



# Combining online and in-store customer data

How achieving New Retail and  
streamlining personalization leads  
to an increase in revenue

**purple**

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# 1 The Customer Algorithm

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## Introducing 'New Retail' and the Customer Algorithm

Businesses want to close the gap between information collected online about their customers and their in-store experience.

New retail is a term first used by Alibaba founder, Jack Ma, to describe a future that would blend online, offline, logistics and data, across a single value chain. It's all about leveraging big data to enhance consumers' shopping experience, but we are already seeing it across all consumer facing industries, especially across brick and mortar retail.

The importance of capturing customer data in the physical world should not be underestimated; businesses that fail to do this will soon be left behind. Businesses that don't embrace the technology won't be able to personalize and will struggle to catch up and compete.

## Your customers are now digital algorithms - design for them

We're calling it the Customer Algorithm, where all businesses can join together online and offline silos of data and truly close the gap on your customer data.

With this data, businesses can begin to design new, customer-focused, models with full consideration of a personalized end-to-end customer experience.

[Download the Big Data, New Retail and the Customer Algorithm Report for more background and detail >](#)





We're calling it the  
**Customer Algorithm**,  
where all businesses  
can mirror online and  
offline worlds of  
customer data and  
truly put customers  
at the center of  
operations, digital  
strategies, IT  
infrastructure and  
experience.

# 10

marketing personalization statistics that may surprise you

Personalization reduces acquisition costs by

**5-15%**

Lifts revenues by

**10-30%**

Increases the efficiency of marketing spend by

**50%**

(McKinsey & Company)

Lack of content relevancy generates an

**83%**

lower response rate

(Constellation Research)

**79%**

of consumers say they are only likely to engage with an offer if it has been personalized to reflect previous interactions they have had with the brand

(Marketo)

**78%**

of U.S. Internet users said personally relevant content from brands increases their purchase intent

(Marketing Insider Group)

**500%**

Increasing personalization

across all marketing channels can increase overall consumer spending by up to 500%

(The E-Tailing Group)

By

**2020**

**51%** of consumers expect that companies will anticipate their needs and make relevant suggestions before they make contact

(Salesforce)

Real-time personalization is critical

**77%** of marketers say real-time personalization is critical; however **60%** report it's a challenge to execute

(Adobe)

Improvements due to personalization

**88%** of U.S. marketers reported seeing measurable improvements due to personalization - with more than half reporting an increase of more than **10%**

(Evergage)

Calls-to-actions personalized to an individual visitor have a

**42%**

higher click rate than generic CTAs

(HubSpot)

**57%**

of consumers are happy to provide personal information as long as it's for their benefit and being used in responsible ways

(Janrain)

## 2 Marketing Personalization

### The impact of marketing personalization on ROI

Consumers have come to expect relevant and personalized content and experiences.

In the first section of this Toolkit we talked briefly about the concept of New Retail, or the Customer Algorithm, as we like to call it. This concept, or strategy, is one that aims to leverage big data, from both the online and offline worlds, to enhance consumers' brand experiences.

To achieve this, businesses must place consumers at the center of their business operations, and design new customer-focused models with full consideration of the end-to-end customer experience.

Marketing personalization plays a huge part in the Customer Algorithm. Tailoring an individual's experience can have a significant impact on revenue, and this isn't something to be underestimated.



## 3 Identifying Your Customers

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### Achieving personalization in your industry

Marketing personalization can lift revenue by 10 - 30% and increase the efficiency of marketing spend by 50% (McKinsey & Company), and increasing personalization across all marketing channels can increase (E-Tailing Group). Clearly, New Retail and personalization has huge potential for impacting your bottom line.

Identifying your customers is the first, big step to understanding their needs, buying requirements, interests, and behaviors in both online and offline worlds. Some of the fundamental data points to collect include:

- Customer demographics
- Customer interests
- Customer engagement and interaction
- Dwell time
- Frequency of visits

With this information, you can begin to collate this data from multiple sources, including; website analytics, social media, e-commerce, loyalty programs etc., something which many are already doing. Although, notice that these methods of data

capture focus the digital world, and not the physical.

Remember that the Customer Algorithm concept is one that aims to leverage big data, from both the online and offline worlds. Offline makes up a huge proportion of a business' customer base, particularly in the hospitality, retail, entertainment and transport industries. The importance of capturing this kind of customer data should not be underestimated.

Businesses that fail to do this risk being left behind. Data capture methods in a physical space can include; point of sale, location and presence analytics, and WiFi analytics - just to name a few. Using these methods, you can not only begin to understand who your customers are, but start building a rich behavior profile of how your customers engage in-store or on-site.

