STRIKE**IRON**®

THE POWER OF POINT-OF-SALE DATA

INTRODUCTION:

Leading retailers recognize that collecting contact information at point-of-sale (POS) is an ideal way to extend the customer experience after people have left the store.

Innovative ways to provide post-sale communications include e-receipts, where consumers are emailed receipts; email marketing; and post-transaction surveys. All provide retailers a way to foster customer relationships and pull consumers back into the store.

Personalized communications through email, and even SMS text messages, help bring some of the best characteristics of eCommerce to brick-and-mortar retailers. In addition, they allow retailers to create a seamless experience across storefronts and digital channels.

StrikeIron has been providing POS and eCommerce-based data quality solutions to retailers for years. During this time, we have established a set of key use cases to drive repeat business, as well as best practices for implementing contact verification at point-of-sale.

This whitepaper will review these use cases and workflows and provide implementation tips.

COLLECTING DATA AT POINT-OF-SALE DRIVES CUSTOMER RELATIONSHIPS:

Once you collect customer information at POS, there are many ways that you can re-market to customers and bring them back into the store.

Some of the key use cases include:

E-RECEIPTS

Providing consumers an email receipt is a valuable way to improve the customer experience. Rather than losing or carrying a paper receipt, your customers can receive an e-receipt in their inbox. If an item needs to be returned or exchanged, the receipt is easy-to-find.

E-receipts are a powerful marketing tool to cross-sell and upgrade customers. For example, e-receipts are a perfect opportunity to socialize adjacent products and services like extended warranties, complementary products, content, etc. Finally, e-receipts are the ideal gateway to email marketing.

EMAIL MARKETING

When done properly, email marketing is an excellent tool to bring customers back into your stores. When done improperly, it alienates customers and adversely affects business. Although there are many books, articles, blogs, and classes on email marketing, most focus on one key point: *The more relevant and personal your email marketing, the more effective.*

Personalization doesn't refer to just the content, but all aspects of the campaign.

1) Personalization and voice – This is the lowest hanging fruit. By making sure the message doesn't feel too much like 'bulk' mail, you will draw the customer in. Great tactical ways to accomplish this are by using name replacement to include the customers' names and a voice that is consistent with their expectation of your brand. Which of the following do you think will draw in more opens, clicks, and customers?

From: noreply@bigretailer.com
To:
Subject: This weeks deals

OR

From: Big Retailer satisfaction@bigretailer.com
To: Bob Smith
Subject: Bob, we thought you would be interested in these specials just for you.

2) Content and preferences – The more information you have on customers, and the more it is weaved into your communications, the better. By merging demographics and purchase information, you can get closer to the optimal 1:1

marketing.

Think about the following scenario. Say you are a pet supply retailer. Based on a customer's past purchase history you know that they own a large dog that is fed a particular brand of food. The owner buys this bag of dog food once a month. With demographic information you also know that this customer owns a house and they are within a high income bracket. Through this knowledge, you can send this particular customer a message featuring your company's sales on the brand of food they frequently purchase, or a message to encourage them to try a different premium brand.

Gone are the days of general purpose emails (no more kitty litter email). Companies instead rely on targeted messages that resonate with customers.

3) Frequency – This is tied in closely with number 2. By integrating customer information and insight, you can tailor the frequency of email messages. It is easier to hone in on the quantity of messages that each customer is most comfortable with. This increases overall open rates and decreases the amount of unsubscribes.
For example, if you trickle up then pull back the number of messages you are sending, you can find the right frequency that maximizes opens and clicks.

LOYALTY PROGRAMS

Integrating multi-channel communications into loyalty programs make it easy and beneficial for customers to be devoted to your brand.

Ensuring accurate and current customer information is important to make sure you are getting the most out of customer loyalty programs.

Many loyalty programs use handwritten cards for enrollment. Scanning or data entry technology to input this data is fraught with errors and inaccuracies. Enrollment kiosks reduce the typographical errors, but inaccurate mailing addresses, phone numbers, and email addresses can still persist. By integrating a real-time verification service in either scenario, you catch and correct data quality issues before they are entered into your customer database (CRM).

Also, some loyalty program customers don't update their email addresses, phone numbers, or mailing addresses when they change. Thus, merchants are left with out-of-date contact information.

