

Omnichannel Pays for Room and Board

Cloud-based marketing platform automates personalized communications and drives sales

by DEENA M. AMATO-McCOY

Furniture retailer Room and Board's overall goal is "to help a satisfied customer complete the look she's intending to create," says Kimberly Ruthenbeck, the chain's director of web customer experience.

As increasingly digitally savvy consumers — and their reliance on disruptive technology — change the pace of retail, Room and Board has to work even harder to meet their needs across all channels. The Minneapolis-based retailer operates stores in 11 U.S. cities as well as an e-commerce operation, so that's meant deploying a cloud-based marketing platform that merges data across physical and virtual channels and enables the chain to connect with its shoppers on a seamless, omnichannel level.

REVAMPING COMMUNICATION

While more shoppers are connecting with Room and Board via the website, these visits are not always centered on sales.

"When I started in retail, customers had to go to the store to do anything," Ruthenbeck says. Fast-forward to present day, and omnichannel has truly changed the customer journey. With so much information available at customers' fingertips, many now do their research before even entering a store; besides making them more educated shoppers, this new stage in the path to purchase has changed shoppers' expectations.

Meanwhile, shoppers are signing up for emails and creating an account to make online purchases, as well as using personal mobile solutions to connect with brands.

And the mobile channel continues to up the ante: Mobile phone usage

will impact \$1.01 trillion in U.S. retail sales this year (the equivalent of 31 percent of \$3.26 trillion in total retail sales), according to new data from Forrester Research. By 2020, smartphones will impact 37 percent of total retail sales.

All-digital touchpoints are also forcing Room and Board to revamp the way it communicates with its shopping base, regardless of whether they connect online or offline. At the center of this communication is Room and Board's ability to drive personalization. This was not always an easy task across a store network that often communicated with consumers via email following the shopping experience.

"The customer is the customer. They don't care if they're shopping in a store, on the web or on the phone," Ruthenbeck says. "It's really important that as a retailer, we know that."

As the company expanded its digital strategy, Room and Board collected ever-increasing volumes of customer-specific data revealed during each stage of its consumers' shopping journeys. That data is the foundation the furniture chain needed to create a more relevant shopping experience, but it struggled with optimizing the information.

Room and Board was eager to create an experience that would be relevant at the individual customer level, which required the company "to connect the dots between the physical and the digital worlds of shopping ... regardless of the channel they use," Ruthenbeck says. "We needed a partner that understood this concept and could help us to create a seamless shopping experience for our customers."

The Salesforce Marketing Cloud



platform proved to be the ideal system, using predictive intelligence functionality to emulate the personalized in-store customer experience within the digital world. Meanwhile, the system utilizes digital data that influences the in-store experience.

Specifically, the infrastructure enables marketers to build a single view of a customer, map and optimize every journey, deliver personalized content on every channel — email, advertising, social, web, mobile, apps — and measure the impact on business.

Deployed to Room and Board's targeted email process, the system's predictive marketing capabilities connect to past purchases, giving users a holistic



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view of the customer. With this insight, the company's design associates can personalize each customer's experience by providing timely, relevant communications.

"Regardless of whether a purchase happens online or in-store, we leverage Salesforce Marketing Cloud to communicate with our

customers to ensure that they are satisfied throughout the purchase process and experienced a seamless journey," Ruthenbeck says. "In addition, we have developed a post-purchase email stream to help customers 'complete their room.'"

PREDICTIVE CONTENT

More importantly, the retailer no longer has to sift through volumes of data, create email templates and manually deploy messages. Room and Board has programmed Marketing Cloud to automatically send emails on certain days or daily. Without user intervention, the system's predictive analysis monitors customer data and

pushes emails to customers based on their past behavior.

If a customer purchases a sofa, Room and Board sends an email that suggests lamps, then decorative pillows, then wall art and frames. If a customer has visited the retailer's website a few times searching for ideas on a specific bedroom inspiration gallery, "that next Monday, when I'm ready to send out an email about sofas, I won't send that to this customer," Ruthenbeck says.

"Instead, I'm going to send an email about bedroom furniture, because I know that's what you're interested in," she says. "That's where the magic happens. And these are the emails that get the highest open rates, the highest click-through and generate sales both online and offline."

When drilling down further, "37 percent of web visitors who engaged with this predictive-developed content have purchased from one of our channels — either in-store or on the web," Ruthenbeck says.

Room and Board also credits the platform for helping to improve the

customer experience and deliver more relevant information, which has increased the average order value by 16 percent and delivered a 2,900 percent return on investment over a two-month period, according to a study from Nucleus Research that recorded the retailer's progress.

These efforts have also resulted in a significant increase in online sales and improved loyalty. Specifically, the impact of the Salesforce Marketing Cloud, and particularly its embedded predictive intelligence, has created a higher average order value online, "meaning that we have a significant number of people who are opening our emails, clicking on the products we recommend based on their previous activity and purchasing them," Ruthenbeck says. "We're influencing their sales."

The platform is also impacting conversion rates: Sales among customers who engage with Salesforce Marketing Cloud predictive decisions content and then click to buy within the predictive content module is 150 percent higher than the site's average. And the average order value is 16 percent higher for web visitors who engage with predictive content versus those who don't, Ruthenbeck says.

As omnichannel continues to drive consumers' demand for more personalization across a brand, the chain needs to ensure it can connect with shoppers regardless of the channel they use to make a purchase. Besides merging channels and sharing information enterprise-wide, "Salesforce Marketing Cloud allows us to talk to each customer individually," she says.

"It's not replacing the in-store experience. It's complementing the idea that the customer wants to feel like we know them all the way through the process." **STORES**

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