Shopping for mobile marketing solutions in the retail sector

esendex®

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Introduction

The ways in which we buy products have evolved an enormous amount in the modern marketplace. Tools such as SMS, web chat and bots have been arriving at breakneck speed - all of which add convenience, speed and intelligence to interactions with retailers.

But slow adoption of digital tactics is punishing the retail sector. As reported by advisory firm SV Partners in 2016, more than 1,200 Australian retailers are at risk of financial failure over the next 12 months.

On the other hand, there's a risk of backing the wrong horse. There are so many opportunities to improve the customer experience, that without a focused, problem-solving approach, it's easy to see underwhelming results and a weak return on investment.

In this eBook we'll be looking at the following:

▶ The challenges faced by retail marketers

▶ The role of mobile in an effective retail marketing strategy.

▶ Practical, real-world examples of a mobile-first strategy in action.

Retail marketing challenges

Retailers are constantly looking for new and inventive ways to engage with their customers, which in turn sets them apart from their competition. This makes marketers working in retail some of the most tech-savvy, proactive and creative minds around, albeit frequently stymied by bureaucracy and legacy software.

1. Our communications aren't personal enough

In a recent study undertaken by Salesforce, **45 percent** of the 500 retailers surveyed were not providing personalised marketing to their customers. The case for doing so is compelling, as on average a personalised advert **converts 10 times better** than an unpersonalised one[1].

Let's look at an example from BMW, who managed to net an **extra $500k in revenue** by personalising their customer communications in the US. This represented an impressive **increase of 30 percent** over their unpersonalised messaging[2].

$500k
in extra revenue by personalising their U.S. customer communications.
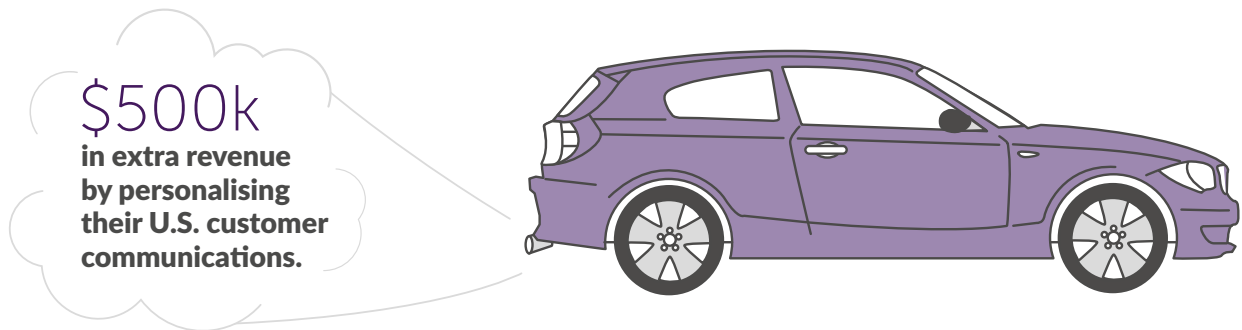
Modern marketing personalisation is about much more than adding a customer's name to the top of an advert. By collecting relevant and up to date data, retailers now have the opportunity to make recommendations, add context, cross sell, and tailor promotions to each of their customers' needs. This in turn allows retailers to build stronger relationships and levels of familiarity with their customers.

1. Knexus - 5 Key Benefits of Personalised User Experiences
2. Econsultancy - Three major benefits of using personalisation

2. We're not thinking mobile-first

Mobile marketing should be a retailer's dream - on paper at least. It allows businesses to connect with a focused group of customers at any time, in any place. Despite this, retailers are failing to capitalise on the opportunities that it presents.

Most retailers acknowledge the growing importance of mobile in a customer's purchasing journey. In Australia, smartphones are used to access the internet at least as often as tablets or computers,[1] and, by the end of 2015, **35 percent of eCommerce transactions were completed on mobile devices**.[2] Online sales topped $20 billion for the first time in 2016,[3] and online retail spend is growing more than twice as quickly as traditional retail sales.[4]

However, retailers still don't seem to have recognised the importance of optimising their **communications** for retail and that's something that clearly needs to be addressed.

