



# How Do You Measure Success In Your Brick-And-Mortar Store?

4 Essentials To Changing How You Connect With In-Store Customers



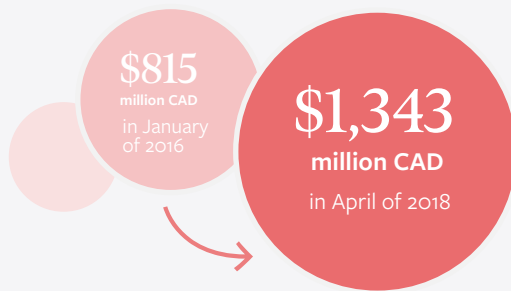
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## Executive Summary

Ecommerce has changed the way the average consumer thinks about shopping.



**Ecommerce retail sales in Canada jumped from \$815 million CAD in January of 2016 to \$1,343 million in April of 2018.**

When we open a digital marketplace, we are served personalized ads based on past shopping habits; when we search for a product, algorithms determine which version is the most relevant to us. Our habits and history are collected as data which is then examined and acted upon by savvy ecommerce retailers looking to optimize and enhance the customer's experience.

How do brick and mortar retailers keep up? In an era of quick customization and growing interest in online shopping, can brick and mortar retailers match their digital peers — and should they?

**In short, yes.**

Before you can start to understand why brick and mortar retailers should be matching their online retail peers' tactics, you need to understand why customer behaviour matters at all. After all, retail thrived without big data for decades — why, you may be asking, should things be changing now?

The answer is that customers now expect personalized experiences. We are witnessing a convergence of online commerce and physical retail, driven by customers seeing and wanting to experience the two as increasingly connected in our digital age.

Customer habits have changed, especially as the millennial customer redefines what it means to be a shopper. There has been significant growth in how many in-store retail sales are now influenced by a mobile device, for example — from 5% of sales in 2013 to 37% of sales in 2016.

Ecommerce is inherently equipped to collect and understand customer behaviour data. As online retail grows, brick and mortar retailers can't afford to be left behind. Make no mistake —

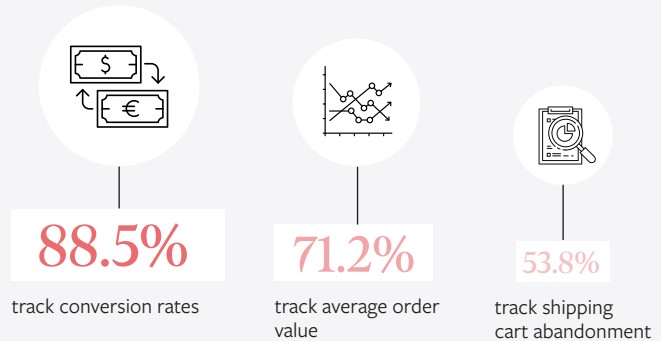
online retail is growing; a National Retail Federation report from July 2018 stated that online and out-of-store retail was up 11.3% year-after-year; specific brick and mortar showings had percentages that are generally around half that.

The future of retail connects these channels and their growth for enhanced customer experiences that drive growth.

## Understanding Customer Behaviour like an Online Retailer

Online retailers are able to grow at a rapid pace because they're using data.

**88.5% of ecommerce retailers track conversion rates, 71.2% track average order value, and 53.8% track shipping cart abandonment.**



Arguments can be made for how that data is interpreted and acted upon, but the base cause stays the same: ecommerce can collect data.

Traditionally, it has been much harder for brick and mortar retailers to collect concrete data about customers. Without tracking links and on-site analytics, exactly what you can know about your brick and mortar customers feels limited, meaning you're stuck acting on opinion — **and opinion is never as good as hard facts.**

Online retailers have a number of tools they can use to understand customer behaviour. They can track emails for open rates, and start only sending the kind of emails that resonate with their customers. They can offer discount codes for selling certain items together, and pair the offerings that did well together in future promotions. They can promote what items are getting a lot of traffic and cull those that aren't as they constantly redesign their website in response to data about where customers spend the most time and when.

Bringing digital solutions into the store can help brick and mortar retailers catch up with — and even surpass — the growth of ecommerce. How? By embracing online-style data analytics for physical retail and changing how the sector thinks about customer behaviour.

By taking a page from online retailers' books, brick and mortar retailers can think about and react to their customer's behaviour the way an online retailer does, whether they're a traditional regular, a new prospect, or one of the many — over half — of shoppers who prefer to buy online and pick up in store.

