From Insights to Action:

Using Data to Improve Retail Customer Experience and Loyalty

Contents

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fifty-five

We help brands leverage data and technology to craft future-proof experiences

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fifty-five is a new kind of data company that helps brands leverage data to improve marketing, media, and customer experience through a combination of specialized consultancy and technology services. As the strategic data pillar of *The Brandtech Group*, we offer services that combine strategy consulting, cloud services, media consulting and customer experience. *fifty-five* is made up of over 400 digital experts. **Digital consultants, tracking and media specialists, engineers and data scientists** all work in close collaboration to provide senior-level marketing consultancy and technical support to our clients, in every type of industry, all around the world.
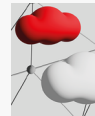
Headquartered in Paris, with deep European roots, we operate across 3 time zones from our 10 offices, located in **Paris, London, Geneva, Milan, Shanghai, Hong Kong, Shenzhen, Taipei, Singapore and New York.**

Strategy

Media consulting

Cloud services

Customer experience

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01.

Why customer experience (CX) is critical in the retail industry

1. **The data-driven customer experience (CX)** focuses on using customer data to enhance and personalize customer journeys, with an emphasis on consistency across various platforms.

2. **Post-Covid**, the retail industry faces new CX expectations, such as pristine interfaces, simplified checkouts and one-click buying.

3. **Improving CX can help maximize acquisition budgets**, as returning customers are typically more cost-effective.

4. **A data-based approach** with continuous iteration and learning is crucial for successful Conversion Rate Optimization projects.

5. **Ideas should be backed by data evaluation** to transform them into actionable testing scenarios for CX optimization.
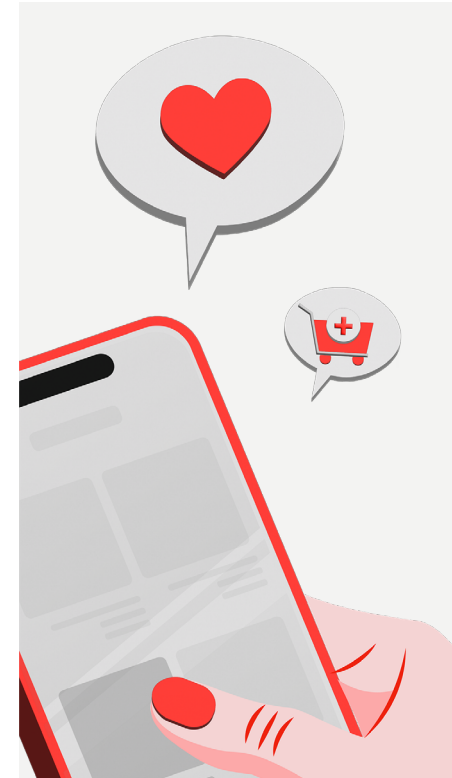
*The **data-driven customer experience (CX)** refers to the practice of leveraging customer data and insights to enhance and personalize the overall customer journey.*

It involves using touchpoint data, customer knowledge, and customer feedback to **make informed decisions and drive improvements across various assets and interactions with customers.**

In the retail industry, touchpoints are fragmented due to the constant need to take advantage of and adapt to new ways of selling.

Behaviors are not only online and offline, but are also spread across various platforms *(e.g., dot com, social, e-commerce)*, making it critical for brands to build a consistent user experience.

Post-Covid, the retail industry is also facing new CX expectations where users are far more demanding. **Simplified checkouts, one-click buy, pristine interfaces and reassurance elements are part of this new standard.**

While e-commerce's share of revenue is growing within a brand's P&L, and cost control is key for developing retail activities, it is vital to maximize the ROI. Improving CX can help avoid the need to pay the price to acquire more and more customers when returning customers are almost always more cost-effective.

CX optimization is NO guesswork

At a time when lists of the top UX best practices invade our LinkedIn feeds, we can be tempted to simply apply them and expect instant success.

> *Improving customer experience is not as easy as ticking boxes.*

Too often, marketers make assumptions without conducting prior analysis or neglect to continue improving their website or app after implementing initial optimizations.

