



CONVERTING STORES INTO A COMPETITIVE ADVANTAGE: **6-STEP PLAYBOOK**

How Top Brands Are Applying Local Context To Drive Traffic
And Conversion Across Both Online And Brick & Mortar

Today's technology has created a world in which consumers can custom-design their experiences, from a hotel minibar pre-stocked with gluten-free treats to a Netflix playlist curated for film noir fans. Context is now king. Consumers have come to expect tailored goods and shopping experiences on demand.

To deliver just that, savvy retailers need to leverage their biggest asset amid the digital revolution: **the store.**

Tapping into layers of geolocation-based data and signals around their brick-and-mortar stores — from weather patterns and hot products to nearby events like a basketball game — is critical to delivering local, contextually relevant shopping experiences to consumers' mobile devices.

It makes sense. While e-commerce has no doubt redefined the retail landscape, the store is where most of the magic still happens. Indeed, 91% of retail sales take place in brick-and-mortar stores, which generate higher conversion rates than digital channels.¹

The physical store also remains the heart and soul of the brand experience, as a living, breathing indicator of a local retail market and consumer trends. It's one of the reasons why pure-play online merchants from Warby Parker to Bonobos are now racing to open physical stores.



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1. Retail TouchPoints, Retail Vs. E-Commerce Trends: [A Match Made In Heaven](#)

LEVERAGING 'MICRO-MOMENTS'

No matter what touch point they are accessing at any given moment, “Consumers want consistent, valuable experiences everywhere, be it at home, in the car or in a store,” according to Oliver Chen, retail analyst with Cowen & Company, in a report. “Customization plus localization equals meaning for the consumer.”²

For retailers, reaching today's shopper calls for monetizing their “micro-moments” via local contextual data. In the many micro-moments that take place throughout the day, consumers look to their connected devices for a variety of needs, according to a Google/Harvard Business Review report.³

These include,



“I WANT TO KNOW:
Specific information on an infinite variety of topics and products;



I WANT TO GO: Where to head, and when, for an activity or to find a particular product; and

