

XC Commerce™

How Agile Is Your Promotional Strategy?

Customer Behavior Shifts
Require Flexibility, Personalization

retail
TouchPoints®



Retailers already struggling with [promotional strategy challenges](#) faced dire straits when COVID-19 suddenly disrupted the marketplace and shifted customers' shopping behaviors. The pandemic heightened long-standing obstacles, and brands struggling to revamp legacy backend technologies were often slow to react as new sales channels sprouted, mobile commerce cemented its place in the ecosystem and the influence of social networks grew in importance.

When customers switched gears to cope with the pandemic, traffic swiftly moved from in-store to online. Digital channels, kiosks and other contactless options gathered new steam. Pivoting to effectively engage customers across this expanding array of touch points was often overwhelming, and retailers recognized that the multiplication of sales channels meant they needed to be [more holistic in their approach to promotions](#). Flexibility and scalability became table stakes.

But marketers quickly discovered their ability to adapt was hindered by outdated promotion architectures, [disparate promotion solutions](#) across sales channels, and an inability to [deploy complex, targeted promotions](#) that would best resonate with shoppers. Overcoming these obstacles calls for a new strategy, one that's built on next-generation capabilities and a more flexible, scalable architecture.



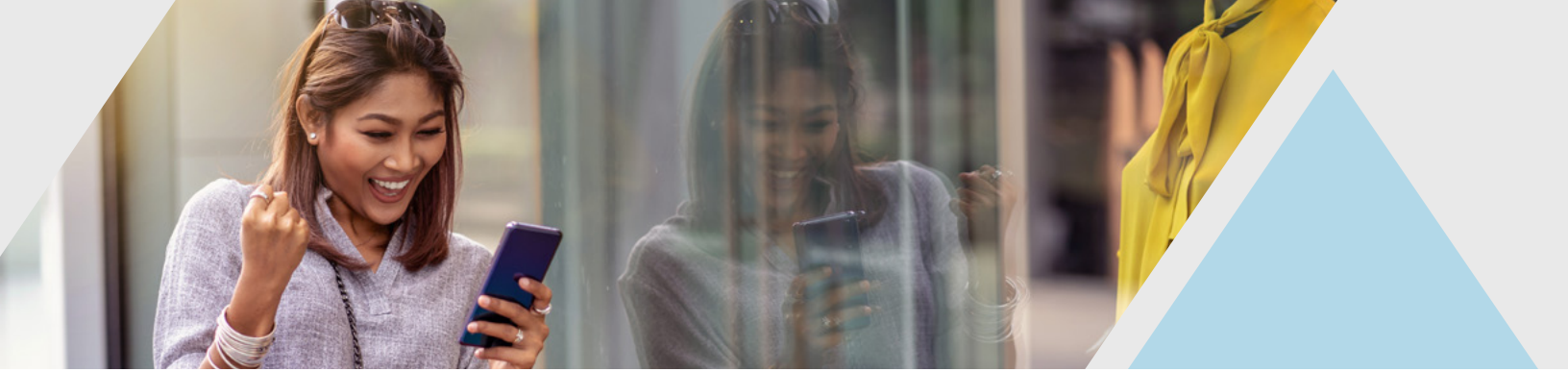
Create Unified Promotions Across Multiple Channels

At the same time retailers are implementing digital transformation strategies, health concerns are moving shoppers away from personal contact in-store and toward convenient purchasing options. That's why [delivering promotions as part of a true omnichannel experience](#) becomes paramount in a highly competitive marketplace.

45% of smartphone users reported mobile technology helped them shop during the pandemic.

Source: McKinsey, *Perspectives on retail and consumer goods*, August 2020

Though customers increasingly browse and buy across multiple channels, they continue to see each touch point as part of a single retail entity. Whether it's on the web, at a kiosk or through a mobile device, [shoppers want to know which promotions are accessible to them](#). Though customers may move from one channel to another, a strong promotional platform can drive the awareness of value in the available offers, and give customers the ability to take advantage of promotions if they choose to do so.