While tried and trusted routes to mobile engagement like SMS will help, the landscape is changing as retailers are offered more intelligent and engaging ways to reach out to their customers. Later in this eBook we'll look at how advances in mobile web apps and messaging chatbots will transform the mobile user experience.

3. How can we deliver better promotions?

Paper based direct communications still have their place within certain demographics and markets. According to the Data & Marketing Association, you can expect a typical response rate (conversion) of **4.4 percent** from a direct mail campaign.

Typical response rate for a direct mail campaign

4.4%
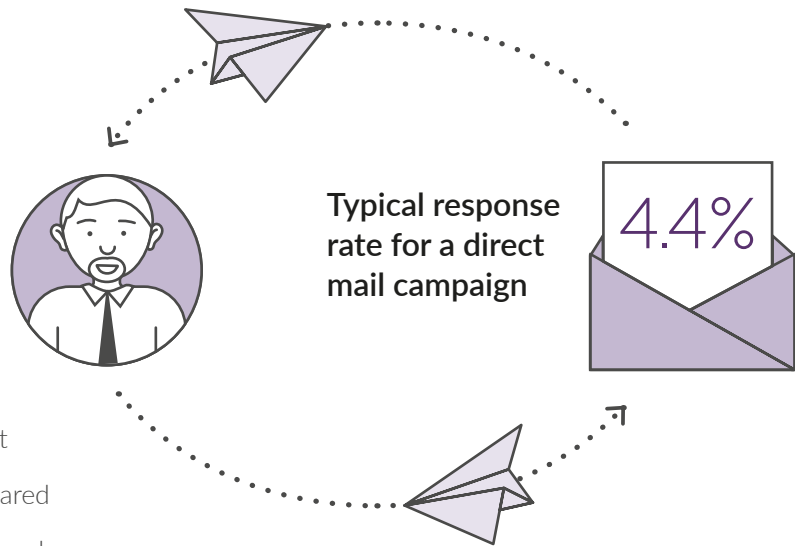
This might seem favourable - but direct mail comes with a big cost when compared to modern digital channels which can produce even higher conversion rates, and benefit from much lower setup costs.

Oracle[1] provided the statistics quoted in the below table, with the exception of the footnoted items.

KPIs	Email (averages)	SMS (averages)
Message open rate	22%	99%
User response time	2.5 days	90 seconds
Link CTR	4.2%	19%
Conversions*	3.26%[2]	32%[3]
Messages received each month	1,216	178
Proportion that is spam	90%	1%

Measured as someone taking the desired action: a sale, coupon use, form completion etc.

While the majority of emails are opened on a mobile device, they're fighting for attention against push notifications from dozens of apps, on top of the hundreds of emails received every week.

Which marketing channels can help us communicate more effectively with our customers?

The smartphone revolution means your customers are more connected than ever, but while they're easier to reach, they may be harder to get through to.

It's worth noting that these marketing channels work well as stand-alone solutions, but for a consistent customer experience, should be considered as part of a multichannel customer journey.

▶ Chatbots

Chatbots are a comparatively new and exciting tool for retail marketers, but there's still some confusion about the best applications of chatbots for retail marketing, and what the subsequent benefits of those applications are.

44% of US consumers prefer to speak to a chatbot over a human![1]

Chatbots can provide personalised content, for example: a customer can't find the item they're looking for on a website so they turn to a bot. The bot can ask questions like, "which style would you like?", "which colour do you prefer?", and "what is your size?". 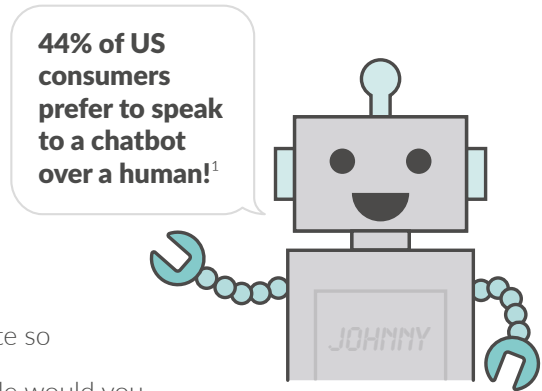The bot can then use that information to provide products it thinks you might like, and recommend other items which it might think complement your existing purchase. You can even process payment for your selected items within the bot.

