Five Ways Marketing Can Drive Higher Online Commerce Revenue

Building Long-Term Relationships and Brand Advocates in the Process

Turning Transactions Into Revenue, Relationships, and Advocates

Now a staple in the diet of cross-channel interactions, e-commerce and online retail has grown substantially, with estimates placing it at $480 billion by 2019. According to Forrester, nearly 70% of consumers purchase online regularly.[1] Even with household names like Amazon.com, competition remains fierce and diversified to reach these consumers. Customers in the US now have more than 800,000 web stores from which to pick products.

But with this opportunity comes great challenges for online retail and commerce companies. With huge growth goals, they struggle to keep their costs low while growing revenue rapidly. More than 40% of retailers said that their marketing cost per order increased in the past year, and 46% said that their new customer acquisition costs increased.[2] Part of the challenge rests in customers receiving messaging and advertising that isn't targeted based on their interests, resulting in wasted advertising, bad product targeting and, ultimately, low (2.6%) conversion rates.[3]

The underlying cause of these high costs and low conversion is sub-optimal alignment between marketing and commerce from a process, technology, and data perspective. Some technologies take up to 24 hours to share customer data. Without the right data, customers don't receive the experience they need and move on to competitors. From a technology and process perspective, disparate applications are used to message to customers, with just 7% of marketers saying they're equipped to do true cross-channel marketing (eConsultancy), compounding the problem for customers. In fact, according Accenture, nearly 80% of consumers receive a fragmented experience as they move across digital channels such as commerce.

What if we told you that commerce and marketing platforms no longer had to sit in their own silos? In this paper, we'll examine what best-in-class companies are doing to deliver more consistent experiences that drive commerce revenue and more consistent customer experiences across marketing channels. Here are the five ways they are making a difference.

KEY PERFORMANCE INDICATORS (KPIs)

As your marketing and commerce teams try to better orchestrate their experience, it's important you examine what KPIs and metrics you'll want for analytics and insights. Here are top ones used by today's online retail and commerce companies:

- Site Traffic
- Time On Site
- Page Views Per Visit
- Exit Pages
- Traffic Source/Referral Source
- Site Abandonment Rate
- Shopping Cart Abandonment Rate
- Days and Visits to Purchase/ Conversion
- Average Order Size
- Average Order Value (AOV)
- Unique Visitors vs. Returning Visitors
- Percent of Sales from Repeat Customers
- New Customer Orders vs. Returning Customer Sales

1. *https://www.forrester.com/Forrester+Research+eCommerce+Forecast+2014+To+2019+US/fulltext/-/E-RES116713*
2. Ibid.
3. *The State Of Retailing Online 2015: Key Metrics, Initiatives, And Mobile Benchmarks* by Sucharita Mulpuru, February 9, 2015

1. Use Commerce Data to Inform Top-of-Funnel Acquisition

Today's online customers have all the information they need about your company at their fingertips. They can easily research your products and brand throughout the course of their day, wherever they are, and on multiple devices. How can you capitalize on the product research your customers perform to encourage purchases?

To start, you need a plan for capturing commerce data to inform your acquisition strategy. Data management and tracking capabilities can help your company obtain customer browsing data on your website and share it with your marketing platform. Using those insights, you can launch product education campaigns to help customers find the information they need based on the products they're researching. As customers see your offerings and learn more about them, you can guide them to the point of purchase as they understand how the product solves their problem.

Key Tactics for Getting There: What types of data must you collect?

To engage with your customers on a 1:1 level you first need to know what kind of data to use. A good rule of thumb is to start with these five main categories:

1. Product Preferences

2. Past Purchases

3. Activities

4. Behaviors

5. Communication Preferences

As marketers, it's important to know what your customers like and want to see about your products (Product Preferences), which products they have already purchased (Past Purchases), how your customers are currently interacting with your brand (Activities), when and how your customers are engaging with your brand (Behaviors), and how your customers want you to engage with them (Communication Preferences). When we are able to tie in at least one customer attribute from each of these categories, the right message is being delivered at the right time, resulting in a highly informed and satisfied customer.

Use Case Example

Let's say that our organization sells outdoor apparel and our customer, Chris, has been browsing our website to search for a new winter jacket. There are a lot of options we could recommend to Chris but the commerce data shows us that Chris is particularly interested in two specific brands based on his browsing activity. Using this data, we can send Chris an email campaign that highlights the benefits of each brand, helping with his research and bringing him closer to the point of purchase.

Key Ways to Measure It

- Site Traffic
- Page Views Per Visit
- Products Purchased
- Site Abandonment Rate

- Shopping Cart Abandonment Rate
- Exit Pages
- Days and Visits to Purchase

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2. Improve Targeting By Building a Comprehensive Profile for Commerce and Marketing

Customers can be underwhelmed by the typical lifecycle marketing campaigns used to retain or engage them for upsell opportunities. How many times have you received an email that just said "Happy Birthday [insert name here]"?