As a retailer, you may want to ensure a promotional campaign persists across all channels; you might also choose to limit certain offers to one or a handful of specific channels. In-store shoppers could see unique discount offers for products they've scanned with an app on their mobile device. Online customers might receive incentives for buy online, pick up in-store (BOPIS) orders to help bring them back to the local store. Previously, this level of promotional flexibility has been difficult to achieve, but [sophisticated platforms can allow for omnichannel, multi-channel and single-channel promotions](#) within a single, fully automated solution.

80% of shoppers are actively looking harder for deals.

Source: *Retail TouchPoints*, "Pandemic-Driven Promotions: 80% of Shoppers are Looking Harder for Deals"

Visibility into active promotions also helps in-store associates and online representatives interact with customers and make them aware of potential offers. The right solution supports fully automated promotion applications regardless of channel. It also gives your teams the information they need to deliver a [strong customer experience](#). Whether shoppers are in a store, on a mobile channel, at a kiosk or online, they can be alerted to potential promotions and upsell and cross-sell elements, such as promotions they could receive if they spend more or purchase additional items. This provides an extra opportunity to build customer satisfaction, target high-margin products, and help drive increased basket sizes and revenue.



Use Complex Campaigns To Drive Sales And Satisfaction

Promotional strategies are far more complex than “% off” or buy-one get-one (BOGO). Retailers need solutions that are flexible and adaptable to handle emerging trends, meet shoppers’ growing expectations and [manage complex promotions without limitations](#). Gone are the days when retailers could rely on a few pre-coded promotion types. Instead, the shift toward more personalized shopping journeys has driven a need for a more responsive and tailored promotional strategy.

In an environment where customer behaviors can change from moment to moment, it’s critical to [build a promotional solution that fits your current and future needs](#). The right promotional solution allows you to define the rules, including the criteria, the rewards, the conflict resolution to be applied and the channels targeted. That may mean presenting different discount offers tailored by customer segments, such as varying percentages off for one group and a BOGO for another.

And as more retailers compete on the convenience of ship-to-store and other omnichannel services, the ability to promote on those features can also help you drive sales and lure shoppers back into your physical locations. With a rules-based promotional management platform, you’re free to simply add rules and components together to create a promotion, rather than limit the options to a pre-built list of promotion types. A sophisticated solution gives you the flexibility to [promote on what matters to your business](#)—today and into the future—so you can pivot quickly as market conditions and consumer behaviors change.



Retailers are also finding new opportunities to elevate their promotions. Trends around hand sanitizers and personal care products, for example, impact grocery retailers. A clothing store may want to feature items made with sustainably manufactured materials more prominently. An innovative promotional management platform should [build promotions using any net-new key attributes](#)—even those the sales application doesn't have available—and all without costly and time-consuming programming.

Enrollment in grocery digital coupon programs has grown **93% since the pandemic's early days.**

Source: Inmar Intelligence, "Grocery Digital Coupon Programs and Saving Opportunities Become More Important Than Ever Amid Coronavirus Pandemic and Looming Recession," May 6, 2020

But as promotions become more complex, the need to execute intricate calculations may dissuade some retailers from pursuing them. Few promotional platforms are able to support the latest promotional strategies, such as quickly determining how a complex offer applies or which deal is best for your customer. Because shoppers won't accept long wait times, [next-generation promotional management software](#) has evolved to deliver immediate results, even resolving conflicts between complex overlapping offers. Faster turnaround is necessary to maintain customer satisfaction even as your promotions become more personalized and complex.



Deliver Promotional Messages At The Perfect Time, No Matter The Channel

At each stage along the shopping journey, retailers need a way to deliver promotions that resonate with customers and enhance satisfaction while also driving sales. Reaching that goal requires a focus on upsell/cross-sell options and the ability to display promotional data at the most opportune times. Consider:

- ✓ **Is the customer looking at an item that's part of a promotion?**
- ✓ **Is a product included in a package or combination deal, or a department-wide sale?**
- ✓ **Are multiple offers available that include the item?**
- ✓ **Are additional savings available to customers if they increase their basket size?**

A fully automated promotional management solution should make shoppers aware of potential offers tied to increased basket size or additional product purchases. Innovative platforms also should provide the ability to set messaging thresholds that best fit your business goals, giving you control over how—and how often—shoppers receive promotional alerts. By delivering upsell and cross-sell messages at the right time, retailers can enhance order values and also delight customers with cost savings and complementary items.



