



Your customer in focus.

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The Connected Customer

Maximising the benefits of performance-driven marketing



Eagle Eye is a leading SaaS technology company transforming marketing by creating digital connections that enable personalised performance marketing in real time through coupons, loyalty, apps, subscriptions and gift services.

Eagle Eye AIR enables the secure issuance and redemption of digital offers and rewards at scale, across multiple channels, enabling a single customer view.

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FOREWORD

Eagle Eye works with leading retail and hospitality operators and brands to help them keep their customers in focus. In this digital age that means delivering performance marketing that enables customer engagement to be both targeted and measured through to the point of sale.

This is why we know it pays to stay ahead of consumer trends in order to anticipate and successfully deliver more of what your customers want. But this is impossible without deriving data-driven insight from customer interactions at every available traditional and digitally-enabled touchpoint on their shopping journeys.

So, we have dug deeper into the data that informed our last white paper, *The Digital Imperative*, to analyse what today's tech-enabled consumers want. This report, *The Connected Customer: Maximising the benefits of performance-driven marketing*, looks at how to keep pace with their rapidly changing expectations.

Consider that consumers are using more digital touchpoints to inform their shopping journey, such as price comparison tools or social media apps: in fact, we found 33% of consumers are comparing prices and availability via mobile while out shopping. But how many retailers can look to capitalise on this opportunity to connect when they are in their stores?

Also, when looking to make the most of such opportunities, how many can also ensure that engagement is targeted to deliver maximum value for the customer and measured to maximise return on investment (ROI) for the retailer and brand? The winners, who can all be characterised as being digitally enabled and data-driven, certainly can.

The likes of Amazon, Alibaba and JD.com are moving offline to capture a full view of the customer's entire online and physical shopping journey. So much so that UK consumers are actually more likely to complete their purchase on a PC/laptop (64%) than in a shop (58%). This means knowing when and how to engage with customers is crucial.

This is why the Eagle Eye AIR platform and promotions, loyalty, app, gift and subscriptions products it powers enable retail and hospitality operators and brands to track engagement and measure sales in real time. They can optimise interaction 'in the now' online and instore, and so maximise the benefits of performance-driven marketing.



Tim Mason, Eagle Eye Chief Executive Officer

EXECUTIVE SUMMARY

If you follow the customer, the headlines indicate they are going digital. In the UK, for example, shoppers spent more money when shopping UK retail sites via mobile than either desktop or tablet in Q4 2018¹.

Our consumer survey results support this: consumers from Australia, Canada, the UK and US were more likely to visit a retail website than a store before making a purchase². Yet, 90% of sales are still completed in a store³.

This calls for an agile approach to customer engagement that includes a consistent direct marketing presence across digital touchpoints and instore. This then drives customer insight to optimise both interaction and ROI.

Digging further into the detail of our consumer survey validates this approach as, while there are some general tech-enabled shopping trends retailers should capitalise on, there is plenty of nuance between markets too.

While this paper illustrates striking consumer differences from market to market, it also highlights that operators and brands need to manage a complex yet consistent, channel-agnostic marketing presence.

When it comes to harnessing DATA, INSIGHT, ACTION and LOYALTY (DIAL) to maximise marketing engagement and ROI, we found customers expect offers by default and ones that can be tailored according to their preferences, purchase history and location, etc.

90% of sales are still completed in a store³

Consumers are more likely to visit a website or app via a PC or laptop (68%) than a conventional store or shop before making a purchase (67%)

FIG. 1

KEY FINDINGS

The main findings of this *Connected Customer* report are grouped into four main areas:

1

Retailers and brands must **follow the customer**. Many now prefer to carry out research online and via mobile before making a purchase. It is essential to enable this using data-driven digital connections.

Generations X, Y and Z are using more channels before purchase⁴ – up to 3.4 per high-value purchase – reinforcing the need for retailers to have a consistent omnichannel presence.

2

Digital customer connections provide invaluable shopping journey data that should be used to **generate insight** into what influences a customer's choice of retailer and/or purchase intent.

Value for money is still the top driver of influence for consumers. But a growing expectation of rewards and recognition can also exert a powerful influence on choice of retailer or brand.

3

Although price and promotions are the main influencers on a consumer's choice of retailer or brand, taking action to **demonstrate added value** doesn't necessarily always have to mean a money-off deal.

Offering a loyalty scheme or some other type of reward that recognises continued custom was the second most influential factor in Australia. This factor was third in the other countries surveyed.

4

Taking effective action that can **respond to customer needs**, preferences and expectations can boost engagement. Use this capability to foster loyalty that boosts sales and frequency.

Relevancy, i.e. something they might want or like, is the most important factor in whether the vast majority (94%) of consumers use a promotion across markets, age groups and gender.

01

DATA

The growing importance of digital customer connections

KEY FINDING: *A proliferation of digital and physical touchpoints make it essential for retailers and brands to support customer shopping journeys consistently along increasingly complex paths to purchase*

Online is overtaking the store for browsing, search and discovery phases, while the store still dominates when completing a purchase. So, establishing consistent digital customer connections across channels is essential.

UK consumers visit two channels before making a purchase, compared to three for consumers in the Australia, Canada and the US

Older age groups (45+ years) are more likely to visit a store and ecommerce site via a PC/laptop before purchase. Research by younger age groups is more evenly spread across store, mobile, rating and reviews websites and social networks.

FIG. 1 THINKING ABOUT THE PRODUCTS AND/OR SERVICES YOU BOUGHT IN THE LAST TWO WEEKS, WHICH OF THE FOLLOWING DID YOU VISIT BEFORE MAKING THE PURCHASE?

