



springboardRETAIL

Analytics

How growing retailers harness POS data to earn repeat sales





Introduction

The premise of this report is simple. **“It costs 5 times more to acquire new customers than it does to keep current ones.”**

Following that key statistic from Forrester is one from Marketing Metrics: the probability of selling to an existing customer is 60–70%, versus to a new prospect, which hovers at around 5-20%.

In today’s competitive retail landscape, can any retailer, big or small, afford customer disengagement?

When 80% of your company’s future revenue will come from just 20% of your existing customers, the answer is a resounding **no**. But for modern retailers, the big question remains: how do I get customers back into my store? The answer is you know them inside and out. You invest in them like the profitability of your store depends on it—because it does.

Knowing your customer’s journey, their preferences, habits, and history gives you the intelligence to create a customer experience and marketing plan that resonates with them. How do you do that? Through data collection, analysis, and customer segmentation, all of which allow you to engage your customers in highly personalized and meaningful ways. Technology is critical to drive this process, but the good news is that today’s affordable, cloud-based POS systems can become the engine to help solve some significant retail pain points.

Ten Common Retail Pain Points

- I’m not getting enough repeat business
- I cannot possibly compete with Amazon
- Nobody is showing up to my events
- Constant discounting is killing my margin
- It’s too difficult to collect customer data
- I need to build better customer relationships
- I don’t know how to measure engagement
- My inventory is just not moving
- My software platforms are time consuming
- I don’t know how to use the data I have