Unfortunately, for many retailers struggling to match the speed of shoppers, it can take hours or days to get a promotion into production across multiple sales channels. Retailers need a promotion solution to [enable deployment of promotions in just a few minutes](#) so they can keep pace with customers' evolving expectations.

It's now possible to resolve campaign conflicts or overlaps in real time, something that has often frustrated retailers because existing platforms are notoriously time-consuming and costly, requiring manual interventions and resulting in accidental margin loss due to missed overlaps in promotion setups.

36% of shoppers say sales and specials influence choice of in-store retailer.

Source: *Retail TouchPoints*, "Pandemic-Driven Promotions: 80% of Shoppers are Looking Harder for Deals"

Leading solutions need to be nimble and less entangled by administrative overhead. Was a promotion inadvertently defined as 50% off rather than 5%? You need to fix it in seconds. Is a competitor's campaign bringing attention to a new item or package deal? The right promotion management platform is agile, allowing you to [instantly adjust your strategy and take advantage of customer trends and preferences](#), which in turn will help you to pick up more sales and satisfy shoppers' desires.



Future-Proof Your Promotional Operations With A Technology-Agnostic Solution

Retailers' reliance on enterprise resource planning (ERP) systems, customer relationship management (CRM) platforms and other core technologies sometimes forces them to squeeze their promotional marketing strategy—and its list of specific promotional support requirements—into an existing solution. But as solutions and technologies advance, [you don't want these traditional constraints to prevent your business from moving ahead](#). The menu in your ERP system shouldn't form the outer limit of your promotional capabilities.

Next-generation promotional solutions need to be technology-agnostic, able to integrate cleanly with any type of infrastructure and complementary platforms. By decoupling the promotion engine from a retailer's multiple sales applications and instead integrating them side by side, you can continue to expand, tweak and enhance your promotional strategy to meet tomorrow's business needs.



This includes the ability to [automatically scale your promotions processing](#), since mega-events such as [Black Friday and Cyber Monday](#) have grown exponentially with the maturation of digital commerce. You need a system that can support these dynamic loads, enabling your promotions to run using either on-premises assets or a cloud-based solution—or even both—to maximize bandwidth and reduce latency.

59% of retail executives said modernizing their organization's IT infrastructure is a top business objective.

Source: BDO, *2020 Retail Digital Transformation Survey*

With the right promotional solution and technology platform, you're safeguarded from infrastructure requirements and no longer beholden to run on a specific OS or database. Technology is constantly evolving, requiring changes to your organization's skill sets, infrastructure and technologies. Retailers can move with those changes and know their [promotional solution remains ready to support their business goals](#). The ultimate goal is creating flexible and agile solutions that can scale to your dynamic needs and never be considered "legacy."



The right promotional management solution can help [drive revenue growth across all current and future sales channels](#). The wrong solution will limit and confine retailers, resulting in restricted marketing strategies and lost opportunities in an increasingly competitive retail market. With an innovative platform, you can finally increase basket size, lift revenue, encourage product demand, use your promotional solution in the way that best supports your business goals, and take advantage of powerful automation technology that will help you scale the solution into the future.



Take a deeper dive into delivering successful promotions across channels.

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XCommerce™

XCommerce delivers retailers an automated solution to manage, execute and analyze complex promotional offerings, across all sales channels. Our mission has always been to help businesses compete in the extremely competitive and fast-paced retail environment, by providing them with a platform to easily manage their own promotional programs to drive customer loyalty and increase sales. XCommerce has earned an enviable reputation across the retail industry, by developing and deploying innovative, state-of-the-art promotion management solutions. We pride ourselves on our history, delivering projects on time and on budget, whilst creating long term partnerships that deliver sustainable ROI for our clients. We are trusted to provide focused solutions and dedicated expertise to the retail industry, ranging from the largest tier 1 retailers through to organizations who are growing their brands. Visit our website at www.xcommerce.com.

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