By skipping parts of the CX optimization approach, they jeopardize the entire value-generating process.

BRAINSTORMING   TESTING   BIASED RESULTS, FEW LEARNINGS & UNCERTAIN BUSINESS IMPACT
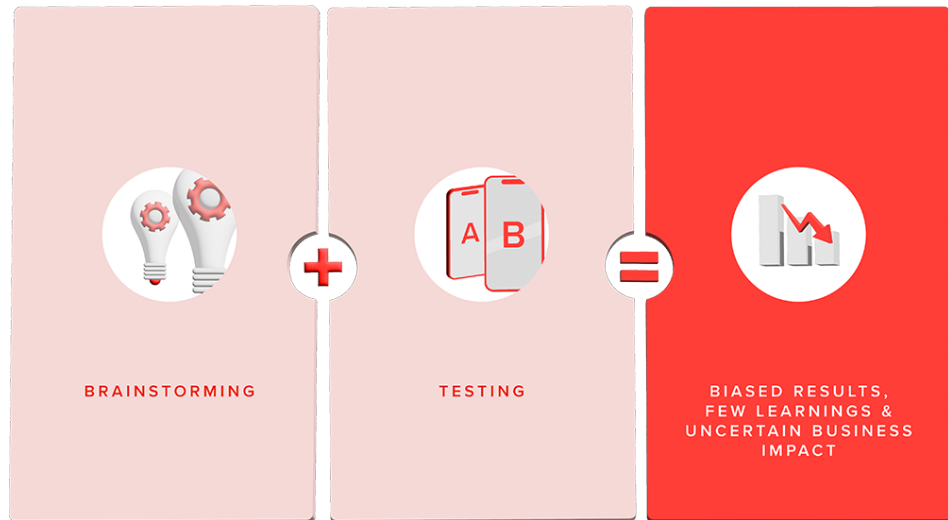
*At fifty-five, we believe that **data is key** to Conversion Rate Optimization projects.*

To improve your online experience, it is crucial to understand **what needs improvement.** This requires gaining insights into **your customer's behavior**, such as **why they exit your website or app** in the middle of their journey, or **why they continue browsing.**

Achieving this level of insight requires a **consistent data framework.** Therefore, we strongly

believe that **adopting a methodological approach based on iteration and continuous learning** is key to rationalizing costs, resources and time.

By doing so, you will not only make minor changes to your product pages or checkout process but also focus on the critical steps of the customer's journey and the most impactful updates.

Your teams have great ideas, which is excellent: maintain that dynamism! But ensure not to overlook the data evaluation part. **Only when supported by data can**

ideas transform into actionable testing scenarios.

MEASURE
Precisely to enable data-driven decision marketing

UNDERSTAND
What your prospects and clients are doing, and which areas within the user journey are critical to performance & UX optimization

OPTIMIZE & ITERATE
Continuously by leveraging short & frequent iterations of your site or app, instead of full revamps

02.