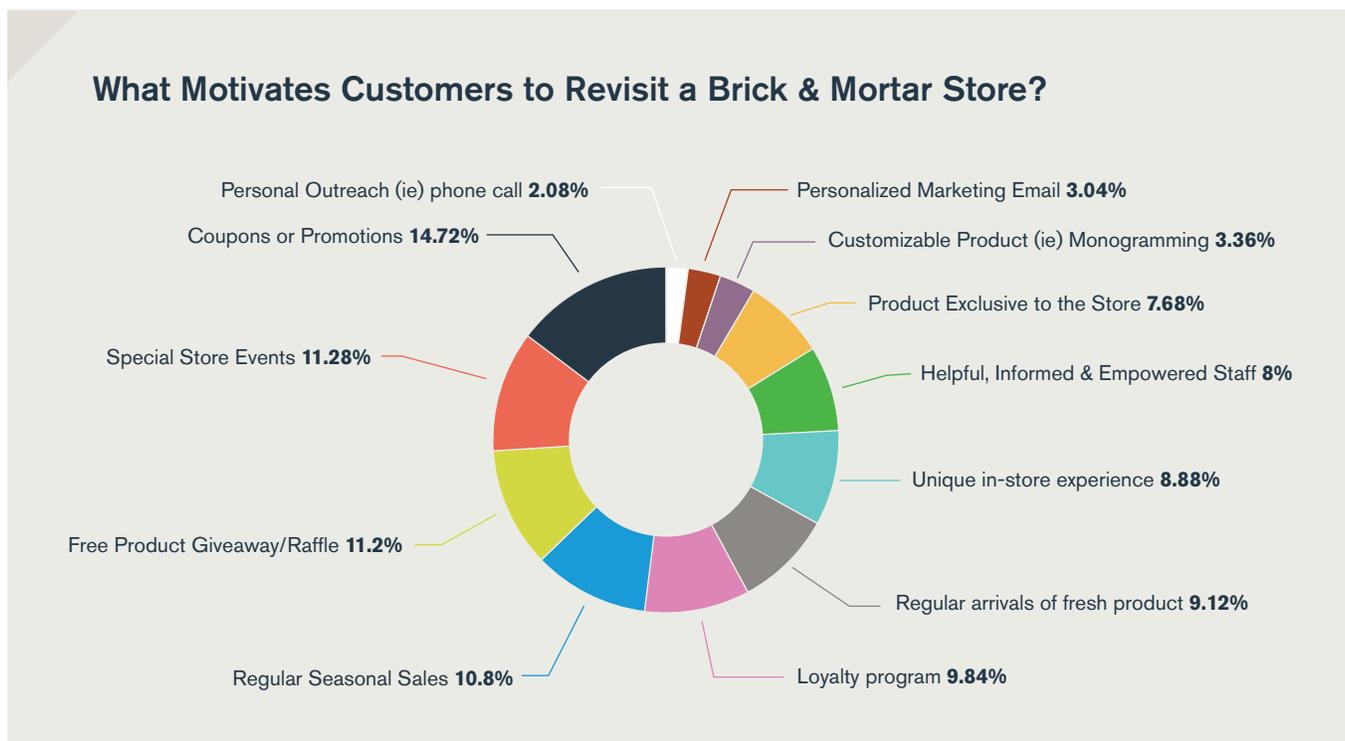
Customers are at the Core

We can assume, infer, or guess what our customers want, but ultimately it's essential to ask. Whether you formally survey or initiate informal conversations, it is imperative to make sure that you leave your bias at the door and really listen to what customers have to say. Being 100% honest about what drives your business is a critical step for brands and retailers. Scott Smith, Director of Operations at global retail consultancy [Management One](#), indicates that relying on emotion to drive decisions is all too common in retail. "In order to grow, retailers need to move away from relying on emotion when making strategic decisions and add in measurement. The customer is what really drives all decision making, from inventory through marketing."



Increasing your customer retention rate by 5% can increase your profitability by 25% to 95%. – HBR

In that spirit, we took a poll to see what motivates shoppers to revisit a brick & mortar retail store. Not surprisingly, promotions, giveaways, and sales top the list – after all, everyone loves a bargain. But special events, loyalty programs, and store experience all ranked very high.





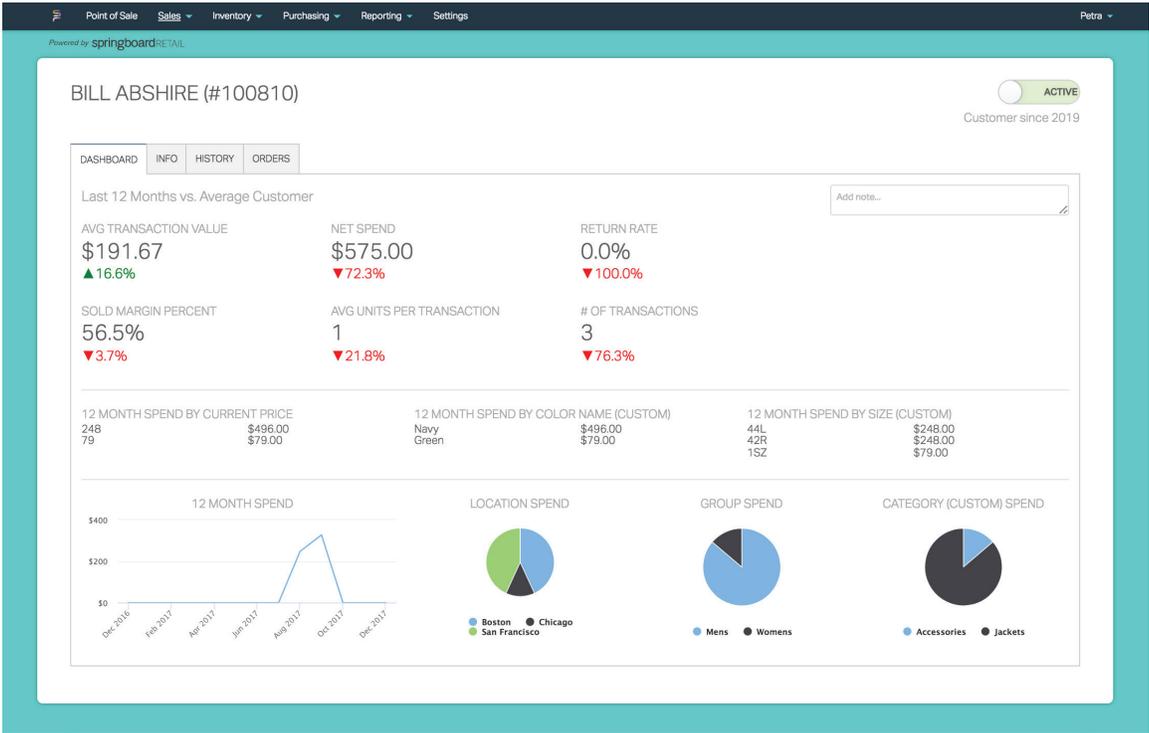
Regardless, all are important initiatives and all require data to be successful. In order to craft a promotion that doesn't erode margin, you need data. In order to create a well-attended event, you need data. In order to train your sales team to provide an exceptional experience, you need data! Data gives you the power to understand your customer deeply so you can make informed and strategic decisions. Let's take a quick look at the key components to building a customer engagement strategy: collecting data, analyzing data, and acting on data.