The key factor in allowing brick and mortar retailers to start implementing these data analytics? The advent, rapid development, and widespread adoption of the smartphone. As the smartphone has become embedded into our contemporary culture, all of our behaviours have changed, driving new attitudes to retail — but that's not all it's changed.

The new technological capabilities smartphones carry also allow us to leverage location data and measure those changed behaviours the way analytics tools do. As more and more physical spaces implement digital infrastructure and mobile technologies like wifi networks, bluetooth, mobile wallets, and more, the possibilities just keep opening up.



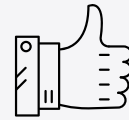
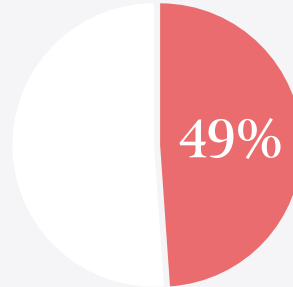
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**9 in 10 smartphone users  
in the United States  
use location services  
on their phones.**



## Bridging the Digital and Traditional

**When surveyed about grocery shopping in-store, 49% of responders would like to be able to use their mobile device in some way. 23% would like the ability to add items from a recipe directly to their shopping list, for example.**



49% of responders would like to be able to use their mobile when they do their grocery shopping

Brick and mortar retailers need not despair — the gap between the digital and the physical is rapidly closing. After leaving a potential \$150 billion on the table in lost revenue by failing to offer adequate personalization in-stores back in 2016, retailers are starting to wake up.

Smart physical retailers can start adding measurement and personalization tools to their store right away, bringing the experiences customers expect to the offline and standing out in their minds.

### Measuring In-Store Activity

Where do people go in your store? Do they linger at the jewelry display? Are there more sales during hours where you're presenting product demos? Is your staff to customer ratio optimized? **How, exactly, are you measuring the activity of your store?**

Possibly the most glaring gap between the digital and the traditional is that of measurement, but it's also the one everything else hinges on. Retailers implementing traffic and people counter tools is just the beginning, but it's vitally important to delivering better, more enhanced customer experiences.

### Using Location Data

When a customer accesses an online store, the site is able to read key pieces of data that include their location and the device they're accessing the site on. Armed with this knowledge, e-commerce retailers are able to automatically push out the most optimized site experience for each individual user. In other words, someone shopping in Canadian dollars on an iPhone will be

seeing a different site layout with different prices than someone shopping in American dollars on a desktop browser thanks to the data collected about them.

Brick and mortar can use location data effectively as well. By engaging with customers on their mobile devices, retailers can ensure that customers are getting seamless omnichannel experiences and give them more of an incentive to come in-store.

## Connecting your Sales Associates

**Customers want to be connected, and they want to feel connected.** In that vein, your sales associates are key tools when it comes to bridging the digital and traditional customer journeys. They're there to drive sales and facilitate customer satisfaction, so give them the power of data analytics. Connecting to the customer when a sales associate is able to see key data about purchasing history, including what and when a customer shops, will lead to much more enhanced personal experiences for your customers.

Purchase history of a given customer, for example, isn't always available to brick and mortar sales associates — and when it is, it's not always presented in a way they can act on. However, if a sales associate can learn what a customer likes to purchase and if their spending habits change during promotions, with a little authorization to give out personalized promotions, customer retention can and will increase.

## Comparing Traditional VS Bridged Customer Journeys

Imagine — a customer walks into a store. They've been there before, but there's a new sales associate on shift with no way of knowing who this customer is or what their purchasing habits are. They find themselves frustrated by the store's layout, and despite entering to buy a specific product, they do not make their way over to that area of the store. In addition, there are no promotions going on, making it hard to justify spending a lot of money at once. They leave, having not made a single purchase.

That's not a very good outcome. Let's try that again.

A customer walks into a store after being alerted to their proximity over text. They've never been to this specific location before, but they've been to another location where they made a

purchase. After they connect to the wifi and give their consent, the sales associates are served their data, including purchase history. Using this, they can see the last time this customer bought something from the store, they did so during a 25% off promotion.

After using purchase history data to make relevant recommendations for the customer, a sales associate offers them a personalized promotion on their items, knowing that 25% off is what sold them the last time. After they leave, their physical journey around the store is recorded and saved for analysis later, so the retailer can make decisions based on movement and flow around the space.

