Seventh Annual Online Retail Holiday Readiness Report

Industry Benchmark Analysis and Best Practice Guide to Maximize Holiday Returns
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Trends in online shopping

A prosperous 2014 holiday season appears to be in store for US online retailers. Shopping on retail websites continues to grow at a double-digit pace. Average order value (AOV) and items per order both rose to record highs over the past year. Soaring usage of smartphones and tablets has made online shopping accessible to consumers anytime, anywhere. Yet the holiday season presents just as many risks as opportunities. Paths to purchase are more convoluted and unpredictable than ever as consumers interact through mobile devices, email, advertising and social media. Consumer attention as reflected in such metrics as average time on site and page views per session sank to new lows over the past 12 months. So did the overall conversion rate.

Retail marketing teams are challenged to navigate a fast-changing landscape and adapt to consumer demand for a personalized, consistent omni-channel experience to capitalize on continued strong growth in online shopping. US online retail spending in Q4 2013 was up 10.3 percent year over year, according to IBM Digital Analytics Benchmark data. Though the growth rate declined, it’s still robust and in line with figures from leading industry researchers.

Forrester Research, for instance, projects a compound annual growth rate of nearly 10 percent for US online retail through 2018, when average annual spend per buyer is expected to exceed $2,000. Much of that growth will be driven through mobile devices, which command an ever-greater share of online sales and site traffic — particularly during the peak holiday season.

For instance, US sales over mobile devices on Black Friday 2013 leapt nearly 43 percent year-over-year, to 21.8 percent of all site sales. Cyber Monday 2013 saw similar gains, with mobile sales up more than 55 percent from the previous year to 17.2 percent of total online spending. As mobile grows, retail marketers need to assess their results between smartphones and tablets, and Apple devices versus competitors, to make the most of the mobile channel.

You’ll find detailed analyses of key mobile metrics in this seventh annual IBM Online Retail Holiday Readiness Report, based on data aggregated from IBM Digital Analytics Benchmark. This guide is also packed with insights across more than two dozen metrics to help you understand trends and adapt for the best returns:

- Average order value and items per order reach new peaks
- Mobile continues its upward surge; social lags
- Consumer attention dwindles to new lows
- Cart abandonment hits a new high; conversion dips

Figure 1: Despite a dip, US online retailers saw robust 10 percent year-over-year growth as of Q1 2014.
This report also highlights best practices and technologies to help you better understand customers, optimize the mobile experience and execute successful digital and omni-channel marketing that leverages real-time and historical customer insights for one-to-one interactions that drive revenue and long-term brand loyalty.

In preparing this guide, our goal is to help online retailers and e-commerce executives formulate powerful programs and strategies to take this holiday season head on.

About IBM Digital Analytics Benchmark

Data in this report is based on IBM Digital Analytics Benchmark, a cloud-based service that captures online marketing results and commerce data from approximately 800 contributing US retail websites. The industry’s only peer-level self-service benchmarking solution enables IBM customers to measure performance against the competition in anonymized, aggregated form. IBM Digital Analytics Benchmark comes standard with IBM Digital Analytics at no additional cost.
Average order value and items per order reach new peaks

Reflecting growing strength in online retail and a recovering economy, AOV and items per order both reached new three-year highs in our reporting period. AOV of $132.71 in November 2013 is up more than 9 percent from the same month two years earlier. Though AOV dipped from November to December 2013 to $122.46, that sum is 13 percent higher than December 2011.

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>% Change 2011-2013</th>
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<tbody>
<tr>
<td>November</td>
<td>$121.38</td>
<td>$125.48</td>
<td>$132.71</td>
<td>+9.3%</td>
</tr>
<tr>
<td>December</td>
<td>$108.39</td>
<td>$113.91</td>
<td>$122.46</td>
<td>+13.0%</td>
</tr>
</tbody>
</table>

Table 1: AOV is up significantly in the holiday season over two years.