Collecting Data

A data-driven, personalized customer engagement strategy demands three key elements: the right software, a data collection methodology, and an empowered team.

The Right Software

In order to collect the right data, every retailer needs CRM (Customer Relationship Management) functionality either built in or integrated with their POS software. Today, modern cloud-based POS software often includes CRM features that are flexible, user-friendly, and mobile.



Springboard Retail POS Customer Dashboard



56% of consumers are willing to share data to receive faster and more convenient service. – [Salesforce](#)

A key consideration when evaluating software is the ability to create custom fields within the customer profile, allowing you to collect any data relevant to your business. The software should also have the ability to generate custom reports, have a real-time customer dashboard for easy customer look-up, and be mobile—easily accessible from a smartphone or tablet.

The ability to track as much of the customer’s journey—both online and offline—as possible is crucial. Today, brands and retailers must move toward an [omnichannel](#) POS solution that provides a holistic, real-time view of their entire business. Marketing, loyalty, financial, and other software solutions must integrate seamlessly with the POS as well, providing a complete view of a customer’s touchpoints. Creating a personalized, precise marketing strategy requires that brands and retailers have the ability to customize reports and segment data, which entails going well beyond collecting just a customer’s name and email address.

6 Essential Features for a POS CRM

- Custom Fields
- Custom Reporting
- Customer Dashboard
- Mobility
- Ecommerce Integrations
- Marketing & Loyalty Platform Integrations





Data Collection Methodology

Retailers frequently feel reticent to ask for personal data. It can feel uncomfortable and often sales associates will just skip the process out of fear. Yet, the reality is that today's world is driven by data and utilizing it correctly can provide a more valuable, relevant, and enjoyable experience for the customer.



79% of customers want retailers to send them personalized offers based on purchase history. – [Salesforce Connected Shopper Report](#)

Today, brands and retailers must understand their customers deeply, realizing that this is the new normal, asking questions like:

- What do they like and dislike?
- What channels do they prefer to use?
- What have they recently purchased, added to a shopping cart, or browsed for online?
- What is their budget or typical spend level?
- What generation do they belong to?
- Are they married?
- Do they have children?
- What is their shopping style?
- What is their occupation?

Initially, your team will build a strategy to gather relevant “first-party” data at the interaction point, starting with name, email address, and possibly mailing address and phone number. It's critical to stick with it; ultimately, spotty or inconsistent data wastes both your and your customer's time. Collecting this kind of data starts with a few basics:

Make it easy – simplify the input and process as much as possible.

Build trust – readily explain how you will use any data collected.

Make it relevant – show how providing data provides a better customer experience.

Build data at each interaction point – make it a natural process throughout the sale, not solely at the cashwrap.



8 ideas for how or when to collect customer data:

- Purchase transactions
- Sign up forms
- Loyalty programs
- Email preference forms
- Social media through special apps
- Surveys
- Competitions
- Web analytics

12 data points to consider collecting beyond name & email:

- Preferred mode of contact
- Preferred interaction style
- How the customer was acquired
- Response to marketing communication
- Preferred types of promotions
- Call history
- Customer birthday/anniversary
- Hobbies & interests
- Technology usage level
- Survey results the customer has taken
- Reviews or ratings
- Customer interaction scale 1-10

With more robust marketing or loyalty programs in place, you can begin collecting the next layer of data, like anniversary dates, birthday month, favorite brand or color for example. Additionally, with surveys, email preferences, and other technology driven programs, you can convince customers to voluntarily disclose more personal data. As these pieces begin to fit together, you start to gain a complete picture of your customer demographic, as well as their unique preferences. Lastly, today there are more options than ever to collect “third-party” data to fully round out the profiles of your customers. But this option can be costly, and providers range widely when it comes to integrity and quality of data.

Every brand and retailer must build a cohesive strategy that correlates with their unique business, and each strategic plan must include staff training and use of technology as a data collection tool.



Empowered Team

Collecting data requires a dedicated and concentrated effort by everyone involved in the business. Each team member must understand why they are collecting it and understand deeply how it impacts the bottom line. Customer experience is a major differentiator in retail today. According to [Gartner](#), 89% of companies now expect to compete mostly based on customer experience, up from 36% just four years ago. Within the next five years, customer experience will be the primary competitive driver for repeat business.



