Uncovering Hidden
Personalization
Opportunities in Retail

Introduction

Traditional and online retailers face a sustained assault on their business models driven by changing consumer behavior and the competitive might of e-commerce giant Amazon. Major big-box players such as Walmart and Target are responding to the threat—and tapping into opportunities in e-commerce—by boosting their online spending by hundreds of millions or even billions of dollars each year.

68%
of all retailers agree that investment in driving personalized experiences is a priority

But even the largest and most deep-pocketed players can't just spend their way to success. They'll have to take a hard look at the engines driving e-commerce and digital marketing operations, scouring for missed opportunities and investing in the technologies of tomorrow.

Learn From the Leader

Retailers looking to level up in e-commerce should take a look at what Amazon does well, especially how they deliver personalized communications to 300M+ active customers. From products offered on their site to other digital messages, Amazon knows what its customers like and are most likely to buy—and it shows.

It's true—Amazon is leading the charge in personalization. But that doesn't mean other retailers can't win customers with custom interactions. They just have to seize the opportunity to harness their own proprietary customer data to drive better recommendations for shoppers.

Sharp e-commerce executives already know this. 68% of retailers said that investment in driving "personalized experiences" is a top priority. [1] Retailers in a similar study ranked "Increasing Customer Engagement" and "Developing Personalized Marketing Capabilities" as their top-two strategies, and 84% of the retailers from that study reported annual revenues in excess of $100 million. [2]

Personalize Your Way to the Future

In recent years, new technologies promising to deliver omnichannel personalization have exploded onto the market. You might even call it an arms race. Some, like Oracle

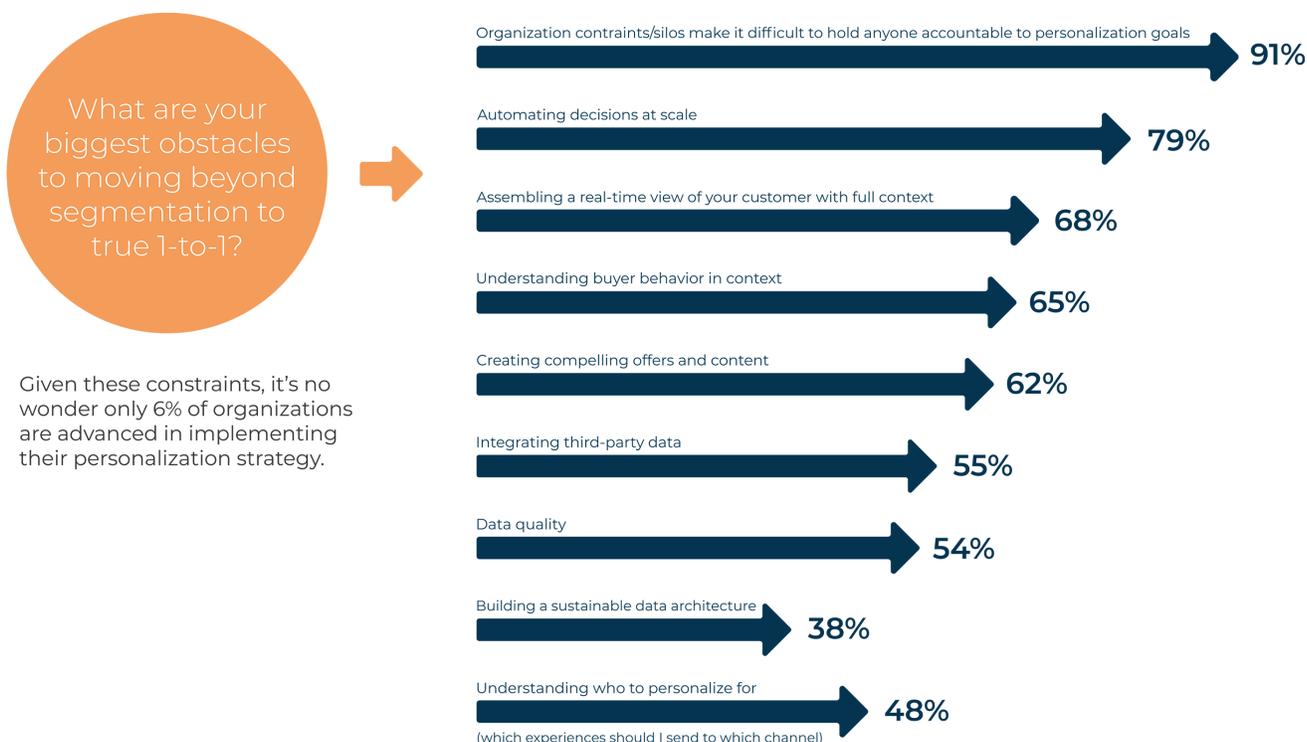[1] *Forrester Research "Key Retail Tech Investments" (2017)*
[2] *RIS/Gartner Retail Technology Study, (2017)*

