



# 5 CRITICAL STATISTICS EVERY RETAILER NEEDS TO KNOW ABOUT TARGETED OFFERS





Consumer behaviors have been evolving since the rise of e-commerce and digital commerce. This evolution is in large part due to customers having access to more information than ever before across a multitude of mediums — and customers knowing retailers are collecting their data with every interaction.

For retailers to benefit from this evolution, they must understand consumers now have an expectation — if they're going to share their information with a retailer, they expect that retailer to deliver a personalized experience.

The most obvious way to do this is through digital channels. Digital channels have a variety of options for capturing and utilizing data to draw in, re-engage, and tempt consumers. In comparison, however, brick-and-mortar retailers' traditional practice of sending out weekly sales flyers or blasting emails falls short of consumers' expectations. General offers and promotions have their place, but a relevant offer on merchandise a customer is interested in will always be more appreciated and is more likely to result in a sale.

Studies have revealed just how much of an impact targeted marketing actually has. Here are five stats that tell you everything you need to know about the benefits of personalized offers.

## 1. 78% OF CUSTOMERS ARE FAR MORE LIKELY TO PURCHASE FROM A RETAILER THAT PROVIDES TARGETED OFFERS<sup>1</sup>

<sup>1</sup>SocialTime, "Personalization is a Big Challenge for Digital Marketers", December 2015

E-commerce and mobile commerce have greatly expanded the number of influences a retailer can use to entice a customer to purchase. Although quite a few factors impact purchasing decisions, it's clear from this statistic from SocialTime that a retailer that provides targeted offers to consumers greatly improves its chances of making sales. In order to stand out from the competition, it often isn't enough to send out blanket promotions. Targeted offers are not only relevant to each shopper's interests, but also feel more personal, building trust and loyalty.

## 2. 63% ARE ANNOYED AT THE OLD-FASHIONED STRATEGY OF BLASTING GENERIC AD MESSAGES REPEATEDLY<sup>2</sup>

<sup>2</sup>Marketo, "Brands Are Annoying to Consumers. Here's How To Stop." June 2015

Customer loyalty is directly impacted by past experiences and tends to be driven by emotions toward a brand. Retailers that frequently deliver ads with static offers and messaging are much more likely to frustrate customers instead of influence them toward a purchase. When a customer's emotions are tied to a brand, the brand's messaging must have a personality and must be engaging. Otherwise, customers will begin to ignore the ads and take their loyalty elsewhere.



### 3. 86% SAY PERSONALIZATION PLAYS A PART IN PURCHASING DECISIONS<sup>3</sup>

<sup>3</sup>Infosys. "Rethinking Retail" study, December 2013

A recent Infosys study of consumers found the majority say personalization has some impact on what they purchase. The study also found the majority favor personalized coupons, personalized offers and promotions based on shopping history, and product recommendations based on previous purchases.

### 4. 77% HAVE CHOSEN OR PAID MORE FOR A BRAND THAT PROVIDES A PERSONALIZED SERVICE OR EXPERIENCE<sup>4</sup>

<sup>4</sup>IBM. Consumers Want Personalization: Stats Roundup, November 2016

Some customers still like to search for the best deal out there, but many would rather choose a brand that provides personalized offers and service — even if it means paying more. Customers realize the value shopping experiences tailored to them can provide in time savings, individualized service and support, and a greater satisfaction with purchases.



## 5. ROI FOR MARKETING SPEND IS MULTIPLIED BY 8 WHEN ADS ARE PERSONALIZED BASED ON SEGMENTATION AND DATA TARGETING<sup>5</sup>

<sup>5</sup>SocialTime, "Personalization is a Big Challenge for Digital Marketers"; December 2015

Responding to what customers want and expect from retailers is important, but it is also vital to look at measurable results. When retailers spend money on personalized offers based on customer data, the return on investment (ROI) is eight times greater than the ROI of general promotions. This validates the survey stats that customers truly want personalized offers and service.

These five statistics leave little doubt that personalized offers and service are important to your customers. There is a sixth statistic you should also be aware of — as it sheds light on where retailers are in their progress to meet this expectation.

