

CONQUERING CUSTOMER ENGAGEMENT

Personalized offers and digital communications are key to keeping shoppers engaged *By Tammy Mastroberte*

THANKS TO TECHNOLOGY, connecting with customers is easier than ever before, whether it's through loyalty programs, text messaging, social media, geofencing or in-app notifications. The flip side of this, though, is that consumers are getting inundated with messages from retailers and other brands vying for their attention, and it's easy to get lost in the mix or lose a customer's attention — especially if the messages are not relevant to them.

"If I never drink coffee, why would you send me an offer for a free coffee," said Jeff Hoover, data insights strategist for convenience store brands at Paytronix, a loyalty program provider based in Newton, Mass. However, if I bought an energy drink two months ago but have not purchased it again, sending a message about that might drive me back into the store."

While email has been a popular way for retailers and marketers to engage customers, this area is so saturated that most people don't open emails anymore, noted Hoover. In fact, a 20- to 25-percent open rate is on the high end, meaning 75 percent of customers are not opening and seeing the messages. As a result, many retailers are moving to mobile and in-app messaging; customers today are more open to this form of communication than in the past.

At Double Quick, a 48-store convenience chain based in Indianola, Miss., the company discovered its customers wanted to communicate through an app. Last fall, Double Quick launched a campaign where customers could text a number and receive an offer. The chain sent follow-up messages to the people who opted in, asking if they would like to receive offers and if so, the ways they preferred to receive them. App was a top response.

"We asked if they would like to receive offers through an app and the overwhelming number of people who said yes drove us to create one," Vicki Goss, director of marketing, told *Convenience Store News*. "We were surprised by the number of responses because we are in an economically depressed area, but people are using apps for other things, too."

Surveying customers is one of the most effective ways to uncover what they really want, rather than what the company thinks the customers want, according to Goss.

"Everybody has a cellphone no matter where they live — in a rural area or a city — and when looking to see how an organization can best serve them, they are looking to technology," she added.

In the past, Double Quick used social media and in-store events to connect, but recently the retailer turned to its point-of-sale provider Pinnacle Corp. and selected its Pinnacle Loyalty Rewards and Affiniti Cloud Consumer mobile app solution. This is integrated with Pinnacle's Darius for Retail, allowing Double Quick to collect data to create personalized marketing strategies and promotions.

"Customers opt-in through our Wi-Fi connection and we can send targeted emails or texts customized to the customer," Goss explained. "They get a unique shopper ID, so we can identify them and what they are purchasing. The Darius piece is housed within the app, so customers can opt-in to the app and get offers, or they can opt-in for email and texting."



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When customers download the app, they are asked if they would like to be part of the Quick Path loyalty program, and customers who opt-in to the Wi-Fi connection get an email asking if they would like to download the app.

Providing Value

No matter which method a c-store retailer chooses, the most important thing to engage customers and keep them interacting with your brand is to offer value. Whether the goal is to get them to opt-in to a loyalty program, receive text messages or receive in-app notifications, offering customers something in return for their opt-in will help drive adoption. The same goes for keeping them engaged — there must be value provided in exchange, according to Hoover.



“The value has to be there and you can usually see a correlation between participation and the value provided,” he said. “Customers want immediate value and ongoing value, and when it comes to loyalty programs, the first step is getting people to join. Offering a registration reward or a reward for downloading the app creates stickiness right away.”

When Double Quick sent its survey asking how customers would like to receive offers, the chain gave a buy-one, get-one offer immediately at the end of the survey. Goss shared that they are planning to launch

grand prizes each month for new opt-ins to the program.

Providing value should also be the goal when engaging customers via social media. While promoting specials and offers for a brand is part of all social media marketing, posts of this type should be limited, cautioned Brad Plowman, spokesperson at FUEL Marketing, an advertising agency based in Salt Lake City.

“Customer engagement can be tricky,” Plowman said. “We apply the 80/20 rule on social media engagement with customers, with 80 percent of the content being informative, entertaining, funny or personality driven, while 20 percent should be promotional. If the consumer has chosen to follow or like a company’s social media page, the best engagement comes from providing content that makes them want to return.”

One advantage c-stores have when it comes to customers’ needs is the sale of gas, and the emotional connection customers have to gas pricing. Sending offers for 5 cents off gas is a way to emotionally tie into their needs, according to Hoover.

“With our loyalty offerings, we are doing more geofencing so when a customer gets within a certain radius of the store, say one mile, we can send a message saying, ‘There is 3 cents off gas in your account, so you can get a gallon a gas for X right now,’” he explained.

Make It Personal

If c-store retailers want to keep customers engaged with their content and communications, then focusing on offers relevant to them and their buying habits is crucial. Customers want to receive meaningful offers and value from interacting with a brand. Thanks to today’s loyalty programs and other engagement platforms, data is helping retailers to deliver just that.

“In order for our new program to work, we want to focus on unique offers based on what we know they are buying,” Goss said of Double Quick’s loyalty program and app. “We also don’t want to offer what other c-stores are offering.”

Engagement and the level of personalization continues to evolve as well, allowing retailers to drill down to the individual customer level. What started as sending everyone the same offer then evolved into segmenting customers into five or six buckets and today, data can be segmented down to each individual customer, noted Hoover.

“We can now look down to the personal level and find the right offer for the right individual,” he said. “If a customer comes into the store more frequently than they purchase gas, then sending them an offer to spend \$25 in-store and get 10 cents off gas might not be as meaningful.”

In addition to purchase behavior history, a customer’s visit frequency is another way to set parameters. C-store

retailers can create “visit challenges,” Hoover suggested. For example, if a customer visits a store less than four times each month, the challenge would be to send them offers and get them up to five or more visits the next month. If someone comes in three times a month, the goal would be to get them to four times — and this would be done by sending them relevant offers, he explained.

C-store operators, however, must be aware of the frequency at which they reach out to customers, and it should depend on the level of interaction that customer already has with the brand.

For example, create one segment for customers who visit two or three times a month and another segment for those who visit two or three times a week.

“Customers visiting daily would be more open to messaging once or week or even more, whereas those who visit once a month might get overwhelmed and

opt-out,” Hoover warned. “It’s important to talk to your frequent customers more often and the less frequent customers less often, but make the communication relevant.”

Messaging someone in real time while at the pump outside the store is another way to engage in a relevant way. This can be done through geofencing, or through a loyalty system when they swipe a card. Once the system recognizes they are there, a relevant message can be sent.

“If we recognize they are there and that they have not come into the store in the past 30 days, we can send them an offer to get them to come in,” Hoover pointed out.

He encourages c-store operators to get involved with digital technology when it comes to engaging and communicating with customers, rather than waiting for customer participation rates to increase. There is a learning curve and now is the time to jump in, he said.

“You have to push the envelope into these new areas. You can’t just send out emails,” he explained. “The open rates are tanking, and people don’t respond to brands the way they used to with email. The opportunities now are with the digital technology.” **CSN**



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