are the new model, and it is imperative that retailers' customer relationship management programs deliver a seamless experience across all channels."

"Retailers need real-time retail capabilities to foster the spontaneity and intimacy that are

essential to deliver the 'Amazon experience' at the store level," he said. "The key to influencing a customer's purchase and offering a personalized experience is to identify the customer early, when they enter the store.

"As soon as the customer is identified, sales associates should be supported with real-time customer information and analytics that enable them to tailor the experience to each customer's personal preferences, recent purchases and online browsing history."

Boston Retail Partners conducted the "2015 CRM/Unified Commerce Benchmark Survey" in March and April of 2015 by contacting more than 500 top North American retailers.

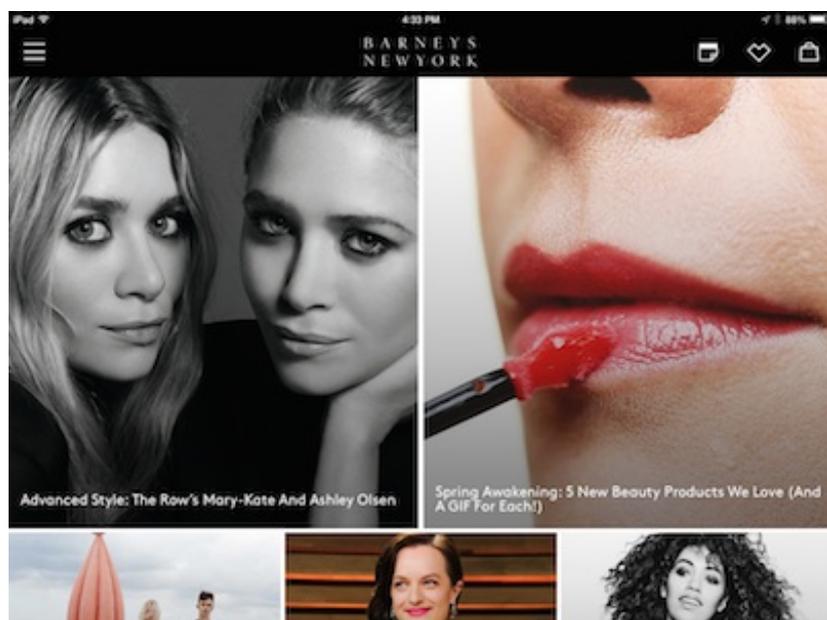
All cylinders

The four steps of a successful customer relationship management program are: identifying, engaging, analyzing and retaining the customer.

At each juncture retailers vary wildly in their proficiency, and ineptitude at one stage hinders how effective other stages can be.

The identifying stage hinges mostly on newsletter sign-ups, acquiring information at check-out and loyalty programs. A loyalty program usually culls the most reliable consumers and can replenish all other stages depending on how it is structured.

Forty-three percent of surveyed retailers said that a structured loyalty program was a top priority for their CRM programs.



*Barney's The Window app*

Seventy-four percent said that the customer experience and customer engagement are essential, 46 percent cited a structured loyalty program, 43 percent said customer segmentation and 26 percent said real-time analytics.

Once customers are identified and funneled into some sort of relationship system, retailers have to effectively engage them.

Boston Retail Partners argues that through the Internet consumers have seized power from

retailers by being able to compare prices and product quality in real-time, write and consult reviews and utilize social media for feedback.

Consequently, retailers have to focus on the digital customer experience if they want to differentiate themselves.

Eighty-three percent of retailers said that within five years they want to be able to suggest relevant products throughout the purchase journey and beyond.



*Saks Fifth Avenue window display*

Eighty-seven percent want to introduce gamification into their loyalty programs to make interactions more fun.

For instance, precision cut-crystal maker Swarovski is elevating the customer experience across channels with a new rewards mobile application. The brand is ensuring regular use with “Sparkly” rewards or “Sparklisms” that can be earned for a variety of activities and exchanged for prizes ([see story](#)).

"By rewarding users with points or badges in exchange for store visits, purchases or watching product videos, retailers have further information on shopping and purchasing habits to fuel future sales," the report explains.

Seventy-five percent of retailers also said that they plan to implement clienteling within the

next five years.

## Maximizing sales

The vast majority of sales still take place in-store. However, the vast majority of consumers inform their in-store purchases by researching online.

Many brands have resorted to blitzing consumers with content in the misguided belief that abundance equals efficacy, according to a new report by L2 and Demandware.

Seventy-two percent of North American organizations created more or significantly more content in the last 12 months, oftentimes at the expense of content quality, visibility and utility. The positive correlation between strong content and commerce is clear and brands have to be shrewd about content deployment or otherwise watch their investments languish in a crowded space ([see story](#)).

Indeed, retailers have ample time to influence purchases outside the store through robust and diverse marketing, but they can truly wedge themselves between prior consumer research and actual purchases by guiding the in-store experience.

If retailers can identify a consumer upon entering the store, the chances of influencing a potential sale increase.

The most common way that retailers leverage in-store identification is by notifying sales associates to greet the customer. This benign tactic shows the customer she is valued and the initial friendly contact may motivate future interactions that she initiates.

Next, retailers prefer to track the consumer's progress through the store to gather useful profile-building data.

Real-time, persona-based marketing, guiding selling and promotions are all currently secondary priorities.

"A successful CRM program is built on a closed-loop system that begins with identifying the customer to establish a relationship," Mr. Morris said.

"The next challenge is to engage the customer in compelling ways that both enhance their experience and drive incremental sales. Analyzing customer behaviors—purchases, online browsing, what's in their closet, etc.—in real-time helps retailers provide personalized services," he said. "Special attention to offer superior service and loyalty programs are key to retaining customers.

"But the process doesn't stop there. A successful closed-loop CRM program requires retailers to continuously enhance their understanding of the customer and build upon these valuable relationships by constantly repeating the four steps."

## Final Take

*Joe McCarthy, staff reporter on Luxury Daily, New York*

Embedded Video: <https://www.youtube.com/embed/oAPDvvGMY84>

1 thought on “6pc of retailers can identify consumers upon entering store: report”

1. **Devika Girish** says:

**May 20, 2015 at 8:32 am**

Very insightful article, Joe. Thanks for sharing. I particularly liked the stat that says – 83% of retailers said that within five years they want to be able to suggest relevant products throughout the purchase journey and beyond. This is where beacons come into the picture. In fact, like you said, retailers all over have doubled down on their proximity marketing efforts by incorporating beacons at various points of their customers’ buying journey, including payments and loyalty programs. Another important fact that retailers need to keep in mind is that, merely deploying beacons won’t give retailers an edge. Retailers need to invest in data analytics and use this intelligence to drive conversions and increase revenue. For this, it is crucial that retailers have a solid understanding of the metrics involved in data-driven decision making. We have discussed in detail on what are the different metrics that brick and mortar store retailers need to measure to offer a better experience to shoppers here. It talks about various metrics to be tracked under various segments- right from customer path to loyalty and customer engagement:

<http://blog.mobstac.com/2015/05/beacon-analytics-in-retail4-essential-metrics-for-retail>

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