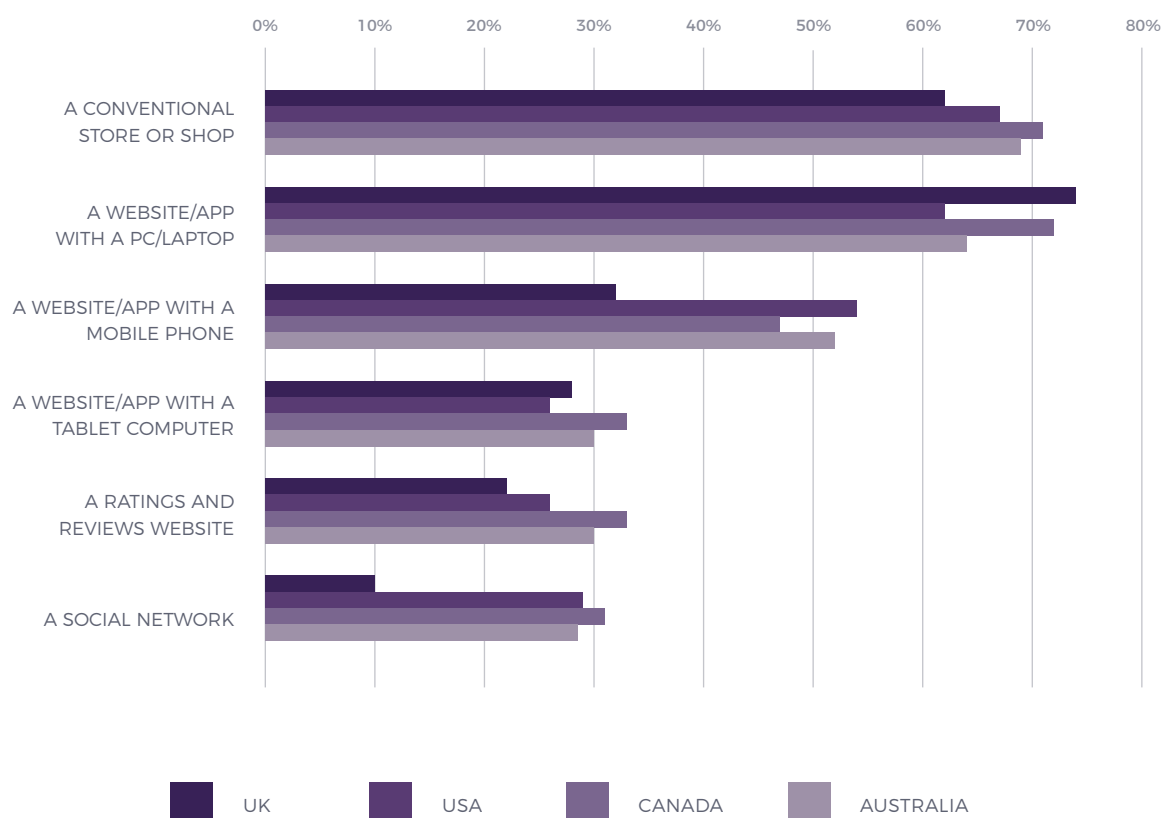
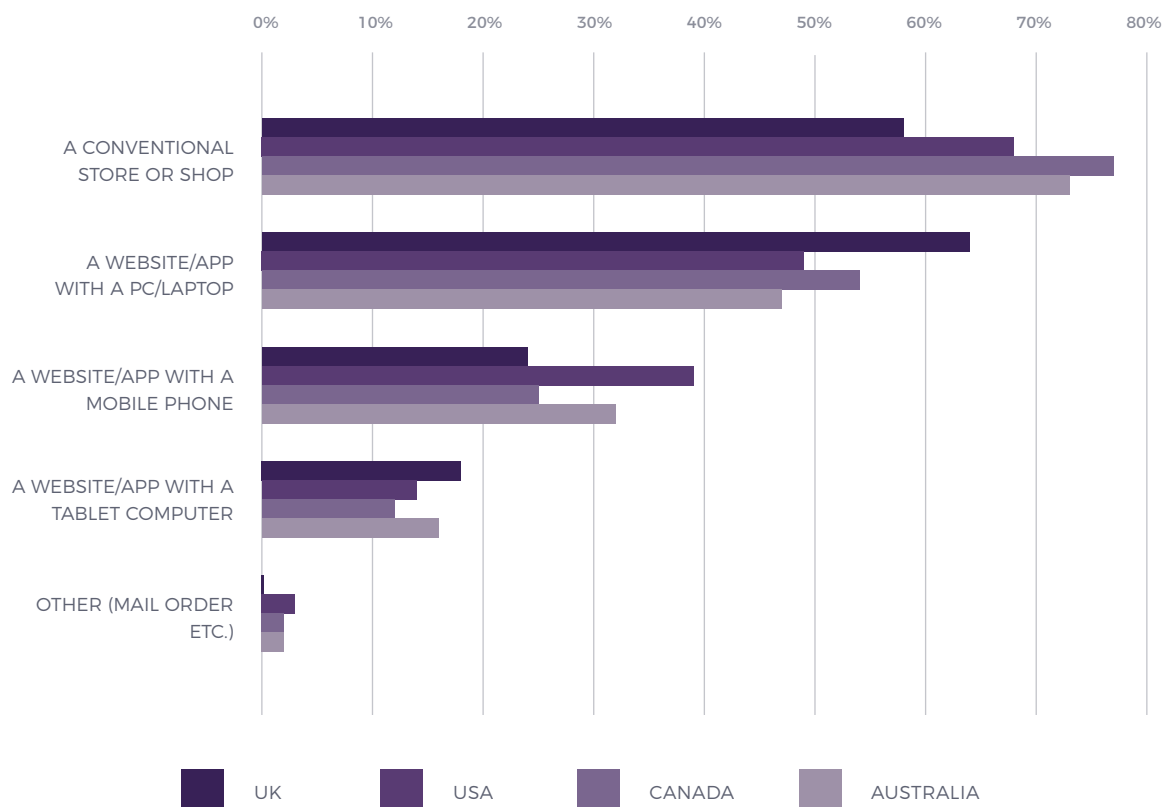


FIG. 2 THINKING ABOUT PRODUCTS AND/OR SERVICES YOU BOUGHT IN THE LAST TWO WEEKS, WHERE DID YOU ACTUALLY COMPLETE YOUR PURCHASE(S)?



US consumers are most likely to say they do all/most of their browsing and purchasing on their mobile (29%)

Consumers in the UK are least likely (10%) to have visited a social network before making a purchase. This compares to 30% in Australia, 31% in Canada and 29% in US.