This is why it is important to use services that to do a periodic verification of contact information, including email addresses (30% change yearly!). Companies should also employ append and change of address services that make sure loyalty databases are up-to-date and actionable.

CUSTOMER SATISFACTION SURVEYS AND REVIEWS

One of the best ways to ensure customer satisfaction and improve operations, hence improving customer experience, is to get candid customer feedback and reviews. Online surveys provide an excellent vehicle to collect this information in a confidential manner.

Collecting emails at the POS will enable you to follow-up with the customer after the transaction occurs and boost the participation rate over receipt survey and review invitations. Additionally, tying customer surveys to e-receipts will make it easier for the user to simply click the survey link in the e-receipt. As a result, companies obtain a broader population of customers to participate in their survey.

Furthermore, if you have the customer's email address then you can pull them into the survey and boost participation rates with special offers or participation incentives.

CUSTOMER FOLLOW-UP

Collecting customers' information at point-of-sale creates the ability to follow-up with them post-sale. Consumer followup reasons include: confirmations for when an order is complete, safety notifications or recalls, and messages to ensure customer experience exceeded expectations.

The personal touch is something that eCommerce-focused retailers are not able to replicate fully. While it is a clear advantage that brick-and-mortar retailers possess, it is oftentimes an underutilized tool. Be a savvy retailer by utilizing the customer follow-up as part of your arsenal.

HOLISTIC VIEW OF CUSTOMERS

Collecting customer information at point-of-sale enables the creation of very granular segmentation models for your customer base. It also takes you closer and closer to the goal of 1:1 marketing

For example, customer records can be enhanced with data like household income and home ownership.

Blending demographic data with purchase history, frequency of visit, and propensity to react to types of offers provides exceptional customer satisfaction and significant competitive differentiation.

TYING THE STOREFRONTS TOGETHER

Nearly all brick-and-mortar retailers have an eCommerce presence. Those that collect customer information at point-of-sale increase insight into any overlap existing between their store and eCommerce customer audience.

In addition to the overlap, integrating contact information and purchases across both mediums means understanding when customers prefer each channel, and as well as how to get the most out of your customer base across storefronts.

The simple act of collecting customer information at POS provides the necessary ingredients to developing customer insight that simply wasn't available before. If you take advantage of this information, expect to earn higher customer satisfaction levels, significant revenue numbers, and substantial customer value uplift.

BEST PRACTICES AND WORKFLOWS FOR COLLECTING CUSTOMER INFORMATION AT POS:

