



# Retargeting: Blending the Physical and Digital Worlds of Marketing

July 2016

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"Retargeting" has been an effective marketing tool in the digital world for years. The term refers to the process by which online businesses send follow-up messages or targeted advertising to visitors after they leave a website.

Until recently, brick-and-mortar businesses could not retarget their customers because they didn't have enough information about individual shoppers' activity in the stores. Even the most sophisticated location-analytics technology provided only aggregated information about the store's shoppers.

That lack of personalized information has been a disadvantage because brick-and-mortar businesses did not have a full picture of shopper activity in their stores (except for POS information). But the more businesses know about their shoppers, the more personalized and targeted their marketing can be.

Fortunately, today's new location-analytics technology enables brick-and-mortar businesses to learn when shoppers come into the store and how long they stay. This is particularly valuable information, as shopping increasingly is a "blended" experience, with shoppers moving between the digital and physical worlds.

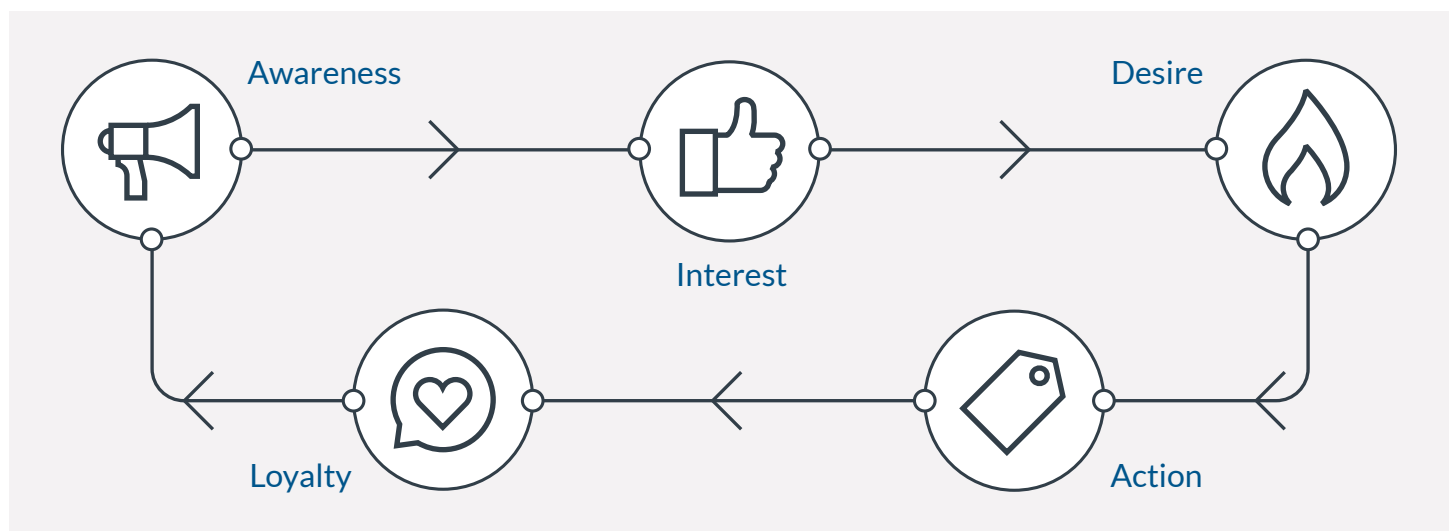
For example, shoppers often research items online and then buy them in the store. Customers go to the store to pick up something they ordered online. Stores promote the fact that "more choices are available online." Many businesses don't care where customers buy, as long as they buy from that business.

Throughout this process, the digital world has continually gathered metrics about online customer behavior, and successfully retargeted customers. However, businesses have been relatively blind to in-store activity. New technology can (with shopper permission) now identify when customers visit and for how long. Combined with information about online activities, this new data provides a clearer picture of customer activity, covering multiple channels and multiple stages of the customer journey.

## Multi-Channel Customer Journey

The term "customer journey" refers to the stages people go through when deciding to buy a product or service.

The stages are:



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Businesses can now more easily keep in touch with their customers at all these stages. For example:

- A business can promote its in-store specials on social media, generating awareness.
- Customers who are near a store can receive a message that increases interest in visiting the store.
- In-store shoppers can get a limited-time discount coupon on their phones, enhancing their desire.
- After a visit, shoppers can receive a personalized email referring to their purchases and suggesting related products online, prompting action.

Often “nudges” like these turn browsers into buyers.

## How It Works

And how does the business get the needed data in the first place?

First of all, brick-and-mortar businesses must think of Wi-Fi as a strategic marketing tool, not just as a technology infrastructure or an incentive for free online access. With today's new technology, Wi-Fi can collect metrics about when and how long individual customers are in the store, and be a medium for in-store, digital communication.

For that to work, the businesses need to get permission to connect with their customers through their smart phones and the store's Wi-Fi network. (More on this later.) Customers can opt-in directly or through social media such as Facebook.

When customers who have opted-in enter a store, the new location-analytics technology will recognize them and exchange digital communication with their smart phones.



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## Retargeting Opportunities

This information—who visits, when and for how long—opens up multiple opportunities for retargeting individual shoppers before, during and after the store or online visit.

As noted before, retargeting has been alive and well in the digital world for years. The most exciting retargeting opportunities today are the new ones connected with in-store visits.