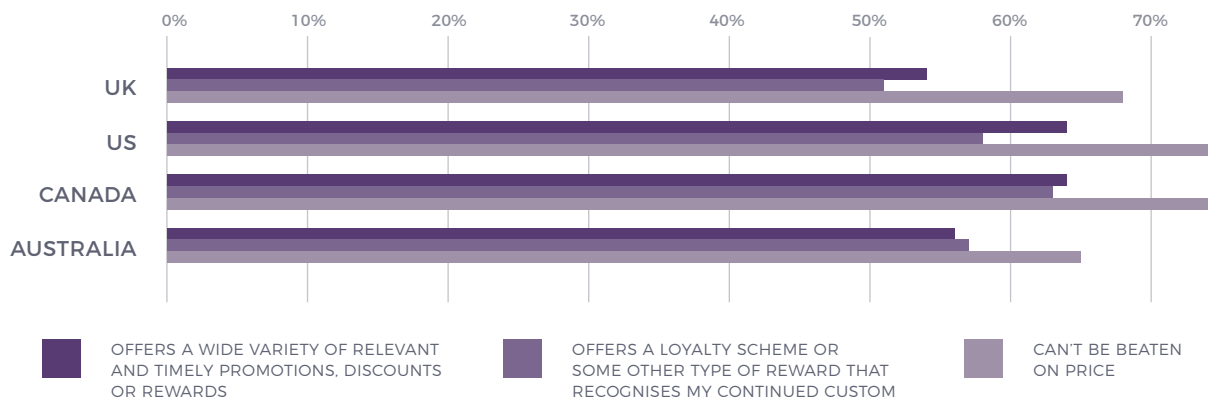
Many consumers now prefer to carry out research online and via mobile before making a purchase. Given this trend, it is imperative to use a consistent digital connection to enhance customers' shopping journeys.

Profiting from a single customer view

Use the data generated from connecting digitally with customers instore, online and via every other digital touchpoint to create a single view of who your customers are, irrespective of how they may choose to engage and shop.

When completing a purchase online, i.e. payment and fulfilment, UK consumers prefer using a PC or laptop to access a website

FIG. 3 WHAT INFLUENCES YOU TO BUY FROM A RETAILER?



The same influencers on choice of retailer featured in the top three by market. But the offer of promotions during the shopping journey and redeeming them online or instore' was the joint third most popular influencer among US and Australian shoppers (58%).

Customer engagement must demonstrate some kind of value. So, any business can use direct marketing, promotions and loyalty to generate insight on what their customers want, and why they're buying what they buy and when.

Only Australian consumers were more likely to be influenced by loyalty schemes or rewards that recognise their custom than other types of promotions or discounts

FIG. 3

CASE STUDY: STRADA DIGITISES PROMOTIONAL STRATEGY AND REACH

Strada is a privately-owned UK chain of branded restaurants specialising in Italian cuisine

- Strada wanted to raise awareness of its brand and increase the reach of its promotional marketing campaign execution in response to changes in consumer demand's and the competitive landscape.
- Strada uses the Eagle Eye AIR platform to issue, manage and track promotional codes sent to customers via email.
- Strada has seen increased customer satisfaction with the email-based digital issuance and redemption processes enabled via Eagle Eye AIR.
- Strada is now looking beyond coupon codes and vouchers to broaden the reach of a recent rebrand through staff rewards, mobile apps and other performance marketing options.

“

We can see where our customers use them, in terms of their location and buying habits, to get an overall picture of our guests' needs,

”

Alice Woodhead, Brand Manager, Strada.

02 INSIGHT

Understanding the importance of relevance

KEY FINDING: Retailers and brands that cultivate digital customer connections can recognise their most valuable customers with targeted engagement that adds value and improves experience and service levels

Research has found that customers who shop across both digital and physical channels spend an average of **4% more** on every shopping occasion in the store and **10% more** online than single-channel customers.⁷

So, digitising the path to purchase is key to engaging customers consistently across channels

Customers want relevant promotions. Connecting with customers consistently using this kind of digital performance marketing marketing can help retailers and brands identify who they are and any common characteristics or preferences they can target to drive increased sales and repeat custom.

FIG. 4 CONSUMERS WHO SAY THE FOLLOWING CRITERIA ARE 'VERY IMPORTANT' IN DECIDING WHETHER THEY USE A PROMOTION

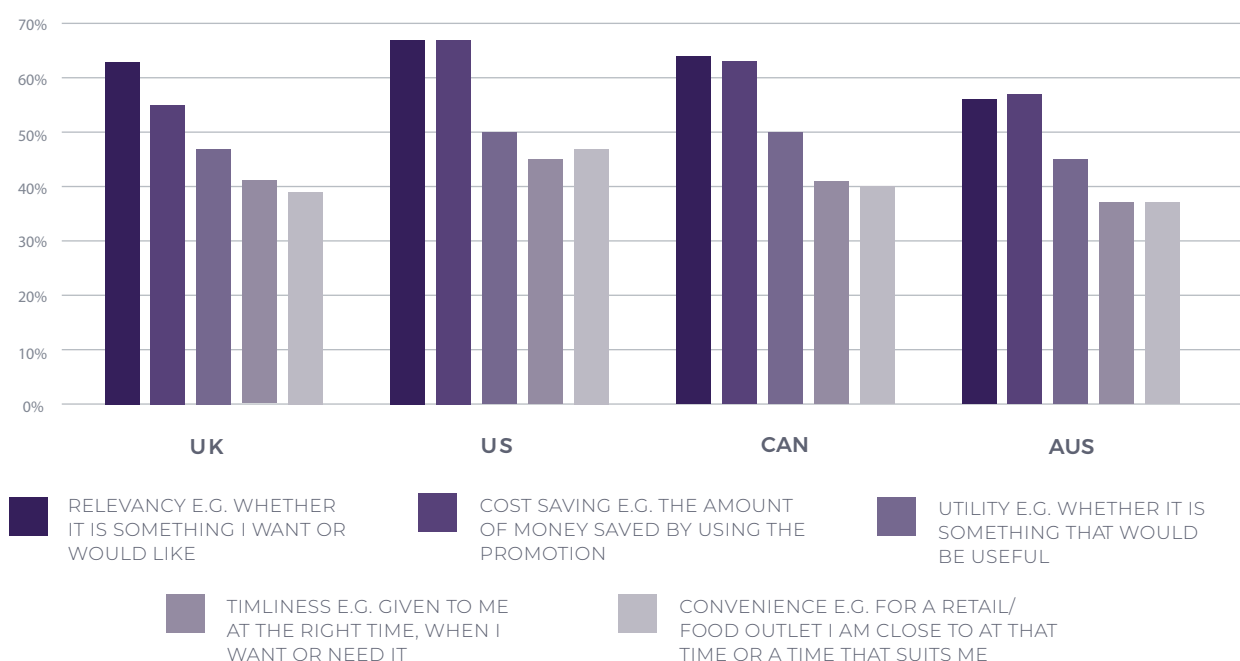


FIG. 5 CONSUMERS WHO COLLECTED OR USED ANY OF THE FOLLOWING REWARD TYPES DURING PURCHASES WITHIN TWO WEEKS OF BEING SURVEYED