**The customer becomes a regular because the brick and mortar retailer served them personalization, not just a product.**

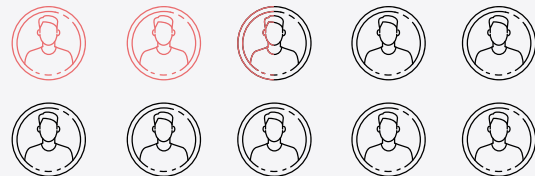
## Handling Data Securely for Customer Trust

Data is a useful tool that can and will lead to better, more optimized stores.

Data is also a point of concern in our connected world; as we integrate more and more of our lives into the cloud, breaches of data security become more and more serious. With 75% of retailers planning to start identifying customers who opt-in over wifi by 2019, data security is going to become even more relevant very soon.

**25% of mobile users reported reluctance to share information to retailers online because of concerns about the retailer keeping their personal information secure.**

**21% reported worry about how the information will be used in the future.**



**only  
25%**

of mobile users reported reluctance to share information to retailers online because of concerns about the retailer keeping their personal information secure.

To that end, relying on collected data for your brick and mortar business can seem risky — why get involved with something people may not trust?



The fact is that people do trust data — they trust well-secured data collection. Honesty has always been absolutely key when it comes to good customer relationships, and our digital age poses no exceptions.

When customers are sure you'll be handling their data in trustworthy ways, **they're more likely to share their data with you, and more likely to share more with you.** An impressive 75% of customers are willing to share their most personal data with brands that they trust. It is key to loop the customer into the data conversation and be transparent — and not just because by making digital security a priority, you'll entice more customers to share their data with you as they know only you will use their data. Compliance should be a part of any strategy — customer trust shouldn't just be a box to check.

When 89% of customers approve of the use of their purchase history data to send them recommendations if they can opt in and out or the recommendations are personalized, you know honesty is what matters, and **it's time to start giving customers what they want** and do it safely, securely, and honestly.

## Comparing Unsecured VS Trusted Brands

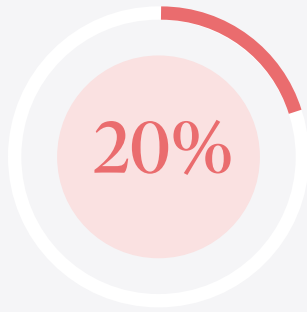
Let's imagine a customer in a store once again. This time, they're a customer who is considering purchasing from a brick and mortar retailer that they've never bought from before. The retailer has set up systems to collect and use data, but the customer does not choose to opt in to the store's system. They make this decision based on a concern for data security that is not addressed when they're asked to opt in to the system, and leave without giving the retailer any valuable data.

While their journey in-store may have been perfectly fine, the retailer has no way of knowing if the data analytics they've set up reflect what that customer experienced. They've created a blind spot in their store's data.

Now, let's imagine a new customer to a store that collects customer data, but is transparent about how and why. When the customer goes to connect to the retailer's wifi for the first time, they're not only asked to opt in to the data collection — the exact ways the collected data will be used, who will see it, and what will be shared are all pieces of information easily available to them, and, knowing the retailer takes transparency and security seriously, they choose to opt in, giving the retailer valuable data about their experience.

## The Impact of Enhanced Customer Experiences

Retail is changing. What customers want out of retail is changing.



Only 20% of consumers surveyed thought that fashion brands are innovating a lot.

Brick and mortar retail is evolving to use the best and most effective ecommerce techniques while also putting forth its unique advantage — the human touch — will ensure it isn't left behind.

Ultimately, retailers need to adapt to serve customers more personally. A whopping 80% of consumers are more likely to patronize companies that are offering personalized experiences!

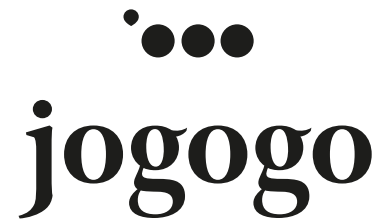
Your customers are connected, and retail, to them, has become mobile. You should be meeting them on their terms and serving up the best experience. It is essential to bring the power and knowledge of ecommerce to the physical space, and most importantly, in the hands of the customer.

By engaging with in-store activity measurement, taking advantage of location data, empowering sales associates with customer data, and ensuring honesty and security, brick and mortar retailers can start to bridge the digital and traditional for enhanced customer experiences that really make an impact.

## About Jogogo →

**Jogogo gives retailers the clarity they need to enhance the in-store experience through data-driven insights, collected digitally in real-time.**

**Ready to enhance your customers' experiences with data?**



Get started with Jogogo!