Marketing Cloud's Maxymiser platform, have driven powerful results for retailers who previously struggled to personalize content because of data silos spanning various marketing and analytics systems. [3] One such retailer grew online sales by 434% after optimizing its website content based on cross-channel business data. [4]

Results like these are promising, but most retailers are still working through challenges that are preventing their personalization initiatives from taking flight, [5] such as:

· Organizational factors
· Limited access to data
· Integration struggles
· Lacking automation capabilities
· An inability to understand customers in context

When faced with this, an organization-wide personalization push can be a daunting mission for even the most experienced digital marketing and e-commerce executives. Simply knowing where to start is often difficult, which is one reason why many retailers overlook the potential of personalization.

What are your biggest obstacles to moving beyond segmentation to true 1-to-1?

Given these constraints, it's no wonder only 6% of organizations are advanced in implementing their personalization strategy.

Organization contraints/silos make it difficult to hold anyone accountable to personalization goals — **91%**

Automating decisions at scale — **79%**

Assembling a real-time view of your customer with full context — **68%**

Understanding buyer behavior in context — **65%**

Creating compelling offers and content — **62%**

Integrating third-party data — **55%**

Data quality — **54%**

Building a sustainable data architecture — **38%**

Understanding who to personalize for — **48%**
(which experiences should I send to which channel)

[3] *Clarks Uses Multivariate Testing to Improve Online Conversion Rates*, *Oracle Marketing Cloud.*

[4] *Top Online Retailer Increases Sales by 434%, Oracle Marketing Cloud.*

[5] *2017 Personalization Development Study, Monetate.*

Untapped Opportunities in Email Marketing

To date, most investments in personalization among online retailers have focused on the site shopping experience—for good reason. A recent study revealed the website as the "most effective" marketing channel in a digital marketing growth plan, with 63% of respondents specifying this channel among a list of possible responses.

The second-most cited channel? Email. And 52% of respondents agree. [6] It makes sense if you look at the data. A 2017 industry report found the average multi-channel retailer generated $0.07 in revenue per email message delivered. For a retailer sending 50 million email messages each month, this equals $42 million in revenue per year. [7] Another source reported that the average online retailer generates 15-20% of all e-commerce revenue from email marketing. Imagine the possibilities these retailers could unlock if they doubled down on personalization in email.

$.07 PER MAIL DELIVERED **X** **50M** EMAIL MESSAGES **=** **42M** IN REVENUE PER YEAR

The problem is that senior digital marketing leaders rarely resource email marketing on par with site-side investments. Why? For one thing, email is relatively easy and inexpensive to deploy, which tricks many retail organizations into thinking incremental investment in the channel won't be as effective as simply "sending more email." And, as one of the oldest online marketing channels, email is generally not seen as a rapidly-evolving medium with large opportunities for growth.

What these executives haven't realized is that innovations over the past several years have fundamentally reshaped the potential of email. Considering that email already drives impressive results for most e-commerce retailers, there's a massive opportunity for those willing to apply spend to this oft-neglected channel.

Oracle Responsys customer Adidas has proven it. By dedicating some of its first personalization efforts to email, the company was able to tap behavioral data to drive a 200% increase in open rates and a 50% increase in conversions. [8]

[6] *2017 Digital Marketing Plans Survey, Ascend2 and Research Partners.*
[7] *Q2 2017 Quarterly Email Benchmark Report, Cheetah Digital.*
[8] *Adidas Boost Open Rates 2X and Conversions 50%, Oracle Marketing Cloud.*

Chico's—a brick-and-mortar fashion retailer with a rapidly growing e-commerce presence—also realized that investments in email could spur large returns. Working with Liveclicker, the brand was able to personalize content for 100% of its email openers based on live customer context, doubling its average conversion rates for email campaigns. [9]

Closing the Email Personalization Gap with Real-Time Context

New technologies that power real-time personalization can help marketers break past the challenges that have plagued email for years. Think personalized offers, custom recommendations, and messages triggered by live data, right at the moment an email is opened by a shopper.

Retailer Chico's personalizes 100% of its email messages using live time-of-open data.

