

Points of Influence

Technology has created a 'new normal' in the way we experience life. Whether it's the museum visit enhanced via a tour accessed on a mobile phone, a gym membership that prompts fitness goals tracked on a phone to trigger on-premise class recommendations, or an online wish list inspiring a brick-and-mortar shopping spree, we seamlessly float between the virtual and physical.

We live in an omnichannel world, where consumers opt-in, research their preferences, and expect a seamless experience across electronic devices and retailer formats whenever and wherever they want to shop. With technology blurring retail channels into a holistic shopping experience, corporate leadership is struggling to deliver the seamless and profitable omnichannel promise. In fact, a recent PwC study revealed that achieving profitable growth via a cross-channel experience is the number-one priority of both retailer and consumer-goods CEOs today.

To realize the promise of omnichannel, organizations must gear up to better understand what drives the brand experience and closes the sale.

At the foundation of the solution must be an ongoing commitment to understand the critical points-of-influence across the path-to-purchase and strategically connect these touchpoints to deepen and personalize brand engagement. Since the channel that helps build brand awareness can often be separate from the channel in which the product is purchased, the imperative is to focus on where the shopper is influenced across the journey, not just where the purchase occurs.

As consumers move fluidly along their online and offline journey, what matters is understanding the role each channel and media point plays in inspiring the consumer to become a shopper and a shopper to become a buyer. Research illustrates just how important it is to separate the purchase from the critical points-of-influence.

A study we conducted among 1,000 shoppers across channels revealed that the in-store and at-shelf

experience are still the leading purchase triggers influencing 65 percent of the population. A Deloitte study revealed that 49 percent of those who visited a brick-and-mortar store examined a product at retail and then purchased it online, while 69 percent examined it online before purchasing it in-person at a store. These statistics illustrate the importance of crafting strategies that engage the consumer at the point-of-consideration and move them along the path-to-purchase to close the sale.

The good news is that proprietary research methods and syndicated data solutions can help identify the path-to-purchase influencers. Investing in such technology allows the enterprise to understand what drives its most valuable shoppers to purchase across mobile, in-store, online and social-media channels.

Once the inspiration, consideration, purchase and retention hot buttons are understood, the enterprise can develop a holistic strategy to fortify current-user loyalty and acquire new users across channels. Even with the strategy mapped out, the job is not done, however. Succeeding in omnichannel demands continuous insight mining and attribution analysis to understand who the most profitable consumers are and prioritize operations, product innovation and integrated messaging for these shoppers.

CAPTURING THE PROMISE

If there's one thing on which we can all agree, it's that an omnichannel approach is not a choice. While e-commerce accounted for only seven percent of sales in 2014, digital search influenced 28 percent of sales. In fact, according to *eMarketer*, shoppers today use an average of two or three devices across three or four channels before they make a purchase.

Online and offline channels can work together profitably to build a consistent brand experience and seamless 'buy now' opportunity wherever the consumer prefers to shop. As noted by Target CEO Brian Cornell, the customer who shops both in-store and through Target's app and websites, "shops about three times

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more frequently” and “generates three times the sales and over two-and-a-half times more margin dollars.”

By leveraging an omnichannel approach to meet the demands of its guests, Target generates more store trips, revenue and deeper relationships with its shoppers. With *eMarketer* reporting that omnichannel-influenced sales are expected to double from 28 percent to 59 percent of revenue in 2015, mastering this approach is essential.

Done right, an omnichannel approach engages the shopper to opt-in and participate seamlessly. So who is capturing the promise of the omnichannel and what can we learn from them? Newell Rubbermaid’s Graco brand.

Strategic priorities address key points-of-influence.

Monitoring the registry process to understand the shopping path for first-time moms, Graco learned that 92 percent registered for gear across multiple registries beginning in the second trimester, and continued to adjust the registry on a weekly basis.

The process of buying gear overwhelmed these moms, and their confusion caused them to change their selections up until their baby shower. Targeting weekly in-store and online influence points, Graco designed programs to simplify the gear-buying experience and close the sale for them no matter the trimester.

An integrated approach converts influence to purchase. Leveraging a trimester-by-trimester strategic approach, Graco partnered with key big-box retailers, such as Babies ‘R’ Us, to test and scale complementary online and offline programs designed to make purchasing gear an easier and seamless experience throughout the path to parenthood.

The omnichannel registry offerings of partner retailers (including Buy Online; Pickup in Store; Ship to Store; Ship from Store and Pay In Store; a robust e-commerce site; mobile shopping platform; social networking sites; and a vast network of stores across the country), allowed Graco to deliver the right message at the right time to close the sale.

Communication programs were designed to inspire online wish lists and provide guidance on how to get started on the journey to acquire baby gear at the partner retailer; provide an in-store and online navigational tool to simplify the exploration of baby gear; push targeted incentives with advice to reassure her final purchase decisions; incentivize her to shop

the retailer after her baby’s birth; and encourage her to connect to retailers’ social platforms for ratings and reviews. Combining initiatives such as these with retail partner omnichannel offerings allowed Graco to provide the right points-of-influence at the right stage of pregnancy, whenever and however moms chose to shop.

Graco has proven its commitment to identify key points-of-influence and embrace integrated strategies to establish relevance and close the sale. Graco is not trying to be all things to all people. It has methodically identified critical points-of-influence and challenged the enterprise to embrace new technology to elevate a consistent brand experience at the right time and place, to drive consumers to purchase when and where they want to.

STRUCTURING FOR SUCCESS

At the end of the day, we are all here to drive profitable growth and have a responsibility to deliver the best return-on-investment. A recent analysis of 14,000 shopper-marketing programs by Foresight ROI quantified the power of an omnichannel approach: Programs involving in- and out-of-store communication across the channels achieved a return-on-investment indexing 50 points higher versus programs that activated in-store alone. Further, PwC’s reports and Target’s experience proves that omnichannel shoppers spend more and are thus important to win.

Ready or not, we are living in an omnichannel world. To realize the promise of the omnichannel, enterprises must a) challenge themselves to understand the critical points-of-influence along the path-to-purchase; b) source technology or partners to enable an integrated approach that moves consumers to shoppers and shoppers to buyers; and c) test, monitor and scale programs that show promise.

Are you ready to compete in the omnichannel world? ■



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