In the mobile space, retailers saw significantly different AOV depending on whether shoppers were using a smartphone or a tablet. In November 2013, tablet users averaged $124.16 per order, nearly 15 percent higher than smartphone users at $108.34. The larger real estate and ease of use of tablets are clearly conducive to online shopping, compared to smaller smartphones.
Meanwhile, users of Apple iOS devices (i.e., iPhone, iPad, iPod) outspent their Android peers in AOV by a whopping 37 percent in November 2013—$121.48 vs. $88.98.

**November 2013 mobile AOV**

<table>
<thead>
<tr>
<th>By device type</th>
<th></th>
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<tbody>
<tr>
<td>All smartphones</td>
<td>$108.34</td>
</tr>
<tr>
<td>All tablets</td>
<td>$124.16</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>By operating system</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Android devices</td>
<td>$88.98</td>
</tr>
<tr>
<td>Apple iOS devices</td>
<td>$121.48</td>
</tr>
</tbody>
</table>

*Table 2: Tablet and iOS users have significantly higher AOV.*

The items per order metric shows generally steady if modest gains over the 12 months ending in March 2014, with the 5.5 items per order in September 2013 a new three-year high. Though less pronounced than increases in AOV, trends in items per order suggest that consumer confidence and willingness to spend is on the upswing.

**Figure 3: Items per order are up modestly throughout most of 2013-14.**

**Conclusion:** Increases in AOV and items per order suggest that retailers are doing a good job in streamlining online shopping, making it easy to find desired items and providing a rewarding brand experience that inspires spending. As consumer confidence grows, greater focus on personalization and cross-sell recommendations will position merchants to further strengthen customer relationships and capitalize on a penchant for ordering and spending over the web.
Mobile continues its upward surge; social lags
Mobile continues to command an ever-greater share of online shopping. Sales over smartphones and tablets crested to a new high of 19.1 percent of all site sales in December 2013, up more than three-fold from December 2011. Mobile site traffic, meanwhile, reached a record 38.2 percent in March 2014, more than double the rate of two years earlier. IBM data analysis concludes these figures will continue to rise, with mobile accounting for more than 20 percent of site sales, and more than 43 percent of site traffic, in November 2014.

For online retail, not all mobile devices are created equal. Websites see more traffic from smartphones than tablets — 23.8 percent for smartphones and 13.6 percent from tablets in March 2014. Yet consumers make more purchases over tablets. In March 2014, 11.5 percent of site sales were over tablets, versus 5.0 percent over smartphones. Conversion is also higher on tablets at 2.7 percent compared to 0.8 percent on phones.

Figure 4: Mobile sales and site visits rose to new highs in our reporting period.

Figure 5: Traffic and sales differ between smartphones and tablets.
Among devices, Apple is the leader by a large margin. Apple iPads and iPhones accounted for 13.6 percent of site sales in March 2014, far ahead of the 2 percent of sales over Samsung, LG, HTC, Motorola and Nokia devices combined. Similar disparity is seen in site traffic, with Apple devices driving 25.3 percent of site visits compared to 9.6 percent for the aforementioned competitors.

In terms of operating systems, the Apple iOS is far ahead of the competition in site traffic, at 25.3 percent versus 12.5 percent for Android and 0.5 percent for Windows in March 2014. This disparity is especially pronounced given that Android had 50.6 percent of the U.S. smartphone market in Q4 2013, compared to 43.9 percent for iOS and 4.3 percent for Windows, according to the research consultancy Kantar Worldpanel.

In sales, iOS devices accounted for 13.6 percent in March 2014, with Android at 2.9 percent and Windows at 0.2 percent. Apple devices and iOS also fared better than Android in conversion and single-page bounces. Despite the gap in market share between iOS and Android, Apple device users are clearly more inclined towards online retail browsing and purchasing.

Figure 6: Apple devices lead the mobile pack by a large margin.

Figure 7: Android and Windows lag in mobile traffic and sales.
Social channels remained an underwhelming source of site traffic, with just 0.9 percent of visitors arriving from Facebook, Pinterest, YouTube and other social channels in March 2014, and accounting for 0.2 percent of sales. Compared to the mobile channel, social lags in conversion, the bounce rate, page views per session and time on site. These low numbers are unsurprising as social visitors are often eager to return to the social experience after a diversionary and unplanned “curiosity click” on retail content.