Women are more likely to say that promotional relevancy is 'very important' to them than men (65% vs 59%)

Two in five (40%) 35-44-year-olds surveyed prefer receiving a mix of marketing methods, such as digital discount codes or coupons, or via a loyalty card scheme. By contrast, more over-45s prefer loyalty card schemes than under-35s.

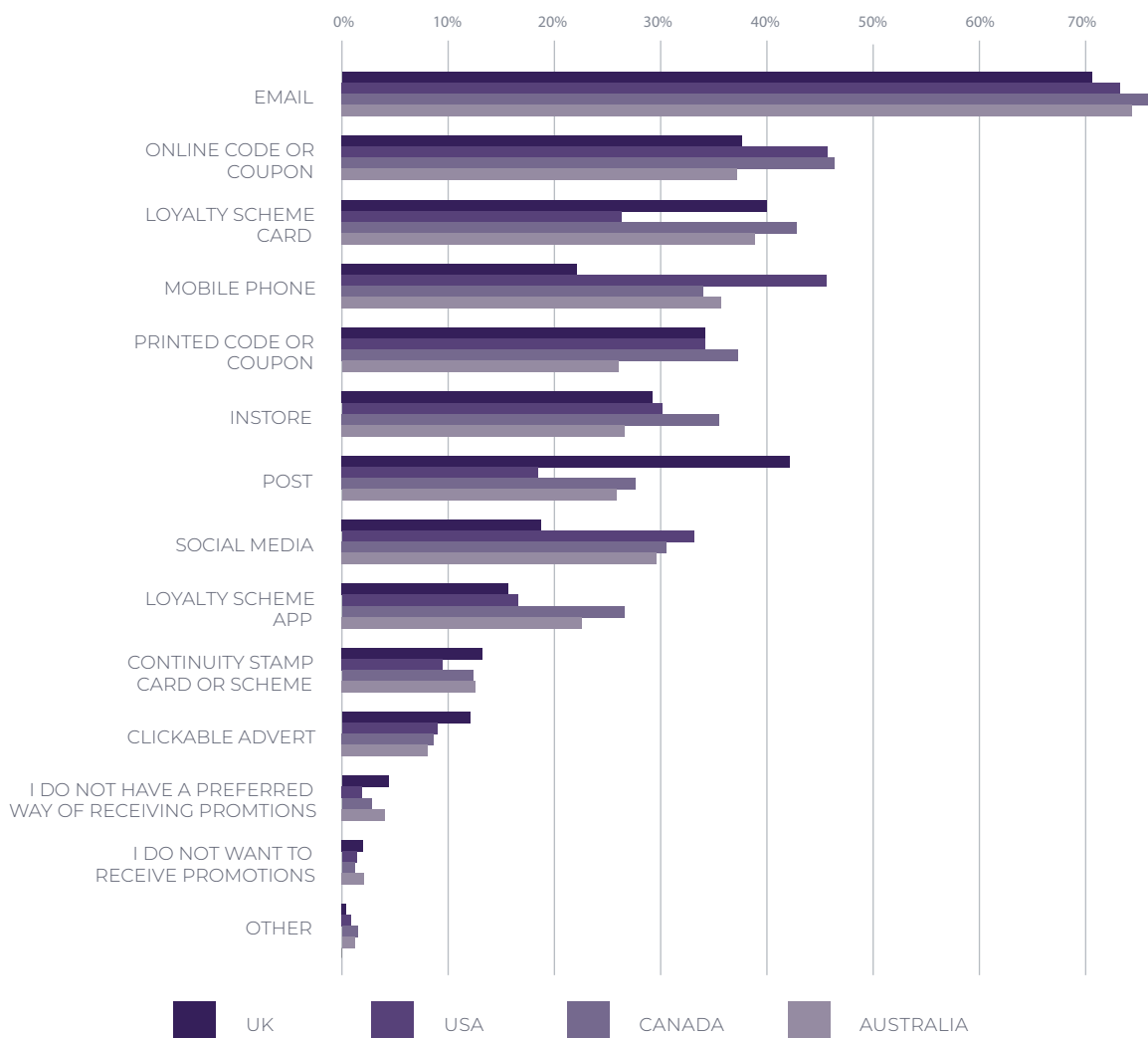
Recognising customers by incentivising and rewarding frequency or some other measure with promotional marketing that is relevant, cost-saving, useful, timely or convenient will maximise marketing performance and ROI.

Real-time engagement that can respond in context to customer needs and preferences with the next-best offer requires having some kind of insight on who those customers are.

Recognising those that are most valuable with relevant promotional and loyalty marketing can incentivise the customer behaviour you seek and develop pre effective acquisition, conversion and retention strategies.

Loyalty schemes or vouchers are the most popular type of reward types among consumers

FIG. 6 CONSUMERS WERE ASKED TO CHOOSE ALL THOSE THAT APPLIED TO THE FOLLOWING SENTENCE: 'I WOULD BE LIKELY TO USE A PROMOTION, IF IT WAS SENT TO ME VIA....'



Managing the impact of what you measure

Promotional delivery method preferences are fairly consistent across Australia, Canada, the UK and US, with email leading on aggregate, followed by online voucher codes or coupons. But loyalty cards, direct mail and clickable advertisements were particularly popular among UK consumers, while the mobile phone was a noticeably more popular promotional delivery option in the US. Loyalty scheme apps were most favoured by Canadians.

Gather and use customer marketing preferences to guide promotional delivery. Aligning delivery methods with different types of promotion can help reinforce relevance and inform more tailored engagement.

CASE STUDY: TESCO CLUBCARD STREAMLINES LOYALTY PARTNER PROCESSES

Tesco is one of the largest multinational UK grocers and its Clubcard loyalty scheme has 17 million members.

