

Everyone wants a single view of customer



But how do shoppers feel about that?

An IMRC report



An IMRG report analysing the results of a shopper survey undertaken with Toluna — to understand perceptions of how customer data is being used by retailers

Data provided by:



Willing enablers?



The benefits to retailers of having a single view of customer (SVC) is clear. Shoppers can engage with a retailer through a wide and ever-growing range of devices — desktops, laptops, tablets, smartphones, consoles, TVs. Not to mention in-store, of course. Or the list of networks and affiliates through which they may be referred — social media, voucher sites, adverts on news sites (or any other kind of site that carries adverts).

If a retailer can tell how and when a shopper has engaged and converted – the full path to purchase, including any subsequent related activity – it offers the opportunity for far greater efficiency and relevancy in merchandising, marketing and general communications.

The benefits of doing so are numerous and pretty obvious, which isn't to say the process of achieving it is in any way straightforward. However – all this is only possible through having access to data on individual customers in various different forms (and from various different devices / places).

So, how do shoppers *feel* about that? Can we rely on them to be willing enablers of a single view of their behaviour and preferences or are they a bit uncomfortable with the whole idea?

Working with Toluna, we put five questions to 1,000 UK shoppers to help us understand their current perceptions of how data on them is used.

Andy Mulcahy, editor, IMRG

Why do you need a single view of customer?

Having something approaching a complete SVC can provide a retailer with the opportunity to form an accurate attribution model — the set of rules that assign how a conversion should be credited. So when a customer makes a purchase, they can tell what type of journey the customer took, where it started and ended, what the influences on conversion were and how the purchase was finally made.

“Attribution is very subjective, and whatever you choose to measure is what comes out of it. At the moment we're sort of leading towards outcomes because of that, which aren't necessarily what we want and I don't think we've got to a point where there is one view of what it is.”

Elliot Clayton, commercial director, Conversant Media

Having an SVC (and associated attribution model) is useful for understanding what works, but equally what doesn't. If it is possible to know each of the devices and channels that the customer used while researching and considering their purchase, it may also reveal any common points of friction, where various marketing efforts are successful in influencing a purchase decision and where they are perhaps less so.

SVC helps to bring clarity to previously isolated data-points. A high bounce rate on smartphone, considered on its own, may suggest the landing page, rendering or other element of the experience is poor. Yet it may actually be that people like what they see, but prefer to complete the purchase on desktop (or even in a convenient local physical store) – in which case the smartphone device is not performing poorly, but playing an important role in conversion.

It can also help to redefine the meaning of certain metrics. If a customer places an item in an online basket on a smartphone, then leaves the mobile site to complete the purchase on desktop (without the retailer being able to track this multi-device journey), that would traditionally be counted as an abandoned basket, artificially inflating the abandonment rate.

Building a more accurate attribution model can have a significant impact on understanding what marketing methods are producing results. Whereas 'last click' models tend to give all the credit to the device on which a purchase was completed, shoppers can be – and often are – more multi-device in their approach to purchase journeys.

The story may be much more complex – other devices may have contributed a great deal more to the conversion. The banner ad that inspired the purchase could have taken place on desktop. The email that contained an attractive offer code might have been opened on a smartphone. SVC helps marketers get a truer view of what really influenced a conversion.

What are the barriers to achieving it?

SVC, in many cases, remains something of a holy grail. It requires a proper strategy, systems that communicate with each other, and – crucially – data. That data is not necessarily easy to obtain and certainly isn't easy to accurately identify and cross-reference in many cases.

For a start, the collection of data requires cooperation from the shopper. To make their movements across devices trackable, the customer needs to be linked to a single account. A simple enough concept, but it's something of a stretch given that it requires a customer to diligently login on every device they use. Where loyalty or trade cards are commonly used for every transaction, because there is a benefit to doing so, the task becomes much easier of course – but for many retailers this is not feasible.

Any extra effort on the part of the customer – ie tell us who you are at each stage of engagement – has to make sense to them. And on top of that, there remains the danger of customer anxiety about surrendering data. They might be apprehensive about the risk to their security of having so much known about their activities, or that the data will be used to excessively target and annoy them.

To achieve an SVC, a retailer needs to overcome both fear and apathy on the part of the shopper – communicating that its collection is ultimately for the benefit of them and making the data-driven user experience far superior.

