Improve Customer Engagement, Improve Lifetime Value

Retailers have struggled to adapt to changing customer preferences and behaviors in the modern landscape, with marketers seeing share of wallet shrink through poor customer experiences and lack of cross-channel integration.

The problem is that most marketers aren't well-versed enough on their customers to engage them properly.



don't currently know their customers' needs, wants, and attitudes



can't coordinate campaigns across channels even if they **did know customers' needs, wants, and desires**

Top Challenges of Marketers'

38%	Knowing our customers' needs, wants, and attitudes									
32%	Integrating multiple marketing technologies/platforms									
28%	Linking customer data across channels and devices									
	Making our messages relevant/contextual									
27%	Accurately measuring and attributing the results of our programs									
25%	Making analytics actionable									
24%	Coordinating campaigns across channels									
23%	Overcoming our internal silos to center our programs on the customer					1		1		
Rank 1	Rank 2 Rank 3	0%	5%	10%	15%	20%	25%	30%	35%	40%

This is a substantial problem because...

IMPROVING CUSTOMER ENGAGEMENT INCREASES SHARE-OF-WALLET

Consumer electronics shoppers who are fully engaged make **44%** more store visits in one year than shoppers who are actively disengaged



Engaged customers spend **\$373** per shopping trip, versus actively disengaged shoppers, who spend **\$289** per trip²

Acquiring these customers is a high priority, with **77%** of inbound and **68%** of outbound marketers emphasizing process of converting contacts/leads to customers³

Acquisition continues to be a priority for marketers

Marketing Priorities at Their Company According to Inbound vs. Outbound Marketers Worldwide, May 2016 – % of respondents³





Much of the problem comes down to the maturity of their internal processes, with only 31% even having a consistent process for how customer engagement should work⁴

Maturity of Their Customer Engagement Strategy According to Executives Worldwide, Aug 2015 – % of respondents⁵



We have optimized our customer

engagement processes and are tracking them using industry or internal KPIs

We have clear, real-time visibility into the health of our customer base, and we make strategic decisions based on the resulting insights

Note: numbers may not add up to 100% due to rounding

Focus On Customer Experience

Customer experience is the last source of sustainable differentiation and the new competitive battleground⁶

• 89% of companies expect to compete mostly on the basis of customer experience

- 50% of consumer product investments will be redirected to customer experience innovations⁷
- 10% improvement in a company's customer experience score can translate into more than \$1 billion⁸
- **"86% of buyers will pay more** for a better customer experience, **but only 1% of customers** feel that **brands consistently meet their expectations"**⁹

Multi-channel consumers spend 82% more per transaction than a customer who only shops in store, according to business advisory firm¹⁰

The importance of a unified customer view for retailers

Creating a unified customer view is crucial in increasing top-line retail revenue, largely because a unified view augments engagement and bolsters retention – two characteristics that lead to increased share-of-wallet.

This is down from 89% in 2015, which shows marketers are on the right trajectory but they still have an uphill climb ahead of them.

Reasons to achieve a complete view of the customer¹¹

Increase customer retention/loyalty



Reduce costs

28%

Legal requirements to understand customer base/provide customer analytics

Predict/forecast future customer behavior

17%

Other

1%

None of the above/we are not looking to achieve a single view of the customer 3%

"One of the biggest battle grounds in marketing is data science and being able to take different data and create the ability to trigger experiences based on what you know about that individual."¹²

Retailers using Big Data to its fullest potential could increase its operating margin by more than 60%¹³

Customer retention is 14% higher among companies applying big data and analytics to deal velocity¹⁴

Marketing is challenged to get a single, complete composite view of the customer



The problem is that retailers need to leverage customer data in a bigger way – and make sense of it all.

- Marketing is charcenged to get a single, complete composite view of the castome
- 54% lack the ability to integrate customer data in real-time
- 49% can't integrate multiple data sources or technologies
- 48% lack access to data across the organization



Our data shows that enterprise companies do not have the necessary technology assets in their toolkits

Top challenges to creating a single customer view for enterprise companies



Technology to integrate customer data in real time



Inability to integrate multiple data sources and technologies



Access to data from across the organization

RedPoint

HOW REDPOINT CAN HELP

RedPoint optimizes customer engagement across the enterprise, providing a customer data platform that delivers consistent, contextually relevant brand experiences across all customer touchpoints. With RedPoint's customer data platform you can tap into all/any customer data sources, resolve anonymous to known customer identities, orchestrate specific customer relevant messages across any interaction point in real-time and easily interconnect into the vast ecosystem of marketing technologies.

¹Source: 2016 Digital Marketer Survey

- ²Internet Retailer
- ³ Source: Hubspot, "The State of Inbound 2016," Sep 12, 2016 ⁴ Forbes Insights
- ⁵ Source: Forbes Insights, "Mastering Revenue Lifecyle Management: Customer
- Engagement Leads to Competitive Advantage" in association with Service Source® ⁶Tiffani Bova, Gartner Vice President and Distinguished Analyst
- ⁷Gartner
- ⁸Forrester

⁹Customer Experience Impact Survey

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 ¹¹ Experian Data Quality
¹² Jason Heller, McKinsey and Company http://www.computerweekly.com/news/450402276/Data-is-the-biggest-battle-groundin-marketing-says-McKinsey-expert
¹³ McKinsey Research http://www.mckinsey.com/business-functions/business-technology/our-insights/big-datathe-next-frontier-for-innovation
¹⁴ Aberdeen Customer Engagement Report 2014
¹⁵ Source: 2016 Digital Marketer Survey

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¹⁰ Deloitte