- The points-based loyalty scheme historically sent out coupons and vouchers to the value of the points accrued quarterly by direct mail. It worked with Eagle Eye to digitise its Boost partner processes.
- It has increased efficiency and improved Clubcard service by developing a digital channel that allows customers to exchange Clubcard points for vouchers that are redeemable at partner businesses.
- On moving to Eagle Eye AIR, Tesco was able to reduce the time taken to issue vouchers from five days to two hours, improving customer engagement and likelihood of voucher redemption.

“

It provides a quick, convenient customer journey and very seamless redemption instore.

”

Ursula Perry, Product Manager, Tesco Clubcard

- Real-time validation and redemption reporting also enables Tesco to offer Clubcard members more targeted and personalised offers and rewards, and to track engagement levels with these incentives.



03 ACTION

Profiting from a single customer view

KEY FINDING: Retailers and brands must use digital, mobile and social engagement to deliver timely, relevant marketing engagement that takes advantage of proximity and frequency to move beyond transactional loyalty

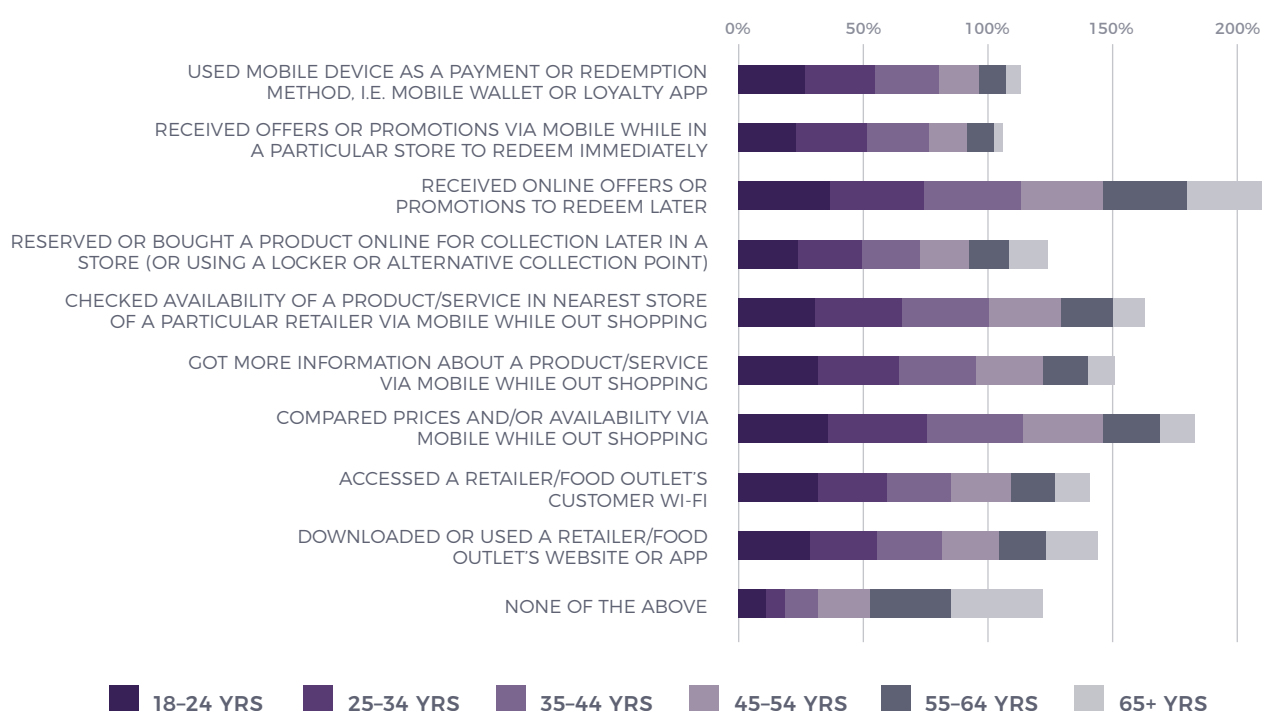
Optimised customer engagement must sense the context of a customer's needs (channel, location, time of day, etc.) to respond with the next-best relevant offer. This also maximises marketing returns online and offline, and at every stage of the shopping journey.

Identifying when to act on insight

Some 42% of 18–34-year-olds and 40% of 35–44-year-olds have compared prices and/or availability via mobile while out shopping recently. This compares to 25% of 55–64-year-olds (Fig. 6) and it supports the need for timely engagement via mobile before, during and after a store visit by target demographic.

Cultivate digital customer connections for marketing engagement with targeted promotional content. Analyse this engagement data to establish a single view of customers in real time, irrespective of channel or touchpoint.

FIG. 7 WHAT SHOPPING ACTIVITIES HAVE YOU CARRIED OUT ONLINE RECENTLY?



Analysing the complex path to purchase

Digital has made the path to purchase a complex one. Over-65-year-olds are the most likely to have bought from a shop (84%) or online on a laptop/PC (52%). (Fig. 7) But this means it is also crowded with digital and physical touchpoints that can represent good opportunities to engage depending on time or customer preference.