Data-driven CX Strategies for Retail Success

In order to create a successful retail customer experience (CX), it is crucial to adopt a systematic approach grounded in data.
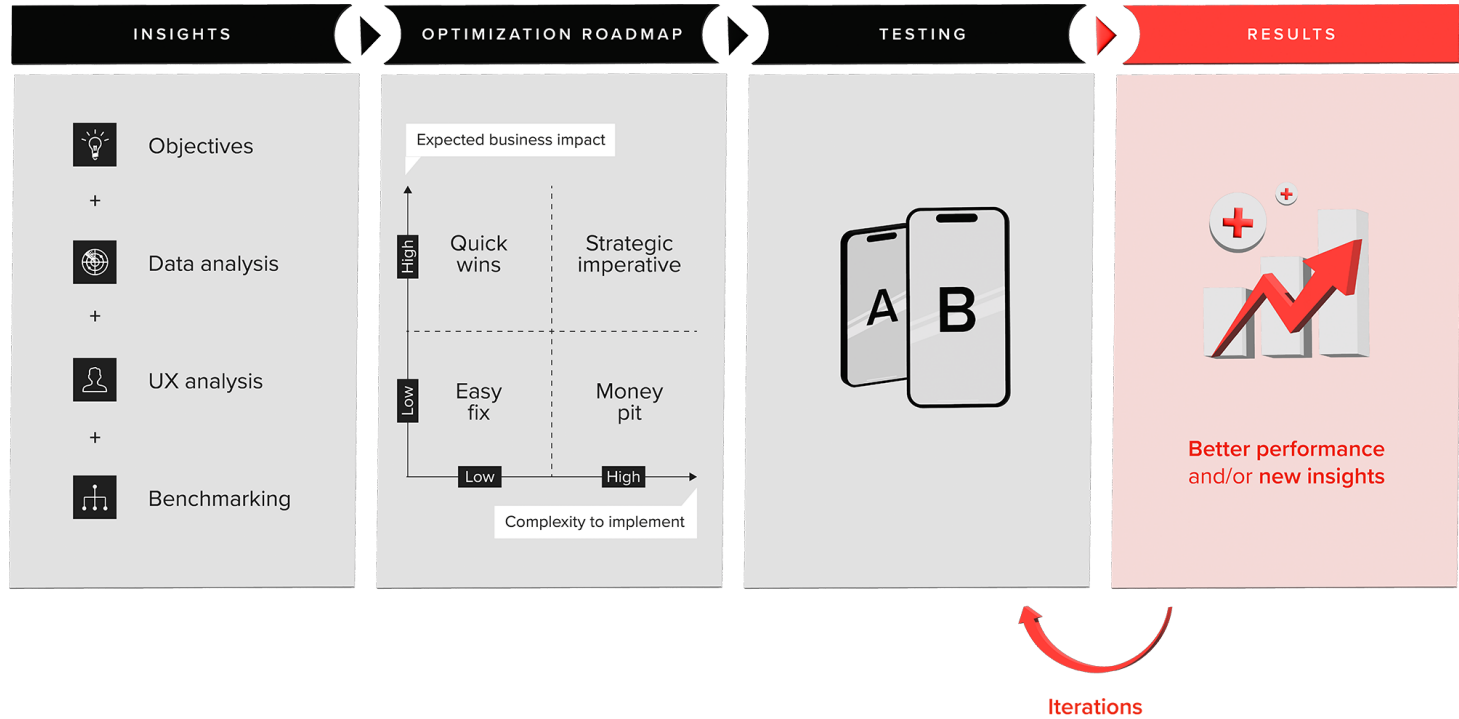
This entails utilizing data to understand your business objectives and customer behaviors and leveraging this insight to shape and improve your CX strategy.

At fifty-five, we have developed a four-step approach that can serve as a valuable guide on your path to success.

The process begins by **identifying your business objectives** and the specific areas you wish to address. Next, we conduct a thorough analysis of your app or **website, as well as a user experience (UX) analysis,** to gain a complete understanding of user behavior. Furthermore, we **benchmark** against competitors to evaluate your current market position. Drawing from the insights gathered during this initial phase, we create an **optimization roadmap,** prioritizing areas for improvement based on their potential business impact and technical complexity.

We then perform **A/B testing** to determine the most effective updates to the app or website and **iterate the process** over time to continuously optimize the customer experience.

INSIGHTS	OPTIMIZATION ROADMAP	TESTING	RESULTS

INSIGHTS

💡 Objectives

+

◎ Data analysis

+

👤 UX analysis

+

⊹ Benchmarking

OPTIMIZATION ROADMAP

Expected business impact

High — Quick wins | Strategic imperative

Low — Easy fix | Money pit

Low | High

Complexity to implement

TESTING

A B

RESULTS

➕

Better performance and/or **new insights**

Iterations

03.

How to get there? Actionable steps for retail marketers

Now that you have a comprehensive understanding of data-driven CX strategies for retail success, it's time to put that knowledge into action. Here are the eight steps to follow to start your CX improvement journey:

1 **Assess Data Capabilities:** Collaborate with data experts to evaluate your organization's data foundation and analytical abilities.