## 6. LESS THAN 10% OF TIER 1 RETAILERS BELIEVE THEY ARE HIGHLY EFFECTIVE AT PERSONALIZATION<sup>6</sup>

<sup>6</sup>Gartner, "New Research on Personalization Highlights the Challenges." September 2014

Personalizing customer experiences can mean increased customer loyalty and increased revenue, but many retailers lack the ability to deliver tailored offers to their customers. The biggest challenge retailers face is data collection. Without timely customer data, it is impossible for retailers to tailor the shopping experience. Once collected, customer data must be properly organized for it to offer value. Just as stores organize inventory into



aisles and sections, data needs to be categorized in a way that makes sense so it can be properly analyzed and actionable information can be generated. Many companies don't know what to do with the data they're collecting, and as a result miss the opportunity to produce personalized promotions their customers are looking for. Disparate technology systems that don't integrate or share data hinder attempts to organize and analyze data in an efficient manner.

To stay competitive, retailers must do a better job of addressing the customer on a more individualized level. Consumers no longer respond to dated and generic ad messages. Personalization and targeted offers are essential to enhancing the customer experience and both go a long way toward creating loyal customers. Although the statistics backing-up the shift in consumer expectations are simple on paper, it can be quite difficult to implement a cohesive strategy to generate personalized offers.

## THE SOLUTION

With even the largest retailers struggling to overcome hurdles that stand in the way of creating personalized offers and customer experiences, it's likely that small and midsize retailers are having an even more difficult time delivering the experiences their customers want. Collecting data with an intuitive and integrated technology solution is the key to allowing retailers to use it effectively.

## ABOUT THE COZUMO® CONNECT SOLUTION

The Cozumo Connect Solution provides a simplified way to collect and use data to create targeted offers, and track those offer redemptions back to the individual customer. This budget-friendly, easy-to-install solution levels the playing field, giving small- and medium-sized retailers the opportunity to build customer relationships by collecting and using data to craft the experiences their customers are looking for.

The Cozumo Connect Hub is part of Zebra Technologies portfolio and, when paired with a retail barcode scanner, creates a comprehensive data collection solution. Cozumo Connect does not require complex systems integration; the Cozumo Hub plugs in between your existing barcode scanner and POS system and uses the in-store Wi-Fi to send purchase information, offer redemption and other data from individual customers to the Connect Cloud for analysis.



To further enhance customer experiences, Cozumo can integrate with your loyalty solution, locationing solution and mobile apps to personalize shopping experiences throughout your store, and Cozumo's open API enables additional integrations with your business applications, if desired.

Once you collect data, the Cozumo Connect Solution enables you to segment your customer list based on purchases or other parameters, enabling you to send relevant offers. The solution also validates the redemption of each offer you send, ties the redemption back to the individual, and provides visibility into the effectiveness of your campaigns.

#### **USE CASE:**

A San Francisco-based toy store using Cozumo Connect analyzed purchase data over a two-year period, segmented lists, and targeted "lapsing" customers who had once been loyal but hadn't visited the store in over 6 months. The store sent offers to redeem during the holiday shopping season for a deep discount if the customers returned. Loyal customers were also included in the campaign, but were offered lower discounts. Overall, the campaign had a redemption rate of more than 6%, brought in more than \$13,000 in revenue, and reconnected with 40 lapsing customers. One campaign more than returned the investment in the solution.

## **ABOUT COZUMO**

Cozumo gives retailers of all sizes an opportunity to better connect with their customers. Cozumo's Connect Solution helps retailers assess customer shopping patterns and provides the actionable insights that will most significantly impact revenue. Learn more at [www.cozumo.com](http://www.cozumo.com), email [Info@cozumo.com](mailto:Info@cozumo.com), or call 1-800-430-1708.

## **ABOUT ZEBRA TECHNOLOGIES**

Zebra makes businesses as smart and connected as the world we live in. Zebra tracking and visibility solutions transform the physical to digital, creating the data streams enterprises need to simplify operations, know more about their businesses, and empower their mobile workforces.