Mobile fares significantly better than social, as mobile users frequently head to a retail website with intent. Yet both mobile and social lag behind all channels combined on key metrics, as illustrated in Table 3.

**Conclusion:** As mobile’s share of online retail climbs, merchants will benefit by scrutinizing performance by device type and operating systems to better focus their investments in site optimization, mobile apps and analytics. Though social’s numbers may appear low, retailers should recognize the brand enhancement value that attends relatively modest social investments. Impression attribution technology enables retailers to account for the “view-through” impact of social presence and better measure top-line results from social marketing.
Consumer attention dwindles to new lows

Online retailers continue to see across-the-board declines in consumer attention metrics, triggered in large part by the growth of mobile users making quick and abbreviated visits to retailer sites. Average time on site sank to a new low of 7:09 in September 2013, about a minute less than was recorded two years earlier, though it rallied during the November-December shopping season to nearly 7:40.

Page views per session similarly hit a new bottom of 6.93 in March 2014, about two fewer pages than in the month in 2012. On one hand, lower time on site and page views per session can be attributed to “surgical shoppers” who are quickly finding the products they need and checking out. Yet for some retailers, a subpar shopping experience and weaknesses in cross-sell and content recommendations may exacerbate the tendency of busy browsers to click away to a more enticing option.

Meanwhile, the bounce rate rose to 34.5 percent in October 2013, a new high and substantially above the 28 to 29 percent rate seen two years earlier. Mobile clearly plays a role in declining consumer attention, as smartphone users in particular click away in a hurry unless a site is optimized for the small form factor of their devices.

Figure 8: Consumer attention metrics show steady decline over three years.
A close look at attention metrics among mobile users reveals several disparities. Tablets clearly outperform smartphones in time on site and the bounce rate—with the tablet bounce rate slightly lower than the rate of all channels combined in March 2014. Apple iOS device users had a notably lower bounce rate compared to Android, at 37.2 percent to 45.1 percent. Yet the margin of difference in time on site is small at just 14 seconds, which is a bit surprising given the large difference in AOV between iOS and Android.

**Conclusion:** Consumer attention metrics may never return to their heights of six or seven years ago, but retailers can take practical steps to deliver a personalized and rewarding shopping experience that translates into more time on site and page views. Customer experience management technology is helpful in identifying the reasons why shoppers drop off, enabling corrective action to site problems that can cause lost revenue. Useful content, such as how-to guides and user forums, can increase engagement and brand appreciation. Optimizing for mobile, ensuring good site navigation and testing site changes in A/B models are sound measures to enhance the visitor experience.

### March 2014 mobile attention metrics

<table>
<thead>
<tr>
<th></th>
<th>Average time on site</th>
<th>Bounce rate</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>All smartphones</td>
<td>3:29</td>
</tr>
<tr>
<td></td>
<td>All tablets</td>
<td>6:02</td>
</tr>
<tr>
<td></td>
<td>Android OS devices</td>
<td>4:15</td>
</tr>
<tr>
<td></td>
<td>Apple iOS devices</td>
<td>4:29</td>
</tr>
<tr>
<td></td>
<td>All digital channels</td>
<td>7:12</td>
</tr>
</tbody>
</table>

**Table 4:** Tablets outperform smartphones in time on site and single-page bounces.
Cart abandonment hits a new high; conversion dips

Continuing a trend of recent years, shopping cart abandonment continues to worsen, reaching a new high of 72.1 percent in July 2013 — up substantially from 67.9 percent in the same month of 2011. Mobile may play a role here, with smartphone users in particular disinclined to execute a purchase after carting items. Other shoppers may use shopping carts as a wishlist, carting items for future consideration and driving up the abandonment rate.

Retailers that don’t display shipping charges up front may find that shoppers cart an item to check shipping charges only to end their session, especially if shipping is too high. Limited payment options, coupon codes that don’t work and forcing customers to create an account rather than checking out as a guest can also aggravate cart abandonment.

