

# 3 keys

to building a personalized  
customer experience  
in retail



A RETAIL PRO WHITEPAPER



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## building a personalized customer experience

Today's retailers face the challenge of providing the right product at the right time — while squaring off against extreme competition from multiple channels. In addition, customers expect unique online experiences that recognize and cater to their specific needs, wants and requirements. It's a daunting task, one that requires retailers to avoid cookie-cutter approaches and to embrace ones that encourage an atmosphere of familiarity and trust. Enter personalization.

Customers do not want to trudge through racks of merchandise or pages of products; they want retailers to serve them relevant information from the start. Attracting such consumers requires deep and insightful knowledge in order to successfully use personalization as a tool throughout multiple channels.

For online retailers, that may mean providing different images or sets of buying recommendations to site visitors, based on past purchases or recent web searches.

But, as Telerik notes in “Seven Tips to Avoid a Cookie-Cutter Online Presence,” behavior-based, adaptive personalization can be used to target new visitors who have neither expressed preferences, nor fit into an established profile. In those cases, determining how those visitors arrived and studying their behavior and click-through patterns will be critical in learning how to respond.

For brick and mortars, personalization is more straightforward, and usually means some combination of engaging customers through casual but purposeful conversation, maintaining warm and friendly connections through eye contact, or being cognizant of what a customer is expressing through his or her body language. But no matter what channel a customer pursues — and they often use more than one — there are keys to making a personalized approach not only profitable for retailers but also welcomed by the shopper.

## key 1: plan

understand and act upon the value of personalization for your store

Customers are willing to pay for improved retail experience. According to a RightNow Customer Impact Report, 86 percent of consumers will pay up to 25 percent more for a better customer experience. In addition, the MyBuys research found that 86% of retailers saw success with “triggered” shopping carts — those that send a personal message to potential customers who had abandoned orders — but only 24% of stores believe they have sufficient data to truly personalize experiences.

According to Aberdeen Group, fewer than half, or 41%, of leading retailers analyze site search information to personalize the e-Commerce experience. With the right data in hand, merchants can pinpoint problem areas that could be improved through individualized campaigns.

Customer age is a factor also; younger shoppers perceive personalization as more helpful. The MyBuys research found that 90 percent of 18-34 year olds strongly value personalization, while 82% of those age 45 and older felt similarly.

“ Only 24% of stores believe they have sufficient data to truly personalize experiences. ”



## key 2: nurture

provide information your customer perceives as valuable

According to the MyBuys/e-tailing group's 6th annual consumer survey of 1,004 shoppers, 72% of respondents agreed that personalization makes it easier to find products they want to buy.

This information can be delivered in a number of ways: e-mail, proximity text messages, recommendations generated by websites and social media push notifications. According to the MyBuys research, highlighted in [Personalization Comes of Age](#):

- 70% want recommendations on retailers' web sites
- 68% want recommendations via a retailer's email that a customer has opted to receive
- 42% welcome personalized ads on websites they frequent
- 39% welcome mobile advertising, such as proximity marketing
- 39% want to receive personalized messages on social media, such as in a Facebook stream.

“

**72% of shoppers agree:  
personalization simplifies  
the product search.**

”

*MyBuys & e-tailing group  
Annual Consumer Survey*

## key 3: persuade

help your customer make the decision to buy

Half the battle for retail success is getting the customer in the door or on the site, followed by the challenge of closing the sale. The MyBuy study reported that three out of four of shoppers would buy if they received a discounted price on the product. Nearly that many – 74% – would buy online if a special offer including free shipping was provided. Sixty-eight percent would buy if they believed they had found the “right” product. Personalized messaging and recommendations can go a long way toward providing customers information that will help them determine the product he or she is considering is, in fact, the right fit.

It's important to note that very few shoppers (27%) buy when they feel they are “settling” for a product that's just “related” to the one desired. Therefore, it's crucial for retailers to supply both messaging that not only corroborates the purchaser's decision, but that also makes it an undeniable value.

“ Show your customer that *your* product is exactly what she's looking for. ”





## retailers: earn your customer's trust

Today's shoppers, particularly Millennials, have grown up during a significant digital evolution. They consume, create and share information. They embrace receiving information, but only if it is perceived as important to their lives. They want the retail experience to be a part of that interconnected world. But admission is not free; only retailers who are seen as valuable are permitted entry.

That's the same sentiment whether the customer is 9 or 90. Those retailers with a "I'm going to sell you" attitude are left by the wayside, whereas those offering a guided serendipity are welcomed. By personalizing content, retailers present themselves as trusted partners, who bring something to the party that their competitors do not.

“ Make the retail experience part of your customer's interconnected world. ”



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## About Retail Pro

Retail Pro International (RPI) is a global leader in retail management software that is recognized world-wide for rich functionality, multi-national capabilities, and unparalleled flexibility. For over 25 years, RPI has innovated retail software solutions to help retailers optimize business operations and have more time to focus on what really matters - cultivating customer engagement and capitalizing on retail's trends. Retail Pro is the chosen software platform for omni-channel strategy by serious retailers everywhere.



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Sources: MyBuys, Sycor, Internet Retailing