Chatbots can also be used to deliver personalised offers and promotions in much the same way that an email can, and can help to pre-qualify sales leads. Say a customer wants to buy a new car, and would like to pay for it through a financial plan. A bot could be used to ask the customer a series of qualification questions, which ensures that quality leads are escalated to the appropriate human agents. Chatbots are ever-evolving and as their engagement with audiences continues to grow, so too will their functionality.

▶ SMS

In a recent study, **71 percent** of US-based retailers surveyed were not utilising an SMS strategy. This is despite **64 percent** of customers who, when surveyed, said that SMS was their preferred communication method, while **77 percent** reported a positive perception of retailers who do offer SMS communications.[2]

SMS has a great open rate of **98 percent**.[3] Another important factor to consider is that **90 percent** of all text messages are read within three minutes of being received.[4] This makes SMS ideal for time-sensitive campaigns such as 'one day only' special offers and sales.

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1. Business Insider UK - Chatbots vs Humans for Customer Relations
2. Adotas - Putting Things In ConTEXT–Well, It's Really Pro Text
3. Mobile Marketing Watch - SMS Marketing Wallops Email
4. Tatango - SMS Marketing Stats

An effective way to get customers to opt into receiving text messages from your company is to encourage customers to text in to a virtual mobile number. These are the numbers you'll see in print and digital advertising. We've written a dedicated guide to developing your SMS marketing strategy *which you can find here*.

SMS is great for sending surveys, which help retailers ask their customers for ways in which they can improve their products and services. SMS surveys enjoy a higher completion rate than other communication channels: **45 percent**[1] compared to **24.8 percent for email**[2], and **9 percent for phone**[3].

| 9% | 24.8% | 45% |
| **Phone** | **Email** | **SMS** |

A key benefit of SMS for retail marketers is the ability to integrate this into a wider communication strategy. A high street fashion retailer with an upcoming sale could send their customers an email two weeks before the event, while simultaneously promoting the sale on their website and social media channels. SMS could then be used the day before the event to act as a reminder, and deliver any voucher codes which the customer could use at the sale. This kind of multichannel approach helps you extract the greatest value out of each channel.

Not only can SMS be integrated into a multichannel communication strategy, it can also be integrated into retailers' apps, websites and CRM software. By integrating an SMS API with existing software, retailers can send purchase receipts, delivery reports, and follow-on marketing communications.

▶ Mobile Web Apps

As well as their suitability for collecting customer feedback, both post-purchase and for market research, mobile web apps also deliver an interactive and entertaining means of delivering promotions.


A supermarket can send an SMS or email to the customer, which links to their mobile web app. Once inside, the customer can navigate through the fully branded app and view an integrated promotional discount. They can also access barcodes and QR codes which can be scanned in store for promotional discounts. They can book appointments for services at the supermarket (like opticians or pharmacists). The customer can even navigate to their nearest store by using the integrated interactive map.

Because mobile web apps are highly goal focused, and specifically designed for mobile users, they deliver great customer engagement. Compared with the average web form which gets completed **12.6 percent** of the time, mobile web apps boast an impressive **46.5 percent click-to-completion rate**.[1]

▶ **Email**

Email is one of the most familiar and versatile tools that retail marketers have in their arsenal. While email's reach has, to some extent, been compromised by over-communication and spam, a recent study from Forrester Research tells us that email is second only to search engine optimisation in terms of spend.[1]

Because of its low cost, email still delivers a healthy return on investment for retail marketers. The average ROI for retail marketing is **$38 for every $1 spent**, and in some instances email accounts for up to **40 percent of total revenue**.[2]

