



# COMMERCE MARKETING GURUS: TOP 2016 TRENDS



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If mastering personalization isn't on your list of New Year's resolutions, it should be.

With so many shopping choices, commerce marketers need to get the right content to the right customer at the right time. But they also need to automate and optimize the process, reserving resources for the development of creative campaigns that will make the personalization that much more effective.

It's the prescription Bronto experts around the globe are writing for 2016. Marketers need to incorporate customer experience into their marketing materials, and smartly ramp up segmentation. Mobile and social strategy are also two key factors that will determine success in the coming year, and both benefit from a commitment to getting to know the customer and personalizing the shopping experience.

## A STRATEGY FOR SUCCESSFUL PERSONALIZATION

Did we bury batch and blast in 2015? Hopefully. Segmentation increases click-throughs and drives lift rates as much as six times higher than sending a message to the entire list. Ecommerce marketers must be savvy to personalization, employ automation and ultimately optimize their encounters with customers.

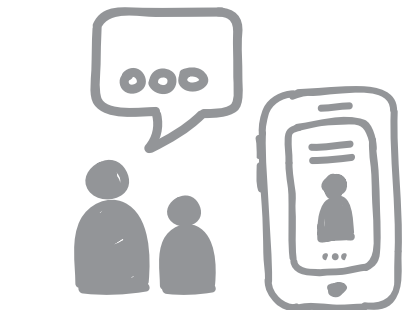
### Here's what you need to know for 2016:



**Rethink abandoned carts.** In a **Bronto survey of 1,012 consumers** from earlier this year, about three quarters of shoppers say they use their shopping carts to store items with plans to visit later. And if you have a store, 40% percent of shoppers will revisit the items while they are in your store. They're telling you online what they are interested in, so let them know that when you reach back out to them. And by the way, nearly half of those shoppers who expect to receive a cart reminder do not expect an incentive (such as free shipping or a discount coupon).



**Browser abandonment is the next frontier of personalization.** Measure time spent on page and use that information to craft "come back" messages. Start with a specific message about the products browsed and if that doesn't work, broaden the message. Our surveys suggest about 15% of retailers are currently sending browser recovery emails, and we see that number rising as the technology for automating these messages is more readily available. Test and modify messages to reach maximum revenue recovery.



<sup>1</sup><http://marketingland.com/study-70-brands-personalizing-emails-missing-higher-transaction-rates-revenue-73241>



**Segment smartly.** Strong segmentation requires input from merchandising and creative teams to construct deals and messages that resonate with shoppers. If you try to jump from two segments to fifty, you will overextend the staff and potentially fail. Expand slowly, measure success and employ A/B testing.



**Roll out the welcome mat.** Welcome series work. Every retailer we've worked with that deployed one saw double-digit revenue increases. Use the series to encourage customers to provide subscription preferences so you can better segment and keep them from unsubscribing.



**Pop-ups are a solid option no matter what your brand's price point and profile.** A pop-up to encourage email sign-up is not just for mid-market to lower-end brands. ABC Carpet & Home, a high-end furniture and home goods store, used one (despite resistance) and helped grow its list five-fold.



**End promotion code abuse.** Technology exists to create unique promotion codes that can't be easily leaked all over the Internet. Use them to not only thwart unnecessary discounting but also track the metrics on your promotions to further enhance personalization.

None of these personalization methods work without workflow automation. Can you quickly set up a message to customers who have just bought to encourage them to review the product? Match their purchase with complementary items and send a thank you and a suggestion? Or ask about their experience? Cross-silo workflow automation is particularly critical to omnichannel retailers to make sure, for instance, that a store purchase can be followed up with an email message.

## RESHAPING MESSAGES AND STRATEGIES TO CONFORM TO NEW EXPECTATIONS

Free shipping as a perk is starting to lose its effectiveness because consumers increasingly expect free shipping as a given. One of the most striking findings from an **Ipsos Bronto survey of 1,000 consumers and 100 retailers** is that only 18% of online-only retailers plan to offer free shipping for any purchase during the holidays, even though 38% of shoppers say they won't shop somewhere that doesn't offer it.

At minimum, retailers must be completely transparent about shipping (for instance, tallying it as the items are placed in a cart). More importantly, online and omnichannel retailers must find innovative ways to reach out to consumers. For omnichannel, options such as free delivery to the store, easy return of shipped goods, and click and collect strategies present new possibilities for building loyalty. Maintaining a consistent experience across the brand is critical. If your online store features sweaters, and a shopper decides to shop in-store but can't find sweaters, that's a mismatch.