86% of consumers state they would pay more for a better customer experience. – [Right Now](#)

The good news is, you can build a customer experience strategy using all of this data you've collected. However, your team must provide coordinated customer service, experience, and engagement touch points, *and* collect the right data to drive all three. When they are delivered in tandem through positive interactions, the customer begins to experience an emotional connection with your brand, and it becomes much easier to gather data and perpetuate a repetitive and positive cycle. Mapping your customer journey, followed by providing a personalized and relevant experience, is how you begin to earn customer loyalty and repeat business.

Analyzing Data

No matter how much you collect, data is meaningless without analysis. There are two primary ways to use your data to improve your customer's experience and, by extension, build loyalty and engagement. You can take a macro approach and use it to create a customer journey map that accurately shows how customers interact with your brand. By building reports and filtering data, you'll begin to see correlations, spot trends, understand behavior, and intelligently make strategic business decisions. Secondly, in a more micro approach, you can segment your customers in ways that help devise marketing and loyalty programs perfectly suited to the individuals who make up your customer base.



Mapping the Customer Journey

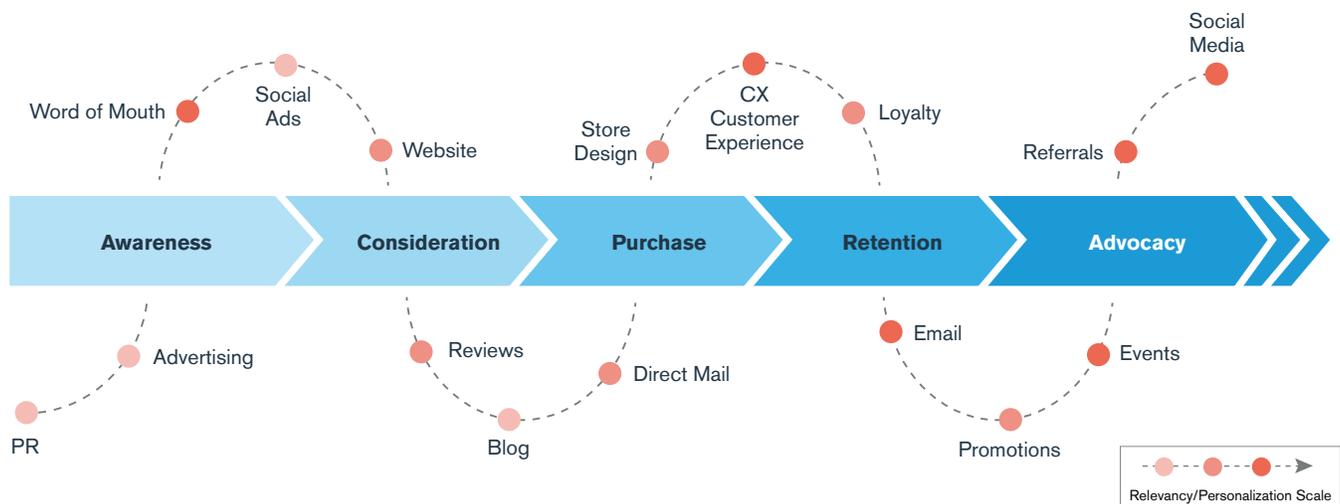
A customer journey map is a great way to understand all the touchpoints a customer has with your brand. This exercise puts the customer front and center and forces you to look holistically at what has become a much more complex cycle.

The customer journey framework should include things like type of interaction and channel, while also taking the emotional impact of each touchpoint into consideration. Overlaying this customer journey with a marketing plan will give you a framework for strategically boosting loyalty and repeat business.

Key Questions when Mapping the Customer Journey

- Do people in your market know you exist?
- Are you telling customers what your specific retail specialty is?
- Do you have a complete picture of who your customers really are?
- How easy are you to do business with?
- How do you service and support the products you sell?
- Do you welcome new customers into your brand and community?
- How do you build loyalty and transform your customers into evangelists?
- Do you have a cross-sell and/or up-sell plan?
- How are you engaging customers and keeping them on the journey?

Key Touchpoints in the Retail Customer Journey





Personalizing Through Segmentation

Segmentation is the next step. Sorting and filtering your data to expose commonalities will help you devise campaigns that resonate. Yet realistically, there is no cookie cutter approach; each retail business is unique.

Some examples of ways to segment your data to inform marketing initiatives include:

- **Identify your most profitable customers** – craft an exclusive, high touch event.
- **Identify customers who have dropped off** – send an enticing promotion to re-engage this group.
- **Identify customers who bought scarves** – send them a content piece on 10 cool ways to tie a scarf.
- **Identify customers with birthdays in May** – send them a birthday discount or give them a special gift.
- **Identify customers who love Brand X** – work with Brand X on a trunk show and gift with purchase.

