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Five Key Challenges Facing Retailers Today—and How to Solve Them

WHY IT PAYS TO BUILD A SEAMLESS CUSTOMER EXPERIENCE IN RETAIL

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Rising to the Challenges of a New Sales Environment

Customer experience is king, and retailers need the right tools to build it.

Customers today know what they want and they're not afraid to dig deep to find it.

With a wealth of online resources right at their fingertips, they'll research their options—and they have a lot of them—dissect the entire customer experience before they make a purchase.

With so much to choose from, brand loyalty has slipped. Instead, consumers seek out the best shopping experiences—typically, those that allow them to shift seamlessly between competing brands, online and offline purchasing, or wherever else their research takes them. It's the brave new world of buying, and retailers need to pivot to maintain their appeal.

The good news is that these challenges signal fresh opportunities for retailers. They're an invitation for retailers to tap into vast wells of customer data, craft customer-centric experiences, and rebuild their brands to drive loyalty in the age of the empowered consumer. All they need is a smart approach and the right tools to execute it.

So, let's jump right in. Here are the five most pressing challenges facing retailers today—and tips on how to tackle them head-on.

CONSUMERS ARE CHOOSING MULTICHANNEL BUYING EXPERIENCES

Slick e-retail experiences and quick shipping have made online shopping the convenient choice for all types of buyers. **But in-store purchasing remains strong—about 90% of sales are still made in brick-and-mortar retailers.**[1] What gives? Rather than choosing online or in-store, consumers are opting for a blend of the two. They might compare options online before visiting a local shop to buy a product. Or ship an online purchase to a nearby store for pickup. Or even read up on product features and pricing on a smartphone while in a physical store. One thing is certain: They'll expect this to be easy, which means retailers need to bridge the gap between their online and in-store offerings.

The Solution

Consumers don't draw a line between online and in-store. To them, a shop is a shop no matter where they find it—and retailers who understand that stand the best chance of winning their dollars. How? By leveraging customer data to build transparent cross-channel experiences that track real-time feedback and allow customers to interact where, when, and how they please. There's no doubt about it—smart marketers drive results with data.

CUSTOMERS DEMAND A SEAMLESS EXPERIENCE

It's not enough to be able to move freely between different shopping environments. Customers also want to be recognized and regarded consistently across them. Let's say someone makes regular purchases online—they'll expect to be treated as a loyal customer in the brick-and-mortar store as well. Or maybe they bought a pair of shoes on a smartphone 30 minutes ago—the shoe store clerk should know about it. A connected experience allows online and in-store retail offerings to complement rather than compete with one another, delivering a level of service that keeps customers coming back for more.

Unfortunately, **Forrester Research found that less than 10% of multichannel retailers make the cut in terms of customer experience.**[2]

The Solution

What's the first step toward a seamless customer experience? Detailed shopper profiles that centralize customer data for easy access both online and offline. Loyalty programs can set retailers on the right track—as long as they've collected relevant information that can be put to good use. For instance, loyalty programs can be used not only to reward customers, but to share relevant content and connect data across all touchpoints, including e-retail, in-store sales, home service technicians, and beyond.
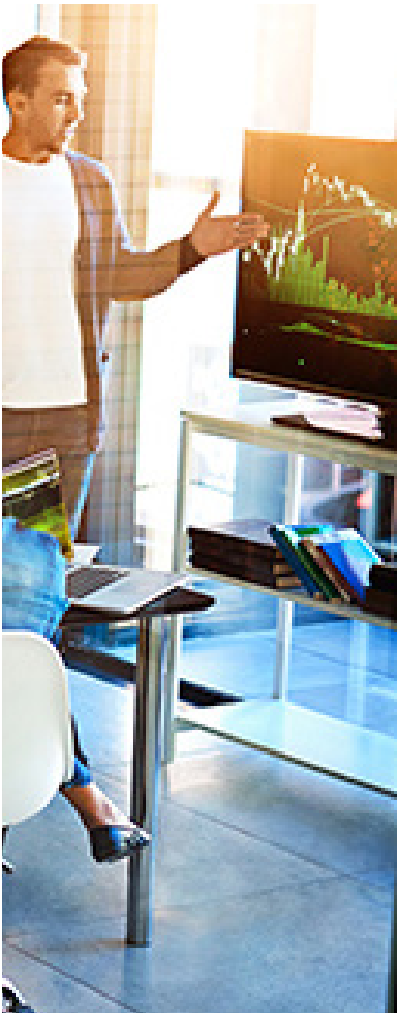
CASE IN POINT:

MERGING SHOPPING EXPERIENCES FOR INCREASED SALES GROWTH

Ascena Retail Group, Inc.—a national apparel retailer with brands such as dressbarn, maurices, Justice, and Lane Bryant—was determined to drop their online vs. offline marketing philosophy. Their new approach? An integrated customer experience that pushed cohesive cross-channel messaging inviting customers to buy across desktop, mobile, and of course—the retail store. This included a new marketing automation process that packaged and analyzed customer data to power personalized communications and trigger marketing. Customers' experiences and cart selections were used to generate custom recommendations that keep shoppers engaged and encourage repeat business. As a result, **Ascena was able to kickstart growth and free up resources, swelling revenue by 40% on regular marketing campaigns and 250% on trigger-based campaigns.**

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CONSUMER LOYALTY IS DRIVEN BY EXPERIENCE, NOT PRODUCT FEATURES

It's true—buyer loyalty is at an all-time low. But standout customer experiences have the power to change that. **A recent study by PwC found that 73% of buyers say positive brand experiences are key drivers behind their purchase decisions.**[3] So, while incentives like price matching and exclusive offers might reel in one-time customers, retailers have to kick into high gear to earn their business in the long run. That means building a customer experience that's personalized to the buyer, anticipating their needs before they even know they have them.