Shoppers appear receptive to such communication. A recent Harris Poll survey found that almost three out of four respondents who owned a smartphone or tablet were open to receiving messages from a store or business during a visit. This is especially true for millennials (18-to-34 year olds) who are the most open to such communication.”<sup>1</sup>

This comfort with in-store promotions gives businesses a great opportunity to market to customers in the store, in real time, when they are probably most likely to buy. The businesses can also stay in contact after the visit.

*Fully 81% of respondents to a recent survey said they welcomed communications following a recent store visit.<sup>2</sup>*

So brick-and-mortar businesses can follow up at reasonable intervals. For example, a business could recognize that a regular customer had not visited the store in a month, and had not bought anything online. The business can send him or her a “we miss you” message and offer an incentive to come into the store.

Similarly, a business can retarget shoppers who did not buy anything in the store and remind them of other choices online.

## Retargeting Best Practices

The digital world has long used best practices in retargeting programs. For the most part, that process is automatic when a visitor registers online to make a purchase.

“The savvy brick-and-mortar retailer” will also ask customers how, how often and when they want to hear from the business (again, a more precise process than the digital experience). In a recent survey, respondents said they were fine receiving follow-up messages by e-mail, but not by social media.<sup>3</sup>

Retargeting in the physical world requires a little more finesse. For example, brick-and-mortar businesses first need to ask their customers’ permission to identify them in the store. Fortunately, many customers will “opt-in” via W-Fi in exchange for an incentive—a discount, gift or other perk such as access to a fashion expert or a VIP check-out lane. Once the customers have opted in, the business can identify them and retarget them appropriately with personalized, relevant communication.

During the retargeting process, the businesses need to track both online and brick-and-mortar purchases to avoid retargeting someone at the wrong time. A shopper may not have visited the store in a long time, but bought several items online. It would be counter-productive to send her a “we’ve missed you” message. A unified view of the customer relationship across all channels is essential.

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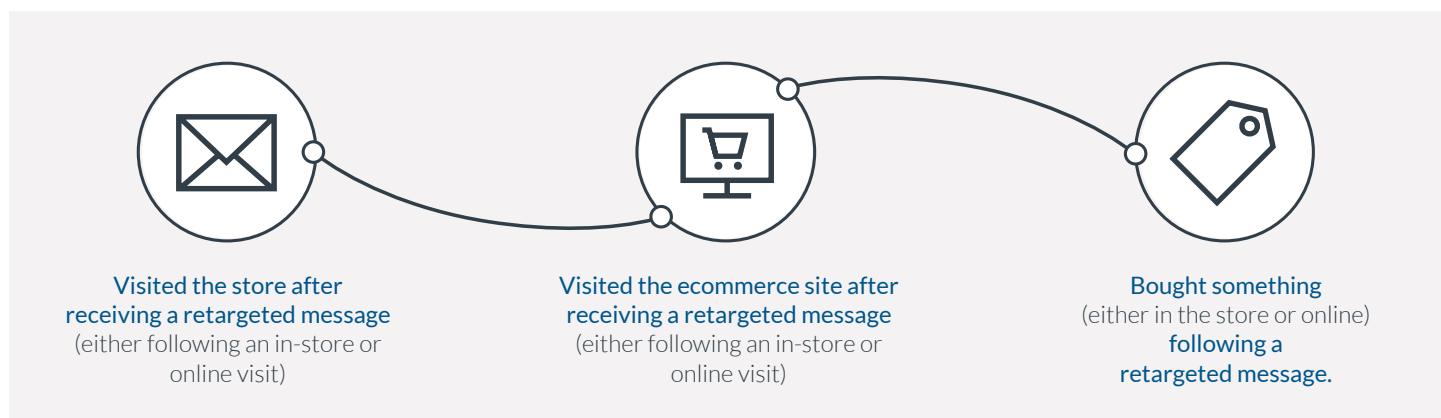
## Measurement & Attribution

These best practices, which incorporate metrics from both the physical and digital channels, can have a dramatic impact on sales.

For one thing, this type of engagement increases the chances that brick-and-mortar businesses will stay in touch with present, past and infrequent customers, wherever and whenever they are shopping. Stores can now have the same metrics as ecommerce has used for years. Previously it would be difficult—if not impossible—for brick-and-mortar businesses to know when the customers were last in the store unless they bought something.

The information also provides an opportunity to segment customers by demographic data (which is available through social media profiles), by behavior (e.g., customers who have not visited the store for at least two months) or both. Retargeting is especially powerful when it considers both demographic and behavioral information.

Also, businesses can use the data to judge the effectiveness of the retargeting program by monitoring and evaluating metrics such as the number of customers who:



With information like this, the business can easily evaluate the effectiveness of its marketing and retargeting programs and adjust them for maximum effectiveness.

## Summary

The good news is that shoppers are open to hearing from brick-and-mortar businesses (and their ecommerce operations), provided the communication is relevant, and is sent at the “right” time, in the “right” way.

Recent advances in location-analytics technology make this kind of real-time, contextual communication possible. The potential reward is great. By correlating retargeting data with POS and digital information, retailers can now get a clear understanding of in-store and ecommerce visits. Businesses can get a picture of its customers' preferences, a sense of what marketing activities are most effective, and an idea of how best to stay in touch in a personalized manner.

This means businesses can reward frequent customers, possibly re-engage lukewarm ones, and generally get the information needed to improve marketing and the bottom line.

<sup>1</sup> Euclid Analytics, “2016 Research Report: Bringing Digital Engagement In-Store”

<sup>2</sup> Euclid Analytics, “2016 Research Report: Bringing Digital Engagement In-Store”