Acting On Data

Once you have a customer-focused data collection, analysis, and segmentation strategy in place, you can begin to act. Crafting personalized plans can be implemented across the business, but for this report we'll focus on:

[Email Marketing](#) | [Loyalty Programs](#) | [Promotions & Coupons](#) | [Events](#)

Email Marketing

Many retailers are adept at sending mass emails announcing a sale or special promotion to their entire customer base. Yet, with robust POS data and a segmented marketing strategy, brands and retailers can become more strategic and personalized in their approach. Setting up an automated email program can give you a competitive advantage.



78% of consumers are more likely to be a repeat customer if a retailer provides them with targeted, personalized offers. – [Infosys](#)

Jake Fell, Co-Founder of [eMarketing Logic](#), describes retail marketing automation as, “the practice of sending triggered marketing messages based on actions customers take, leveraging the customer data retailers retain in their point of sale or ecommerce software.”



Fell and team have implemented automated marketing campaigns for their retail clients and encourage them to track how customers engage with these automated emails. For example, “a retailer can identify a customer who opened a birthday email and follow up with a timely phone call wishing the customer happy birthday and reminding them to use their offer.” He shares a few examples of effective automated email campaigns retailers can develop:

Happy birthday email: Send an offer to customers on their birth and anniversary month.

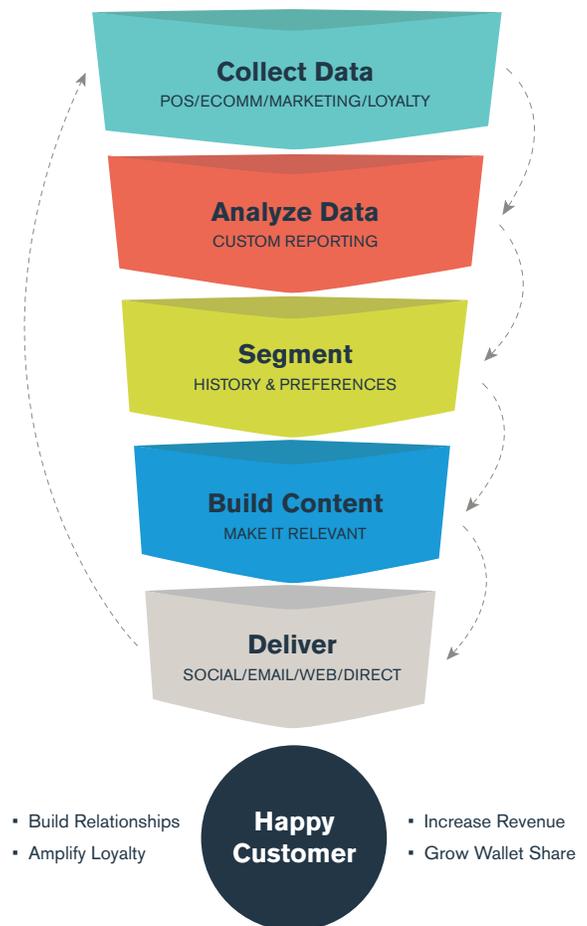
Post-purchase offer & survey email: Customers who recently made a purchase are likely to buy again soon. Send customers a survey asking about their experience, along with an offer. This is a great way to gain feedback and drive repeat business.