CONTACT VERIFICATION

Collecting contact information at point-of-sale means prolonging the customer-relationship even after the consumer has left your store. However, this can only be done if the collected contact information is correct. The easiest way to ensure you collect valid customer information is to integrate real-time data verification into the data collection workflow.
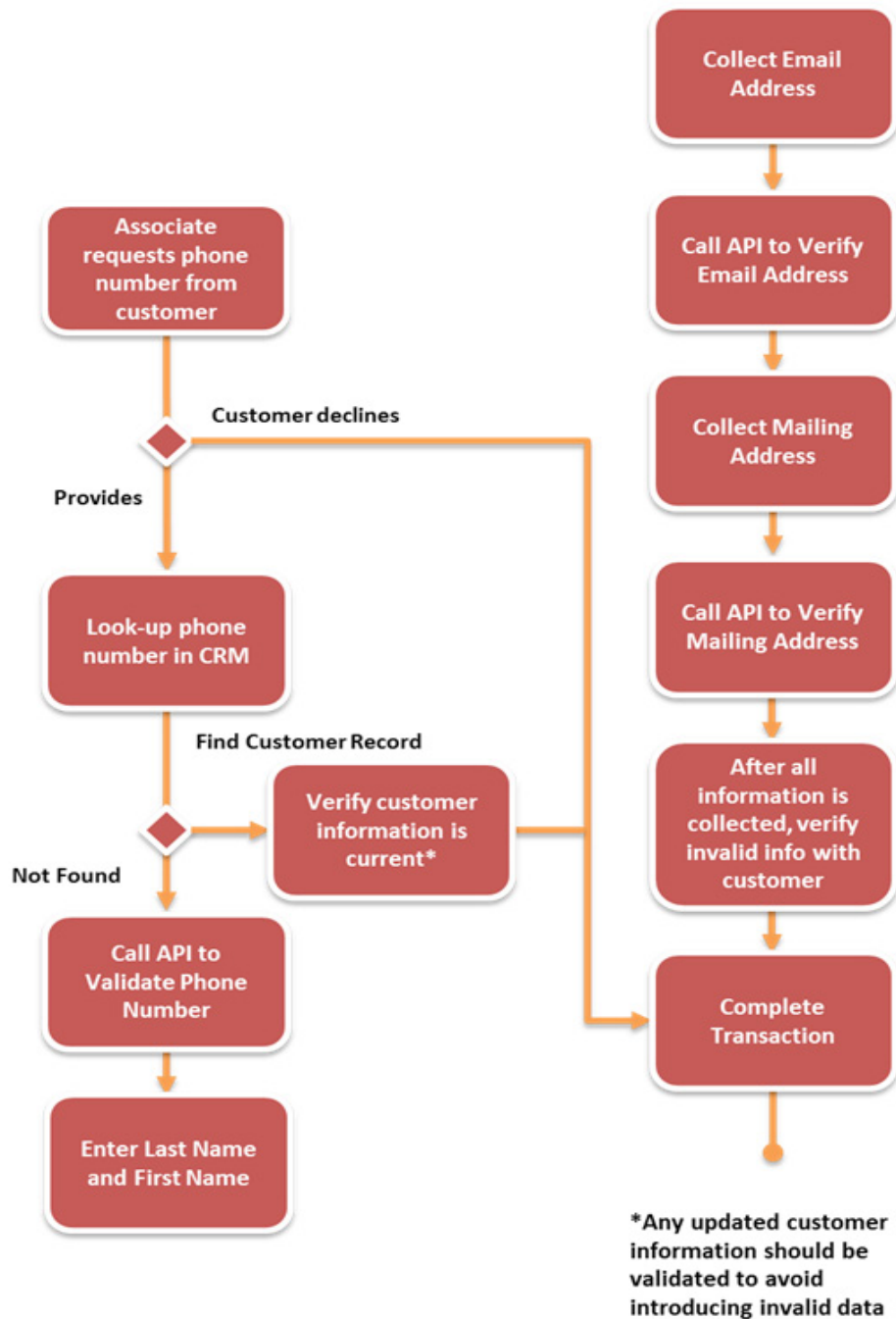
The first step is to determine what information will be collected from the customer. This depends on the type of information required to complete the transaction, the duration of the transactions, and the customer's expectation on post-transaction communication.

Each additional contact field creates a new way to communicate with customers, but it also reduces the chance that consumers will willingly provide their information. It is important to balance between participation and sufficient information. One way to mitigate this is to integrate an append service as described below.

The following flow chart illustrates the typical flow of collecting and verifying information at point-of-sale. As seen in the flow chart, the recommended order is:

1. Phone Number
2. First / Last Name
3. Email Address
4. Mailing Address

This streamlines the data lookup for existing customers, as well as the verification flow.

Flowchart elements:

- Collect Email Address
- Call API to Verify Email Address
- Collect Mailing Address
- Call API to Verify Mailing Address
- After all information is collected, verify invalid info with customer
- Complete Transaction

- Associate requests phone number from customer
  - Customer declines →
  - Provides ↓
- Look-up phone number in CRM
  - Find Customer Record
  - Not Found
- Verify customer information is current*
- Call API to Validate Phone Number
- Enter Last Name and First Name

*Any updated customer information should be validated to avoid introducing invalid data

These elements include email addresses, mailing addresses, and phone numbers.

REVERSE APPEND

Reverse append is used at point-of-sale to improve the collection time and accuracy of obtaining customer information. An append solution augments additional demographic information to the customer's record, so the most pertinent offers can be presented to that customer based on attributes such as household income, homeownership, age, interests, etc.

