Engaged Commerce
Multi-Touchpoint Lifecycle Marketing to Drive Revenue
Consumers Reign

Smartphones, tablets and other mobile devices have had a tremendous impact on how consumers communicate, browse the web, research brands and shop. Social media channels like Facebook and Twitter have also captivated consumers from all walks of life who are spending more time sharing status updates, photos and opinions with their personal networks. While mobile and social commerce are still in the early stages, there's no denying that we're moving in a direction in which an increasing number of consumers will be making purchases through these channels. This creates tremendous opportunities and raises new challenges for brands and retailers seeking to connect, interact and engage with today's more informed and empowered consumers.

Consumers decrease time with traditional touchpoints...

Stores/branches:
43% of all US retail sales are influenced by the Web.

Call centers:
Preference by US online adults to receive customers support via the phone has fallen from 32% in 2007 to 29% today.

TV:
US online adults report that they spend equal amounts of time -- 13 hours a week -- watching TV and being online. TV viewership has increased only 5% from 2005 to 2010.

Other media:
79% of US online adults read print magazines, down from 84% in 2007. The percents of US online adults reading print newspapers has fallen from 81% in 2007 to 73% today.

...and increase engagement with newer and emerging ones:

The Web:
83% of all US adults are broadband users. 58% of US online adults prefer to research a product online, up from 43% in 2007. Household adoption of online bill payment on banking sites will grow 37% from 2009 to 2014.

Mobile:
17% of all US adults have smartphones. 45% of US adults (18-24) planned on using smartphones to research products, and bargain hunt during the 2010 Christmas season. 80% of smartphone owners use the Internet via their phones at least once per month.

Social networks and LBSes*:
16% of US online adults with cell phones access social sites through a mobile device at least monthly. Shopkick has 1 million check-ins per day and 750,000 users, 10% of whom access once a day.

Tablets:
10.3 million US adults will own tablets in 2010, rising to 82 million in 2015.

Other emerging touchpoints:
43.2 million homes will have connected TVs by 2015. eBook spending will nearly triple between 2010 and 2015.

Note: All numbers are 2010 figures unless otherwise stated.

*Location-based services such as foursquare, Gowalla ad Google Places
How is relevance defined in this new reality?

The mantra, “Know thy customer,” has never been more important than it is today. Consumers can bypass our marketing efforts with a few clicks, accessing reviews and opinions about products and services written by a host of real world shoppers just like them. To get back into the conversation, marketers need to develop strategies to connect directly with individuals. The best way to achieve this objective is to have a 360 degree view of each consumer, including their preferences, profile information, behavioral data and purchasing habits. Communication channel preferences must also be part of the profile mix. Not only does the right message need to go to the right person at the right time, but it also needs to be delivered via the right channel. This could mean Facebook, Twitter, SMS, email or a combination of these. Some consumers may prefer a particular channel for a certain kind of message.

Use of cross-channel messaging means that permissions extend beyond email. For one customer, opt-in status may differ between email and SMS and there could be no relationship on Facebook or Twitter. This individualized view should theoretically have a positive impact on sales, but many brands and retailers face challenges managing all of these preferences and variables that map directly to individual customers and opted-in prospects. Nearly half of eBusiness and Channel Strategy Professionals rate their company only a 1 or 2 out of 5 in terms of effectiveness implementing cross-channel marketing strategies. The good news is that advances in marketing automation technology have now put large-scale one-to-one marketing within the reach of forward-looking brands and retailers. But technology alone isn’t the answer. Marketers need a lifecycle-based cross-channel marketing approach to drive engagement that leads to increased transactions and revenue.

**Engaged Commerce**

Before jumping right into a definition of Engaged Commerce, let’s first look at a real world example. Each visitor to a store, whether online or brick-and-mortar, represents a potential sale. But, the actual store where the transaction occurs is only part of the overall presence of a business. There is usually an email program, corporate website, a presence on any number of other social media sites like Facebook and Twitter, and a blog in addition to in-person places and events where people can interact with the business. Where and how someone encounters the business can vary greatly. It’s like a big game where people can enter where they want and when they want. And once they encounter the brand, two visitors don’t necessarily take the same path to a conversion (if a conversion happens at all).
In light of this tendency for consumers to bounce around and possibly lose interest at any moment, marketers must employ a number of different tactics over time to engage with these potential buyers, move them toward a purchase and then keep them as repeat customers.

It is unrealistic to think that every interaction is going to result in a sale. But, the problem marketers want to avoid is re-acquiring visitors. Acquisition is expensive, especially considering that acquisition today means SEO, SEM, PR, social media marketing, traditional media advertising, direct sales and channel sales.