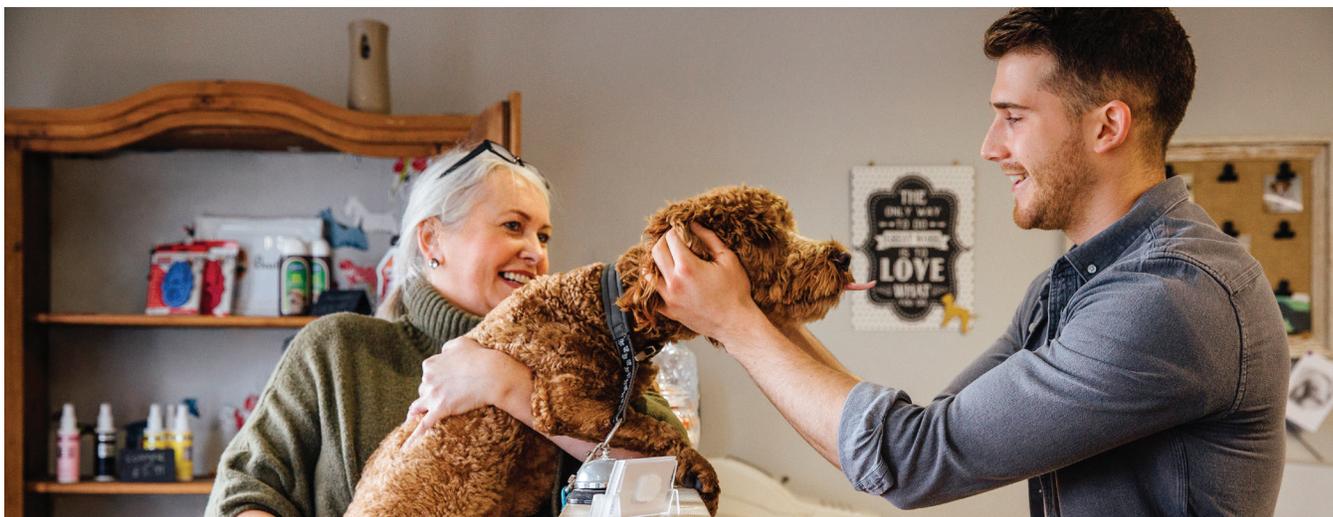
Re-engagement email: Automatically send an offer to customers who haven’t made a purchase in a period of time, such as three months or six months.

Rewards email: Automatically send a gift card based on a percentage of dollars spent over a period of time. A loyalty program that [integrates with your POS](#) can streamline and automate this process.

Welcome offer email (with social opt-in): Automatically send an offer to people who sign up online or in store with an offer to save on their first purchase. Include a call to action to engage on social media channels.

Another automated email strategy centers on content marketing, which Fell defines as, “a marketing technique focused on creating and distributing valuable, relevant content to attract a clearly defined audience with the objective of driving profitable customer action.” In other words, it means producing information that your customers want, and that will draw them to you. “The purpose is to attract and retain customers by consistently creating and sharing valuable content with the intention of changing or enhancing consumer behavior,” says Fell.





Pro Tip

The eMarketing Logic team encourages their retail clients to “grade” customers based on profitability using purchase history data from their POS. They then use those grades to segment the customer list and create an email experience unique to each type of customer. This practice helps their retailers achieve higher margins and increase profitability. For example:

Grade A “high end” customer

A customer who spends \$500+ per visit and almost always buys high-margin items at retail price will be excluded from all sale and discount emails. The goal is to curate an email program so “A” customers think you’re only a high-end retailer that never has sales. Excluding these customers from sale emails will prevent them from getting upset by learning items they bought early in the season are now on sale.

Grade B “mixed” customer

A customer who buys a mix of sale and full-price items receives automated birthday and re-engagement offers but with restrictions. This type of customer should get first priority for sale announcements.

Grade C “bargain” customer

This customer spends \$100 or less per visit, only buys low-margin items on sale, and thus should receive an email experience similar to an outlet store. Send sale announcements only after B customers have had priority to shop.



Content Best Practice:

Retailers should create content that conveys their brand's mission. High-end consumers want to buy more than a commodity based on price; they want a special experience or to feel the retailer has a higher purpose beyond just making money. An automated welcome email series is a great way for a brand to deliver content that tells their story and conveys their mission (with or without an offer).

This strategy is not about direct selling but more about building thoughtful relationships. Say for instance, you have a list of customers who bought scarves. You might then create a video or postcard showing them novel ways of tying or styling the scarf. According to Fell, “instead of pitching your products or services, you are delivering information that makes your buyer more intelligent. This delights the buyer, which makes them more likely to reward you with their business and loyalty.”

Loyalty Programs

To be clear, loyalty programs do not in of themselves inspire loyalty. However, a good loyalty program keeps your retail business front and center for the customer and provides clear incentive for repeat business (all the while adding to your data collection efforts). According to [HBR](#), five reasonable goals for loyalty programs are to:

1. Keep customers from defecting
2. Win greater share of wallet
3. Prompt customers to make additional purchases
4. Yield insight into customer behavior and preferences
5. Turn a profit

As in anything we've touched on in this report, the best loyalty program will be informed by customers themselves. Understanding your customer's behavior will help you determine whether a tiered, points, cash-back, or punch card program will resonate best.



Loyalty members are 4x more likely to be repeat customers than non-loyalty members. – [CRMSearch](#)



Your loyalty program must be integrated with your POS to help you monitor levels of engagement and compel you to act accordingly. For instance, [Thirdshelf](#) loyalty software has developed a simple framework to measure and manage all the customer relationships you are building.