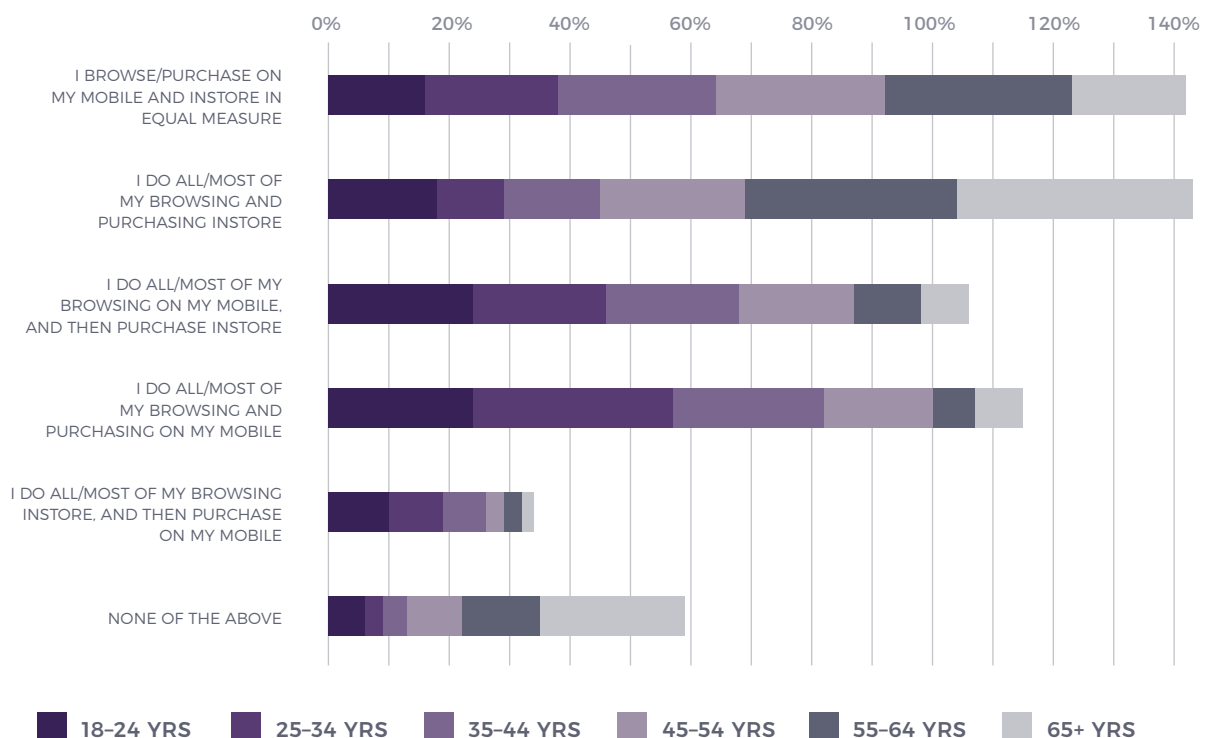
Data-driven insight derived from rewards and offers should be used to optimise customer engagement. Amplify the benefits of digital investments by using a single customer view to infer and respond to purchase intent of the most and/or least frequent customers.

Acting on this kind of performance-driven marketing insight by responding in real time through digital delivery can enable retailers and brands to market to customers “in the now” to ensure relevance and attributable ROI.

Under-35s are most likely to say they do all/most of their browsing and purchasing on their mobile (32%)

Adults aged 45-54 are most split in their preferences for mobile vs. store-based shopping

FIG. 8 CONSUMERS WERE ASKED: “WHICH OF THE FOLLOWING BEST DESCRIBES YOUR USUAL SHOPPING BEHAVIOURS?”

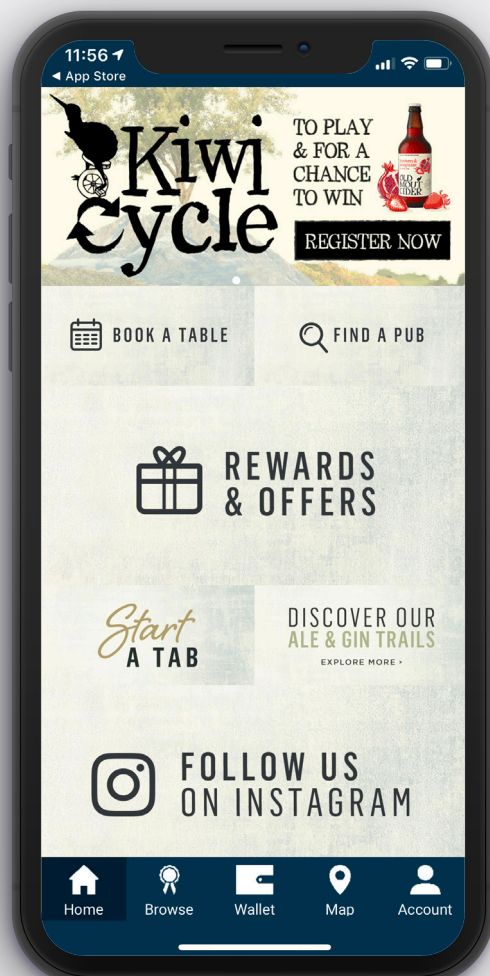


Just over a quarter (26%) of 18-24-year-olds say they do all/most of their browsing via mobile, and then purchase instore. Just 15% purchase on mobile and instore in equal measure and 15% do all/most instore.

Promotions and rewards tie the customer identity back to the sale, to understand who your customers are, and also what they are buying. Align timely delivery with relevant engagement to tap into emotional loyalty.

Use insight on which customers respond best to different types of promotions and rewards to personalise engagement by sales channel, as well as their age, gender, preferences, location, time of day, etc.

While 29% of 35-44-year-olds do all/most of their browsing and purchasing on their mobile, just 2% of over-65-year-olds say this is the case



CASE STUDY: NICHOLSON PUBS MOBILISES CUSTOMER ENGAGEMENT

Founded in 1873, there are now over 80 Nicholson's Pubs owned by Mitchells and Butlers across the UK.

- The launch of the Nicholson's Pubs app was the first pub-based loyalty and rewards app in the UK.
- The app offers various tools such as 'Rewards & Offers,' a digital wallet function and an 'Ale Finder'.
- Nicholson's Pubs is able to deploy push-notifications to directly communicate with their customers.
- The app has enabled it to digitalise rewards, offers and loyalty campaigns, with real-time analytics.
- It also drives customer insight and richer information on customer preferences and purchasing behaviour.