So, what’s the answer? What does engagement mean for retailers and other commerce-driven companies? Customer engagement is a choice. Their choice! Buyers and shoppers choose to like you on Facebook or follow you on Twitter. They make that choice because they want your products, watch your commercials, their friends like your brand, or countless other reasons, but the key is that it’s their decision to come to you.

Once someone has connected to you – whether on Facebook, Twitter, via email or SMS – how do you pull them closer? What’s the right timing? How do you convert them into a first-time buyer or a more frequent buyer? How do you know what’s working and where you’re missing key connection points? A platform for data-driven cross-channel marketing is the best way to comprehend, manage and engage with your target audience. The platform, paired with well thought-out marketing campaigns and tactics, enables marketers to pull shoppers closer, convert them to buyers, and turn one-time buyers into repeat customers. It all comes down to lifecycle marketing to drive revenue – and that’s what Engaged Commerce is all about.

In a time when consumers are interacting with brands through multiple touch points, marketers must engage with customers where they are and incorporate a familiar user experience. For example, if someone follows a business on Twitter, it’s a shorter path for him or her to buy something if offered a Twitter coupon compared to a direct mail piece or even an email. The key is to reduce friction on the path to your commerce engine by engaging in the channels where customers are engaged.

What and how you communicate should align with the customer lifecycle as much as possible. However, don’t be fooled into thinking it’s linear. Think pinball. That doesn’t mean your approach should be random. It means there’s a sense of randomness to what consumers do. Marketers need to be aware of this, listen and learn, and be responsive to triggers, namely behaviors and events like signing up for the email program on a Facebook opt-in form.

Implementing an Engaged Commerce Strategy

Data and analytics, permission and a cross-channel approach are crucial elements of a successful Engaged Commerce strategy. Retailers and other marketers looking to drive revenue through online marketing need them all.

1. Data and Analytics:
Retailers today have access to an incredible array of information about their shoppers and customers. Not all of that data is going to be captured in one place or reside in any one system, but it’s available. There are marketing platforms that integrate different sources of data making it available for driving dynamic content and more advanced segmentation tactics in your marketing campaigns.

By analyzing this data, you learn more about your shoppers and customers. By uncovering preferences and interests, along with where and how they prefer to interact with your brand, you can create individualized campaigns that will be highly relevant to each recipient both in content and channel.

There are two key technologies for marketing that enable a high degree of relevance: integration and automation. Integration lets the marketer pull related data from other systems or data sources and use it to “listen” to what the consumer is saying. By doing this, the content and location of your messaging can be right on target.

Automation lets marketers have one-to-one conversations on a broad scale. It gives you the capability of setting up the parameters while the software does much of the listening and reacting by sending out messages depending on certain triggers.
2. **Permission:**
If you want to communicate with customers and subscribers using more than email, then you need to consider permissions. It is well understood that an opt-in is required before sending promotional emails to a customer. This has been a best practice among email marketers for a long time. But, it now applies to SMS as well, and in a slightly different way, to social media.

For SMS marketing, lists cannot be purchased. Subscribers need to be gained organically. And even though someone has provided you with his or her mobile number, you still need to be clear about what you’ll send via text and how often. A good idea is to have different SMS subscription options so customers have the opportunity to give you permission to message them about certain things and not others. For example, someone might want to receive shipping notifications via SMS and receive new product availability via email.

3. **Cross-Channel:**
We know that consumers like to use a variety of ways to communicate with each other, get information and interact with brands, so expanding your marketing messaging beyond email is a requirement for doing business. It’s safe to say that retailers who don’t attempt to engage with buyers via multiple channels will not be maximizing revenue.

Think about it this way: If you only communicate with people via one channel, say only email or just Facebook, you will miss key communication opportunities in the buying lifecycle. And even though not every communication is going to result in a sale, you want to always attempt to minimize the friction that inhibits the path to your commerce engine. This means you’re there at the right time with relevant information such as a product recommendation and a review on Facebook, and you make it easy to go from there to a transaction. It might be via social media or maybe it’s an SMS and email combination.

These are exciting times for marketers who have much to gain by evolving their strategic marketing programs toward an Engaged Commerce approach. The challenge to marketers today is to constantly put yourself into the customer mindset. Walk in your customers’ shoes so that you can understand where they are now and where they may go next and be ready with relevant communications. Taking this path will have a dramatic impact on customer connections along every step of the customer lifecycle and ultimately on increasing revenue per customer.

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**About Bronto**

Bronto Software provides a cloud-based marketing platform for retailers to drive revenue through their email, mobile and social campaigns. The leading self-service email marketing provider to the Internet Retailer Top 1000, Bronto is used by top brands worldwide, including Armani Exchange, Timex, Samsonite and Gander Mountain. The company is headquartered in Durham, NC with offices in London and Sydney.