In a simple dashboard view, you can see where customers are in their lifecycle: First-Time Customers, Repeat, Loyal, At-Risk, and Lapsed Customers. With this kind of automated segmenting, you can send emails to at-risk customers with promotions that are different from those designed to nurture your most loyal customers.



Thirdshelf Loyalty Dashboard

Promotions & Coupons

When crafting a promotional strategy, it's important to consider what will incentivize your customers, but also what you will gain or lose from it. A 50%-off coupon may bring many customers in the door, but your margin will take a hit. On the other hand, if you're more focused on liquidating product and moving through units, a substantial discount may be the most effective way to quickly draw in customers and encourage them to add on. As you test out different marketing campaigns, it's important to do a post-promo analysis and use the collected data to determine whether or not the promotion achieved your desired goal: Did it increase sales? Liquidate inventory? Bring in new customers? Use this data as you craft future promotions.

Properly training sales associates on how to redeem promotions is also crucial, for if coupons aren't being recorded correctly, they will be unreportable. Promo codes should be entered in your designated custom field, as should the source of the coupon (email campaign, newspaper ad, friends+family discount, etc.), so you're also able to track which tactics are bringing in the most customers and driving the most sales.

Events

Events are becoming a key differentiator for retailers. A bike shop that hosts a monthly meetup for avid cyclists or a fabric store that offers sewing classes will garner mind- and wallet-share from customers. Regardless of the type of event, collecting data, analyzing it, and segmenting your customers is imperative to crafting highly relevant (and well-attended) events.



Fell weighs in on how to craft events: “Define your store’s personality – the intangible that is a combination of you, your people, your customers, and your store ambiance.” When you provide a place where customers can build community and add value to their lives, you build brand evangelists that will share their experiences on social media and by word of mouth. Dig deeply into your data and ask customers what experiences they are craving to build the right events.

A Holistic View of the Customer Journey

The bottom line is that to cultivate brand loyalty and build experiences that customers love, effective brands and retailers are constantly collecting, analyzing, and acting on POS customer data. Before the sale even occurs, retailers must mine historical customer data to inform everything from inventory to merchandising to marketing decisions.

During the sale, cloud-based, mobile clienteling gives store associates a snapshot view of customers, empowering them to make targeted recommendations, notate observations, and collect relevant data. Enrolling customers in loyalty programs or launching surveys further enriches the scope of data that will inform future strategic decisions. Finally, post-sale, brands and retailers must focus on segmenting their data to provide the personalized and highly relevant marketing experiences that inspire trust, confidence, and loyalty.