The average ROI for email marketing for every $1 is

$38
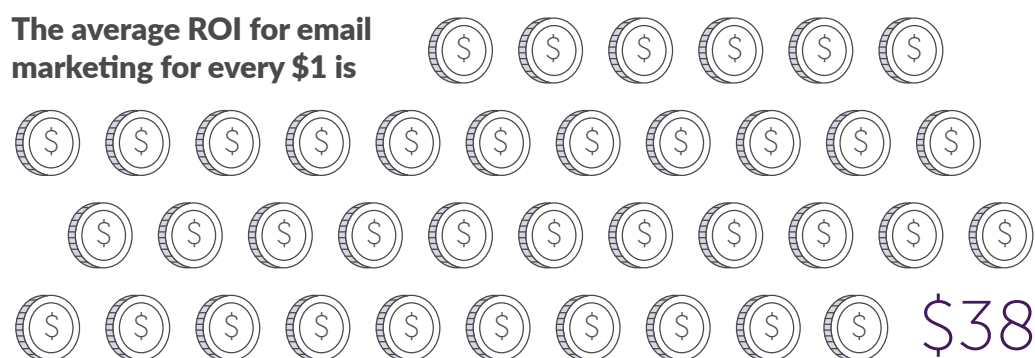
This continued success is largely due to email evolving from the 'one size fits all' approach to highly targeted and personalised content. Studies found that an email with a personalised subject heading is **26 percent more likely to be opened** than a generic mail,[3] and that **74 percent** of customers get frustrated with mails which have not been personalised for them.[4]
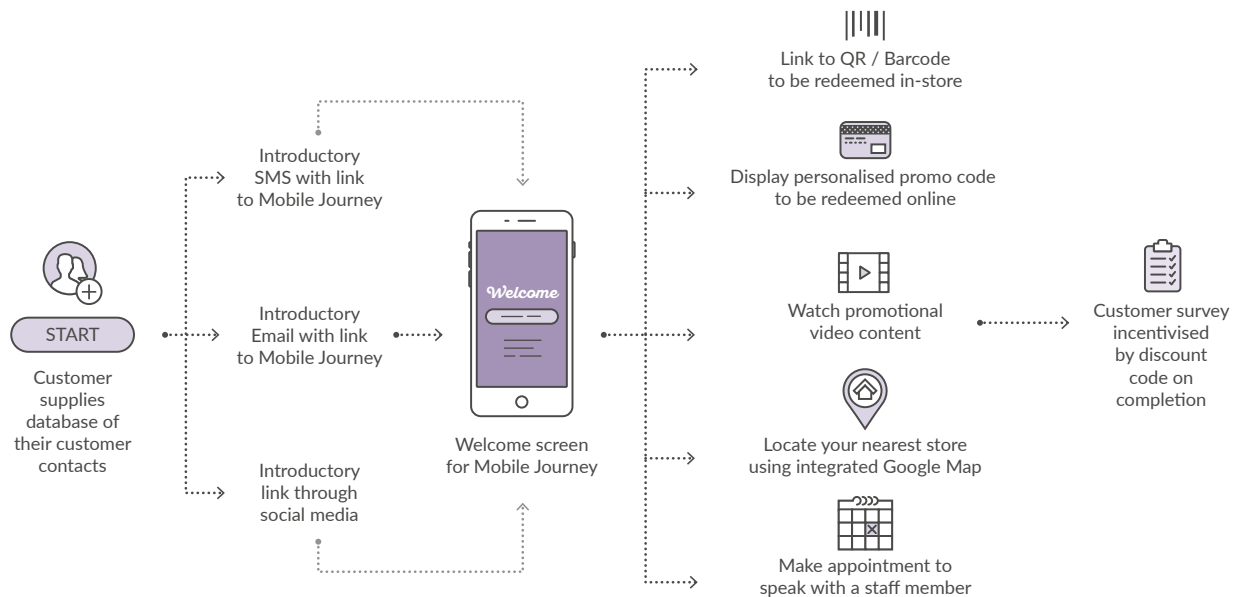
How can Esendex help?