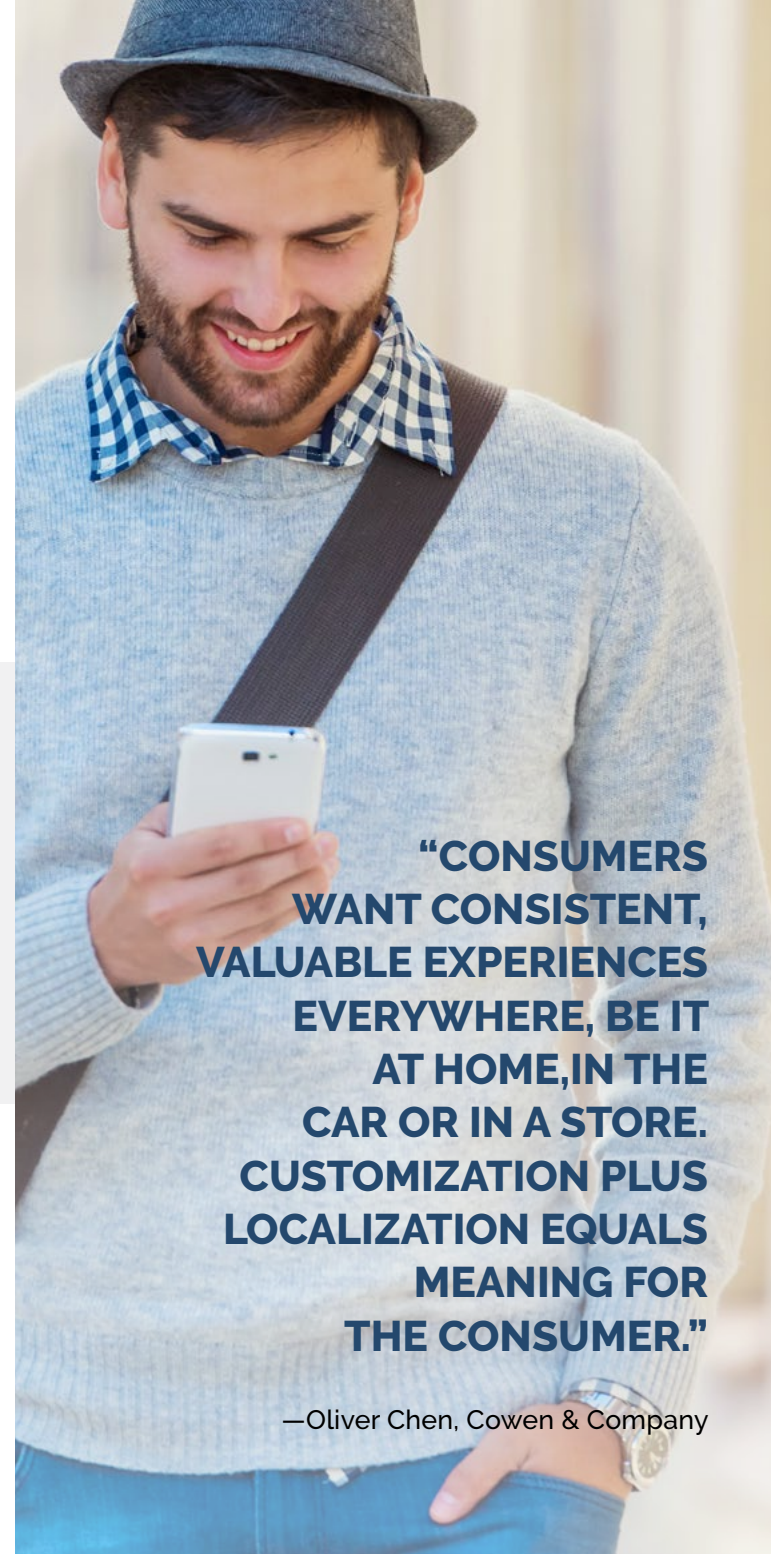


I WANT TO BUY: Purchases, opinions, facts, deals, and comparative information on products and services, even while standing in a store.”

Forward-thinking retailers are taking heed, matching local contextual data to consumers' micro-moments to deliver relevant shopping experiences that speak to an audience of one. This E-Book will outline six ways retailers are applying local context to drive traffic and conversions across both online channels and brick-and-mortar stores.

2. Cowen & Co., *ShopTalk 2017: Data and Mobile Revolution Is In Early Stages*, March 2017

3. A Harvard Business Review Analytic Services Report, *Micro-Moments And The Shopper Journey*, November 2015



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—Oliver Chen, Cowen & Company

CONNECTING CONTEXT TO CHANNELS

Retail success today is tied to listening to the dynamic signals surrounding cross-device, cross-channel shoppers throughout their day, and maximizing them at the right time and place to turn browsers into buyers.

For omnichannel retailers, connecting context to retail channels means delivering shopping experiences that link consumers' digital and physical footprints to local contextual data, including local browsing behavior, store sales data, weather patterns, social trends, local events and more.

That retail nimbleness is critical given that 73% of consumers use multiple channels during their shopping journey. Desktop computers, mobile devices and the physical store are all stops along their path to purchase.⁴

4. Harvard Business Review, [A Study of 46,000 Shoppers Shows That Omnichannel Retailing Works](#), January 2017

RETAIL SUCCESS STORY

Sports retailer **Zumiez** set out to drive increased store traffic and sales of its sports-related apparel, footwear, equipment and accessories.

Via the Radius8 cloud platform, the teen-focused retailer is shifting to a contextualized online shopping experience reflecting local data across its 650 brick-and-mortar stores. By combining shoppers' geo-location, store-specific inventory feeds and data based on

local online browsing behavior, such as the hottest-selling jeans in a particular store, Zumiez can deliver a tailored digital presence for each store that mirrors the trends and dynamics of the store's local market. This provides its teen shoppers, whose purchasing decisions are heavily influenced by the opinions of their peers, a digital glimpse of "what's trending now" in-store, be it white-checkered skate shoes or a gold analog watch.

LEVERAGING THE STORE ACROSS DIGITAL CHANNELS

Although consumers shop across multiple channels within a single transaction, many retailers still operate in separate physical/digital silos. To keep in step with shopper buying patterns, merchants need to provide a natural blend of online and offline experiences at a local level with a seamless, contextually relevant shopper journey that bridges the digital/physical divide.

They're doing so by bringing the local store to life online via a digital "walk through the store." One way to accomplish this is to provide item-level visibility into the location of merchandise, bridging the information gap between the shelves of the store and

the connected consumer's device. The result is a virtual view of a curated local store assortment that reflects a proactive approach to merchandising, allowing customers to "shop the store" from anywhere.