04 LOYALTY

Delivering tangible results through performance marketing

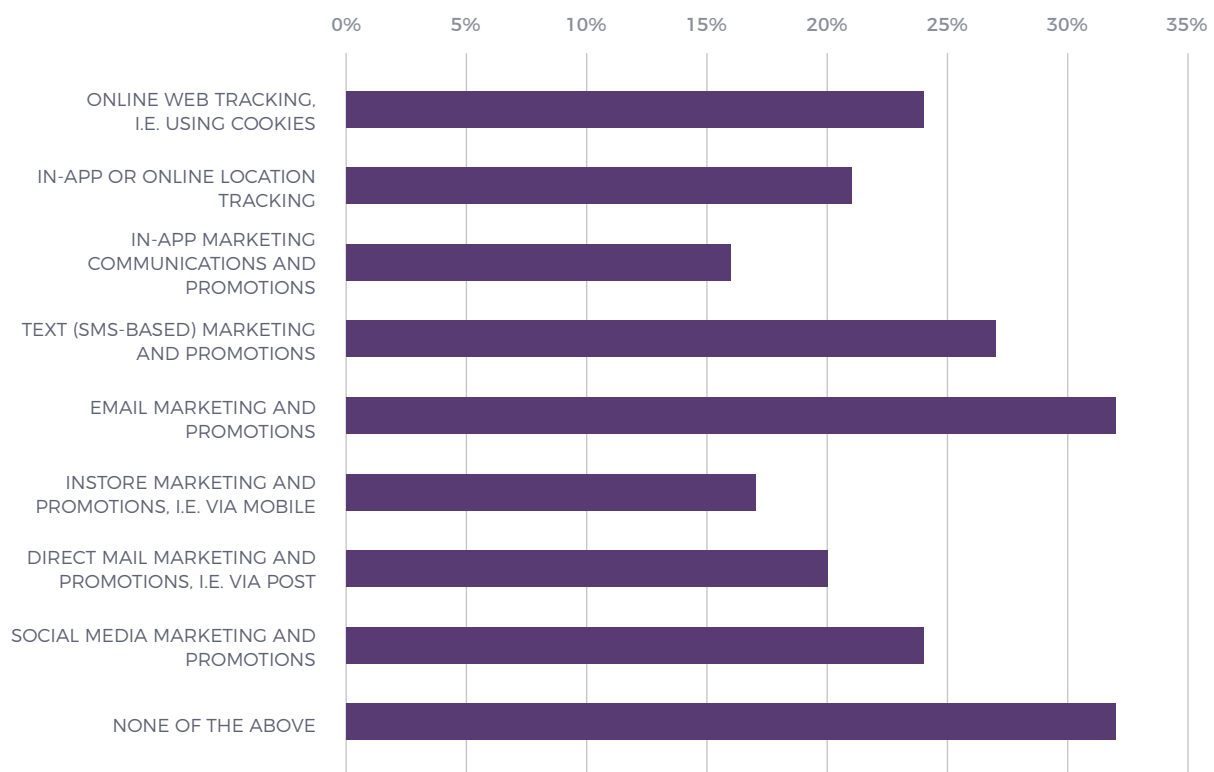
KEY FINDING: *Retailers and brands must use digital marketing insight to personalise real-time engagement that can foster genuine emotional loyalty among their best customers as well as increase sales and frequency*

Traditional mass market, functional reward schemes and promotions can limit engagement opportunities. Key life stages or shopping missions may enable more personalised offers that are relevant, useful or convenient.

Digital performance marketing guides loyalty insight

Although email is a digital marketing mainstay, nearly one third (32%) of consumers surveyed said they had opted out of this form of communication in the last six months.

FIG. 9 THINKING ABOUT THE RETAILERS/BRANDS/COMPANIES PURCHASED FROM MOST OFTEN, CONSUMERS WERE ASKED: "DID YOU OPT OUT OF ANY OF THE FOLLOWING FORMS OF MARKETING COMMUNICATIONS IN THE LAST SIX MONTHS?"



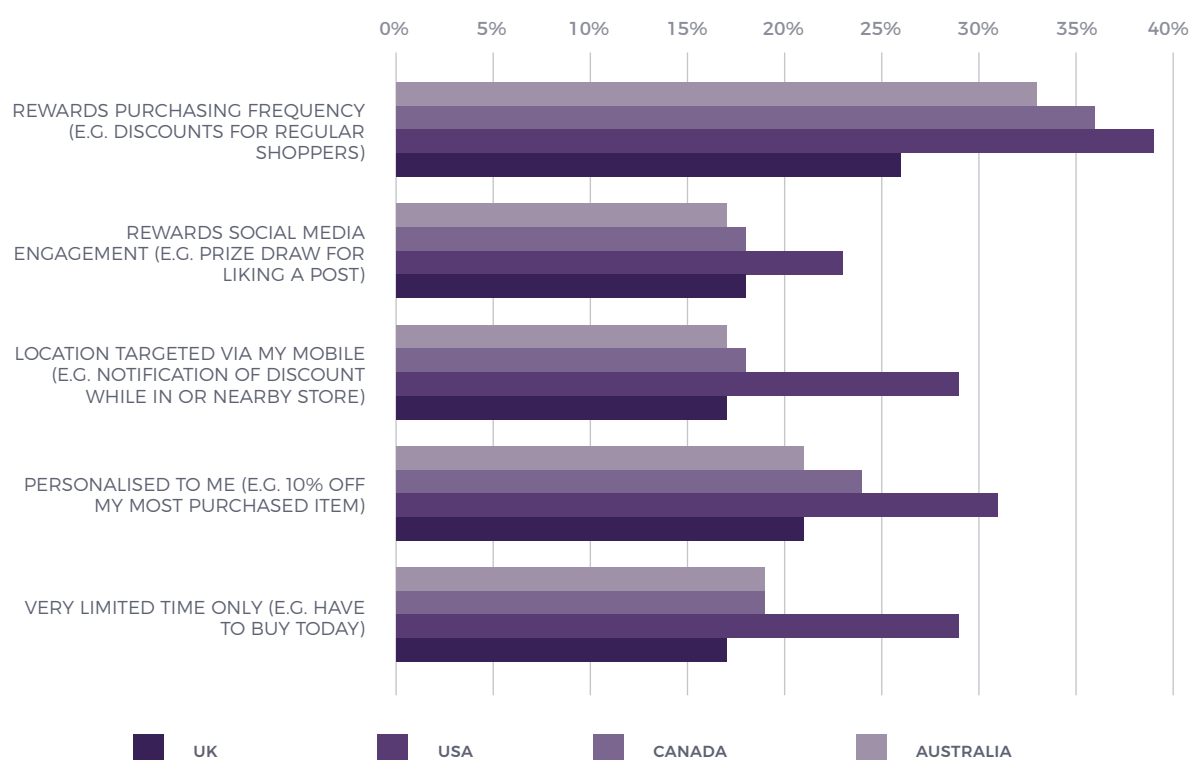
Although 37% also said they would either be 'more likely' or 'much more likely' to opt out of any type marketing or promotions than they would six months prior, almost as many (32%) said they would not opt out of anything they receive from the retailers, brands and companies they purchase from most often. (Fig. 9)

Use promotional marketing and rewards to incentivise repeat visits and purchases. Then create a virtuous feedback loop by encouraging ongoing engagement that is capable of converting the most valuable customers into loyal ones.