This section explores how retail marketers have used Esendex's communication channels to improve engagement and build brand loyalty.
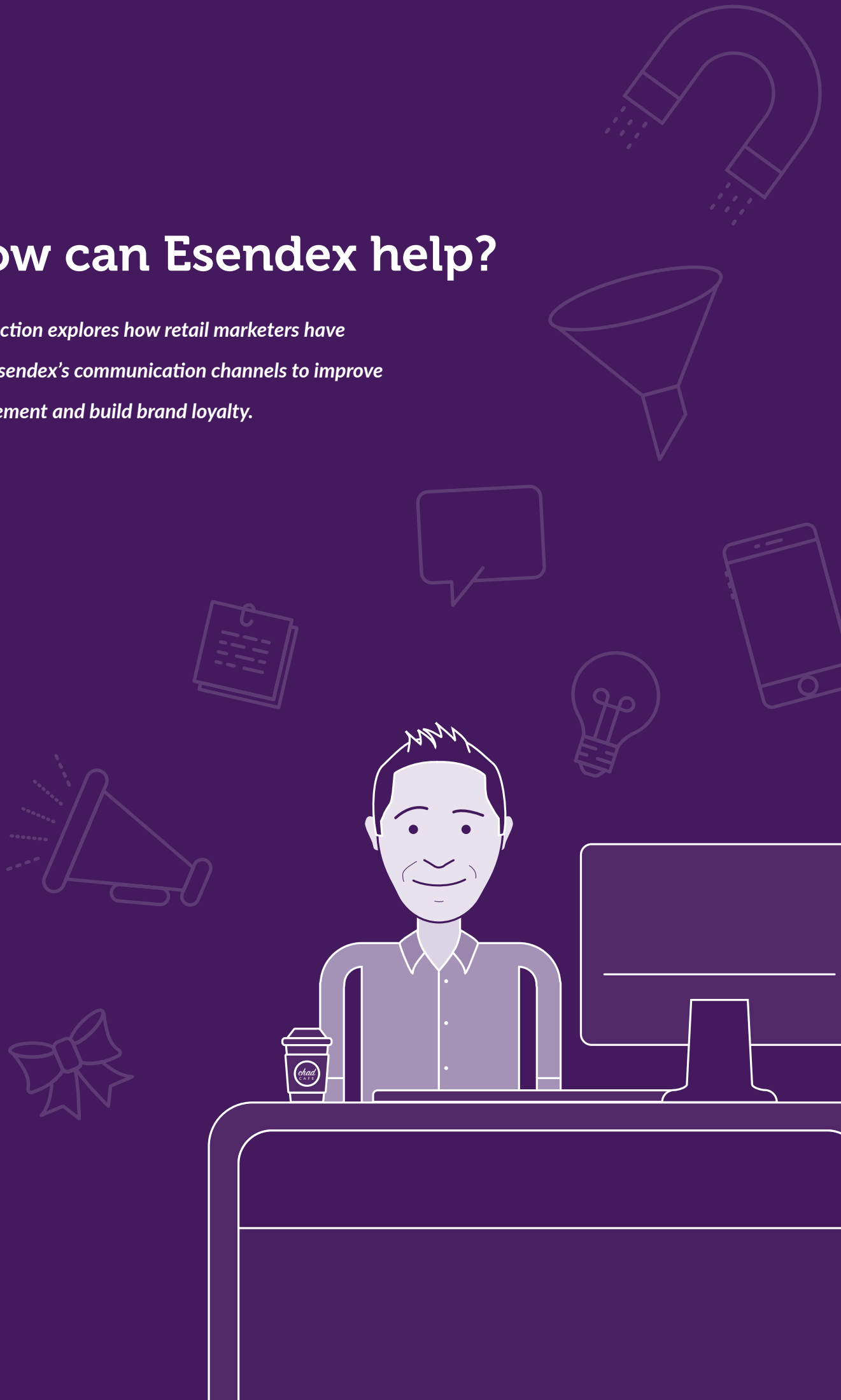
Esendex Mobile Journeys

Mobile Journeys are a powerful tool for retail marketers looking for a new way to engage customers via their smartphone. Offering functionality similar to Mobile Web Apps, such as QR/Barcodes, video and audio, payment processing, and integrated Google maps, they can come together to form a multi-faceted marketing communication.

Here's how Esendex's retail customers have harnessed multiple communication channels to drive greater engagement from mobile customers:

START

Customer supplies database of their customer contacts

Introductory SMS with link to Mobile Journey

Introductory Email with link to Mobile Journey

Introductory link through social media

Welcome

Welcome screen for Mobile Journey

Link to QR / Barcode to be redeemed in-store

Display personalised promo code to be redeemed online

Watch promotional video content

Locate your nearest store using integrated Google Map

Make appointment to speak with a staff member

Customer survey incentivised by discount code on completion

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Esendex Multichannel solutions

By using a combination of our SMS, web and email platforms, Esendex's retail customers are able to engage hard to-reach customers, and also automate a lot of repetitive actions that might otherwise need to be handled by an agent.