SVC extends to in-store too, of course. Some request email addresses at the till, others may encourage them to login to an in-store tablet. It is always worth asking why customers would do that – if this process of logging in unlocks an easier or clearly more relevant experience, the visitor may be more inclined to make it.

Having all of the relevant and useful data at your disposal is only the start though – even at this stage there is work still ahead.

Stephen Yu of eClerx comments: *“Just like a house is not just a sum of bricks, mortar and metal, a database is not just a sum of data, and there has to be design philosophy behind it.”*

Without proper strategy and structures, the data is a melange of information that will tell very little.

According to Yu, companies typically store data in relational databases, which are *“optimised to store every transaction and retrieve them efficiently.”* The weakness in that structure is that *“each line is describing transactions or items, not the buyers.”*

“You will need what we call ‘buyer-centric’ portraits, not transaction- or item-centric records. In order to develop models using variables that are descriptors of customers, not transactions, we must convert those relational or unstructured data into the structure that matches the level by which you would like to rank the customer level records.”

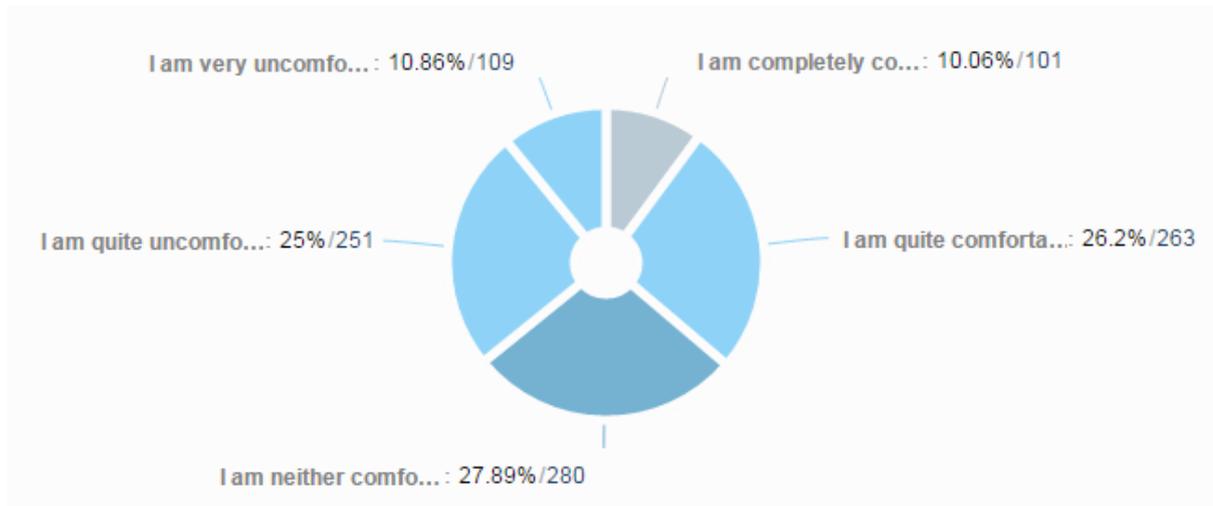
Retailers should structure their data based on what the various pieces of information reveal, and how that paints a picture of shopper habits and behaviour.

What do shoppers think?

So we know that having an SVC is attractive and that there are barriers to achieving it. But what do shoppers think about data on them being used in this way as, ultimately, if they become uncomfortable with how it is used or unwilling to share it anymore, SVC will become very hard indeed.

This section reveals the results of five questions we asked 1,000 shoppers with Toluna.

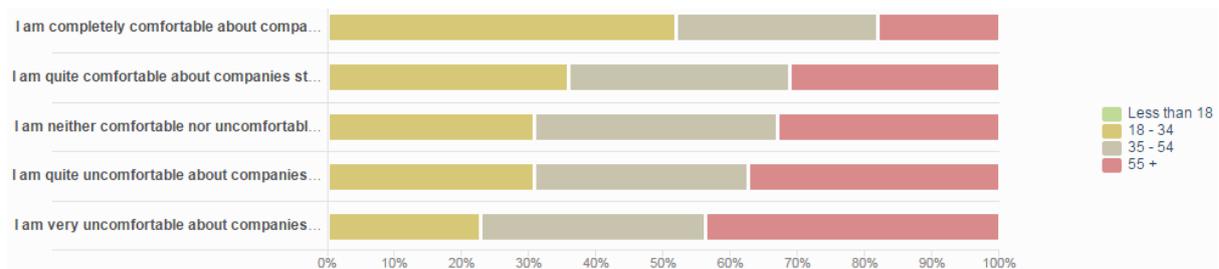
Q1 – Retailers store data on you so they can use it to give you a better experience – how does that make you feel?