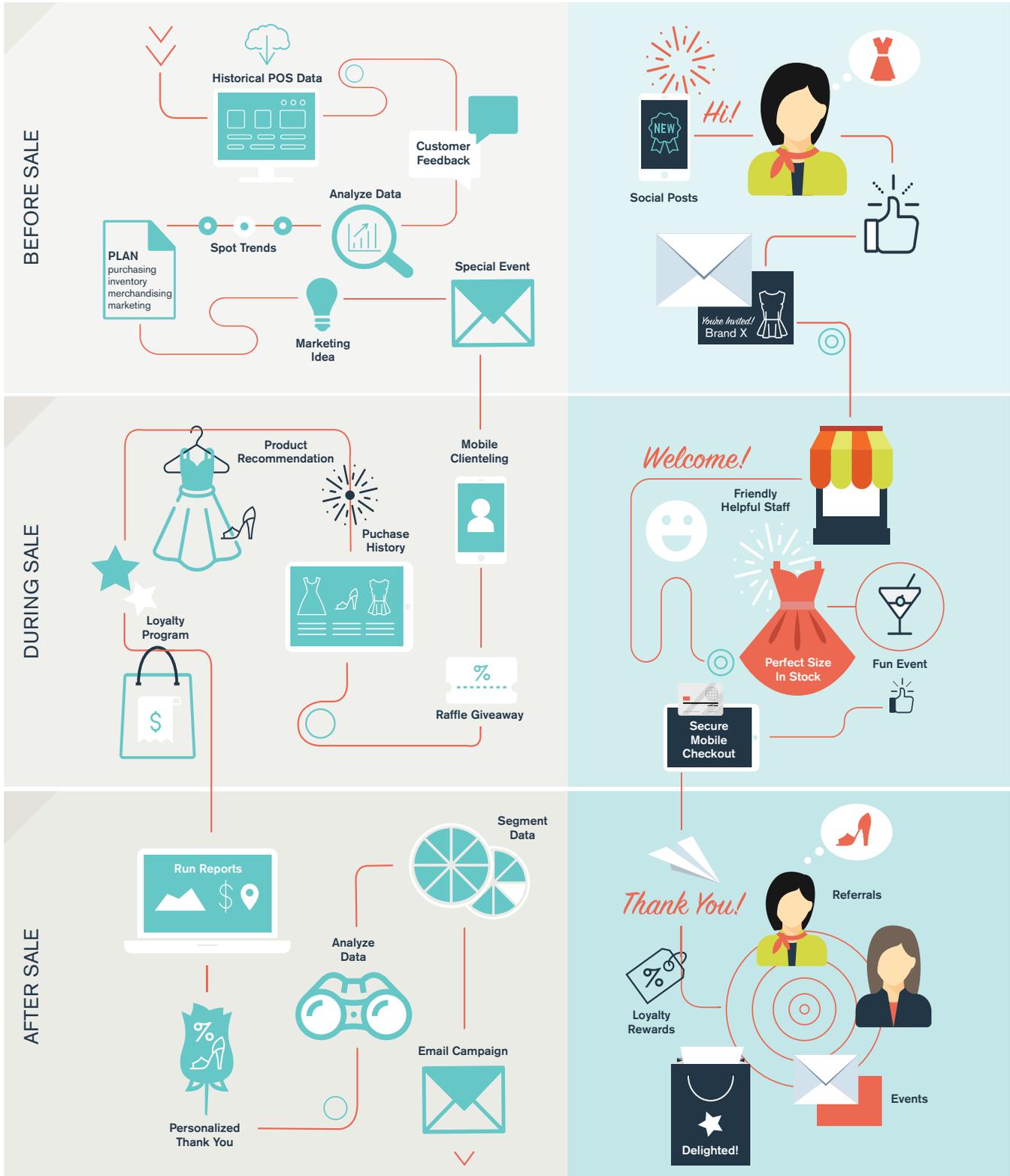
Benefits of a Robust POS CRM Strategy

Investing in your customer’s life-cycle value has a myriad of benefits. When you harness your POS data to deeply understand your customers and work to improve their experience with your brand, you build loyalty, reduce churn, and ultimately sell more! There’s no doubt that this process takes time as well as an investment in the right technology, but it is critical for brands and retailers who want to grow profitably.



Retailer Journey

Customer Journey

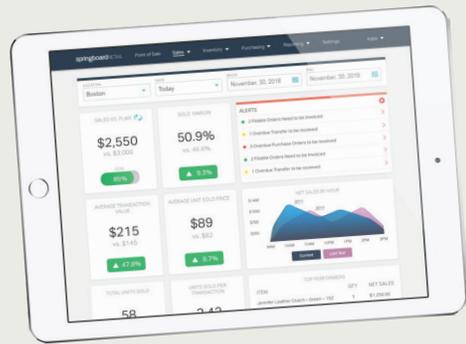




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Springboard Retail is a purpose built cloud POS and retail management system designed for retailers, by retailers. Built with multi-site, multi-channel brands and retailers' requirements in mind, the Springboard Retail platform allows them to deliver seamless service to every customer the same way, no matter where or how they choose to shop.

Brands and retailers nationwide have used Springboard Retail's mobile POS to reclaim valuable square footage and influence buying behavior at the point of decision, where it matters most. With real-time data, robust inventory management, unparalleled custom reporting and promotions engines, and a comprehensive RESTAPI, Springboard Retail is powerful, flexible, and easily connected to other systems. Our intuitive user interface and portability across platforms and devices make Springboard Retail easy-to-use, quick-to-start and revered by its end users for making their jobs easier.



Today, Springboard Retail supports over a thousand customers, including Southern Tide and Lilly Pulitzer Signature Stores, Philadelphia Museum of Art, Arezzo, The Kennedy Center, Scout & Molly's, Savannah Bee, Monkee's, Mainstream Boutique, Rainbow Sandals, and Detroit Institute of Arts.



Built for multi-channel brands and retailers, our features go beyond ringing up a sale! Give your retail business an edge; customize your POS to help you sell more, profitably.



Mobile POS means your data is accessible anytime, anywhere with our cloud-based POS software. Scale up or down quickly and easily whenever you want.



Drive sales with customer data. Provide insight to your sales team, empowering them to build relationships and provide exceptional customer service.