In the below example, an online shopper has added items to their basket, but not completed the transaction. After a designated amount of time, the automated workflow contacts the customer to remind them of the incomplete purchase. The automation follows on with opportunities to complete the purchase, cross sell other products, be notified about order status and delivery information, and even set up future communications about other products / promotions.

START

Customer shopping online adds item to basket but does not complete purchase

Email or SMS notification to let the customer know about the incomplete purchase (link to abandoned cart)

Email receipt of purchase, with dynamic content included linking to items that could be of interest based on purchase

Define delivery date / time and notification method

SMS delivery updates

Email delivery updates

'Item arrived' SMS with Mobile Journey

Satisfaction survey with discount code on completion

Results fed into retailer's CRM system

TWO WEEKS LATER

Preferences from previous purchase recorded and used to send tailored Email communication

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Esendex Bots

From a marketing perspective, Facebook Messenger bots can be used for

▶ Personalised product recommendations based on answers to questions

▶ Personalising marketing

▶ Qualifying sales leads.

One of the key additional benefits of using a bot from Esendex is that we have built in failsafe systems if any message from the bot cannot be delivered to the customer. Should your customer not be logged into Facebook Messenger or not have internet signal, we'll send the message by SMS. This guarantees that your message gets delivered, and the conversation continues.

Logged out of
Facebook Messenger

Bot

No internet
signal available

SMS sent
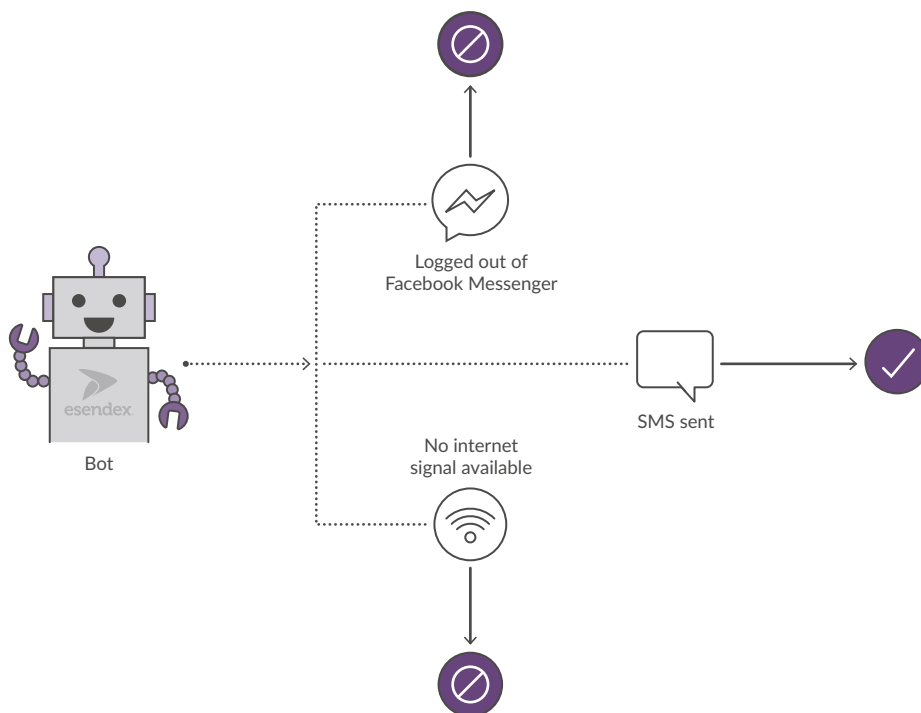
Conclusion

As the way retailers speak to their customers continues to change, so should the ways that retailers market their products to them. The successful modern retailer has to use engaging digital channels - and the most successful ones will think **mobile first**.

This means sending your offers, promotions and news directly to your customer's pocket, through their mobile device. Channels like SMS and mobile web apps do exactly that, with the added benefit of being able to deliver smart content like discount codes and vouchers which encourage repeat purchases.

About Esendex

Esendex is a mobile business communications provider helping thousands of customers worldwide.

We offer 1-2-1 account management to help you get the best out of your transactional and marketing campaigns, and have direct network connections to all of the major networks, meaning that your messages will be delivered quickly, securely and reliably.

To contact your account manager:

☏ Call **1300 764 946**

🖥 Visit ***www.esendex.com.au*** where our agents are available on ***LiveChat*** (office hours only).

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