Shopper attitudes seem to be very evenly split on this question, whether that's in the moderately positive or negative feelings, or at the more extreme ends of the spectrum. It's also worth noting that over a quarter of respondents didn't report any emotional reaction to the idea of retailers storing their data.

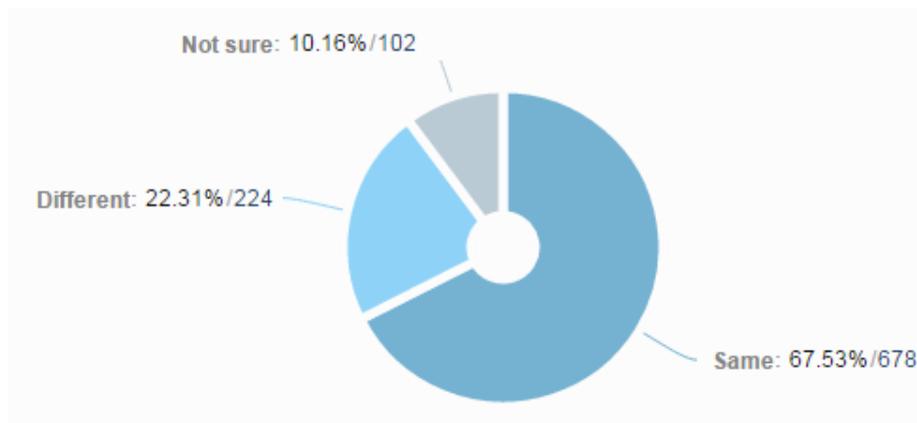
Around one third had some kind of negative attitude to storing and using their data, even when that practice is framed as a positive – a way to offer a 'better experience'. There may be a lot of shoppers who suspect that it's not actually being done in their interest.

When we examine the age split in the responses, we can see that, unsurprisingly, the older age brackets include more of those who are uncomfortable with data-gathering. The younger respondents — the digital natives — are on the whole far more accepting of the practice.



It's worth considering that some shoppers will feel uncomfortable if the retailer uses data in a way that the shopper doesn't understand or feel in control of. Cross-referencing device usage, buying habits, location and responsiveness to various forms of marketing could leave the shopper feeling overwhelmed and disquieted.

Q2 – Do you see a retailer's website and their high street stores as the same or different companies?



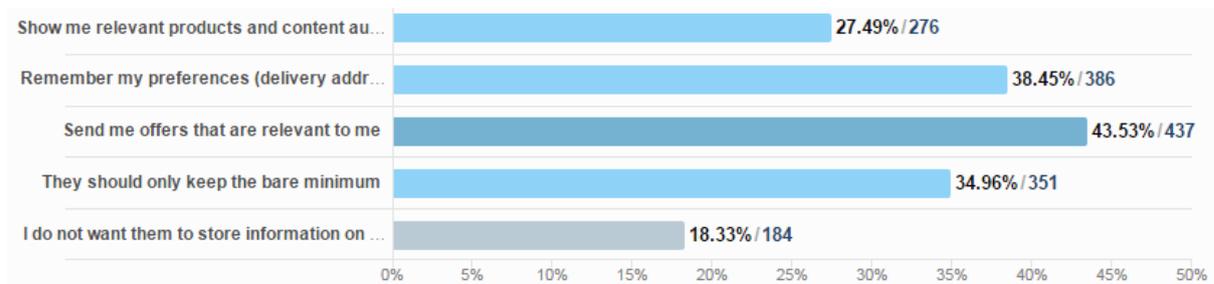
The majority do understand that multichannel retailers are just so (though they probably wouldn't express it in industry language like that). Those are the people who would most likely appreciate that if they give their details in store, it's to tie in with the online equivalent.