The combination of this data is crucial in enabling your teams to further personalize marketing campaigns, operations, layouts and pricing strategies. Physical spaces data is what connects you to your offline customers.

## 4 Points of Action Moving Forward

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We've established that in order to increase revenue, you need to increase marketing personalization, which can be achieved from the Customer Algorithm concept that aims to leverage big data from both the online and offline worlds.

You already have access to multiple sources of online data, but you need insight with offline data beyond just your point of sale systems to truly understand what your customers do in your venues.

### Developing the business case for implementing a platform to capture and utilize your offline data

To understand what a business case success looks like, let's first look at what failure looks like.

Failure takes place when the business case:

- Is not in line with strategic business objectives of the company
- Lacks recognition of what is important to your C-Suite

- No clear projection for ROI
- Uses marketing terminology that is a "different language" from the rest of the business

These failures all have one thing in common; they all relate to a marketing-specific agenda and not a business-driven agenda. To develop a successful business case, you must consider how it is perceived and how it will impact the greater good of the organization.

Who can tell you how your business case is perceived and how it will impact the greater organizational good? No single stakeholder can. According to CEB, the average number of individuals involved with today's buying decision is 5.4.

This buying team will often have differing agendas and priorities. That means that in order to get offline data capture business case approved, you'll need to identify each of the buying team stakeholders and then secure their support by tailoring it to their specific priorities.

## Who in your business benefits from New Retail?

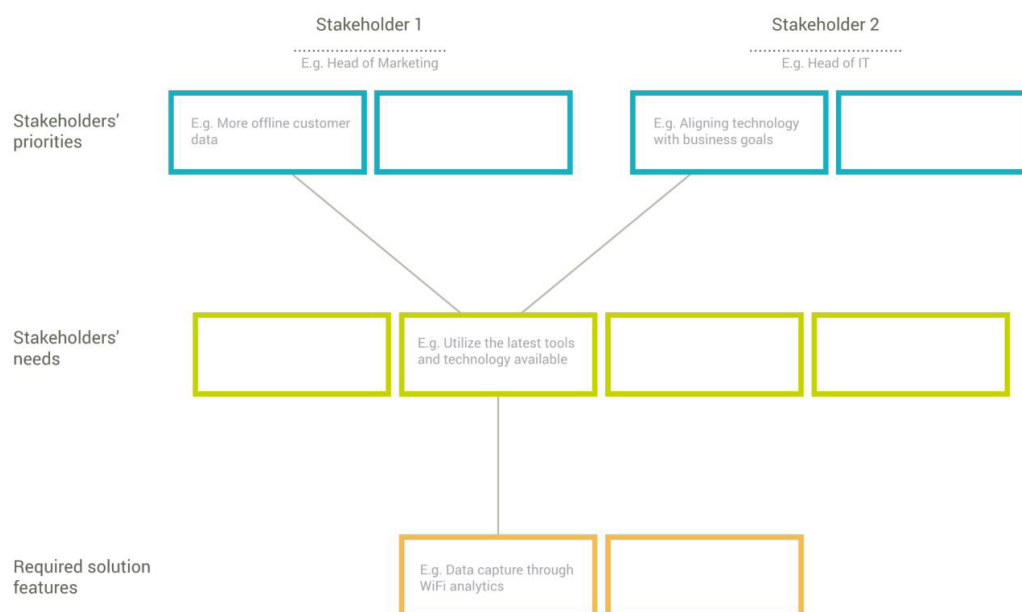
Heads of Marketing, CRM, operations, IT and Finance all benefit from New Retail despite having different goals.

Customer profiles and segments can deliver real depth to social interests, behavior, preferred social networks, and dwell times at particular store locations - but only when they involve offline insights. Then, each department will be able to make informed

decisions based on accurate, rich, and relevant information collected about customers that can be actioned in real-time, tracked, monitored, and reported on, placing a value next to your overall customer experience.

Below you will find a table of cross-functional benefits to identify common priorities across your business' departments, and a table of internal company benefits of New Retail to help get you started.