Conversion rates are lagging, sinking to a three-year low of 2.5 in September 2013. The November 2013 conversion rate of 2.6 percent is 11 percent lower than the same month two years earlier.

As for conversion by channel, direct load is highest at 3.2 percent as of March 2014, driven by shoppers visiting a site with the purpose of making a purchase. Paid search, in second place at 2.8 percent, shows its effectiveness in enticing browsers with highlighted ads and content. With conversion at 2.5 percent, marketing through email, display ads, mobile push notifications and other means is doubly as effective as traffic from referral sites. Strong conversion rates for marketing and paid search are further indicators of successful marketing promotions.

Mobile and social, which overlay direct load, marketing, paid and natural search, and referral channels, come in at 1.6 percent and 0.8 percent respectively for conversion. Both marketing and paid search percentage of traffic and conversion rates rose in November/December 2013, showing that retailers are doing a good job promoting deals during the holiday season.
Conversion rates by channel

<table>
<thead>
<tr>
<th>Channel</th>
<th>Conversion Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct load</td>
<td>3.2%</td>
</tr>
<tr>
<td>Paid search</td>
<td>2.8%</td>
</tr>
<tr>
<td>Marketing</td>
<td>2.5%</td>
</tr>
<tr>
<td>Natural search</td>
<td>1.5%</td>
</tr>
<tr>
<td>Mobile</td>
<td>1.6%</td>
</tr>
<tr>
<td>Referral sites</td>
<td>1.2%</td>
</tr>
<tr>
<td>Social</td>
<td>0.8%</td>
</tr>
<tr>
<td>Overall conversion</td>
<td>2.5%</td>
</tr>
</tbody>
</table>

**Table 5:** Direct load and paid search were most effective for conversion, while social was the least effective, in March 2014.

**Conclusion:** Despite efforts to streamline checkout, many retailers don’t take full advantage of retargeting cart abandoners with email prompts, mobile push notifications and product-specific or brand display ads. These techniques are proven to trigger return visits and revenue that would otherwise have been lost. While some of the unwelcome trends in cart abandonment and conversion may be attributable to fickle consumers with an array of options, retailers should redouble efforts to ensure checkout optimization as customer expectations for a top-caliber shopping experience continue to rise.
Best practices

The time is now for your retail organization to marshal resources and devise strategies to make the most of the 2014 holiday season, avoiding the pitfalls highlighted in IBM Digital Analytics Benchmark data and capitalizing on growth in the mobile channel, AOV and items per order. The following section offers practical guidance in five key best practices areas:

- Understand your customers
- Optimize the mobile experience
- Focus on digital marketing
- Measure your impression-based investments
- Step up to omni-channel marketing
Understand your customers
If you knew your customers as well as their family and friends, you would know their needs and interests. You’d have a good idea of what would make the ideal holiday gift. Marketers seldom enjoy such first-hand and intimate knowledge of customers. But today’s groundbreaking technology makes it possible to garner actionable insights and understand customers from the data they generate in their interactions with your brand, over time and across channels.

In fact, 55 percent of consumers surveyed by IBM said they expect retailers to use purchasing and behavioral data to offer relevant promotions. Meanwhile, 40 percent of consumers say they purchase more from retailers that deliver a personalized, cross-channel shopping experience, according to a survey by the e-tailing group, a Chicago-based researcher.

Achieving deeper insights into customer interests and behavior is job number 1 for marketers who want to increase customer engagement and drive revenue. A foundational layer of actionable understanding is key to delivering offers and content as unique as your customers and cultivating profitable brand relationships. To make this happen, empower your marketers with hands-on tools that improve productivity and reduce internal costs.

Flex your digital analytics. The digital channel is rich in data from customer interactions. IBM Digital Analytics gives you a single customer view across multiple touchpoints and device types that can be segmented to fuel personalized marketing. For example, device pathing capabilities let you explore device interaction sequences leading to conversion to better target individual customers by their preferences.