That 22% who consider high street and online stores as 'different' might look a little naïve. Though it could be that some view high street and online as operationally different — different companies *de facto*, even if they're the same officially. That said, these might be the customers who could react badly if a retailer communicates with them using data sourced from multiple channels.

The age split on this question is quite surprising, with the younger respondents a little more likely to consider the online and high street stores different companies, or not to be sure either way.

	Total	Age - Age		
		18 - 34	35 - 54	55 +
Same	67.53%	61.16%	71.47%	70.13%
Different	22.31%	27.83%	18.01%	21.14%
Not sure	10.16%	11.01%	10.53%	8.72%

Q3 – How do you believe retailers should use information they store on you (eg from past purchases or site browsing behaviour)? Please select all that apply.



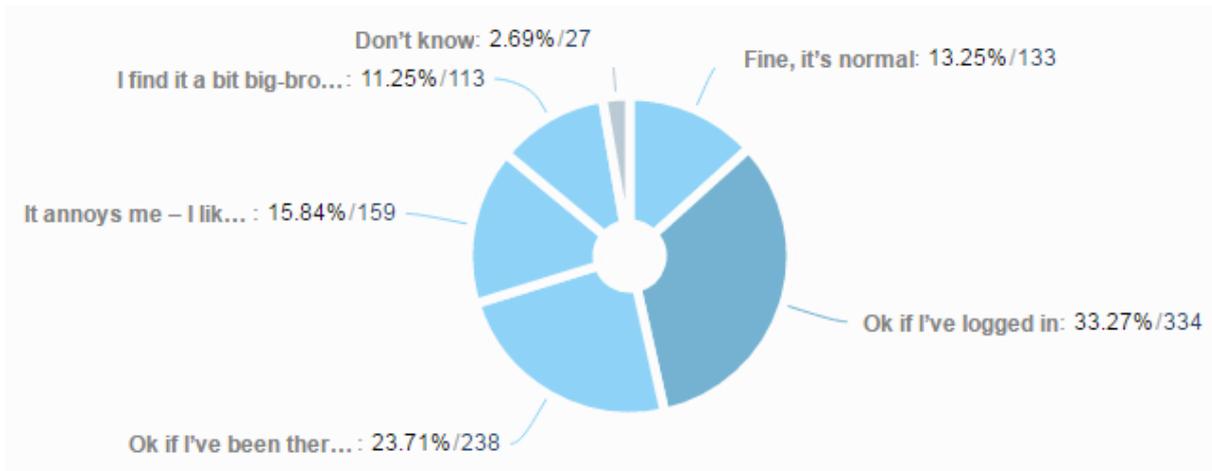
It seems that the majority are content for a retailer to use their browsing and buying habits to enhance the shopping experience in some way.

However, over a third want that to be kept to a minimum, so use of data used should focus on genuinely enhancing the experience, rather than doing things simply because you can.

Those who don't want their information stored probably have some fear of cybercrime, or a general anxiety around security. Stories about data breaches are common and serve to create a feeling of vulnerability around stored personal information.

Ultimately, some customers need winning over. On a theoretical or conceptual level, shoppers who don't mind their delivery preferences being stored may not feel comfortable with the idea of data about them being used to cross-sell. By showing them a superior data-driven experience, they might be more amenable to the idea.

Q4 – If you go to a retailer website and it seems to know your preferences, how do you feel?



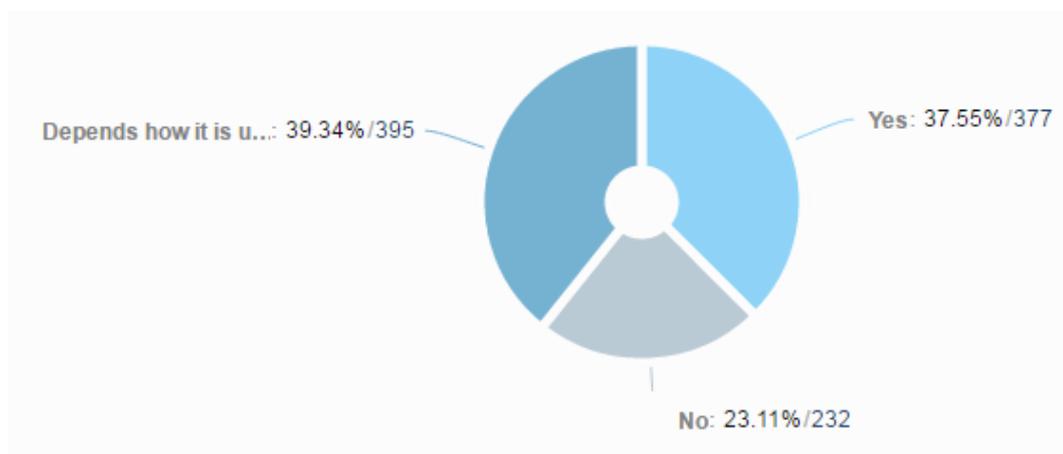
An encouraging 70% are happy for a retailer to know and use their preferences in one context or another. Within that, there's some nuance to take into account. About half of all respondents accept the use of preferences, with the caveat that they're logged in, or that they've previously visited the site.