The promise of personalization is vital and a promise that you should keep with your customers as 61% of customers feel more positive about a brand when marketing is personalized.[4] If you treat your customers like individuals (not just another number in your database), and consistently recognize them and their preferences, the likelihood of them buying and remaining loyal to your brand improves.

This starts by creating a more robust, unified profile between your commerce and marketing technologies. When commerce and marketing platforms are seamlessly integrated, you have a comprehensive view of your customer and are able to create highly-personalized, 1:1 content for each individual customer. Using commerce and marketing data together, you can engage your customers with the tailored experience they want, leading to deeper, more profitable, long-term relationships.

Key Tactics for Getting There: What types of technologies and stakeholders must you engage?

In most cases, there is not a single person or technology platform within an organization that is all-knowing and in control of your customer data. There are various people and technologies that will have to coordinate their efforts to successfully provide a comprehensive of your customers. These people and technologies may include:

Key Stakeholders

1. VP of Marketing
2. VP of Commerce
3. Director of Digital Marketing
4. Director of Merchandising
5. Director of Web Services

Technologies

1. E-Commerce Platform
2. Marketing Automation Platform
3. CRM Platform
4. In-Store Point of Sale (POS) Platform

Use Case Example

Let's return to our customer, Chris. Remember, Chris was browsing our site looking for a new winter jacket. With the data gathered from the commerce and marketing platforms we can send him a promotional email for his birthday next week consisting of relevant apparel that would go with his new jacket. After reading through the promotional email and visiting our website, Chris decides to buy a new pair of gloves because we were able to link his past interactions with current recommendations to show him items that he had not considered purchasing.

By using past purchase and profile data, marketers can deliver engaging 1:1 experiences to their customers.

Key Ways to Measure It

- Page Views Per Visit
- Product Relationship (products viewed consecutively)
- Site Traffic
- Time On Site
- Average Order Size
- Average Order Value (AOV)

3. Let Offline Behavior Fuel the Right Commerce Messaging

Just as you need to provide personalized and relevant content to your customers, you also need to provide unique cross-channel experiences for your customers to feel as though you are speaking with one voice. This is critical because customers are 72% more likely to purchase additional products if they receive a positive cross-channel experience.[5] To deliver on this, commerce and marketing teams need to act as one to have a single voice coming from your brand in marketing and transaction messages.

When commerce and marketing teams are seamlessly integrated, they can share customer data that spans the entire customer lifecycle. The commerce platform needs to gather customer data from various interactions and share that data with the marketing team so they can speak to customers with your brand's unified voice. This is important to your brand's success because using the same voice throughout customer interactions can provide a sense of comfort for the customer leading to enhanced customer experiences and a lift in lifetime revenue.

Key Tactics for Getting There: What technology capabilities do you need to be successful?

Effective communication is a result of having a deep understanding of the topic that you are talking about. In this case our topic is our customer base and our level of understanding is a result of what our technology allows us to know about our customers. Additional areas to consider when evaluating technology include ease-of-use and how your technology will scale with your business as it grows. Here are questions you should consider about your technology:

1. How is my commerce platform collecting customer data?

2. What type of data is my commerce platform collecting (purchase, cart abandonment, browse abandonment, etc.)?

3. Does my marketing automation platform have robust API capabilities or integration frameworks?

4. Are there pre-packaged integrations that come standard with my platform?

Knowing what questions you need to ask about your technology before you buy will lead to fewer headaches in the future. Understanding how your platform can scale to meet your needs and what data you will be able to use is critical to success.

Use Case Example

Back to Chris, after he purchased his jacket and gloves, our commerce platform captured his purchase data. It is now two months later and Chris has not made another purchase. We can make a greater impact on Chris returning to our website to make another purchase by sending a campaign that matches products with his past purchases and communicating through his preferred channels.

We use the past purchase data from the commerce platform and the cross-channel marketing platform to find that Chris likes to receive text communications. We can send Chris a text message with a coupon for 20% off his next purchase. We could also use in-store purchase data to add to our marketing efforts and bring our messaging full circle for Chris.

Chris sees that this campaign builds on his past interactions with our brand and gives him a sense that we are looking out for him as an individual customer. He returns to the website to shop for a new pair of boots and a hat to ensure he is ready for the cold months ahead.

When your marketing team sends tailored campaigns that use a consistent voice with data collected through your commerce platform and offline data sources, the customer lifecycle can be more rewarding for both your customers and your brand.

Key Ways to Measure It

- Percent of Sales From Repeat Customers

- Average Time Spent Per Page

- Page Views Per Visit

- Conversion Rate

- Product Affinity (products purchased together)

- Product Relationship (products viewed consecutively)

FEATURED CASE STUDY

Learn how Oracle Marketing Cloud increased The Ritz-Carlton's revenue by $1M with an email newsletter personalized based on based on previous guest stays, their status in the Ritz-Carlton Rewards program, their location, and more. Click here for details.