Shorten digital sales cycles. Digital marketers have based web analytics largely on single-session clickstream data, tying conversion to the customer’s last marketing touchpoint. The issue is that most conversions occur only after multiple days, visits and interactions. IBM Digital Analytics Lifecycle is the industry’s first application geared to enable online marketers to track and understand how customers progress through long-term conversion lifecycles.

Implement channel mix modeling. Attributing accurate return on investment and optimizing digital channels to improve efficiency and campaign results is a high priority for digital marketers. IBM Digital Analytics measures campaign attribution to understand true campaign contributions and the combined effect of multiple marketing touchpoints. Unlike other analytics tools, IBM attribution is integrated across 25 distinct metrics.

Figure 10: Pathing in IBM Digital Analytics illustrates interaction sequences, across time and devices, leading to conversion.
Optimize the customer experience. Many marketing teams labor along with an outdated, rear-view look at drop-offs in site performance. IBM Tealeaf Customer Experience Management enables you to go beyond the “what” of website activity to understand the root cause “why” behind site issues to proactively deliver a superior customer experience. IBM Tealeaf solutions provide visibility and insights that are critical to improving conversion and customer retention.

Derive insights from social media analytics. Though social conversion may be low, the channel is critical to brand awareness. Businesses are using the power of social media to gain a better understanding of their markets. However, they need deep analytics expertise to transform this data into actionable insight. IBM Social Media Analytics can help you harness social data to identify new patterns and trends for your product development team, to protect your brand image and micro-segment customers to refine marketing campaigns and to improve the overall customer experience.

“The customer experience insights that we are getting with IBM Tealeaf are invaluable, and they are helping us to make deep improvements to our e-commerce sites.”

— Luc Behar
Digital Experience and Performance Director, Air France
Optimize the mobile experience

As validated by IBM Digital Analytics Benchmark data on the phenomenal growth of mobile traffic and sales, smartphones and tablets present marketers with a tremendous opportunity to engage consumers virtually anytime and anywhere. Yet mobile introduces new complexity that needs to be solved before marketers can fully capitalize on the channel. The stakes are high, as the caliber of the mobile experience you offer will impact customer impressions of your brand and interactions across all channels.

Mobile can’t be treated as a standalone channel — it needs to blend with web, email, social and other channels to maintain a cohesive and consistent dialogue with your customers and seamlessly improve customer interactions with your brand. Quantitative and qualitative mobile analytics are key foundational elements to make the most of opportunities for mobile site optimization, mobile apps, SMS text messaging, mobile push notifications and personalized emails and recommendations.

Leading organizations are seeing clear benefits from their mobile investments. Nearly two-thirds (62 percent) of leading marketers are using mobile channels to engage with customers, compared to 43 percent of all others, according to IBM’s annual State of Marketing study. Those leaders are 1.9x more effective in location-based targeting and 1.8x more effective in mobile messaging campaigns, the study found.

Analyze your mobile traffic. Marketers need to stay on top of the constant fluctuations in mobile usage as new devices and operating platforms emerge. IBM Digital Analytics lets you track key metrics by device type (smartphone, tablet, gaming console, etc.), device manufacturer and model, operating system and more. Understanding traffic and paths to purchase is essential to prioritizing your mobile investments for the greatest returns.

Understand the “why” behind mobile. Go beyond quantitative analytics of mobile traffic and sales to identify and explore the “why” behind issues that cause mobile users to struggle to accomplish tasks. IBM Tealeaf CX Mobile gives you a qualitative view of your site as mobile users experience it to zero in on critical drop-off points in navigation or checkout, gain insight on how customers are interacting with touch-screen devices and identify successful tactics that can be extended elsewhere in mobile engagement.

Engage with timely mobile messaging. Timing is of the essence in marketing to mobile users. IBM Mobile Customer Engagement (formerly known as Xtify) gives marketers capabilities for mobile app push, alerting users of relevant content and offers based on customer segments, triggering events and locations. Mobile web push spotlights personalized content on mobile, tablet and desktop websites. Along with the most advanced selection of location-based targeting and segmentation tuned to the mobile experience, these tools help retailers improve mobile sales, drive in-store traffic and deepen customer engagement.