## TRENDS IN OMNICHANNEL: RIGHT PRODUCT IN THE RIGHT PLACE AT THE RIGHT TIME

More retailers with stores and a robust online presence are experimenting with Buy Online/Collect in the store and multiple variations on that concept, including Buy Online/Local Delivery and Buy Online/Return to the store. Along with understanding who these customers are for the purposes of segmenting email lists, it requires retailers to make sure they know what they have in supply and where it is located.

A terrific example is British retailer Burberry, says **Georges Berzgal**, Bronto Managing Director for Europe. "They've got 'browse, click, buy, deliver' figured out," he says. Every Burberry sales associate carries an iPad to help customers select items online that might not be in even their largest stores. Customer sales history is also available to salespeople to help them suggest new products. The company has told analysts that the iPad project and personalization efforts increased online sales 30%, while overall revenue increased 17% since sales associates began using the iPads.



Predictable discounting cycles need to be shelved. London-based Bronto strategist **Kestrel Lemen** says cart abandonment offers with discounts are so pervasive in the UK that a bank's consumer tips YouTube video tells young consumers to wait for an offer.

Increasingly, stores need to create a story and a strategy to support that story. In the next two sections, we'll look at ways to use mobile and social to do just that.

## WHAT YOU NEED TO KNOW ABOUT MOBILE IN 2016

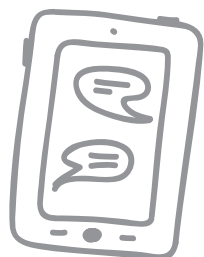
If 2015 was the year of mobile, 2016 is the year of getting mobile right. It's critical to understand how shoppers use mobile devices and craft a plan that works for your organization.

If you aren't selling a product people order daily or weekly (think pizza, coffee or groceries), don't waste money investing in a shopping app. Your budget is better spent making sure your website is mobile-friendly, uses the latest in responsive design best practices and allows customers to engage and enhance their shopping experience. **A Bronto survey of 1,012 U.S. consumers** from earlier this year shows 76% of the group prefers to use mobile browsers vs. 24% who prefer apps.

For web-only retailers, Google's algorithm announcement on giving an added boost to mobile-friendly sites should have already caught your attention. But being mobile-friendly isn't just about SEO. Customers increasingly use their phones to window shop, to check out prices when they are in the store, or park items in a shopping cart to look at later. Having a clunky mobile interface discourages shoppers from shopping with you. Hosted ecommerce company Demandware predicts that smartphones will drive more sales than computers in the UK roughly any day now.

In fact, the Bronto survey showed something startling: The percent of homes with a desktop computer or laptop fell in 2015 compared to 2014, while tablet ownership and smartphone ownership increased by double-digits. The same consumers do prefer shopping and buying on desktop computers and laptops, but we wonder for how much longer, especially given that 23% of online shoppers ages 18-29 prefer shopping on a smartphone.

Whether omnichannel or online only, make your mobile shopping experience inviting, engaging and worthy of the return trip.



## HOLIDAY PLANNING 2016

Research suggests the five-day period starting with Thanksgiving and ending with Cyber Monday should not be the chief focus of your holiday ecommerce plans. Ipsos Bronto research shows that one quarter of female shoppers and nearly a quarter of those over 65 start shopping in September or earlier. Overall, nearly two-thirds of shoppers are starting their holiday shopping before Thanksgiving, so waiting until Black Friday might cost sales. And while Millennials do gravitate to Black Friday, nearly one in five men wait until after Cyber Monday to start shopping.

And for the UK retailers: "We know you are having a fling with Black Friday," says **Lemen**. "Have at it, and measure your results. It could be a passing fad, or a cross-cultural opportunity to gain traction."

## SOCIAL MEDIA: SELLING OR BRAND BUILDING?

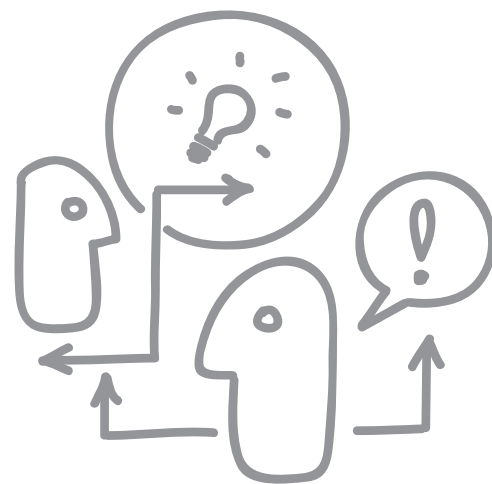
There has been a lot of press about social media “buy buttons” and using platforms such as Facebook, Twitter and Instagram to sell direct to consumers. There is even some chatter that these outlets will overtake email. Not true. A 2015 survey by the UK Direct Marketing Association shows 9 of 10 marketing professionals consider the email channel of great strategic importance for achieving business goals.<sup>2</sup>