## Company Cross-Functional Benefits Template

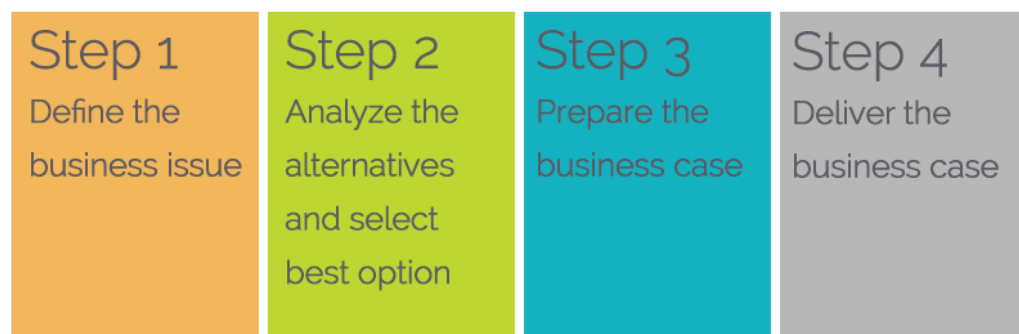




## Table of Internal Company Benefits of New Retail

Typical Stakeholders	What responsibilities does this stakeholder have?	How will WiFi engagement help this stakeholder?
<b>Marketing Department</b>	<ul style="list-style-type: none"> <li>Developing and implementing the marketing strategy for the business.</li> <li>Drive growth through marketing campaigns and activity.</li> <li>Use the latest technology and tools available to give the company's marketing output the competitive edge.</li> </ul>	<ul style="list-style-type: none"> <li>Identify actual customer segments of people in your venue for targeted messaging.</li> <li>Drive targeted messaging and engagement through social channels identified that are popular with customers and visitors.</li> <li>Ability to gain feedback in real-time of product, service and experience for improvement.</li> </ul>
<b>CRM Department</b>	<ul style="list-style-type: none"> <li>Planning and delivering CRM strategies across the company encouraging customer retention and customer loyalty.</li> <li>Overseeing direct communications with customers through the CRM.</li> <li>Monitor and maximise customer lifetime value strategies ensuring maximum profitability.</li> </ul>	<ul style="list-style-type: none"> <li>Will be able to deliver personalized engagements to customers.</li> <li>Ability to integrate data sources, such as the business' CRM and email marketing tools, to develop detailed customer profiles.</li> </ul>
<b>Operations Department</b>	<ul style="list-style-type: none"> <li>Oversees day-to-day activities of the company.</li> <li>Ensures the company is running as efficiently as it can.</li> <li>Involved in every department to some capacity.</li> </ul>	<ul style="list-style-type: none"> <li>Added visibility of customer footfall within venues.</li> <li>Improved forecasting with accurate visitor data and demographics.</li> </ul>
<b>IT Department</b>	<ul style="list-style-type: none"> <li>Offering continuous, efficient, seamless technology to support employees in the pursuit of business goals.</li> <li>Aligning technology with business goals.</li> <li>Remaining at the cusp of new technology to be agile and competitive in today's market.</li> </ul>	<ul style="list-style-type: none"> <li>There is ease of integration with third party platforms, such as email marketing platforms.</li> <li>Simple implementation by working with a vendor that easily overlays onto your existing network.</li> </ul>
<b>Finance Department</b>	<ul style="list-style-type: none"> <li>Minimizing disputes between internal customers and vendors.</li> <li>Maintaining legal compliance.</li> <li>Spending efficiently and keeping an eye on the bottom line to ensure profitability.</li> </ul>	<ul style="list-style-type: none"> <li>This person will have the ability to measure return and business impact with the right vendor.</li> <li>Can clearly show the initiative is saving and making the company money.</li> </ul>

## Four stages of your business case for New Retail



Once you have identified the cross-functional benefits of New Retail for your business, there are four key steps to take next; define the business issue; analyze the alternatives and select best option; prepare the business case; deliver.

Below is a detailed guideline to help you outline the benefits of New Retail specific to each of your teams. Skipping or not fully addressing a stage will weaken the business case, and reduces your probability of getting New Retail over the line.

### Stage 1: Define the business issue

- Identify business opportunity or problem to be solved
- Create a succinct description of what your proposal will deliver
- The objectives should help your organization reach its overall goals and be aligned with the priorities of senior management. An example may be, "increase visibility of our customers" or "increase revenue through personalization"
- Develop an opportunity statement. This describes the benefits of solving the problem or seizing the opportunity. For example, "Drive higher revenue by driving marketing engagement through personalization by increasing visibility of our customers and visitors' offline data"
- Be prepared to deal with questions that may arise

## Stage 2: Analyze the alternatives and select the best option

- Ask those closest to the issue for their ideas on possible alternatives
- Research case studies of those inside and outside your field that have faced similar challenges and solved them
- Collect information about each alternative option
- The goal is to weigh alternatives against one another in financial terms, intangible benefits and risk level. For the financial terms, a payback period and ROI are often used to compare
- Payback period illustrates how long it will take to recover the initial investment ROI shows the monetary impact your investment is predicted to yield

## Stage 3: Prepare the business case

- After analyzing the alternatives you will prepare the written business case
- The template you use to lay out your business case should have a simple and sound structure:
  - Executive Summary
  - Current situation
  - Analysis & Recommendation
  - Conclusion