42% of 18-24s have opted out of email marketing promotions in the last six months from the brands they use most often

Marketing engagement "in the now"

FIG. 10 CONSUMERS WHO SAID THEY WOULD BE "VERY LIKELY" TO MAKE A SPONTANEOUS/ UNPLANNED PURCHASE, IF ANY OF THE FOLLOWING PROMOTIONS WERE ON OFFER



Promoting frequency, rewarding spend

'DIAL' will become increasingly important in developing marketing communications that can win with customers. Use it to measure and manage the 'give to get' dynamic that influences the sharing of personal data by consumers in response to data breaches and privacy regulations, such as GDPR.

Align promotions with price and availability

25–34-year-olds are the age group most inclined to say they'd be "very likely" to make a spontaneous/unplanned purchase, if any of the following promotions were on offer:

- Very limited time only (e.g. have to buy today) (34%);
- Personalised to me (e.g. 10% off my most purchased item) (33%); and,
- Location targeted via my mobile (e.g. notification of discount while in or nearby store) (31%).

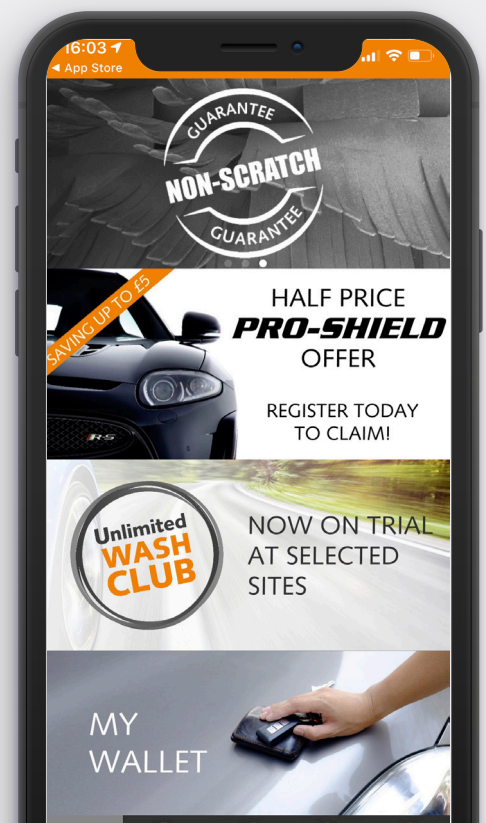
Apply 'DIAL' to digitally-enabled performance marketing execution to ensure relevance and timeliness. It can also track a whether customer's attitudes to marketing and promotions remain positive and favourable.

25–34-year-olds are the age group most inclined to say they'd be "very likely" to make a spontaneous/unplanned purchase,

CASE STUDY: IMO CAR WASH

As the largest, dedicated car wash company in the world, IMO operate over 900 washes across 14 countries.

- IMO launched a 'lapsed customer' campaign to re-engage any who hadn't redeemed mobile coupons.
- Each mobile coupon redemption generated received further SMS coupons for half-price offers.
- The campaign increased coupon redemption rates to nearly 50% and boosted brand engagement.
- It has enabled IMO to engage or re-engage with their wider customer base, significantly increasing footfall and revenues, while raising brand awareness.



CONCLUSION

Maximising the benefits of digital performance marketing

Effective performance marketing supports winning omnichannel strategies. It enables retailers and brands to follow their customers regardless of sales channel or touchpoint and so know them better.

It is no longer sufficient to market to an anonymised customer base. Knowing who your customers are, particularly those who are most valuable, supports strategic decision-making that can enable the business to give them more of what they want.

Measuring and demonstrating value

Acting on this kind of data-driven performance marketing insight with real-time digital delivery can enable retailers and brands to start to use context and demonstrate the use of data with empathy and relevance.

Retailers and brands can create a virtuous feedback loop using performance-driven marketing attribution data. Use this data-driven insight to build the best customer-informed offer that can be continuously optimised to attract, convert and retain the highest value customers.

One third of consumers are comparing prices and availability via mobile while out shopping

90%

of global retail sales are still completed in stores

67%

of consumers visited a retailer's website before making a purchase

94%

of consumers said relevancy is the most important factor when using a promotion

SOURCES

¹ *Capgemini IMRG eRetail quarterly sales index Q4 2018/19*, compiled using data from 210 UK member retailers, 5 March 2019

² Eagle Eye Solutions Ltd commissioned independent market research agency, Atomik Research, to carry out an online survey among 4,013 consumers who had bought products or services in the last two weeks and had not only visited a physical store before making the purchase (i.e. also visited an app, website etc.). The research fieldwork took place between 24th and 28th August 2018. The respondents were from the UK (n=1,003), USA (n=1,002), Canada (n=1,005) and Australia (n=1,003), Total (n=4,013). The agency abides by the [Market Research Society Code of Conduct](#).

³ 90% of global retail sales are still 'completed' in stores, which includes reservations or purchases made online but fulfilled from a physical retail location. See the latest US Census Bureau data as an example [here](#).

⁴ Consumers were asked: Rate how important (i.e. from Very important, Important and Neutral to Not important) these criteria are in deciding whether you use a promotion? Relevancy, e.g. whether it is something I want or would like; Utility, e.g. whether it is something that would be useful; Timeliness, e.g. given to me at the right time, when I want or need it; Convenience, e.g. for a retail/food outlet I am close to at that time or a time that suits me; or, Cost saving, e.g. the amount of money saved by using the promotion.

⁵ Consumers were asked: Did you collect or use any of the following rewards during your purchases in the last two weeks? Loyalty scheme points and/or voucher; Membership scheme, voucher or discount; Continuity stamp card, e.g. buy 9 and get the 10th free; Digital discount code or voucher; Paper coupon; or, None – I did not collect/use any rewards.

⁶ Google CEE and IPSOS consumer survey, based on data from 4,200 consumers, [Think With Google](#), June 2018

⁷ *Study of 46,000 Shoppers Shows That Omnichannel Retailing Works*, [Harvard Business Review](#), 3 January 2019

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