One key reason is that there is a major downside to shifting away from ecommerce to social media-driven selling. You don't have as much control over who is being reached and for what cost. A \$10,000 budget with Facebook buys a fraction of what it did a year ago.<sup>3</sup> But there are a number of ways to deploy social media to enhance your ecommerce efforts, effectively use your advertising dollars, build organic interest in your brand, and most importantly, bring shoppers to your website and secure them as subscribers to your emails.

To begin with, use the data from the subscription lists to better understand where and how to advertise on social media.

For instance, if male, 18-25 year-old shoppers in specific zip codes are responding at high rates to a specific offer, buy an ad using those same demographics. “Use your email information to inform what segments you'll buy on social media,” says **Shannon Ingrey**, Bronto General Manager for Australia. This will help your social media advertising budget stretch much further. Then take the information from the social media ad spend, and use it to refine your ecommerce messaging and segmentation.

“It's all about loyalty,” says **Greg Zakowicz**, a Bronto Marketing Strategist in the US. “Customer loyalty is under constant attack. You create loyalty through engagement, and social is one way to engage the customer.”



## WHAT ABOUT MILLENNIALS?

Do ecommerce marketers need to market differently to this age group? Probably not. Our customer research suggests they are more interested in mobile and social, but the percentages aren't strikingly higher than older consumers. Some older consumers are just as apt as Millennials to browse on a tablet or buy through a social “buy button.” What is most important to them? Engaging them with stories and through social media. These are actions you should be taking anyway.

### Other ways to use social media to build your brand:

- Explore the storytelling features of Snapchat as a quick and easy way to deploy video. Snapchat is known for having content disappear in 24 hours, but you can create video using the app and park it on YouTube.
- Use Instagram to gauge interest in your products, particularly fashion. One Australian retailer publishes pics of new style prototypes direct from the factory. The reaction helps determine order size.
- Encourage your customers to tell the story of your product online. One Halloween costume company ran a competition for the best pic of customers wearing their product, inviting them to post the image online and share it with the retailer.

<sup>2</sup><http://www.emailmonday.com/wp-content/uploads/2015/04/National-client-email-2015-DMA.pdf>

<sup>3</sup><http://adage.com/article/digital/facebook-s-mobile-revenue-hits-2-5-billion-prices-soar/296869/>

## GETTING PAST THE BARRIERS TO SUCCESS

As you look to 2016, it's important to keep distractions to a minimum and focus on the basics. Is your website browser-friendly? Can you automate multiple types of messaging? Are you exploring platforms for added customer engagement? Do you have content that connects with customers?

Ultimately, can you deliver an ecommerce experience that suggests you know your customers and what they want? Because if you don't, someone else will.



## C-SUITE ALERT: KEEP YOUR EYES ON CHINA<sup>4</sup>

European consumers are increasingly discovering the potential of buying direct from China. According to PostNord, a Scandinavian mail and logistics company, 34 million European consumers have bought products directly from China. The UK and Germany have the largest number of consumers who've bought from China, while Spain and France have the largest number in relation to their population size.

<sup>4</sup>[http://www.postnord.com/globalassets/global/english/document/publications/2015/en\\_e-commerce\\_in\\_europe\\_20150902.pdf](http://www.postnord.com/globalassets/global/english/document/publications/2015/en_e-commerce_in_europe_20150902.pdf)

### About Bronto

Bronto Software, a NetSuite (NYSE: N) company, provides a cloud-based commerce marketing automation platform to mid-market and enterprise organizations worldwide. Bronto is the number one ranked email marketing provider to the Internet Retailer Top 1000, with a client roster of leading brands, including Armani Exchange, Timex, Samsonite, Theory, Vince Camuto and Christopher & Banks. The Bronto Marketing Platform is deeply integrated with commerce platforms, such as NetSuite, Magento, Demandware and MarketLive. The company is headquartered in Durham, NC, with additional offices in London, Sydney, New York and Los Angeles. For more information, visit [bronto.com](http://bronto.com).