## Stage 4: Deliver the business case

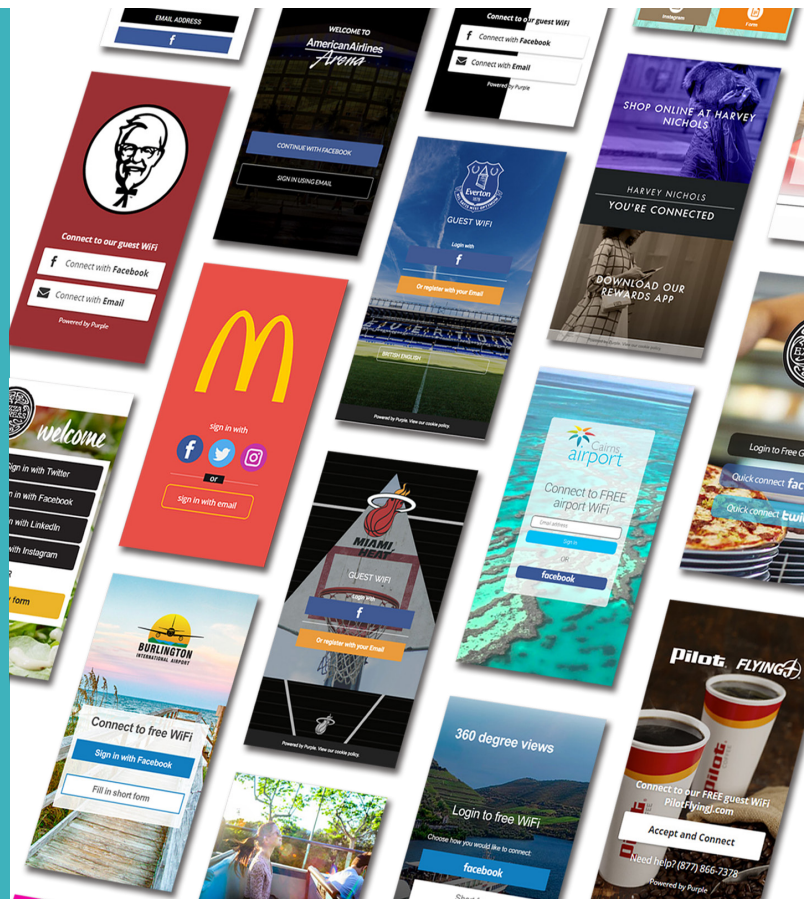
- During this stage you "sell" your recommendations
- Hone your persuasion and influencing skills
- Rehearse with an informed, invested colleague
- Plan the forum and format with care
- Select the time, place and approach that suits your colleague
- Keep your presentation focused and concise
- Avoid going into unnecessary detail and keep to the point
- Be prepared to deal with answers to possible questions
- Have you ever implemented a similar recommendation?
- What else might be needed that is not articulated in the business case?
- What assumptions have you made that your stakeholder may disagree with?

# New Retail & Purple

## About Purple

Purple is the intelligent spaces company bringing Google Analytic-like insights to in-store experiences. Using a captive portal to collect guest WiFi and presence analytics, these in-store insights give businesses the ability to combine online and offline customer experience data.

Businesses can then send personalized, hyper-targeted emails, offers and information relevant to each customer connecting to their WiFi to increase return visits, experience, social followings, loyalty and direct sales.



Purple's captive portal collects and reports on a rich array of data, including: number of visitors; time of visit; type of device used; time spent on premises; a list of websites browsed while in-store; gender; age; email address and more, relative to your licence.

Purple's marketing features let you choose a template, drag and drop images and text into position. Or for the creatives out there, you can also fully customize landing pages using Purple's HTML editor. Connect your enterprise data from CRM, loyalty, POS system and other sources with Open Data and Sensors, and you have a truly eye opening solution.

Track performance rates against the data from instore new and return visits to make more informed decisions about the campaigns and strategies run in your physical spaces, and work with our Customer Success Team to optimize your Purple portal.

# Contact Purple

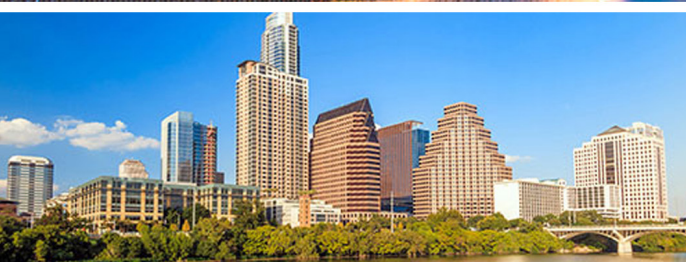
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intelligent spaces