A typical flow is shown below:
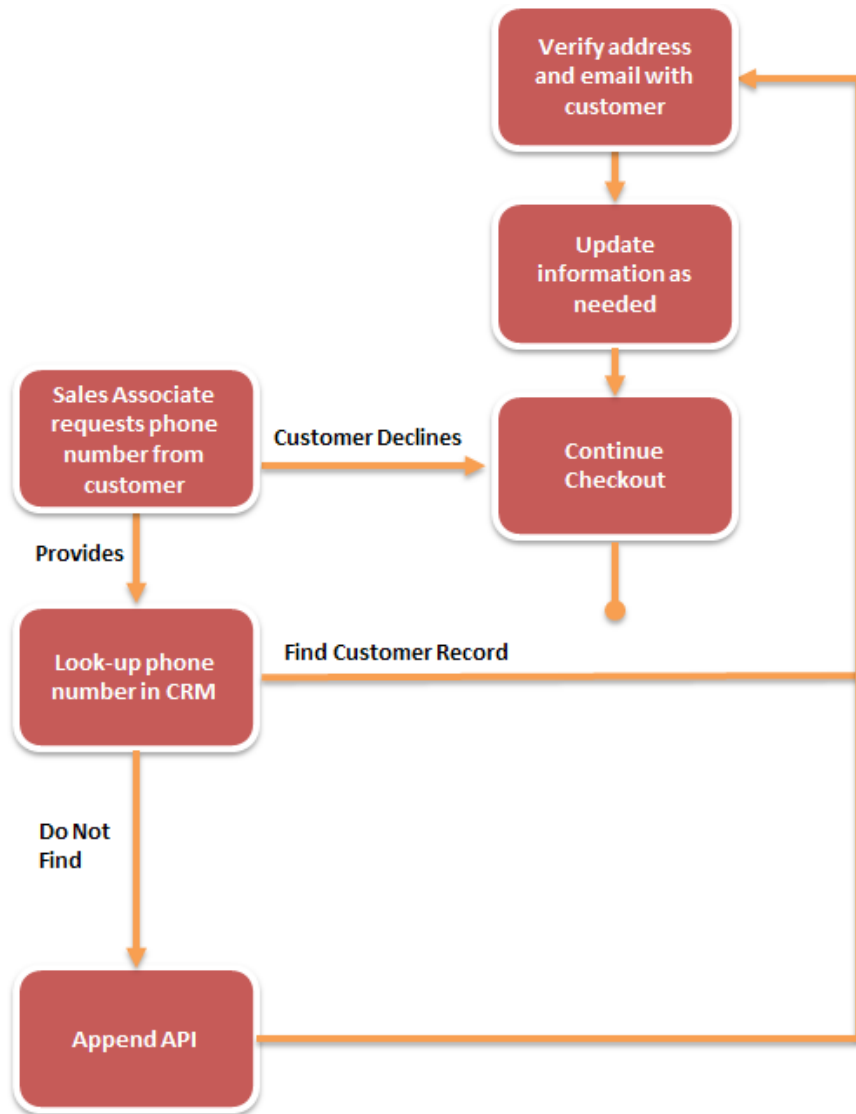
Calling out to an API to get customer information means that your employees only need to collect one simple piece of information such as the phone number. This improves customer response and decreases errors. By using one piece of information, services like StrikeIron's Reverse Phone and Address Lookup Advanced can add name, address, and a variety of demographic data. Email addresses and propensity information can oftentimes be appended as well.

By utilizing phone number collection at POS, companies have the ability to reach out to the customer through email, direct mail, or phone. Furthermore, businesses are able to better understand who their customers are and what they are buying.

CONCLUSION:

Collecting customer information at point-of-sale opens a new set of opportunities to better serve your customer base, resulting in increased customer satisfaction, visits, and revenue.

With a few simple pieces of information, your business can employ tools including e-receipts, email marketing, segmented loyalty programs, and customer satisfaction surveys. These tips and techniques have been proven to increase revenue for eCommerce sites and provide a much more holistic view of customers.

Implementing customer data acquisition is normally a very straightforward process, but this information is not valuable unless it is correct. Fortunately, there are cloud-based data quality solutions like those offered by StrikeIron that can be integrated directly into the point-of-sale terminals and checkout workflow to ensure collected information is valid. These solutions help correct any bad data while the customer is still engaged.

ABOUT STRIKEIRON:

StrikeIron is the cloud leader with the most mature and reliable Data-as-a-Service (DaaS) platform on the market. We are passionate about innovation in data quality and data communications. We empower retailers and other businesses by providing access to valid, accurate, and actionable data – when and where they need it. StrikeIron's cloud services also enable businesses to communicate with consumers in the medium of their choice. StrikeIron's solutions are delivered as SOAP and REST Web Services that can be easily integrated into point-of-sale systems, web forms, CRM systems, websites, and other business applications.

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