Over a quarter feel negatively about the use of preferences. That's a large enough proportion to be a concern. But again, this is the attitude of some when specifically invited to think about it. Those who find it annoying (16%) or creepy (11%) do so when considering the concept. They may not react as strongly when shown a relevant product suggestion in a day-to-day scenario.

This question reveals that there could be something of a mismatch between what retailers assume shoppers want, and what they actually want. A sizeable audience don't like the idea of information on their behaviour being used, or only want it used in certain situations. Retailers might have assumed that more relevance and personalised recommendations could only ever be well received as it enhances the experience.

The reality is that more relevant merchandising is desirable as it can increase conversion. No retailer wants to make a shopper feel uneasy, but the answer to the knowledge that over a quarter of respondents are unhappy with this use of data could be subtlety – just exposing them to product recommendations rather than explicitly saying 'chosen for you' or some similar message.

Q5 – Are you happy to give an email address when buying in-store?



Over three quarters of respondents are happy, at least in some contexts, to share their email address when they make in-store purchases. Given so many interactions with a business or service involve sharing an email address, it certainly seems to be considered something of a norm.

For those answering ‘no’ or ‘it depends how it is used’, we can’t know for sure, but we can safely assume that they consider spam marketing emails and selling the details on as the sort of practices they couldn’t abide.

To reassure those people, store staff should make it clear why the store is asking for an email address, what it will be used for, and possibly what it won’t be used for. That is an opportunity to communicate a clear benefit to the shopper, and that it’s not only for the benefit of the retailer.

The people have spoken

SVC is highly challenging to achieve, and extremely rewarding when it works. The obstacles may be serious, but they can be overcome with the appropriate diligence. The two primary hurdles are use of data, and shopper cooperation.

Data needs to be organised and used in such a way that paints a picture of customer behaviour. It is not enough to collect masses of data without the structures to interpret them effectively.

Overcome shopper apathy or apprehensions with demonstrably improved customer experience. Prove that you, the retailer, can not only be trusted with their data, but that your having it genuinely improves the shopping experience for the customer.

Survey info

The survey of 1,000 UK shoppers was run on the Toluna platform, 8 March 2017.

About IMRG



For over 20 years, IMRG (Interactive Media in Retail Group) has been the voice of e-retail in the UK. We are a membership community comprising businesses of all sizes – multichannel and pureplay, SME and multinational, and solution providers to industry.

We support our members through a range of activities – including market tracking and insight, benchmarking and best practice sharing. Our indexes provide in-depth intelligence on online sales, mobile sales, delivery trends and over 40 additional KPIs.

Our goal is to ensure our members have the information and resources they need to succeed in rapidly-evolving markets – both domestically and internationally.

www.imrg.org

About Toluna



Toluna is a leading provider of real-time digital consumer insights, and empowers companies to brainstorm ideas, uncover new business opportunities and answer their questions in real-time.

Toluna is transforming the way marketing decisions are made by bringing consumers and brands together via the world's largest social voting community of 13+ million members across 68 countries.

This real-time access to consumers is coupled with its state-of-the-art, market research survey and analytics platform. Toluna has 21 offices in Europe, North America, Asia Pacific and MENAP.

ⁱ Conversant Media, [\[Podcast\] The role of attribution in digital media](#), 23 Jan 2017

ⁱⁱ Target Marketing, [Cheat Sheet: Is Your Database Marketing Ready?](#), 26 Feb 2014