4. Improve Conversions with Cross-Channel Retargeting

Customers are often browsing and shopping online only to be distracted by something happening near them. Frequently, the products that the customer was looking at are left and forgotten, resulting in a lost opportunity.

If you were to remind customers of the items they were considering, many customers would return and follow through with their purchase. When commerce and marketing platforms are in silos, it can take up to 24 hours for the marketing team to receive the abandonment data from the commerce platform. By that time, there is a good chance your customer visited a competitor to complete their purchase.

When commerce and marketing platforms are seamlessly integrated, you can engage your customers in near real time. This provides a friendly, timely reminder through their preferred channels to reconsider your products before they look to a competitor. This collaboration enables you to drive more traffic to your site and build deeper relationships with your customers by using accurate, real-time data.

Key Tactics for Getting There: When and how are you reengaging your customers?

Organizations never want to see their customers taking money away from their business, let alone taking it to a competitor. With the right technology in place, marketers can assist customers to follow through on their purchases with their brand by using their marketing automation platform and data from their commerce platform.

A few questions marketers should ask when looking at how their technology enables them to re-engage their customers in near real time are:

1 Does my marketing automation system have retargeting capabilities?

2 Does my marketing team use advertising partners for retargeting?

3 Do we send abandoned shopping cart emails?

4 Do my retargeting emails coordinate with my communications through other marketing channels (mobile, social, etc.)?

Use Case Example

Chris has been looking for new boots and a hat as a result of our last marketing campaign that sent him a text message with a coupon. After browsing our site, Chris added a pair of boots and a hat to his shopping cart only to be pulled away from his computer before he completed his purchase. Chris is at the point of purchase. All we need to do is remind him to follow through.

As Chris is going about his day, we can send him a text message reminding him that he left items in his shopping cart. When Chris returns to his computer, he is also greeted with an email reminding him of the products he left in his cart. Chris now returns to our website to follow through on his purchase.

Substantially decreasing the time between a customer event and marketing action is vital. When the time between event and action goes down, conversions go up.

Key Ways to Measure It

- Unique Visitors vs. Returning Visitors

- New Customer Orders vs. Returning Customer Sales

- Exit Page(s)

- Referral Source

- Conversion Rate

- Percent of Sales From Repeat Customers

5. Create Brand Advocates and Long-Term Customer Relationships to Drive Retention and Cross-Sell Opportunities

The customer experience should not stop once a purchase occurs. Tailored "Thank You!" or upsell campaigns after they complete their purchase are a great way to continue to engage. You can create brand advocates and drive additional revenue based on the post-purchase experience that customers have with your brand through highly-targeted and personalized campaigns.

Key Tactics for Getting There: How do you interact with your customers after they purchase?

Organizations strive to reach the purchase conversion point with their customers, but what happens next? Marketers have numerous opportunities to continue the conversation with their customers to keep them engaged and loyal to their brands. Marketers should consider the following strategies to keep their customers engaged post-purchase:

1 Sending a personalized message recapping the customer's experience with your brand and thanking them for their purchases.

2 Sending a promotional discount offer to drive up-sell potential.

3 Sending a bi-weekly or monthly drip campaign to engage customers until a new seasonal offer is ready.

Use Case Example

Winter has arrived and Chris is prepared to make it through in warmth and comfort with his new winter apparel that he purchased from our brand. Chris has been a loyal customer and deserves more than a simple "Thank You!" for his purchases over the past few months. With the data captured throughout the buying process in our commerce platform, we can send a personalized email to Chris to thank him for his purchases. We can also include a discount code for spring apparel and a message that says that we hope he returns to us when the cold and snow pass to build out his spring wardrobe.

Key Ways to Measure It

- Referral Source

- New Customer Orders vs. Returning Customer Sales

- Percent of Sales From Repeat Customers

- Product Relationship (products viewed consecutively)

- Days and Visits to Purchase

- Product Affinity (products purchased together)

What's Next?

Bringing together commerce and marketing platforms provides huge benefits to each team and your organization as a whole. You are able to drive customers to your website by re-engaging them in near real time with tailored, 1:1 messages and campaigns that lead to more purchases and more revenue for the business. Throughout the customer lifecycle, you build long-lasting relationships with customers and create brand advocates. This is just the first step in technology platforms keeping pace with the needs of today's customers and marketers. There are more silos within organizations that can be combined.

Efficiencies can be gained to enable easier and more effective collaboration across various platforms, departments, and teams within an organization. One easy-to-use, customer-centric platform that scales to satisfy business needs will provide your entire organization the technology needed to fulfill the customer promise of true 1:1 cross-channel experiences.

About Oracle Marketing Cloud

Modern Marketers choose Oracle Marketing Cloud solutions to create ideal customers and increase revenue. Integrated information from cross-channel, content, and social marketing with data management and activation along with hundreds of app and data partners enables them to target, engage, convert, analyze, and use award-winning marketing technology and expertise to deliver personalized customer experiences at every interaction.

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