New Personalization Building Blocks

When an email is opened, it generates two types of real-time data that marketers can use for personalization:

1. Native Open Time Data exposes the email recipient's live location, when they opened the email, and what device they were using at the time. To see it in action, check out Oracle Responsys customer Road Runner Sports. Working with Liveclicker, the company used this data to power interactive games in email based on live mobile device detection. The result? Click-through rates grew by 105% and revenue per email by 64%, compared to a non-personalized control group. [10]

2. Live Business Context Data reveals the current product pricing, inventory availability, real-time package location, or shopper rewards points available to each customer at the moment an email is opened. Since more than 25% of retailer emails are opened

[9] *Real-Time Email Doubles Conversion Rates for Chico's, Liveclicker.*
[10] *RoadRunner Sports Sprints to Higher Order Values with LiveReveal, Liveclicker.*

a day or more after the email is sent, it pays to be able to update these numbers dynamically. Digital retailer Evine, for example, uses Live Business Context Data to display live package location information in its shipping confirmation emails— driving a 16% increase in month-over-month click-to-open rates in the process. [11]

Native Open Time Data and Live Business Context Data empower marketers to instantly personalize emails for all recipients, leading to stronger top-line results and better experiences for customers.

Holistic Personalization: The Holy Grail of Retail Email Marketing

But let's not get ahead of ourselves.

Native Open Time Data and Live Business Context Data account for just a sliver of the opportunity for retail marketers. To truly achieve what's possible with personalization, they'll need to tap other data sources—such as site behavior and shopper preferences.

How? Oracle Responsys customer Build.com is a great example—just look at their triggered email strategy based on cross-channel shopper behavior. It's driven a 300% increase in revenue per email delivered and a 1000% lift in unique click-through rates. [12]

Likewise, Oracle Responsys customer JD Williams—a UK-based fashion retailer of women's plus-size clothing—boosted its email conversion rates by 92% by wielding the advanced preference-targeting capabilities available in the platform.

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PREFERENCE   BEHAVIOR   NATIVE OPEN TIME   LIVE BUSINESS CONTEXT
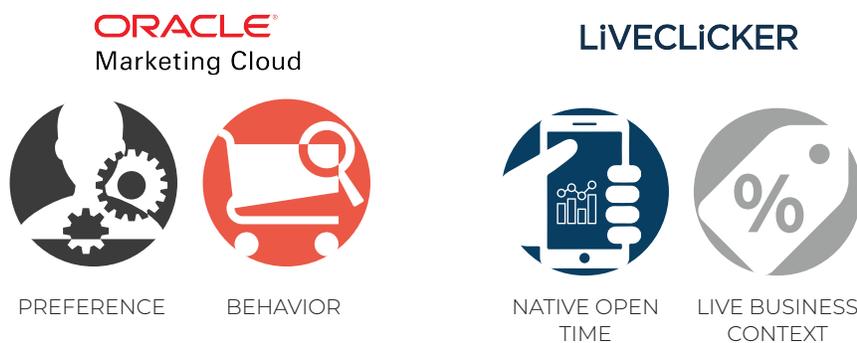
HOLISTIC PERSONALIZATION

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11 *Evine Improves Customer Service with LiveTracker, Liveclicker.*
12 *Build.com Harnesses Data to Enable More 1:1 Interactions, Oracle Marketing Cloud*

Takeaways:

1. Look to the leaders in e-commerce to guide your investments in digital personalization technology and strategy.
2. Personalized website content is a shiny opportunity for e-commerce retailers, but don't let it blind you to what's possible in email. Despite its underdog reputation, email deserves a close examination from senior digital marketing leadership.
3. Native Open Time Data and Live Business Context Data make it possible to personalize every email for every shopper. That means stronger performance—plus a standout customer experience.
4. Don't barricade data points in the channels where they were sourced. To seize the full opportunity of personalization, build a holistic email strategy based on real-time email interactions, shopper preferences, and behavioral insights. You'll be glad you did.

About Liveclicker

Founded in 2008, Liveclicker is a global provider of real-time email personalization solutions for B2C marketers. Since the release of its VideoEmail platform in 2009, marketers have used Liveclicker to captivate consumers and drive program performance. Today, top brands such as Bloomberg, AT&T, MasterCard, Lowe's, Hertz and Samsung rely on the company's market-leading RealTime Email solution to deliver engaging, personalized messages simply and at scale. For more information, visit www.liveclicker.com or email sales@liveclicker.com.

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B2B and B2C marketers use Oracle Marketing Cloud, an integrated portfolio of best-in-class applications, to drive sales, brand and customer loyalty. Oracle Marketing Cloud offers the industry's richest datasets and most adaptive intelligence so marketers can deliver irresistible, consistent and connected experiences to customers wherever they are and however they choose to engage. Visit oracle.com/marketingcloud.