2 **Onboard all of your stakeholders and upskill your team:** Share common objectives across your team and build their skills for the long term.

3 **Identify Improvement Areas:** Focus on business objectives and select a few KPIs to track progress.

4 **Analyze Customer Journeys:** Use data to pinpoint pain points and opportunities, and apply existing tools to address them.

5 **Utilize External Insights:** Enrich your analysis by incorporating the best available market information.

6 **Define Hypotheses:** Adapt solutions from existing best practices instead of creating them from scratch.

7 **Prioritize Quick Wins:** Focus on achieving immediate results to build momentum and efficiency.

8 **Test, Measure, and Iterate:** Continuously refine your approach through experimentation, measurement, and adaptation to optimize outcomes.

Case studies

To further illustrate the effectiveness of the data-driven approach, here are two case studies that showcase its real-world application and success.

LUXURY   Major luxury brand

fifty-five supported a **major luxury brand** in the redesign of their Korean website through an on-site customer journey analysis

Challenges

A major luxury fashion approached fifty-five with the challenge of redesigning its global websites to elevate its brand legitimacy and improve the customer experience. They sought to better understand their e-commerce prospects, connect their online presence with their offline boutiques, and magnify their product collection and online features. The goal was to provide a seamless and immersive experience across all channels and touchpoints, leading to increased customer engagement, loyalty, and sales.

Approach

To help the luxury fashion house achieve its goals, fifty-five focused on analyzing data from Google Analytics and Contentsquare. fifty-five utilized segmentation when needed to provide comprehensive recommendations.

The analysis included:

- consumer path analysis
- page performance analysis
- checkout funnel analysis
- UX best practices benchmarking

By diving deep into the data, fifty-five was able to identify areas for improvement and provide tailored recommendations as well as hypotheses for testing to enhance the customer experience and improve conversion rate.

RESULTS

fifty-five was able to:

1. Identify the main customer paths and pain points for the luxury website.
2. 15 UX and CRO recommendations that were applicable to both desktop and mobile devices.

LUXURY

SHI/EIDO

fifty-five helped **Shiseido** implement Lifetime Value Prediction (pLTV) prediction for on-site personalization and activation across digital channels

Challenges

As part of their digital transformation, Shiseido was looking to accelerate their e-Commerce performance by:

- Maximizing the value from first-party data to understand user behavior on the site
- Segmenting Shiseido's customers according to their potential value (e.g. sales) and efficient use of marketing spend

Leveraging machine learning capability to predict lifetime value and automate the process for ongoing optimization

Approach

COLLECT & ANALYZE

Step 1. Analysis

Discover the behavioural pattern of users with different engagement levels with the website.

Step 2. Model Creation

Based on the insights, the pLTV machine learning model was then created in BigQuery for predicting the lifetime value of users based on their e-commerce interactions.

ACTIVATE

Step 1. Analysis

The results were then ingested (low pLTV & high pLTV segments) into Google Analytics (GA) for media and website optimization activation.

Examples for high pLTV users: display a call-to-action to encourage add-to-cart, personalize the product ranking based on user preference, personalize the banner message, etc.

Step 2. Automation

Given the outstanding achievement on activation, an automation pipeline was then built to send results back to GA on a daily basis for ongoing optimization.

Google and fifty-five is pivotal as our partner to accelerate Shiseido e-Commerce performance. We are proud to be the first in the beauty industry to leverage machine learning to optimize customer experience.

Paul Yuen, Marketing Director, _Shiseido_ Hong Kong

RESULTS

Accurately segmented low & high life time value groupings, with conversion rate optimization activation use cases identified.

x1,27
Conversion rate

-24,8%
Cost per conversion

x2,2
ROAS

x2,7
Revenue per user

BENEFITS

Shiseido continued the collaboration with 55 as a long-term data partner to achieve significant e-Commerce performance using Google Optimize 360..

+12,6%
Add to cart rate

+11,4%
Add to cart rate

+12,6%
Add to cart rate

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