Ensure attractive emails. Consumers rely on mobile devices for email communications, not just texting. An email a consumer opens on a smartphone might not be opened again over a laptop. An email rendering tool such as IBM Email Optimization helps ensure that your emails display attractively on any mobile device (as well as desktop and web mail interfaces). IBM’s tool also enables you to measure email performance on mobile devices and track whether they’re delivered to an inbox or spam folder, and opened and clicked through.
See the complete mobile experience through the eyes of your customers

- Real-time Experience Capture
- Discover “why” customers succeed or fail
- Automatically detect customer struggles, obstacles or issues
- Drill down into actual user behavior, complete with gestures
- Translate customer feedback into actionable improvements
- Correlate customer behavior with network and application data

“With Tealeaf as our right hand, we can recapture even the smallest interaction each customer made and quickly make actionable business decisions based on the problems our customers face.”

— Shane Irons
Manager, Motorcycle Superstore

Figure 11: IBM Tealeaf CX Mobile lets marketers identify key activity drivers and assess trends over time.
Focus on digital marketing

Today’s customers don’t think in terms of channels. But many marketers do, in part because they rely on siloed systems for email, mobile, social, on-site recommendations, search and display ads, and more. Dissolving those analytic and marketing execution silos to deliver a relevant and consistent brand experience across all channels is a key to winning wallet share among empowered consumers awash in competitive and channel options.

Personalization defines success in digital marketing. Leveraging a deep understanding of customer behavior and interests, effective personalization can be synchronized across all channels and adapt instantaneously based on consumer response. IBM digital marketing solutions deliver real-time insight into consumer interactions to enable relentless marketing optimization — automatically making a personalized, relevant offer, every time, anywhere.

Top marketing teams are far more effective through the use of such techniques as adjusting real-time offers based on context and using optimization technology across channels. Along with cross-channel integration, these techniques dramatically improve the performance of personalized recommendations, email marketing and display ad targeting.

Target product and content recommendations. Retailers routinely net double- and triple-digit revenue lift by recommending products on e-commerce websites and via email. IBM solutions for product and content recommendations can help you guide the customer journey, with extensibility for use in physical stores, call centers, in-store point of sale and social media. A strategy of pervasive personalization across channels allows retailers to meet consumer expectations, aligning marketing dialogue and product offers with their unique interests.

Retarget with email and display ads. Retailers can’t afford to let browsers slip through their fingers after site visits or carting merchandise without conversion. IBM AdTarget lets you serve up brand or product-specific display ads to browsers after they’ve left your site, driving return traffic and conversion. IBM LIVEmail makes it easy to remind abandoners of goods they’ve left in a shopping cart, while recommending related cross-sell products and offering incentives.

Extend to the mobile channel. Capitalize on consumer mobility with personalized messaging through smartphones and tablets. IBM Mobile Customer Engagement lets you deliver dynamic mobile push content through mobile apps or mobile sites with customizability to customer behavior, location, language, segments, time zones and frequency. These capabilities enable marketers to communicate with their mobile consumers, providing them with relevant content, offers and alerts wherever they are.

Figure 12: Marketers can tailor interactions by an array of attributes with IBM Mobile Customer Engagement.
The IBM [Content Recommendations] solution gives us a very powerful way to personalize the online experience for each reader, dynamically and in real time.”

— Steve Matthewson
Managing Editor, BDFM Publishers
Measure your impression-based investments
Display ads and social media presence are valuable investments in building your brand and driving revenue. These vehicles contribute to direct load site visits, with a conversion rate of 3.2 percent, the highest of all channels. Direct load also accounts for the greatest percentage of site traffic, at 46.5 percent in March 2014. But, their value goes beyond direct clickthroughs. As with other types of advertising, it is important to measure both direct response and brand awareness delivered by the ad. This is typically measured by the number of times the ad was viewed, commonly referred to as the number of impressions.