The Solution

Getting to know each customer from their interests—what they like to buy and how—can arm retailers with the tools to drive loyalty at every stage in the customer lifecycle. But, they might have to look outside their own databases to do it. Layering their own customer insights with information from partners and third parties can help retailers spur interested buyers down the path to purchase with personalized promotions sent at just the right time. This also makes it possible to push those messages through customers' favorite channels—such as email, SMS, social media, and more. Even if a customer isn't quite ready, it's a good play to stay top of mind until they are.

SILOED MARKETING INFRASTRUCTURE MAKES FOR CLUMSY, COSTLY CAMPAIGNS

Email. SMS. Social media. Paid search. There's no shortage of channels retailers can use to connect with customers, which is why it's a bit ironic that these channels rarely communicate with each other, walled off by incompatibilities that make it impossible to share data. And it's no small problem. Blocked from understanding how their work fits into the big picture, channel specialists spin their lonely wheels without the benefit of a coordinated marketing strategy. A shopper newsletter contradicts an offer sent through SMS, and the social media team is none the wiser. The result? Confusion, frustration, and fatigue among customers—and countless dollars wasted among retailers. Worse still, in an environment like this, it's difficult to determine what works and what doesn't.

The Solution

The right technology can empower retailers to smash silos and get their marketing efforts moving in lockstep. Streamlined, timely messages mean consumers can focus on the need-to-know and marketers can easily analyze and attribute success—and failure. What's more, connecting data points across departments drives the seamless experience customers crave, reducing campaign overlap and inefficient spend in the process.

CASE IN POINT:

USING CUSTOMER DATA TO DRIVE RESULTS

Home décor retailer Kirklands had built their digital marketing strategy on batch-and-blast email campaigns—and they were coming up short with results. So, they took a leap forward, adopting a modern marketing platform that tapped customer data to personalize engagements and trigger related interactions across channels. The difference was night and day. Now, the marketing team can collect and dig into comprehensive data to understand who their customers are, which channels and devices they like, and what kind of messaging can turn their heads. **Armed with this information, emails are now achieving 70% higher open rates, 55% higher click-through rates, and 225% higher conversion rates than the company's traditional campaigns. Overall, a 300% increase in revenue per email delivered.**

Intrigued? Learn more about the power of data in modern marketing platforms at www.oracle.com/marketingcloud.

THERE'S NO SHORTAGE OF MARKETING TECHNOLOGY SOLUTIONS— BUT THEY DON'T TALK TO EACH OTHER

Retailers need technology to keep pace with the ever-changing market. And there are plenty of technology options to choose from. In fact, it's estimated that the number of marketing technology solutions doubled between 2016 and 2018.4 The problem? The space is overrun with point solutions that do nothing to bridge the gaps between departments and channels. Retailers—actually all marketers—desperately need a solution that lets this mashup of functionalities work together. It's the only way to build a unified experience that captures and responds to all consumer activity.

The Solution

There's no question about it—fragmented marketing technology is a major roadblock. And, since **the average enterprise organization uses 91 different technology solutions for marketing, that's kind of a big deal.**[5] Finding a way to connect all of these can mean the difference between a jumble of point solutions held together with duct tape and wishful thinking and a marketing process that runs like a well-oiled machine. The result? You guessed it: a seamless customer experience marked by targeted one-to-one communications and growing brand loyalty. With the right technology partner, retailers can achieve this and more.

CONCLUSION

Today's buying environment is challenging, but that doesn't mean retailers can't find smart ways to connect with consumers—and keep them coming back. Armed with online and offline customer data and the right marketing technologies, retailers can create personalized experiences for their customers with a multichannel approach that bridges departmental silos and builds loyal relationships with buyers.

TAKEAWAYS

1 Don't get hung up on the differences between online and in-store. The customer experience is what really matters, so focus on creating one that stands out in a good way wherever customers are.

2 Disjointed marketing efforts are wasted marketing efforts. Centralizing customer data and clearing the lanes of communication between departments makes it possible to streamline the process so customers get relevant content that doesn't annoy or overwhelm them.

3 All the marketing and sales tools in the world won't make a difference for retailers if they can't communicate with each other. Find a single technology partner that can connect point solutions and integrate different sources of data.

Sources

1. U.S. Census Bureau, "Quarterly Retail E-Commerce Sales 3rd Quarter 2018"

2. Forrester "The US Multichannel Retailers Customer Experience Index, 2018"

3. PwC "Experience is everything: Here's how to get it right" April 2018

4. ChiefMarTech, "Marketing Technology Landscape Supergraphic (2018)"

5. Netskope "Worldwide Netskope Cloud Report, April 2017"

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of best-in-class applications, to drive sales, brand and customer loyalty.
Oracle Marketing Cloud offers the industry's richest datasets and most
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and connected experiences to customers wherever they are and
however they choose to engage.

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