SAP Customer Experience

Pave Your Way to Personalized Customer Experiences

How to navigate retail marketing challenges and generate more revenue in 2022 and beyond

Retail marketers: all eyes are on you. Your business looks to you to provide new value. Customers rely on you to deliver personalized experiences. A unified, harmonized marketing technology stack can help you meet both sets of increasing expectations.

Customers want . . .
One-to-one personalization, convenience, privacy, data security, and real-time engagements

The business wants . . .
New revenue opportunities, greater customer lifetime value, lower TCO, scalability, and reduced risk exposure

The road map to revenue-generating customer engagement[1]

Business KPIs
- New revenue opportunities
- Greater customer lifetime value
- Lower total cost of ownership

$1.4 T

Key trend
US$1.4 trillion
Spent by companies on their digital transformation efforts in 2020

Digital transformation goals
- Real-time personalization at scale
- Commerce everywhere
- AI for marketing
- Data privacy and security
- Fulfilling customer journeys

5x

What success looks like
- **5x** increase in revenue from omnichannel use cases (in store, in app, and online)
- **18%** increase in purchase frequency
- **58%** churn reduction

Four major roadblocks to retail marketing success

Challenge one:
Marketing must personalize customer experiences
Personalization is a requirement of today's customer experience, but few retail marketers – and the technology they use – have access to the kind of data they need to provide personalization.

Make it personal:
91% of retail marketers say they need more time to get to know their customers as people.[2]

Challenge two:
Marketing is expected to make money
Marketing is now seen as a revenue center, and the ability to make money is increasingly tied to your ability to create personalized experiences.

Personalize for profit:
85% of retail marketers say personalization is important if they want to increase revenue and provide better customer experiences.[3]

Challenge three:
Marketing needs to do more with less
Marketing budgets are at an all-time low, but the demand for driving customer acquisition, retention, and loyalty continues to skyrocket.

Find more focus:
29% of retail marketers say they're responsible for customer experience, brand, digital marketing, CRM, customer retention, and more as part of **just one role.**[4]

Challenge four:
Marketing depends on siloed technology
The data that marketers require for effective personalization is either unavailable or not useful because it is trapped in silos across systems even beyond the marketing department.

Lessen the targeting time drain:
91% of retail marketers say they spend time preparing and segmenting data.[5]

Overcome retail roadblocks by pursuing three critical goals

You don't drive headfirst into a roadblock. Instead, you adapt your habits and navigate around whatever is in your path. By creating new strengths among your marketers and in your technology, your marketing team can overcome a challenge even as it grows larger, shifts, or evolves.

1. Bridge your systems to tap first-party data
Break down silos that separate fragmented tech investments
Create holistic customer profiles that unify data between systems to improve access to permission-based first-party data and form the basis for accurate, relevant customer insights.

Key benefit: Cloud-based technology platforms can help you create these profiles and orchestrate their data across a range of solutions.

BRIDGE

2. Empower your marketers to meet customers' needs
Enable data-driven decision-making
Integrate high-quality tools into a marketing technology foundation to give marketers access to the data they need when they need it. Integrated technology opens the door to automation and intelligence, so your employees are free to focus on more value-added tasks.

Key benefit: Rather than spending time and resources gathering data, marketers can focus on developing ideas and innovating to make campaigns successful.

EMPOWER

3. Build customer relationships that last
Provide customers with a strong value exchange
Strengthen customer loyalty by providing them with value in exchange for their money, time, and data. Leverage the first-party customer data you have to better understand customers – maybe even before customers themselves realize what they want.

Key benefit: With the data to innovate and make better decisions about personalization at their disposal, marketers can build more loyal, long-lasting, and profitable customer relationships.

BUILD

You have arrived at your destination.

Retail marketing transformation

With the right strategy, your retail marketing can transform . . .

- from **data ownership** to **data stewardship**
- from **volume** to **value**
- from **communication** to **conversation**
- from **messaging** to **mentoring**

To learn more, download the IDC report, sponsored by SAP, "Accelerate Business Outcomes and Time to Value: Martech Optimization and Innovation Holds the Key."

1. Gerry Murray, "Accelerate Business Outcomes and Time to Value: Martech Optimization and Innovation Holds the Key," IDC, October 2021.
2.–5. "Retail Roadblocks," Emarsys (now part of SAP), 2021.

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