Understanding the impact of unclicked assets, or impressions, is important to making informed choices on your budget and marketing mix. IBM Digital Analytics Impression Attribution reveals the business impact of impression-based marketing to help guide your strategic decisions. With impression attribution, you can evolve beyond simplistic and frequently misleading first- and last-click attribution models for a comprehensive view of marketing performance across channels, including syndicated videos, blog posts, micro-sites and more.

Assess your social media results. As illustrated in IBM Digital Analytics Benchmark data, directly measurable returns in traffic and conversion from Facebook, Pinterest, Twitter, YouTube and more tend to be low. Impression attribution gives you a broader picture of how your social fans and followers behave, with insights into downstream visits days or even weeks after exposure.

Understand display ad performance. Clickthrough on generic display ads is typically low. Consumer interaction with retargeting ads is better, but doesn’t account for the value of ads that serve as something of a highway billboard. Marketers gain insights into the value of their display advertising that goes beyond clicks to account for subsequent interactions on a website or email.

Optimize budget allocations. Analyzing impression performance by attributable metrics such as sales, conversion events, page views and unique impression viewers illustrates business impact and supports data-driven decisions on budgets and marketing mix. With impression attribution, you gain insights that can help avoid misinformed decisions to cut funding to an ostensibly underperforming program that may in fact be a significant contributor to profitability.

“How we deliver actionable insights to business users was science fiction 10 years ago—now it’s fact.”

— Matthew DiAntonio
VP, Business Analytics, Carbonite
Step up to omni-channel marketing

Consistent messaging across all channels is a hallmark of marketing success in our age of the connected and empowered customer. As IBM Digital Analytics Benchmark data shows, consumer attention is in decline; shoppers use multiple devices for different purposes and at different times, and expect a seamless experience regardless of touchpoint. Retailers can fall out of favor fast with inconsistent and contradictory communications.

Suppose, for instance, that a customer buys a $1,000 leather couch at a retail store. Several days later, she orders matching pillows from the same retailer’s website. In her order confirmation email, the customer finds an offer for a $200 discount — on the same couch she bought in the store. Interactive omni-channel marketing means moving beyond siloed communications to unified, personalized engagement at every interaction, from websites to physical stores, call centers, mobile apps, social media and more.

The ideal approach intelligently orchestrates outbound and inbound communications based on past and real-time customer behavior. IBM gives marketers the ability to adapt on the fly to customer response, inviting conversion or making a predetermined next-best offer over channels of the customer’s preference. With a single customer portrait from a unified data foundation, you’re ready to put insight into action to deliver the right message at the right time through the right channel.

Embrace in-store personalization. Mobile devices and in-store web terminals or kiosks have cleared the way for retailers to equip personnel and systems for personalized engagement in the brick-and-mortar arena. Modernizing traditional “personal shopper” service can help retailers combat declining store sales and showroombing practices. Tablet-toting associates are positioned to recommend complementary or alternative goods, recognize loyalty program members and check inventory elsewhere if a store is out of stock on a product.

Scale across channels. IBM’s omni-channel marketing optimization capabilities can help you target thousands or millions of individuals in an integrated, automated framework. You don’t need a legion of marketers and IT personnel to succeed. IBM marketing customers typically report double- and triple-digit gains in productivity because of ease of use. Marketers have hands-on control and flexibility to scale hundreds of campaigns far more efficiently that ad hoc approaches.

“We know the future is about building an even more intimate one-on-one relationship with every customer. We need to understand them, make the right decisions and dialogue with them wherever they engage us.”

— Mark Holmes
CIO, Orvis
Make the holiday season profitable

With months to go before the holiday season, retailers have an opportunity to implement the processes and best practices needed to differentiate themselves and excel at customer acquisition and retention. The competition is tough — every holiday season, retailers devise ingenious campaigns and tactics that send consumers en masse to their websites. With strong growth in online spending, rewards await those retailers that understand their customers and put insights into action with personalized and engaging campaigns orchestrated across channels.

Happy selling!

For more information
To learn more about IBM ExperienceOne customer engagement solutions, please contact your IBM marketing representative or IBM Business Partner, or visit the following website:
http://www-01.ibm.com/software/marketing-solutions/experienceone/

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