For retailers, enabling a digital version of the physical store is becoming table stakes, as most shoppers, notably Millennials, the nation's biggest buying group, and their younger counterparts in Generation Z now use their smartphones as in-store personal shopping assistants.⁵

5. Retail TouchPoints, [*More Than 90% Of Consumers Use Smartphones While Shopping In Stores*](#), August 2015

RETAIL SUCCESS STORY

GUESS launched a technology platform that forged a direct connection from any consumer's digital device to the physical store that's nearest them. Instead of forcing shoppers to hunt through a retailer's site to find whether an item is available at their local store, Radius8 created an on-demand digital window into each of the 450-plus GUESS stores, offering instant access to inventory and

store-exclusive deals. The solution also enabled the fashion retailer to market, merchandise and promote store-specific products and events in real time, responding to local trends and preferences. Leveraging local contextual data online has paid off for GUESS, driving more traffic to its stores while boosting online conversions, according to the retailer.

MONETIZING MOBILE

Across the globe today, mobile devices dominate total minutes spent online; it's at 71% in the U.S.⁶

Mobile devices are upending the traditional shopping funnel. Smartphone shopping has created a “new front door to the store,” according to Google: 82% of shoppers say they consult their phones on purchases they're about to make in a brick-and-mortar store.⁷

But although mobile is increasingly dominating the retail search and discovery process, it's not closing the sale. Indeed, there's a disconnect between heavy shopping-related mobile device usage and low mobile conversion rates.

Retailers are now stepping up efforts to monetize mobile by wooing always-connected consumers with relevant and contextual

shopping experiences that are informed by location and situation awareness. Brands can produce mobile offers that reflect market intelligence — time of day, weather conditions, local browsing behaviors — and also are informed by shoppers' on-the-go micro-moments, from a suburbanite doing his supermarket shopping on a Sunday morning to a city dweller who has been caught in a hailstorm walking to her weeknight Zumba class.

Retailers are discovering that they can catalyze conversion by turning a consumer “desire moment” into a “buy moment” via contextually relevant local store data sent to a consumer when it's most needed. For retailers, localization boosts sales, as locally relevant shopping experiences eclipse blanket promotions.⁸

6. ComScore, [Mobile's Hierarchy of Needs](#), April 2017

7. Think with Google, [5 Ways Consumers Connect To Stores With Mobile Shopping](#), February 2016

8. Zumiez, [Zumiez Employs Radius8's Retail Cloud Platform Adding Local Context to Boost In-Store and Online Sales](#), March 2017

RETAIL SUCCESS STORY

A city dweller exiting a coffee shop is greeted by pouring rain. In that moment, she turns to her favorite retailer's app or web site on her phone. The site features the season's “must-have” designer rain boots along with other products relevant to the current weather, like complementary umbrellas. The rained-on shopper's urgent need for

this item can be fulfilled at a store five blocks away. The retailer's local, contextually resonant mobile content creates an intuitive, frictionless experience for the consumer to find time-sensitive items that are in stock and available for pickup at the store nearest to them.

SUPERCHARGING SOCIAL

Social shopping efforts like Facebook Commerce and Twitter buy buttons have, so far, largely been a bust. But as younger generations account for a bigger piece of the consumer buying pie, that's poised to change. In the U.S., 77% of Generation Z are interested in buying on social, be it Instagram or YouTube, according to Accenture.⁹

And approximately 50% of Gen Z and Millennial consumers use social media while they shop, with 61% posting on Facebook, followed by YouTube (38%) and Instagram (24%).¹⁰

Retailers can monetize organic social media traffic on sites such as Facebook by giving their local physical store a digital voice. They can capitalize on consumers' growing intent to purchase via social networks by delivering locally relevant experiences, like the ability to browse the inventory available at their nearby store on a Facebook or Pinterest shoppable storefront, and reserve an item for pickup without ever having to leave their social network.

9. Accenture, *Gen Z And Millennials Leaving Older Shoppers And Many Retailers In Their Digital Dust*, 2017

10. HRC Retail Advisory, *The Emerging Generation Z Powerhouse*, Fall 2016

RETAIL SUCCESS STORY

Radius8 created a shoppable storefront on the existing Facebook page of **G by GUESS**, the retailer's Millennial/Generation Z-g geared spin-off. Customers who visit the page organically can now browse the product assortment at their local G by GUESS store, get the scoop on what's currently "trending in store" — be it a black tank top at a store in Orlando or a bomber jacket at a Jersey City location—without having to leave the social media experience.

A "shop this store" tab takes consumers to a photo gallery of items available at their local store, lists the number of items left in stock and provides the option to "reserve now." The page also features a list of nearby stores, store hours and directions.

TRANSFORMING BOPIS INTO A 'PRE-SHOP' EXPERIENCE

As a general proposition, Buy Online/Pick Up In-Store (BOPIS) options are leaving shoppers cold. A survey found that only 31.6% of customers describe their BOPIS experience as “smooth.”¹¹ And retailers’ BOPIS programs have them leaving money on the table: 65% of customers view BOPIS as merely a way to skirt online shipping costs.

These uninspired BOPIS strategies have resulted in retailers squandering a rare gift these days: shoppers’ in-store presence.

Merchants can instead maximize that presence and upsell shoppers by making BOPIS less transactional and more experiential. They can turn in-store pickups into personalized pre-shopping opportunities with perks like “reserve online.” Retailers also are directing shoppers to additional merchandise to complement their BOPIS purchase.

Getting this right is critical for retailers today. That’s because multichannel shoppers spend more than single-channel consumers and generate a higher customer lifetime value for merchants.

11. Retail TouchPoints, [*Less Than One Third of Shoppers Call BOPIS A ‘Smooth’ Process*](#), January 2017

RETAIL SUCCESS STORY

A department store’s data revealed that its digitally minded shoppers also liked the tactile experience of touching and trying on merchandise before committing to a purchase. With that in mind, the retailer launched “shop and reserve,” which lets consumers hold items online at their preferred store. After reserving online, the store texts

the customer when the items are found. When the shopper arrives at the store, she is welcomed to a dressing room with her name on the door, filled with the reserved items. This scenario delivers customers a high-service, high-touch shopping experience while boosting the retailer’s opportunity for add-on sales.

ADDING RELEVANCE TO AD TARGETING

Brands are spending mightily on localizing, targeting and retargeting their digital advertising. However, the strategy has rendered a negligible return on investment, as online ads increasingly become easily ignorable digital wallpaper to consumers.

Retailers can bring heightened relevance and consumer engagement to ad targeting with timely, hyper-local messages focused on a shopper's nearby store, reflecting rich layers of signals — from item-level stock information and local events to what's

buzzing on social media. The result is contextually meaningful digital selling moments — a surf-wear promotion in a beach community when the next-day forecast is high tide, or product tie-ins to a local sporting event — that summon buying urgency and drive in-store traffic.

RETAIL SUCCESS STORY

A specialty retailer sees that “flower crowns” is the trending hashtag on its Twitter page amid the buildup to the Coachella music festival. It jumps on the buzz, putting together a local Coachella-inspired

advertisement: “Heading to Coachella this weekend? Check out this season’s hottest flower crown looks, but you better act quickly — only 20 left in stock at a store 5 miles away from you.”

CONCLUSION

"All politics is local," the saying goes. To win in today's connected and on-demand shopping landscape, retailers would be wise to apply that adage to their own business models. Savvy merchants are turning to local contextual data — from local browsing behaviors, store sales data and inventory availability to weather patterns and social trends — to meet the demands of digitally connected shoppers seeking locally relevant experiences whenever they engage with brands.

Hyper-local and contextual data-driven merchandising fuels deeper engagement, increasing traffic and conversion across online and brick-and-mortar retail channels by:



Delivering **tailored** and **locally relevant shopping experiences** that reflect the dynamic **micro-moments** of their day;



Boosting engagement via **contextual shopping experiences** that reflect the buzz on social networks and providing a seamless experience across physical-digital-social touch points;



Bringing a shopper's **local store to life online**, helping **retailers use local context to influence shopper discovery** when they browse what's available, as opposed to a reactive fulfillment-driven experience;



Transforming buy online/pick up in-store from a **transactional process** to an **experiential one** by leveraging the strengths of the store experience — **generating a sales lift and higher lifetime value of a customer**; and



Curating the experience for smartphone-tethered shoppers so that **every touch point between retailer and customer** reflects what is locally relevant to that connected, **on-the-go consumer in the moment they engage with a brand**;



Bringing new relevance to ad targeting by offering a **granular view of merchandise in-stock** at a nearby store, enhanced with information that creates a sense of urgency, engages customers and drives conversion.



Radius8 empowers retailers to dynamically merchandise online using the context of their physical stores and local market intelligence to drive online conversions and store foot traffic.

Our retail cloud builds analytics and trends per each store location that monetizes the unique aspects of local markets. The R8 platform leverages local online browsing behaviors, instore sales trends, inventory, and more to intelligently build context based on location, maximizing the customer experience so that you can convert more traffic.

Radius8 provides a locally sourced online experience that increases customer engagement and drives greater sales in a flexible cloud platform that works with your existing website, app, and social media presence.

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